

The **CMO** Survey[®]

Managing AI, Digital Strategies, and DE&I in Marketing

Highlights and Insights Report
Fall 2023

Deloitte.



AMERICAN MARKETING
ASSOCIATION

About the Survey

The CMO Survey collects and disseminates the opinions of marketing leaders in order to predict the future of markets, track marketing excellence, and improve the value of marketing in organizations and society. It is an objective source of marketing information dedicated to the field of marketing.

Founded in 2008, The CMO Survey is administered twice a year. Each edition includes three reports:

- The **Topline Report** offers an aggregate view of the results.
- The **Highlights and Insights Report** shares key metrics, trends, and insights over time.
- The **Firm and Industry Breakout Report** displays results by sectors, headcount, revenue, and percent online sales.

The CMO Survey is sponsored by Deloitte LLP, Duke University's Fuqua School of Business, and the American Marketing Association. Sponsor support includes intellectual and financial resources. Survey data and participant lists are held in strict confidence and are not provided to sponsors or any other parties.

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Survey Method

Questions

The CMO Survey monitors key marketing indicators. Since 2008, marketing spending and performance indicators have been observed twice a year to offer benchmarks and insights to the marketing profession.

This 31st edition continues to follow these trends while also examining:

- The use of AI in marketing
- Digital marketing strategy, spending, and performance patterns focused on influencers, mobile, social, and app marketing
- Managing Diversity, Equity, & Inclusion in marketing

Interpretive Guide:

M = Average

SD = Standard deviation

B2B = Business-to-business firms

B2C = Business-to-consumer firms

Administration

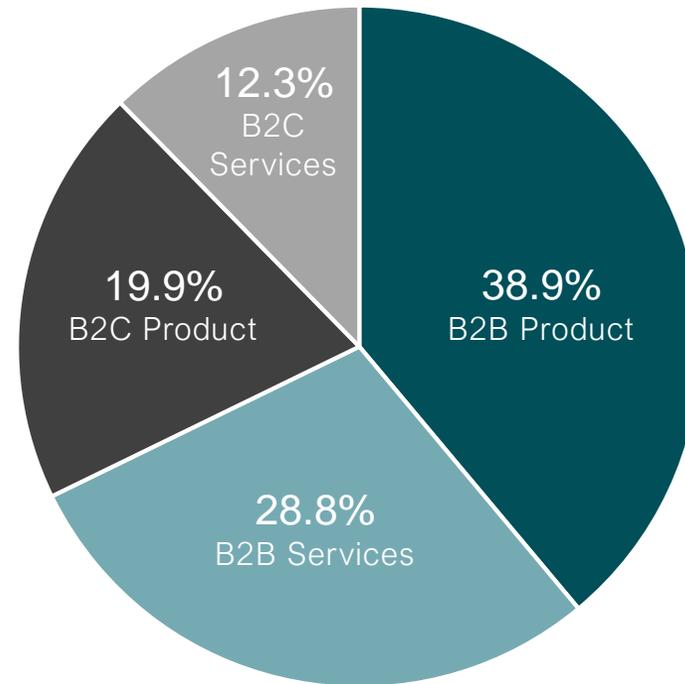
- Email contact with four follow-up reminders
- Survey was in field July 26–August 17, 2023
- In 2023, the survey shifted to a Spring and Fall administration. This is reflected in calendar labels used throughout this report.

Sample

Sample (n=316)

- 3075 marketing leaders at for-profit U.S. companies
- 316 responded for a 10.3% response rate
- 95.6% of respondents are VP-level or above

Economic Sector

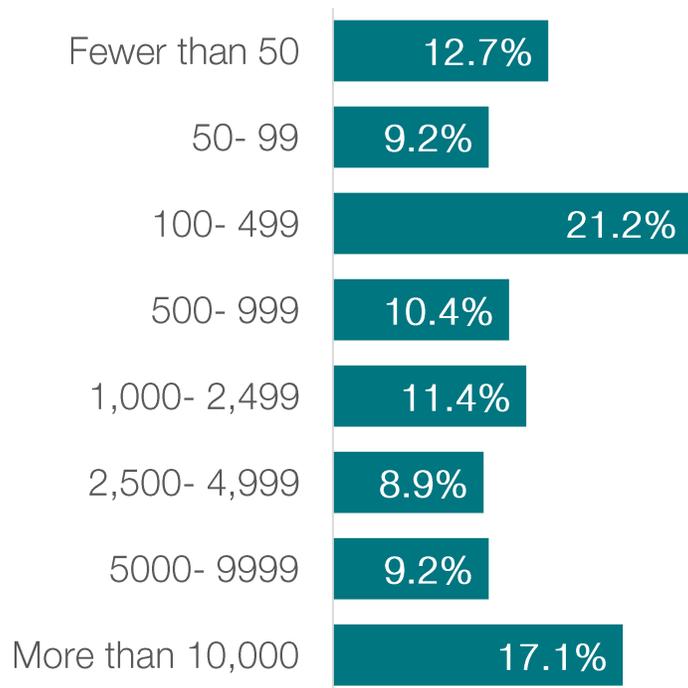


Industry Sector

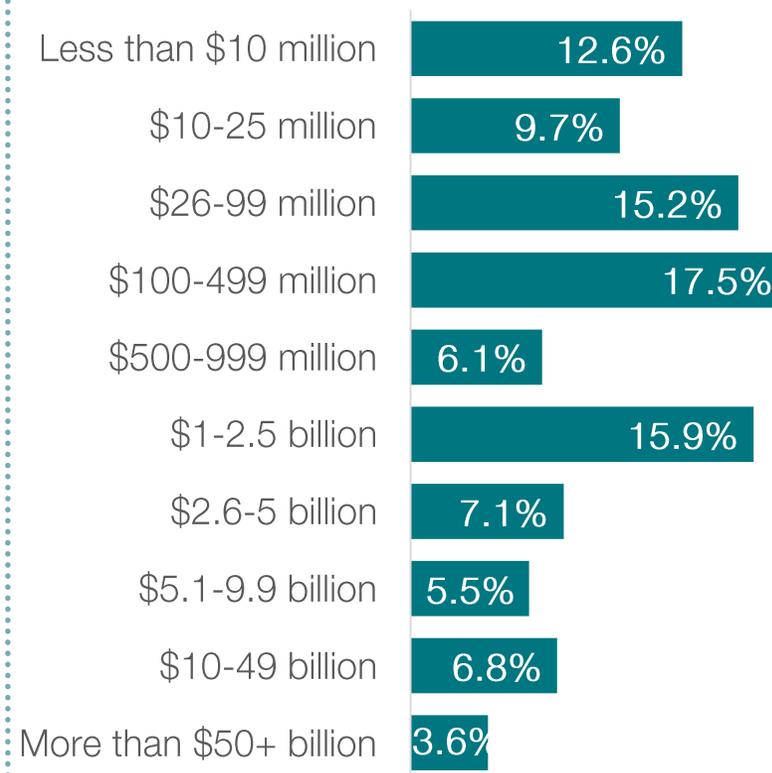
Technology	19.0%
Banking / Finance / Insurance	13.3%
Manufacturing	9.2%
Consumer Packaged Goods	8.3%
Professional Services / Consulting	8.3%
Retail / Wholesale	8.0%
Healthcare	7.0%
Energy	5.1%
Communications / Media	4.4%
Education	3.5%
Pharmaceuticals / Biotech	3.5%
Real Estate	3.5%
Transportation	3.5%
Consumer Services	2.2%
Mining / Construction	1.3%

Sample (continued)

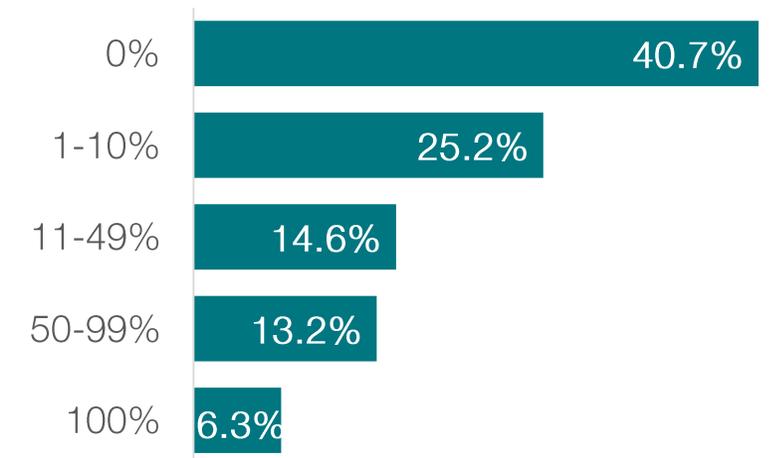
Number of Employees



Sales Revenue



% of Online Sales





Macroeconomic Forecasts

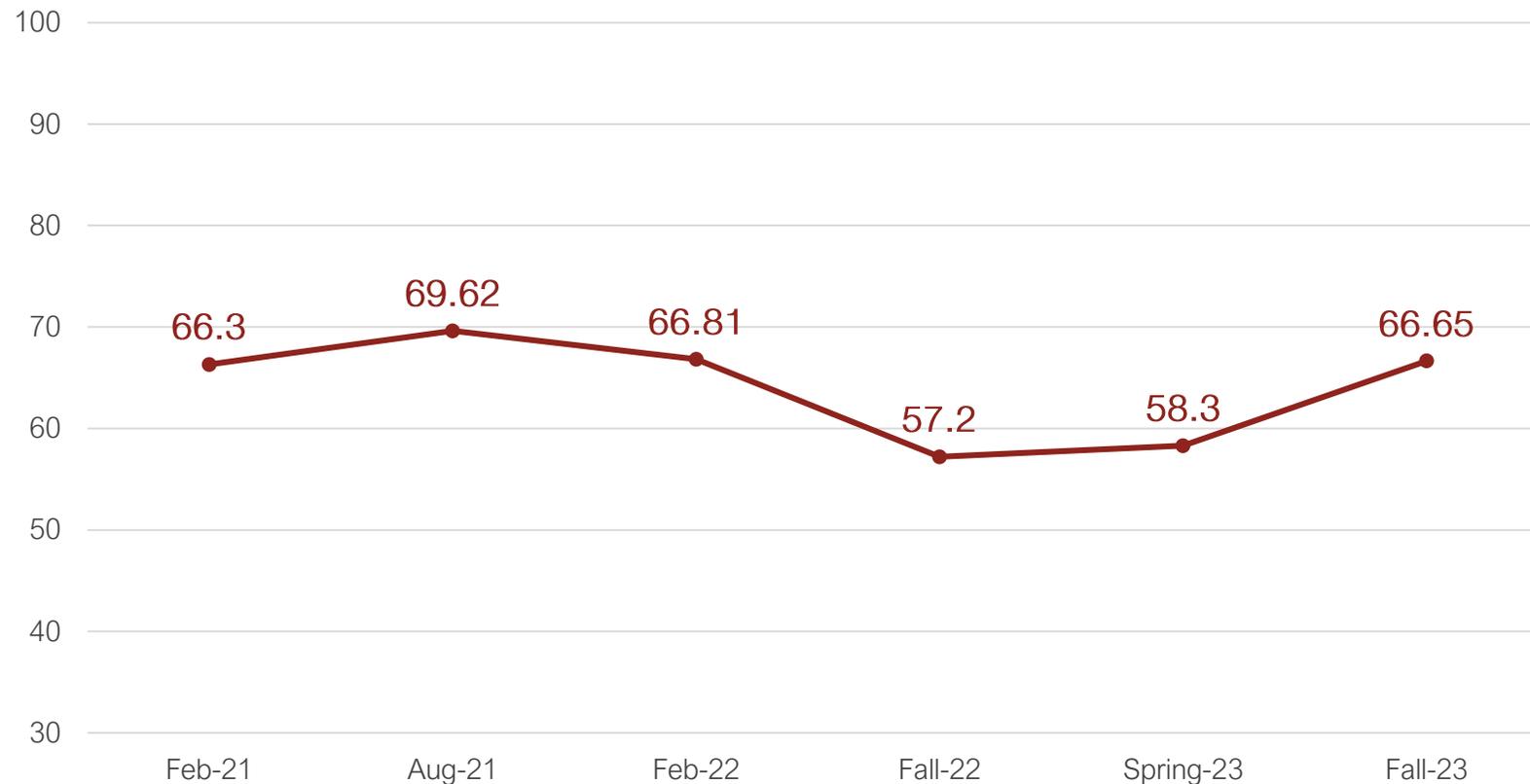
As recession concerns subside, optimism for the U.S. economy has increased to 66.7 on a 100-point scale, up from 57.7 a year ago. This level of optimism is back in-line with both pre- and post-pandemic highs of 69.9 (February 2015) and 69.6 (August 2021), reflecting a more hopeful economic outlook after a year of great uncertainty. Consistent with this, marketing leaders report feeling “more optimistic” (49.0% feel more optimistic this quarter compared to only 30.1% last quarter).

Despite this renewed optimism, inflationary pressures are still, on average, leading to a decrease in marketing spending levels. These pressures, however, are weakened (45% of companies reporting this decrease) from the first half of 2023 when 52% reported this decrease. Consistent with this, the number of companies reporting “no impact” has risen from 31% to 38% over the same time period. Not all economic sectors are experiencing the same pain from inflation with B2B companies reporting the highest levels of inflation “decreasing marketing spending” and the smallest drop-off in these levels over time.

At the same time, pure-play online companies have started to feel the hit. Last quarter, 29.4% of these companies reported a decrease in marketing spend. This quarter, that number is up to 38.9%. By contrast, 45.0% of brick-and-mortar companies report a decrease of marketing spend down from 59.2% of brick-and-mortar companies reporting a decrease last quarter.

Marketer optimism rebounds as recession fears abate

Rate your optimism about the U.S. economy on a scale from 0-100 with 0 being the least optimistic and 100 being the most optimistic.



Economic Sector

B2B Product	67.1
B2B Services	65.9
B2C Product	64.5
B2C Services	72.0

Industry Sector

Most optimistic industries

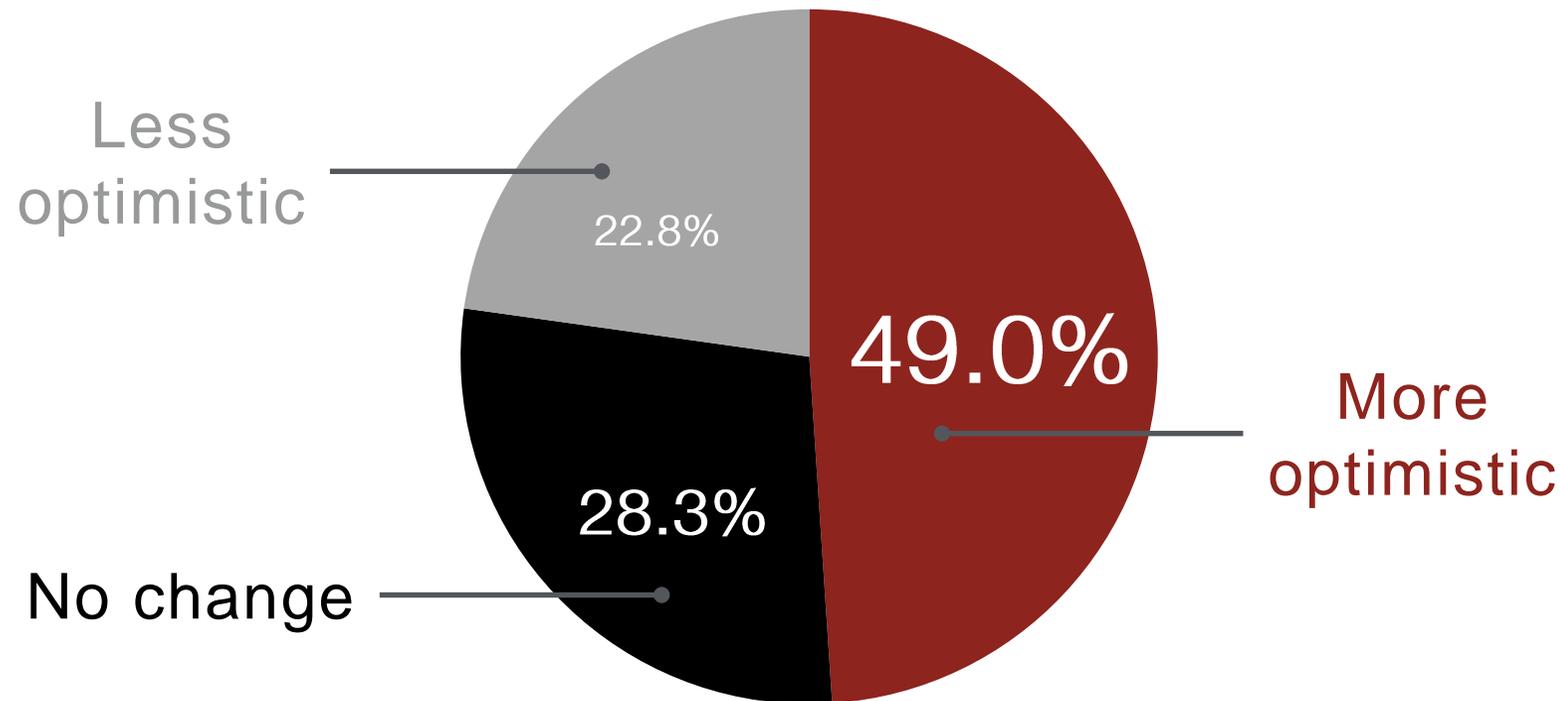
- Pharma / Biotech (75.0)
- Consumer Services (72.1)
- Energy (72.0)

Least optimistic industries

- Transportation (56.2)
- Mining / Construction (60.0)
- Manufacturing (63.4)

Marketers more optimistic about the U.S. economy compared to last quarter

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

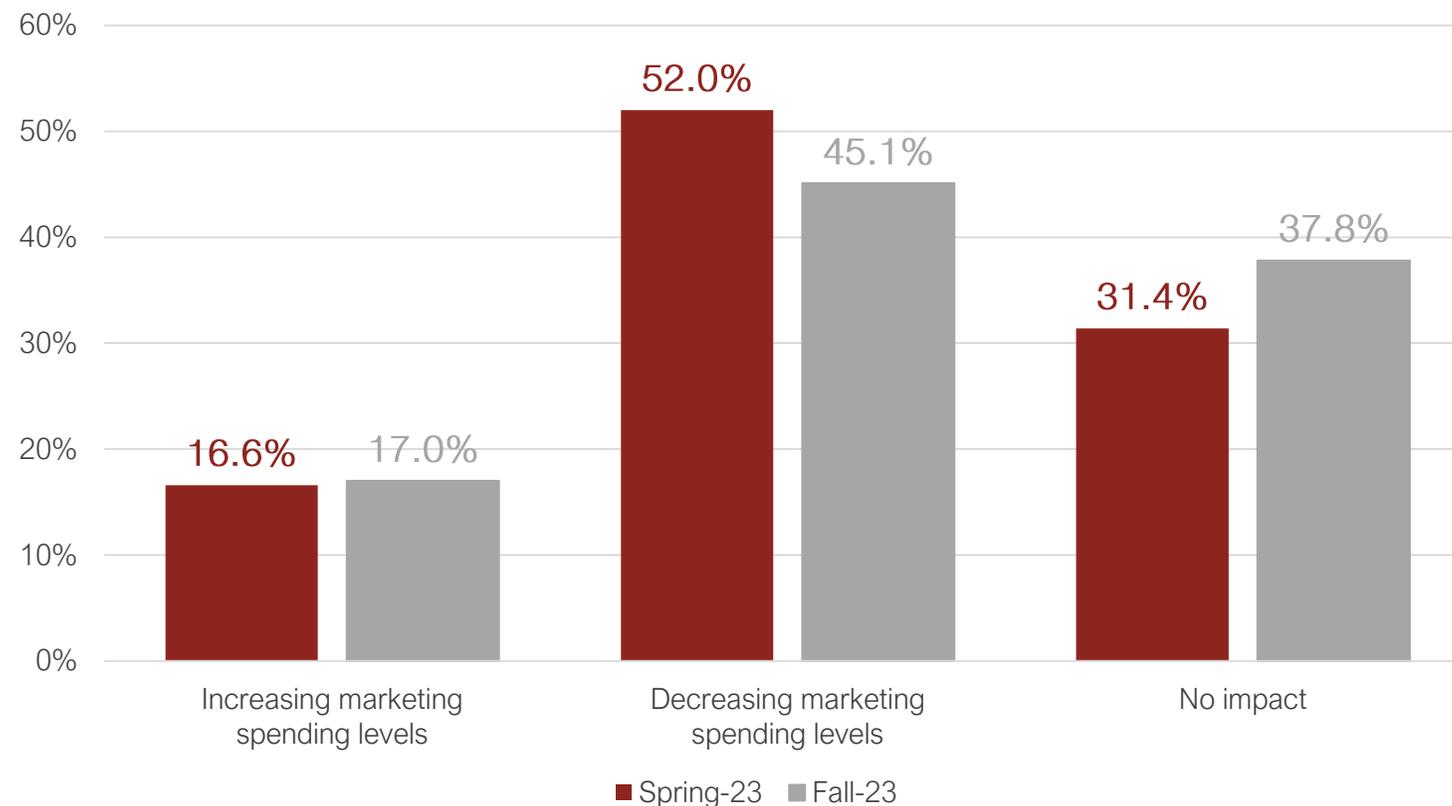


Insights

Mixed economic signals have not dampened marketer optimism this quarter. 49% of marketers report feeling “more optimistic” about the U.S. economy this quarter, up from 30.1% in the Spring-2023 survey. Those feeling “less optimistic” also shrunk to 22.8% from 40.9% last quarter. This shift could reflect increasing optimism that the economy will experience a soft landing and that consumer spend is still relatively strong, especially in the services sector. Consistent with this, B2C Services companies report the highest rate of optimism with 66.7% report feeling more optimistic. By contrast, only 46-47% of the other sectors report being “more optimistic” this quarter.

Marketers still report inflationary pressures decreasing marketing spend, though to a lesser extent than last quarter

Are current inflationary pressures impacting marketing spending levels in your company?



Insights

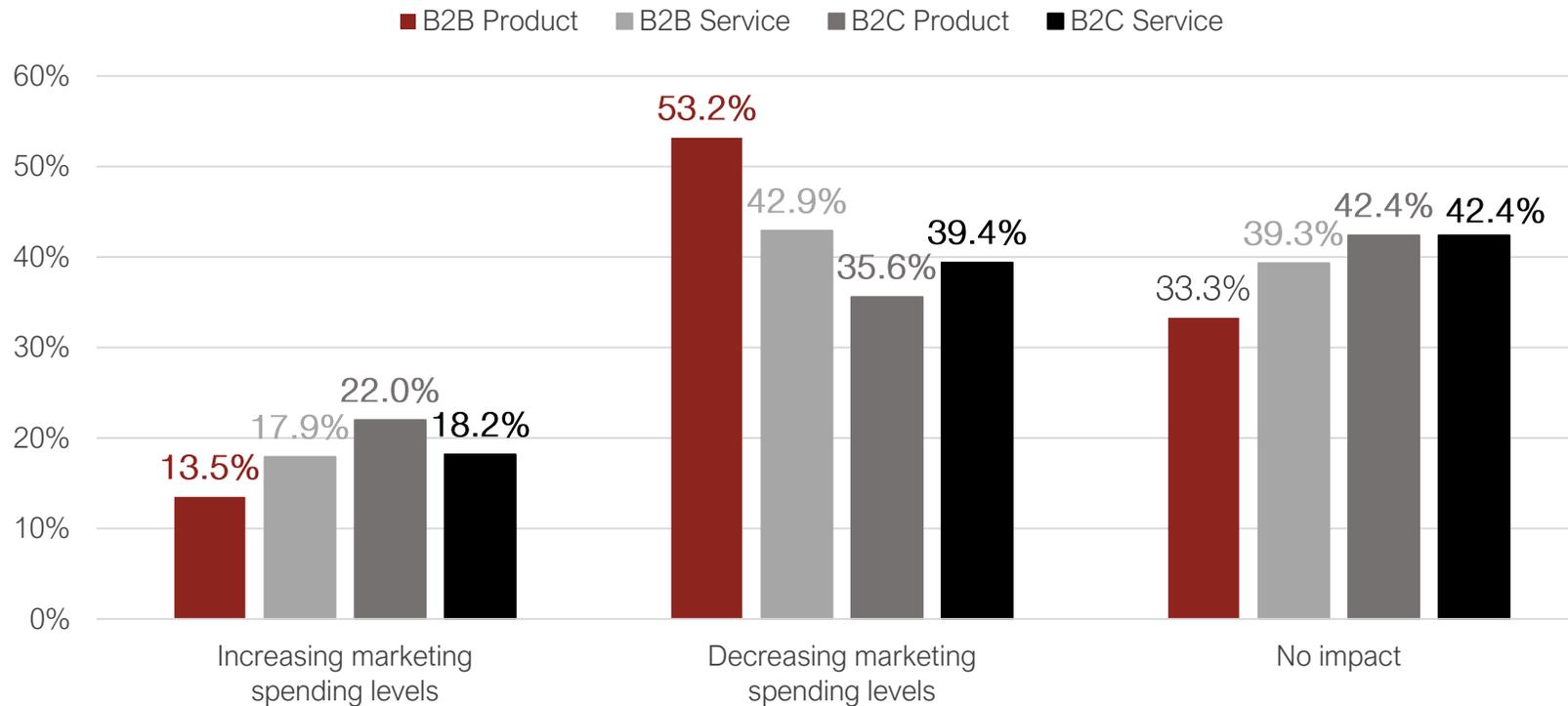
Overall, inflationary pressures are still leading to a decrease in marketing spending levels with 45% of companies reporting this loss. However, these pressures are weakened from first half of 2023 when 52% reported this decrease. Consistent with this, the number of companies reporting “no impact” has risen from 31% to 38% over the same time period.

Online Sales

	Increasing Spending	Decreasing Spending
0%	15.6%	45%
1%-10%	18.1%	50%
11%-49%	7.3%	46.3%
50%-99%	18.9%	37.8%
100%	22.2%	38.9%

Marketing spend less severely impacted by inflation for B2C companies

Are current inflationary pressures impacting marketing spending levels in your company?



Economic Sector*

	Spring 2023	Fall 2023
B2B Product	58.3%	53.2%
B2B Services	50.6%	42.9%
B2C Product	44.3%	35.6%
B2C Services	50.0%	39.4%

*Decreasing marketing spending

Insights

Not all economic sectors are experiencing the same pain from inflation with B2B companies reporting the highest levels of inflation “decreasing marketing spending” and the smallest drop-off in these levels over time.



