



Boathouse

# The Third Annual CEO Study on Marketing and the CMO

A 2023 US QUANTITATIVE STUDY

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## Research Overview

- Welcome to the **third edition** of Boathouse's CEO Survey on Marketing and the Chief Marketing Officer (CMO)
- We started the collection of this data in 2021 as a one-off study to better understand the declining respect for Marketing and the declining tenure of the CMOs.
- Today, as we present our report for the third consecutive year, we are starting to build longitudinal data that reveals **interesting patterns on Marketing, the CMO, and maybe most interestingly this year, the CEO.**
- We hope this data sparks ideas and discussions as you explore the implications for your company and role.

# 01

# Research Overview and Sample

# Research Overview

Survey 1:  
*June 2021*

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**Quantify CEO Perspective:**

- Importance of the CMO
  - Short CMO Tenure
  - Role of CMO
- 

Survey 2:  
*December 2021–March 2022*

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**Examine CEO/CMO Complexities:**

- CEO perception of their job
  - CEO perception of CMO
  - Grading of CMOs
- 

Survey 3:  
*October 2023*

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**Assess Shifts in Dynamic Environment:**

- CEO Priorities
  - Short CMO Tenure
  - Grading CMOs
-

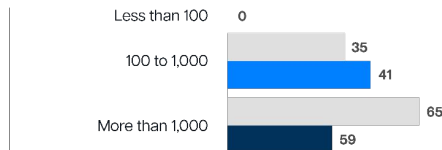
# Research Sample: 150 CEOs from Top U.S. Companies

● Data from 2023 ● Data from 2022

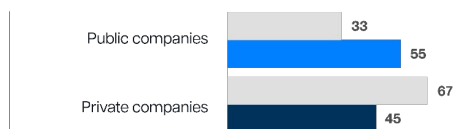
**Bracket of annual revenue,**  
% of respondents



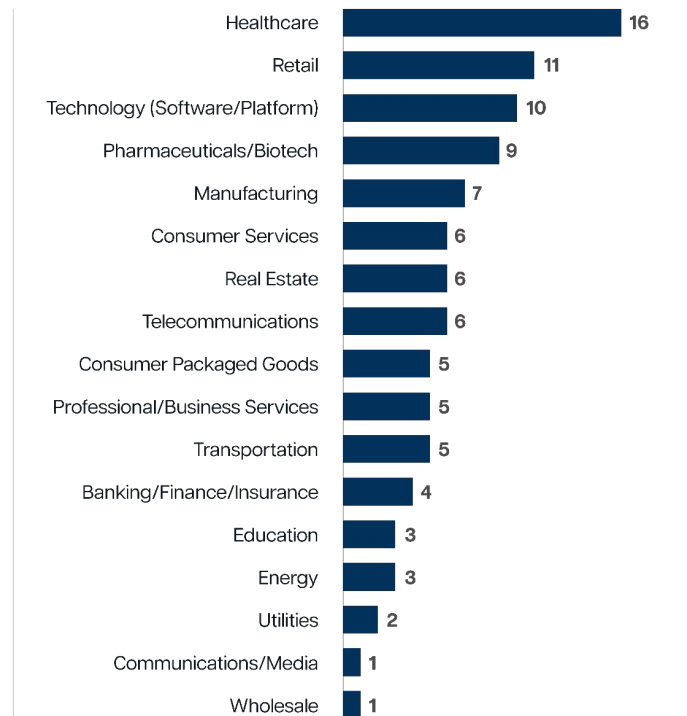
**Number of employees,**  
% of respondents



**Type of company,**  
% of respondents



**Classification of industry sector,**  
% of respondents



Sample provided by GLG  
Insight Network.

Survey in field September 9,  
2023–October 4, 2023

# 02

## CEO Perspective:

Their Job, The Issues, The Stakeholders

## Key Findings

### CEO Perspective: Their job, the issues, the stakeholders

The changing economic and technology environment over the last two years has driven major shifts in CEO thinking:

Since our first study in 2021, CEOs are becoming more comfortable managing the complexity of multiple issues and stakeholders.

- 55% of CEOs believe their job is more complicated than in the past; down significantly from 93% two years ago
- 61% of CEOs were prepared—anticipated or overestimated the impact



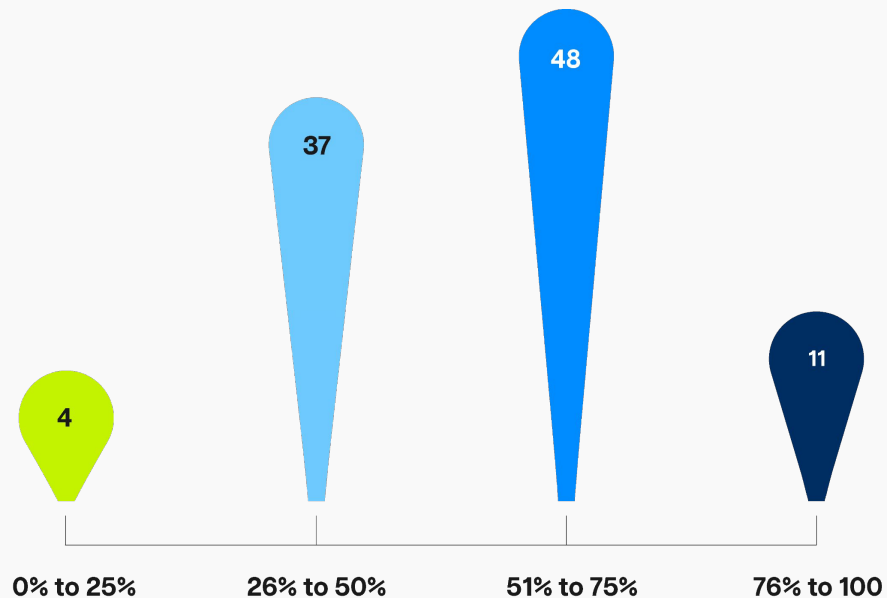
## Key Findings CEO Perspective: Their job, the issues, the stakeholders

CEO focus has shifted from a more stakeholder dominant mindset to a more shareholder dominant mindset.

- Financial performance is driving the leading set of issues for CEOs
- CSR, DEI, employees, ESG has taken a step back
- The top five issues “increasing in importance” are linked to financial performance. AI, security/privacy and cost cutting are now part of the top increasing issues
- CEO’s say that workforce issues, employee recruiting, and DEI are declining in importance—as much as 41% less than December 2021
- Stakeholders who impact revenue, growth and capital are the audiences that get the most of CEOs’ time; business partners and investors/shareholders top the list, closely followed by competitors and customers
- The CEO’s return to financial performance as a focus is happening at the expense of employees as an audience

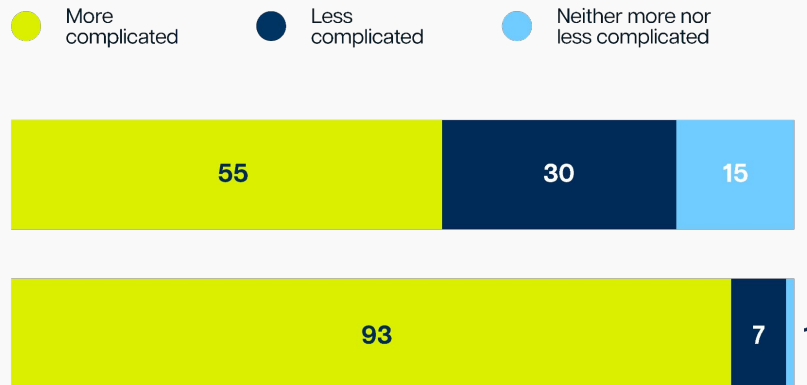
The majority of CEOs self-report that they are still a long way from delivering on their company vision/strategy

Q: How close are you to delivering on your company vision and/or strategy? (n=75)



55% of CEOs believe their job is *more complicated* than in the past; down significantly from 93% two years ago

*Q: Do you believe your role as a CEO is more or less complicated today than in the past years?*



**55% of CEOs believe the job of CEO is more complicated than in the past**

This is a big reduction citing from the 93% respondents in 2021/2022.

CEOs are becoming more comfortable in the job as they gain experience managing the complexity of multiple issues and multiple stakeholders

*Q: When you became CEO, were you prepared for how much all the issues and multiple stakeholder audiences would impact leadership?*

*\*Due to rounding, percentages may not add up to exactly 100%.*

Anticipated
  Overestimated
  Underestimated

**2023,**  
% of respondents



**61% of CEOs were prepared**

These respondents anticipated the impact of issues and stakeholders on leadership.

**2021,**  
% of respondents



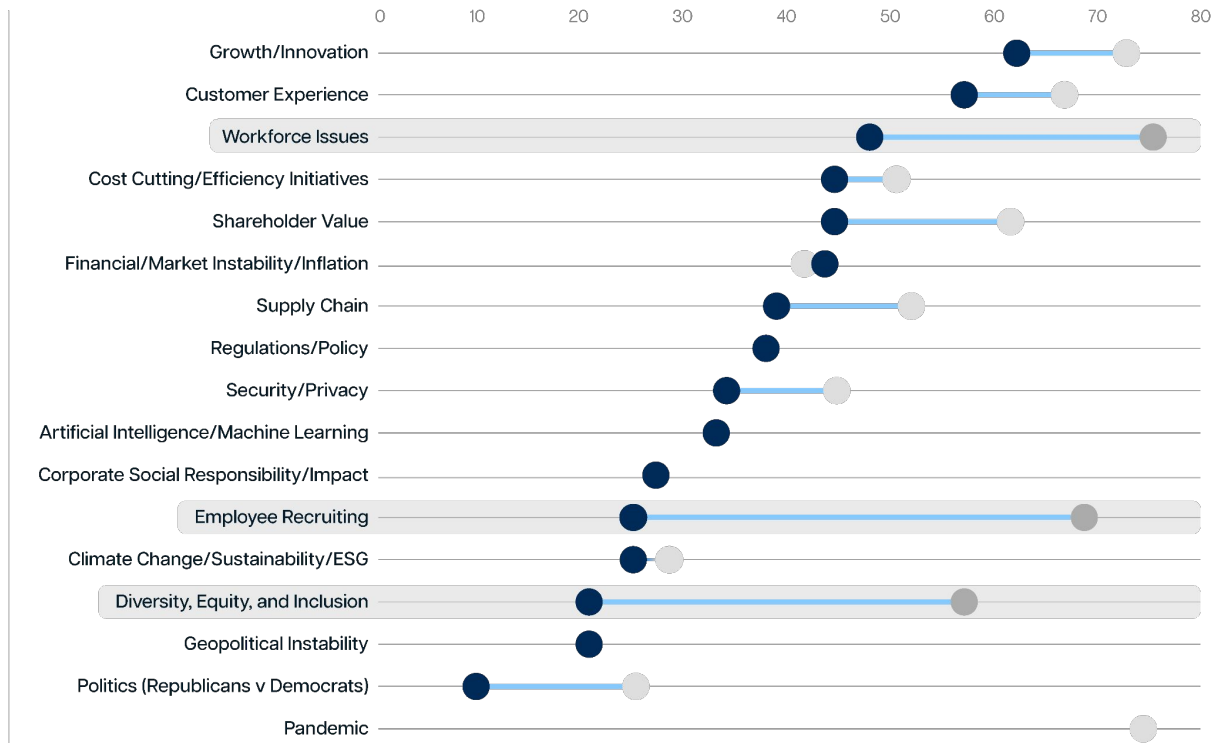
Financial performance is driving the leading set of issues for CEOs

Idealism (CSR, DEI, Employees) has taken a step back

*Q: Which of the following issues influence your decision-making and compete for time in your current role as CEO?*



