



# U.S. BRAND ACTIVATION MARKETING FORECAST (2016–2020): KEY FINDINGS REPORT



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Advertising and trade promotion spend are closely tracked, but historically there has been no comprehensive view of the total marketing ecosystem available to marketers. The ANA, in partnership with PQ Media, recently completed the first-ever forecast of brand activation marketing expenditures.

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# OVERVIEW

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The U.S. Brand Activation Marketing Forecast report breaks new ground in the following ways:

- Determines overall brand activation spend in the U.S. and forecasts spend through 2020.
- Analyzes all three major marketing sectors (advertising, brand activation, and trade promotion).
- Investigates brand marketing by end user (B-to-C versus B-to-B).
- Defines, sizes, and forecasts all six brand activation platforms and 32 channels.
- Explores brand activation expenditures by industry verticals.

“Brand activation” refers to marketing that both builds a brand’s image and drives a specific consumer behavior or action. Brand activation focuses on six disciplines (or platforms) that connect and interact with the consumer to bring the brand to life: promotion marketing, experiential marketing, retailer marketing, relationship marketing, content marketing, and influencer marketing. These six platforms of brand activation include 32 different channels.

Work on the report began in mid-2015 and was completed in April 2016. Several hundred executives at media and entertainment companies, financial institutions, consulting firms, media agencies, and brands participated, providing information and data on key trends and growth in campaign media spending. Thousands of public and private documents were also examined from more than 5,000 sources pertaining to regional and market-specific trends and data in content marketing, the advertising and marketing ecosystem, economic sectors, and demographic profiles. Other factors, such as technology penetration rates that might affect the content marketing industry, the overall advertising environment, the economy, and consumer media usage behavior and spending patterns were also considered.

**April 2016**

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# THE MARKETING PLATFORMS AND CHANNELS OF BRAND ACTIVATION

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Each of the **six brand activation platforms** has a unique characteristic in the manner it attempts to reach audiences. For example, influencer marketing targets opinion leaders. **Each platform is further divided into channels**, which are the various distribution methods used to reach target audiences.



## Relationship Marketing

- Direct mail, catalogs, list management, and database marketing
- Marketing information and big data analysis
- Email and search lead generation marketing
- Loyalty programs
- Mobile marketing apps and proximity services



## Influencer Marketing

- Customer service and telesales
- Social media marketing
- Public relations and corporate communications
- Word-of-mouth marketing



## Promotional Marketing

- Promotional products, premiums, and incentives
- Product sampling
- Print and digital rebate distribution and redemption
- Print and digital coupon distribution and redemption
- Brand licensing
- Games, contests, and sweepstakes
- Added-value specialized packaging



## Content Marketing

- Hybrid print and digital content marketing
- Digital-only content marketing
- Non-textual content marketing
- Product placement in television and film media
- Graphic packaging and change marketing
- Product placement in digital, music, and video game media
- Product placement in print and radio media



## Experiential Marketing

- Consumer event marketing and sponsorship
- B-to-B live events
- Trade show promotions
- Cause-related and grassroots marketing



