



The **CMO** Survey

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

Highlights and Insights Report

February 2018

Deloitte.



AMERICAN MARKETING
ASSOCIATION

cmosurvey.org

Mission

- To collect and disseminate the opinions of top marketers in order to predict the future of markets, track marketing excellence, and improve the value of marketing in firms and society.
- The survey is an objective source of information about marketing and a non-commercial service dedicated to the field of marketing.

Survey operation

- Founded in August 2008, The CMO Survey is administered twice a year via an Internet survey. Questions repeat to observe trends over time and new questions are added to tap into marketing trends
- The February 2018 survey is the 20th administration of The CMO Survey.

Sponsoring organizations

- Sponsors support The CMO Survey with intellectual and financial resources.
- Survey data and participant lists are held in confidence and not provided to survey sponsors or any other parties.

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Survey sample

- 2796 top U.S. marketers at for-profit companies
- 362 responded for a 12.95% response rate

Survey administration

- Email contact with four follow-up reminders
- Survey in field from January 9-30, 2018
- 98.3% of respondents VP-level or above

Results interpretation

- M = sample average; SD = sample standard deviation
- B2B = Business-to-Business firms; B2C = Business-to-Consumer firms

Two other reports are available at cmosurvey.org/results

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

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Topic 1

Marketplace Dynamics

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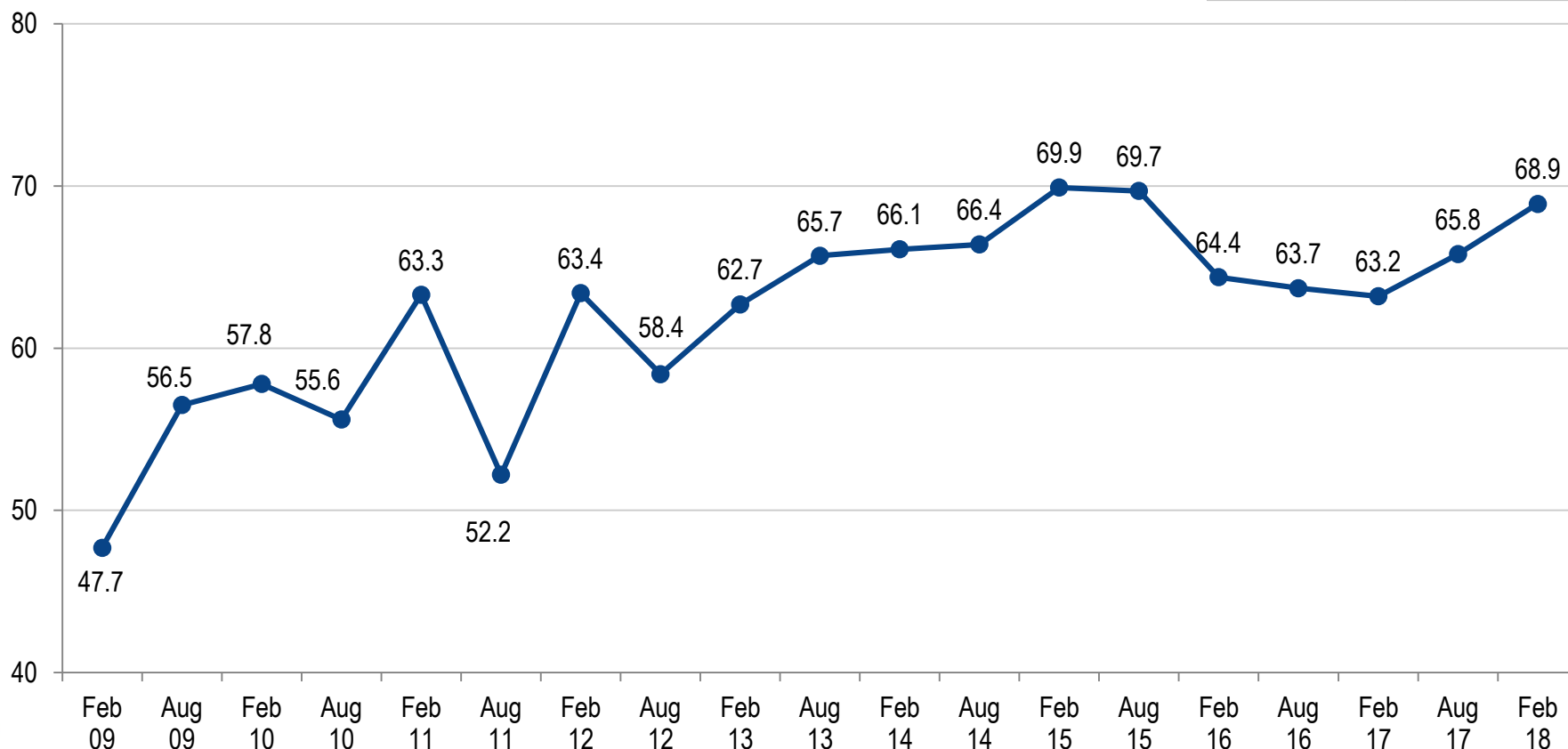
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Marketer outlook on the U.S. economy remains positive

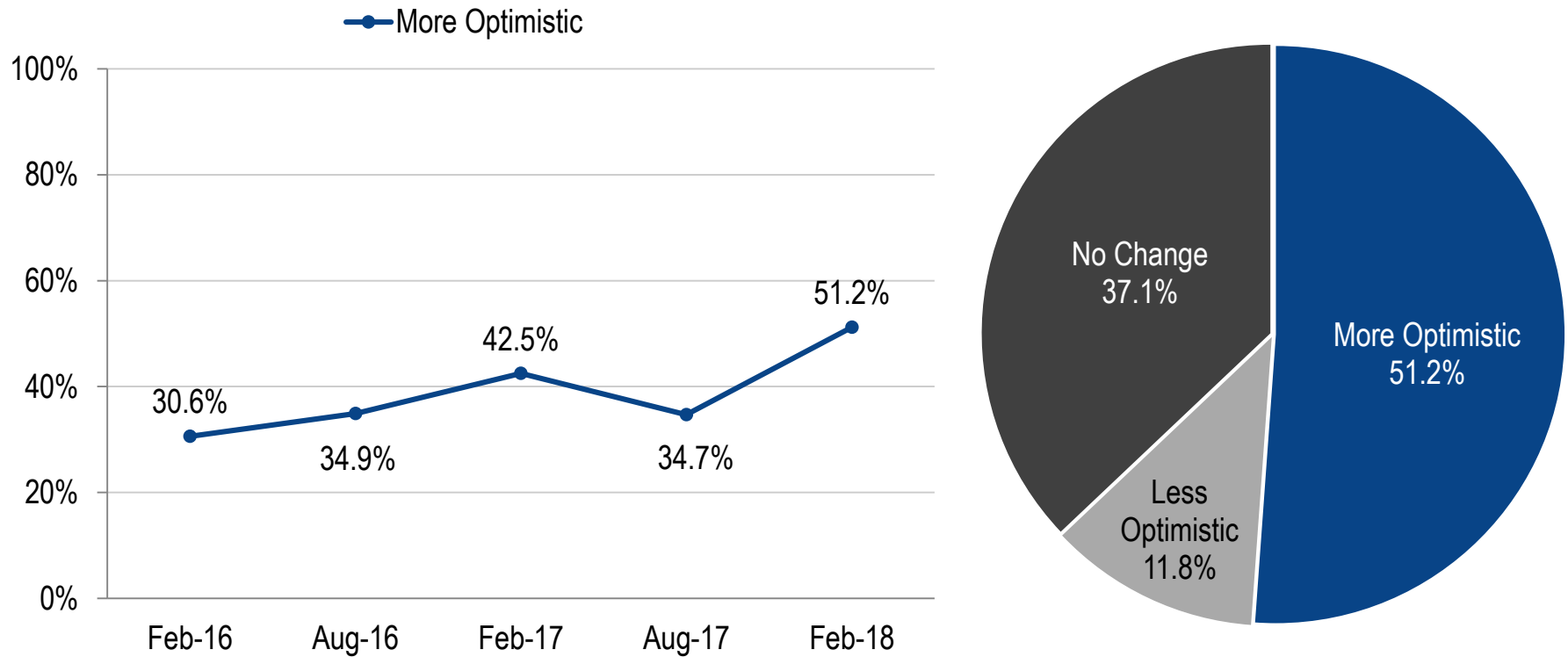
Figure 1.1. How optimistic are you about the overall U.S. economy on a 0-100 scale with 0 being least optimistic and 100 most optimistic?

B2B Product	68.1
B2B Services	68.4
B2C Product	68.5
B2C Services	72.6



Marketer economic optimism accelerates over the last quarter

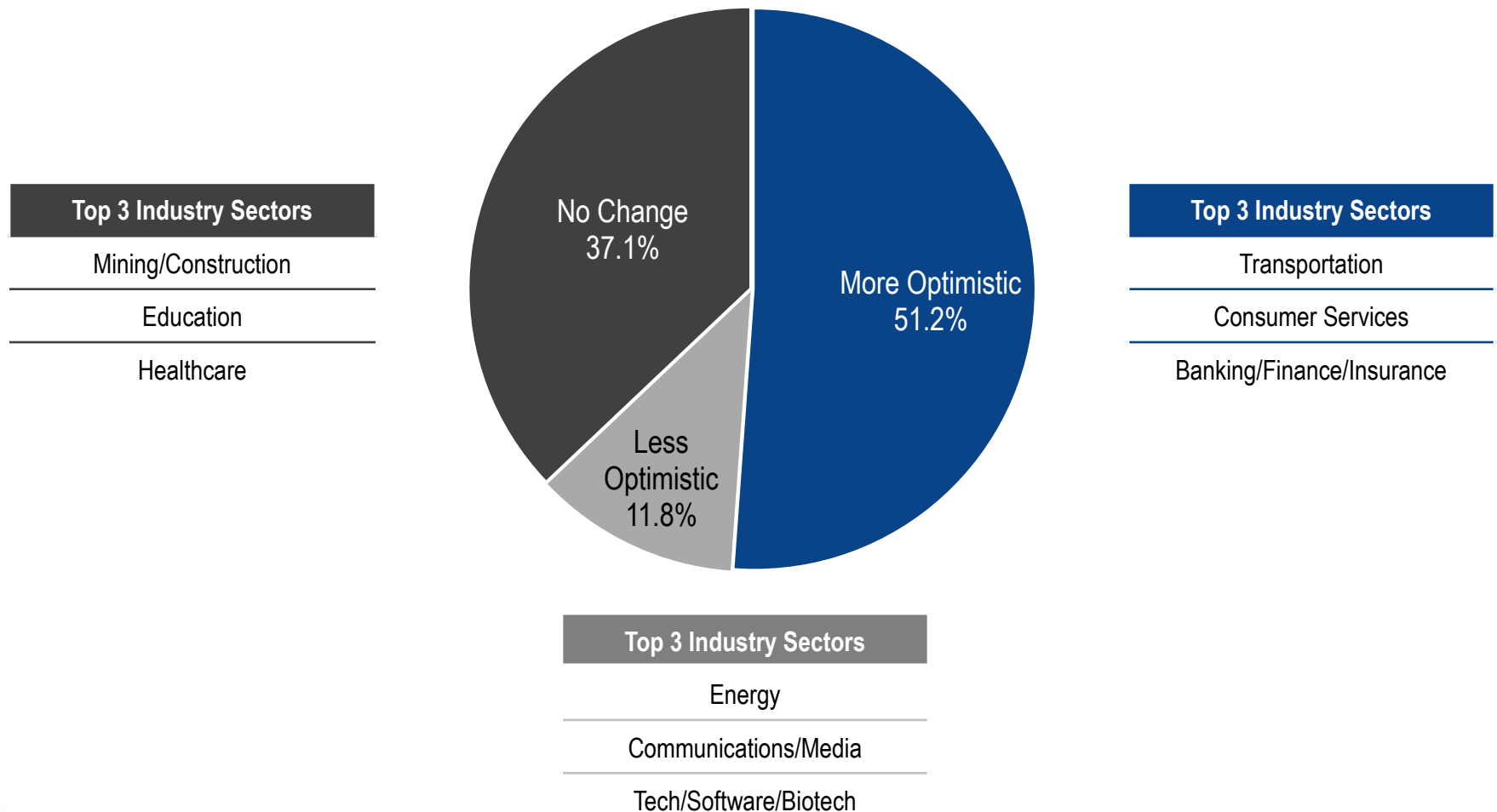
Figure 1.2. Are you more or less optimistic about the overall U.S. economy compared to last quarter?



Marketer economic outlook varies by industry

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

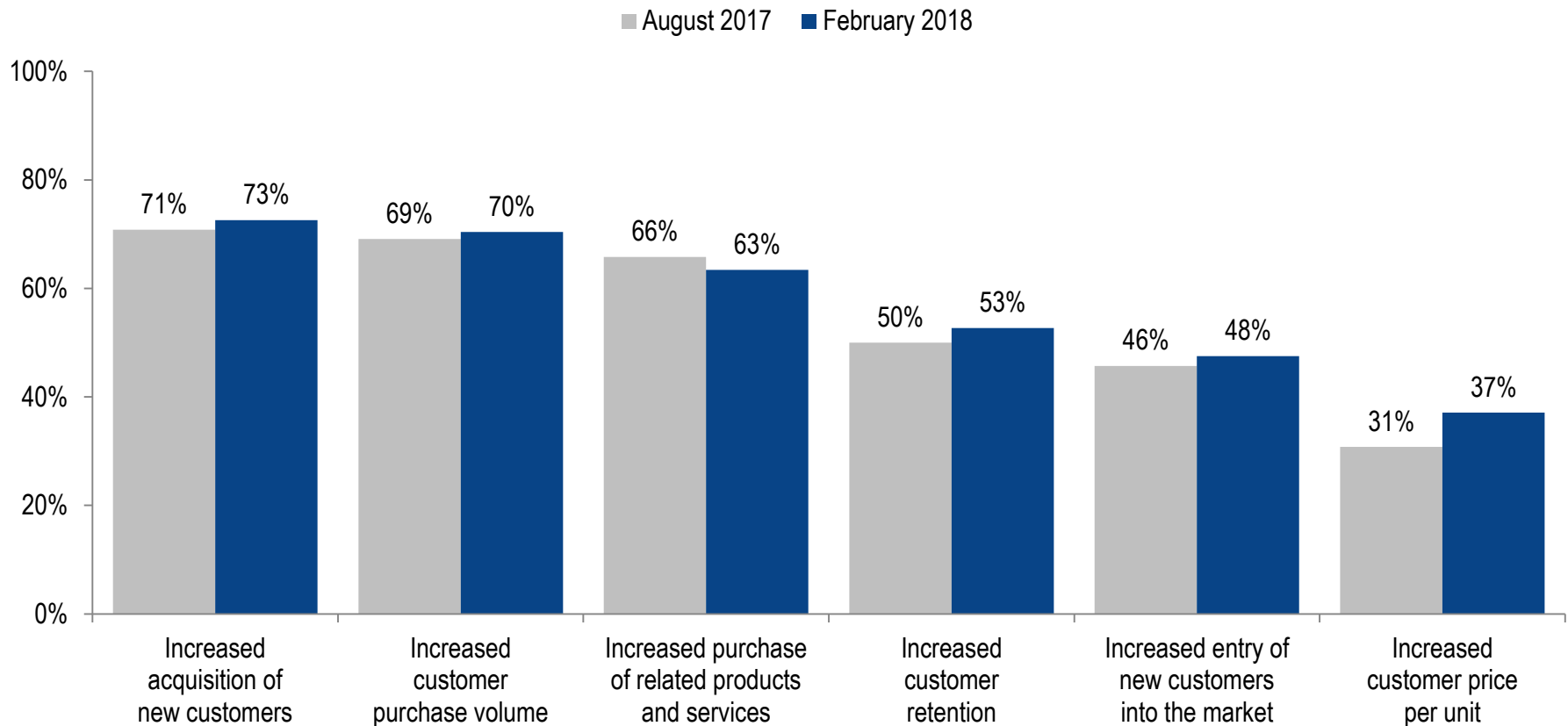
Figure 1.3. Are you more or less optimistic about the overall U.S. economy compared to last quarter?



Customer outcomes generally expected to improve; price shows largest increase

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 1.4. Forecasted customer outcomes in next 12 months (% of respondents)



Customer outcomes generally expected to improve

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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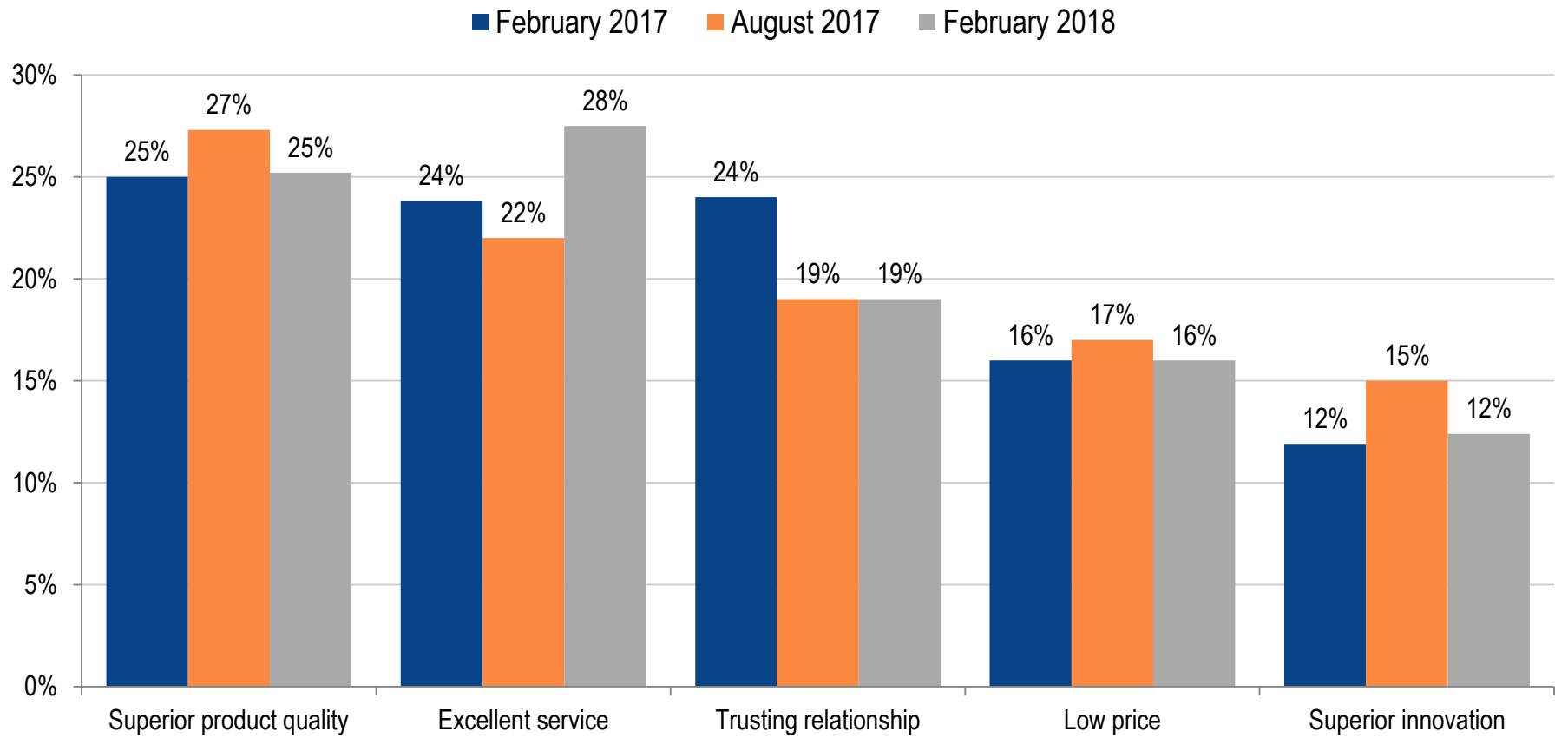
Table 1.1. Forecasted customer outcomes by industry

Industry	Acquisition of new customers	Customer purchase volume	Purchase of related products & services	Customer retention	Entry of new customers into market	Price per unit
Overall	72.6%	70.4%	63.4%	52.7%	47.5%	37.1%
Banking/Finance/Insurance	68.8%	71.0%	71.9%	50.0%	53.1%	40.6%
Communications/Media	71.4%	47.6%	76.2%	42.9%	57.1%	23.8%
Consumer Packaged Goods	80.0%	76.0%	68.0%	40.0%	56.0%	40.0%
Consumer Services	63.6%	81.8%	45.5%	45.5%	54.5%	36.4%
Education	83.3%	66.7%	66.7%	83.3%	66.7%	16.7%
Energy	80.0%	60.0%	40.0%	60.0%	80.0%	40.0%
Healthcare	78.6%	75.0%	60.7%	60.7%	39.3%	39.3%
Manufacturing	69.0%	69.8%	45.2%	51.2%	23.8%	44.2%
Mining/Construction	50.0%	100.0%	0.0%	50.0%	50.0%	50.0%
Service Consulting	64.9%	66.7%	61.4%	49.1%	43.9%	26.3%
Retail/Wholesale	73.1%	69.2%	57.7%	46.2%	42.3%	50.0%
Tech/Software/Biotech	79.5%	79.5%	81.8%	68.2%	61.4%	40.9%
Transportation	92.3%	69.2%	76.9%	53.8%	53.8%	30.8%

Customer priorities expected to shift to service

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 1.5. Customers' top priority in next 12 months (% of respondents)



Sector differences in customer priorities

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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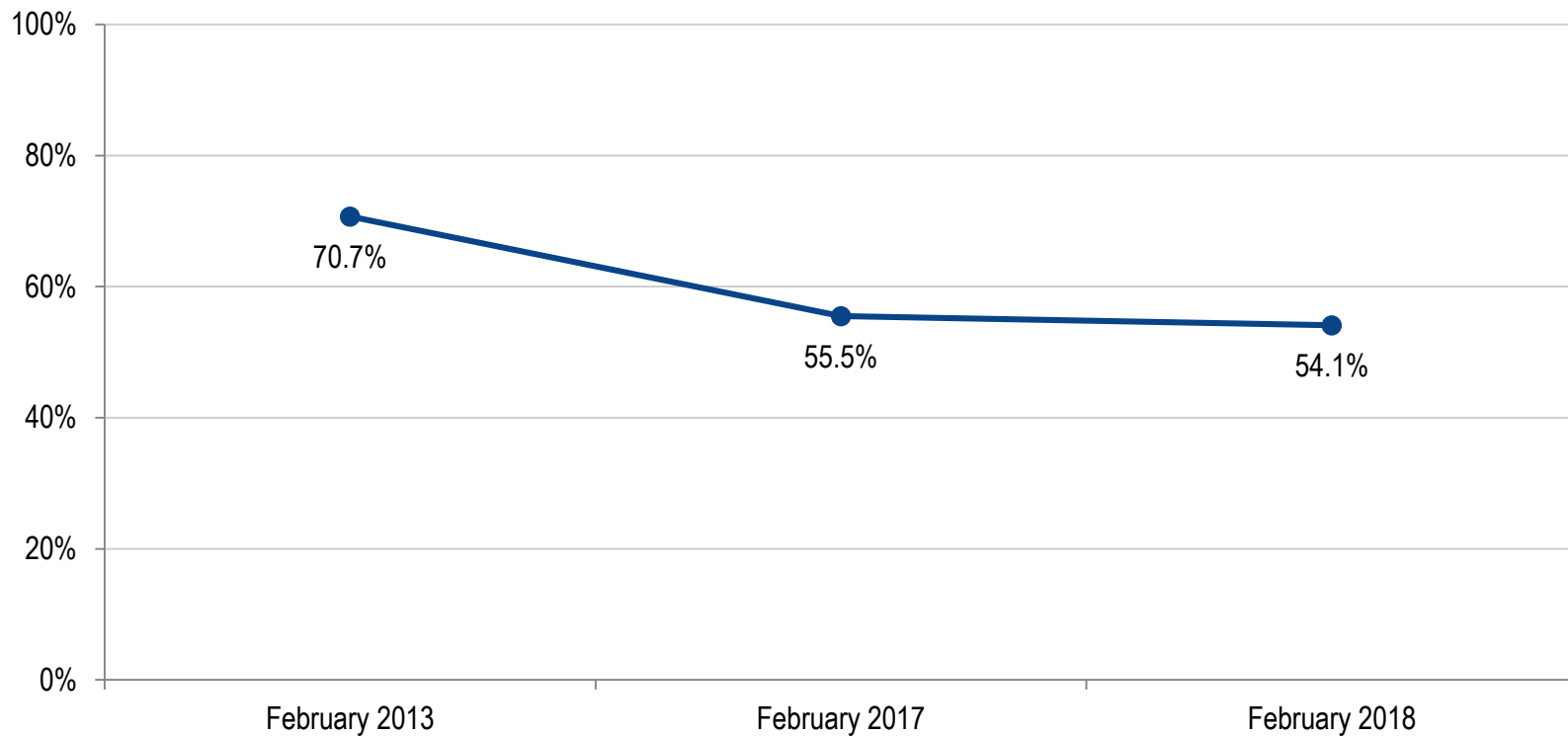
Table 1.2. Customers' top priority in next 12 months (% of respondents)

Customer Priority	Overall Average	B2B Product	B2B Services	B2C Product	B2C Services
Excellent Service	27.5%	26.2%	31.0%	12.5%	40.4%
Superior Product Quality	25.2%	31.1%	21.0%	30.4%	14.9%
Trusting Relationship	19.0%	14.6%	22.0%	16.1%	25.5%
Low Price	16.0%	15.5%	13.0%	23.2%	14.9%
Superior Innovation	12.4%	12.6%	13.0%	17.9%	4.3%

Fewer companies using channel partners to go to market

Figure 1.6. Percent of companies using channel partners to reach market (% of respondents)*

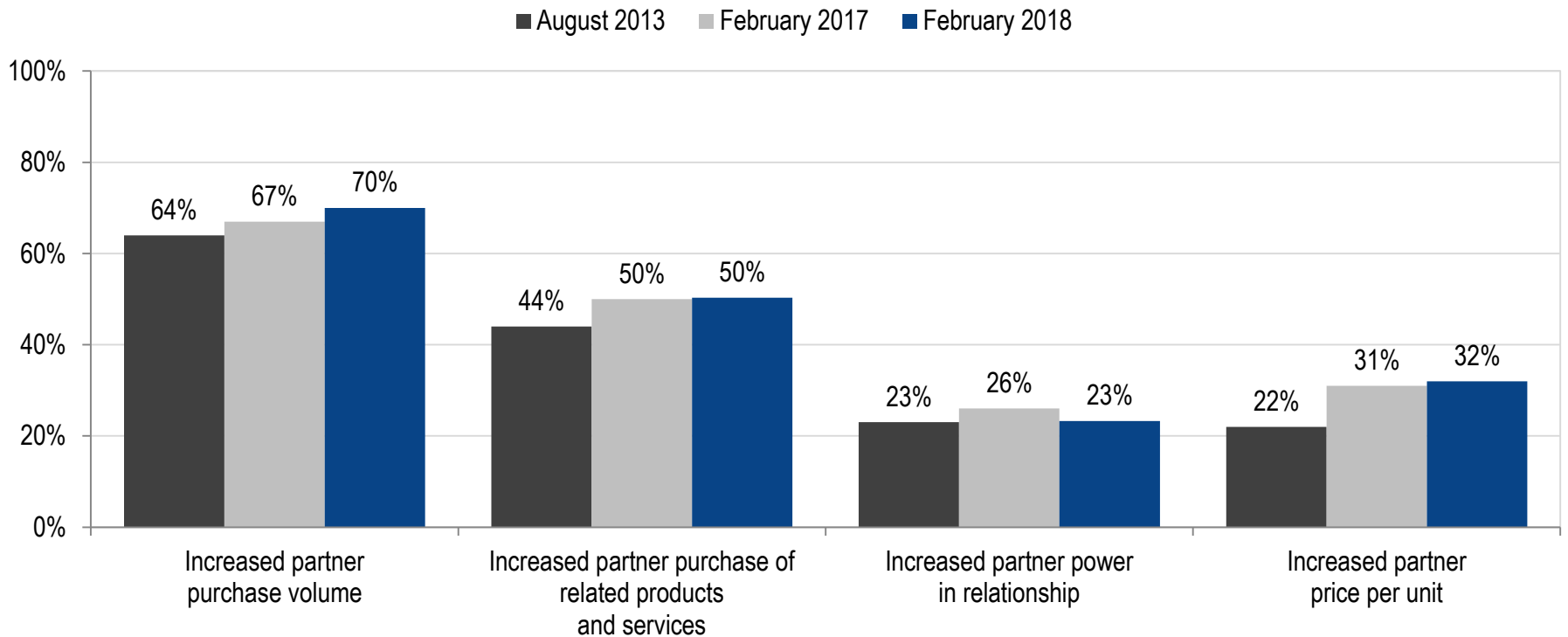
B2B Product	59.7%
B2B Services	44.5%
B2C Product	69.6%
B2C Services	43.6%



* Question asked irregularly. Full time series available shown.

