WAY BEYOND MARKETING

The rise of the hyper-relevant CMO

#CMOInsights
“It’s a great time to be a marketeer. Opportunity abounds for those who get relevance right.”

John Zealley, Global Lead, Customer Insight & Growth, Accenture

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Marketing is undergoing a profound and lasting shift. Ninety percent of today’s CEOs and CMOs believe that the function will change fundamentally over the next three years. Yesterday’s marketing blueprints are no longer relevant. What worked before will not work again. More than 75 percent of CMOs now admit that past formulas are no match against the new breed of disruptors that seems able to win, time and time again, by delivering more relevant customer experiences.

It may sound discouraging, but it’s not. This is a great time to be a marketeer, teeming with opportunity for those who get it right. How can CMOs architect their organizations into future powerhouses for sustained relevance and growth?
Our global survey of almost a thousand CMOs finds that quietly, almost imperceptibly, a small cohort is leading the way.

These marketeers, just 17 percent of the nearly one thousand CMOs we interviewed in our global survey, told us that they have been extremely successful at delivering highly relevant customer experiences. So, what impact is this having? Significantly greater value to shareholders (see Figure 1 on page 5).

A small group of pioneering marketeers are leading the way.
Pioneering CMOs return greater value to shareholders, on average.

An investment into a portfolio of companies with pioneering CMOs would have outperformed a portfolio of other companies (with the same allocation across industries):

1 YEAR
11%
outperformed by 11 percentage points 2017-2018.

3 YEAR
6%
outperformed by 6 percentage points on average per year 2015-2018.

5 YEAR
3%
outperformed by 3 percentage points on average per year 2013-2018.
What’s the secret to their success?

It’s this: they make the customer central to their thinking and vision, not just in the services they provide, but in how they pivot and adapt as a company. They create what we call a Living Business: one that continuously adapts at speed and scale to achieve total customer relevance and sustained growth.

In the past, we have observed a widespread sense of uncertainty and inertia when it comes to the daunting task of becoming hyper-relevant. Our research lifts the lid on how these pioneering 17 percent of CMOs are bucking this trend. They’re taking on the role of organizational architect, ensuring their brand delivers on evolving customer expectations. They’re challenging business as usual and inspiring lasting change through new actions and new behaviors, building a customer-obsessed organization that’s fit for the new, with new technologies, new customer expectations, and a new and accelerating pace of change.

So, what’s the big difference?

Hint: It’s not about the budget.

What are these pioneering CMOs doing differently? First and foremost, it’s more than just how they’re allocating their budgets.

In fact, our research shows that they’re not spending significantly more than their peers on customer experience or on innovation as a share of their total marketing budget. In other words, they’re not simply throwing more money at the problem. What they are doing is actually far more holistic and transformational.

Figure 2

Pioneering CMOs are not spending substantially more on customer experience or innovation:

“What percentage of your marketing budget is spent on...”

<table>
<thead>
<tr>
<th></th>
<th>Innovation</th>
<th>Customer Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pioneer CMOs</td>
<td>27%</td>
<td>29%</td>
</tr>
<tr>
<td>All Others</td>
<td>24%</td>
<td>26%</td>
</tr>
</tbody>
</table>
The ways that they’re transforming their organizations fall into three broad categories.

**Category 1**
Reinventing for the now and the new.
Taking the reins of innovation and disruptive growth.

**Category 2**
Rejecting a broken marketing culture.
Challenging conventional wisdom and the status quo.

**Category 3**
Rewiring operating models for growth.
Unlocking value by driving collaboration.
Reinventing for the now and the new.

Taking the reins of innovation and disruptive growth.
CEOs increasingly expect their CMOs to be at the helm when it comes to finding new sources of growth. That figure has risen from 25 percent of CEOs having a strong expectation in 2016, to 31 percent today².

The pioneers understand that their organizations must remain in a permanent state of change if they’re to successfully deliver on the ever-evolving needs of customers. They are constantly seeking alternative sources of growth, be it through reinvention of the customer experience, breakthrough innovation or entirely new revenue streams. For example, they’re much more likely than peers to be tapping into data monetization initiatives or new ventures.

Figure 3
How important are the following sources of revenue growth for you as a marketing leader to tap into today?

<table>
<thead>
<tr>
<th>Source of Revenue Growth</th>
<th>Pioneer CMOs</th>
<th>All Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital Advertising</td>
<td>36%</td>
<td>31%</td>
</tr>
<tr>
<td>Digital E-commerce</td>
<td>40%</td>
<td>33%</td>
</tr>
<tr>
<td>Data Monetization</td>
<td>42%</td>
<td>29%</td>
</tr>
<tr>
<td>New Partnerships/Ventures</td>
<td>44%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Pioneering CMOs are not just exploring these new directions, they’re actively rethinking their own roles.

