



The **CMO** Survey[®] 

Managing Marketing Technology, Growth, and Sustainability

Highlights and Insights Report
Spring 2024

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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 32nd edition continues to follow these trends while also examining:

- Managing marketing technologies and generative AI
- Managing growth
- Managing sustainability

Interpretive Guide:

M = Average

SD = Standard Deviation

B2B = Business-to-Business Companies

B2C = Business-to-Consumer Companies

Administration

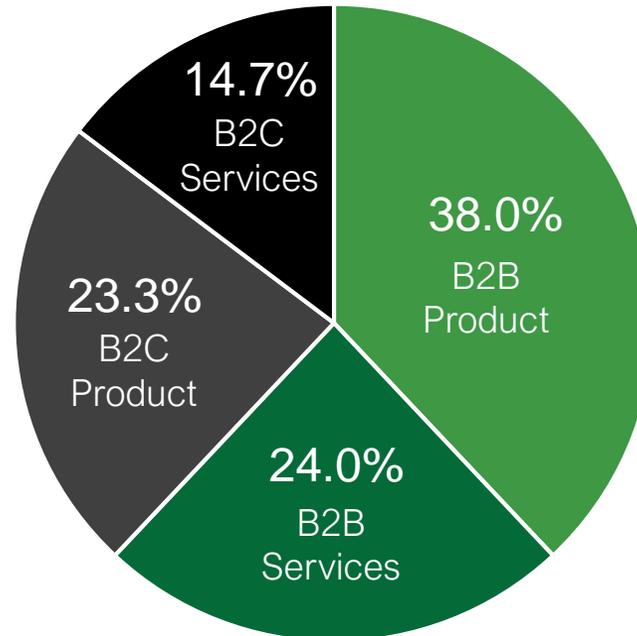
- Survey was in the field February 6-March 5, 2024.
- 2085 marketing leaders at U.S. for-profit companies; 292 responded for a 14% response rate—94% of respondents are VP-level or above.
- In 2023, the survey shifted to a Spring and Fall administration. This is reflected in calendar labels used throughout this report.

Sample

Sample (n=292)

- 2085 marketing leaders at for-profit U.S. companies
- 292 responded for a 14% response rate
- 94% of respondents are VP-level or above

Economic Sector

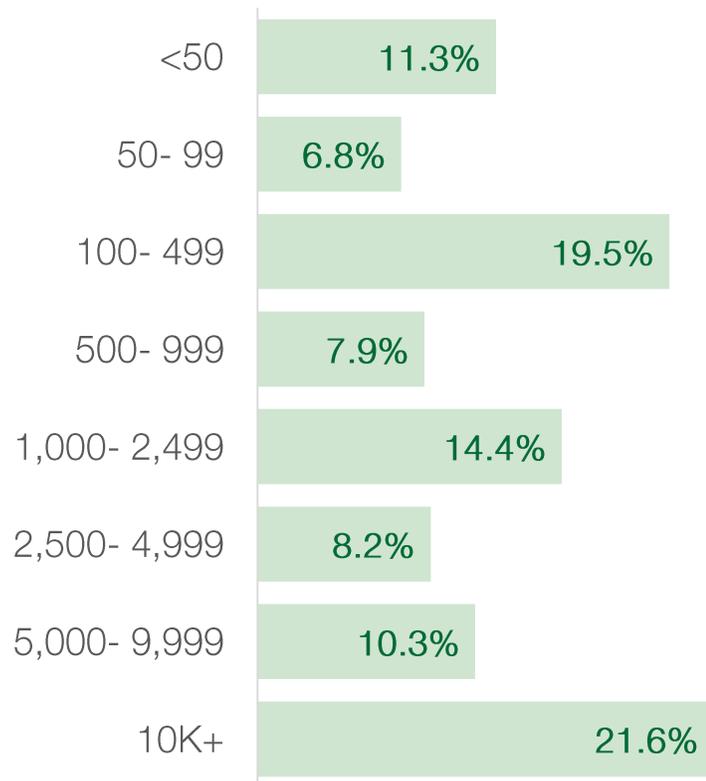


Industry Sector

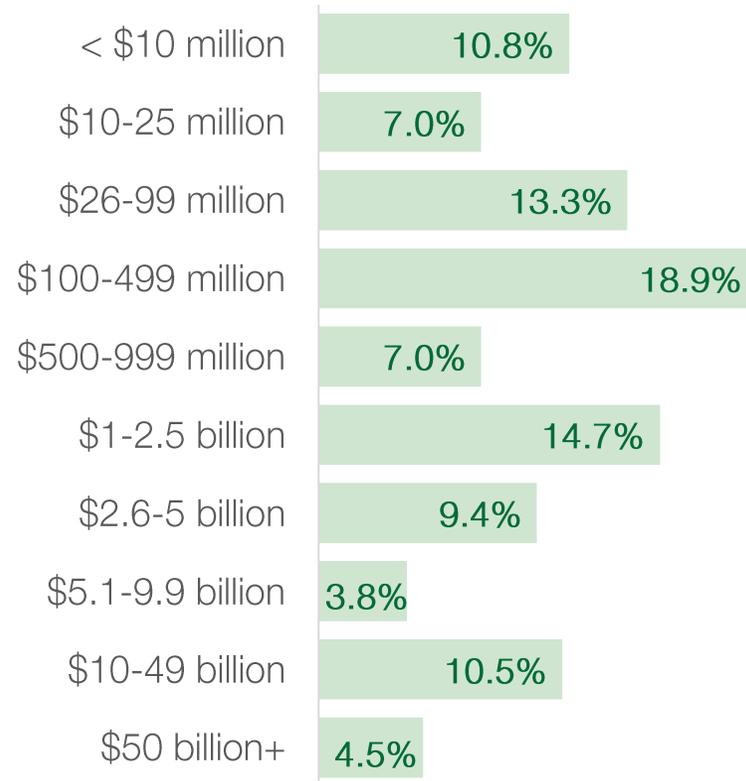
Tech / Software / Platform	15.9%
Banking / Finance / Insurance	11.0%
Retail / Wholesale	10.7%
Manufacturing	9.3%
Consumer Packaged Goods	9.0%
Healthcare	8.3%
Professional Services	7.2%
Pharmaceuticals / Biotech	6.6%
Communications / Media	4.8%
Transportation	4.8%
Real Estate	3.4%
Energy	3.1%
Education	2.8%
Mining / Construction	1.7%
Consumer Services	1.4%

Sample (continued)

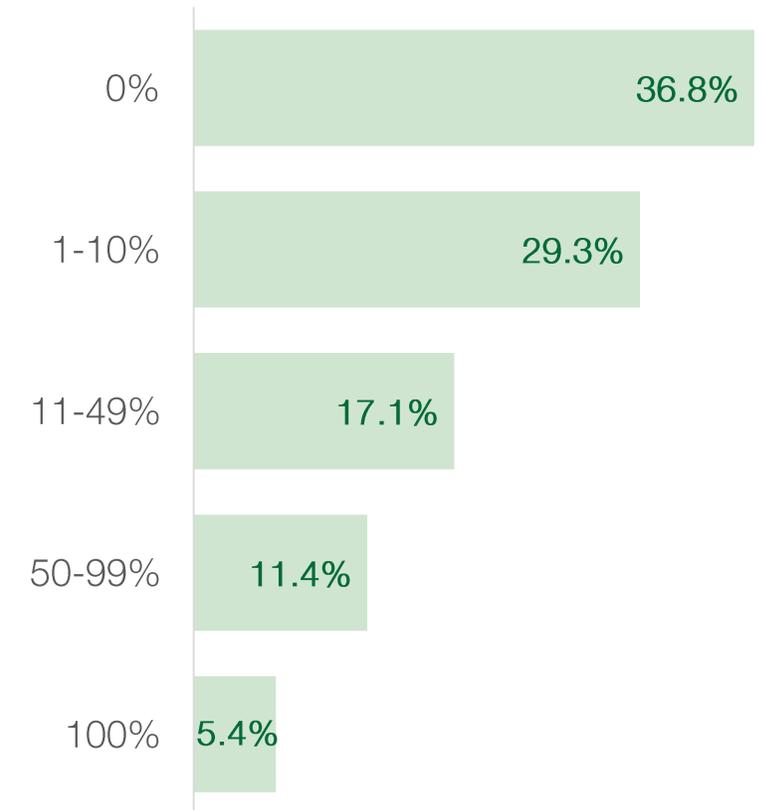
Number of Employees



Sales Revenue



% of Online Sales





Macroeconomic Forecasts

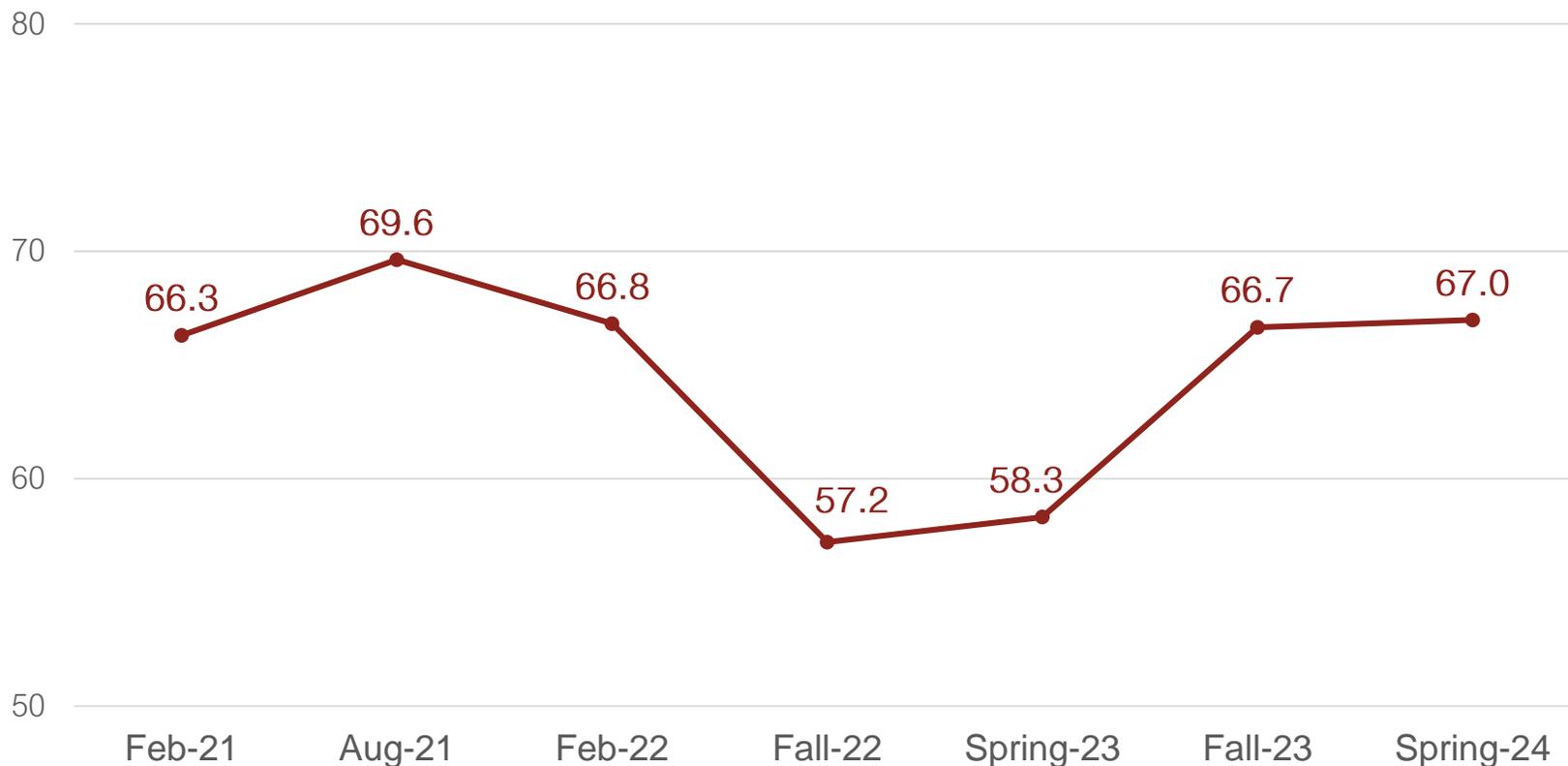
Optimism about the U.S. economy remains consistent at 67.0 on a 100-point scale, following 66.7 in Fall 2023. After drops in Fall 2022 (57.2) and Spring 2023 (58.3) due to the dual threats of recession and inflation, this level continues to climb back in line with the post pandemic high of 69.6 (August 2021).

Even with a maintained sense of optimism, inflationary pressures are still, on average, leading to a decrease in marketing spending levels. The Spring 2024 decrease remains consistent with the second half of 2023 at 45%, but lower than one year ago when levels reached 52%. All economic sectors are experiencing spending pressures with B2B Services (49.3%) and B2C Services (52.6%) companies reporting the highest levels of “decreasing marketing spending levels” due to inflation.

From an industry perspective, Consumer Packaged Goods (60.0%), Communications / Media (57.1%), and Energy (55.6%) report the largest “decrease in marketing spending” due to inflationary pressures. On the flip side, marketing spending at Consumer Services (66.7%), Manufacturing (55.6%), and Tech / Software / Platform (43.5%) is the least impacted by inflation.

Marketer optimism remains steady 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	67.3
B2B Services	63.8
B2C Product	67.2
B2C Services	71.2

Industry Sector

Most optimistic industries

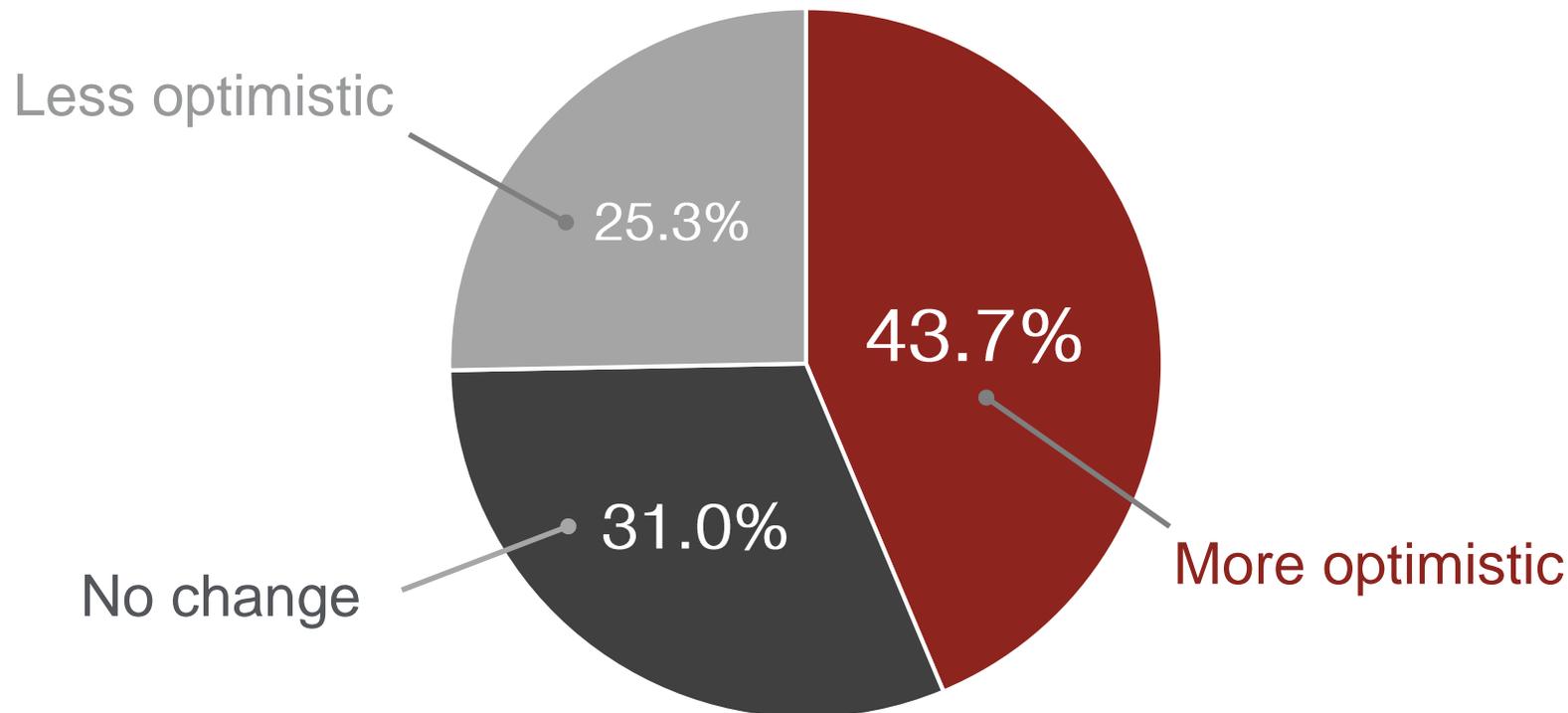
- Real Estate (74.1)
- Consumer Services (73.3)
- Manufacturing (72.4)

Least optimistic industries

- Mining / Construction (58.8)
- Transportation (59.9)
- Pharma / Biotech (63.2)

Marketers are 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?

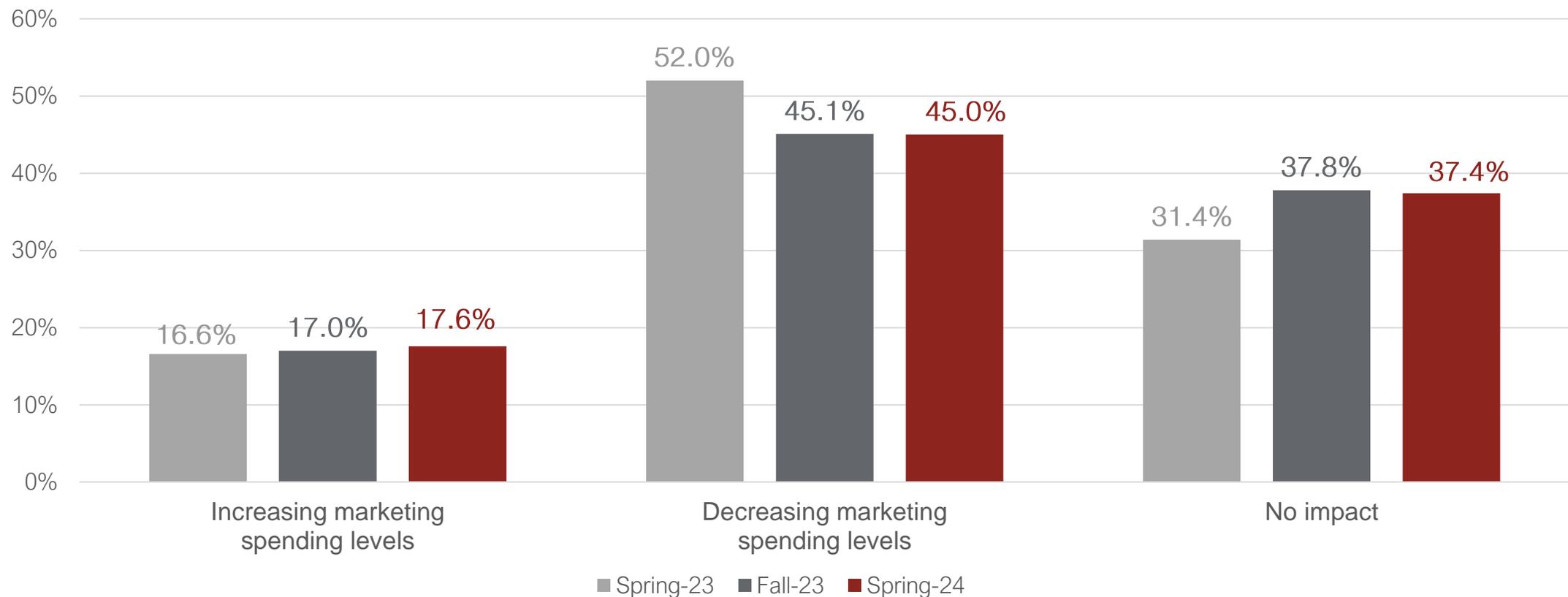


Insights

The majority of marketers remain hopeful about the U.S. economy this quarter with 43.7% reporting they feel “more optimistic.” However, this number is down from 49.0% in the Fall 2023 survey. Those feeling “less optimistic” grew slightly from 22.7% to 25.3% during this time frame. B2B companies are most optimistic with 47.8% of B2B Services companies and 43.4% of B2B Product companies reporting they are “more optimistic.” On the other hand, B2C Product companies are the most pessimistic with 31.8% feeling “less optimistic” than last quarter. Companies within the Education industry report feeling the most hopeful with 71.4% feeling “more optimistic” than last quarter. By contrast, only 30.0% of Professional Services companies are feeling “more optimistic.”

Inflationary pressures continue to put pressures on marketing spending levels

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





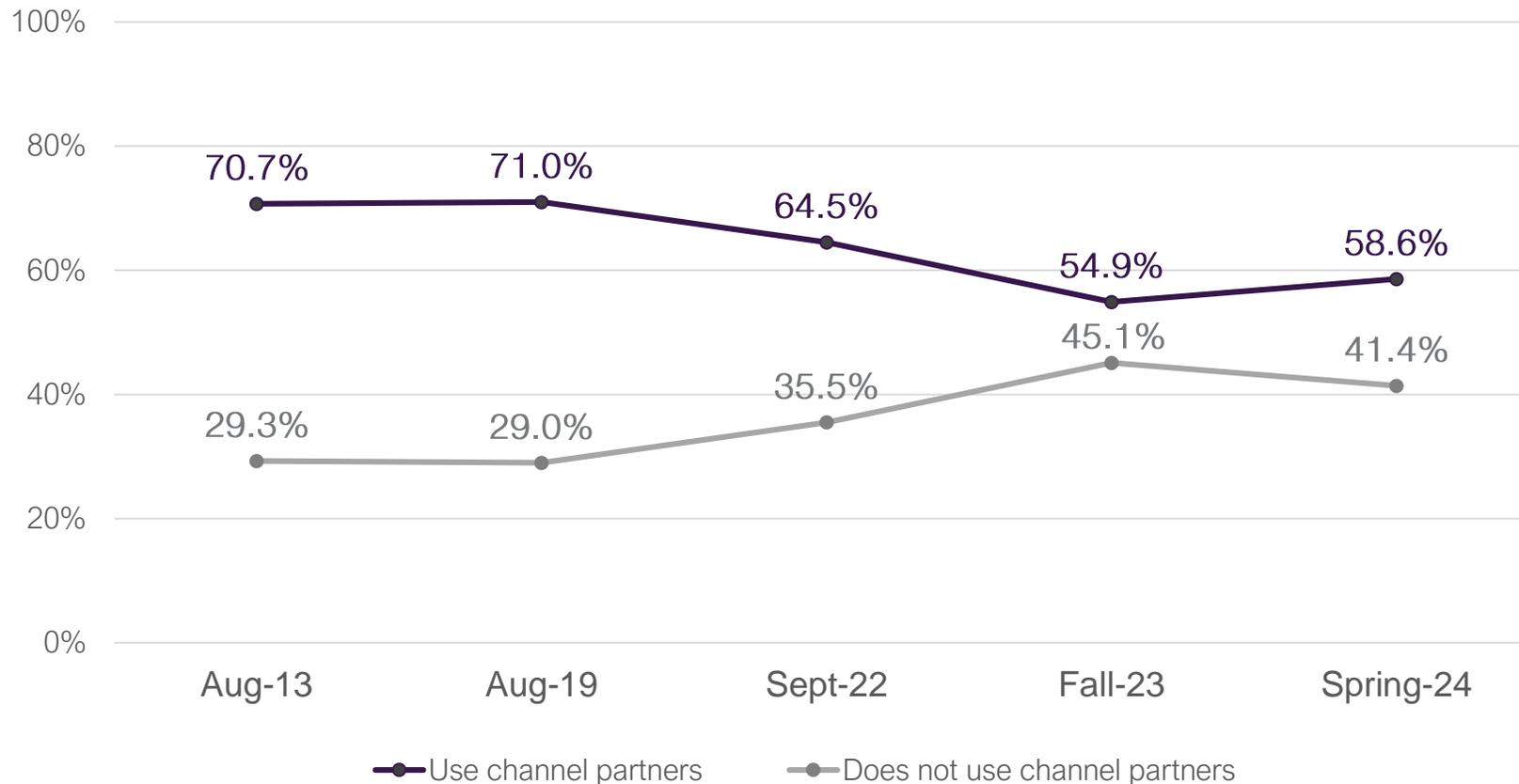
Monitoring Partners and Customers

For the first time during the past decade, marketing leaders report an increase in the use of channel partners with 58.6% in Spring 2024, up from 54.9% in Fall 2023. The industries that continue to use channel partners the most are Mining / Construction (80.0%) and Transportation (71.4%) as well as B2B (67.6%) and B2C Product (61.8%) companies.

