CONNECT THE UNEXPECTED: CLOSING THE CMOxCFO *BRAND VALUE* GAP *IN* B2B

Fear, uncertainty, and doubt: investigating the barriers to B2B brand-building progress in 2023.

TRANSMISSION.

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EXECUTIVE *SUMMARY*

In 1996, David Aaker's *Building Strong Brands* revealed that in many organisations, "brand building will occur only after the business 'makes the numbers'", and "when sales and profit goals are threatened, brand investment is cut back to compensate."[1]

Not much has changed in B2B firms nearly 30 years later. The recommendations of the 'godfathers of effectiveness', Binet and Field, to spend **54% of B2B marketing budgets on activation** and **46% on brand**[2] **have fallen on deaf ears** — our 2022 State of B2B Brand Building study showed that brand-building programmes represent just **5-20% of overall B2B marketing budgets**.[3]

EXECUTIVE *SUMMARY*

Today, despite the growing body of research that shows optimal growth and profitability come from implementing a more equal balance between short- and long-term marketing, there's still significant evidence of what the Institute of Practitioners in Advertising (IPA) call the 'Brand Board Rift'.[4] Fears, uncertainties, and doubts about brand marketing, driven largely by the mixed views and perceptions of business leadership teams.

Here at Transmission, we believe the most concerning rift exists between the Chief Financial Officer (CFO) and the Chief Marketing Officer (CMO). According to our 2023 survey, nearly **60% of B2B CFOs don't believe brand marketing is a key driver of short-term sales performance**, in contrast to **77% of B2B CMOs who believe it is**. And when asked whether brand marketing is a critical activity for the marketing function, **86% of CMOs say yes** while only **45% of their CFO colleagues feel the same**.

EXECUTIVE *SUMMARY*

At the heart of the conflict sits a tense relationship between the CFO and the CMO. These two senior figures suffer from an imbalance in professional respect and confidence, as well as a lack of collaboration.

More alarmingly, our research reveals that many of the legacy fears and doubts about the effectiveness of B2B brand building are being perpetuated by CMOs themselves. If **66% of CMOs think there are no reliable metrics that clearly tie brand marketing to revenue growth**, is it any surprise that **79% of CFOs do too**?

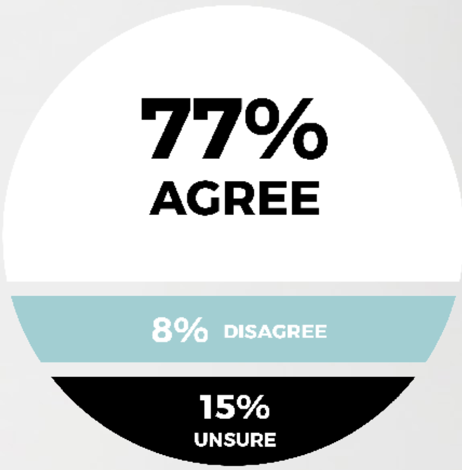
This report compares and contrasts CMO and CFO B2B brand beliefs. We want to expose the biggest stumbling blocks to brand building in our industry — the uncertainties, misapprehensions, and fixed mindsets standing in the way of progress.

This report also contains evidence — including generous contributions from The B2B Institute — to help CMOs and other senior B2B Marketers build a stronger case for greater brand-building investment. To better align with finance to measure and report on the commercial benefits of brand building. To challenge fear-based narratives. Only then can we wrench our industry out of the past and into a more effective, sustainable, evidence-led future.