Monitoring Partners and Competitors

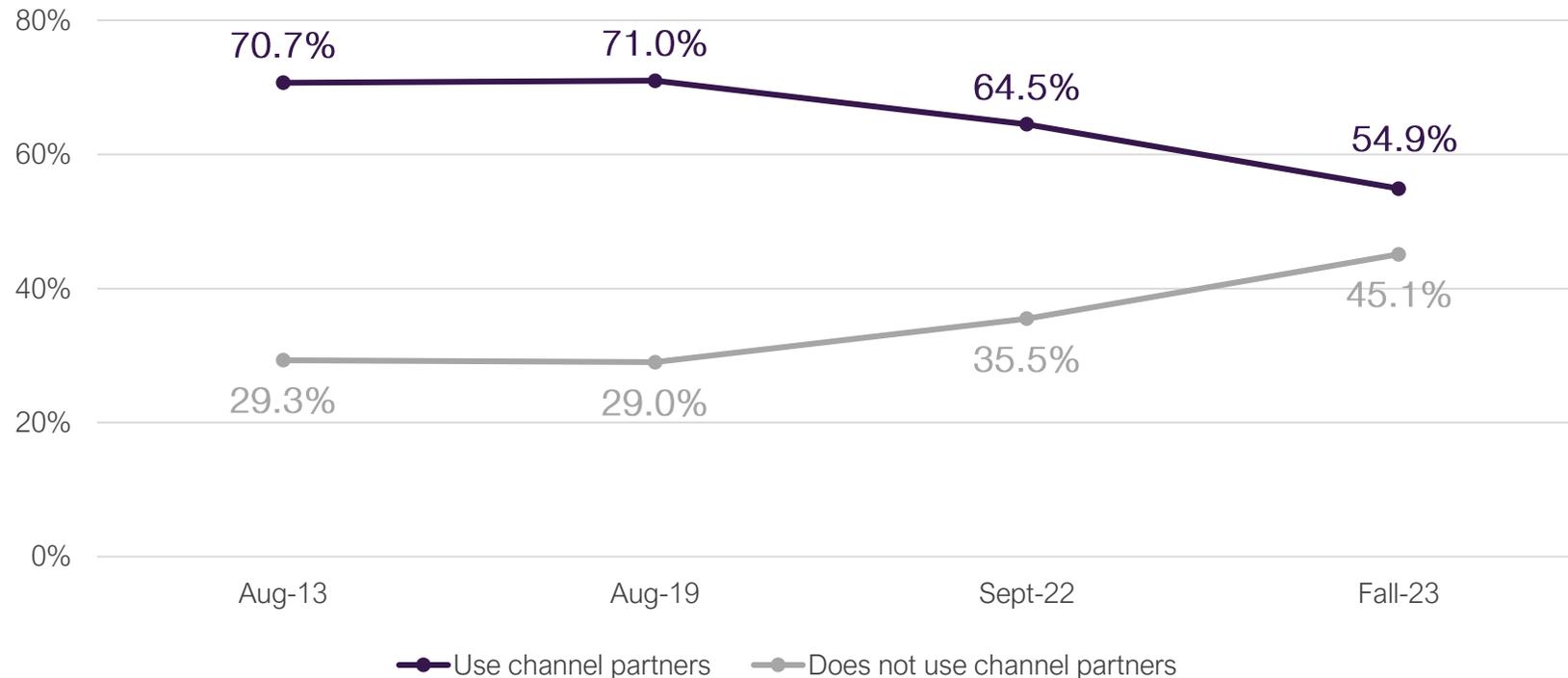
Marketing leaders report a large decline in the use of channel partners over the last decade. This is consistent with a finding from the Spring 2023 CMO Survey that 24% of companies added a direct-to-customer (D2C) channel. The companies that continue to use channel partners are Manufacturing (79%) and Consumer Packaged Goods companies (77%) as well as large companies with \$1-9.9B (65%) and \$10B+ in sales (53%).

Changes predicted for channel partners over the next 12 months include an increase in partner purchase of related products and services (41%), partner price per unit (31%), partner purchase volume (28%), and partner power in relationship (12%). Industries vary drastically in their predictions. Pharma / Biotech predicts partner purchase related to products / services to increase by 80% in the next 12 months, while Real Estate expects it to decrease by 33%. On the other hand, Healthcare expects partner power to increase in relationships by 40% in the next 12 months, while Retail / Wholesale expects it to decrease by 25%.

The competitive landscape remains complex and challenging. Competitive rivalry remains at the level predicted in 2017, while there is a 31% increase predicted for competitor innovation across these same time periods. At the same time, marketing leaders predict reductions in cooperation among competitors on non-price strategies (-17%), price-cutting behavior (-25%), and expected number of domestic (-14%) and global (-24%) competitors.

Disintermediation trend: Companies less likely to use channel partners over decade

Does your firm use channel partners or go directly to market?

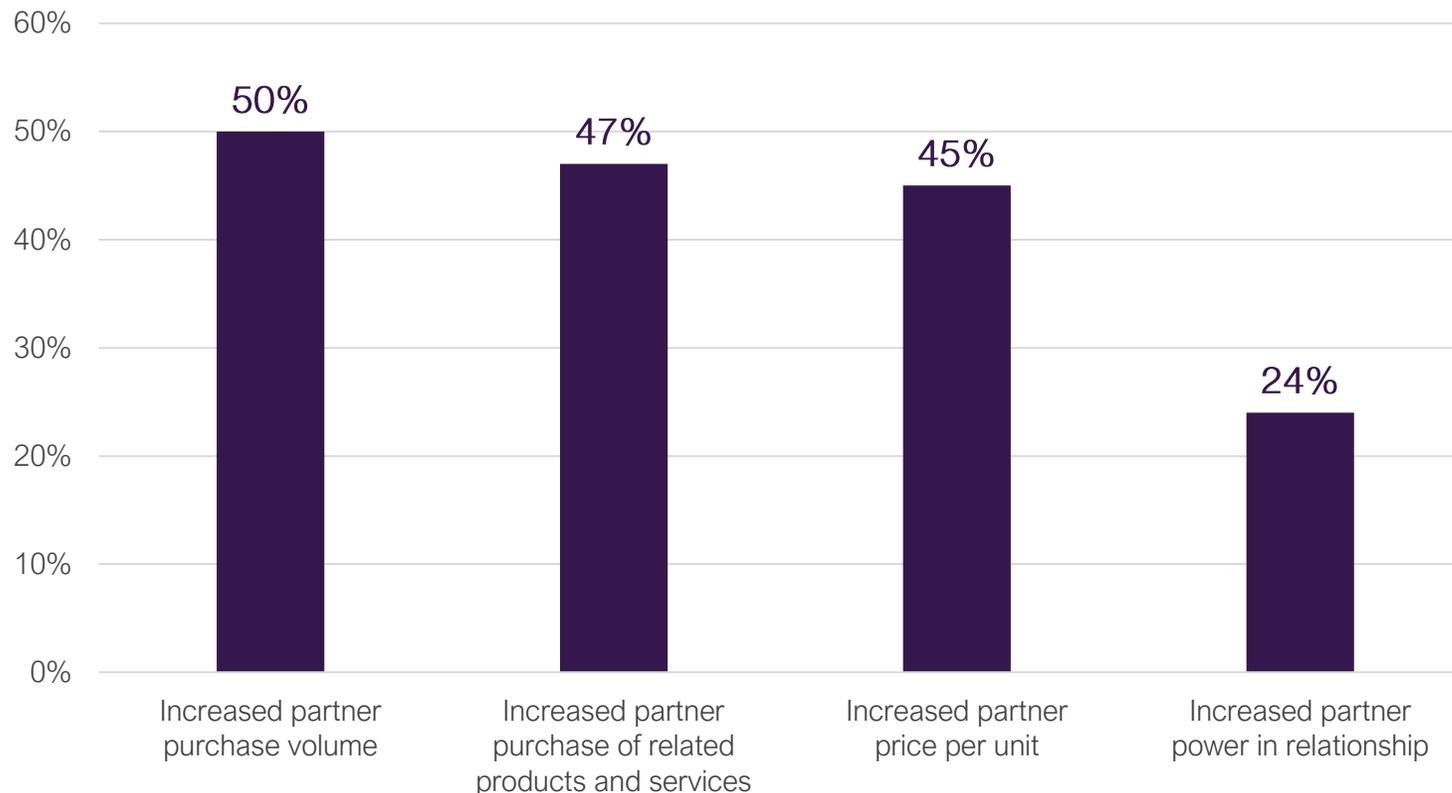


Insights

Marketers report a large decline in the use of channel partners over the last decade. This is consistent with a finding from the Spring 2023 CMO Survey that 24% of companies added a direct-to-customer (D2C) channel in 2023. Sectors that continue to use channel partners are Manufacturing (79.3%) and Consumer Packaged Goods companies (76.9%) as well as large companies with \$1-9.9B (64.8%) and \$10B+ in sales (53.1%). Services companies (B2B, 40.7%; B2C 48.7%) and smaller companies (<\$10M, 38.5%), on the other hand, are significantly less likely to use channel partners.

How channel partners are changing: Partner purchase of related products and services predicted to grow substantially, while partner power growth slows

Do you expect the following channel partner outcomes for your company to increase, decrease, or have no change in the next 12 months?



Economic Sector

	More purchase volume	More related purchases	Higher price per unit
B2B Product	52%	54%	37%
B2B Services	46%	41%	35%
B2C Product	49%	43%	62%
B2C Services	60%	40%	60%

Insights

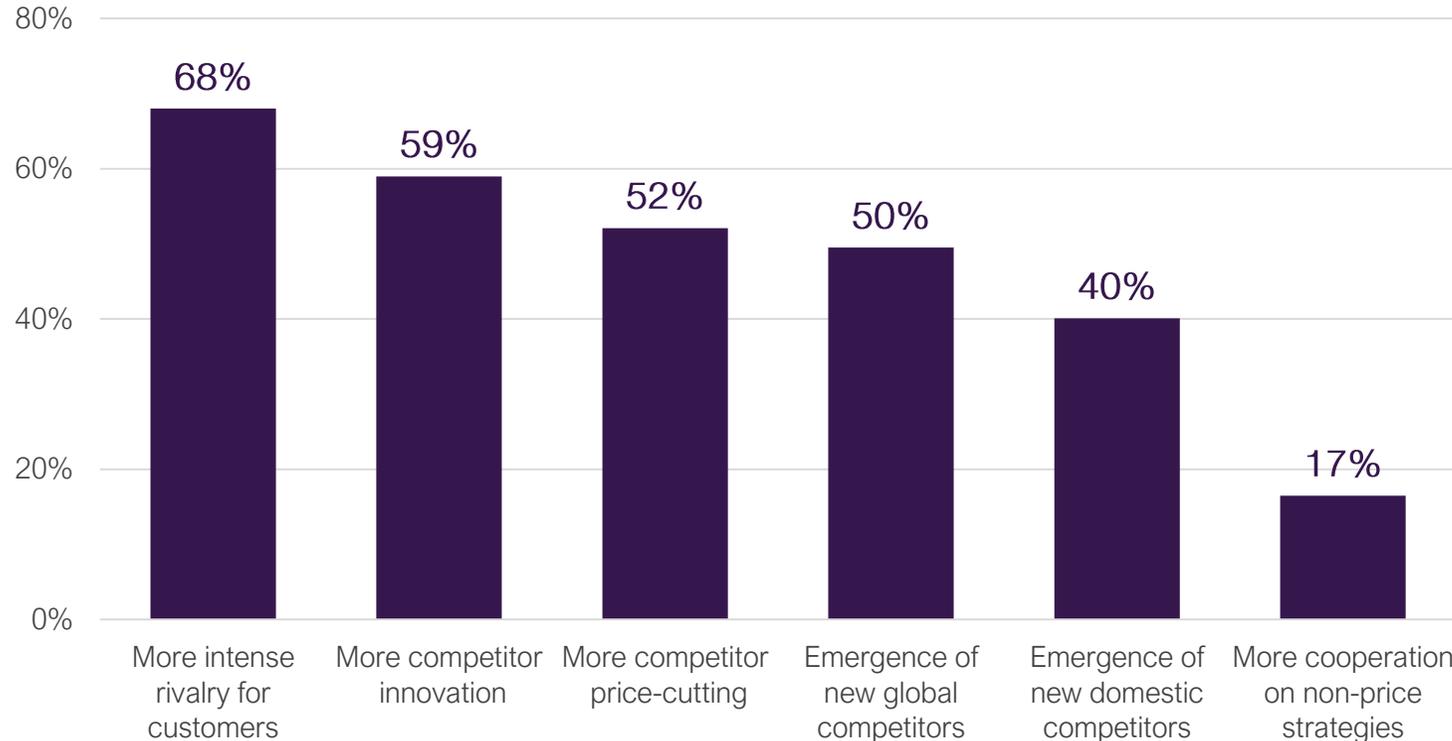
Considering how these levels have changed over time, expectations of increases in partner price per unit have risen dramatically from 20% (in 2013—the last time this question was asked) to 45%. At the same time, percentage of companies expecting partners to increase purchase volume has decreased from 54% to 50%, while the purchase of related products and services has increased from 44% to 47%. We observe no change in increased partner power in the relationship over time.

B2B predicts most growth in partner purchase related products / services, while B2C sees most growth happening in partner price per unit

		Increased Purchase Related Products / Services	Increased Price per Unit	Increased Purchase Volume	Increase Level of Partner Power
 Economic Sector	B2B Product	49%	21%	30%	3%
	B2B Services	38%	10%	21%	24%
	B2C Product	38%	57%	27%	14%
	B2C Services	20%	60%	40%	20%
 Industry Sector	Top Sector(s)	Pharma / Biotech 80%	Consumer Packaged Goods 58%	Tech / Software / Platform 64%	Healthcare 40%
	Bottom Sector(s)	Real Estate -33%	Transportation & Pharma / Bio 0%	Banking / Finance / Insurance 0%	Retail / Wholesale -25%

How competition is changing: Rivalry remains intense, more innovation, and more global competitors

Focusing on this market, do you expect the following competitor activities for your firm to increase, decrease, or have no change in the next 12 months?



Economic Sector

	More rivalry	More innovation
B2B Product	73%	61%
B2B Services	64%	61%
B2C Product	62%	60%
B2C Services	69%	49%

Insights

Competitive rivalry remains at roughly the same level predicted in 2017—the last time this question was asked. However, competitor innovation increased from 51% of companies reporting an increase to 59% and an increase in the number of companies reporting more global competitors from 38% up to 50%. Considering reductions from 2017, we observe a decrease in the number of companies reporting the emergence of domestic competitors (from 43% to 40%) and price-cutting by competition (from 57% to 52%). No change in cooperation on non-price strategies.



Marketing Spending

Despite optimism, marketing budget as a percentage of company budget dropped to 10.6%, near pre-Covid levels. Similarly, marketing budget as a percent of company revenues dropped to 9.2% from 10.9% in Spring 2023. The percentage change in marketing spending over the last year came in at 2.6%, reflecting a 75% drop in growth in marketing spending reported one year ago at 10.4%. Digital marketing spend change also decreased from 15.0% one year ago to 7.9% in this survey (a 47.3% drop). Inflationary pressure and its attendant uncertainty, although weaker, may be showing their effects in these weaker growth rates.

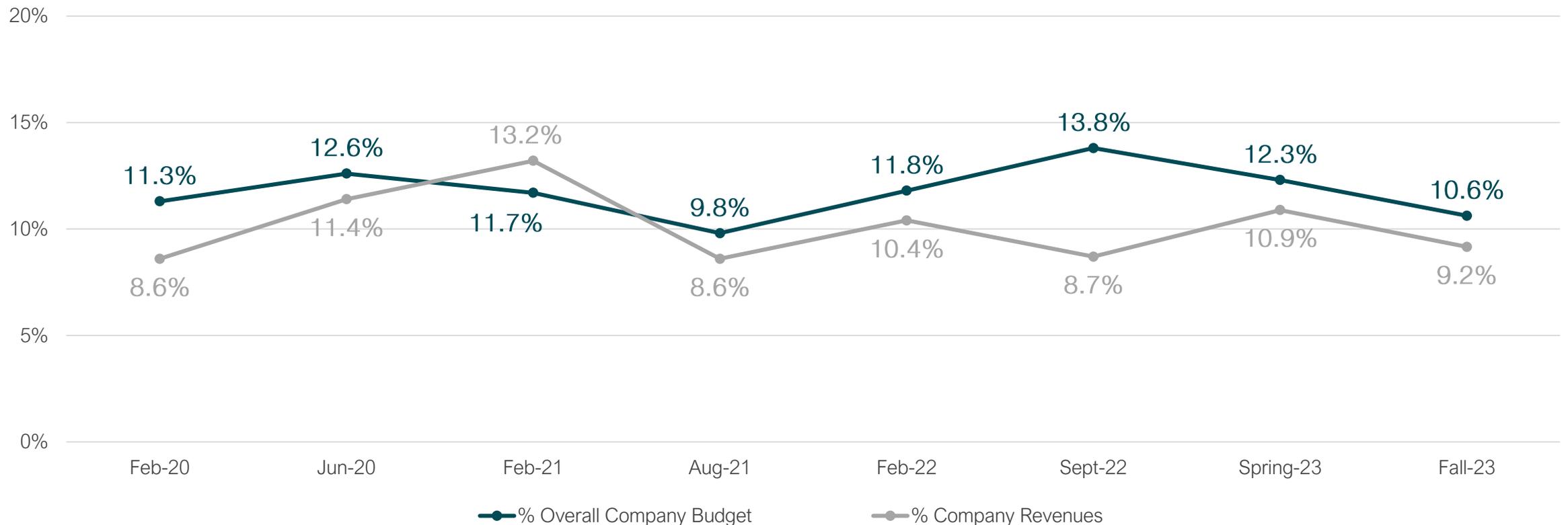
Relative to the prior 12 months, spending on Customer Relationship Management and Brand Building is predicted to slow across the board in the next 12 months, while Customer Experience spending is predicted to increase. And while the overall level of investments remain positive, the drop in Brand Building investments is dramatic at 43% (from 9.6% to 5.5%). One reason for this is that marketers report a similar level increase in brand value (see marketing performance section), suggesting that investments may be softened.

Spending on New Product Introductions is predicted to decrease from 6% last year to 5.5% this year, while investments in New Service Introductions are predicted to increase from 2.9% in Spring 2023 to 3.7%. Traditional advertising marketing spend remains in pre-COVID negative growth territory at -0.6%, while reflecting a 77% increase from -2.6% growth in Spring 2023.

Marketing budgets drop near to pre-Covid levels

Marketing expenses account for what percent of your company's overall budget?
 Marketing expenses account for what percent of your company's sales revenues?

Firm and industry
breakouts on next slide



How marketing budgets vary by firm and industry

Marketing budgets account for

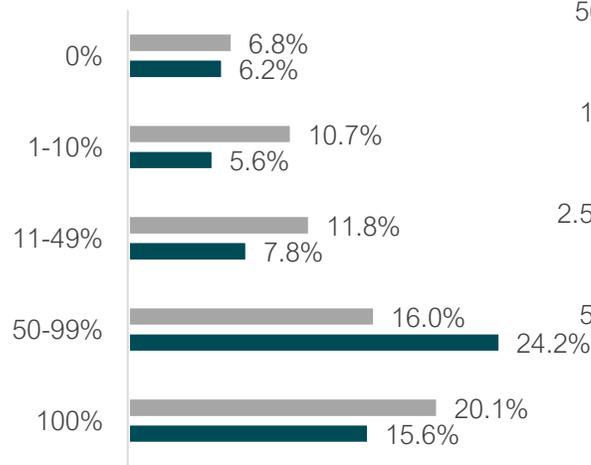
10.6%

of overall budgets

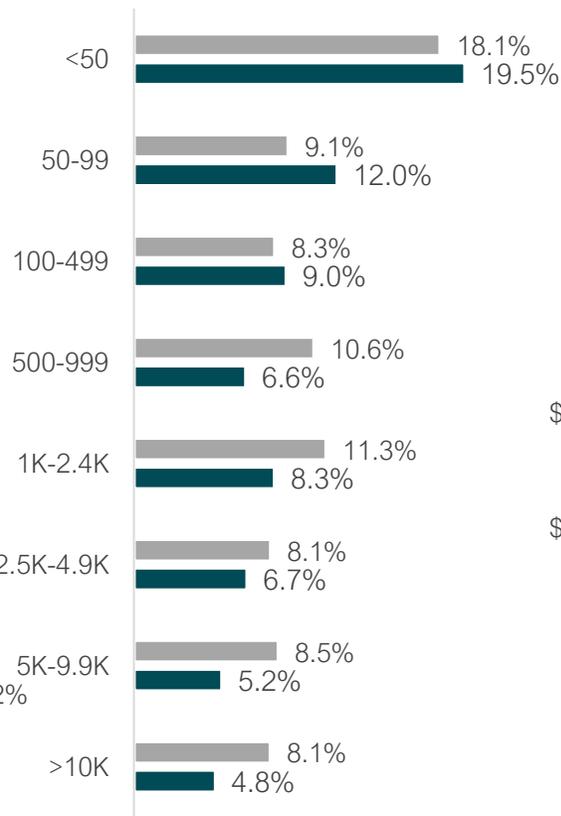
9.2%

of company revenues

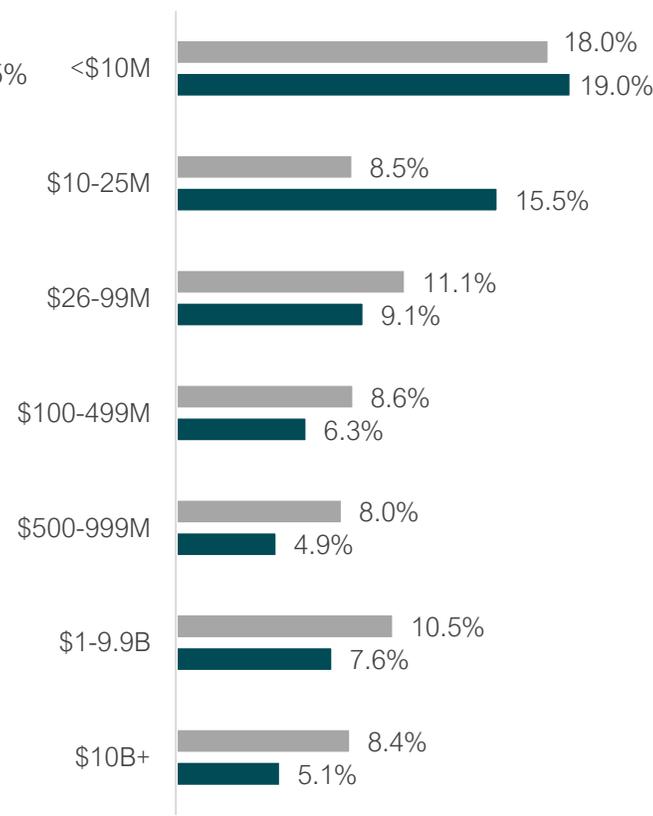
Online Sales



Employees



Revenues



Economic Sector

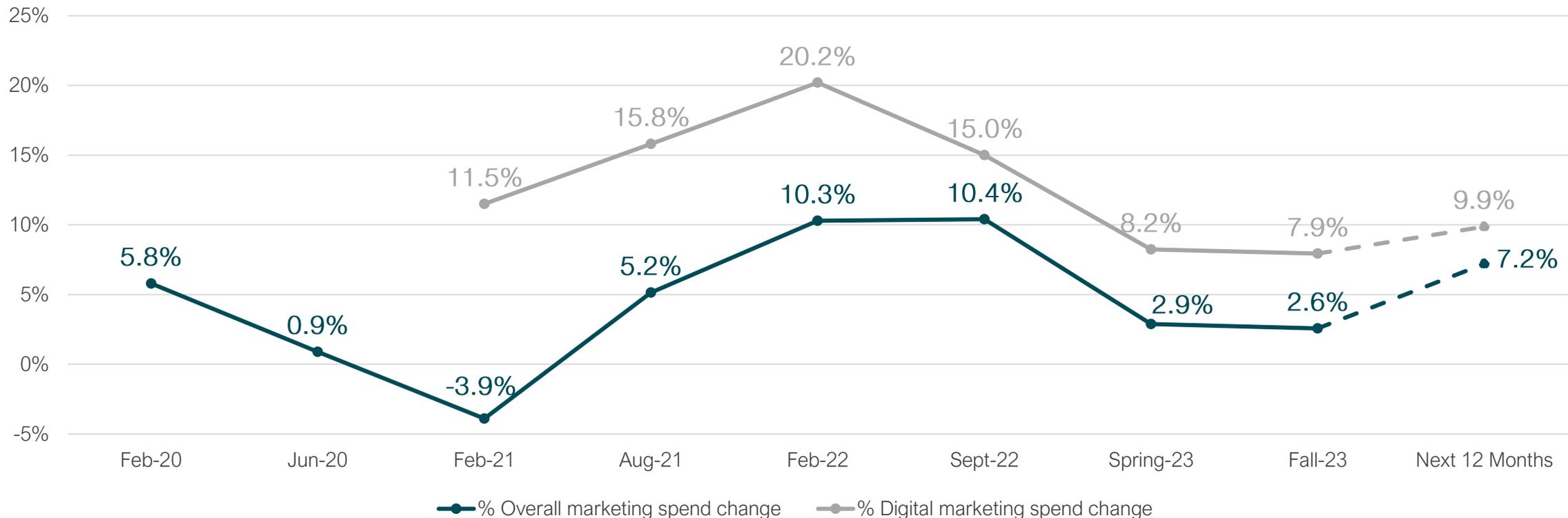
	% Budget	% Revenue
B2B Product	9.7%	7.9%
B2B Services	7.2%	7.4%
B2C Product	18.3%	13.2%
B2C Services	10.6%	10.4%

Industry Sector

	% Budget	% Revenue
Top Sectors	Consumer Packaged Goods (25.2%)	Communications / Media (22.7%)
Bottom Sectors	Transportation (1.5%)	Transportation (1.2%)

Marketing spending growth flat, predicted to rise over the next year

By what percent has your overall marketing spending (digital marketing spending) changed in the prior 12 months? Relative to the prior 12 months, note your company's expected percentage change in overall marketing spending during the next 12 months.



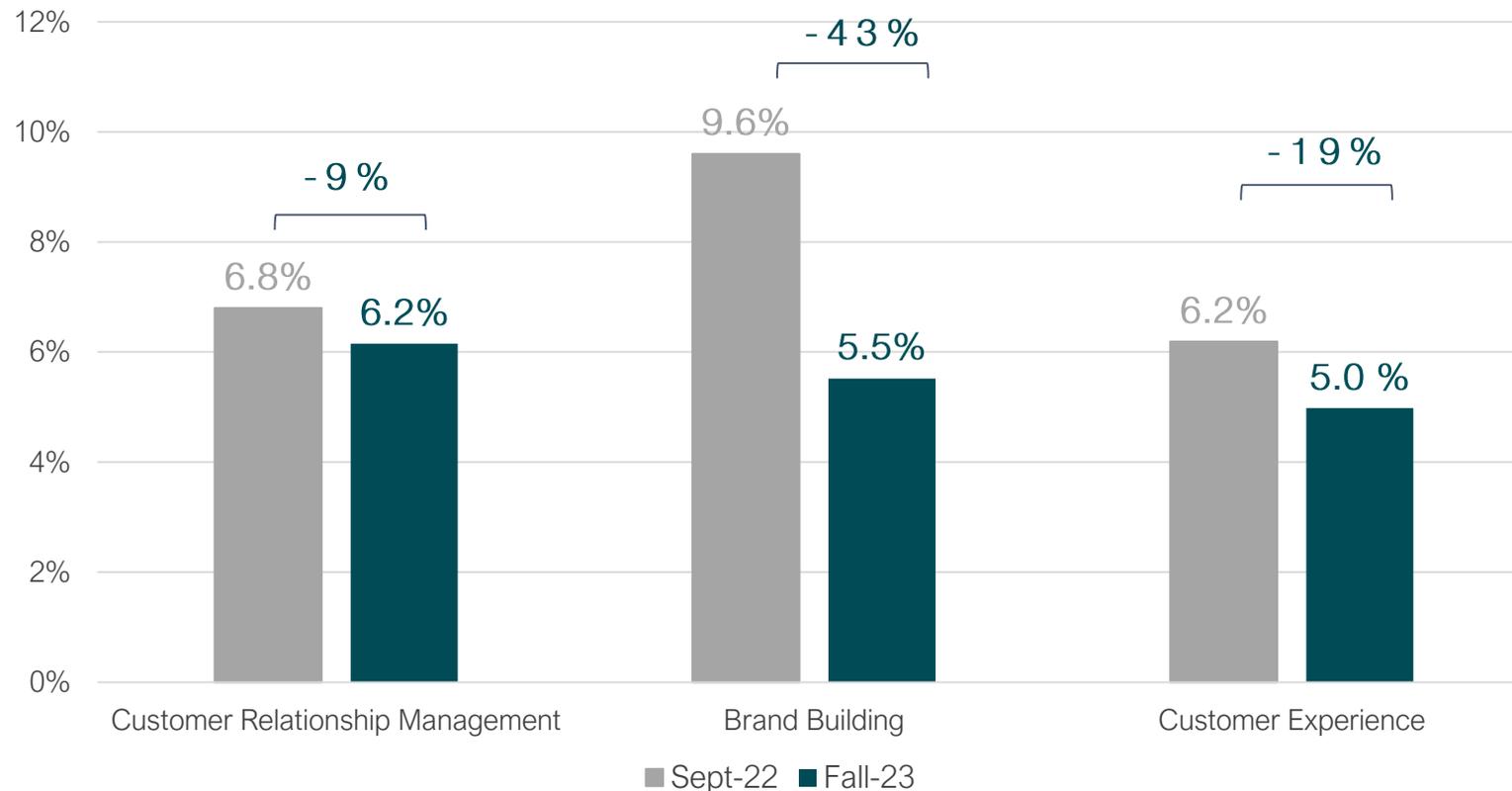
What's in marketers' budgets?

Marketing expenses in your company budget include (percent selecting category as part of marketing budget):



Brand building spending drops by 43%, while customer experience spending drops by 19%

Relative to the prior 12 months, by what percent do you expect your marketing budget to change in the next 12 months in each area?



