

The Chief Marketing Officer

Third Quarter 2022

Navigate The Risks & Opportunities of Economic Turbulence



Price Increases and Insensitivity Turn Consumer Sentiment Against Companies



Build the Foundations for Marketing-Led Innovation Strategy



CMOs Must Take the Lead on Executive Communications to Boost Organizational Trust

Leadership Spotlight

How CMOs Are Talking About Today's Economic Uncertainty





Letter From the Editor

Companies and CMOs once again are being confronted with an increasingly uncertain future while facing what Gartner has begun to call a triple squeeze: persistent high inflation, scarce and expensive talent and global supply challenges. These pressures are forcing a number of actions by many companies, and our own data suggests consumers are beginning to react. For example, 65% of consumers plan to cut their purchasing in at least one category.¹ As companies begin planning for the future and customer spending habits continue to shift along with the global economic landscape, you must evaluate not only new risks, but also where to realign resources to capitalize on the opportunities it presents.

This issue of *The Chief Marketing Officer* starts by studying a stark shift in consumer sentiment toward companies, a rapidly developing risk. Over 40% of consumers now believe that companies are raising prices more than necessary to increase profits,¹ up from 30% in late 2021.² What's worse, some consumers believe that companies are being insultingly insensitive, openly celebrating record profits while consumers struggle to foot the bill.³ Understanding this sentiment can help you guide critical decisions and customer communication.

Following the thread of economic turbulence, we then investigate businesses' responses to internal price pressures and future uncertainty. CMOs are often the earliest executives aware of — and affected by market and budget pressures, yet many were reluctant to shift from their plans for 2022 even as evidence indicating a less favorable business environment in the near future mounted. We outline the steps you should take now to prepare for the upcoming economic uncertainty likely to impact go-forward planning.

Preparing for uncertainty likely sounds familiar, but it can be helpful to hear directly how other marketing leaders are reacting in this current climate. In our panel interview, we hear from CMOs representing a variety of sectors on how they're strategically responding to potential economic headwinds and budget constraints. Our panel also outlines how they're leveraging lessons learned from 2020 to address the current situation, focusing on lessons learned as well as key strategic distinctions.

Times of rapid change and economic uncertainty are difficult to prepare for, but our research consistently finds that the best companies actually begin to separate from peers in these exact periods. The key is to conceive of, and seize, new opportunities. To that end, we've included our guidance for building a robust marketing-led innovation strategy to future-proof strategic planning as well as recent B2B research, which identified the four customer profiles to boost demand generation.

Finally, we turn our focus to the topic of trust, a persistent issue that's only been exacerbated for both customers and employees in the wake of many product and service disruptions, operational changes as well as policy and pricing shifts. We lay out the research-backed steps you must take to lead the C-suite in fostering both external and internal trust by increasing audience dialogue and encouraging decision-making visibility.

We hope this issue of *The Chief Marketing Officer* helps you confidently operate in the current moment while beginning to prepare your organization for 2023, whatever that may bring.

— Michael Giblin

¹ Gartner Consumer Community (9-15 June 2022, n = 252)

² Gartner Consumer Community (16-23 November 2021, n = 327)

³ Gartner Consumer Community (1-7 April 2022, n = 252)

Table of Contents

Consumers Share What They Really Think About Inflation, Corporate Transparency and Branded Videos	4
Price Increases and Insensitivity Turn Consumer Sentiment Against Companies	11
How Economic Headwinds Impact Marketing Budgets and Strategy	17
How CMOs Are Talking About Today's Economic Uncertainty and Lessons Learned From 2020	21
Build the Foundations for Marketing-Led Innovation Strategy	25
Use Gartner's Enterprise Change Readiness Profiles to Boost Demand Generation	29
CMOs Must Take the Lead on Executive Communications to Boost Organizational Trust	38

The Chief Marketing Officer

Third Quarter 2022

Editor in Chief

Michael Giblin

Managing Editors

Geoffrey Campen

Kristina LaRocca-Cerrone

Authors

Sharon Cantor Ceurvorst

Michelyne Chavez

Jeffrey L. Cohen

Michael Giblin

Dan Gutter

Elizabeth Kilbride

LK Klein

Rick LaFond

Ewan McEntyre

Kate Muhl

Kyle Rees

Chris Ross

R&A Studio

Designers

Katelyn Betchley

Camille Tagami

Editor

Karen Ross

Access to Gartner Content Caveat

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

© 2022 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner is a registered trademark of Gartner, Inc. and its affiliates. This publication may not be reproduced or distributed in any form without Gartner's prior written permission. It consists of the opinions of Gartner's research organization, which should not be construed as statements of fact. While the information contained in this publication has been obtained from sources believed to be reliable, Gartner disclaims all warranties as to the accuracy, completeness or adequacy of such information. Although Gartner research may address legal and financial issues, Gartner does not provide legal or investment advice and its research should not be construed or used as such. Your access and use of this publication are governed by Gartner's Usage Policy. Gartner prides itself on its reputation for independence and objectivity. Its research is produced independently by its research organization without input or influence from any third party. For further information, see "Guiding Principles on Independence and Objectivity."

Any third-party link herein is provided for your convenience and is not an endorsement by Gartner. We have no control over third-party content and are not responsible for these websites, their content or their availability. By clicking on any third-party link herein, you acknowledge that you have read and understand this disclaimer.

774916

Consumers Share What They Really Think About Inflation, Corporate Transparency and Branded Videos

By Dan Gutter

Gartner conducts weekly consumer surveys via the Gartner Consumer Community on topics of interest to our research community and CMOs. This research features key findings in three areas from recent GCC questionnaires.

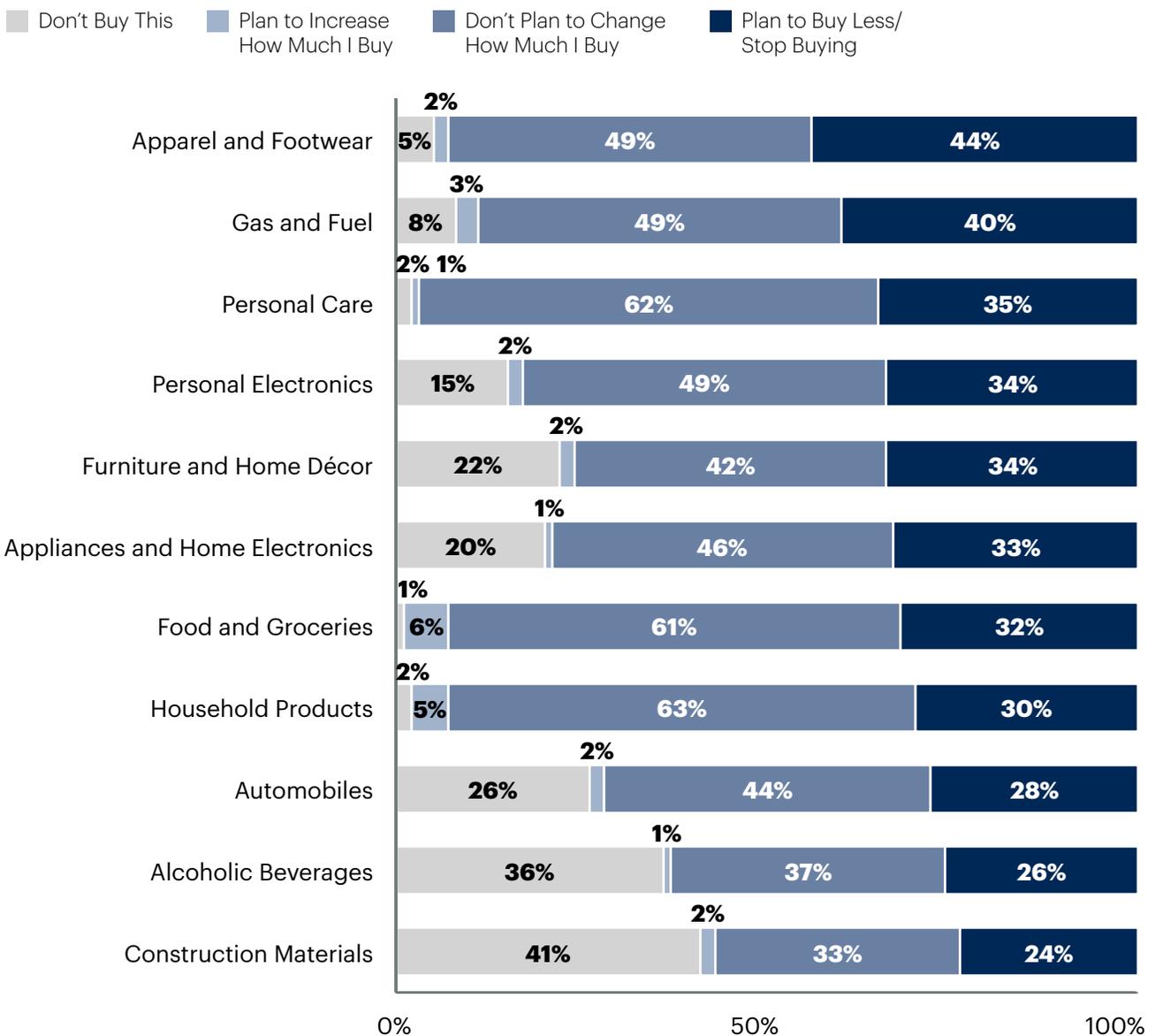


Consumers Plan to Cut Purchases Amid Price Increases

Certain product categories remain more stable than others in the face of inflation. Consumer goods — many of which are essentials consumers

simply can't do without — are more resistant to consumer cutbacks (see Figure 1). That doesn't mean consumers will stick with the same brands, however.¹

Figure 1. Where Consumers Plan to Cut Back Purchases/ Stop Buying in the Next Month Due to Price Surges



n = 252 consumer community respondents

Q: In response to price surges, how do you plan to adjust how much you buy in each of the following categories during the next month?

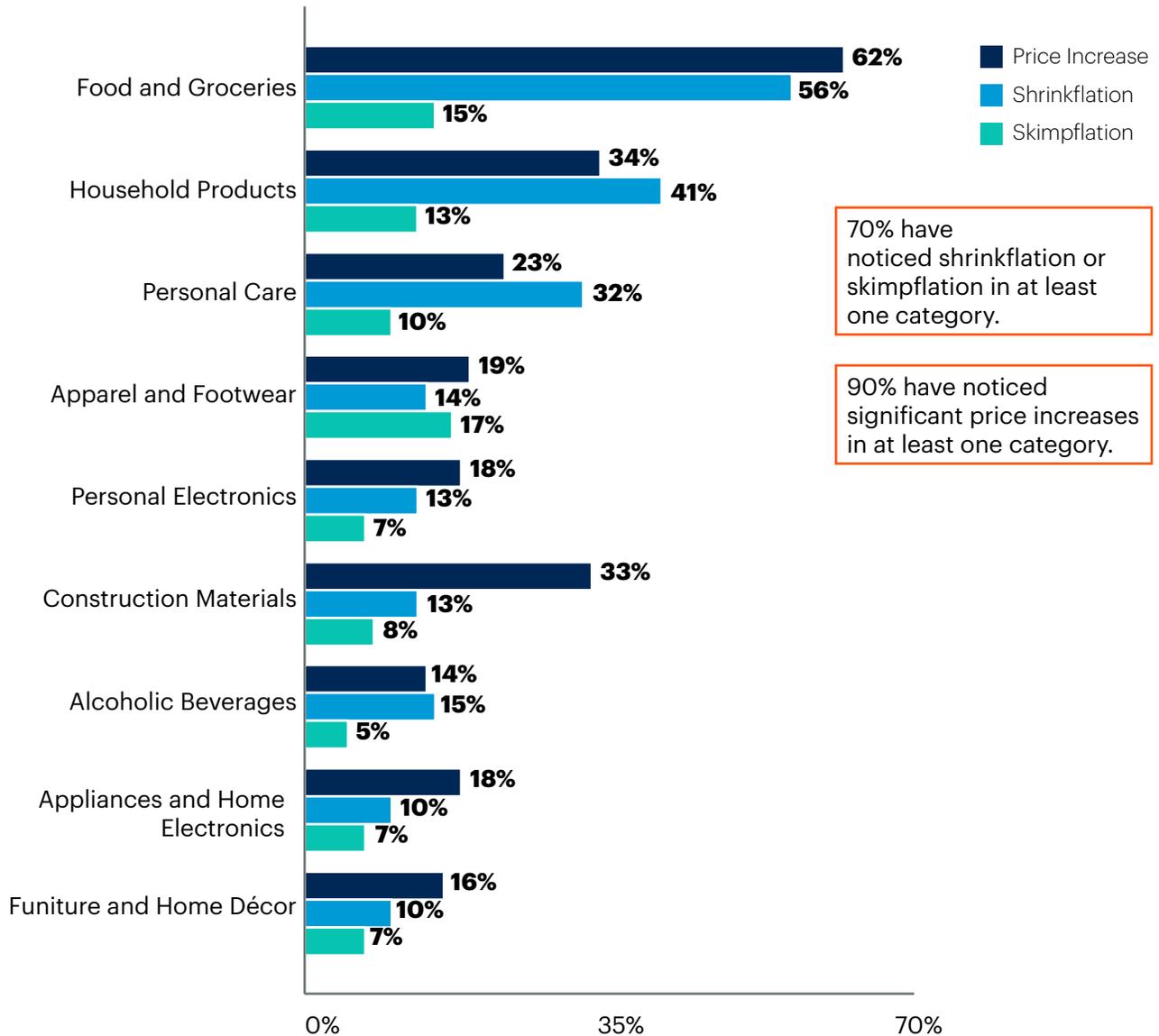
Source: 2022 Gartner Consumer Community

Note: Percentages less than 3% not shown.

