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Key takeaways from the evolving CIO-CMO relationship

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What CIOs and CMOs are striving for in 2019 and beyond

Marketing and IT are inextricably linked in understanding and enhancing the customer journey. Marketing's role is clear: creating, improving, and maintaining a company's brand to bring new customers into the sales funnel. And as marketing has moved into the digital era, its relationship with IT – from digital media to automation software to mobile apps – is more profound than ever.

As the leading decision-makers for their respective departments, Chief Information Officers and Chief Marketing Officers strive to improve every step of the customer journey. A strong relationship between the two departments is crucial to this, mutually benefitting the customer, employees, and the business.

2019 may be the year where a strong CIO-CMO relationship moves from aspiration to imperative. The notion that marketing and IT should aim to strategically align themselves is not ground-breaking. But the reality of the CIO-CMO relationship is more complex, the route toward its success harder to traverse. When large enterprises are faced with digital transformation and customer-facing initiatives; too often, IT and marketing fail to collaborate well enough to create a competitive advantage. Or even enough to keep up with competitors.

This whitepaper takes a deep dive into the CIO-CMO relationship. It was created to help marketing and IT decision makers learn how, together, they can make a realistic and immediate impact on the customer journey.

1. Uncover the real-world relationship between the CIO and CMO

Our survey – "Charting the new CIO-CMO power axis" – asked marketing and IT decision makers of large organisations about their objectives, challenges, and current relationship with one another. From this, we have gained unprecedented insights into how the CIO and CMO communicate and new realisations into how marketing and IT truly align in modern businesses.
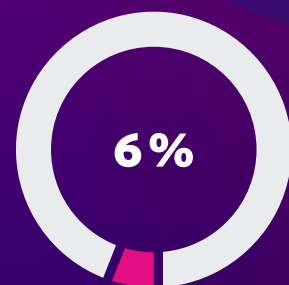
Highest and lowest priorities for CIOs:
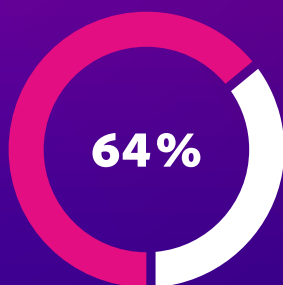
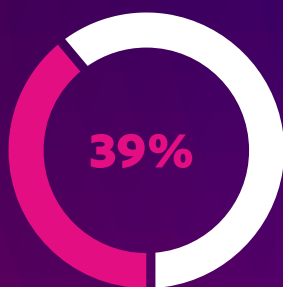**64%**
Continue digital transformation programme
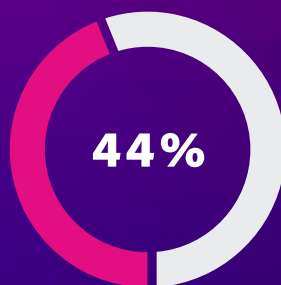
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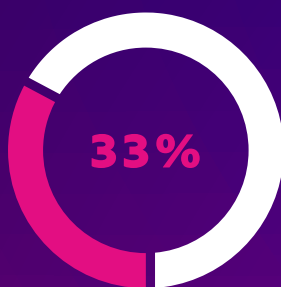Enhance staff experience

6%
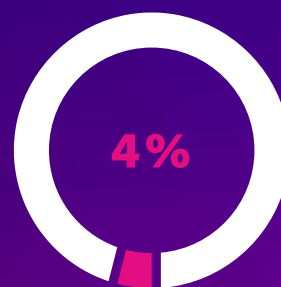Transforming sales and marketing practices to focus more on customer experience

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Highest and lowest priorities for CMOs:

39%
Meeting revenue targets

33%
Acquiring new customers

4%
Support new product launches and services

Leading priorities remain the same

Digital transformation has been a key business driver in recent years, its success reliant on technology like the cloud, big data, and analytics. So, its sustained importance for CIOs is expected. Likewise, marketing success for the C-level will always hinge on tangible metrics like leads, new customers, and revenue.

A disparity in focus on the customer experience?
There is an interesting disparity regarding product launches. Just 4% of marketing decision makers are prioritising the support for new product launches and services, vs. 34% of CIOs. This is a surprisingly low number for CMOs, and perhaps a sign of uncertainty and doubt creeping in around product launches.

