



AM> AMERICAN MARKETING ASSOCIATION

San Diego

# 2018 State of Marketing Report

The San Diego Perspective

Produced by:

**Q2 Insights**  
RESEARCH. INNOVATION. STRATEGIC FOCUS.

**FreshForm.**  
Design and Innovation Agency

On behalf of the San Diego Chapter of the American Marketing Association, Q2 Insights and FreshForm teamed up to produce a multi-year Qualitative Research study on the State of Marketing in the U.S. from the San Diego perspective. Q2 Insights plans the study, develops interviewer guides, schedules, conducts, analyzes, writes, and reports on the thirty-minute interviews with marketing executives each year. FreshForm developed the initial concept for the study, and provides strategic direction and counsel, industry category selection, recruiting and interview support, creative and art direction, photography, visual design and production services.

In 2018 a total of 40 high-profile corporate marketing and non-profit executives from a broad spectrum of 35 small, medium, and large Business to Consumer (B2C) and Business to Business (B2B) organizations participated in the State of Marketing Study. A total of 38 interviews were conducted in 2017. In 2018 a small number of the interviews were conducted with marketing agencies. All participants are from organizations with headquarters or a large presence in the San Diego region.

The report is designed to describe inspiring marketing practices, trends in marketing, and the state of marketing today.

2017 was a foundational year for the AMA San Diego State of Marketing Study. The intention last year was to truly understand the state of marketing in San Diego. The report we developed was a broad stroke summary of what is happening in marketing. In 2018 we have had the latitude to do a deep dive on topics that are hot and really matter to marketing executives. We are providing much more detail in our reporting in the hope that the learnings will be of use to marketers throughout San Diego county and beyond.

Our reporting approach is a little different this year as well. We are publishing a detailed report as well as a series of white papers throughout the year. The white papers will provide a deep dive into the strategies and tactics employed by the marketing luminaries interviewed.

To herald what you can expect from the reporting this year, things have changed. Marketing executives are more optimistic relative to 2017. Marketing is moving in-house, marketing budgets are increasing, and marketing executives are clearly an integral part of every business. Excitement and possibility around marketing capabilities in 2018 is contagious. AI, marketing automation, and personalization at scale are just a few examples. Such is the power wielded by marketing executives these days that many are using the term “creepy marketing” to describe some of their capabilities. It is not creepy, but it is a little mind boggling.

We would like to thank the dozens of marketing executives who participated in our study this year and in 2017. It has been a pleasure and a privilege to interview you. AMA San Diego, Q2 Insights, FreshForm, and the San Diego marketing community thank you for sharing your expertise and wisdom.

—**KIRSTY NUNEZ**, Q2 INSIGHTS AND **SCOTT ROBINSON**, FRESHFORM

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## State of Marketing

## Marketing Redefined

During the course of the interviews in 2018, some mused about the very nature of marketing. One point of view is that marketing and selling are essentially the ability to change human behavior.

Marketing has evolved over the years. Previously product development, marketing communications, and digital were separate departments. Today the various disciplines come together to craft “where we will play and how we will win.” It involves product, brochures, and webpages, but it is anchored in clear strategies for unique markets where changing behavior is necessary.

## In-House versus Outsourced Marketing

In both 2017 and 2018, the majority of marketing executives report relying primarily on in-house marketing resources as opposed to outsourced. Many organizations have created their own in-house agencies to facilitate their marketing campaigns, improve branding efforts, and provide specialized services. While the size of the organization, the structure of the marketing department, and the industry in which the organization operates have some influence over whether marketing is in-house or outsourced, the majority of marketing resources are in-house. Some brands partner with freelancers, designers, or consultants on an as-needed basis to help with digital marketing, creative efforts, and specialized research. Partnering tends to be on an as-needed basis when hiring full-time is not efficient for the organization.

The key reasons for bringing services in-house include:

- More control over in-house personnel activities
- Greater trust of in-house personnel
- Quality control
- Better and more efficient performance
- Cost savings coupled with budget constraints

## Marketing Operations

### Budgets

In both 2017 and 2018 marketing executives were asked whether their marketing budgets would increase, decrease, or stay the same. In 2017 the marketing executives were hopeful their budgets would increase. In 2018 the majority of marketing executives were more definitive that budgets would increase in the next fiscal year. Some expect their budgets to stay the same and a couple expect their budgets to decrease. Those who do not know if their budget will change or stay the same indicate that what happens to the budget is dependent upon earnings.

