

The **CMO** Survey[®]

Predicting the future of markets, tracking marketing excellence,
and improving the value of marketing since 2008

Highlights and Insights Report

August 2018

Deloitte

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ASSOCIATION

cmosurvey.org



Mission

To collect and disseminate the opinions of top marketers in order to predict the future of markets, track marketing excellence, and improve the value of marketing in firms and society.

The survey is an objective source of information about marketing and a non-commercial service dedicated to the field of marketing.

Administration

Founded in August 2008, The CMO Survey is administered twice a year via an Internet survey. Questions repeat to observe trends over time and new questions are added to tap into marketing trends.

The August 2018 survey is the 21st administration of The CMO Survey.

Sponsors

Sponsors support The CMO Survey with intellectual and financial resources.

Survey data and participant lists are held in confidence and not provided to survey sponsors or any other parties.

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Survey sample

- 2895 top marketers at U.S. for-profit companies
- 324 responded for a 11.2% response rate
- 95.3% of respondents VP-level or above

Survey administration

- Email contact with four follow-up reminders
- Survey in field from July 17-August 7, 2018

Other CMO Survey reports

This report shares key metrics over time. Two other reports are available at cmosurvey.org/results.

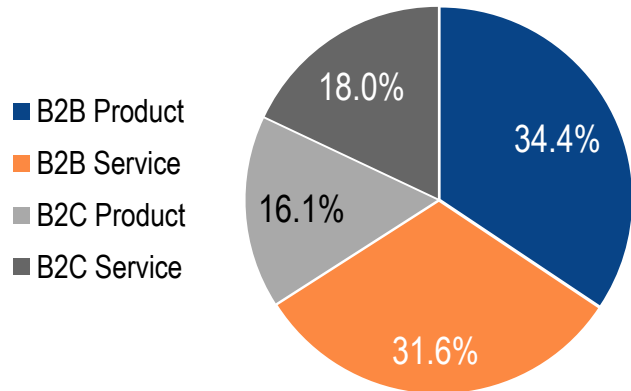
- ***The Topline Report:***
Results reported at the aggregate level
- ***Results by Firm and Industry Characteristics:***
Results by sectors, size, and Internet sales

Interpretive guide:

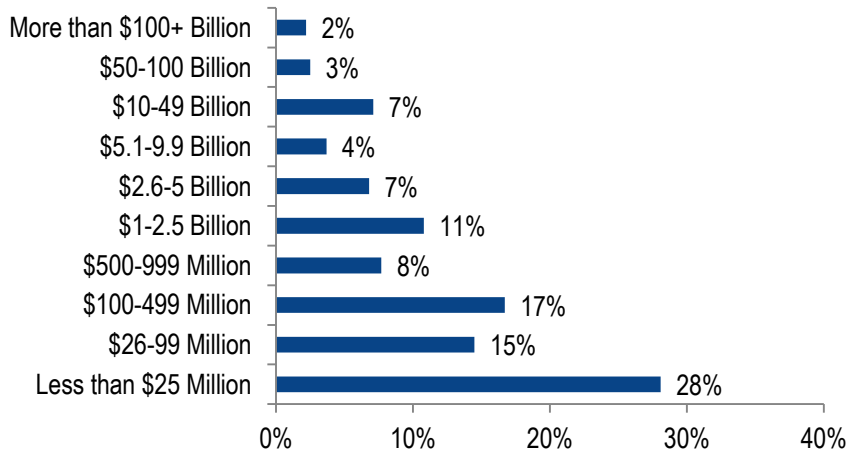
- M = Average; SD = Standard deviation
- B2B = Business-to-Business firms; B2C = Business-to-Consumer firms

Survey participants (n=324)

Economic sector



Sales revenue



Industry sector

Industry Sector	% Respondents
Technology	17.7%
Professional Services/Consulting	15.5%
Manufacturing	13.4%
Healthcare	10.2%
Retail/Wholesale	9.0%
Banking/Finance/Insurance	8.4%
Communications/Media	6.8%
Consumer Packaged Goods	5.3%
Consumer Services	3.7%
Education	3.1%
Energy	2.5%
Mining/Construction	2.2%
Transportation	2.2%

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Topic 1

Marketplace Dynamics

Executive Summary

Marketer optimism in the overall economy dipped slightly. The same holds true when comparing to the previous quarter.

Superior product quality and customer service remain the top two overall customer priorities. In general, product company customers prioritize quality and innovation while service company customers prioritize trusting relationships.

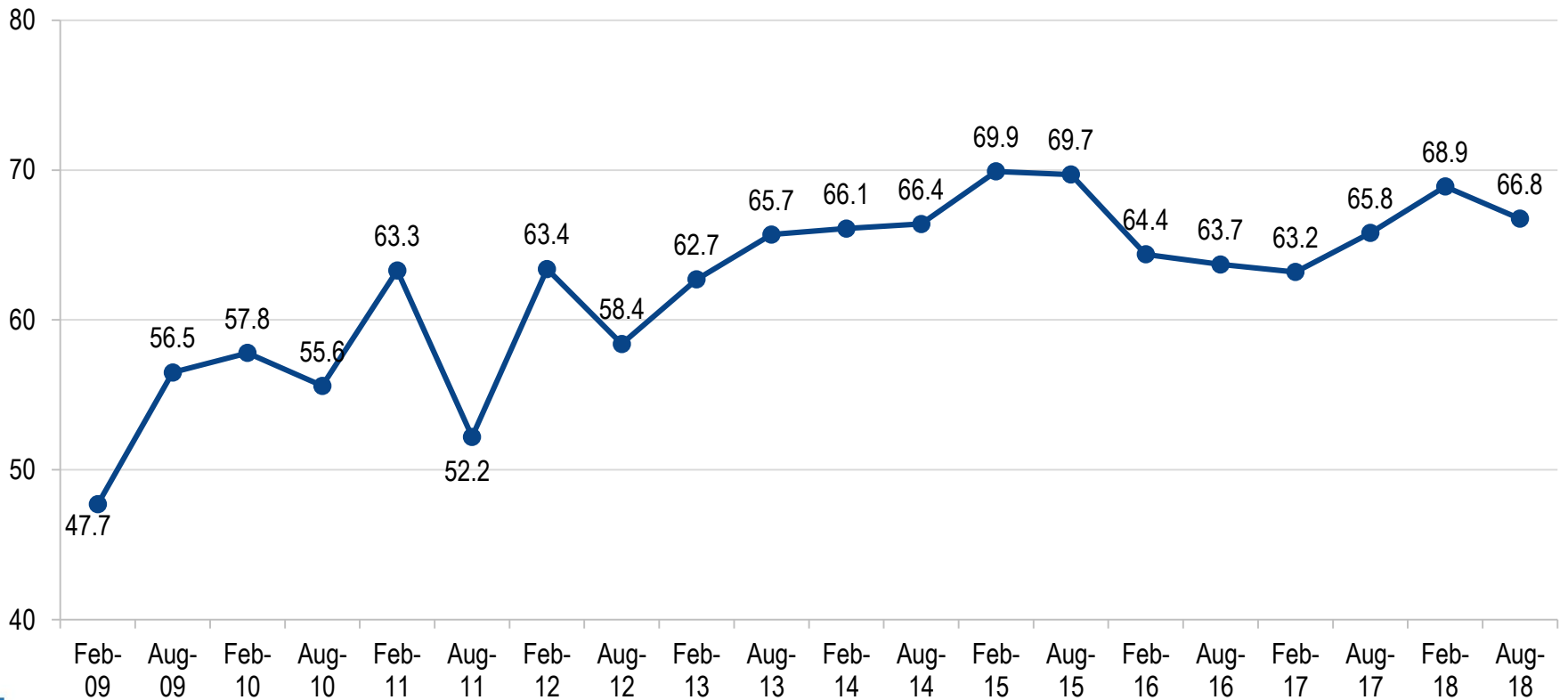
Marketer optimism dips

- Marketplace
- Growth
- Spending
- Performance
- Social Media
- Mobile
- Jobs
- Organization
- Leadership
- Analytics

How optimistic are you about the overall U.S. economy on a 0-100 scale with 0 being least optimistic and 100 most optimistic?

Economic sector

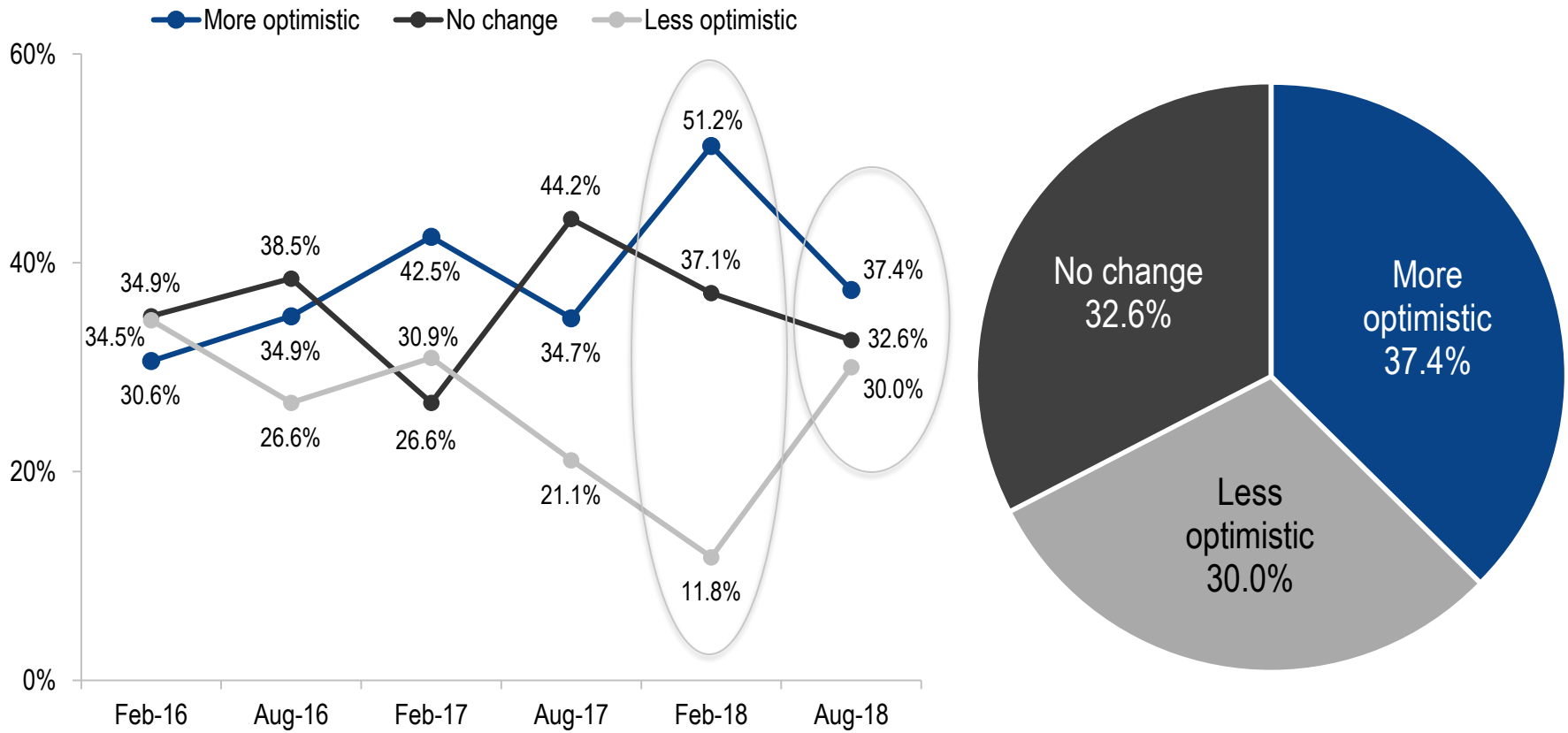
B2B Product	65.7
B2B Services	65.4
B2C Product	68.4
B2C Services	69.3



Optimism in the U.S. economy compared to the last quarter highly variable

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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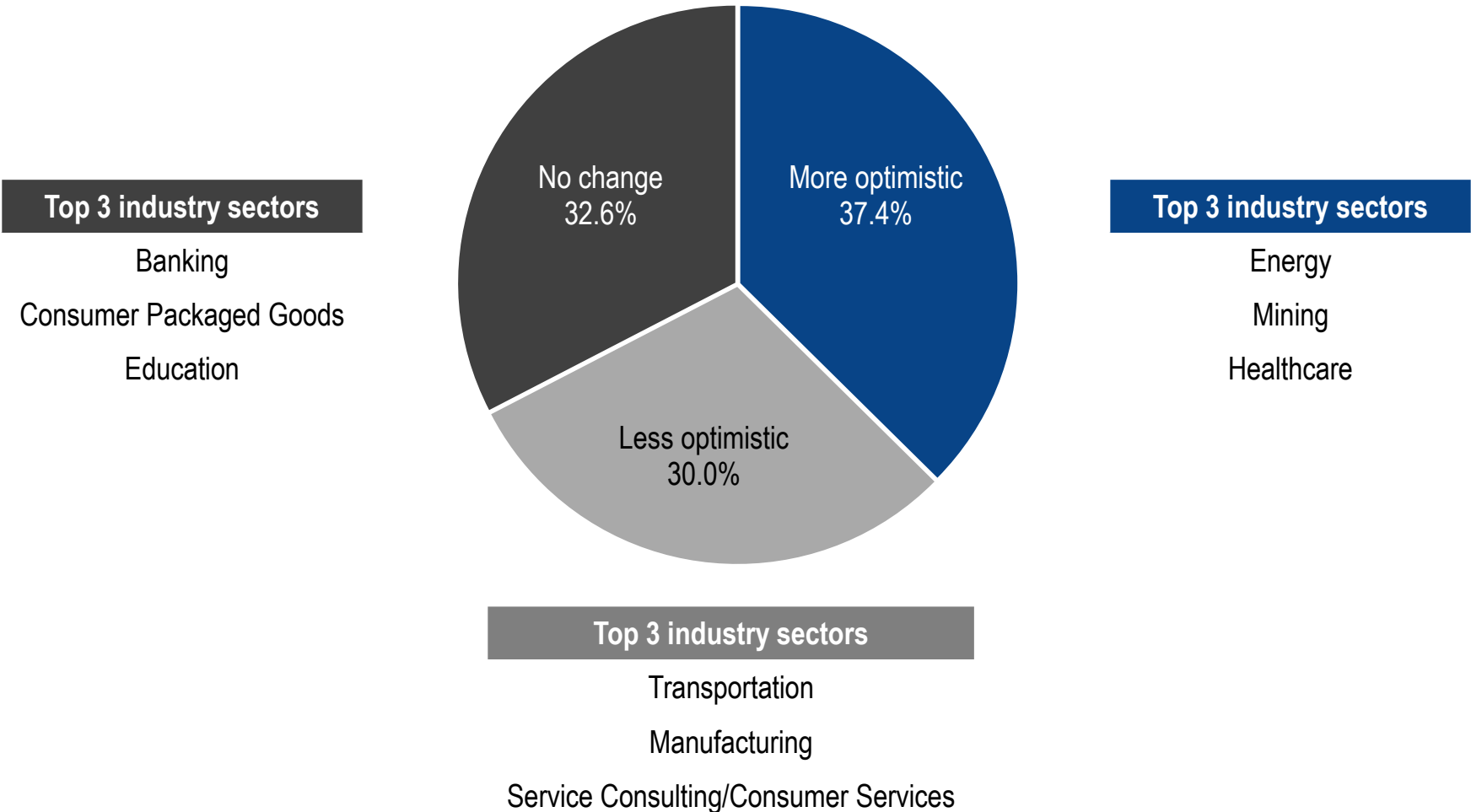
Are you more or less optimistic about the overall U.S. economy compared to last quarter?



Marketer economic outlook varies by industry

- Marketplace
- Growth
- Spending
- Performance
- Social Media
- Mobile
- Jobs
- Organization
- Leadership
- Analytics

Are you more or less optimistic about the overall U.S. economy compared to last quarter?

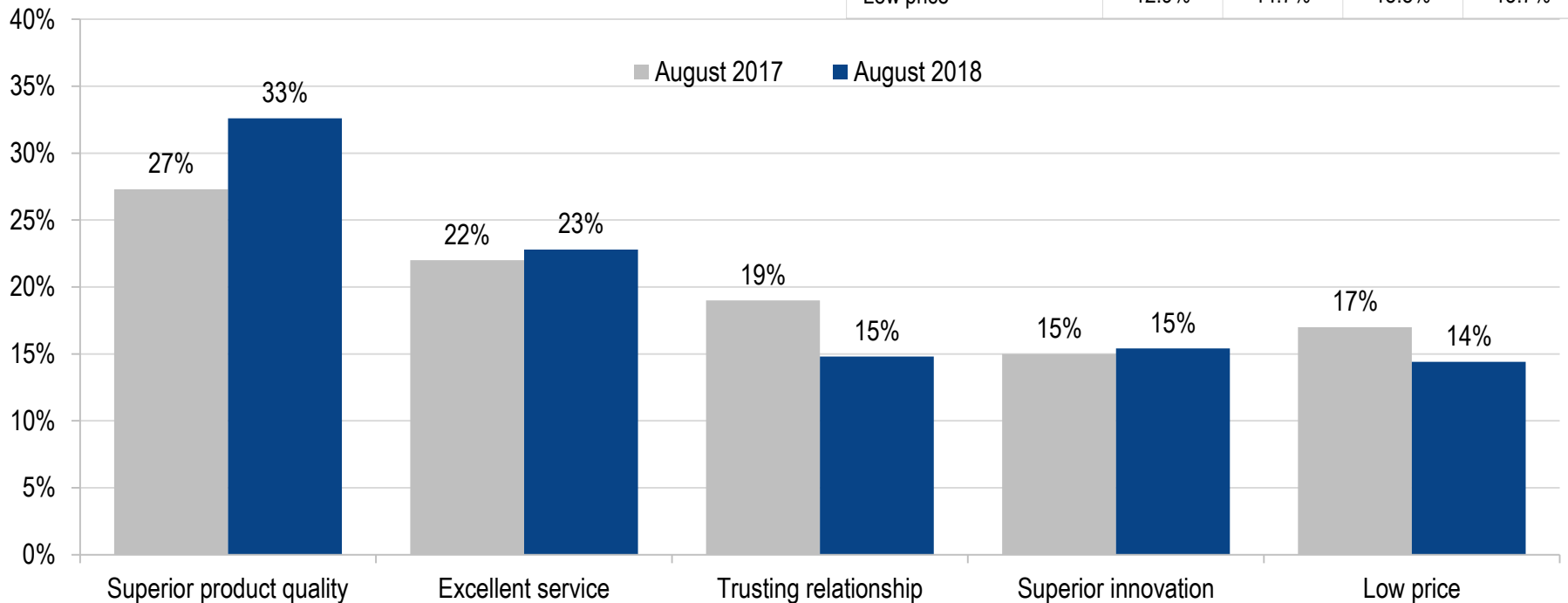


Customer priorities expected to shift toward product quality and away from price and trusting relationship

- Marketplace
- Growth
- Spending
- Performance
- Social Media
- Mobile
- Jobs
- Organization
- Leadership
- Analytics

Rank your customers' top priorities in next 12 months
(1,2,3, where 1 = most important; % ranking 1 reported)

Customer priority	B2B Product	B2B Services	B2C Product	B2C Services
Superior product quality	35.6%	27.4%	35.4%	33.3%
Excellent service	20.8%	29.5%	18.8%	19.6%
Trusting relationship	7.9%	20.0%	6.3%	27.5%
Superior innovation	22.8%	8.4%	20.8%	5.9%
Low price	12.9%	14.7%	18.8%	13.7%



Topic 2

Firm Growth Strategies

Executive Summary

Spending on existing markets and offerings continues to dominate growth spending. There is a shift away from market development and toward product/service development.

Having the right talent continues to be a key pillar for driving future organic growth.

Internet sales remain modest across sectors, driven by a need for greater human interaction and new business models to move online.

How companies are growing

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Investment in growth strategies (% of companies)

Types of growth strategies

	Existing products/ services	New products/ services
Existing markets	Market penetration	Product/service development
New markets	Market development	Diversification

Spending on growth in past 12 months*

Growth strategy	Aug-2017	Feb-2018	Aug-2018
Market penetration	53.2%	52.3%	52.8%
Product/service development	22.3%	22.6%	24.2%
Market development	15.0%	14.5%	13.0%
Diversification	9.5%	10.6%	10.0%

Insight 1: Spending on existing markets and offerings continues to dominate growth spending.

Insight 2: Shift away from market development and toward product/service development.

* % of spending for each growth strategy.

Sector differences in growth spending

Spending on growth in past 12 months by sector*

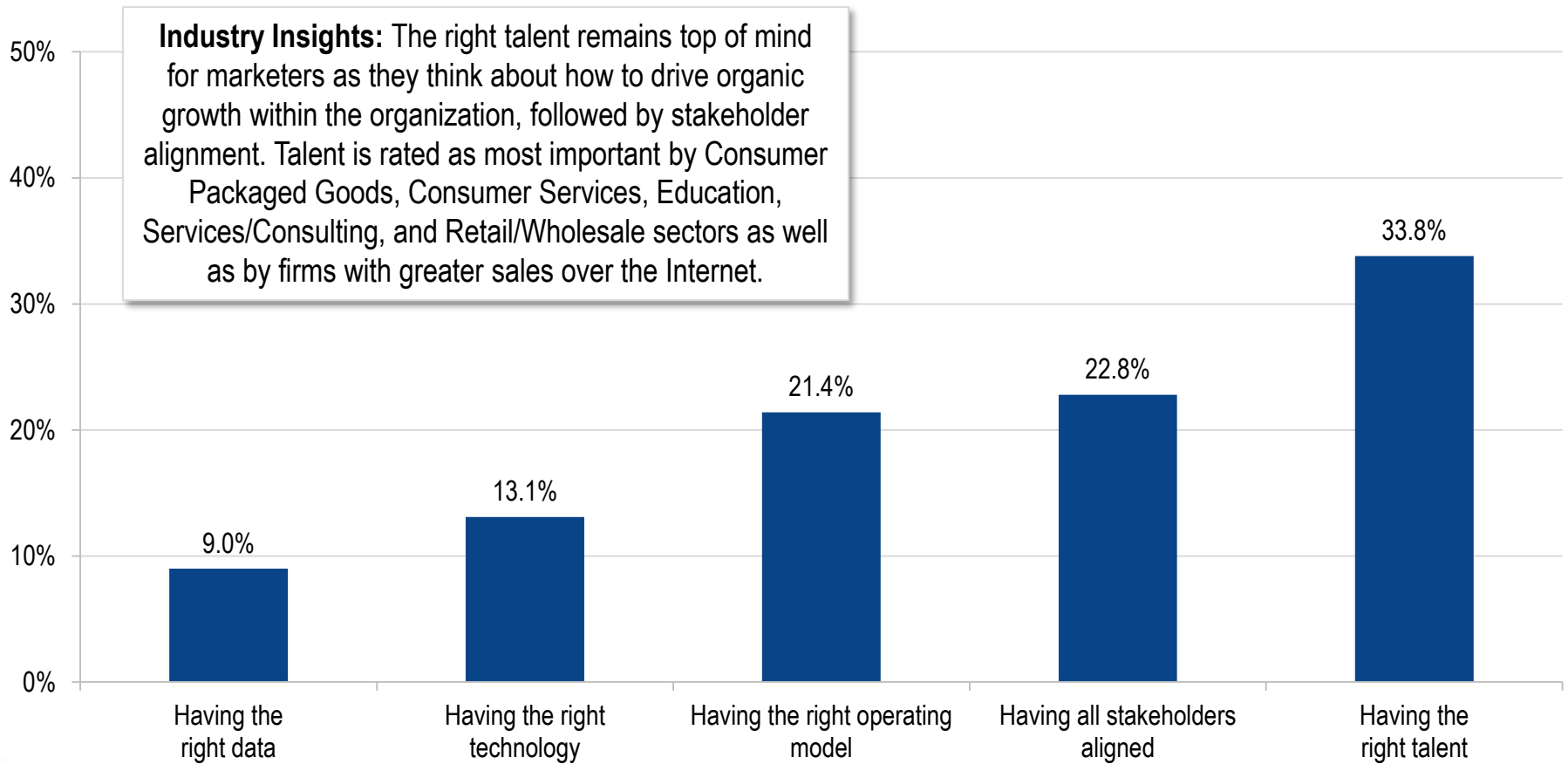
Growth strategy	Aug-2018 overall average	B2B Product	B2B Services	B2C Product	B2C Services
Market penetration strategy	52.8%	52.9%	50.7%	54.0%	54.6%
Product/service development strategy	24.2%	26.4%	24.6%	22.4%	21.0%
Market development strategy	13.0%	12.1%	15.3%	11.6%	11.8%
Diversification strategy	10.0%	8.6%	9.4%	12.0%	12.6%

* % of spending for each growth strategy.

