AMERICAN MARKETING ASSOCIATION | New York

THE FUTURE OF MARKETING REPORT, 2019

TECHLASH IS HERE:

CONSUMER CONCERNS, DIGITAL DISCONNECTS, AND ECONOMIC NATIONALISM IN THE U.S. AND CHINA

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INTRODUCTION

Why a report on the future of marketing, when every year there are yet more surveys of CMOs?

American Marketing Association New York wanted to take a look at the decade ahead – not just next year's ad spend, the latest hot tech, or the other short-term subjects that dominate the discussion of where the industry is going. As the New York chapter of the American Marketing Association operating in the world's largest commercial capital, we believe that it is our responsibility to show where the world of marketing and advertising is headed, for the benefit of our members and the national marketing community.

The Future of Marketing study asks a series of essential questions about marketing trends in the world's two largest economies – the United States and China:

- How is media use going to evolve?
- Are there signs that new media are peaking or may weaken?
- How do consumers feel about the marketing innovations that will arrive over the coming decade?
- Will the controversies over data privacy and social media impact consumers?
- How is the trade war between the U.S. and China going to affect consumer attitudes?
- Do marketers in both countries understand the trends at work?

The answers are important – and surprising!

This report is for readers across the marketing community in the largest sense – marketing, branding, advertising, insights, and PR professionals; agencies, technology companies, and consultancies; as well as publishers, journalists and academics, writing or teaching about the field. It will give you a head start on the issues (and potential solutions) that we will all grapple with for the next ten years.

We are grateful to our sponsors: Charney Research, whose CEO, Craig Charney, was the lead author; Larry Shannon-Missal, Billy Kibmark, and Jack Weber at YouGov and Ashley Nin, Tommy Turner, and Lee Abbas at Kadence, who fielded the research and supplied the data; and Lukas Pospichal of Greenbook, who provided essential financial and managerial assistance.

AMA New York's mission is to inspire, support, and celebrate brilliance in marketing. In pursuit of our mission, we have been an important source of initiatives for the marketing community, including the Effies, Greenbook, and the Marketing Hall of Fame. We look forward to launching a series of Future of Marketing reports that will help marketers better understand and shape the evolution of our field.

Karen McFarlane
President, AMA New York

EXECUTIVE SUMMARY

I. THE RISE AND RISE OF DIGITAL MARKETING

There has been a massive transformation of advertising and marketing: ad spend in both the U.S. and China splits roughly 50-50 between online and off. The largest slices of the pie go to social media and online ads, while television and radio still lead among old media. This shift reflects the explosive growth of digital and mobile advertising during this decade, as well as the slippage in traditional media market shares. Facebook in America and WeChat in China grab the largest shares of ad spend, though it is spread more widely among social media in China.

Marketers are also charging forward with the adoption of innovative marketing and adtech. Up to six in ten American firms and three-fourths of Chinese marketers surveyed will increase their use of nine new methods tested in the poll over the next three years. These are ad personalization, employee influencers, micro-influencers, the Internet of Things (IoT), smart speakers/artificially intelligent assistants, omnichannel marketing, smart speakers, virtual reality (VR), and augmented reality (AR).

A big share of purchasing has also moved online, even more in China than the U.S. Nearly two-thirds of Americans purchase online monthly, but China is leapfrogging America in every type of digital payments medium. This includes payment via websites, mobile apps, and mobile payment without or (especially) with a QR code. U.S. consumers are likelier to buy in-store. Consumers in both countries primarily access the internet via their mobile devices (phones, tablets, or computers). The top online market in the U.S. is Amazon, followed distantly by Walmart, D2C brands, eBay, and Target, while China's main platforms are Alibaba, JD, VIPshot, and Tencent.

Many consumers have adopted smart speakers, despite some pushback in the U.S. One third of Americans polled have them, as do almost two-thirds of our urban, middle-class Chinese sample. Many remaining Americans are ambivalent about them; half of Americans don't want a smart speaker, while Chinese consumers are very interested.

II. TECHLASH IS HERE: MEDIA USE TRENDS

The techlash is here. Over the next three years, many Americans expect to ease off on social media and games. In the U.S., broadcast radio as well as regular mail are also set to decline. Broadcast and cable television will level off.

In contrast, Chinese consumers foresee big growth in their use of most online media in the next three years but continue to shift away from old media. The strongest growth is forecast for websites and social media.

Despite the evidence that social media and games may have peaked in the U.S., advertisers plan to invest more cash into them over the next three years. While they plan the greatest increases for digital media, net increases are expected for all.

In China, there is a clearer correlation between media use trends and ad spend expectations. The biggest growth in use and expectations is expected for websites and social media.

As more evidence of the techlash, the U.S. seems to have passed peak social media. Facebook and Instagram use is expected to level off through 2022, while people expect a net decline in their use of Twitter, Snapchat, and LinkedIn. Growth is forecast only for YouTube (along with streaming TV in general). Yet marketers report over-indexing on many social media now and plan to increase spending even as consumer use flatlines or falls off.

In contrast, social media in China are massive and exploding, especially the top contender - WeChat. All six of the top social media channels are used daily by a majority of the China sample, including Baidu, Sina Weibo, Todou Youku, Toutiao, TenCent Weibo, and WeChat. Users expect to spend more time on all of them in three years, and marketers are expected to increase their budgets during that same time.

Facebook's spectacular stumbles and the resultant damage to its image have drawn widespread publicity, but anxiety about social media has spread much further in America and China. Other studies show Facebook's worsening image has hurt its usage, but concern is more general about social media in America. Even in China, consumers mistrust social media's handling of user data.

III. THE DIGITAL DISCONNECT: CONSUMER CONCERNS AND MARKETER AWARENESS

Americans are ambivalent and divided about marketing technology and the Internet of Things (IoT), while the Chinese are consistent technophiles when it comes to marketing technology. Not a single one of the nine marketing innovations tested with descriptions in the AMA New York study is favored by a majority of Americans, though pluralities are positive to three and noteworthy proportions say they "don't know." In contrast, lopsided majorities of Chinese consumers like every single one.

The innovations Americans were skeptical about were personalized ads, micro-influencers, employee influencers, augmented reality, and IoT-connected home devices. The innovations with plurality support were ones that can be voluntarily used – virtual reality (VR), AI assistants, and omnichannel. Among Chinese consumers, all were favored by 60% or more, except for micro-influencers.

American consumers are fairly open to the benefits of new marketing technology but much less than the Chinese, who are far more convinced it will help them. When we tested positives for the martech innovations described above, Americans agree with most of the claimed benefits (except for IoT). However, they are 20 to 40 points less enthusiastic than Chinese respondents, who were again massively enthusiastic, though Americans saw benefits to most (except IoT).

In total, 65% of Chinese consumers agree with seven or eight of the eight positives – just 25% of Americans do. Majorities of Americans say that martech will permit easier, quicker, better-informed shopping, as well as greater access to goods and brands' understanding of their needs. A plurality also said shopping would be more fun. Americans split evenly on whether IoT will improve their lives and doubt it will improve cities. In China, 70% or more of consumers polled felt the changes would make their shopping more enjoyable, easier, quicker, and better-informed, offer goods otherwise unavailable, and help brands understand them. By similar margins they said IoT would improve their lives and make cities work better.

American marketers overrate the perceived positives of marketing innovations. Most expect that U.S consumers will consistently welcome them, pointing to the digital disconnect. The perception gap between marketers and consumers averages 27 points and is greatest on understanding consumer needs and IoT.

Chinese marketers correctly expect most of their customers will react warmly to martech, although there is a more modest enthusiasm gap in China, too. The perception gap there is 13 points.

There is a lot of consumer anxiety about the potential negatives of digital marketing innovations in both America and China, especially concerning privacy, false information, and psychological effects. Majorities or pluralities of Americans worry about all six negatives, and in China five of the six. Four in five Americans and nearly two in three Chinese consumers polled worry that customers will lose their privacy with the new adtech. Roughly similar proportions in each country fear they will feel under constant surveillance due to it. Majorities in both countries are anxious that as online and social media marketing grow, they will worsen isolation and depression.

Most common of all is fear that fake accounts, falsehoods, hackers, and bots will mislead consumers, shared by over eight in ten Americans and seven in ten of the Chinese polled. Consumers in both countries worry new technology will take away the human touch from shopping. A plurality of Americans also think ads will become less creative and interesting - the one charge Chinese consumers reject.

Marketers in both countries do not take these concerns seriously enough. While majorities of American marketers recognize consumer concern about all the issues but creativity, on average the proportion of marketers expecting this is 18% below the consumer figure – part of the digital disconnect. Marketers in China believe consumers in their country won't be troubled by any of them.

The fears we found among consumers about marketing technology appear to be a subset of the broader anxieties revealed about the potential dangers and consequences of internet use by other studies. Fears about data privacy, identity theft, and credit card fraud haunt American internet users. In both America and China, social media users are worried about invasion of privacy and isolation and depression.

IV. THE STIRRINGS OF ECONOMIC NATIONALISM

Against the backdrop of the trade war, the American and Chinese markets are growing tougher for the other country's brands. Many Chinese and American consumers each say they are likelier to buy their own country's brands and less likely to buy the other's since the trade dispute emerged.