Channel partner purchase volume expected to improve in next year

Figure 1.7. Forecasted channel partner outcomes in next 12 months (% of respondents)*



* Question asked irregularly. Full time series available shown.

Most channel partner indicators forecasted to improve

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Table 1.3. Forecasted channel partner outcomes in next 12 months (% of respondents)*

Partner Outcome	Overall Average	B2B Product	B2B Services	B2C Product	B2C Services
Increased partner purchase volume	70.1%	80.7%	64.9%	57.1%	72.2%
Increased partner purchase of related products and services	50.3%	64.3%	37.8%	48.6%	35.3%
Increased partner price per unit	32.0%	40.4%	27.0%	25.7%	27.8%
Increased partner power in relationship	23.3%	14.0%	25.0%	34.3%	27.8%

* Question asked irregularly. Full time series available shown.





Topic 2

Firm Growth Strategies

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Existing markets and offerings continue to dominate growth spending

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Table 2.1. Investment in varying types of growth

Types of growth strategies

	Existing Products/ Services	New Products/ Services
Existing Markets	Market Penetration Strategy	Product/Service Development Strategy
New Markets	Market Development Strategy	Diversification Strategy

Spending on growth in past 12 months*

Growth Strategy	Aug-2017	Feb-2018
Market Penetration Strategy	53.2%	52.3%
Product/Service Development Strategy	22.3%	22.6%
Market Development Strategy	15.0%	14.5%
Diversification Strategy	9.5%	10.6%

* % of spending for each growth strategy

Existing markets and offerings continue to dominate growth spending

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Table 2.2. Spending on growth in past 12 months by sector*

Growth Strategy	Feb-2018	B2B Product	B2B Services	B2B Product	B2B Services
Market Penetration Strategy	52.3%	48.6%	48.1%	63.6%	54.8%
Product/Service Development Strategy	22.6%	25.1%	23.3%	20.7%	17.1%
Market Development Strategy	14.5%	15.3%	17.6%	10.4%	11.7%
Diversification Strategy	10.6%	11.0%	11.0%	5.3%	16.5%

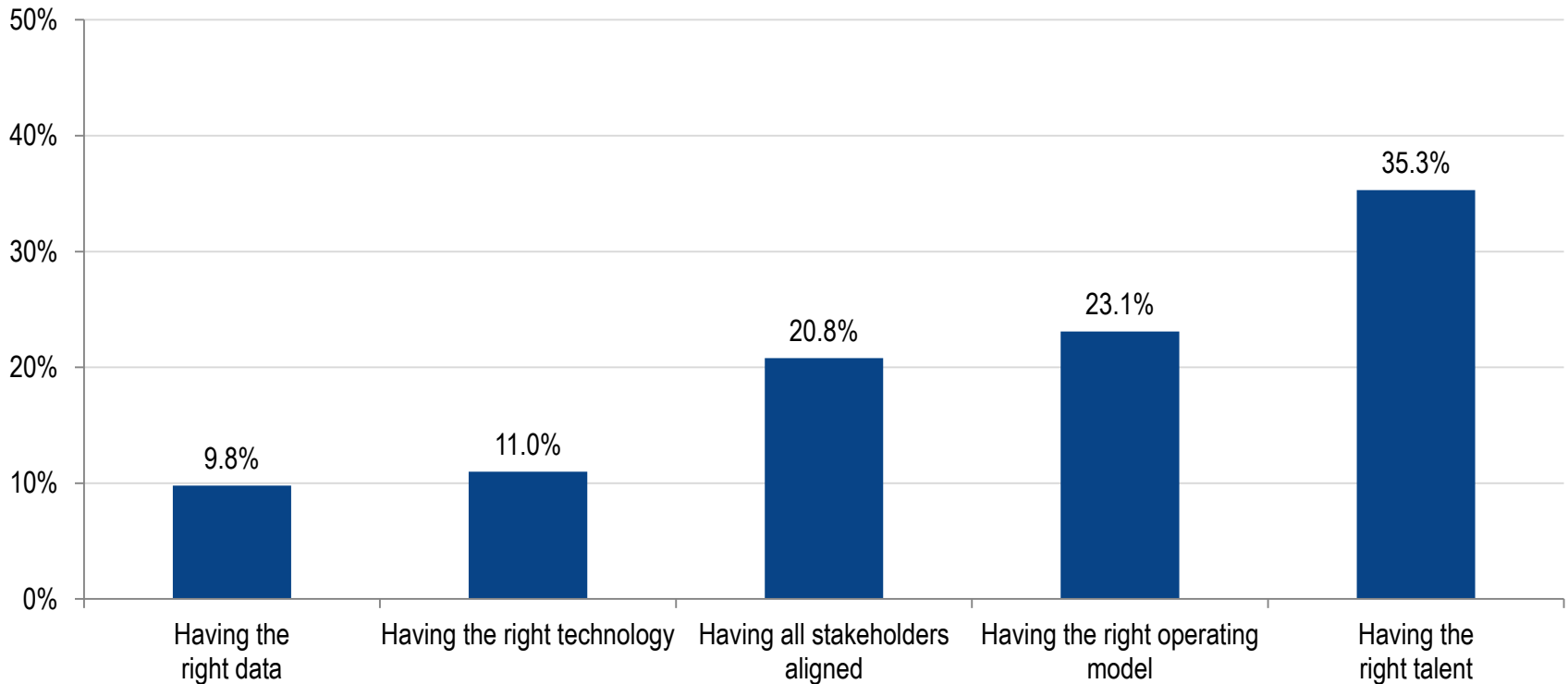
* % of spending for each growth strategy



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

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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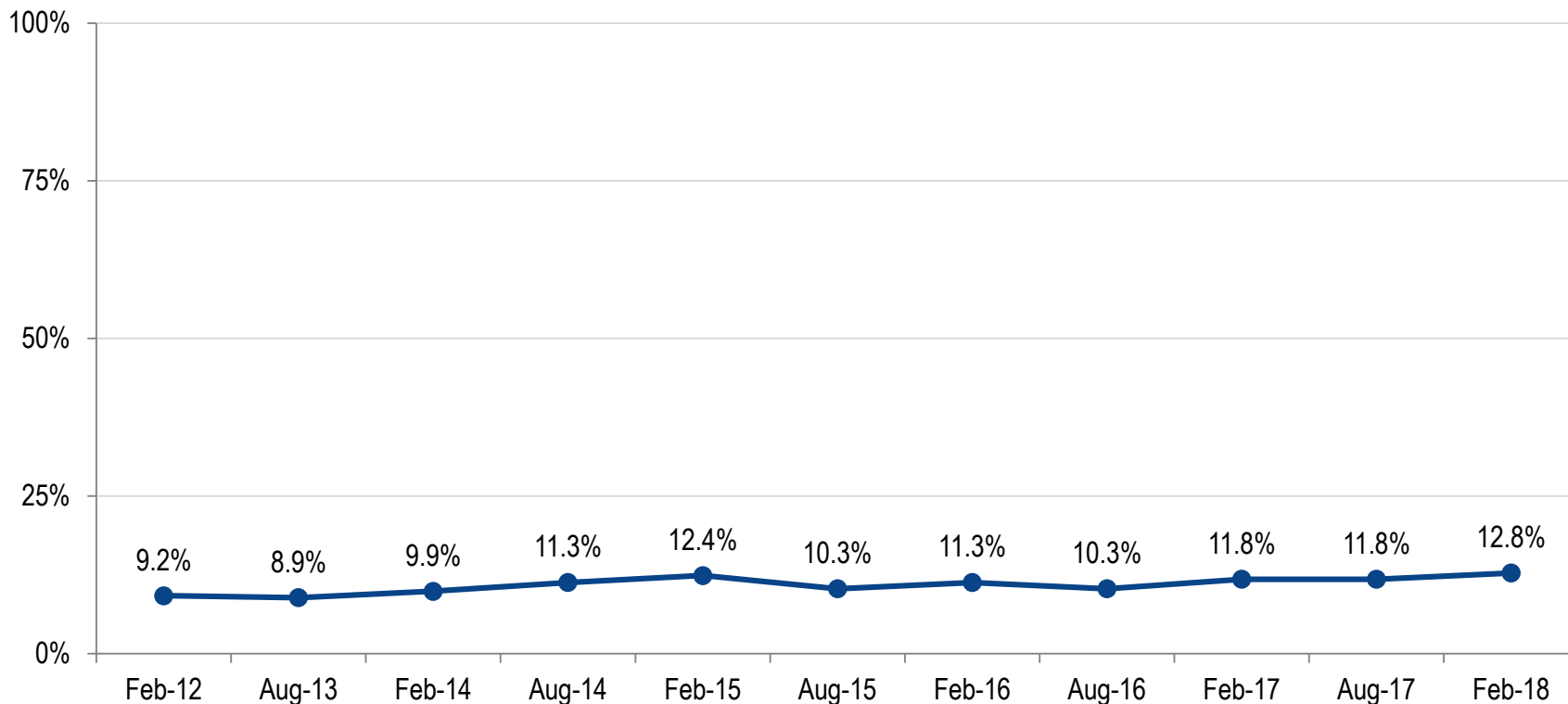
Figure 2.1. What is most important for driving future organic growth in your organization?



Company sales through Internet remain modest at 12.8%

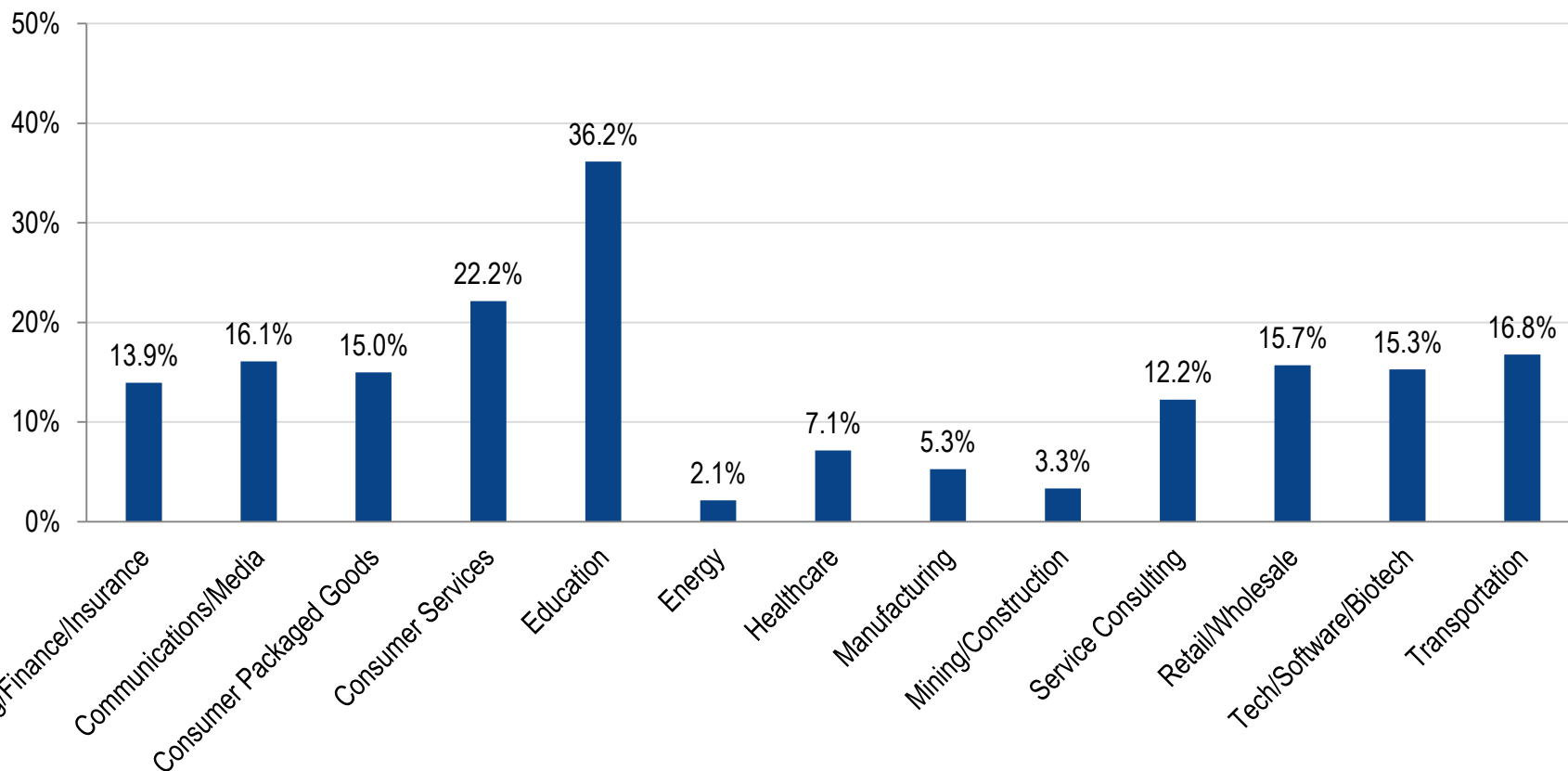
Figure 2.2. Percent of company sales through the Internet

B2B Product	8.1%
B2B Services	11.8%
B2C Product	17.8%
B2C Services	18.6%



Education and consumer services lead Internet sales

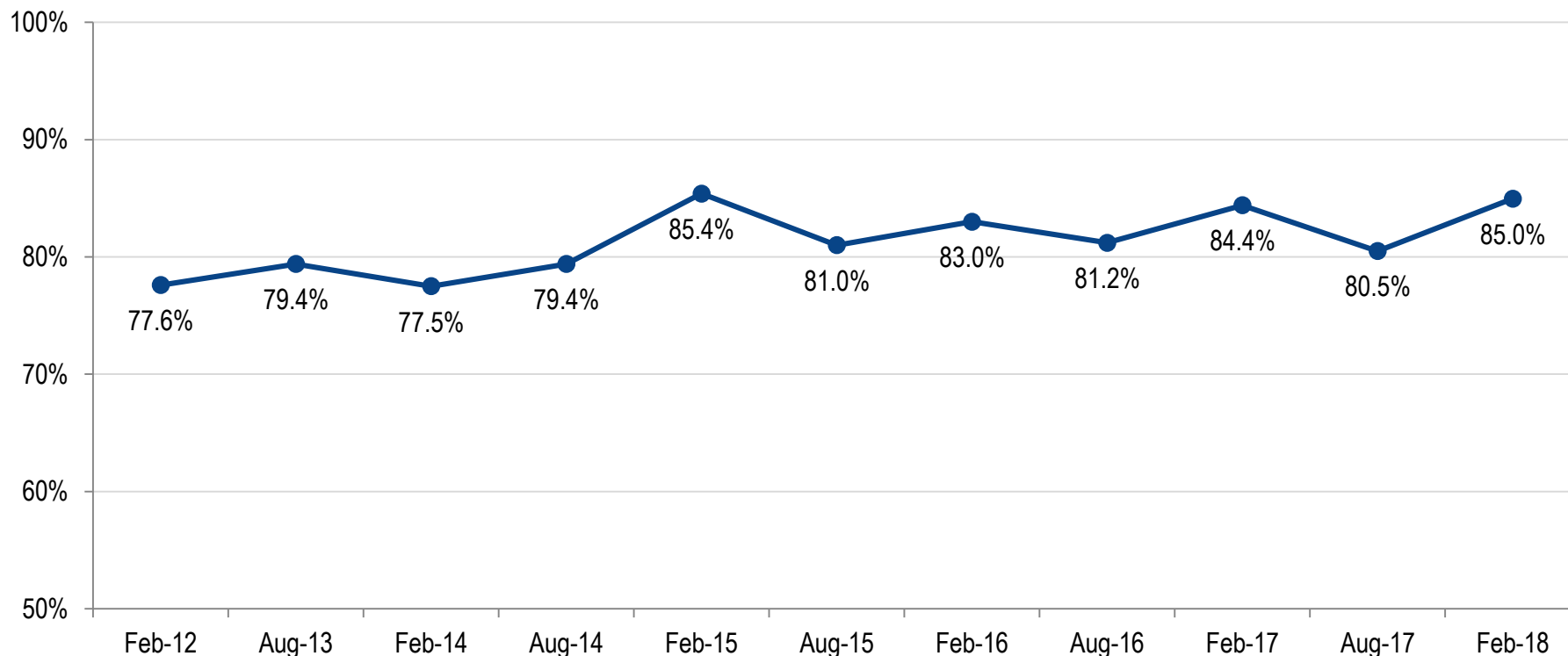
Figure 2.3. Percent of company sales from the Internet by industry



Marketing budget spent on domestic markets remain dominant

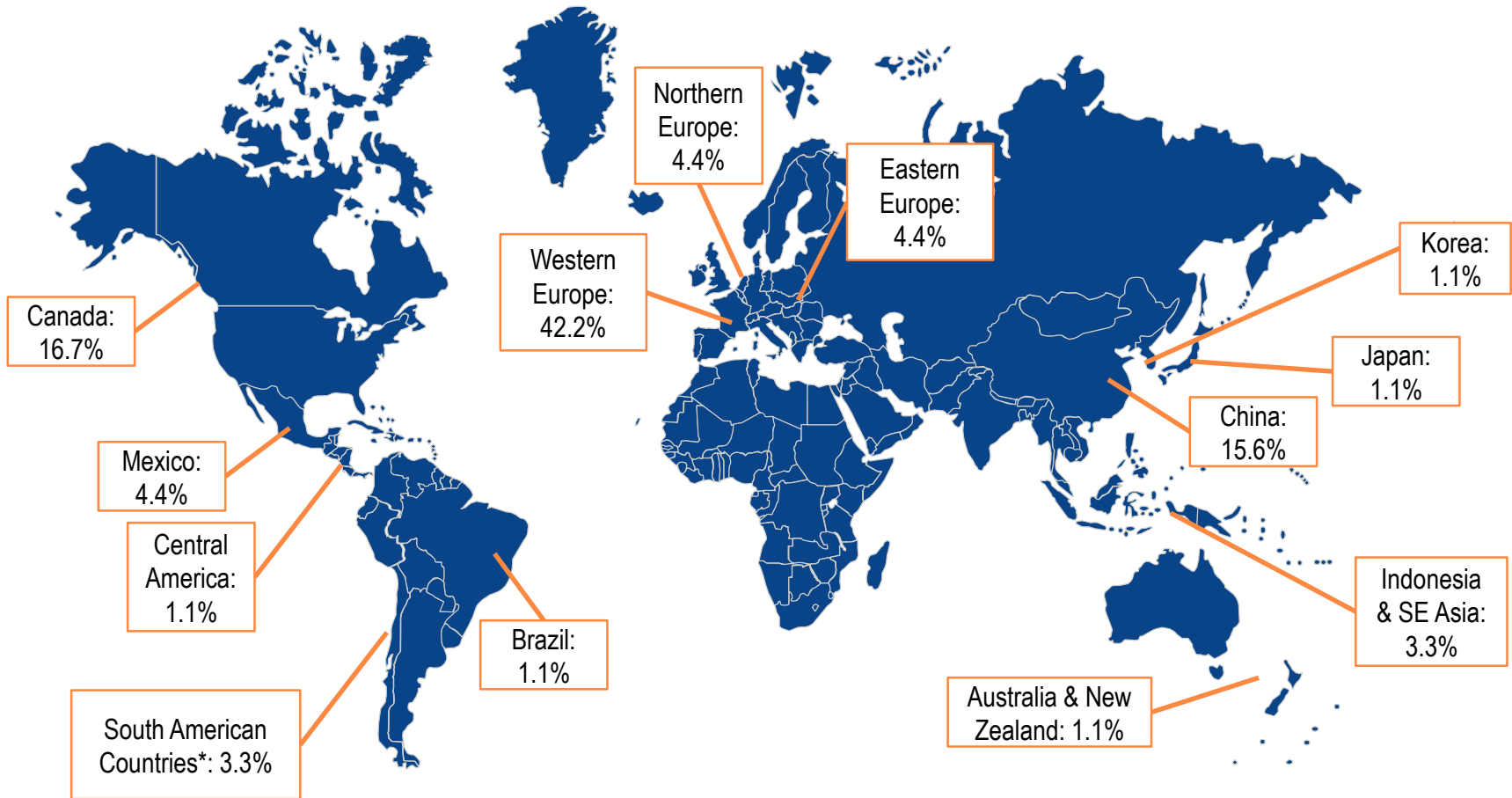
Figure 2.4. Percent of marketing budget spent on domestic markets

B2B Product	83.4%
B2B Services	85.2%
B2C Product	81.8%
B2C Services	92.5%



Western Europe leads sales for current international markets

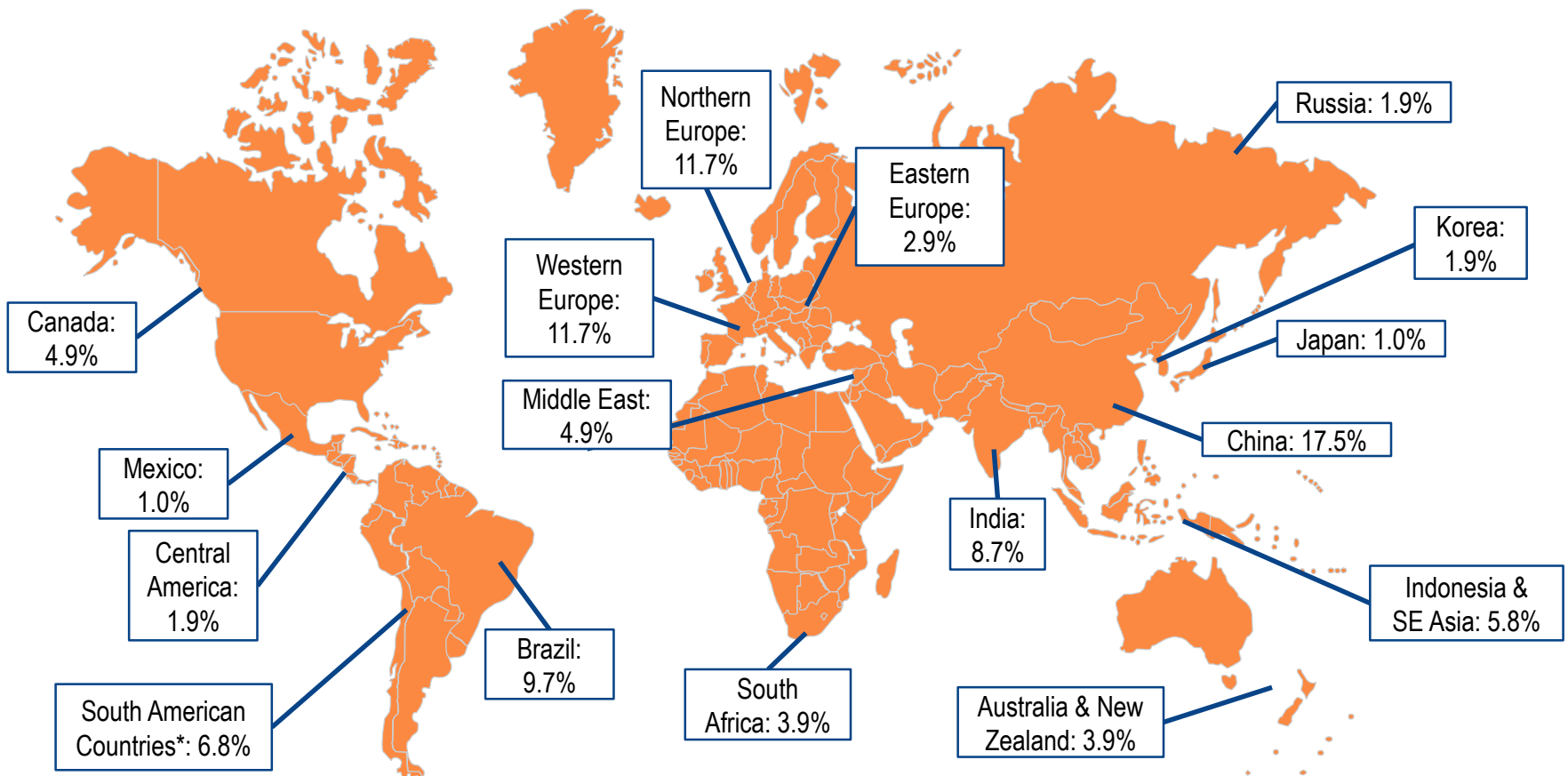
Figure 2.5. Which international market is currently your largest (in terms of sales)?



*South American Countries excludes Brazil

China and Western Europe present largest future growth opportunities

Figure 2.6. Which international market that you are currently not in is your biggest opportunity for the future?



*South American Countries excludes Brazil



Topic 3

Marketing Spending

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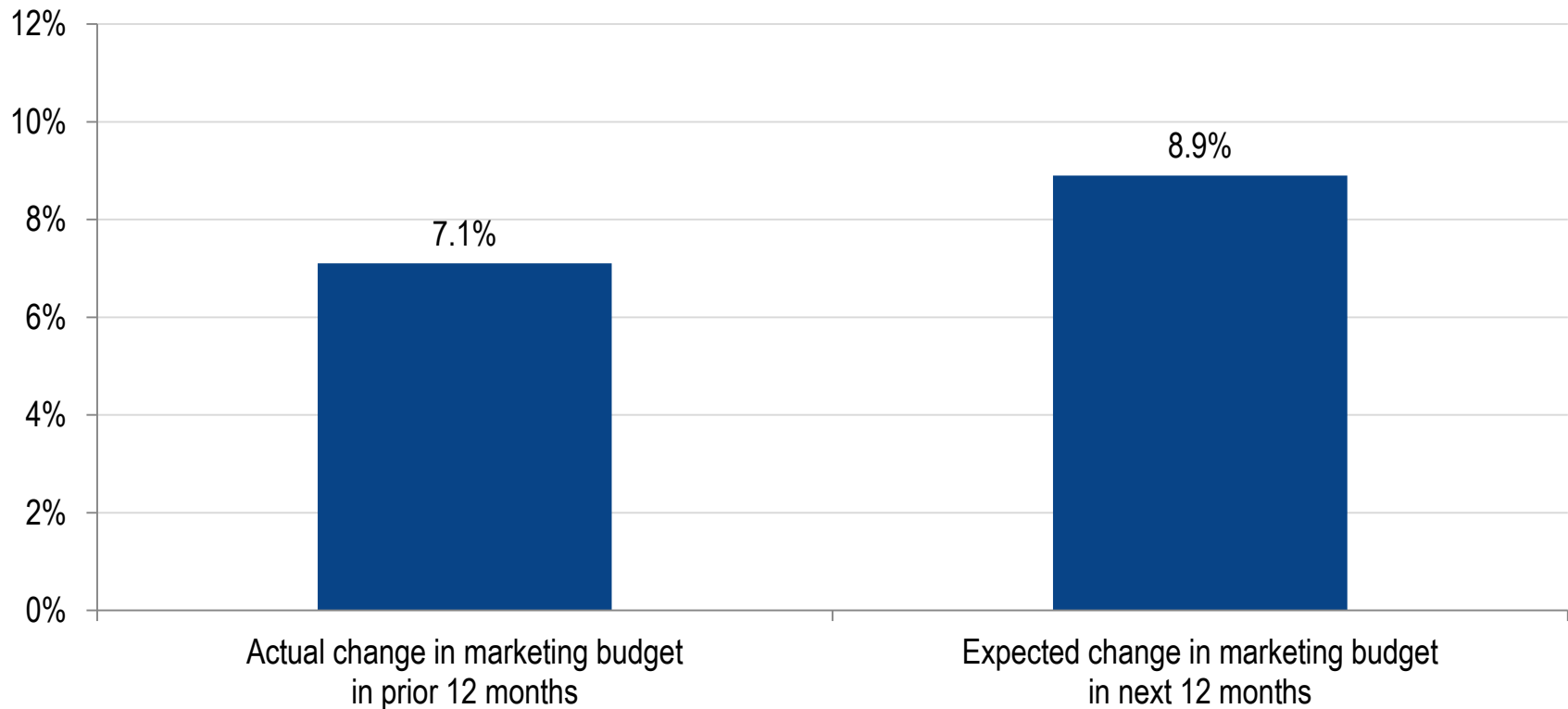


Marketing budgets expected to grow

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 3.1. Percent change in marketing budgets

