

CHIEF/MARKETER

COVID-19 MARKETING OUTLOOK



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INTRODUCTION

The COVID-19 pandemic has upended the marketing industry as we know it. In the face of what feels like crisis after crisis in recent months, marketing professionals have been tasked with adjusting to a new normal characterized by all-virtual interaction, economic uncertainty and the hyper scrutiny of brand values. Navigating a public health crisis of this magnitude has left the industry searching for ways to remain relevant and continue business as usual.

But, of course, it's anything but that. To better quantify the impact of the pandemic on the industry, Chief Marketer set out to answer some of the questions marketers have been asking most during this time of upheaval. As live events eliminated the prospect of interacting with consumers and cultivating business leads, where have marketers turned to engage with customers and prospects? How have marketing budgets been affected as a result of consumer purchasing power being driven exclusively online and reduced? What types of content and messaging are marketers relying on during the pandemic?

We surveyed Fortune 1000 marketers from a wide range of companies and verticals at the start of the pandemic and again in the midst of the fallout. The following research attempts to answer some of those questions while uncovering some actionable insights pertaining to social media marketing, funding allocations and more.

We hope that these insights provide some of the data, analysis and perspective needed to craft your future marketing plans for the remainder of 2020 and beyond. Thank you to our readers, and especially to the survey respondents who took the time out of their hectic schedules to share their thoughts.



Kaylee Hultgren
Group Content Manager
CHIEF/MARKETER

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

The marketing industry has experienced unprecedented disruption since the onset of the COVID-19 global pandemic. Most marketers have been forced to pivot, improvise and innovate while the business world adapts to new consumer purchasing behaviors, social distancing mandates, fluctuating economic circumstances and sobering public health scenarios. To thrive—or simply survive—within these new circumstances has required a radical rethinking of marketing budgets, customer experiences, content creation, virtual engagement and much more—in a very short period of time.

To pinpoint what aspects of marketing have shifted as a result of COVID-19, Chief Marketer surveyed our readership in two waves: first, in February and early March, as the potential effects of COVID-19 were just beginning to appear; and again in late April and early May, when the pandemic's effects were in full swing. The data revealed some intuitive and surprising insights, from the decline of marketing budgets to the rise of virtual events to the increased reliance on social media for both engagement and conversions. Here's a snapshot of some of the key findings:

BUDGET DECLINES

Survey data revealed that budgets were dramatically affected by COVID-19. In fact, the number of marketers who said their budgets were increasing in 2020 dropped by 30 percent, from 37 percent in February to seven percent in April and May. Moreover, compared to the first wave, many more marketers surveyed in April and May said their budgets were decreasing—from 14 percent pre-COVID-19 to 55 percent just two months later. “We have cut all non-essential spending to include our marketing dollars,” according to one respondent. “We haven't bought any media or planned at all for our upcoming season of events,” said another. “It's all email, social posts and web-based. We're not allowed to spend any money the rest of our

fiscal year, until June 30,” according to a third.

VIRTUAL EVENTS

Prior to COVID-19, the marketing categories requiring the most spend were content marketing, events and paid advertising, according to the surveys. Post-COVID-19, content marketing and paid advertising continued to require the most spend, but event spending dropped significantly among marketers from 41 percent to 22 percent of marketers ranking events in their top three spending categories. However, when respondents were asked where they were reallocating live event spend, nearly half of B2C marketers (44 percent) and more than half of B2B marketers (64 percent) said they were allocating live event spend to virtual events.

This points to a major trend within the post-COVID-19 era: virtual engagement. “We have shifted from a heavy emphasis on live experiential events (consumers, press, etc.) to digital. Naturally, event budgets have also slightly decreased due to the uncertainty and the current shelter-in-place restrictions,” said one respondent. “Dollars are shifting to accommodate new initiatives brought on by COVID-19. For instance, investing in more platform tools to support virtual events,” said another. For many, the absence of live events has required a complete retooling and an adoption of virtual engagement. “We had to completely overhaul our business model from live shows and in-person storytelling workshops to an all-virtual model,” according to one marketer.

FUNDING ALLOCATIONS AND UNCERTAINTY

When examining which budget categories would receive more funding in 2020 compared to the year prior, there was consistency between the two waves. Content marketing, paid advertising and SEO were the top three choices for both time periods. However, Martech spending declined from 17 percent of marketers

EXECUTIVE SUMMARY

placing it in their top three to just eight percent post-COVID-19. Moreover, 25 percent of marketers surveyed in the second wave said they were not certain which line items would receive more spend in 2020.

It is significant that a quarter of marketers surveyed post-COVID-19 were unsure of where and how to spend their budgets. One respondent described the challenging situation as “paralysis,” adding that “decisions are on hold and there’s an absence of top-down direction given business uncertainty. Further, there’s a reticence to invest in brand-building activities. Finally, there’s a rush to figure out how best to deploy digital solutions to engage customers,” the person said. “Frozen, if I can use a movie name to describe the current plan,” was another’s cheeky response.

SOURCES OF ROI

Despite budget shifts, new strategies and business models, when it came to return-on-investment, content marketing remained one of the most effective aspects of marketers’ budgets. The ROI for events decreased from 33 percent pre-COVID-19 to 21 percent post-COVID-19, as one might expect. But one category’s ROI increased significantly: Influencer marketing jumped from nine percent of marketers placing it in their top three during the first wave to 22 percent in the second.

Indeed, while content studios were closed and production halted in the midst of the pandemic, some brands have relied on influencers to deliver content to consumers via digital platforms. “Social media engagement has spiked, influencer partnerships have developed and our overall marketing plan has completely shifted from in-person to digital opportunities,” said one respondent.

METRICS THAT MATTER

When it comes to metrics that matter most

for marketers, survey data indicated that the customer experience metric increased considerably post-COVID-19, from 29 percent of marketers in the first wave to 48 percent. Out of necessity, online purchasing has dramatically increased during the pandemic, a fact that could point to the increased importance of the customer experience. In the absence of in-person interaction, brands’ marketing abilities have been largely limited to online-only channels. Following that logic, the metrics for time spent on brands’ websites, shares, comments and content shared also increased post-COVID-19.

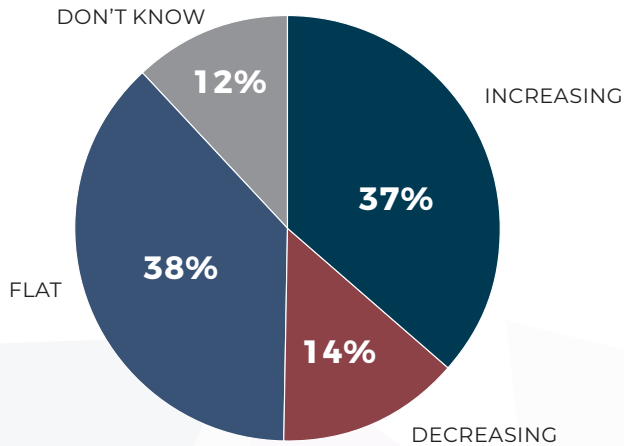
SOCIAL MEDIA USE

Social media marketing has risen in importance during the pandemic. LinkedIn, Facebook and Instagram were the most effective social media channels for marketers both before and after COVID-19, with Twitter and Instagram experiencing the largest increases. But while both surveys indicated that marketing handles the majority of social media management, there was an uptick in the number of marketers who are using a dedicated social media team in the post-COVID-19 era. This points to a growing need for more digital and social media skills in marketing organizations moving forward.