### Media Mix Allocation

Marketing leaders were asked about their use of owned, earned, paid, and shared media which are defined as follows:

- Owned Media includes assets, content, and media that the brand has created and controls like a blog, newsletter, or website
- Earned Media is the result of public and media relations to get coverage in online and offline publications
- Paid Media refers to external marketing efforts that involve a paid placement online or offline
- Shared Media refers to the brand and users interacting to generate content and social media

Marketing executives were asked to consider both labor and expenditure. As was the case in 2017, owned, earned, paid, and shared media are all being used in some capacity in 2018. In 2017 most marketers spent their marketing dollars on paid media; however, in 2018 there is more emphasis on one or two media types such as earned and owned or, earned and paid. In 2018 marketing executives expressed an interest in increasing spend on shared media.



**“The pain of staying the same has to be greater than the pain of change.”**

**MICHAEL FARRINGTON, NUVASIVE**

## Marketing Executive Concerns

Constant change in marketing is a struggle for almost all senior marketers interviewed in 2018. Across the board, most report feeling stressed by having to keep up with the ever-evolving world of digital marketing, marketing strategies and tactics, and data management.

Marketing is significantly more complex than it was in the past. Marketing leaders not only have to address all the traditional channels, but they must also address digital channels. Digital channels are changing faster than ever. Many large marketing departments need to have someone who is simply keeping up with all the changes (e.g. Facebook changing their algorithm). Marketing is a lot more fragmented and requires a lot of discipline and expertise. Organizations with small marketing staffs find it tough to keep up.

Many find it difficult to use their data to maximize effectiveness. Other issues of concern to marketing executives include staff resources, growing the brand, marketing attribution, meeting revenue targets, financial exposure, having multiple areas of focus, customer insights, and job performance.

## Role of the CMO

Almost universally marketing executives stated that their role within their organization is increasing and expanding in importance. As discovered in 2017, marketers continue to have a seat at the executive table in their organizations. Other departments also lean heavily on marketing to learn about customers, understand their needs, and understand how to communicate with them. Marketing represents the voice of the customer. For many organizations there is also increased competition and addressing these threats falls firmly in the hands of marketers.

Many noted that their organizations are growing, and marketing is responsible for developing new audiences for products and services, growth of the target audience/s, and for business performance to a much greater degree than ever before. Marketing plays a very important role in the customer experience whether this is through the lens of the customer journey or the customer lifecycle.

The role of the marketer is gaining importance due to the increasing complexity of the marketing discipline. Considerable expertise is required to manage the marketing function as well as an understanding of the new strategies and tactics to get products and services positioned and in front of target customers across multiple platforms. The marketing function also has the ability to measure results, show return on investment (ROI), and perform predictive analytics. As was discovered in 2017, marketing is also instrumental in product development.



## Trends in Marketing

# Marketing Technology

Discussion around marketing technology centered on artificial intelligence, big data, chatbots, marketing automation, and virtual reality.

## Artificial Intelligence

Artificial intelligence (AI), is a term used to describe technologies that simulate human intelligence. AI is based on a three-factor cycle: perception, reasoning, and action. Marketers leverage AI to obtain insights about customers, automate tasks, and improve workflows. Specific ways in which marketers use AI<sup>[1]</sup> include:

- AI-enhanced pay-per-click (PPC) advertising
- AI-powered:
  - chatbots
  - virtual assistants
  - content creation
  - customer insights
- Data management
- Automated image recognition
- Churn prediction
- Email content curation
- Highly personalized website experience, messaging, and subject lines
- Highly personalized purchase reminders based on past shopping behaviors

While AI is on the radar of many senior marketers in San Diego, few are adopting AI. Many see value in AI and many intend to implement some form of AI technology in the future to streamline marketing efforts. Some heavily regulated industries believe it will be hard to integrate AI into their business model. Some marketers in other industries do not see a need for AI.

## Big Data

Big data is a popular term used in marketing and business circles that refers to any data set with at least one of the following characteristics:

- Volume: large amounts of data
- Variety: numerous types of data
- Velocity: fast data processing speed

Big data describes data sets that are so large new forms of processing are required to reveal patterns and trends that enable enhanced decision making, insight discovery and process optimization.

Big data is used among San Diego marketers; however, the conversation is now much less focused on big data in isolation and much more about how big data is being applied to marketing strategies and utilized in AI applications.

## Chat Bots

A chatbot is computer technology used to carry out online conversations with consumers. Broadly, there are two types of chatbots.

1. Sequential Chatbots follow scripts or conversation flows defined by the creator. With sequential chatbots, no artificial intelligence is used.
2. Intelligent Chatbots allow users to ask questions, any questions. Intelligent chatbots use artificial intelligence and natural language processing algorithms to understand and interpret text.

Chatbots encourage online customer engagement and significantly reduce customer wait times. From a marketing perspective, most applications are geared towards online purchases on the organization's website or a third-party vendor's website. Chatbots or automated live chat features are increasingly on the minds of marketers to provide personalized customer service at scale. However, actual implementation has only been accomplished by only a few in San Diego. Some are struggling with the success and utility of their chatbots.

