



# 2022 THE IMPACT OF MARKETING

REBUILDING BETTER  
CUSTOMER EXPERIENCES



# FOREWORD



We commenced our first Impact of Marketing report series in 2019, with a goal to understand the state of the UK marketing industry. It was unknown to us then how different and important the study would become in benchmarking marketing's changing role within business and indeed society, during an incredibly turbulent time.

Now in its third year, we are carrying out the latest study during a pivotal period- a moment where our industry is hoping to continue to demonstrate the value it brings to business and society, but one where the societal challenges have certainly not abated. The impact of the pandemic, coupled with rising costs, skills shortages, global political unrest all set against the backdrop of an environmental crises means marketers in the UK are navigating an exceptionally difficult landscape.

Despite these hurdles, I am confident in our industry's passion and determination to evolve and become better than before. Over the last few years, we have witnessed the marketing profession truly elevate itself and rise to the multiple challenges that have come its way. In moments of hard times, we have seen marketers respond by upskilling and reskilling, creating campaigns that have engaged and inspired a whole society to re-evaluate their behaviours and actions, and protect the brands they work for, telling the stories of why they exist. I am incredibly proud of what our sector has achieved.

As we now look forward, this first instalment of the 2022 series explores how consumers' needs are changing and how marketers will need to adapt in response. We are emerging from a moment in history where shopping habits, customer preferences, and expectations of brands have experienced a watershed, and where consumers are regularly reassessing their brand loyalties. Now, if the

marketing profession is to succeed, it is crucial we not only re-learn what people want, but look further into the future and think about how we deliver beyond the products and services we sell.

I expressed in the previous series my view that as a body of professionals, we must speak up, and act as advocates not just for our profession, but for our planet and its many people. My own experience of the last two years has only strengthened this view and re-emphasized that our professional duty is to highlight the value marketing brings to our society. We are in the fortunate position where we have the ability to inform and educate people, raise awareness of issues to mass audiences, and also to provide a direct link between the C-Suite and society.

In order to fulfil this professional duty, marketers must continuously seek out personal development opportunities and ensure that they are equipped with the skills needed to navigate an ever-changing landscape, whilst also ensuring their own careers meet their needs and align to their values. We must build on the progress that our industry has recently made, and continue making strides to drive organisations and society to focus on profits with purpose. We have an immense opportunity in front of us to help shape a future that works for both people and the planet, and we must not let that go to waste.

I hope the findings of this year's Impact of Marketing series provides you with the insights needed to grab this opportunity with both hands, and it fills you with confidence in our industry.

*Chris Daly*  
*Chief Executive, Chartered Institute of Marketing*

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# EXECUTIVE SUMMARY

## THE IMPACT OF MARKETING SERIES TO DATE

In 2019, we set out to explore the views of in-house and agency marketing professionals to help CIM shape its training and development agenda. Today, the Impact of Marketing series is one of the industry's most in-depth examinations of skills and training needs, benchmarking the state of the sector, and the challenges and opportunities ahead for marketers.

Are you interested to understand how everything is evolving? This is the first of three reports in our Impact of Marketing 2022 series, which explore the issues marketers are and should be concentrating on as the sector evolves following the pandemic. It will cover key topics such as customer experiences; globalisation; and how we can drive our careers.

Overall, the series finds that since 2019, the state of the marketing industry itself has remained the same or slightly worsened, demonstrating the unsurprising stagnating effect of the pandemic. It shows that despite the elevated position seen during 2020, many marketers feel their profession is still poorly understood in today's society, with many struggling to now rise to the growing challenge of balancing commercial needs with ethical principles. With the continued emergence of new technologies, such as social media and customer experience tools, part of the industry also feels that traditional marketing and advertising is no longer fit for purpose.

