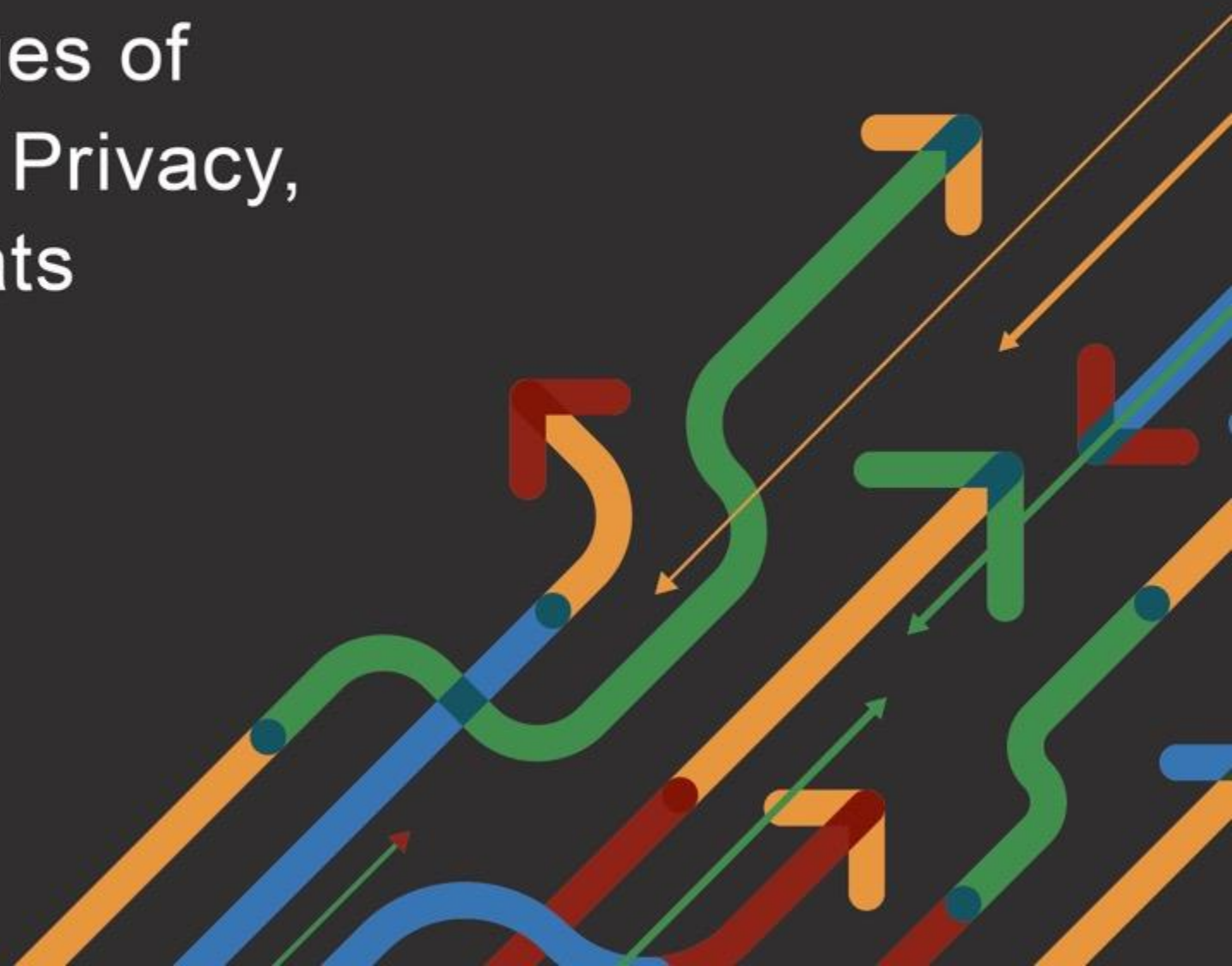


Managing the Challenges of Marketing Technology, Privacy, and Marketplace Threats

Highlights and Insights Report
Fall 2024



About the Survey

Founded in 2008, The CMO Survey collects and disseminates the opinions of marketing leaders to predict the future of markets, track marketing excellence, and improve the value of marketing in organizations and society.

- **The Highlights and Insights Report**
Key metrics, trends, and insights over time
- **The Topline Report**
Aggregate view of results
- **The Firm & Industry Breakout Report**
Results by sector, size, and online sales

The CMO Survey is sponsored by Deloitte, 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.

The Deloitte logo, featuring the word "Deloitte" in a bold, black, sans-serif font with a small green dot at the end of the "e".The Duke Fuqua logo, consisting of a blue square with the words "DUKE" and "FUQUA" in white, stacked vertically and separated by a horizontal line.The American Marketing Association logo, featuring the stylized letters "AM" in a blue, sans-serif font, followed by a vertical line and the words "AMERICAN MARKETING ASSOCIATION" in a smaller, blue, sans-serif font.

Contents

Survey Method and Sample	<u>4</u>
Macroeconomic Forecasts	<u>7</u>
Marketing Budgets	<u>11</u>
Managing Marketing Technology	<u>25</u>
Use of AI in Marketing	<u>32</u>
Digital Transformation and Privacy	<u>37</u>
Managing Marketplace Threats	<u>45</u>
Marketing Jobs	<u>53</u>
Marketing Leadership	<u>63</u>
Marketing Growth	<u>67</u>
Marketing Performance	<u>71</u>

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 33rd edition continues to follow these trends while also examining:

- Managing marketplace threats
- Managing marketing technology and AI
- Privacy

Interpretive Guide:

M = Average

SD = Standard Deviation

B2B = Business-to-Business Companies

B2C = Business-to-Consumer Companies

Administration

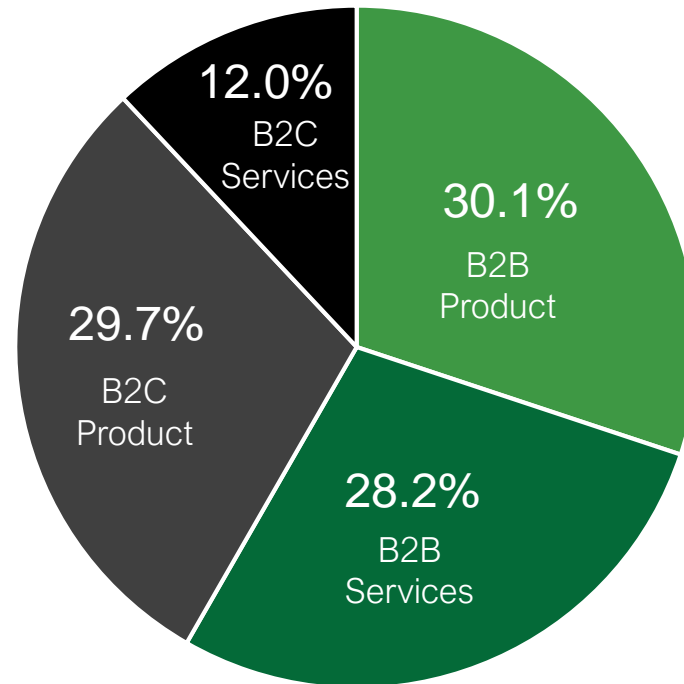
- Survey was in the field September 4-25, 2024.
- In 2023, the survey shifted to a Spring and Fall administration. This is reflected in calendar labels used throughout this report.

Sample

Sample (n=260)

- 2231 marketing leaders at for-profit U.S. companies
- 260 responded for a 11.7% response rate
- 97.2% of respondents are VP-level or above

Economic Sector

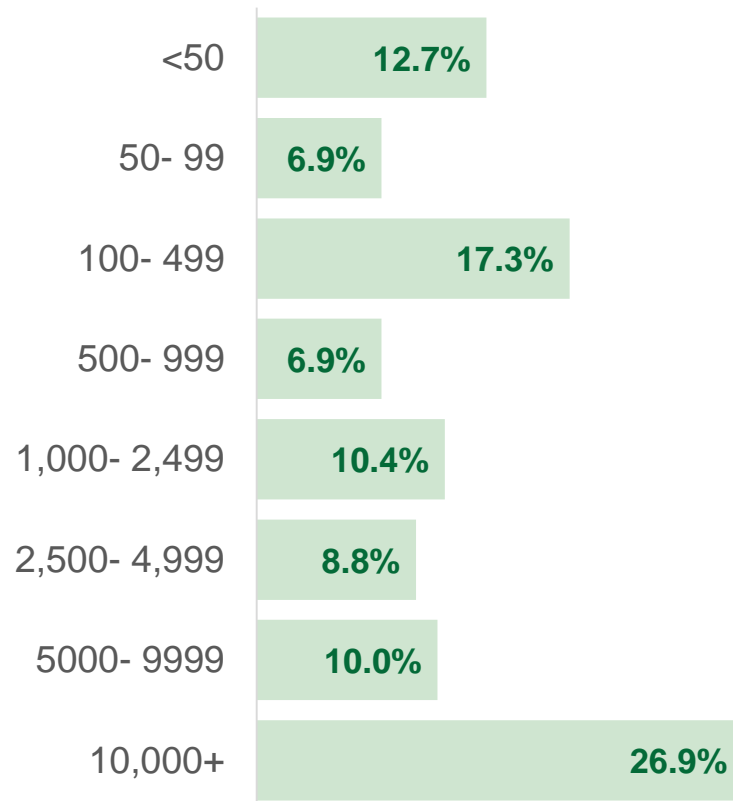


Industry Sector

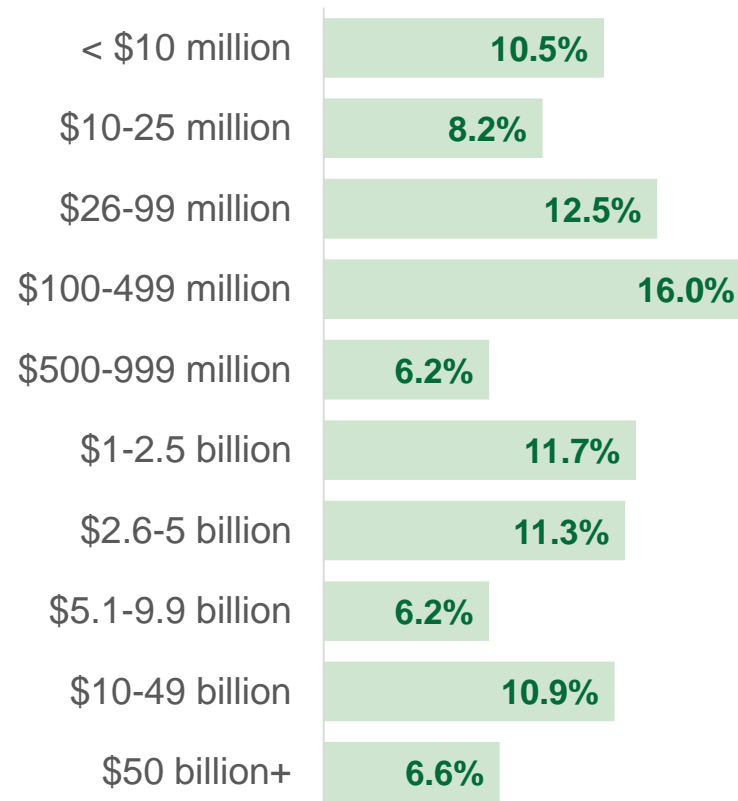
Tech / Software / Platform	13.9%
Consumer Packaged Goods	12.0%
Pharma / Biotech	9.7%
Banking / Finance / Insurance	9.3%
Healthcare	9.3%
Manufacturing	8.9%
Retail / Wholesale	8.9%
Professional Services	7.7%
Energy	3.9%
Communications / Media	3.9%
Consumer Services	3.5%
Transportation	3.1%
Education	2.7%
Real Estate	2.7%
Mining / Construction	0.8%

Sample (continued)

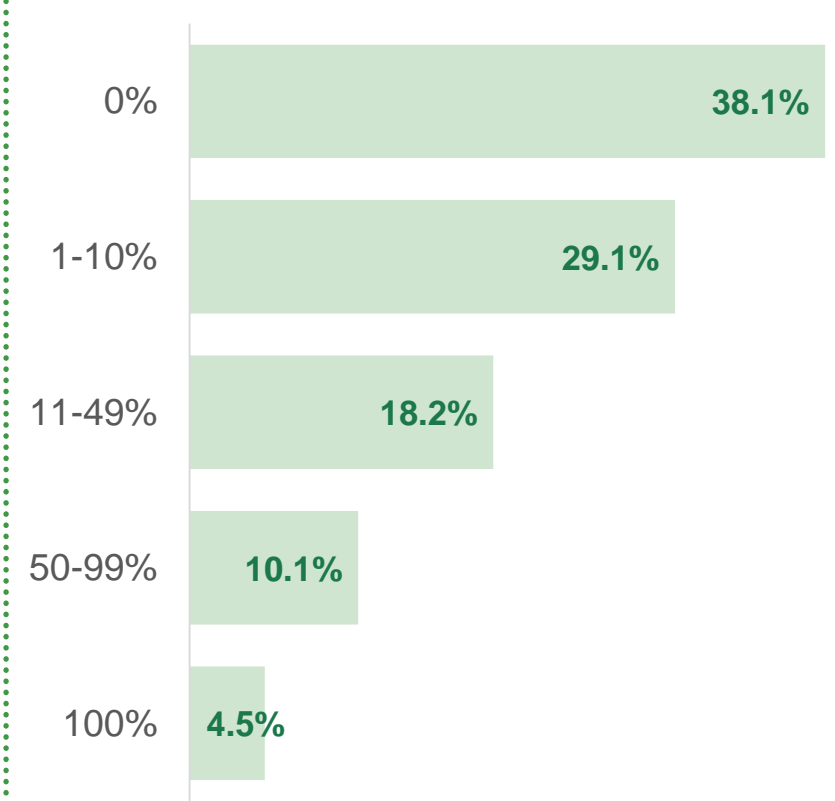
Number of Employees



Sales Revenue



% of Online Sales





Macroeconomic Forecasts

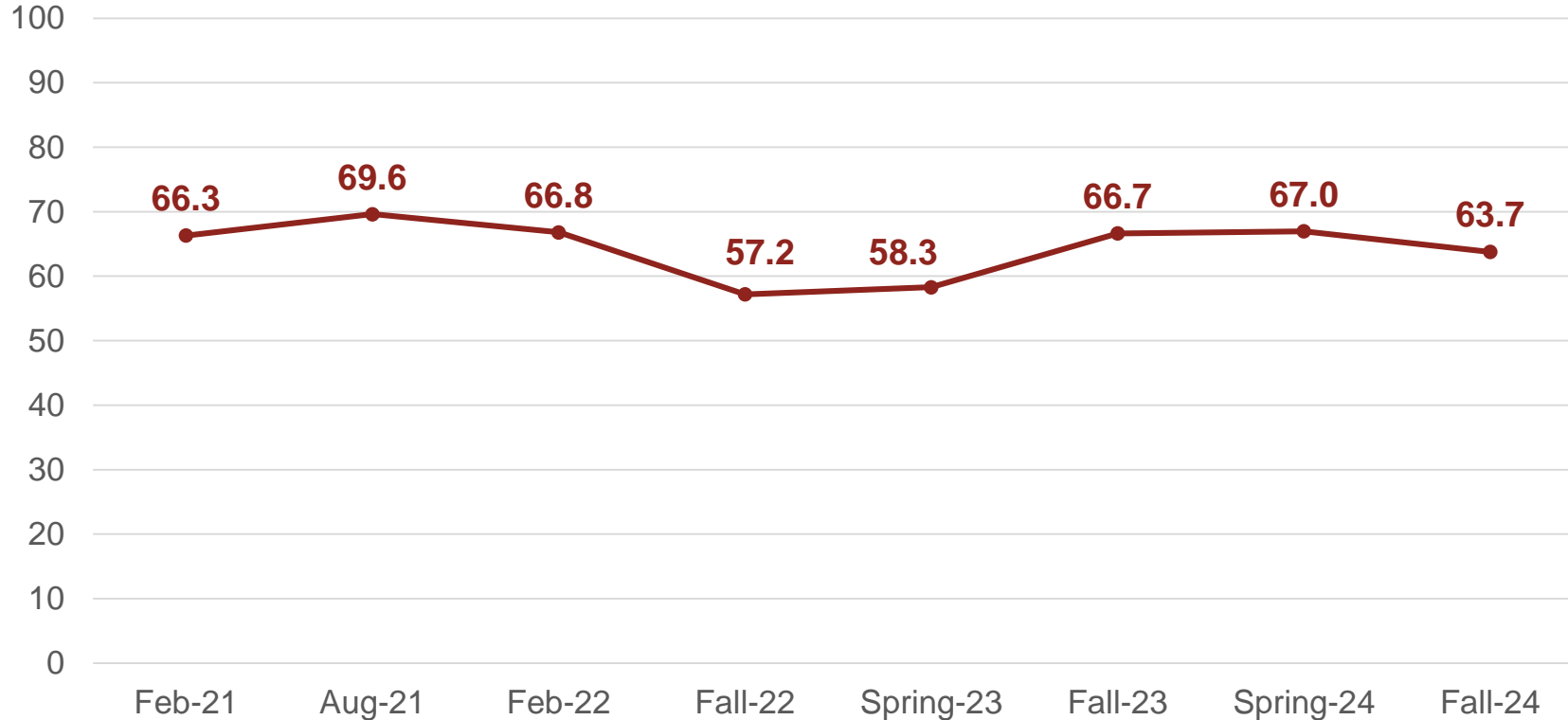
Marketers' optimism about the U.S. economy dipped to 63.8 (where 0=least optimistic and 100=most optimistic) from the three-year high of 67.0 recorded in Spring 2024. This is likely due to ongoing worries about inflation, the threat of a recession, and market uncertainty due to the presidential election. Just over a third (37%) are more optimistic about the U.S. economy than last quarter, while 33.6% report no change and 29.4% report less optimism.

Marketers have responded by decreasing spending levels, cited by 48.7% of all respondents. That's up from 45.1% in Fall 2023 and 45% in Spring 2024, reflecting continuing concerns about inflation.

Spending decreases are higher for Product companies (52.4%) than Service companies (43.5%) and the Consumer Packaged Goods (66.7%), Communications / Media (57.1%), Energy (55.6%), and Banking / Finance / Insurance (50%) sectors. Companies that sell to the government also report more pressure to decrease marketing spending (46.5%) than those that do not (41.7%).

Marketer optimism dips in run-up to the election

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	63.5
B2B Services	63.0
B2C Product	63.6
B2C Services	66.7

Industry Sector

Most optimistic industries

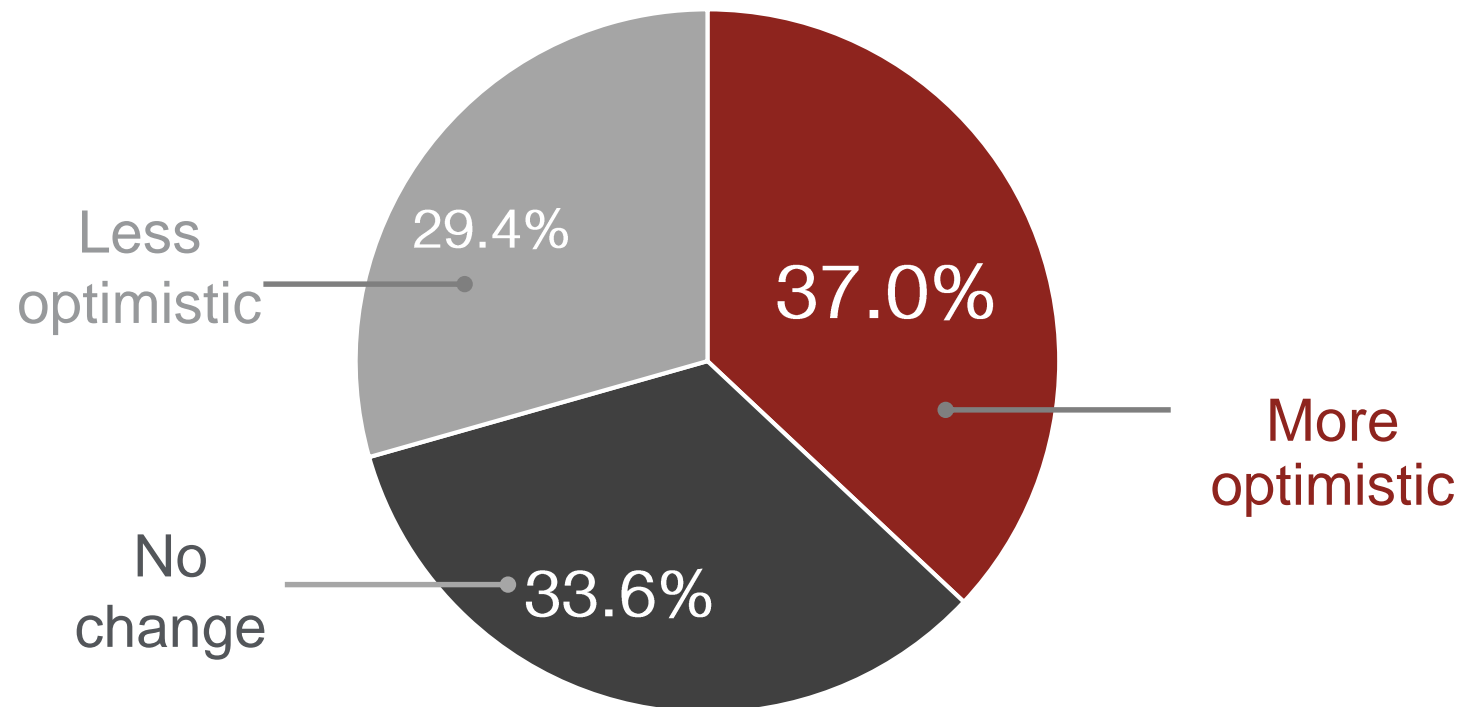
- Energy (69.4)
- Consumer Services (68.5)
- Professional Services (67.2)

Least optimistic industries

- Transportation (55.0)
- Consumer Packaged Goods (56.9)
- Mining / Construction (57.5)

Just over a third of marketers report they 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?

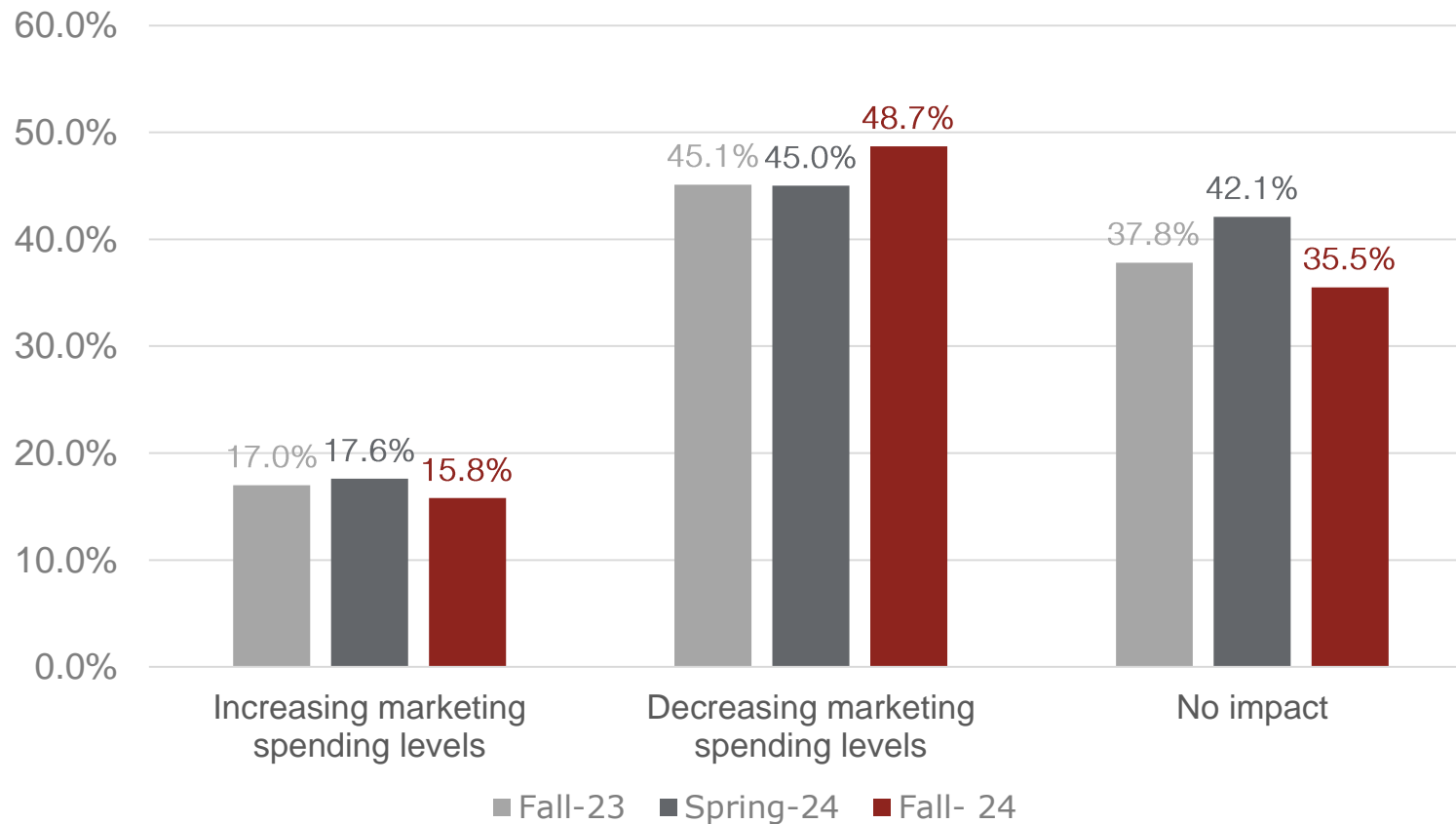


Insights

Marketers show varied levels of optimism regarding the U.S. economy this quarter. Among the economic sectors, B2C Services stand out with the highest optimism, with 46.2% of marketers reporting increased confidence. Conversely, B2C Product companies demonstrate a more mixed sentiment, with 28.2% reporting lower confidence. In terms of industry-specific responses, Banking / Finance / Insurance are particularly hopeful, with 57.1% of respondents feeling more optimistic, whereas Consumer Packaged Goods reflect greater pessimism, with 43.3% feeling "less optimistic." Notably, Education and Tech / Software / Platform exhibit balanced views, with around 44% "more optimistic."

Inflation heightens pressure to decrease marketing spending levels

How are inflationary pressures impacting marketing spending levels in your company?



