

# From Stretched to Strengthened

Insights from the  
Global Chief Marketing  
Officer Study

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“As a small company, our biggest challenge is competing against big corporations, so we have to have a market presence that looks and feels like a big company.”

**Vice President**, Marketing, Midmarket services company, United States

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***CMOs from midsize firms are striking a better balance today between investing in solutions that drive efficiency and those that improve decision making, foster collaboration, and enhance customer relationships.***

How are chief marketing officers (CMOs) helping their enterprises cope with the fundamental shifts transforming business and the world? To find out, we conducted 1,734 face-to-face interviews with CMOs in 19 countries, including 88 marketing leaders from midsize organizations.

Our interviews reveal that CMOs see four challenges as pervasive, universal game-changers: the data explosion, social media, proliferation of channels and devices, and shifting consumer demographics. To respond to this, CMOs in midsize firms are focusing on understanding individuals as well as markets, determining how data can help build customer relationships, strengthening brand identity and customer loyalty, and demonstrating marketing's return on investment (ROI).

In the course of our conversations with CMOs worldwide, an overwhelming consensus emerged. The vast majority of CMOs believe there are three key imperatives that will enable them to respond to the marketing challenges in today's complex world. They must understand and deliver value to empowered customers; create lasting relationships with those customers; and measure marketing's contribution to the business in relevant, quantifiable terms.

Deliver value  
to empowered  
customers

Capture value,  
measure results

Foster lasting  
connections



## Midmarket insights

### ▶ **Swimming, treading water or drowning?**

- CMOs are facing significant challenges and most feel underprepared to manage them. Overall, the data explosion, social media, growth of channel and device choices and shifting consumer demographics were the top four concerns for all CMOs. Midmarket marketing leaders say their four biggest challenges are decreasing brand loyalty, the data explosion, growth of channel and device choices and social media.

### ▶ **Deliver value to empowered customers**

- Many organizations struggle to develop customer insights because they primarily focus on understanding markets rather than individuals. Overall, at least 80 percent of CMOs rely on traditional sources of information, such as market research and competitive benchmarking, to make strategic decisions. Midmarket marketing leaders rely primarily on competitive benchmarking, market research, corporate strategy, customer service feedback and sales/sell-through numbers for decision making.
- Across all industries, the two biggest barriers hindering CMOs from adopting new tools and technologies are cost and lack of certainty about ROI. Midmarket marketing leaders are in agreement, with 82 percent citing cost as the biggest barrier and 60 percent citing lack of ROI certainty.

### ▶ **Foster lasting connections**

- In this digital era, organizations need to understand customers and act quickly on what they learn. As Midmarket marketing leaders manage the shift toward digital technologies, enhancing customer loyalty/advocacy is their top priority.
- More than half of the CMOs say their corporate character is well understood in the marketplace. Yet 57 percent also say more work remains to get employees on board. Fifty-four percent of Midmarket marketing leaders believe their corporate character is understood and 52 percent say more work remains.

### ▶ **Capture value, measure results**

- Sixty-three percent of respondents believe marketing ROI will become the most important measure of success over the next three to five years. Marketing leaders for midsize firms feel even more strongly, with 74 percent saying marketing ROI will become the most important measure.
- Most CMOs use partnerships primarily to augment their promotional activities. Over the next three years, Midmarket marketing leaders plan to use external resources for online community development, sales contact/lead management, event management and creative brand strategy.

For further information or to reach an IBM industry expert, please contact [iibv@us.ibm.com](mailto:iibv@us.ibm.com).

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