



Marketing Mix Trends 2010-2016

WHAT 6 YEARS OF 'TARGET MARKETING
MEDIA USAGE SURVEY' DATA REVEALS
ABOUT MARKETING TECHNOLOGY
AND MEDIA PLANS



Target**Marketing**
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INTRODUCTION

Every year, Target Marketing surveys marketers about their media budgeting plans. Over the years, what started as a simple channel spending forecast has grown to encompass nearly all forms of media, as well as a list of marketing technologies and tactics that may not be media channels in their own right, but have an enormous impact on how companies communicate with customers and prospects today.

This research examines six years of that survey data, from 2010 to 2016. (Note: we only began asking about the tactics and technologies in 2012.) The study reveals how the spending trends have evolved during the first half of the decade, and where they're going through the rest of it and beyond.

When it comes to marketing channels and tactics, direct response professionals are all Missourians — they live in a perpetual “Show-Me State.” Flash gives way to substance as they evaluate where to invest their resources based on the harshest possible measures — what works, as opposed to what’s cool. Spending on technology that never caught on, such as QR Codes, has dwindled. Technology that offers the hope of data troves untold, such as location-based marketing, is being investigated with caution. And channels that have moved from intriguing to essential, such as mobile-enabled websites, are seeing white-hot investment levels.

You can see the shifting attitudes between direct mail and digital marketing in these charts, but also the rise of content marketing and social media spending. And when you compare the six years of data, some very prominent channels that we consider “winners” every year appear to actually be cresting their plateaus.

We urge readers to review the charts and commentary on each channel, technology or tactic as a whole. While our commentary reflects the trends and shifts our readers report, based on our six years of surveys, we also offer additional commentary when doing so puts the numbers into perspective.

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TAKEAWAYS

- Media and Technology spending continues to adapt to the communication environment and timing of today.
- The growth of Email and Search spending appears to be slowing down, as the number of marketers increasing spending has declined.
- Social Media spending is increasing at a very rapid pace, as are related tactics like Content Marketing.
- Direct Mail spending has stabilized, with very few marketers decreasing spend.
- B-to-B budgets have gone up along with the rise of spending on demand-generation tactics and technologies.

METHODOLOGY

This research studies data compiled from the past six years of the 'Target Marketing Media Usage Survey', a publication of NAPCO Media. The survey is conducted around the beginning of the year by the magazine to its readers and readers of related NAPCO Media publications. Specific respondents and audiences vary by year. This research is intended to show shifts in the overall trends, and does not represent how specific marketers' budgets changed year over year.

In Sections 2 and 3, the charts represent responses to one type of question: "For each of the following marketing methods, do you plan to increase, decrease, or keep consistent you budget this year versus the year before?" This allows us to make an apples-to-apples comparison of year-over-year spending plans, but is a self-reported indication only. Respondents were not asked to report specific budget numbers or ROI.

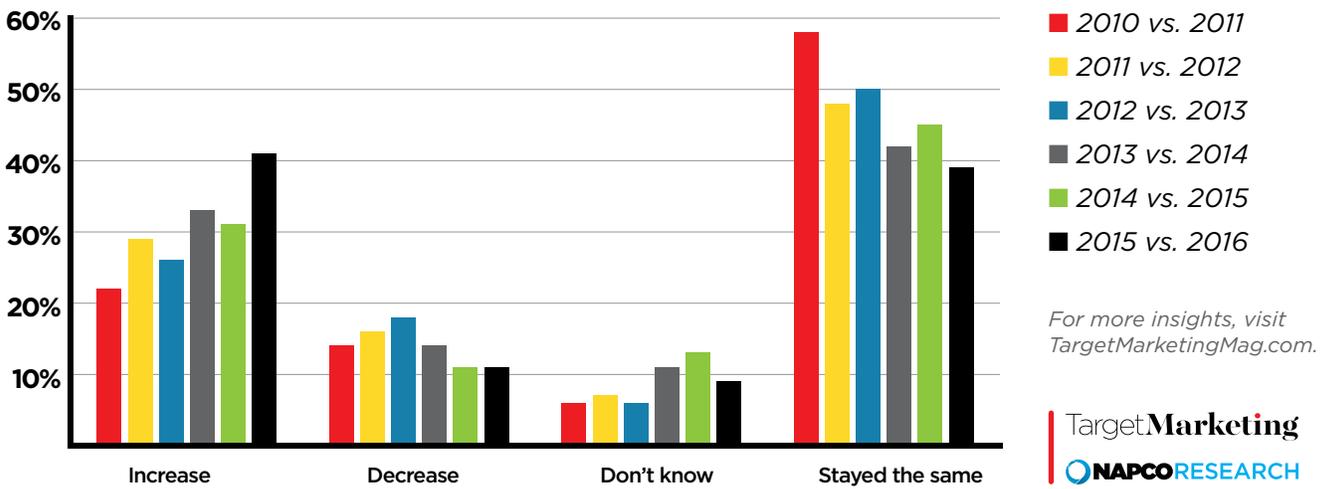
BUDGET TRENDS

These charts show how marketers with companies serving B-to-B and B-to-C markets have adjusted their overall spending plans. At first glance, not much appears to change over this six-year period. You could say, "20 to 30 percent of budgets increased, 10 to 20 percent decreased and 40 to 50 percent stayed the same," and be broadly correct for any year.

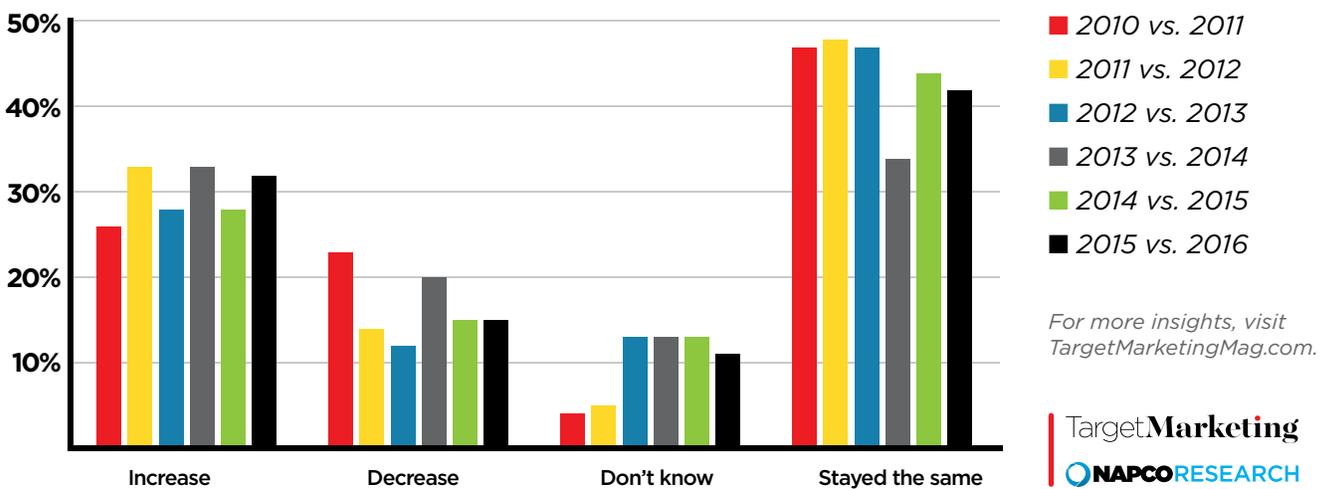
However, a few differences emerge when you look closely. First, the percentage of marketers who did not know which direction their budgets were headed in the coming year has been higher in all markets for the past three years than in the earlier period, peaking in 2015. That coincides with an uptick in "increase" across all categories, and a drop in "stay the same" and "decrease" (for everyone except B-to-C marketers) in the same period. You can see market confidence returning from the Great Recession, but cautiously, in those trends.

The B-to-B chart deserves special mention, because it has improved steadily throughout this period. "Increase" and "do not know" have risen, and "stay the same" has fallen, steadily over the period. This appears to coincide with the rise of marketing automation, lead generation and nurturing, and content marketing. As these demand-generation strategies have come to the forefront in B-to-B marketing, budgets have gone up.

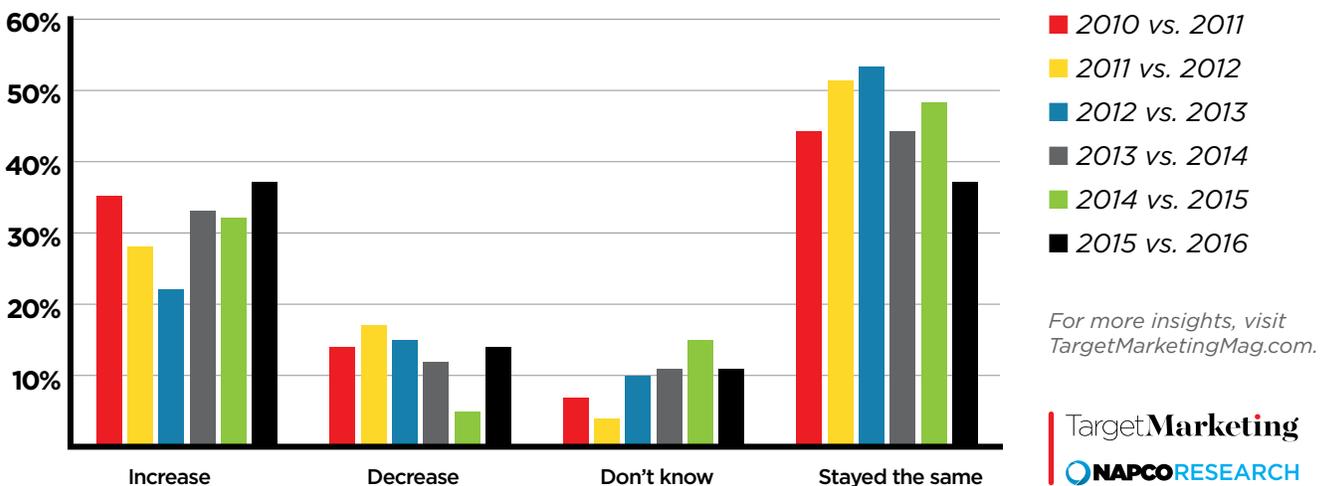
Overall Media Budget Trends, 2010-2016, B-to-B Marketers



Overall Media Budget Trends, 2010-2016, B-to-C Marketers



Overall Media Budget Trends, 2010-2016, Companies That Do Both B-to-B and B-to-C Marketing



MEDIA CHANNELS

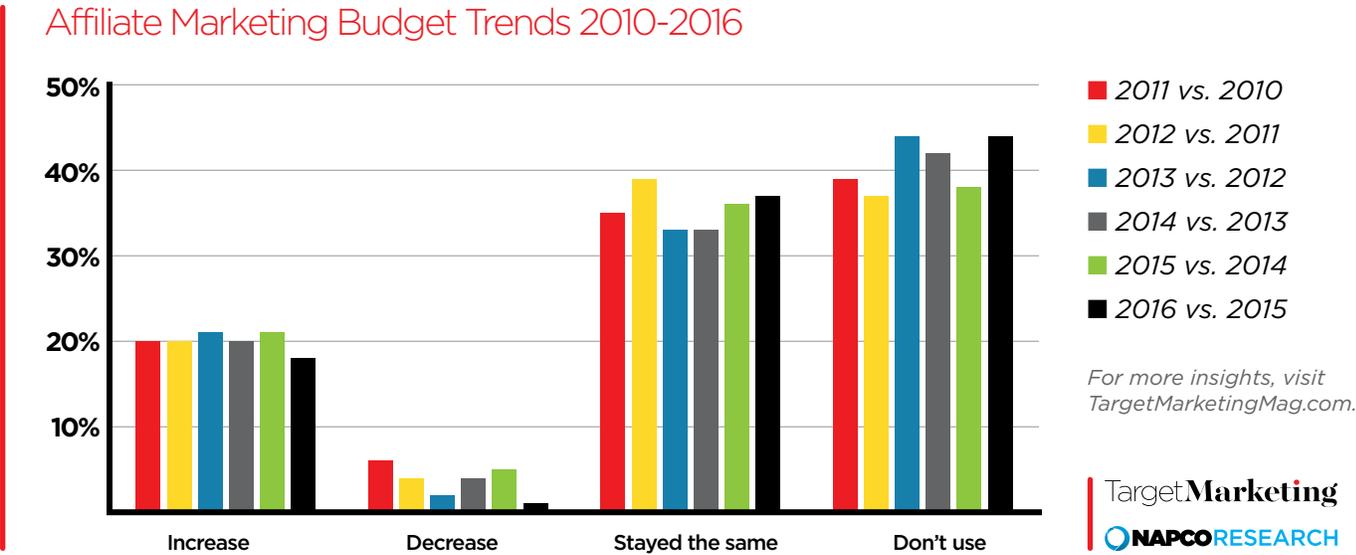
Media channels include ways marketers can contact their customers and prospects. For technologies and techniques that are not media channels, see the next section.