Communication is key
At the top level, communication between the CIO and CMO is more important than ever. Both must lean on their experience to plan and execute internal change in their departments, countering the typically inward focus of technology teams with a focus on the customer. This is more complex than simple alignment between the two – and much easier to acknowledge than act upon.

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Key takeaways for CIOs and CMOs

Decision makers at the executive level are the individuals best placed to provide insight into the current state of a company and its future aspirations. They're also the best placed to make impactful changes for the betterment of the company.

Three key themes surfaced in the report that are worth exploring:

Data's importance
Most large organizations deal with swathes of data; maintaining its quality and accuracy is a real problem.

Marketing in the GDPR era
GDPR fundamentally changed how marketers gather information on existing and potential customers. What can IT do to support them?

AI and emerging technology spend
AI, data analytics and workflow automation are the disruptive technologies being prioritized for the future. How does that match up to IT spend?

The views of CIOs and CMOs, respectively, only tell half the story. Examining the results together, we can paint a bigger picture on the current relationship between IT and marketing in large organisations and how it can develop in the future. The following sections explore these takeaways in detail and see what they mean for the customer.

1. Data's importance

Cloud computing exists in three broad spaces: small start-ups have started operations solely on cloud platforms; small to medium-sized enterprises have slowly but surely integrated cloud servers into their on-premises environment; large organisations introduce new cloud instances on top of older ones but struggle to connect them. In each space, an organisation's data works very differently.

The positive for large organisations is that they have a richer set of customer data compared to smaller businesses. They have more potential to create value from that data – transactional data in CRM and ERP, mobile and web, products and services, advertising, social, even IoT – providing they use it in the right way. But for most large organisations, their data is siloed.

> **More then 40% of marketing decision makers agree that their data is siloed and their current systems limit their digital ambitions.**

> **Marketing technology systems are the least organised platforms in terms of data.**

Siloed data is a problem that stretches across every IT system in large organisations. Such is the nature of enterprises where it is a considerable task to integrate systems (and their associated data) that have been deployed at different times in different areas during the company's tenure. But it's marketing technology systems that suffer the most, which spells bad news for CMOs.

> **The answer to this is integrated IT systems. But decision makers – CMOs in particular – have a murky view into which systems use integrated data. CIOs should look to educate CMOs on how data is connected throughout the organisation.**

■ **of CIOs**   ■ **of CMOs**

agree they have abundant data, but quality and accuracy are major issues.