In some product categories, consumers have noticed shrinkflation (when the size or quantity of packaged goods is reduced without a commensurate price cut) more than they noticed

price increases (see Figure 2). Shrinkflation and skimpflation (lowering the quality of the product/service) are brand cost cutting tactics that are likely to make consumers consider switching brands.^{1,2}

Figure 2. Where Consumers Notice Price Increases, Shrinkflation and Skimpflation



n = 252; 245 consumer community respondents

Q: In the past year, have you noticed either prices staying the same with less product available or prices staying the same but a lower quality of product/service being available? In the last month, have you noticed any price changes for products in the following categories?

Source: 2022 Gartner Consumer Community

Note: Price increases data based on % selecting "Prices increased a lot". Comparisons on rates of price increases and shrinkflation/skimpflation should be considered directional due to timeframes of observation asked in the separate surveys.

Consumer Transparency Priority Rankings: Industries and Disclosures

When asked what product categories should have the highest brand transparency, healthcare services, financial and investment products, and food and nonalcoholic beverages were the top options selected (see Table 1). Alternatively, respondents listed personal electronics as the product category they see as most transparent today —

followed by healthcare services and food and nonalcoholic beverages.³

While transparency can be tough for consumers to recall, they know it when they see it. Consumers expect healthcare and financial services companies to be more transparent than the levels of transparency they currently perceive from those industries.

Table 1. Consumers Expect Healthcare to Be Most Transparent But Personal Electronics Takes Top Spot

Rank	Expected Highest Brand Transparency	Rank	Current Perceived Brand Transparency
1	Healthcare services (e.g., doctors, hospitals, physical therapy)	1	Personal electronics
2	Financial and investment products (e.g., bank accounts, stocks, bonds)	2	Healthcare services (e.g., doctors, hospitals, physical therapy)
3	Food and nonalcoholic beverages	3	Food and nonalcoholic beverages
4	Personal care products (e.g., body wash, shampoo, wipes)	4	Financial and investment products (e.g., bank accounts, stocks, bonds)
5	Household items (e.g., cleaning supplies, toiletries)	5	Furniture
6	Home appliances and home technology (e.g., TV, washer)	6	Beauty or grooming products (e.g., makeup, hair gel)
7	Beauty or grooming products (e.g., makeup, hair gel)	7	Home appliances and home technology (e.g., TV, washer)
8	Personal electronics	8	Household items (e.g., cleaning supplies, toiletries)
9	Clothing, shoes and accessories	9	Clothing, shoes and accessories
10	Alcoholic beverages	10	Personal care products (e.g., body wash, shampoo, wipes)
11	Furniture	11	Alcoholic beverages

n = 293 consumer community respondents

Q: From the following, please select and rank the categories of products and services that should have the highest standards for brand transparency. Please select your top 5. In your opinion, how transparent are brands in each of the following industries today?

Source: 2022 Gartner Consumer Community (June 2022)

The types of company information that consumers would most want access to include clear and accurate product information, clear pricing, and warranty, returns and refunds policies (see Table 2).

Knowing the ways a company collects and uses customer data is more important to consumers than any aspect of the company’s internal governance or ethics and is on par, in terms of importance, with understanding the return policy.

Table 2. Must-Have Company Info: Customer Data Use Ranks Closely Behind Product and Transaction Details

Rank	Expected Highest Brand Transparency
1	Clear and accurate product information
2	Clear pricing
3	Warranty, returns and refunds policies
4	Customer data collection and use
5	Manufacturing and supply chain
6	Company’s labor and HR practices
7	Political contributions
8	Financial performance
9	Updates on new initiatives
10	Social causes
11	Corporate governance (e.g., executive compensation)
12	None of the above
13	Other

n = 293 consumer community respondents

Q: Imagine you could have free and easy access to detailed information about any brand or company and its products/ services but could only choose up to 5 types of information. Which of the following would you want to have access to? Please select up to 5.

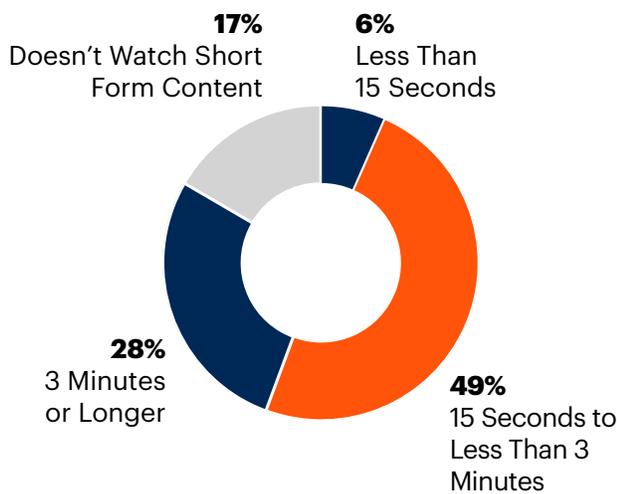
Source: 2022 Gartner Consumer Community (June 2022)

Consumer Preferences for Branded Video: Duration and Topic

Consumers' short-form video length preferences speak to the popularity of social media platform features like Reels and Stories (Instagram), Shorts (Youtube), and Stories (Facebook).⁴ See Figure 3.

When asked which were the most compelling aspects of videos from brands promoting products, product information, product tutorials and entertainment value of content were the top picks (see Table 3).⁴

Figure 3. Preferred Length of Short-Form Videos



n = 289 consumer community respondents
 Q. Which of the following best describes your ideal length of short-form video content you typically consume?
 Source: 2022 Gartner Consumer Community

Table 3. Above All Else, Consumers Want to See How a Product Works

Rank	Types of Aspects of Videos From Brands
1	Product information (what it does)
2	Product tutorial
3	Entertainment value of content
4	Product style
5	Run time of content
6	Where/how to buy product
7	Someone I know (creator or celebrity familiar with)
8	Other
9	None of the above

n = 293 consumer community respondents
 Q: When watching videos from brands, which of the following aspects, if any, is most compelling to you? Please select your top 3.
 Source: 2022 Gartner Consumer Community (May 2022)



Brand leaders may be tempted to imbue organic creative with more than just product information, given that humor and other elements help ads perform well. However, for brand video content promoting products, consumers say they want to see the product's features above all else.

Source: 2022 Gartner Consumer Community (n = 504) members resemble the U.S. general population, the data presented above is based on the responses of community members who chose to take each individual activity. Results from the activities may not be representative of the general population and the data should only be used for directional insights.
¹ Gartner Consumer Community (9-15 June 2022, n = 252)
² Gartner Consumer Community (10-17 June 2022, n = 245)
³ Gartner Consumer Community (14-22 June 2022, n = 293)
⁴ Gartner Consumer Community (3-11 May 2022, n = 289)

Just for you, the latest Gartner webinars for marketing leaders

Available on demand

The Gartner CMO
Spend Survey 2022:
The State of Marketing
Budget and Strategy

[Watch Now ↗](#)

9 C-Suite Actions
to Emerge Stronger
During Recession

[Watch Now ↗](#)

Best of Marketing
Symposium: Strategies,
Digital Experiences and
Brand Health

[Watch Now ↗](#)

Do Corporate Social
Justice Initiatives Drive
Customer Acquisition?

[Watch Now ↗](#)

Drive Growth With
Better Customer
Journey Orchestration

[Watch Now ↗](#)

The 2022 Gartner
Communications Awards:
Winning Projects and
Cutting-Edge Tips

[Watch Now ↗](#)

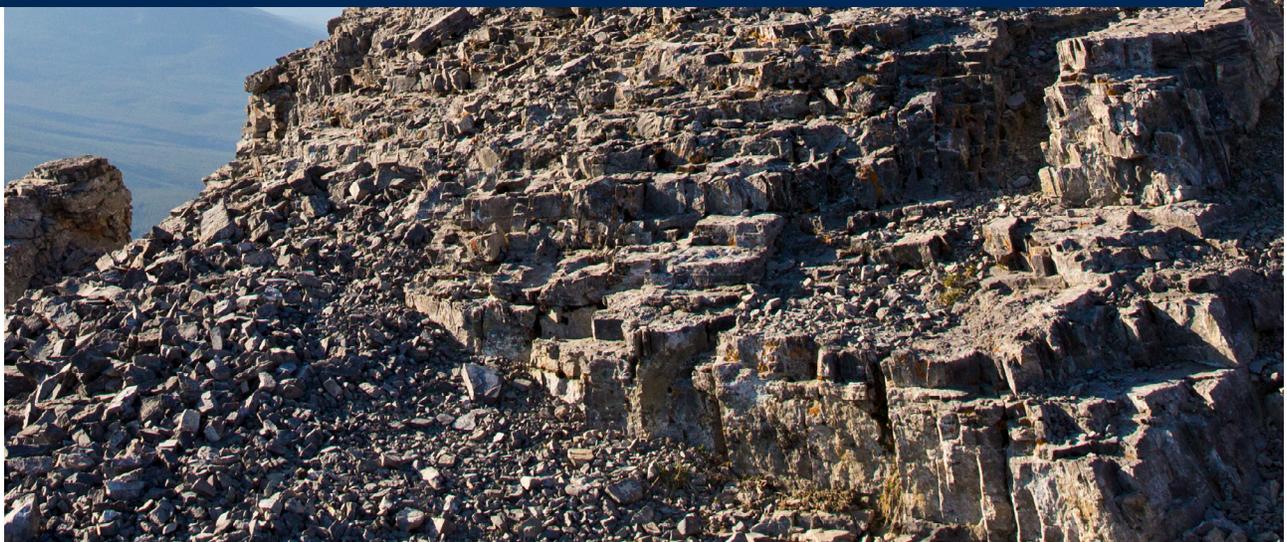


Price Increases and Insensitivity Turn Consumer Sentiment Against Companies

by Kate Muhl



Weary of persistent pandemic-induced price hikes and product shortages, U.S. consumers are in near-permanent price vigilance mode. As people grow increasingly skeptical of brands' justifications for price increases, CMOs must maintain a posture of transparency and adopt a more empathetic brand tone.



Consumers feel they can't catch a break. U.S. consumers have endured the sticker shock of the prolonged COVID-19 era only to face new price surges exacerbated by the geopolitical and economic volatility caused by the Russian invasion of Ukraine. They face rapidly increasing prices, and most don't anticipate relief on the horizon. A majority of consumers (75%) expect prices to continue to increase entering the second half of 2022.¹

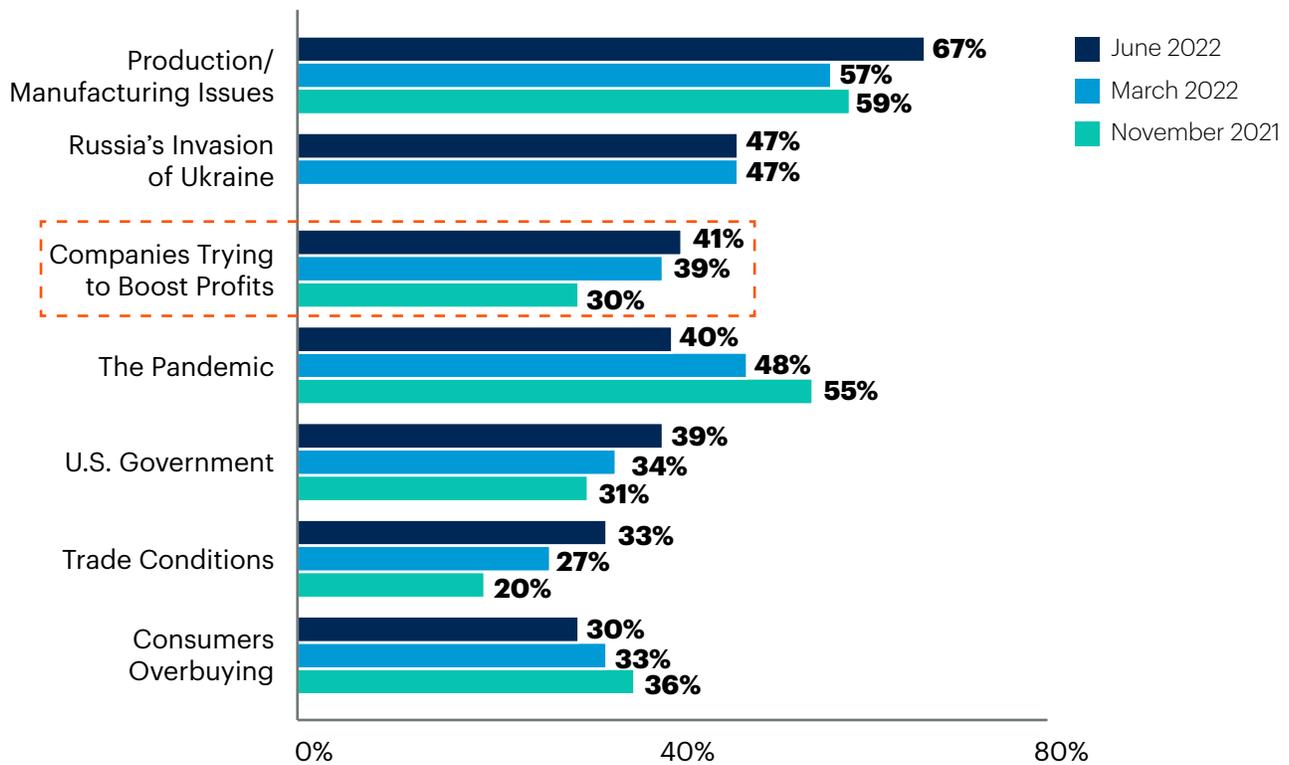
Consumer Suspicion About Companies' Motives Creeps In