Charts reflect answers to this question: “For each of the following marketing methods, do you plan to increase, decrease or keep consistent you budget this year vs. the year before?”

Affiliate Marketing 2010-2016

One of marketing’s undiscovered gems remains undiscovered. Affiliate marketing — engaging a network, or several networks, of partner companies or websites to reach prospects who meet specific criteria — was used by six out of every 10 respondents during 2016, a figure consistent with results from the last five years. Overall, roughly one in five respondents to Target Marketing’s surveys increased their use of these systems, which enable ad placement to be targeted to individuals, as opposed to the mass audience of a given website.

The good news is that marketers who try these networks appreciate their value — only 1 percent indicated they would cut back their expenditures on these systems. As for the 40 percent or so — 44 percent in 2016 — who do not use these systems, this may be the result of an education gap more than anything else.

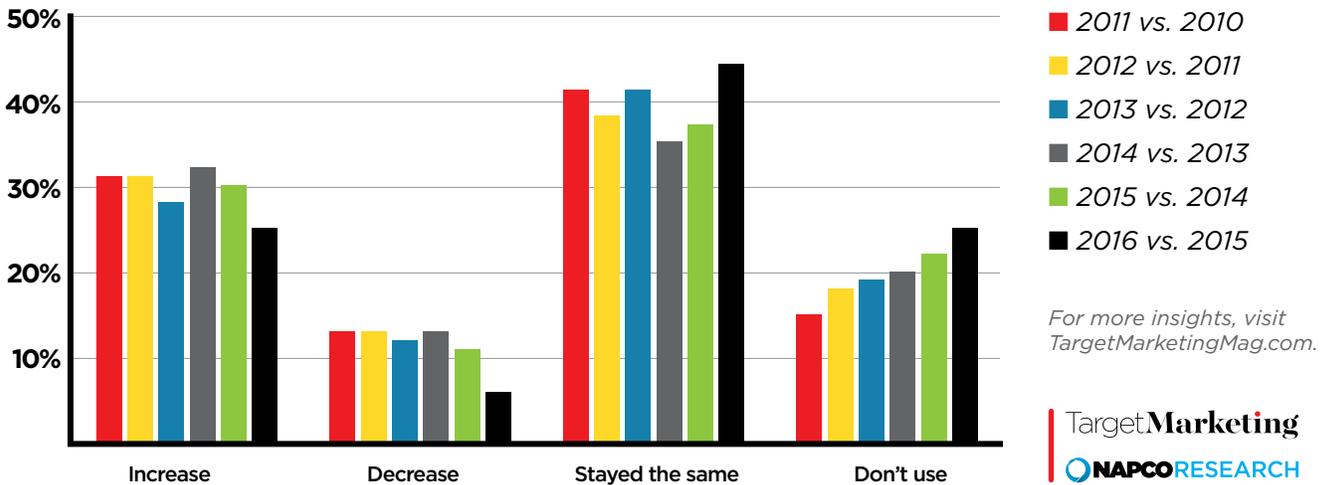


Direct Mail 2010-2016

Direct response marketing’s workhorse continues to work, with 69 percent of respondents either increasing or maintaining their use of it during 2016, a level comparable with results from the past five years. In 2016, granted, more marketers kept their level of use steady and fewer increased it than in years past. Of note, however, is that only 6 percent cut back on it — the lowest such level in half a decade.

Apparently the mid-year postage rate increases, which fell heavily on First Class letters and flats, weren’t enough to deter marketers, especially given the drop in First Class Metered Mail rates. The continued strength of direct mail is also reflected in personalization’s continued use: Recipients react well when offers are clearly tailored to them.

Direct Mail Budget Trends 2010-2016

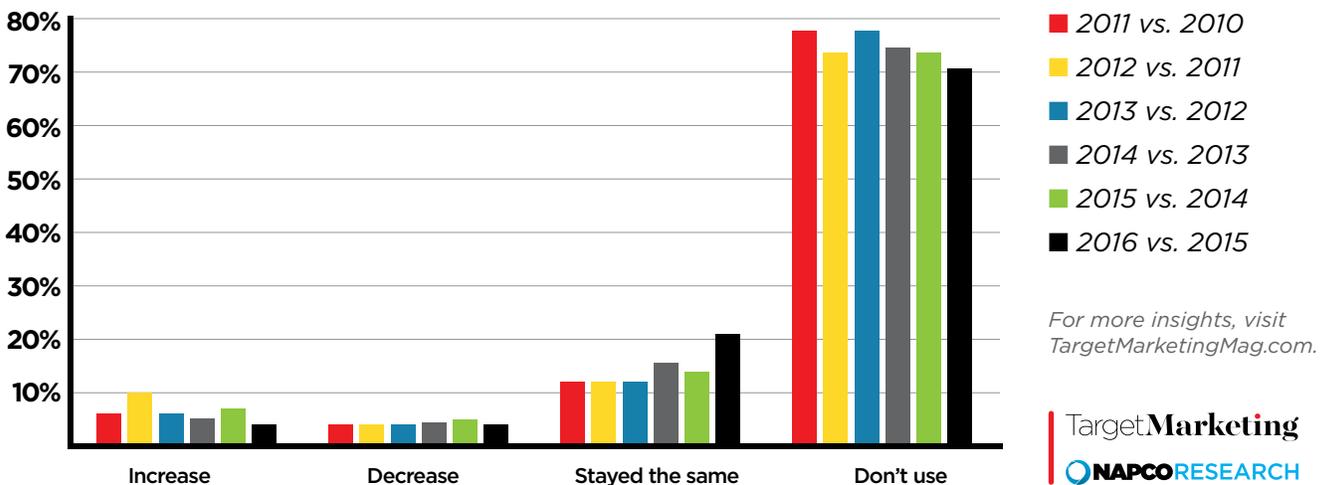


Direct Response Radio 2010-2016

Direct response radio — ads or sponsorships that direct listeners to interactive channels, such as websites or contact centers — provides a perfect example of a mature channel. Traditionally it has been embraced by only one quarter of all respondents — a slightly higher percentage in some years, a slightly lower one in others.

In 2016, roughly three in 10 respondents used this channel, a figure in-line with the fluctuations of previous years. Of those who did, the majority — 21 percent of all respondents — maintained their expenditures on the channel, while similar amounts — 4 percent — either increased or decreased their use. Radio listenership itself reflects a mature channel, albeit one that has seen a slight uptick: In a 2016 survey from Jacobs Media, 18 percent of respondents indicated they would listen to more radio (terrestrial, digital and satellite), while only 10 percent said they would listen to less.

DR Radio Budget Trends 2010-2016

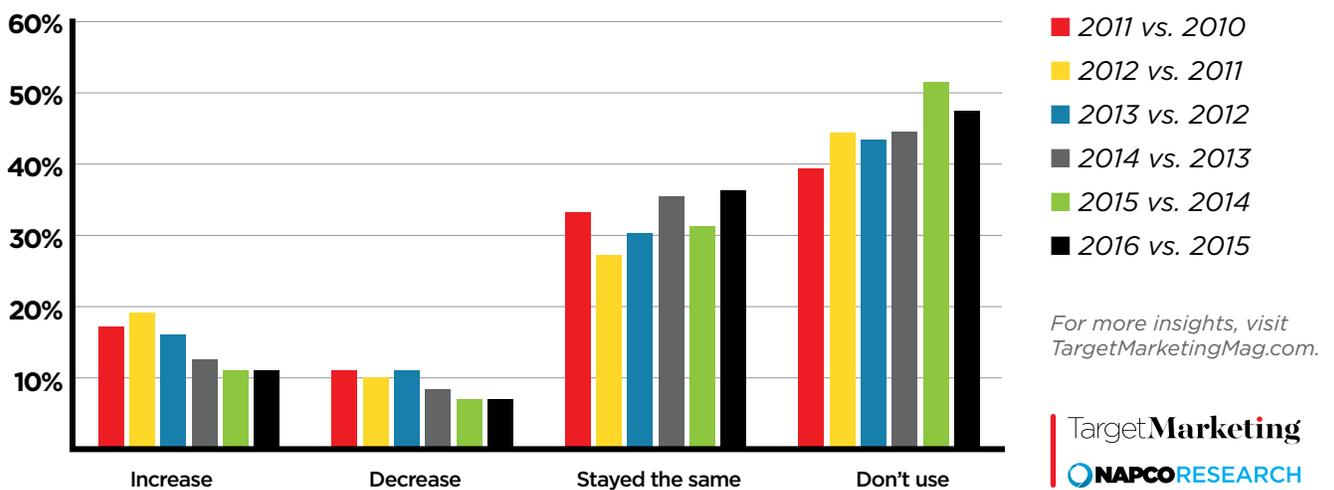


Direct Response Space Ads 2010-2016

Print space ads with response mechanisms require more of an interruption to interact than, say, direct response television or radio. Tearing out a reply card, or making a call or logging onto a website interrupts the primary action — reading. Television and radio allow prospects to continue their media consumption, if only in the background, when responding. Are marketers acknowledging this?

During the past six years, the percentage who use direct response space ads declined from the upper teens to around 11 percent in 2015 and held there in 2016, while the percentage who don't use this medium at all has steadily increased from around four in 10 to roughly half. Opportunities for direct response space ads may have dropped, too: During the past five years there have been more publication launches than closures, but launch vs. closure numbers can be misleading. Three new quarterly publications won't offer the same amount of ad space as one weekly closing or reducing frequency.

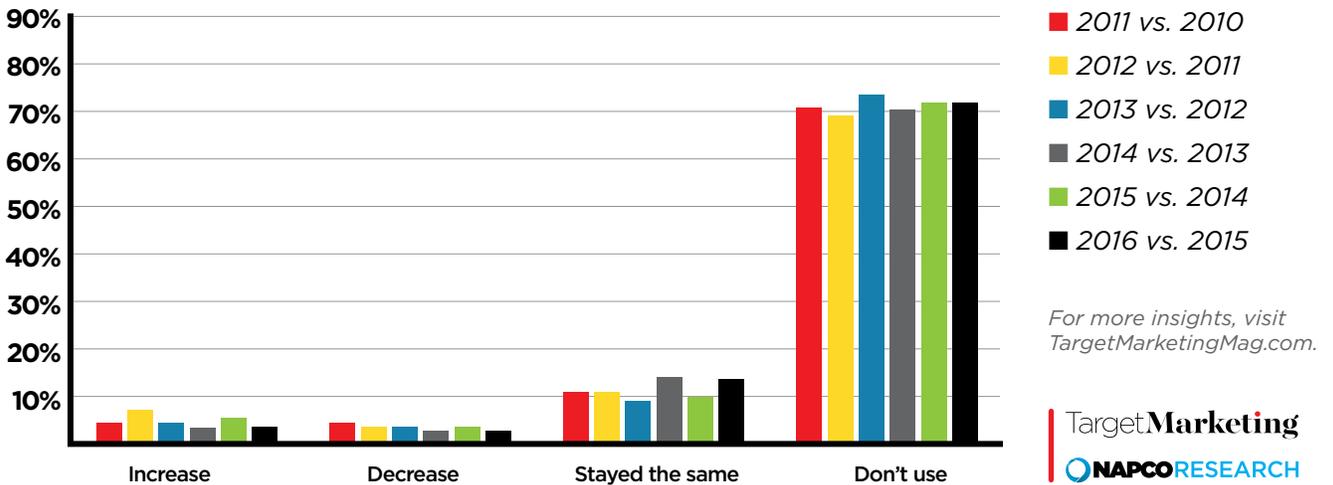
DR Space Ad Budget Trends 2010-2016



Direct Response Television (DRTV) 2010-2016

The good news about DRTV is that targeting has become increasingly granular with the proliferation of channels and content. But it still is expensive — at least, compared with the costs per thousand for online advertising or email — which may account for why, consistently, eight in 10 respondents have not used this medium, a figure that held in 2016. Only 4 percent increased their spending on it — a figure in-line, if on the low end, of those from years past — while 3 percent decreased their spending. A full 15 percent kept their DRTV expenditures steady, a level on the higher end of the spectrum from the last five years. Something to consider: Up-and-coming brand marketing executives have always worked in an environment where measurability has been a fact of life. At what point will the demand for quantifiable result generation gain widespread acceptance within television advertising?