Having the right talent is most important for driving future organic growth

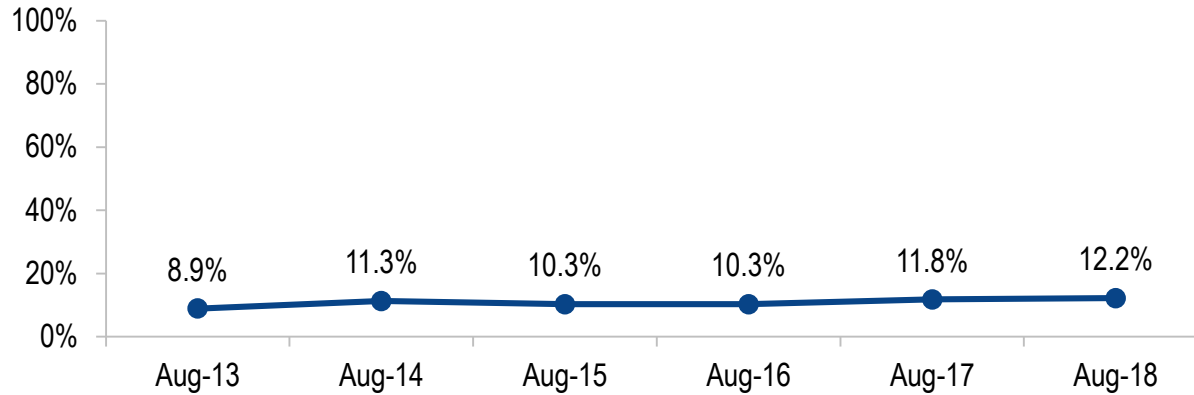
Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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What is most important for driving future organic growth in your organization?



Company sales over the Internet remain modest at 12.2%

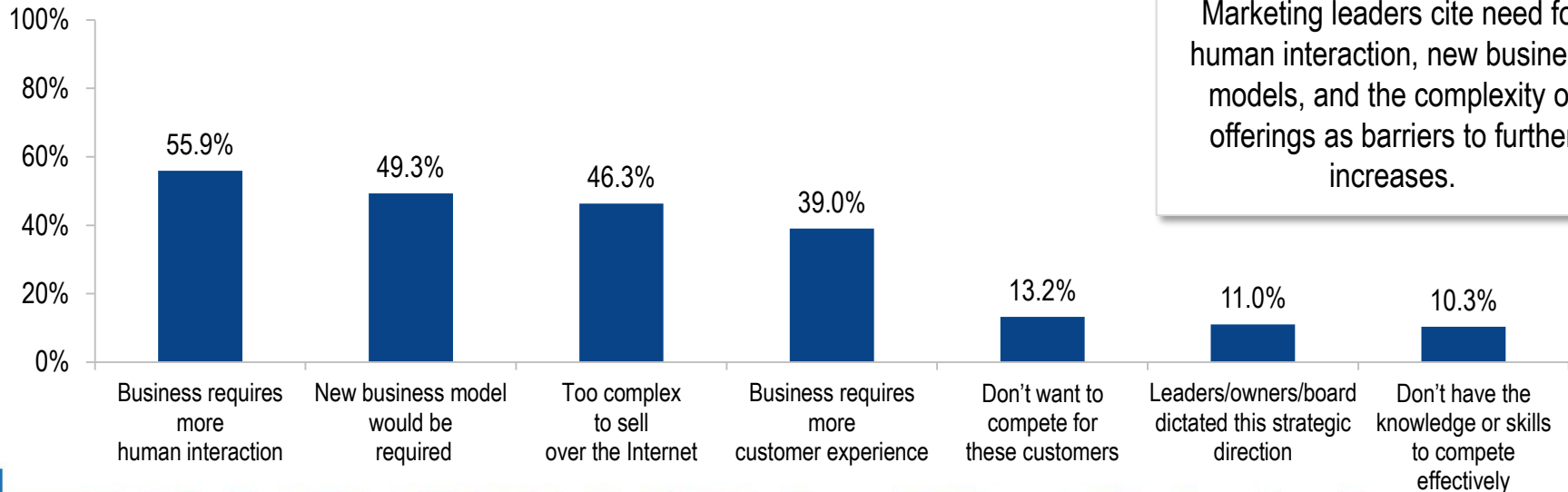
Company sales over the Internet



Economic sector

B2B Product	9.7%
B2B Services	11.5%
B2C Product	15.6%
B2C Services	14.2%

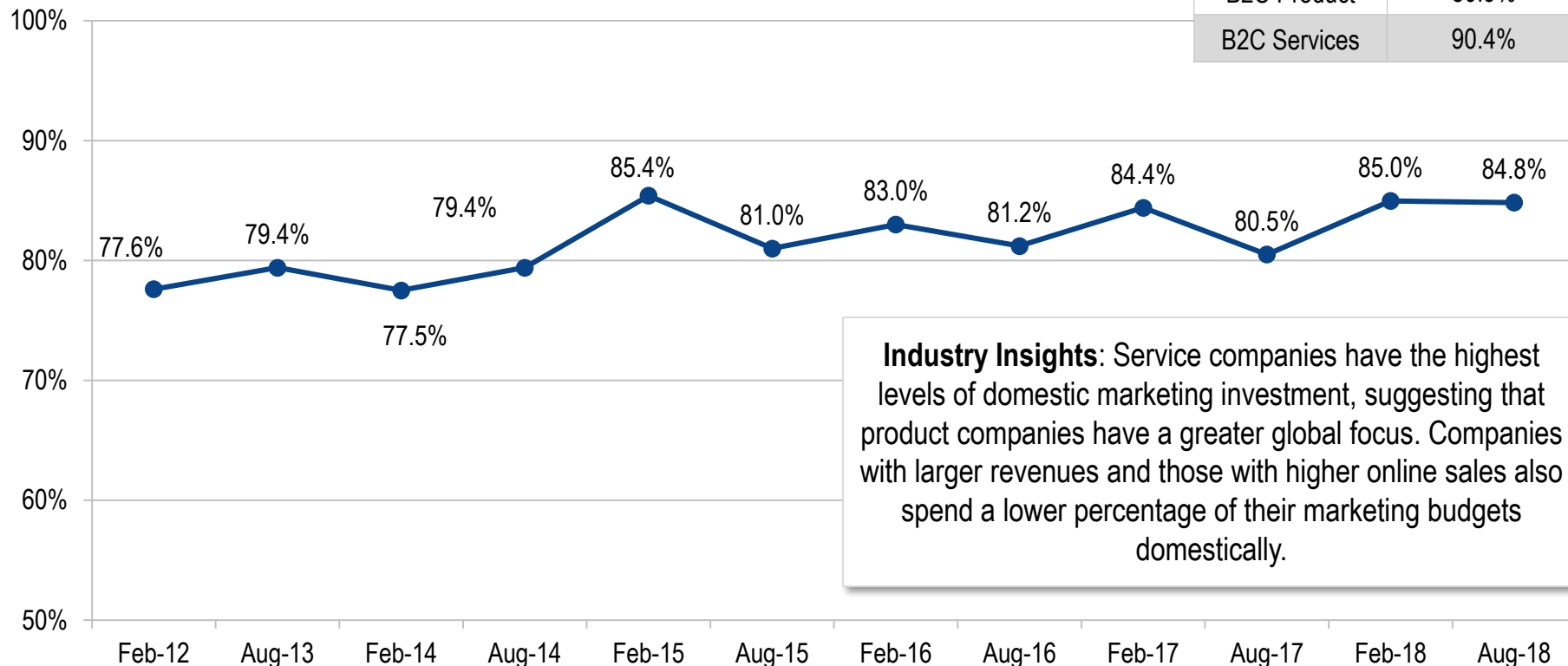
What factors prevent greater sales over the Internet? (check all that apply)



Insights: Sales over the Internet remain modest at 12.2%. Marketing leaders cite need for human interaction, new business models, and the complexity of offerings as barriers to further increases.

Marketing budget spent on domestic markets remain dominant

Percent of marketing budget spent on domestic markets



Economic sector

B2B Product	82.1%
B2B Services	87.2%
B2C Product	80.9%
B2C Services	90.4%

Industry Insights: Service companies have the highest levels of domestic marketing investment, suggesting that product companies have a greater global focus. Companies with larger revenues and those with higher online sales also spend a lower percentage of their marketing budgets domestically.

Topic 3

Marketing Spending

Executive Summary

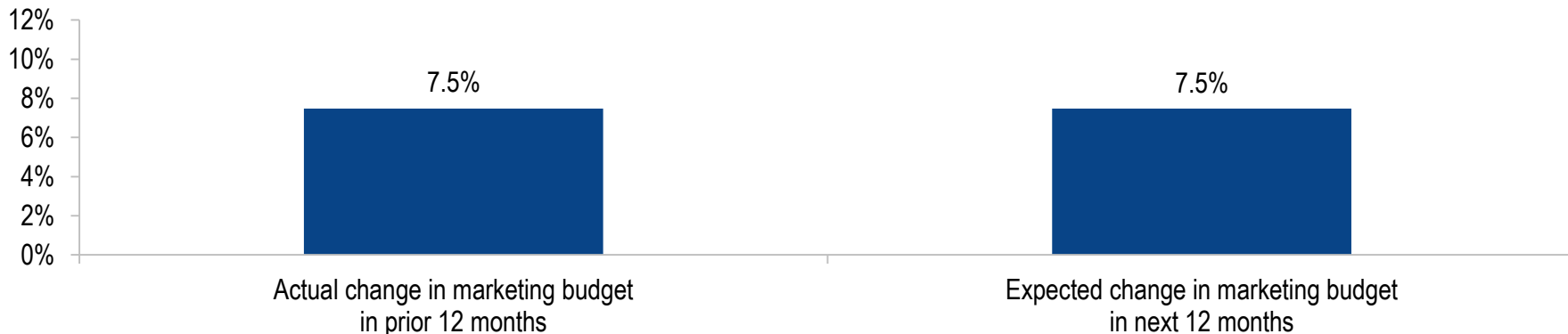
Marketing budgets grew in the last year and are expected to grow further, even as total marketing spending as a percentage of firm revenues has dipped.

Growth of digital marketing spend dipped slightly as the deceleration of traditional media spend saw a slight uptick. Despite slowing growth, spending on digital marketing is expected to increase from 44% of marketing budgets to 54% in the next five years.

Over the last year, both CRM and brand spending grew. Over the last five years, growth in spending on new service introductions has almost reached the same level as growth in spending on new product introductions.

Changes to marketing budgets

Percent change in marketing budgets



Economic sector

	Prior 12 months	Next 12 months
B2B Product	6.9%	8.8%
B2B Services	7.0%	9.2%
B2C Product	7.7%	4.3%
B2C Services	10.7%	4.4%

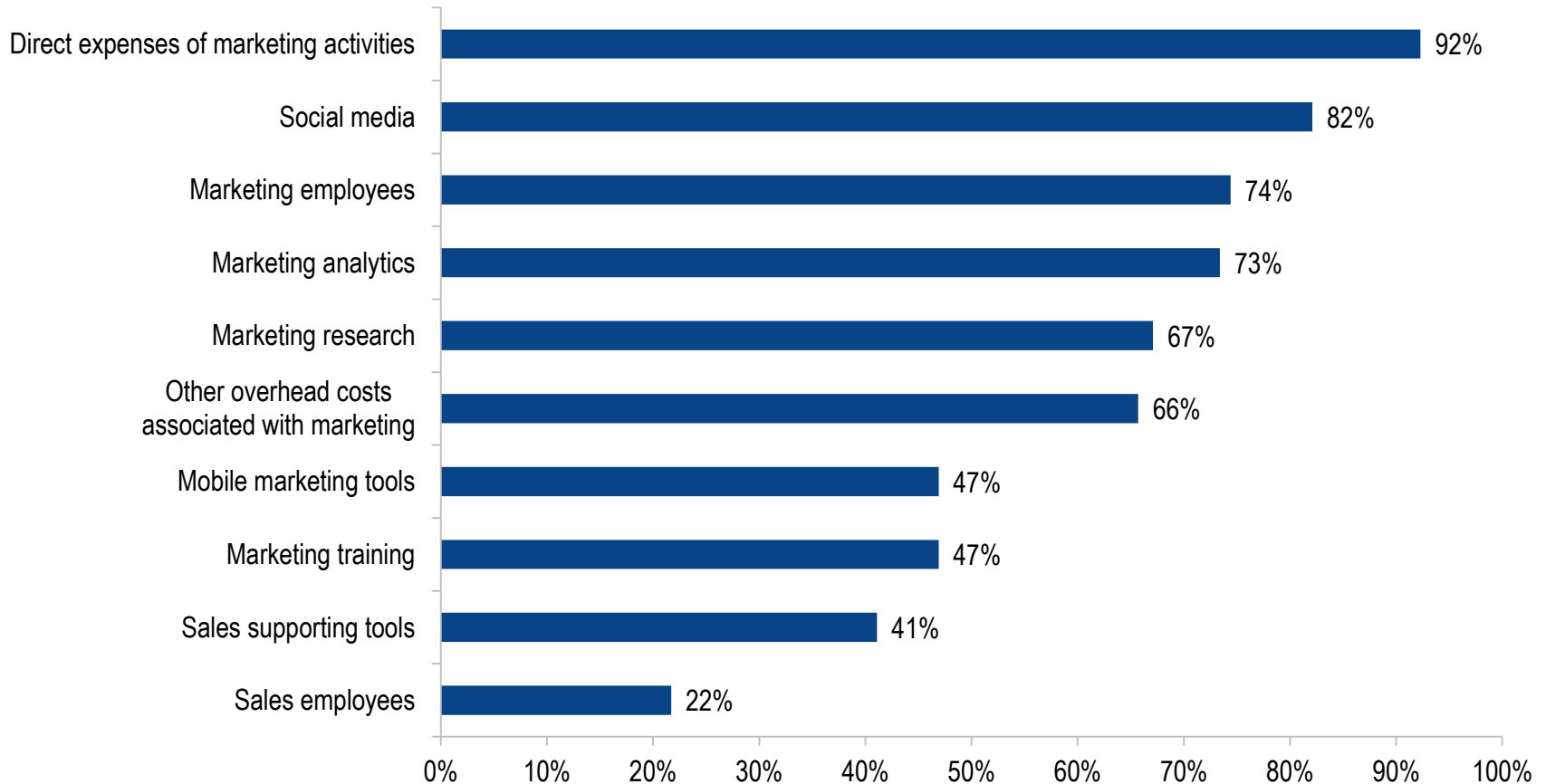
Industry sector

Prior 12 months	Next 12 months
Top 3 industry sectors	Top 3 industry sectors
Education	Tech/Software/Biotech
Healthcare	Healthcare
Communications/Media	Communications/Media
Bottom 3 industry sectors	Bottom 3 industry sectors
Energy	Banking/Finance/Insurance
Manufacturing	Consumer Services
Banking/Finance/Insurance	Mining/Construction

What's in your marketing budget?*

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Expenses included in marketing budgets (% of companies)*

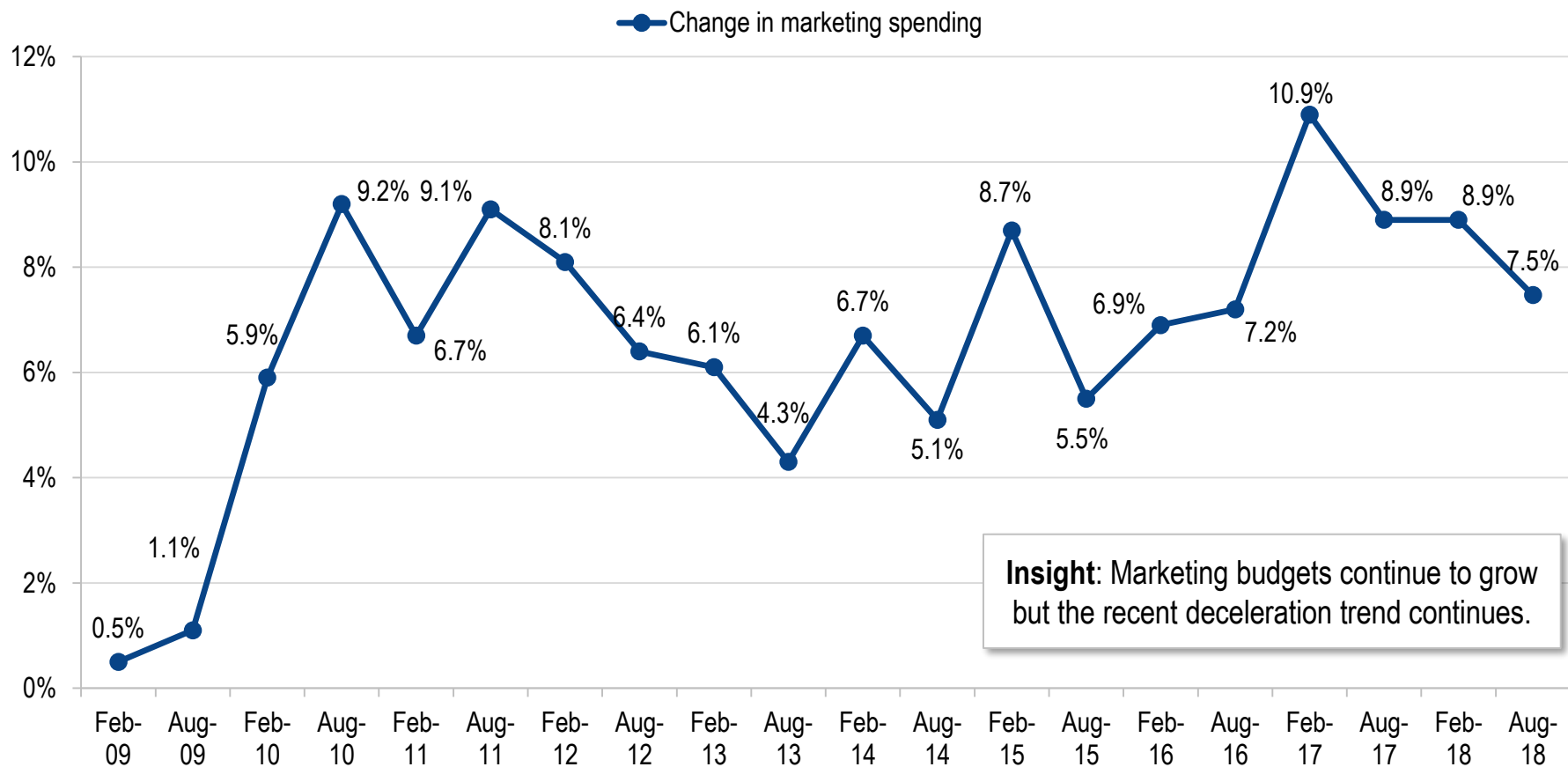


*Percentages reflect the number of marketers agreeing that the expense is included in their companies' marketing budgets.

Marketing budget growth dropping since 2017

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Expected percent change in marketing budgets in next 12 months

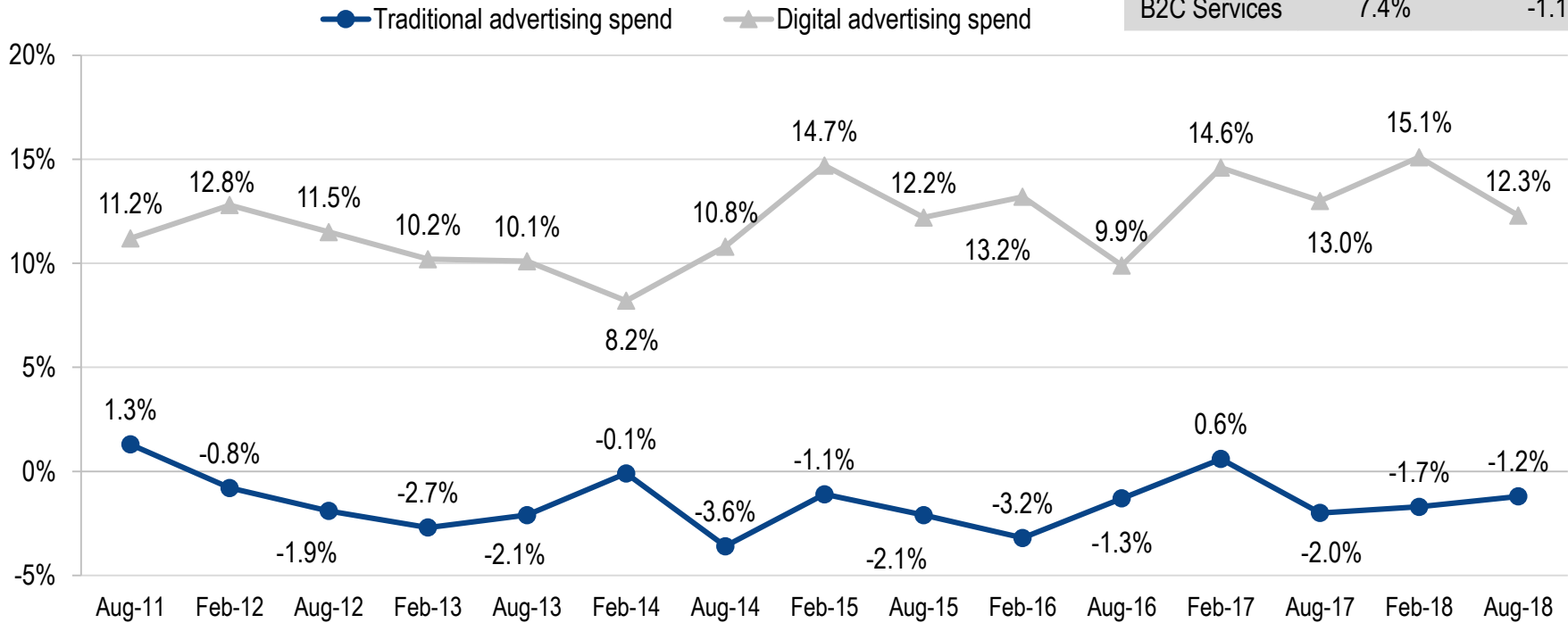


Growth in digital marketing spend greatly outpaces traditional advertising

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Percent change in traditional advertising* vs. digital marketing spend in next 12 months

Economic sector	Digital marketing	Traditional advertising
B2B Product	13.9%	-0.1%
B2B Services	13.2%	-0.8%
B2C Product	12.1%	-4.8%
B2C Services	7.4%	-1.1%

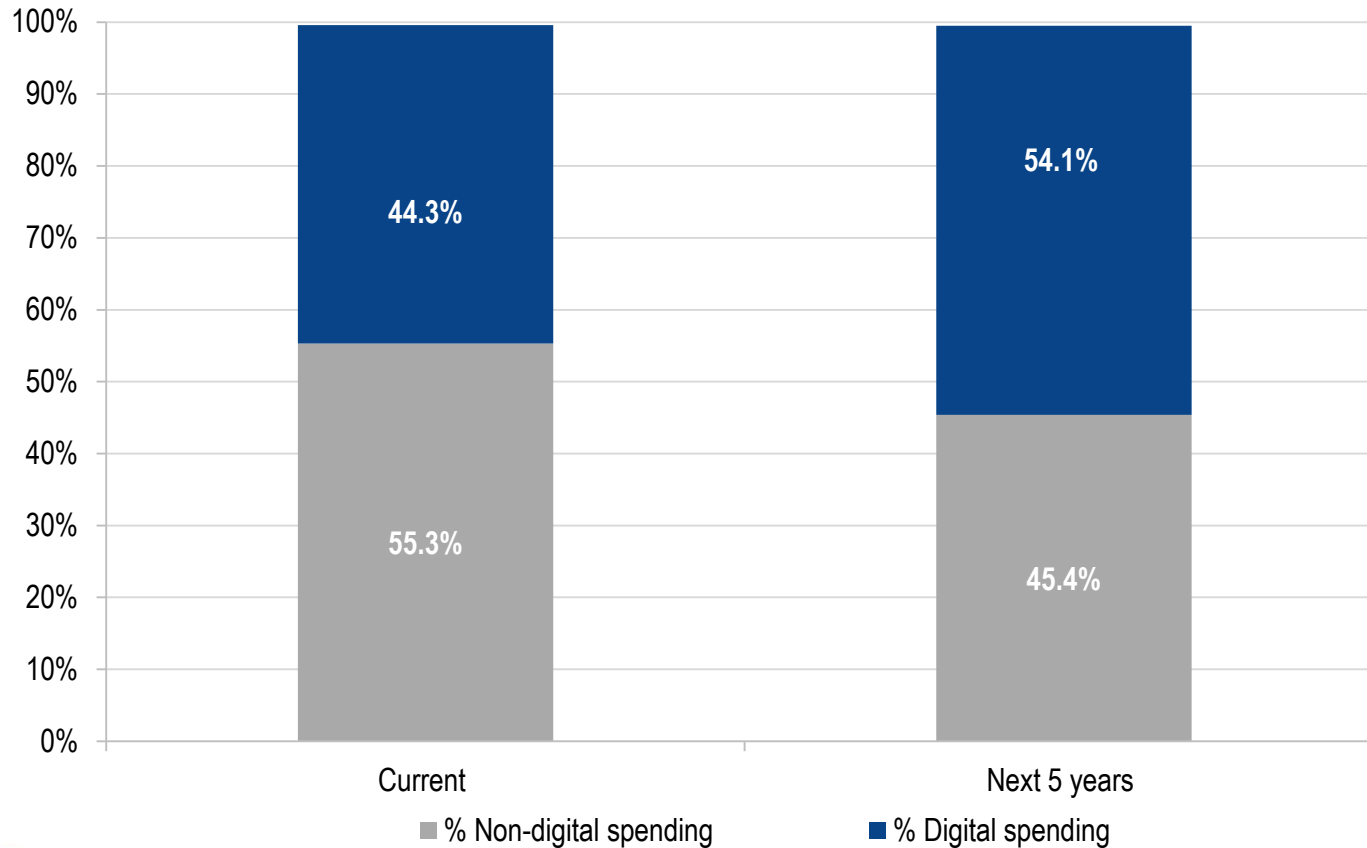


*Refers to media advertising not using the Internet.