Marketing leaders identify consumers' top three priorities as "Superior Product Quality," "Low Price," and a "Trusting Relationship." The number of companies ranking "Superior Product Quality" as their top—and dominant—consumer priority (at 34.3%) has continued to increase in importance over the last two years. "Low Price" doubled in importance over the last two years take the second priority position (18.5%), likely reflecting inflationary stress. "Trusting Relationship," in the third priority position (at 16.2%), has increased in importance while "Excellent Service" (at 11.4%) has declined in importance over the last two years.

Companies increase use of channel partners in go-to-market for the first time in 5 years

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



Economic Sector

	Use Partners
B2B Product	67.6%
B2B Services	48.6%
B2C Product	61.8%
B2C Services	46.5%



Industry Sector

Top Channel Partner Users

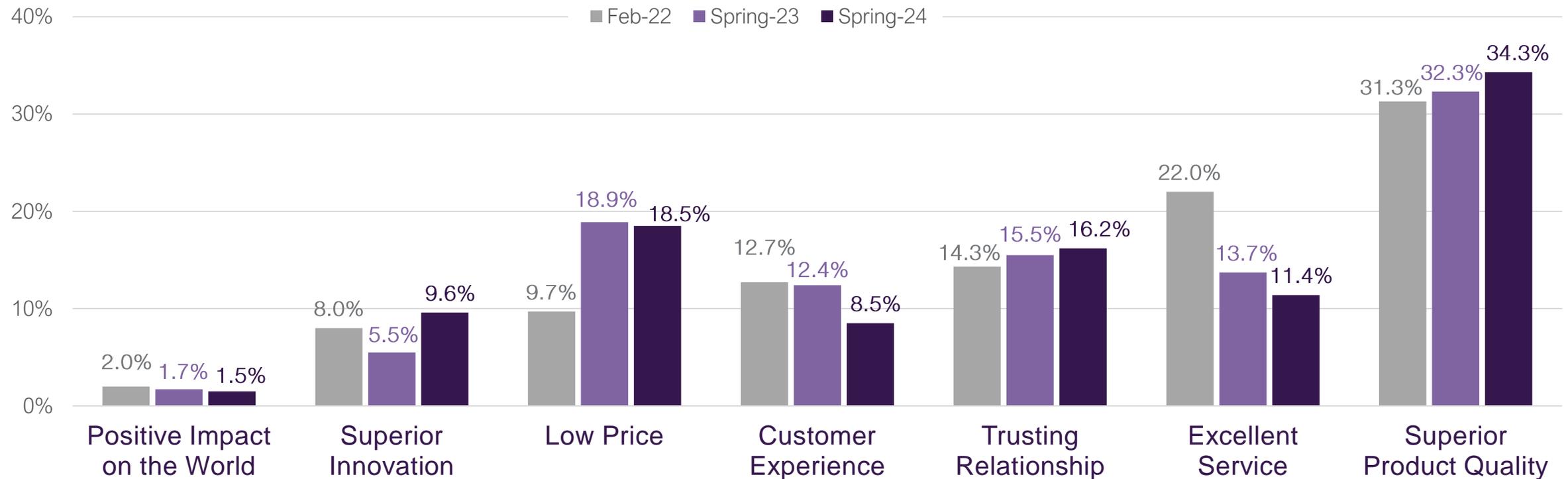
- Mining / Construction (80.0%)
- Transportation (71.4%)
- Real Estate (70.0%)

Bottom Channel Partner Users

- Professional Services (76.2%)
- Energy (66.7%)
- Education (62.5%)

Consumers prioritize superior product quality, while customer experience and service decline

Rank your customers' top three priorities over the next 12 months (% reporting 1st priority)





Marketing Budgets

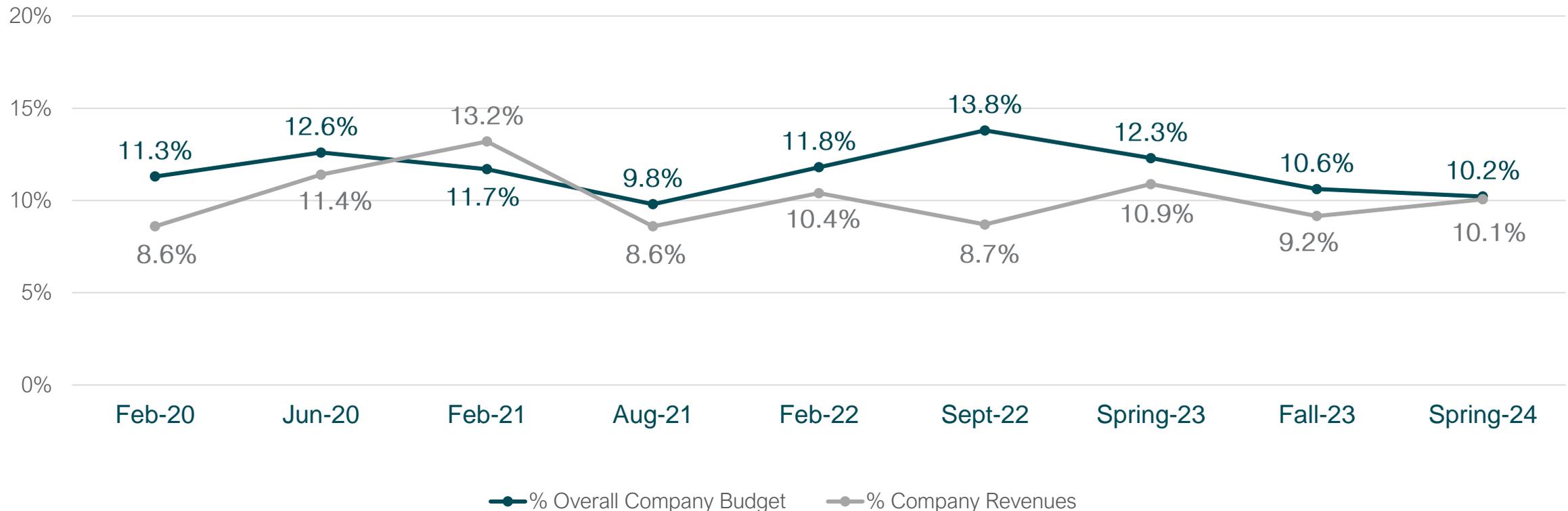
Marketing budget as a percentage of company budget continues to drop to 10.2%, nearing the pandemic low of 9.8% in August 2021. In contrast, marketing budget as a percent of company revenues increased to 10.1%, up from 9.2 % in Fall 2023. The percentage change in marketing spending over the last year is +2.5%, consistently declining since September 2022, but relatively constant from this time one year ago (+2.9%). Digital marketing spend change rebounds from +8.2% one year ago to +8.9% in this survey after a decrease to +7.9% in Fall 2023. These spending trends are consistent with a flatline level of optimism in economic improvements overall. Looking to the future, growth in overall marketing spending is expected to increase by +4.7% (from +2.5%) while digital marketing spending growth is expected to cool to +8.0% (from +8.9%).

Relative to the prior 12 months, growth in spending on Customer Relationship Management, Brand Building, and Customer Experience is predicted to slow in the next 12 months. And while the overall level of investments remain positive, the drops in CRM investments from 6.2% to 3.9% (37% lower) and Branding Building from 5.5% to 3.9% (41% lower) are dramatic. Spending on New Product Introductions is predicted to lift to 5.9% this year after a drop in Fall 2023 to 5.5% while investments in New Service Introductions are predicted to drop from 3.7% in Fall 2023 to 2.9% in Spring 2024. Traditional advertising marketing spend remains in pre-COVID negative growth territory at -2.1%, down from -.06% in Fall 2023. Social media spending continues to dip over the last year, down to 11% from 17% one year ago. However, marketers anticipate social media spending will increase to 12.2% in the next 12 months and back up to 16.3% in five years.

Marketing budgets over time

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



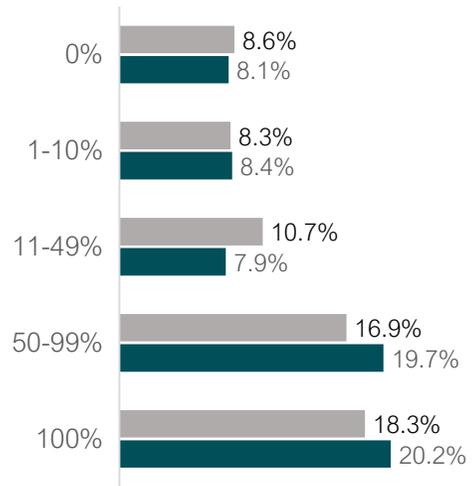
How marketing budgets vary by firm and industry

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

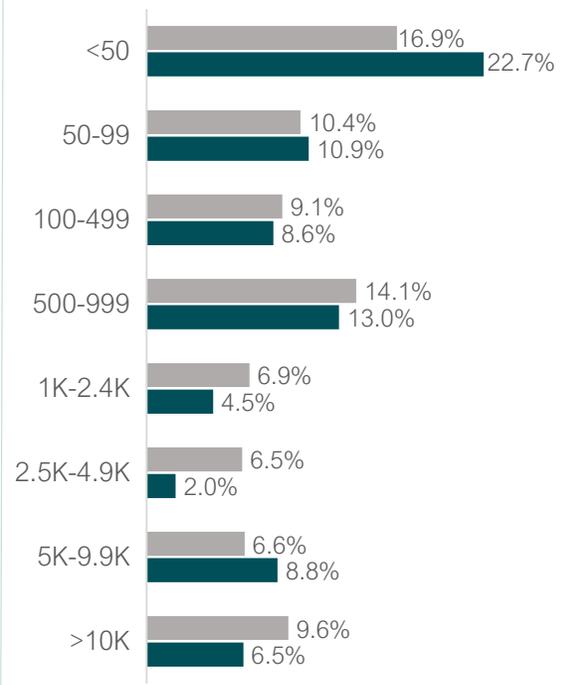
10.2% of overall budget

10.1% of revenues

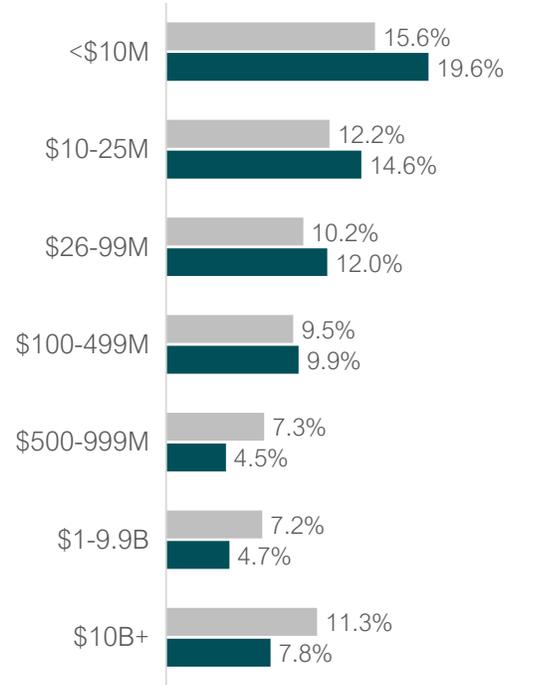
Online Sales



Employees



Revenues



■ % Budget ■ % Revenue



Economic Sector

	% Budget	% Rev
B2B Product	8.7%	9.4%
B2B Services	8.5%	6.3%
B2C Product	14.3%	14.1%
B2C Services	10.8%	12.7%

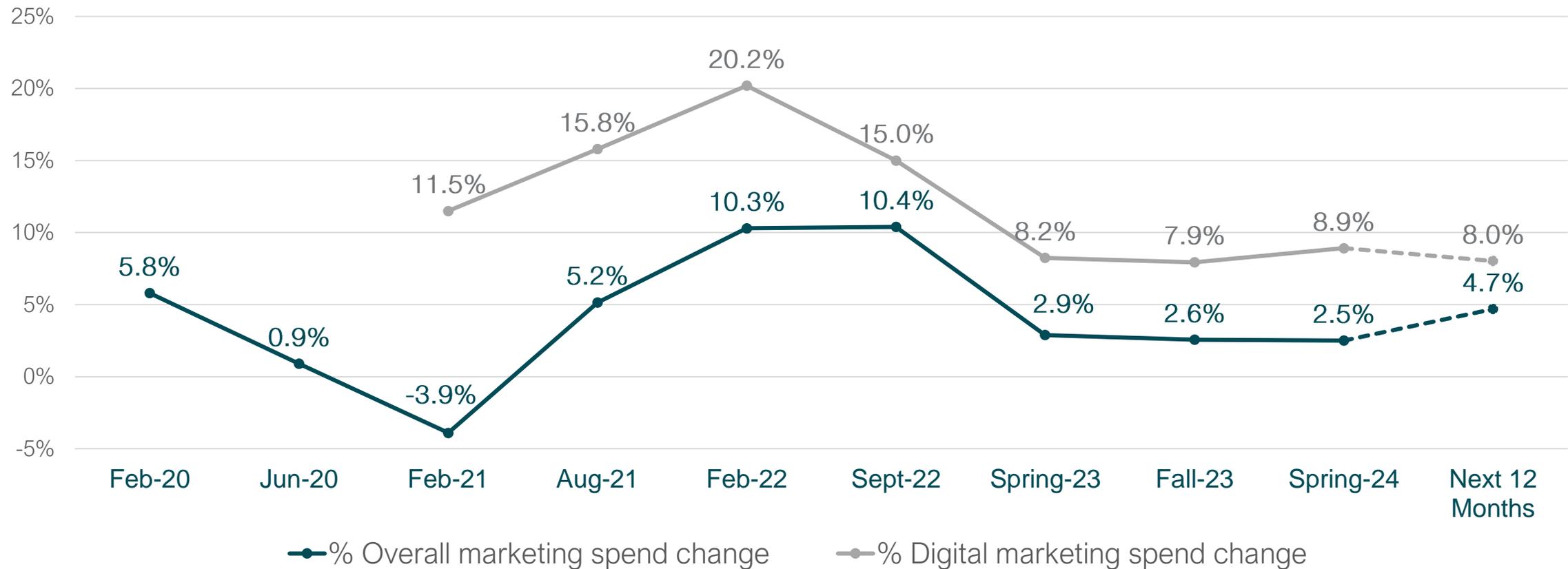


Industry Sector

	% Budget	% Rev
Top Sectors	Consumer Packaged Goods (17.5%)	Consumer Packaged Goods (18.5%)
Bottom Sectors	Energy (1.9%)	Mining / Construction (1.0%)

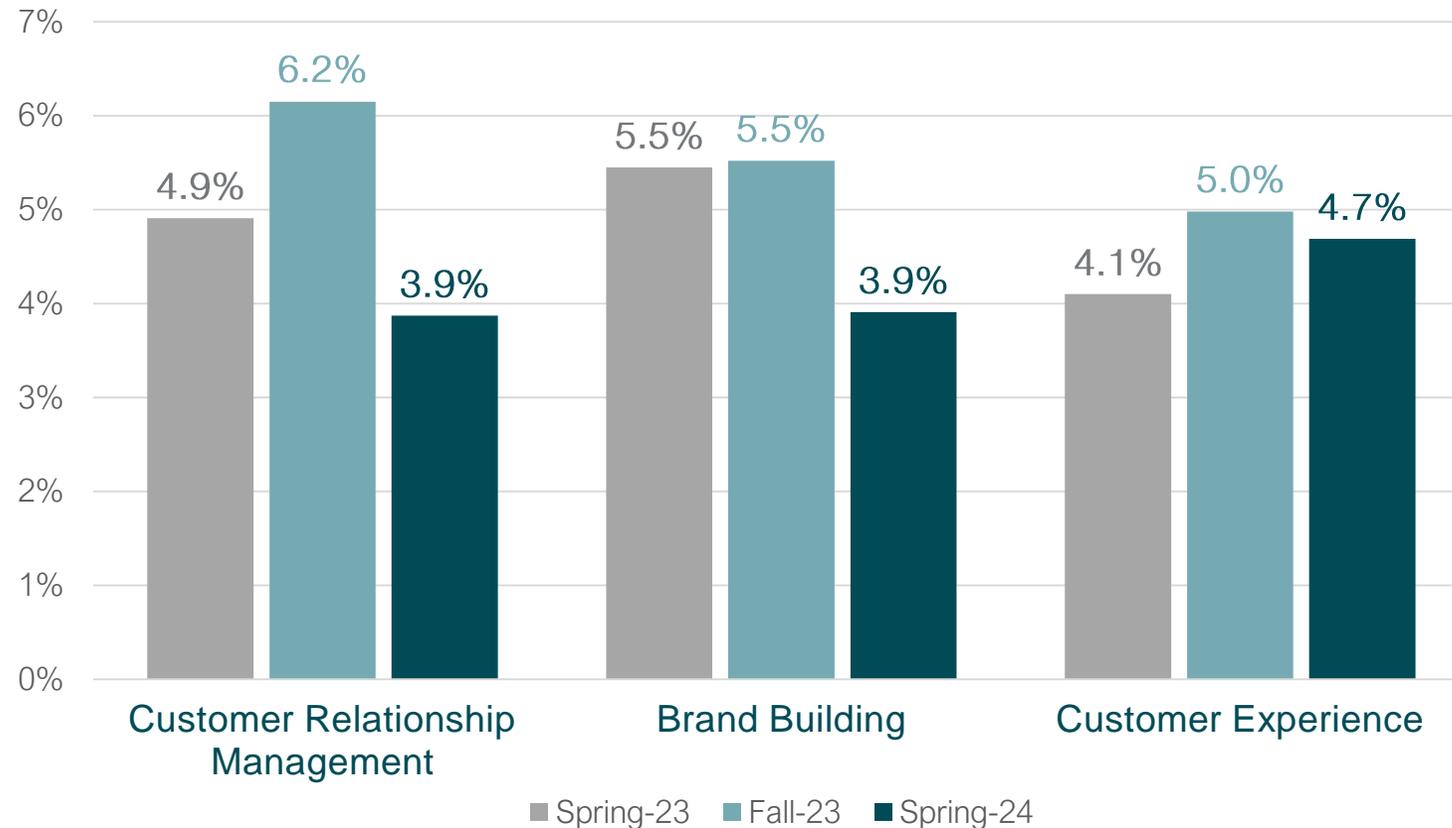
Marketing spending growth flat but expected to increase; digital marketing spend growth increases but is predicted to decrease over the next year

By what percent has your overall marketing spending (digital marketing spending) changed in the prior 12 months? Expected change during the next 12 months?



Brand building spending drops by 41% and customer relationship management spending drops by 37%

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?



Spring 2024

Economic Sector

	CRM	Brand Building	Customer Experience
B2B Product	3.9%	4.6%	4.0%
B2B Services	2.5%	1.8%	2.8%
B2C Product	5.4%	4.9%	7.3%
B2C Services	3.5%	3.9%	5.7%

Industry Sector

Largest increase in CRM Spending

- Banking / Finance / Insurance (8.3%)
- Mining / Construction (7.5%)

Largest increase in Brand Building Spending

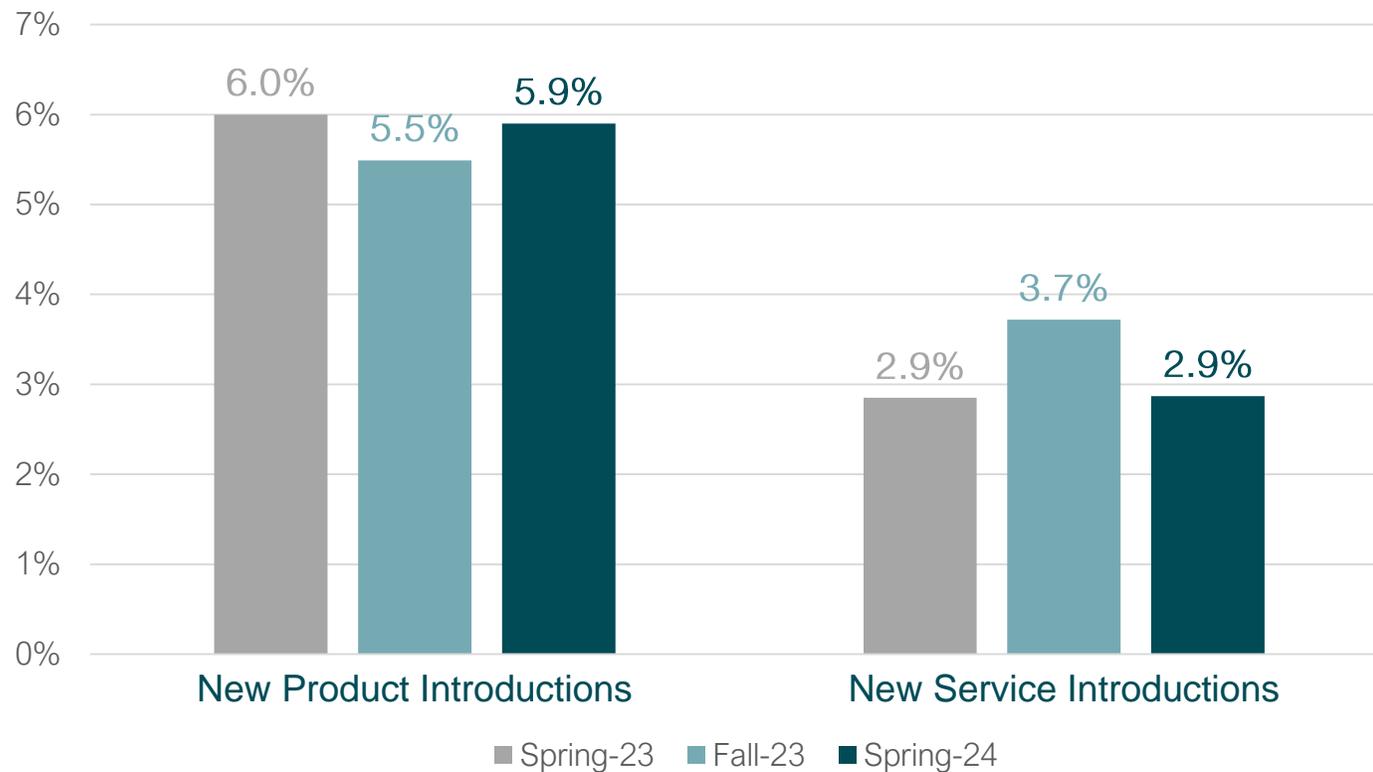
- Retail / Wholesale (6.5%)
- Pharma / Biotech (6.4%)

Largest increase in Customer Experience

- Healthcare (8.0%)
- Transportation (7.8%)

Companies to spend less on new service introductions while budgets for new products show slight 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?



