

# Marketer optimism rises to highest level in two years

February 16 2011, By Andrea Mohamed

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Top marketing executives at U.S. firms are more optimistic about the U.S. economy and their own companies, with company performance indicators such as revenue, profits and new jobs climbing across the board.

These encouraging results come from the CMO Survey, a nationwide poll of chief marketing officers (CMOs) conducted twice annually by Duke University's Fuqua School of Business and the American Marketing Association since 2008. The most recent CMO Survey queried 3,778 top marketing executives at Fortune 100, Forbes Top 200 and CMO Club companies from Jan. 11-28.

CMOs rated the U.S. economy at 63 on a scale of 0-100, up from a rating of 56 in August 2010. Nearly 69 percent of CMOs reported they were more optimistic about the U.S. economy, compared to 26 percent the previous quarter. In contrast, less optimistic CMOs fell to 6 percent, down from 35 percent the previous quarter.

"Because marketers have the most direct contact with customers and the best perspective of their future plans, these results are especially credible and bode well for [economic recovery](#)," said Christine Moorman, Fuqua professor and director of the survey. "All measures of customer revenue are expected to see gains in the next 12 months."

CMOs expect higher customer purchase volume, higher prices, more new customers entering the [market](#) and better customer retention.

Advertising will see gains in the next year, with spending on traditional ads expected to rise more than 2 percent, the first foray into positive territory since before February 2009.

Spending on [social marketing](#) continues its upward trend. CMOs say their firms currently spend 6 percent of their marketing budgets on social media promotions, but that figure will triple to 18 percent over the next five years.

"The growth in social [media marketing](#) will be exponential," Moorman said. "Smaller companies -- with revenues under \$25 million -- in particular will increasingly rely on social media outlets to market their products and services."

Moorman noted that although firms of all sizes plan to increase spending on marketing via social media, CMOs don't believe their social media activities are well integrated with their companies' overall marketing strategies. In fact, 42 percent rate this integration as below average and only 11 percent of CMOs said their company was "very effective" in integrating social media into their marketing strategies. This suggests an urgency to utilize social media even before a comprehensive plan is developed.

"This approach is natural for such a profoundly innovative tool for interacting with customers," Moorman said. "Firms are in a period of experimentation and observation about [social media](#). Like television advertising in the '50s, this period of learning will define the winners and losers of this generation of firms."

Completing the rebound portrait, CMOs expect to hire 50 percent more marketing professionals over the next year, with the service consulting industry expected to post the largest gains with 82 percent growth.

U.S. CMOs expect most company revenues to come from domestic markets during the next year, while the international market with the highest expected sales increase is China, up 4 percent over February 2010 estimates. Business-to-business companies expect the biggest increases in Chinese markets.

**More information:** Complete CMO Survey data tables by firm and industry characteristics are available at [www.cmosurvey.org/category/news/](http://www.cmosurvey.org/category/news/)

Provided by Duke University

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