

Undervalued or promiscuous? CMO turnover reaches its highest ever level

A new report from Russell Reynolds says that the turnover of US CMOs is at its highest yet, with 48% of companies changing their top marketer in the past 12 months. Are marketers being promiscuous or are they undervalued by employers?

By Rachel Gee on 5 Aug 2016



Marketers are on the move, with Snapchat, Twitter and Morgan Stanley among the many companies who hired new chief marketing officers in the first six months of the year alone.

The moves come as a report by Russell Reynolds Associates highlights that the turnover of CMOs in the US is at its highest record since the company began recording all major appointments four years ago, illustrating the pressure top marketers are under on both sides of the Atlantic.

The firm says that there were 175 marketing-leader appointments in the first six months of this year, compared to 147 appointments the year before.

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To get a better insight into why marketers are leaving, the report looks at the patterns of marketing leaders who left their roles in Q3 or Q4 2015. It finds that 61% left their company to pursue a new opportunity, and of this figure 75% stayed in the same industry while 25% moved to a different one.

The highest turnover comes from retail marketing leaders as the report finds that among the top 30 US-based retailers by revenue, 48% have turned over their marketing leader in the last 12 months alone.

“The high level of turnover among retail marketing leaders is undoubtedly the result of ongoing industry turmoil, as legacy brick-and-mortar retailers continue to adapt to the reality of multichannel commerce and the rapidly changing consumer landscape,” the report states.

However, Allyson Stewart-Allen, CEO of International Marketing Partners Ltd is not convinced. She says it is unfair to blame marketers in the retail industry for those businesses’ failures to adapt and that CEOs need to “own that bullshit”.

She believes a more pressing reason why CMOs are moving is because their skills are being undervalued due to the fact that retailers struggle to measure the correlation between marketing and offline sales.

CMOs are under pressure from finance departments, who want them to demonstrate proven links between the two, and many may be moving on due to frustration, she adds. “The skillset of marketers is undervalued due to the fact that marketers cannot defend their marketing returns,” Stewart-Allen says.

She believes this is particularly noticeable in the UK, where she says marketer’s skills aren’t valued and are seen as the “grubby end of the business enterprise”.

The report also finds that the majority of hires in the first two quarters of this year were external, at 62%. The financial services sector hired the most CMOs from other industries, while the consumer and technology industry mainly appointed within their own sectors.

Pete Markey, brand communications and marketing director at Aviva tells Marketing Week that he isn’t shocked at the report’s results and that it can be seen as a lesson to marketers, in that they need to avoid being one-dimensional.

“I think sometimes leaders are there for a season and the report shows that these seasons are changing faster.”
Pete Markey, brand communications & marketing director, Aviva

“These days marketers must not just focus on building brands but they must be fantastic at digital, data analytics and interpreting. Many marketers have been great at direct marketing but they now need the combination of all these things to make them successful,” he said.

Markey has himself moved between industries, from CMO at Post Office and before that RSA Insurance group, to his current role at Aviva. He believes this prevents marketers from becoming “tunnel visioned”.

He says the finance sector is hiring from outside in order to achieve “small, powerful connections” with consumers, for example by deploying a retail based approach similar to those at John Lewis and Dixons Carphone.

Gender diversity has grown among CMOs, the report finds. Women now account for 40% of all marketing leadership appointments, up from 34% from the same period in 2015.

“I think gender diversity is being more consciously recognised now and it should be. It is really important to open the door to all the best talent,” says Markey.

“The report is a good wake-up call for marketers to stay fresh, relevant, curious and to keep up with the pace around them.”