



Why investing in a strong brand matters more than ever

450 CMOs on the crucial role
of brand investment



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Introduction:

CMOs are dealing with adversity

It's tough out there right now. The world is teetering on the edge of recession, and brands are dealing with a period of sustained economic uncertainty. In fact, CMOs found parts of the past six months harder than the pandemic. (But more on that later.)

And yet, despite these challenges, CMOs are **still choosing to invest in brand-building initiatives.**

This was one of the key findings from our recent survey — which included the views of 450 CMOs across the UK, US, and DACH region (Germany, Austria, and Switzerland). This discovery conflicts with a common assumption: Companies fixate on short-term results when budgets are tight — and put brand-building efforts on the back burner.

In this report, you'll discover that the opposite is true. You'll also learn about some of the key challenges marketers face, the specific ways they're innovating to get ahead, and how their brand investments are paying off.



Lesson #1:

Don't cut brand investment

There are bad ideas, and then there are **bad** ideas. Cutting brand investment falls into the latter camp. If you don't invest in your brand, your brand won't grow and flourish. If your brand doesn't grow and flourish, neither will your bottom line. If your bottom line takes a hit, then you make more cuts. If you make more cuts, well, you get the idea. The good news is that CMOs are on the same page as we are when it comes to the importance of brand investment:

Nearly

90%

of CMOs are investing in brand-building this year.

And there's a reason they're doing it:

- Burger King aims to invest USD 150M over two years to improve brand perceptions and has already reported 14.3% sales value growth.¹
- A 4% increase in brand equity leads to an average annual revenue growth of 1%.²

And the CMOs that reduced brand investment?

Well, reducing brand investment leads to several negative outcomes, including loss of market share, reduced sales, and decreased shareholder returns.³

Not to mention the cost of trying to build back their brand.

Brand-building delivers long-term value

When you're looking to boost your bottom line, it's easy to turn to performance marketing as a cure. But despite having the promise of a quick fix, it doesn't always work. In fact, **if budget allocation favors performance marketing over brand-building, sales will weaken.**⁴

An example: Airbnb shifted its focus from performance marketing to brand building and saw a 20% increase in traffic.⁵

Of course, simply investing more budget into brand-building activities isn't enough on its own. You have to make sure that every penny is spent wisely.

Sources

1 [MarketingWeek - Burger King reports 'early positive impacts' from \\$150m marcomms boost](#)

2 [Harvard Business Review - How Brand Building and Performance Marketing Can Work Together](#)

3 [BCG - Don't Cut Your Brand-Marketing Budget. Rethink It.](#)

4 [Kantar - Modern marketing dilemmas: Where does performance marketing meet brand building?](#)

5 [MarketingWeek - Airbnb CFO: We were right to shift spend from performance to brand-building](#)



Lesson #2:

Brand-building creates resilience

We're entering a new dimension

The world always changes. But by any measure, the past few years have felt especially turbulent:

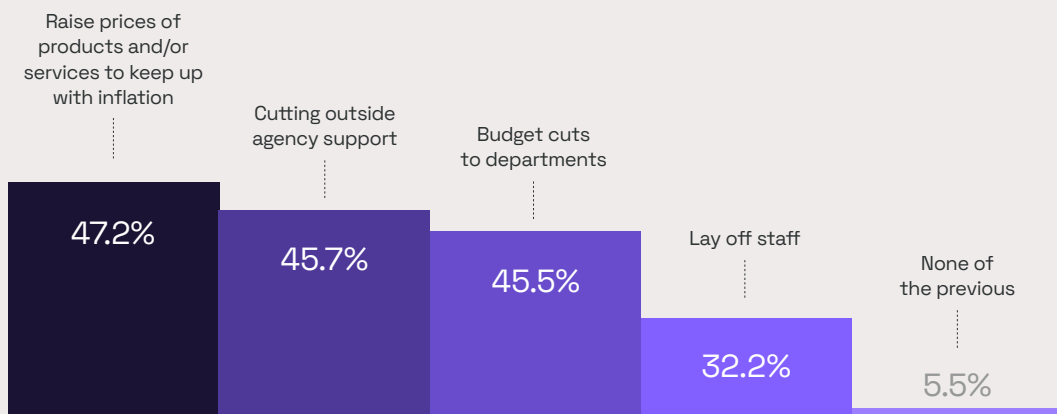
- An energy and cost-of-living crisis fuels unease.
- Economies are rebounding from recent crises, but recovery remains slow.
- Global labor markets remain tight.
- Agency cuts mean more work needs to be done in-house.

