

The **CMO** Survey since 2008



The Transformation of Marketing: Emerging Digital, Social, and Political Trends

The Highlights and Insights Report - FEBRUARY 2021



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AMERICAN MARKETING
ASSOCIATION

We are almost a year into the COVID-19 pandemic. Amidst the tragic human loss and suffering, we have witnessed a year full of transformation and challenge for the field of marketing. Digital transformation was thrust upon companies as they sought new ways to reach and engage with their likely remote customers. This necessity inspired the rewiring of many go-to-market models and the introduction of powerful new digital interfaces. Marketing, as the function and process responsible for managing customers and the firm-marketplace interface, was placed at the center of many corporate initiatives—72% of marketing leaders responded that the role of marketing in their companies increased in importance during the last year. This importance was further heightened by the social and political upheaval experienced in the United States. Transformation required rethinking many aspects of business to more effectively approach and survive our changed world.

This 26th Edition of The CMO Survey provides the marketing profession with an understanding of how marketing activities, spending, jobs, and performance have been influenced by the upheavals of the past year. This Edition offers forward-looking insights regarding digital investments, managing new social and political demands on companies, shifting customer behavior, and managing growth during these uncertain times. Drawing on the power of The CMO Survey's longitudinal view of marketing, we develop leadership lessons applicable across periods of crisis and into the future. This Edition of the survey also involved a pilot study of U.K. marketing leaders in conjunction with the London Business School (see results at <https://cmosurvey.org/results/>).

I hope these benchmarks will be useful to you and your company as you navigate this historic period. Special thanks to all of the marketing leaders that gave their time and good will to make these insights possible.



Christine Moorman
T. Austin Finch, Sr. Professor of Business Administration
Fuqua School of Business, Duke University
Founder and Director, The CMO Survey®

About The CMO Survey[®]

MISSION

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

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

26th EDITION

This 26th Edition examines the transformation of marketing practice through the lens of emerging digital, social, and political trends that have been inspired by the COVID-19 pandemic and the political and social upheaval that have occurred this year.

Questions focus on the marketing leadership challenges faced this year and answers capture how marketers are meeting these challenges through marketing investments.

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

SPONSORS

Sponsors include Deloitte LLP, Duke University's Fuqua School of Business, and the American Marketing Association.

Sponsors support The CMO Survey with intellectual and financial resources.

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

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Survey Methodology and Reports

SURVEY REPORTS

- The Topline Report offers an aggregate view of Survey results
- The Highlights and Insights Report shares key Survey metrics and trends
- The Firm and Industry Breakout Report displays Survey results by sectors, size, and sales
- All reports available at:
<https://cmosurvey.org/results/>

Interpretive guide:

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

ADMINISTRATION

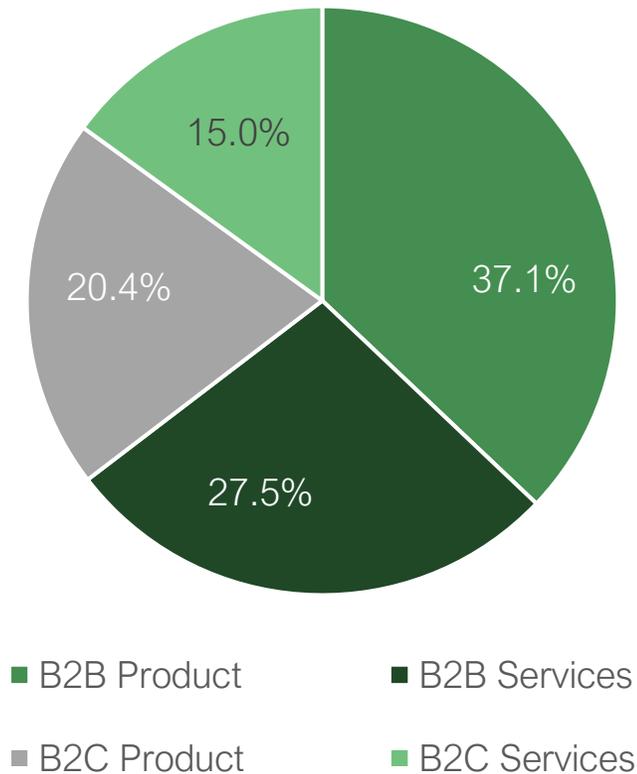
- Email contact with four follow-up reminders
- Survey in field from January 6-26, 2021

SAMPLE

- 2955 top marketers at for-profit U.S. companies
- 356 responded for a 12.05% response rate
- 94.5% of respondents VP-level or above

Survey Participants (n=356)

ECONOMIC SECTOR

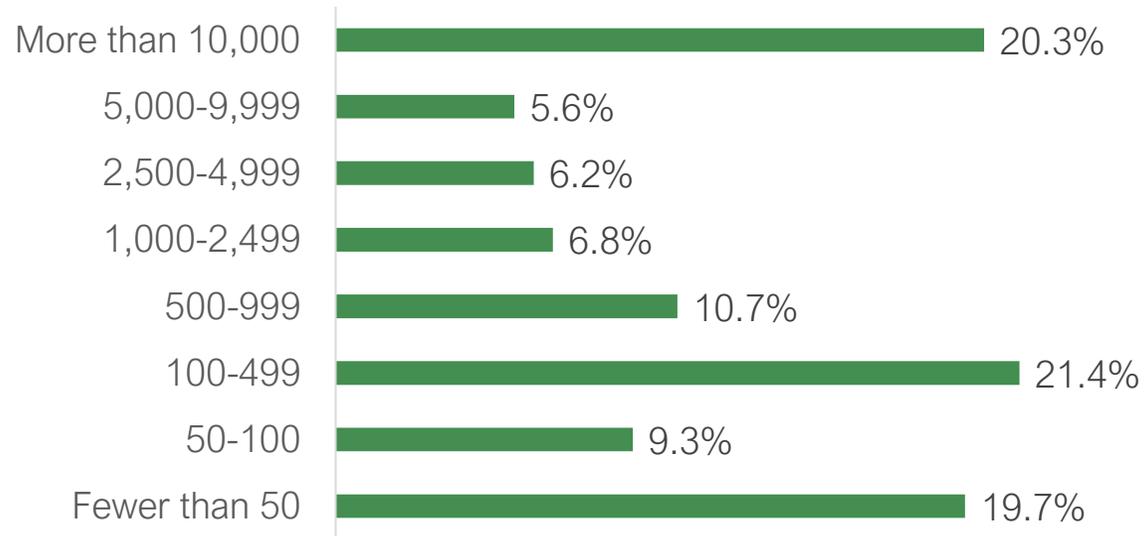


INDUSTRY SECTOR

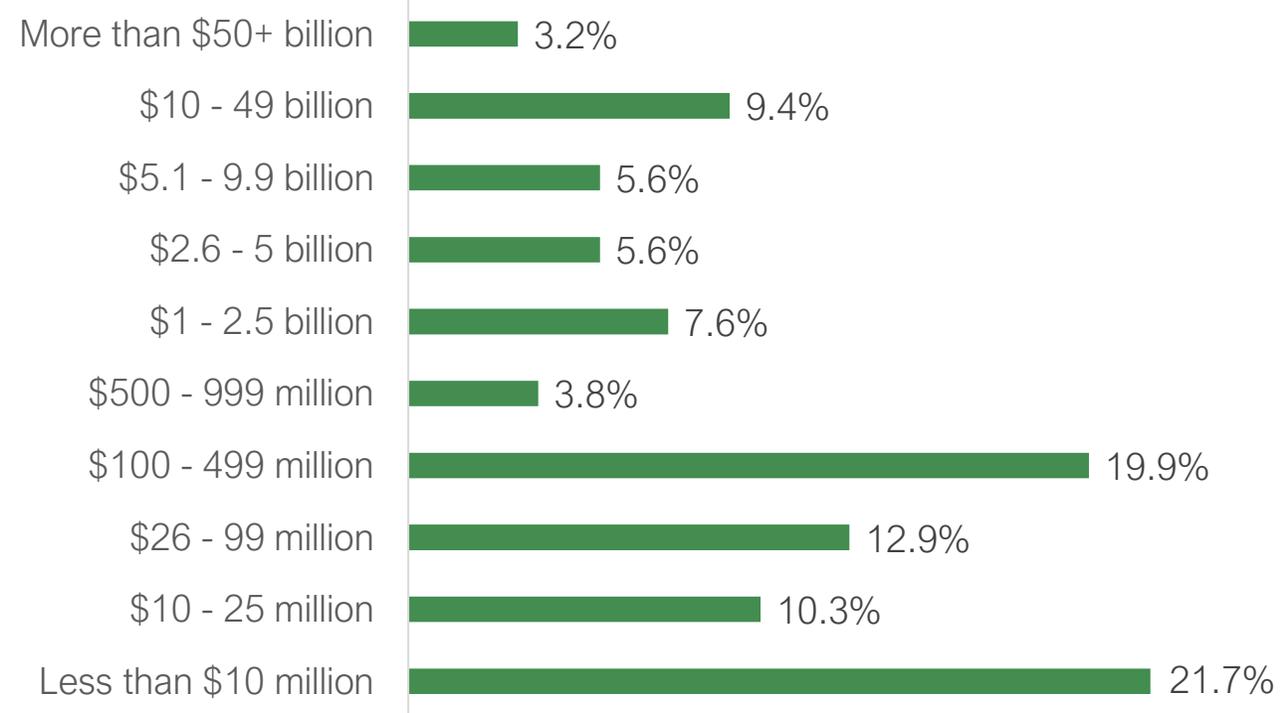
Technology (Software/Platform)	18.8%
Manufacturing	13.1%
Consumer Packaged Goods	11.6%
Professional Services/Consulting	10.5%
Healthcare	7.7%
Banking/Finance/Insurance	7.4%
Retail	6.8%
Communications/Media	4.8%
Education	4.5%
Consumer Services	3.1%
Transportation	2.8%
Energy	2.3%
Wholesale	2.3%
Pharmaceuticals/Biotech	1.7%
Mining/Construction	1.7%
Real Estate	0.9%

Survey Participants (n=356)

NUMBER OF EMPLOYEES



SALES REVENUE



26th Edition Topics

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Macroeconomic Forecasts

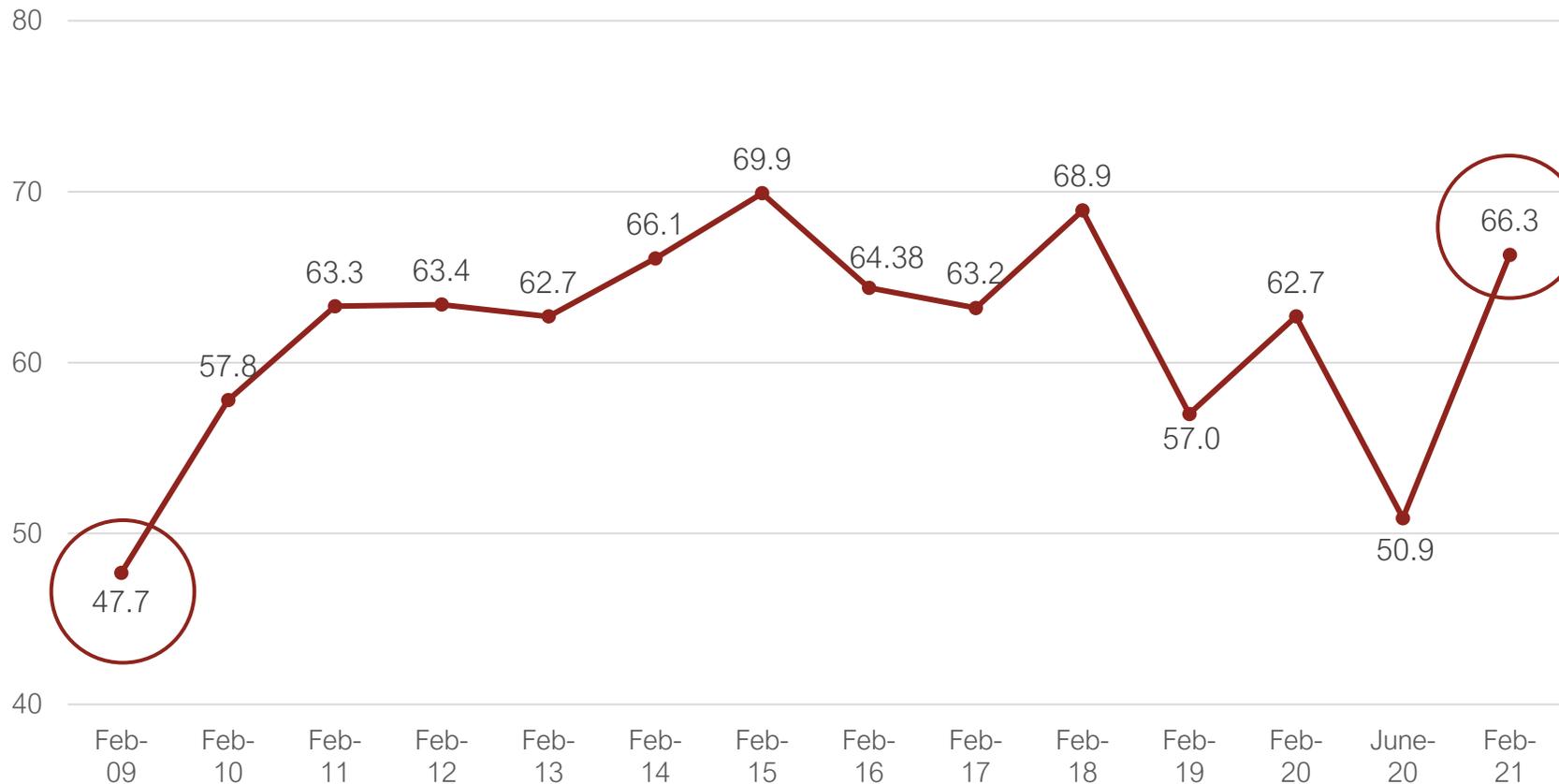
Marketers' overall economic optimism has rebounded beyond mid-pandemic and even pre-pandemic levels. Optimism hit 66.3 (out of 100), up dramatically from the 50.9 value reported in June 2020 in which optimism plummeted nearly to Great Recession levels (47.7). Current optimism levels appear to continue the upward pre-pandemic trend from February 2020 at 62.7. This upward trajectory also aligns with widespread vaccination efforts, the anticipated reopening of education activities and retail sectors, and the certainty that follows presidential elections.

Optimism regarding the US economy's next quarter (Q1 2021) compared to last quarter (Q4 2020) also showed a major increase with 55.3% of marketers stating they were "more optimistic"—a stark increase from 7.8% in June 2020. Consistent with this, only 22.6% of marketers reported being "less optimistic" compared to record-setting 85.3% in June 2020.

To no surprise, the industry sectors driving this increase in optimism were Consumer Services (81.8%), Retail/Wholesale (68.2%), and Transportation (70%) because reopening the economy will improve their businesses. Similarly, firms with >10% Internet sales (58.6%) had the greatest optimism given the view that customers will continue to rely on digital interfaces across many sectors post-pandemic.

Marketer optimism grows; nears historical high

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



Economic Sector

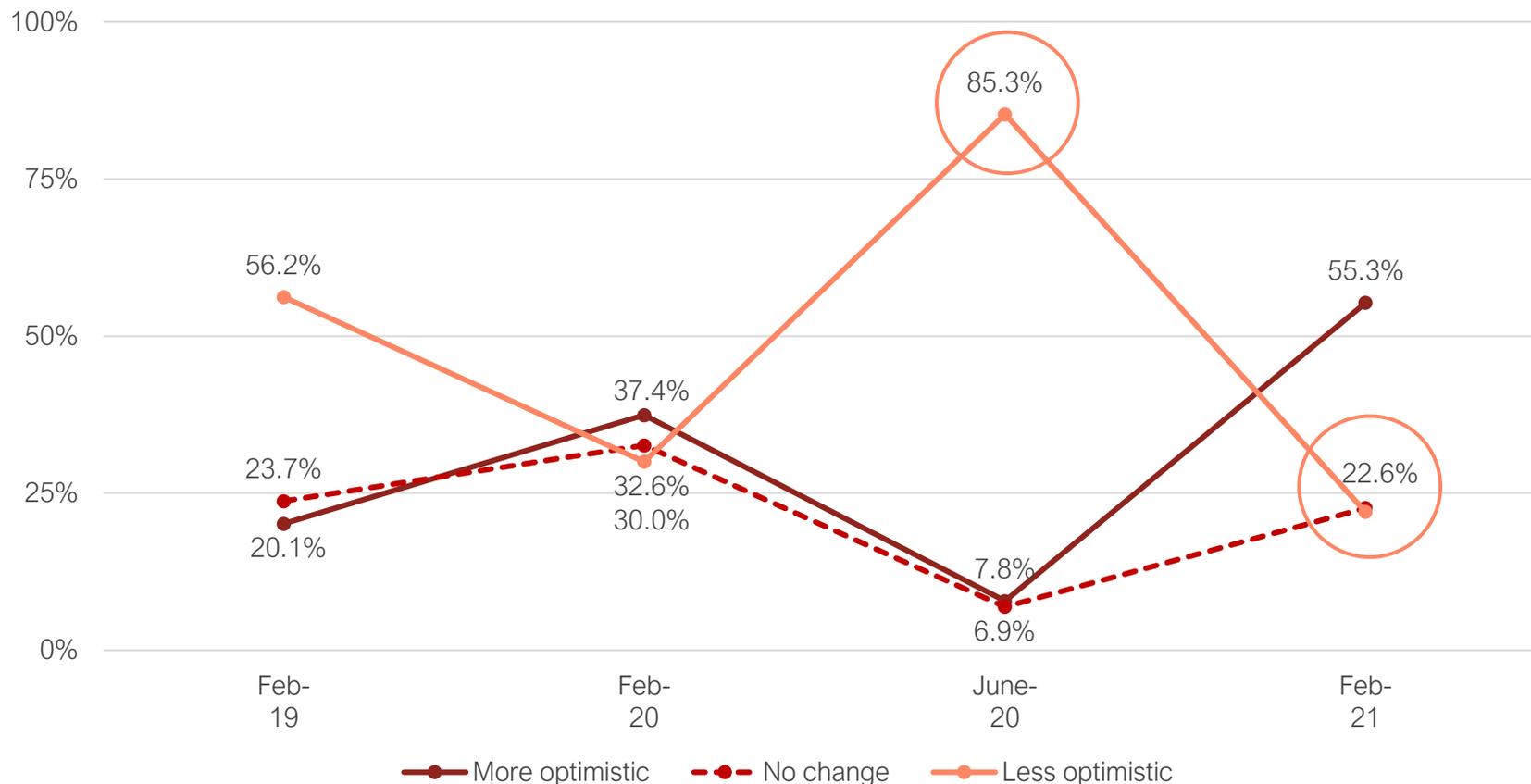
- B2B Product: 67.3
- B2B Services: 65.3
- B2C Product: 65.6
- B2C Services: 66.8

Insights

Optimism regarding the US economy is rebounds across all sector breakouts, Pharma/Biotech (72.5), Healthcare (71.9), and Transportation (71.0) are most optimistic, while Communications/Media (61.9), Education (61.8), and Mining/Construction (58.8) are the least optimistic. Optimism is highest for higher revenue companies.

Optimism about the economy increased over 7x since height of pandemic, when “less optimistic” was lowest in survey history

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



Economic Sector

	More-Feb-21	More-June-20
B2B Product	51.3%	4.8%
B2B Services	58.8%	13.9%
B2C Product	54.4%	9.8%
B2C Services	62.5%	0.0%



Insights

Consumer Services (81.8%) are most 'more optimistic,' while Communications/Media (37.5%) are most 'less optimistic.' This is in stark contrast to June-2021, when Healthcare (18.5%) was the most 'more optimistic' and Consumer Services (100.0%) was most 'less optimistic.'



Customer Behavior

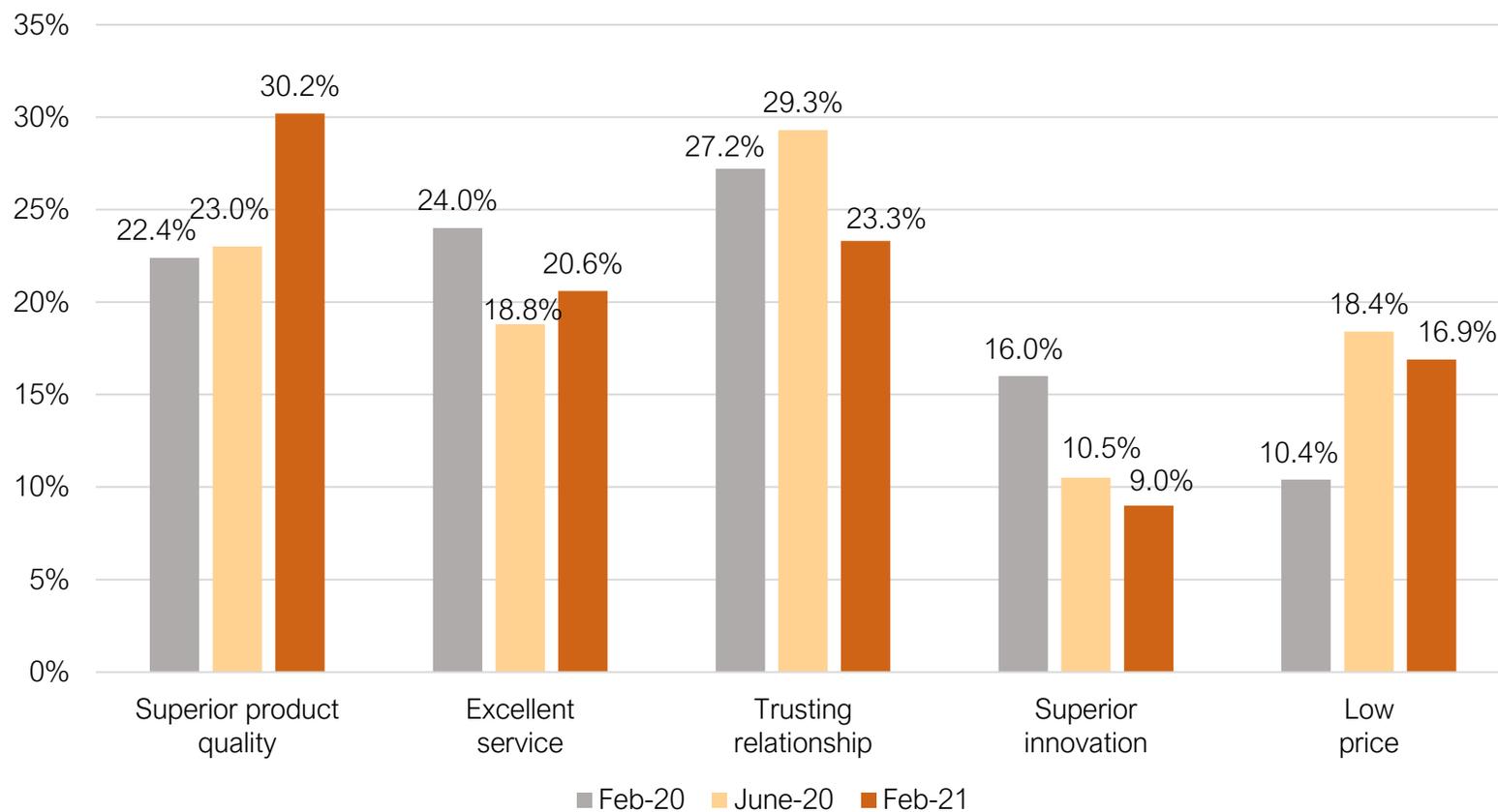
Marketers report that customer experience, product quality, and a trusting relationship will be prioritized by customers in the next year. Comparing these priorities to pre-pandemic levels, we see a 34.8% increase in product quality and a 20.4% decrease in trusting relationship even though it remains important. When asked to gauge the importance of customer experience, it emerges as most important with over one-third of marketers rating it their customers' key priority. Although low price is the least important priority, it has increased in importance by 62.5% during the pandemic, reflecting household and company belt-tightening especially in the last six months.

With shifting customer expectations in the last year, a dramatic drop in customer KPIs was witnessed across all key activities. Customer acquisition, retention, new customer entry, product bundling, purchase value, and purchase price all show major decreases relative to pre-pandemic growth levels. Decreases range from 8.6% to 33.9%.

Marketers report that customers, overall, have a high level of trust for their brands (7.9 on a 10-point scale). The Education industry reported the highest level of brand trust (8.2) and the Banking/Finance/Insurance sector reported the lowest (7.5). Brand trust was still heavily skewed towards larger firms with greater marketing reach and brand recognition. Brand trust was also associated with brick-and-mortar status. As sales from the Internet increased, brand trust decreased.

Customers desire superior products at an increasing rate, while being more price conscious over pandemic year

Rank your customers' top three priorities (1, 2, 3) over the next 12 months
(% reporting 1st priority)



Economic Sector

	Superior Product	Trusting Relationship	Low Price
B2B Product	39.1%	24.5%	13.6%
B2B Services	22.1%	31.2%	14.3%
B2C Product	39.4%	15.2%	21.2%
B2C Services	10.9%	17.4%	23.9%

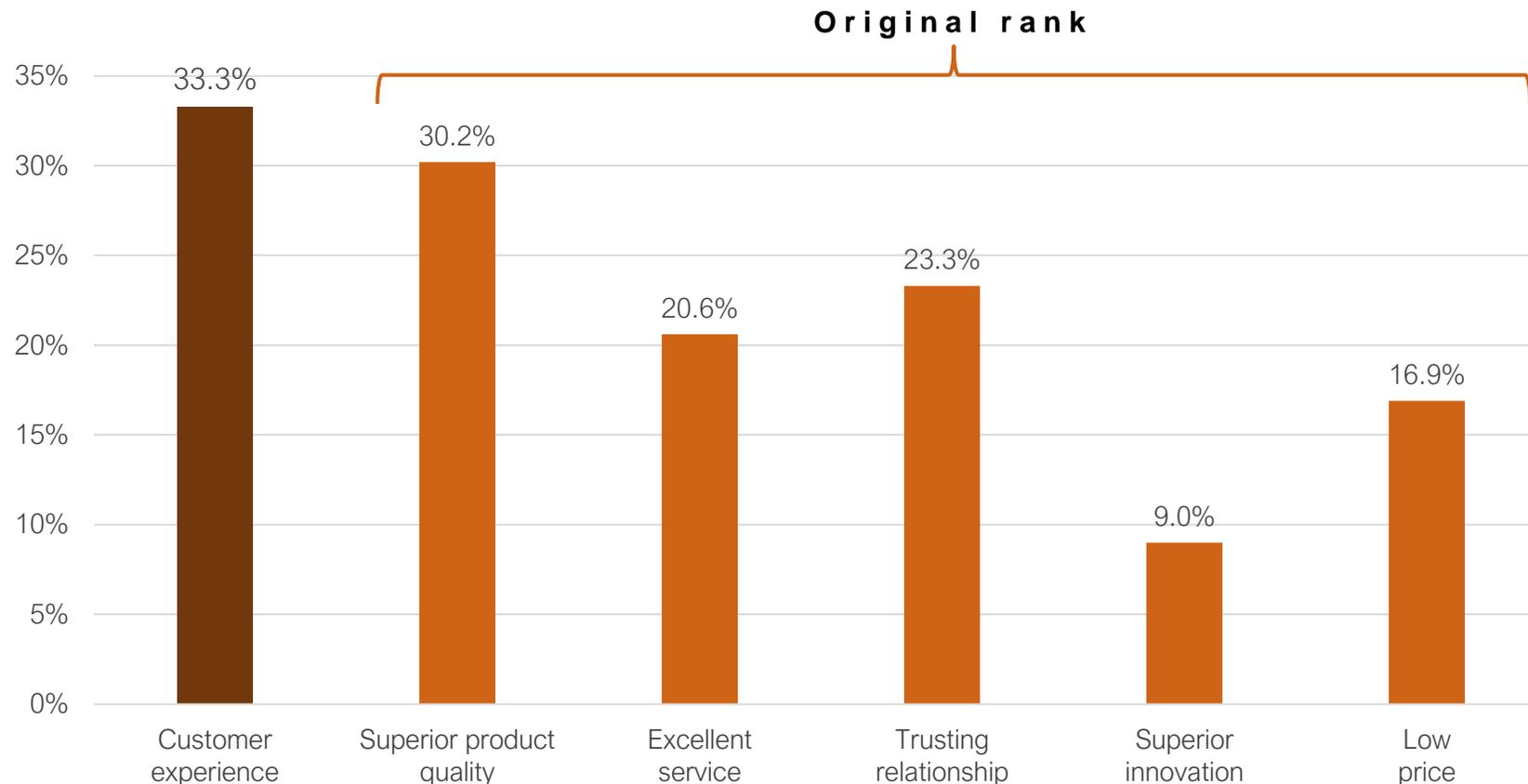


Insights

Customers increasingly demand a superior product and excellent service across all industries. June 2020 highlighted trusting relationship as the most important priority. Moving forward and out of the pandemic, product quality emerges as most important.