Delving deeper into how marketers feel, in this first report we explore the challenges the sector faces when it comes to engaging customers and a clear theme emerges: that marketers are wary of how the pandemic and rising inflation is impacting and increasing consumer expectations of brands. With the majority left confused

by these changing customer priorities, many believe that their brand and business model must evolve if it is to survive. We found that a clear prioritisation of convenience, 'value', and 'values' appears to be driving consumer behaviour, creating a struggle for marketers to get the balance between the three focus areas right. It is clear people still want convenience and value for money, however they also want to engage with brands who demonstrate strong environmental policies and sustainable development plans. However, the reality is that this is not achievable without things changing. We are where we are because of the balance being tipped in favour of price and convenience and in order to deliver a more sustainable future, we all have to work together across the entire stakeholder chain if progress is to be made.

When it comes to skills, we also see that there are concerns about how the skill set for the sector has completely changed over the past decade, with marketers lacking confidence in certain areas and not prioritising training and development.

However, there are certainly positives within the industry that should instil confidence in its future, not least our track record in adapting and innovation. Already I see marketers are looking for new ways in which to keep pace with customers, taking a chance on new technologies, and showing tenacity with existing channels, which will stand them in good stead. Even more encouraging is the fact that the majority strongly feel that marketing is valuable for societies as well as organisations, showing the industry is aligned on its shared purpose to shape a future that works for everyone.



# METHODOLOGY

For the Impact of Marketing 2022 series we conducted one wave of polling of 500 UK adults working in marketing in agency and in-house roles, overseen by Opinium. The survey was carried out online between 9th- 16th March. The second wave of polling will take place from June onwards.



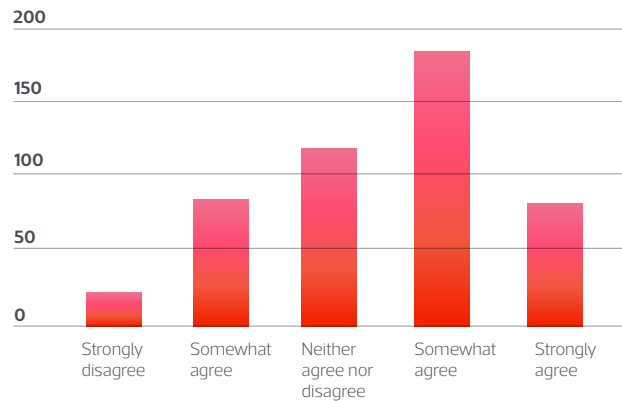
# CURRENT STATE OF MARKETING

After a turbulent few years, we set out to benchmark how marketers are currently feeling about the industry and their roles within it. Now that it seems that flexible working patterns and an emphasis on digital skills are here to stay, combined with renewed recognition that brand and strategy are critical to success, we were even more eager than usual to understand how these changes have affected perceptions around training, skills, and changing consumer habits among other concerns, and whether marketers felt more or less appreciated by their colleagues and wider society.

The general finding, perhaps unsurprisingly, was of a mood of uncertainty- a feeling that understanding of the value of marketing within society and within business has at best stayed the same, or despite rising in 2020, has gotten slightly worse since 2019. As organisations return to their offices, and colleagues begin to reconnect, there is hope that this will improve, but achieving this will require concerted effort by both marketing departments and wider business.

At present, more than half (54%) of the marketers we surveyed believe that marketing is poorly understood in today's society, which is a slight increase of 1% from our last report. Surprisingly for an industry focused on communications and persuasion, 40% of those surveyed find it difficult to explain the role of marketing to others- up from 38%, and likely reflecting how isolation and siloing of teams through lockdown has damaged business networking.

Marketing is poorly understood in today's society



The concern that marketers are undervalued within their organisations has grown more pervasive, in all 1 in 10 (10%) believe that colleagues have no understanding of the value of marketing to an organisation at all, an increase of 5% on our study from 2020. Just a quarter (24%) of marketers believe that those outside the profession effectively understand its role in business, and even though this is a higher figure than our last report- a tiny increase of 1%- it shows how much work still needs to be done on this issue. Could it be that as we physically return to work, albeit in a hybrid fashion and life starts to gather pace in an even more turbulent operating environment, marketing risks getting lost once again as short term fixes take priority over long term strategies?

