Gartner for Marketers

Marketing Leadership and Strategy Primer for 2020

Ewan McIntyre
VP Analyst

Kitior Ngu
Director, Research

Christopher Ross
VP Analyst

© 2020 Gartner, Inc. and/or its affiliates. All rights reserved.
CMOs must build and enact a plan that corrals resources and capabilities to deliver measurable results now, while delivering transformations, innovations and brand experiences to sustain future growth. Our research on marketing leadership and strategy helps CMOs succeed in an ever-challenging role.

**Scope**

Marketing success is built on plans that deliver value. An understanding of the environment, emerging opportunities and risks, and available tools, abilities and resources are essential for success.

This research will help organizations address:

- **Brand strategy, values and positioning** — Defining the brand strategy, architecture and positioning.
- **Budget and resource management** — Allocating budget and resources against strategic priorities.
- **Marketing innovation** — Driving marketing innovation to lead or respond to market disruption.
- **Marketing strategy development** — Creating a marketing strategy to support business strategy and growth.
- **Strategic measurement and KPIs** — Defining the performance metrics that link strategy to execution.

*Note: Content may not be available without a Gartner subscription.*
Analysis

Strategic planning is a fundamental capability for CMOs and research indicates that, while a quarter of an executive’s time is spent on planning, less than half of this time is classified as useful.

Plans need to be more than static documents. They must define objectives and goals that drive meaningful action. Objectives and goals need to cascade through the marketing organization, informing the scope and direction of programs and initiatives. The ability to define the benefits the marketing strategy delivers to the enterprise using robust KPIs is essential. And the capabilities that capture the value of the plans that flow from the strategy, and the metrics that monitor and optimize activity, are fundamental to success.

Budgets, people and capabilities are finite. CMOs must be masters of resource allocation and management, focusing on the investments that will deliver the highest yield and best business outcomes. But marketing resource management is more challenging than ever. Marketing budgets have fallen year over year, with average budgets in North America and the U.K. dropping from 11.2% of company revenue in 2018 to 10.5% in 2019. Successful CMOs optimize costs and value, cutting away spend that no longer meets goals and value thresholds.
As part of marketing’s growing scope, innovation has become a vitally important capability. Gartner’s 2019 Innovation Survey found that the vast majority of marketing organizations (91%) have involvement in innovation strategy. Furthermore, a growing proportion of marketing’s budget is allocated to innovation programs and investments. Gartner’s 2019-2020 CMO Spend Survey results show more than 18% of the total marketing budget is now set aside for innovation investments and initiatives.

Brand remains an essential value driver for marketing, with Gartner’s 2019 Brand Survey reporting that CMOs believe their brand is a critical driver of customer acquisition, retention and growth. But brands face significant challenges as customer choice has never been greater, consumer trust in big brands has weakened and competition from dominant incumbents and new, disruptive brands and platforms, such as Amazon, Facebook and Google, among others, has increased. CMOs must sharpen their focus on how best to leverage their brands to support sustained business, and customer value.
Modern CMOs must be expert strategists, building agile, adaptive strategies that are grounded in data. Their strategies need to focus marketing’s tools, people, processes and resources toward positive outcomes. They must be able to identify disruption, and factor this into their strategies. And they need to build and sustain brands that deliver meaning and value to the enterprise, and their customers.

Our research centers on the following topics:

- Brand Strategy, Values and Positioning
- Budget and Resource Management
- Marketing Innovation
- Marketing Strategy Development
- Strategic Measurement and KPIs
Brand Strategy, Values and Positioning

An effective brand architecture is an essential component of the brand strategy. It provides solid structure that shapes your organization’s positioning and messaging across the entire customer experience. Organizations must master aligning their brand architecture to the buying behavior of customers and prospects. The appropriate organizational leader must put in place structures and processes that ensure strong and consistent alignment between the brand’s values, and the positioning, messaging and actions displayed by the brand.