Customer experience emerges as a leading customer priority

If you were to insert “strong customer experience” into the list of priorities from the previous slide, what rank would you give it? (% reporting first priority)



Economic Sector

B2B Product: 27.4%
 B2B Services: 35.3%
 B2C Product: 31.3%
 B2C Services: 45.8%

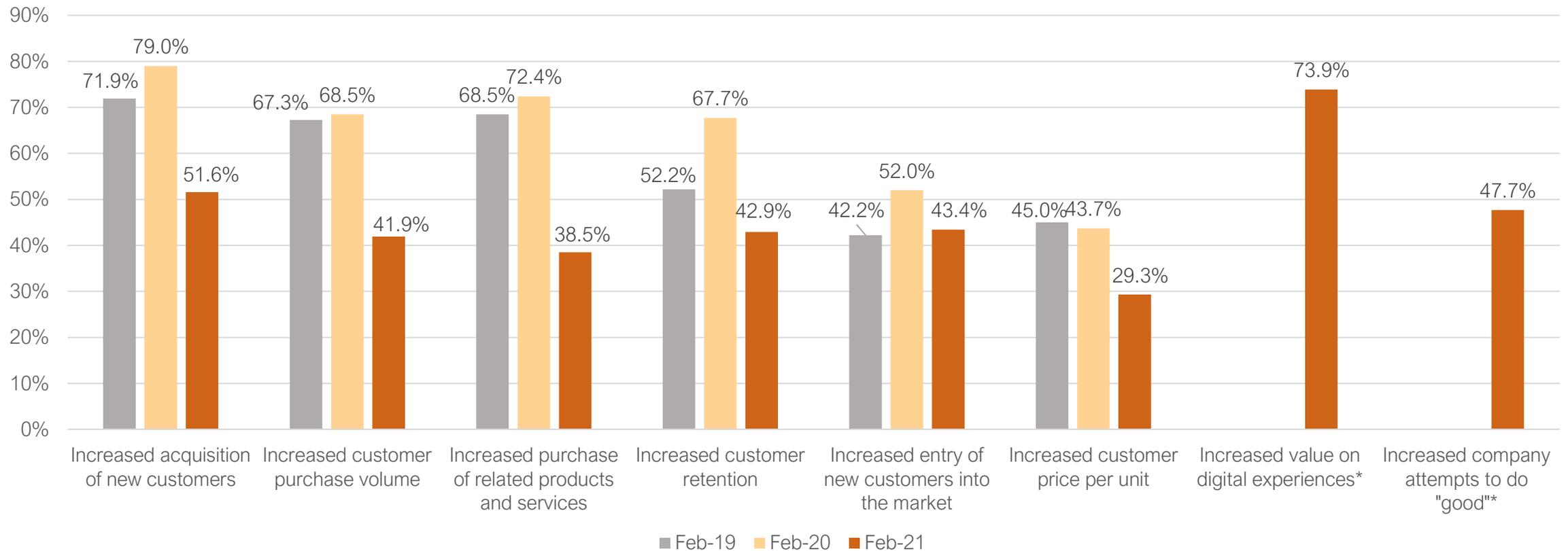


Insights

Consensus across sectors and industries shows all customers demand a “strong customer experience,” catapulting it into the #1 priority. Service firms rate this more highly as do companies with a great percentage of their sales from the Internet

Standard customer benchmarks show smaller increases during pandemic

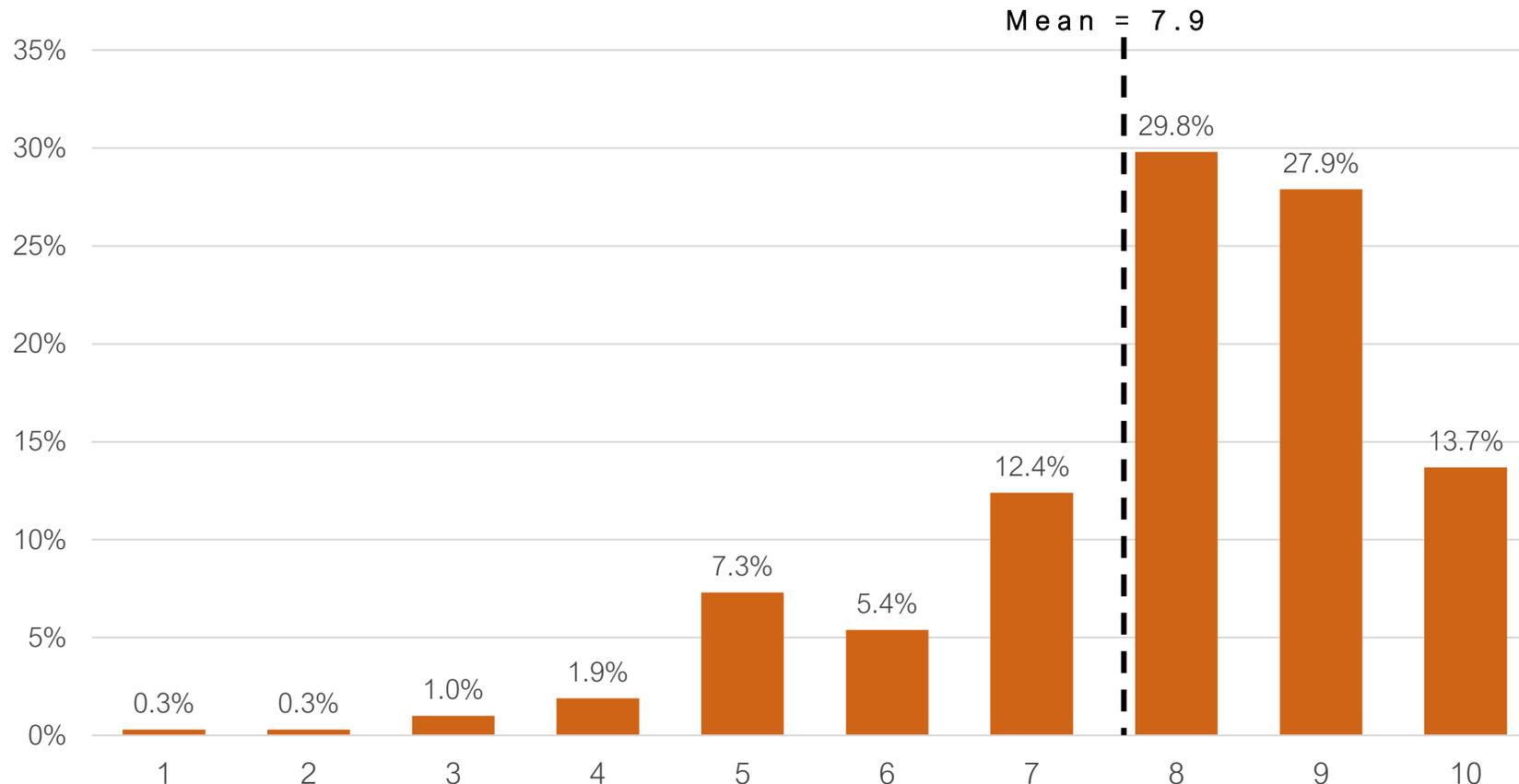
Which customer activities increased, decreased, or had no change in the prior 12 months? (% of reporting increased levels)



*These questions were not asked in February 2019 or 2020

Marketers report strong brand trust, skewed towards larger and brick-and-mortar companies

How much do customers trust your brand? (1=significantly below the industry average, 10=significantly above the industry average)



Economic Sector

B2B Product: 8.0
 B2B Services: 8.0
 B2C Product: 7.8
 B2C Services: 7.9



Insights

The education industry reported the highest mean at 8.2 and Banking/ Finance/Insurance with the lowest of 7.5. Trust increased with revenue, highest at firms \$500M+ and with brick-and-mortar status.



Managing Marketing in the Pandemic

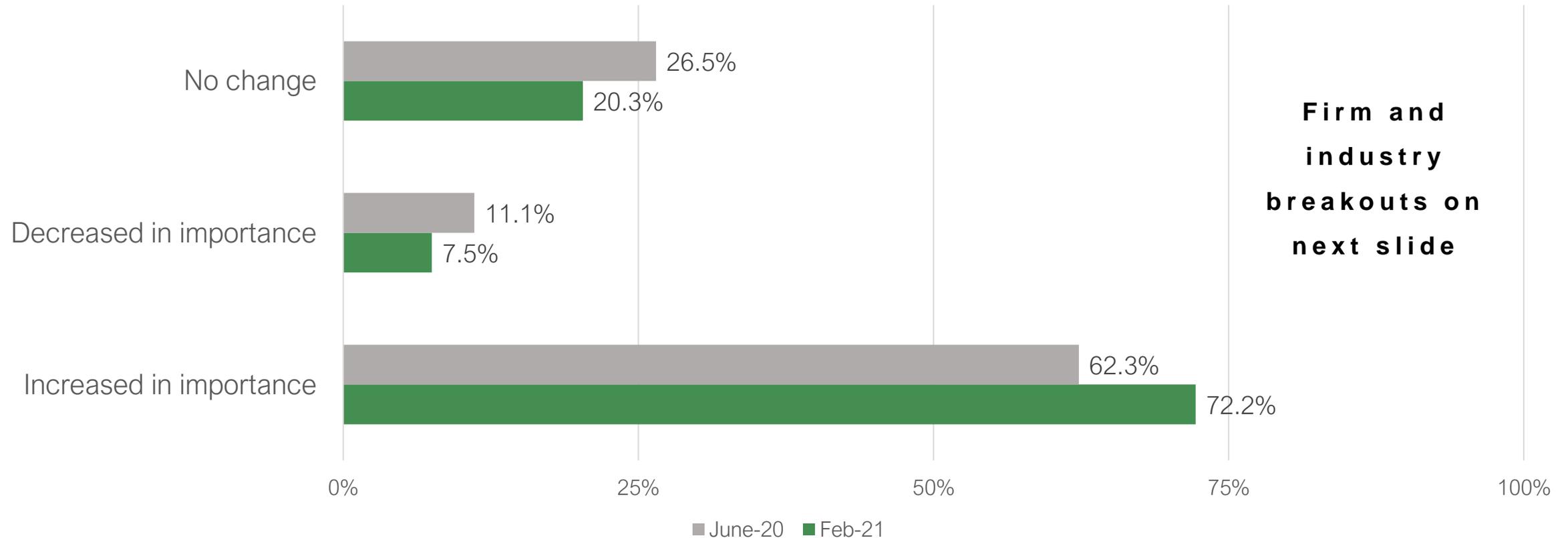
Marketing continues to be increasingly important as the pandemic continues. 72.2% of marketers reported that the importance of marketing in their companies increased during the last year. With customer demands for digital experiences growing, marketing has been placed in a stronger position to deliver strategic direction and growth. Larger companies (by employees) and companies with more Internet sales report the strongest roles for marketing.

Marketers focused their attention on building brand value that connects with customers and retaining new customers throughout the pandemic and into 2021. However, some of that attention shifted to acquiring new customers (+48.6%) and improving marketing ROI (+105.5%), indicating companies are moving from survival to a renewed focus on growth and profits. Considering marketing opportunities, marketers continue to shift resources to building digital interfaces and transforming go-to-market business models during the pandemic with digital interfaces growing by 21.0% since June 2020. Reflecting an emphasis on growth, marketers report increased emphasis on expanding into new products and services (+14.3%) and building partnerships (+9.6%).

While the pandemic has had many effects, most marketers report that tactics taken to stay afloat have been effective in the short-run (5.2 on a 7-point scale) and will be important opportunities for their companies in the long-run (5.6). These assessments have not changed since June 2020, pointing to their reliability.

72% of marketers report that the role of marketing has increased in importance during this pandemic year

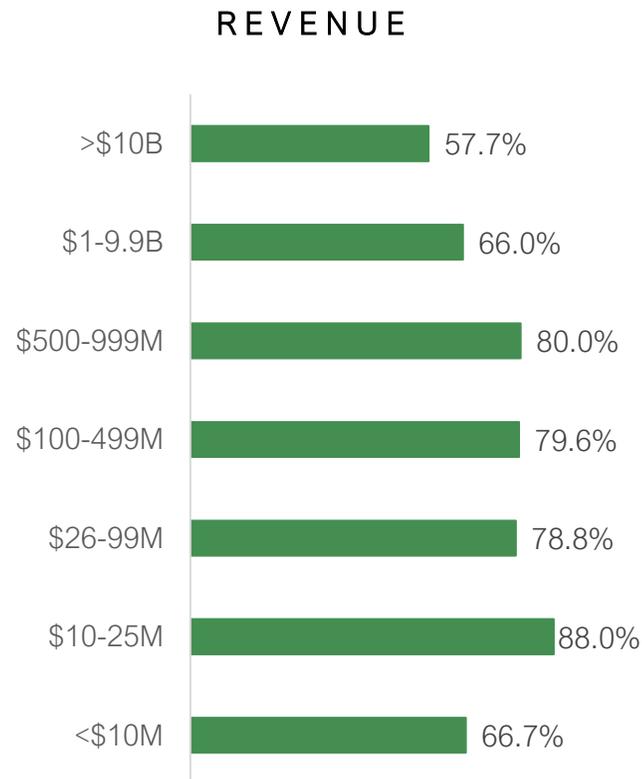
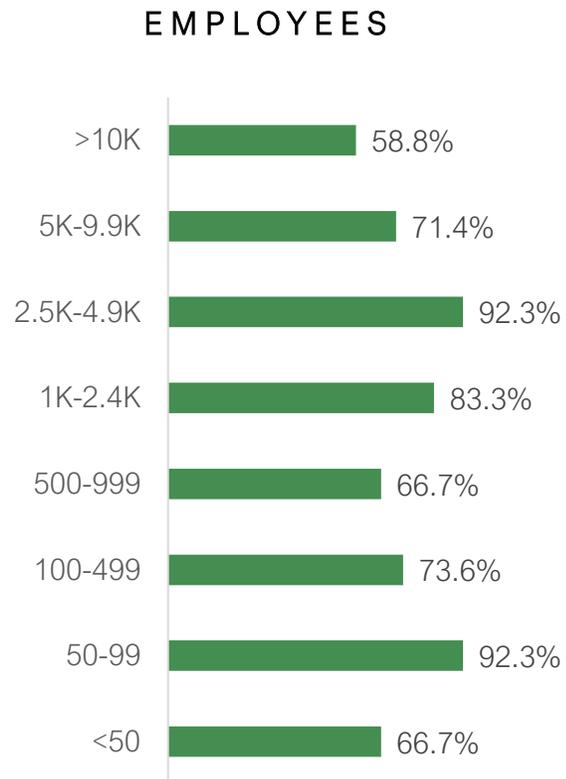
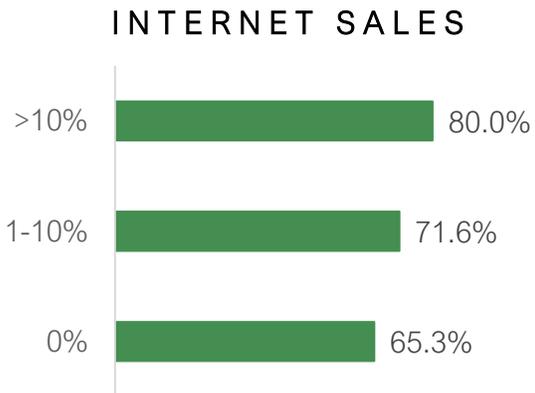
How has the role of marketing in your company changed during the last year?



Firm and industry sector differences in the importance of the role of marketing

How has the role of marketing in your company changed during the last year? (% reporting more important this year.)

72.2%
Sample average increased importance of marketing



Economic Sector

- B2B Product: 69.0%
- B2B Services: 76.6%
- B2C Product: 74.0%
- B2C Services: 69.2%

Industry Sector

Top Industry Sectors

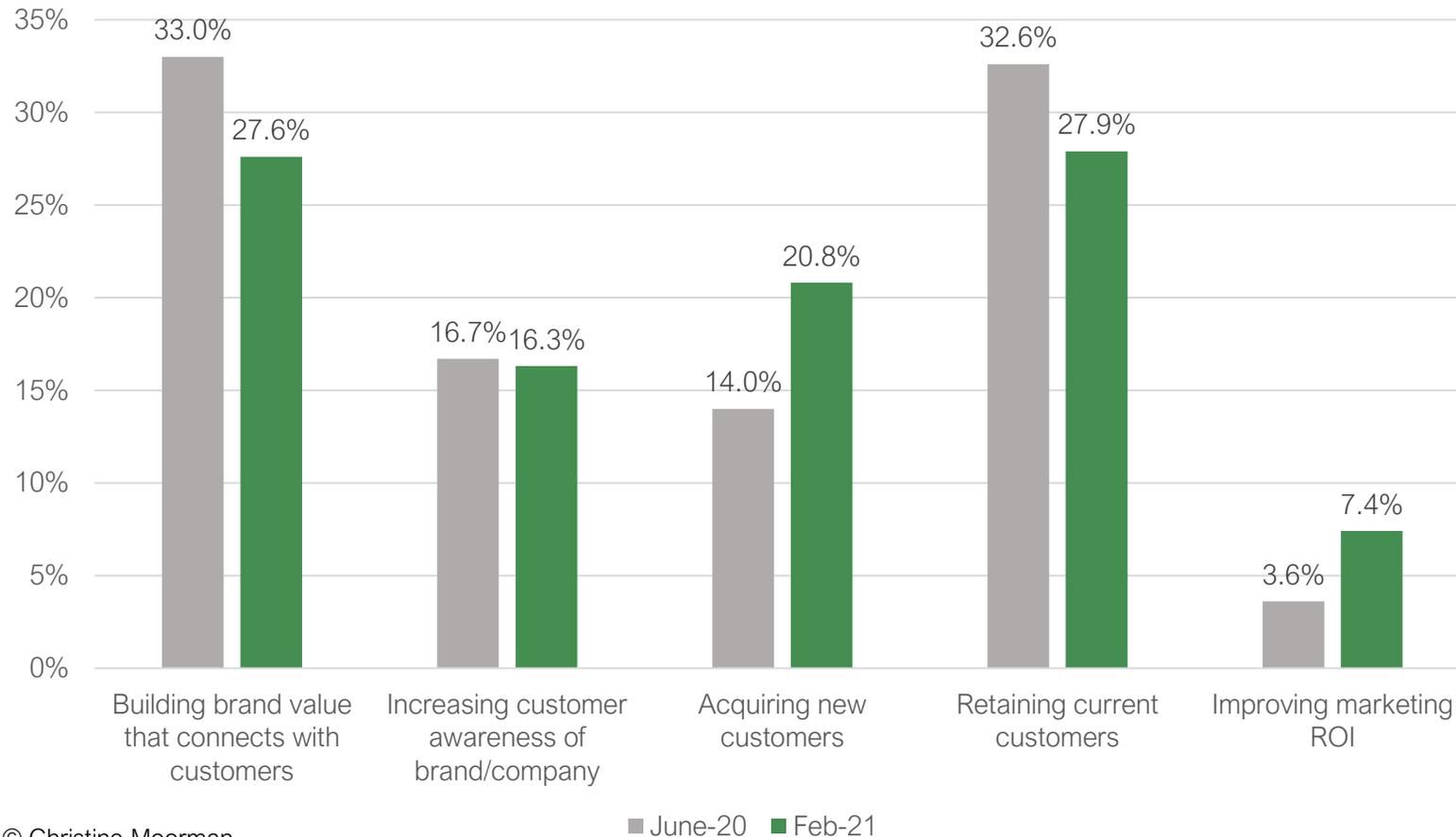
- Education (100.0%)
- Tech/Software (84.1%)
- Consumer Services (77.8%)

Bottom Industry Sectors

- Retail/Wholesale (62.5%)
- Communications/Media (58.3%)
- Transportation (57.1%)

Marketers remain focused on building brand and retention in pandemic year; however, acquisition and ROI objectives resurface

What marketing objectives have you been focused on during the pandemic? (percent ranking #1)



Economic Sector

	Acquiring Customers	Improving ROI
B2B Product	21.0%	10.5%
B2B Services	28.2%	1.4%
B2C Product	18.0%	13.1%
B2C Services	13.6%	2.3%

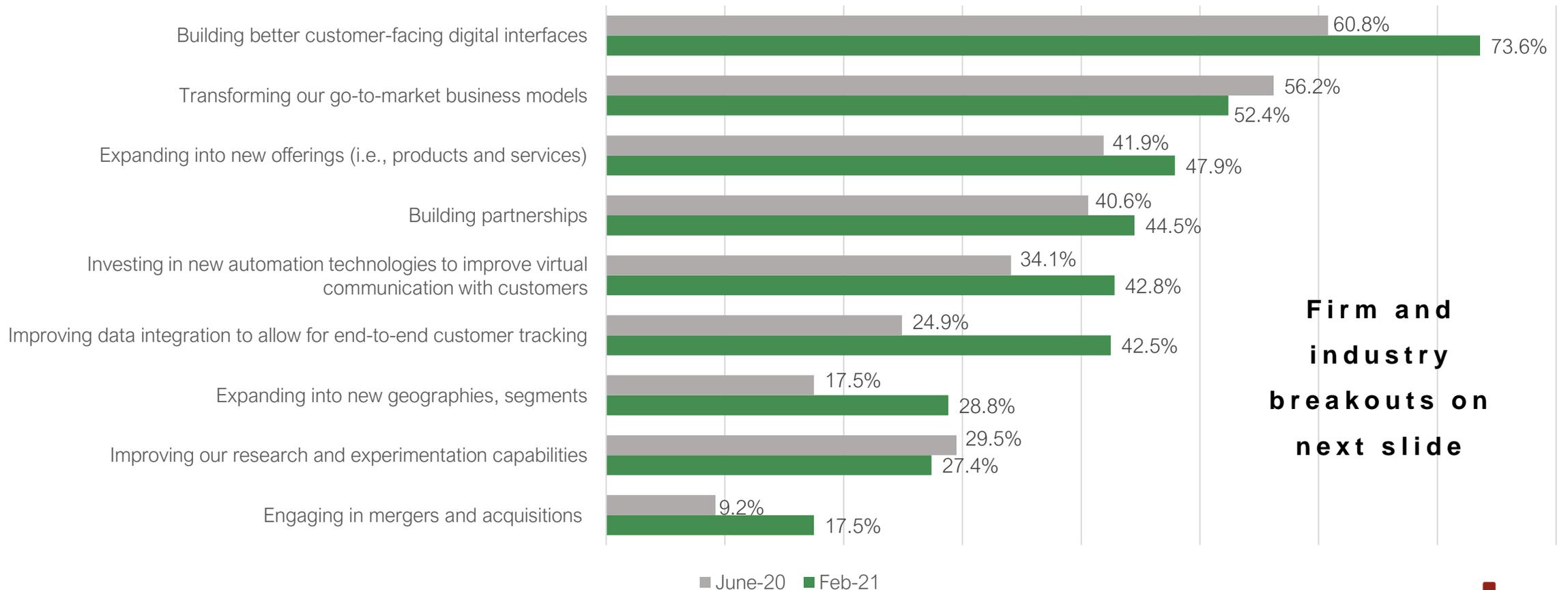


Insights

Acquiring new customers and improving marketing ROI saw the biggest gains, showing renewed emphasis on new business with B2B companies showing strong acquisition objectives and Product companies showing stronger ROI objectives. Brand building is most important for Consumer Services (55.6%) and least important for Technology (15.1%). Retaining customers is most important for Communications (40.0%) and least important for CPG (16.7%).

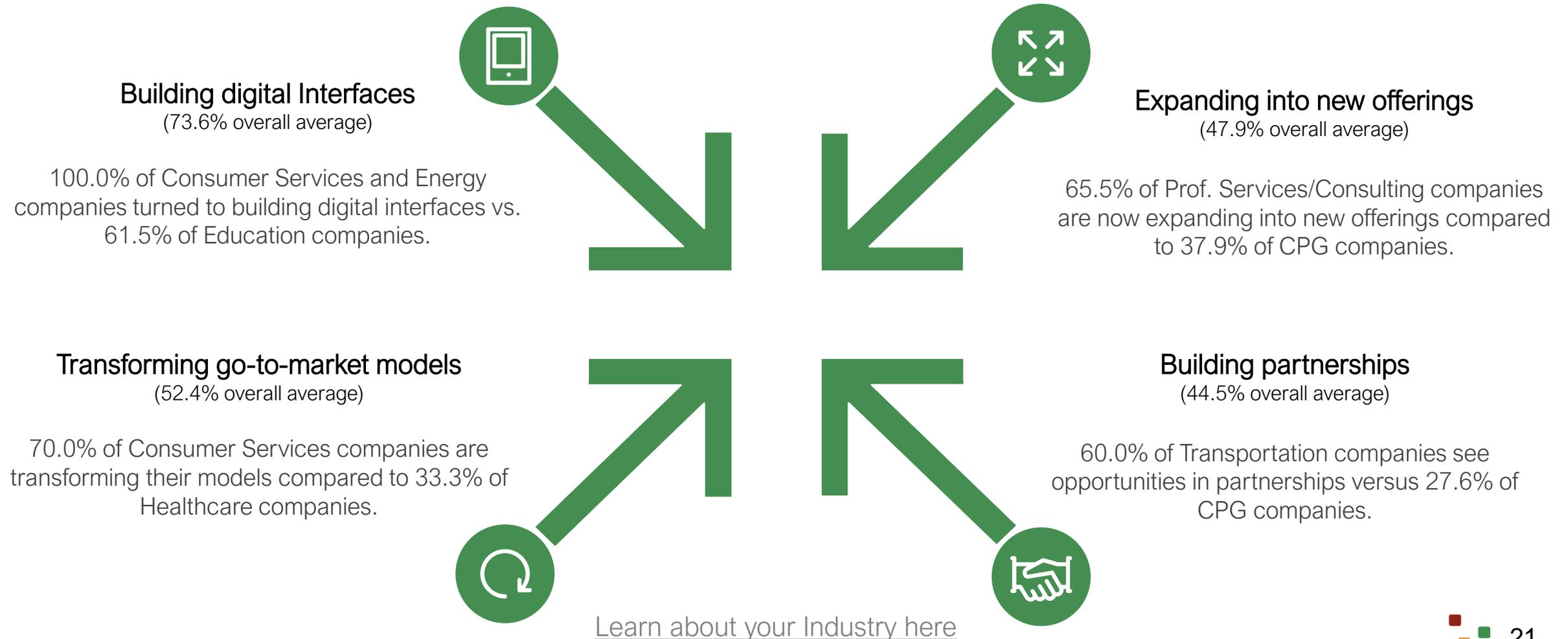
Beyond the onset of the pandemic, companies still focused on interfaces, go-to-market models, and expansion

Considering marketing opportunities, what activities have you shifted resources to during the pandemic? (check all that apply)



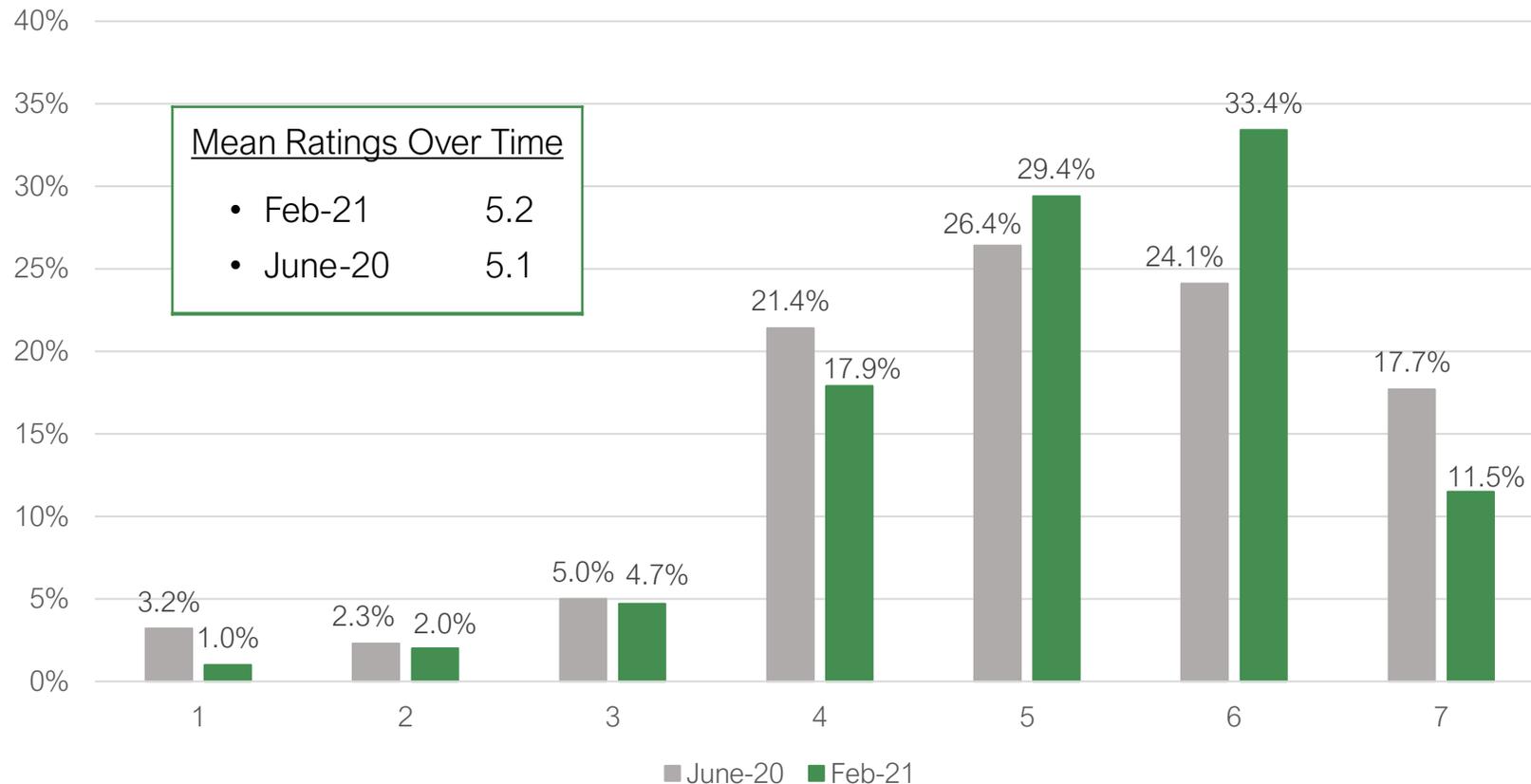
Firm and industry breakouts on next slide

How marketing opportunities vary for firms and industries



COVID-19 marketing strategies continue to be seen as effective in the short-term

How well did the marketing strategies used during the COVID-19 pandemic work in the short term? (1=very poorly, 7=very effectively)



Industry Sector

Most Effective Industries

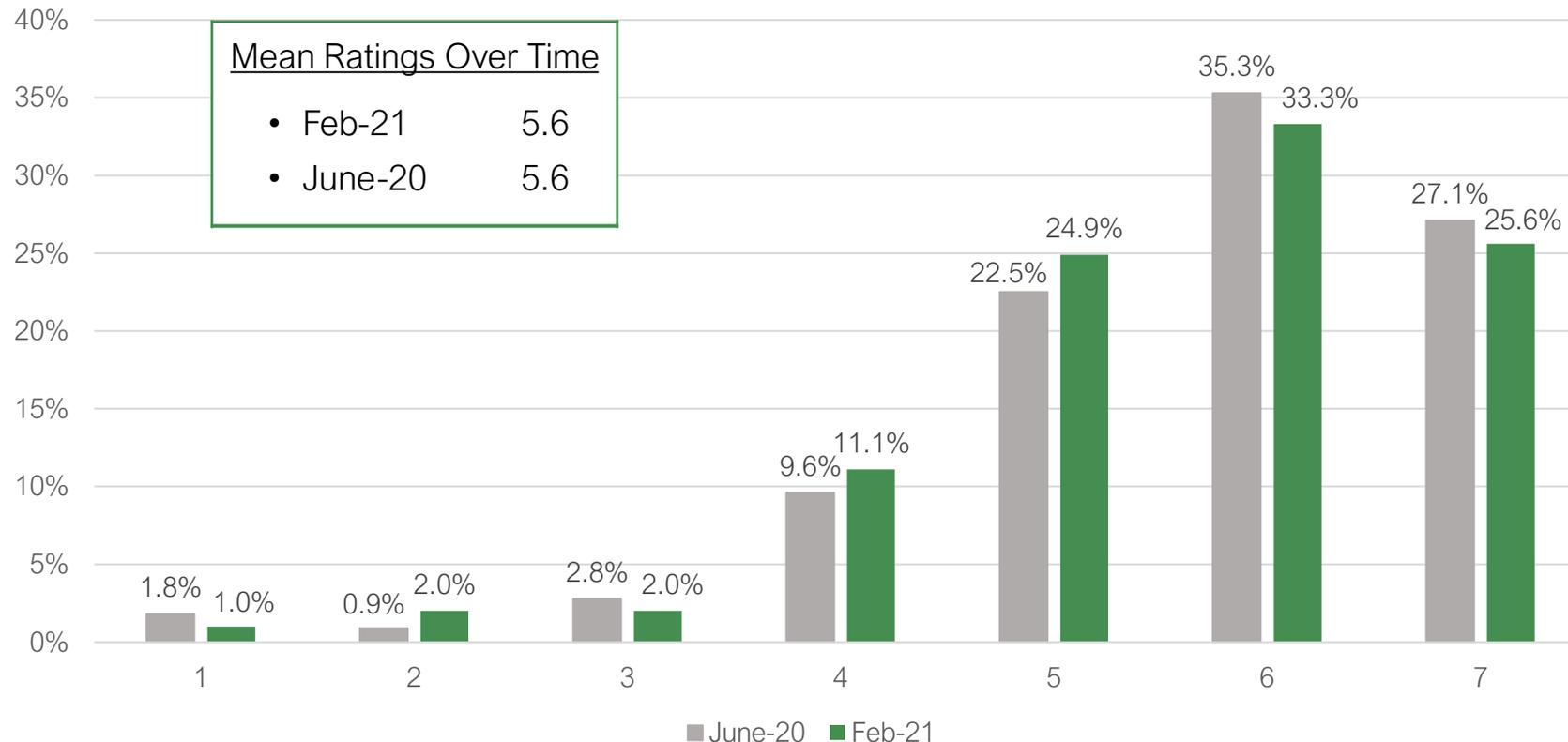
- Retail/Wholesale (5.8)
- Prof. Services/Consulting, Pharma/Biotech, Banking/Finance/Insurance (5.5)