Percent of spending on digital vs. non-digital marketing now and in 5 years

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Percent change in digital vs. non-digital spending over the next 5 years

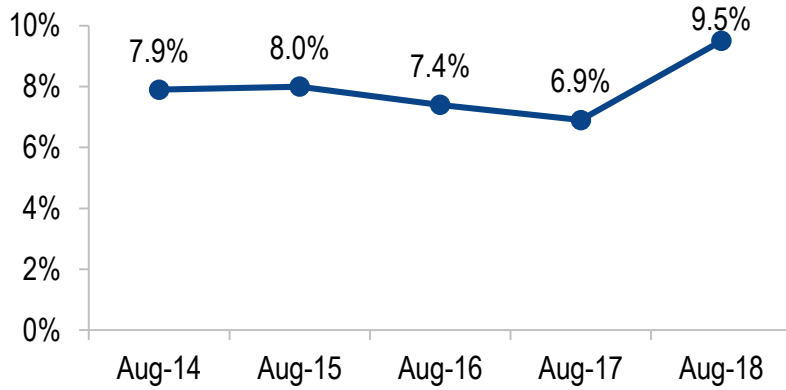


Industry Insight: B2B Service firms and those with revenues <\$25 million plan to be the most digital, at 61% in the next five years. By industry, Communications/Media expects to be 71% digital over the same time frame.

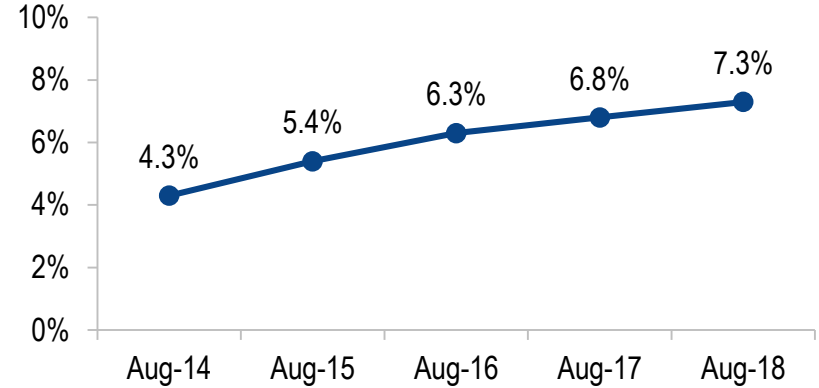
How key types of marketing spending is expected to change over next 12 months

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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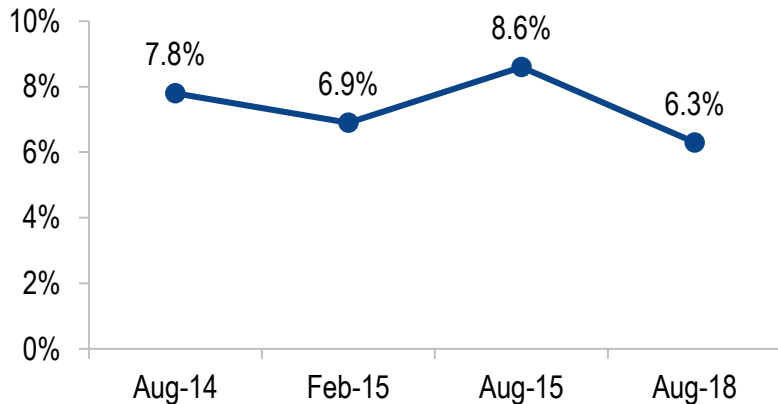
CRM spending



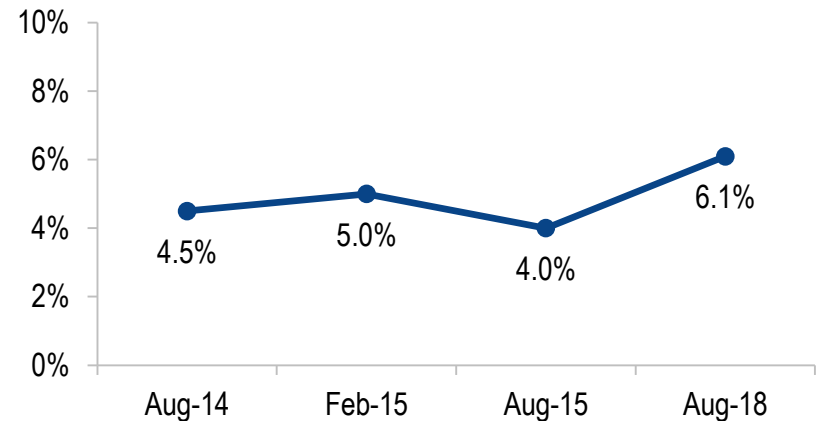
Brand spending



New product introduction spending



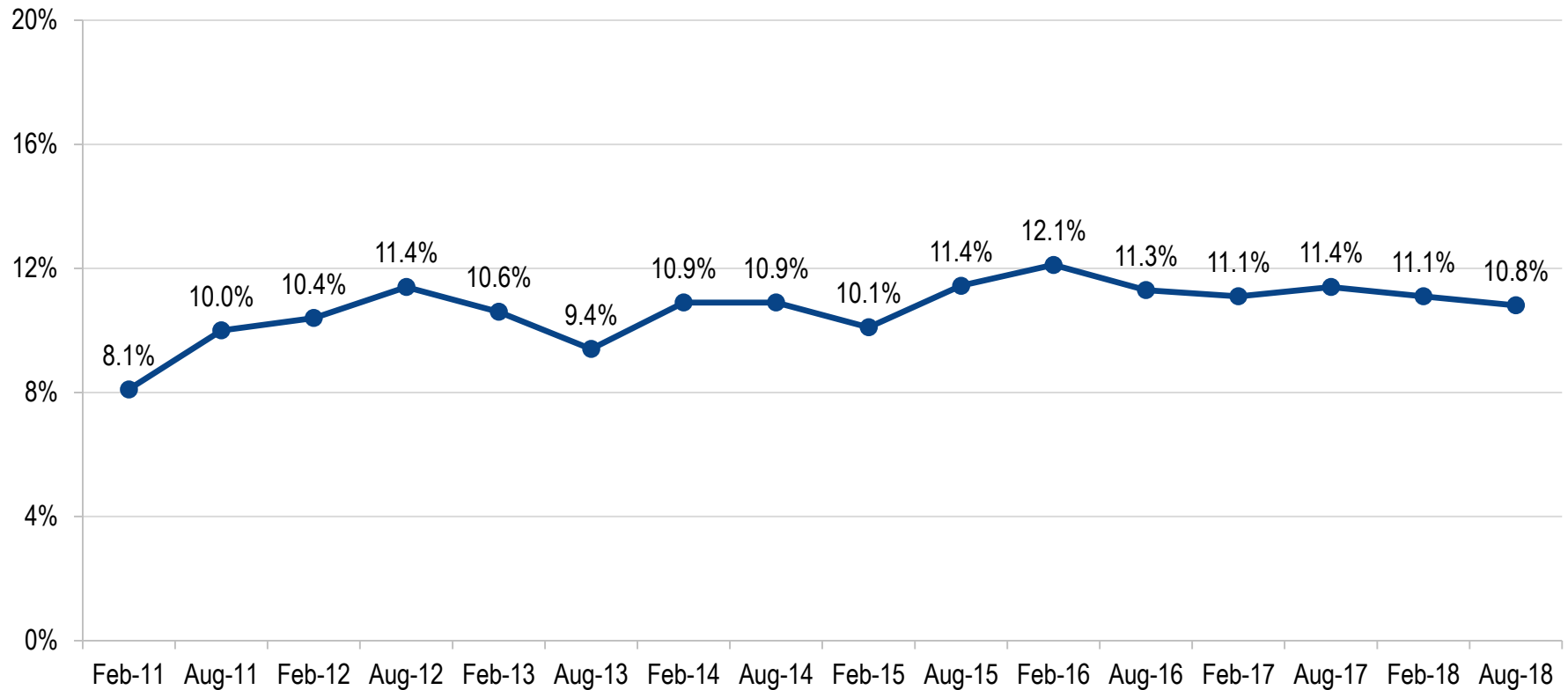
New service introduction spending



Marketing budgets represent 10.8% of firm budgets

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Marketing budget as percent of firm budget*



*Question asked in Feb-11 for the first time.

Marketing budgets as a percentage of firm budgets by key dimensions

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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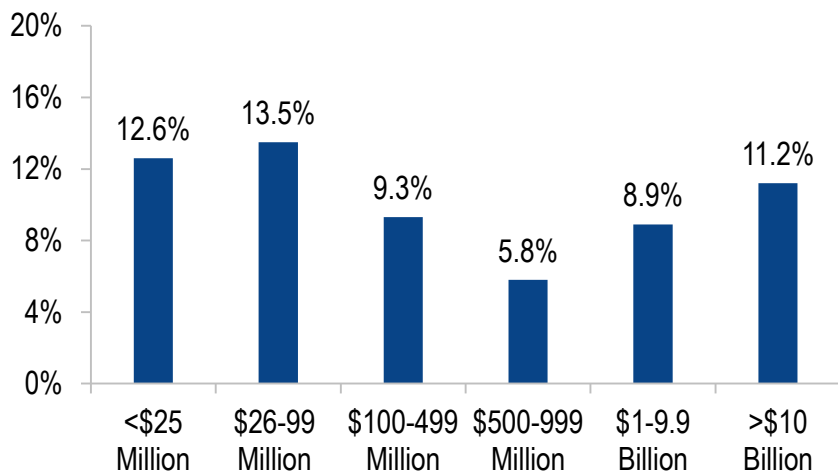
Economic sector

B2B Product	8.5%
B2B Services	9.6%
B2C Product	17.2%
B2C Services	11.6%

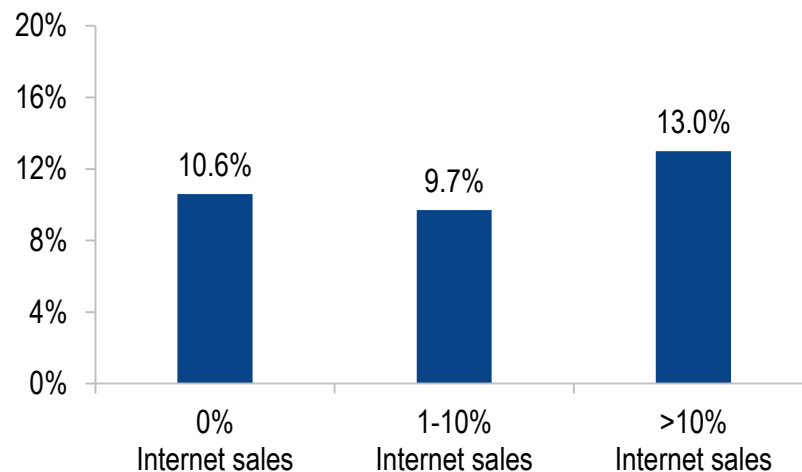
Industry sector

Top 3 industry sectors	Bottom 3 industry sectors
Communications/Media	Mining/Construction
Consumer Services	Energy
Consumer Packaged Goods	Manufacturing

Sales revenue



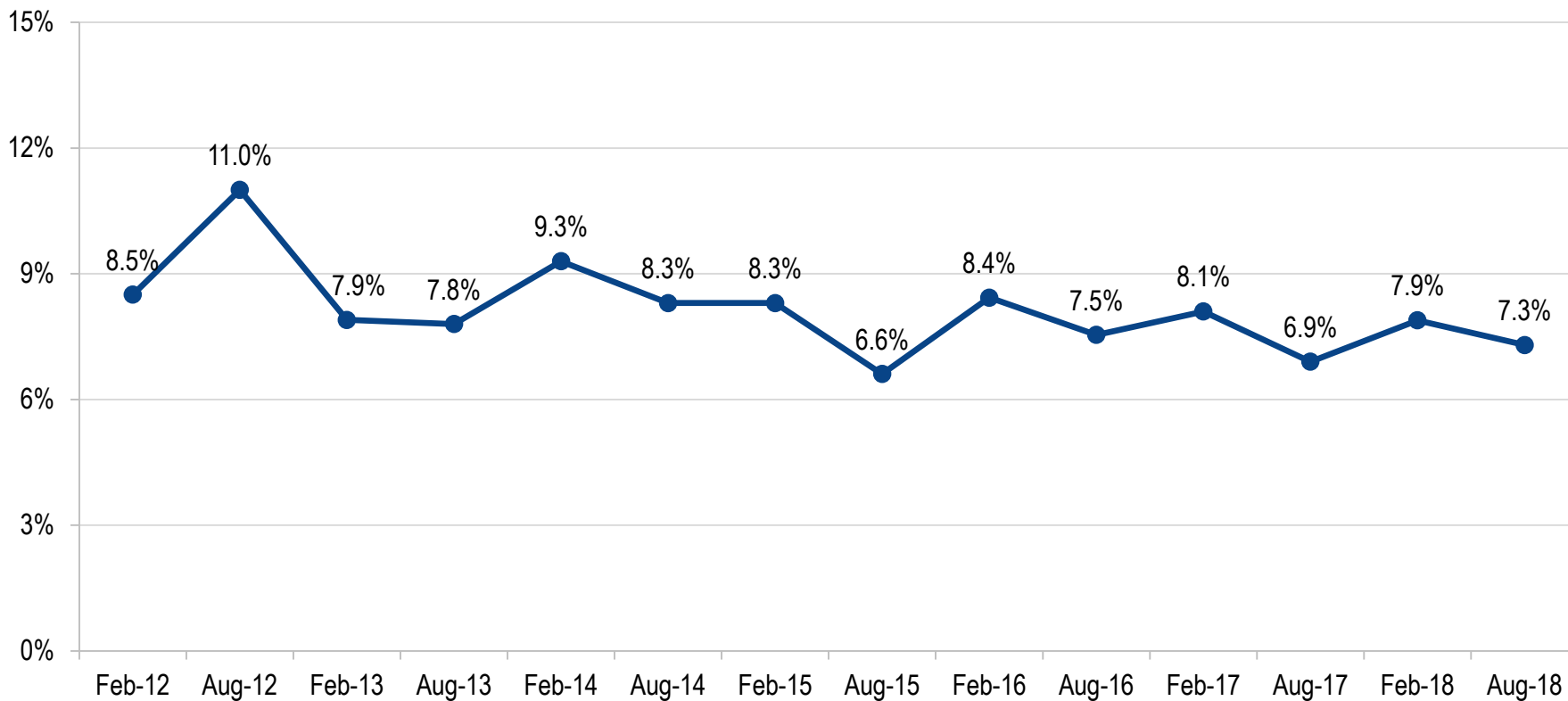
Internet sales



Marketing spending is 7.3% of company revenues

- Marketplace
- Growth
- Spending**
- Performance
- Social Media
- Mobile
- Jobs
- Organization
- Leadership
- Analytics

Marketing spending as percent of company revenues*



*Question asked in Feb-12 for the first time.

Marketing spending as a percentage of firm revenues by key dimensions

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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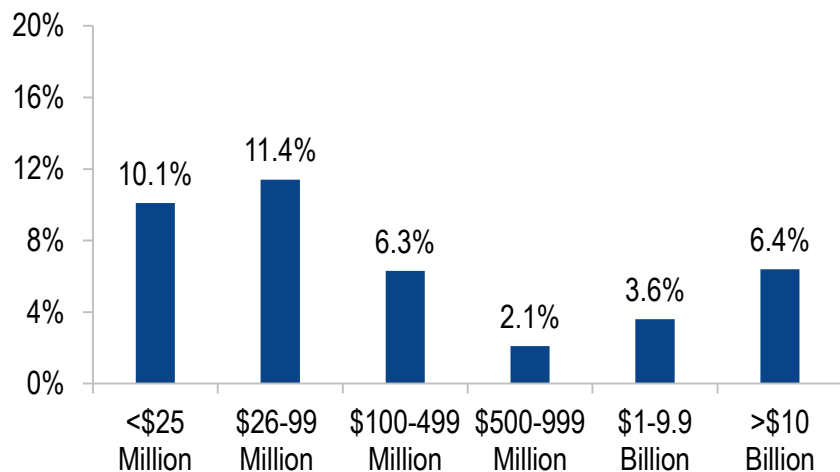
Economic sector

B2B Product	5.4%
B2B Services	7.1%
B2C Product	10.1%
B2C Services	8.9%

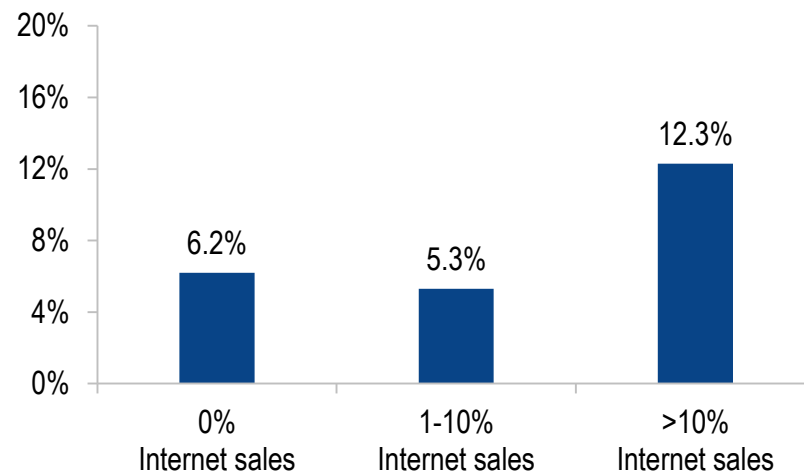
Industry sector

Top 3 industry sectors	Bottom 3 industry sectors
Education Communications/Media Consumer Services	Energy Mining/Construction Manufacturing

Sales revenue



Internet sales



Investments in capability development remain top marketing knowledge priority

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Percent change in marketing knowledge investments in prior 12 months by sector

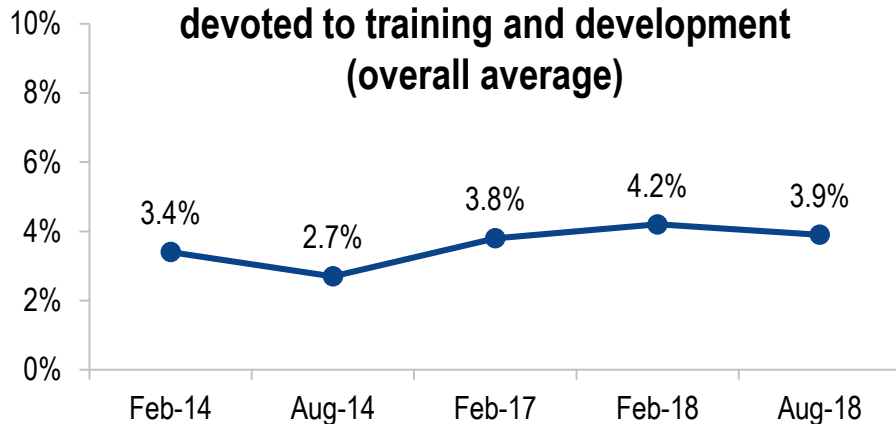
Marketing knowledge investments	Overall average	B2B Product	B2B Services	B2C Product	B2C Services
Developing new marketing knowledge and capabilities	8.0%	8.6%	8.8%	6.6%	6.2%
Marketing research and intelligence	5.1%	4.5%	5.0%	6.3%	5.4%
Marketing consulting services	4.8%	6.1%	1.6%	6.3%	6.4%
Marketing training*	3.5%	2.9%	4.1%	3.7%	3.3%

*Marketing training involves transferring existing marketing knowledge to employees.



Marketing budget spend on training and development by key dimensions

Percentage of marketing budget devoted to training and development (overall average)

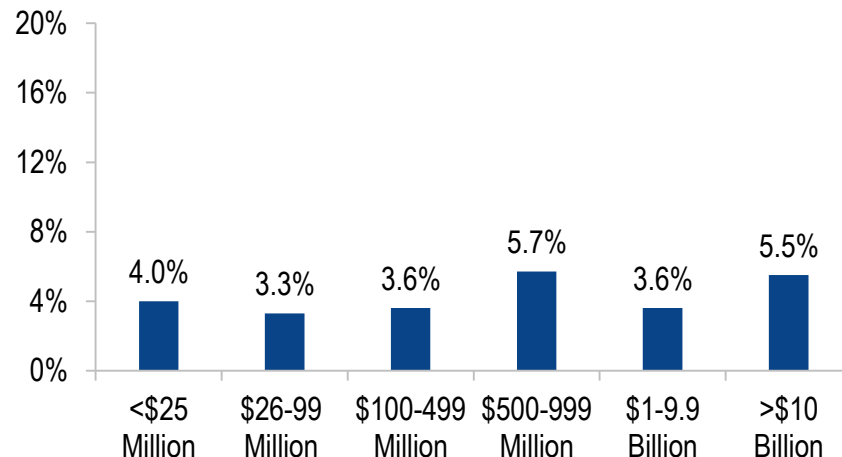


Insight: Although talent is noted by respondents as key to growth, talent investment through training and development dipped slightly.

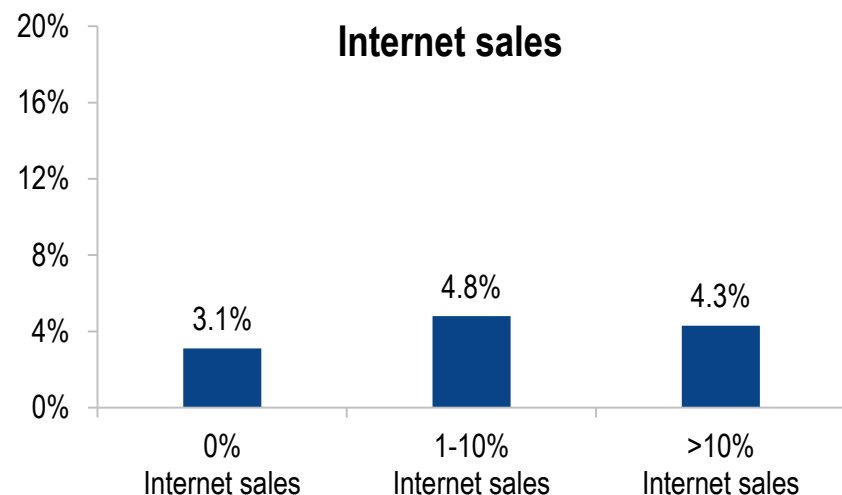
Economic sector

B2B Product	4.2%
B2B Services	4.3%
B2C Product	2.8%
B2C Services	3.6%

Sales revenue



Internet sales



Topic 4

Firm Performance

Executive Summary

Sales revenue (+4.7%) and profits (+3.5%) show largest increase in financial benchmarks with marketing ROI at +2.8%. Among key marketing assets, the value of brands (+3.4%) leads increases, followed by customer acquisition (+3.2%) and customer retention (+2.2%).

