



# Covid-19 and the State of Marketing

The **CMO** Survey<sup>®</sup> 

**Highlights & Insights Report**

Special Edition—June 2020

It has been over 100 years since our world has faced a pandemic of Covid-19's magnitude. The economic and social disruptions caused by the virus will continue for many months and a "new normal" for business seems likely in the long run. As a profession, business function, and organizational activity, marketing sits at the center of corporate responses to these challenges as companies shift their go-to-market activities.

This Special 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 three months. Reflecting marketing's special position at the boundary between business and the marketplace, this Special Edition offers forward-looking insights regarding customer behavior, economic forecasts, 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.

I hope these benchmarks will be useful to you and your company as you navigate this historic period.

My very best for your continued health and prosperity,



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<sup>®</sup>

## 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.

## SPECIAL EDITION

This Special Edition focuses on understanding the impact of the Covid-19 pandemic on marketing in companies. Questions examine how marketing spending, performance, jobs, and leadership have been affected as well as expectations for the next year.

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.

## 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.

**Deloitte.**



# Survey Methodology and Reports

## SURVEY REPORTS

Available at <https://cmosurvey.org/results/>

- Topline Report offers an aggregate view of Survey results
- Highlights and Insights Report shares key Survey metrics and trends over time
- Report of Results by Firm and Industry Characteristics displays Survey results by sectors, size, and sales

Interpretive guide:

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

## ADMINISTRATION

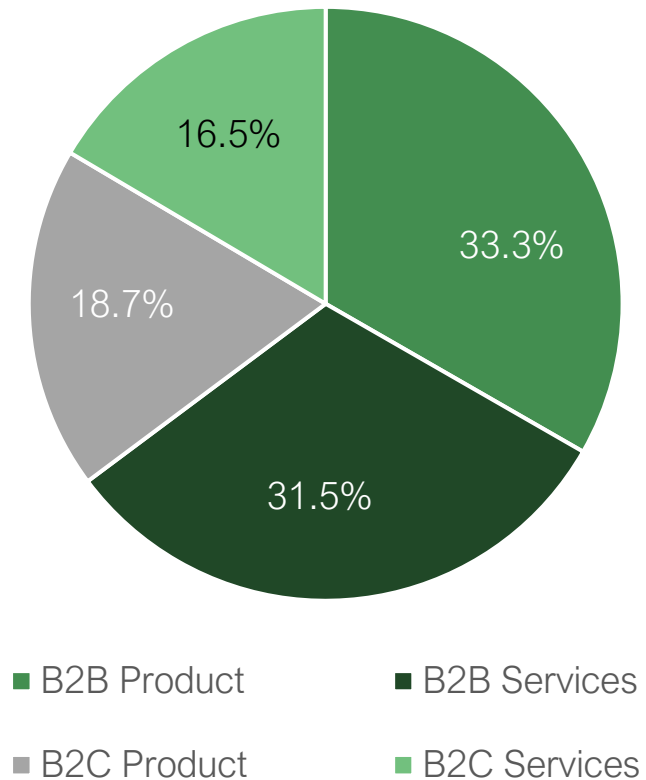
- Email contact with four follow-up reminders
- Survey in field from May 5-27, 2020

## SAMPLE

- 2654 top marketers at for-profit U.S. companies
- 274 responded for a 10.32% response rate
- 97% of respondents VP-level or above

# Survey Participants (n=274)

## ECONOMIC SECTOR

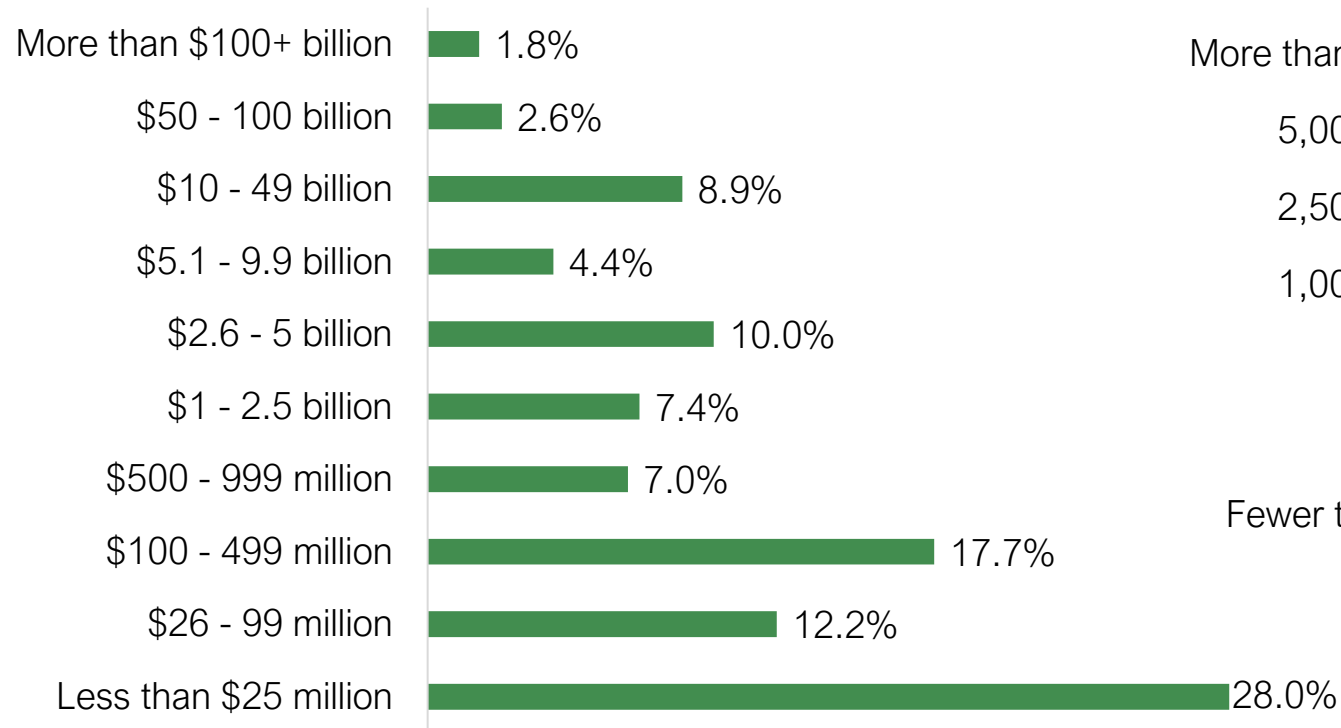


## INDUSTRY SECTOR

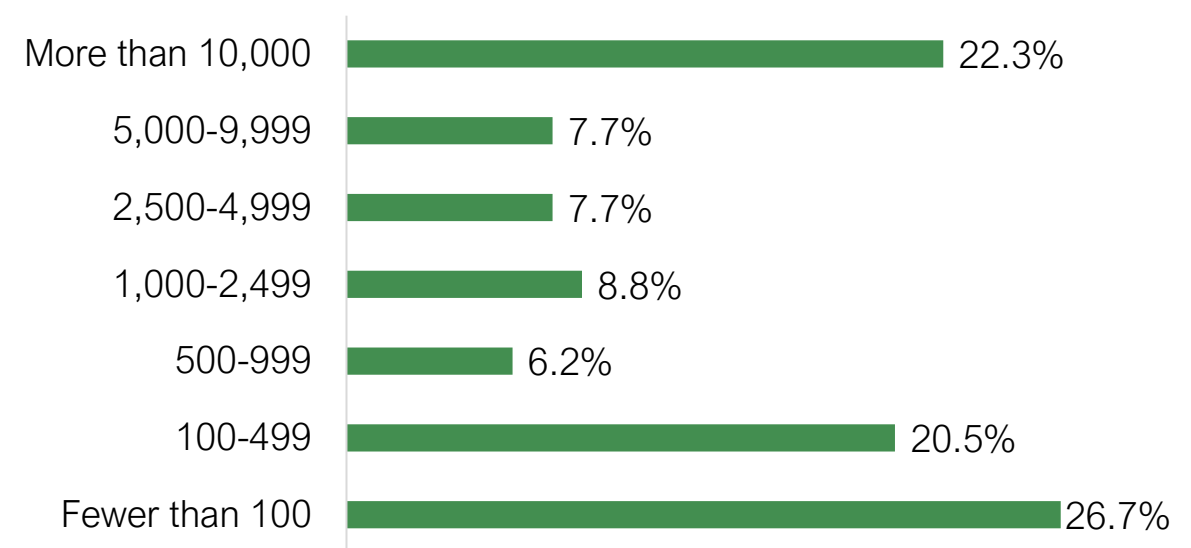
Technology (Software/Biotech)	14.2%
Banking	11.3%
Retail	10.9%
Healthcare/Pharmaceuticals	10.9%
Professional Services/Consulting	10.6%
Communications/Media	9.1%
Consumer Packaged Goods	9.1%
Manufacturing	9.1%
Consumer Services	5.8%
Transportation	4.4%
Mining/Construction	1.8%
Energy	1.5%
Education	1.1%

# Survey Participants (n=274)

## SALES REVENUE



## NUMBER OF EMPLOYEES



# Special Edition Topics

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# Macroeconomic Forecasts

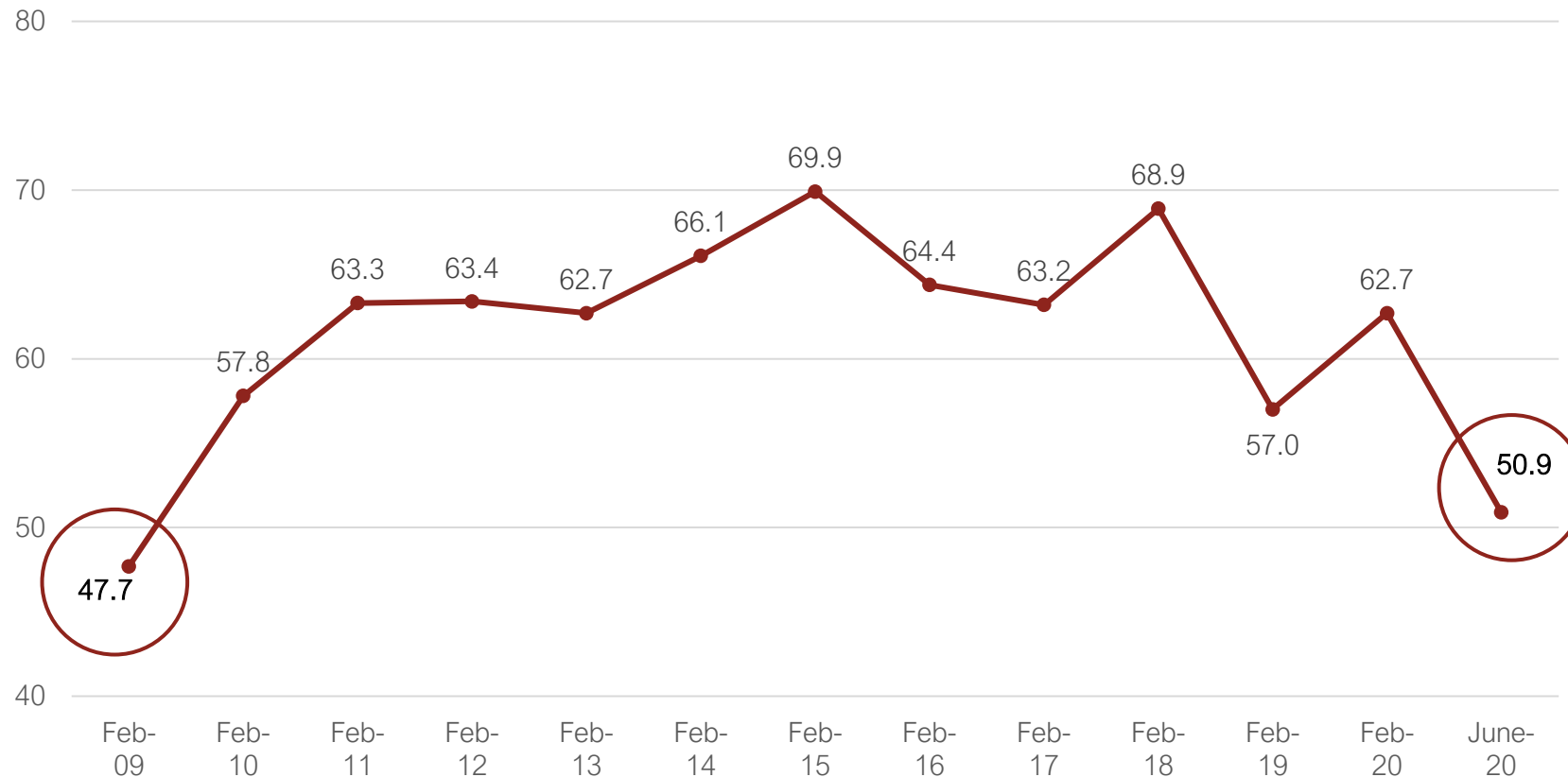
Optimism among marketers plummets to levels only seen during the Great Recession. Optimism about the economy is 50.9 (out of 100), when just four months ago it was 62.7. In February 2009, following the Great Recession of 2008, this rating was 47.7. When asked if they are “more” or “less” optimistic about the overall economy, 85.3% are less optimistic. This is the highest level in Survey history and almost triple the 30% who said they were less optimistic about the economy in February 2020. B2C companies are more pessimistic than their B2B counterparts, as are larger revenue companies (>\$10B) compared to their smaller counterparts (<\$25M).

Marketers are more optimistic about their own companies than they are about the overall economy, but this figure still dropped to near Great Recession levels with marketers reporting 68.8 out of 100 in this Survey, compared with 64.2 in February 2009. This result marks an 8% drop since February 2018 (the last time this question was asked). When asked if they are “more” or “less” optimistic about their own company, most people are less optimistic (46.5%), marking only the second time in Survey history that more marketing leaders have been “less optimistic” than “more optimistic” or “no change.” The other time was in February 2009, during the Great Recession.



# Marketer optimism plummets to Great Recession levels

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: 54.0
- B2B Services: 52.6
- B2C Product: 47.1
- B2C Services: 44.7

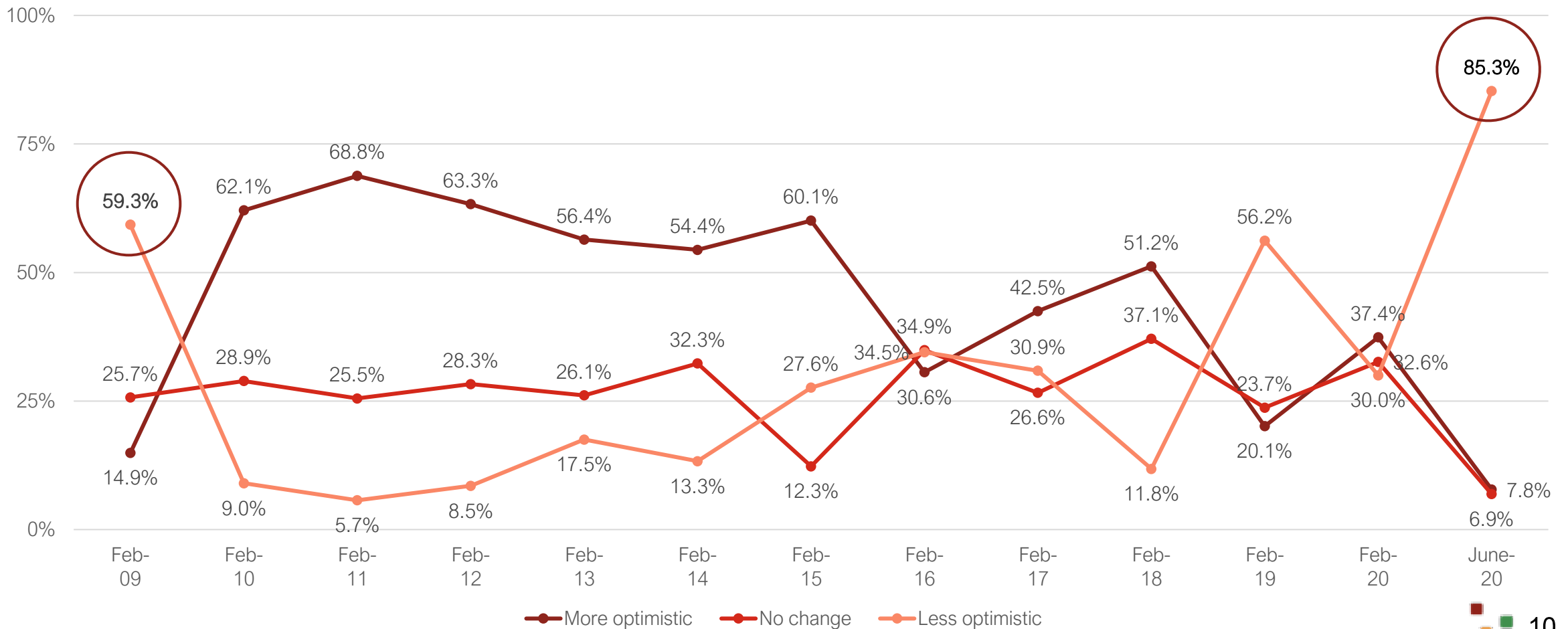


## Insights

Considering sector differences, B2B is more optimistic than B2C. Healthcare is the most optimistic sector at 59.0 and Consumer Services is the least optimistic at 43.9, pointing to the positive impact of Covid-19 treatment and research and the negative impact of social distancing. Larger revenue companies are the most pessimistic (>\$10B = 45.0) compared to smaller companies (<\$25M = 54.2).

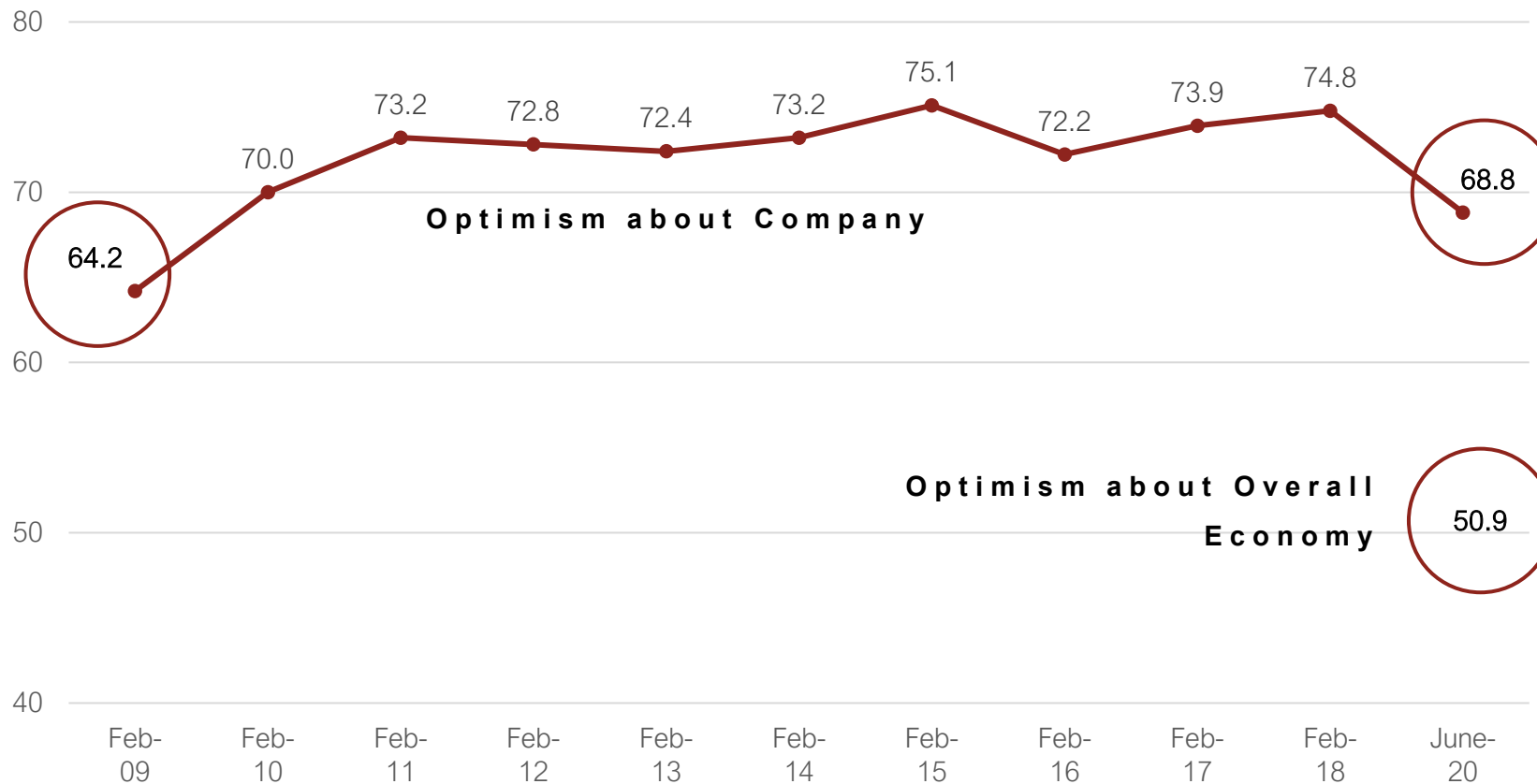
# “Less optimistic about the economy” almost triples from last Survey

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



# Marketer optimism about own company much brighter than overall economy, but also drops to near Great Recession levels

How optimistic are you about your own company on a 0-100 scale with 0 being least optimistic and 100 most optimistic?



## Economic Sector

- B2B Product: 72.6
- B2B Services: 69.4
- B2C Product: 67.6
- B2C Services: 61.4

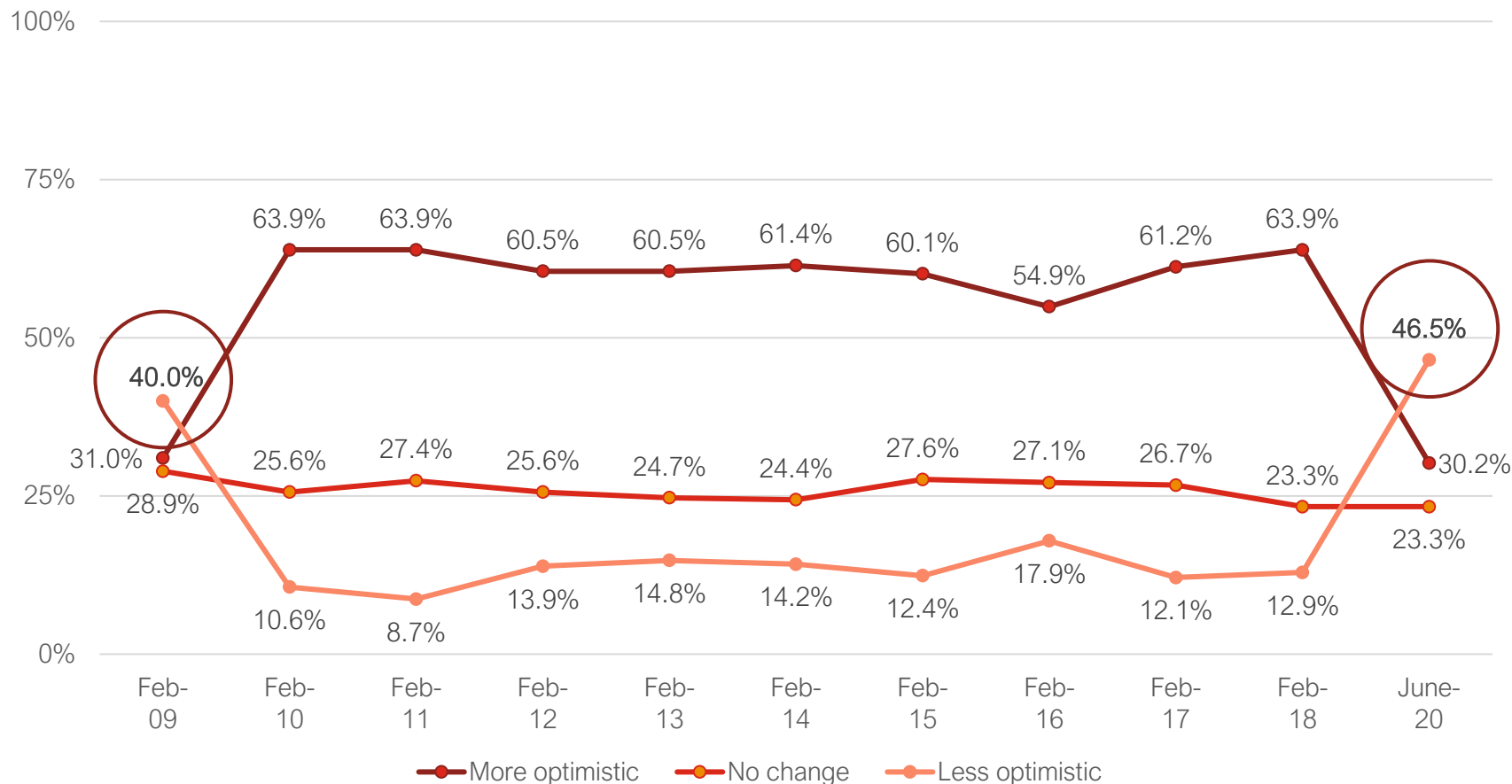


## Insights

While marketers are more optimistic about their own companies than the overall economy, company optimism has dropped to near Great Recession levels. Optimism is highest for companies with sales revenue \$599-999 million (75.8) and lowest for <\$25 million (66.9).

# Marketers' optimism about their own company shifts to doubt

Are you more or less optimistic about your own company compared to last quarter?



## Insights

“Less optimistic” about their own companies reached the highest level in Survey history, surpassing even the February 2009 figure. Companies with more than 5,000 employees report being “less optimistic” most often. These large companies are also most likely to report being “less optimistic” in 2009. While most groups strongly report being less optimistic, only B2C Product companies report a slightly larger group being “more optimistic.” The Retail industry reports the top “more optimistic” response (44.4%) with Healthcare close behind (37.0%). Consumer Services (57.1%) and Communications (56.5%) report the top “less optimistic” responses.



# Customer Behavior

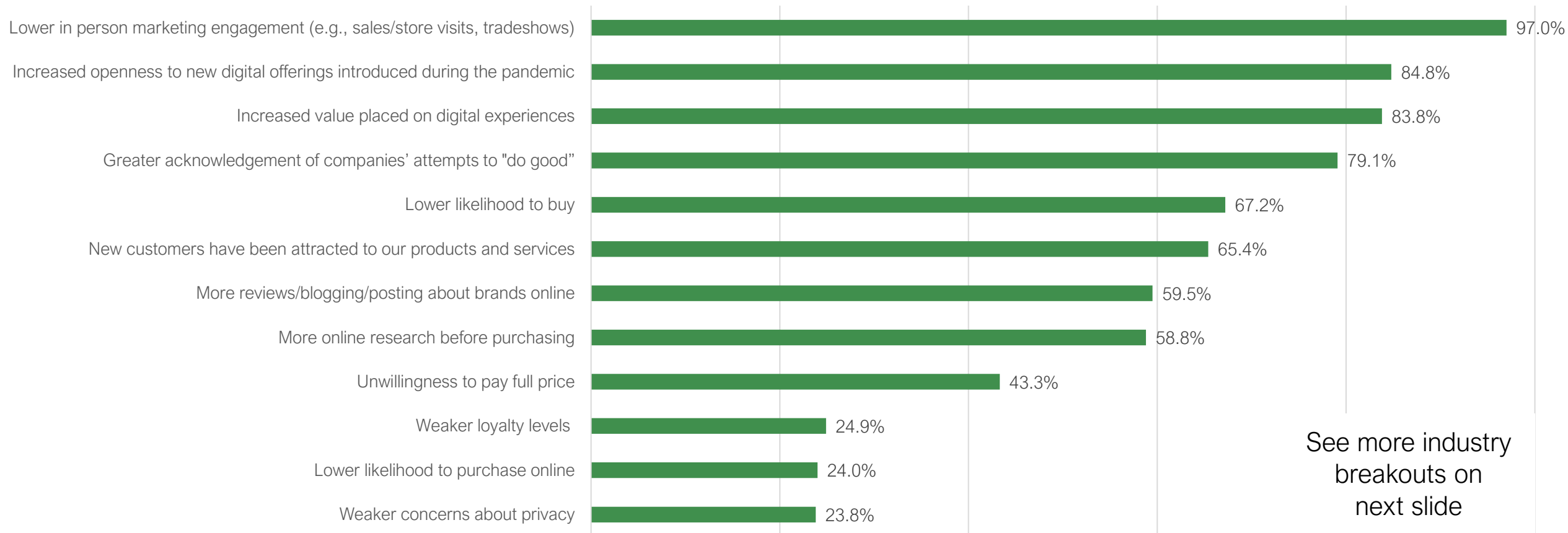
Marketers report increased openness among customers to new digital offerings introduced during the pandemic (85%), increased value placed on digital experiences (84%), and greater acknowledgements of companies' attempts to "do good" (79%).

Many companies observe lower likelihood to buy (67.2%) and unwillingness to pay full price (43.3%), both of which contributed to the depressed financial performance over the last two months. Marketers anticipate that many consumer behaviors will return to normal levels in 6-12 months, including likelihood to buy and willingness to pay full price. At the same time, owing to deeper experiences online, marketers believe that customers' increased value placed on digital experience will stay high and never return to pre-pandemic levels.

