

Gartner for Marketing Leaders



GARTNER CMO SPEND SURVEY 2015-2016

Digital Marketing Comes of Age

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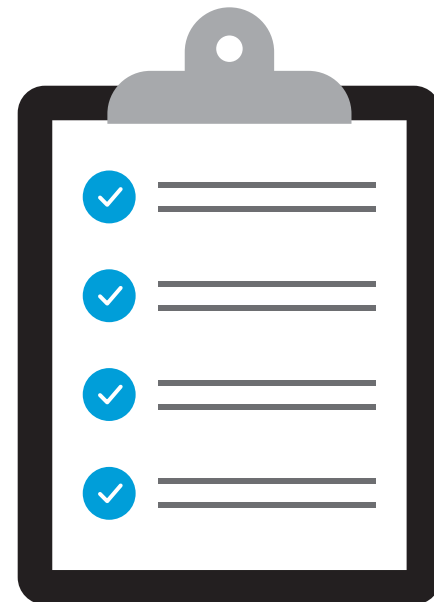
Gartner surveyed over **330** organizations on their 2015 marketing budgets and 2016 expectations.

We found that CMO budgets are increasing, distinctions between digital marketing and marketing are vanishing, and digital commerce has become the mandate for driving profitable growth.

ABOUT THE SURVEY

The purpose of this research is to collect insight from business leaders who are responsible for marketing and knowledgeable about strategy, activities and budgets. The Gartner 2015-2016 CMO Spend Survey addresses organizations' marketing and digital marketing spending priorities and plans for the future.

This is the fourth year Gartner has conducted a detailed marketing spending survey with large and extra-large enterprises in North America and the U.K. All companies have revenue greater than \$500 million USD — the mean revenue is \$4.8 billion USD.

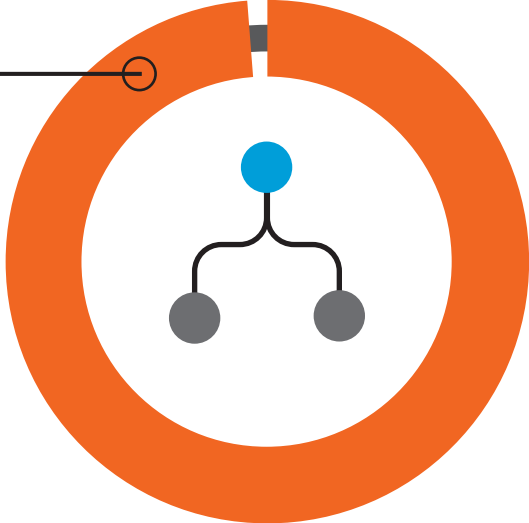


Digital Marketing Goes **MAINSTREAM**

98% of marketers affirm that offline and online marketing are merging



1/3 of marketers say digital techniques are fully incorporated into their marketing operation

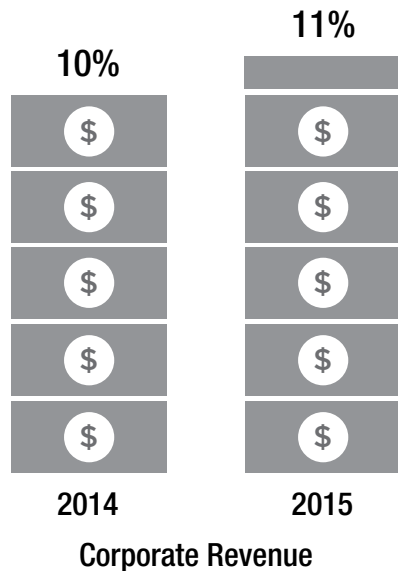


10% of marketers say they are expanding marketing's role to create new digitally led business models



The blurring of physical and digital worlds allows marketers the opportunity to create and test new digitally led experiences

Marketing Budgets Continue to **GROW**



A company with \$2 billion in revenue would have increased its marketing budget from **\$200 million** in 2014 to **\$220 million** in 2015

2 out of 3 marketers expect their budgets will continue to grow in 2016

Larger marketing budgets are required to fund growing expectations

Top areas where senior management's expectations of marketing's responsibility increased the most over the last year:



Digital Commerce Is **SURGING**



11%

of the digital marketing budget now goes to digital commerce

Up from 8% last year, making it the highest area of increase – digital commerce has become the top-ranked area of investment for marketing technology as a result