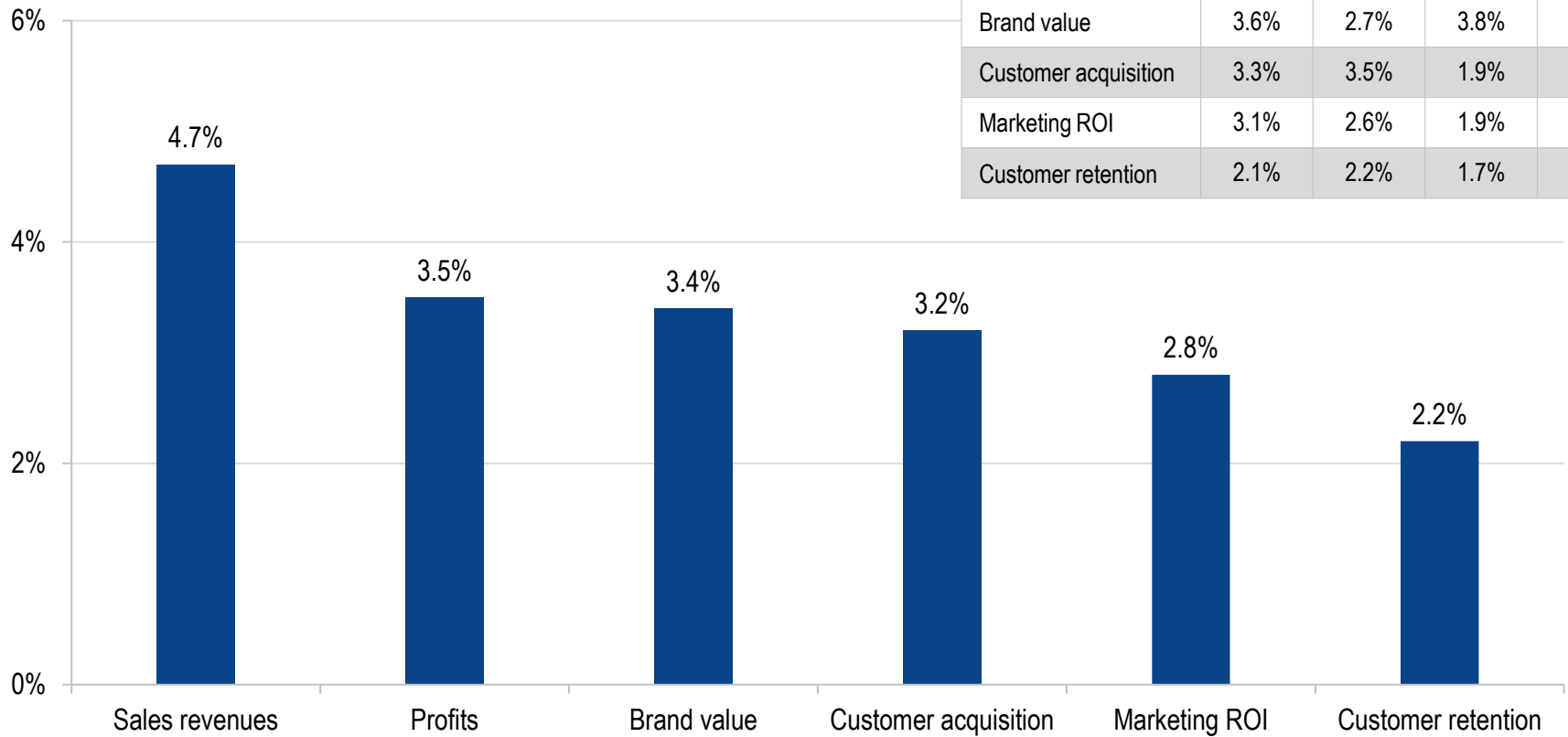
Revenues and profits show improvement over time while Marketing ROI remains flat. The performance of marketing assets is variable over time with only customer retention showing signs of improvement.

Over the last two years, companies rate themselves higher on societal metrics such as marketing that benefits society and reducing the impact of marketing on the environment.

Firm financial and market asset performance metrics by economic sector

- Marketplace
- Growth
- Spending
- Performance**
- Social Media
- Mobile
- Jobs
- Organization
- Leadership
- Analytics

Percent change in financial and marketing asset performance in prior 12 months

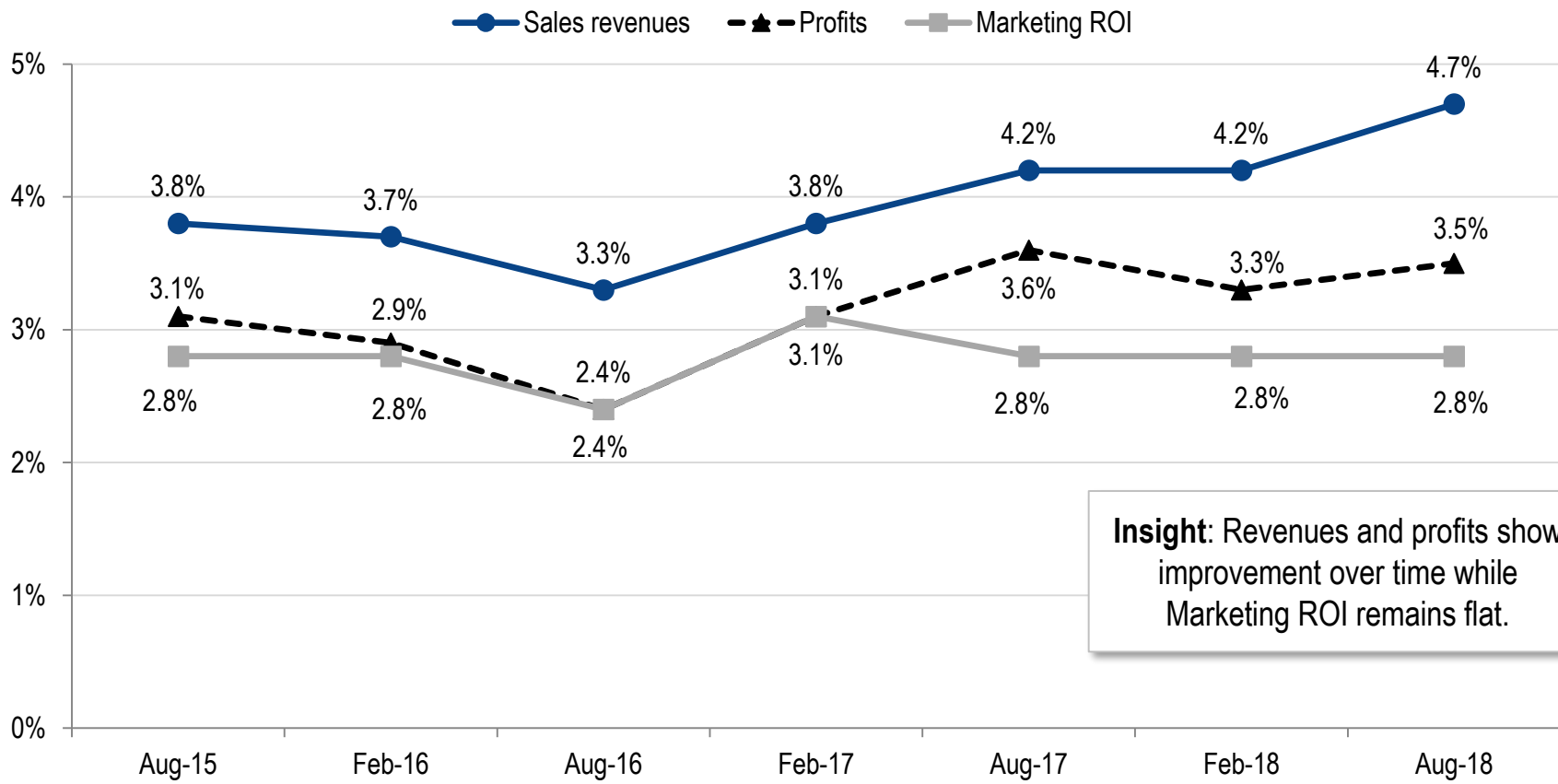


Metric	B2B Product	B2B Services	B2C Product	B2C Services
Sales revenues	4.7%	4.5%	4.9%	5.0%
Profits	3.8%	2.5%	3.8%	4.0%
Brand value	3.6%	2.7%	3.8%	4.1%
Customer acquisition	3.3%	3.5%	1.9%	3.5%
Marketing ROI	3.1%	2.6%	1.9%	3.6%
Customer retention	2.1%	2.2%	1.7%	2.6%

Financial performance benchmarks over time

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Percent change in performance on financial metrics in prior 12 months over time

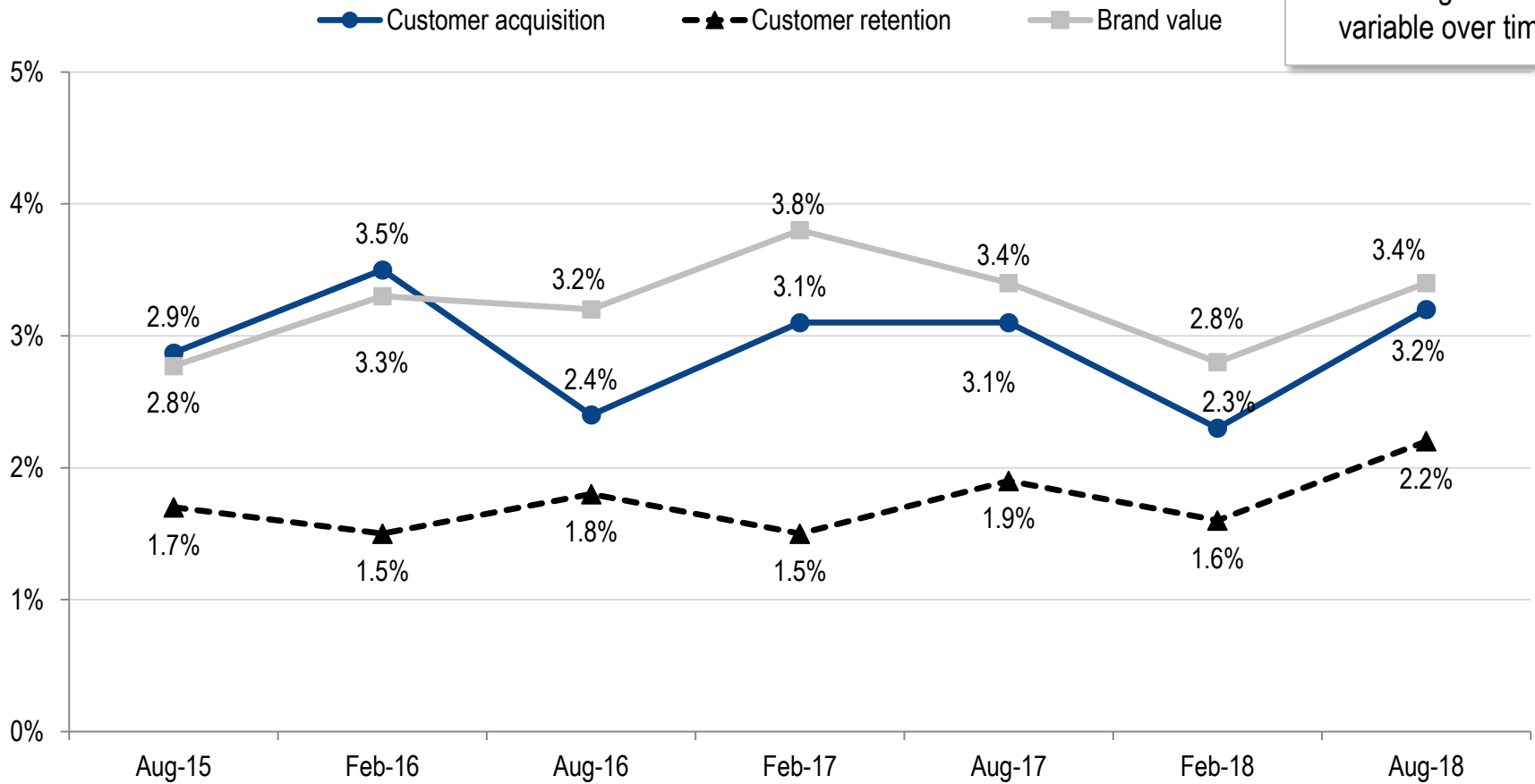


Insight: Revenues and profits show improvement over time while Marketing ROI remains flat.

Brand and customer asset benchmarks

Percent change in performance on customer and brand metrics in prior 12 months

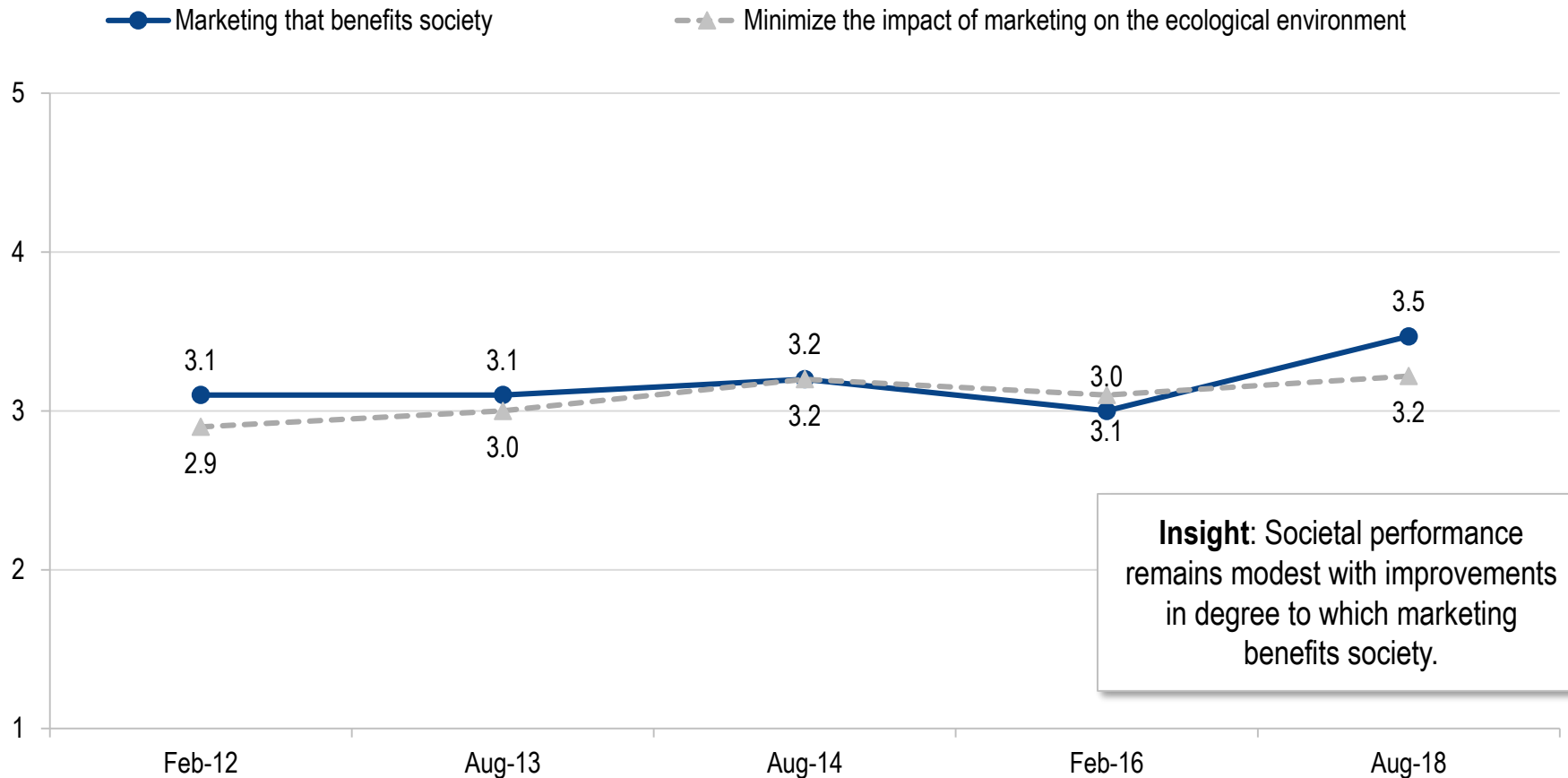
Insight: The performance of marketing assets is variable over time.



Firm performance on societal metrics: Does marketing contribute to a better world?

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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How marketing leaders rate their firm performance on key social metrics (1 = poor, 5 = excellent)



Insight: Societal performance remains modest with improvements in degree to which marketing benefits society.

Firm performance on societal metrics by key dimensions (1 = poor, 5 = excellent)

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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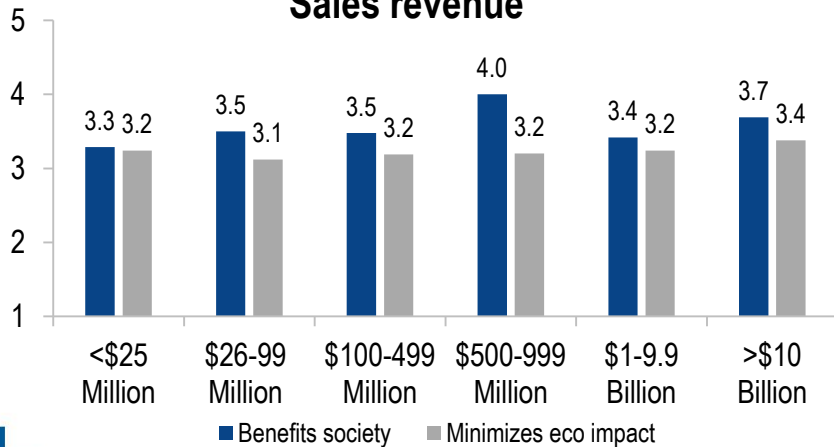
Economic sector

	Benefits society	Minimizes eco impact
B2B Product	3.5	3.2
B2B Services	3.4	3.2
B2C Product	3.5	3.2
B2C Services	3.4	3.3

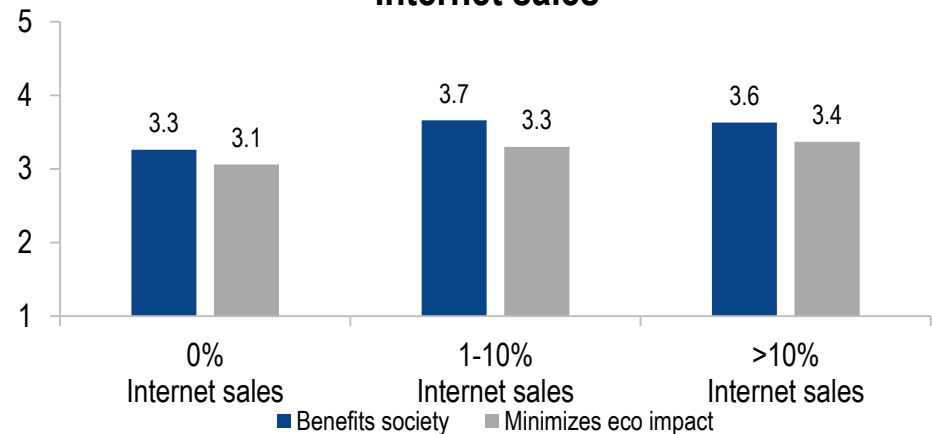
Industry sector

Benefits society	Minimizes eco impact
Top 3 industry sectors	Top 3 industry sectors
Education Banking/Finance/Insurance Energy	Energy Mining/Construction Retail/Wholesale
Bottom 3 industry sectors	Bottom 3 industry sectors
Consumer Services Communications/Media Transportation	Healthcare Consumer Services Transportation

Sales revenue



Internet sales



Topic 5

Social Media Marketing

Executive Summary

Spending on social media has increased more in the last year than in any prior survey year and is forecasted to accelerate over the next five years by 66%.

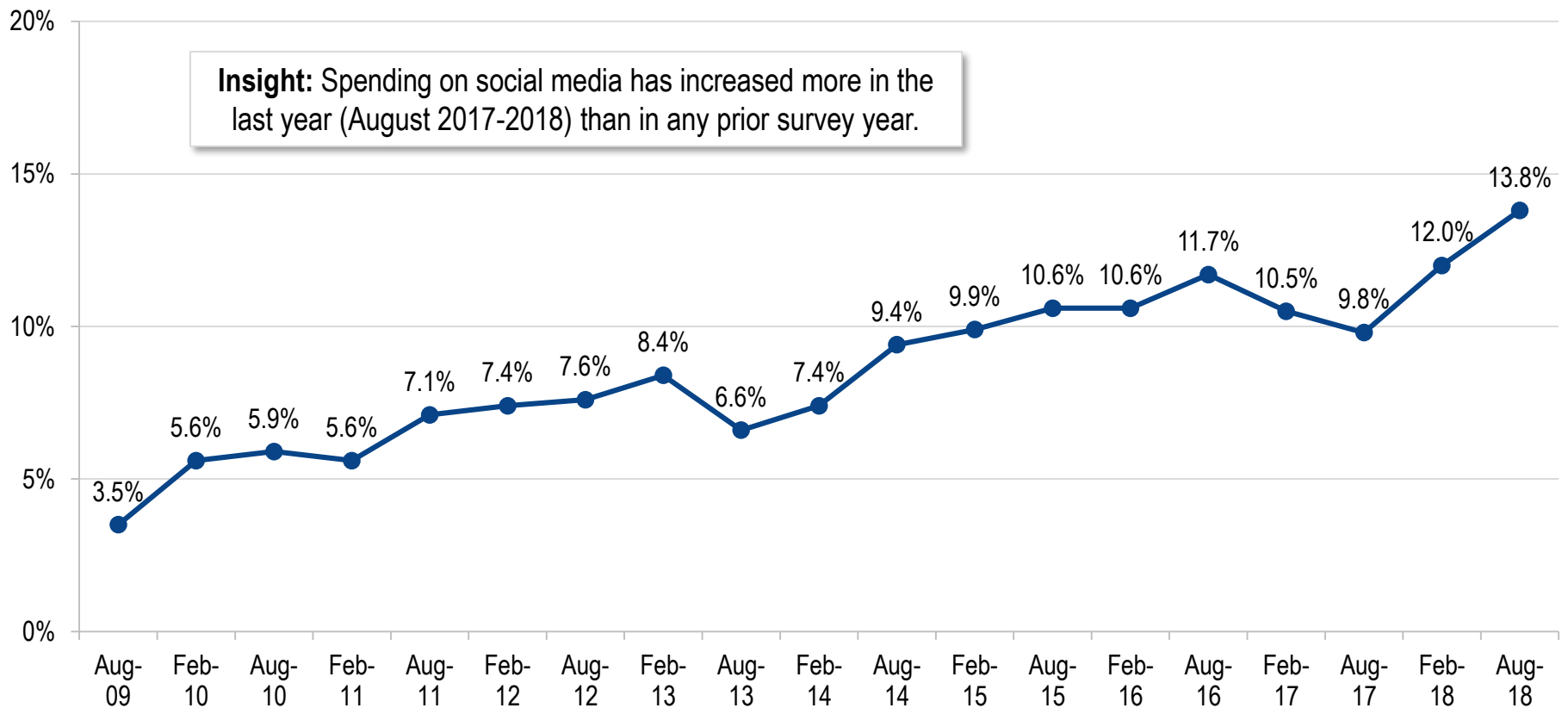
While the ability to demonstrate the impact of social media has improved in four years, the effectiveness with which its been integrated into marketing strategy has remained flat.

The use of outside agencies for social media activities has increased over the last 18 months.