Fall 2023

Economic Sector

(% Change in Brand Building Spend)

	Sept-22	Fall-23
B2B Product	9.5%	5.9%
B2B Services	8.9%	4.9%
B2C Product	11.4%	4.3%
B2C Services	7.3%	7.7%

Industry Sector

Largest decrease in Brand Building spend

- Pharma / Biotech (-91.1%)
- Retail / Wholesale (-81.2%)

Smallest decrease in Brand Building spend

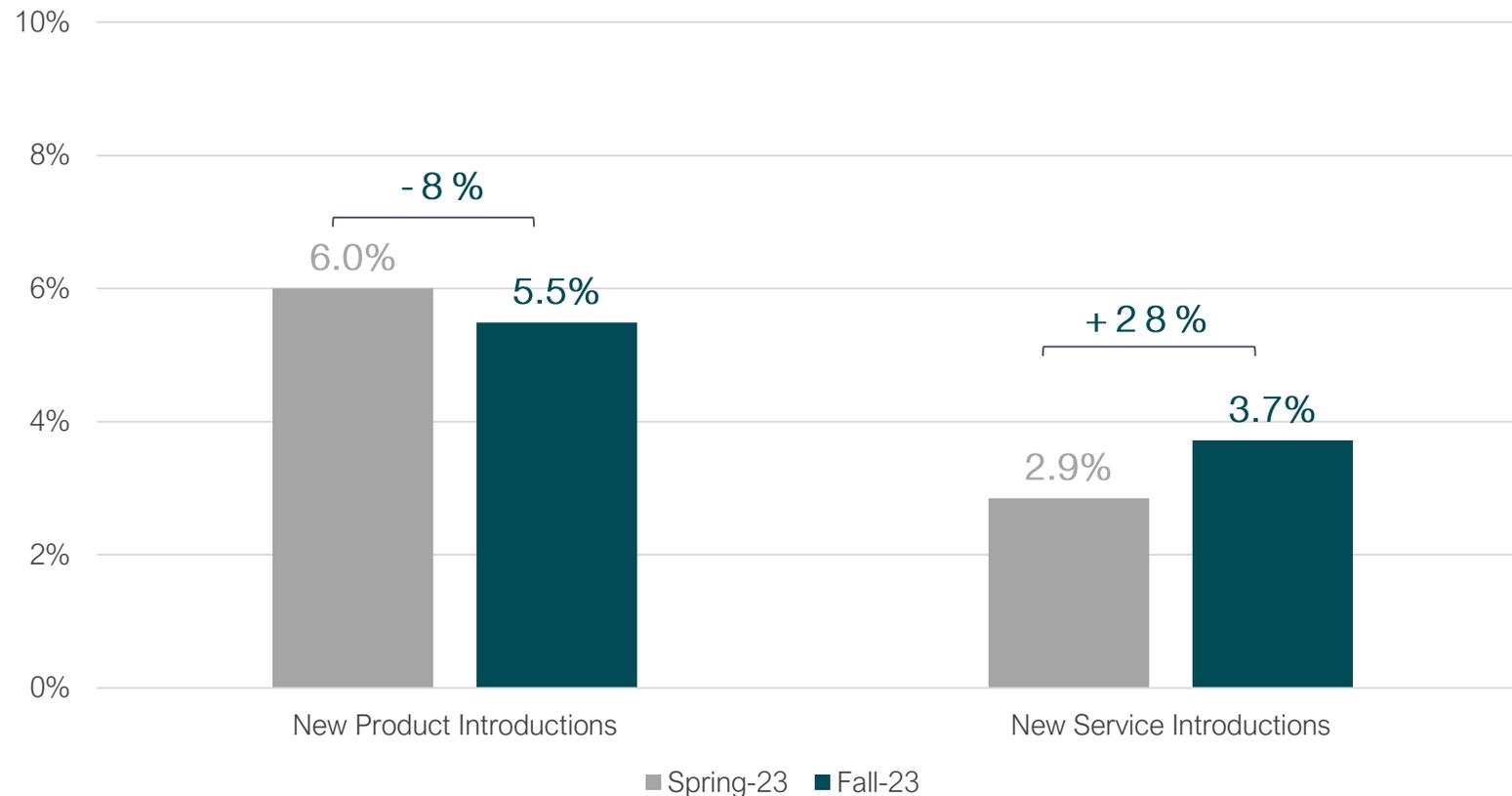
- Manufacturing (-9.1%)
- Banking / Finance / Insurance (-13.6%)

Largest increase in Brand Building spend

- Energy (40%)

Companies to spend more on new service introductions while budgets for new products show weaker growth

Relative to the prior 12 months, by what percent do you expect your marketing budget for new products and services to change in the next 12 months in each area?



Economic Sector (New Products)

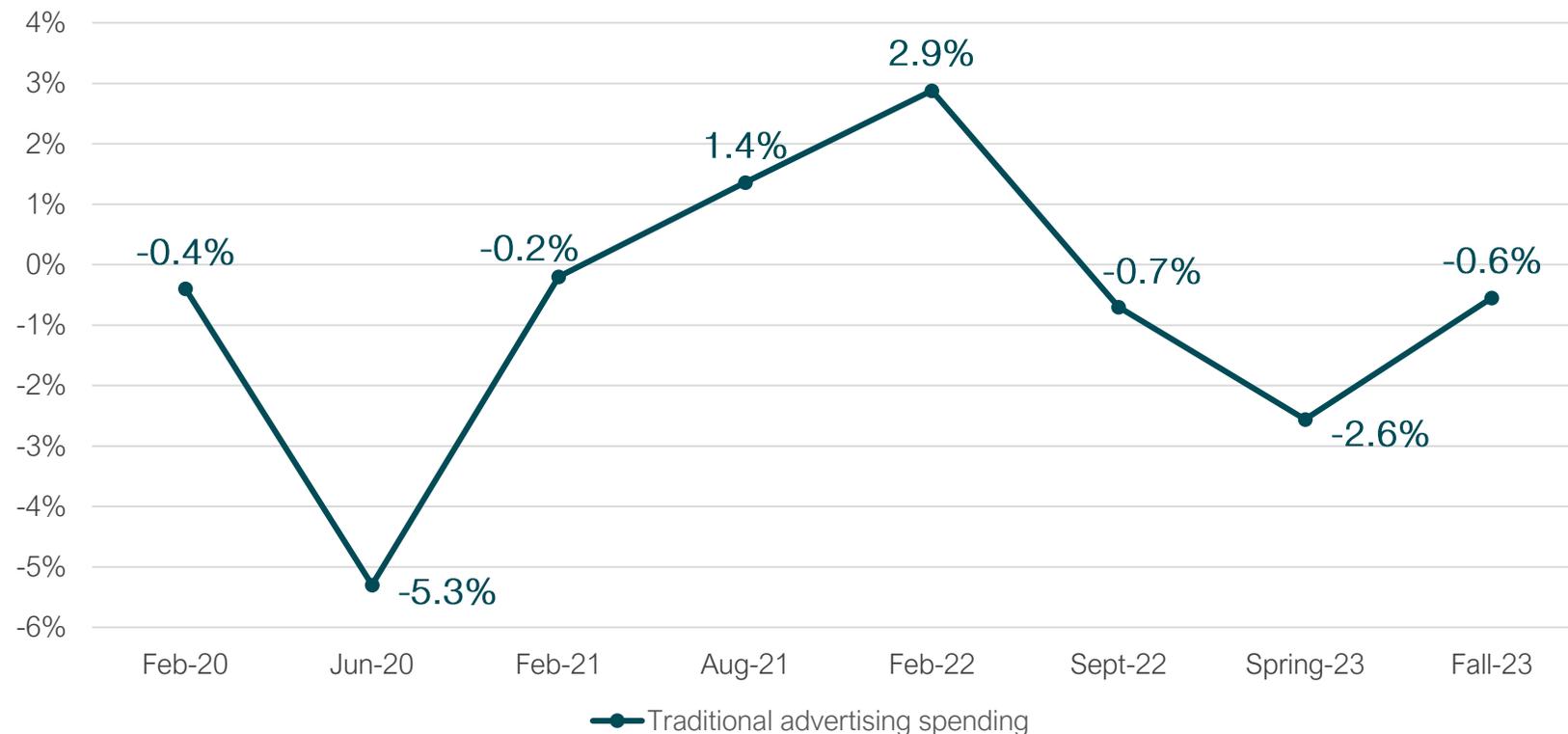
	Spring-23	Fall-23
B2B Product	6.8%	5.6%
B2B Services	6.3%	5.0%
B2C Product	5.6%	6.3%
B2C Services	4.4%	5.1%

Economic Sector (New Services)

	Spring-23	Fall-23
B2B Product	2.8%	1.5%
B2B Services	4.6%	6.0%
B2C Product	0.9%	2.4%
B2C Services	3.7%	6.6%

Traditional advertising marketing spend rises slightly, but still remains in pre-Covid negative growth territory

Relative to the prior 12 months, by what percent do you expect your marketing budget to change in the next 12 months in traditional advertising?



Insights

After traditional advertising spend hit an all-time high in February 2022, it once again reverts to a decade-long trend of negative growth. Most economic sectors have taken a dip in traditional advertising spending, with B2C Product being the only sector increasing (1.81%). Among industries, Education and Healthcare report the largest drop in traditional advertising investment (-6.67% in Education, -6.56% in Healthcare). In contrast, Banking / Finance / Insurance plans to invest more heavily in this area, with 3.82% of marketing budget to traditional advertising spend over the next 12 months. Medium-sized companies (with \$10-99 million in sales revenues) expect a small increase of spend in this area (~1.4%) while smaller and larger companies plan to decrease spend.



Managing AI in Marketing

While artificial intelligence has been around for quite a few years now, it only recently reached marketing use cases with 94.1% of marketers beginning to leverage this technology in only the past three years and 60.4% for less than one year.

For the marketers who are integrating AI into their marketing organizations, content personalization (52.8%), and content creation (49.2%) take the lead. The use of AI to improve marketing ROI by optimizing the content and timing of digital marketing, for programmatic advertising and media buying, for predictive analytics to generate customer insights, and for targeting decisions are currently low with only roughly one third of marketing organizations using AI for these purposes.

Within content creation, using AI tools for blogs and website content, social media, and email marketing top the list. Communications / Media and Real Estate (100.0%) are the top industries using AI-created blogs, while Banking / Finance / Insurance (85.7%) takes the lead for AI-created website content other than blogs.

AI has had an overall positive impact on marketing organizations. Marketing leaders report that sales productivity has improved by an average of 6.2% due to AI, customer satisfaction has improved by an average of 7.0%, and marketing overhead costs have decreased by an average of 7.2%.

AI use in marketing relatively new for most organizations

How many years has your company been using AI in marketing?



Industry Sector

Earliest AI Adopters (2+ Years)

- Mining / Construction (66.7%)
- Retail / Wholesale (55.0%)
- Pharma / Biotech (30.0%)

Latest AI Adopters (1 Year or Less)

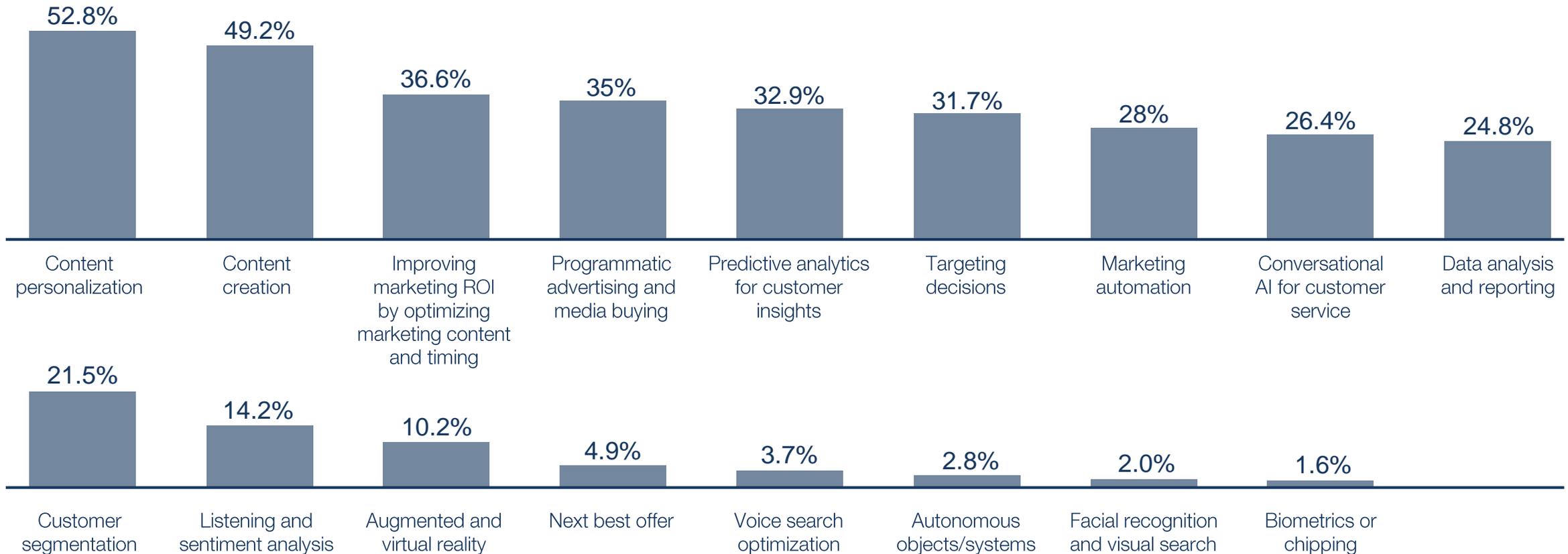
- Transportation (100%)
- Professional Services (92.3%)
- Real Estate & Manufacturing (88.9%)

Online Sales

	<1 Year	2-3 Years	5+ Years
0%	72.4%	9.5%	1.0%
1%-10%	58.8%	20.6%	1.5%
11%-49%	43.2%	27.0%	2.7%
50%-99%	59.5%	10.8%	8.1%
100%	41.2%	23.5%	11.8%

Content personalization and creation are top marketing uses for AI

How is your company using AI in its marketing activities?



Blogs and website content find primary focus within AI-generated content creation



Check all of the ways your company is using AI to create content.

Activity	% using	Top Industry
Blogs	64.7%	Communications / Media & Real Estate (100.0%)
Website content other than blogs	62.2%	Banking / Finance / Insurance (85.7%)
Social media	54.6%	Real Estate & Retail / Wholesale (100.0%)
Email copy	54.6%	Education (100%)
Ad copy	41.2%	Transportation (80.0%)
Product or service descriptions	39.5%	Real Estate (66.7%)
Sales copy	34.5%	Communications / Media (66.7%)
News stories	26.1%	Healthcare (70.0%)
Customer service content	19.3%	Retail / Wholesale (50.0%)
Ad design	13.4%	Consumer Services & Pharma / Biotech (50.0%)
Technical copy	10.9%	Pharma / Biotech (50.0%)
Logo design	5.0%	Retail / Wholesale (50.0%)
Packaging copy	3.4%	Consumer Packaged Goods (25.0%)
Logo copy	2.5%	Energy & Retail / Wholesale (25.0%)
Augmented reality	2.5%	Retail / Wholesale (25%)
Virtual reality	1.7%	Retail / Wholesale (25%)
Packaging design	0.8%	Consumer Packaged Goods (12.5%)
Game design	0.0%	N/A

Use of AI in marketing drives up productivity and customer satisfaction, while reducing overhead costs

Rate how the use of AI in marketing has affected the following outcomes. In each case, note the percentage improvement experienced in your company.



+6.2%
Improved Sales
Productivity



+7.0%
Increased Customer
Satisfaction



-7.2%
Lower Marketing
Overhead Costs

Top Economic Sector:

B2C Services (8.0%)

B2C Product (8.8%)

B2C Services (-10.0%)

Top Industry Sector:

Communications / Media (14.6%)

Real Estate (19.3%)

Real Estate (-15.0%)



Digital Marketing Spending and Strategies

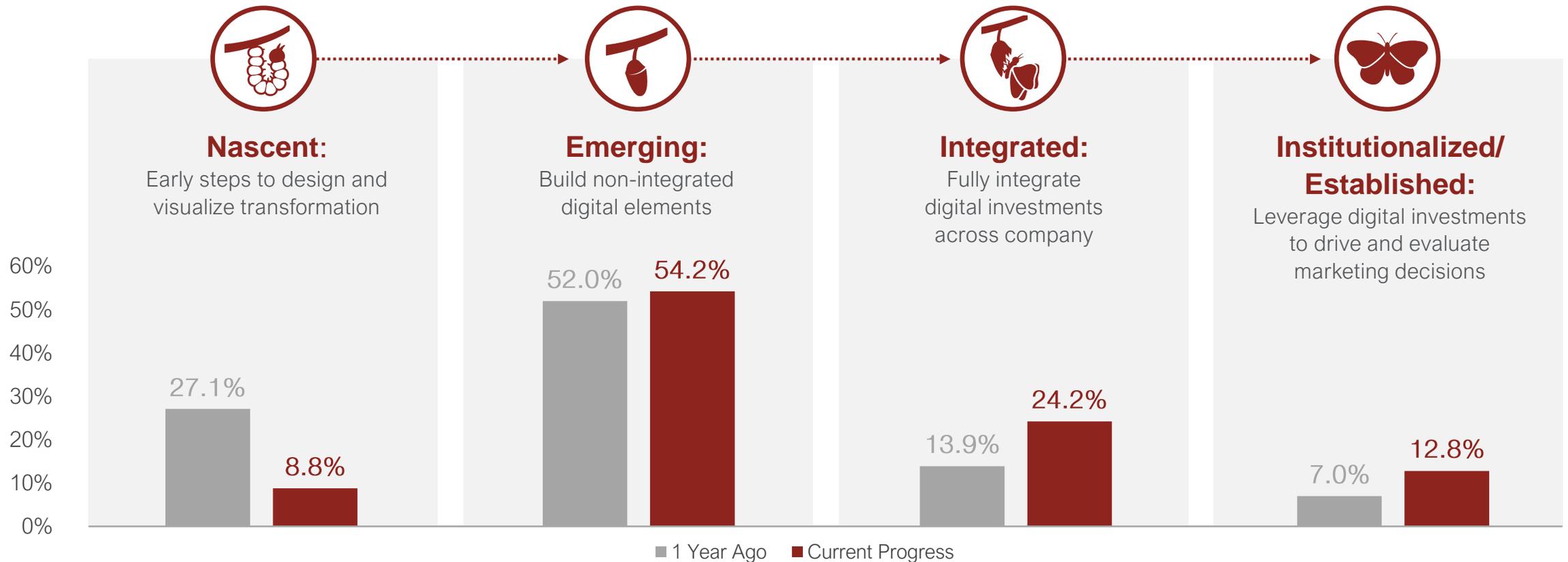
Digital marketing transformations show progress post-pandemic as companies shift from the nascent phase (from 27.1% to 8.8%) and into the emerging (from 52% to 54.2%), integrated (from 13.9% to 24.2%) and institutionalized (7% to 12.8%) phases of the transformation journey. Senior marketing leaders continue to drive 70% of transformations, showing a slight decline from August 2021 (73%). Marketer experiments to understand the impact of marketing actions on customers remain low (35.6%) with no improvement in this level over time.

While marketers' current use of influencers (5.9%) has not reached the 7.5% high in June 2020 (pandemic), influencer usage in marketing strategy is expected to grow by 109% in three years to reach 12.2% of marketing budgets. LinkedIn, Company Blogs, and Instagram continue to be the top three influencer activities, matching the June 2020 report with important differences in B2B (which favor LinkedIn and company blogs) and B2C (which favor Instagram and Facebook). Despite these investments, marketers report influencer contribution to company performance as low (2.4 on 7-point scale). This meager contribution is likely due to a mix of measurement and management challenges associated with this relatively new marketing mix strategy.

Even though mobile spending dropped from 19% in Spring 2023 to 15.7% in Fall 2023, mobile spending is expected to grow by 72% in five years to 26.9%, surpassing the pandemic high of 23% from June 2020 report. Despite projected growth, marketers continue to report mobile marketing as contributing weakly to company performance (2.9 on 7-point scale). Difficulty tracking the customer across the journey remains the top challenge, matching February 2020 CMO Survey results. Social media spending as a percent of marketing budgets took a slight dip (16.0%), but is expected to increase in the next 12 months (18.9%) and five years (24.3%). Marketers continue to rate social media contributions to company performance modestly (3.7 on 7-point scale), similar to the past 3 surveys. Despite high smartphone ownership, only 36% of companies report using an app. However, of this set, almost half (46%) report app revenues of greater than 5%.

Companies make progress on the digital marketing transformation journey

Considering your company's digital marketing transformation, how would you rate your company's progress to date? Where was your company on this digital marketing transformation journey last year at this time?



How companies and industries vary on their digital journeys

		 Earliest in Journey	 Furthest in Journey
	Economic Sector	B2B Product	B2C Product
	Industry Sector	Mining / Construction & Real Estate	Consumer Services
	Online Sales	0% Online Sales	100% Online Sales
	Revenues	\$26M - 99M	\$10 - 25M
	Employees	< 50	1,000 - 2,499

Marketing leaders drive digital transformation in the vast majority of companies

What percent of your company's digital marketing transformation is led by a senior marketing leader versus leaders in other functions in your company?



70%
Digital marketing transformations led by senior marketing leaders



Economic Sector

B2B Product	68.1%
B2B Services	72.2%
B2C Product	68.8%
B2C Services	72.3%

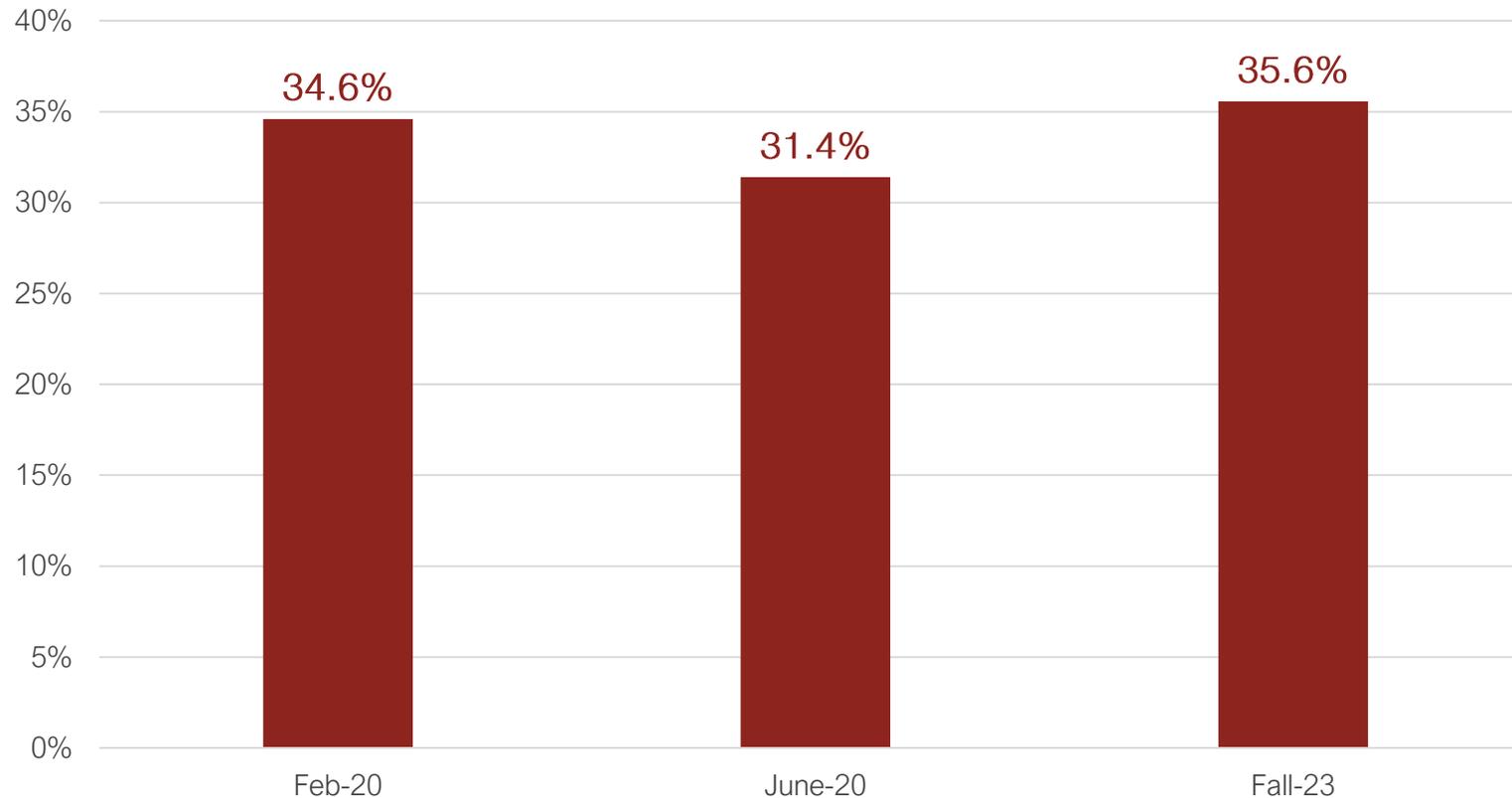


Insights

Senior marketing leadership of digital marketing transformation has declined slightly since August 2021 (73%). Marketers are more likely to lead transformations in Service companies (72.2%) than in Product companies (68.3%). They are also more likely to lead transformations in pure-play online companies (78.2%) compared to brick-and-mortar or mixed companies. Company size continues to be negatively correlated with marketing leadership on this issue. Companies with <\$10 million in sales are more likely to be led by a marketer (74.6%) compared to the largest companies with sales of \$10+B (59.6%).

Use of experiments shows modest rebound, but remains low

In what percent of the time do you perform experiments to understand the impact of your marketing actions on customers?



 **Economic Sector**

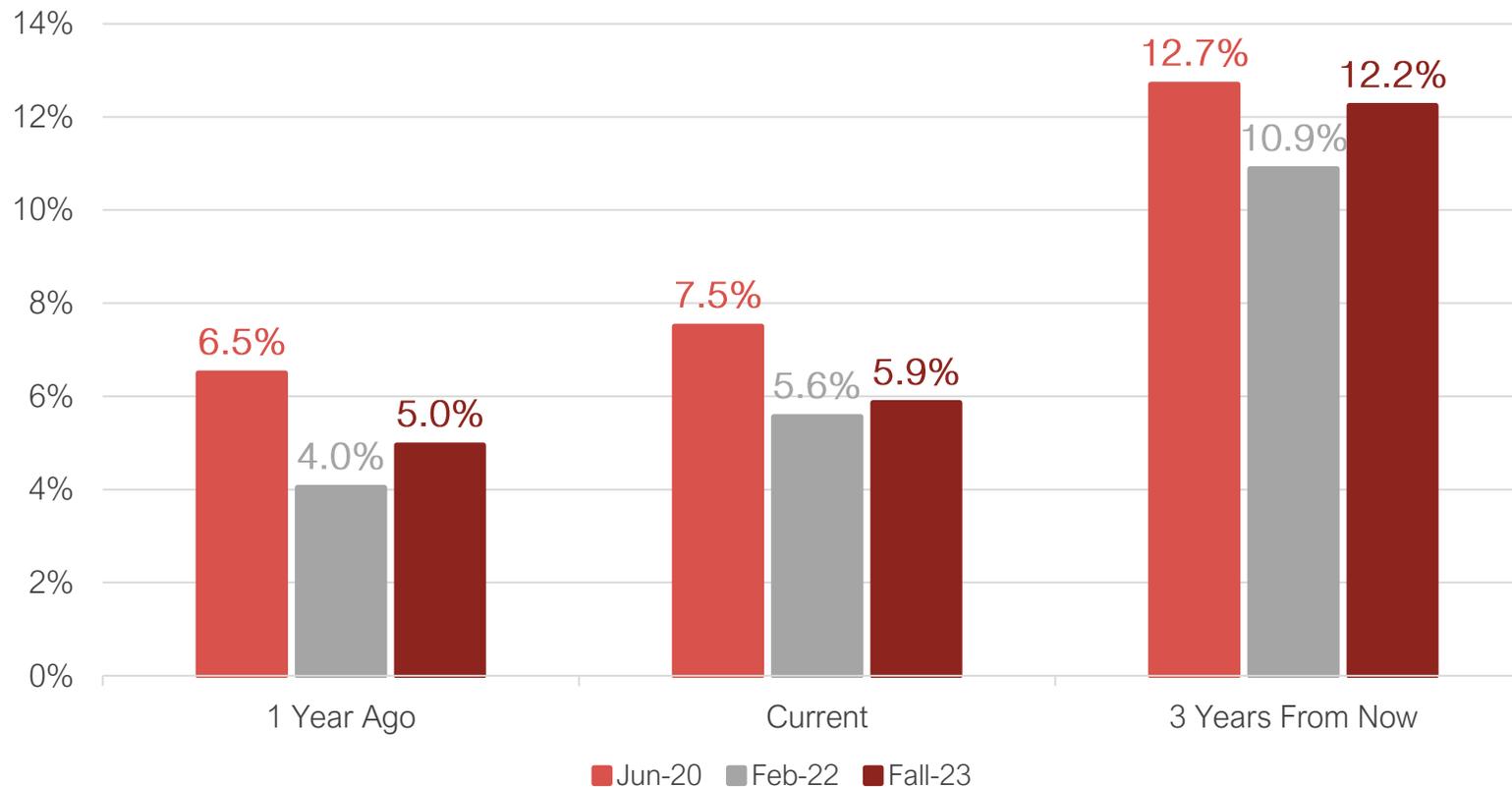
B2B Product	28.3%
B2B Services	33.2%
B2C Product	47.3%
B2C Services	42.3%

 **Online Sales**

0%	29.8%
1%-10%	27.5%
11%-49%	47.6%
50%-99%	38.2%
100%	69.9%

Use of influencers still has not reached the level observed during pandemic; expected to grow by 107% in three years

What percentage of your marketing budget currently involves the use of any type of influencers? one year ago? 3 years from now?



