



Gartner Webinars

Gartner equips leaders like you with indispensable insights, advice, and tools to help you achieve your most pressing objectives

Gartner[®]

Enhance your webinar experience



**Ask a
Question**



**Download
Attachments**



**Share This
Webinar**

The Annual CMO Spend Survey Results 2020-2021



Connect with Gartner



Ewan McIntyre

VP Analyst



Gartner's Annual CMO Spend Survey

This research is based on Gartner's 2020 CMO Spend Survey of 432 marketing executives in North America, the U.K., France and Germany at companies with \$500 million to \$20 billion or more in annual revenue. It details:

- The immediate impact of marketing strategies and spending as a result of the COVID-19 crisis
- CMOs' expectations of the future — how budgets, spending and strategic priorities will evolve heading into 2021
- How priorities are changing in terms of the shift toward digital channels, and the balance of in-house and external agency resources

Gartner's Annual CMO Spend Survey

- Annual survey of CMOs and senior marketing leaders running since 2012
- Respondents from the United States (44%), Canada (8%), France (12%), Germany (11%) and the United Kingdom (25%)
- 188 B2B, 167 B2C and 77 hybrid (mixture of B2B & B2C)
- 9 major industries: financial services, high tech, manufacturing, consumer products, media, retail, healthcare providers, IT and business services, and travel and hospitality

COVID-19's Impact on Marketing in 2020

Polling Question 1 of 3

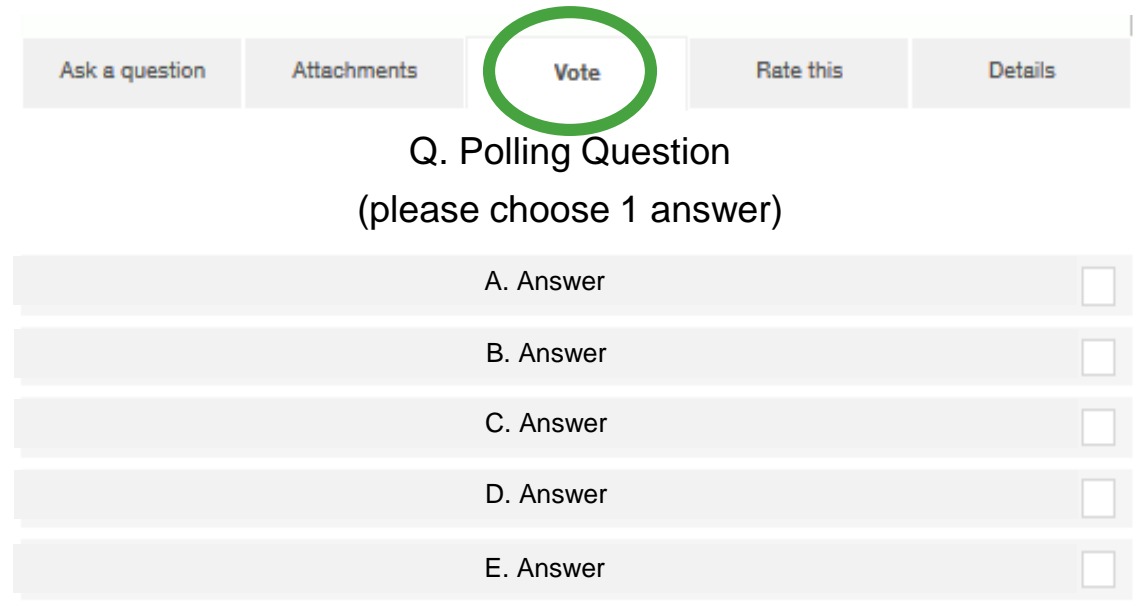
What impact has the COVID-19 pandemic had on your marketing budgets so far this year?

- A. Significant increased (more than 15%)**
- B. Moderately increased (between 5-15%)**
- C. Roughly the same (less than 5% movement either way)**
- D. Moderate decrease (5-15%)**
- E. Significant decrease (more than 15%)**

How to participate in our polling

If you are in full screen mode – click Esc
The poll question is on the “Vote” tab.
Please click the box to make your selection.
Upon voting you will see the results.

Thank you!

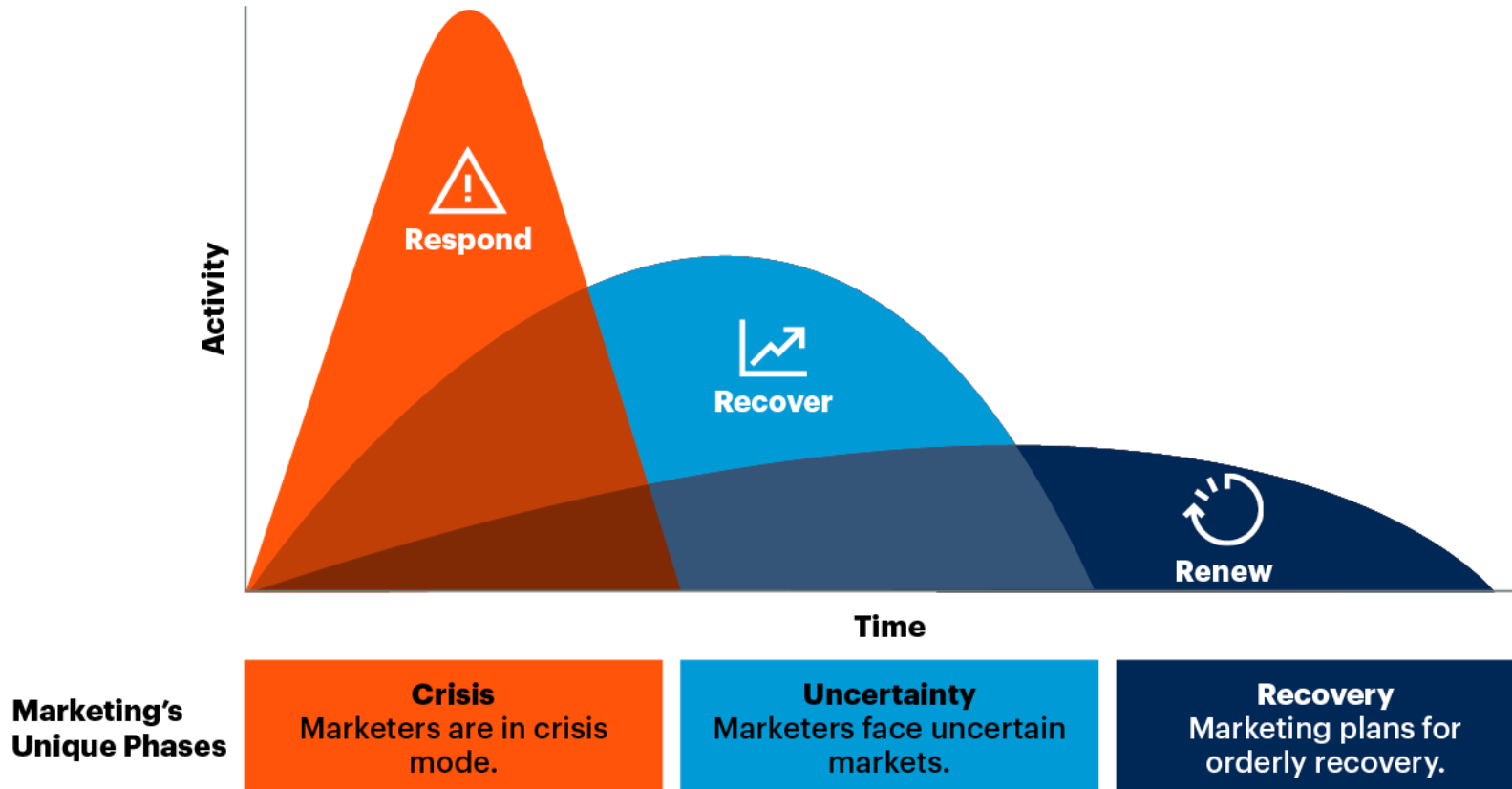


The screenshot shows a navigation bar with five tabs: "Ask a question", "Attachments", "Vote", "Rate this", and "Details". The "Vote" tab is highlighted with a green circle. Below the tabs, the question "Q. Polling Question" is displayed, followed by the instruction "(please choose 1 answer)". There are five answer options, each with a checkbox:

- A. Answer
- B. Answer
- C. Answer
- D. Answer
- E. Answer

The Reset – COVID-19 's Impact on Marketing

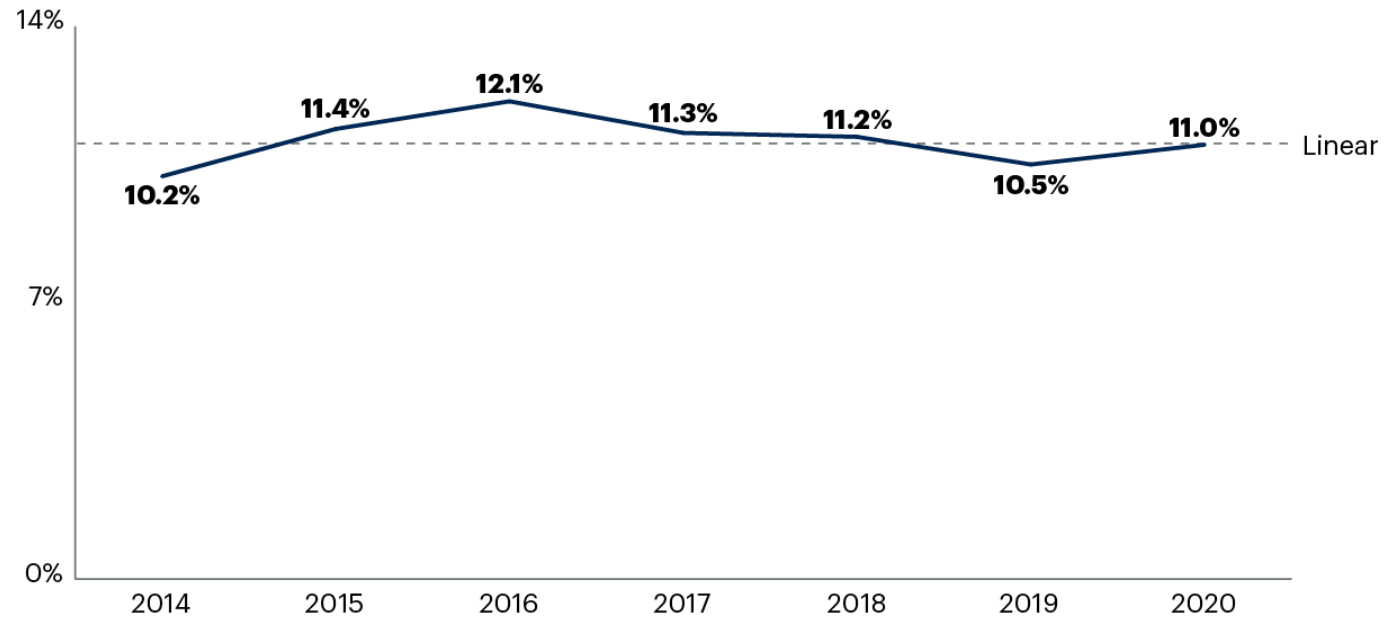
The Reset: Post-COVID-19 Recovery Phases



Source: Gartner
715362_C

2020 Marketing Budgets Pre-COVID

Marketing Budgets Started 2020 Strongly, at 11% of Company Revenue
Mean Percent of Budget Shown



n = 328 (2020); 342 (2019) N.America/U.K. Respondents; 618 (2018); 350 (2017); 375 (2016); 424 (2015); 363 (2014)

Q: What percentage of your company's total revenue is allocated to its total marketing expense budget for FY2019?

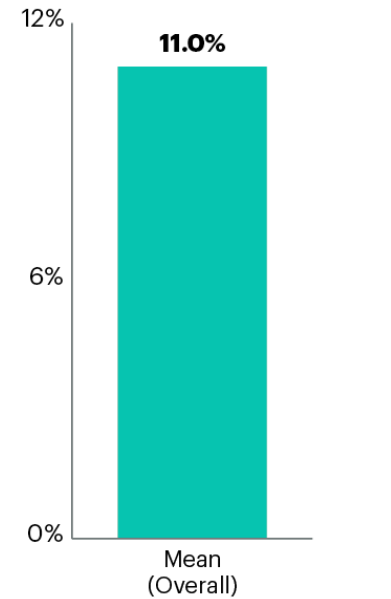
Source: 2020 Gartner CMO Spend Survey

715362_C

The In-Year Impact of COVID-19 on Marketing Budgets

Forty-Four Percent of CMOs Expect Budgets to Decrease as a Result of COVID-19

Mean Percentage of Company Revenue Shown

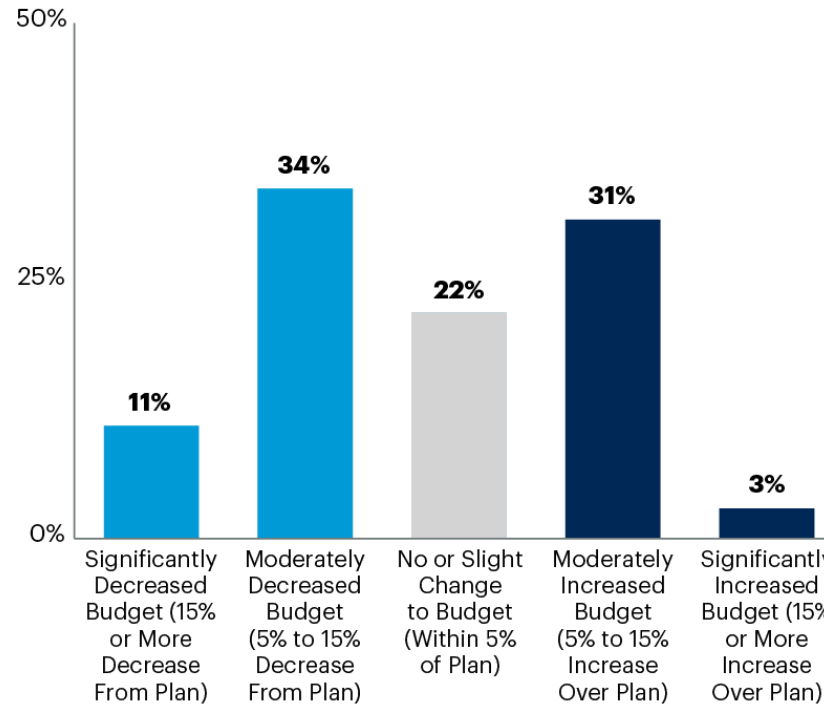


n = 428 Total marketing leaders, excluding "Don't know"

Q: What percentage of your revenue is allocated to your total marketing expense budget for the current fiscal year?

Source: 2020 Gartner CMO Spend Survey
715362_C

Percentage of Respondents



n = 431 Total marketing leaders, excluding "Don't know"

Q: What impact do you expect the Novel Coronavirus (COVID-19) pandemic to have on your total marketing expense budget in 2020, relative to your original plan?