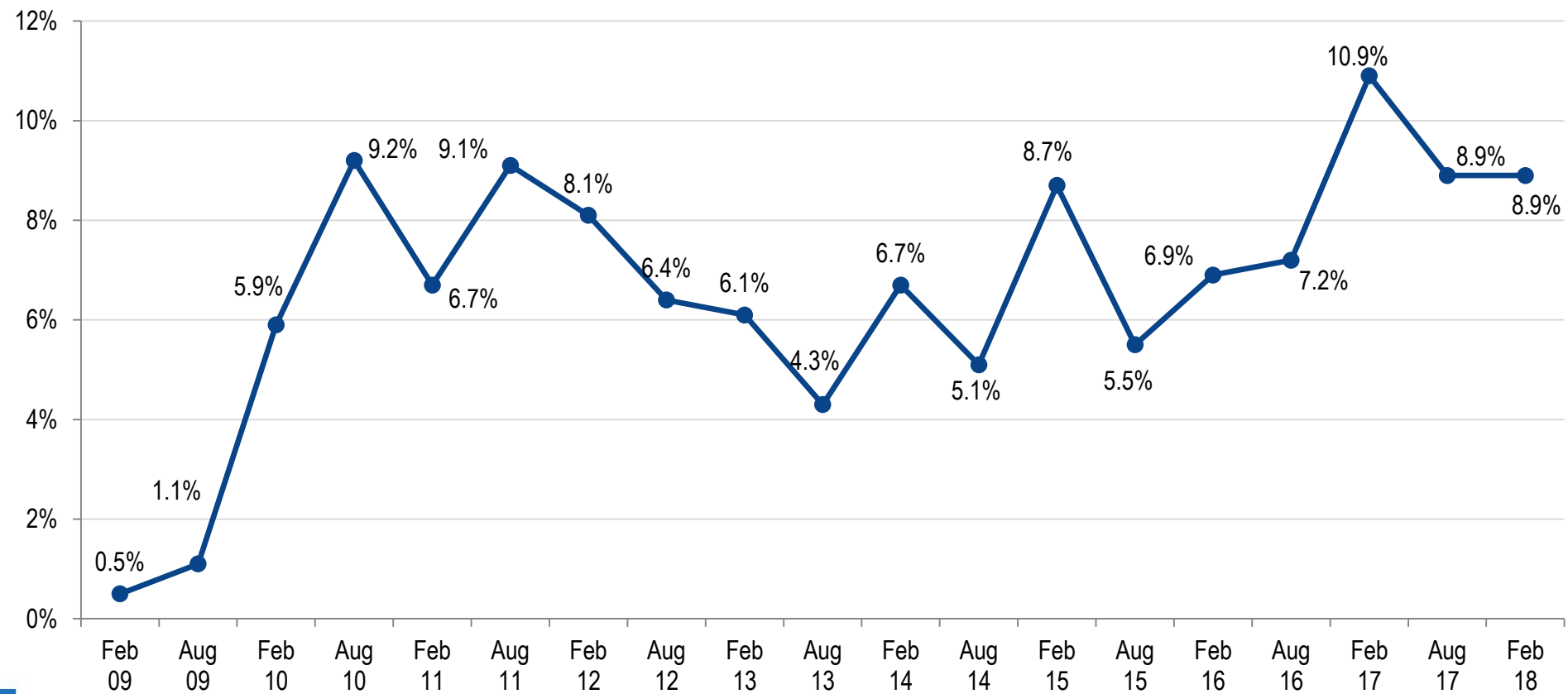
	Prior 12 months	Next 12 months
B2B Product	6.2%	9.3%
B2B Services	7.2%	8.5%
B2C Product	6.5%	9.0%
B2C Services	9.9%	8.9%



Marketing budget growth over time

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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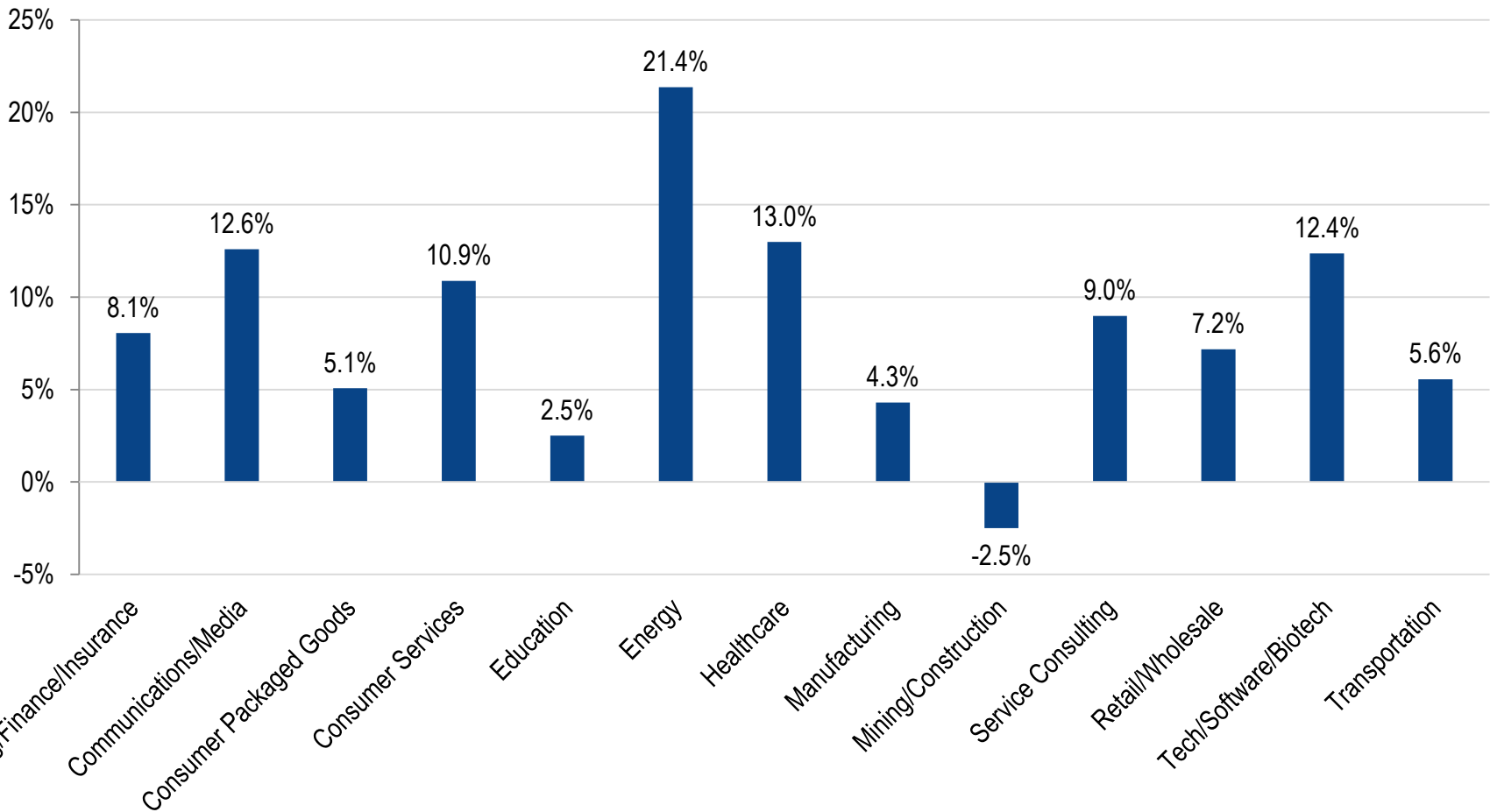
Figure 3.2. Expected percent change in marketing budgets in next 12 months



Most industries expect growth in marketing budgets

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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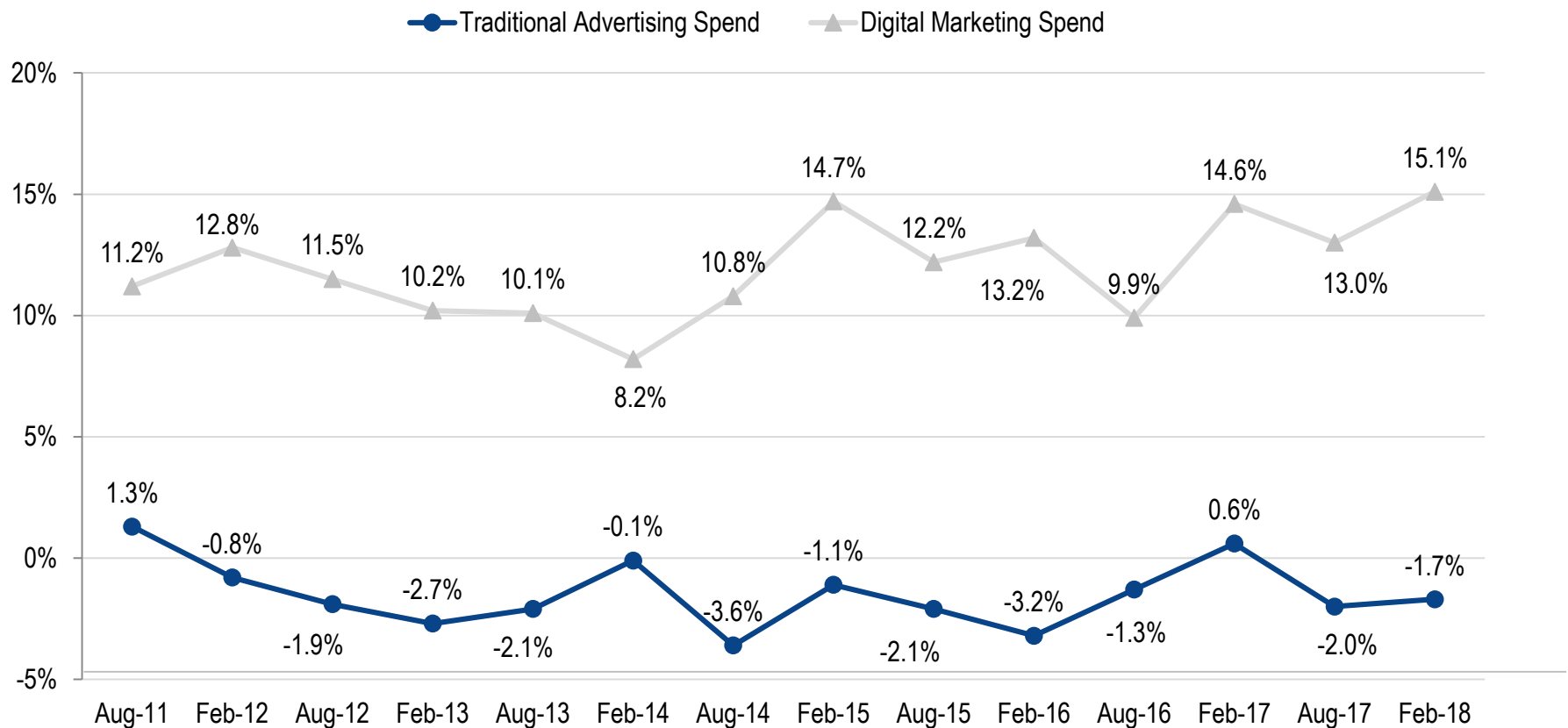
Figure 3.3. Expected percent change in marketing budgets in next 12 months by industry



Growth in digital marketing spend greatly outpaces traditional advertising

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 3.4. Percent change in traditional advertising* vs. digital marketing spend in next 12 months

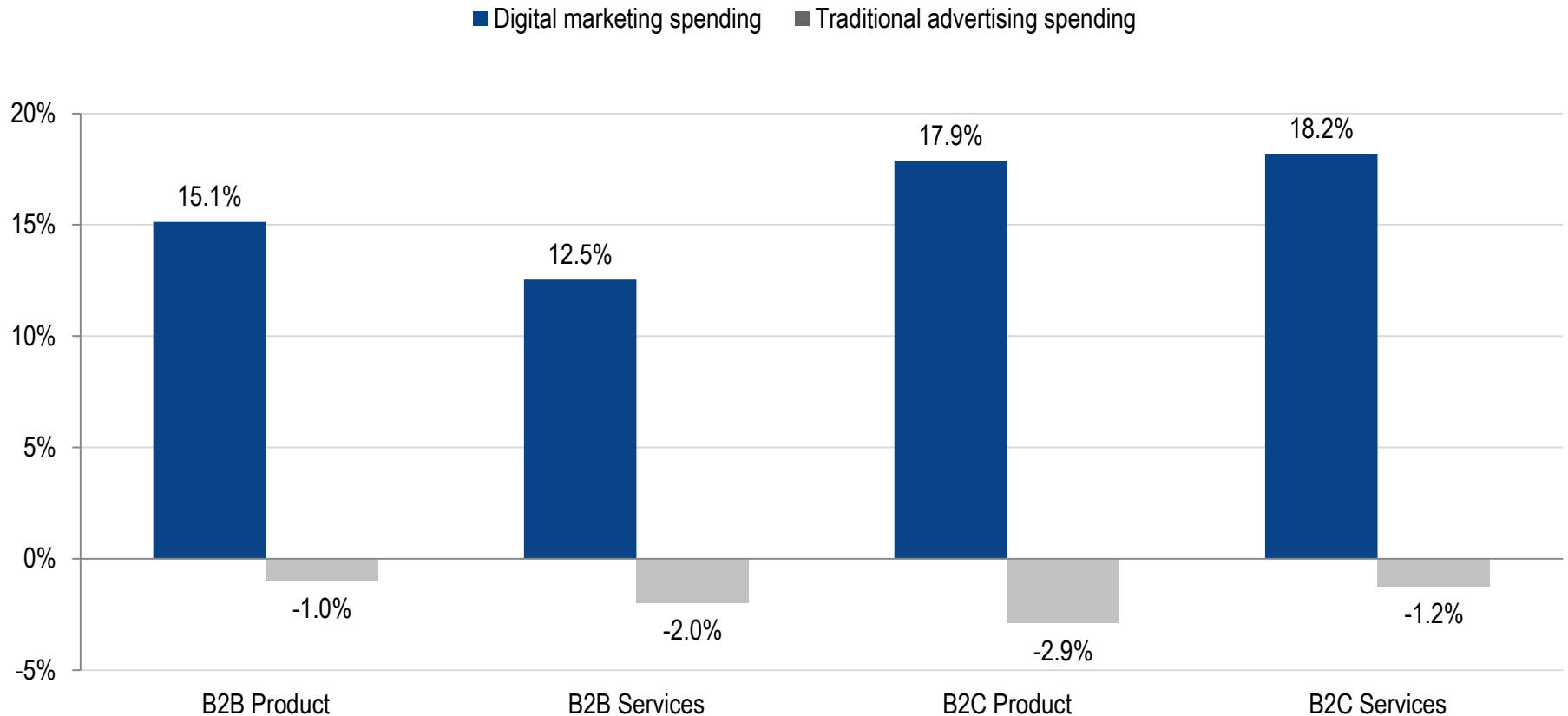


*Refers to media advertising not using the Internet.

Digital marketing dominates marketing spend across all economic sectors

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 3.5. Percent change in traditional advertising* vs. digital marketing spend in next 12 months by sector

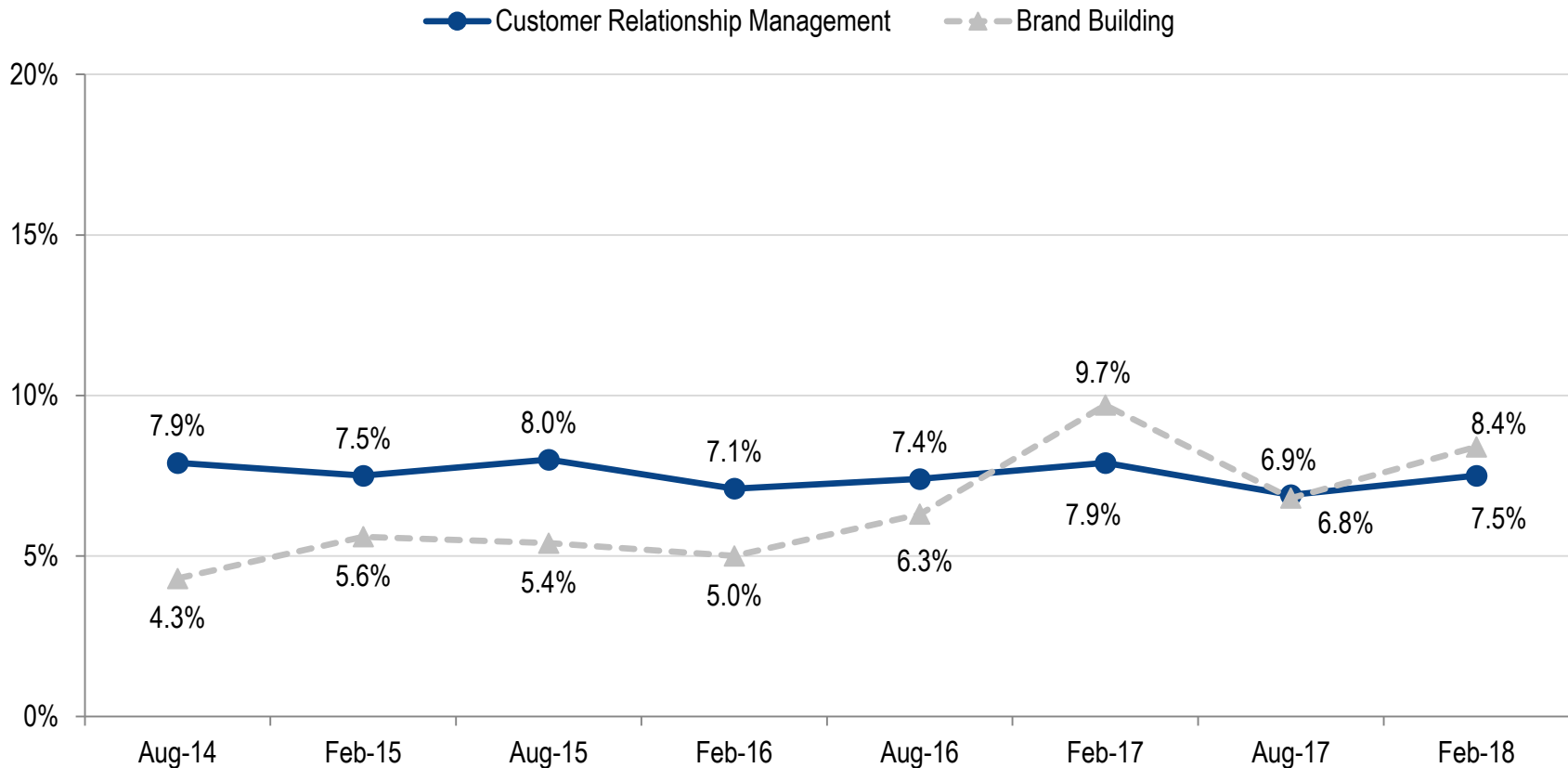


*Refers to media advertising not using the Internet.

Brand building and CRM spending expected to grow in next year

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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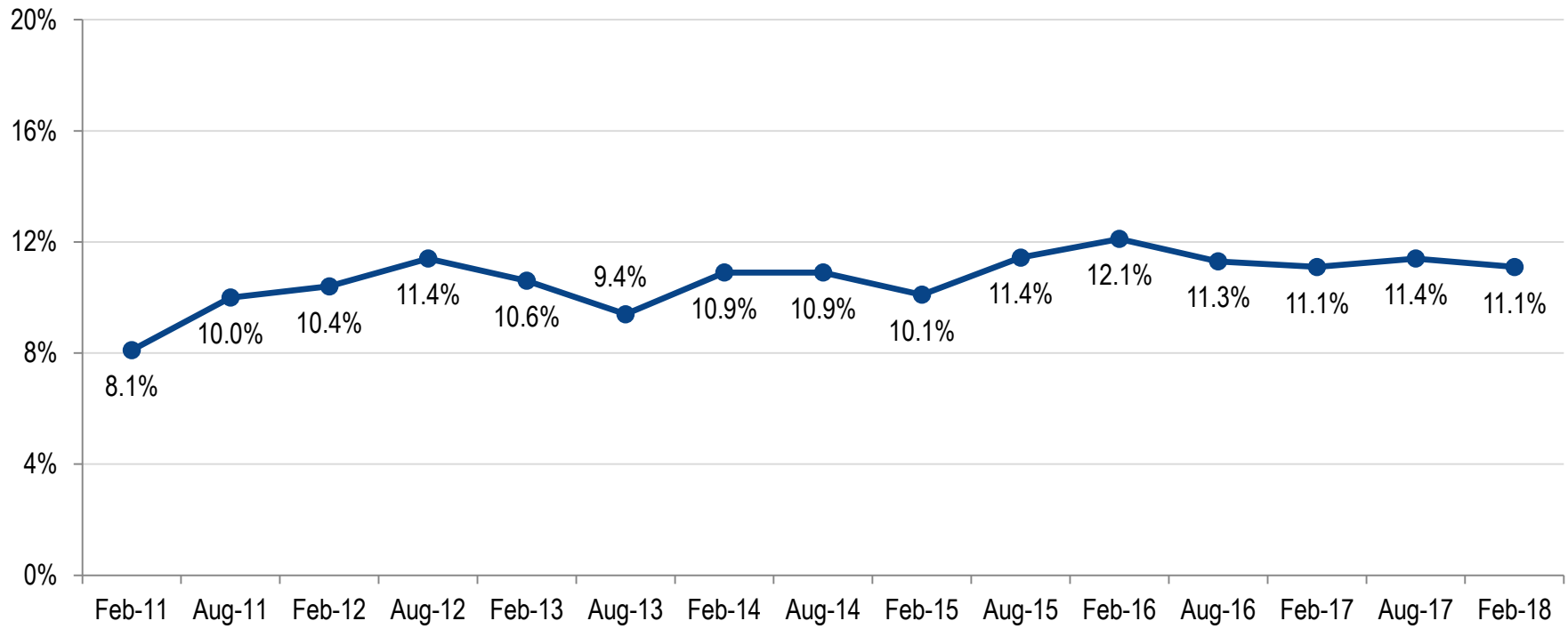
Figure 3.6. Percent change in CRM and brand spending expected in next 12 months



Marketing budgets represent 11.1% of firm budgets

Figure 3.7. Marketing budget as percent of firm budget*

B2B Product	9.2%
B2B Services	8.9%
B2C Product	16.0%
B2C Services	14.9%

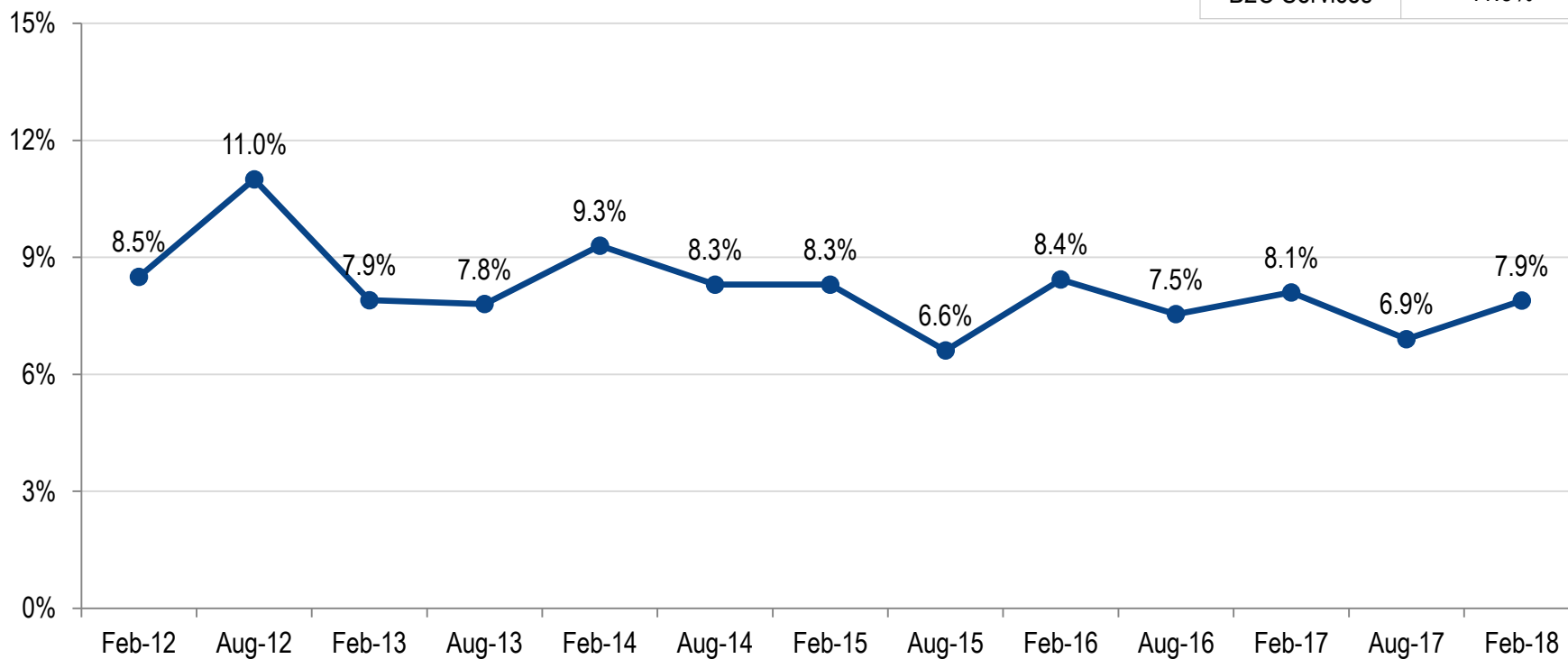


*Question asked in Feb-11 for the first time.

Marketing spending is 7.9% of company revenues

Figure 3.8. Marketing spending as percent of company revenues*

B2B Product	6.3%
B2B Services	6.9%
B2C Product	9.6%
B2C Services	11.8%

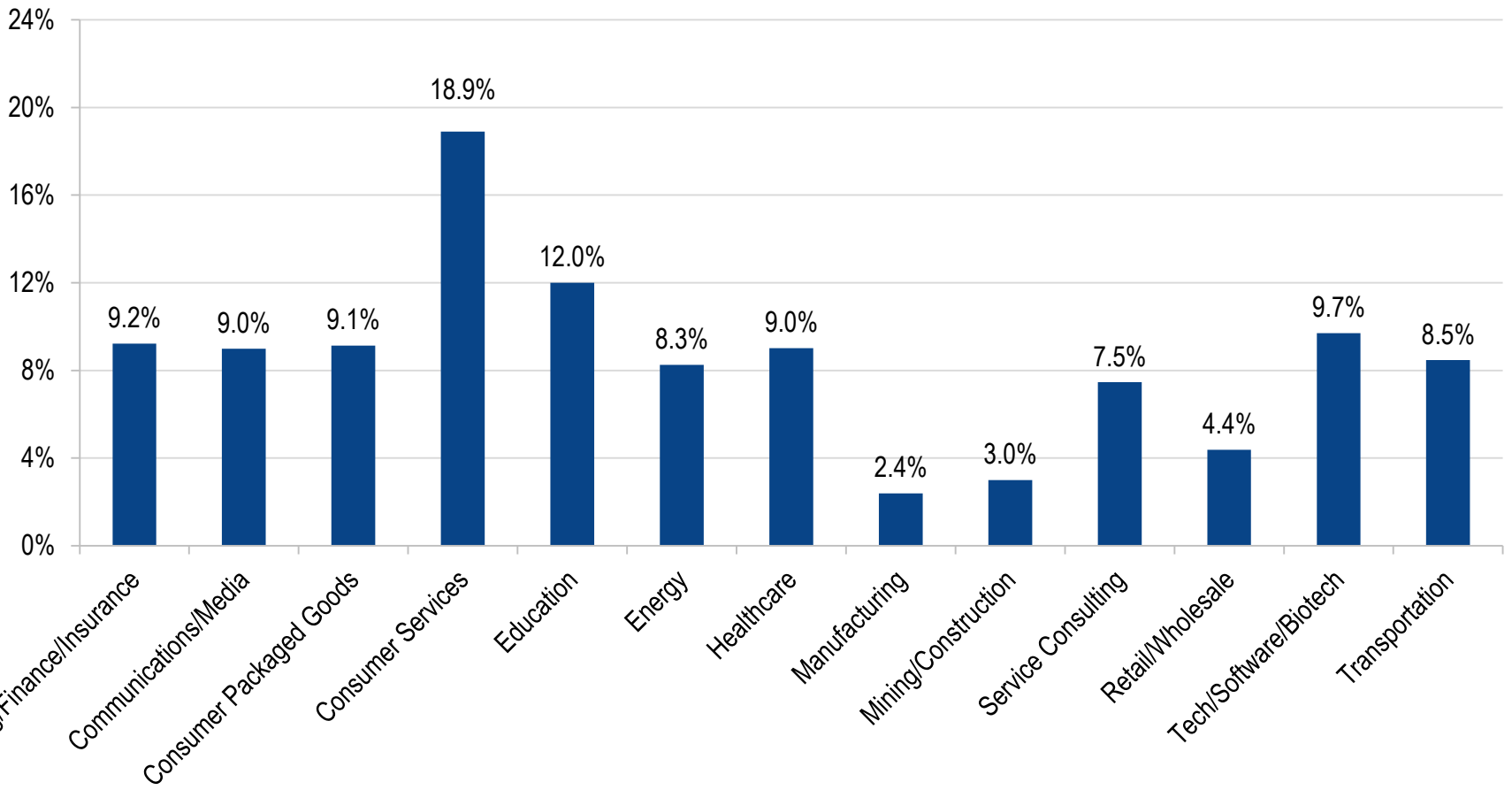


*Question asked in Feb-12 for the first time.

