

FINDING *and* **DEFINING** *the* **CHIEF MARKETING OFFICER** *in the* **ORGANIZATION**

Jacob Tegnér (50034) & Madeleine Magnusson (50011)

STOCKHOLM SCHOOL OF ECONOMICS
Master Thesis in Business & Economics, Marketing & Media Management
Spring 2013

Abstract

The environment today is characterized by accelerating change in the marketplace and customers are becoming more and more empowered and demanding. To meet these needs organizations have to become more market oriented and work with the customer to create value. However, at the same time, the Chief Marketing Officer (CMO) has an unclear role definition with conflicting expectations. Drifting away from strategic influence the CMO role is in a vital state and needs to be redefined in the organization.

This thesis will investigate Swedish CMOs from business- to- business and business- to- consumer organizations by describing their situation today, the challenges faced and the future actions and capabilities needed for the role. By utilizing existing literature and in-depth case studies the thesis provides a perspective of finding and defining the CMO in the organization.

Analyzing the empirical data it can be shown that there is a degree of discrepancy in terms of which model for the CMO role organizations use. By collaborating with other departments and building cross-organizational relationships, the CMO will gain strategic influence and an opportunity to react to the market. Also, adapting to a strategic and top management mindset with a clear business focus will make the CMO relevant again. From an organizational perspective it will be key to define and scope the work of the CMO.

Keywords: Chief Marketing Officer, CMO, Marketing Organization, Market Orientation

Supervisor: Hans Kjellberg

Opponents: Andrea Weinzirl (40290) & Madalina Kmen (40360)

Examiner: Per Andersson

Presentation: Stockholm, 3 June 2013

Table of Contents

1. Introduction.....	5
1.1 Background: The importance of the fruit fly.....	5
1.2 Purpose	7
1.3 Delimitation	7
1.4 Definitions	7
1.5 Disposition.....	8
2. Literature Review.....	9
2.1 The marketing organization.....	9
2.1.1 The rapidly changing environment affects organizational firms	9
2.1.2 Although marketing gains recognition the role is diffuse.....	9
2.1.3 Marketing should coexist with a market orientation.....	10
2.1.4 The marketing departments influence within the firm.....	10
2.1.5 Environment with Marketing and Sales Configuration	13
2.1.6 Internal organizational rigidity prevents flexibility	14
2.1.7 Service dominant logic and the future of competition.....	14
2.2 The Chief Marketing Officer	15
2.2.1 The introduction of the CMO and the expectations.....	15
2.2.2 Multiple descriptions	17
2.2.3 Unaccountable and slippery marketers with short tenure	19
2.2.4 The growing importance of the CMO.....	20
2.2.5 How can CMOs be successful?.....	22
2.2.6 Why CMOs have high churn rates, short tenure & no voice	22
2.2.7 The evolving role of the CMO.....	23
2.3 The link to the research questions	24
3. Method	25
3.1 Research Strategy and Scientific Approach	25
3.1.1 Initial Work	25
3.1.2 Hermeneutic Approach	25
3.1.3 Abduction.....	25
3.1.4 Qualitative method.....	26
3.2 Research design	26
3.2.1 Comparative design with multiple cases.....	26

3.2.2 Qualitative interviewing with semi-structured approach	27
3.2.3 Sampling	28
3.3 Reliability and validity in qualitative research	29
3.3.1 Credibility	30
3.3.2 Transferability	30
3.3.3 Dependability	30
3.3.4 Confirmability	31
4. Empirical Findings	32
4.1 Industry Experts	32
4.1.1 The market environment needs a CMO	33
4.1.2 Unclear role definition	35
4.1.3 The CEO effect on the role	35
4.1.4 A new type of CMO is needed	36
4.2 B2B Organizations	37
4.2.1 Subordinated marketing organization detached from strategy	38
4.2.2 Challenges for the CMO	40
4.2.3 The future of the CMO role	41
4.3 B2C Organizations	42
4.3.1 The CMO has a more defined role in B2C organizations	42
4.3.2 Challenges for the CMO	44
4.3.3 The future of the CMO role	45
5. Discussion	47
5.1 The situation today	47
5.1.1 Market orientation should co-exist with the CMO	47
5.1.2 Who is the CMO?	48
5.1.3 Survival of the fittest	49
5.1.4 Service will make the CMO more important for B2B organizations	50
5.1.5 The Classic CMO stronger influences the top management in B2C organizations	51
5.1.6 The internal relationship structure	52
5.1.7 The challenges today	53
5.2 The future of marketing and the CMO	55
5.2.1 A close collaboration within the organization	55
5.2.2 A place at the table	58

5.2.3 The future role of the CMO	59
5.2.4 Capabilities needed	61
6. Conclusion	63
7. Reflections	65
7.1 Managerial reflections	65
7.2 Literature reflections.....	66
7.3 Methodological reflections	67
7.4 Future research	68
REFERENCES.....	70
Appendix 1: Typology of Reporting Relationships of Marketing	74
Appendix 2: The “CMO role” discussion guide	75

1. INTRODUCTION

1.1 Background: The importance of the fruit fly

In an era of accelerating change, organizations are becoming more market oriented. Marketing tasks are distributed across the organization to achieve a more customer focused position. At the same time is the tenure of the Chief Marketing Officers (CMO), among the lowest in the business. In a study dated a few years back, Ian Wolfman, CMO of the brand agency MEplusYOU, compared the average tenure of a Fortune Global 500 CMO to the lifespan of a fruit fly. Today the CMOs have the most exposed role amongst the c-suite and they face new consumer power, technologies are changing marketing and there is an increased pressure to contribute to the bottom line. At the same time they are faced with conflicting expectations from within the organization and have an unclear role definition. In a recent article by Dominique Turpin, Nestlé professor and president of the business school IMD, Turpin exclaimed that the CMO is dead. The decline of the CMO's influence is a sad truth that companies continue to be product-driven, although stating that they put the customer first. The reason that the CMO is dead is because they are not immersed in the value creating marketing activities, but instead constrained to focusing on PR and communications. Also, from an outside perspective, there has not really been a clear understanding of the role or how to measure the marketing department's efforts (Turpin, 2012). At the same time the CMO Council announced that 2013 will be the year of the marketer, based on the responses from over 500 heads of marketing. An increasing number of CMOs now state that they were gaining strategic influence in the organization (CMO Council, 2012). The fact that the position of CMO both as been announced dead and gaining in strategic influence at the same time, point to that there is much discrepancy embedded in this role, making it an interesting case to study.

In Sweden there has also been a debate over the past years that the market organizations role is changing. A study by the recruitment consultant network, Bohmans, states that the climate has toughened for the CMO, and has since the 90s, they have grown further apart from their surroundings. The CMO needs to take bigger responsibility and work closer with other functions within the organization, while maintaining a specialist role within marketing. Marketing expert, Mats Rönne, with a past as brand chief for Electrolux and Ericsson, has identified numerous concerning issues for the CMO. There is a trend that the CMO is only

responsible for the marketing and the marketing communications, giving them a more operative role. In line with this Jan Fager, the CEO of Sweden's Marketing Corporation wrote an open letter to the CEOs of Sweden, insisting that there must be higher requirements on the CMOs when it comes to increased growth and profitability. Fager states that marketing is one of the key drivers of organization growth, and that the CEOs and CMOs must agree on this. But with poor tools of measuring marketing it is easy to fail in marketing, lowering the status of the CMOs and ability to influence the strategic processes of the firm. What is happening now, confirming Mats Rönnes observation, is that the CMO is reduced to only administering campaigns and have become an organizational cost, instead of a generator of growth. In another articles, Jan Fager joins forces with IBMs CMO, Charlotta Wark, arguing that the CEOs need the CMOs knowledge and there must be an increased collaboration. In their vision, the CMO has an obvious role on the board.

Why should any of this matter? In 1991 McKenna wrote a memorable article given the title "Marketing is everything". Briefly, it confirms that marketing is an important function for profit generation and has proven itself worthy of attention. Because what it all boils down to is: everything is marketing and marketing is everything. The McKinsey quarterly reinforces this viewpoint in their article "We're all marketers now" (2011). In an era of engagement, where consumers no longer separate marketing from the product, marketing is the company. This also requires a new look for the marketing organization and the CMOs have to collaborate with the chief executives to align this new organization spanning across the entire organization.

The question is therefore not about the actual importance of the marketing organization, it is more about defining what the responsibilities should be and how it should interact within the organization. What will be the task of the CMO when marketing will be a part of all the departments' daily work? There are numerous challenges in today's market place that fall in the marketing sector. For example, in IBM annual CMO study, which consists of over 1 700 face-to-face conversations with CMOs around the globe, the CMOs agreed with the CEOs that the market and the technology are the two most powerful external forces affecting the organization today. These are topics that need to be addressed and it is therefore necessary to take into consideration regarding what the role of the CMO in the organization is and should be.

1.2 Purpose

There are several reasons for the ongoing debate regarding the role and influence of the marketing department and the CMO. One that becomes very apparent is that there is a knowledge gap of what marketing is and what the role of the CMO entails. The main purpose of this thesis is therefore to *investigate the role of the CMO in Swedish B2B and B2C companies*. More explicitly this involves using existing literature in combinations with primary research to describe and analyze the current state of the CMO and the future challenges in terms of what is needed from the CMO to have a sustainable and rewarding role within the organization in the future. This can be divided in the following research questions:

- What role does the CMO have in the organization?
- What are the challenges for the CMO today?
- How can the role be developed to meet future challenges and requirements?

The authors will investigate the role of the CMO by reviewing the existing literature and perform in-depth interviews with CMOs from different firms, as wells as industry specialists.

1.3 Delimitation

This thesis is narrowed to only analyzing specific Swedish firms and although the results can be adapted to a broader picture, the aim of the study is not normative in the sense that specific guidelines are going to be created for how all CMOs should or should not act. The intention is instead to provide a descriptive analysis based on our chosen cases to give a comprehensive view of how different firms compare in this area.

1.4 Definitions

Chief marketing officer (CMO)

In the thesis we have chosen to define the chief marketing officer, commonly abbreviated CMO, as every marketing leader, or top marketer, within an organization. For example, in some cases the organizational title might be Marketing Director, but in this thesis it will be regarded as the CMO, unless other is noted.

C-suite

A widely used term collectively referring to a corporations most important senior executives, and gets its name because the executives titles tend to start with a c – as in chief.

Top Management

Top management can be the same as the C-suite, but are not tied together by a title but instead because they are the highest ranking executives within the firm and are together responsible for the enterprise.

1.5 Disposition

The study is divided into 6 chapters, excluding the introductory section, and will be comprised of: chapter 2 will summarize the current field in the literature review and introduce the reader to the topic, chapter 3 will showcase the methodology and approach of the study, chapter 4 will state the empirical findings from several interviews with experts and industry CMOs, chapter 5 will open up the discussion where we analyze the empirical findings, in chapter 6 we conclude on the key aspects of the thesis, and in chapter 7 we discuss the implications from a managerial viewpoint, but also from a literature, methodology, and future research perspective.

2. LITERATURE REVIEW

The purpose of conducting a literature review is to introduce the particular field of study, the vocabulary, and the phenomena, as well as inform the reader of the influential researchers in the field. The review also provides a framework for relating new findings to what has been done in the past, which facilitates a discussion and establishes a starting point for how new research can be carried out.

2.1 The marketing organization

2.1.1 The rapidly changing environment affects organizational firms

Research within the field of organizations, and marketing organizations in particular, has existed for a long time. In the beginning, organizational theory was used to describe the forms and structures of the marketing organization and the emphasis was on hierarchy. This changed when Achrol (1991), with a new view on this field, introduced the importance of external change and the internal changes within the organization, to describe the marketing organization. He argued that new organizational forms would be required based on the rapidly changing environment. Therefore, a more flexible and adaptable interpretation of marketing organizations was established as a response to the dynamic environment. It was the emergence of network organizational firms (Achrol & Kotler, 1999). This becomes important to understand since marketing is very much affected by its environment and its role within the organization must therefore take the level of exposure to the environment into account.

2.1.2 Although marketing gains recognition the role is diffuse

With a rapidly changing environment and a flexible marketing organization, marketing is gaining recognition as an orientation within the firm. However, with an organization that has a strong market orientation, what role and function should marketing play? This is the critical issue that Moorman and Rust address in their article “The Role of Marketing” (1999). Looking back, marketing has been thought of less as a function and more as a set of values and processes that all functions should implement. The result is a potentially diffuse role of marketing, but an increase in marketing’s overall influence (Greyser 1997). This statement can also be related to McKenna’s (1991) article “Marketing is Everything and Everything is Marketing”, which underlines that marketing is the function of the business and that everything is marketing in a sense. Empirical research findings have also shown that a firm’s market orientation has a positive impact on financial performance (Day and Nedungadi 1994;

Deshpandé, Farley, and Webster 1993; Jaworski and Kohli 1993; Kohli, Jaworski, and Kumar 1993; Moorman 1995; Narver and Slater 1990). Although marketing has been dubbed as the function of the business, and that a firm's market orientation has a positive impact on financial performance, the actual role of the marketing organization has been unclear. Day (1997) suggested that there is a tradeoff between developing a deep expertise through specialization with subordination functions to teams managing linked processes. Likewise, Workman, Homburg and Gruner (1998) predicted that a reduction in the need for strong marketing functions will occur due to the cross functional dispersion of marketing activities.

2.1.3 Marketing should coexist with a market orientation

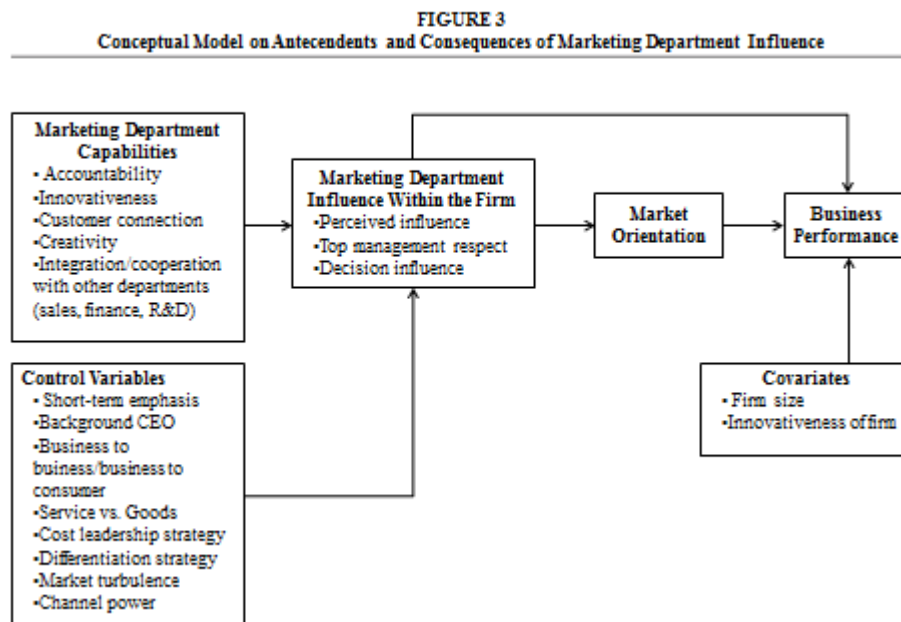
Moorman and Rust (1999) argue for the value of the marketing function beyond an organization wide market orientation. The marketing function can, and should, coexist with a market orientation. Their results show how the marketing function contributes to performance beyond market orientation and how customer connection knowledge and skills drive the value of the marketing function. The empirical findings are translated into how various organizational structures allow the integration of strong functions in a process structure such as market orientation. Moorman and Rust build upon the dependence on several contingencies in the environment and the organization (Workman, Homburg, and Gruner 1998). But the approach of hybrid organizations (Day 1997) or matrix management (Davis and Lawrence 1977) is ruled out because they only involve temporary overlays of project groups in functional design. The organizational scheme that Moorman and Rust suggest is designed in a more permanent way, creating subgroups connected to other functions, which then form a permanent horizontal, cross-functional team. Another organizational approach with less formal structure would be to establish a central guidance marketing function that would facilitate the articulation, navigation and orchestration of customer connections (Day, 1999). The marketing functions chief responsibilities would be to provide information about various connections in the framework. The role of the marketing organization is therefore proven to be value adding in a coexistence with the firm's market orientation.

2.1.4 The marketing departments influence within the firm

Published in 2011, a study conducted by Verhoef and Leeflang investigated what influences the marketing department, as well as the relationship with firm performance, across seven

countries. The study is built upon the conceptual model on antecedents and consequences of the marketing department influence, also developed by Verhoef and Leeflang. The main dependent variable is to which extent the marketing department is considered important within the firm and has power compared to other departments. This can be split up into three measures: the perceived influence, top management respect and decision influence. These are the three central variables in the model that are then linked to the market orientation and the business performance. Also, what affects the marketing influence is assumed to be the marketing department capabilities and environmental and internal control variables, such as channel power and generic strategy. This is illustrated below in the figure of the model.