Economic Sector

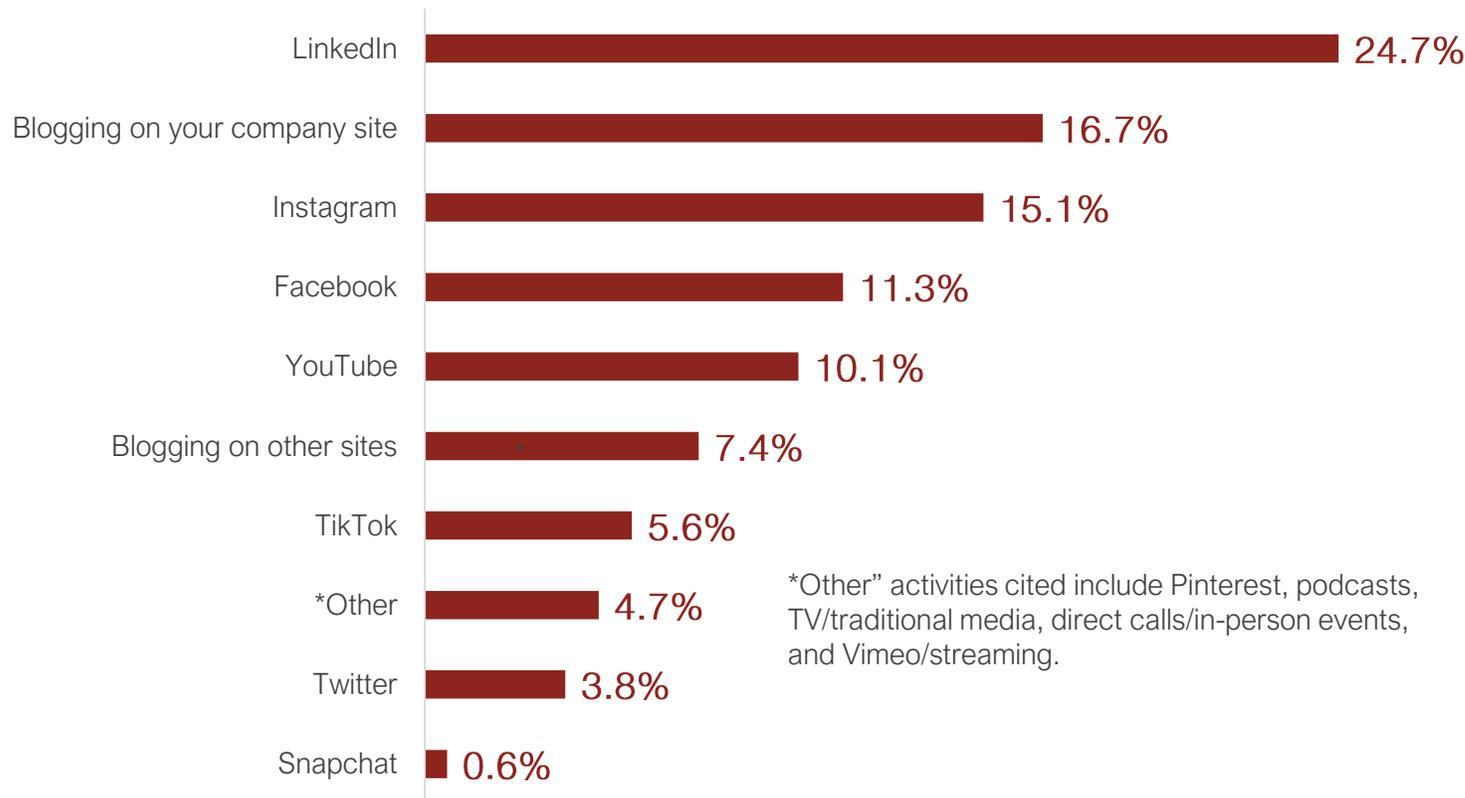
	Current	3 Years
B2B Product	5.0%	11.4%
B2B Services	6.4%	12.1%
B2C Product	8.3%	14.8%
B2C Services	3.4%	10.8%

Insights

Communications / Media (9.8%) and Consumer Packaged Goods (8.5%) are most likely to currently use an influencer as part of their marketing strategy. Pure-play online companies (8.27%) are more likely to currently use influencers than brick-and-mortar companies (4.0%). Education (318%) and Transportation (208%) expect to see the most growth in influencer usage in the next three years. Smaller companies with <\$10M revenues plan to invest the highest percentage of budgets (16.2%) in influencers in the next three years.

Marketers focus on LinkedIn, company blogs, Instagram, and Facebook with influencers

Considering online influencer activities, allocate 100 points across these activities according to their importance to your marketing strategy.



Insights

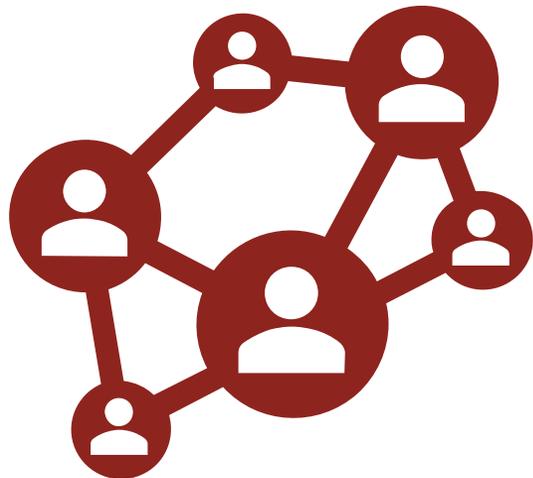
LinkedIn, Company Blogs, and Instagram continue to be the top 3 influencer activities, matching the June 2020 CMO Survey. LinkedIn (18.2%) and TikTok (1.0%) had large increases in influencer activity points since June 2020, while use of Facebook (12.9%) and Twitter (7.8%) decreased.

Economic Sector

	LinkedIn	Blog	Instagram	Facebook
B2B Product	31.4%	36.8%	6.2%	14.4%
B2B Services	20.7%	19.7%	7.3%	14.4%
B2C Product	7.1%	8.0%	32.8%	21.1%
B2C Services	8.2%	8.2%	14.3%	19.5%

Influencer performance viewed as contributing very little to company performance

To what degree has the use of influencers contributed to your company's performance during the last year? (1=Not at all, 7=Very Highly)



2.4
Influencer
contribution
to company
performance



Economic Sector

B2B Product	2.1
B2B Services	2.2
B2C Product	3.3
B2C Services	2.0

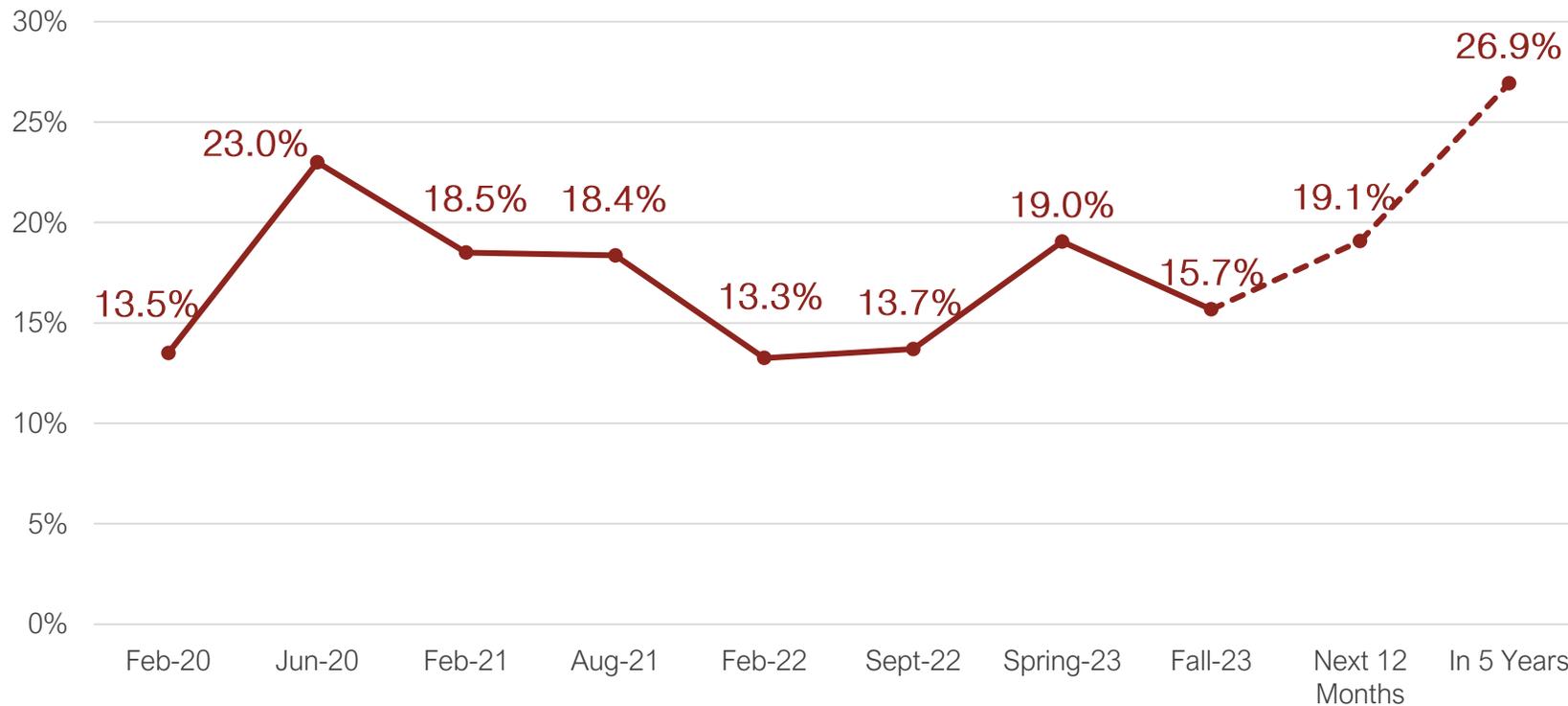


Insights

Influencer contribution ranges by industry. Industries with the largest influencer impact are Consumer Packaged Goods (3.3), Education (3.2), and Retail / Wholesale (3.1). Conversely, Real Estate (1.8), Healthcare (1.4), and Energy (1.2) are the industries with the smallest influencer impact.

Mobile spending predicted to increase after recent drop; expected to grow 70% in five years

What percent of your marketing budget are you currently spending on mobile activities? And what percent will you spend in the next 12 months? 5 years?



Economic Sector

	Present	1 Year	5 years
B2B Product	11.7%	14.7%	22.0%
B2B Services	11.2%	12.4%	18.8%
B2C Product	23.5%	28.9%	37.7%
B2C Services	24.7%	30.3%	40.5%

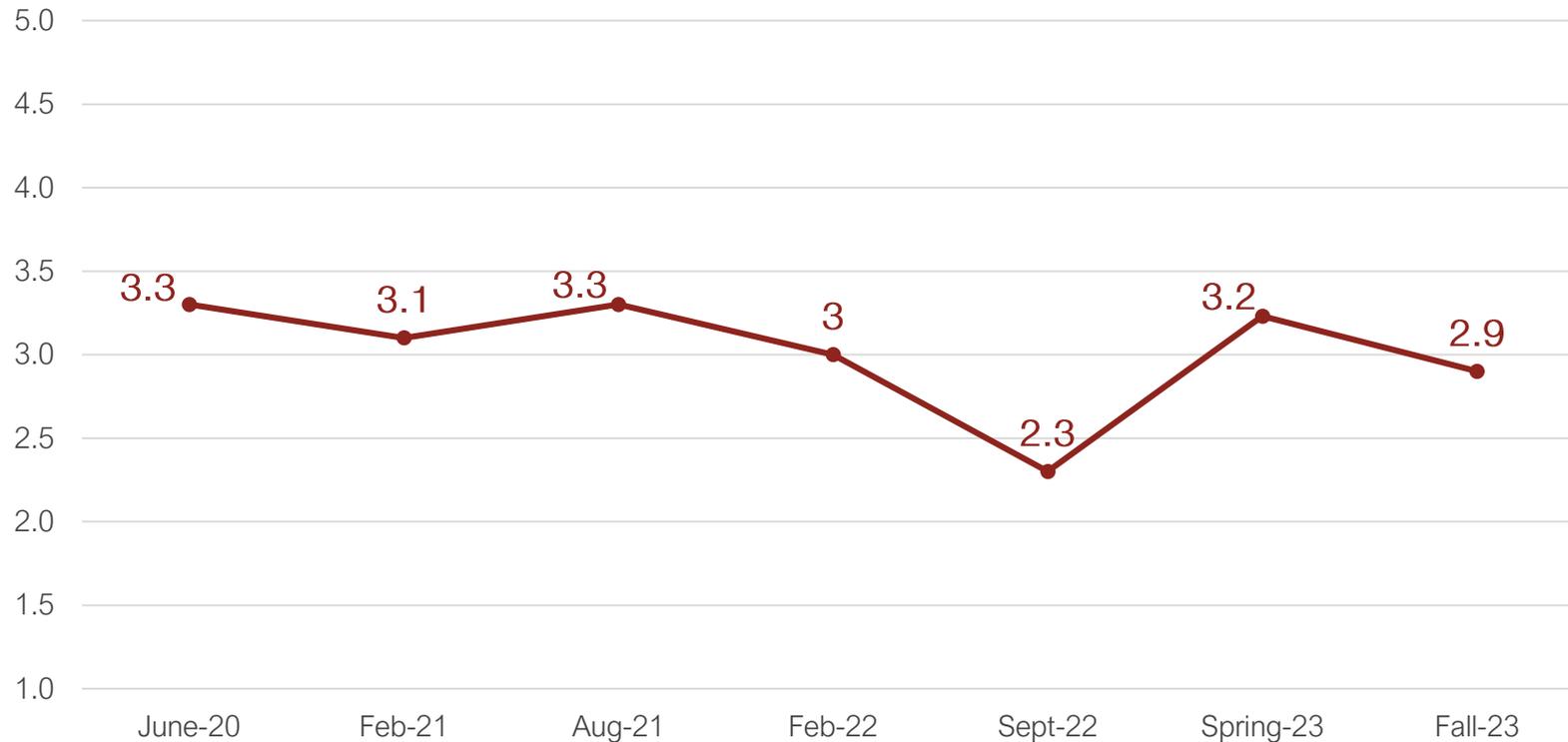


Insights

Mobile spending levels decreased to 15.7%, missing the 16.9% prediction for spending one year ago. Companies with 50%+ of online sales spend roughly 27% of their marketing budgets on mobile and predict that to rise to 40% in the next 5 years. Biggest current mobile industry spenders include Consumer Services (37.9%), Communications / Media (29.8%), and Real Estate (28.2%).

Mobile marketing's contributions to company performance are weak and erode further

To what degree has the use of mobile marketing contributed to your company's performance during the last year? (1=not at all, 7=very highly)



Economic Sector

B2B Product	2.5
B2B Services	2.4
B2C Product	3.8
B2C Services	3.8



Insights

On average, mobile marketing contributions to company performance remain weak. Mobile marketing contributions dropped since Spring 2023 for B2B Product (3.0) and B2C Product (4.1), while B2B Services and B2C Services have remained the same since Spring 2023. The strongest sector is Consumer Services (5.1), which has dropped slightly from Spring 2023 (5.3). Companies with 50%+ of online sales report an average of 3.6 compared to strictly brick and mortar companies (2.2).

Companies continue to struggle tracking the entire customer journey, not just touchpoints

Which of the following factors limit the success of your company's mobile marketing activities?

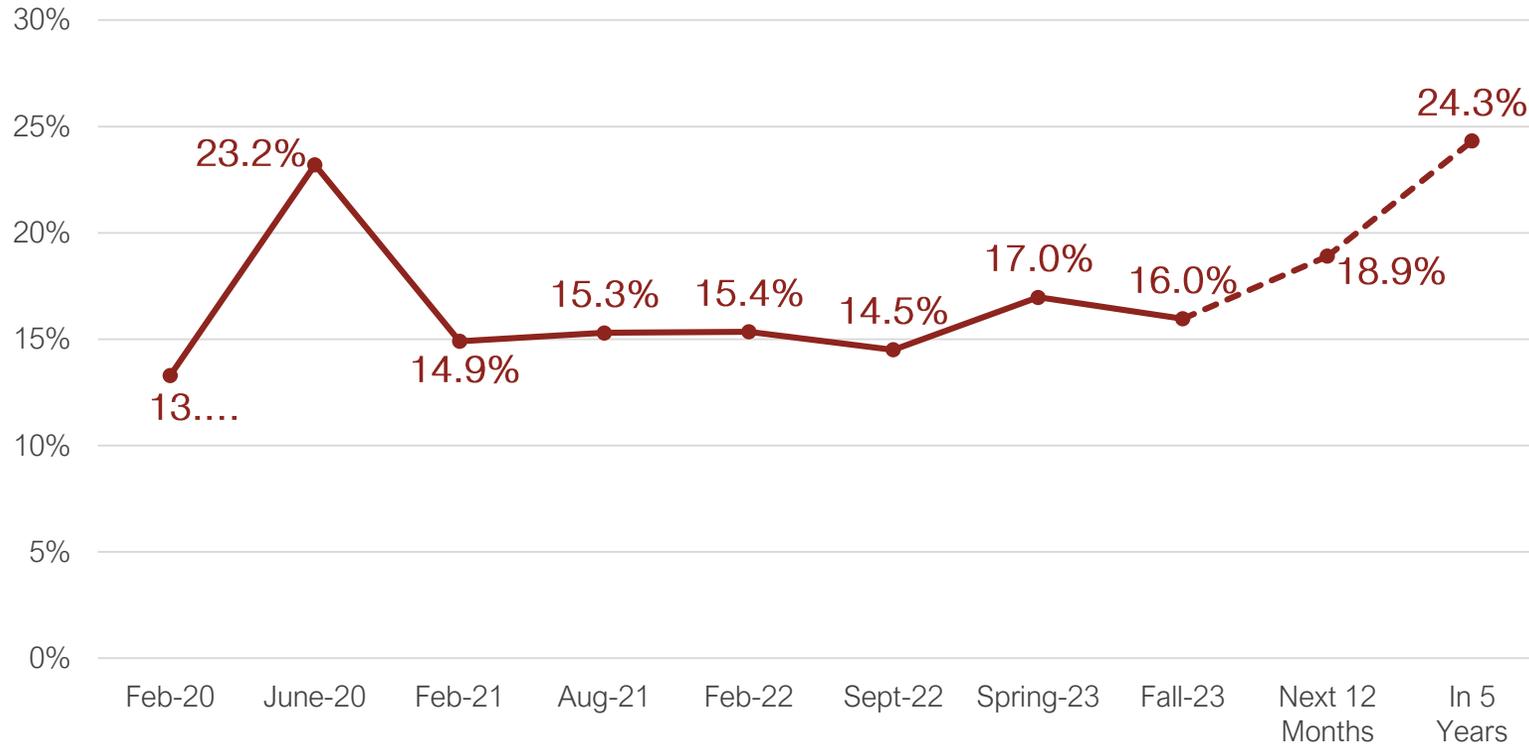
	% Reporting
Difficulty tracking the customer across the journey	40.0%
Weak link between our mobile strategy and our broader marketing strategy	38.0%
Insufficient in-house mobile expertise	36.6%
Unclear objectives for our mobile marketing strategy	31.7%
Our content is not sufficiently personalized	30.7%
Difficulty identifying our mobile customer audience	30.7%
Undisciplined approach to monitoring mobile metrics	23.4%
Our content is not as engaging as it needs to be	16.1%
Unclear ownership of mobile initiatives within the company	15.6%
Lack of a mobile-friendly website	8.3%

Insights

Difficulty tracking the customer across the journey remains the top challenge, matching the February 2020 CMO Survey. While most limiting factors have remained similar to those reported in February 2020, several factors have increased: the weak link between mobile and broad strategy (increase from 31.2% to 38.0%), content not sufficiently personalized (from 25.4% to 30.7%), and difficulty identifying mobile audience (from 26.0% to 30.7%). Conversely, several factors have decreased: content is not engaging (from 20.8% to 16.1%) and lack of mobile friendly website (from 14.5% to 8.3%). The Pharma / Biotech industry is most likely to report a weak link between mobile strategy and broader marketing strategy (83.3%), while Professional Services is most likely to report insufficient in-house mobile expertise (65.0%) and the Education industry is most likely to report content not sufficiently personalized (60.0%).

Social media spending takes a slight dip; forecasted to increase across industries in the next 12 months and 5 years

What percent of your marketing budget are you currently spending on social media?
What percent will you spend in the next 12 months? 5 years?



Economic Sector

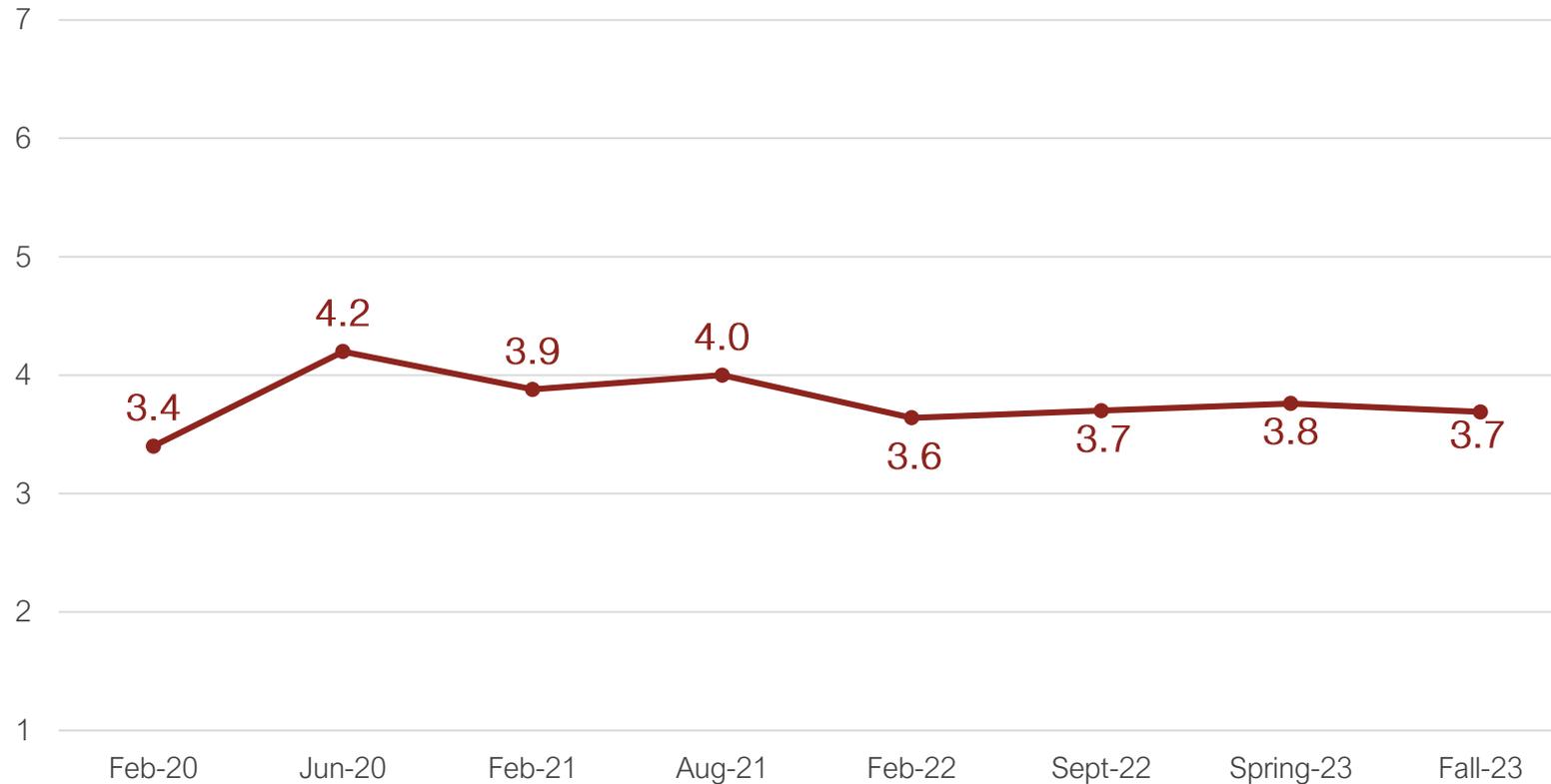
	Present	1 Year	5 years
B2B Product	12.0%	14.2%	20.4%
B2B Services	14.9%	18.8%	23.0%
B2C Product	22.5%	25.3%	30.4%
B2C Services	18.7%	21.9%	26.8%

Insights

Despite a slight dip from Spring-23, marketing leaders predict a steep rise in social media spending over the next year. Communications / Media and Consumer Packaged Goods predict they will spend ~1/3 or more of their marketing budgets on social media 5 years from now. In addition, brick-and-mortar companies are predicting they will increase social media spending from 11% to 19% of their budgets in the next 5 years.

Social media contributions to company performance remain modest and flat

To what degree has the use of social media contributed to your company's performance during the last year? (1=not at all, 7=very highly)



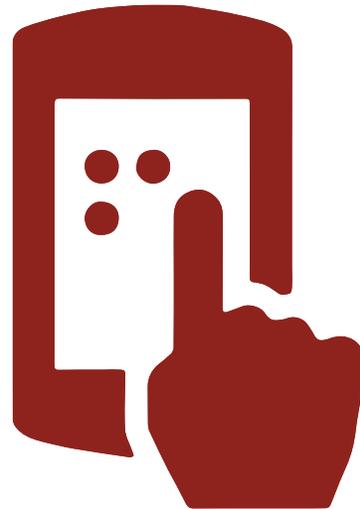
Insights

Contributions of social media to company performance have remained steady over the last four years. However, similar to the last report, there are some types of companies achieving greater performance. B2C Product (4.4) and B2C Services (4.2) companies continue to be more likely than average to view social media as contributing to performance. This trend is confirmed again by Consumer Services leading the pack with a rating of 4.9.

In terms of company size, companies with higher levels of revenue continue to be more likely to attribute performance to social media (average of 3.8 for over \$500 million in revenue vs. 3.5 for below). Brick and mortar companies continue to be the least likely to perceive that social media contributes to company performance (3.2).

Over a third of all companies use apps, but B2C companies and larger companies are more likely

Does your company use an app?



