The Future of Marketing Organizations
Rethink Marketing's Organizational Structure and Responsibilities

Sally Witzky
Sr Director Analyst
Following a period of disruption, CMOs centralized their marketing organizations to alleviate operational problems, and grew their teams despite a challenging talent environment. Gartner’s Marketing Organization Survey captures the state of the function as it adapts to unprecedented change.

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Sr Director Analyst
Data Snapshot

Figure 1: CMOs Further Centralize Their Marketing Organization Structures

Marketing Function Structure: Today vs. 12 Months Ago
Percentage of Respondents

Biggest shift to “fully” centralized structure among B2C CMOs

n = 203 marketing leaders. Base sizes vary by business model
Q: Please select the best description of your Marketing function structure as it existed 12 months ago and as it exists today.
Source: 2022 Gartner Marketing and Communications Organization Survey
Data Insights

While the severe turmoil of 2020 has faded, marketing has continued to face significant disruption throughout 2021 and into 2022. Increased enterprise costs, squeezed marketing budgets and the continued repercussions of the Great Resignation capture just a few of the concerns facing CMOs as they examine their marketing organizations. Gartner's 2022 Marketing Organization Survey captures the function as it adapts to a changed environment, and looks to the future.

60% of Marketing Organizations Have Centralized Some or All of the Function in the Quest for Operational Efficiency

Centralization is not a new concept in marketing. Previous Gartner Marketing Organization Surveys reported a drift to the center. But respondents to the 2022 survey reported that the pace of centralization has quickened, with CMOs significantly shifting their organizations in the last year to centralized structures, with 37% fully centralized and 23% mostly centralized. With a slight exception for B2B marketing organizations, CMOs favor centralized organizational structures over decentralized or hybrid models. CMOs in B2C organizations doubled-down on a “fully” centralized structure over “mostly” centralized.

So why centralize, and why now? CMOs cited a host of operational excellence issues — such as prioritization, workflows and collaboration — as the primary reasons for making changes to their organizational structures.

But centralization should not be seen as an organizational panacea. A.D. Chandler, professor of business history at Harvard Business School and Johns Hopkins University, stated that “structure should follow strategy.” CMOs may be lured by the promise of greater control and economies of scale that centralization offers, but each structure brings with it a set of benefits and drawbacks. Same with operating models. CMOs must place organizational decisions in the strategic context, making trade-offs based on restructuring objectives, capability gaps and cultural realities (see Ignition Guide to Conducting a Marketing Organization Restructure).

CMOs Increase Control of Operations and Strategy, but Cede Responsibility for Creative and Resource Management

The last couple of years of disruption have impacted the external and internal environments. Gartner recently reported on the changing role of marketing in the enterprise (see Understand the 4 Key Themes Driving Marketing Strategies in 2022). As roles and relationships change, how does this impact the responsible, accountable, consulted and informed (RACI) matrix for marketing capabilities?

CMOs report that responsibilities across the marketing organization have shifted. Marketing’s sole responsibilities for marketing operations, marketing strategy and marketing-led innovation have increased. These shifts are
consequential, as previous Gartner surveys have identified these capabilities as being vital to the delivery of the marketing strategy. But marketing’s sole responsibilities for resource management, creative development, content tagging and martech management have decreased (see Figure 2).

**Figure 2: Marketing’s Sole Responsibilities Today vs. 12 Months Ago; Increases and Decreases**

<table>
<thead>
<tr>
<th>Percentage of Respondents</th>
<th>12 Months Ago</th>
<th>Today</th>
<th>YoY Percentage Point Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Operations</td>
<td>53%</td>
<td>65%</td>
<td>▲ 12pp</td>
</tr>
<tr>
<td>Marketing Strategy</td>
<td>63%</td>
<td>69%</td>
<td>▲ 6pp</td>
</tr>
<tr>
<td>Marketing-Led Innovation</td>
<td>55%</td>
<td>62%</td>
<td>▲ 7pp</td>
</tr>
<tr>
<td>Digital Marketing</td>
<td>58%</td>
<td>64%</td>
<td>▲ 6pp</td>
</tr>
<tr>
<td>Traditional Media</td>
<td>44%</td>
<td>48%</td>
<td>▲ 4pp</td>
</tr>
<tr>
<td>Marketing Budget and Financial Management</td>
<td>53%</td>
<td>57%</td>
<td>▲ 4pp</td>
</tr>
<tr>
<td>Brand Management</td>
<td>50%</td>
<td>53%</td>
<td>▲ 3pp</td>
</tr>
<tr>
<td>Marketing Data and Analytics</td>
<td>56%</td>
<td>59%</td>
<td>▲ 3pp</td>
</tr>
<tr>
<td>Content Marketing</td>
<td>60%</td>
<td>61%</td>
<td>▲ 1pp</td>
</tr>
<tr>
<td>Market Research</td>
<td>49%</td>
<td>50%</td>
<td>▲ 1pp</td>
</tr>
<tr>
<td>Multi-Channel/Integrated Marketing</td>
<td>56%</td>
<td>56%</td>
<td>No Change</td>
</tr>
<tr>
<td>Business Strategy</td>
<td>49%</td>
<td>48%</td>
<td>No Change</td>
</tr>
<tr>
<td>Digital Media</td>
<td>53%</td>
<td>50%</td>
<td>▲ 3pp</td>
</tr>
<tr>
<td>Digital Platforms</td>
<td>49%</td>
<td>46%</td>
<td>▲ 3pp</td>
</tr>
<tr>
<td>Digital Commerce</td>
<td>48%</td>
<td>44%</td>
<td>▲ 4%</td>
</tr>
<tr>
<td>Martech Management</td>
<td>47%</td>
<td>42%</td>
<td>▲ 5pp</td>
</tr>
<tr>
<td>Customer Experience</td>
<td>47%</td>
<td>41%</td>
<td>▲ 6pp</td>
</tr>
<tr>
<td>Content Tagging and Taxonomy</td>
<td>43%</td>
<td>39%</td>
<td>▲ 4%</td>
</tr>
<tr>
<td>Creative Development and Production</td>
<td>51%</td>
<td>43%</td>
<td>▲ 8pp</td>
</tr>
<tr>
<td>Resource Management</td>
<td>41%</td>
<td>34%</td>
<td>▲ 7pp</td>
</tr>
</tbody>
</table>