Insights

Nearly half of marketing leaders report that inflationary pressures are having a negative effect on marketing spending levels—the highest percentage over the last year. These decreases in marketing spending levels are higher for product companies (52.4%) compared to service companies (43.5%). Among specific sectors, pressures to decrease spending were reported to be highest for the Communications / Media (77.8%), Consumer Packaged Goods (66.7%), and Energy (55.6%) sectors. Companies that sell to the government report more pressure to decrease marketing spending (52.5%) compared to those that do not (45.2%).



Marketing Budgets

Marketing budget as a percentage of company budget continues to fall over time, dropping to 10.1% in Fall 2024, down from a three-year high of 13.8% set in September 2022. Marketing budget as a percentage of company revenues also dropped more than two points from 10.1% in Spring 2024 to 7.7% in Fall 2024, its lowest level in more than three years.

Actual marketing spending levels, however, have risen. Digital marketing spending continues to increase, up 3%+ from a year ago to 11.1%. Marketers predict increasing spending by 12.7% over the next 12 months. This compares to overall marketing spend growth of 5.8% in Fall 2024 and projected growth of 8.6% over the next 12 months. Drilling down, all marketers expect to spend more on customer relationship management (+ 6.9%), customer experience (+ 5.6%), branding (+ 7.0%), new product introductions (+ 8.1%), and new service introductions (+ 4.3%) in the next year. Traditional advertising spending growth is also positive, at 0.8%, for the first time in two years and only the fourth time in a decade. Social media spending increased just 1% over the last 6 months to 12.1% of marketing budget.

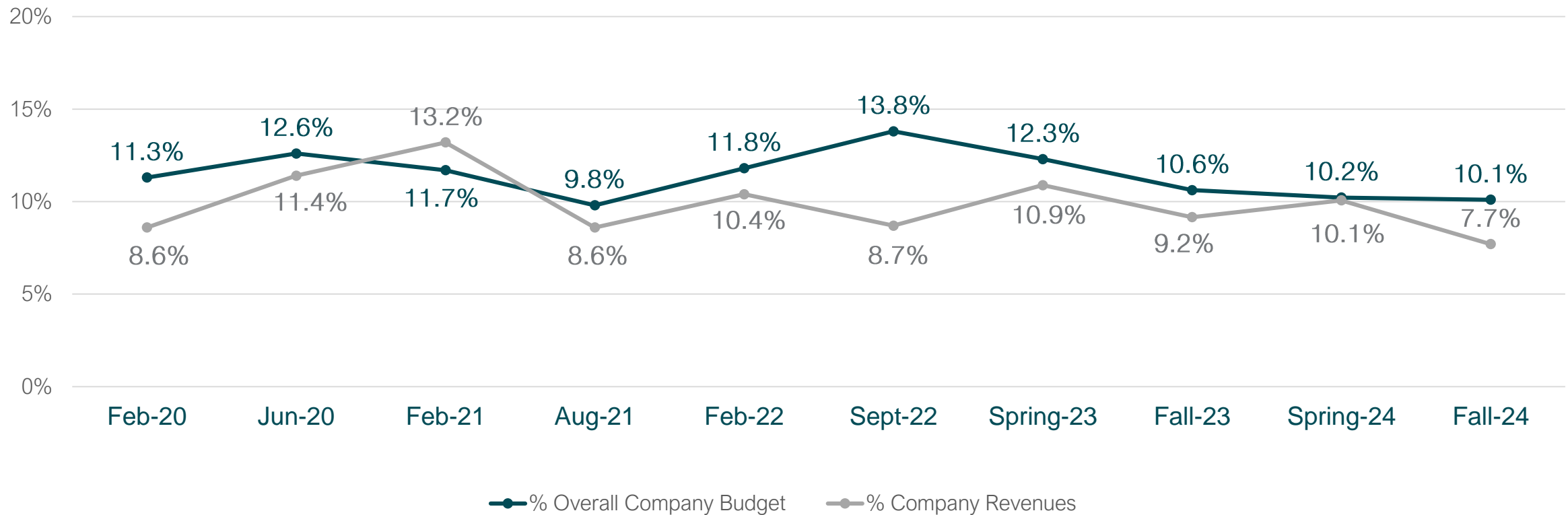
Marketers report that, in general, they are spending 19.6% more on acquiring customers than retaining them. They also indicate that although their ideal branding budget would be 50% long-term brand building and 50% short-term brand performance, the actual ratio is 31.2% (long-term) and 68.8% (short-term).

Across sectors, companies are 5.8% more likely to cut expenses than to grow revenues, on average. Marketing is disproportionately impacted; 44.6% of the time executives cut these expenses over other areas. As a result, marketers will face continued pressure justifying budgets and any spending increases moving forward.

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



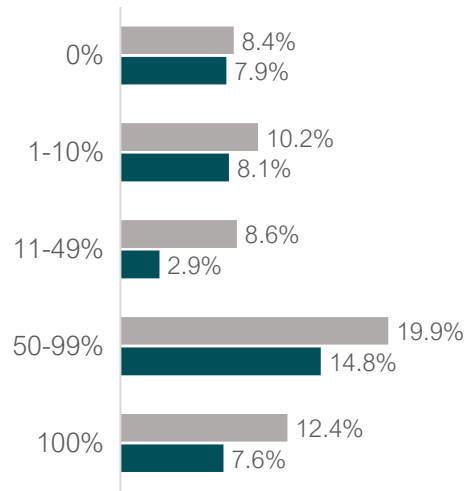
How marketing budgets vary by firm and industry

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

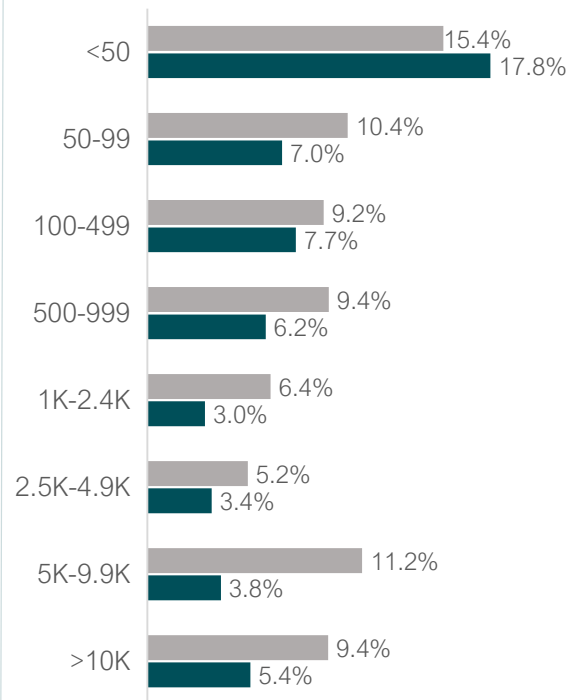
10.1% of overall budget

7.7% of revenues

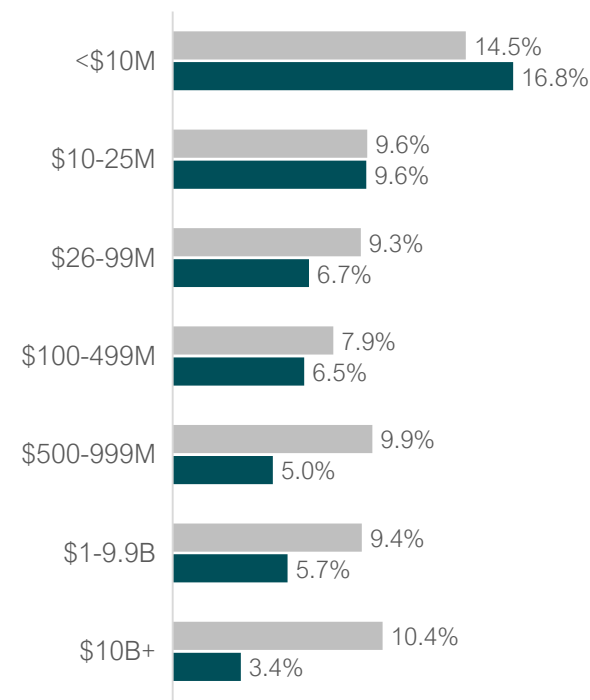
Online Sales



Employees



Revenues



Economic Sector

	% Budget	% Revenues
B2B Product	8.7%	6.1%
B2B Services	10.0%	6.2%
B2C Product	12.2%	10.2%
B2C Services	9.6%	10.4%

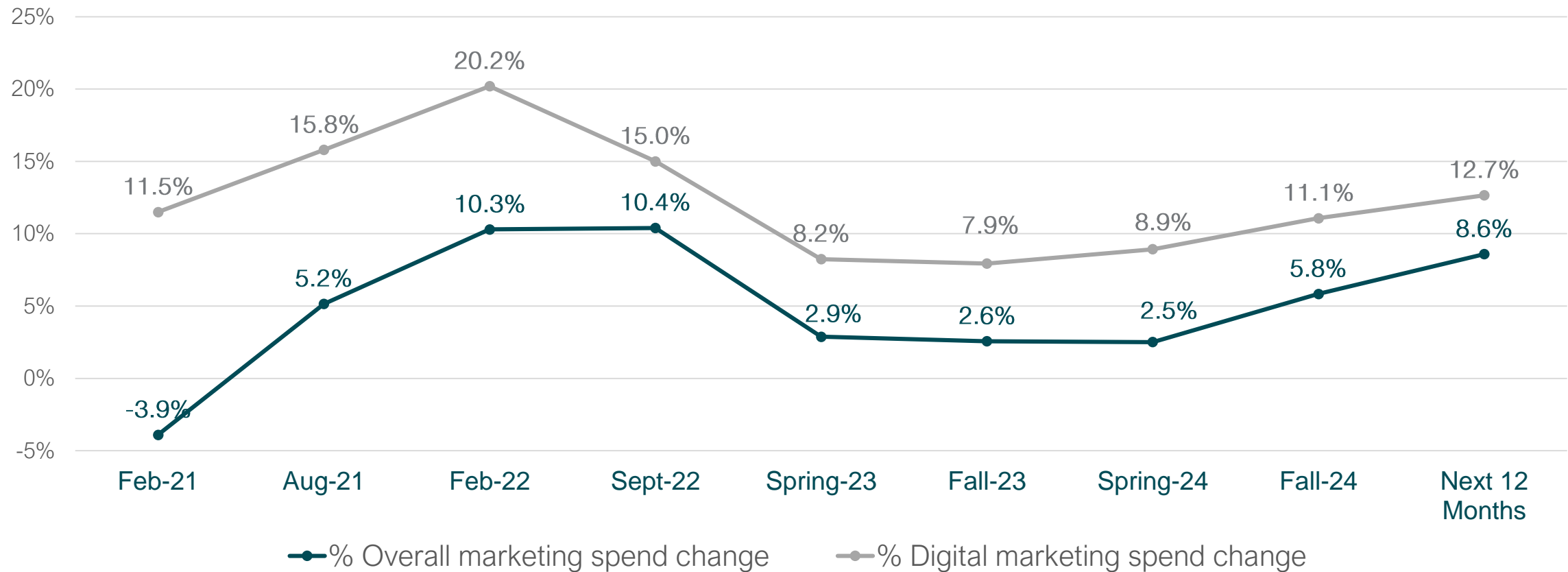


Industry Sector

	% Budget	% Revenues
Top Sectors	Consumer Packaged Goods (18.1%)	Consumer Services (19.1%)
Bottom Sectors	Energy (3.2%)	Energy (2.0%)

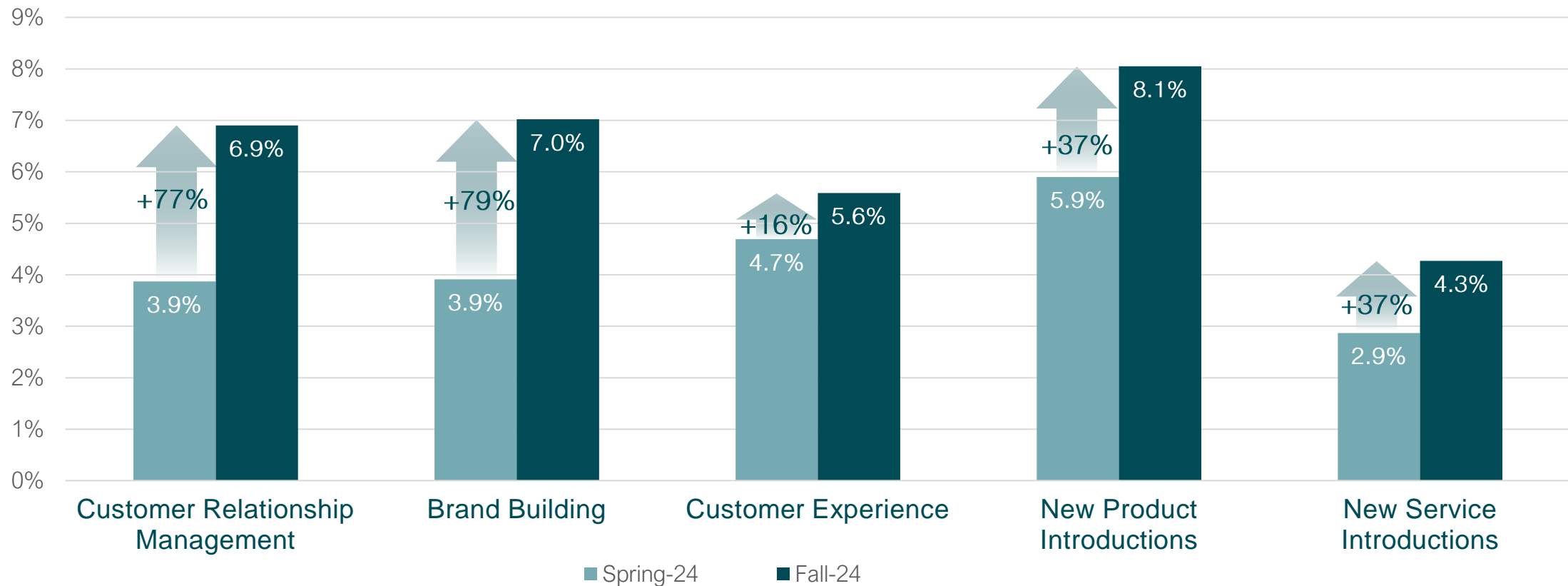
Overall marketing spending and digital marketing spending growth increase and are predicted to increase further over the next year

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



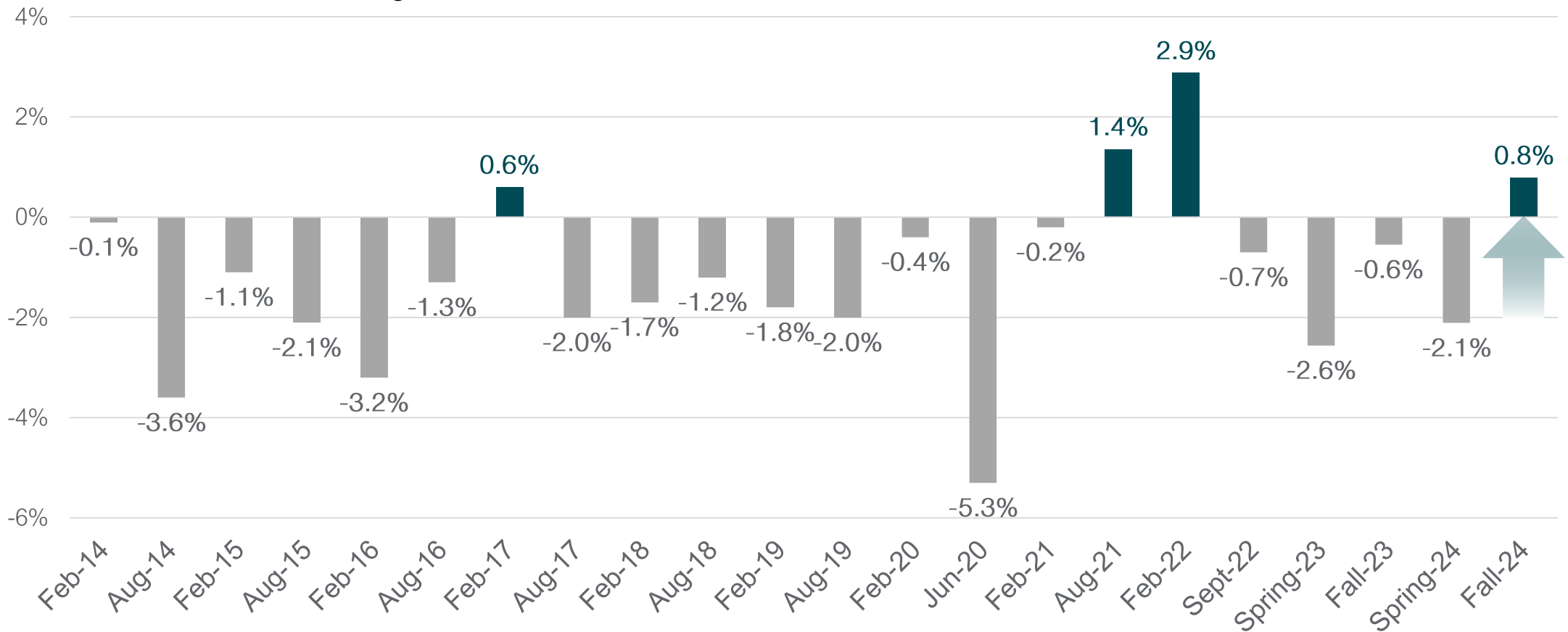
Projected brand building and customer relationship management spending nearly doubles

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?





Traditional advertising spend positive for the first time in two years and only fourth time in a decade

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?



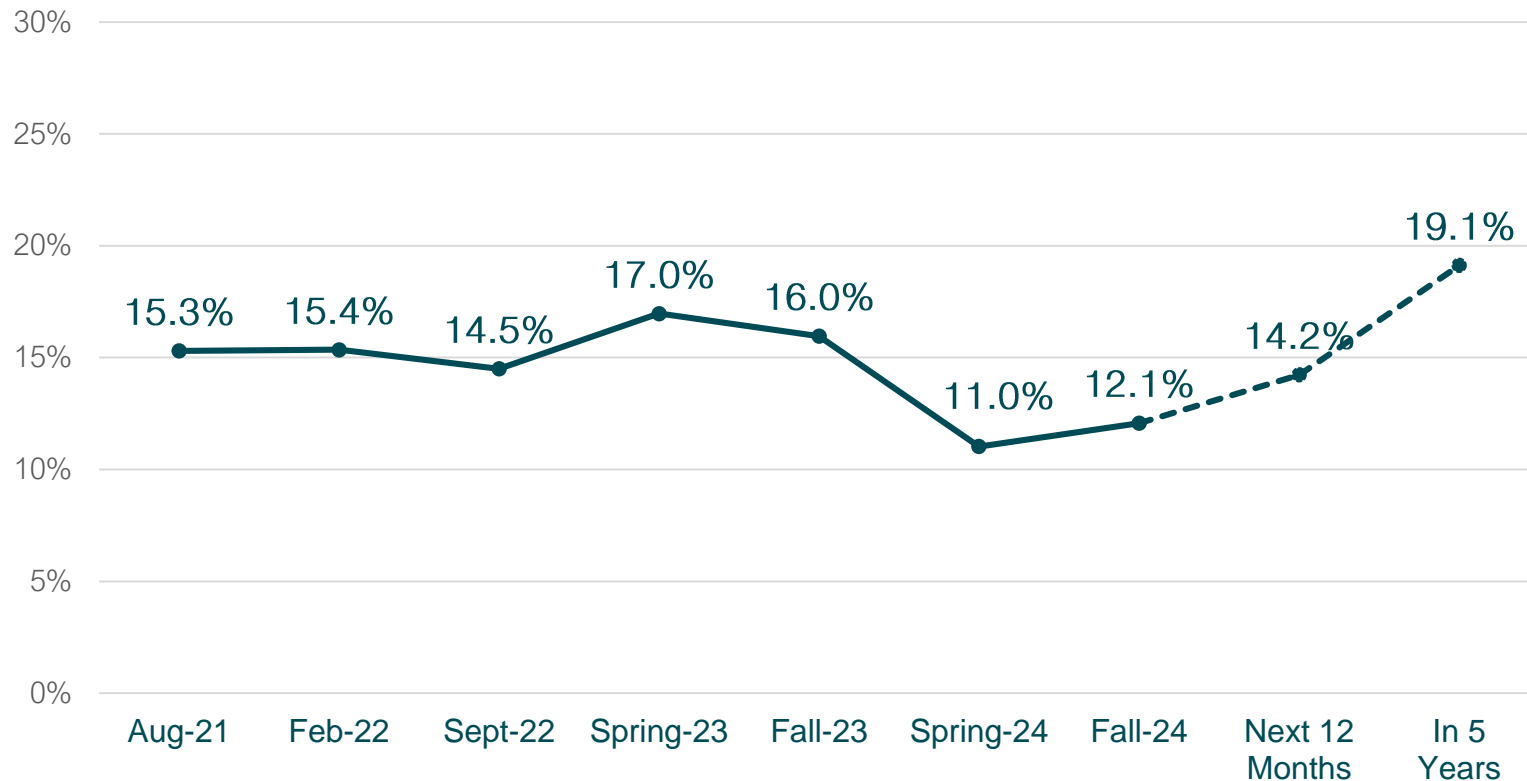
How projected marketing budgets vary by sector

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?

	Customer Relationship Management	Brand Building	Customer Experience	New Product Introduction	New Service Introduction
Overall Mean	6.9%	7.0%	5.6%	8.1%	4.3%
 Economic Sector					
B2B Product	8.2%	9.5%	7.8%	12.0%	4.1%
B2B Services	6.1%	6.2%	3.8%	4.4%	7.5%
B2C Product	6.9%	5.7%	5.8%	7.7%	1.6%
B2C Services	5.0%	4.8%	3.1%	6.7%	2.5%
 Industry Sector					
Top Sectors	Retail / Wholesale (12.2%)	Education (13.2%)	Transportation (14.1%)	Transportation (14.8%)	Energy (7.5%)
Bottom Sectors	Mining / Construction (2.5%)	Energy (-5.1%)	Professional Services (1.0%)	Mining / Construction (0.0%)	Mining / Construction (0.0%)

Social media spending shows slight uptick

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?



Fall 2024

Economic Sector

	Present	1 Year	5 years
B2B Product	7.9%	10.4%	15.6%
B2B Services	10.6%	12.5%	17.5%
B2C Product	18.6%	20.9%	25.2%
B2C Services	12.0%	14.2%	18.8%

Insights

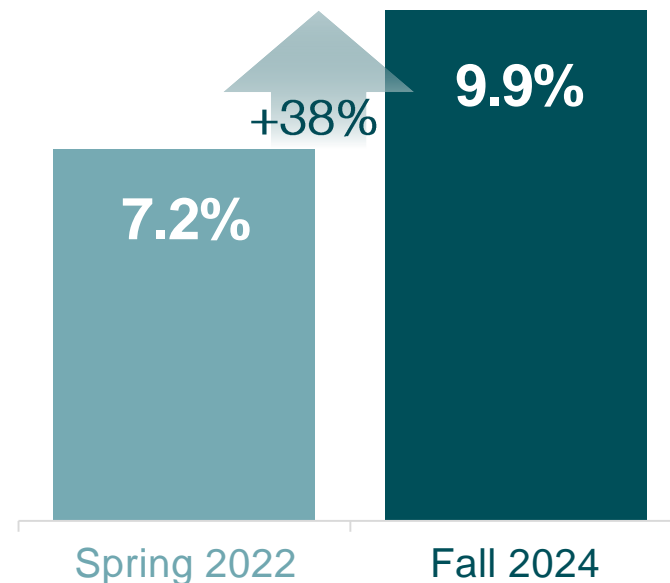
The CMO Survey has historically observed that leaders are very bullish on social media spending. Across a decade of research, five-year projections are, on average, 66% higher than current levels and one-year projections are, on average, 21% higher than current levels. They are 58% and 17% in this survey. Analysis of these projections indicates they are inflated relative to what is actually spent in those time periods. Specifically, when we compare predicted spending rates one year out to the current spending rates in the next year over the last decade, this level was met (or exceeded) only once.

R&D budget continues to pull away from marketing budget, with the gap increasing by 38% since 2022

Compared to your company's R&D budget, what is the size of your company's marketing budget?



R&D budgets are 9.9% larger than marketing budgets



Economic Sector

B2B Product	-33.9%
B2B Services	-11.7%
B2C Product	12.3%
B2C Services	7.5%

Industry Sector

R&D greater than Marketing

- Tech / Software / Platform (-47.4%)
- Pharma / Biotech (-40.0%)
- Transportation (-37.5%)

Marketing greater than R&D

- Consumer Packaged Goods (42.0%)
- Real Estate (24.2%)
- Retail / Wholesale (21.8%)

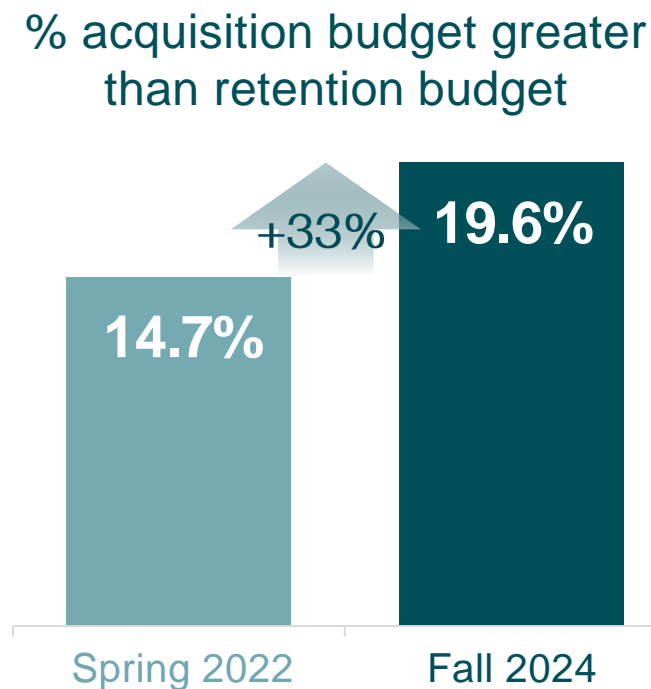
*Negative numbers mean that the R&D budget is x% larger than the marketing budget and positive numbers mean that the marketing budget is x% larger than the R&D budget.

Companies spend 19.6% more on customer acquisition than on customer retention, up from 14.7% in 2022

How do your company's budgets for customer acquisition and customer retention compare?



