

## CMO RealityCheck™ Survey - March 2005

Results Among Total Respondents: 534

The CMO RealityCheck Survey is a quarterly survey conducted by *CMO* magazine to assess the outlook for marketing spending, profile the *CMO* audience, and to investigate “hot” areas affecting the marketing function across multiple industries. The current survey was sent to 7,956 qualified *CMO* subscribers via an email invitation with a link to the survey on Tuesday, February 15, 2005. The survey closed on Tuesday, March 1, 2005 with 534 responses representing a response rate of 6.7% and a margin of error of +/-4.3% at the 95% confidence level.

### 1. What is your primary job title?

	Count	Percent
<b>C-Level Marketing Executives</b>	<b>71</b>	<b>13.29%</b>
CMO	61	11.42%
Chief Strategy Officer	5	0.94%
Chief Business Development Officer	2	0.37%
Chief Branding Officer	3	0.56%
<b>C-Level Business Executives</b>	<b>8</b>	<b>1.50%</b>
CEO/President/Owner	7	1.31%
CFO/VP Finance	1	0.19%
<b>EVP/Sr VP/VP Level- Marketing</b>	<b>140</b>	<b>26.21%</b>
EVP/Sr VP/VP of Marketing and Sales	39	7.30%
EVP/Sr VP/VP of Marketing/Corporate Marketing	60	11.24%
EVP/Sr VP/VP of Marketing Communications/Integrated Marketing	21	3.93%
EVP/Sr VP/VP of Online Marketing	2	0.37%
EVP/Sr VP/VP of Advertising/Corporate Branding	6	1.12%
EVP/Sr VP/VP of Product Marketing	9	1.69%
EVP/Sr VP/VP of Market/Competitive Research	2	0.37%
EVP/Sr VP/VP of Public Relations/Public Affairs	1	0.19%
<b>Director Level - Marketing</b>	<b>227</b>	<b>42.53%</b>
Director of Marketing and Sales	29	5.43%
Director of Marketing/Corporate Marketing	77	14.42%
Director of Marketing Communications/Integrated Marketing	49	9.18%
Director of Online Marketing	9	1.69%
Director of Advertising/Corporate Branding	8	1.50%
Director of Product Marketing	31	5.81%
Director of Market/Competitive Research	15	2.81%
Director of Public Relations/Public Affairs	9	1.69%
Other	88	16.48%
<b>Total Answering</b>	<b>534</b>	<b>100.01%</b>

2. Are you a member of your company's senior executive committee or board of directors?

	Count	Percent
Yes	149	28.38%
No	376	71.62%
Total Answering	525	100.00%

3. To whom do you report?

	Count	Percent
CEO	88	16.73%
President	92	17.49%
Other	346	65.78%
Total Answering	526	100.00%

4. What is the scope of your marketing responsibility?

	Count	Percent
Enterprise-wide	314	59.58%
Divisional	160	30.36%
Departmental	42	7.97%
Other	11	2.09%
Total Answering	527	100.00%

5. Do you have responsibility for global marketing?

	Count	Percent
Yes	246	46.86%
No	140	26.67%
My organization does not have global operations	139	26.48%
Total Answering	525	100.01%

6. What are your primary responsibilities? (check all that apply)

Total answering: 526

	Count	Percent
Marketing strategy and brand development	424	80.61%
Integrated program development and execution across disciplines (e.g., advertising, sales promotion, public relations, market/competitive research; investor/analyst relations; corporate communications)	402	76.43%
Customer acquisition, relationship management and retention strategies	331	62.93%
Strategic product/service development	290	55.13%
Global marketing strategy and brand development	255	48.48%
Identifying and solidifying business partnerships	249	47.34%
E-commerce development (use of e-commerce to enhance current business or build new business)	237	45.06%
Other	76	14.45%

7. What is the highest level of education you have completed or the highest degree you have achieved?

	Count	Percent
Master's degree	244	46.48%
Graduated from 4-year college	166	31.62%
Post-graduate study without degree	60	11.43%
Attended college but did not graduate	34	6.48%
Doctoral degree	12	2.29%
Other professional degree (MD, LLB, etc.)	6	1.14%
Graduated high school or received equivalent degree (e.g., GED)	3	0.57%
Total Answering	525	100.01%