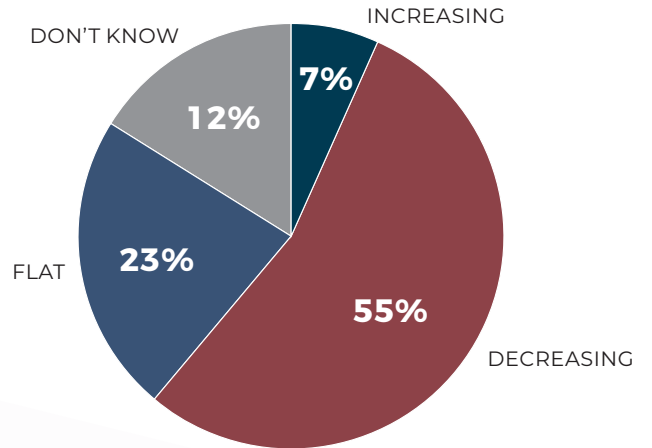
For several respondents, social media marketing initiatives and providing updates to services were the primary means of communication during the post-COVID-19 wave. And when looking at what marketing tactics will be relied on more on in 2020 and beyond, 65 percent of marketers placed social media in their top three—the highest ranked tactic in the post-COVID-19 wave. In terms of challenges, creating content that resonates during the pandemic was one of the greatest obstacles, with 45 percent of marketers ranking it in their top three, suggesting that pandemic messaging and marketing remains a challenge in our current environment.

FOR 2020, YOUR MARKETING BUDGET IS:

PRE-COVID-19



POST-COVID-19



TAKEAWAYS:

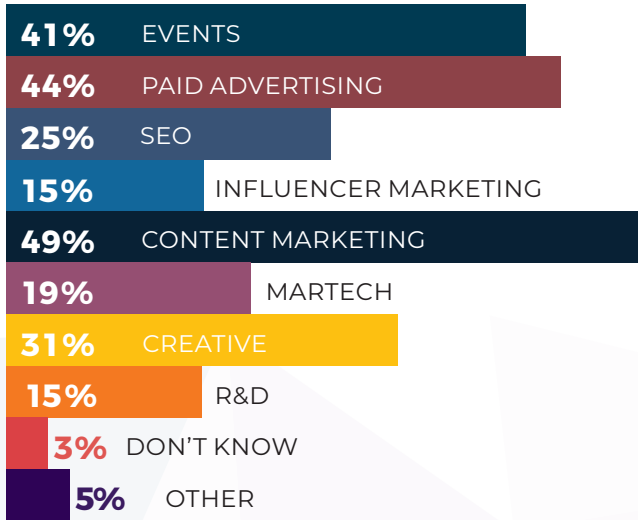
*After COVID-19, there was a 30 percent drop in the number of marketers who said their budgets were increasing in 2020, a decline from 37 percent to seven percent. The number of marketers decreasing budgets spiked 41 percentage points in, from 14 percent pre-COVID-19 to 55 percent.

*For B2B marketers specifically, the decrease was even more pronounced, with 64 percent saying that budgets were decreasing.

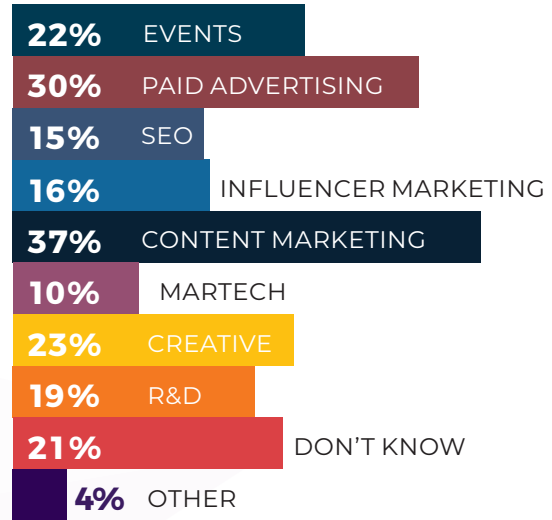
*For B2C marketers after COVID-19, 21 percent did not know whether their budgets were increasing or decreasing, up from three percent prior to COVID-19.

WHAT ASPECTS OF YOUR MARKETING BUDGET REQUIRE THE MOST SPEND? (SELECT THE TOP 3)

PRE-COVID-19



POST-COVID-19



TAKEAWAYS:

*Before COVID-19, 37 percent of marketers said their marketing budgets were increasing for 2020 and just 14 percent said they were decreasing. Post COVID-19, only seven percent said their budgets were increasing and 55 percent said they were declining.

*For B2B marketers specifically, the decrease was even more pronounced, with 64 percent saying that budgets were decreasing.

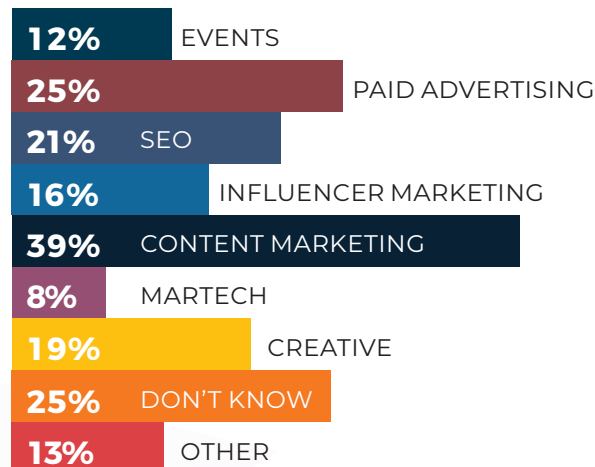
*The decline of event spend for B2C-only marketers was even more pronounced, with a 30 percent drop in B2C spending on events post-COVID-19.

WHAT ASPECTS OF YOUR MARKETING BUDGET WILL RECEIVE MORE FUNDING IN 2020 THAN IT DID IN 2019? (SELECT THE TOP 3)

PRE-COVID-19



POST-COVID-19



TAKEAWAYS:

*Looking at what budget categories were going to increase in 2020 compared to 2019, content marketing, paid advertising and SEO were marketers' top three prior to COVID-19.

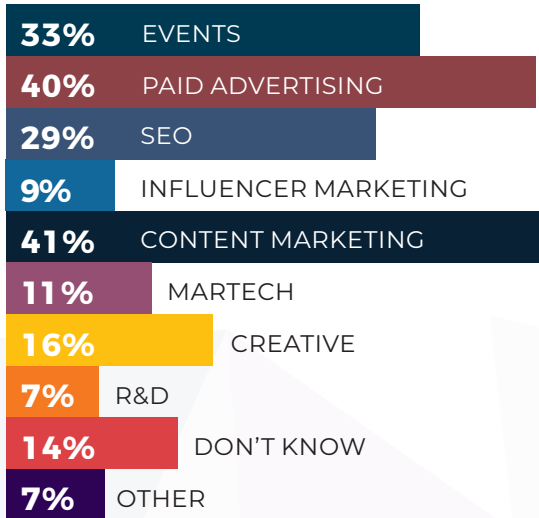
*The second wave also prioritized those line items, but martech declined from 17 percent to 8 percent and 25 percent of marketers said they weren't sure what line items would receive more spend in 2020. The latter suggests that COVID-19 has left a quarter of marketers unsure of where and how to spend their budgets.