Marketers predict that customers will place a higher than ever value on trusting relationships, with 29.3% saying it will be customers' top priority. This marks a significant rise from the only 19.9% saying this in February 2009. Marketers also anticipate that customers will pay more attention to low prices than they have in the past with 18.4% citing this as customers' top priority compared with only 10.4% this past February. However, low price is significantly less important than it was in February 2009 when 29.6% of marketers thought it was most important.

# Customer behavior goes digital during pandemic; attempts to “do good” noted by customers

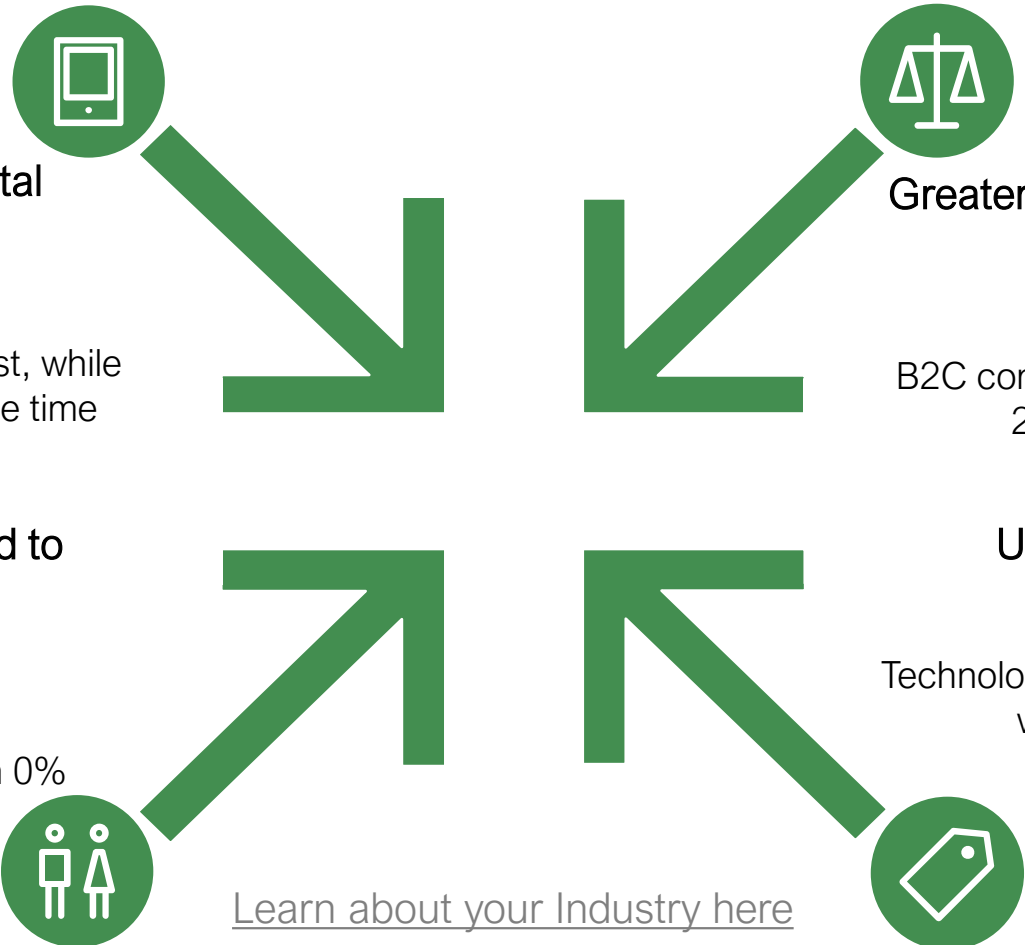
Focusing on your largest revenue market, what types of customer behaviors have you observed during the Covid-19 pandemic?



See more industry breakouts on next slide

# Sectors vary in customer behavior changes

Focusing on your largest revenue market, what types of customer behaviors have you observed during the Covid-19 pandemic?



**Increased value placed on digital experiences**  
(84.8% overall average)

Manufacturing (61.1%) observe this least, while all other industries observe >80% of the time

**Greater acknowledgement of companies' attempts to do "good"**  
(79.1% overall average)

B2C companies experience this approximately 25% more than B2B companies

**New customers have been attracted to our products and services**  
(65.4% overall average)

Companies with >10% Internet sales observe this 26.9% more than those with 0% Internet sales

**Unwillingness to pay full price**  
(43.3% overall average)

Technology (76.5%) observe this behavior most, while Retail (69.2%) is the least

[Learn about your Industry here](#)

# Customer behaviors expected to return to pre-pandemic levels in 6-12 months; digital experiences to remain valuable indefinitely

When will customer behavior return to pre-pandemic levels?

	1 month	2-3 months	4-6 months	6-12 months	1-2 years	3+ years	Never
Lower likelihood to buy	1.9%	13.0%	19.5%	37.7%	26.6%	1.3%	0.0%
Lower likelihood to purchase online	8.3%	19.4%	16.7%	22.2%	11.1%	2.8%	19.4%
Unwillingness to pay full price	3.3%	6.6%	19.8%	38.5%	23.1%	1.1%	7.7%
Weaker loyalty levels	3.6%	9.1%	16.4%	36.4%	29.1%	1.8%	3.6%
Increased value placed on digital experiences	7.6%	16.5%	9.4%	17.1%	14.1%	1.8%	33.5%



## Insights

The “return to normalcy” is not expected to occur for 6-12 months, with sizable segments of the marketers predicting 1-2 years. Only “increased value placed on digital experiences” is expected to “never return” to pre-pandemic days, indicating this is viewed as a permanent change.

See more industry breakouts on next slide

**Note:** The most frequently selected timing for each customer behavior is indicated in green.



# Sectors vary in when they expect customer behavior to return to pre-pandemic levels

Focusing on your largest revenue market, what types of customer behaviors have you observed during the Covid-19 pandemic?

## Lower likelihood to buy

(Overall 34.5% within 6 months)

Companies with no Internet sales expect purchasing to return to normal most quickly, with 45.1% expecting behaviors to return within 6 months.

## Lower likelihood to purchase online

(Overall 8.3% within 1 month)

B2B companies believe this behavior will return to normal sooner. 11% of B2B companies predict a return to normal in 1 month (0% of B2C companies)



## Weaker loyalty levels

(Overall 3.6% never return to normal)

Product companies (both B2B and B2C) are more likely to predict that weaker loyalty levels will never return to normal

## Unwillingness to pay full price

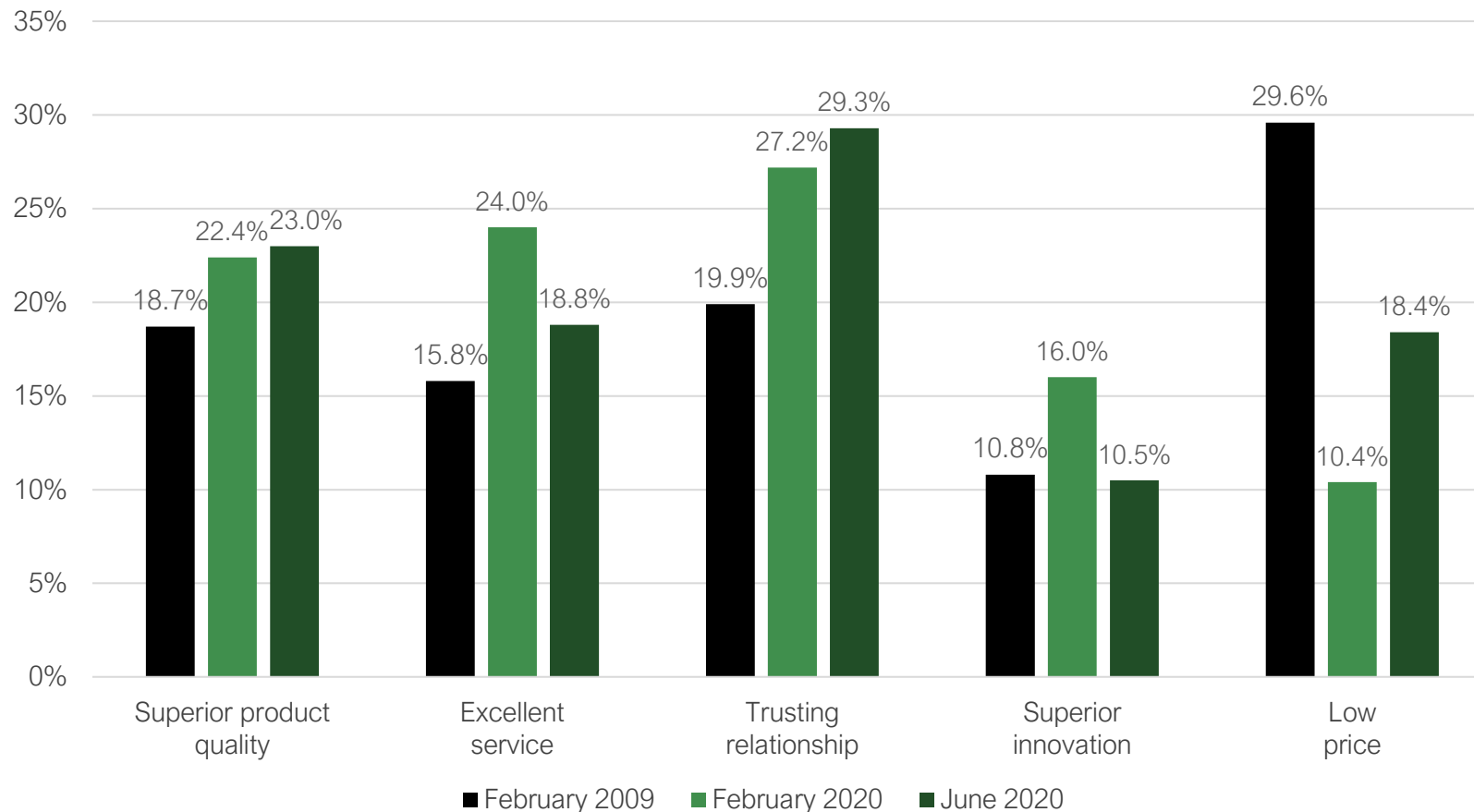
(Overall 9.9% within 3 months)

Healthcare companies are most optimistic about willingness to return to full price, with 42.9% expecting a return to normal in three months

[Learn about your Industry here](#)

# Customers prioritize trusting relationships during pandemic; emphasis on low price grows

Customers' top three priorities next 12 months (% of respondents reporting first priority)



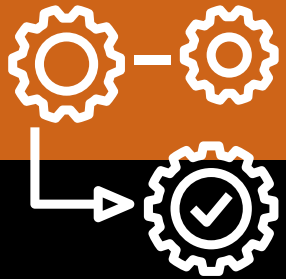
## Economic Sector

	Trusting Relationship	Low Price
B2B Product	23.5%	14.8%
B2B Services	25.6%	14.1%
B2C Product	36.6%	29.3%
B2C Services	42.1%	21.1%



## Insights

Marketers expect customers will place the highest priority on trusting relationships, marking a significant rise from Feb-2009. Marketers also anticipate customers will pay more attention to low prices with 18.4% citing this as customer's top priority, compared with only 10.4% two months ago. However, over time, low price is significantly less important than it was in Feb-2009.



# Marketing Performance

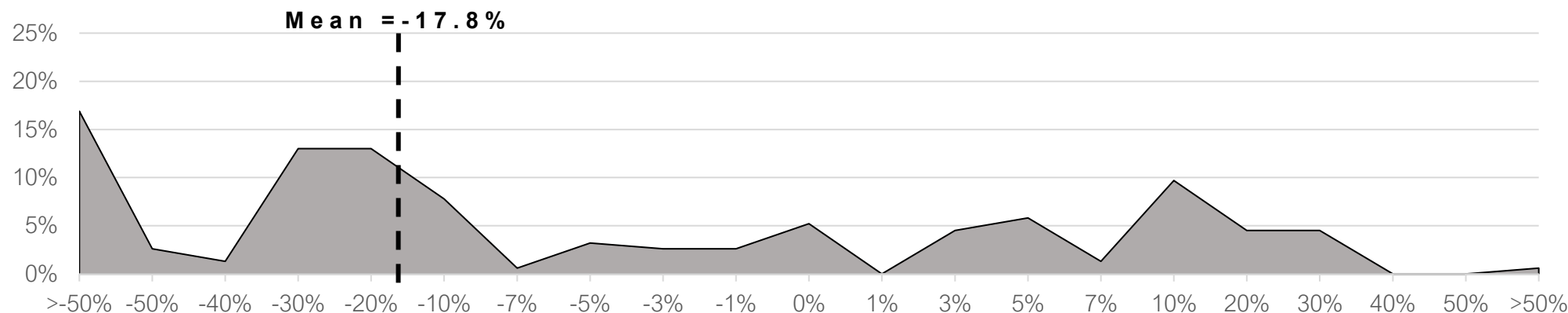
Marketers report major losses in the past two months across sales revenue, profits, and customer acquisition, but expect all three to rebound within the next year. Biggest losses are to sales revenue, which dropped 17.8%, on average, during the pandemic, with 16.9% of marketers reporting they have lost over 50% of their revenue. Considering winners and losers, 64% of marketers report sales losses compared to 30.3% that report gains and 5.2% reporting no change. Profits have fallen 14.7% during the last few two months with 14.4% of marketers reporting a loss of more than 50% of profits; 53% of marketers report negative profit losses of any level. Customer acquisition dropped 9.2% in the past two months with 11% of marketers reporting losses of more than 50% and 39% reporting customer acquisition losses of any level.

B2C companies have suffered more pandemic losses across all three areas than B2B companies. B2C companies are also the least optimistic about their growth over the next 12 months compared to their B2B counterparts. Hardest hit industries are Transportation and Consumer Services. Smaller companies, as measured by sales revenue, are hurt worse with -26% revenues for companies smaller than \$25M compared to -13% for companies over \$1B in sales.

Looking forward, marketers anticipate customer acquisition will grow 7.1%, revenues will increase 4.2%, and profits will expand 2.6% over the next year. Smaller companies also anticipate they will rebound faster, likely due to their ability to be nimble. Companies with less than \$25M in revenue expect their profits to grow by over 6% in the next year, while the largest companies, those with over \$10B in revenue, expect their profits to continue to drop at -11.3% over the next twelve months.

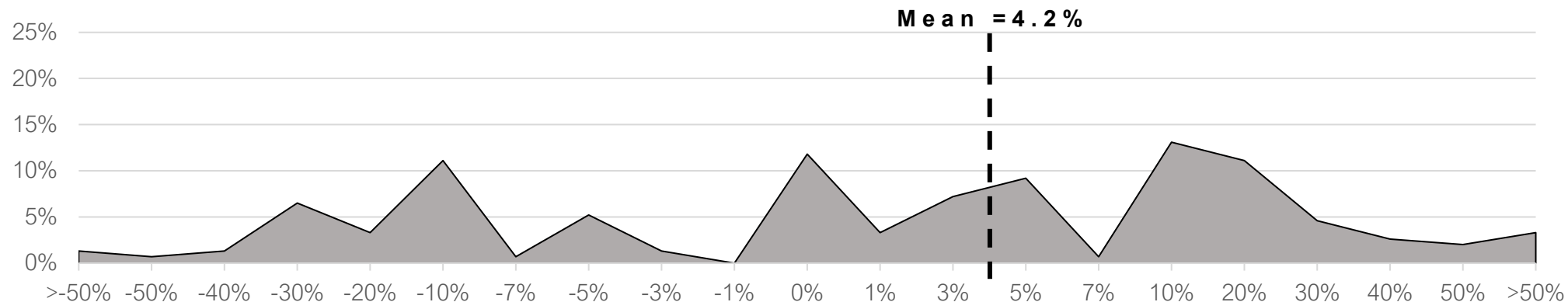
# 17.8% loss in sales during pandemic; 4.2% growth expected next year

% Change in Sales Revenue: Past 2 Months



Mean = -17.8%  
SD = 31.8%  
Mode = >-50%

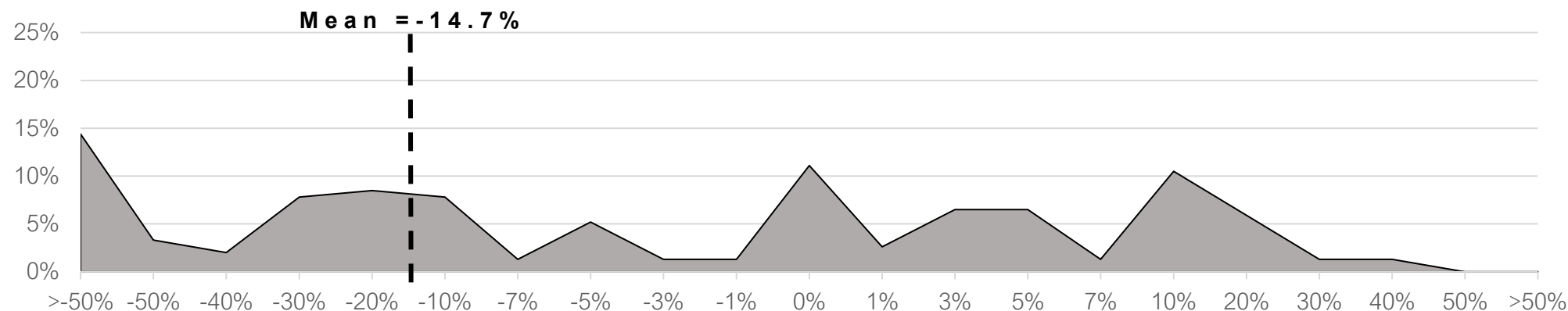
% Anticipated Change in Sales Revenue: Next 12 Months



Mean = 4.2%  
SD = 23.6%  
Mode = 10%

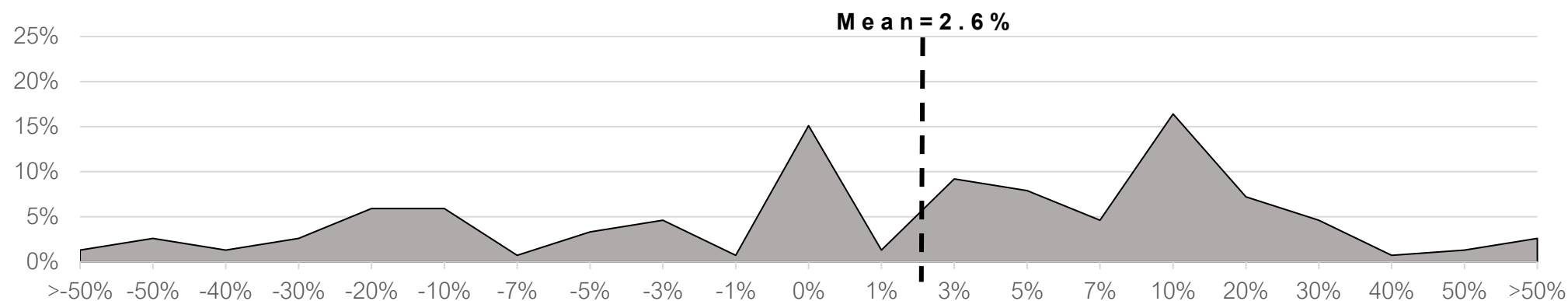
# 14.7% loss in profits during pandemic; 2.6% growth expected next year

% Change in Profits: Past 2 Months



Mean = -14.7%  
SD = 29.9%  
Mode = >-50%

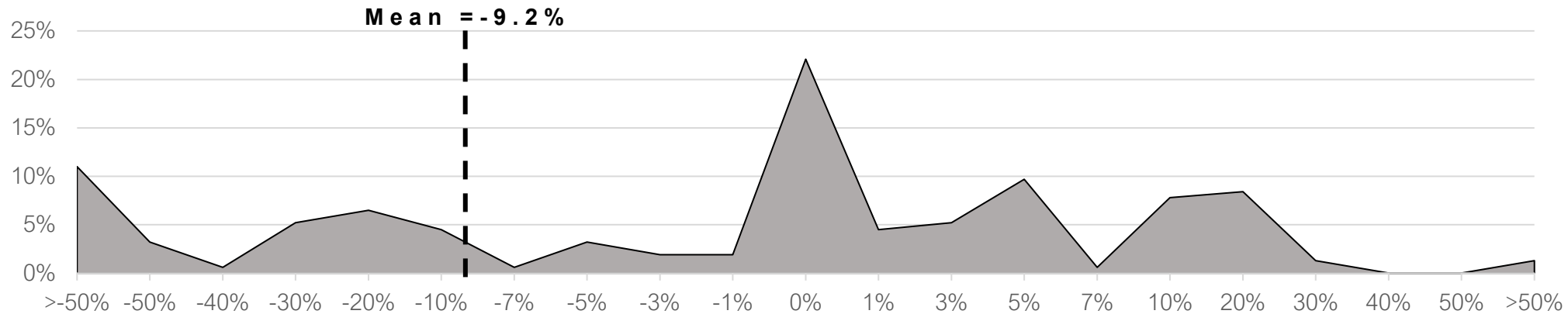
% Anticipated Change in Profits: Next 12 Months



Mean = 2.6%  
SD = 22.3%  
Mode = 10%

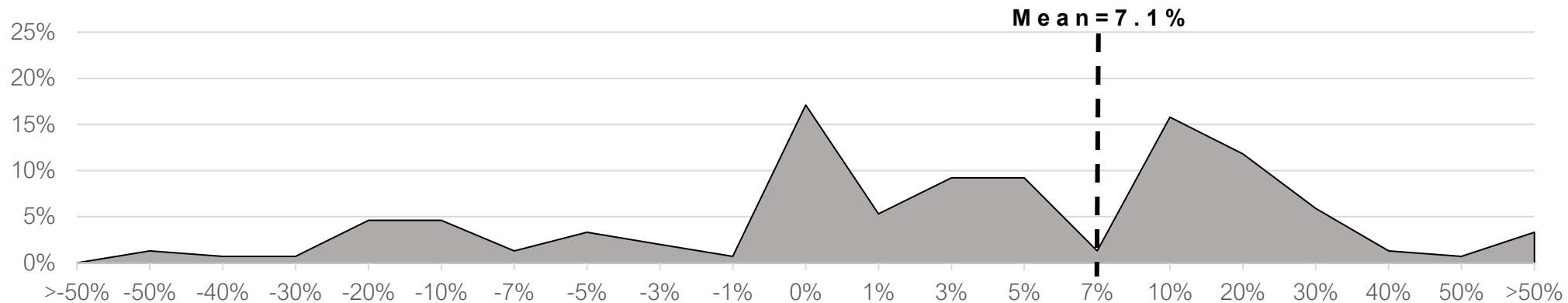
# 9.2% loss in customer acquisition during pandemic; 7.1% growth expected next year

% Change in Customer Acquisition: Past 2 Months



Mean = -9.2%  
SD = 29.0%  
Mode = 0%

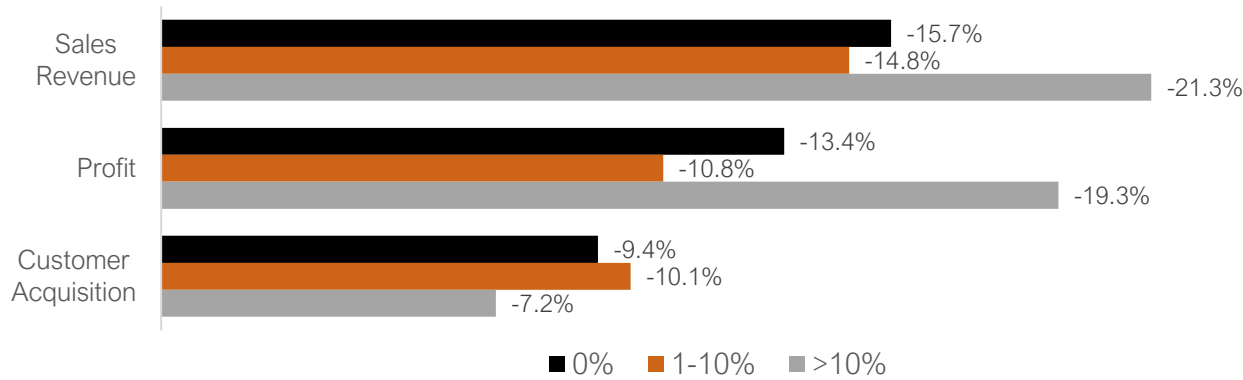
% Anticipated Change in Customer Acquisition: Next 12 Months



Mean = 7.1%  
SD = 19.2%  
Mode = 0%

# Lost performance during Covid-19: Firm and sector differences

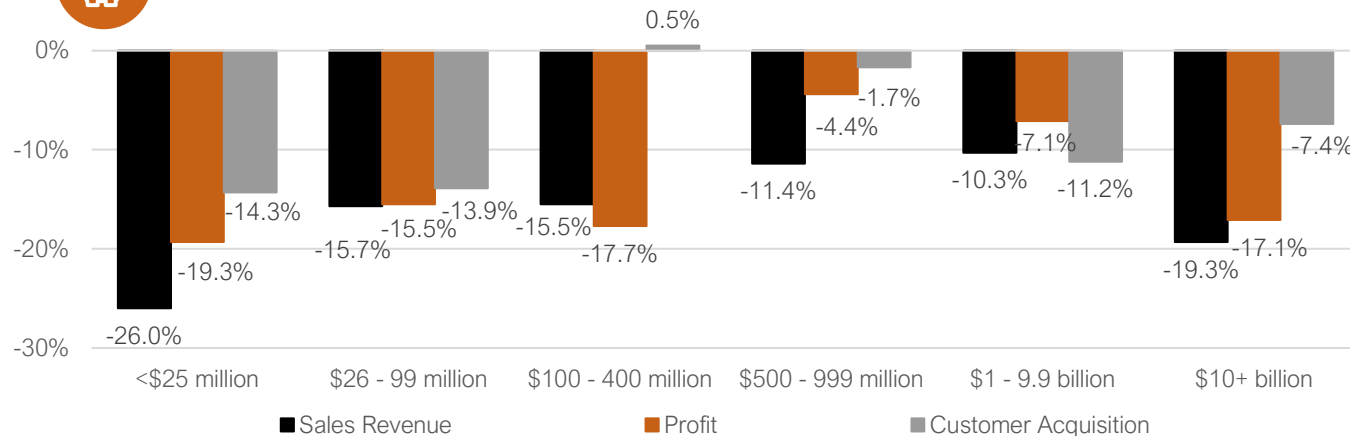
## Internet Sales



## Economic Sector

	Sales Revenue	Profit	Customer Acquisition
B2B Product	-14.3%	-9.8%	-7.2%
B2B Services	-16.9%	-12.0%	-7.7%
B2C Product	-17.6%	-13.3%	-5.0%
B2C Services	-27.1%	-31.2%	-20.1%

## Revenue

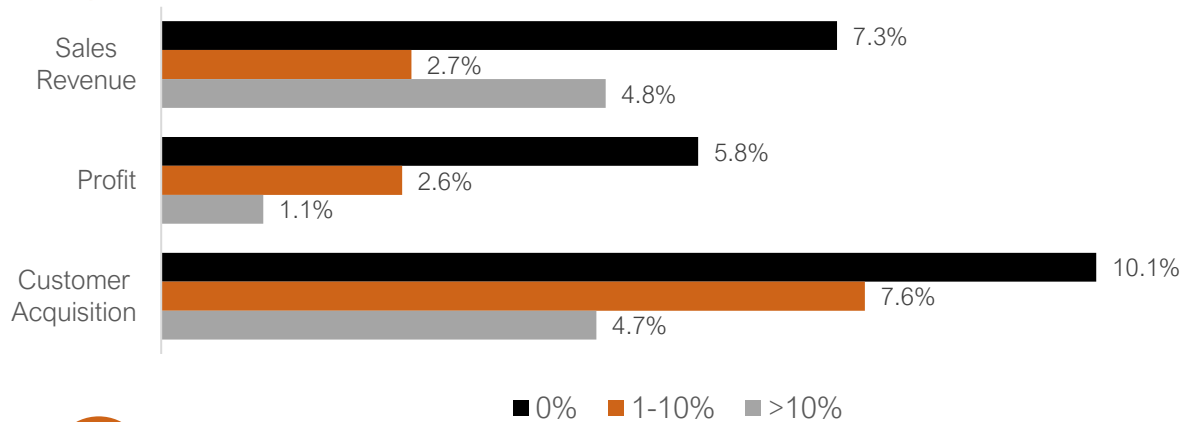


## Industry Sector

	Sales Revenue	Profit	Customer Acquisition
<b>Strongest Performer</b>	• Consumer Packaged Goods (-3.9%)	• Consumer Packaged Goods (-1.5%)	• Consumer Packaged Goods (-0.2%)
<b>Weakest Performer</b>	• Transportation (-32.5%)	• Consumer Services (-30.6%)	• Transportation (-32.5%)

# Future performance during Covid-19: Firm and sector differences

## Internet Sales



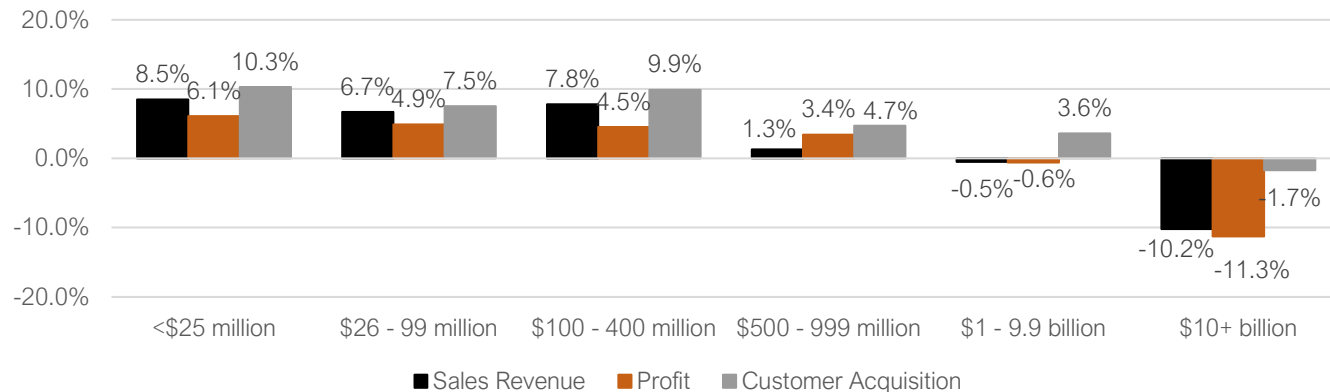
## Economic Sector

	Sales Revenue	Profit	Customer Acquisition
B2B Product	7.1%	5.4%	8.2%
B2B Services	6.6%	8.0%	9.5%
B2C Product	5.0%	2.9%	10.1%
B2C Services	-7.0%	-13.9%	-2.3%

## Industry Sector

Sales Revenue	Profit	Customer Acquisition
• Technology (12.1%)	• Healthcare (9.3%)	• Prof. Services/ Consulting (13.8%)
• Transportation (-3.7%)	• Consumer Services (-8.2%)	• Transportation (1.5%)

## Revenue







# Marketing Spending

As firm budgets and revenues drop, marketing budgets rise to the highest percentage of firm budgets and revenues in the Survey's history, at 12.6% and 11.4%, respectively. The fact that marketing budgets did not drop at the same rate as budgets and revenues likely reflects priorities given to marketing to retain customers and maintain brand awareness during the pandemic.