CMOs of leading brands think beyond the functional benefits of the brand. They boost their offers’ relevance by enabling customers to see themselves in brand stories. This means shifting the focus to the role that products and services will play in customers’ lives. This is true whether you’re leading a B2B company needing to reposition your solutions to align with your buyers’ problems or a B2C brand using personalization to improve the relevance of your offering to consumers. Leaders must ensure their brands are supported both in terms of appropriate investments in core brand assets and content. Brands must also be supported through the effective promotion of the brand, capturing the value the brand delivers to customers, prospects and stakeholders, and how this builds consideration and alters perceptions.

Questions Your Peers Are Asking

- What is the right strategy to position or reposition our brand?
- How should we design our brand architecture?
- How do we prioritize and manage brand equity across multiple brands and products?

Recommended Content

- “Brand Survey 2019: Marketers Believe in the Power of Brand but Struggle to Respond to Disruption”
- “Ignition Guide to Conducting a Brand Architecture Refresh”
- “Narrative Design: Connecting Brand Stories With Customer Experience”

Planned Research

- How do we make the case for initial and continued brand investments?
- How can the impact and performance of brand initiatives be measured?
- What are best practices for brand governance?
- How do we distill, articulate and communicate brand purpose and values?
Budget and Resource Management

An essential part of the strategy is building budget and resource plans that are commensurate to goals. But as the mandate of marketing, and the scope of accountability for the CMO grows, marketing budget and resource planning has become evermore complex. Organizations must weigh up funding requirements across varied and diverse budget lines, such as marketing technology, media and innovation. This starts with effective budget benchmarking, and an understanding of how peers and competitors are focusing their marketing investments.

A successful marketing strategy drives execution that delivers tangible business results. But leaders in marketing departments struggle to tie their budgets and investments to measurable business outcomes. Without a firm connection between marketing investments and revenue growth, they are at risk of experiencing increased pressures on budgets and credibility.

Questions Your Peers Are Asking

- How do I build marketing budgets that are commensurate to my strategic goals?
- How do I manage investments to deliver measurable ROI?
- How do I benchmark and optimize marketing budgets and resource allocations?

Recommended Content

- “CMO Spend Survey 2019-2020: CMOs Double Down on Digital Channels and Analytics, but Fail to Plan for Tough Times Ahead”
- “Ignition Guide to Creating the Annual Marketing Budget”

Planned Research

- How do I build a marketing budget that ties investment to business goals?
- How do I understand the investment patterns and strategic priorities of my peers and competitors?
- How do I allocate finite marketing resources for the programs that deliver the best results?
- How do I maximize the efficiency and ROI of marketing investments?
Marketing Innovation

Marketing plays a pivotal role in innovation, both within its own functional domain, but also stretching across the enterprise. Organizations’ strategies must support innovation and transformation, attaining buy-in from stakeholders across the enterprise. You must define the punctuated shifts and disruptions that are meaningful to your business, your people and your customers. Building a culture that harnesses innovation across the organization is a prerequisite, and you must focus on the processes and structures that support productive and efficient innovation management. Furthermore, a sharp focus on capturing the value that innovation investments deliver to your customers and the enterprise is essential to ensure future innovation funding.

Questions Your Peers Are Asking

- How do I drive and nurture innovation and transformation, both within and outside of marketing?
- How should I align resources and investment to the right innovation programs?
- How do I measure the value of innovation investments?

Recommended Content

- “Innovation Survey 2019: Marketers Lead Innovation but Face Risks and Talent Challenges”
- “Maturity Model for Marketing-Led Innovation”
- “CMO Perspective: Develop a Vision to Align Stakeholders and Drive Transformative Change”

Planned Research

- How do you sense and respond to emerging trends and disruptions?
- How do you create disruption from within our own organization?
- How do you drive and nurture innovation and transformation, both within and outside marketing?
- How do you create a balanced, yet aggressive, innovation portfolio?
Marketing Strategy Development

An organization’s success rests on its ability to maximize the return on investments in strategic planning. To do so, strategies must clearly articulate how marketing delivers against business goals — for example, impact on revenue growth rate or customer retention. Planning must be grounded in an understanding of the realities of the environment in which you operate. The strategy must be able to respond and adapt to opportunities and threats that emerge over the life of the plan. And, your plans must drive action, creating a clear and unambiguous link between strategic goals and initiatives.

