

For CMOs, Pressures to Deliver Short-Term Growth Prevent Long-Term Transformation

Article

There may be a significant performance gap in what CMOs believe are important capabilities for their businesses to achieve and what they deliver well today, according

to the Dentsu Aegis Network.

CMOs worldwide believe that creativity, data collection and customer experience are vital for their future business success, but the percentage who believe their brands are currently doing those things well falls short, according to the May 2019 survey.

For example, 85% of CMOs surveyed believe that creativity and big ideas that build the brand and create an emotional connection are going to be important in the future, but only 54% believe that they currently deliver on that. Similarly, 84% of respondents believe data collection and management will be needed to drive customer insight, but only 49% think they deliver well on that today.

How Important Do CMOs Worldwide Believe Select Marketing Capabilities Are to Their Future Business Success and How Well Are They Delivering Them Today?

% of respondents, May 2019

	Important to future success	Delivering well today
Creativity and big ideas that build the brand and create an emotional connection	85%	54%
Data collection, management and analytics that drive real consumer insight	84%	49%
Customer experience and commerce that is seamless and consistent across all channels	83%	60%
Customer relationship management and loyalty programs that help anticipate future customer needs	77%	48%
Entertainment and content development that attracts consumers to our brand	76%	50%
Media that is highly targeted, contextual and optimized through data	75%	46%

Source: Dentsu Aegis Network, "CMO Survey 2019," July 24, 2019

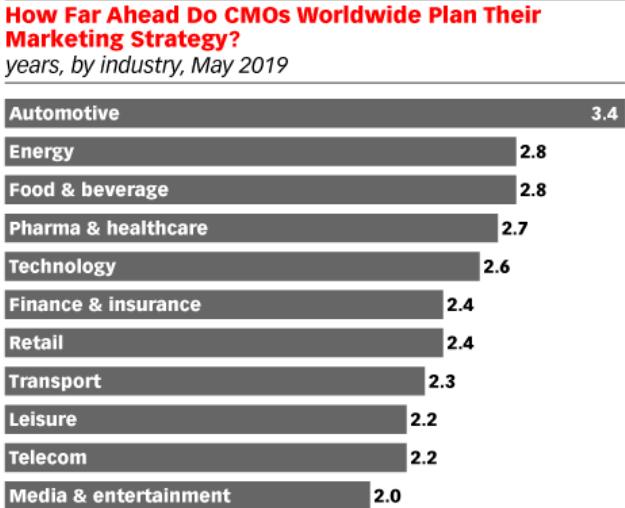
248851

www.eMarketer.com

“These capability gaps are too acute to be closed through business as usual and without more focus are likely to persist and even grow,” the Dentsu report said. “Yet it is clear that brands are struggling to pivot towards new strategies.”

Authors of the report attributed the performance gap to several factors, including CMO performance metrics that encourage short-term growth over long-term change, the lack of long-term strategic planning and underinvestment. CMOs surveyed said that the metrics they’re primarily accountable for include growth of customer base, product and service innovation, short-term sales and revenue growth and reducing costs. CMOs tend to have the shortest tenure of those in the C-suite, so there is low incentive for them to consider anything beyond immediate successes, per Dentsu.

Almost half of respondents had strategic plans that looked ahead for just two years or less. CMOs in the automotive industry planned their marketing strategies the furthest out into the future (3.4 years), but those in media and entertainment, leisure and telecommunications had the shortest timeframes (2.0, 2.2 and 2.2 years, respectively).



Source: Dentsu Aegis Network, "CMO Survey 2019," July 24, 2019
248852 InsiderIntelligence.com

Another issue contributing to the performance gap is underinvestment and softening marketing budgets, despite 64% of companies reporting revenue growth between 2018 and 2019. Roughly four in 10 CMOs surveyed have said that their budgets will either flatten or decrease over the next year.

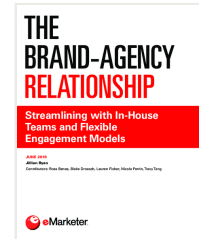
"CMOs need to satisfy their customers with best-in-class customer experience," said Jillian Ryan, principal analyst at eMarketer. "But they also need to serve their internal customers. CEOs and CROs are hard-pressed to make sure that marketing teams are doing good work with tight budgets and high-growth goals. This is a tall order as technology, data, people and strong creative are needed to execute a strategy that can deliver on these goals."

For more on the future of the CMO, look for our report publishing in September.

To learn more about the changing relationship between brands and the partners they work with, read our brand-agency report:

Report by Jillian Ryan Jun 13, 2019

The Brand-Agency Relationship



Not sure if your company subscribes? [You can find out here.](#)