



Gartner®

Gartner for Marketers

The Role of Marketing in Digital Transformation and Innovation

Insights From Gartner's Annual CMO Spend Survey

This year's CMO Spend Survey focused on marketing innovation programs and investments. Learn how much of marketing's budget is being set aside for innovation and the programs that innovation investments support. Understand the current state of innovation capabilities and competencies that CMOs report in support of their innovation mandate.

21%

of a marketer's budget is set aside for innovation initiatives, despite cuts in other areas,

72%

report their marketing innovation spend has **increased** year over year.

Source: Gartner CMO Spend Survey, 2021

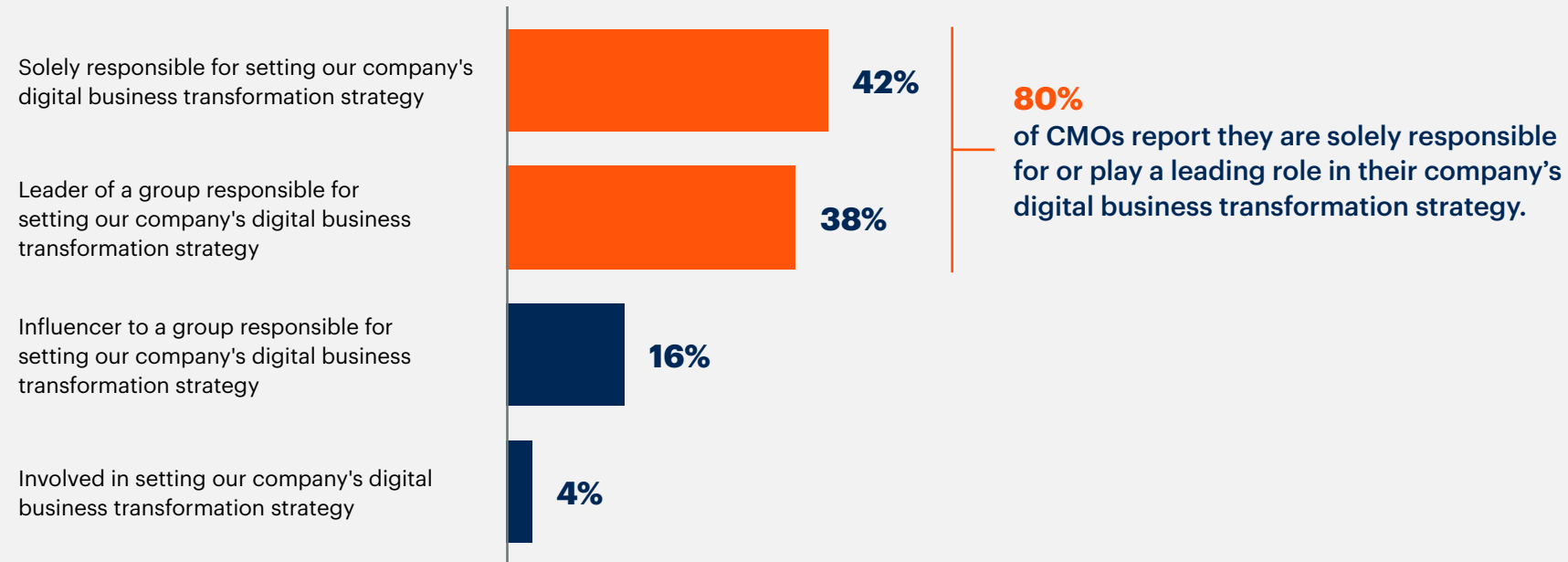
£

€

\$

CMOs Perceive That They Play a Leading Role in the Enterprise Digital Business Transformation Strategy