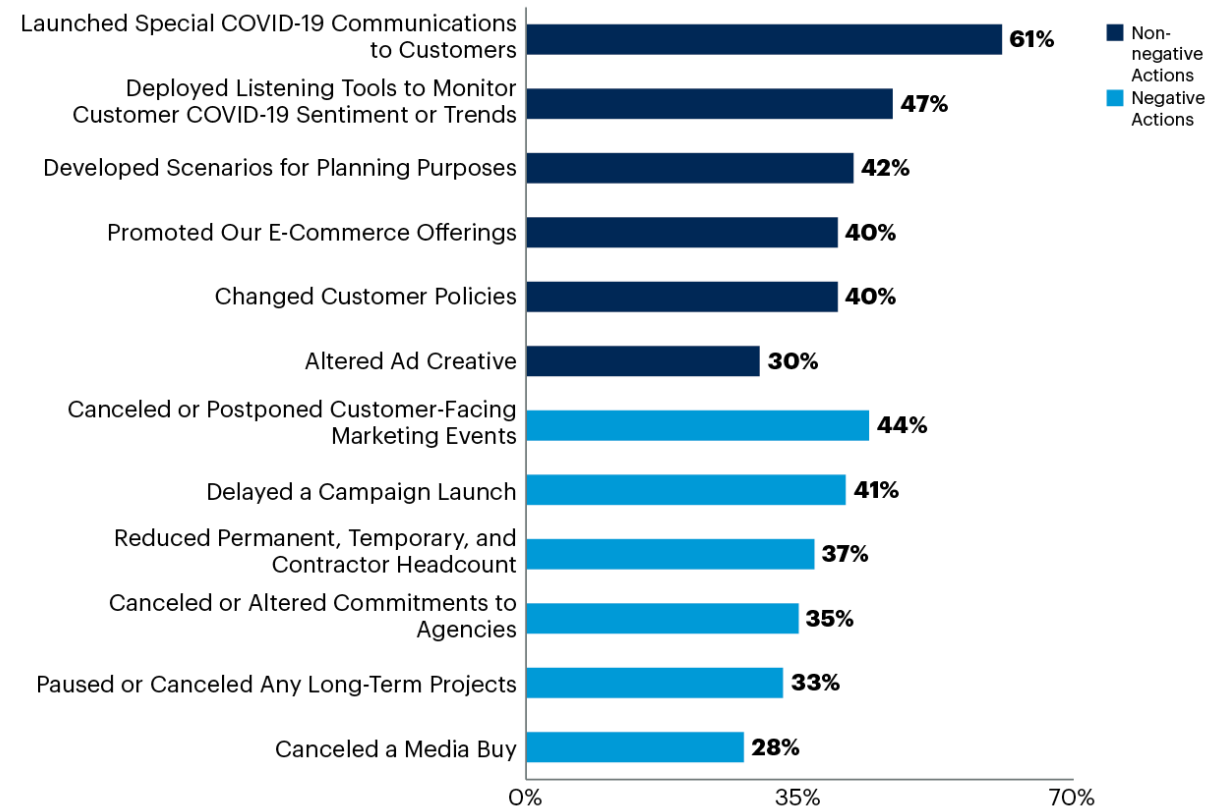
Source: 2020 Gartner CMO Spend Survey

Note: Percentages may not add to sum due to rounding.

Actions Taken by CMOs in Response to COVID-19

CMOs Take a Range of Actions in Response to the COVID-19 Pandemic

Multiple Responses Allowed



n = 432 Marketing leaders

Q: Which of the following actions has your marketing organization taken in response to the Novel Coronavirus (COVID-19) pandemic?

Source: 2020 Gartner CMO Spend Survey

715362_C

RESTRICTED DISTRIBUTION



CMO Budget Allocations in 2020



Polling Question 2 of 3

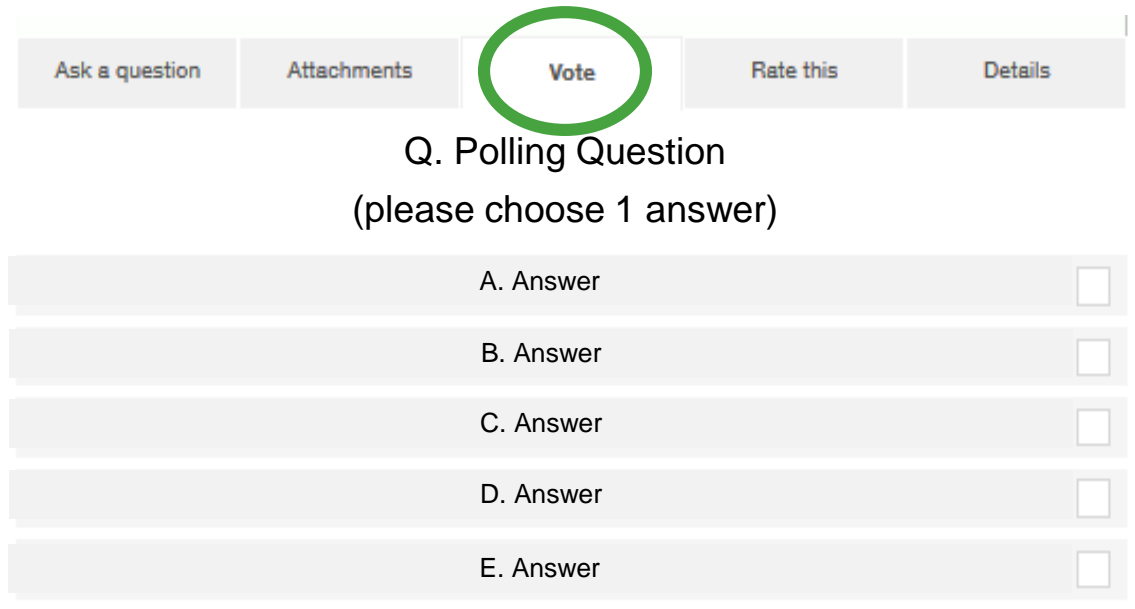
Approximately what proportion of marketing's work do you intend to move from external agencies to in-house teams in 2020?

- A. More than 30% brought in-house**
- B. Between 15% and 30% brought in-house**
- C. Less than 15% brought in-house**
- D. We don't work with agencies at the moment**
- E. We're increasing outsourcing to external agencies**

How to participate in our polling

If you are in full screen mode – click Esc
The poll question is on the “Vote” tab.
Please click the box to make your selection.
Upon voting you will see the results.

Thank you!

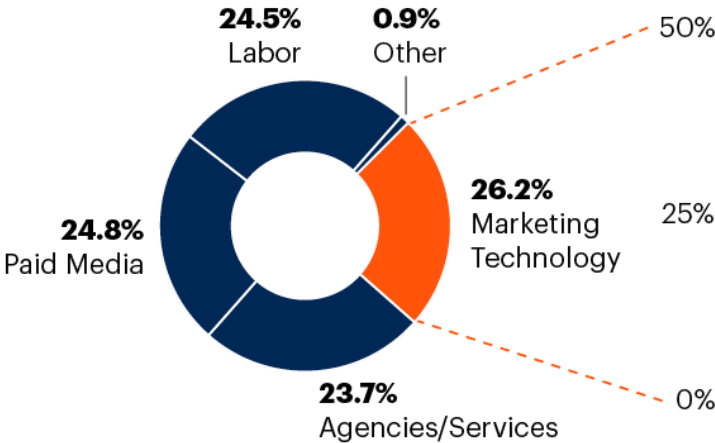


The screenshot shows a navigation bar with five tabs: 'Ask a question', 'Attachments', 'Vote', 'Rate this', and 'Details'. The 'Vote' tab is highlighted with a green circle. Below the tabs, the question is displayed: 'Q. Polling Question (please choose 1 answer)'. There are five answer options, each with a radio button: 'A. Answer', 'B. Answer', 'C. Answer', 'D. Answer', and 'E. Answer'.