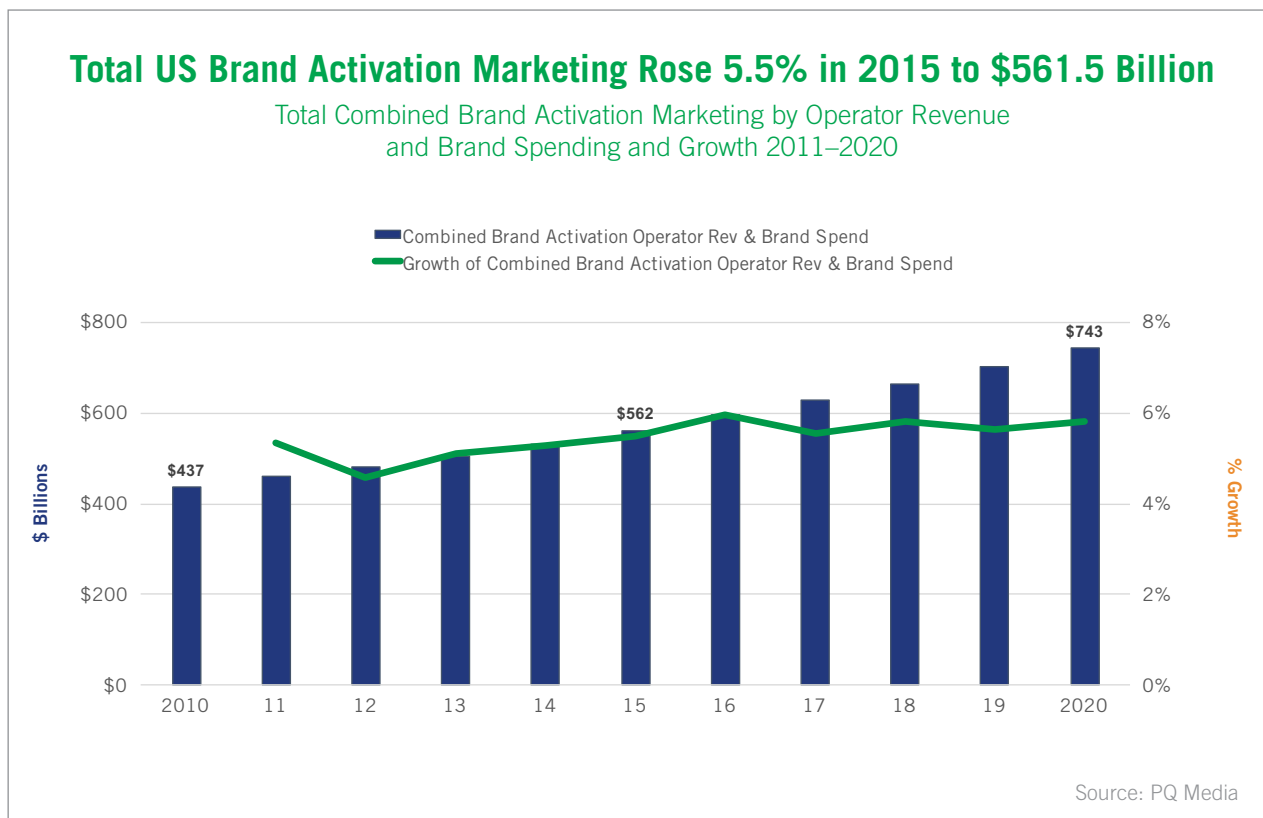
## Retailer Marketing

- Point of purchase and point of sales displays
- Shopper marketing analysis
- Mall and in-store ambient signage
- In-store mobile marketing
- Retail digital place-based networks

# TOPLINE FINDINGS

## 1

More than \$560 billion was spent on brand activation marketing in 2015, and brand activation spending will top \$740 billion in 2020.



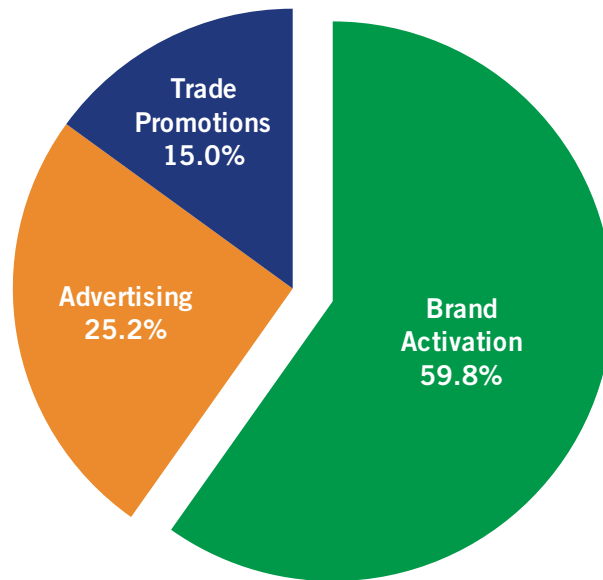
# TOPLINE FINDINGS

## 2

Brand activation marketing accounted for nearly 60 percent of overall marketing expenditures in 2015 — more than spending on trade promotions and traditional/digital measured advertising combined.

