

SiriusDecisions 
Intelligent Growth[®]



Highlights from the 2018 Global CMO Study



The SiriusDecisions 2018 Global CMO Study

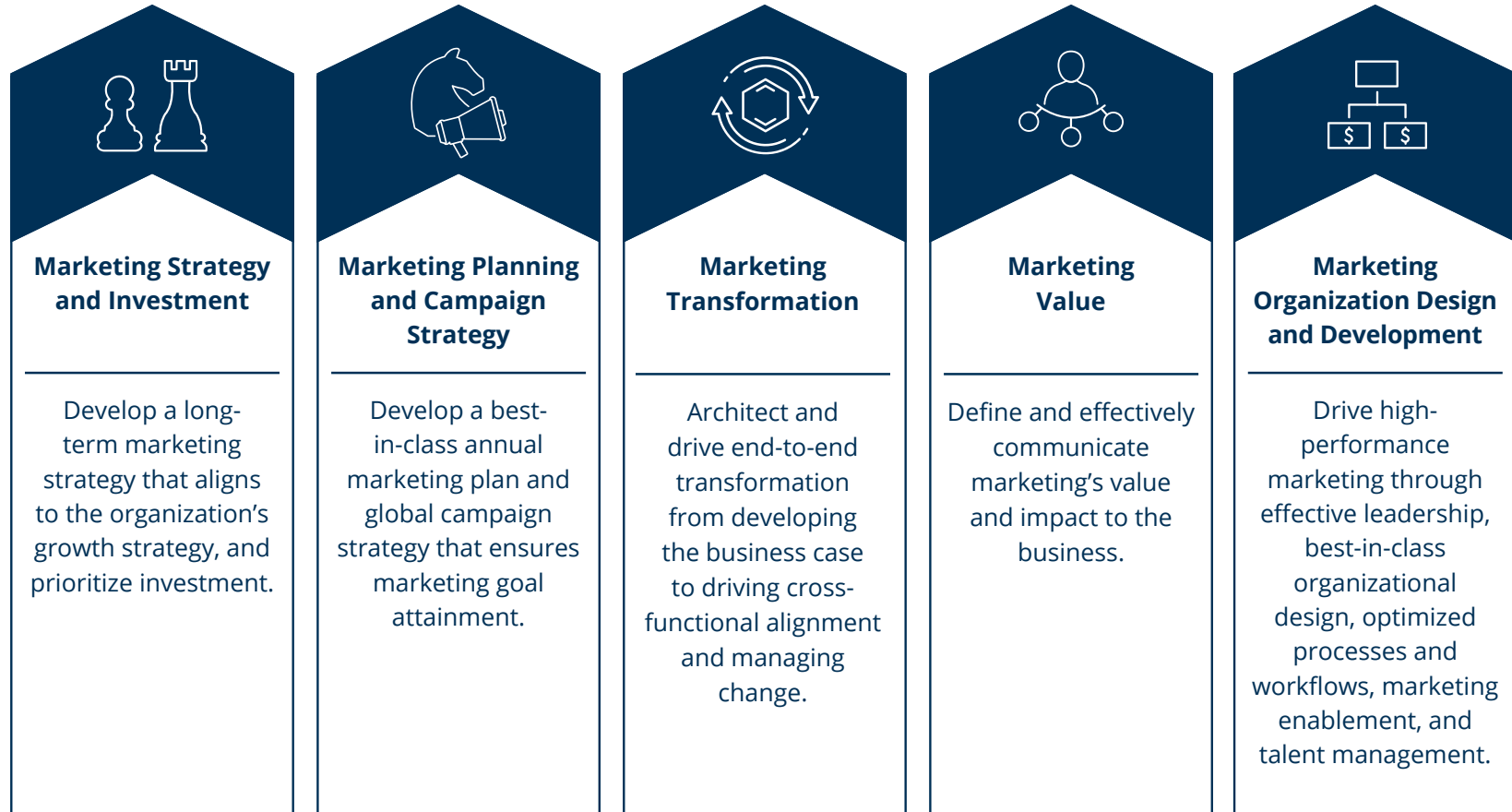
To elevate marketing's role within the organization, CMOs must forge tighter bonds between marketing and business strategy, improve marketing's link to company performance, gauge whether marketing structural changes are needed, and boost marketers' talent and productivity.