Marketing leader involvement in digital business transformation strategy



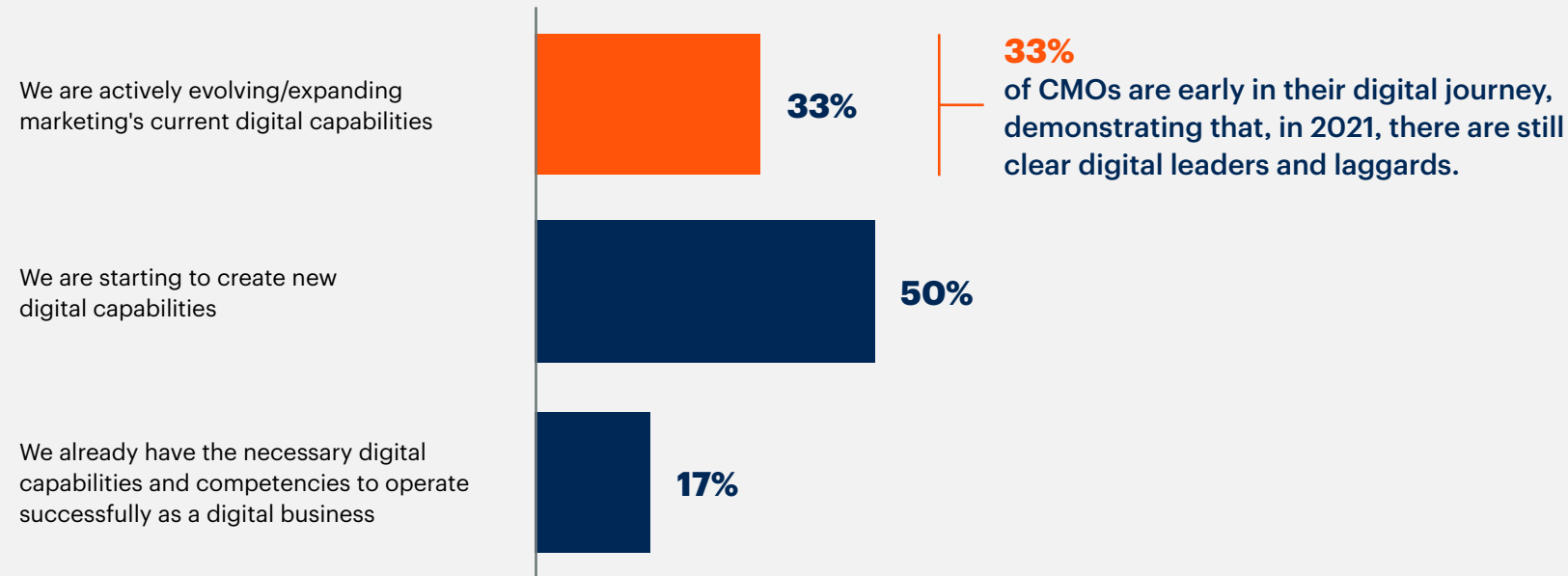
n = 398 marketing leaders. Excludes don't knows.

Q. What role do you personally play in setting your company's digital business transformation strategy?

Source: Gartner CMO Spend Survey, 2021

CMO Digital Business Accountability Not Matched by Capabilities — Less Than 20% Have the Necessary Digital Business Capabilities

