



4 Emerging Trends Facing Every CMO

In today's world of volatility, velocity and value-creation, marketers need to be out in front of their rapidly evolving discipline. Reading the tea leaves of change is a key responsibility of every Chief Marketing Officer (CMO). Organizations rely on them to spot and capitalize on emerging opportunities or threats. Being future ready can spell the difference between leadership and fighting for spot in the pack.

Four emerging trends will significantly impact the future success of CMOs:

- Co-created marketing
- New organization models
- Solving the competency crisis
- Perfecting finance-speak

Trends evolve over time and often aren't recognized until there is a tipping point.

In the past, marketers are often judged by their adoption of the latest best practice or technology. In this 'era of the customer', increasingly marketers find it is their customers who define what and how new technologies and engagement practices will be adopted.

Rise of Co-Created Marketing

"Customers drive 100 percent of the journey," shared the CMO of the enterprise software division of a Fortune 20 IT Company. "Vendors have little to no control over the relationship process."

One can see the seeds of this trend in today's rise of storytelling, influencers defining brand messaging without company involvement, and the numerous channels customers use to interact with brands. The CMO of a public Fortune 500 real estate transaction services company shared that "how customers consume information, from whom and where, as well as how credibility and trust is built drives everything from marketing strategy down to messaging and programs."

The CMO of the Fortune 20 IT Company described how he came to terms with customers not just dictating product roadmaps but also how digital properties looked and functioned, content his teams produced, marketing programs, sales methodology and even customer-facing processes. "Marketers need to stop

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- CMO, Enterprise Software Division, Fortune 20 IT Company



fighting the customer by trying to manage them,” he shared. “Let go and partner with the customer.”

But what does co-created marketing actually mean?

CMOs embracing co-creation are leveraging customer behavior, emotions, actions and feedback information to define marketing mixes without regard for traditional or organizational ‘sacred cows’.

CMOs outlined four steps to co-create marketing:

- Routinely collaborate with high value customers to validate market strategy.
- Engage customers to define distinctive and valued lifecycle experiences.
- Test marketing campaigns and messaging with high value personas.
- Routinely share company results, good and bad, with customer collaborators.

The extent of customer collaboration is substantial, as well as the rewards. [Tintri](#), a data storage company, set out to build a successful company by aligning itself around the customer. The results are impressive – 140 percent year/year growth and a four percent attrition rate.

Progressive CMOs leverage their customers’ voice in everything from go-to-market strategy, messaging, in- and out-bound marketing, segmentation and personalization to how digital properties functions, what strategic partnerships to forge, and what constitutes a whole product solution.

Companies must learn how to surrender while at the same time capitalize on their customers’ desires if they expect to survive.

The divisional CMO of the Fortune 20 IT Company, however, warned that “co-creation touches all corners of the company. The full understanding of its affect isn’t known today but will be in the next two to three years. Organizations will look completely different.”

New Organization Models

The rapid evolution of marketing practices is forcing CMOs to rethink how their organizations work.

“The pace of change is getting faster to the point where organizational agility starts to have value,” shared the CMO of a leading social community platform.

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- CMO, Fortune 500
Real Estate
Transaction
Services Firm



Traditional marketing organizations are too rigid and stifling. To become more agile CMOs have changed over 30 to 40 percent of their organization’s structure with varying degrees of success. The lack of role models to follow forces CMOs to experiment on their own while watching what their industry peers, large and small are doing.

Many CMOs would like to radically change how their teams work but the need to bring their “executives along” is a tempering factor. The path forward is evolutionary and includes merging groups, deepening competences and investing in technology.

“How people will work will change. Mass acceleration of digital will force the adoption of a whole new marketing structure.”

How are CMOs redefining the way their teams work?

CMOs outlined four ways they are changing how their teams work:

- CMO, Social Community Platform Vendor
 - o Rebalance teams to be equally strategic and tactical.
 - o In-source functions – media relations, content creation, video, social media - to “own the whole story”.
 - o Establish Centers of Excellence (COEs) around customer segments, content, digital experience, analytics and/or demand generation.
 - o Shift from a functional marketing model to a lifecycle marketing organization.

To gain even more agility CMOs are increasingly organizing around the competencies of their employees. The marketing leader of a mid-sized cloud-based manufacturing software vendor is shifting from a “flat marketing organization to target market-based cross-functional pods.”

The CMO of a contact center technology platform vendor is organizing around his people, “I’m less concerned about structure and more concerned about getting the right people who are collaborative across functional boundaries and can fit into our culture.”

Solving the Competency Crisis

One thing is for certain, marketing in the future will require a different set of skills. Part of the ‘fix’ is to define and bring on new positions. While CMOs know what competencies their teams need, the challenge is attracting and retaining them:

- Chief Listener
- Chief Storyteller / Chief Content Officer
- Chief Customer Officer / Customer Experience Analysts



- Digital Growth or Acquisition / Lifecycle Marketers
- Data Scientists
- Digital / Interactive Design
- Social / Employee Engagement Managers

For the first time in recent history recruiting marketing skills has a higher priority than sales and specialized technical talent. Marketing leaders are resorting to hiring from their network where the candidate quality is higher and frequently a better fit.

“The sea change in the way customers buy, the access they have to research through tools and internet, and the speed with which they make buying decisions has changed the competencies my team needs.”

In attracting candidates larger, established companies face the obstacle of not being seen as ‘hot’ enough. This reduces the pool of candidates substantially for key positions in analytics, data science, modeling and digital marketing. CMOs with brand cache companies have the reverse problem. Retention is a persistent problem. Their employees are constantly being recruited away fueling annual turnover rates of up to 20 percent.