Figure 1: The Conceptual Model on Marketing Departments Influence



Verhoef & Leefland, 2011

A summary of the findings on the antecedents of marketing department influence show that the marketing departments capabilities of accountability, innovativeness, customer connection and integration with finance are positively linked to the marketing department influence. However, the capability of creativity is negatively related to the influence, which is interesting since it suggests that creativity is not valued within firms. This might be because creativity leads to marketing propositions that are too far away from the existing beliefs within the firms, this not appreciated as much. Lastly it was also found that having a CEO

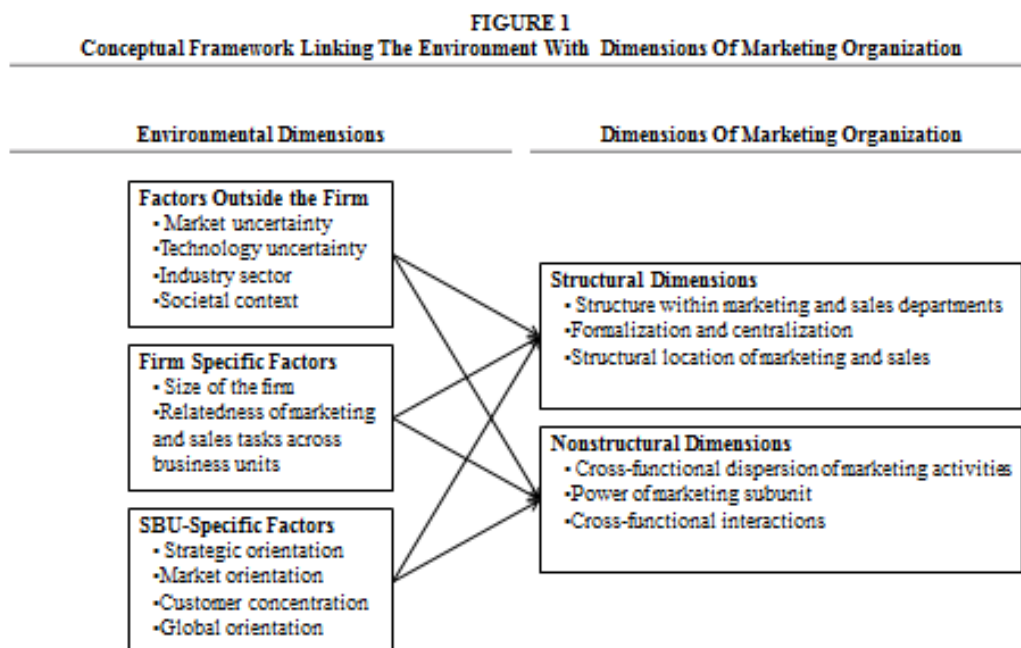
with a marketing background is positively related to the marketing departments influence. However, the results also showed that the marketing departments influence does not affect the market orientation of the firm, however, top management respect for the marketing department and the actual decisions influence of the department are positively related to the market orientation. This indicates that to achieve a market orientation, the marketing department needs influence on important marketing and management decisions. However, since it is a correlation there is the risk of dual causality in which the market orientation might actually drive marketing department influence. Last but not least, the authors most important relationship was between the marketing department and the firms overall business performance. It is a topic studied by many authors with diverging findings, but here the authors see cross-national indications that the marketing department influence is positively related to the business performance. This holds true beyond the firm's market orientation, but only for the measures marketing department decision influence and the top management respect. As a final empirical generalization, top management respect for the marketing department and their decision influence contributes to the firms overall business performance not only through their direct relationship, but also indirectly by the positive influence to the market orientation, which positively influences the business performance (Verhoef & Leefland, 2011).

What this study shows is that marketing departments need strong top management support and actual decision power, because this will strengthen the market orientation and the performance of their firms. To increase the influence top marketers should aim at increasing the accountability, innovativeness and the customer connection. To increase accountability the marketing department should be more fact-based and become more aligned with finance in terms of choosing relevant metrics. Marketers also need to step out of the focus of only existing customers, and explore new segments and become more innovative and create new products. Lastly, the marketing department must create a strong position in connecting to the customers. Here analytics and insights are key, which will enable the department to gather and spread customer information throughout the organization (Verhoef & Leefland, 2011).

2.1.5 Environment with Marketing and Sales Configuration

Various scholars have studied marketing's cross-functional relationships with other departments. The two fundamental approaches is to either have a functional group perspective which focuses on marketing as an organizational entity, and the second approach is the activity-based perspective, emphasizing activities traditionally associated with marketing. In an effort to create integrative research, Workman, Homburg and Gruner drew conclusions on both a functional and activity-based perspective, in order to investigate how the role of marketing varies across business contexts. Based on interviews with managers from US and German firms, the study builds a theoretical framework that explains how environmental dimensions affect dimensions of marketing organizations. This is presented in the figure below.

Figure 2: The Environment with Dimensions of Marketing Organization



Workman, Homburg and Gruner, 1998

The authors also develop a typology of how marketing and sales can be organized in a firm (See Appendix 1).

Many have emphasized the need for sales to be a part of marketing (Bund and Carroll 1957; Lazo and Corbin 1968; Weitz and Anderson 1981) with the symbolic action of establishing a CMO. However, in the study of 47 firms by Workman, Homburg and Gruner, twenty-five percent had no such role and the remaining has marketing and sales managers at the same level. The authors suggest that further research is needed in order to understand why firms have not adopted the organizational form recommended by many scholars (Workman, Homburg and Gruner, 1998).

2.1.6 Internal organizational rigidity prevents flexibility

As mentioned earlier there is a need for marketing organizations to become flexible, but in reality this might not be a credible option. In response, Homburg et al. (2000) suggested that organizations are still traditional hierarchical, but are shifting among different types of configurations to come closer to the end user.

But, the customer focus that Homburg et al., argues for has not developed as one would think. Organizations are still experiencing difficulties re-organizing their marketing organizations. This slow development can be derived from rigidity within the organization and slow reactions. With the markets changing so rapidly, organizations need to move beyond just dynamics and become adaptive marketing organizations (Day, 2011). Even though marketing has a justified place in the organization, internal rigidity prevents this move to become more adaptive and flexible.

2.1.7 Service dominant logic and the future of competition

Marketing and its role in the organization has evolved due to the evolution of value. Before there was a notion that value is equal to the efficient use of resources and the marketing logic was that the resources were the focus. Marketing was a production-oriented concept. However, the shift from a firm-centric view where the focus is on creating value for an end user, a more customer-centric view is emerging (Grönroos 1998, Vargo & Lusch 2004). It is now claimed that value can only be created and experienced by the user (Wikström, 1996). This claim positions the firm and the user as active parties in creating value, and this was the foundation of the service-dominant (S-D) logic (Ravald 2008, Vargo & Lusch, 2004).

The S-D logic is a mindset for understanding that society, markets and organizations are about the exchange of services. The use of knowledge and skills is the application of competences and the exchange of service. Therefore, all firms are service firms and everything is centered around the exchange of services. The value is in use and there is a co-creation of value. The consequence for organizations is that instead of market to customers, they need to market with customers (Vargo & Lusch, 2004).

In the article, Vargo and Lusch (2004) observe that the new dominant logic has important implications for marketing theory, practice, and pedagogy as well as for general management and public policy. However, in the commentary article published the same year, Bolton (2004), gathers some distinguished scholars to comment on the different aspects of Vargo & Lusch's article. Where Vargo & Lusch believe that one implications of the S-D logic is that marketing should be at the center of the integration, Day argues that this depend on what is meant by "marketing". Most probably it will not be the marketing function, rather marketing as a general management responsibility of the top team to think about. Therefore the marketing role has been broadened across the organization, validating that the new dominant logic is inherently customer centered and market driven.

2.2 The Chief Marketing Officer

2.2.1 The introduction of the CMO and the expectations

One of the first articles, dated 1984, mentions the role of a CMO and draws the parallel that embracing the CMO is to invite intuition and creativity into the boardroom. The authors refer to the CMO as a maverick, someone who challenges the status quo, and their recommendation is the CMO be added to the executive office. Without the CMO the organization will lose sight of emerging market trends and cultural shifts that are becoming more and more present in an era of rapid technological change and consumer impatience. In their opinion, the CMO should "imbue the culture of an organization with a marketplace perspective by injecting *strategic marketing* into the planning process of the organization." Whereas classical marketing analyses the need and desires of the market, strategic marketing emphasize the organizations resources and best ways to utilize them. Then even go the distance of proposing the CMO to be involved in decisions regarding product/services, customer and markets, pricing, technology, competition, environment, financial resources, physical resources and

human resources. To accomplish this, the CMO has to have excellent skills in almost everything and be “a prophet and a seer who is simultaneously pragmatic enough to recommend a specific form of organizational response.” And in order to evaluate the performance of the CMO the organizations are forced to take a leap of faith in the visions, because “strategic marketing is an art; it is not a science” (Gilliatt & Cuming, 1986). The introduction of the CMO in academic journals is no small one and the authors present quite a comprehensive and ambitious program for the CMO.

The role of the CMO and the marketing department presence in medium-sized UK business to business firms was studied in 1986, and showed that the formal departmentisation of marketing was only found in 45 % of the cases, but this was positively related to the company size. Looking at the integration of typical marketing functions, it was found that only one-sixth of the firms displayed high levels of functional integration within the marketing department. For example, more than 50 % of the marketing departments only had responsibility of advertising and marketing research. This shows that although there might be a marketing department, they seldom have full control of the entire marketing mix. In combination with examining the responsibilities of the CMO, this translates to that the corporate position for the CMO is rather weak. However, in most cases it was found that the CMO had similar status to the CFO and the chief of sales, and that 75% of the marketing departments had board representation (Piercy, 1986). The conclusion is that the CMO position might not control everything marketing textbooks propose they do, but they are still influencing the organization even though marketing is a highly ambiguous term in describing organizations and practices.

If the first two articles represent somewhat the emergence of the topic of the CMO and their role in the organization, a fast-forward to the summer of 2003 represents another view of the CMO. Firms are now looking for Super-CMOs according to an article in *Strategy + Business*, 2003. Companies are seeking men or women with the capability to rethink marketing and partner with senior executive across functions to develop and achieve business goals. With the need for strategy marketing, traditional marketers with tactical skills are not enough for senior management. These strategic marketers that are becoming so important and actually deserve the title CMO will require skills crossing the barrier between artistry and analytics. In particular they must be able to (1) spot trends early, (2) develop business plans that achieve financial goals, (3) draw subtle insights from customer behavior, (4) direct partners to develop

brand positioning with target customer understanding, and (5) stand up for the right business answers while building consensus across departments. In conclusion, marketers have drifted further away from power due to the empathized marketing communication that marketing has become synonymous with. Decisions have to be shifted to a more strategic position, which the CMO should be in charge of (Super-CMO, 2003, Booz Allen Hamilton). To concertize this further, Goodwin & Ball, develop a framework that will help CMOs focus on what the CEO and senior management want, and thereby, establish a voice at the table. The framework is based around awareness, consideration, and acquisitions (ACA) metrics, which together with market share/revenue and allocated marketing spend can enable CMOs to directly link marketing's efforts to revenue and company growth. This provides them with the missing financial link between marketing and senior management (Goodwin & Ball, 2003).

2.2.2 Multiple descriptions

According to the CMO Council, the very definition and what it takes to be a CMO remains unanswered at many of the companies that have adopted the title. With a real lack of definition and failure to align qualifications with the business, it threatens the viability of the CMO as a meaningful position. Even senior management who create the position for many wrong reasons does not know what to expect. Stakeholders in the process of hiring the CMO are primarily looking at the candidates experience in specific tactical marketing initiatives, rather than the strategic vision and boardroom talent that is needed (CMO Council, 2007).

Not all CMO positions are equal and there is an enormous variability in responsibility and job description. This comes naturally since different models exist for different types of companies, with different orientations. Depending on context, three different models can be used (Quelch & McGovern 2004 and ANA & Booz Allen Hamilton, 2004).

Exhibit 1: The different roles of the CMO

VP of Marketing Services	Classic CMO	Super-CMO
<ul style="list-style-type: none"> • Be an efficient administrator, but not necessarily a strategic thinker • Have a “supporting role” versus a “starring role” mentality • Demonstrate technical proficiency in marketing support functions (e.g., market research) • Excel at developing supportive relationships, building teams, and influencing others 	<ul style="list-style-type: none"> • Be a patient, tenacious persuader • Be able to hold his or her own with line managers and the CFO • Avoid no-win battles with sales • Shun publicity unless it is to represent 	<ul style="list-style-type: none"> • Smart, confident, and able to debate head-to-head with line managers • Able to attract and retain top marketing talent, including line managers and senior staff • Excellent at both left-brain (analytical) and right brain (creative) marketing • A change agent with strong convictions and staying power • Well respected and trusted by the CEO and peers

Source: Quelch & McGovern, 2004

The first model is a vice president (VP) of marketing services that is in charge of the cost center made up by marketer professionals. This “center of excellence” is then used by business unit managers with profit-and-loss accountability. It therefore acts as a central market function, and typically develops and monitors compliance with the brand guidelines and also for example brochure design. Although the VP of Marketing may coordinate relationships with external marketing partners, these deals are often negotiated elsewhere in the organization. This model can often be globally organized and fits B2B companies with a strong R&D-driven culture in which the product managers have a lot of responsibility. In this role the VP of Marketing is required to be an efficient administrator, but not necessarily a strategic thinker, in a supporting role. The person must also demonstrate technical proficiency in marketing support functions and excel at developing relationships (Quelch & McGovern, 2004).

The second model is the classic CMO, which must ensure that long-term marketing and brand-building considerations are part of the top management agenda, especially in organizations not led by marketing. The CMO must monitor the consumer landscape and represent the voice of the customer in interpreting consumer insights that can produce new

products or services. These contributions are especially valuable in sales driven companies, but the power to influence is often limited because the role rarely includes oversight of sales, strategy or product management. However, sometimes the CMO may be asked by the CEO to develop the strength of the marketing bench across the organization and be part of performance reviews. This enhances the chances of aligning the marketing plans with the corporate agenda (Quelch & McGovern, 2004).

In a marketing organization the classic CMO role is narrower and includes optimizing the value supplied by marketing service suppliers and being a catalyst for leading-edge marketing. This narrower role comes natural since the marketing capabilities are spread throughout the organization. But both in the non-marketing and the marketing organization the classic CMO must be a patient but tenacious persuader. Be able to communicate with line managers and the CFO, and stand up for the marketing department. The role must also avoid no-win battles with sales (Quelch & McGovern, 2004).

The last category is the Super-CMO, which is an extension of the classic CMO but that has proven himself or herself gradually and earned internal support and trust from the CEO. It is basically a senior marketing executive with a background as a general manager that can talk the language of business strategy and finance. They usually have authority over the marketing budget and stature to direct the global brand strategy. A company with a highly ranked brand that sells multiple products and services under one umbrella usually has a super-CMO. Marketing and brand building are typically highly valued and critical to commercial success. Criteria for the super-CMO are that he or she must be smart, confident and able to debate with line managers. They must also be able to attract and retain marketing talent, be excellent in analytical and creative marketing, and also be well respected by the CEO and peers (Quelch & McGovern, 2004).

2.2.3 Unaccountable and slippery marketers with short tenure

However, although a Super-CMO representing an ever more relevant marketing department, with the right tools and skills, deserve a place of influence amongst senior management (previous cited articles), that is not always the case (Schultz, 2003). According to a study by Cranefield University, marketing people were described as unaccountable, untouchable, expensive and slippery. Maybe marketing needs to think about what it is and what is supposed

to for an organization; because there is no clear picture why the CEO should actually have the CMO at the table (Schultz, 2003).

As described by the authors above, the emergence of the CMO is a consequence of large corporations looking for strategic and operational leadership in their marketing organizations to find more profitable path to grow. They are expected to do more than a conventional marketing leader, and CEOs have recruited to have a single person to turn to regarding marketing (Quelch & McGovern, 2004). However, at the time the CMO is fast becoming one of the riskiest jobs in North America. The trend showed that CMOs are going through the door quicker than any other senior-level executive. The average tenure for the top 100 branded companies is just 23 months, compared to the CEO with an average tenure of 54 months. With these numbers, coupled with the continued importance of marketing in the business world, something needs to be done. According to the company presenting these numbers, the factors driving this trend is the overall complexity and sophistication of the marketing function has evolved over the last decade. CMOs are given an elevated state of function but the expectations between the marketer and those executives on the board aren't aligned. It is also usual that the CMO over-promise what they will be able to deliver. Another key factor is the cultural fit, which can cause short tenures, but is also the one factor that is the key to success. The CMO has to learn the company's strategy and build alliances across the organization and listen both to customers and consumers (Spencer & Stuart, 2011).