## Marketing Automation

In 2018, some organizations are leaning on various technologies and software platforms to automate repetitive tasks, and to ensure timeliness and thoroughness.

Marketing automation has proved to be an effective tool for:

- Customer Relationship Management (CRM)
- Event Marketing
- Segmentation and Engagement
- Sales

## Virtual Reality

Use of virtual reality in marketing is a fun and creative way for brands to engage existing and potential customers. In 2018 implementation and use of virtual reality is more common in the academic sector where internal resources and technologies are leveraged. For many, virtual reality is on their radar, but is a long-term goal in terms of implementation. A few are looking into ways to use virtual reality.

[1] <https://contentmarketinginstitute.com/2017/08/marketers-use-artificial-intelligence/>

## Creepy Marketing

Without prompting, but somewhat tongue in cheek, several marketing executives used the term “creepy marketing” to describe activities that ranged from Facebook serving an advertisement for something related to a recent Google search to tying digital and offline marketing data back to individual consumers. Creepy marketing is associated with how omnichannel customer data is consolidated and used for personalization and other marketing activities. While some might call these activities creepy, most marketers would call the activities very important tools of the trade.

Data Management Platform (DMPs) providers such as LiveRamp, an Acxiom company, offer data onboarding from sources including browsing history, digital and offline purchase behaviors, demographics, psychographics, financial history, etc. Use of this data allows the marketer to:

- Target individuals across platforms
- Connect omnichannel consumer journeys at the level of the individual, measure results and optimize targeting
- Treat customers as individuals, customizing messaging to them across channels (personalization)

While not being used by any of the companies included in the State of Marketing Study, the combination of Voice Technology and Automated Content Recognition (ACR) is a very exciting trend while also being a little scary. Voice Technology providers build on retargeting by collecting big data using the microphone feature on smartphones.

Responsible for increasingly more and meaningful customer engagement, marketers also now have the responsibility of protecting and keeping individuals’ data private, as well as using data “correctly” and not in a “creepy” manner.

Most of the targeting of personalized advertisements and other content is de-identified (targeted to a cookie not an actual known person). Companies like LiveRamp take first party data, de-identify it to a numerical ID and then provide additional information about the habits and behaviors of the “numerical ID” that can be used for advertisement targeting. It was noted by one marketing executive that research suggests consumers prefer relevant, targeted advertisements over non targeted advertisements.



**“Being able to pull all this information together to deliver a more targeted ad experience I believe is a good thing for both brands and consumers.”**

**KELLI BERKOWITZ, PETCO**

## Person-Centered Marketing

There was a lot of emphasis in 2018 on topics that have been collectively classified as “person-centered marketing.” All of the topics include some aspect of focus on marketing to individuals, and they include personalization, design thinking, customer journey mapping, influencers, advocacy, and using emotion.

### Personalization

Personalization allows organizations to connect and become more relevant to their customers by meeting their needs more effectively and efficiently, making marketing interactions faster and easier. Consumers are constantly bombarded with advertisements on a daily basis. Personalization allows companies to differentiate themselves and provide customers with content they want to receive.

Among marketing executives, there is a wide range of approaches to personalization from personalizing emails with customer name in both B2B and B2C environments through to personalization at scale. Some companies report not using personalization at all and some report that personalization is time consuming and not cost effective (possibly because it is being done manually). Some companies personalize emails with customer specific promotions. From customizing an email with the customer’s name to offering personal add-ons to engaging the customer in an individual buying roadmap, personalization is being implemented to make the customer feel valued.

Micro-targeting was a hot trend in marketing in 2017 but this year the conversation has shifted to personalization at scale. Using artificial intelligence and machine learning, some are amalgamating omnichannel digital and offline data together to allow them to provide every individual with a unique digital experience. For example, in the brief time it takes for a webpage to load, data about you, your preferences, and your shopping history is leveraged. Based on this data, each website visitor is delivered a customized experience.

The boundaries of personalization are being pushed by interacting with customers one on one. Instead of sticking to basic demographics, some utilize customer buying history to predict and offer consumers products that follow their purchasing trend.

### Design Thinking

From the top down within the American Marketing Association (AMA) and in other marketing circles, Design Thinking is making its way into marketing. The CEO of the AMA, Russ Klein, is a long-time advocate of Design Thinking having employed the methodology many years ago during his Burger King days (2003) when he worked with Bain to create Design Targeting.

Design Thinking is a process for creative problem solving. It utilizes elements from the designer’s toolkit like empathy and experimentation to arrive at improved solutions. Marketers using design thinking make decisions based on what future customers really want instead of relying only on historical data or making risky bets based on instinct instead of evidence. A hallmark of Design Thinking is empathy for those for whom one is designing. What is being designed can be for just about anything imaginable. Design Thinking was initially developed as an approach to be used by those in a professional design practice, but it is now used for creative problem solving and design in business and social contexts.