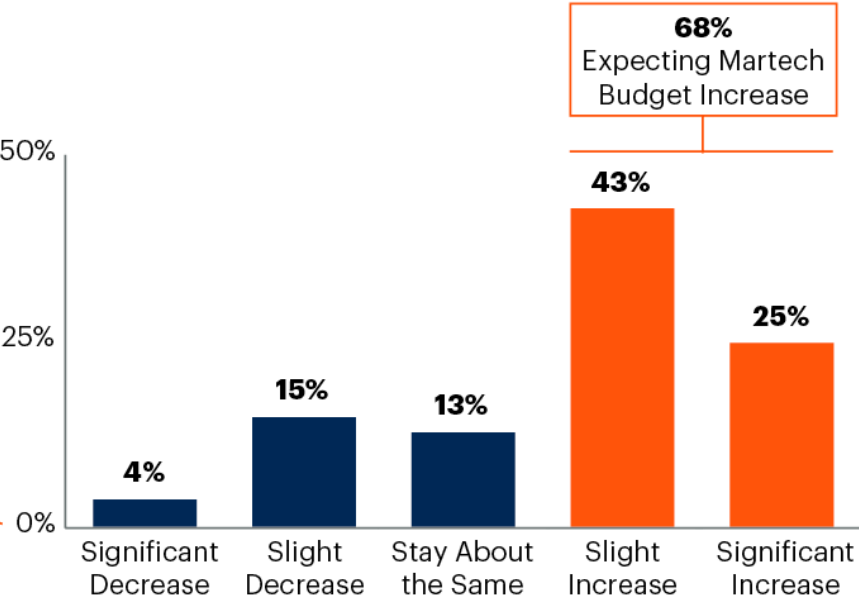
Martech Maintains 26.2% of Marketing Budget Despite, or Because of, Uncertain Times

Marketing Technology Budget Withstands Cuts

Marketing Budget Allocation Across Major Resources
Mean Percentage of Budget Summary



Expected Change in Martech Budget Allocation in Next Fiscal Year
Percentage of Respondents



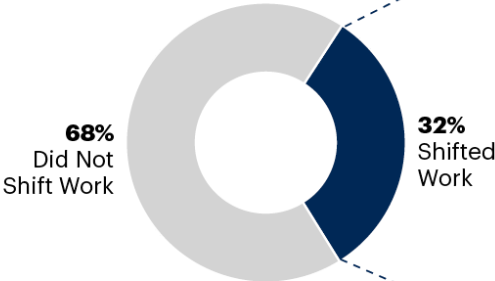
n = 420 Marketing Leaders (excludes “don’t know”)
 Q: How is your total marketing expense budget for the current fiscal year being allocated to or spent on each of the following major resource categories?
 Q: Compared to the current fiscal year, how do you expect your total marketing expense budget allocated across the following major resource categories to change in the next fiscal year?
 Source: 2020 Gartner CMO Spend Survey

730796_C

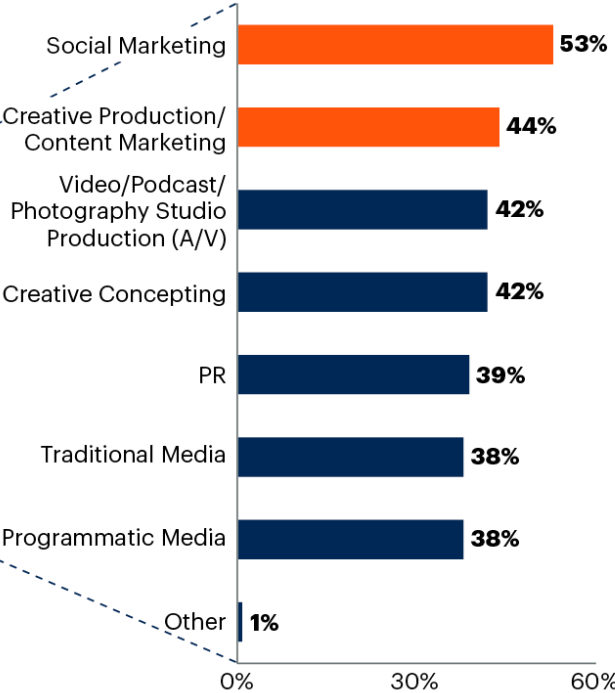
In-housing Accelerates, but Budget Challenges Curb Future Plans

CMOs Shift External Agency Work to Internal Marketing Services

Percentage of Agency Work Shifted to In-House Over Past 12 Months
Mean Percentage



Type of Work Brought In-House
Percentage of Respondents

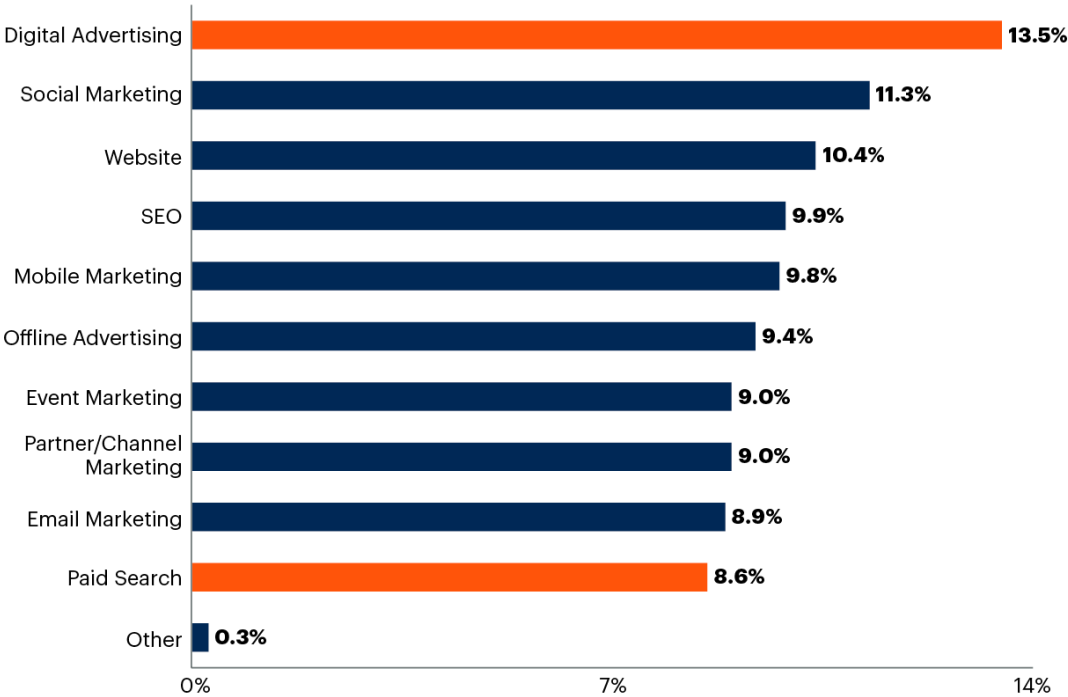


n = 385 Marketing Leaders Using External Agencies
 Q: What percentage of your organization's agency work shifted to internal marketing services over the past 12 months?
 Q: What areas did your external agency work shift to internal marketing services over the past 12 months?
 Source: 2020 Gartner CMO Spend Survey

730796_C

Digital Dominates Channel Mix; Nearly Two-Thirds Expect Channel Budgets to Increase in 2021

Digital Dominates the Channel Mix
Mean Percentage of Budget Summary



n = 423, Total (excludes "don't know")
Q: How is your total marketing expense budget for the current fiscal year being allocated to or spent on each of the following marketing channels?
Source: 2020 Gartner CMO Spend Survey
730796_C



Capabilities and Metrics



Brand Strategy Surpasses Analytics as the Most Vital Strategic Capability in 2020

Brand Strategy Is the Most Vital Marketing Capability in 2020, Overtaking Analytics
Top 3 Rank Summary



n = 432 Marketing leaders

Q: What are the top capabilities you consider most vital in supporting the delivery of your marketing strategy over the next 18 months?