Consumer Services lead marketing spend as percent of revenues by industry

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 3.9. Marketing spending as percent of company revenues by industry



Investments in capability development remain top marketing knowledge priority

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Table 3.1. Percent change in marketing knowledge investments expected in next 12 months by sector

Marketing Knowledge Investments	Overall Average (SD)	B2B Product	B2B Services	B2C Product	B2C Services
Developing knowledge about how to do marketing*	6.5% (9.2%)	5.0% (6.8%)	7.7% (9.8%)	6.2% (10.7%)	7.4% (10.2%)
Marketing research and intelligence	3.9% (8.3%)	5.5% (8.7%)	3.4% (7.6%)	3.6% (9.7%)	1.8%(6.7%)
Marketing consulting services	3.3% (11.3%)	3.6% (11.8%)	2.2% (9.2%)	0.9% (11.6%)	8.7% (13.5%)
Marketing training**	1.9% (4.8%)	2.1% (5.0%)	2.1% (5.2%)	1.2% (3.8%)	1.9% (4.5%)

*Developing knowledge about how to do marketing refers to the development of new marketing capabilities.

**Marketing training involves transferring existing marketing knowledge to employees.

Investments in capability development remain top marketing knowledge priority

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Table 3.2. Knowledge investments in next 12 months by industry

Industry Sector	Marketing consulting services	Marketing research and intelligence	Developing knowledge about how to do marketing*	Marketing training**
Overall	3.3%	3.9%	6.5%	1.9%
Banking/Finance/Insurance	2.9%	4.5%	7.0%	2.7%
Communications/Media	4.5%	3.9%	8.5%	3.8%
Consumer Packaged Goods	-1.1%	2.2%	5.4%	0.6%
Consumer Services	4.4%	0.6%	8.9%	2.5%
Education	10.2%	-1.3%	3.8%	0.0%
Energy	7.5%	3.8%	7.5%	0.0%
Healthcare	1.7%	2.9%	5.1%	1.4%
Manufacturing	1.5%	5.3%	6.3%	1.6%
Mining/Construction	0.0%	0.5%	0.0%	0.0%
Service Consulting	1.7%	1.9%	6.3%	2.6%
Retail/Wholesale	8.1%	7.1%	6.6%	2.7%
Tech/Software/Biotech	4.1%	6.1%	7.7%	1.4%
Transportation	8.3%	4.0%	6.7%	1.2%

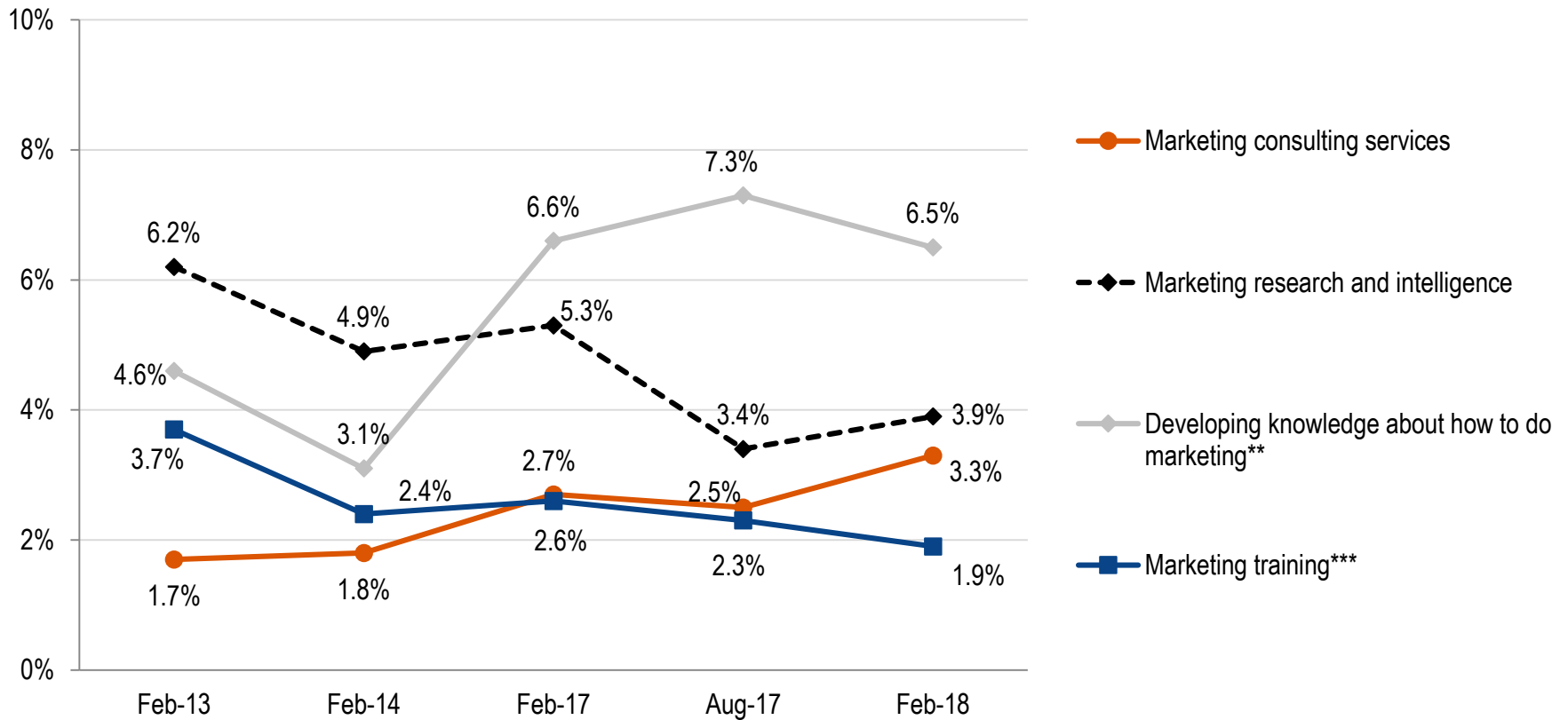
*Developing knowledge about how to do marketing refers to the development of new marketing capabilities.

**Marketing training involves transferring existing marketing knowledge to employees.

Marketing knowledge investments over time

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 3.10. Percent change in marketing knowledge investments expected in next 12 months*



*All data available for this question are shown.

**Developing knowledge about how to do marketing refers to the development of new marketing capabilities.

***Marketing training involves transferring existing marketing knowledge to employees.

Overall marketing budget spend averages 4.2% for training and development

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Table 3.3. Percentage of marketing budget devoted to training and development
(Overall Average = 4.2%, SD = 5.8, 95% percent confidence interval: 3.5%-5.0%)

Table 3.3a. Industry sector differences

Industry sector	Average
Banking/Finance/Insurance	4.0
Communications/Media	4.5
Consumer Packaged Goods	1.7
Consumer Services	2.9
Education	1.0
Energy	0.3
Healthcare	6.6
Manufacturing	5.5
Mining/Construction	1.5
Retail/Wholesale	3.1
Service/Consulting	5.0
Tech/Software/Biotech	3.9
Transportation	5.3

Table 3.3b. Economic sector differences

Sector	Average
B2B Product	5.3
B2B Services	3.6
B2C Product	3.2
B2C Services	4.6

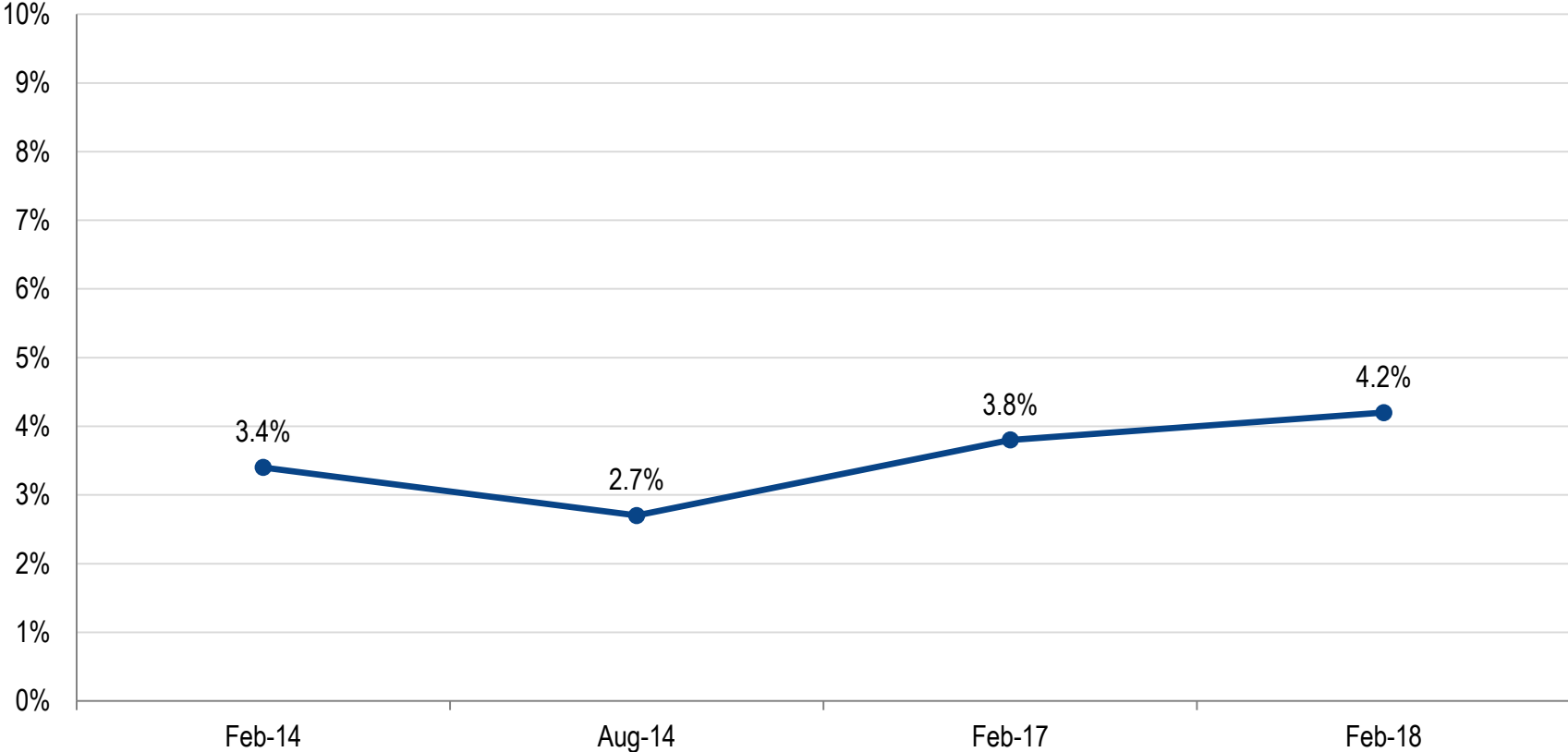
Table 3.3c. Firm Internet sales differences

Firm sales	Average
0% of sales	4.3
1-10% of sales	4.6
>10% of sales	3.6

Overall marketing budget spend on training and development increases over time

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 3.11. Percentage of marketing budget devoted to training and development



Topic 4

Financial and Marketing Performance

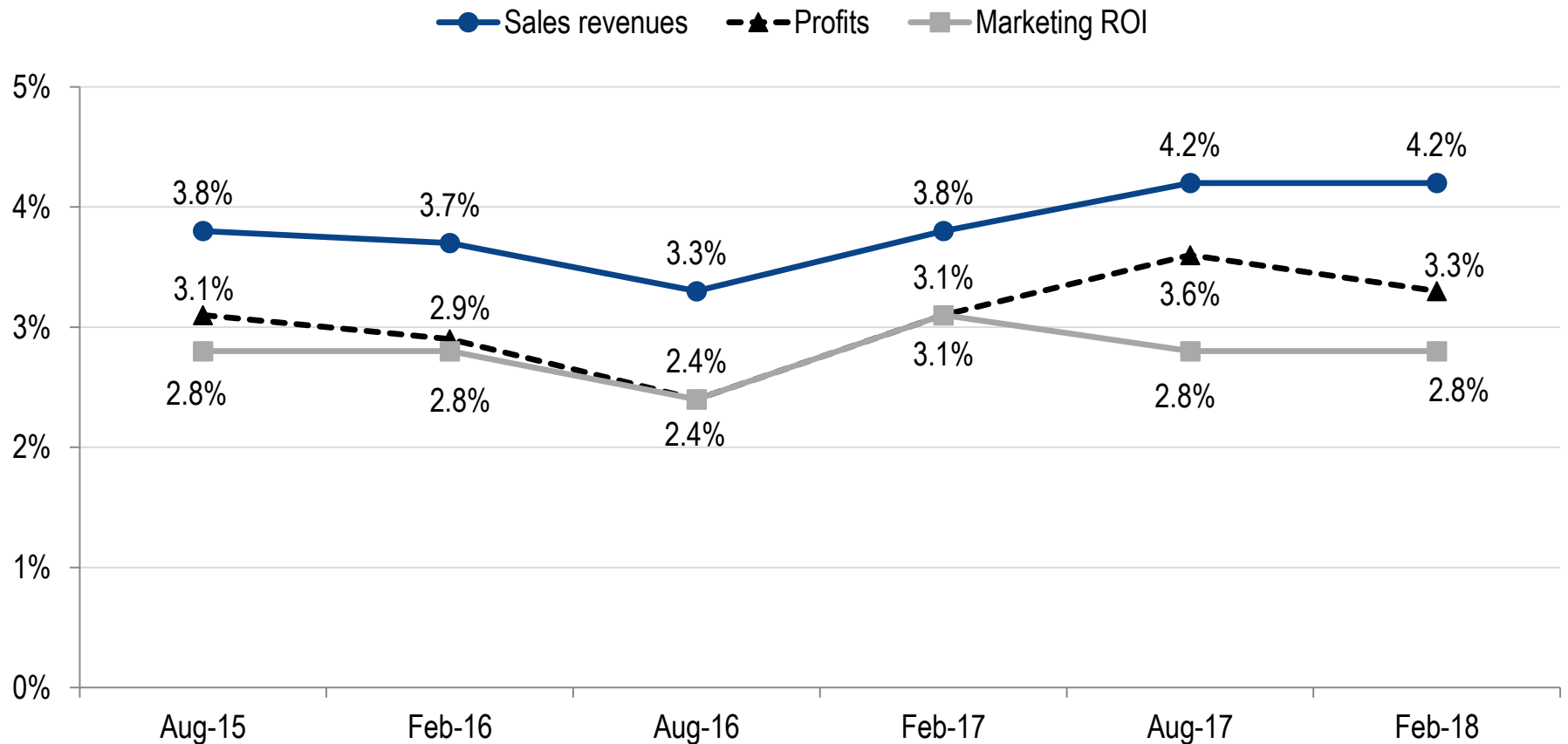
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Sales and Marketing ROI growth rates positive but flat

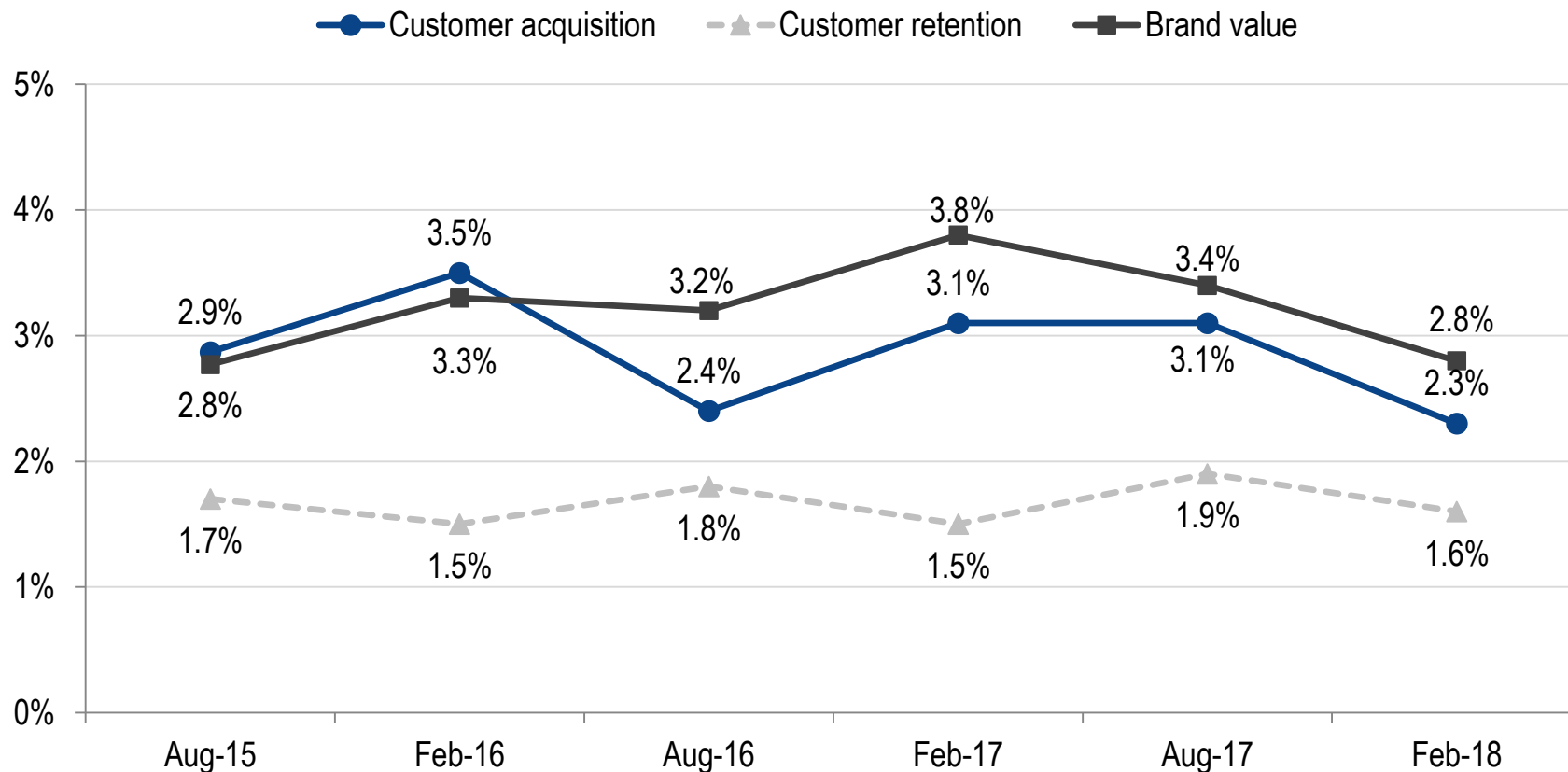
Figure 4.1. Percent change in performance on financial metrics in prior 12 months



All key customer and brand growth indicators positive but tick down

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 4.2. Percent change in performance on customer and brand metrics in prior 12 months



Firm performance metrics by economic sector

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Table 4.1. Percent change in financial and marketing performance in prior 12 months

Performance Indicator	Overall Average (SD)	B2B Product	B2B Services	B2C Product	B2C Services
Sales	4.2% (5.1%)	4.2% (5.3%)	4.6% (4.6%)	3.1% (5.4%)	4.7% (5.2%)
Profits	3.3% (5.2%)	2.4% (5.2%)	4.5% (4.4%)	1.5% (5.9%)	4.5% (4.8%)
Marketing ROI	2.9% (4.2%)	2.3% (4.3%)	3.5% (3.9%)	2.2% (5.0%)	3.4% (3.5%)
Customer acquisition	2.3% (4.4%)	1.9% (4.6%)	2.9% (3.9%)	2.0% (4.6%)	2.1% (5.0%)
Customer retention	1.6% (4.2%)	0.7% (4.1%)	2.7% (4.2%)	1.0% (4.2%)	2.2% (4.0%)
Brand value	2.8% (3.7%)	2.3% (4.0%)	3.8% (3.5%)	2.0% (3.3%)	2.8% (3.4%)



Topic 5

Social Media Marketing

The **CMO** Survey

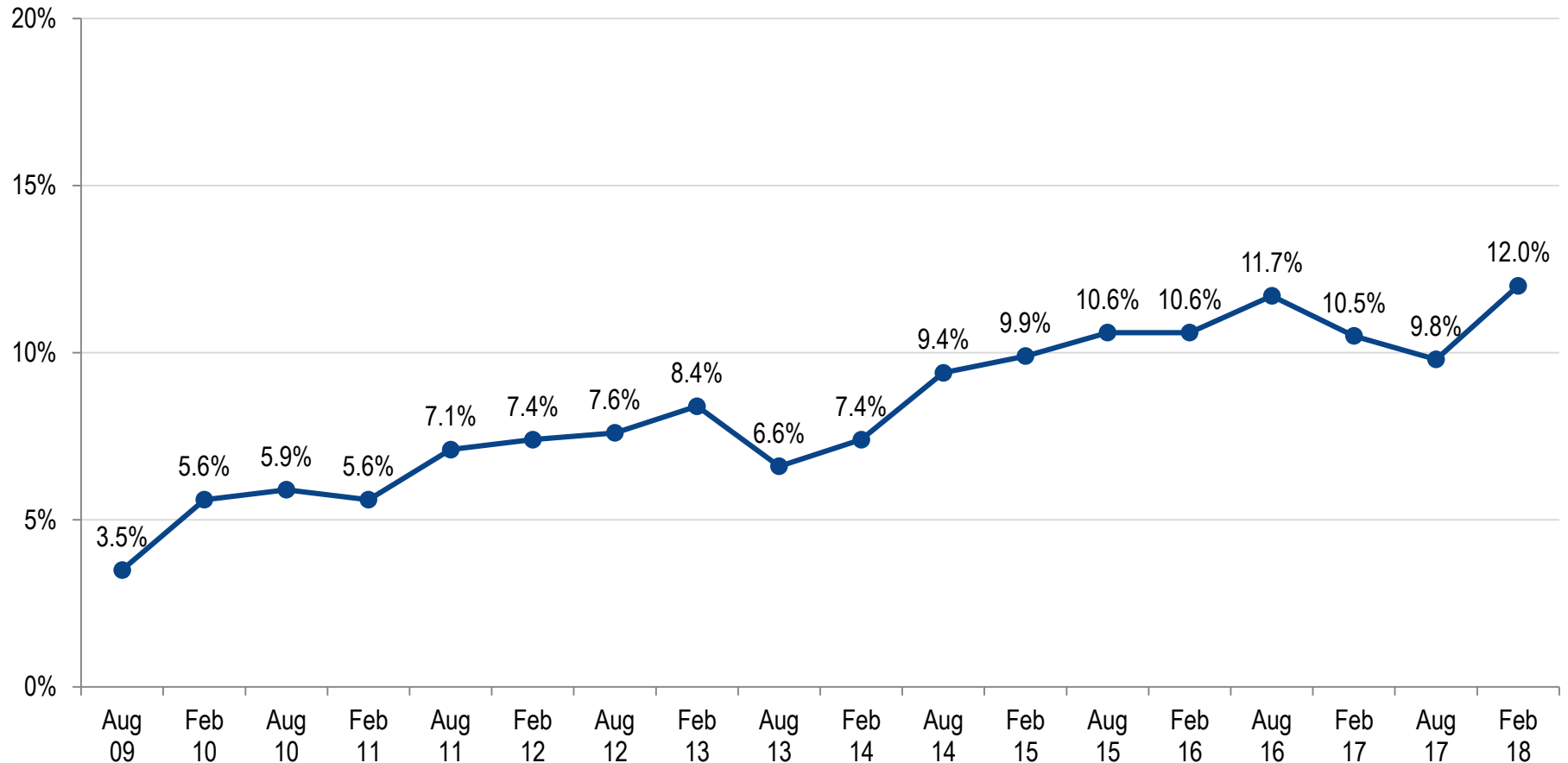
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Social media spend shows 243% growth since 2009

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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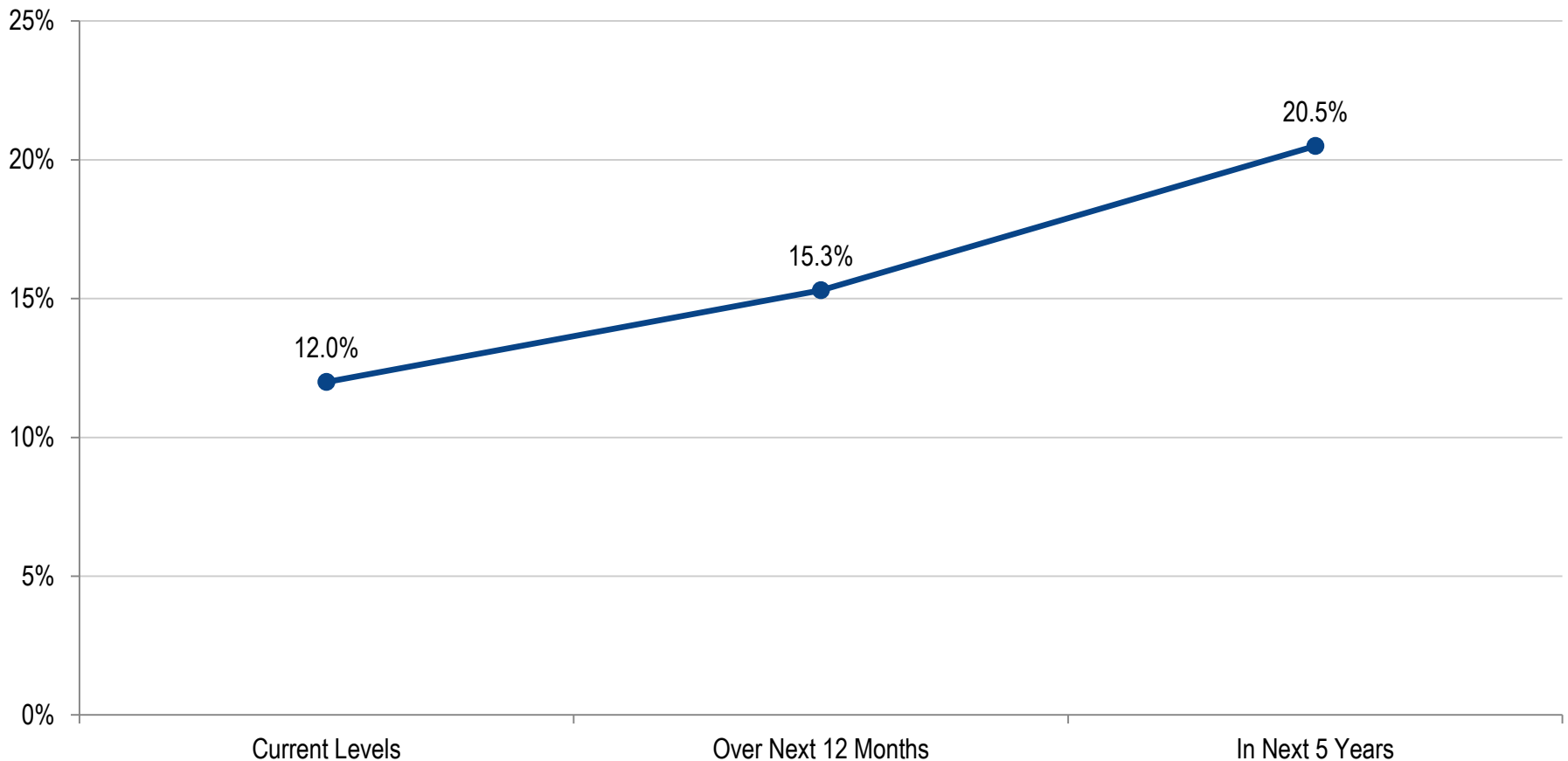
Figure 5.1. Current social media spending as percent of marketing budget



Marketers expected to expand social media spend by 71% in next 5 years

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 5.2. Social media spending as percent of marketing budgets