SiriusDecisions provides marketing leaders with access to tools, experiences and best practices to help them deliver standout results, craft the right structures for success and smoothly navigate change.

The annual SiriusDecisions Global CMO Study is a key deliverable that informs our research by exploring how marketing leaders are adapting their marketing strategy to support their organization's growth objectives. The study also examines the trends that are having the greatest influence on changes to b-to-b marketing strategies during the next two years.



Chief Marketing Officer Strategies Priorities

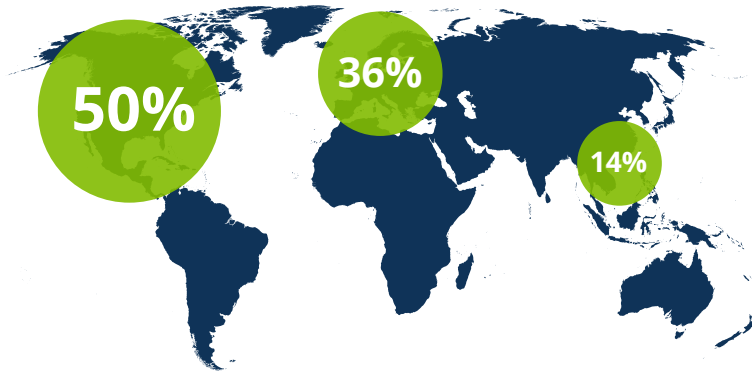


SiriusDecisions 2018 Global CMO Study Demographics

224 Total Respondents

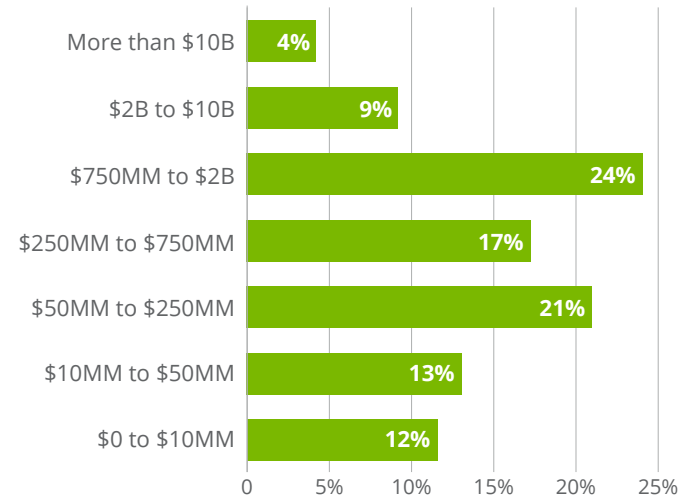
Question

Where is your organization's headquarters?



Question

What is your organization's annual revenue? (in U.S. dollars)



Growth Strategies for CMOs

CMOs have an opportunity to help drive the organization's growth agenda. Five core types of growth strategy provide the construct that marketing leaders need to ensure that marketing strategy aligns to corporate growth objectives as well as the strategies of sales and product counterparts, and that it incorporates and emphasizes the most critical elements for success. The formal targeting of specific offerings and supporting sales and marketing efforts to new buying centers is the number one growth strategy for CMOs. To support a growth strategy by targeting new buyers or buying centers, the CMO must demonstrate how the move to a new buyer represents a change from the core market.



Growth Strategies

Question

Rank the following growth strategies in terms of importance to your organization over the next two years.

#1 New Buyers (22.67)

#2 New Markets (22.45)

#3 New Offerings (21.86)

#4 Productivity (21.67)

#5 Acquisition (11.36)

Relative weighting assigns a weight to the highest ranked/prioritized items selected by the respondent and then puts it on a 100 point scale so that it's easy to see the relative score of (or difference between) one item against another.