Spring 2024

Economic Sector

	New Products	New Services
B2B Product	7.1%	2.3%
B2B Services	2.7%	3.9%
B2C Product	10.4%	3.2%
B2C Services	-0.8%	2.0%

Industry Sector

Largest increase in New Product Introductions

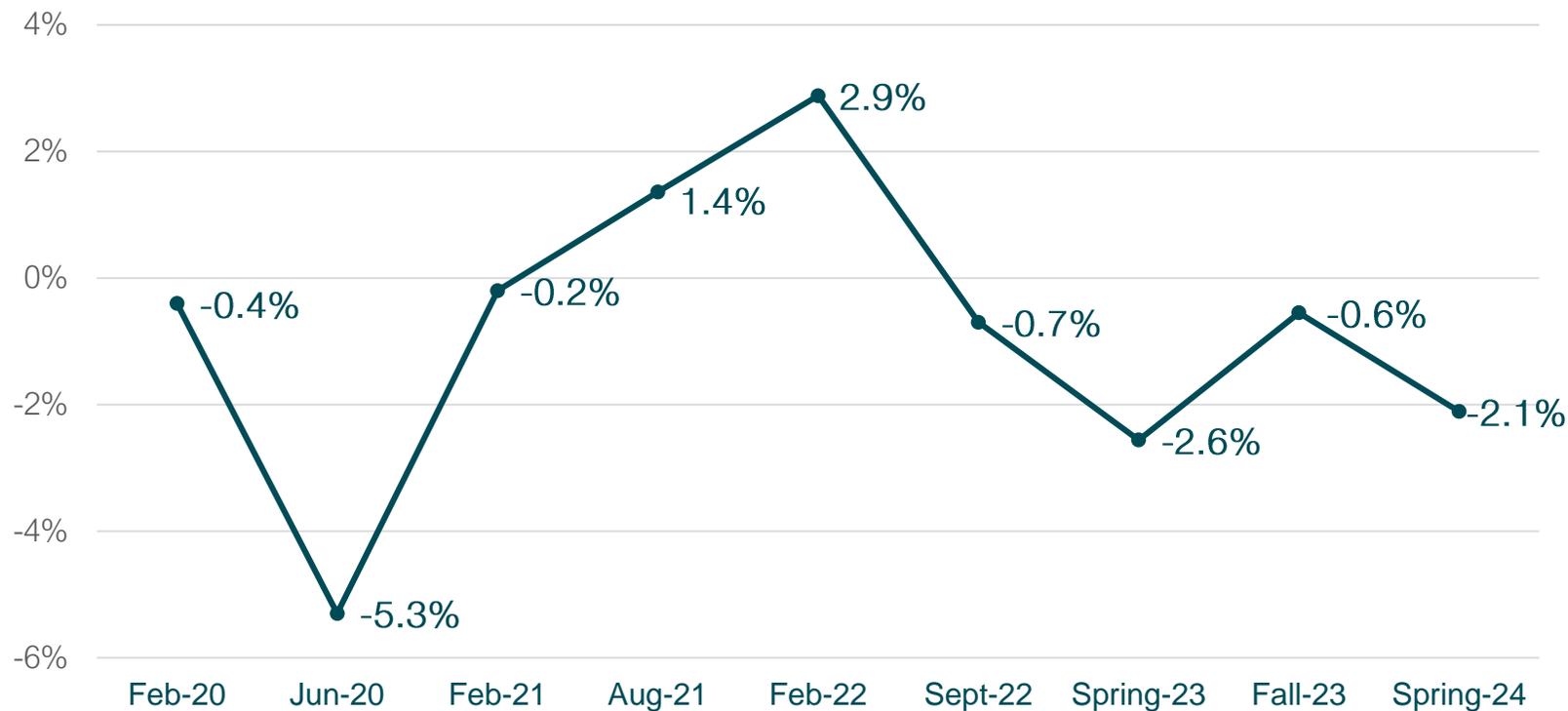
- Consumer Packaged Goods (9.8%)
- Banking / Finance / Insurance (9.0%)
- Tech / Software / Platform (7.7%)

Largest increase in New Service Introductions

- Professional Services (5.8%)
- Banking / Finance / Insurance (5.8%)
- Consumer Services (5.0%)

Traditional advertising marketing spend pivots, and continues to remain 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?

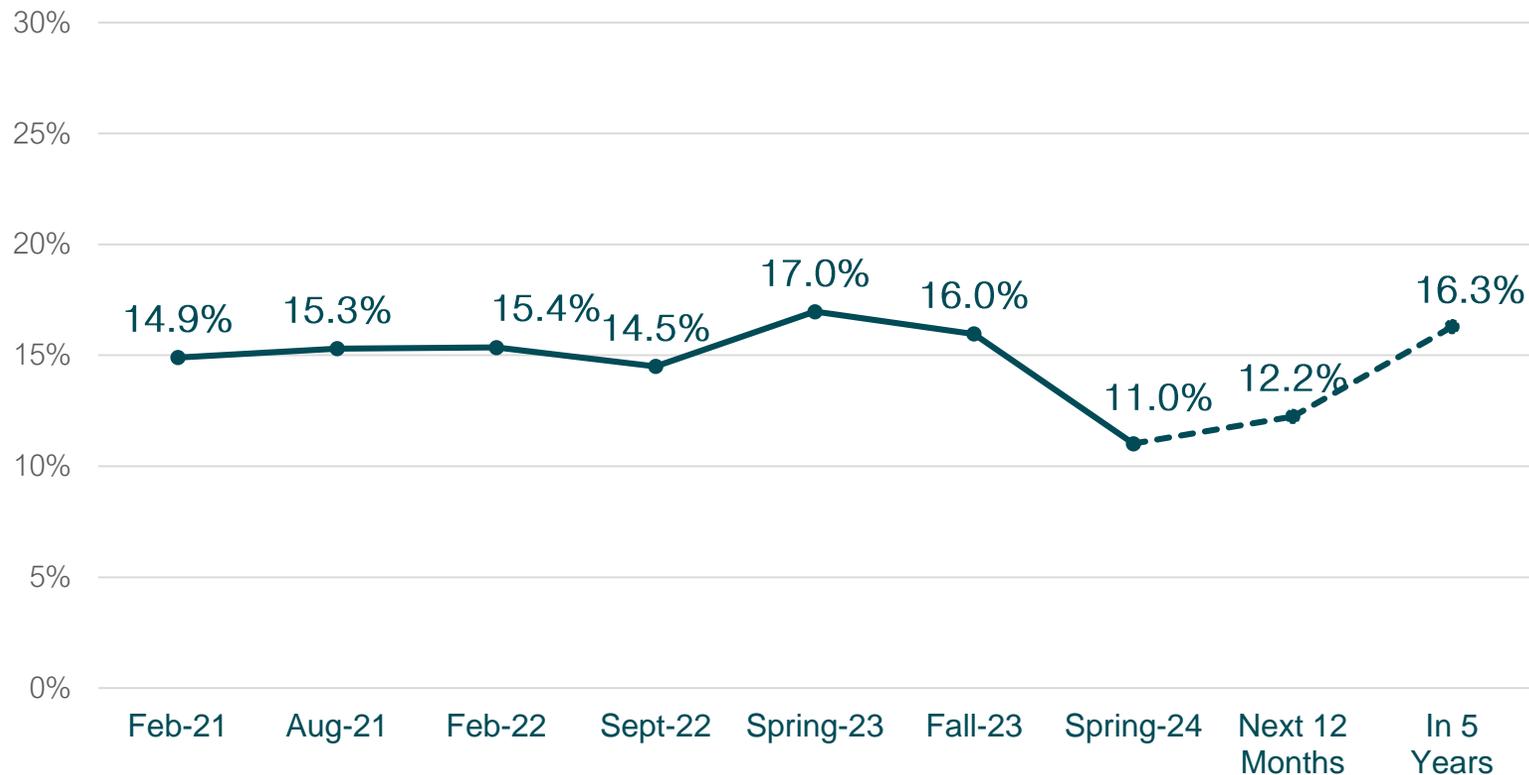


Insights

All economic sectors have taken a dip in traditional advertising spending, with the B2C Product sector experiencing the smallest decrease (-0.45%). Among specific industries, the largest decreases in traditional advertising investment are in Energy -8.3% and in Mining / Construction 6.3%. In contrast, Retail / Wholesale plans to invest more in this area, with a 1.2% increase in traditional advertising spend over the next 12 months. Smaller-sized companies (with 50-99 employees) expect a small increase of spend in this area (+1.2%) while larger companies plan to decrease spend.

Social media spending takes a big dip; forecasted to increase by same amount in 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?



Spring 2024

Economic Sector

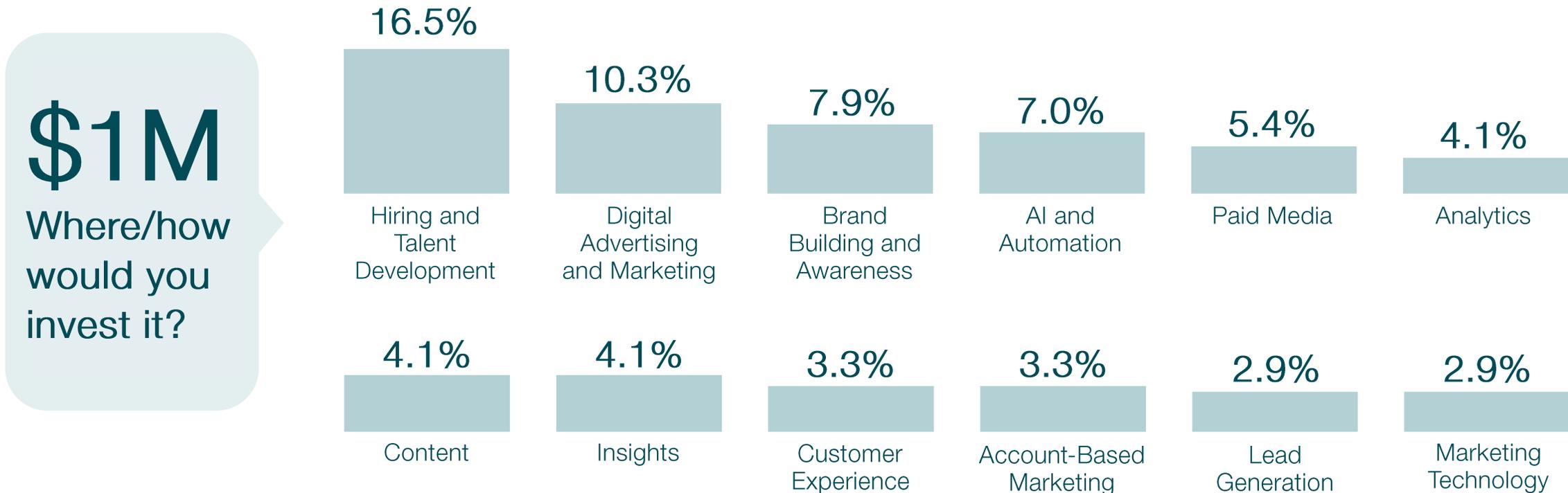
	Present	1 Year	5 years
B2B Product	7.3%	8.7%	12.1%
B2B Services	8.9%	9.2%	11.6%
B2C Product	16.2%	18.2%	24.9%
B2C Services	16.9%	18.1%	22.7%

Insights

Despite a significant dip from Fall-23, marketing leaders predict a steep rise in social media spending over the next five years. The sectors predicting the biggest increases in five years are Manufacturing (+130.4% increase), Transportation (+77.5%), Pharma / Biotech (+74.2%), and Real Estate (+71.1%). The smallest predicted growth is in Tech / Software / Platform (29.5%) and Healthcare (+31.4%). Brick-and-mortar companies predict they will increase social media spending from 9.4% to 14.3% (+52% increase) of their budgets in the next 5 years.

When presented with extra budget, marketing leaders overwhelmingly prioritize boosting and developing their workforce

If you had an extra \$1M of budget given to the marketing organization to use any way you wanted, where/how would you invest it? (% of respondents using budget for activity)





Growth

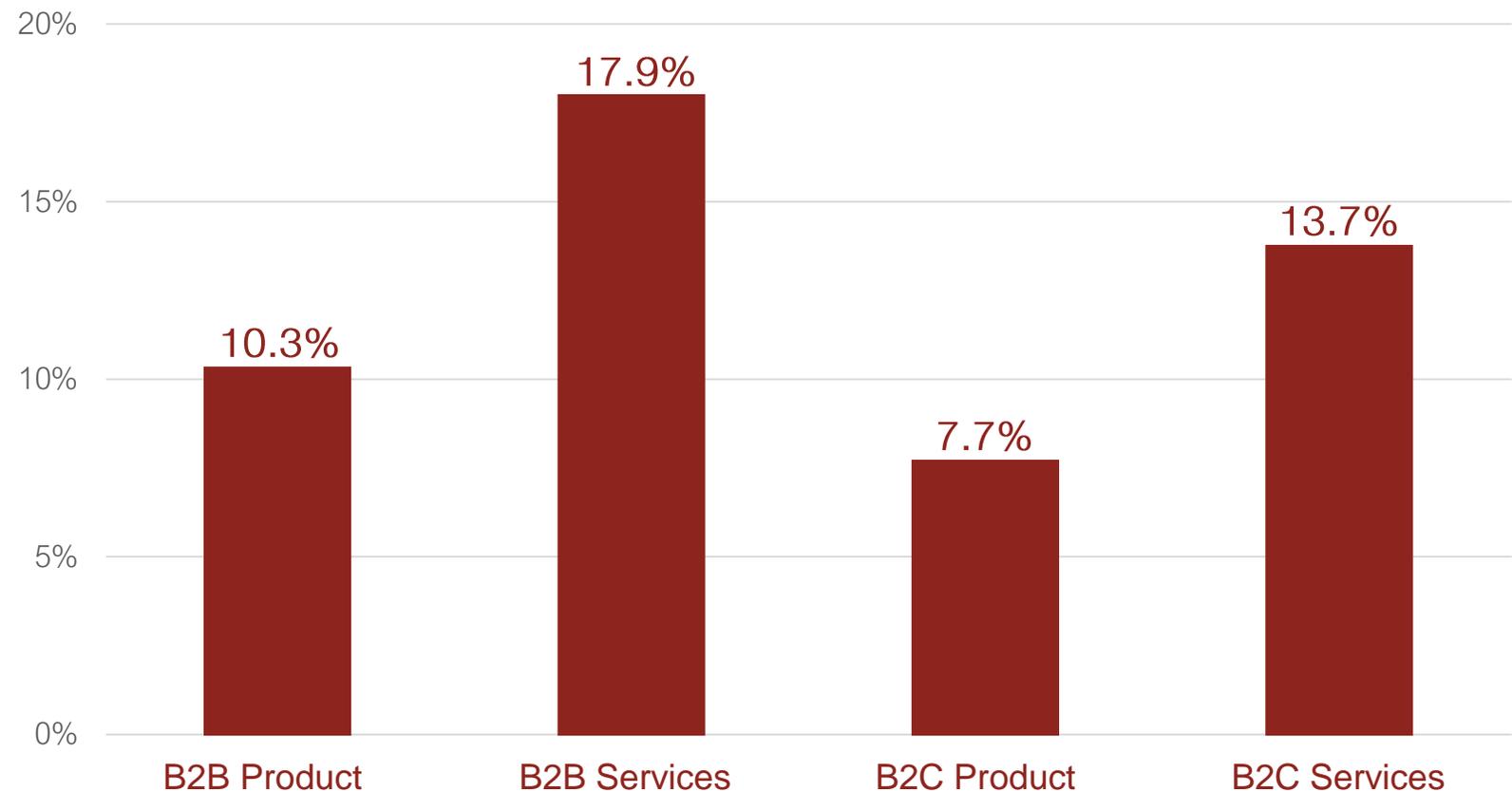
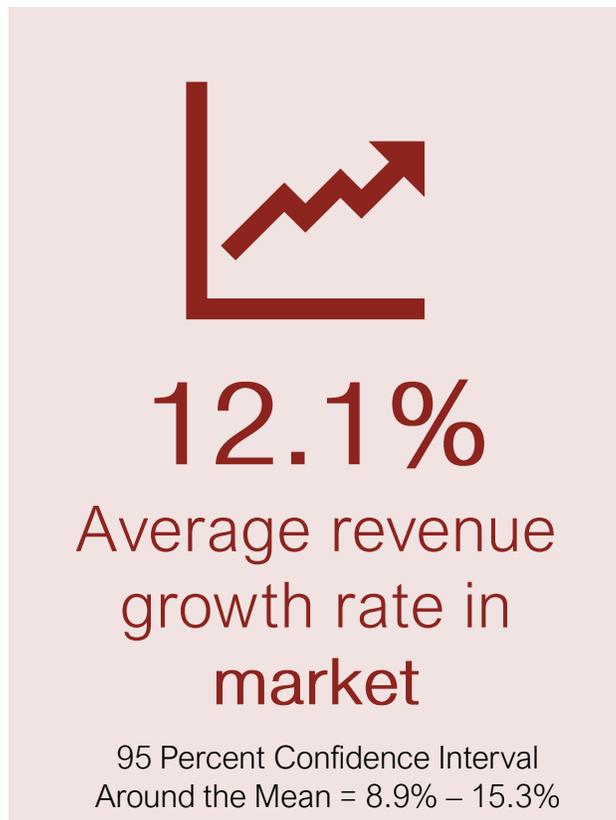
Marketing leaders report their largest revenue markets are growing at a rate of 12.1% per year on average. Companies operating in service markets are growing at nearly twice the rate (16.7%) compared to product markets (9.4%). Among the industry sectors, Professional Services (35.6%), Pharma / Biotech (18.7%), and Tech / Software / Platform (17.7%) report the fastest growing markets. Of companies with fewer than 50 employees, markets are growing at 26.9%, among companies with 50-99 employees, markets are growing at 20.4%. By contrast, companies with 10,000+ employees are growing at 8.8%. Growth is stronger in companies with 50-99% of sales online (23.2%) and 100% of sales online (16.1%) with growth levels at half these rates at lower online sales levels.

Focusing on their own companies, average revenues are growing faster than markets (16.4%) with B2B companies growing faster (19.1%) than B2C companies (11.5%). Across market and company growth, B2C Product markets (7.7%) and companies (10.1%) are growing at the slowest rates. Likewise, Mining / Construction, Retail / Wholesale, and Energy companies and markets are the slowest growing sectors.

In explaining why their companies are growing faster than markets, marketing leaders cite strategy differentiation, go-to-market capabilities, and strategy execution as the top reasons. For those companies growing slower than markets, marketing leaders cite underfunded strategies, not having the right go-to-market capabilities, and undifferentiated strategies as the top reasons.

Markets growing at an average of 12.1%, with markets for services growing at a faster rate (16.7%) than products (9.4%)

By what percent are revenues in your largest revenue market growing or decreasing in size?

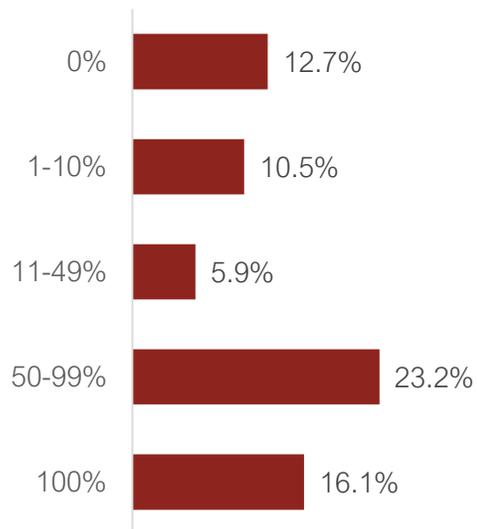


Revenue markets grow more in internet-dominated companies, B2B companies, smaller companies, and in the Professional Services sector

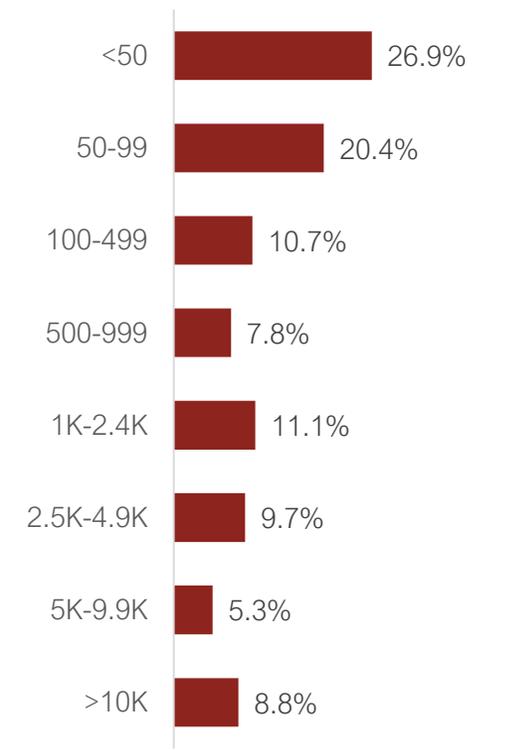
By what percent are revenues in your largest revenue market growing or decreasing in size?