Social media spending continues its ascent

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Current social media spending as percent of marketing budget



Social media spend by key dimensions

Economic sector

B2B Product	9.7%
B2B Services	13.9%
B2C Product	18.6%
B2C Services	17.6%

Industry sector

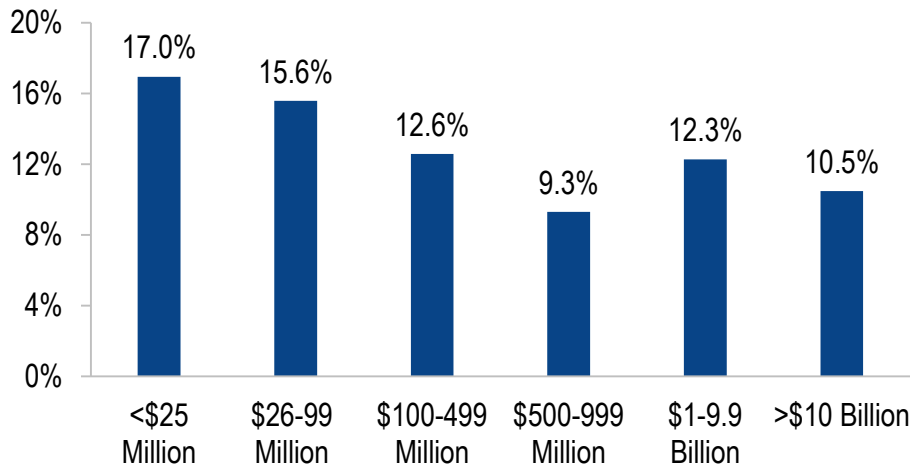
Top 3 industry sectors

Education
Communications/Media
Transportation

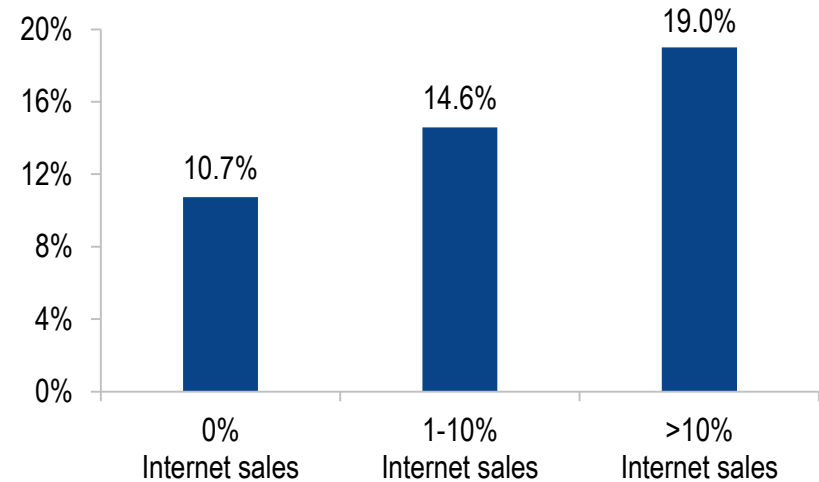
Bottom 3 industry sectors

Manufacturing
Banking/Finance/Insurance
Mining/Construction

Sales revenue



Internet sales

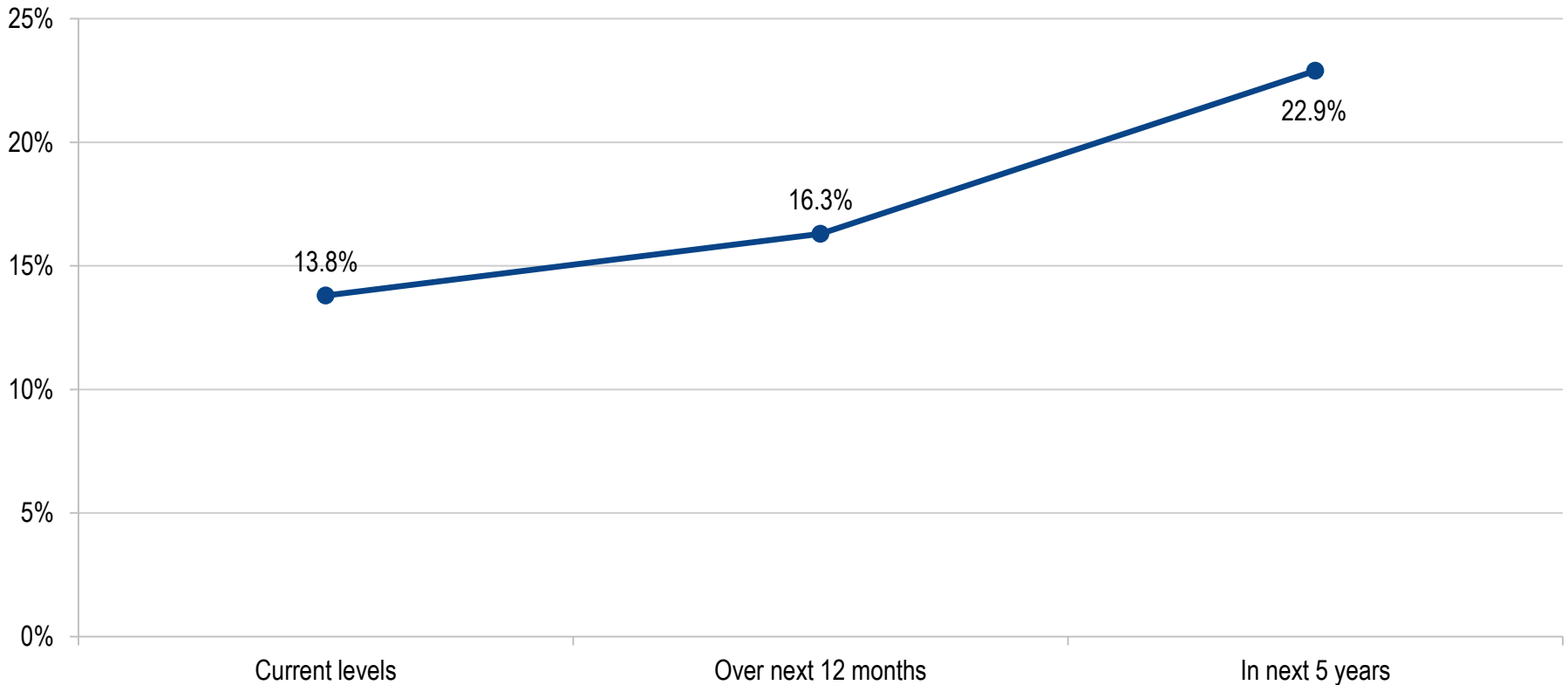


Marketers expected to expand social media spend by 66% in next 5 years

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Social media spending as percent of marketing budgets

Social media spend	B2B Product	B2B Services	B2C Product	B2C Services
Current	9.7%	13.9%	18.6%	17.5%
Next year	12.1%	15.9%	21.5%	20.7%
Next 5 years	18.8%	21.6%	27.8%	28.9%

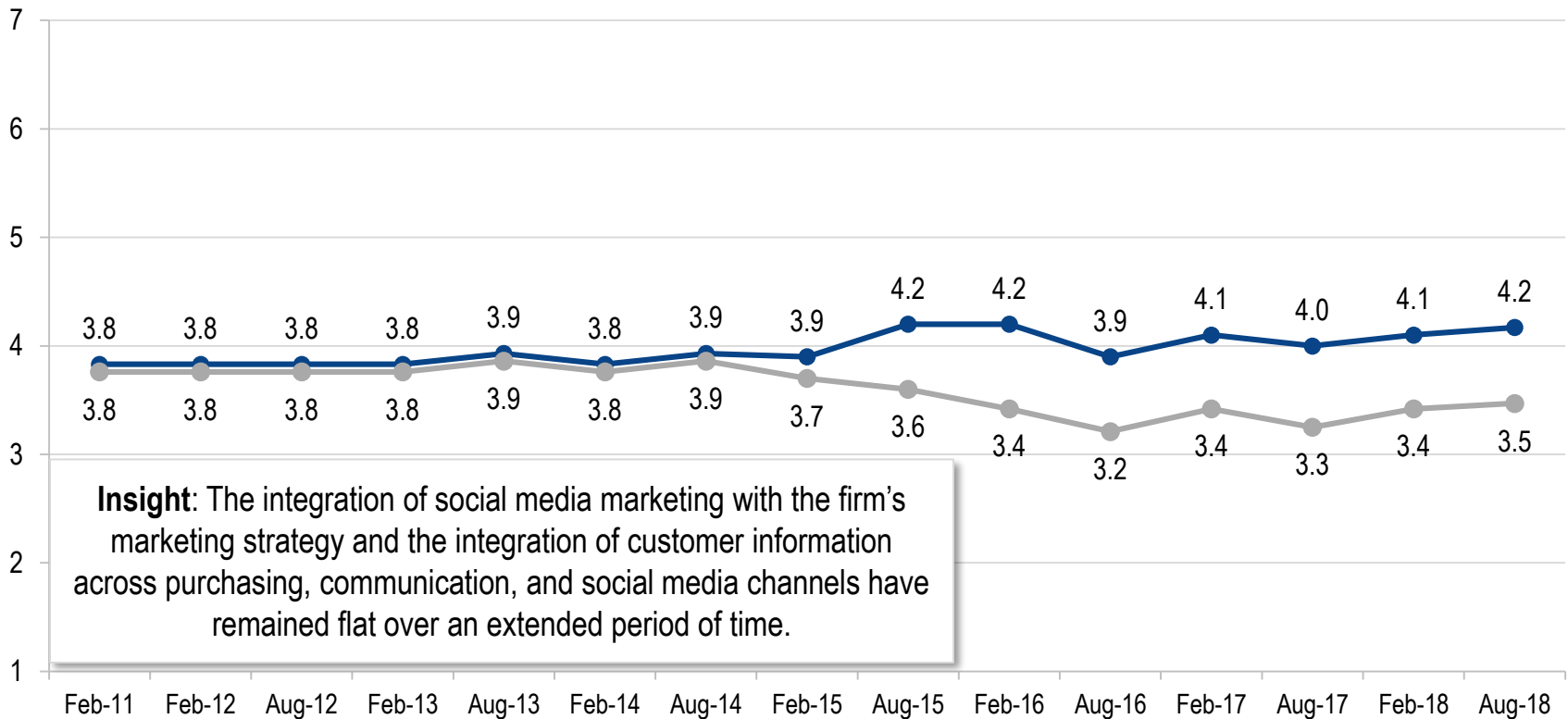


Integrating social media strategy and information remains a company challenge

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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How effectively does your company integrate social media? (1 = not at all effectively, 7 = very effectively)

- Mean integration level for linking social media to firm marketing strategy
- Mean integration level for integrating customer information across purchasing, communication, and social media channels



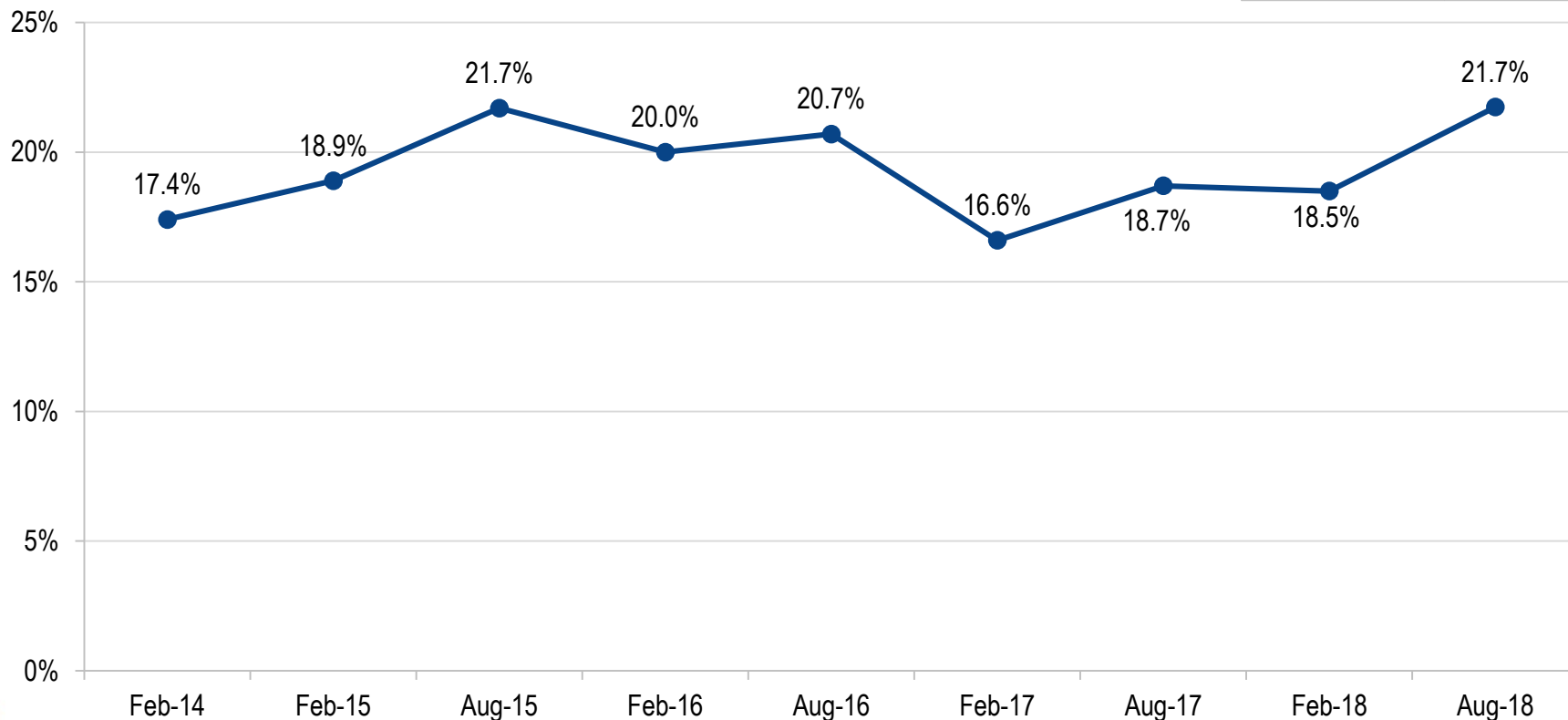
Insight: The integration of social media marketing with the firm's marketing strategy and the integration of customer information across purchasing, communication, and social media channels have remained flat over an extended period of time.

Role of outside agencies in social media activities

Percent of company's social media activities performed by outside agencies

Economic sector

B2B Product	19.8%
B2B Services	17.4%
B2C Product	39.7%
B2C Services	19.0%

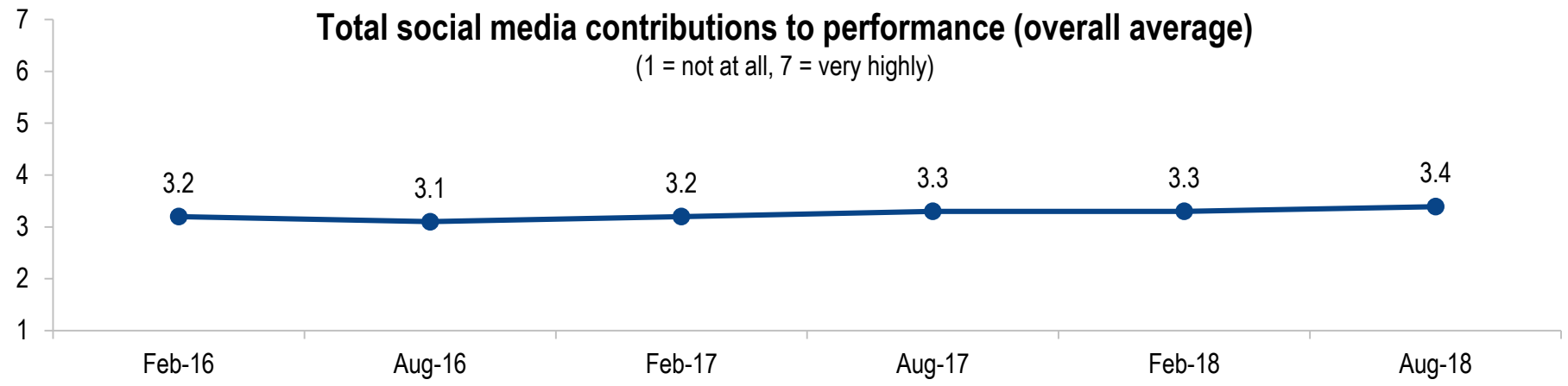


Social media contributions to company performance by key dimensions

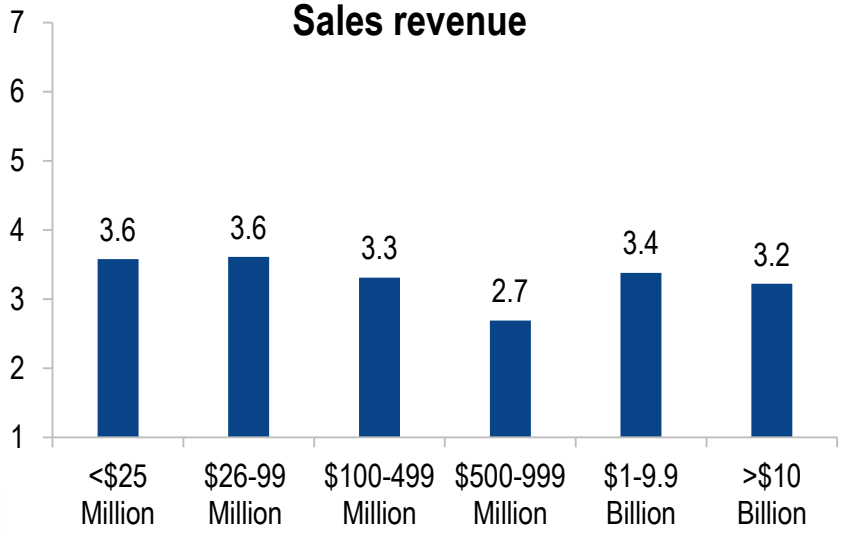
Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Total social media contributions to performance (overall average)

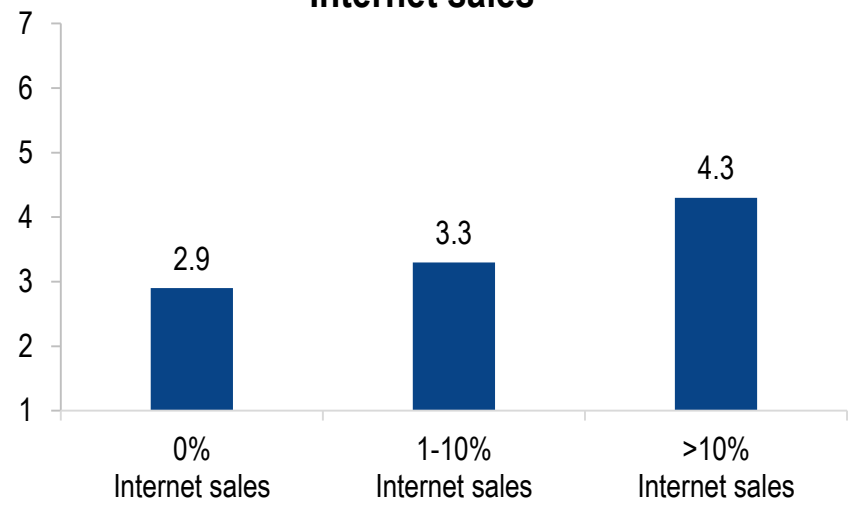
(1 = not at all, 7 = very highly)



Sales revenue



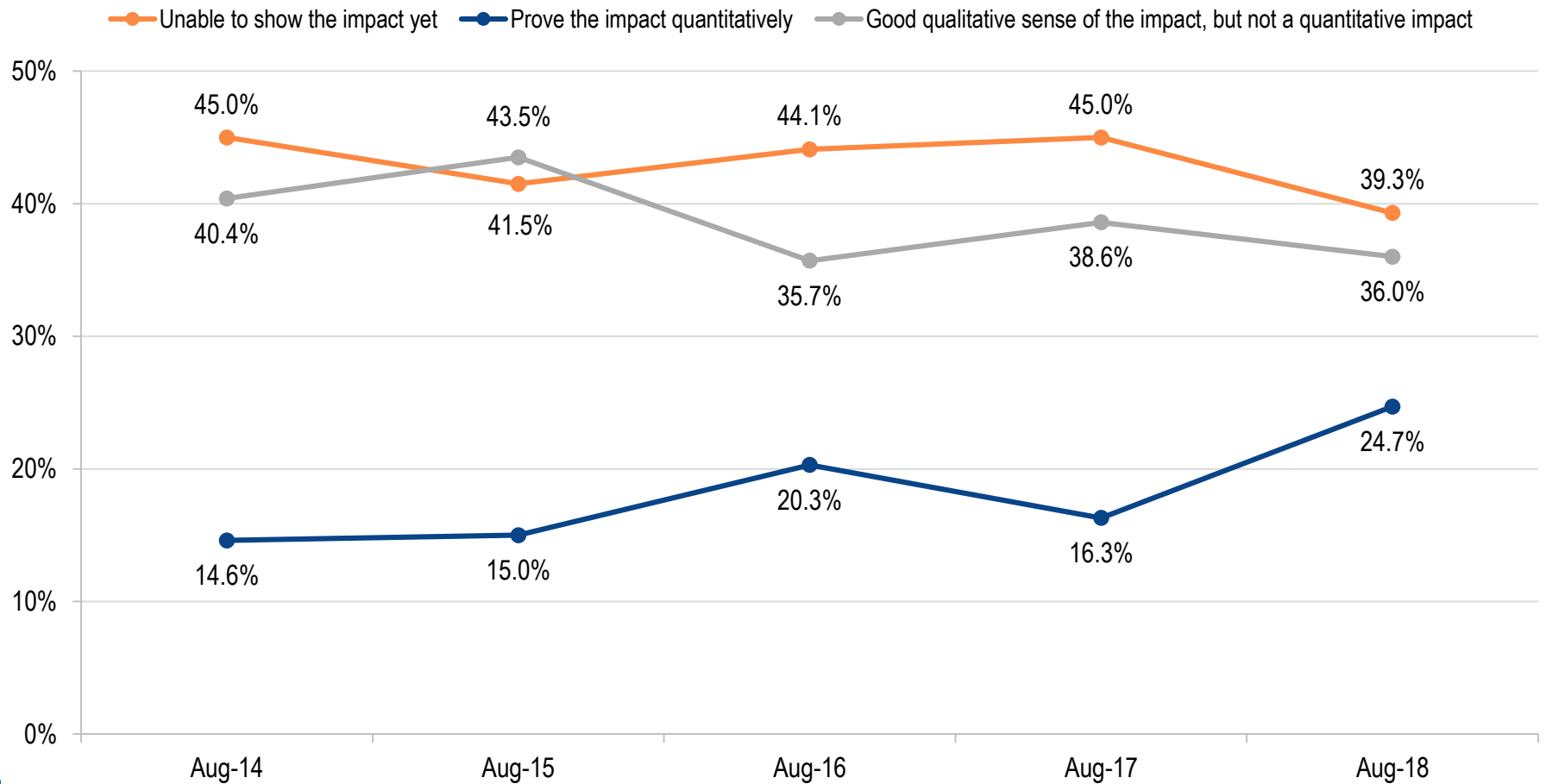
Internet sales



Firms improve in the ability to prove the impact of social media quantitatively

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Which best describes how you show the impact of social media on your business?



Topic 6

Mobile Marketing

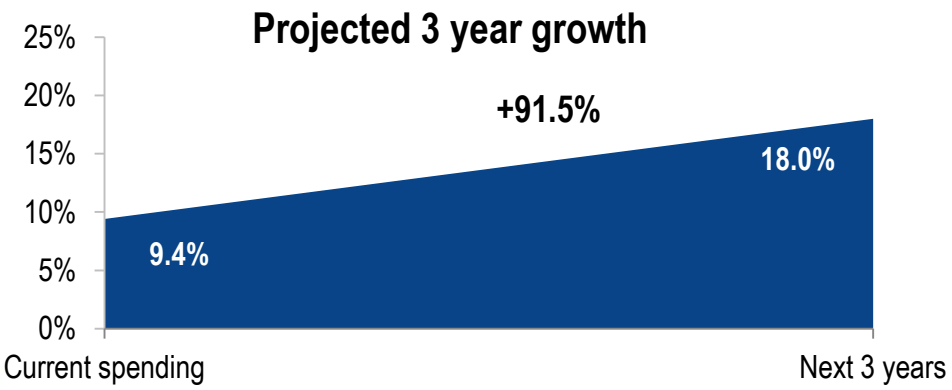
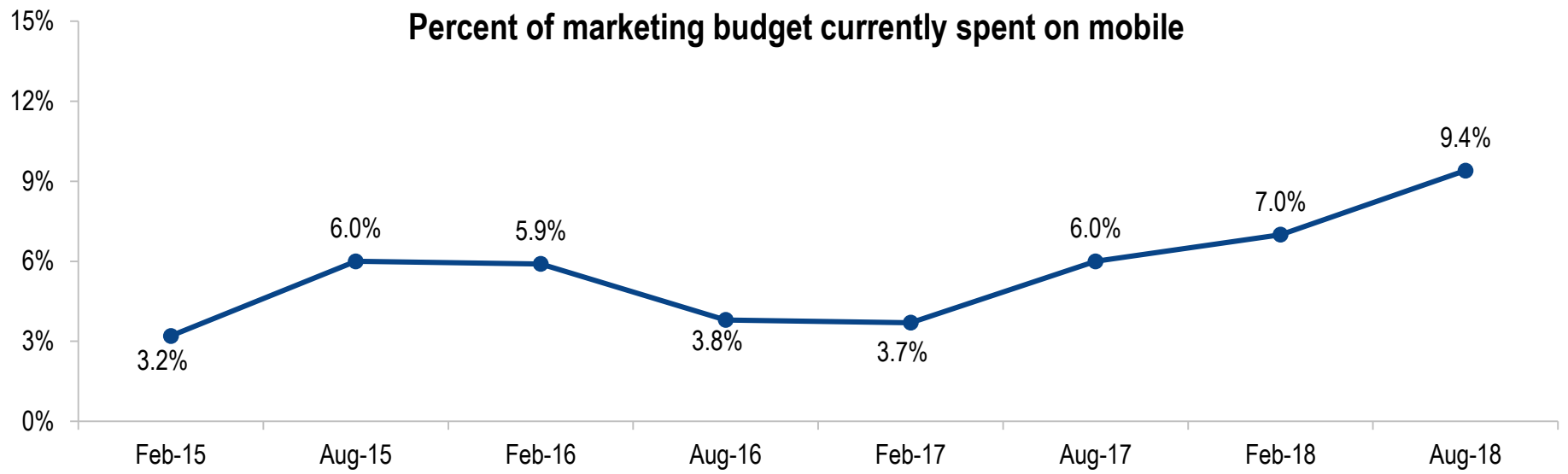
Executive Summary

The percentage of marketing budgets dedicated to mobile marketing has increased from 7% to 9.4% of marketing budgets over the last three years and is expected to increase 102% to 19% over the next three years. B2C companies outspend B2B companies by 100%.

