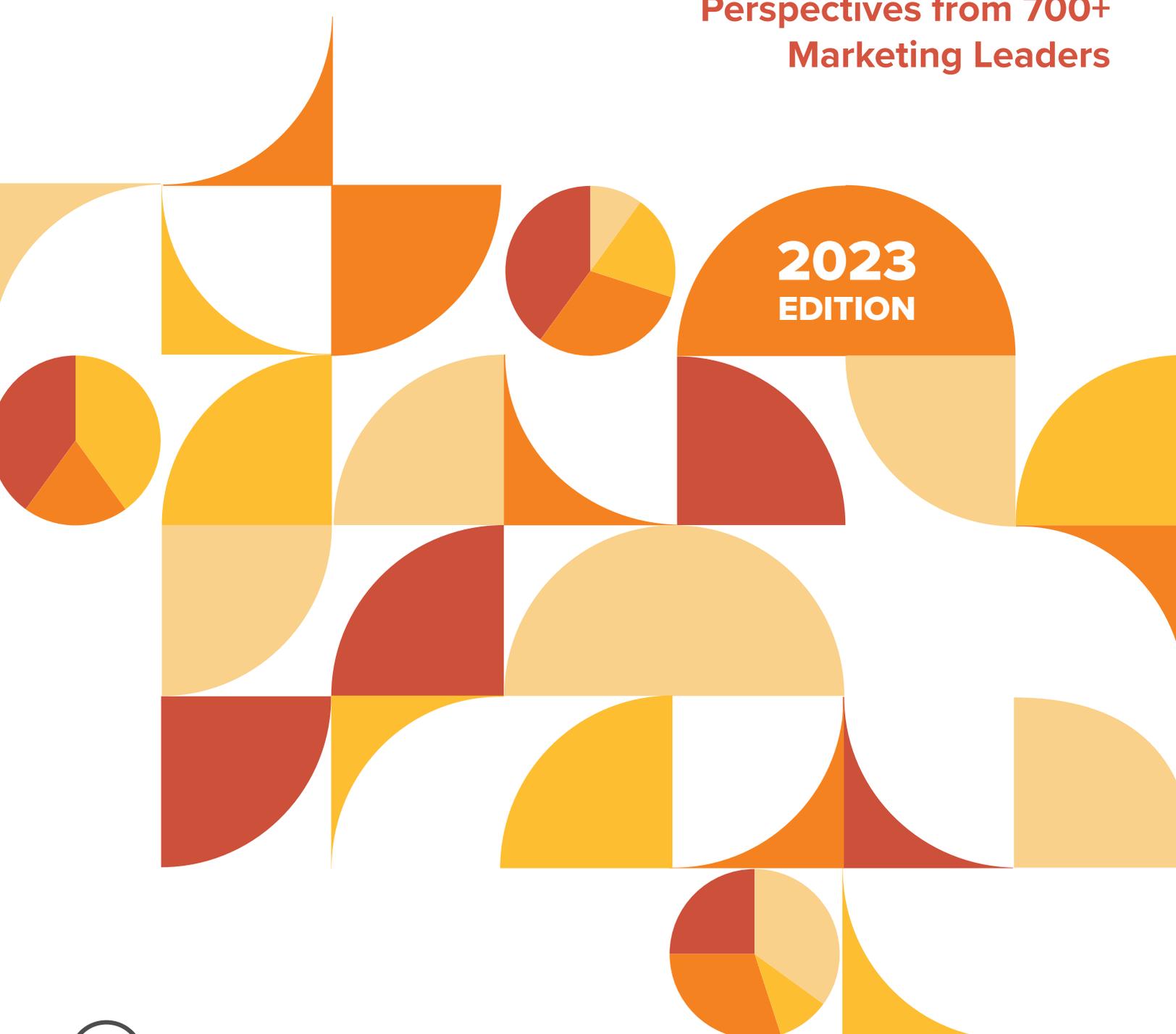


The State of the CMO:

Insights from the 2023
Annual Chief Marketing Officer Survey

Perspectives from 700+
Marketing Leaders



2023
EDITION

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Executive Summary

Chief marketing officers play a key role in organizational success, creating the targeted messages that travel inside and outside the organization. They bring the brand story to life for customers and clients alike. Yet many customers feel overwhelmed by the sheer amount of messaging they receive from organizations across industries. Information overload is real. CMOs need to break through the noise and make a memorable impression.

As if this environment wasn't already complicated enough, the COVID-19 pandemic accelerated trends in the marketing world. These trends include changing customer expectations and communications preferences, a spike in digital commerce, new regulations concerning third party data and the availability of new technologies.

Insights into how the role of the CMO is evolving are vital for any marketing leader who wants to understand their job and how they can excel in it. To explore specific trends in the CMO role, we conducted a survey of 709 current marketing leaders and 286 aspiring marketing leaders across a broad sample

of industries and company sizes.

We asked about key areas like their skill development and their unique perception of the modern trends impacting marketing. We also compared leaders from technologically mature organizations and more basic organizations, giving us insights into what the most advanced marketing leaders are doing to stay ahead of the curve. The insights included in this report can help you plan your professional development, create a future-forward strategy and become a leading marketing organization.

The modern CMO has a lot to master. The role is anything but static. Marketing leaders who can embrace this modern persona will help their company reach its organizational goals for years to come.

Brice Dunwoodie

Founder and CEO, Simpler Media Group



10 Key Takeaways

1

Thinking outside the box

Creative thinking is the top competency for a marketing leader, no matter how we cut the data. While much of recent focus has been on the value of measurement and analytic skills, at the end of the day, marketing leaders see their job as creative. More technical skills are just another tool in their toolbox to help them.

2

Must play well with others

Customer experience is a cross-functional job. Other common stakeholders include executives/leadership and customer service/support. From this, we can surmise that most organizations know that marketing cannot do all this CX work alone. Other stakeholders have their role, too.

3

In it for the long haul

In our sample, our respondents have worked in marketing for an average of 15 years and have been a marketing leader for almost 10 years.

4

The times they are a-changin'

Most marketers agree that their role has changed in several ways. More than a third of CMO leaders say the role now requires increased cross functional partnership with sales, that there is more pressure to improve the customer experience and that they have been tasked with digital transformation.

5

I, for one, welcome our new digital overlords

1 in 3 marketing leaders have had to increase their technical competencies significantly in the past three years. The explosion of the digital customer experience over the past few years has indeed made even the most technically mature organizations rethink the future of customer experience and the skills they need to succeed in a more digital world.



6

Don't forget the ABCs of marketing

Marketing leaders are active in further developing their skills, especially through webinars, networking and taking courses. Some of the top skills they want to develop are executive leadership, analytics, and creative thinking. People who aspire to be marketing leaders are on the right track here, as the top skills they find important to be a marketing leader are creative thinking, strategic management and leadership skills.

7

Success is relative

For the majority, company leadership understands that marketing has quantifiable results — and the trend is for more accountability through metrics. However, at a significant minority of organizations, leadership understands the results and links are not as clear.

8

Shhh! Privacy is normalized

Surprisingly, many marketing leaders are not concerned about the impact of changing regulations on their job. More than half are only slightly concerned or not at all concerned. Ample time to prepare for these regulations, old and new, has taken away the shock.

9

More career step stools than ladders

Marketing leaders at large organizations are much more confident of their future as a marketing leader and less likely to be unsure where they want their career to go. Essentially, CMO is the terminal role for these leaders at larger, more competitive companies. This is not as true for marketing leaders at smaller organizations.

10

Long live the DCX king

Technically advanced organizations are much more likely to be thinking about the future of digital interactions with customers (67% vs. 49% and 41%), when asked about the ways in which the pandemic caused them to rethink the role marketing plays in their organization.



Inside The Core Identity of a Marketing Leader

“The biggest changes to the role of the marketing leader are the changes in technology and keeping up to speed with them. That never, ever changes.”

— survey respondent, open comments

A successful marketing leader will have a variety of talents and skills, both soft and technical. Changes in the business and technology landscapes will shift many of these specifics. International events, as well, can create new trends for CMOs to react to – whether that’s war, sickness, an economic downturn, or something else. Some events can even cause trends to accelerate, like how organizations saw increased digital transformation during the COVID-19 pandemic. Given these changes, specific skills that were once nice-to-haves for marketing leaders are now much more important.

Even so, the core identity of the marketing leader remains consistent. No matter what new tools, trends or challenges come along – even total game changers – CMOs maintain the same basic identity as they always have. Much like HR leaders are employee advocates and learning leaders are people educators, marketing leaders see themselves as creative problem solvers. As the world changes, these leaders use their updated skills and technology to better solve contemporary problems, bolstering their identity as a leader. Our survey examined the skills CMOs see as vital in the present day and explored how they plan to grow those skills.

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Creative Thinking as a Top Competency

As important as technical skills are, they can only get a marketing leader so far. They must also be able to find novel and innovative ways to use the current tools in their toolbox. More than half (52%) of respondents say that creative thinking is an essential competency for marketing leaders – far more than the next most common answers, including strategic management (30%), leadership skills (28%) and executive leadership (28%) (Figure 1).