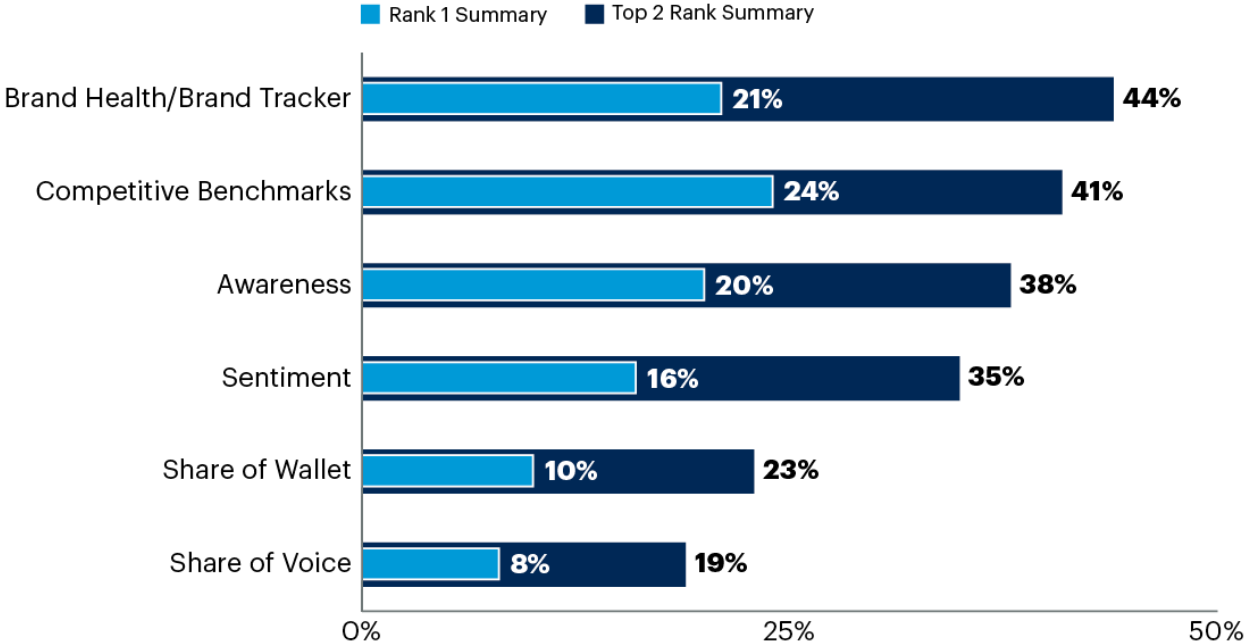
Source: 2020 Gartner CMO Spend Survey

715362_C

RESTRICTED DISTRIBUTION

Brand Health - Vitally Important in Troubled Times

Brand Health and Benchmarks Are Ranked the Most Important Brand Metrics Top 2 Rank Summary



n = 426 Marketing leaders, excluding "We do not formally measure this."

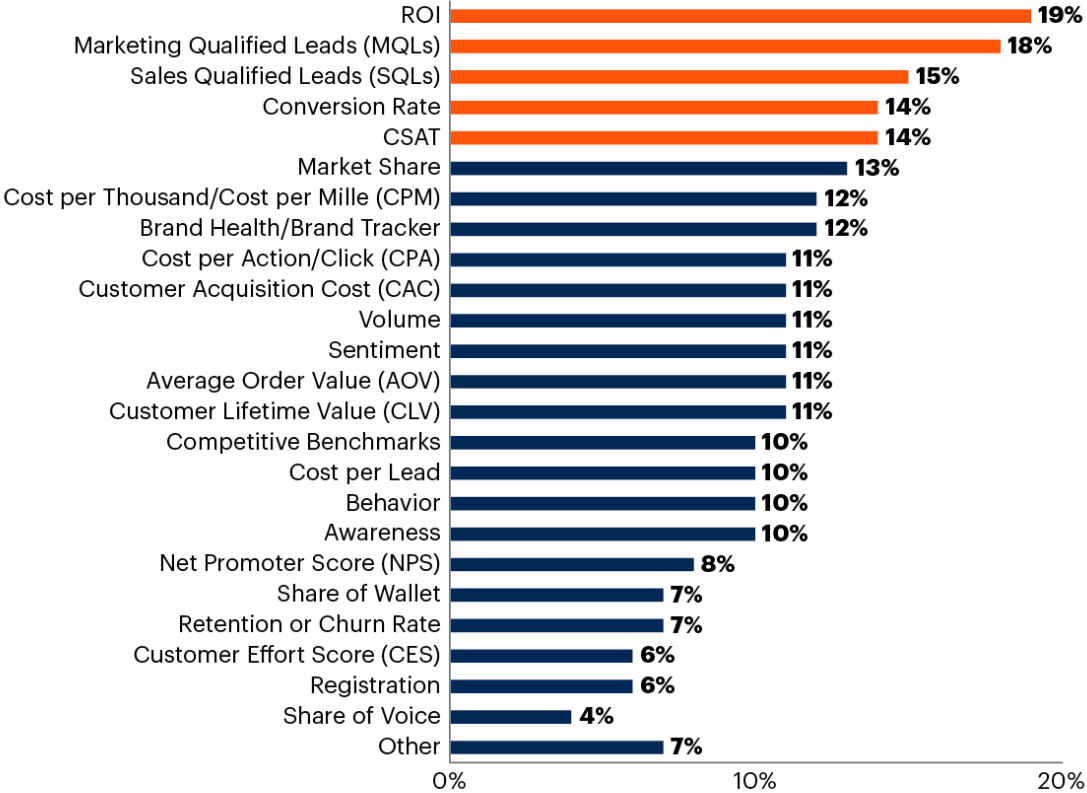
Q: What are the top 2 most valuable metrics your marketing organization uses to help assess brand value to inform your marketing strategy?

Source: 2020 Gartner CMO Spend Survey

715362_C

Metrics Lag Strategy, Placing Acquisition Above Profitable Customer Growth

ROI and Marketing Qualified Leads Top the List of CMOs' Most Valuable Metrics
 Top 3 Rank Summary



n = 432 Marketing leaders
 Q: Looking across all the top metrics you cited across the different areas, which of these metrics do you consider the top 3 most valuable?
 Source: 2020 Gartner CMO Spend Survey
 715362_C





Looking Ahead to 2021



Polling Question 3 of 3

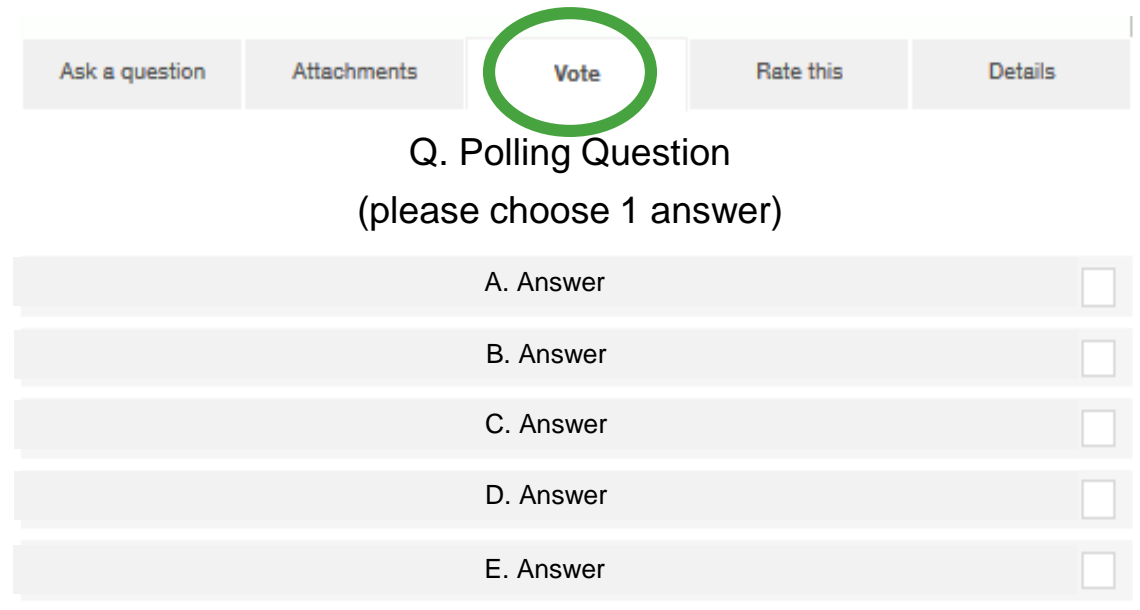
How has the COVID-19 crisis impacted your approach to risk and innovation in 2020? Which of the following statements best represents your tolerance for risk?

