

Marketing Maturity in 2024: More than half of SMEs are **marketing in the dark**



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A new report by The Marketing Centre, using data from nearly 2,000 decision-makers at small and medium-sized businesses, highlights a significant business and marketing planning gap in 2024.

- 54% of businesses don't have a documented business plan.
- 67% don't have a marketing action plan.
- The automotive, agriculture and engineering industries have the biggest risk to their overall health.
- Metrics and Measurement is perceived as the greatest marketing challenge for SME business leaders

“A goal without a plan is just a wish.”

- Antoine de Saint-Exupéry

It's a tale as old as time. If you're not adapting to change, you're not going to grow.

It's been an uncertain - if not turbulent - past few years for businesses of all sizes, not least SMEs, which have been facing rising costs, high energy prices, cuts to financial support, and supply chain issues.

Many small businesses fail to thrive due to the lack of a well-developed business and **marketing growth plan**. While large companies, with big resources, put the time into making a business and marketing plan, smaller businesses often sacrifice a solid roadmap.

Reasons for this differ, and can vary from it being too time-consuming, not knowing where to start, or simply believing that they are small enough to achieve their goals without a solid plan.

The Marketing Centre's research shows that business leaders often have a vision for where they want their company to go – however, it found that less than half of SMEs prioritise a formal business plan.

The importance of a plan should never be underestimated - it helps you build a more accurate forecast of income and investment, lay out your vision for growth, and the specific, manageable steps it will take to get there.

A business plan also acts as a tool to attract finance for your business, understand what third-party services you need, and address potential roadblocks.

This time last year, the outlook was bleak. But the economy didn't falter as **much as expected** and many business leaders are now tentatively hopeful that the worst is now behind us – bolstered by **forecasts** that GDP will grow over the next 12 months, albeit slowly, and at the mercy of international tensions.

As the current economic, social and environmental climate prompts change at a rapid pace, a lack of a coordinated, integrated plan will leave marketers and business owners fighting fires, with little direction and little likelihood of achieving their next stage of growth.

[The Marketing Centre](#) conducted a survey of 1,988 key decision-makers across hundreds of small businesses in the UK, to understand what companies are doing to measure, maintain, improve and ultimately grow their businesses using the [Marketing 360 assessment](#).

This comprehensive [marketing audit](#) provides respondents with a bespoke report that shows recommendations for improvements, marketing advice, and their overall marketing maturity score. Survey respondents ranked themselves against 12 different facets of successful marketing.

The 12 sections cover:

- Brand confidence
- Communication
- Services
- Leads
- Implementation of marketing
- Technology
- Sales
- Metrics
- Compliance
- Retention
- Customer engagement
- Profit

All respondents were asked to mark themselves against 60 statements, along with high level strategy-focused questions such as if they have clear goals for the business, a documented business plan, a marketing action plan, and a clear vision for the company overall.

Statements also touched on how companies currently deal with third-party services, such as whether their specialist marketing services deliver good value for money. Reporting was a major focus, too, and respondents were asked to rate how they monitor business performance to allow people to make better informed decisions.

A robust strategy is a sign of marketing maturity in a business – yet the research suggests that many could be missing out on significant opportunities because they don't have one.

Key Findings - Fail to plan, plan to fail



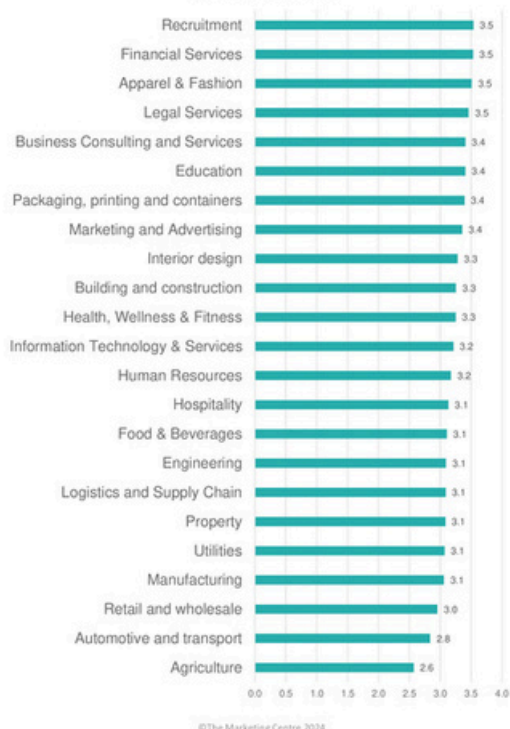
The majority of respondents said their business doesn't have a way of setting out how they will achieve their business goals - with **54% saying they have no documented business plan**.