B2C Services lead social media spend with pace of growth slowing in next year

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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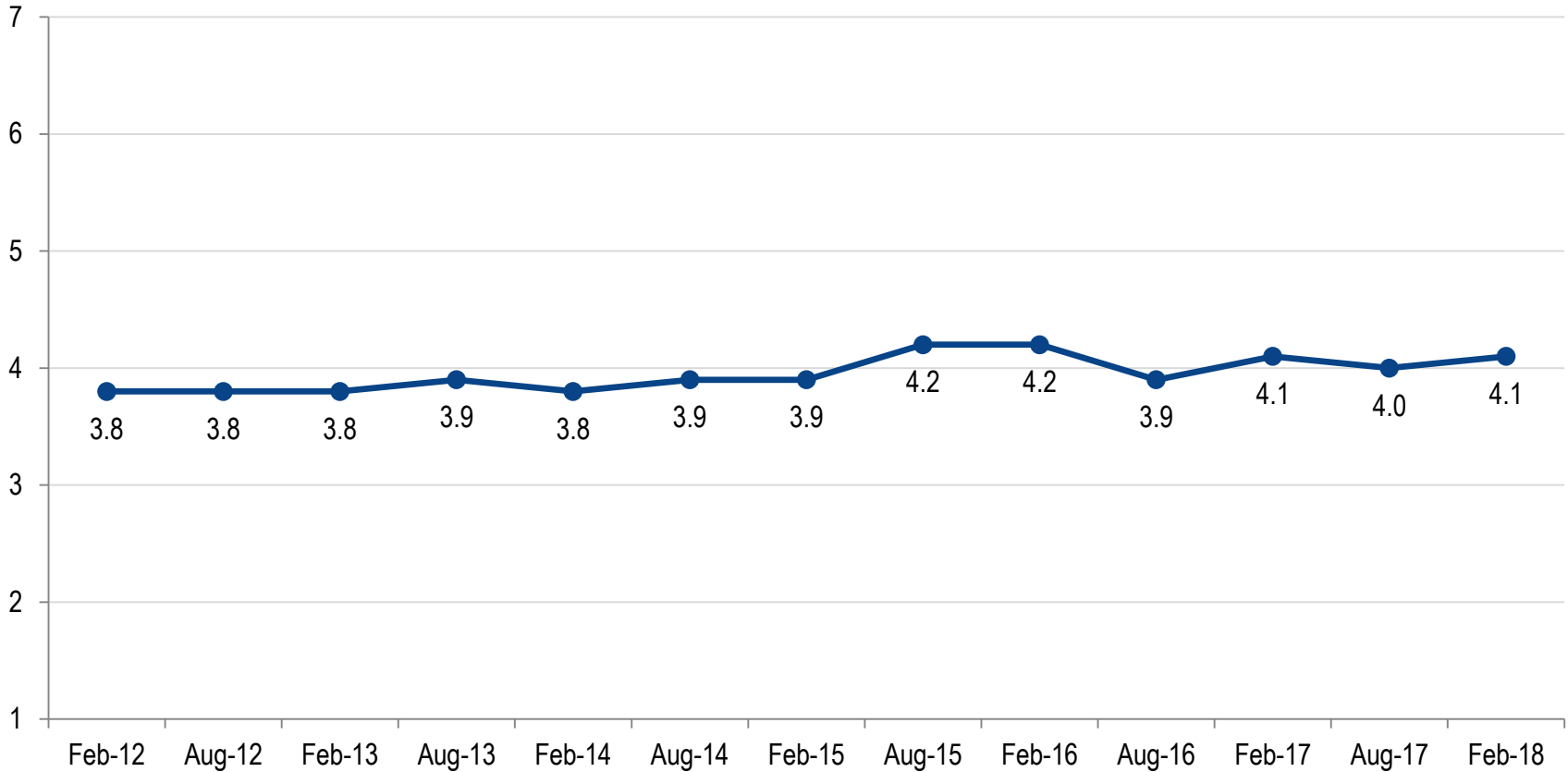
Table 5.1. Changes in social media spending across sectors

Social Media Spend	Overall	B2B Product	B2B Services	B2C Product	B2C Services
Current social media spending	12.1%	9.3%	13.2%	13.5%	13.5%
Social media spending in the next 12 months	15.3%	11.8%	16.8%	16.4%	17.8%
Social media spending in the next 5 years	20.5%	17.6%	20.9%	21.8%	24.6%

Integration of social media and marketing strategy shows limited progress

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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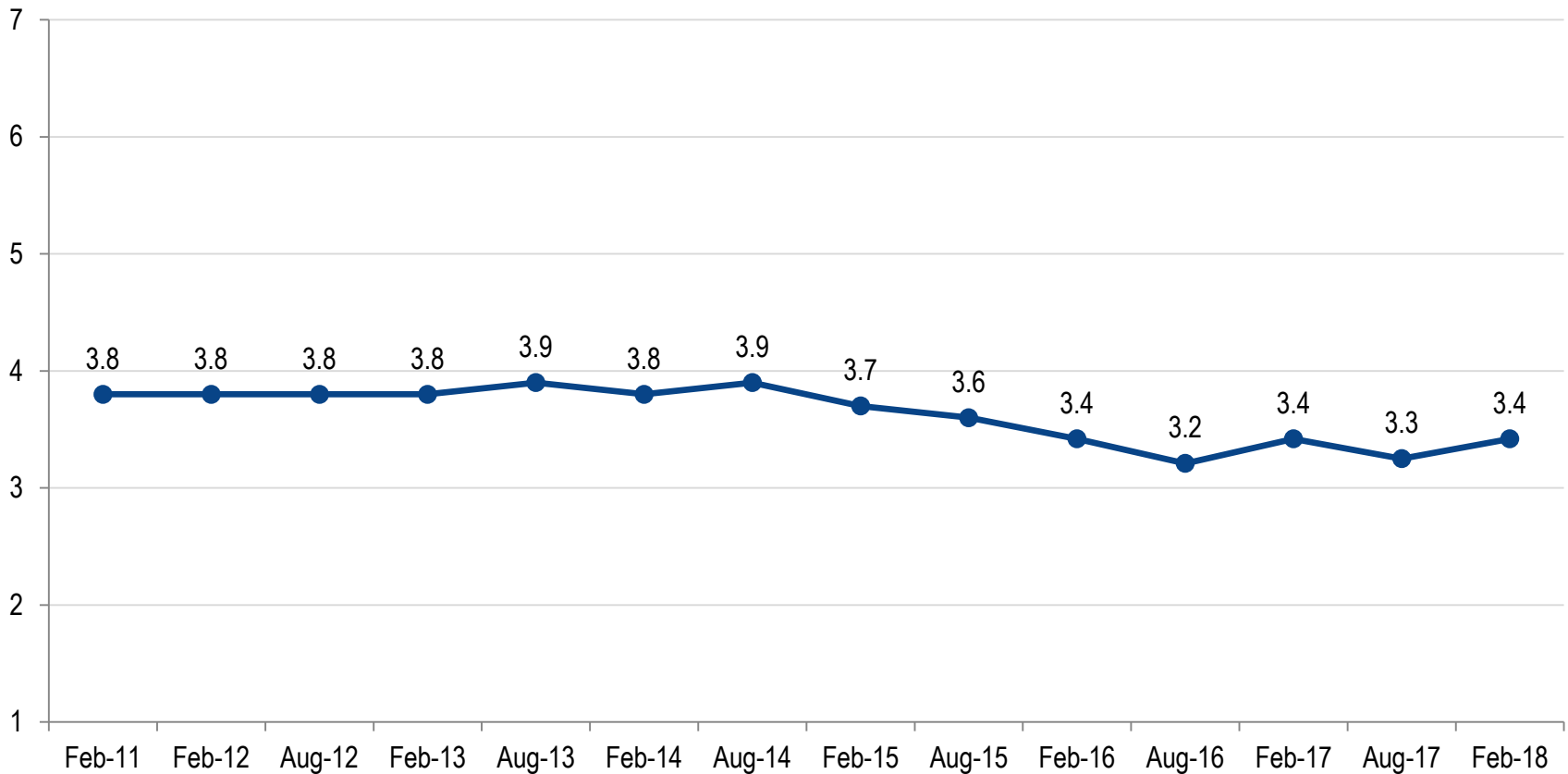
Figure 5.3. How effectively is social media linked to your firm's marketing strategy?
(1 = Not integrated, 7 = Very integrated)



Integration of customer information in omnichannel settings remains weak

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 5.4. How effectively does your company integrate customer information across purchasing, communication, and social media channels? (1 = Not at all effectively, 7 = Very effectively)

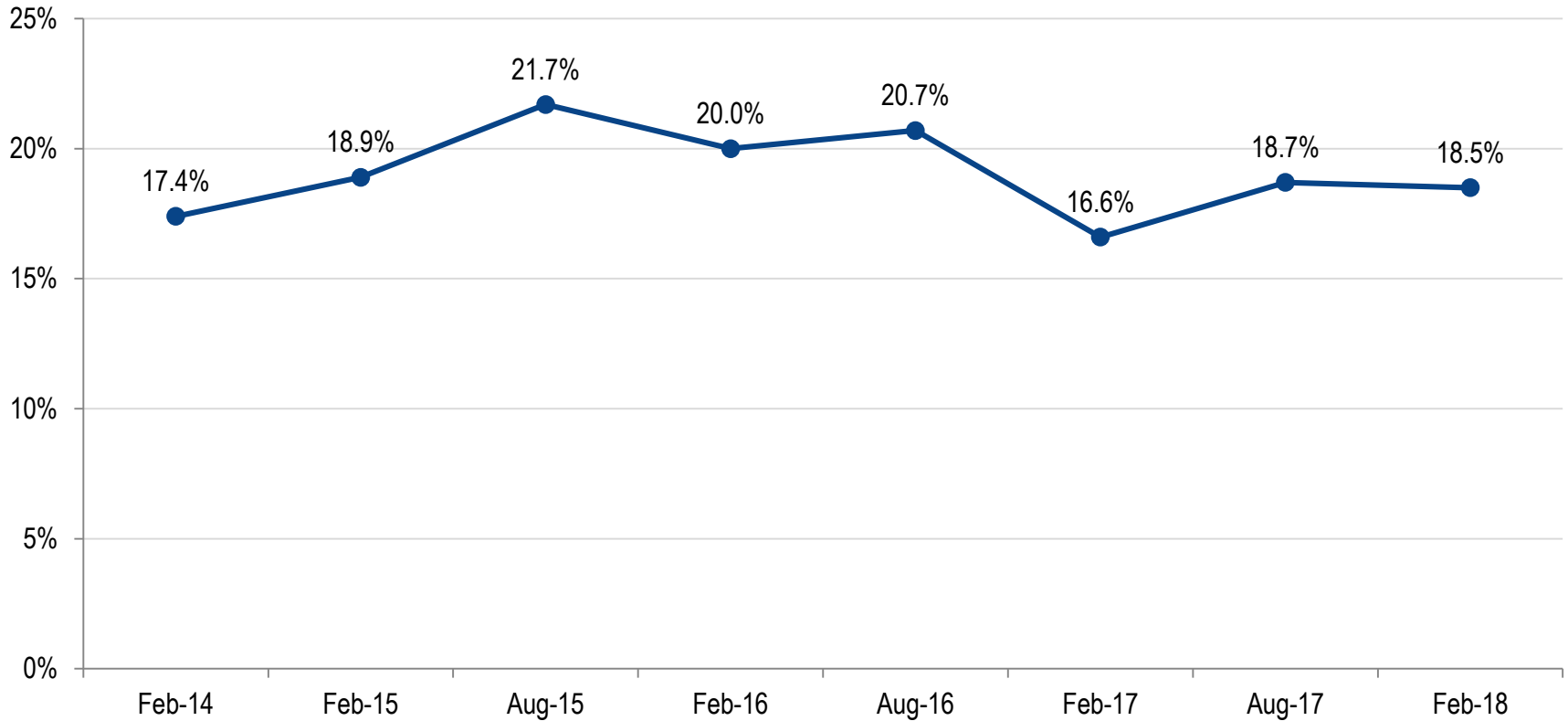


*Question asked in Feb-11 for the first time.

Use of outside social media agencies slows

Figure 5.5. Percent of company's social media activities performed by outside agencies

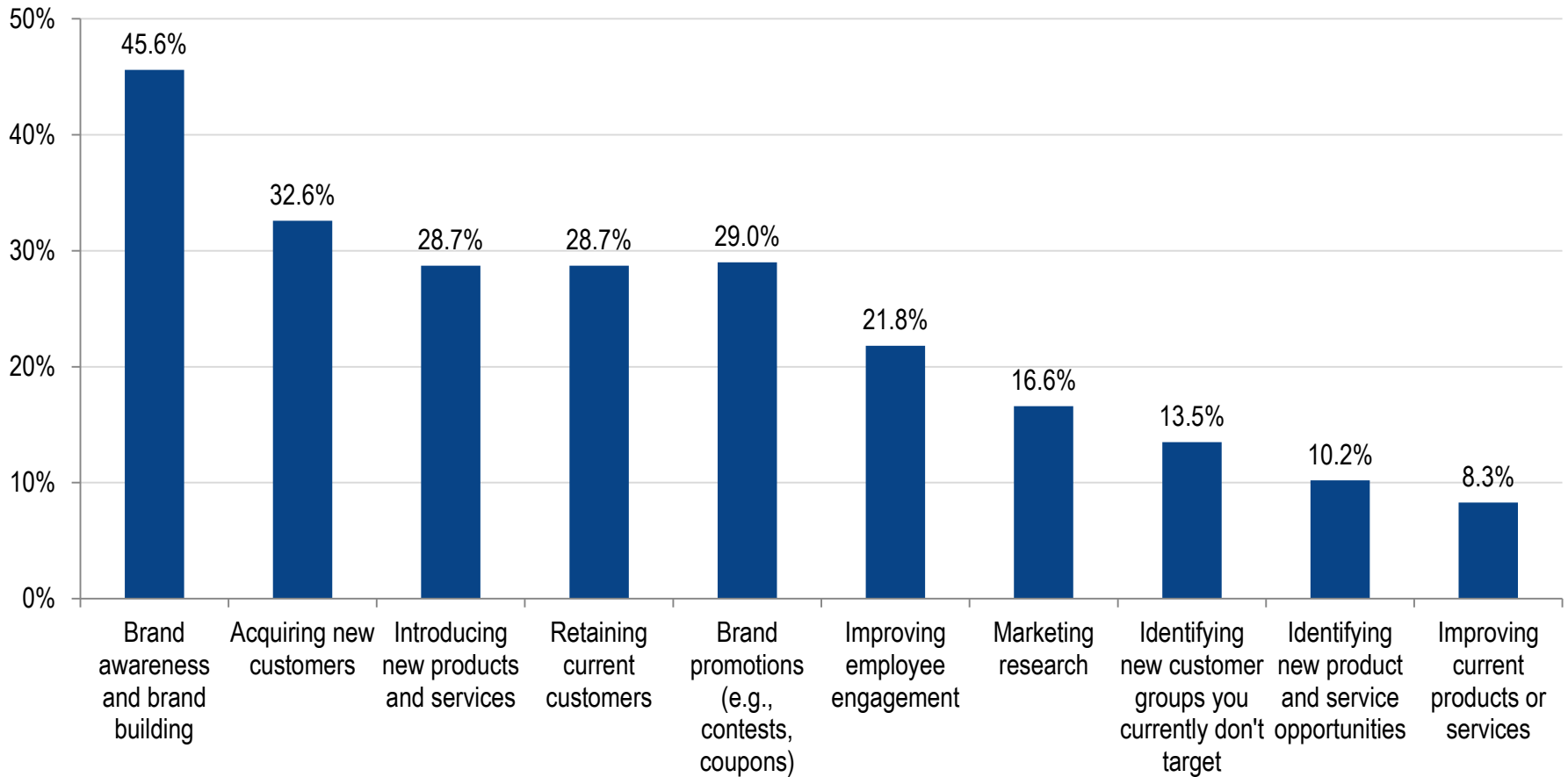
B2B Product	19.2%
B2B Services	10.3%
B2C Product	32.8%
B2C Services	17.5%



Top reason firms use social media: Brand building and brand awareness

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 5.6. How does your firm use social media? (Check all that apply)



Top reason firms use social media: Brand building and brand awareness

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

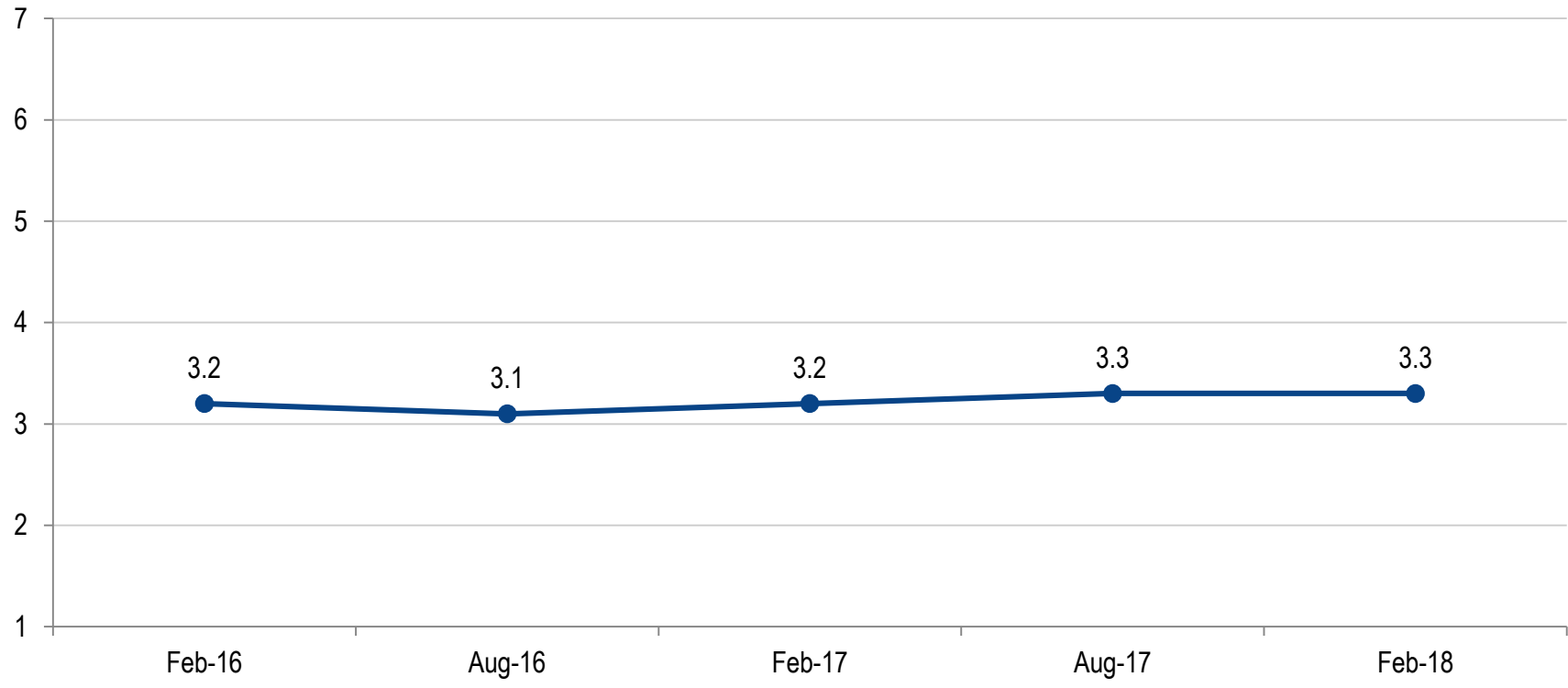
Table 5.2. How does your firm use social media by sector? (Check all that apply)

Social Media Use Type	% Using	B2B Product	B2B Services	B2C Product	B2C Services
Brand awareness and brand building	45.6%	43.7%	47.9%	46.4%	43.6%
Acquiring new customers	32.6%	26.9%	34.5%	33.3%	40.0%
Introducing new products and services	28.7%	27.7%	28.6%	40.6%	16.4%
Retaining current customer	28.7%	20.2%	35.3%	33.3%	27.3%
Brand promotions (e.g., contests, coupons)	29.0%	29.4%	26.9%	40.6%	18.2%
Improving employee engagement	21.8%	19.3%	31.9%	13.0%	16.4%
Marketing research	16.6%	13.4%	16.8%	20.3%	18.2%
Identifying new customer groups you currently don't target	13.5%	9.2%	16.0%	13.0%	18.2%
Identifying new product and service opportunities	10.2%	7.6%	14.3%	10.1%	7.3%
Improving current products or services	8.3%	6.7%	6.7%	14.5%	7.3%

Social media perceived to make modest contributions to company performance

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 5.7. To what degree does the use of social media contribute to your company's performance? (1 = Not at all, 7 = Very highly)



* Question asked in Feb-16 for the first time.

Social networking ranks as the most impactful social media platform

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Table 5.3. Rank the top three (1=best) of the following social media according to the impact your company's performance – Sorted by 1st priority

Social Media Platform	Average
Social networking (e.g., Facebook, LinkedIn)	1.6
Blogging	1.9
Video sharing (e.g., YouTube)	2.1
Product reviews	2.0
Photosharing (e.g., Instagram, Snapchat)	2.2
Microblogging (e.g., Twitter)	2.4
Podcasting	2.5
Product design or co-creation (e.g., NikeiD)	3.0
Forums (e.g., Google groups)	2.4
Social bookmarking (e.g., Digg)	2.0
Virtual reality (e.g., Second life)	0

Social networking ranks as the most impactful social media platform

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Table 5.4. Rank the top three (1=best) of the following social media according to impact your company’s performance – Sorted by 1st priority and sector

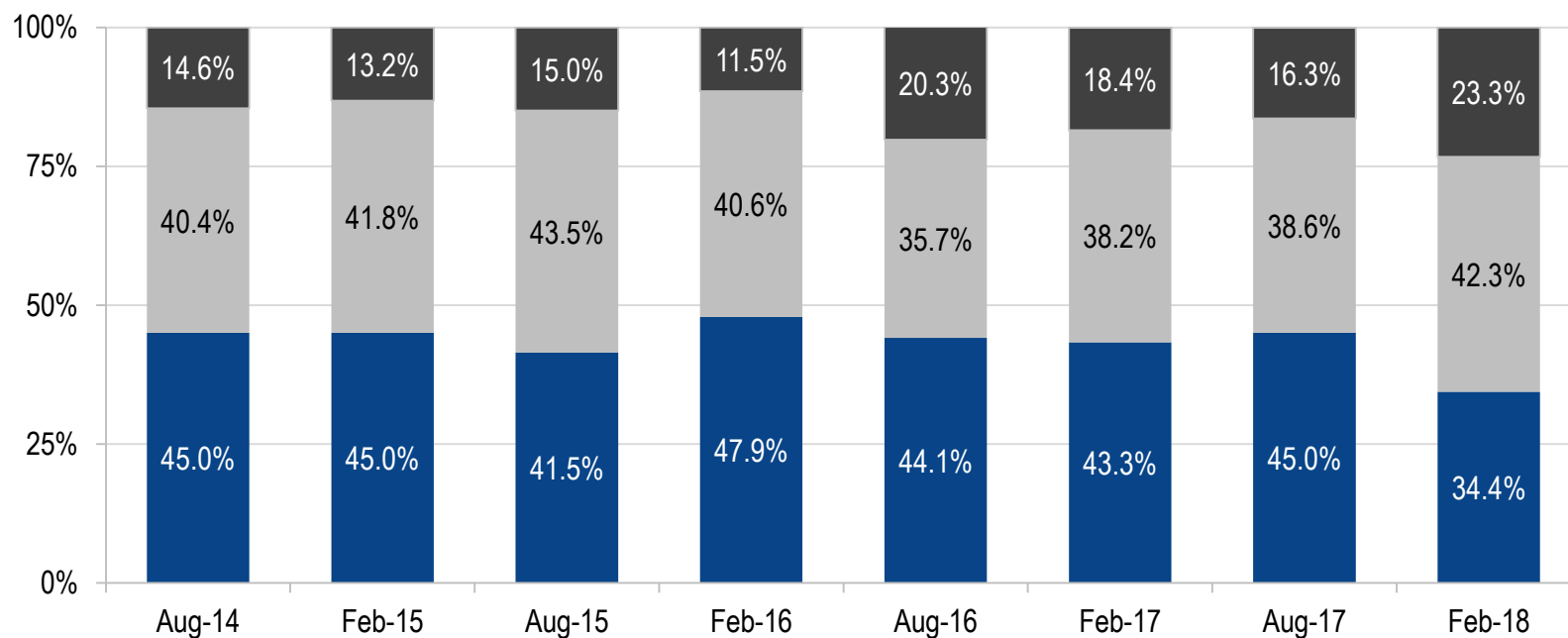
Social Media Platform	B2B Products	B2B Services	B2C Product	B2C Services
Social networking (e.g., Facebook, LinkedIn)	1.8	1.5	1.5	1.6
Blogging	1.9	1.7	2.3	2.0
Video sharing (e.g., YouTube)	1.8	2.3	2.4	2.1
Product reviews	2.1	2.3	1.9	2.0
Photosharing (e.g., Instagram, Snapchat)	2.2	2.6	2.0	1.8
Microblogging (e.g., Twitter)	2.1	2.4	2.5	3.0
Podcasting	2.0	3.0	---	2.7
Product design or co-creation (e.g., NikeiD)	3.0	---	---	---
Forums (e.g., Google groups)	2.6	2.0	2.5	---
Social bookmarking (e.g., Digg)	--	---	2.0	---
Virtual reality (e.g., Second life)	---	---	---	---

Impact of social media remains difficult to prove

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 5.8. Which best describes how you show the impact of social media on your business?

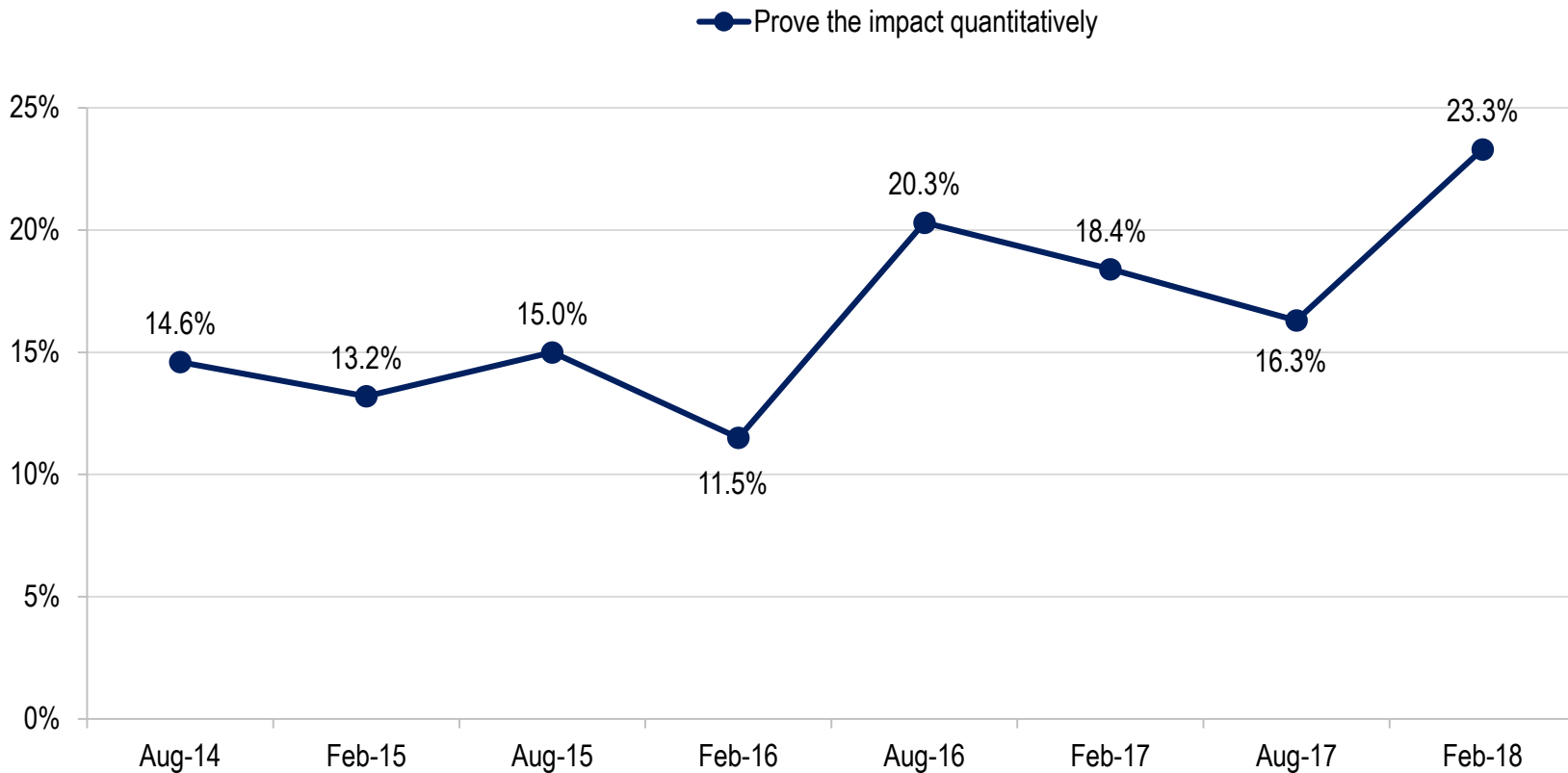
- Unable to show the impact yet
- Good qualitative sense of the impact, but not a quantitative impact
- Prove the impact quantitatively



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

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 5.9. Which best describes how you show the impact of social media on your business?