**Issues that influence decision-making and compete for time, % of respondents**



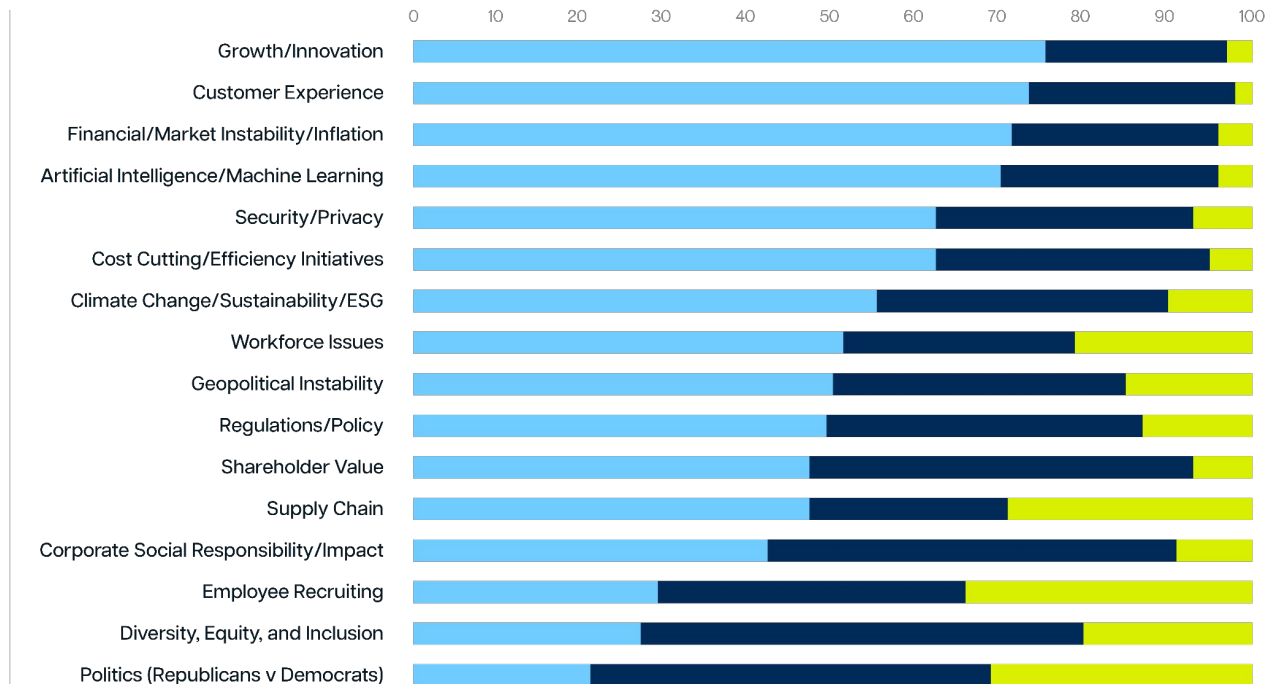
The top five issues “increasing in importance” are directly linked to financial performance

*A.I. + Security/ Privacy + Cost Cutting* have become part of that mix

*Q: Which issues are increasing and/or declining in importance?*



**Key audiences,**  
% of respondents



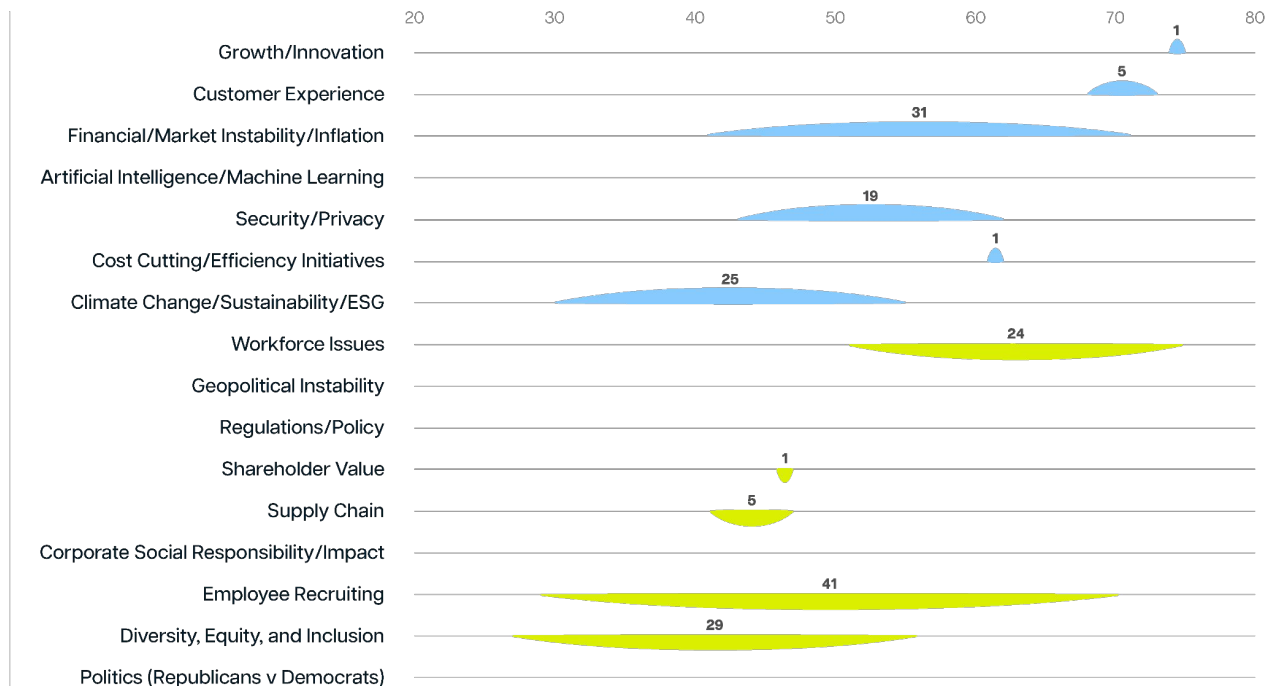
An analysis of the biggest *gainers* + biggest *losers* by issue reinforces the shift to financial performance, and the move away from idealism

*Q: Which issues are increasing and/or declining in importance?*

*\*Change based on issues increasing in importance relative to 2022 study*

Increased Decreased

**The increase or decrease in importance compared from 2022 to 2023 data, % of point change**

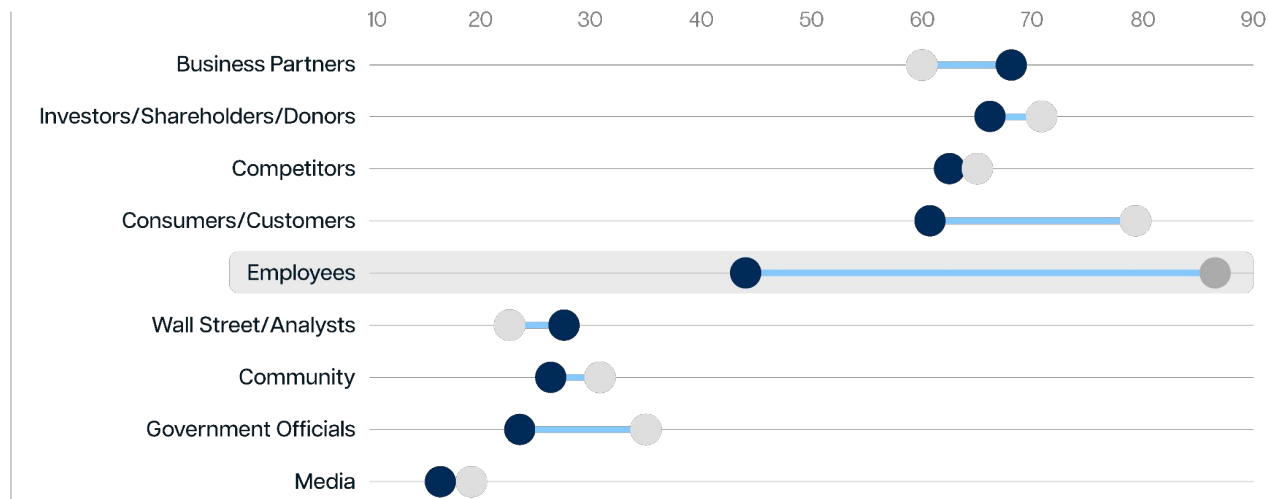


Stakeholders who impact revenue and growth are the audiences that get the most of CEOs' time; CEOs are getting back to business

*Q: Which of the following stakeholders influence your decision-making and compete for your time in your role as CEO?*

● 2023 ● 2022 — Difference

**Key audiences,**  
% of respondents

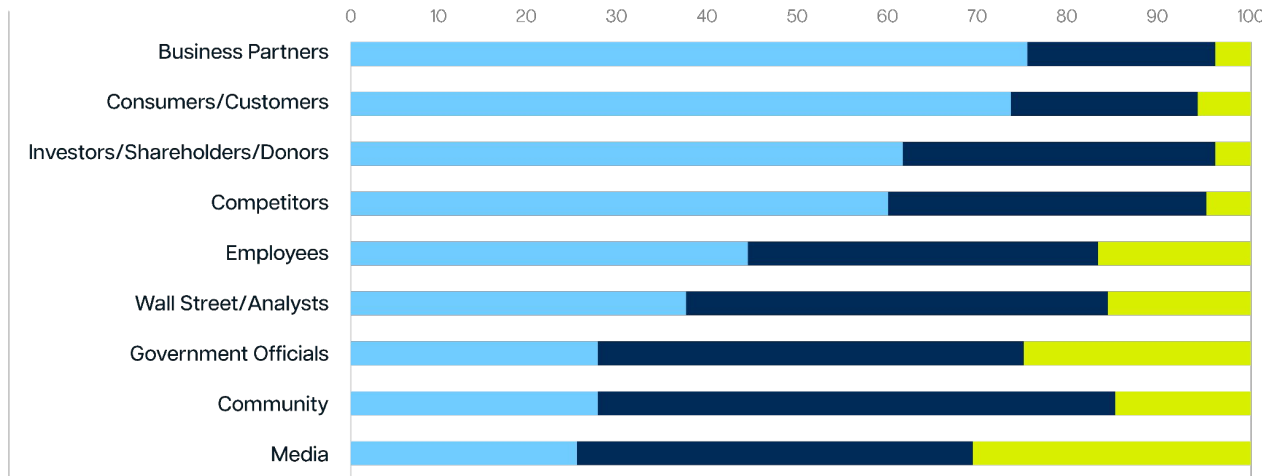




The top three audiences increasing in importance have direct impact on revenue, margin, and capital



**Key audiences,**  
% of respondents



*Q: Which stakeholders are increasing and/or declining in importance?*

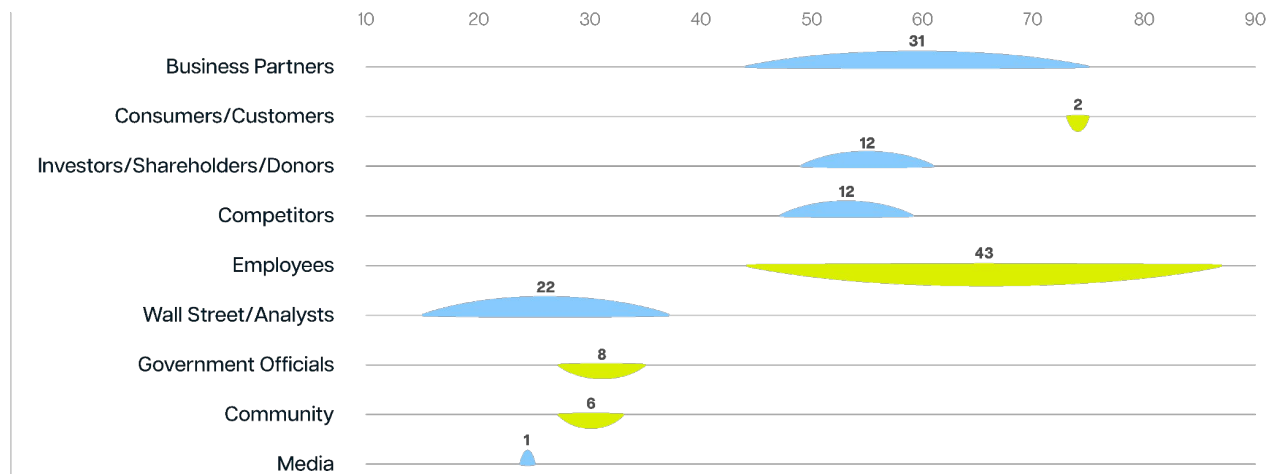
An analysis comparing the biggest gainers and losers in audience highlights the CEOs' return to financial performance, often at the expense of employee engagement.