8. In which of the following business areas/functions have you worked prior to your current role? (check all that apply)

Total answering: 525

	Count	Percent
Marketing communications	277	52.76%
Sales	252	48.00%
Advertising/branding	216	41.14%
Business development	209	39.81%
Corporate communications/PR/internal relations	163	31.05%
Marketing research	145	27.62%
Business consulting	138	26.29%
Internet/interactive marketing/e-commerce	120	22.86%
R&D/product development	115	21.90%
Academia	47	8.95%
IS/IT management	44	8.38%
Finance	42	8.00%
Other	93	17.71%

9. Is your CEO your ally (do you have the ear of the CEO)?

	Count	Percent
Yes	347	65.97%
No	90	17.11%
Not sure	89	16.92%
<b>Total Answering</b>	<b>526</b>	<b>100.00%</b>

10. How would you rate your CEO's level of understanding about the role and contributions of marketing to the organization?

	Count	Percent
<b>Excellent/Very Good</b>	<b>270</b>	<b>51.33%</b>
Excellent	106	20.15%
Very good	164	31.18%
Satisfactory	115	21.86%
<b>Room for improvement/Clueless/Unrealistic</b>	<b>130</b>	<b>24.71%</b>
Room for improvement	101	19.20%
Clueless	26	4.94%
Unrealistic	3	0.57%
Not sure	11	2.09%
<b>Total Answering*</b>	<b>526</b>	<b>99.99%</b>

\* Total answering does not add to 100% due to rounding.

11. How many hours do you work each week?

	Count	Percent
On Call 24/7	24	4.56%
Over 70 hours	32	6.08%
61 - 70 hours	125	23.76%
51 - 60 hours	214	40.68%
40 - 50 hours	124	23.57%
Less than 40 hours	7	1.33%
<b>Total Answering*</b>	<b>526</b>	<b>99.98%</b>

\* Total answering does not add to 100% due to rounding.

**Average hours per week** 61.5

12. On a weekly basis, please indicate the **top three** areas that you spend the most time on:

Total answering: 526

	Count	Percent
Aligning marketing with business goals/strategy	307	58.37%
Meetings and administrative tasks	203	38.59%
Managing/mentoring staff	196	37.26%
Generating innovative thinking and ideas to drive new business	177	33.65%
Reviewing/approving campaigns and business development initiatives	168	31.94%
Building relationships with peer executives and defining the role and value of marketing	142	27.00%
Consensus building	103	19.58%
Crisis management	88	16.73%
Quarter-to-quarter planning	79	15.02%
Briefing/managing the work of external business partners	73	13.88%
Reading-up to stay current on marketing trends & developments	55	10.46%
Long-term planning	50	9.51%

13. How far out do you plan? (please select all that apply)

Total answering: 525

	Count	Percent
Monthly	102	19.43%
Quarterly	195	37.14%
Annually	376	71.62%
2 years	105	20.00%
More than 3 years	72	13.71%

14. Please select the range that describes your own **personal income** before taxes in 2004 (incl. salary, wages, tips, bonuses, profit sharing, commissions, etc.).

	Count	Percent
\$1,000,000 or more	7	1.37%
\$500,000 - \$999,999	14	2.75%
\$450,000 - \$500,000	10	1.96%
\$350,000 - \$449,000	13	2.55%
\$250,000 - \$349,000	51	10.00%
\$100,000 - \$249,999	282	55.29%
\$75,000 - \$99,999	57	11.18%
\$50,000 - \$74,999	59	11.57%
Under \$50,000	17	3.33%
Total Answering	510	100.00%

**Average personal income** \$205,231

15. How long have you been in your current position?

	Count	Percent
Less than 1 year	89	16.95%
1-2 years	159	30.29%
3-5 years	185	35.24%
6-8 years	49	9.33%
8+ years	43	8.19%
Total Answering	525	100.00%

**Average current tenure** 3.4

16. How secure do you feel in your current position?

	Count	Percent
Very Secure	179	34.29%
Secure	284	54.41%
Not Very Secure	59	11.30%
Total Answering	522	100.00%