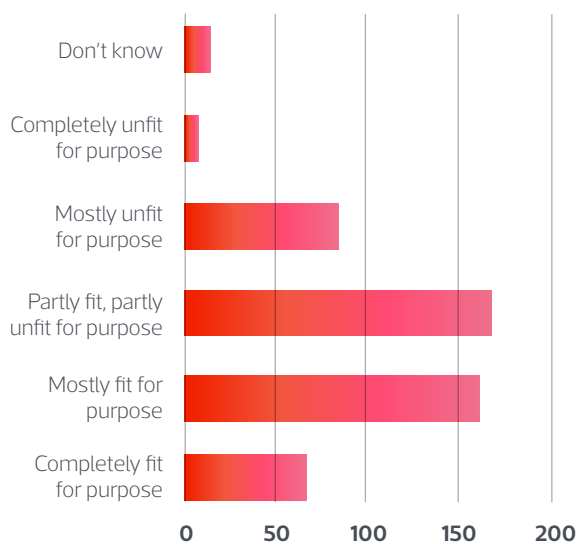




Marketing, linked to its role of listening and adapting products and services to societal and consumer needs, is often seen as the social conscience of an organisation. In the wake of the social justice movements such as Extinction Rebellion and Black Lives Matter, as well as the more recent business boycotts of Russian operations, the need for a solid moral foundation on which to build a business is a clear concern. Two thirds (65%) of the surveyed marketers agree that they find it difficult to balance commercial needs with ethical principles, a marked increase from the 57% who concurred with this statement last time around. In our second Impact of Marketing 2022 report series, we will also explore in more depth the rise of ‘cancel culture’ and its effect on marketers’ confidence.

The consequence of this moral uncertainty, and shifting sands of social concerns, has shaken marketing’s certainty on the value of its own role and tactics within an organisation. Nearly a fifth (18%) believe that traditional marketing and advertising is unfit for purpose and when asked why they felt this way 55% said that the rise of social media influencers who market themselves was the key cause, while an equal number cited the rise of customer experience technology. 47% said that the decreased use of traditional media like billboards and print ads was the most important factor, while, in a similar vein, 32% mentioned decreasing marketing budgets which limit traditional marketing opportunities like sponsoring events.

**To what extent do you think that traditional marketing is still more or less fit for purpose?**



In common with other industries, it is evident from the research that post pandemic we’ve seen a stalling or even hindering of progress in building an effective understanding of the impact of marketing on business and society. Now we find ourselves at a crucial turning point – as a society we are working to get back to some ‘normality’ after the pandemic, and as marketers we must understand how society has changed over the last few years so we can better know our customers and push the industry forwards.

# RISING CONSUMER EXPECTATIONS

## A PICTURE OF CONVENIENCE, VALUE AND VALUES

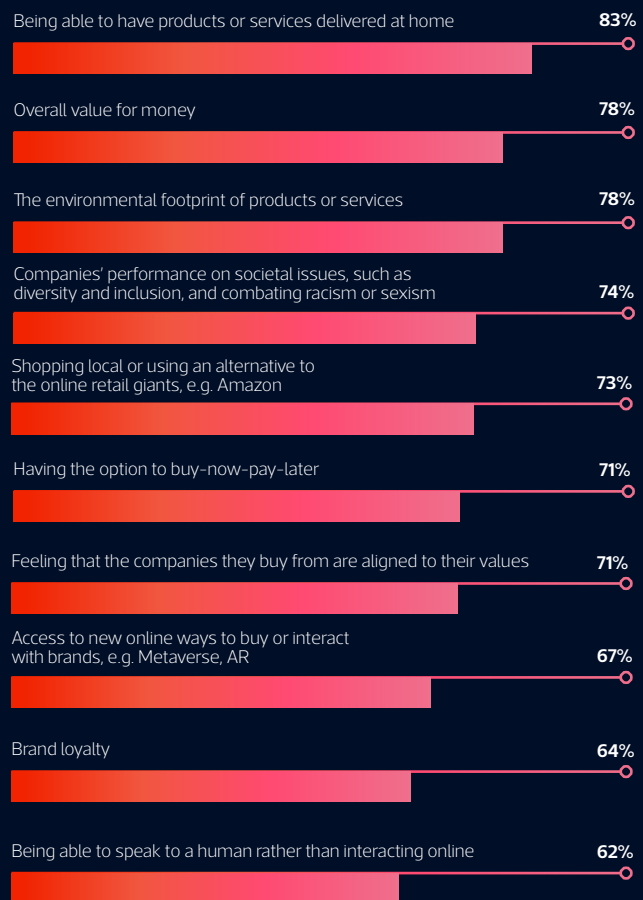
Our research also found that marketers are keenly aware that our buying habits have changed and that the last few years have seen an enormous amount of upheaval when it comes to our shopping methods, including heavy reliance on online shopping, coping with intense supply chain issues and delivery delays and, in some cases, finding a renewed appreciation for buying local.

