

Gartner for Marketers

5 Strategic Priorities for CMOs

Tackle Constraints on Capacity,
Capital and Capabilities in 2021



Introduction

CMOs always have big plans to innovate and evolve their organizations, and in 2021, this is no exception. However, in a year that will bring continued challenges and uneven recovery, they risk trying to accomplish too much. Success will hinge on setting realistic expectations and making tough choices.

When it comes to strategic planning, the path to tomorrow is never a straight line. Customer expectations are higher than ever. Marketers are under intense pressure to deliver positive results despite increasing competition, economic uncertainty and geopolitical upheaval. Faced with these conflicting demands, it will be easy to veer off course in 2021.

Our CMO Strategic Priorities Survey 2020-2021 polled 381 marketing leaders on their challenges and objectives for the coming year. Their responses surfaced five priorities to act on, from budgeting realities to societal issues.

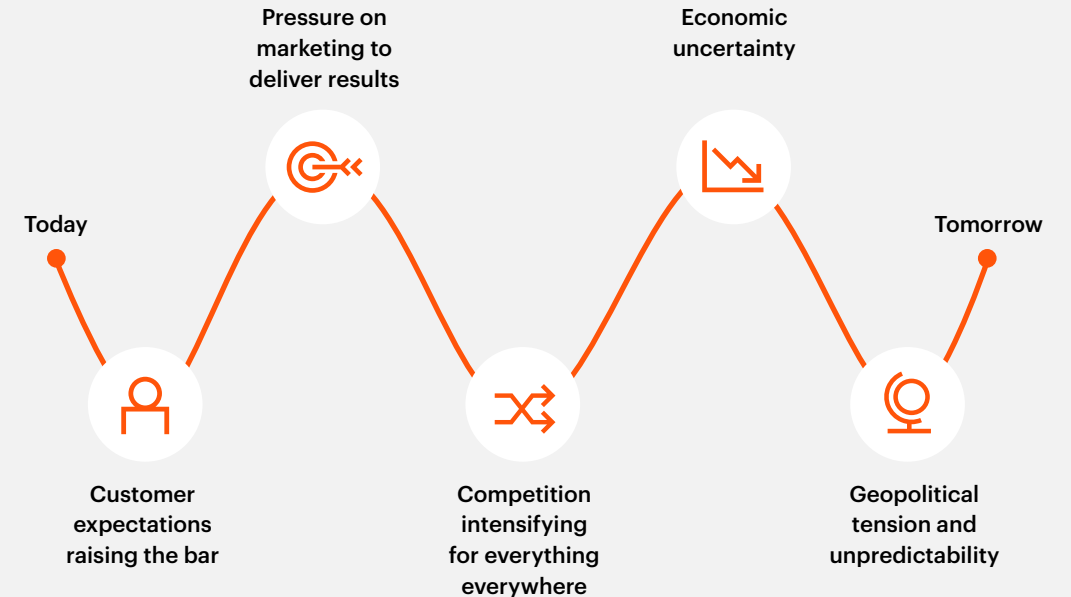


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Strategic planning challenges



n = 381 marketing leaders
Source: Gartner CMO Strategic Priorities Survey 2020-2021