Acquisition budgets are 19.6% larger than retention budgets



Economic Sector

B2B Product	-11.7%
B2B Services	-17.3%
B2C Product	-27.7%
B2C Services	-25.0%

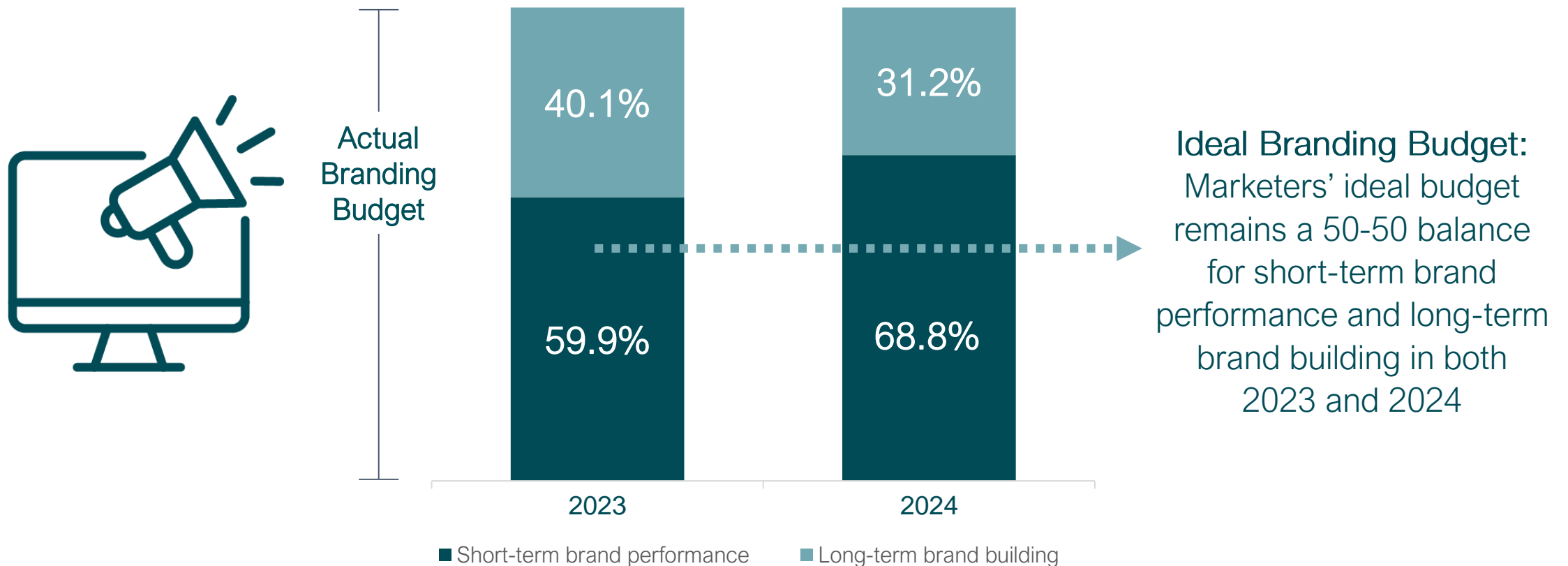
Insights

Customer retention spend tends to be higher than customer acquisition spend when there are fewer customers. For example, The CMO Survey found that the Manufacturing sector's customer retention budget was 6.4% greater than customer acquisition budget. In contrast, industries with more customers tend to spend more on acquisition. For example, Consumer Packaged Goods customer acquisition budget was 43.7% greater than customer retention budget.

*Negative numbers mean that the customer acquisition budget is x% larger than the customer retention budget and positive numbers mean that the customer retention budget is x% larger than the customer acquisition budget.

Firms shift more marketing budget towards short-term brand performance than long-term brand building, but ideally prefer to balance

Indicate the percentage of your overall budget spent on long-term brand building relative to short-term brand performance.



Company executives are more likely to cut expenses than to work to grow revenues

When year-to-date profits are lower than expected, what percent of the time do company executives cut marketing expenses versus work to grow revenues?

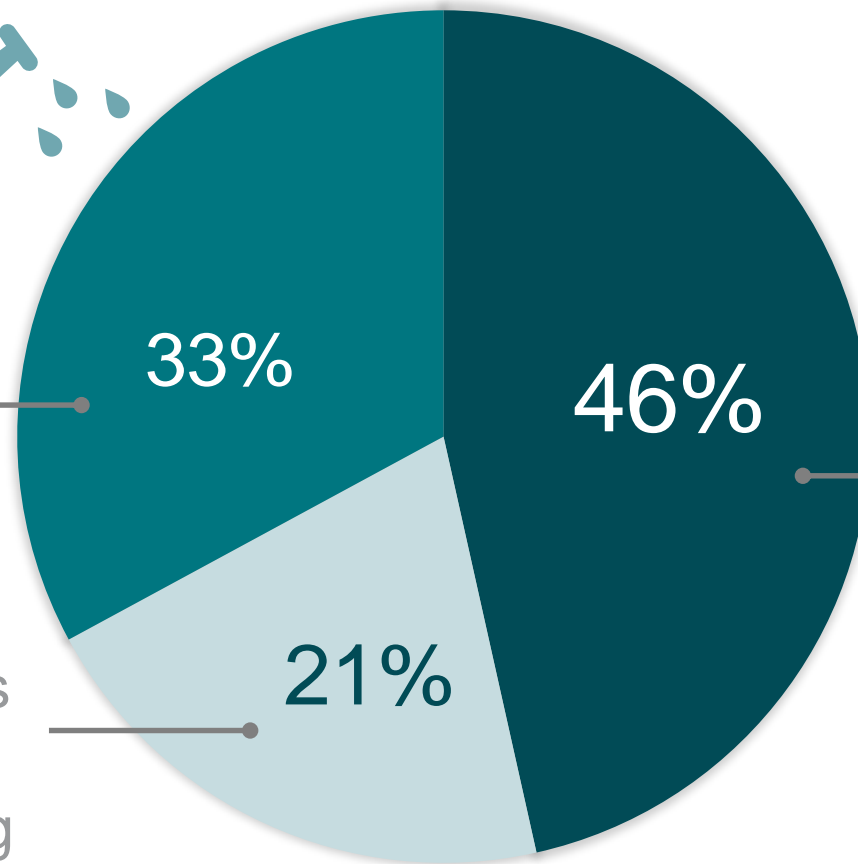
Firm and industry breakouts on next slide

5.8% average greater focus on cutting expenses



More Likely to Focus on Growing Revenues

Equal Focus on Cutting and Growing



More Likely to Focus on Cutting Expenses

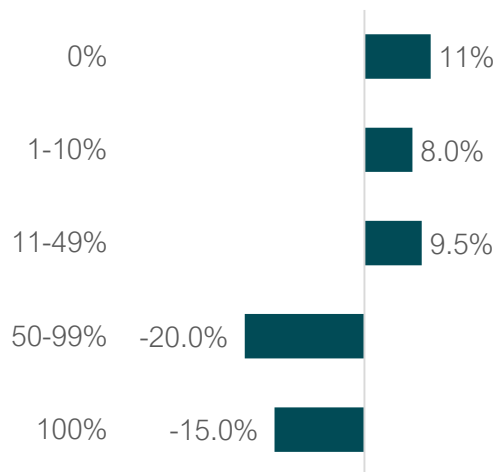


Brick-and-mortar, large companies tend to cut marketing expenses before working to grow revenues

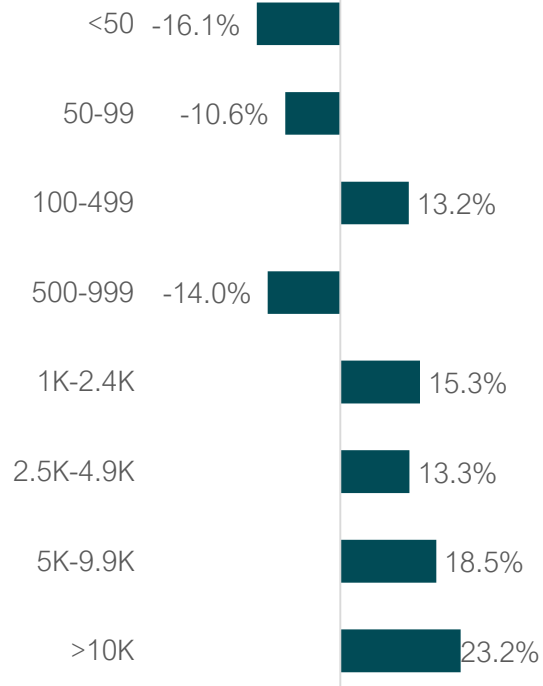
When year-to-date profits are lower than expected, what percent of the time do company executives cut marketing expenses versus work to grow revenues?

5.8% average greater focus on cutting expenses

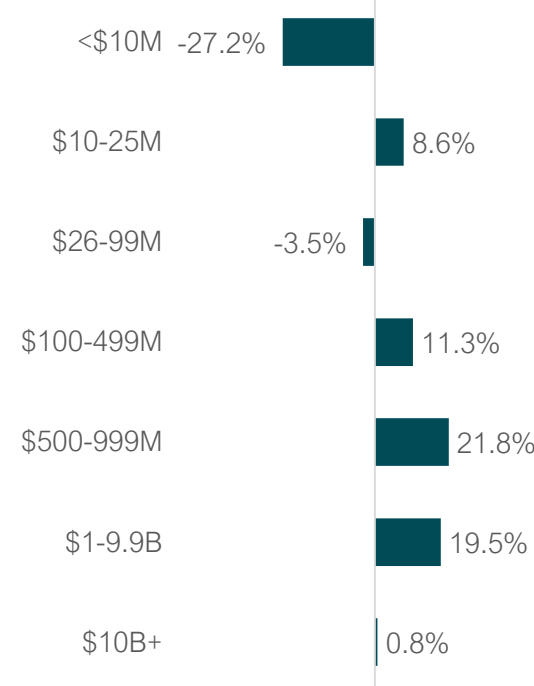
Online Sales



Employees



Revenues



Economic Sector

B2B Product	0.0%
B2B Services	12.3%
B2C Product	-0.3%
B2C Services	22.1%

Industry Sector

Cutting expenses > growing revenues

- Energy (48.3%)
- Manufacturing (26.7%)
- Real Estate (24.0%)

Growing revenues > cutting expenses

- Mining / Construction (-30.0%)
- Education (-18.6%)
- Consumer Services (-12.5%)

Marketing expenses are a major focus of cost cutting before other areas, across all sectors and industries

When year-to-date profits are lower than expected and the focus is on cutting expenses, how often do company executives cut marketing expenses over other areas? (% of the time)



44.6%

percent of the time
company executives cut
marketing expenses over
other areas

Economic Sector

B2B Product	49.5%
B2B Services	43.0%
B2C Product	43.7%
B2C Services	37.9%

Industry Sector

Largest marketing expense cuts

- Consumer Packaged Goods (70.4%)
- Mining / Construction (70.0%)
- Manufacturing (68.2%)

Smallest marketing expense cuts

- Consumer Services (18.8%)
- Communications / Media (24.4%)
- Education (30.7%)



Managing Marketing Technology

Over three-fourths (76.7%) of companies surveyed are using marketing technologies (martech), up 1.4% from Spring 2024. High-revenue companies are the heaviest users: 84% of companies \$1 to \$9.9B use and 85% of companies \$10B or more use.

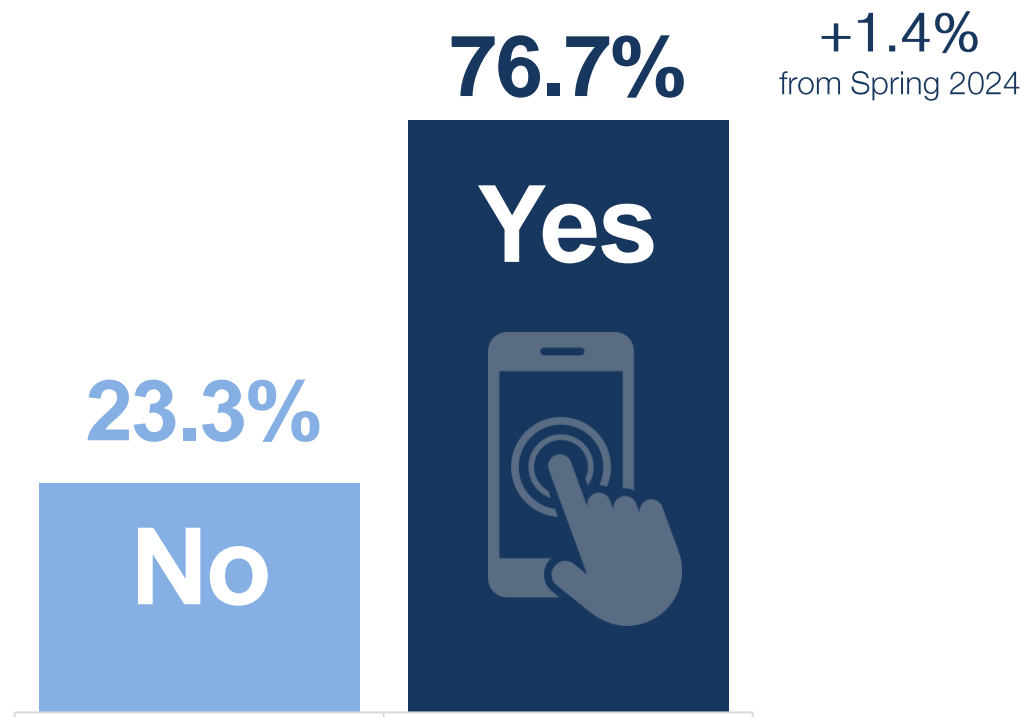
Spending on martech as a percentage of overall budget is 19.0% (down 0.9% from Spring 2024) and is expected to grow to 22.8% in one year and 31.7% in five years (up a total of 67%). More than half (55.1%) of marketing activities use martech tools.

Martech tools have an above-average impact on company performance, notching a 4.8 score on a range from 1 = not at all important to 7 = having a great deal of impact. Tool impact is highest with Consumer Services (5.8), Retail / Wholesale (5.5), and Tech / Software / Platform (5.5) companies.

Companies see martech tools underperforming compared to expectations, with 54.9% reporting a gap in their hopes for a payoff (up 6%+ from Spring 2024). This could put marketers' budgets for these tools at risk in the future.

Companies continue to embrace marketing technology

Is your company using marketing technology (martech) tools and/or systems?

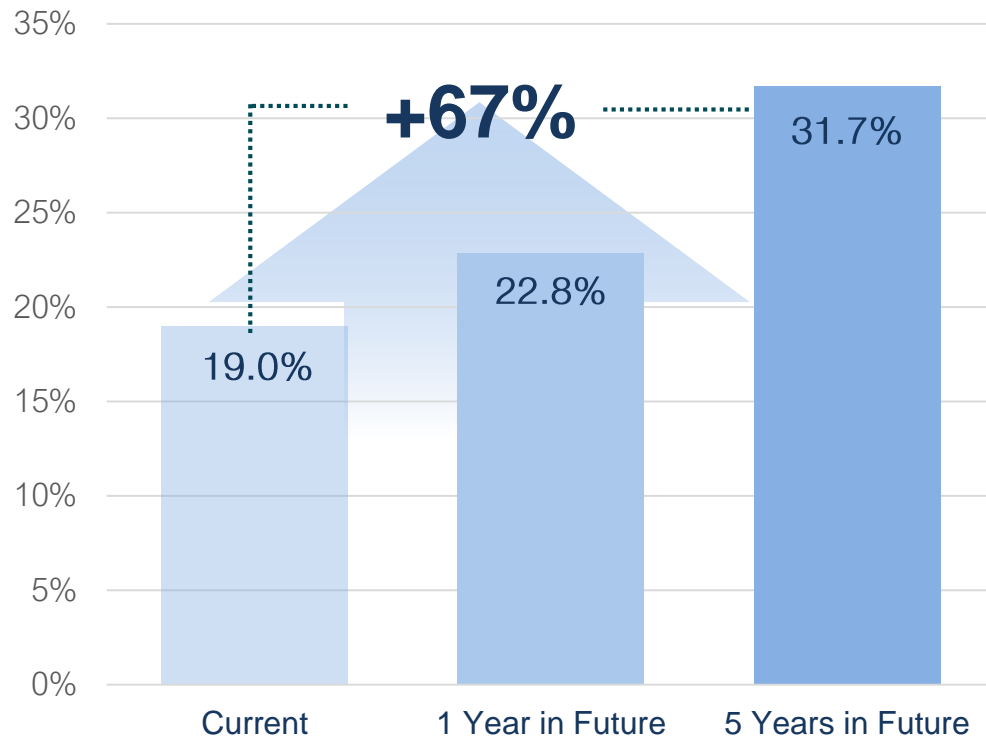


Insights

Use of marketing technology varies by size of company with the largest companies (measured in revenues) the heaviest users. Martech usage also varies by percent online sales with 90% of pure-play internet companies using these tools and systems compared to 71.4% of brick-and-mortar companies using them. Usage also varies by industry sector with the heaviest users being Mining / Construction (100.0%), Banking / Finance / Insurance (88.9%), Tech / Software / Platform (88.0%). Manufacturing (52.9%), Communications / Media (57.1%) and Education (57.1%) are the lightest users.

Spending on marketing technology predicted to increase 67% over the next 5 years

What percent of your marketing budget do you spend on marketing tech tools and/or systems? Current and future projections



Economic Sector

	Current	1 Year Future	5 Years Future
B2B Product	19.2%	23.9%	34.1%
B2B Services	20.7%	25.0%	35.3%
B2C Product	18.0%	20.9%	27.7%
B2C Services	15.7%	19.1%	26.2%

Online Sales

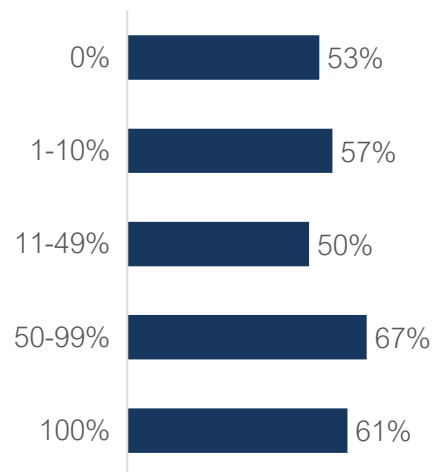
	Current	1 Year Future	5 Years Future
0%	19.7%	24.1%	34.0%
1-10%	19.8%	23.0%	32.3%
11-49%	16.5%	20.5%	26.8%
50-99%	22.3%	24.3%	30.5%
100%	16.2%	21.1%	30.6%

More than half of marketing activities use martech tools and systems

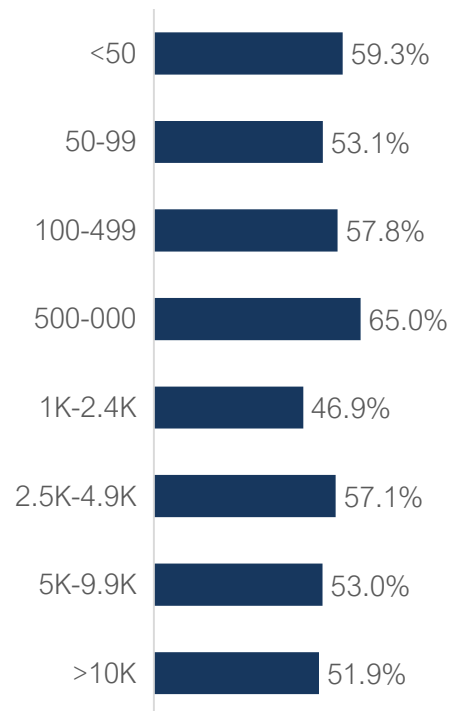
What percent of your marketing activities use martech tools and/or systems?

55.1% of marketing activities use martech tools and/or systems

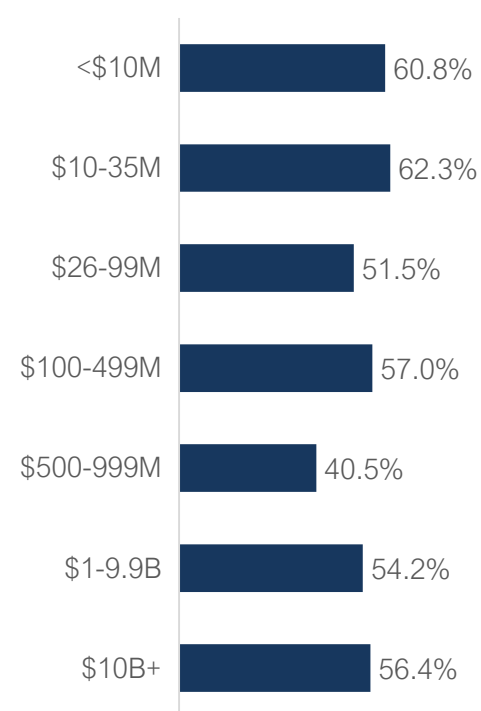
Online Sales



Employees



Revenues



Economic Sector

B2B Product	51.4%
B2B Services	59.7%
B2C Product	51.9%
B2C Services	59.1%



Industry Sector

Top 3 Sectors

- Education (83.8%)
- Mining / Construction (70.0%)
- Transportation (70.0%)

Bottom 3 Sectors

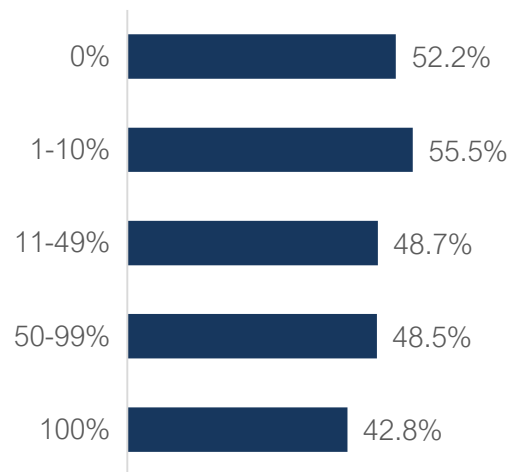
- Pharma / Biotech (36.7%)
- Energy (39.3%)
- Manufacturing (43.3%)

Only half of martech tools purchased are used in company operations—dropping from 56% in the Spring

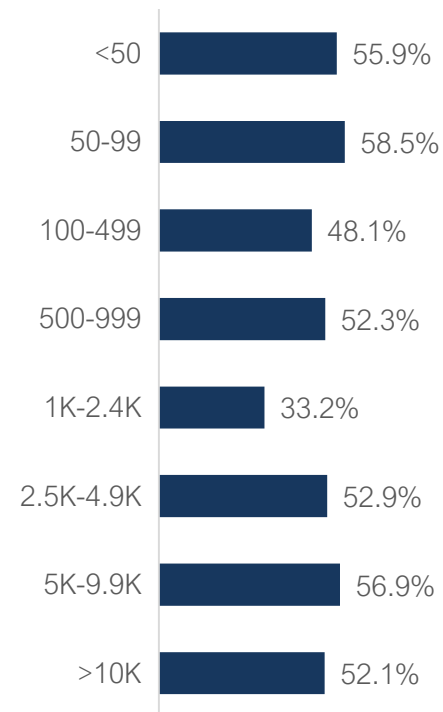
Considering all the martech tools purchased by your company, what percent is your company currently utilizing in its operations?

