

# 2022 MARKETING BUDGETING

## What's causing complexity & challenges?

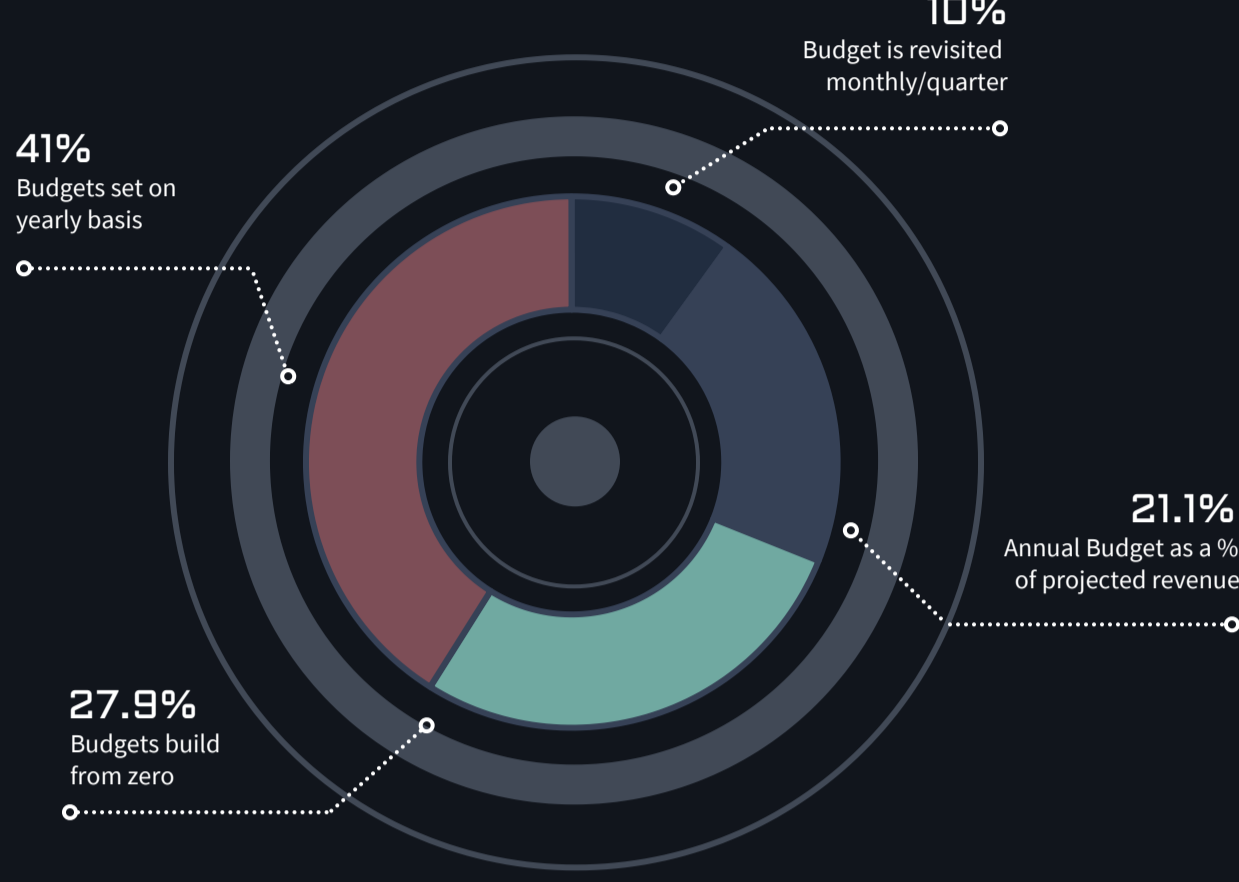
- Marketers need to re-examine their current practices and "zero out" or find ways to adjust strategies.
- Brands must rethink how they identify and connect with customers; requires marketers to approach investment and measurement in new and different ways.
- The future is 'hybrid marketing' requiring CMOs and their teams to define how online and offline channels work symbiotically.
- The focus needs to be on outcomes to increase abilities to develop custom KPIs that ladder up to outcomes or create digital proxies that better represent outcomes.