A majority of consumers continue to identify production challenges and increasing manufacturing costs as the primary driver of price hikes. However, blame is shifting away from being placed on consumers for overbuying toward companies for trying to boost profits. Forty-one percent of respondents today blame companies

trying to boost profits for price increases, up from just 30% in November 2021 (see Figure 1).^{2,3}

A quick scan of recent earnings calls — which are, admittedly, not targeted at average consumers but regularly reported in the media — hints at some brands' cavalier approach to pricing messaging. One executive proclaimed “a really very, very good constructive pricing environment” while several others assured analysts of their brands' “pricing power.”⁴ Brands' optimistic outlook rests on the assumption that consumers who are spending “with vengeance” are willing to fund the companies' recovering or growing profit margins. Another executive's statement says it all: “We will take as much pricing as we think the consumer can absorb.”⁵ Given the signs of increasing consumer skepticism toward brands' justification of price increases, companies' framing of the pricing issue may backfire.

Figure 1. Consumers Increasingly Place Blame on Companies for Price Increases



n = 327 (November 2021), 270 (March 2022), 252 (June 2022)

Q. In your opinion, what, if anything, is causing the price increases we have been experiencing recently?

Source: Gartner Consumer Community (16-23 November 2021, 22-29 March 2022, 9-15 June 2022)

Note: Russia's Invasion of Ukraine not surveyed in November 2021.

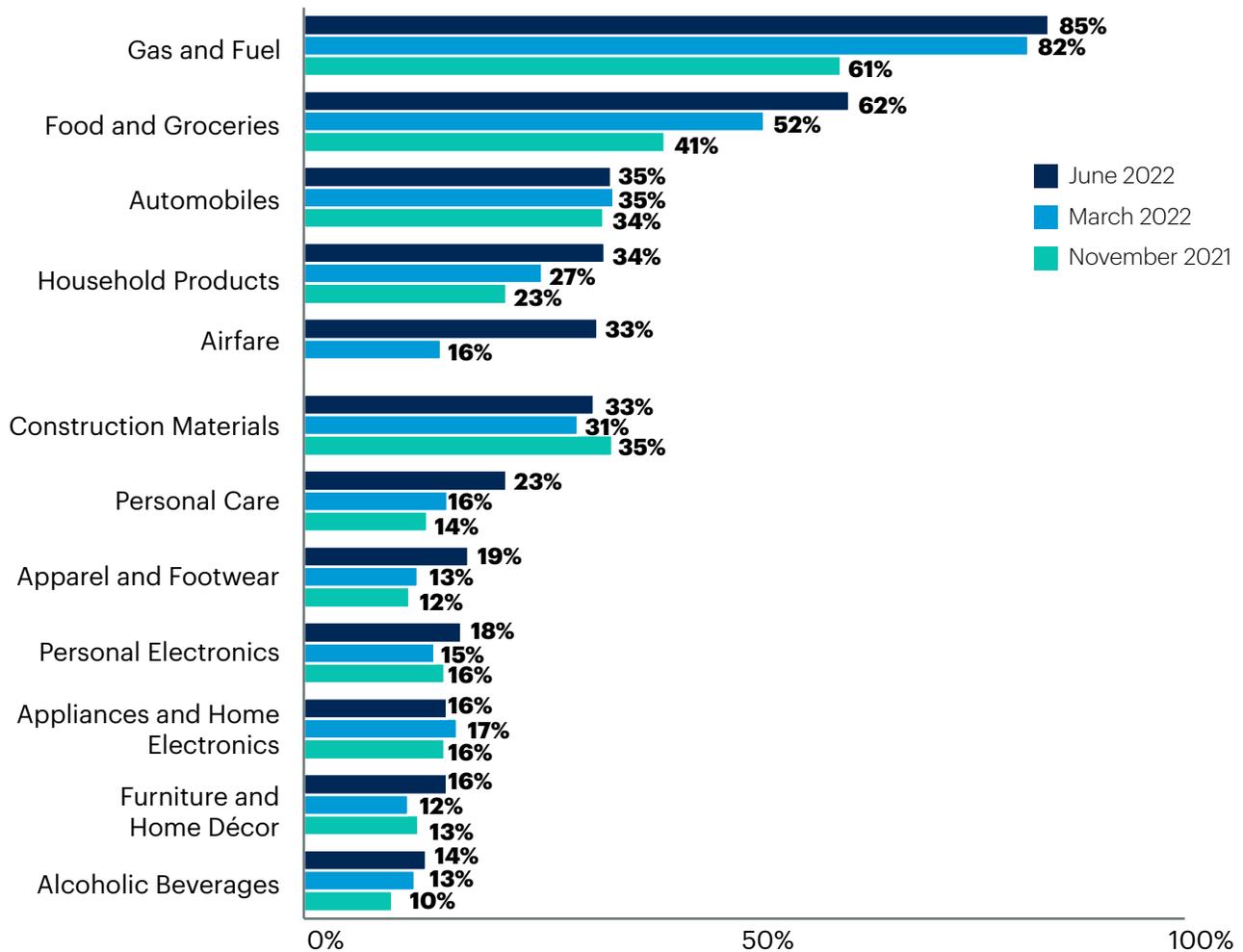
Consumers Are Watching Closely and Cutting Back

Gartner Consumer Community respondents are watching prices go up in all categories. Top areas in which consumers noticed a significant price jump are largely unchanged from earlier in 2022, while overall concern has risen. Unsurprisingly, 85% noted that gas prices have skyrocketed. Airfare cost saw a sudden increase in attention from consumers in June 2022. Additionally, essential purchases are receiving strong consumer

attention, with 62% of respondents naming food and groceries as yet another high-inflation category (see Figure 2).²

In response to rising costs, consumers plan to cut back their purchasing. In July 2022, 65% of consumers expect to cut back on purchases or stop buying altogether in at least one product category.¹ The most common areas to cut back are apparel and fuel, while spending essentials such as food and grocery, personal care and household products are most likely to remain the same.

Figure 2. Top Categories in Which Consumers Noticed Significant Price Increases in the Past 30 Days



n = 327 (November 2021), 270 (March 2022), 252 (June 2022)

Q. In the last month, have you noticed any price changes for products in the following categories?

Source: Gartner Consumer Community (16-23 November 2021, 22-29 March 2022, 9-15 June 2022)

^a Percentages shown for respondents who selected "prices increased a lot" for each category of products.

Note: Airfare not surveyed in November 2021.

CMOs Must Justify Price Changes and Lay Out a Plan to Minimize Consumer Impact

Unlike in 3Q21, consumers in 2022 believe companies are raising prices too much and without good enough reason. Price matters because it remains the biggest factor in purchase consideration. But pricing perceived as unfair can impact brand perception and reputation.

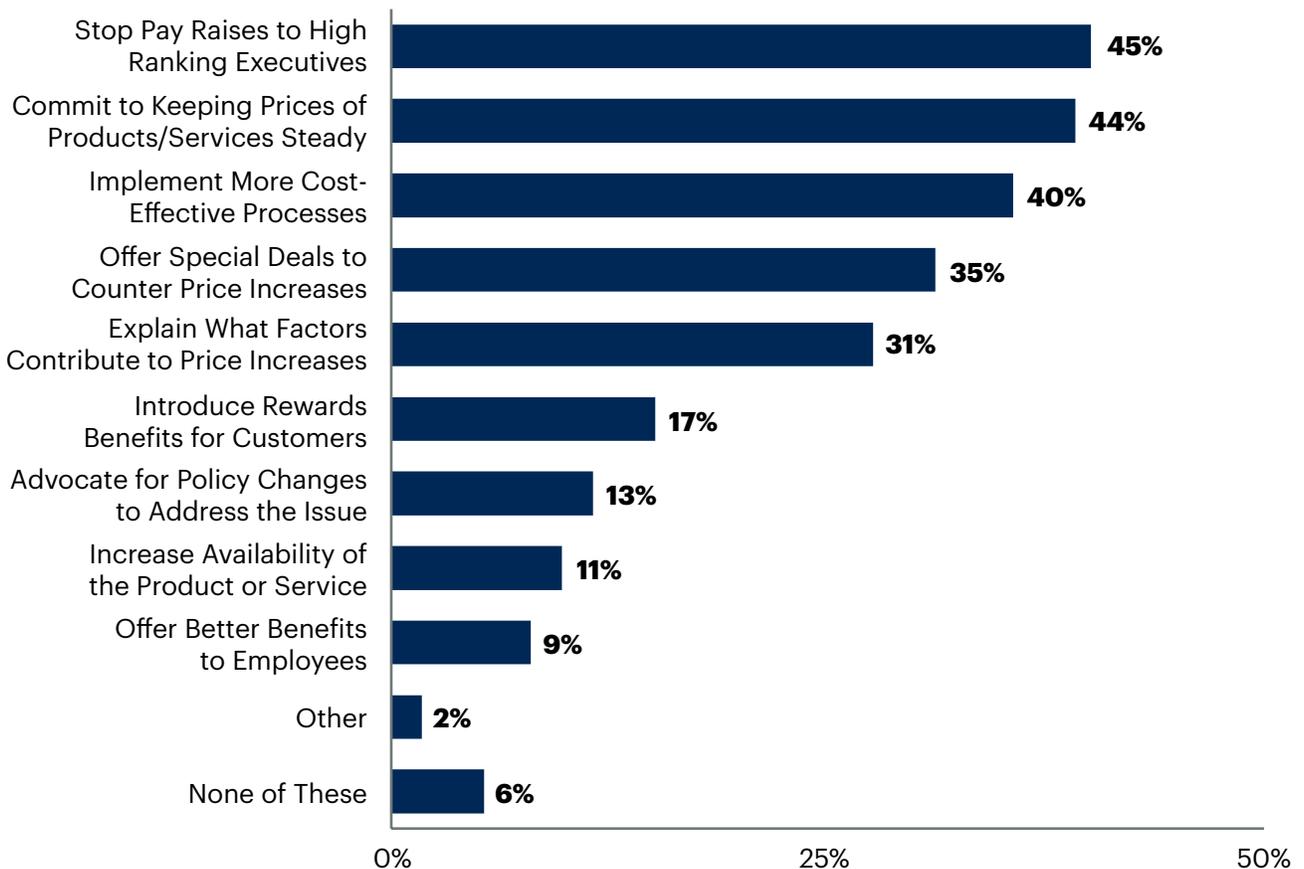
Closely watch consumer sentiment to get a more nuanced and accurate read that quarterly sales reports alone cannot offer. This is especially important if inflationary pressure persists in the medium-to-long-term, further exacerbating the financial fragility of the American consumer. Also, bring consumer and customer perspective

to internal pricing strategy conversations — to pinpoint and calibrate the upper pricing limit that consumers may be willing to accept. Continue to focus on delivering clear and consistent messaging that lays out the rationale for price increases, including specific conditions and challenges in each product category.

Consumer Voice: How Should Companies Address Price Increases?

Nearly half of consumers want companies to stop pay raises to high-ranking executives to address price increases (see Figure 3). Top answers from consumers share the theme of placing the burden of either eliminating or absorbing price increases on brands rather than consumers.

Figure 3. How Consumers Want Brands to Address Price Increases



n = 245

Q. Which actions should companies prioritize to address the recent wave of price increases?

Source: Gartner Consumer Community (10-17 June 2022)

The following quotes come directly from surveyed consumers, highlighting both the shift in blame toward companies as well as the strongly negative responses a company's perceived insensitivity can elicit.⁶

"What really makes me angry is [a store chain] posting record profits yet increasing prices. I will no longer go there. Everyone is jumping on the price increase bandwagon and it's offensive and wrong. Most have no real reason for doing it except that they can right now. Prices are out of control and grocery shopping is depressing. I leave overpriced items on the shelves and refuse to buy them."