Current state of marketing organization's digital strategy

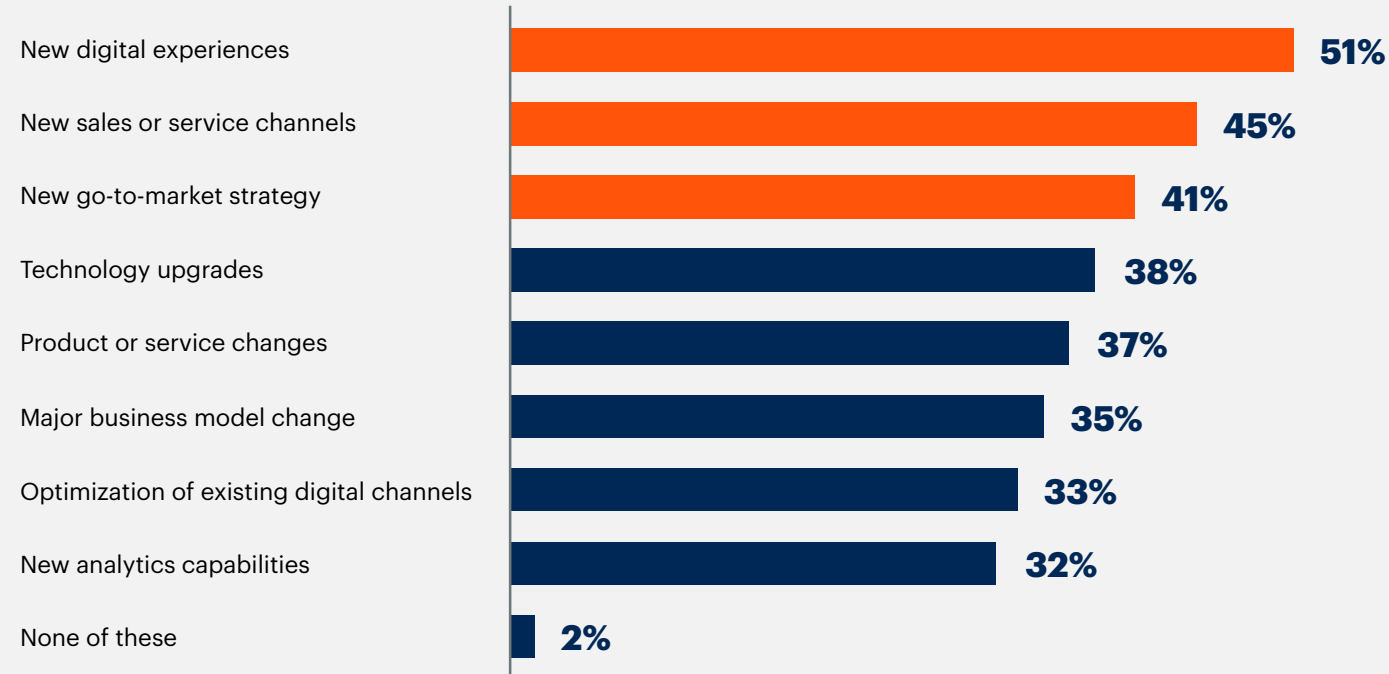


n = 398 marketing leaders. Excludes don't knows.

Q. Which of the following statements best describes the current state of your marketing organization's digital strategy?

Source: Gartner CMO Spend Survey, 2021

Digital Business Initiatives Where Marketing Plays a Key Role in 2021



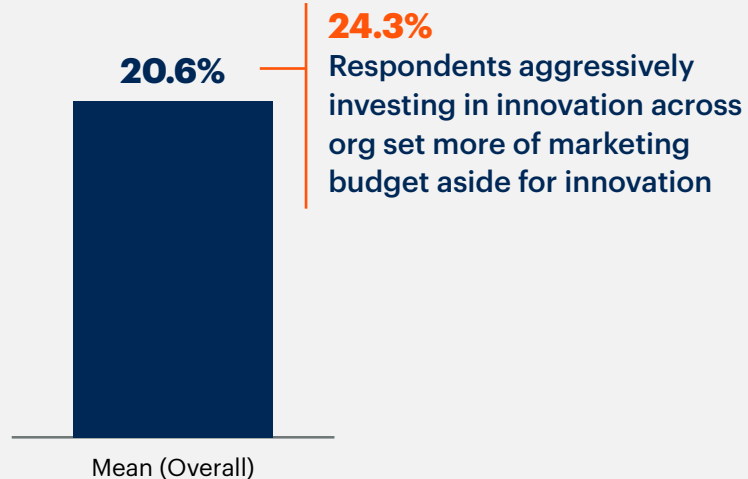
CMOs likely to lead digital business initiatives that focus on “greenfield” opportunities, building new experiences, new channels or new go-to-market strategies.

Multiple responses allowed
n = 400 marketing leaders
Q. In which of the following digital business initiatives does your marketing organization play a key role?
Source: Gartner CMO Spend Survey, 2021

Learn more about digital transformation from the [Gartner Digital Marketing Leader Survey](#)

CMOs See Innovation as the Path to Growth Amid Budget Challenges. They Aggressively Invest in Innovation Programs.