At the same time, the contributions of mobile marketing to company performance show little improvement over time. The largest companies by sales revenue derive more value as to companies with a great percentage of their sales from the internet.

Percent of marketing budget on mobile trends upwards over three years

- Marketplace
- Growth
- Spending
- Performance
- Social Media
- Mobile**
- Jobs
- Organization
- Leadership
- Analytics

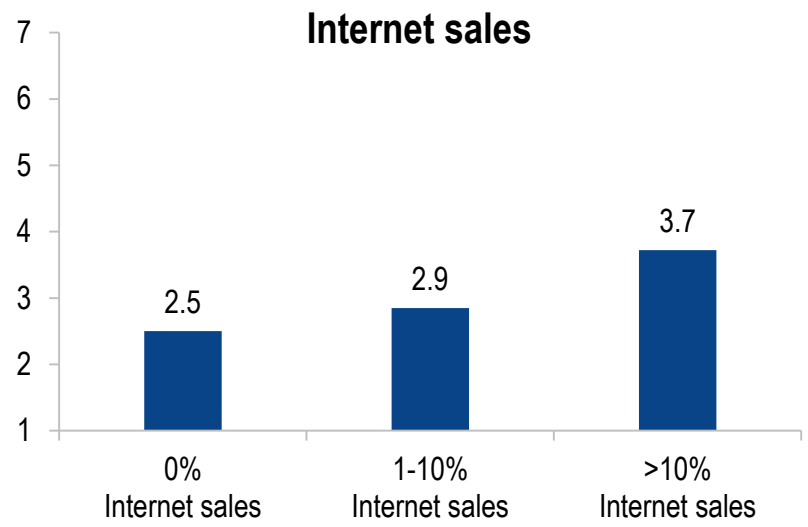
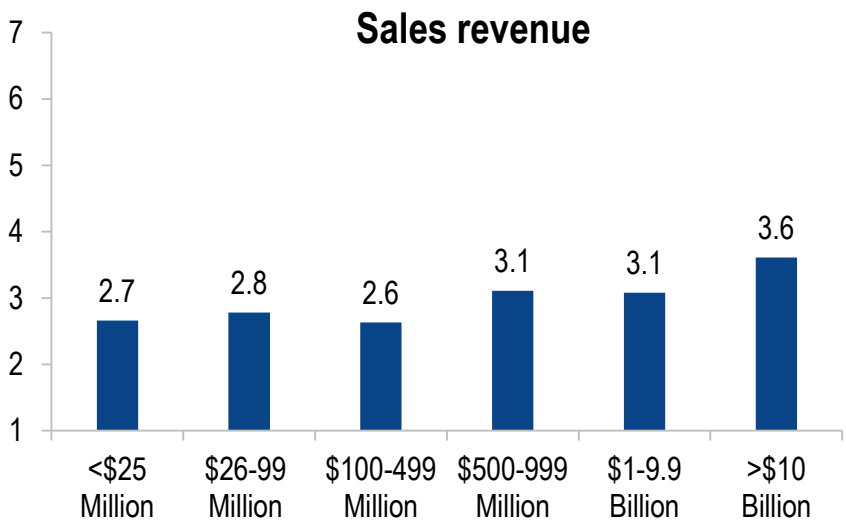
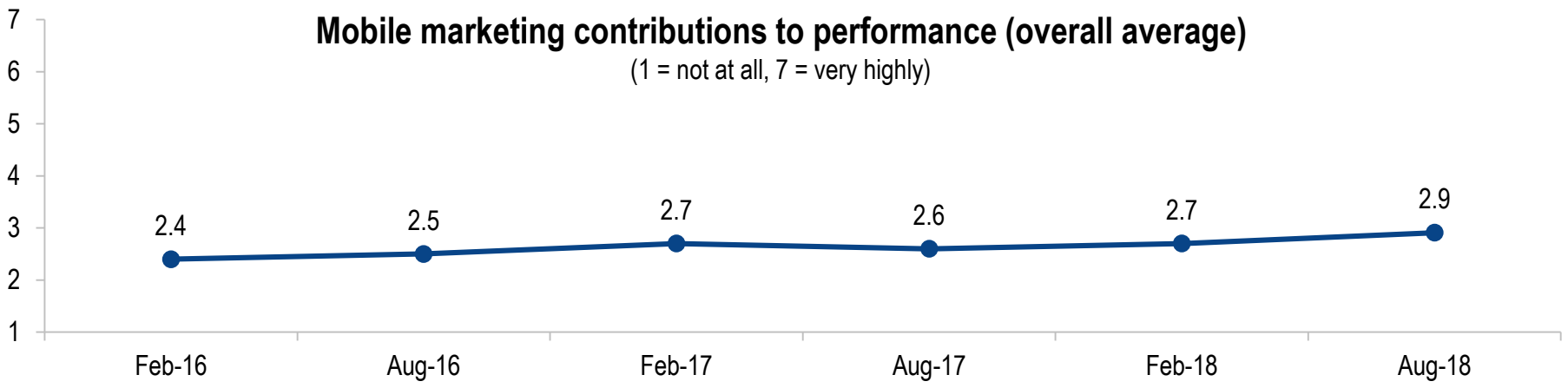


Economic sector

	<u>Current</u>	<u>Next 3 years</u>
B2B Product	6.9%	13.7%
B2B Services	7.5%	14.9%
B2C Product	12.5%	25.0%
B2C Services	15.3%	26.1%

Mobile marketing contributions to company performance by key dimensions

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Topic 7

Marketing Jobs

Executive Summary

The growth in marketing hiring dipped slightly over the last six months and remains flat when compared to a year ago. Over the same period, planned outsourcing of marketing activities has grown to its highest level in five years.

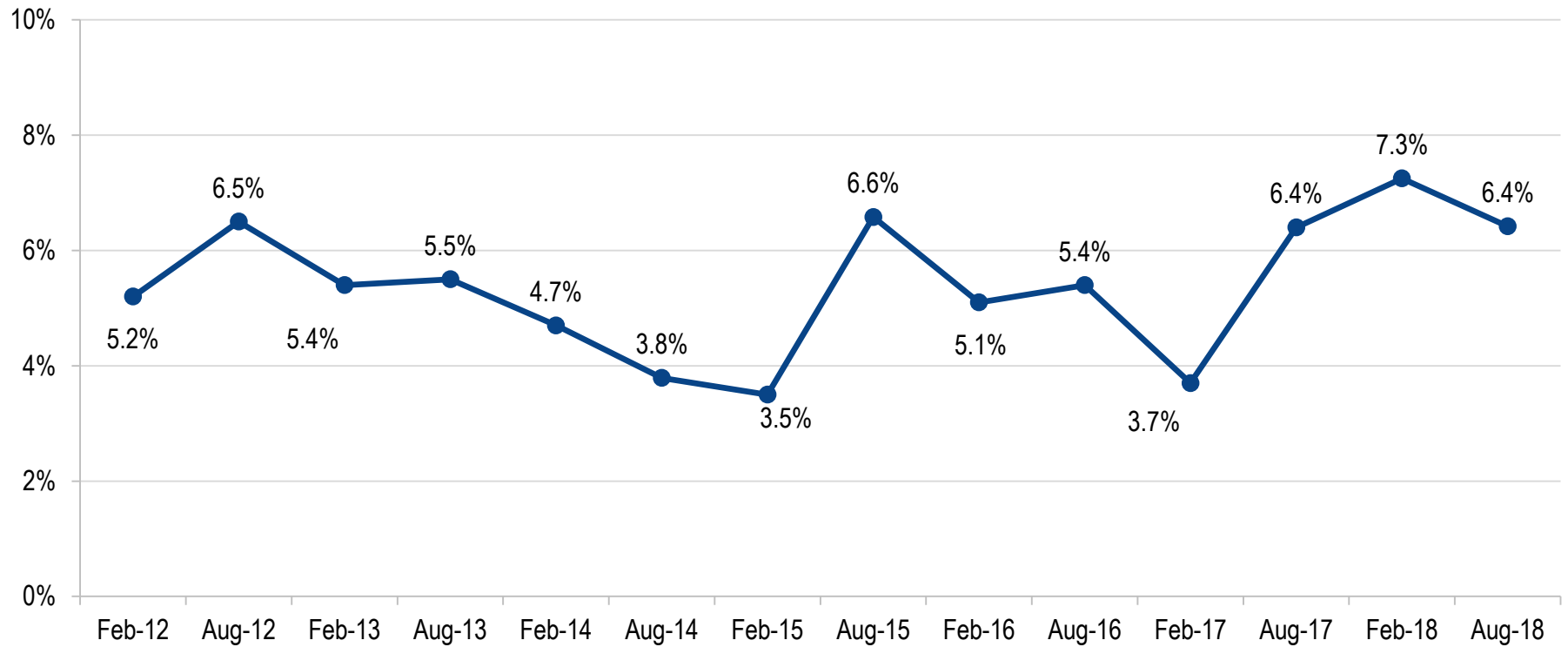
The highest priority skill for marketing recruiting is creativity, followed by natural leadership and MarTech platform experience.

Marketing hiring growth remains positive, but slows

Percent change in marketing hires planned in next 12 months

Economic sector

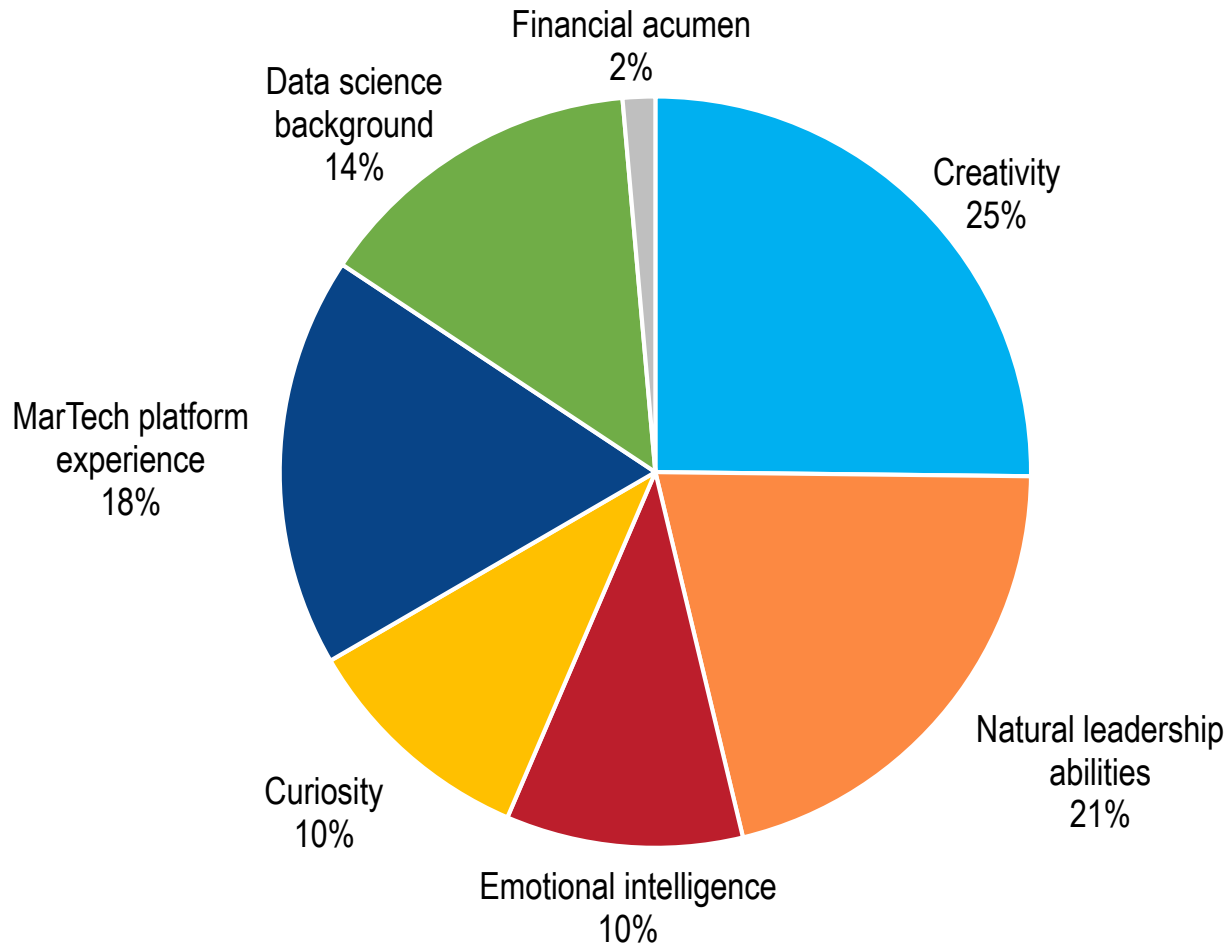
B2B Product	7.0%
B2B Services	4.1%
B2C Product	9.7%
B2C Services	6.3%



Skills prioritized in hiring marketing talent

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
-------------	--------	----------	-------------	--------------	--------	-------------	--------------	------------	-----------

What skills will be prioritized in hiring marketing talent (% of companies reporting the skill as most important)



Marketers seek talent with creativity and natural leadership ability

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
-------------	--------	----------	-------------	--------------	--------	-------------	--------------	------------	-----------

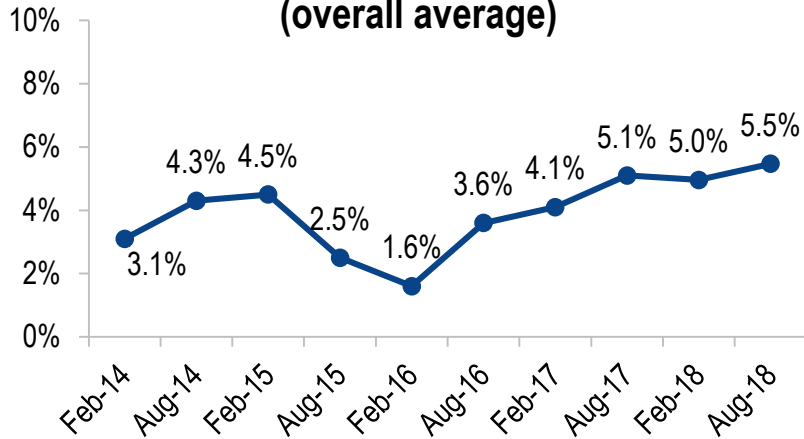
When thinking about future marketing talent needs, what skills would you prioritize in the hiring process?
 (Rank in order of importance, where 1 = most important, 7 = least)

Talent	Mean rank	1	2	3	4	5	6	7
Creativity	3.12	25.2%	17.7%	16.3%	19.7%	9.5%	4.8%	6.8%
Natural leadership abilities	3.66	21.1%	13.6%	13.6%	12.2%	16.3%	15.6%	7.5%
Emotional intelligence	3.87	10.2%	17.0%	19.7%	12.2%	18.4%	15.0%	7.5%
Curiosity	3.97	10.2%	17.7%	15.6%	17.0%	14.3%	11.6%	13.6%
MarTech platform experience	4.18	17.7%	15.0%	9.5%	11.6%	10.2%	7.5%	28.6%
Data science background	4.24	14.3%	12.2%	12.2%	8.8%	17.0%	19.7%	15.6%
Financial acumen	4.97	1.4%	6.8%	12.9%	18.4%	14.3%	25.9%	20.4%

Marketing outsourcing by key dimension

- Marketplace
- Growth
- Spending
- Performance
- Social Media
- Mobile
- Jobs**
- Organization
- Leadership
- Analytics

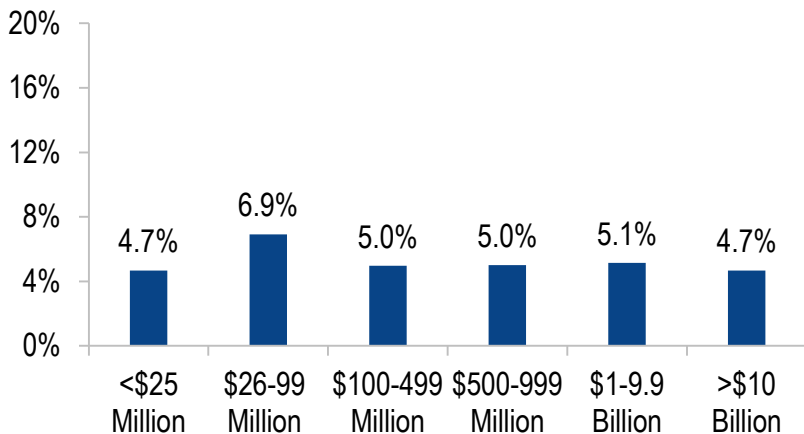
Planned change in outsourcing (overall average)



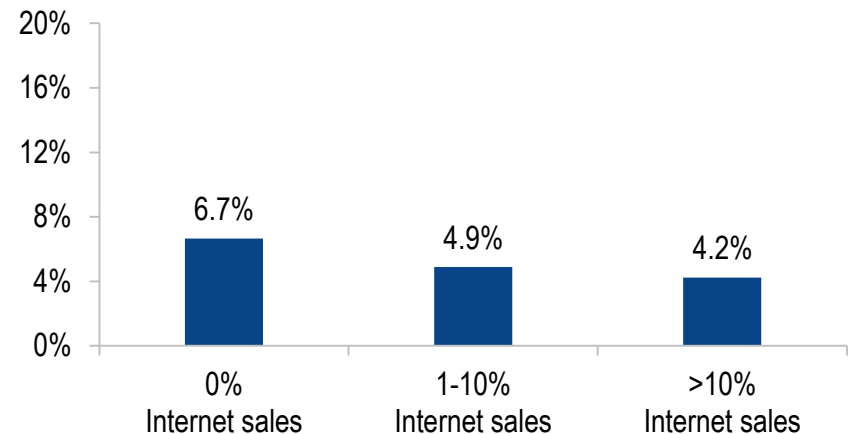
Economic sector

B2B Product	5.8%
B2B Services	6.3%
B2C Product	3.5%
B2C Services	5.2%

Sales revenue



Internet sales



Topic 8

Marketing Organization

Executive Summary

Marketing capabilities is ranked the highest quality marketing knowledge resource with the biggest opportunity for improvement in marketing training.

The majority of companies build marketing capabilities by training current or hiring new employees with the skills as opposed to partnering or buying companies.

Digital marketing capabilities are reported to be moderate, on average, with the biggest weaknesses in measuring the success of digital marketing activities and working with external partners.

Marketing capabilities rated as highest quality knowledge asset

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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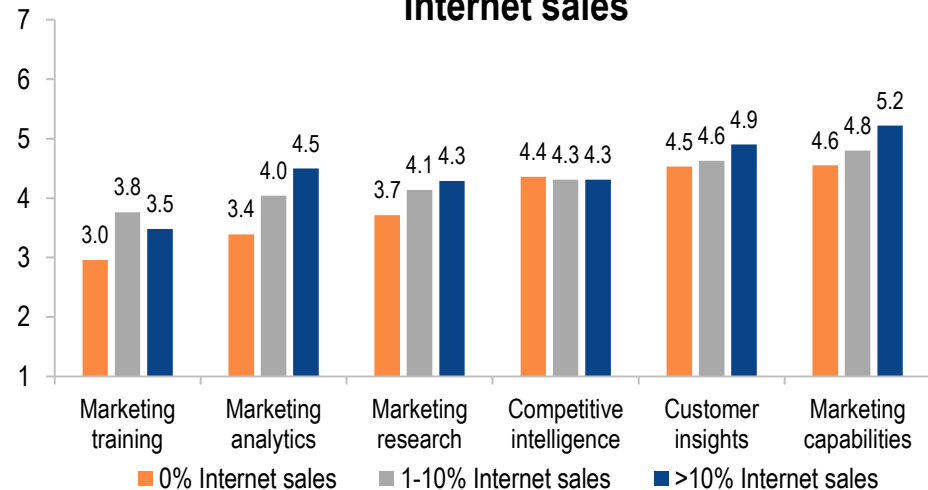
Overall quality of your company's marketing knowledge resources (1=poor, 7=excellent)

Marketing knowledge resources	Overall average
Marketing capabilities	4.8
Customer insights	4.7
Competitive intelligence	4.4
Marketing research	4.0
Marketing analytics	3.9
Marketing training	3.4

Economic sector

	B2B Product	B2B Services	B2C Product	B2C Services
Marketing capabilities	4.9	4.8	4.6	4.9
Customer insights	4.7	4.5	4.6	5.1
Competitive intelligence	4.6	4.1	4.3	4.7
Marketing research	3.8	4.2	4.1	4.2
Marketing analytics	3.9	3.8	3.8	4.4
Marketing training	3.4	3.3	3.3	3.4

Internet sales



Across all sectors, companies invest internally to develop new marketing capabilities

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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How does your company approach the development of new marketing capabilities? (Allocate 100 points to indicate the emphasis you place on each approach)

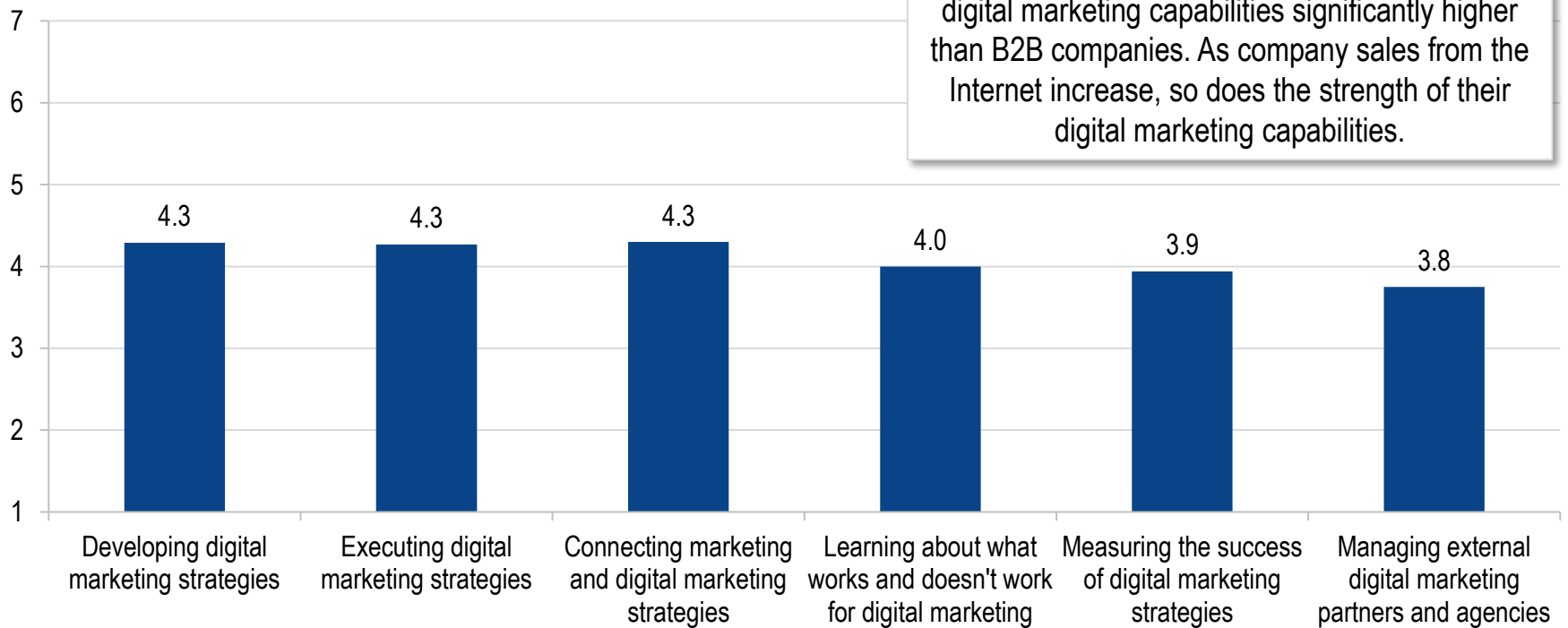
Economic sector

	Overall average	B2B Product	B2B Services	B2C Product	B2C Services
We build new marketing capabilities ourselves by training current or hiring new employees with the skills	59.8%	60.2%	64.0%	48.6%	61.8%
We partner with other marketing agencies to learn new marketing skills	14.5%	13.7%	12.3%	22.3%	12.6%
We partner with other consultancies to learn new marketing skills	12.2%	10.4%	13.2%	13.9%	12.4%
We partner with other companies to learn new marketing skills	11.5%	13.5%	8.4%	13.6%	11.7%
We buy other companies to acquire new marketing skills	2.0%	2.2%	2.1%	1.6%	1.5%

State of firm digital marketing capabilities

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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How well has your company developed strong knowledge and skills in each digital marketing strategy area? (1 = poor, 7 = excellent)



Topic 9

Marketing Leadership

Executive Summary

Overall, the role of marketing has broadened in the last five years, particularly for service companies. CEO and Board pressure to prove the value of marketing has decreased since 2013.