Many marketers interviewed were unfamiliar with Design Thinking and a number asked for a definition during our interviews. Some are vaguely aware of Design Thinking and report that the process has not yet been adopted within their organization or it is not a priority. Some organizations report that they are using Design Thinking, but descriptions of their activities suggest a lack of detailed understanding. Among the few that have adopted Design Thinking, the process has streamlined efforts within their organizations allowing for more meaningful and successful work products.

### Customer Journey Mapping

Customer journey maps identify all touchpoints with customers. They are a visual representation of each experience or engagement a customer has with a brand both online and offline. Brands use customer journey maps to identify ways in which the brand experience can be improved at each touchpoint. Campaigns are developed to positively impact specific parts of the customer journey, particularly those touchpoints that are pivotal in the sales process or problematic. Customer journey mapping is also used in Design Thinking.

Customer Journey mapping is being used in some unique ways in San Diego. It is used to evaluate marketing programs and to achieve more effective multi-channel marketing. By managing the interactions and timing for each touchpoint and looking at lifts that occur because of a specific touchpoint, decisions are made about how to engage and communicate with visitors.

## Influencers

Influencer marketing is achieved by focusing on influential people rather than the target market as a whole. Under the broad category of advocacy, influencers are everyday people who promote specific products or services on social media, in blog posts, through other publishers, at events, and so on to engaged audiences. There are both micro-influencers and macro-influencers.

Micro-influencers are typical consumers who are active on social media but do not necessarily have a large following (less than 10,000 followers). They have a direct, personal connection with their audience and are able to advocate for a brand in meaningful ways. Typically, they are not paid to promote a product or service, they just love the product or service and post about it. Macro-influencers have large followings (10,000 or more followers), and they are paid to post content about products and services.

Influencers are used by several organizations to obtain better audience reach on social platforms. Some select influencers who understand the brand point of view, purpose, and content, and are willing to endorse it.

**“We look to influencers to get the word out about our programs and the value of the education we provide to our students.”**

ERICA NOGUEIRA, ALLIANT INTERNATIONAL UNIVERSITY

## Advocacy Marketing

Advocacy marketing relates to harnessing the voices and experiences of influencers, customers, and employees to promote the organization, products, or services. Advocates are particularly useful in B2B marketing, but they are also used by B2C organizations.

Customer advocates help promote brands and close sales using a variety of activities such as:

- Case studies
- Conference attendance and speaking engagements
- Content development
- Talking to the media
- Testimonials

Employees are used by some brands to augment the buying process. For a brand to be successful, employees must believe in the brand to convince customers to buy. Employees must understand why the brand matters.

Organizations with long sales cycles can help close sales by using a combination of event and advocate marketing. Advocates are paired with prospects with the same needs at educational, networking, and entertainment-based events. The advocates provide social proof, and this facilitates closing the sale.

**“The biggest trend is making your employees the biggest brand advocates ever, in addition to knowing your customer buying process. It is more and more how do we amplify the people in the organization to be the biggest shouter of our brand because if we don’t believe in the brand ourselves then the customers won’t believe it.”**

MICHAEL FARRINGTON, NUVASIVE

## Using Emotion

It is well understood that feelings toward products and services have a strong influence over evaluation and preference. Feelings tend to bias thoughts and thus most consumers believe that they are making judgments based on rational thinking rather than emotion. Against this background, it is not surprising that many marketing executives mentioned leveraging emotions in their marketing activities. Winning the hearts (and minds) of consumers is a strong trend.

There is a trend towards humanizing brands but giving the brand a face, a name, and emotional impact. Content that focuses on lifestyle rather than the brand’s products or services is a powerful way to link to consumers on an emotional level. Using appropriate emotions in campaigns can be pivotal in ensuring campaign success. Purpose driven marketing is another way to connect with consumers on an emotional level.

## Content Marketing

Content marketing is focused on creating, publishing, and distributing digital content. A solid content marketing strategy appears to be a tablestake for most brands. Unlike 2017, in 2018 content does not seem to be a “hot marketing topic” but rather a “must do.” Content marketing is critical for SEO and search rankings, branding, differentiation, demonstrating expertise, and establishing authenticity.

Content marketing is both the most exciting thing happening in marketing today as well as the scariest. It is exciting because in our fast-paced digital environment there is a need for a lot of content. It is scary because it is necessary to create content at a really fast pace and maintaining quality is sometimes difficult.

While it is generally thought that user generated content is more readily accepted than company generated because the latter tends to be associated with sales, much of the discussion in 2018 centered on company generated content. It is unclear if this finding represents a new trend.