It's no wonder that CMOs found the last six months harder than the COVID-19 pandemic.

74%

of CMOs believe the last six months have been more stressful/difficult to manage in terms of brand than during the pandemic.

Has your business had to take any of the following decisions over the last six months? (Select all that apply)





Dealing with adversity

But it's not all doom and gloom. Brands can — and will be able to — grow and thrive despite the challenging world we live in. And brand investment is being seen as fundamental to navigating turbulent times.

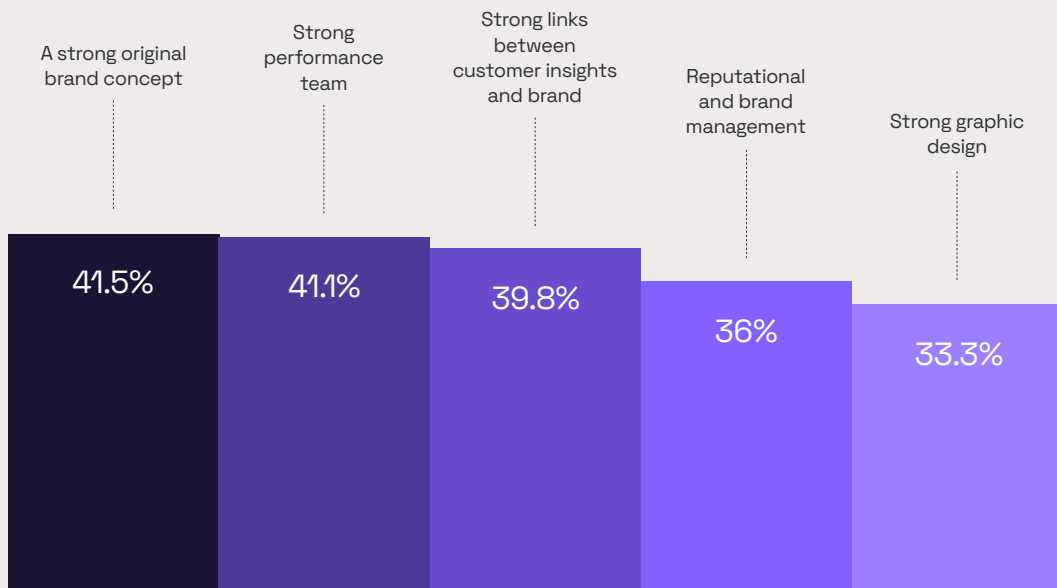
And when we asked CMOs what makes a brand resilient, one factor rose to the top:

“A distinctive, original brand concept.”

88%

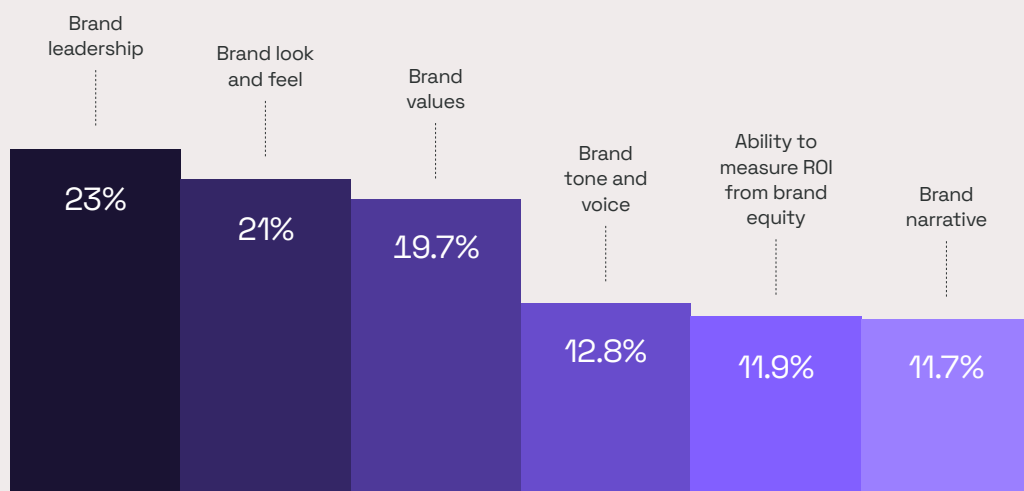
of CMOs say that investing in brand-building is key to building a resilient brand during economic uncertainty.