Topic 6

Mobile Marketing

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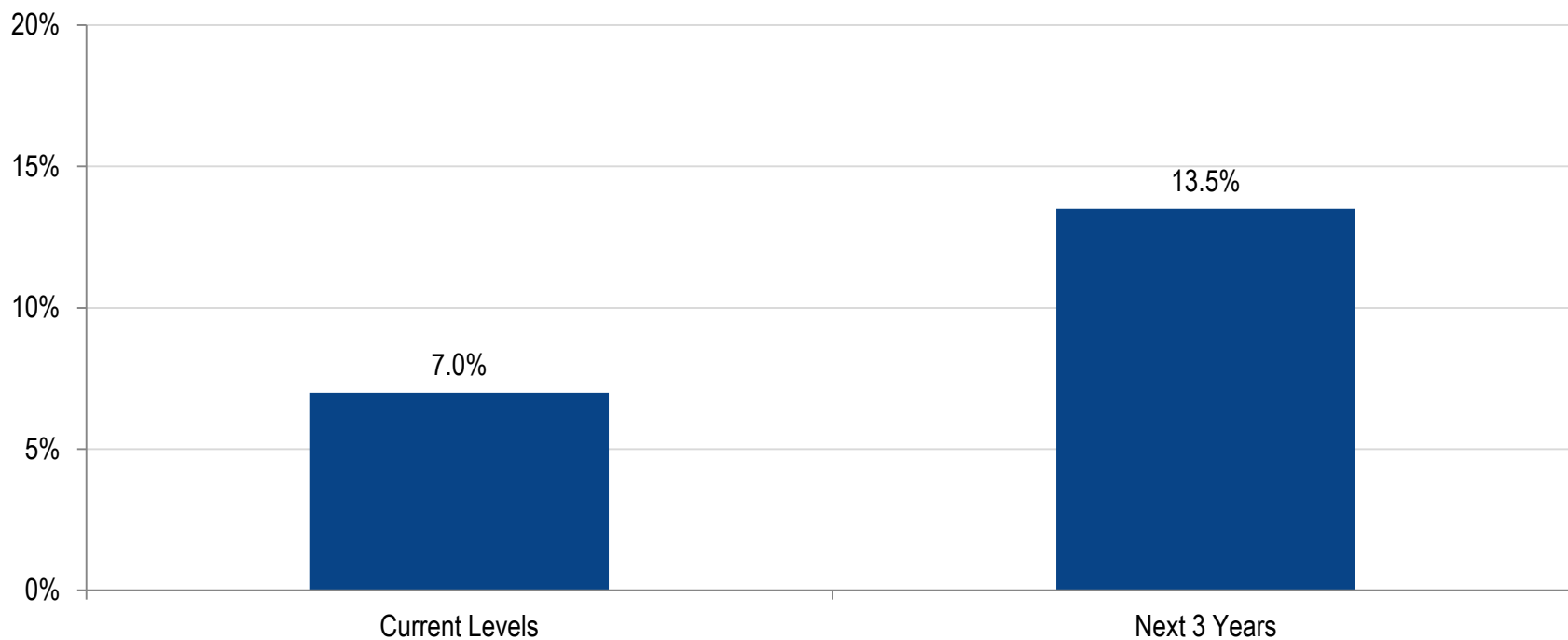


Marketing spend on mobile expected to increase 93% in three years

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 6.1. Percent of marketing budget spending on mobile

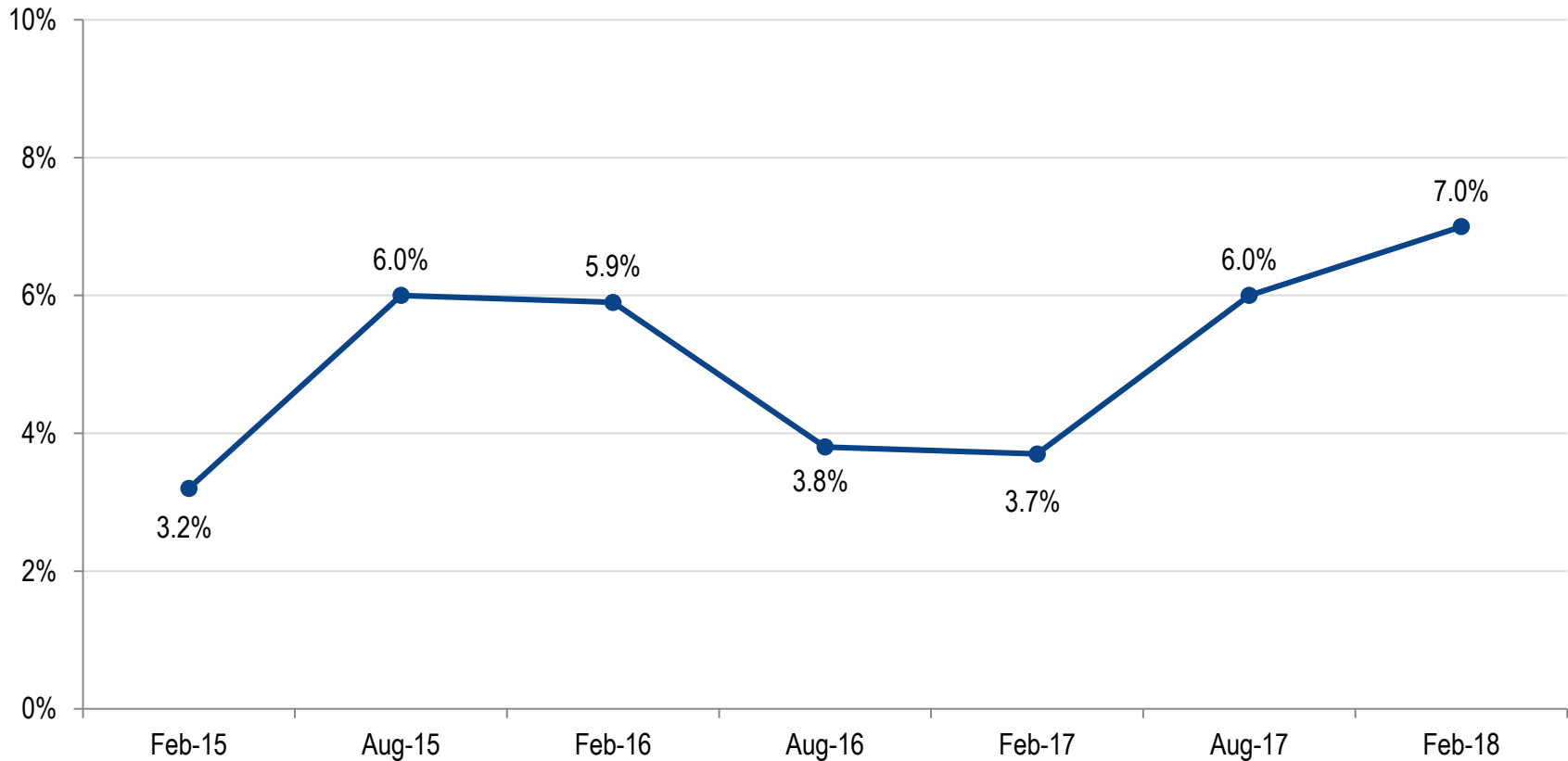
	Current	3 years
B2B Product	5.6%	11.8%
B2B Services	3.6%	8.2%
B2C Product	10.9%	18.2%
B2C Services	13.6%	24.7%



Percent of marketing budget on mobile trends upwards over three years

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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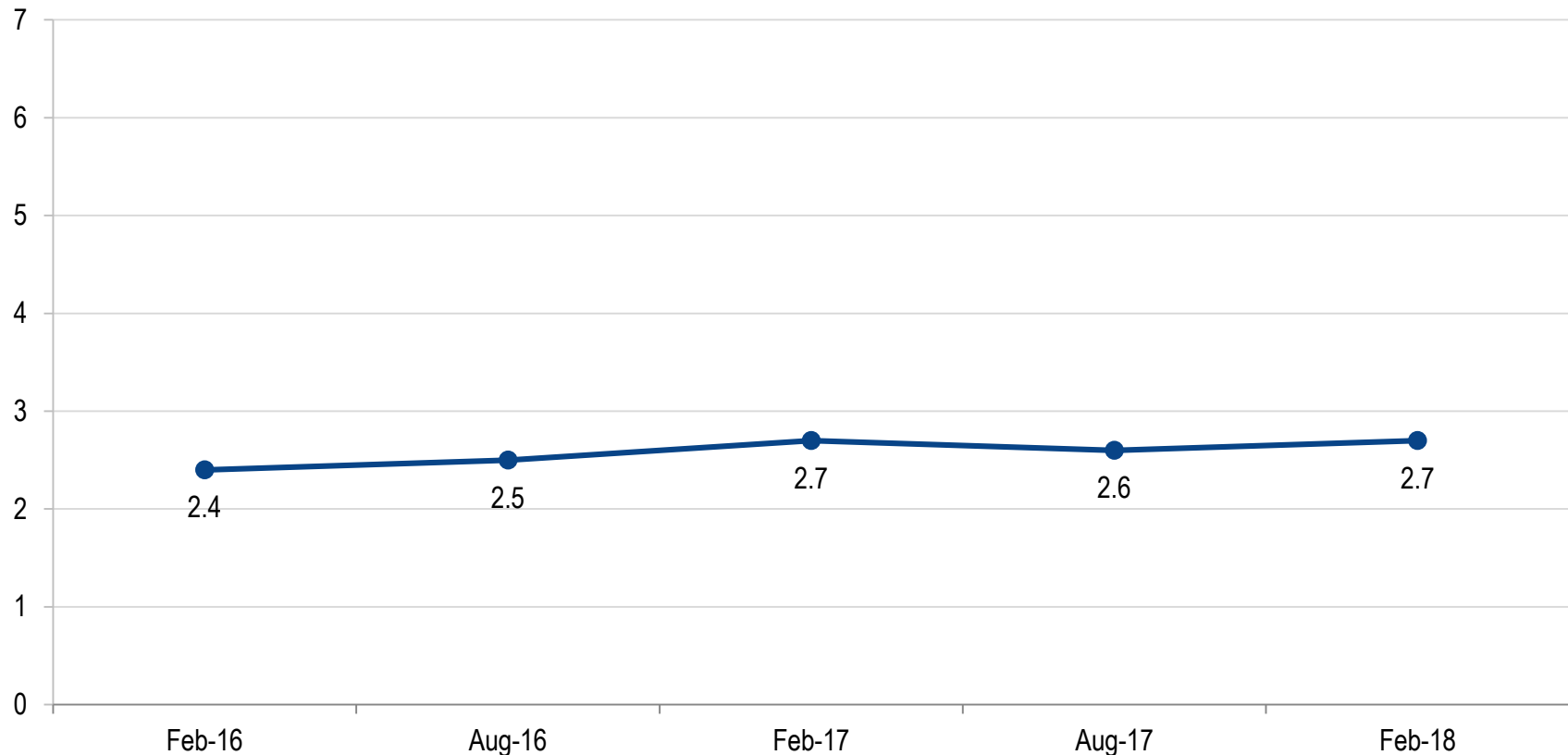
Figure 6.2. Percent of current marketing budget spend on mobile over time



Mobile contributions to company performance show little improvement

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

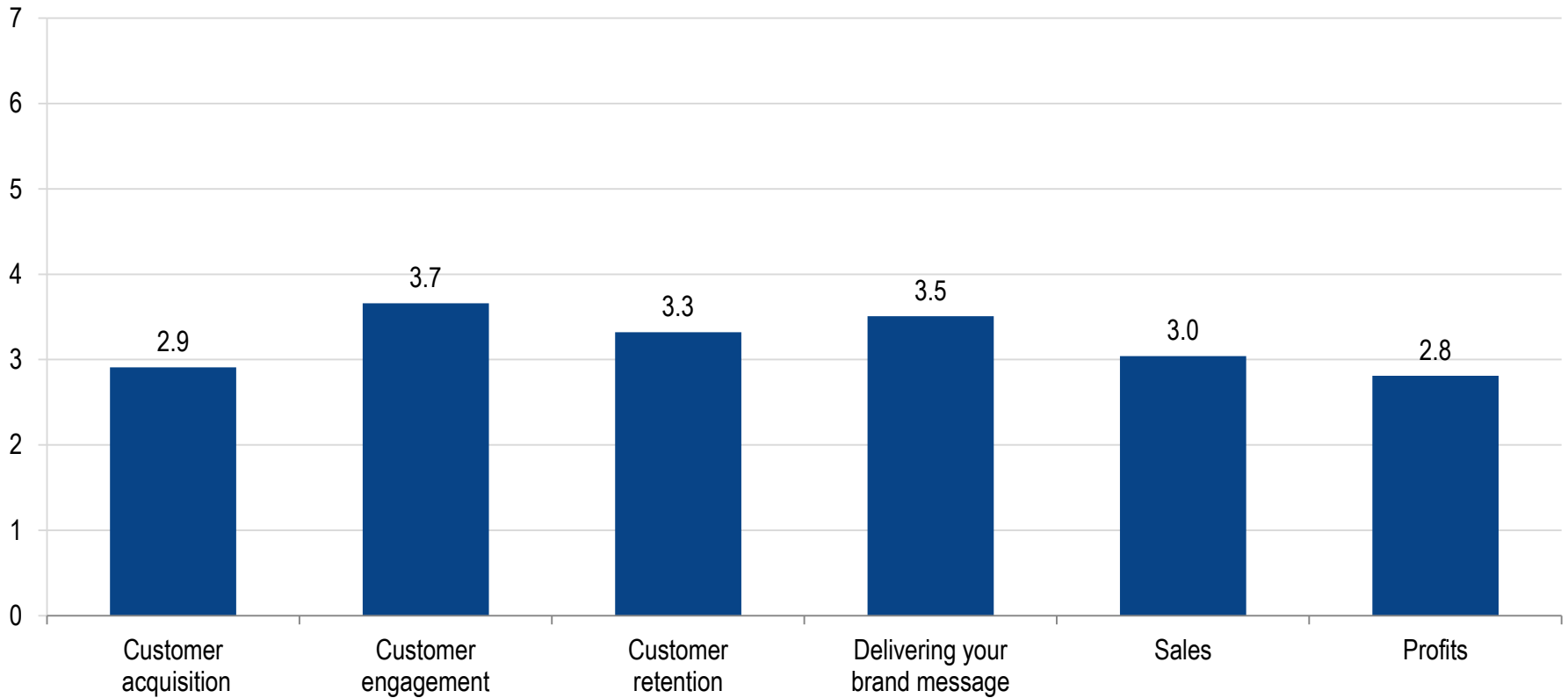
Figure 6.3. To what degree does the use of mobile marketing contribute to your company's performance? (1 = Not at all, 7 = Very highly)



Mobile impact on customer, brand, and financial outcomes remains weak

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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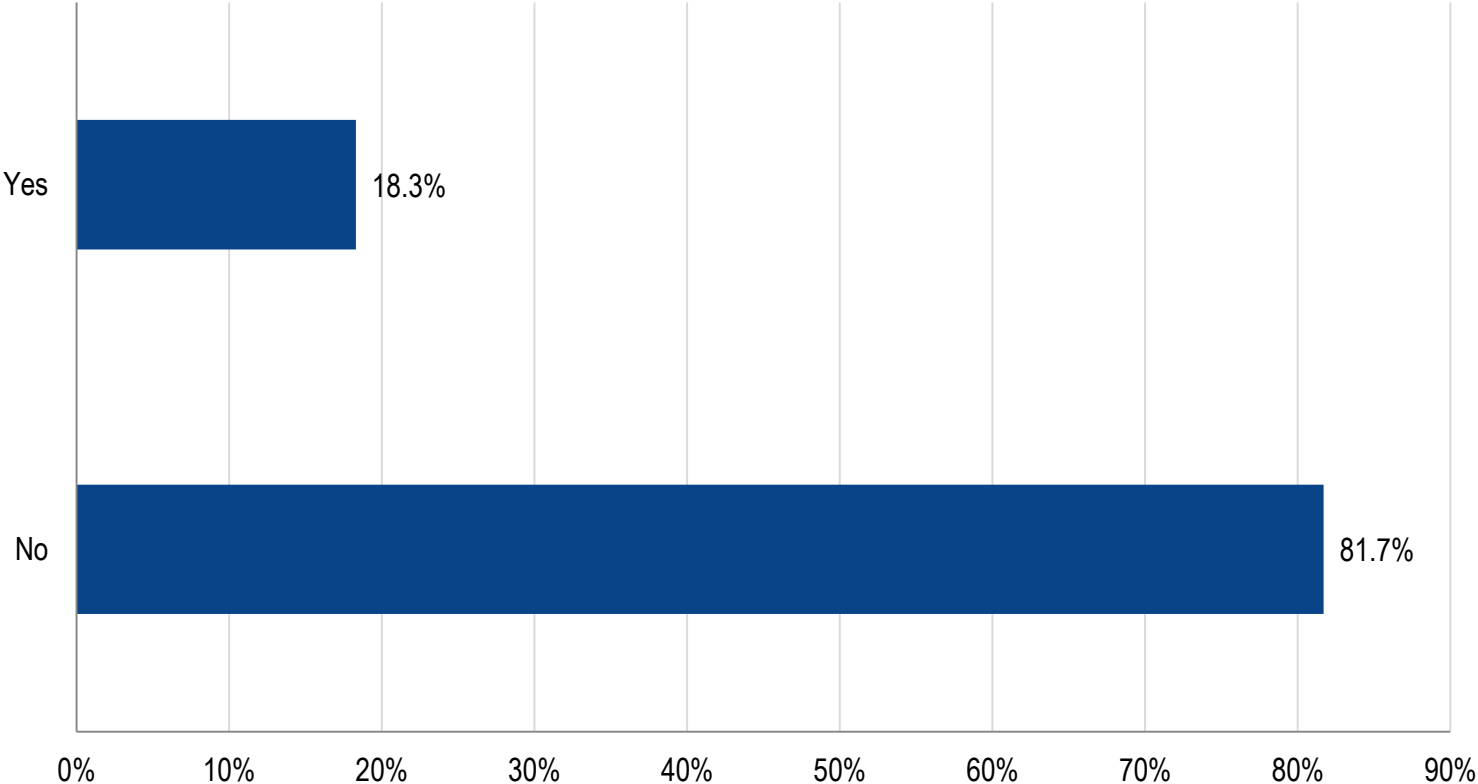
Figure 6.4. Rate the performance of your company's mobile marketing activities (1 = Poor, 7 = Excellent)



Companies remain focused on marketing fundamentals despite digital trends

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 6.5. In general, do you think that the opportunity to pursue digital marketing opportunities has drawn your company's attention away from marketing strategy fundamentals?





Topic 7

Marketing Jobs

The **CMO** Survey

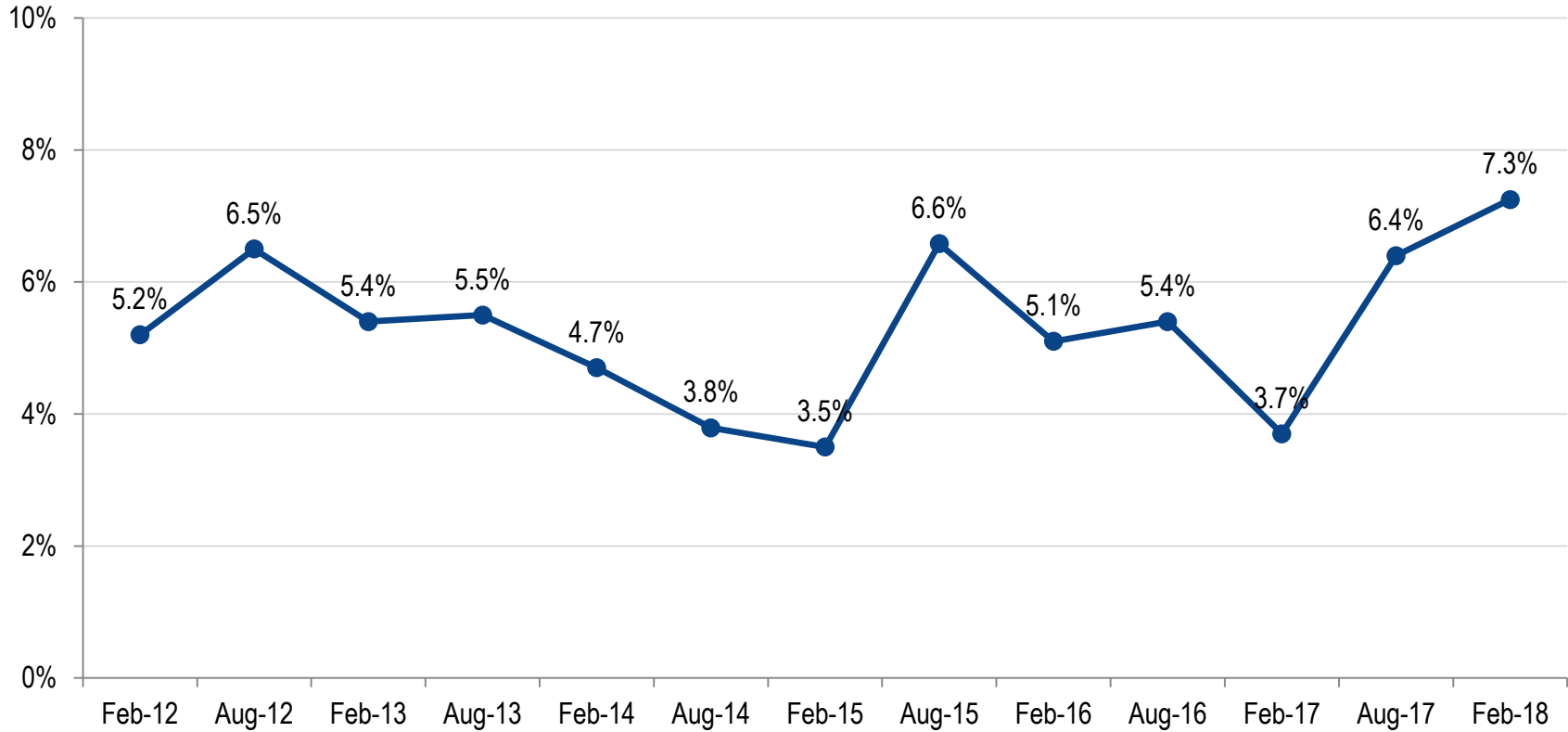
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Planned marketing hires reach highest level since 2012

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 7.1. Percent change in marketing hires planned in next 12 months



Marketing hiring changes by firm and industry characteristics

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

Table 7.1. Percent change in marketing hires in next 12 months (Overall Average = 7.3%, SD = 14.5%)

Table 7.1a. Industry differences

Industry	Average
Banking/Finance/Insurance	3.1%
Communications/Media	8.4%
Consumer Packaged Goods	9.2%
Consumer Services	6.4%
Education	5.0%
Energy	19.2%
Healthcare	10.3%
Manufacturing	6.3%
Mining/Construction*	0.0%
Retail/Wholesale	3.3%
Service/Consulting	9.9%
Tech/Software/Biotech	5.1%
Transportation	7.1%

Table 7.1b. Economic sector differences

Sector	Average
B2B Product	7.1%
B2B Services	8.0%
B2C Product	6.2%
B2C Services	7.2%

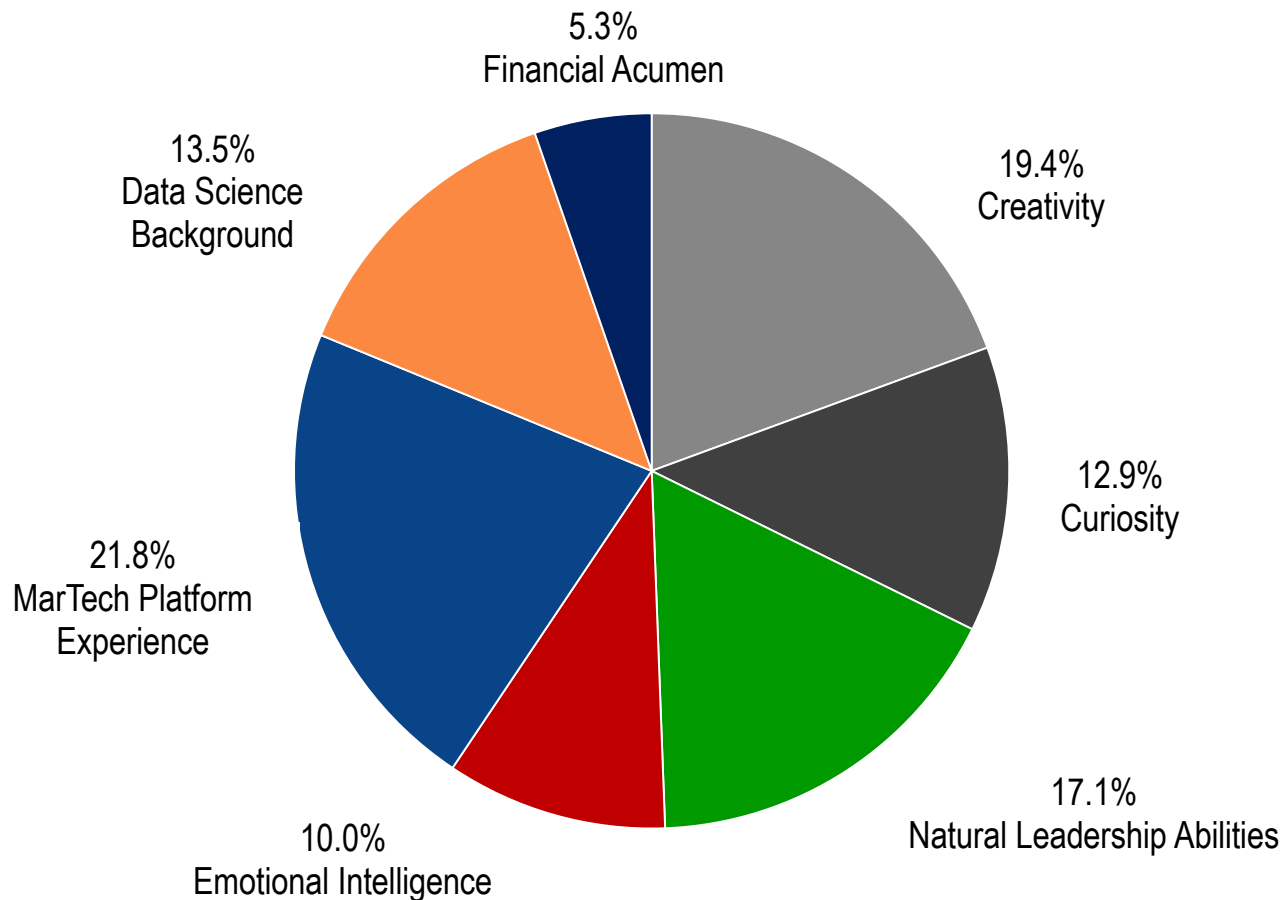
Table 7.1c. Firm Internet sales differences

Firm sales	Average
0% of sales	7.0%
1-10% of sales	6.4%
>10% of sales	10.2%

Marketers seek talent with MarTech platform experience and creativity

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

Figure 7.2. When thinking about future marketing talent needs, what skills would you prioritize in the hiring process?