### Storytelling

Storytelling is a hot trend in marketing. Conveniently, many marketers are storytellers at heart, so storytelling resonates well with marketers. It also seems to work well because storytelling convention is part of the human experience. Digital storytelling is a real transformation in the way in which marketers are called upon to engage. Different technologies and channels enable marketers to “do things differently and in an exciting way.”

Storytelling is used to build and differentiate the brand, and to drive traffic to digital sites, particularly when the stories provide resources and information for consumers.

Video storytelling is a significant growth area for many marketers. Due to short attention spans and the need for “snackable” digital stories, for some marketers, storytelling is challenging and may have lost some of its charm due to the need to tell stories in 30-second snippets.

**“I believe the best marketing will come those who understand how to tell an authentic story and use technology to tell that story in the most relevant way.”**

CHRISTOPHER FOSTER, MODERN POSTCARD



**“That’s especially true with Millennial consumers. More and more, Millennials lean toward buying brands who share their values and they’re beginning to reject brands who either don’t share those values or don’t stand for anything at all.”**

MONICA RIGALI, EAGLE CREEK

## Social Media

Social media is critical to the marketing mix at both B2C and B2C companies. All brands are using social media in some way to engage with potential and existing customers.

### Channels

The primary differences between companies lie in the allocation of time, budget, and resources. Social media is described by most as cost effective, having excellent targeting capabilities, and providing a platform for authenticity.

While Facebook, Instagram, Pinterest and Twitter are the most frequently used platforms, relative to 2017, Instagram and Pinterest are now used more widely. More B2B and some B2C companies are also using LinkedIn. Each platform is used in unique ways.

**“Everything will always involve social media, I do not see it going anywhere.”**

**VANESSA ALLEN**, DIRECTOR OF MARKETING AT DIVERSYFUND

### Facebook

While Facebook has become one of the biggest and most consistent tools for lead generation, many are seeing changes in user presence and behaviors. With the increasing number of social media platforms available, consumers, specifically Millennials, are choosing to spend their time on other social media platforms and less time on Facebook. Some marketers do not see a future where Facebook is not relevant. Some are securing a presence on other platforms to ensure their brand exists wherever consumers spend their time. Some are using Facebook in support of their activities on other social platforms both in B2C and B2B environments.

### LinkedIn

LinkedIn is the most useful social media platform for B2B marketers. When on LinkedIn, members are described as having the “right mindset” or a “professional mindset” that is more susceptible to business-related engagements. Similar to Facebook, LinkedIn is used for unpaid activity (company pages, product pages, organic posts and consumer engagement) and paid activity (sponsored advertising and InMail messaging).

### Instagram

Instagram is used by marketers to tell their brand story. This more creative platform allows companies to showcase their latest accomplishments, share industry best practices, and provide thought leadership in a fun and visual way. Potential for marketers is growing in Instagram as new features are developed and optimized including Instagram Stories and allowing followers to shop and swipe within the application.

### Other Channels

Pinterest is gaining momentum in marketing circles although not as much as Instagram. Twitter does not appear to be widely used by San Diego brands for marketing. Few have found effective ways to utilize Snapchat. For those who have, Snapchat stories are used to show off company culture and behind the scenes videos. There are astounding numbers of video uploads every second on YouTube; however, YouTube is not a primary source for social media marketing.

**“That’s the thing about social media. Everybody has a voice at their fingertips.”**

**BOB TANNER**, SECTOR 9 SKATEBOARD CO

## Experiential Marketing

Experiential marketing is a marketing strategy that directly engages consumers and encourages them to participate in various aspects of the brand. One-on-one connections are used to develop a relationship with the brand. Unlike traditional and digital advertising that interrupt people's lives, experiential marketing creates a situation where people seek out the brand.

**“In the experience economy and current media landscape, great experiential marketing helps consumers forge a critical emotional connection with brands and is extremely effective with millennial buyers and the up and coming Gen Z. Well executed experiential marketing never crashes anyone’s party like traditional advertising does. It focuses on interacting with people in a compelling and meaningful way. Consumers want to be freed from bad content. No one likes to be annoyed by unwanted ads. And everyone enjoys a good experience.”**

**SOPHIE MASSON, DO NOT DISTURB**

### Event Marketing

Experiential marketing is expressed in many ways. Event marketing is a subset of experiential marketing. Another expression of experiential marketing is ensuring that the touchpoints in the customer journey are surprising and engaging. Entertainment through social media is another example.

While only some marketers report using experiential marketing, those who do are achieving excellent return on investment.

## Use of Research

B2B, B2C, and B2G research is employed extensively both by corporations and agencies. Marketing leaders provided numerous examples of how research is used to drive marketing decisions.