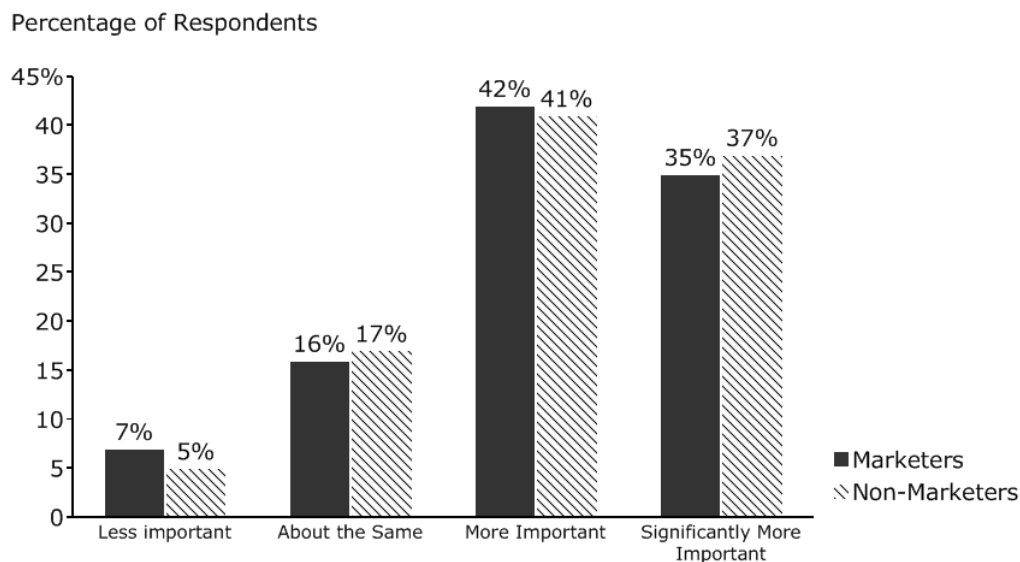
To explore this further Quelch & McGovern surveyed 120 companies and conducted 18 in-depth interviews with CMOs and/or CEOs from global companies. The research shows that the rapid turnover can be explained in five reasons: too much showmanship, too little empowerment, expectations too high, too little expertise and too uncertain a need (Quelch & McGovern, 2004).

2.2.4 The growing importance of the CMO

“Chief executive officers are growing impatient with marketing and they feel that they get accountability for their investments in finance, production, IT, and even purchasing – but don't know what their marketing spending is achieving” Philip Kotler wrote in an article concerning why CEOs are fed up with marketing (Kotler, 2004). In an article to investigate the truth behind this assertion, the connection between marketing and the leadership agenda

was studied, in order to determine any causes of dysfunction and uncover best practices for the marketing investigation. In short, it showed that 75 % of marketers and non-marketers stated that marketing had become more important, but in half of the cases, marketing and the CEO agenda was not aligned (Hyde, Landry & Tipping, 2004).

Figure 3: The Rising Importance of Marketers



ANA/Booz Allen Hamilton Marketing Organization Survey, 2004

It also revealed that higher expectations have driven two thirds of all companies to reorganize the marketing department, but leaving the CMO position ill-defined. Measurable outcomes, such as true ROI, are now also expected from the marketing department, but “soft” measures such as awareness are still in use (Hyde, Landry & tipping, 2004).

In more complex and rapidly changing environment, the marketing function seems caught in a vicious cycle of being replaced or reorganized on a regular basis. This can be related to the disconnected agendas of the CEO and the CMO, where the former focuses on top-line growth and speed to change and the latter is heavily focused on tactical missions such as branding guidelines. There needs to be an alignment between these two, and here real ROI is the main key (Hyde, Landry & Tipping, 2004).

The same trends can be seen in the CMO Councils report on the topic. Nearly 75 % of the executive suite says that marketing is highly influential and strategic in the business, but at the

same time they say that the CMO does not provide adequate ROI to measure marketing's true performance. Also, according to board members surveyed over 80 % believed that the CMO position will gain greater credibility, but on the other side, less than 20 % of those board members said that an increasing numbers of CMOs will rise to the CEO position (CMO Council, 2007).

2.2.5 How can CMOs be successful?

There are some practices which successful marketing operations are employing to align themselves with the CEO agenda. The first success factor is to choose which type of CMO that is best suited for the company and is agreed upon with senior management. The three emerging roles are the ones described above as VP of Marketing Services, the Classic-CMO, and the Super-CMO. Once this is decided there also needs to be an understanding of what is expected from the CEO. Here the CMO needs to be clear about the CEO agenda, knowing what functions and levers they can control within the organization, what they will be measured on and they need to have visible support from the CEO towards the rest of the organization. This is important in order to develop organizational linkages, which are crucial. The CMO also needs to take control of the marketing capabilities and make them measurable and credible. Lastly the CMO needs take risks and come up with big ideas, while maintaining focus and balance with the more sustaining ideas (Hyde, Landry & Tipping, 2004).

2.2.6 Why CMOs have high churn rates, short tenure & no voice

A more recent topic covered by various authors investigates the high churn rates and short tenures of CMOs. The reasons behind these phenomena are studied and possible ways for CMOs to adapt to stay within the organization are proposed. As corporations seek more paths towards profitability and growth they are looking for strategic leadership from the marketing organization. The result is an increase of a senior title that didn't even exist 10 years ago: the CMO. In the article by McGovern & Quelch, "The Fall and Rise of the CMO", it is stated that the CEOs of Fortune 500 firms that appointed the CMOs are looking for marketing expertise and a leader to boost the marketing strength. They need a single person to whom they can turn to. Although the intention is good, the track record of CMOs is mixed. The article surveys 120 companies and conducts 18 in-depth interviews with CMOs and/or CEOs to gain deeper understanding of what drives failure and success. The results show that CMOs experience a

high churn rate for five reasons: (1) too much showmanship; (2) too little empowerment; (3) expectations too high; (4) too little expertise; and (5) too uncertain a need.

2.2.7 The evolving role of the CMO

The CMO role needs to be broadened to expand past narrowly defined roles that emphasize advertising, brand management, and market research. This expansion will encompass a redefinition of what the very marketing department performs. This change is necessary and is driven by the Internet and evolving distribution models, which are changing the way customers shop. Not only is it changing, but third parties such as bloggers and user-generated channels have a greater influence on organizations. This will not only affect the marketing department, but corporations in large. Since many of these changes are related to the CMO, it comes natural for the role to evolve. In order for this to work companies need to broaden the role of marketing in general and the CMO in particular. This also requires the CEO to ensure that they have the right person as CMO, because they will be involved in developing new capabilities across the organization (McKinsey, *Evolving Role of the CMO*).

“It’s time for marketing to step out of the shadows and trumpet its achievements” are the opening words in the articles “What Marketing Wants the CEO to Know” (Goodwin & Ball, 2003). The authors point out that the key to business success lies in creating a balanced marketing strategy between customer retention and customer acquisition. The sum of these creates the market share and the growth the CEOs expect. With this in mind, the authors develop a business model that can help CMOs develop and implement their marketing strategies. The model integrates corporate branding, category communications and category experience management into a single framework that allows CEOs to optimize the bottom-line impact marketing has.

Although the focus is on creating a framework for marketing, the purpose is for the CMO to be heard by the CEO. By being able to directly link marketing efforts to revenue and company growth, in a language senior management can comprehend, the CMO becomes relevant. Marketing is able to validate its impact and CEOs will be able to recognize this and finally welcome the CMO to their table (Goodwin & Ball, 2003).

2.3 The link to the research questions

- What role does the CMO have in the organization?

The first chapter of the literature review, the marketing organization, will be used as background to understand how marketing and the CMO has been and is connected to the organization. Moorman and Rust (1999), among others, argue for that there is room for a strong marketing organization alongside a market orientation. Verhoef and Leeflang (2011) provide a conceptual model on how the marketing department influences business performance, which is also used to support the CMO role in the organization. The environment dimensions of marketing organizations, from Workman, Homburg and Gruner (1998) are also used to answer this question. Lastly, the service-dominant logic also used to understand what role the CMO has in the organization.

Another framework for understanding the role of the CMO is from Quelch & McGovern (2004) who propose three different roles. This framework will be used to describe different types of CMOs in organizations, mapping where they differ and where they need to go.

- What are the challenges for the CMO today?

To understand the challenges today we use literature dating from 1984 and forward to describe how the role has emerged in section 2.2.1 “The introduction of the CMO and the expectations”. Next we use literature to describe the perception and tenure the CMO has today. Section 2.2.6 explains that CMOs have a high churn for five different reasons, which will be used in comparison to the empirical findings.

- How can the role be developed to meet future challenges and requirements?

The framework of the different types of CMOs from Quelch & McGovern (2004) will be used as a discussion point for how the role should be developed in the future. Also, Goodwin & Ball (2003) will be used to support the CMO role to become closer to top management.

3. METHOD

The following chapter will elaborate on the research methods used in this thesis. The chapter includes the research strategy and the research design, the method of the pre-study and the case selection and it concludes with a discussion regarding the research quality.

3.1 Research Strategy and Scientific Approach

3.1.1 Initial Work

The area of marketing and the CMO within the organization have been disputed for many years. We first recognized this being debated in a Swedish newspaper, but quickly expanded our search for further information. Although marketing's role in the organization has been studied over the past decades, research linking the role of CMO is only to some extent developed. With this gap in mind our initial work included discussing the topic with Hans Kjellberg, associate professor from the department of Marketing & Strategy at the Stockholm School of Economics, Sweden. In combination with the initial readings, we chose to deepen the knowledge within the field of the CMOs and the marketing's department's role within the organization

3.1.2 Hermeneutic Approach

With our research subject in mind it was natural to take a hermeneutic approach in our study because we were looking for a deeper understanding opposed to the positivistic approach, which seeks explanation (Andersson, 1979). This refers to a contextual understanding rather than the search for generalizations in the explanations. Also, with a hermeneutic approach we can focus on why questions instead of formulating hypothesis to verify or reject.

3.1.3 Abduction

When creating knowledge there are three different perspectives: induction, deduction and abduction. Inductions originate from facts and deduction from theory. This means that an inductive study descends from the empirical world whereas the theoretical world is the source from a deductive study. The third perspective, abduction, is the analysis of facts in combination with, or proceeded by, studies of existing theory as a source of inspiration to discover patterns for further explanation (Abnor & Bjerke, 2009). For this thesis, this

becomes a very important topic to discuss, as our method is not a usual approach and the thought of combining theory, literature, and opinions, with interviews to create a theoretical framework can come across as “thin”. Therefore, just as the abduction approach recognizes that induction and deduction are intertwined, in the way that a study works in practice, so does this thesis. Combined with the hermeneutic approach reasoned for above, this study with its perspective on theory and knowledge creation, will have an abduction move toward.

3.1.4 Qualitative method

With a hermeneutic and abduction approach to decrease the knowledge within this field a qualitative research method was chosen (Merriam, 1994). Due to the lack of knowledge within existing research a quantitative research method would not be as suitable, since it would require a set of specific questions to act as hypotheses (Bryman & Bell, 2007). Also, since we wanted to understand the entire context of the situation, a qualitative approach would provide much more insight (Bryman & Bell, 2007).

3.2 Research design

3.2.1 Comparative design with multiple cases

A comparative design entails using the same method of two or more contrasting cases. Using the comparative lens on multiple case studies allows us both to add knowledge on the topic using several sources, but also allows us to discuss the differences between different contexts. However, the main focus will be on a basic case study, which contains detailed and intense analysis of a single case, for example, a person and is concerned with the complexity and particular nature of the case in question (Bryman & Bell, 2007). Although almost any type of research can be designed as a case study, we found it appropriate because it focuses on the how and why questions in a real-life context (Yin, 2003). A case study also fits with an inductive/abductive approach with a qualitative method (Bryman & Bell, 2007). As for the design of the case studies, we wanted to not limit ourselves to a single person, but multiple people within the area. Therefore multiple cases were studied and compared to increase the generalizability (Eisenhardt, 1989). This allows the researcher to consider what is unique and what is common across different cases and promotes theoretical reflections (Bryman & Bell, 2007). Within multiple case studies you can either choose a holistic or an embedded design. We choose a holistic design since it treats each case individually instead of embedding them

in a group. Treating them individually is necessary since we are not able to speak to all actors within the area to provide a complete picture (Yin, 2003). Therefore the chosen cases are both relevant, which is normal for qualitative case study's inductive approach towards the research. Also, the cases are representative cases that can exemplify an everyday situation or form of organization (Yin, 2003). The analysis is focused on the unique contexts and emphasized on the individual cases. A cross-functional design with a focus on the sample of cases was ruled out since our research strategy is not aimed at creating general knowledge, but instead highlighting different cases to add theory to the research area (Bryman & Bell, 2007).

3.2.2 Qualitative interviewing with semi-structured approach

The method for studying the cases was in-depth interviews because the aim was to understand a complex situation (Malhotra, 2004). In-depth interviewing, also referred to as qualitative interviewing, differs from quantitative interviewing in the sense that the emphasis is on generality in the formulation of research ideas and on interviewees own perspective. There is much greater interest in the interviewee's point of view. In this approach going off tangents is encouraged as it gives insight into what the interviewee sees as relevant and important. In qualitative interviewing two major types of approaches exist, the unstructured and semi-structure interview. The former often begins with a single question and then the points that seem worthy are followed up and it tends to be very similar to a conversation. In the semi-structured interview the researcher has a list of questions on fairly specific topics, often referred to as the interview guide, but there is a great deal of leeway in how to reply. Questions don't always follow the outline and questions can be added along the way (Bryman & Bell, 2007). In our interviews we applied a semi-structure qualitative interview style, where we had a set of questions and topics we used as a guide in all interviews. This allowed us to ask similar and comparable questions in the different cases, but also included a flexibility to explore the areas that were more important in some cases.

Exhibit 2: Overview of the general topics covered in the discussion guide

<ul style="list-style-type: none"> • Introduction to the topic • Background of the respondent <ul style="list-style-type: none"> - Education, previous work experience, tenure • Marketing in the organization <ul style="list-style-type: none"> - Marketing in the organizational chart - Marketing organization (e.g. size) - Who report to who - Collaborations across organization • The work tasks <ul style="list-style-type: none"> - Strategic vs. operational - Strategy development - Organizational linkages - Monitoring and control • Marketing's importance <ul style="list-style-type: none"> - Most important contribution from marketing to the firm - Primary focus - Restructuring within the department - Future? 	<ul style="list-style-type: none"> • The CEO perspective <ul style="list-style-type: none"> - CEO vs. CMO perspective - CEO background • Top Management perspective <ul style="list-style-type: none"> - Top Management vs. CMO perspective - Part of top management? Why? • Challenges <ul style="list-style-type: none"> - What are the challenges? - Internal/external & how can they be solved? • Solutions and the Future <ul style="list-style-type: none"> - Where should the marketing department & CMO focus? - Accountability? - Strategic vs. operational? - What attributes does one need - KPIs
---	---

3.2.3 Sampling

As previously described the chosen cases were evaluated based on relevance and representativeness for the study, which means that the sample is also convenient and opportunistic because issues of representativeness is less important in qualitative research aimed to generate in-depth analysis (Bryman & Bell, 2007). With this in mind we set out to target two different categories of interviewees. The first category included the academic field in which we reached out to professors and researchers from universities. They were chosen based on their connection to the research topic and on recommendation from other academics. Also included in this category were industry experts, which consist of people who are knowledgeable within the area and work either as consultants or for organizations within the field. The second category, and the main source for this study, is made up of people with positions as CMO or with relevant experience from similar roles in different companies. The aim here was to cover both business- to- business (B2B) and business- to- consumer (B2C) companies. As explained earlier, since it would not be possible to cover every single variation, we had to treat every case individually and draw conclusions based on their situation. Snowball sampling was also used in some cases, which means that interviewees were asked to also recommend other people they believed valuable to the topic. This enabled

access to contact other members, since there was no rigid sampling frame (Bryman & Bell, 2007).

