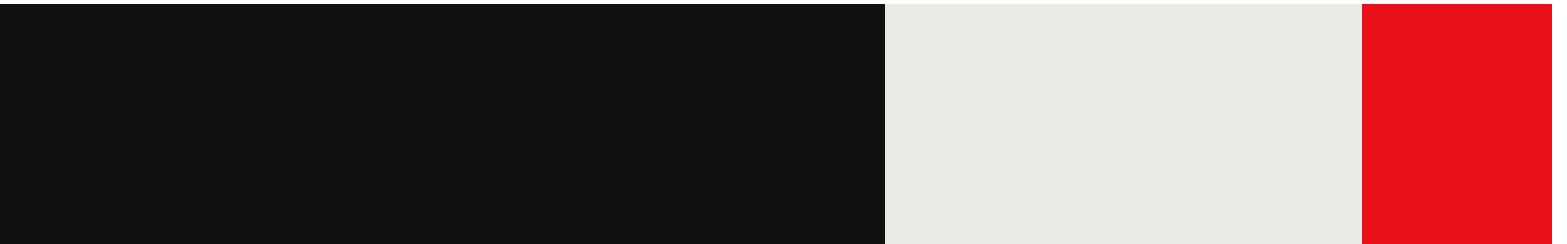


Behind the Numbers: Welcome to the Third Era of the CMO Role—The Chief Marketing Everything

Audio



On today's podcast episode, we discuss the new challenges facing today's CMO and how GenAI, and now AI agents, are transforming the job. Tune in to the conversation with Senior Director of Podcasts and host Marcus Johnson, our Analyst Jacob Bourne, and the President of Zeta Global Steven Gerber. Listen everywhere and watch on YouTube and Spotify.

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TRANSCRIPT

Marcus Johnson:

Do you know what it takes to transform marketing into a data-driven profit center? Are you able to align the C-suite around your AI vision and strategy? Well, Zeta Global has the

playbook to help you get started. Download [Driving Growth in the AI Era](#) today. Link is in the show notes.

Hey gang, it's Friday, February 21st. Jacob, Steven, and listeners, welcome to Behind the Numbers, an EMARKETER video podcast made possible by Zeta Global. I'm Marcus. Today we will be discussing what's next for the CMO. Today I'm joined by two people to help me with that conversation. We first introduce our technology analyst who resides in California. It's Jacob Bourne.

Jacob Bourne:

Thanks for having me today, Marcus.

Marcus Johnson:

Yes sir, of course. And we also have with us the president of the Zeta Global coming to us from New York. It's Steven Gerber.

Steven Gerber:

Great to be here.

Marcus Johnson:

Yes sir. All right, gents, we start with a speed intro, to get to know our guests a little better. Anytime we have an external guest, we want to get to know them before we start the conversation. So 60 seconds on the clock. Let's do it. Steven, we'll start with you. You are based in where and where are you from?

Steven Gerber:

Based in New York City. I've been here for most of my adult life, but I was born and raised in Chicago and still consider myself a Chicagoan and unfortunately a Bears and Cubs fan.

Marcus Johnson:

Oh, tough stop. Jacob, how about you?

Jacob Bourne:

Yeah, from Maryland originally. Moved around quite a bit. Been in California for a while, just east of San Francisco currently.

Marcus Johnson:

Very good. Steven, what do you do in a sentence?

Steven Gerber:

I am a leader of a team of all-stars that is focused on the biggest problems in marketing and our job is to make CMOs the heroes of their story as they become a leading force in enterprises today, tomorrow, and in the future.

Marcus Johnson:

Very good recovery after the Bears comment. Jacob, how about you?

Jacob Bourne:

I'm a market research analyst and I primarily write research reports on tech trends.

Marcus Johnson:

Very good. Steven, your morning drink is...

Steven Gerber:

Coffee.

Marcus Johnson:

How do you take it?

Steven Gerber:

Black coffee right before I work out.

Marcus Johnson:

Oh, that's everyone's answer. And it's a terrible one. Single shot breve Cappuccino is what we're looking for. Jacob?

Jacob Bourne:

I'm a green tea drinker, but I do like a good Americano occasionally.

Marcus Johnson:

I'll allow it. And Steven, favorite vacation you've ever been on.

Steven Gerber:

Honeymoon. Maui.

Marcus Johnson:

Good answer. Well play. He finished strong. Jacob.