Marketers seek talent with MarTech platform experience and creativity

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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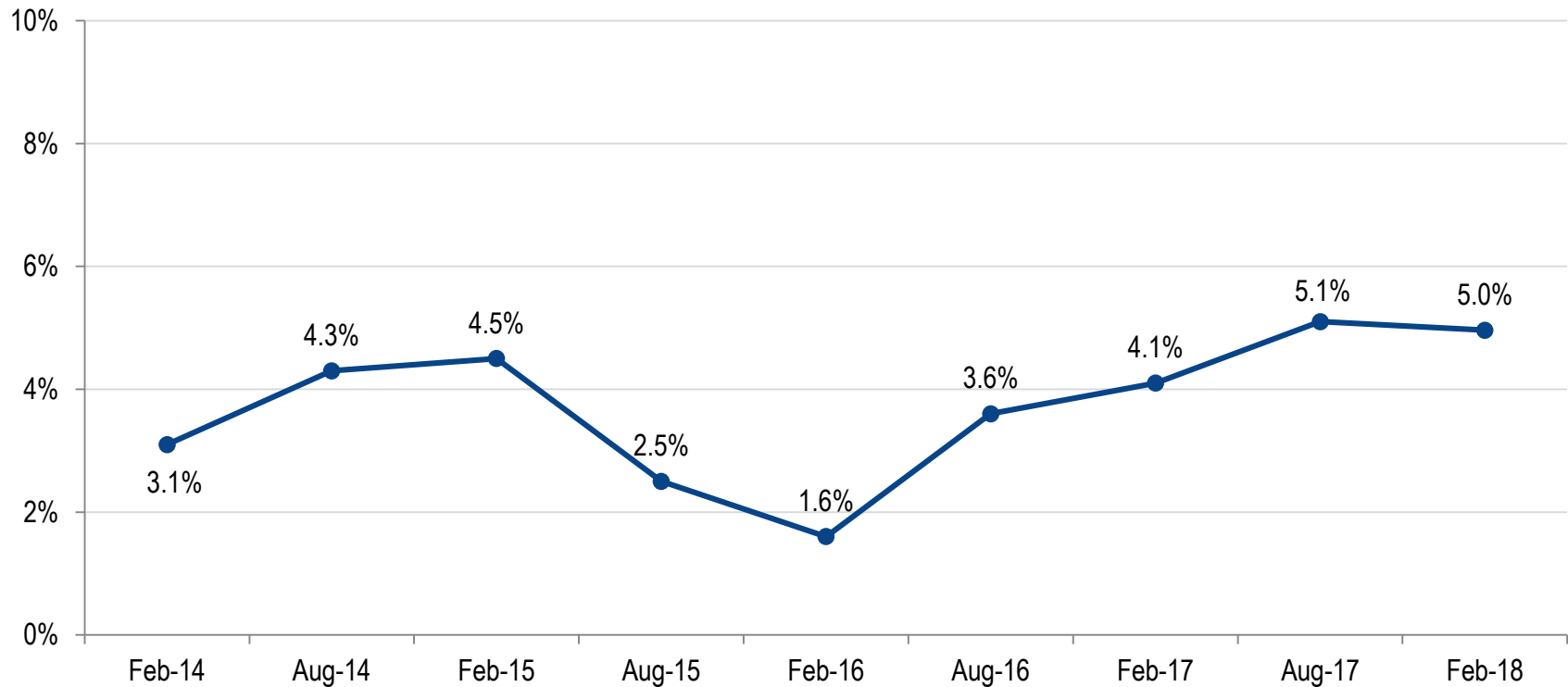
Table 7.2. When thinking about future marketing talent needs, what skills would you prioritize in the hiring process? (Rank in order of importance, where 1 = most important, 7 = least)

Talent	1	2	3	4	5	6	7
MarTech Platform Experience	21.8%	11.8%	14.1%	7.1%	7.1%	15.3%	22.4%
Creativity	19.4%	23.5%	22.4%	14.1%	11.2%	7.6%	1.8%
Natural Leadership Abilities	17.1%	10.0%	15.3%	14.7%	22.4%	11.8%	8.2%
Data Science Background	13.5%	14.7%	11.2%	10.0%	14.1%	15.9%	20.0%
Curiosity	12.9%	19.4%	11.2%	20.0%	11.2%	14.7%	10.6%
Emotional Intelligence	10.0%	14.1%	15.3%	19.4%	18.2%	13.5%	9.4%
Financial Acumen	5.3%	6.5%	10.6%	14.1%	15.3%	20.6%	27.1%

Marketing outsourcing expected to increase by 5% in next year

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 7.3. Percent change in outsourcing of marketing planned in next 12 months



Marketing outsourcing changes by firm and sector characteristics

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

Table 7.3. Percent change in marketing outsourcing in next 12 months (Overall Average = 5.0%, SD = 9.1%)

Table 7.2a. Industry sector differences

Industry	Average
Banking/Finance/Insurance	9.2%
Communications/Media	0.4%
Consumer Packaged Goods	3.7%
Consumer Services	6.4%
Education	5.0%
Energy	10.0%
Healthcare	5.0%
Manufacturing	5.5%
Mining/Construction	5.0%
Retail/Wholesale	1.9%
Service/Consulting	5.0%
Tech/Software/Biotech	5.7%
Transportation	6.4%

Table 7.2b. Economic sector differences

Sector	Average
B2B Product	4.4%
B2B Services	3.7%
B2C Product	5.5%
B2C Services	8.5%

Table 7.2c. Firm Internet sales differences

Firm sales	Average
0% of sales	5.6%
1-10% of sales	4.4%
>10% of sales	5.5%

Topic 8

Marketing Organization

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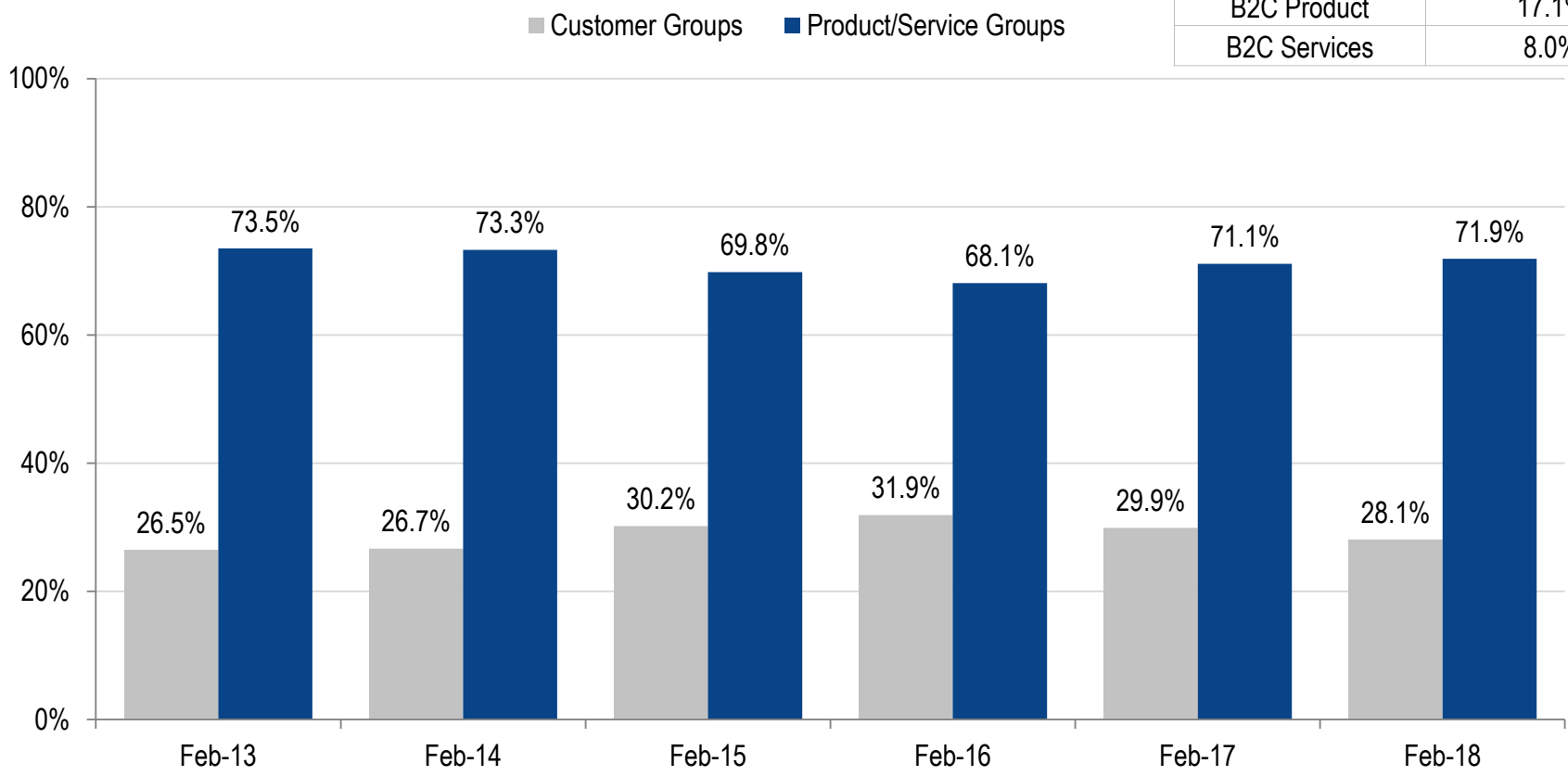
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Product / service organizational structure remains dominant

Figure 8.1. Organizational structure in companies

	% customer groups
Overall	28.1%
B2B Product	36.5%
B2B Services	33.9%
B2C Product	17.1%
B2C Services	8.0%



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

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Table 8.1. How does your company approach the development of new marketing capabilities? Allocate 100 points to indicate the emphasis you place on each approach.

Sector	Average	B2B Product	B2B Services	B2C Product	B2C Services
We build new marketing capabilities ourselves by training current or hiring new employees with the skills	56.2%	54.3%	60.8%	49.6%	57.9%
We partner with other marketing agencies to learn new marketing skills	14.1%	13.8%	13.2%	17.4%	12.7%
We partner with other consultancies to learn new marketing skills	14.0%	15.5%	12.5%	13.8%	14.9%
We partner with other companies to learn new marketing skills	12.2%	13.5%	10.6%	13.5%	11.0%
We buy other companies to acquire new marketing skills	3.5%	2.9%	2.9%	5.6%	3.5%

Topic 9

Marketing Leadership

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Marketing leads more activities in companies

Marketplace Growth Spending Performance Social Media Mobile Jobs Organization Leadership Analytics

Table 9.1. Percentage of companies in which marketing leads activity

Activity	Aug-15	Feb-16	Aug-16	Feb-17	Aug-17	Feb-18**
Brand	82.1%	87.5%	89.4%	86.5%	88.7%	91.4%
Digital marketing ²					76.9%	79.0%
Advertising	82.7%	82.1%	79.2%	76.3%	75.8%	81.7%
Social media	79.5%	83.9%	75.7%	76.8%	71.0%	75.3%
Public relations	64.1%	64.9%	65.5%	70.0%	69.4%	64.0%
Promotion	76.3%	76.2%	73.3%	69.1%	66.7%	69.4%
Positioning	80.1%	75.6%	67.8%	67.6%	67.7%	66.1%
Marketing research	70.5%	70.2%	67.1%	59.9%	67.2%	64.5%
Lead generation	55.8%	62.5%	60.8%	58.5%	56.5%	61.3%
Marketing analytics	75.0%	79.2%	69.0%	57.5%	65.6%	67.7%
Competitive intelligence	55.1%	56.5%	54.5%	42.0%	50.0%	54.8%
Customer experience ³						51.1%
CRM	39.1%	37.5%	42.0%	41.1%	43.0%	39.8%
Market entry strategies	55.8%	46.4%	43.5%	35.3%	34.4%	39.8%
Revenue growth ¹	-	-	38.4%	34.3%	29.0%	37.1%
New products	37.8%	36.3%	40.0%	32.4%	36.6%	33.3%
Pricing	30.8%	32.1%	33.7%	26.6%	27.4%	25.8%
Innovation	23.1%	28.6%	29.8%	26.6%	31.7%	30.1%
e-commerce ¹	-	-	35.7%	23.7%	32.8%	26.3%
Market selection	30.1%	29.8%	32.9%	23.7%	19.9%	24.2%
Sales	32.1%	25.0%	24.7%	21.3%	22.6%	27.4%
Customer service	19.9%	17.3%	18.0%	12.6%	21.5%	21.0%
Distribution	12.2%	9.5%	10.2%	5.8%	10.2%	10.2%
Stock market performance	3.8%	1.8%	2.7%	0.5%	0.5%	3.8%

¹ Question was added in Aug-16.

² Question was added in Aug-17.

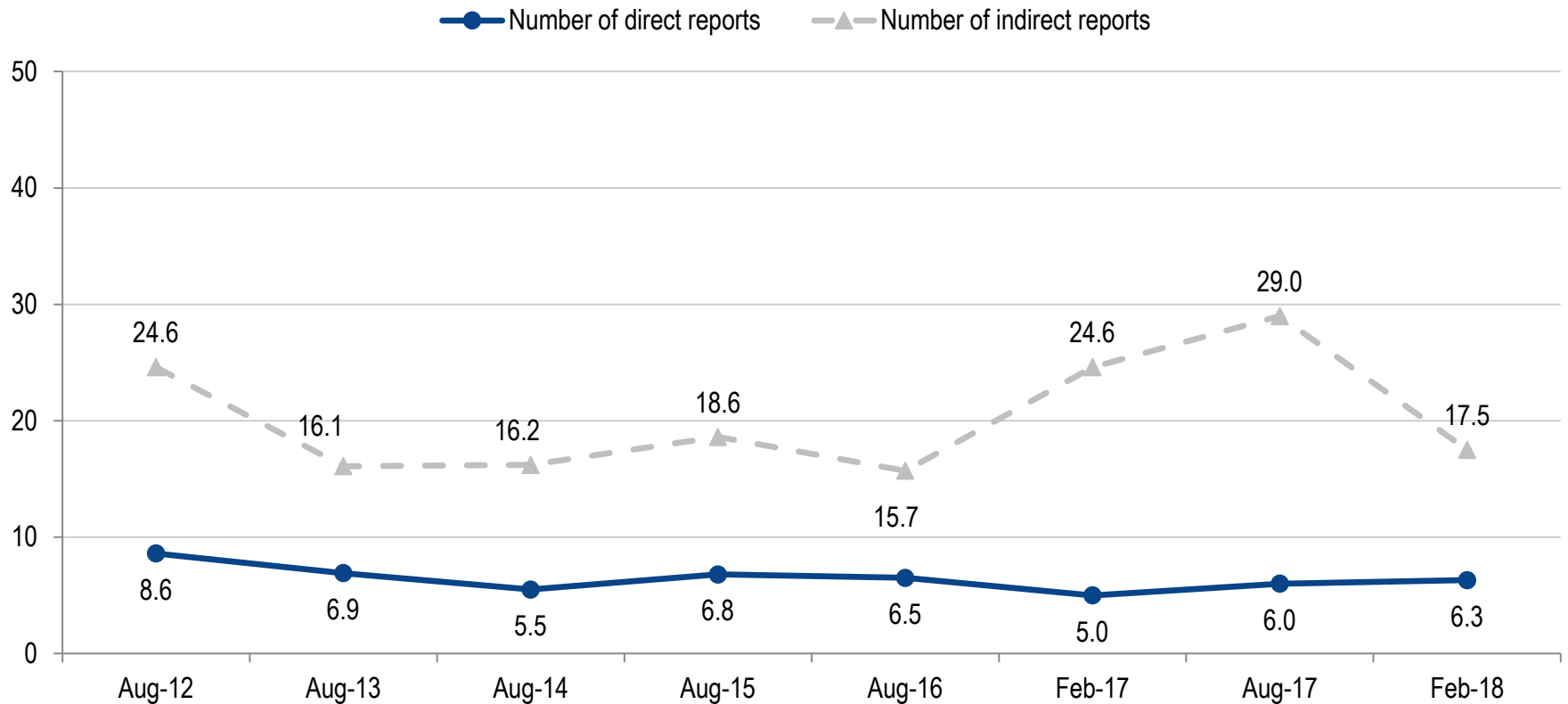
³ Question was added in Feb-18.

**Red reflects a decrease and Green reflects an increase of more than 2 percent between Aug-17 and Feb-18..

Number of marketer direct reports shows improvement while indirect reports decline

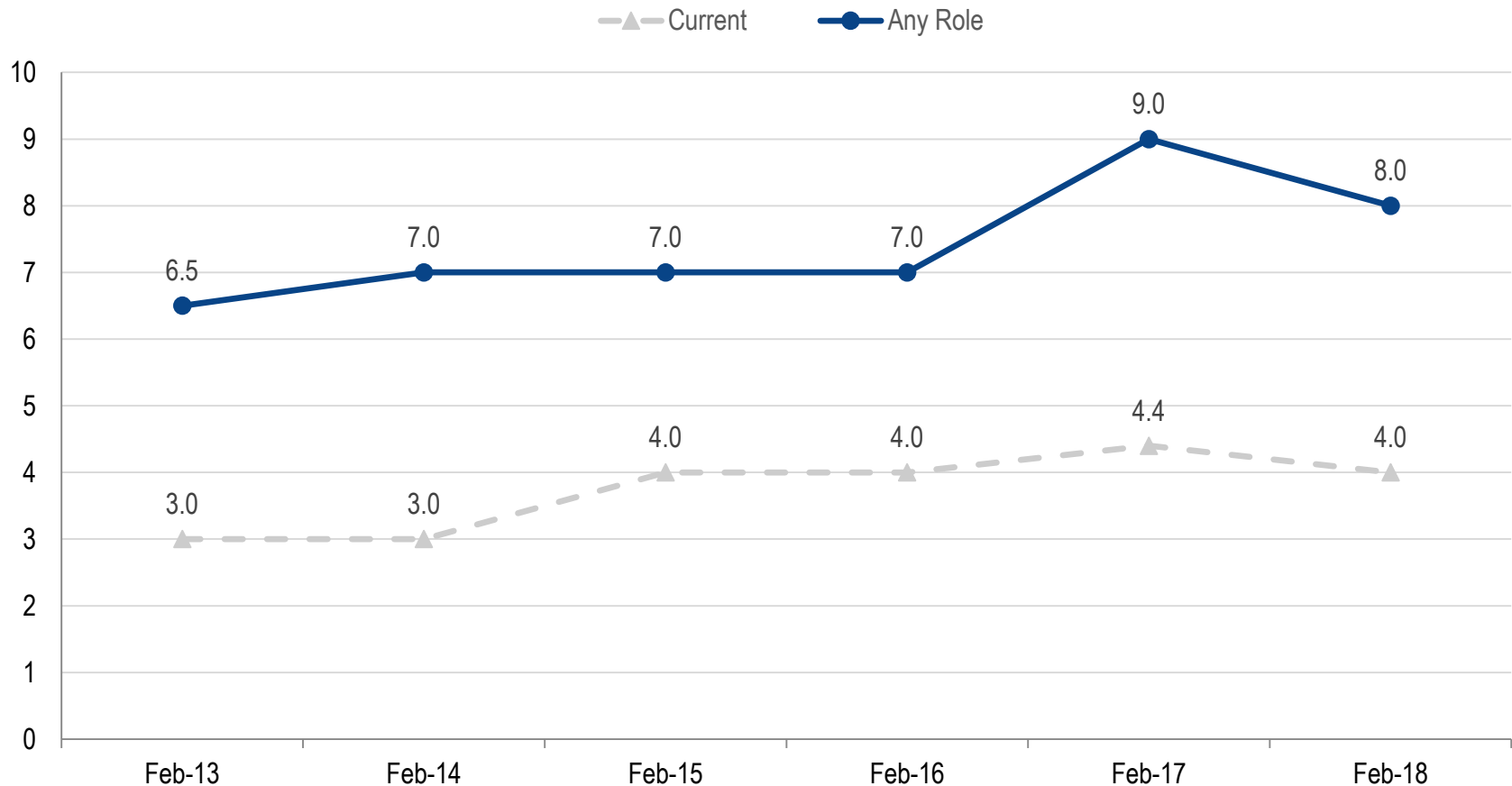
Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 9.1. Number of people reporting to top marketer



Marketing leader tenure has risen over time

Figure 9.2. How many years have you been with this firm in your current role? In any role?*

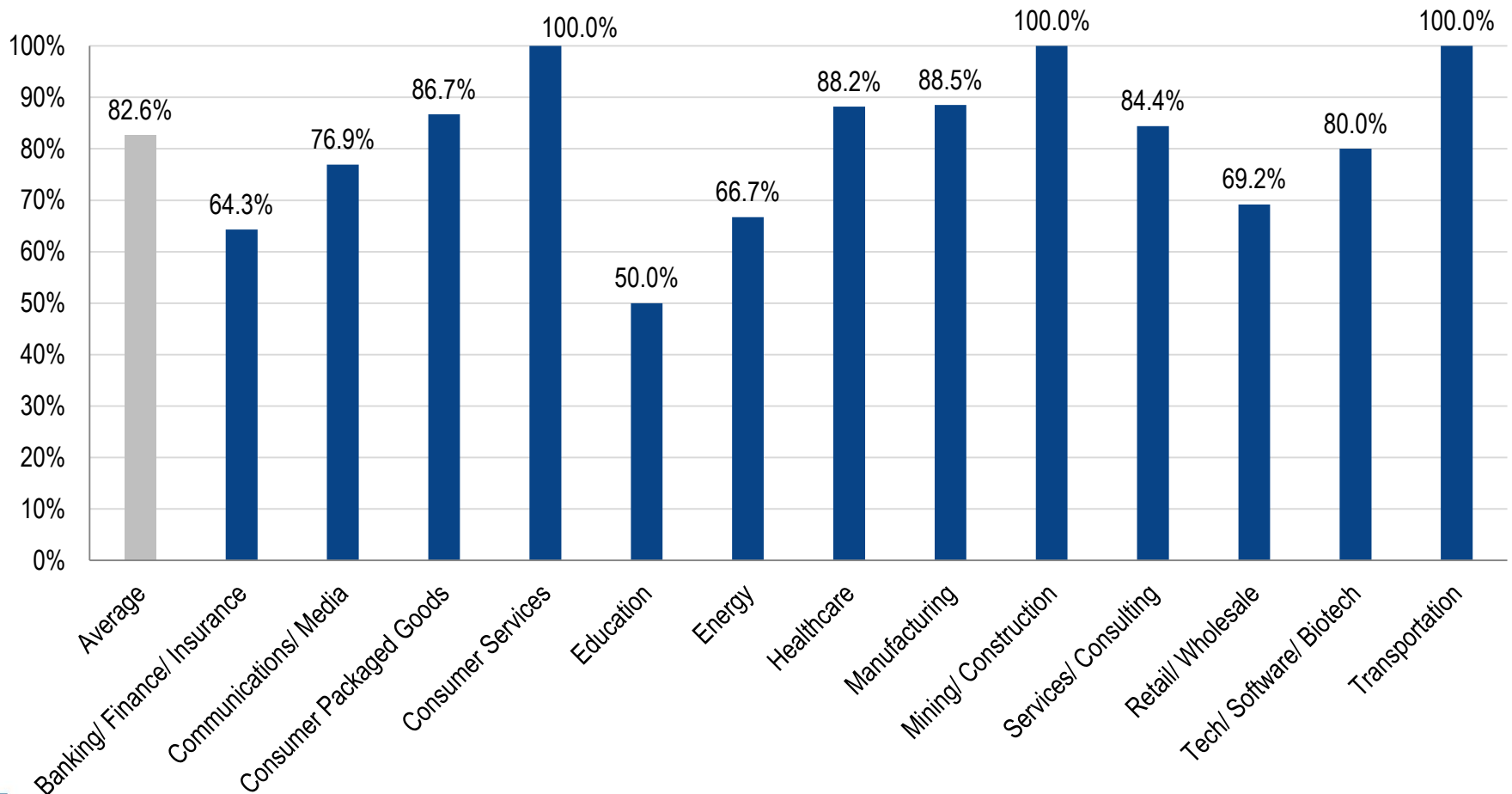


*Median levels are displayed.

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

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 9.3. Do you believe it is appropriate for your brand to take a stance on politically-charged issues? (% responding “No”)





Topic 10

Marketing Analytics

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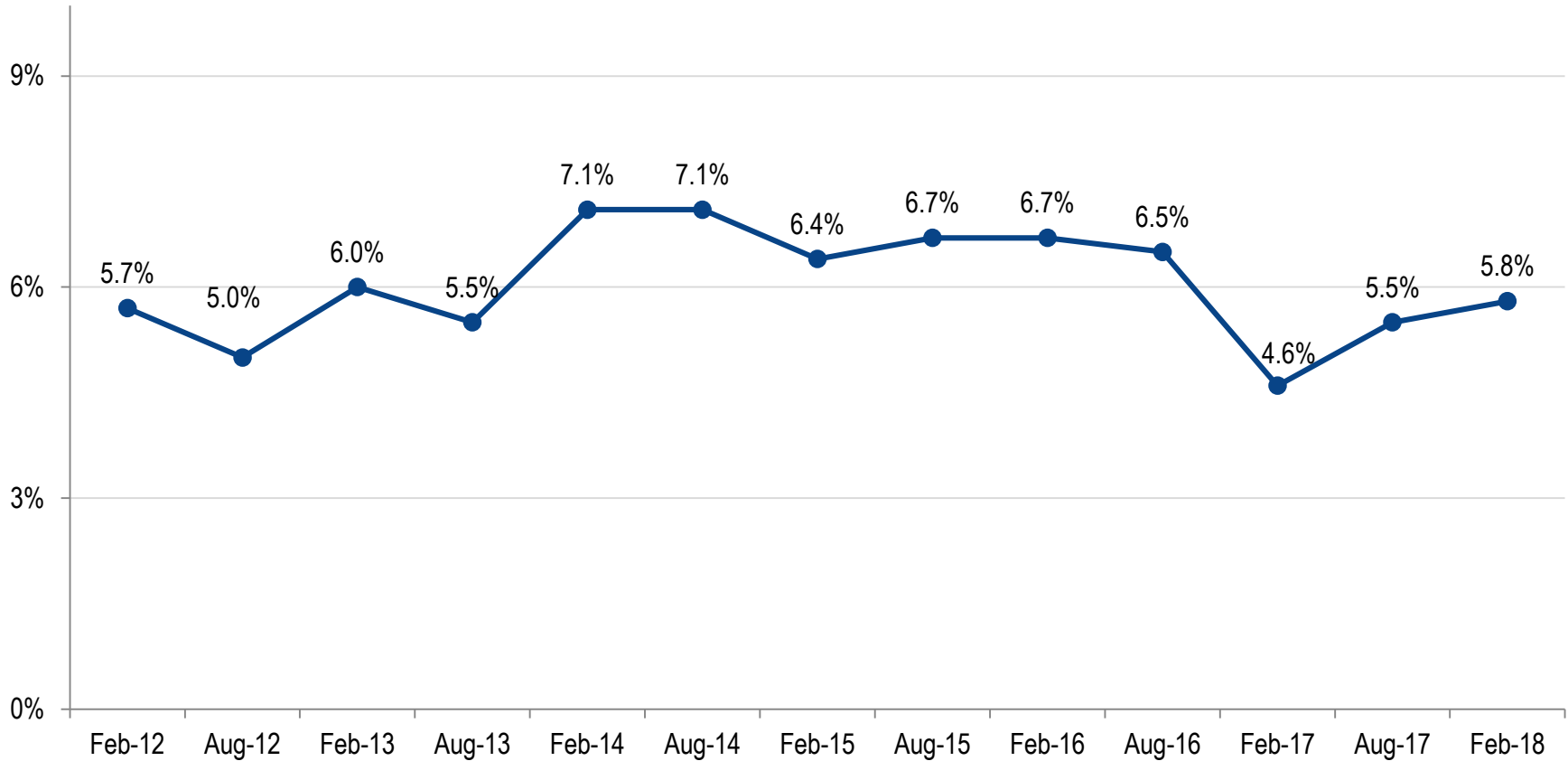
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Marketing analytics spend shows fluctuation but no consistent increases over past 5 years

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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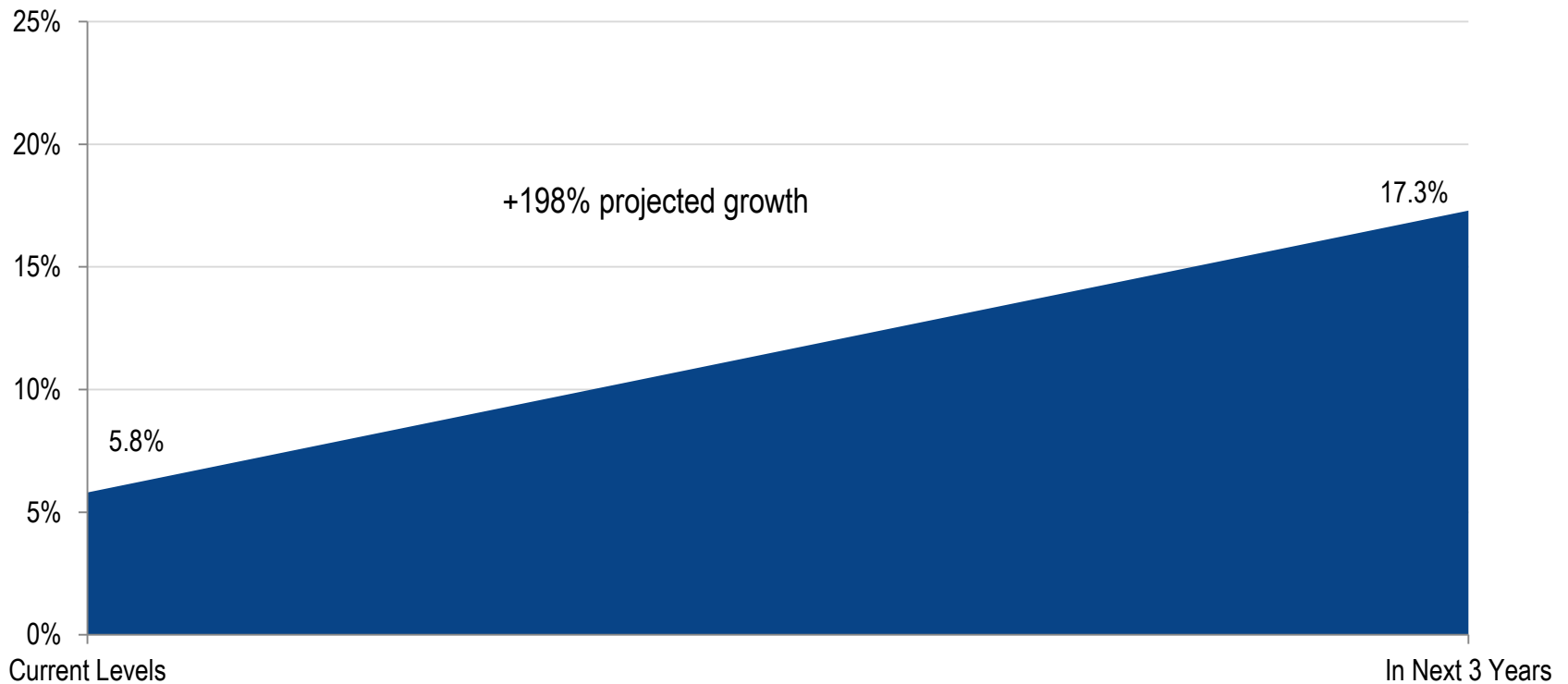
Figure 10.1. Percent of current marketing budget spend on marketing analytics over time