12.1% average growth in largest revenue market

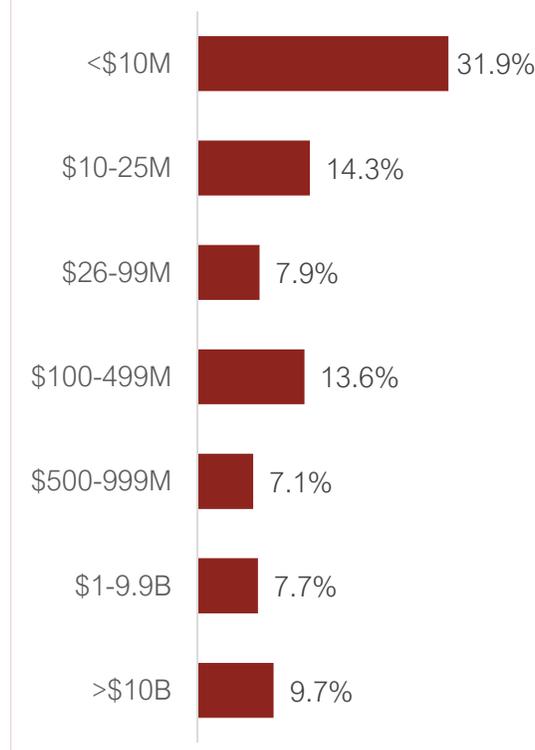
Online Sales



Employees



Revenues



■ % Revenue Growth



Economic Sector

B2B Product	10.3%
B2B Services	17.9%
B2C Product	7.7%
B2C Services	13.7%



Industry Sector

Top 3 Sectors

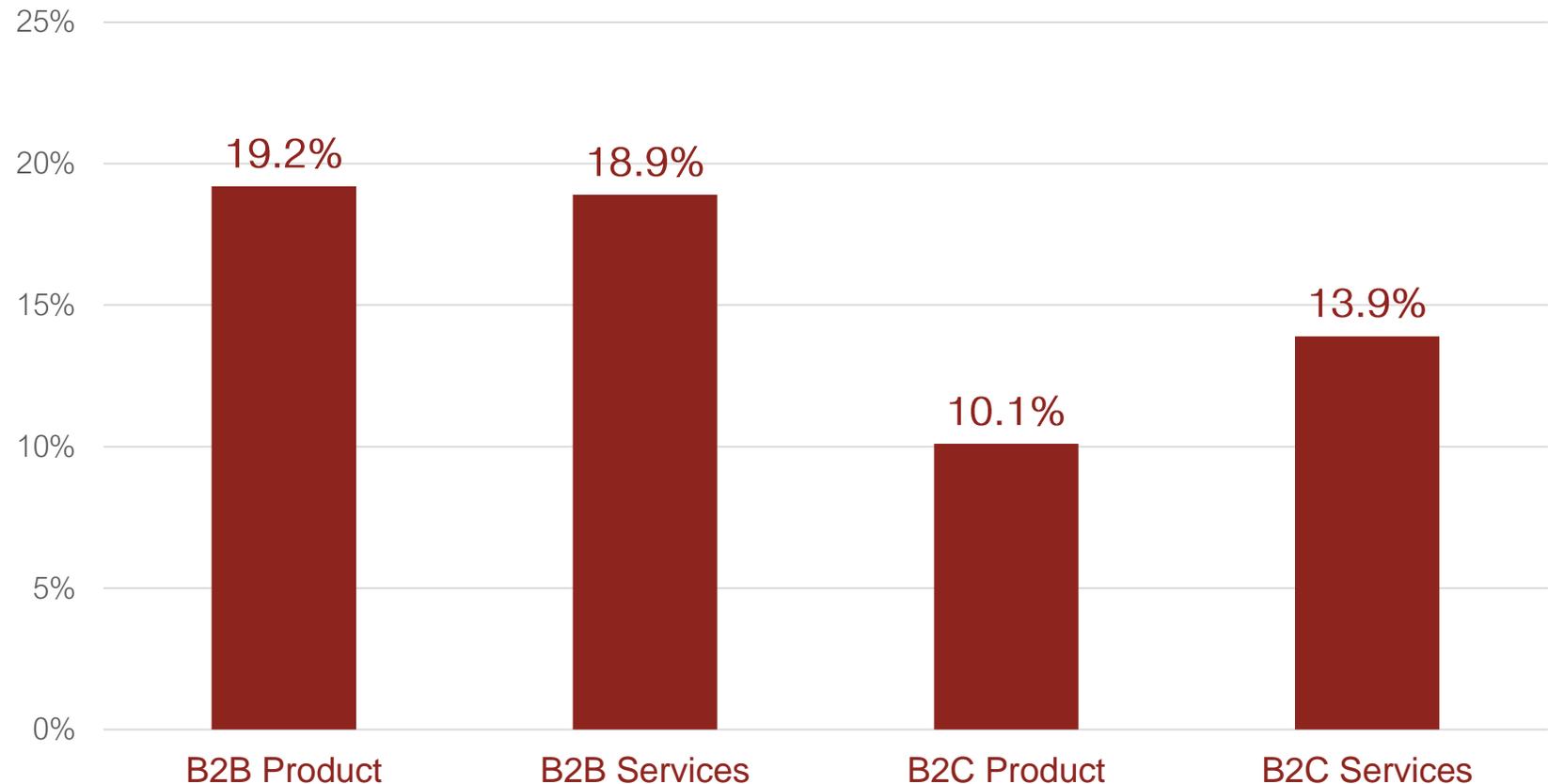
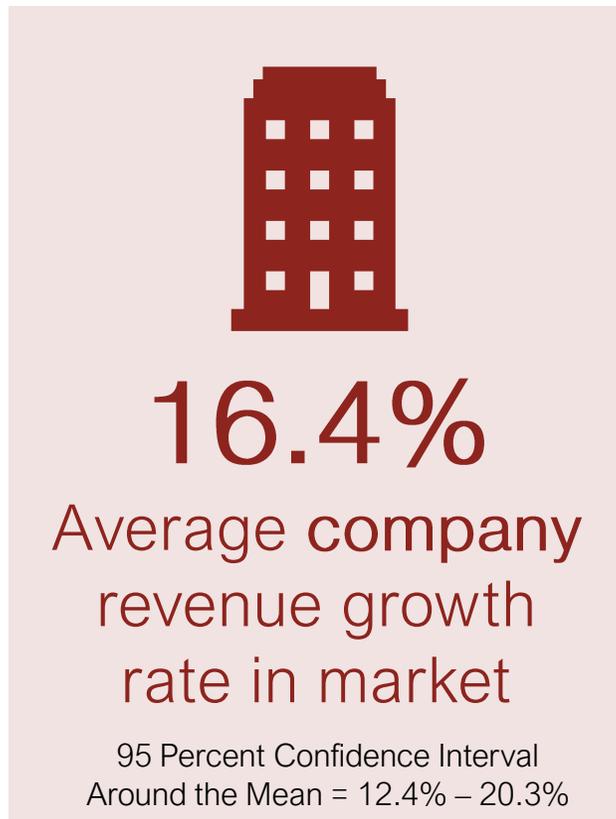
- Professional Services (35.6%)
- Pharma / Biotech (18.7%)
- Tech / Software / Platform (17.7%)

Bottom 3 Sectors

- Mining / Construction (-2.5%)
- Energy (-1.0%)
- Retail / Wholesale (-0.7%)

Companies report higher revenue growth than market at 16.4%: B2B companies grow more (19.1%) than B2C companies (11.5%)

By what percent are your company's revenues in this market growing or decreasing?

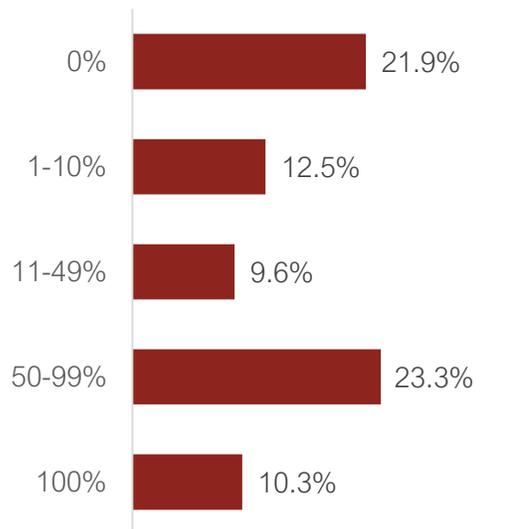


Biggest revenue growth: B2B companies, smaller companies, and Professional Services and Tech industries

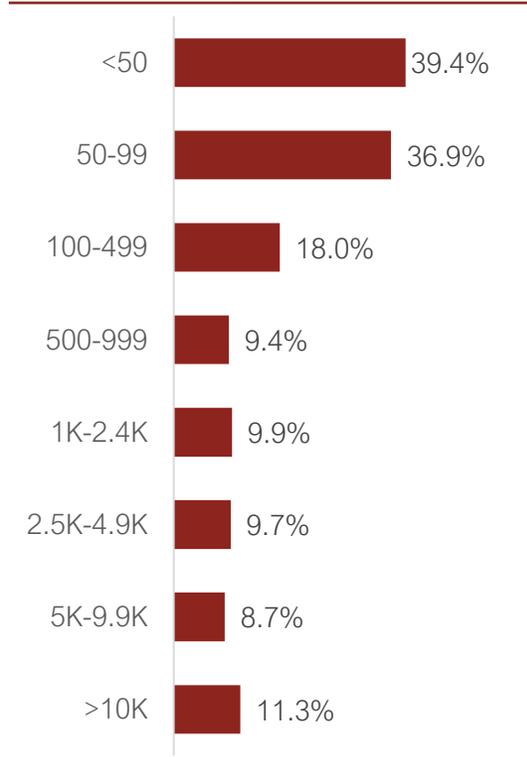
By what percent are your company's revenues in this market growing or decreasing?

16.4% average company revenue growth

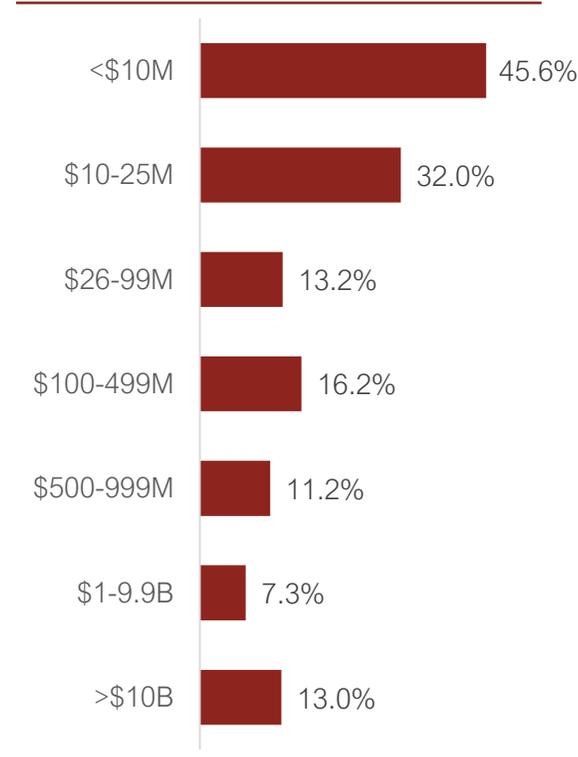
Online Sales



Employees



Revenues



■ % Revenue Growth



Economic Sector

B2B Product	19.2%
B2B Services	18.9%
B2C Product	10.1%
B2C Services	13.9%



Industry Sector

Top 3 Sectors

- Professional Services (47.9%)
- Tech / Software / Platform (28.7%)
- Pharma / Biotech (20.1%)

Bottom 3 Sectors

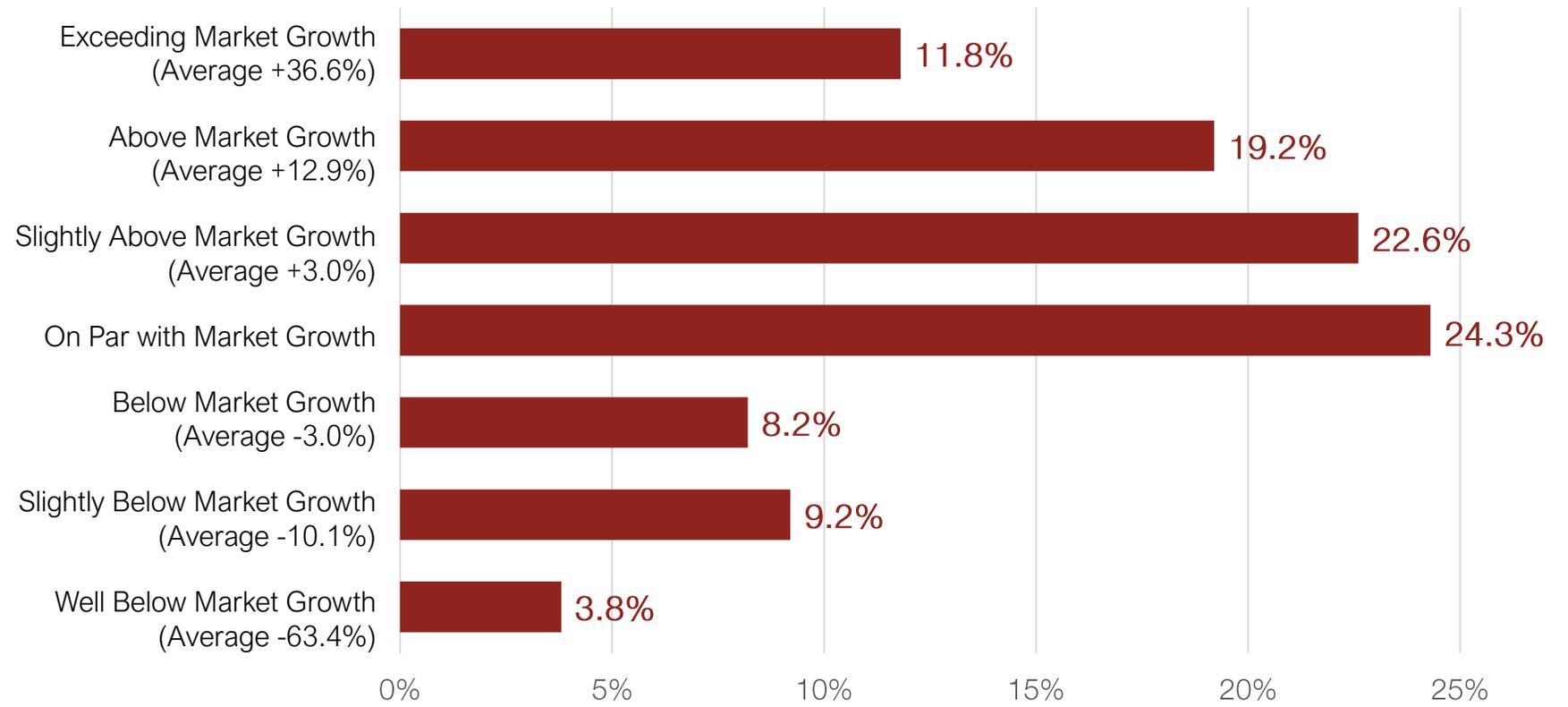
- Mining / Construction (0.3%)
- Retail / Wholesale (3.3%)
- Energy (3.4%)

How company growth compares to market growth



+3.4%
Company growth exceeds market growth

95 Percent Confidence Interval
Around the Mean = 0.7% – 6.0%



■ % of Companies Surveyed

How marketing leaders explain company growth relative to market growth



Why is your company performing **better** than market?

1. Our strategy was effectively differentiated: **60.3%**
2. We have the right go-to-market capabilities: **54.8%**
3. Our strategy was well-executed: **49.2%**
4. We have the right talent for our strategy: **44.4%**
5. Our strategy was well-designed: **34.1%**
6. The market and competitive intelligence were strong: **31.7%**
7. Our strategy was adequately funded: **24.6%**
8. We have the right martech systems: **13.5%**



Why is your company performing **worse** than market?

1. Our strategy was underfunded: **42.2%**
2. We do not have the right go-to-market capabilities: **37.8%**
3. Our strategy was not effectively differentiated: **33.3%**
4. We do not have the right talent for our strategy: **31.1%**
5. The market and competitive intelligence were weak: **28.9%**
6. Our strategy was not well-executed: **17.8%**
7. We do not have the right martech systems: **15.6%**
8. Our strategy was not well-designed: **8.9%**



Managing Marketing Technologies

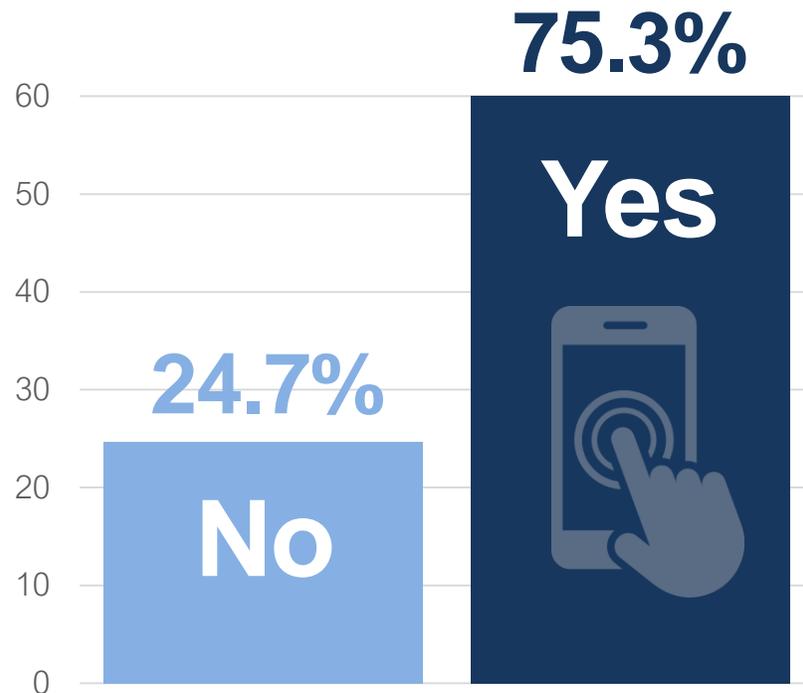
Over three-fourths (75.3%) of companies surveyed are using marketing technologies (Martech), with high-revenue organizations leading. Spending as a percentage of marketing budget on Martech is 19.9% and is expected to grow to 23.5% in one year (up 18%) and to 30.9% in five years (up 55%). Considering this spending, Approximately 62% of marketing activities use Martech tools, up from 58.4% one year ago. At the same time, only 56.4% of all Martech tools purchased are being used.

The adoption of Martech tools is driven by company goals, strategy, and the value it seeks to provide to customers—pressure from inside the company or from competitors is not important. The focus in managing Martech is on “optimizing existing tools” and “identifying tools for a stronger customer experience” while “hiring or retaining talent” and “creating a shared cross-enterprise strategy” are given less attention. Marketing leaders believe they are performing at average levels on “selecting the right company to provide Martech” and “selecting the right mix of Martech for their needs.” On the flip side, leaders report weak performance on “hiring staff to manage Martech” and on “integrating Martech across other data systems in the company.”

To evaluate the effectiveness of Martech systems, the most commonly used metric is Lead Generation (76.2% of companies), followed by Sales (67.9%) and Lead Conversion (64.9%). Customer metrics such as Customer Acquisition (41.1%), Customer Satisfaction (38.1%), Customer Lifetime Value (28%), and Customer Loyalty (27.4%) lag in use as does Pipeline Acceleration (22.6%). Martech impact on company performance is evaluated as 4.7 on a 7-point scale where 1=not at all and 7=a great deal. Impact is strongest on company marketing strategy and least on operations strategy. Nearly half of all marketing leaders report a gap between actual Martech payoffs and their hopes for these payoffs. This gap is evaluated at 34% of expectations. The largest share of companies audit their Martech tools yearly.

Companies embrace marketing technologies

Is your company using marketing technology?



Spring 2024

Revenue

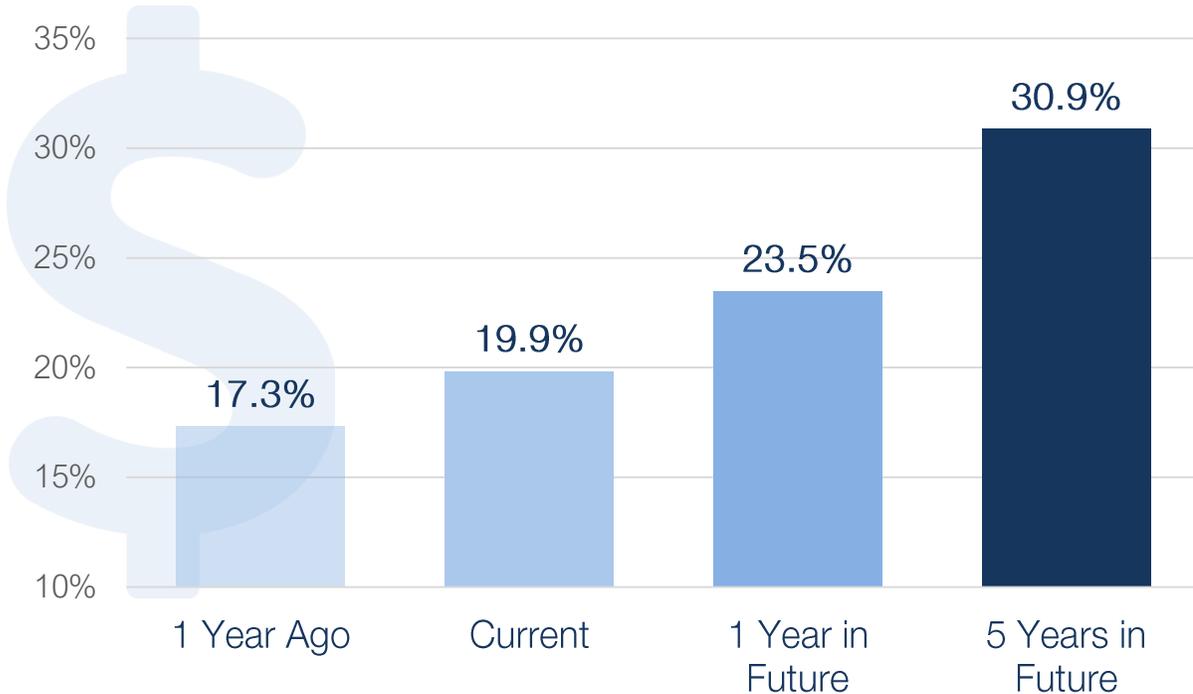
	Yes
<\$10M	56.0%
\$10M - \$25M	64.7%
\$26M - \$99M	73.3%
\$100M - \$499M	81.3%
\$500M - \$999M	66.7%
\$1B - \$9.9B	80.4%
\$10B+	85.3%

Insights

Usage of marketing technology varies by size of company with the largest companies (measured in revenues) the heaviest users. Usage also varies by industry sector. Heaviest users of marketing technology are Transportation (100.0%), Real Estate (100%), Consumer Services (100%), and Tech / Software / Platform (92.5%) with Consumer Packaged Goods (45.5%), Healthcare (61.1%), and Pharma / Biotech (62.5%) lagging.

Spending on marketing technology predicted to increase 31% over the next 5 years

What percent of your marketing budget do you spend on marketing technology? Past, present and future predictions



Economic Sector

	1 Year Ago	Current	1 Year Future	5 Years Future
B2B Product	16.5%	18.8%	22.2%	30.0%
B2B Services	16.6%	18.9%	23.3%	31.9%
B2C Product	17.9%	20.5%	24.1%	29.6%
B2C Services	20.4%	23.8%	26.7%	33.7%



Online Sales

	1 Year Ago	Current	1 Year Future	5 Years Future
0%	19.8%	21.8%	25.1%	32.4%
1-10%	13.2%	16.4%	20.6%	28.9%
11-49%	16.3%	18.1%	23.2%	30.6%
50-99%	23.3%	26.1%	28.2%	35.7%
100%	16.1%	19.8%	22.0%	26.1%

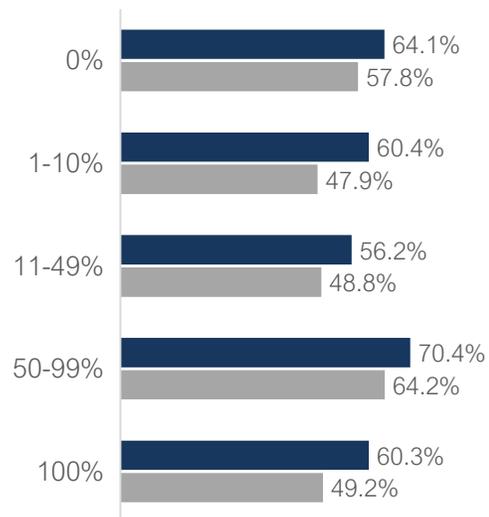
Usage of Martech tools steadily grows over the past year across all economic sectors

What percent of your marketing activities use Martech tools?