CMO Priorities

1. GROWTH

Balance risk aversion with market growth

Be conservative without stifling emerging opportunities

2. STRATEGY

Be selective in what you reinvent

Prioritize efforts that are most essential

3. BUDGET

Accept budget realities

Anticipate varying levels of cost cutting

4. CAPABILITIES

Upgrade your skills

Identify gaps against your strategic priorities

5. VALUES

Take action on societal issues

Demonstrate a firm commitment to societal change

1. GROWTH

Balance risk aversion with market growth

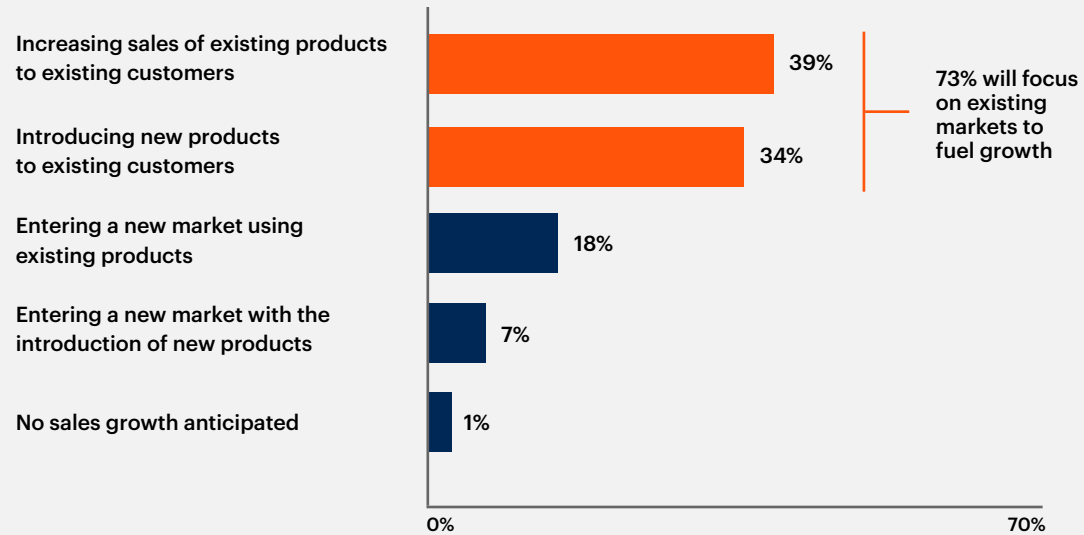


73% of CMOs are focusing on their existing customers in 2021 rather than looking to develop new markets.

Source: Gartner CMO Strategic Priorities Survey 2020-2021

Balance risk aversion with market growth

Primary strategy to fuel growth in 2021



n = 381 marketing leaders
Source: Gartner CMO Strategic Priorities Survey 2020-2021

CMO view

CMOs plan to fuel growth in 2021 by increasing sales of existing products to existing customers and introducing new products to those same customers — a classic market penetration strategy.

How CMOs can change

Although growing revenue from existing customers is less costly and risky than winning new ones, low risk also means low reward. Reshape your strategic approach to match organizational growth ambitions and ensure that risk aversion isn't an obstacle to delivering results.

Success in 2021

Postpandemic recovery requires a full strategic reset. Even maintaining your existing customer and product mix may require disruptive channel shifts and augmentations.

Setting appropriate risk parameters enables you to follow a conservative strategy without stifling emerging opportunities. For example, adopt value segmentation to keep your growth focus in 2021 on the most profitable existing customers. Build a balanced portfolio strategy to ensure that safer bets, such as serving existing customers and driving repeat purchases, are balanced by more transformative options.



Explore how business will drive growth in 2021.

Read our blog: [Marketing's 2021 Playbook for Growth: Existing Markets](#)

2. STRATEGY

Be selective in what you reinvent



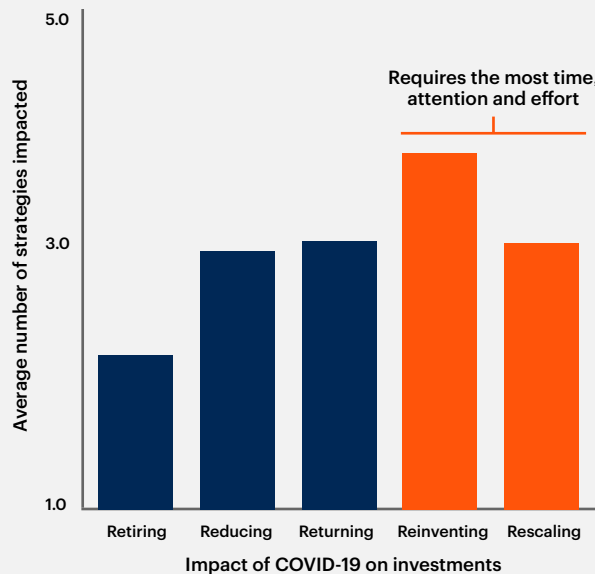
**Half of CMOs expect
to rescale or reinvent
6 out of 11 strategies
in 2021.**

