



**Gartner®**

# Chief Marketing Officer Leadership Vision 2022

**3 Strategic Actions for Success**

### From Chris Howard, Chief of Research, Gartner

As we head into 2022, we continue to feel the human toll of the global pandemic, but we already know it has been a watershed period in which attitudes and norms have permanently shifted — in our everyday lives and at work.

Living through COVID-19 has increased social awareness — as have growing demands for equity for those who are underrepresented.

Businesses have also changed. For many organizations, the pandemic has catalyzed digital business initiatives as we adapt to the demands of employees, customers and other stakeholders, who were forced into new digital options that they have now come to favor.

B2B purchasers are happy to buy digitally, without a sales representative; B2C consumers are buying off social media platforms; employees are physically distributed and communicating asynchronously — and IT infrastructures must secure the organization despite this “anytime, anyway, anywhere” way in which we’re operating.

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In your role as a leader, you’ve now spent months adapting to change and delivering new solutions at speed. You and your team may be burning out, and it’s never been more important to prioritize your time and energy. To help with that, Gartner Leadership Vision provides top-level guidance to leaders and their teams on where to focus — based on our data-driven research.

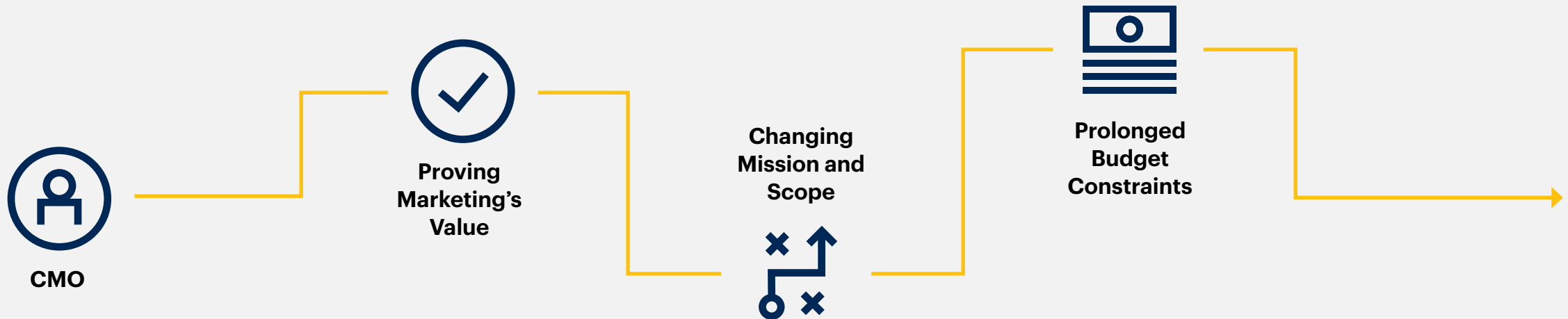
We’re providing detailed insights to our clients across dozens of roles, and we’re now excited to share excerpts with the business community beyond our clients. We hope this will help you to focus discussions with your teams, peers and other leaders, so you can more quickly and effectively diagnose priorities and actions, especially as you solidify your strategic plans for 2022.



**Chris Howard**  
Chief of Research, Gartner

# Forging a Path to Tomorrow Amid Challenges

The key drivers of the CMO role are in transition



Source: Gartner

# Trends, Priorities and Actions for the CMO

## Trends

**Journeys evolve** as customers' pandemic channel preferences persist.

CMOs cede accountability for digital initiatives as CEOs focus on **digital growth**.

CMOs lose resources as budgets shift to **fund enterprisewide digital investments**.

## CMO top priorities

**Rebuild the marketing engine** for flexibility in a changing environment.

Reassert **marketing's digital orchestrator role** to avoid further loss of influence.

Execute **adaptive strategies** that prove marketing's value to the enterprise.

## Key actions

Prepare for the future of **hybrid marketing**.

**Redefine the CMO's role** as the organization's "chief connecting officer."

Build **holistic marketing measurement**.

# Trends



**Journeys evolve** as customers' pandemic channel preferences persist.



CMOs cede accountability for digital initiatives as CEOs focus on **digital growth**.

