

MARKETING

CMOs must respond passionately to threats to their role: Forrester

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Forrester predicts major changes in the marketing landscape. Image credit: Forrester Research

By MICKEY ALAM KHAN

Chief marketing officers must establish a span of control before their purpose and the CMO title itself is dissolved.

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That is the dire prognosis from Forrester Research, one of the most respected analyst firms whose calls on marketing, retail and technology have invariably hit the mark over the years.

"It's been 20 years since the digital era transformed the CMO role from a long-term, brand-building growth captain to a quarter-disciplined and data-focused operator," Forrester said in its "Predictions 2020: CMO" report.

"This painful transition has caused some of the world's biggest brands to wholly eliminate marketing's most coveted title," the report said. "Although Forrester is not foretelling an end to the CMO role, we do see a stage set for a desperate fight for survival."

The **Forrester** report was crafted with contributions from analysts Keith Johnston, Shar VanBoskirk, Anjali Lai, Thomas Husson, Dipanjan Chatterjee, Jay Pattisall, James L. McQuivey, Samuel Stern and Nick Monroe.

New MO

In 2018, Forrester had predicted a decline in Fortune 100 CMOs. Since then, dozens of high-profile CMO positions have been wholly eliminated, including those at Johnson & Johnson, Kellogg, McDonald's, Netflix and Walmart, the report pointed out.

"The remaining CMOs must now demonstrate the value of still having a chief marketer at a time when the need for one is becoming less and less obvious," the analysts said in the report.

"The real-time, data-intense reality of the digital age has turned the CMO from a brand-building or even direct marketing boss into a generator of customer outcomes.

"But the reality is that most CMOs haven't effectively navigated this transition. 2020 marks the beginning of a final desperate fight for survival. Those who succeed will do so by being accountable for it all the brand, communications, sales enablement, CX, and technology selection while influencing the employee experience and

driving the innovation and change that customer obsession requires."

Forrester said that chief marketers who thrive in 2020 with CMO title or without will have to grapple with five realities.

First, CMOs must establish a span of control in the name of customer value.

Marketers cannot build, express, sell, communicate, connect or service today's brands without continuity, Forrester said. A marketer must demonstrate its brand promise everywhere.

So, the CMO must establish a span of control in the name of customer value.

For example, while not in luxury, KFC CMO Andrea Zahumensky controls innovation, marketing, operations, media and sales as part of her mandate.

In Ms. Zahumensky's case, aligning food innovation and marketing with operations allows ideas to come to life quickly and be delivered to customers with strategic agility.

"Even though we expect less than 10 percent of those with an actual CMO title to elevate it to this degree, 2020 will clarify the CMO role and one designated C-suite leader will be responsible for all that surrounds the customer," Forrester said.

The second truth, per Forrester, is that the brand is officially freed from the exclusivity of marketing.

"Counter-intuitively, eliminating the CMO position sets the brand free from the confines of marketing, reuniting it with the business," the report said in one of its most groundbreaking posits.

Direct-to-consumer startups such as Birchbox, which has a chief customer officer (CCO), instead are the vanguard of this movement of running a single thread of customer-obsessed DNA through the entire company.

In another example, when Mars replaced its CMO position with a chief growth officer (CGO), it forced the brand to think differently, both from a marketing and a recruitment perspective.

"Now we're using the brand as a tool for growth," Berta de Pablos, who took on the role this year, told Forrester.

Although it will not be as intuitive for established firms, this spirit will pervade 2020, "forcing companies to be uniquely intelligent, brutally honest, and fanatically fair something that will require CX [customer experience] and EX [employee experience], as well as marketing, to deliver," the report said.

Third, CMOs will become crucial to employee loyalty and acquiring top talent.

"To employees, brand and business are personal," the report said.

"The same principles that endear brands to customers and prospects salience, fit and emotion also apply to employees, especially in today's environment."

Per Forrester, this year, 181 CEOs acknowledged the need to modernize the standards of corporate governance, shifting it from shareholder primacy to serving all stakeholders customers, employees, suppliers, communities and shareholders.

Larry Fink, CEO of BlackRock, the world's largest investment management company, urged CEOs to accelerate this mind shift: "As divisions continue to deepen, companies must demonstrate commitment to the countries, regions, and communities where they operate, particularly on issues central to the world's future prosperity."

"CMOs are crucial to delivering the brand's beliefs to engender employee loyalty and attract talent, in much the same way they do to drive customer acquisition and foster retention creating an infinite loop of brand energy throughout," the report said.

Fourth, participatory CX is essential to the brand-building mix.

"By orchestrating CX, external causes and startlingly new opportunities for co-creation, CMOs will become more than storytellers," the report said. "They will become story-makers, placing consumers at the center of their company values, experiences and processes."

Forrester referred to the Apple Watch that lets consumers contribute their critical data to health research, while Apple gets credit for helping save lives.

Similarly, the Nike Adventure Club locks parents into a sneaker subscription that delivers a personalized shoe experience, encouraging play throughout their kids' childhoods, and forming what will likely become a lifelong

customer relationship while receiving kudos for donating or recycling the outgrown sneakers.

Finally, tech spend will get a strategic calibration.

"Tech spend has reached new heights, but productivity is in decline and CX quality has stalled for the fourth year in a row," according to the report.

"It's clear that buying more technology before you have a strategy is no longer a solution for waning growth."

With 20 years to look back on, CMOs such as Chipotle's Chris Brandt will be smarter and more responsible for their technology decisions, Forrester said.

"Rather than blindly dumping more money into tech spend, we've delivered growth with a strategy built around creative engagement with our customers through existing channels," Mr. Brandt told Forrester.

Forrester expects the perpetual cycle of overzealous upgrades and point systems to slow, spinning innovation back toward human ingenuity.

"Creativity and strategy will recalibrate the tech mess, lifting brands out of this rut and onto the growth path via emotion-laden expressions of brand personality and by using existing underlying technologies to deliver uniqueness to customers," Forrester said in its report.

"Those that don't take this path will be lost in a sea of tech-fueled commoditization."

THERE ARE a couple of key takeaways from the report.

CMOs should battle instability to deliver the continuity that their customers deserve.

Rigid ideas about what marketing is and is not undermine the influence of marketing leaders, the report said.

Next, the brand will unify and define what customer obsession means to the CMO's firm.

"Businesses can no longer afford any amount of disconnect or fragmentation in the brand," the report said.

"Thriving CMOs will seamlessly tailor the clashing patchwork of customer experience, company values and purpose, employee experience and conventional marketing into an integrated tapestry of customer obsession."