*Q: Which stakeholders are increasing and/or declining in importance?*

*\*Change based on stakeholders increasing in importance relative to 2022 study*

Increased Decreased

**The increase or decrease in importance compared from 2022 to 2023 data, % of point change**



**Compared to 2022, Wall Street/Analysts increase in importance, while Employees decrease**

# 03

## CEO Perspective: Chief Marketing Officers

## Key Findings CEO Perspective: Chief Marketing Officers



CEOs want Marketing to solve five core problems focused on growth: drive revenue, sales and market share, differentiate from competitors, improve brand/reputation, and transform the company narrative.

## CMO Tenure and Performance

CEOs are feeling increasingly positive about Marketing and their CMOs.

They believe the historically short CMO tenure is now a sign of success, not failure and give higher grades on job performance.

- 51% of CEOs now believe the CMO's short tenure is a sign of success not failure in their role—a dramatic change from 20% in 2021
- CEO's "best in class" rating of their Marketing (49%) and CMO (40%) is double from 2021 study results (20%–21%)
- In 2023, more CMOs receive a "Grade A" from their CEO for overall performance in their role with 73% giving an "A" or "B"
- In 2023, CEOs scored their CMOs significantly higher across responsibility areas:
  - Relationship/trust with C-Suite and CEO are highest (43%/41%)
  - Innovation and generating new ideas rise sharply from prior study (38% vs. 19%)
  - Strategy is an area that CEOs grade their CMO the lowest (31%) although double 2022 (16%)
- CEOs say that 87% of CMOs understand their vision and 80% take action to execute that vision
- CEOs say that 73% of CMOs are "bold, push the organization"

## The CEO on Trust

Trust between CEOs and CMOs is growing with year over year study results highlighting areas of improvement:

- 45% of CEOs place CMOs in the “top tier” of personal trust on CMO’s leadership team—not as far off from CFOs (69%) and COOs (57%) as initially hypothesized
- In a dramatic shift from 2021, the CEO’s perception of CMO loyalty is growing—8 in 10 CEOs perceive CMOs would take a bullet for them (up from 3 in 10 in 2021)
- CEOs also believe that 91% of CMOs build trust well across the C-Suite

### **Of all the good news in 2023, the most surprising new trend is the decay of the personal relationship between the CEO and the CMO**

- Only 20% of CEOs say the CMO is “on my side, I trust them” and 10% “puts my needs before their own”
- Confidence in their CMO and alignment with vision/values also significantly weakens from 2022 with only 3 in 10 CEOs believing these statements are true of their CMO: “supports me in driving my long term-vision,” “shares my values,” and “is someone I have great confidence in”
- In 2023, CEOs believe that personal loyalty has been replaced by company loyalty:
  - Only 9% of CEOs say CMOs are more loyal to the CEO (27% in 2022) vs. 51% to the company (34% in 2022)

## CMO: Board, Business and Financial Goal Setting

The 2023 study shows improvements in CMO board and business participation, but some lack of confidence from CEOs regarding their CMO's financial literacy

- In 2023, CEOs said that 77% of CMOs understood the company's board and political dynamic; up from 63% in 2021
- Although 94% of their CMOs attend board meetings, two-thirds participate in less than half of the meetings
- CMO understanding of the P&L and participation in financial goal setting fluctuated from 2023 to 2021:
  - 69% of CMOs understand the P&L and the balance sheet, up from 53% in 2021
  - Only 56% of CMOs participate in financial goal setting, down from 73% in 2021

## CMOs and Artificial Intelligence (AI)

In 2023, we set a baseline to understand Artificial Intelligence adoption by CEOs, and how Marketing and CMOs are incorporating it into their departments.

- 76% of CEOs are integrating AI into their organizations, with Marketing having the broadest AI adoption
- CEOs believe that 58% of their CMOs have made AI presentations, asked for funding or created new processes using AI
- Over half of CEOs grade their CMOs an “A” or “B” for their ability to integrate AI/Machine Learning
- When we ask CEOs why AI matters in Marketing, the majority view it as a tool to sustain innovation, and the rest are split between disruption and efficiency
- AI integration in Marketing is most predominant in content—generation/personalization and analytics (about two-thirds each), and customer experience and research (half)

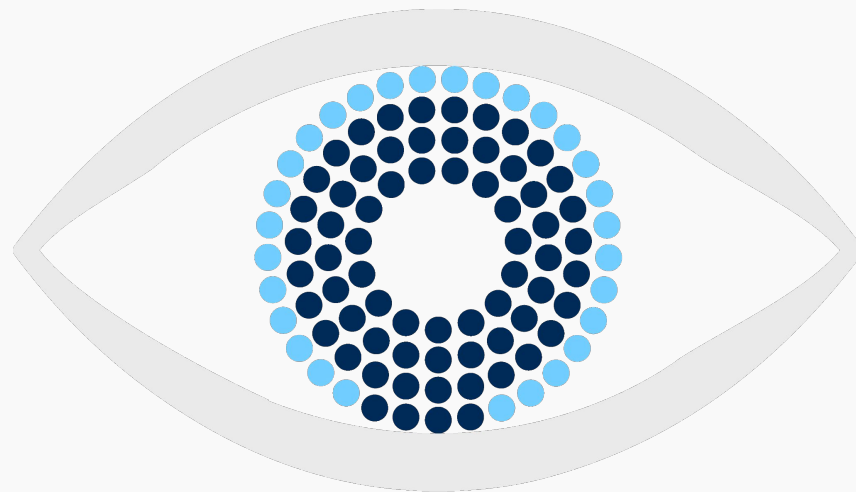


# CEO Viewpoint on Marketing

CEOs view their  
company's brand and  
their reputation  
as the same thing



*Q: How do you view the brand of  
your company and the  
reputation of your company?*



●  
**71%**  
Brand and Reputation  
are the same thing

●  
**29%**  
Brand and Reputation  
are different

## CEOs want marketing to solve five core problems

*Q: What are the **top five** problems\* you want marketing to help you solve? (n=75)*

*\*Out of a list of 15 (see appendix)*

*\*\*Additional fielding to original sample; 50% response rate*

① Create new customers, retain existing customers, drive revenue growth

52

② Drive sales and grow market share

45

③ Stay ahead, differentiate, grow faster than our competition

44

④ Improve our brand/reputation

41

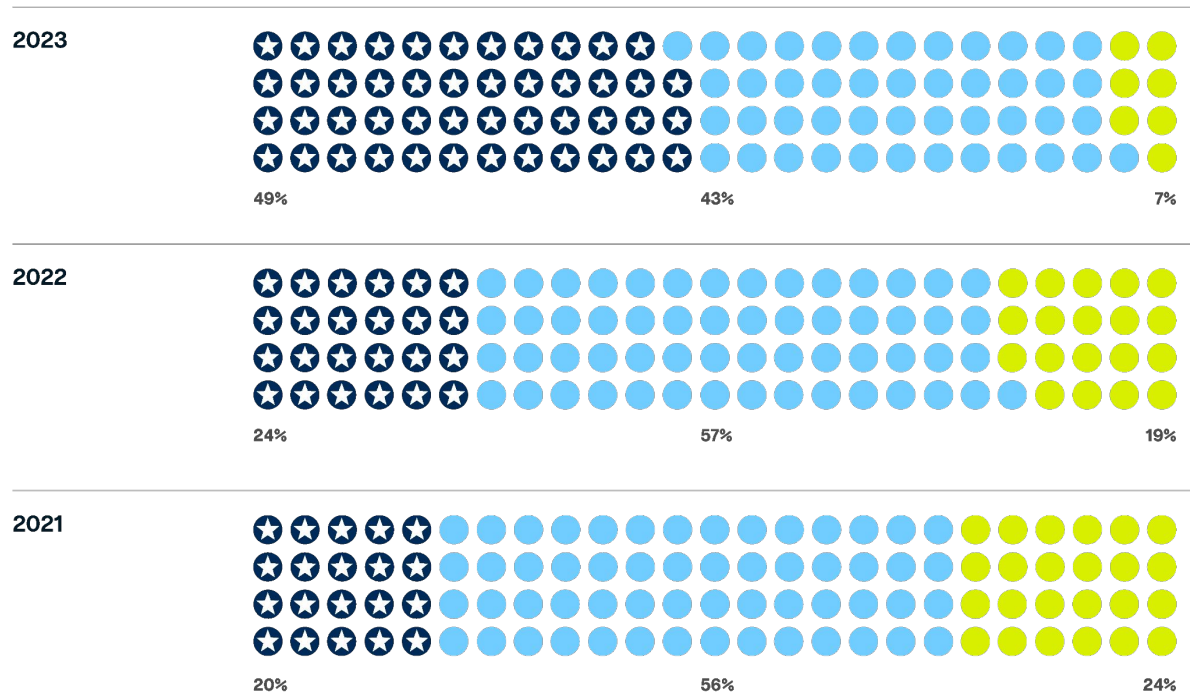
⑤ Transform the company's narrative in the marketplace

40

★ Best in Class   ● Average   ● Underperforming

Half of CEOs rate their Marketing's capability as "Best in Class," with consistent improvement over the last 2 years

### CEOs' rating of their Marketing capability



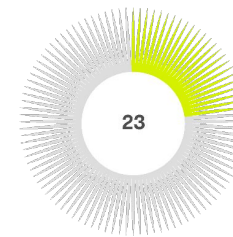
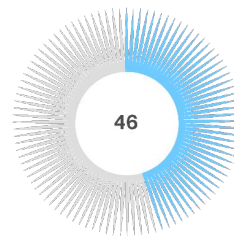
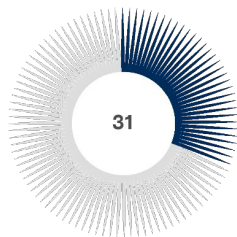
*Q: Do you believe your company's Marketing capability is Best in Class, Average, or Underperforming?*

31% of CEOs grade their Marketing team “Above my expectations”

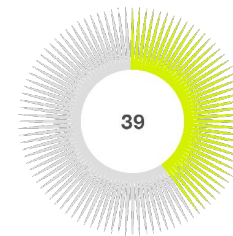
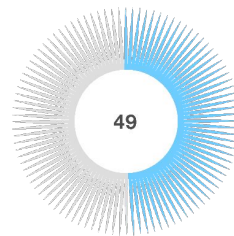
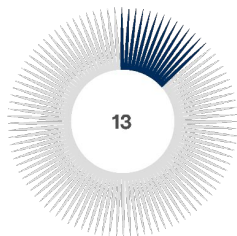
**CEO Perception of Marketing's "Ability to think and manage all the issues and multiple audiences", % of respondents**

● Above my expectations     
 ● In-line with my expectations     
 ● Below my expectations

2023



2022



*Q: Please grade your entire Marketing Team on their ability to think + manage all the issues and multiple audiences?*

# CMO Tenure

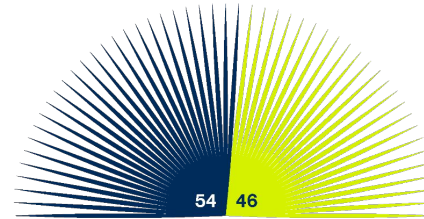
CEOs are becoming increasingly aware of CMOs' short tenure issue