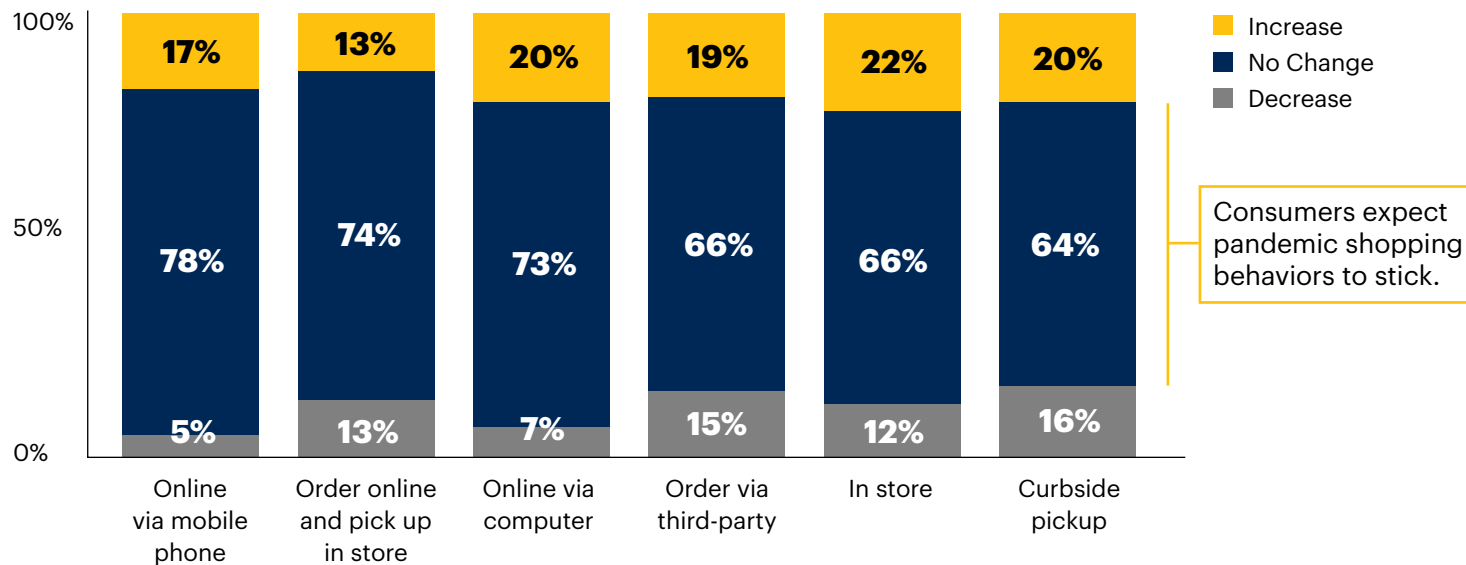


CMOs lose resources as budgets shift to **fund enterprisewide digital investments**.

# Journeys Evolve as Customers' Pandemic Channel Preferences Persist

## Shopping behavior change anticipated in the next three to six months

Percentage of consumers



Disruptions in the first waves of the COVID-19 pandemic in 2020 resulted in rapidly evolving customer and consumer journeys, with offline interactions and transactions moving to digital touchpoints. As we look to the postpandemic environment, it's clear that many of these evolving behaviors will endure. Gartner data for U.S. consumers indicates that pandemic-era shopping activities across channels and touchpoints are likely to persist or increase, with only a small minority expecting a postpandemic decrease.

n = 255 U.S. consumers  
 Q: Thinking about the frequency with which you shop in each of the following ways today, how, if at all, do you anticipate it to change in the next three to six months? (Excludes those who do not shop in that way.)  
 Source: Gartner Consumer Community (March 2021)

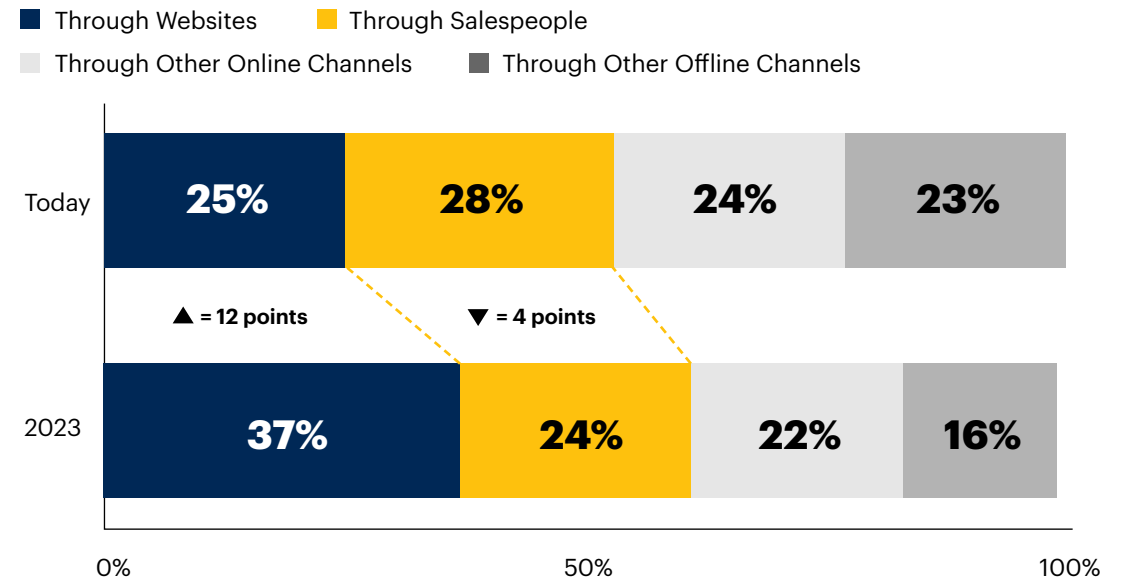
# Journeys Evolve as Customers' Pandemic Channel Preferences Persist (Continued)