What do you think makes a brand resilient in challenging conditions? (Select all that apply)





If you were to launch a new brand today, what would be the most important aspect of the brand to you?



While results vary across regions, with the US and Germany placing an even heavier emphasis on a strong brand concept, the originality and strength of your brand story are clearly more vital than ever.

And smaller brands know it: Almost 70% of smaller brands ranked a strong brand concept above all other factors, compared to only 40% of larger brands.

What does this mean?

Smaller competitors may be readying themselves to win market share through strong branding activity.

How?

By coupling their strong brand concept with shrewd investment in digital.⁶ Research shows that “89% of boards agree that digital is an implicit part of the growth strategy” and that failing to invest wisely will “increase your technical debt and let competitors out-innovate you.”

Sources

6 [Gartner – 9 Winning Actions to Take as Recession Threatens](#)



Lesson #3:

CMOs are choosing to invest

Our CMO survey contained revealing insights into how CMOs are investing in their brand — and how you can, too. As we sifted through the results, we found three common tactics.

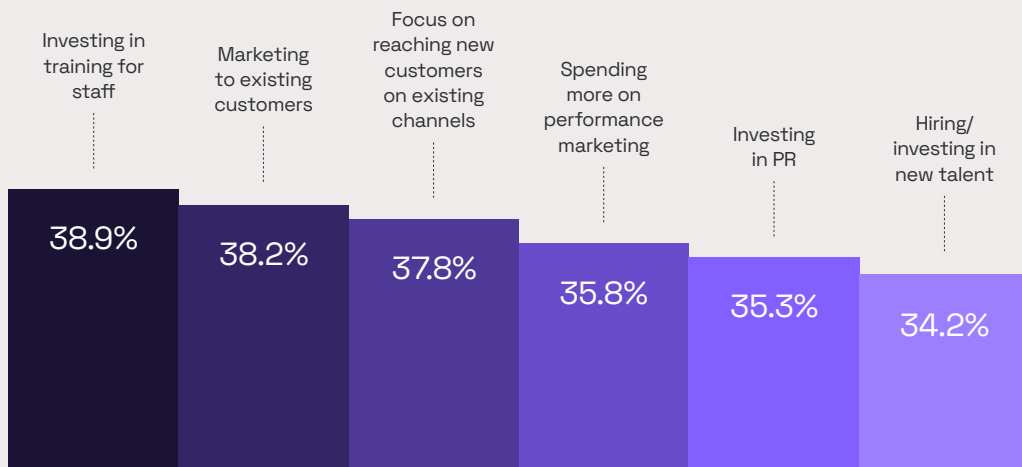
Tactic 1: Hiring a chief brand officer

We've witnessed a shift: **83% of businesses hired a chief brand officer (CBO) in the last two years.**

This is a clear statement of intent. And, in a time of budget cuts and tough economic conditions, it shows just how valuable businesses see the role of a CBO.

The CBO will be responsible for managing, protecting, and developing your brand identity and strategy. Across marketing, advertising, and public relations, they'll ensure cohesive brand messaging and consistent customer experiences.

What actions have you taken to protect your brand in challenging conditions? (Select all that apply)





Tactic 2: Embracing new technology

As a result of the challenges facing brands, the majority of CMOs have turned to innovation as a way to do more with less and recession-proof their brand. They're doing this through a combination of AI and SaaS tools.