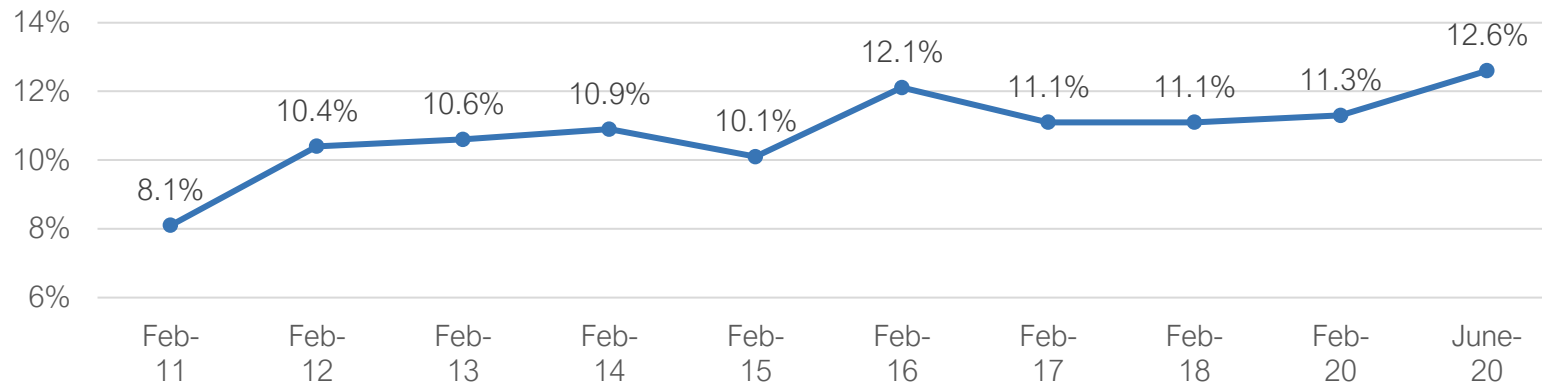
Despite headcount loss, 30.3% of marketers—the largest segment—have experienced no change in their overall marketing budgets during the pandemic. On average, marketers report they have gained about 5% in overall, digital, nondigital budgets in the past two months. These changes are expected to return to pre-pandemic levels for nondigital budgets in 6-12 months, whereas digital budgets are expected to return within one month.

Comparing changes in marketing spending in the prior and next 12 months to February 2020 reports, we observe a reduction in marketing budgets over the last year from 5.8% in February to 0.9% in June. Similarly, expectations for marketing budget growth in the next 12 months were 7.6% in February and dropped to 1.6% in June.

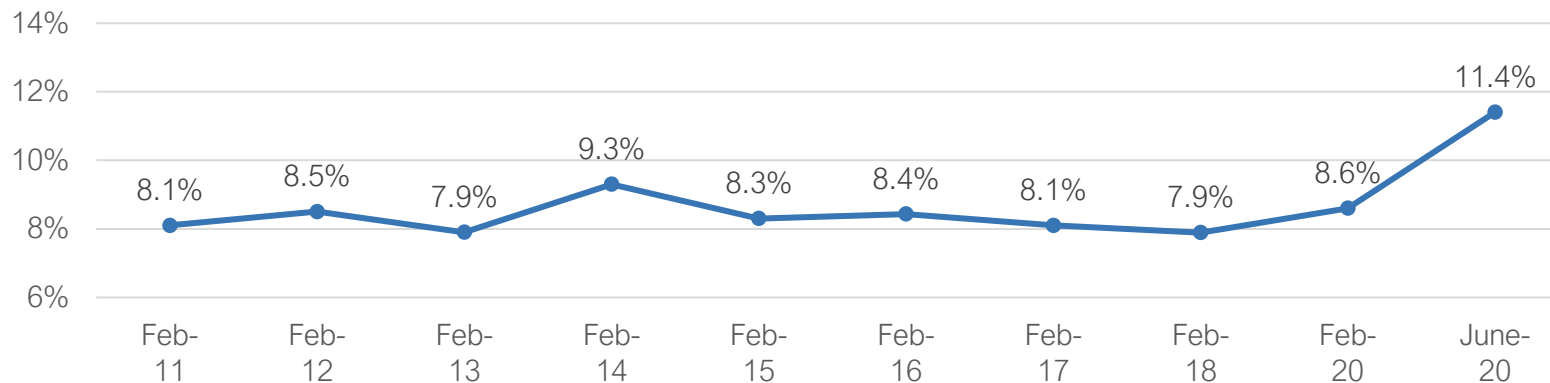
Marketers report an increase in spending of about 10% of marketing budgets on customer experience since the February 2020 Survey. While spending on CX has risen, training spending has fallen about 24% from its highest level in August 2019.

# Pandemic raises marketing budgets as a % of firm budget and revenue to highest levels in CMO Survey history

What percentage of your firm's overall budget does marketing currently account for?



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



## Economic Sector

	% Budget	% Revenue
B2B Product	11.3%	8.3%
B2B Services	11.3%	12.0%
B2C Product	17.3%	13.9%
B2C Services	14.9%	15.0%



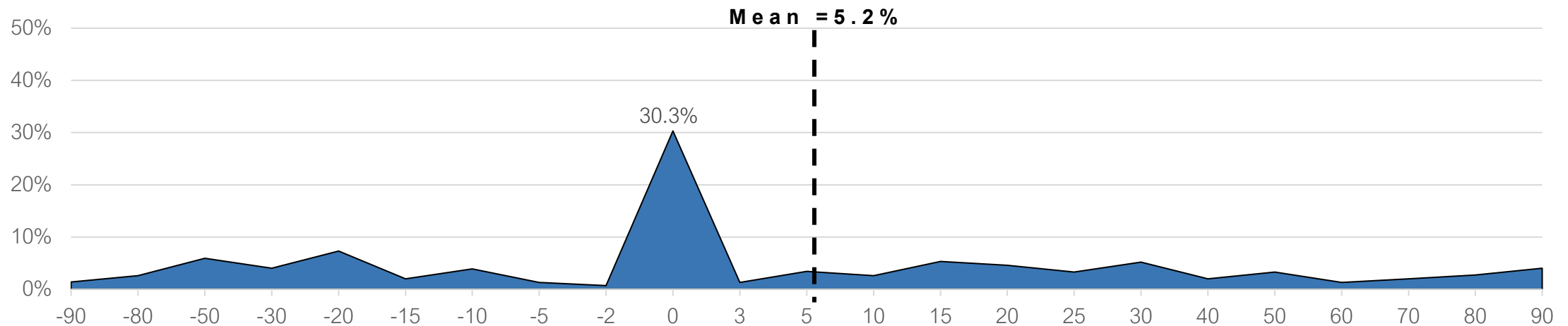
## Insights

As firm budgets and revenues dropped, marketing budgets as a percent rose, likely reflecting priorities given to marketing to retain customers and maintain brand awareness. Top industry sectors are Consumer Services and Communications while bottom sectors are Healthcare and Manufacturing.

# Pandemic leaves marketing budget winners (41.3%) and losers (28.4%) with 30.3% experiencing no change; budgets to be restored within one year

What percentage of your overall marketing budget has been lost or gained due to Covid-19 in the prior two months? When do you anticipate this budget will return to pre-pandemic levels?

## % Change in Overall Marketing Budget: Past 2 Months



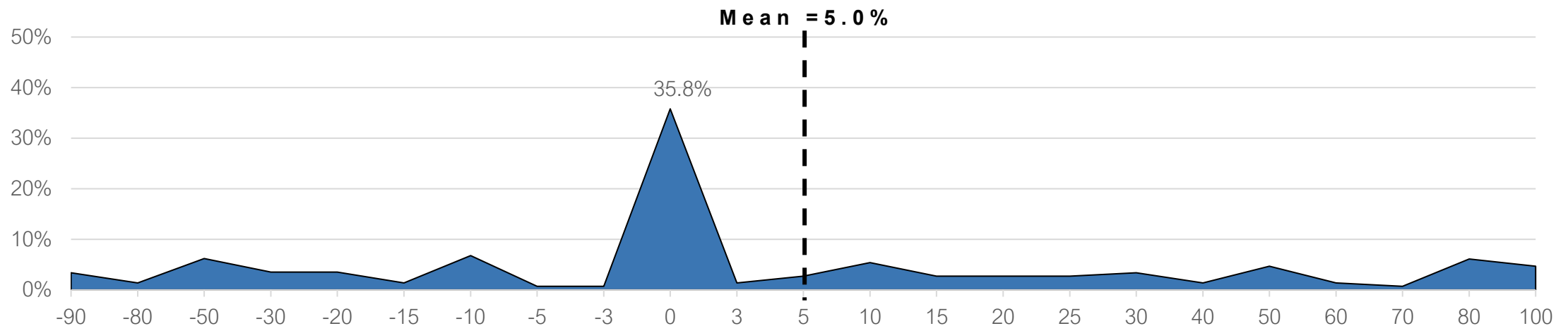
## Anticipated Return of Overall Marketing Budget

	1 month	2-3 months	4-6 months	6-12 months	1-2 years	3+ years	Never
Overall marketing budget	10.0%	7.1%	12.1%	29.3%	26.4%	3.6%	11.4%

# Nondigital budgets follow trajectory of overall budgets

What percentage of your nondigital marketing budget has been lost or gained due to Covid-19 in the prior two months? When do you anticipate this budget will return to pre-pandemic levels?

## % Change in Nondigital Marketing Budget: Past 2 Months



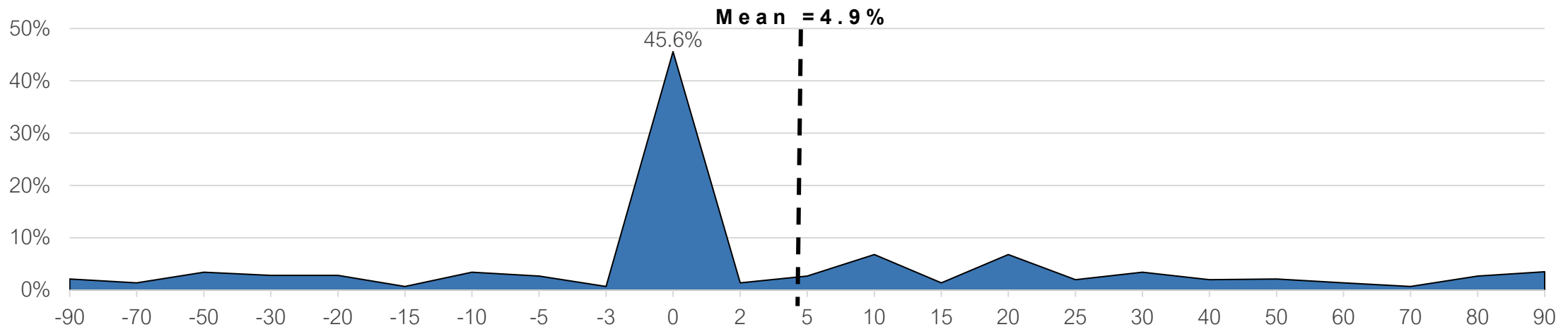
## Anticipated Return of Nondigital Marketing Budget

	1 month	2-3 months	4-6 months	6-12 months	1-2 years	3+ years	Never
Nondigital marketing budget	7.2%	5.0%	13.7%	26.6%	23.7%	3.6%	20.1%

# Nearly half of all digital marketing budgets remain unchanged during pandemic; those changing to be restored in next month

What percentage of your digital marketing budget has been lost or gained due to Covid-19 in the prior two months? When do you anticipate this budget will return to pre-pandemic levels?



## % Change in Digital Marketing Budget: Past 2 Months



## Anticipated Return of Digital Marketing Budget

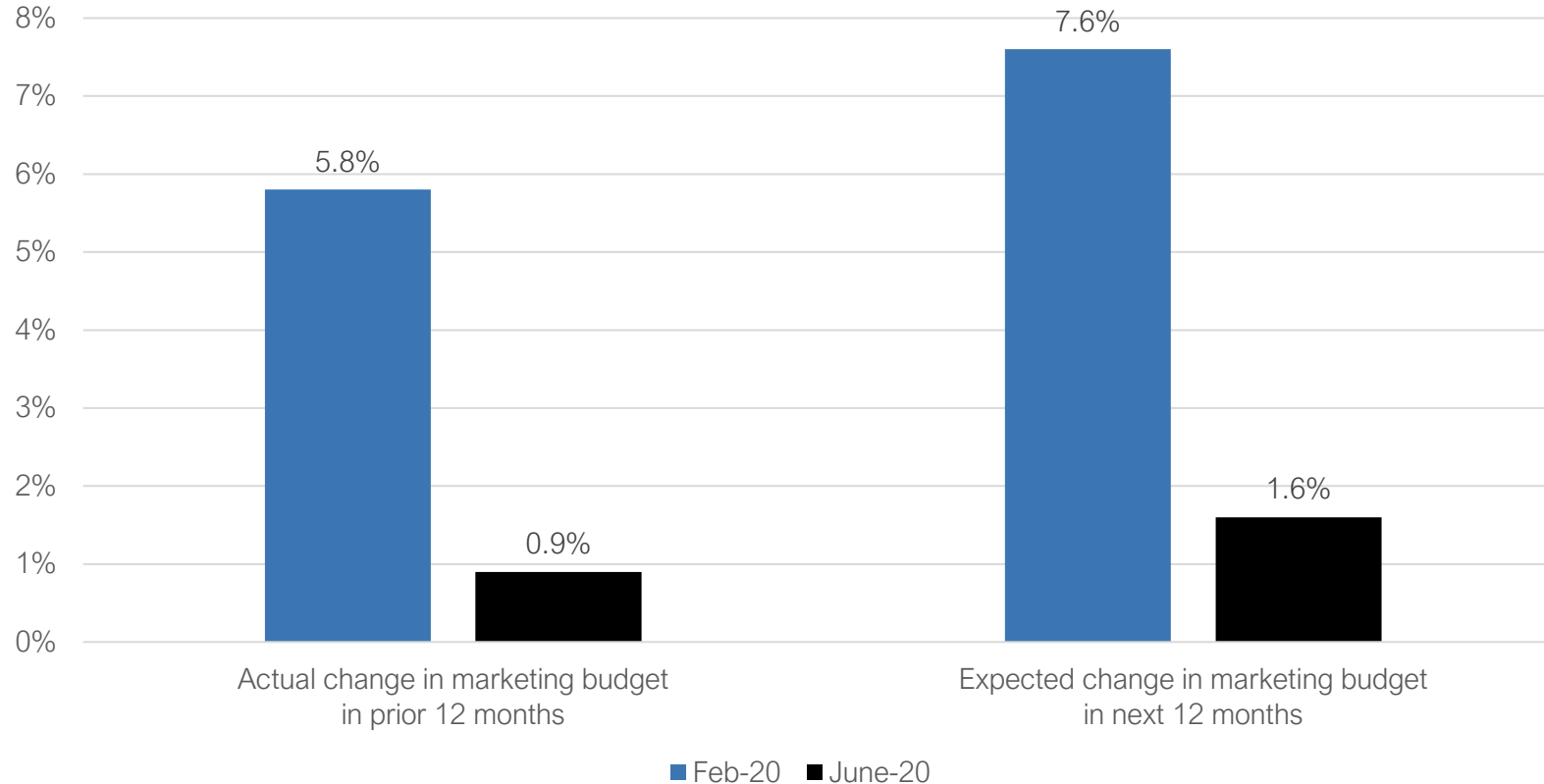
	1 month	2-3 months	4-6 months	6-12 months	1-2 years	3+ years	Never
Digital marketing budget	26.5%	5.9%	17.6%	25.7%	9.6%	1.5%	13.2%

# Sectors vary considerably in cuts and timing of restored budgets

	Overall marketing budgets		Non-digital marketing budgets		Digital marketing budgets	
	% Change	Timing of Return	% Change	Timing of Return	% Change	Timing of Return
 <b>B2B Product</b>	2.8%	1-2 years	4.3%	1-2 years	3.7%	1 month
<b>B2B Services</b>	8.7%	6-12 months	5.8%	6-12 months	9.3%	6-12 months
<b>B2C Product</b>	-4.4%	6-12 months	0.6%	6-12 months	2.5%	1 month
<b>B2C Services</b>	11.5%	1-2 years / 6-12 months (tie)	8.8%	1-2 years	1.4%	6-12 months
 <b>Industry Sector</b>	<ul style="list-style-type: none"> <li>• <u>Smallest cuts:</u> Consumer Services (18.2%)</li> </ul>	<ul style="list-style-type: none"> <li>• <u>1 month (Highest %):</u> Manufacturing (23.5%)</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Smallest cuts:</u> Retail (14.1%)</li> </ul>	<ul style="list-style-type: none"> <li>• <u>1 month (Highest %):</u> Manufacturing (17.6%)</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Smallest cuts:</u> Retail (11.4%)</li> </ul>	<ul style="list-style-type: none"> <li>• <u>1 month (Highest %):</u> Banking (57.1%)</li> </ul>
	<ul style="list-style-type: none"> <li>• <u>Largest cuts:</u> Consumer Packaged Goods (-8.2%)</li> </ul>	<ul style="list-style-type: none"> <li>• <u>3+ Years (Highest %):</u> Communications (11.1%)</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Largest cuts:</u> Banking (-5.2%)</li> </ul>	<ul style="list-style-type: none"> <li>• <u>3+ Years (Highest %):</u> Technology (9.5%)</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Largest cuts:</u> Banking (-10.9%)</li> </ul>	<ul style="list-style-type: none"> <li>• <u>3+ Years (Highest %):</u> Communications (5.6%)</li> </ul>

# Marketing spending weaker than February 2020 expectations

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



## Economic Sector

	Prior 12 Months	Next 12 Months
B2B Product	-0.4%	1.5%
B2B Services	1.1%	10.0%
B2C Product	-1.5%	-4.3%
B2C Services	5.5%	-8.8%



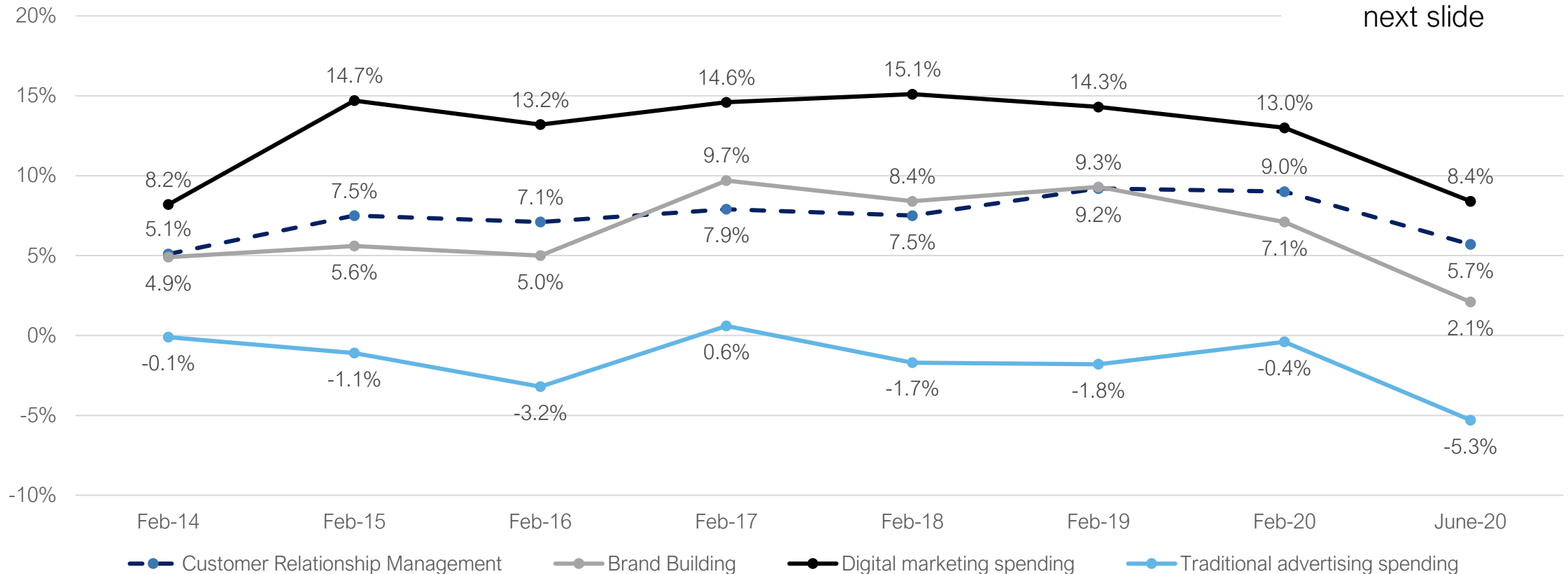
## Insights

In the prior 12 months, spending increased from -.4% to 2.0% as percentage of Internet sales increased from 0% to >10%. Looking to the next 12 months, Healthcare (12.9%) expects the largest gain, while Consumer Services (-7.6%) expects the biggest drop.

# All marketing spending to face reductions in next 12 months

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

See more industry breakouts on next slide





# How companies and sectors vary on marketing spending 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**  
(-5.3% overall average)

Companies worth \$1-9.9B expect the largest negative change (-7.6%), while other sizes expect -4 to -5% change



**Digital marketing spending**  
(8.4% overall average)

B2C Services projects negative growth (-1.4%) while B2C Product and B2B sectors expect ~10% growth



**Brand building**  
(2.1% overall average)

Healthcare expects the largest positive change in spending (9.0%), whereas Transportation expects the largest negative (-14.5%)



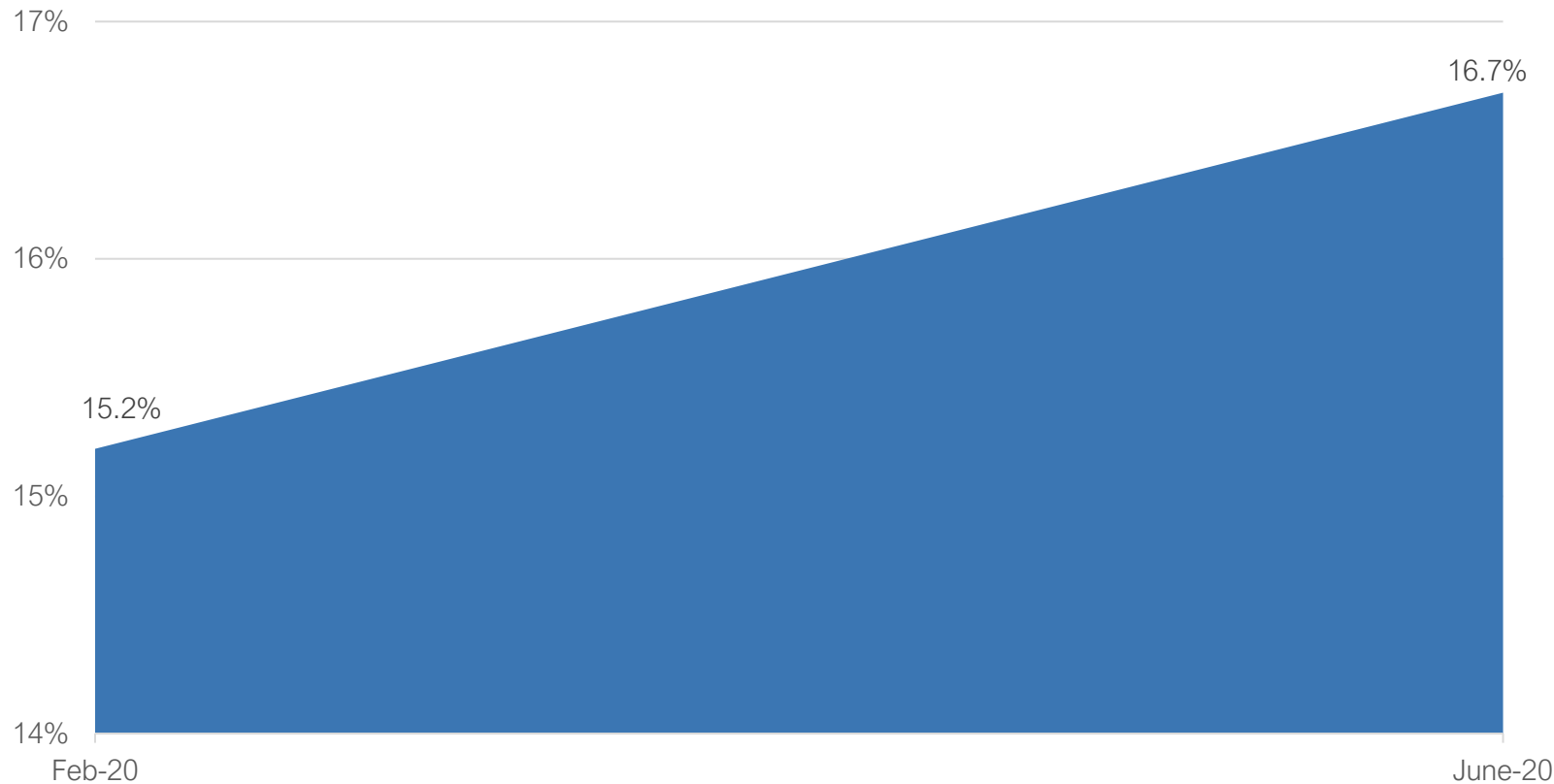
**Customer relationship management**  
(5.7% overall average)

Companies with 0-10% Internet sales see 7.2% growth, while companies with >10% Internet sales see roughly half that (3.1%)

[Learn about your Industry here](#)

# Marketers spend more on customer experience during Covid-19

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



## Economic Sector

- B2B Product: 17.0%
- B2B Services: 20.1%
- B2C Product: 14.0%
- B2C Services: 11.6%

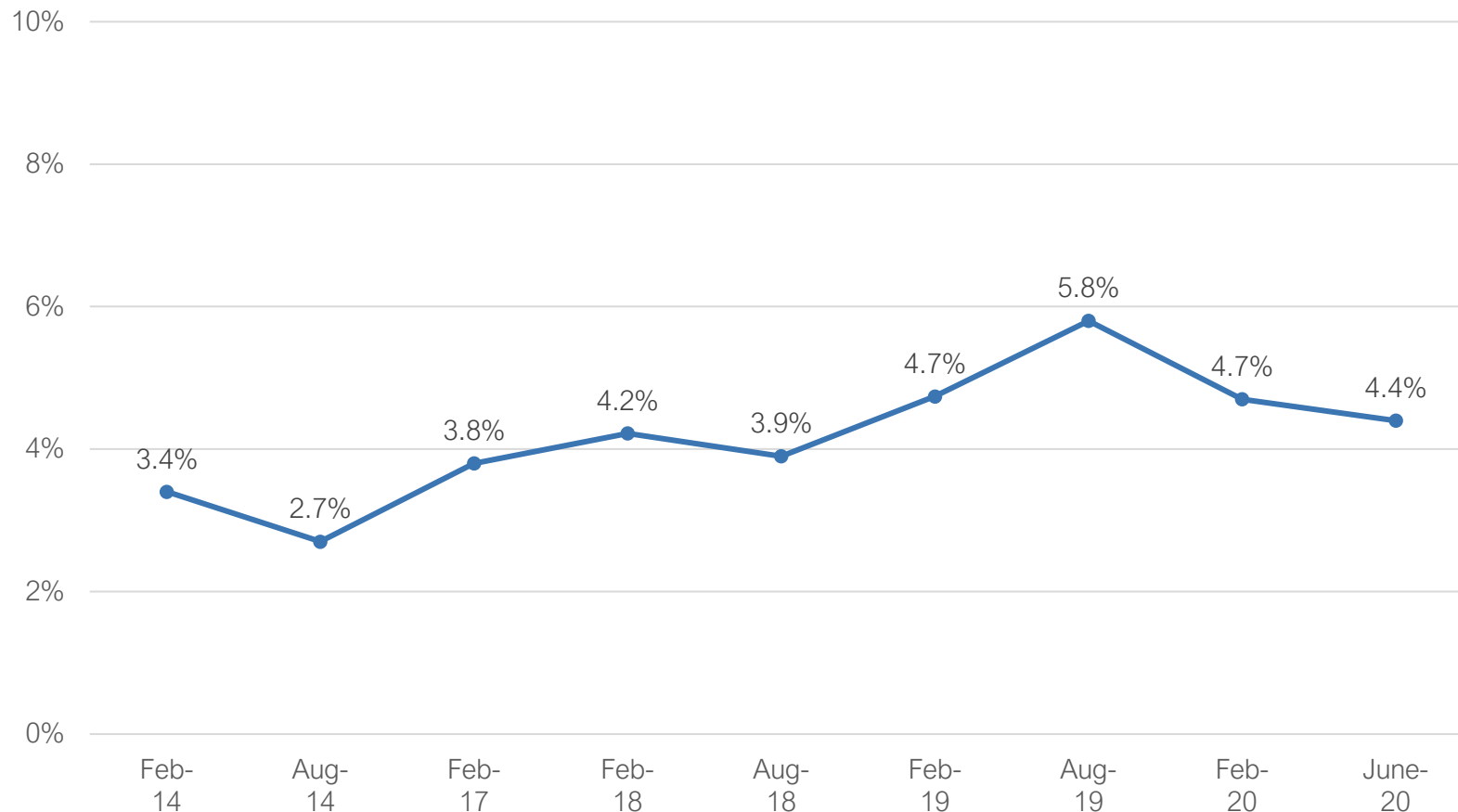


## Insights

B2B marketers outspend B2C marketers on CX. The biggest share of marketing budgets spent on customer experience is in the Prof. Services/Consulting industry (27.8%). The Consumer Services industry companies report the lowest percentage spent on customer experience (9.3%).

