

Topic:
CAD Market
Statistics

CAT Marketing Spend

Predictions from suppliers on how marketing spend will change over the next two years.

iCAD is produced by Business Advantage, a B2B research, business development and marketing consulting practice operating in the global IT, Digital and Telecommunication sectors.

CAT Marketing Spend - Part 2

Earlier this year 101 CAD SPAGHETTI readers completed our web survey on their marketing spend. In the **second part** of our analysis of the resulting findings, we reveal how suppliers to computer aided technology markets think **marketing spend will change over the next two years.**

The vast majority (95%) of our respondents had either shared or sole responsibility for their companies' marketing activity. The areas which they had responsibility for were as follows:

- 34% - one European country
- 30% - worldwide
- 12% - USA
- 11% - Europe, Middle East and Africa
- 10% - more than one European country
- 3% - other

Spend! Spend! Spend!

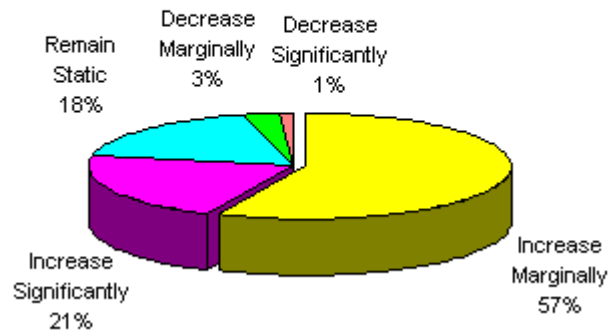
When asked to consider how their overall marketing budget might change in the next two years, 78% said it would increase to some degree, and one in five felt it would increase significantly.

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Find out [here](#) how much suppliers are currently spending on marketing, how this money is being spent, and how priorities have changes in recent years.

Our Sample was made up of the following:

- 33% software developers
- 25% VARs
- 8% hardware manufacturers
- 8% CAD/CAM/engineering service providers
- 6% distributors
- 6% dealers
- 4% 'consultants'
- 11% 'others'

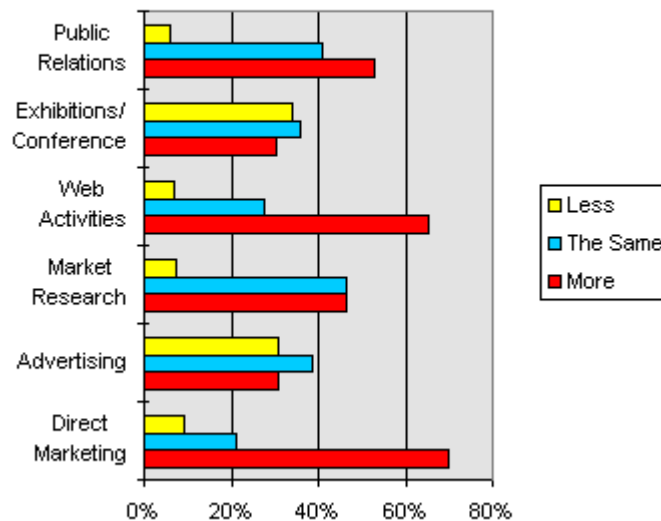
What Will Happen To Your Marketing Budget In The Next Two Years?



Future Communications

What do suppliers see as the most cost-effective ways to get their messages across in future? Respondents were asked how the allocation of marketing budget might change for six activities; direct marketing (targeted email, snail mail or telemarketing), non-web advertising, market research, website and web advertising, exhibitions/conferences, and public relations.

How Will Your Spend On The Following Activities Change In The Next Two Years?



The marketing spend trends that this survey picked up for the last two years look set to continue. More companies are looking to increase their spend on direct marketing than any other activity. Advertising and exhibitions/conferences are the only two areas where a significant proportion of suppliers are planning to decrease their spend (26% and 31% respectively).

Developing a new marketing strategy? [Find out](#) how Business Advantage can help you get the best results.

Multiple Challenges

Respondents were asked to identify the main challenges in the next twelve months. Picking trends from this proved difficult, not least because our 101 respondents managed to come up with nearly 100 different obstacles between them. Coping with the economic downturn (10%) and developing brand awareness (7%) were the most commonly cited challenges for 2002. Among the more interesting identified were:

- 'Convincing CAD users that the Internet must change their working practices now!'
- 'Anticipating Autodesk's changing strategy'
- 'Pulling our customers through disruptive technology'

- 'Combining mass marketing methods with outstanding customer service levels'.

Conclusion

As pointed out in the first part of this feature, only broad conclusions can be drawn from such a broad cross section of suppliers at different stages of market development. The majority have increased expenditure on direct marketing over the last two years, and this is set to continue in future. Direct marketing has been booming across the board in recent years anyway, but its use is particularly relevant when times are tough. Where customers/prospects are tightening the purse strings and delaying investment in new solutions, the ability to target them with tailored messages is a powerful tool to keep brand name and associated productivity gains in mind. It's also an activity that offers measurable ROI, a key factor when budgets are being haggled over.

Companies throughout the world are using Business Advantage to develop, carry out and follow up on marketing strategies. [Find out](#) what a selection has said about the impact on their business.

With the Web's growing capacity to handle a broad range of prospect and customer relationships, there's no surprise that 50% of suppliers anticipate increasing expenditure on Web related marketing in future.

For the other marketing activities, we see a varied picture of intentions on future spend as suppliers seek to find the most cost-effective mix. Overall the outlook from this survey is a healthy one, with the vast majority (78%) anticipating an increase in their marketing budget in the next two years. The signs are that most suppliers are sold on the idea of investing in marketing in the good times and the bad.

If you want to target potential customers in worldwide markets, Business Advantage's [sales and marketing services](#) can provide the solution. If you want to uncover details of the strategies of your major competitors, find out how [competitor analysis](#) can help.

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