Source: Gartner CMO Strategic Priorities Survey 2020-2021

Be selective in what you reinvent

Reinventing and rescaling take considerable time and effort

2021 strategies are being reinvented and rescaled



n = 381 marketing leaders

Source: Gartner CMO Strategic Priorities Survey 2020-2021

2021 strategies

- Traditional physical sales practice
- Delivery or BOPIS (buy online and pick up in store) fulfillment
- Customer loyalty and retention programs
- Physical conferences and events
- Customer/user experience research
- Virtual sales practices
- Health and safety programs for customers and employees
- Direct-to-consumer sales
- Voice of the customer (VoC) programs
- Sales via traditional retail channels
- Virtual conferences and events

CMO view

CMOs may be overly ambitious about how they can change their organizations' interactions with customers. The majority plan to reinvent nearly all strategies impacted by the pandemic, and about 25% expect retail and physical events to return to prepandemic levels.

How CMOs can change

Reinvent while still executing effectively and remaining agile. For every strategy you rescale, choose another to reduce or retire. For every strategy you reinvent, return another to a prepandemic level. Pick your priorities based on category, position and unique challenges and opportunities.

➔ **Discover how marketers are anticipating the post-COVID-19 recovery phase.**

Read: [The Annual CMO Spend Survey Research: Part 1](#)

Success in 2021

CMOs who do too much too soon risk failing to do any one thing right and overburdening their teams. Being choosy enables you to prioritize efforts that are most essential in the short term, most aligned with your growth strategies for 2021, best suited for your organization's capabilities and resources, and most responsive to consumer demands for diversity, equity and social justice. Delay, deprioritize or delegate any efforts that don't meet these criteria.

Expect a constant cycle of iterative planning and institute formal scenario planning to address economic uncertainty in 2021.

3. BUDGET

Accept budget realities



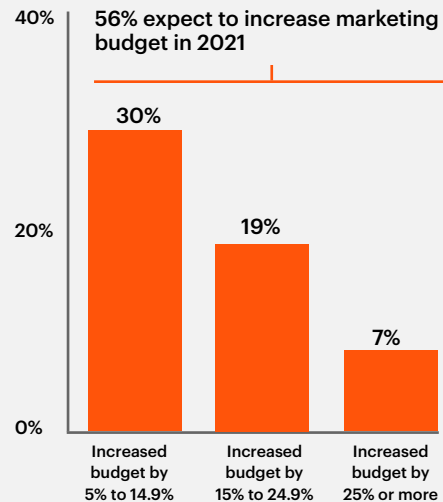
56% of CMOs expect budgets to grow more than 5% in 2021, and about 1/4 anticipate budget increases of more than 15%.

Source: Gartner CMO Strategic Priorities Survey 2020-2021

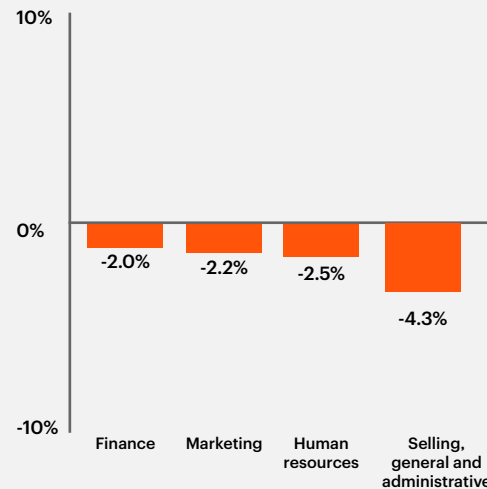
Accept budget realities

Many marketers expect budgets to keep growing in 2021, even given COVID-19 effects

CMOs' view of COVID-19's impact on 2021 marketing budget



Board directors' view of expected budgetary changes as a result of COVID-19 impact



n = 381 marketing leaders

Source: Gartner CMO Strategic Priorities Survey 2020-2021; 2021 Gartner View From the Board of Directors Survey

CMO view

CMO optimism is out of sync with the expectations of boards of directors and CFOs. Gartner research shows that marketing an area likely to face some of the largest budget cuts in 2021.