Only 22.4% of marketing leaders believe it is appropriate for their brands to take a stance on politically-charged issues, reflecting an increase from 18.4% in February 2018. The strongest reason to take a stand is to “show my company cares about more than making profits” while the reason not to take a stand is the worry that doing so will “have a negative effect on my company’s ability to attract and retain customers/partners.”

Neither the use of online customer or third party data drives major privacy concerns.

Marketing leads more activities in companies

Percentage of companies in which marketing leads activity

Activity	Aug-14	Aug-18*
Brand	84.4%	91.4%
Digital marketing ²	-	82.7%
Advertising	83.9%	79.6%
Social media	78.4%	82.7%
Public relations	65.8%	69.1%
Promotion	74.9%	71.6%
Positioning	76.9%	71.6%
Marketing research	65.3%	67.3%
Lead generation	56.3%	61.7%
Marketing analytics	68.3%	68.5%
Competitive intelligence	57.3%	58.6%
Customer experience ³	-	45.7%
CRM	38.2%	42.0%
Market entry strategies	52.3%	38.9%
Revenue growth ¹	-	40.1%
New products	41.7%	34.0%
Pricing	32.2%	30.9%
Innovation	30.2%	30.2%
e-commerce ¹	-	25.3%
Market selection	30.7%	25.3%
Sales	26.6%	22.6%
Customer service	19.6%	17.3%
Distribution	9.5%	8.6%
Stock market performance	2.5%	2.5%

Highest Economic Sector Score

Highest % Internet Sales Score

→ B2C Product (96.0%)	>10% (87.5%)
→ B2B Service (73.1%)	>10% (75.0%)
→ B2C Service (61.5%)	>10% (65.0%)
→ B2C Product (52.0%)	>10% (55.0%)

¹ Question was added in Aug-16.

² Question was added in Aug-17.

³ Question was added in Feb-18.

*Red reflects a decrease and Green reflects an increase of more than 2% between Aug-14 and Aug-18.

How to interpret: Highest scores refer to the economic sector (or level of Internet sales) that corresponds with the highest leadership of key activities within marketing (e.g., 96.0% of marketers in B2C Product companies lead 'digital' activities for the enterprise).

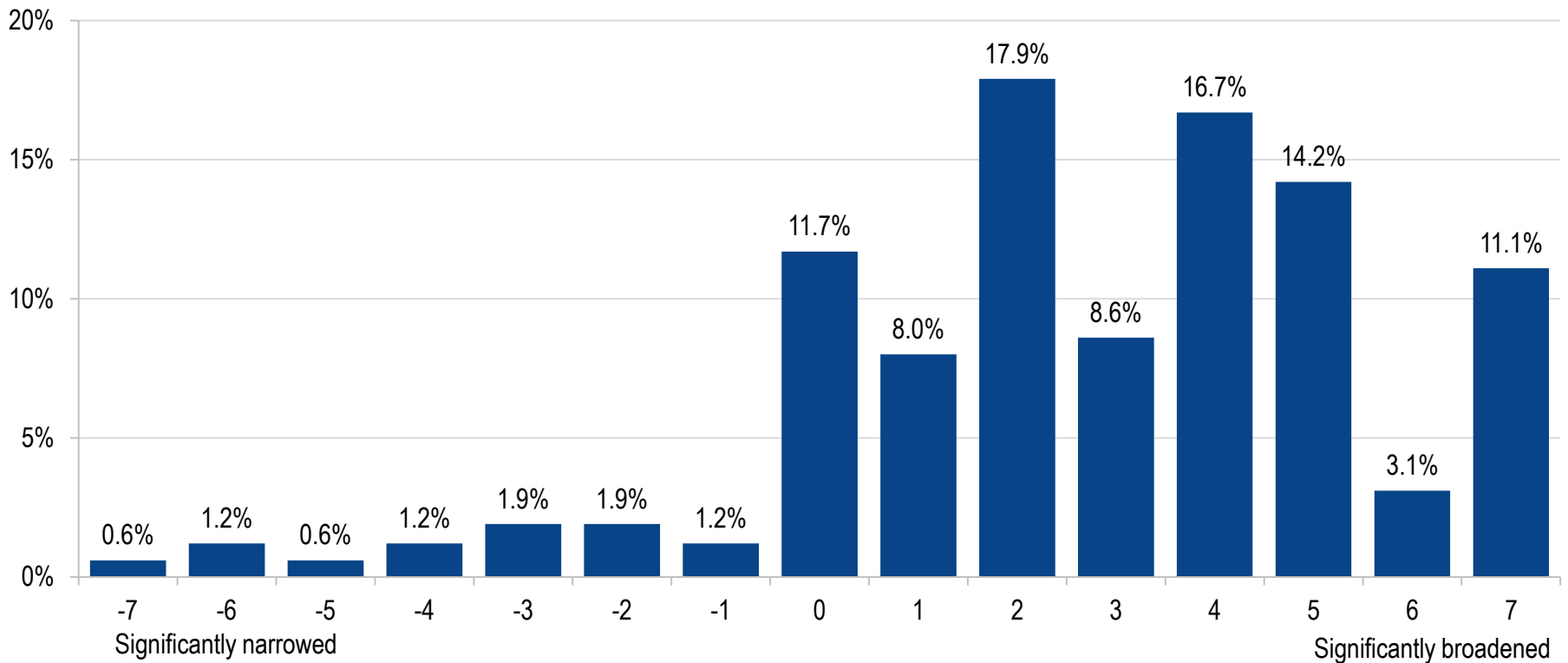
Marketing's role has broadened in the last five years

- Marketplace
- Growth
- Spending
- Performance
- Social Media
- Mobile
- Jobs
- Organization
- Leadership**
- Analytics

How has marketing's role within your organization changed in the last five years? (-7 = significantly narrowed, 7 = significantly broadened)

Economic sector

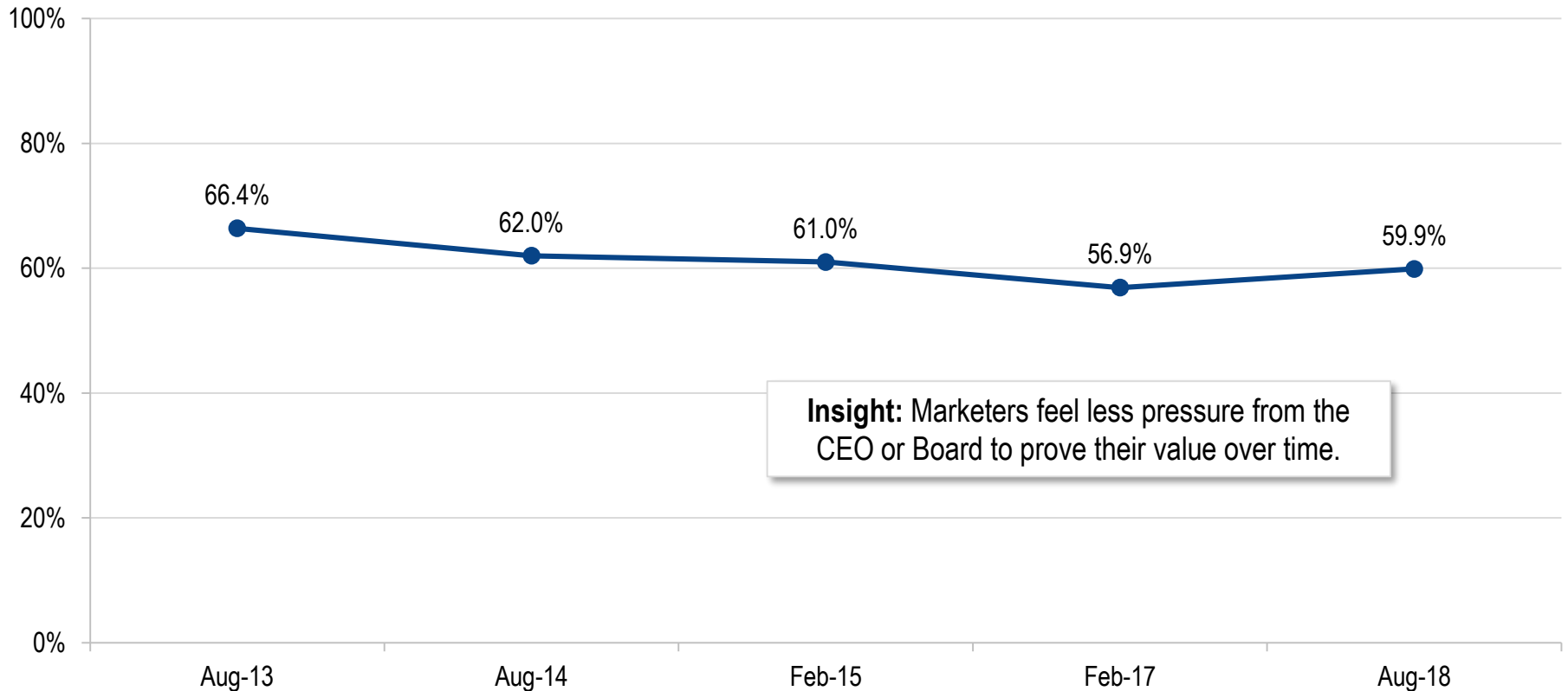
B2B Product	2.2
B2B Services	2.9
B2C Product	2.7
B2C Services	3.4



Marketers experience less pressure to prove the value of marketing over time

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
-------------	--------	----------	-------------	--------------	--------	------	--------------	------------	-----------

Percent of marketing leaders reporting pressure from CEO or Board to prove the value of marketing*



Insight: Marketers feel less pressure from the CEO or Board to prove their value over time.

*Question asked irregularly. A complete time series of available data is shown.

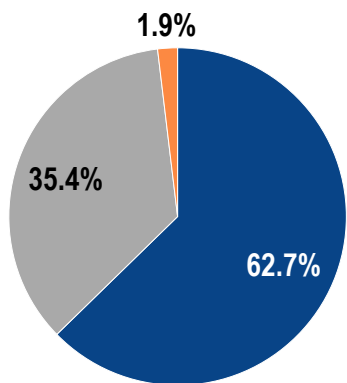
Company use of online and third-party data

Has your company's use of online or third-party data changed?

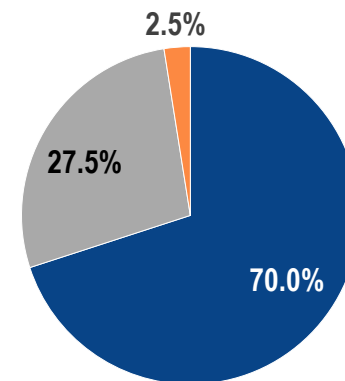
In the past two years...

In the next two years...

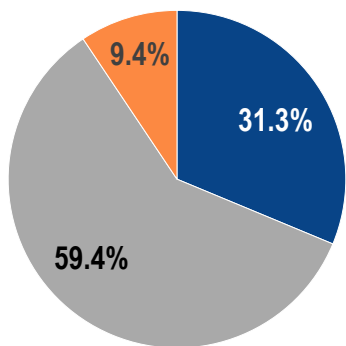
Online customer data



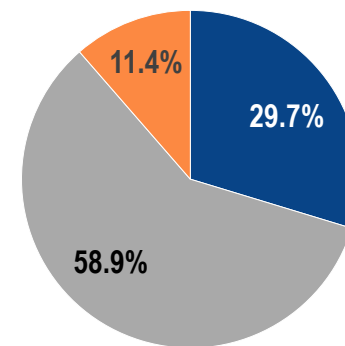
Insight: While the use of third-party data is expected to decrease, the use of online data is expected to rise.



Third-party data



■ Increasing use
■ About the same
■ Decreasing use

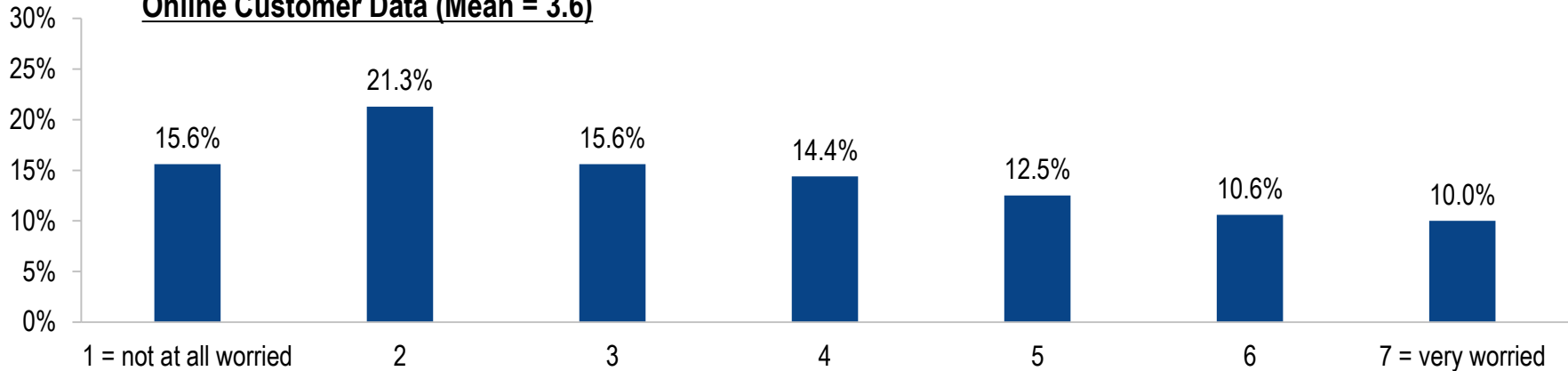


Marketers continue to have few concerns about the use of data and privacy

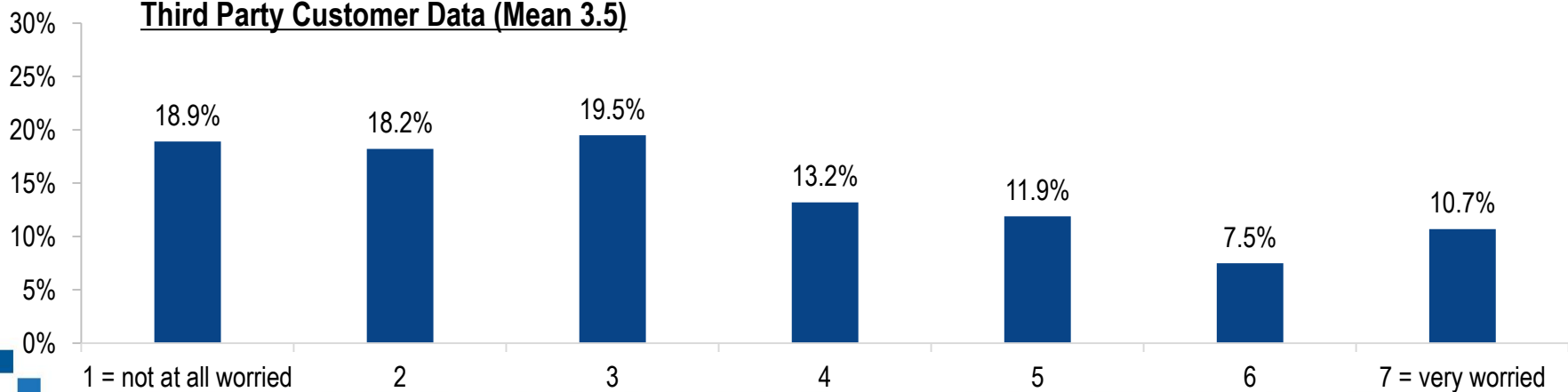
Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
-------------	--------	----------	-------------	--------------	--------	------	--------------	-------------------	-----------

How worried are you that your company's use of online or third-party data could raise concerns about privacy?
(1 = not at all worried, 7 = very worried)

Online Customer Data (Mean = 3.6)



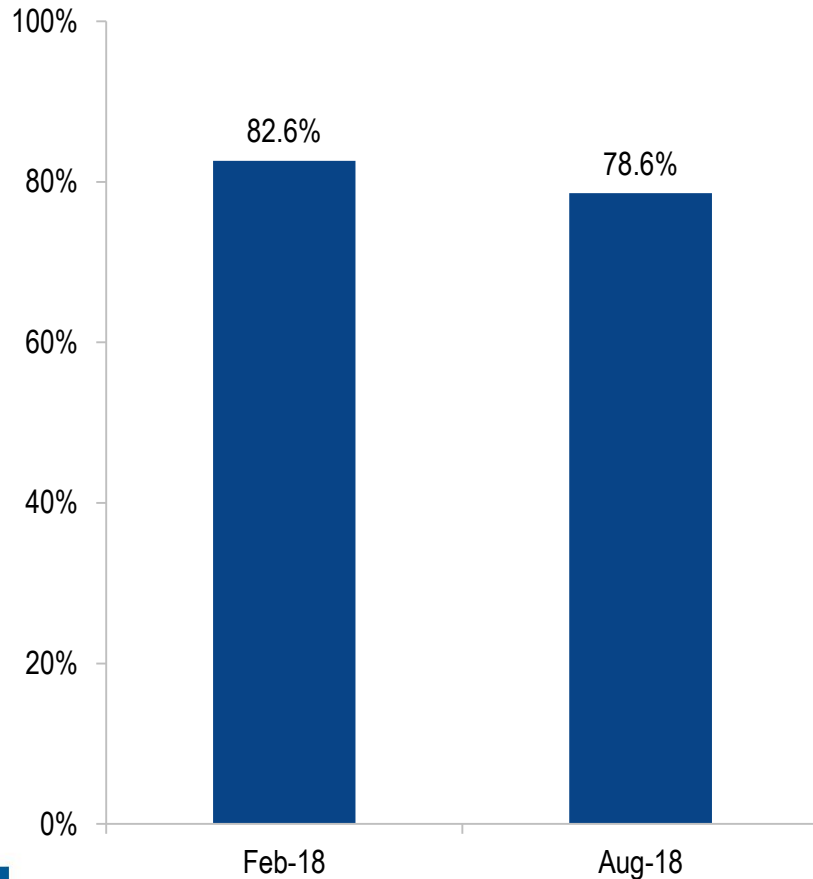
Third Party Customer Data (Mean 3.5)



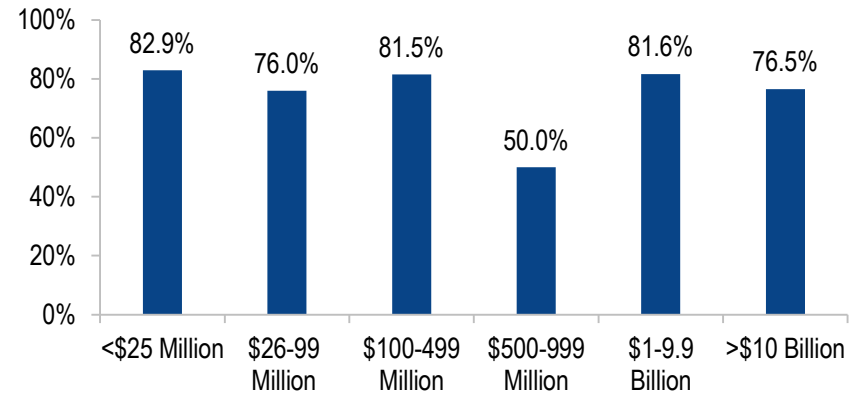
Marketers unlikely to use brands to take a stance on politically-charged issues

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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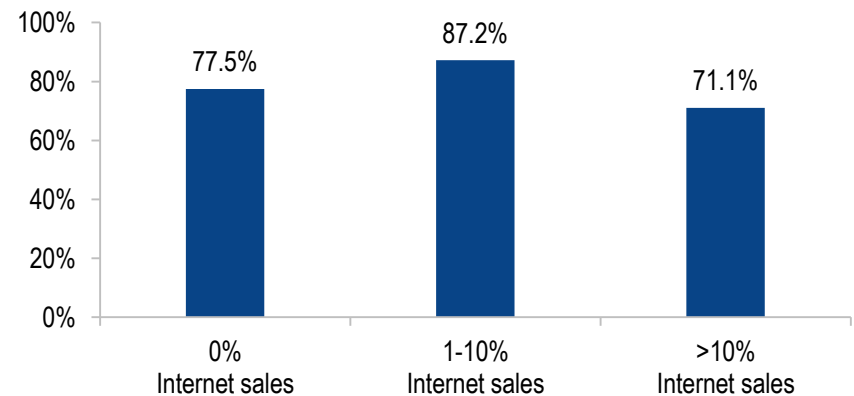
Do you believe it is appropriate for your brand to take a stance on politically-charged issues?
 (% responding "No")



Sales revenue



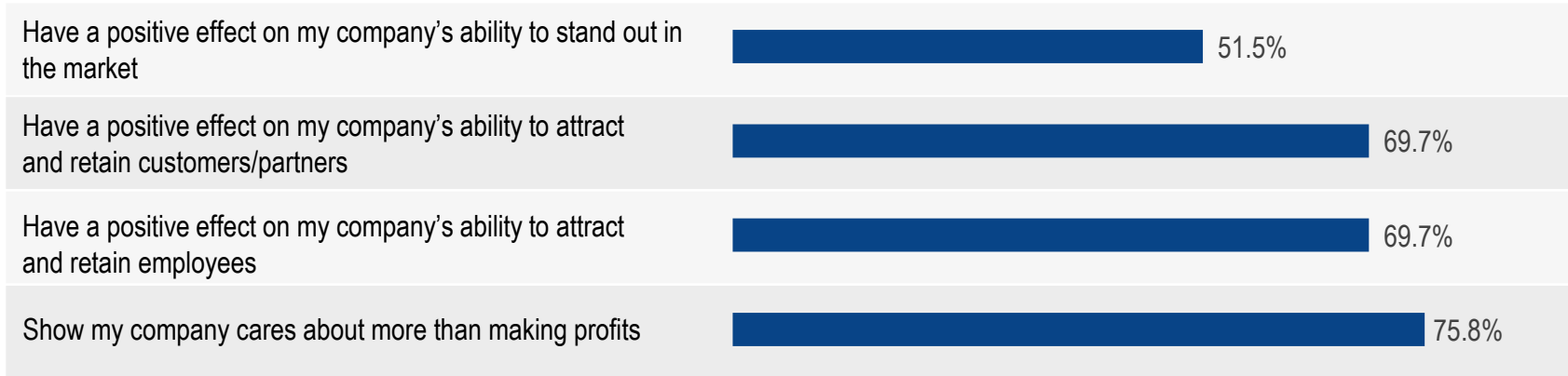
Internet sales



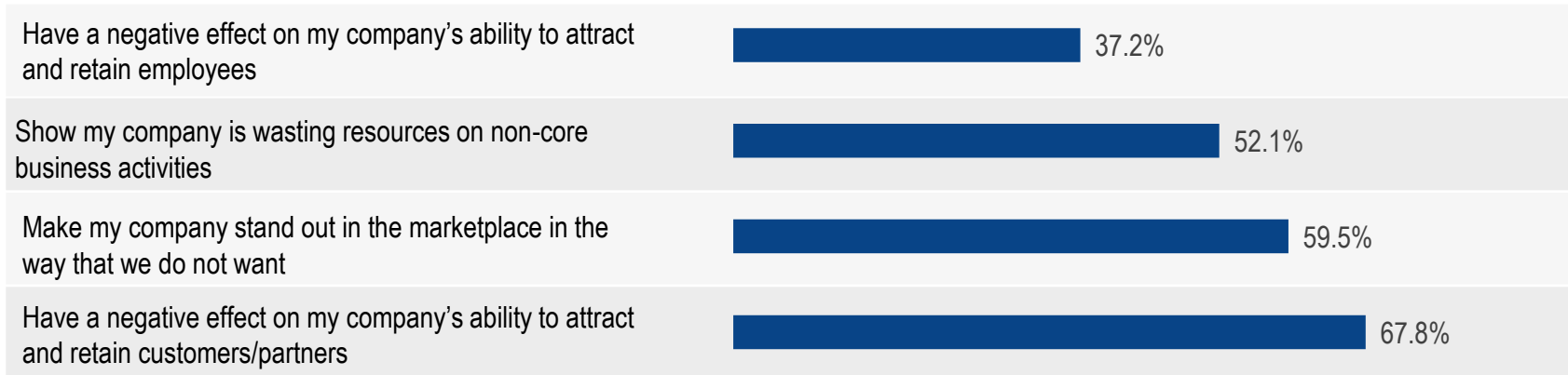
Why marketing leaders do and do not advocate for brand political activism

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
-------------	--------	----------	-------------	--------------	--------	------	--------------	-------------------	-----------

Reasons that influenced your willingness to take a stance (responding “yes”)



Reasons that influenced your unwillingness to take a stance (responding “no”)



Leadership profile: Ann Lewnes

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
-------------	--------	----------	-------------	--------------	--------	------	--------------	-------------------	-----------



Ann Lewnes
Adobe CMO

The Subscription Economy, a term that was relatively obscure a decade ago, has exploded into a ubiquitous phenomenon. Consumers gobble up Netflix memberships, Dollar Shave Club razors, and Stitch Fix clothing each month. Similarly, companies (and individuals) buy subscription-based technology such as Microsoft Office, Amazon Web Services, and SaaS business apps.