## Proportion of B2B procuring by channel over time

Looking to B2B, similar disruptions to the buyer journey have played out. With sales teams unable to deliver face-to-face customer interactions, the focus has shifted to online and hybrid experiences. Looking at procurement behaviors today, almost half now take place via online channels. And, postpandemic, this is likely to grow as respondents to a recent survey of B2B procurement specialists indicated that online will account for 59% of sales by 2023, reducing transactions through salespeople from 28% today down to 24% in two years.

The result is a rapid change in channel priorities, both in terms of the channels that deliver value through transactions and the mix of marketing channels that build awareness, consideration and purchase. Data from the [2021 Gartner CMO Spend Survey](#) indicates that 62% of CMOs changed their channel priorities in 2021. While these adaptations generally favor online channels versus offline, the need for a channel-agnostic, hybrid approach to marketing activation has never been greater.

### Mean proportion



n = 191 respondents involved in B2B procuring  
 Q: What proportion of B2B procuring takes place through each of the following channels today? By 2023?  
 Source: 2020 Gartner B2B Digital Commerce Survey  
 Note: Percentages may not add to 100 due to rounding.

# CMOs Cede Accountability for Digital Initiatives as CEOs Focus on Digital Growth

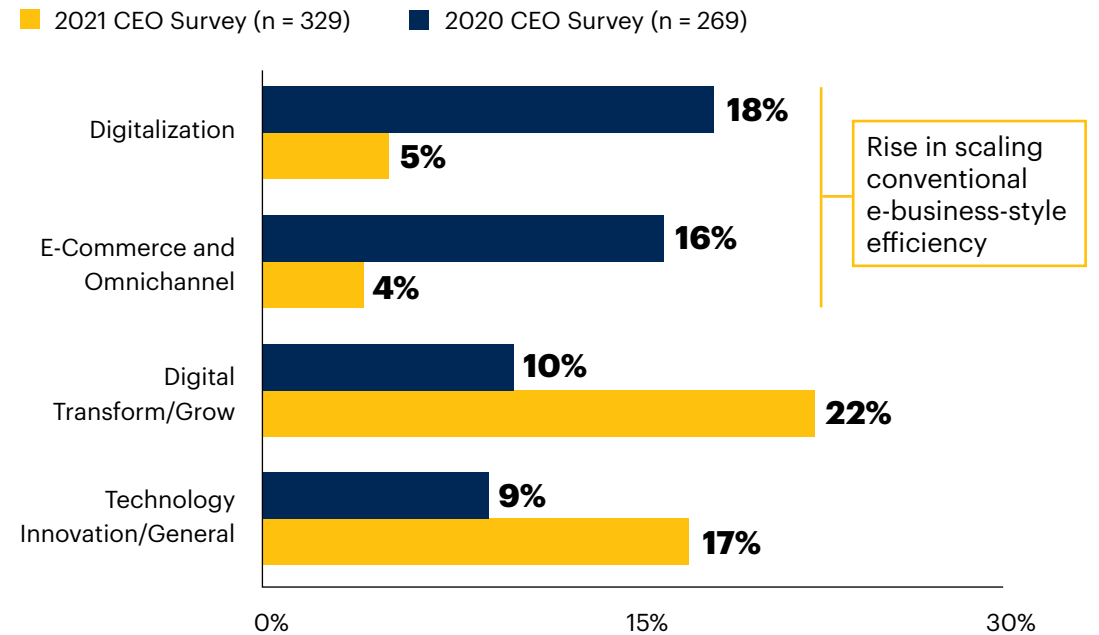
## Business priorities 2021–2022: Technology

CMOs have been successful in promoting customer centricity, innovation and the adoption of new channels across the organization. The disruption from the COVID-19 pandemic has caused CEOs and enterprise leaders to reappraise their priorities and redefine organizational accountabilities, as customer-oriented digital business becomes an organizational imperative. The 2021 Gartner CEO and Senior Business Executive Survey shows that enterprise leaders now see customer experience (CX) and digital commerce as a strategic priority for growth over the next two years.