DR Television Budget Trends 2010-2016



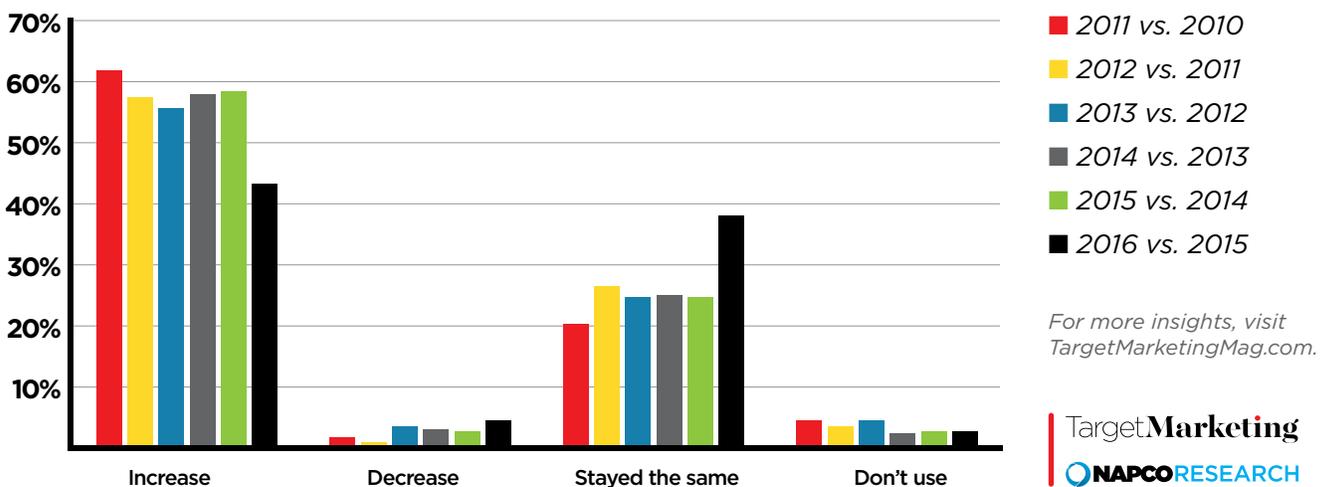
Email 2010-2016

Is email finally starting to move into “mature channel” status? Just under half of respondents to Target’s survey increased their use of this medium in 2016, so it seems like a growth channel ... but in years past, the percentage saying their email use had increased was in the mid- to upper-60s.

Not that marketers are abandoning the channel: The percentage who kept email spending consistent with 2015’s level spiked from the upper 20s to 43 percent. The 5 percent who decreased their use of email is a point or two higher than in years past, but it’s too soon to say whether it represents a fluctuation or a trend.

Something to monitor in upcoming years: As Internet Service Provider filtering techniques become more sophisticated, will even the messages consumers have opted to receive be automatically labeled undesirable if they aren’t routinely opened?

Email Budget Trends 2010-2016

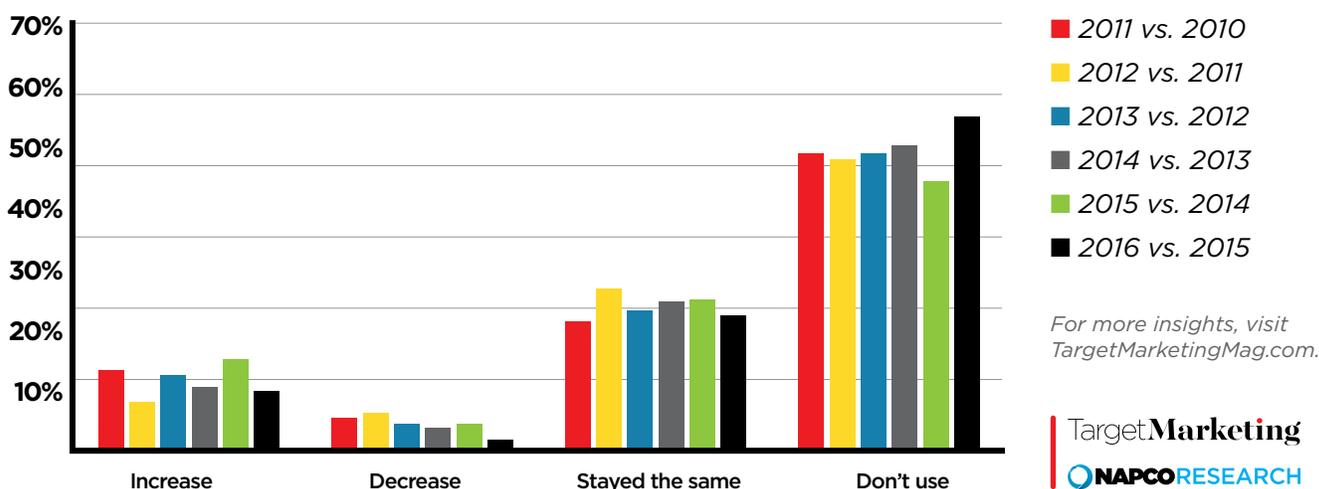


Insert Media (Package Inserts, Free-standing Inserts, Etc.) 2010-2016

If this year's numbers represent a trend and not a fluke, marketers pulled away from inserts, fliers and the like. Sixty-two percent of those surveyed by Target Marketing said they don't use this channel at all — the highest level in half a decade, and well above the mid-50s level usually seen. Last year's 50 percent level was the lowest, making the change all the more startling. Similarly, the 11 percent who increased their insert media use marks the second-lowest level of increased expenditures for this channel during the last half decade.

Part of the reason for the drop may be declines in print circulation levels as publishers encourage subscribers to purchase digital editions. Similarly, St. Petersburg, Fla.-based Valpak, one of the larger coupon envelope distributors, has held its circulation steady at around 39 million for a few years. The 25 percent of respondents who maintained their level of spending on this channel (a figure down somewhat from years' past) may reflect this stasis.

Insert Media Budget Trends 2010-2016



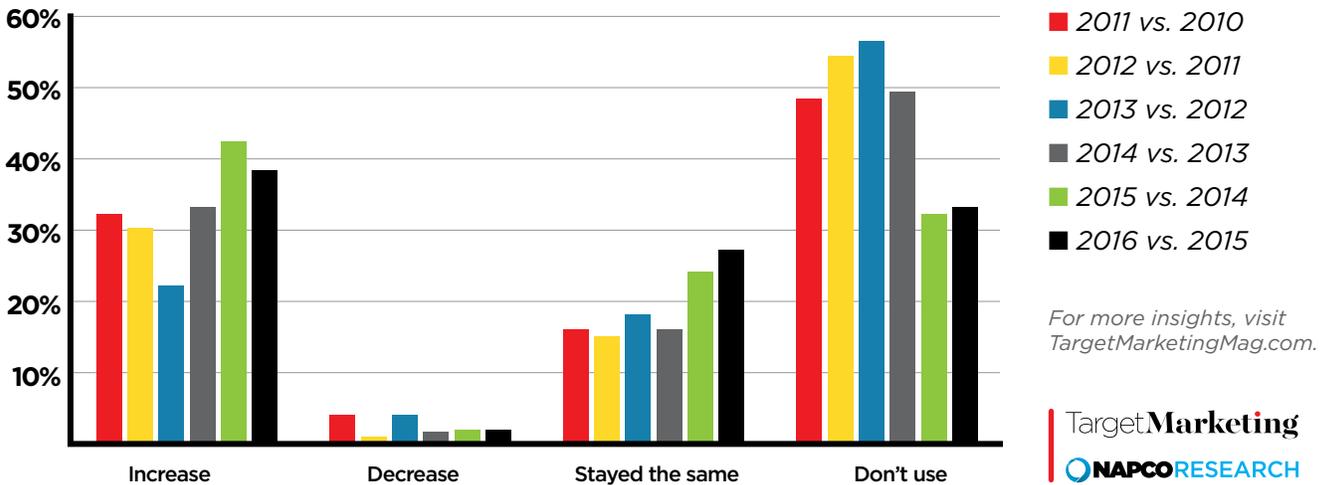
Mobile 2010-2016

Mobile's ubiquitousness shouldn't come as a surprise, regardless of a marketer's target audience. Older consumers, younger consumers, cross-economic-strata consumers are connected, and marketers will go where their potential customers are.

That said, the dramatic increases in use seen in 2015 were repeated, potentially indicating a new normal. In 2016, 38 percent of respondents to Target Marketing's survey increased their level of mobile advertising expenditures, down slightly from last year's 42 percent, but well above the 30 percent or so seen in years past. Equally striking, 33 percent of marketers said they don't use mobile advertising at all, an amount in-line with the 32 percent who said they didn't a year ago, but down significantly from the half or more seen consistently in other years.

These levels, combined with the one-quarter or so whose expenditures stayed consistent (up from the mid-teens) may represent new normals.

Mobile Marketing Budget Trends 2010-2016



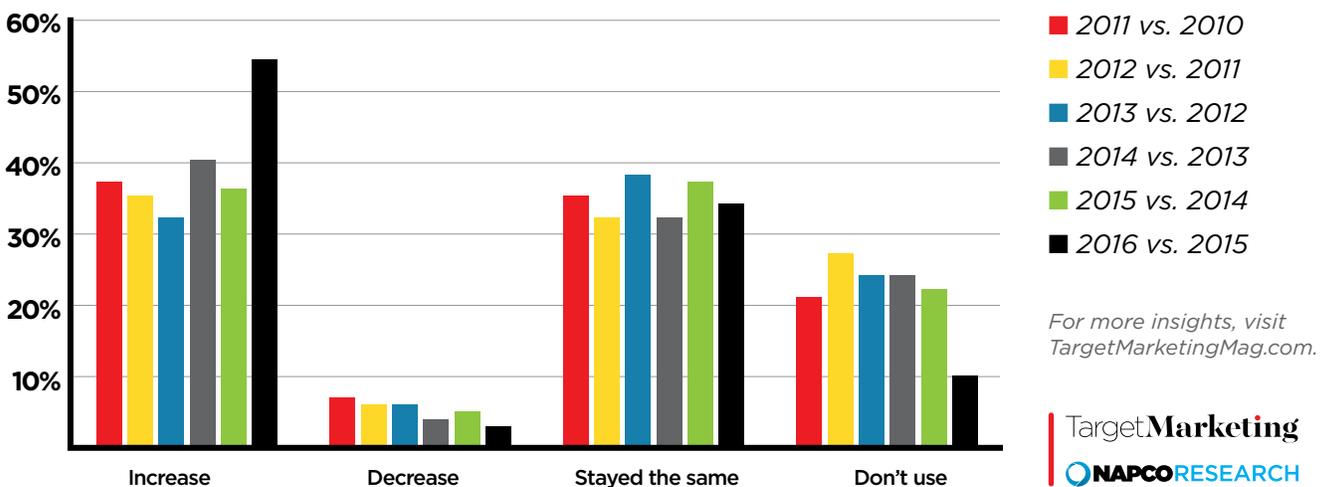
Online Advertising 2010-2016

In years past, Target Marketing had asked about “Advertising on outside websites.” In 2016, we changed that to the more-encompassing “online advertising.” As a result, there was a jump in respondents who use this channel — from around one third to more than half — while those saying they don’t dropped from more than one in five to one in 10.

Changing wording can only account for part of these results, however: Prospects are increasingly connected to the Internet, whether through their tablets, their phones or even their watches, and marketers trawl where their prospects run. Another factor that has likely increased online advertising’s use is the comparatively recent innovation of advertising exchanges and networks, which allow a marketer to target individuals with a fair amount of granularity, even within a given website.

In short, what might seem like a mature medium is behaving like a growth channel.