Transformation Influencing Marketing Strategy

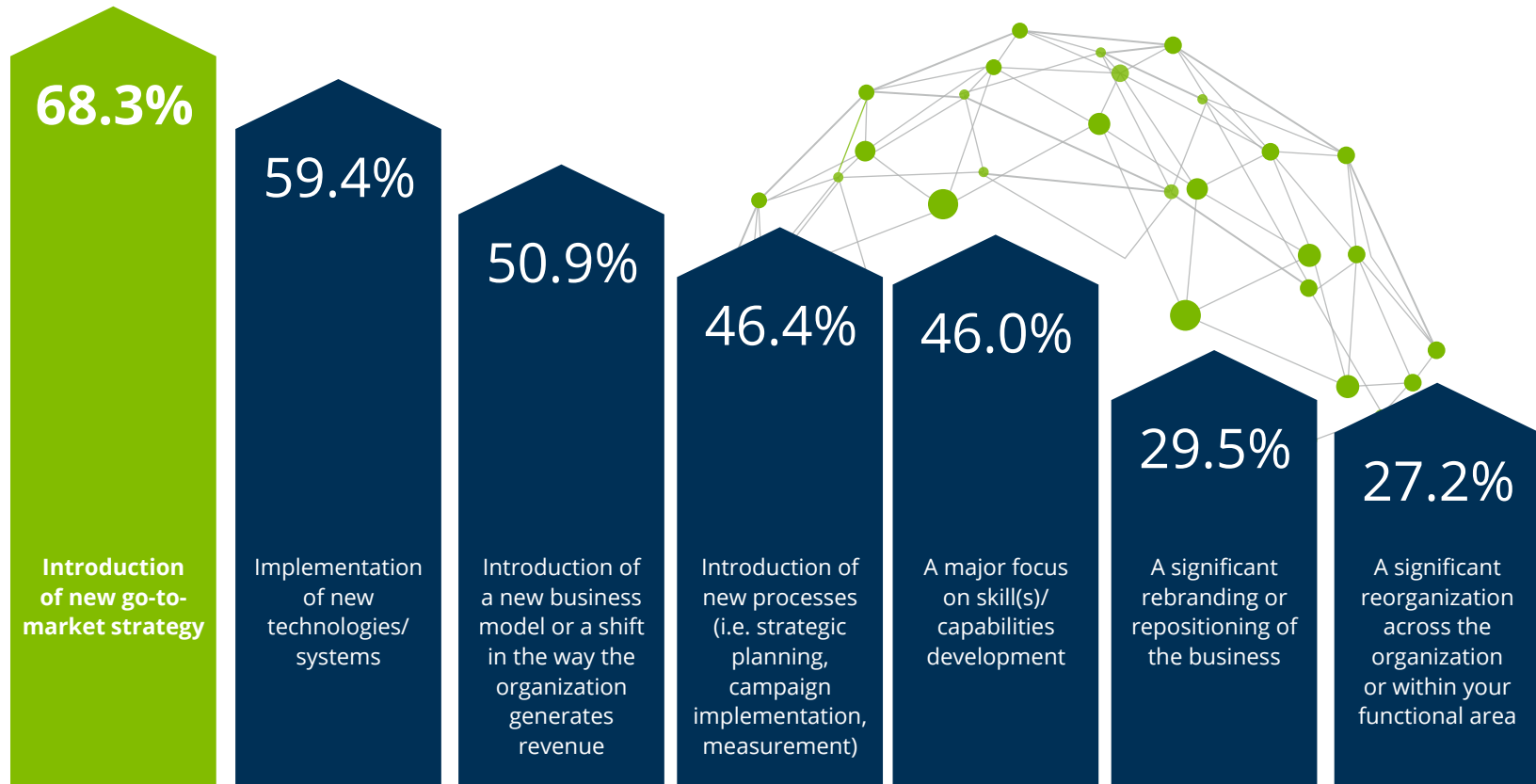
Businesses must transform in order to grow. When asked what type of organizational change or transformation will be required to support their growth strategies during the next two years, marketing leaders indicated that they plan to introduce a new go-to-market strategy – a significant change in the way the organization reaches target audiences to achieve a competitive advantage. This might be an enhancement to an existing go-to-market strategy, such as a change in pricing or distribution, or a more comprehensive overhaul requiring a shift from a product-oriented go-to-market strategy to one that is audience-centric. This number one choice for a transformation initiative complements and supports the primary growth strategy of growth through new buyers.



