

The background of the entire page is a close-up photograph of several bees on a honeycomb. The honeycomb cells are a warm, golden-yellow color, and the bees are in various positions, some facing towards the viewer and others away. The lighting is bright, highlighting the texture of the bees' bodies and the hexagonal pattern of the honeycomb.

EnergizeGrowth[®]

THE SECRET LIVES OF INNOVATIVE CMOs:
**HOW TOP MARKETING
LEADERS KEEP
INNOVATION BUZZING**

4TH ANNUAL CMO INNOVATION TRENDS STUDY | OCTOBER 2016

EXECUTIVE SUMMARY

- 1. From July through October 2016, we conducted our 4th annual CMO Innovation Trends study.** Anonymous feedback from 103 senior marketers helped us to identify the areas where marketing innovation is improving, where leaders are struggling, and what resources propel innovation forward.
- 2. Survey respondents represent 18 industries and nearly a 50/50 split between female and male CMOs.** They include academic, accounting, software, hospitality, financial technology, manufacturing, trade associations, real estate, media, banking, government contracting, nonprofit, and health care.
- 3. Over the past year, we have witnessed a meteoric rise in 24 x 7 customer demands, the multi-channel message exchanges, and agile marketing.** This is putting further pressure on CMOs to be strategic, nimble, and innovative. These qualities are merely table stakes for them to remain relevant.
- 4. CMOs see themselves as facing different challenges than their peers.** Respondents felt their *peers'* biggest challenge is “lack of alignment among internal departments.” However, when asked the most pressing challenge *they* personally face, “lack of funding and budget” ranked the highest for the second consecutive year.
- 5. Respondents expressed a greater willingness to fund innovation in the coming months.** We saw the percentage of CMOs “willing” or “very willing” to invest in innovation double since 2015, from 8% to nearly 15%.
- 6. Although this growing desire to fund innovation is encouraging, their inability to make marketing innovation a high priority stymies progress.** The percentage of leaders who rated innovation as “very critical” to their company’s success declined from 80% in 2015 to just 65% in 2016.
- 7. Marketing leaders intend to invest funds primarily in marketing operations, innovation initiatives, and reorganizing their teams in 2017.** Content marketing declined from 1st to 4th place from 2015 to 2016.
- 8. One challenge remains constant: how CMOs are spending their time.** Their biggest obstacle to fostering innovation is the “time we spend on day-to-day operations and firefighting.”
- 9. Respondents prefer the personal touch when it comes to learning and sharing knowledge.** CMOs prefer smaller, private, face-to-face peer meetings as well as breakfast seminars. E-newsletters and industry publications remain the number one method. Webinars fell to #5 as a preferred learning platform.



RECOMMENDATIONS

We recommend that senior marketing executives focus on three areas to cultivate an innovative culture. For more details and additional learning resources, see pages 10-11.

“When a solitary animal comes across food, the better the food, the more they will eat. When a honeybee comes across food, the better the food, the more she will go back home and dance. Honeybees are the ultimate, altruistic, cooperative species. Everything that they do is for the good of the hive.

We're seeing something very similar in our work on dance language and dopamine in honeybees. The dopamine treatment which gives animals more pleasure makes bees dance more...the way we are interpreting this is in a evolutionary context. Somehow there's been a switch from *me to we.*”

- Dr. Gene Robinson, The National Institute Of Mental Health



Purpose of Study

Cooperation and resourcefulness are the guiding themes that surfaced during our 2016 *Marketing Innovation Trends* study. We gained inspiration for this ongoing study from our recent CMO field trip with the George Mason University Honey Bee Initiative scientist team. We also spent the past 4 years interviewing and surveying over 350 CMOs. We see direct parallels between the essential role of honeybees in our ecosystem and the essential role of marketing leaders in preventing marketing stagnation and brand obsolescence.

Our intention with this annual study is fourfold:

- to determine perceived challenges and opportunities faced by today's CMO profession
- to gauge the priority level of marketing innovation among today's CMOs
- to determine the preferred learning and peer sharing methods for busy marketing leaders
- to help our community compare their issues and priorities to their peers.