They see themselves not just as solid operators of their organization today, but as visionaries charting the business of tomorrow. Pioneers are:

- 27% more likely than their peers to say that their primary expertise is in being an innovator, looking to use emerging technologies to grow the business.
- 28% more likely than their peers to be spending more than three-quarters of their time on managing disruptive growth.

Dean Robson, Marketing VP at PepsiCo, Europe and Sub-Saharan Africa, asks his team “Are we trying to do better or do different? Disruptive growth is growth that is genuinely different to what went before and not simply accelerating what you are currently doing.”

Take, for example, PepsiCo’s purchase of SodaStream and its launch of Spire vending machines. Both ventures empower customers to personalize their drinks to their own tastes, whether in or out of home. Both are examples of new revenue streams that accrue from asking how the customer experience can be continually improved. They question what it means to be hyper-relevant as a product or service in customers’ lives.
Category 2

Rejecting a broken marketing culture.

Challenging conventional wisdom and the status quo.
While many CMOs understand that they’ll need to focus on disruptive growth, what often holds many of them back is the culture of their organizations.

Many organizations are unable to pivot with agility because change so often involves risk; they’re reluctant to ask what new capabilities and talent requirements are being demanded. Meanwhile, the pioneering CMOs are pulling away from the pack. They’re focused on getting the right capabilities in place to deliver exceptional customer experiences and deploying and developing the best talent in support of that goal. All CMOs, in fact, can do this—it’s simply a matter of taking the plunge.

From high-level strategy down to the nuts-and-bolts of their operations, the pioneering CMOs are breaking decisively away from conventional wisdom. For our pioneers, this starts by turning the mirror on themselves and their own marketing organization. They’re looking inwards in recognition that to enable their organization to flow around the customer, they must challenge business as usual and inspire change.

When it comes to accounting for changing customer attitudes, for example, their attitudes are very different from their peers. They’re far more likely to actively study a number of factors and pivot their marketing agendas in response to shifting outlooks on multichannel experience, trust, transparency and personalization (see Figure 4 on page 14).
To stay “in the new,” pioneering CMOs infuse a customer-centered culture that shapes marketing strategy.

When answering the following questions, consider how specific customer attitudes or behaviors are influencing your current marketing strategy. “Customers..."

**Figure 4**

<table>
<thead>
<tr>
<th>Perception</th>
<th>Pioneer CMOs</th>
<th>All Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are buying more through multichannel experiences than the conventional single channel.</td>
<td>56%</td>
<td>33%</td>
</tr>
<tr>
<td>Expect us to continuously innovate with more relevant products, services and experiences that adapt to their needs and set new standards.</td>
<td>52%</td>
<td>33%</td>
</tr>
<tr>
<td>Constantly re-evaluate their choices and are becoming increasingly difficult to predict in their buying behavior.</td>
<td>52%</td>
<td>33%</td>
</tr>
<tr>
<td>Distrust brands more easily due to data privacy.</td>
<td>51%</td>
<td>32%</td>
</tr>
<tr>
<td>Require greater transparency—they want to know where products are manufactured, materials are sourced, etc.</td>
<td>50%</td>
<td>32%</td>
</tr>
<tr>
<td>Have higher expectations toward brands: they need to stand for something bigger than the products/services they sell. They need to inspire, set new standards, have a clear purpose and emphasize certain values.</td>
<td>45%</td>
<td>31%</td>
</tr>
</tbody>
</table>
Pioneering CMOs are discovering how to become ever-more relevant in their customers’ lives, infusing their brands with a clear purpose and strong meaning that aligns with their customers’ values.

Consider that, of the top 40 brands at Unilever, nearly half focus on sustainability. It turns out that those brands grow 50 percent faster than the company’s other brands and deliver more than 60 percent of the company’s growth3.

How do pioneering CMOs keep pace with changing customer expectations? While many marketing organizations default back to the assumptions that brought them success in the past, it’s little surprise that these leading marketeers are at the forefront when it comes to using data to drive new insights and new action, to be able to flex and adapt and pick up speed when necessary. They’re instilling a culture that’s customer-obsessed and data-focused. In fact, they’re 26 percent more likely to say that marketing should own the customer record throughout the customer journey—from first contact, all the way through to sales and service—and that marketing should be able to leverage and benefit from the insights derived from that data.