Top competencies for marketing leaders

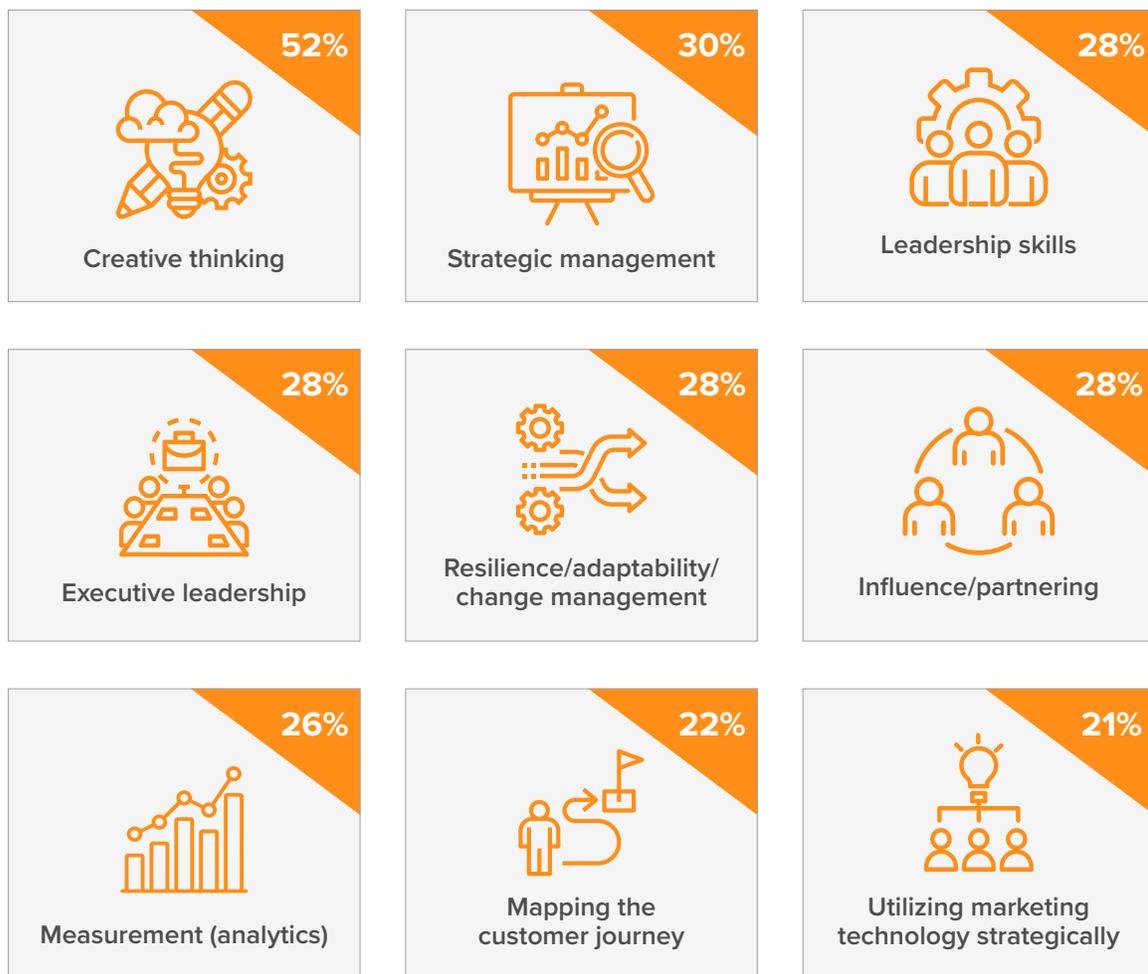


Figure 1



Marketing professionals who aspire to the marketing leader role are on the right track here, as the top skills they find important to be a marketing leader are creative thinking (53%), strategic management (28%), leadership skills (26%) and utilizing marketing technology strategically (25%). This tells us that aspiring leaders understand the core skills necessary to excel in the role.

While much of the discourse in marketing lately has been about the value of measurement and analytic skills, these data points show us that at the end of the day, marketing leaders see their job as a creative one. Technologies and technical skills serve a creative purpose. As much as advanced groups understand the importance of technical skills in an increasingly digital workplace, they remain invested in creative thinking as a top competency.

Inside the Make-up of the Marketing Team

While we tend to think of the chief marketing officer as the top of the marketing mountain, they can't (and don't) go it alone. Customer experience (CX) does not need to be confined to one team; it's a much larger company-wide priority. More than half (56%) of marketing leaders say that CX is cross-functional and includes the marketing department, at their organization (Figure 2). Another 19% say that ownership of CX is concentrated in the marketing team alone.

Who owns CX at your organization?



Figure 2



It is a rare occurrence that the marketing function is not involved in ownership of CX at all, which is the case at only 16% of organizations. Beyond marketing, the other common CX stakeholders include customer service/support (43%), executive/ leadership/board (43%) and sales/business development (33%) (Figure 3). Customer experience is a critical organization-wide and leadership priority — not just the purview of the marketing department.

Which department(s) owns CX at your organization?

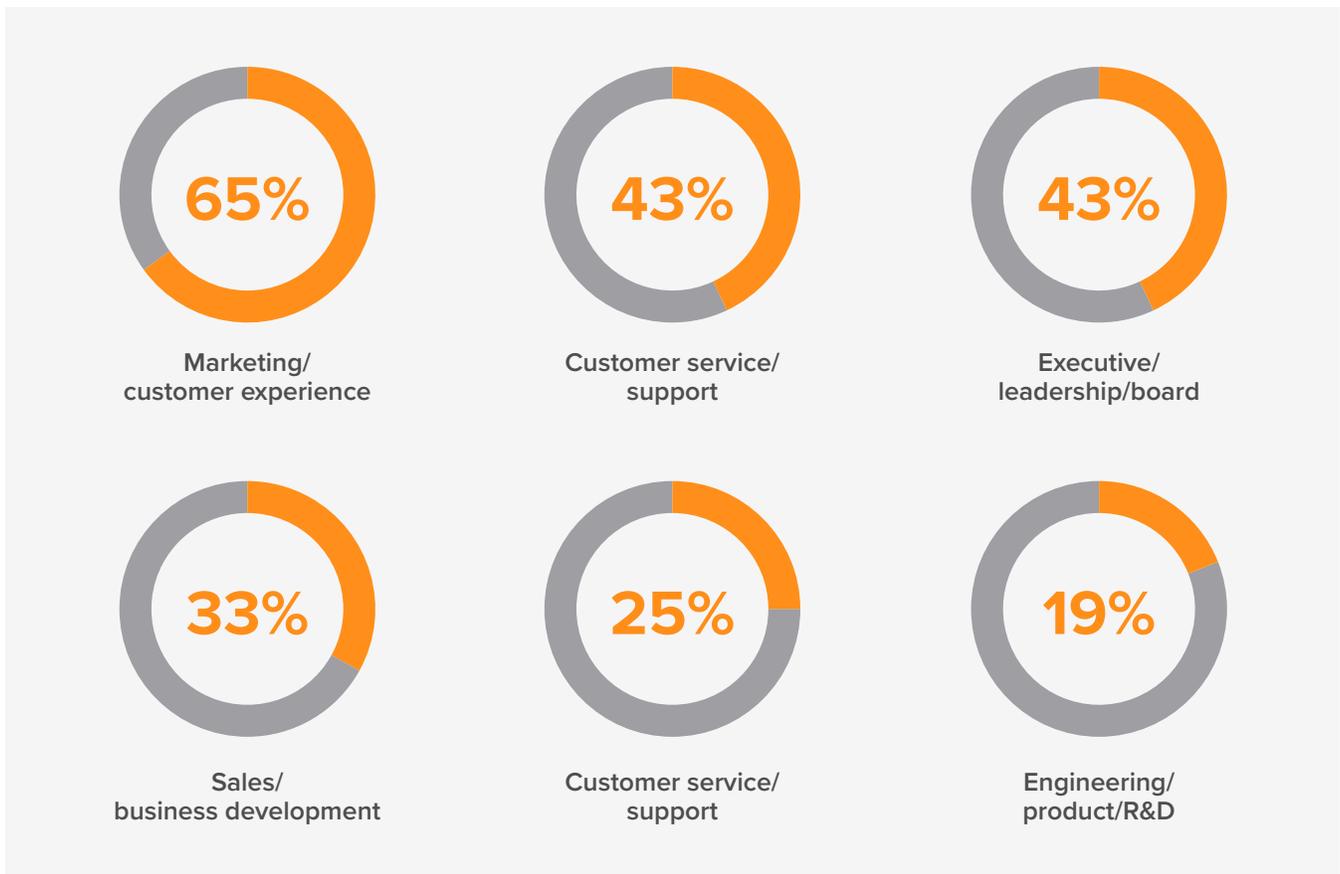


Figure 3



Besides these groups, there are also stakeholders for CX who aren't technically owners. The most common non-marketing stakeholders include the C-suite (50%), line of business leaders (40%) and customer service/support (35%) (Figure 4). Essentially, what this all tells us is that successful CX cannot be contained in one function or department. It's a cross-functional effort, with many stakeholders and owners beyond just the marketing department. They can't do all the work required for exceptional CX alone. Multiple departments and stakeholders have their role, too. For example, customer service representatives address customer issues in a way that makes them feel heard and satisfied, ultimately improving the customer journey. Similarly, the sales department has a need for similar customer insights as the CX team, and they can take CX marketing leads and turn them into sales. Healthy collaboration between these two groups can help improve the customer experience greatly.

Who are the stakeholders for CX at your organization?