Least Effective Industries

- Communications/Media (4.8)
- Manufacturing (4.7)
- Energy (4.3)

COVID-19 marketing strategies believed to have important long-term effects across the year

Taking your best guess, to what degree do you think the marketing strategies used during the COVID-19 pandemic will be important opportunities for your company in the long-term? (1=not at all, 7=a great deal)



Industry Sector

Highest Opportunity Industries

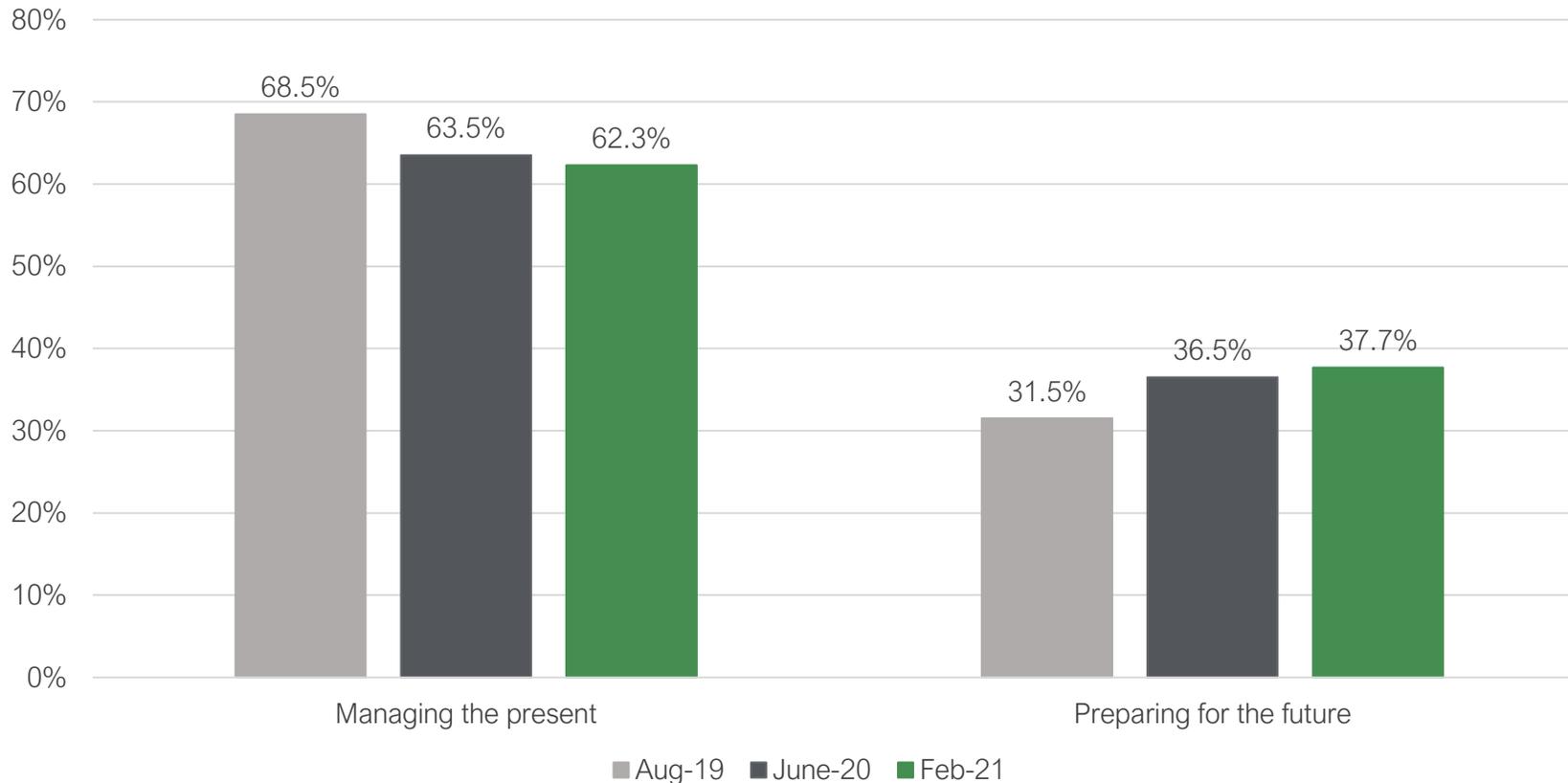
- Consumer Service, Education, Retail/Wholesale (6.0)
- Prof. Services/Consulting (5.9)

Lowest Opportunity Industries

- Transportation (5.2)
- Mining/Construction (4.8)
- Energy (4.6)

COVID-19 increases focus on preparing for the future

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



Insights

As a company sells more over the Internet, it is more likely to manage the present, which is different than what we saw in June 2020. The Energy industry is still most likely to manage the present (74.4%), while the Consumer Service industry is most likely to prepare for the future (44.1%).



Marketing Leadership

This pandemic year has been filled with social and political upheaval that has also challenged marketing leaders in important ways. The murder of George Floyd and other black citizens led many marketers to take a deeper look at the systematic and implicit bias in their marketing strategies. To that end, marketing leaders reported an increase of 8.8% in marketing spending on Diversity, Equity, and Inclusion (DE&I). Work on brand and marketing communications were the areas of greatest focus for this spending. Only 5.6% of companies reported “very highly” that they developed an inclusive approach to marketing decision making (i.e., steps to review and/or evaluate marketing decisions from a DE&I perspective).

More marketers now believe it is appropriate for brands to take a stand on politically-charged issues, with a 49.7% increase in the last year to reach 27.7%—the highest level in survey history. Considering the types of political activism appropriate for brands, the dominate response was encouraging citizens to vote (92.9% of marketers), followed by supporting a specific piece of legislation (43.5%) and making changes to products and services in response to political issues (26.5%), while only 19.4% reported a willingness to use marketing communications to speak out on political issues.

Marketers have made significant efforts to support or change social issues in the past year. Actions to encourage COVID-19 safeguards dominated (82.2% of marketers), along with racial (59.4%), gender (43.9%), and LGBTQ+ (40.0%) equality. Many (66.3%) have made efforts to reduce divisive language to encourage national unity.

Most marketers report only modest transparency with their customers. The topics about which marketers were more transparent are data collection (42% of marketers) and data usage (39.8%) with environmental impact showing the least transparency (10.2%). Consistent with this, reducing the negative ecological impact from marketing activities has lost steam over the last year with changing products/services and partners decreasing 25.0% and 37.3%, respectively, since the start of the pandemic. These shifts were reportedly driven by costs (46.8%) and COVID-19 priorities (43.0%).

Brand and Communications lead the way for improving marketing Diversity Equity, and Inclusion (DE&I) within companies

Relative to a year ago, rate the success your company has had in improving DE&I.

			Among companies reporting a change		
	No Change	Change	25% More Successful	50% More Successful	100% More Successful
Marketing Employees	49.8%	50.2%	59.8%	27.7%	12.5%
Marketing Partnerships	66.7%	33.3%	62.2%	35.4%	2.4%
Segmentation & Targeting	61.4%	38.6%	61.4%	32.1%	6.5%
Product & Service Design	67.1%	32.9%	65.3%	27.1%	7.6%
Communications	34.7%	65.3%	48.7%	45.5%	5.8%
Brand	39.4%	60.6%	59.4%	32.8%	7.8%
Training	46.6%	53.4%	46.8%	32.6%	20.6%



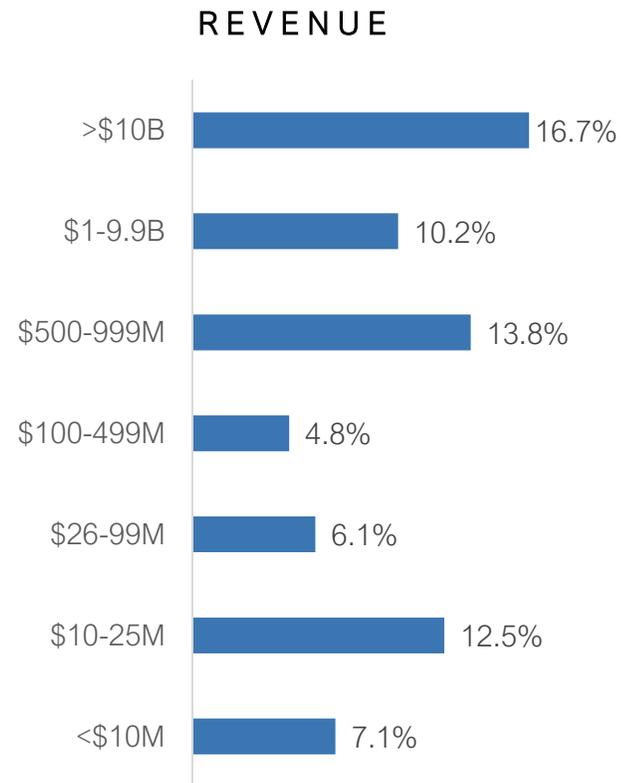
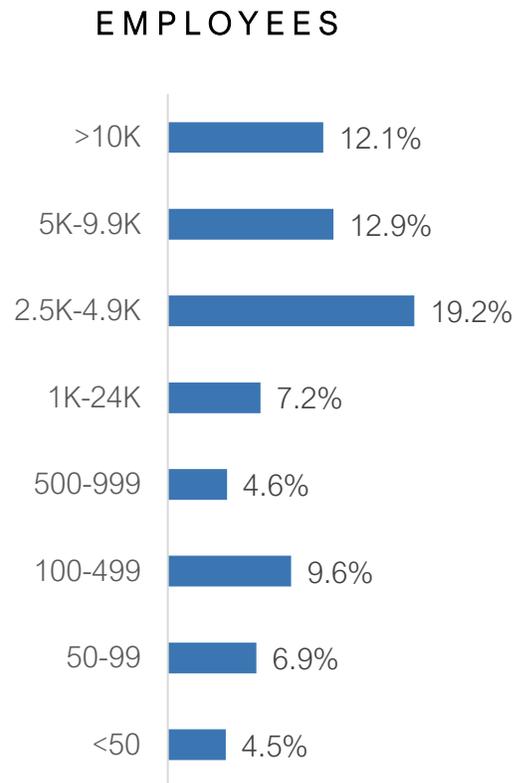
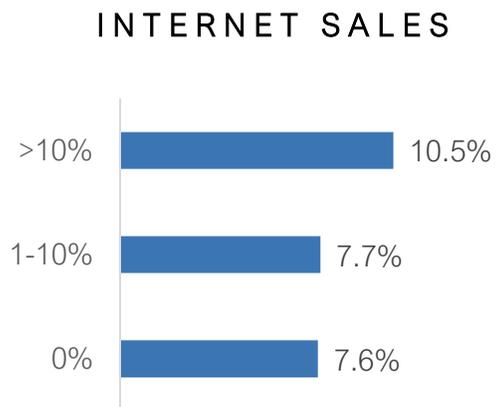
Insights

The Education (11.1%), Consumer Services (11.1%), and Retail/Wholesale (7.7%) industries reported the most success with marketing communications, while the Transportation (14.3%) and Prof. Services/Consulting (12.5%) industries reported the most success with brand. Less improvement on marketing partnerships, segmentation/targeting, and product/service design. Among companies making changes, training marketing employees is viewed as most successful.

Little change was made on DE&I marketing spend in the last year

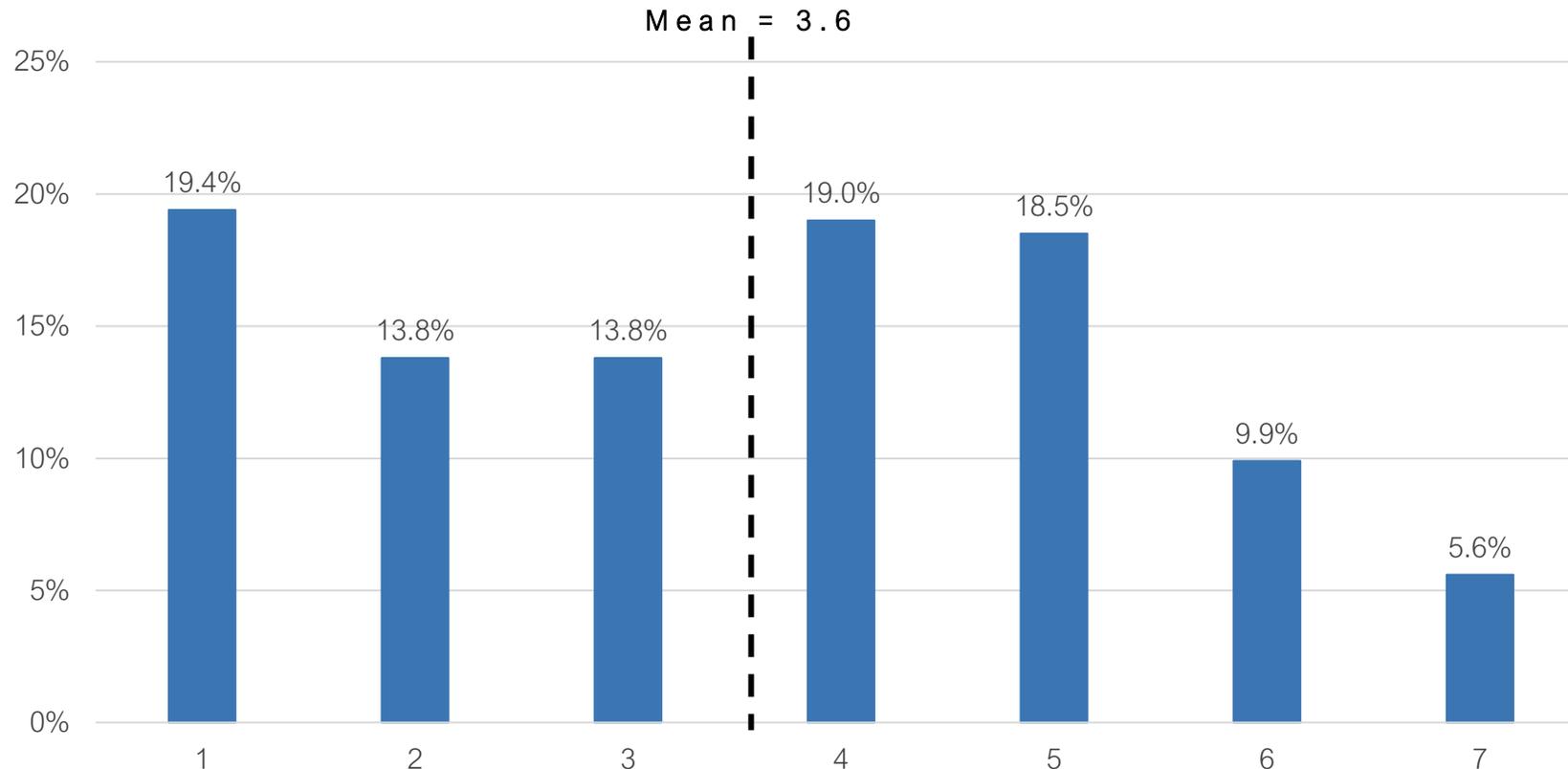
By what percent has marketing spending on DE&I changed in the last year?

8.9%
Sample average marketing spend on DE&I in the last year



Inclusive approach to marketing decision making mixed in companies

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



Economic Sector

B2B Product: 3.3
 B2B Services: 4.0
 B2C Product: 3.8
 B2C Services: 3.3

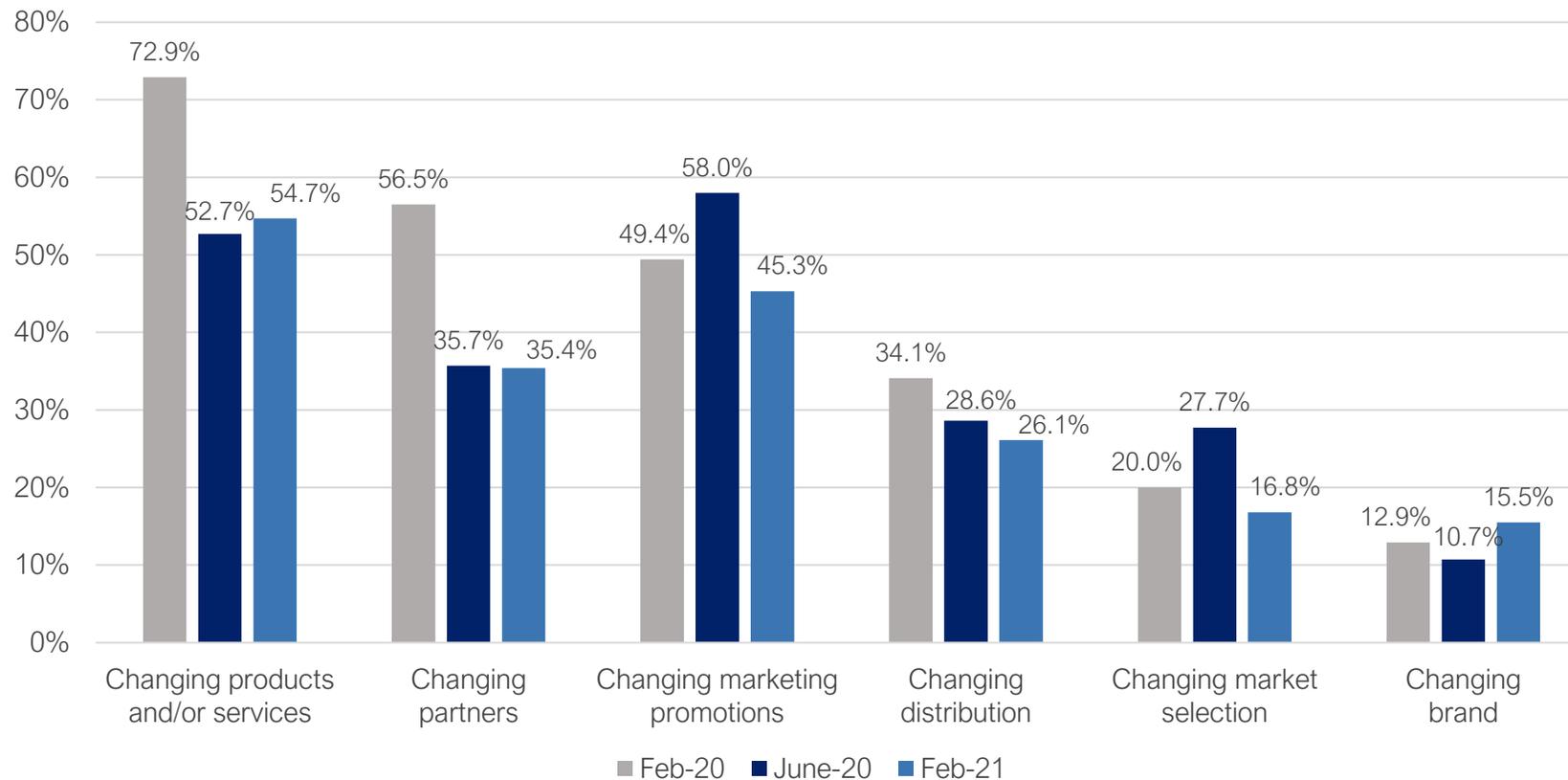


Insights

Education, Transportation (4.6) and Pharma/Biotech (4.5) report the highest levels of involvement around DE&I marketing decisions while Energy and Healthcare (2.9) are the lowest. DE&I decisions are more established as firms have more sales over the Internet (0% is 3.0, while >10% is 4.0) and increase with more revenue and employees.

Companies shift back to a focus on products/services and to a new focus on brand to reduce ecological impact

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



Insights

Marketers changed their approach to reducing ecological impact due to COVID-19, showing a decreased likelihood to change marketing promotions, distribution, and marketing selection and an increased likelihood to change brand and products/services. Banking/Finance/Insurance (55.6%) and Retail/Wholesale (62.5%) are most likely to change distribution, while Consumer Packaged Goods (87.5%) and Transportation (85.7%) are most likely to stay with February's top approach of changing products or services.

Costs and COVID-19 dominate barriers to implementing more marketing sustainability initiatives

What factors interfere with your company doing more in the area of marketing sustainability?

Factors Interfering	% Report Interfere
The cost of such changes	46.8%
COVID-19	43.0%
We lack the expertise needed to make such changes	24.2%
Lack of executive support	18.8%
Non-COVID-19 priorities have dominated our attention	14.0%
Customer resistance to such changes	14.0%
It is not a good fir for our brand	11.8%
Partner resistance to such changes	10.8%

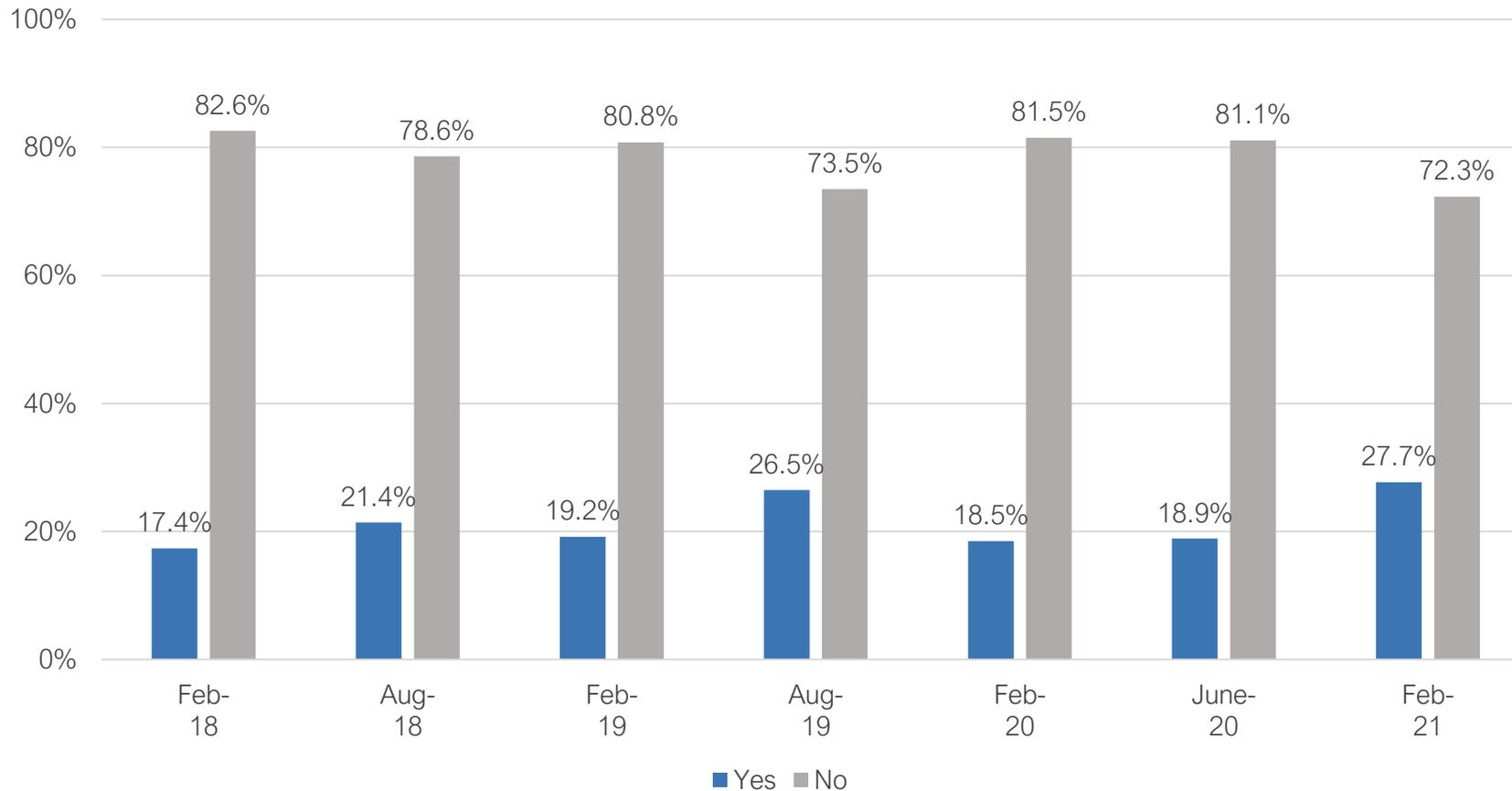


Insights

COVID-19 continues to impact companies' ability to do more in the area of marketing sustainability with B2B companies reporting it as their main factor of interference while B2C companies report the cost of these changes being their biggest interreference. Both factors were ranked as the main interference for B2B and B2C companies, specifically in the Retail/Wholesale (72.7% - Cost of changes) and Communications/Media industry (81.8% - COVID-19).

More brands take a stance on politically-charged issues

Do you believe it is appropriate for your brand to take a stance on politically-charged issues?



Insights

The % of respondents that say they would use their brand to take a political stance has slightly increased since our last survey in June 2020. B2C Services stand out at 32.7% as do companies with more sales over the Internet (34.9%). In our last survey, Consumer Packaged Goods (37.5%), Consumer Services (50.0%), and Healthcare (38.9%) stand out among the industry sectors as do <\$10M companies (34.1%) and \$10B+ companies (50.0%).

Getting out the vote dominates political activism

Which of the following types of political activism do you think are appropriate for your brand?

Type of Political Stances	% Report Appropriate
Encouraging citizens to vote	92.9%
Supporting a specific piece of legislation	43.5%
Making changes to products and services in response to political issues	26.5%
Allowing employees to speak out on political issues	25.9%
Having executives speak out on political issues	24.7%
Using marketing communications to speak out on political issues	19.4%
Selecting partners on the basis of political stance	12.9%
Supporting political campaigns	3.5%
Encouraging citizens to vote for a particular candidate	1.2%

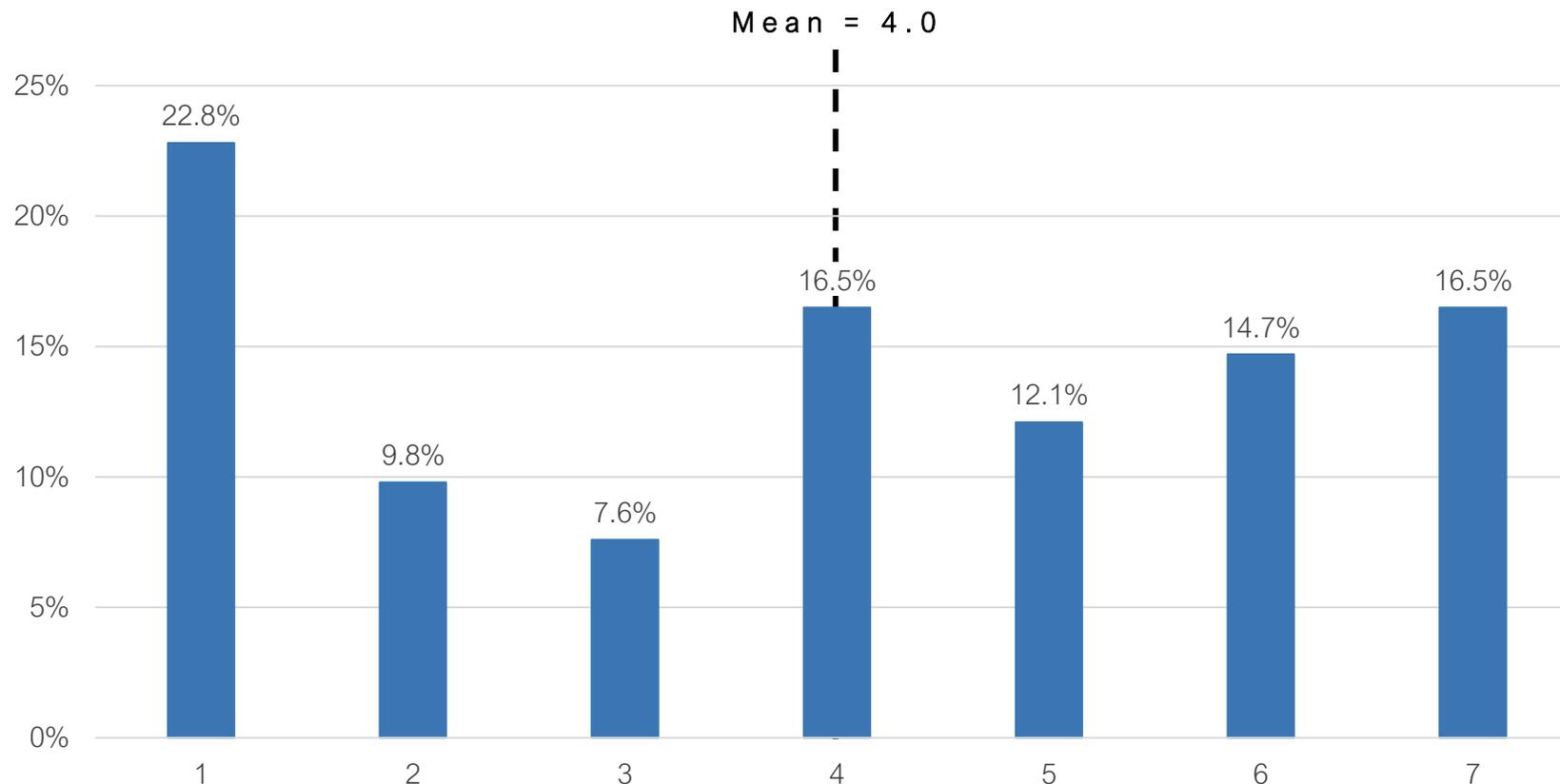


Insights

B2B companies report allowing employees to speak out most for their brands (54.3%) while B2C companies report that making changes to products in response to political issues is the most appropriate (60.0%). Within the Consumer Services, Tech, and Banking/Finance/Insurance industries, the following political activities were also ranked highly: having executives speak out on political issues and making changes to products and services in response to political issues.