Mary, Baby Boomer, Suburban California

"They should explain [...] why the cost keeps escalating and don't blame it on Russia], COVID, lack of employees, etc. I understand things go up, but the salaries of the executives just can't go to the moon at our expense. What happens is when people hit a boiling point and then they buy a cheaper competitive product or skip the product [entirely]."

Robert, Baby Boomer, Suburban New Jersey

"Show honesty in the situation. And don't show glee at their increased profits when they raise prices even more than what's needed to cover expense increases."

Nicholas, Gen Xer, Suburban Florida

"They need to be more compassionate, some people are on fixed incomes and can't afford daily necessities as it is. When a company is more worried about profits, that is wrong."

Brenda, Gen Xer, Suburban Iowa

"Be honest. We are all experiencing supply shortages and increased prices. Give a heads up [about] increases when possible. Try to offset some of the increase with coupons, loyalty rewards and other incentives."

Carla, Baby Boomer, Suburban Florida

¹Gartner Consumer Community (9-15 June 2022, n = 252)

²Gartner Consumer Community (22-29 March 2022, n = 270).

³Gartner Consumer Community (16-23 November 2021, n = 327)

⁴[Corporations Raise Prices as Consumers Spend 'With a Vengeance,'](#) The New York Times.

⁵[Why Corporations Are Reaping Record Profits With Inflation on the Rise,](#) PBS.

⁶Gartner Consumer Community (1-7 April 2022, n = 252)



Gartner Marketing Benchmarking & Diagnostics Suite

Focus your time, energy and investments on the activities most likely to create impact, with our tools and diagnostics.



The Annual State of Marketing Budget & Strategy Survey

Get detailed insight into the strategies and investment plans of CMOs across a wide range of industries.



Benchmarking

Drive business results by measuring performance against peers and competitors with benchmarks and diagnostics.



Gartner BuySmart™

Make faster, smarter technology purchase decisions by defining your requirements, picking the right provider and optimizing the deal structure.



Gartner Hype Cycle™

Weigh your digital investment options and minimize risk by understanding how relevant technologies will evolve over time.



Gartner Digital IQ Index

Optimize your marketing spend by benchmarking vs. competitors and tracking digital's impact by industry and brand.



Consumer and Culture Insights

Understand and engage target consumers with research spanning categories, demographics and geographies.



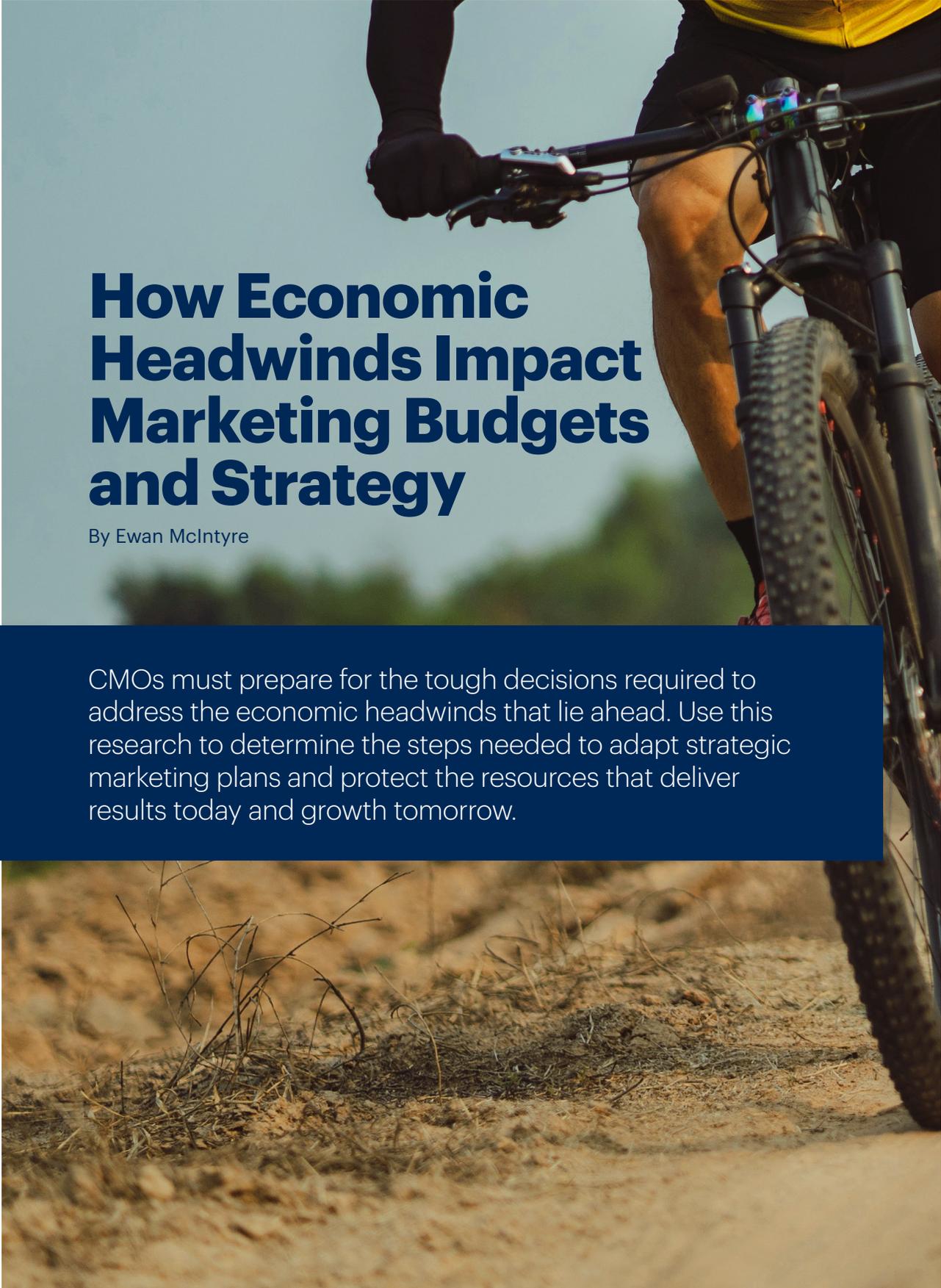
Gartner Score

Measure, prioritize and improve your activities and processes relative to high-performing marketing organizations.



Gartner Magic Quadrant™

Chart the competitive positioning of digital technology and service providers and evaluate them against your business goals.



How Economic Headwinds Impact Marketing Budgets and Strategy

By Ewan McIntyre

CMOs must prepare for the tough decisions required to address the economic headwinds that lie ahead. Use this research to determine the steps needed to adapt strategic marketing plans and protect the resources that deliver results today and growth tomorrow.

CMO's Started 2022 With Confidence

Following lockdown-era budget cuts that depleted marketing's coffers and left CMOs with the lowest budget ever recorded in Gartner's annual CMO Spend and Strategy Survey, 2022 should have been a year of growth.

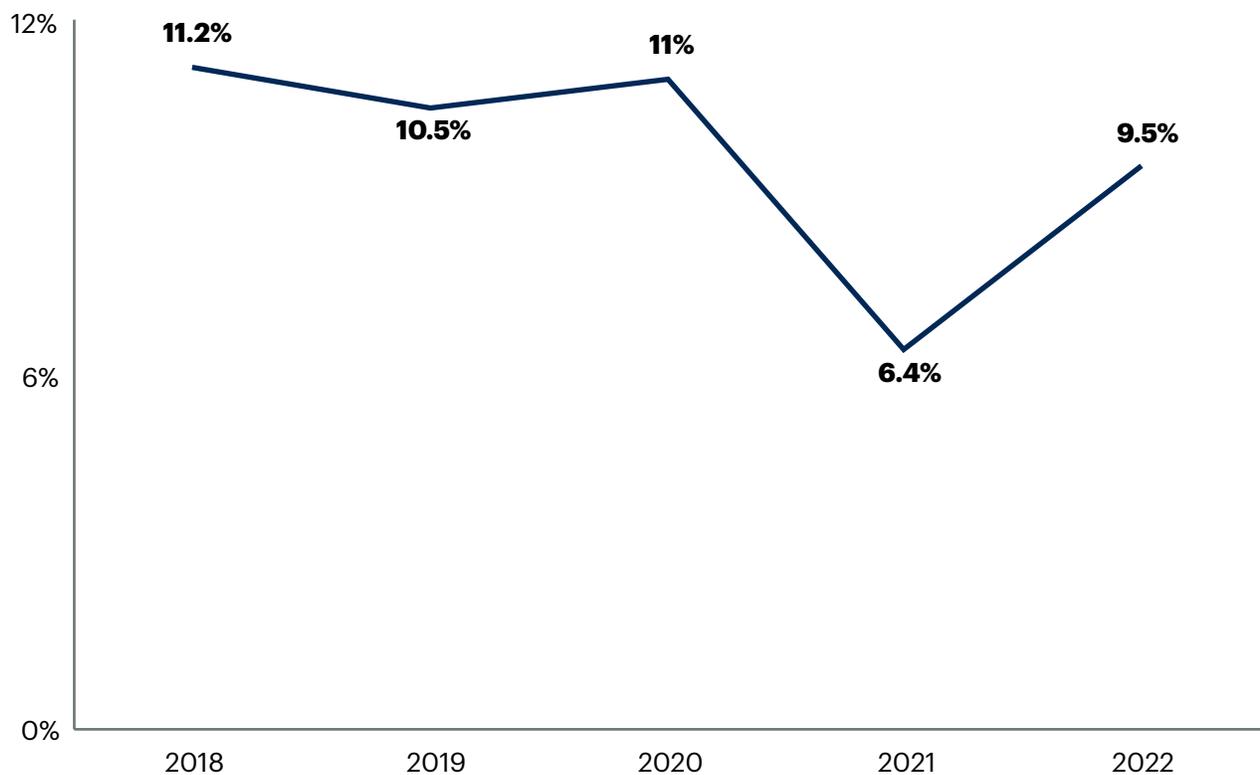
Sure enough, things started well. CMOs reported that their budgets were climbing back, even if they lagged prepandemic levels. In addition, CMOs were reporting strong results: 87% reporting that they'd met or exceeded their 2021 goals. They saw positive performance in essential metrics including revenue growth and profitability (see The State of Marketing Budget and Strategy in 2022). Furthermore, CMOs had reasons to be cheerful when they looked at the prevailing economic environment, with strong GDP growth in Western markets and record employment levels (see Figure 1).

When we surveyed CMOs between February 2022 and April 2022, they shrugged-off external warning signals. Indeed, the majority of CMOs reported that they believed that increases in labor costs, business costs and costs experienced by their customers would have a positive impact on their strategy.¹

Economic Uncertainty Bites

The unbridled positivity reported in the CMO Strategy and Spend Survey early on in 2022 was a textbook case of confirmation bias — ignoring inconvenient truths in favor of comforting positive signals. But it couldn't last. Industries and markets that perceived they were insulated from the mix of geopolitical and macroeconomic challenges that have come to a head have had a rude awakening. Three major pressures on enterprise profitability have started to hit home: inflation,

Figure 1. Marketing Budgets Climb Back From Lockdown-Year Lows



n = 405 CMOs (2022); 400 (2021); 342 (2020); 342 (2019); 618 (2018)

Q. What percentage of your revenue is being allocated to your total marketing expense budget in 2022?

Source: Gartner

rising labor costs and supply chain risks. As a result, concerns about inflation are rising fast. In a recent poll of 196 marketers,² 75% of respondents reported that they expect inflation to have a negative impact on their strategy in 2022, with 14% worried that the negative impact would be significant (see Figure 2). Only 7% thought that the impact would be positive.

The Russian invasion of Ukraine has dragged on, and its impacts have rippled out far beyond Eastern Europe affecting global fuel costs, commodity costs and consumer confidence. All talk of inflation being transitory have fallen quiet, with inflation in the U.K. and U.S. sitting at 40-year highs, and expectations of even more price hikes in the back half of 2022. Hopes for continued growth have faded, with a weakened economic outlook as we close 2022 and head into 2023.