51.5% average utilization of martech tools in company operations

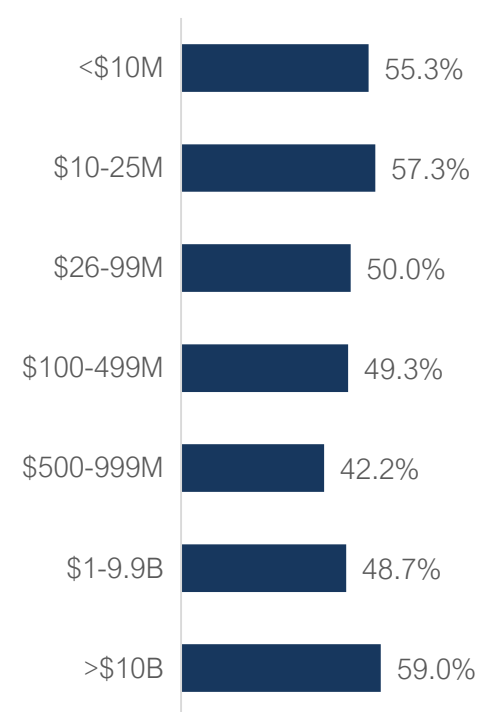
Online Sales



Employees



Revenues



Economic Sector

B2B Product	53.5%
B2B Services	51.8%
B2C Product	48.9%
B2C Services	52.7%



Industry Sector

Top 3 Sectors

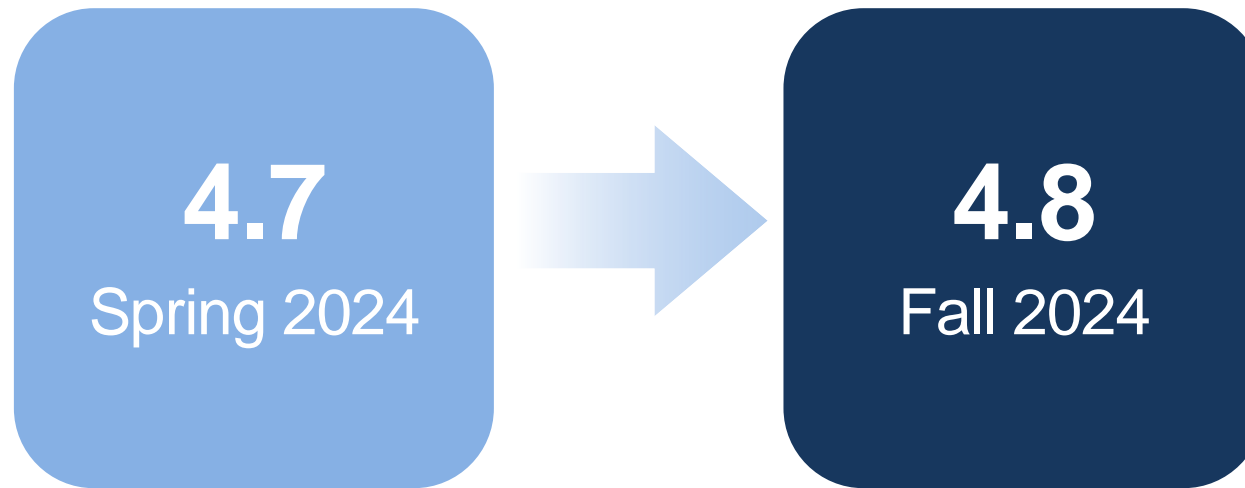
- Professional Services (66.8%)
- Education (63.8%)
- Mining / Construction (62.5%)

Bottom 3 Sectors

- Pharma / Biotech (21.8%)
- Communications / Media (28.0%)
- Energy (32.8%)

Despite investment, impact of martech tools on company performance unchanged

How much impact are your current martech tools having on your company's performance?
(1=Not at all - 7=A great deal)



Average impact of martech tools on company performance



Economic Sector

B2B Product	4.8
B2B Services	4.5
B2C Product	4.9
B2C Services	5.4



Industry Sector

Top 3 Sectors

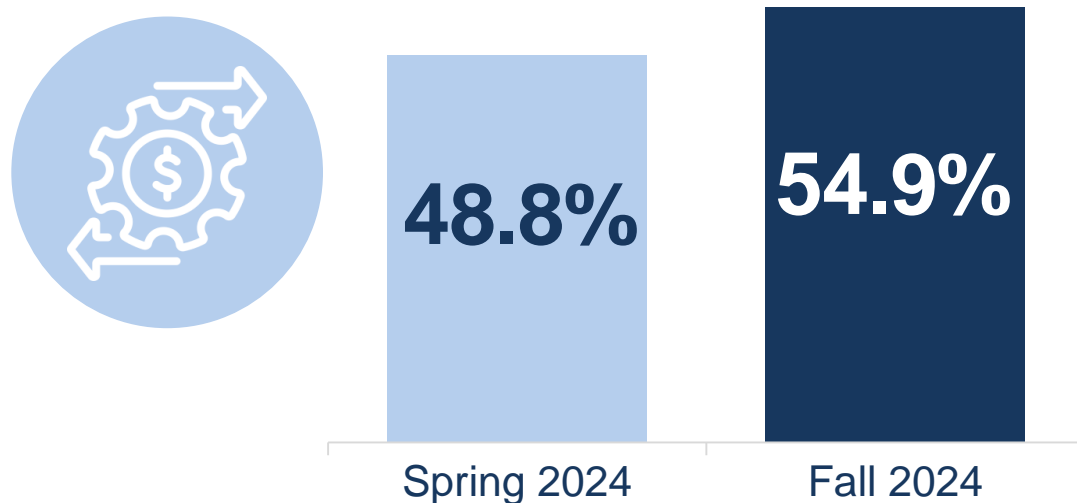
- Consumer Services (5.8)
- Retail / Wholesale (5.5)
- Tech / Software / Platform (5.5)

Bottom 3 Sectors

- Communications / Media (2.8)
- Energy (3.4)
- Pharma / Biotech (3.8)

Marketing leaders increasingly see martech underperforming relative to expectations

Is there a gap between the actual payoffs of martech and your hopes for these payoffs?
(% reporting “yes”)



If so, rate the extent of this gap (percentage underperformance relative to expectations)



40%

Average underperformance relative to expectations

+6% from Spring 2024



Use of AI in Marketing

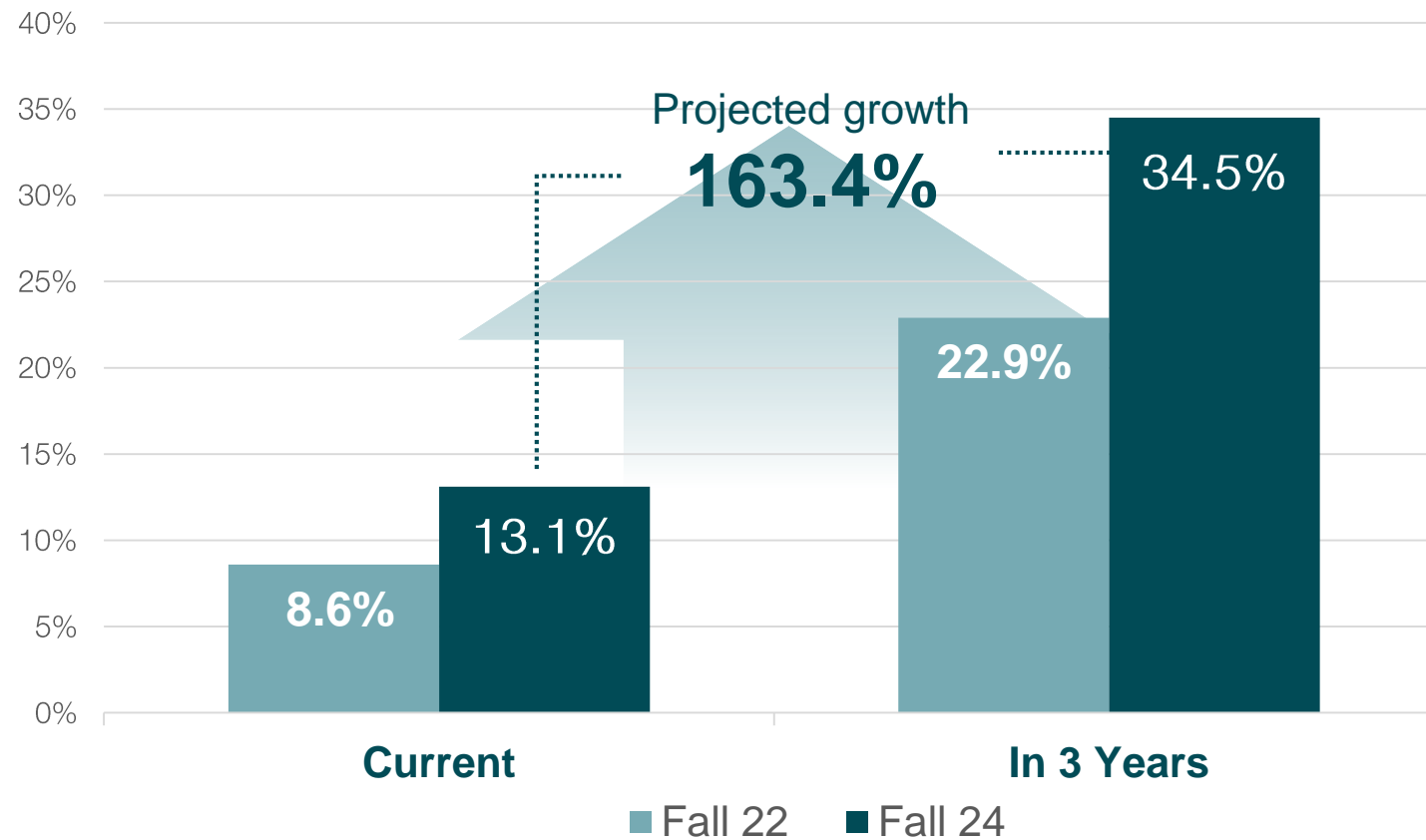
Marketing organizations are adopting artificial intelligence (AI) and machine learning (ML) to optimize and automate workflows. Marketers now use AI and ML 13.1% of the time, up from 8.6% in Fall 2022. They predict that they will use it 34.5% of the time in just three years, a growth rate of 163.4%.

Generative AI (GenAI) is among the most rapidly growing technologies. Marketers use it for 11.1% of all activities, up from 7.0% in Spring 2024, a 59% jump. Adoption is highest in B2B Services (used for 16.7% of marketing activities) and B2B Products (used 11.7% of the time). Not surprisingly, Tech / Software / Platform companies lead in adoption, using GenAI for 22.8% of marketing activities, while Professional Services firms are fast followers at 18.4%.

Companies that adopt AI are reaping greater gains and increasing competitive advantage. Marketers report that AI improved sales productivity by 6.6% in Fall 2024 (compared to 5.1% in Spring 2024), increased customer satisfaction by 6.3% (versus 6.1% in Spring 2024), and lowered marketing overhead costs by 8.9% (compared to 7.0% in Spring 2024). Marketers say they could spend more time on non-routine or strategic projects, rating AI's impact to free their time at 3.0 on a scale of 1 = no impact to 7 = a great deal, increasing from 2.4 just six months ago. The companies that benefited the most were Communications / Media (3.8), Tech / Software / Platform (3.7), and Real Estate (3.7).

Continued year-on-year growth in AI adoption

To what extent is your company using artificial intelligence or machine learning in optimizing and automating marketing efforts? (0% of the time-100% of the time)

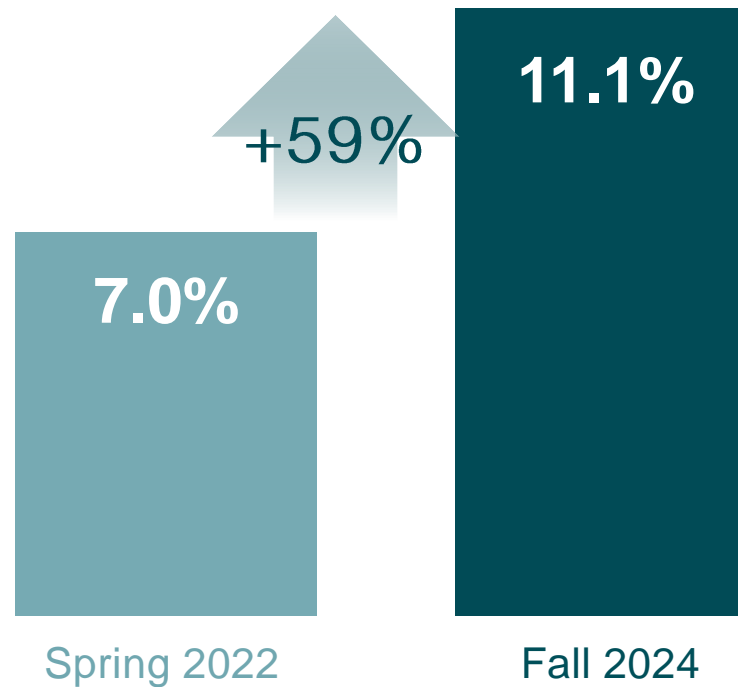


Generative AI in marketing sees significant growth: Usage rises from 7.0% to 11.1% since Spring 2024

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



The use of generative AI in marketing has increased 59% over the last 6 months.



Economic Sector

B2B Product	11.7%
B2B Services	16.7%
B2C Product	7.6%
B2C Services	4.6%

Industry Sector

Highest usage of AI in marketing

- Tech / Software / Platform (22.8%)
- Professional Services (18.4%)
- Transportation (14.6%)

Lowest usage of AI in marketing

- Mining / Construction (2.5%)
- Pharma / Biotech (5.9%)
- Energy (6.8%)

AI in marketing continues to increase productivity and customer satisfaction and decrease overhead costs, but at faster rates than reported in Spring 2024

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



+5.1% +6.6%
Spring-24 Fall-24

Increased Customer Satisfaction



+6.1% +6.3%
Spring-24 Fall-24

Lower Marketing Overhead Costs



-7.0% -8.9%
Spring-24 Fall -24

Top Economic Sector: B2B Services (8.6%)
Top Industry Sector: Real Estate (13.0%)

B2B Services (8.2%)
Professional Services (13.2%)

B2C Services (-13.6%)
Tech / Software / Platform (-17.0%)

AI moderately increases marketer ability to spend time on non-routine and more strategic projects

How, if at all, has this investment in AI and machine learning influenced how much time your marketers are able to spend on non-routine and more strategic projects in your company? (1=No impact, 7=A great deal)



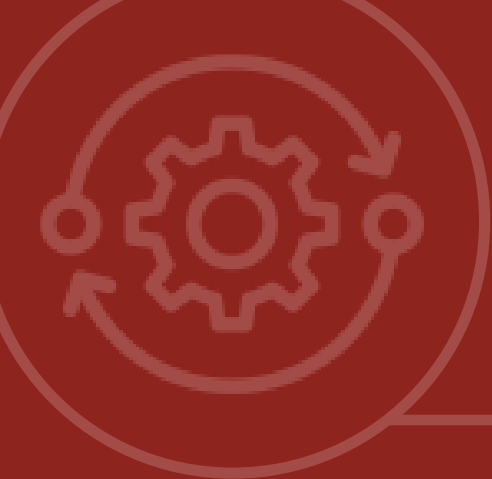
Increased impact of AI on marketers' ability to focus on strategic, non-routine projects

Economic Sector

B2B Product	3.0
B2B Service	3.5
B2C Product	2.6
B2C Service	3.1

Insights

Companies with 100% online sales (mean = 3.2) benefit more from AI on time spent on non-routine and more strategic projects) compared to brick-and-mortar companies (mean = 3.0). The Industry sectors that benefit the most are Communications / Media (3.8), Tech / Software / Platform (3.7), and Real Estate (3.7). The industries receiving the weakest benefits are Pharma / Biotech (2.3), and Manufacturing (2.3).



Digital Transformation and Privacy

Marketing organizations are transforming digitally at different rates. More than two-thirds say their progress is either nascent (14.6%) or emerging (56.7%), while one-third are leading. Among this group, 23.6% have fully integrated digital investments and 5.1% have an institutionalized capability, leveraging digital investments to drive and evaluate marketing decisions. B2B Services companies and Mining / Construction firms are early in their journey, while B2C Product and Tech / Software / Platform companies are furthest along.

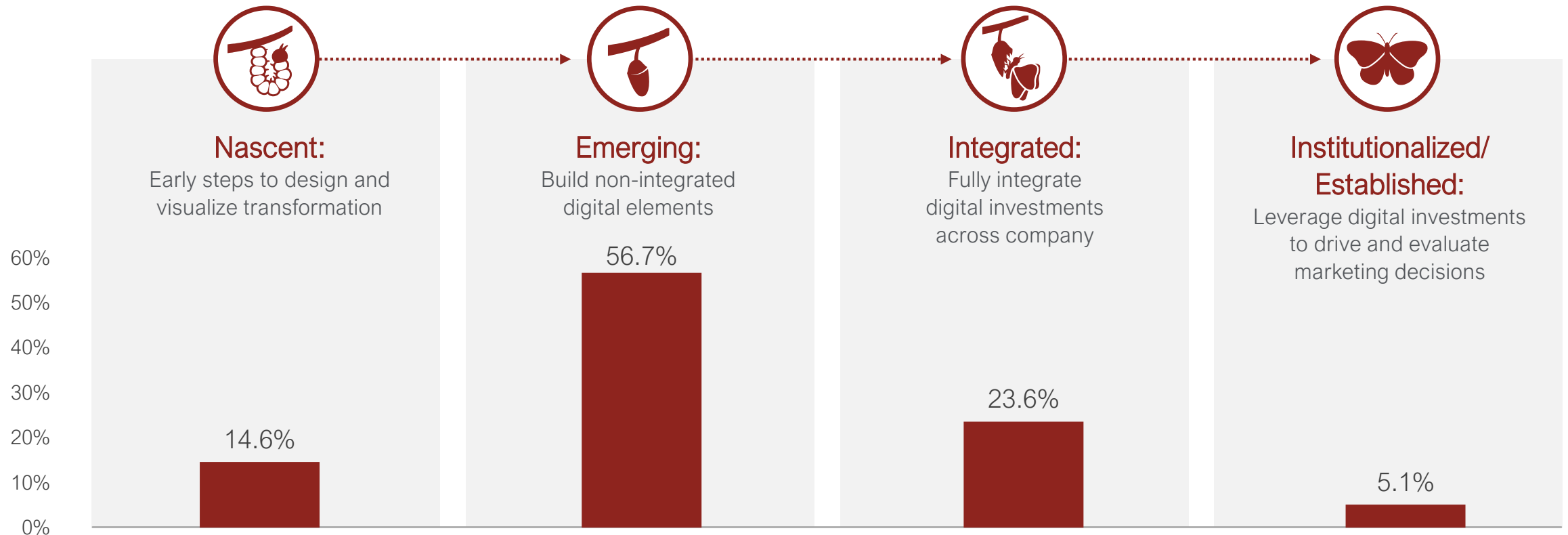
Marketing leaders drive their function's digital transformation, with 72% reporting they spearhead it. Marketers' leadership is strongest at pureplay online companies (87.8%), B2C Services companies (79.7%), and B2B Product companies (78.9%).

However, one in four (24.7%) marketers worry that their pursuit of digital is harming strategy fundamentals. Those leading Healthcare (53.8%) and Transportation (50.0%) companies report the most concern.

As customer privacy worries grow due to digitization, AI, and data breaches, marketers are taking a range of actions to strengthen trust in their brands and policies. The top three actions were developing a brand privacy policy (+29% increase), sharing privacy notices with consumers (+20% increase), and investing in increasing trust in the company's brand reputation (+13%). Marketers are also creating stronger data strategies and reducing data siloes to address changes to third-party data use but report low concern that customers will use blockchain to control their online search and purchase histories.

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?



How companies and industries vary on their digital journeys



Earliest in Journey

Furthest in Journey



Economic Sector

B2B Services

B2C Product



Industry Sector

Mining / Construction

Tech / Software / Platform



Online Sales

50-99% Online Sales

100% Online Sales



Revenues

<\$10M

\$26 - 99M



Employees

1,000 – 2,499

2,500 – 4,999

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?



72%
Digital marketing transformations led by senior marketing leaders



Economic Sector

B2B Product	78.9%
B2B Services	64.7%
B2C Product	70.5%
B2C Services	79.7%

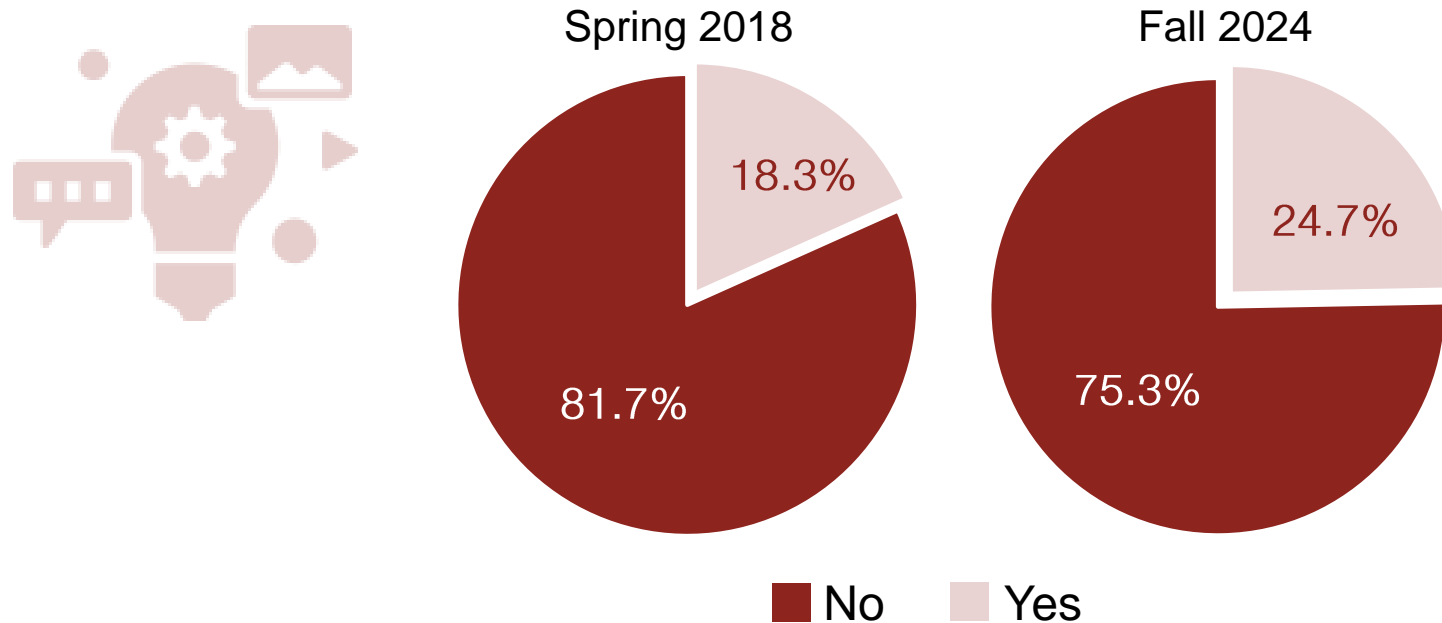


Insights

Senior marketing leadership of digital marketing transformation has increased slightly since September 2023 (from 70% to 72%). Marketers are more likely to lead transformations in pure-play online companies (87.8%) compared to brick-and-mortar or mixed companies. Company size continues to be negatively correlated with marketing leadership on this issue. Marketers are less likely to lead transformations at large companies with 10,000+ employees (65.8%).

Marketers are increasingly concerned that pursuing digital marketing has drawn attention away from marketing fundamentals

In general, do you think that the opportunity to pursue digital marketing opportunities has drawn your company's attention away from marketing strategy fundamentals?



Online Sales

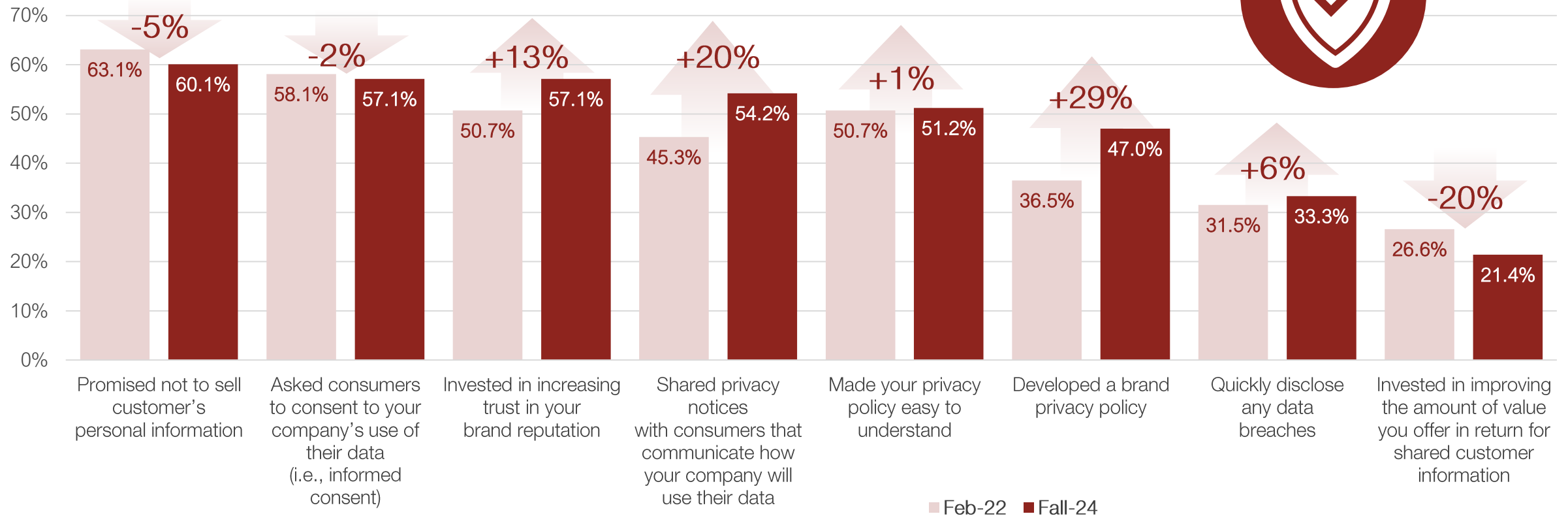
	Yes	No
0%	18.8%	81.3%
1-10%	19.6%	80.4%
11-49%	29.0%	71.0%
50-99%	46.7%	53.3%
100%	44.4%	55.6%

Insights

Companies with more online sales are less likely to be concerned about digital marketing drawing attention away from marketing strategy fundamentals. The sectors most concerned with loss of attention to fundamentals are Healthcare (53.8% Yes) and Transportation (50.0% Yes).

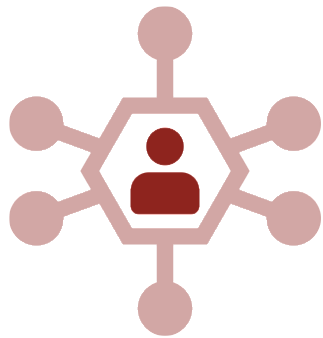
Marketers focus more on developing brand privacy policies, increasing privacy notices, and trust in brand reputation to resolve privacy concerns

Which of the following actions, if any, has your company taken to increase the trust of your brand in the face of privacy concerns?