# Spending on training falls during pandemic

What percent of your marketing budget is currently dedicated to training and development?



## Economic Sector

- B2B Product: 5.5%
- B2B Services: 5.0%
- B2C Product: 2.8%
- B2C Services: 2.1%



## Insights

Spend on training and development decreases as Internet sales increase (0% sales = 5.2% to >10% sales = 2.6%). The biggest share of budgets spent on training and development is in the Manufacturing industry (7.2%). The Communications industry reports the lowest spend (2.3%).



## Marketing Jobs

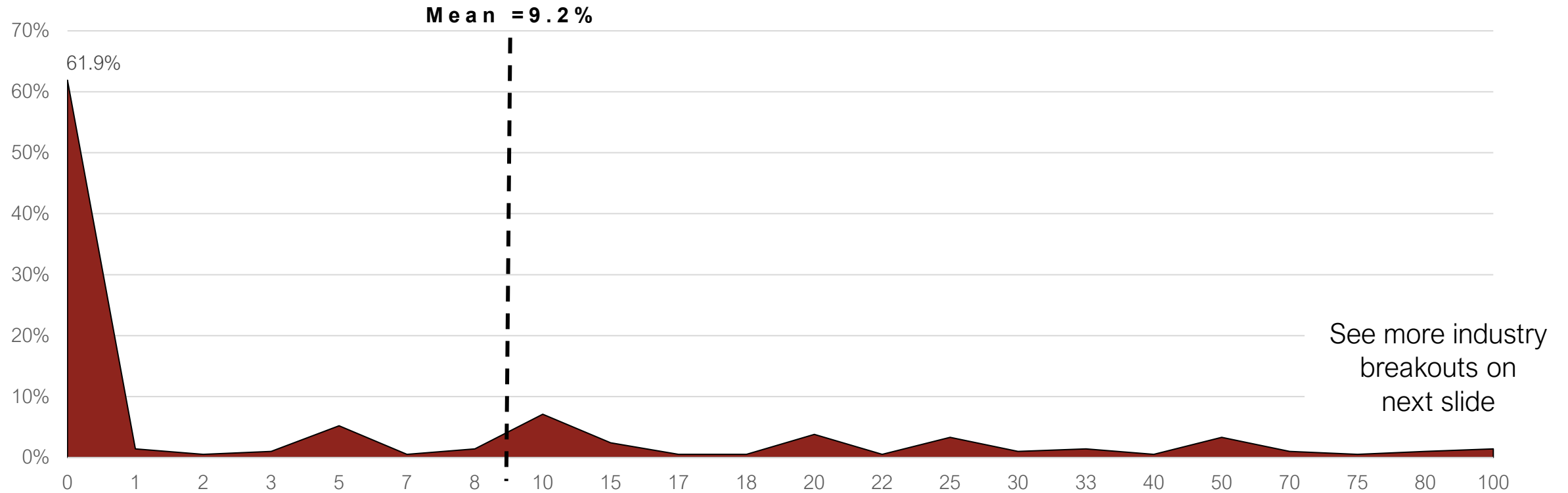
Nine percent of marketing jobs have been lost due the pandemic, with the most job losses in Transportation and Professional Services/Consulting. The largest majority of marketers (24%) anticipate these jobs will never return, with 19.2% of marketers expecting these jobs to return in 6-12 months and 19.9% expecting them to return 1-2 years from now.

Marketers report that marketing employees are being used to get active online promoting the company, developing new promotional strategies, and reaching out to current customers.

Planned marketing hiring drops to the lowest point in Survey history, going negative for the first time in Survey history with average hiring predicted to be -3.5% in the next year. Sectors vary, with Mining/Construction predicting -25.7% less hiring and Healthcare/Pharma +2.7%. B2C companies suffer the biggest drops at -6.2% for B2C Product and -4.5% for B2C Services. Among marketers who are hiring, they rank the “ability to pivot” as the most important skill they will seek in new hires. “Creativity and innovation” as well as “ability to navigate ambiguity” round out the top three skills sought in new marketing hires.

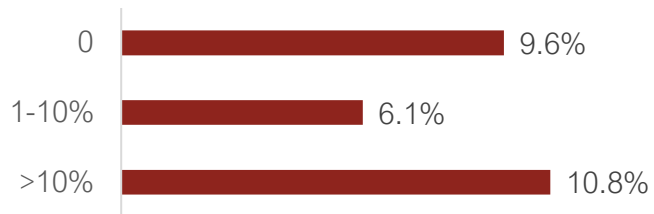
# 9% of marketing jobs lost due to Covid-19

What percent of marketing jobs in your company were lost due to the Covid-19 pandemic?

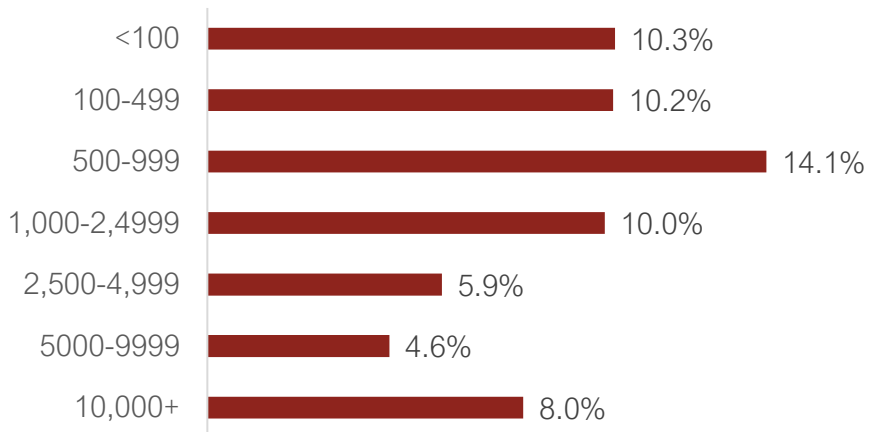


# Firm and industry sector differences in marketing job losses

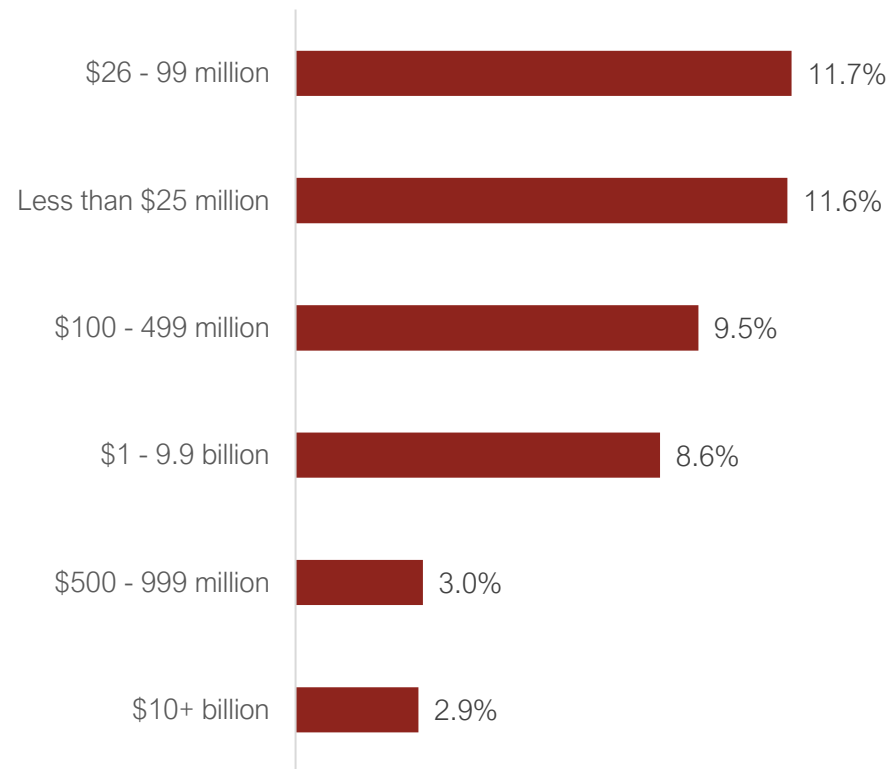
## INTERNET SALES



## EMPLOYEES



## REVENUE



### Economic Sector

- B2B Product: 6.8%
- B2B Services: 8.2%
- B2C Product: 9.8%
- B2C Services: 15.3%



### Industry Sector

#### Most Job Losses

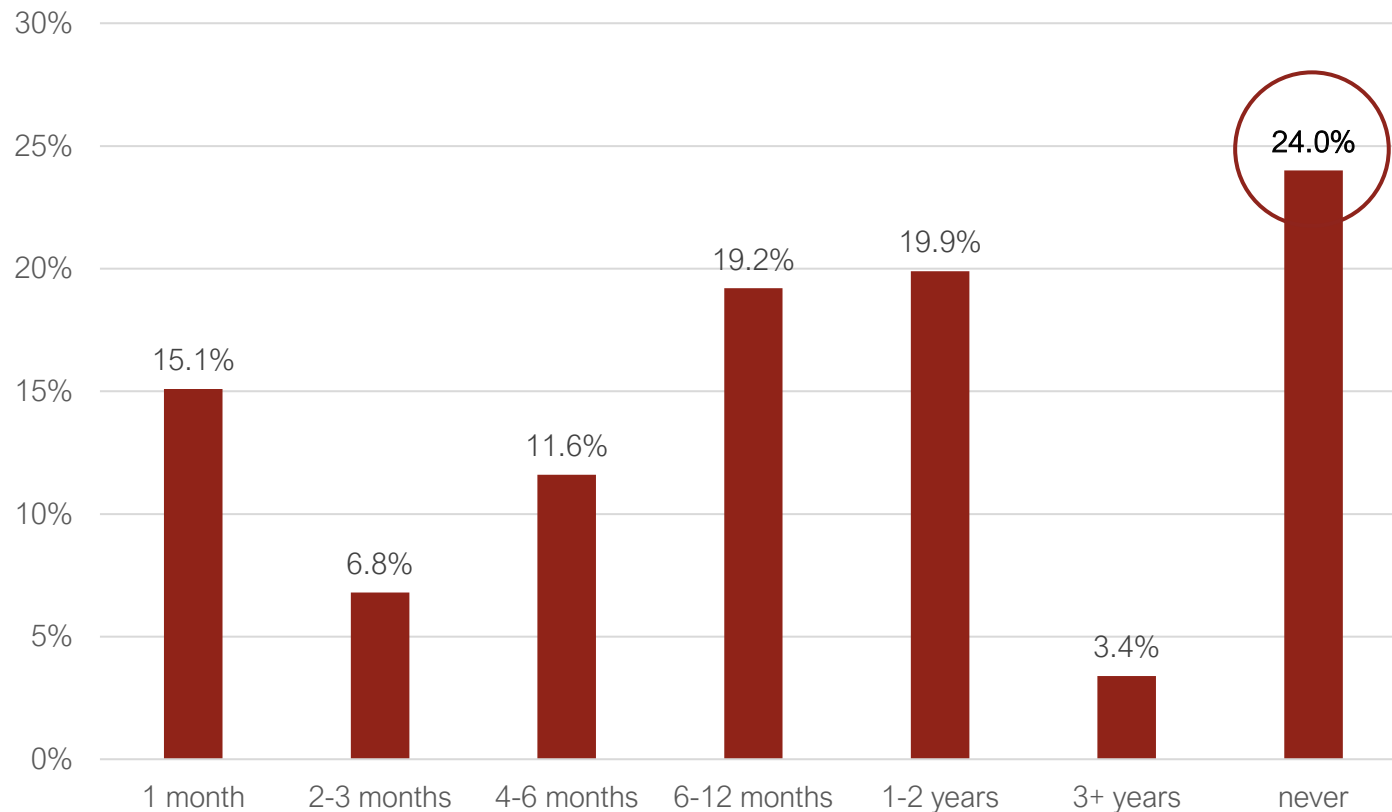
- Transportation
- Prof. Services/Consulting

#### Fewest Job Losses

- Healthcare
- Communications / Media

# 24% of marketers—the largest segment—do not expect marketing jobs to return

When do you anticipate these jobs returning to pre-pandemic levels?



## Economic Sector

	1 Month	6-12 Months	Never
B2B Product	10.0%	26.0%	22.0%
B2B Services	12.5%	20.8%	29.2%
B2C Product	22.7%	13.6%	22.7%
B2C Services	23.1%	7.7%	19.2%

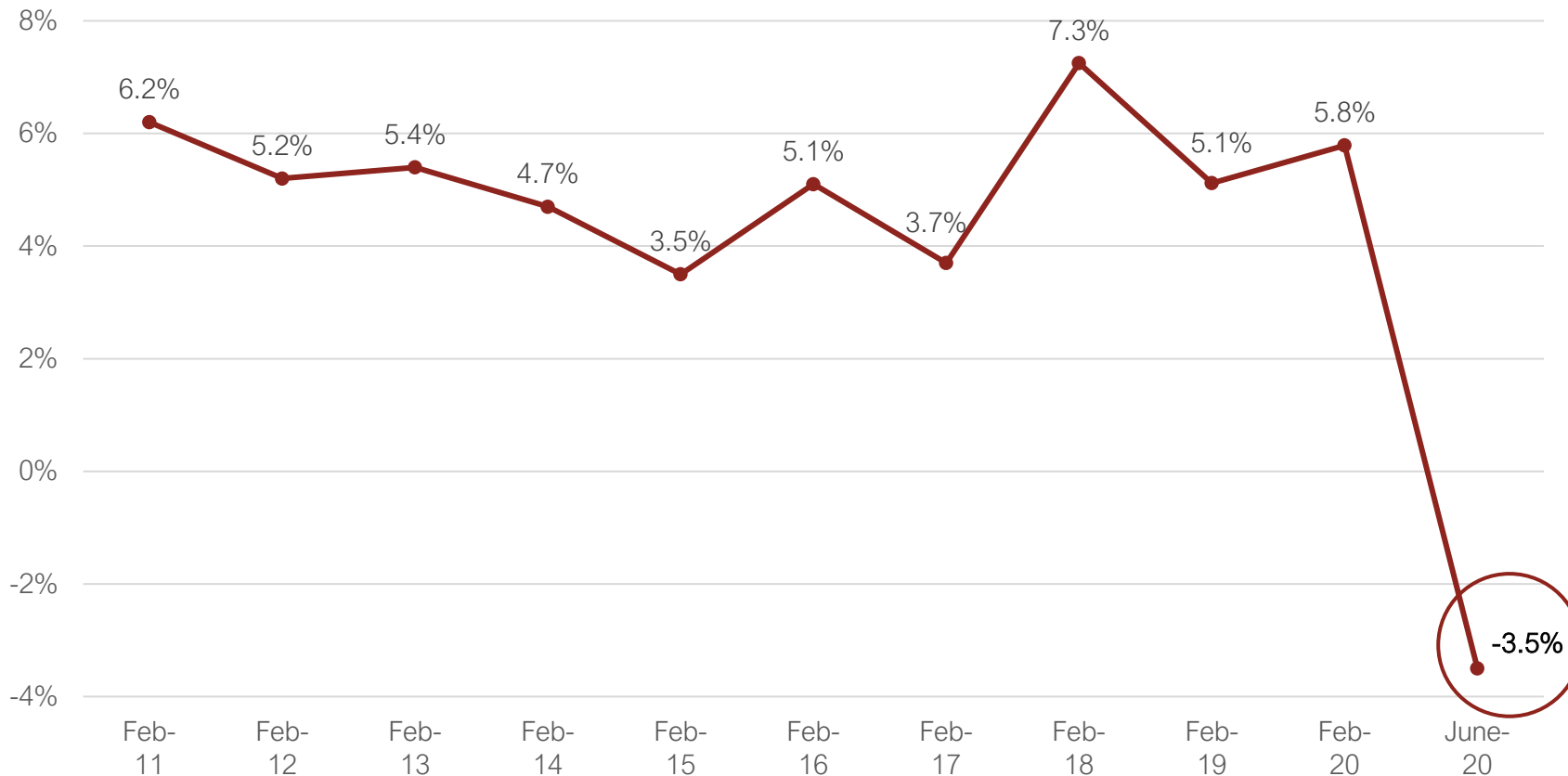


## Industry Sector

1 Month	6-12 Months	Never
<ul style="list-style-type: none"> <li>• Energy (66.7%)</li> <li>• Banking (33.3%)</li> <li>• Consumer Services (33.3%)</li> </ul>	<ul style="list-style-type: none"> <li>• Technology (31.6%)</li> <li>• Retail (27.3%)</li> </ul>	<ul style="list-style-type: none"> <li>• Transportation (50%)</li> <li>• Prof. Services/ Consulting (41.2)</li> <li>• Consumer Packaged Goods (33.3%)</li> </ul>

# Expected marketing hiring drops to historic lows

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



## Economic Sector

- B2B Product: -2.1%
- B2B Services: -3.2%
- B2C Product: -6.2%
- B2C Services: -4.5%



## Internet Sales

- 0% sales: -.4%
- 1-10% sales: -4.0%
- >10% sales: -5.4



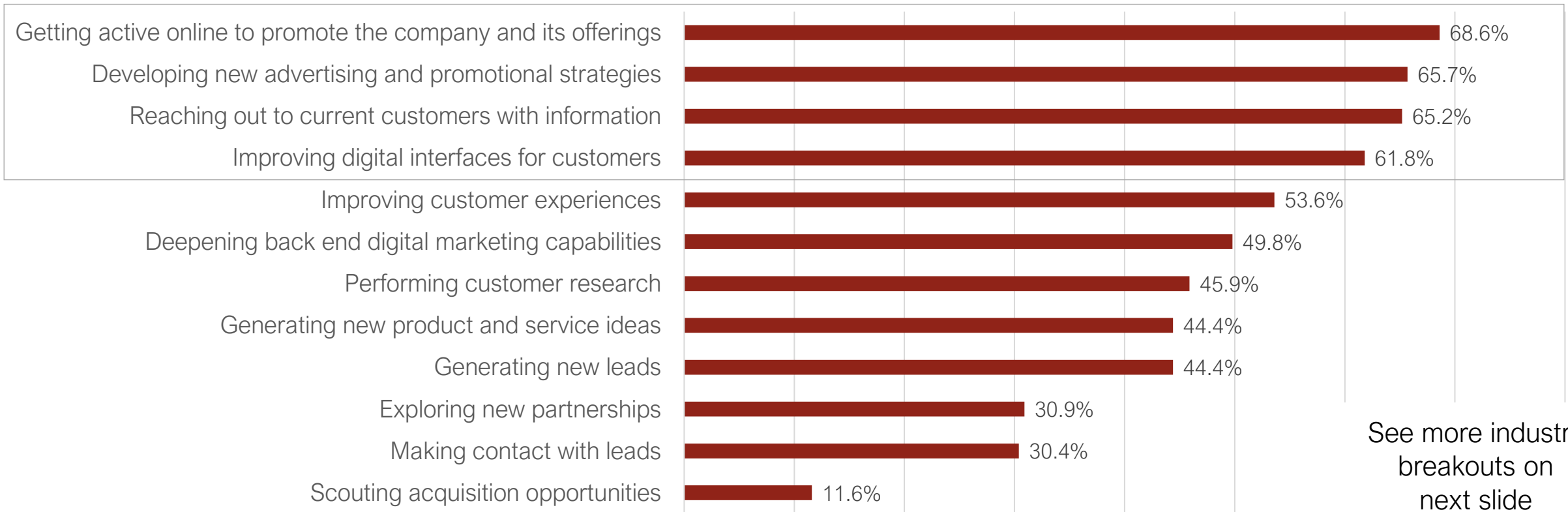
## Industry Sector

- Weakest future marketing hiring
- Mining/Construction (-25.7%)
- Strongest future marketing hiring
- Healthcare (+2.7%)



# Marketing employees used for online promotion during Covid-19

How have you used your marketing employees during the pandemic? (Check all that apply)

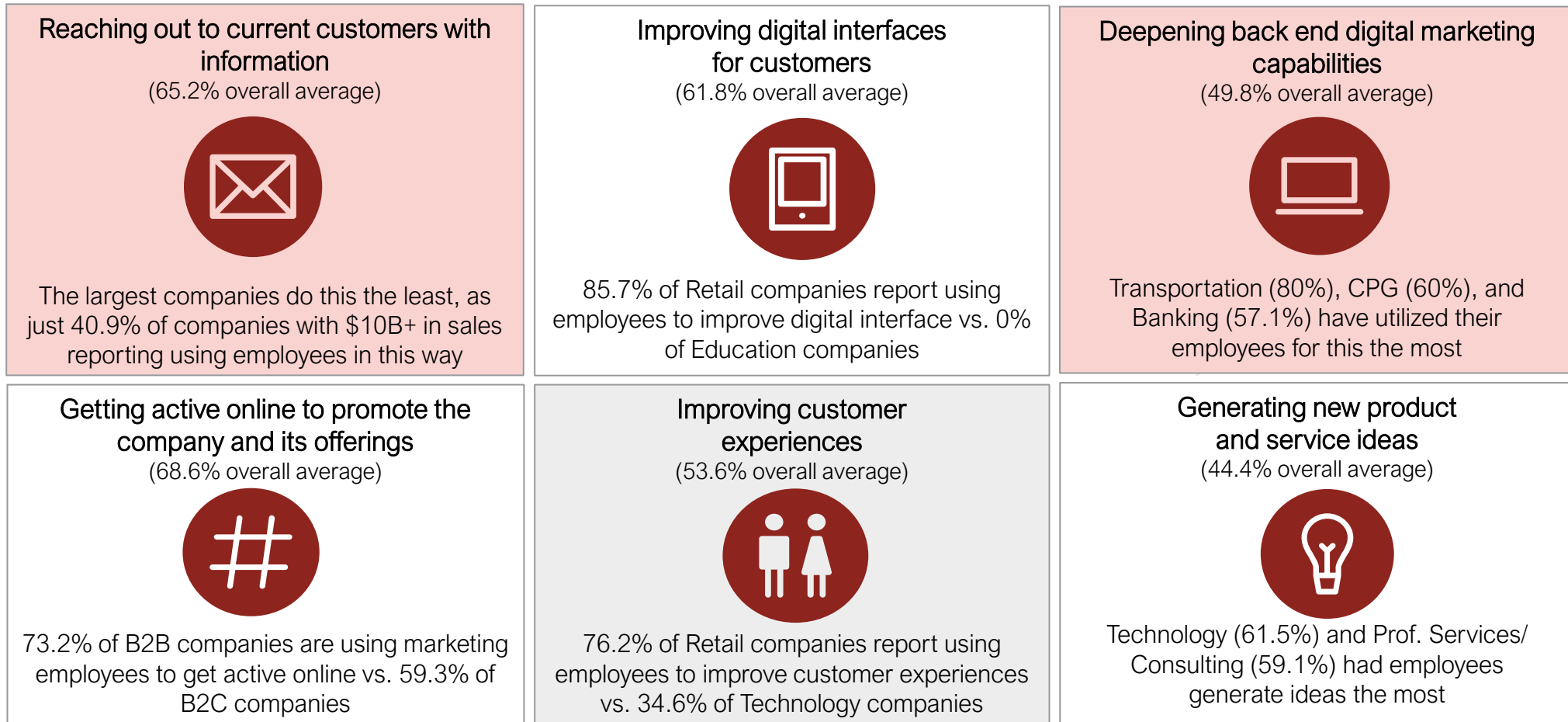


See more industry  
breakouts on  
next slide

# How firms and industry sectors used marketing employees during Covid-19

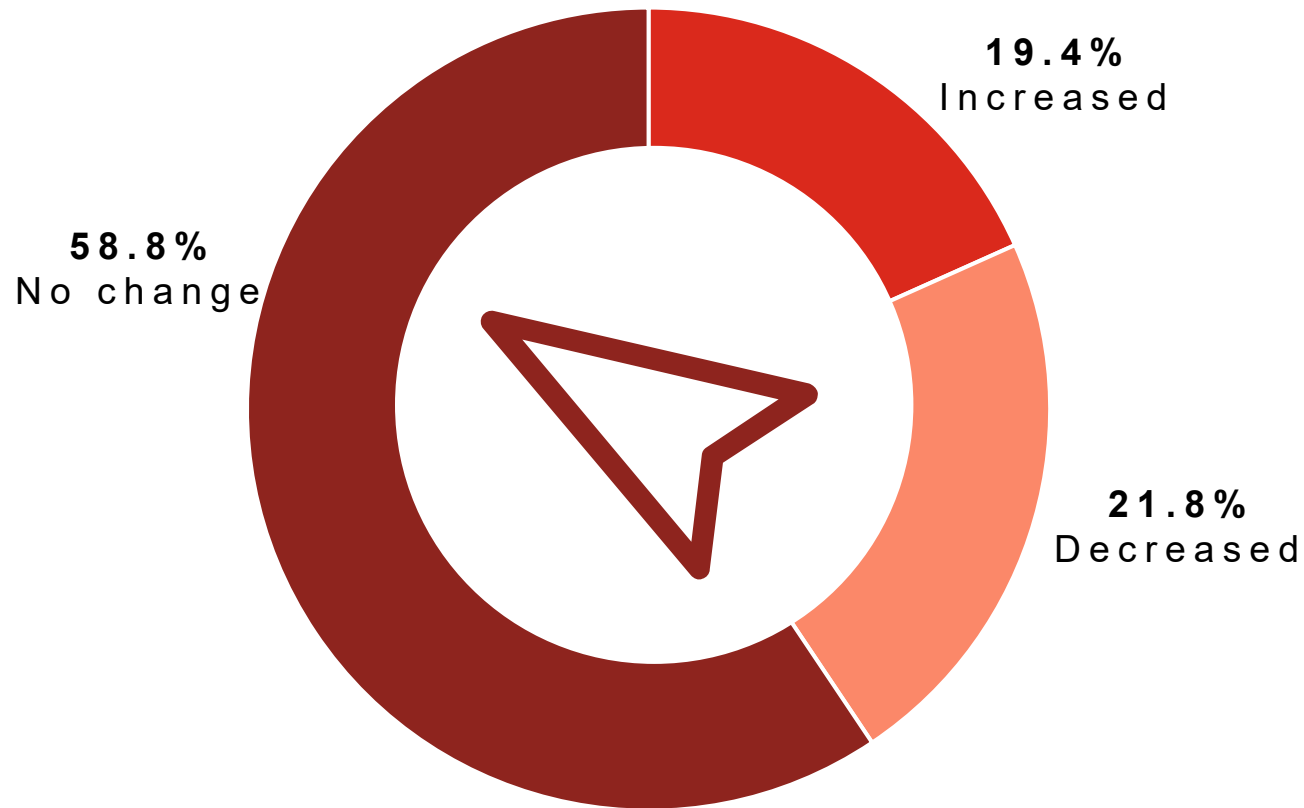
How have you used your marketing employees during the pandemic? (Check all that apply)

[Learn about your Industry here](#)



# Outsourcing of marketing did not change due to Covid-19

Has the percentage of outsourced marketing activities changed in the wake of Covid-19 pandemic? (February 2020 Survey shows outsourcing at 4.1%)



## Economic Sector

	Increase	No Change	Decrease
B2B Product	26.4%	54.2%	19.4%
B2B Services	11.6%	66.7%	21.7%
B2C Product	24.2%	60.6%	15.2%
B2C Services	16.2%	51.4%	32.4%



## Industry Sector

Increase	No Change	Decrease
<ul style="list-style-type: none"> <li>• Technology (30.8%)</li> <li>• Prof. Services/ Consulting (20.8%)</li> </ul>	<ul style="list-style-type: none"> <li>• Consumer Packaged Goods (75.0%)</li> <li>• Technology (46.2%)</li> </ul>	<ul style="list-style-type: none"> <li>• Consumer Services (38.5%)</li> <li>• Technology (23.1%)</li> </ul>

# Marketers to prioritize ability to pivot in new hires

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

Overall Ranking	Prioritized Skills
1	Ability to pivot as new priorities emerge (mean rank = 2.1, % #1 rank = 29.6%)
2	Creativity and innovation skills (mean rank = 2.3, % #1 rank = 20.2%)
3	Navigating ambiguity (mean rank = 3.0, % #1 rank = 7.9%)
4	Emotional intelligence (mean rank = 3.1, % #1 rank = 8.9%)
5	Data science background (mean rank = 3.2, % #1 rank = 12.3%)
6	Curiosity (mean rank = 3.4, % #1 rank = 5.9%)
7	Natural leadership abilities (mean rank = 3.5, % #1 rank = 5.4%)
8	MarTech platform experience (mean rank = 3.6, % #1 rank = 8.9%)
9	Financial acumen (mean rank = 5.1, % #1 rank = 1.0%)



## Economic Sector

### Ability to Pivot

B2B Product: 2.0  
 B2B Services: 2.4  
 B2C Product: 1.7  
 B2C Services: 2.1



## Insights

Ability to pivot varies by percentage of sales over the Internet (0% Internet sales = 2.5, >10% Internet sales = 1.9). The Manufacturing industry mostly prioritizes ability to pivot (1.8) whereas Healthcare (3.0) prioritizes this least. As for creativity, Manufacturing (1.7) most prioritizes whereas Retail deprioritizes (3.1).