CMOs try to counter the competency crisis by constantly moving people between roles and offering high performers increasingly more latitude, responsibility and opportunity to do new things.

- CMO, SaaS Sales Productivity Software

One constant remains, justifying new competencies is hard. The two most commonly employed strategies to justify new competencies are:

1. Contract candidates to complete a high visible project. Hire the candidate as a contractor for a high visibility project and let the impact of the project’s results ‘sell the candidate’. This approach is effective for videographer, sales enablement, field marketing/ops, and digital branding positions.
2. Redefine traditional roles. Reduce traditional marketing competencies in print advertisement, etc. and repurpose the headcount. This approach is used to bring in data scientists, social managers, and digital branding where the link to revenue is not directly measurable.

Perfecting Finance-Speak

The rising sophistication measurable marketing ROI is enabling every CMO to take a credible seat at the management table. Finally, marketing has real, hard data to prove its contribution to the pipeline and topline - as long the language the CMO speaks beyond the walls of marketing is finance.



While Marketing may present dashboards on the conversion rates of campaign-to-close funnels, win rates, and customer segment metrics, the only thing that Board of Directors (BoD) and CEOs care about is pipeline. Smaller company BoDs may have a slightly greater appetite for NPS, share of voice and product adoption metrics. However, their larger company peers are almost exclusively interested in revenue and pipeline trend lines.

By talking about marketing programs and investments only in financial terms, CMOs have seen unprecedented alignment across their organizations, especially with Sales.

CMOs have abandoned educating the rest of their organizations on the importance of marketing specific metrics and have dropped using terms such as TOFU, MOFU, MQL, etc. in conversations with sales, finance or operations.

This a good thing.

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In an ideal world CMOs would like to have more strategic conversations with their CEOs and boards about the value of marketing investments that are not directly tied to revenue.

Reputation, awareness, customer experience, the performance of cohort customer groups, pipeline by channel, and the influence of communities/digital properties on growth are but a few topics CMO would like to talk about. But having been burned in the past, CMOs keep the conversation strictly on revenue.

Where the relationship between the CEO and CMO is strong and collaborative there is a higher occurrence of ad hoc meetings to brainstorm on how to address awareness issues, changes in customer behavior patterns and sales enablement. In contrast official one-on-one meetings between the two center on revenue, lead pipeline, and how to grow the top line with an emphasis on predictable revenue generation; even in companies where the CEO has a marketing background.

How CMOs Are Getting Future Ready?

For any executive staying on top of their “game” is hard. The expectation is that CMOs are ‘out in front’ of their field and ready to capitalize on trends the future holds.

Just as customers are overwhelmed and fatigued by the constant bombardment of information, so too is the CMO. Sorting through a constantly overflowing email



inbox, scanning multiple publications, staying current on thought leaders and culling all that down to a manageable daily reading list is unrealistic. Instead, CMOs let relevant content come to them.

Most CMOs either dedicate lunch or late at night to scan content or have established more creative behaviors such as listening to podcasts and books while commuting, traveling or running family errands.

There are a handful of publications, print and digital, that most CMOs regularly review: Fast Company, Harvard Business Review, Forbes and McKinsey reports. The list of topics that each CMO follows varies based on the issues facing them and their company.

How do CMOs stay on top of their game?

Most rely on their teams to keep them informed on best practices, news and relevant developments. The level of reliance on their teams to keep them current significantly ups the ante on the hiring process. It's almost a career-survival tactic that the best qualified and cultural fit candidates are hired as CMOs depend on them to keep them future ready.

Other sources of information are customers, partners, Board of Directors, the CEO and a very short list of industry analysts. Absent are agencies of all types, they have unfortunately lost their place as trusted advisors. Equally groups, meetups, and CMO conferences are not effective because it requires time out of the office.

CMOs are increasingly turning to independent professional coaches and small networks of trusted peers for business and career advice. The bottom-line is that the CMO role remains challenging yet business-critical for companies to successfully navigate current and emerging trends.



Study Participants

In June 2015, [Marketo](#) commissioned a study to identify the emerging trends CMOs felt will significantly impacted their future.

A wide range B2B and B2B2C Chief Marketing Officers (CMOs) were qualitatively interviewed in one hour phone calls following an established discussion guide. The CMOs from companies ranging in size from the Fortune 10 to early stage start-ups across the United States and were in B2B or B2B2C industries with a majority in high technology and SaaS companies. Because of the nature of the questions, virtually all asked that their responses be anonymized.

What differentiated how these CMOs approached the business of marketing was not the size of their company but rather their customers. Customer behavior and adoption, or better said their trust in, new methods of accessing information and engaging with brands largely determined the methods, best practices and skill sets of marketing organizations.

About Marketo

Marketo (NASDAQ:MKTO) provides the leading marketing software and solutions designed to help marketers master the art and science of digital marketing. Through a unique combination of innovation and expertise, Marketo is focused solely on helping marketers keep pace in an ever-changing digital world. Spanning today's digital, social, mobile and offline channels, Marketo's Engagement Marketing Platform powers a set of breakthrough marketing automation and marketing management applications to help marketers tackle all aspects of digital marketing from the planning and orchestration of marketing activities to the delivery of personalized interactions that can be optimized in real-time. Marketo's applications are known for their ease-of-use, and are complemented by the Marketing Nation®, a thriving network of more than 450 third-party solutions through our LaunchPoint® ecosystem and over 50,000 marketers who share and learn from each other to grow their collective marketing expertise. The result for modern marketers is unprecedented agility and superior results. Headquartered in San Mateo, CA with offices in Europe, Australia and Japan, Marketo serves as a strategic marketing partner to more than 4,100 large enterprises and fast-growing small companies across a wide variety of industries. For more information, visit www.marketo.com.

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