How CMOs can change

Meet with your CFO now to set realistic budgetary expectations. Build scenarios that anticipate varying levels of cost cutting. Prioritize investment in key organizational efforts such as digital business.

Success in 2021

Anticipate that the health and societal impacts of COVID-19 will continue to impact marketing budgets and strategy well into 2021.

The strategic cost optimization initiatives undertaken last year should remain your core focus throughout 2021. This will prepare you for fresh budgetary pressures that may affect marketing's fundamental capabilities, including those protected thus far, such as technology and in-house labor costs.

➔ **Discover a framework for an intelligent approach to cost optimization.**

Watch our webinar: Use Intelligent Cost Optimization to Maximize Marketing Budget

4. CAPABILITIES

Upgrade your skills



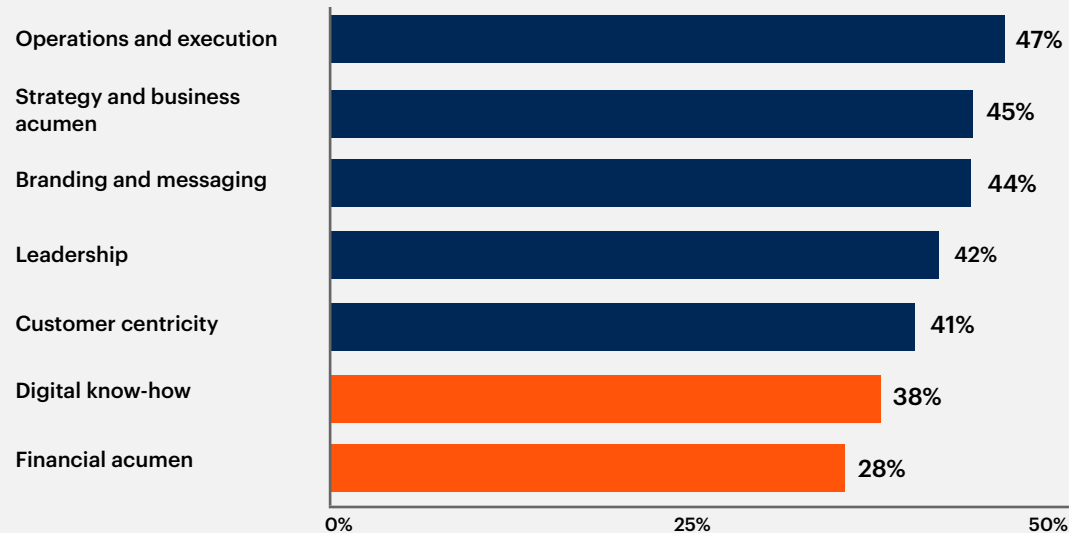
**Less than 40% of CMOs
wish to increase their
financial acumen and
digital know-how.**

Source: Gartner CMO Strategic Priorities Survey 2020-2021

Upgrade your skills

CMOs are focusing on marketing operations and execution capabilities

Desire to improve personal skill sets



n = 380 marketing leaders
Source: Gartner CMO Strategic Priorities Survey 2020-2021

CMO view

CMOs recognize that their professional skills need to evolve, but they may be focused on the wrong ones. Traditional marketing skill sets alone may not be well-suited for the digital business initiatives that the CMO is tasked with leading or supporting.

How CMOs can change

Conduct an honest self-assessment of your personal skill set and where you see opportunity to strengthen areas of weakness to better support digital business initiatives. Evaluate your marketing maturity and identify gaps against your strategic priorities.

Success in 2021

Given their expanding role in digital business initiatives, CMOs urgently need digital skills. Financial knowledge is another must.

Even before the pandemic, many CMOs reported having a tenuous relationship with the CFO. As a result, CMOs may not earn the same respect and influence as other C-suite leaders. These two skill sets, financial acumen and digital know-how, will help marketing leaders address economic uncertainty in 2021 and make effective decisions across all types of digital business initiatives.