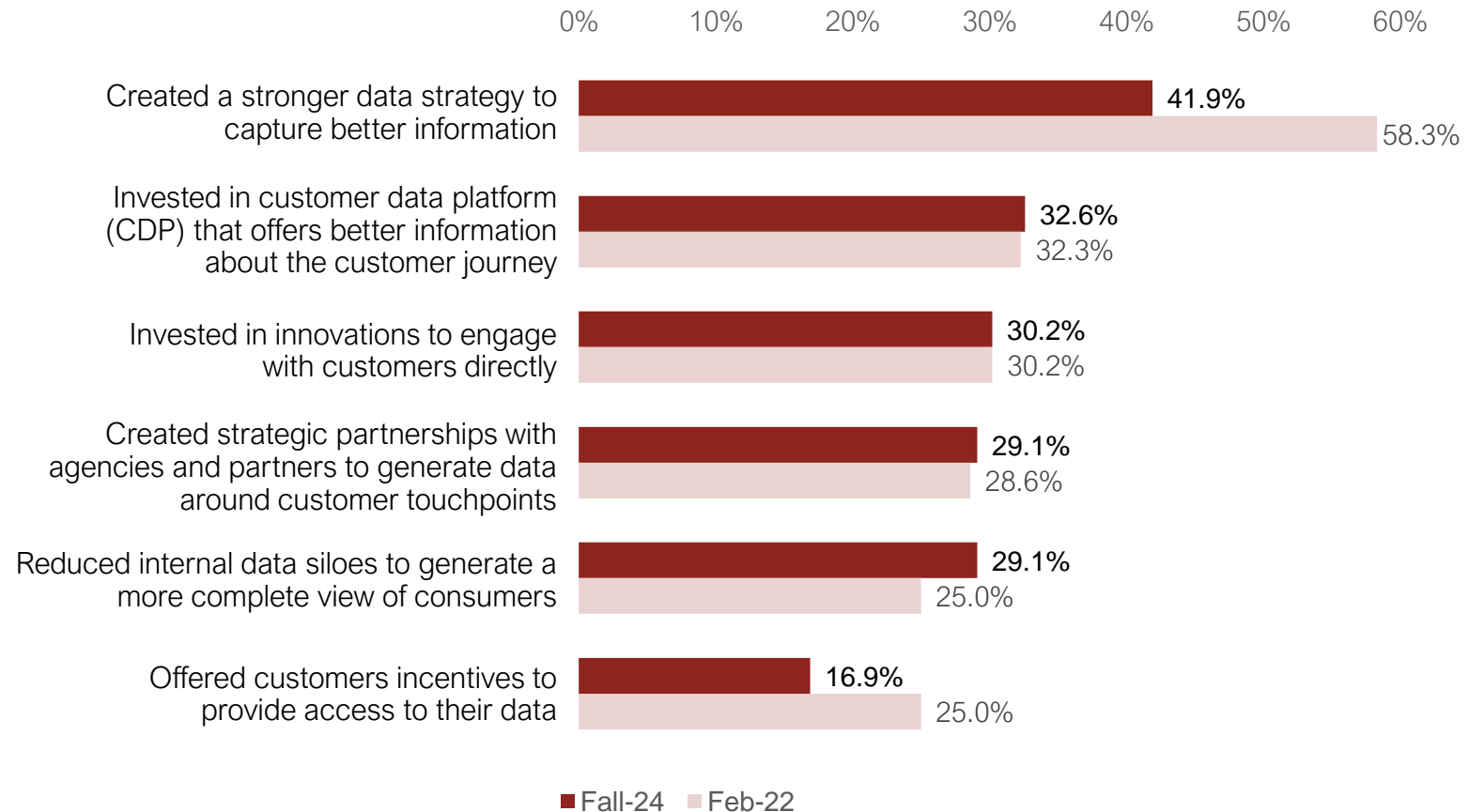


Fewer marketers are creating stronger data strategies to capture better information and more work to reduce data siloes in the wake of changes to third-party data

In the wake of third-party cookies disappearing, which actions has your company taken? (% of companies taking action reported)

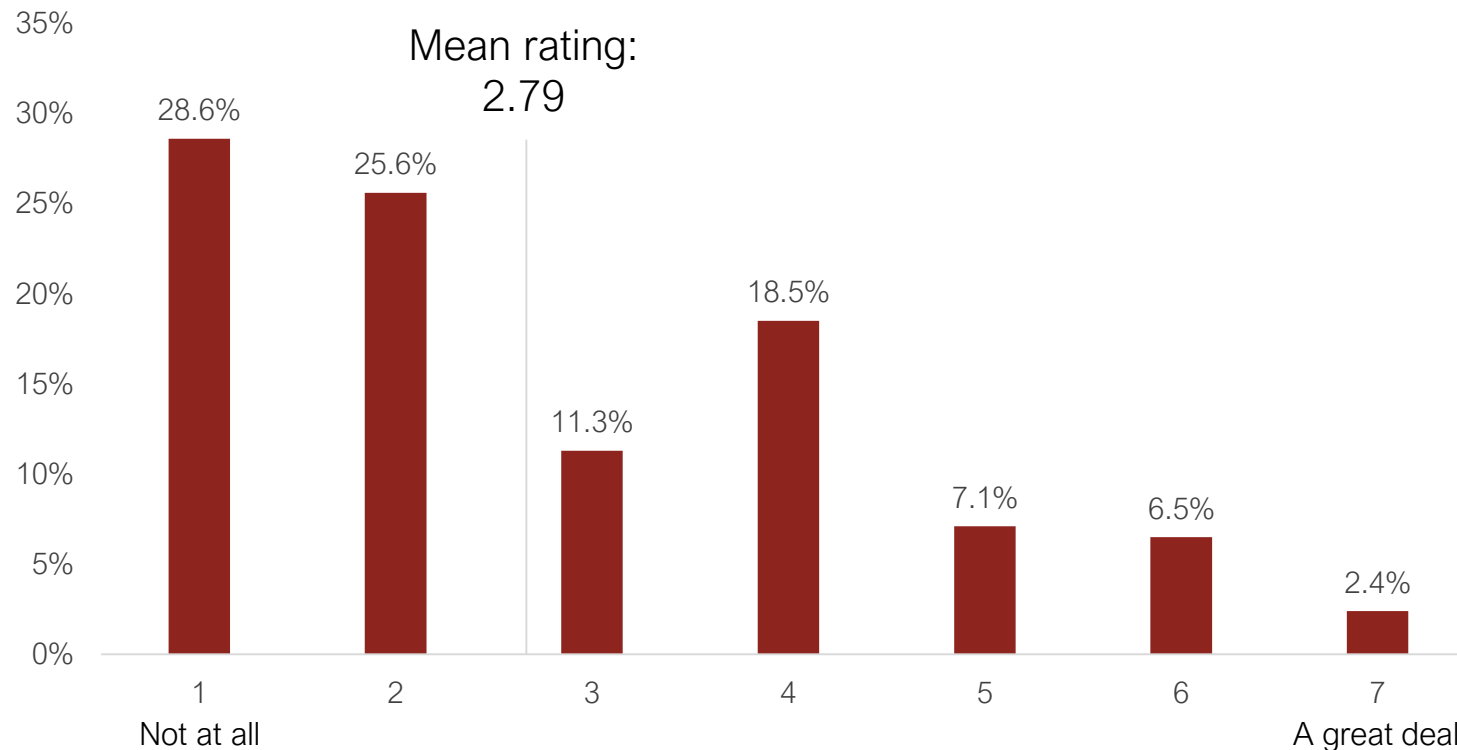


The percentage of companies stating that they have “no concerns about third-party cookies” has decreased from Feb-22 (50.5%) to Fall-24 (34.9%)



Companies generally do not find that blockchain technologies will be extremely disruptive to their current business

If blockchain technologies allow customers to control access to their online search and purchase histories, how disruptive would this be to your current business? (1=not at all, 7=a great deal)



Insights

B2C companies are, on average, more likely to view blockchain technologies as disruptive to their current business (mean = 3.3), whereas B2B companies are less concerned (mean = 2.5). The sectors most likely to report experiencing disruption are Education (mean = 3.3) Retail / Wholesale (3.2), Transportation (3.2), and Consumer Packaged Goods (3.2). Brick-and-mortar companies with no or little online sales are less likely to foresee disruption (37.7%). Finally larger companies, as measured by the number of employees, are more likely to view blockchain as disruptive.



Managing Marketplace Threats

The top five threats marketers cite are a dramatic increase in rivalry with competitors, the entrance of a new powerful competitor to their market, a major change in consumer preferences or behaviors, legal or regulatory issues that threaten their offerings or their go-to-market strategy, and threats to their go-to-market strategy posted by Covid-19.

Marketers say their companies cope well with challenges, reporting a 4.8 score with 1 = very poorly and 7 = very well. However, firms often experience negative impacts from these risks, including lost revenues (76.3%), lower profits (56.8%), weakened employee morale (32.4%), employee layoffs (25.9%), and weakened customer relationships (25.2%), among others.

Marketers cite various actions to respond to threats, including planning their way through it (51.9%), taking advantage of new opportunities (53.3%), letting go of some aspects of their strategy (64%), retaining their portfolio of products and services (66.4%), and building/hiring new knowledge and capabilities (52%). Most marketers report the importance being flexible (85.2%), optimistic (78.2%), and proactive (57.6%) when confronting these threats. They report also relying on open and regular communication (63.2%), early warning signs (52.8%), strong alignment with internal goals (49.3%), working long hours (40.3%), and strong partnerships with partners and agencies (31.9%) to meet evolving business demands.

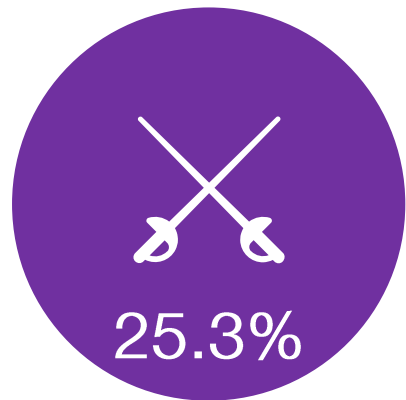
In the past decade, companies have been most threatened by increased rivalry and the entrance of powerful competitors

Which of the following challenges or threats has your company faced in the last decade? (check all that apply)

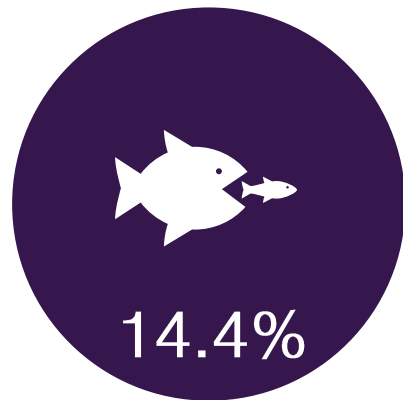


Of all challenges, companies found dramatic increase in rivalry to be the most severe

Which challenge was the most difficult for your company?



Dramatic increase in rivalry



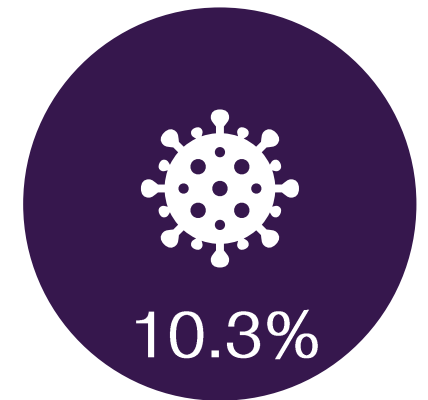
Entrance of powerful competitor



Change in customer preferences



Legal or regulatory change



Covid-19 threats to go-to-market

Companies cope moderately well with challenges, but most face lost revenues and lower profits

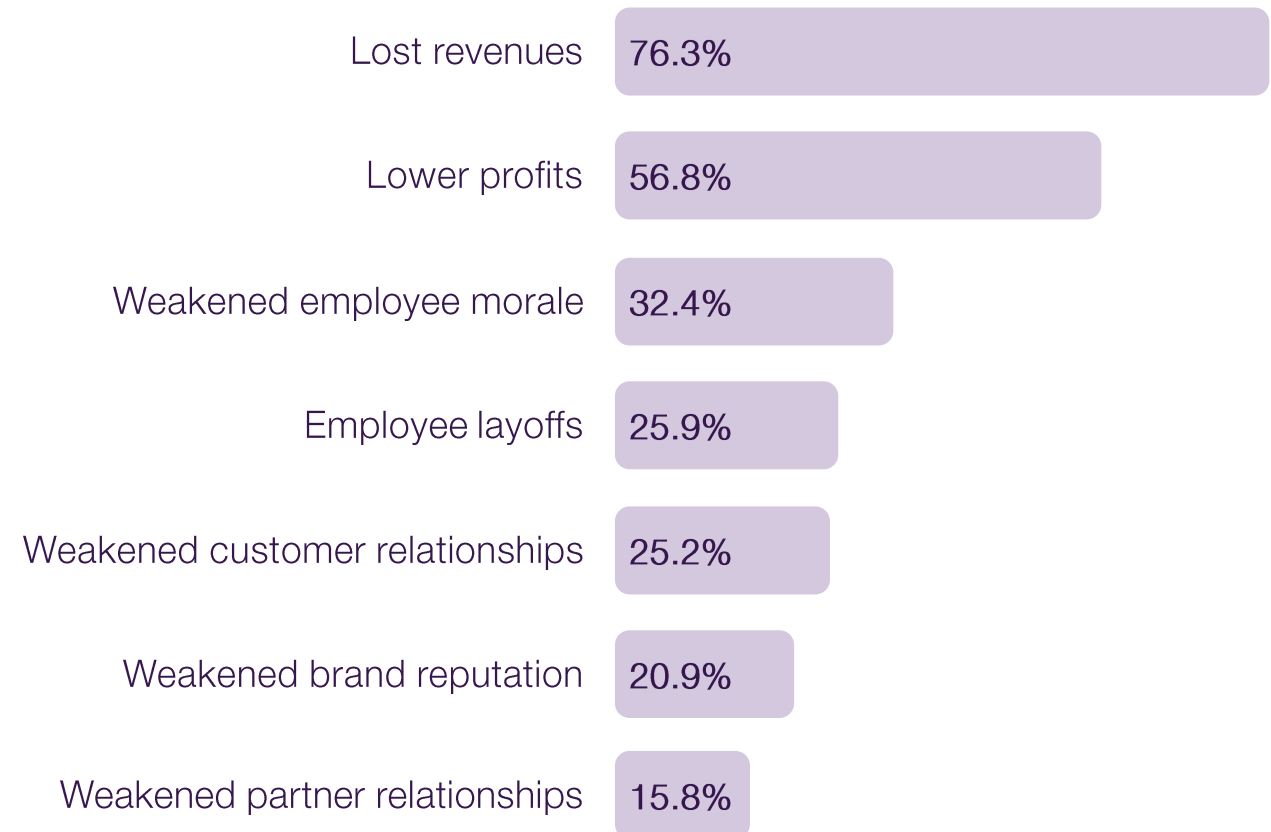
How well did your company cope with this challenge?



4.8

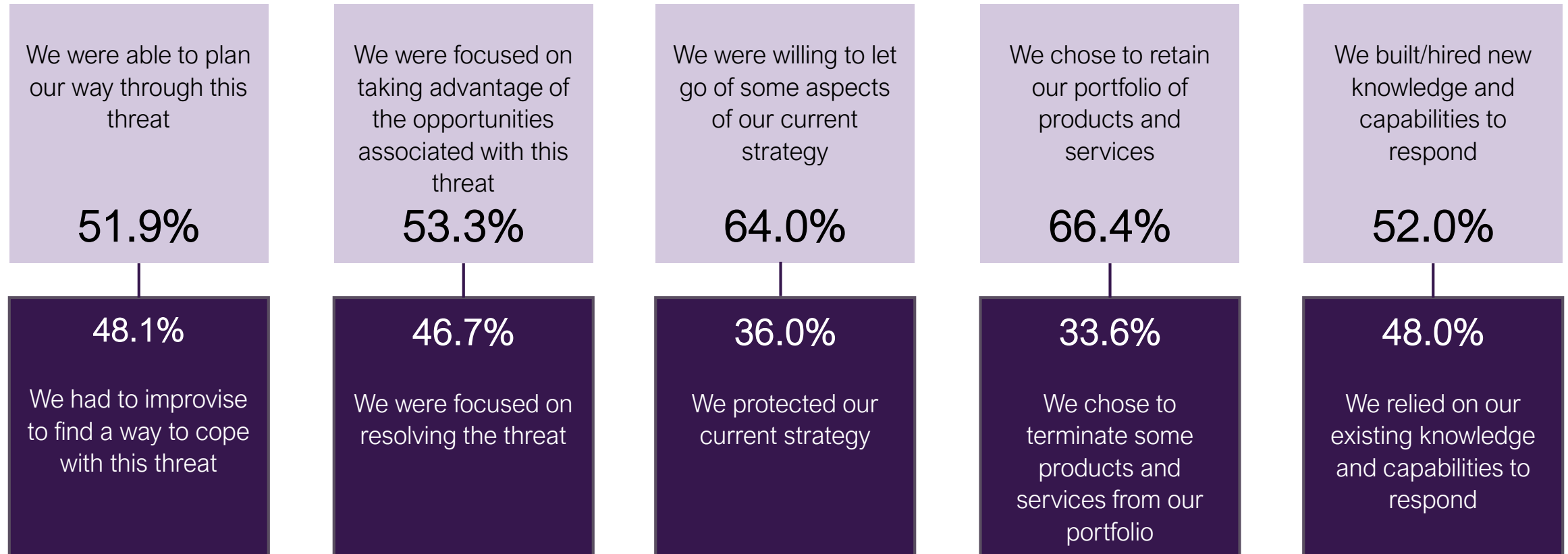
Average ability to cope well
(where 1=very poorly and 7=very well)

Which of the following outcomes were associated with this challenge for your company?



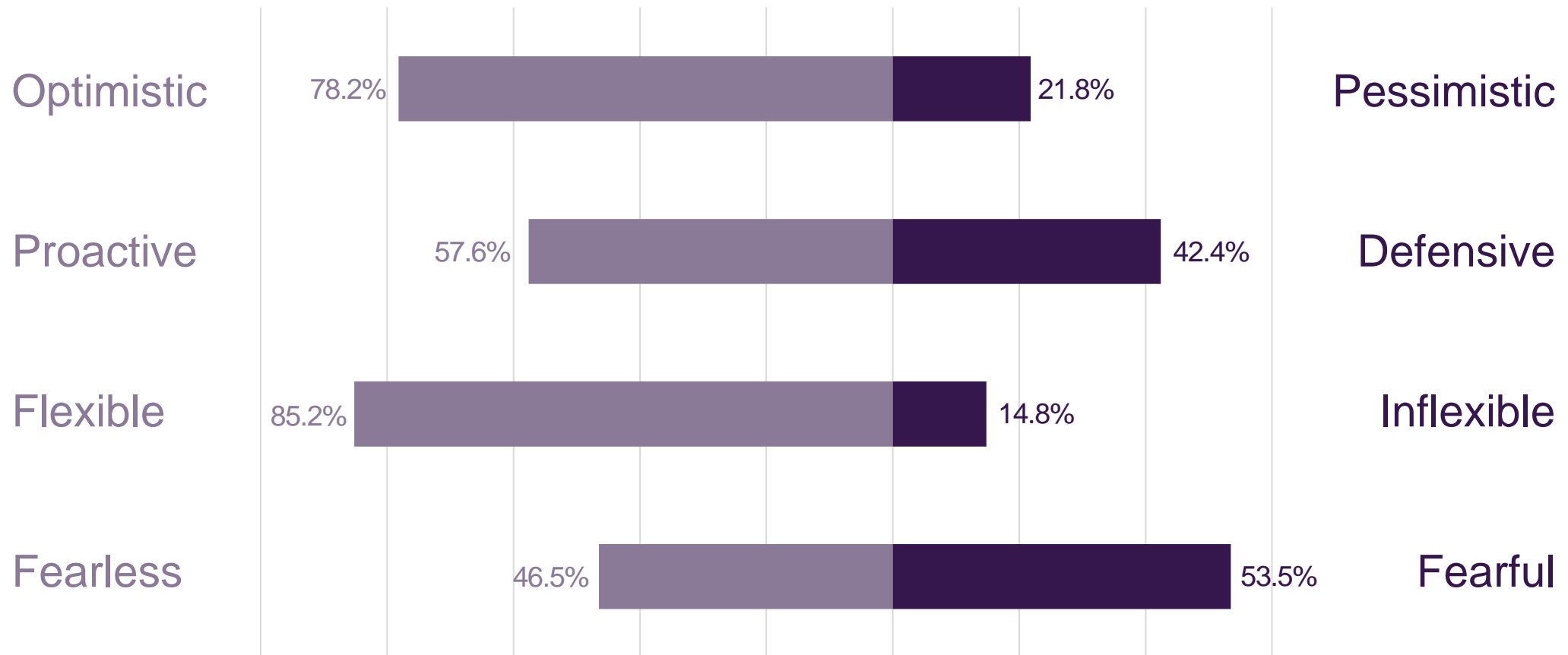
Considerable variability in strategies companies use to respond to threats

Which statement best describes how your company responded to the challenge?



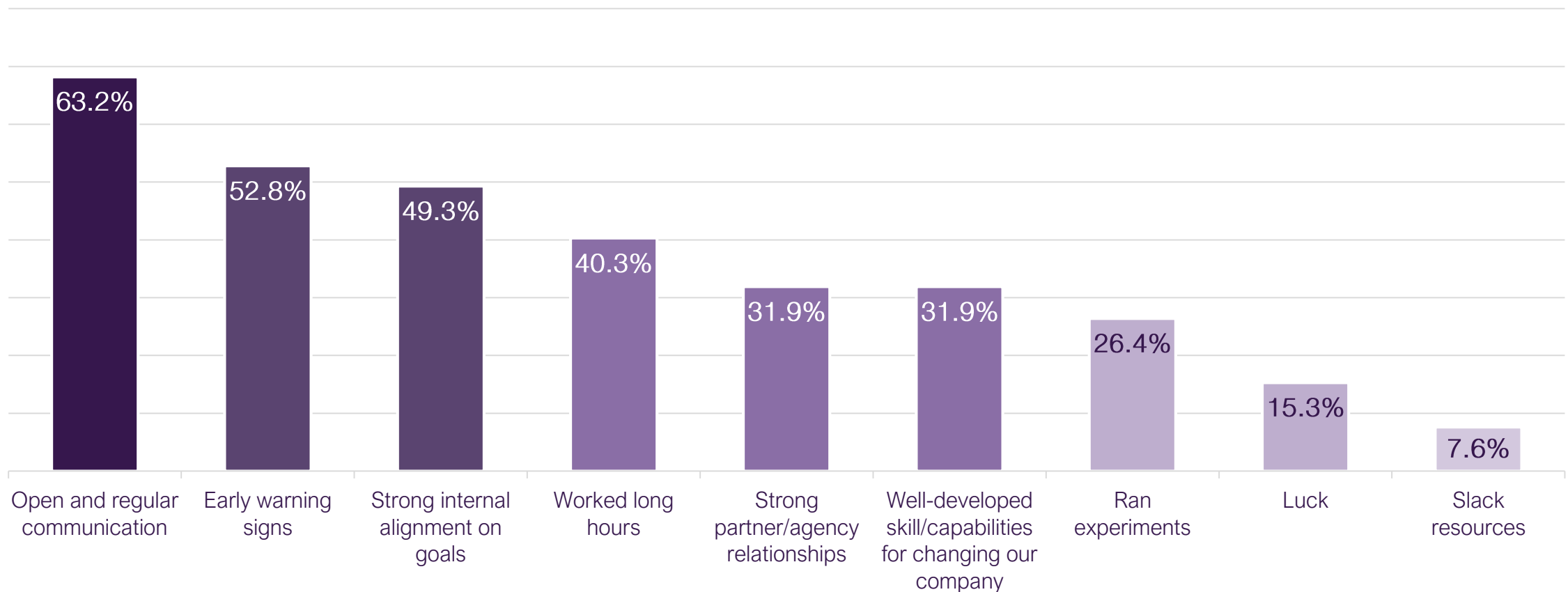
Employees display optimistic and flexible mindset through challenge

Consider the mindset of people in your company as you worked through this challenge. From the pairs of words offered below, which one best describes this mindset?



Companies identify communication, early warning signs, and internal goal alignment as keys to coping with marketplace challenges

How did the following help your company cope with this challenge? (check all that apply)



Financial and human resources rank most important to coping with challenge

Which resources were most important to your company's ability to cope with this challenge? (rank 1, 2, 3, where 1 is most important): Average rank reported





Marketing Jobs

Marketing organizations grew headcount by 5.3% in Fall 2024, rebounding from an earlier dip of 3.9% growth, notched in Spring 2024. B2B Services companies grew the most (7.6%), followed by B2C Product companies (5.3%). Across industries, Education (25.3%), Banking / Finance / Insurance (14.8%), and Healthcare organizations (9.8%) achieved the most growth, while Mining / Construction (-20%), Retail / Wholesale (-5.8%), and Communications / Media (-4.9%) all shrank.

Marketers predict their organizations will grow by 4.0% next year, down 0.4% from Spring 2024 predictions. Fewer marketers are working from home all of the time, decreasing from 48.7% in the Fall 2022 to 37.8% in this survey. Marketers are working from home some of the time (55.6%), down from 57.3% in Spring 2024.

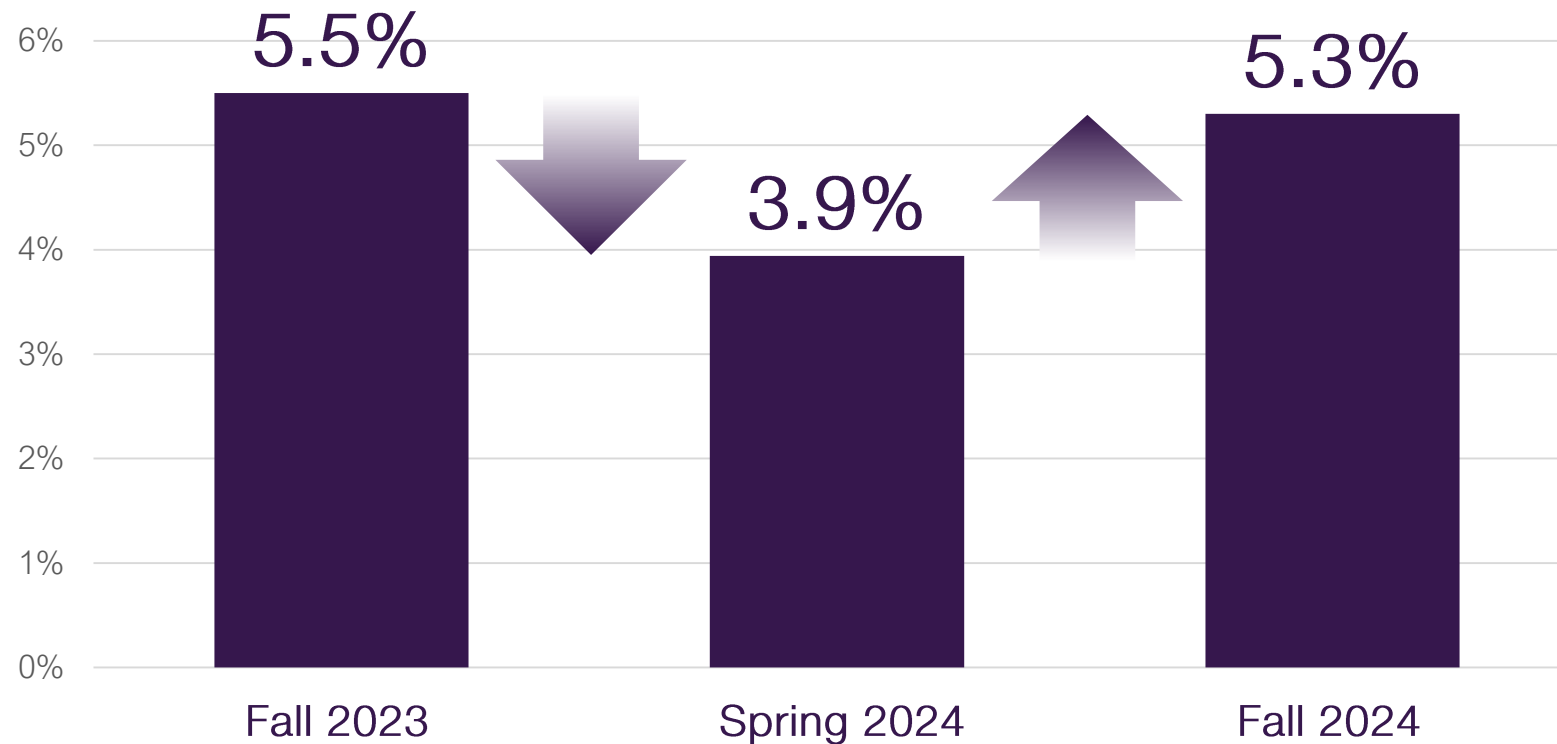
Marketers view new technologies as enhancing employees' capabilities rather than replacing them: rating attrition risks as only a 1.8 on a scale of 1= not at all and 7 = a great deal. However, they predict these concerns will grow to 2.9 over the next three years. Looking out three years, marketers at B2B Products (3.1) and B2C Services (3.1) and Transportation (4.2), Tech / Software / Platform (3.7), and Real Estate (3.6) raise the greatest concerns about these risks.