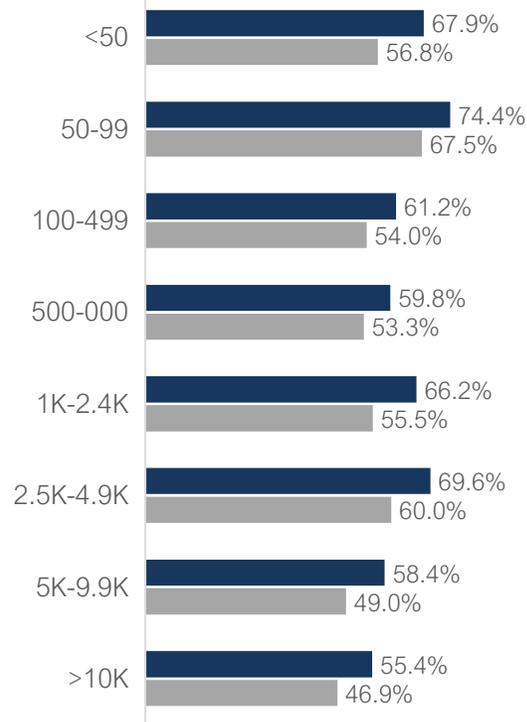
62.1% current

58.4% 1 year ago

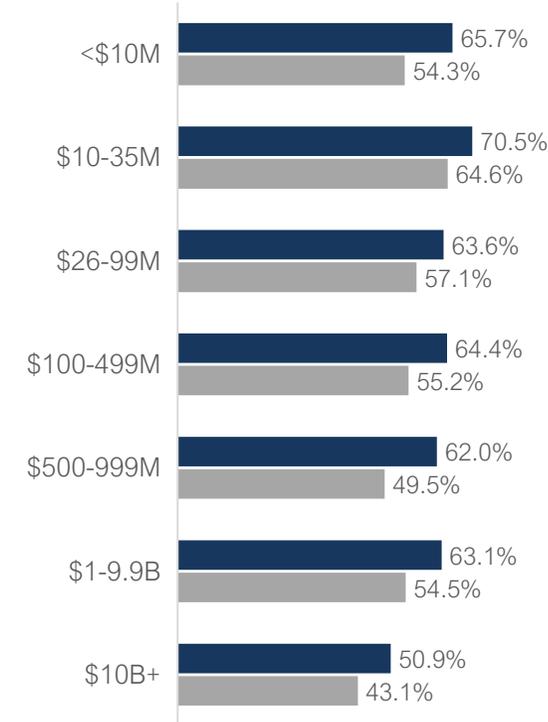
Online Sales



Employees



Revenues



Economic Sector

	1 Year Ago	Current
B2B Product	58.4%	66.0%
B2B Services	47.3%	55.0%
B2C Product	50.2%	62.4%
B2C Services	56.4%	65.0%



Industry Sector (current)

Top 3 Sectors

- Education (84.7%)
- Tech / Software / Platform (77.8%)
- Communications / Media (74.5%)

Bottom 3 Sectors

- Professional Services (45.8%)
- Transportation (49.1%)
- Healthcare (52.8%)

Aligning with company goals is most important when adopting new marketing technologies

Rank order how important each of the following have been in your company's adoption of new marketing technologies?
(1=Most Important- 5=Least Important)



Marketers spend most of their time optimizing and streamlining existing Martech tools, followed by identifying new opportunities for stronger CX

Rate the extent to which you focus on the following activities when managing your Martech strategy:
(1=Not at All - 7=A Great Deal)

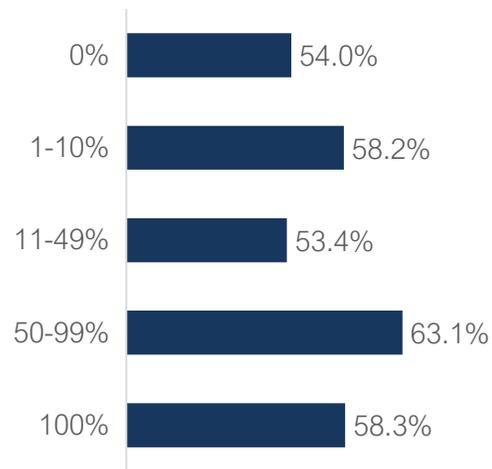


Companies using just over half of purchased Martech tools in their operations

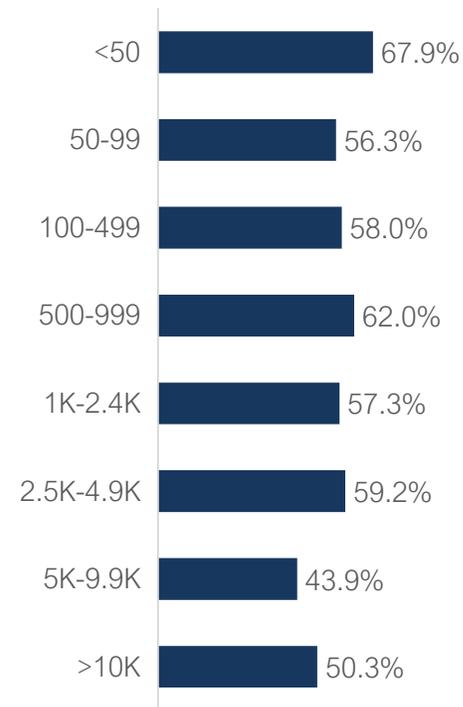
Considering all the Martech tools purchased by your company, what percent is your company currently utilizing in its operations?

56.4% of Martech tools being utilized

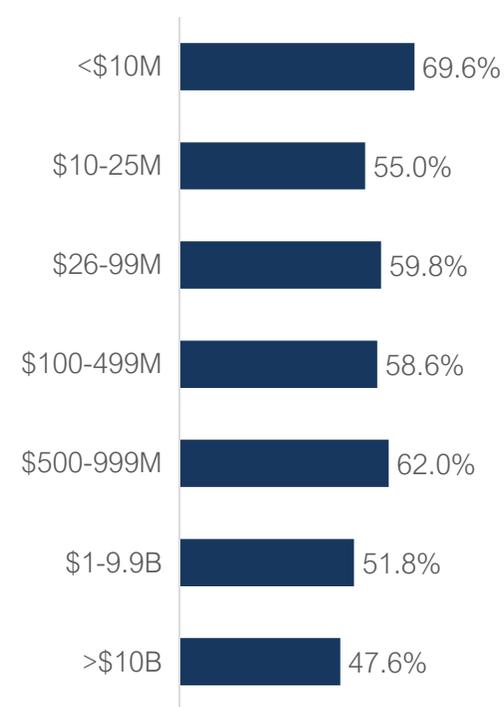
Online Sales



Employees



Revenues



Economic Sector

B2B Product	54.7%
B2B Services	59.6%
B2C Product	55.6%
B2C Services	55.5%



Industry Sector

Top 3 Sectors

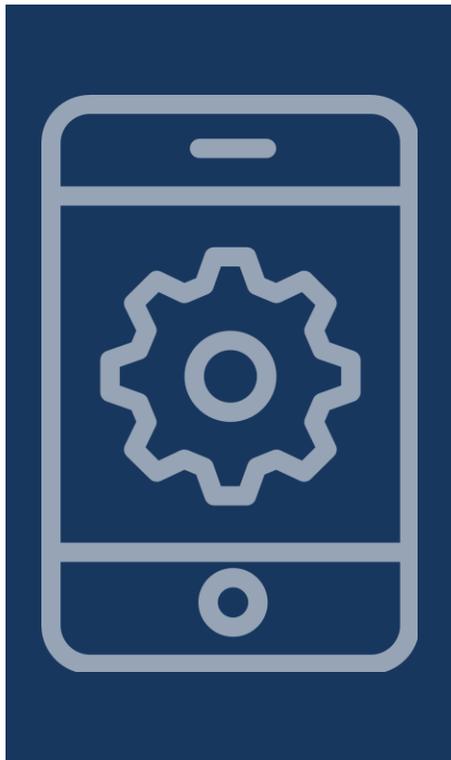
- Communications / Media (75.5%)
- Mining / Construction (70.0%)
- Real Estate (65.0%)

Bottom 3 Sectors

- Healthcare (40.0%)
- Transportation (42.7%)
- Education (44.0%)

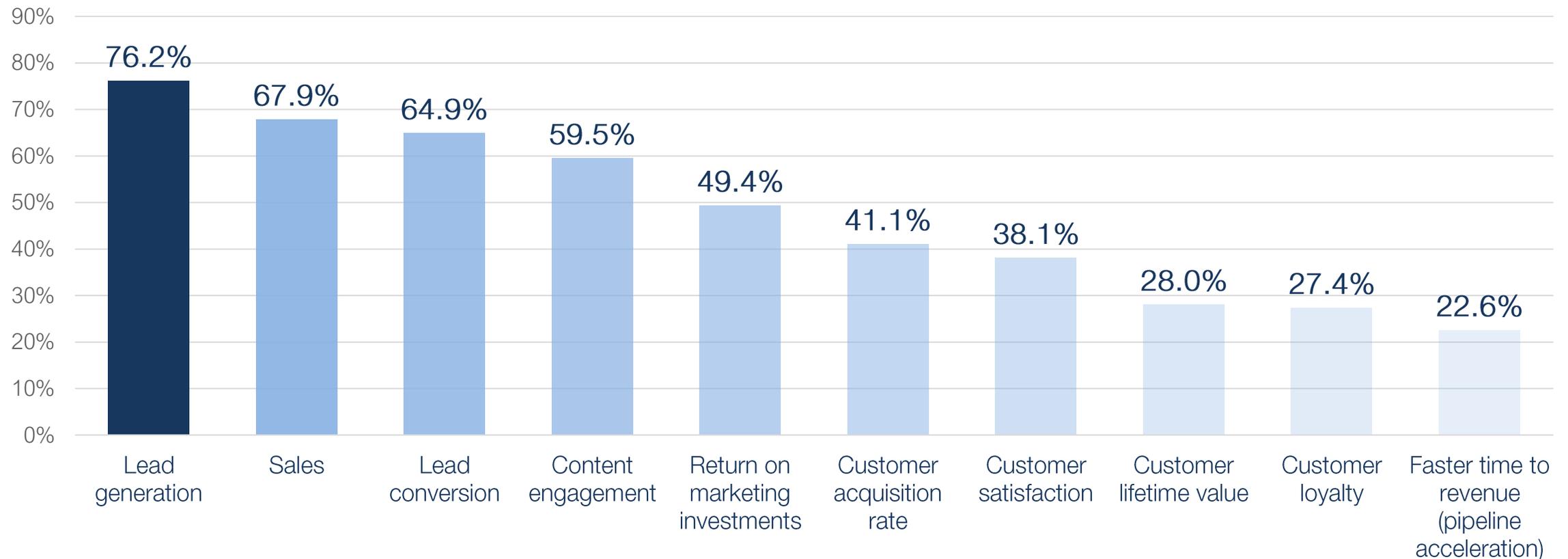
Most marketing technology activities performed at moderate level. Weakest performance in demonstrating ROI, integrating martech, and hiring

Rate how well your company is performing each of the following marketing technology activities: (1=Poorly - 7=Very Well)



Martech metrics focus on top of sales funnel activities, with lower funnel activities and long-term customer value metrics trailing significantly

Which of the following metrics does your company use to evaluate the effectiveness of your Martech systems?

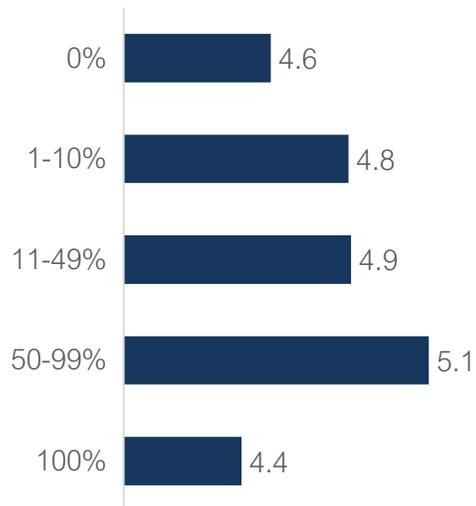


Martech tools have a modest impact for company performance, regardless of industry and size

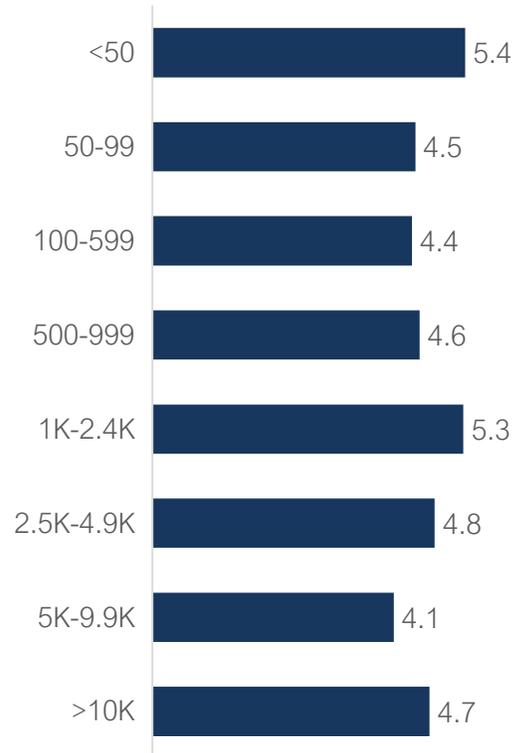
How much impact are your current Martech tools having on your company's performance? (1=Not at All - 7=A Great Deal)

4.7 Average impact of Martech tools

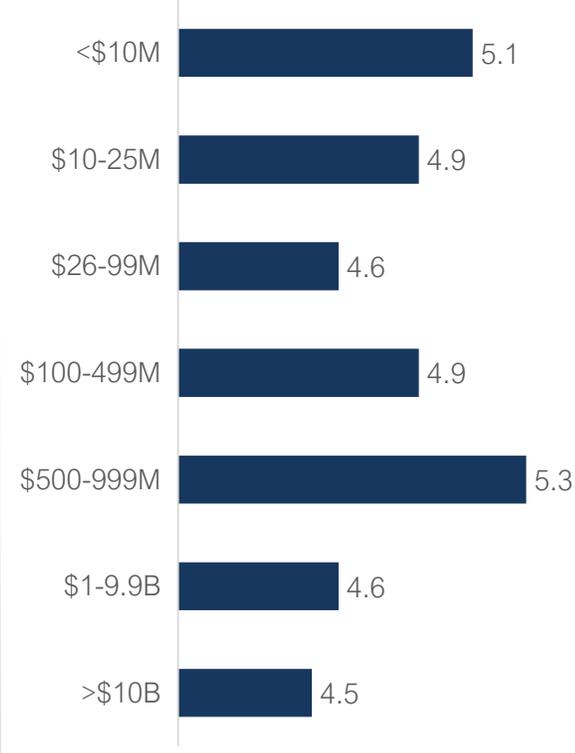
Online Sales



Employees



Revenues



Economic Sector

B2B Product	4.6
B2B Services	4.7
B2C Product	5.1
B2C Services	4.6



Industry Sector

Top 3 Sectors

- Consumer Services (5.5)
- Tech / Software / Platform (5.2)
- Retail / Wholesale (5.0)
- Education (5.0)

Bottom 3 Sectors

- Transportation (3.9)
- Energy (4.0)
- Pharma / Biotech (4.3)

Martech tools play a crucial part in Marketing and CRM strategy, but have room to grow with Customer Insight and Operations strategies

How well do your company's martech tools enhance the performance of each part of your company's strategy?
(1=Not at All - 7=A Great Deal)



5.5

Marketing
Strategy



4.8

CRM
Strategy



4.6

Sales
Strategy



4.5

CX
Strategy



4.3

Customer
Insight
Strategy

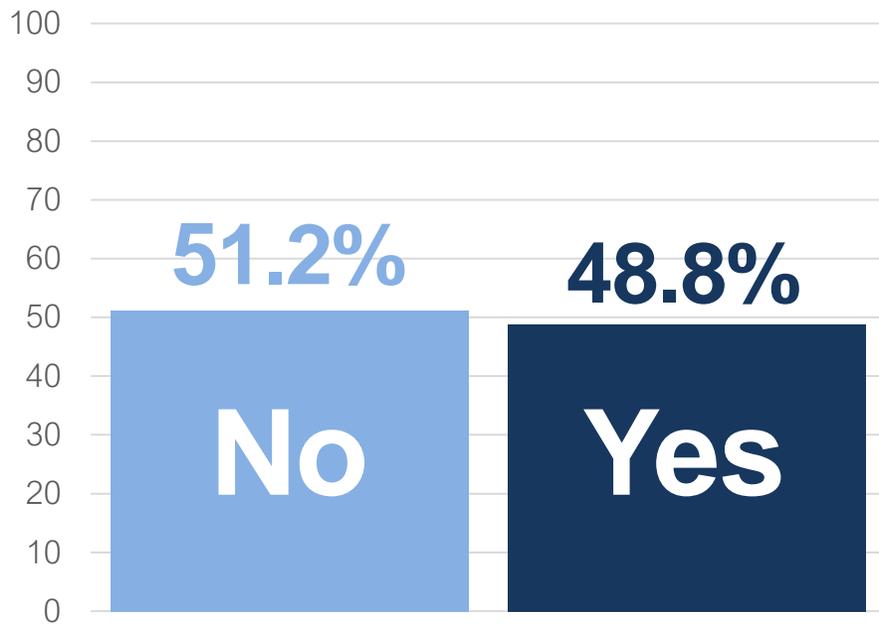


3.6

Operations
Strategy

Companies split over analysis of Martech meeting payoff expectations—those seeing a gap report a 34% rate of underperformance

Is there is a gap between the actual payoffs of Martech and your hopes for these payoffs?



Rate the extent of this gap: 1% -100% underperform relative to expectations

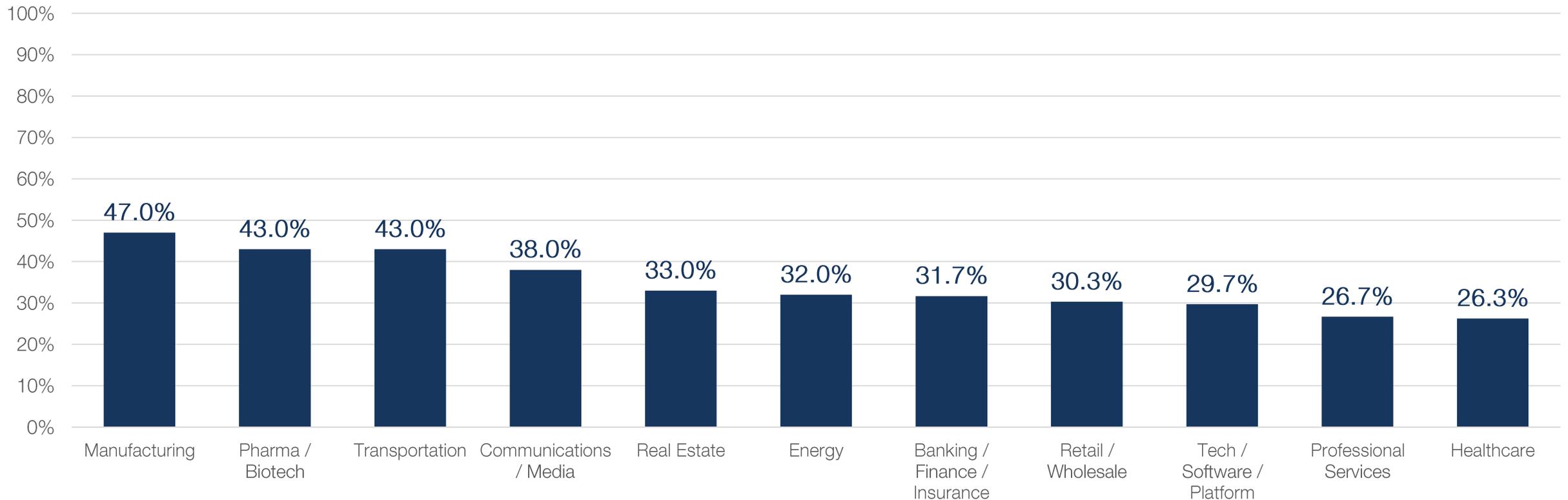


34%

Average underperformance relative to expectations

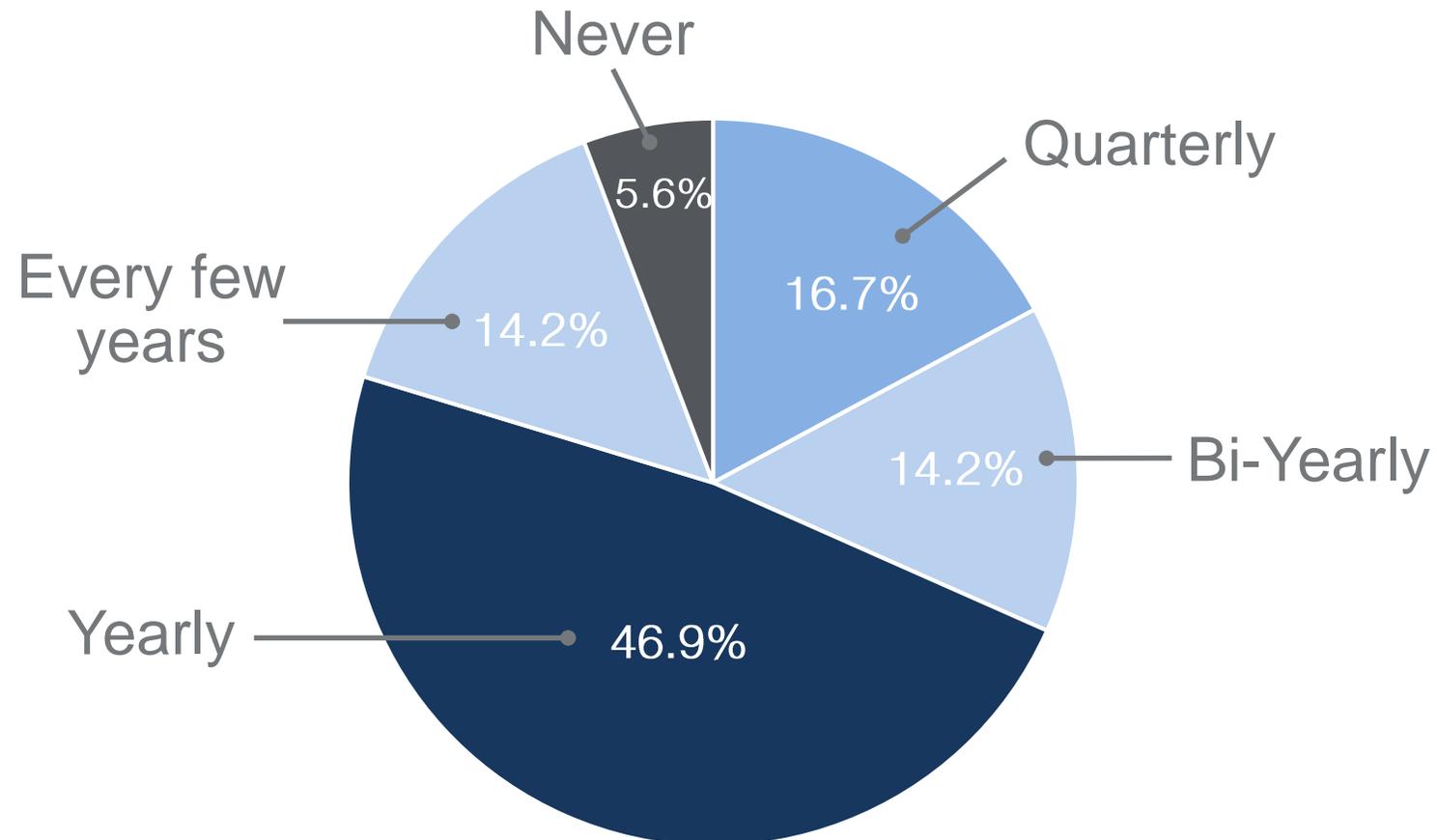
Manufacturing, Pharma/Biotech, and Transportation companies report the largest underperformance gap in Martech solutions

Rate the extent of this gap: 1% -100% underperform relative to expectations (by Industry Sector)



Companies are auditing martech tools yearly on average

How regularly are your company's martech tools audited and evaluated?