As these initiatives move from being marketing priorities to enterprise priorities, CMOs are ceding ownership to other roles in the enterprise. The survey also shows cuts in marketing budgets as investments in digital business programs are boosted. It finds that CEOs are looking to other roles, such as chief digital officers (CDOs), to lead programs that were once the domain of CMOs.

Once at the vanguard of enterprise digitalization, CMOs risk moving from a leading role to a contributing role in strategic initiatives. Part of the challenge is that, according to the [2021 Gartner CMO Spend Survey](#), investments in marketing innovation programs have failed to deliver the expected value. Other leaders have taken a leading position in customer-orientated digital initiatives.

Percentage of mentions within category



n = 305; 298, all respondents

Q: To start, please tell us about your organization's top 5 strategic business priorities for the next 2 years (2021-2022)

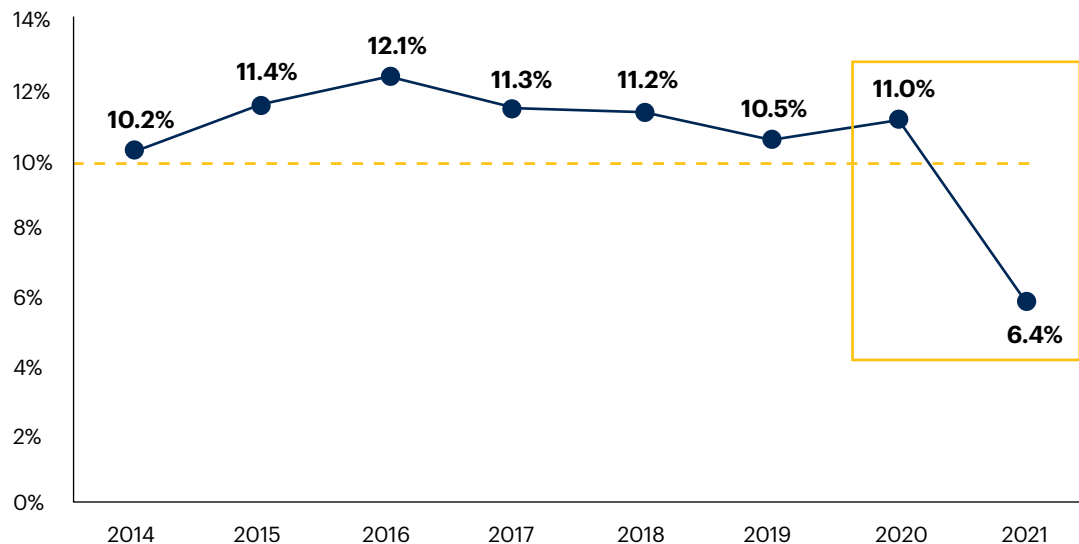
Source: 2021 Gartner CEO and Senior Business Executive Survey



# CMOs Lose Resources as Budgets Shift to Fund Enterprisewide Digital Investments

## 2021 Marketing Budget of % of Total Revenue

Mean percentage of budget shown



n = 400 marketing leaders (2021); 342 (2020); 342 (2019); 618 (2018); 350 (2017); 375 (2016); 424 (2015); 363 (2014), excluding Don't know  
 Q04a. What percentage of your revenue is allocated to your total marketing expense budget for the current fiscal year?  
 Source: 2021 Gartner CMO Spend Survey

2021 turned out to be the hardest year for marketing budgets since the Great Recession.