Jacob Bourne:

A camping trip to the Mount Shasta area. The beauty is like a national park, but without the crowds.

Marcus Johnson:

Very good. Ideal. Very good. All right, there's our two guests for today. Let's move to the fact of the day. All right, so how did the Hollywood sign get there? So it used to say something else, actually. Do you guys know what it used to read?

Steven Gerber:

Hollywoodland.

Marcus Johnson:

Bang. Steven, well played. Hollywoodland indeed, yes. The sign was built to be a billboard, an ad basically, in 1923 by Harry Chandler, the publisher of the LA Times. And he was promoting a new Hollywoodland housing development in the hills. \$21,000 was the cost of the sign intended to be there for 18 months, but the developments eventually went under and so its ownership transferred the sign to the city, and the sign wasn't in great shape. And so in 1949, the Hollywood Chamber of Commerce offered to repair the sign if the last four letters or the land part was removed. And so it was, and that's where the sign came from. That's quite an aggressive billboard if I'm honest. Can you imagine doing that today? That's putting a big, just a ton of letters up to promote your whatever.

Steven Gerber:

The world was different a hundred years ago.

Marcus Johnson:

Yeah, exactly. I know. Fact that it is a hundred years old, yeah, last year, is remarkable. All right folks, today's real topic, AI and the CMO. All right, gents. So today we're talking all about the CMO role, how it's evolving, how AI is helping it to evolve. And Steven, you just put out a new ebook and it's called Driving Growth in the AI Era: The CMO's New Playbook. What's the book about?

Steven Gerber:

So the CMO's new playbook isn't a how-to guide, it's the story of the modern CMO and the defining moment that they face. And like every great story, our hero who's the CMO has an intention and an obstacle. Their intention is to drive profitable growth and to elevate marketing as a strategic driver of their business. Now, the obstacle is a rapidly shifting landscape that's being shaped by AI, but also changing consumer behaviors, and most importantly for our hero, rising expectations from the CEO and their board. And so we wrote this book, the CMO's New Playbook, to talk about how CMOs can navigate this transformation and emerge as the next generation of growth drivers for their company and in the industry.

Marcus Johnson:

So it's a great read, 18 pages as well. So if you're thinking I haven't got time for 500 pages, okay. Because a nice short book and it's really well written. In it, you talk about the chief marketing officer being at a crossroads as they enter what you guys are calling the third era of marketing leadership. Tell us a bit about, Steven, about one and two, eras one and two, and then this third era the CMO has just entered into.

Steven Gerber:

Great. And the CMO actually is a relatively new role in the corporate hierarchy. And the first phase of the CMO began with the appointment of Sergio Zyman, who was the CMO at Coca-Cola, and the first one ever. And he really epitomized this notion of a brand steward and he was focused on storytelling and advertising. Now what happened next was around 2008, 2009, with the rise of search and social media, which were new channels, they forced the CMO to evolve into digital mavens. And so they were mastering these channels and really began to look at new metrics. But today you have the rise of AI, but you also have a situation where growth, profitable growth is at a premium and the traditional marketing levers are no longer enough. So if the first phase, brand stewardship, was about winning the water cooler

conversation, the second phase being a digital maven was about mastering hashtags and virality and deeper types of engagement. Today it's about becoming a growth architect, and that's about moving the PNL and earning a seat at the boardroom table.

Marcus Johnson:

Talking about moving the PNL, in some research you have in the piece, over half of marketing leaders now expected to deliver on revenue growth and help with operational efficiencies as well, you write, some research you did with the CMO council. We also had a piece where we cited some research. 88% of marketing leaders are responsible for meeting a revenue goal. 88% is basically everyone, according to June 2024 Airtable survey. And so, I want to say, the goalpost have shift, but the role, the responsibilities have certainly shifted and evolved as we enter this new third era.

Steven Gerber:

One of the things that we've seen, Marcus, is that when you go back to the beginning, marketing was really a cost center. So Mr. Zyman would be talking to the board of Coca-Cola about how much he could get to spend on things like Super Bowl commercials.

Marcus Johnson:

Right.

Steven Gerber:

Today a CMO, if they do make the case, today, if a CMO goes to the board to ask for an investment in a Super Bowl commercial, you've got to believe it's tied to an ROI.

Marcus Johnson:

Yep, yep. And they're also being asked to do more with less. There was some Gartner research, they were saying marketing budgets have fallen from 11% of revenues to less than eight in the last couple of years from 2020 to 2024. So that's also another challenge which they're having to face, is-

Steven Gerber:

And not just less budget, it's also less resources.