## TODAY'S CHALLENGES

- Companies face ongoing uncertainty as the recovery proceeds and to build a path forward - marketing organizations need to drive more cohesion and better alignment.
- Below, we describe 5 key cause factors to the budgeting challenge based on relevant information sources such as Deloitte, Gartner, Forrester, CMO Council plus OYO.Digital's own observations

### 01 Budgeting Still Based on Previous Year's Expense Approach

Main cause - Marketing is struggling to show the impact of marketing spend



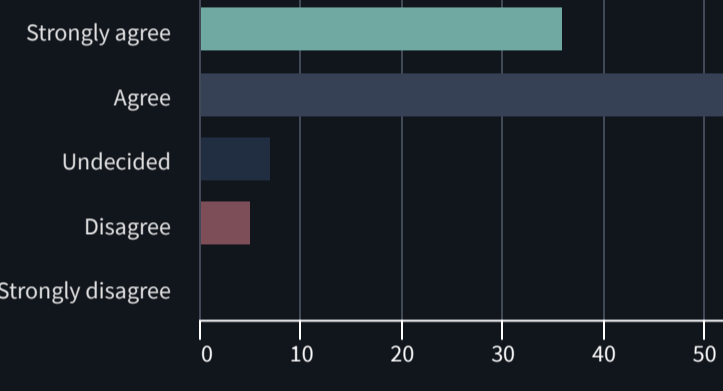
Source: Deloitte - Highlights and Insights Report Aug 2021

### 02 The New and Unknown

With the volume and availability of data we have today, marketers are challenged to demonstrate the impact that marketing has on the business. Why invest in something if you don't know how it was performing?

#### CMO RATING

The ability to measure the impact of a given marketing channel affects the likelihood that we will use that channel in our marketing efforts



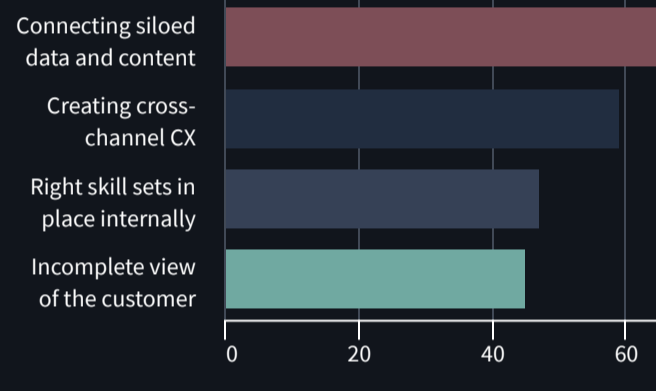
Source: The CMO Club - The Great Marketing ROI Reset

### 03 The Race to Ideal CX Strategy

60% of marketers point to inconsistencies with the depth and granularity of customer insights, while 36% admit they don't have the data to know their consumers, let alone anticipate needs.

#### MAIN CHALLENGES:

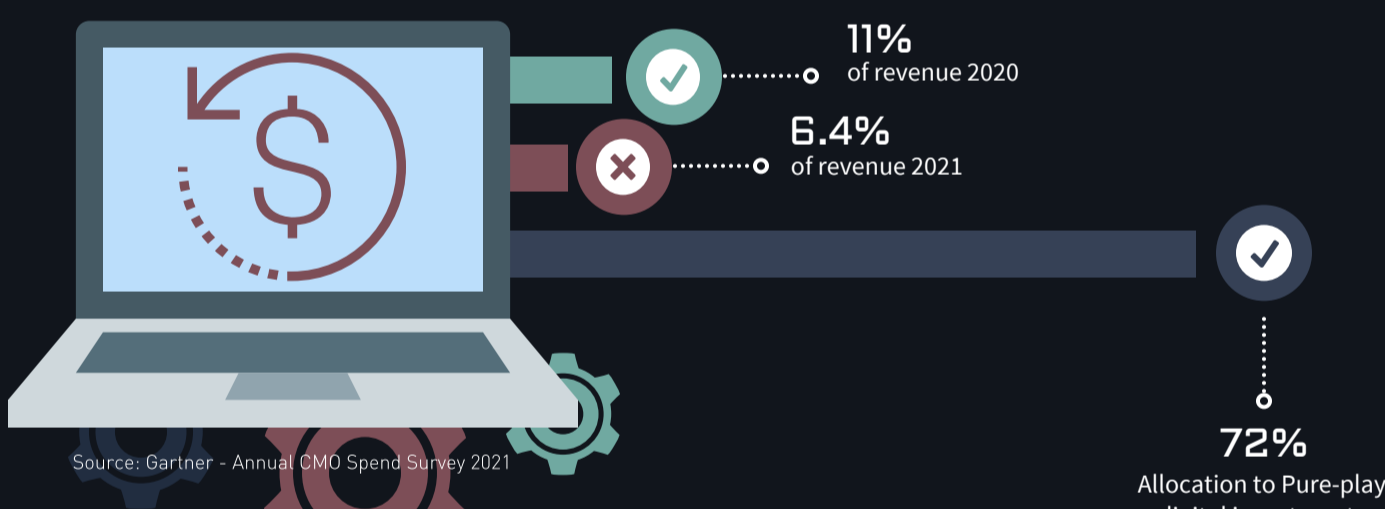
Only 1-in-5 marketers feel they have relevant data sources that are highly accessible; the majority not being able to deliver a single, trusted data picture for real-time analysis



