



2015 CMO Impact Study: Executive Summary

By Kimberly A. Whitler and CMO.com

The second annual “CMO Impact Study,” designed to understand how the CMO impacts the development of a firm’s marketing capability and financial performance, adds a new dimension—how the CEO role impacts the CMO role. Unique to this report, only those who participated in the study get access to the complete results. This is done to ensure a high-quality respondent pool of CMOs and to benefit those who invest their time.

The analysis is based on a total of 564 respondents, 223 of whom are CMOs (i.e., the head of marketing for their firms, regardless of title). The survey was conducted throughout the winter of 2014/2015.

The following analysis investigates the CMO and CEO roles and compares responses across firms with high marketing capability (top tertile) and low marketing capability (bottom tertile). While most surveys merely report responses to questions, we specifically designed this survey to be able to compare CMOs, their roles, their perceptions and their responses across better- and worse-performing firms. The result is that CMOs can gain insight regarding why they may (or may not) be having the impact desired.

As mentioned, this year we examined how CEO characteristics relate to firm-level marketing capability development, providing insight on how factors beyond the CMO’s control may affect the ability to have impact. The following summary provides insight regarding the relationship between the CMO/CEO and firm-level marketing capability.

Overall Learnings

01. Firms that are better at marketing have higher market share.

In our sample, firms that are better at marketing have nearly two-thirds higher market share than firms that are weak in marketing capability. This makes sense given that strong marketers possess the skills to drive higher growth at their firms relative to competitors (i.e., market share).

02. CMOs in firms with higher marketing capability are more likely to be included in firm-level strategy meetings.

CMO inclusion in key strategy meetings is significantly higher (11 percentage points) in firms with stronger marketing performance than in firms with weaker marketing performance.

03. CMOs with both analytical and creative skills are more likely to work in firms with stronger marketing capability.

“Balanced” CMOs—that is, those with both right- and left-brain training—are more likely to work in firms with better marketing capability than either analytically trained or creatively trained CMOs. This speaks to the importance of being able to analyze and use insight to change consumer beliefs and behavior.

04. CMOs with primarily an analytical background are more likely to work in firms with weaker marketing performance.

This is likely surprising to many CMOs and CEOs, but it shows that only having an ability to analyze is not enough. Converting insight into strategies, plans and actions that impact the consumer is equally important and requires skill. This is a cautionary tale to CMOs, CEOs and executive recruiters to not overweight analytical skills at the expense of creative skills.

05. Whether the CEO prioritizes marketing impacts the firm's marketing capability.

CMOs who agreed that their CEOs prioritize marketing tend to work in firms with significantly higher marketing capability.

06. CMO and CEO continuity is good for marketing performance.

In firms with higher marketing capability, both the CMO and CEO have significantly longer tenure (15% and 35% higher, respectively), suggesting that continuity of leadership is related to stronger marketing performance.

07. Stronger marketing firms have CEOs who are more likely to have been promoted from within.

Consistent with the prior point, continuity tends to be associated with higher levels of marketing capability, even at the CEO level. CEOs who are promoted from within (versus hired from outside the firm) are less likely to have been significant strategic shifts, which can disrupt marketing activities and potentially impair results at the outset.

About the researchers

About Kimberly A. Whitley

Kimberly A. Whitley, Ph.D., is Assistant Professor of Marketing at the University of Virginia's Darden School of Business. Previously, Whitley spent nearly 20 years in senior marketing and general management positions and is a three-time CMO. She writes a monthly blog for CMO.com ("CMO Matters"), is a Forbes contributor and has published in Ad Age, The CMO Council, PeerSphere, The Marketing Science Institute, Chief Marketer and HBR.org. Whitley has also presented at a variety of conferences and events, including the CMO Club, the CMO Exchange, the Marketing Forum USA, the American Marketing Association's Educator's Conference and the Academy of Management Conference. She attended the U.S. Air Force Academy, received a B.A. in Psychology and Business Administration from Eureka College, an MBA from the University of Arizona, an M.S. in Marketing from Indiana University and a Ph.D. from Indiana University.

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