Top marketers are preparing to hire and spend again

Top marketing officers at U.S. companies plan significant hiring and spending increases over the next two years, as they remain optimistic about prospects for their firms and the U.S. economy.

This is the good news from more than 600 marketing executives who participated in the February 2010 CMO Survey. The CMO Survey is a nationwide poll of top marketers conducted twice each year in partnership with the American Marketing Association and Duke University’s Fuqua School of Business.

Marketing Hiring Up

Nearly half the companies say they expect to hire new marketers during the next six months, while 60 percent will do so in the next year and almost 90 percent over the next two years. Firms plan to increase hiring levels by 8 percent in the next six months, 13 percent during the next year and 24 percent over the next two years.

To appreciate the significance of these increases, just more than one year ago (February 2009), marketing hiring was expected to lift by 0.9 percent and more recently (August 2009), by only 0.6 percent. The expected lifts are a very positive sign.

Marketing executives report they will seek experienced marketers with skills related to Internet marketing, innovation and growth and customer relationship and brand management.

The biggest increase in marketing hiring is expected among B-to-B product companies, while B-to-B services companies predict the smallest hiring growth. Consistent with this, B-to-B services marketers report the highest expected increase in outsourced marketing activities.

Survey results indicate that B-to-B services companies also consider Internet marketing skills as particularly important at this time, which may explain their focus on outsourcing to established companies.

In general, 72 percent of firms currently outsource some aspect of marketing programs, and 41 percent expect to increase outsourcing.

Marketer Optimism Up

Overall, optimism among marketers continues to grow, with 62 percent reporting their optimism about the U.S. economy has increased since last quarter, and nearly 64 percent feeling more optimistic about their own companies than they did last quarter. By contrast, in the August 2009 survey, marketers felt upbeat about the economy (59 percent) but less so about their own companies (48.2 percent).

This is a very strong sign as marketing executives are beginning to see the signs of a rebound within their own companies.

This optimism is also reflected in
respondents’ expectations for customer behavior, with 66 percent of firms anticipating increased volume in customer purchases, and 26 percent expecting higher prices. Nearly half of firms (47 percent) also expect an increase in the number of new customers in their markets, and 45 percent believe they have improved their abilities to retain current customers.

Marketing channels show a similar economic rebound, with partners expected to increase level and range of products and services as well as prices.

**Marketing Spending Up**

Marketing budgets are expected to rise by 6 percent, the largest expected increase in a year. February 2009 spending was a 0.5 percent gain and August 2009 at 1.1 percent.

Internet marketing expenditures will account for the largest share of budgets to social media, an allotment they expect to increase to 10 percent during the next year and 18 percent over the next five years.

B-to-B services companies report the largest planned increases in social media spending, from 7 percent to 11 percent of overall marketing budgets, over the next year. This trails similar increases already made by business-to-consumer services companies, which increased social media spending from 3 percent to 7 percent between August 2009 and February 2010.

These results indicate that marketers think social media marketing is here to stay and will play an increasingly important role in their work.

Companies plan to increase market research and intelligence activities by 7 percent. Together with other signs in the survey results, firms are investing in activities to identify new growth opportunities—especially those involving diversified growth.

**Social media continues to emerge as a central component of Internet marketing strategies.**

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<tr>
<th>Actual firm performance</th>
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<th>Goal in next 12 months</th>
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<tbody>
<tr>
<td></td>
<td>Feb 2009</td>
<td>Aug 2009</td>
<td>Feb 2010</td>
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<tr>
<td>Firm sales*</td>
<td>-0.6%</td>
<td>-0.1%</td>
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<tr>
<td>Market share</td>
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<td>Marketing return on investment</td>
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<tr>
<td>Firm profits</td>
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<td>Customer acquisition</td>
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<td>Customer retention</td>
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<tr>
<td>Brand value</td>
<td>3.7%</td>
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<td>2.6%</td>
<td>5.7%</td>
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</tbody>
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*Question not asked in February 2009

**To the Bottom Line**

As optimism soars and marketing spending and hiring begin to show up on the company payrolls and income statements, marketing executives have set aggressive goals for the future. Marketers know they must make the conversion as their companies face another difficult year climbing out of these tough economic times.

**Author’s Note:** The CMO Survey collects and disseminates the opinions of top marketers in order to predict the future of markets, track marketing excellence and improve the value of marketing in firms and in society. Founded in August 2008, the survey is administered twice each year, with questions repeated over time to discern trends. (The next survey will be in August.) Detailed results, including tabular summaries of results and results by firm and industry characteristics, are available at www.cmosurvey.org.