



New Study Indicates Canadian Marketers Going Digital, But Enter With Caution Study Points To Evolution Rather Than Revolution In Way Marketers Utilize Digital Media

Toronto, ON – A new study of marketers about digital marketing in Canada conducted by Ipsos Reid for the Canadian Marketing Association shows that some 4 in 10 marketers (39 per cent) believe that “spending on TV will decrease over the next two years,” reinforcing the current trend in growth of digital forms of marketing and the shift away from mass marketing to more targeted marketing approaches.

Further, while digital currently accounts for only 8 per cent of total marketing spend, two thirds (65 per cent) of the marketers surveyed strongly agree that their “senior management is very interested in digital marketing,” which appears to follow market trends and the overall consumer appetite for accessing media through new technology.

The survey results, released on the eve of the CMA and Marketing’s Digital Marketing Conference, reveal that while marketers are broadening their priorities from traditional mass vehicles such as television to include more targeted Internet and digital marketing tactics, there exist both hurdles and opportunities for the marketing industry as a whole.

“We increasingly see people consuming media in different ways,” says Steve Levy, president of Ipsos Reid in Toronto. “Thanks to the advent of personal video recorders, video games, the Internet, and other technologies, media consumption is now a much more active and less passive pursuit than ever before. It is no longer just about advertising on TV. In fact, today’s consumer spends almost as much on devices and applications designed to help them avoid advertising as advertisers spend on advertising itself.”

What’s New Is Old Again

In terms of familiarity and usage, some forms of digital marketing appear to have matured and, in some respects, become part of the traditional marketing mix. This includes e-mail marketing, online advertising, search engine marketing (paid), search engine optimization, and interactive consumer websites. Others continue to be considered emerging opportunities in that they still generate only low levels of usage, even when increasing levels of familiarity exist within the marketing community. These emerging approaches include e-CRM, social network marketing, viral marketing, blogging/podcasting, in-store digital media, online video marketing, and mobile marketing.

“Over the past three years, we have seen familiarity and usage of most aspects of digital marketing increase,” continues Levy. “Blogging, podcasting, mobile marketing, and viral marketing have remained flat over the past two years. This is possibly driven by an increasingly more sophisticated and tech-oriented environment.”

Show Me The Money

With both familiarity and usage on the increase, why aren’t marketers allocating more of their budget to digital? Despite positive trends, there is still a distinct lack of knowledge (31 per cent) with marketers either indicating that they are just starting to explore or consider the digital realm (12 per cent) or that they are unsure of its effectiveness (12 per cent). Sentiments such as concerns over video sharing sites and the effectiveness of online viral marketing continue to reflect a neutral wait-and-see approach.

“For most areas of the digital landscape, it remains the case that agencies are more familiar and express stronger usage than their counterparts, client-side,” says Adrian Capobianco, president, Quizative Inc. and co-Chair of the 2008 Digital Marketing Conference.



"To some degree agencies are taking the lead position, but perhaps not enough. The question is whether agencies are doing enough to educate their clients and if not, this could be an opportunity area for some organizations to step into," Capobianco adds.

Rules Of Thumb For Digital Marketers

Best practices in digital marketing as noted in the study mirror some of the best practices in traditional marketing but there are a few additions to the list, notably the need to get permission (7 per cent) and the requirement to be customized and relevant (12 per cent). All of the best practices mentioned by Canadian marketers fall under the mantra of knowing who to target, what to say, establishing metrics to measure success, and to executing them in an ethical fashion.

"It is an increasingly complex realm and the perceptions of digital marketing seem to be diverse, with a clear gap that exists between agencies and marketers," notes Steve Mast, vice president, managing director, Delvinia Interactive and co-Chair of the 2008 Digital Marketing Conference. "Agencies have an opportunity to help close this gap through leadership and education," Mast concludes.

The 2008 Digital Marketing Conference is being presented in Toronto from October 29th to 30th, by the CMA and Marketing. The two-day event brings together a wide range of professionals from all corners of the industry to discuss and explore digital strategies. For more information on the itinerary, visit www.the-cma.org/digital.

This release is based on the findings of a joint CMA and Ipsos Reid online study fielded from 08/14 to 09/08, 2008 among CMA Members/Marketing Magazine subscribers¹.

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¹ This online survey of 228 marketers and Advertising agency staff is not based on a quota sample and hence the respondents' demographic profile may not be exactly reflective of the overall CMA membership



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About The Canadian Marketing Association

With more than 800 corporate members, the Canadian Marketing Association (CMA) is the largest marketing association embracing Canada's major business sectors and all marketing disciplines, channels and technologies. CMA is the marketing community's leading advocate on the key public policy issues affecting both consumer and business-to-business marketers. As well, the Association is the principal provider of knowledge, marketing intelligence and professional development opportunities for marketers; and a catalyst for networking and business opportunities within the marketing community.

About Marketing

Marketing magazine is dedicated to the businesses of marketing, advertising and media. Launched in 1908, Marketing has a long history of engaging readers with provocative, analytical and thoughtful content. Along with Marketing magazine's regular bi-weekly coverage and commentary about matters in the marketing business, both in Canada and beyond, Marketing also produces Marketing Daily, Marketing online, Marketing custom publishing and events.