**In 2015, brand activation marketing accounted for nearly 60% of total brand marketing.**

Brand Activation Share of Combined Operator Rev & Brand Spend in 2015



Source: PQ Media

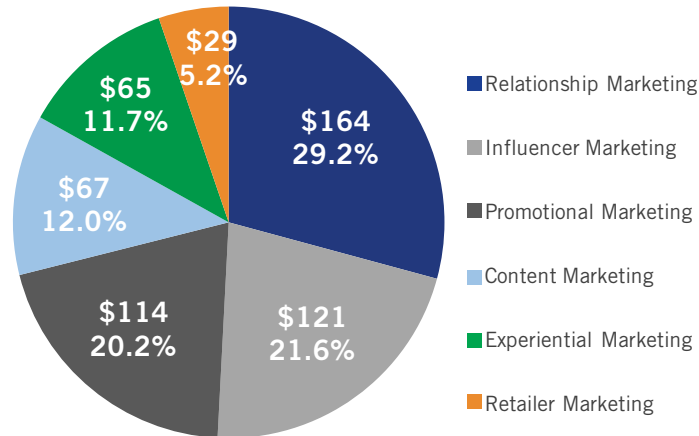
# TOPLINE FINDINGS

## 3

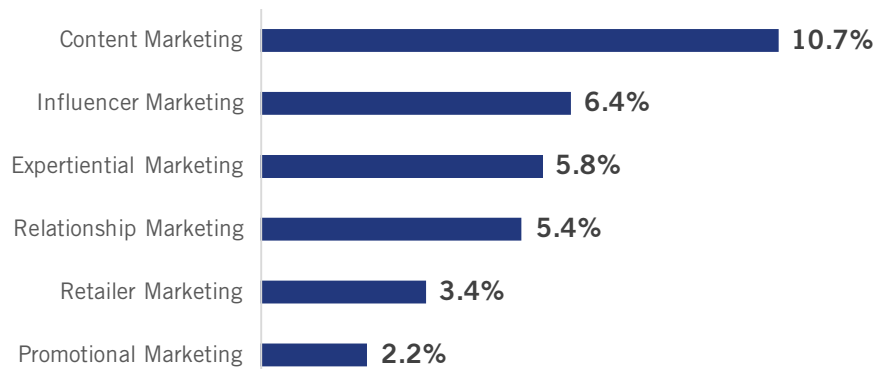
Relationship marketing was the largest of six brand activation marketing platforms in 2015.

### Relationship Marketing Largest Platform in 2015, Content Marketing Fastest Growing

Share of Brand Activation Marketing by Platform in 2015 (\$ Billions)



### Growth of Brand Activation Marketing Platforms in 2015



Source: PQ Media

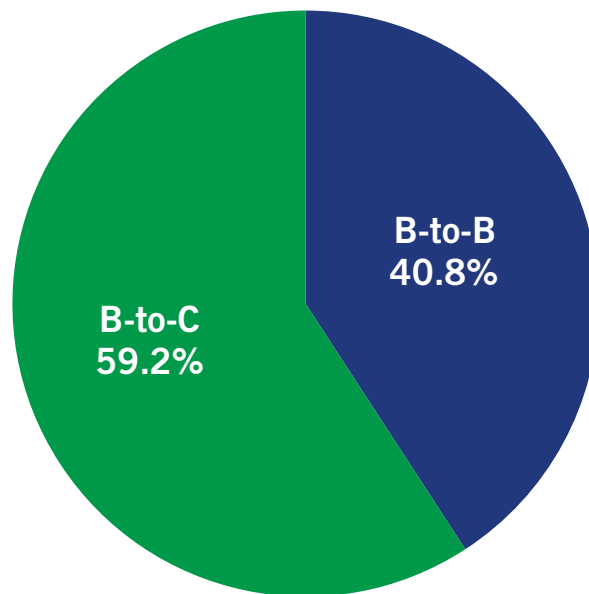
# TOPLINE FINDINGS

## 4

The majority of total brand activation spend in 2015 was B-to-C.