Marketers divided on using marketing to encourage national unity

How important do you believe it is for companies to use marketing to encourage national unity? (1=not at all, 7=very important)



Economic Sector

B2B Product: 3.9
 B2B Services: 4.0
 B2C Product: 3.6
 B2C Services: 4.4

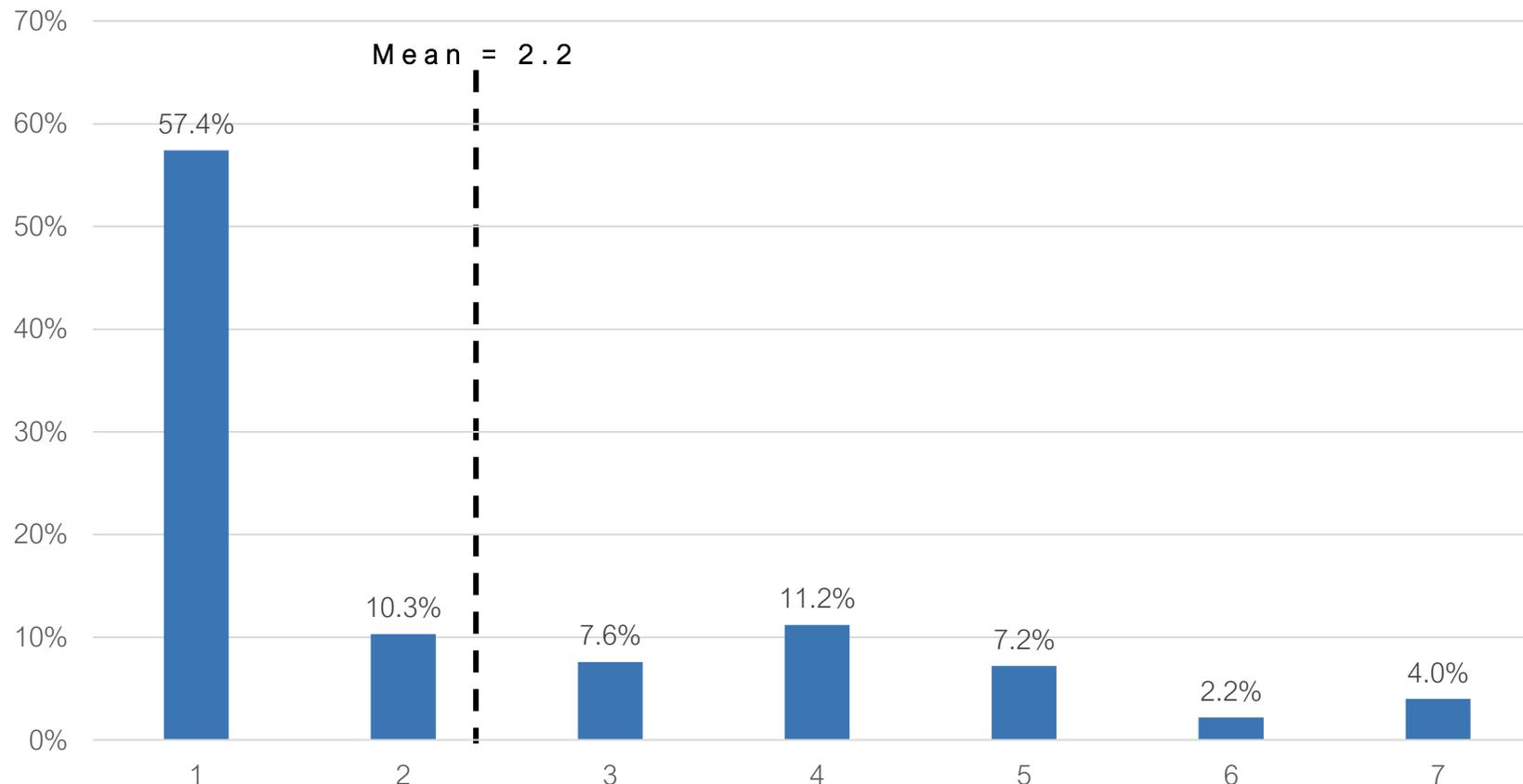


Insights

Companies with sales revenues of \$500-999M (22.2%) and/or 5000-9999 employees (30.8%) believe encouraging national unity through marketing is vital. The Education and Communications/Media industries find it very important to encourage national unity, with 30% reporting it as the highest rating (7 – very important).

Companies do not use marketing activities to encourage national unity

To what extent are or were your own company's marketing activities used to encourage national unity? (1=not at all, 7=a great deal)



Economic Sector

- B2B Product: 2.0
- B2B Services: 2.3
- B2C Product: 2.2
- B2C Services: 2.5

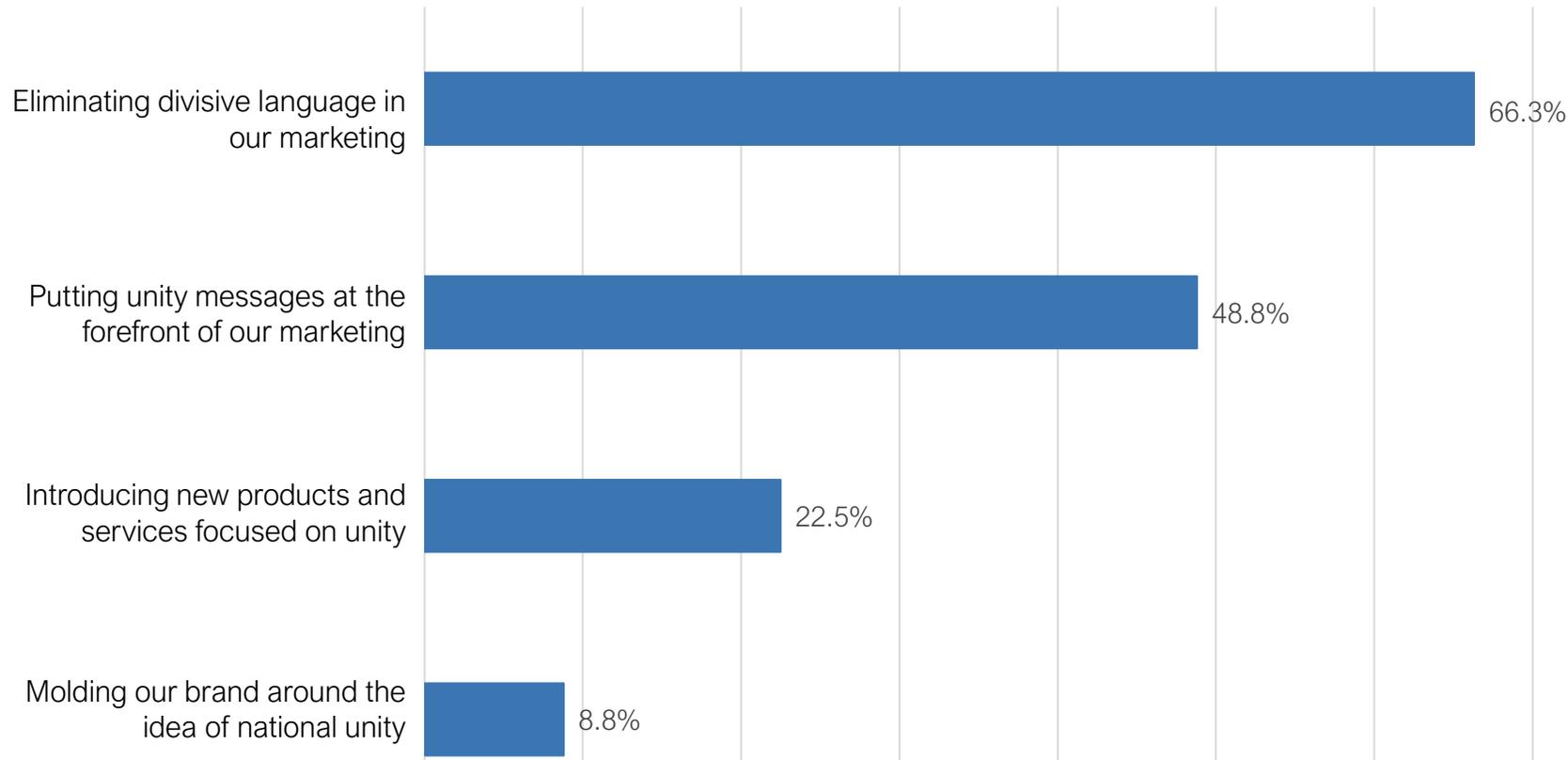


Insights

The majority of companies have not engaged in marketing activities to encourage national unity. Companies in Education (3.0) and Communications/Media (2.9) have the highest percent of marketing activity to encourage national unity while Mining/Construction (1.0) and Consumer Packaged Goods (1.2) are lowest. Companies with at least \$10 billion sales revenue also tend to be have more active.

Marketers emphasize eliminating divisive language and using unity messages to encourage national unity

What marketing activities has your company engaged in to encourage national unity?*



Industry Sector

Eliminating divisive language

- Retail/Wholesale (75.0%)
- Tech/Software (70.6%)

Unity messaging at forefront

- Retail/Wholesale (75.0%)
- Banking, Healthcare (71.4%)

Molding brand around unity

- Education (40.0%)
- Banking/Finance (28.6%)

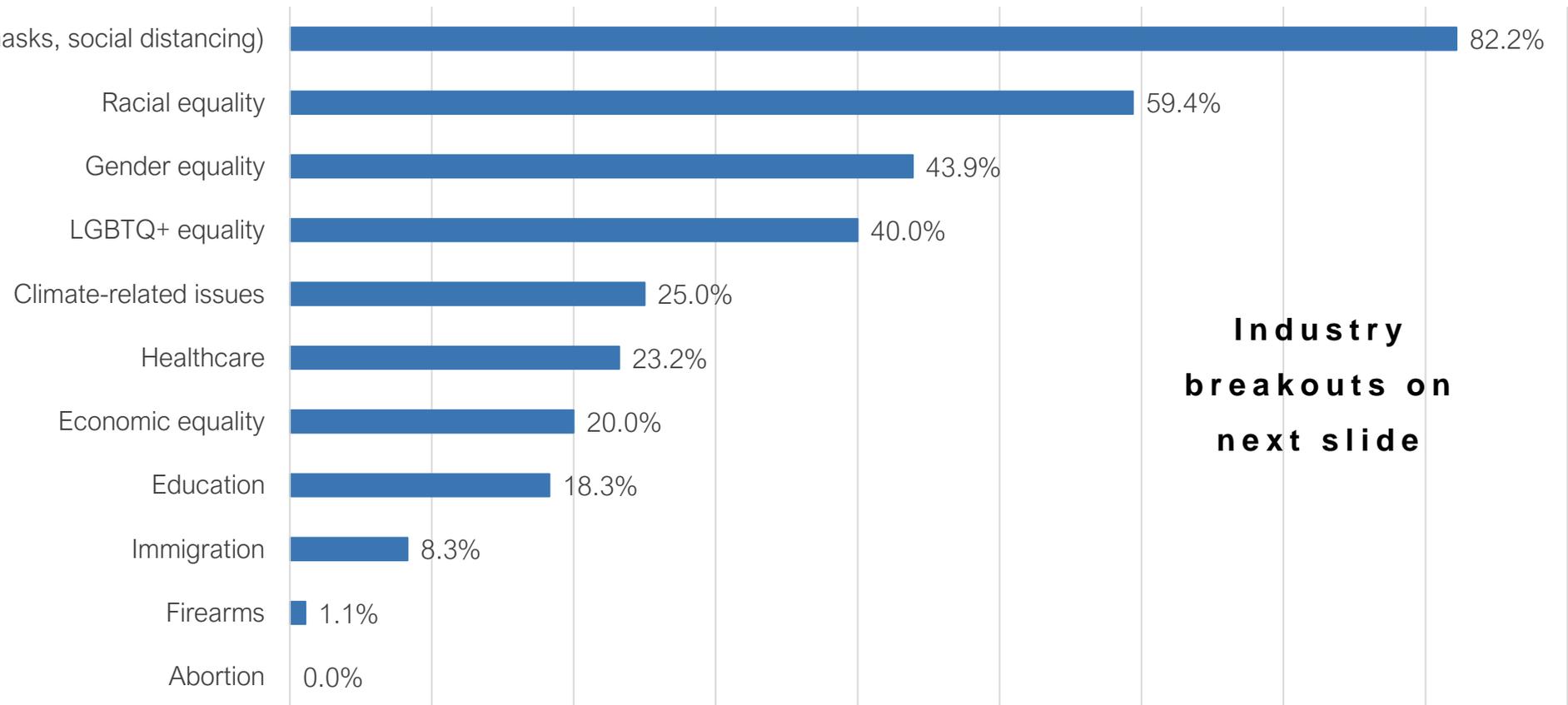
Introducing new products/services

- Consumer Services (33.3%)
- Education (20.0%)

*This question was asked only of those respondents who reported a rating above 1 on the question, "To what extent are or were your own company's marketing activities used to encourage national unity?" (1=not at all, 7=a great deal)

COVID-19 and equality dominate brand actions related to social issues; climate, health, education lag

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



**Industry
breakouts on
next slide**

Most brands across all economic sectors have taken action on COVID-19 safeguards and racial equality

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

Social Issues	B2B-Product	B2B-Services	B2C-Product	B2C-Services
COVID-19 safeguards	78.5%	81.3%	85.0%	88.9%
Racial equality	58.5%	58.3%	57.5%	66.7%
Gender equality	46.2%	41.7%	37.5%	51.9%
LGBTQ+ equality	41.5%	35.4%	40.0%	44.4%
Climate-related issues	30.8%	22.9%	20.0%	22.2%
Healthcare	20.0%	27.1%	17.5%	33.3%
Economic equality	20.0%	10.4%	17.5%	40.7%
Education	20.0%	18.8%	15.0%	18.5%
Immigration	9.2%	10.4%	7.5%	3.7%
Firearms	1.5%	0.0%	2.5%	0.0%
Abortion	0.0%	0.0%	0.0%	0.0%



Insights

COVID-19 safeguards increase as Internet sales increase but decrease as revenue and number of employees increase. 100.0% of Retail/Wholesale, Transportation, Mining/Construction, Pharma/Biotech, and Energy companies report safeguards as an action they have taken. Racial equity hovers around 58% for all B2B companies and B2C products, but B2C Services is substantially higher at 66.7%. Prof. Services/Consulting (70.6%) is the highest reported industry level. Gender and LGBTQ equality has been enacted similarly across sectors and are most important to Technology companies (60.0%).

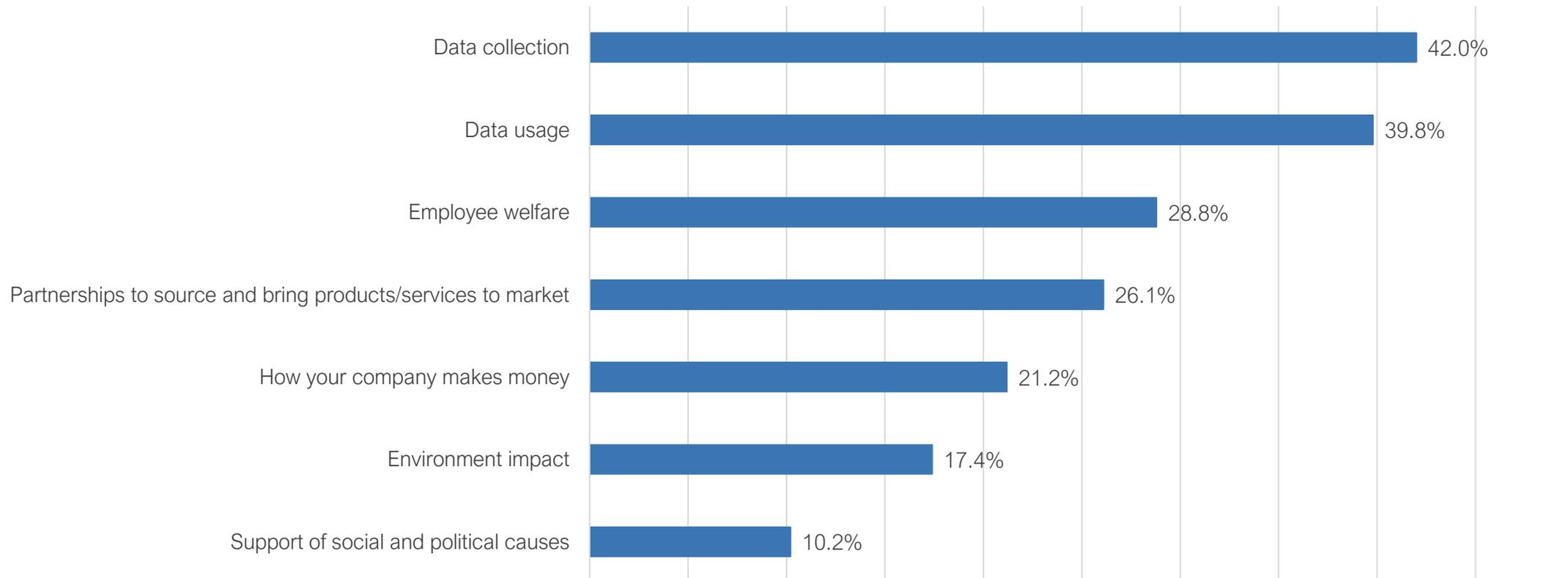
Taking a stand on social issues: How companies and industries vary

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

Social Issues	Top Industries	Bottom Industries
COVID-19 safeguards	<ul style="list-style-type: none"> Retail/Wholesale (100.0%) Energy (100.0%) 	<ul style="list-style-type: none"> Education (57.1%) Banking/Finance/Insurance (69.2%)
Racial equality	<ul style="list-style-type: none"> Healthcare (71.4%) Education (71.4%) 	<ul style="list-style-type: none"> Transportation (14.3%) Mining/Construction (25.0%)
Gender equality	<ul style="list-style-type: none"> Banking/Finance/Insurance (61.5%) Tech/Software/Platform (60.0%) 	<ul style="list-style-type: none"> Transportation (14.3%) Mining/Construction (25.0%)
LGBTQ+ equality	<ul style="list-style-type: none"> Tech/Software/Platform (60.0%) Pharma/Biotech (50.0%) 	<ul style="list-style-type: none"> Communications/Media (14.3%) Transportation (14.3%)
Climate-related issues	<ul style="list-style-type: none"> Energy (60.0%) Transportation (42.9%) 	<ul style="list-style-type: none"> Pharma/Biotech (0.0%) Healthcare (0.0%)
Healthcare	<ul style="list-style-type: none"> Healthcare (85.7%) Banking/Finance/Insurance (30.8%) 	<ul style="list-style-type: none"> Communications/Media (0.0%) Energy (0.0%)
Economic equality	<ul style="list-style-type: none"> Banking/Finance/Insurance (69.2%) Energy (40.0%) 	<ul style="list-style-type: none"> Pharma/Biotech (0.0%) Consumer Services (0.0%)
Education	<ul style="list-style-type: none"> Education (100.0%) Prof Services/Consulting (23.5%) 	<ul style="list-style-type: none"> Retail/Wholesale (0.0%) Energy (0.0%)
Immigration	<ul style="list-style-type: none"> Prof. Services/Consulting (17.6%) Communications/Media (14.3%) 	<ul style="list-style-type: none"> Mining/Construction (0.0%) Pharma/Biotech (0.0%)

Data collection and usage leads the way in quest for customer transparency

Rate the extent to which you believe your company is transparent with customers about the following topics. (% of respondents reporting most important)



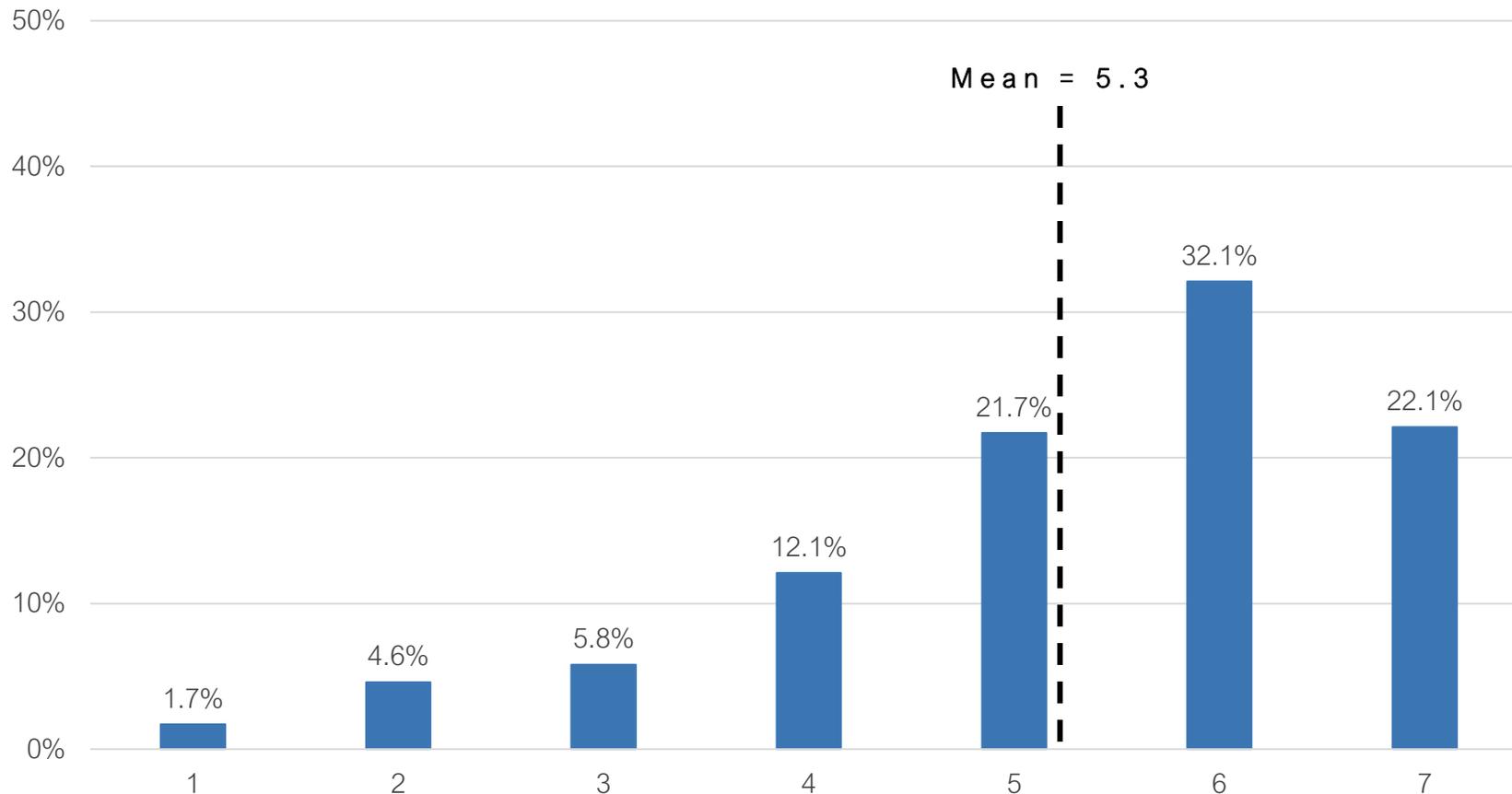
Top and bottom industries on customer transparency

Rate the extent to which you believe your company is transparent with customers about the following topics.
(% of respondents reporting most important)

Topics	Top Industries	Bottom Industries
Data collection	<ul style="list-style-type: none"> • Tech/Software/Platform (64.3%) • Banking/Finance/Insurance (62.5%) 	<ul style="list-style-type: none"> • Communications/Media (9.1%) • Retail/Wholesale (21.4%)
Data usage	<ul style="list-style-type: none"> • Banking/Finance/Insurance (62.5%) • Tech/Software/Platform (61.9%) 	<ul style="list-style-type: none"> • Communications/Media (9.1%) • Retail/Wholesale (14.3%)
Employee welfare	<ul style="list-style-type: none"> • Healthcare (56.3%) • Banking/Finance/Insurance (43.8%) 	<ul style="list-style-type: none"> • Consumer Services (12.5%) • Retail/Wholesale (16.7%)
Partnerships to source and bring products/services to market	<ul style="list-style-type: none"> • Banking/Finance/Insurance (53.3%) • Tech/Software/Platform (43.9%) 	<ul style="list-style-type: none"> • Pharma/Biotech (0.0%) • Mining/Construction (0.0%)
How your company makes money	<ul style="list-style-type: none"> • Banking/Finance/Insurance (50.0%) • Energy (28.6%) 	<ul style="list-style-type: none"> • Pharma/Biotech (0.0%) • Transportation (0.0%)
Environment impact	<ul style="list-style-type: none"> • Transportation (28.6%) • Energy (28.6%) 	<ul style="list-style-type: none"> • Consumer Services (0.0%) • Pharma/Biotech (0.0%)
Support of social and political causes	<ul style="list-style-type: none"> • Banking/Finance/Insurance (25.0%) • Consumer Packaged Goods (20.8%) 	<ul style="list-style-type: none"> • Education (0.0%) • Consumer Services (0.0%)

Marketing and sales leaders are closely aligned on their companies' goals, strategies, and tools/data

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



Economic Sector

- B2B Product: 5.2
- B2B Services: 5.5
- B2C Product: 5.4
- B2C Services: 5.3

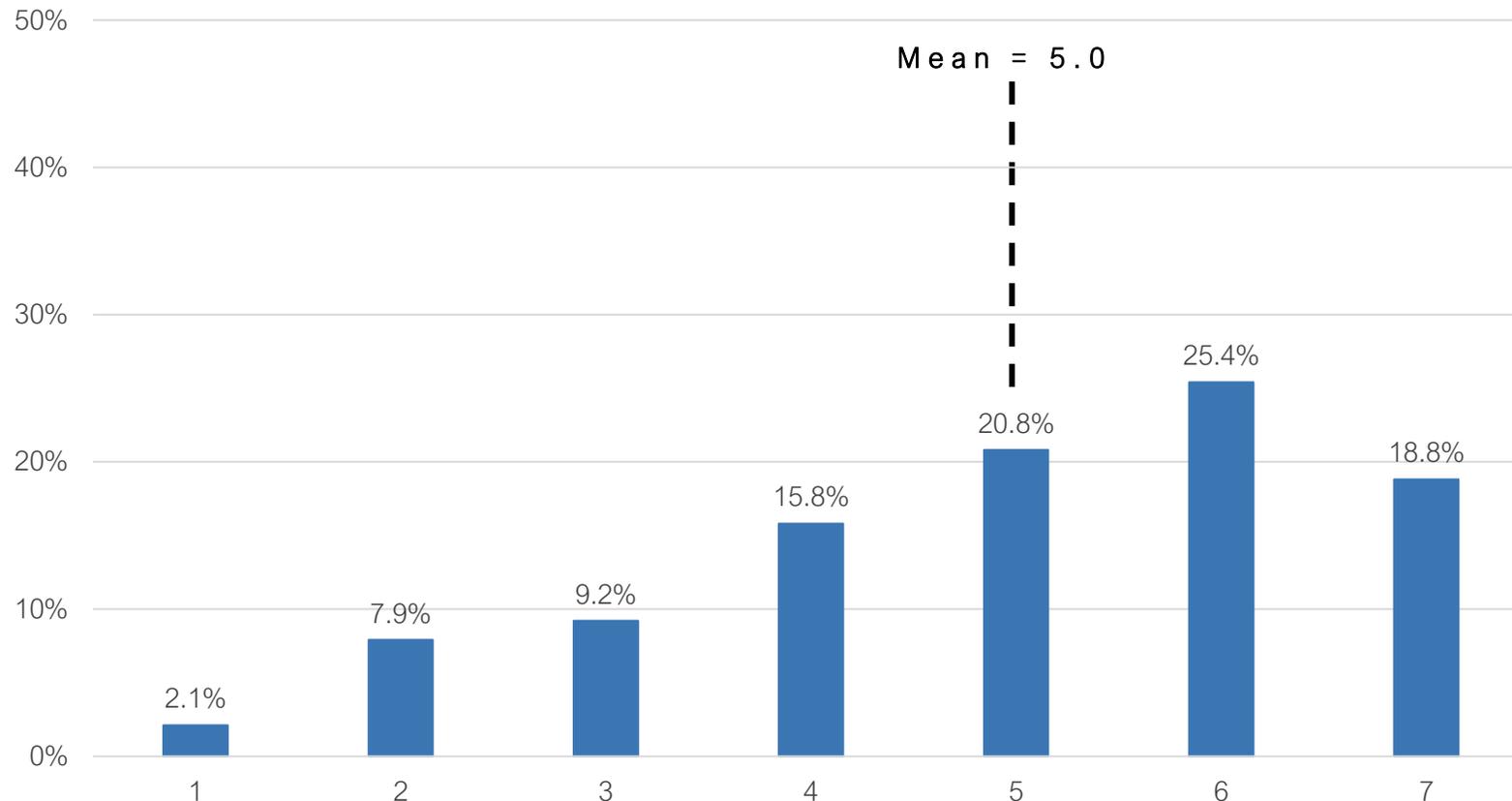


Insights

Marketing and sales leaders are most aligned in Retail/Wholesale (5.9), Prof. Services/Consulting (5.6), and Tech (5.6) industries and least aligned in Mining/Construction (3.3) and Pharma/Biotech (4.8). Alignment is also lower in the largest companies including those above \$10 billion in revenue (4.8) and with more than 10,000 employees (4.9)

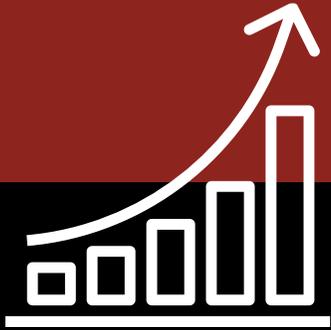
Marketing and finance leaders have the most alignment in the Tech and Healthcare industries

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



Insights

Showing similar alignment with marketing and sales leaders, marketing and finance leaders are most aligned in Retail/Wholesale (5.6), Tech (5.3), and Prof. Services/ Consulting (5.2) industries and least aligned in Mining/Construction (2.8). Alignment increases as sales over the Internet increases (0% sales is 4.8 while >10% sales is 5.4). Alignment is best for companies with smaller sales revenue (<\$10M is 5.3 and \$66-99M is 5.2) and for either very small (<50 employees is 5.4) or very large (5,000-9,999 employees is 5.5) companies.



Managing Growth

Internet sales rocketed to 19.4%, the highest level reported in survey history, reflecting a 43.7% increase over the pre-pandemic level of 13.5% reported in February 2020. B2C Product and Service companies reported the highest levels (32.1% and 26.8%) as did larger companies (by both revenues and number of employees).

Companies continue to emphasize similar strategies as in previous years, but priorities reveal some shifts. Organic growth is still the dominant strategy overall but is at survey-record lows (68.7%), a point reached in our Special Edition COVID-19 survey in June 2020. Instead, more companies are increasing focus on partnership strategies to spur growth, led by B2B companies and companies with a higher proportion of Internet sales. Market penetration strategies continue to garner the bulk of growth spending (56.8%), but sectors shifted the degree of focus on this strategy with B2B Product companies increasing this focus by 26% since February 2020. B2C Service companies have reduced their focus on market penetration by 17.6% and increased all other forms of growth strategies reflecting the loss of traditional markets during the pandemic.

Budgets and sales for domestic markets varied little from June 2020, though they remain lower than pre-pandemic levels. This is reflected equally across sectors. The largest companies tend to sell far less domestically than their smaller counterparts.

Pandemic further entrenches focus on market penetration with B2B companies doubling down on this strategy

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

	Feb-18	Feb-19	Feb-20	Feb-21
Market Penetration	52.3%	55.1%	54.0%	56.8%
Product/Service Development	22.6%	21.8%	20.5%	20.3%
Market Development	14.5%	13.5%	14.8%	14.3%
Diversification	10.6%	9.6%	9.3%	8.7%

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

Change from Feb-20 to Feb-21	B2B Product	B2B Services	B2C Product	B2C Services
Market Penetration	26.0%	2.6%	-3.8%	-17.7%
Product/Service Development	-8.4%	-10.6%	8.5%	26.5%
Market Development	-24.0%	-1.2%	-1.6%	86.1%
Diversification	-43.7%	11.1%	3.7%	31.7%

Organic growth continues to dominate, but at a decreasing rate; pandemic turns companies toward partnerships for growth

Allocate 100 points to reflect the corporate strategies your firm will use to grow during the next 12 months.