American brands are liked in China: 68% view American brands favorably, close to the 87% who do in the U.S. But Chinese brands are also favorably seen in China – with 82% favorable, in contrast to the U.S., where just 31% are favorable to them.

However, since the U.S.-China trade dispute exploded, 13% of Chinese are less willing to buy American brands, and 75% are more likely to buy Chinese, compared to a year ago. In the U.S., 26% of Americans are less willing to buy Chinese since the dispute emerged, while 39% are more likely to buy American brands.

Rising mutual hostility in America and China is worsening the business environment. Other research shows declining favorability for each country in the other. Surveys of U.S. firms in China by a business group show the impact of the trade war on their business.

The trade dispute has triggered nationalistic reactions that have begun to impact the market. Chinese consumers are turning away from American products even though they like U.S .brands, while U.S. consumers have become likelier to buy American despite the appeal of low priced Chinese goods.

CONCLUSION: FROM DIGITAL DISCONNECT TO DIGITAL DIALOGUE

Marketers and consumers agree. In similar proportions, both expect online marketing and omnichannel commerce to be the dominant forms a decade from now. Among consumers in both countries, the most frequent expectation is that in ten years, marketing and advertising will go mostly online, while shopping and purchasing will remain a mix of online and offline. Smaller proportions expect both marketing and purchasing to become all or mostly digital, or to remain as today, a mix of online and offline for both.

Looking just at marketing and advertising, around two-thirds in both countries expect them to be mostly online in 2029. Nearly as many expect marketing and shopping to remain omnichannel in a decade.

For a future of online marketing to win consumer trust, marketers need to listen and respond to consumer concerns about it – and the time to start is now.

- Accept the continuing difference between online marketing and omnichannel sales.
- Offer consumers control and transparency regarding the use of their data, as well as incentives.
- Emphasize consumer choice regarding technology and introduce the ones consumers can choose to use or not (e.g., AR).
- Establish standards of online conduct and protection through company or industry action.
- Negotiate standards and GDPR type protection through regulatory action.

STUDY METHODOLOGY

We interviewed 500+ consumers and 500+ marketers each in the U.S. (Jan 2019) and China (Mar 2019), online, along with 13 marketing thought leaders in the two countries. The U.S. sample is nationally representative, the China sample mostly urban and middle and upper class, who are most comparable to the U.S. sample.

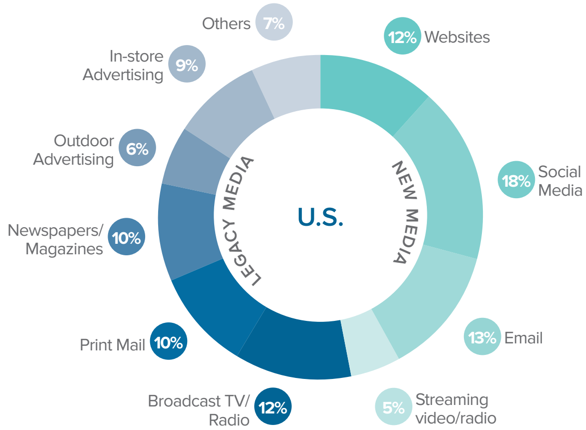
PART I:

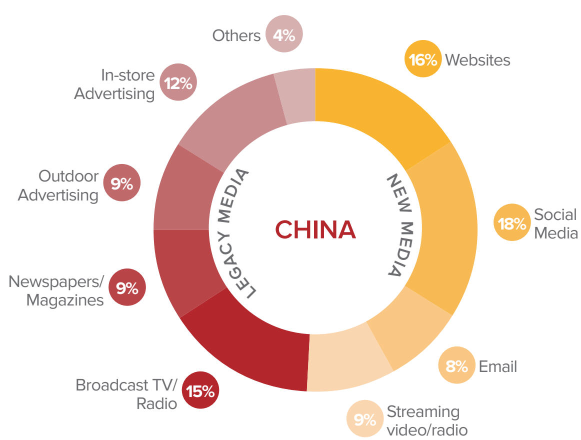
THE RISE AND RISE OF DIGITAL MARKETING

There has been a massive transformation of advertising and marketing in this decade: ad spend in both the U.S. and China splits roughly 50-50 between online and off. Our survey shows that 47% of ad spend in the U.S. and 52% in China is on digital media in companies' most recent campaigns (See Chart I-1).

CHART I-1

AVERAGE AD SPEND BY MEDIA IN THE U.S. & CHINA





The largest shares of spending in both countries go to social media (18%). Next among online media are email marketing, web ads and content, and streaming, with games bringing up the rear at 1% each. Among traditional media, broadcast television and radio lead in both countries. They are followed by print, direct mail, in-store, and outdoor.

These changes reflect the explosive growth in digital advertising since 2010. In the U.S., it is up from $26 billion nine years ago to a projected $67.2 billion, or an increase of 2.5 times[1]. In China, digital's rise was even steeper: from an annual rate of $2 billion in the first quarter of 2010 to a projected $63 billion this year, a mind-boggling increase of more than 30-fold. (And it is projected to rise to $112 billion in just three years!)[2].

At the same time, traditional media have seen their market shares slip substantially. In the U.S., the well-known collapse of print media advertising has seen their market share drop from 36% at the start of the decade to 10% in our poll. Broadcast has fallen from 45% in 2010 to 12% among our respondents. (Other media research findings show similar trends, but a less vertiginous decline in broadcast[3]). In China, the market share of print dropped from 29% in 2010 to 10% in our study, while broadcast media slid from 46% to 15%[4].

1– "Online advertising market poised to grow 20% in 2011", emarketer.com, June 8, 2011; AdAge, Marketing Fact Pack 2019, Dec. 17, 2018, p.14.

2– Sail Ma, "Online Advertising Spending Continues to Grow in China over Q1 2010", Nielsen, Apr 27, 2010; Chandler Nguyen, "8 Key Facts about China Advertising Landscape", chandlernguyen.com, Feb 9, 2019.

3– AdAge, Marketing Fact Pack 2019, Dec. 17, 2018, p.16.

4– Anne Freier, "China now ahead in global mobile ad spend", businessofapps.com, Dec. 19, 2016

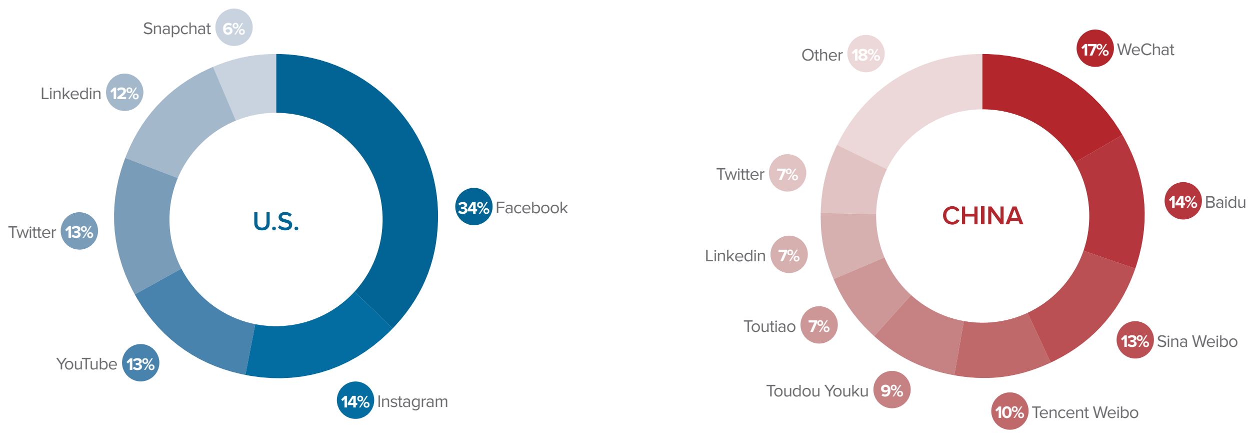
Among social media, the top ad category, those grabbing the most spending in each country are the major social networks – Facebook in America, with 34%, and WeChat (Facebook's peer) in China, at 17%. The remainder of social media spend in America largely goes to a few familiar names: Instagram, YouTube, Twitter, and LinkedIn, each receiving 12-14%. Snapchat brings up the rear at 6%.

Spending in China splits among a larger set of social media. Sina Weibo and Tencent QQ, instant messaging apps, get 13% and 10%, and Tudou Youkou, for video sharing, 9%. Two American apps come next – LinkedIn (not blocked in China) and Twitter, reached through virtual private networks, both draw 7% of spend. So does China's leading news aggregator, Toutiao. Other leading sites – Douban (lifestyle), picture and video sharing sites Meipai and DouYin, and social networks Jiepang and RenRen – each receive 2-3%.

Ad spend in both the U.S. and China splits roughly 50-50 between online and off.

CHART I-2

SOCIAL MEDIA AD SPENDING (AVG) (TOP 6)



THE TOP ONLINE MARKETS

While American and Chinese consumers resemble each other in their online shopping habits, where they go online to shop differs sharply. Each country has its own ecosystem of online markets.