Transformation Influencing Marketing Strategy continued

Question

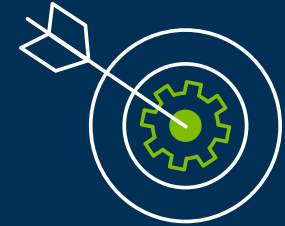
What type of organizational change or transformation would be required to support any of the growth strategies over the next two years?



Marketing Process Enhancements

CMOs are required to be revenue leaders who can translate business objectives into actionable plans that drive growth. Success depends on their ability to design a long-term marketing strategy that aligns to the corporate growth strategy, and an annual marketing plan that enables the attainment of the annual revenue goals. The responses from this year's Global CMO Study reveals the need to apply a disciplined and structured approach, with marketing strategy and marketing planning ranking as the top two areas for process enhancement.

The successful development of a marketing strategy requires a series of decisions including the business/market destination, how the marketing organization will continually focus its efforts on the destination despite changing conditions, and how to ensure each sub-function has a coordinated starting point. The challenge for many b-to-b businesses is that the marketing strategy is frequently confused with the marketing goals, the marketing plan and the functional strategy.



Top Five Process Enhancements

Question

Which of the following internal processes do you plan to add or enhance within the next two years?



Marketing
Planning



Marketing
Strategy



Lead
Management



New Product /
Service
Introduction



Market
Segmentation
and
Prioritization

Priorities Influencing Marketing Strategy

When asked which priorities will have the most influence on their marketing strategy for the next two years, marketing leaders ranked increasing the focus on customer experience as their top priority for the second consecutive year. Regardless of where the ownership of customer experience resides in an organization, the marketing leader has a significant role to play in ensuring that there is a clear understanding of customer roles and the customer journey in order for organizations to design an appropriate customer experience that resonates and engages customers.

CMOs are recognizing that there is a symbiotic connection between customer experience and brand ranking – they identified improving brand perception or awareness as their second most important priority. A great b-to-b brand experience connects to customers' emotions and gives them confidence that they've made the right decision. It captures the business authentically, helping the company stand out in a noisy market. Over time, with the right investment, it grows in value and enables an ever greater competitive advantage.



Priorities Influencing Marketing Strategy

Question

Which of the following priorities have the most influence on your marketing strategy over the next two years, and what are your biggest challenges?



The Challenge With Enhancing Customer Experience

Organizational readiness is the CMO's greatest challenge when seeking to increase the focus on customer experience. The CMO must influence the rest of the organization to assure understanding of and agreement on what customers and buyers value, align business goals and priorities across peers, and drive continuous and measurable focus on the brand across the company. Having the right competencies (knowledge, skills, processes and systems) to support customer experience efforts is foundational.