1. Artificial intelligence (AI) to accelerate content creation

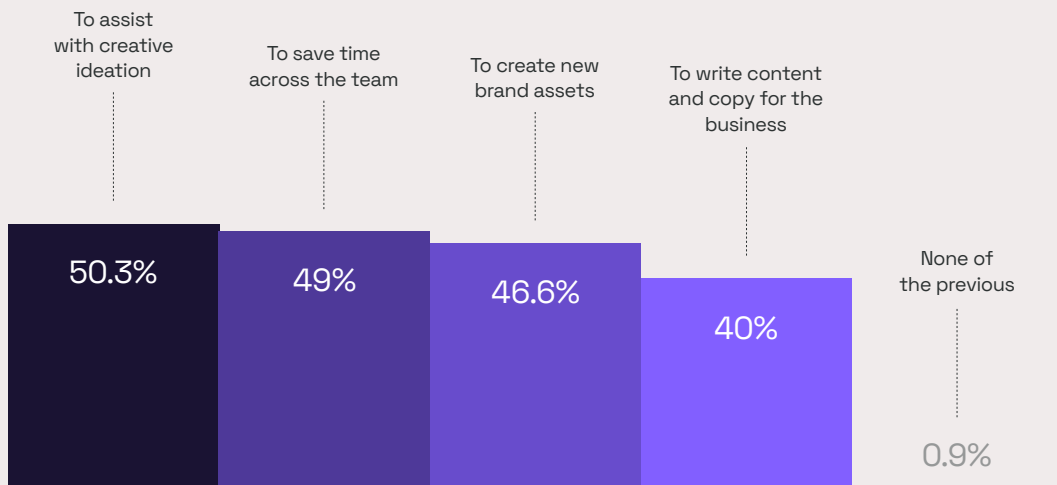
Nearly 60% of CMOs said they're using AI to help create brand assets. From the UK (65%) to the US (51%), most brands have adopted AI to help drive creativity. When asked how they're using AI, CMOs highlighted three trends:

Assist with creative ideation

Save time across the team

Create new brand assets

As a result of challenging economic conditions, are you increasing your use of AI to help with any of the following? (Select all that apply)





2. SaaS to increase efficiency and effectiveness

Brands are also turning to SaaS platforms to ensure creators can consistently and efficiently create brand assets. Here are some examples of what you could use:

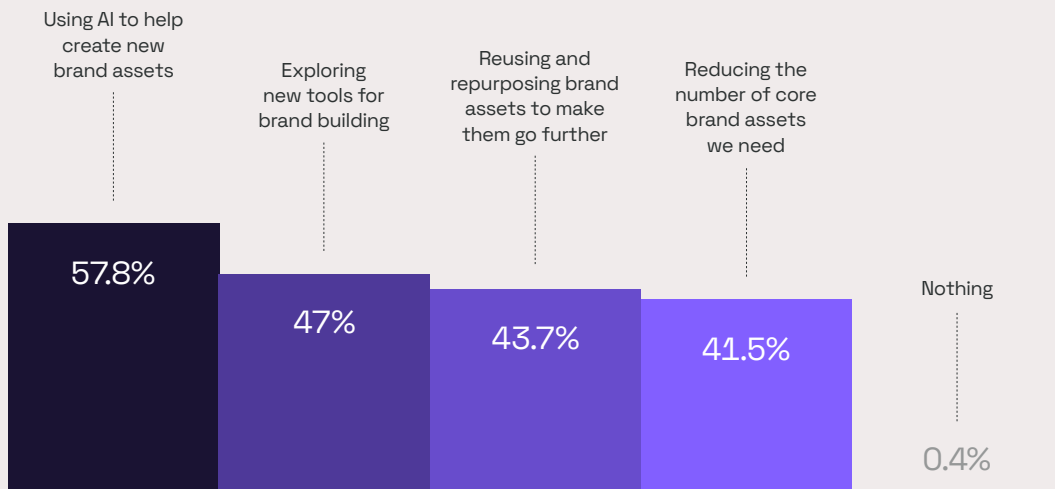
- **Workflow platforms** like [Wrike](#) help boost your project productivity by simplifying resource allocation and ensuring full integration with all your digital assets.
- **Brand management platforms** that house all your brand assets (e.g., guidelines, templates, and libraries) in one place, enabling creators to find everything they need to confidently develop on-brand assets.