Who knows wins.

Spanish telecoms company Telefónica, for example, found that their customers make most of their buying decisions online.

That’s why they invested in the ability to deliver customized content to customers browsing their website and digital materials, to suit their individual needs and desires. The transformation has not only improved the experience for millions of customers across five countries, but also accelerated the company’s sales. By observing customer needs and adapting rapidly, the company has made storming progress on its journey to become a Living Business.
Whilst a new mindset is important, it’s also about how that translates into new capabilities and new talent considerations.

The pioneers are getting their houses in order by taking stock of how they can better leverage their existing organizations. What’s more, they’re also considering what they don’t have—and how to get it.

29% more likely than their peers to be in-sourcing new capabilities.

21% more likely than their peers to be experimenting with new and innovative solutions.

23% more likely to be focused on their people as they establish a customer-centric organization.
What’s especially surprising is the particular kinds of skills and assets they’re looking to bring in-house.

We asked CMOs what kinds of roles they’d need on their teams in the future to become Living Businesses. The responses from the pioneers show that, far more than their peers, they’re thinking about entirely new categories of marketeers: Immersive experience designers. Storytellers. Growth hackers who unlock revenue through relentless experimentation. Futurologists. Trust leaders. The list goes on (see Figure 5 on page 19). By looking seriously at roles that straddle traditional boundaries, and which in many cases don’t even exist today, these future-oriented CMOs are building a future-ready culture.
Pioneering CMOs are much more likely to see the value of new marketing roles.

Please think about some of the new kinds of roles and skills that an intelligent marketing organization might need to be successful in three years’ time. How likely is it that the following skills and roles—some of which are hypothetical or non-traditional—will have an important beneficial impact in helping your business grow then?

Figure 5  Percentage who said they would rely on these roles to a large extent:

- **Immersive Experience Designers** who connect digital strategies to physical experiences for a connected customer experience.
  - Pioneer CMOs: 87%
  - All Others: 65%

- **Growth Hackers** who lead rapid and relentless experimentation across marketing channels and product development to optimize activity and unlock growth.
  - Pioneer CMOs: 82%
  - All Others: 64%

- **Chief Storyteller** who masters storytelling in ways that drive deeper emotional connections with customers.
  - Pioneer CMOs: 81%
  - All Others: 66%

- **Marketing Monitors** or Ombudsmen who ensure automated outputs from bots or Artificial Intelligence systems do not conflict with brand values or mistakenly create public relations problems.
  - Pioneer CMOs: 81%
  - All Others: 65%

- **Customer Experience Curators** and empathists who design ways to connect customers to brands in hyper-personalized ways.
  - Pioneer CMOs: 80%
  - All Others: 67%

- **Futurologists and Trend Setters** whose responsibilities will include the early identification/anticipation of new opportunities for the company based on current and future customer trends.
  - Pioneer CMOs: 80%
  - All Others: 67%

- **Reality Checkers** outside people (including consumers) who are constantly feeding in insights into the organization to keep companies grounded.
  - Pioneer CMOs: 80%
  - All Others: 67%

- **Trust Leaders** who protect customer data and oversee the design of safe customer experiences that leverage personalized information but don’t risk data breaches or overstepping the trust line with customers.
  - Pioneer CMOs: 80%
  - All Others: 66%

- **Cause Matchmakers** an evolution of sponsorship leaders who identify a broad range of opportunities to do good and deliver something back to customers, employees and stakeholders.
  - Pioneer CMOs: 78%
  - All Others: 63%

- **Artificial Intelligence Designers/Consumer Psychologists** who help engineer robotics and help voice enabled assistants to be more human.
  - Pioneer CMOs: 77%
  - All Others: 65%
Category 3

Rewiring operating models for growth.

Unlocking value by driving collaboration.
If it aint broke, break it.
Behind every great marketeer is a bunch of great people.

Compared to their peers, the pioneers value their connections to other C-suite executives more highly—and they’re less likely to be satisfied with the state of collaboration in the status quo (see Figures 6a and 6b on pages 23 and 24). They are building alliances with HR, sales, finance, the CIO function, and others to develop and implement the systems, processes and mindsets necessary to deliver the most relevant customer experiences. These CMOs are dedicated networkers focused on influencing the broader organization more than ever before.

The great majority of marketing organizations soldier into the future with the operating models of the past; for example, only 14 percent of companies prioritize breaking down barriers between marketing, sales and service functions⁴.