*For B2C-only marketers, spend toward events in 2020 declined from 29 percent to just five percent, influencer marketing declined from 32 percent to 16 percent and martech spend decreased from 22 percent to nine percent.

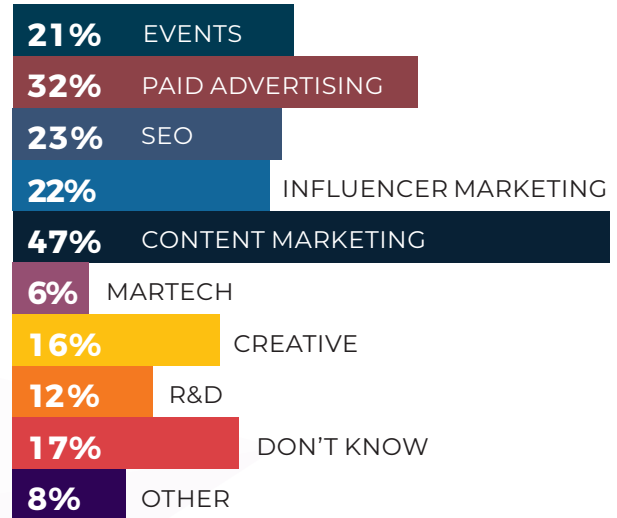
*Marketing spend put toward events in 2020 for B2B-only marketers declined more moderately, from 19 percent to 13 percent.

WHICH ASPECTS OF YOUR MARKETING BUDGET DELIVER THE MOST ROI? (SELECT THE TOP 3)

PRE-COVID-19



POST-COVID-19



TAKEAWAYS:

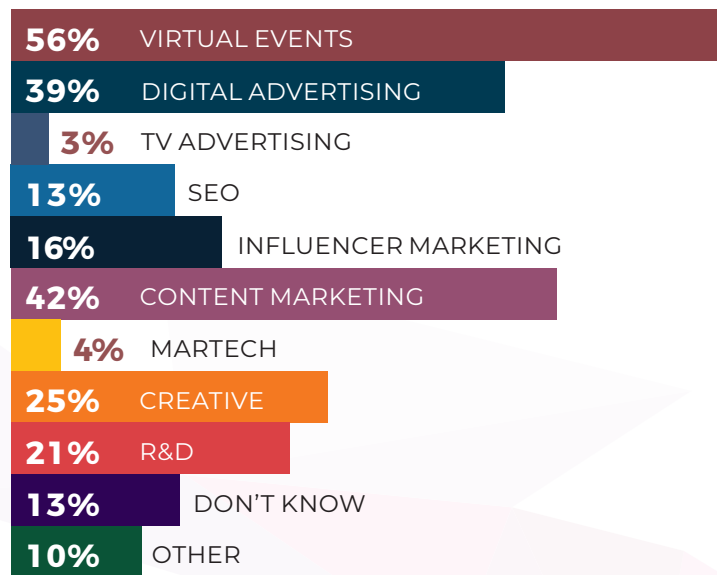
*Content marketing remained one of the tactics of marketers' budgets that deliver the most ROI both pre- and post-COVID-19.

*The ROI for events decreased from 33 percent to 21 percent.

*Influencer marketing's ROI increased after COVID-19, from 9 percent to 22 percent of marketers ranking it in their top three.

TO WHICH ASPECTS OF YOUR MARKETING BUDGET ARE YOU REALLOCATING FUNDS PREVIOUSLY DIRECTED TOWARDS LIVE EVENTS? (SELECT THE TOP 3)

POST-COVID-19



TAKEAWAYS:

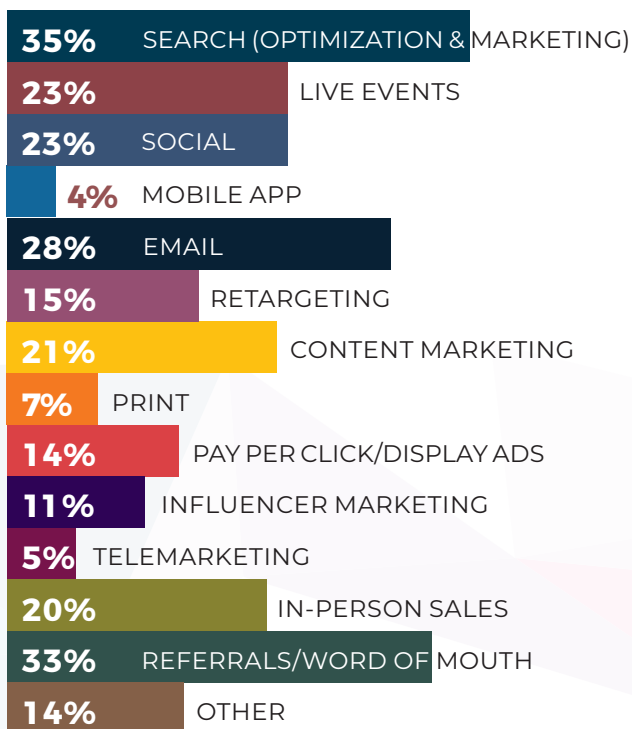
*Nearly half of B2C-only marketers (44 percent) and more than half of B2B-only marketers (64 percent) are allocating live event spend to virtual events, pointing to a major trend for the post-COVID-19 era.

*Content marketing is receiving live event spend among 46 percent of B2B marketers but only 25 percent of B2C marketers.

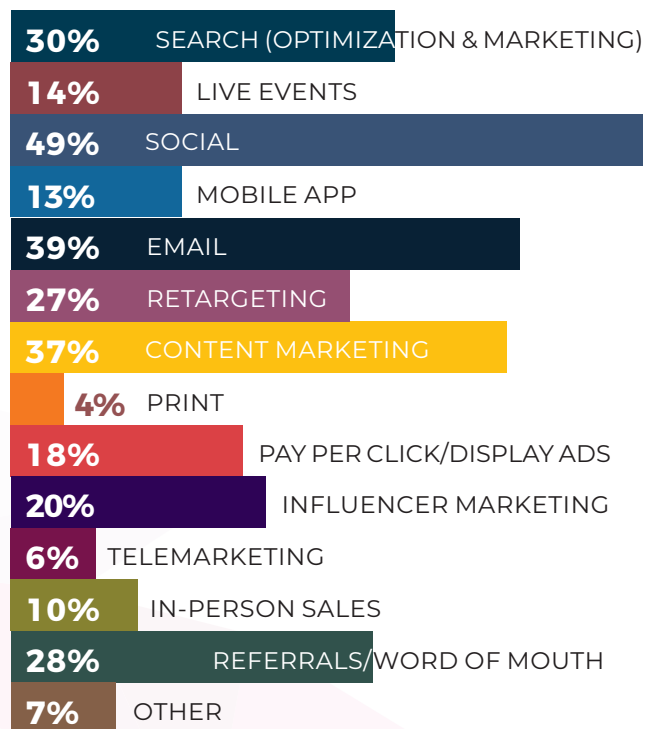
*For B2B marketers, creative, R&D and martech are receiving more of the money pie, while B2C marketers are prioritizing influencer marketing more than B2B, with 19 percent compared to 8 percent.