Online Advertising Budget Trends 2010-2016

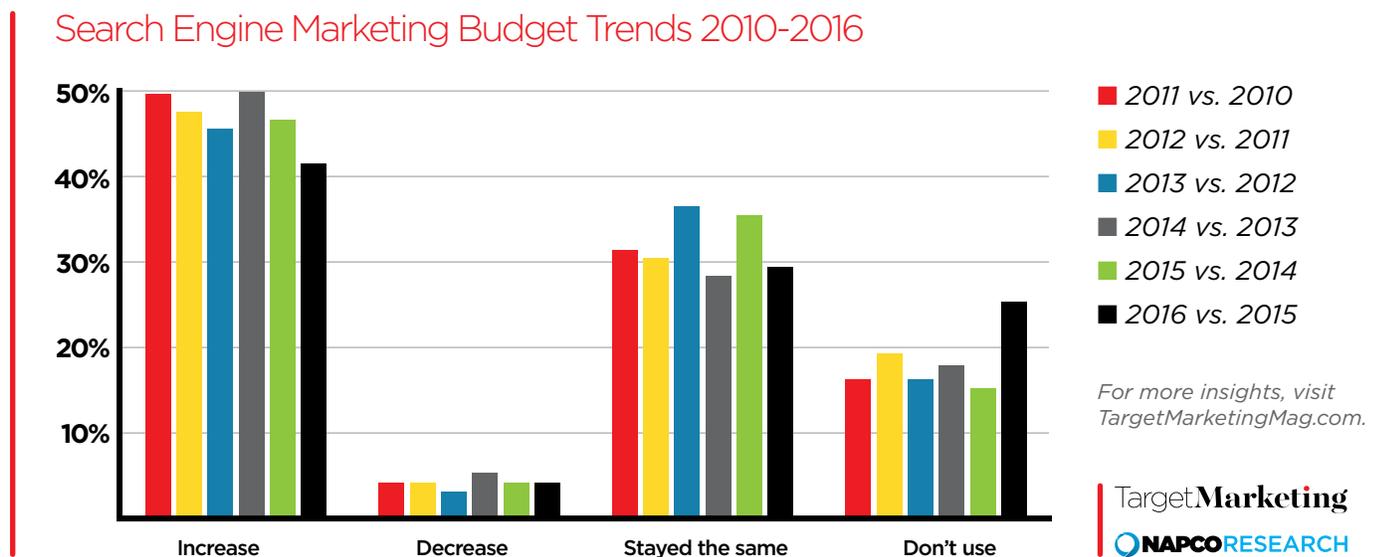


Search Engine Marketing 2010-2016

Search engine marketing expenditures are still growing, but 2016 saw a slowdown, with only 41 percent of respondents to our survey saying they increased their spending, compared with between 46 and 49 percent in years past.

The question is whether the shift from search spending — such as purchasing keywords — indicates a shift from passive marketing. Unlike digital display advertising, which presents offers to individuals that serve to awaken needs or desires, search depends on prospects using terms which will lead to the marketer's offerings.

Other sources bear this trend out: Early in 2016, eMarketer released a report which noted that 2016 would be the first year in which total digital advertising expenditures were forecast as surpassing total search advertising spending. Additionally, a larger percentage of respondents increased or maintained their digital advertising spending levels than made similar increases for search.

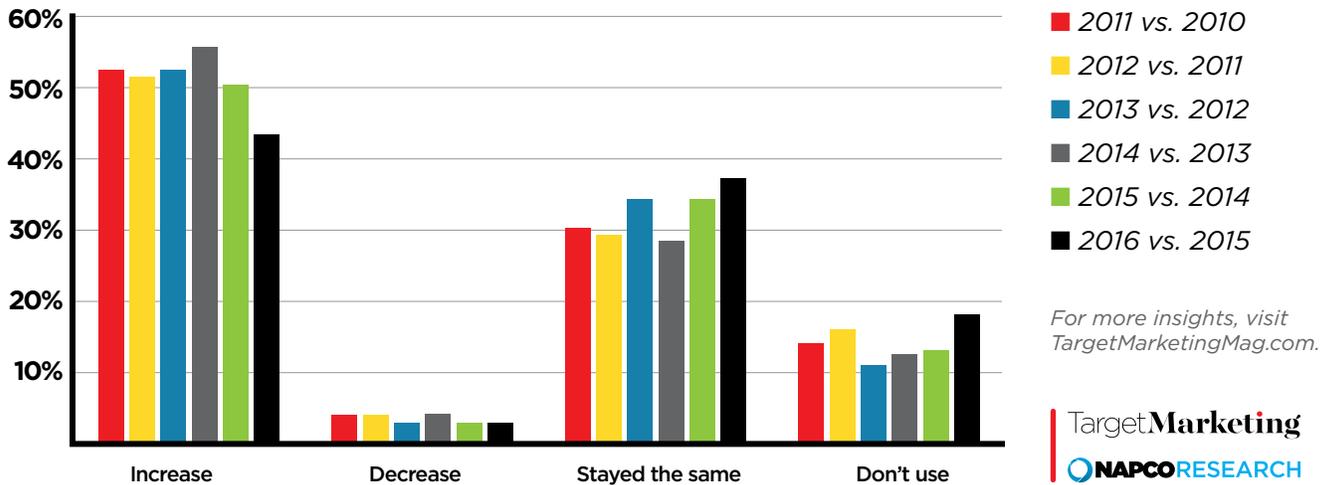


Search Engine Optimization 2010-2016

Updating a website — both on a regular, iterative basis, as well as through a site-wide overhaul — so the site continues to rank high in search engine results is as necessary to an organization's well-being as changing burnt-out light bulbs. The constant increase in search engine optimization funding seen through the years reflects this, and there's no sign of it slowing.

Media research firm Borrell anticipates that SEO expenditures will climb from \$65 billion in 2016 to more than \$79 billion in 2020. The slight falloff in expenditure increases during 2016 (only 43 percent of respondents said they increased spending, compared with more than half in years past) may be because marketers have moved money into active prospect-trawling activities, such as off-site advertising, at the expense of passive mediums such as SEO, which relies on prospects discovering sites through searches they initiate.

Search Engine Optimization Budget Trends 2010-2016

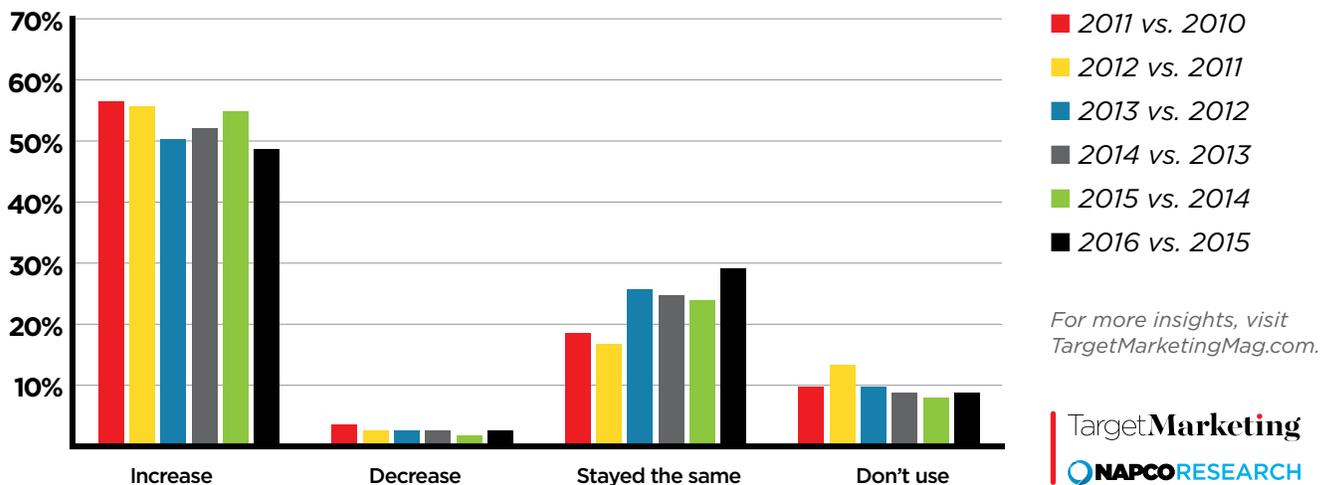


Social Media - Engagement 2010-2016

The 2016 U.S. Presidential election demonstrated the power of social media — of bringing a message directly to a prospect base, and having that message amplified by enthusiasts. Social media engagement and consumer or peer endorsements continue to be very powerful marketing forces.

Historically, this strategy has been among the leaders when it comes to increasing expenditures: The percentage of respondents who have either increased or maintained spending levels has topped 80 percent — often substantially — for a five-year run. This year is no different, although there was a dip in the percentage of respondents who increased their spending, and an uptick in the percentage of those maintaining their spending. The 10 percent of respondents who don't play in this field apparently don't care about being part of the conversation prospects and customers are having about their offerings. Perhaps they have monopolies within their industries.

Social Media Engagement Budget Trends 2010-2016

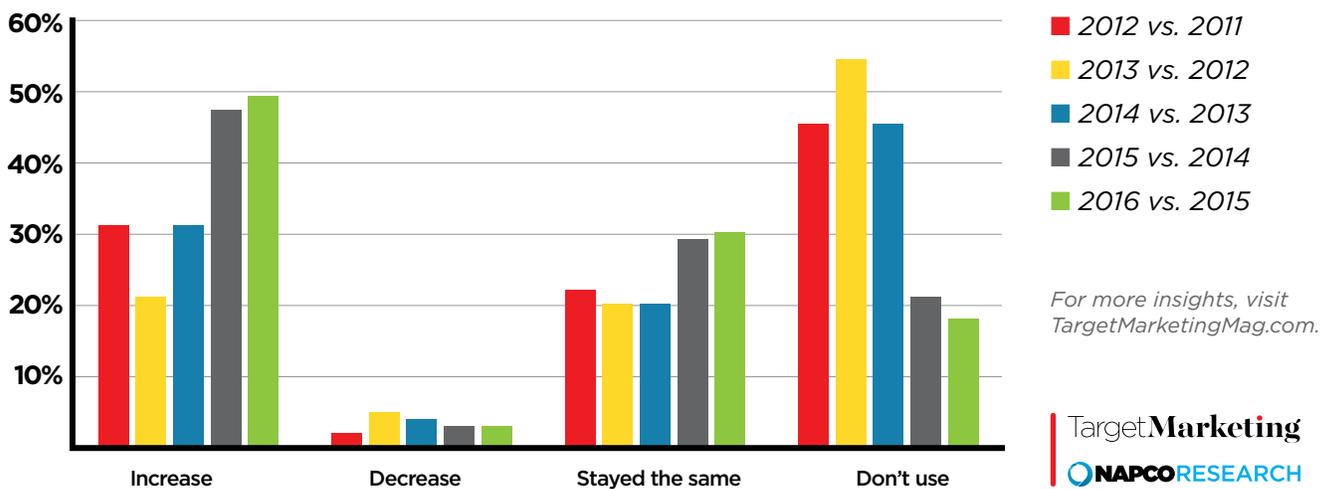


Social Media - Paid Advertising 2010-2016

This category is maturing at an incredible rate: Barely one-third of marketers increased their spending on it even two years ago, a level that has jumped to around 50 percent in the two most recent surveys. During the same period, the percentage of respondents who don't use it at all fell from around half to 20 percent in 2015 and 18 percent in 2016.

One possible reason is that organizations have realized that this is not an ancillary, but rather a key, communication channel. As a result, they are moving responsibility for it to knowledgeable, and therefore more expensive, media professionals — individuals who not only know how to design material relevant to a specific desired audience, but also are savvy in its use as traffic builders or lead generators. The spike in expenditures should continue as marketers realize the value of putting well-crafted, branded intellectual property and other marketing messages into the social sphere.

Social Media Paid Advertising Budget Trends 2011-2016



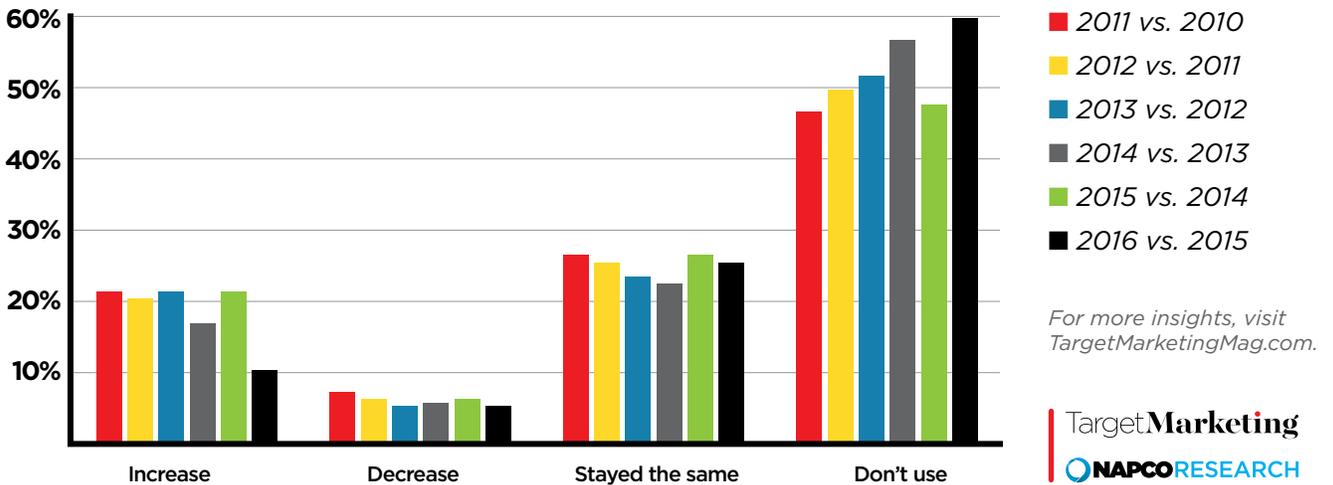
*No data available for 2010 vs. 2011

Telemarketing (Outbound) 2010-2016

Two significant factors explain how telemarketing is relevant in the age of mobile phones, caller ID and the federal do-not-call list. First, telemarketing is still viable in business-to-business pitching. Second, outbound telemarketing is not the same thing as cold-calling.