	Feb-15	Feb-17	Feb-20	Feb-21
Organic Growth (internal sources)	76.1%	73.0%	72.2%	68.8%
Growth from Partnerships	10.1%	11.4%	11.4%	14.6%
Growth from Acquisitions	8.6%	10.8%	11.3%	11.6%
Growth from Licensing	5.2%	4.9%	5.1%	5.0%

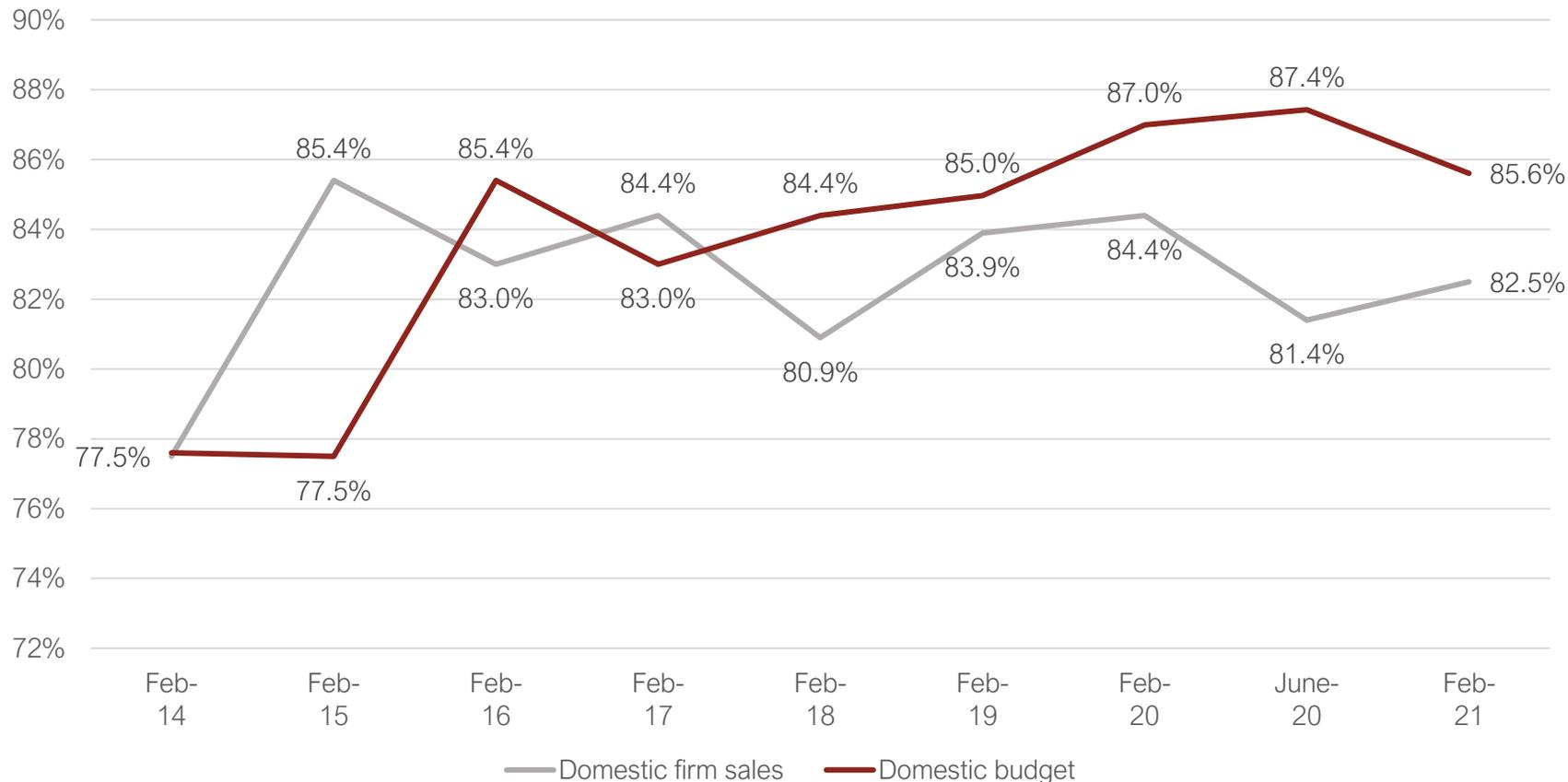


Insights

While organic growth is still a dominant strategy, it sits at its lowest level in survey history (68.8%). Many companies are shifting strategies in the last year to focus more on partnerships to spur growth. This is particularly the case in the B2B Product sector where growth from partnerships increased from 13.1% a year ago to 17.2% now, B2B Services (11.6% to 16.9%), and among companies with a higher percent of Internet sales (12.2% to 16.7%).

Domestic sales saw small rebound despite lower budgets

What percentage of your firm's sales is domestic? What percentage of your marketing budget is spent on domestic markets?



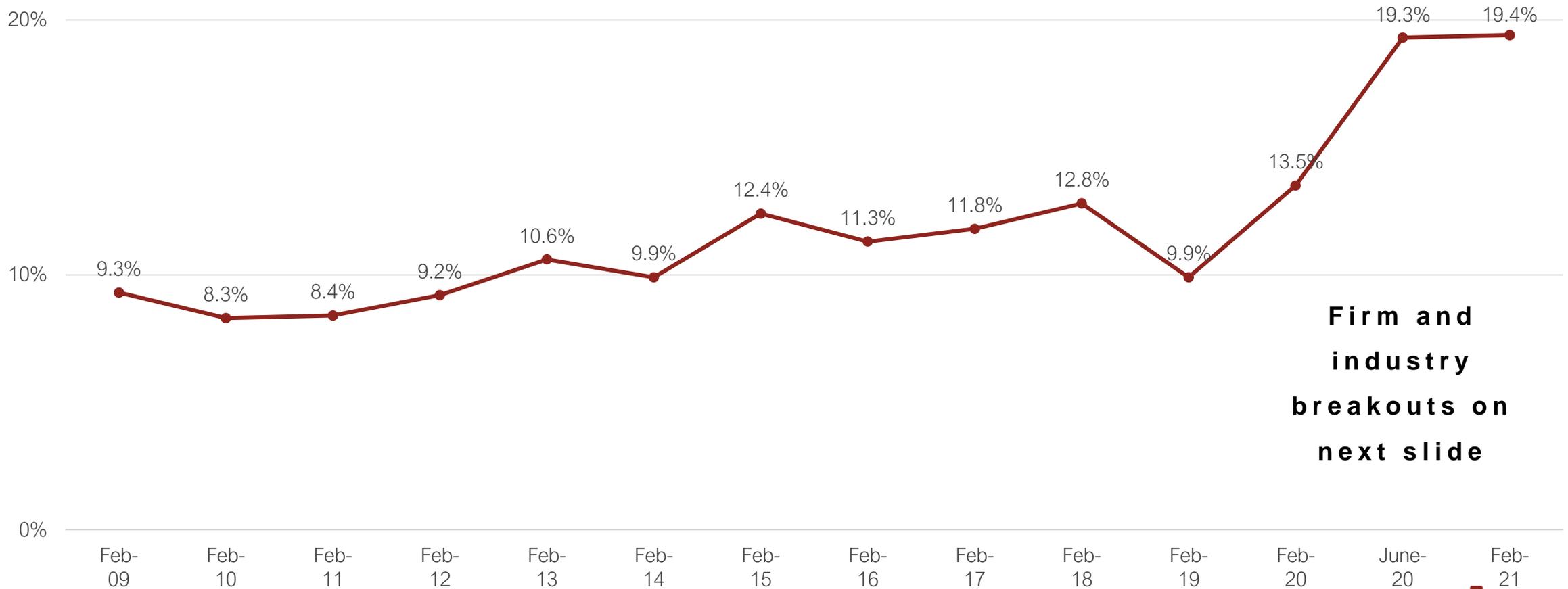
Insights

Domestic sales are up slightly since June, but still below 2019 levels. The lower level occurs equally across sectors. The Tech (73.1%), Consumer Packaged Goods (75.8%), and Manufacturing (77.5%) industries have the lowest percentage of domestic sales.

Budgets allocated for the domestic market also remain lower than a year ago, driven by B2B Services and B2C Products whose domestic sales are at 87.7% and 84.6% respectively—a year ago, both sectors reported above 91% of sales coming from the domestic market. The largest companies, those with over \$10B in revenue and 10,000+ employees, sell far less domestically than smaller counterparts.

Internet sales leap up, rising to highest level in survey history; 70%+ increase for B2C companies over prior year

What percentage of your firm's sales is through the Internet?



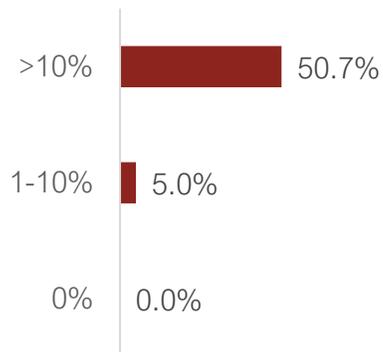
Firm and industry breakouts on next slide

Firm and industry sector differences in Internet sales

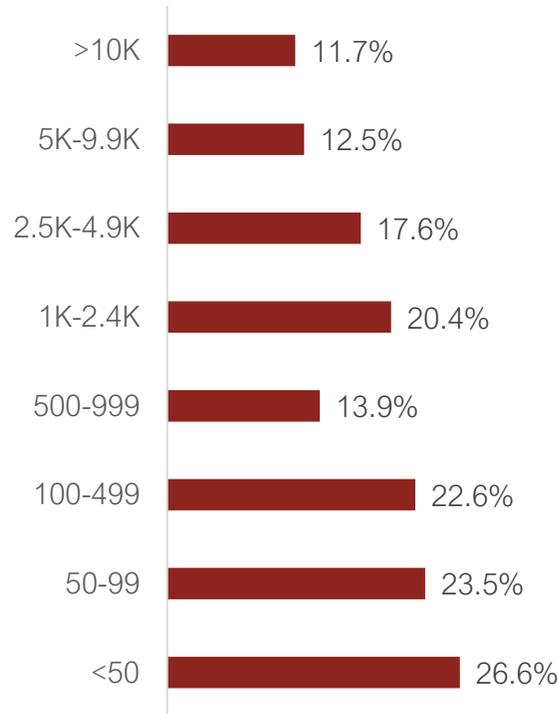
What percentage of your firm's sales is through the Internet?

19.4%
Sample average
of sales are
through Internet

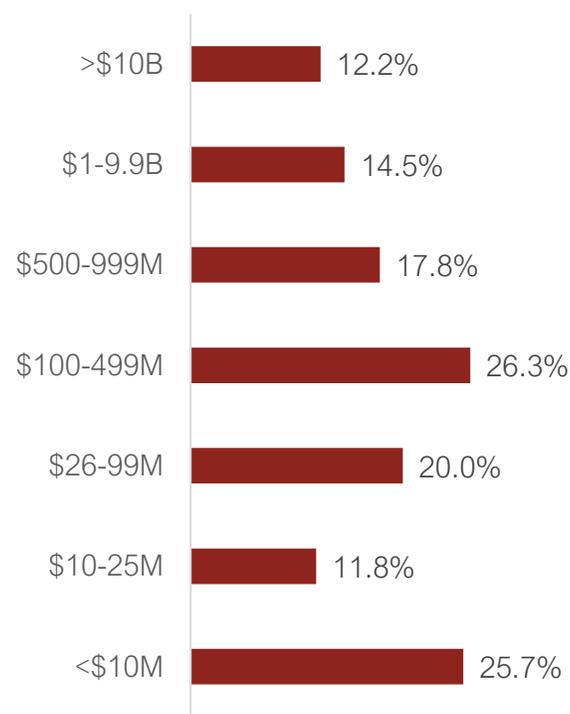
INTERNET SALES



EMPLOYEES



REVENUE



Economic Sector

- B2B Product: 9.2%
- B2B Services: 19.3%
- B2C Product: 32.1%
- B2C Services: 26.8%



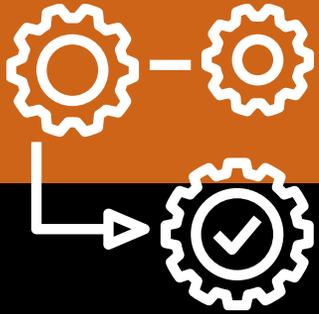
Industry Sector

Top 3 Industry Sectors

- Consumer Services (41.8%)
- Education (41.7%)
- Energy (32.1%)

Bottom 3 Industry Sectors

- Manufacturing (9.6%)
- Healthcare (6.4%)
- Mining/Construction (4.3%)



Marketing Spending & Performance

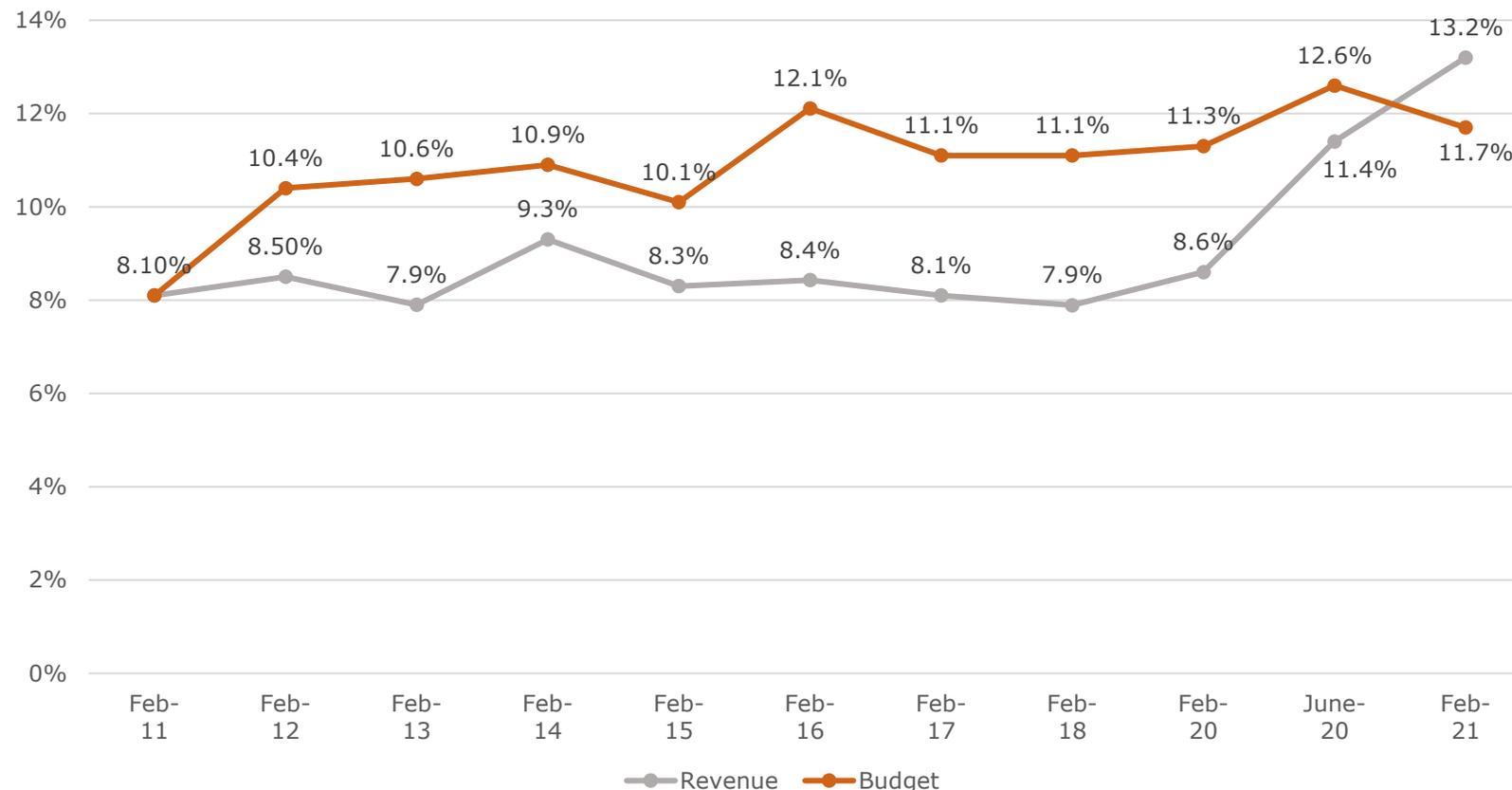
Marketing spending decreased by 3.9% over the last year but is expected to grow by 14.3% in the next year. Despite losses, marketers report an 11.5% increase in digital marketing spending in the last year, pointing to a major shift in how marketers are spending their budgets. This focus is expected to continue with marketers predicting they will grow digital budgets by 10.1% in the next year while growing their brand budgets by 9.5%. Traditional advertising continues to show negative expected growth at -0.2%. While marketers currently spend 14.4% on customer experience, these spending levels are down from a year ago (15.2%).

Marketing spending as a percentage of overall company-wide budget dropped slightly to 11.7%, which is higher than pre-pandemic levels (11.3%), while marketing spending as a percentage of firm revenue continued its upward trajectory since February 2018 to the highest levels in survey history (13.2%). Together with marketing budget decreases, it appears company revenues have decreased more, to produce the observed increases.

Considering marketing performance, marketers reported a 17.8% loss in sales revenue in June due to the early months of the pandemic. A year into the pandemic, marketers report a gain of 0.3% over the last year—essentially flat for the year. Considering profits, marketers reported a 14.7% loss in profits in June while now reporting a 2.6% gain for the year.

Marketing budgets as a % of firm revenue continue to rise to highest levels in survey history

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



Economic Sector

	% Budget	% Revenue
B2B Product	9.4%	10.0%
B2B Services	11.4%	15.5%
B2C Product	15.9%	18.6%
B2C Services	12.2%	10.1%

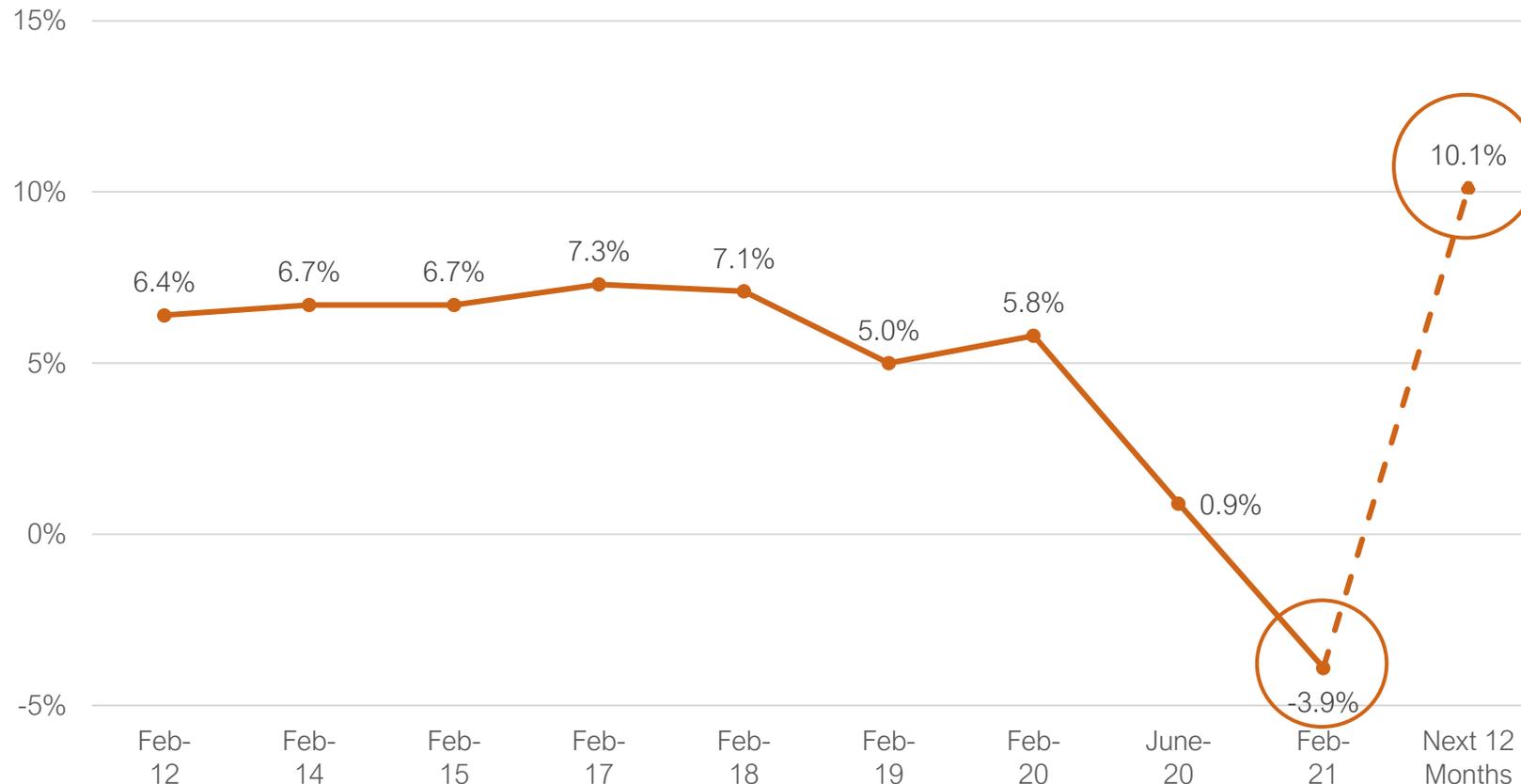


Insights

Marketing expenses are an increasingly larger share of company budget and revenues as Internet sales increase. For budget, Education (19.4%) reports marketing the highest while Energy (4.1%) is the least. For revenue, Consumer Services and Education (both 23.4%) report the highest while Energy (4.8%) is the least.

Marketing spending plummeted to lowest levels in 2020; huge expectations for 2021

By what percent has your overall marketing spending changed in the prior 12 months?
How do you expect it to change in the next 12 months?



Economic Sector

	Prior	Next
B2B Product	-6.5%	11.3%
B2B Services	1.6%	10.3%
B2C Product	2.5%	8.7%
B2C Services	-13.7%	8.4%



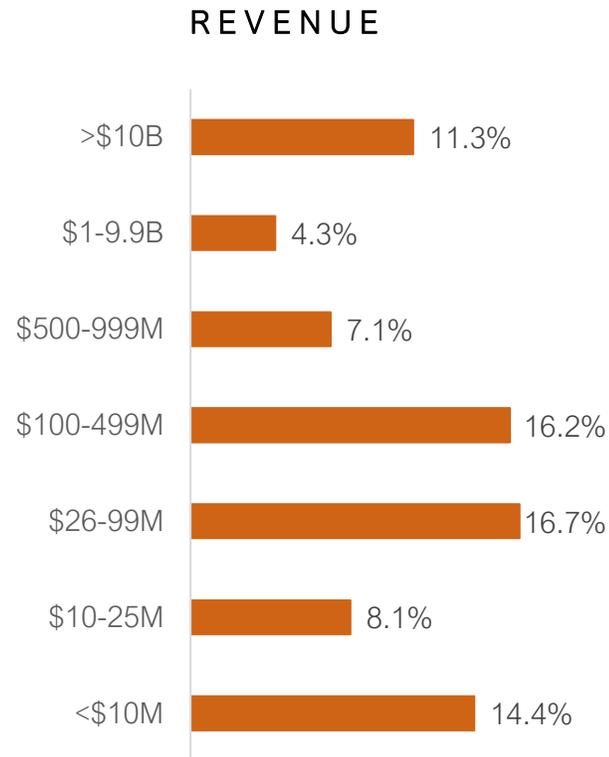
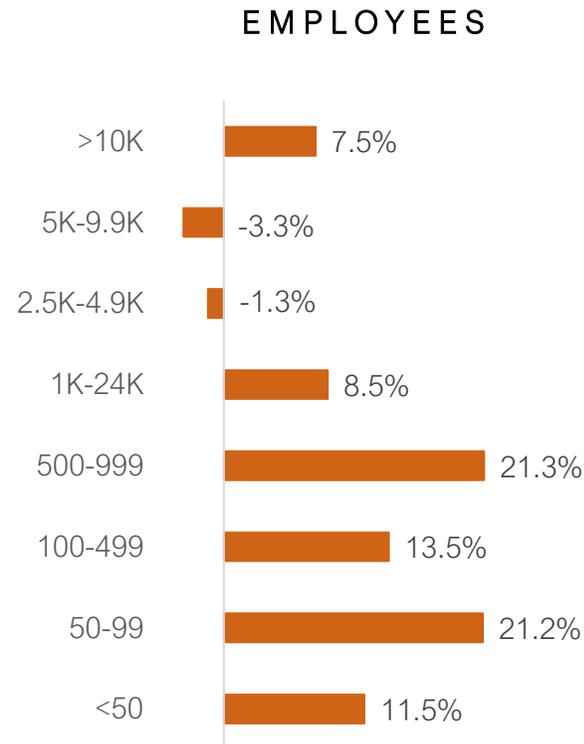
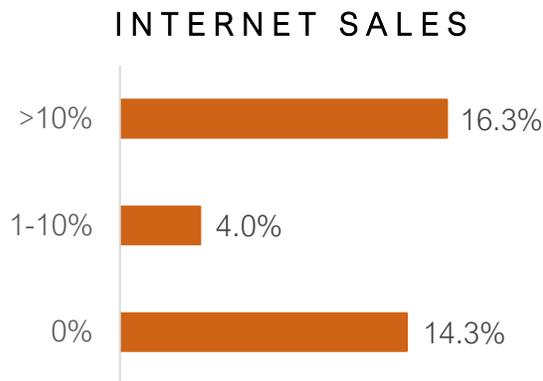
Insights

Energy reports the biggest current spending loss (-16.1%) while Pharm/Biotech reports the only significant gain (10.1%). In the next 12 months, larger revenue companies report smaller expected spending gains. Pharma/Biotech is expecting the biggest gain (19.9%) and Mining/ Construction expects the smallest (-1.7%).

Digital marketing spend saw significant increase throughout pandemic

By what percent has your digital marketing spending changed in the prior 12 months?

11.5%
Average sample digital spend change in last 12 months



Economic Sector

- B2B Product: 10.1%
- B2B Services: 15.6%
- B2C Product: 14.8%
- B2C Services: 3.9%

Industry Sector

Top Industry Sectors

- Pharma/Biotech (36.3%)
- Consumer Services (30.1%)

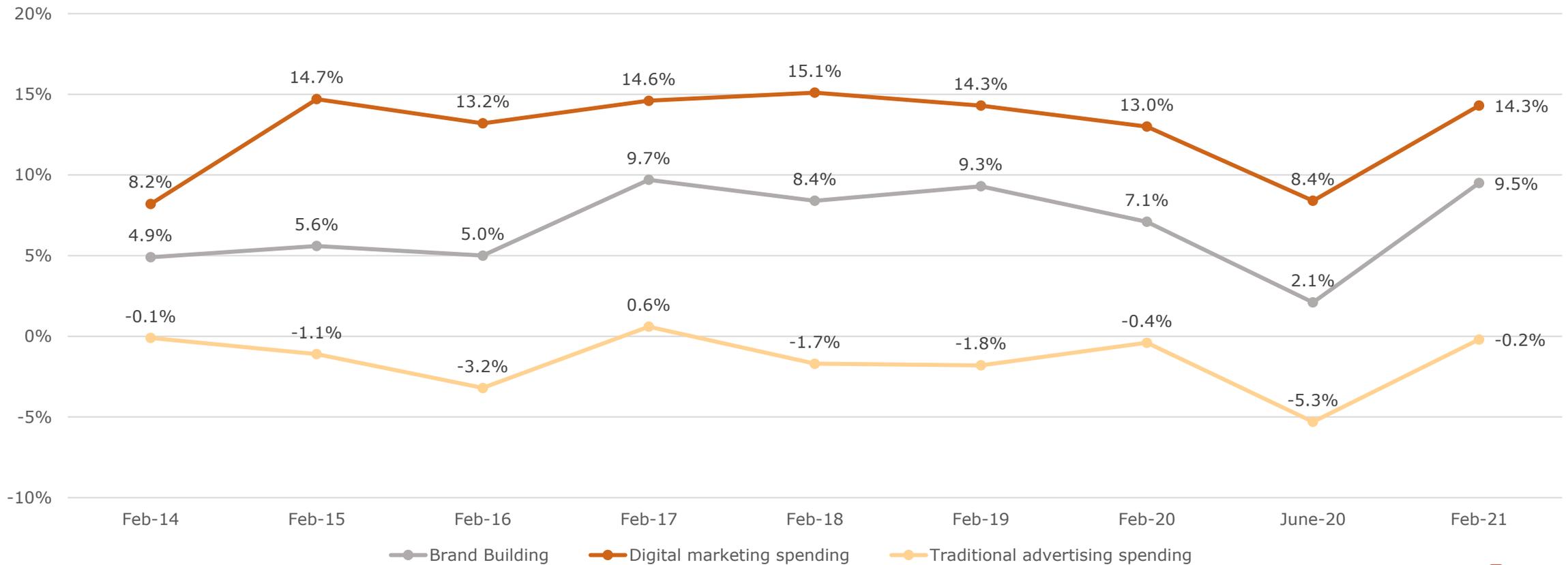
Bottom Industry Sectors

- Communications/Media (-3.7%)
- Transportation (-2.3%)
- Mining/Construction (-1.2%)

All marketing spending expected to rise in the next year

Relative to the prior 12 months, note your company's percentage change in spending during the next 12 months in each area.

**Firm and industry
breakouts on next slide**



How companies and sectors vary on marketing spending gains and cuts

Relative to the prior 12 months, note your company's percentage change in spending during the next 12 months in each area.



Traditional advertising spend
(-0.2% overall average)

Pharma/Biotech expects the largest traditional spend growth (10.0%) while Mining/Construction expects the largest loss (-8.2%).

Digital marketing spending
(14.3% overall average)

Companies with \$10 – 499 million sales revenue expect highest growth (~17.5%). Change in spend decreases as number of employees increases.

Brand building
(9.5% overall average)

Change in spending on brand decreases as company sales revenue increases. Healthcare expects largest increase (15.4%).

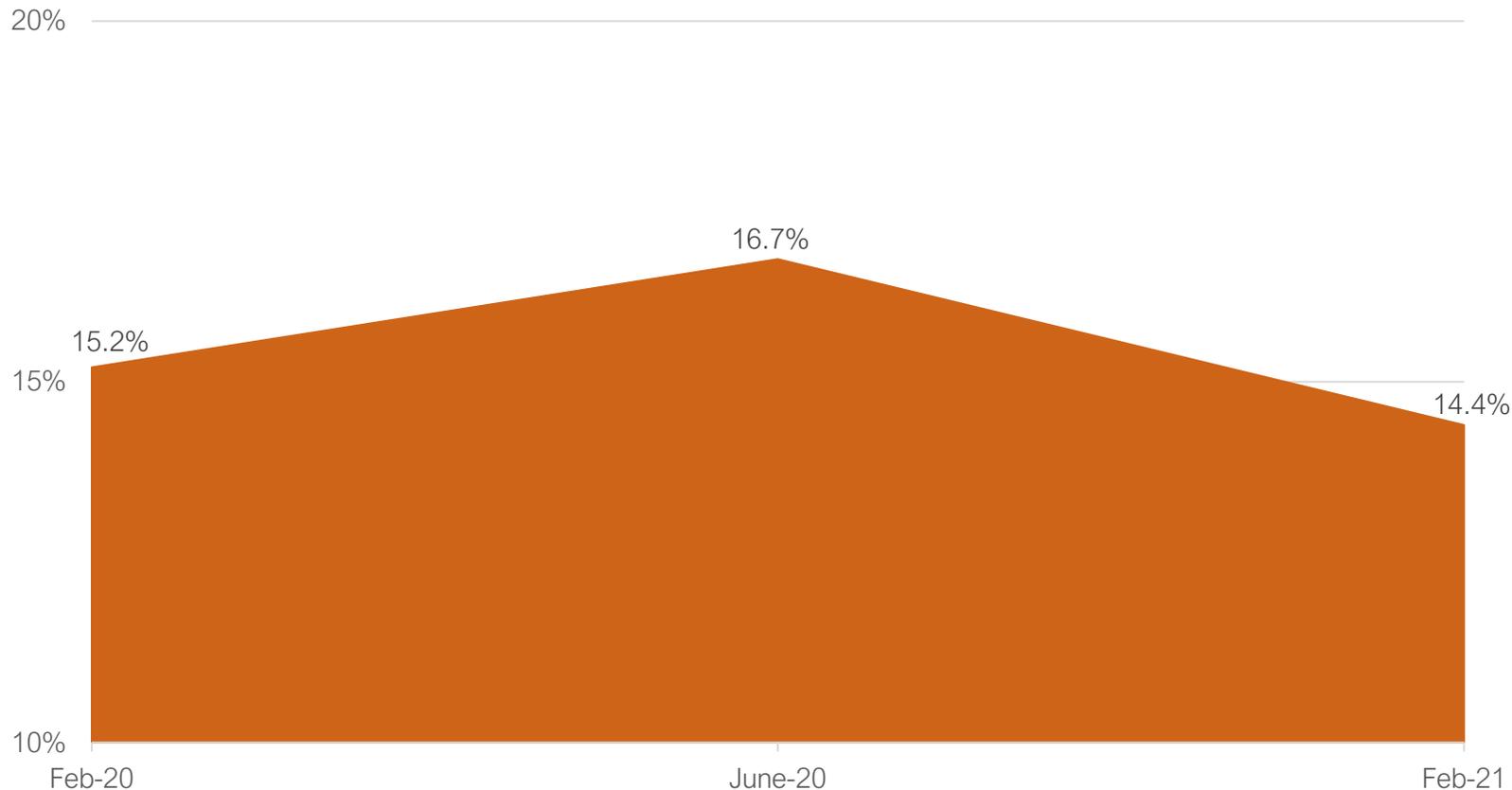
Overall marketing spend
(10.1% overall average)

B2B companies expect the largest gain in the next 12 months (11.3% Product, 10.3% Service) as do companies with 50 - 499 employees (16.6%).