Marcus Johnson:

Yes.

Steven Gerber:

And that's part of what we-

Marcus Johnson:

Great point.

Steven Gerber:

... talk about in the ebook. And it's also one of the ways that AI can not just change the score, but also change the game.

Marcus Johnson:

I want to talk about how AI is affecting, and this might be one of your answers, but how AI is affecting the CMO role in particular. But first of all, on page two right up top, you talk about some key challenges for the CMO's role being organizational design, optimized for a previous era, misalignment with CIOs, skeptical CEOs, outdated tech, et cetera. And so I was wondering if you could come up with a pie chart of challenges for us, just including a couple of slices in terms of the challenges that today's CMO are facing. What are some of the main ones? What shares would you give them?

Steven Gerber:

Marketing is fundamentally about changing how consumers think and influencing what they do. So half of the challenge that CMOs face are external and those are harder to control. What they need to focus on first are controlling the controllable so that other half is internal. So too often, brands are trying to engage what we call the connected consumer. And the connected consumer is someone who's always online, they're filtering, they're sharing, they're liking, and they're ignoring. We know this person, Marcus. They live in our homes or they stare back at us in the morning every day.

But companies are interacting or engaging with the connected consumer with a disconnected organization. One slice of the pie is disparate data sets that don't talk to each other. Another slice is technology that's optimized for yesterday, but struggling to keep up with the challenges of today. You also have a slice that's growing and that's a CMO-CIO dynamic that feels more like Venus and Mars than a true partnership. And lastly, the most controllable of all,

but often the hardest to fix is a marketing organization that's stuck in process when the real goal is outcomes.

Marcus Johnson:

Yeah. Yeah. I think it was the second slice you mentioned I want to touch on because using the wrong tools, again, in the ebook you talk about marketers only using about half of the tools that they're invested in, and you explain that oftentimes it's because another department bought them and they're being forced to use them because someone else was like, "These are the ones we have the budget for."

Steven Gerber:

Right. That gets back to that CMO-CIO dynamic where they may have conflicting goals.

Marcus Johnson:

Yeah, exactly. All right, let's move to the AI piece of this. Jacob, I want to bring you in to start with this question, but how is gen AI transforming the CMO role the most to you?

Jacob Bourne:

Yeah, I mean I think it's a huge just shift in the entire landscape. And I think for CMOs, the bulk of the role is moving away from being a creative director and more towards being a strategic performance driver. And I think AI is really doing that because of its ability to democratize key functions like content creation and just all the various aspects of campaign execution. And that really, I mean, it's a good thing in that it frees up CMOs to focus on higher value activities. And that could be just really thinking critically about the full customer journey or how to work with C-suite to drive revenue growth. But I think it also ultimately means that it's an adaptation and there's need for a quick adaptation as well as up-skilling.

And so I think it's really about, it's the CMO, but also the entire marketing team and ultimately a story about companies investing in AI, but also investing in humans who are using the AI to really get the most out of it.

Marcus Johnson:

Yeah,.

Steven Gerber:

I-

Marcus Johnson:

Yeah, please.

Steven Gerber:

I think that's a great point, Jacob. And we fundamentally believe that marketing is on the front lines of the AI revolution where data, creativity and automation all collide. I often say that gen AI itself has two killer applications, marketing and homework. And so because marketing is where you can really see the impact of gen AI, that's where the focus of CEOs and boards have really elevated the role of the CMO, where they're not just about creativity, they're not just about marketing campaigns, but they're also about how do they help organizations become great practitioners in this new AI-powered era. And what you're also seeing though, is that AI truly is transforming marketing, but as you touched on, it's transforming marketers and marketing organizations. Our belief and it's really the catalyst for this book, is that no one will be impacted more than the CMO. And the whole notion of the modern CMO is that they're not just focused on growth, but it's also to be this leading practitioner in this AI-powered era.

Jacob Bourne:

Yeah. Yeah. No, I a hundred percent agree. It's almost like having a robust AI strategy and understanding how to use AI is almost as important as this traditional marketing principles and being able to use those and leverage those as well.

Marcus Johnson:

And you mentioned this in the ebook as well, 70% I believe you say, of CMOs are in charge of steering the company for gen AI use cases, not the strategy person, not the VP of AI, et cetera. Steven, should they be? Because you say that they'd be more involved, but is that a role where you see them really getting their arms around or is that something that should be a much more 50-50 collaboration between them and somebody else?