### Research Studies

Research studies mentioned in 2018 include those focusing on:

- Advertising tracking
- Attitude and opinion
- Brand assessment
- Brand awareness and affinity
- Brand health
- Brand lift
- Brand tracking
- Competitors
- Creative strategy
- Culture analysis
- Customer journey optimization
- Customer lifetime value
- Customer needs
- Inclination for charitable giving
- Net promoter score (NPS)
- Positioning
- Pricing
- Product lifecycle studies
- Satisfaction
- Segmentation
- Segmentation for persona development
- Social listening
- Social presence and engagement
- Trend analysis
- Voice of the customer

**“I tell clients, when you don’t give me the tools for me to be successful, what you’re asking me to do is come up with ideas that are not rooted in a solid foundation... You need to have strong research to support your platform... I believe in testing strategies, three or four options, or hypotheses.”**

**DANIEL ANDREANI, DO NOT DISTURB**

Many organizations use research for data-driven decision making. Research findings (data and insights) are also an excellent source for marketing content. As research studies typically do not focus exclusively on one topic, they are also the gift that keeps on giving in terms of fueling the marketing content funnel. Research is also used to describe and optimize customer journeys including major and minor touchpoints. Campaign development is another area in which research proves very useful. It is used for both campaign development and evaluation.

Most organizations outsource their research due to a lack of internal expertise.

## Analytics

One of the most promising things happening in marketing today is the continued evolution and application of analytics to drive marketing decisions and behavior. Analytics consists of collecting, tracking, analyzing, and interpreting raw data to uncover new learnings and insights by finding hidden patterns, unidentified correlations, and customer preferences, then testing copy, visualizing customers' journeys, and understanding market trends. Insights allow organizations to make more informed business decisions.

**“Analytics is the use of data to arrive at an insight that is not readily apparent in the data.”**

**ADAM FOX, TERADATA**

The term “analytics” has become a blanket term that includes:

### Reporting

Often referred to as “analytics,” Reporting refers to the process of exploring data (e.g. with frequency counts or crosstabs) and generating a report of the findings. Fundamentally, this process turns raw data into actionable information. Technically, reporting is not analytics, but it is described as such by many in marketing.

### Advanced Analytics

Advanced Analytics is the analysis of data or content using sophisticated tools and statistical techniques to obtain rich insights, make predictions, and/or make recommendations.

### Artificial Intelligence

Artificial Intelligence/Machine Learning is a category where the Analytics processor becomes smarter over time and is able to “understand” and optimize itself with less direction from humans.

### Predictive Analytics

To forecast the future, several organizations use Predictive Analytics. Predictive Analytics includes a variety of advanced analytics approaches from data mining and statistics to analyze current and historical data in order to make predictions about the future.