WHICH CHANNELS DO YOU ANTICIPATE WILL PRODUCE YOUR LARGEST SOURCES OF B2C CONVERSIONS? (SELECT THE TOP 3)

PRE-COVID-19



POST-COVID-19



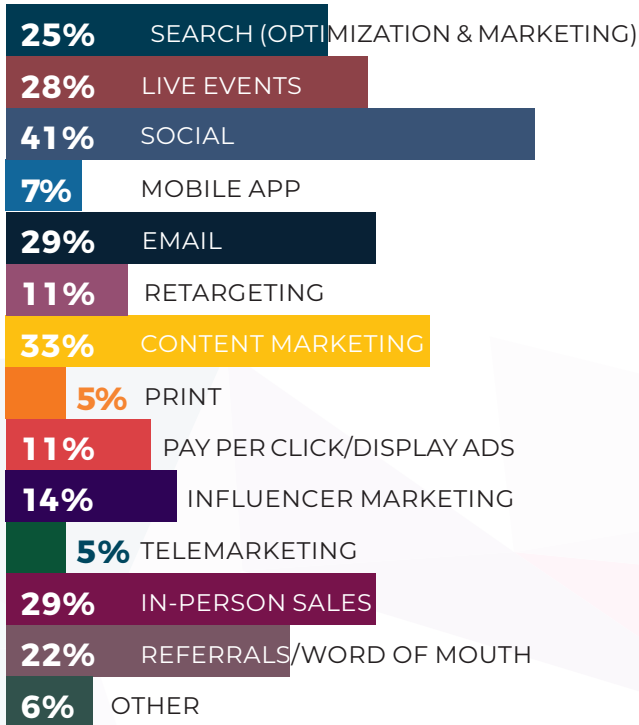
TAKEAWAYS:

*Post-COVID-19, B2C conversions are occurring most through social, email and content marketing channels. Pre-COVID-19, conversions resulted most frequently from search, referrals/word of mouth and email.

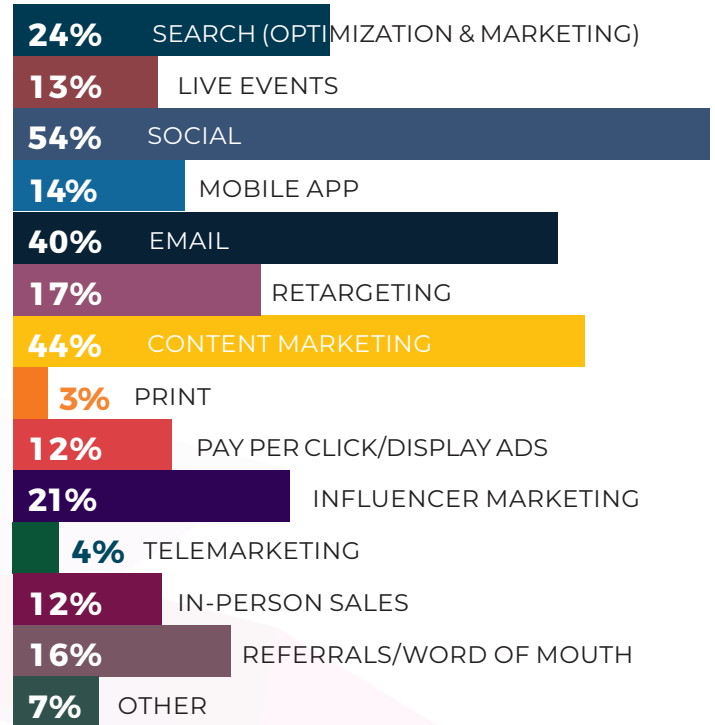
*Social, influencer marketing, mobile app and email channels were the sources that saw the greatest increase in conversions after COVID-19 when compared to pre-COVID-19.

WHICH CHANNELS PRODUCE YOUR LARGEST SOURCES OF B2C ENGAGEMENT? (SELECT THE TOP 3)

PRE-COVID-19



POST-COVID-19



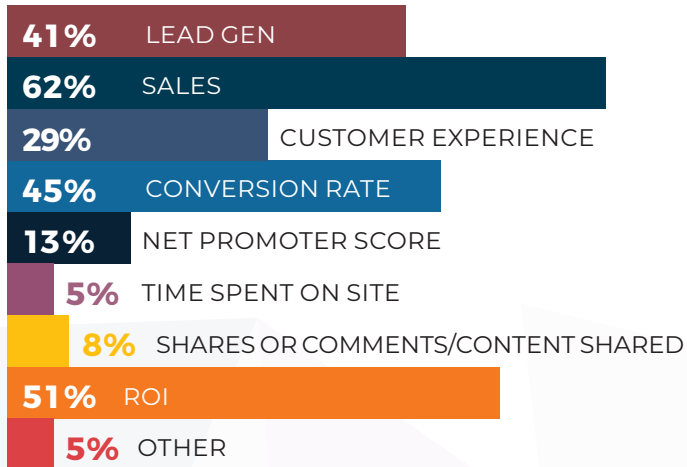
TAKEAWAYS:

*As expected, live events decreased as a B2C engagement channel, from 28 percent to 13 percent. Referrals also decreased considerably, from 29 percent to 12 percent, perhaps suggesting that the lack of live events is deprioritizing referrals as an engagement tool.

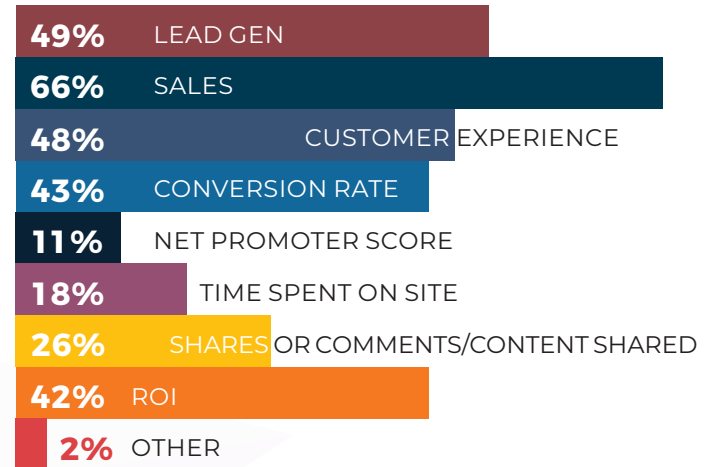
*Social, content marketing and email were the top channels for conversions post COVID-19.