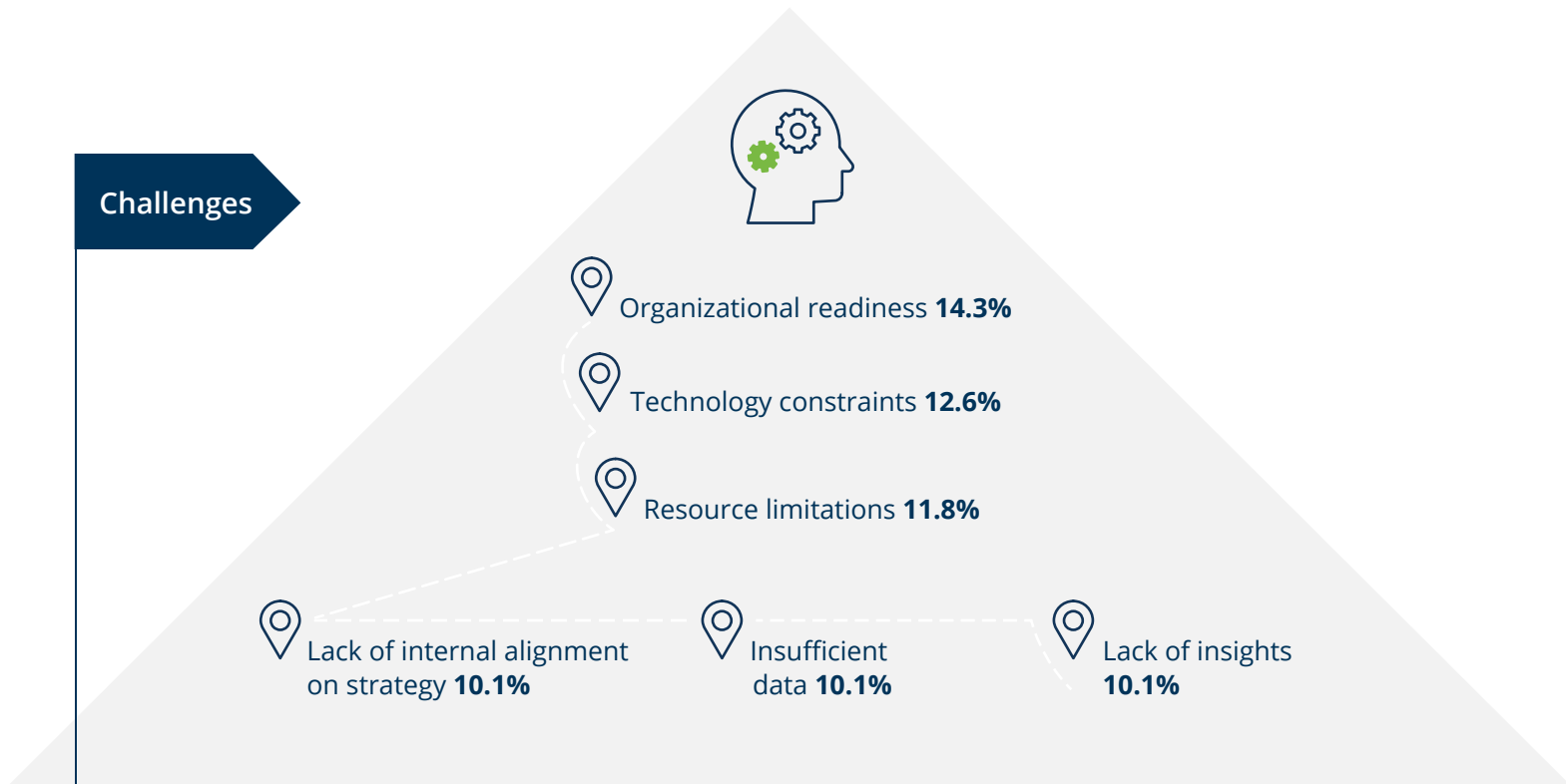


The Challenge With Enhancing Customer Experience

Question

What is your biggest challenge with increasing your focus on customer experience?

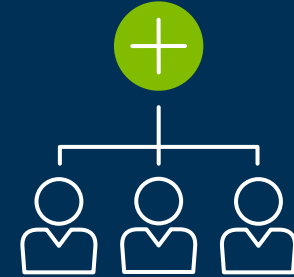
Focus on Customer Experience



Planned Organizational Changes

Ninety-four percent of marketing leaders surveyed are planning to make changes to their organization during the next two years. When they were asked which of their sub-function(s) will be adding headcount, customer engagement and marketing operations tied for the number one rank. This result complements and supports growth through new buyers and aligns directly to the priority to enhance customer experience. A pivotal trend impacting CMOs during the next two years is the need to prioritize and invest in understanding and improving the customer journey. This audience-centric approach is critical to develop a successful new go-to-market strategy that supports growth, and to increase the focus on customer experience.

Building the marketing operations sub-function is equally important for CMOs. Organizations rely heavily on their marketing teams to support decision-making with reliable customer data, insights and analysis. To do so requires competencies in the areas of measurement, analytics and reporting. While some of these competencies exist in many marketing operations functions, most organizations are striving to develop or add more advanced skills in this area .