17. How long do you plan to work at your current organization?

	Count	Percent
Less than 1 year	50	9.56%
1-2 years	114	21.80%
3-5 years	162	30.98%
6-8 years	61	11.66%
8+ years	136	26.00%
Total Answering	523	100.00%

**Average planned tenure** 5.0

18. Do you plan to switch organizations or your role within the next 12 months?

	Count	Percent
Yes	162	31.03%
No	360	68.97%
Total Answering	522	100.00%

19. At this point in your career, what are your long-term aspirations?

	Count	Percent
The top marketing officer in an organization	197	37.67%
General management	93	17.78%
President or CEO	88	16.83%
Other C-level title	48	9.18%
None of these	97	18.55%
<b>Total Answering</b>	<b>523</b>	<b>100.01%</b>

20. If your chosen career is marketing, will you diversify your career path to fast track your professional success?

	Count	Percent
<b>Yes, will diversify career path to fast track success</b>	<b>272</b>	<b>53.23%</b>
<b>Yes, plan to switch organizations</b>	<b>202</b>	<b>39.53%</b>
Yes, plan to switch organizations to work in different industries	168	32.88%
Yes, plan to switch organizations for non-marketing cross functional training	34	6.65%
Yes, plan to pursue non-marketing related role at my current organization	70	13.70%
No	239	46.77%
<b>Total Answering</b>	<b>511</b>	<b>100.00%</b>

21. If you plan to switch organizations, what is the strongest motivating factor (select one):

	Count	Percent
I do not plan to switch organizations	160	35.96%
Ability to have greater influence on the entire organization	77	17.30%
Ability to apply existing breadth of skills and experiences	48	10.79%
Diversify career skill set	40	8.99%
Higher compensation	36	8.09%
Better personal alignment with company culture	33	7.42%
Intellectual challenge	18	4.04%
More creative work	16	3.60%
Other	17	3.82%
<b>Total Answering</b>	<b>445</b>	<b>100.01%</b>

22. What is your level of satisfaction with marketing's sphere of influence within your organization for the following areas:

	<b>Very satisfied/satisfied</b>	<b>Very satisfied</b>	<b>Satisfied</b>	<b>Not satisfied</b>	<b>Not applicable</b>
Articulating corporate vision/mission/value	74.54%	22.18% (114)	52.33% (269)	25.10% (129)	0.39% (2)
External communications	73.47%	22.00% (112)	51.47% (262)	25.34% (129)	1.18% (6)
Branding	68.56%	25.98% (133)	42.58% (218)	30.66% (157)	0.78% (4)
Privacy policy	67.13%	16.54% (84)	50.59% (257)	14.76% (75)	18.11% (92)
Revenue generation	65.36%	13.31% (68)	52.05% (266)	30.33% (155)	4.31% (22)
Internal communications	64.44%	12.77% (65)	51.67% (263)	33.60% (171)	1.96% (10)
Compliance policy	61.88%	11.59% (59)	50.29% (256)	23.18% (118)	14.93% (76)
Security policy	60.63%	9.65% (49)	50.98% (259)	18.11% (92)	21.26% (108)
Driver of business strategy	58.98%	14.84% (76)	44.14% (226)	39.26% (201)	1.76% (9)
Competitive intelligence	52.44%	10.53% (54)	41.91% (215)	<b>46.00% (236)</b>	1.56% (8)
Corporate budget priorities	52.24%	7.99% (41)	44.25% (227)	<b>46.39% (238)</b>	1.36% (7)
Customer relationship management strategy	51.67%	11.55% (59)	40.12% (205)	<b>44.81% (229)</b>	3.52% (18)
Customer contact center	51.47%	9.20% (47)	42.27% (216)	36.79% (188)	11.74% (60)
New product development/testing/rollout	50.59%	13.73% (70)	36.86% (188)	<b>39.22% (200)</b>	10.20% (52)
Technology priorities to support the business	49.41%	7.09% (36)	42.32% (215)	<b>43.70% (222)</b>	6.89% (35)
E-commerce strategy	48.93%	11.94% (61)	36.99% (189)	38.36% (196)	12.72% (65)
Channel management	48.14%	7.83% (40)	40.31% (206)	39.14% (200)	12.72% (65)

\* Under the "Not Satisfied" category, the top 5 least satisfied areas are highlighted.

