



## The Intelligent New Business Survey 2011

Many marketing agencies will be currently planning their 2012 new business development campaigns and deciding where to focus precious resources and investments. Much of this will be aimed at the Olympics but the larger economic picture remains in place in the background and affects brand decision-maker sentiment and planning.

Pearlfinders Marketing interviews over 5,000 brand decision-makers every year. Although Rainmaker's Survey sample each year is large, it's not that large, and among other things Pearlfinders carefully records spending interests and preferences, and has been doing so for the last 21 months. So with this substantial sample at their disposal and a view on long-term trends, the Intelligent New Business Survey this year turns to the Pearlfinders' data and their team for their forward looking opinions.

From speaking with the Pearlfinders Marketing research team we have drawn the following conclusions. These help to inform broad-brush advice to Rainmaker clients for 2012 and you can read the full text of the Pearlfinders Marketing Index Q3 2011 [here](#).

It goes without saying that the circumstances of each agency vary and there will be very good reasons why an individual agency will have experience or capabilities that mean they will want to ignore our larger statistical picture and our advice for specific areas. However for many, we feel they will find this summary useful, so here goes: -

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## Sectors to target for new business success in 2012

- As priorities of a hard-pressed population alter, food, in particular comfort food, is the leading growth area. For the last 7 quarters, interest among marketers for marketing investments in food has outstripped all other areas of the economy (See Pearlfinders Index 2011 Q3 - Sector Heat). Also make sure you include on your database baby foods especially premium baby foodstuffs and drinks
- Food retailers benefit and should also be expected to continue a strong interest in marketing expenditure
- Financial services - corporate PR especially, but also digital, online PR and social
- Make some time to target online gambling
- Luxury - those who have it will continue to desire it in 2012, and continue to buy it

## Sectors to maintain your prospecting activity

- Professional services (starting to look a little stronger)
- Motor, on the up
- Alcoholic drinks - when its gloomy, many turn to the bottle. Despite a stringent tax and regulatory environment, marketers will have budgets in 2012

## Sectors to expect less from

- Financial services other than corporate PR. As the sclerotic pace of business continues, companies are spending an increasing amount shoring up positions with stakeholders to stick it out. There is less left for consumer PR and media & advertising, interest for which has steadily declined from a high position across the last 21 months
- There continues to be major interest in retail marketing and this should remain in your target list, though it is down a great deal over the last 2 quarters, and much of this is speculative and poorly funded
- Expect a variable picture from the complex Leisure sector - some areas will have a great 2012 others dire. The more granularity in your database segments the better! E.g. domestic tourism and crafts with the grey sector
- Charities have the largest number of new decision-maker appointments. Normally a signal for agencies to get excited, we feel in this case it will reflect in 2012 a desire to handle activity in-house to save on external support
- Retail outside food and luxury

## Sectors to consider investing in less next year

- Consumer electronics. With the exception of some must-have brands and associated products, for the last 21 months there has been a steady decline in interest from marketers for agency support
- Unless there is a very big U-turn on getting down the deficit (let's face it unlikely) the public sector will be a barren place for most in 2012. It flat-lined in Q3 2010 and has stayed there ever since

## Triggers for new business opportunities

- NPД & innovation activity is up markedly over the last 21 months, featuring as the trigger for Pearlfinders reports in 26% of cases, up from 14% 7 quarters ago. In adversity, companies are having to be ever more imaginative and creative. And to launch, they are using digital more and more and traditional advertising less and less. NPД provided a large one third of all digital agency new business opportunities in the last quarter. Just 10% of decision-makers were contemplating traditional advertising to launch their new product or service.
- Stepping outside the heartland of FMCG and retail, the biggest mover here is, interestingly, professional services.
- Interest in M&A is up over the last 4 quarters, though all depends on the big picture in 2012.

## Demographics

Over the last 21 months, Pearlfinders data tells the following stories: -

- High net worth, is soaring (they don't feel the gloom)
- Youth, is in marked decline (they don't have any money)
- Affluent middle-class is in decline (they are tightening their belts)
- Multicultural is slightly increasing (brands working harder to explore niches of a growing immigrant population)
- Grey, is stable
- Females, is up (gender staples) plus 'affordable luxury' - this is most sought after demographic and looks set to remain so in 2012
- Males, is up (gender staples)

Though most brands still focus most budgets on customer acquisition, focus on this area has fallen since January 2010. Focus on retention has increased slightly, but focus on customer development is the growth area we're betting on for 2012.

## Agency service categories

If you were minded to launch a marketing services agency and it didn't matter in which discipline, demand for corporate PR means it's a good bet, showing the strongest growth since January 2010 and with no sign of stopping in 2012. If you look at the sub-disciplines within corporate PR, it is reputation, public affairs, government relations and trade PR that are showing the growth. With less M&A activity of course financial PR has experienced a declining interest. For the first time interest in digital is number one, replacing consumer PR. Online PR and social media is plateau-ing out. Digital is of growing interest as social media starts to tie in to retail strategy, and group-buying sites erode the concept of exclusive value, and even price comparison. The concept of brand loyalty is under assault by the deal hunter.

Advertising has been strongly tracking consumer PR but always below it and is looking a little weak if you project the trend into 2012. Interest in experiential continues to grow. Interest in direct marketing, design and branding, media planning and buying, and market research remains constant. Though it's worth noting interest in design and digital services is increasingly UK and regional rather than global. So digital, experiential and corporate PR are the growing areas into 2012, with consumer PR remaining high - one fifth of all live or upcoming reviews we chart involve consumer PR, and most were triggered by NPД.

The rise of digital is helping TV advertising as social media enables fast and broad effectiveness measurement to be taken, plus TV is viewed as evocative, nostalgic, friendly. In this way smaller brands

that wouldn't have previously been thought of as TV advertisers are choosing that channel to integrate with the others (a big increase in the less than £6m turnover bracket).

In Q3 2011, 10% of decision-makers planning PR spend said they'd look to tie this into experiential, we feel this trend will increase, so PR teams will benefit from working ever more closely with their counterparts in events to generate ideas.

## Reviews in 2012

The Pearlfinders Marketing Review Diary shows that there are significantly more reviews expected in 2012 than at this time last year (252 diarised via Pearlfinders interviews and over 500 if Rainmaker data is added) with twice as many marketers gearing up for advertising reviews, and 18% of all reviews have advertising as the priority. Interest in areas of advertising show digital highest, TV second, both trending upward, and print, radio and outdoor in comparative decline. Outdoor looks really very weak in terms of number of times its been mentioned by marketing decision-makers (2011 compared with 2010).

## Brand themes in 2012

It's all about telling a story. Telling a brand's story is a major and growing theme and works well across all channels. Britishness is another big one for 2012 - highlighted by the Olympics and by the growing 'Made in Britain' movement. There is nothing protectionist about this however, rather it reaches out to global markets with a certain distinctiveness.

## If I were Martin Sorrell...

I'd expect to see strong new business performance from my agencies in 2012 in the areas of food, food related retail, corporate PR, luxury, baby food, sports sponsorship, niche leisure, online gambling and social media playing important roles. I might like to think about acquiring more corporate PR, NPD/innovation, research consultancies and also luxury and pharmaceutical specialists. I'd expect a lot from agencies that were best at marketing to women and my PR agencies would talk a lot with my experiential agencies.