*Q: Did you know that CMOs have the shortest tenure in the C-Suite?*

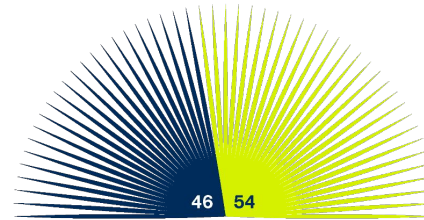
● Yes, I am aware

● No, I am not aware

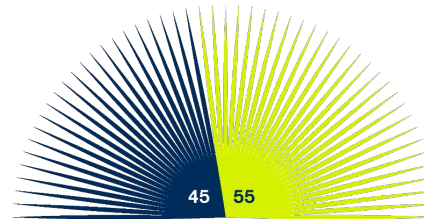
2023



2022



2021

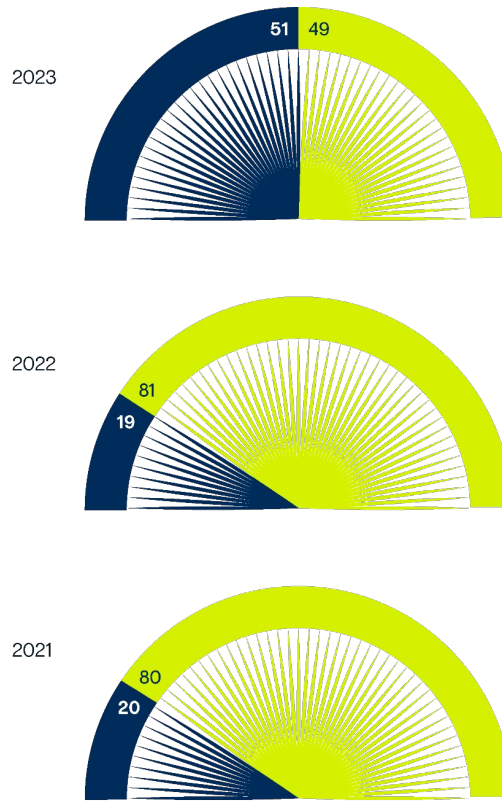


In a dramatic turnaround, half of CEOs now believe the CMOs' short tenure is a sign of success not failure in their role

*Q: Do you think short tenure is a sign of CMOs succeeding or failing in their role?*

● Short CMO tenure is a sign of **success** in role

● Short CMO tenure is a sign of **failure** in role



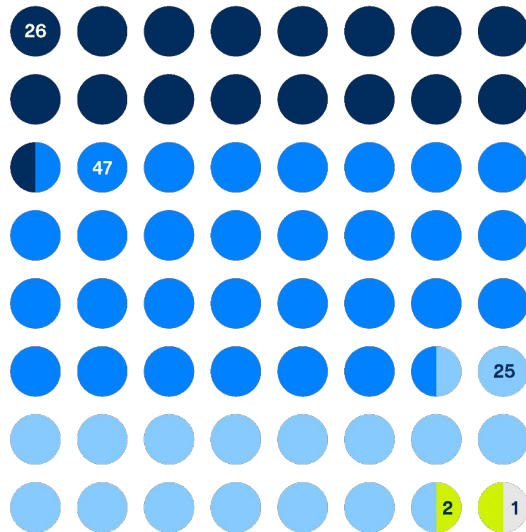


# CEO Grading of U.S. CMOs

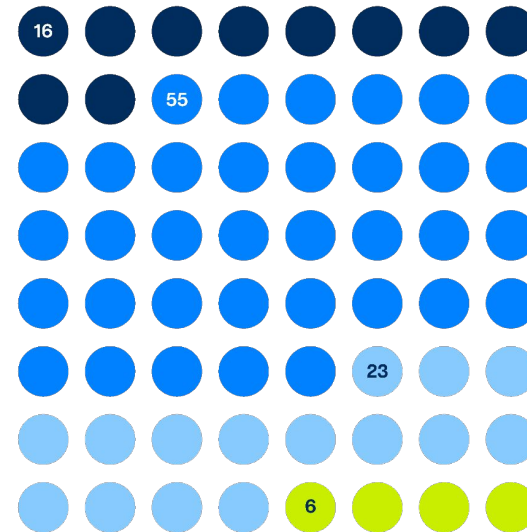
In 2023, more CMOs receive a “Grade A” from their CEO for overall performance in their role

**CMOs Performance according to CEOs,**  
% of respondents

2023



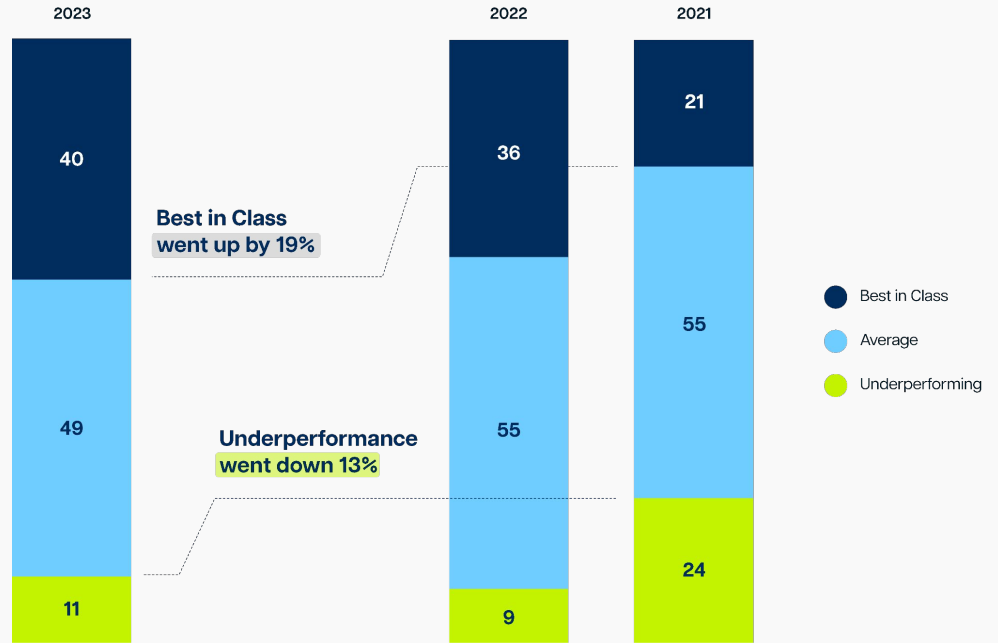
2022



*Q: Please grade your CMO on their overall performance in their role using the academic scale where “A” is the highest grade and “F” is the lowest.*

In the last 2 years,  
CMOs’ “*underperformance*”  
drops from 24% to 11%

Q: *Do you believe  
your CMO is...?*



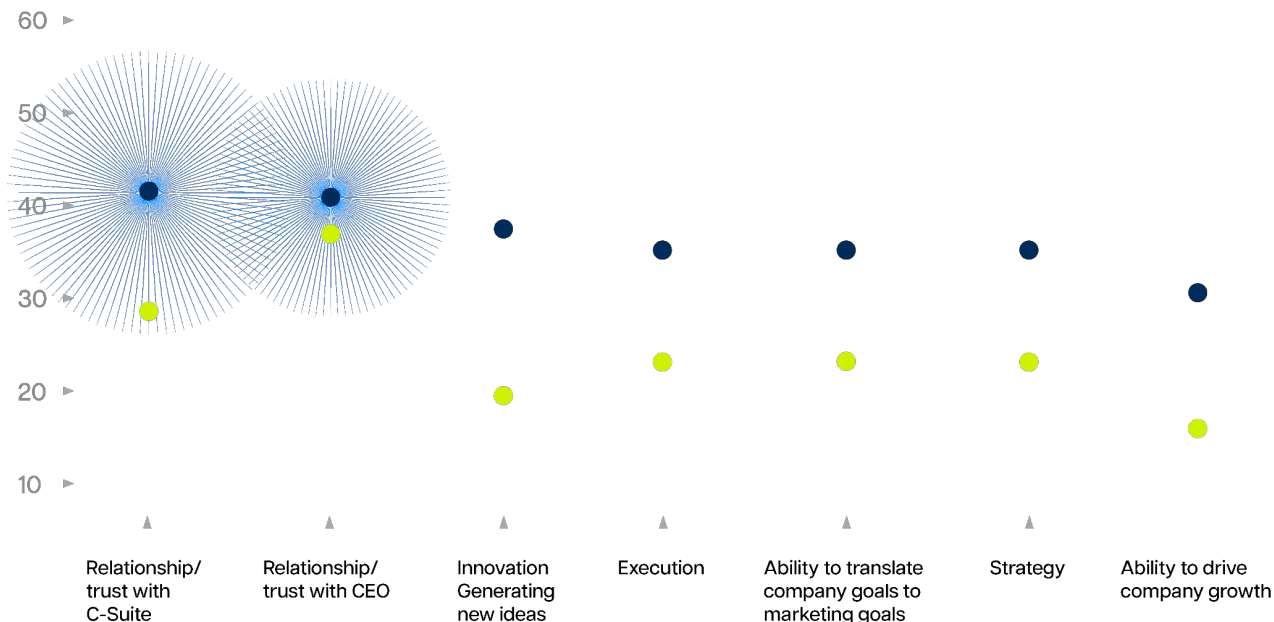
In 2023, CEOs scored their CMOs significantly higher across each area of responsibility within marketing

*Q: Please grade your CMO against the following criteria using the academic scale where “A” is the highest grade and “F” is the lowest.*

*Data shows Grade “A” only*

● 2023 ● 2022

**CMOs scoring Grade A across their roles,**  
% of respondents

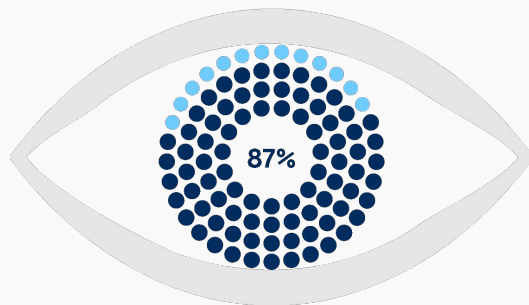


CEOs say that  
87% of CMOs understand  
their vision and take action  
to execute that vision

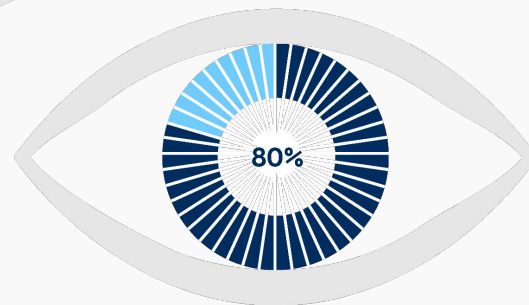
Q: Do you believe your CMO  
understands your vision?

Q: Do you believe your CMO  
takes action and executes on your  
vision?