By contrast, our research finds that the pioneering CMOs are more likely than their peers to be fundamentally transforming their marketing operating models. They recognize that a crucial means to unlocking growth is by breaking barriers: whether that’s silos within their marketing organizations, dissonance between their marketing organizations and the rest of the company, or unrealized opportunities among their agencies and ecosystem partners.

⁴. Rethink the Role of the CMO, Forrester Consulting Research, October 2018 commissioned by Accenture.
Pioneering CMOs value their connections to other C-suite executives more highly...

In order to impact business priorities and strategic issues, how important do you believe it is that your function works closely with selected C-suite executives and their respective organizations?

Figure 6a Percentage who responded “Important” or “Very Important”:

<table>
<thead>
<tr>
<th>Function</th>
<th>Very Important</th>
<th>Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO/Board of Directors</td>
<td>48%</td>
<td>40%</td>
</tr>
<tr>
<td>COO/Manufacturing Organization</td>
<td>43%</td>
<td>40%</td>
</tr>
<tr>
<td>CSO/Sales Organization</td>
<td>43%</td>
<td>40%</td>
</tr>
<tr>
<td>Chief Research and Design Officer/Innovation Organization</td>
<td>43%</td>
<td>40%</td>
</tr>
<tr>
<td>CIO/IT Organization</td>
<td>46%</td>
<td>40%</td>
</tr>
<tr>
<td>CFO/Finance Organization</td>
<td>44%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Pioneer CMOs
- Very Important
- Important

All others
- Very Important
- Important
...and are less likely to be satisfied with current levels of C-suite collaboration.

How would you rate the current level of collaboration and purposeful integration with the C-suite executives and their respective organizations?

Figure 6b Percentage who responded “Satisfied” or “Very Satisfied”:

- CEO/Board of Directors
  - Very Satisfied: 27%
  - Satisfied: 35%
  - Very Satisfied: 20%
  - Satisfied: 41%
- COO/Manufacturing Organization
  - Very Satisfied: 21%
  - Satisfied: 47%
  - Very Satisfied: 22%
  - Satisfied: 41%
- CSO/Sales Organization
  - Very Satisfied: 21%
  - Satisfied: 42%
  - Very Satisfied: 21%
  - Satisfied: 36%
- Chief Research and Design Officer/Innovation Organization
  - Very Satisfied: 26%
  - Satisfied: 38%
  - Very Satisfied: 19%
  - Satisfied: 43%
- CIO/IT Organization
  - Very Satisfied: 20%
  - Satisfied: 31%
  - Very Satisfied: 18%
  - Satisfied: 43%
- CFO/Finance Organization
  - Very Satisfied: 20%
  - Satisfied: 39%
  - Very Satisfied: 19%
  - Satisfied: 44%

Pioneer CMOs
- Very Satisfied
- Satisfied

All others
- Very Satisfied
- Satisfied
We spoke to the CMO of a global e-commerce business who underscored the importance of an intuitive C-suite partnership.

They explained why data-oriented C-level collaboration has become so much more important over the past few years—and how it’s led to valuable organizational changes.

First, he notes, with marketing becoming ever more measurable and accountable, the relationship with the CFO has become all the more critical—and more beneficial. “I now have finance people embedded in the marketing team with channel leaders—they look at every dollar spent and help to optimize the mix.” Similarly, as agility on the technology front has become more integral to his marketing objectives, his relationship with the CIO is now more important than ever. “The amount of time I spend wiring up my different technologies and making sure that the data all lands in one place and can be used by all channels—that’s huge. That’s complex. So now we have a marketing technology team which sits in the CIO organization but reports into the CMO and sits on our leadership team.” And, finally, he notes that his exchanges with the chief product officer have taken on a new and greater velocity—relaying feedback about member services, product reviews, and social media posts, for example, which are put to use in product and service innovation.
This same level of value-driven collaboration applies to their external partner relationship:

Pioneering CMOs are more eager to take full advantage of the opportunities within their broader ecosystem.

They see partnerships as being a critical driver of business growth. One executive we spoke to, a senior marketing director at a global consumer goods giant, told us “It’s around making sure we have the right agency infrastructure to drive growth... the right partners and the best people working with us in those partners.” Pioneers are:

17% more likely to be expanding beyond traditional agency partners.  
18% more likely to be engaged with the possibilities offered by digital platforms.
Disruptive new competitors have their sights firmly set on the large traditional organizations.

