

# 2020 State of Spend

## Expectations vs Reality



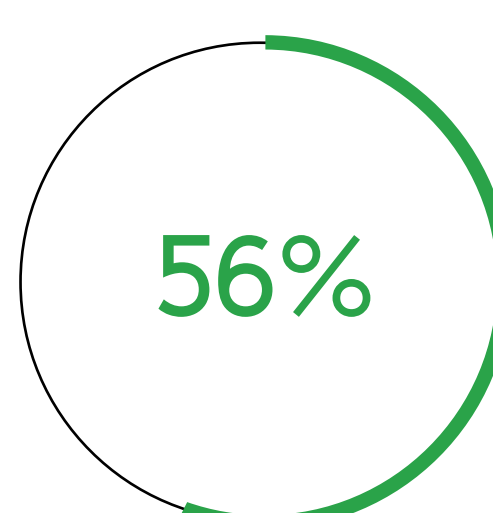
COVID-19 and the ensuing recession up-ended marketing investments in 2020.

How did marketing organizations pivot their budgets and strategy when faced with the upheaval of all they'd previously known?

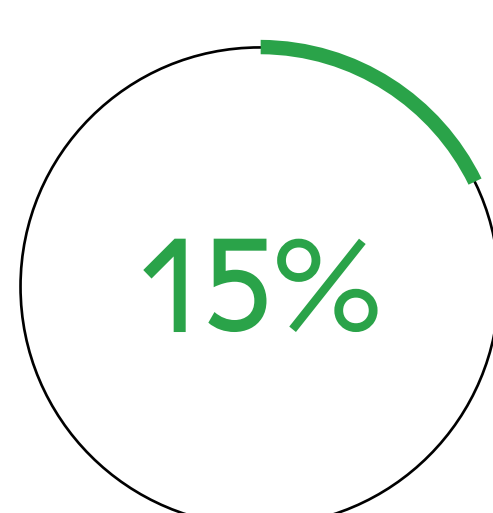
### Budget Cuts to Events Never Came Back

**Expectation:** After in-person events became a no-go, all funds were shifted to safer channels

**Reality:** Event spend dropped 46% and didn't necessarily mean re-allocating, often those funds were completely cut from overall program budgets



of all companies lost more than 10% of their program spend

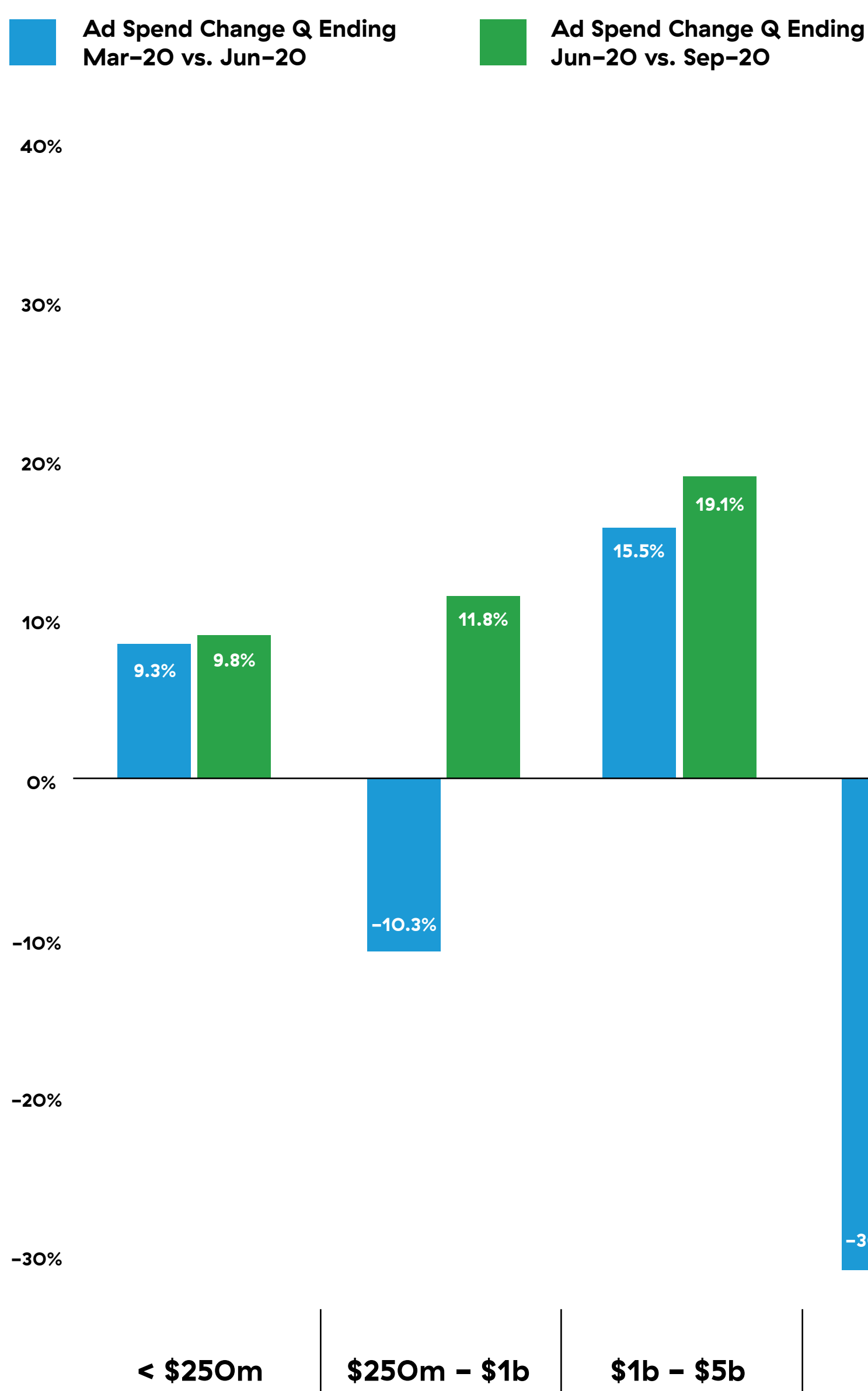


of companies lost more than a third of their total program spend

### Not All of Us Are All-In on Advertising (Yet)

**Expectation:** Advertising is an accessible channel to reach your audience that every marketing organization invested in

**Reality:** Q2 shows wide variations in ad spend according to company size, reflecting the very different needs immediately after the pandemic hit. But in Q3 everyone plans for heavy investments in digital, marking it as a crucial driver of growth for the remainder of 2020



### Demand Beats Awareness

**Expectation:** Many analysts encouraged marketers to double down on brand awareness, especially given that many people weren't in a position to buy

**Reality:** 45% of marketing organizations cut PR budgets by more than 20%. At the same time, there was an overall 23% increase in direct marketing

### Loyalty Programs Lagged

**Expectation:** Analyst and industry pundits shouted the importance of loyalty programs from the rooftops and we all listened right?

**Reality:** Investment in loyalty and advocacy programs decreased by 4% in Q2. But 47% of companies are forecasting a more than 20% increase in these programs for the remainder of 2020.