CMOs who understand  
CEOs' vision



CMOs who take action and  
execute on CEOs' vision



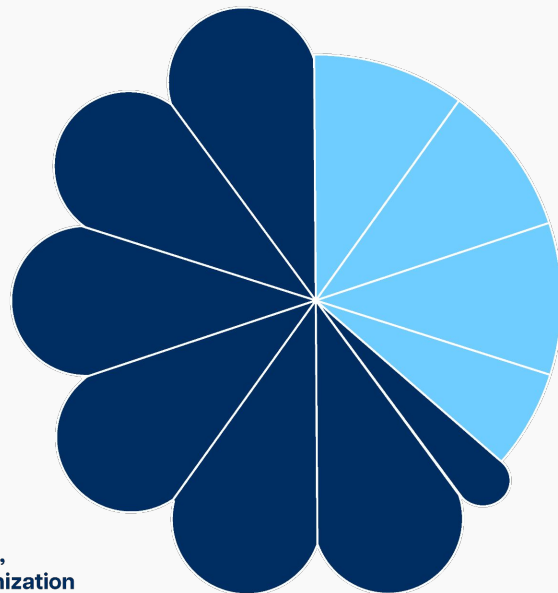
● Yes  
● No

CEOs say that  
73% of CMOs are “*bold,  
pushes the organization*”

|

*Q: Based on your experience,  
which of the following statements  
do you believe best reflects your  
perceptions of CMOs?*

**73**  
●  
CMOs are bold,  
push the organization



**27**  
●  
CMOs are  
bureaucratic

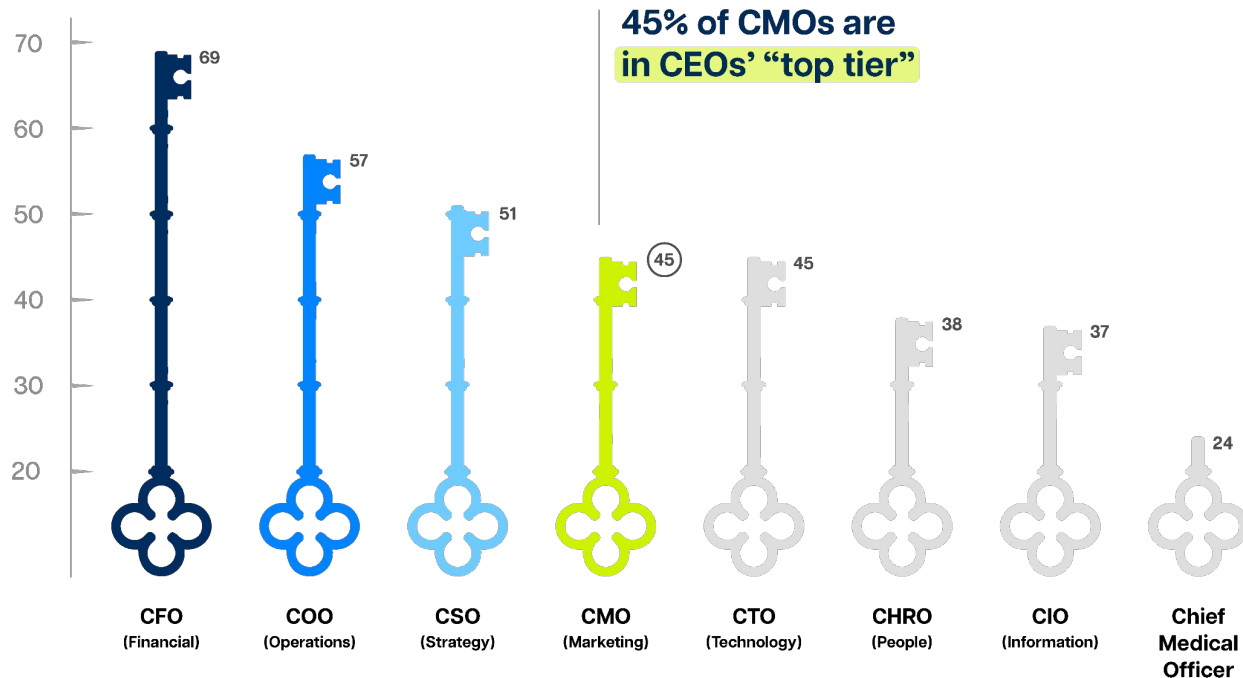
# CEO on Trust Between CEO and CMO

CEOs place personal trust throughout the C-Suite—CMOs are now in the top tier/ among the top 4 in the C-Suite

*Q: When you think about the personal trust you place on your organizational leadership, how would you categorize each?*

*\*Recalculated to those who have the role in their organization*

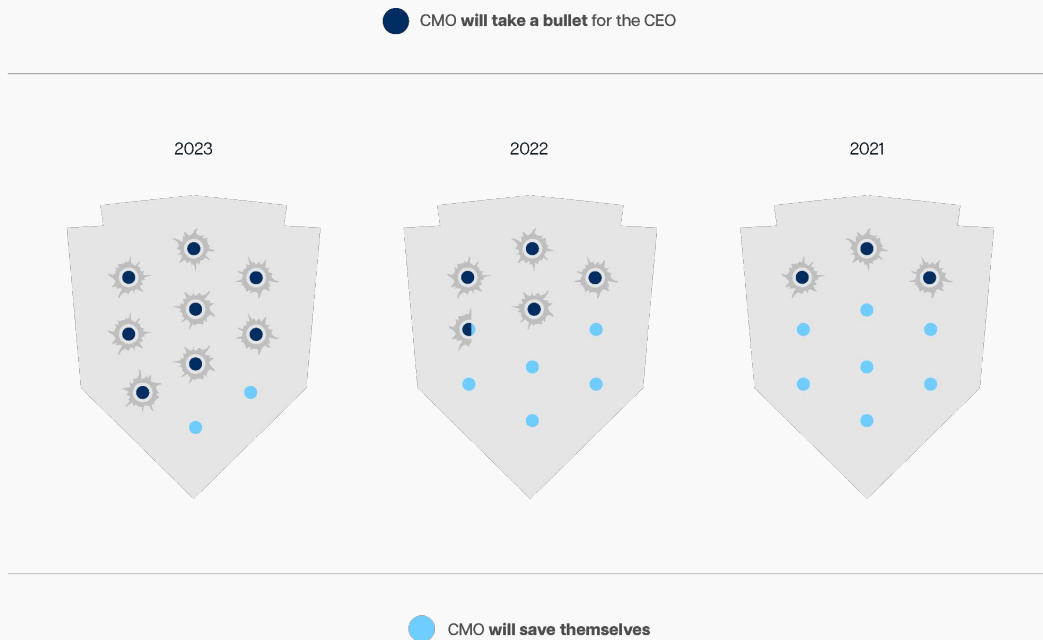
**Top Tier of CEOs personal trust,**  
% of respondents





In a dramatic shift from 2021, the CEO's perception of CMO loyalty is growing—8 in 10 CEOs perceive CMOs would take a bullet for them

*Q: Based on your experience, which of the following statements do you believe best reflects your perceptions of CMOs?*

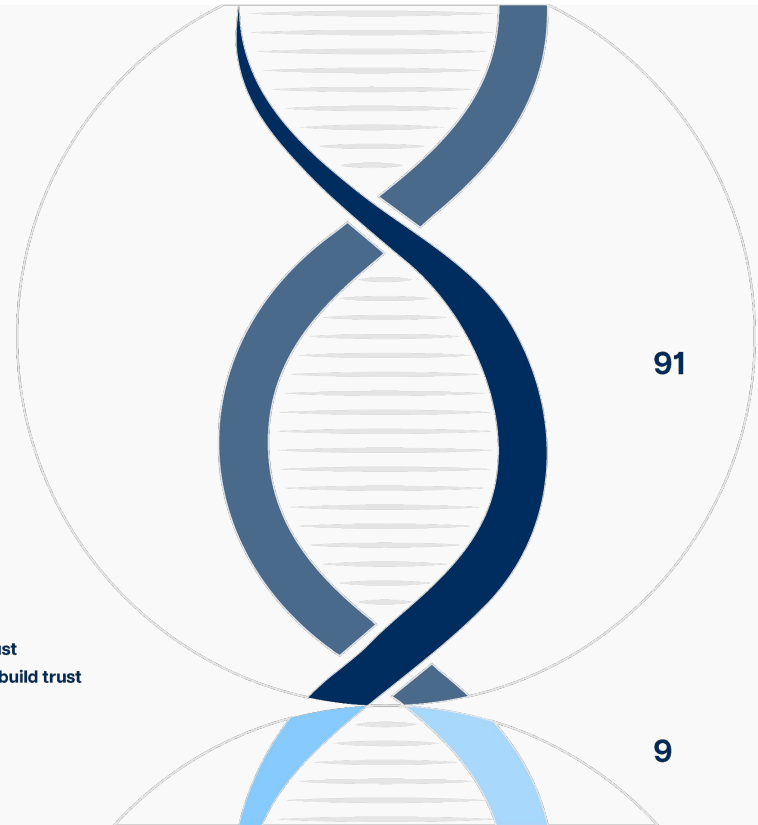


CEOs also believe that  
91% of CMOs build trust  
well across the C-Suite



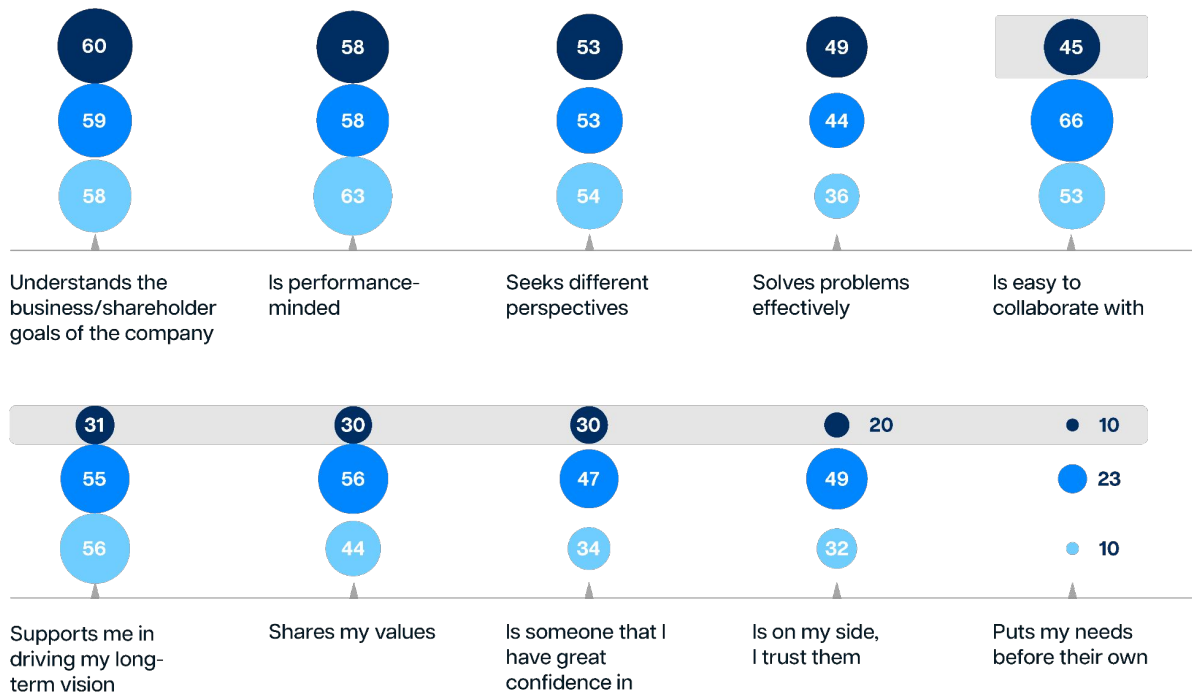
*Q: Which of the following statements  
are true of your CMO?*

- My CMO builds trust
- My CMO does not build trust



In spite of all the good news in 2023, the most surprising new trend is the decay of the personal relationship between the CEO and the CMO; six of ten attributes have declined significantly