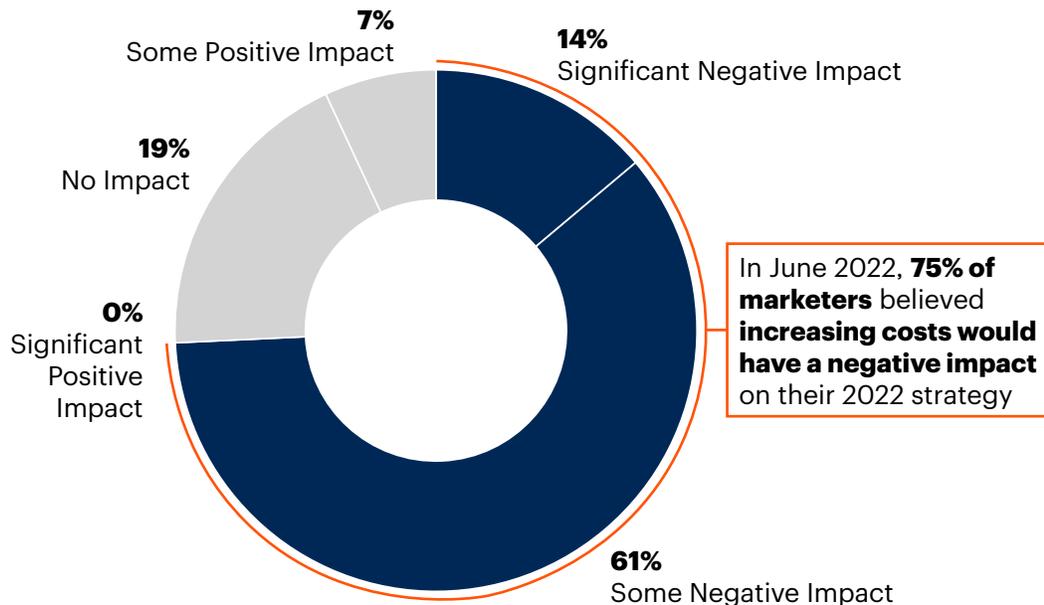
But, perhaps most consequential for CMOs, CFOs have started to talk of budget cuts. Recent Gartner data indicates that CFOs will

cut enterprise costs in 2022 if inflation continues into 4Q22,³ a near-certain bet. Data from a 2020 Gartner study revealed that when CFOs cut enterprise costs, marketing is the function most likely to be impacted. Ninety percent of CMOs reported that their budgets were cut at the height of the COVID-19 pandemic.⁴

Pushing Beyond the Confirmation Bias

Part of the challenge that CMOs faced in 2020 is that they weren't well prepared for the level and scale of cuts that hit them. Few predicted a global pandemic, but once its effects had started to hit many CMOs eschewed negative external signals in favor of a sunnier outlook. Gartner's 2020 CMO Spend and Strategy Survey,⁵ fielded between March and May of 2020, reported that 73% of CMOs expected COVID-19's near-term negative impacts to be short-lived, at odds with the expectations of C-suite colleagues. This meant that CMOs were caught off guard when marketing experienced significant cuts.

Figure 2. The Impact of Inflation on Marketing Strategies



n = 196 marketing leaders

Q. What level of impact do you expect each of the following to have on your 2022 marketing investment and strategy as compared to 2021?

Note: Percentages may not total 100 due to rounding.

Source: Gartner's CMO Spend Survey 2022: The State of Marketing Budget and Strategy webinar conducted on 20 June 2022.

Marketing's role as chief optimist may be an asset when it comes to building compelling brands and engaging messaging, but it's an impediment if CMOs' scenario plans are always skewed toward optimism. In short, marketing's positivity needs to be counterbalanced with pragmatism.

The Best Time to Prepare for Economic Uncertainty Was Yesterday, the Second Best Time Is Today

Take action now, even if your CFO has yet to start talking about reducing costs. This year is not the same as 2020, nor 2008 for that matter. The playbook that you must adopt has to reflect the specific challenges that lie ahead. Although the outlook may be negative, there are positive steps that you can take today to prepare your plans and your people for the difficult terrain that lies ahead.

These essential steps should be part of your playbook to navigate economic headwinds:

- **Step 1: Benchmark your budgets.** Use Gartner's Budget and Efficiency Benchmark tool to identify how your current budget and spending stacks-up against peers and competitors (see Marketing Budget & Efficiency Benchmark).
- **Step 2: Build your understanding on the changing behaviors of your customers.**



Talk to Gartner experts to access the latest data on rapidly changing consumer attitudes and behaviors. Build your VoC capabilities to track how economic uncertainty is impacting your customers.

- **Step 3: Adjust your marketing strategy.** Access the latest Gartner research to shore-up your scenario planning capabilities and to build agile, adaptive strategies.
- **Step 4: Make an assertive case for value marketing investments.** Invest in marketing because it is essential to delivering results today and keeping your brands top-of-mind as buying cycles elongate and spending power is challenged. It also maximizes the chances of accelerating out of the economic headwinds tomorrow. Rather than accept that cuts are inevitable, make a confident and assertive case for strong and continued investment.
- **Step 5: Cut marginal marketing costs.** Build a cost management plan that balances potential fiscal benefits with risks.
- **Step 6: Refocus your investments in media, agencies and technology.** Identify the investments across marketing's operating model that enable you to deliver efficiency today and growth tomorrow.

¹ The State of Marketing Budget and Strategy in 2022

² Results were derived from a poll of 196 marketing leaders attending the Gartner's CMO Spend Survey 2022: The State of Marketing Budget and Strategy webinar conducted on 20 June 2022. For the CMO spend data, source is n = 405 CMOs. The question asked was: What level of impact do you expect each of the following to have on your 2022 marketing investment and strategy as compared to 2021?

³ What CFOs Are Doing About Inflation

⁴ Cost Optimization Lessons Learned Through a Crisis

⁵ 2020 CMO Spend Survey, Part 1: CMOs Gamble on Swift Recovery, but Strategic Priorities Reveal Hedging

How CMOs Are Talking About Today's Economic Uncertainty and Lessons Learned From 2020

By Michael Giblin

Gartner talked with CMOs and marketing vice presidents to understand the impact of the current rapidly shifting economic environment on marketing's 2023 strategic planning. This research presents an anonymized summary of conversations with more than a dozen CMOs.



In a series of phone calls, Gartner experts posed two key questions to a diverse group of CMOs, LOB heads and marketing VPs that span across multiple sectors. Their responses were anonymized and are shown as representational quotes below.

What impact is the current environment having on your 2023 marketing budget planning?

“We are in the midst of strategic and annual planning and while we are continuing to deal with **supply chain and inflation and pricing issues**, we are planning on focusing more on **innovation** (new products and new markets) to balance the risks in our business.”

VP Strategic Marketing, Industrial Materials

“Retail has not slowed down (yet) so we are **continuing to execute** our marketing plans that we put in place at the beginning of the year. Longer term, in our planning, we will be **reallocating our marketing budget** to sync with the changing environment.”

CMO, Consumer Products



“Demand is still strong but **supply chain issues** continue so, from a planning standpoint, we are investing in supply chain via people and **new suppliers**. A larger question is whether it makes sense to invest in Russia and China.”

CMO, Industrial Products

“We’re a July 1 fiscal start. Our budget was approved, but we were asked to absorb costs traditionally covered elsewhere — a **stealth budget cut**, if you will. With that said, the amount is small so I am happy for that. However, I am working with my leadership team to find room for that newly adopted expense by **rooting out inefficiencies** in our current plan. I also will focus on **strategically prioritizing projects** to ensure we can justify each one as business-critical and **carefully measure return**.”

CMO, Healthcare

“We just completed our budgeting for 2023, and we are **investing more in marketing** versus curtailing our spending. We view it as an **opportunity to gain greater share** of voice and greater market share.”

CMO, Financial Services





What impact is the current environment having on your 2023 marketing budget planning? (Cont.)

“We are **moving away from broadcast media** and **investing more in digital and social platforms**. Many of our microtests are showing strong ROIs and we plan to invest in those platforms during a higher **inflationary environment**.”

CMO, Consumer Goods

“The demand softening is causing us to **reduce brand spending** and reallocate toward our **more trackable performance marketing**.”

Senior VP Marketing, Retail

“Although there’s **no impact on budget** targets going into the planning cycle, we’re more focused than ever on **planning against sprints of work within an agile model** rather than holistic programs as we’ve tended to do in the past. It’s a mindset shift in that we’re not justifying every budget need with exhaustive business requirements, but rather **higher-level strategic roadmaps** that let us **move in a more flexible manner** against business goals. It requires greater trust and team empowerment, but it will also let us **pivot with changes in the economy** and/or customer demands.”

Head of LOB Marketing, Insurance



“We are **reevaluating our current agency approach**. We plan to reduce our costs on one single AOR in favor of **bringing resources in house** while shifting toward an array of **smaller, specialized agencies** reducing our overall costs while improving performance.”

CMO, Healthcare

“We are currently **restructuring our Agency of Record contract**, by looking specifically at industry benchmarks on spend at a more granular level to renegotiate the agreement to **reduce overall expenditures**.”

CMO, Manufacturing



What lessons are you carrying forward and how are you thinking differently about the current situation compared to the uncertainty faced in 2020?

“**Deeper digital engagement and tools** are not only here to stay, but are key enablers for how we **navigate the uncertainty** that’s emerging and will likely exist into the future. And this isn’t just focused on the customer but also on **how work gets done in the organization**. 2020 taught us that we can overcome, but in many cases it **required herculean efforts** to plug things together. We’ve been and will continue to be focused on how to **further digitize and automate ways of working** to continually improve and be better **prepared for the unexpected.**”

Head of LOB Marketing, Insurance



“What 2020 taught all of us is how to **be more agile**. COVID-19 was a big reminder that your plan needs to be built to change and adapt to conditions to succeed. Set it and forget it doesn’t work anymore. We are **planning quarterly or more frequently** as conditions require.”

VP Marketing, Healthcare

“In 2020 I had to get creative with budget management. I knew that there was a **risk of losing dollars I may not get back when times got better**. I applied **scenario planning** with my leadership colleagues and we agreed to three levels of revenue and I **built a budget** requirement for each. As we reached each target, my budget was restored without me having to make the case each time. **Upfront agreements** enabled me to plan smoothly as the business rebounded.”

VP Marketing, Manufacturing





Build the Foundations for Marketing-Led Innovation Strategy

By Chris Ross

Creating an innovation strategy requires CMOs to understand innovation priorities and direction, key elements for execution, innovation gaps and how to integrate a complex innovation strategy. Use this research and framework to create a solid, marketing-led innovation strategy.



Anxious for results, many organizations make the mistake of treating foundational innovation work as unimportant and quickly jump to the execution of assorted innovation tactics. Inevitably, those ungrounded innovation efforts fall short of expectations.

Developing a sound foundation for marketing-led innovation strategy requires addressing the following areas (see Figure 1):

- **Innovation priorities and direction** — Carefully assess the importance of innovation, expectations of marketing-led innovation, role of marketing and desired types of innovation along with the requested level of product focus for innovation initiatives.

- **Elements for innovation execution** — Define the right combination of people, partners, processes and tools.
- **Innovation gaps** — Assess and recalibrate current or potential innovation gaps.
- **Integration and strategy development** — Understand organizational goals and how to apply the available resources to meet those objectives.

Focus on these areas to ensure a marketing-led innovation strategy that's both tightly aligned to the organization's business and innovation objectives and realistic.

Figure 1. Marketing-Led Innovation Overview

Direction	Elements	Gaps	Strategy
<p>Leveraging innovation archetypes, what are the organization's innovation priorities and direction?</p>  <p>Innovation Priorities</p>	<p>What are the core elements required to execute innovation initiatives?</p>  <p>People</p>  <p>Partners</p>  <p>Process</p>  <p>Tools</p>	<p>What are known gaps or changes required to realize innovation direction?</p>  <p>Innovation Priorities</p>  <p>Gaps</p>  <p>Partners</p>  <p>Process</p>  <p>Tools</p>	<p>How can priorities, direction and elements be integrated to create innovation strategy?</p>  <p>People</p>  <p>Partners</p>  <p>Process</p>  <p>Strategy</p>

Source: Gartner

Assess Innovation Priorities and Direction

Failure to understand the importance, expectations, marketing role and type of innovation can mean directing precious resources in the wrong direction and not addressing actual innovation needs. Evaluate the organization's innovation priorities and direction in these areas:

- **Importance of innovation** — Determine whether your business depends on an active, vibrant innovation engine. Does your organization see innovation as useful and valuable but not urgent or critical?
- **Innovation expectations** — Clarity on the organization's expectations for innovation speed and business impact are vital for assessing innovation priorities and direction.
- **Marketing organization's role and innovation type** — Clearly define the role of marketing in innovation efforts and establish direction on what type of innovation the business is pursuing.
- **Innovation product focus** — Clearly define how much marketing focus will be directed to product or service-specific innovation versus more expansive, nonproduct-related innovation.

Review Innovations Four Elements and Identify Gaps

No strategy can be successful without a clear understanding of existing gaps between priorities and the current state of the team, partners, processes and tools. Gap identification helps set realistic expectations and ensure adequate resourcing. The following lists common innovation gaps for teams, partners, processes and tools.

Team

Common team-related innovation gaps:

- **Innovation-specific capability** — Marketing teams may lack design thinking expertise or may not possess core insight generation or research capabilities. Teams tasked with more optimization-style innovation responsibilities may not be familiar with open innovation methods.

- **Capacity** — Supporting a high volume of innovation may be beyond the capacity of many marketing organizations. Innovation is often not the sole focus for those involved in marketing-led innovation.
- **Fragmentation** — When innovation is a part-time responsibility or team members are sporadically involved in innovation initiatives, their innovation skills may get rusty, erratic or inconsistent.