# Managing Marketing

Marketers are split in their level of preparedness for the pandemic (mean 3.8) and rely heavily on improvisation (mean 5.6, both on 7-point scales) to generate new strategies. Most marketers use internal resources (e.g., top management and team member experiences), more than external resources (e.g., customer or competitor research) to guide their actions. Though marketers do improvise heavily, they rely less on experimentation (31.4%, compared with 34.6% in February 2020).

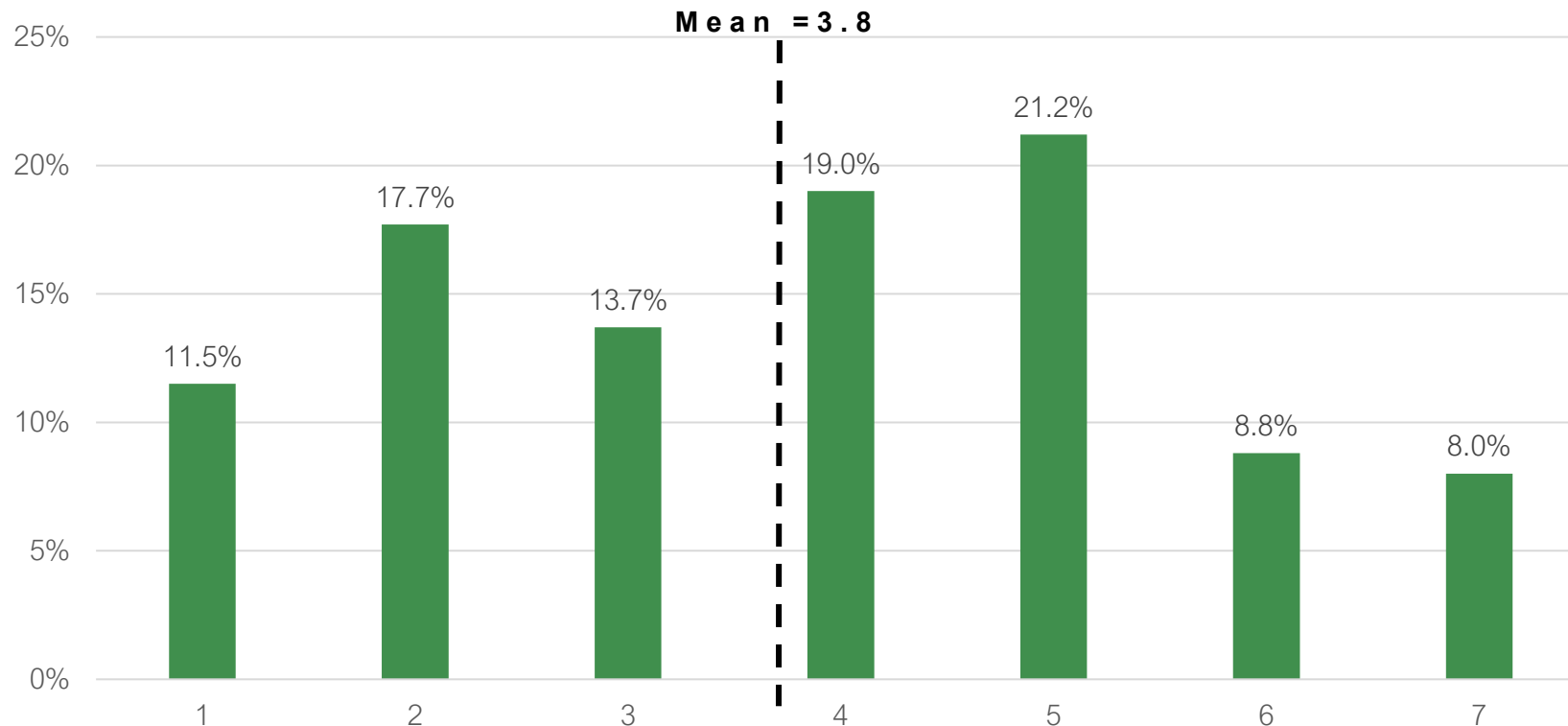
Marketers' key objectives during the pandemic are building brand value that connects with customers (34%) and retaining current customers (33.5%), more than improving ROI (3.5%) or even customer acquisition (14%). Considering marketing opportunities, marketers shift resources toward building better customer-facing digital interfaces (61%), transforming their business models (56%), expanding into new offerings (42%), and building partnerships (41%) over new markets, new capabilities, new automation, and data integration. Marketers believe these strategies will be important long-term opportunities for their companies.

Marketers indicate that their Covid-19 marketing strategies have worked well in the short-run to keep their companies afloat (5.1 on a 7-point scale) and even more positive that these strategies will help them survive in the long-run (5.5).

[HOME](#) [MACROECONOMICS](#) [CUSTOMERS](#) [PERFORMANCE](#) [SPENDING](#) [JOBS](#) [MANAGING](#) [MOBILE/SOCIAL](#) [LEADERSHIP](#) [GROWTH](#)

# Marketers split in level of preparedness to deal with Covid-19

To what degree was marketing prepared to face the pandemic and its economic impact?  
 (1 = We did not have a plan, 7 = We had a strong plan in place)



## Sales Revenue

- <\$25M: 3.6
- \$26 – 99M: 3.5
- \$100 – 499M: 4.2
- \$500 – 999M: 4.1
- \$1 – 9.9B: 3.8
- \$10+B: 3.9



## Industry Sector

### Most Prepared Industries

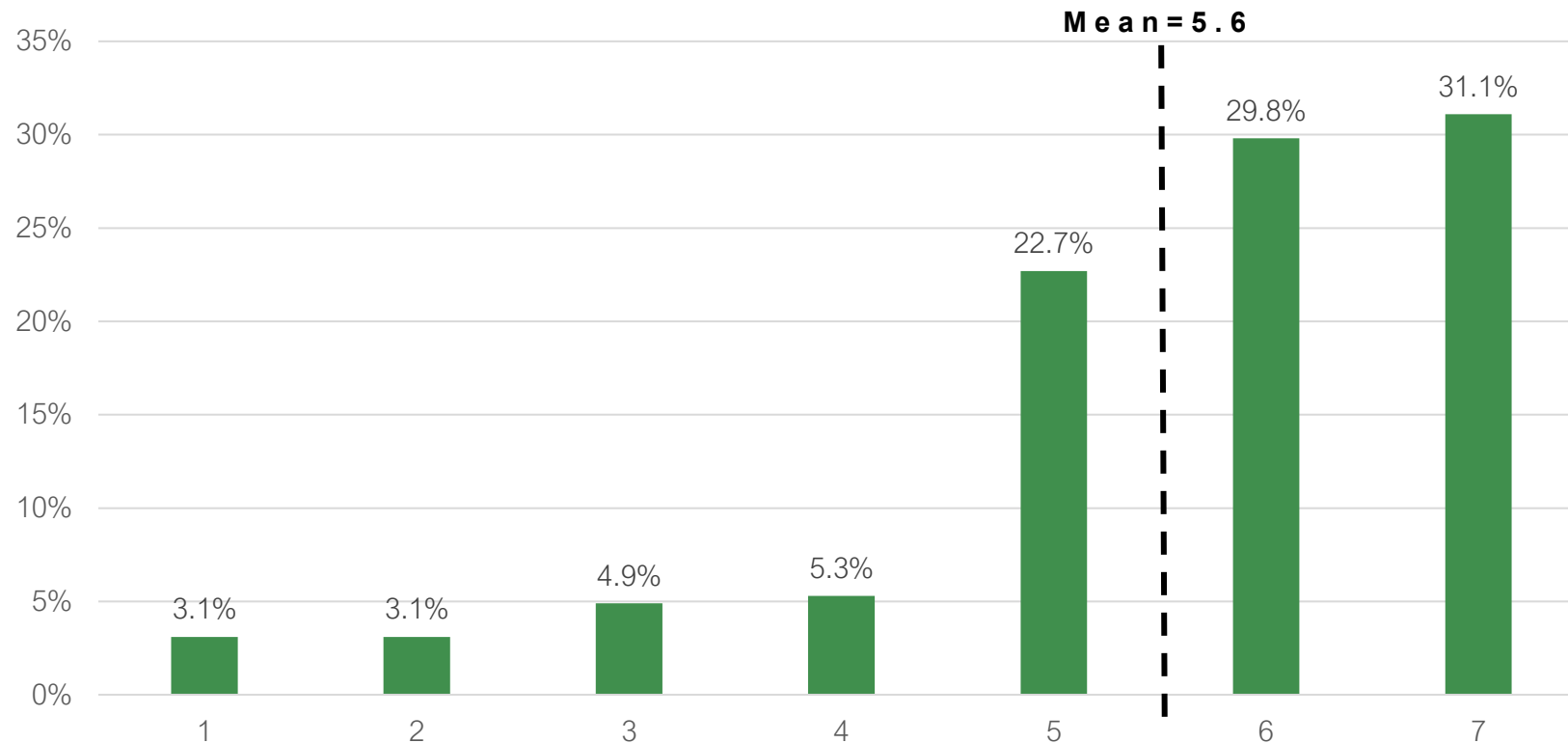
- Manufacturing (4.5)
- Energy (4.3)

### Least Prepared Industries

- Communications (3.2)
- Consumer Packaged Goods (3.1)

# Plans take back seat: Marketers improvised responses to Covid-19

To what degree has marketing improvised to generate new strategies during the pandemic? (1=not at all, 7= a great deal)



## Sales Revenue

- <\$25M: 5.3
- \$26 – 99M: 5.6
- \$100 – 499M: 5.8
- \$500 – 999M: 5.4
- \$1 – 9.9B: 5.8
- \$10+ B: 5.4



## Industry Sector

### Most Improvised Industries

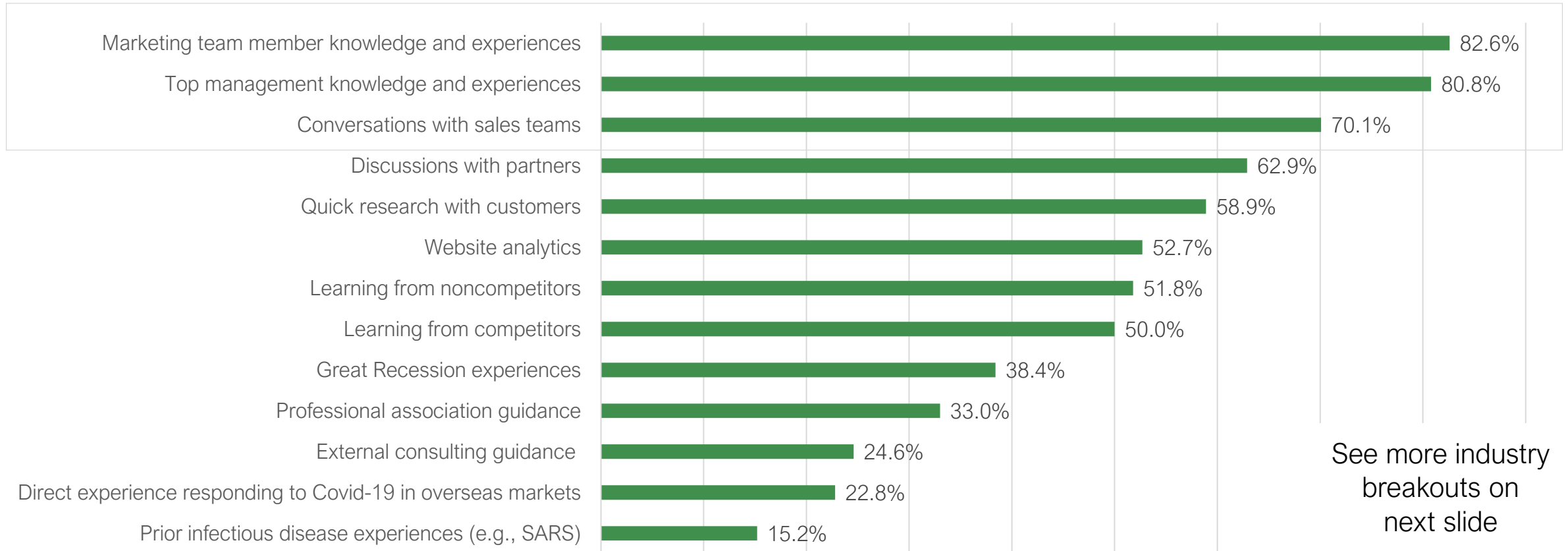
- Transportation (6.2)
- Technology (6.0)

### Least Improvised Industries

- Banking (5.0)
- Communications (5.0)

# Marketers turn to internal information sources to guide marketing strategies during Covid-19

What type of information has your company used to guide your marketing strategies during the pandemic? (check all that apply)

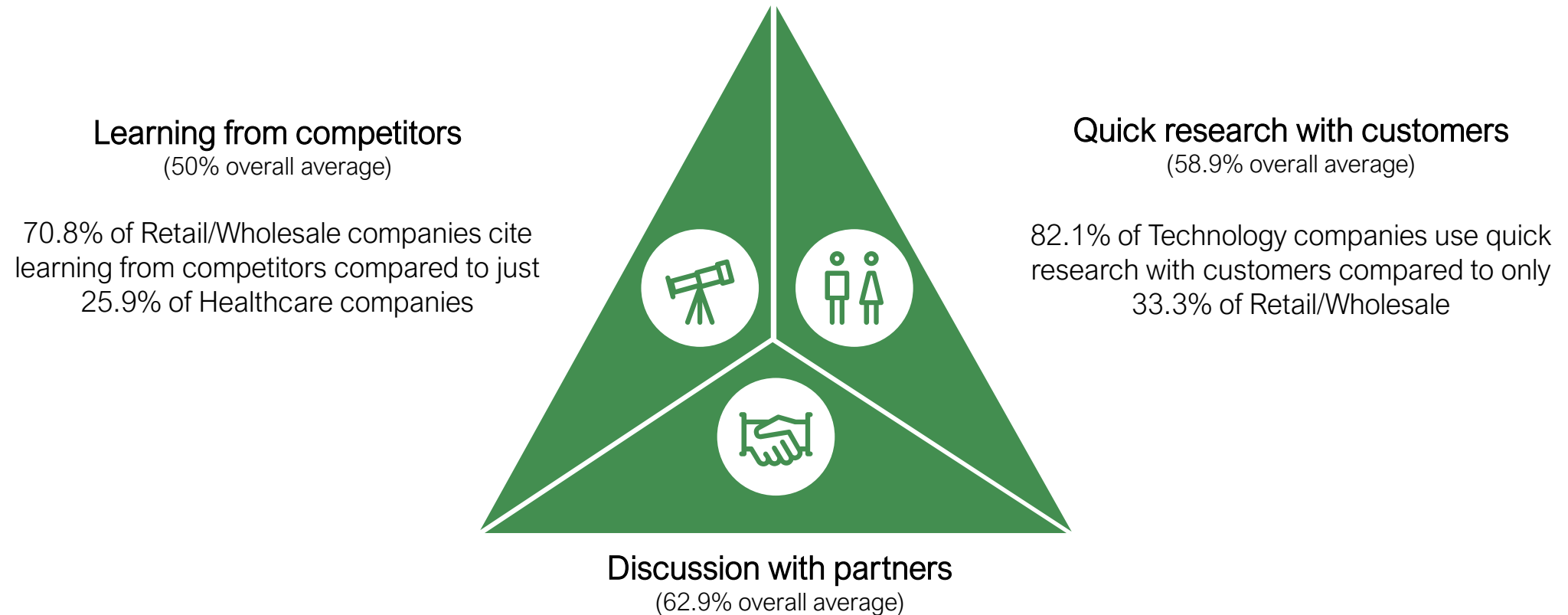


See more industry  
breakouts on  
next slide



# Marketers turn to internal information sources to guide marketing strategies during Covid-19

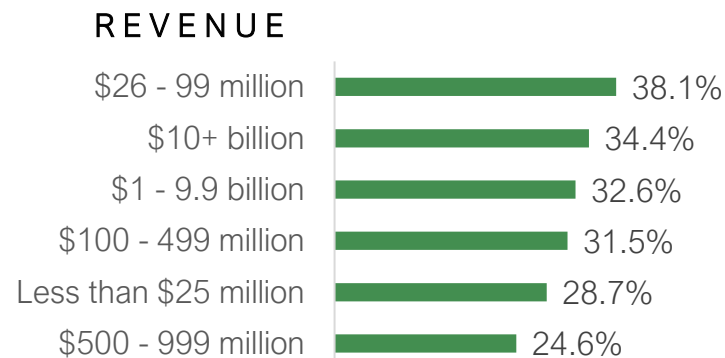
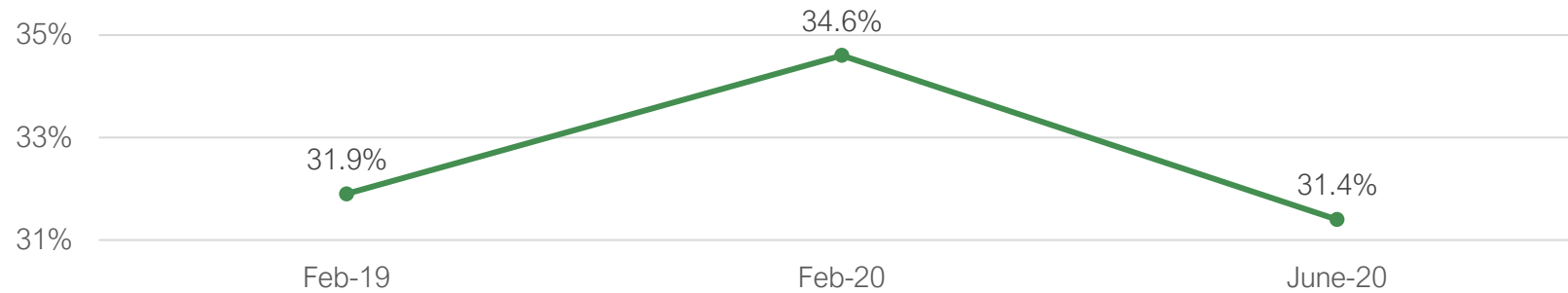
What type of information has your company used to guide your marketing strategies during the pandemic? (check all that apply)



[Learn about your Industry here](#)

# Overall, marketers experiment less during Covid-19; B2C Services, Internet, tech, and small companies do more in pandemic

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



**Economic Sector**

- B2B Product: 32.7%
- B2B Services: 28.8%
- B2C Product: 28.3%
- B2C Services: 36.7%

**Industry Sector**

Top Experimenting Industries

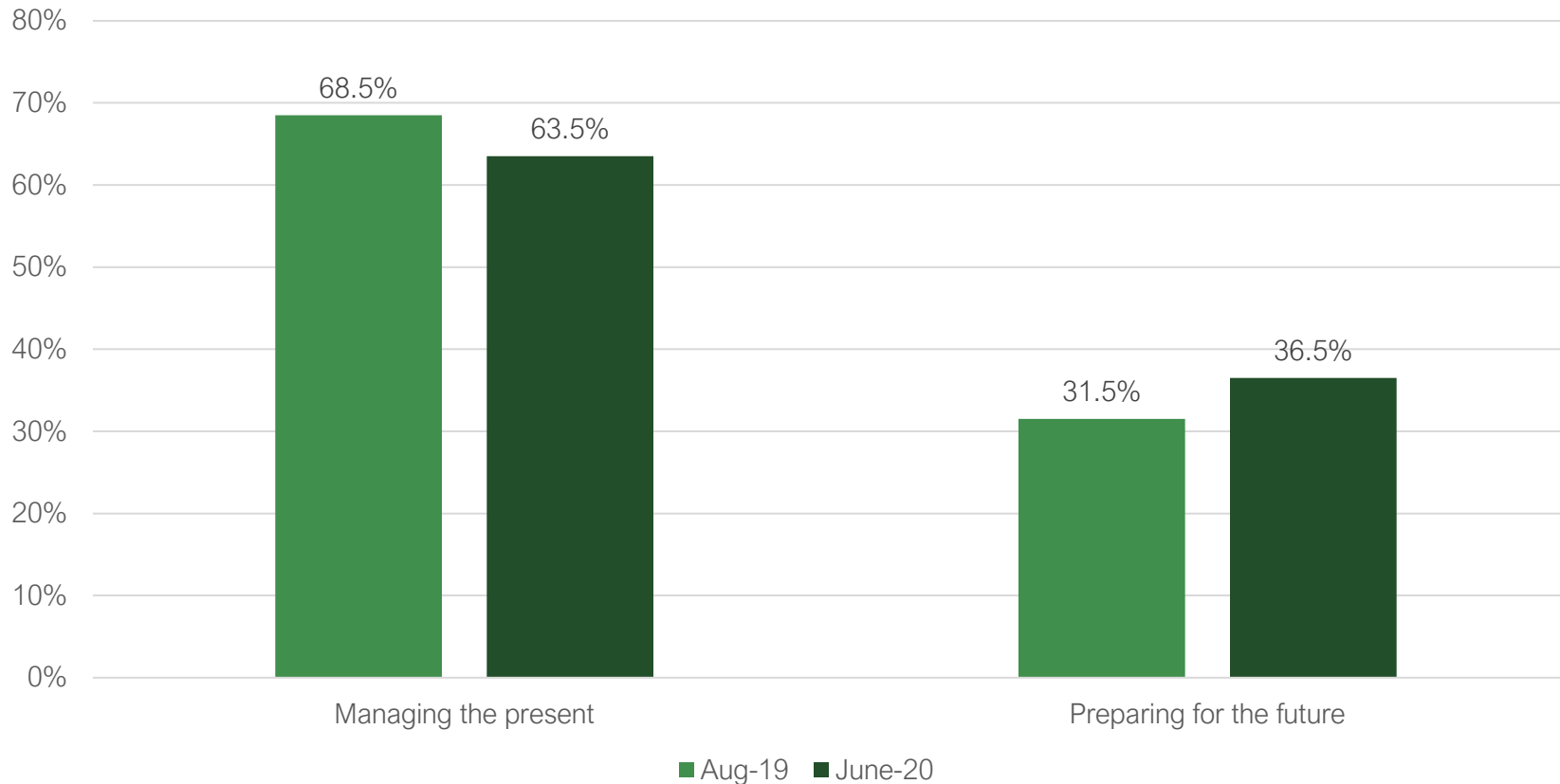
- Technology (45.0%)
- Transportation (33.3%)

Lowest Experimenting Industries

- Manufacturing (25.8%)
- Mining/Construction (25.0%)

# 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?

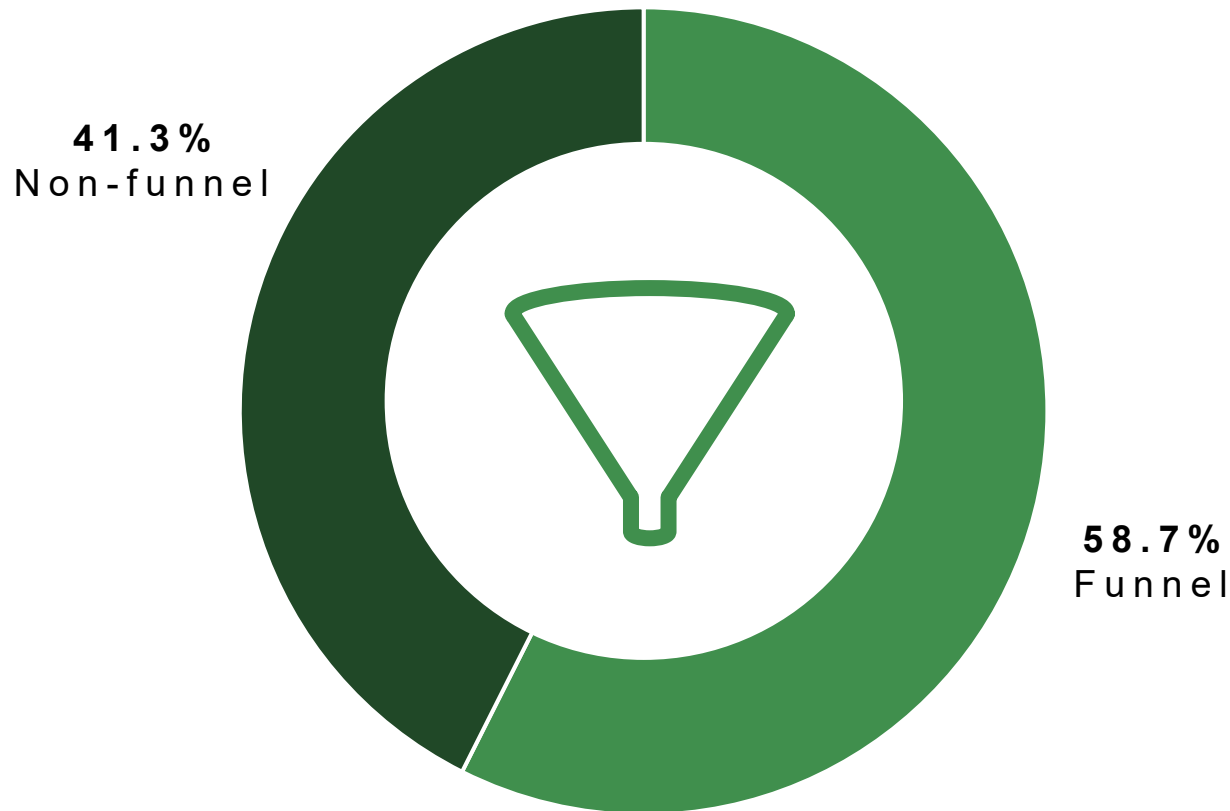


## Insights

As a company sells more over the Internet, it is more likely to prepare for the future. Conversely, the Retail industry is most likely to manage the present (70.8%), while Healthcare is most likely to prepare for the future (40.4%).

# Marketers focus inside the funnel in wake of Covid-19

How much marketing effort has been focused on the “building and managing the funnel” versus “non-funnel related” marketing activities during the pandemic?

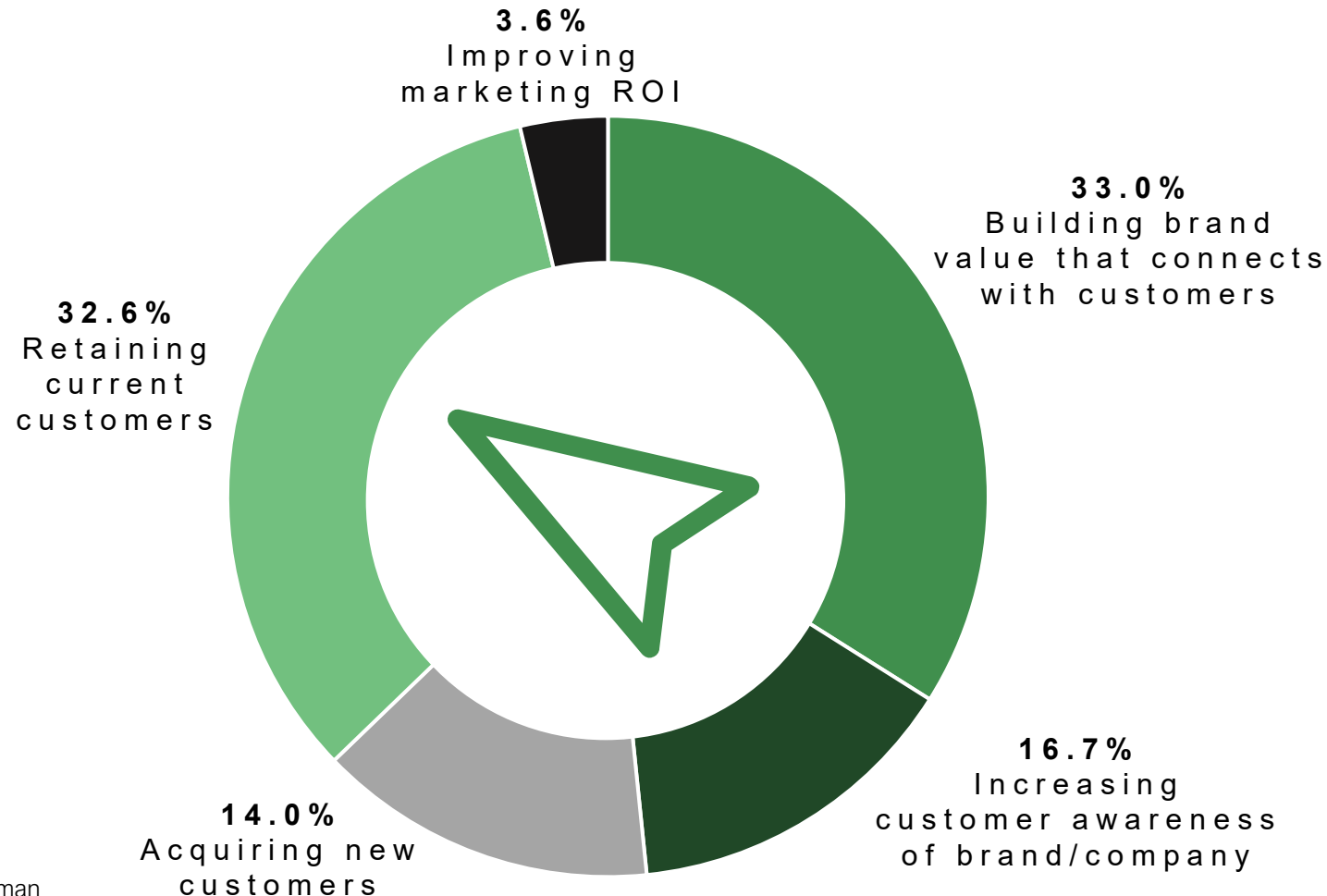


## Insights

Marketers are more likely to focus their efforts on the “funnel” as Internet sales increase (0% Internet sales = 54.0% “funnel”; >10% sales = 64.7% “funnel”). Focus on the “funnel” also increases as the sales revenue of a company increases (<\$25M = 54.9% “funnel”; >\$10B = 65.9% “funnel”). Industries most likely to focus on the “funnel” are Technology (64.3%) and Healthcare (64.2%), whereas Transportation (51.7%) and Communications (51.1%) are more likely to focus on “non-funnel” activities.