Exhibit 3: Participants

<u><i>Organization</i></u>	<u><i>Role</i></u>	<u><i>Area</i></u>
Swedish Marketing Federation	<i>Managing Director</i>	<i>Specialist</i>
PlannerFed, Consultant	<i>Marketing Specialist</i>	<i>Specialist</i>
Gothia	<i>Consultant</i>	<i>Specialist</i>
Stockholm School of Economics	<i>Senior Research Fellow, Center for Consumer Marketing</i>	<i>Specialist</i>
Stockholm School of Economics	<i>Professor, Head of Dept. Marketing & Strategy</i>	<i>Specialist</i>
Element	<i>Marketing Manager</i>	<i>Specialist</i>
Stadium	<i>Marketing Manager</i>	<i>B2C</i>
Matpriskollen	<i>CEO/former Marketing & Sales Director</i>	<i>B2C</i>
AMF	<i>Marketing Communications Manager</i>	<i>B2C</i>
VING	<i>Marketing Manager</i>	<i>B2C</i>
IBM Norway	<i>Director of Strategic Business Development/former CMO</i>	<i>B2B</i>
Allied Group	<i>Engineering Manager/former Marketing Director</i>	<i>B2B</i>
SKF	<i>Sales Unit Manager</i>	<i>B2B</i>
Företagarna	<i>Marketing Manager</i>	<i>B2B</i>
Sandvik	<i>Senior Manager of Sales Process</i>	<i>B2B</i>
SKF	<i>Marketing Manager</i>	<i>B2B</i>

3.3 Reliability and validity in qualitative research

The important criteria of reliability and validity that are used in establishing the quality of a quantitative study has been argued to not have the same extent of relevance for a qualitative research. At least, the meanings of the words need to be altered in order to better fit the nature of the qualitative study. One view is to assimilate reliability and validity into qualitative research with little change, except by decreasing the focus of measurements (Bryman & Bell, 2007). LeCompte and Goetz developed this further by defining four different criteria: external reliability, internal reliability, external validity, and internal validity (LeCompte & Goetz, 1982). However, in this study we have chosen another view on reliability and validity, which takes a step further away from the how quantitative research is judged. Instead of developing reliability and validity, two new primary research criteria are introduced for assessing a qualitative study: trustworthiness and authenticity. The latter criteria, authenticity, has been provoking but has not been influential and it is controversial (Bryman & Bell, 2007).

Therefore we choose to disregard this criteria and instead judge our study by the four criteria's that make up trustworthiness: credibility, transferability, dependability, and confirmability (Guba & Lincoln, 1994).

3.3.1 Credibility

Credibility is parallel to internal validity and stresses the importance of providing an accurate picture of social reality. In qualitative studies there is always going to be the issue of displaying a complete picture of reality, because of the few respondents. However, credibility can still be strong if the research is carried out in good practice. To ensure credibility in our research we first of all encouraged the respondents to speak freely about their situation and thoughts. The questions we had prepared acted as a discussion base and emphasis was put on the areas which provided the most accurate picture of the specific case. However, the same range of questions was used in all interviews, in order to obtain a degree of comparability and credibility. Also, by using three different groups, with a couple of respondents in each, we were able to triangulate the data and understand what deviated from the group (Bryman & Bell, 2007).

3.3.2 Transferability

Since a qualitative study typically focuses on the intense study of a small group, the findings tend to have contextual uniqueness and significance of the aspect being studied. Transferability is parallel to external validity and involves the question whether the research can be replicated or applied in another context (Bryman & Bell, 2007). To provide this in qualitative research, one must provide a thick description, so that others can judge the possibility of transferability (Lincoln & Guba, 1985). In order to provide an analytical generalization we interviewed multiple cases with numerous questions in order to provide a large range of information in each case. This enabled a thick description of each case, increasing the transferability of the study (Geertz, 1973; Lincoln & Guba, 1985).

3.3.3 Dependability

Acting as a parallel to reliability in quantitative research, dependability is to establish an “auditing” approach. Although it has not become a popular approach to increase dependability, it entails keeping complete records of the research process so that it can be replicated by another researcher (Guba & Lincoln, 1985). To ensure this we accounted for our

process, problem formulation and selection of interviews by keeping records of the interviews (Bryman & Bell, 2007).

3.3.4 Confirmability

The last criteria of trustworthiness is confirmability which parallels objectivity, and is concerned with ensuring that the researchers personal values not overtly swayed the research and the findings derived from it (Guba & Lincoln, 1985). Although complete objectivity is impossible in business research, our contribution to objectivity can be found in our research design where we chose to interview several respondents from several cases, as well as a group of industry experts. We then triangulated the data and linked it to existing literature in order to provide a clear picture that is unbiased.

4. EMPIRICAL FINDINGS

The results derived from this research are divided in three sections, based on the background and nature of the studied cases. The first section will deal with the industry experts, which will provide a view of the industry from their perspective. Secondly, the findings from interviews with CMOs of various business to business organizations will shed light on the environment today, and the challenges faced, as well as the future. Lastly, business to consumer CMO studies will contribute with their view on the topic. This will enable the reader to grasp the various angles that make up the empirical findings of finding and defining the CMO in the organization.

4.1 Industry Experts

In order to obtain a broad overview of the research area and gain general opinions from professionals with extensive experience from the industry, a group, called industry experts, were interviewed. The group consisted of five people with various backgrounds from marketing associations, consultants, and from the academic world. More specifically, the group included the Managing Director of the Swedish Marketing Federation, a marketing specialist with a background as VP of brand management of Electrolux and Consultant for various organizations, a consultant with the marketing consultancy firm Gothia, one professor from the marketing & strategy department at the Stockholm School of Economics (SSE), as well as a senior research fellow from the Center for Consumer Marketing, also at SSE, and finally, the marketing manager at Element which is a B2B consultancy focused on the integration of sales and marketing.

Exhibit 4: Summary of the industry experts

Position	Organization	Description
Managing Director	Swedish Marketing Federation	<ul style="list-style-type: none"> • Largest organization in Sweden for everyone within marketing, usually with head of Marketing as primary contact • 850 Swedish companies as members • Umbrella for Sweden's 30 local marketing organizations
Marketing Specialist	PlannerFed, Consultant	<ul style="list-style-type: none"> • Senior Advisor at PlannerFed, Marketing and Business Development at Penetrace • Former VP brand management at Electrolux, Chairman of Swedish Advertisers
Consultant	Gothia (at the time of interview)	<ul style="list-style-type: none"> • As of 2013, new Communications and Marketing Manager at Djursjukhusgruppen • Former Business area manager at Gothia and various marketing roles
Professor and head of department	Marketing & Strategy, Stockholm School of Economics	<ul style="list-style-type: none"> • B2B research in marketing and purchasing, such as effectively organizing marketing activities
Senior Research Fellow	Center for Consumer Marketing, Stockholm School of Economics	<ul style="list-style-type: none"> • Research deals with increased marketing effectiveness in communication • Market analyst for Swedish marketing and media newspaper
Marketing Manager	Element	<ul style="list-style-type: none"> • Element creates strategies and marketing programs for B2B organizations • Integrating sales and marketing

Source: Business websites, Interviews

4.1.1 The market environment needs a CMO

Agreed by all industry experts is that the questions about the future of the CMO and the role definition is highly relevant at this point in time. Organizations have during the past years gone through some major changes, which also have, or will, come to have an impact on the position of the CMO. One of the developments is the increased market orientation within

organizations. The group argues that organizations have become more attentive in how different marketing “features” affect them. However, this has not affected the relevance of the marketing department to the same extent, and there lies one of the issues. This has clearly affected the CMO by actually minimizing the importance of the position and instead delegated the tasks to other departments in the organization as well as to top management. The CMO has a rough time keeping everything together when the responsibilities are being delegated throughout the organization.

Another important factor affecting the CMO is the fast technology development the world has seen in recent years. The consumers today are advanced technology users and are adapting to new trends fast. This makes it crucial for companies to follow along this path and to reach the consumers as they want to be approached. As the Marketing Manager for Element points out, the buying process has become much more complex. It’s starting much earlier than before since the consumers now often search for information online before they decide to go out and buy something. Before it was the sales person that found the buyer, educated the buyer and made the deal. Nowadays it’s the consumer who educates herself and then locates the place of purchase. Also the offerings have increased immensely due to online web shops, which empowers customer. But it’s not only the consumers that are becoming more technology driven, organizations are developing new systems and processes by, for example, it’s easier to track results and also to perform different types of market research and communication. This is an area that the marketing manager at Element pointed out as an important process for the CMO, especially within B2B. With increased possibilities largely driven by technological innovations, marketers have the power and opportunity to become smarter when it comes to customer relationships. For example, marketers can now follow the customer throughout their interaction with the organization and track them along the way. This enables the marketing department to generate warm leads and work closer with the otherwise dominate sales department. Tracking customer from the first point of contact, and then handing that warm lead to sales, also creates a possibility to measure the performance of the marketing department in the same way as sales is measured and evaluated. Within Element the marketing department tracks their customers and keeps records of all potential customers when they are in the “marketing process”, which includes sending content, inviting to discussions and so on. When the customer moves to a more formal meeting about their services, the sales department takes over the profile. If this later generates a sale, both the marketing and the sales department are rewarded and measured by it. However, a

consequence of this, which also the consultant at Gothia pointed out is that this increases the pressure of the CMO to become more IT oriented.

4.1.2 Unclear role definition

Even though different organizations require different CMOs, the diffusion of the definition of the role remains. Many of the experts have examples of people believing that they are signing up for a position as marketing manager, but then realizes that they have been assigned as a marketing communication manager, as well as the opposite way around. There is no clear definition regarding what a CMO is. This issue affects not only the CMO itself but also makes the rest of the organization uncertain what to expect from the CMO and marketing department as well as what they should be accountable for. This increases the risk of viewing the marketing organization more as a cost center rather than an investment, which is very common according to the experts. The Consultant from Gothia mentions “that if you don’t know what marketing is then what requirements should you set?” What’s also a challenge for the CMO in regards to the issues mentioned above is that marketing often is a subject where everyone seems to have an opinion. If the marketing department is seen as a cost center without clear objectives and responsibilities, it might be absorbed by other functions of the organization, not keeping a clear strategic focus. As the Senior Research Fellow at SSE pointed out, there seems to be a pattern in the position of the CMO. They are getting less and less voice in the organization and that their tasks are becoming more operational rather than strategic. The strategic decisions regarding market choices and growth strategies are often put on a higher level in the organization. By this, the competence of the CMO is not used effectively. Maybe the issue starts already at the naming of the role. What is really the difference between a CMO, Marketing Director, Marketing Manager, Market Communication Manager, and Brand Manager Etc.?

4.1.3 The CEO effect on the role

This diffusion has also led to a discussion whether the CMO or an equivalent position should be part of top management and to what extent it should be regarded as a top management role. As the Marketing Manager at Element points out, many of the CMOs today only report to top management without being a part of it. It is of course different needs for different organizations, but as marketing is becoming more important and more complex many of the industry experts see a reason why the CMO should be a part of the top management team in

many of the organizations. The ultimate decision whether the CMO gets a place or not seems to be made by the CEO. If the CEO acknowledges the importance of an aligned marketing organization with the rest of the organization and values the capabilities of the CMO, the tendency is that the CMO is more often included in the top management team. The issue with this is that the CMO role is in many cases is defined by the CEO. When a role is defined by the CEO in that extent, the CEO background plays a part in the outcome. According to the group of experts, few CEOs actually have a marketing background. This often has a negative effect, just as a marketing background has a positive effect, on the outcome of the CMO success. The situation today is that CMOs are often ranked the lowest amongst top managers in the organization.

4.1.4 A new type of CMO is needed

The industry experts see a need to develop a new breed of CMOs. The consultant at Gothia has identified three major areas of improvement for the CMO. It involves IT, operational excellence and tracking of financial performance. These things are needed to become a more strategic resource in the organization. The CMO should become more business oriented and a lot more focus should be put on the business advantage. Top management, including the CEO, has to understand the capabilities of the CMO as well as its department for the business and by that also set clear targets. Another important aspect is the coordination and communication between other departments. As technology development is moving fast so has the CMO, it's all about being able to adapt to quick changes in the market. Therefore the marketing department has to be closer related to the IT department. The CMO needs to gain technology skills and always be updated on new trends and develop new systems through collaboration with the Chief Information Officer (CIO). Another important collaboration partner is the Sales Director. Marketing is and has always been linked to sales; the strength of the link has however varied. Some organizations only use marketing as a department which responsibility is to generate warm leads to the sales organization. Others have more focused of strategic branding and communication. Either way, the marketing department with the CMO as a front figure has to be more effective in collaborating with the sales department. They should work in symbiosis and marketing should not be seen as just a cost center while sales is the one generating revenue. To become more accountable and understand the business and numbers behind the work the CMO also has to connect to the finance department. The CMO needs to take bigger responsibility for organic growth and profitability for the

organization and be tracked by KPIs well connected to the business and general business targets. They have to be good at translating their marketing investments into concrete business results. To summarize, to become a successful CMO today the knowledge has to be broader than before and it's important to be able to have arms and connections across the organization.

For the CMO to become more effective, some experts mention that support functions to the marketing department and the CMO might be of high relevance to unburden some of the operational work load. However, the issue is that sometimes the CMO isn't allowed to invest in support systems that are not seen as strategic, which leads to difficulties in obtaining the support needed for development. The marketing department needs to be streamlined and the question about where we put the time and where to put the cost has to be raised. In the work of streamlining the department the question about outsourcing is relevant. Are all processes connected to the core competencies of the organization and are the resources available? In some cases specific tasks need to be outsourced, in order to give the CMO more time to step up on a strategic level. An important personal capability for the CMO will thereby be the skill to act as a good pedagogue. In order to raise the right questions and be heard by the rest of the organization, the CMO has to be very competent in communicating with people in their surroundings.

4.2 B2B Organizations

The industry experts can provide a very broad experience and touch many interesting topics regarding different organizations and CMOs. However, to get an inside-out perspective, the real answers can be found from the CMOs themselves. Since different organizations work with marketing in different ways, the empirical findings from the interviews have been split into B2B and B2C organizations. Six interviews have been conducted with B2B organizations and the positions representing these have been: the Regional Director of Strategic Business Development at IBM Norway, formerly Marketing Manager & Communications Manager for IBM Nordic, an engineering manager at Allied Group, with a past as director of marketing and sales and general manager, the Sales Unit Manager at SKF, previously head of marketing and board member, the Marketing Manager at Företagarna, previously CMO at Dialect for several years, the Senior Manager of Sales Process at Sandvik Coromant and lastly, the Marketing Communications Manager at SKF.

Exhibit 5: Summary of the B2B respondents

Position	Organization	Description
Regional Director of Strategic Business Development	IBM	<ul style="list-style-type: none"> • Currently engaged in IBM strategic business development across 8 countries • Previously CMO at IBM Nordic
Engineering Manager	Allied Group	<ul style="list-style-type: none"> • Currently engineering manager with marketing responsibilities at a worldwide master manufacturer and distributor of ex. Fittings and pipes for gas production facilities and commercial mechanical markets, • Previous roles include Director of Sales and Marketing at ABB Hafo
Sales Unit Manager	SKF	<ul style="list-style-type: none"> • SKF, founded in 1909, is a global technology provider with a TO of 67 SEK B (2011) • Part of the Industrial Market Regional Sales & Service (RSS) organization, TO 26 SEK B (2011)
Marketing Manager	Företagarna	<ul style="list-style-type: none"> • Marketing manager at a membership organization focused on supporting over 75 000 Swedish businesses • Previously CMO at Dialect, offerings it- and communication solutions for businesses, TO 0.5 SEK B (2011)
Senior Manager of Sales Process	Sandvik Coromant	<ul style="list-style-type: none"> • Sandvik Coromant is a supplier of tools and services to the metalworking industry
Marketing Manager	SKF	<ul style="list-style-type: none"> • Part of the (RSS) organization

Source: Business websites, Interviews

4.2.1 Subordinated marketing organization detached from strategy

The role of the CMO is very fragmented within the B2B industry. The definition seems sometimes indefinite. A traditional marketing department is not always in place but rather a combination of different important elements taken from other departments. It's then the CMO's responsibility to lead and coordinate this work. In many of the B2B organizations the marketing department is integrated or directed towards sales. One example of this is SKF,

where some employees that belong to the marketing department are out on loan to the sales department to work on more strategic questions. The consequence of this is that marketing doesn't "own" any of the strategic questions by themselves but in other words work more as a support function towards sales. The marketing work is determined by what sales believes is important, since they are in charge of the budget. The department as a whole is seen as a cost center rather and does not have any financial targets to work towards. So when sales want to cut down on the cost side, it is easy to change marketing, since they don't contribute with anything, is the view that the Marketing Manager at SKF describes.

A large part of the interviewed also indicated that a big chunk of their work load is dedicated towards marketing communications. In other words, they develop communication material to attract new customers, which are then handed over to the sales department. There isn't room enough for the strategic marketing questions to be raised and the daily routines are instead focused on the operational aspects of marketing. However, there seems to be light at the end of the tunnel. A majority of the interviewed market leaders mention that improvements are on their way. One example of this is in Sandvik Coromant that has recently been through some reorganization to better define the different areas within marketing as well as letting a part of the department become more strategic with a representative in the board. The marketing manager at Företagarna (former CMO for Dialect) mentions the different kinds of marketing managers an organization can have and points out those different types of organizations requires different types of marketing managers. Smaller firms don't necessarily need a strategic marketing manager but rather a communication manager since the traditional marketing work is taken care of by the CEO or the top management team. However, sometimes a marketing manager is hired and expected to do the communication manager's work tasks which definitely is seen as an issue. The marketing manager should work with business development and branding while the communication manager owns projects more related to design & layout, according to the marketing manager at Dialect.