In the U.S., Amazon has a commanding lead: 88% of online shoppers have bought there in the prior month. Next comes Walmart, with a much lower but respectable 41% purchasing. Walmart is followed by eBay (28%), Target (20%) and Google Express (6%). Direct-from-brand online purchases were made by 29%.

China has two massive online vendors: the Alibaba/Taobao/Tmall B2B-B2C behemoth, where 92% of consumers polled had bought, and JD.com, used by 76%. Online discounter VIPshot is in third place, with 38% purchasing. Next came the e-commerce platforms of social networker Tencent (22%) and search engine Baidu (20%, better market share than Google). Direct-from-brand purchasing came last, reported by 16%.

Marketers are charging forward with the adoption of new marketing approaches and advertising technology.

Marketers are also charging forward with the adoption of new marketing approaches and advertising technology in both countries. Roughly half to three-fourths plan to increase their use of every one of nine novel ad techniques tested in the next three years. Personalized advertising is the fastest-growing innovation among U.S. marketers (62%) and number two among their Chinese counterparts (72%). The most widely mentioned change in China is data gathering via the Internet of Things (IoT), planned by 76%, there as well as 50% in the U.S..

The other marketing innovations tested – employee influencers, micro-influencers, artificial intelligence (AI) assistants, omnichannel, smart speakers, augmented reality (AR) and virtual reality (VR) – are expected to grow at two to three-fifths of the American firms polled. Among Chinese marketers, the proportions planning change is even greater for seven of the nine innovations, with half to two-thirds expecting to increase their use. Employee influencers and micro-influencers are the only ones where expected growth is greater in America.

ADTECH: PLANNED INCREASES OVER THE NEXT THREE YEARS

	U.S. %	China %
Personalized ads	62	72
Employees as influencers	58	51
Micro-influencers	57	53
Internet of Things	50	76
Artificial intelligence assistants	50	56
Omnichannel marketing	47	57
Smart speakers	46	64
Virtual reality	46	58
Augmented reality	44	51

Consumers are also driving the change: a big share of their purchasing has moved online, even more in China than the U.S. Nearly two-thirds of Americans (65%) report making an online purchase via web browser in the past month. An additional one in five ordered via a mobile app (19%), one in nine used mobile phone payments (11%), and 6% scanned QR codes to purchase. However, our data revealed that China is leapfrogging the U.S. in every type of digital payments medium, including via websites (70%), mobile apps (39%), and mobile payment without QR (44%) or with a QR code (an eye-popping 75%).

The survey showed as well that the urban and middle-class Chinese consumers sampled are also likelier than Americans to purchase via mail order (37% vs. 20%), meeting salespeople (20% vs. 7%), or telemarketing calls (24% vs. 3%). The one thing U.S. consumers are likelier to do is buy in stores or customer service centers: 76% did so in the past month, compared to 61% of the Chinese.

In both countries, internet access is largely via mobile devices – phones, tablets, or laptop computers (over nine in ten in China, four in five in America). Still, a majority of both samples also accesses the internet via a desktop computer at home; so do more than half of the Chinese at work, although fewer than one American in four does. Accessing the interent at schools, cafes, or others' homes is relatively rare – each under 15% in both countries.

Many consumers have also adopted smart speakers, though these face some resistance in the U.S. The study found that 34% of Americans report smart speakers in their home[5]. Penetration is again substantially higher among the urban middle-class Chinese sample – 60%[6]. However, smart speakers may be nearing a ceiling in the U.S. because Americans are ambivalent about them. Just over half (52%) have no plan to get one, while only 11% lack one and want to buy it. The ambivalence is much less in the China sample: the majority (22%) of those without a smart speaker intends to purchase one, while just 18% don't want one.

CHART I-3

CONSUMER PURCHASING METHODS

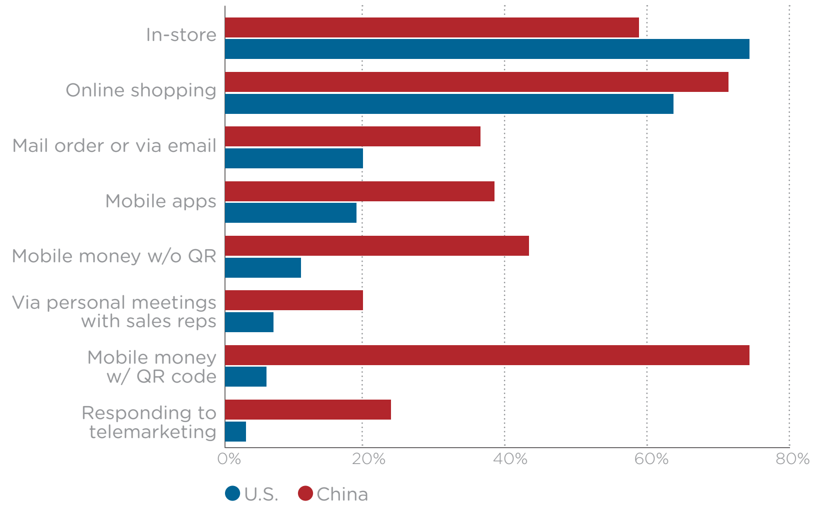
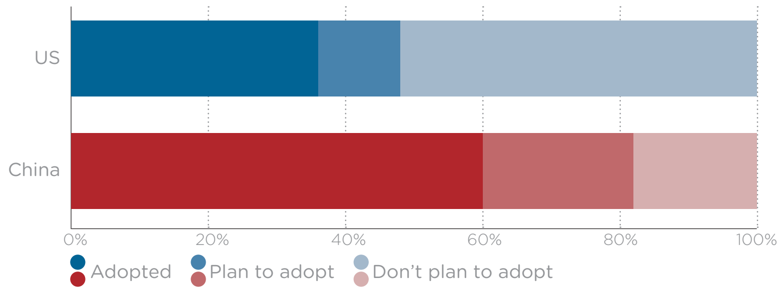


CHART I-4

SMART SPEAKER ADOPTION



The trends are clear. Marketing has been transformed by the rise of digital media and purchasing in America and especially in China. U.S. blogger Emma Wiltshire recently wrote, "Marketers are continuing to invest more and more in social media and other forms of digital advertising[7]". Don Schultz, journalism professor emeritus at Northwestern, was even more emphatic about the pace of change in the world's number two economy. He said, "Chinese marketing once imitated Western practice. Now it's trailblazing with ideas and methodologies, and Western marketers should take note[8]".

China is leapfrogging the U.S. in every type of digital payments medium.

5– This figure is also close to the results of other research: see Sarah Perez, "Over a quarter of U.S. adults now own a smart speaker", techcrunch.com, Mar. 8, 2019; Edison Research and Triton Digital, The Infinite Dial 2019, slideshare.net.

6– National penetration in China is estimated at a much lower 13%, due to China's large tail of low-income consumers. Bret Kinsella, "China Smart Speaker Adoption to Grow 166% in 2019", voicebot.ai, Apr. 17, 2019.

7– Emma Wiltshire, "2019 Key Digital Growth Stats", socialmediatoday.com, Jul.10, 2019

8– Don Schultz, "Once followers, Chinese marketers now trailblaze marketing next practice", Marketing News, Feb. 2, 2017.

PART II:

TECHLASH IS HERE: MEDIA USE TRENDS

The techlash is here. Over the next three years, Americans expect to ease off on social media and online games (See ChartII-1). Broadcast radio as well as regular mail are also set to decline in the U.S. (and broadcast/cable TV will level off). Streaming media, email, and website marketing will progress.

Despite the evidence that social media and games have peaked in the U.S., advertisers plan to invest more cash into them.

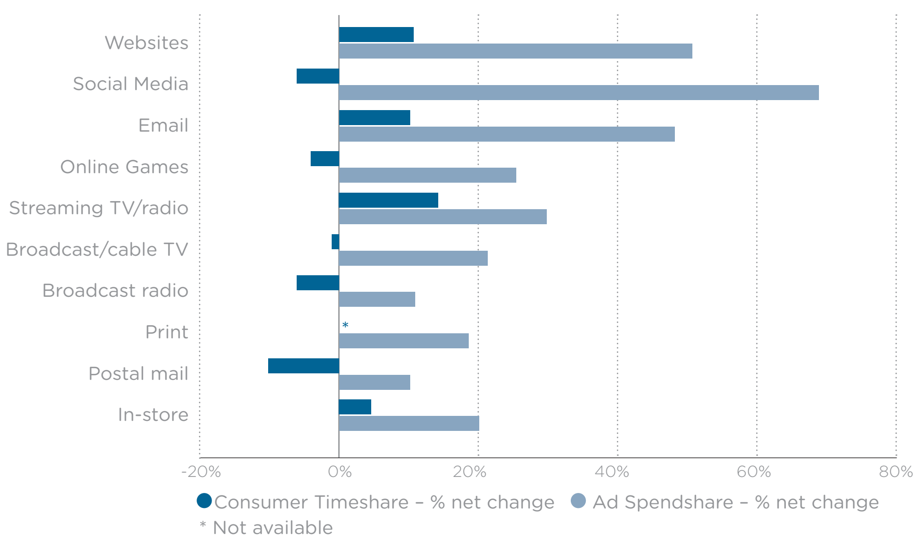
Over the next three years, Americans expect their use of social media to slide. In our poll, the net change (proportion expecting to spend more time there minus proportion expecting less) is -6%. This follows other studies suggesting overall social media has peaked. A Pew poll found no growth in social media usage over the previous year and slippage to 2016 levels for most. eMarketer reported that social media use slipped in 2018 after growth the two preceding years and "will remain essentially flat" through 2021[1]. Similarly, our AMA New York poll finds a net decline is expected in online gaming (-4%), despite the popularity of PokemonGo, Minecraft, and Fortnite.