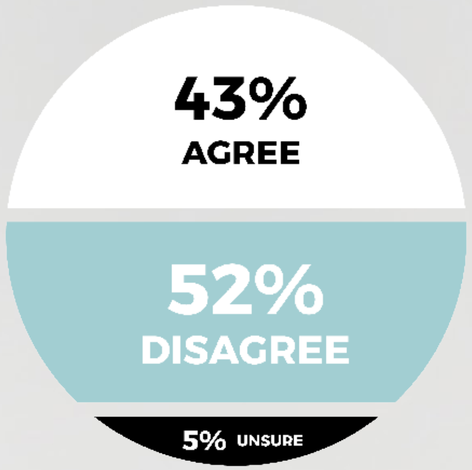
EXECUTIVE *SUMMARY*

Brand marketing is a key driver of short-term sales performance

CMO

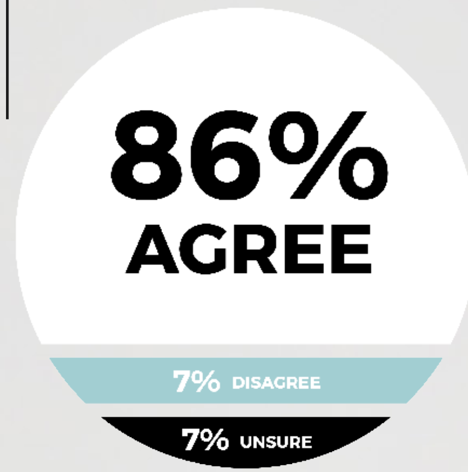


CFO



Brand marketing is a critical activity for the marketing function

CMO



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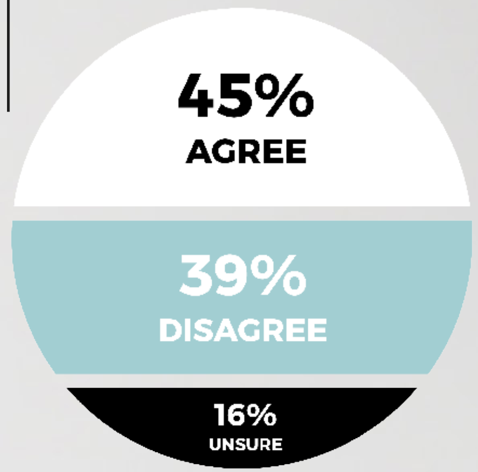


INTRODUCTION

You don't have to look far to find stereotypes in our industry. Finance leaders are rational thinkers focused on the bottom line. Marketers are creative and less concerned with the numbers. As with any stereotypes, they're built around a grain of truth. But the complex, multi-dimensional people we work with every day can't be encapsulated in clichés.

This report investigates assumptions on both sides of the boardroom table to help CFOs and CMOs better understand each other's opinions of brand marketing in modern B2B businesses.

We spoke to over **200 CFOs and 200 CMOs**, split equally across North America, Europe, and Asia-Pacific. We also posed the same questions to both audiences to easily compare and contrast their viewpoints.

With an exclusively B2B, cross-vertical focus and a set of questions designed to be searching, detailed, and revealing of deeply held beliefs, this report goes further than any previous CFO-CMO study.

INTRODUCTION

Our questions explore:

- **How far respect and alignment exist between CMOs and CFOs**
- **Honest perceptions of brand marketing, its role and value to the business**
- **The importance of brand marketing in the boardroom**
- **How is brand health and effectiveness — and how are being measured**
- **Hopes and fears for brand building in the future**

