Chief Marketing Officer Leadership Vision 2023

3 Strategic Actions for Success
Chief marketing officers (CMOs) know that driving efficient growth is a top priority. But in today’s volatile environment customers are unpredictable. Cross-functional collaboration can be a struggle and traditional sources of brand value are eroding. Add to the mix pandemic waves, supply chain disruption, inflation and geopolitical instability, and the challenges are huge.

To meet these challenges, CMOs need to adapt their strategies for efficient growth in a high-velocity world. The current environment demands a relentless focus on using digital to create customer value, advancing cross-functional goals and optimizing shifts for brand value.

Use this research to help answer three questions that are key to leading marketing success in 2023 and beyond.

Key questions addressed:

1. What are the major trends affecting CMOs?
2. What are CMOs’ top priorities?
3. What actions should CMOs take now to be successful?
3 Key Themes Demanding CMO Action in 2023

Environmental Trends
- Unpredictable Digital Buying Behaviors
- Burdensome Cross-Functional Complexity
- Disruptive Market and Audience Dynamics

Creating a Digital Customer Value Exchange
Adapting to Advance Cross-Functional Goals
Optimizing Shifts for Brand Value

CMO Role Priorities
- Deliver Performance and Growth
- Lead a High-Performing Marketing Function
- Build Brands That Deliver Demonstrable Value
Key Issues

What are the major trends affecting CMOs?

What are CMOs' top priorities?

What actions should CMOs take now to be successful?
Customers’ Digital Buying Behaviors Are Evolving, Disrupting Value Exchange

### Inflation Shifts Shopping Behaviors

#### Net Change in Routine Shopping Activities Due to Inflation

<table>
<thead>
<tr>
<th>Activity</th>
<th>Net Decrease</th>
<th>Net Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buying name brand products</td>
<td>27%</td>
<td>30%</td>
</tr>
<tr>
<td>Variety of in-store shopping stores I visit</td>
<td>4%</td>
<td>8%</td>
</tr>
<tr>
<td>How often I shop in-store</td>
<td>19%</td>
<td>10%</td>
</tr>
<tr>
<td>Buying store brands</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variety of online shopping stores I visit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>How often I shop online</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Percent of Customers Who Take the Following Digital Privacy Actions

<table>
<thead>
<tr>
<th>Action</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turn off data tracking on phone/apps</td>
<td>81%</td>
</tr>
<tr>
<td>Turn off push notifications</td>
<td>81%</td>
</tr>
<tr>
<td>Use an ad blocker</td>
<td>75%</td>
</tr>
<tr>
<td>Browse in no tracking mode</td>
<td>73%</td>
</tr>
<tr>
<td>Disable “smart” devices that record me</td>
<td>68%</td>
</tr>
<tr>
<td>Use a junk email account for spam</td>
<td>67%</td>
</tr>
</tbody>
</table>

n = 1,501 U.S. consumers
Q: How is inflation impacting how you shop for things that you need to buy regularly (such as food or groceries, household products, or personal care items)?
Source: 2022 Gartner Consumer Cultural Attitudes and Behaviors Survey
Note: Net change = percent increased – percent decreased

n = 1,499 consumers and B2B buyers
Q: Please rate your agreement with the following statements.
Source: 2021 Gartner Personalization Survey
Cross-Functional Collaboration Yields Worse Revenue Outcomes

Few Marketers Prefer Independent Planning

How Marketers Believe They Should Approach Building a Roadmap for Digital Revenue Growth

- 21% Independently
- 42% Collaboratively
- 23% Directed by Marketing
- 13% Directed by Another Function

Independent Planning Drives More Revenue Growth

Marketers Who Exceeded Their Customer Acquisition Goal Last Year, by Approach to Digital Revenue Growth

- 58% Independent
- 47% Collaborative

n = 392; marketers who complete “developing a strategic roadmap for digital revenue growth”

Q. Regardless of how they are being managed today, how do you believe each of the following activities should ideally be managed at your organization?

Source: Gartner 2022 Gartner CMO Spend and Strategy Survey

n = 392; marketers who complete “Developing a strategic roadmap for digital revenue growth”

Q. Below is a list of activities that may take place in your organization. For each activity, please indicate the way that it is currently executed.

Source: Gartner 2022 Gartner CMO Spend and Strategy Survey
There are 1.6x more companies globally than in 2000.

Average lifespan of a company on the S&P 500 Index has decreased 34% since 1965.