**CEOs who select the following statements as true of their CMOs, % of respondents**

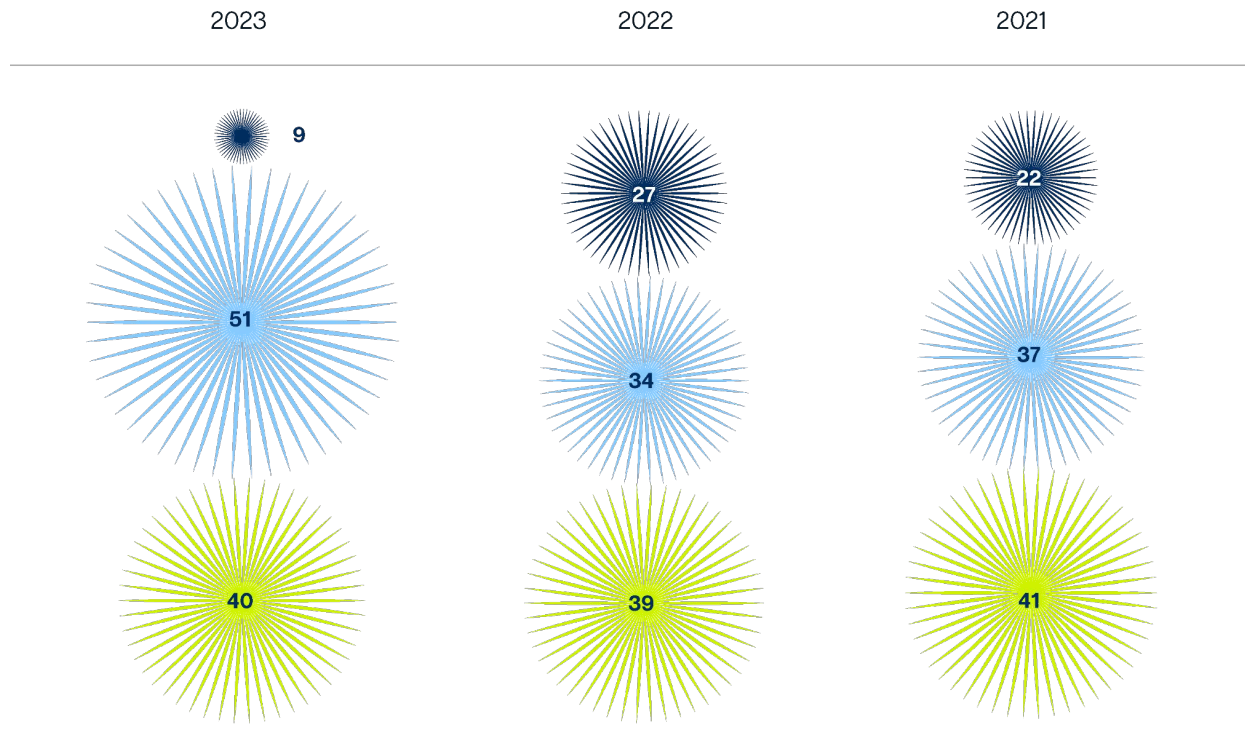


*Q: Which of the following statements are true of your CMO?*

In 2023, CEOs believe that personal loyalty has been replaced by company loyalty

*Q: Where does your CMO's loyalty lie?*

- More loyal to the CEO
- More loyal to the company
- More loyal to their department

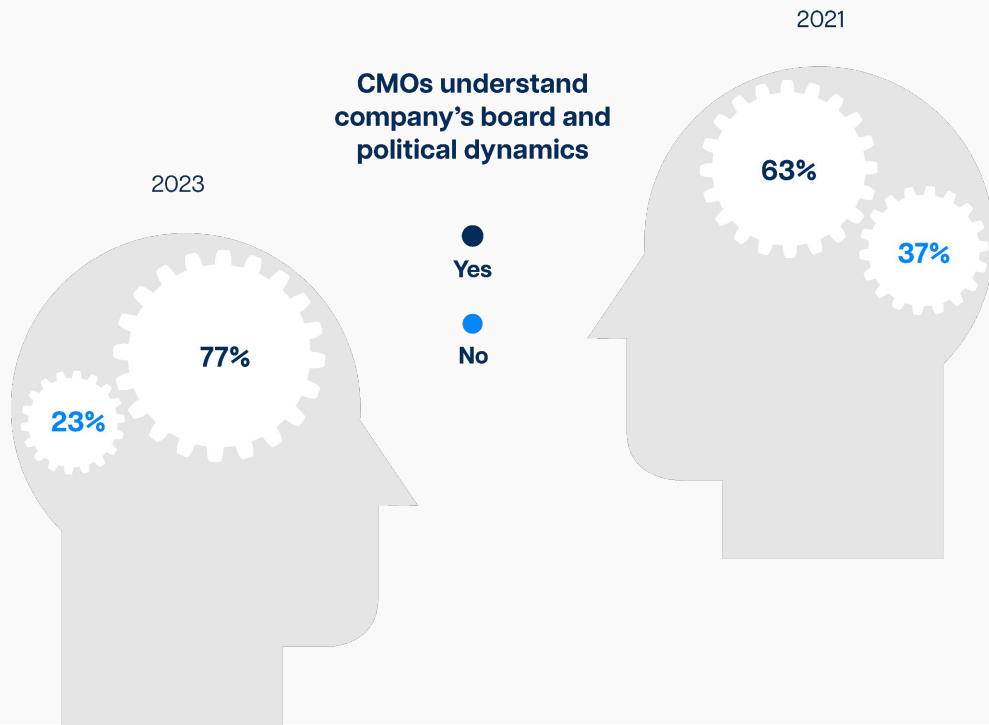


**91%** of CEOs say CMO's are more loyal to the company or their department

# CMO: Board, Business, and Financial Goal Setting

In 2023, CEOs said that 77% of CMOs understood the company's board and political dynamics; up from 2021

*Q: Do you believe your CMO understands your company's board and the political dynamics?*



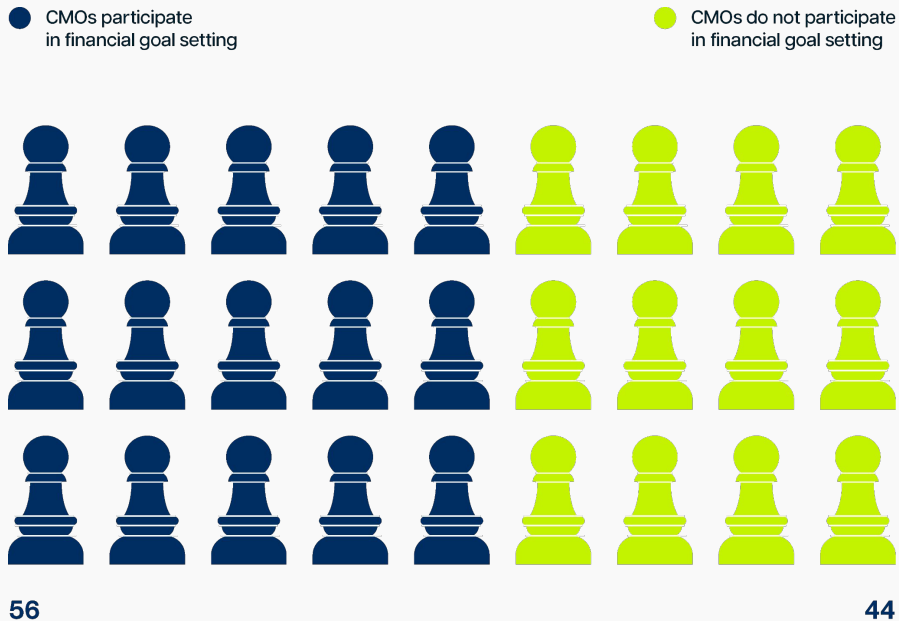
In 2023, CEOs said that 69% of CMOs understand the P&L and the balance sheet

Q: Do you believe your CMO understands your company's P&L and balance sheet?



In 2023, CEOs said that over half of their CMOs participate in financial goal setting for their company

*Q: Does your CMO participate in financial goal setting?*

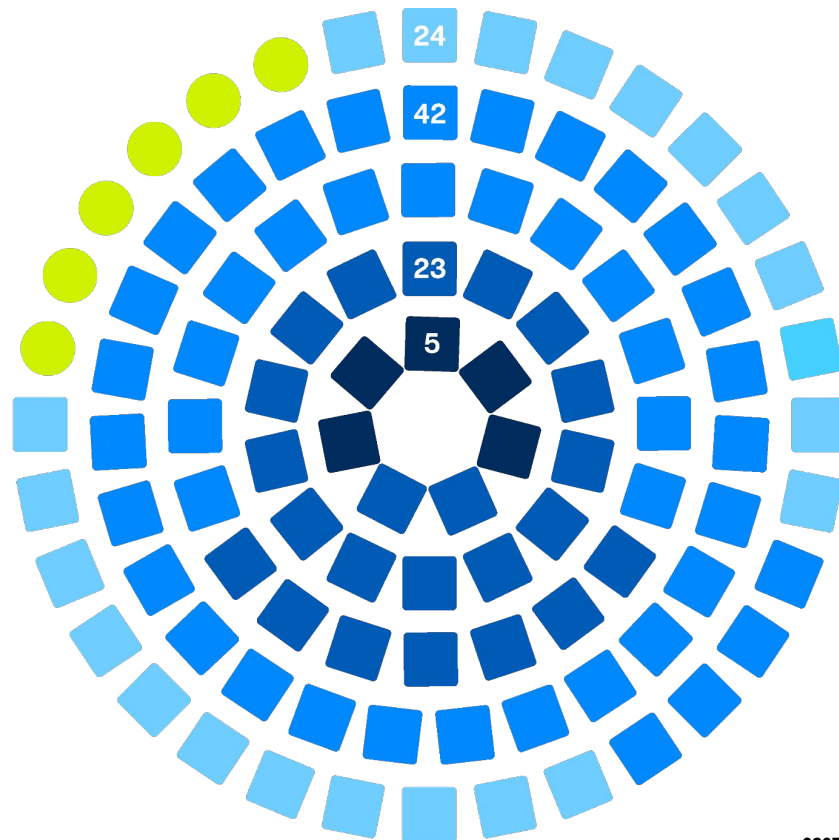
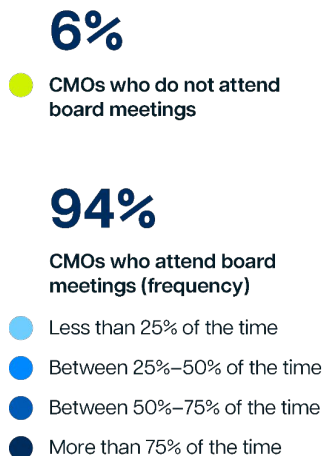




We saw an important increase in board attendance relative to secondary market data

For CEOs, 94% of their CMOs attend board meetings, but two-thirds participate in less than half the meetings

*Q: How frequently are your CMOs present at board meetings?*



# CMOs and Artificial Intelligence

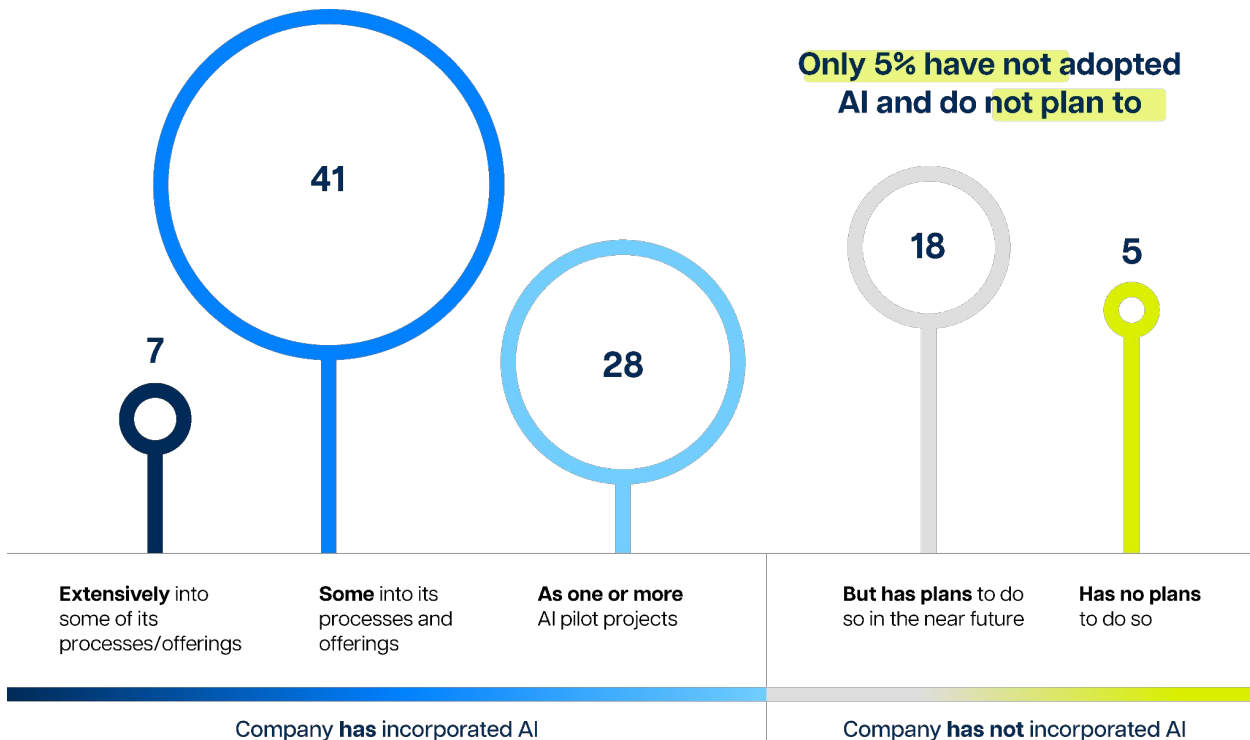
●●● Has adopted AI ●● Has not adopted AI