Use of AI in Marketing

Despite the media hype, companies are using generative AI only 7% of the time in marketing activities, with smaller companies (<\$10M in sales use it 11.6% of the time) and Services companies (average 9% of the time) using higher levels. For the marketers who are integrating generative AI into their marketing organizations, challenges abound, including the most vexing as “minimizing bias” and “investing in necessary hardware.” However, even core strategy challenges in ensuring generative AI produces “a good fit for your brand” and “a good fit for your target markets” receive only average ratings in managing generative AI.

While companies are interested in Large Language Models (LLM), only 10% are using these tools, another 20% are piloting them, and 39.0% still have not used such tools. In rating how transformative LLM will be for their organizations, 13% report that it is already transforming their companies, 25% are not sure it will be transformative, and 36% think that the technology needs to mature before it can be transformative. Similarly, companies report that blockchain technologies have minimal effect on marketing strategies; however this is planned to increase by over 57% over the next five years.

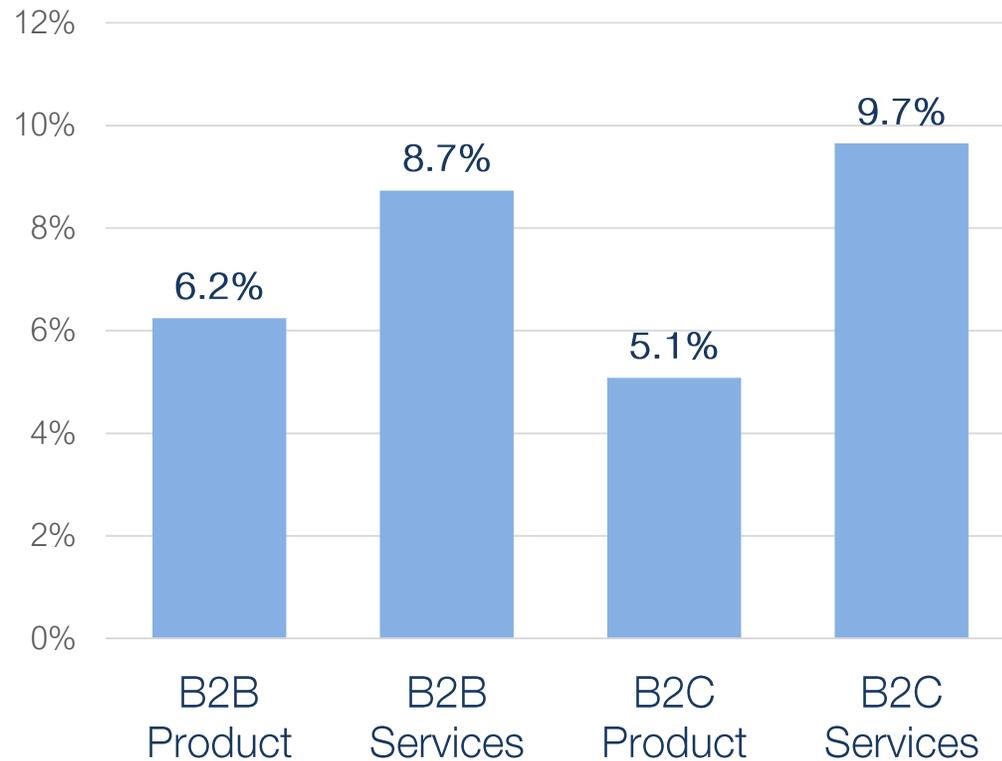
AI is having a positive impact on marketing organizations. Marketing leaders report that sales productivity has improved by an average of 5.1% due to AI, customer satisfaction has improved by an average of 6.1%, and marketing overhead costs have decreased by an average of 7.0%.

Use of AI in marketing activities grows, with service and smaller companies leading the way

What percent of the time is your company using generative AI in its marketing activities?



7.0%
of time spent
using generative AI
in marketing
activities



Revenue

<\$10M	11.6%
\$10M - \$25M	8.4%
\$26M - \$99M	7.5%
\$100M - \$499M	6.5%
\$500M - \$999M	8.1%
\$1B - \$9.9B	5.6%
\$10B+	5.1%

Industry Sector

Highest usage of AI in marketing

- Education (22.7%)
- Tech / Software / Platform (11.1%)
- Professional Services (10.6%)

Lowest usage of AI in marketing

- Consumer Services (2.5%)
- Transportation (3.1%)
- Healthcare (3.5%)

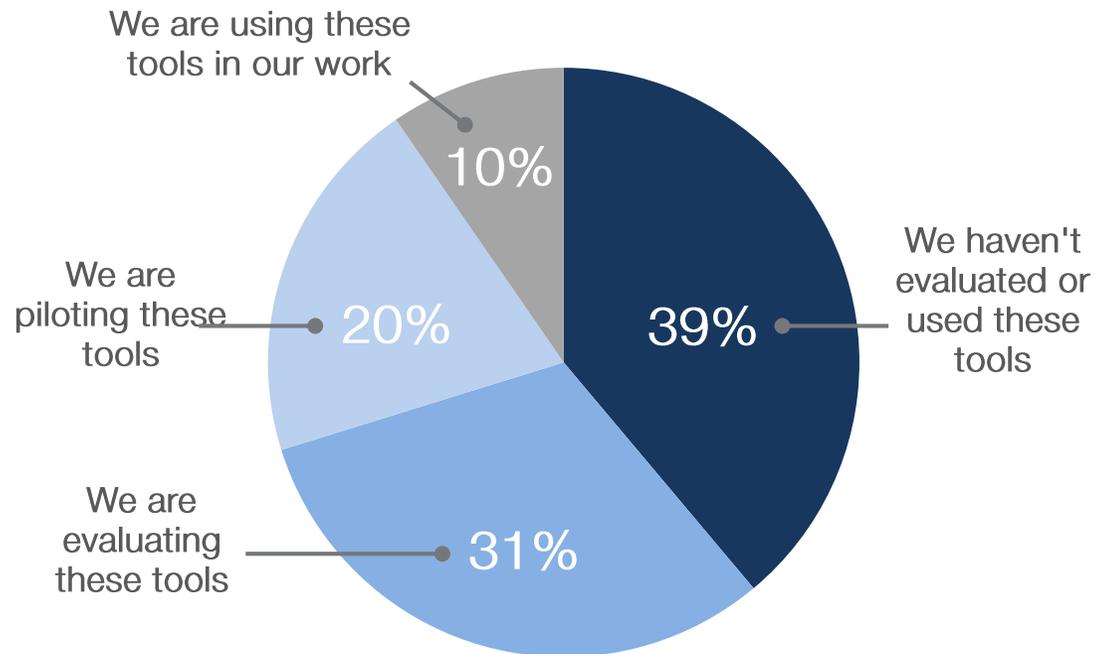
Marketers only moderately confident in managing generative AI challenges with hardware investments & bias management looming largest

Rate the degree to which your company is managing the following challenges associated with using generative AI in marketing: (1=Not at All - 7=Very Effectively).

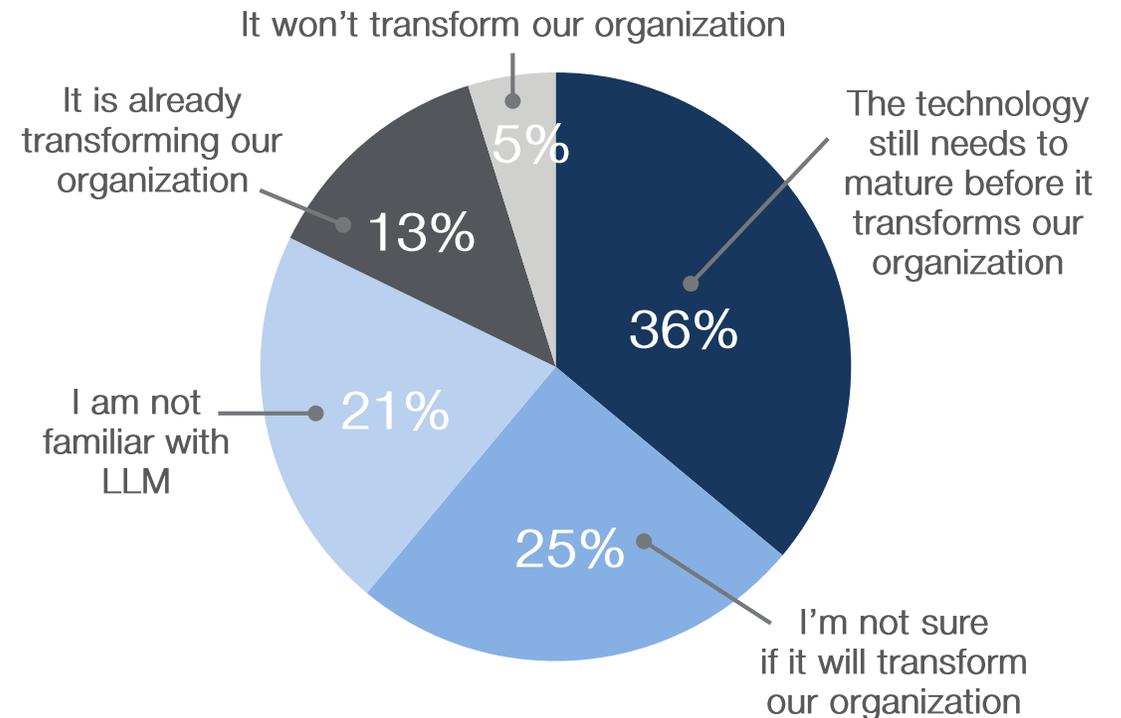
Challenge	Avg Rating
Ensuring that the marketing strategy that generative AI produces is a good fit for your brand	4.1
Ensuring that the marketing strategy that generative AI produces is a good fit for your target markets	4.0
Implementing security measures to protect customer information	3.9
Understanding how content or decisions are being made	3.6
Reducing susceptibility to attacks by malicious actors	3.3
Investing in hiring and building expertise necessary to use generative AI	3.0
Minimizing bias and ensuring fairness	2.6
Investing in hardware necessary for generative AI to work well	2.4

While many companies are aware and interested in Large Language Models (LLM), few have actually utilized them

Which statement best describes the use of Large Language Models (LLM) in your company?

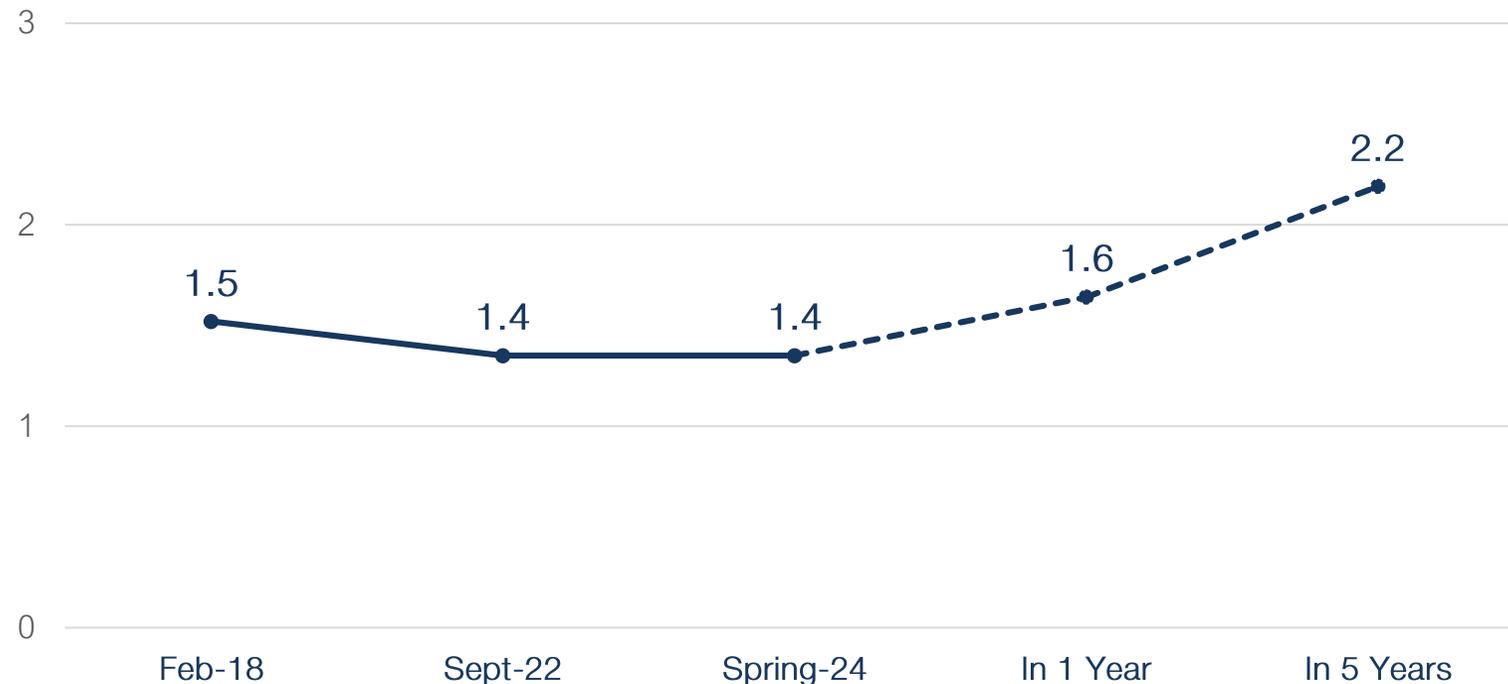


Select the response that best captures what you believe about how transformative LLM is or will be for your marketing organization?



Blockchain technology has minimal affect on marketing strategies, but predicted to increase over the next 5 years

To what extent are blockchain technologies affecting your company's marketing strategies? (1=Not at All - 7=Regularly)



Economic Sector

	Current	In 1 Year	In 5 Years
B2B Product	1.3	1.4	1.9
B2B Services	1.5	1.8	2.4
B2C Product	1.4	1.8	2.4
B2C Services	1.3	1.7	2.3

Industry Sector

Largest Expected Growth in 5 Years

- Transportation (+109.1%)
- Retail / Wholesale (+96%)
- Tech / Software / Platforms (+88.0%)

Smallest Expected Growth in 5 Years

- Consumer Services (0%)
- Banking / Finance / Insurance (+42%)
- Healthcare (+36%)

Use of AI in marketing continues to drive up productivity and customer satisfaction, but at a slower rate than reported in Fall 2023

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

Improved Sales Productivity



+6.2% **+5.1%**
Fall-23 Spring-24

Increased Customer Satisfaction



+7.0% **+6.1%**
Fall-23 Spring-24

Lower Marketing Overhead Costs



-7.2% **-7.0%**
Fall-23 Spring-24

Top Economic Sector:

B2C Product (8.4%)

B2C Product (11.5%)

B2B Services (-7.7%)

Top Industry Sector:

Consumer Services (30%)

Education (32.7%)

Consumer Services (-20.0%)



Marketing Leadership

Marketing's role is expanding and evolving over time. While brand (87.2%), digital marketing (87.2%), and advertising (83.1%) are the function's top three responsibilities, each saw a decrease in responsibility levels compared to one year ago. Of the activities surveyed, 67% show a decrease in marketing responsibility relative to last year, while only 14% show an increase. The remainder are unchanged.

Both internally and externally, marketing leaders report that their marketing function is valued at 5.1 on a 7-point scale, where 1=not at all and 7=very well. This sentiment is consistent across B2B and B2C firms in both product and service sectors, with Pharma / Biotech reporting the highest internal marketing value at 5.7 and Energy reporting the lowest at 3.9, followed by Healthcare (4.8). When asked to compare the value of marketing in their company before Covid, marketing leaders report a score of 4.5 indicating that marketing has strengthened during these pandemic years. Considering external stakeholders, marketing is valued by external partners at 5.1 and by the stock market at 4.4. Looking across all four valuation indicators, marketing is valued more in the smallest companies and in B2C Product companies.

Marketing responsibilities weaken over the year

What is marketing primarily responsible for in your company?

Red reflects a decrease and **Green** reflects an increase of more than 1% between Spring 2023 and Spring 2024.

Activity	Spring-23	Spring-24
Brand	94.1%	87.2%
Digital Marketing	90.5%	87.2%
Advertising	92.3%	83.1%
Social Media	80.6%	82.2%
Marketing Analytics	77.0%	76.3%
Lead Generation	63.1%	70.8%
Marketing Research	73.9%	70.3%
Promotion	77.9%	69.4%
Positioning	76.6%	66.2%
Marketing Technology*	*	65.8%
Public Relations	70.7%	60.3%
Customer Insight	56.8%	54.8%
Competitive Intelligence	55.9%	47.0%
Customer Relationship Management	35.1%	36.1%

Activity	Spring-23	Spring-24
Customer Experience	46.4%	43.8%
Revenue Growth	41.4%	41.1%
Market Entry Strategies	36.9%	34.2%
e-commerce	36.0%	32.0%
New Products and Services	31.1%	31.1%
Innovation	30.6%	28.3%
Pricing	30.6%	25.1%
Market Selection	23.9%	23.7%
Sales	19.8%	24.2%
Talent Acquisition & Retention	16.2%	19.2%
Privacy	12.6%	11.4%
Customer Service	14.9%	9.6%
Sustainability	13.1%	9.1%
Distribution	6.8%	4.1%
Stock Market Performance	1.8%	1.4%

How marketing is valued in companies, among partners, and in financial markets

Examining the value of marketing in your company. To what degree (1=Not at All - 7=Very Well):



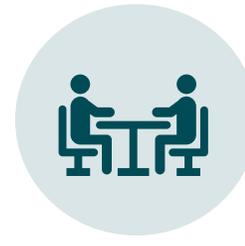
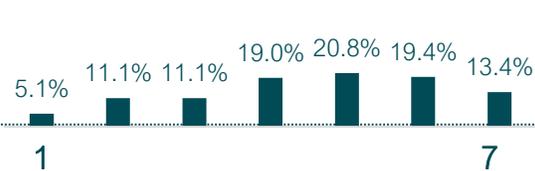
Is marketing valued in your company?

5.1



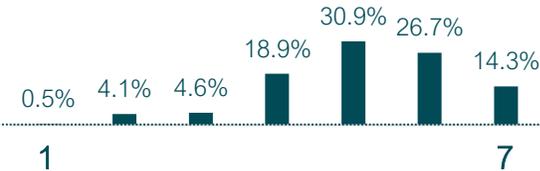
Was marketing valued in your company before COVID?

4.5



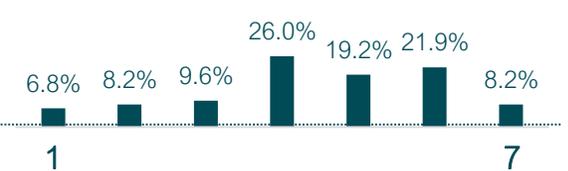
Is your company's marketing valued by your external partners?

5.1



Do your company's marketing activities impact its stock price?

4.4



How the value of marketing varies by sector and size

Examining the value of marketing in your company. To what degree (1=Not at All - 7=Very Well):



		Is marketing valued in your company?	Was marketing valued in your company before COVID?	Is your company's marketing valued by your external partners?	Do your company's marketing activities impact its stock price?
	Overall Mean	5.1	4.5	5.1	4.4
Economic Sector	B2B Product	5.1	4.4	5.2	4.3
	B2B Services	5.0	4.5	5.0	4.0
	B2C Product	5.2	4.9	5.3	5.0
	B2C Services	5.0	4.3	4.8	4.3
Industry Sector	Top Sectors	Pharma / Biotech (5.7)	Consumer Services (6.0)	Retail / Wholesale (5.6)	Consumer Services (7.0)
	Bottom Sectors	Energy (3.9)	Healthcare (3.8)	Consumer Services (4.0)	Professional Services (1.0)
Size	Most valued size (\$)	<\$10M revenues (6.0)	<\$10M revenues (5.3)	<\$10M revenues (5.4)	<\$10M revenues (5.0) \$10-25M revenues (5.0)



Marketing Organization and Jobs

Marketing organization growth saw a decrease to 3.9%, down from 5.5 % in Fall-2023, returning close to the 3.4% growth seen this time one year ago in Spring-23. Product companies, smallest companies (by revenues), and companies in the Banking / Finance / Insurance, Energy, and Education sectors grew the most in last year. Companies in the Communications / Media, Professional Services, and Consumer Packaged Goods sectors report the smallest growth in their marketing organizations.

Compared to the number of marketing hires last year, marketers expect to hire at a rate of 4.4% next year, a decrease over predicted growth of 5.3% in Fall-2023. The industries with the strongest growth outlook are Mining / Construction, Education, and Healthcare, while the smallest growth outlooks are expected in the Pharma / Biotech, Banking / Finance / Insurance, and Real Estate sectors.