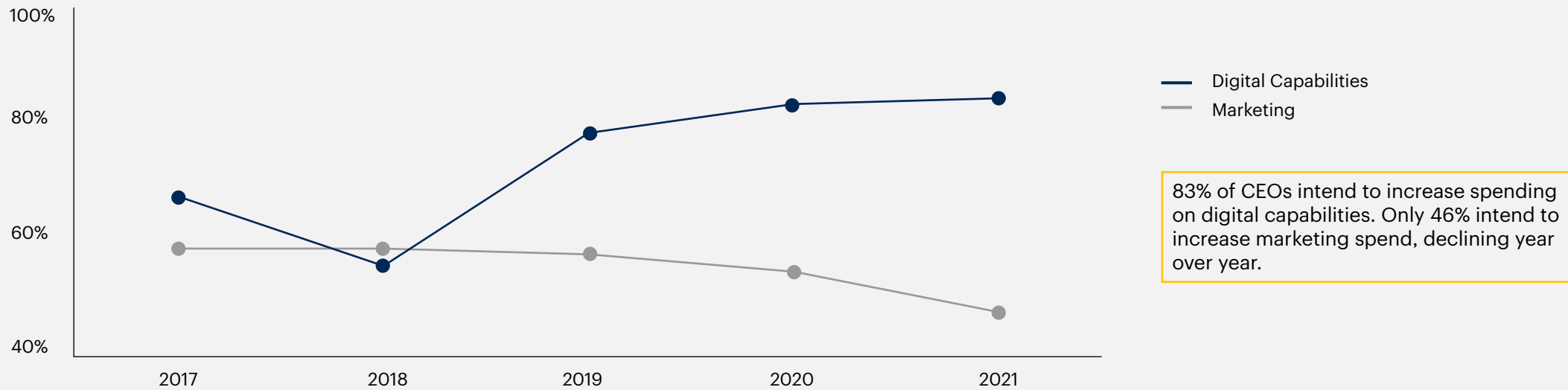
You thought 2020 was tough on budgets, but 2021 turned out to be the hardest year for marketing budgets since the Great Recession. The 2021 Gartner CMO Spend Survey shows marketing budgets as a proportion of company revenue at their lowest point in the history of the survey, down from 11% in 2020 to 6.4% in 2021. The annual snapshot from the survey may give the impression that there's been a dramatic one-off cut to budgets. However, data from various surveys in 2020 and into 2021 indicates rounds of cuts to budgets, applied even to businesses that experienced a positive business outcome from the COVID-19 pandemic.

As in previous financial crises, the enterprise has been quick to cut marketing budgets but slow to restore. Also, as the enterprise accelerates digital business investments, CEOs and chief financial officers (CFOs) have made CX and digital commerce enterprisewide strategic priorities, rather than marketing-owned programs.

# CMOs Lose Resources as Budgets Shift to Fund Enterprisewide Digital Investments (Continued)

## Investment Increases

Year-over-year change



83% of CEOs intend to increase spending on digital capabilities. Only 46% intend to increase marketing spend, declining year over year.

n = 465, all respondents

Q: Compared to fiscal year 2020, how will your organization's investments in the following business areas change in fiscal year 2021?

Source: 2021 Gartner CEO and Senior Business Executive Survey

# CMO Top Priorities



Rebuild the **marketing engine** for flexibility in a changing environment.

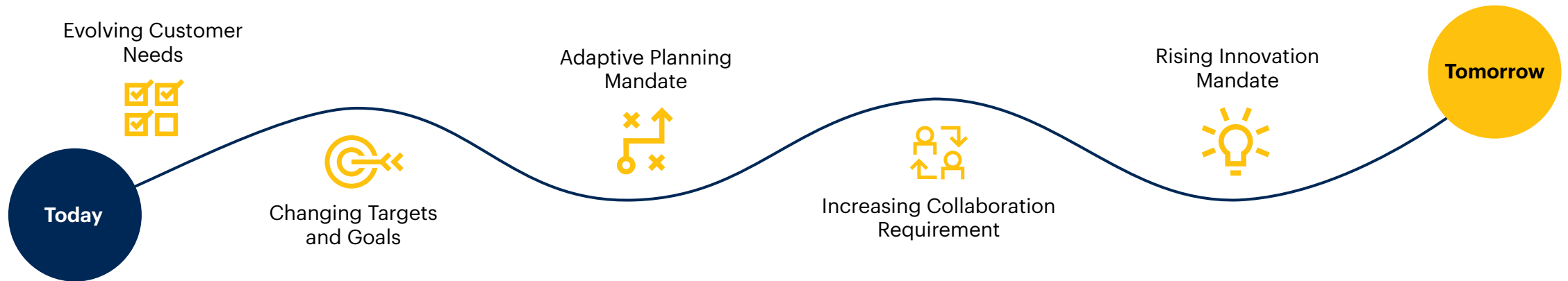


Reassert **marketing's digital orchestrator role** to avoid further loss of influence.



Execute **adaptive strategies** that prove marketing's value to the enterprise.

# Rebuild the Marketing Engine for Flexibility in a Changing Environment



Source: Gartner

After a year of rapid digital acceleration, CMOs’ concerns are shifting away from digital transformation and toward the challenges of orchestrating complex, customer-centric journeys. With this shift comes a renewed focus on operationalizing CX strategy through governance, workflows and cross-functional coordination. Omnichannel execution adds to the inherent complexity of CX management. CMOs will feel more pressure to bring the voice of the customer to new product development and innovation.