100%	
75%	
50%	**47%**
25%	**14%**
0%	
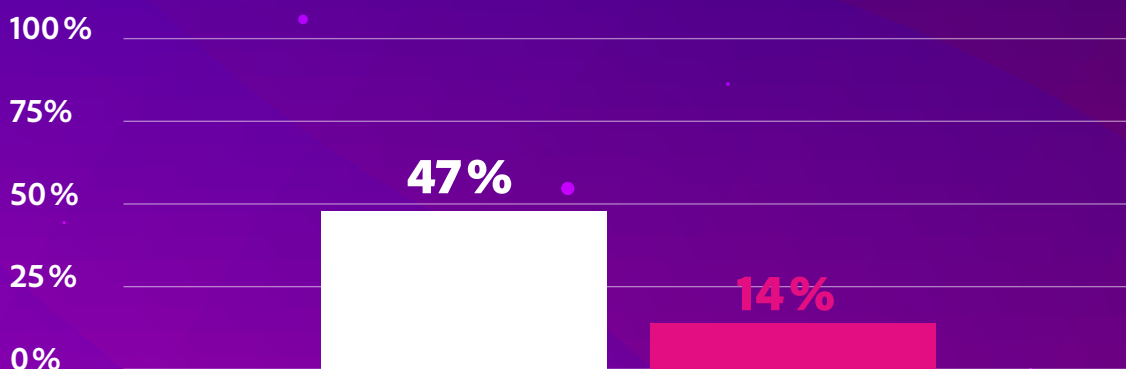
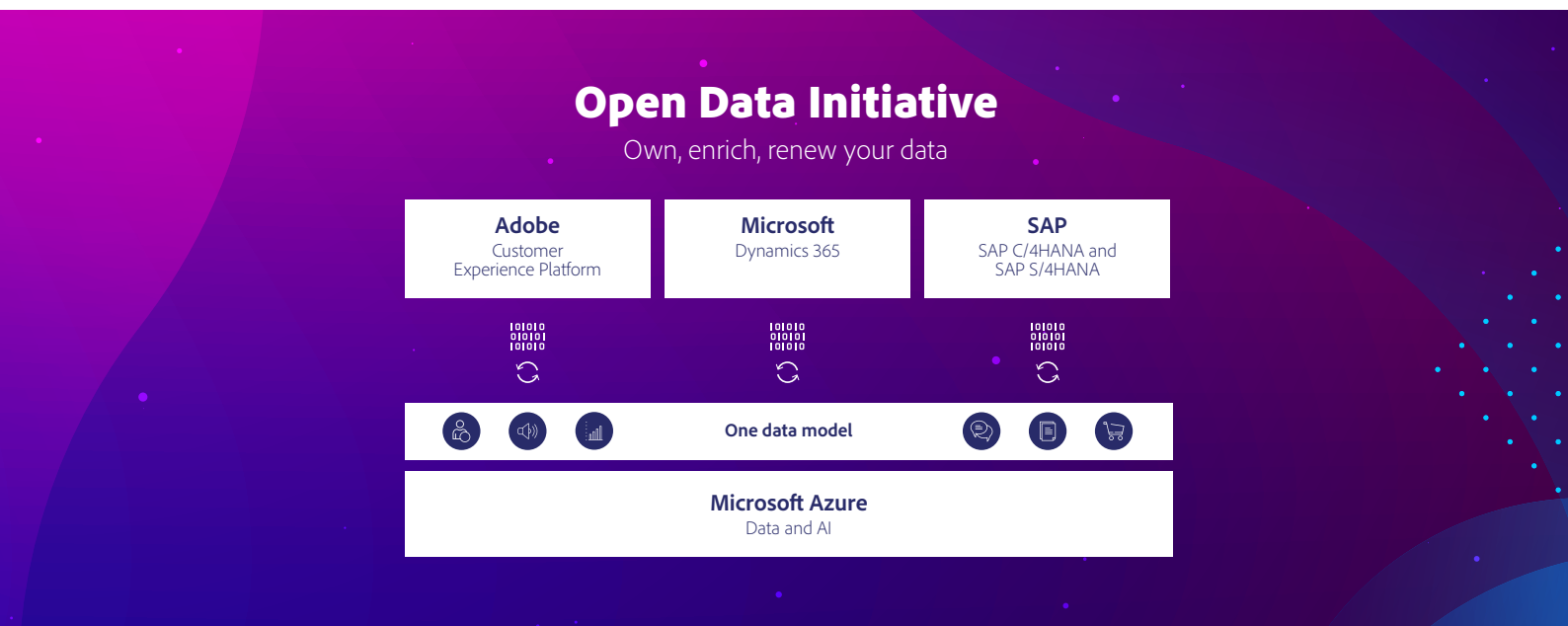With marketing looking for more data and IT looking merely to manage it, a potential point of conflict surfaces. This isn't helped when both sides have a strong case: the more data marketers have, the more they can do for the customer, particularly regarding personalisation. But for IT, more data simply means more work to keep things organized. And that is before considering the impact the GDPR has on personal data.

A new horizon on the customer journey

Organisations are digitally transforming to meet the mandates of the modern consumer. A consumer that is mobile, social, and operating in all channels. To provide an experience that caters to them, companies must create interactions that are fully digital, personalised, and relevant. CIOs and CMOs can create a single view of the customer by connecting their data across the entirety of the customer experience, from demand chain to supply chain, in real time.

Adobe and Microsoft have partnered with SAP to create the Open Data Initiative[1] , helping enterprises unlock data trapped in silos. Through this new initiative, enterprises can bring together data from any channel – CRM, ERP, commerce, sales, product usage, and more – and any device using a single data model.

Open Data Initiative
Own, enrich, renew your data

Adobe	Microsoft	SAP
Customer Experience Platform	Dynamics 365	SAP C/4HANA and SAP S/4HANA

One data model

Microsoft Azure
Data and AI

The Open Data Initiative brings sophisticated Adobe, Microsoft, and SAP platforms together for a complete view of the customer. Azure data and AI capabilities transform your raw data into structured information to create a real-time customer profile, surfaced on the Adobe Customer Experience Platform.

