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### Study shows COVID-19 caused worst year in a decade for marketing agencies

Only 28% of marketers reported an increased reliance on their agencies in 2020, down from 50% the year before

**Toronto, ON – October 8, 2020** – With budgets tight due to COVID-19, brand marketers slashed their reliance on media and creative agencies more than any year in the past decade, bringing various advertising tactics in-house or splitting work using a hybrid model, according to the 14th annual Digital Marketing Pulse Survey released today by Ipsos Canada, the Canadian Marketing Association (CMA) and *strategy* magazine.

“Over the years, we’ve seen marketers swing between bringing tasks inhouse and staffing up, to moving things out to agencies as headcount became an issue, but 2020 has been an extraordinary year, particularly since the onset of the pandemic” says Steve Levy, chief client officer for Ipsos in Canada. “For one in four marketers, COVID-19 has fundamentally changed the way that they approach digital marketing.”

Email marketing (66%), websites (63%), and social media marketing (52%) top the list of tactics that brands handled internally this year. The primary reasons for taking tactics in-house were to save money and a belief that turnaround time would be shorter. In contrast, marketers’ primary reason for outsourcing was access to expertise, reflecting a recognition that clients need to rely on their agency partners for specialized knowledge.

Marketers report that their budgets are shifting to digital tactics and away from “traditional media” with print bearing the brunt of this shift. There has been a decline in out-of-home tactics due to a drop in outdoor media buying since the onset of COVID-19 following two years of increasing familiarity and usage.

Social apps like Instagram, online video and search are seeing the most spending growth. However, use of influencer marketing by agencies declined sharply, possibly due to growing lack of authenticity and concerns regarding new regulations and transparency.

“Marketing expertise will be a key driver of economic recovery,” said John Wiltshire, president and CEO of the CMA. “Rapid shifts identified in the Digital Marketing Pulse Study underscore the profound impact of the pandemic on the marketing mix and provide insights on which of these changes might be permanent”.

While some tactics are mainstay, there are some that the marketing community continue to hold their breaths on (i.e. Augmented Reality, Wearable Technology and Digital Audio).



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For the near future, the report signals that a hybrid model will be increasingly important as it will be critical that clients and agencies build bridges between what they do to ensure they work in synergy. “This is where agencies can be powerful partners to marketers by proactively bringing their expertise to the table and showing brands how to maximize their combined skillsets,” says Lisa Faktor, associate publisher of *Strategy*.

Agency and brand-side marketers considered 14 digital tactics and offered commentary on many related issues as part of the Digital Marketing Pulse Study and the qualitative sessions that followed. Six in 10 Canadian marketers believe that their digital initiatives are effective, a positive trend line over the past three years. This effectiveness is largely driven by marketers’ belief that these initiatives play a key role in increasing awareness.

The survey also considered consumer attitudes towards several aspects of digital marketing. Despite privacy and security concerns, most Canadians have not changed their social media habits in recent months. Where there are directional declines (fewer joining or liking a campaign, or fewer sharing a product ad or information through a social networking site), “this is more likely an expression that the younger cohorts are increasingly savvy in their use of social,” says Levy.

The report was released at a CMA [exclusive event](#) presented by Ipsos and Captivate.

### For more information on this news release, please contact:

Shane Madill  
Kaiser Lachance Communications  
[shane.madill@kaiserlachance.com](mailto:shane.madill@kaiserlachance.com)  
647.725.2520 x207

Steve Levy  
CCO, Ipsos Canada  
[Steve.Levy@ipsos.com](mailto:Steve.Levy@ipsos.com)  
+1 416 324 2107



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### About the [Canadian Marketing Association](#)

The CMA is the voice of the marketing profession in Canada. We serve more than 400 corporate, not-for-profit, public and post-secondary members, including Canada's most prestigious brands. Our community also includes creative, media, and PR agencies, research firms, management consulting firms, technology companies and other suppliers to the marketing community. We support activities related to thought-leadership, professional development, consumer protection, and commercial success. We act as the primary advocate for marketing with governments, regulators and other stakeholders. Our Chartered Marketer (CM) designation ensures that marketing professionals are highly qualified and up to date with best practices. We champion self-regulatory standards, including the mandatory Canadian Marketing Code of Ethics and Standards.

### About strategy

*Strategy* uncovers and shares the "bold vision, brand new ideas" of Canada's national marketing community. *Strategy* delivers on this tagline via strategy magazine, industry leading conferences, recognition programs plus online news via *strategy Daily*, *strategy marketing C-Suite*, *strategy Shopper Marketing*, as well as sister publications *Media in Canada* and *Stimulant*.

### About Ipsos

Ipsos is now the third largest market research company in the world, present in 90 markets and employing more than 18,000 people.

Our research professionals, analysts and scientists have built unique multi-specialist capabilities that provide powerful insights into the actions, opinions and motivations of citizens, consumers, patients, customers or employees. Our 75 business solutions are based on primary data coming from our surveys, social media monitoring, and qualitative or observational techniques.

"Game Changers" – our tagline – summarizes our ambition to help our 5,000 clients to navigate more easily our deeply changing world.

Founded in France in 1975, Ipsos is listed on the Euronext Paris since July 1st, 1999. The company is part of the SBF 120 and the Mid-60 index and is eligible for the Deferred Settlement Service (SRD).

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