Increased participation in strategic business decisions and an evolving organization put new strains on today's digital CMO. Gartner’s 2015 research will help marketing executives and their direct reports design, organize and execute their priority initiatives in this new environment.
The marketing management discipline is evolving at an unprecedented rate. As a result, digital CMOs face expertise gaps in strategic planning, technology, operational design and sourcing. Gartner's research agenda for marketing management helps marketing executives incorporate the new roles and processes required to compete in a connected economy.

Digital CMOs are deploying strategies for growth, innovation and customer experience. They’re integrating digital expertise into the larger marketing mix, executing on long-term marketing strategies, maintaining flexibility and agility to respond to real-time events, and preparing for an era of smart, connected products.

To develop strategies to acquire and retain not just any customer — but the right customer — marketing leaders face new challenges and opportunities to:
Rethink the organization: As digital marketers step up their participation in strategic business decisions and deploy new technologies, they must run operations in more automated and coordinated ways while adding roles to handle new responsibilities. For example, we now couple storytellers with interactive experience designers versus graphic artists and copywriters. Marketing communications professionals are evolving to content strategists with experience in conversational media versus broadcast media. E-commerce leaders with IT backgrounds are evolving to digital commerce leaders with marketing backgrounds.

Build business advantage through multidisciplinary teams: Some techniques cross boundaries — for example, content marketing can touch on content production, partner marketing, thought leadership experts, public relations, website management and social marketing.

Shift to agile marketing: As marketing organizations take on broader strategic responsibilities, the stakes have changed, but the processes often remain the same — putting goals and means at odds. Marketing leaders in large organizations need to cut through bureaucracy, work across silos and figure out how to accomplish more, faster.

Prepare to use data generated by smart, connected devices: As sensors are embedded in products, they’ll produce data that can bring additional customer insights and reshape business and products.

Manage strategic providers within a larger sourcing strategy: Some providers fulfill an operational deficit, others respond to a strategic need. This is why digital CMOs need people skilled in leading sourcing strategies and executing sourcing decisions.

New capabilities enable digital marketers to penetrate customer segments and explore opportunities for growth. Our 2015 research guides marketing leaders through the operational and organizational challenges they must conquer to thrive in this new era of digital marketing.

Key Issues

 Strategic Management

- How are digital CMOs and their direct reports identifying and implementing strategic options for growth?
- How are all digital marketing leaders collaborating with other stakeholders to advance the goals of the business through digital marketing?

 Operations Management

- How are digital marketing leaders allocating their budgets for capital investment and expense?
- How are digital marketing leaders harnessing human capital and organizational innovation to improve operational effectiveness?
- What are best practices for selecting and managing partners (internal and external)?
Performance Management

What emerging tools and techniques are marketing executives and their direct reports using to measure and improve effectiveness and operational performance?

Strategic Management

How are digital CMOs and their direct reports identifying and implementing strategic options for growth?

How are all digital marketing leaders collaborating with other stakeholders to advance the goals of the business through digital marketing?

You now have the ability to enter markets that were previously unavailable due to a cost structure designed for a physical world or because of geographies too difficult to reach. You also understand your buyer better than five years ago — through insight and continuous feedback loops that drive experiences offline and online. Through digital marketing, your prospects and customers tell you what they want, where they are, what they are doing, and who they are doing it with. A digital marketing strategy will:

- Establish marketing as the authority on what makes customers tick, by knowing their preferences, sentiment and intent.
- Use customer insight, including product usage/experiential data, to inform overall awareness, acquisition and retention strategies.
- Form new, creative alliances and partnerships to penetrate and develop existing and new markets (including those that didn’t exist in a predigital economy).
- Launch new products based on value propositions designed for a connected economy. For example, every sector is seizing the "business becoming software" movement, where digital marketers extend relationships (that previously ended with the transaction) through digital products and services.
- Retire or enhance products that are no longer relevant in a digital world.
- Facilitate faster, more informed decisions within time frames that have measurable impact on business advantage.

Planned Research

Our 2015 research plan helps digital marketing leaders adapt to changes made possible by digital technologies. Through Impact Appraisals and Predicts reports, we describe how these changes affect you while we make recommendations for what you should do to adapt. Our digital marketing research increasingly supports the customer experience and new market development. We do this through our focus on trends and best practices for dealing with shifting relationships with sales, customer service, and brands and business units. Gartner’s primary research surveys, case studies and CMO interviews continue to inform our research.
Operations Management

How are digital marketing leaders allocating their budgets for capital investment and expense?

How are digital marketing leaders harnessing human capital and organizational innovation to improve operational effectiveness?

What are best practices for selecting and managing internal and external partners?

Digital marketers struggle to set priorities when too many ideas compete for too few resources. Although funding earmarked for digital marketing has increased, resources alone are no panacea. Choosing the right investments is still a challenging balance to:

- Execute digital plans with an eye toward value delivery and optimization.
- Deploy agile marketing principles.
- Hire and retain the right staff in the face of emerging techniques and technologies.
- Manage financials (both operating expense and capital investment).
- Source marketing activities strategically to the best partner (internal or external).

Planned Research

Our annual CMO spending survey reveals how much marketing executives spend and the type of new investments they are making. Our research will enable you to build a case to allocate resources, including people, processes and technology, to strengthen your digital marketing operations — and to shift spending, when necessary, to gain the best returns.