Furthermore, as the adoption in agile methodologies grows, the strategic planning process must become more responsive. This means redistributing effort across the life of the plan, moving to cycles of iterative planning.

Questions Your Peers Are Asking

• How do I develop strategies and business models that deliver long-term growth?
• How do I lead marketing in times of uncertainty?
• How do I communicate the strategy and attain buy-in from my team and my stakeholders?

Recommended Content

• “Use Gartner’s Marketing Strategy Framework to Build Accountable, Actionable Strategic Plans”
• “Ignition Guide to Strategic Planning for Marketing (B2B & B2C)”

Planned Research

• How do you develop strategies and business models that deliver long-term growth?
• What are the best approaches for collaborating and communicating strategies?
• How do you best leverage the power of data to build effective strategies?
• How do you build agile, adaptive strategies?
Strategic Measurement and KPIs

Data is the cornerstone of modern marketing planning and leadership. Reliable measurement informs strategic direction, uncovers opportunities, reveals customer preferences and anchors marketing efforts to business impact. However, findings from Gartner’s 2019-2020 CMO Spend Survey indicates that a disproportionate amount of attention is drawn toward volumetric measures of success, rather than holistic KPIs and metrics that capture the full value of marketing. Organizations need to look past the big data noise, identifying the right data that helps them mobilize marketing to address the most significant opportunities and threats.

Proving the effectiveness of marketing programs and initiatives enables the enterprise to allocate budgets to the programs that deliver the highest yield to the enterprise. It builds and sustains the credibility of marketing programs with stakeholders. And effective metrics aid strategic course correction — allowing the plans and programs to respond to emerging opportunities and challenges.

Questions Your Peers Are Asking

- How do I prove the value of marketing investments to the enterprise?
- How do I define the right KPIs and communicate marketing results correctly?
- How do I measure the effectiveness and ROI of marketing programs and campaigns?

Recommended Content

- “Use Gartner’s Hierarchy of Marketing Metrics to Link Execution to Goals”
- “How to Select Metrics for Your Marketing Dashboard”

Planned Research

- How do you define the metrics that capture the value marketing delivers to the enterprise?
- How do you build measurement systems that link strategic goals to execution?
- How can you understand your performance and approach relative to peers and competitors?
- How do you build dashboards that drive strategic decisions and optimization?
**Suggested First Steps**

- “CMO Spend Survey 2019-2020: CMOs Double Down on Digital Channels and Analytics, but Fail to Plan for Tough Times Ahead” — As marketing budgets start to decline, understand how CMOs are allocating budgets today, and planning for the future.

- “Brand Survey 2019: Marketers Believe in the Power of Brand but Struggle to Respond to Disruption” — Understand the nature of brand strategies and management today. What impact do brands have on customer behavior in a period of unparalleled choice? How do CMOs manage brands in a dynamic and changeable environment?

- “Ignition Guide to Building a Marketing Performance Dashboard” — This step-by-step guide enables you to identify and communicate performance metrics that emphasize marketing’s primary sources of value.
Essential Reading

• “CMO Spend Survey 2019-2020: CMOs Double Down on Digital Channels and Analytics, but Fail to Plan for Tough Times Ahead” — Although CMOs remain optimistic about marketing’s future fiscal health, a fine line exists between optimism and hubris. Will today’s buoyancy give way to tomorrow’s austerity?

• “Use Gartner’s Marketing Strategy Framework to Build Accountable, Actionable Strategic Plans” — Effective marketing starts with clear marketing strategies, yet many strategies lack clarity and specificity. CMOs can use this research to create actionable, accountable strategic marketing plans.

• “Use Gartner’s Hierarchy of Marketing Metrics to Link Execution to Goals” — Metrics measure performance, and what gets measured gets managed. Marketing leaders should use this research to define the marketing metrics that connect strategy with performance.

• “The CMO’s Guide to Eliminating Zombie Programs, Platforms and Partners” — The expanding nature of marketing is challenging today’s CMO. CMOs must focus on high-impact initiatives, as well as eliminate programs, platforms and partners that do not make material contributions.