- A. I'm much more likely to take risks than before the crisis**
- B. I'm more likely to take risks, but only within limited parameters**
- C. There's been no change in my risk tolerance**
- D. I'm a little less likely to take risks than I was before the crisis**
- E. I have adopted a risk-averse approach as a result of the crisis**

How to participate in our polling

If you are in full screen mode – click Esc
The poll question is on the “Vote” tab.
Please click the box to make your selection.
Upon voting you will see the results.

Thank you!

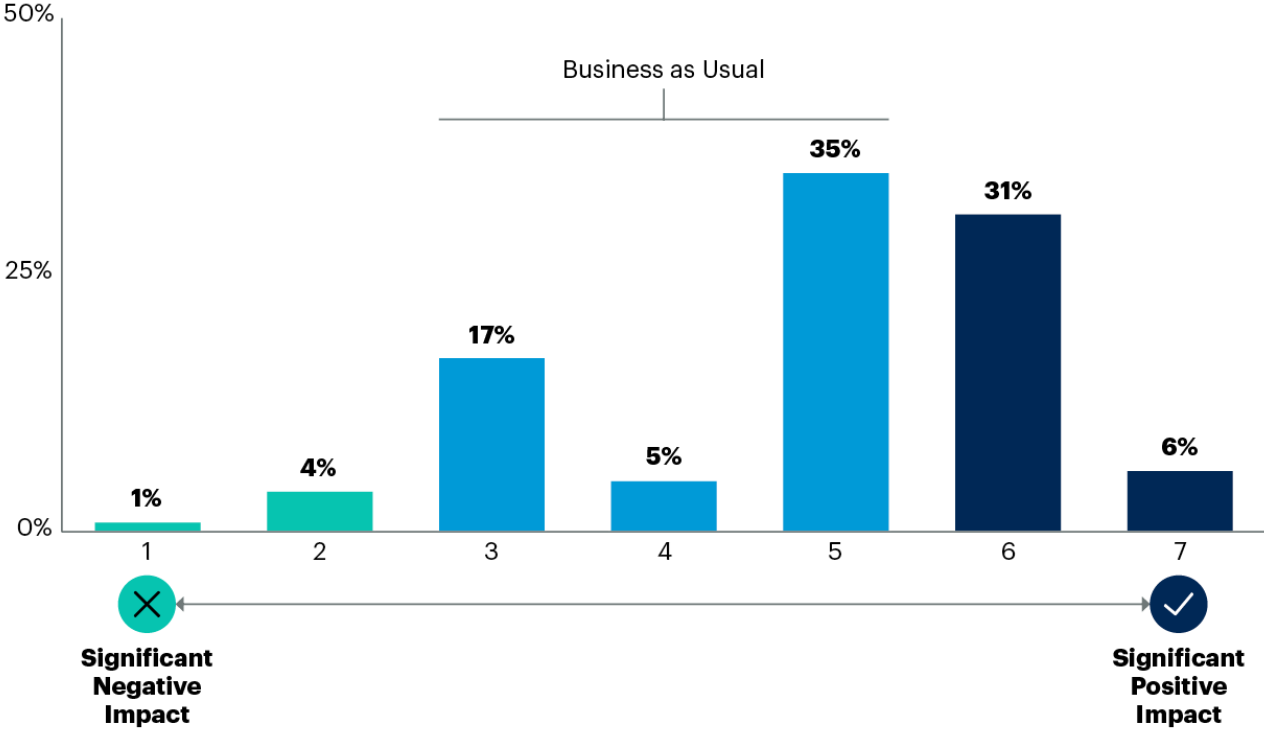


The screenshot shows a navigation bar with five tabs: "Ask a question", "Attachments", "Vote", "Rate this", and "Details". The "Vote" tab is highlighted with a green circle. Below the tabs, the question text reads "Q. Polling Question (please choose 1 answer)". There are five rows of answer options, each with a text label and a checkbox:

A. Answer	<input type="checkbox"/>
B. Answer	<input type="checkbox"/>
C. Answer	<input type="checkbox"/>
D. Answer	<input type="checkbox"/>
E. Answer	<input type="checkbox"/>

Defying Economic Pessimism, 73% of CMOs Expect COVID-19's Impacts to Be Short-Lived

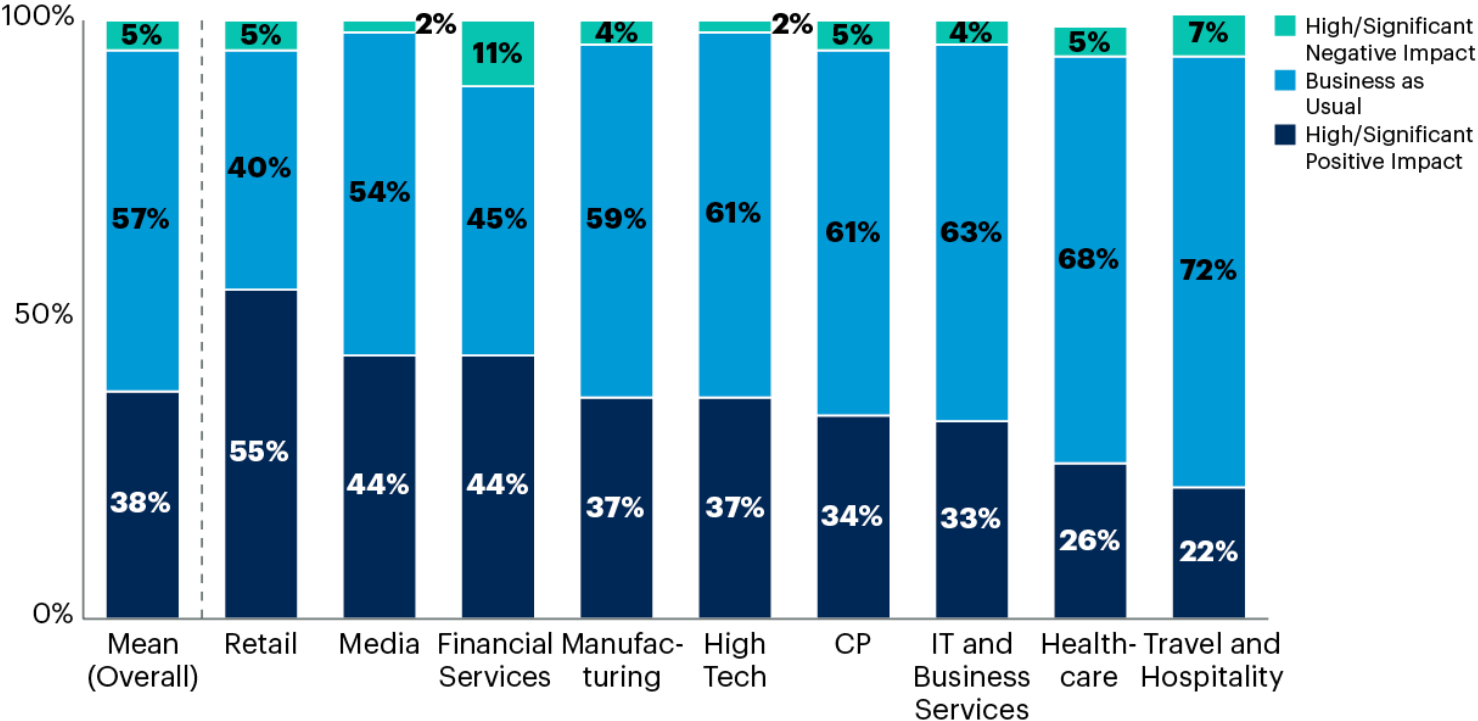
More Than Half of CMOs Expect a Return to Business-as-Usual Performance in the Next 18 to 24 Months



n = 432 Marketing leaders
Q: What impact do you expect the economic and business climate over the next 18-24 months to have on your company's ability to meet business performance goals?
Source: 2020 Gartner CMO Spend Survey
Note: Scale of 1 to 7 used where 1 = Significant Negative Impact and 7 = Significant Positive Impact.
715362_C

CMOs' Optimism Abounds, Spanning Industries

CMOs' Expectations of Business Performance in the Next 18 to 24 Months



n = 432 Marketing leaders; base sizes vary by segment

Q: What impact do you expect the economic and business climate over the next 18-24 months to have on your company's ability to meet business performance goals?

