

# STRATEGY, LEADERSHIP, CUSTOMER EXPERIENCE AND INNOVATION INSIGHTS FOR CMOs PRIMER FOR 2018

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# SUMMARY

Growth is the No. 1 priority of today's chief marketing officers. Delivering growth demands CMOs master many skills. Our research on strategy, leadership, customer experience and innovation provides insights to help modern CMOs succeed in an increasingly challenging role.

## Scope

Marketing success depends on anticipating, understanding and fulfilling customer needs. CMOs require skills encompassing strategy, leadership, CX and innovation to deliver breakthrough results.

This research provides guidance on the most important strategic topics, including:

- Defining your vision, strategy and leadership mandate as a CMO
- Asserting marketing as the champion of the customer
- Leading innovation and managing change
- Evolving your team into a modern marketing organization

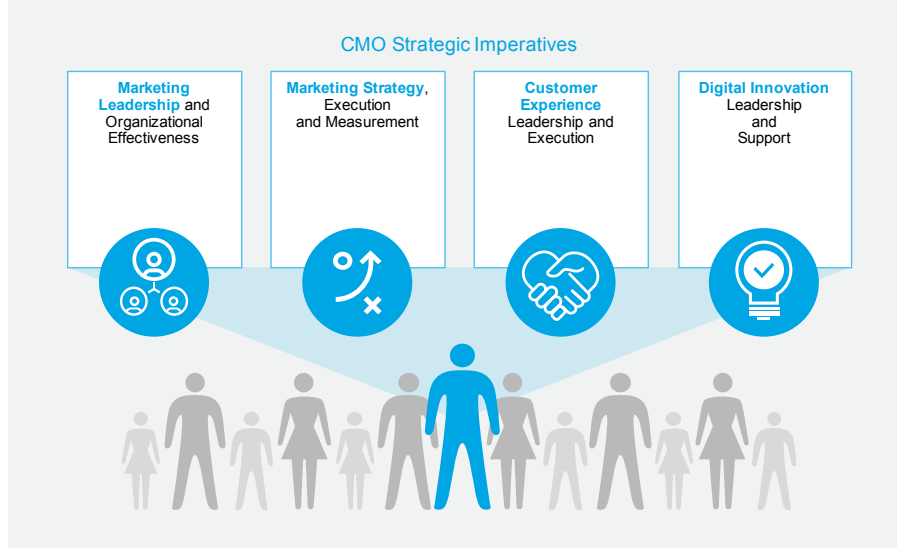


**CMOs must master an increasing number of strategic skills to deliver breakthrough results.**

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# ANALYSIS


Figure 1. Strategy, Leadership, Customer Experience and Innovation Insights for CMOs Overview



Source: Gartner (February 2018)

CMOs face a daunting task: achieve new levels of innovation, customer satisfaction, growth and ROI — all on flatlined budgets that demand doing more with less. In 2017, marketing budgets stalled, slipping from a peak of 12.1% of company revenue in 2016 to 11.3% (see “[CMO Spend Survey 2017-2018: Budgets Recede Amid Demand for Results](#)”). At the same time, CMOs whose primary expertise is branding and promotions are moving down or out of organizations while CEOs search for executives to lead growth and business transformation from the marketing seat. This means modern CMOs must possess an increasing number of strategic skills. But they must also act as change agents building a team that has the capability and agility to execute in a rapidly changing environment.

Build your personal efficacy and lead your team to become the enterprise growth engine by starting with a well-conceived marketing strategy and cost-optimized budget aligned to your organization’s goals. Understand the demands of a modern marketing team, and identify and fill gaps in your lineup to prepare for execution. Stay abreast of critical marketing and customer experience trends, learning how your access to data can empower you to act as the voice of the customer — increasing credibility with other senior executives. Adopt an innovation mindset and build change management muscle to implement your vision to maximum success.

 **Start with a well-conceived strategy and optimized budget aligned to your organization’s goals.**

## Top Challenges and How Gartner Can Help

Gartner's 2017 research agenda for strategy, leadership, customer experience and innovation insights for CMOs will cover critical topics for marketing's most senior executives. This research will help CMOs answer the following questions.

### How do I define, budget, execute and measure marketing strategies that support revenue growth and retention?

As CMO, your success rests on your ability to craft a sound strategy and support it with the investment to execute. Your strategy will ultimately be focused on growing and retaining revenue. In a resource-constrained environment where customers are calling the shots, many CMOs are questioning long-held strategic assumptions and reflecting on priorities in a new light.

### Planned Research

- **Making sense of strategic marketing trade-offs:** Short-term versus long-term marketing investments remain one of the age-old debates marketing executives have with other members of the C-suite. Research coverage will tackle some of these trade-offs with a fresh lens based on how the modern customer has evolved. For example, should you spend more on brand or direct-response marketing? How should you tackle the debate between customer acquisition and retention marketing investments?
- **Best practices for budgeting and cost optimization:** Since budgets have started to show declines and marketing leaders are under scrutiny for having spent a lot on marketing technology, CMOs must be prepared for potential cuts and know how to respond. Gartner research aims to help you make proactive budgeting decisions that will empower you to showcase the growth you can achieve and what incremental support is needed for more.