Marketers spend 3.8% of their budgets on DEI initiatives, up from 2.5 in 2022. Despite this, the composition of their organization remains little changed, with women representing 60.6% of all staff, non-white persons 23.7%, LGBTQ+ 8.4%, and disabled individuals 1.5%.

Marketing organization size experiences a rebound after a dip in organizational growth in Spring 2024

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

Firm and industry
breakouts on next slide

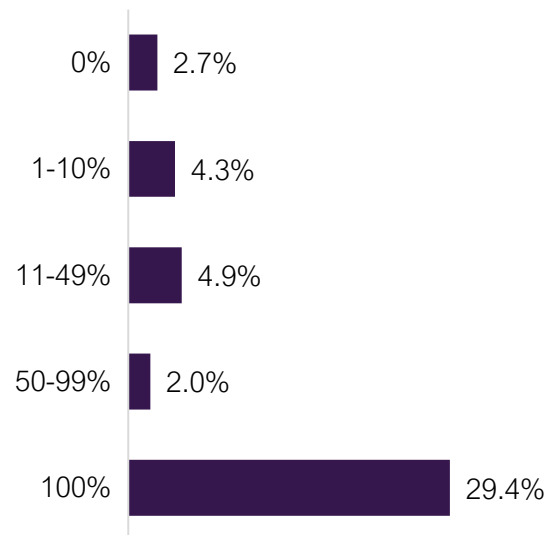


Services companies grow their marketing organizations the most in last year, especially Education, Financial Services, and Healthcare

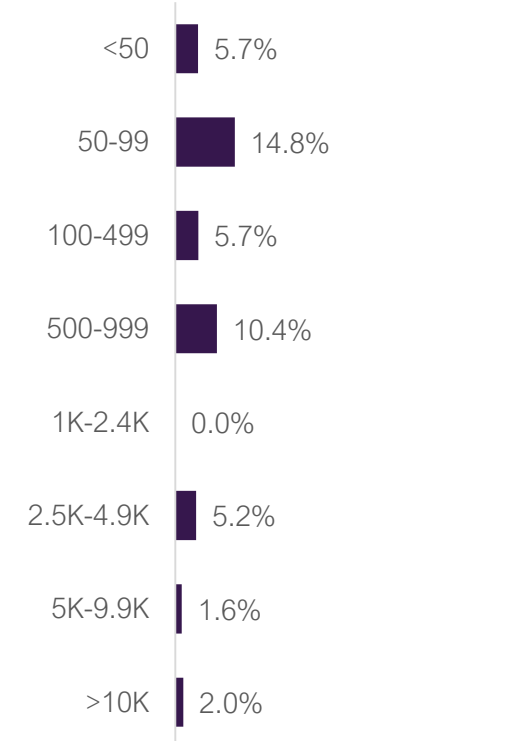
By what percent has the size of your marketing organization grown or shrunk over the last year?

5.3% growth in size of marketing organizations

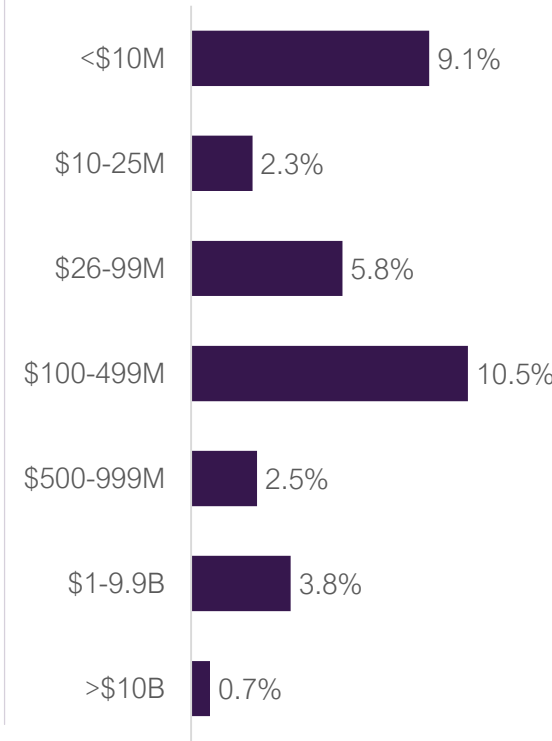
Online Sales



Employees



Revenues



Economic Sector

B2B Product	4.1%
B2B Services	7.6%
B2C Product	5.3%
B2C Services	1.9%



Industry Sector

Largest Growth

- Education (25.3%)
- Banking / Finance / Insurance (14.8%)
- Healthcare (9.8%)

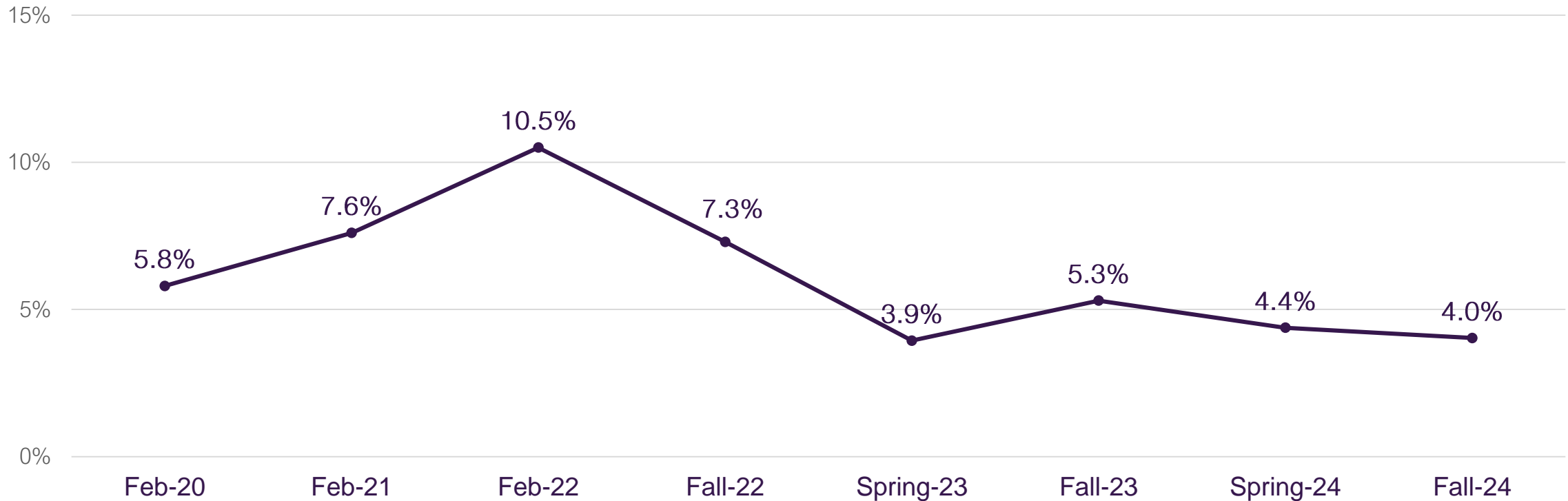
Largest Shrinkage

- Mining / Construction (-20.0%)
- Retail / Wholesale (-5.8%)
- Communications / Media (-4.9%)

Marketing hires predicted to grow by 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

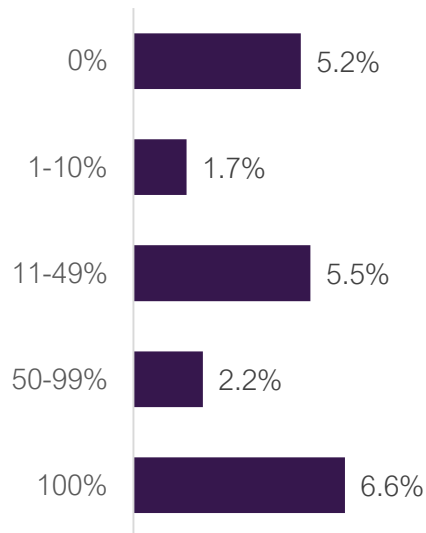


Medium-sized companies and product companies—particularly companies in Manufacturing and Consumer Packaged Goods—predicted to grow more in next year

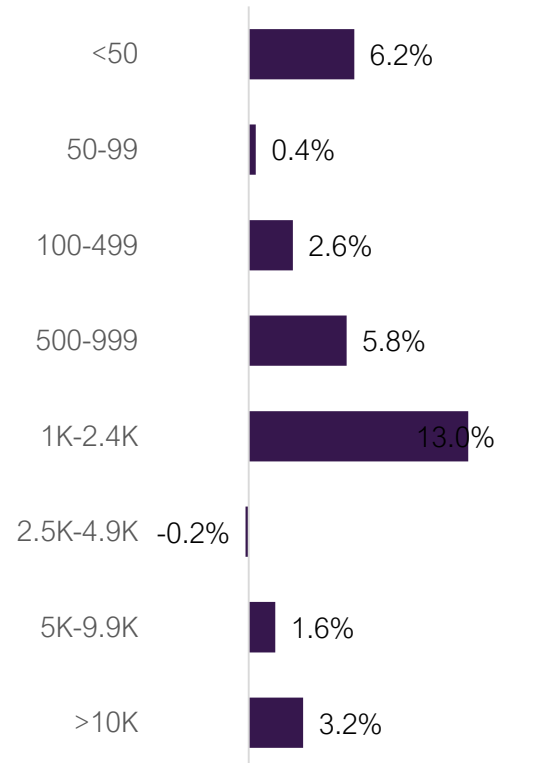
Compared to the number of marketing hires last year, by what percentage will your company's marketing hires change in the next year?

4% predicted growth in marketing hires next year

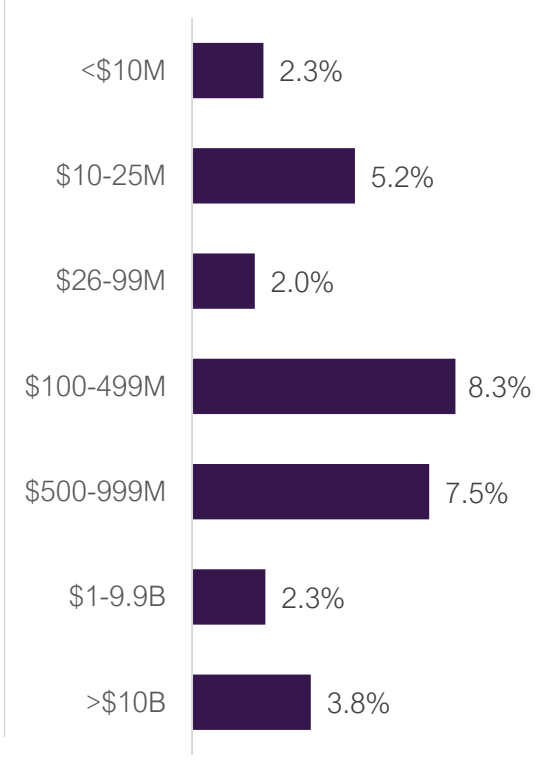
Online Sales



Employees



Revenues



Economic Sector

B2B Product	5.6%
B2B Services	1.7%
B2C Product	6.1%
B2C Services	1.3%



Industry Sector

Largest Growth

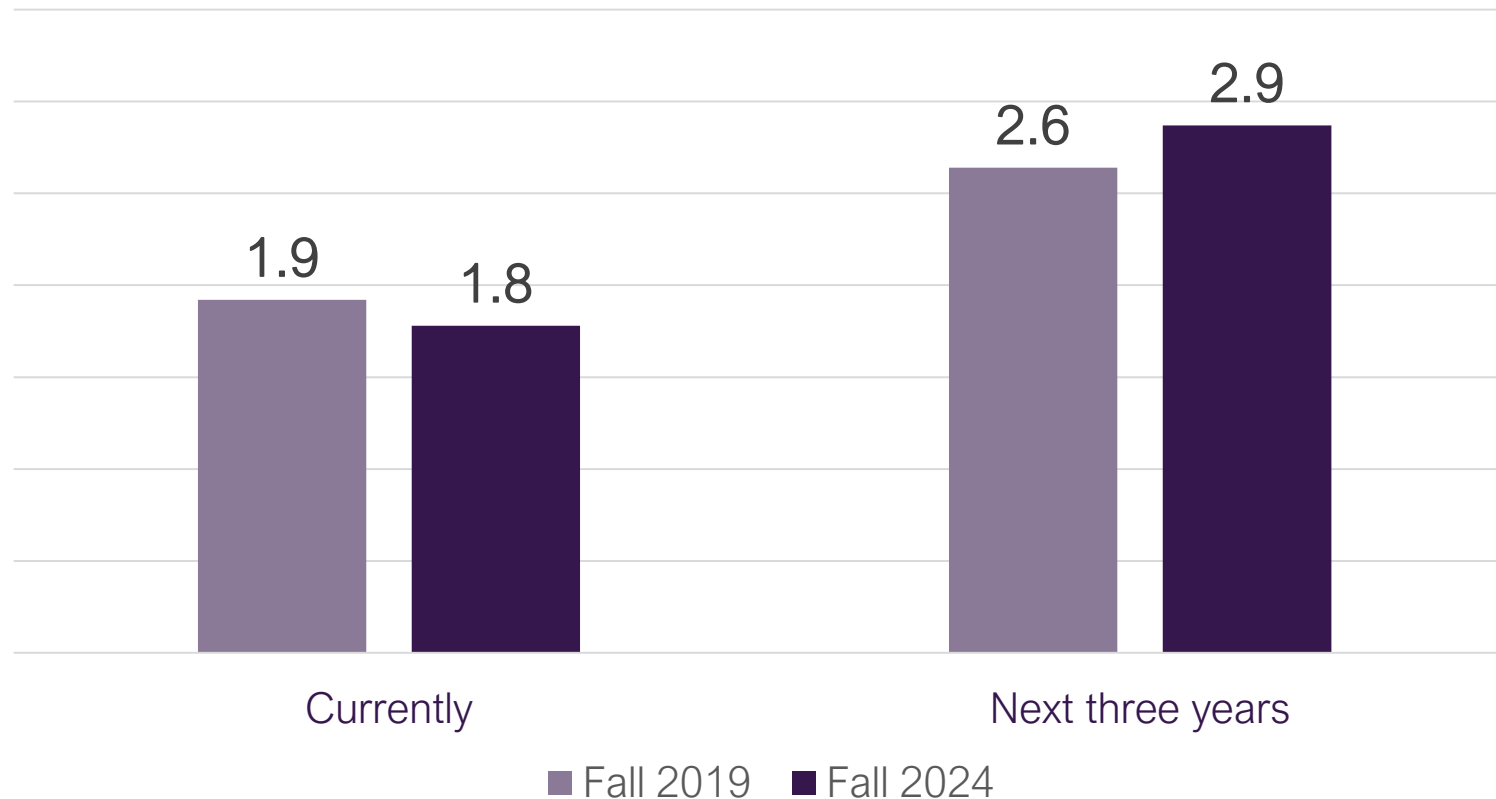
- Manufacturing (9.0%)
- Consumer Packaged Goods (8.6%)
- Energy (6.7%)

Smallest Growth and Shrinkage

- Mining / Construction (-2.5%)
- Communications / Media (-1.4%)
- Professional Services (0.4%)

Companies no more concerned about new technologies replacing marketing employees in the short-term compared to 5 years ago

To what extent are new technologies replacing marketing employees in your company?
(1 = Not at all, 7 = A great deal)



Firm and industry
breakouts on next slide



Insights

Despite the media hype, marketing leaders are no more concerned about new technologies replacing employees than they were five years ago. Importantly, predictions in 2019 regarding how this threat might increase have also not been met with current levels at 1.8 not reaching predicted levels of 2.6. These predictions do vary by industry sector with Tech / Software / Platform, Real Estate, and Transportation predicting the most replacement in 3 years.

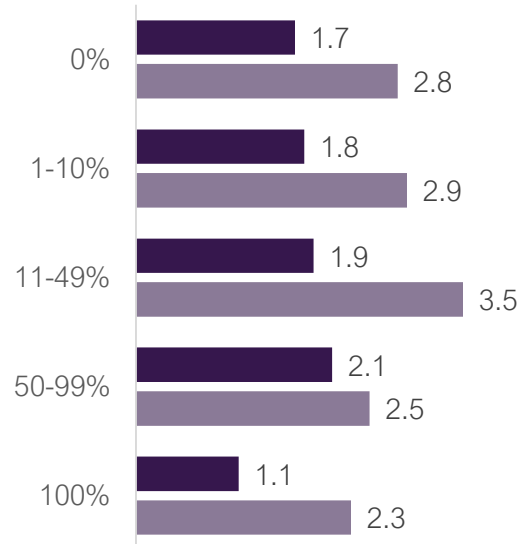
Which companies and industries are more or less concerned with new technologies replacing marketing employees

To what extent are new technologies replacing marketing employees in your company? (1 = Not at all, 7 = A great deal)

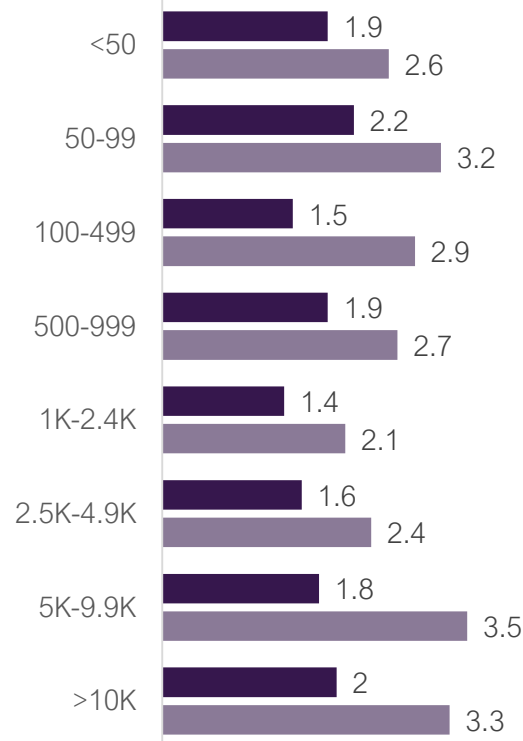
1.8 currently

2.9 in three years

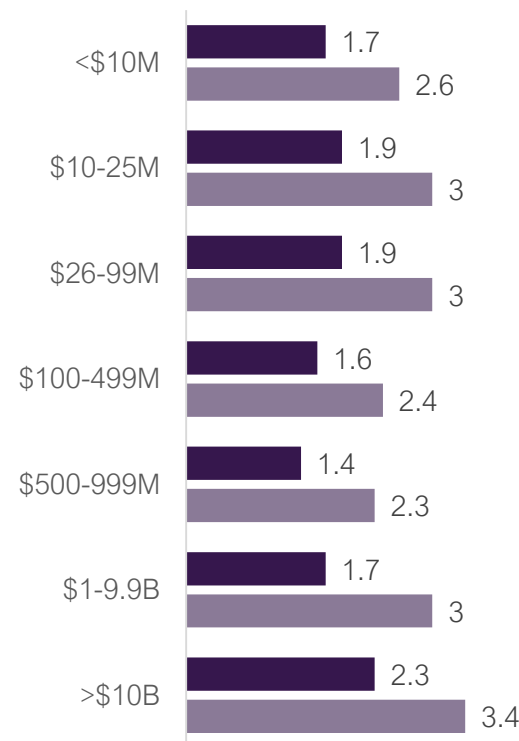
Online Sales



Employees



Revenues



Economic Sector

	Currently	3 Years
B2B Product	2.0	3.1
B2B Services	1.8	2.8
B2C Product	1.7	2.7
B2C Services	1.5	3.1



Industry Sector

Most Concerned (In 3 Years)

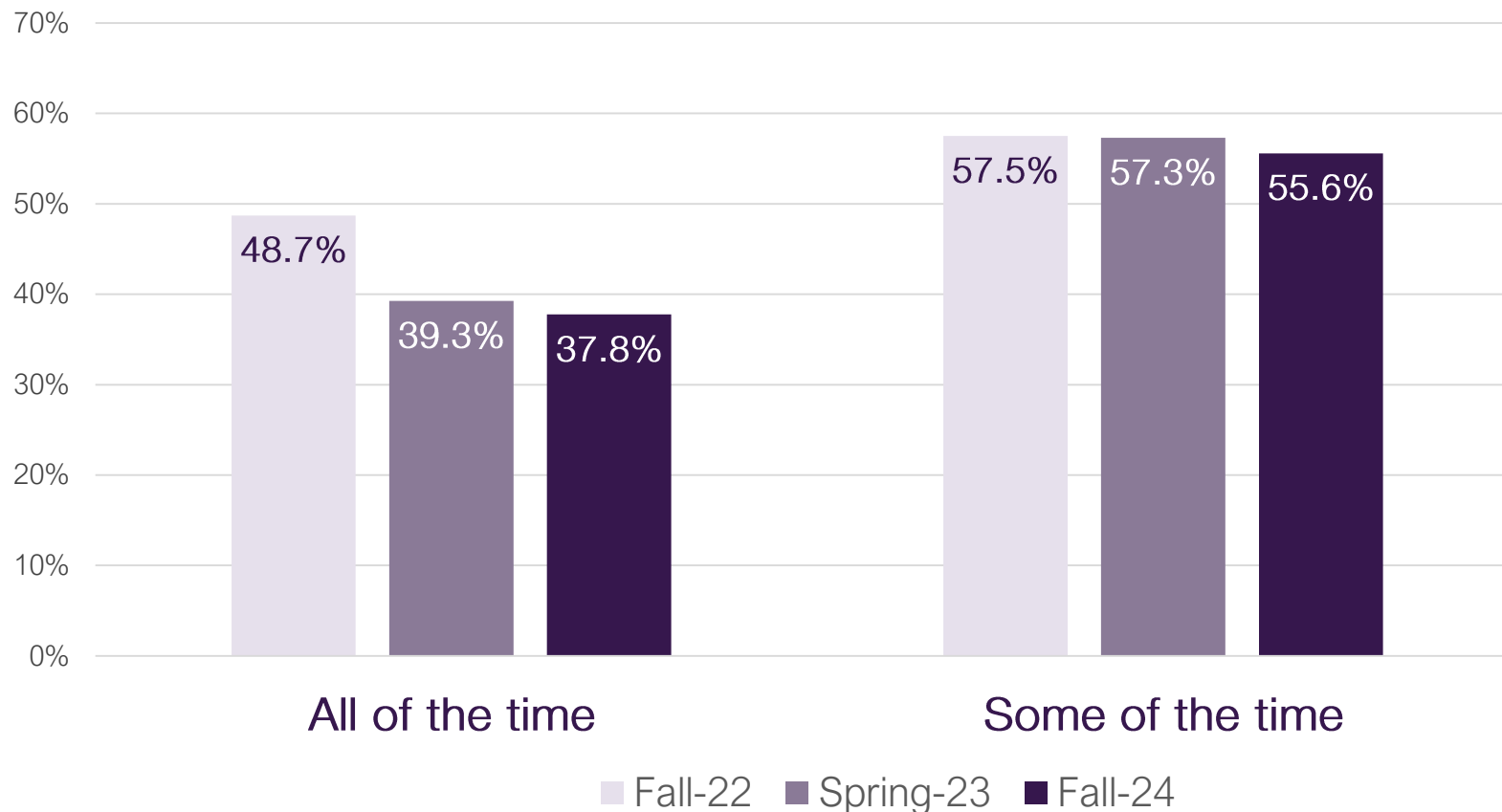
- Transportation (4.2)
- Tech / Software / Platform (3.7)
- Real Estate (3.6)

Least Concerned (In 3 Years)

- Education (1.7)
- Consumer Services (1.8)
- Pharma / Biotech (2.4)

Large portion of marketing organization still works from home, but in decline since Fall 2022

What percent of your marketing organization is working from home?



Economic Sector (all the time)

B2B Product	37.3%
B2B Services	44.3%
B2C Product	33.8%
B2C Services	30.3%

Industry Sector (all the time)

Greatest work from home

- Tech / Software / Platform (68.0%)
- Education (65.0%)
- Professional Services (52.2%)

Least work from home

- Real Estate (4.4%)
- Mining / Construction (10.0%)
- Retail / Wholesale (20.0%)

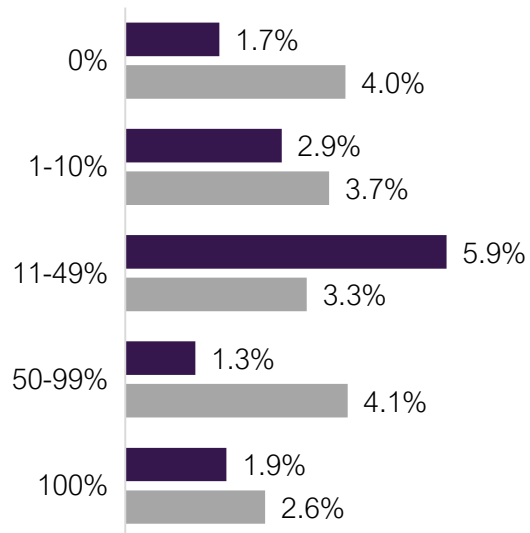
DE&I spending accounts for 3.8% of marketing budgets, up from one year ago, highest levels within large companies

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

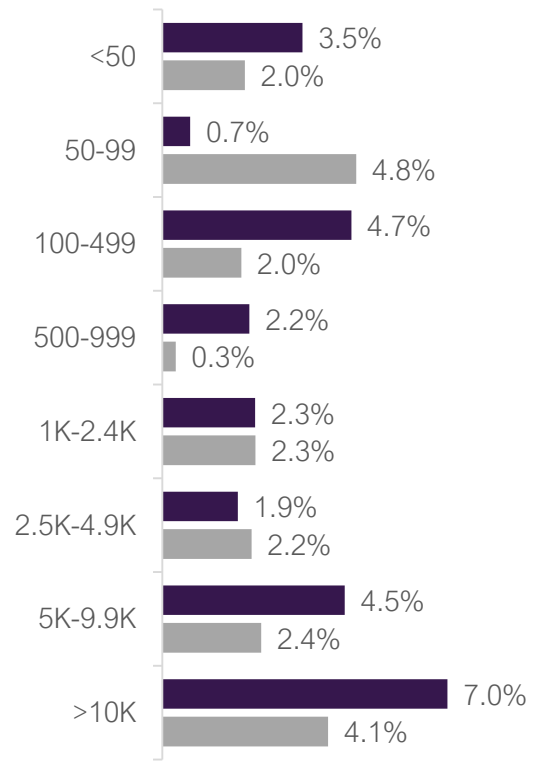
3.8% in Fall 2024

2.5% in Fall 2023

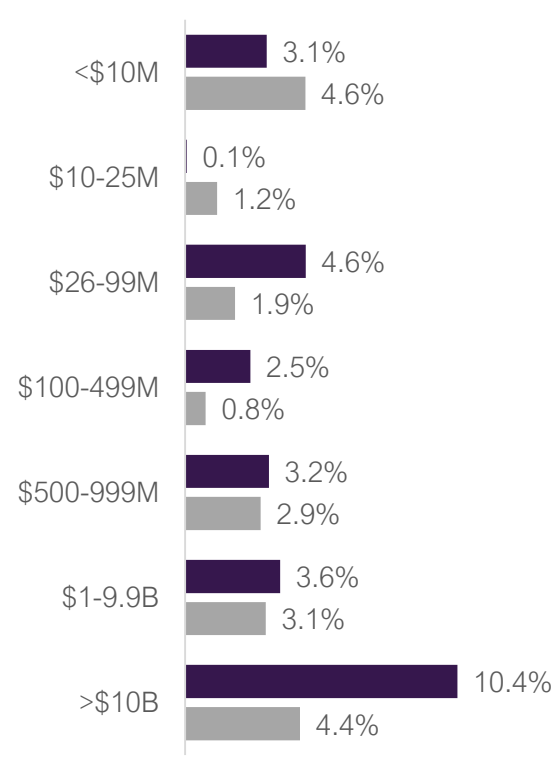
Online Sales



Employees



Revenues



Fall 2024

Fall 2023 Fall 2024

Economic Sector

B2B Product	2.1%
B2B Services	6.1%
B2C Product	4.0%
B2C Services	1.2%

Industry Sector

Greatest Spend (as % of budget)

- Real Estate (19.3%)
- Banking / Finance / Insurance (6.2%)
- Education (5.0%)

Least Spend (as % of budget)

- Mining / Construction (0.0%)
- Pharma / Biotech (1.1%)
- Communications / Media (1.1%)

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

How diverse is your marketing organization?