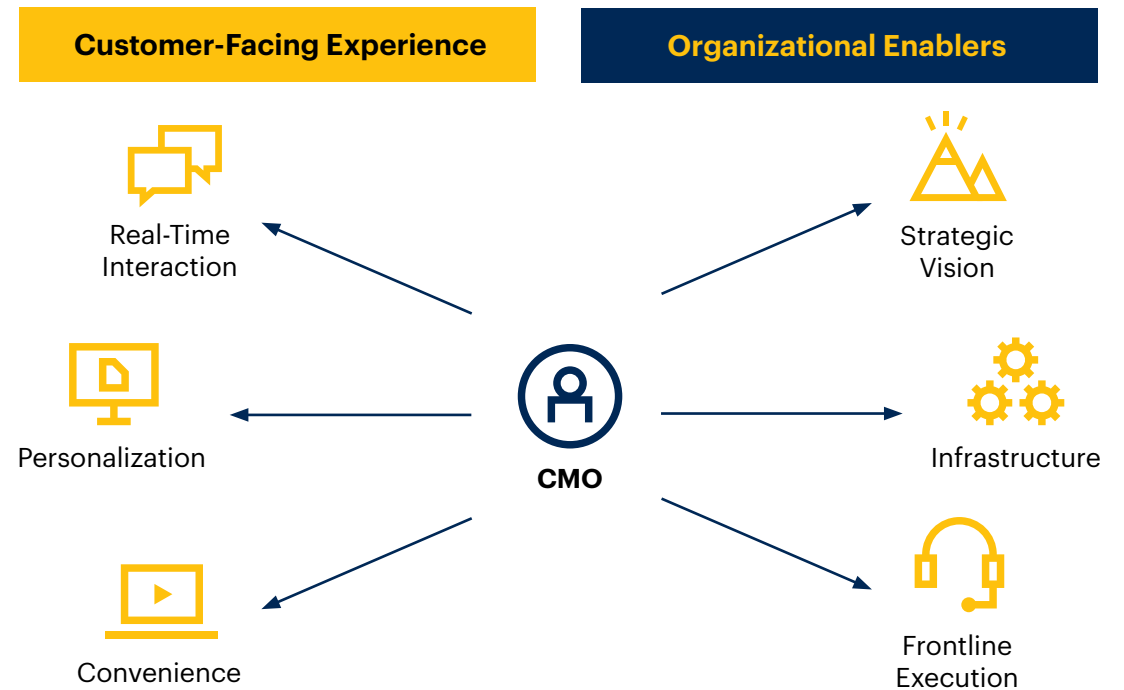
This may reflect two related dynamics. Digitalization has thoroughly infused product/service development, management and delivery — which

means that back-office technical roles are more heavily involved and at risk of misunderstanding or undervaluing customer needs. Also, there is more urgency to launch digital products quickly and then iterate. The need for adaptability and agility is keenly felt by CMOs. A strong and growing commitment to innovation permeates their plans and budgets. More than one-fifth of marketing’s total budget is earmarked for innovation programs, as CMOs have prioritized future-forward capabilities even when having to trim spending elsewhere.

# Reassert Marketing's Digital Orchestrator Role to Avoid Further Loss of Influence

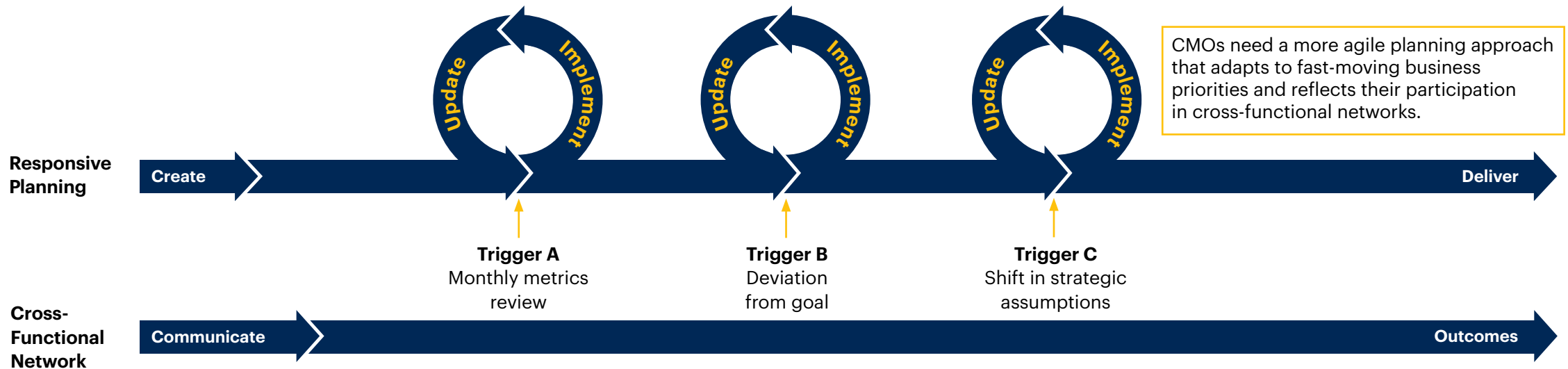
Marketing has been through a significant period of change over the past decade. Across all industries, marketing has grown as a function that has a broad and wide remit. CMOs are now generally accountable for programs, budgets and resources focused on data, technology, innovation and transformation. And this scope is both inside marketing and in the wider enterprise. To that end, 80% of respondents to the 2021 CMO Spend Survey report they are solely responsible or play a leading role in their company's digital business transformation strategy.