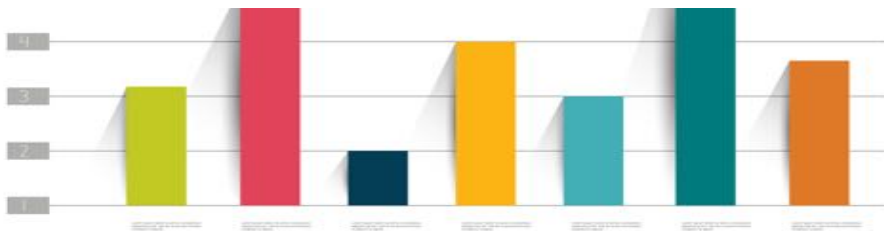
We define innovation as *applying creativity to an existing relationship, program, or process to generate a new and improved future.*

For four consecutive years, one thing remains constant: **CMOs possess a persistent, burning desire to escape the “order taker” mode.** They want to be known as innovators and contributors to top line growth.

What has changed since 2015 is **the CMO's increasing inability to win the hearts and minds of key stakeholders.** Without strong cross-functional alignment, they can neither activate nor sustain an innovative marketing culture.

SURVEY

Participants represented 18 industries, including:



- Academia
- Accounting
- Banking
- Contracting
- Education Tech
- Fintech
- Food and Beverage
- Government Contracting
- Healthcare
- Hospitality
- Manufacturing
- Media
- Nonprofit
- Pharma
- Trade associations
- Real estate
- Software
- Tourism

Methodology

We conducted our 4th annual study of 103 Chief Marketing Officers and VPs of Marketing from June through September 2016.

Organizations ranged in size from fast growth Series A tech companies to multi-billion dollar food and beverage companies.

While most participants were US-based, we also heard from CMOs based in Israel, India, Germany, Switzerland, Costa Rica, Indonesia, Africa, and the Netherlands. We also interviewed participants via phone to gain additional insights.

The average tenure in their current positions is 3.9 years. 47.3% of our respondents were female; 52.7% were male.

KEY QUESTIONS

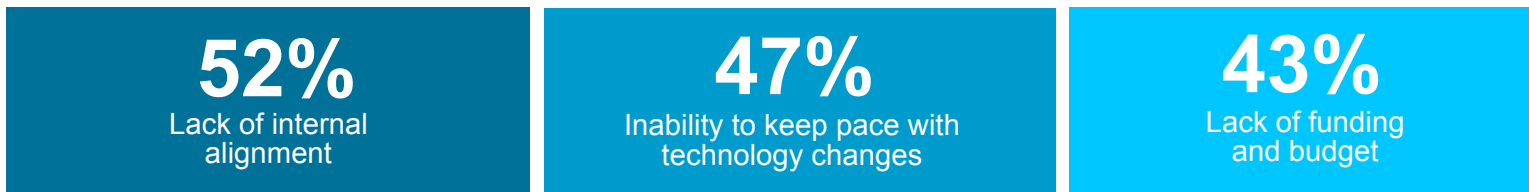
Here's what we asked survey participants:

1. What are the 3 biggest opportunities or challenges you see among your peers today?
2. What are the three major obstacles to YOUR professional success right now?
3. How willing are you to invest funds to address these top concerns?
4. How do you like to receive your information and learn best practices to address these concerns? (top 2)
5. What is one thing you are doing differently this year to address these obstacles?
6. What is your biggest innovation obstacle?
7. What are the top 3 ways you encourage innovation in your organization today?
8. On a scale from 1-10, how critical is innovation to your company's success? (A score of 1 indicates *innovation is not at all important*, while a score of 10 indicates *innovation is essential to success*.)

Q1

What are the 3 biggest opportunities or challenges you see among your peers today?

This question helps us discern the most pressing challenges or opportunities today's CMO perceives among their peers. The top three challenges include:



Since 2015, we have not witnessed any significant shift in how marketing leaders perceive their peers' challenges. They continue to believe that their colleagues lack the talent, technology acumen, and organization commitment to achieve optimal results.

The primary change from 2015 is how "lack of internal alignment" has become a more pressing challenge. The response grew from 32% to 52% year over year.

In spite of the mushrooming growth of communications platforms such as LinkedIn, Facebook, Slack, and branded online communities, strong internal alignment remains elusive.

Q2

What are the three major obstacles to YOUR professional success right now?

These are the three most pressing challenges respondents are personally facing:



While CMOs believe that the pace of technology change is a major issue for peers, only 28% of respondents listed it as a major concern for themselves. Clearly, their three top issues are interdependent.