Declines or standstills are also forecast in most old media from now to 2022. No net growth is forecast for broadcast or cable TV viewers (-1%), with a larger decline among listeners to broadcast radio (-7%). Net declines are also foreseen for reading traditional mail (-10%).

Instead of older media, Americans say they will move to online alternatives. Thus as broadcast and cable TV and radio declines, a net gain in streaming TV and radio of +14% is forecast, the largest among Americans in this study. Likewise, in place of snail mail and store visits, they expect to spend more time visiting websites (net +10) and reading email (+11).

CHART II-1

EXPECTED CHANGE: CONSUMER TIMESHARE AND AD SPENDSHARE (BY MEDIUM) – U.S.

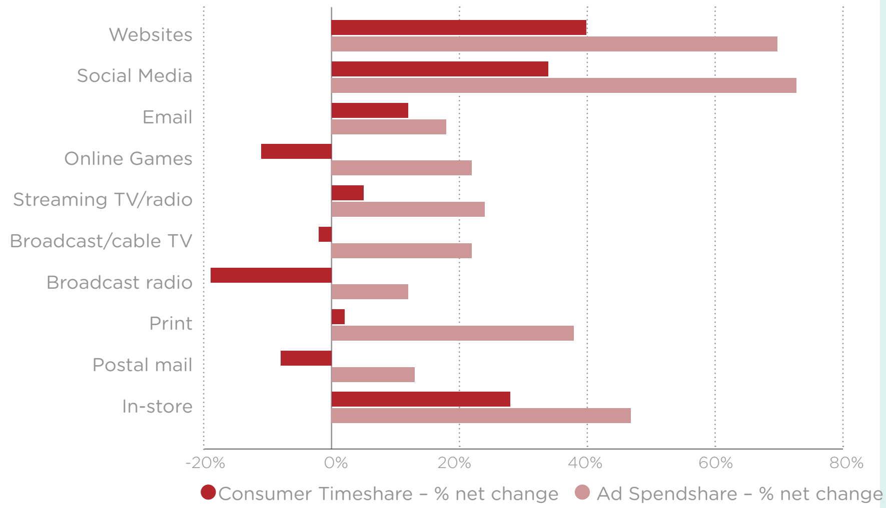


1– Andrew Perrin and Monica Anderson, "Share of U.S. Adults using social media is mostly unchanged since 2018", pewresearch.org, Apr 10, 2019; Amy He, "Average social media time spent declines", eMarketer.com, Jun. 10, 2019

Chinese consumers foresee big growth in their use of most online media, as they shift away from old media (See Chart II-2). Our largely urban and middle-class sample expects that by 2022, the most substantial increases in their net usage will be on websites (net +42%) and social media (+34%). Email use is also expected to rise (+12), as is that of streaming media (+5), the flip side of expected declines in users of broadcast TV (-2), broadcast radio (-19), and regular mail (-8). The one online medium expected to decline is internet gaming, as in America, (-11). However, despite the likely rise in e-commerce as the Chinese frequent the web more, they also expect to increase the time they spend in stores (+6), as more open and incomes rise.

CHART II-2

EXPECTED CHANGE: CONSUMER TIMESHARE AND AD SPENDSHARE (BY MEDIUM) – CHINA



Still, Americans remain much bigger media users than Chinese consumers. On average, we find that Americans spend an average of 11.3 hours potentially exposed to ads via various media, compared to 7.7 hours for Chinese[2]. Americans spend more time daily exposed to almost every medium than do Chinese consumers, with the biggest differences in online media and broadcast TV. The one exception is in stores, where the Chinese spend slightly more time daily than American consumers do. Given their faster growth rates on the principal online media, it seems that Chinese consumers intend to catch up on this score too.

Despite the evidence that social media and games have peaked in the U.S., advertisers plan to invest more cash into them over the next three years – a sign of the digital disconnect between consumers and marketers (See Chart II-1). While marketers plan the greatest increases for digital media, American marketers expect net increases in ad spend for every medium. Increases will be strongest for social media (net +68%), despite the lack of growth foreseen, followed by web display ads (+51%), email marketing (+47%), and online games (+25%, again despite expected shrinkage). A net gain is expected for spend on streaming TV and radio of +31%, but smaller increases are also predicted for broadcast/cable TV (+22%) and radio (+12%). Marketers expect modest growth in direct mail (+10%) and more widespread increases for in-store advertising (+20%). What is striking is not just the across-the-board nature of expected increases, but the fact that they seem to bear little relation to expected use trends. (Nor can this be explained as a correction for under-investment: our data also shows little or no connection between over-or under-indexing on media now and expected increases).

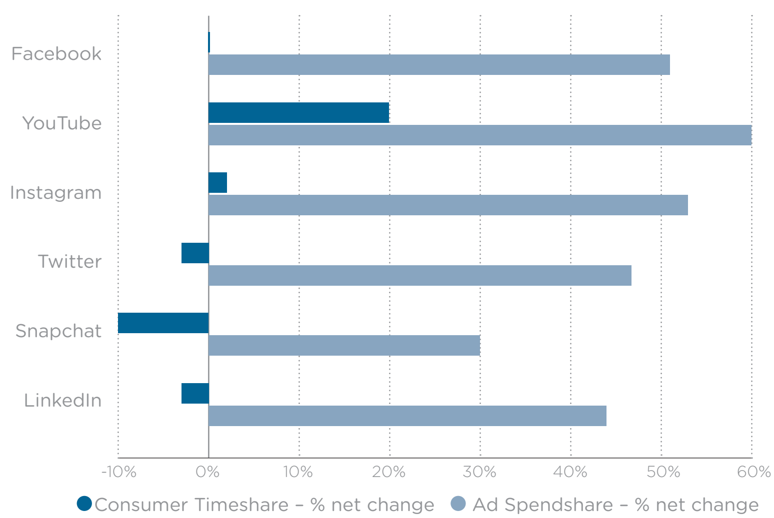
2– eMarkter found similar results, roughly 12 hours daily for Americans and 6 hours for Chinese.

Social media in China are massive and exploding.

There is a clearer correlation between media use trends and ad spend expectations in China (See Chart II-2). The two media which users expect to grow by big proportions also see the most extensive net expected marketing spend increases (websites, +70%, and social media, +73%). Net spending increases are expected to be more modest for other online media with lower growth (+18% for email, +22% for games, +24% for streaming media). The streaming media figure is larger than that for over-the-air TV (+22%) or radio (+12%), with audience declines anticipated for both. Postal mail is expected to rise by 13% on net, despite the expected shift in consumer attention to email. For an old medium expected to grow modestly, broad net gains are anticipated for in-store-advertising (+42%). Still, in China, the relation between expected spending and media growth (or declines) is more evident than in America.

CHART II-3

EXPECTED CHANGE: CONSUMER TIMESHARE AND AD SPENDSHARE (BY SOCIAL MEDIUM) – U.S.



If we zero in on social media, leading U.S. social media seems to have peaked – more evidence of the techlash (See Chart II-3). Several reports have highlighted Facebook's loss of American users, particularly younger ones, in the recent past. A study by Edison Research and Triton Digital found as many as 15 million dropped out from 2017 to 2019. The same study found that those who continued to use Facebook were doing so less, in every age group. But the slippage has not been confined to Facebook: they concluded, "Social media usage appears to have stalled[3]".

In the near term, our survey suggests that most of America's most popular social media networks will continue to see little or no growth or even declining audiences. Over the next three years, Facebook usage in the U.S. is likely to show no net growth. Over the same period, Americans expect a net decline in their use of Twitter (-3%), Snapchat (-10%) and LinkedIn (-3%). Slight growth is foreseen for Instagram (+2%). Substantial growth is forecast only for YouTube (+20%), consistent with the growth foreseen for streaming video and audio services.

Social media use among American consumers is also less pervasive than among our Chinese sample. The only media used by over half of Americans daily are Facebook (87%) and YouTube (69%) None of the leading U.S. social media, including Facebook, YouTube, Instagram, Twitter, Snapchat, and LinkedIn, are as pervasive as their Chinese equivalents among Chinese respondents.