n = 203 marketing leaders
Q: What level of responsibility does marketing currently have in each area?
Q: Now thinking back 12 months ago, did Marketing have sole, shared, or no responsibility for each of these areas?
Source: 2022 Gartner Marketing and Communications Organization Survey
Marginal losses of sole responsibility (in favor of shared and collaborative) were also reported across capabilities essential for digitally oriented growth, including digital media, digital commerce and CX. Gartner’s Leadership Vision for 2022: Chief Marketing Officer called out shifting enterprise accountabilities for these capabilities, as CEOs look to pristine roles such as the CDO. In the year ahead, CMOs must work to identify the responsibilities that marketing can afford to cede, and those they must fight to maintain to ensure that marketing plays an active role in future-forward enterprise value creation.

61% of CMOs Have Grown Their Teams, Despite Talent Challenges and Attrition

As customer journeys become more complex, CMOs must recruit and develop new skill sets to support these journeys, while maintaining a culture of creativity and collaboration in new hybrid work environments. This is challenging at the best of times, but with increased talent competition, and in the face of the Great Resignation, the talent challenge is amplified.

Despite these challenges, respondents to the 2022 Marketing Organization Survey feel positive. Sixty-one percent of CMOs surveyed grew their marketing organization over the last 12 months. Within that group, 16% reported that their teams are now significantly larger than a year ago.

So, what does this mean for team size? CMOs surveyed reported a median of 6.3 direct reports and a median team size of 115 notwithstanding a 10% median attrition rate for marketing. While a 10% resignation rate sounds bad, their communications counterparts got hit with a whopping 20% median attrition rate. One of the reasons why CMOs fared better is that they got creative: 55% reported that they offered different flexible working options than the rest of the organization.

However, marketing is still not out of the Great Resignation woods yet, as 15% of CMOs cited a loss of 30% or more, and 8% cited a 21% to 30% loss. Furthermore, staff retention is an issue of quality, not quantity. Maintaining the optimal balance across capabilities, especially those with the greatest talent competition, will remain a strategic imperative for CMOs.

What You Need to Do

By using this data as a guide to spur action, CMOs can quickly run a more effective and efficient marketing organization by taking specific actions in
the next three months and over the next year. The goal is to not just build a more modern marketing organization but to align marketing to overall business goals, growth and innovation. Another goal is to increase executive-level influence to include the CEO, CFO, CIO or CDO, so that marketing doesn’t have to work so hard to prove its value to the business.

If the CMO is running a tight organization that delivers on business outcomes time and time again, marketing’s value isn’t in question because it is demonstrated on a day-in and day-out basis.

**Near-Term Actions**

1. **Benchmark your current organizational structure against your peers.** Fully decentralized structures are nearly nonexistent. While B2B organizations utilize a balanced or hybrid approach, B2C organizations are primarily centralized. Can you easily centralize some of the marketing work that is decentralized? Mine those decentralized areas for waste, inefficiencies, duplication and individuals or small teams who work in silos — then make changes accordingly.

2. **Determine if the marketing organizational structure changes made in the last year were to fix operational challenges.** Have you made marketing operations a priority? Alarm bells should be going off if you didn’t make any organizational changes within the last year, or if the ones you made didn’t address operational efficiency challenges.

**Longer-Term Actions**

1. **Consolidate similar or like functions.** Functions or responsibilities in your marketing organization that are similar can be combined to increase efficiency and effectiveness and encourage collaboration. For example, a popular central team consolidation trend that arises from Gartner inquiries includes combining market research, insights, business intelligence and customer/consumer insights.

2. **Evaluate your team’s responsibilities to determine which are considered a “sole” responsibility vs. “shared” or “no” responsibility within the marketing team.** It is OK to lead where marketing should, but it is also OK to share or give up responsibilities if those are better served and led elsewhere. The caution would be to not give up responsibilities that marketing should control, but more so to perform resource allocating and capacity planning for the marketing team. Did you deliberately give up marketing ownership, or is ownership reduction an oversight? Or, are you changing ownership from “sole” to “shared” in marketing on purpose to improve collaboration across marketing and the enterprise? Sharing responsibilities is a difficult role and requires developed collaboration, leadership and project management skills.

3. **Stave off talent retention problems and reduce high attrition,** especially if your best talent goes elsewhere, by offering flex work options beyond what your organization offers. CMOs in this survey included flexible options for location, hours, days, desk mobility at the office, work amount and even the freedom to choose projects.
Actionable, objective insight

Explore these additional complimentary resources and tools for CMOs and marketing leaders:

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Ensure your team is empowered at every stage of a change process, with better, cheaper, faster results.

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