How Well Is Social Media Fitting into the Marketing Mix?

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Budgets are rising, but integrating social media into overall strategies is still a challenge

Over the next several years, social media spending will become a bigger percentage of companiesâ€™ overall marketing budgets. Yet CMOs report there are still challenges when it comes to integrating social media into their overall business strategies.

The American Marketing Association and Duke Universityâ€™s Fuqua School of Business surveyed more than 400 top marketers for the February 2011 CMO Survey.

They reported that over the next 12 months, social media spending will jump to 9.8% of marketing budgets, up from the current level of 5.6%. In the next five years, that percentage will increase to 18.1%.

Service companies are planning the biggest increases, as both B2B and B2C service companies have a higher percentage of their budgets set aside for social media than their product-focused counterparts.

They also plan to have bigger percentages looking ahead both 12 months and five years.

This is a remarkable difference from the August 2010 CMO Survey, when service companies were decreasing spending and future projections of spending, while product companies were seeing increases.

In this survey, the results are flipped, with service companies seeing increases and product companies seeing decreases.

Social media is no longer brand new, and many product companies have been experimenting in the space for some time. The current challenge for companies is to figure out the balance of marketing that works for them, and that includes a focus on product development and traditional advertising.

Service companies are also realizing they must be on the cutting edge to gain clients, which includes being savvy when it comes to social media.

Yet while these CMOs are setting aside more of their budgets for social media, they are still working on integrating this newer form of communication into overall business and marketing strategies.

CMOs are more confident in the integration of social media into marketing strategies, as 10.5% feel social media is very effectively integrated into those efforts.

But when it comes to companiesâ€™ overall business strategies, 25% of CMO respondents said social media is not effectively integrated at all.

As social media becomes a bigger budget line item, CMOs and their companies must face the challenge of integrating it into overall business and marketing strategies.

Not only is it more cost-effective to incorporate social media into marketing and overall strategies, but it also makes marketing more effective overall.

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