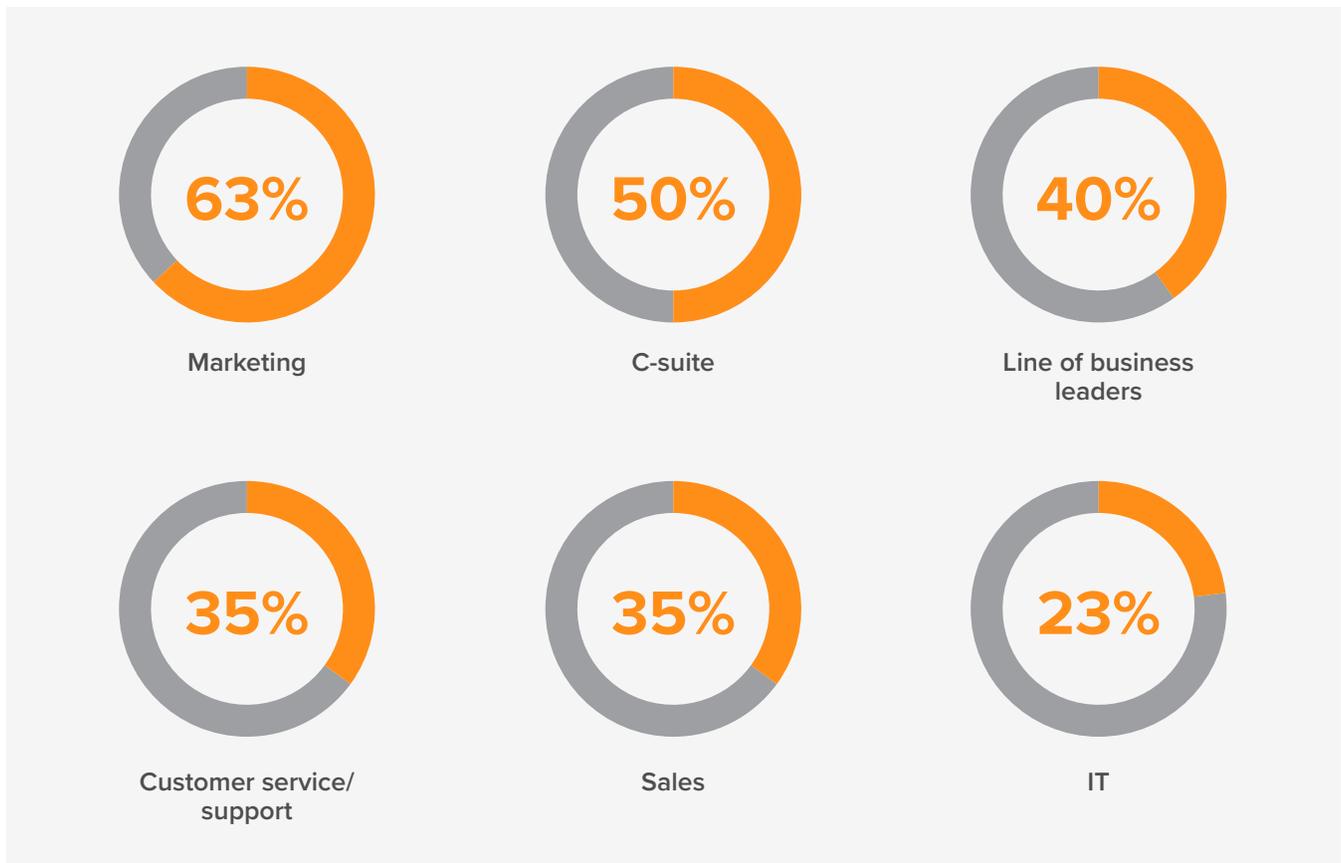


Figure 4



This finding is also supported by many answers the respondents gave us in response to the open question, “what do you see as the biggest change to the marketing leader role in the next 3-5 years?”. One respondent said that “marketing leaders will shift more to strategic long-term planning and work across the C-suite to align high level marketing strategy more closely with the direction of the company being established by the CEO/CFO.” Another said that “marketing cannot be a standalone function, as CX is the sum of what is delivered by all teams whose work is customer facing. Marketing must champion the customer, [but] we are not the only point of contact.”

“

*“Marketing cannot be a standalone function, as CX is the sum of what is delivered by all teams whose work is customer facing. **Marketing must champion the customer, [but] we are not the only point of contact.”***

”



Recent Changes in the Role

Most marketing leaders have been working in or leading the marketing function for many years, so they've had a lot of time to observe trends in the field and decide when it's best to respond to them. In fact, our survey found that on average, those currently leading the marketing function have worked in marketing for an average of 15 years and have been a marketing leader for just over 9 years.

Recent years have introduced many significant changes in the overall business environment for organizations in multiple industries. An economic downturn and rising inflation has caused American consumers to rethink spending and consumption habits. According to the Bureau of Labor Statistics, the inflation rate has toggled between 7% and 9.1% throughout 2022 – a sharp increase from 2020 when the inflation rate was 2.5% at its highest point. Meanwhile, the war in Ukraine has had ripple effects across the world, not only taking a huge human toll, but also causing destructive impacts on major global industries. And the pandemic forced consumers to change their behavior overnight and companies to adopt certain digital CX technologies more quickly than they would otherwise.

With that, the role of the marketing leader has changed as well. In fact, over a third of marketing leaders said that the role now requires an increased cross functional partnership with sales, that there is more pressure to improve the customer experience, involves more robust data strategies and that they have been tasked with digital transformation (Figure 5.)





How the marketing leader role is changing at your organization

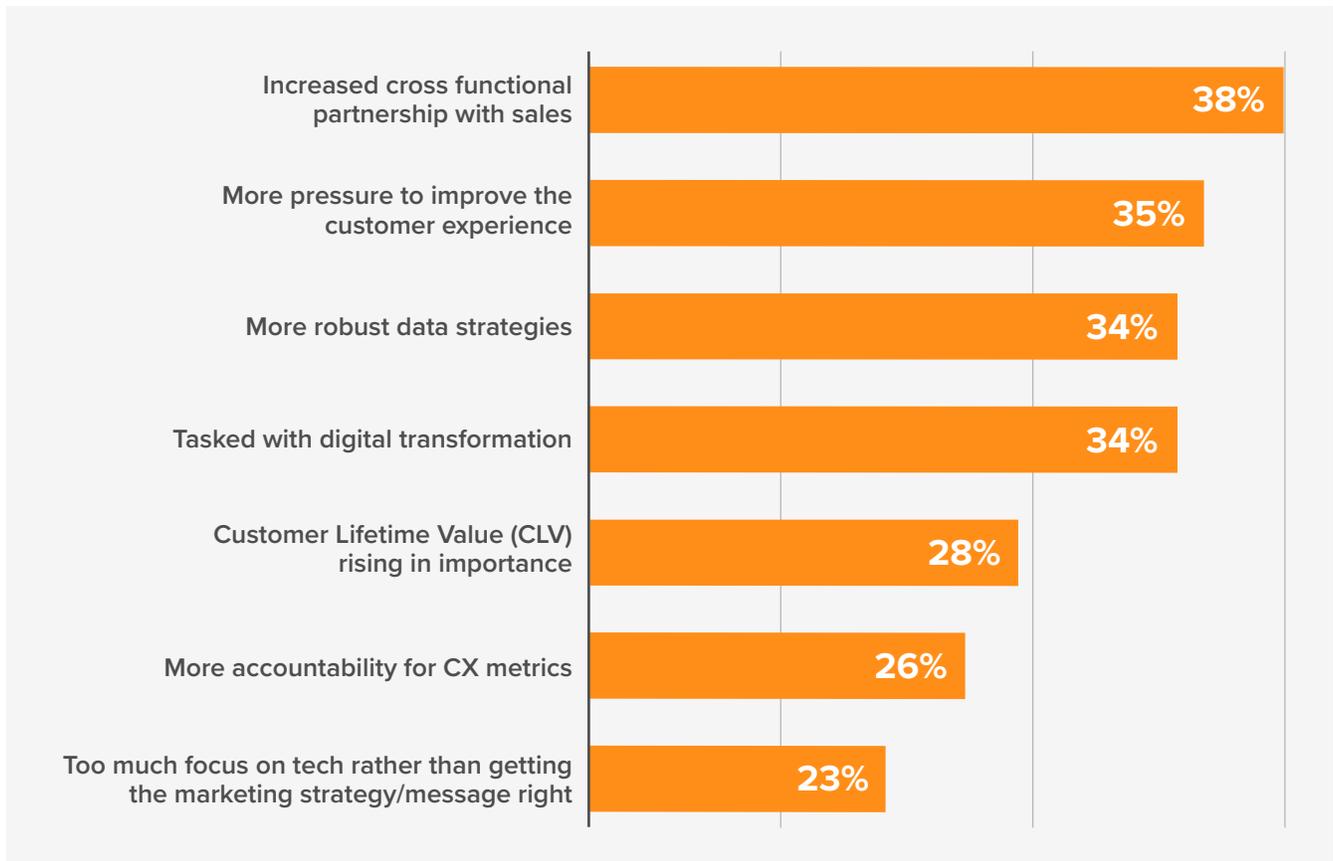


Figure 5

This data provides insight into factors that may be affecting the role of marketing leaders. One example of these changes is an increased collaboration with the sales team. This may indicate a trend in which marketing leaders are placing more emphasis on improving the customer experience. To do this, they may be working more closely with the sales team to understand customer pain points and preferences, as the sales team has valuable first-hand knowledge of the customers. This can help marketing leaders determine which traditional marketing strategies are still effective and which new strategies are needed to appeal to changing customer behaviors and expectations.

One recent CX trend is the increase in the usage of digital channels. The pandemic drove increases in the use of virtually every digital channel, and 87% of consumers say



they will maintain or increase that usage moving forward, according to [Vonage's 2021 Global Customer Engagement Report](#). With sales' understanding of how customers purchase products online, what that journey looks like and what they expect from each step, marketers get vital information on customer trends and can reconsider their strategy in response. For example, as customers increasingly expect their interactions on each and every channel to be consistent and high-quality, there's great potential for omnichannel strategies to make a difference. Customers also expect personalized experiences and self-service resources, and various technology solutions can address these, as well.

In the survey we asked marketing leaders "What best describes the expectations leadership has for the results of your projects/strategies?" Comparing organizations with differing leadership expectations gave us interesting insights into how the marketing role is changing for those organizations. One group said that leadership expects marketing to have quantifiable, measurable results for everything in the department, while another group said that leadership accepts that some of their goals may not have quantifiable results. This data cut essentially lets us see the differences between marketers who are scrambling to quantify everything versus marketers who aren't working under that expectation.

When respondents were asked about major changes in the role of the marketing leader, the group expected to quantify everything were much more likely to say that they have more accountability for CX metrics (Figure 6). Also, for organizations with more flexible CX results, respondents were more likely to say that they're facing more pressure to improve the customer experience.

How the marketing role is changing (by leadership expectations)



Figure 6



Market Challenges for Marketing Leaders

Unsurprisingly, many marketing leaders say demonstrating ROI is the top challenge they face. Other top challenges include adopting emerging technologies (37%) and increasing needs for more content production (35%) (Figure 7). ROI is especially challenging because the changes in the industry — like the almost-overnight shift to digital that companies experienced when the pandemic began in 2020, have resulted in changes in costs associated with marketing and has also complicated accounting for return. When companies began trying new strategies to deal with sudden changes, they needed to quickly see what was working, what wasn't working and what flexible changes they could make to their strategy to get better results. More recently, marketing leaders may have a similar attitude as they try to create future-proof marketing strategies. With the expectations and behaviors of customers constantly changing, knowing the ROI is the difference between a company that can respond effectively to customer changes and a company that cannot.