2. Marketing in the GDPR era

GDPR put the privacy of individuals' data under the microscope and has changed how marketers operate. Since it came to affect in May 2018, GDPR was met with some confusion around how its stipulations would work in practice. Marketers initially believed they would need explicit consent from existing customers to continue sending them marketing materials, which led to an array of emails asking customers to confirm their consent. In reality, it turned out that the consent of existing customers was only necessary if it had not previously been freely given or had been withdrawn[2].

1. Adobe. 2019. Open Data Initiative. Online source: www.adobe.com/uk/experience-platform/open-data-initiative.html
2. Business News. 2018. GDPR consent regulations causing confusion among marketers. Online source: www.business-news.org.uk/897674-gdpr-consent-regulations/

It's a fair assumption that GDPR would limit the flexibility marketers have in targeting and reaching out to potential customers. That lack of flexibility surely adds pressure on CIOs, who are responsible for the IT systems that help marketers reach those customers. Now the dust has settled around GDPR, we can paint a more accurate picture of how its laws have changed how businesses operate.

☐ **of marketing decision makers**   ■ **of IT decision makers**

don't think they have the people, processes or platforms in place to remain compliant

45%

11%

| 100% |
| 75% |
| 50% |
| 25% |
| 0% |
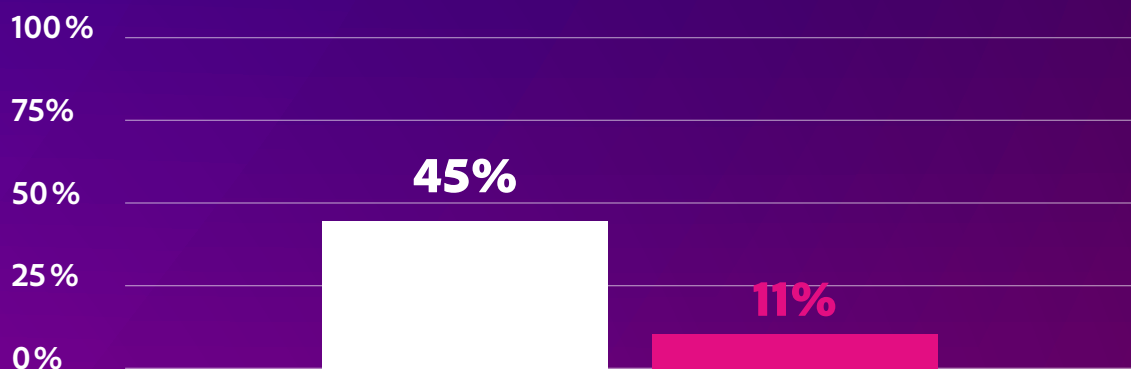
41% of marketing decision makers strongly disagree that the GDPR benefitted big data programmes, encouraged the breaking down of siloes, or enabled the integration of third-party data.

Of the two parties, it is marketing decision makers that hold more negative views around GDPR. CMOs are more concerned whether their business can remain complaint moving forward; more concerned about GDPR's impact on big data and third-party data integration. When the improvement and success of marketing departments is so closely linked to the data of customers, it will take some time before the changes to data privacy, enforced by GDPR, can be accepted and capitalized on.

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of CMOs **of CIOs**

disagree that the GDPR triggered a closer CIO-CMO relationship

100%	
75%	
50%	
39%	
25%	10%
0%	
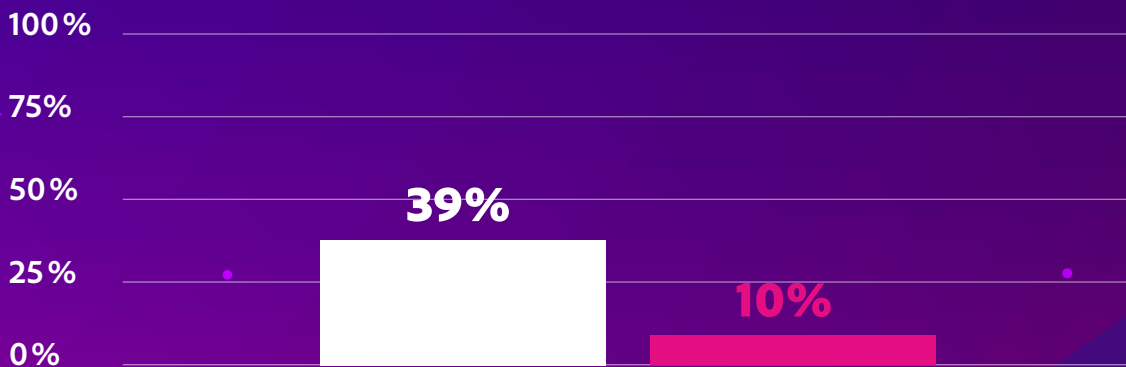
Part of CMOs' discontent with GDPR may be that the organisation's changes were led by the CIO. Understandable, as GDPR has been IT-driven in most organisations. But perhaps more can be done to ensure that marketing departments are clued-in to the changes the regulation has over customer data.