Most of the interviewees indicate that they don't belong to the top management team and that they are subordinated many of the other managers. The R&D/Engineering Manager (former Marketing Manager) at Allied Motion/ABB explained that he sees a trend moving away from Marketing Manager. The role of the marketing manager is instead handed out to product managers. It's a part of the development towards product oriented functions. However, when it comes to sending out a homogeneous message as for example a brand or guidelines a

common CMO might be needed. The interviewees also indicated that when it comes to bigger organizations, such as IBM, marketing has been given a lot more attention compared to smaller organizations. The Strategic Business Development Director (former Marketing & Communication Manager) at IBM says that a more aligned and consistent marketing organization has been built up during the years of his presence. At IBM, marketing has a much more strategic role in the company and focus is always at keeping a coherent branding picture one reason for this is the fact that marketing has become to be seen as increasingly important for the organization. Still the Strategic Business Development Director feels that too little time is set off for strategic planning, that is something that continuously has to improve. However, as Marketing & Communication Manager, he reported directly to the CEO and was also a part of the board of directors, which in the other B2B organizations rarely is the case today.

One exception is the Marketing Responsible at Företagarna who previously held the position as Marketing Manager for Dialect. When working for Dialect she actually had a place in the board room in the top management team. In this specific case the Marketing Manager was supported by a CEO with a marketing background. The collaboration was very smooth and built on trust between the two parts. The work was on a strategic level and she held the responsibility for a big project aiming at improved branding and market positioning. During the time as a Marketing Manager, she also joined an external network together with other marketing managers. The goal with this was to be able to brainstorm ideas under confidentiality. This gave marketing managers from different organizations a room to explore their ideas and exchange experience.

4.2.2 Challenges for the CMO

The Marketing Manager at Företagarna points out the challenges facing today's CMO, which mainly is evolving around communication and the internal position in the organization. For the CMO to become more strategic it needs to get its voice heard which is done by building trust to important functions and people. An issue is that marketing is seen as a subject where everyone is an expert and everyone can have an opinion. The CMO must therefore put a lot of effort on creating a trustable picture of themselves in the organization. That is done by increasing collaboration and building bridges across the departments. The Marketing Manager at SKF also points out the importance of being able to convince people in their surroundings,

almost act like sales people for its own department. It's also important for the CMO to have the ability to communicate with many different people and keep many running at the same time. The CMO needs, in many cases, to work as a super project coordinator.

4.2.3 The future of the CMO role

The Marketing Manager at Företagarna also points out that the CMO of the future should no longer be seen as a cost center and therefore the work needs to be tracked by the same KPIs as the sales department. The departments also have to work closer together. The CMO should also have a permanent position in top management to drive long-term strategies and catch up on new market trends. If the CMO is too operational they will lose this view. The Sales Unit Manager for SKF further builds on the thought of a new improved CMO and mentions that the position needs to be better defined. Today it's very diffuse and to gain more respect in the organization the position needs to be more defined. The CMO and its department should also be financially tracked and followed up. They need to have more responsibility and be able to show clear results of their investments. The Marketing Manager at SKF points out an important aspect for the future CMO that also is confirmed by the Strategic Business Development Director for IBM. A CMO of tomorrow should not only be creative but also carry strong analytical skills with them. The future will require that the CMO talks the same language as the CEO and board. It will be much more focus on understanding the business. Through the analytical and financial skills the CMO needs to work with the marketing organization more effectively. They need to find the right investments and act faster on changes appearing on the market.

Another aspect is the position of the marketing department and CMO versus other functions. As mentioned earlier the opinion for B2B organizations is that it's important for the CMO to build strong links to other parts of the organization. One example of departments that marketing will have to work closer with is the IT department. The Sales Unit Manager at SKF believes that there's a lot for organizations to work to be done on the web and in time the marketing department will be given more resources to develop this. He also believes that when companies are becoming more service minded, the marketing by itself will gain more focus in the organization.

4.3 B2C Organizations

To contrast the B2B field, four organizations within the B2C sector, were interviewed. The group consisted of the Marketing Manager at Stadium, a leading Nordic sports chain, whom also was awarded CMO of the year in 2012; secondly the CEO of Matpriskollen, a consumer service for locating the best supermarket deals; the Marketing Manager at VING, a Swedish travel agency; and the Marketing Communications Manager at AMF, a consumer pension company.

Exhibit 6: Summary of the B2C respondents

Position	Organization	Description
Marketing Manager	Stadium	<ul style="list-style-type: none"> Stadium is a Swedish retail chain within sports, TO 4.6 SEK B (2011) Awarded CMO of the year in 2012
CEO & Founder	Matpriskollen	<ul style="list-style-type: none"> Entrepreneur with a past as Marketing & sales Director roles for various brands at Unilever
Marketing Manager	VING	<ul style="list-style-type: none"> Leading travel agency with Nordic presence, TO 4.7 SEK B (2011) ~2 M travelers annually
Marketing Communications Manager	AMF	<ul style="list-style-type: none"> Head of market communication at a leading pension firm with 3.8 M customers (2011)

Source: Business websites, Interviews

4.3.1 The CMO has a more defined role in B2C organizations

Opposed to the B2B sector, the view on the CMO is surprisingly aligned within B2C. The respondents all have a more strategic role in the company and all of them either belong to, or have close cooperation with top management at their organization. The Marketing Managers at Stadium is part of top management and the Marketing Manager at VING is part of management team for marketing, sales, and commercial, that is then represented in the top management team. The Marketing Manager at AMF has a manager responsible for both Sales and Marketing which has a permanent position in the top management team. Common for all of the companies is that they are very marketing oriented companies and marketing plays a central role in attracting new and retain existing customers.

The Marketing Manager at VING describes the organization as very marketing oriented where even the CEO has a marketing background, as former Marketing Manager at ICA and McDonalds. There are three departments within the organization that collaborates: Marketing, Sales (online and other channels) as well as Commercial. The managers for each department have a role in a separate management team and there exists a good cooperation where no one is perceived to have a higher status than the others. They all work towards common goals and keep a clear focus. If any of them suggest something they make sure to align their work to receive the best possible output as possible. The Marketing Manager makes sure to bring up all the strategic questions to the management team and work more with his department on the tactical movements. The ultimate goals are and will always be sales for VING. The company needs to be profitable to exist, and by that the targets are broken down to each department and their responsibility. Although marketing and sales sit in the same management team, it is the sales manager that represents them in the top management group.

The Marketing Manager at Stadium has a similar view on his position. The marketing manager should “own” the brand and spread the guidelines and values across the organization. The role of the marketing manager should be to decide upon and market and/or conceptualize what the company is selling. At Stadium there are three main departments that collaborate: Purchasing, Marketing and Sales. He points out that none of them are perceived as more important than the other, but the purchasing department has in practice more power since Marketing and Sales have to act upon what purchasing decides to buy in. The work atmosphere, as Marketing Manager at VING also mentioned, is very sales oriented even though marketing also plays an important role to attract the customers and build the brand long-term. However, it is as always important to show concrete results when the day is over. Stadium’s Marketing Manager also points out that when the market is getting tougher and competition increases, the marketing department unfortunately loses some of its focus. Instead it becomes increasingly important with short-term solutions. It doesn’t become as obvious what the marketing department in this sense can contribute with. However, he doesn’t think that this only is an issue for Stadium but a general problem. One example of an activity companies sometimes cut is R&D. This is however not sustainable for the company in the future. By that he emphasizes the need of innovation to attract customers.

AMF on the other hand has formally decided on a marketing and distribution strategy which gives the marketing department a central role in attracting and retaining customers. Thereby is

the status of the marketing department within AMF considered as high. The marketing department also has a normative responsibility when it comes to the brand and thereby also an important role in all brand development work. She also mentions that she as a Marketing Manager has close collaboration with sales, customer service and the analytical departments. What symbolizes the organization is that all functions have clear and common goals broken down to sub targets. Both short-term goals and more long-term goals exist and are divided into 1 year targets or 3 year targets. The top management team is focused on the strategic questions since that are conditions for the rest of the organization to know which questions to prioritize and what determines how the operation should be driven. Not much advertisement or communication is discussed at this level. This is instead delegated down within the marketing organization and the Marketing & Sales Manager later has the responsibility to show the effects of the work to the top management team.

4.3.2 Challenges for the CMO

The challenge today's CMO stands in front of is the risk of becoming too operational in their work. This is the opinion of the CEO of Matpriskollen who has had 20 years of experience within Marketing & Sales in fast moving consumer goods (FMCG) organizations. In some industries the CMO is at the bottom of the organization and in these companies it might be difficult for the CEO or top management team to understand the benefits of the CMO. The CMO can then be reduced to something which only is about operational work and advertisement. The Marketing Manager at Stadium develops this thought and mentions that the role of the CMO needs to be lifted up in the organization. It needs to become more strategic and be involved even from the beginning of projects. The marketing tools can however be delegated on to country managers to use them short-term to drive sales. To raise the importance of the CMO and its marketing department the company needs clear common goals and to always have the customer in focus. Today many of the departments within the organization are not synchronized. The Marketing Manager at Stadium describes that purchasing are looking at things to buy in for 2015 while sales are focusing on the short-term result. When sales then gets a large order from purchasing together with a message to sell it they run to the marketing department and ask them to market it in some way so it becomes sellable. They are in other words not aligned in their work. He believes that the CMO should be included and be part of the decision process on what is purchased to secure that the brand

and organization is moving in the right direction. The products that are purchased needs to reflect the feeling the organization wants to build.

4.3.3 The future of the CMO role

The suggestion that comes up in several of the interviews is to break down the walls, both physically and mentally, between the departments. They should all work towards common goals and together collaborate to reach maximum output. The Marketing Manager at Stadium even believes that the CMO, purchasing manager and sales manager all should sit in the same room. They need to learn to live after the same cycles. One example of a successful company that has managed this is, according to him, H&M. They have managed to keep their core values but at the same time constantly surprise even though they earn most of their money selling white T-Shirts. The Marketing Communications Manager at AMF also mentions the importance of being able to react to fast changes in the market, something that has become increasingly important when competition increases and technology develops, which also requires different departments to collaborate successfully. The Marketing Manager at VING contributes to this statement by explaining that VING, which nowadays have a large sales contribution from online, needs to be even faster to react and have a short time-to-market approach. This requires the marketing department and the CMO to build strong links to IT as well as becoming more technology skilled.

The Marketing Manager at AMF argues that business always should be the focus for the CMO. The CMO should not only be an advertisement manager but also a business person. In general she thinks that the CMO needs to become more business oriented and become included in the determination and controlling of the business targets to a larger extent. It's also important for the CMO to show concrete results of the investments that have been made in communication, both short-term and long-term effects. The CMO would also gain from being good at outsourcing specific elements of the work tasks such as communication or advertisement with the aim at keeping a better focus on the business targets. The person should be an expert of the market, the customers and the effects of certain effort. One of the conditions to keep up with changes in the market is to have a good research department.

The Marketing Manager at VING also points out the challenges of the fact that everyone perceives themselves as marketing experts. This results in that the CMO always needs to be

ready to stand up for what he or she is doing and to also show the effects of it. For that you need (1) good insights and (2) valuable facts. As CMO it is also required that you have the right tools such as: brand tracking measurements as well as converting tools that for example can show what happens with the people that are exposed to the advertisement, do they actually buy something? It is all about transforming the gut feeling into something concrete.

Something all of the interviewees agree upon is that the CMO should be or become more strategic in their work. The CEO at Matpriskollen has from his previous experience come to a conclusion that the CMO's role in the organization is to be the voice of the brand. This is also the thing that needs to be long-term when everything else in the organization changes and gets replaced. It can sometimes be just about small details but someone in the organization needs to take the long-term responsibility and make sure that the organization stands for constant values that everyone agrees on. It should be clear what the organization is all about. Because of the strategic and long-term perspective the CEO at Matpriskollen emphasizes the need for the CMO to belong to the top management team and next to the CEO. There will not be anyone else in the organization that will think about or manage these questions otherwise.

The Marketing Manager at Stadium concludes the interview with a very relevant discussion about the increasing amount of managers within an organization. When markets are becoming more complex, more managers are incorporated to the organization. This results in the fact that there might be many managers responsible for different parts of the marketing function or tasks. For example there might be an online manager, a digital manager, a communication manager as well as a product manager. He therefore emphasizes the need for an overall responsible for these functions, a CMO connecting all of the marketing work. The person should be able to have an overview of what is going on inside the organization and guide the managers in the right direction. The CMO's role is to own the brand and spread it across the organization. He means that marketing is not the same as advertising and if it continues in this direction the Swedish leadership and retail industry are heading in the wrong direction.

The Marketing Manager at AMF shares her view on what characteristics a successful CMO needs to have in the future. First of all they need to be communication skilled and be good at negotiating as well as collaborating with different departments within the organization; something that she believes will be required of this position in the near future. The CMO also needs to be business oriented and by that be good at transforming analysis in to actions.

5. DISCUSSION

Recalling the purpose of this thesis to study the role of the CMO within the organization, this chapter will discuss the results obtained in the study. The previous section was divided in the views of industry experts, B2B and B2C organization, whereas the discussion is structured in the situation today and the situation in the future. The logic here is to understand where the CMO role is today (finding) and where it should be in the future (defining).

5.1 The situation today

5.1.1 Market orientation should co-exist with the CMO

As previously discussed, companies are to a further extent moving towards a market orientated business to better serve the market, making marketing a central part of the organization's strategic direction. Theory has moreover showed that market orientation has a positive impact on financial performance (Day and Nedungadi 1994; Deshpandé, Farley, and Webster 1993; Jaworski and Kohli 2003; Kohli, Jaworski and Kumar 1993; Moorman 1995; Narver and Slater 1990). The theory together with conducted interviews with everything from industry experts to B2B and B2C companies shows that even though organizations are forced to become more market oriented than ever before, the CMO position is needed. When customer focus has increased, marketing tasks are being distributed in the organization to make sure that all functions are working in the same direction and are able to serve the customer as best as possible. Industry experts mean that the market orientation development has led to a minimization of the CMO importance. The CMO, by this, struggle to keep everything together when their responsibilities are being distributed in the organization. However, this study in combination with theory shows that there is a need, if not even more than before, of a strategic person that sets the direction and has oversight of the organization, making sure that everyone is moving in the same direction. Moorman and Rust (1999) argue that the marketing function can, and should coexist with a market orientation. The results from their study show that the marketing function is able to contribute to performance beyond market orientation. Important to note is that all companies have different needs and cultures which can result in variations of the set-up of the position.

5.1.2 Who is the CMO?

One of the most central issues the empirical findings showed is the unclear role definition. The CMO in most of the cases are not actually called a CMO. Instead positions such as Marketing Manager, Brand Manager, Market Communication Manager, VP Brand Management, Marketing & Business Development Manager exist. This creates a confusion regarding what is expected from the head of marketing. The confusion will also result in people doubting the importance and the actual value of a CMO within the organization. If the role description is diffuse the CMO is not able to be accountable for its work. As stated by McKenna in 1991 “Marketing is Everything and Everything is marketing” marketing has become increasingly important and has made many companies to move towards a more market oriented business while at the same time the term is left ill defined. This results in difficulties of taking a top management position within the organization and gaining respect from other key managers which can lead to a situation where marketing topics don’t get the attention they deserves. This seems to be a real issue for CMOs today. How should they gain respect and be seen as a strategic resource instead of an advertisement coordinator? This fact is strengthened by theory which means that not all of the CMO positions are equal and that it is an enormous variability in responsibility and job description (Quelch & McGovern 2004; ANA & Booz Allen Hamilton, 2004).

However, the definition issue doesn’t only have consequences to the status of the position within the organization but also makes it difficult to recruit the right talent. During the interviews several cases where the recruitment process of a CMO has come out wrong has been brought up. Since there is no clear differentiation between strategic roles and more operational and communication based positions, it is difficult both for the organization and for the recruitment prospect itself to understand what this will mean in the daily work. Because of the fact that many marketing people today work a lot more with operational tasks such as marketing communication rather than strategic questions, organizations do not see the CMO as a strategic resource any more. The CMO Council (2007) emphasizes this by the words “stakeholders in the process of hiring the CMO are primarily looking at the candidates experience in specific tactical marketing initiatives, rather than the strategic vision and boardroom talent that is needed.” If the organization starts recruiting people with more tactical areas of expertise the organization and its employees won’t understand why a strategic CMO is needed. The senior research fellow at SSE, explains that she believes that

the CMO is getting less and less of a voice in the organization while the tasks are becoming more operational rather than strategic. The consequence of this is that in many cases, the CMO competencies are not used effectively, since they often have a strategic education and work experience in their backpack.