This number became even starker for marketing strategies, with **just 33% stating that they have a marketing action plan** - meaning two thirds of SMEs have no way of detailing how marketing will contribute to achieving their goals. This adds further weight to a Marketing Week survey last year, which concluded that professionals think a marketing strategy is the most undervalued skill in businesses.

Further supporting this, **only a third of respondents also said they have a marketing plan which produces regular, timely marketing activities**. This implies that busy marketers are expending their efforts on "random acts of marketing", which is a sure-fire way to waste money and effort and not deliver a positive return.



Plan - We have a documented business plan setting out how we will achieve our business goals.



Marketing - We have a marketing action plan setting out how marketing will contribute to achieving our business plan.



Key Findings - Businesses aren't securing enough leads to grow



Growth is fundamental to a business's long-term success, however **less than one in three (28%) say they generate sufficient leads to achieve their business growth objectives.**

A robust marketing plan starts with absolute clarity on the ideal target customer and their needs. From there you can make better choices on how best to engage with those people. In the absence of that process, you risk wasting money on sales and advertising techniques that aren't working for your business, while overlooking other, more effective marketing tactics.

Customer relationship management (CRM) software plays a major role in optimising sales and marketing performance. And yet, the research shows only 40% of businesses have a CRM system in place which is used effectively across both the sales and marketing teams. While selecting a CRM system is an investment, without one, you can struggle to effectively follow up with leads and miss opportunities.

On top of this, alarmingly only 36% had a retention strategy for customers, which is likely to be a ripple effect caused by the lack of a business plan. Given that finding new customers takes so much more effort and expense than keeping and growing those you already have, a customer retention strategy should be a priority for all business leaders.



We generate sufficient high quality leads to achieve our business growth objectives.



We have a CRM system which is used effectively across both the sales and marketing teams.



Key Findings - SMEs don't know if their marketing is working

Of all the 12 sections listed above, metrics was considered the weakest area for businesses polled. **Only 27% set clear objectives when using specialist marketing services, and 41% measure the profitability of their customers.**

Solid measurements put you in control. Without them, marketers lose focus and can't be held accountable, making sporadic choices that are unlikely to affect the bottom line.



We have clearly defined marketing performance measures.



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We measure the profitability of customers, identify the most profitable, and share this information across the business.



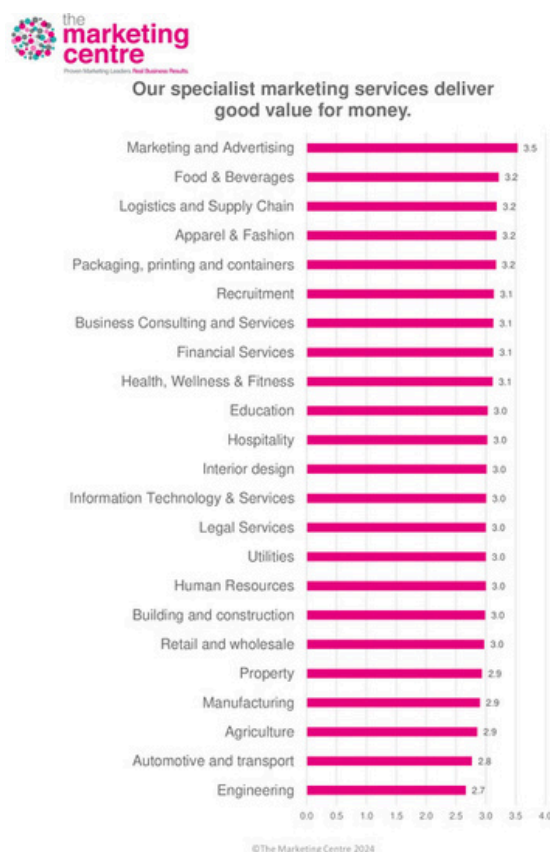
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Key Findings - Agencies aren't meeting expectations

Specialist marketing services, whether a marketing agency, a tool, or technology, are under a spotlight, as **only 44% of those surveyed said they use specialist marketing services**, and **just 62% of this figure said that they were providing good value for money**.

With increased pressure on budgets that focus on third-party services, and how they're producing tangible results, this is only likely to intensify. Agencies that aren't reporting well on **return on marketing investment (ROMI)**, keep clients in the dark on results, or fail to show how their business is actually benefiting from the services provided, are going to feel the pressure to prove themselves.