An outbound call spurred by a network connection or an established business relationship is quite effective. But there are hazards, not the least of which are the annoyance factor and the loss of goodwill. Our 2016 survey results saw the percentage of respondents who increased their spending on outbound telemarketing drop: At 10 percent, that level is roughly half that of recent years. It also saw a jump in those who don't use it at all, from right around half to 59 percent. These numbers are out of line with the last five years, but they may represent a new norm as marketers find other channels with which to engage consumers.

Telemarketing Budget Trends 2010-2016

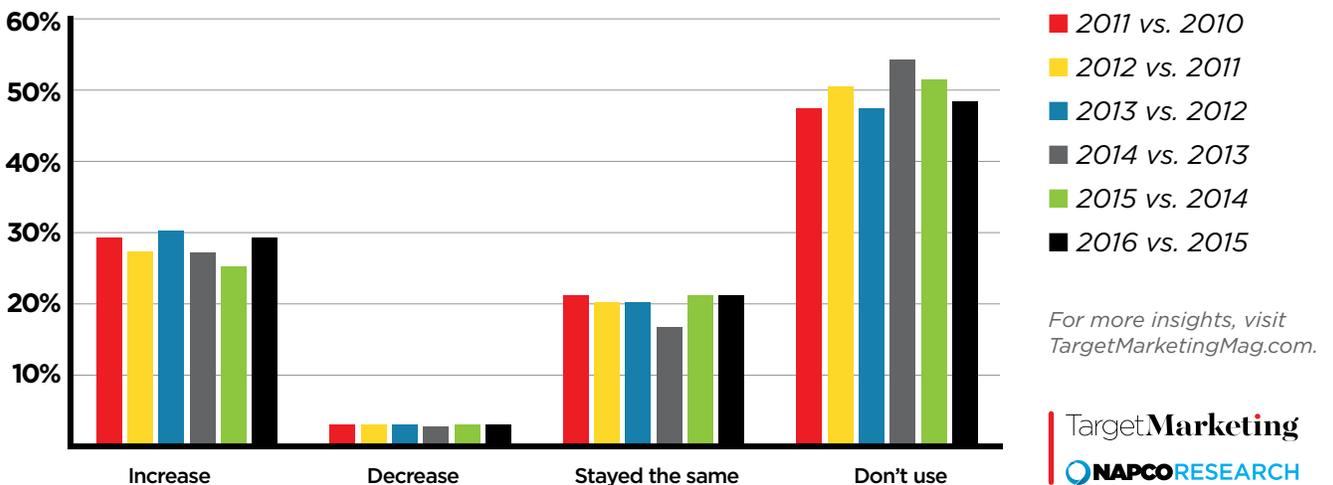


Webcasts 2010-2016

Webcasts are more content-driven than many other forms of digital video marketing, such as webinars. There is a shade of difference between the two terms: Webinars are comparatively short-form presentations (five minutes to, at the outside, an hour) specifically designed for consumption on the Internet, while webcasts consist of events (presentations, panel discussions, even entire conferences) presented to live audiences and are also available to an online audience.

A webcast does not exist on its own: In its purest form, it's an outgrowth of event planning. Small wonder, therefore, that throughout the years of our surveys, roughly half of respondents can't be bothered with this strategy. Another 20 percent or so (21 percent in 2016) keep their spending on webcasts consistent, year-over-year. And between one-quarter and 30 percent (29 percent in 2016) increased their spending on webinars.

Webcast Media Budget Trends 2010-2016



TECHNOLOGIES AND TACTICS

This section includes the technologies and tactics behind the media channels marketers are using. We only began collecting this data for 2011 vs. 2012, so the timeline covered is slightly shorter than the media channels.

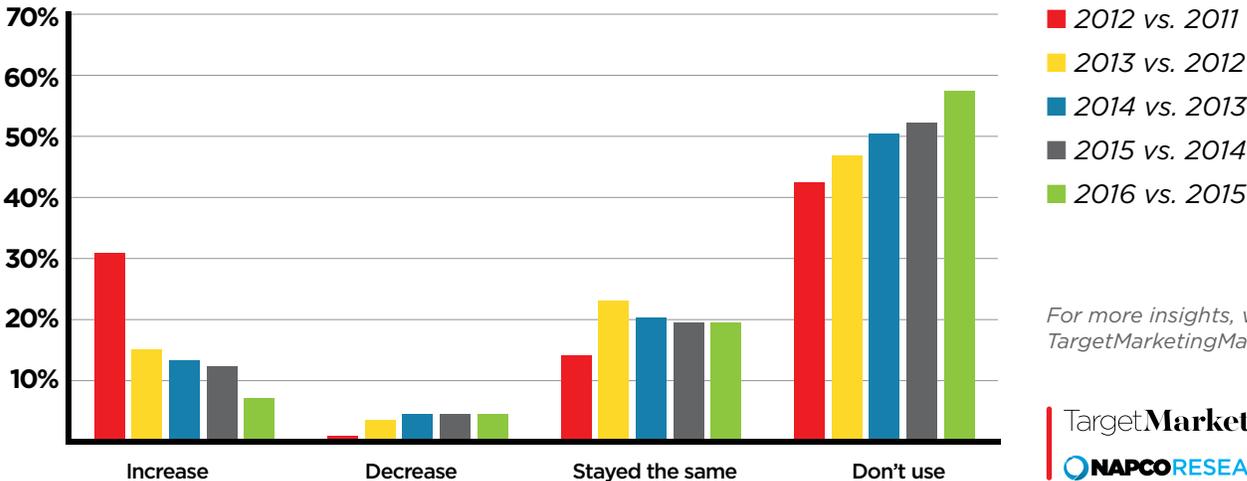
Charts reflect answers to this question: “For each of the following marketing tactics and technologies, do you plan to increase, decrease or keep consistent your budget this year vs. the year before?”

2D Barcodes 2011-2016

Marketers remain doggedly resistant to the charms of 2D barcodes (QR Codes, SnapTags and the like). A greater percentage (65 percent) indicated they didn’t use this technology during 2016 than in any previous year. Additionally, only 30 percent increased, or even maintained, their level of use of this technology, reflecting a steady decline from the 51 percent seen increasing or maintaining their use five years ago.

Marketers probably aren’t using this technology because consumers never embraced barcode reader technology on their smartphones. Mobile device operating systems were slow to integrate QR code readers into standard OS packages, and no single, dominant 2D barcode universal reader standard emerged. At any rate, mobile users opposed downloading multiple barcode-reading apps onto their phones and pulling up a specific app when faced with an ad.

2D Barcode Budget Trends 2011-2016 (QR Codes, SnapTags, Microsoft Tags, etc.)



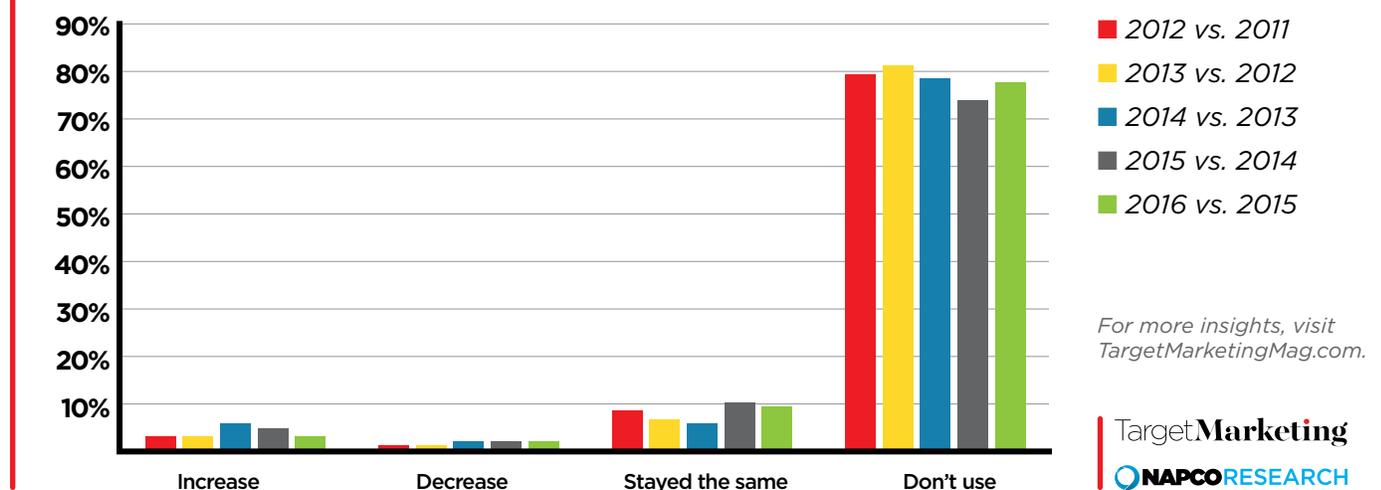
For more insights, visit TargetMarketingMag.com.



Augmented Reality 2011-2016

Marketers continued to keep their distance from augmented reality. The percentage of those who have increased investment in this area has languished in the low single digits for several years, and 2016 was no exception. This makes sense if a brand manager's perception of virtual worlds is over-hyped alternate realities, such as Second Life. But Edelman Digital's "2017 Trends Report" noted that game technology is leading a surge of this technology's use, with Oculus Rift, PlayStation VR and Pokémon Go leading the charge. Long story short: The 85 percent of marketers who currently don't use this medium will find themselves behind the curve on featuring their messages within technologies which "will help amplify the reach of both virtual reality and augmented reality content to the masses," according to the Edelman report.

Augmented Reality Budget Trends 2011-2016

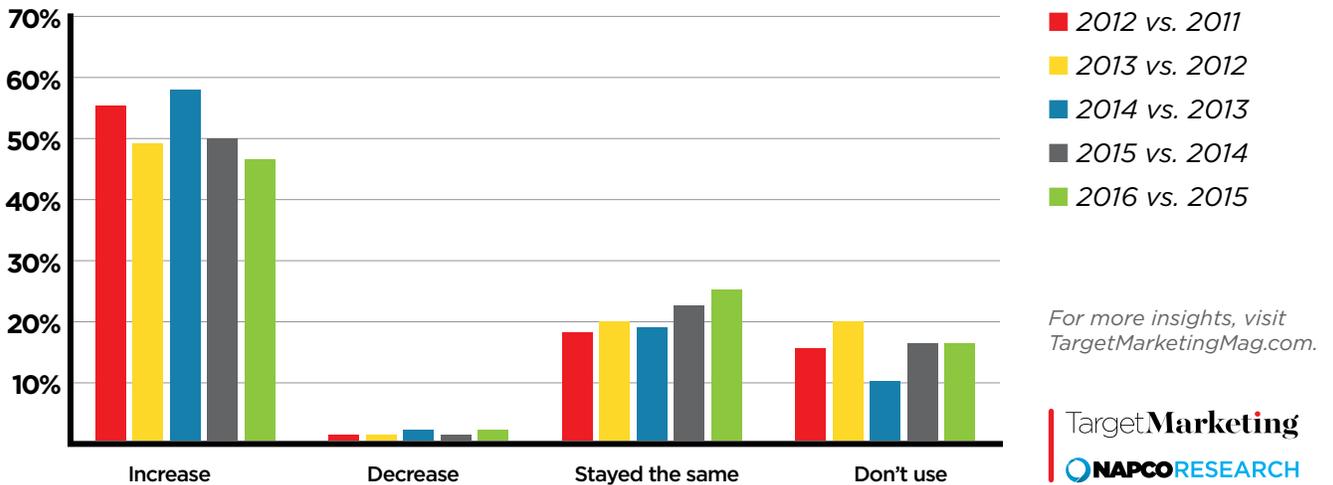


Content Marketing 2011-2016

The rules of content marketing got turned on their head during the most recent election season. Media consumers across the political spectrum are skeptical of content, especially when the motives of its sponsors are perceived as less than transparent. But the negative press content has received shouldn't be taken as a reason for backing off of this channel, but rather a call to use it intelligently and ethically.