36%
Companies
use apps



Economic Sector

B2B Product	27.6%
B2B Services	23.2%
B2C Product	49.0%
B2C Services	67.7%

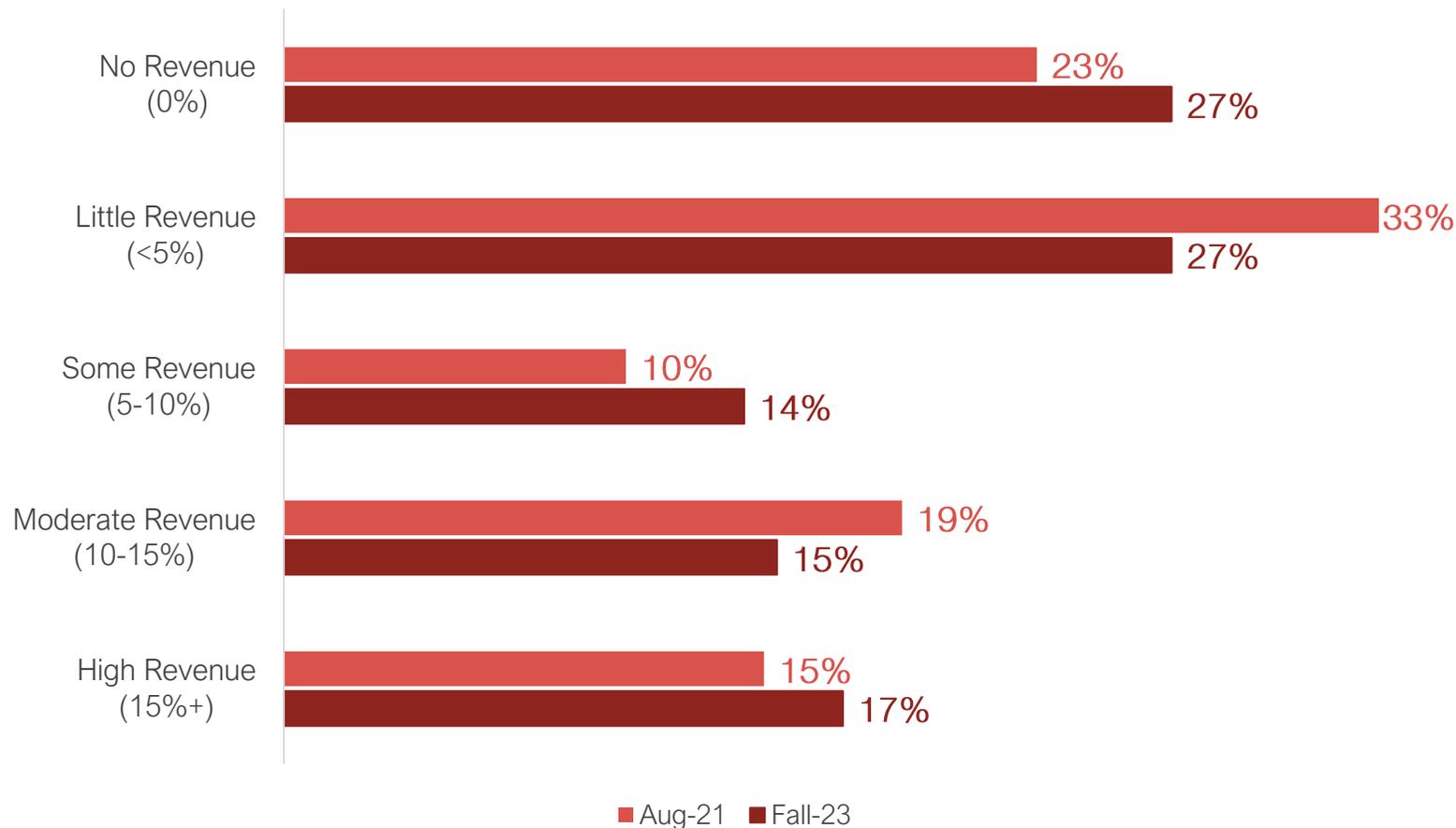


Employees

<50	15.2%
50 – 99	19.0%
100 – 499	35.4%
500 – 999	23.1%
1,000 – 2,499	39.3%
2,500 – 4,999	37.5%
5,000 – 9,999	52.2%
10,000+	58.5%

Apps revenue has modestly increased even though most companies still achieve little or no impact

Approximately what percent of revenue has your app(s) generated for your business?



Fall 2023

Economic Sector

	High Rev Fall-23
B2B Product	16.7%
B2B Services	0.0%
B2C Product	20.8%
B2C Services	23.8%

Insights

Companies are earning more revenue from apps, with 17% of companies earning 15% or more of revenues, up from 15% two years ago. However, 15% of companies are earning 10-15% of revenues from apps compared to 19% two years ago. Consistent with this, 27% of companies report no revenue compared to 23% two years ago. The largest proportion of companies reporting “High Revenue” from apps (35.3%) make the majority of their sales online (50-99% online sales).



Managing DE&I in Marketing

As economic uncertainty rocked the world this past year, DE&I initiatives have decelerated. Marketing leaders report growth in DE&I spend slowing to 2.3% this quarter, down from 10.7% just one year ago. Fewer marketers also report expecting DE&I to be a marketing priority over the next five years, with less than half believing it will be prioritized.

While increased economic volatility may be factoring into this shift, DE&I investment returns may also be playing a factor. Marketers report DE&I having weak returns. Rating on a scale of 1 (not at all) to 7 (a great deal) by various outcomes, the effects of DE&I marketing investments on stock returns (1.8), sales growth (2.5), customer retention (2.7), customer acquisition (2.8), employee attraction (3.5), and employee retention (3.5) are all weaker than one year ago.

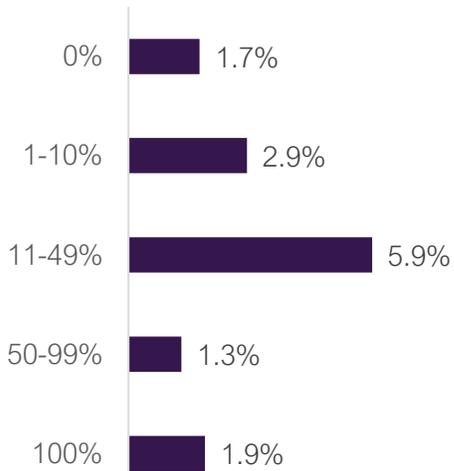
There is still a lot that needs to be accomplished with DE&I in marketing. Marketers continue to report their companies have only achieved moderate progress (3.3 on a scale of 1-7, with 7 being high progress) in developing an inclusive approach to marketing decision making and changing their marketing strategies to reach more diverse customers (3.3 on the same scale). They also report that non-white and disabled diversity in their organizations has decreased over the past year by 10.3% and 6.1% respectively, while the percentage of women has increased 3.5%.

DE&I accounts for 2.5% of marketing budgets: B2C Product companies outspend other sectors

What percent of your marketing budget do you spend on DE&I?

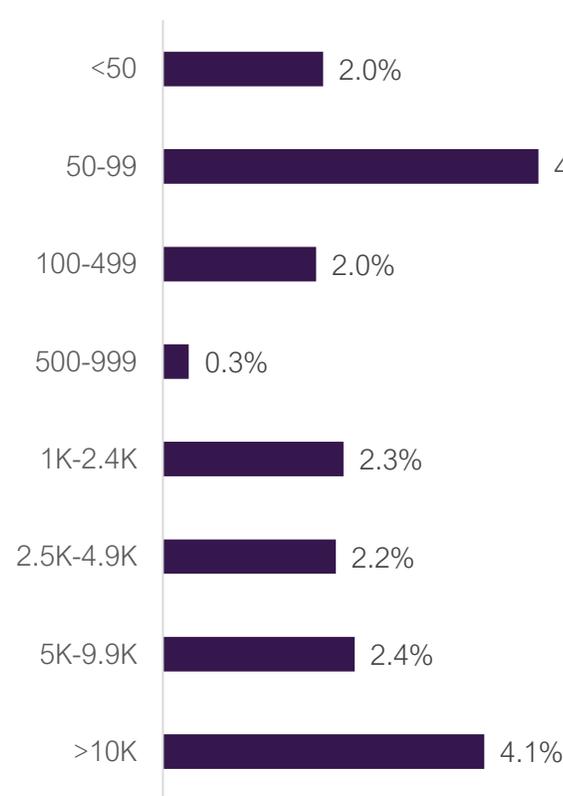
2.5%
of marketing budgets spent on Diversity, Equity, & Inclusion

Online Sales

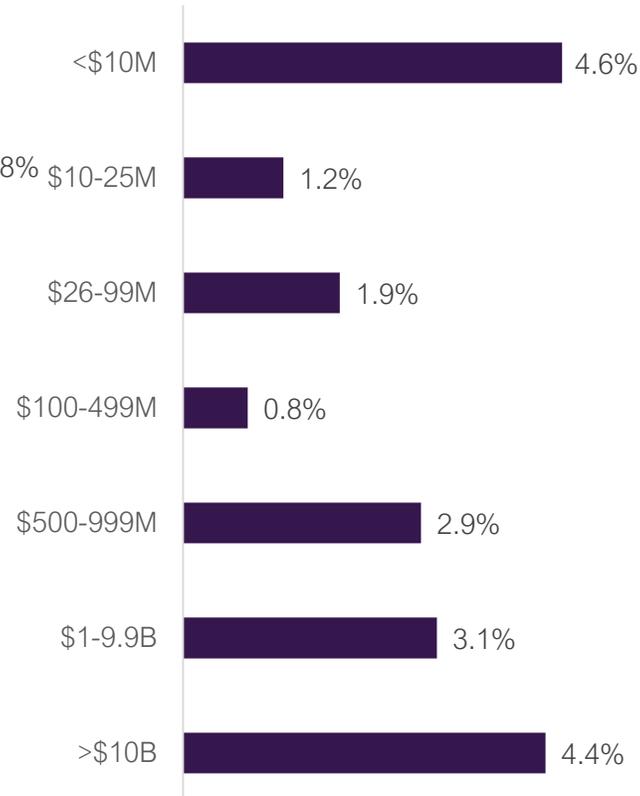


Fall 2023

Employees



Revenues



Economic Sector

B2B Product	2.5%
B2B Services	2.5%
B2C Product	3.4%
B2C Services	1.4%

Industry Sector

Top 3 Sectors

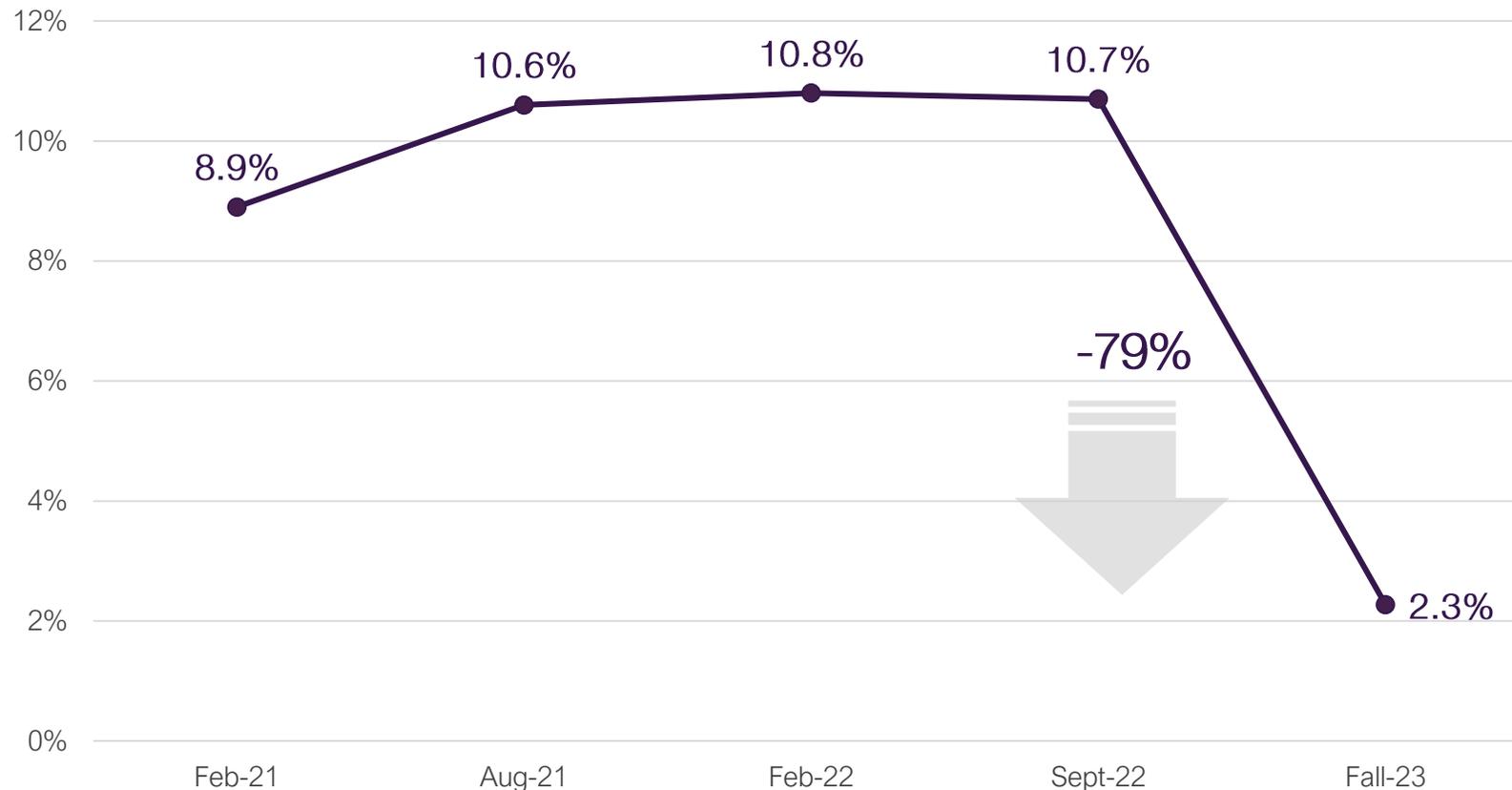
- Banking / Finance / Insurance (5.9%)
- Retail / Wholesale (4.1%)
- Consumer Packaged Goods (3.8%)

Bottom 3 Sectors

- Communications / Media (0.0%)
- Consumer Services (0.0%)
- Transportation (0.0%)

Spending on DE&I has slowed with marketers reporting a nearly 79% decrease from last year

By what percent has marketing spending on DE&I changed in the last year?



Economic Sector

B2B Product	1.9%
B2B Services	4.4%
B2C Product	1.1%
B2C Services	0.5%

Industry Sector

Largest Change

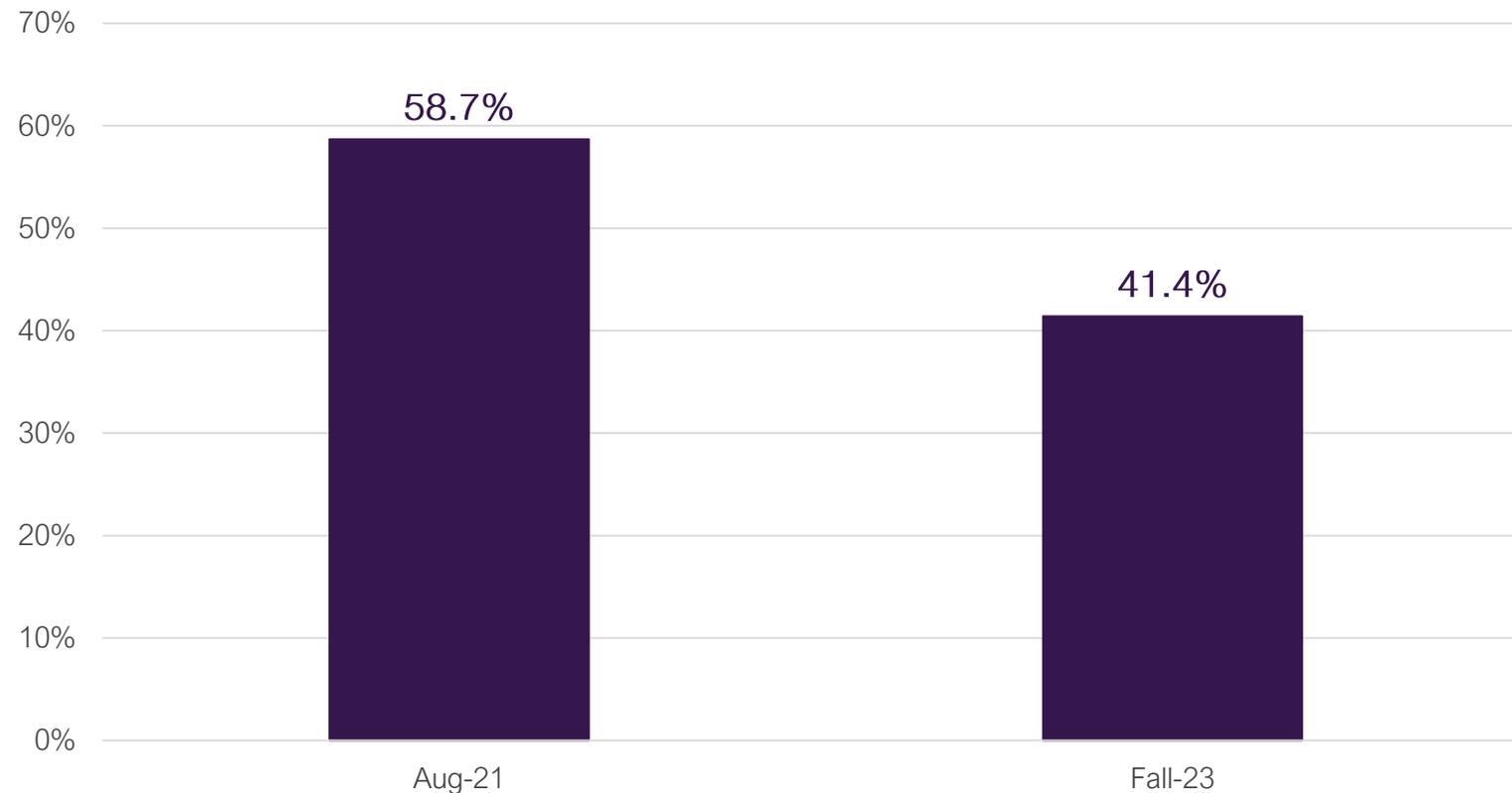
- Education (33.3%)
- Tech / Software / Platform (3.5%)
- Retail Wholesale (3.2%)

Smallest Change

- Communications Media (0.0%)
- Consumer Services (0.0%)
- Transportation (0.0%)

Fewer marketers expect DE&I to be a marketing priority over the next five years

Do you expect DE&I to be a marketing priority for your company over the next five years?



\$ Revenue

<\$10M	29.2%
\$10-25M	38.1%
\$26-99M	35.1%
\$100-499M	33.3%
\$500-999M	53.3%
\$10B+	60.0%

Industry Sector

Top 3 Sectors

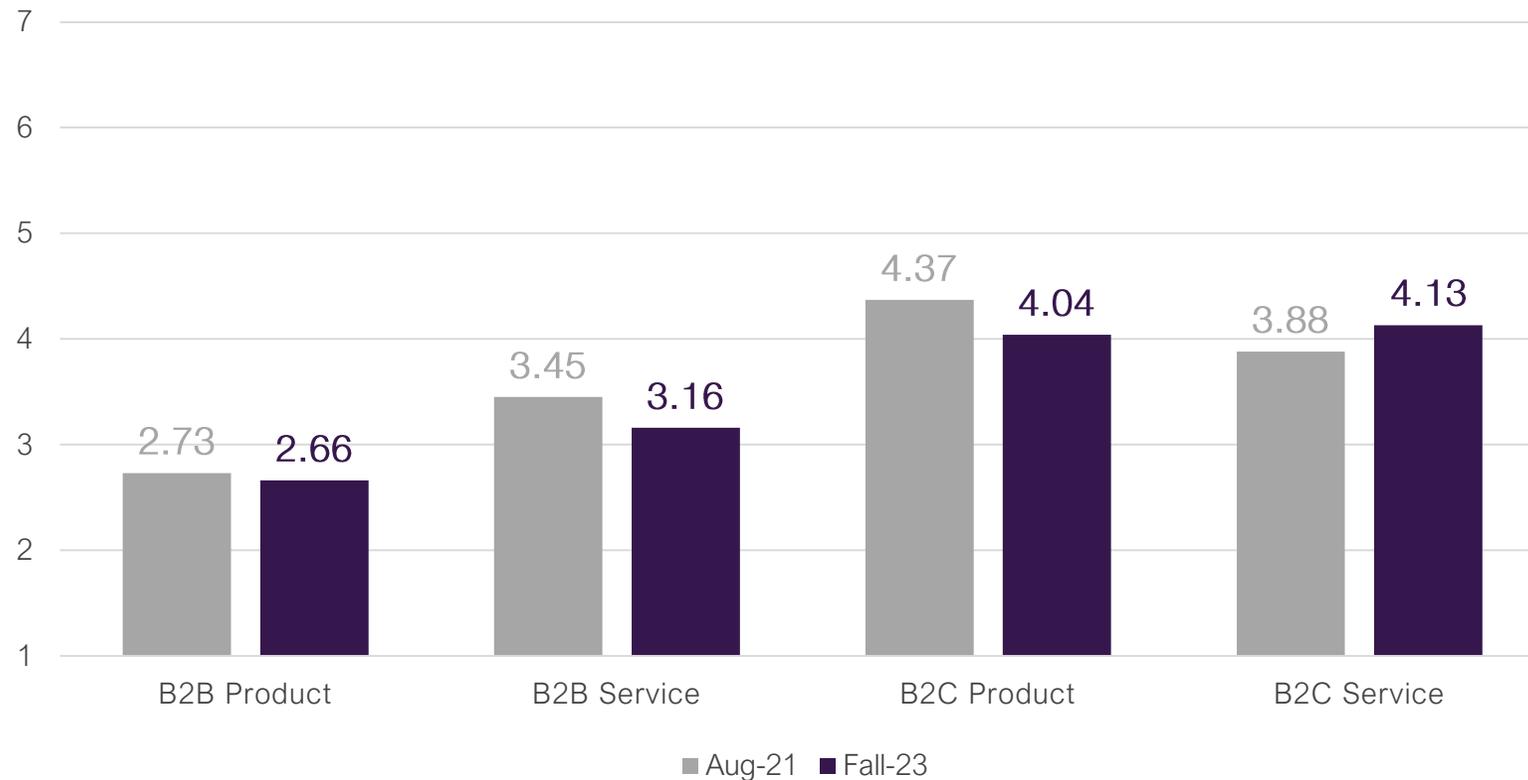
- Banking / Finance / Insurance (70.4%)
- Healthcare (53.3%)
- Professional Services (52.4%)

Bottom 3 Sectors

- Manufacturing (26.3%)
- Communications / Media (20.0%)
- Transportation (16.7%)

Marketers continue to report moderate likelihood of changing marketing strategy to reach more diverse customers, with B2C companies most likely to change

How much is your company changing its marketing strategy to reach a more diverse set of customers? (1=not at all, 7=very much)

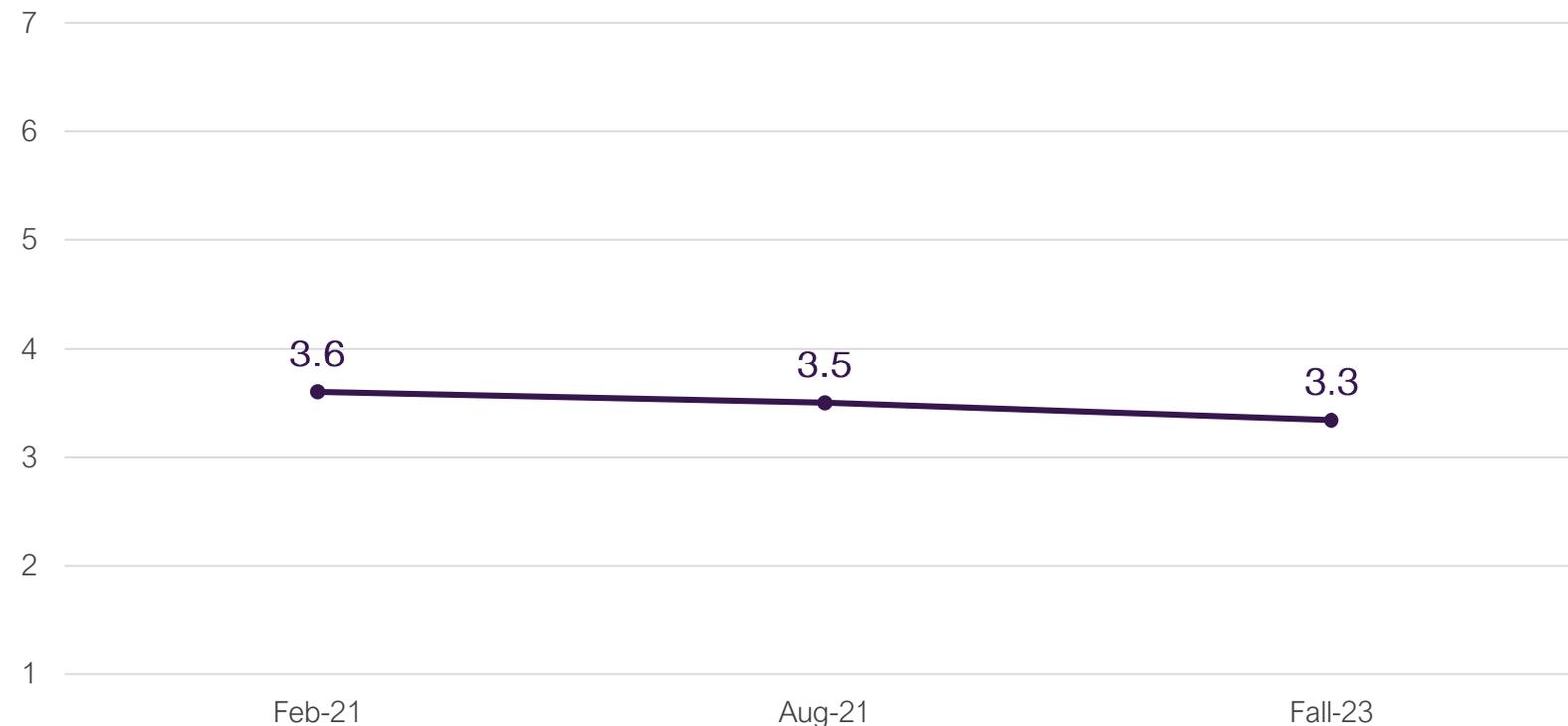


3.3

Average rating of companies changing marketing strategy to reach a more diverse set of customers
(3.4 in August-21)

On average, marketers continue to report only moderate progress in developing an inclusive approach to marketing decision making

Rate the degree to which your company has developed an inclusive approach to marketing decision making, meaning you have established steps to review and/or evaluate marketing decisions from a DE&I perspective. (1=not at all, 7=very highly)

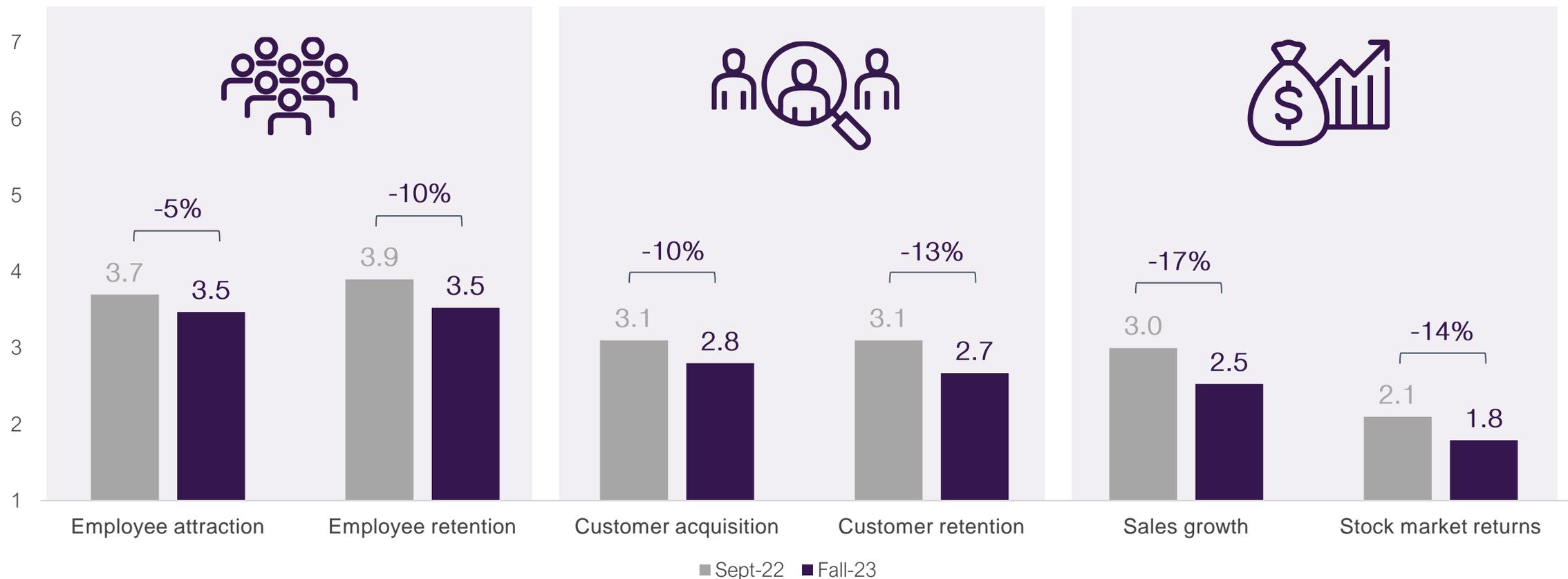


Insights

Over the past two years, marketers report seeing their companies make only moderate progress in developing an inclusive approach to marketing decision making. This year, that rating is down slightly to 3.3 from 3.5 two years ago, possibly due in part to the slowdown in spend marketers reported for DE&I this past year (see slide 47). Among industries, Consumer Services was rated highest (4.3) for developing an inclusive approach, followed by Banking / Finance / Insurance (4.2), and Retail / Wholesale (4.1). The industries ranked lowest include Manufacturing (1.6), Communications / Media (2.3), Healthcare (2.5)

Marketers indicate DE&I investments continue to provide weak returns and have not improved over time

How, if at all, have your company's DE&I marketing investments paid off in terms of the following outcomes? (1=not at all, 7=a great deal)



Gender, race, and disability diversity has shown little change in marketing organizations over the past year

How diverse is your marketing organization?



