

**Topic:**  
CAD Market  
Statistics

## CAT Marketing Spend 2

**In the second part of our analysis of the results of our web survey, we look at how suppliers think marketing spend will change...**

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

In the last issue of CAD Spaghetti, we looked at the results of a web survey conducted amongst suppliers to the CAD/CAM sector. The survey was concerned with marketing, and in the last issue, we focussed on current marketing spend in the CAD/CAM sector – how much is being spent and on what activities.

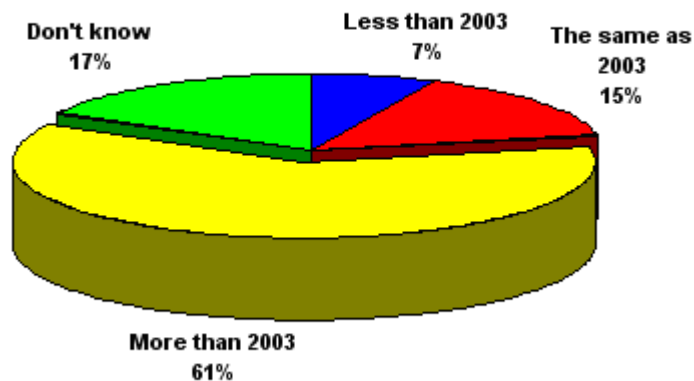
In the second part of our analysis of the results of our web survey, we look at how suppliers think marketing spend will change over the next two years, and what the trends in the market might be.

### Continuing Upward Trend in Spend

Two years ago, we asked respondents how they thought their marketing spend would change over the next two years – a significant proportion stated that the budget would increase to some degree.

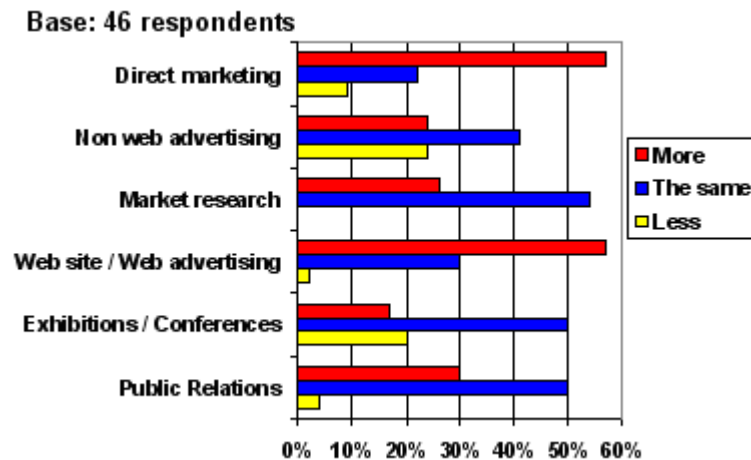
This trend seems set to continue into 2004 – almost two thirds of respondents stated that they feel their marketing spend in 2004 will be more than it was in 2003.

**Base:41 respondents**



## Where Will Spend Increase?

In the first part of this article, we compared predicted trends from two years ago with what actually happened in the different areas of marketing. We repeated the future trend question so we can continue to plot this over time.



The predicted trends for the next two years mirror the areas of high spend over the last two – key being direct marketing and web activities. Spend on exhibitions, PR, market research and non web advertising are all seen as likely to stay the same over the next two years, although there is some indication that non web advertising might see a decrease.

## What are the Challenges?

In the 2002 survey, we asked respondents what they perceived would be the three main challenges facing the CAD/CAM sector over the next two years. There were a wide range of responses gathered – the few key responses were coping with economic downturn (10%) and developing brand awareness (7%).

We repeated this question in 2004, and the responses that we received were again very disparate, making it difficult to draw out any trends. However, the indication is that the priorities have changed with price pressures (15%), increasing competition (7%) and outsourcing (7%) being cited. Also the general conditions of the market – several respondents mentioned the saturation of the market, or even a decline in the size of the market being an issue for them.

## In Conclusion

The general feeling amongst the marketing community is that marketing spend will continue to increase over the next two years – and the focus of this spend will continue to be direct marketing and web activities.

The perceived challenges of price pressure and increased competition in the market make these findings all the more relevant, as suppliers seek methods of communication with potential customers to break through a mature market in a cost competitive way in order to increase their market share.

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