They see these companies’ customers as fair game and are luring them away through increasingly relevant experiences, and their ability to adapt to changing needs. Incumbent CEOs, for their part, aren’t particularly optimistic. Two in three don’t believe that their current marketing leads have the leadership skills or business acumen required for the role. And, CEOs are equally unconvinced that the next generation of marketeers will be any more capable when they eventually take the reins.

But don’t be discouraged. This, in fact, represents a tremendous opportunity for CMOs right now; the potential to reinvent their roles and secure future growth for their companies in this challenging environment.

For all CMOs, there is no better way to make your mark than to follow the lead of the pioneering 17 percent of marketeers identified in this study.
Embracing the hyper-relevant CMO:

**Pursuing disruptive growth.**
Don’t be afraid to pursue radical new avenues for future growth and overturn conventional legacy thinking and processes. Look to frequently challenge the status quo in pursuit of better customer experiences and more sustained growth.

**Getting granular about growth.**
There has never been a better time to be a marketeer. Like the leading marketeers we studied, you can put the newest and best technologies to the greatest use on the abundance of data you have available—leveraging analytics to drive granular insights that inform your growth strategies.

**Re-orientating and re-invigorating your organization around the customer.**
Unlock value by relentlessly ensuring you can deliver relevant experiences at every touchpoint. To that end, own the end-to-end customer experience, and build agility into your organization to evolve around the changing needs of your customers.

**Becoming the architect of a new operating model.**
Rewire your organization with a new, more connected operating model—one that heightens collaboration among both internal groups and external partners in ways that align the right skills and behaviors to drive successful and sustained growth.
Cometh the hour, cometh the CMO.

Becoming a Living Business is an exciting journey—embracing the chance to evolve and adapt ahead of the curve, at the speed of customers.

The time for marketeers to take action is now.
Authors.

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**Global Lead, Customer Insight & Growth, Accenture**

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Nevine has over 30 years marketing and consultancy experience and she began her career in marketing at Unilever and then Reckitt Benckiser. She has extensive experience in supporting organizations and teams develop their marketing capabilities, developing their portfolio and marketing strategies, and shaping their operating models.

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Michele’s career spans over 30 years in marketing and consultancy, including Colgate Palmolive, PepsiCo and Brand Learning, now part of Accenture. She has worked in London, Europe and New York and has extensive experience helping global companies shape future growth and build the capabilities to deliver the growth in practice.
**Nicholas Diamond**  
**Managing Director, Accenture Strategy**  
Nicholas leads the Global Marketing Strategy practice for Accenture. He works with senior marketing and business leaders to shape the strategic marketing agenda for sustainable and profitable growth, in the context of industry disruption. Specifically, he helps define transformational marketing strategies around: growth strategy; demand creation; spend optimization; and operating model design.

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**Senior Principal, Accenture Research**  
Josh leads, designs and executes high-level research and thought leadership initiatives to position Accenture on the leading edge of business insight. His research helps clients navigate the increasingly complex intersection of disruptive new technologies, fast-changing digital consumer behaviors, and the emergence of radically different “just-in-time” marketing practices. His articles have been published in the Wall Street Journal, Harvard Business Review, MIT Sloan Management Review, the European Business Review and Strategy and Leadership, among other publications.
About the research

Accenture Research conducted a survey of 935 CMOs and 564 CEOs in 12 countries across 17 industries, between March 2018 and April 2018. Of the companies represented, 38 percent had revenues between $1B and just under $5B; 33 percent between $5B and just under $10B; and another 29 percent over $10B. Brand Learning also carried out in-depth discussions with CMOs, and senior marketing executives as well as thought leaders from within Accenture.

Countries covered in the CMO and CEO survey: Australia, Brazil, Canada, China, France, Germany, Italy, Japan, Spain, Singapore, United Kingdom, Unites States. Industries covered in the CMO and CEO survey: Automotive, Banking, Industrial Equipment, Life Insurance, Property and Casualty Insurance, Media and Entertainment, Pharmaceuticals/Bio Technology, Life Sciences Medical Products, Retail, Telecom, Tourism and Travel, Utilities, Energy, Chemicals, Consumer Goods and Services, Electronics and High Technology.

We would like to thank everyone who helped shape this study and its recommendations. Specific credit to Michael Malinoski, Accenture Research as contributing survey lead.

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About Brand Learning

Brand Learning, now part of Accenture, builds the capabilities of people and organizations in Marketing, Sales, Digital, HR and Leadership to deliver growth. We have partnered with over 160 organizations including Shell, Unilever, PepsiCo, Novartis, HSBC, Grab and GSK to help them shape the future and build the capabilities to make it happen in practice. Visit us at www.brandlearning.com

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