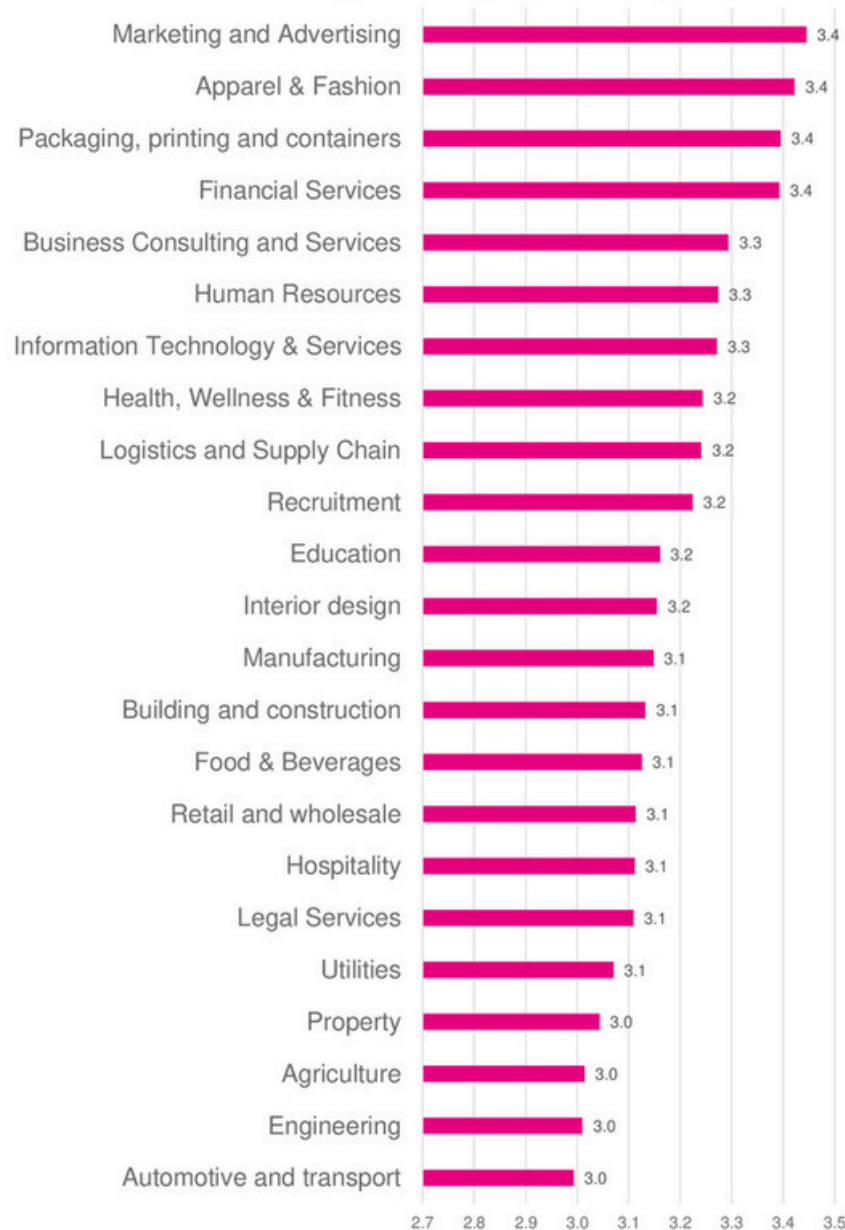
Of those surveyed who said they use specialist marketing services, **just over half (56%) said they set clear objectives in order to measure the value delivered**, indicating there are improvements that need to be made by both sides.



What industries are leading the way in marketing maturity?

Diving deeper into the data, The Marketing Centre found that some industries are far outperforming others when it comes to marketing maturity, and driving investment into their growth.

Marketing Maturity by Industry



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The Marketing Centre created a ranking of all industries, to create a benchmark score out of five for each question, whether respondents rated themselves as Strongly Agree, Agree, Neither Agree nor Disagree, Disagree, or Strongly Disagree to every asked question.

The study looked at all questions that decision-makers answered to rank their marketing maturity, to produce an average score out of five to measure each industry's level of marketing prowess.

Statements respondents were asked to rank themselves out of five against include “we have a clear brand proposition that is lived by the whole organisation and well-articulated”, “we know which audiences we are targeting with our marketing”, “our specialist marketing services deliver good value for money”, and “we measure our lead conversion rate at each state of our pipeline.”

Looking at the industry rankings overall, some interesting pictures emerge of how various sectors are prioritising marketing and business planning more than others.

Of all sectors analysed, decision-makers in the marketing and advertising industry, perhaps unsurprisingly, came first, ranking most confident for their use of specialist marketing services and in them providing value for money, and providing regular reporting on results aligned to business goals.