One of the first actions that have to take place for the CMO position to be strengthened is therefore a better and more precise definition of the role description. There needs to be a clear difference between the operational roles and the more strategic ones. This is also crucial for the CMO to be able to deliver what is expected and become more than a cost center for the organization.

5.1.3 Survival of the fittest

Researchers, in their studies of CMOs, have emphasized an interesting aspect of the CMO and their career within an organization. The CMO has become one of the riskiest positions of today. There is a clear trend showing that CMOs have a higher turnover rate than any other senior-level executive. The actual turnover rate for the top 100 branded, in North-America in 2004, was just 23 months, compared with an average turnover rate of a CEO of 54 months (Welch, 2004). Even if the tenure has steadily been rising, to a respectable 45 months in 2013, it is still the lowest amongst its peer group, where CEO average 8.4 years and CFOs over 10 years (Spencer Stuart, 2013). Quelch & McGovern (2004) seem to find the explanation to this in five reasons: (1) too much showmanship, (2) too little empowerment, (3) expectations too high, (4) too little expertise and (5) too uncertain a need. This might however, also be tightly connected to the definition issue of the role description. If there's no clear understanding of what the CMO should be responsible for they will have difficulties performing and deliver the concrete results that the organization needs. The CMO often lack KPIs to track the outcomes of the work put in which can make the organization doubt the capacity of the person. The high turnover is not only an issue for the CMO who constantly has to switch work place, but also for the organization itself. The task of the CMO is to set and control long-term branding strategies and without the continuity, the organization will risk losing the advantages and improved financial performance the CMO otherwise can contribute with. Without the CMO, organizations will also lose sight of emerging markets and certain cultural shifts that are becoming more present because of technological development and customer impatience (Gilliatt & Cuming, 1986). In 23 or even 45 months it's not easy to perform drastic changes,

especially not in big slow-moving organizations, and without KPIs and clear as well as aligned expectations the CMOs are chanceless. A crucial implication of this is that the CMO needs clear targets, and a good understanding of the role description.

5.1.4 Service will make the CMO more important for B2B organizations

The empirical research showed a clear gap between the CMOs of B2B organizations in comparison to B2C organizations. First of all most of the B2B organizations don't have a clear head of marketing in comparison to B2Cs. Instead they were often integrated into another function such as sales or acted as a support function to the other departments delivering sales and marketing material. According to the three different CMO models developed by Quelch & McGovern (2004), this is most related to Vice President of Marketing Services, which is more of an efficient administrator and not often the strategic thinker. The VP of Marketing services usually has a more supportive role where they often hold a technical proficiency. This is often true for many of the R&D intense companies (Quelch & McGovern, 2004), often coming from the B2B sector. Many of the B2B organizations don't have a pure CMO or marketing function, instead the position is a combination of different elements from other departments. The task is thereby to lead and coordinate this work. In many situations the marketing department, within B2B organizations, seems to have strong links to the sales department. One clear example of this is SKF where the marketing work is a part of the sales department's budget. Another big part of the marketing tasks within the B2B organization is market communication, which means developing brochures and other related sales material.

However, there are exceptions. Many of the interviewed CMOs in the B2B sector see small improvements happening. The common understanding is that the current situation of the CMO isn't optimal. The CMO needs to become more strategic and lead the direction, especially when service is becoming more important. Relating this to the Service-Dominant Logic, B2B organizations are still more in a goods-dominated logic with goods marketing where the marketing department is marketing products *to* the customer (Vargo & Lusch, 2004). This is why CMOs, especially in B2B organizations, are more of a VP of Marketing services and subordinate to the sales organization. But as the respondents describe, service is becoming more important in their organizations, there is a shift towards a more service oriented logic, where marketing plays a more important role. This shift is more inherit in B2C

organizations and when comparing the two types of organizations the degree of service-dominant logic is more present in B2C organizations, where also the CMO plays a more important role.

There might also be a correlation of the CMO's strategic relevance and the size, in terms of number of employees, of the company. The study shows that IBM compared to the other B2B organizations had experienced a much longer journey in this matter. During the past years they have been able to build up a more consistent and aligned marketing organization while they also have a strategic purpose. While the CMO position as well as the marketing department overall seems fairly new in most of the B2B organizations, IBM has worked and developed this over a longer period of time. The large number of employees should lead to the increased need of keeping alignment both from an internal perspective but also from an external perspective, why a CMO is of high importance. Another aspect to consider is that IBM could be considered more similar to the B2C organizations since they now have moved away from products and focusing more on services. This goes hand in hand with the indication of services becoming more relevant for B2B organization, which gives marketing a central role and the organization moves closer to B2C organizations from a CMO and marketing perspective.

The status of the CMO within B2B organizations is in general not perceived as very high. There is often many other managers that are ranked higher and whom have more impact in the strategic decision-making. However, this is probably not a big surprise since the CMOs mainly have a supporting function towards sales. The support status results in that the CMO very rarely has a position in the top management team.

5.1.5 The Classic CMO stronger influences the top management in B2C organizations

B2C organizations have taken a bigger step than the B2B organizations because the CMO position usually has a strategic focus. All of the B2C organizations included in the study mention that they have a very market oriented approach to their business. The CMOs belonging to B2C organizations seem to have gained more trust among the employees and they have a clear role in aligning and building the organization brand in the long-term. The responsibilities and role descriptions show that this is to be seen as a Classic CMO, according to the framework developed by Quelch & McGovern (2004). This person is good at keeping

stable relationships across the organization and avoids no-win battles with sales. The Classic CMO also keeps a low profile as well as stays away from publicity, unless it is to represent. However, this person is still working with important long-term marketing and brand building while pushing this to belong to the top management agenda. The tasks could vary depending on the type of organization but in marketing organizations the responsibilities often include optimizing the value lead supplied by marketing service suppliers and also to be a catalyst for leading-edge marketing. However, to be able to perform at their best they lack oversight of other important aspects of the organization (Quelch & McGovern, 2004).

The CMO of B2C organizations are part of the top management team in some of the cases but all are considered to have a higher status in the organization, compared to the culture in B2B organizations. What seems to be a consequence of this is that the study showed that the CMOs in this type of organization also felt that they were working together with the other departments towards clear and common goals, which has led the organizational development forward. However, something interesting that was mentioned both in the study as well as a factor that has been brought up in theory is the impact of the CEO. It has been found that having a CEO with a marketing background is positively related to the marketing departments influence in the organization. The same study also mentions the importance of strong management support and actual decision power for the CMO and its department to deliver strong performance indicators (Verhoef & Leefland, 2011). Even though the CMOs within B2C organizations overall felt that their role was strategic and was well perceived as having a high status, they were far from being satisfied by the general status of the role.

5.1.6 The internal relationship structure

The relationships and collaboration with other departments or managers in the organization is also an important part in the work to define the role of the CMO. In B2B organizations the CMO actually has close connections to sales. The marketing function is, however, not gaining any value from this relationship. It could be seen as a one-way communication path where marketing's role only is to deliver the material that is expected from them. What can be taken out from this study is that a big part of the companies, both for B2B organizations as well as for B2C organizations, sometimes have a hard time getting through to the organization. Their voice is not strong enough and in some cases, the relationships are not either. However, the study showed clear indications that the collaborations to a larger extent were considered as a

part of the agenda in B2C driven organizations. The B2C organizations taking part of the study showed that there were some good examples of close collaborations with other related departments such as Sales, Purchasing or other Customer related functions. In these cases they were not seen as individuals with different targets but instead belonging to the same team working towards common targets. One illustrative example of this is from VING, where the Marketing Manager mentions that if the CMO or any other of the top manager's suggested something they always made sure that their work was aligned to create the best result. All the strategic questions were discussed on this level while the more tactical operations were brought down to a lower level in the organization.

The study showed that closer collaboration was desired and also that very few of the CMOs actually have full control and oversight of the strategic work in other parts of the organization. This conclusion is strengthened by Piercy (1986), which states that the CMO and its department seldom has control of the full marketing mix.

5.1.7 The challenges today

The study has further highlighted the challenges today's CMO face. Except from the definition and diffuse role description, which might be the reason for the rapid CMO turnover, they're also facing other obstacles. The most central issue which is repeatedly mentioned in theory, by the industry experts as well as the organizations themselves is the fact that CMOs are not accountable for their work. This results in that the organization can't evaluate the performance of the marketing department with the CMO as head of control. Philip Kotler brings up this issue in one of his articles from 2004; he describes the issue as follows: "Chief executives officers are growing impatient with marketing and they feel that they get accountability for their investments in finance, production, IT, and even purchasing – but don't know what their marketing spending is achieving." Other studies show that marketing people are considered unaccountable, untouchable, and expensive as well as slippery (Schultz, 2003). All of the three last statements are probably consequences of not being able to track the performance record. The marketing function often lacks KPIs and it's often not aligned towards other departments. The reason for this might simply lay in a lack of knowledge from the top managers. Unfortunately, the industry experts point out that only a very few of the CEOs in Swedish companies today have a marketing background. This affects the influence the marketing department will have in the organization.

Another challenge for the CMO is the communication and internal position within the organization. To be able to become more strategic and build a stable and long-term marketing foundation the CMO needs to get its voice heard. To be able to do this they have to build trust towards other important functions and key people. In relation to this lies the issue that everyone sees himself or herself as a marketing expert. Everyone can have an opinion of marketing and are rarely afraid to express it. The ability to communicate and have social skills are therefore crucial elements. The fact that the number of different marketing managers within the organization increases doesn't make the situation easier. This confuses the organization even more, especially when there is no clear CMO title having the responsibility to guide and coordinate them all. The marketing managers agenda needs to be aligned and someone should be there to make sure that everyone is moving in the same direction as well as making sure that synergies are created across the functions.

It's also pointed out that today's CMO lacks a few important skills related to the market development. The CMO is not developing its skills according to changing needs and behaviors. The organization is putting increased pressure on the CMO to become more business oriented as well as having a technology mindset. Unfortunately, many CMOs aren't keeping up with this development and are lagging behind the organization's needs.

All of the above mentioned challenges go hand in hand. No clear definition, unaccountable, rapid turnover, varied status and strength of voice within the organization and characterized as unreliable. It comes as no surprise that the marketing organization is not seen as a strategic resource but instead an expensive cost center. By common knowledge, in a downturn it is the marketing budget that is cut first, creating a vicious circle. One of the main threats for the CMO, which was mentioned in the study, was that the CMO is becoming more operational in their work. This might further impact and damage the credibility of the CMO in the future. There is also the issue of other employees in the organization viewing the CMO's only as advertisement person, a view that probably has been created by past experiences.

The current CMO is standing in front of a new era and needs to adapt to the market for the position to survive. The future of the CMO, however, looks bright since market orientation, service focus and fast-changing needs require a strategic CMO. But the CMO must

understand what this new role will require from him or her, and to be able to build the position and show why they should belong to the top management team.

5.2 The future of marketing and the CMO

5.2.1 A close collaboration within the organization

When studying the role of the CMO and their future, one of the key areas to explore is the organizational design. Both in the literature review and during the interviews different examples of marketing's role in the organization were discussed. Although research within the field of marketing organization has existed for a long time, many different opinions have been uttered. It has been said that the marketing organization needs to be flexible and adaptable (Achrol & Kotler, 1999) and the external environment has created a stronger recognition for marketing. However, the consequence is an increased marketing orientation and the concept has been more seen as a set of values (Moorman & Rust, 1999; Greyser, 1997). During the interviews it became clear that in some cases, especially in the B2B sector, marketing has become subordinate to other functions, such as sales or product development. Like Workman, Homburg and Grüner prediction in 1998 a reduction in the need for strong marketing functions have occurred due to cross functional dispersion of marketing activities.

When speaking to the CMOs of B2B organizations they state that they seek a closer collaboration with other departments. When looking ahead for the future of marketing in the organization there also seems to be a need for a more integrated collaboration, especially between marketing and sales. In the case of SKF, the company has been heavily product oriented and sales has had a leading role and marketing has been a supportive department mainly delivering sales material. But when services become more important in the portfolio, it will create a need for a closer connection to the customer since the offering becomes more customized. The marketing function cannot, in the same extent, be managed by a global support function, but instead the local marketing departments will have to play a more strategic role in the process. Therefore, the sale unit manager at SKF predicts a more integrated marketing department in the future.

The CMO of Stadium also pointed out how important it is to integrate marketing with other departments of the organization. One scenario described was how purchasing, marketing and

sales were unaligned, which created unnecessary issues in the organization. If marketing is expected to market a product, that purchasing has procured and that sales is responsible of selling, there has to be some degree of integration. A first step towards this integration would be to have everyone sitting in the same room and communicating with one another.

Of course there are several aspects of how this integration can and should be designed. There is an environmental dimension that incorporates factors outside the firm, specific factors for the firm and business-unit specific factors (Workman, Homburg and Gruner, 1998). Based on these the difference between B2B and B2C companies can be described. In most of the B2C organizations there was a higher degree of collaboration between marketing and the rest of the organization. Apart from the industry sector difference, there is a difference in strategic orientation, market orientation and customer concentration. These factors create the structural and non-structural differences, which make up the dimensions of the marketing organization (Workman, Homburg and Gruner, 1998). There are also differences in terms of that sales has the greater influence over expansion and distribution strategy, something that was very clear in the B2B cases. Marketing leans more towards the advertised message and is at best working together with sales, or other functions, to create a strategic direction or new product development (Workman, Homburg and Gruner, 1999). As mentioned above by the CMO of Stadium there is also a difference in time-horizons, where sales is more driven by short-term revenue, whereas marketing, is focused on long-term profits and customers (Montgomery and Webster, 1997). There is a complexity in this interplay of marketing efforts and sales efficiencies that requires a solid internal collaboration between marketing and sales. In the case of VING, marketing and sales work really close together and although the ultimate goal is to sell; they have come to peace with the understanding that both functions are needed. As the CMO describes it they belong to the same board, sit in the same room and try to be as aligned as possible. In the similar B2C case of Stadium there are ways of working together that could be improved, towards a model similar to VING.

What it ultimately boils down to is that marketing and sales would benefit from a closer collaboration in terms of that marketing is given the opportunity to affect a larger part of the “value chain” and that sales can align more with the department that should be dedicated to their customers. During the interviews with industry experts, marketing representatives from B2B and B2C organizations, it became clear that the marketing organization was not living up

to its full potential and that a reason for this was the lack of collaboration and integration between organizational units, specifically sales and marketing.

Another department that marketing should collaborate with in the future is the IT department. The reason for this is that marketing is and will become even more technology oriented, which will require more IT knowledge from the marketer. In the annual Global CMO Study conducted by IBM, both CEOs and CMOs think that markets and technology are the two most powerful external forces shaping and affecting the organization. There is a mutual anxiety from four out of five CMOs about the higher level of complexity that they anticipate in the next five years, and only half feel ready for it (IBM Global CMO Study, 2012). Interestingly enough this is also an issue that the industry experts mention as one of the key factors affecting the CMO of the future. The consultant at Gothia states that integration with the IT department is one of the main pillars for marketing and CMO success in the future. When speaking to the CMOs it was also brought up as one of the top issues on their future agenda. At stadium it is the marketing department that has responsibility of the e-commerce platform. In their organization digital and IT-related positions are embedded in the marketing organization. What's interesting about this example is that e-commerce is now a sales channel and in Stadium's case it is organized under the marketing department, which shows that marketing, sales and IT can be integrated and work together. When the world is moving in the pace it is, maybe organizations can afford to be unresponsive and unaligned between marketing, sales and IT? From a consumer, and a business perspective, the Internet is without doubt changing the way we interact and the expectations on a business, both B2B and B2C, are very high. The relationship between IT and the marketing department will shape the success of the organization as these functions can increase the focus on customer data, which will be needed to stay close to the customer. The departments need to extend beyond alignment and focus more on working as a single team focused on the customer.

In the future, there needs to be a shift towards an integration of the marketing, sales and IT department. This will also include increase the pressure of accountability in the sense that the departments will have more integrated KPI's to be measured by and can in a more transparent way see how they affect each other. There will be no one solution that can be applied to all types of organization, or even specifically to B2B and B2C companies. However, each organization will have to examine their own structure and seek ways of higher degree of collaboration.

5.2.2 A place at the table

As the business landscapes evolves, and the tremendous marketing potential offered by new media and distribution channels grows, marketing must also evolve into an organization-wide practice. Given that the marketing department has the connection to the customers, it is essential for the CEO and top management to have a marketing representative amongst them. There are basically two reasons why the organization needs a CMO among top management: connection the organization with the customer on top level and aligning the marketing practices with the organizations strategy.