53% of audiences say it’s less important to choose a well-known brand today than it was three years ago.

55% of audiences agree that big corporations are to blame for many of society’s problems.

75% of audiences have searched online for information about a previously unfamiliar brand while shopping.

Source: Global Companies 2021 (Statista); Average Company Lifespan 2020 (Statista)

Source: 2022 Gartner Brand Activation Survey
Key Issues

- What are CMOs’ top priorities?
- What are the major trends affecting CMOs?
- What actions should CMOs take now to be successful?
CMOs Must Provide Mutual Value on Digital Channels Across the Full Customer Journey

**Personalization Capabilities**

**Personalization**
The practice of using customer data to deliver a tailored interaction between the brand and the customer.

- Triggered Delivery
- Customized Content
- Connected Journey

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**Customer Journey Orchestration**

**Customer Journey**

- Virtual sales consultation reveals new customer needs.
- Real-time inventory tracking provides reassurance.
- Customer portal helps customers relate and apply information.

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**CMOs Aim for High-Value Personalization**

Source: Gartner

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**Orchestration Should Create Customer Value**

Source: Gartner
CMOs Must Adapt Their Teams to Advance New Cross-Functional Operating Models

CMOs Restructure Teams for Operational Effectiveness

<table>
<thead>
<tr>
<th>Reasons for Changes to Marketing Team Structures in the Past 12 Months</th>
<th>Efficiency</th>
<th>Alignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve reaction time</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>Improve ability to execute against organizational priorities</td>
<td>26%</td>
<td></td>
</tr>
<tr>
<td>Reduce duplication/overlap across teams</td>
<td>26%</td>
<td></td>
</tr>
<tr>
<td>Improve consistency in delivery</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Better align to broader organization’s structure</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>Improve collaboration across teams</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>Improve prioritization/workflow management</td>
<td>18%</td>
<td></td>
</tr>
</tbody>
</table>

CMOs Aspire to Build Teams That Drive Short- and Long-Term Digital Growth

Model for Digital Revenue Growth

Source: Gartner

n = 147 marketing leaders citing reasons for change to function structure over last 12 months
Q. What were the top drivers of the change in your Marketing function’s structure? (Data results shortened for presentation purposes.)
Source: 2022 Gartner Marketing and Communications Organization Survey

CMOs Restructure Teams for Operational Effectiveness

CMOs Aspire to Build Teams That Drive Short and Long-Term Digital Growth

Source: Gartner
CMOs Must Activate the Customer Benefits of Brand Investments

Societal Benefits Have Minimum Impact on Brand Commitment

Impact of Benefit Combinations

CMOs should make the most of their budget by delivering a combination of personal and functional brand benefits. The additional effect of societal benefits is very small (3%).

n = 1,896 consumers, B2B buyers and employees
Source: 2022 Gartner Brand Activation Survey
Note: Results are based on multiple regression model with controls.
CMOs Must Activate the Customer Benefits of Brand Investments

Channels Where Audiences Are Having Meaningful Brand Experiences

To drive commitment in a shifting environment, CMOs must realize brand value through experience. CMOs can win brand commitment through a single meaningful experience on a digital or nondigital channel.

Lift in Brand Commitment After a Meaningful Experience With an Unfamiliar Brand

Source: 2022 Gartner Brand Activation Survey

n = 431 consumers, B2B buyers and employees
Key Issues

What are the major trends affecting CMOs?

What are CMOs’ top priorities?

What actions should CMOs take now to be successful?
Focus Marketing Efforts on Genuinely Helping Customers in Their Journeys

Orchestrate interactions that provide specific forms of help across the full journey (e.g., customer self-learning, direction, reassurance).

Source: Gartner
Diagnose Whether Marketing’s Operating Model Supports Digital Revenue Growth

Questions to Identify Limitations in Marketing’s Operating Model:

• Would an in-house agency model align to the broader organization’s structure?
• Would a center of excellence improve collaboration across teams?
• Would a shared services model improve prioritization and workflow management?

Effective collaboration is not achieved through org changes but through operating model evolution.