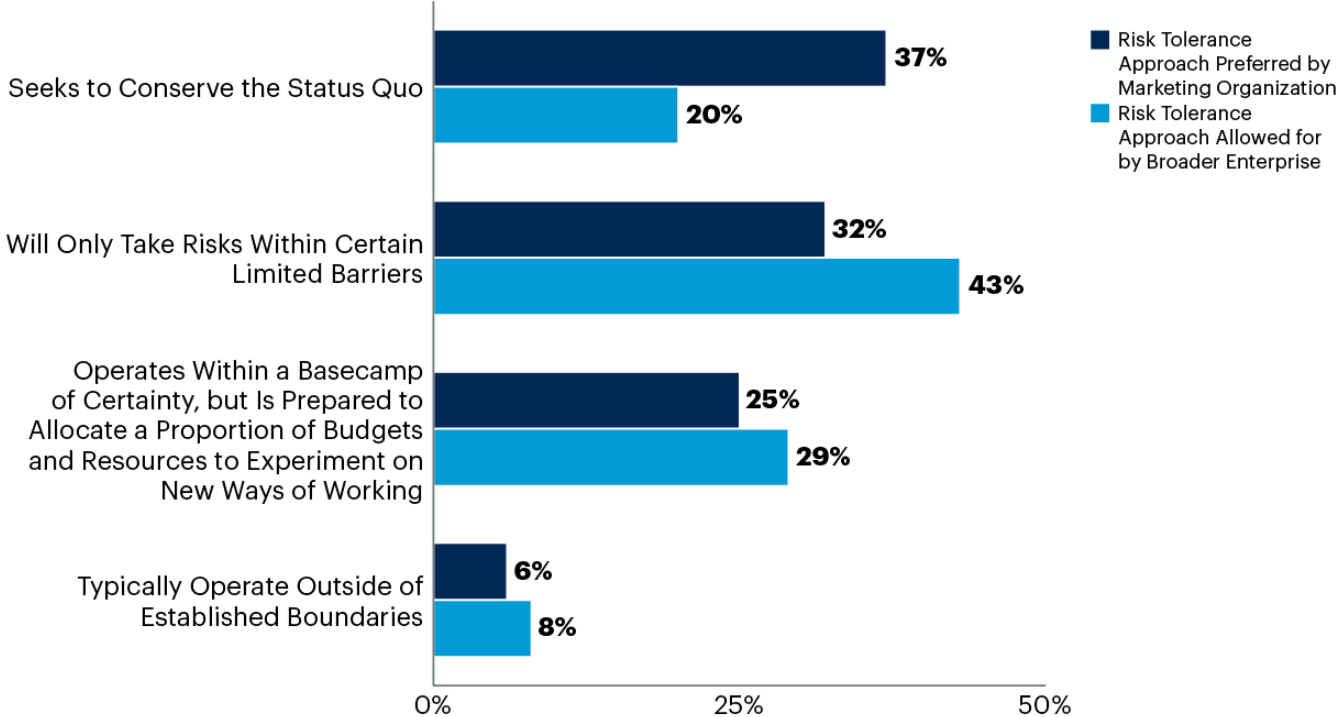
Source: 2020 Gartner CMO Spend Survey

Note: Scale of 1 to 7 used where 1 to 2 = High/Significant Negative Impact; 3 to 5 = Business as Usual; 6 to 7 = High/Significant Positive Impact.

715362_C

Despite Optimism, CMOs Adopt A Risk Averse Position

The Majority of CMOs Have a Low Tolerance for Risk in 2020



n = 432 Marketing leaders

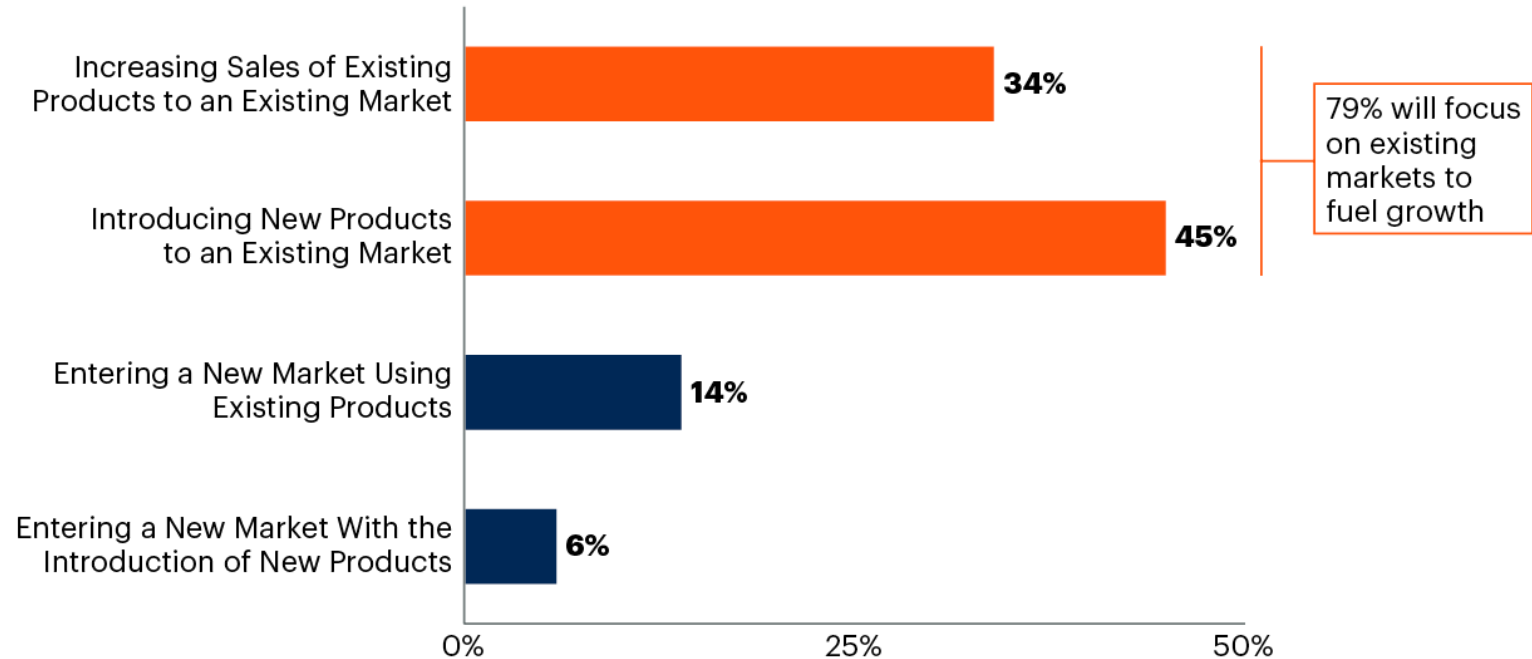
Q: Which of the following best describes your preferred risk tolerance approach for the marketing organization in pursuit of its strategic objectives and which is actually allowed for by the broader enterprise?