# Marketers focused on building brand and retaining customers during Covid-19

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



## Economic Sector

	Building Brand	Retaining Customers
B2B Product	34.7%	33.3%
B2B Services	30.1%	34.2%
B2C Product	24.3%	35.1%
B2C Services	43.6%	25.6%

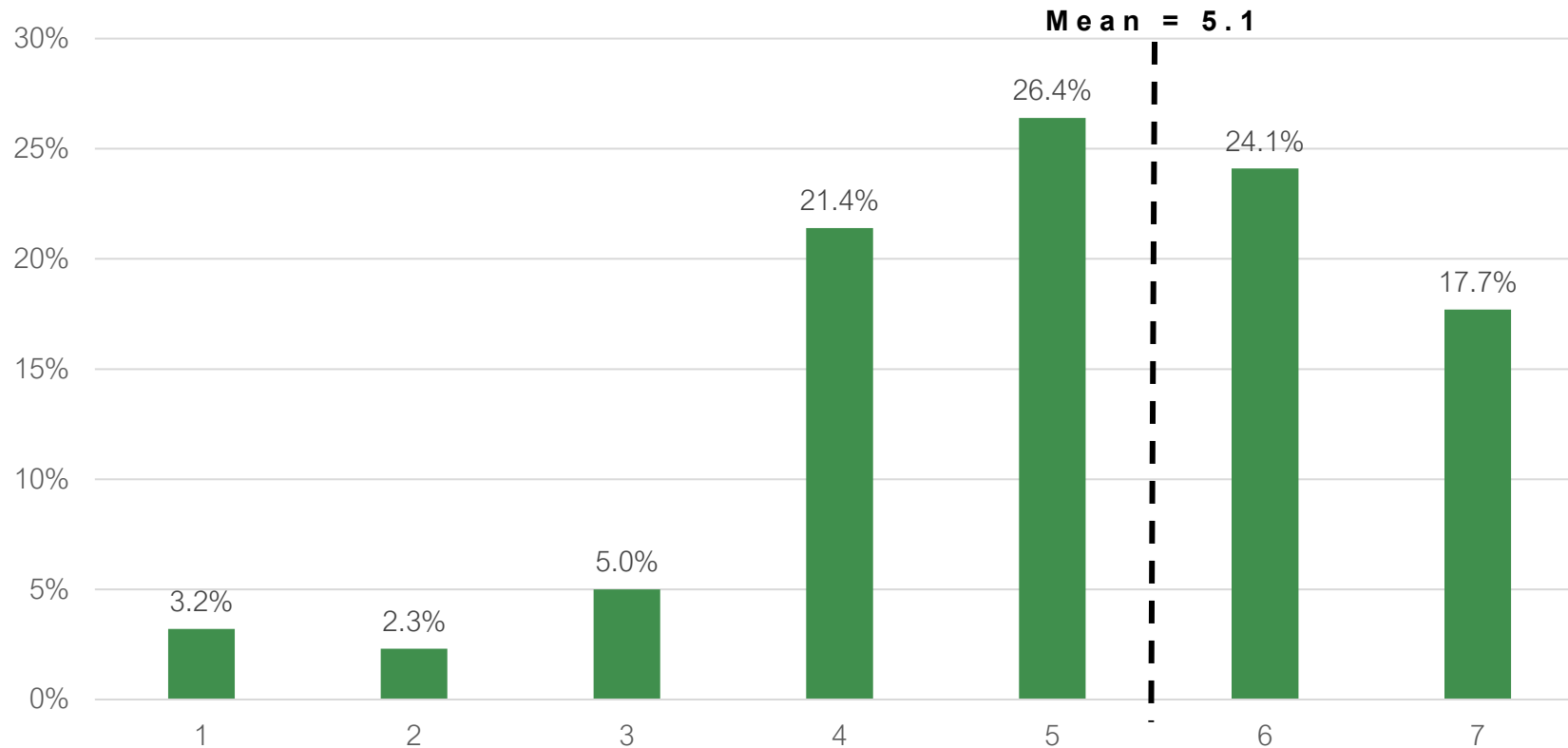


## Industry Sector

Building Brand	Retaining Customers
<ul style="list-style-type: none"> <li>Transportation (60.0%)</li> <li>Retail (20.8%)</li> </ul>	<ul style="list-style-type: none"> <li>Communications (52.2%)</li> <li>Healthcare (20.8%)</li> </ul>

# Covid-19 marketing strategies rated as effective in the short-run

How well did the marketing strategies used during the Covid-19 pandemic work to keep your company afloat in the short term? (1= Very Poorly, 7= Very Effectively)

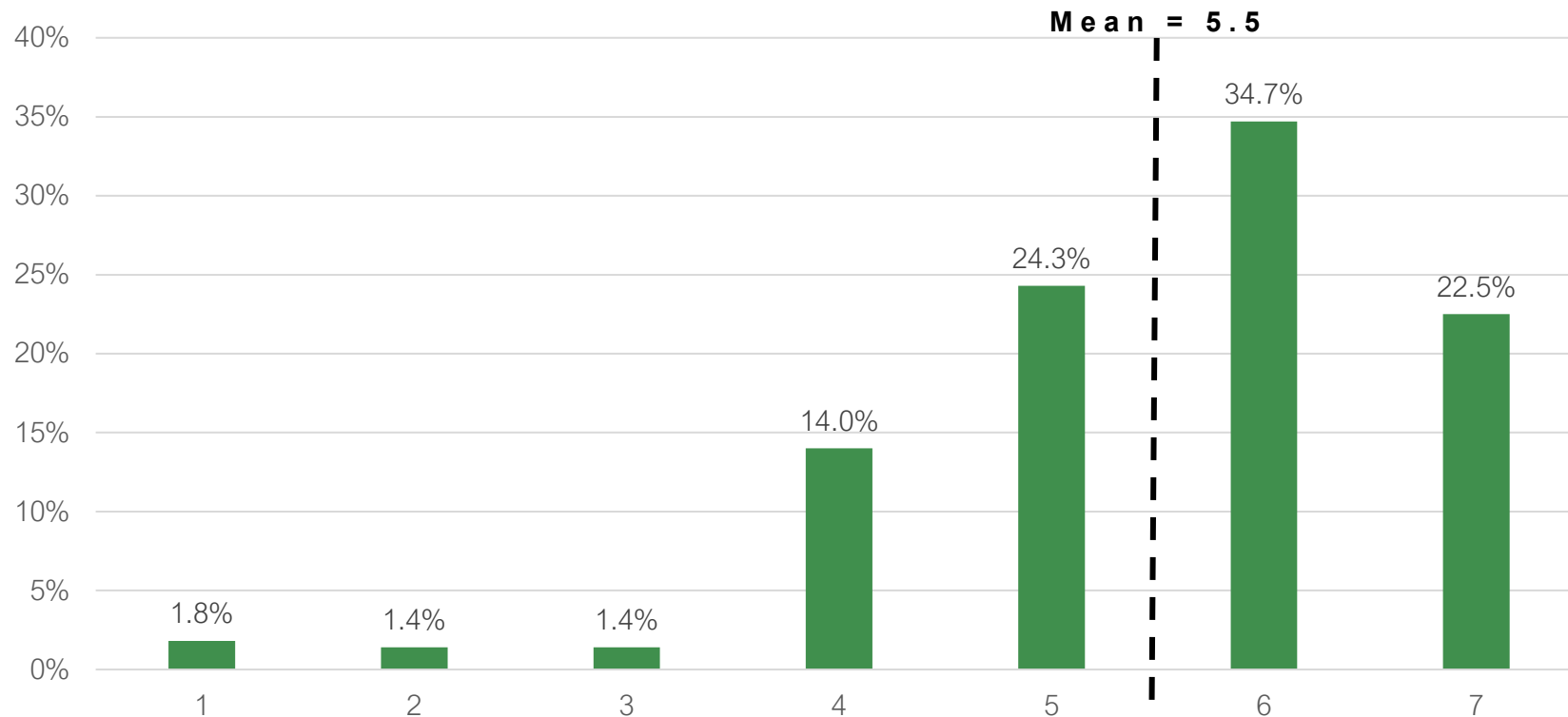


## Insights

Larger companies, both by revenue and employee size, are more likely to say that their strategies worked well, with companies with fewer than 100 employees rating their strategies a 4.6 compared to an average 5.4 rated by companies with over 1000 employees. Consumer Services and Retail companies feel that their strategies worked best in the short-run, rating on average a 5.5 and 5.4, respectively. The Transportation and Prof. Services/Consulting industries are the least confident in their strategies, rating themselves a 4.2 and 4.5, respectively.

# Covid-19 strategies expected to be effective over the long-run

Taking your best guess, how well do you think the marketing strategies used during the Covid-19 pandemic will help your company survive in the long-term? (1= Very Poorly, 7= Very Effectively)

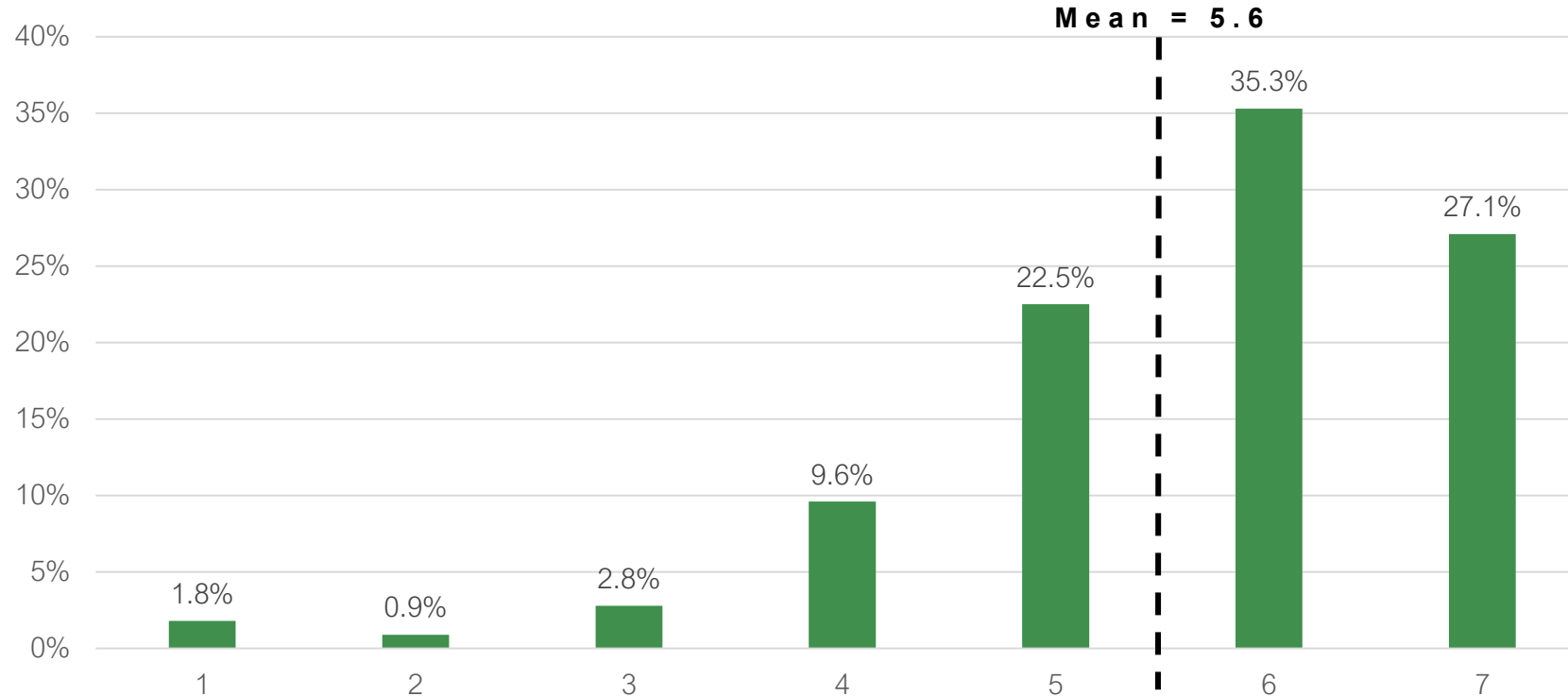


## Insights

Mid-size companies, those with between \$26M and \$9.9B in revenue, think their strategies are most likely to work, rating them on average 5.8 out of 7, higher than both their small (<\$25M) and large (>\$10B) counterparts, who scored 5.1 and 5.4 respectively. Services Consulting companies are least confident that their strategies will work well in the long run, rating their strategies only 5.1 on average, while Consumer Services and Technology companies are most positive, each rating themselves a 5.9.

# Covid-19 marketing strategies believed to have important long-term opportunities

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)



## Economic Sector

- B2B Product: 5.9
- B2B Services: 5.6
- B2C Product: 5.4
- B2C Services: 5.4



## Industry Sector

### Most Opportune Industries

- Energy (6.3)
- Manufacturing (6.0)
- Education (6.0)

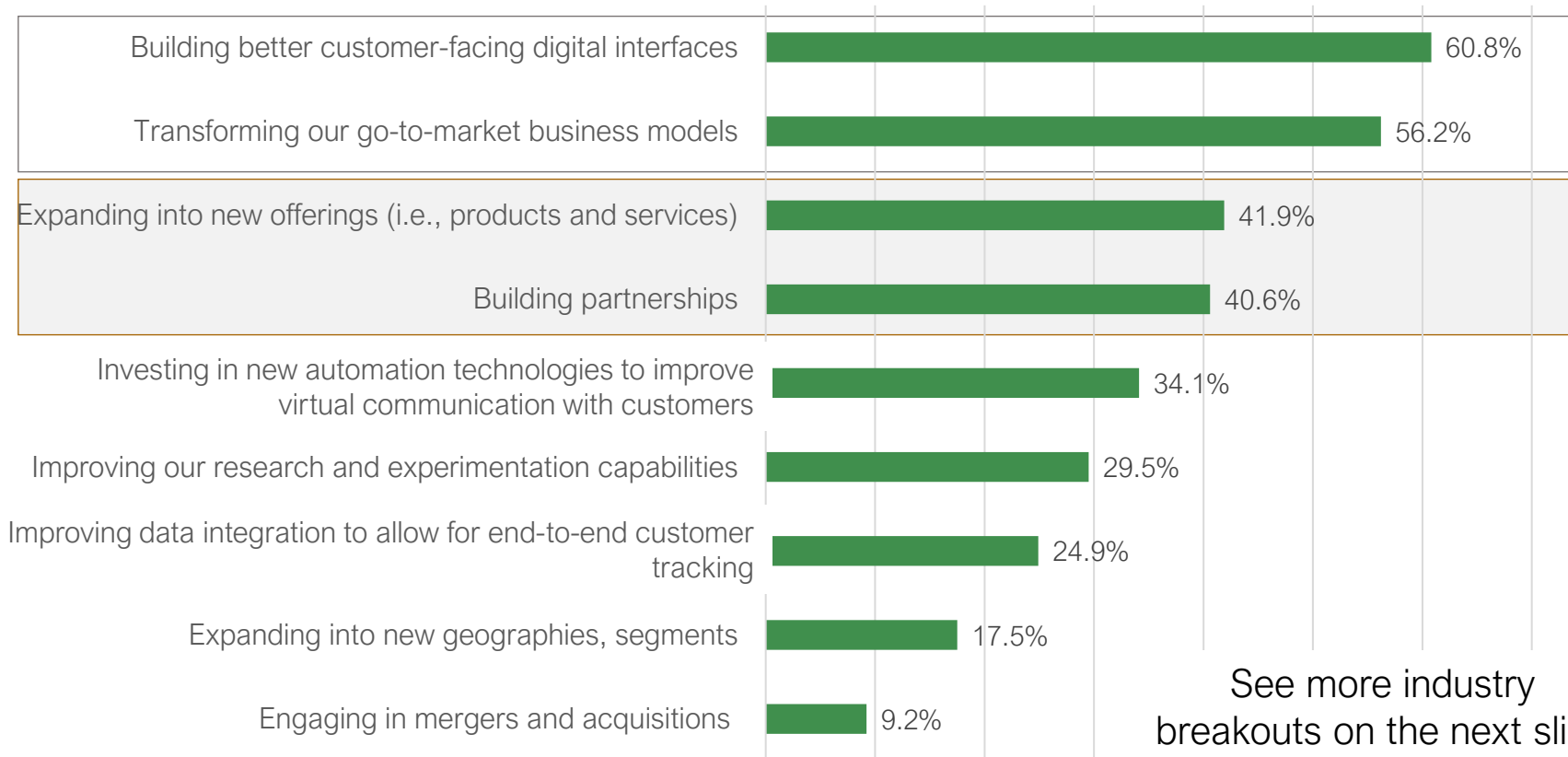
### Least Opportune Industries

- Communications (5.2)
- Prof. Services/ Consulting and Retail/Wholesale (5.5)



# Covid-19 marketing opportunities: digital interfaces, go to market models, new offerings, partnerships

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



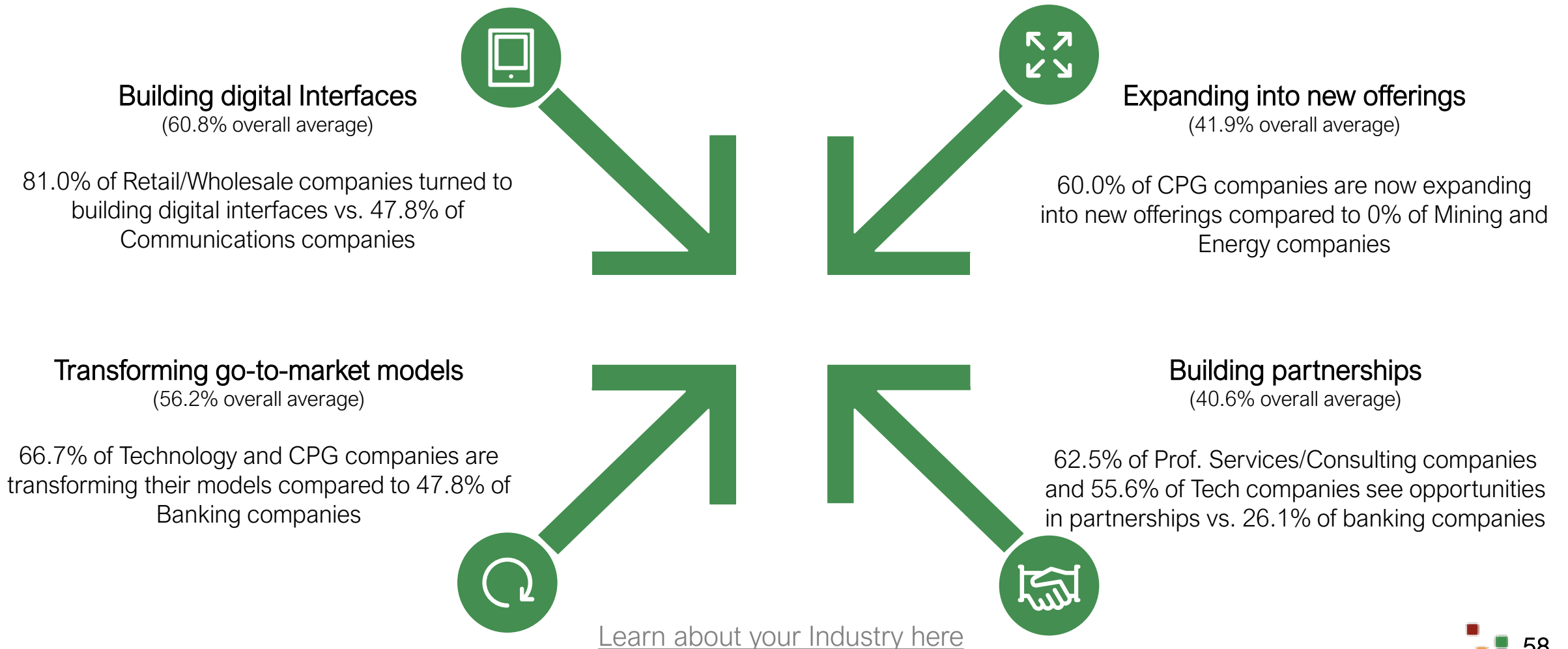
See more industry breakouts on the next slide



## Insights

Small companies, those with less than \$25M in revenue, are least likely to build better digital interfaces at only 48.4%, but are most likely to build partnerships at 61.3%. B2C companies are more likely to build better digital interfaces. B2B Services companies are significantly more likely to expand into new offerings (at 47.1%, compared to the 39.5% of all of their counterparts), while Product companies (both B2B and B2C) are much more likely to transform their go-to-market models.

# How marketing opportunities vary for firms and industries





# Mobile and Social Media Marketing

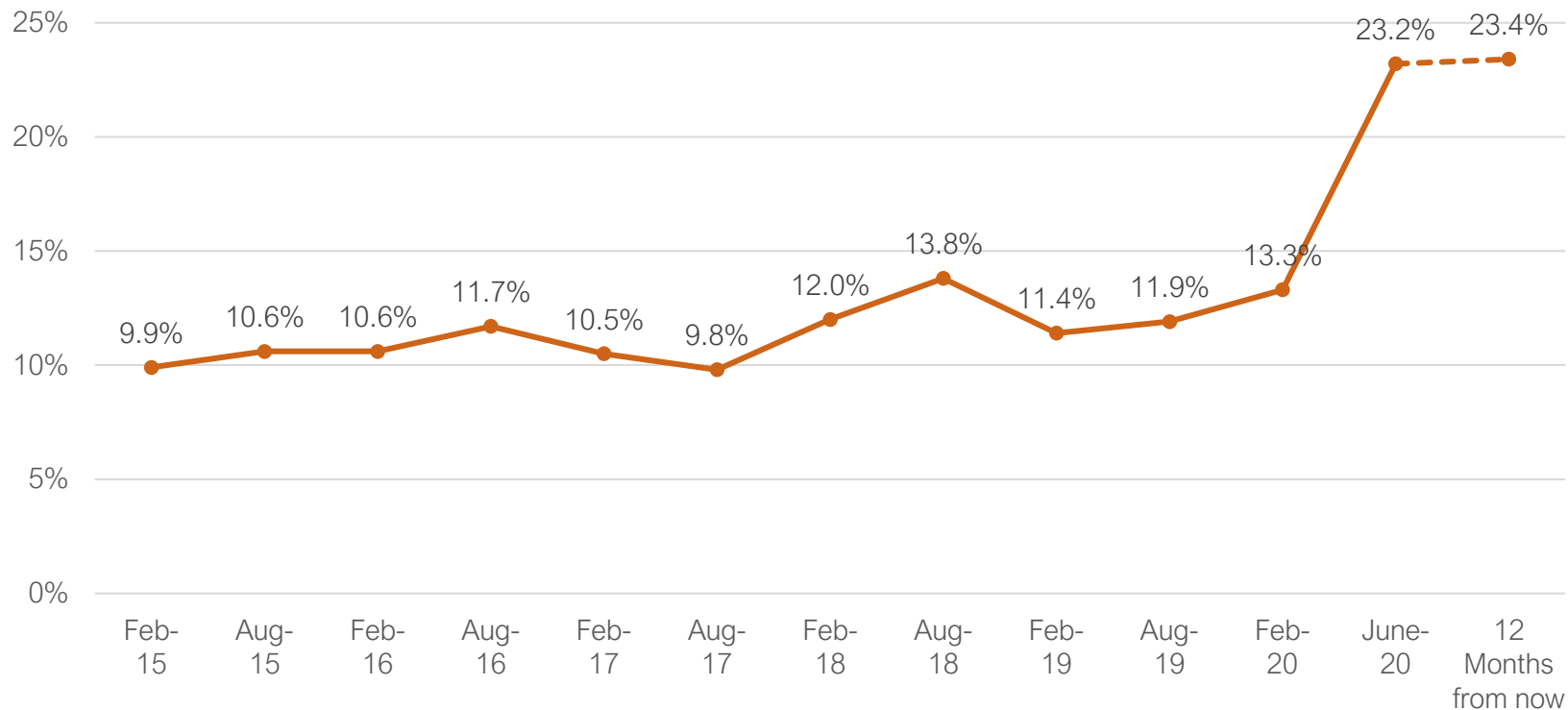
Spending on mobile and social media marketing spiked during the pandemic, at 70% and 74% growth, respectively, to reach 23% of marketing budgets. Marketers anticipate that mobile spending will continue to grow over the next twelve months, while spending on social will remain close to this new high level.

Despite the increased investments in mobile, marketers do not report any increased contribution of mobile to their company's performance during the pandemic, rating it almost the same as the February 2020 level. Conversely, social media investments are showing increased contributions to company performance. The contribution of social media to company performance has increased 24% since the February 2020 Survey, reflecting the first major increase in Survey history.

During the pandemic, firms are using social media for brand awareness and to attract and retain customers much more often than for market research, engaging employees, or other social media pursuits. Marketers report that 7.5% of their marketing budget is focused on online influencers, mostly on LinkedIn, company blogs, Instagram, and Facebook, and that they anticipate large gains in the use of influencers in the next three years (up to 12.7%). Marketers demonstrate a clear prioritization of mobile website optimization (70.1%) over app creation and maintenance (29.9%).

# Social media spending increased 74% to historic levels in the wake of Covid-19

What percent of your marketing budget are you spending on social media during the pandemic?