5.2.2.1 *Connecting the organization to the customer*

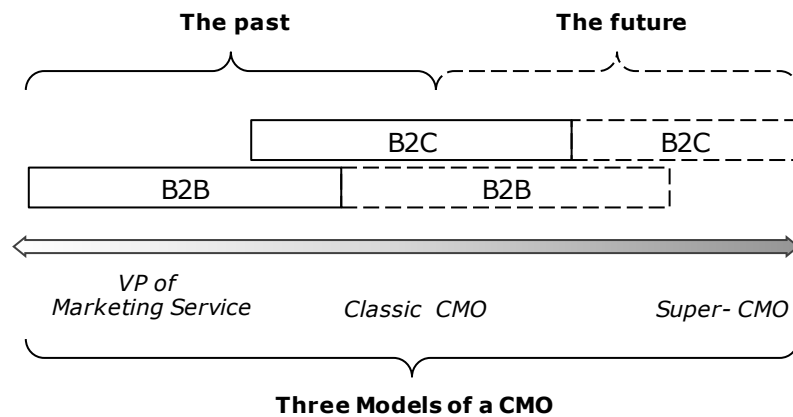
Needless to say, the success of an organization is dependent on how it can connect with the customers. Therefore, a constant evaluation of how the firm can create value for and with the customer should be on every top management's agenda. In this context the CMO is the missing piece of keeping top management up to date on how well aligned the organization is to their customers. Often this role is played by other functions, such as sales, or it is done without the presence of a CMO. But in the future the CMO will need to step up and connect the organization with the customer. In some of the greatest companies marketing already plays a central role in guiding corporate strategy and top management is regularly updated with the latest on the customer. Because, ensuring long term customers and sustainable advantages are both challenging and crucial. A key here is to have a customer-oriented organization that has the customer in mind. As argued and proven by Verhoef and Leefland, a market orientation does lead to a stronger business performance. They also show that top management support and actual decision power is what strengthens the market orientation and the firm performance (Verhoef & Leefland, 2011). Although different companies have different conditions, there should always be an effort to spread a customer-centric view throughout the organization. Here the CMO can act as a link between the CEO and top management to implement measures that allow the organization to concentrate on a customer-centric philosophy. So not only is the role of the CMO among top management important to create a customer-centric organization, but it will also help define what the actual role of the CMO is. And to relate back to Moorman and Rust, there is a value of creating a marketing function and CMO alongside an organization wide market orientation (Moorman & Rust, 1999).

5.2.2.2 Aligning with organization strategy

The place at table for the CMO is also about listening and aligning the marketing strategy with the corporate strategy. With customer empowerment marketing can no longer only be constrained to communication or marketing frameworks. Because of marketing's nature it involves more or less every strategic decision an organization can make. In the future, marketing need to leverage their knowledge about markets and customers to create a competence centre for the organization and its strategy. Marketing should not only be about communications and advertising. Marketing has the ability to offer information that could really help the organization. The CMO as part of top management would be an ideal way to understand what kind of knowledge marketing needs to gather that can be put to use in the organization. By aligning marketing's strategy with the corporate strategy, the department can use its resources in a way that is value creating both for the entire organization and for the department itself. As part of top management the CMO is able to speak the same language as the CEO and the other representatives, to ensure that they are all aligned, which will be crucial in guiding corporate strategy in the future.

5.2.3 The future role of the CMO

As evident, CMOs have a degree of variability in their responsibilities depending on what type of organization they are part of. There are simply different models that fit different firms. However, in the future of the CMO, there needs to be a move along the axis illustrated below in figure 4, for all CMOs. As illustrated in the figure below, B2B and B2C CMOs need to approach the Classical CMO and the Super-CMO model. If the classical CMO has the responsibility of ensuring that long-term marketing and brand-building considerations are part of top management's deliberations, the super-CMO has done so and gained both trust and expanded authority from the CEO.

Figure 4: The future role of the CMO

Adapted from Quelch & McGovern, 2004

B2B organizations CMOs need to move towards more of a classical CMO, which must monitor the customer landscape and act as the voice of the customer to develop new offerings. Although it is a broad role, it rarely includes oversight of sale, strategy or product management (Quelch & McGovern, 2004). Broadening the role is also necessary when it comes to integrating marketing with other departments. The CMO of a B2B organization needs to understand what marketing can do across the organization. In the future, there is a trend that service will be a more influential offering, and their customer insights will be crucial in designing the right offering.

The B2B CMO is in most cases more oriented towards a classical CMO, but needs to advance more towards a Super-CMO in the future. This is a more senior marketing role and often comes with an executive seat next to the CEO of the organization and seeks a more central control over the firm's marketing and branding strategy (Quelch & McGovern, 2004). With a more significant role in the organization the CMO will be more empowered to carry out a unified strategy in the organization. This also gives more influence in marketing, sales and IT collaboration, which will be more important in the future. A more accountable role also leads to better follow-up and a profit and loss responsibility for the CMO. A super-CMO will also be more suited to handle the market challenges ahead and the changing customers.

However, the essential matter might not be where on the axis the CMO is, but rather that it is clearly defined where they should be and in what area they should act. Today the CMO role is too vague and many firms have a CMO with actually knowing what is expected of the role,

something that must be changed in the future. In an effort to create this, organizations should work with role documents and templates for how the role fits into the organization. Since this role by nature is quite flexible and the definition can vary a lot between organization, understanding what the role is and what the role is not, will be a central ingredient in shaping the future of the role. Not only does the role need to be defined, but also what is expected from the marketing organization that the CMO is going to lead, and how it should interact with other departments.

5.2.4 Capabilities needed

Part of the future in defining and aligning the CMO in the future is also about identifying the challenges and the capabilities needed from the CMO. During the interviews with the respondents, this proved to be the topic that evoked most opinions and discussion. These are the capabilities a CMO needs to develop in the future: (1) embracing a CEO and top management mindset, (2) building strong relationships within the organization, and (3) understanding marketing from the organizational viewpoint.

5.2.4.1 A CEO and top management mindset

A capability that both B2B CMO's and B2C CMO's stated was that in the future the role needs to be both creative and analytical. Marketing is often associated with a creative aspect, which is why people find it easy to have an opinion about the practice. But in the future the CMO really needs to increase and come to terms with the dual responsibilities of creative and analytical delivery. For the CMO to have impact on the CEO and top management, they need to adapt the same mindset and language. Becoming more business oriented and owning accountability for optimizing the value of marketing and generate top-line growth is the way to go in the future.

5.2.4.2 Build strong relationships

The second set of capabilities that a future CMO needs is the ability to build strong relationships within the organization. During the interviews we found that many of the CMOs emphasized this as key for them in the future. The sales unit manager at SKF said that the CMO needs to work like a super project manager, which is true, because the role will be about coordinating and interacting with other units of the organization. Communication is therefore essential and the CMO has to be able to connect with a wide variety of people. It is

not only the CEO and top management language they will have to learn, but also become fluent in sales, IT, procurement, and finance. The relation to finance is especially important since an accountable CMO has to be able to understand the financial model of the business and leverage that in improving marketing value add. This is all part of the process of building a trustworthy image which will empower marketing internally, which creates indispensable allies.

5.2.4.3 Understanding the effective marketing organization

There has been a lot of focus on what the CMO should do to outside of the marketing department, but the most important capability for a CMO is to understand their own business: marketing. This translates to understanding marketing's impact and how it can be used to grow the business. By using facts and insights, in combination with the understanding of the market from an organizational viewpoint, the marketing department can build good ground for creating value. A CMO that knows the facts and how to work them can create an effective marketing organization. Essentially, this is what's going to matter when the organization moves forward. The CEO and top management needs to see a clever marketing organization that is effective and can grow the entire business.

5.2.4.4 The CMO should be a business person

To conclude the capabilities mentioned above, it is fair to say the future CMO will require a more business oriented approach to the role. In order to speak the same language as the CEO and top management the CMO needs to be business oriented and in most cases have seniority or expertise across the entire organization. This will also be an enabler towards the connection with the rest of the organization and towards building strong relationships. So it's not solely about being excellent at market efficiency, but being able to move across the organization seamlessly and be able to talk to everyone and have a good overview of the business.

6. CONCLUSION

The conclusion will summarize the main findings from the study as well as highlight the main discussion points. To recapitulate, the research questions are: 1) What role does the CMO have in the organization? 2) What are the challenges for the CMO today? 3) How can the role be developed to meet future challenges and requirements?

Organizations today stand in front of constant change. Increased competition and new market demands force them to become more market oriented and put marketing on the top management agenda. As a result of this, what can be considered marketing tasks, are to a larger extent being distributed across the organization. In effect, although the marketing department should be gaining influence, it is instead standing by the sidelines. At the same time the tenure of the CMOs in the organization are the lowest in the business, making the long-term vision a short-term responsibility. The role description is diffuse, making it difficult for the CMO and the organization to know what to expect from the department and the CMO role. The tendency seems to be that the tasks are becoming more operational rather than strategic, something that has made the employees doubt the importance of the CMO. Industry experts interviewed for study agree that the CMOs and the organizations are indeed experiencing a shift in empowerment. The study shows that a CMO will still be needed in the future even though marketing tasks are being spread throughout the organization. To accomplish this, the CMO needs to become more strategic than before and at the same time make sure to align the marketing department with the rest of the organization, in an effort to work toward the same direction.

B2B organizations are still to a large extent lacking a clear CMO position. The marketing function is often subordinate to sales and works more as a support department. The CMO position would better be described as a VP of Marketing Services model, which has little strategic impact on the organization and acts more as an administrator. Very little room is therefore given for the marketing function to think strategically. However, in the study it was found that as service is becoming more important, a development towards a Classic CMO model could be expected in the future. Increased service and customer focus will make marketing more important, and also require a higher involvement from the CMO and the marketing department. The B2C organizations already have a Classic CMO model in place today and they more or less have a strategic purpose as well as a presence in, or in close connection to, the top management team.

There are however some challenges that lie ahead. The collaboration between departments needs to be improved to more efficiently reach common goals. As marketing is becoming more complex, the functions need to take advantage of each other's capabilities, for the organization to become successful. The CMO also needs to borrow competencies from other managers such as Sales and Finance and especially IT. The role description also needs to be sorted out, not making room for recruitment mistakes in any direction. By that the CMO should also become accountable for its work, taking away the view of marketing as a cost center rather than a strategic resource. There needs to be a clear difference between tactical marketing positions and strategic positions. The strategic positions, such as the CMO, needs to become more focused around the business side. Rather than a communication coordinator or a support role the CMO will have to become a business person, a marketing specialist with business knowledge. However, it's important to understand that not all organizations will have needs for the same type of CMO. The study has highlighted some differences between B2B and B2C firms, but in essence each organization is different, and the approach going forward should be to use the proposed guidelines to adapt it to the organization.

In conclusion, it is not always clear where the CMO is in the organization, and based on the research the definitions and responsibilities vary a lot between different organizations. What is clear is however how a new breed of CMOs must be shaped. In the future the CMO position must move towards a Super-CMO model that is highly involved in top management and has a long-term strategic marketing focus. As markets become more complex and customer centric, the CMO really needs a business perspective and work in close collaboration with other departments in order to create sustainable future.

7. REFLECTIONS

This section aims at providing an outside-in perspective from the authors on what is most important in terms of managerial, literature, methodology reflections. The chapter concludes with a section underlining the key issues that future researchers could approach in order to complement the research provided here.

7.1 Managerial reflections

Based on the findings in this study there are several implications that organizations can extract. First of all, when it comes to the CMO role in the organization, there is always going to be a contextual difference – no role is the other one alike. The role depends so much on both the external environment and the internal settings. Therefore a key message for managers to keep in mind is the importance of working with expectations management. This means that the role of the CMO has to be defined and agreed upon both by the CEO and top management, as well as by the rest of the organization and most importantly, by the CMO. In the study we have used one framework that describes three different roles of a CMO. This is a good starting point of the discussion. This framework then needs to be customized depending on the situation, but should include the relation to the CEO and top management, the collaboration with other departments, as well as the level of strategic versus operational focus of the CMO and the marketing department. If this is done correctly, the chances of success are much higher, because the CMO and the rest of the organization will know what to expect and make the most out of that. A recommendation would not only to be doing this with existing CMOs, but also applying this method of working towards recruiting CMOs. Better role descriptions and frameworks will attract the right person, which hopefully should lead to longer tenure and a more stable marketing organization.

The second implication for managers would be to understand the effect the CEO and top management has on the CMO. The role of the CMO is very much affected by the background of the people in top management. Therefore, if a company wants to become more market oriented, the board has to go beyond their backgrounds and be open to accepting a CMO. Why would this be important? As explained in the study, a marketing influence will have a positive effect both on market orientation, but also on the business performance. During the interviews CMOs were often left just outside the board and felt that a challenge was to get through to the right people. Sometimes the CMO was constrained by their role and did not feel that they could contribute in their most valuable way. However, it is not only a one way

track and CMOs have to be proactive in knowing what capabilities they need in order to work their way into the trust of the CEO and top management. So for CMOs reading this, the capabilities needed are going to be an important key take away. For general managers, the capabilities can be used as guidance on what to look for in a CMO and what KPIs to measure their performance by.

Another topic discussed is how the collaboration between different departments and marketing is not what the CMOs want it to be. We definitely see that marketing, especially in B2B organization, is subordinate sales and there is no clear collaboration between other departments. Moving forward with increased customer importance and empowerment, and shift towards a service-dominant logic, there will be an increased need for CMO expertise throughout the organization. Therefore, managers must acknowledge the fact that in the future, starting today, the integration and collaboration, especially between marketing, sales and IT has to begin. This will be a crucial success factor and will eliminate unnecessary lead times and miscommunication.

7.2 Literature reflections

The literature concepts used in this study have been used to provide the reader with a background from the research field, as well as introduce concepts used to analyze the empirical results. In the first stages of this thesis we were considering separating the section into one more theoretical part, and one more focusing on the literature review. However, given the nature of this thesis being exploratory and based on qualitative research, a literature review would better suit the study. Because we are also building on existing theory, and not testing it, the aim was to incorporate it more than just use as a framework. In a sense, another approach would have been to include more frameworks and models and use them as guidance in interpreting the results. This might have been more catchy if one in future research would use model or framework and then adapt it according to the results of the study. One could then use more models and have a more robust “theoretical” foundation instead of a more “literature” oriented background.

Another aspect of the literature review is the scope of the study. Since this study explores two related fields, but different in theory, it can come across as broad by first introducing marketing organizational theory, and then moving on the CMO theory. However, this is the best way to show the breadth and complexity of the issue and without either one of the

aspects the essence of the thesis would lose its value. Because, the interesting piece of this thesis is how both the CMO role, and the marketing department, is affected. One cannot simply change one of those two, but they go very much hand in hand. We therefore balanced the literature review to cover both relevant marketing organization literature, and also the latest articles and books about the CMO within the organization.

7.3 Methodological reflections

One of the shortcomings of using a qualitative approach is the apparent lack of generalizability in the findings. The time and effort needed to collect a large enough sample limits the numbers of interviews, and thus, the result. In hindsight there is always going to be a longing for more interviews, and perhaps more interviews from one organization would have benefitted with a more outlined picture of the CMO role in the organization. However, with multiple cases the generalizability was increased and since this thesis acts as an explorative study to lay a foundation, it was the best option for us. It might also be the case that more samples or more interviews might just lead to a larger group, but no diverting thoughts.

There is also the aspect of defining a CMO. The entire thesis is about the complexity associated with the CMO role, so it comes as no surprise that we also experienced difficulties understanding what separated one CMO from another, and what type of CMO they were. It makes sense to stress again the fact that we focused on interviewing the head of marketing, or the equivalent in various organizations. This then became our group of CMOs for the study. When conducting interviews with people from various organizations the definition of their role is going to be tricky because there are so many factors affecting their role. Another recommendation would be to pre-determine a common definition of the CMO and then explore potential case studies. However, in this case the definition of the CMO was not the objective for choosing cases, but instead one of the key questions during the discussions. The differences between jobs can then be studied and analyzed in order to derive some sort of common framework for what types of CMOs that exist.

Another methodology reflection could be regarding how the interviews were conducted. In this case, most were face-to-face interview discussions, but it would be intriguing to investigate how a group discussion would pan out. Of course it will affect the objectivity and

sense of “this is my answer” if the respondents were in a larger group, but it also might shed some light on a few areas and spur an interesting discussion. This would also provide a better understanding of “the group” answer and researchers would be able to test different groups against each other.

7.4 Future research

This study sheds light on the role of the CMO within the organization from an explorative perspective by complementing existing research with interviews of CMOs in B2B and B2C organizations, and providing ground for how the role should develop. However, given the nature of organizations and roles, there are great opportunities to explore wider, or develop specific aspects, brought up in this study.