Source: CMO Council - Data Driven Decisioning Powers CX

### 04 Prepandemic Funding Levels Proved Elusive For Many

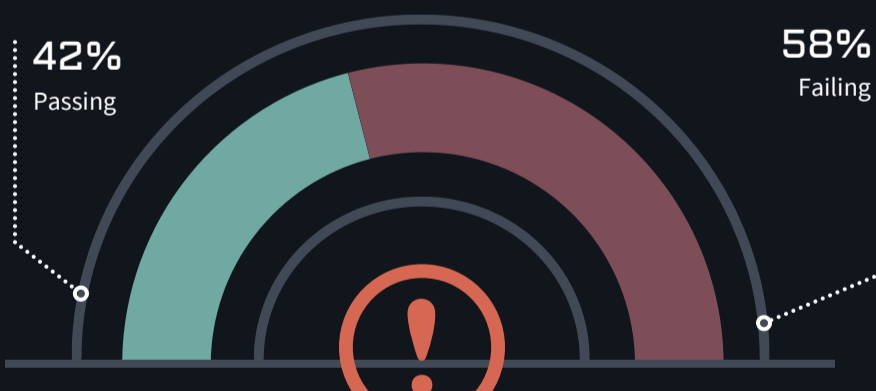
CMO's reported that the proportion of company revenue allocated to marketing had fallen from an average of 11.0% in 2020 to just 6.4% in 2021. Investments in pure-play digital channels, be they owned, paid or earned dominate CMOs' investment priorities adding additional challenges.



Source: Gartner - Annual CMO Spend Survey 2021

### 05 Content Marketing is Outpacing Marketers' Ability to Measure its Effectiveness

Lacking a clear strategy, marketers forgo measuring the business value that content drives and instead focus on operational and tactical metrics.



Source: Gartner - How to measure content marketing 2021

**"Until you focus on the entire buying group experience, you are locked into the machine of lead generation instead of creating emotional connections."**

Source: Forrester - Planning Assumptions B2B Marketing 2022

## Additional factors influencing 2022 marketing budgeting efforts to determine ROI & marketing contribution

#### Non-exhaustive summary

- Marketing budgeting is not a digital marketer skill
- Move from click-based engagement to real-time buyer enablement
- Need to rebuild and transform your marketing engine
- Lack of holistic marketing campaign measurement
- Convert on the paid- and display media optimization opportunity to deliver bottom-line savings
- Changing lead and demand generation requirements

## Zero-Based Marketing Driven Budget Decisioning

FROM OYO.DIGITAL

ZBM offers an enormous opportunity to provide a more intelligent framework to find, message, and engage new business prospects and to more effectively enable growth (arguably the most important aspect).

By adopting Zero-Based Budgeting (ZBB) principles, you can develop/create/adjust more accurate budgets that better address your company's upcoming challenges, activities, and aspirations. It's a flexible approach to budgeting that can be applied across all your internal departments and digital media channels. Enabling you to look more closely at what has worked in the past while helping to frame current priorities and identify how you can grow your marketing capabilities today and into the future.