Top challenges respondents face as marketing leaders

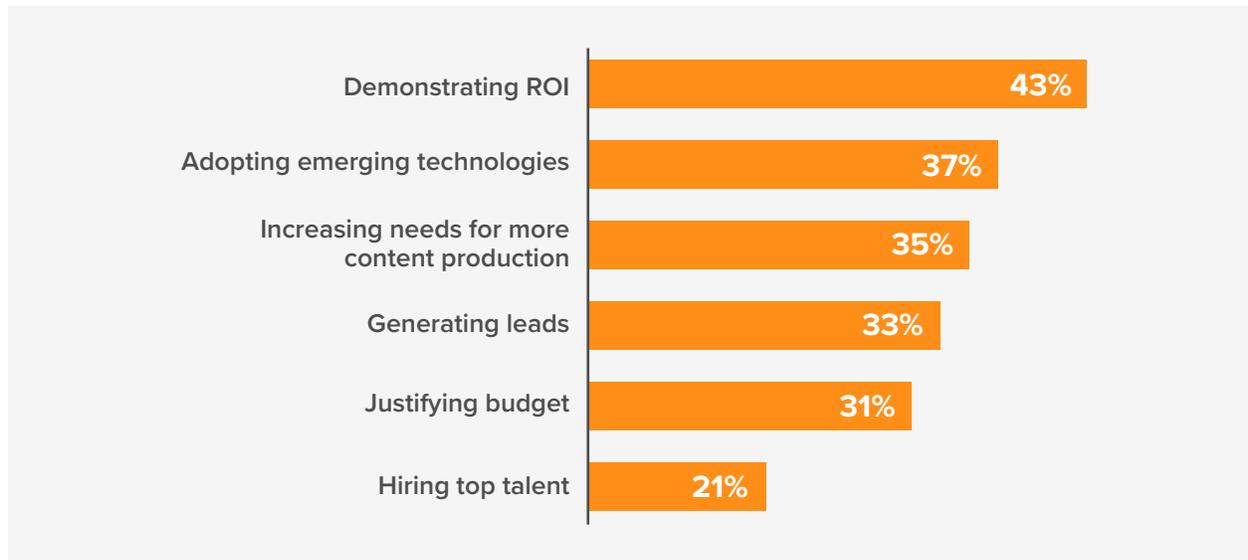


Figure 7



The Impact of the Pandemic

We asked marketing leaders how the pandemic has caused them to rethink the role marketing plays in their organization. Unsurprisingly, many said that the future of customer interactions is mostly digital. This connects clearly with many of their other priorities, like the importance of integrating customer data from different sources and the growing need for flexibility and adaptability (Figure 8). Flexibility is a key skill that allows marketing leaders to intelligently and quickly assess the vast technology environment and what their options are. From there, they can change their strategy depending on what tools fit their changing needs.

This also relates to the importance of the creative thinking skill in a marketing leader. Rigid thinking won't help marketing leaders adapt to a world altered by the pandemic, but flexible, creative thinking can help them pivot quickly and make innovative decisions.

How the pandemic has caused marketing leaders to rethink their role

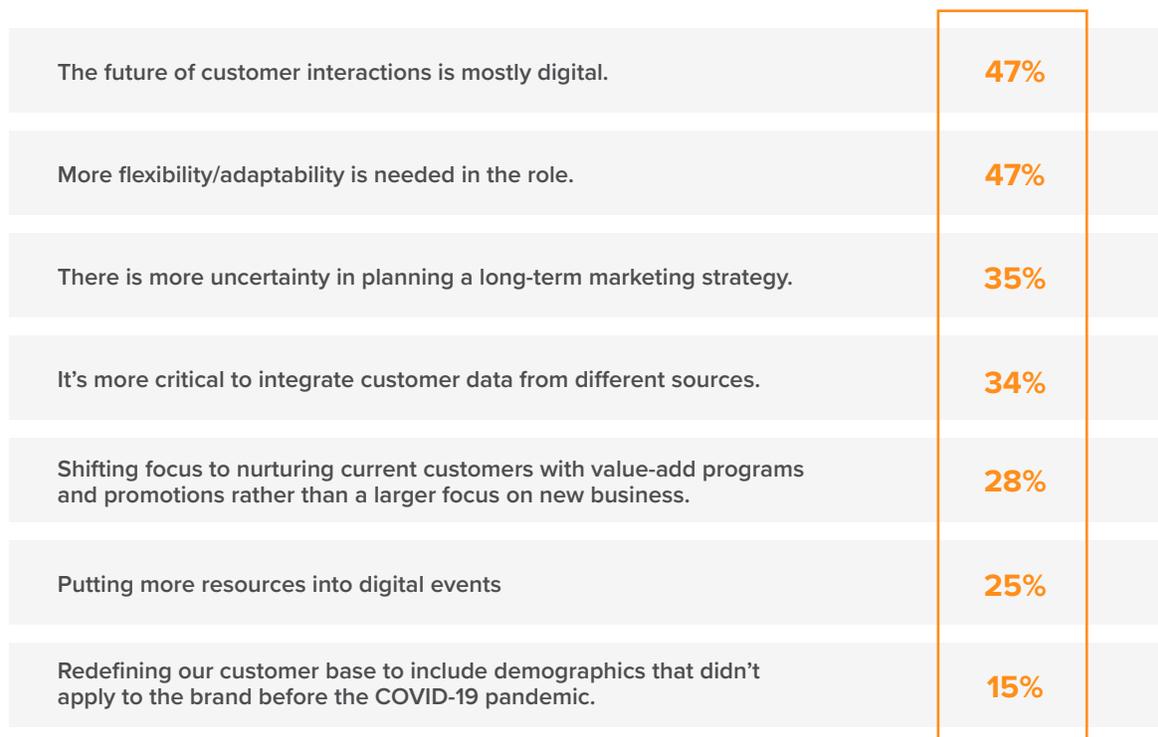


Figure 8



Respondents' answers also relate to other significant pandemic trends. For example, more customers are open to switching channels and shifting their brand, according to [McKinsey & Company](#). The study noted that 39% of customers chose new brands over their old, trusted brands. Also, 75% of customers tried new shopping behaviors during the pandemic — and they're not inclined to return to old habits. If organizations want to keep and retain customers, they need to accept that customer loyalty is more fragile than before and rethink their standard marketing assumptions and practices from there. The answers above show that leaders are being proactive in rethinking how their role looks in the post-pandemic, heavily-digital marketing environment. Those who have not yet made these changes can adopt some of these new ways of thinking to remain relevant in coming years.



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“The biggest change to the role of the marketing leader is adapting to the constant changes in the economy. [It] makes it tough to meet year-over-year numbers when the playing field changes and is influenced heavily by the current economy now more than ever. Since COVID, it’s been a bigger challenge than ever [before].” — survey respondent, open comments

”



Skill and Role Development Over Time

A rapidly changing business and technology environment means that marketing leaders have had to grow their technical skills – both by nurturing old skills and learning new ones. Three out of four of marketing leaders say they’ve had to increase their technical competencies significantly (29%) or moderately (47%) in the past three years (Figure 9). These newly developed skills help them meet the expectations customers have for their digital customer experience.

This trend holds even when we look at the most technically savvy respondents. No matter how technically mature their organization is, more than 60% of marketing leaders say they’ve had to increase their technical competencies significantly or moderately in the past three years. This supports the theory that the explosion of the digital customer experience over the past few years has indeed made even the most technically mature organizations invest in additional technologies that allow for smoother customer experiences. Thinking with this future-forward lens likely helps these organizations stay ahead of the competition.

Did you need to increase your technical competencies in the past 3 years?

	Organizations overall	Advanced maturity	Intermediate maturity	Beginner maturity
Significantly	29%	23%	28%	33%
Moderately	47%	42%	48%	48%
Slightly	20%	21%	23%	17%
Not at all	4%	13%	3%	2%

Figure 9



Essential Technical Competencies

With so many tech trends to consider, we asked marketing leaders what specific technical competencies they want to improve in the next two years. This information helps paint a picture of what skills and trends are especially relevant to their individual role and their department overall. More than half (60%) of marketing leaders said they want to improve use of data/predictive analytics to make informed decisions, and 51% said they want to improve their ability to measure the effectiveness of marketing strategies/projects (Figure 10). These data points underscore the importance of analytics to the modern marketer as a way to guide decision making and know what is effective and what isn't.