WHAT METRICS MATTER TO YOU MOST WHEN TRACKING THE SUCCESS OF YOUR MARKETING PROGRAMS? (SELECT THE TOP 3)

PRE-COVID-19



POST-COVID-19

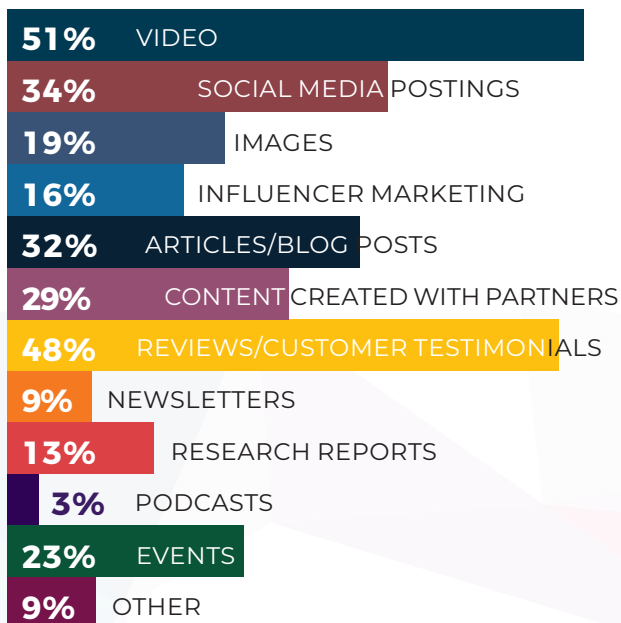


TAKEAWAY:

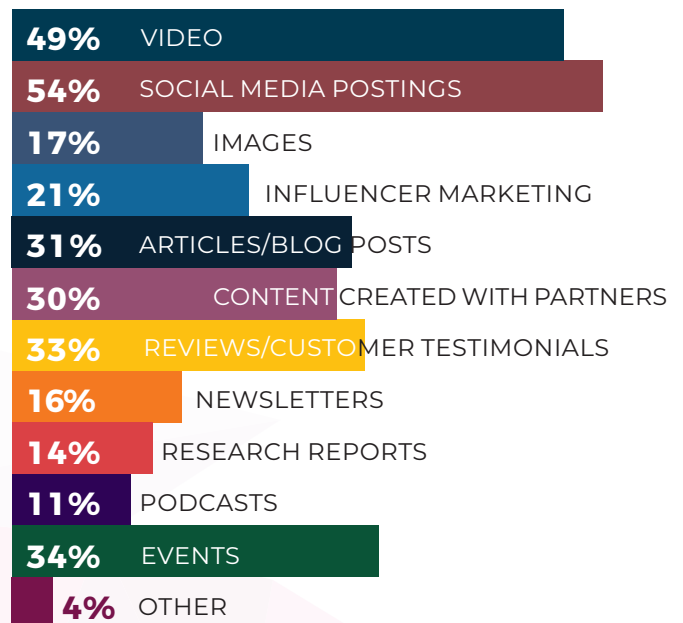
*After COVID-19, the customer experience metric increased considerably, from 29 percent of marketers pre-COVID-19 to 48 percent. Given that ecommerce has skyrocketed during the pandemic, it's possible that customer experience through digital platforms has increased in importance as in-person interaction decreased. Metrics for time spent on site and shares or comments/content shared also increased in importance.

WHAT TYPES OF CONTENT ARE MOST EFFECTIVE FOR MOVING PROSPECTS THROUGH THE CONVERSION FUNNEL? (SELECT THE TOP 3)

PRE-COVID-19



POST-COVID-19



TAKEAWAYS:

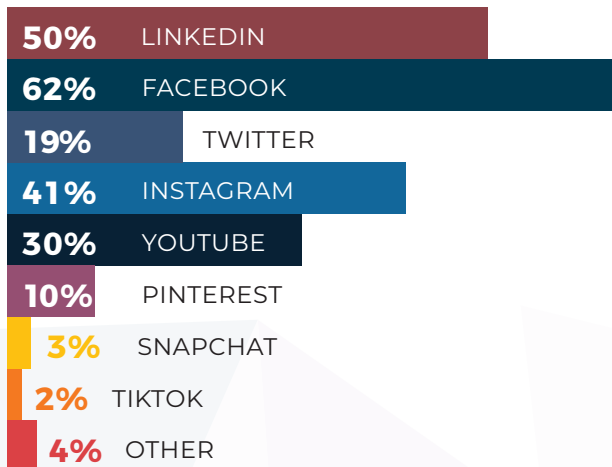
*The importance of social media postings to moving prospects through the conversion funnel increased significantly during COVID-19, from 34 percent to 54 percent.

*Newsletters and podcasts also rose in importance.

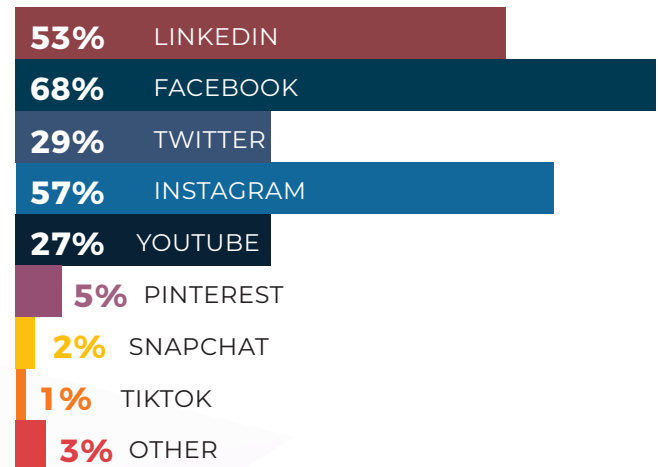
*Before COVID-19, 23 percent of marketers said event content was an effective type of content, and 34 percent said live and virtual events were effective post-COVID-19. However, 21 percent of B2C-only marketers ranked live and virtual events in their top three conversion funnel drivers, post-COVID-19. In contrast, 40 percent of B2B-only marketers ranked it highly.

WHAT ARE THE MOST EFFECTIVE SOCIAL MEDIA CHANNELS FOR YOUR BRAND? (SELECT THE TOP 3)

PRE-COVID-19



POST-COVID-19



TAKEAWAYS:

*LinkedIn, Facebook and Instagram were ranked the most effective social media channels for marketers pre- and post-COVID-19, with Twitter and Instagram experiencing the largest increases in effectiveness.

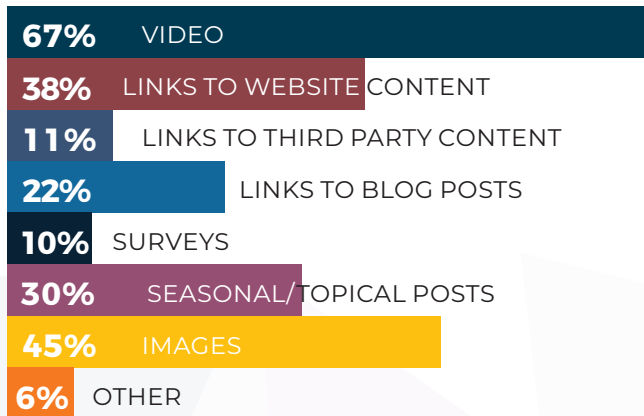
*Almost all of the marketers surveyed ranked Snapchat and TikTok the least effective social media channels, both pre- and post-COVID-19.

*For B2C-only marketers, Facebook and Instagram were overwhelmingly the top platforms for both surveys.