Interestingly, despite the issues mentioned above, in many ways consumer expectations have actually increased during the pandemic – with an increasing focus on ‘value’ (for money) without compromising on ‘values’ such as limiting environmental impact and prioritising diversity and inclusion. It should be noted that our research was conducted in a period where inflation and interest rate rises were mounting concerns, but the impact of the war in Ukraine had yet to trigger the rapid increases seen in the first quarter of 2022 so it is possible that such attitudes are likely to have grown.

According to marketers, convenience tops the table of the fastest-growing consumer needs at 83%, closely followed by value for money and environmental impact (both 78%) and companies’ performance on tackling social issues like racism and sexism (74%). The overall impression is that, rather than heavily prioritising one aspect when it comes to shopping such as value for money, consumers look for and expect it all. And, as we said earlier in this report, that is simply not achievable. Interestingly, however, possessing a physical store to visit is one of the least important consumer needs (38%), highlighting a notable shift towards online shopping that was accelerated by the pandemic.



### Top 10 most significant swings in consumer buying habits according to marketers



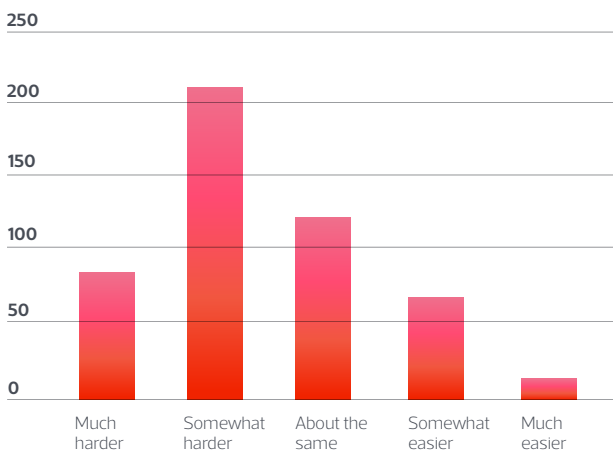


# THE MARKETERS' STRUGGLE

## PREDICTING UNPREDICTABLE CUSTOMERS

So how are marketers coping with unpredictable customers? Based on the data we have gathered, perhaps a better question to ask is whether they feel like they are coping. Whilst four fifths (78%) of marketers believe that it is their role within their business to represent the voice of the consumer, the majority of marketers (59%) admit that they are confused by these fast-changing consumer priorities following the pandemic, a statistic that threatens the industry's outlook in the short term.

**To what extent are consumer expectations/priorities harder to predict since the Covid pandemic?**



Breaking down the data by sector suggests that these issues are much more pronounced for local government (74%) and the public sector (67%) than the more adaptable private sector, where 56% of marketers agree that customer priorities have become harder to predict.