Partners

Common partner-related innovation gaps:

- **Partner portfolio** — Innovation agencies and consultancies can help drive innovation, but establishing the right number and combination of partners can be a challenge. Too many partners can create management and coordination issues. A lack of partners can create capability or capacity gaps.
- **Specialization** — Many full-service marketing agencies, business consultancies and other professional services firms do innovation work without being solely focused on the innovation space. Be clear about the level of specialization and focus for any innovation partner.
- **Relationship and delivery** — Like any agency or consulting partner, the quality of the relationship has a significant impact on the quality of the work. CMOs and their teams should be mindful of any gaps related to the management of processes, communication or completion of deliverables.

Processes

Common process-related innovation gaps:

- **Lack of process** — Innovation doesn't happen by accident. Without established innovation processes, execution will be ad hoc or episodic. Creating and managing effective innovation initiatives requires the implementation and operation of formal innovation processes.
- **Wrong process** — Almost as bad as no process, many marketing organizations will apply the wrong process to innovation efforts. Processes intended for more traditional project management, software development or other common processes can be misaligned with innovation requirements.

- **Poorly functioning process** — Having a process is no guarantee of innovation success. Innovation processes that are confusing, erratic, constantly in flux or inconsistently utilized make it difficult for innovation efforts to gain momentum.

Tools

Common tool-related innovation gaps (see Figure 2):

- **Inadequate tools** — Innovation tools include various types of software for managing innovation processes, training programs and resources. Begin with a detailed assessment of the types and volume of innovation to inform the identification and selection of the right innovation tools.
- **Excessive tools** — The proliferation of innovation tools can cause confusion about which tools are aligned to which innovation disciplines and create a steep learning curve for team members who must learn multiple solutions.
- **Underutilization of tools** — Even with the correct selection of innovation tools, many organizations fail to fully utilize the available capabilities. In organizations that have overinvested in innovation tools, this challenge

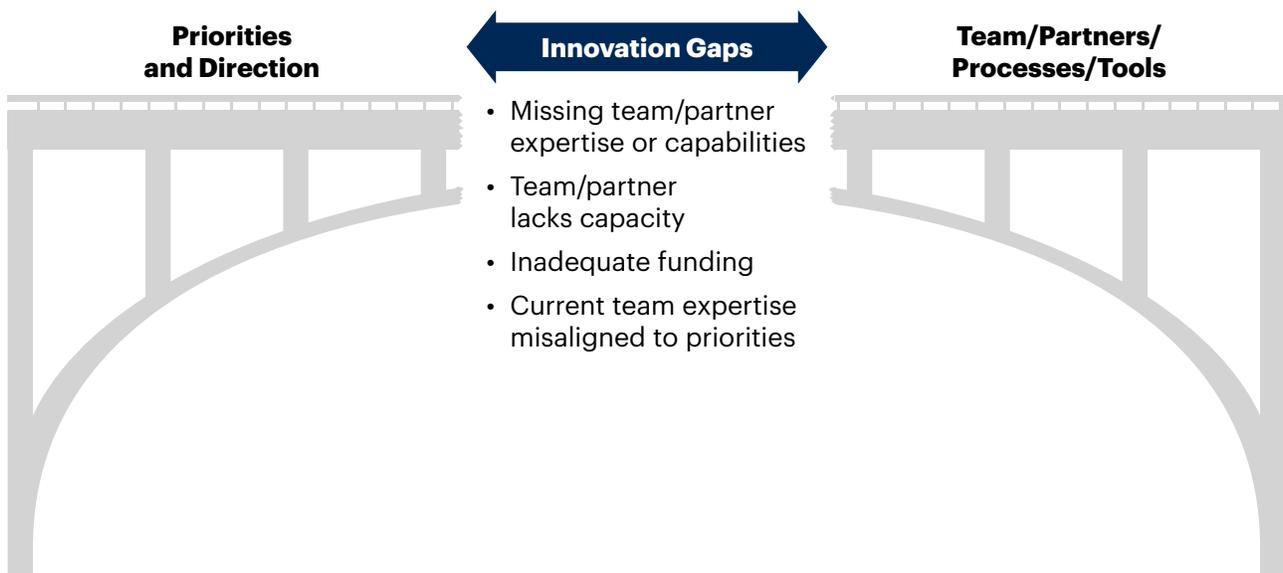
is exacerbated given the larger number of tools and frequent overlap of capabilities.

After determining existing innovation gaps related to the marketing team, partners, processes and tools, you can begin the process of developing an integrated innovation strategy.

Source: 2021 Gartner CMO Spend and Strategy Survey: The purpose of this survey was to understand the marketing organization's strategic priorities, budget allocations for 2021, as well as those impediments and opportunities facing CMOs as they forged a path to success in 2021. The research was conducted online from March through May 2021 among 400 respondents with 200 in N. America (U.S. and Canada) and 200 in Western Europe (the U.K., France, and Germany). Respondents were required to have involvement in decisions pertaining to setting or influencing marketing strategy and planning, as well as involvement in aligning marketing budget/resources. Eighty-one percent of the respondents came from organizations with \$1 billion or more in annual revenue. The respondents came from a variety of industries: financial services (n = 51), tech products (n = 42), manufacturing (n = 49), consumer products (n = 45), media (n = 49), retail (n = 43), healthcare providers (n = 50), IT and business services (n = 37), and travel and hospitality (n = 34).

Disclaimer: Results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

Figure 2. Common Innovation Gaps



Source: Gartner

Use Gartner's Enterprise Change Readiness Profiles to Boost Demand Generation

By Sharon Cantor Ceurvorst, Rick LaFond, Jeffrey L. Cohen and Kyle Rees

Gartner discovered four distinct B2B enterprise customer profiles with varying buying behaviors and approaches to the change surrounding a purchase decision. CMOs should base their segmentation, demand generation and account growth strategies on the unique characteristics of these buyer profiles.



Know the Four Types of B2B Buying Organizations

Many B2B marketers have developed buyer personas for key individuals or roles in the buying journey. However, most still segment companies using basic firmographic facts, like industry vertical or revenue band. Just as individual buyer personas vary even within the same role, so do organizations within the same industry. Use this research to help shortcut your discovery process and hone your multichannel campaigns for target customers and accounts.

From a larger set of potential indicators, Gartner's analysis revealed five company-level dimensions that dictate buying behavior (see Figure 1):¹

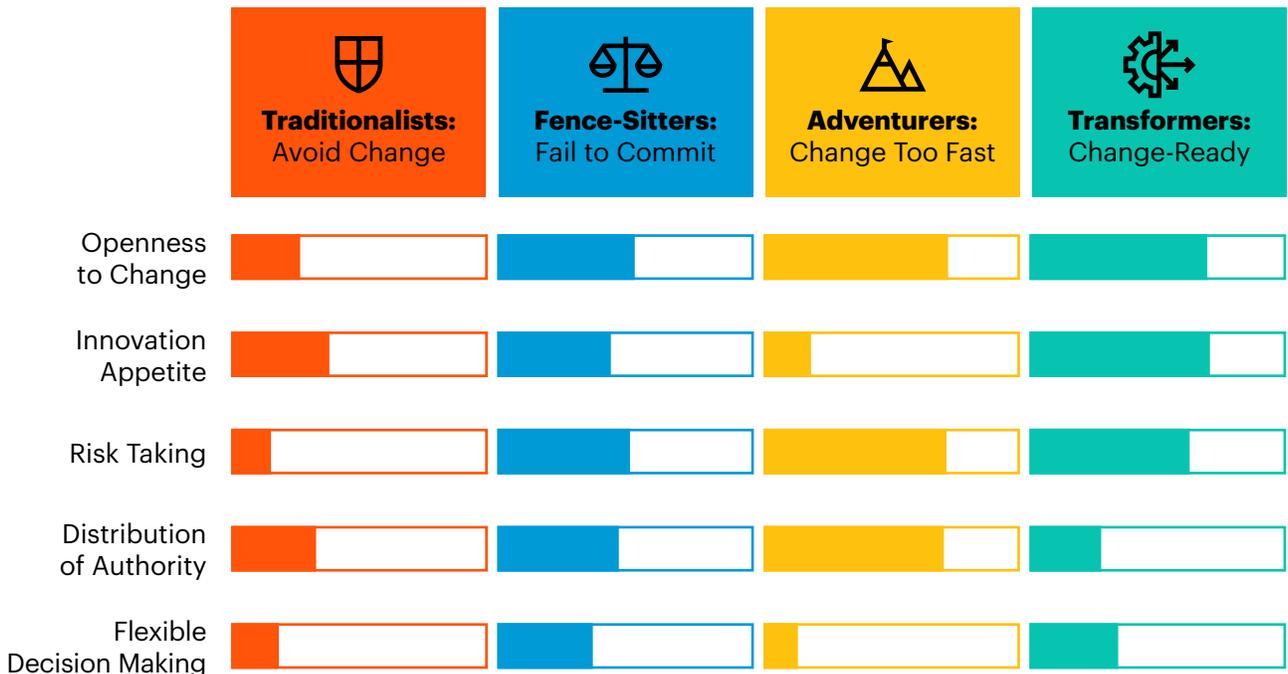
- Openness to change
- Innovation appetite
- Risk taking
- Distribution of authority
- Flexible decision making



Gartner discovered four meaningfully distinct enterprise customer profiles that span purchase categories and industries, with stark differences in change orientation, buying behaviors and commercial outcomes.

The four customer profiles are broadly distributed across company sizes, geographies, purchase categories and industries. Fence-Sitters are the most common profile at 39% of survey respondents, while 32% are Transformers, 20% are Adventurers and 9% Traditionalists.¹

Figure 1. Company-Level Characteristics That Meaningfully Distinguish Four Enterprise Change Readiness Profiles



n = 725 respondents

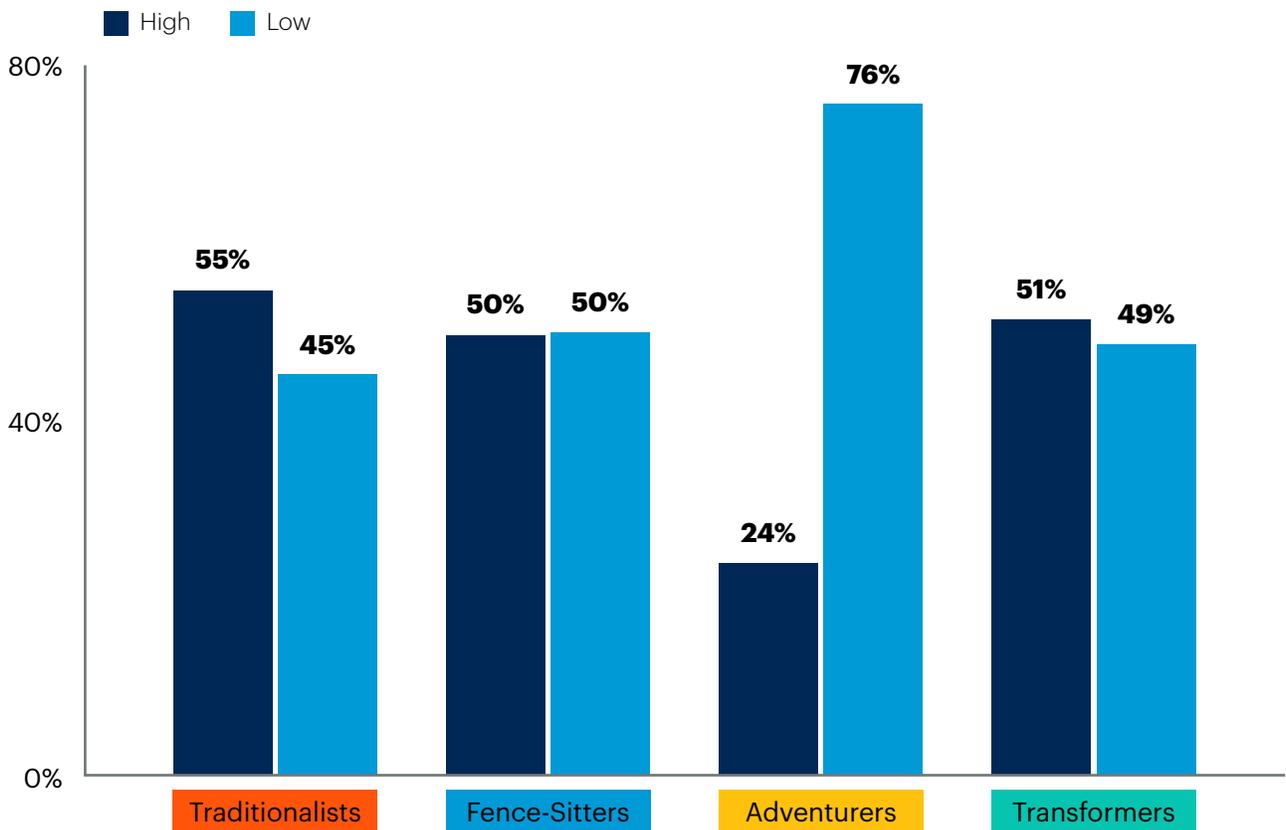
Source: 2021 Gartner B2B Buyer Survey



Even if you already have enterprise personas in place, these profiles can enhance your understanding of target customers and accounts because they exhibit distinctive content and channel preferences, buying behaviors and

commercial outcomes. In particular, Adventurers are significantly less likely to complete high-quality deals, which are defined as ambitious or premium purchases that live up to customers' expectations (see Figure 2).