59.1%
+3.5% over 2022



19.8%
-10.3% over 2022



2.2%
-6.1% over 2022

Industry Sector

Top 3 Sectors (% Female)

- Education (70.7%)
- Healthcare (69.4%)
- Transportation (65.8%)

Top 3 Sectors (% Non-White)

- Pharma / Biotech (34.2%)
- Consumer Services (31.3%)
- Retail / Wholesale (24.6%)

Top 3 Sectors (%Disabled)

- Pharma / Biotech (7.5%)
- Consumer Services (4.3%)
- Transportation (4.0%)



Marketing Leadership

Senior marketing leaders are more likely to be asked by their CEO and/or CFO to participate in company board meetings (4.7 on 7-point scale) than earning calls (3.7 on 7-point scale)—although both remain at moderate levels. Marketing feels the most pressure from the CFO (52%) and CEO (51%) and less pressure from the Board (33%). Marketing leaders report less pressure from CEOs and Boards over time while indicating more pressure from CFOs.

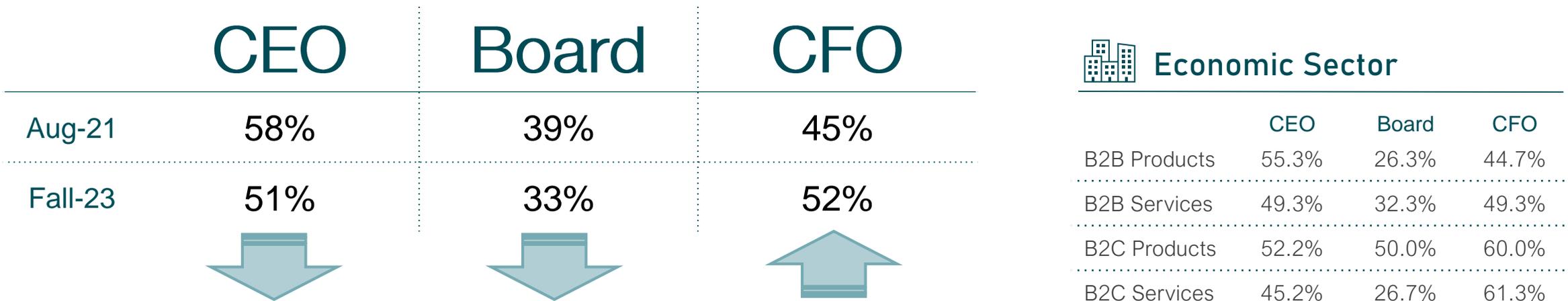
Consistent with CFO pressures, “demonstrating the impact of marketing actions on financial outcomes” continues to be the top challenge for marketing leaders—similar to the 2019 CMO Survey. This is followed by the challenge of “communicating the role of the brand in business decisions,” which has increased in importance since 2019, and “focusing data and analytics on the most important marketing problems,” a new element evaluated in this survey.

Marketing leaders report improved clarity in their role (42.3% “Very clear” and 47.6% “Reasonably defined”), with 29% fewer identifying their role as “Ambiguous” since February 2019. The number of indirect reports (38) for marketers has increased by 171% since August 2009 (14), while the number of direct reports (7) remains relatively constant. Senior marketing leader tenure is 5.2 years.

The top three social issues brands act for or against are LGBTQ+ equality (59.0%), Covid-19 (58.3%), and racial equality (53.2%). Actions related to abortion (+580%), firearms (+227.3%), and climate-related issues (+69.6%) had the largest increases since February 2021.

Marketers experience less pressure from CEOs and Boards while receiving more scrutiny from CFOs

Rate whether marketing feels increasing pressure from the following leaders to prove the value of marketing (% reporting yes).



Marketing leaders report less pressure from CEOs and Boards over time while indicating more pressure from CFOs. This is presumably related to the aforementioned challenge of demonstrating the impact of marketing actions on financial outcomes. Pharma / Biotech (85.7%) receives the most pressure from CEOs, while Transportation (16.7%) receives the least. Consumer Services (42.9%) receives the most pressure from Boards, while Energy (16.7%) and Healthcare (20%) receive the least. Consumer Services (71.4%) receives the most pressure from CFOs, while Energy (27.3%) receives the least. Companies with \$10B+ revenues receive the most pressure from CEOs (78.9%), Boards (47.4%), and CFOs (84.2%).

Senior marketing leaders are more likely to be asked by their CEO and/or CFO to participate in company board meetings than earning calls

How often are you/your senior marketing leader asked by the CEO or CFO to participate in board meetings or earnings calls? (1=never, 7=all the time)

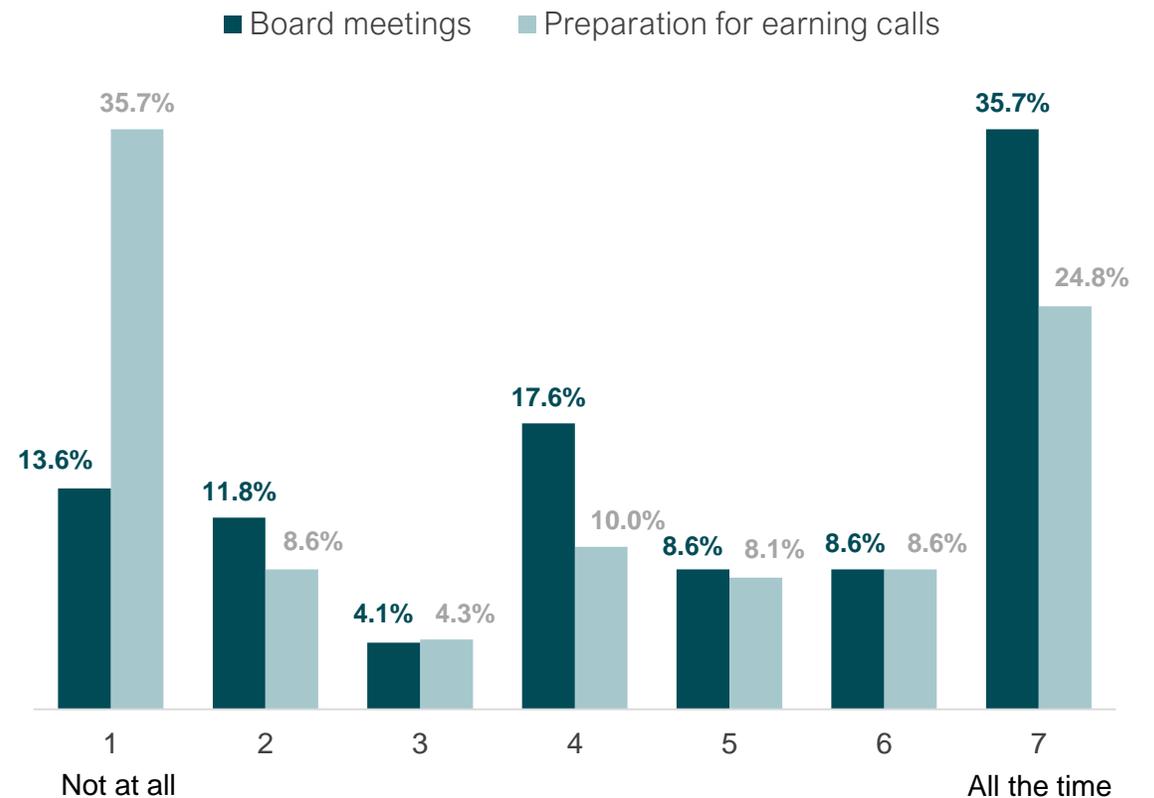


Board meetings



Earning calls

Average participation	4.7	3.7
% of companies above average participation	52.9%	51.4%
Who participates more	Companies with: <ul style="list-style-type: none"> • 100% online sales • \$100-499M revenue • 500-999 employees 	Companies with: <ul style="list-style-type: none"> • 11-49% online sales • \$10-25M revenue • 100-499 employees



Communicating brand, securing cross-functional support, and using non-technical terminology are becoming more challenging for marketing leaders

Which activities does your senior marketing leader find challenging to implement on a regular basis?

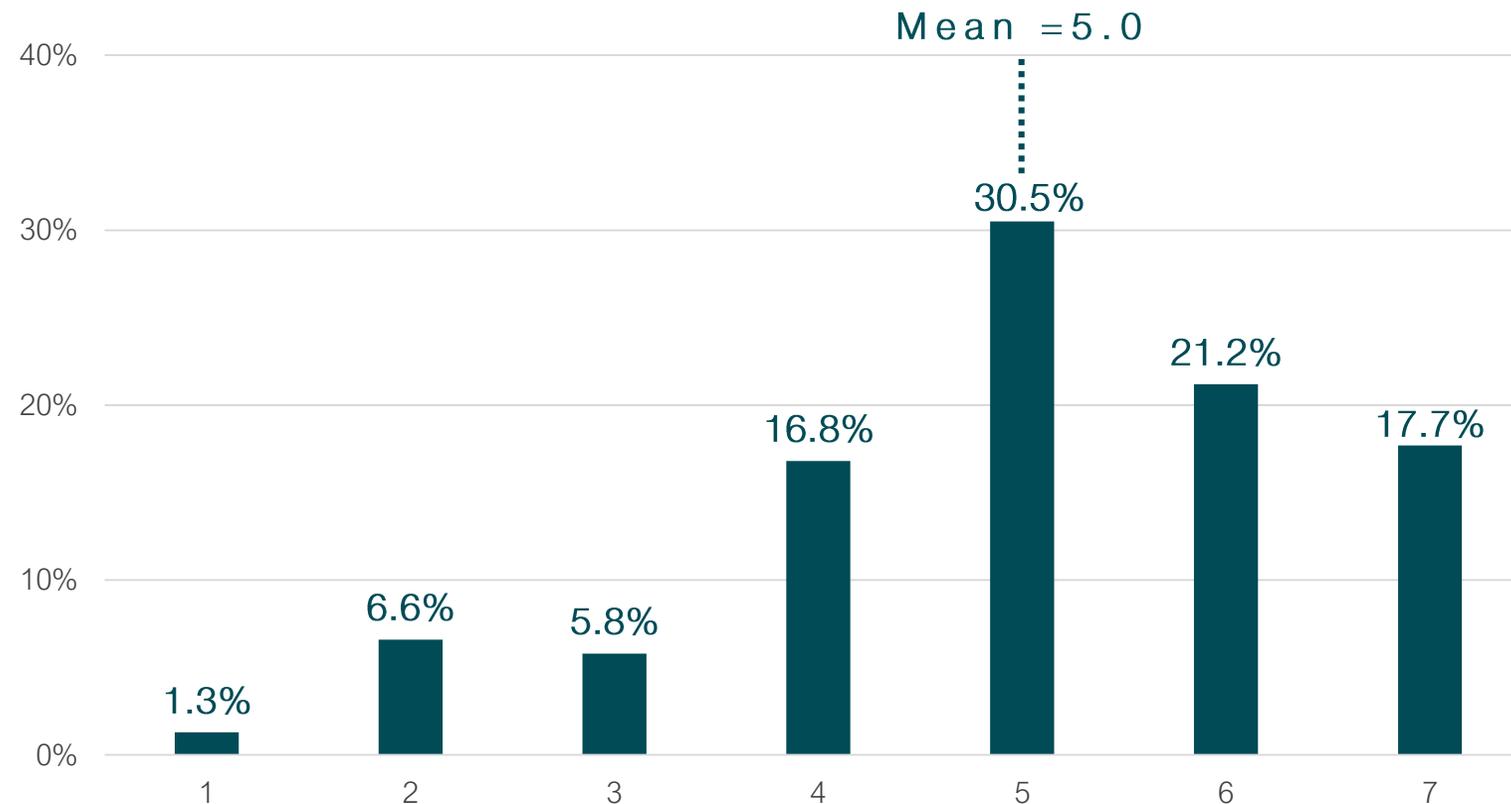
Demonstrating the impact of marketing actions on financial outcomes	61.2%
Communicating the role of the brand in business decisions	45.3%
Focusing data and analytics on the most important marketing problems	41.6%
Securing cross-functional support for new marketing investments	40.7%
Leveraging technology to improve customer value	36.9%
Infusing customer's point of view in business decisions	28.0%
Linking marketing investments to important business objectives	26.2%
Using business terminology that resonates outside of the marketing function	15.4%

Insights

“Demonstrating the impact of marketing actions on financial outcomes” (61%) continues to be the top challenge for marketing leaders, across all economic sectors, matching the February 2019 report (64%). Since February 2019, “communicating the role of the brand in business decisions” increased from 37% reporting important to 45% as did “securing cross-functional support for new marketing investments” which increased from 35% to 41%. At the same time, “infusing the customer’s point of view in business decisions” decreased from 40% rating it as important to 28% as did “linking marketing investments to important business objectives, which decreased from 36% to 26%. A new entrant, “focusing data and analytics on the most important marketing problems,” was rated third most important in the survey.

Marketing and finance leaders continue to remain closely aligned with the most alignment in the Tech and Consumer Services industries

How well aligned are marketing and finance leaders in your company on goals, strategies, and tools/data? (1=not at all, 7=very highly)



Economic Sector

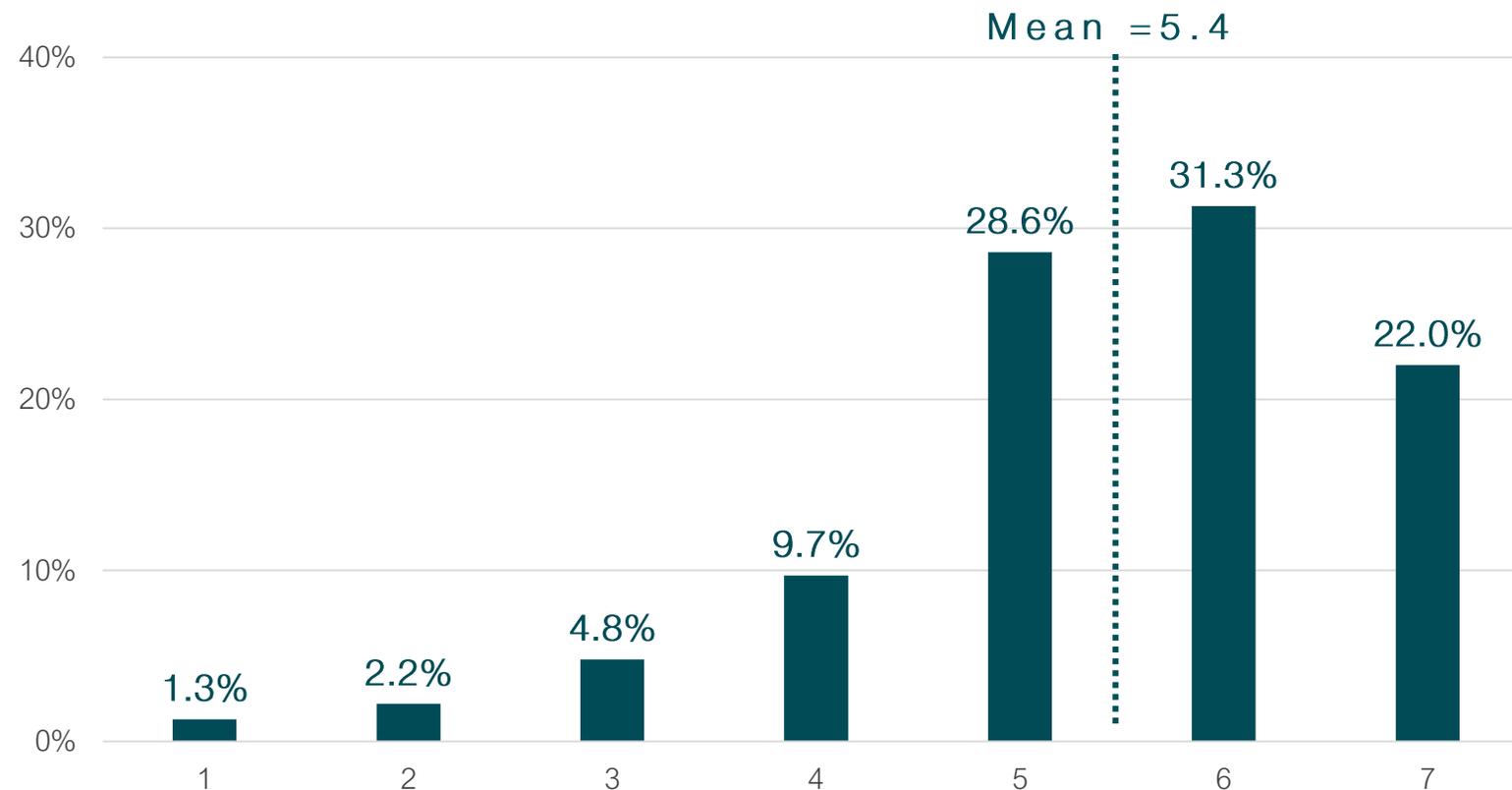
B2B Products	5.1
B2B Services	4.9
B2C Products	5.0
B2C Services	5.2

Insights

Marketing and finance continue to remain closely aligned (mean of 5.0) similar to prior surveys in Feb-21 and -22. Tech / Software / Platform (5.6) and Consumer Services (5.4) have the highest alignment while Professional Services (4.2) and Transportation (4.5) have the least. Companies with 11-49% online sales (5.5) have the highest alignment while brick and mortar companies have the lowest (4.8). Small companies with <50 employees have the most alignment (5.8).

Marketing and sales leaders continue to remain closely aligned with the most alignment in the Energy industry

How well aligned are marketing and sales leaders in your company on goals, strategies, and tools/data? (1=not at all, 7=very highly)



Economic Sector

B2B Products	5.5
B2B Services	5.3
B2C Products	5.5
B2C Services	5.5

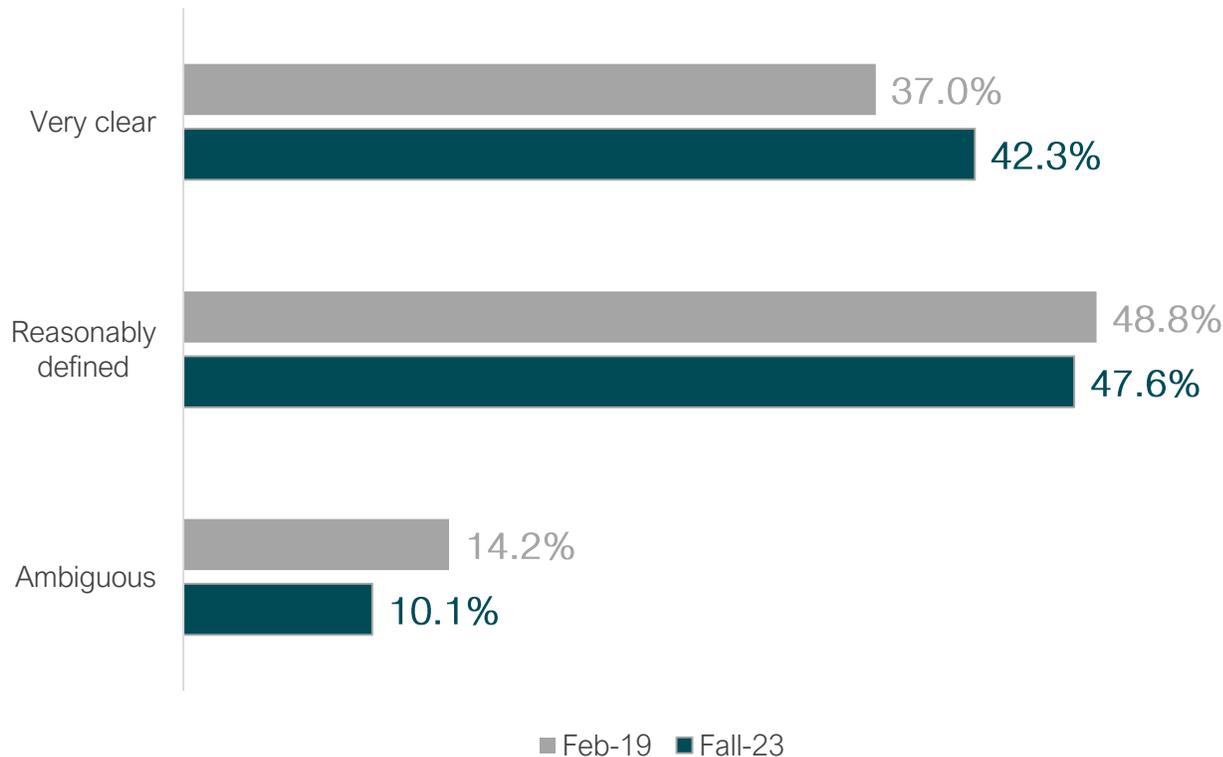


Insights

Marketing and sales leaders continue to remain closely aligned to their companies' goals, strategies, and tools/data (mean of 5.4) similar to the February 2021 report (mean of 5.3). Energy (6.1), Pharma / Biotech (6.0), and Mining / Construction (6.0) have the most marketing and sales leader alignment, while Healthcare (5.0), Professional Services (5.0) and Real Estate (4.9) have the least alignment. Alignment continues to be lower in the largest companies with \$10B+ revenue (5.0).

Marketing leaders report improved clarity in their role, with 29% fewer identifying their role as ambiguous

How well is your role as a marketing leader defined in your company?



Economic Sector

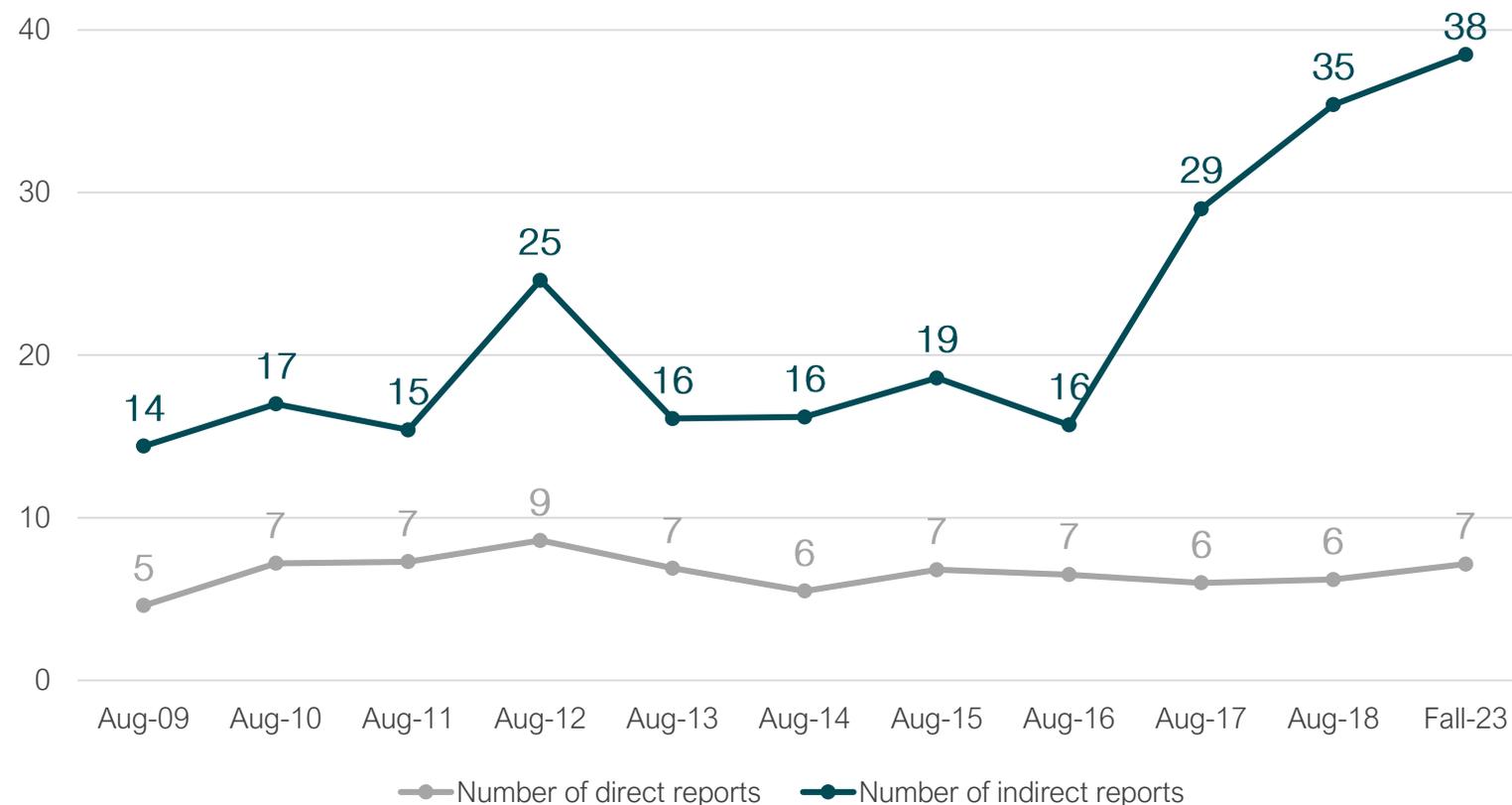
	Very Clear	Reasonably	Ambiguous
B2B Products	50.6%	42.0%	7.4%
B2B Services	33.8%	55.9%	10.3%
B2C Products	37.0%	45.7%	17.4%
B2C Services	48.4%	45.2%	6.5%

Insights

Marketing leaders' roles have become more clear during the pandemic and ensuing years, both in terms of those reporting more "very clear" status and less "ambiguous" status. Role clarity increases with percent of online sales. Mining / Construction (100%) has the highest "very clear" rating. Consumer Services, Education, Pharma / Biotech, Mining / Construction, and Transportation all rate their roles as "Reasonably defined" or "Very clear." Companies with \$10B+ revenues have the highest "very clear" rating (47.6%), while companies with \$10-25M (36.4%) have the lowest.

The number of indirect reports for marketers has increased by 171% since August 2009, while the number of direct reports remains relatively constant

How many direct and indirect reports do you have?



Economic Sector

	Direct Reports	Indirect Reports
B2B Products	6	33
B2B Services	5	15
B2C Products	7	61
B2C Services	14	69

Industry Sector

Top 3 Sectors with most Direct Reports

- Mining / Construction (23)
- Transportation (14)
- Banking / Finance / Insurance (10)

Top 3 Sectors with most Indirect Reports

- Pharma / Biotech (170)
- Consumer Services (147)
- Retail / Wholesale (90)

Senior marketing leader tenure reaches 5+ years

How many years has your company's senior marketing leader served in this role?



5.2 years

Average years senior marketing leader has served in role



Economic Sector

B2B Products	5.3
B2B Services	5.4
B2C Products	5.0
B2C Services	4.7



Online Sales

0%	5.0
1-10%	5.2
11-49%	5.3
50-99%	5.6
100%	5.5



Employees

<50	6.0
50 – 99	5.3
100 – 499	5.1
500 – 999	5.4
1,000 – 2,499	4.9
2,500 – 4,999	4.8
5,000 – 9,999	4.5
10,000+	4.9

While equality and Covid-19 dominate brand actions related to social issues, brand activism on climate, education, abortion, and firearms increase

Has your brand taken public action for or against any of the following social issues?