As digital and marketing blur, marketing and selling merge as an integrated, closed loop discipline



Initial awareness



Engagement



Conversion



Transaction



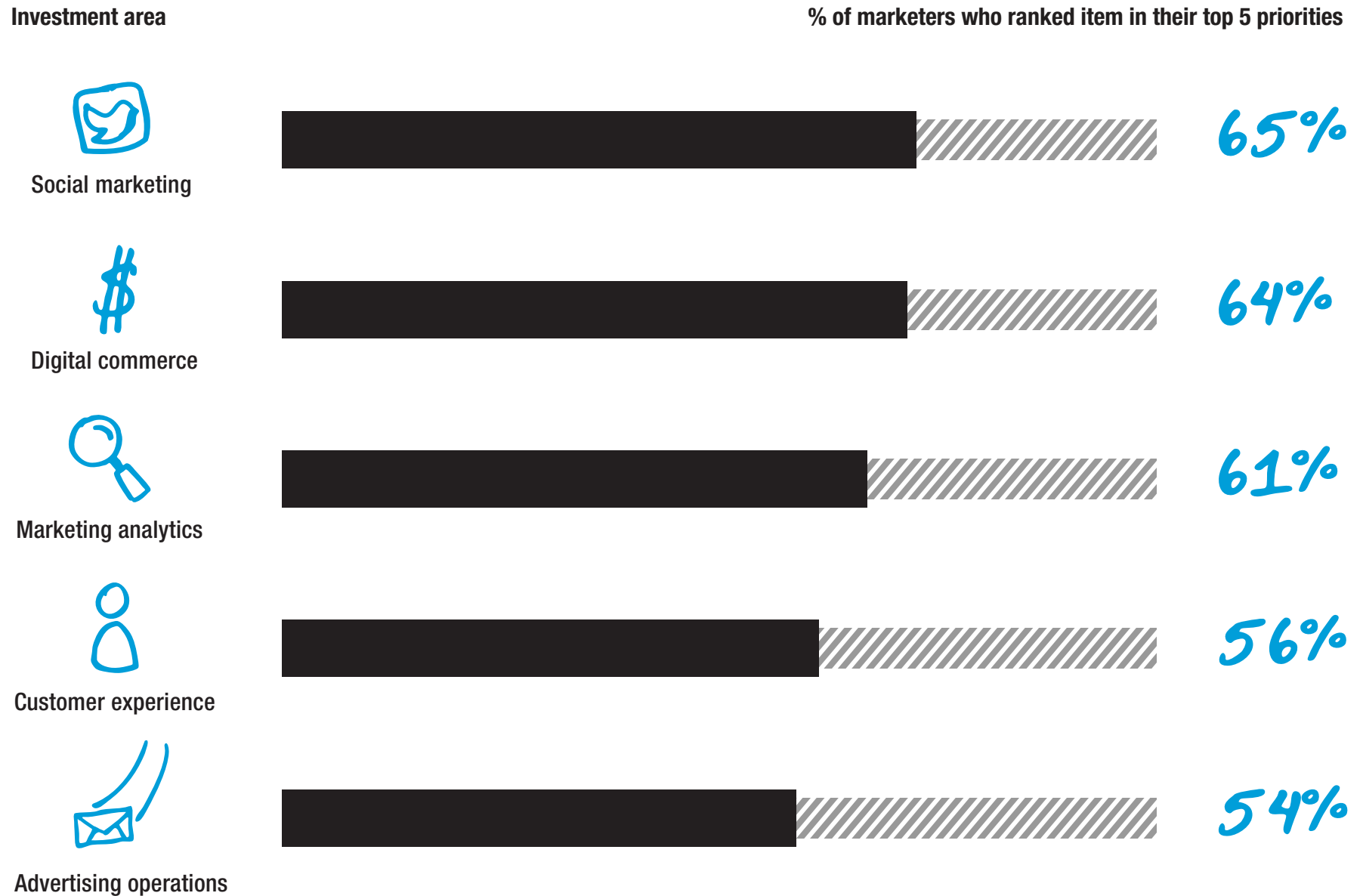
Repeat purchase



B2C and B2B dedicate nearly the same share of their budgets to digital commerce

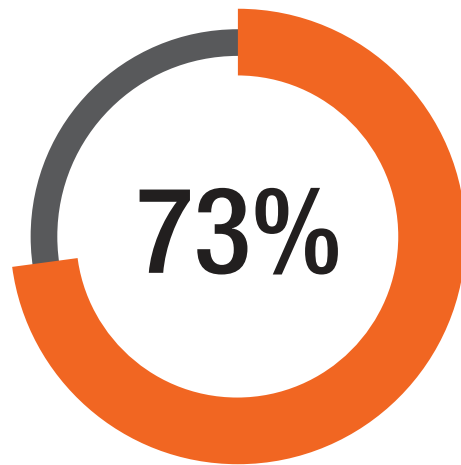
B2B and B2BC companies are investing heavily and using digital commerce initiatives to build more direct bridges to their end customers

Top Areas of Technology **INVESTMENT**

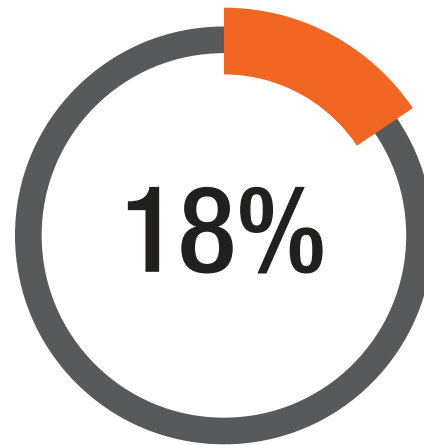