Q3

How willing are you to invest funds to address these top concerns?



Since 2015, we saw a 9% decline in the percentage of CMOs who are willing to invest funds to address their chief concerns within the next six months (80% versus 89%). The lower confidence might be caused by:

- CMOs are competing with more departments for funding
- Some CMOs may have been asked to reduce marketing budgets for 2017
- Marketing leaders feeling less confidence in their ability to garner commitment to their innovations than in 2015
- Uncertainty over the global economy (e.g. Brexit), Middle Eastern political turmoil, and the U.S. electoral outcomes may be causing a “wait and see” mindset

16% of our participants are willing to immediately invest funds to address their top concerns. This is a slight increase from 2015 (11%). This modest percentage has remained relatively constant for the past three years. This would make sense, given the sizable number of CMOs who told us that they are spending most of their time on day-to-day issues and firefighting.

Maverick marketing leaders are re-writing the rules to garner funds. The SVP of Marketing for a food and beverage conglomerate told us that “We roll up our innovation budget with other departments, which have a higher probability of getting approved. We make sure our combined initiatives are all designed to accelerate our 4 strategic pillars.”

Q4

How do you like to receive your information and learn best practices to address these concerns? (pick your top 2)

This year, **e-newsletters and articles emerged as the most popular option, chosen by 56% of respondents.** For the third consecutive year, **respondents shared their preference for the personal touch and penchant for private settings.** Face-to-face peer discussions and small breakfast seminars came in at 46% and 21%, respectively.

With the buzz around the accelerated move to mobile, these results surprised us: **Social networks (such as LinkedIn, at 9%) and mobile apps (at 5%) remain less preferred learning platforms.** Teleseminars are the least favorite methods at 2%. Traditional learning and interaction venues remain highly important to senior marketing leaders.

Q5

What is one thing you are doing differently this year to address these obstacles?

These are the top three areas the marketing leaders shared:



Here's a noteworthy surprise: **Over the past year, the percentage of CMOs willing to invest more resources in innovation has doubled, to 16%.** Yet this year's decline in ranking marketing innovation as a high priority impedes progress. This is stifling progress. **The percentage of leaders who rated innovation as "very critical" to their company's success declined from 80% in 2015 to just 65% in 2016.** We cover this question in more detail on page 9.

Content marketing and reorganizing teams were tied for third place this year. Beth Hampton, VP of Marketing and Communications at AACC, is one of several CMOs who privately told us that they are re-thinking their talent strategy:

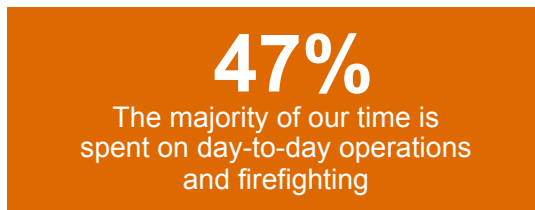
“ For higher level positions, I look for candidates who can clearly demonstrate their skills as adaptive leaders who use critical thinking. They must be comfortable with change, prove that they can affect change, and have a high degree of resilience. Diplomacy in communications has also become a more highly valued skill. ”



Q6

What is your biggest innovation obstacle?

Their top 3 obstacles remain identical to 2015:



When leaders are unable or unwilling to regularly allocate time to designing the future, they remain stuck in two other modes of operating: *fixing yesterday’s chronic issues*, or *dealing with today’s inbox and ad-hoc requests*. Their behavior conditions the executive team—as well as customers—to perceive them as tactical problem solvers.