Women
60.6%

+1.5% over 2023



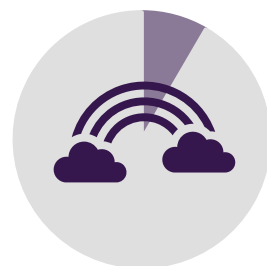
Non-white
23.7%

+3.9% over 2023



Disabled
1.5%

-0.7% over 2023



LGBTQ+
8.4%

no data for 2023



Industry Sector

Top 3 Sectors (% Female)

- Mining / Construction (95.0%)
- Consumer Packaged Goods (72.2%)
- Consumer Services (71.6%)

Top 3 Sectors (% Non-White)

- Professional Services (37.2%)
- Pharma / Biotech (27.9%)
- Banking / Finance / Insurance (27.2%)

Top 3 Sectors (% Disabled)

- Real Estate (6.7%)
- Manufacturing (2.3%)
- Communications / Media (3.0%)

Top 3 Sectors (% LGBTQ+)

- Communications / Media (15.8%)
- Banking / Finance / Insurance (15.6%)
- Consumer Services (14.5%)



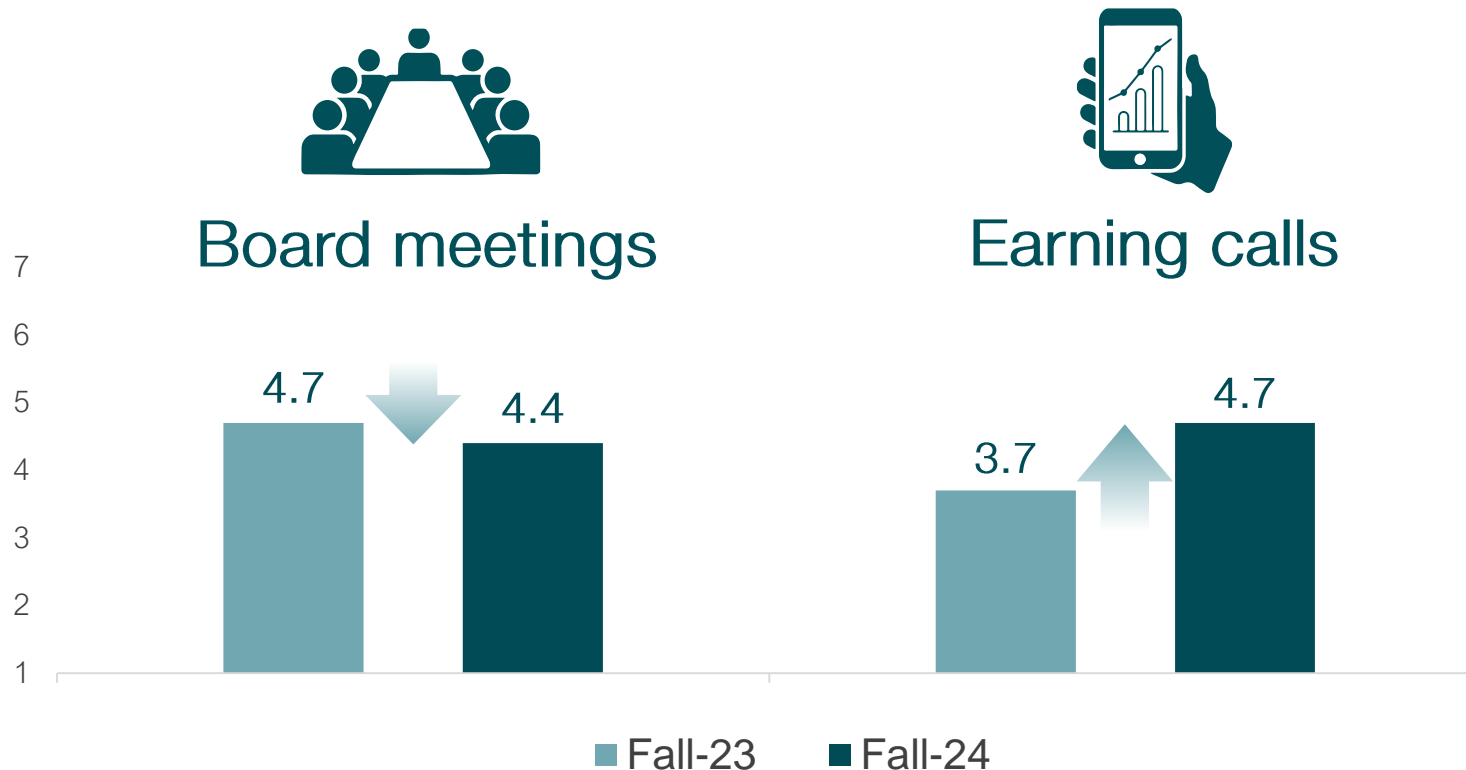
Marketing Leadership

Marketers are more likely to be asked by the CEO or CFO to participate in earnings calls (mean of 4.7) than board meetings (4.4), on a scale of 1 = never and 7 = all the time. Earnings call involvement increased from 3.7 a year ago, while board meeting involvement shows little change.

Marketers are more transparent about data collection (5.6) and usage (5.4) practices, rated on a scale of 1 = not at all and 7 = very highly, with this information outpacing communications on partnerships, business practices, and employee welfare. The biggest increases in transparent reporting over the last three years have occurred in environmental impact, partnerships, and how a company makes money.

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

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)

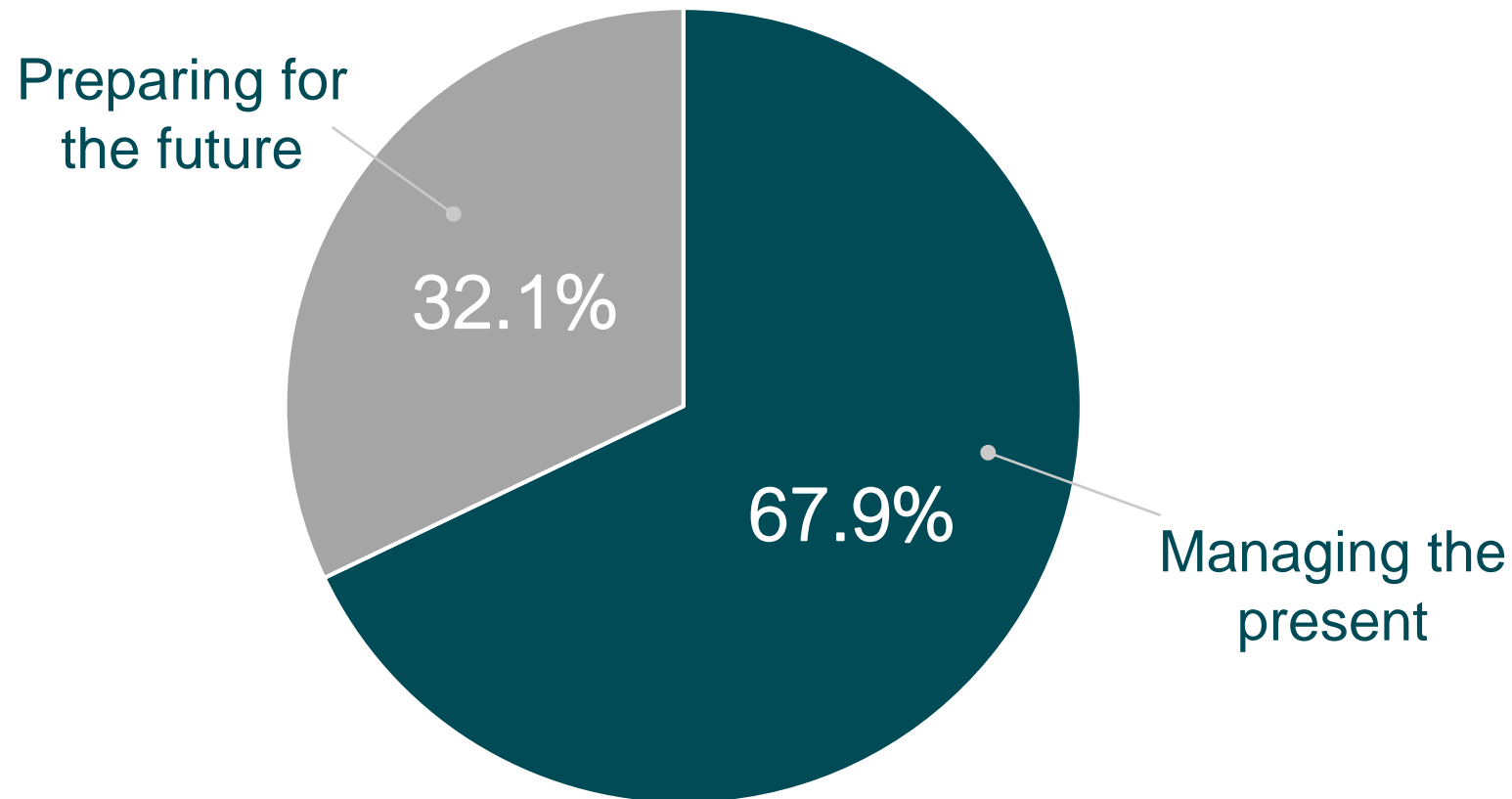


Insights

Though marketing leaders are participating slightly less in board meetings, there has been a significant jump in the likelihood of marketing leaders being asked to participate in earnings calls over the last year. The economic sectors in which marketers are most likely to be asked to participate in earnings calls are B2C Services (mean = 6). The industry sectors are Consumer Packaged Goods (mean = 7), Transportation (mean = 7), and Communications / Media (mean = 6.5). In general, marketers are more likely to be asked in small companies than larger companies.

Companies continue to prioritize managing the present over preparing for the future

How much time do you spend managing the present versus preparing for the future of marketing in your company?

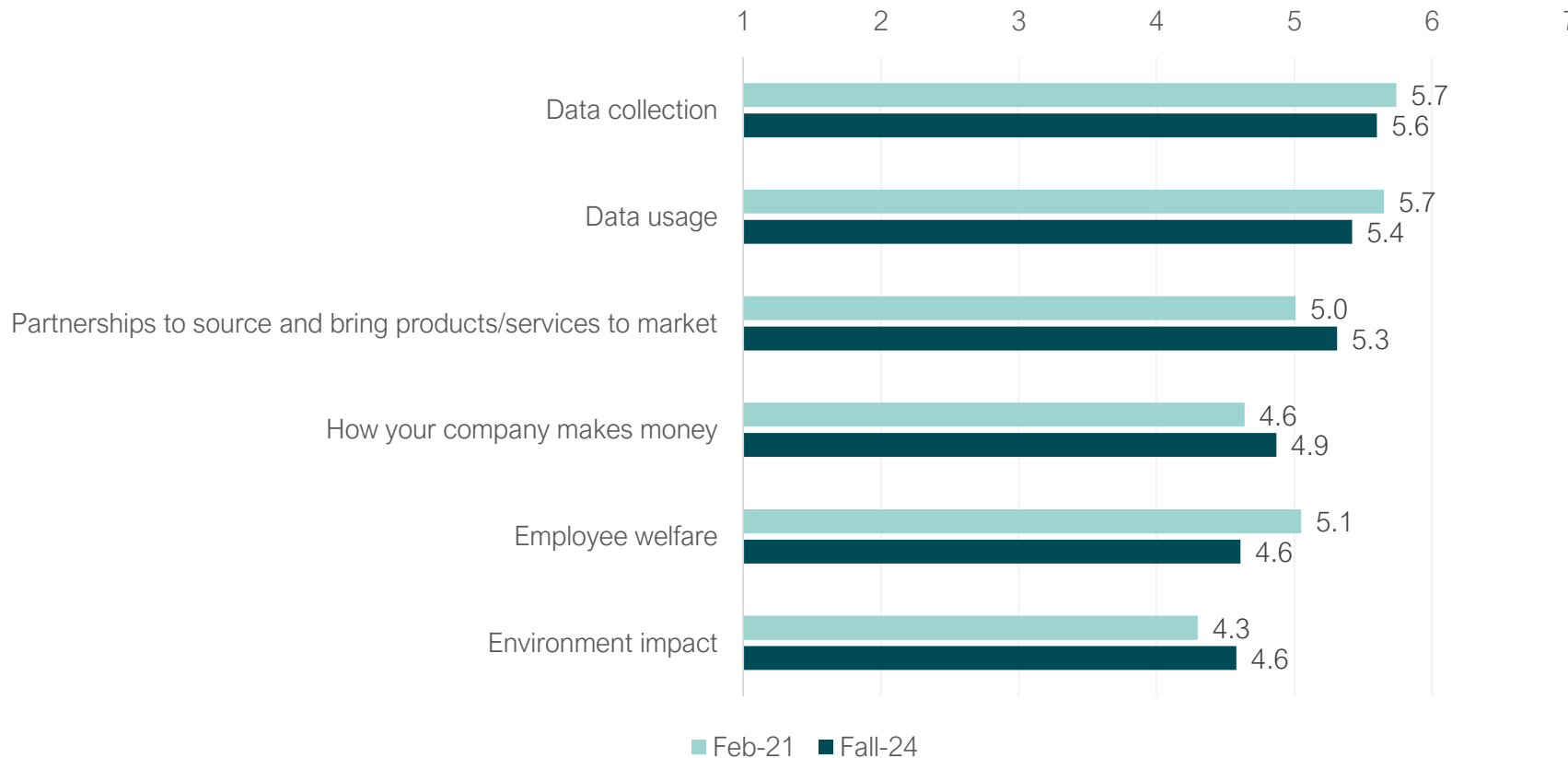


Insights

Most marketers are more focused on “managing the present” (67.9%) versus “preparing for the future” (32.1%), which has stayed consistent for the last four years. There are exceptions to this rule, with the top three industries most focused on preparing for the future, are Banking / Finance / Insurance (40.3%), Transportation (40.0%), and Education (39.3%). On the other hand, industries such as Consumer Services (81.0%) and Mining / Construction (77.5%) are heavily focused on managing the present. Companies with 100% online sales also tend to spend more time preparing for the future (38.8%) versus brick-and-mortar companies (31.3%).

Data collection and usage lead quest for customer transparency

Rate the extent to which you believe your company is transparent with customers about the following topics. (1=not at all, 7=very highly, mean rating reported)



Insights

There have been increases in ratings of transparency across over half of the topics measured from February 2021 to Fall 2024. The most significant change was regarding employee welfare, for which the average rating decreased by 11%. Within economic sectors, data collection transparency was highest among B2C Services companies with an average rating of 6.2. Data collection transparency was lower in companies doing 50% or more of their sales online (5.1) compared to companies doing 0-49% of sales online (5.6). Environmental impact transparency was highest among B2B Services (4.8) and lowest among B2C Services (4.0).



Marketing Growth

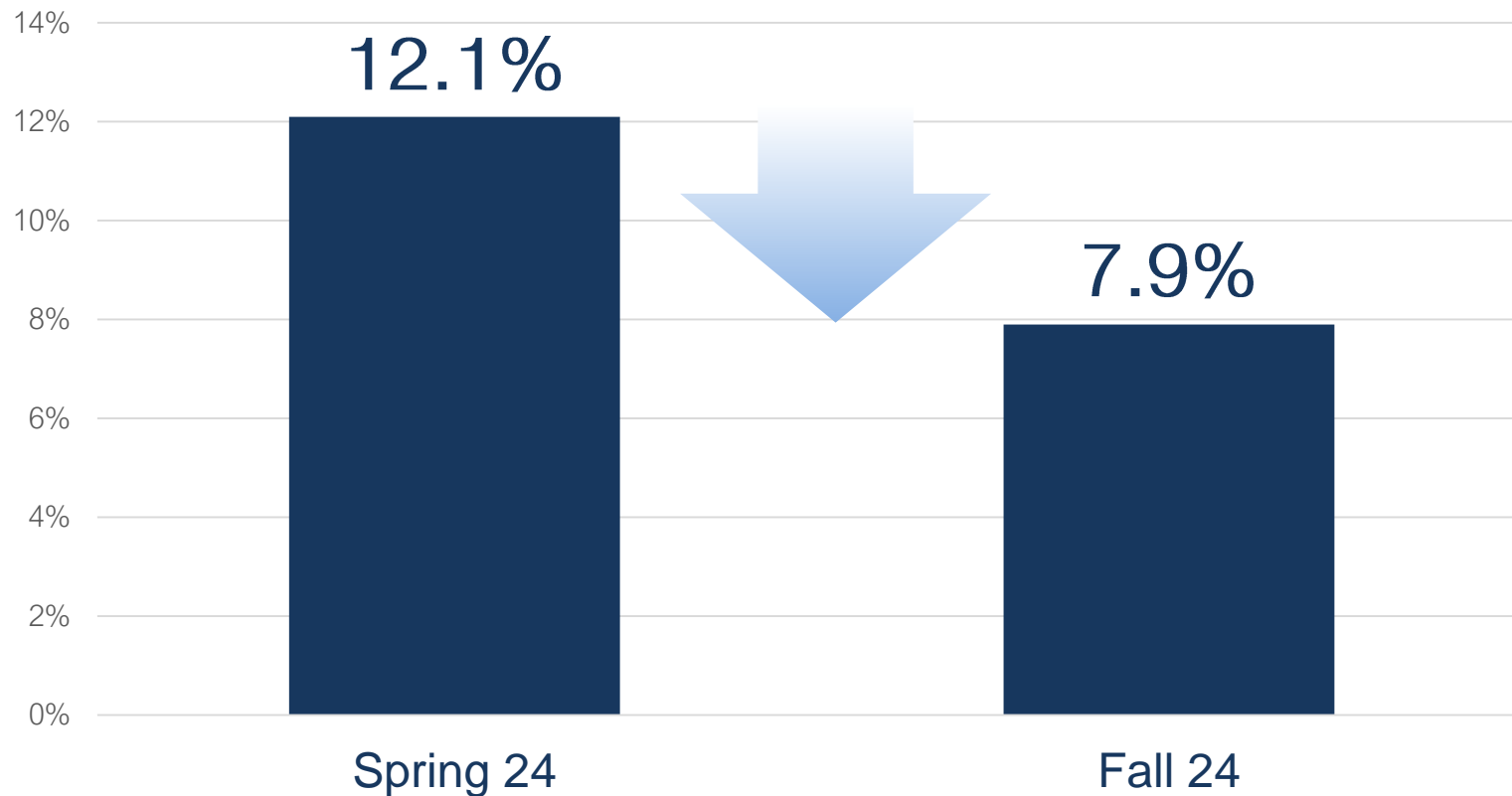
Marketers are experiencing slowing revenue growth. Respondents say their largest market grew at 7.9% in Fall 2024, down from 12.1% in Spring 2024. B2B Product (10.2%) and B2B Services (8.5%) companies were more resilient, while B2C Product companies (6.7%) and B2C Services companies (3.2%) experienced slowdowns.

Drilling down, marketers increasingly use channel partners to drive sales (cited by 61.5%, up from 58.6% in Spring 2024). Channel partner use was strongest with B2C Product companies (68%), Pharma / Biotech firms (76.0%), Healthcare (75.0%), and Banking / Finance / Insurance (70.8%).

Corporate growth strategies largely held steady across four key areas: market penetration (57.4% of growth spending), product/service development (19.2%), market development (17.0%), and diversification (6.4%). Product/service development was the top strategy cited by B2B Product companies (22.8%) and Mining / Construction (45%), Transportation (28.7%), and Healthcare (24.1%). Market development was the leading choice of B2B Services (19.8%), Communications / Media (30.0%), Retail / Wholesale (26.1%), and Banking / Finance / Insurance (22.3%) firms.

Shifting market dynamics: Revenue growth slows from Spring to Fall 2024

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



Fall 2024

Economic Sector

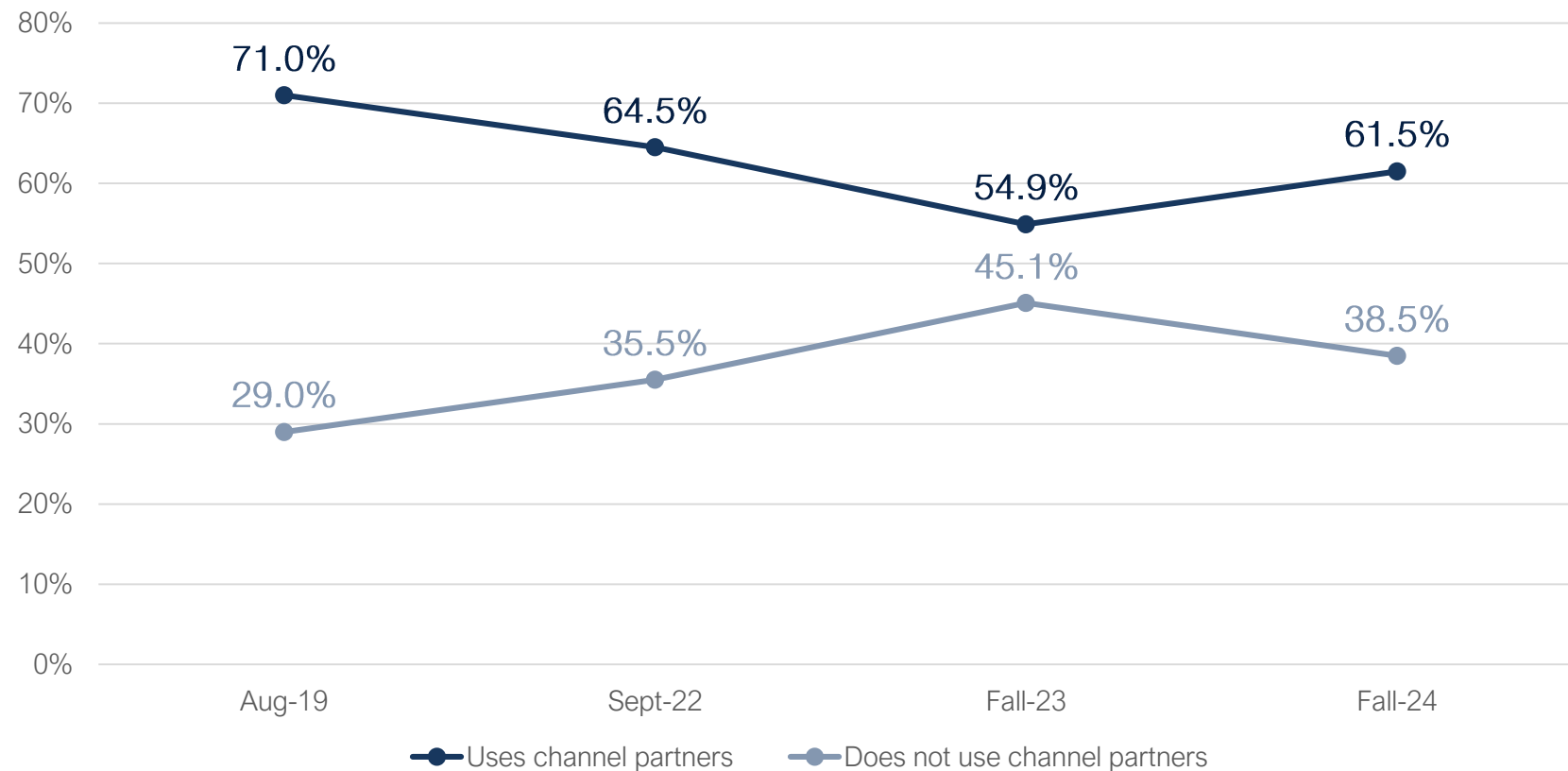
B2B Product	10.2%
B2B Services	8.5%
B2C Product	6.7%
B2C Services	3.2%

Insights

Brick-and-mortar companies demonstrated a higher overall average revenue growth (13.9%) compared to companies with 100% online sales (-0.6%). Among industry sectors, Biotech/Pharma showed the strongest growth (19%), followed by Banking / Finance / Insurance (18.3%) and Tech / Software / Platform (17.5%). Industries showing the weakest growth are Media (-8.8%), Transportation (-7.5%), and Mining / Construction (-7.0%). Smaller companies, as measured by revenues and employees, have, on average, higher revenue growth in markets.

Use of channel partners regains momentum after two years of decline

Will you use a channel or go to market directly?



Economic Sector

	Channel	No channel
B2B Product	61.5%	38.5%
B2B Services	50.7%	49.3%
B2C Product	68.8%	31.2%
B2C Services	67.7%	32.3%



Industry Sector

Uses channel partners

- Pharma / Biotech (76.0%)
- Healthcare (75.0%)
- Banking / Finance / Insurance (70.8%)

Does not use channel partners

- Real Estate (71.4%)
- Education (71.4%)
- Transportation (62.5%)

Companies' growth strategy spending holds over time: Market penetration continues to dominate

Allocate 100 points to reflect your company's spending in each of the four growth strategies during the prior 12 months.

