Korn Ferry’s Marketing Center of Expertise surveyed nearly 300 Chief Marketing Officers (CMOs)/heads of marketing on a variety of questions, ranging from succession planning and talent development to their organization’s digital transformation, to gain a better understanding of the major challenges and trends impacting CMOs and the marketing function.

The 2017 CMO Pulse Survey found that CMOs are gaining influence in their organizations, with 90 percent saying they are on their company’s executive committee and 70 percent indicating they report directly to the CEO.

“Marketing is no longer seen as a support function,” said Caren Fleit, Senior Client Partner and leader of Korn Ferry’s Global Marketing Practice. “CMOs are increasingly expected to drive strategy and revenue and are being held accountable for organizational goals.”

Of the CMOs surveyed, 61 percent said marketing is viewed by the Board and CEO as a revenue generator, while 20 percent said it is seen as a cost center, with the rest of the respondents neutral on the subject.
“These findings emphasize the visibility and significance of the CMO, and imply an increased importance of strong leadership skills,” said Fleit. “This is particularly true in customer-centric companies. In these organizations, CMOs serve as the voice of the customer and are key in setting a customer-centric agenda and orchestrating organizational alignment around it.”

When asked what the most important attribute is for a CMO, the top response (44 percent) was the ability to build a strong team. Last on the list of attributes was using big data and analytics to formulate strategy.

In the world of digitization, what skill is most important for a CMO?

- Building and leading a team that has the right expertise, inspiring them and holding them accountable (44%)
- Agility: The ability and willingness to stay abreast of new ways of doing things and course correct as necessary (29%)
- Understanding how to move from one-and-done engagements to creating meaningful, multi-touch, ongoing relationships with customers (13%)
- Aligning different areas of the organization (9%)
- Understanding how to use big data and analytics to formulate strategy (5%)

“Clearly organizations are looking to their CMO to bring on and guide the right talent who can help the company make strong, lasting ties with customers while navigating the complexities of the transformation needed to stay ahead of the relentless pace of change occurring as a result of the evolution of digital technology,” said Fleit.

Less than one-third of CMOs reported that their organizations are fully transitioned to digital/social/mobile strategies. Nearly half (41 percent) said it will be another 1 to 3 years, largely because of not having the right staff.

How close is your organization to making the appropriate transformation to digital/social/mobile?

- We are there now (41%)
- Within the year (30%)
- Within the next 1-3 years (25%)
- Four plus years (4%)
In addition, more than one-third (34 percent) said their company’s resistance to embracing and investing in innovation and digital is the number one thing that keeps them up at night.

What is the number one thing that keeps you up at night?

- My company’s resistance to embracing and investing in progressive programs, innovation and digital: 34%
- Ability to demonstrate marketing’s ROI: 15%
- Finding the right team members who understand how to integrate digital/social/mobile into the overall marketing strategy: 20%
- Aligning marketing with the overall business strategy: 17%
- Identifying and articulating authentic purpose that will resonate with customers and employees: 14%

Even though CMOs are tasked increasingly with driving their organization’s digital transformation, often they are missing an important collaborative opportunity. The survey found that only 20 percent of CMOs work most closely with the Chief Information Officer (CIO), out of all their C-suite peers.

Besides the CEO, with which other C-Suite member does the CMO work most closely?

- COO: 34%
- CFO: 20%
- CIO: 17%
- Chief Digital Officer: 15%
- CHRO: 11%
- Chief Supply Chain Officer: 4%
- Other: 1%

“Gone are the days when one can think of the technology function as having different priorities than the marketing function,” said Fleit. “To make a full digital transformation and have the integration across channels necessary to be truly customer-centric, the CMO and CIO must be tightly aligned to guide the organization.”

However, the CMO’s close working relationships with the CFO and COO indicate marketing is becoming more aligned with the core business. “Interdepartmental cooperation and a harmonious customer vision are essential prerequisites for a customer-centric organization,” said Fleit.
The survey also found that many companies are not planning for the future. Nearly half (48 percent) disagree or strongly disagree that there is a succession plan in place for the CMO.

“Not having a succession strategy for the CMO could have catastrophic outcomes for organizations, as the CMO’s role is more critical than ever and not having the right successor could derail the strategy if there’s a sudden CMO departure,” said Fleit.

To what extent would you agree that your company has a solid succession plan for the CMO?

- Strongly agree: 13%
- Agree: 27%
- Neither agree nor disagree: 35%
- Disagree: 18%
- Strongly disagree: 5%
- I don’t know: 2%

About the Study
The Korn Ferry CMO Pulse Survey of nearly 300 CMOs/heads of marketing across the globe took place in late 2016.

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