76% of CEOs are integrating AI into their organizations

*Q: Which of the following statements best describes the level of Artificial Intelligence (AI)\* adoption in your organization as a whole?*

*AI defined broadly as “The theory and development of computer systems able to perform tasks normally requiring human intelligence.” (from The English Oxford Living Dictionary)*

*\*Due to rounding, percentages may not add up to exactly 100%.*

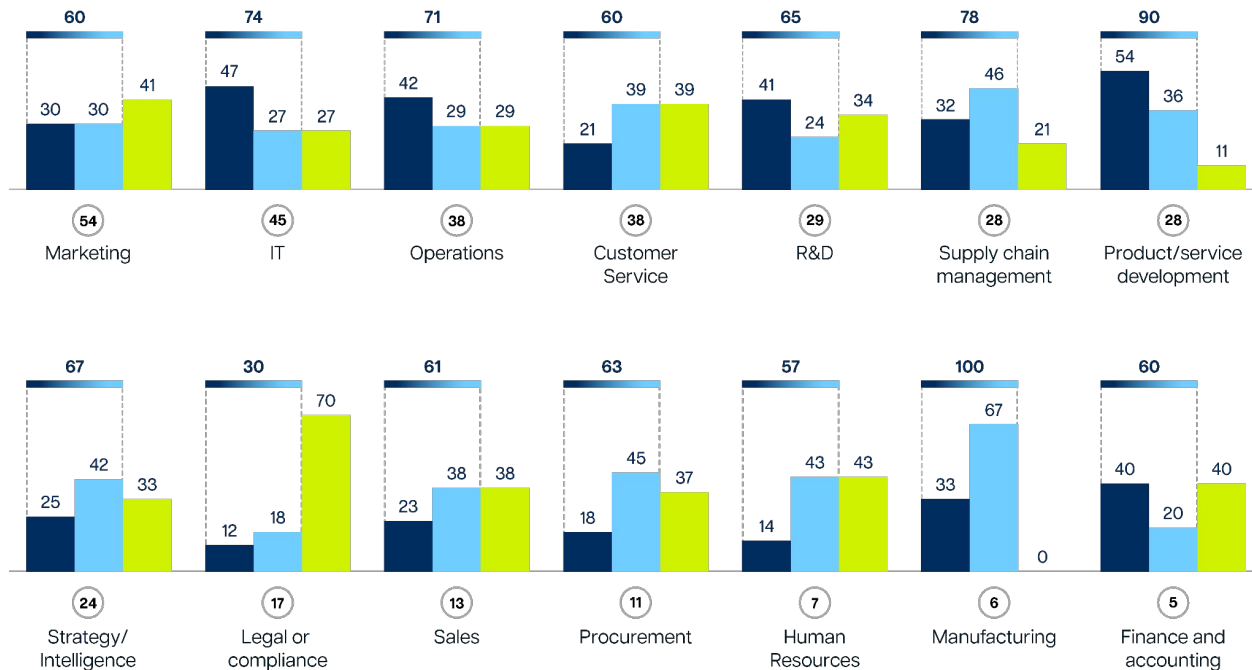


**Only 5% have not adopted AI and do not plan to**



Marketing has the broadest AI adoption; *IT, Product Development, and Operations* are the most mission critical

**Overall adoption and ranking of top 3 priorities,**  
% of sample



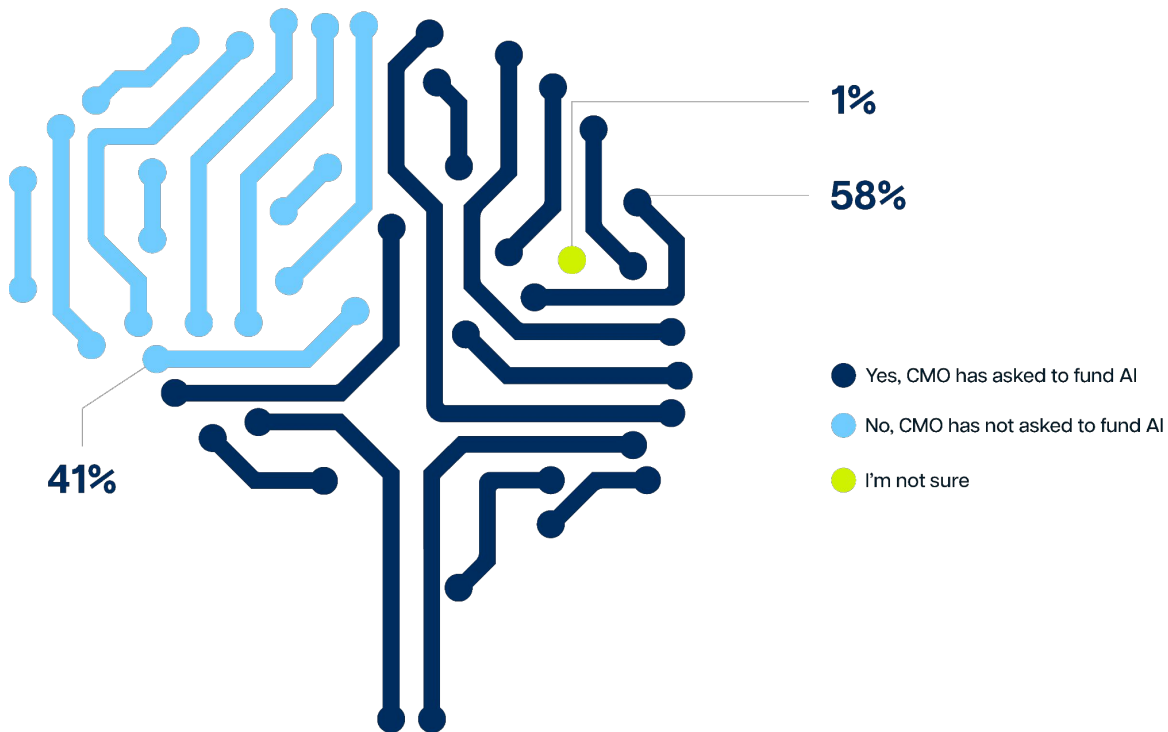
*Q: From the following list of functional areas in your organization, rank the top 3 areas prioritizing AI*

*\*Due to rounding, percentages may not add up to exactly 100%.*

CEOs believe that 58% of their CMOs have made AI presentations, asked for funding or created new processes using AI

*Q2: Thinking specifically about Marketing and AI, has your Chief Marketing Officer presented, asked to fund or created new processes or capabilities using AI in the last year? (n=150)*

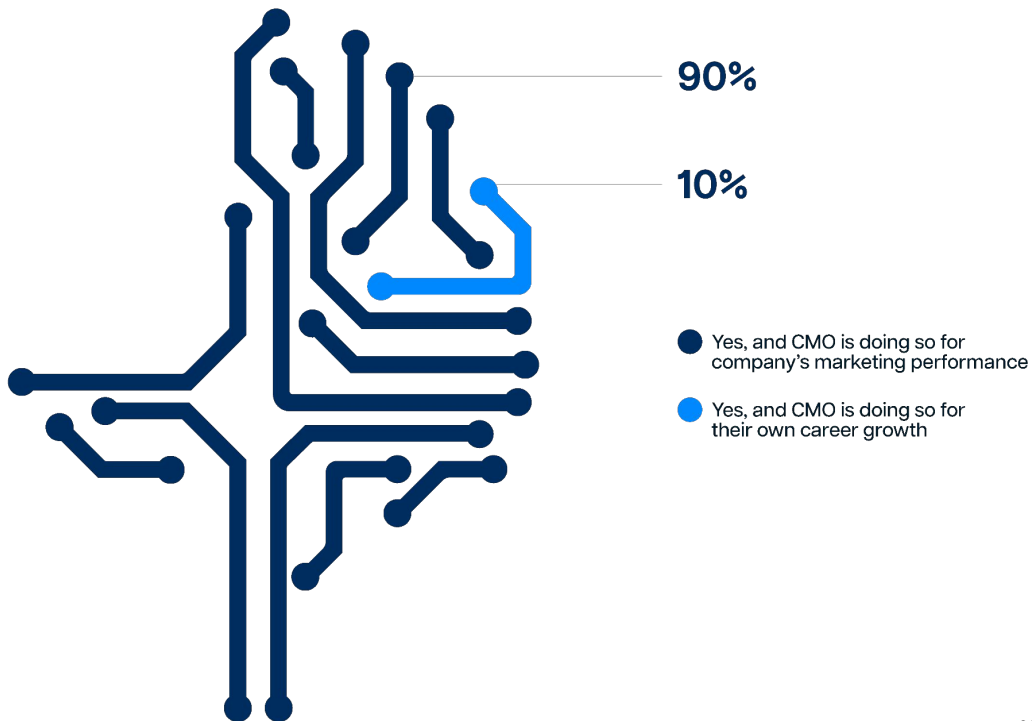
**CMOs' presentation, request to fund, and creation of new processes or capabilities using AI in 2023, % of respondents**



CEOs believe that 90% of CMOs are tackling AI in service of the company's marketing performance, not their own career growth

*Q: Do you think the CMO is doing this for.... (n=86)*

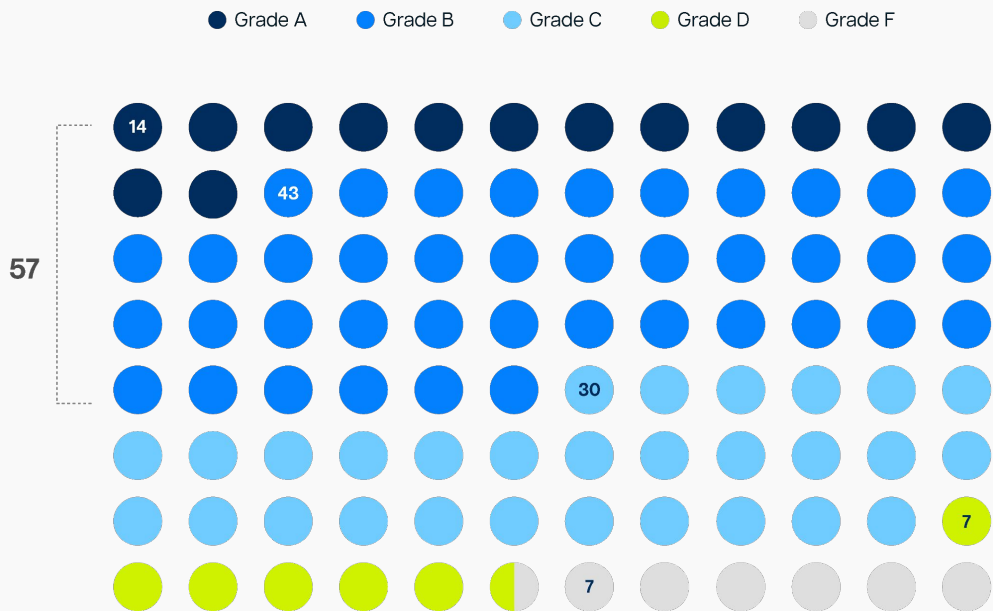
**The end goal of CMOs' request to fund AI in 2023,**  
% of respondents