Technical competencies respondents want to improve in the next 2 years

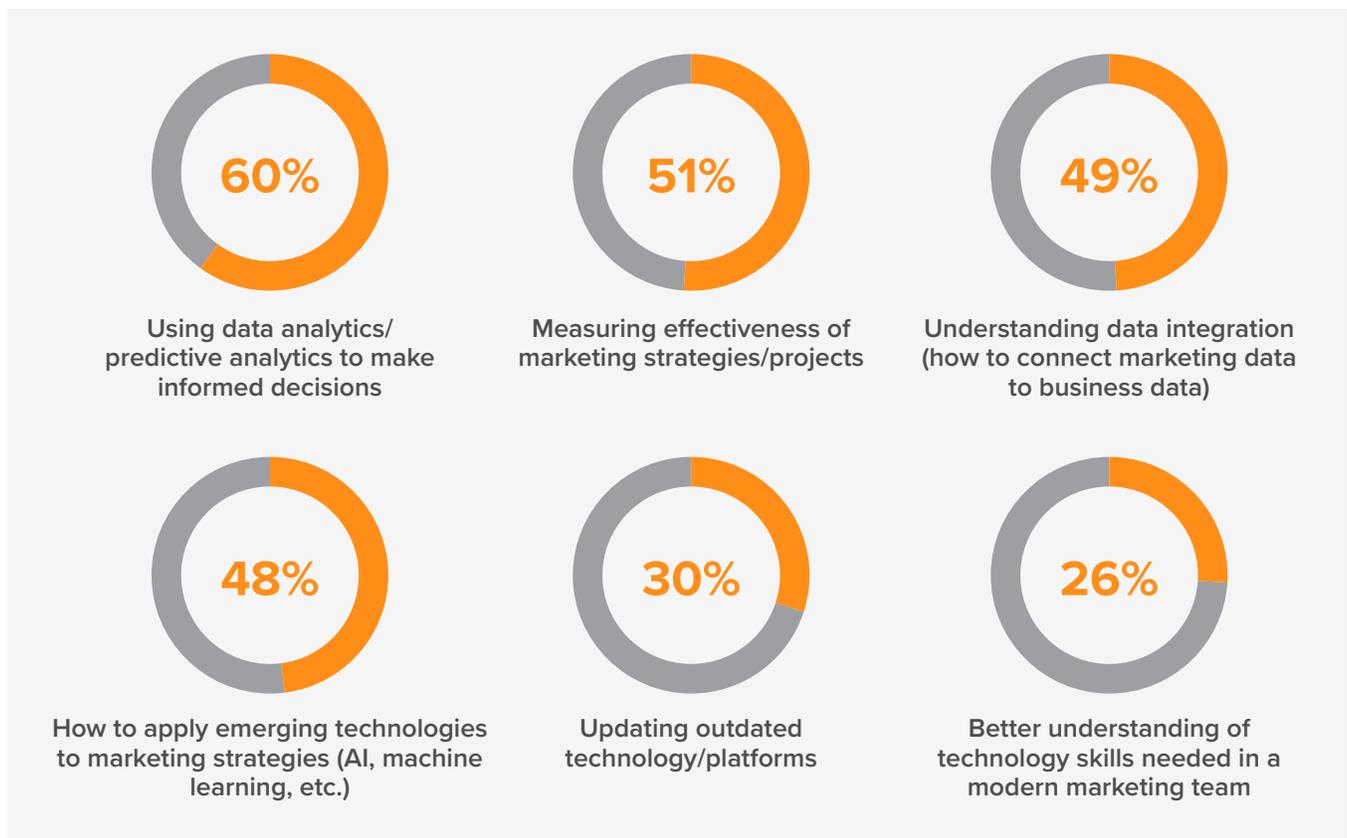


Figure 10



These interests also track with many of the other skills leaders are interested in developing. The top skills respondents said they want to develop further are executive leadership, measurement (analytics) and creative thinking (Figure 11). Creative thinking’s inclusion on this list bolsters the importance of this competency as a key CMO skill, and the inclusion of measurement/analytics complements the types of technical skills that respondents identified as the most important to develop.



Figure 11



How Marketing Leaders Develop Themselves

Continuous learning helps marketing leaders stay on top of the latest trends and sharpen the skills needed to succeed in a rapidly changing world. The survey found that leaders are professionally developing themselves through webinars, networking with peers and taking courses, most commonly (Figure 12). These most common means of learning don't change much no matter how we cut the data, so it's reasonable to assume that as a general rule, these are the types of learning that marketing leaders rely on.

How marketing leaders develop themselves professionally



Figure 12

CMO As the Terminal Role for Leaders at Larger Companies

The survey found a fascinating connection between a CMO's career ambitions and their organization's size. Small organizations are defined as companies with fewer than 1,000 employees, and large organizations are defined as companies with 1,000 or more employees. Marketing leaders at large organizations seem much more driven in their desire to be a marketing leader and thus more confident of their future at the organization. Essentially, CMO is the terminal role for these larger enterprise companies.



Meanwhile, leaders at smaller organizations are more likely to be unsure whether they want to remain a marketing leader or switch career paths, perhaps stepping into an owner or founder role (Figure 13).

There are many potential reasons for this. Perhaps people working their way up in a larger organization have more defined career goals, which working at the enterprise level may fulfill. Large organizations may also have resources and access to technology that smaller organizations and startups simply can't match. On the other hand, marketing leaders at smaller companies may be more entrepreneurial, working cross-functionally, in addition to their marketing duties. This may spark further interest in running their own company, or switching career paths altogether.

Leaders' next likely career moves (by organization size)

	Large organizations	Small organizations
Remain a marketing leader	41%	30%
Consulting	14%	15%
Thought leader	14%	7%
CEO/COO	11%	11%
Owner/founder	7%	19%
I don't know	7%	15%

Figure 13





Data Collection and Metrics Accountability for Marketing Leaders

Even though creative thinking is the key competency we identified in our research, that does not discount technical skills and access to analytics as key factors to success in the role. Collecting, organizing and analyzing good data for actionable insights is important. These are significant tools for creative thinkers to use to do their job well and find the best solutions. In this section, we'll explore trends concerning marketing leaders' use of metrics. We'll also compare answers between respondents who say their leadership always expects quantifiable results (59%) and respondents whose leadership accepts that not all results can be measured (41%). This comparison gave us valuable insight on the pressures that marketing departments are facing based on leadership expectations.

Common Marketing Metrics Used to Measure Success

Leadership uses common metrics to judge the performance of marketing leaders and influence future decisions to drive business value. When asked what metrics are used to measure success in their role, most respondents said business impact, company growth and profitability, customer satisfaction and web traffic (Figure 14). These top answers were more or less universal no matter how we cut the data – highlighting how key these metrics are for companies of any size or technical maturity.



Metrics used to measure the performance of marketing leaders

Business impact	58%
Company growth and profitability	45%
Customer satisfaction	42%
Web traffic	35%
Conversion rate	33%
Incoming leads	32%
Brand recognition	27%

Figure 14

That being said, the relationship between marketing efforts and quantifiable business outcomes isn't always clear — and while the majority of leaders require marketing to make such a connection, not all organizations do. Fifty-nine percent of marketing leaders say that their company leadership expects that everything their department does has quantifiable, measurable results, while 41% say that leadership accepts that some of their goals may not have quantifiable results (Figure 15).

Leadership expectations of marketing results

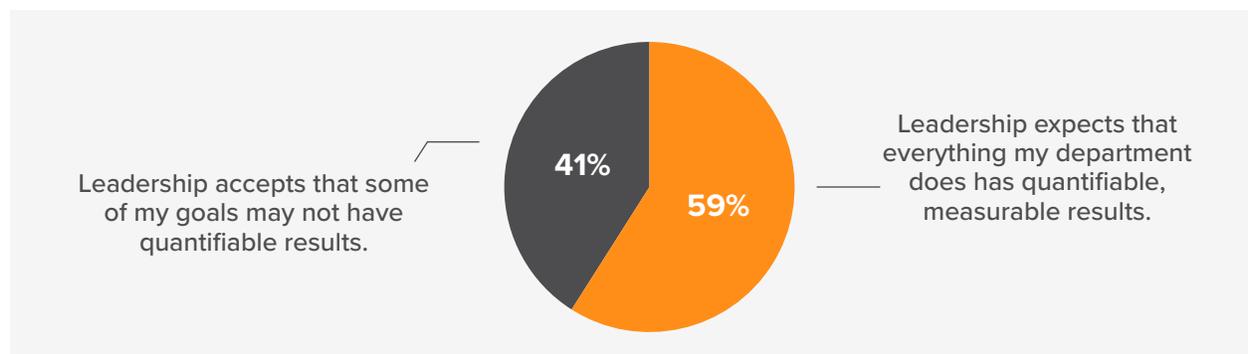


Figure 15



Comparing Organizations by Leadership's Expectations

For many organizations, company leadership understands that not every marketing project has quantifiable results, and that there are other ways to determine if a project has been successful. This data provides some fascinating insights on how these organizations operate. For example, while these organizations share some similar accountability metrics, there are big gaps between the two groups for certain metrics. Referring to Figure 15, the 41% of marketing leaders whose leadership believes the relationship between metrics and outcomes isn't always clear are our **situational group**. Meanwhile, the 59% of marketing leaders whose leadership expects a clear link is our **quantifiable group**.

Almost half (47%) of the situational group say that web traffic is used to measure their performance as a marketing leader, compared to 31% of the quantifiable group – a delta of 16 percentage points (Figure 16). And 54% of the situational group say company growth and profitability as metric, compared to 40% of the quantifiable group – a delta of 14 percentage points. Meanwhile, the quantifiable group was more likely to choose many customer-centric metrics compared to the other group, such as customer satisfaction (46% vs. 36%), net promoter score (31% vs. 21%) and customer lifetime value (31% vs. 16%).

One takeaway from these observations is that the quantifiable group is more likely to measure valuable customer-centric metrics, while leaders of the situational group are asking for links and results on a broader range of metrics — that may or may not be affected by marketing. (And may or may not be measurable in the first place.) Many in the situational group are tasked with linking marketing results to things that can't easily be measured (like company growth and profitability) or are easy to quantify (like web traffic). The advantage in the quantifiable group is that many of them are tasked to measure their performance with metrics that can clearly be influenced through marketing.



Metrics used to measure performance of marketing leaders (by leadership expectations)

	Quantifiable group	Situational group
Business impact	57%	59%
Customer satisfaction	46%	36%
Company growth and profitability	40%	54%
Conversion rate	37%	30%
Incoming leads	34%	32%
Net promoter score	31%	21%
CLV	31%	16%
Web traffic	31%	47%

Figure 16

Metrics Aren't That Simple!

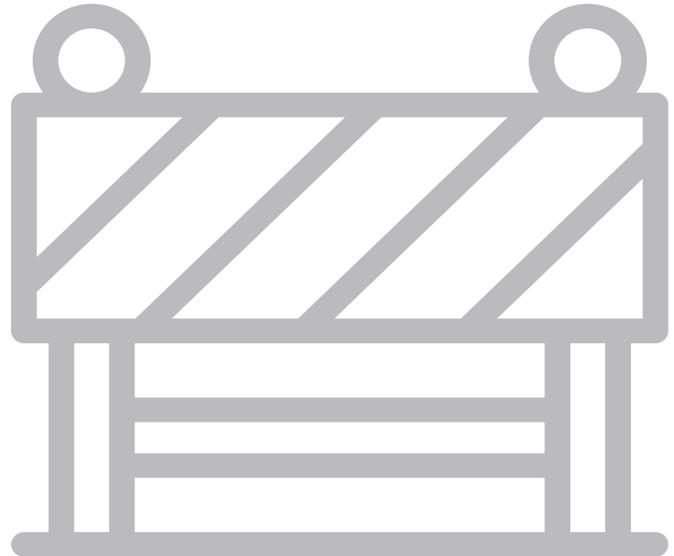
That being said, it's important to note that many respondents said that ROI is difficult to measure. It's the most common challenge that respondents cited when asked for the top three challenges they face as a marketing leader (refer back to Figure 7). Similarly, when asked what roadblocks they face in improving the digital customer experience at their organization, many respondents (39%) chose this as an answer (Figure 17).