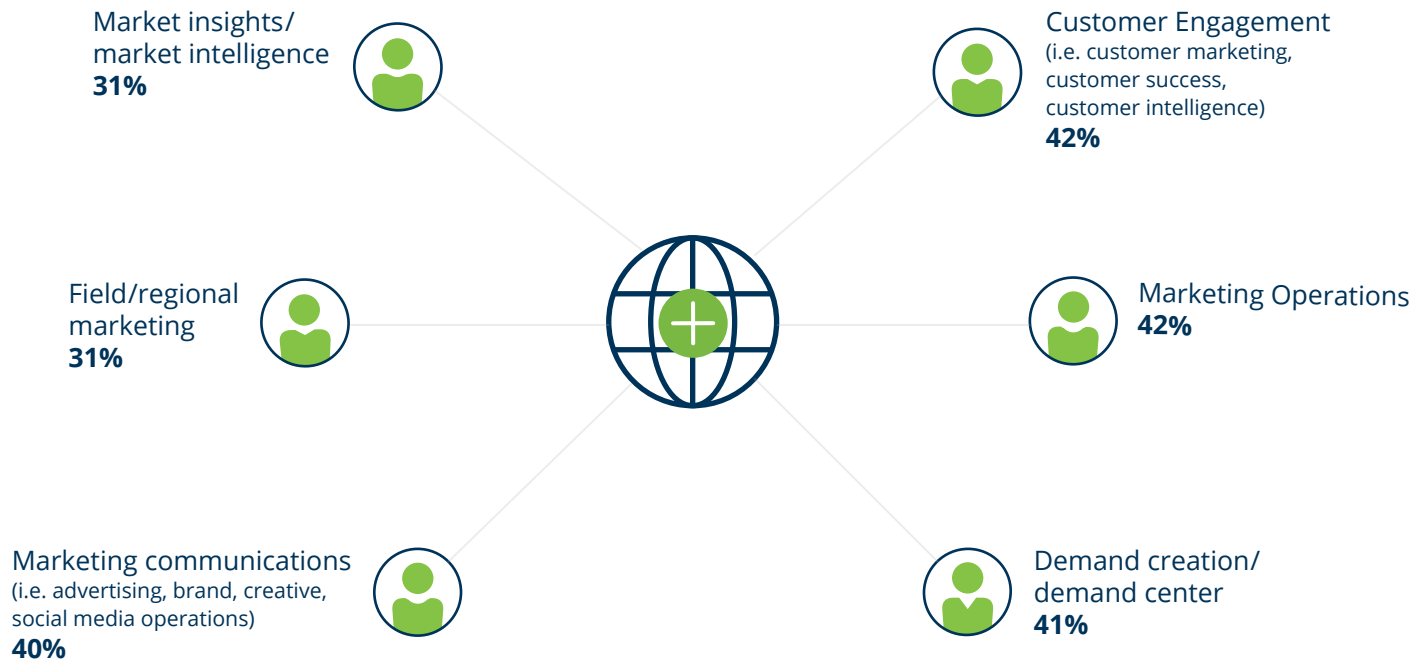


Organizational Design and Development

Question

In which sub-functions will you be looking to add headcount?

Top six sub-functions where CMOs will add headcount



Organizational Needs to Support Growth and Priorities

One of the primary drivers for undertaking organizational design initiatives is achieving efficiencies and scale. As CMOs assess their current organizational structure, operating model and resources, they are striving to find the right balance between centralized teams and centers of excellence with regional and field teams to drive efficiency and improve effectiveness. It is important to identify if there are specialized skills needed, where they reside, and the most efficient operating models. SiriusDecisions' Eight Cs of Effective Organizational Design process model provides a structured approach to the organizational design process that ensures that decisions are made in the context of organizational growth objectives, along with the key activities and deliverables that drive effective organizational design.