Over half of CEOs grade their CMOs an “A” or “B” for their ability to integrate AI/Machine Learning

*Q: Please grade your CMO’s ability to integrate AI/Machine Learning using the academic scale where “A” is the highest grade and “F” is the lowest.*

*\*Due to rounding, percentages may not add up to exactly 100%.*

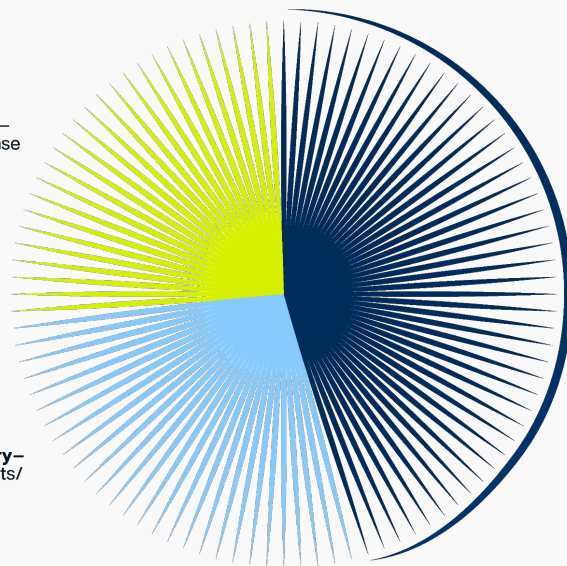


When we asked CEOs why AI matters in Marketing, the majority view it as a tool *to sustain innovation*, and the rest are split between *disruption* and *efficiency*

*Q: When you think about AI/ AI investments in your organization, select the statements that best reflect your objectives for each of the areas ranked above Marketing (n=54)*

●  
**26**  
**Drive efficiency for your company**—  
reduce cost/increase  
margins/scale

●  
**28**  
**Disrupt your own company/category**—  
create new products/  
services



●  
**46**  
**Sustain/supplement innovation in your company**—make good products/services better



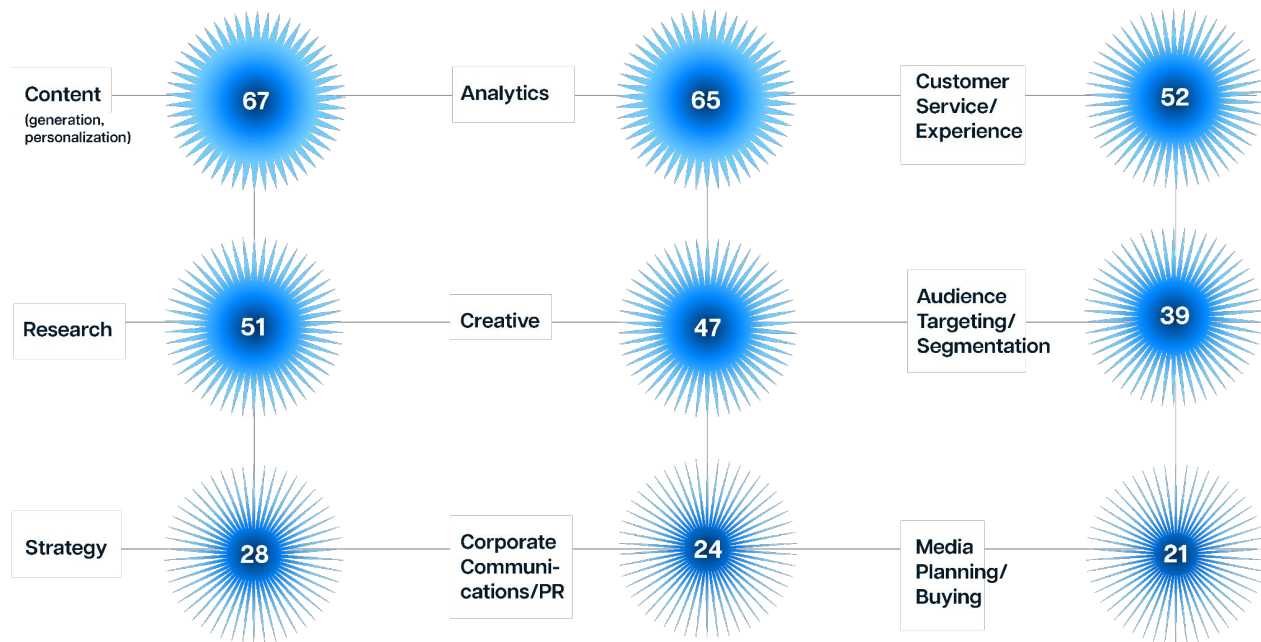
Unsurprisingly, given the ChatGPT headlines over the past year, 'Content' is ranked as the top marketing application for AI, closely followed by 'Analytics'

Note: The clustering makes us believe CEOs do not see one "killer app" in marketing

*Q: To the best of your knowledge, where, if at all, is AI being integrated within Marketing?  
(n=150)*

### AI Integration in 9 areas of Marketing,

% of sample



# 04 Conclusions

## Conclusions and Implications

**There is a trend change to what is important to CEOs - shifting focus externally to drive business in light of market conditions, economic volatility and geopolitical disruptors. It comes at the expense of workforce and DEI initiatives that were heightened post pandemic, but scaled back as the negotiating power returns in many industries to the company.**

*Implications: This swing of the pendulum reflects a return to business attitude pre-pandemic. The realignment from idealism to capitalism could have a lasting impact on employees, the brand, future customers, and growth. As we get further from the event, it will be important to watch these trends to see how they evolve.*

**Given the majority of CEOs self-report that they are still a long way from delivering on their company vision, how CMOs are evaluated in this area is critical for the CEO/CMO relationship.**

*Implications: Where do CEOs feel most confident in CMOs capabilities? There seems to be a disconnect—CEOs say 87% of CMOs **understand** their vision; 80% **take action** to execute vision but only 31% support the CEO in **driving** their long term vision.*

## Conclusions and Implications

**There was a consistent uptick this year in how CEOs grade their CMOs. However, CEOs show skepticism that their CMO can maximize marketing's full potential in the areas CEOs prioritize for Marketing (revenue/market share growth, differentiation, brand/reputation and transforming the company narrative).**

- Although improved from 2022, the lowest “A” grade given to CMOs is in the “ability to drive company growth”
- Strategy is a weak spot—only 23% grade their CMO an “A” and 13% give them a “D” or “F”
- 31% of CEOs do not believe their CMO understands the P&L, and 44% do not participate in financial goal setting

*Implications: Are CMOs myopic in their functional role fueled by the complexity and evolution Marketing? How can they embrace the CEO's pragmatism and be part of the financial and strategic goal setting?*

## Conclusions and Implications

**Relationships with the C-Suite and company loyalty are strong but, there continues to be a gap in the personal trust dynamic between the CEO and CMO.**

- 20% of CEOs say the CMO is “on my side, I trust them”
- 10% say the CMO “puts my needs before their own”
- 9% say their CMO’s loyalty lies with the CEO

*Implications: A majority of CEOs are still a long way from delivering on their company vision and strategy. Deepening relationships between CEO and CMO is critical to achieving mission critical company goals. Marketing/Communications require a strong trust bond with the CEO.*

## Conclusions and Implications

**As expected, AI is a top priority and CEOs report the broadest adoption in marketing, with a focus on content and analytics.**

*Implications: CMOs are looking for tangible ways to demonstrate value and ROI of AI. Equally important is to ensure AI is being implemented with utmost care and responsibility. Additionally, integrating AI further upstream for insights and relevancy can help align narratives with growth.*

# 05 Appendix

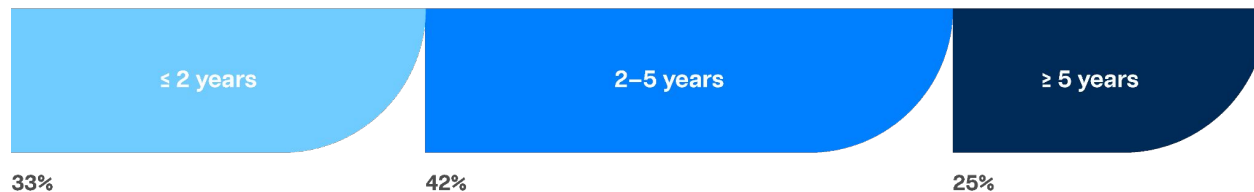
# Research Sample: 150 CEOs from Top U.S. Companies

**Q1:** How long has the current Chief Marketing Officer (CMO) been in the role at your company?

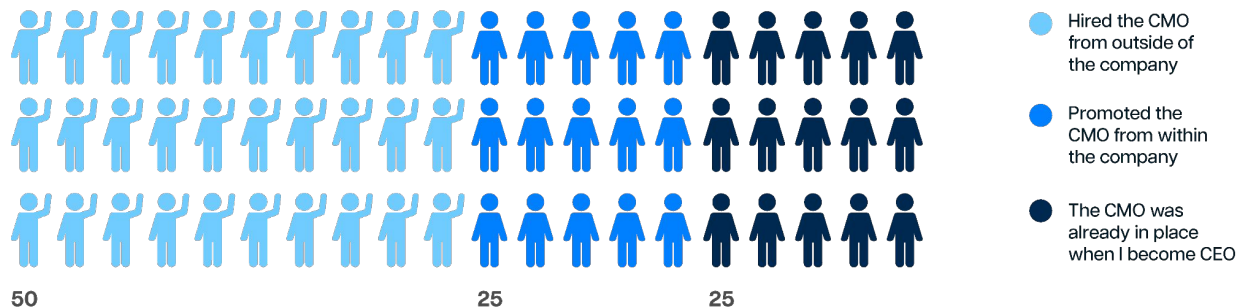
**Q2:** Which statement is true about your current CMO?

Sample provided by GLG Insight Network. Survey in field September 9, 2023 – October 4, 2023

## The length of CMOs' tenure, % of sample



## The manner of CMO's acquisition, % of sample





## CEOs want marketing to solve five core problems

*Q: What are the **top five** problems\* you want marketing to help you solve? (n=75)*

*\*Out of a list of 15 (see appendix)*

*\*\*Additional fielding to original sample; 50% response rate*

① Create new customers, retain existing customers, drive revenue growth

52

② Drive sales and grow market shares

45

③ Stay ahead, differentiate, grow faster than our competition

44

④ Improve our brand/reputation

41

⑤ Transform the company's narrative in the marketplace

40

(...Also instructive to see what did not make the CEO top five)

*Q: What are the **top five** problems you want marketing to help you solve? (n=75)*

⑥ Build a better case for the connection between marketing spend and business impact

37

⑦ Serve our customers better (personalization, etc.)

32

⑧ Improve company margins (increase pricing/ reduce costs)

29

⑨ Increase our social impact as a company

28

⑩ Increase my visibility in a way that helps the company/culture/growth

28

⑪ Translate the company's strategy and vision

27

⑫ Drive investor perception/ valuation

25

⑬ Innovate our company's products/services

24

⑭ Drive employee culture/ engagement/retention

24

⑮ Improve distribution (new geographies, new target segments)

23

# Thank you!



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