Roadblocks to improving the digital customer experience

Lack of budget	40%
ROI is difficult to measure	39%
Not enough cross-functional communication	33%
Lack of accountability for customer experience outcomes	33%
Lack of cooperation between departments to improve customer experience	29%
Unclear goals/outcomes for customer experience	29%
Siloed decision-making	27%

Figure 17





Marketing Leaders' Attitudes Toward Privacy Regulations

Many privacy regulations have been introduced in the past couple decades that have impacted American companies, including the EU General Data Protection Regulation (GDPR) in 2018, the California Consumer Privacy Act (CCPA) in 2018, and the Illinois Biometric Information Privacy Act (BIPA) in 2008. A couple new state-wide regulations go into effect in 2023, as well, including the California Privacy Rights Act (CPRA), Virginia Consumer Data Protection Act (VCDPA) and the Connecticut Data Privacy Act (CTDPA). Meanwhile, many brands are moving from relying on third-party cookies to first-party cookies. To further complicate the environment, the U.S. does not have a federal privacy law, so companies must follow a patchwork of different state and local laws that govern data privacy.



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“The biggest changes to the role of the marketing leader will include consolidating and/or coordinating among disparate platforms, while taking into consideration the necessary privacy and compliance updates. At a high-level, tracking capabilities and privacy updates will impact our decision making moving forward.”

— survey respondent, open comments

”



Given this complex environment, many marketing leaders aren't as concerned about the impact of changing regulations on their job as one might assume. More than half (56%) are only slightly concerned or not at all concerned (Figure 18). One reason could be that they've had plenty of time to prepare for these regulations – old and new – so they feel well-prepared. Adapting to privacy regulations is normalized.

How concerned are you about the impact of changing privacy regulations on your job?

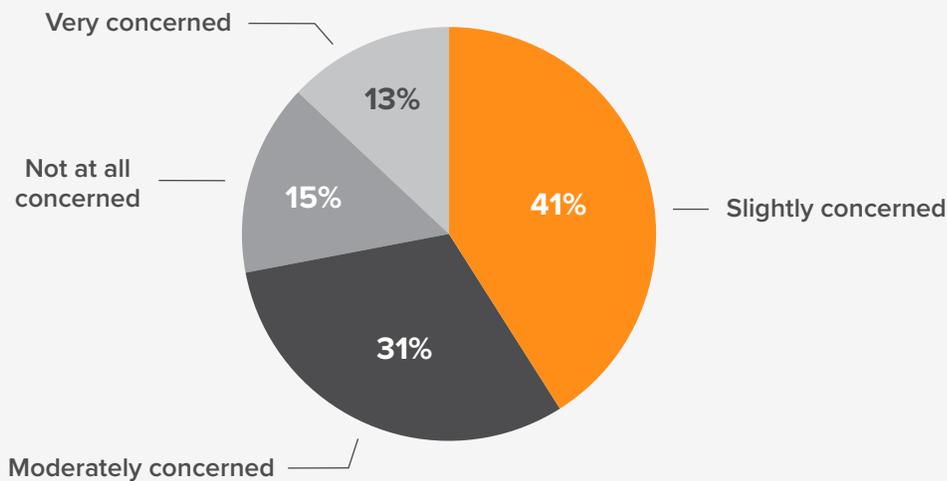


Figure 18

Challenges and Priorities For CMOs With Privacy Concerns

We separated respondents by those who said they were moderately or very concerned (44%) and those who said they were not at all or slightly concerned (56%). By comparing answers between these two groups, many intriguing findings emerged. This data informs us how CMO's strategies and attitudes may be impacted by how challenging they find the privacy regulation environment.



We asked respondents to identify the top three challenges they face as a marketing leader at their organization. One notable finding here is that the more concerned group generally sees generating leads as more of a challenge (40% vs 30%) (Figure 19). It makes sense that concern over privacy laws and concern over generating leads would overlap. Without a vast amount of third-party data about people, companies have less information to work with when identifying potential customers. Privacy laws may stunt marketers' ability to personalize campaigns and initiatives, which may impact lead generation.

Top challenges faced as a marketing leader (by privacy concerns)

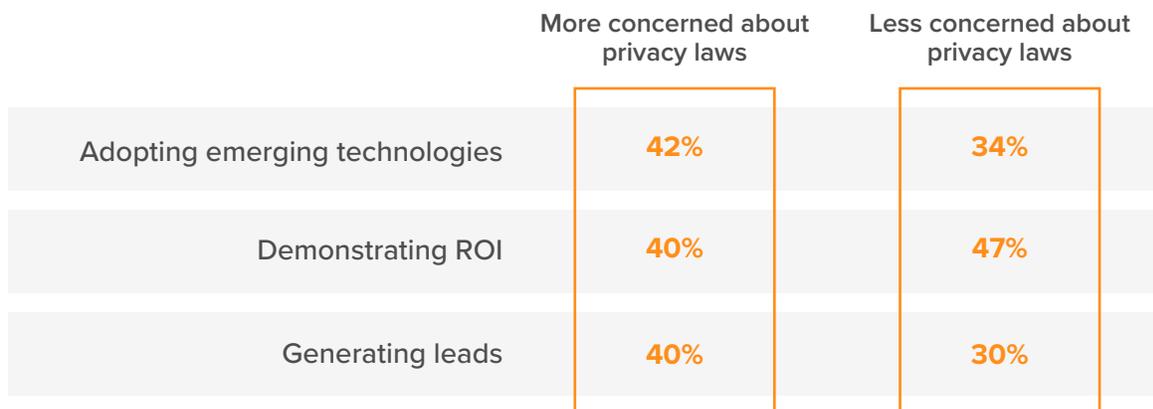


Figure 19

There were other intriguing differences between these groups. The concerned group is more likely to say that it's critical to integrate customer data from different sources (39% to 31%) (Figure 20). It's possible the more concerned group is playing catch-up with their privacy policies — particularly if they were forced into adopting more digital technologies during the pandemic. Therefore, one of the next steps for them could be to better integrate the legally-collected data they have from various sources to come up with key insights.

Notably, this question also shows us that both groups are equally likely to see the future of digital interactions as digital. This tells us that the reason they do not feel as concerned isn't because they are not focused on digital channels. Rather, they likely already have more confidence in their tools and strategies to stay relevant in a digital workplace with changing privacy laws.



Marketers more concerned with privacy laws also seem more focused on customer retention, particularly through value-add programs and promotions (34% vs. 22%). One reason for this could be that with new privacy law concerns, they don't want to bite more than they can chew. Customer retention then becomes a more important goal than bringing in new customers. Alternatively, they may want to perfect a new strategy to satisfy and retain customers before they expand their CX strategy and usage of data to new customers.

How the pandemic caused marketing leaders to rethink the role marketing plays in their organization (by privacy concerns)

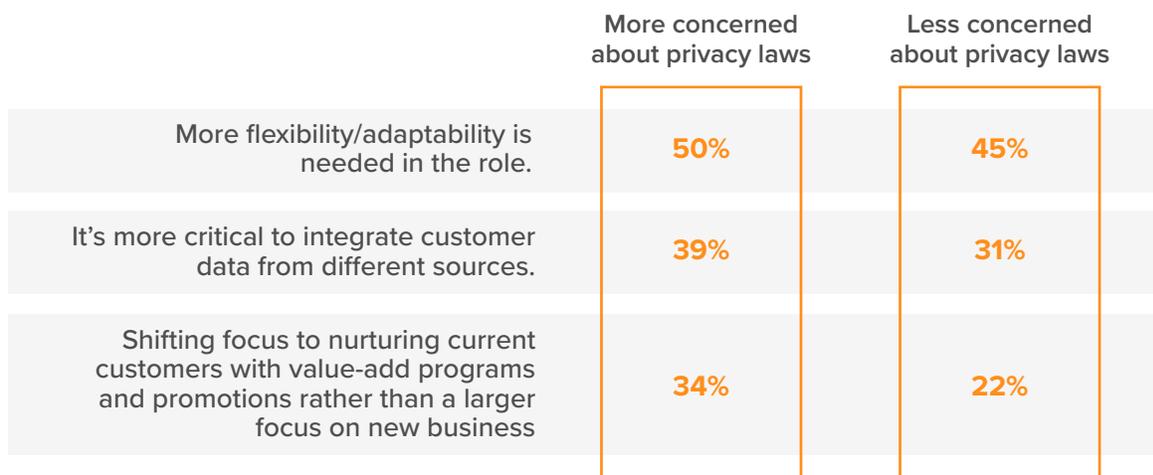


Figure 20





How the role of marketing leader is changing at my organization (by privacy concerns)

	More concerned about privacy laws	Less concerned about privacy laws
More pressure to improve the customer experience	41%	31%
Increased cross functional	41%	37%
Tasked with digital transformation	39%	29%
More robust data strategies	39%	31%
CLV rising in importance	35%	25%
More accountability for CX metrics	27%	27%

Figure 21

Differences in Addressing the Digital Customer Experience

These groups also showed some notable differences in terms of what digital customer experience challenges they face. The more concerned group faces more internal challenges, particularly around budget, IT bandwidth and cross-functional collaboration (Figure 22).