American marketers are over-indexing on many social media now and plan to increase spending even as consumer use flatlines or falls off. Currently, the share of ad spend devoted to social media in America in the AMA New York study is 150% of the proportion of consumer media time they receive. Over-indexing is most notable on Facebook and Instagram. But the study shows the expectation among advertisers is to ramp up spending on all the leading social media, with limited

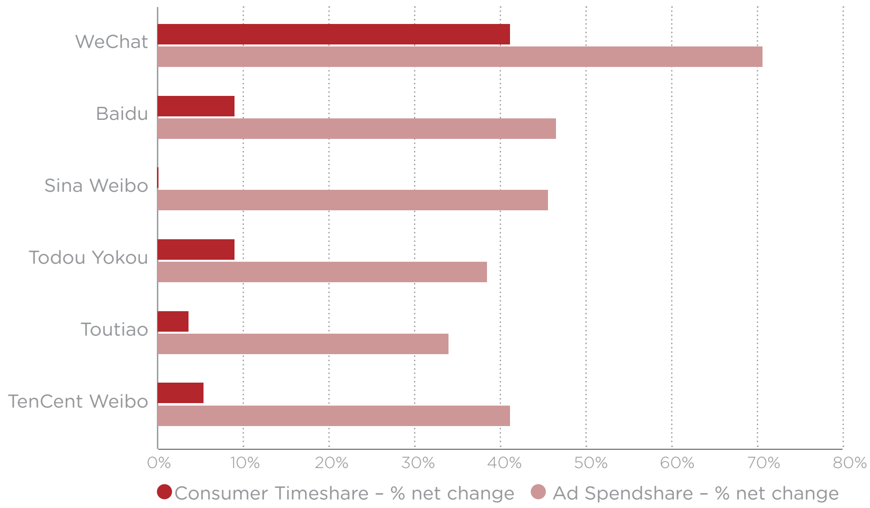
3– Edison Research and Triton Digital, The Infinite Dial 2019, slideshare.net; Edison Research, The Social Habit 2019, slideshare.net.

correlation to expected usage trends. The biggest net spend increase is expected for YouTube (+60%), the only medium with major growth foreseen, while the smallest (a still-striking +30%) is for Snapchat, with the sharpest expected fall off in audience numbers. For the social media with flat expected usage, widespread spending gains are expected for Instagram (+53%), Facebook (+51%), Twitter (+47%), and LinkedIn (+44%).

In contrast, social media in China are massive and exploding, especially the top one, WeChat. All six of the top social media channels used daily by a majority of our China sample are Baidu (81%), Sina Weibo (70%), Todou Yokou (63%), Toutiao (59%), TenCent Weibo (53%), and WeChat (96%).

CHART II-4

EXPECTED CHANGE: CONSUMER TIMESHARE AND AD SPENDSHARE (BY SOCIAL MEDIUM) – CHINA



Users also expect to spend more time on all of them in China, and marketers expect to increase their budgets for them as well in that time. WeChat is expected to be the big winner: Chinese consumers widely predict they will increase their usage (net +46%) (See Chart II-4). More modest audience increases are expected for Baidu (+10%), Tudou Yokou (+10%), Toutiao (+4%), and TenCent Weibo (+6%). In line with this, marketers foresee a very strong expansion in WeChat advertising (+79%). They predict lesser but still widespread increases for the others. They expect increases of +52% for Baidu, +51% for Sina Weibo, +43% for Tudou Yokou, +38% for Toutiao, and +46% for TenCent Weibo. There is a more evident relationship between expected trends in audience and spend shares, although Chinese marketers, too, seem hotter on social media than the numbers now might justify.

THE CHANGING IMAGE OF SOCIAL MEDIA

IT'S NOT JUST FACEBOOK

In China, consumer concerns are similar to those in the U.S.

Facebook's spectacular stumbles and the resultant damage to its image have drawn widespread publicity, but anxiety about social media has spread much further in America and China.

Facebook's image in the United States took a pounding after the Cambridge Analytica affair, Russian interference in the 2016 election, and other data breaches and scandals. A poll of Facebook users by the Ponemon Institute, which studies online privacy, found a spectacular 51-point drop in confidence in Facebook's commitment to protecting personal information, from 79% in 2017 to 28% after the Cambridge Analytica story was revealed[4].

This has resulted in substantial changes in Facebook user behavior, a 2019 survey for Consumer Reports finds. One in ten Facebook users dropped their account after the scandal broke, and over three in four of the remaining users altered their behavior in ways of concern to marketers. This included revising privacy settings (44%), cutting back on posting (38%), turning off location tracking (37%), and blocking some advertisers (34%)[5].

CHART II-5

LOSING TRUST IN FACEBOOK

Facebook has also faced reputational damage, but this has not been confined to the social network. An Axios-Harris poll of trust in 100 tech companies in April showed those hit by privacy scandals "faced the steepest erosion in trust". Facebook fell from 51st place in 2018 to 94th in 2019, while Google dropped from no.28 to no.41 this year (Scandal-free firms did much better: Amazon placed no.2, and Microsoft improved to no.9[6]). Indeed, trust in social media generally is quite low in America: only 30% of Americans trusted them in Edelman's 2018 Trust Barometer (vs. 58% for traditional media[7]). It may decline further in 2020 as social media become a political football in the election campaign[8].

While topline trust in social media is higher in China, consumer concerns are similar to those in the U.S. Edelman did find in 2018 that 62% of Chinese consumers trust social media. However, this year, Edelman discovered that the proportions who mistrust social media to handle user data responsibly are almost equal in the two leading economies: 61% in America, 56% in China. Few trust them to control fake news and hate speech: 34% do so in America, 49% in China. The reasons are almost identical: identity theft, hate speech, fake news, clickbait, and bots have damaged their trust, 66% of Americans and 64% in China say. Moreover, Chinese have reacted even more strongly than American consumers to social media on one important measure: 55% deleted at least one of their social media accounts because they didn't trust its treatment of personal information, compared to 38% in the U.S. In other words, the crisis of trust in social media is serious in the world's second-biggest market – not just in the first.

4– Herb Weisbaum, "Trust in Facebook has dropped by 66%", nbcnews.com, Apr. 18, 2018.

5– Chris Raymond, "So what do you think of Facebook now?" consumerreports.org, Mar. 15, 2019.

6– Kim Hart, "Microsoft is winning the techlash", axios.com, Apr. 24, 2019.

7– "2018 Edelman Trust Barometer", Edelman.com, Jan.21, 2018.

8– Mike Allen and Jim VandeHei, "Trump allies plot new war on social media", axios.com, Sep. 1, 2019.

PART III:

THE DIGITAL DISCONNECT: CONSUMER CONCERNS AND MARKETER AWARENESS

Americans are ambivalent and divided about marketing technology and the Internet of Things (IoT), while the Chinese polled are consistent technophiles when it comes to marketing technology.

Not a single one of nine marketing innovations tested with descriptions in the AMA New York study is favored by a majority of Americans, though pluralities are positive to three and many say they "don't know". In contrast, lopsided majorities of Chinese consumers like every single one. On average, Chinese respondents are open to six of the innovations, Americans to three (See Chart III-1).

Americans are unfavorable to personalized ads based on big data (55% to 35% favorable), internet of things (IoT) connected devices in the home (50% to 37%), micro-influencers (43% to 29%), employees as influencers (42% to 32%), and augmented reality (AR) (43% to 36%). U.S. consumers split almost evenly on smart speakers, 44% favorable and 42% unfavorable. However, substantial proportions – from 10% to 34% – are uncertain what they think of the changes. This suggests a chunk of U.S. consumers may be persuadable of the merits of martech.

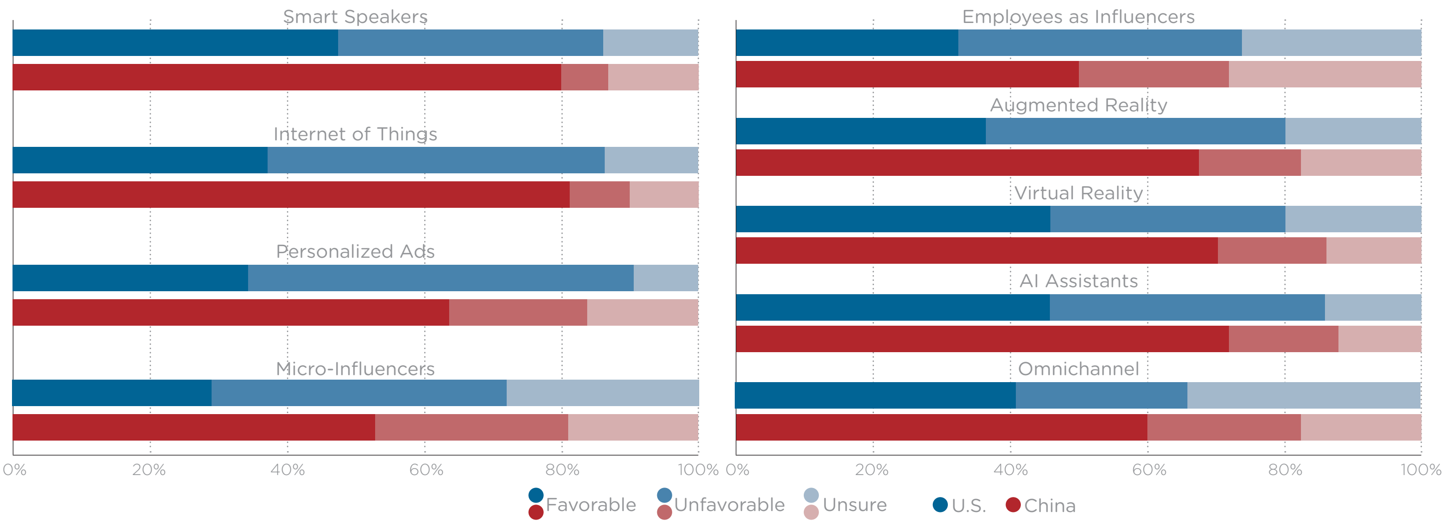
At present, however, the only innovations with plurality support among Americans are ones that can be voluntarily used – virtual reality (VR), artificial intelligence (AI) assistants, and omnichannel. VR simulations are favored by 45% to 35%, AI assistant systems by 46% to 40%, and omnichannel online and offline marketing by 41% to 25%.