Customer data that's connected and controlled

While GDPR may slow down or confine marketing's reach, its benefit to the customer cannot be ignored, especially in the wake of data privacy scandals. Facebook are paying a record $5 billion fine to settle privacy concerns with the US Federal Trade Commission[3], and many users still don't think enough has been done to maintain the privacy of their data.

Amid the numerous concerns on how organisations process customers' personal data, businesses should look to flip the script. In doing so, they can create newfound and perhaps even stronger customer loyalty and trust.

A shared knowledge of data privacy regulations between IT and marketing is a start. IT should help marketing reinforce existing methods of data management and find new ways to reach out to customers. Adobe Experience Manager and Microsoft Dynamics CRM are enabling businesses to integrate their sales data into the Adobe platform.

- **Adobe Experience Manager Sites**
  Integrate CRM data into Adobe Experience Manager Sites for easier creation, management, and personalisation of content for site visitors.

- **Adobe Experience Manager Assets**
  Manage all your assets at scale through the latest in AI and automation. Feed Dynamics CRM data into your assets and make them available from a centralised hub.

- **Adobe Experience Manager Forms**
  Automatically sync lead creation and other activities between Adobe Experience Manager Forms and Microsoft Dynamics 365 for Sales.

3. BBC. 2019. Facebook to pay record $5bn to settle privacy concerns. Online source: www.bbc.co.uk/news/business-49099364

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3. Marketing in the GDPR era

When looking to improve any new or existing technology, decision-makers in both marketing and IT must be able to parse through the hyperbole to identify areas that will make a real impact.

> **40% or more of marketing decision makers plan to increase spending on workflow automation, AI and machine learning, and marketing automation.**

> **50% or more of IT decision makers plan to increase spending on workflow automation and customer experience technologies.**

There was small decrease in spending across the board for IT and marketing. If budgets aren't going up, decision makers will have to be smarter with spend and prioritise accordingly.

For IT: workflow automation leads over newer tech like robotics.

For marketers: technologies like robotics and AI hold the same interest as workflow. Perhaps this is a sign of greater pressure being felt for marketers to meet profit and revenue targets.

> **Big data and analytics; AI and machine learning, are the most important disruptive technologies for both CIOs and CMOs.**

Artificial Intelligence is the undisputed leader of current emerging technologies. Part of this is due to the broad nature of the term "AI" – which can at the same time entail automation, machine learning, or sentient robots. But the attention that AI receives in the modern workplace is warranted due to its potential. AI is starting to move beyond a technology reserved for industry hype and market leaders towards a practical aid in real-world enterprises. However, both marketing and IT decision-makers should temper the expectations of workers who get swept up in the potential of AI's impact.

Other high-profile technologies like the Internet of Things, Virtual/Augmented Reality and wearable tech remain low on the priority list. It will be some time before they make the leap AI has taken, but surely it is only a matter of time – particularly for technology like VR which holds equally broad and fascinating potential.

40%
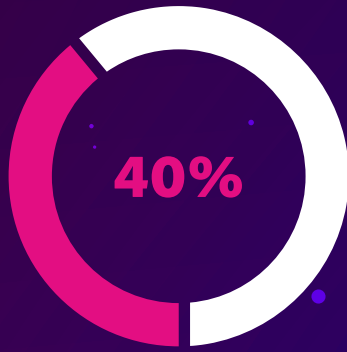
of marketing decision makers believe they can better achieve their priorities by implementing the technologies they know are available

25%
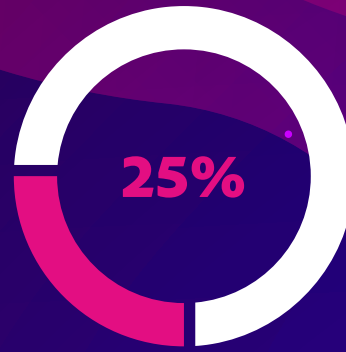
Less than 25% envision working with IT to get the data they need

AI and machine learning are the leading disruptive technologies for marketing decision makers. But perhaps more interesting is the fact that 40% want to implement tech they understand.