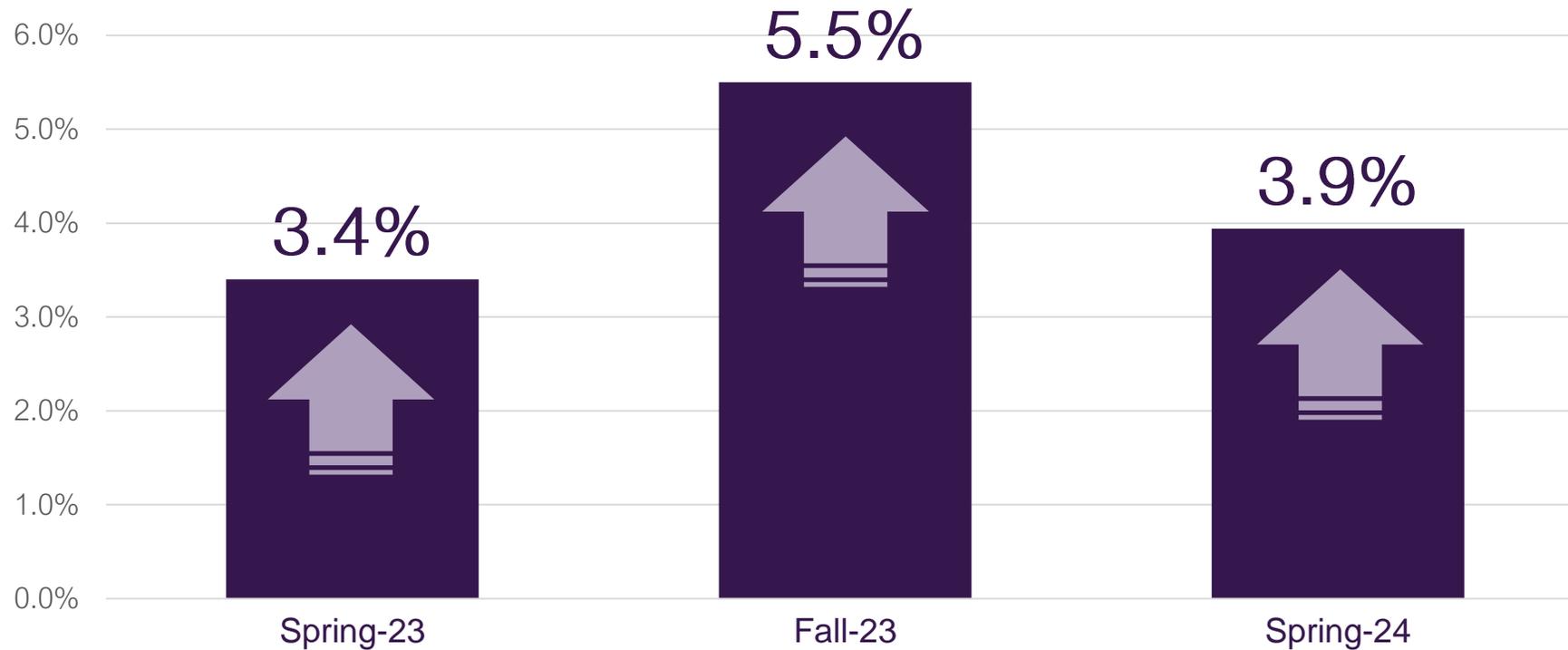
Marketing leaders agree that creativity is crucial to their company's long-term success and that marketing departments are relied on as the key engine for this creativity with 70%+ of companies rating this a 5, 6, or 7 on a 7-point scale where 1=strongly disagree and 7=strongly agree. Promoting cross-functional collaboration to foster new ideas was also highly rated as a key creativity source. Leaders report their organizations are only average on "fostering innovation by encouraging risk-taking and allowing room for failure."

Marketing leaders report clarity around identifying their most engaged customers, with a mean of 4.9 on a 7-point scale with 15.3% of respondents saying they do this "very well." Marketers also report the ability to identify actionable insights, harness data, and respond quickly to opportunities and challenges at moderate performance levels. The biggest area of opportunity lies in "effectively using insights to manage their most engaged customers," with only 4.9% reporting they do this "very well."

Marketing organization size experiences a slight dip after a rebound in organizational growth in Fall 2023

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

Firm and industry
breakouts on next slide

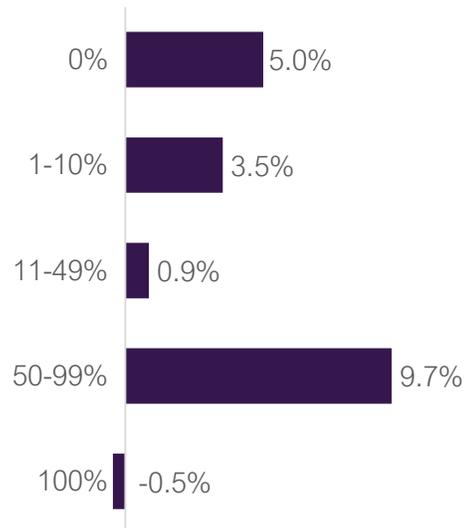


Product companies, smallest companies (by revenues), and companies in Banking / Finance / Insurance, Energy, and Education grew the most in last year

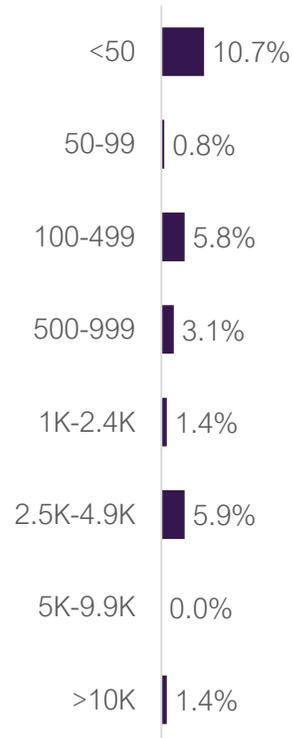
By what percent has the size of your marketing organization grown or shrunk over the last year?

3.9% growth in marketing organizations

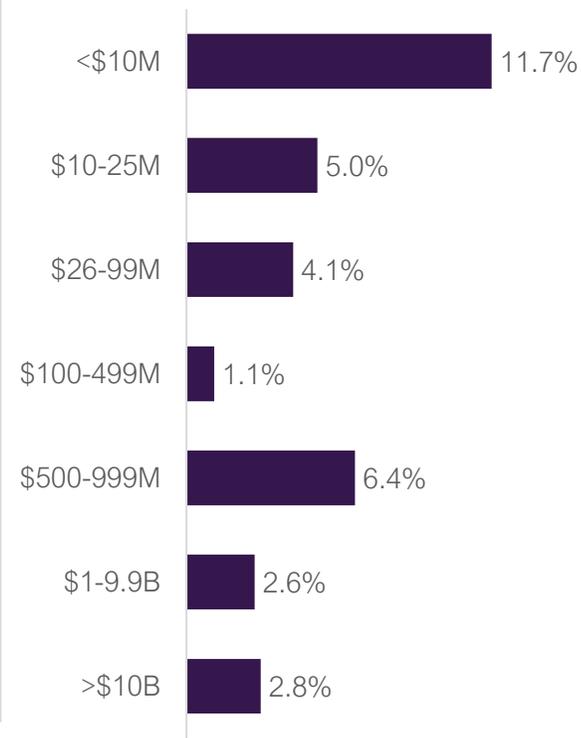
Online Sales



Employees



Revenues



Economic Sector

B2B Product	4.0%
B2B Services	3.8%
B2C Product	4.2%
B2C Services	3.5%



Industry Sector

Largest Growth

- Banking / Finance / Insurance (13.4%)
- Energy (10.9%)
- Education (8.8%)

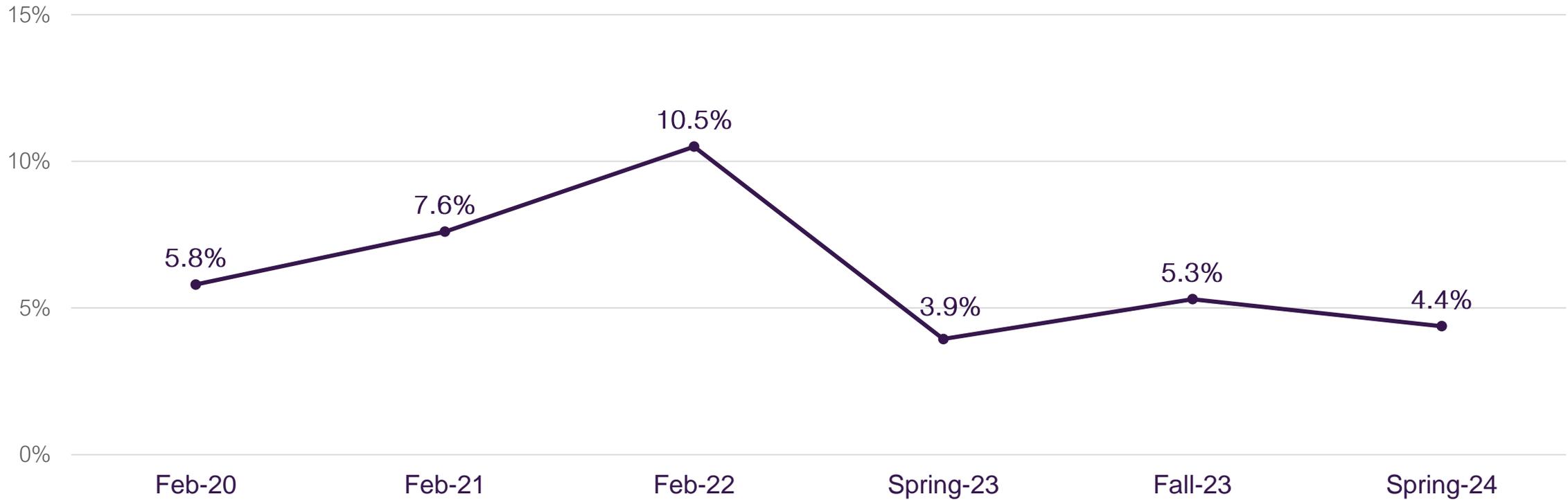
Smallest Growth and Shrinkage

- Communications / Media (1.5%)
- Professional Services (0.3%)
- Consumer Packaged Goods (-3.3%)

Marketing hires predicted to grow by 4.4% in next year

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

Firm and industry
breakouts on next slide

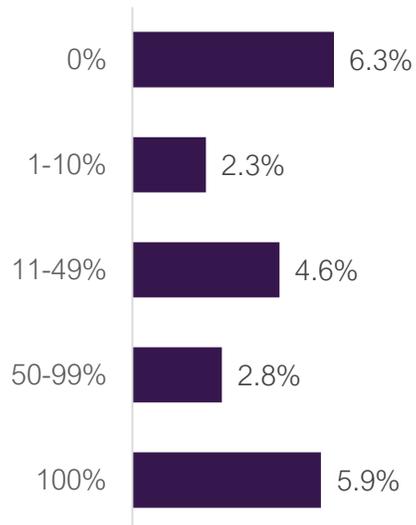


Product companies, smaller companies (by number of employees), and pure-play and brick-and-mortar companies predicted to grow more in next year

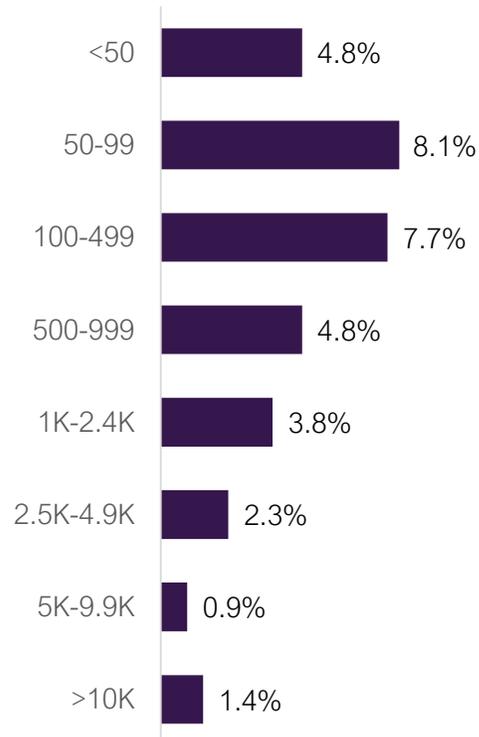
Compared to the number of marketing hires last year, by what percentage will your company's marketing hires change in the next year?

4.4% predicted growth in marketing hires next year

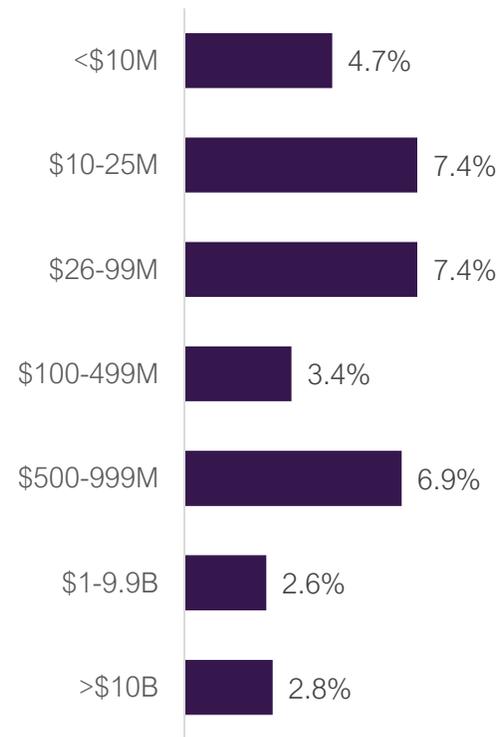
Online Sales



Employees



Revenues



Economic Sector

B2B Product	5.2%
B2B Services	3.7%
B2C Product	5.1%
B2C Services	1.8%



Industry Sector

Largest Growth

- Mining / Construction (14.2%)
- Education (8.8%)
- Healthcare (8.6%)

Smallest Growth and Shrinkage

- Pharma / Biotech (1.4%)
- Banking / Finance / Insurance (0.8%)
- Real Estate (-3.3%)

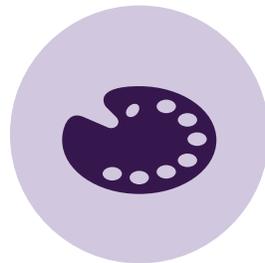
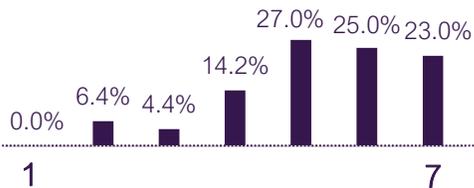
Marketers agree that creativity is crucial to their company's success and that marketing departments are relied on for the most creative ideas

Rate your level of agreement with these questions focus on the role of creativity in your organization: (1=Strongly Disagree - 7=Strongly Agree).



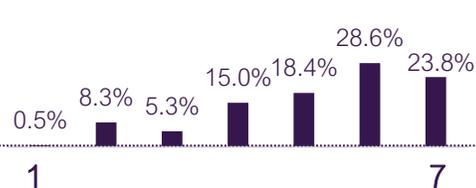
5.3

My organization's long-term success depends upon its ability to foster creative ideas that can transform the business.



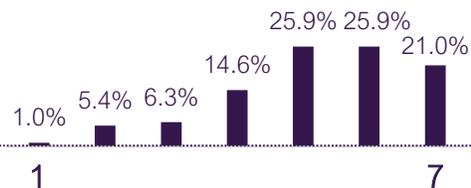
5.2

My organization relies on the marketing function for its most creative ideas.



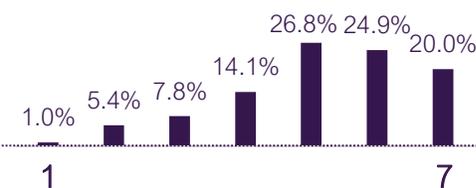
5.2

My organization promotes cross-functional collaboration to foster new ideas.



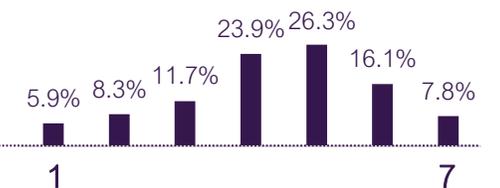
5.2

My organization's long-term success depends on its ability to integrate sophisticated analytical capabilities into its strategy.



4.4

My organization fosters innovation by encouraging risk-taking and allowing room for failure.



How companies manage their most engaged customers

How well does your marketing organization perform the following tasks around your most engaged customers?
(1=Not at All - 7=Very well)

	Overall Mean	1 Not at All	2	3	4	5	6	7 Very Well
Has clarity around identifying who your most engaged customers are	4.9	3.0%	5.9%	6.9%	21.2%	24.1%	23.6%	15.3%
Identify actionable insights around your most engaged customers	4.5	3.4%	7.4%	13.2%	24.0%	26.5%	19.6%	5.9%
Respond quickly to opportunities and challenges in managing your most engaged customers	4.4	5.9%	7.9%	10.8%	23.2%	27.6%	15.8%	8.9%
Harness data focused on your most engaged customers	4.4	4.4%	10.3%	12.7%	24.5%	22.1%	18.6%	7.4%
Effectively use insights to manage your most engaged customers	4.3	3.4%	10.8%	15.3%	24.6%	21.7%	19.2%	4.9%



Marketing and Sustainability

Marketing budgets spent on sustainability or climate-related issues increased to 1.9% of marketing budgets in the last year from 1.2% a year ago. These budgets are predicted to increase to 2.8% in one year and 4.5% in five years. This growth will be especially prominent within B2B Services (from 3.7% current to 8.1% in five years).

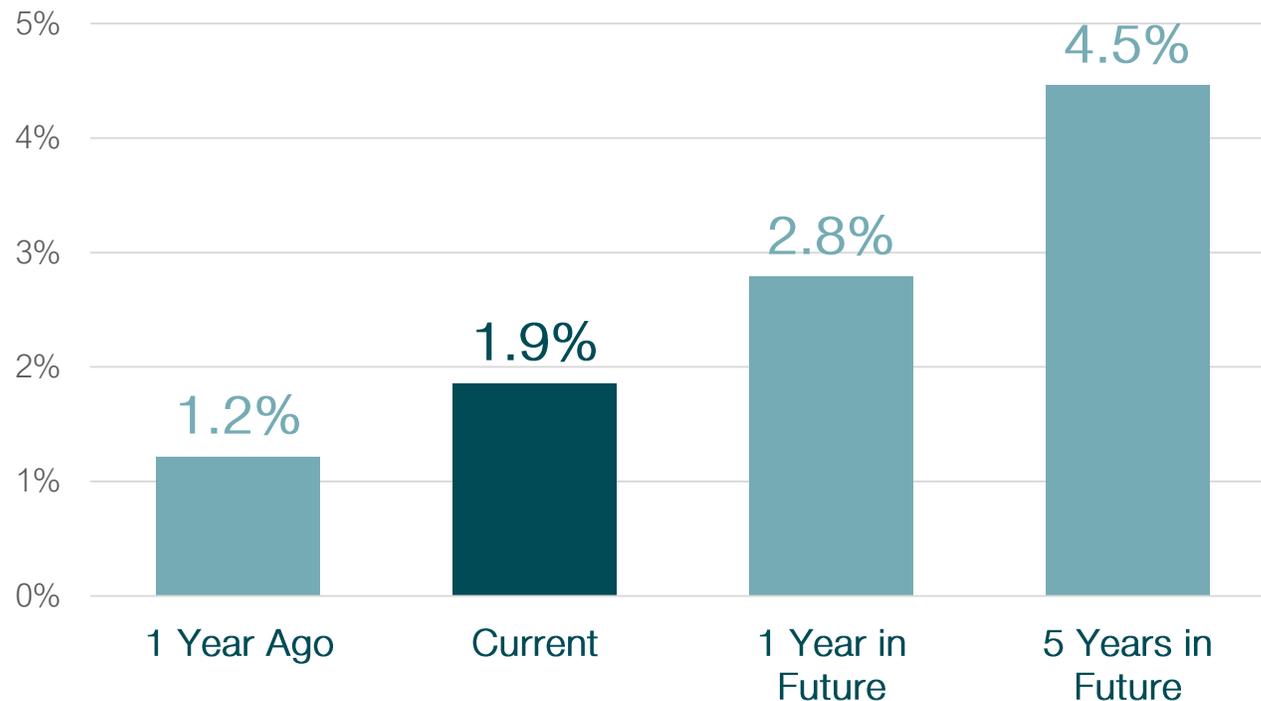
One-third of marketers (32.0%) report their companies are not acting to reduce the risk of climate change. The economic sectors taking the least action are B2B Product (39.4%) and B2C Services (30.4%) companies. Industry sectors generally not acting in this space include Education (66.7%), Technology / Software / Platform (63.3%), and Consumer Services (50.0%).

Of those companies taking action, the most common actions are “changing products and/or services” with 52.1% of companies reporting this change, followed by “changing partners” (42.9%), “changing marketing promotions” (40.3%), and changing distribution (33.6%). Lagging are “changing market selection” (18.5%) and “changing brand” (10.1%). The high levels on these and other activities reported during Covid-19 in February 2020 were again not reached in this survey.

Only 25.6% of companies are adopting climate-related metrics, up from 18.7% two years ago. Investments in environmentally friendly products/services are flat at 26.2% of companies (27% 2 years ago).

Marketing budget spent on sustainability / climate-related issues predicted to increase by 137% over the next 5 years

What percent of your marketing budget is spent on sustainability- or climate-related issues?



Economic Sector

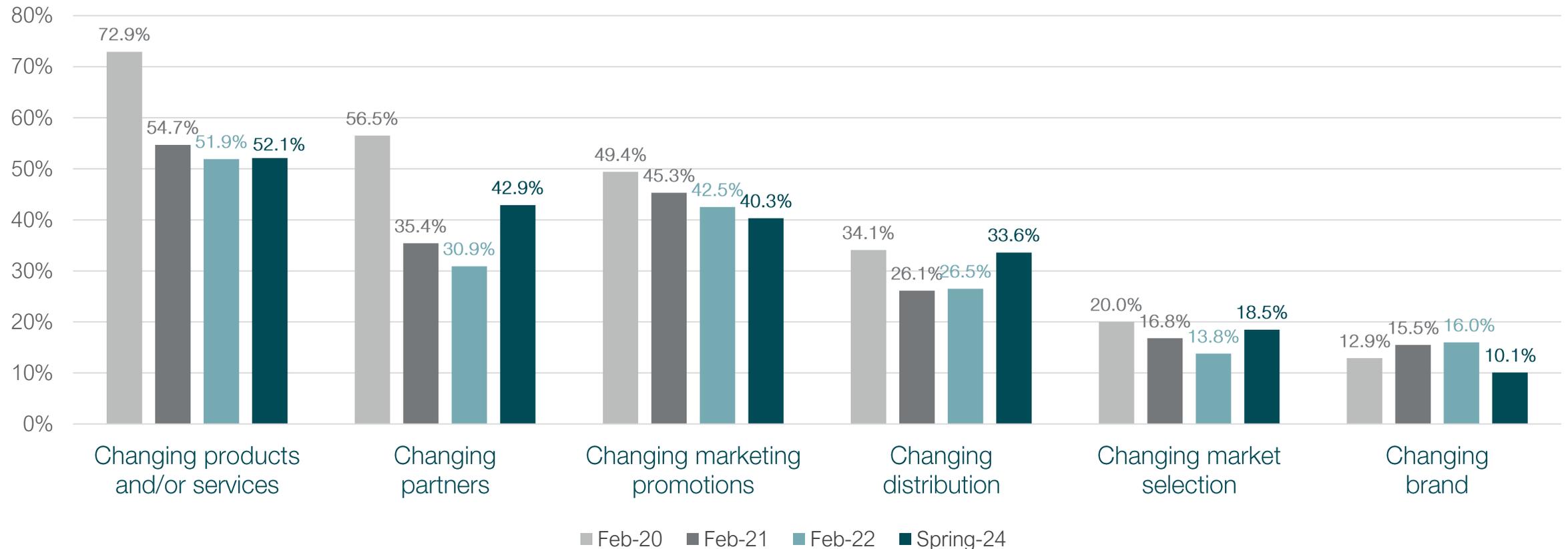
	1 Year Ago	Current	1 Year Future	5 Year Future
B2B Product	0.6%	1.2%	2.0%	3.1%
B2B Services	2.5%	3.7%	5.6%	8.1%
B2C Product	1.1%	1.4%	2.0%	3.6%
B2C Services	0.8%	1.2%	1.7%	3.2%

Online Sales

	1 Year Ago	Current	1 Year Future	5 Year Future
0%	0.1%	0.3%	0.8%	2.0%
1 – 10%	2.6%	3.6%	4.7%	7.0%
11 – 49%	1.5%	2.7%	4.4%	6.1%
50 – 99%	1.1%	1.4%	2.1%	3.0%
100%	0.0%	0.0%	0.0%	1.8%

How companies are leveraging marketing elements to combat climate questions

Check all the actions your company is likely to make in order to reduce the negative impact of its marketing-related activities on the ecological environment.