These findings are not outliers: they are consistent with other recent research. Another national online survey this year, of 8,000 Americans, by CivicScience, found that 75% of Americans are not in favor of their online data being used to make content and advertising more relevant. Likewise, an NBC News-Wall St Journal poll found that three out of four Americans say targeted ads are not an acceptable trade-off for personal data collection[1].

Not one of nine marketing innovations tested is favored by a majority of Americans.

CHART III-1

CONSUMER FAVORABILITY TO MARTECH



1– Internet Innovation Alliance, "IIA releases White Paper and Survey examining American public opinion on internet privacy", globenewswire.com, July 30, 2019.
John Eggerton, "NBC News/WSJ Poll: Majority say Social Media is Time water, Rumor Monger", multichannel.com, Apr. 5, 2019.

In general, the reactions of Chinese consumers in our mostly urban and middle-class sample are different from those of Americans and much more positive for new marketing approaches. The proportions in favor are massive. Seven in ten or more are favorable to IoT devices (81%), smart speakers (79%), AI assistants (71%) and virtual reality (70%), and over six in ten for AR (68%), omnichannel (68%), personalization (63%), and employee influencers (62%), with micro-influencers at 53%. (The smaller proportions who favor micro-influencer marketing and employees as influencers may see them as coercive or manipulative).

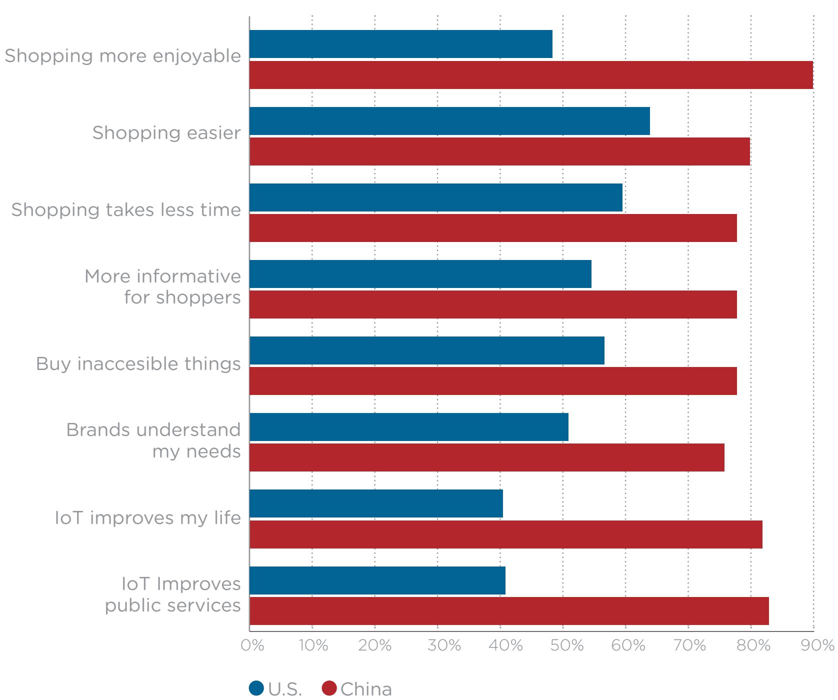
American marketers overrate the perceived positives of marketing innovations.

American consumers are fairly open to the benefits of new marketing technology but much less than the Chinese, who are far more convinced it will help them.

In a test of potential positive results for the martech innovations discussed above, Americans agree with most of the benefits claimed (except for IoT). However, Americans are 20 to 40 points less enthusiastic than Chinese respondents, who are again highly supportive. In total, 65% of Chinese agree with seven or eight of the eight positives – while just 25% of Americans do (See Chart III-2).

CHART III-2

MARTECH POSITIVES



The majority of Americans accept that marketing innovation will make shopping easier (63%), quicker (59%), and better informed (54%), that it will let them buy things otherwise inaccessible to them (56%), and help brands understand and anticipate their needs (51%). Interestingly, the proportion who say it will make shopping more fun falls slightly short of a majority, though still a plurality (48% to 35%). Americans are quite divided on IoT at home, however. They split evenly on whether such devices improve their lives, 40% to 40%, and only a narrow plurality says IoT-linked homes will improve public services, 41% to 37%. (The highest proportions of "don't knows" in this battery, 20% or more, concerns the IoT issue).

Perspectives on marketing technology are much more positive in China. Over seven in ten consumers feel these changes will make their shopping easier (79%), quicker (77%), and more informative (77%), as well as offering goods otherwise unavailable (77%) and helping brands anticipate what they need (75%). More than eight in ten feel marketing innovation will make shopping more fun (89%) and that IoT devices will improve their lives (81%) and public services (82%). The more widespread perception of benefits from the new marketing approaches in China is the foundation of the greater favorability that they enjoy there.

American marketers overrate the perceived positives of marketing innovations: most expect that U.S consumers will consistently welcome them, pointing to the digital disconnect. On average, nearly four out of five (78%) expect American consumers will agree with each benefit claim we tested. The proportion of marketers who say consumers will agree substantially exceeds that of consumers who do on every one of them – by an average of 27 points. This perception gap is largest where consumer support is weakest for the new trends – on brands understanding consumers (31 points) and the Internet of Things questions (37 and 30 points).

Chinese marketers correctly believe most of their customers will react warmly to martech, although there is a more modest enthusiasm gap in China too. Just over nine in ten (92%) of Chinese marketers think, on average, that Chinese consumers will agree with each benefit. Even there too, however, there is a tendency to overrate support, if less so than in America. The proportion of marketers in China expecting agreement with each benefit averages 13 points higher than is the case among the public.

There is a lot of consumer anxiety about the potential negatives of digital marketing innovations in America and China, especially concerning privacy, psychological harm, and false information.

When we tested reaction to six possible problems from new marketing technology, we found extensive concern about them among consumers in the U.S. and widespread worry in China. Majorities or pluralities of Americans worry about all six negatives, and in China five of the six. (See Chart III-3).

Some of the concerns relate to the consequences for shoppers of the changes underway. Four in five Americans (80%), and over three in five Chinese polled (62%) worry that customers will lose their privacy with the new martech. Nearly as many in each country fear they will feel under constant surveillance due to the new technologies (78% in America, 61% in China). Majorities in both – 65% in the U.S. and 51% in China – fear that as online and social media marketing grow, the online media will worsen isolation and depression among their users.

Consumers also worry that the effects of martech on shopping could undermine the very promise of digital marketing.

The most widespread anxiety in both countries is that fake accounts, lies, hackers, and bots will mislead consumers. These anxieties are shared by over eight in ten Americans (85%) and nearly two-thirds (65%) of the Chinese polled in the AMA New York study. Consumers in both countries also worry new technology will take away the human touch from shopping (by a big 65% majority in America, and a narrow 48% to 45% plurality in China). Americans think ads will become less creative and interesting with the new technologies by 47% to 28% (with one in four uncertain). This is the one charge the majority (54%) of Chinese consumes rejects, although 40% agree with it.

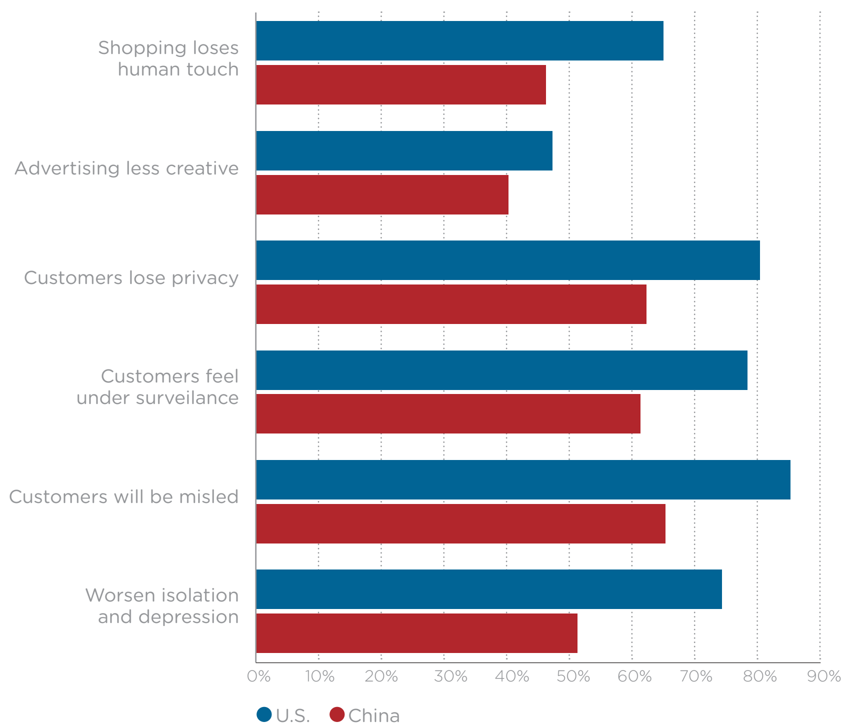
Marketers in both countries do not take these concerns seriously enough. American marketers are more aware of the problems, but still, appear to underrate them: majorities recognize consumer concern about five of the six issues. (Loss of creativity is the exception). But the proportion of marketers who think each item will bother their customers runs from 2% to 22% below the share of consumers who are troubled by them. The gaps are largest on privacy and psychological harm. In China, a majority of marketers believe consumers won't be troubled by all of them. The proportion who say their customers will be bothered by one of them averages just over one in three (37%).

