

What Keeps CMOs Up at Night?
Second Annual CMO Survey

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- CMOs 75% of respondents
- Longevity:
 - 57% < 2 years in current job
- Background:
 - 90% product management
 - 84% marketing communications
- Industry:
 - 60% high tech software or Internet
 - 14% communications
 - 14% high tech hardware



The Role of the CMO is Changing-1

Broader Role Integrating All Functions

- *“Moving more towards end-to-end operational optimization, since all functions—customer care, fulfillment, billing—are aspects of the customer product/service experience that impact customer satisfaction.”*



- *“The CMO is transitioning from marketing leadership towards being the ‘master clock’ of the organization.”*

The Role of the CMO is Changing-2

CEO Business Partner and Strategist

- *“The CMO is becoming much more of a business partner to the CEO and the COO.”*
- *“Acting as a COO more than a SVP of Marketing.”*
- *“More leadership in strategic decisions.”*
- *“More responsibility and broader leadership role”*



Innovate and Sell

- *“The CMO is increasingly accountable for the two critical functions of the business: to innovate and to sell.”*
- *“I am responsible for new service creation and roll-out”*



Catalyst to Customer-Driven Brand Business

- *“The CMO role is changing from search-centric marketing to catalyst transforming the enterprise...to a customer-insight and brand driven organization.”*
- *“Move from a raw start up to a company with a good customer base and brand*



1. Revenue Generation

- *“Driving revenue from marketing programs”*
- *“Revenue growth”*
- *“Creating a predictable stream of revenue for our company- from inquiry to closed contract.”*
- *“Lead generation”*

2. Positioning/Branding

- *“Changing the brand perception of the company and product”*
- *“Repositioning the company”*
- *“Blending a fragmented brand in numerous disassociated businesses into a cohesive story for our customers*

The Google logo, featuring the word "Google" in its signature multi-colored font (blue, red, yellow, blue, green, red).The Dell logo, the word "DELL" in blue, with a white triangle above the second 'L', and a small "TM" trademark symbol.The Nortel logo, the word "NORTEL" in white, with a stylized "N" and "O" that overlap, set against an orange rectangular background.The Microsoft logo, the word "Microsoft" in white, set against a blue rectangular background.

3. Customer Acquisition/Customer Focus

- *“Customer acquisition”*
- *“Diversification of my client base”*
- *“Growing customers in two businesses at the same time”*



4. Alignment of sales and marketing

- *“Designing integrated sales and marketing demand generation processes and goals”*
- *“Reinforce marketing and planning function more aligned to market/customers”*



5. Alignment across geographies

- *“Ensuring cross-functional and global alignment”*
- *“Positioning the company for global expansion”*
- *“Growth and value of the brand globally”*



Crucial Challenges in 2006



1.	Growing revenue	64%
2.	Building my company's brands	45%
3.	Aligning marketing with sales	42%
4.	Entering new markets/channels	38%
5.	Accountability for marketing programs	33%
6.	Growing/developing staff	26%
7.	Fighting new competitors	22%
8.	Integrating an acquisition	19%
9.	Moving marketing toward Internet focus	12%
10.	Automating marketing function	12%

Growing revenue dominated the CMO challenges for 2006

Measures of marketing effectiveness

Very High Importance (9 or 10 on scale of 1-10)

1.	Customer satisfaction and loyalty	55%
2.	Customer experience with product/service	50%
3.	Tracking leads all the way through sales	44%
4.	Lead generation, with qualification of leads	38%
5.	Product/service innovations	36%
6.	Brand awareness and equity (increase/decrease)	31%
7.	Specific marketing campaign success	24%
8.	Marketing employee retention	22%
9.	PR effectiveness	22%
10.	Market share by customer segment	17%
11.	Advertising effectiveness	12%
12.	Cross-selling across business units	7%
13.	Search engine optimization	5%