32% of companies are not acting on climate change risks: Service companies make the biggest gains over two years

What specific marketing actions is your company taking to reduce the risk of climate change?



32%

Companies surveyed are taking no climate-related actions

This percentage was 39.7% in Feb 2022

Economic Sector

	No Action	
	Spring-24	Feb-22
B2B Product	39.4%	41.3%
B2B Services	26.8%	44.7%
B2C Product	24.3%	22.4%
B2C Services	30.4%	47.8%

Insights

Smaller firms (in terms of revenues) are more likely to report they are not taking climate actions (<\$10M in sales, 52.4%), while virtually all of the largest companies are. Sectors generally not taking actions are Education (66.7%) and Technology / Software / Platform (63.3%). Most active sectors (lowest no action scores) are Transportation (0%), Pharma / Biotech (11.1%), Real Estate (14.3%), Mining / Construction (25.0%).

Marketers making a stronger effort to reduce risk of climate change, focusing on impact of products/services, re-use, and recycling

What specific actions is your company taking to reduce the risk of climate change?



Increasing reuse, resale or recycling levels in your company

31.1% Feb-22 **36.6%** Spring-24



Increasing innovation investments into environmentally-friendly products/services

27.0% Feb-22 **26.2%** Spring-24



Adopting climate-related metrics

18.7% Feb-22 **25.6%** Spring-24



Realigning core brand messaging or values more closely around reducing climate impact

NA* Feb-22 **19.2%** Spring-24

Green figures reflect an increase of more than 1% between Feb-22 and Spring-24.

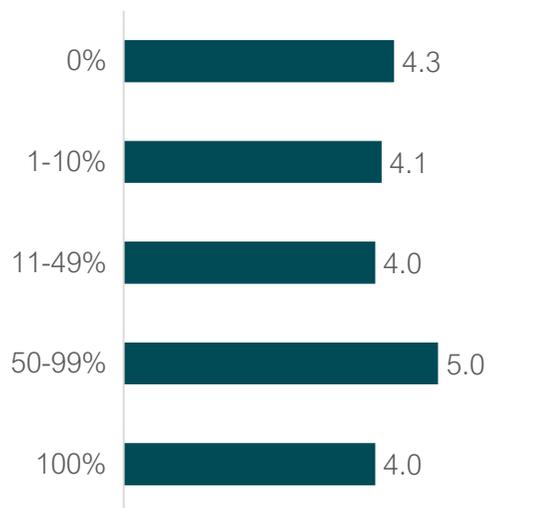
*These actions were not assessed in Feb-22.

77.4% of marketers do not believe policies emerging around extended producer responsibility for the end-of-life of products are relevant to their business

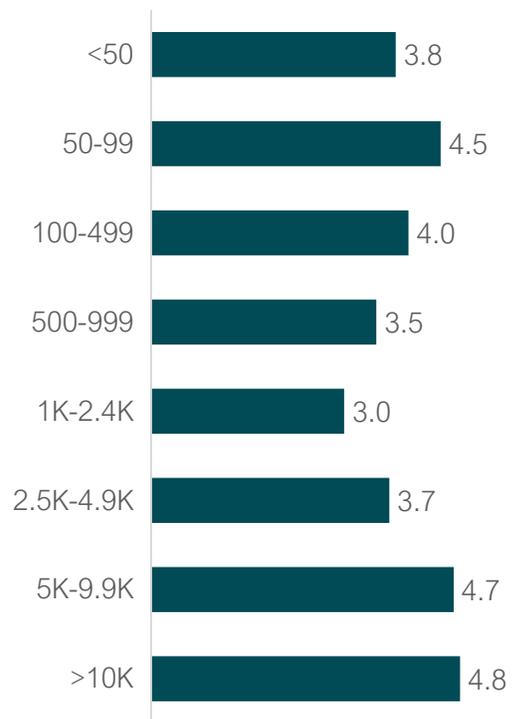
To what degree are extended producer responsibility policies changing any aspect of your product strategy? (1=Not at All - 7=A Great Deal)

4.2 Average impact of producer responsibility policies

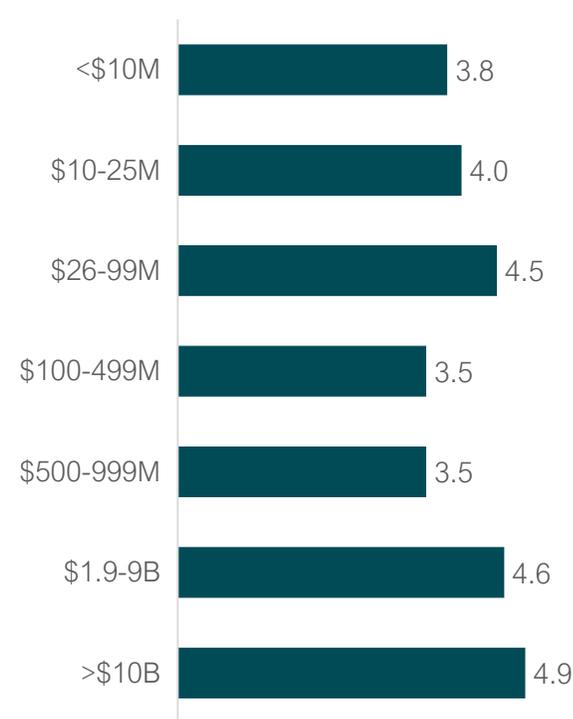
Online Sales



Employees



Revenues



Economic Sector

B2B Product	4.1
B2B Services	4.3
B2C Product	4.4
B2C Services	4.5

Industry Sector

Top 3 Sectors

- Energy (5.5)
- Transportation (5.0)
- Tech / Software / Platform (5.0)

Bottom 3 Sectors

- Mining / Construction (2.5)
- Communications / Media (3.0)



Marketing Performance

Marketing performance remains strong as in previous years. Profits strengthened to 8.3% this year from 5.6% one year ago. Sales growth, while continuing to slow for the fourth consecutive period since February 2022, remains positive at 10.3%. While sales growth has weakened, it remains strong compared to its pandemic low of .3% in February 2021, but not as high in February 2022 (10.7%).

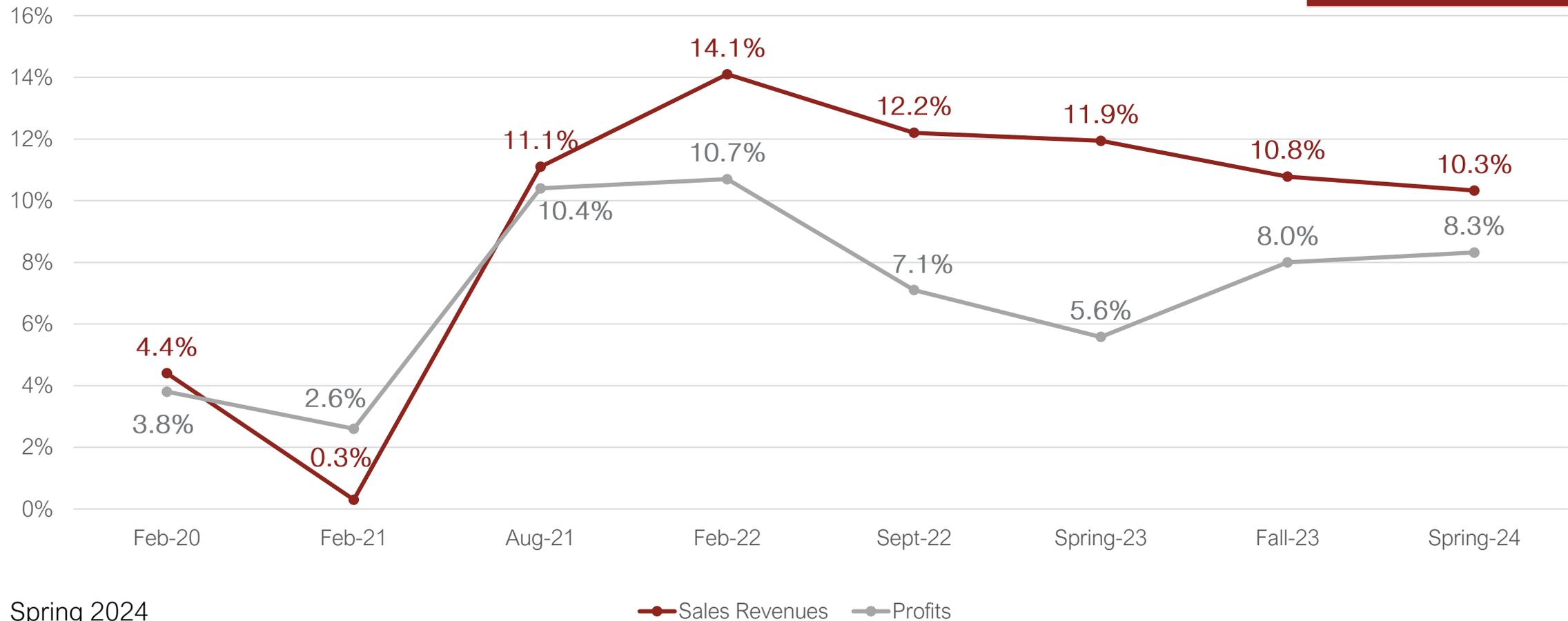
Customer retention grew at a rate of 9.9% over the last year compared to brand value (9.5%) and customer acquisition (8.1%). These performance rates are very similar to Fall-23, but customer retention (8.4%) and brand value (6.3%) show more improvement from one year ago, while customer acquisition is flat compared to the same time last year.

Among the economic sectors, B2C Services companies report the highest sales and profits, and B2B Product companies report the weakest performance on customer acquisition, customer retention, and brand metrics. Smaller companies, measured by headcount and revenues, report the strongest performance across the board, including profit, sales, customer acquisition, customer retention, and brand value.

Company profits rise over the past year, while sales continues to weaken

Compared to 2023, rate your company's performance during the prior 12 months:

Firm and industry breakouts on next slide



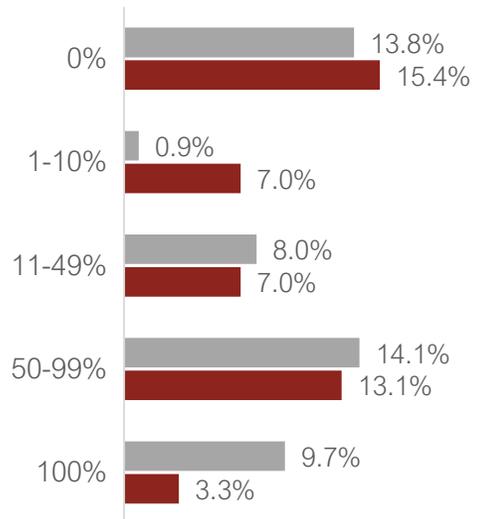
Marketers report sales revenue performance increasing more than profit performance: Smallest companies (by revenues/employees) perform better

Compared to 2023, rate your company's performance during the prior 12 months:

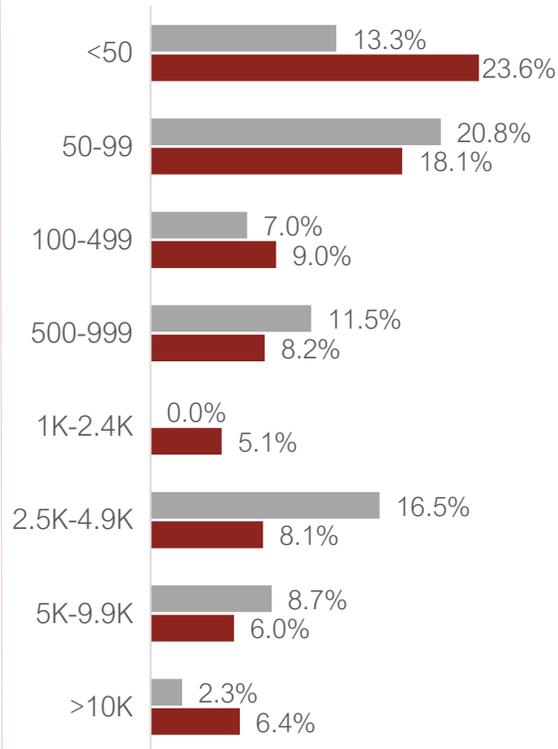
8.3% change in profits

10.3% change in sales revenue

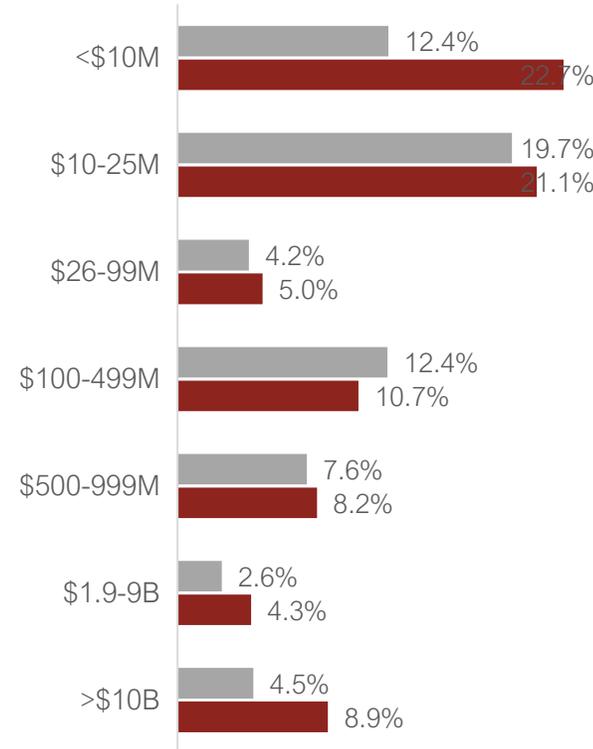
Online Sales



Employees



Revenues



■ % Change in Profit ■ % Change in Sales Revenue

Economic Sector

	Profit	Sales Rev
B2B Product	10.6%	12.5%
B2B Services	5.1%	5.8%
B2C Product	3.6%	9.7%
B2C Services	16.4%	13.5%

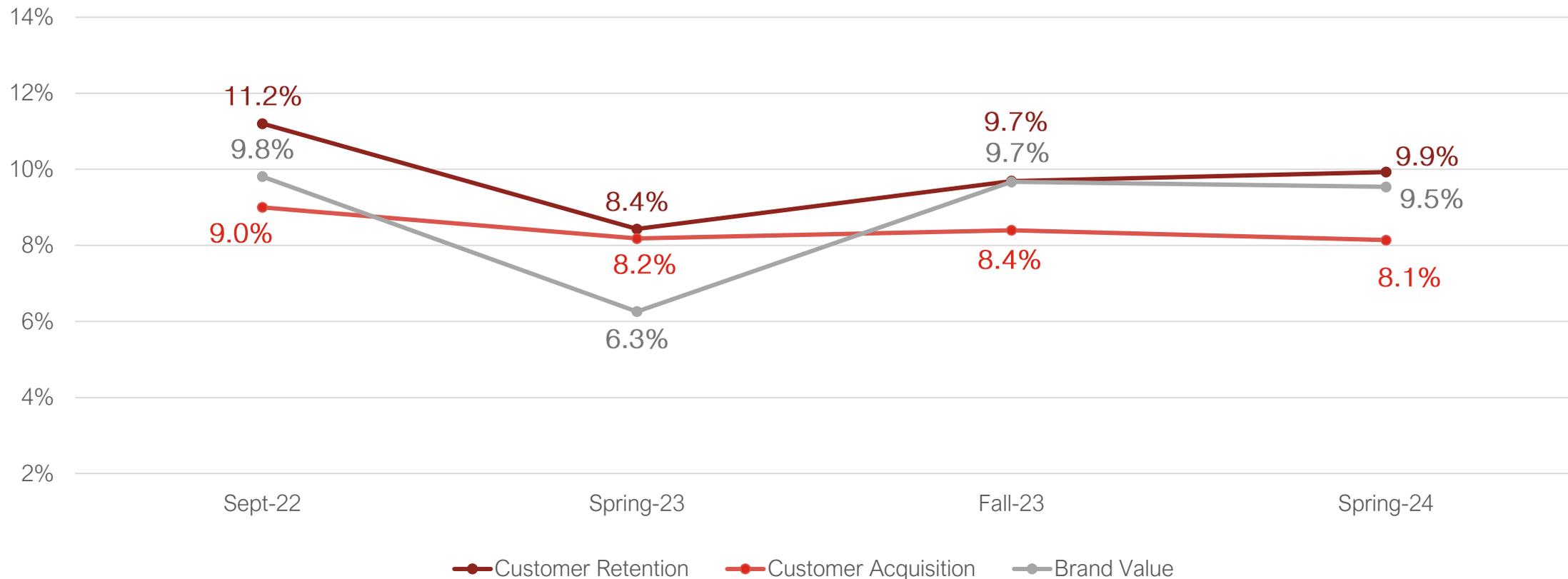
Industry Sector

	Profit	Sales Rev
Top Sectors	Tech / Software / Platform (19.7%)	Professional Services (21.0%)
Bottom Sectors	Real Estate (-6.0%)	Communications / Media (0.08%)

Company customer retention on a slow increase, while brand value and customer acquisition slightly decline

Compared to 2023, rate your company's performance during the prior 12 months:

Firm and industry
breakouts on next slide



Brick-and-mortar companies, largest companies, and B2C Product companies exhibit weakest performance on customer and brand metrics

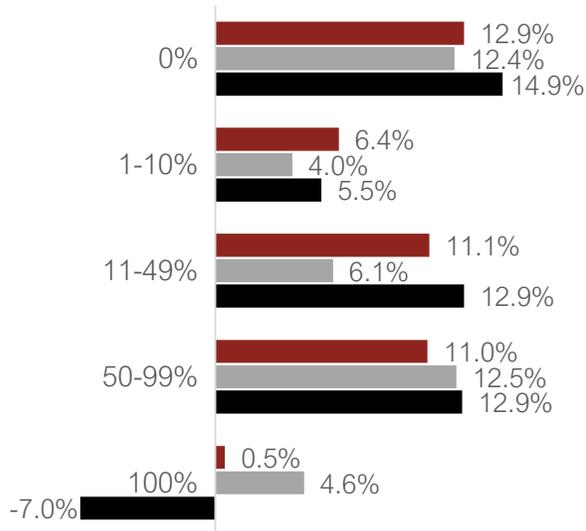
Compared to 2023, rate your company's performance during the prior 12 months:

9.5% Brand Value

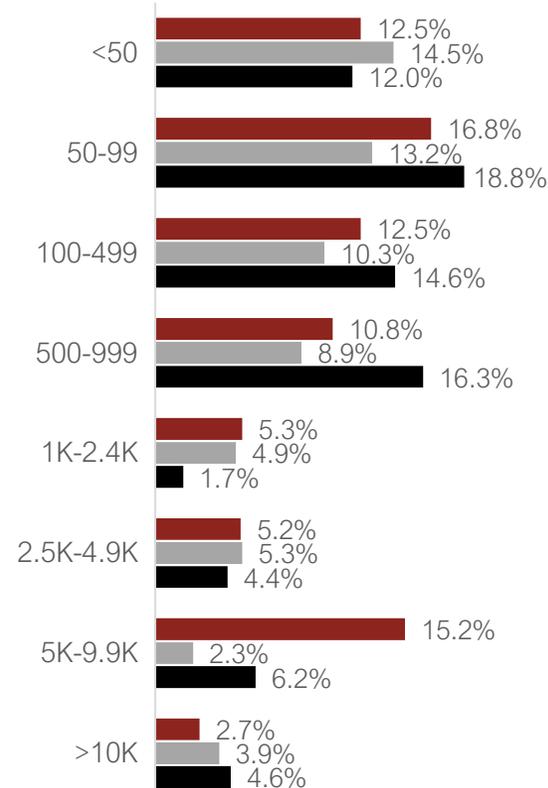
8.1% Customer Acquisition

9.9% Customer Retention

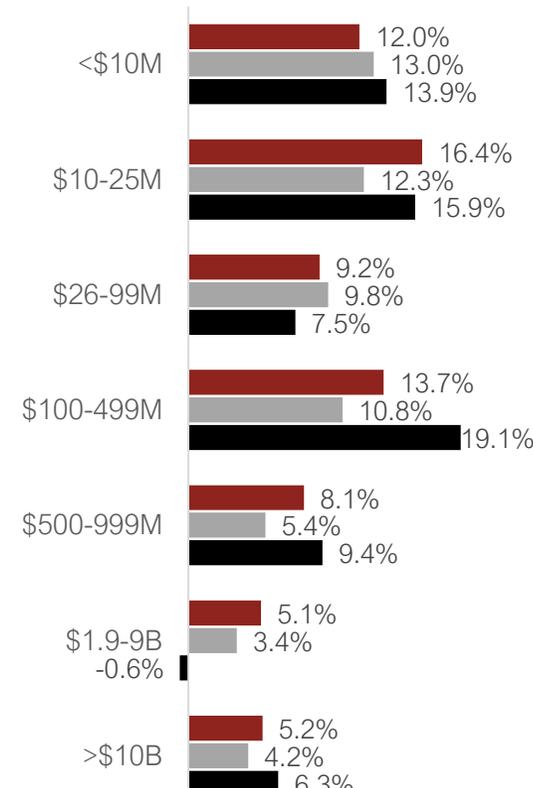
Online Sales



Employees



Revenues



Economic Sector

	Customer Retention	Customer Acquisition	Brand Value
B2B Product	15.0%	8.5%	10.1%
B2B Services	10.4%	9.6%	11.1%
B2C Product	0.28%	5.9%	6.2%
B2C Services	10.7%	8.4%	11.0%



Industry Sector

	Customer Retention	Customer Acquisition	Brand Value
Top Sector	Tech / Software / Platform (21.3%)	Professional Services (20.6%)	Professional Services (24.3%)
Bottom Sector	Consumer Packaged Goods (-3.0%)	Communications / Media (-2.3%)	Education (0.3%)



Award for Marketing Excellence

This CMO Survey Award is selected by fellow marketers. It is given each Spring to one company that is judged to set the standard for excellence in marketing across all industries and the companies viewed as setting the standard in their respective industries. Apple Inc. is the overall winner for the sixteenth straight year. Industry winners include Amazon, Nike, the Proctor & Gamble Company, Nike, State Farm, and Microsoft.

Which company across all industries sets the standard for excellence in marketing?



Apple Inc.

Apple has won this award for sixteen consecutive years. Christine Moorman discussed this accomplishment in [2012](#) and revisited Apple's success in [2018](#).

Which company in your industry sets the standard for excellence in marketing?

Industry-specific winners include:



Amazon, Inc.



Nike

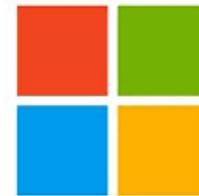


The Proctor & Gamble
Company

State Farm



State Farm Insurance



Microsoft

Microsoft Corporation

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