Content marketing, both online and off, is a growth medium, with more than half (52 percent) of marketers having increased their use of it in 2016, while another 28 percent maintained their activities. These marketers realize content is a way of branding an organization as a thought leader — one a potential customer that wants to stay ahead of its peers will embrace. Note: As of 2015, Target Marketing rolled blog use into content marketing. Previously, it had been tracked separately.

Content Marketing Budget Trends 2011-2016

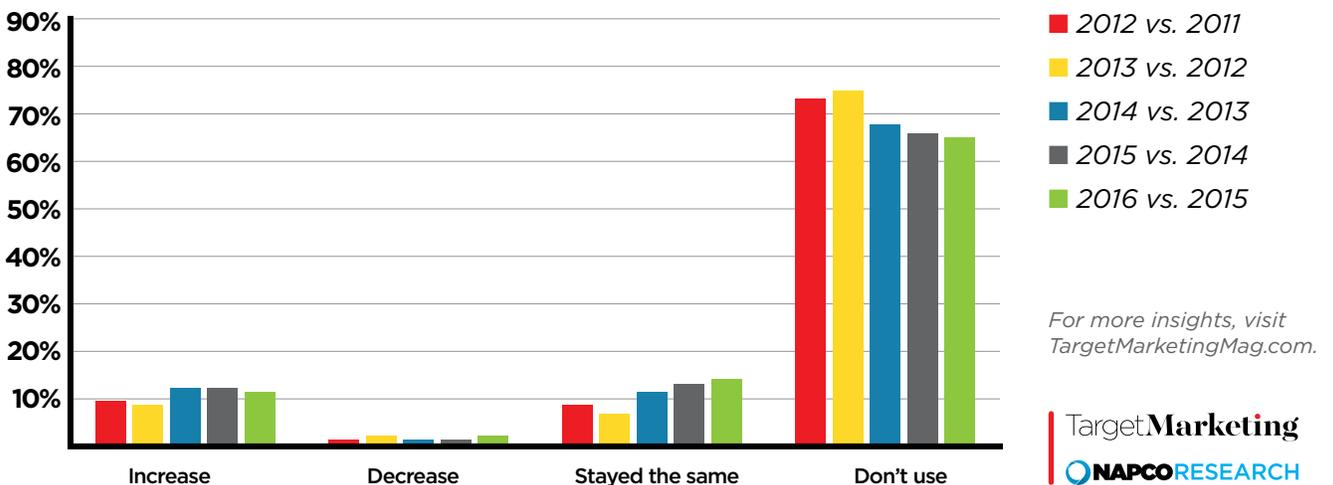


GPS/Location-Based Marketing 2011-2016

The ability to reach a prospect with relevant messages when the prospect is in-market has been a Holy Grail since the early days of marketing. Location-based marketing technology not only helps draw prospects into a retail location through messages when a prospect is near, but an in-store network of beacons can track, target and analyze a prospect's behavior on an aisle-by-aisle basis.

Marketers may not be in a rush to embrace this technology, but they are slowly catching onto its benefits: 29 percent indicate they are using it as of 2016, a steady, if gradual, rise from the 20 percent indicating they did so five years ago. The systems themselves are becoming more sensitive, and adoption of this technology will get a boost when they can offer granular data on a customer's on-site movement.

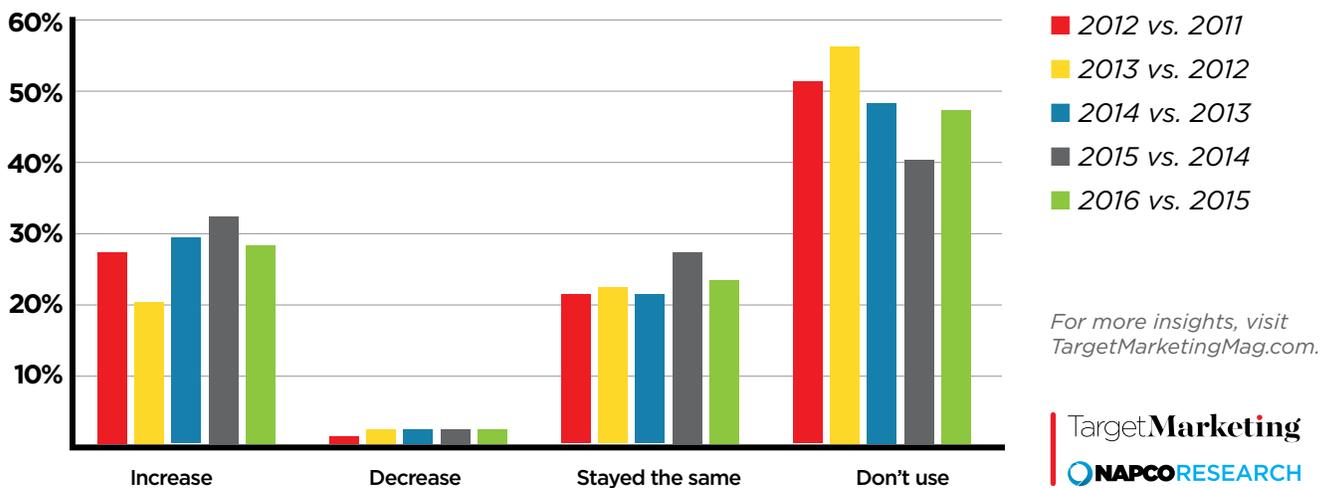
GPS/Location-Based Messaging Budget Trends 2011-2016



Loyalty Programs 2011-2016

Just under one-third of all respondents increased their loyalty program use during 2016, while another quarter maintained their current level. These figures are in-line with marketer behavior during the last five years. The number of respondents who cut back their use of loyalty programs was minimal: Customers have become accustomed to being rewarded for their faithfulness. But what of the roughly half of respondents who don't use loyalty programs? Do they truly not, or is this number under-reported because respondents don't realize their punch card program could be considered a loyalty program? Albeit one ripe for a touch of data analysis, which would serve to transform it from a simple merchandise give-back system to a platform that offers tailored insights and rewards while collecting customer information.

Loyalty Program Budget Trends 2011-2016

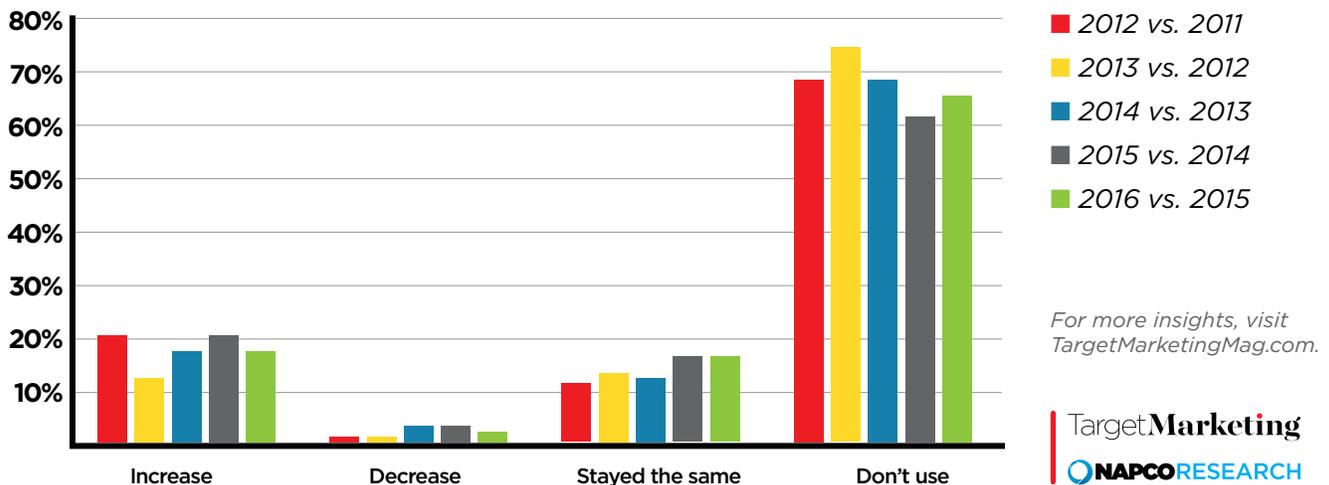


Mobile SMS 2011-2016

The biggest hurdle to this medium is that it requires prospects and customers to give up a seemingly personal piece of information — their mobile phone numbers. Given the proximity mobile devices usually have to their owners, and the fact that SMS messages interrupt with more immediacy than, say, an email, consumers have been somewhat wary about permitting contact through this channel.

The good news is that, as digital natives age into their prime spending years, the psychological barrier to surrendering this information should fall. Marketers certainly seem to be betting this will be so: In 2016, roughly one in five marketers, consistent with years past, increased their use of this medium, while only a negligible amount pulled back. The growth opportunity will be among the two-thirds of marketers who don't use this channel at all.

Mobile SMS & Short Code Budget Trends 2011-2016

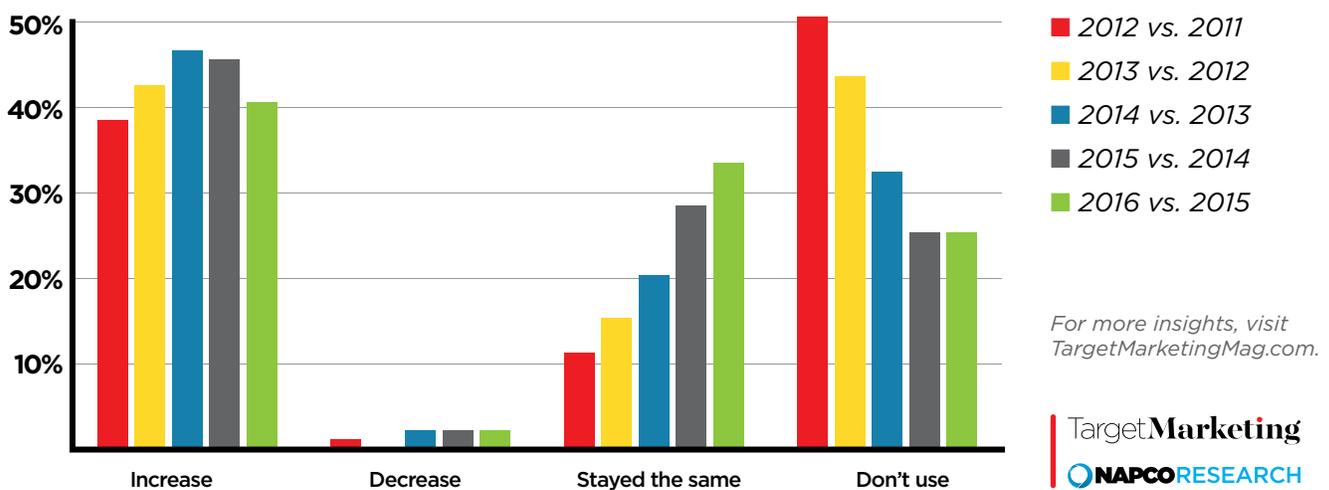


Mobile-Optimized Website 2011-2016

Because most entities are on the Web, optimizing sites for mobile access is no longer a nicety: It's a price of doing business. The rate at which respondents indicate they don't optimize their sites for mobile has fallen during the past five years. Those saying their sites aren't optimized has plunged from 50 percent to 25 percent, as of 2016. Those who are optimizing their sites for mobile aren't doing so because it's cool: The Web-browsing experience is different on mobile. The smaller screens require a rethinking of the digital experience, including a stripped-down functionality, one which places ease of loading and navigation above the full-fledged browsing experience accessing via a computer offers.

Marketers who don't optimize for mobile risk frustrating a significant portion of their prospects: Early in 2016, eMarketer predicted that one in eight Web surfers would access the Internet exclusively through their mobile devices.