## Economic Sector

	June 2020	Next 12 Months
B2B Product	18.4%	21.3%
B2B Services	24.4%	24.5%
B2C Product	29.7%	27.4%
B2C Services	24.2%	21.7%

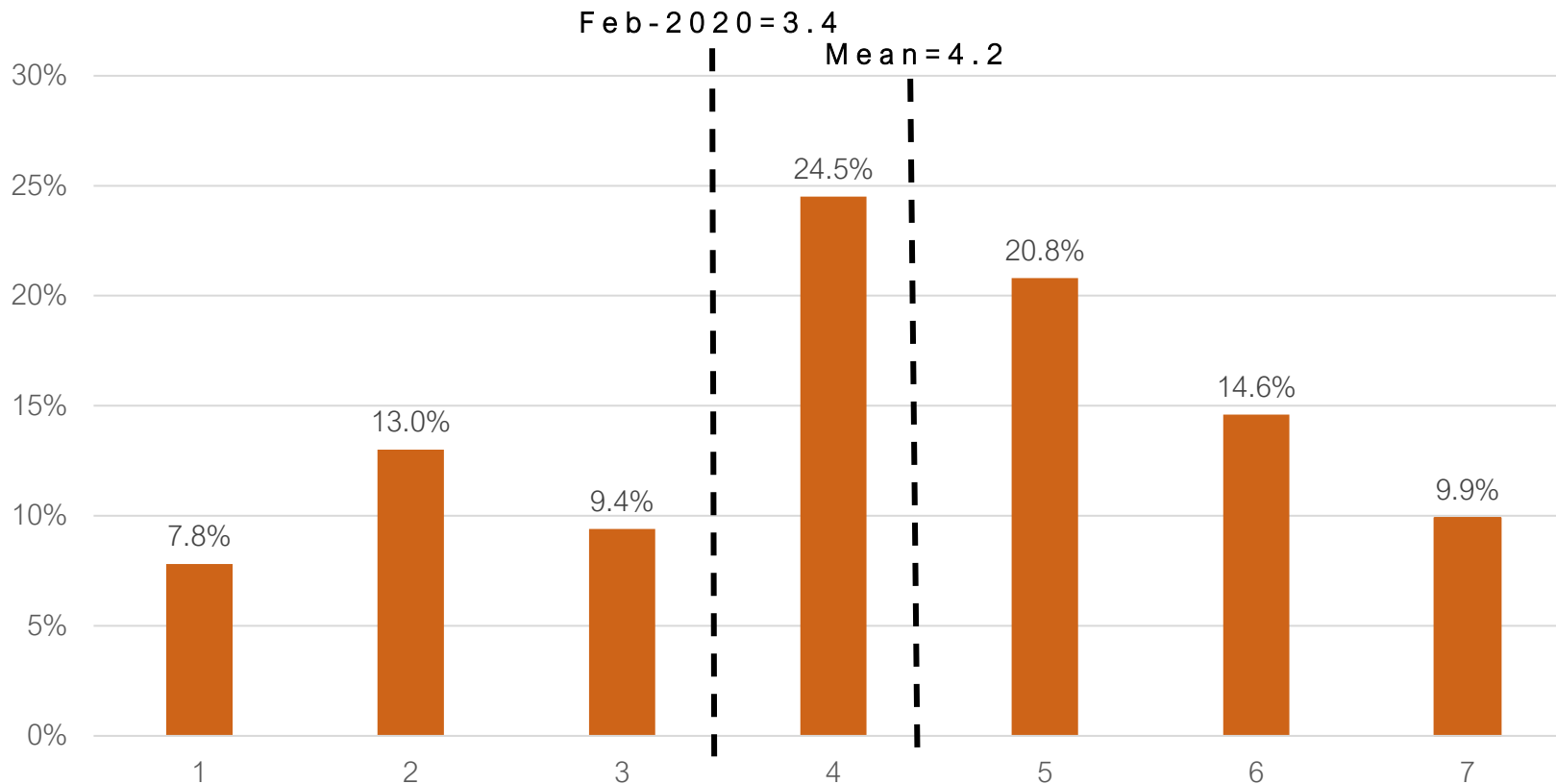


## Industry Sector

	June 2020	Next 12 Months
• Communications (36.1%)		• Communications (31.9%)
• Banking (14.1%)		• Banking (15.4%)

# Social media increases its contributions to company performance during pandemic

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



## Economic Sector

B2B Product: 4.0  
 B2B Services: 4.2  
 B2C Product: 4.3  
 B2C Services: 4.6

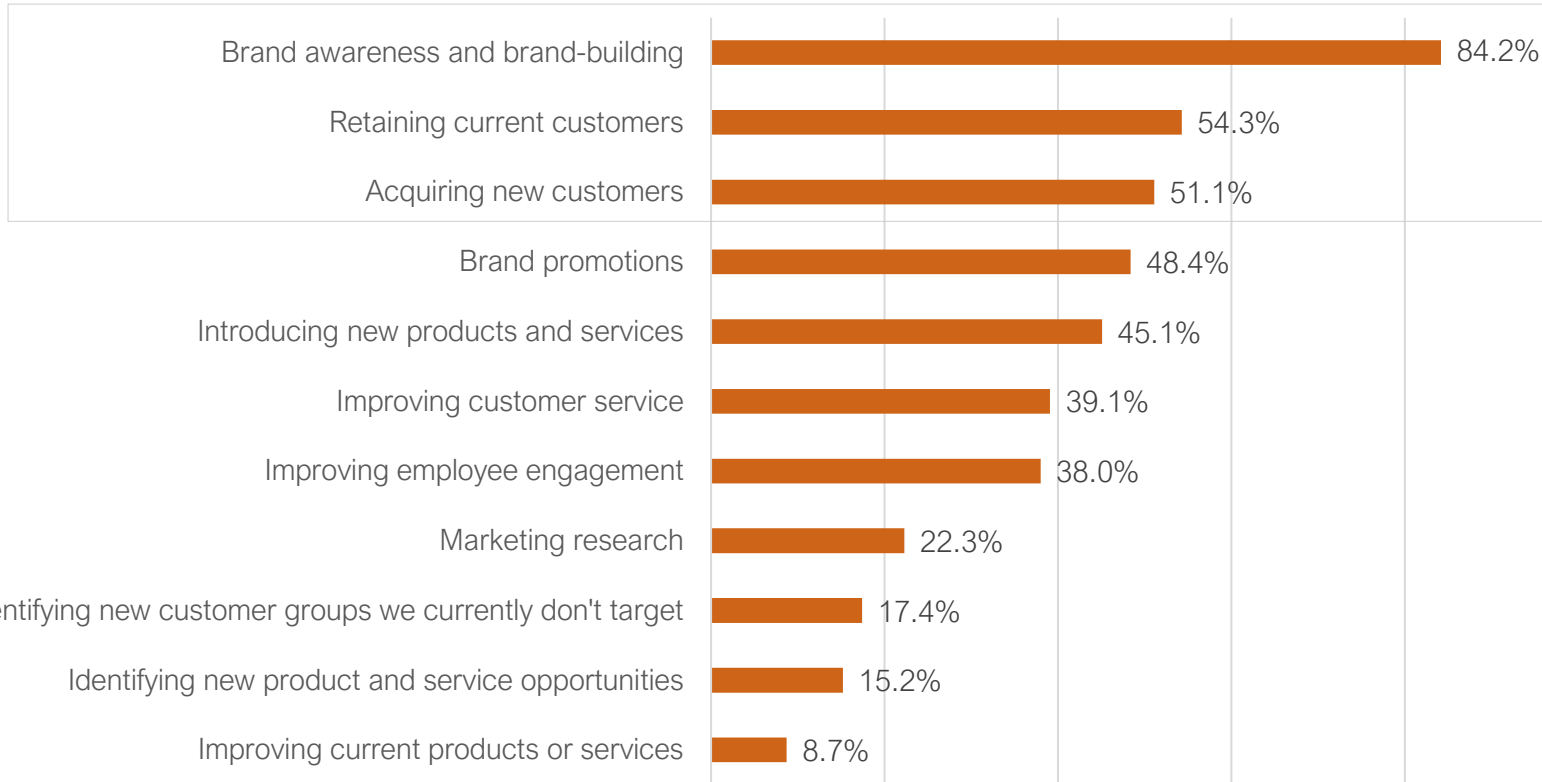


## Insights

Social media's contribution toward company performance spiked dramatically during the pandemic. The average of 4.2 is a 23.5% increase from Feb-20 (3.4) and a 27.3% increase from Aug-19 (3.3). This is the first time Survey history that social media has experienced a major performance lift.

# Social media used to increase brand awareness and attract or retain customers during Covid-19

For what purposes has your firm used social media during the pandemic?



## Economic Sector

	Brand Awareness	Retain Customers	Acquire Customers
B2B Product	90.2%	49.2%	54.1%
B2B Services	91.9%	50.0%	54.8%
B2C Product	63.0%	51.9%	44.4%
B2C Services	76.5%	73.5%	44.1%

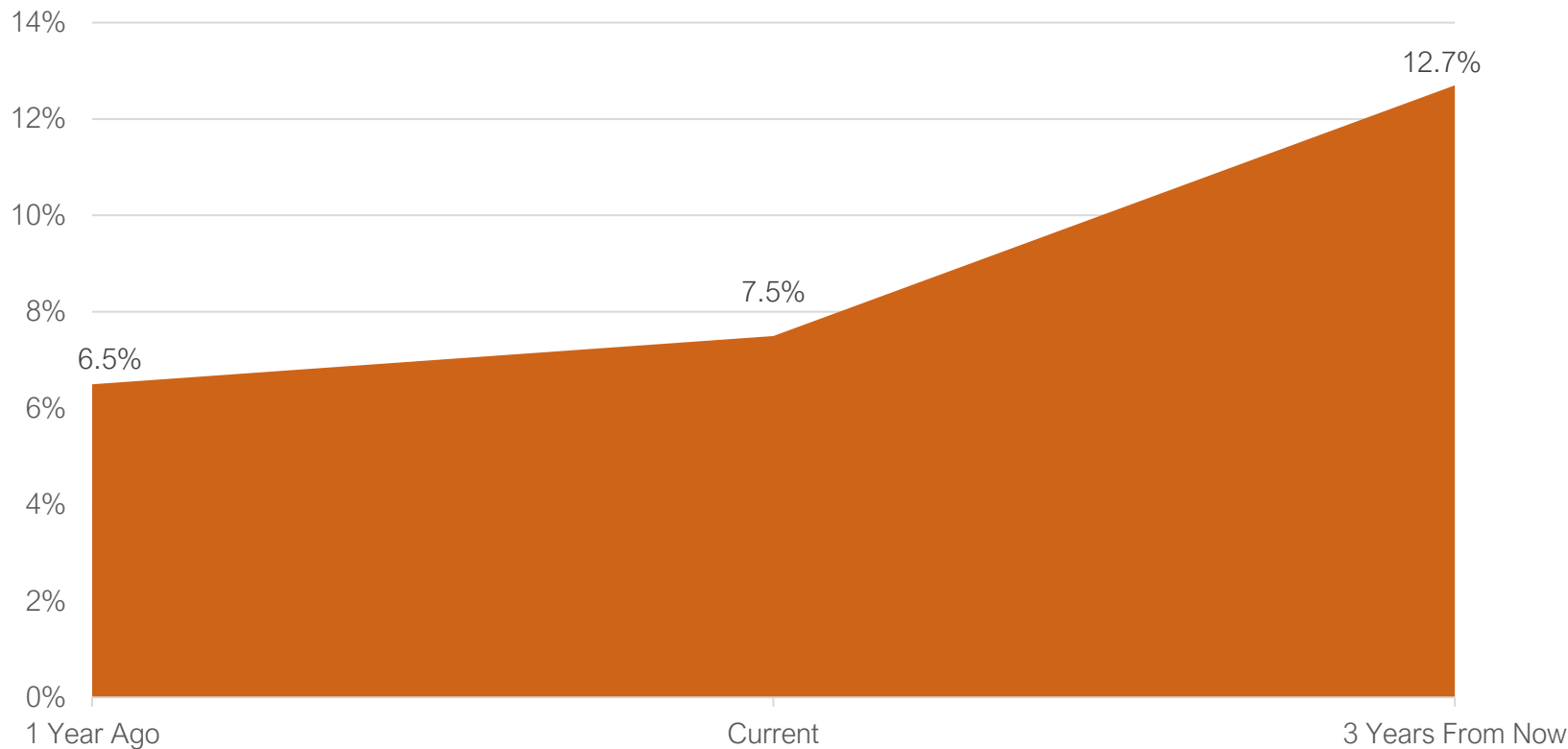


## Industry Sector

Brand Awareness	Retain Customers	Acquire Customers
<ul style="list-style-type: none"> <li>Consumer Services (100.0%)</li> <li>Mining/Construction (100.0%)</li> <li>Retail (60.0%)</li> </ul>	<ul style="list-style-type: none"> <li>Retail (73.3%)</li> <li>Technology (37.5%)</li> </ul>	<ul style="list-style-type: none"> <li>Prof. Services/Consulting (65.0%)</li> <li>Healthcare (33.3%)</li> </ul>

# Marketers make small use of influencers, expect large gains

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



## Economic Sector

	Current	3 Years
B2B Product	7.4%	12.1%
B2B Services	8.1%	13.2%
B2C Product	11.2%	19.9%
B2C Services	3.7%	7.6%

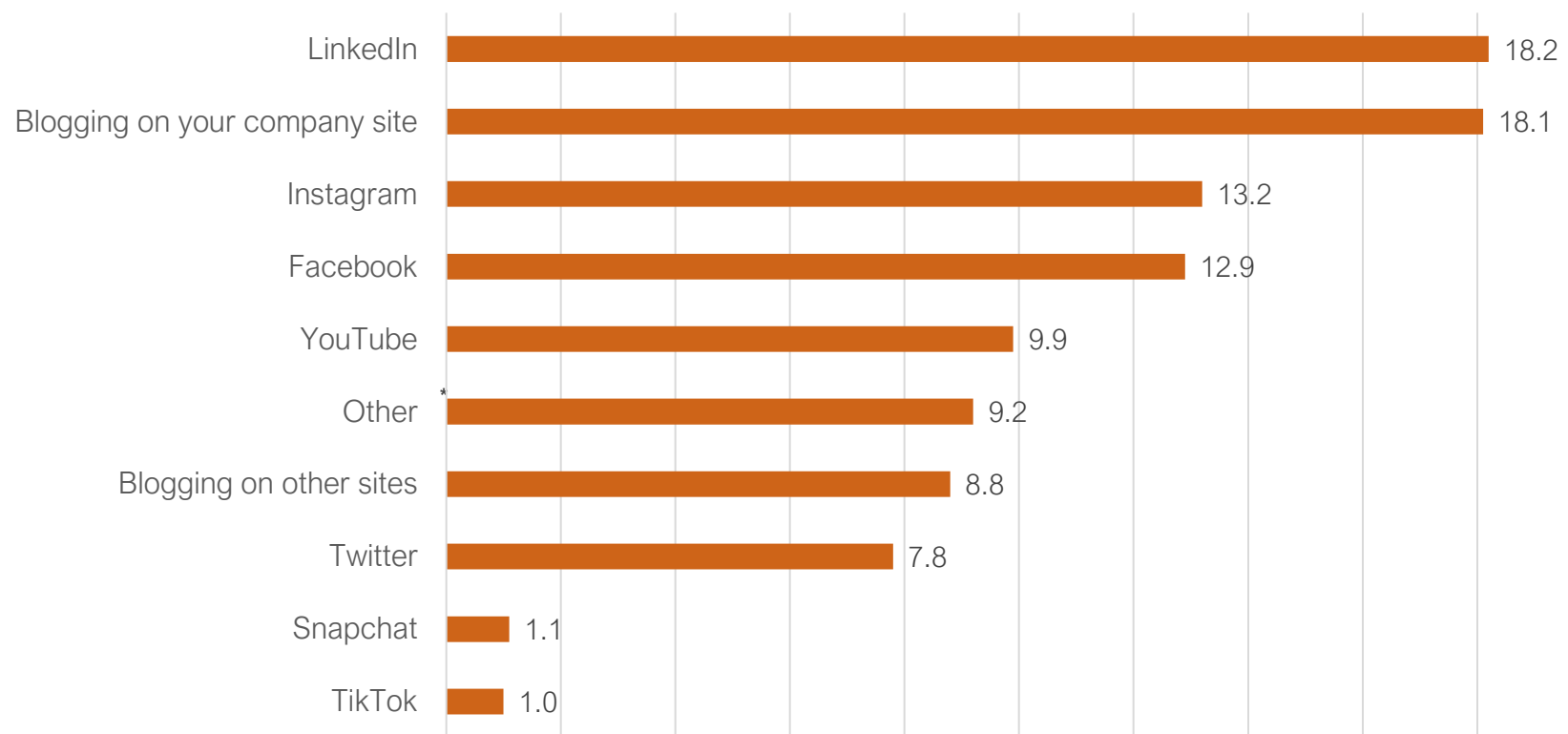


## Insights

Smaller companies (by sales revenue) plan to invest the most in influencers in the next three years. Mining/Construction (14.0%) and Transportation (11.9%) are most likely to currently use an influencer as part of their marketing strategy. Banking and Prof. Services/ Consulting expect to see the most growth in influencer usage in the next three years.

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

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



## Insights

B2B companies focus on Influencer activities on LinkedIn (24.2%) and Company Blogs (20.4%), while B2C companies focus primarily on Influencer activities on Instagram (25.3%) and Facebook (20.7%).

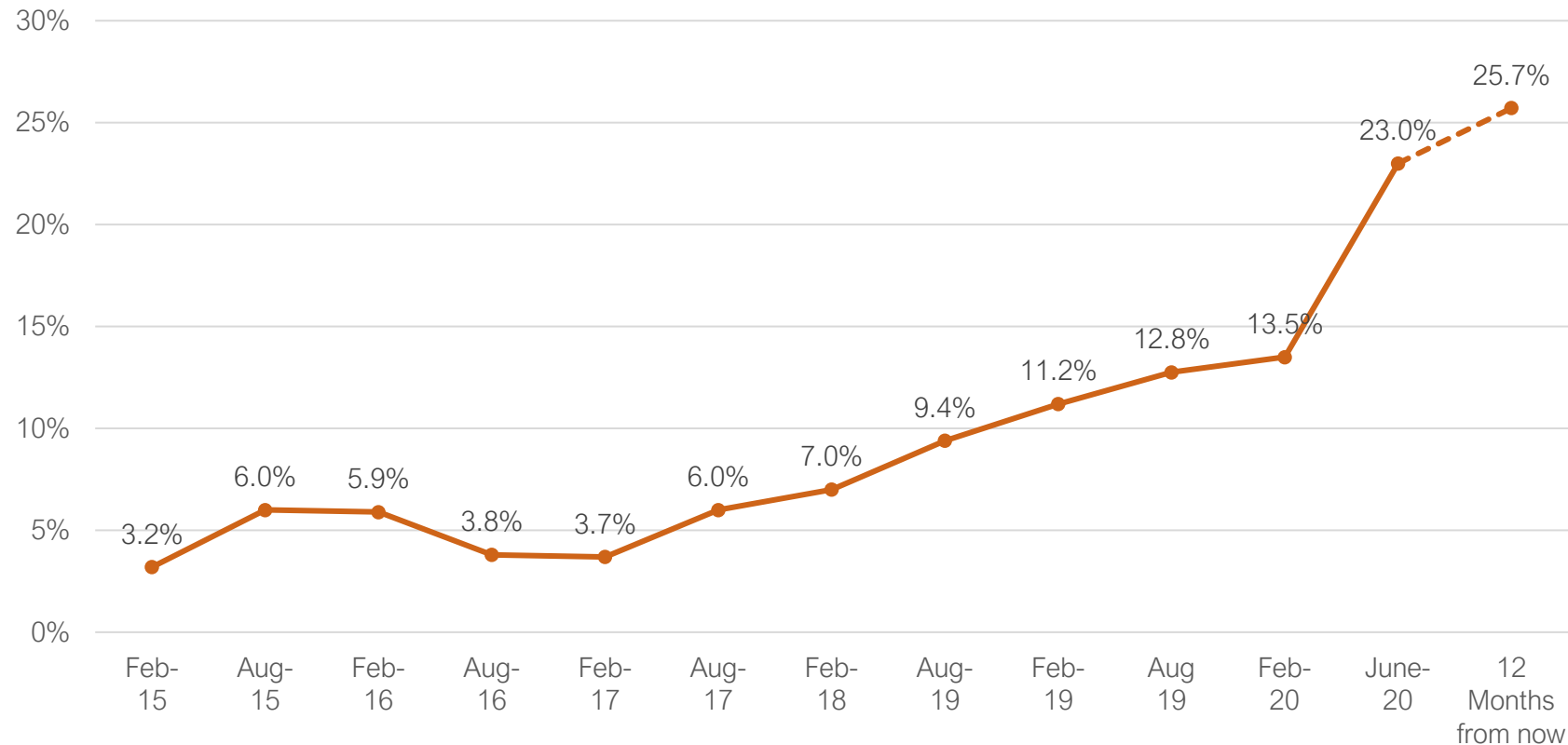
Companies with more sales over the Internet favor Instagram and Facebook; brick and mortar businesses rely on LinkedIn and blogging on company site.

\*"Other" activities cited included research papers, peer reviews, industry webinars, and podcasts.



# Mobile spend increases 70% during pandemic and expected to increase further in next year

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



## Economic Sector

### Expected 12 Month Level

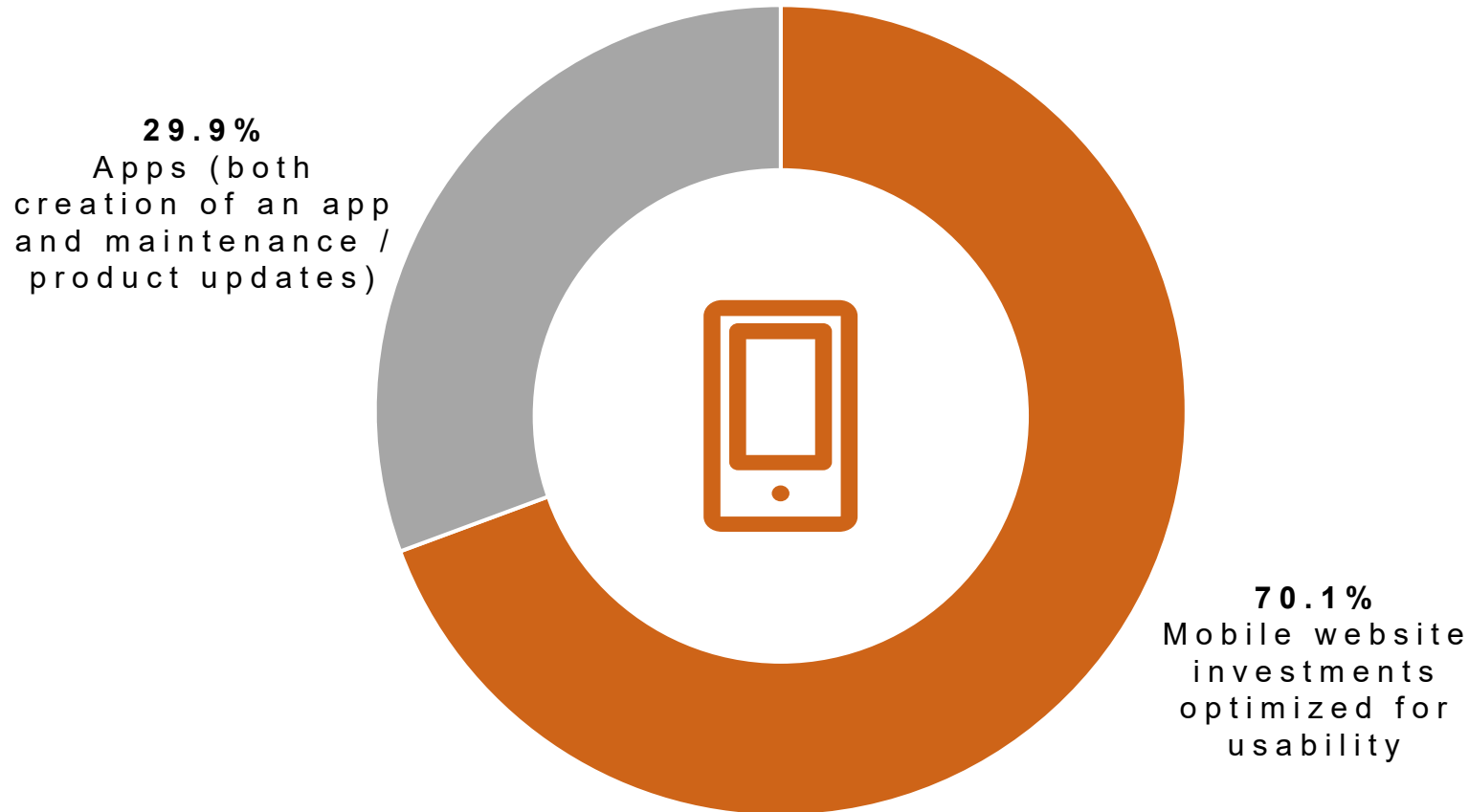
- B2B Product: 22.8%
- B2B Services: 22.2%
- B2C Product: 33.9%
- B2C Services: 30.2%

## Insights

While mobile spend has soared over 70% since February, growth is expected to slow to ~11% for the next 12 months. Industries leading in spend currently are Communications (32.6%), Transportation (31.9%), and Consumer Services (30.8%).

# Marketers prioritize mobile website optimization

Taking that budget, what percentage will be spent on mobile website investments versus apps?



## Economic Sector

### Mobile Website Investment

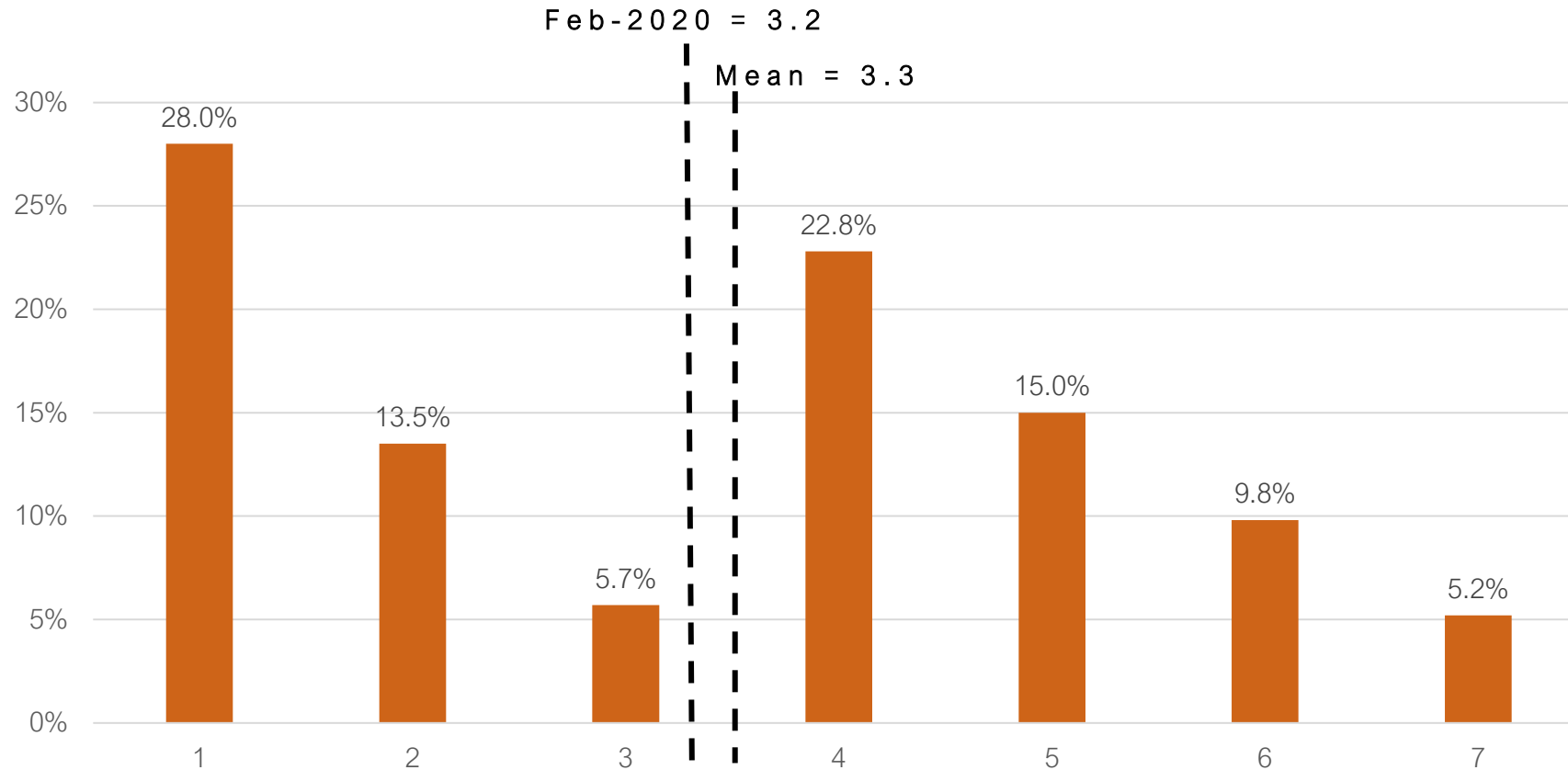
- B2B Product: 72.5%
- B2B Services: 65.8%
- B2C Product: 69.6%
- B2C Services: 73.4%

## Insights

Healthcare (79.3%), Manufacturing (78.8%), and Consumer Packaged Goods (72.3%) are most likely to spend on mobile websites. Transportation (60.0%), Mining/Construction (45.0%), and Communications (33.6%) are the most likely to spend on Apps.

# Despite investments, mobile contributes no more to company performance during the pandemic

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



## Economic Sector

B2B Product: 3.1  
B2B Services: 2.8  
B2C Product: 4.0  
B2C Services: 4.1

## Insights

Despite a 70% increase in mobile spending since February, marketers observe a very little lift in mobile's contribution to company performance (3.3 versus 3.2 for Feb-2020).



