

MARKETING

CMOs must turn into game-changers in 2021: Forrester

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Marketing aids the uphill climb in a rough economy.

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After a difficult year, chief marketing officers are in the hot seat and must adapt to shifting economic factors as they make plans for 2021.

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Market volatility and shrinking budgets will pose challenges next year when campaigns are being planned and executed. As a result, CMOs will have to make a series of adjustments, according to "Chief Marketing Officers: Planning Assumptions 2021," a **Forrester** research brief.

"Sweeping societal changes from the global pandemic to the demands for social justice have been a true test of marketing's resilience," said Jennifer Ross, the study's lead author and a vice president and research director at **Forrester** in a related webinar. "Our 2020 planning assumptions are focused on the areas that are going to be most important for chief marketing officers to maintain that stable foundation and drive growth in the year ahead."

Tips for CMOs

Forrester analysts shared a series of recommendations to help guide CMOs through 2021.

First, when the new year comes, it is not wise to distribute spending equally across a marketing campaign. Campaigns should be pruned, and segments or even full campaigns that are unlikely to achieve their targets should be scaled back or eliminated.

Instead, budgets should be spent on campaigns for areas where a business is well-established or has strong growth prospects. At the same time, marketers should avoid cutting promising programs that do not offer a short-term path to revenue.



CMOs should do a better job at understanding the complexity of their customers. Image credit: Unsplash

Business-to-business organizations must also do a better job at understanding the complexity of their customers. Companies that "proactively shape" environments for buyers are positioned to win while organizations that wait for signals of buying activity miss out.

Human connections and emotions about brands are becoming more important for buyers who prefer to do business with those that are authentic and inspire them. Repeat purchases and renewals of services are all based on this fragile connection between the buyer and the business.

"Brands must live up to their self-proclaimed ideals through actions as well as words," according to Forrester.

Another failing of CMOs is their tendency to rely on metrics that often fail to capture the value their marketing is delivering.

Some tend to rely too heavily on measurements such as booking and profitability rather than customer value metrics, for instance. They also can overlook marketing's impact on the lifecycle of a customer.

According to Forrester's 2020 Sirius Decisions Metrics study, 70 percent of metrics used by business-to-business marketers favor organizational value over customer value and 64 percent show the impact on the buying process and not how long customers are loyal.

"Although organizations are striving to become more customer-centric, many still have not changed how they measure marketing value," according to Forrester. "Best-in-class marketing functions strike a balance between metrics that measure customer value and organizational value."

Adaptability is at the core of what CMOs will have to achieve in their planning for next year. However, to achieve that as well as faster and bolder decisions, marketers have to empower others around them and have the correct capabilities in place.

In such a rapidly changing environment, success will require the CMO to be an agent of change within the marketing department as well as when it comes to driving revenues higher.

History of interest

Although the coronavirus pandemic is far from over, it has already fundamentally changed the business and technology worlds in ways that will resonate for years to come. Or at least that is the view of Forrester.

In a report from earlier in the year, the consultants identified macro trends that this "new, unstable normal" will likely usher over the next several years. This includes shifts in customer expectations and digital engagement, which will manifest differently as time goes.

Forrester predicts that in the coming months and years, investors and talent alike will flock to companies that showed high-empathy during this time. Those engaged workforces and financial security will help those same companies become even more competitive ([see story](#)).

Additionally, while consumers stay closer to home during the ongoing coronavirus pandemic, many have made smartphones their primary digital devices and brands should adjust their marketing to meet this important shift.

Forrester forecasts mobile spends will account for 64 percent of digital ad spend across search, social, display and video by the end of 2020

However, brands in sectors that have longer purchase cycles, such as automotive and real estate, should prioritize

ad spend on desktop devices. Mobile ads are still worthwhile for branding and discovery, but will not be as successful for conversions ([see story](#)).

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