Steven Gerber:

So this gets back to where the CMO-CIO partnership needs to be much stronger, and we ultimately see that as a symbiotic relationship between the CIO and the CMO. But it also gets back to the evolution of the organizations. Because the use cases are most prominent and the

measurability is most precise in marketing, it does make sense for the modern CMO to elevate, to lead this within their organizations, but it's not something they can do as a solo act. It's something that they do need to pull in others within the organization.

Marcus Johnson:

Yeah. And-

Steven Gerber:

And most importantly-

Marcus Johnson:

Please.

Steven Gerber:

... they need the right tools.

Marcus Johnson:

Yes, absolutely. Yes. You have a quote from Julie Bowerman, CMO at Kellanova in North America, and she's saying, "The hard part isn't the tech, it's not the funding, it's not the talent, it is the change management piece." You can find the right tech, the right talent, get the right amount of money for it, but, Jacob, I think to something you were saying about people, it's getting folks to work differently, which is a big piece of the puzzle

Steven Gerber:

Without question. But I think when you go back to your pie chart construct, it would be probably a third, a third, a third in terms of importance. It's as you move towards implementation that the change management, which is really around bringing all three of those together is so critical. But the right tools also means that the critical part of AI is to get your data house in order. One of the things that we've learned with the rise of the GPTs and gen AI is that any model is only as good as the data that's underpinning it. And you're in this situation, back to the biggest barriers are internal, where most enterprises have data that's spread throughout the organization and they haven't brought it together in a way that they can really take advantage of next generation AI tools.

Marcus Johnson:

And this is where you talk about the intelligence gap. You summarize it really beautifully. "Data is abundant, intelligence is scarce."

Jacob Bourne:

It's also-

Steven Gerber:

Marcus, you're stealing all of my lines.

Marcus Johnson:

Sorry.

Steven Gerber:

But it's good. Read the ebook. There's a lots of other-

Marcus Johnson:

Can you put my name on there?

Steven Gerber:

... things like that. It's like a Michael Scott quoting Wayne Gretzky and putting it on his board.

Marcus Johnson:

Sorry, Jacob.

Jacob Bourne:

I would say it's not just about sourcing the abundant data that's out there, but also making sure that the data is organized well, labeled correctly, and free of biases, free of errors, comprehensive. And all that takes quite a bit of skill to make sure that-

Marcus Johnson:

Jacob, how-

Steven Gerber:

And Marcus, if I could build on the notion of what we call the intelligence gap-

Marcus Johnson:

Please.

Steven Gerber:

... which is one of those things holding brands back and really gets to a fundamental problem where all three of those areas that Julie touched on. And so the intelligence gap is that space between having data in the right place and actually using it in a way that delivers better experiences for consumers and better outcomes for the brands. Now, the situation at too many companies is that instead of intelligence or insight, brands are stuck in what we call a doom loop of more data, less intelligence and lower impact. And instead of learning more and more and getting better and better, they're learning less and less and getting worse and worse.

Marcus Johnson:

And how much of, I mean, you were mentioning how new this the CMO role is. gen AI is even newer, as we know, two years ago, ChatGPT first hit the scene and everyone started talking about it. But Jacob, our Becky Schilling was noting a lot of companies and shareholders behind those companies are expecting immediate returns on AI investments. You were saying, however, 17, just 17% of AI decision makers said they were already seeing ROI from their AI tech. 33% of people, the majority in this case, expected to see a return within one to three years according to UST global survey. So how much of this is right now, it's experimentation, testing, seeing how things go and trying to not rush things because it's still so new?

Jacob Bourne:

Well, there's not a simple answer to that question. First of all, I think for marketers, it's well beyond experimentation. And I think if you look at specific use cases like content creation, you're seeing robust ROI from generative AI for marketers, no question. But the problem or it's not a problem, it's a good thing and a bad thing, but AI is advancing so rapidly, and not only is it advancing rapidly, but it's causing this evolution in the entire digital landscape. And so it's created an atmosphere of uncertainty where you don't know really what's coming out next, what's the next advancement, what's the next tool that's going to come out that you need to upskill your team and use, to get that competitive advantage. So the ROI is there, but I think the experiment never ends pretty much because AI is evolving so rapidly, the tech landscape is shifting so rapidly that you're constantly in experimental phase.

