

/// CMO Outlook

Report

Data, Decisions, and Optimism:
How CMOs are driving change in
an evolving world

01 Reasons to be cheerful: marketing's emerging optimism in the face of adversity

Macroeconomic and geopolitical risks continue to present a challenging scenario for businesses. But emerging technologies, diverse revenue streams and changes in consumer behavior all present opportunities for positive change.

GfK's new research shows that 78% of CMOs are optimistic about the future. And progressive, forward-thinking marketing leaders have every reason to be upbeat.

Leading-edge technology is elevating the function's customer-facing and back-office operations. Real-time insights and prescriptive data analytics are gaining traction. Investment in AI and related innovative technology is growing as use cases proliferate. And as ESG concerns move to the forefront of board discussions, CMOs have a chance to become champions of the consumer-critical sustainability agenda.

Each holds importance in the boardroom and offers CMOs a platform to increase their strategic influence. Indeed, they

have a unique opportunity to position themselves ever closer to the heart of their organization and instigate positive change.

Optimism across markets

Certain sectors continue to prove their resilience despite ongoing economic uncertainty. The technology and durables market is representative of a new post-Covid, digital buying cycle, likewise the retail sector. Both are bouncing back as consumers look to make purchases postponed during the pandemic.

"Consumers are making more time to evaluate what they spend their money on," reports one senior marketing leader at L'Oréal. "This is an opportunity for ecommerce because it enables consumers to survey their spending. As a brand, we have a duty to ensure that they have all the information they need."

Market leaders have adjusted by investing in digital-first activations and campaigns. This strategy builds closer connections with consumers in the virtual arenas they increasingly inhabit.

78%

of senior marketers say they are optimistic about the future

It also offers better customer experiences that deliver long-term value. These can be further optimized through data insights and generative AI that underpin greater personalization and automation.

"Marketers are increasingly leading the charge towards data maturity, becoming ever more sophisticated in how data is used," says Garcia Villanueva. "Advanced data capabilities that help organizations make better decisions to prepare for whatever comes next will be a key marker of success in the future."

65%

of marketing leaders say it's easy to justify marketing investments

CMOs that can make the business case for adopting analytics and more innovative technology - and then make the most of it - will be in an enviable position. Those that can't, will find themselves trapped in a cycle of reactive, short-term activity that erodes their margins and brand value over time.

"I see a massive correlation among CMOs that embrace technology and those that are optimists,"

says Gonzalo Garcia Villanueva, global CMO at NielsenIQ. "We're also seeing companies better understand the need to strategically invest in their brand for long-term growth - and this extends to sustainability too. Purpose and the bottom-line are converging and this is a positive for marketers."

Most marketers show impressive confidence in their ability to justify marketing investments. Almost two-thirds say it is easy to make the case for funding. But securing investment is easier for some marketers than others - and this is clear across regions.

CMOs in APAC report that while their businesses have been relatively unscathed by ongoing economic uncertainty, they are among the least optimistic about their firms' growth prospects over the next three years. In turn, they are also among the least confident in their prospects of securing the investment they need.

Company size is an influential factor too. Marketers in mid-sized businesses seem most confident of unlocking future investment, while marketing leaders in the biggest firms are the least. These CMOs are most likely to be facing complex, multi-brand challenges that inhibit their access to funding.

Marketing investment is increasingly dependent upon demonstrating ROI to decision-makers. CMOs must take every chance they can to embrace an iterative culture. Only by testing and learning to improve returns will they make a convincing argument for further investment.

"We've all seen the impact of recent disruption on business-wide operations. These market events can pose either a risk or an opportunity on an almost weekly basis," adds Garcia Villanueva. "Marketers need to build prescriptive, data-driven processes so that they can stay ahead of such events and capitalize."

There is a general recognition among CMOs that they have a delicate balance to strike. They must defend their budgets and demonstrate the ROI of short-term projects to highlight their value to the business. But they must also be mindful of the importance of long-term investment. This is no easy feat, yet 78% of respondents believe that they have a clear understanding of the activities, channels, and marketing levers that provide the best returns.

Senior marketers are growing more upbeat - and rightly so. In this report we look at the key factors behind this optimism and analyze why CMOs have every right to feel positive about their future as drivers of change in their organizations.

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Gonzalo Garcia Villanueva

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