This should be reassuring for IT, but CIOs should take responsibility to demonstrate how connected data can be represented in flexible formats. AI and the intelligent workplace are a prime example.

84% of orgs ranked intelligent data platforms with automation capabilities as highly important[4].

73% of IT leaders say strategic vendor partnerships that unify customer profiles and improve integrations across business apps are very important [5].

Together, Adobe and Microsoft enable organisations to unite data for sales and marketing, personalise the customer experience, provide instant access to data visualisations, and more to help you deliver an exceptional customer experience across all touchpoints.

4. Adobe. 2019. Exposing the transformation gap between the tech-savvy and tech sceptics. Online source: www.adobe.com/content/dam/www/us/en/experien-ce-cloud/customer-experience-management/pdfs/digital-transformation-infographic-challenges.pdf

5. Adobe. 2019. Exposing the transformation gap between the tech-savvy and tech sceptics. Online source: www.adobe.com/content/dam/www/us/en/experien-ce-cloud/customer-experience-management/pdfs/digital-transformation-infographic-challenges.pdf

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The CIO-CMO Relationship

If CMOs are to create value from their swathes of data, they must realise that it is the CIO who can help them manage and use that data effectively. Meanwhile, CIOs must realise that a deeper understanding of customers – their behaviour, preferences, habits – is pivotal in creating customer-centric experiences and driving digital transformation. Education in this area will come from the CMO.

Realisation from both sides puts an impetus on a fruitful CIO-CMO relationship. How does that materialise in practice?

35%
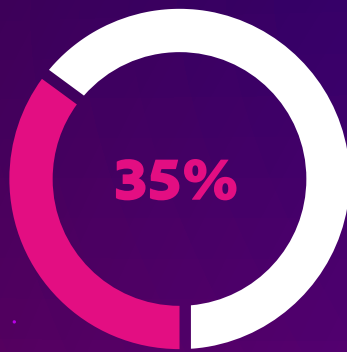
of CIOs plan to work with the CMO to map their tech estate and procure the right applications

33%
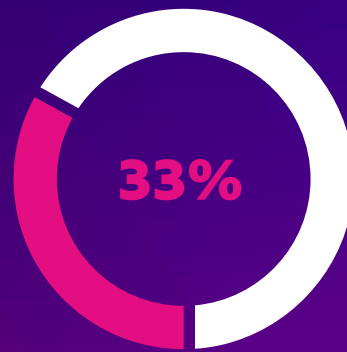
of CIOs will partner and support CMOs to get them the technology they need

The key positive to take away here is that more is being done to support CMOs from a technology standpoint. IT are willing to deploy and develop the right technology to help marketing departments better serve the customer.

A single platform that facilitates data integration and encourages inter-departmental collaboration creates a stable middle ground. The onus isn't more on marketing or IT – both are better able to work together to revolutionize the customer experience.

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New horizons for the customer journey

Forging a winning relationship between marketing and IT isn't easy, but it can be done through a united vision and united data.

The Open Data Initiative is spearheaded by three organisations leading the way in their respective fields. Together, Adobe, Microsoft and SAP are spearheading customer experience management; putting the power of your data in your hands.

While customer experience management is a new space in the enterprise, the architecture it will leverage is straightforward. Businesses can unlock the data from sophisticated application suites:

- **Adobe Customer Experience Platform**

- **Microsoft Dynamics 365**

- **SAP C/4HANA and S/4HANA**

and enrich it through a cloud data and AI layer in Microsoft Azure.

Your organisation has a sea of data. The Open Data Initiative helps organisations unify and make sense of it. You can completely remove data silos and view data in any application as a renewable resource. So, you can set sail towards the new customer experience – one that is digital, personalised, and relevant to every customer.
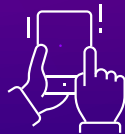
For more information on the Open Data Initiative
and how Adobe and Microsoft are working together
to revolutionise the customer experience,
get in touch with us today.