➔ **Assess your marketing maturity across nine competencies.**

[Marketing Maturity Assessment Tool](#)

5. VALUES

Take action on societal issues



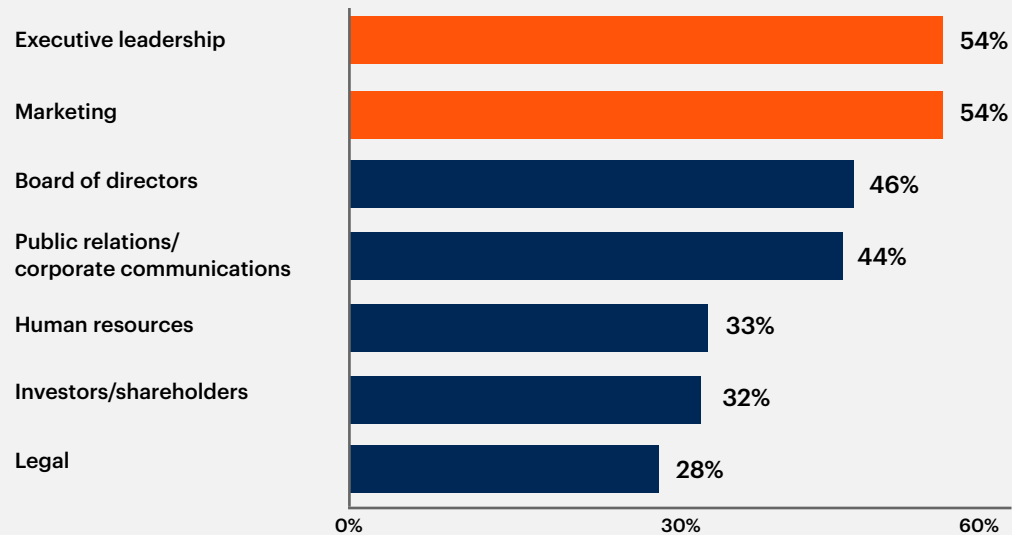
95% of CMOs believe brands should take the lead in finding solutions to major societal and cultural issues.

Source: Gartner CMO Strategic Priorities Survey 2020-2021

Take action on societal issues

CMOs are key drivers of organizational decisions on societal issue

Marketing and executive leadership lead decisions on whether companies take a public stance on societal issues



n = 378 marketing leaders
Source: Gartner CMO Strategic Priorities Survey 2020-2021

CMO view

There is misalignment between consumers' expectations of brands and the societal actions that brands report taking. CMOs say they are key players in their organization's public stance on societal issues, but it's unclear how many really push their brand to align with a cause.

How CMOs can change

Spearhead efforts to ensure that company policies and practices reflect the ideals of target consumers, especially when it comes to diversity and equity. Take a leadership role and implement a process for monitoring and engaging with social issues.

Success in 2021

A core strength of CMOs lies in their ability to lead the enterprise toward making a positive impact on society. This strength may solidify CMOs' influence in the organization in 2021, while driving growth.

Concrete actions — such as changing internal or external company policies, calling for policy changes, and cancelling media buys or moving events — can demonstrate a firm commitment to societal change. Increased customer trust and employee engagement outweigh the risks of taking action.

➔ **Why should CMOs double down on diversity, equity, and inclusion efforts to compete in today's market?**

Read our blog: [The CMO's Unique Responsibility for Diversity and Inclusion](#)

Interested in learning more?

Watch the webinar: [The 2021 Chief Marketing Officer Top Strategic Priorities](#)

About Gartner for Marketers

Gartner for Marketers provides the objective, expert advice and proven tools you need to seize the right opportunities with clarity and confidence and stay ahead of the trends that matter. Benchmark your performance with data-driven insights. Prioritize investments and areas of improvement. Execute your mission-critical priorities with speed and confidence.

Gartner is the world's leading research and advisory company and a member of the S&P 500. We equip business leaders with indispensable insights, advice and tools to achieve their mission-critical priorities today and build the successful organizations of tomorrow. Our unmatched combination of expert-led, practitioner-sourced and data-driven research steers clients toward the right decisions on the issues that matter most. We are a trusted advisor and an objective resource for more than 14,000 organizations in more than 100 countries — across all major functions, in every industry and enterprise size.

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