**Consumer Brand Activation Accounted for Almost 60% of Budgets;  
B-to-C Expenditures Reached \$332B in 2015, B-to-B at \$229B**

Share of Brand Activation Marketing by End User in 2015



Source: PQ Media

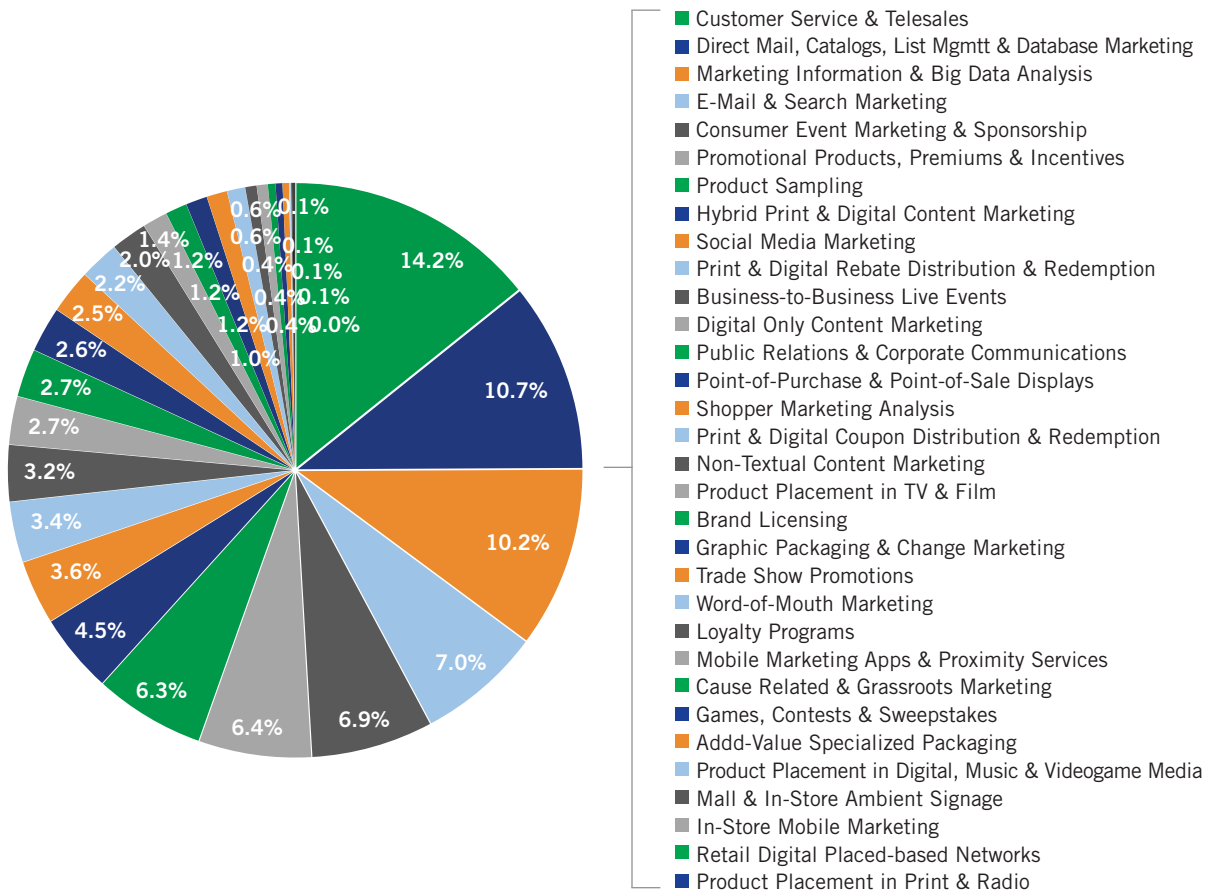
# TOPLINE FINDINGS

## 5

Customer service/telesales and direct mail/database marketing were the two largest brand activation channels in 2015.