# Marketing Leadership

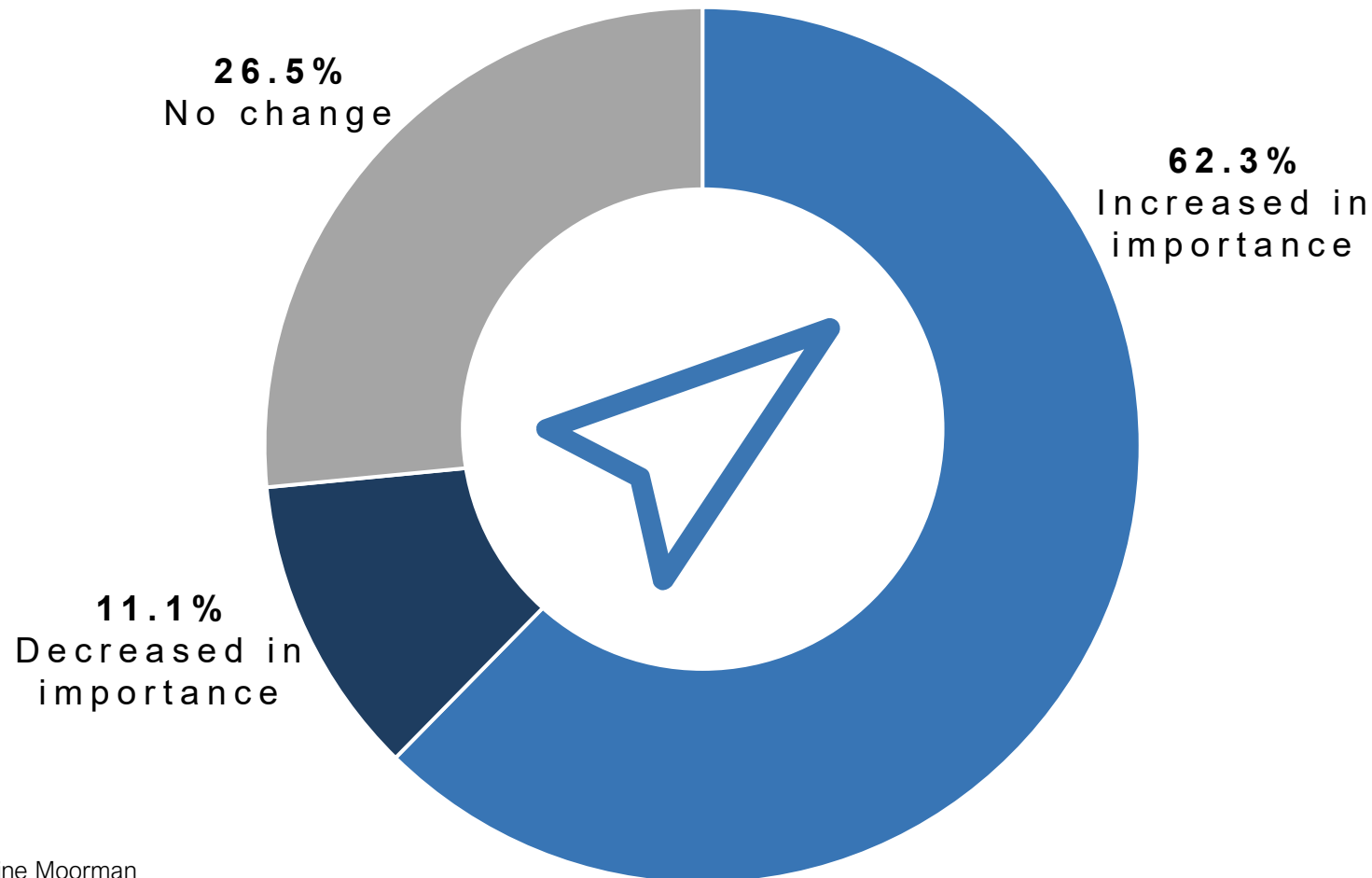
62.3% of marketers report that the marketing function has increased in importance during the pandemic, with B2B companies seeing this increase most strongly at 62.7% (B2B Product) and 72.2% (B2B Services). Building brand and customer retention through digital, mobile, and social strategies are key to that heightened role. This importance is striking given 9% marketing job losses—marketers are doing more with fewer people.

While the pandemic has influenced the importance of the marketing function itself, it has not influenced the willingness of brands to take a political stance, with 81% of marketers reporting they feel it is inappropriate for their brand to take a stance on politically-charged issues—a percentage that is virtually unchanged over time. The most likely to take a stance are the largest companies with over \$10B in revenue.

The Covid-19 pandemic also has dampened companies' likelihood to make changes to reduce their offerings' negative impact on the ecological environment. In the February 2020 Survey, marketers indicated that they were likely to change their products or services (72.9%) to reduce their negative environmental impact, but they are now shying away from that (52.7%) and are more likely to change their marketing promotions (58%). More marketers report that Covid-19 makes sustainability efforts seem “like a luxury in my company” than it “created opportunities to increase sustainability efforts” in their companies.

# Marketing function has increased in importance since Covid-19

How has the role of marketing in your company changed during the Covid-19 pandemic?



## Economic Sector

	Increased	Decreased
B2B Product	62.7%	11.9%
B2B Services	72.2%	3.7%
B2C Product	56.5%	17.4%
B2C Services	46.2%	19.2%

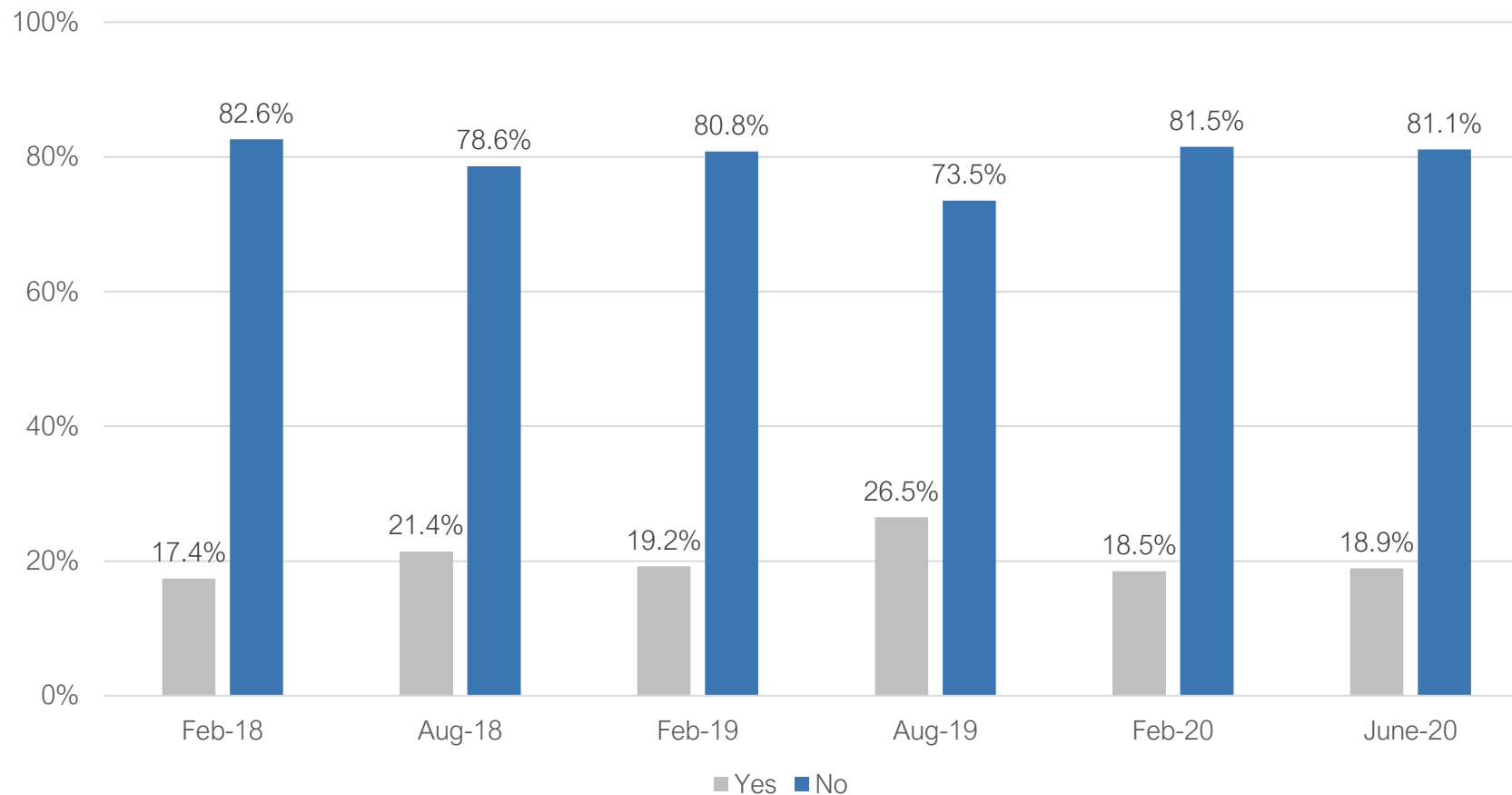


## Sales Revenue

	Increased	Decreased
<\$25M	60.0%	12.7%
\$26-99M	55.6%	16.7%
\$100-400M	69.7%	9.1%
\$500-999M	100.0%	0.0%
\$1-9.9B	58.8%	14.7%
\$10+B	41.7%	0.0%

# Pandemic does not influence brand political activism: Companies continue to take low profile

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 is essentially unchanged since Covid-19. B2C Services stand out at 30.8% as do companies with more sales over the Internet (24.5%). Banking/Finance (35.7%), Tech (34.8%), and Education (33.3%) stand out among the industry sectors as do both <\$25M companies (23.6%) and \$10B+ companies (33.3%).

# Firms who take a political stance believe it shows that they care

Rate your agreement with the following statements relative to the Covid-19 pandemic.  
Using our brand to take a stance on politically-charged issues:

	Agree	Disagree
Has a positive effect on my company's ability to stand out in the marketplace	90.0%	10.0%
Has a positive effect on my company's ability to attract and retain customers/partners	83.3%	16.7%
Shows my company cares about more than making profits	90.0%	10.0%



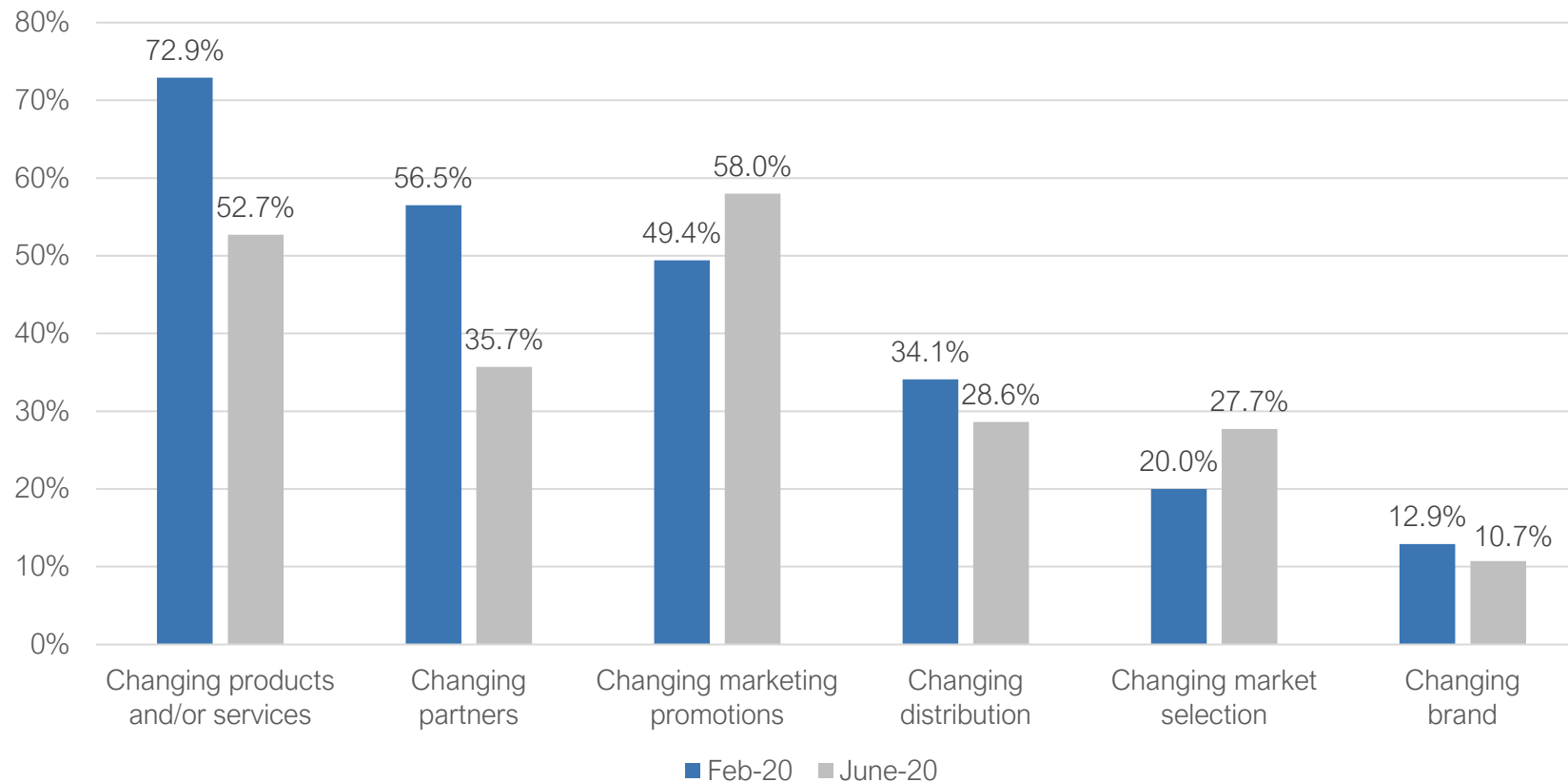
## Insights

Although only 18.9% of respondents think it is appropriate for their brand to take a stance on politically charged issues, respondents overall believe that taking a stance allows them to stand out, attract customers/partners, and show that their company cares.

**Note:** The most selected option for each statement is indicated in blue.

# Covid-19 dampened sustainability efforts: Companies shift from products/services to promotions 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 products, services, and partners and an increased likelihood to change promotions. Services firms are more promotion-focused as are companies with more sales over the Internet. Transportation (100.0%) and Prof. Services/Consulting (75.0%) are most likely to change marketing promotions, while Consumer Packaged Goods (90.9%) is most likely to stay with February's top approach of changing products and/or services. Larger companies are more likely to stay focused on products/services while small companies focus on promotion.



# Covid-19 makes sustainability seem like a luxury, while creating few opportunities for new efforts

Rate your agreement with the following statements relative to the Covid-19 pandemic. (1= Not at all, 7= Very highly)

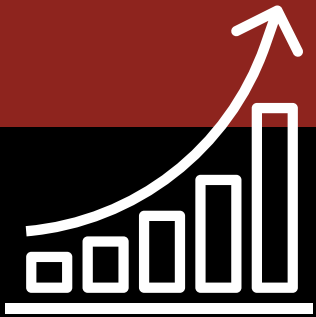
	1	2	3	4	5	6	7	Mean
Covid-19 makes sustainability efforts seem like a luxury in my company.	34.2%	6.5%	11.6%	18.7%	18.1%	4.5%	6.5%	<b>3.2</b>
Covid-19 heightened my company's awareness of the need for sustainability efforts.	27.7%	14.8%	14.2%	18.1%	11.6%	9.0%	4.5%	<b>3.2</b>
Covid-19-related strategy changes created opportunities to increase sustainability efforts in my company.	28.8%	7.8%	12.4%	23.5%	13.1%	7.8%	6.5%	<b>3.3</b>

**Note:** The mean for each statement is indicated in blue.



## Insights

Overall, marketers do not report much change to their sustainability efforts as a result of Covid-19. However, B2C services companies now more frequently see sustainability efforts as a luxury (4.3), but B2B services do not (2.8). Covid-19 has heightened the Retail industry's awareness to the need for sustainability most (3.9), but created limited awareness for Transportation (2.2). Banking marketers feel Covid-19 created the most opportunity to be more sustainable (4.3), while Technology marketers report the opposite (2.6).



# Managing Growth in Uncertain Times

Marketers' priorities have shifted as they try to drive growth through the pandemic. Organic growth remains the top growth driver at 68.7%, but has been on a steady decline since 2015. We also see a spike in the second-highest growth driver, partnerships, at 16.8%, which is largely driven by services (both B2B and B2C).

Most companies (85%) also note that their level of domestic budget either remained the same (67.5%) or increased (14.6%), demonstrating a clear focus on the domestic market. Domestic sales have stagnated, dropping to match the level reported in 2018, with B2B and B2C Services dominating domestic sales. Marketers also report an insignificant increase in targeting the Chinese market, rising only to 2.2% from 2.1% in February 2020. Back in February, marketers predicted that this measure would increase to 4.2% within three years, but this Survey does not demonstrate much progress toward that goal.

Sales over the Internet have grown to the highest level in Survey's history (19.3%), marking a trend in more companies selling online. Small companies (with fewer than 500 employees) are taking most advantage of selling online, at 26.1%.

# Organic growth continues to dominate; more service companies will focus on partnerships in next year

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

	Feb-11	Feb-12	Feb-13	Feb-14	Feb-15	Feb-17	Feb-20	June-20
Organic Growth (internal sources)	72.0	70.6	73.5	71.8	76.1	73.0	72.2	68.7
Growth from Partnerships	11.8	12.6	12.3	12.8	10.1	11.4	11.4	16.8
Growth from Acquisitions	10.6	11.6	8.5	10.2	8.6	10.8	11.3	9.0
Growth from Licensing	5.6	5.2	5.6	5.2	5.2	4.9	5.1	5.5

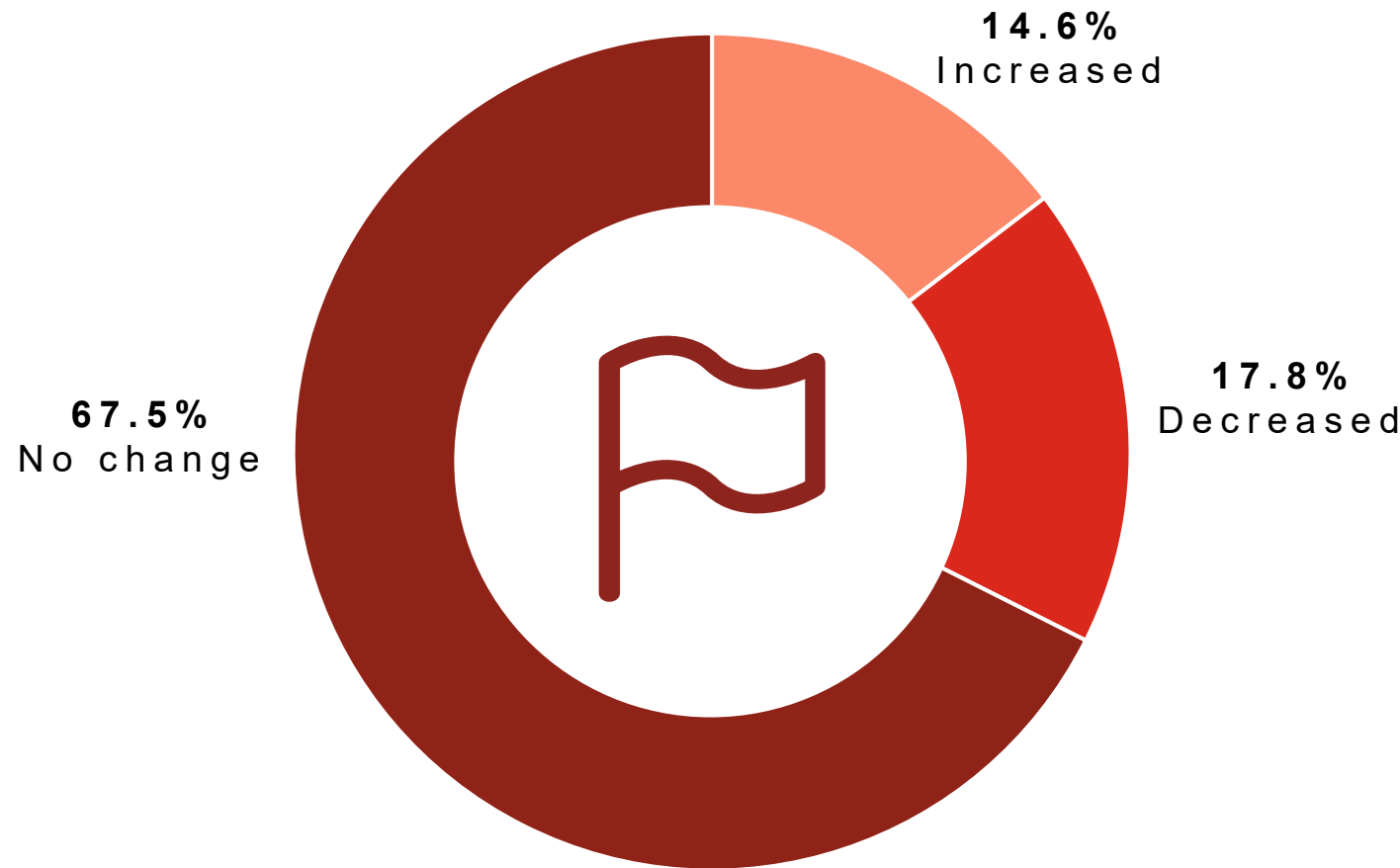


## Insights

Growth from partnerships spiked since February and is largely represented across the services sectors (at 19.0% B2B Services and 23.4% B2C Services) in contrast to B2B Products (14.4%) and B2C Products (9.8%). Spending on organic growth continues to dominate growth spending across every industry and level of Internet sales. Even so, organic growth has been on a steady decline since 2015, dropping below 70% for the first time in this Survey.

# 85% of marketing budget remains focused on domestic markets and not expected to change due to pandemic

Has the percentage of marketing budget spent on domestic markets changed in the wake of the Covid-19 pandemic?



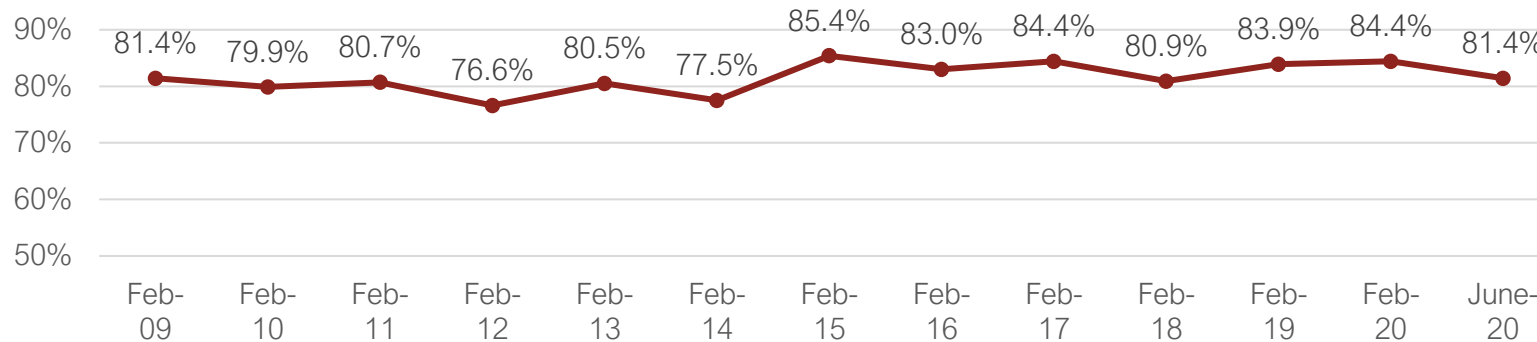
### Insights

Most companies note that their level of domestic budget spend is not impacted by the Covid-19 pandemic. Companies that do not sell on the Internet reported the most change to domestic budgets, more frequently reporting an increase (16.1%) and decrease (19.6%) relative to companies with sales over the Internet. Companies with >10% of sales through the Internet are least impacted, with 70.6% reporting no change to their domestic budget spend.

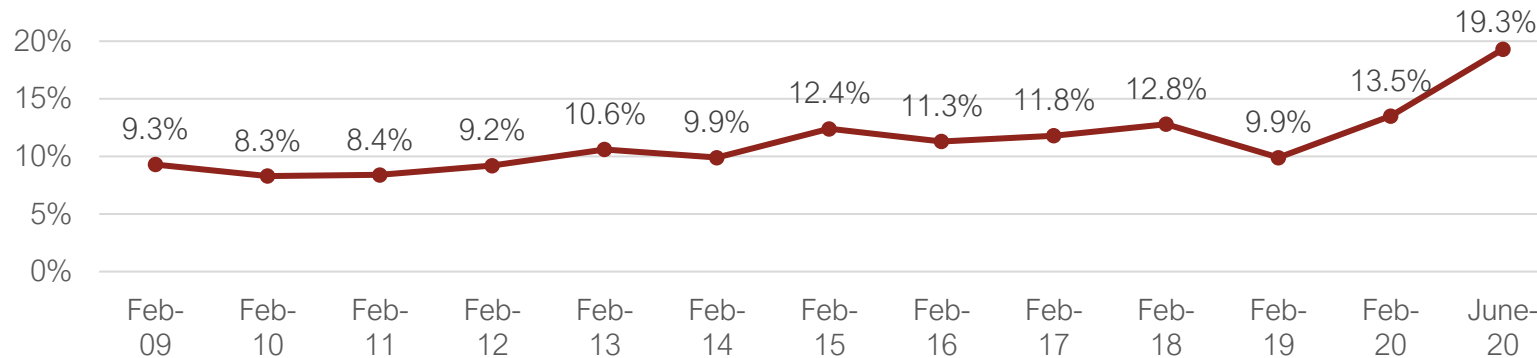
# Firms see 42% rise from Internet sales; domestic sales stagnate

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

## DOMESTIC SALES



## INTERNET SALES



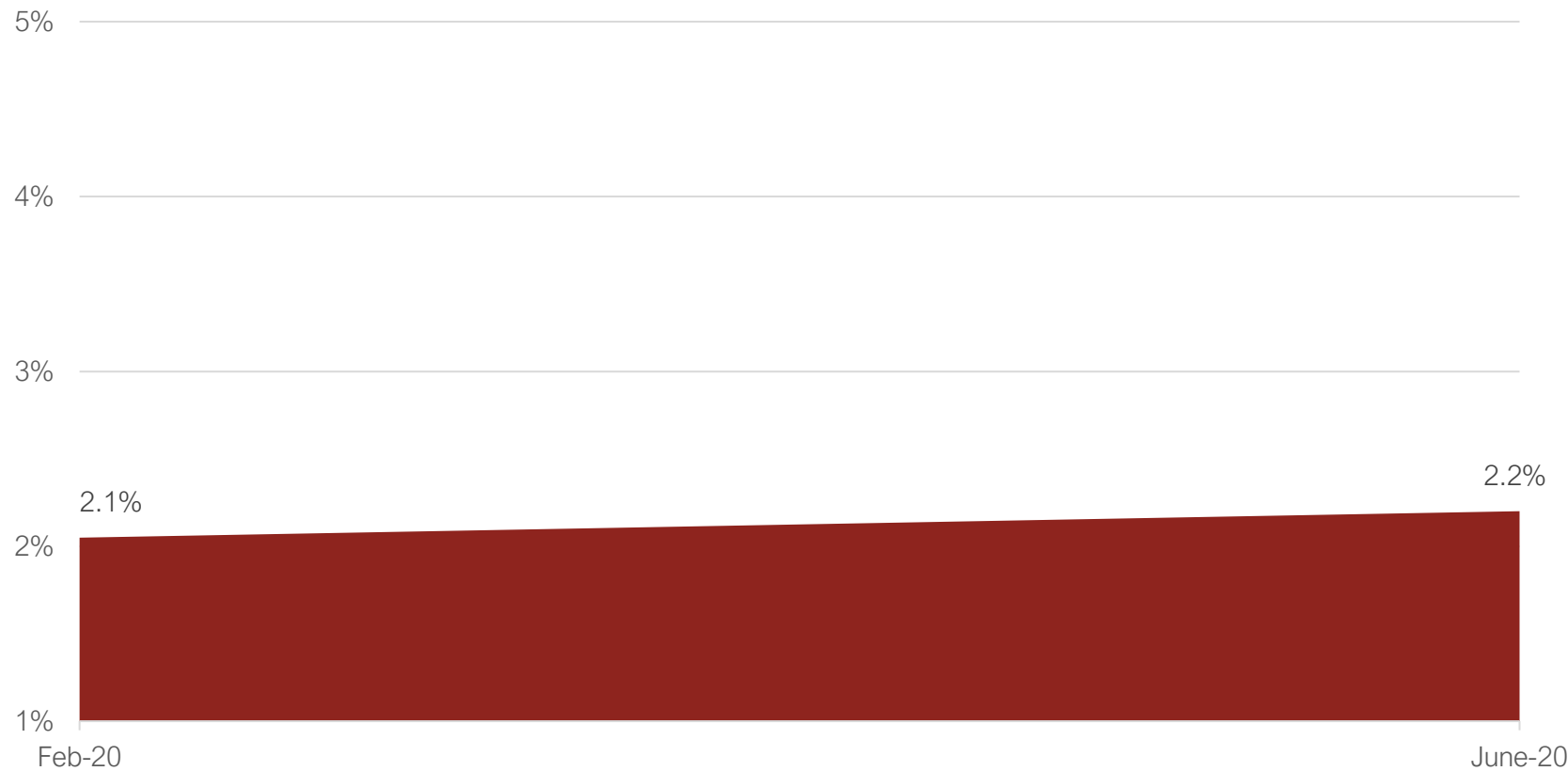
## Insights

Domestic sales stagnated, dropping to match the result in 2018. Services companies dominate in domestic sales, with B2B at 84.0% and B2C at 88.3%. Large companies, with \$10B+ in revenue and over 5,000 employees, sell the smallest proportion domestically.

Marketers note an increase in Internet sales, marking it the highest level in Survey history. The least likely to sell over the Internet are B2B companies, at 16%. B2C Products and Services both saw jumps to 22.9% and 25.3%, respectively. Small companies are also selling more online, with companies with under 500 employees selling 26.1% over the Internet, while companies with over 10,000 employees only report selling 12.9% online.

# Spending on marketing to China flat during pandemic

What percent of your marketing budget does your company spend targeting the market in China?



## Insights

Marketers report an insignificant increase in targeting the Chinese market. In the February 2020 Survey, they indicated they planned to increase this budget to 4.2% within three years, but are not much closer to reaching that goal.

B2C Product companies are most focused on China, at 4.1%, compared with B2C services, which are the least at 0.4%. Those who sell over the Internet are also more focused on China (at 3.1%) compared to those who do not (at 1.7%). Transportation, Retail, and Manufacturing industries are spending the most on China.

# The **CMO** Survey<sup>®</sup>



Next Survey: February 2021

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