While ever-present in 2018, this was not the case in 2013 when Adobe made a then-radical pivot to a subscription model. Recently, we had the privilege to interview Adobe CMO Ann Lewnes about the role of marketing in this transition. We explore Ann's perspective on risk taking, the importance of a data-centric culture, commitment to change, creativity and talent, and the importance of redefining engagement.

Read the story:

<https://www.forbes.com/sites/christinemoorman/2018/08/23/adobe-how-to-dominate-the-subscription-economy/#7e9c041752e8>



Leading practices from marketing leaders

See full interviews at www.cmosurvey.org/cmo-insights/

The **CMO** Survey

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Senior Vice President and Chief Marketing Officer Beth Comstock discusses how GE approaches marketing: “You have to create a platform that invites innovative ideas.” This platform involves four capabilities that have produced an array of new products, services, customers, and business models.



Chief Marketing Officer Kim Feil discusses how she built a marketing function. From insights to accountability, she describes the organization, processes, metrics, and talent management strategies important to this effort.



Executive Vice President and Chief Marketing Officer Geert van Kuyck shares ideas on building the essential skill set for CMOs and the importance of defining the CMO’s mission. He discusses the use of the Net Promoter Score and other metrics to evaluate business results at Philips, touching on Philips’ engagement with LinkedIn and social media metrics.



Executive Vice President and Chief Marketing Officer Stephen Quinn describes how Walmart rebuilt its customer focus. Key steps involved harnessing internal support, generating market insight, using customer-focused metrics, living the brand internally, and building marketing talent.



Global Marketing Officer Marc Pritchard shares views on how marketing contributes to P&G’s performance. He talks about how P&G learns about customers and how it is relentless in its attention to building loyal customers and strong brands in the store, on the web, and around the world.

Topic 10

Marketing Analytics

Executive Summary

Spending on marketing analytics is forecasted to increase more than 200% in the next three years.

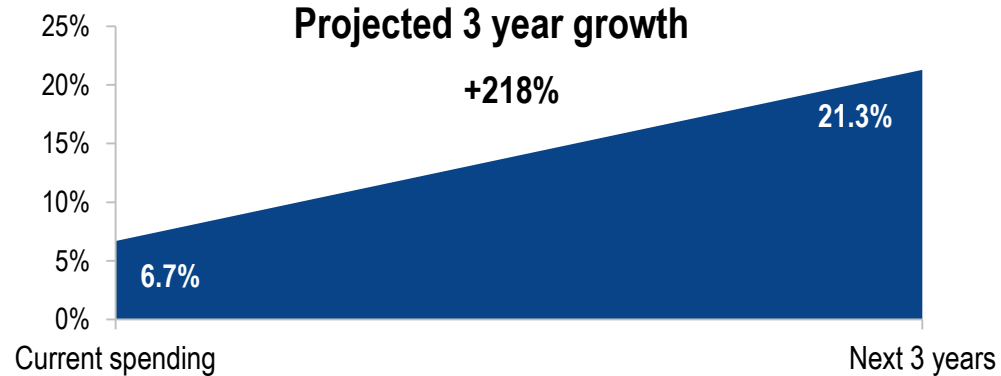
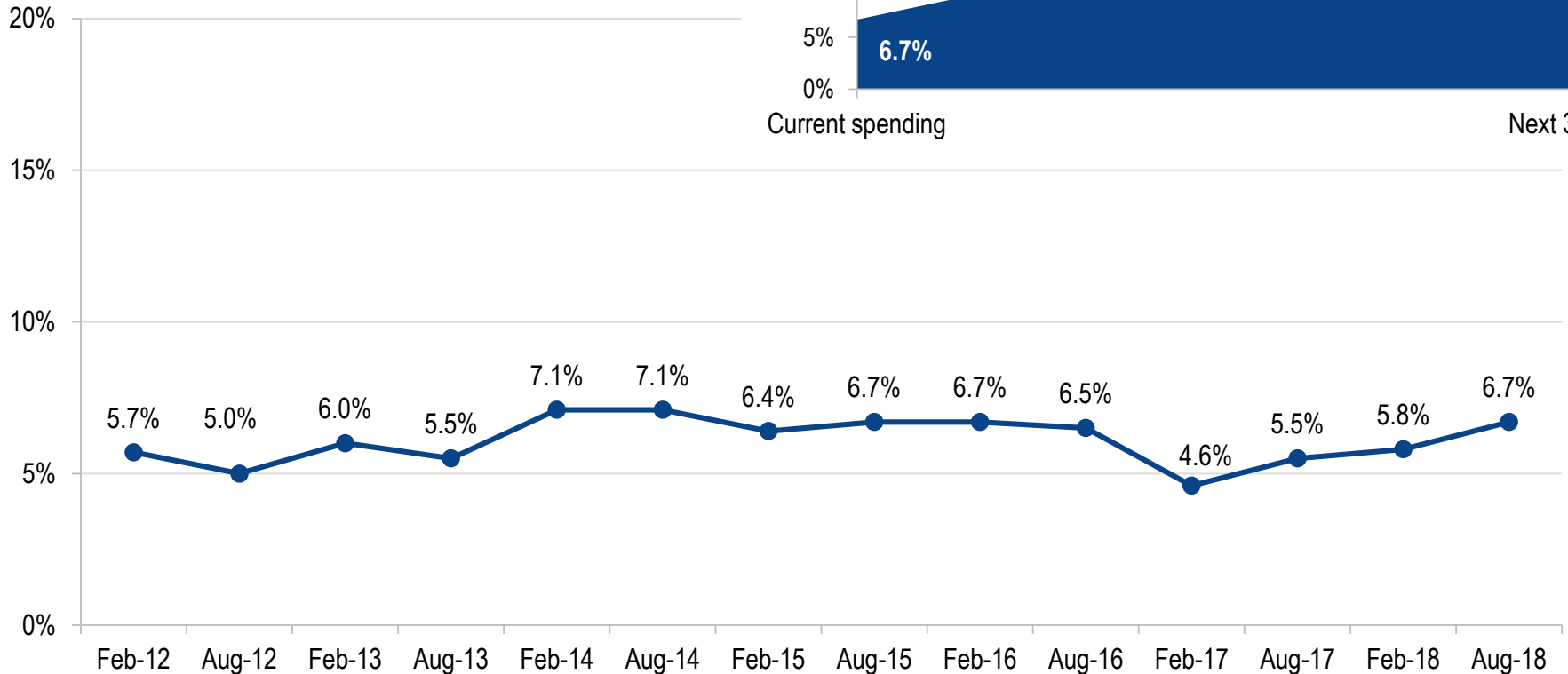
The use of marketing analytics in decision making has increased over time but dipped in over the last year. B2C companies are the biggest users.

A lack of trained professionals as well as tools/processes to measure the impact of marketing analytics are the biggest obstacles to using marketing analytics within companies.

Marketing analytics spend shows fluctuation but no consistent increases over past 6 years

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Percent of current marketing budget spend on marketing analytics over time



Percent of marketing budget spent on marketing analytics by key dimensions

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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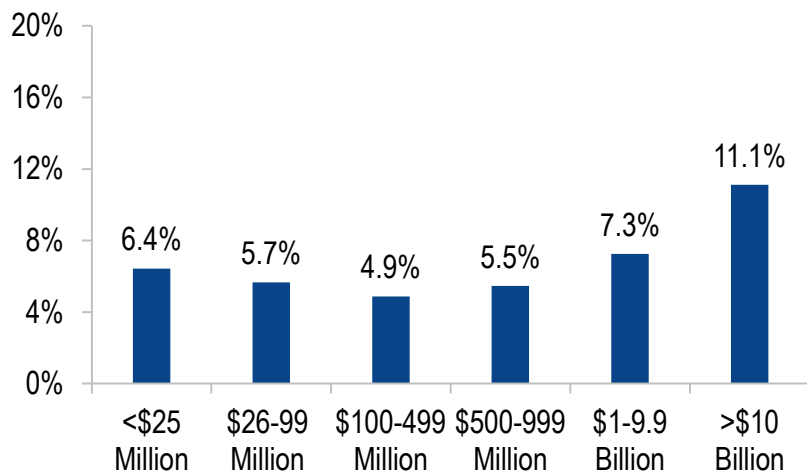
Economic sector

B2B Product	6.4%
B2B Services	6.3%
B2C Product	6.5%
B2C Services	8.5%

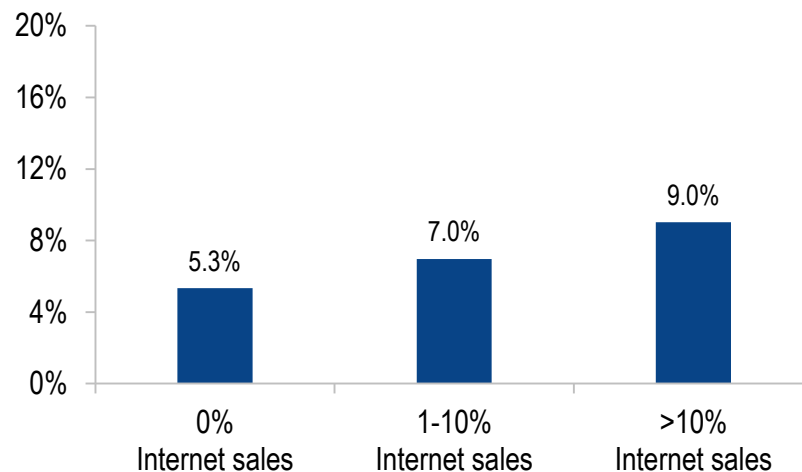
Industry sector

Top 3 industry sectors	Bottom 3 industry sectors
Energy Transportation Education	Mining/Construction Retail/Wholesale Service Consulting

Sales revenue



Internet sales

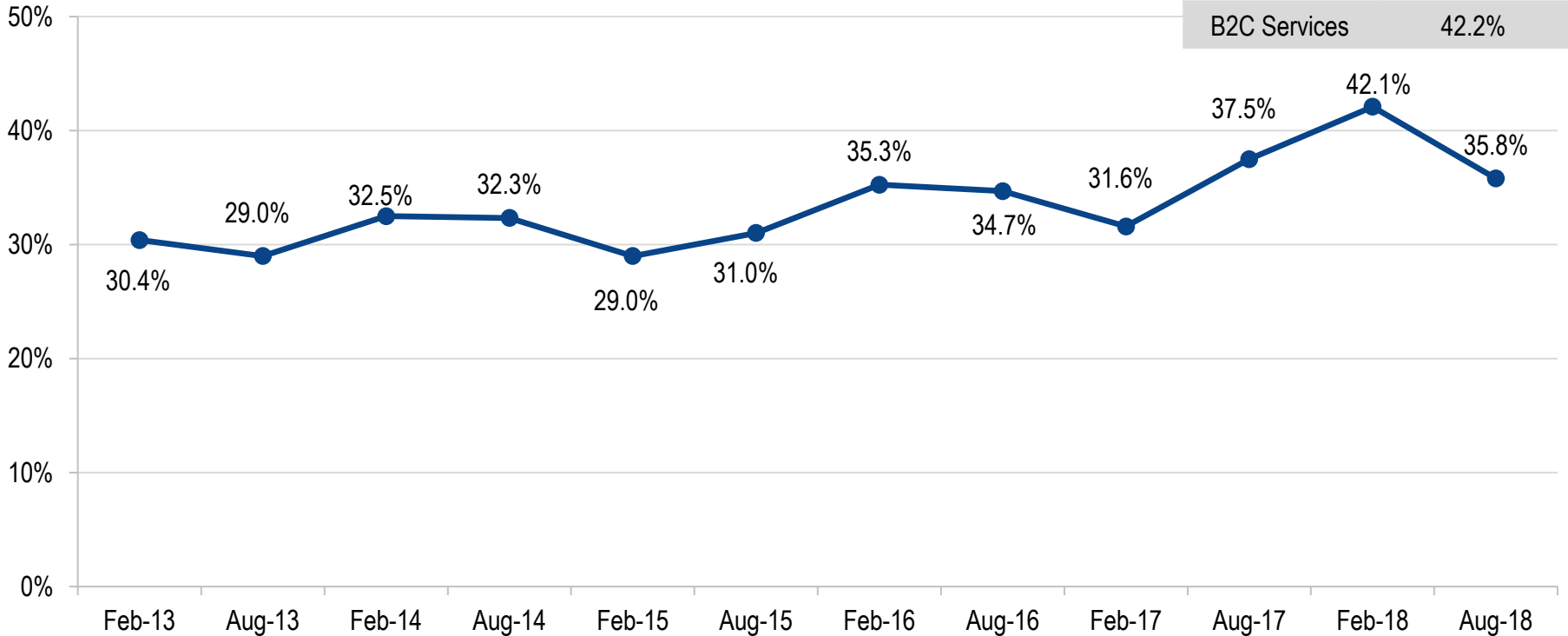


Companies use of marketing analytics continues to fluctuate: B2C companies biggest users

Percent of time marketing analytics is used in decision making

Economic sector

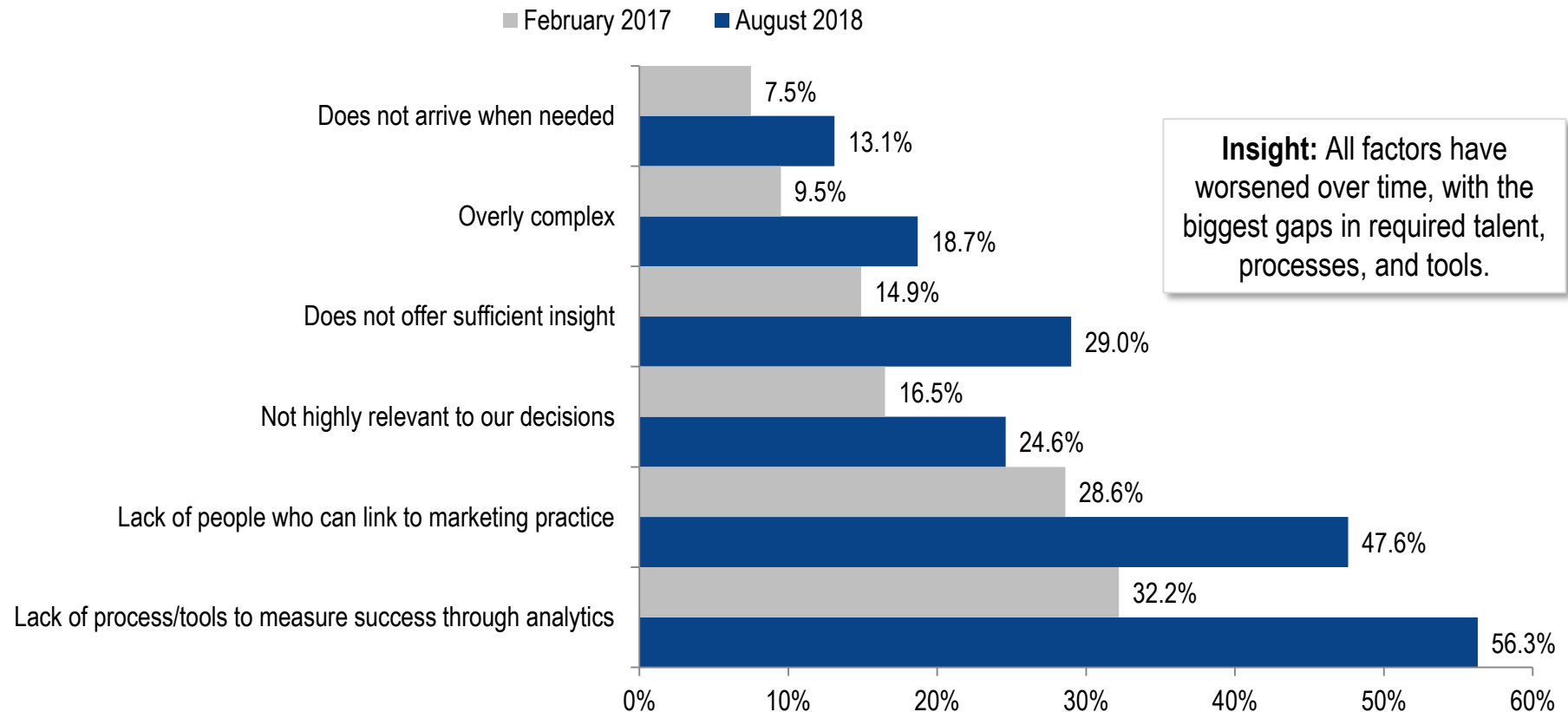
B2B Product	32.3%
B2B Services	29.1%
B2C Product	47.3%
B2C Services	42.2%



Process, people, and insight failures largest disruptors of marketing analytics use

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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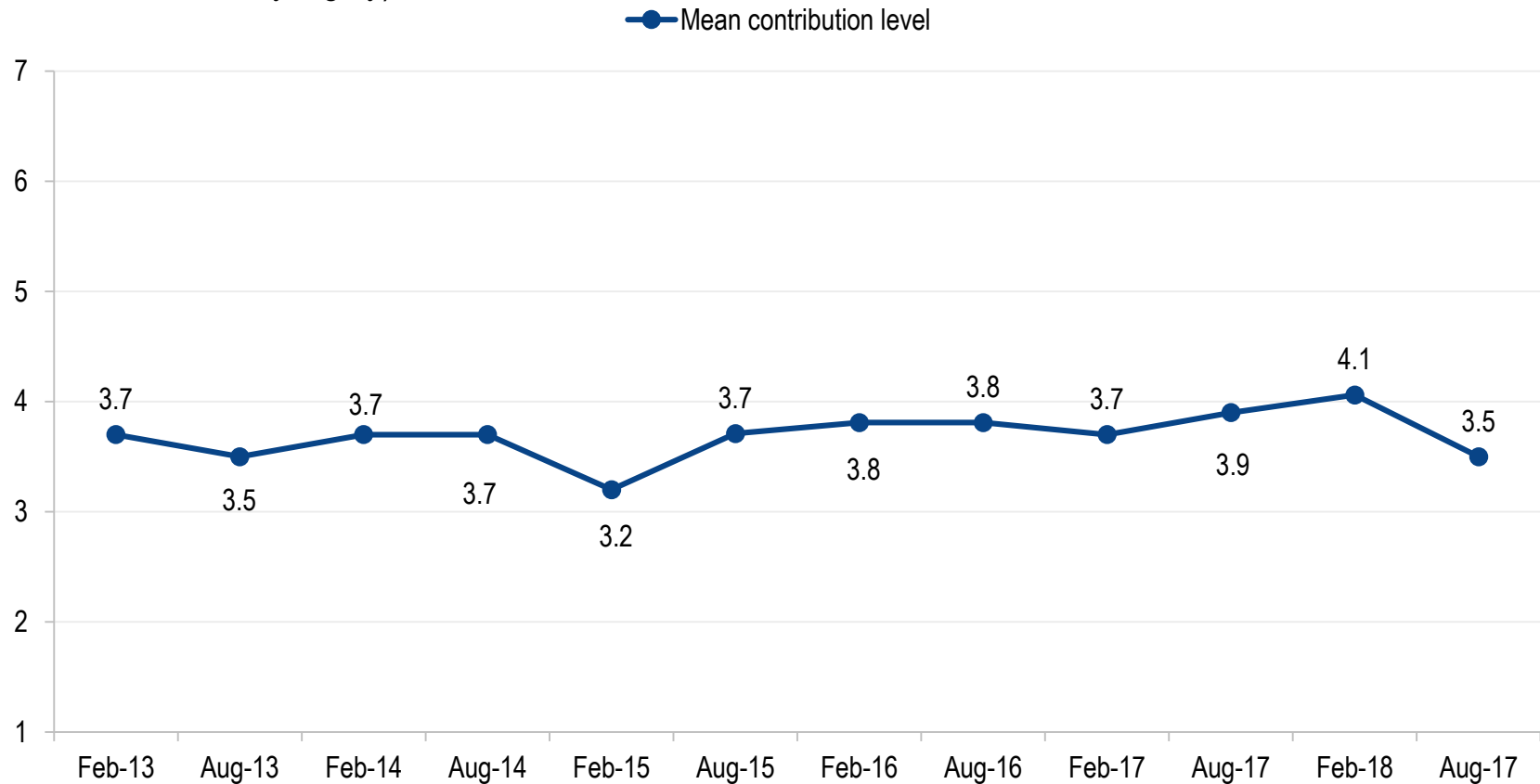
What factors prevent your company from using marketing analytics more often in decision making?



Contribution of marketing analytics to firm performance shows no improvement over time

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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To what degree does the use of marketing analytics contribute to your company's performance?
(1 = not at all, 7 = very highly)



*This question was asked in Aug-12 for the first time.

Contributions of marketing analytics to company performance by key dimensions

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Economic sector

B2B Product	3.2
B2B Services	3.3
B2C Product	3.9
B2C Services	4.3

Industry sector

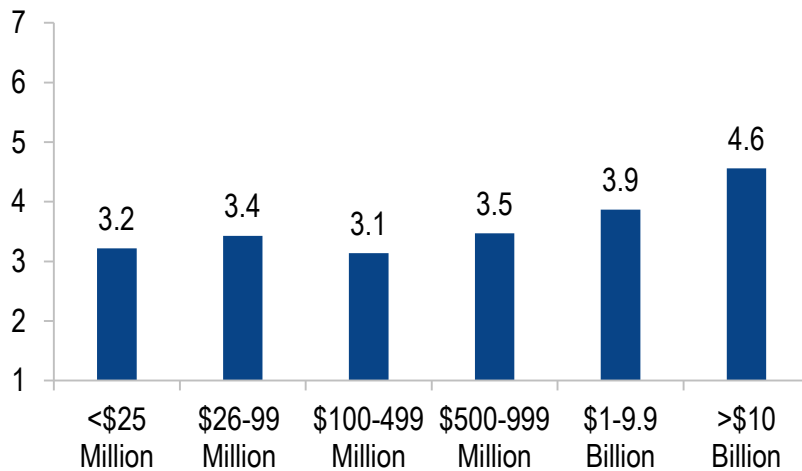
Top 3 industry sectors

Energy
Consumer Services
Communications/Media

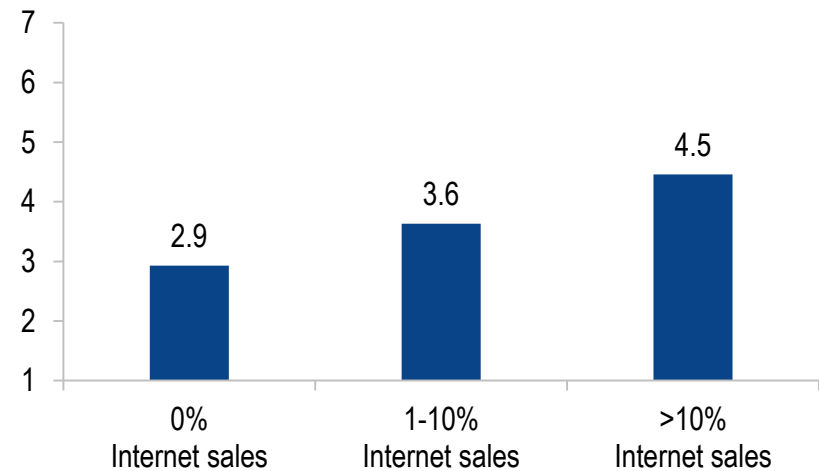
Bottom 3 industry sectors

Mining/Construction
Manufacturing
Service Consulting

Sales revenue



Internet sales



Next survey: January 2019

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Feedback: Send comments to moorman@duke.edu