• “Maturity Model for Marketing-Led Innovation” — Use Gartner’s Maturity Model for Marketing Innovation to assess your innovation maturity, identify gaps from strategy to execution and define actions for improvement.

• “Innovation Survey 2019: Marketers Lead Innovation but Face Risks and Talent Challenges” — CMOs are dedicating head count to innovation and leaning on an ecosystem of partners to help accelerate initiatives. Despite progress, obstacles remain — most notably, risk-averse corporate cultures.

• “Brand Survey 2019: Marketers Believe in the Power of Brand but Struggle to Respond to Disruption” — Most marketing leaders believe brand has a significant impact on both customers and prospects. However, they grapple with how to respond to global dynamics, a rapidly evolving business landscape and the challenges of brand measurement.

• “Winning in the Turns: A CMO Action Guide — How Leading Brands Outperform in Uncertain Times” — Successful brands take risks in “the turns,” those places in the enterprise journey where other brands slow down. CMOs must lead in the turns, building agility into strategy and decision making.
Essential Reading

- “CMO Perspective: Six Habits of the Modern CMO” — CMOs own much more than the brand. They’re expected to drive everything from profitable growth, to customer experience to business model innovation. Modern CMOs know how to adapt to these shifting expectations.
Tools and Toolkits

• “Ignition Guide to Strategic Planning for Marketing (B2B & B2C)” — This guide helps marketing leaders establish strategic objectives, prioritize action steps and communicate the strategic marketing plan to key stakeholders.

• “Ignition Guide to Conducting Scenario Planning for Marketing” — This step-by-step guide helps CMOs use corporate scenarios to identify implications for the marketing function, determine actions for each scenario and effectively communicate the action plan to relevant stakeholders.

• “B2C Marketing Score” — Evaluate the effectiveness of your marketing B2C function using objective peer-based performance standards.

• “2019-2020 Marketing Budget Allocation by Resources: Annual CMO Spend Survey” — Launch this tool to see how CMOs carve up their budget across four major resource categories. Segment results are by nine industries.

• “2019-2020 Marketing Budget Allocation by Channel: Annual CMO Spend Survey” — Launch this interactive tool to view how CMOs from nine industries allocate their marketing budget across marketing channels.

• “Ignition Guide to Creating a Change Management Plan” — This guide helps marketing leaders improve the probability of change success by involving employees in co-creating the change management plan.

• “Ignition Guide to Conducting a Brand Architecture Refresh” — Major strategic events such as M&A, portfolio rationalizations and key product launches are often followed by a brand architecture refresh. This guide will help marketing leaders optimize their brand portfolio and architecture based on the business strategy, and manage the transition efforts.
About Gartner for Marketers

Gartner for Marketers provides the objective, expert advice and proven tools you need to seize the right opportunities with clarity and confidence and stay ahead of the trends that matter. Benchmark your performance with data-driven insights. Prioritize investments and areas of improvement. Execute your mission-critical priorities with speed and confidence.

Gartner, Inc. (NYSE: IT), is the world’s leading research and advisory company and a member of the S&P 500. We equip business leaders with indispensable insights, advice and tools to achieve their mission-critical priorities today and build the successful organizations of tomorrow.

Our unmatched combination of expert-led, practitioner-sourced and data-driven research steers clients toward the right decisions on the issues that matter most. We’re trusted as an objective resource and critical partner by more than 15,000 organizations in more than 100 countries — across all major functions, in every industry and enterprise size.

To learn more, visit gartner.com/marketing.

© 2020 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner is a registered trademark of Gartner, Inc. and its affiliates. This publication may not be reproduced or distributed in any form without Gartner's prior written permission. It consists of the opinions of Gartner's research organization, which should not be construed as statements of fact. While the information contained in this publication has been obtained from sources believed to be reliable, Gartner disclaims all warranties as to the accuracy, completeness or adequacy of such information. Although Gartner research may address legal and financial issues, Gartner does not provide legal or investment advice and its research should not be construed or used as such. Your access and use of this publication are governed by Gartner’s Usage Policy. Gartner prides itself on its reputation for independence and objectivity. Its research is produced independently by its research organization without input or influence from any third party. For further information, see “Guiding Principles on Independence and Objectivity.”