Roadblocks to improving the digital customer experience (by privacy concerns)

	More concerned about privacy laws	Less concerned about privacy laws
Lack of budget	51%	33%
ROI is difficult to measure	44%	38%
Lack of cooperation between departments to improve customer experience	36%	25%
Resistance from the IT team to additional platform implementations	27%	13%
Unclear goals/outcomes for customer experience	23%	34%
Lack of buy-in from senior leadership	22%	17%

Figure 22





Lessons from Technologically Mature Companies

This survey defines maturity in terms of how advanced a company's digital customer experience technology stack is. Forty-three percent of respondents identified themselves as beginner, 40% identified themselves as intermediate and 17% identified themselves as advanced (Figure 23). Viewing the data by maturity tells us a lot about what's possible as a marketing function and what other companies can aspire to.

DCX Tech Stack Maturity: Defined

- **Beginner:** No centralized strategy for customer experience technology and are investing in these technologies ad hoc.
- **Intermediate:** Possess a centralized customer experience technology strategy and are in the process of implementing it.
- **Advanced:** Possess a centralized customer experience technology strategy which they have implemented, and are only making minor improvements from here.



“

“The biggest changes to the role of the marketing leader is that it is increasingly important for marketing leaders to have a deep understanding of the technology stack, both strategically and functionally. The heavy reliance on martech to improve CX and move the revenue needle means that it is no longer possible for a “leader” from another part of the company to take over a marketing leadership role and be effective. The practical understanding and experience of the tools and associated processes is crucial.

— survey respondent, open comments

”



Maturity of the organization’s digital customer experience technology stack

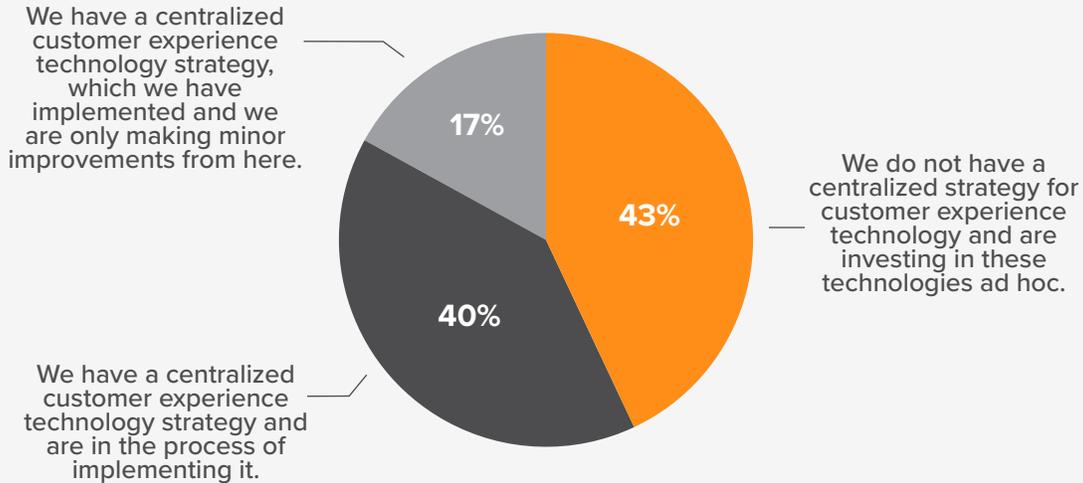


Figure 23

The survey found that advanced organizations are much more likely to believe the future of customer interactions is digital — 67% vs. 49% for beginner organizations and 41% for intermediate organizations (Figure 24). The advanced organizations’ investment in technology has solidified this viewpoint as well as the direction they’re heading in. They’ve invested in innovating their tech stack and are looking at the future of customer interactions in the same lens. Less advanced organizations share this viewpoint less frequently — but it’s possible they don’t yet see the value in advancing digital customer experiences for their customers. That may change in the future as they increase their investments in CX technologies.

How the pandemic caused respondents to rethink the role of marketing (by organizational maturity)

	Beginner organizations	Intermediate organizations	Advanced organizations
The future of customer interactions is mostly digital.	49%	41%	67%
There is more uncertainty in planning a long-term marketing strategy.	31%	39%	40%
More flexibility/adaptability is needed in the role.	49%	49%	37%

Figure 24





Desired Skill Development By Maturity Level

We asked marketing leaders what specific technical competencies they would like to improve in the next two years. Fifty-nine percent of marketing leaders at advanced organizations said “measuring effectiveness of marketing strategies/projects” (vs. 47% of marketing leaders at intermediate organizations and 51% of marketing leaders at beginner organizations). Further, 35% of marketing leaders at advanced organizations said “better understanding of technology skills needed in a modern marketing team,” compared to 24% of marketing leaders at intermediate organizations and 26% of marketing leaders at beginner organizations (Figure 25). The other major finding from this question is that marketing leaders at beginner organizations (as you might expect) are more likely to be focused on improving their understanding of data integration.

One important observation from these data points and gaps is that they show how much more marketing leaders at advanced organizations have a future-minded approach. They’re more likely to view the marketing team as a modern team with modern needs, rather than playing catch up on DCX. And their focus on measuring the effectiveness of strategies is also on par with what advanced organizations should be doing. Ultimately, a successful marketing strategy isn’t static. As market trends and customer expectations change, marketing leaders must be willing to consistently keep track of their initiatives and change what’s no longer working. Meanwhile, marketing leaders at beginner organizations are still the most likely to be learning how to understand data integration — vital building blocks for a marketing function that wants to grow into something stronger.

Beginner organizations are still the most likely to be learning how to understand data integration — vital building blocks for a marketing function that wants to grow into something stronger.



Technical competencies respondents want to improve in the next 2 years (by organizational maturity)

	Beginner organizations	Intermediate organizations	Advanced organizations
Measuring effectiveness of marketing strategies/projects	51%	47%	59%
Using data analytics/predictive analytics to make informed decisions	62%	59%	57%
How to apply emerging technologies to marketing strategies (AI, machine learning, etc.)	53%	40%	51%
Understanding data integration (how to connect marketing data to business data)	60%	38%	49%
Better understanding of technology skills needed in a modern marketing team	26%	24%	35%

Figure 25

60% of beginner organizations want to improve their understanding of data integration in the next 2 years.



Another noteworthy finding is that every subgroup we analyzed chose creative thinking as their number one competency for marketing leaders. It’s universal across maturity levels and organization sizes. In particular, the marketing leaders at advanced organizations marked it as a top skill. Seventy-one percent of marketing leaders at advanced organizations chose it, versus 44% of marketing leaders at intermediate organizations and 50% of marketing leaders at beginner organizations (Figure 26). Across all maturity levels, marketing leaders say creative thinking is the heart of the marketing function.





Top competencies for marketing leaders (by organizational maturity)



Figure 26

Changes in the CMO Role

By cutting the data in certain ways, we also found some interesting insights in how the marketing leader role is changing. Marketing leaders at the most advanced organizations were more likely to say that customer lifetime value is rising in importance and that there is too much focus on technology rather than getting the marketing strategy/message right (Figure 27). Meanwhile, the marketing leaders at beginner organizations were most likely to say that they need a more robust data strategy and an increased cross-functional relationship with sales. This data suggests that marketing leaders at beginner organizations are still figuring out some basics in terms of collecting customer information, while marketing leaders at advanced organizations have moved on to the next steps.





How the marketing leader role is changing (by organizational maturity)

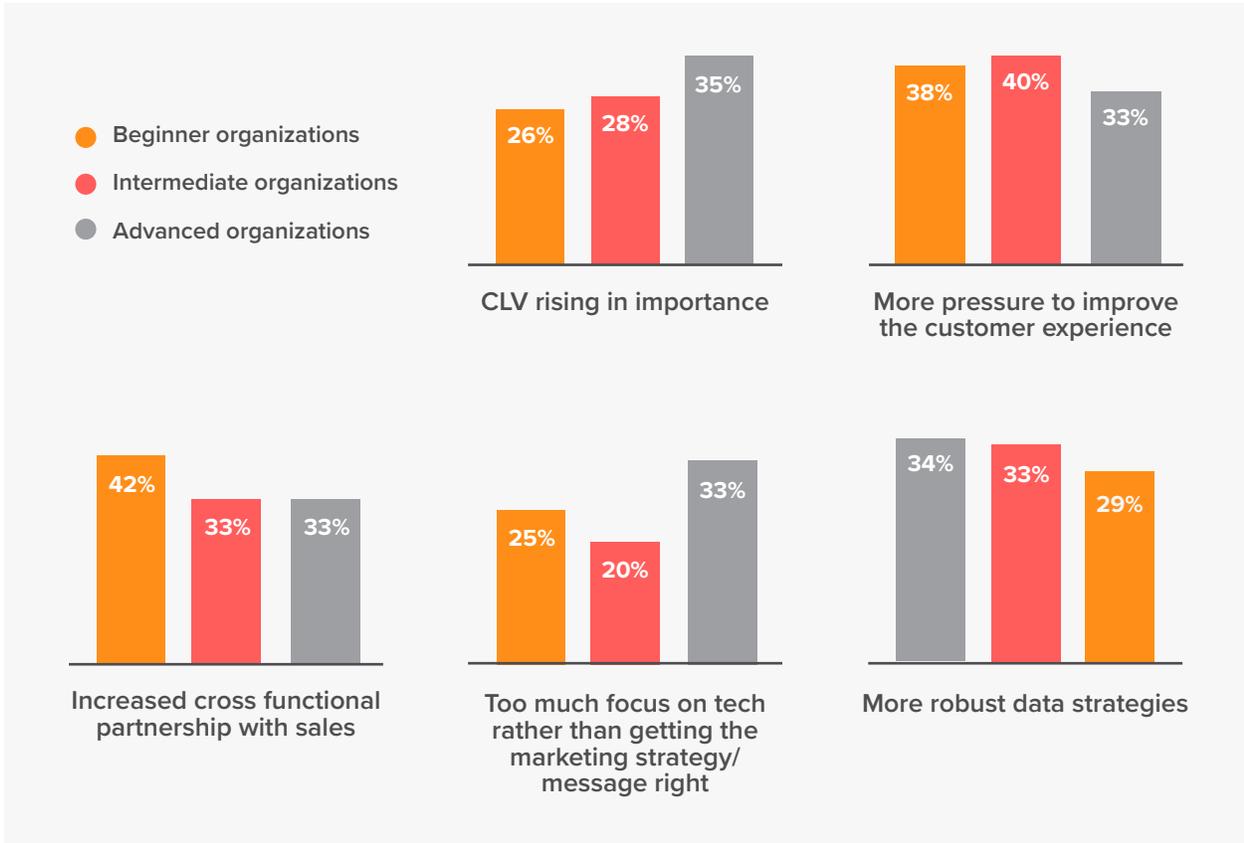


Figure 27



Examining Roadblocks for Marketing Leaders at Beginner and Advanced Organizations

Organizations with different tech stack maturity levels unsurprisingly face some different challenges to improving DCX. Marketing leaders at beginner organizations are more likely to say that unclear CX goals/outcomes are a roadblock (39%) (Figure 28). Also, a lack of budget is especially prevalent for marketing leaders at beginner organizations. This could potentially be because marketing leaders at beginner organizations face difficulty justifying their budgets without clearly defined goals and outcomes. It's worth noting, as well, that all of these groups find ROI difficult to measure, since ROI is both notoriously tricky to measure, variable and industry-specific — requiring custom metrics aligned with organizations' go-to market strategy.