### Brand Activation Share by Vertical Industry Categories in 2015

Brand Activation Marketing Share by Channel in 2015



Source: PQ Media



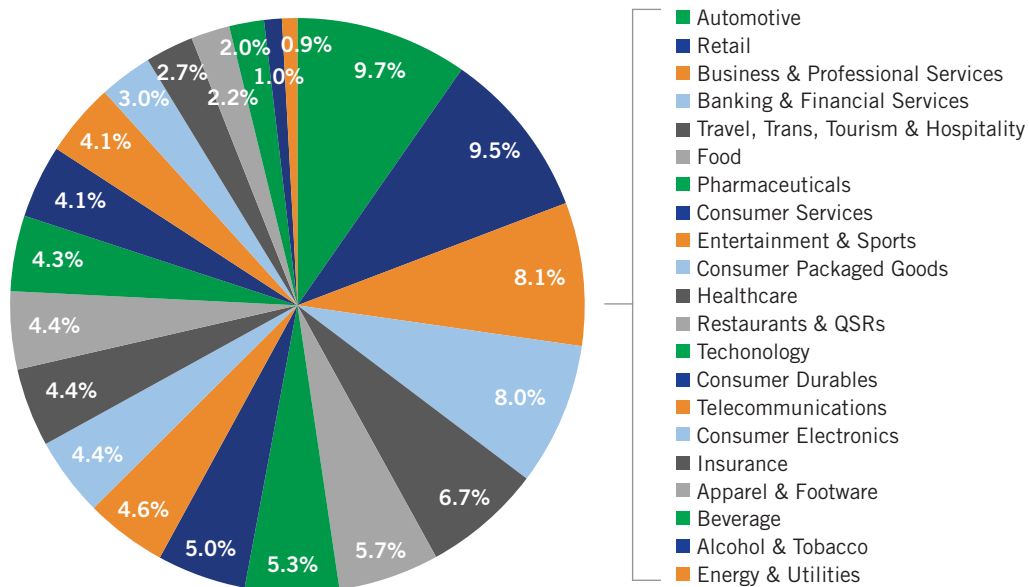
# TOPLINE FINDINGS

## 6

Automotive is the largest industry vertical using brand activation marketing — at \$54.5 billion in 2015.

### Brand Activation Share by Vertical Industry Categories in 2015

Brand Activation Marketing Share by Channel in 2015



Source: PQ Media

# TOPLINE FINDINGS

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## 7

Brand activation is predicted to continue to outpace spending on advertising and trade promotions over the next four years, in part based on the following trends:

- Engagement with traditional advertising is waning due to ad-skipping technology and shifting consumer behavior (like using a second screen).
- Brand activation tactics can effectively deliver consumer engagement (which translates to loyalty) in an omnichannel world.
- Living rooms have been transformed with multiple screens, and more media is being consumed outside the home using digital devices.
- The number of media outlets has tripled in the past 40 years, with media buyers now having to choose from more than 200 options.
- Technological advancements such as virtual reality are affecting how consumers will engage with marketing in the future.

Source: PQ Media

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The U.S. Brand Activation Marketing Forecast will be available to ANA members in May 2016.

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## ABOUT THE ANA

The ANA (Association of National Advertisers) provides leadership that advances marketing excellence and shapes the future of the industry. Founded in 1910, the ANA's membership includes more than 700 companies with 10,000 brands that collectively spend over \$250 billion in marketing and advertising. The ANA also includes the Business Marketing Association (BMA) and the Brand Activation Association (BAA), which operate as divisions of the ANA, and the Advertising Educational Foundation, which is an ANA subsidiary. The ANA advances the interests of marketers and promotes and protects the well-being of the marketing community.



## ABOUT PQ MEDIA

PQ Media is a leading provider of actionable competitive intelligence and strategic guidance to management teams of the world's top media, entertainment and technology organizations. PQ analysts track, analyze and forecast the size and growth of more than 100 digital & traditional media channels, focusing on 3 industry KPI's: operating company revenues, consumer media usage, and consumer media content & technology spending.

## PQ MEDIA'S RESEARCH METHODOLOGY

Work on the report began in mid-2015 and was completed in April 2016.

PQ Media's proven research methodology and proprietary mapping system—PQ Medianomics™—utilizes proprietary data collection techniques, algorithmic models and analytical approaches to track, analyze and forecast spending, consumption and trends in all major media, platforms and channels of the media and entertainment industries. PQ Media's system, driven by its SpendTrak™, UsageTrak™, and InfoTrak™ databases, layers the impact of key data and variables, including economic, demographic, behavioral, technological and regulatory.

Additionally, PQ Media analysts sought input on brand activation marketing from its exclusive Global Opinion Leader Panel™, which included hundreds of executives at media and entertainment companies, financial institutions, consulting firms, media agencies and brands. Thousands of public and private documents from approximately 5,000 sources pertaining to brand activation marketing, the advertising and marketing ecosystem, and other factors, such as economic growth trends that might affect brand activation marketing were also examined. By using this methodological approach, PQ Media made every effort to avoid double counting any data, by providing descriptions in the report of what data was/was not included in each brand activation channel.