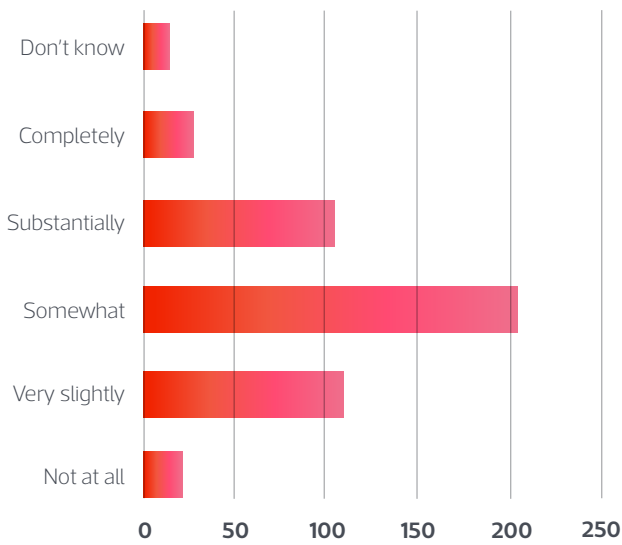




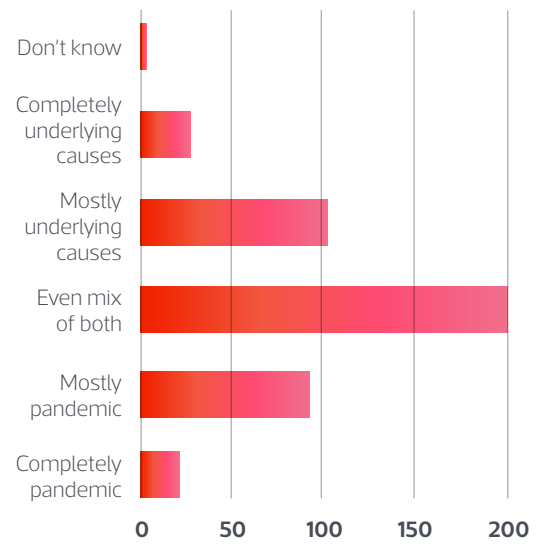
When polled about the fitness of their business models, marketers across the board demonstrated the same concern about being left behind in a changing world. Nine in ten (91%) believe that their brand must evolve to keep operating, and over a quarter (28%) feel that there is even a need to radically overhaul their business model within the next decade in order to survive. This sentiment is strongest among marketers working in the not-for-profit sector at 39%, which decreases to 36% for the public sector, 27% in the private sector and just 17% in local government.

Interestingly, only 5% of respondents answered that the need to change was entirely a result of the pandemic. The general sense is that the pandemic has exacerbated and catalysed a number of changes that were already gathering momentum and should have been identified and addressed before, with 44% of marketers answering that the need to adapt business models was due to an even mix of the pandemic and other underlying factors.

**How much will your business model need to change in the next 10 years to stay viable?**



**Is this need to change due to the pandemic or other underlying causes?**



## CASE STUDY:

Recently, several high-profile brands have redrawn their marketing strategy to target the growing consumer focus on 'value' and 'values' that the survey identified. John Lewis Partnership's transition from its popular 'Never Knowingly Undersold' to a focus on 'Quality and Value,' for example, demonstrates a direct response to consumer needs in the face of rising inflation. On the 'values' side, we have seen major brands such as McDonalds, Starbucks and Heineken withdrawing their operations from Russia in light of the humanitarian crisis in Ukraine and mounting pressure to respond.



# THE NEED TO ADAPT SKILLS AND INVESTMENT

So far, this report has demonstrated that the marketing industry sees itself as being at a key point of reflection- marketers acknowledge that the landscape is changing and that they need to adapt. The final question we must answer, therefore, is how do they do that?

Balancing the evolving needs of customers, meeting business objectives and taking actions which address the enormous societal and environmental issues we currently face is incredibly challenging, but one that needs to happen.