Increased **ACCOUNTABILITY**

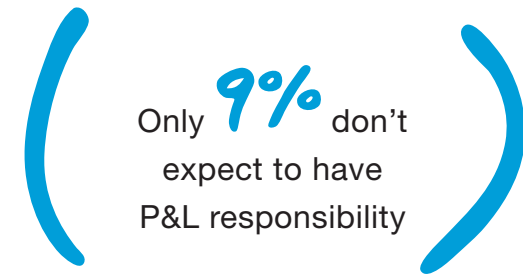
Growing expectations of marketing and accountability for results is more than just lip service.



of marketers own or share
P&L responsibility

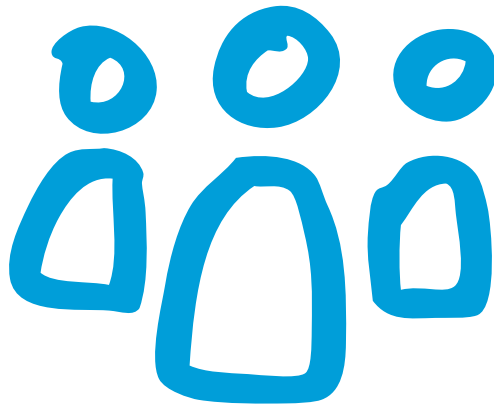


say they plan to have a
P&L in the next 24 months



Customer Experience is **KEY**, but Lacks a Clear Mandate

Last year we told you customer experience is the new competitive battlefield. Rest assured, it still is. Yet it often lacks a single owner or sponsor within an organization.