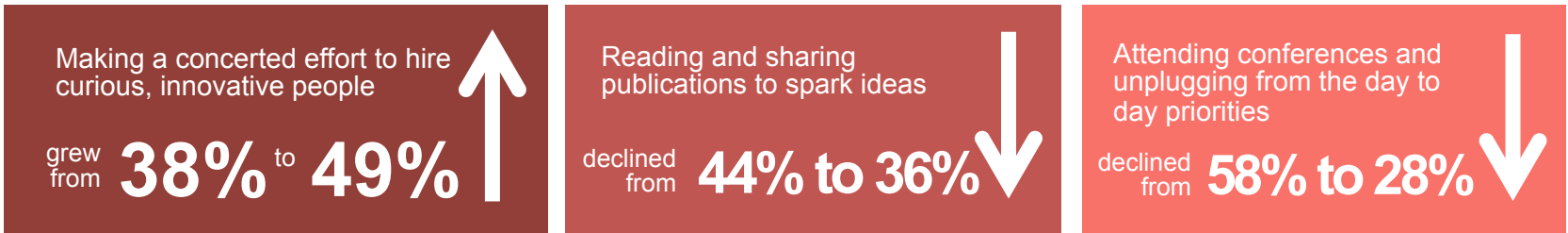
The root cause for these firefighting behaviors could be one or more of these factors: a) too many CMOs face self-limiting beliefs, or lack the skills, to take prudent risks and invent the future; b) they currently focus on marketing “triage” due to a company facing a turnaround situation or severe budget cutbacks; or c) cultural norms prevent them from advancing their innovation agenda.

“I spend a lot of time firefighting with my VPs. But I don’t see firefighting as negative. We face a great number of legal compliance issues. By its nature, compliance forces us to be nimble.”
– Jay Mincks - EVP, Insperity



Q7

How do you encourage innovation in your organization today (*please select top 3*)?

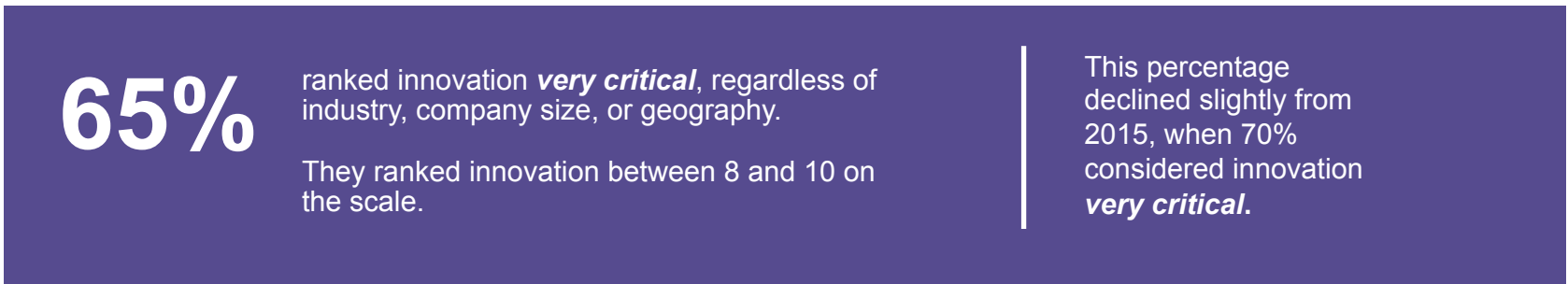


Executives expressed a stronger desire to design and grow an innovative marketing culture compared to 2015. Many admitted that they have room for improving their current marketing team capabilities. For example, the Marketing VP of a software analytics firm told us “There are some things we do - such as reading and sharing innovative practices that we find in the marketplace. But we do not make a true investment for innovation from a people and budget perspective.”

We also saw a sharp decline in live conferences and retreats as a method to foster innovation. On a positive note, we are encouraged by the number of CMOs in mature industries who have established the behavioral norms for innovation to occur. The CMO of a top 100 accountancy told us “It’s an exciting time...We saw a 35% increase in website traffic due to our creating incentives for our team to share content. We also saw a 200% increase in sharing of posts. That happened within just the first month of launching our new content strategy.”

Q8

On a scale from 1-10, how critical is innovation to your company’s success? A score of 1 indicates innovation is *not all that important*, while a score of 10 indicates innovation is *essential to success*.



RECOMMENDATIONS

Based on our work with CMOs around the globe, we offer three strategies to help your organization gain widespread commitment and build innovation momentum:

1. Step away from the data (at least for a moment).

As I travel the world and speak to leadership teams, I'm noticing that many marketers are skipping the fundamentals of persuasive message delivery, relying instead on snappy diagrams and loads of data. As a result, they lose audience impact.

This data infatuation also fuels some persistent challenges among our clients. I'm observing a rush to present facts and figures—often at the expense of rapport-building. When this happens, CMOs cannot earn the hearts *and* minds of their audience. It delays innovation initiatives, or causes them to get rejected altogether.

Persuasive marketing leaders keep things simple. They tell stories about successful initiatives. They inspire others to be better and bolder. When in doubt, ditch the PowerPoint. Use a flip chart, or nothing at all.