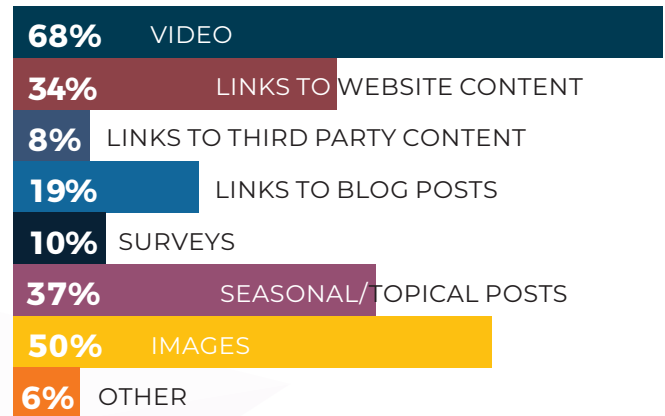
For B2B-only marketers, LinkedIn was by far the top platform among 78 percent of those surveyed pre-COVID-19 and 81 percent post-COVID-19. Moreover, Facebook's importance increased among B2B marketers from 26 percent to 37 percent; Twitter from 15 percent to 25 percent; and YouTube from 15 percent to 31 percent. Marketers are clearly relying more heavily on social media platforms to communicate to target audiences.

WHAT TYPE OF CONTENT RESONATES THE MOST ON SOCIAL MEDIA FOR YOUR AUDIENCE? (SELECT THE TOP 3)

PRE-COVID-19



POST-COVID-19

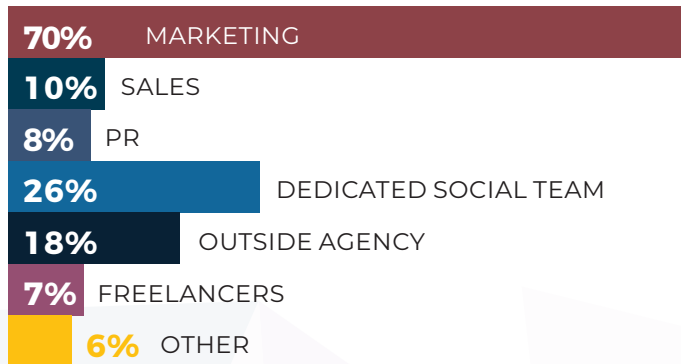


TAKEAWAY:

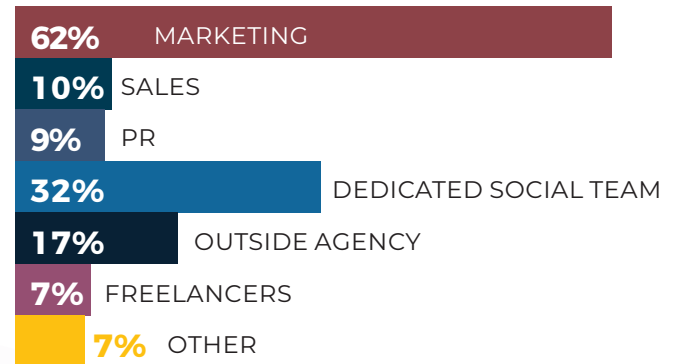
The social media content that marketers said resonate the most includes video, images, links to website content and seasonal/topic posts. This data remained steady both pre- and post-COVID-19.

WHO MANAGES SOCIAL MEDIA FOR YOUR BRAND? (SELECT THE TOP 3)

PRE-COVID-19



POST-COVID-19

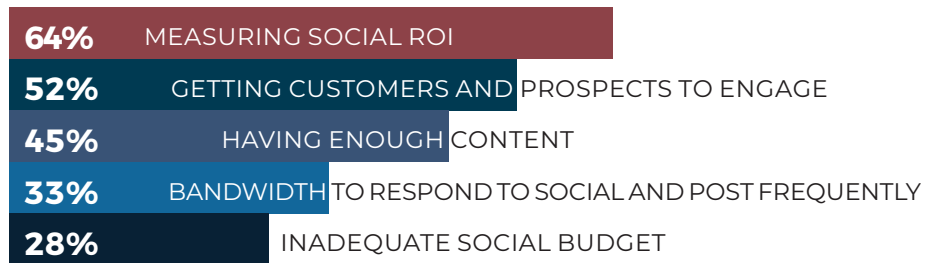


TAKEAWAY:

*Both surveys showed that marketing handles the majority of social media management, with an uptick in dedicated social media teams post-COVID-19. This points to a growing need for more digital and social media skills in marketing organizations moving forward.

WHAT ARE YOUR BIGGEST CHALLENGES WHEN IT COMES TO SOCIAL MEDIA MARKETING? (SELECT THE TOP 3)

PRE-COVID-19



POST-COVID-19

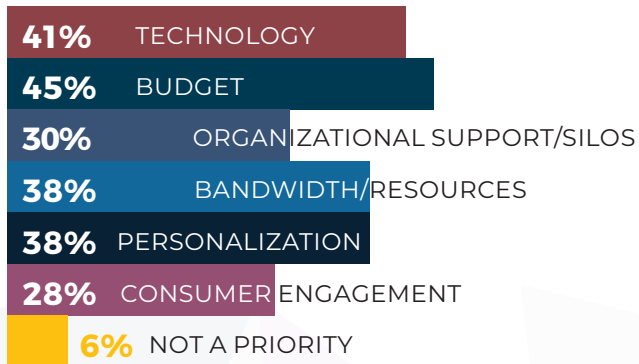


TAKEAWAY:

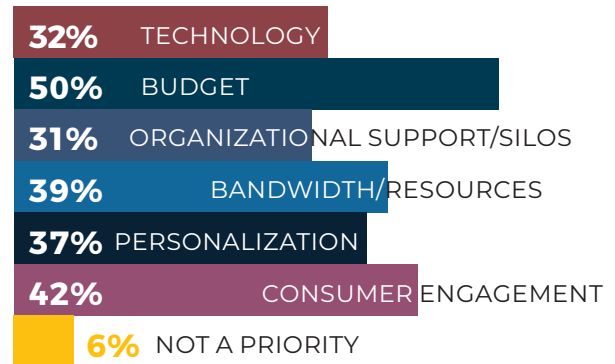
*Post-COVID-19, creating content that resonates during the pandemic was one of the top challenges to social media marketing, with 45 percent of marketers ranking it in their top three. This suggests that pandemic messaging and marketing remains a challenge in our current environment.

WHAT ARE THE BIGGEST CHALLENGES TO CREATING A POSITIVE CUSTOMER EXPERIENCE? (SELECT THE TOP 3)

PRE-COVID-19



POST-COVID-19



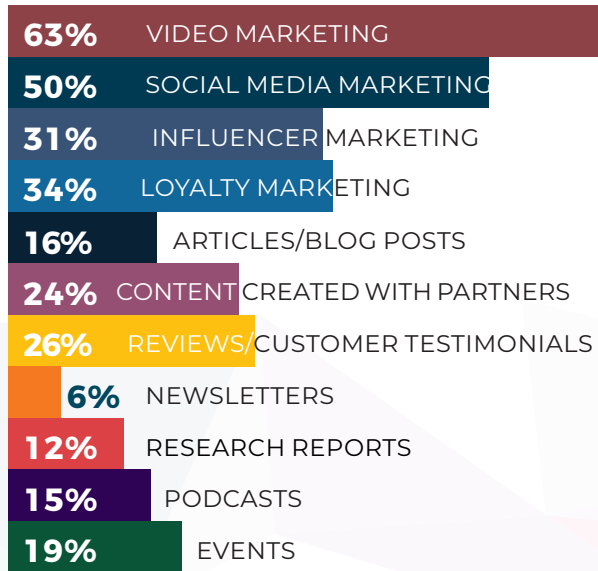
TAKEAWAYS:

*Technology, budget and personalization were the top challenges to creating a positive customer experience pre-COVID-19.