This increasing focus on digitalization and transformation has been matched by changing business priorities. Unprompted mentions of "digital" in CEOs' business priorities have grown significantly over the past five years. So, it figures that digitally savvy CMOs should be in a leading position as the enterprise looks to digital channels and experiences to fuel future growth.



Source: Gartner

# Execute Adaptive Strategies That Prove Marketing's Value to the Enterprise



Source: Gartner

**Proving the value of marketing** has never been easy. Despite billions of dollars of investment in data and analytics, convincing the enterprise of marketing's value seems like an insurmountable task for CMOs. But prove marketing's value they must. The precipitous drop in marketing budgets in 2021 is an object lesson in what happens when the CEO and the CFO cannot or do not understand the discrete value that marketing delivers to the enterprise. Or when the value case marketing presents appears weak when compared against other functions.

From the way that marketing budgets are built, through to the way we agree and communicate marketing metrics, and how we measure and optimize performance, enterprise value must be marketing's guiding light. In simple terms, if you cannot link investment to enterprise value, how can your stakeholders in the business be expected to do so?

# Key Actions



Prepare for the future of **hybrid marketing.**



**Redefine the CMO's role** as the organization's "chief connecting officer."



Build **holistic marketing measurement.**

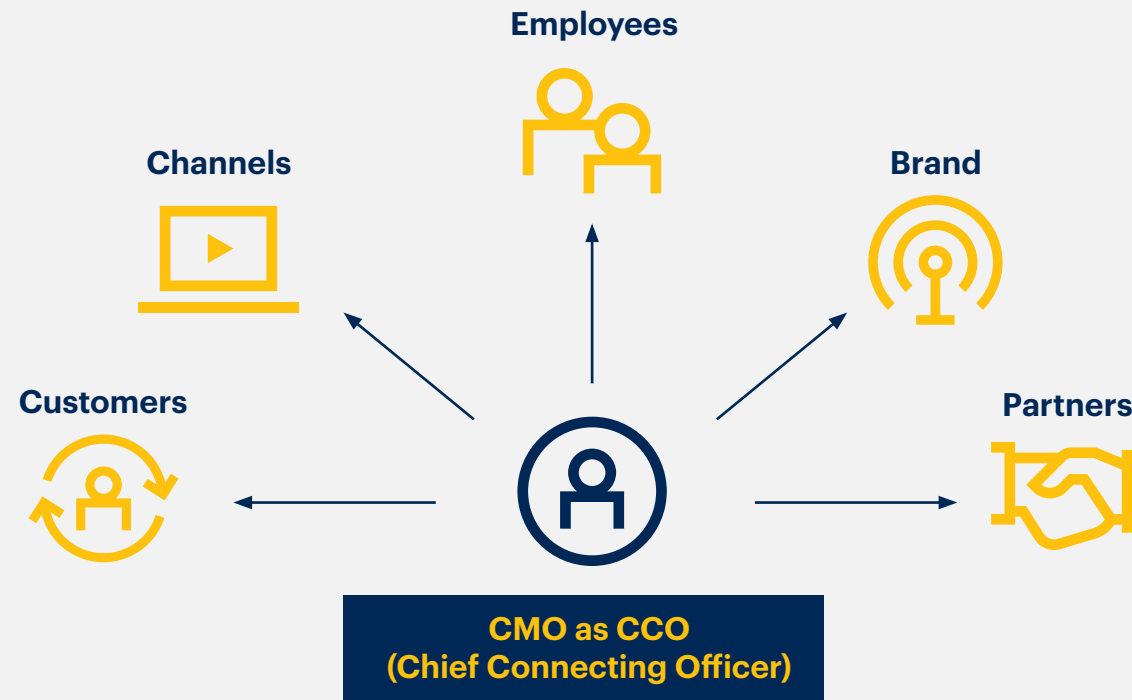
# Prepare for the Future of Hybrid Marketing



This is all part of an endemic trend, and CMOs, who are increasingly aligned with digital marketing leadership in the organization, need to take an adaptable, integrated approach to channel planning, orchestration and optimization. CMOs need to respond by flexing their channel plans and reprioritizing channel spend. But CMOs would be mistaken to think they should divert all their budget to pure digital channels. Much like the future of work, the future of marketing is hybrid, requiring CMOs and their teams to define how online and offline channels work symbiotically. Likewise, erasing the barriers between digital and traditional media budgets, planning and activation is essential.