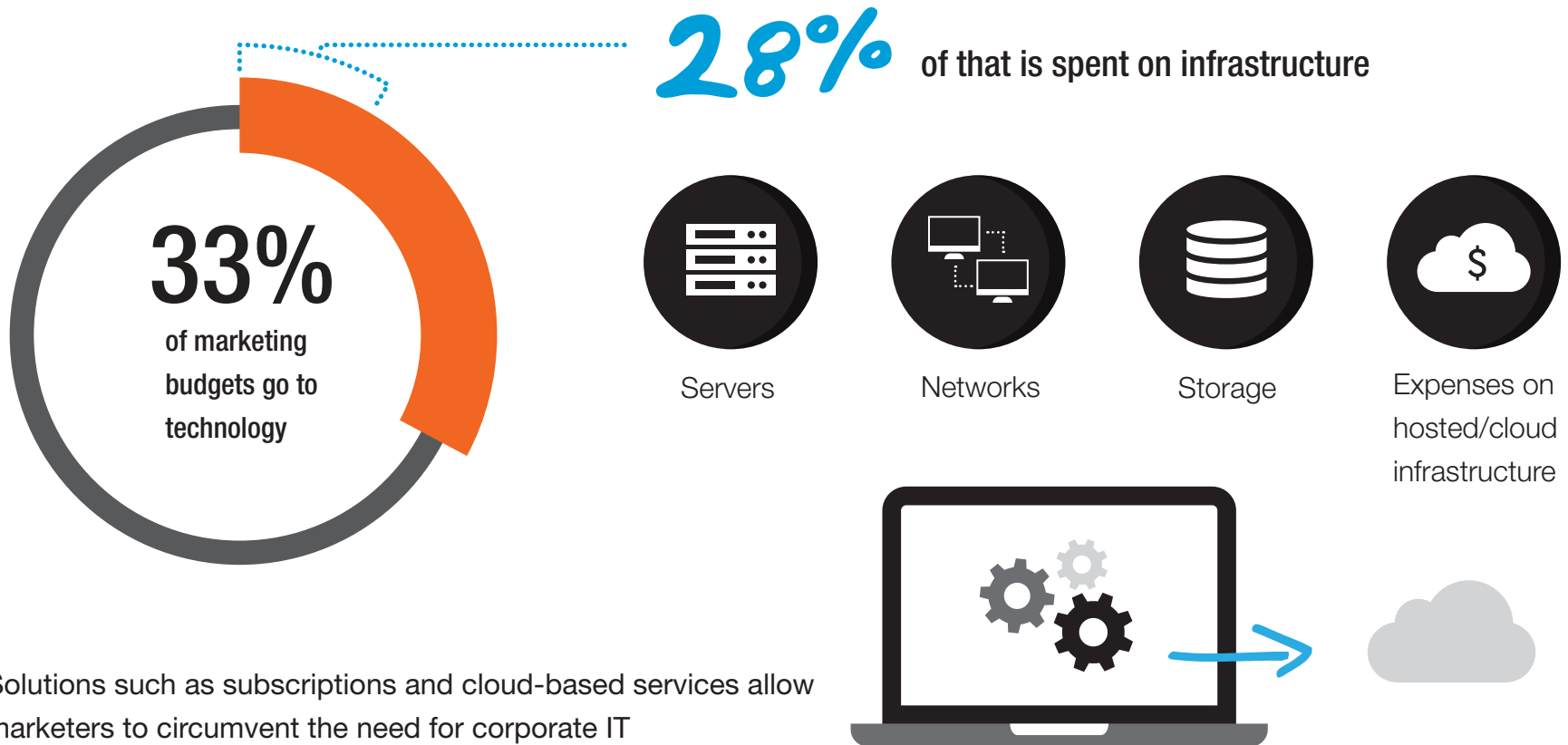
56% of marketers ranked customer experience as one of their top 5 marketing tech investments

Last year, customer experience was ranked 1st. This year, it is the **4TH** overall priority

Because it touches many different disciplines, it's probable that customer experience spending is also implied in other categories

Big Investments in Tech and **INFRASTRUCTURE**

While marketers prefer to focus on applications that deliver direct business value, the discipline has become complex enough to require a substantial investment in infrastructure.



80% of companies have a chief marketing technologist in title or role equivalent

Digital Marketing and **INNOVATION BUDGETS**

Marketers face a vast proliferation of tools and technologies to create business advantage



71% of marketers have an innovation budget

**AVERAGES 10% OF
MARKETING SPEND**



~1 in 3 marketers with an innovation budget say they are piloting or implementing



Virtual assistants



Augmented reality



Microsensors



Digital marketing hubs



A real-time social listening center

Another **20-25%** say they're currently contemplating marketing initiatives using these emerging technologies

Gartner for Marketing Leaders

Digital has redefined the role of marketing, adding new players and creating bigger complexities.

Gartner for Marketing Leaders connects you with objective research and experts who will advise you in the digital marketing areas that matter most: social, mobile, multichannel and data-driven marketing, digital commerce, customer experience, marketing management, and emerging marketing technology & trends.

Our clients say that they use our real-time, expert advice and objective research, data and tools to:

- Target the right audiences
- Choose the right channels
- Quickly shortlist marketing and technology providers
- Stay informed on market and competitors
- Save time and avoid costly mistakes

Gartner helps companies improve their business results through the use of technology. Our independent research and advice is trusted by business and technology leaders in approximately 10,000 distinct enterprises around the world.

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