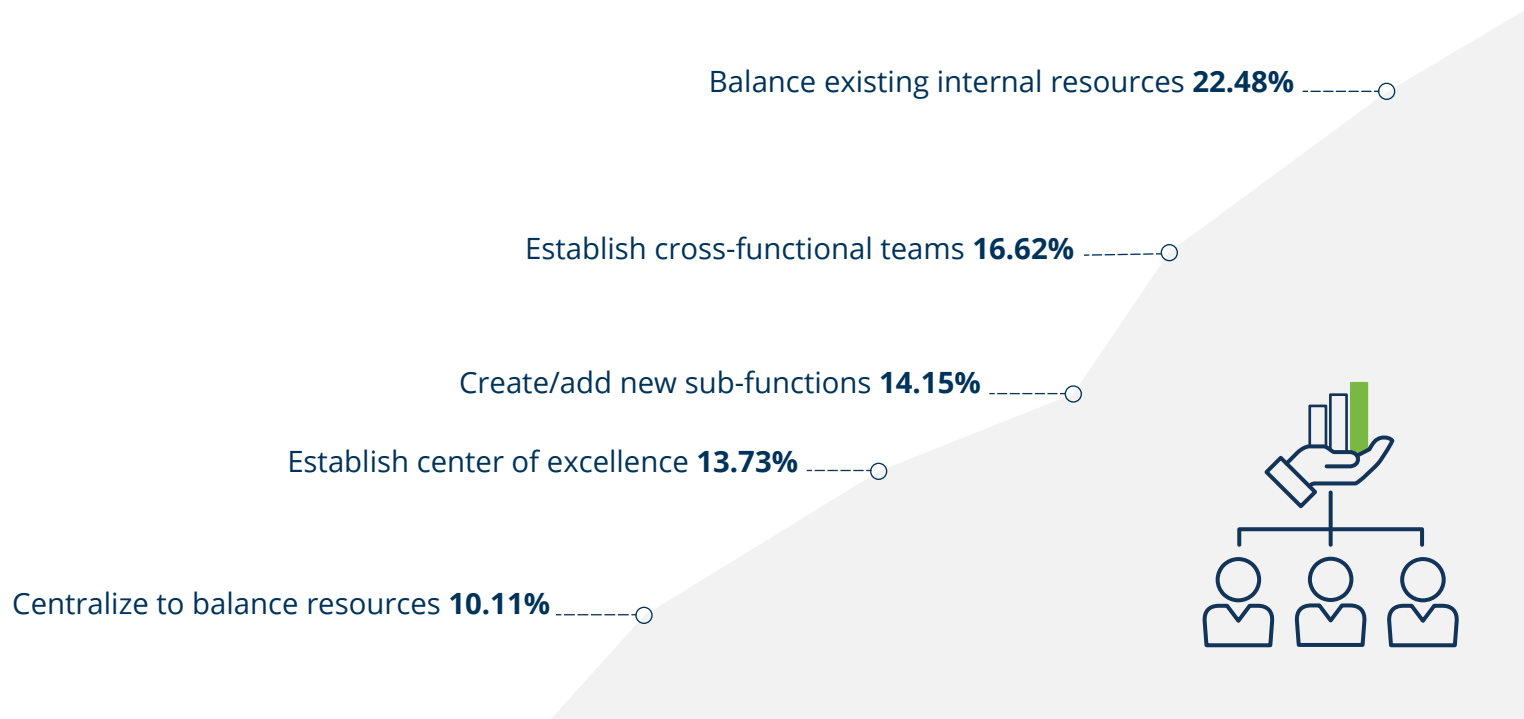


Planned Organizational Changes

Question

What organizational changes will you need to make to support your priorities over the next two years?

Planned organizational changes



Barriers to Measuring Marketing Value

One of the most common challenges marketing leaders face is how to effectively communicate marketing's impact on the business. According to the 2018 Global CMO Study, for CMOs who indicated that "measuring marketing contribution" is a top corporate priority, the biggest barriers to successfully measuring contribution included insufficient processes, insufficient data and lack of alignment to business objectives. These barriers may result in the CMO being cornered into a single critical metric, marketing sourced pipeline.

CMOs need to take and promote a panoramic view of marketing contribution. Limiting recognition to a single marketing metric undervalues marketing functions and programs such as influencer relations, brand experience and customer advocacy, which may have a less direct but longer-term and equally important impact.



Barriers to Performance Measurement

Question

What is the biggest barrier you anticipate that might not allow you to successfully measure marketing's contribution?



#1

Insufficient processes
to measure marketing's
contribution

#2

Insufficient market/
customer data

#3

Lack of alignment on
performance metrics

CMO Trends

In addition to the findings already presented, the 2018 Global CMO Study looked in depth at changes to budget allocations across programs, systems, tools and personnel. The study also examined the marketing trends that CMOs plan to exploit during the next two years.