Our qualitative work among marketers also points to insufficient awareness of consumer concerns about the marketing changes underway. When we asked about barriers to the adoption of the martech innovations, none of the 13 thought leaders we consulted in both the U.S. and China mentioned the possibility of consumer hesitation or concern. Every single one spoke of consumer empowerment and greater choice; not one spontaneously mentioned that consumers fear the opposite might occur.

The most widespread anxiety in both countries is that fake accounts, lies, hackers, and bots will mislead consumers.

CHART III-3

MARTECH NEGATIVES



ANXIETY ONLINE: WHY CONSUMERS WORRY

The fears we found among consumers about marketing technology appear to be a subset of the broader anxieties other studies find consumers feel about the potential dangers and consequences of internet use.

Data privacy is the most widespread concern generally about the online world in the U.S. Nearly three-fourths of American adults worry that their financial and personal data will be hacked (74%)[2]. Almost as many (73%) report security concerns about internet use and say they are more concerned about data privacy than a few years ago. The lowest levels of trust in data protection involved internet service providers (20% trusted them), retailers (18%), travel companies (16%), and social media (14%) – companies that form the foundation of ecommerce. The most widely shared concerns about internet use include identity theft (mentioned by 57%) and credit card fraud (feared by 45%)[3].

These concerns are affecting consumer behavior.

These concerns are affecting consumer behavior. A survey by SAS found that two-thirds of Americans have taken steps to secure their data. This has included increasing privacy settings (77%), not accepting cookies on some sites (67%), declining terms of agreement offered by sites (65%), deleting an app they considered insecure from a mobile device (56%), or removing a social media account (36%)[4].

These anxieties bleed over into concern about marketing technologies and innovations. This is shown in published research on smart speakers, for example. Nearly three in five Americans (58%) worry that hackers could use their smart speaker to gain access to their home or personal information[5].

Worry about the reliability and safety of social media, documented in both China and America, also has obvious relevance to their use as advertising media. In America, a survey of Facebook users last year found that 80% were worried that use of the medium could lead to personal information being sold to other companies, 74% invasion of privacy, 66% internet viruses, 65% unsolicited messages or ads, and 30% feeling bad because of things others post[6]. Some similar concerns were reported in China in a study by Kantar. There, lack of protection of personal information for social media users was a concern to 44%, loss of concentration for 33%, and jealousy of others' seemingly happy lives for 18%[7].

2– Internet Innovation Alliance, "IIA Releases White Paper", op. cit.

3– Rafi Goldberg, "Most Americans continue to have privacy and security concerns, NTIA survey finds", ntia.doc.gov, August 20, 2018; "Data Privacy: Are You Concerned? Insights from a survey of U.S. consumers", sas.com, 2018.

4–"SAS Survey: 67 percent of U.S. consumers thing government should do more to protect data privacy", sas.com, Dec. 10, 2018.

5– Edison Market Research, The Smart Audio Report, Spring 2019, nationalpublicmedia.com.

6– Paige Leidig, The 2019 State of Social Report, netbase.com, Mar. 4, 2019, p.5.

7– Kantar Social Media Impact Report, 2018, kantar.com.

PART IV:

THE STIRRINGS OF ECONOMIC NATIONALISM

Against the backdrop of the trade war, the American and Chinese markets are growing tougher for one another's brands. Chinese and American consumers each say they are more willing to buy their own country's brands and less willing to buy the other's since the trade dispute emerged.

American brands are well-liked in China: over two-thirds (68%) view them favorably, quite positive if less than the 87% who do in the U.S.. But Chinese brands are also favorably seen in China – where 82% are favorable – a contrast with the U.S., where just 31% are favorable to them.

However, since the U.S.-China trade dispute exploded, 75% of Chinese consumers say they are more likely to buy Chinese, compared to a year ago, while 13% of China's huge market is less willing to buy American. A survey of U.S. firms in China by a business group shows the impact of the trade war on their business: nearly three in four say it has negatively affected their firms[1].

The potential commercial impact in the U.S. is also substantial. Since the trade dispute with China emerged, 26% of Americans are less willing to buy Chinese, while 39% are more likely to buy American brands. (This may be blunted somewhat, however, by the fact that Chinese brand names are much less well known in America, and the perception that many U.S. brands are made in China).

If the conflict continues, the situation is not likely to improve and may deteriorate somewhat. In three years, 73% of Chinese consumers say they will be more likely to buy Chinese, while 13% expect to remain less willing to buy American. On the U.S. side, in a continued dispute, 33% say they will be less likely to buy Chinese brands, 40% will be more likely to buy domestically.

Rising mutual hostility in America and China is tied to the worsening business environment. Other surveys show declining favorability for each country in the other. Between 2017 and 2019, unfavorable views of China in America jumped from 47% to 60%., as the trade conflict amped up[2]. Even by 2017, unfavorable attitudes to the U.S. in China were up nine points since a prior poll in 2012[3].

Rising mutual hostility in America and China is tied to the worsening business environment.

The trade dispute has triggered nationalistic reactions that have begun to impact the market: Chinese consumers are turning away from American products even though they like U.S. brands, while U.S. consumers have become likelier to buy American despite the appeal of low priced Chinese goods. As it deepens, these trends may well accelerate.

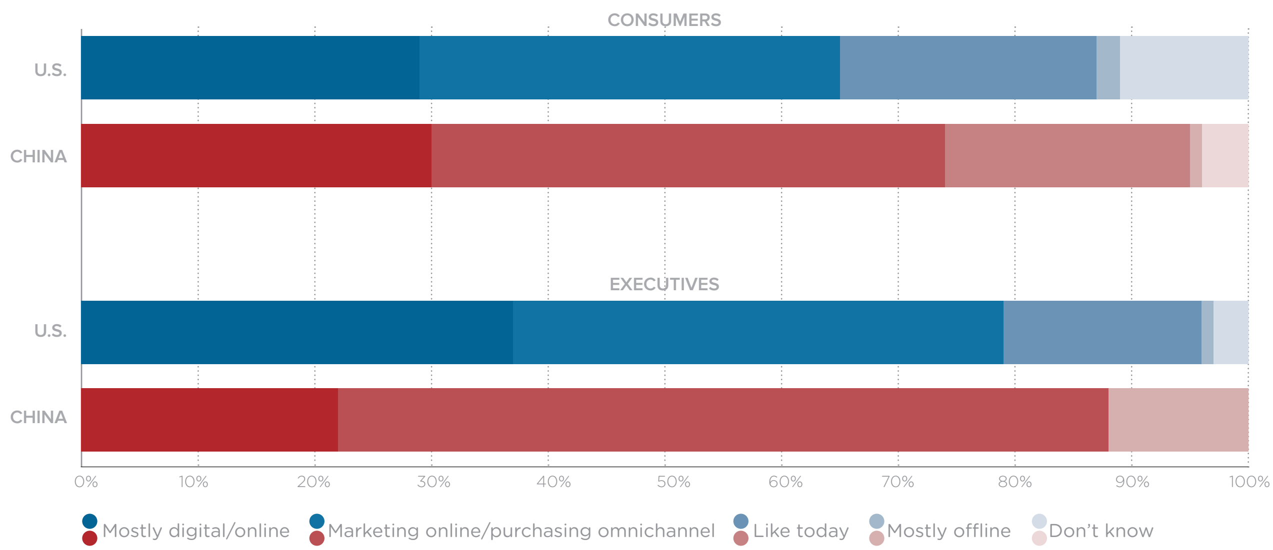
1– American Chamber of Commerce in China, "Second Joint Survey on the Impact of Tariffs", amchamchina.org., May 22, 2019.
2– Laura Silver et. al., "U.S. views of China turn sharply negative amid trade tensions", pewresearch.org, August 13, 2019.
3– Committee of 100, U.S.-China Public Perceptions Opinion Survey 2017, comittee100.org. No surveys of Chinese views of America have been published since.

CONCLUSION: FROM DIGITAL DISCONNECT TO DIGITAL DIALOGUE

Marketers and consumers agree. Both expect online marketing and omnichannel commerce to be the dominant forms a decade from now. Among consumers in both countries, the most frequent expectation is that in 10 years' time, marketing and advertising will go mostly online, while shopping and purchasing will remain a mix of online and offline. Smaller proportions expect both marketing and purchasing to become all or mostly digital, or to remain as today, a mix of online and offline for both.