### How do I build and manage a marketing organization that can execute new practices, measurements and technologies to support organizational goals?

CMOs rely on their teams to execute the strategy and optimize marketing tactics for greatest business results. However, many leaders find themselves with a team that is not up to the task — either due to the wrong mix of talent or lack of training and experience in modern methods. Rarely is starting over an option, and in today's marketing talent pool several key roles, such as those in analytics, digital commerce and customer experience, are challenging to hire. CMOs must understand which skills they bring to the table and which organizational gaps are most critical. Then identify talent development methods to build the organization's "bench" strengths. Lastly, inspire alignment among team members to ensure seamless execution.

### Planned Research

- **What it takes for you to succeed as a CMO:** The modern CMO can't be all things to all people. A variety of skill sets is critical to success — in different measure at different organizations. Learn to identify what type of leader the business needs and how you stack up. Lean into strengths, build a team of leaders, and leverage internal alliances and external partnerships to shore up weaker spots.
- **Critical hires in modern marketing:** Regardless of industry, CMOs recognize that the silos created between traditional and digital marketing are no longer acceptable. Starting with why you may need a multichannel marketing leader and what type of martech leader to hire, understand some of the top roles your team should include to be ready not only for today, but also well into 2020.

## How does marketing enable the company to compete on customer experience?

Whether the marketing department has official responsibility for customer experience or not, the CMO is in a vital position with respect to customer data, insights and communication. Taking a leading role in influencing the organization to improve its performance relative to the customer is no longer optional in an era when customer experience is the competitive battlefield.



Taking a leading role in the organization is no longer optional.

## Planned Research

- **Advocating for a customer-centric culture:** No organization can hope to successfully create compelling customer experiences if their employees aren't bought in and empowered to be part of the solution. CMOs play a key role both within marketing — where many experiences begin — and across the broader company.
- **Cultivating CX maturity:** Customer experience evolution doesn't happen overnight — it takes time, and maturity comes in stages. CMOs should use common leadership principles married with evangelization of customer insights to forge a path forward for their organization (whether you hold the chief customer officer title or not).

## How do I help my company realize innovative digital products and experiences that contribute to growth?

Despite budgets receding this year, average innovation spend maintains its 10% allocation of most marketing budgets. CMOs must actively empower and enable that innovation, helping their own teams and senior executives understand why change is necessary. It's part of your role to define marketing innovation, create the structure that enables the business to explore and realize new opportunities, and ensure resource allocation and alignment.

### Planned Research

- **Innovation mix management:** Leaders who make one big bet a year often find themselves without much to show for it. Understanding how to take a portfolio approach to balancing incremental and disruptive innovation investments is critical to maintaining momentum.
- **Activating change:** CMOs don't get much training in change management, even though it is at the heart of the modern marketing revolution you are charged with effecting. This research explores well-understood best practices in change management, distilling the wisdom of years into actionable advice for marketing executives.

## Related Priorities

Priority	Focus
<a href="#">Marketing Technology and Emerging Trends</a>	How brands engage with people and their devices is transforming the customer journey.
<a href="#">Building Customer-Centric Culture</a>	Customer-centric organizations put the customer at the center of all business decisions, ensuring employees understand the importance of the customer experience and how they impact those experiences.
<a href="#">Marketing Data and Analytics</a>	Data and analytics have become the foundation of marketing, driving efficiency and effectiveness through better data collection, modeling, optimization and greater relevance to the consumer.
<a href="#">Leading and Managing Marketing</a>	Leading and managing marketing involves setting strategy, structuring teams, sourcing and developing talent, and aligning people, processes, partners, data and technology to achieve corporate goals.

Source: Gartner

# GARTNER RECOMMENDED READING

## Suggested First Steps

- [“CMO Perspective: Develop a Digital Vision That Sticks”](#)
- [“CMO Perspective: Translate Marketing Strategy to Marketing Execution”](#)
- [“CMO Insight: Your Guide to the Marketing Maturity Model”](#)
- [“CMO Perspective: Five Key Principles Enterprise CMOs Can Learn From Startups”](#)
- [“CMO Spend Survey 2017-2018: Budgets Recede Amid Demand for Results”](#)

## Essential Reading

- [“CMO Perspective: Use the Hierarchy of Metrics to Drive Accountability Within Your Team”](#)
- [“CMO Perspective: Influence Customer Experience Beyond Your Sphere of Authority”](#)
- [“CMO Perspective: What CMOs Can Learn From Innovation Investment Patterns”](#)
- [“Building a High>Returns Digital Experience Innovation Portfolio”](#)
- [“CMO Perspective: Ignore Digital Commerce at Your Peril”](#)

## Tools and Toolkits

- [“Toolkit: How CMOs Drive Digital Change”](#)

## Evidence

- [“CMO Spend Survey 2017-2018: Budgets Recede Amid Demand for Results”](#)

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

Gartner for Marketers helps you get up to speed on and stay smarter in the eight marketing areas that matter most: social, mobile, multichannel and data-driven marketing, digital commerce, customer experience, marketing management, and emerging marketing technology and 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 more than 10,000 distinct enterprises around the world.

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