Figure 2. Deal Quality by Enterprise Change Readiness Profile



n = 396 B2B buyers who completed a purchase decision (base varies by class)

Source: 2021 Gartner B2B Buyer Survey

Tailor Your Demand Generation for the Four Enterprise Change Readiness Profiles

Use the following information to help you recognize and appeal to each customer profile.

► Profile No. 1: Traditionalists

Traditionalists are organizations with fixed structures and systems that avoid risk and change (see Figure 3).

Key Facts

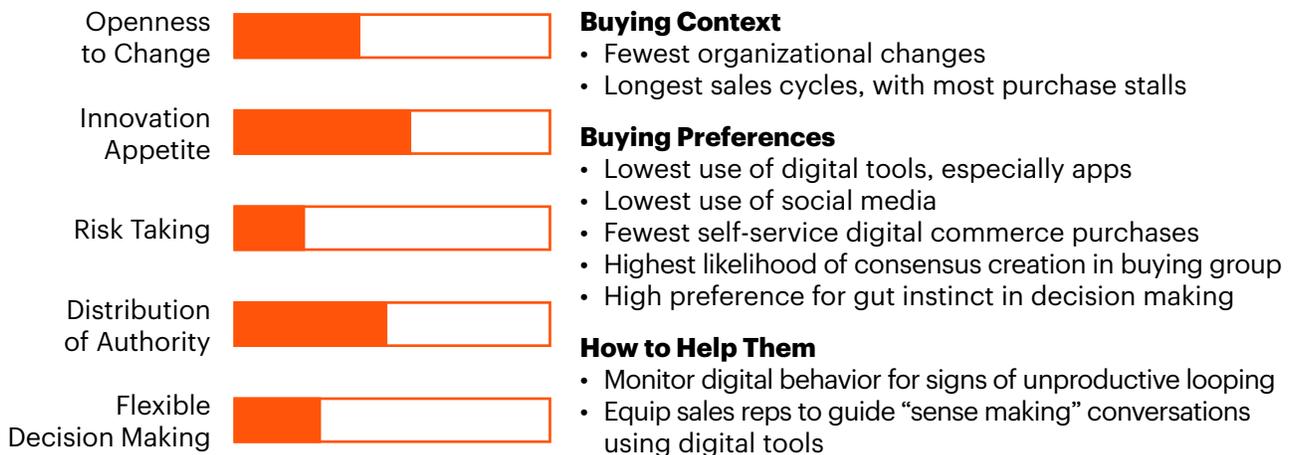
- Traditionalists have the longest sales cycles of the four profiles and they are most likely to report purchase stalls or multiple points when they stopped making progress. Their plodding approach risks excessive cautiousness and unproductive delays as they seek to preserve the status quo.
- Traditionalists are least likely to use any digital tools such as diagnostics or calculators, consult social media sources for research or interact with suppliers on mobile apps.
- Traditionalists take a very relationship-based approach to buying. They are most likely to report seeking consensus within the buying group and they are most reliant on sales rep assistance to make a purchase. They also report using their gut feel, rather than hard data and analytics, for decision making.

Take Action

- Monitor Traditionalists for signs of unproductive looping, or revisiting tasks and decisions without reaching new insight about their needs and goals.
- Create a simple buying checklist to help Traditionalists acknowledge completed tasks and feel ready to move forward. Likewise, messaging that emphasizes low risk and high available support can help them feel secure in the face of change.
- Equip sales reps to take a sensemaking approach to buying group interactions by helping the group interpret and apply information from digital sources and tools, rather than defaulting to gut instinct.

Figure 3. Snapshot of the Traditionalists Profile

 **Traditionalists:** Organizations with fixed structures and systems that avoid risk and change



n = 63 respondents

Source: 2021 Gartner B2B Buyer Survey

► Profile No. 2: Fence-Sitters

Fence-sitters are organizations that fail to commit to a strong culture or direction (see Figure 4).

Key Facts

- Fence-Sitters are essentially conformists. Like most companies, they are pursuing some degree of digital transformation, but they are relatively unlikely to make other types of organizational change or adopt radical innovation.
- Fence-Sitters spend their time on independent online research, versus meeting with suppliers or other members of the buying group. During that research process they stick to traditional channels such as supplier websites and they report lower use of social media.



Take Action

- Make sure that your website content and guided selling tools, even if designed for independent consumption, encourage buyers to consider other stakeholders' perspectives and needs.
- Demonstrate how others have successfully used your product to manage incremental change because Fence-Sitters especially value these kinds of testimonials
- Use commercial insight to shock Fence-Sitters out of complacency and motivate more decisive action, if you're not the safe bet in your category. Commercial insights capture customers' current thinking, expose the flaws or misinformation in this thinking and then present a better course of action tied to your unique strengths.
- Pair commercial insight with practical change enablement to make the better way forward feel incremental and within reach.

Figure 4. Snapshot of the Fence-Sitters Profile



► Profile No. 3: Adventurers

Adventurers are organizations whose openness to risk and change exceeds their practical readiness (see Figure 5).

Key Facts

- Adventurers have the most discordant organizational cultures. Their leaders prize risk taking and adaptability, yet their technologies, structures and decision-making processes are rigid.
- Adventurers are overwhelmed by change. Compared to Traditionalists and Fence-Sitters, they are more likely to experience multiple types of changes simultaneously. They also report the highest environmental uncertainty, or the belief that their organization is changing in an unpredictable manner.
- Adventurers have the **lowest-quality deals** and the **highest purchase regret**. With the shortest sales cycles, their aggressive goals lead to fast, ill-considered purchase decisions that do not yield long-term value for either the winning supplier or the buying organization.

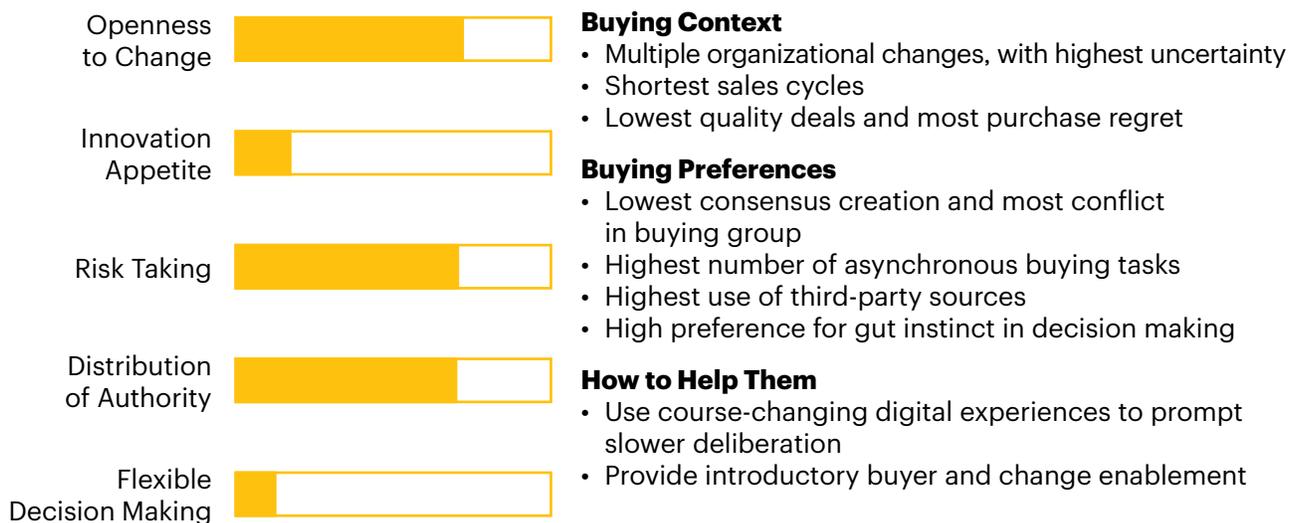
Take Action

- Use course-changing digital experiences to intentionally slow Adventurers down and help them engage in productive, regret-minimizing reflection.
- Provide Adventurers with a lot of help to get to mutually valuable purchase decisions. Their need for help makes them less attractive prospects from a lead scoring or account tiering perspective. Nevertheless, Adventurers make up 20% of survey respondents, making them an important segment to serve among your existing customer base.



Figure 5. Snapshot of the Adventurers Profile

Adventurers: Organizations whose openness to risk and change exceeds their readiness



n = 145 respondents

Source: 2021 Gartner B2B Buyer Survey

► Profile No. 4: Transformers

Transformers are organizations whose appetite for change is backed by firm resource commitments (see Figure 6).

Key Facts

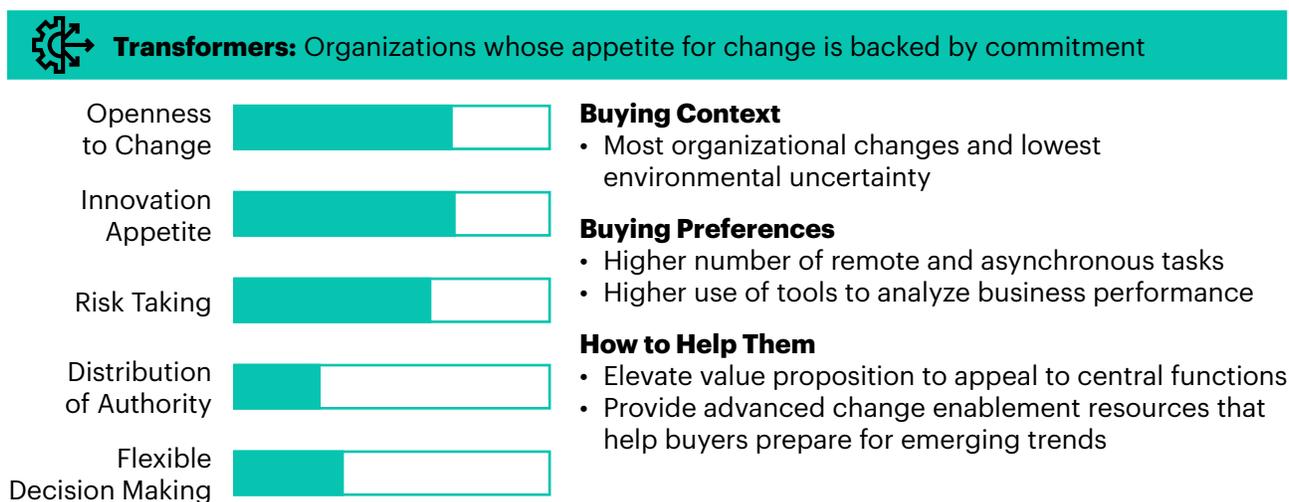
- Where Adventurers are stymied by change, Transformers lead it. Transformers report the highest number of simultaneous changes, yet they also report the lowest environmental uncertainty. They also have relatively short sales cycles.
- On their face, Transformers are the most attractive customer profile for complex solution sales and early-stage markets. Their combination of ambition and change management proficiency makes them more likely to generate account growth opportunities.
- Transformers are digital natives who complete more of their buying tasks remotely and asynchronously. Their superior technology investment helps them collaborate well across boundaries of space and time.
- Transformers report high use of guided selling tools to analyze their business performance. In the backdrop of frequent but well-managed organizational change, this buying behavior reflects a commitment to continually evaluate their own progress and buy what is necessary to get to the next level of performance.

Take Action

- Elevate your value proposition to appeal to strong central functions (e.g., finance, procurement) because Transformers have centralized decision making. In doing so, you will need to highlight your unique advantage so the discussion doesn't devolve to price.
- Provide Transformers with change enablement resources that help them reinforce their leadership position by preparing for the next set of emerging trends disrupting their industry. Although change enablement can be a unifying theme that resonates with multiple functions, Transformers don't need foundational guidance on change management.