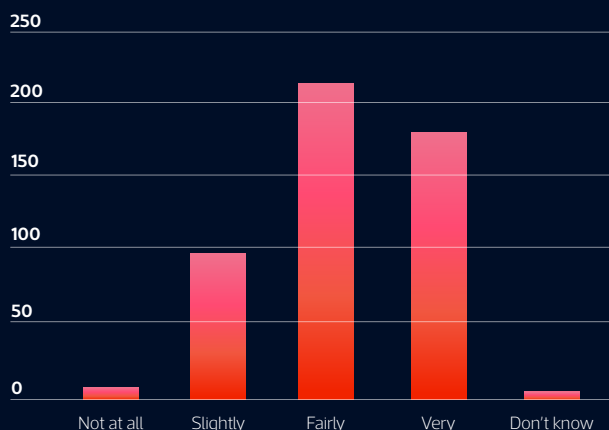
With a few taps of a button, consumers want to be able to buy anything and have it delivered straight to them. However, this convenience often comes at a human and environmental cost that often isn't considered. Marketers have a responsibility to balance the shift towards convenience and ensure they are shaping the right societal behaviours and raising awareness of why change has to happen.

When it comes to understanding consumers, professionals are trying to adapt and keep pace through the use of new technologies. Nearly three fifths (60%) have invested in customer experience management tools that garner key shopping insights, for example.

However, though the majority (79%) believe the skill set required for the job has completely changed over the last decade, only half (51%) attended external training in the last year. The data also shows that commercial imperatives can get in the way of finding the time for training, with 47% of the private sector and 48% of not-for-profit marketers having attended training, compared to 78% in local government and 65% in the public sector.

Perhaps unsurprisingly given these low training figures, almost one in five (19%) feel that they only have some of the skills required to successfully carry out their roles. 45% in the not-for-profit sector said that they have nearly all the skills they currently need, while this falls to 43% for local government authorities, 36% for public sector and 33% for private sector marketers.

How well-equipped do you feel to perform your role at the moment?



## FIND OUT MORE

To find out more about CIM and our research, [click here](#).

To listen to CIM's podcast on the research detailed in this report [click here](#).

CIM offers a range of [qualifications](#) and [professional training](#) on many of the topics discussed in this report such as:

- [Social media legislation and marketing](#)
- [Digital marketing](#)
- [GDPR & data-based marketing](#)

· [Diversity and inclusion](#)

· [Demonstrating the value of marketing](#)

· [Building teams and leading change](#)

· [Strategy and leadership](#)

· [Copywriting and content](#)

· [Product and proposition marketing](#)

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Reviewing the report's data, it's interesting to see the lack of faith in current skill levels and how it has had an inverse relationship with the faith in organisations' ability to adapt for future marketing. In the private sector, only 8% of marketers stated that their organisation does not have the skills necessary for marketing in the future, compared to 39% of not-for-profit marketers who felt this way. The figures illustrate that whilst it is clear that the not-for-profit sector must future-proof their skillset as a priority, the other sectors cannot afford to shy away from this either.

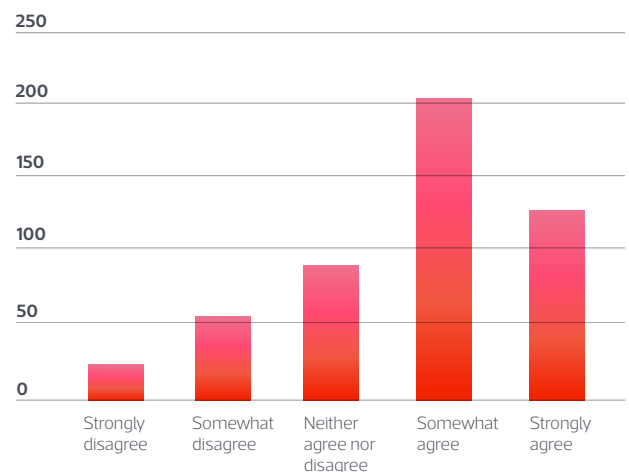
When you compare these trends to research from global recruitment firms like Hays, it's obvious it's not just a marketing problem. *Hays' 2022 Salary Survey*, which reviewed the needs of 9,600 professionals, found that while 52% of professionals were optimistic, 77% of employers currently don't feel they have access to the right skills they need, a slight increase from the previous year (75%). In fact, over a quarter of companies (27%) felt that they are facing a moderate or extreme skills shortage, also higher than last year (23%). Competition for talent from other employers is the leading barrier to finding the right professionals, cited by 60% of employers compared to 53% in May 2021 and 41% in February 2021.