Gartner’s Reference Guide to Internal Marketing Operating Models

<table>
<thead>
<tr>
<th>Use Case Examples</th>
<th>In-House Agency</th>
<th>Center of Excellence</th>
<th>Shared Service</th>
<th>Newsroom</th>
<th>Project Pods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entity</td>
<td>Formal</td>
<td>Formal</td>
<td>Informal</td>
<td>Formal</td>
<td>Informal</td>
</tr>
<tr>
<td>Orientation</td>
<td>Strategic/Creative</td>
<td>Strategic</td>
<td>Production</td>
<td>Narrative/Execution</td>
<td>Design/Execution</td>
</tr>
<tr>
<td>Cost</td>
<td>$ - $$$$</td>
<td>$ - $$$$</td>
<td>$ - $$$$</td>
<td>$ - $$$$</td>
<td>$ - $$$$</td>
</tr>
<tr>
<td>Talent</td>
<td>Entry-to Senior-Level</td>
<td>Mid-Level</td>
<td>Entry-to Mid-Level</td>
<td>Mid-to Senior-Level</td>
<td>Mid-to Senior-Level</td>
</tr>
<tr>
<td>Head</td>
<td>Creative Director, Creative Operations, Marketing Strategist</td>
<td>Marketing Strategist, Marketing Operations Director, Brand Marketing Director</td>
<td>Marketing Manager, Communications Director, PR/Media Director</td>
<td>Scrum Master, Product/Project Director, Innovation Strategist</td>
<td></td>
</tr>
<tr>
<td>Core Duty</td>
<td>Strategy/Execution</td>
<td>Consistency</td>
<td>Fast Execution</td>
<td>Opportunistic Work</td>
<td>Fast Cycle Delivery</td>
</tr>
<tr>
<td>Typical Function</td>
<td>Effective, Quality Output</td>
<td>Set Brand or Process Standards</td>
<td>Efficiently Fulfill Requests</td>
<td>Quickly Publish Opinions</td>
<td>Prototyping, Proof-of-Concept</td>
</tr>
<tr>
<td>Typical Work</td>
<td>Concept Campaign or Complex Content</td>
<td>Brand Standard, Marketing Best Practices, Compliance</td>
<td>Simple, Repetitive, Templated Deliverables</td>
<td>Fast-Cycle Content: Interviews, Podcasts, Blogging and Social</td>
<td>Digital Product Development, Innovation or Optimization</td>
</tr>
<tr>
<td>Branded</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes, Editorial Team</td>
<td>No</td>
</tr>
<tr>
<td>External Agency or Provider Support</td>
<td>Overflow or Production; Data or Research Vendors; Partner Agencies</td>
<td>Brand Standards, Templates, Photography, or Guidelines</td>
<td>Agencies for Strategy or Campaign, Plus Vendors</td>
<td>Agencies for PR, Media or Content Marketing Strategy or Production</td>
<td>Agency Specialists</td>
</tr>
</tbody>
</table>
Connect Brand Strategy to Experience and Business Outcomes

Brand Health Measurement Framework

- Value
- Differentiation
- Total addressable market

- Aided and Unaided awareness

- Equity measures (based on brand strategy and personality)

- Purchase intent

- Brand experience satisfaction (based on brand strategy and personality)

Business Goals
- Revenue
- Profit
- CLV

Connect brand health to experience and business outcomes to quickly demonstrate value from brand investments.
Recommended Actions

- Provide mutual value on digital channels across the full customer journey by optimizing orchestration capabilities and using customer-directed engagement models to guide your personalization strategy.

- Adapt marketing team structures and skills to support new cross-functional operating models by evaluating where marketing should have sole or shared responsibility and applying the best operating model for each of your core capabilities.

- Redefine and quickly demonstrate the value of brand investments by connecting brand health to experience and business outcomes and driving delivery of experiences that support business goals.
Recommended Gartner Research

- **The State of Marketing Budget and Strategy in 2022**
  Ewan McIntyre (G00761383)

- **Use Customer-Directed Engagement Models to Earn First-Party Data for More Effective Personalization**
  Amy Abatangle (G00761066)

- **Rethink How to Match Marketing Operating Models to Capabilities**
  Sally Witzky and Michael McCune (G00767195)

- **Make the Most of Your Brand-Building Budget**
  Communications Research Team (G00778235)

- **A New Way to Measure Brand Health: From Brand Strategy to Business Outcomes**
  Julie Reeves (G00761043)
Actionable, objective insight

Position your marketing organization for success. Explore these additional complimentary resources and tools for marketing leaders:

**Webinar**
The Gartner 2023 CMO Leadership Vision
Adapt your marketing strategies for efficient growth in a high-velocity world.

**Research**
The Chief Marketing Officer Journal: Q4 2022
Uncover what current trends mean for CMOs and Marketing leaders in 2023.

**Conference**
Gartner Marketing Symposium/Xpo™
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