Percentage of marketing budget set aside for marketing innovation



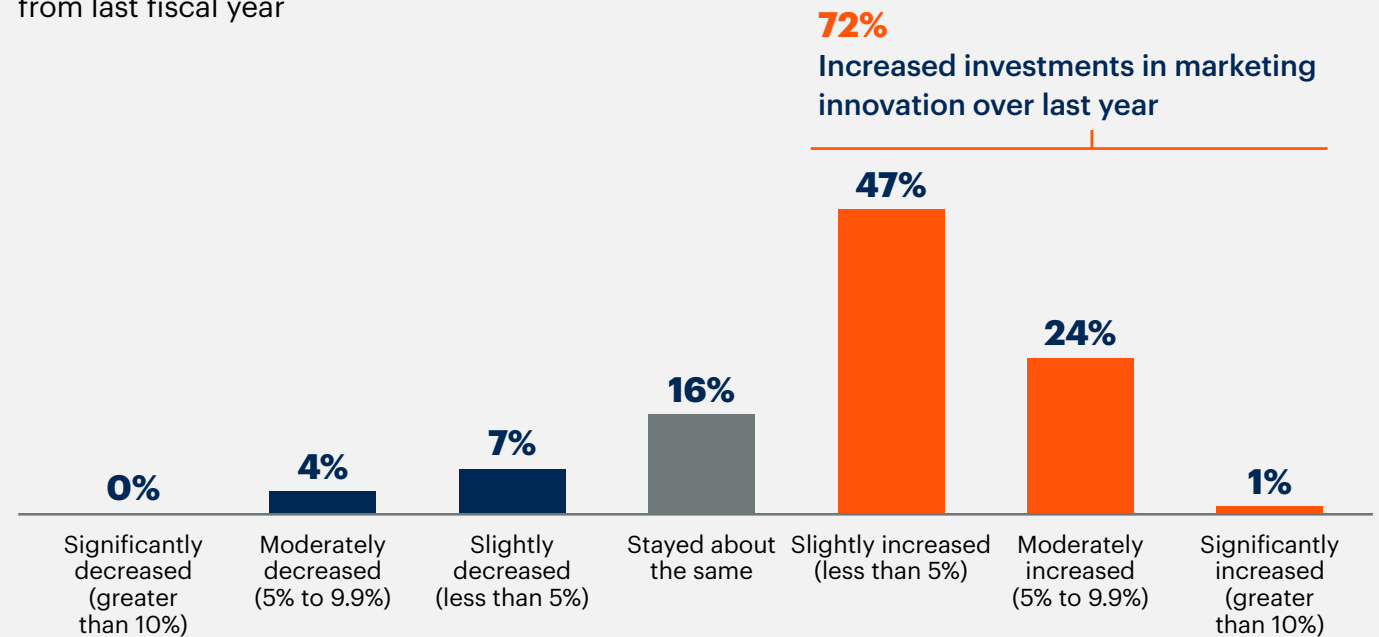
n = 346 marketing leaders. Excludes don't knows.

Q. What percentage of your company's current fiscal year total marketing expense budget is set aside for marketing innovation?

Source: Gartner CMO Spend Survey, 2021

Statistics exclude values greater than or equal to 50%

Change to marketing innovation investment from last fiscal year



n = 398 marketing leaders. Excludes don't knows.

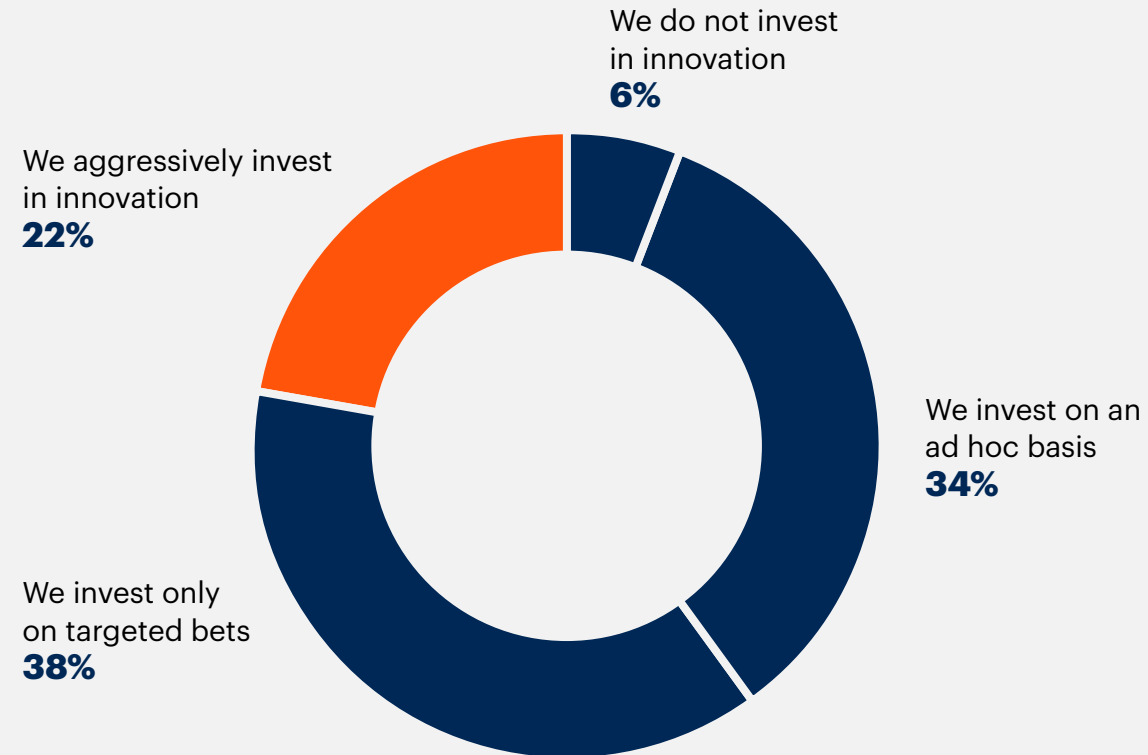
Q. Compared to the last fiscal year, how has the percentage of the total marketing expense budget set aside for marketing innovation changed for the current fiscal year?