CMOs have found that SaaS platforms and AI are enabling them to repurpose assets to make them go further (44%) and reduce the number of core brand assets needed (42%).

One thing is clear: Embracing new technology is a powerful way to push creativity to new heights, supercharge collaboration, and showcase your brand to the world.

What are you doing to recession-proof your brand?

(Select all that apply)





Tactic 3: Unlocking the value of rebranding

Investing in your brand can also mean pursuing a rebrand. By refreshing and updating your brand identity, you can make sure it truly reflects who you are.

Household names like Johnson & Johnson and Nationwide Building Society have recently undergone rebrands, with the former changing everything from their logo to the name of their pharmaceutical segment. Nationwide, on the other hand, is using its rebrand to remind consumers of a key differentiator — that it's owned by members rather than shareholders.

When we surveyed CMOs, we found that 42% of brands had recently invested in a brand refresh.

Of those, the ones who had invested in a brand refresh highlighted three key changes:

- Updating the logo (39%)
- Changing the tagline (33%)
- Rethinking brand colors (28%)

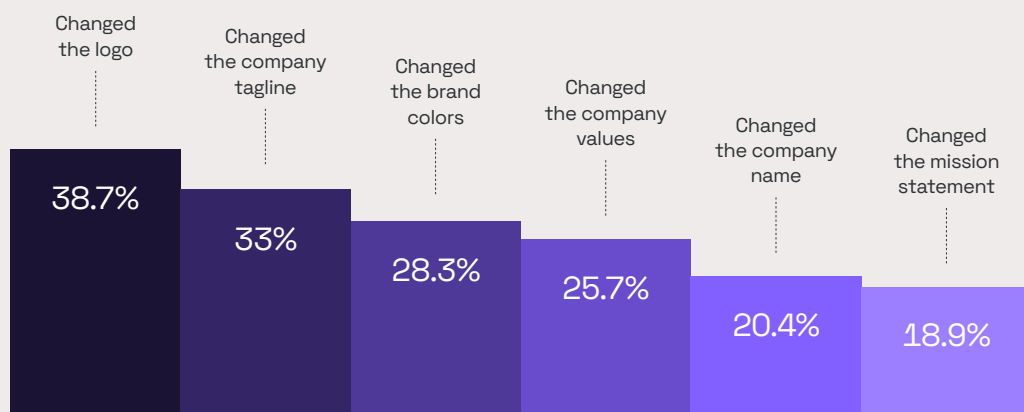
“But what if my rebrand doesn't work?”

Shaking up your identity can be daunting — but the payoff can be huge. We found an overwhelming majority of CMOs felt that their brand refresh yielded positive results:

80%

of CMOs considered their rebrand to be a success. Only 6% didn't.

If you were to launch a new brand today, what would be the most important aspect of the brand to you? (Select all that apply)





The secret to brand-building success?

One thing is clear for the brands that succeed: They keep investing in their future.

Many of the world's biggest brands were built during a downturn: WhatsApp, Airbnb, Uber, and IBM come to mind. And when times are tough, CMOs know that continuing to invest in their brand is just good business sense — and frequently pays off.

Far from playing it safe through uncertainty, the vast majority of CMOs we surveyed are taking decisive action:

Innovating with technology

Finding ways to make stretched budgets go further

Evolving their brand to create truly resilient organizations



This is Frontify

We're the brand for the people behind brands, on a journey to create a home where all brands can thrive — so that everyone can be a part of building beloved brands.

That's why we created our brand management platform. It's a fully customizable portal that enables you and your team to live and breathe your brand. With Frontify, you can keep, access, and update all your guidelines, templates, and libraries in one place.

No more brand guideline PDFs scattered around desktops.

No more painful approval processes.

Just everything your teams need to build, develop, and share brand assets.

To see how we can help with your brand journey, [discover more here](#).