Steven Gerber:

I think that's a great point, and marketers need to continue to experiment. Experimentation is really a foundational tool for the modern CMO.

I think it's important though to understand that AI really ties to specific use cases. It's important to understand that gen AI applies to specific use cases. Here's how we think about it. There are three primary value drivers or creators of value within the gen AI portfolio. So the first, as we look at it, is productivity. And that's really how you can do more with less. And some of the gains that we're seeing are mind-blowing, where certain tasks that may have taken a week can now be done in less than an hour. And that's the kind of thing that does really move the needle. It's what I call before Marcus, changing the score.

We also do a lot around prescience or predictability where it's a build on the notion of predictive AI, which has been in market for almost 10 years. You may think of that as the recommendations from Netflix, or you may have heard of the term next best offer. We're using that across more macro or meta datasets on things like how to best allocate my marketing investment. The third lever for us is probably the most powerful, which is personalization. And we believe that gen AI is the catalyst to move from faux personalization to personalization that really moves the needle. The ebook that will follow this is about the whole notion of the golden age of personalization, which is being driven by the adoption of gen AI tools.

Now, all of those have different KPIs. All of those have different levels of implementation, time horizons, but they all build on each other to try to drive impact and ultimately get to that notion of the CMO or the modern CMO as the growth architect and then the growth driver of an enterprise.

Marcus Johnson:

Yeah, I won't give it away. People should check out the book. You've got some great numbers from Boston Consulting Group about the power of personalization in it. So definitely click the link in the show notes and read the full ebook. But there's some great numbers in there on personalization.

Steven Gerber:

And always great to plug our friends at BCG.

Marcus Johnson:

Yes, absolutely. Some brilliant work. Let's end with this, Jacob. OpenAI, they've unveiled some new AI agents, which has been a big story as of late. It was one of the big trends we were talking about in January for this year with regards to AI, AI agents, AI that does things for you autonomously. Operator is out now. Deep Research just dropped. What role will AI agents play in helping CMOs with their evolving jobs, in your opinion?

Jacob Bourne:

Yeah, I mean, I think what AI agents do is it leverages the power that we've seen and talked about of advanced AI, and then it just automates it. So you can have AI agents that work together in the background to automate day-to-day tasks or an entire campaign eventually, things like audience targeting. And that in of itself is very powerful. But I think what we're seeing and we're going to see is this fusion of AI agents with digital twins technology where you have a virtual testing ground for AI agents to work with, where it really allows marketing teams to test various virtual campaign strategies in a risk-free environment where you're not spending your budget to go live yet. You can iterate and optimize before launch. And I think the fusion of these two technologies is going to be a really powerful combination for marketing going forward.

Steven Gerber:

Our core platform, the Zeta marketing platform, is fundamentally based on agents. The whole agentic framework is what's powering the future of our platform. So everything that might have been a feature or a function or a module will now be one agent or multiple agents. So as we talked about, productivity is one of those areas. You may have a data scientist agent, you may have a creative director, or you may have someone who's a campaign manager that has their role amplified by an agent, and that gets pulled through in every part of the marketing value chain. And so I agree with what Jacob said that today it's really about amplifying those humans so that they can have more impact of the stuff that they're doing today, but also give up some parts of their tasks that they could then focus on higher value areas.

Marcus Johnson:

Yeah.

Jacob Bourne:

Yeah. And just to add to what Steven just said, and I think the vision here is that those specialized AI agents one day will be able to really work with each other seamlessly. And so again, it's this taking this level of automation to a whole nother sphere.

Marcus Johnson:

Yeah. Well, the full ebook is called, as I mentioned at the top, Driving Growth in the AI Era: the CMO's new Playbook. You can click the link in the show notes to get it for free. That's what we have time for today's episode, though. Thank you so much to my guests for hanging out with me. Thank you, first, to Jacob.

Jacob Bourne:

Thank you, Marcus. Thank you, Steven.

Marcus Johnson:

Yes, sir. Thank you to Steven.

Steven Gerber:

Thank you, Jacob. Thank you, Marcus. Was delightful to be here. Thank you.

Marcus Johnson:

Absolute pleasure. Thanks to the whole editing crew, Victoria, John, Lance, and Danny, Stewart who runs the team, and Sophie who does our social media. Thanks to everyone for listening in. We hope to see you on Monday for Behind The Numbers, an EMARKETER Video podcast made possible by Zeta Global. Happy weekends.