Mobile-Optimized Website Budget Trends 2011-2016

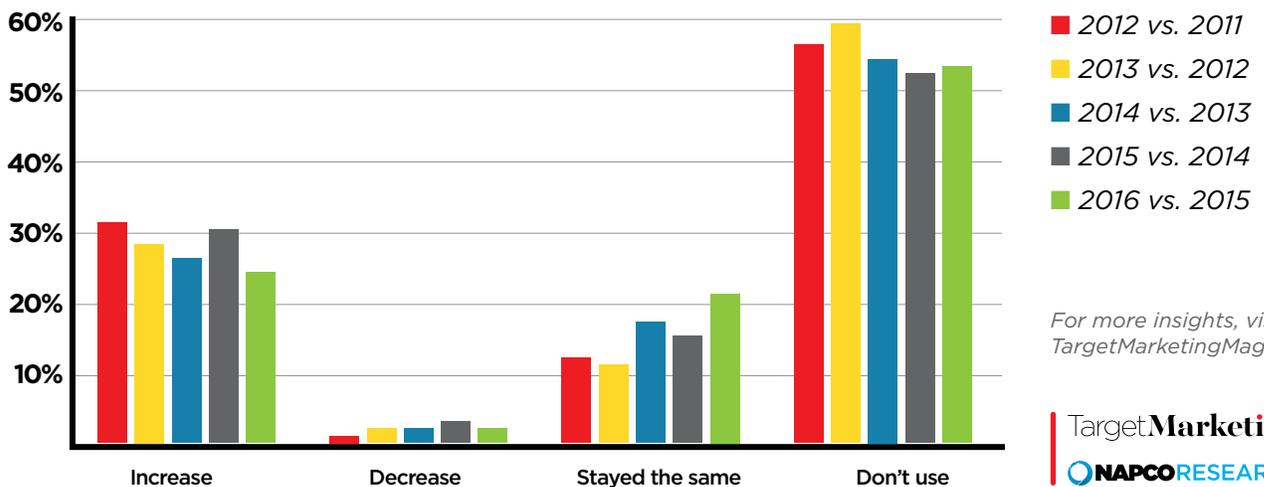


Mobile Apps 2011-2016

App adoption seems to be slowing. At 24 percent in 2016, the percentage of respondents who increased their investment in this technology is the lowest it has been in half a decade, while the percentage who kept their rate of app use consistent is as high as it has ever been — 21 percent, up from 12 to 17 percent in years past.

The number of respondents who don't use apps at all has remained more or less consistent during the past half-decade, at just over half. This passes the smell test, especially for organizations whose websites are mobile-optimized: An app provides a specific functionality, and if a site is already m-commerce optimized, for some marketers, anything else might be redundant. But these organizations might use an app to offer a value-added branding mechanism, something a customer or prospect might use on a semi-regular basis that would keep the brand front of mind.

Mobile Apps Budget Trends 2011-2016



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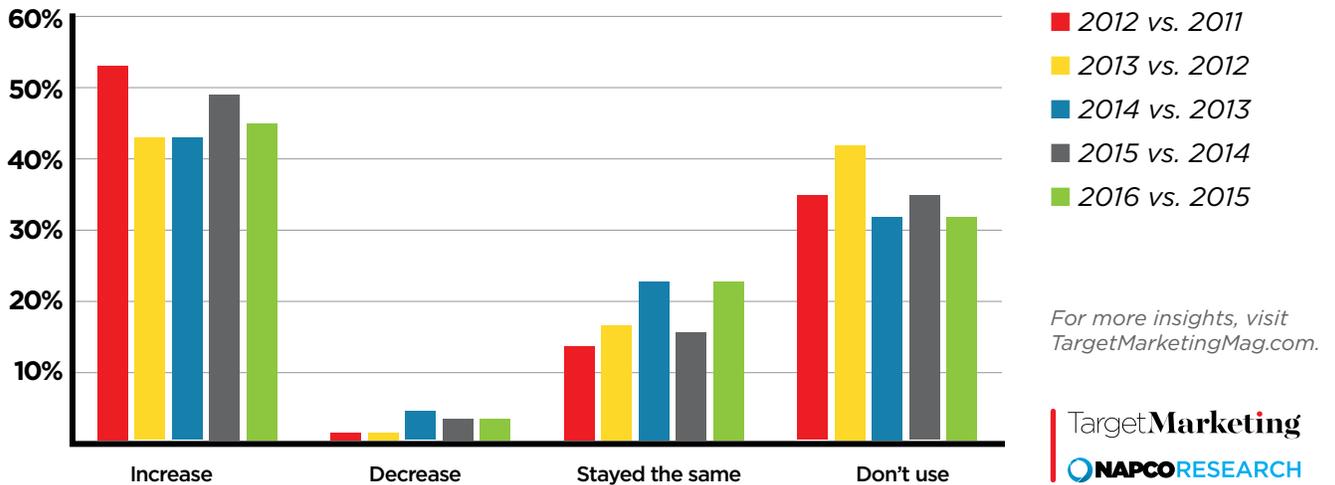
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Online Video 2011-2016

Online video remains one of the strongest growth mediums this survey follows. Nearly two-thirds of survey respondents either increased or maintained their use of it during 2016, compared with right around one-third who said they didn't use it at all. This channel's use tracks smartphone's increasing ubiquity: More prospects consume media through their phones, and a well-produced, easy-to-digest video can be placed near a lot of relevant content, both on an organization's own website, as well as in other locations.

Interestingly, the percentage of organizations indicating they do not use this medium has remained constant during the last five years, while the growth rates among those using video have similarly maintained, indicating that those who use it find it worthwhile to keep investing in it.

Online Video Budget Trends 2011-2016

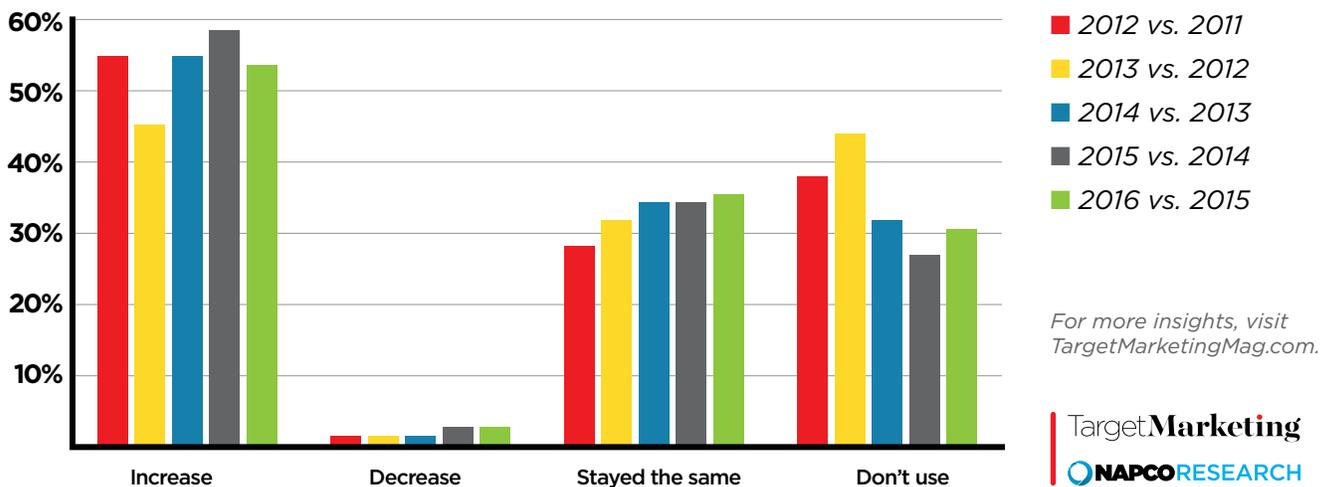


Personalization 2011-2016

Chances are pretty good the 44 percent of respondents who increased their use of personalization tactics in 2016 disproportionately cater to Millennials — consumers born between 1982 and 2000. The last of this generation is now entering adulthood, and as a whole they have expected goods, services and offers to be tailored specifically to them. Smart marketers know customized offerings provide a good in-road into this generation, which is entering its prime earning (and spending) years.

The one-quarter of the respondents who don't use this tactic are either in a space where personalization won't appeal to their prospects, or are missing a fairly easy trick for engaging prospects and customers. The rates of increase and decrease for this tactic's use are consistent with those in years' past.

Personalization Budget Trends 2011-2016

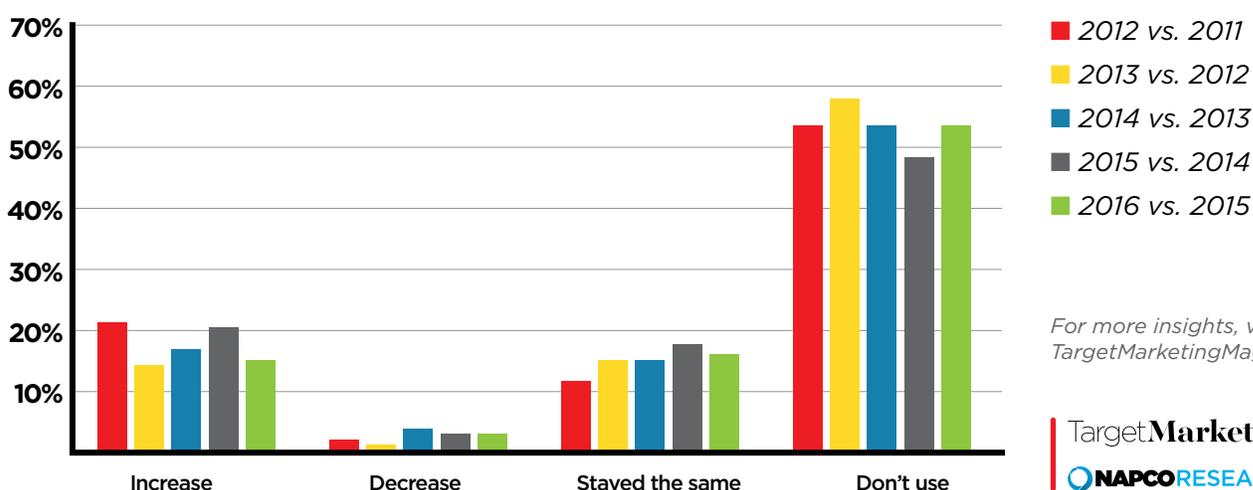


Personalized/Persistent URLs (PURLs) 2011-2016

Personalized URLs (PURLs) were hot in the early days of the Internet. While marketers still use them, the six-in-10 who don't as of 2016 have likely realized that: a) personalizing a URL isn't as effective as personalizing offers or offerings to an audience and; b) the tracking data, such as source or other information which personalized URLs once provided, is now available through much more subtle and effective methods.

What PURLs can help with is creating a smooth transition between non-digital efforts (such as direct mail) and online channels. And if a target accesses online content via a PURL the marketer can draw on a database of knowledge (whether directly from an existing customer or overlaid, if the target is a prospect) to tailor the online landing experience. But even then, there's risk of an ick factor — overfamiliarity, especially with someone with whom a marketer doesn't have any history, can be a turnoff.

Personalized/Persistent URLs (PURLs) Budget Trends 2011-2016



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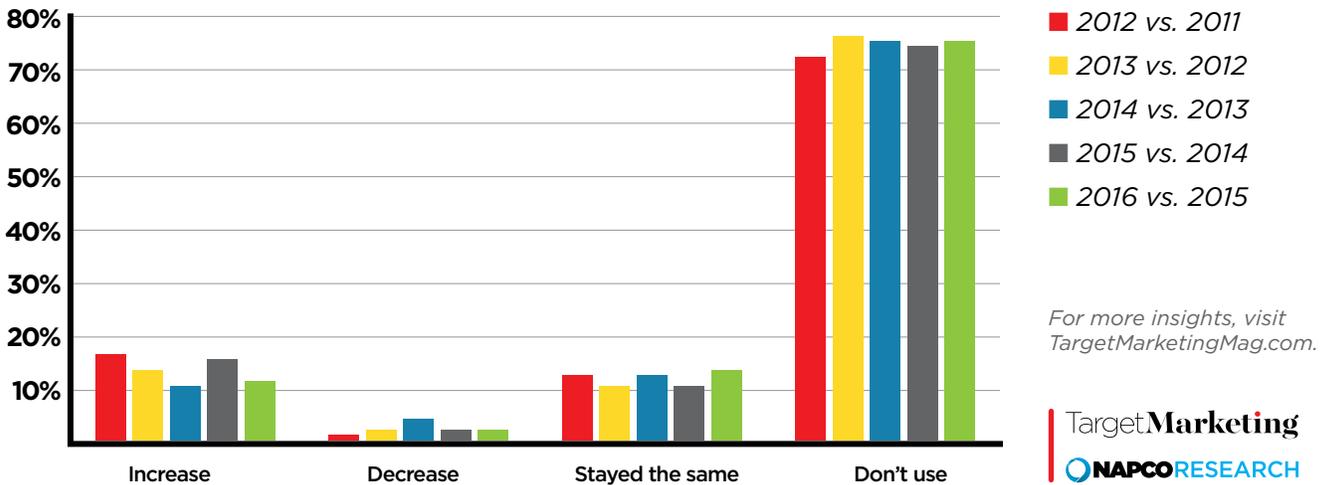
Podcasts 2011-2016

Unlike a video advertisement, which can be placed around another entity's related content, podcasts face two hurdles that explain the slow embrace of this tactic. First, the prospect must be lured to view it, and second, the marketer must repeatedly generate content that is engaging and/or relevant.