23. What are your **top three** marketing priorities in 2005?

Total answering: 517

	Count	Percent
Drive revenue growth	234	45.26%
Customer acquisition/retention/satisfaction	187	36.17%
Align the marketing function with business goals/strategy	182	35.20%
Measure marketing program productivity/ROI	115	22.24%
Sales/marketing alignment	106	20.50%
Cross-functional coordination	92	17.79%
Integrate marketing programs	90	17.41%
Enhance/increase the usage of interactive marketing programs (online advertising, public marketing web site, search-engine optimization, private password protected websites, selling products/services through web site)	85	16.44%
Drive new product development	82	15.86%
Drive innovation	74	14.31%
Build a stronger relationship with executive peers	59	11.41%
Manage loyalty to brand, channel, and employees	58	11.22%
Strategic planning and portfolio management	52	10.06%
Transform the marketing function from a product focus to a corporate focus	35	6.77%
Increase the marketing budget	33	6.38%
Build a stronger relationship with the press	31	6.00%
Build a stronger relationship with the CEO	27	5.22%
Internal education about marketing practices & results	23	4.45%
Understand and capitalize on advancements in technologies for marketing	18	3.48%
Security (information, online, etc.)	2	0.39%

24. What ROI metrics do you track?

Total answering: 514

	Count	Percent
Customer satisfaction	261	50.78%
Market share relative to key competitors	226	43.97%
Web site traffic	222	43.19%
Feedback from sales and channel groups	184	35.80%
Brand awareness	175	34.05%
Revenue impact of select marketing programs	175	34.05%
Qualified leads	173	33.66%
Advertising effectiveness	152	29.57%
We do not have a formal marketing measurement system in place	132	25.68%
Revenue impact of all marketing programs	126	24.51%
Customer churn	95	18.48%
Stock price	85	16.54%
Share of mind and brand equity	76	14.79%
Other	16	3.11%

25. Which of the following emergent marketing techniques are you currently using or planning to use within the next 6 months? (please select all that apply)

Total answering: 481

	Count	Percent
Email marketing	336	69.85%
Customer influence via word of mouth	209	43.45%
Search marketing (paid placement)	172	35.76%
Blogs	108	22.45%
Behavioral marketing	103	21.41%
Product placement	89	18.50%
Branded entertainment	78	16.22%
Stealth marketing	70	14.55%
Brand usage monitoring technology	60	12.47%
Use of celebrities	49	10.19%
Web crawlers	34	7.07%
Voicemail blasts	33	6.86%
Determined detractors (negative influence via internet and digital means)	14	2.91%
Others	68	14.14%

26. How would you classify your marketing organization with regard to its adoption of new/emerging technologies?

Number of responses: 512

	Count	Percent
Average adopter (moves with the masses)	187	36.52%
Later adopter (waits until the technology's presence in the market has become common before adopting)	127	24.80%
Early adopter (part of the second wave of adoption)	96	18.75%
Laggard (last to adopt new technologies)	57	11.13%
Innovator (leads the way by being among the first to adopt new technologies)	45	8.79%
Total Answering	512	99.99%

\* Total answering does not add to 100% due to rounding.

27. Please indicate how involved you are with each of the following technologies at your organization:

	Involved (net)	Extremely Involved	Very involved	Somewhat involved	Not at all involved
Desktop PCs/workstations	59.73%	16.31% (83)	16.11% (82)	27.31% (139)	40.28% (205)
Notebook/tablet PCs	54.61%	13.16% (67)	16.11% (82)	25.34% (129)	45.38% (231)
Handheld devices (PDAs, mobile/cellular phones, pagers)	61.06%	14.29% (73)	16.44% (84)	30.33% (155)	38.94% (199)
Servers	35.59%	5.37% (27)	8.15% (41)	22.07% (111)	64.41% (324)
Software	63.56%	9.11% (46)	23.37% (118)	31.09% (157)	36.44% (184)
Printers	45.61%	6.77% (34)	12.35% (62)	26.49% (133)	54.38% (273)
Networking and telecom equipment	33.40%	4.00% (20)	7.40% (37)	22.00% (110)	66.60% (333)
Services (ISP, consultants, application outsourcing, network access services, etc)	46.21%	5.38% (27)	14.54% (73)	26.29% (132)	53.78% (270)