“The biggest change to the role of the marketing leader is that increased personalization [is] making ROI harder to calculate.”

— survey respondent, open comments

Roadblocks to improving the digital customer experience (by organizational maturity)

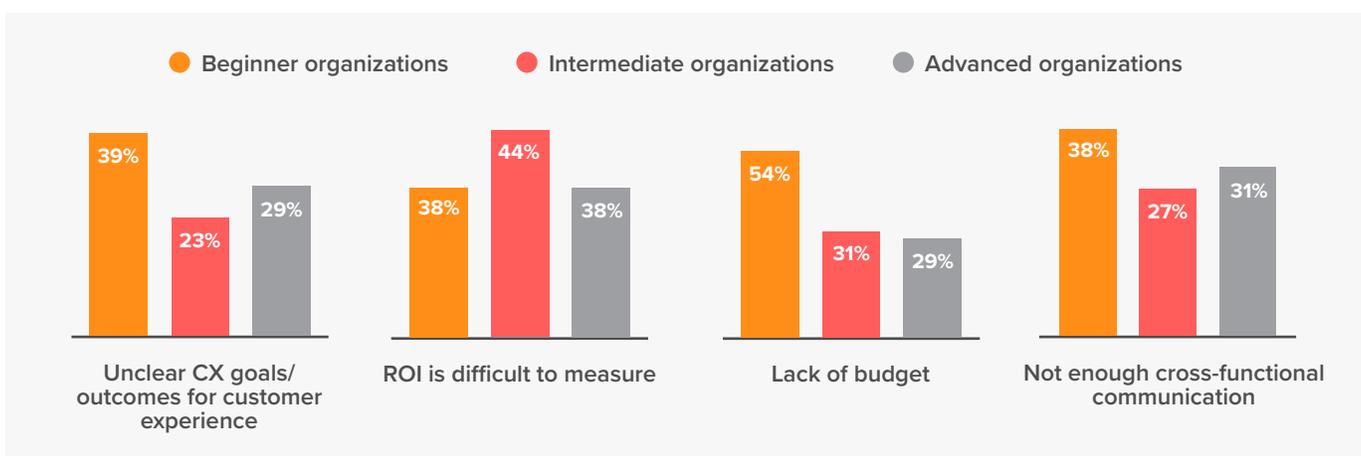


Figure 28



Across all maturity levels, the relationship with IT doesn't necessarily improve as the tech stack maturity increases (Figure 29). Marketing leaders at beginner organizations are more likely to say that IT doesn't have the bandwidth to support them. However, marketing leaders at advanced organizations cite the complexity of their technology stack as a top challenge around their interactions with IT. Regardless of tech stack maturity, marketing leaders cite their relationship with IT as a challenge. While access to more technology can have benefits, it also adds complexity to the stack — which can impact user experience in a less than ideal way.

Challenges for marketing in partnering with IT (by organizational maturity)

	Beginner organizations	Intermediate organizations	Advanced organizations
Not enough IT bandwidth to support marketing projects	53%	36%	44%
IT doesn't understand marketing's goals	35%	29%	23%
Technical skills needed for marketing platforms	34%	37%	31%
Lack of communication	31%	29%	21%
Complexity of the marketing stack	28%	26%	35%

Figure 29





CMOs: In Their Own Words

We asked marketing leaders what they see as the biggest change to the marketing role in the next 3-5 years. Their comments provided insights on what kind of future marketing leaders imagine and what trends are especially relevant to the near future. Common themes include:

- Optimism around digital transformation
- Excitement on the need to develop new employee skills
- The ever-expanding customer journey

Let's explore these in more detail.

CMOs Embrace Digital Transformation

Digital transformation is no longer something that's just over the horizon — it's here. The COVID-19 pandemic dragged many organizations into the digital age, whether they were prepared or not. Further digitization is inevitable. Over the next 3-5 years, CMOs will face the task of figuring out which aspects of digital transformation work best for their organizations and which ad hoc policies they put into place at the early stages of the pandemic need to become permanent.

Q: What do you see as the biggest change to the marketing leader role in the next 3-5 years?

A: “There's constant change; digital is changing as fast as product science, and everyone has different definitions of what CX is.”





“

“It will be more data focused (but not lagging behind with creativity and innovation).”

“Everything is supposed to be more digital, so we have to adapt to that type of marketing.”

“CMOs shall be using the technology that is ever-evolving to deliver the desired customer experiences and devise innovative ways to integrate ROI measurement to drive greater business outcomes.”

“It will be completely digital.”

— survey respondent, open comments

”

Developing New Skills as a Marketing Leader — and as a Marketing Team

Both CMOs and their teams must rethink what competencies will make them successful. The same old skill set won't cut it for marketers anymore — marketing leaders will need more specific expertise around data and technology. The survey revealed an important truth about the importance of creativity for a CMO, and this open question provided even deeper insight into what skills are on CMOs' minds as they look to the future.



Q: What do you see as the biggest change to the marketing leader role in the next 3-5 years?

A: “There’s constant change; digital is changing as fast as product science, and everyone has different definitions of what CX is.”

“

“Team creativity, adaptability and focus on driving results.”

“Marketing is no longer a generic field that everyone can just jump into. Industry-based knowledge is critical to develop a good marketing strategy that moves the needle.”

“Lack of talent.”

“It totally depends on how many support people you have or will have. As more technologies require more specific expertise, a marketing leader will have to keep pace and remain relevant in order to properly implement digital programs and supervise those in those roles. If you’re intimidated by technology or can’t embrace change, you better get out of the way!”

“Data and people. Leaders will have to be completely adept at using and understanding data as well as having high emotional intelligence and ability to build high performing teams.”

“No longer lip service. Marketing pros need to take the opportunity to lead and succeed across the organization, not just siloed and limited to the marketing function.”

— survey respondent, open comments

”



How CMOs Will Appeal to Tomorrow's Customers

A shift in marketing has led to a more customer-first implementation. However, the need for omnichannel delivery has led to more complexity in implementing marketing initiatives. The customer journey is no longer a linear path. As digitally-savvy customers find new and different ways to interact with their favorite brands, it's not simple to predict where they will go next and what will persuade them to make a purchase. Marketing leaders are thus adapting to this change, to meet customers where they are.

Q: What do you see as the biggest change to the marketing leader role in the next 3-5 years?

A: “Continuing to be where the customers are, new channels emerging, keeping up with trends and competition”

“

“Organizations that put their needs ahead of the customers’ needs will present the biggest challenge. The customer has spoken. They want privacy, with personalization, with strong product, and support on demand. They have choices at their fingertips on where to take their business and dollars. If you are not able to meet them where they are, they will find someone else who will.”

“Marketing leadership roles and responsibilities have changed dramatically in the last decade, and the mix of people you need on your marketing team is very different than in the past. As there is a paradigm shift on technologies each and every organization is moving towards technology/cloud so being a marketing leader the biggest challenge is to integrate the marketing approaches with technology and getting the ROI from the same along with achieving customer satisfaction.”

“Finding the sweet spot between the need to speak to the customer where they are, and the need to be very metrics driven — two very different skill sets.”

— survey respondent, open comments

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The Future of CMO is Full of Potential

Across all these answers is the importance of flexibility to respond to change and develop a data strategy that can best inform marketing teams. Flexibility makes rapid digital transformation more manageable, and it allows leaders to take an honest look at their skills and change gears to learn what has suddenly become important. It's clear marketing leaders are becoming more flexible as the need arises. At the end of the day, their most important goal is cultivating and maintaining a positive customer experience.



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Conclusion

“The biggest changes to the role of the marketing leader are the changes in technology and keeping up to speed with them. That never, ever changes.”

— survey respondent, open comments

There is a lot of opportunity for marketing leaders in this quickly changing environment. With the right tools and strategies, leaders can prepare the marketing function to be adaptive and responsive to changes around them — especially relevant as the digital expectations of employees, clients and customers grow. Meanwhile, core competencies such as creative thinking and strategic management help leaders meet the challenges they encounter. Throughout the uncertainties that marketing teams encounter, one constant is the need for specific skills that can help marketing leaders succeed as new trends and technologies come and go.

Leaders have also shown that, for the most part, they have their eye firmly on the future success of their organization. They know how quickly trends and customers are changing, and they’re investing in their tech stack to move forward and stay relevant. They’ve collected plenty of customer data, and the next step will be to utilize it more effectively to impact CX and personalization. CMOs can foster exciting changes in the next five years, particularly around digital transformation.

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Appendix

Demographics

Name of survey

“State of the CMO”

Survey dates

August-October 2022

Respondents

709

Functional level of respondents

Responsible for all of their organization’s marketing function or parts of their organization’s marketing function

Organizational size

Less than 100 employees: 30%

100-499 employees: 19%

500-999 employees: 11%

1,000-2,499 employees: 11%

2,500-4,999 employees: 7%

5,000-9,999 employees: 5%

10,000+ employees: 17%

Statistics may not total 100% due to rounding.



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