*Post-COVID-19, budget overtook technology to become the top challenge, with 50 percent of marketers ranking it highly. Customer engagement also increased as a challenge post-COVID-19.

WHAT MARKETING TACTICS WILL MARKETERS RELY MORE ON IN 2020 AND BEYOND? (SELECT THE TOP 3)

PRE-COVID-19



POST-COVID-19



TAKEAWAYS:

*In terms of marketing tactics, video marketing remains one of the most important for 2020 and beyond.

*When comparing the two surveys, social media marketing's importance has increased after COVID-19, from 50 percent to 65 percent.

ABOUT

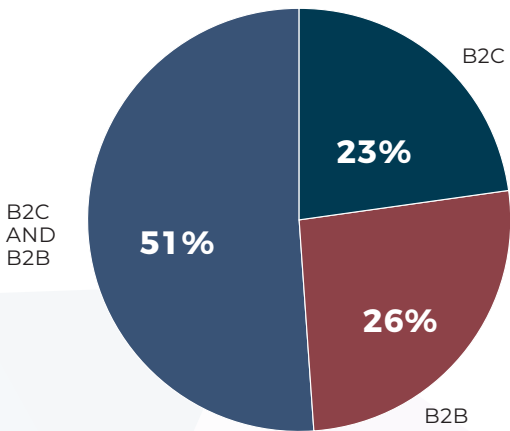
ABOUT THE RESPONDENTS

Chief Marketer's COVID-19 Marketing Report surveyed readers in 2020 via email in two waves: 147 respondents in February and early March, and 494 respondents in late April and early May. Both surveys included respondents from B2C and B2B markets. Details on the the first wave of respondents include the following: 23 percent were B2C-only, 26 percent were B2B-only and 51 percent were both B2C and B2B. Thirty-seven percent were at the chairman/president/c-suite level, 15 percent were at the svp or vp level, 31 percent were at the director level and 16 percent were managers. Seventy-five percent work for companies that have under 500 employees, 7 percent have 501 to 1,000, 4 percent have 1,001 to 2,500, 2 percent have 2,501 to 5,000 and 12 percent have more than 5,001.

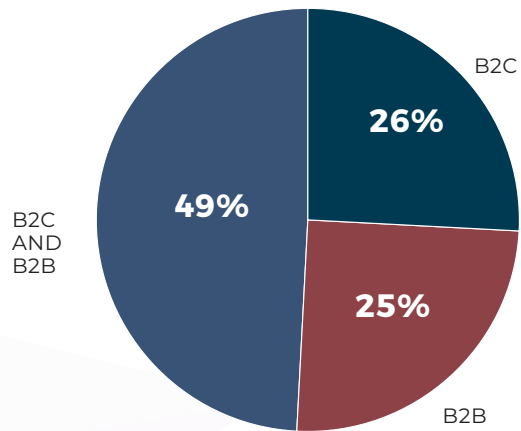
Details on the second wave of respondents include the following: 26 percent were B2C-only, 25 percent were B2B-only and 49 percent were B2C and B2B. Twenty-seven percent were at the chairman/president/c-suite level, 13 percent were at the svp or vp level, and 52 percent were directors or managers. Seventy-two percent of respondents work at companies with under 500 employees; 9 percent have 501 to 1000 employees, 5 percent have 1,001 to 2,500, 4 percent have 2,501 to 5,000, and 13 percent have more than 5,001. Respondents from both waves work in a variety of vertical markets, including professional services, building/construction agencies, IT, manufacturing, media, financial services, education, healthcare, hospitality, food services, transportation, aviation and automotive.

See the following pages for more detail about the respondents.

PRE-COVID-19

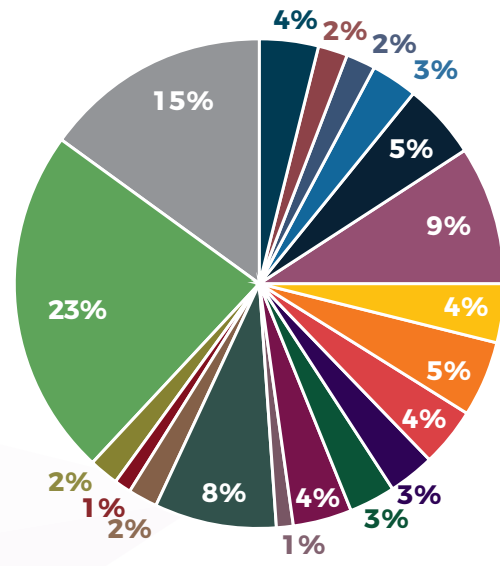
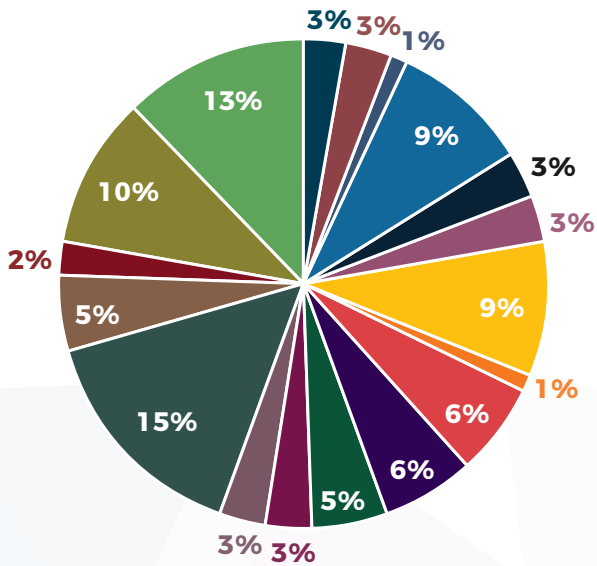


POST-COVID-19



PRE-COVID-19

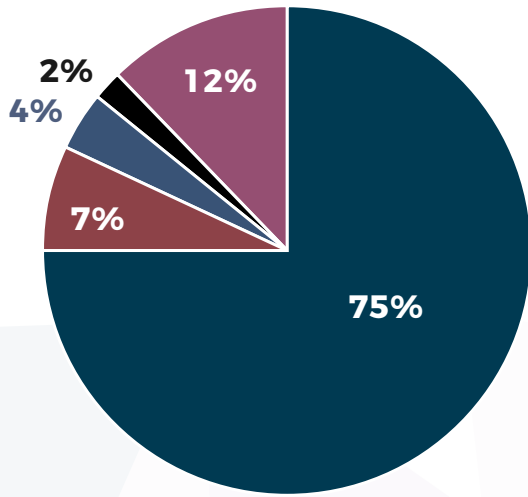
POST-COVID-19



- 3% AUTOMOTIVE AND TRUCKING
- 3% BUILDING AND CONSTRUCTION
- 1% CONSUMER ELECTRONICS AND MOBILE TECHNOLOGY/TELECOMMUNICATIONS
- 9% CONSUMER PRODUCTS
- 3% EDUCATION
- 3% ENTERTAINMENT AND MEDIA
- 9% FINANCIAL SERVICES
- 1% FOOD AND BEVERAGE
- 6% INFORMATION TECHNOLOGY
- 6% MANUFACTURING AND INDUSTRIAL
- 5% MEDICAL, HEALTHCARE AND PHARMACEUTICAL
- 3% RESTAURANTS AND HOSPITALITY
- 3% NATURAL RESOURCES/ENERGY
- 15% PROFESSIONAL SERVICES
- 5% RETAIL
- 2% TRANSPORTATION
- 10% AGENCY/VENDOR SERVICES
- 13% OTHER

