
From CMO to C-Uh-Oh

Why the level of turnover among retail CMOs?



Misalignment between operators and marketers



The ever-present Amazon threat and format shifts



The evolving skill set



Digital integration and mix complexity



Rapidly changing consumer landscape



Loss of brand control



Interconnectedness across the C-suite



Immediacy effect



Misalignment between operators and marketers. Retail GMs seek traffic driving and promotional activities to drive near-term operational results. Marketers typically have a longer-term view of metrics that drive returns. Both sides have a case. The marketer is the ‘piggy in the middle’ that balances the need to produce results with the need to be the voice of the customer and the devil’s advocate that helps strengthen the overall business proposition. The balance can be hard to master.



The evolving skill set. CMOs, along with most business leaders, have historically been hired based on past experience. But what was successful 5 years ago may not work now. Experience is much less important versus agility and adaptability. Many marketers grew up in a world of advertising, positioning and branding. Now marketers are expected to master data, digital, customization and optimization. Rather than pivoting one way or the other, the key is to strike a balance of both. Instead learning agility and adaptation to new consumer shopper habits may matter more.



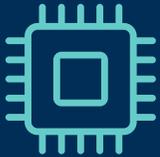
Rapidly changing consumer landscape. Consumers do not make decisions the way they used to. Few retail marketers truly understand the full omnichannel experience a consumer is looking for, as less than one third believe they have a single view of the customer profile across all channels.* They know it differs but are unclear on what dimensions. The flight to youth has witnessed platitudes about engaging younger consumers emotionally but hasn’t delivered business results.



Interconnectedness across the C-suite. Traditionally relationships with merchandising and operations mattered most. As marketers talk more about deploying data and making real time decisions in a programmatic way, integration with the CIO and even CFO increasingly matter. Today, while collaboration between the marketing and technology functions is vital for success, over 87% of digital leaders in retail agree that further integration between the two is needed for better execution overall.* Working cross functionally across the entire C-suite is a very different skill than simply evaluating a TV campaign’s impact on branding.



The ever-present Amazon threat and format shifts. There is increasing pressure to adapt business and marketing models to the Amazon juggernaut. eCommerce is both a sales and marketing channel, but is typically treated as a sales channel alone. CMOs who do not have full eCommerce responsibility are operating without control over one of their biggest marketing vehicles. While footsteps into retail locations have dropped significantly, brick and mortar sales have grown as the consumer is more informed, referencing twice as many sources before making a purchase. In some categories (for example, appliances) 90% of sales are web-influenced although 80% of sales still occur in a brick and mortar location.



Digital integration and mix complexity. While traditional retail traffic driving tactics are declining in effectiveness, many marketers are still trying to gain mastery of digital. Digital alone does not yet represent the silver bullet solution for most retailers. Today, media outlets are so fragmented that making a difference at scale has become more difficult than ever. Budgets and teams are spread too thinly among too many fragmented channels. Hence the mix has become more complex with more variables to optimize.



Loss of brand control. Most CMOs have increasingly less control over their brand. Consumers now have a louder voice, giving them a larger say in determining what a brand really is. Yesterday's CMO told the customer what their brand stood for. Today's CMO guides the brand by working internally to ensure the company meets the needs of the customer to build the brand.



Immediacy effect. If a CEO needs to buy time with his/her board, making a change in marketing leadership can offered as a signal of change.