**“I think predictive analytics is very powerful, but I also think it can be a hindrance if it is in the wrong hands.”**

**SETH ODELL, NATIONAL UNIVERSITY**

## Marketing Attribution

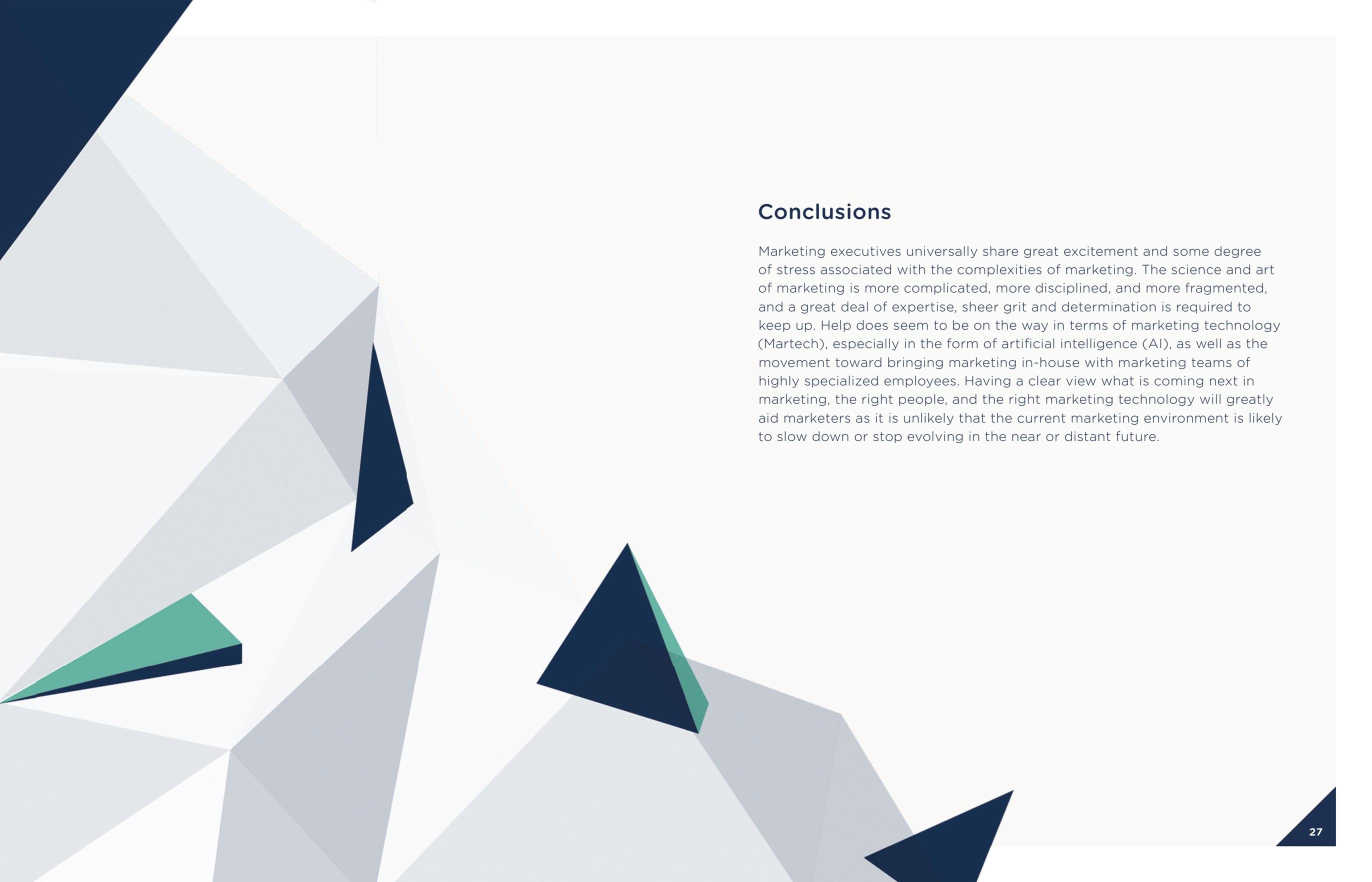
Marketing attribution is the science of assigning credit or allocating dollars from a sale to individual channels (e.g. Facebook, television, radio, blog). Sometimes called campaign attribution, it allows marketers to determine which channels should be scaled and which should no longer be employed. It is not an easy task and it is further complicated by trying to determine which arm of the business should be given credit for the sale (e.g. marketing or sales). Long sales cycles confound attribution even more.

At a time when integrated marketing is used by marketers to provide a seamless experience for consumers, marketing attribution is a challenge that some marketing executives choose to ignore, placing it in the category of “just too hard,” and others choose to address it with gusto. Overall, marketing executives admit that attribution is a challenge for “everyone.”

Omni Channel marketing includes many channels and many layers which complicates attribution. Some brands not only assign credit to each channel including content, but also gives attribution to individual touch points.

**“We reach people through so many different media. The exciting thing is tying that all together and having it make sense. It was disconnected. To draw attribution and customer preference into consideration is key. Also aligning the brand consistency across all the different channels... We can see where they have been, what they do, and how much time they have spent... We can tie the whole brand experience together... We have put together a complete attributional model... We are giving attribution to touch points. It is not just the straight line that comes off the shelf or in the automation system.”**

ALAN DENTON, VISTAGE



## Conclusions

Marketing executives universally share great excitement and some degree of stress associated with the complexities of marketing. The science and art of marketing is more complicated, more disciplined, and more fragmented, and a great deal of expertise, sheer grit and determination is required to keep up. Help does seem to be on the way in terms of marketing technology (Martech), especially in the form of artificial intelligence (AI), as well as the movement toward bringing marketing in-house with marketing teams of highly specialized employees. Having a clear view what is coming next in marketing, the right people, and the right marketing technology will greatly aid marketers as it is unlikely that the current marketing environment is likely to slow down or stop evolving in the near or distant future.

AI is rapidly revolutionizing the way in which marketing is conceptualized and executed. It also continues to change the martech landscape. There are early adopters of AI in San Diego as well as those who are taking a more cautious approach to adoption. AI is being used to fully exploit big data, automate marketing activities, and provide consumers with vastly more personalized intelligent chatbots and personalization at scale. Virtual reality is also being deployed to engage audiences in a fun and creative manner. Just as in the past, the internet and social media changed the way in which business is conducted, there is no doubt that martech in general, and AI specifically, is not only here to stay but here to change our world as well.

The ability to merge disparate online and offline data together to form a complete profile of individuals is somewhat mind boggling not just to consumers but also to marketers. Some jokingly refer to this as **creepy marketing** but really consider it brilliant marketing. Once one moves past concern around potential misuse of omnichannel-based profiles, the ability to treat the tools to provide consumers with what they so frequently demand—"treat me as an individual and not as a number." It is incumbent upon marketers to handle such knowledge with care, and not in an unethical manner. Anonymizing data in such a way that marketers and others are blind to the identity of the consumers is essential.