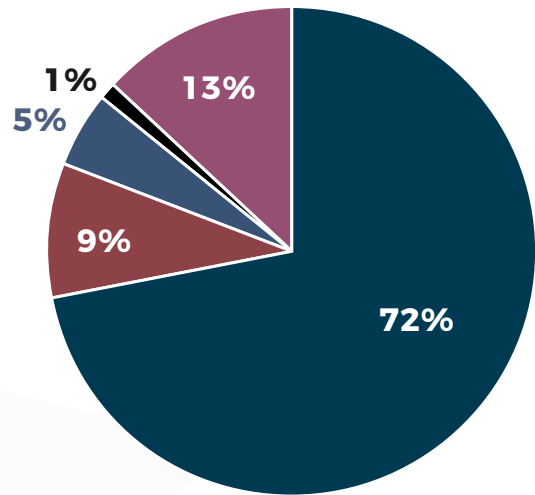
- 4% AUTOMOTIVE AND TRUCKING
- 2% BUILDING AND CONSTRUCTION
- 2% CONSUMER ELECTRONICS AND MOBILE TECHNOLOGY/TELECOMMUNICATIONS
- 3% CONSUMER PRODUCTS
- 5% EDUCATION
- 9% ENTERTAINMENT AND MEDIA
- 4% FINANCIAL SERVICES
- 5% FOOD AND BEVERAGE
- 4% INFORMATION TECHNOLOGY
- 3% MANUFACTURING AND INDUSTRIAL
- 3% MEDICAL, HEALTHCARE AND PHARMACEUTICAL
- 4% RESTAURANTS AND HOSPITALITY
- 1% NATURAL RESOURCES/ENERGY
- 8% PROFESSIONAL SERVICES
- 2% RETAIL
- 1% SPORTS AND RECREATION
- 2% TRANSPORTATION
- 23% AGENCY/VENDOR SERVICES
- 15% OTHER

PRE-COVID-19



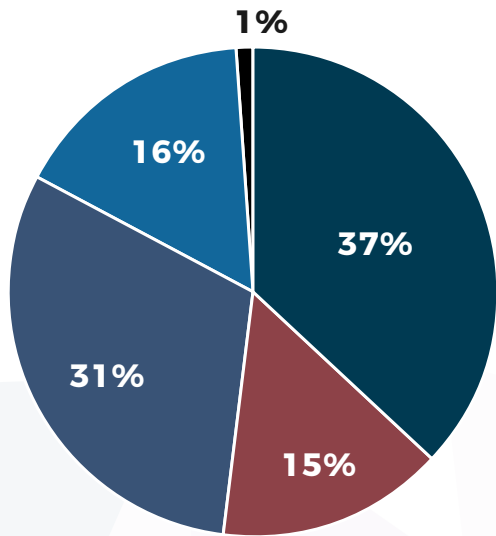
- 75% UNDER 500
- 7% 501 TO 1,000
- 4% 1,001 TO 2,500
- 2% 2,501 TO 5,000
- 12% MORE THAN 5,001

POST-COVID-19



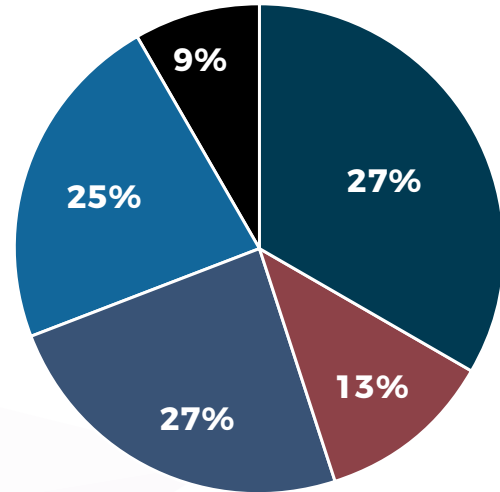
- 72% UNDER 500
- 9% 501 TO 1,000
- 5% 1,001 TO 2,500
- 1% 2,501 TO 5,000
- 13% MORE THAN 5,001

PRE-COVID-19



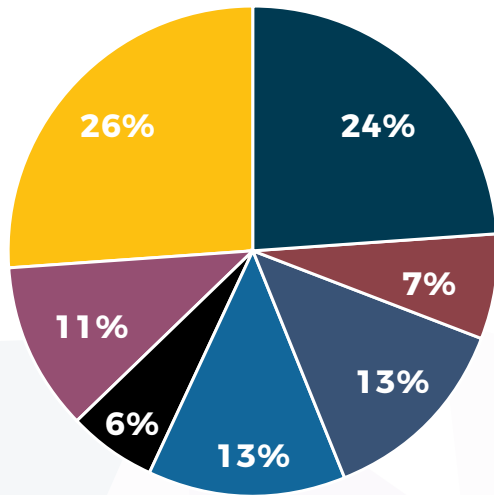
- 37% CHAIRMAN/CEO/PRESIDENT/C-LEVEL EXECUTIVE
- 15% SVP OR VP
- 31% DIRECTOR
- 16% MANAGER
- 1% OTHER

POST-COVID-19



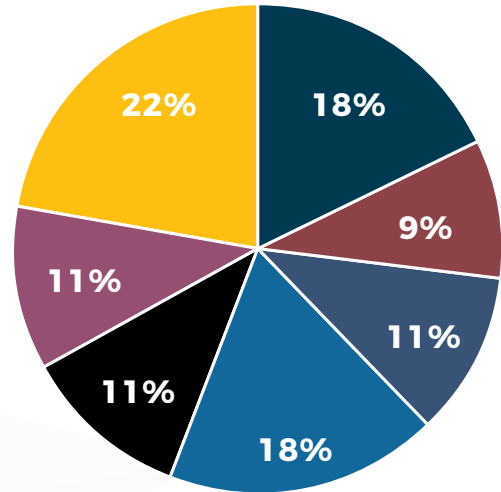
- 27% CHAIRMAN/CEO/PRESIDENT/C-LEVEL EXECUTIVE
- 13% SVP OR VP
- 27% DIRECTOR
- 25% MANAGER
- 9% OTHER

PRE-COVID-19



- 24% LESS THAN \$25,000
- 7% \$25,001 TO \$50,000
- 13% \$50,001 TO \$100,000
- 13% \$100,001 TO \$250,000
- 6% \$250,001 TO \$500,000
- 11% \$500,001 TO \$1 MILLION
- 26% OVER \$1 MILLION

POST-COVID-19



- 18% LESS THAN \$25,000
- 9% \$25,001 TO \$50,000
- 11% \$50,001 TO \$100,000
- 18% \$100,001 TO \$250,000
- 11% \$250,001 TO \$500,000
- 11% \$500,001 TO \$1 MILLION
- 22% OVER \$1 MILLION

ABOUT CHIEF/MARKETER

Chief Marketer, an Access Intelligence brand, provides marketers and aspiring CMOs with content, ideas, recognition and events that help them make smarter decisions with their marketing budgets. It offers data-driven industry intelligence, actionable insights, inspiring case studies and the latest technology trends so marketers can improve their campaigns and increase ROI.