Public Actions Taken	Feb-21	Fall-23	Δ
LGBTQ+ equality	40.0%	59.0%	+ 47.5%
Covid-19 safeguards	82.2%	58.3%	- 29.1%
Racial equality	59.4%	53.2%	- 10.4%
Gender equality	43.9%	49.6%	+ 13.0%
Climate-related issues	25.0%	42.4%	+ 69.6%
Economic equality	20.0%	23.7%	+ 18.5%
Education	18.3%	23.0%	+ 25.7%
Healthcare	23.2%	16.5%	- 28.9%
Abortion	0.0%	5.8%	+ 580%
Immigration	8.3%	5.0%	- 39.8%
Firearms	1.1%	3.6%	+ 227.3%

Insights

The top 3 current social issues that brands have taken public action for or against are LGBTQ+ equality (59.0%), Covid-19 safeguards (58.3%), and racial equality (53.2%). Abortion (+580%) had the largest increase since February 2021. This is presumably related to the Dobbs v. Jackson Women’s Health Organization Supreme Court decision in 2022. Firearms (227.3%) had the second largest increase, presumably due to the gun control legislation changes in 2022 and ongoing gun violence. Climate-related issues (69.6%) had the third highest increase.

Taking a stand on social issues: How industries vary

Has your brand taken public action for or against any of the following social issues?

Social Issues	Top Industries	Bottom Industries
LGBTQ+ equality	<ul style="list-style-type: none"> Pharma / Biotech (100.0%) Tech / Software / Platform (90.5%) 	<ul style="list-style-type: none"> Healthcare (41.7%) Energy (22.2%)
Covid-19 safeguards	<ul style="list-style-type: none"> Consumer Services (100.0%) Healthcare, Pharma / Biotech (75.0%) 	<ul style="list-style-type: none"> Energy (44.4%) Real Estate (42.9%)
Racial equality	<ul style="list-style-type: none"> Pharma / Biotech (100.0%) Tech / Software / Platform (81.0%) 	<ul style="list-style-type: none"> Energy (33.3%) Communications / Media (22.2%)
Gender equality	<ul style="list-style-type: none"> Pharma / Biotech (100.0%) Tech / Software / Platform (76.2%) 	<ul style="list-style-type: none"> Real Estate (28.6%) Energy (22.2%)
Climate-related issues	<ul style="list-style-type: none"> Transportation (100.0%) Pharma / Biotech (75.0%) 	<ul style="list-style-type: none"> Healthcare, Tech / Software / Platform (33.3%) Professional Services (18.2%)
Economic equality	<ul style="list-style-type: none"> Pharma / Biotech (75.0%) Retail / Wholesale (40.0%) 	<ul style="list-style-type: none"> Manufacturing (14.3%) Tech / Software / Platform (14.3%)
Education	<ul style="list-style-type: none"> Education (100.0%) Retail / Wholesale (30.0%) 	<ul style="list-style-type: none"> Consumer Packaged Goods (18.2%) Professional Services (18.2%)
Healthcare	<ul style="list-style-type: none"> Healthcare (75.0%) Pharma / Biotech (50%) 	<ul style="list-style-type: none"> Banking / Finance / Insurance (9.5%) Tech / Software / Platform (9.5%)



Marketing Organization

Corporate headquarter locations remain the most common position for marketing. However, more companies are also locating marketing at business unit levels—a 35.5% increase from August 2017 results.

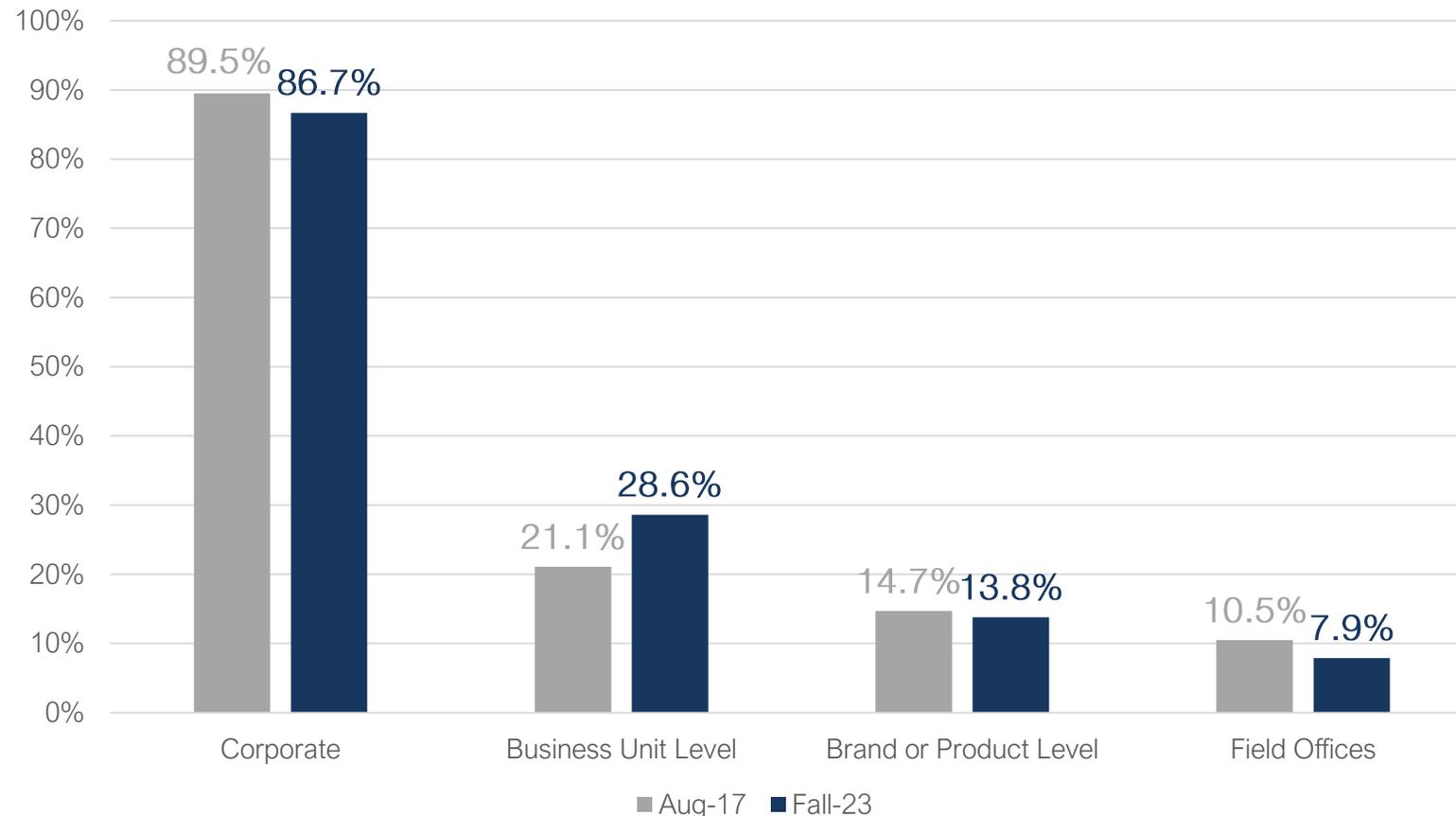
Sales and marketing work together on an equal basis in most companies (76.5%). Interestingly, 11.0% of companies report not having a sales function, which is a 92.3% increase in this category since the question was first asked in 2012.

Companies continue to be organized by product/service groups (79%) instead of customer groups. Use of this structure has increased since 2016 when it was used in 68% of companies. Consumer Services and Education (both 100%) are leading industries for companies that organize by product/service groups. Meanwhile, Healthcare had the highest percentage of companies that are organized by customer groups (40%).

Customer focus has increased over the last five years with companies collecting, sharing, and using more customer information to shape and evaluate marketing strategies. Among industries, Pharma / Biotech leads the way in utilizing customer information. On a scale of 1 – 7 (1=Not at all, 7=All the time), Pharma / Biotech reported 6.5 for collecting information on a regular basis, 5.7 for using the information to shape design of strategy, and 6.0 for the information influencing implementation of the strategies.

Although corporate locations remain most common for marketing, more companies locate marketing at the business unit level

Where is marketing located in your firm?



Fall 2023

Economic Sector*

(% of Business Unit Levels)

	Aug-17	Fall-23
B2B Product	27.5%	34.7%
B2B Services	11.1%	30.6%
B2C Product	22.2%	22.0%
B2C Services	26.7%	17.9%

Industry Sector

Largest increase in Business Unit Level

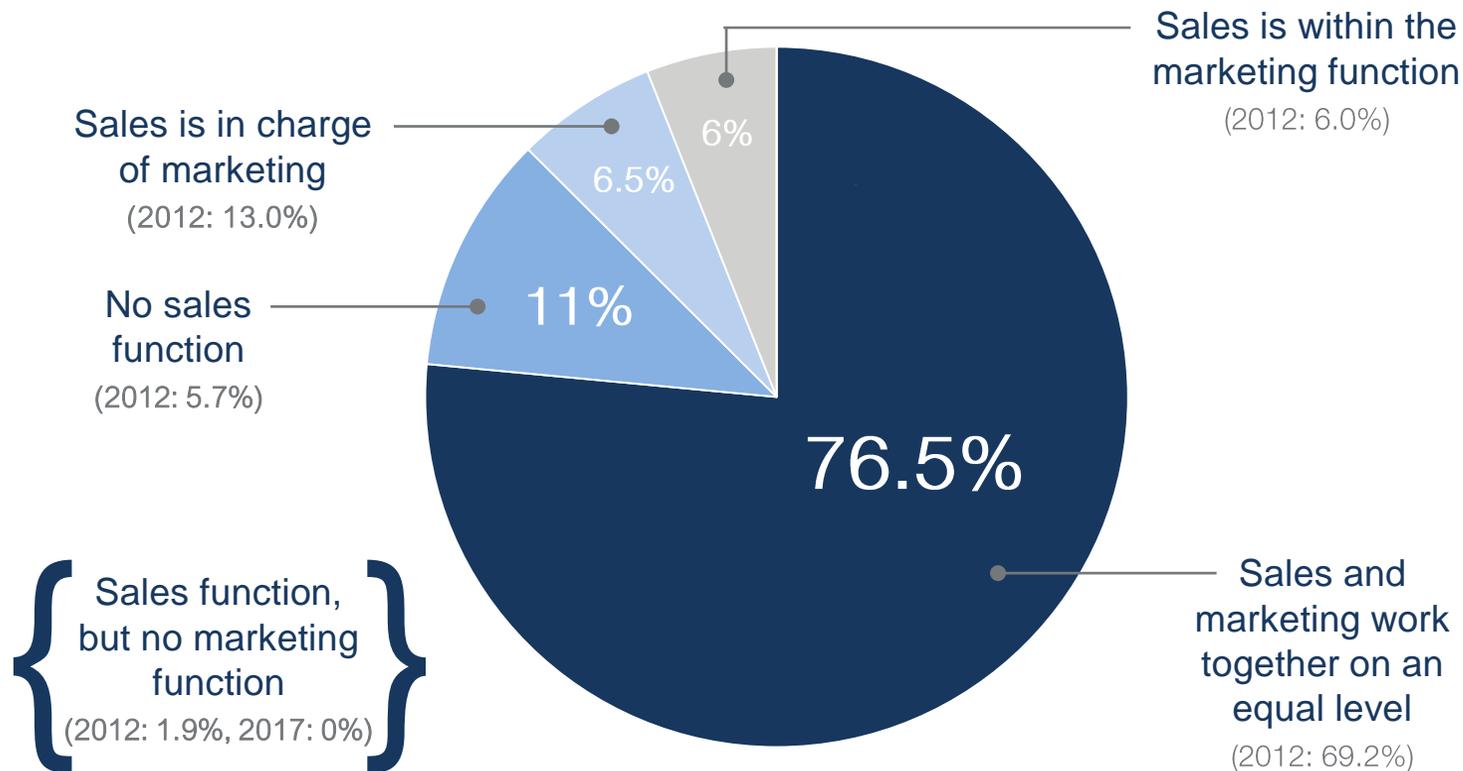
- Manufacturing (+229%)
- Banking / Finance / Insurance (+224%)
- Professional Services (+112%)

Largest decrease in Business Unit Level

- Transportation (-50%)
- Energy (-45%)

Sales and marketing work together on an equal basis in most companies

Select the description that best captures the role of sales within your firm.



Economic Sector

	Work Together as Equals	Sales Within Marketing
B2B Product	83.1%	2.8%
B2B Services	73.8%	6.6%
B2C Product	80.0%	10.0%
B2C Services	60.7%	7.1%

Industry Sector

Top Sales & Marketing Work Together as Equals

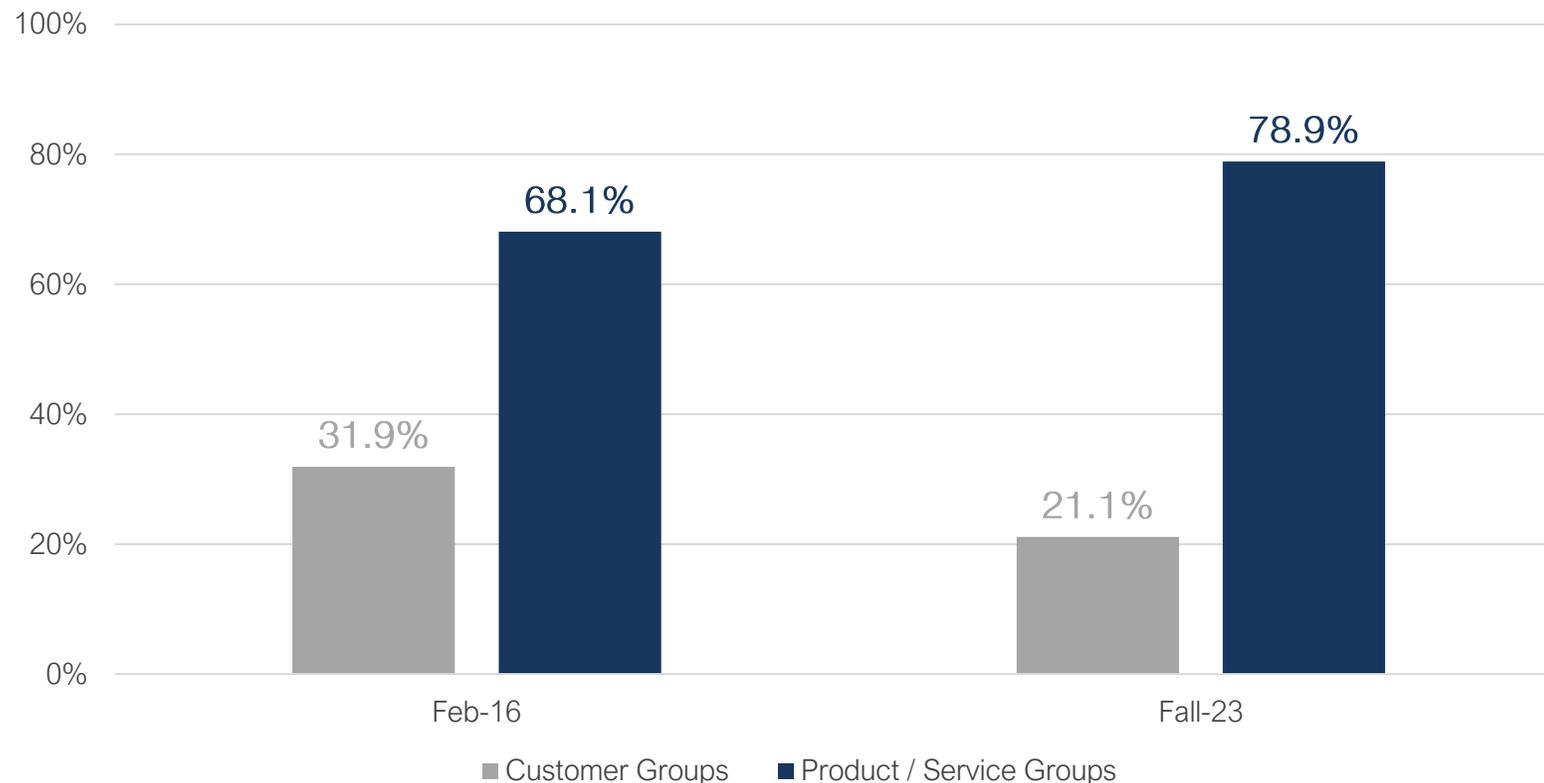
- Education (100.0%)
- Pharma / Biotech (100.0%)

Top Sales Within Marketing

- Retail / Wholesale (20%)
- Communications / Media (18.2%)

Product / service organizational structure remains dominant; fewer companies use customer groups

Companies are generally organized by product / service groups or by customer groups. Which organizational structure is most common in your company?



Economic Sector

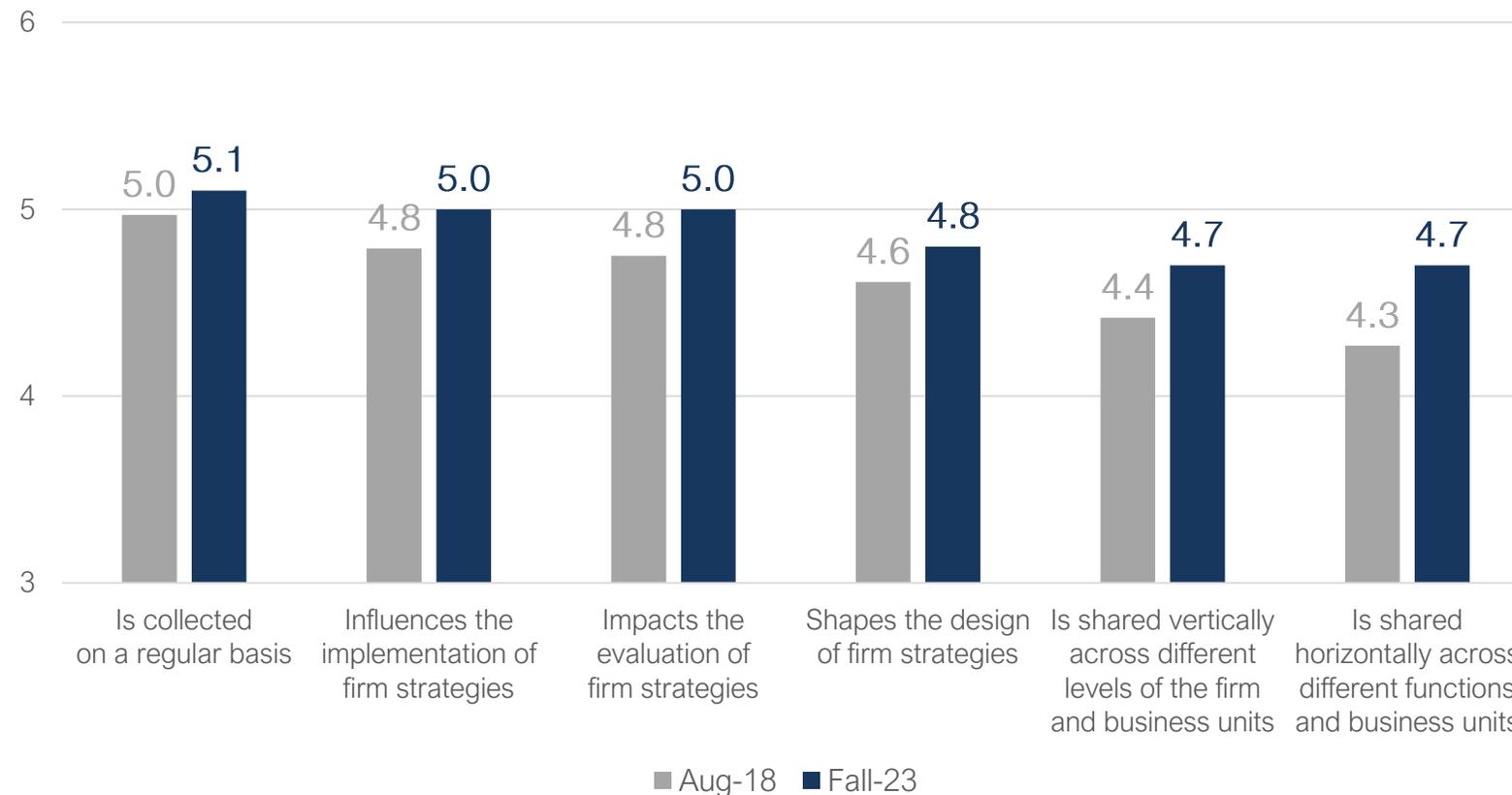
	Customer Groups	Product / Service Groups
B2B Product	30.0%	70.0%
B2B Services	26.2%	73.8%
B2C Product	4.9%	95.1%
B2C Services	11.1%	88.9%

Insights

Smaller companies (<\$10M sales revenue) are more likely to use customer groups (30.4%) compared to other size levels. As sales revenue grows, companies shift to product / service structure, with 89.5% of large companies (\$10B+ sales revenue) using product / service group structure. This structure is most common with Consumer Services and Education (both 100%).

Collection, sharing, and use of customer information has grown in companies over the past 5 years across the board

Rate the extent to which your company engages in the following customer information collection, sharing, and use behaviors. (1=Not at all, 7=All the time)



Insights

The larger the company, the more the company collects customer information on a regular basis. For example, small companies (<50 employees) reported a 4.9 for collecting data on a regular basis, while larger companies (10,000+ employees) reported a 5.7. On the other hand, smaller companies use the information more than larger companies to shape the design of strategy (5.3 for small vs 5.0 for large), influence the implementation of the strategy (5.4 for small vs 5.2 for large), and evaluate the strategy (5.5 for small vs 5.0 for large). Among industries, Pharma / Biotech had the highest average, reporting they collect information on a regular basis (6.5) and use the information to shape design (5.7) and implementation (6.0) of strategy.



Marketing Jobs

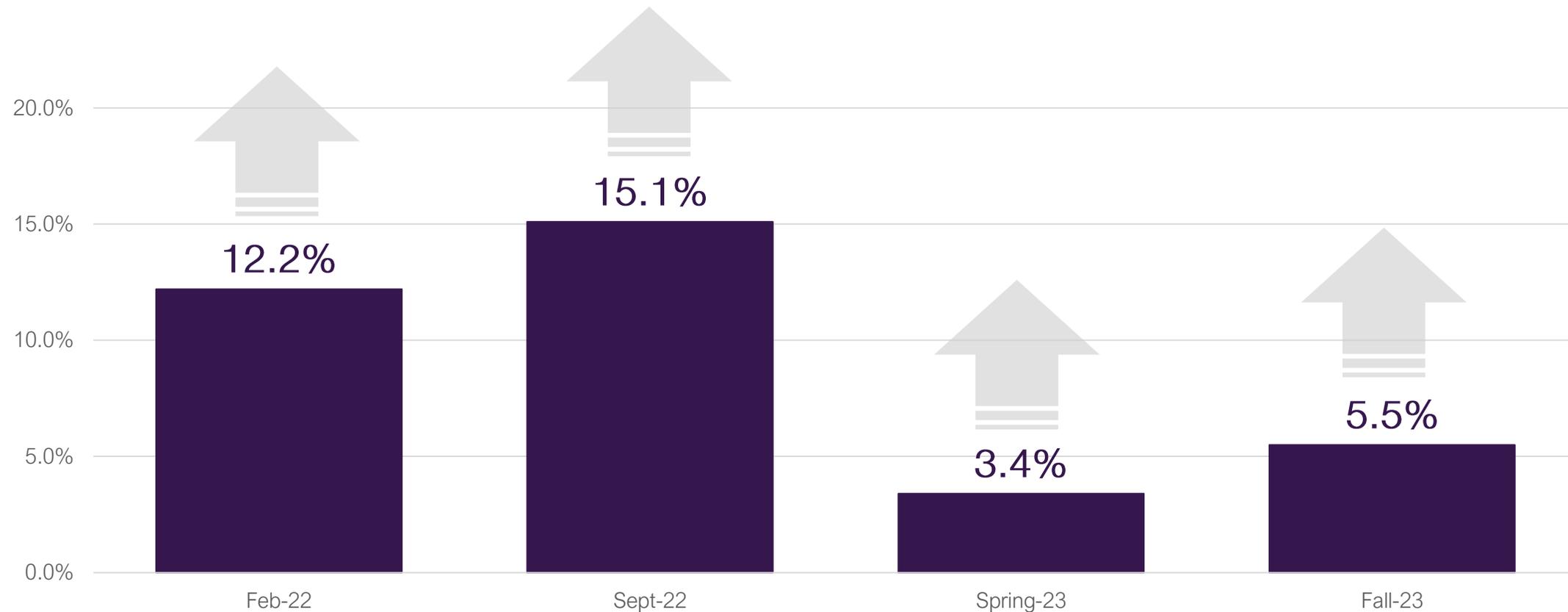
Marketing organization size growth increased by 5.5%, up from 3.4% in Spring of 2023. This growth remains significantly smaller than the 2022 surveys (February 2022: 12.2% increase, September 2022: 15.1% increase) and remains just below the long-term historical average for the survey since 2010 (5.6% increase)

Asked for the first time, marketing leaders report that 20.2% of marketing activities are currently outsourced. Consistent with weaker job growth, the level of outsourcing in marketing is expected to increase by 5% in the next year—the same percentage change observed in February 2018, after witnessing a decline in 2019 (3.9%) and 2020 (4.1%).

Marketing hires are predicted to grow at a faster rate in the next year (5.3% vs. 3.9% growth estimate in Spring 2023). In prioritizing the skills of future marketing hires, marketing leaders cited “Ability to pivot as new priorities emerge” (mean rank = 3.1) “ and “Creativity and innovation skills” (mean rank = 3.4) as top priorities, while “Financial acumen” (mean rank = 5.8) is the lowest.

Marketing organizations are seeing a rebound in organizational growth from spring 2023

By what percent has the size of your marketing organization grown or shrunk over the last year?



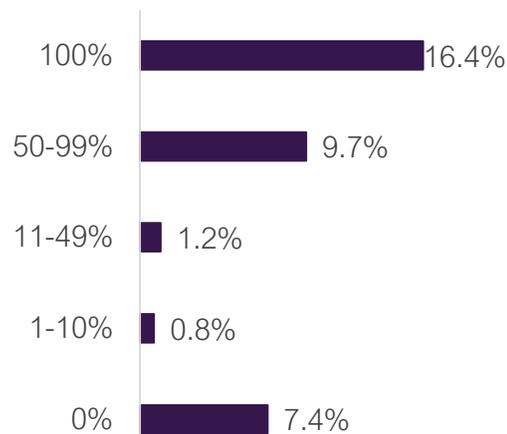
Firm and industry breakouts on marketing organization growth

By what percent has the size of your marketing organization grown or shrunk over the last year?