[Learn about your Industry here](#)

Customer experience spend drops as pandemic wears on

What percent of your marketing budget is currently spent on initiatives related to customer experience? One year ago?



Economic Sector

	1 Year Ago	Current
B2B Product	11.2%	13.1%
B2B Services	12.3%	16.1%
B2C Product	9.7%	12.0%
B2C Services	15.0%	17.6%



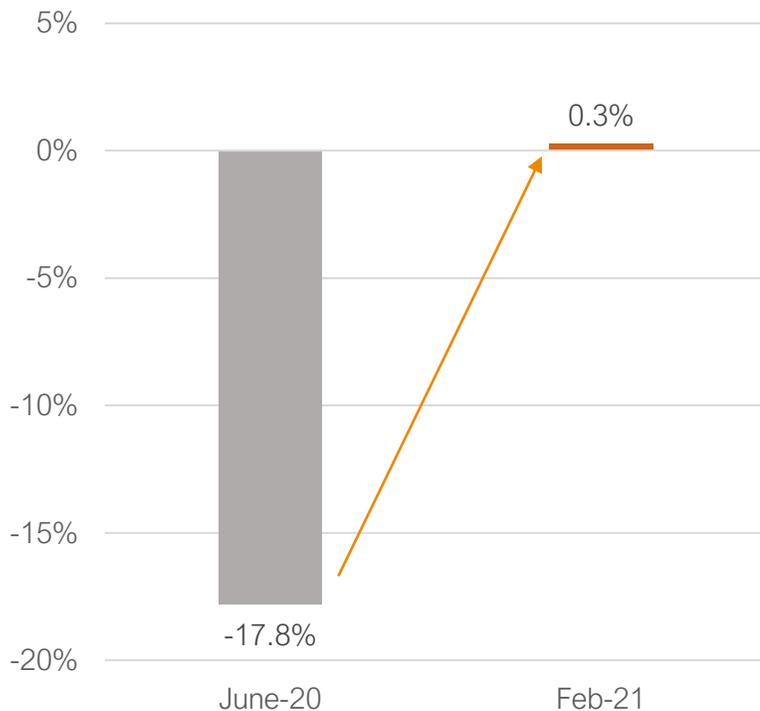
Insights

One year ago, customer experience spend increased as Internet sales increased. Transportation spent the most (25.8%) and Healthcare (7.6%) spent the least. Similar to the last year, Transportation (27.5%) is currently spending the most and Pharma/Biotech (10.0%) the least.

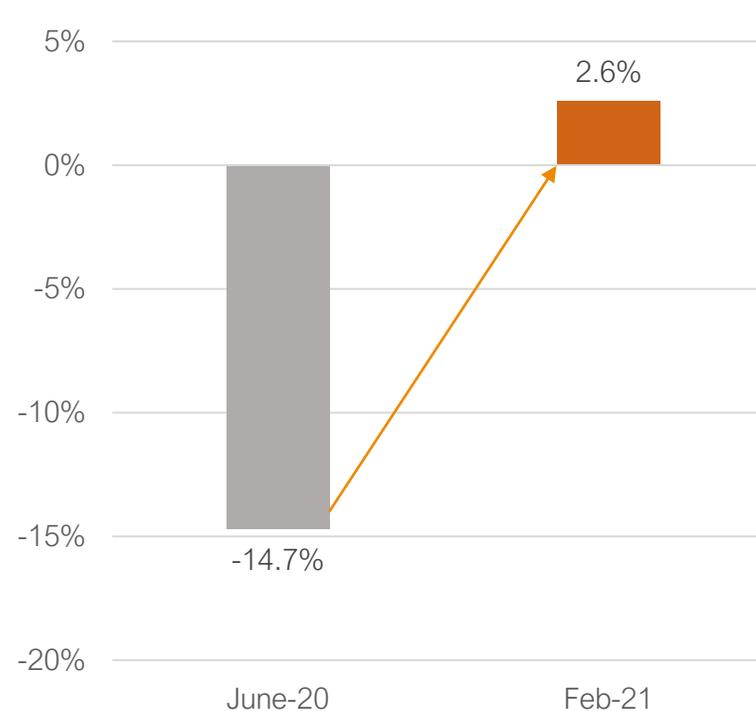
2.6% profit growth and no loss in sales during pandemic

Rate your firm's performance in the following areas. February 2021 focuses on the prior year, while June 2020 focuses on the prior 2 months.

SALES REVENUE



PROFITS



Economic Sector

	Sales Revenue	Profit
B2B Product	1.6%	2.2%
B2B Services	-1.0%	0.8%
B2C Product	8.6%	14.1%
B2C Services	-8.6%	-5.5%

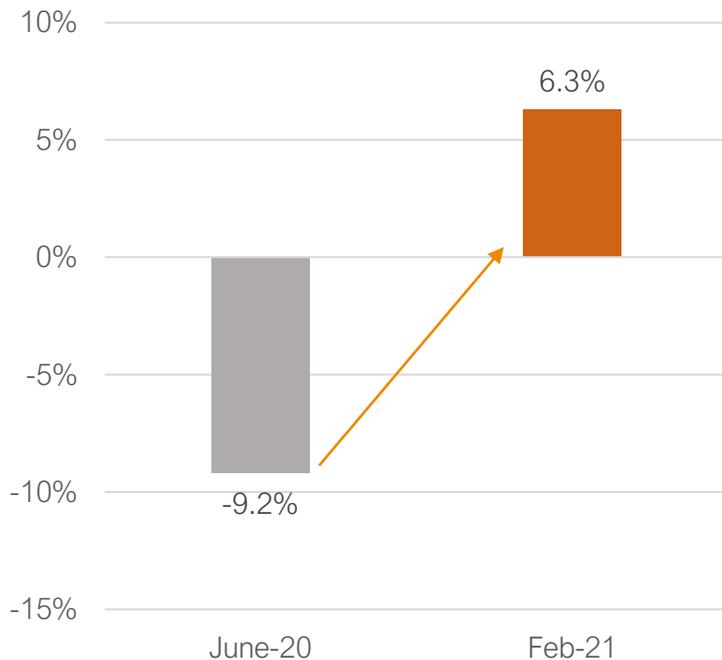
Industry Sector

	Sales Revenue	Profit
Strongest Performer	Consumer Packaged Goods (15.5%)	Consumer Packaged Goods (27.0%)
Weakest Performer	Communications/Media (-29.8%)	Communications/Media (-23.2%)

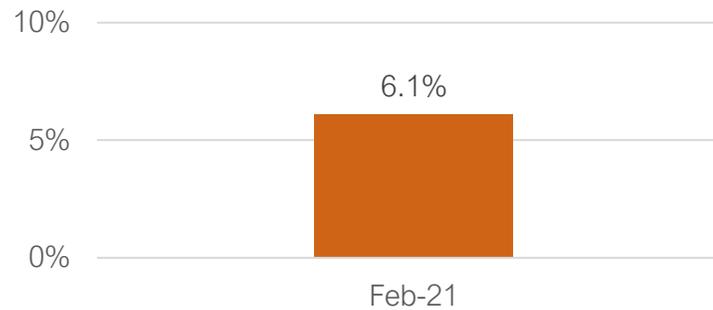
Customer acquisition and retention up over 6% during pandemic

Rate your firm's performance in the following areas. February 2021 focuses on the prior year, while June 2020 focuses on the prior 2 months.

CUSTOMER ACQUISITION



CUSTOMER RETENTION



*This question was not asked in June-20



Economic Sector

	Customer Acquisition	Customer Retention
B2B Product	3.8%	7.9%
B2B Services	5.9%	3.5%
B2C Product	17.0%	8.7%
B2C Services	-0.8%	1.2%

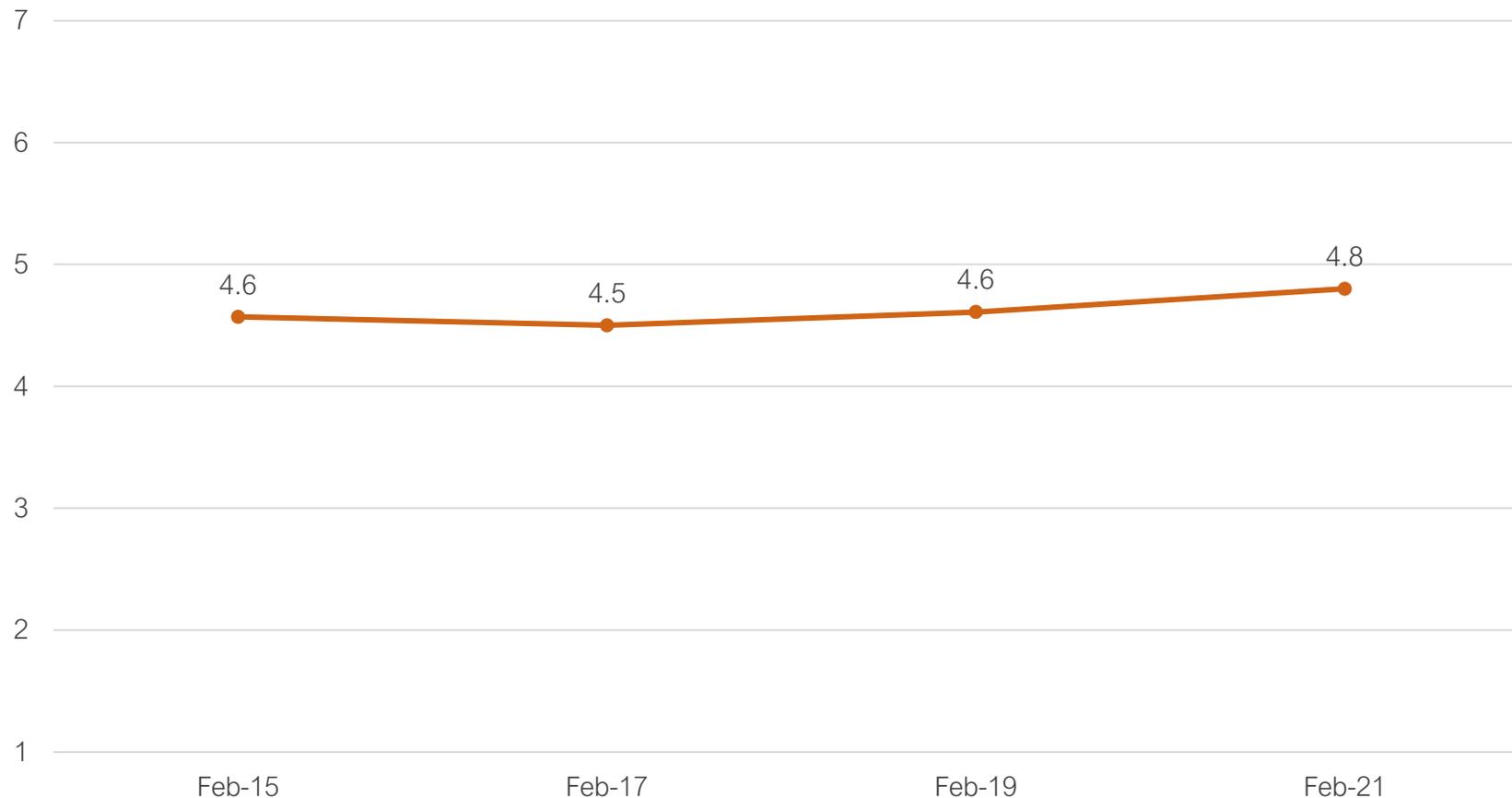


Industry Sector

	Customer Acquisition	Customer Retention
Strongest Performer	Consumer Packaged Goods (13.0%)	Education, Pharma (15.8%)
Weakest Performer	Mining/ Construction (-4.0%)	Energy (-3.3%)

Limited gains to marketing excellence

How would you rate your company's marketing excellence?



Economic Sector

B2B Product: 4.6
 B2B Services: 4.6
 B2C Product: 5.1
 B2C Services: 4.9



Insights

Marketing excellence increases as firms have more sales over the Internet and have larger revenue, but number of employees does not impact the score. Retail/Wholesale (5.9) has the highest reported excellence, while Healthcare (3.9) has the least.



Digital, Mobile, and Social Media Marketing

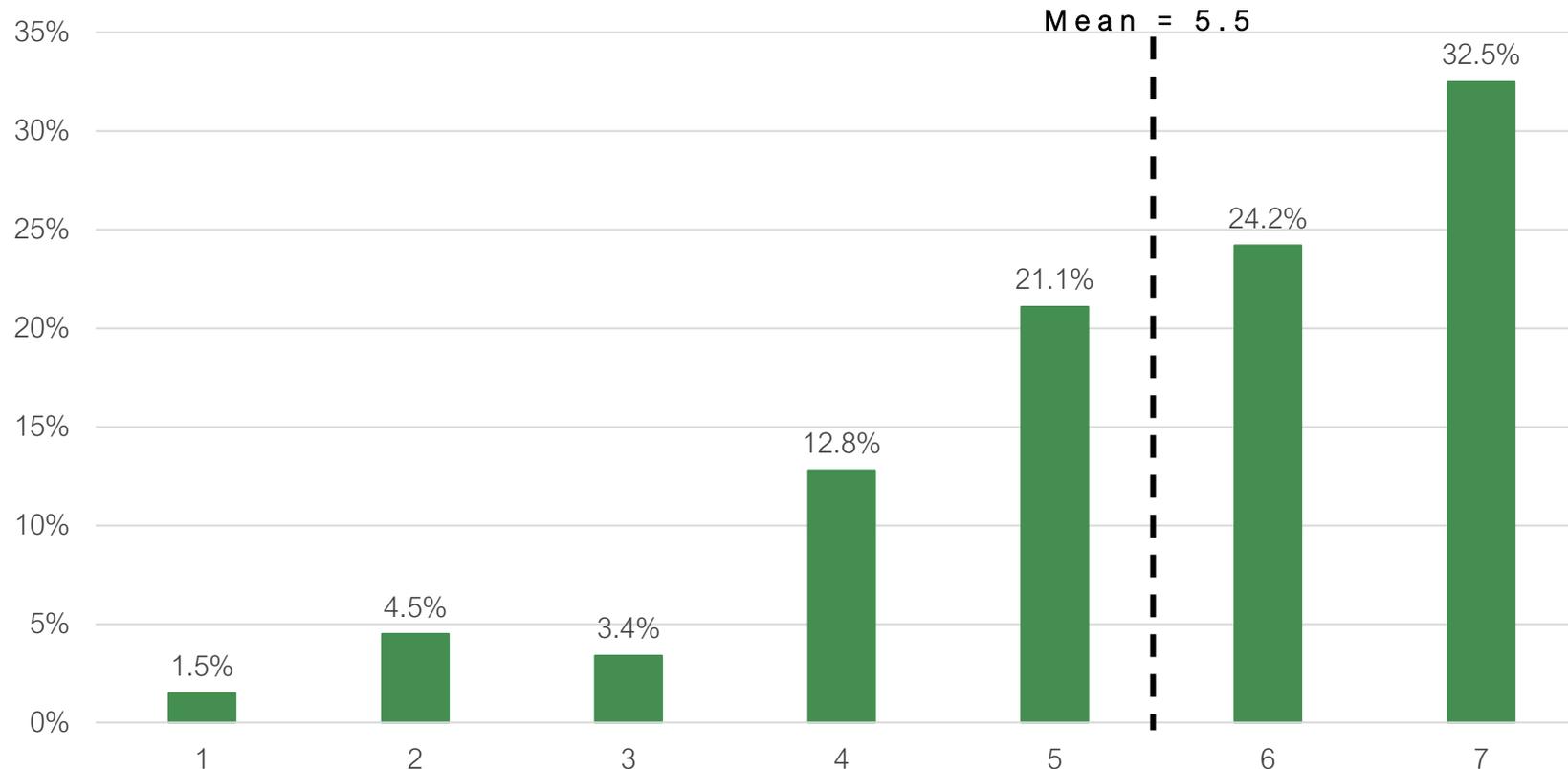
Marketers agree that digital marketing has become a pillar for their companies' success during this pandemic year. Across all sectors and firm sizes, this cannot be overstated with the average reporting a contribution of 5.5 (on a 7-point scale) to their companies' success. A 32.7% increase in contribution from digital marketing to company performance was reported over the last year.

To that end, since February 2020, firms have made significant investments to continue expanding digital marketing capabilities. Company website optimization was the main focus, with 73.8% of firms reporting investment. Digital media and search investment are closely behind at 65.0%. Consistent with these reports, marketers reported a 26.9% improvement in digital marketing skills over the last year.

Marketing budget allocations to mobile activities and social media dropped from June 2020 levels at the height of the pandemic but increased on trend compared to a year ago. Mobile moved from 13.5% to 18.5% of marketing budgets while social media only grew from 13.3% to 14.9%. Both categories are expected to grow significantly in budget allocations over the next five years, with mobile activities expected to represent 35.7%, and social media 24.5% of the marketing budget.

Digital marketing pays off big for majority of companies

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



Economic Sector

B2B Product: 5.3
 B2B Services: 5.4
 B2C Product: 5.9
 B2C Services: 5.4



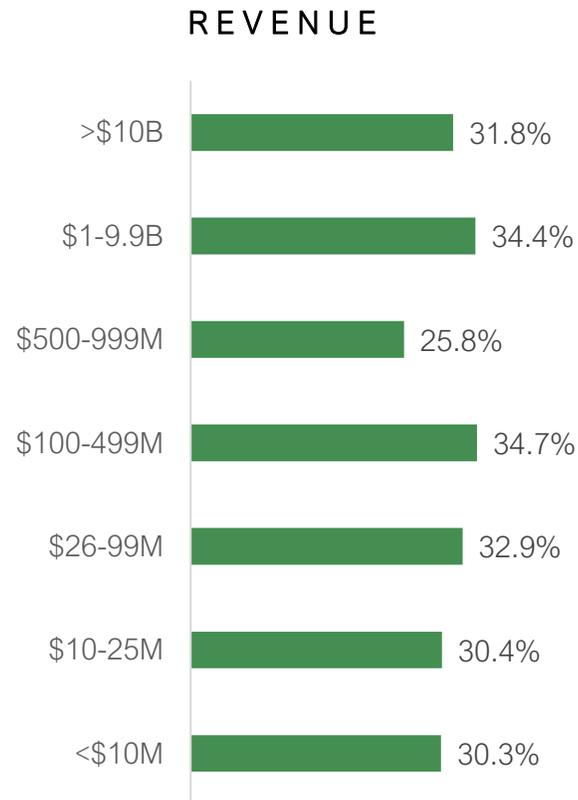
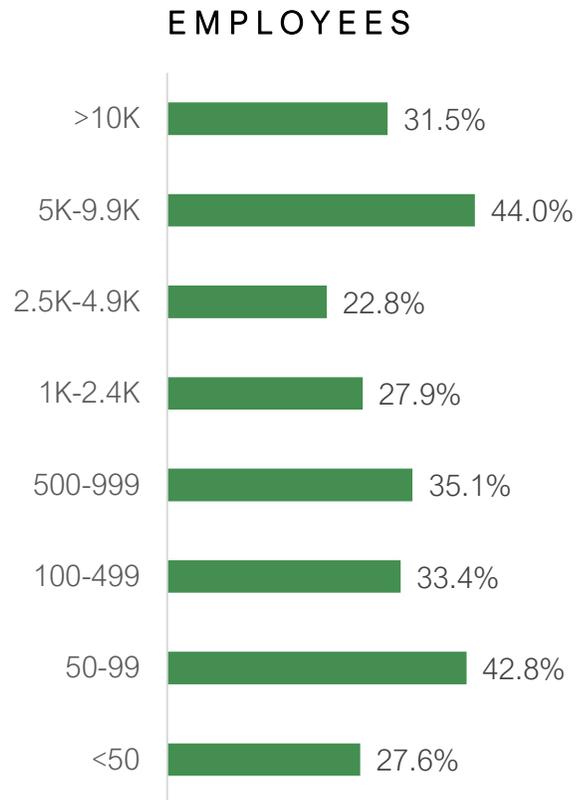
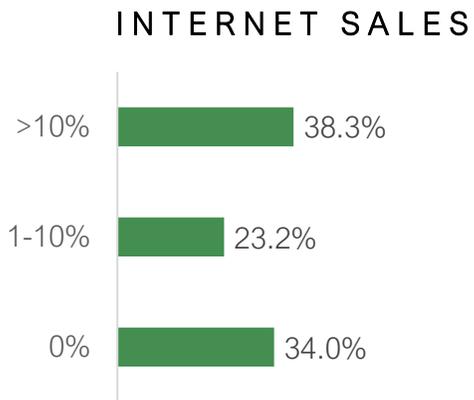
Insights

B2C Product companies indicate the highest performance contribution from digital marketing. Education (6.2) shows high contribution as does Consumer Services (6.0) and Retail (5.8). Mid-size companies (\$100M-\$999M and 1K-5K employees) also see the highest gains from digital. Banking/Finance (4.8) and Healthcare (5.0) benefit the least.

Digital marketing's contribution to performance has increased substantially over the last year

By what percent has the contribution of digital marketing to your company's performance changed in the last year?

32.7%
average
increase in
digital
contribution



Economic Sector

- B2B Product: 32.2%
- B2B Services: 33.4%
- B2C Product: 30.0%
- B2C Services: 35.4%

Industry Sector

Top 3 Industry Sectors

- Pharma/Biotech (68.3%)
- Consumer Services (60.0%)
- Education (47.0%)

Bottom 3 Industry Sectors

- Mining/Construction (16.2%)
- Transportation (20.6%)
- Banking/Finance (24.3%)

Digital marketing expertise makes important strides over the pandemic year

Thinking about your company's digital marketing knowledge and skills, rate your company's expertise level now and one year ago. (1=significantly below industry average, 10=significantly above industry average)



Economic Sector

B2B Product: 6.0
 B2B Services: 6.8
 B2C Product: 7.0
 B2C Services: 6.8

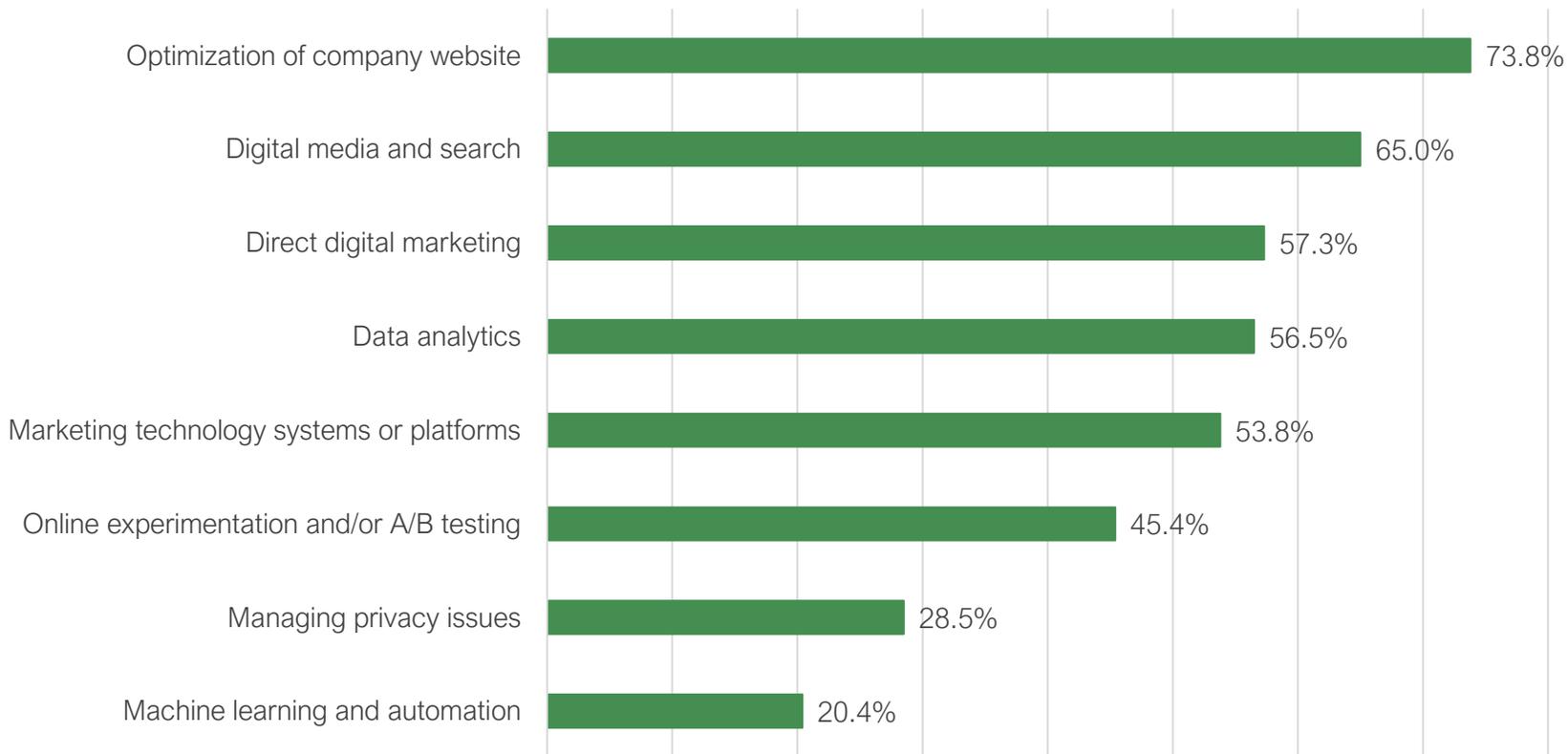


Insights

Firms with >10% Internet sales (7.3) lead the way with the highest mean for improved expertise levels as well as the Transportation (8.3), Retail/Wholesale (7.8), and Consumer Services (7.4) industries. Companies with \$10B+ sales revenue (6.0) report the lowest mean for digital marketing expertise.

Companies invest to improve digital marketing; almost 75% optimized websites

What investments did your company make to improve the performance of your digital marketing activities over the last year?



Economic Sector

	Website Optimization	Digital Media & Search
B2B Product	72.6%	60.0%
B2B Services	82.9%	64.3%
B2C Product	62.3%	75.5%
B2C Services	75.6%	63.4%

Additional industry breakouts on next slide

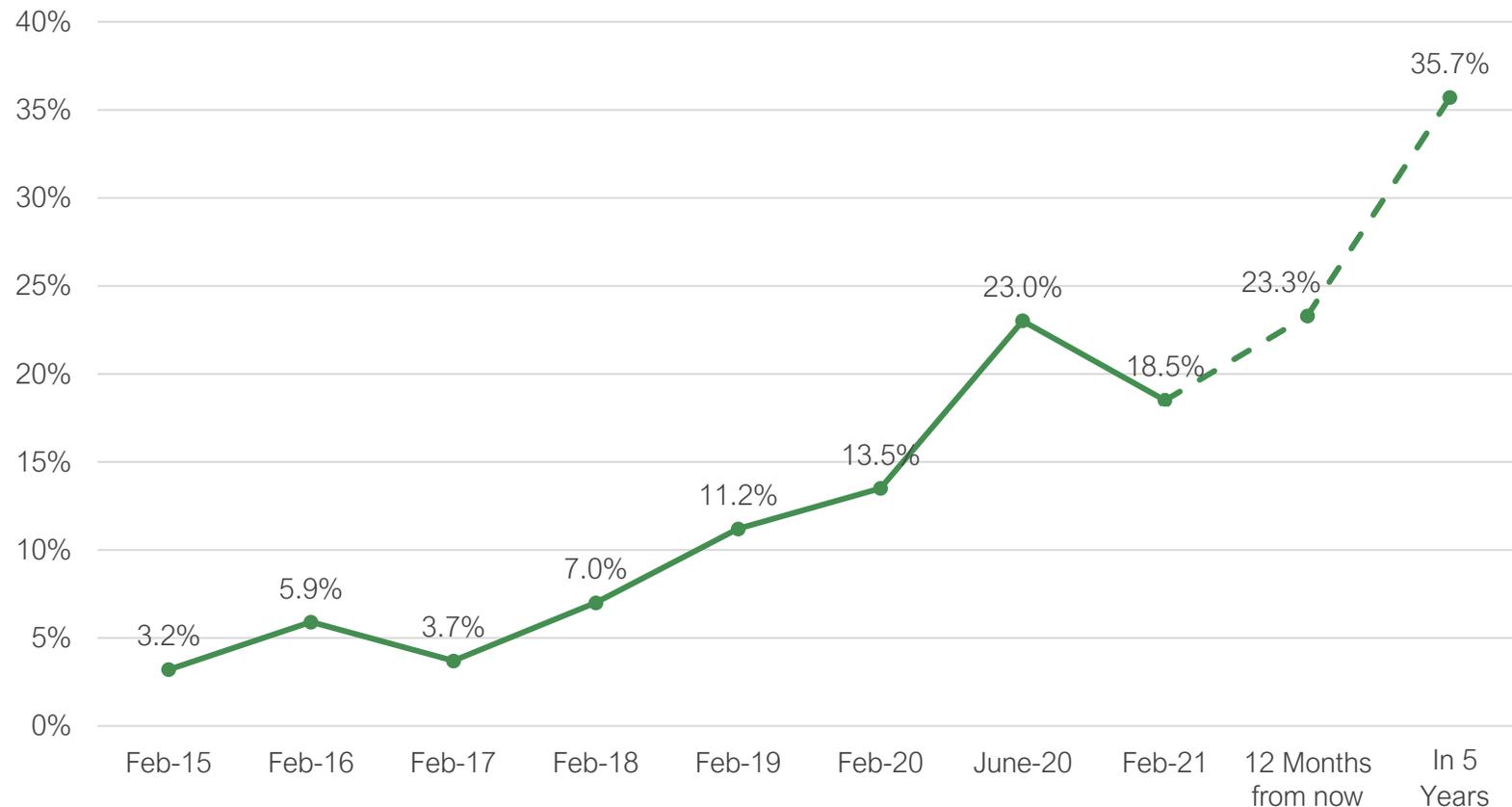
How industries vary in digital investments

What investments did your company make to improve the performance of your digital marketing activities over the last year?