To secure talent 77% of organisations are offering an array of benefits including hybrid working, while almost a third (31%) are trailing flexible offerings where employees can choose how often they're in the workplace.

- James Delves, Head of PR and External Engagement

However, despite everything we are faced with, opportunity is there- 66% of marketers believe that they have acquired more skills that are useful to their marketing career during the pandemic. Additionally, as an industry, we recognise the value we can provide- 80% of our surveyed marketers argue that marketing is valuable for societies as well as organisations. What's more, previous research CIM has carried out in partnership with the Chartered Institute of Public Relations, found that two fifths of practitioners (40%) believe the level of respect amongst chartered professionals in the marketing and public relations industries has improved in the last decade.<sup>1</sup> Ever-changing and always dynamic and varied, the role of marketing is broader than ever before- giving us new opportunities to drive change and demonstrate value to customers.

**During the pandemic I have acquired skills that are useful to my career**



“

The past few years have underlined the critical role marketing professionals have had in supporting and guiding businesses through a turbulent time. Rising consumer expectations for organisations to act ethically and communicate effectively, coupled with 'the great resignation' has put a greater emphasis than ever on the development of skilled PR and marketing practitioners. This latest research should act as a wake up call for marketers to invest in their training and development. The range of skills expected from marketing professionals continues to expand, which gives us new opportunities to drive change and demonstrate our industry's value. But to do this, it's vital marketers stay on the forefront of the skills required for the job - or they risk getting left behind.

- Chris Daly, Chief Executive, CIM

<sup>1</sup> <https://www.cim.co.uk/newsroom/research-the-value-of-chartership-report/>

# CONCLUSIONS AND RECOMMENDATIONS

To conclude, our survey shows that marketers are aware that times have changed, and that we need to change with them as an industry. As we've demonstrated throughout, it is encouraging to see that marketers are aware of

this need to upskill and re-learn their customer needs in order to thrive. We feel confident that the industry can adapt to succeed, and this recent period of upheaval and transition offers the perfect opportunity to drive positive change.

## TOP THREE TIPS FOR DIRECTORS:

- 1. Map out the skills in your marketing department**, post pandemic priorities have shifted, and your channel mix will likely need to adapt. In the face of skills shortages across the industry, the need for joined up thinking and employee loyalty has never been more important. Look to grow your own by identifying the gaps and setting aside time and budget to retrain and repurpose your team.
- 2. Maintain and grow investment in customer experience technology** through trialling different platforms and attending free training sessions. Societal expectations of business have never been more dynamic, so it is vital that your organisation remains nimble.
- 3. Share expertise, listen to the wider industry and make it your priority to understand the broader societal challenges**, to not only understand what best practice is when it comes to marketing and customer strategies, but to also know what things have not worked for others. And, to focus on building long term strategies over short term fixes, which ultimately always cost more in the long run. If marketing really is to help shape a future that works for everyone, we must educate ourselves on what is happening in the world, listen to each and work together to find solutions to challenges we all face.

## TOP THREE TIPS FOR MARKETERS:




- 1. Re-audit your customer base**, it is critical to understand how your customers' priorities have changed and how these stack up versus the broader societal challenges. Then consider refreshing personality profiles against these new 'post-pandemic' profiles.
- 2. Carry out a feedback round from customers**, to hear directly from them about their needs. Tesco did a great job in its Ramadan & Eid campaign recently, where the first step of the campaign was to speak to the community to understand exactly what it needed. Every customer-facing campaign should begin this way.
- 3. Stay in the know with your target audience**, try to engage with the publications or news channels that they are likely to follow as part of your role, so you can understand the trends and stories that interest them.

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