5.5%

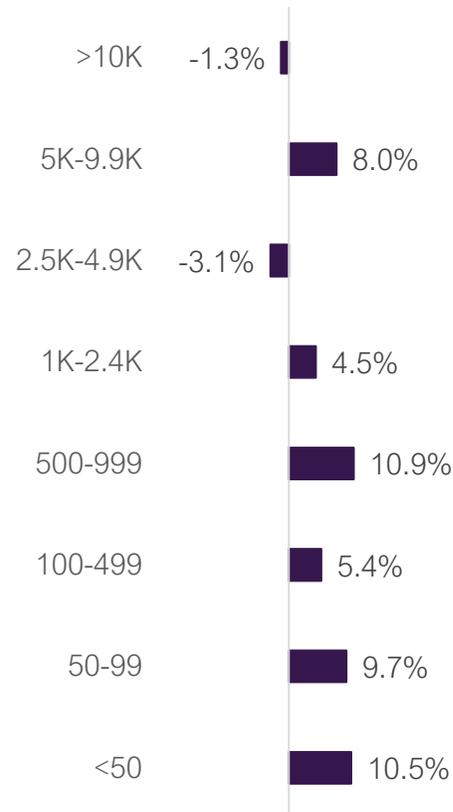
Growth in marketing organizations

Online Sales

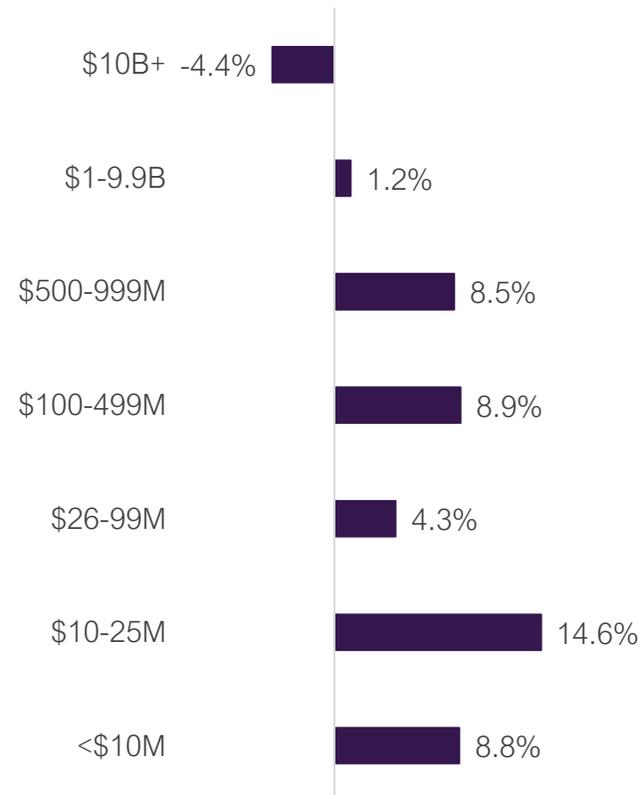


Fall 2023

Employees



Revenues



Economic Sector

B2B Product	0.9%
B2B Services	5.7%
B2C Product	10.1%
B2C Services	10.0%

Industry Sector

Largest Growth

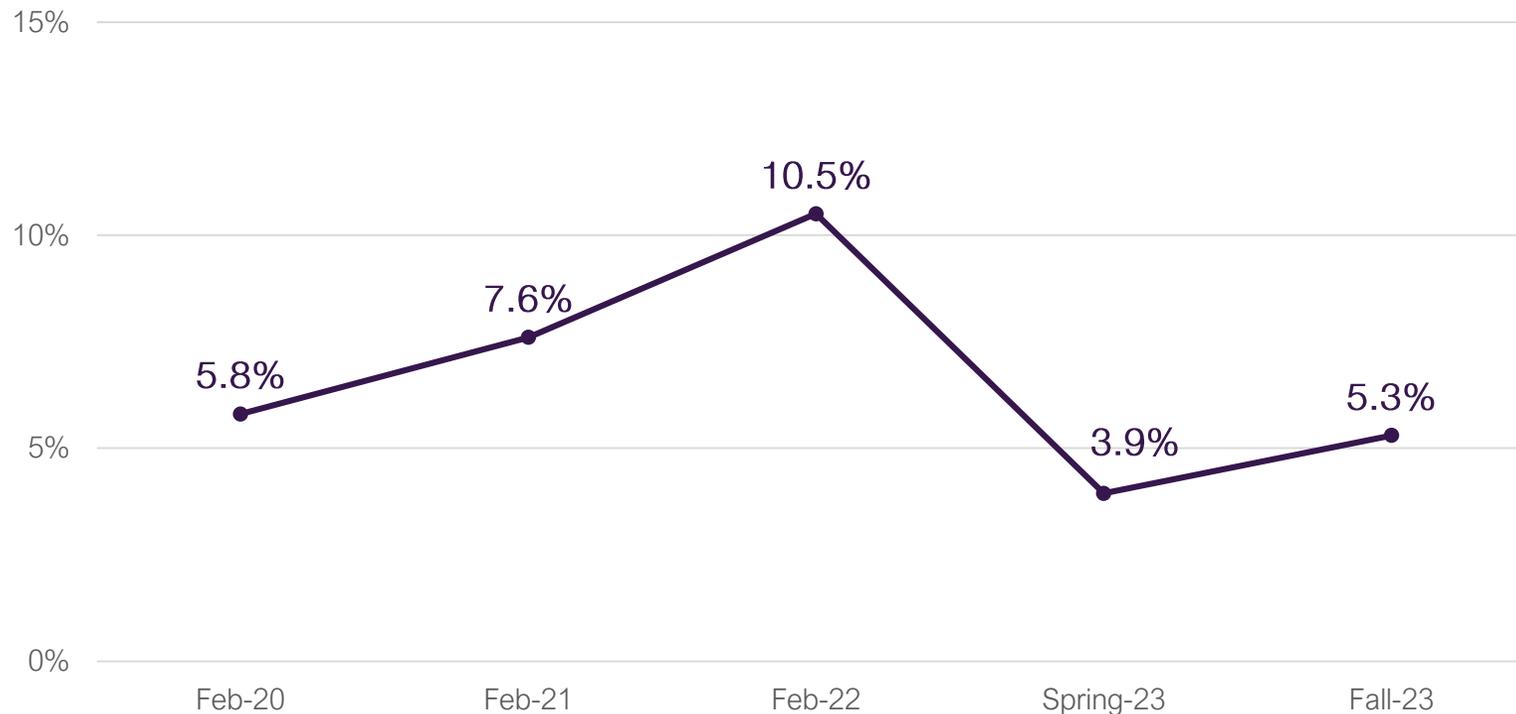
- Energy (14.6%)
- Healthcare (13.5%)
- Banking / Finance / Insurance (9.2%)

Smallest Growth and Shrinkage

- Professional Services (1.2%)
- Pharma / Biotech (1.9%)
- Manufacturing (-6.6%)

Marketing hires predicted to grow at a faster rate than originally anticipated in first half of 2023

Compared to the number of marketing hires last year, by what percentage will your company's marketing hires change in the next year?



Economic Sector

B2B Product	4.2%
B2B Services	6.1%
B2C Product	6.9%
B2C Services	4.0%

Industry Sector

Largest Growth

- Education (18.5%)
- Energy (11.1%)
- Communications / Media (8.6%)

Smallest Growth and Shrinkage

- Real Estate (0.9%)
- Healthcare (0.2%)
- Consumer Services (-2.1%)

Marketers to prioritize ability to pivot in new hires

Thinking about future marketing talent needs, what skills would you now prioritize?

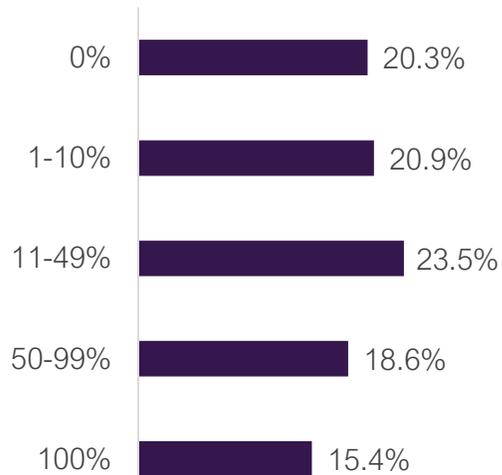
Ranking	Prioritized Skills	Top Sector	Top Industry
1	Ability to pivot as new priorities emerge (mean rank = 3.1, %1 rank = 20.7%)	B2B Product (3.1)	Communications / Media (1.9)
2	Creativity and innovation skills (mean rank = 3.4, %1 rank = 21.6%)	B2B Services (2.9)	Real Estate (2.6)
3	Navigating ambiguity (mean rank = 4.3, %1 rank = 8.9%)	B2B Product (4.2)	Education (2.0)
4	Emotional intelligence (mean rank = 4.4, %1 rank = 6.6%)	B2C Product (4.1)	Education (3.0)
5	Curiosity (mean rank = 4.4, %1 rank = 12.2%)	B2C Product (4.2)	Professional Services (3.9)
6	Natural leadership abilities (mean rank = 4.8, %1 rank = 9.9%)	B2C Services (4.3)	Education (2.0)
7	MarTech platform experience (mean rank = 4.8, %1 rank = 11.3%)	B2B Services (3.6)	Education (1.0)
8	Data science background (mean rank = 5.3, %1 rank = 7%)	B2C Services (4.4)	Mining / Construction (1.0)
9	Financial acumen (mean rank = 5.8, %1 rank = 1.9%)	B2C Services (5.2)	Consumer Services (4.2)

Companies are outsourcing 20% of marketing activities to outside agencies, vendors, and partners

What percentage of your company's marketing activities are outsourced, meaning they are performed by outside agencies, vendors, or partners ?

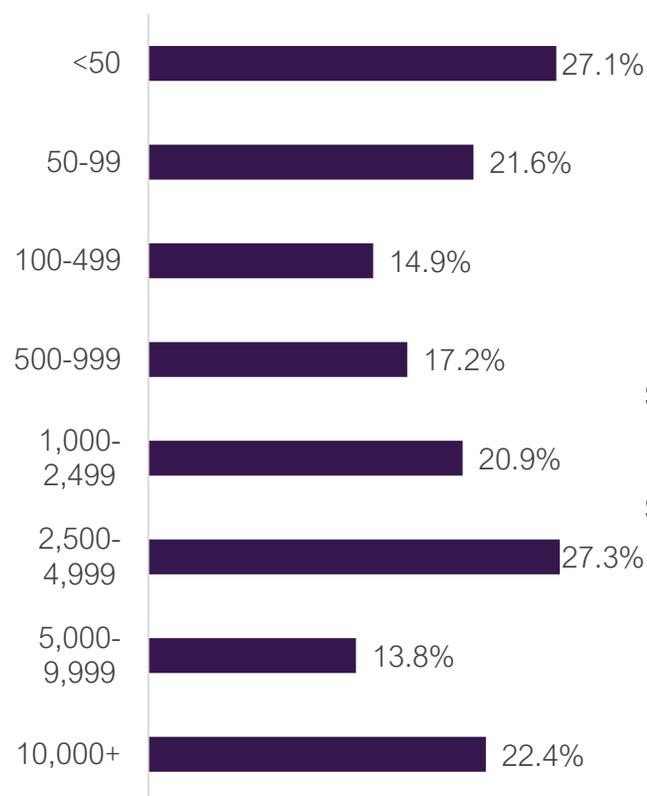
20.2%
of marketing activities
are outsourced

Online Sales

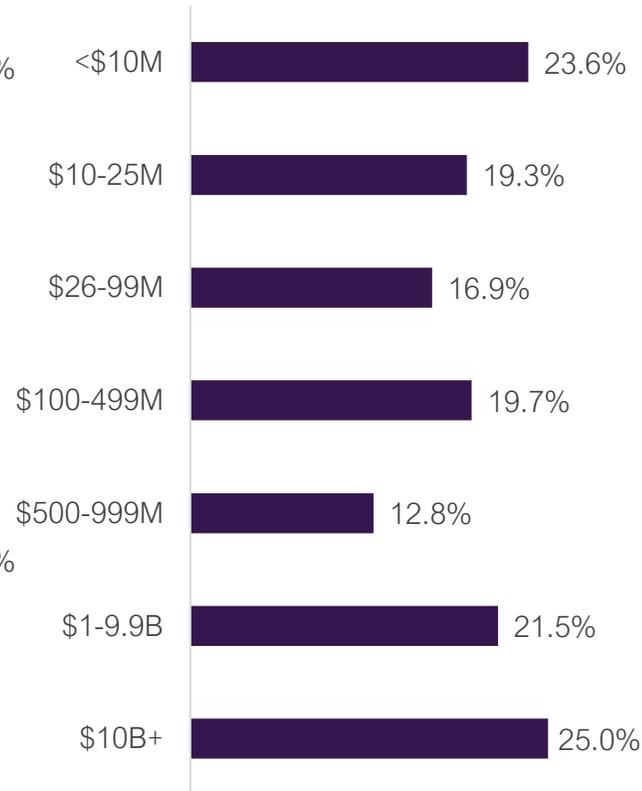


Fall 2023

Employees



Revenues



Economic Sector

B2B Product	19.1%
B2B Services	18.6%
B2C Product	24.5%
B2C Services	20.7%

Industry Sector

Top 3 Sectors

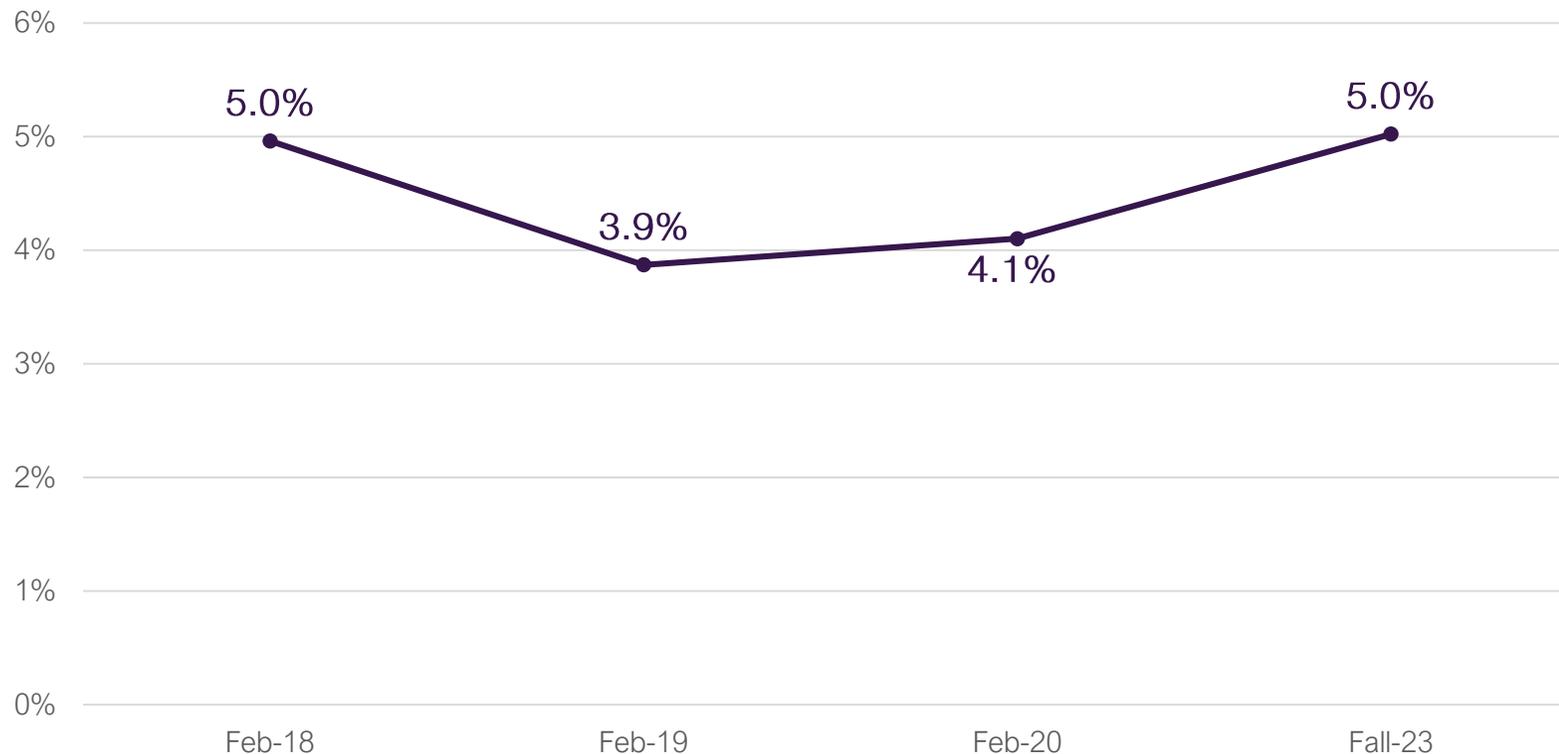
- Transportation (36.7%)
- Pharma / Biotech (27.5%)
- Consumer Packaged Goods (26.4%)

Bottom 3 Sectors

- Education (12.0%)
- Mining / Construction (12.5%)
- Energy (12.7%)

Outsourcing predicted to grow 5% over the next year

By what percentage will your firm's outsourcing of marketing activities change in the next year?



Economic Sector

B2B Product	4.6%
B2B Services	4.8%
B2C Product	4.6%
B2C Services	7.5%

Online Sales

0%	4.1%
1%-10%	4.9%
11%-49%	6.7%
50%-99%	5.7%
100%	5.3%



Marketing Performance

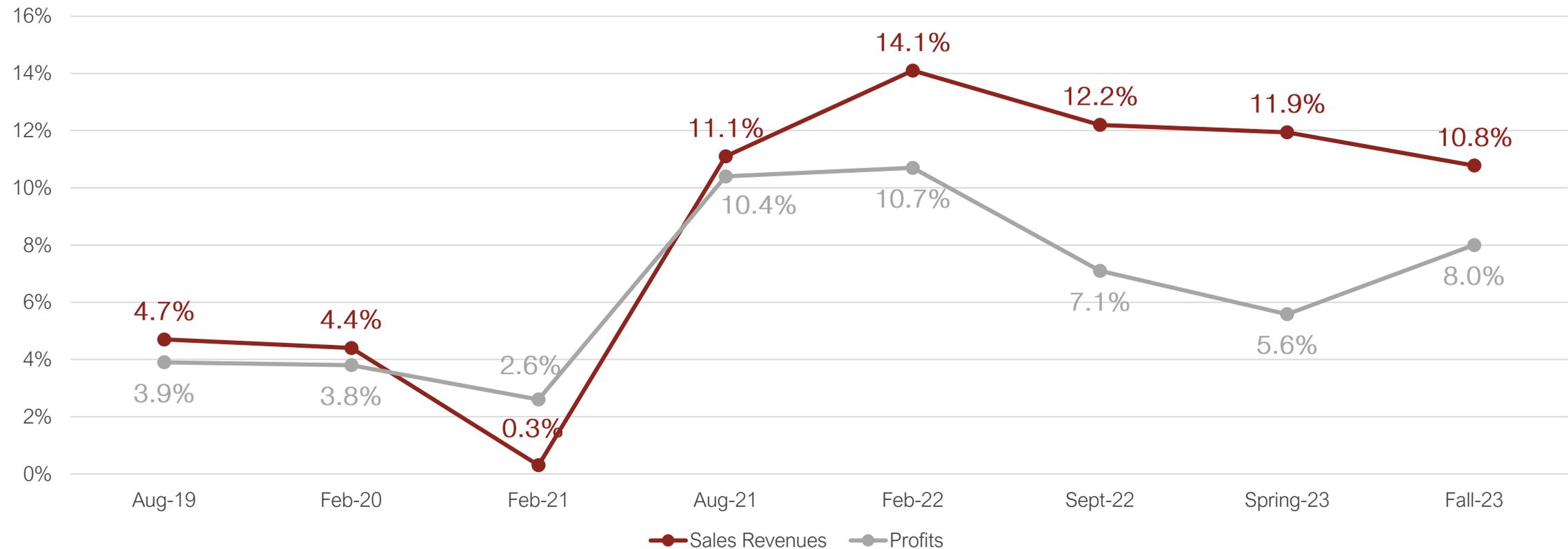
Marketing performance remains strong relative to the pandemic. Profit growth has strengthened to 8.0% this year from a slight slowdown of 5.6% in the previous year. Company sales growth, while continuing to slow for the third consecutive period since February 2022, remained positive at 10.8% this quarter. While sales growth has weakened, it remains strong compared to its pandemic low of 2.6% in February 2021. With considerable economic uncertainty this past year, these sales and profit figures are likely buoyed the aforementioned marketer optimism.

That optimism applies to customer retention, customer acquisition, and brand value performance as well. All three strengthened this past year. Brand value increased dramatically (+54%) from 6.3% growth last year to reach 9.7% in this survey, while customer retention increased from 8.4% to 9.7% growth. Customer acquisition, on the other hand, rose ever so slightly to 8.4% from 8.2% in the last survey.

Among the economic sectors, B2B companies report higher profit, sales, customer, and brand performance growth with B2B dramatically outpacing B2C companies on customer acquisition, customer retention, and brand metrics. Likewise, smaller companies, measured by headcount or revenues, also so stronger marketing performance across all areas.

Company profits grow over the previous quarter while sales growth weakens

Compared to 2022, rate your company's performance during the prior 12 months:



How marketing performance vary by firm and industry breakouts

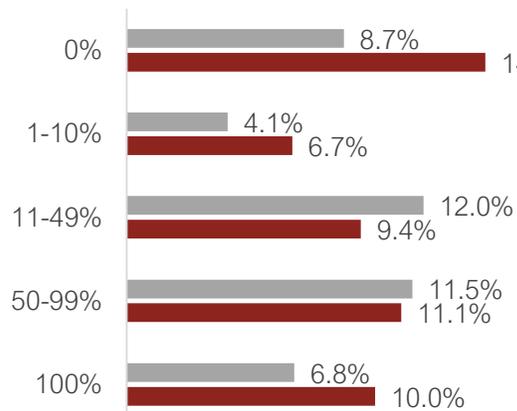
10.8%

Change in sales revenues

8.0%

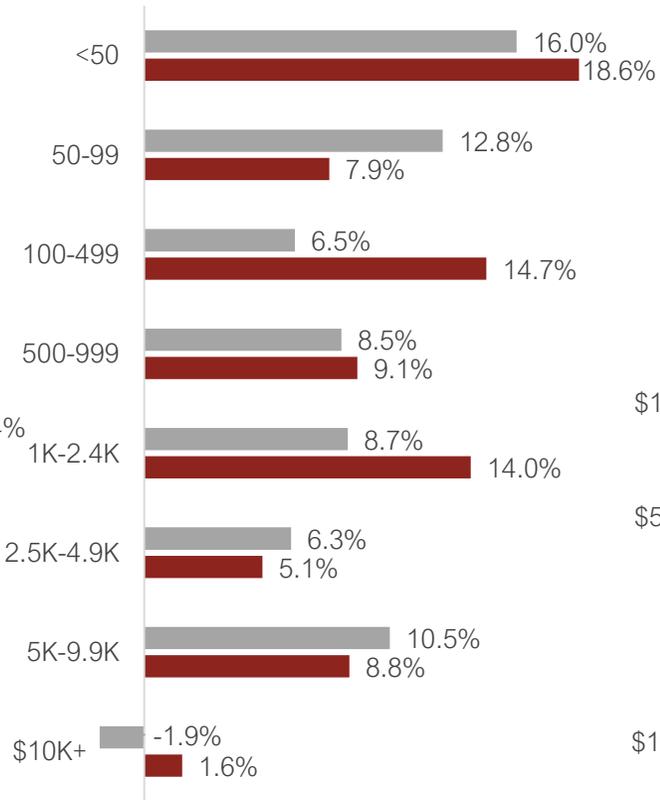
Change in profits

Online Sales

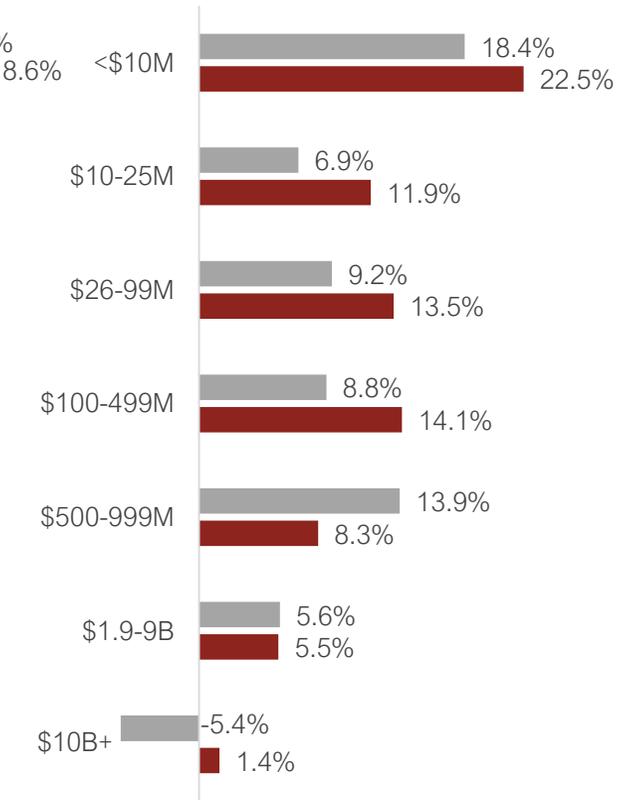


Fall 2023

Employees



Revenues



Economic Sector

	% Profit	% Sales Rev
B2B Product	9.0%	12.8%
B2B Services	7.7%	10.4%
B2C Product	7.1%	10.5%
B2C Services	6.8%	6.7%

Industry Sector

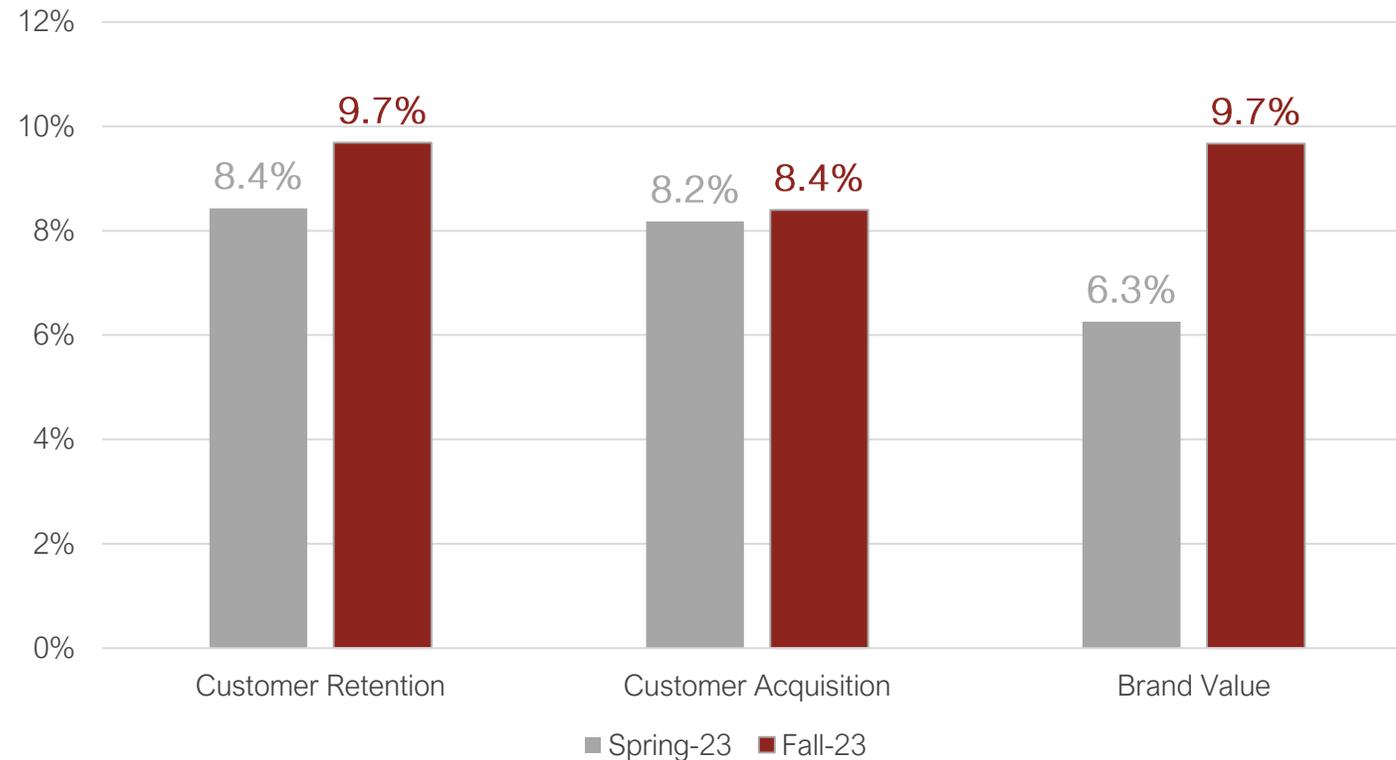
	% Profit	% Sales Rev
Top Sectors	Pharma / Biotech (12.0%)	Communications / Media (16.4%)
Bottom Sectors	Real Estate (0.83%)	Transportation (1.3%)

Profit

Sales Revenue

Company brand value and customer retention rise while customer acquisition remains flat

Compared to 2022, rate your company's performance during the prior 12 months:



Economic Sector

	Customer Retention	Customer Acquisition	Brand Value
B2B Product	7.4%	11.2%	10.0%
B2B Services	15.8%	6.8%	12.8%
B2C Product	8.3%	7.0%	6.0%
B2C Services	5.6%	6.0%	8.2%

Employees

	Customer Retention	Customer Acquisition	Brand Value
<50	16.8%	18.8%	18.5%
100-499	10.8%	10.4%	8.8%
1000-2499	14.9%	14.3%	8.2%
10000+	4.2%	2.3%	4.5%

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