Digital Investments	Top Investors	Bottom Investors
Optimization of company website	<ul style="list-style-type: none"> • Consumer Services (88.9%) • Transportation (88.9%) 	<ul style="list-style-type: none"> • Tech/Software/Platform (62.7%) • Consumer Packaged Goods (56.0%)
Digital media and search	<ul style="list-style-type: none"> • Consumer Packaged Goods (88.0%) • Pharma/Biotech (83.3%) 	<ul style="list-style-type: none"> • Manufacturing (55.6%) • Energy (50.0%)
Direct digital marketing (e.g., email)	<ul style="list-style-type: none"> • Pharma/Biotech (100.0%) • Tech/Software/Platform (70.6%) 	<ul style="list-style-type: none"> • Mining/Construction (40.0%) • Consumer Packaged Goods (28.0%)
Data analytics	<ul style="list-style-type: none"> • Education (80.0%) • Tech/Software/Platform (43.9%) 	<ul style="list-style-type: none"> • Healthcare (35.0%) • Transportation (33.3%)
Marketing technology systems or platforms	<ul style="list-style-type: none"> • Consumer Services (88.9%) • Banking/Finance/Insurance (81.3%) 	<ul style="list-style-type: none"> • Energy (25.0%) • Mining/Construction (20.0%)
Online experimentation and/or A/B testing	<ul style="list-style-type: none"> • Consumer Packaged Goods (80.0%) • Banking/Finance/Insurance (68.8%) 	<ul style="list-style-type: none"> • Manufacturing (27.8%) • Mining/Construction (20.0%)
Managing privacy issues	<ul style="list-style-type: none"> • Banking/Finance/Insurance (50.0%) • Consumer Services (44.4%) 	<ul style="list-style-type: none"> • Pharma/Biotech (16.7%) • Transportation (11.1%)
Machine learning and automation	<ul style="list-style-type: none"> • Consumer Services (55.6%) • Retail/Wholesale (37.5%) 	<ul style="list-style-type: none"> • Transportation (11.1%) • Consumer Packaged Goods (8.0%)

Mobile spend increases over pandemic year, but drops off from high in June; spending expectations strong into the future

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



Economic Sector

	Feb-21	Next 12 Months
B2B Product	10.3%	14.4%
B2B Services	18.1%	21.8%
B2C Product	29.3%	35.5%
B2C Services	24.1%	29.8%

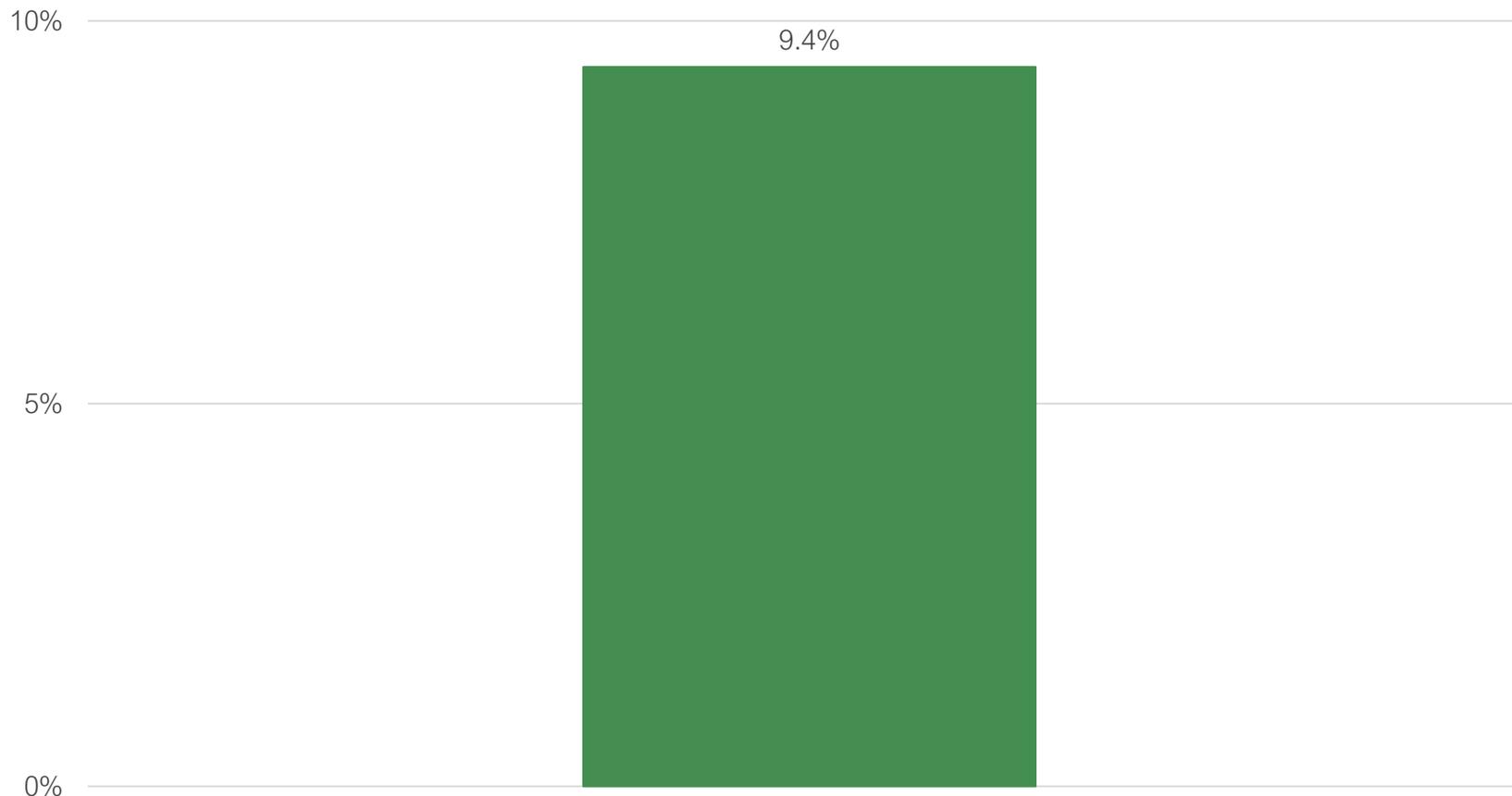


Insights

Industries leading in current mobile spend are Consumer Services (41.3%) and Transportation (33.0%) while the Energy (6.3%) and Pharma/Biotech (5.6%) industries lag in their current spend. Companies with \$10B+ sales revenue are currently leading in spend at 24.6% and predicted to continue to lead throughout the next 12 months with 29.9% and 5 years with 43.8%.

Mobile marketing's contribution to performance has increased over the last year, but not as significantly as digital or social

By what percent has the contribution of mobile marketing to your company's performance changed in the last year?



 **Economic Sector**

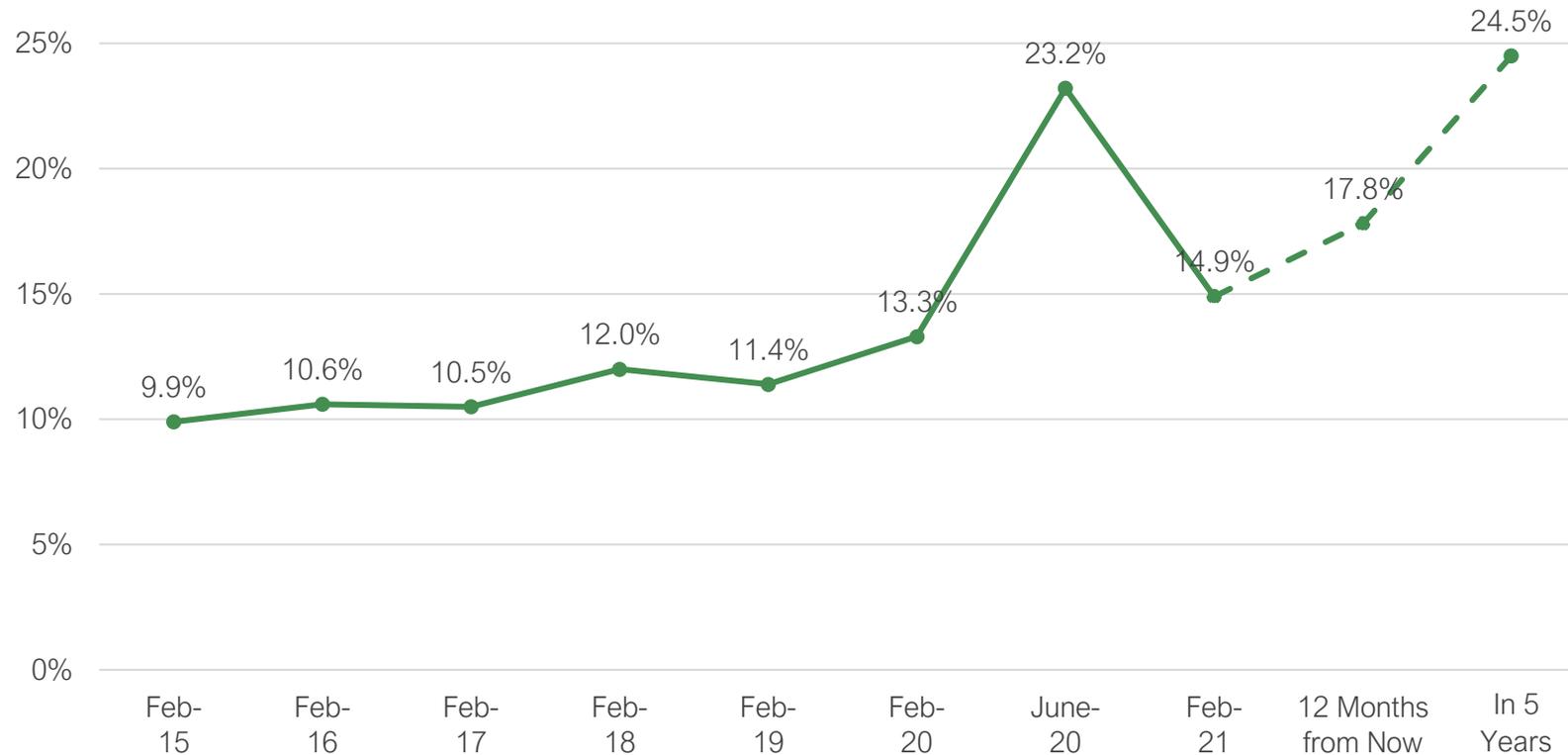
- B2B Product: 5.3%
- B2B Services: 7.8%
- B2C Product: 15.9%
- B2C Services: 13.1%

 **Insights**

Industries with the greatest changes include Consumer Services (31.1%), Communications Media (22.8%), and Retail Wholesale (18.6%) while Energy (2.5%), Pharma/Biotech (3.3%), and Transportation (4.4%) had the lowest changes. Companies with >10% Internet sales (16.5%) and \$500-999M sales revenues had the most contribution improvement.

Social media spending is up 4.3 points in the last 5 years, but expected to rise almost 10 points in the next 5 years

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



Economic Sector

	Feb-21	Next 12 Months
B2B Product	12.6%	14.7%
B2B Services	15.2%	18.3%
B2C Product	19.0%	21.8%
B2C Services	14.2%	18.7%

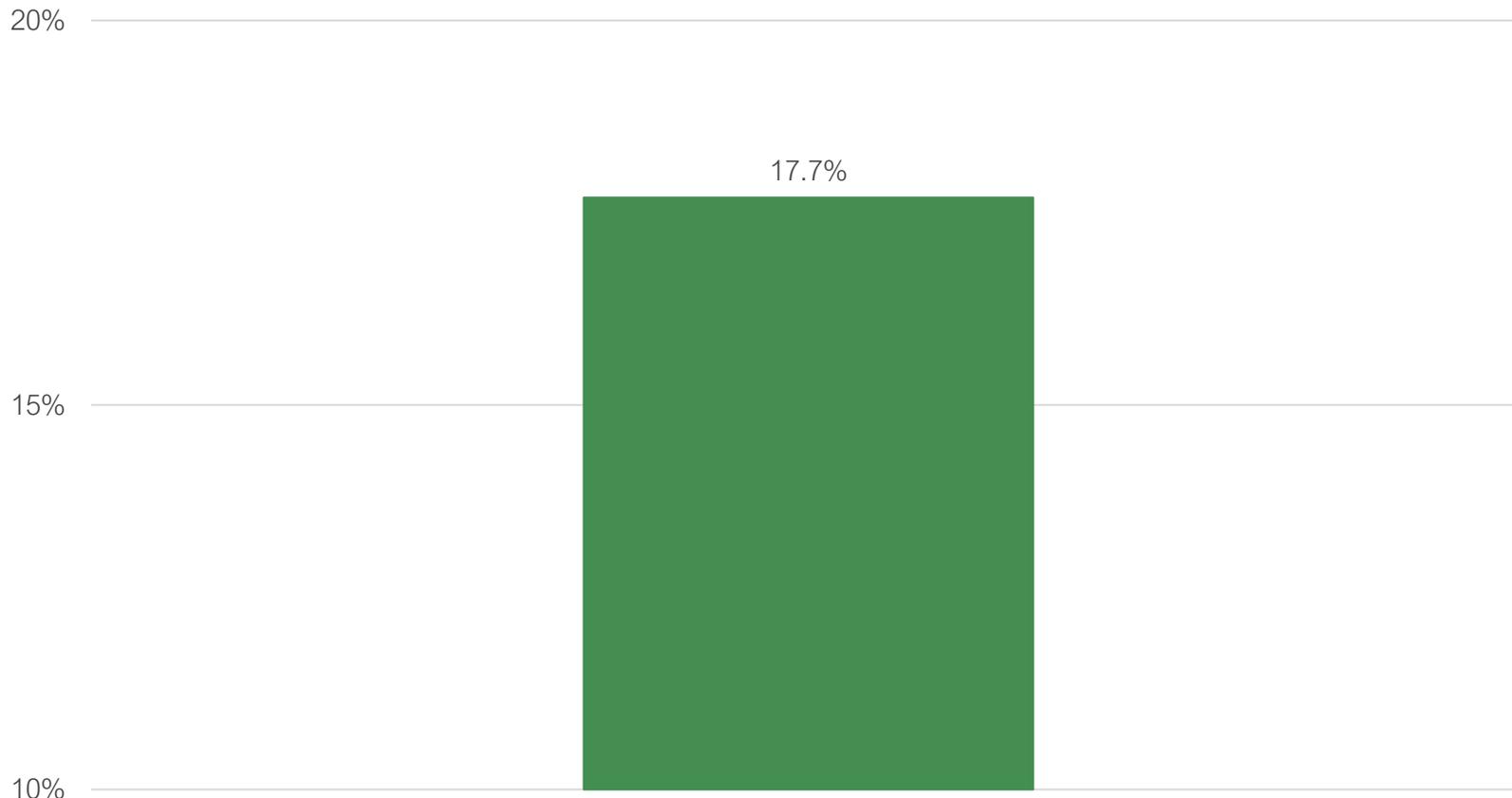


Industry Sector

Feb 2021	Next 12 Months
<u>Top Industry Sectors</u>	<u>Top Industry Sectors</u>
<ul style="list-style-type: none"> • Communications/Media (23.9%) • Consumer Services (21.6%) 	<ul style="list-style-type: none"> • Consumer Services (28.5%) • Communications/Media (25.6%)
<u>Bottom Industry Sector</u>	<u>Bottom Industry Sector</u>
• Banking/Finance (9.7%)	• Banking/Finance (11.7%)

Pandemic lifts contribution of social media to company performance over the last year; Pharma/Biotech leads

By what percent has the contribution of social media to your company's performance changed in the last year?



Economic Sector

- B2B Product: 16.6%
- B2B Services: 21.3%
- B2C Product: 19.3%
- B2C Services: 11.9%

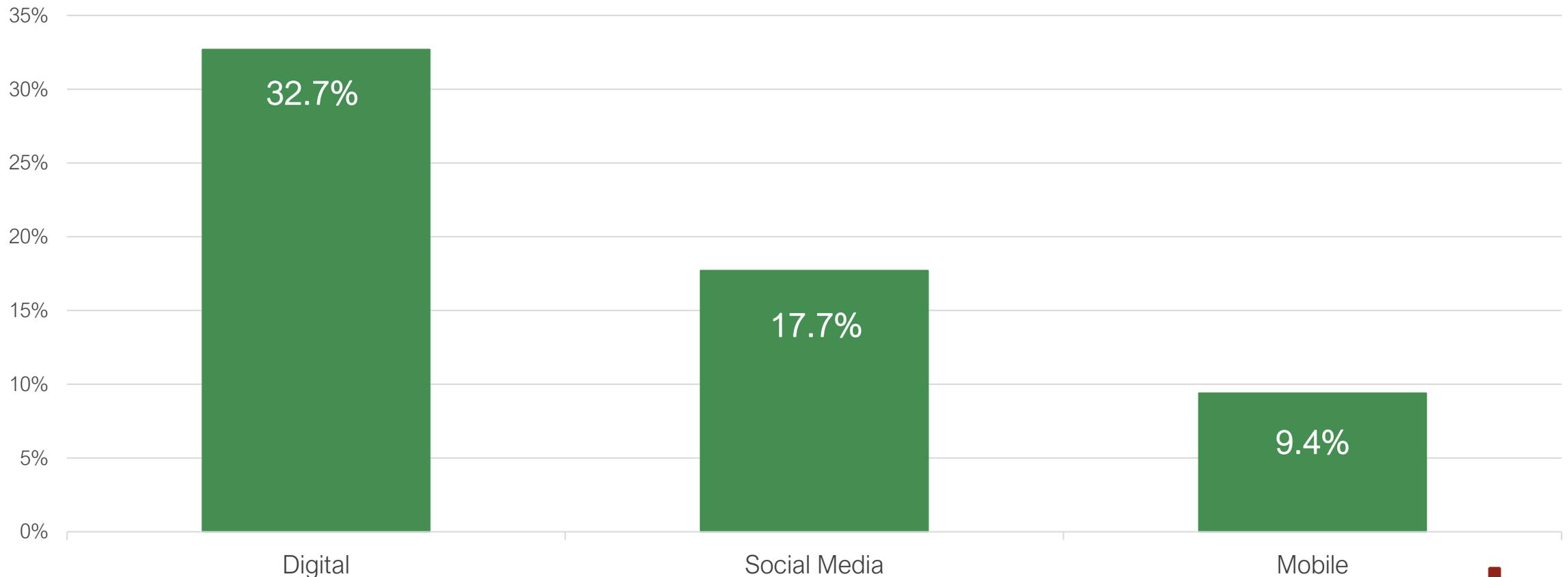


Insights

The biggest changes were seen in Pharma/Biotech (51.0%), Consumer Services (27.8%), and Communications/Media (25.6%) in addition to firms with >10% Internet sales (21.5%) and \$10-25M sales revenue (22.0%). The Real Estate (0.0%), Consumer Packaged Goods (11.3%), and Banking/Finance/Insurance (12.6%) industries saw the smallest changes.

Digital marketing's contribution to performance increased almost 2x as much as social and more than 3x as much as mobile marketing

By what percent has the contribution of digital [marketing / social media / mobile marketing] to your company's performance changed in the last year?





Marketing Jobs

Companies reported 8.2% of marketing jobs were lost in the last year. These numbers are similar to the 9.0% loss in the June 2020 survey, indicating levels did not worsen over the last six months. Of these losses, 28.1% were senior manager roles. The hardest hit sectors were B2C Services (12.3%) with Consumer Services (18.7%) and Communications/Media (15.5%) at the highest. In June, the largest portion of marketers (24.0%) anticipated these jobs would “never return” and this number has decreased to 13.1%. While only 19.9% expected jobs to return “1-2 years from now,” that number has increased to 40.2%. Both indicators point to more job optimism. Job additions have also occurred in the last year—a 9.1% overall increase occurred with 17.7% of these being senior managers. Additions are projected to be permanent with 38.6% of marketers reporting they will never return to previous levels.

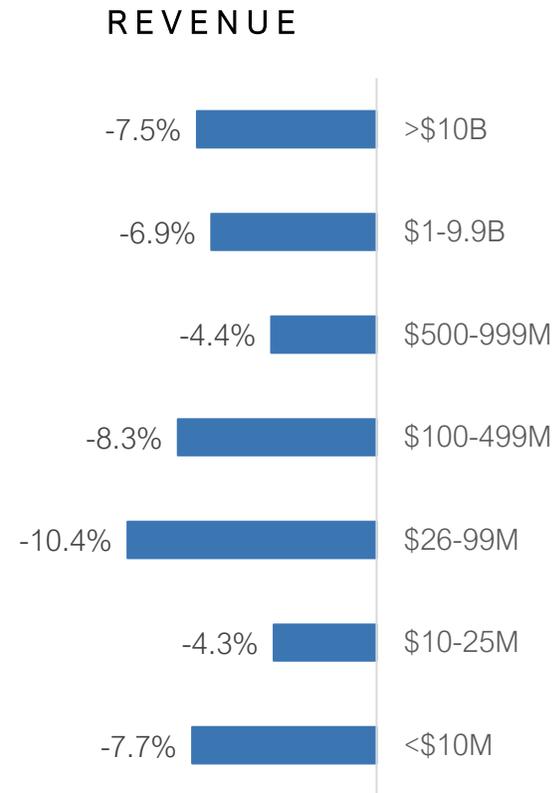
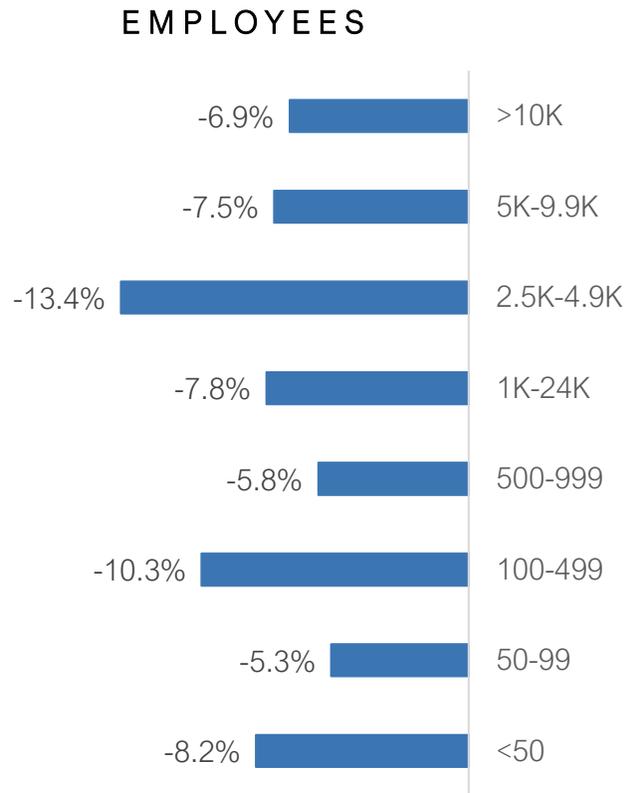
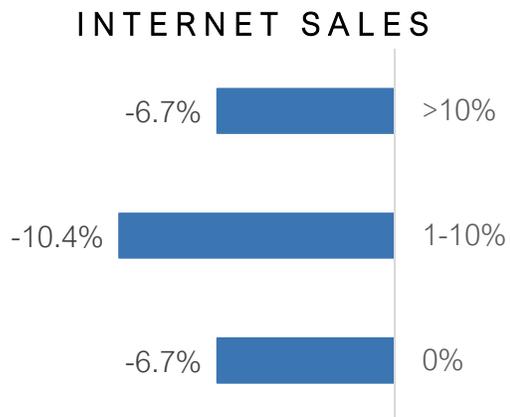
Looking across job losses and gains at the company level, gains were slightly higher (net job change = 0.9%) but that this metric varies quite a bit by sector, with B2C Product Companies showing the largest gains relative to losses at 5.4%. Among industry sectors, Education (9.9%) and Healthcare (9.2%) rose to the top on net gains. In other sectors, job levels stayed constant, but the mix of marketers changed as reflected in the presence of both gains and losses.

Marketing hiring projections are optimistic, reaching 7.6% planned increases for 2021 compared a few months into the global pandemic in June 2020, when marketers projected a hiring decrease of 3.5% for the year.

-8.2% of marketing jobs lost during pandemic year; B2C services suffers biggest losses

What percent of marketing jobs in your company were lost during the last year? What percentage of these were senior manager roles?

-8.2%
Average sample marketing jobs lost
(-28.1% of jobs lost were senior managers)



Economic Sector

- B2B Product: -7.2%
- B2B Services: -8.6%
- B2C Product: -5.9%
- B2C Services: -12.3%

Industry Sector

Top Industry Sectors

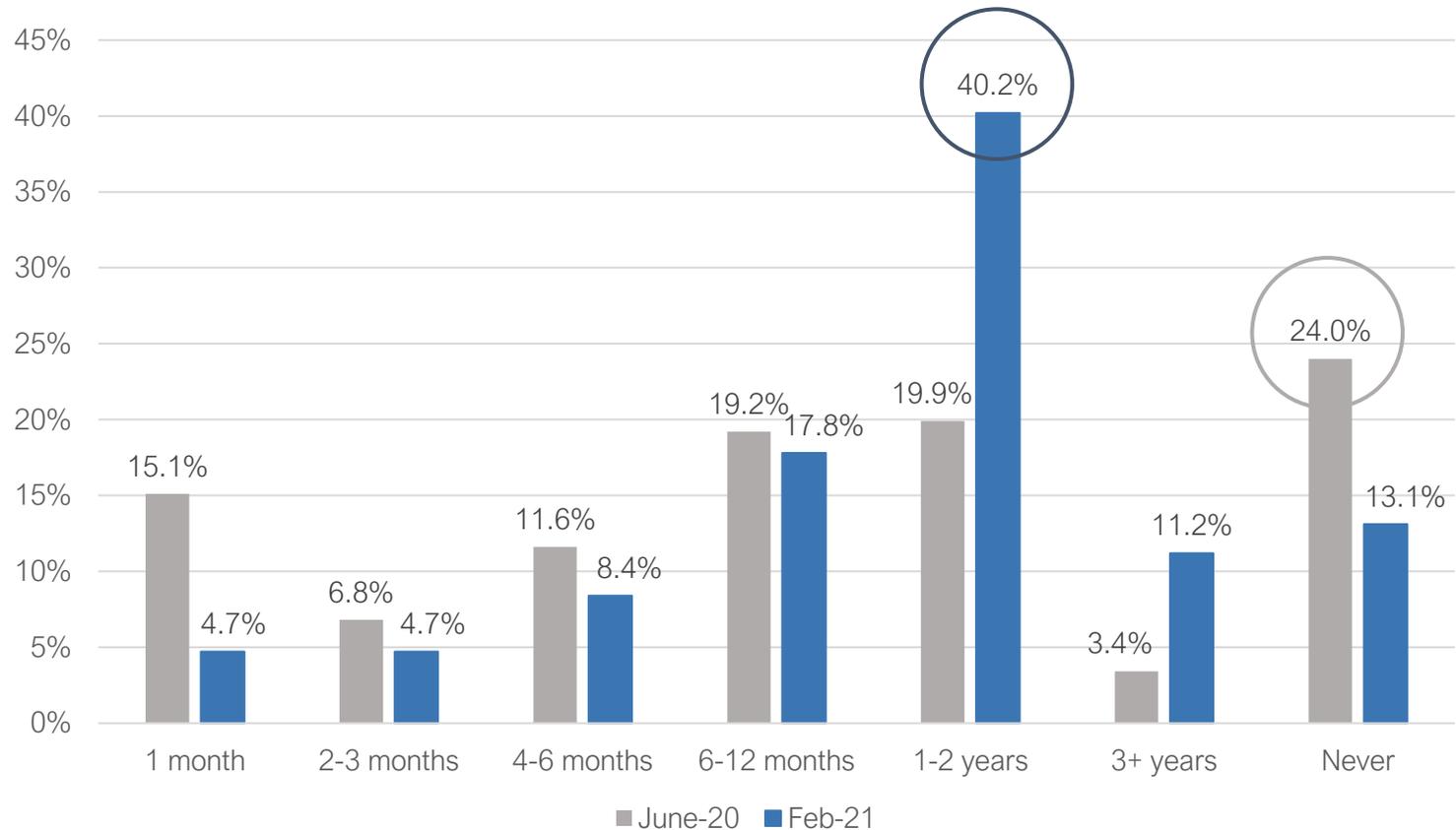
- Consumer Services (-18.7%)
- Communications/Media (-15.5%)

Bottom Industry Sectors

- Energy, Pharma/Biotech (0.0%)
- Education (-4.4%)
- Retail/Wholesale (-6.4%)

Job sentiment improves as pandemic progresses, predicting more jobs returning faster compared to June 2020

When do you anticipate these lost jobs (all marketing roles, not just senior management roles) returning to 2019 levels?



Economic Sector

	6-12 Months	1-2 Years	Never
B2B Product	18.9%	43.2%	13.5%
B2B Services	27.6%	44.8%	3.4%
B2C Product	10.5%	26.3%	26.3%
B2C Services	4.8%	42.9%	14.3%



Industry Sector

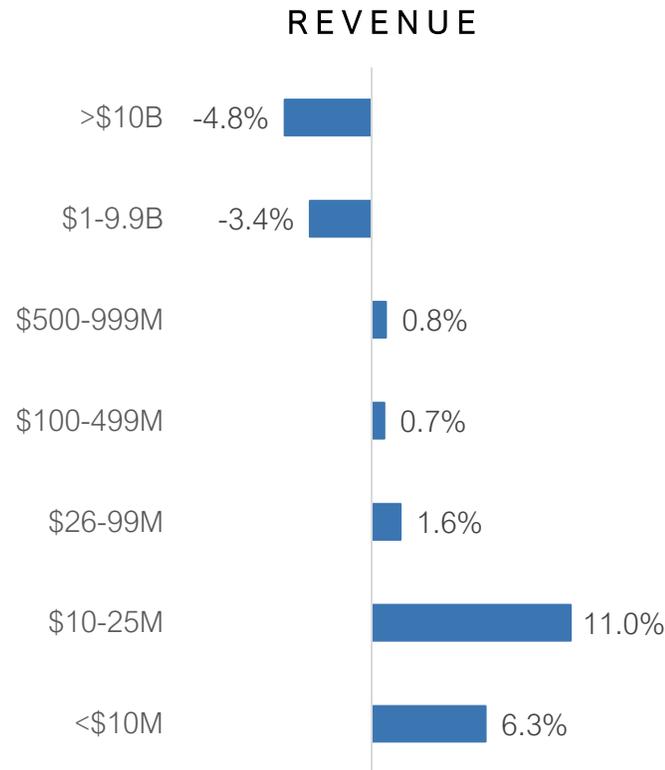
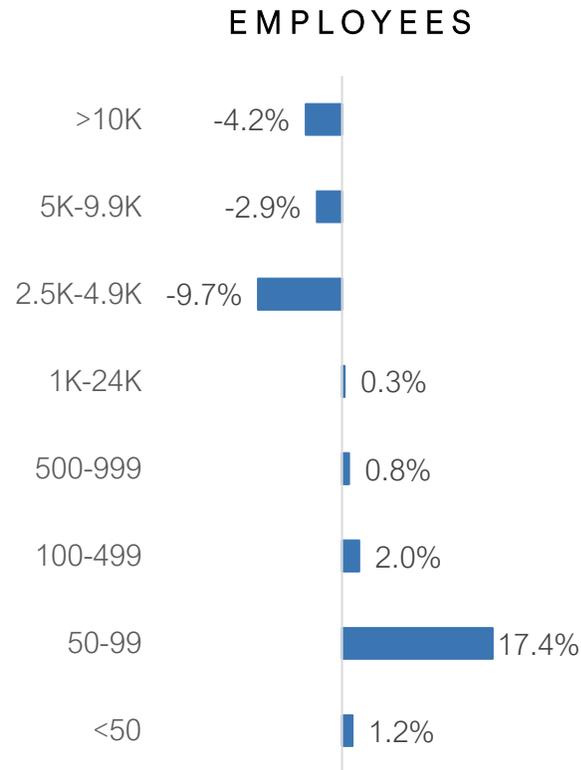
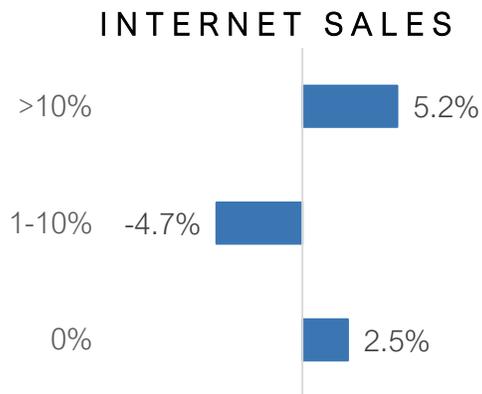
6-12 Months	1-2 Years	Never
<ul style="list-style-type: none"> Healthcare, Transportation, Retail Wholesale, Mining/Construction (33.3%) 	<ul style="list-style-type: none"> Real Estate (100.0%) Mining/Construction (66.7%) 	<ul style="list-style-type: none"> Retail/Wholesale (50.0%) Consumer Packaged Goods (30.0%)

Marketing job additions during pandemic; gains by B2C Product Sector

What percent of marketing jobs in your company were added during the last year? What percentage of these were senior manager roles?