CHART IV-1

MARKETING AND SHOPPING IN 10 YEARS



Overall, in each country roughly three in ten consumers expect marketing and shopping to become mostly digital and online, two in five say marketing and shopping will be online but buying omnichannel, and one in five say things will be much like today. Looking just at marketing and advertising, around two-thirds in both countries expect them to be mostly online in 2029. Nearly as many expect marketing and shopping to remain omnichannel.

Marketers in both countries say much the same, even more emphatically. Two in five in the U.S. and one in five in China expect marketing and shopping to be mostly online, while two-fifths in the U.S. and two-thirds in China expect internet marketing but omnichannel shopping. Few expect things to stay the same (one-sixth in America, one-eighth in China). Again looking just at marketing and advertising, four-fifths expect them to be online, while large majorities (nearly three-fifths in America, and four-fifths in China) say shopping will still be online and off.

These data reflect the paradox of marketing today: many consumers like their access to information thanks to new marketing technology, but they mistrust the platforms and companies involved in online commerce. Three in four Americans say the impact of major tech companies is positive on balance – but three fourths also don't think those firms can be trusted to do the right thing most of the time[1]. Edelman reported just a few months ago that trust in tech in China, though greater, is also limited: trust in the sector is 36% in America and 56% in China[2].

Peter Galvin, chief strategy officer at nCipher Security, spells out the bottom line evident in these and other studies. "These survey results clearly indicate consumers are frustrated. In an age where more of their personal data is moving online at an increasingly rapid clip, they're grasping for a semblance of control. They'll remain distrustful– a sentiment that will affect the business bottom line – if organizations continue to fall short of taking active measures to protect data[3]".

The implication for marketers is clear: they need to do more to protect and reassure the consumer online and to push the platforms to do the same. In 2018 Edelman found that 89% of the public in America and 88% in China feel businesses have an obligation to protect people's personal information. Large majorities in both countries want brands to press social media to protect and defend customers' personal data (66% in America, 71% in China[4]). More than four in five Americans are concerned about how companies use their data, and nine in ten want tech companies to be more transparent about their products, an IBM survey revealed this year[5].

This is a mandate for marketers to renegotiate their relationship with consumers online. Those who are pro-active in helping consumers take back control will get ahead of the curve.

One important element is control. Consumers should have ownership of their own data. They want the rights to know where, to whom, and why their data is being sold or used. They also want the right to tell companies not to share or sell their data, and to have it deleted or erased[6]. If companies want to profit from consumer data, they may consider paying consumers for their data's collection or use.

Consumer choice is another issue which must be addressed. This involves understandable opt-ins, limits to tracking and data collection for the IoT, and the option of not receiving targeted advertising. It may also involve the introduction of technologies consumers can choose to use (i.e. VR).

There is particular anger over data security breaches. Encryption and multi-factor or other reliable forms of identification need to become norms. Many consumers want compensation for damage if one occurs; some want companies to hold information security officers responsible and fire them if they occur. Possibilities also include imposing a fiduciary responsibility on companies to protect customer data or requiring third-party audits of privacy practices, as is done for healthcare institutions.

Companies individually and collectively face a need to listen and a call for action. The challenge for leaders at individual companies is to establish and communicate to customers that responsible practices have been integrated into company policies and systems, not just rhetoric. Industry-wide standards for online marketing, advertising, and purchasing safeguards could be negotiated and established, perhaps with a publicized seal of approval for the websites of firms who conform.

Standards also may be established by government action – and there is strong public support for such action. The IBM study found that 87% of Americans say governments should regulate companies that manage personal data, while a survey by SAS reported that two-thirds of U.S. consumers think government should do more to protect data privacy[7]. This issue is powerful across the Pacific as well: 71% of Chinese say the government should do more to regulate social media[8].

Consumers are frustrated – they're grasping for a semblance of control.

1– Aaron Smith, "Public Attitudes Toward Technology Companies", pewresearch.org, June 28, 2018.

2– Sanjay Nair, "Trust in Tech is Wavering and Companies Must Act", edelman.com, April 8, 2019.

3– "nCipher Research Exposes Americans' Personal Data Security Anxieties", ncipher.com, Mar. 14, 2019.

4– "2018 Edelman Trust Barometer", op.cit.

5– Tim McCollum, "The Consumer's Data Anxiety", Internal Auditor, March 28, 2019; Kim Hart, "Consumers kinda, sorta care about their data". Axios.com, Feb. 25, 2019.

6– "SAS Survey; 67% of U.S. consumers think government should do more to protect data privacy", sas.com, Dec. 18, 2018.

7– McCollum, "The Consumer's Data Anxiety", op. cit.

8– "2018 Edelman Trust Barometer", op.cit.

The European Union has taken leadership in this area with the enactment of the General Data Protection Regulations, or GDPR. These include requiring that residents are allowed to control their personal data, high privacy settings by default, anonymizing data where possible, explicit informed consent before data is shared, disclosing the purpose of data sharing, and mandatory reporting of breaches. California is now considering similar legislation, which would have a major impact on Silicon Valley's tech titans.

Companies that are ahead of the curve, like Microsoft and Facebook, accept the necessity of government regulation and want to help to shape it. Forward-leaning marketers should do the same. As Brad Smith, president of Microsoft, put it recently, "There needs to be law and regulations to manage a technology that is bigger than ourselves[9]".

WHAT MARKETERS CAN DO

For a future of online marketing to win consumer trust, marketers need to listen and respond to consumer concerns about it – and the time to start is now.

- Accept the continuing difference between online marketing and omnichannel sales.
- Offer consumers control and transparency regarding the use of their data, as well as incentives.
- Emphasize consumer choice regarding technology and introduce the ones consumers can choose to use or not (i.e., VR).
- Establish standards of online conduct and protection through company or industry action.

9– "The Brian Lehrer Show", WNYC-FM, Sept. 9, 2019.

METHODOLOGY

The Future of Marketing Study 2019 is based on five surveys: online polls of marketers and consumers in the U.S. and China, and qualitative one-on-one interviews with 13 marketing leaders across the two countries.

The quantitative polls involved 502 executives and 508 consumers in the U.S., and 496 marketers and 502 consumers in China. The marketers in the survey were split in each country between roughly 200 agency staff (at marketing, advertising, branding, and public relations agencies) and approximately 300 brand owners. The U.S. consumer sample was matched to population data through weighting. The China sample was largely drawn from the urban and middle- to upper-class populations, which more closely resemble the U.S. sample than the overall Chinese population would.

The American surveys were conducted in January 2019 by YouGov, where Larry Shannon-Missal and Billy Kimbark managed the poll and tabulations. The Chinese polls were done in March 2019 by Kadence International, where Ashley Nin, Tommy Turner, and Lee Abbas managed, working with a field team in the Philippines.

The one-on-one in-depth interviews were conducted in April – June 2019 by YouGov's Jack Weber in the U.S. and Kadence China interviewers in China.

The questionnaires and this report were drafted by Craig Charney of Charney Research, with the overall project managed by Ryan Kawles. Research assistance on the study was provided by Kelly Arevalo, Uche Okoliachu, and Isabella Chartouni. Karen McFarlane of AMA New York and Larry Shannon-Missal of YouGov provided important feedback and edits on the report. Additional thanks goes out to AMA New York Board Members Lori Johnson, Dorothy Crenshaw, Lisa Merriam, Jason Revzon, and Don Sexton for their contributions to the Future of Marketing Project.

AMA New York is thankful to all the firms involved, who as sponsors worked pro bono, as well as to Lukas Pospichal and Greenbook, who provided important financial and managerial support.

PARTNERS

About American Marketing Association – New York (AMA New York):

As part of a national organization of over 30,000 members, the American Marketing Association New York (AMA New York) is an organization that inspires, supports and celebrates brilliance in marketing. Founded in 1931, AMA New York is the principal community for marketing professionals across all industries and disciplines in the New York area. Offering professional development, monthly events, and interaction with the chapter through volunteerism and mentoring, we provide marketers with targeted opportunities to increase their knowledge and reach in the marketing community at the various stages of their career.

About Charney Research:

Charney Research is a survey research firm specializing in tomorrow's markets today: global, tech, and healthcare. We help to understand buyers, devise strategies, assess programs, and manage conflicts. It was founded in 1997 by Craig Charney, a pollster and political scientist with more than two decades' experience in over 50 countries. Charney was a key figure in the polling teams of Bill Clinton and Nelson Mandela. Clients span from Samsung, LG, Baxter Health and the AIDS Law Project, to Alcoa, FCB, and the World Bank. Charney has worked extensively on China, including four years running research for China Beige Book, the authoritative quarterly economic survey.

About Greenbook:

GreenBook connects marketers and market researchers with people, information, and ideas that generate results. Through research, events, the blog, and market research directory, GreenBook provides the learning and inspiration insights professionals need to succeed.

About Kadence International:

Kadence International is a global boutique market research agency. With offices spanning Asia, Europe and the U.S., Kadence combines the global reach of a large research company with the agility and personalized service of a small boutique. With fieldwork specialists, insight consultants and local market experts in-house, Kadence has the ability not just to conduct primary research, but to harness it to unlock new ideas, strategies and business growth at a global level. Kadence works with many global brands and clients in multiple countries. It's clients value access to its innovative approaches, creative design-led reporting and total peace of mind.

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