# Redefine the CMO's Role as the Organization's "Chief Connecting Officer"



Source: Gartner

# Redefine the CMO's Role as the Organization's "Chief Connecting Officer" (Continued)

CMOs must redefine their role. While other roles may touch on marketing's value proposition, marketing is in a unique position — orchestrating connections between the customer, the brand and the products and services that create value for the enterprise. However, marketing's connections are more complex, and CMOs must assert their unique position across a range of vital connections:

- They're the de facto customer champion, able to bring together a range of data and insights to capture and anticipate customer needs, and reflect the values of customers.
- They have a unique connection across a complex set of channels that build engagement and deliver value.
- They build connections between employees and the brands that represent them. They create brand experiences and messages that reflect the values and aspirations of their people.
- They are the gatekeeper of the brand — more important in times of volatility than ever before. Through their stewardship of the brand, they're the outward expression of the enterprise to all its audiences.
- They connect and collaborate with partners, both inside and outside the organization — from agencies to colleagues in sales, service, IT and finance. Through these vital partner relationships, CMOs build a powerful coalition to deliver the best experiences and value for the customer, and for the enterprise.

# Build Holistic Marketing Measurement

## Hierarchy of marketing metrics



CMOs must bridge measurement gaps, making a clear and unambiguous connection between marketing's investments, activity and enterprise value.

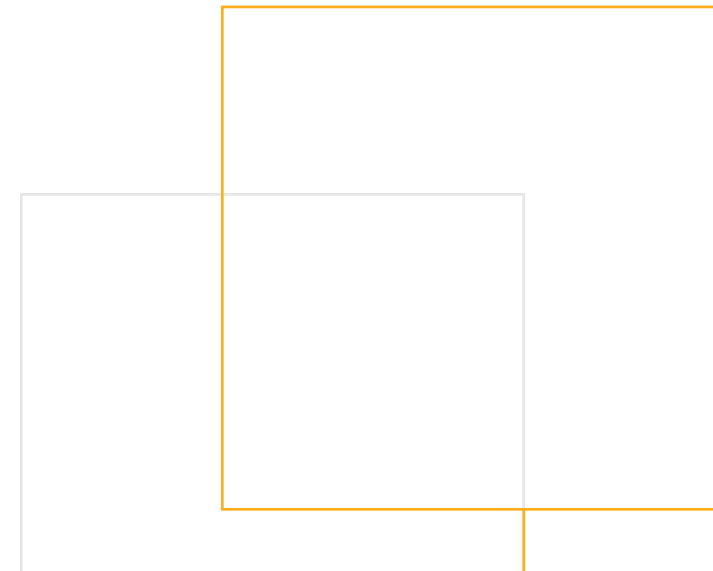
Source: Gartner

# Build Holistic Marketing Measurement (Continued)

CMOs must take steps to bridge measurement gaps, making a clear and unambiguous connection between marketing's investments, activity and enterprise value. This is more than a measurement challenge though. In complex organizations, with overlapping roles and responsibilities, clearly defining marketing's value is based on collaboration and consent. CMOs must invest time in agreeing with stakeholders up and down the organization about the connection between goals, outcomes, behaviors and activities.





To do so, they must focus on both return on investment and return on objectives. Specifically, they must gain agreement on:

- The business goals and outcomes that marketing supports
- The core indicators that marketing activities are delivering against marketing's goals
- The volume of clicks, impressions, interactions, etc., required to deliver against operational goals



# Actionable, objective insight

Explore these additional complimentary resources and tools for marketing leaders:

 <p><b>Research</b> The State of Marketing Budgets 2021</p> <p>CMOs must reprioritize channels, programs and resources to remain competitive and efficient. Learn more with this research.</p> <p><a href="#">Download Research</a></p>	 <p><b>Research</b> Digital Marketing Survey</p> <p>Discover the latest digital marketing trends and strategies with this eBook.</p> <p><a href="#">Download eBook</a></p>	 <p><b>Resource Hub</b> Future of Work Reinvented</p> <p>Reinvent where, when and how you work to maximize employees' engagement and productivity.</p> <p><a href="#">Learn More</a></p>	 <p><b>Journal</b> Gartner Business Quarterly</p> <p>Stay up to date with the most compelling research on organizational issues that cut across the C-suite executives.</p> <p><a href="#">Download Now</a></p>
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