9.1%
Sample average of marketing jobs added

17.7% of jobs lost were senior managers



Economic Sector

- B2B Product: 7.6%
- B2B Services: 10.1%
- B2C Product: 11.3%
- B2C Services: 8.4%

Industry Sector

Top Industry Sectors

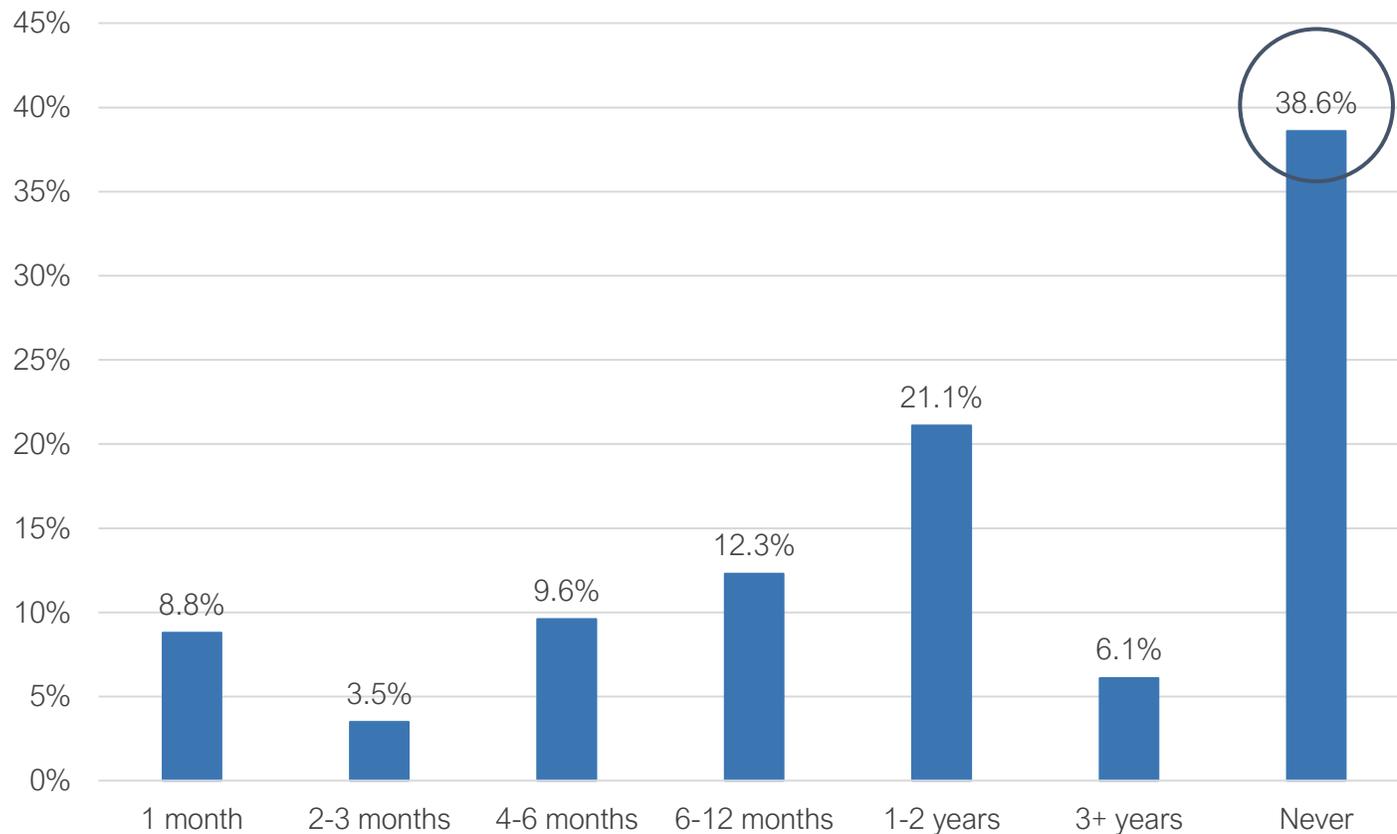
- Consumer Services (23.6%)
- Healthcare (17.8%)
- Education (14.3%)

Bottom Industry Sectors

- Transportation (0.1%)
- Mining/Construction (0.2%)

Marketing job additions viewed as permanent

When do you anticipate these job additions (all marketing roles, not just senior management roles) returning to 2019 levels?



Economic Sector

	6-12 Months	1-2 Years	Never
B2B Product	10.5%	15.8%	28.9%
B2B Services	17.2%	31.0%	34.5%
B2C Product	14.3%	17.9%	46.4%
B2C Services	5.3%	21.1%	52.6%



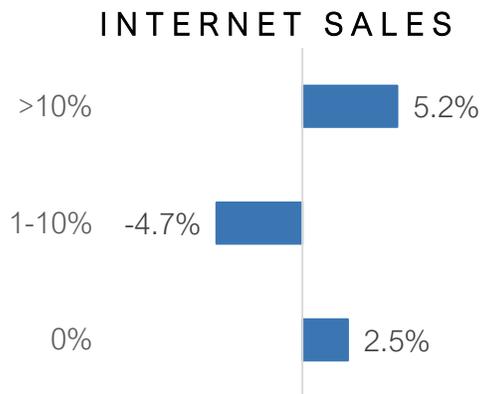
Industry Sector

6-12 Months	1-2 Years	Never
<ul style="list-style-type: none"> Healthcare (30.8%) Consumer Packaged Goods (14.3%) 	<ul style="list-style-type: none"> Banking/ Finance (42.9%) Communications/ Media (40.0%) 	<ul style="list-style-type: none"> Education (62.5%) Consumer Packaged Goods (57.1%)

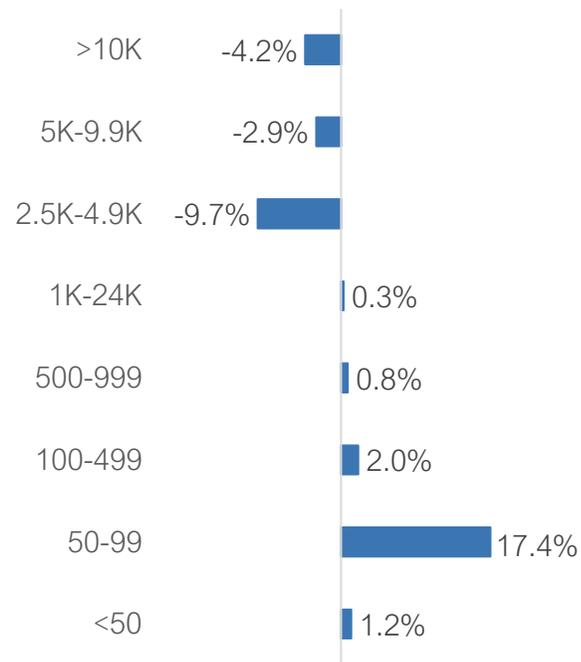
Net job change show sector winners and loses

Net job change = Percentage jobs added – Percentage jobs lost

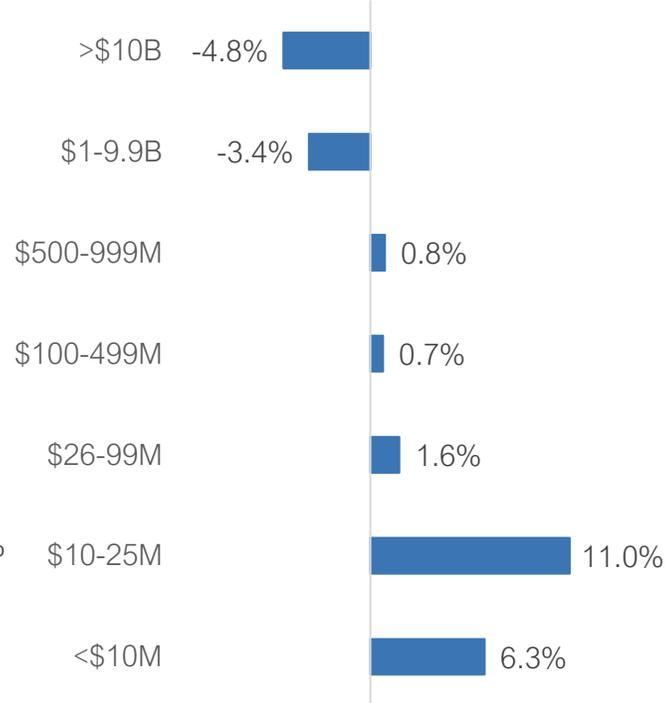
.91%
Sample average of net job change



EMPLOYEES



REVENUE



Economic Sector

- B2B Product: .26%
- B2B Services: 1.52%
- B2C Product: 5.41%
- B2C Services: -3.80%

Industry Sector

Top Industry Sectors

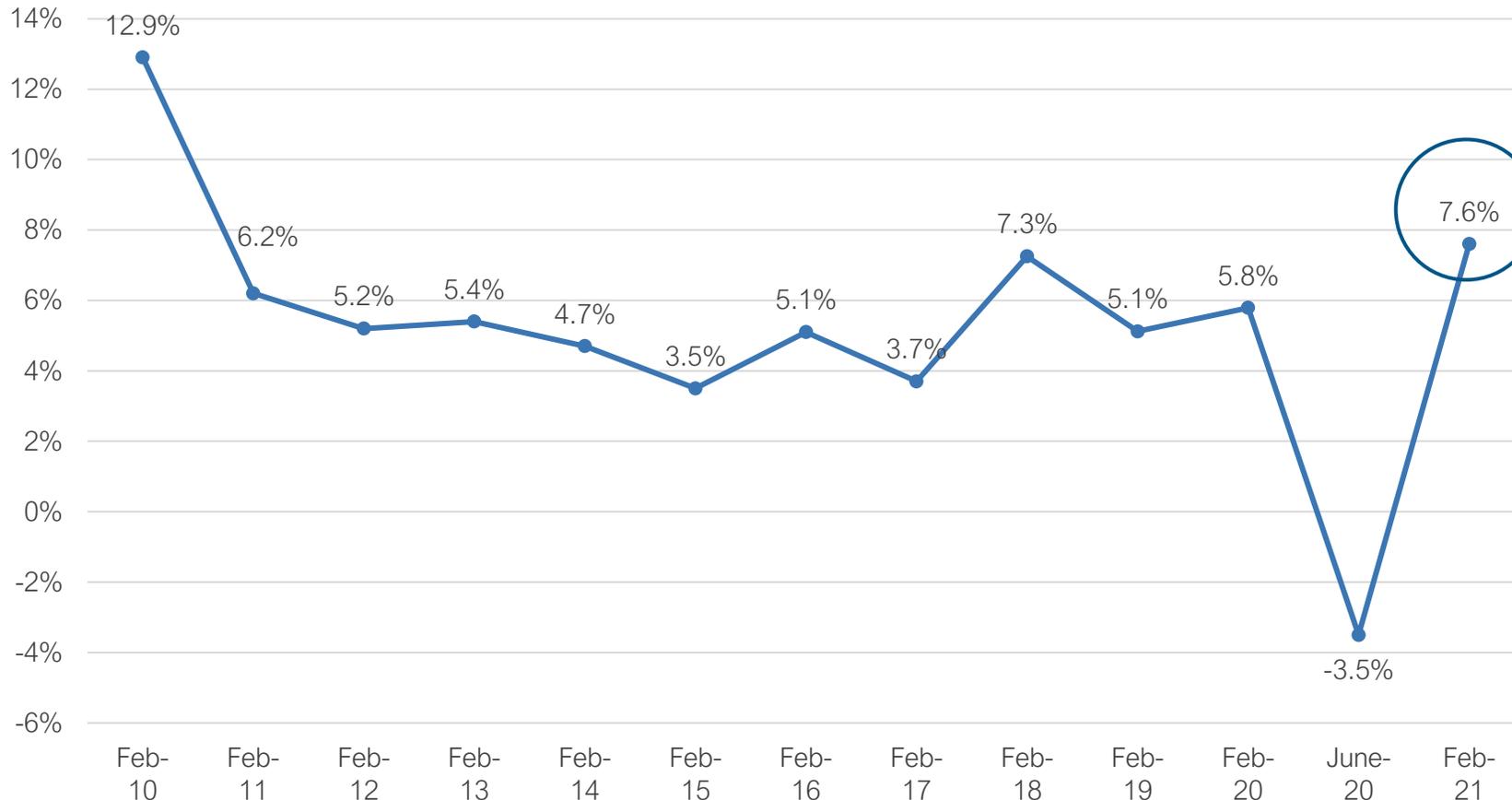
- Education (9.9%)
- Healthcare (9.3%)
- Energy (7.5%)

Bottom Industry Sectors

- Real Estate (-30.0%)
- Communications/Media (-12.3%)

Projected hires rebound beyond pre-pandemic levels, small and service firms show strongest projections

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



Economic Sector

- B2B Product: 8.6%
- B2B Services: 8.1%
- B2C Product: 4.2%
- B2C Services: 7.7%



Insights

Projected marketing hires dramatically increase compared to June 2020 projections of -3.5%. Hiring increases are projected at highest rate since emergence from the Great Recession. Energy (-1.4%) and Transportation (-1.8%) are still expected to decrease, while large companies see almost no change (0.1% if revenue is >\$10B).



Marketing Analytics

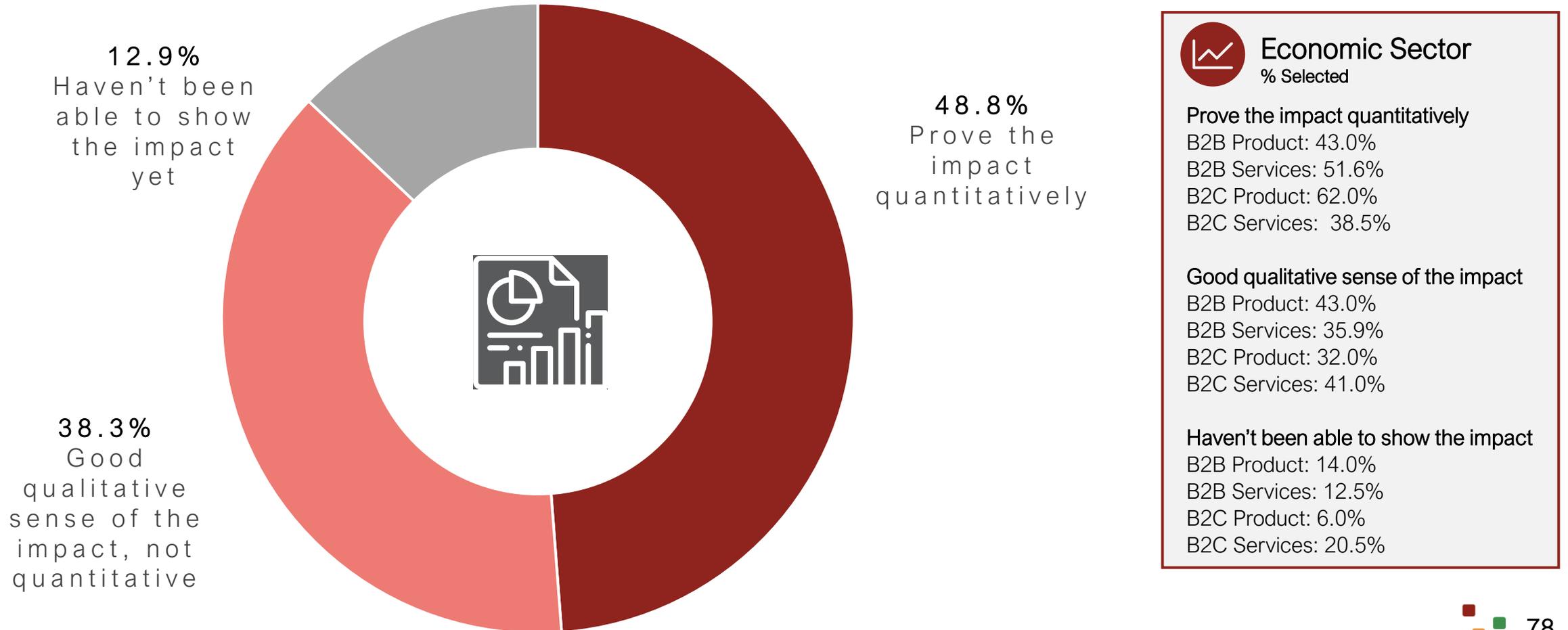
Nearly half of marketers report they are able to demonstrate the impact of marketing spend on their business using quantitative tools. This reflects a 39.8% increase since February 2020. B2C Product companies (62%) excel in this capability.

Designed to increase marketer's strategic activity bandwidth, AI and machine learning in the marketing toolkit has shown increasing implementation, with ~10% increase in use year over year since 2018. Expectations for future AI and machine learning use are even higher and are predicted to increase ~20% in the next three years. One cautionary note is that actual activity levels have not kept pace with expectations for the future in this area. Examining firm and industry breakouts, bigger firm size and larger firm revenues equate to stronger use pointing to resource advantages. Likewise, companies with a greater portion of sales through the Internet correspond with higher levels of AI and machine learning usage.

Considering how investments in AI and machine learning have influenced how much time marketers are able to spend on non-routine and more strategic projects, the overall view is pessimistic with 49.6% reporting "no impact" and only 2% reporting "a great deal." Marketers who report the biggest shifts toward strategic projects are those leading companies with more sales from the Internet and those leading large companies.

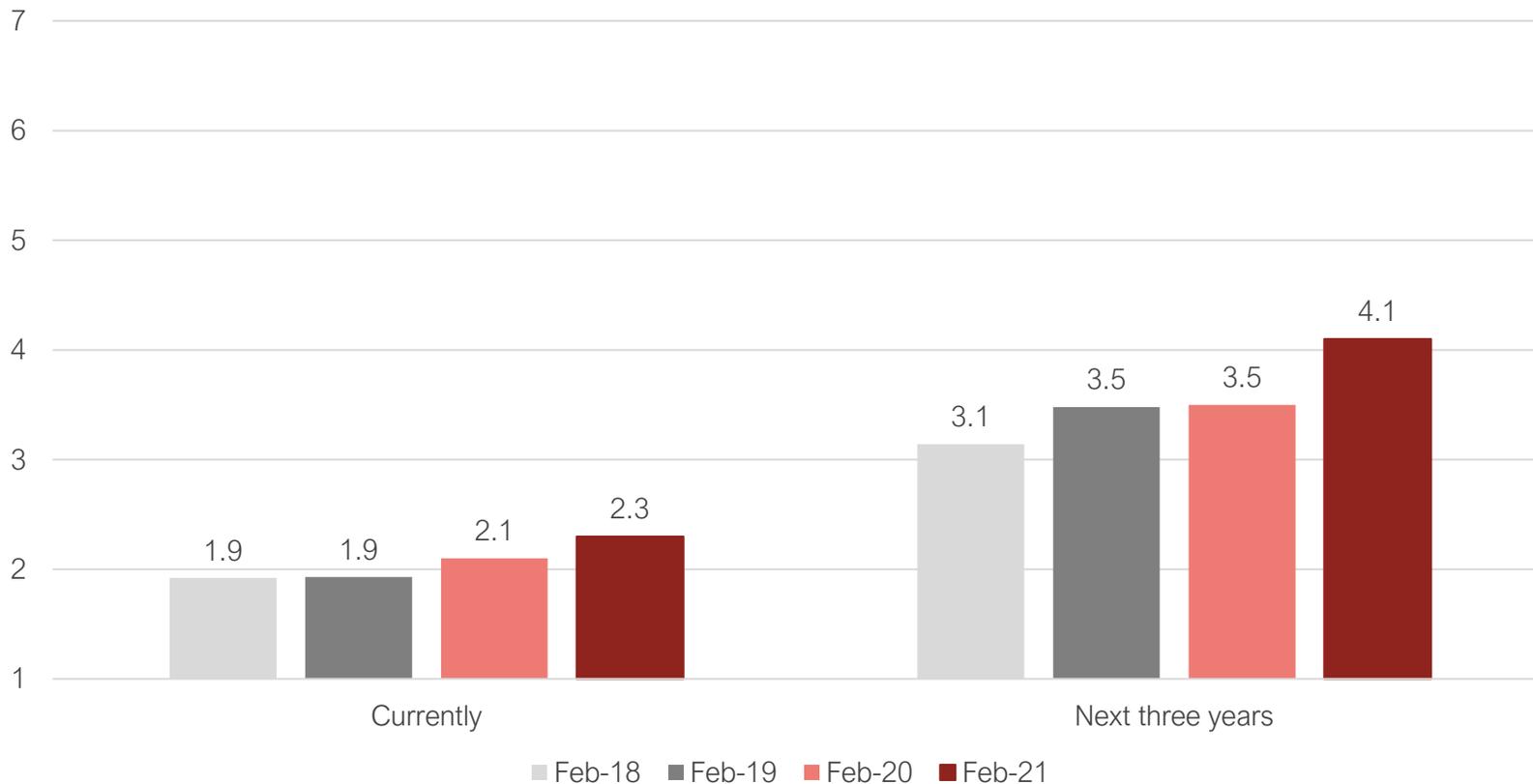
Only half of companies use quantitative metrics to demonstrate the long-term impact of marketing

How does your company show the long-term impact of marketing spend on your business?



AI and machine learning implementation in marketing tool kit, but regular use still eludes most marketers

To what extent is your company implementing artificial intelligence or machine learning into its marketing toolkit? (1=not at all, 7=very highly)



Insights

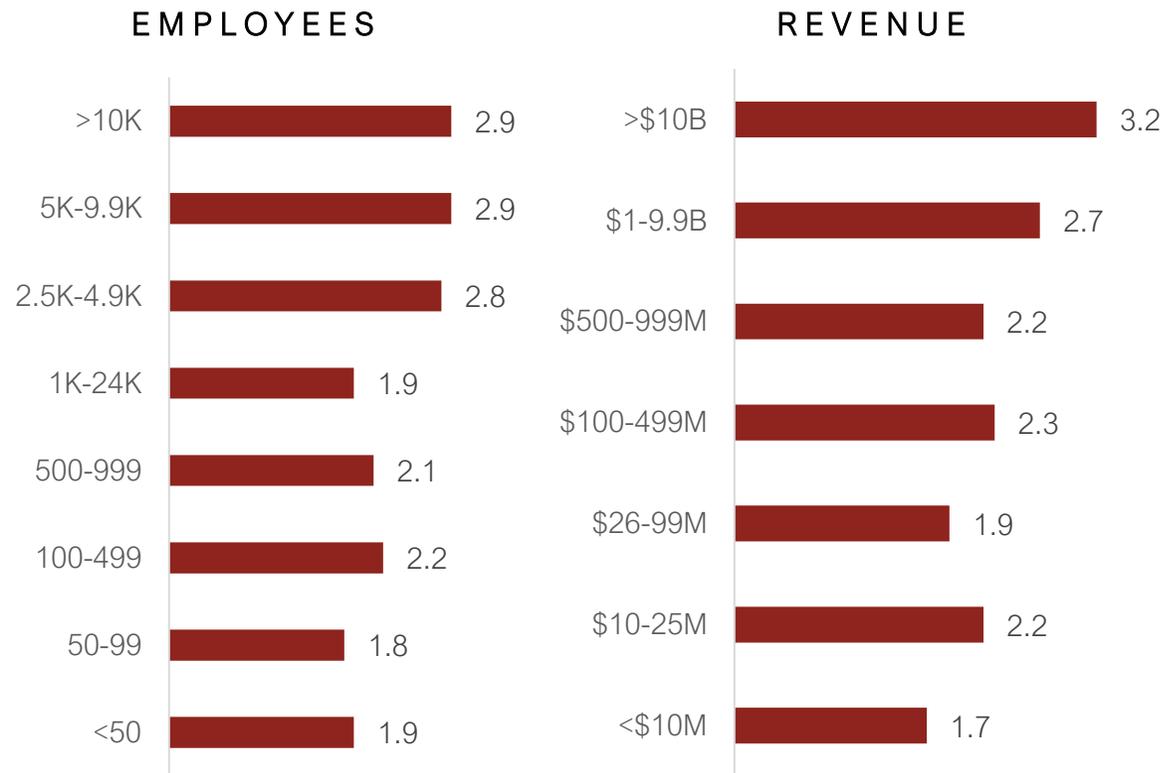
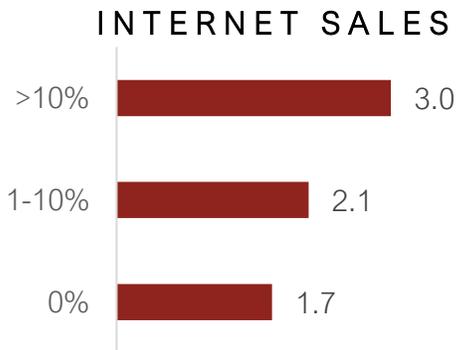
Investment in AI or machine learning increases currently and in the next three years as Internet sales, revenue, and number of employees increase, showing a link between company size and technical investment. Unsurprisingly, Tech (3.3) is making the biggest investment currently while Pharma/Biotech is the least (1.0). Looking ahead 3 years, Tech (5.3) increases its investment, but Consumer Services (5.8) takes the lead. Mining/Construction (2.0) has the lowest future investment.

Firm size and Internet sales influence initial and future investments in AI and machine learning

To what extent is your company implementing artificial intelligence or machine learning into its marketing toolkit? (1=not at all, 7=very highly)

2.3/7
Sample average extent of AI/machine learning implementation currently

4.1/7
Sample average in next three years



Economic Sector

	Current	Next 3 Years
B2B Product	2.3	4.0
B2B Services	2.2	4.0
B2C Product	2.6	4.4
B2C Services	2.2	4.0

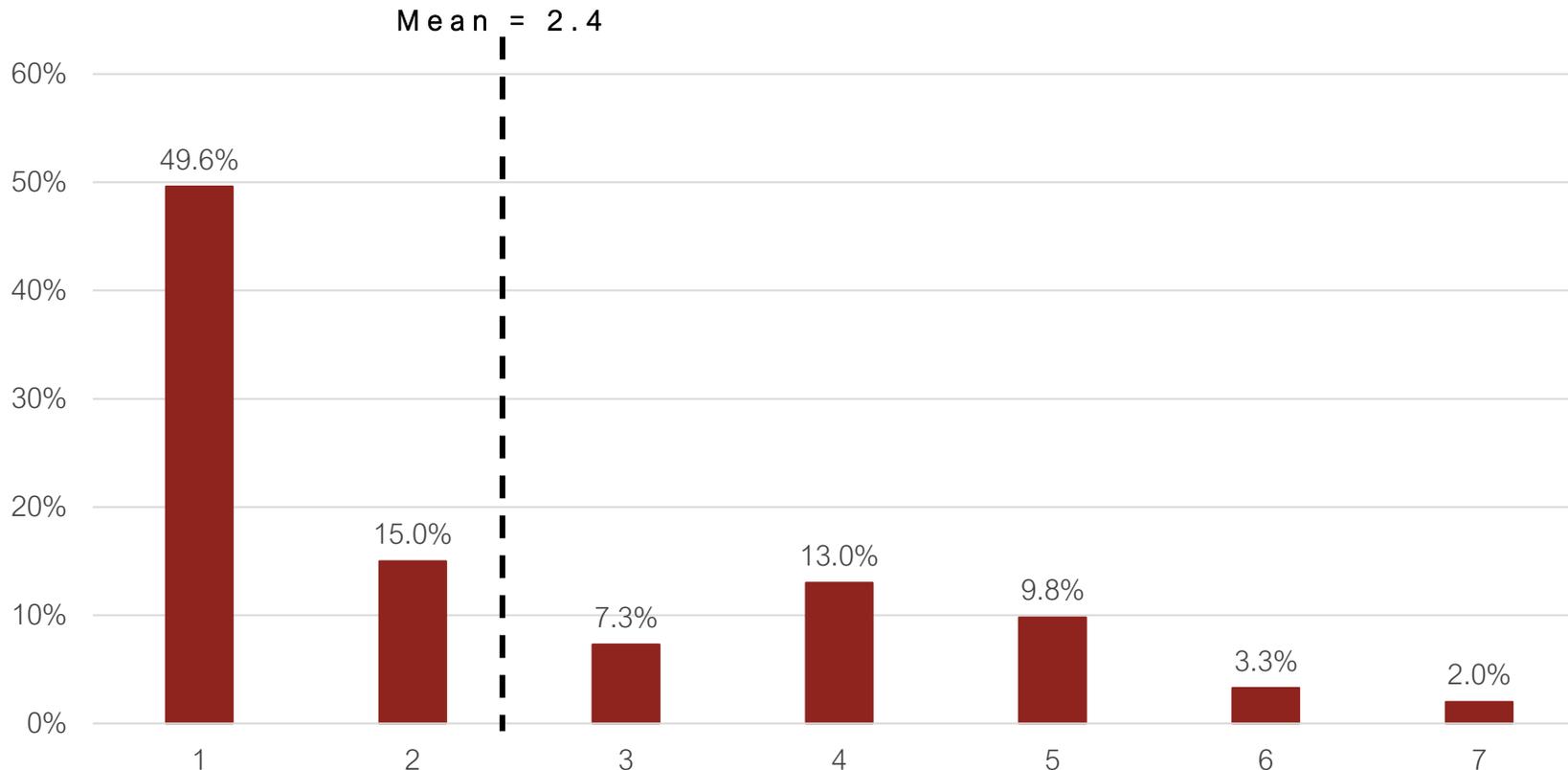
Industry Sector

- Top Industry Sectors
- Tech (3.3)
 - Consumer Services (3.0)
 - Retail /Wholesale (2.9)
- Bottom Industry Sectors
- Pharma/Biotech (1.0)
 - Mining/Construction (1.2)
 - Energy (1.4)

*One year implementation levels show; 3-year expectations follow a similar pattern.

Limited impact of AI on marketer ability to focus on 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)



Internet Sales

- 0% Sales: 1.8
- 1 – 10% Sales: 2.1
- > 10% Sales: 3.1



Insights

While the influence of AI investment does not differ much among economic sectors, it increases with more revenues and employees. Mining/Construction is the only industry fully reporting no impact of AI on marketing while Consumer Services (4.0) has the highest influence from its investment.



Marketing Excellence Awards

This award is selected by fellow marketers. It is given each February to one company that is judged to set the standard for excellence in marketing across all industries and to a set of companies viewed as setting the standard in their respective industries. Apple Inc. was the overall winner. Industry winners included Amazon, Microsoft, and Adobe in Tech; Nike and P&G in Consumer Goods; and Geico in Financial Services.

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



Apple Inc.

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

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

Technology



Consumer Goods



Financial Services



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