




THE CMO IS FOREVER CHANGED

The pandemic created the need for a new breed of chief marketing officer, one that will reimagine the position for decades to come.





The problem:

In the post-COVID era, proven marketing strategies are no longer reliable for success.

Why it matters:

Organizations need marketing to reinvent connections and engage consumers in an entirely different way.

The solution:

Create agile marketing teams with a CMO who can drive change throughout the organization.

The set by Grammy-nominated pop musician Camila Cabello was exclusive and intimate. Dressed in a pink, shoulder-baring sweater and flanked on her left by a keyboard, Cabello sat with a guitar across her chest and microphone positioned in front of her and performed a live acoustic concert for members of Mastercard's Priceless rewards program. But this wasn't in a candlelit club or a small private venue—it was in Cabello's bedroom, her bed in full view behind her, as she sang songs from her latest album and hits like "Havana" over livestream.

Welcome to VIP access in the era of COVID-19.

Mastercard's Priceless program offers members exclusive access to concerts, sporting events, cultural destinations, and more. Before the pandemic, these "once in a lifetime moments," as Mastercard calls them, took place in person, with members getting backstage passes to music events or meeting professional baseball players before or after games. Raja Rajamannar, chief marketing and communications officer for Mastercard and president of

the company's healthcare business, says COVID forced Mastercard to take the program virtual, joining people in their homes through digital cooking lessons with famous chefs or exclusive concert livestreams. "We had to quickly figure out how to reinvent connections and engage consumers in ways that were still unique and exclusive to us," says Rajamannar.

To be sure, the coronavirus outbreak took proven marketing strategies and threw them out the window, leading to perhaps the biggest rethink of the function in its history. Where companies have had to reinvent the customer experience, for example, the chief marketing officer (CMO) is at the center of those efforts. They are also responsible for placing purpose at the heart of brands' crisis response—for example, hotel chains that are offering rooms to first responders. And, as a result of the pandemic, CMOs are not only leading but also accelerating digital change, particularly as it relates to content strategy and e-commerce.

Caren Fleit, managing director of Korn Ferry's Global Marketing Officers practice, says the changes underscore the importance of CMOs who can operate through ambiguity, have the learning agility to move between roles and teams, and can engage and inspire others to action. "COVID heightened the need for marketing to become more innovative, consumer-centric, mission-driven, and authentic, making these skills, and the CMOs who have them, more important than ever," says Fleit.

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Las Vegas, not unlike most of the United States, is staggering its reopening. As of the beginning of July, many hotels and casinos were open, but many of their amenities were not. At Caesars Palace, for instance, some parts of the casino are open, as are some restaurants and retail shops, and the fitness center and pools. But concerts and other live events are still canceled, and nightclubs are closed. "How does a marketer communicate a total experience when each part of the business is in a different stage of reopening?" says Chris Holdren, executive vice president and CMO for Caesars Entertainment, whose properties include Caesars, Harrah's, Horseshoe, and other resort brands.



To expand on that thought, how does a marketer anticipate what consumers will view as safe to do now? CMOs almost universally agree that among the toughest challenges after the crisis will be anticipating what consumer behaviors are changing and pivoting to meet the needs that arise. Will consumers go into stores again, and if so, at the same levels as before? Do they want to be sold or served? What kind of in-person experiences will they be open to? Zach Peikon, a principal in Korn Ferry's Marketing Officers practice, says shifting consumer dynamics underscore the importance of a true partnership between the CMO and other business leaders. "CMOs who want to survive postpandemic need not only a healthy blend of classic skills and new techniques but also an understanding of how to link marketing activities to business results," he says.

Linking marketing activities and business results hasn't always been the strong suit of CMOs. Even before the pandemic forced a massive collective corporate belt-tightening, CMOs were being held more accountable than ever to show how every dollar spent on marketing results in a dollar made. The crushing financial impact of the coronavirus outbreak only serves to amplify the pressure on CMOs to demonstrate how they are driving overall business performance—and that requires a different set of skills and tactics.

The Post-COVID CMO

The pandemic accelerated the evolution of the CMO from functional head to enterprise-wide leader. And while the COVID fallout is temporary, here are a few changes it caused on the CMO role that will be everlasting.