Source: Gartner CMO Spend Survey, 2021

CMOs Innovation Investments Are Mismatched With the Rest of the Enterprise

Company view on innovation

Only 22%
of CMOs characterized their company's
view on innovation investment
as "aggressive."



n = 400 marketing leaders

Q. How would you characterize your company's overall view on innovation?

Source: Gartner CMO Spend Survey, 2021

The State of Marketing Innovation: **Positives**

Process



95% have a defined process for innovation management.

People



95% have dedicated headcount for innovation initiatives.

Culture



93% agree that their orgs will fund high-risk initiatives.

n = 376 marketing leaders investing in innovation

Q. Please indicate the level to which you agree with each of the following statements about innovation initiatives/programs managed by marketing.

Source: Gartner CMO Spend Survey, 2021

The State of Marketing Innovation: **Challenges**

Measurement



91% struggle to measure the impact of innovation.

Results



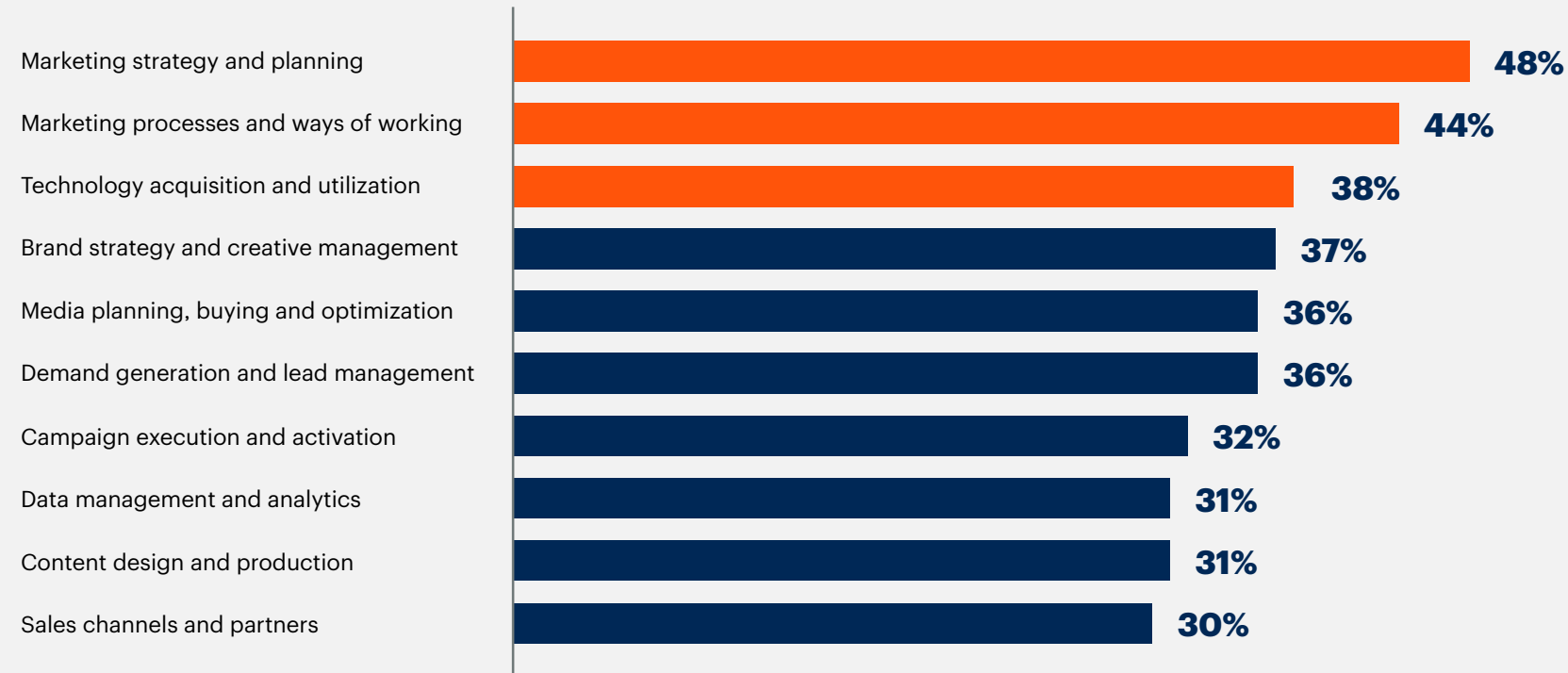
83% say that innovation has not delivered to management expectations.