In what could be due to the nature of their business and the fact they, arguably, need to lead by example, the advertising and marketing industry is dedicating it's time to a robust strategy, with **72% of respondents stating that they know the audiences they're targeting.**

The apparel and fashion industry followed closely behind, as the lead industry for creating a marketing plan that produces regular, timely marketing activities.

This was followed by the packaging, print and container industry, which had the best ranking for measuring their lead conversion rate at each state of their pipeline.

On the opposite end, automotive and transport came last, with just **44% of respondents saying that they have a clear brand proposition. Just 11% stated that they follow a marketing plan that produces regular, timely marketing activities, and only a fraction more have a business plan, at 25%.**

The engineering industry didn't fare much better, with zero respondents saying that their specialist marketing services provide regular results, despite **21% of engineering businesses** using third-party agencies to support their marketing activities.

Agriculture also came in low, with **just 27% of businesses stating they have a marketing action plan, and only 14% measuring the profitability of their customers**

We have a clear brand proposition that is lived by the whole organisation and well articulated



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We follow a marketing plan which produces regular, timely marketing activities.



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What does this research mean for the marketing industry?



Pete Jakob, marketing director at the Marketing Centre, said: “The marketing discourse in recent times has been dominated by discussions around technology and AI in particular. However, the lack of strategic business and marketing planning is a far greater issue for UK SME leaders. A wellcrafted business and marketing plan is not just a blueprint, but a safeguard against uncertainties, a guide for companies to grow, and a shield for overall business success.

The saying is true - if you fail to plan, you plan to fail. With more than half of companies in the UK not having a business or marketing plan, there are significant risks, and it's crucial for business owners to realise that a documented business plan leads the way for marketing success to align with your vision.

“A strategy gives senior leaders confidence that budgets will be channelled into the right areas, and activity will be measured and optimised to drive brand awareness, positive sentiment and ultimately sales. A strategy helps steer the ship, and with that comes focus on reporting, CRM systems, tools, and lead generation.

“We know from our experience of working with over 1400 SMEs that limited resources can make it difficult to develop and launch a comprehensive strategy. Our approach is to team up proven fractional marketing directors with these businesses, giving them access to a high level of expertise on a part-time and therefore more affordable basis. They can support everything from marketing audits, positioning and targeting, agency selection, campaign development, marketing measurement and much more - all focussed on helping SMEs reach their full potential.

If you need help on where to start with building a marketing plan, the best place to begin is assessing your current state of affairs, and establishing your goals, and actions it will take to get there. The Marketing 360 Assessment, is a simple way to get a comprehensive assessment of that important first step. You'll get a marketing audit and bespoke report with recommendations for improvement on your journey to effective marketing.

The Marketing Centre polled 1,988 marketing decision-makers in SMEs, asking them to rate either **Strongly Agree, Agree, Neither Agree nor Disagree, Disagree, or Strongly Disagree** when it comes to their current marketing operations.

The questions analysed covered several marketing aspects in their business. Each business was allocated a score out of five for each question, depending on how highly they agreed with the score, to generate a total average index score for each sector out of 5.

The Marketing Centre then grouped each respondent into industry, to get an overall picture for how each industry currently approaches its marketing efforts.

Data correct as of December 2023.

Appendix 1 - Strategy Questions



Vision - The whole company shares a clear vision which is underpinned by our culture and values.



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Goal - We have clear goals for the business (including financial) with agreed target dates.



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Plan - We have a documented business plan setting out how we will achieve our business goals.



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Marketing - We have a marketing action plan setting out how marketing will contribute to achieving our business plan.



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Appendix 2 - Highlight Questions



We have a clear brand proposition that is lived by the whole organisation and well articulated



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We know which audiences we are targeting with our marketing.



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Our specialist marketing services provide regular reporting on results aligned to our business goals.



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Our specialist marketing services provide regular reporting on results aligned to our business goals.



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Appendix 2 - Highlight Questions



Our specialist marketing services deliver good value for money.



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We generate sufficient high quality leads to achieve our business growth objectives.



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We measure our lead conversion rate at each stage of our pipeline.



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We follow a marketing plan which produces regular, timely marketing activities.



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Appendix 2 - Highlight Questions



We have a CRM system which is used effectively across both the sales and marketing teams.



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Sales and marketing are well integrated and work effectively together.



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We have clearly defined marketing performance measures.



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We measure and report on cost per acquisition of a new customer and our overall return on marketing investment.



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Appendix 2 - Highlight Questions

We measure the profitability of customers, identify the most profitable, and share this information across the business.



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