Business Leadership

The pandemic underscored the importance of a true partnership between the CMO and other business leaders to link marketing activities to business results.



Digital Accelerators

The business response to COVID thrust CMOs into digital-change leaders, accelerating the migration to digital across the entire organization.



Agile Generalists

The focus on specialists will give way to a move toward more generalists who can operate through ambiguity and flex to different roles within and across functions as needed.



Influencers

Among senior executives, CMOs are closest to the consumer. And the pandemic has opened the door for CMOs to drive performance across organizations as more strategic and tactical C-suite leaders, rather than as functional heads.

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A solid grounding in today's data-driven digital environment is table stakes for CMOs now, but further sharpening that understanding is more important than ever since consumers are living on digital platforms for the time being. In fact, Kathy Vrabeck, a senior client partner in Korn Ferry's CMO and Digital practices, says CMOs should be using the pandemic as a way to accelerate the migration to digital for those organizations whose transformation has been lagging. “The heavy shift online has exposed the benefits of digital tools to help connect the dots between marketing and other parts of the organization,” she says.

Reinventing connections with consumers also involves new approaches to content and brand building. Consider the uniformity in messaging in the immediate aftermath of COVID. Every brand became a healthcare brand with a humble thank-you

message to essential workers. It even inspired a mocking YouTube video, “Every Covid-19 Commercial is Exactly the Same,” with more than 1.6 million views. If the video proves anything, it's that pushing purpose can turn off consumers as much as pushing products.

Blending new techniques and traditional marketing methods is already well underway. As it pertains to leadership, however, Brooke Skinner Ricketts, chief experience officer of Cars.com, says marketing, customer experience, and digital are all bleeding into one job. “The power and influence the combined role has is very relevant and plays a major role in overall strategy,” she says.



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The CMO role was already morphing into more of a strategic and business-connected position long before anyone heard of the coronavirus. Nowhere is that more evident than in the plethora of new titles that are essentially CMO roles by another name. Some of these new incarnations include chief revenue officer, chief innovation officer, chief growth officer, chief experience officer, chief brand officer, and even chief commercial officer. While these new titles have led many pundits to pronounce the CMO role dead, Korn Ferry's Fleit says they prove just the opposite. "These roles are about driving business performance and transformation, which is at the heart of marketing," she says. "If anything, the CMO is growing more important in the C-suite."

But, to use marketing vernacular, it hasn't been a seamless and frictionless transition. Korn Ferry research shows, for example, that 40% of CMOs cite strategic thinking as the biggest capability gap their teams face. On top of that, layoffs, furloughs, and budget cuts caused by the coronavirus are creating a massive strain on marketing teams. Taken together, the result is a need for CMOs who can operate through ambiguity, have the learning agility to move between roles and teams, and can engage and inspire others to action.

To be sure, Fleit expects one of the virus's biggest impacts on marketing will be a move away from specialization. Before organizations started rationalizing their marketing teams, specialists occupied an ever-narrow range of activities.





There are specialists for social media, search engine optimization, content development, audience and community development, brand strategy, and data analysis, to name just a few. Fleit says the move toward specialization created a leadership gap, exposing few marketing professionals to the broad range of skills and experience needed to be effective leaders.

The pandemic provides a way for CMOs—and their organizations, more broadly—to close that gap. Out of necessity, marketing teams were forced to be more agile, flexing to different roles as needed and getting exposure and making connections to other parts of the business. And that opens up an opportunity for organizations to strengthen the CMO function for the future. By using the pandemic to identify high-potential marketing talent now, organizations can develop their operational skills and get them profit-and-loss responsibility and leadership training after the crisis. Post-Covid, Fleit says leaders shouldn't look at talent role by role, but instead evaluate them based on their ability to adapt and innovate to accomplish immediate and near-term goals that drive business and solve consumer needs. "More of the focus should be on getting high-potential marketing talent the right kind of business, leadership, and management training," she says.

Or, as Mastercard's Rajamannar says, CMOs should not be looking at or thinking of themselves simply as functional heads. "CMOs must influence every area they can, not just what is in their purview," he says. That's a change that will likely keep the CMO role alive long after COVID is gone.

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