n = 376 marketing leaders investing in innovation

Q. Please indicate the level to which you agree with each of the following statements about innovation initiatives/programs managed by marketing.

Source: Gartner CMO Spend Survey, 2021

Strategy, Planning and Process Are Top Areas Where Marketers Are Investing in Innovation to Support Marketing Strategy

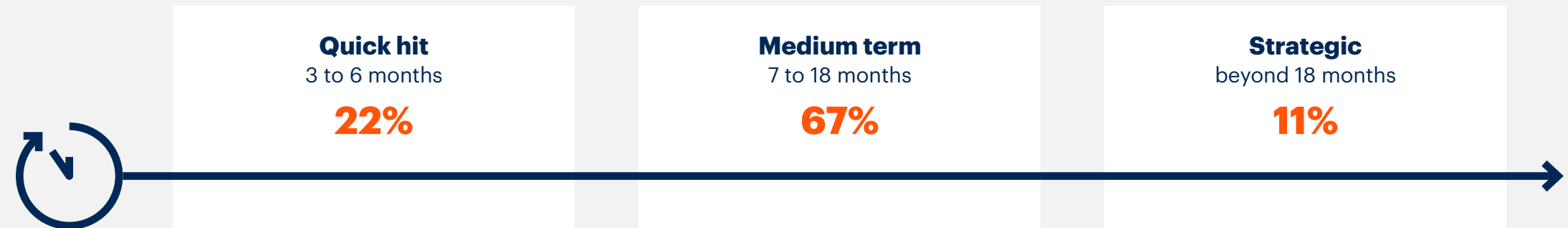


Marketing innovation investments focus on planning, processes and technology. Data, content and new channels are least likely to be funded out of marketing budget.

Multiple responses allowed
n = 400 marketing leaders
Q. In which of the following digital business initiatives does your marketing organization play a key role?
Source: Gartner CMO Spend Survey, 2021

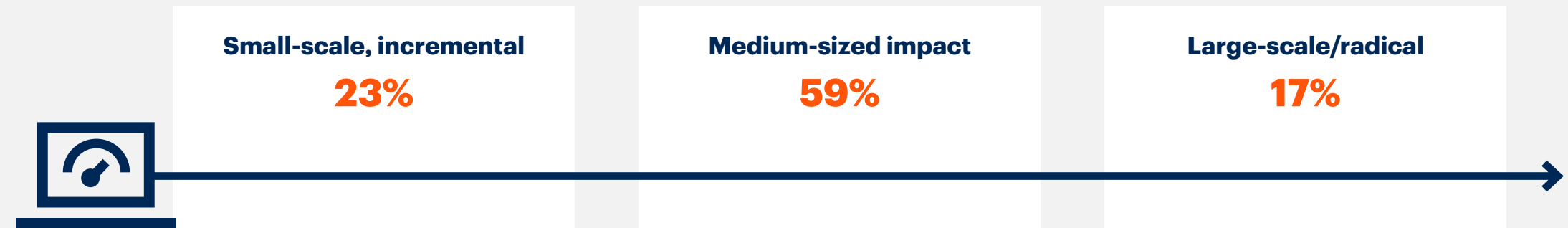
Learn more about [strategic planning](#)