	Spring 23	Fall 24
1. Market Penetration Existing products/services into existing markets	57.7%	57.4%
2. Product/Service Development New products/services into existing markets	19.6%	19.2%
3. Market Development Existing products/services into new markets	16.3%	17.0%
4. Diversification New products/services into new markets	6.5%	6.4%

Economic Sector

	% Product/Service Development	% Market Development
B2B Product	22.8%	15.4%
B2B Services	19.3%	19.8%
B2C Product	15.6%	16.8%
B2C Services	17.1%	14.0%

Industry Sector

Highest product/service development

- Mining / Construction (45%)
- Transportation (28.8%)
- Healthcare (24.1%)

Highest market development

- Communications / Media (30%)
- Retail / Wholesale (26.1%)
- Banking / Finance / Insurance (22.3%)



Marketing Performance

Corporate sales growth (8.8%) and profits (7.4%) are weakening compared to Spring 2024 (10.3% and 8.3%, respectively). B2B Product companies report the strongest profit (14.0%), and sales revenues (14.1%), while the top sectors are Tech / Software / Platform (18.0%) for profit and Communications / Media for sales revenue (18.5%).

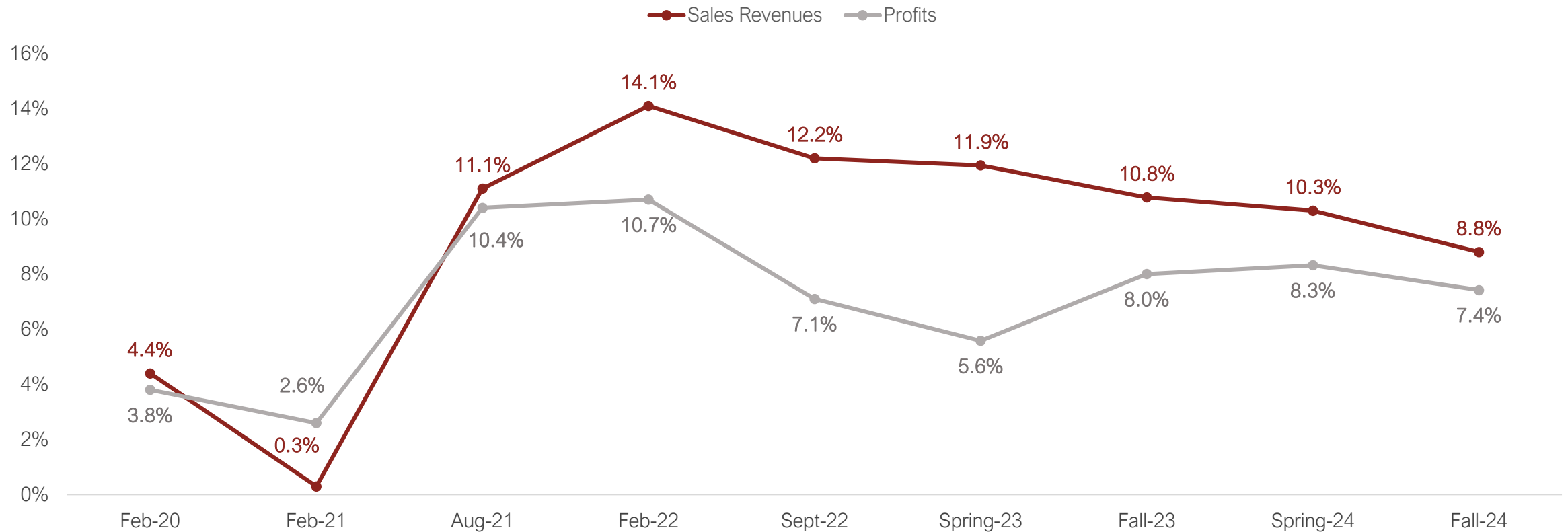
Customer retention is slowly increasing, reaching 10.5% growth (compared to 9.9% in Spring 2024), while brand value (8.9% growth compared to 9.5% in Spring 2024) and customer acquisition are weakening (7.0% growth, compared to 8.1% in Spring 2024).

B2B Services companies lead in customer acquisition (10.1%) and customer retention (17.2%), while B2B Product companies lead performance on brand value (15.2%). The top sector for customer retention was Manufacturing (24.4%); customer acquisition, Communications / Media (18.0%); and brand value, Manufacturing (15.3%). Smaller firms (under <\$10M) and those making \$100M-499M notched double-digit revenue growth, while firms of other revenue sizes hovered in the single digits.

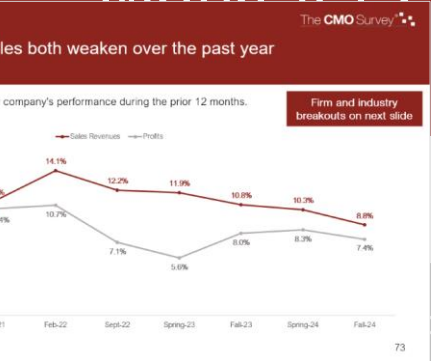
Company profits and sales both weaken over the past year

Compared to last year (2023), rate your company's performance during the prior 12 months.

Firm and industry
breakouts on next slide



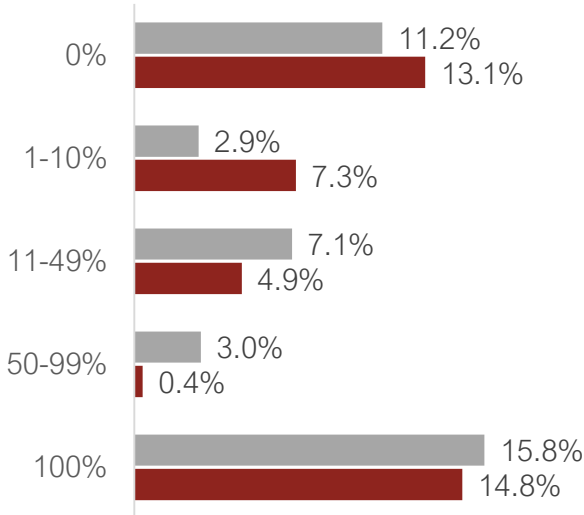
Marketers report sales revenue performance more than profit performance



year (2023), rate your company's performance during the prior 12 months.

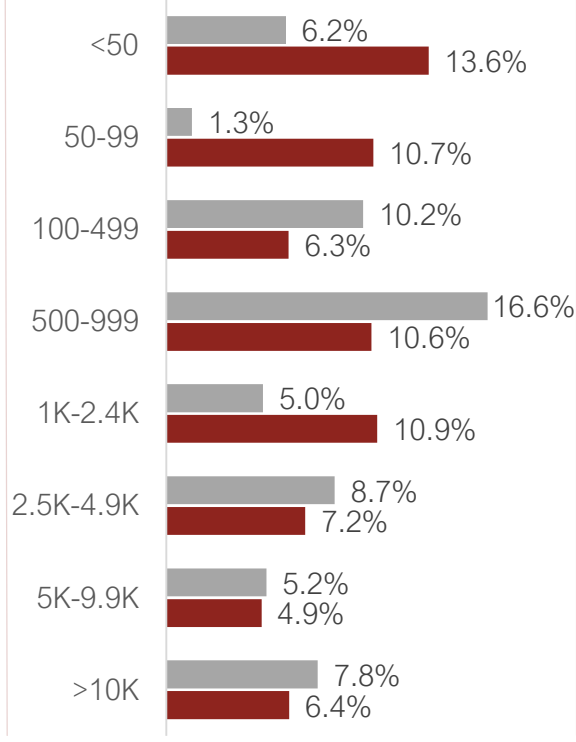
8.8% change in sales revenue

Online Sales

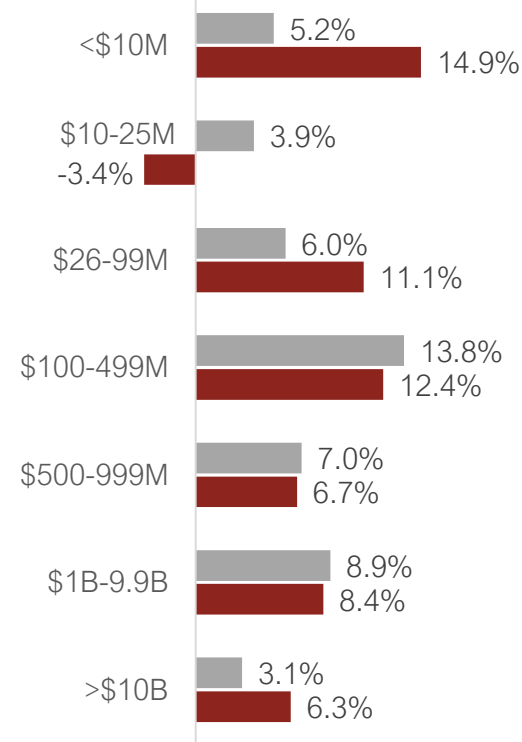


Fall 2024

Employees



Revenues



■ % Change in Profit ■ % Change in Sales Revenue



Economic Sector

	Profit	Sales Rev
B2B Product	14.0%	14.1%
B2B Services	1.8%	7.3%
B2C Product	6.0%	5.4%
B2C Services	9.3%	7.6%



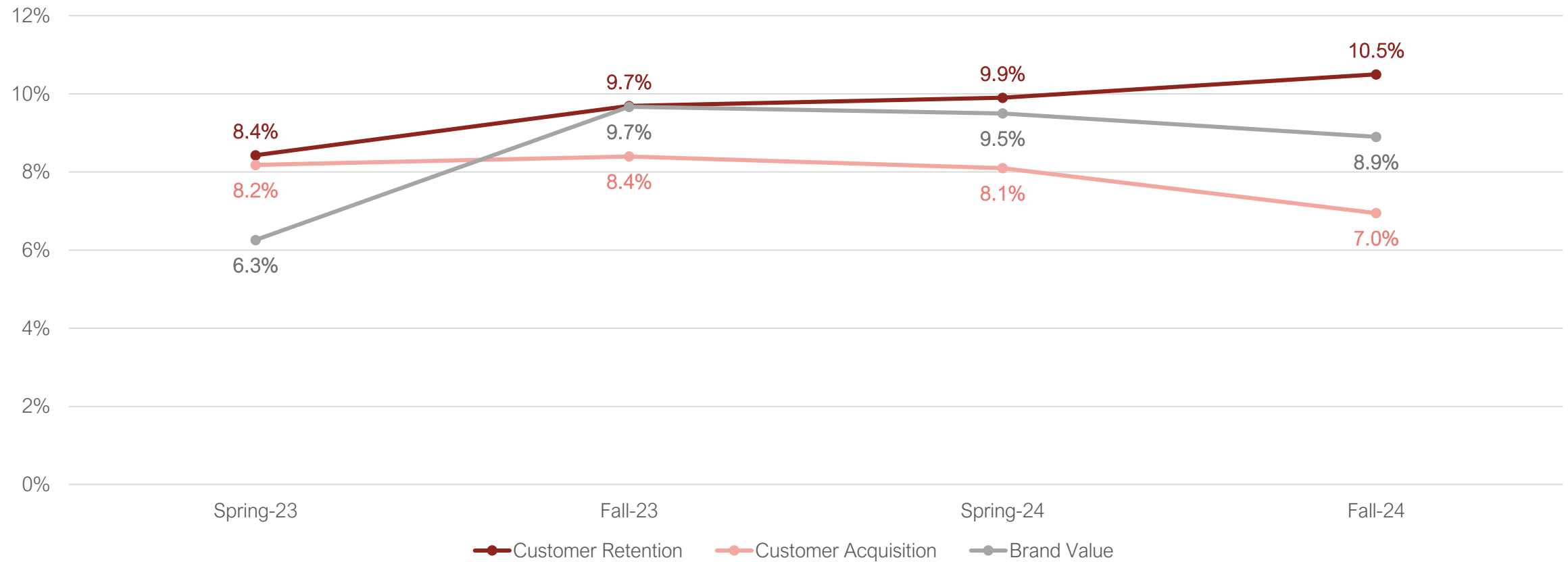
Industry Sector

	Profit	Sales Rev
Top Sectors	Tech / Software / Platform (18.0%)	Communications /Media (18.5%)
Bottom Sectors	Transportation (-6.75%)	Mining/ Construction (-10.0%)

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

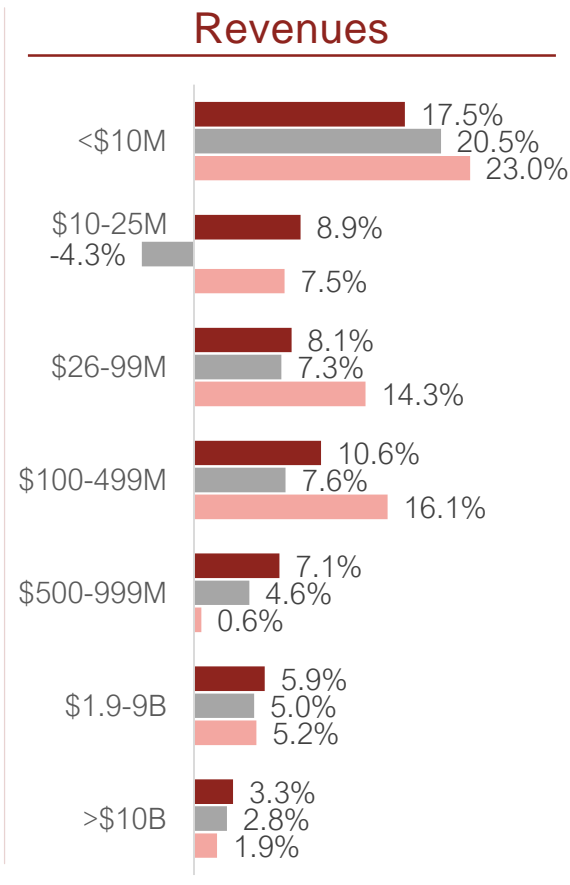
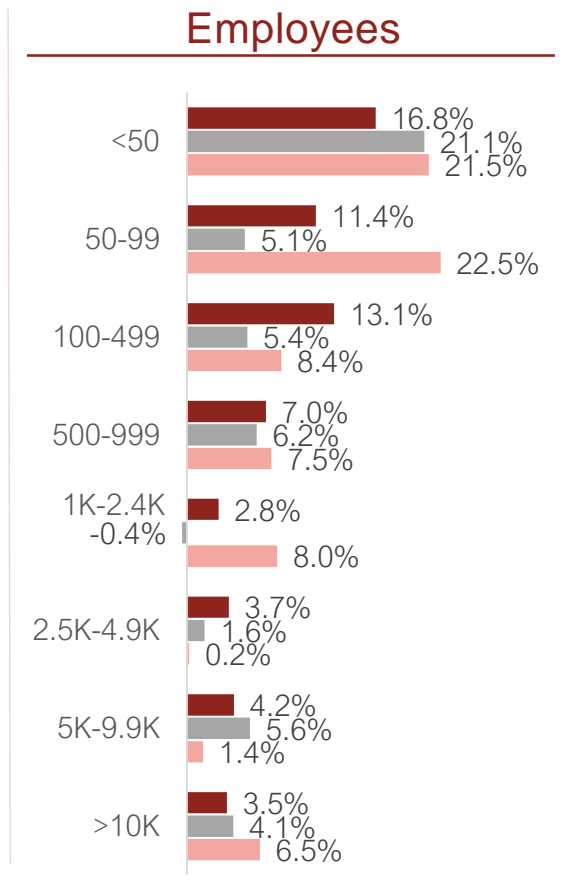
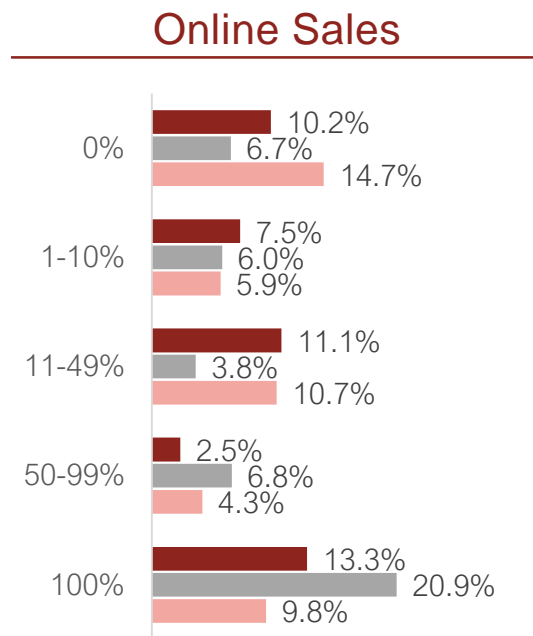
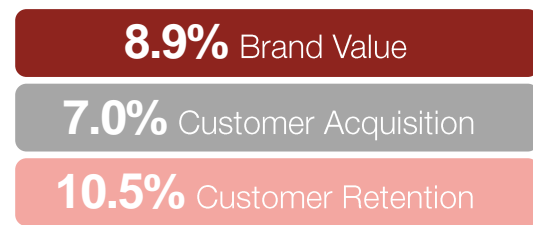
Compared to last year (2023), rate your company's performance during the prior 12 months.

Firm and industry breakouts on next slide



B2C companies exhibit weakest performance on customer and brand metrics while smaller companies tend to show strongest performance

Compared to last year (2023), rate your company's performance during the prior 12 months.



Economic Sector

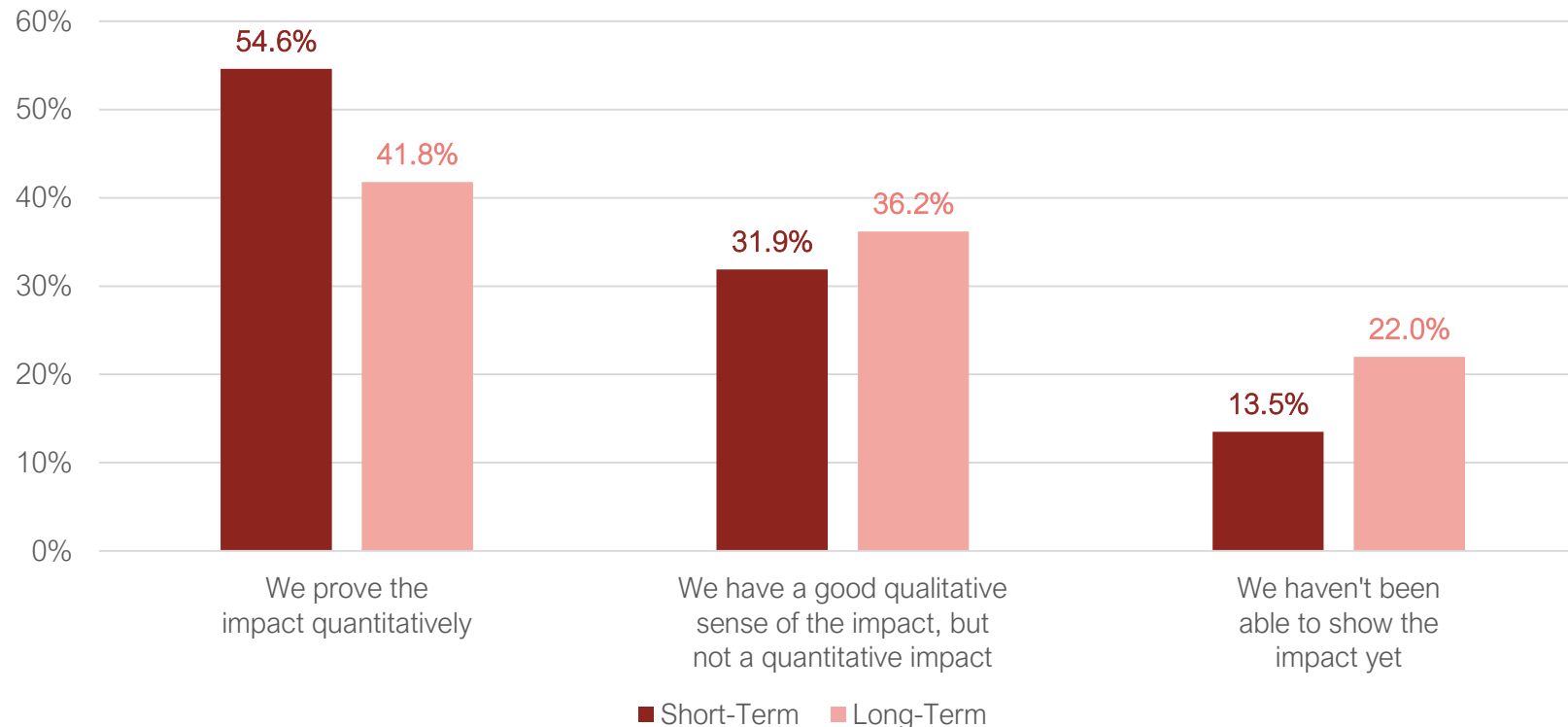
	Customer Retention	Customer Acquisition	Brand Value
B2B Product	13.9%	7.0%	15.2%
B2B Services	17.2%	10.1%	8.2%
B2C Product	3.0%	6.5%	3.4%
B2C Services	1.2%	4.9%	7.9%

Industry Sector

	Customer Retention	Customer Acquisition	Brand Value
Top Sector	Manufacturing (24.4%)	Communications / Media (18.0%)	Manufacturing (15.3%)
Bottom Sector	Mining / Construction (-2.5%)	Consumer Services (-1.3%)	Mining / Construction (0.0%)

Short-term impact of marketing spend tends to be proven quantitatively, while long-term impact is more balanced between quantitative and qualitative proof

Which best describes how your company shows the short-term and long-term impact of marketing spend on your business?



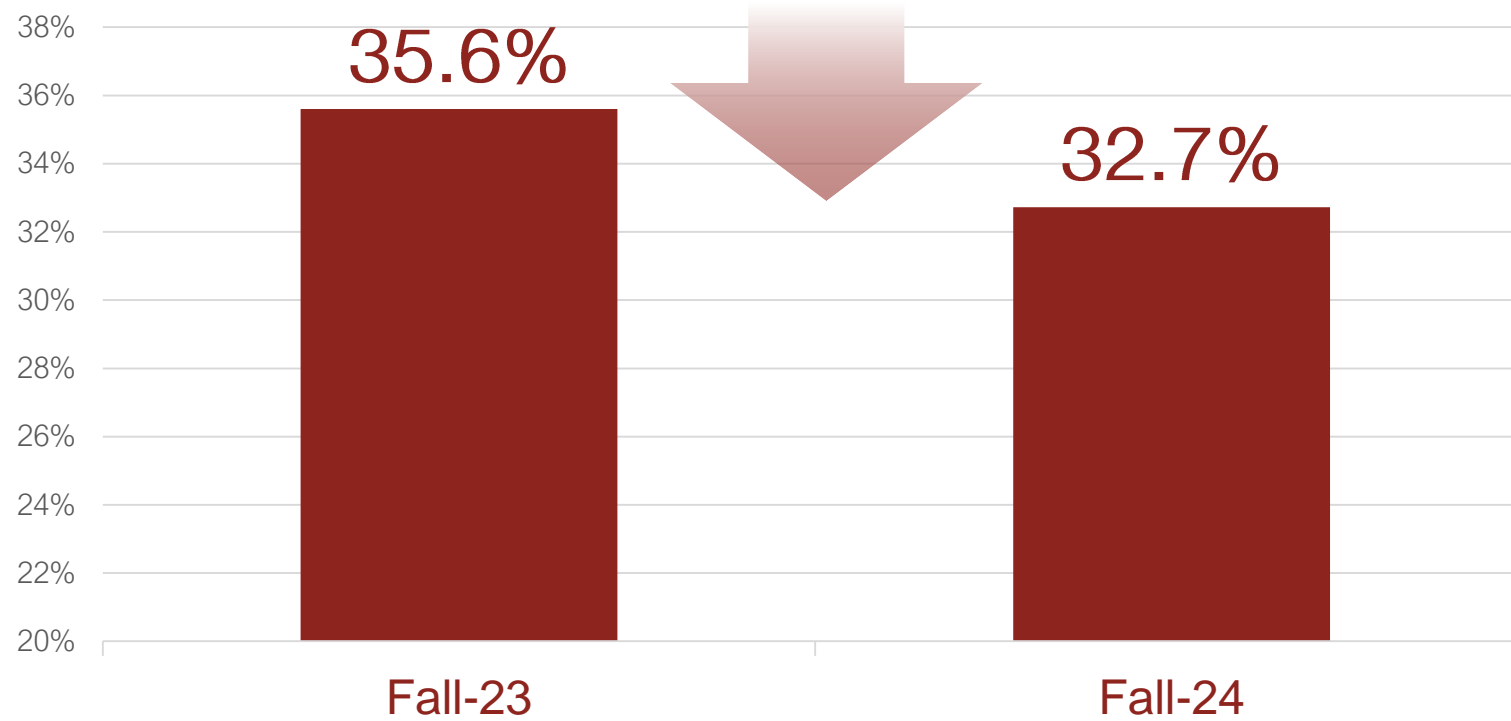
Insights


Short-term impact of marketing focused heavily on quantitative proof, driven by B2C companies—both product (62.5%) and services (73.3%) The most quantitatively-focused industries are Consumer Services (75.0%), Transportation (75.0%), and Tech / Software / Platform (70.0%). The most qualitatively-focused industries include Manufacturing (66.7%), Real Estate (60.0%), and Mining / Construction (50.0%)

Long-term impact reporting is more difficult to prove quantitatively than short-term impact. Larger companies (by revenue and number of employees) tend to rely more on quantitative long-term impact. Industries reporting the most long-term quantitative impact are Healthcare (63.6%) and Tech/ Software/ Platform (55.0%).


Use of experiments shows slight decline, highest in B2C companies

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



 **Economic Sector**

B2B Product	26.1%
B2B Services	27.3%
B2C Product	41.1%
B2C Services	43.2%

 **Industry Sector**

Top Sectors	Consumer Services (55.5%)	Transportation (49.0%)
Bottom Sectors	Mining / Construction (15.0%)	Energy (17.6%)

The CMO Survey[®]



Next Survey: 2025

Participate: [Sign up](#) to participate in the next survey

Media: [Coverage](#) of The CMO Survey

Blog: [Read](#) analysis of results

Survey Results: [Visit](#) for copies of all CMO Survey reports over time

Feedback: [Send](#) comments and suggestions to Christine Moorman

Deloitte, Duke University's Fuqua School of Business, and the American Marketing Association are survey sponsors. Sponsors support The CMO Survey with intellectual and financial resources. Survey data and participant lists are held in confidence and not shared with survey sponsors or any other parties.

Deloitte.