A variety of factors appear to be driving a surge toward **person-centered marketing**. Martech in general, and AI and big data specifically, are fueling the charge in part but there also appears to be a more human, more emotive side to marketing taking hold. This translates to marketers focusing on individuals, their needs and their pain points, their desire to be understood and interacted with not just "as a number," or as a member of a group, but as an individual. Additionally, brands are now employing experience marketing approaches to engage, delight, and win the hearts and minds of consumers. Against this background there is a strong movement in marketing to engagement of individuals—not homogenous groups or segments. Individuals are engaged in a highly personalized data-driven manner, and at scale.

The emergence of marketing interest in Design Thinking, the use of emotion, micro- and macro-influencers, and advocates also point to the drive toward person-centered marketing. Design Thinking and customer journey mapping are grounded in empathy for and emotional connection with the audience. Emotion is used by marketers not just to humanize brands but to truly connect with individuals. Engagement of individuals at scale by micro- and macro- influencers and advocates is also person-centered.

From 2017 to 2018, the content discussion moved away from the different types of content being developed to a greater focus on company generated content development. In 2018, for brands. Maintaining high quality content while simultaneously attending to the different forms of content, and all the platforms on can be challenging. Many are outsourcing content creation in order to keep up. Also, data-driven content development and the use of advocates is employed to keep content fresh and exclusive to the brand. Content is likely to figure heavily in marketing in the coming years with a heavy focus on faster delivery and unique material.

While **social media** is crucial to the marketing mix at both B2C and B2C companies, the landscape is changing at a rapid pace. Facebook remains an important tool for many brands, but user presence and behaviors are changing with many opting to use other platforms. Instagram, Pinterest, Twitter, and LinkedIn are rising in prominence. While social media is inexpensive, the resources required to execute social media well are considerable, and the having the right team in place is essential. Each platform is used in unique ways and which platforms to use must be balanced against the brand goals.

**Research** underpins many, if not most, marketing activities. Data-driven decision making is a must for many marketers. It helps marketers "hedge their bets" in an increasingly more complex discipline and marketplace. Popular uses of research include data-driven content development, customer journey development and optimization, and campaign development and evaluation. Popular research methods include informal research, secondary and syndicated research, qualitative research, and ethnographic research. The use of quantitative research seems to be a given. Many outsource research as they lack the internal competencies to do it well. Some are insisting on research to ensure their success in marketing.

**Analytics** has become a sticky term that is used to describe much more than those in data science might use the term to describe. It is common to refer to simple reporting as analytics when, according to data scientists, technically the term "analytics" should be used to describe advanced analytics. Be it reporting or advanced analytics, marketers have come to rely on analytics to all of them to make data driven decisions. A key distinction between different types of analytics is that of retrospective analytics versus predictive analytics. Predictive analytics includes a variety of advanced analytics approaches from data mining and statistics to analyze current and historical data to make predictions about the future.

**Attribution** measures return on investment which is usually achieved through a combination of traditional media, offline (e.g. trade shows), social media, affiliates, referrals, search, email, and display with relevant communication and context. Simply keeping up with the new digital realities requires considerable expertise. Layering on this the many touchpoints, different executions, different sequences, and interactions across multiple devices that those calculating attribution must consider, adds to the complexity of attribution calculations.

Attribution is one of the biggest challenges facing marketers today. Not only is it a marketing issue, but it is a financial issue as so much is at stake when dollars are spent on channels that are not productive. Marketers are addressing the sticky issue of attribution, some in a simple but very effective fashion.

**In summary, the major topics on the minds of marketers in 2018 include the complexities of marketing today, martech with AI and big data at the forefront, person-centered marketing, content, social media, research, analytics, and attribution. While the rapidly changing marketing landscape shows no possibility of slowing down anytime soon, it is exciting to learn that activities are increasing focused on individuals.**

# THANK YOU

In awe and tremendous respect for the field of marketing, and, the marketing luminaries interviewed for this multi-year project, AMA San Diego, Q2 Insights, and FreshForm would like to extend our most sincere thanks to all those who participated in this study.

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### FreshForm.

FreshForm is an experience design and innovation consultancy. We create, manage and measure customer and employee experiences. We use a people-centered approach to create personal connections and value for a wide array of innovative Fortune 500s, world-renowned universities, and growth-oriented businesses.

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The San Diego Chapter of the American Marketing Association (AMA) is the organization for high-performing marketers who are serious about furthering their careers. AMA San Diego is the only education- and networking-focused organization that provides information, resources, international presence and valuable connections in a fun, approachable environment where its members can achieve their personal development goals.

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