Marketing Innovation Scope — Most Innovation Investments Deliver Value in the Medium Term



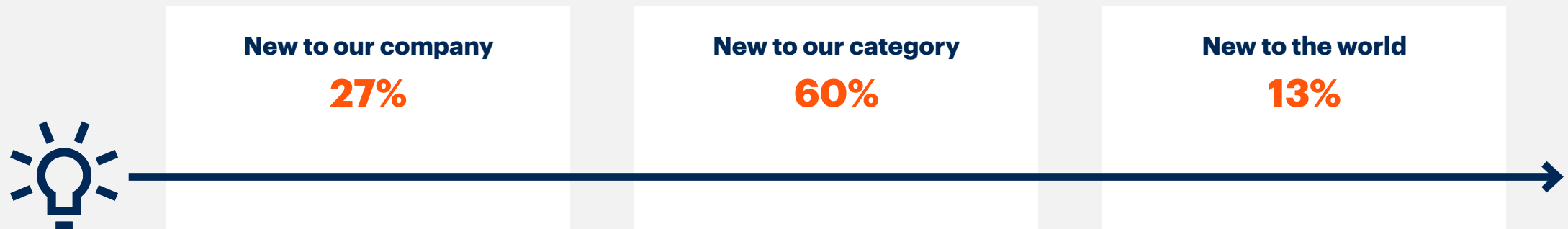
n = 296, marketing leaders investing in innovation for marketing processes, data and analytics, and sales channels and partners
Q. Which best describes marketing's innovation initiative related to sales channels and partners across the following areas?
Source: Gartner CMO Spend Survey, 2021
Average percentage of responses shown across innovation initiatives

Marketing Innovation Scope — Most Innovation Investments Have a Medium-Sized Impact



n = 296, marketing leaders investing in innovation for marketing processes, data and analytics, and sales channels and partners
Q. Which best describes marketing's innovation initiative related to sales channels and partners across the following areas?
Source: Gartner CMO Spend Survey, 2021
Average percentage of responses shown across innovation initiatives

Marketing Innovation Scope — Investments Focus on Beating Their Direct Competitive Set



n = 296, marketing leaders investing in innovation for marketing processes, data and analytics, and sales channels and partners
Q. Which best describes marketing's innovation initiative related to sales channels and partners across the following areas?
Source: Gartner CMO Spend Survey, 2021
Average percentage of responses shown across innovation initiatives

Key Issue Take-Away

Justify innovation budget and confidence in capabilities with demonstratable return on innovation investment (ROI) and return on innovation objectives (ROIO).



Gartner's CMO Spend and Strategy Survey, 2021

The purpose of this survey is to understand the marketing organization's strategic priorities and budget allocations for 2021 as well as those impediments and opportunities facing CMOs as they forge a path to success in 2021. The research was conducted online from March through May 2021 among 400 respondents in the U.S. (49%), Canada (1%), France (12%), Germany (11%) and the U.K. (27%). Respondents were required to have involvement in decisions pertaining to setting or influencing marketing strategy and planning, as well as have 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 (51 respondents), high tech (42 respondents), manufacturing (49 respondents), consumer products (45 respondents), media (49 respondents), retail (43 respondents), healthcare providers (50 respondents), IT and business services (37 respondents), and travel and hospitality (34 respondents).

The survey was developed collaboratively by a team of Gartner analysts and was reviewed, tested and administered by Gartner's Research Data and Analytics (RDA) team.

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.



Want more insights from the survey? [Read More](#)

**Already a client?
Get access to even more resources
in your client portal. [Log In](#)**

Get More.

Get actionable, objective insight to deliver on your most critical priorities. Our expert guidance and tools enable faster, smarter decisions and stronger performance. Contact us to become a client:

U.S.: 855 811 7593

International: +44 (0) 3330 607 044

[Become A Client](#)

Learn more about Gartner for Marketers

gartner.com/en/marketing

Stay connected to the latest insights