In other research, we’ll identify skills to look for in new hires for roles such as chief marketing technologist and the equivalent of a chief customer office. And you can consult our 7S Framework, (based on a McKinsey model that identifies seven drivers of operational effectiveness), to harness your organization’s culture for business advantage.

Our models — for digital marketing maturity, marketing technology and services sourcing and marketing organization — provide a way to assess where you are now versus where you want to be. Companion notes explain how to get there.

If you’re new to a leadership role or adding a critical role to your team, use our “First 100 Days” research series to help new leaders initiate the path to long-term success.

Performance Management

What emerging tools and techniques are marketing executives and their direct reports using to measure and improve effectiveness and operational performance?

Today’s high-performing digital marketing executive:
- Evaluates, quantifies and measures new growth opportunities. As new investment dollars flow to marketing, CEOs expect digital marketers to paint a new performance picture — one that hones in on ideas to penetrate markets while revealing opportunities to diversify.

- Grows the customer base with an acute eye on retention. Acquiring new customers is the lifeblood of any organization. But, it’s not enough. Digital marketing executives should also focus attention on initiatives designed to improve retention rates and overall customer lifetime value through programs that add continuous value. Analytics, especially those that predict behavior, prevent potential defections before they occur.

To increase marketing's performance and positive business impact, you'll need to additionally integrate the services of external providers that offer tools, platforms and hubs directed at improving marketing performance.

Planned Research
Our 2015 research will help you define and prioritize metrics and benchmarks for measuring success. We’ll help you examine technologies and services to build out and manage your digital marketing performance initiatives. We will publish Magic Quadrants and Cool Vendor reports to help you consider the right providers. We’ll analyze the trajectory for emerging technology and techniques in our annual Hype Cycle reports for digital marketing and advertising. Our Market Guides will prepare you with an overview of marketing technology categories, such as mobile marketing analytics, advocacy and loyalty solution providers, and digital marketing technology integrators. These guides give you additional context for our updated Digital Marketing Transit Map (see "Toolkit: The Digital Marketing Transit Map").

Related Priorities
Key Initiatives address significant business opportunities and threats, and typically have defined objectives, substantial financial implications, and high organizational visibility. They are normally implemented by a designated team with clear roles and responsibilities, as well as defined performance objectives.
Table 1. Related Priorities for Digital Marketing Management

<table>
<thead>
<tr>
<th>Key Initiative</th>
<th>Focus</th>
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<tr>
<td>Multichannel Marketing</td>
<td>Multichannel marketing represents a coordinated program across digital and traditional media to acquire and retain customers, extend the brand, condition the market and engage communities.</td>
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<tr>
<td>Emerging Marketing Technology and Trends</td>
<td>Emerging marketing trends, such as big data, social media, augmented reality and context-aware computing, create new opportunities to acquire and retain customers, fueling growth and taking market share.</td>
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<tr>
<td>Data-Driven Marketing</td>
<td>The discipline for acquiring, analyzing and applying all information about buyers wants, needs, motivations and behaviors through informed use of insights from data including knowledge gleaned from product usage and experiential data. Data-driven marketing refers to acquiring, analyzing and applying all information about customer and consumer wants, needs and motivations.</td>
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<tr>
<td>Digital Commerce</td>
<td>E-commerce uses the Internet, mobile networks and commerce infrastructure to execute transactions with consumers or businesses and to support marketing and other activities around these transactions.</td>
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<tr>
<td>Social Marketing</td>
<td>Social marketing is a strategy that uses social media to listen to and engage customers, and cultivate brand advocates. It can shorten product development cycles, boost innovation and increase conversion rates.</td>
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<tr>
<td>Mobile Marketing</td>
<td>Mobile marketing involves using information about people's context (location, identity, relationships and intentions) to tailor information and products that will increase customer engagement and sales.</td>
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<tr>
<td>Customer Experience</td>
<td>Digital marketing leaders recognize that they must deliver differentiated customer experiences or risk losing out to competitors.</td>
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Source: Gartner (December 2014)

Suggested Next Steps

- Collaborate with other senior business leaders to extend the CEO’s strategy and vision into a set of goals and objectives to build competitive strength.
- Map your digital marketing activities and investment to business objectives. If an activity isn’t relevant, eliminate or reshape it.
- Structure your organization for change:
  - Empower your digital marketing leads.
  - Set incentives to encourage intradepartmental collaboration.
  - Act as change agents; reach out to other functions within the company; build relationships to drive digital business.
Identify the three to five opportunities in your digital marketing operation that have the highest potential for advancing your leading priorities. Use this insight to adjust your road map for acquiring skills, technology and budget.

Gartner Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

"Reshaping the Marketing Organization for the 21st Century"

"Designing the Marketing Organization"

"Gartner Glossary of Digital Marketing Terms"

"Toolkit: The Digital Marketing Transit Map"

"Presentation for CMO Spend Survey 2015: Eye on the Buyer"

Agenda Manager Profile

Richard Fouts analyzes best practices in marketing management, including insight and advice in brand management, market and competitive positioning, sales enablement, demand generation and go-to-market strategies. Before joining Gartner, Mr. Fouts ran marketing for several IT services firms, and later managed a brand communications company in New York City, where he designed and developed strategies for technology companies, financial services and insurance, and professional consulting firms.

More on This Topic

This is part of an in-depth collection of research. See the collection:

- Agenda Overviews for Gartner for Marketing Leaders, 2015