28. What is your organization's **total marketing budget** including staff salaries & bonuses? (check one only)?

	Count	Percent
\$100 million or more	76	15.23%
\$50 million - \$99.9 million	29	5.81%
\$20 million - \$49.9 million	57	11.42%
\$5 million - \$19.9 million	124	24.85%
\$2.5 million - \$4.9 million	69	13.83%
\$500,000 - \$2.49 million	102	20.44%
Less than \$500,000	42	8.42%
Total Answering	499	100.00%

**Average total marketing budget** \$35,099,178

29. With the total equal to 100%, what percent of your marketing budget is allocated to the following:

Number of responses: 534

	% Allocation
Advertising	18.02%
Direct marketing	12.13%
Events	9.77%
Interactive marketing	4.80%
Internal staff compensation	11.40%
Market/customer/competitive research	3.31%
Premiums/promotions/incentives	2.42%
Product placement	0.06%
Project/program management consulting	1.16%
Project/program outsourcing	0.94%
Public relations/analyst relations	3.73%
Sales promotion	6.40%
Sponsorships	3.76%
Unsure	23.91%
Total (does not add to 100% due to rounding )	102.35%

30. Estimate the % change in your total marketing budget including compensation and vendor fees over the next 12 months:

	Count	Percent
1 to 9%	168	39.72%
10 to 19%	97	22.93%
20 to 29%	30	7.09%
30 to 49%	8	1.89%
50 to 100%	8	1.89%
100%+	4	0.95%
0	63	14.89%
-1 to -9%	32	7.57%
-10 to -19%	10	2.36%
-20 to -29%	2	0.47%
-30 to -49%	0	0.00%
-50 to -100%	1	0.24%
Total Answering	423	100.00%

Average % change

9.6

31. Indicate the likely direction of your spending on the following marketing areas in the next 12 months:

	Increase	Decrease	Unchanged	Do not use
Advertising (print, online ads/sponsorship, TV, radio, outdoor, cinema)	50.00% (211)	13.03% (55)	31.04% (131)	5.92% (25)
Direct marketing	53.24% (222)	5.76% (24)	34.53% (144)	6.47% (27)
Events	32.06% (134)	15.31% (64)	44.98% (188)	7.66% (32)
Interactive marketing	46.84% (193)	4.85% (20)	33.50% (138)	14.81% (61)
Internal staff compensation	44.50% (182)	7.58% (31)	42.54% (174)	5.38% (22)
Market/customer/competitive research	38.63% (158)	7.09% (29)	48.66% (199)	5.62% (23)
Premiums/promotions/incentives (including online programs)	21.60% (89)	9.47% (39)	50.97% (210)	17.96% (74)
Product placement	10.17% (41)	3.23% (13)	37.72% (152)	48.88% (197)
Project/program management consulting	12.84% (52)	7.90% (32)	44.20% (179)	35.06% (142)
Project/program outsourcing	15.17% (61)	8.21% (33)	42.54% (171)	34.08% (137)
Public relations/analyst relations	28.36% (116)	7.82% (32)	49.63% (203)	14.18% (58)
Sales promotion (including channel support)	34.95% (144)	9.71% (40)	41.02% (169)	14.32% (59)
Sponsorships	20.00% (82)	11.71% (48)	46.83% (192)	21.46% (88)

32. What is your organization's **total advertising budget** (including print, online ads/sponsorships, TV, radio, outdoor, cinema, etc.)?