Figure 6. Snapshot of the Transformers Profile



n = 231 respondents

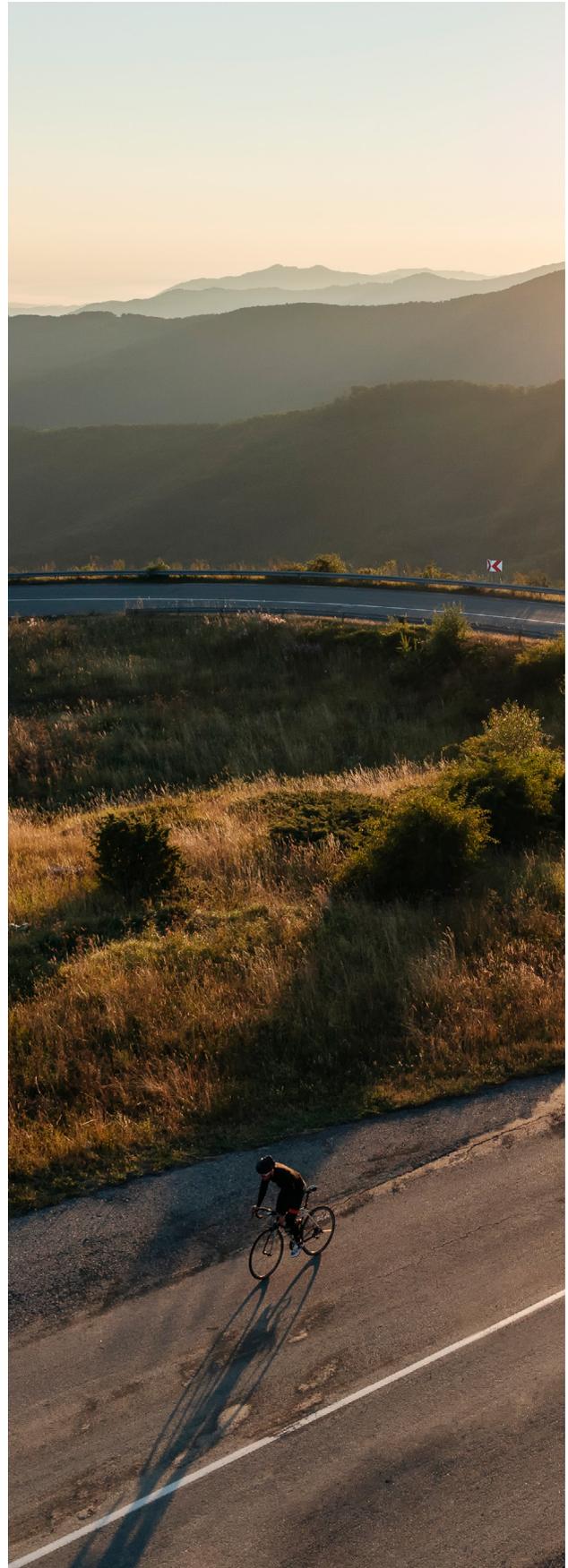
Source: 2021 Gartner B2B Buyer Survey

Conclusion

Use Gartner’s organizational buying profiles to quickly enhance your customer understanding. Map each profile’s defining characteristics to your existing target accounts. Then, partner with sales to design digital content, campaigns and sales support that will resonate with each customer profile that you choose to pursue. Ultimately, this will help your customers overcome unproductive behaviors and even shift their companies to a better state of change readiness.

¹ 2021 Gartner B2B Buyer Survey: This survey was administered in November and December 2021 and includes data from 725 B2B buyers from the U.S., Canada, the U.K., Australia, India, Singapore, Germany, and Sweden. Respondents were required to be employed full-time at an organization with total revenue of at least \$250 million and have participated in a significant B2B purchase decision. A significant purchase decision was defined as a decision that required deliberation with at least one other person and the evaluation of more than one potential supplier or vendor. Respondents were instructed to answer questions based on their experience with this recent purchase and a specific supplier they considered. Respondents evaluated the quality of the purchase decision and provided insights into various stages of their recent purchase decision.

Disclaimer: Results of this survey do not represent global findings or the market as a whole, but do reflect the sentiments of the respondents and companies surveyed.



Gartner CMO Playbook for Navigating Recession

Sample research, benchmarks and other resources for winning in this period. Let us help you plan your unique step-by-step path.



Make faster, smarter decisions with expert guidance, diagnostic tools and frameworks that will set your team up to play offense through recession

Become a client today

CMOs Must Take the Lead on Executive Communications to Boost Organizational Trust

By LK Klein, Elizabeth Kilbride and Michelyne Chavez

Most organizations struggle with winning and maintaining their employees' and customers' trust, a persistent issue that's been exacerbated in the last few years. CMOs must lead the C-suite in fostering external and internal trust by increasing dialogue and encouraging decision-making visibility.



Both employees and customers are experiencing a heightened distrust of organizations. Recent corporate reactions to polarizing social issues, market challenges driven by government directives and various economic headwinds driven by supply chain disruptions, inflation and possible slowdowns have all contributed to this trend.¹ As leaders of the function most responsible for brand health and communicating to the external market, CMOs must step up as corporate leaders and as consumer advocates with a deep understanding of the relationship between trust and loyalty.¹

Understand Trust and How to Build It

When it comes to trusting a person or institution, two components are involved:

- **Belief** — Belief in a person’s or an institution’s intentions and reliability
- **Action** — The subsequent willingness to give up personal control over a future situation to a seemingly legitimate person or institution

In times of high pressure, trust is paramount. Internal to organizations, high levels of trust contribute to 6.35 times higher levels of discretionary effort among employees (e.g., employees’ willingness to go above and beyond in their daily efforts at work).²

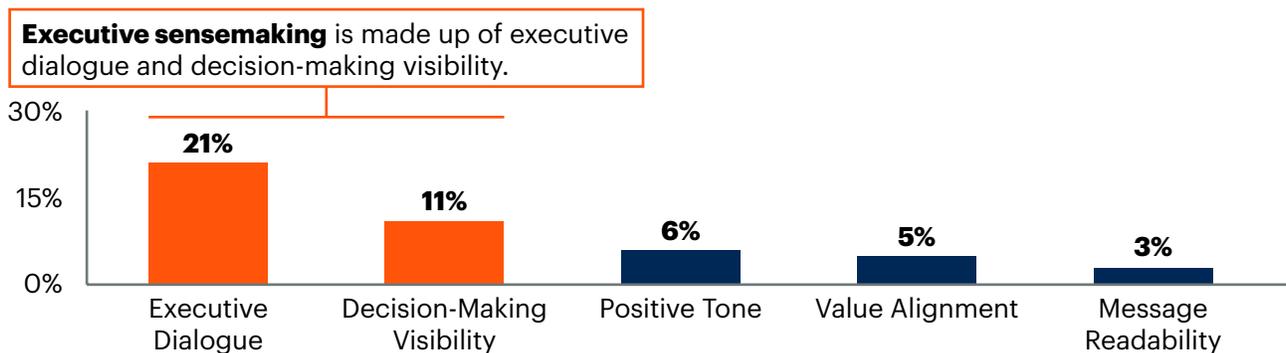
Furthermore, high levels of organizational trust enable better collaboration and change success. Externally, organizations with high levels of trust are more likely to have higher levels of advocacy and positive company media coverage. As the key functional leader engaging with external and internal stakeholders, you have an outsized impact on protecting or damaging organizational trust.

A recent Gartner analysis of internal organizational trust reveals that an executive communications approach focused on executive sensemaking has the highest impact on improving organizational trust among employees of all message and leader characteristics tested (see Figure 1).³ Two attributes comprise executive sensemaking:

1. **Dialogue** — Communications where the executive directly engages with employees and answers their questions
2. **Decision-making visibility** — Communications where the executive shares context behind strategic decisions

Together, these two characteristics account for nearly double the variance in trust when compared to other factors. Additional trust drivers — positive tone, value alignment and message readability — have relatively little impact.

Figure 1. Impact of Message and Leader Characteristics on Trust in Company



n = 1,041 employees and managers

Source: 2021 Gartner Executive Leader Communications Survey

Note: Multiple regression model with controls for age, gender, region, employment type, organization size, employee vs. manager, onsite/ hybrid/ remote status, level of education, racial/ethnic identity, political affiliation, regional area, job satisfaction, group identification with organization, message topic referenced change or COVID-19 and CEO was message sender. Extent of change, number of messages and channels, length of message, level of emotion, formality and leader message volume are not significant predictors. Bars represent proportion of variance explained and do not total to 100% due to additional variance attributed to control variables.

Although the principles of sensemaking were developed in the context of internal communications, they can and should be used to guide points of emphasis for external and internal communications. You are constantly asking your employees to trust you to make decisions that will affect their daily lives. And the decisions you make as a CMO affect brand trust for your customers.

Whether they realize it or not, executives (particularly CMOs) are constantly asking employees and customers to trust them to make decisions that will affect their daily lives.

Communicating decisions is key. As the current trust crisis demonstrates, external messages around issues such as pricing changes, response to military aggression or even product/service disruptions need to be conveyed with much greater levels of transparency. When it comes to organizational decisions, employees need you to help them make sense of strategy or changes by filling in any information gaps about an idea or action.

Shed Light on How Important Decisions Are Made

Although executive messaging often addresses the right topics, the information disclosed can feel vague, inviting pushback from confused or concerned audience members. Provide greater visibility into strategic decisions by articulating why the decisions were made, sharing the considerations and trade-offs weighted and the implications for the audience.

Be sure to cover how environmental and organizational factors informed the decision, as well as direct implications of the decision for the audience. Sharing this information can be difficult in situations where information is uncertain or confidential, or the implications vary across audiences. In those scenarios, the best organizations provide as much visibility as possible to help the audience follow along with decision progress. See Table 1 for common challenges and tactics to surmount them.

Table 1. Key Challenges and Solution Ideas for Communicating Decision Making

Potential Challenge	Tactics to Surmount Challenges
Environmental Factors: Environment Is Uncertain, Unpredictable or Shifting	<ul style="list-style-type: none"> • Share multiple potential scenarios and implications (e.g., if the market looks like X, then the company decision will be Y) • Highlight the assumptions underlying decision making, including indicators that would require decisions to be revisited (e.g., we will do X, unless Y)
Organizational Factors: Information Is Limited, Sensitive or Otherwise Restricted	<ul style="list-style-type: none"> • Share how decisions will be made (i.e., on what basis) if actual decisions are unable to be communicated • Emphasize always-true or organizational North Star objectives
Implications for the Audience: Universal, Actionable Recommendations Are Difficult to Create	<ul style="list-style-type: none"> • Share multiple examples applicable to different contexts • Highlight trade-offs that the organization is (and is not) willing to make

Source: Gartner



Increase Dialogue to Foster External and Internal Trust

For most organizations, internal executive communication is largely one-directional and feedback is limited to proxies for employee voice (e.g., managers, engagement surveys). This contributes to employees feeling unheard. Only 47% of employees feel that executives consider their perspectives when making decisions, whereas 75% of executives believe they do this.⁴ Without two-way communication this sentiment gap remains, and both executives and employees miss out on beneficial outputs of dialogue.

Internally, one strategy you can adopt to offer employees for dialogue with executives is incorporating or expanding Q&A opportunities within existing town hall meetings. Providing employees with the chance to ask questions following strategic updates allows leaders to hear directly from employees about where guidance is unclear or conflicts with other priorities.

Externally, ensure channels such as social media that offer opportunities for dialogue with customers and prospects are adequately resourced, trained and prepared to offer more interaction. Customers report feeling especially dissatisfied with a company's decision when it feels sudden or abrupt, is made without explanation or is perceived as disingenuous either in its quiet rollout or unconvincing rationale.⁵

Finally, remember that you are a critical executive leader. Use your position as the head of marketing to help employees understand and contextualize market data as a critical input to executive decision making. Ensure that the trust and loyalty implications of key decisions are weighed carefully by others in the organization, as well as the implications of how those key decisions are communicated.

¹ How to Improve Brand Trust in Untrusting Times

² 2021 Supply Chain Talent Insights: Job Search & Employee Engagement Trends Highlight COVID-19 Impact

³ 2021 Gartner Executive Leader Communications Strategy Survey. This study was conducted to explore employees' attitudes and behaviors related to executive communications and better understand which approaches are most effective at increasing employee trust in the organization. The research was conducted online during September 2021 among 1,041 respondents from North America, Europe and Asia/Pacific. Respondents were screened for employment status (part-time/full-time), job level (directors and below), education and whether they have recently received communications from company's senior leaders.

Disclaimer: Results of this study do not represent global findings or the market but reflect sentiment of the respondents and companies surveyed.

⁴ 2021 Gartner HR Culture & Hybrid Workplace Survey. This survey was conducted online from 21 October through 15 November to understand how the HR culture relates to the hybrid workplace model. In total, 34 Research Circle members participated.

⁵ Gartner Consumer Community (1-7 April 2022, n = 252)

Gartner® MARKETING SYMPOSIUM | Xpo™

May 22 – 24, 2023 | Aurora, CO
gartner.com/us/marketing

The World's Most Important Gathering of CMOs and Marketing Executives™



Join us in person for our 2023 conference, designed exclusively to help CMOs and marketing leaders uncover new strategies, share innovative ideas and gain new perspectives on the challenges and opportunities of business transformation with sessions backed by the latest research.

- Experience live presentations as you immerse yourself in engaging sessions by Gartner experts, powerful keynotes and visionary leaders.
- Connect during interactive sessions and networking with marketing experts and peers in Ask the Expert sessions, workshops and roundtables to learn more about the latest trends in marketing, while exploring how to instantly apply these insights and gain unique perspectives.
- Meet a global community of CMOs and marketing leaders through spontaneous encounters, continued conversations and opportunities to expand your network.
- Join the exclusive CMO Circle program for a curated executive experience that delivers presentations, discussions and networking opportunities throughout the conference.
- Discover leading marketing technology and solution providers in our dynamic, vibrant Exhibit Showcase.
- Work side by side with your team to meet with experts, discuss your challenges and validate your strategies.

[Learn More ↗](#)