Source: 2020 Gartner CMO Spend Survey

715362_C

CMOs Seek Safety in 2021, 79% Look to Their Existing Markets to Fuel Growth

Seventy-Nine Percent of CMOs Look to Existing Markets to Fuel Growth in 2021



n = 432 Marketing leaders

Q: What is your organization's primary strategy to fuel growth into 2021?

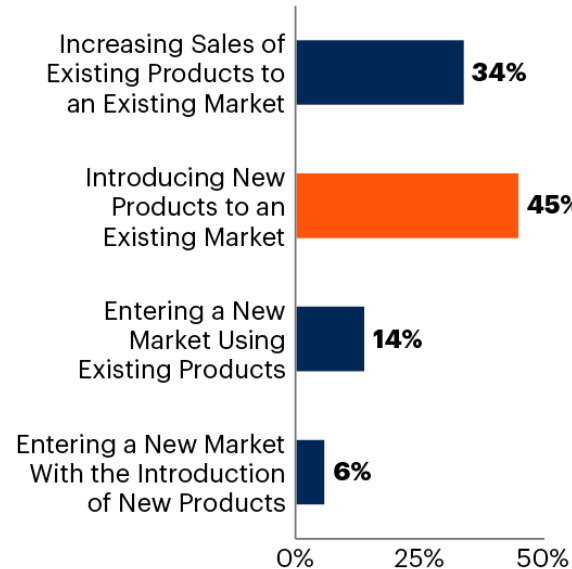
Source: 2020 Gartner CMO Spend Survey

715362_C

CMOs Seek Safety in 2021, 79% Look to Their Existing Markets to Fuel Growth

How CMOs Plan to Fuel Growth Through New Product Development in 2021

Primary Strategy to Fuel Growth Into 2021



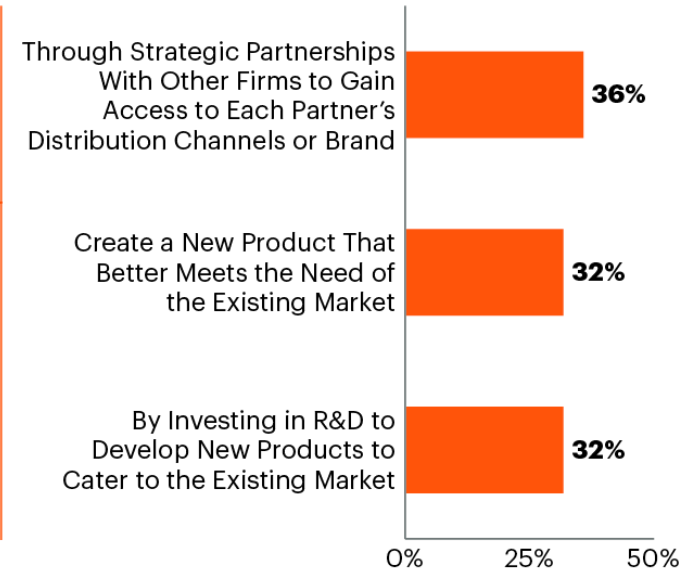
n = 432 Marketing leaders

Q: What is your organization's primary strategy to fuel growth into 2021?

Source: 2020 Gartner CMO Spend Survey

715362_C

Primary Way Your Organization Plans to Approach New Product Development to Fuel Growth Into 2021



n = 195 Marketing leaders focused on introducing new products to an existing market

Q: What is the primary way your organization plans to approach new product development to fuel growth into 2021?

Source: 2020 Gartner CMO Spend Survey



Recap



What We've Learned

- Marketing budgets and strategies have been impacted in 2020 as a result of COVID-19 – expect further impacts in the year ahead.
- Most CMOs' expect to return to positive future performance
- In-housing has failed to reduce spend with external agencies. Meanwhile digital channels dominate, with strong (and growing) commitment to digital ads
- Martech maintains strong investment, as CMOs place their faith in tech's ability to support growth in 2021
- Brand strategy has jumped to the top of CMOs' strategically important capabilities, reflecting the need for meaningful brands in difficult times
- Risk averse CMOs focus on existing markets for growth, but fail to match their strategic priorities with their favoured KPIs

Key Recommendations

- ✓ Build flexible and adaptive plans. Ensure you have the right tools, processes and insight to evolve strategies and spending priorities with the changing environment.
- ✓ Stratify and prioritize marketing investments. Distinguish between the investments that must be protected and those you could afford to lose if budgets were cut.
- ✓ Adopt value segmentation to focus growth in 2021 on the most profitable customers.
- ✓ Link in-house and outsource decisions to strategic capability objectives, taking into account near-term cost and ROI considerations.
- ✓ Develop KPIs for technology investments by addressing martech's potential impact on operations such as improved campaign performance and higher productivity.
- ✓ Map channel investments and execution against evolving customer journeys. Ensure your journey mapping methodologies are adaptable to a changing environment by using data and insights to rapidly test, monitor and adjust.

Ask your questions



The image shows a user interface for asking a question. At the top, there is a horizontal navigation bar with four tabs: 'Ask a question', 'Attachments', 'Rate this', and 'Details'. The 'Ask a question' tab is highlighted with an orange border, and an orange arrow points to it from the left. Below the tabs, the text 'Ask a question' is displayed. Underneath is a large text input area with a placeholder 'Type your question here...'. At the bottom right of the input area, there is a 'Send Question' button, which is also highlighted with an orange border and has an orange arrow pointing to it from the left.

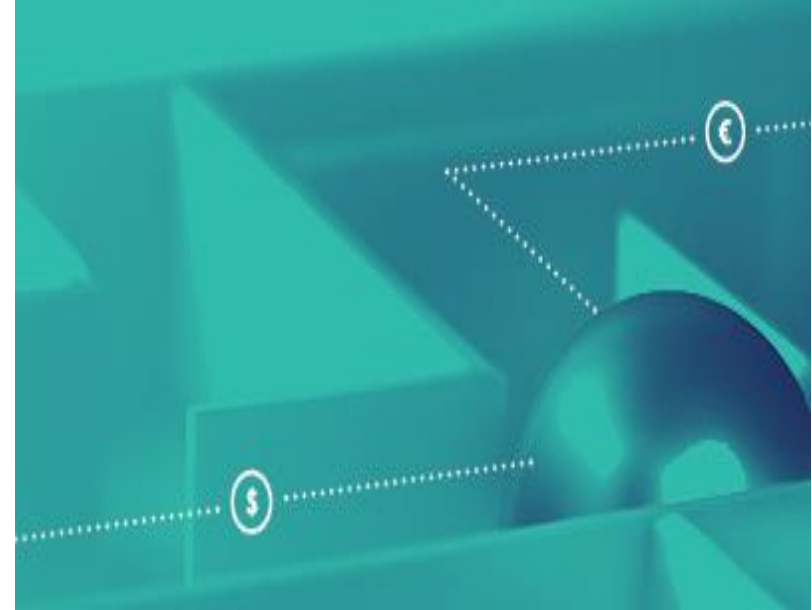
Download the latest research to dive deeper into this year's CMO Spend Survey



Research: The Annual CMO Spend Survey Research 2020: Part 1 (Budget View)

Discover the actions CMOs have taken in response to the COVID-19 pandemic and their plans to regain their ROI.

[Download Research](#)



Research: The Annual CMO Spend Survey Research 2020: Part 2 (Channel View)

Learn how CMOs are prioritizing their martech and channel investments to maximize the impact of their marketing initiatives.

[Download Research](#)

Get more Gartner insights



Download the research slides



View upcoming and on-demand Gartner webinars
at gartner.com/marketingwebinars



Rate this webinar