	Count	Percent
\$100 million or more	42	10.37%
\$50 million - \$99.9 million	14	3.46%
\$20 million - \$49.9 million	22	5.43%
\$5 million - \$19.9 million	55	13.58%
\$2.5 million - \$4.9 million	34	8.40%
\$500,000 - \$2.49 million	99	24.44%
Less than \$500,000	139	34.32%
Total Answering	405	100.00%

**Average advertising budget** \$22,481,741

33. Estimate the **% change** in your **total advertising budget** (including print, online ads/sponsorships, TV, radio, outdoor, cinema, etc.) over the next 12 months:

	Count	Percent
1 to 9%	161	39.56%
10 to 19%	69	16.95%
20 to 29%	15	3.69%
30 to 49%	6	1.47%
50 to 100%	8	1.97%
100%+	9	2.21%
0%	91	22.36%
-1 to -9%	28	6.88%
-10 to -19%	11	2.70%
-20 to -29%	5	1.23%
-30 to -49%	1	0.25%
-50 to -100%	3	0.74%
Total Answering	407	100.01%

**Average % change in total advertising budget** 9.0

34. Indicate the likely direction of your spending on the following advertising mediums in the next 12 months:

	Increase	Decrease	Unchanged	Do not use
Print	44.39% (186)	18.14% (76)	32.46% (136)	5.01% (21)
Online	61.72% (258)	2.87% (12)	27.99% (117)	7.42% (31)
TV	18.31% (76)	8.19% (34)	16.63% (69)	56.87% (236)
Radio	16.39% (68)	7.95% (33)	22.65% (94)	53.01% (220)
Outdoor	13.38% (55)	4.62% (19)	21.41% (88)	60.58% (249)
Cinema	3.66% (15)	1.95% (8)	13.41% (55)	80.98% (332)

35. Which of the following best describes your organization's industry (check one only)

	Count	Percent
<b>Manufacturing (net)</b>	<b>143</b>	<b>32.58%</b>
Manufacturing (consumer)	55	12.53%
Manufacturing (non-consumer)	88	20.05%
Financial Services/Insurance/Real Estate	54	12.30%
Wholesale/Retail Trade	27	6.15%
Government (Federal/State/Local) & Military	6	1.37%
Healthcare/Pharmaceuticals/Medical Services	37	8.43%
Utilities	11	2.51%
Publishing/Agency/Media/Public Relations	18	4.10%
Business & Consumer Services	38	8.66%
Travel/Tourism/Entertainment	18	4.10%
Education	8	1.82%
Transportation	10	2.28%
Other	69	15.72%
Total Answering	439	100.02%

36. What is the total number of employees in your entire organization?

	Count	Percent
Over 40,000	58	13.15%
30,001 - 40,000	15	3.40%
20,001 - 30,000	14	3.17%
10,001 - 20,000	43	9.75%
5,001 - 10,000	54	12.20%
1,001 - 5,000	141	31.90%
501 - 1,000	52	11.79%
Less than 500	64	14.51%
Total Answering	441	99.87%

\* Total answering does not add to 100% due to rounding.

**Average number of employees**

12,025

37. What are the total annual revenues of your entire organization?

	Count	Percent
Over \$40 Billion	32	7.56%
\$30 - \$40 Billion	6	1.41%
\$15 - \$29.9 Billion	21	4.96%
\$10 - \$14.9 Billion	18	4.25%
\$5 - \$9.9 Billion	31	7.32%
\$1 - \$4.9 Billion	99	23.40%
\$501 - \$999 Million	43	10.16%
\$101 - \$500 Million	123	29.07%
\$50 - \$100 Million	14	3.30%
Under \$50 Million	36	8.51%
<b>Total Answering</b>	<b>423</b>	<b>99.94%</b>

\* Total answering does not add to 100% due to rounding.

**Average annual revenues** \$7,327,923,168

38. What type of organization do you work for:

	Count	Percent
Privately held organization	169	38.24%
Publicly held organization	273	61.76%
<b>Total Answering</b>	<b>442</b>	<b>100.00%</b>

39. Are you male or female?

	Count	Percent
Male	312	70.75%
Female	129	29.25%
Total Answering	441	100.00%

40. What is your age?

	Count	Percent
Under 30	16	3.58%
30 - 34	62	13.90%
35 - 39	78	17.48%
40 - 44	109	24.43%
45 - 49	73	16.36%
50 - 54	62	13.90%
55 - 59	33	7.39%
60 - 64	10	2.24%
65 or over	3	0.67%
Total Answering	446	99.95%

\* Total answering does not add to 100% due to rounding.

**Average age**

43