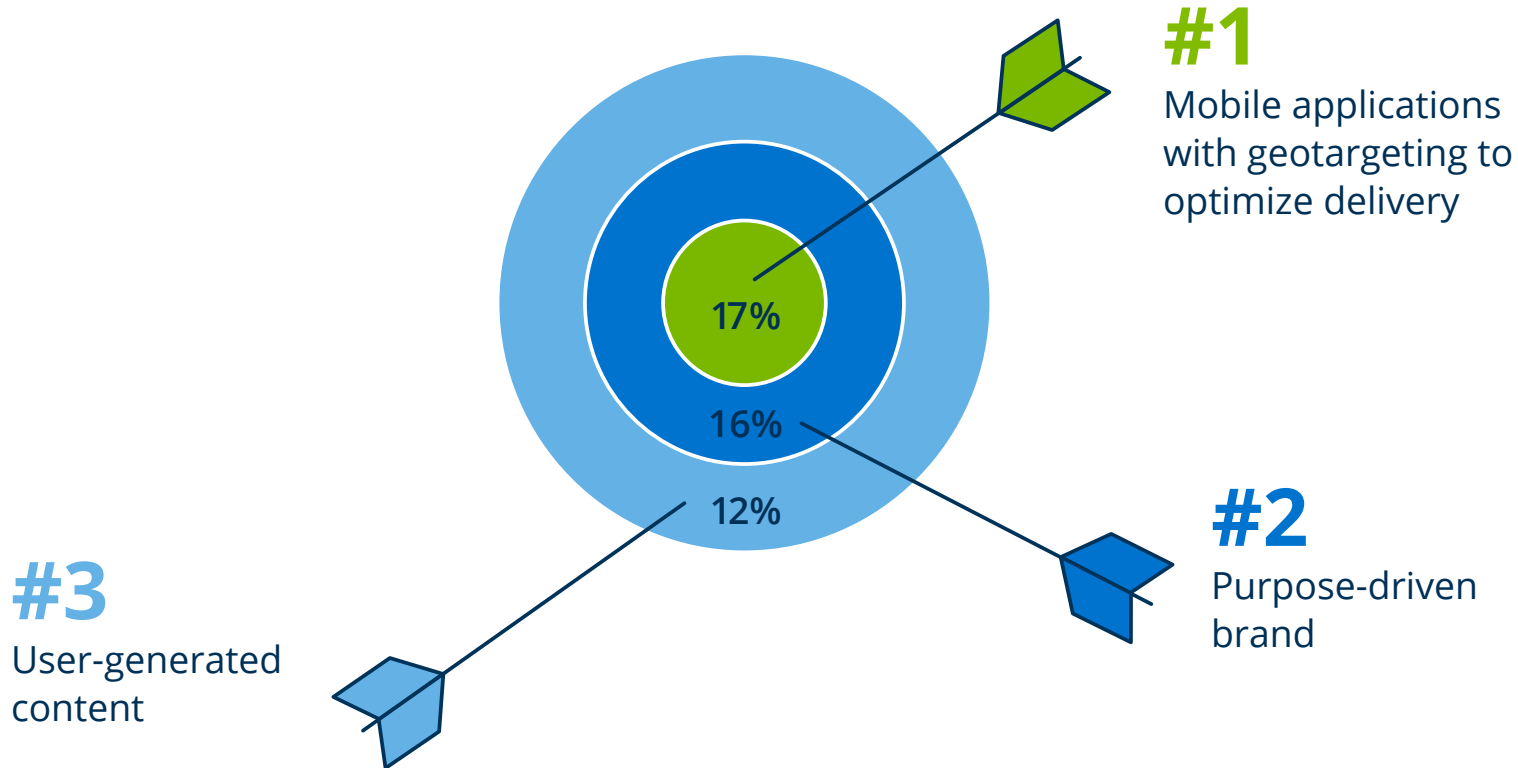
These trends include designing mobile applications with geotargeting, introducing a purpose-driven brand to help improve brand awareness, perception, or preference (which is the top initiative influencing marketing strategy) and driving user-generated content.



Top Three Areas for Execution Innovation

Question

What marketing trends do you plan to implement over the next two years?



(relative weighting scores)

Learn More

SiriusDecisions is the leading global b-to-b research and advisory firm. We deliver actionable, transformative frameworks and expert guidance that equip executives to elevate sales, marketing and product performance.

To learn more about the 2018 Global CMO Study and other insights and resources available to available to SiriusDecisions clients, contact us at siriusdecisions.com or +1 (203) 665-4000.





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