In this thesis we choose a qualitative approach and explored the role of the CMO in the organization. The next step would therefore be to scale up the results of this study and test them using a quantitative approach on a large group of CMOs. This could be interesting in two ways, first, exploring differences between B2B and B2C organizations, and secondly, testing the degree of integration and influence within the firm. For example, there are some aspects, such as difference in CMO model, between B2B vs. B2C organizations that could be tested. If one were to develop a list of characteristics based on Quelch & McGovern (2004) and results in this thesis, one could test different models of CMOs across a wide range of organizations to see if there are any discrepancies. In the second example, there has been some research on marketing’s influence on the organization, but not as much focus on the CMOs influence from a quantitative perspective. Therefore, in future research it would be interesting to see what abilities CMOs with different types of influence possess. Is there any way to derive the key capabilities needed in order to be a proven successful CMO?

Another aspect that future research could explore is a more qualitative approach in the sense that only one or two firms are being compared. Perhaps a more detailed description and opportunity to dig deep within an organization to understand the internal struggles could paint another picture of the CMO story. Even though the root findings might pan out to be similar, it would still provide a deeper understanding of the “why” behind the results. This would also provide a good academic case example of a firm and what internal challenges they have with marketing.

In this study industry experts and CMOs from B2B and B2C firms were represented. But, another very important aspect to explore is how other functions in the firm view the CMO and marketing. Although we spoke to a few CEOs during the pre-study for this thesis, the CEO perspective would definitely be worth exploring. It is not only the CEO that could contribute with their view, but also members of top management, other managers in the c-suite, or peers in the organization, could help contribute to the topic. One recommendation would be to gather a few different people from one organization to describe their view of the CMO in the organization. That would provide some interesting insights into how it works within an organization.

Also, the split between the different types of organizations was made on a B2B and a B2C level, since we believed this captures the most essential differences among CMO organizations. However, during our discussion pre-thesis, we evaluated many ways of grouping organizations in matrices in order to cover a complete picture of the world. There are certainly other ways to split the groups, and going forward, one might explore the differences when it comes to markets, offerings, people, and so on. A hypothesis is that it can vary quite a lot between the CMO roles in different types of organizations depending on how you segment them.

REFERENCES

- Aaker, D.A. (2008). Marketing in a Silo World: The New CMO Challenge. *California Management Review*, Vol. 51, No. 1, pp. 144-156
- Achrol, R.S. (1991). Evolution of the marketing organization: new forms for turbulent environments. *Journal of Marketing*, Vol. 55, October, pp. 77-93
- Achrol, Ravi S. and Kotler, Philip (1999), "Marketing in the Network Economy." *Journal of Marketing*, vol. 63 (Special Issue), pp. 146-163."
- Andersson, S., (1979). *Positivism kontra Hermeneutik*. Göteborg: Bokförlaget Korpen.
- Arbnor, I., Bjerke, B. (2009). *Methodology for Creating Business Knowledge*. 3rd edition. SAGE. Publications inc.
- Association of National Advertisers (ANA) / Booz Allen Hamilton (2004). *Are CMOs Irrelevant? Organization, accountability and the new marketing agenda*, Booz Allen Hamilton, New York
- Bohmans (2011), *Undersökning av Svenska Marknadschefer*, Bohmans Nätverk.
- Bryman, A. & Bell, E. (2007). *Business research methods*, 2nd Ed. New York: Oxford University Press.
- Bund, H. & Carroll, J (1957), The Changing Role of the Marketing Function, *Journal Of Marketing*, 21, 3, pp. 268-325
- Grönroos, C, (1998) "Marketing services: the case of a missing product", *Journal of Business & Industrial Marketing*, Vol. 13 Iss: 4/5, pp.322 - 338
- CMO Council (2007) *Define and Align the CMO*, Cmo Council & Marketbridge
- Davis, S. and Lawrence, P. (1977) *Matrix*. Addison-Wesley, Reading, MA
- CMO Council (2012), *State of Marketing*, The CMO Council
- Day, G. & Montgomery, D (1999), 'Charting New Directions for Marketing', *Journal Of Marketing*, 63, 4, pp. 3-13, Business Source Premier, EBSCOhost, viewed 15 May 2013.
- Day, G.S. & Nedungadi, P. (1994). Managerial representations of competitive advantage. *Journal of Marketing*, 58 (April), 31-44.
- Day, G.S. (2011). Closing the Marketing Capabilities Gap. *Journal of Marketing*, Vol. 75, July, pp. 183-195
- Deshpandé, R., Farley, J. U., and Webster, F. E. (1993). Corporate Culture, Customer Orientation, and Innovativeness in Japanese Firms: A Quadrad Analysis. *Journal of Marketing*, 57, January, 23-37.

- Eisenhardt, K. (1988) Building Case Study from Research, the Academy of Management Review, Academy of Management, p. 532 - 550
- Geertz, Clifford (1973). The Interpretation of Cultures. Basic Books
- Gilliatt, Neal and Pamela Cuming (1986), "The Chief Marketing Officer: A Maverick Whose Time Has Come," Business Horizons, 29 (January–February), 41–48.
- Goodwin, R, & Ball, B (2003), 'What Marketing Wants the CEO to Know. (cover story)', Marketing Management, 12, 5, pp. 18-23
- Greyser, Stephen A. (1997), "Janus and Marketing: The Past, Present, and Prospective Future of Marketing," in Reflections on the Futures of Marketing, Donald R. Lehmann and Katherine Jocz, eds. Cambridge, MA: Marketing science Institute, 3–14.
- Homburg, C., Workman, J.P., and Jensen, O. (2000). Fundamental Changes in Marketing Organization: The Movement Toward a Customer-Focused Organizational Structure. Journal of the Academy of Marketing Science. Vol. 28, No. 4, pp. 459-478
- Hyde, Paul, Edward Landry, and Andrew Tipping (2004), "Making the Perfect Marketer," Strategy+Business, 37 (Winter), 37–43.
- IBM Global CMO Study (2012), IBM
- Jaworski, B, & Kohli, A 1993, 'Market orientation: Antecedents and consequences', Journal Of Marketing, 57, 3, p. 53
- Kohli, A., Jaworski, B., and Kumar, A. (1993). MARKOR: A Measure of Market Orientation. Journal of Marketing Research, 30, (4), 467-477.
- Kotler, P (2005), 'The Role Played by the Broadening of Marketing Movement in the History of Marketing Thought', Journal Of Public Policy & Marketing, 24, 1, pp. 114-116
- Lazo, H and Corbin, A (1968) The organization of the Marketing Department, Marketing Management and Administrative Action, Stuart H. Britt and Harper W. Boyd Jr., eds. New York: McGraw-Hill, 65-76
- LeCompte, M.D., and Goetz, J.P. (1982). "Problems of reliability and validity in educational research." Review of Educational Research, Vol. 52, No.2, pp. 31-60.
- Lincoln, Y. S., & Guba, E. G. (1985). Naturalistic inquiry. Beverly Hills, CA: Sage Publications, Inc.
- Malhotra, K.N. (2004). Marketing Research: an applied orientation, Upper Saddle River: Prentice-Hall International, 4th Ed.
- McKenna, R (1991), 'Marketing Is Everything. (cover story)', Harvard Business Review, 69, 1, pp. 65-79
- McKinsey (2007), The evolving role of the CMO, McKinsey Quarterly

McKinsey (2011), We are all Marketers now, McKinsey Quarterly

Merriam, B. S. (1994) Fallstudien som forskningsmetod, Lund : Studentlitteratur

Moorman, Christine (1995), "Organizational Market Information Processes: Cultural Antecedents and New Product Outcomes," *Journal of Marketing Research*, 32 (August), 318–35.

Moorman, Christine and Roland T. Rust (1999), "The Role of Marketing," special millennium issue of the *Journal of Marketing*, 63 (Special Issue), 180-197

Narver, J.C. and Slater, S.F. (1990). The effect of a market orientation on business profitability. *Journal of Marketing*, 54(4), 20-34.

Peter C. Verhoef, Peter S.H. Leeflang (2011). A Cross-National Investigation into the Marketing Department's Influence Within the Firm: Toward Initial Empirical Generalizations. *Journal of International Marketing*: Vol. 19, No. 3, pp. 59-86.

Piercy, N (1986), 'The Role and Function of the Chief Marketing Executive and the Marketing Department: A Study of Medium-Sized Companies in the UK', *Journal Of Marketing Management*, 1, 3, pp. 265-289

Quelch, J. A. and McGovern, G. (2005), Does the customer come first in your boardroom?. *Leader to Leader*, 2005: 28–32.

Ravald, A. (2008), Hur uppkommer värde för kunden? (How does value emerge for the customer). Helsinki: Hanken School of Economics Finland

Schultz, D.E. (2003) Determine outcomes first to measure efforts. *Marketing News*, 37 (18), 7.

Spencer Stuart. (2013) Chief Marketing Officer Tenure Now at 45 Months. Chicago, IL.

Steve Silver, (2003), "Bring on the Super-CMO," s+b, Summer; www.strategy-business.com/press/article/21649

Turpin, D. (2012), The CMO is Dead, *Forbes*, CMO Network

Vargo, S. L., & Lusch, R. F. (2004a). Evolving to a new dominant logic for marketing. *Journal of Marketing*, 68, 1–17, (January).

Weitz, B. & Anderson, E. (1981), Organizing and Controlling the Marketing Function, *Review of Marketing*, 1981, Chicago: American Marketing, 134-142

Wikström, Solveig (1996), "The Customer as Co-producer," *European Journal of Marketing*, 30 (4), 6-20.

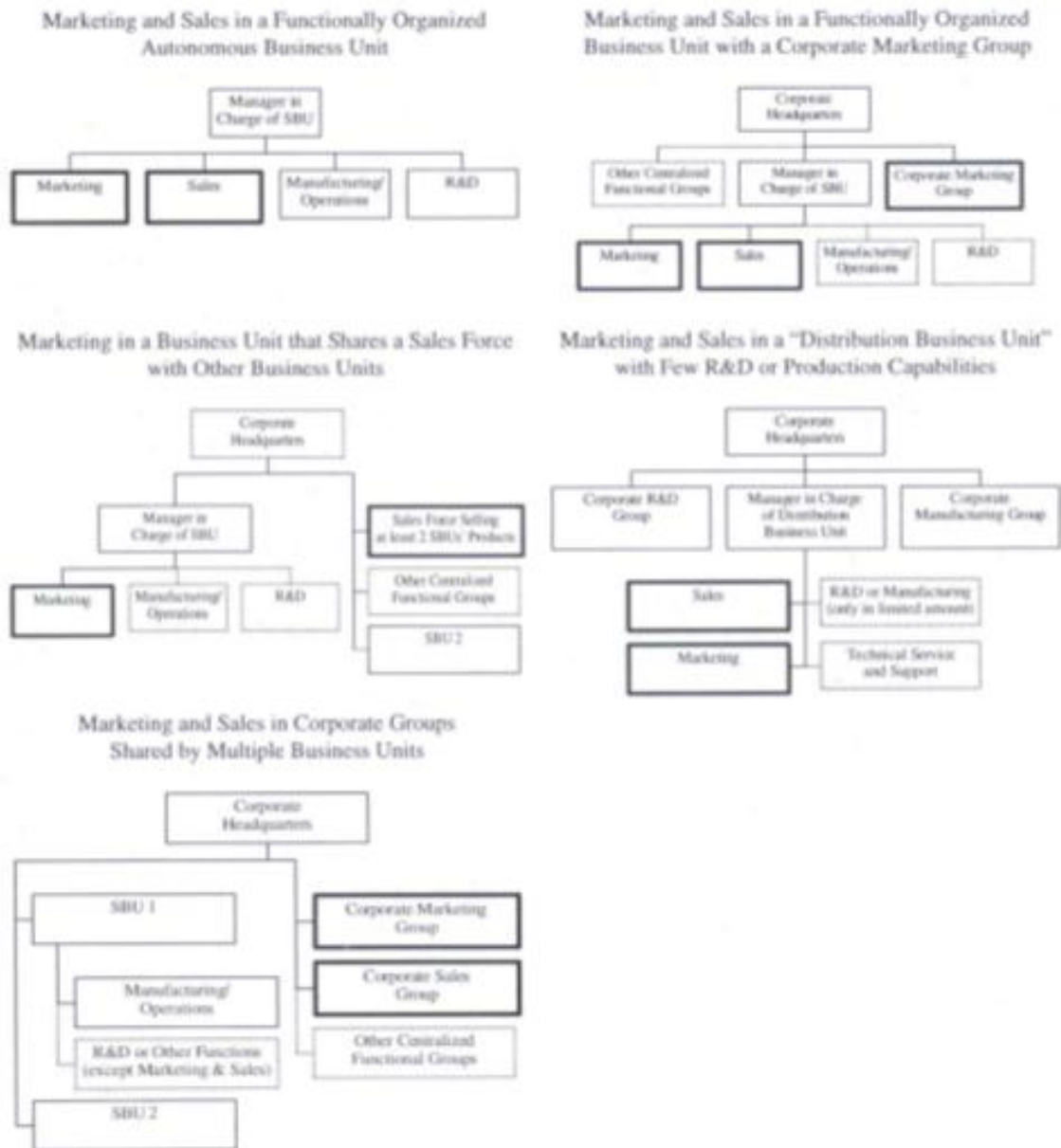
Wolfman (2011), Tips for CMO Career Longevity in a Web-based Age, *Chief Marketer*.

Workman, J., Homburg, C., and Gruner, K. (1998), Marketing Organization: An Integrative Framework of Dimensions and Determinants. *Journal of Marketing*, Vol. 62, July, pp. 21-41.

Yin, R. K. (2003). *Case study research: Design and methods* (3rd ed.). Thousand Oaks, CA: Sage

APPENDIX 1: TYPOLOGY OF REPORTING RELATIONSHIPS OF MARKETING

FIGURE 2
Typology of Reporting Relationships of Marketing



Source: Workman, Homburg and Gruner, 1998

APPENDIX 2: THE “CMO ROLE” DISCUSSION GUIDE

Note: This was used as a discussion guide, therefore not all questions were asked to all participants.

Introduction

- **Consumers play an essential role in the value chain, marketing is becoming more strategic and marketers can drive business in a way that was not possible before.** Therefore they must play a crucial role in the organization?
- However, the CMO have the most precious job and the average **tenure is amongst the lowest** in the business. They are also characterized by **unclear roles with conflicting expectations** from the organization. They have become **detached from the CEO and the board and have become more operative and less accountable.**
- We will **investigate the role of the CMO and create a context-dependent framework for what role the CMO should have**, and how they can interact with the organization, in order to create value.

Situation, Context & Status

Background check

- University →
- How long have you been a CMO?
- What is the next step

Marketing in the organization (*situation/context*)

- Where is marketing positioned in the organization?
 - Who does the CMO report to?
 - Are there any other related positions? Communications?
 - How many people report to the CMO / Entire organization
 - Do you collaborate with any other departments?

The Work Tasks (*situation/context*)

- How much is strategic and how much if operational?
- Do you spend time in or out of your office?
- Strategy
 - Do you establish marketing's role in the organization?
 - Are you the go-to person/department for the voice of the market?
 - Do you set the marketing strategy?
- Organization
 - Do you coordinate marketing with other parts of the organization?
 - Do you run the marketing department?
 - Are you responsible for identifying and leading changes in the organizations marketing?
- Monitor/Control
 - Do you measure and follow-up on your activities?
 - How do you report marketing's work?
 - Metrics? ROI?

Marketing's importance (*status*)

- What is the most important "thing" marketing contributes with
- What is the primary focus of the marketing organization today?
 - Is it important for your CEO?
- Has marketing become more or less important in your organization?
 - Why? (ex. because of competition)
- Has the marketing organization undergone a restructure/or will it?
- What does the future look like? More or less important with marketing?
- What is bad/good – can be changed?

The CEO Perspective (*status*)

- What are the similarities and differences between the CEO and CMO perspective?
- Does the CEO usual have CMO background?
- Are the marketing questions important for the CEO?

The Board Perspective (*status*)

- What are the similarities and differences between the board and CMO perspective?
- Are you part of the board?
- Are CMO usually a part of the board? Why?

Challenges & Future**Challenges**

- What are the challenges you experienced as a CMO?
- Why do you think these existed?
 - Internal vs. external?
- How they be fixed?

Future

- Where should a CMO (based on your situation) focus?
- Should the CMO be accountable for profit and growth?
- Should they have a strategic role or an operative role?
- What attributes does a CMO need?
- Do organizations require different types of CMOs?
- Should the CMO role be split up?
 - Communications, IT, sales, and so on
- Can their performance better be linked to organizations KPI:s?