2. Remember you are a change agent. You will face detractors. Welcome them, and prepare yourself.

No matter what the transformation looks like—a new CRM system, a cost savings initiative, or an account-based marketing strategy—it disrupts the *status quo*. Your constituents will resist the change. Some will halt your project timeline.

When we only share the good news and hype, we hide our human, vulnerable side. This discourages detractors and doubters from empathizing and providing candid feedback. Ignoring their concerns will put the brakes on your progress.

During the early stages of your innovation initiative, consider these introductory remarks: "I know some of what I'm about to share will surprise you, and possibly upset you. Stop me when you have questions, and let's work through it together." Set the tone for trust.

3. Discover new ways to wrangle resources.

Recognize that the inability to fuel innovation and garner commitment is never a matter of a lack of funding. It's a lack of priority.

It's our job to secure resources in new, unexpected places. Today, marketing leaders face a panoply of funding and resource options:

- **Get cozy with crowdsourcing.** This is a rapid method to garner feedback on new ideas and validate with potential customers. Visit our "Additional Resources" page for a list of 10 crowdsourcing sites worth considering.
- **Take crowdfunding seriously.** It's no longer just a funding outlet for nonprofits. While Kickstarter, Indiegogo, and Crowdfunder are well-known in the nonprofit and B2C arenas, B2B firms might consider Fundable, AngelList, or CircleUp.
- **Get out of town—and the USA.** Bloomberg's annual [Innovation Index](#) ranks the world's most innovative economies. South Korea earns the highest position, followed by Germany, Sweden, Japan and Switzerland. They review factors such as research and development spending and concentration of high-tech public companies. Reach out to trade groups and associations within these countries. Find consortia who can help you arrange a short-term, inexpensive innovation lab or marketing experiment.

SUMMARY

From time to time, worker bees accidentally lose their way back while foraging for pollen. They may land on another hive. This is referred to as drifting, or swapping hives.

When this happens, house bees assigned to guard duty stop these foreign worker bees at the hive entrance. These clever insects bribe the house bees with regurgitated nectar. Over their very brief, six-week lifetime, worker bees become permanent members of the new hive and mirror their genetic characteristics.

Today's marketing leaders can learn from nature's ancient team players. Agility, resourcefulness, and cooperation are essential qualities today's aspiring marketing innovator must embrace. Otherwise, they become drones in a colony of chaos.



RESOURCES

“Are you Creating Messaging Music or a Message Maelstrom?”

by Lisa Nirell

MP4 screencast – [click here](#) | **PDF** – [click here](#)

“15 Rapid Marketing Innovation Strategies” – [click here](#) (PDF)

“3 Low-Tech Speaking Tips that Still Work” - [FastCompany](#)

[CLIC 2016: CMOs Lead Innovation from ‘Now’ to ‘Next’](#) – Steve Cook of *CMO.com* (Adobe) summarizes CMOs Leading Innovation Conference, October 2016

George Mason University Honey Bee Initiative. To help them restore and protect our precious resource, [visit this page](#) to donate.

ABOUT LISA NIRELL

Lisa Nirell helps courageous CEOs and CMOs accelerate growth and innovation. She's also the Chief Energy Officer of [EnergizeGrowth](#)® and the founder of [Marketing Leaders of DC™](#) and [Atlanta](#). Innovative companies such as Adobe, Google, Gannett/USA TODAY NETWORK, and Hilton hire Lisa to gain fresh insights, formulate new strategies, and launch breakthrough marketing ideas.

Lisa contributes to [FastCompany](#), [CMO.com](#), [ForbesCMO](#), and [HuffingtonPost](#). Her acclaimed books include *EnergizeGrowth NOW: The Marketing Guide to a Wealthy Company* and [*The Mindful Marketer: How to Stay Present and Profitable in a Data-Driven World.*](#)

Lisa Nirell speaks frequently at annual conferences and executive retreats. She also hosts the annual [CMOs Leading Innovation Conference \(CLIC\)](#), a think tank which draws CMOs and CEOs from global and fast-growth organizations.

In her [advisory work and keynotes](#), Lisa helps teams experience higher revenues, reduced team attrition, improved decision-making, and faster time to program execution.

Lisa acknowledges Stephanie Bailey for her important contributions to this study.



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