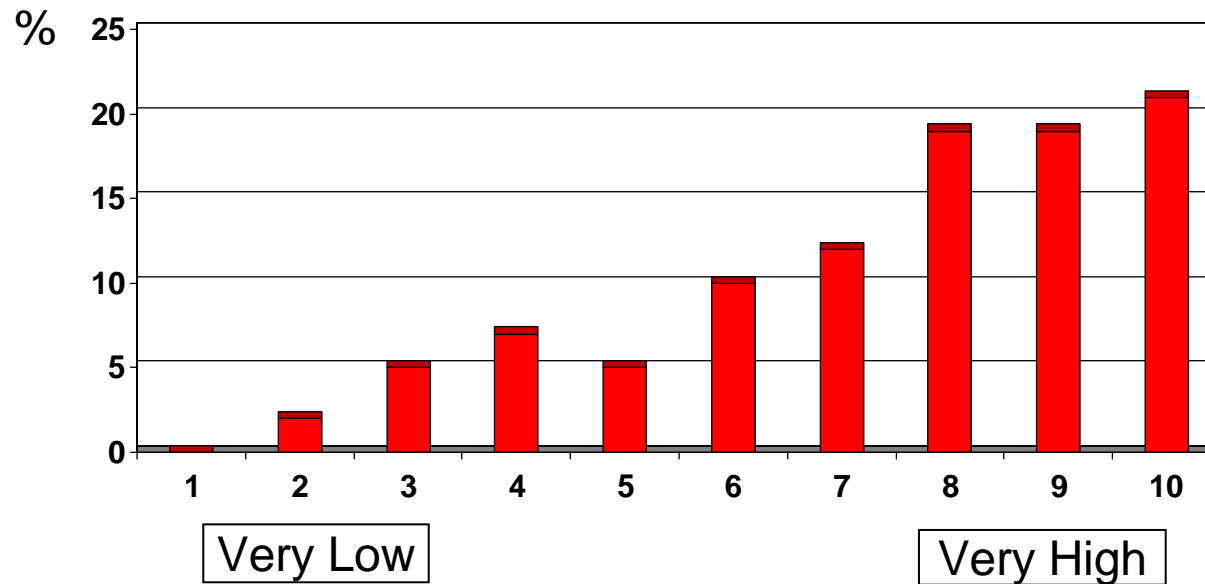
Gap between the importance of marketing measures and satisfaction with current effectiveness

1.	Customer satisfaction and loyalty	40%
2.	Customer experience with product/service	37%
3.	Tracking leads all the way through sales	31%
4.	Lead generation, with qualification of leads	28%
5.	Brand awareness and equity (increase/decrease)	21%
6.	Product/service innovations	20%
7.	PR effectiveness	7%
8.	Specific marketing campaign success	6%
9.	Advertising effectiveness	5%
10.	Cross-selling across business units	2%
11.	Marketing employee retention	2%
12.	Search engine optimization	- 2%



CMOs Feel The Heat

How much pressure do you feel from your CEO and other C-Officers to prove the value of your work in the marketing function and your value to the company?



40% of CMOs feel high pressure to prove their value to the CEO



CMOs: Most Satisfying Part of Job



Success: Delivering results, growing the company

- *“Winning converts to the role marketing can play in business success”*
- *“Market success and growth”*
- *“Creating the market that leads to changes in the economy and society”*
- *“Affecting 125 million people and making a positive impact on our culture”*

Team

- *“Working with a great team of talented people”*
- *“Developing the team”*

CMOs: Least Satisfying Part of the Job

Administrivia: from meetings to phone calls to managing the admin to paperwork

Justifying existence, providing proof of success

- *“Proving ROI of marketing functions/activities that I KNOW work”*
- *“Justifying my team’s existence to the Business Units”*
- *“Insufficient respect from other C-level execs for marketing contributions, skill and expertise”*

Budget and resource management

- *“Budget management”*
- *“Fighting for resources”*

Staffing, personnel issues

- *“Being understaffed”*



Biggest Challenge in 2007

Revenue Growth (>50% of open-ended answers)

- *“Accelerating revenue growth through acquisition”*
- *“Customer acquisition, increasing market share”*
- *“Generating demand for products and services”*

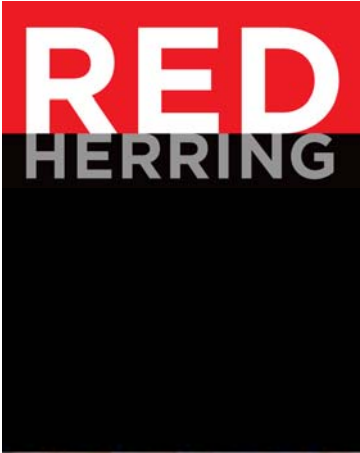
“Aligning marketing to strategic direction”

Positioning/Branding

- *“Continuing to change brand perception. It’s a long road.”*
- *“Integrating new acquisitions and brands”*

Growing Globally

- *“Building awareness on an international basis”*
- *“Entering international markets, especially Japan”*



THANK YOU

- Internet Survey, December 2006-January 2007
- 42 Respondents, 15% response rate
- CMOs- 75%
- 14 Questions
 - 6 Open-Ended
 - 4 Rating Questions (up to 20 ratings)
 - 4 Descriptive Questions