Spending on marketing analytics forecasted to increase 198% in three years

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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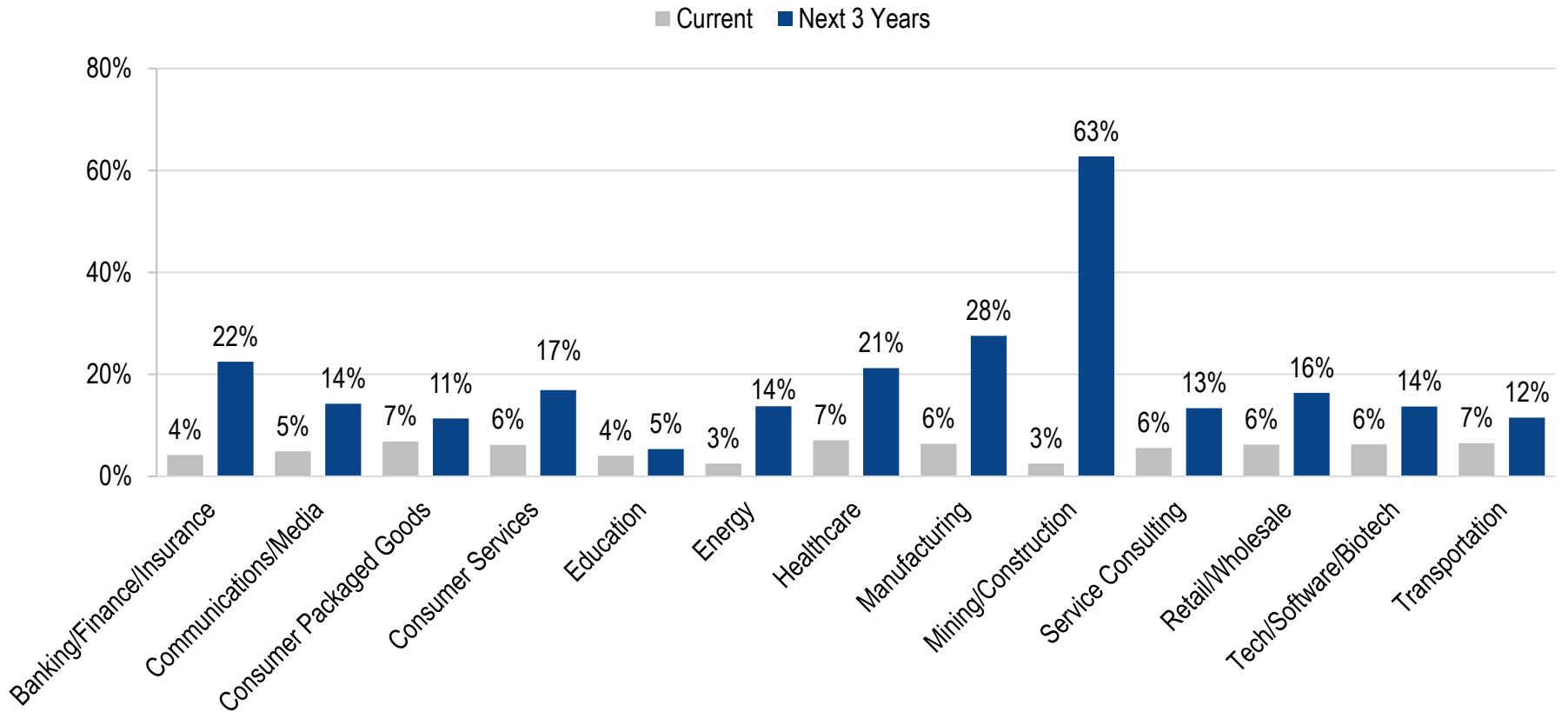
Figure 10.2. Percent of marketing budget spent on marketing analytics



Analytics spend expected to increase across sectors in next three years

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 10.3. Current and 3-year predicted marketing analytics spend by industry



Spending on marketing analytics varies by firm characteristics and economic sector

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Table 10.1. Spend on marketing analytics

Table 10.1a. Economic sector differences

Sector	Current	In Next 3 years
B2B Product	6.4%	20.4%
B2B Services	5.9%	15.3%
B2C Product	5.1%	18.5%
B2C Services	5.3%	14.2%

Table 10.1c. Firm size differences

Revenue	Current	In Next 3 years
<\$25M	5.1%	16.9%
\$26-99M	5.5%	14.6%
\$100-499M	5.8%	17.5%
\$500-999M	4.1%	14.1%
\$1-9.9B	7.5%	19.3%
\$10+B	6.5%	14.7%

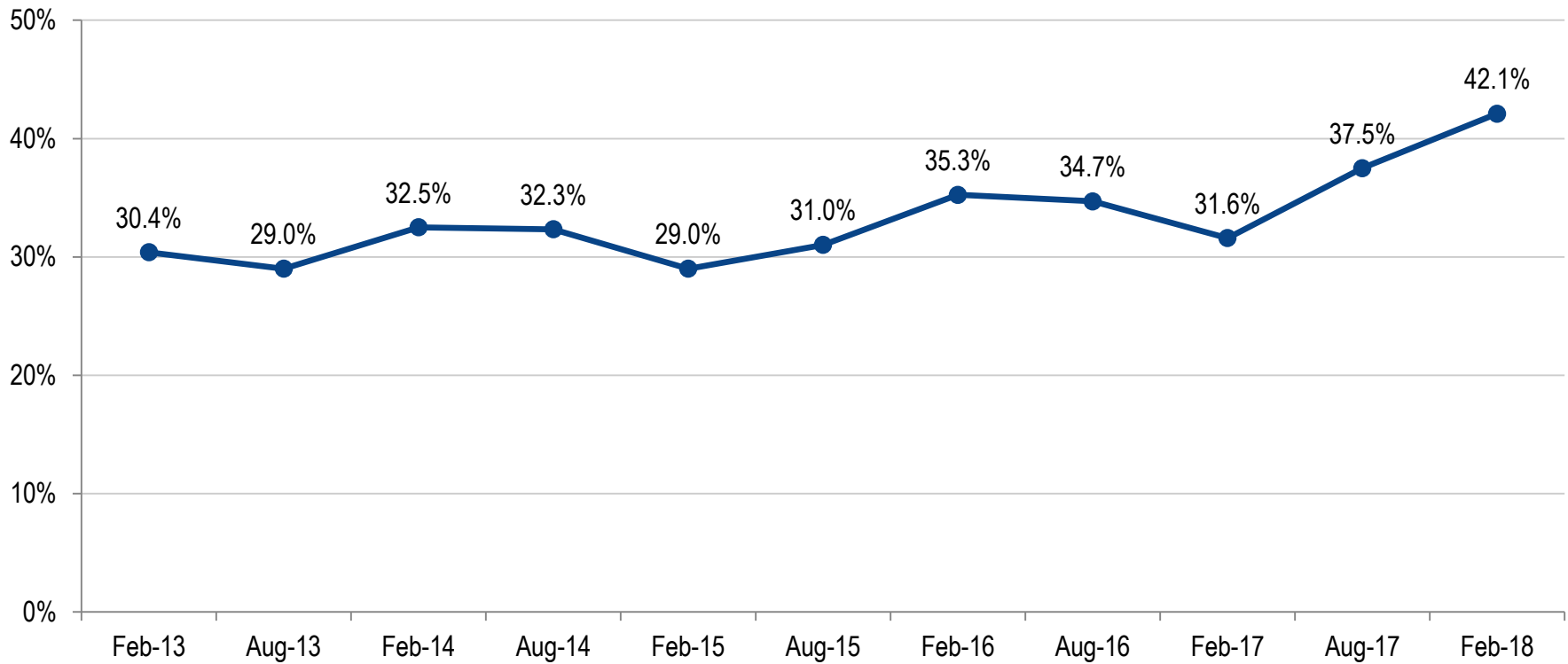
Table 10.1b. Firm Internet sales differences

Internet Sales	Current	In Next 3 years
0%	4.9%	13.1%
1-10%	6.7%	21.8%
>10%	6.1%	19.5%

Companies use more marketing analytics in decisions: B2C companies biggest users

Figure 10.4. Use of marketing analytics in decision making

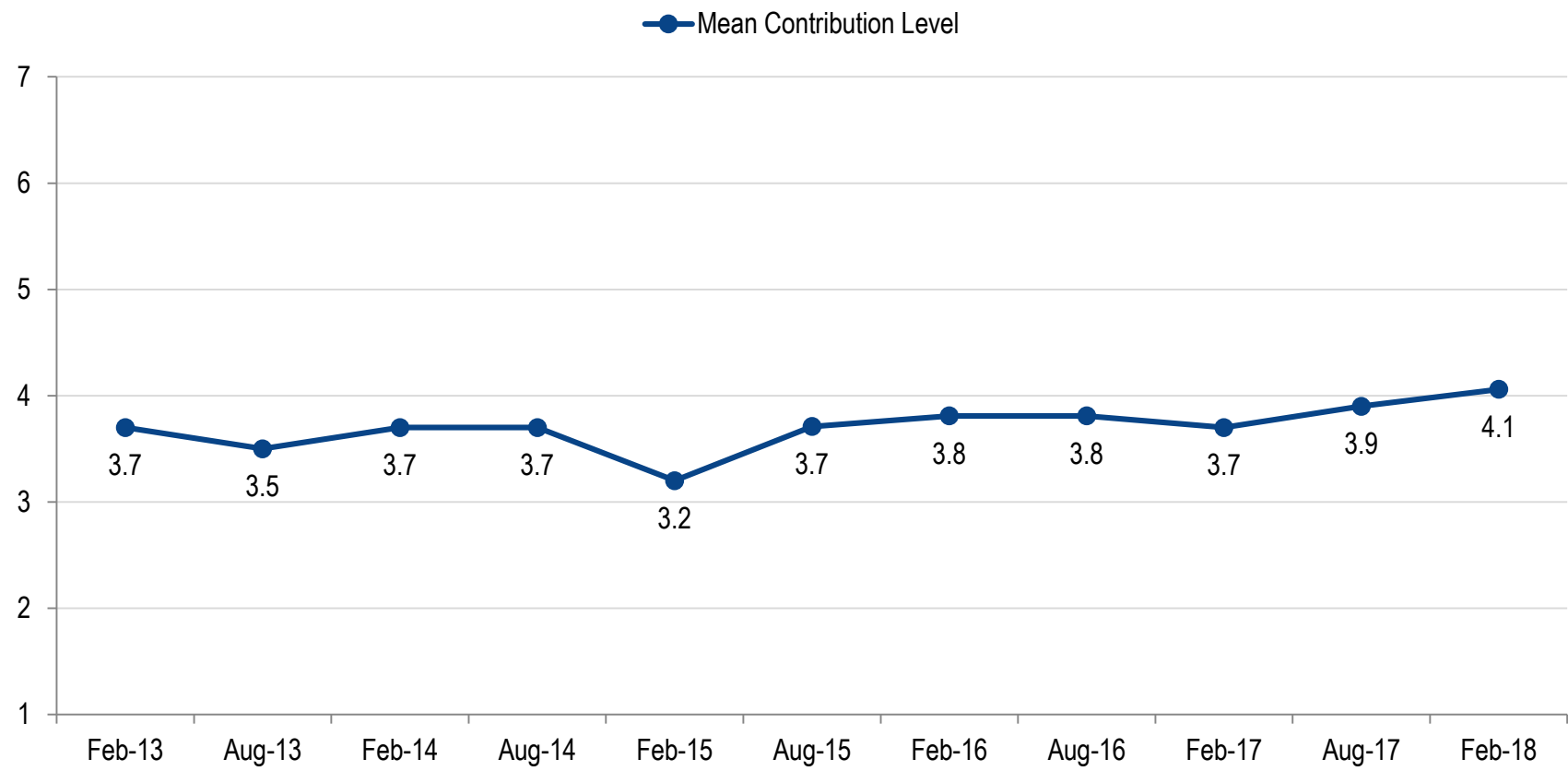
B2B Product	37.5%
B2B Services	35.2%
B2C Product	53.8%
B2C Services	55.7%



Contribution of marketing analytics to firm performance improves slightly

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 10.5. To what degree does the use of marketing analytics contribute to your company's performance? (1 = Not at all, 7 = Very highly)



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

Marketing analytics contributions by sector and firm characteristics

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Table 10.2. To what degree does the use of marketing analytics contribute to your company's performance? (1=Not at all, 7=Very highly)

Table 10.2a. Industry sector differences

Industry	Average
Banking/Finance/Insurance	3.7
Communications/Media	4.4
Consumer Packaged Goods	4.6
Consumer Services	5.1
Education	5.3
Energy	3.8
Healthcare	4.5
Manufacturing	3.6
Mining/Construction	3.0
Retail/Wholesale	4.1
Service/Consulting	3.6
Tech Software Biotech	4.3
Transportation	4.3

Table 10.2b. Economic sector differences

Sector	Average
B2B Product	3.7
B2B Services	3.9
B2C Product	4.6
B2C Services	4.7

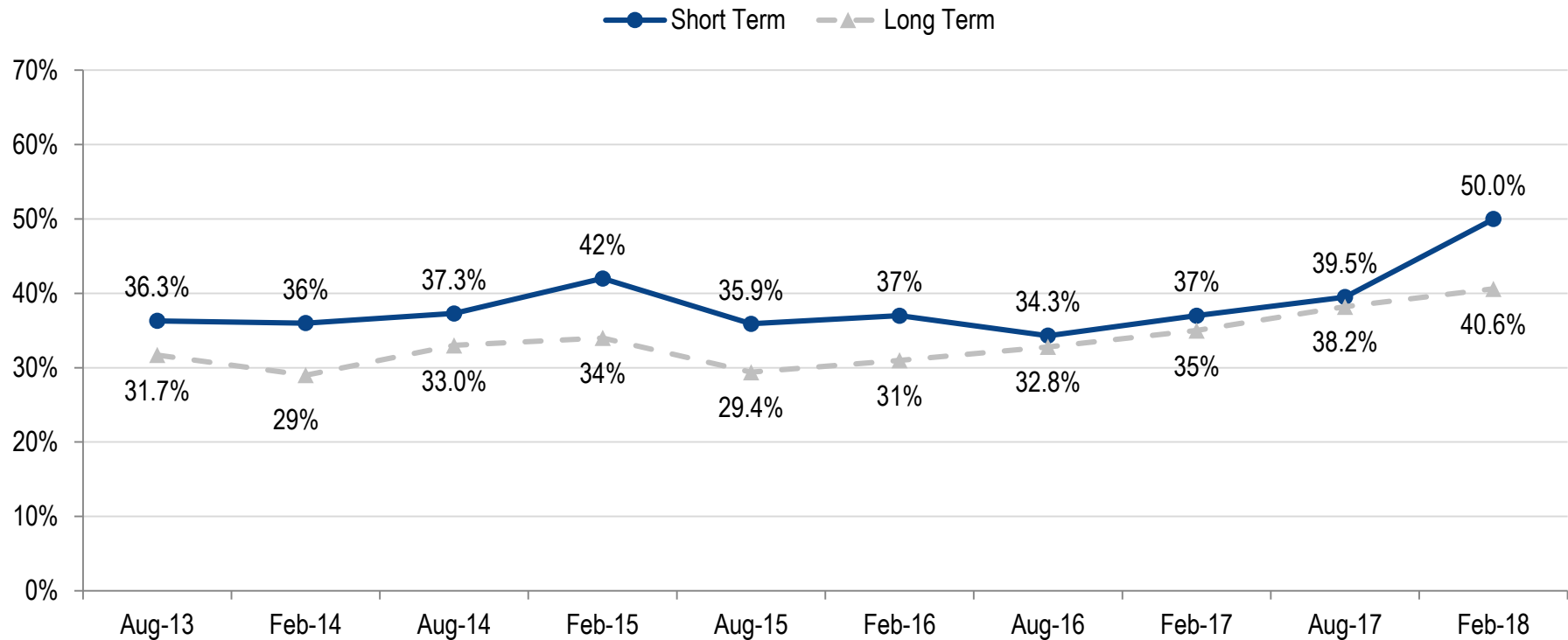
Table 10.2c. Firm Internet sales differences

Firm sales	Average
0% of sales	3.8
1-10% of sales	3.9
>10% of sales	4.7

Use of quantitative tools to demonstrate marketing impact shows improvement

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Figure 10.6. Use of quantitative tools to demonstrate the impact of marketing



How firms show the impact of marketing spend varies by sector and Internet sales

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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Table 10.3. Which best describes how your company shows the short-term impact of marketing spend on your business?

Table 10.3a. Industry sector differences

Industry	Quantitatively	Qualitatively
Banking/Finance/Insurance	53.3%	40.0%
Communications/Media	60.0%	13.3%
Consumer Packaged Goods	58.8%	17.6%
Consumer Services	71.4%	28.6%
Education	33.3%	33.3%
Energy	25.0%	50.0%
Healthcare	54.5%	31.8%
Manufacturing	33.3%	40.7%
Mining/Construction	0.0%	50.0%
Retail/Wholesale	41.2%	52.9%
Service/Consulting	40.0%	45.0%
Tech Software Biotech	73.3%	13.3%
Transportation	50.0%	50.0%

Table 10.3b. Economic sector differences

Sector	Quantitatively	Qualitatively
B2B Product	32.8%	47.8%
B2B Services	54.8%	28.8%
B2C Product	63.2%	21.1%
B2C Services	60.0%	33.3%

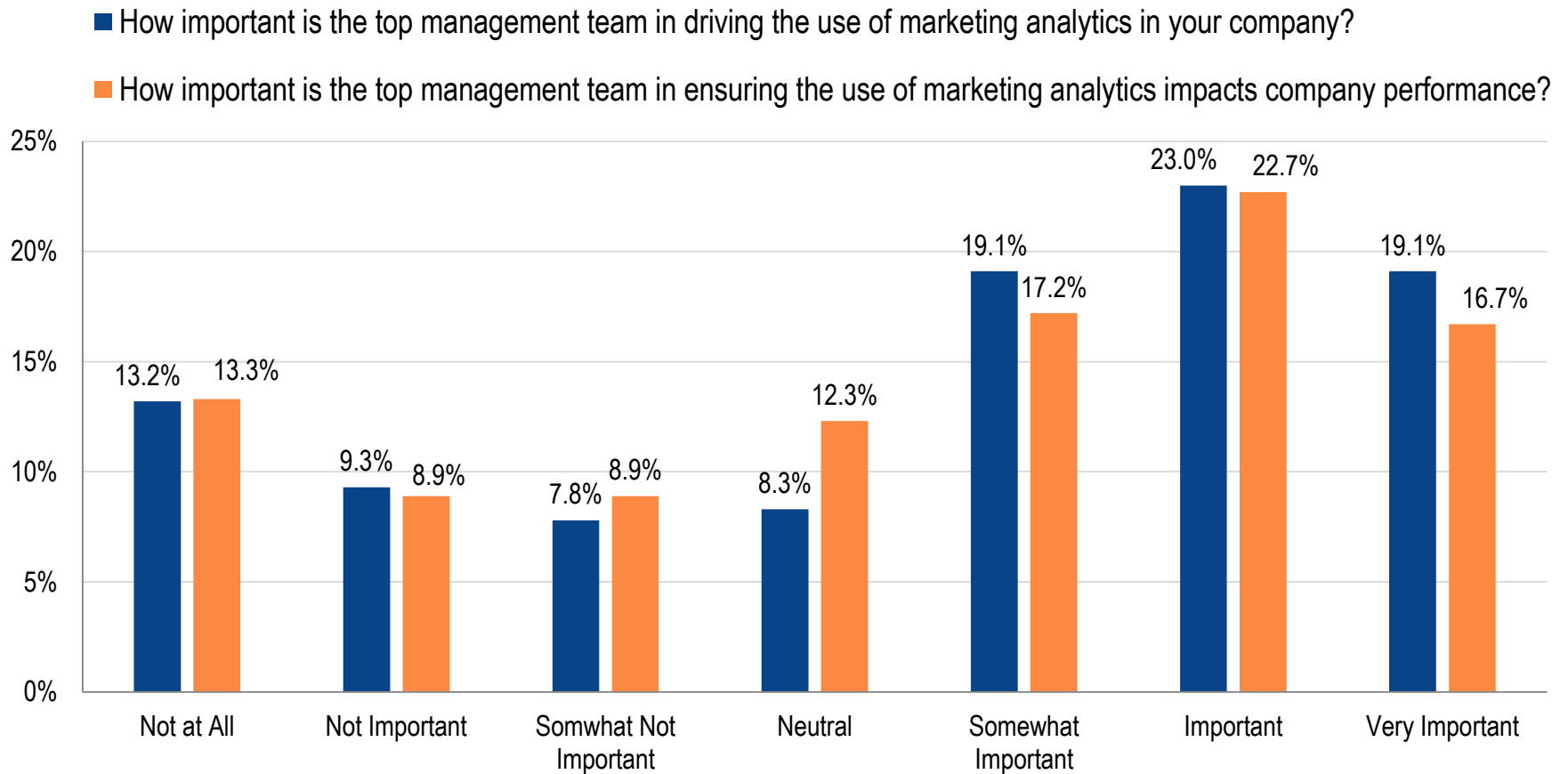
Table 10.3c. Firm Internet sales differences

Firm sales	Quantitatively	Qualitatively
0% of sales	48.3%	32.2%
1-10% of sales	47.7%	38.5%
>10% of sales	56.0%	34.0%

Top management team plays important role in success of marketing analytics

Marketplace	Growth	Spending	Performance	Social Media	Mobile	Jobs	Organization	Leadership	Analytics
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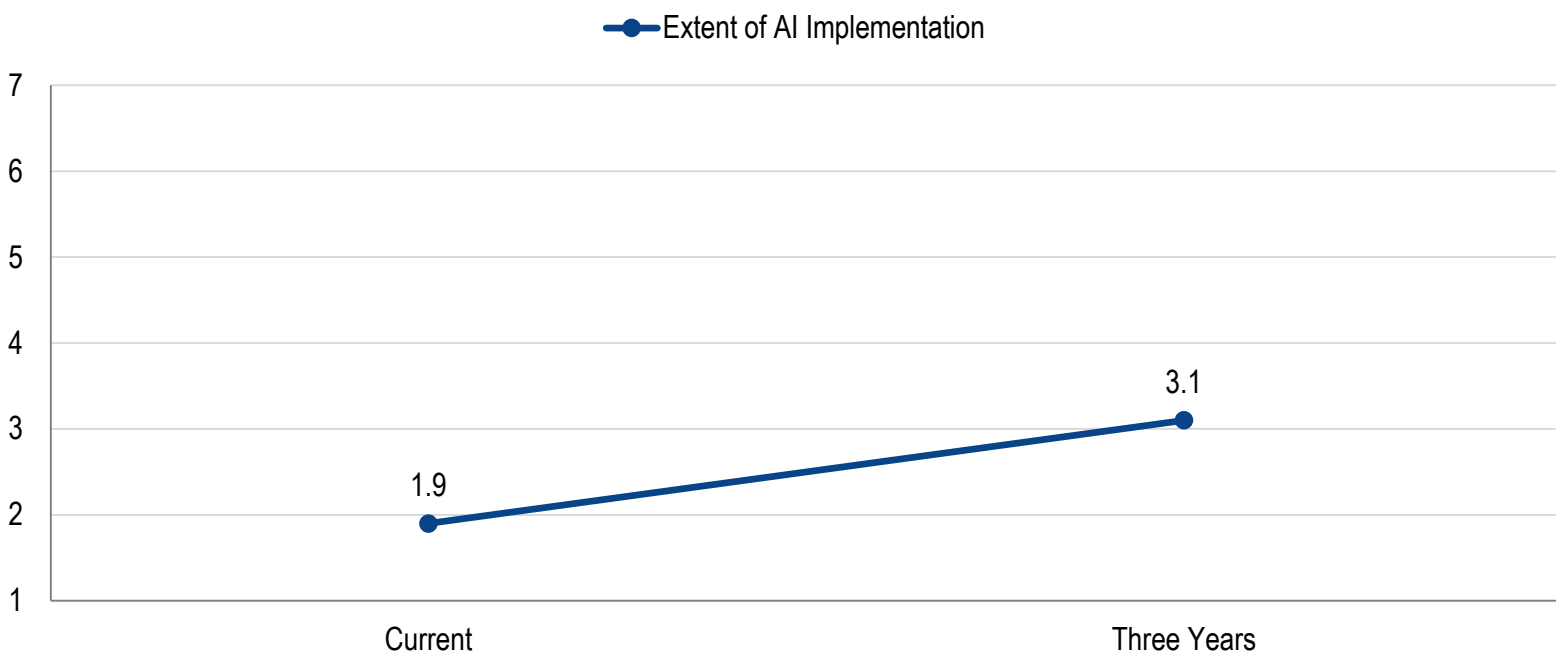
Figure 10.7. Importance of top management team on marketing analytics use and performance



AI and machine learning impact modest but expected to grow over three years

Figure 10.8. To what extent is your company implementing artificial intelligence or machine learning into its marketing toolkit? (1=Not at all, 7=Very highly)

Overall	Current	In three years
B2B Product	1.7	2.9
B2B Services	1.9	3.1
B2C Product	2.1	3.5
B2C Services	2.2	3.3

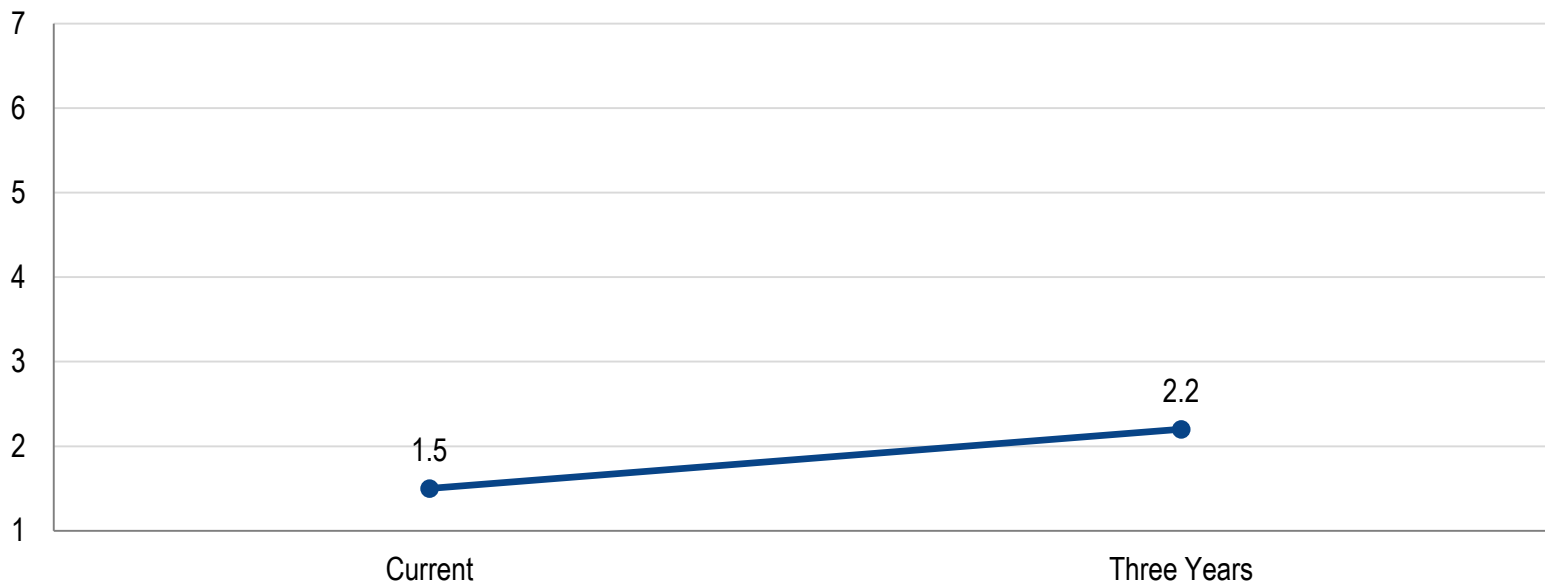


Blockchain technologies slow to play a role in marketing

Figure 10.9. To what extent are blockchain technologies affecting your company's marketing strategies? (1=Not at all, 7=Very highly)

Overall	Current	In three years
B2B Product	1.6	2.2
B2B Services	1.5	2.3
B2C Product	1.5	2.1
B2C Services	1.4	2.0

Extent of Blockchain Implementation



Topic 11

The CMO Survey Award for Marketing Excellence

The **CMO** Survey

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



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

Apple Inc.



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

The 2018 CMO Survey Award for Marketing Excellence – Industry Winners



Which company in your industry sets the standard for excellence in marketing (in alphabetical order)?



Technology / Retail



Consumer Services



Communications / Media



Consumer Goods



Consumer Packaged Goods



Technology



Next survey: July 2018

Participate: Sign up [here](#)

Media: [Press release and coverage](#)

Feedback: Send comments to moorman@duke.edu