As a result, marketers are taking a "wait and see" approach: The percentage who increased their spending on podcasts dropped in 2016, while the percentage of those holding at their current levels of use increased. Overall, roughly three-fourths of all respondents don't use this channel.

That said, marketers who target consumers currently in their prime earning years should probably consider their podcast strategy: According to a 2016 survey from Jacobs Media, nearly three in 10 individuals overall listen to podcasts weekly or more often, and 34 percent of Millennials and 28 percent of Generation X consumers said they were likely to increase their podcast listening.

Podcast Marketing Budget Trends 2011-2016



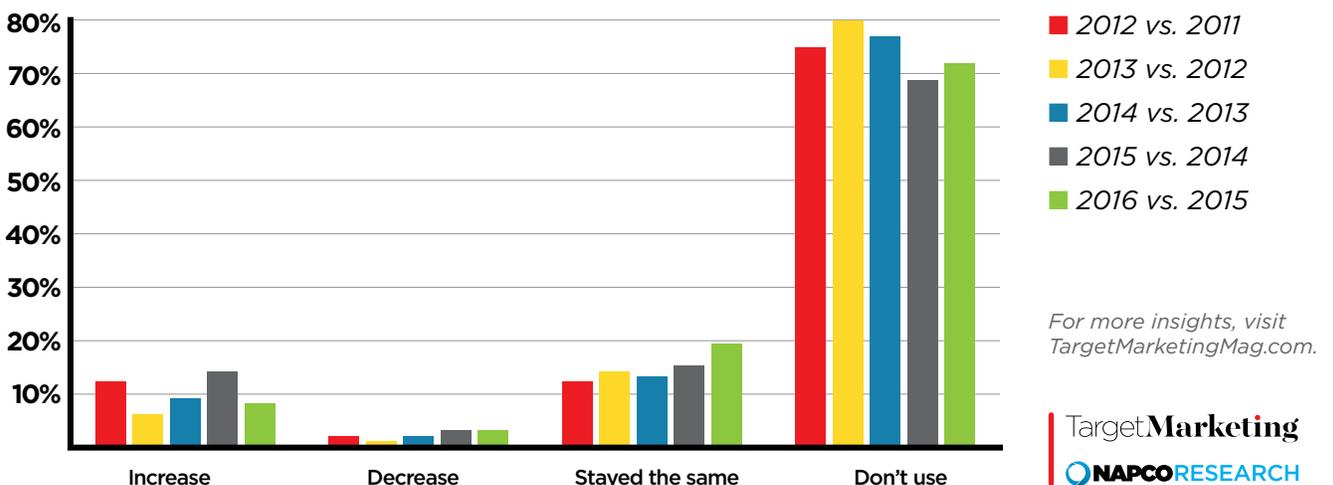
Response Boosters 2011-2016

During 2016, marketers pulled back slightly on their use of response boosters — any technique which helps outreach efforts increase effectiveness. They've also pulled back on direct mail, the medium traditionally associated with response boosters, so the finding makes sense, at least from a consistency perspective. But does it make sense from a marketing outlook?

Response boosters include tips for effective sales, such as selling solutions to problems as opposed to products and appealing to emotions first and reason second. They include making the response mechanism as easy as possible. So why would the percentage of people increasing their use of these tactics drop from 14 percent a year ago to 8 percent?

Overall, the percentage of respondents who said they used these techniques in 2016, whether they have increased, maintained or decreased their use, is still on the historically high side, at 29 percent. But it should be higher.

Response Booster Budget Trends 2011-2016

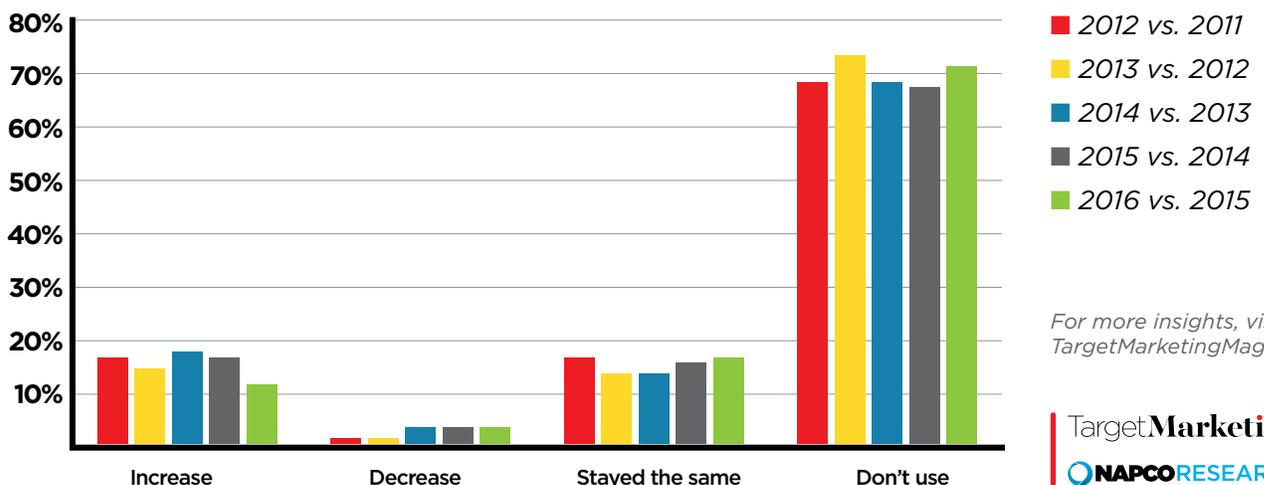


Variable Digital Printing (VDP) 2011-2016

It may be that as the direct mail channel's fortunes go, so goes use of variable digital printing. Sure enough, marketers reported a pullback in both direct mail and VDP, with fewer (11 percent) indicating they increased their use of this technique over years past, more (70 percent) saying they don't use it at all and roughly the same level (16 percent) saying they kept their use of it on-par with 2015.

The next step for growth in this technique may be harder pushes to tie it into point-of-sale systems, so customers are presented with customized offers or communications right at the point of checkout ... or even before, via kiosks or retail check-in locations. Customized welcomes may well spur larger basket sizes during individual visits, and would help bring some of the online recommendation functions into the retail environment.

Variable Data Printing (VDP) Budget Trends 2011-2016

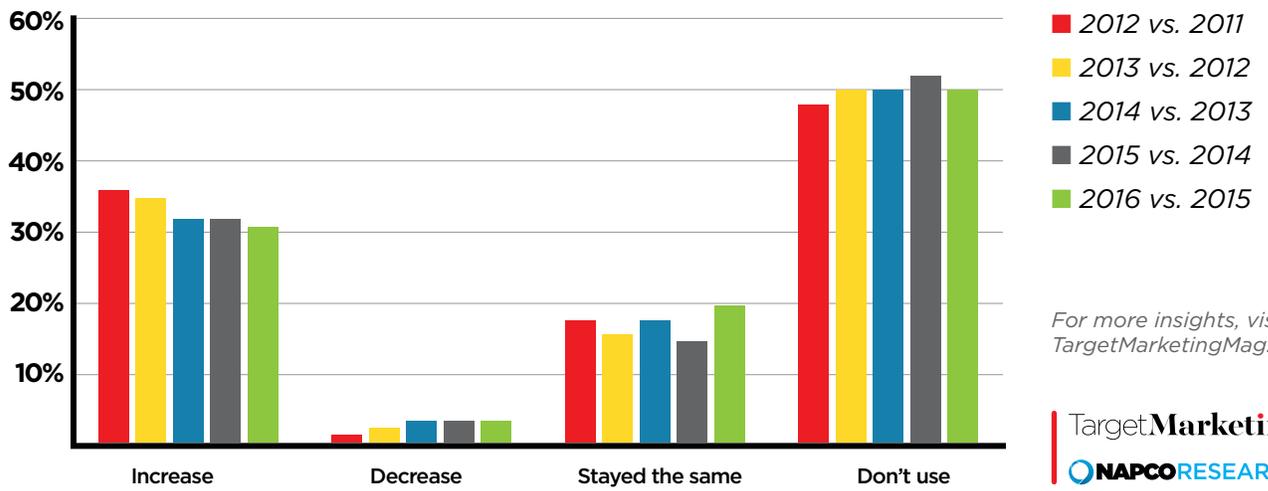


Webinars 2011-2016

Not all online content is equal ... nor equally effective. Webinar use has stayed right around the 50 percent level for the last five years. During the same time period, the number of readers increasing their spending on webinars has slipped from slightly over to slightly under one-third.

Our survey doesn't ask overly granular questions about webinar design, but we suspect those organizations continuing to invest resources into this tactic have taken at least one of two essential steps. First, they follow the dictates of good webinar design, such as length, best practices in slide designs and other visual elements, and professional-level scripting. Second, they likely have incorporated immediate response mechanisms for easy lead capture right into the webinar itself, as opposed to making viewers work (and anything that requires more than one mouse click is work) to raise their hands either during or after the presentation.

Webinar Budget Trends 2011-2016



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CONCLUSION

By Thorin McGee, Editor-in-Chief, Target Marketing

How marketers reach customers is always a reaction to the media and technology environment they're working in. The media we consider "traditional," like catalogs and other forms of direct mail, emerged because the timing and reliability of the USPS, railroads and delivery systems favored that form of direct response communication. The media and technologies favored today, and the way they're evolving, are no different. They are evolving, in the most Darwinian sense of that word, to better adapt to the environment we're marketing in today.

What does this survey reveal about that environment?

For starters, the investments are moving toward channels that are less disruptive and more passive for the audience. Search, social media, content marketing, retargeting ads to appear on other websites your site visitor visits ... these tactics are far less disruptive than a TV commercial, and require less active decision-making by the recipient than direct mail or email.

Even online videos, which at first glance may be equated with traditional commercials, are a soft-sell type of content. They don't butt into the middle of content, but find ways to get the audience to choose to watch them. When they do butt into content — as pre-roll ads, for example — they tend to allow the option for viewers to skip them after five or 10 seconds.

This is a different, softer, more opt-in and engagement-focused marketing world. Reach the right customers with content or offers they'll honestly want to see.

At the same time, classic direct marketing is not going away. Direct mail and email are both top channels, and even telemarketing is very successful for a significant subset of marketers. In a world of softer marketing, these more direct methods stand out. They force the question, "Do you want to do business?" They force a reaction, even if it's just to throw them away. They force recipients to at least recognize you exist and would like to sell them something, and that's essential. Engagement will lead many prospects to become customers, but for others, you need a way to bump the conversation to the next level.

There are plenty of channels and technologies we've discussed that are in worse shape. An essential lesson I've learned in doing these surveys year-over-year is that many of the channels and tactics we are told will be essential turn out to be nothing of the sort. Look at 2D codes, augmented reality, mobile SMS and shortcodes ... Every one of those has been successful for some marketers, but they're not the essential marketing technologies I'm sure someone told you they were. Beware technologies that require third party apps to be adopted first, beware shiny objects that aren't essential to your target audience, and beware ideas that seem too far ahead of their time. But most of all, beware complacency, because for every QR Code, there's a real opportunity like social media advertising out there.

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Target Marketing is the go-to resource for marketers who are determined to increase brand value. Our magazine, website, e-newsletters, webinars, virtual shows and live events deliver hands-on, how-to-do-it content that gives you the tools you need to develop, execute and evaluate your marketing. These resources help marketers succeed—not just in their companies, but in their careers.

WHO WE ARE

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Led by a former Forrester Research analyst, the NAPCO Research team crafts custom data-centric solutions that leverage our highly engaged audiences across the markets in which we operate, our industry subject matter experts and in-house research expertise. We partner with our clients to identify their unique business problem and create solutions that enable deeply informed decision-making.

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