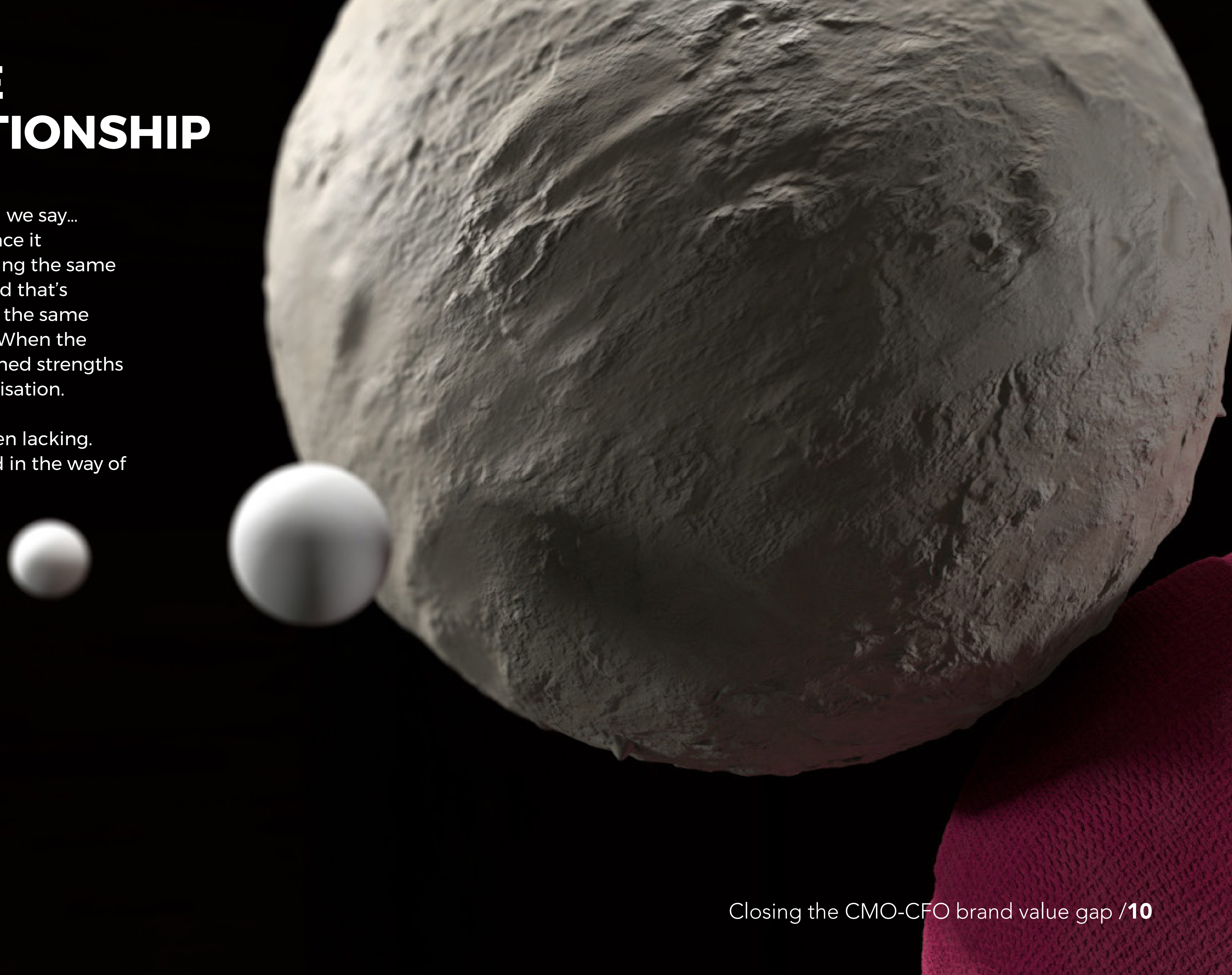
The results reveal the reality of the CMO-CFO divide. Some of these results are shocking — and, to those of us who appreciate the value of brand — disappointing. If brand is being maligned in the boardroom, responsibility doesn't lie purely at the door of non-Marketers such as the CFO. For today's B2B CMOs to seize the opportunities for business growth, they'll need to find the courage to challenge others' legacy mindsets, as well as their own.

EXPLORING *THE* CMO-CFO *RELATIONSHIP*

EXPLORING THE CMO-CFO RELATIONSHIP

As the old saying goes, you say potato and we say… well, we also say potato — we just pronounce it differently. CMOs and CFOs are both chasing the same business growth from different angles. And that's ok. The skills that make a great CFO aren't the same qualities you'd look for in a brilliant CMO. When the two complement each other, their combined strengths create more effective results for the organisation.

But that sense of partnership is all too often lacking. We've identified five factors that can stand in the way of a fruitful CMO-CFO relationship.



RESPONSE TO ECONOMIC PRESSURES

No analysis of this topic in 2023 would be complete without mentioning current market conditions. When inflation is rising, investment is falling, and the economic outlook is volatile, all eyes turn to the financial health of a business. CFOs wield more power in these circumstances. While CMOs are focused on the customer, CFOs answer to shareholders and investors.

Our global survey respondents are investing between $1million and $2million on average in B2B brand marketing programmes or activities in the 2023 fiscal year. Nearly **70% of CMOs and CFOs said current economic and inflationary pressures were impacting their brand marketing spend levels**.

Encouragingly, **64% of CMOs felt that in times of economic uncertainty**, brand marketing should be given a higher level of importance in their company. Less encouragingly — only **26% of CFOs agreed**.

In times of economic uncertainty, should brand marketing be given a higher or lower level of importance in your company?

CMO VIEW:

64% higher level of importance 64%

20% lower level of importance 20%

16% no change in the level of importance 16%

CFO VIEW:

26% higher level of importance 26%

37% lower level of importance 37%

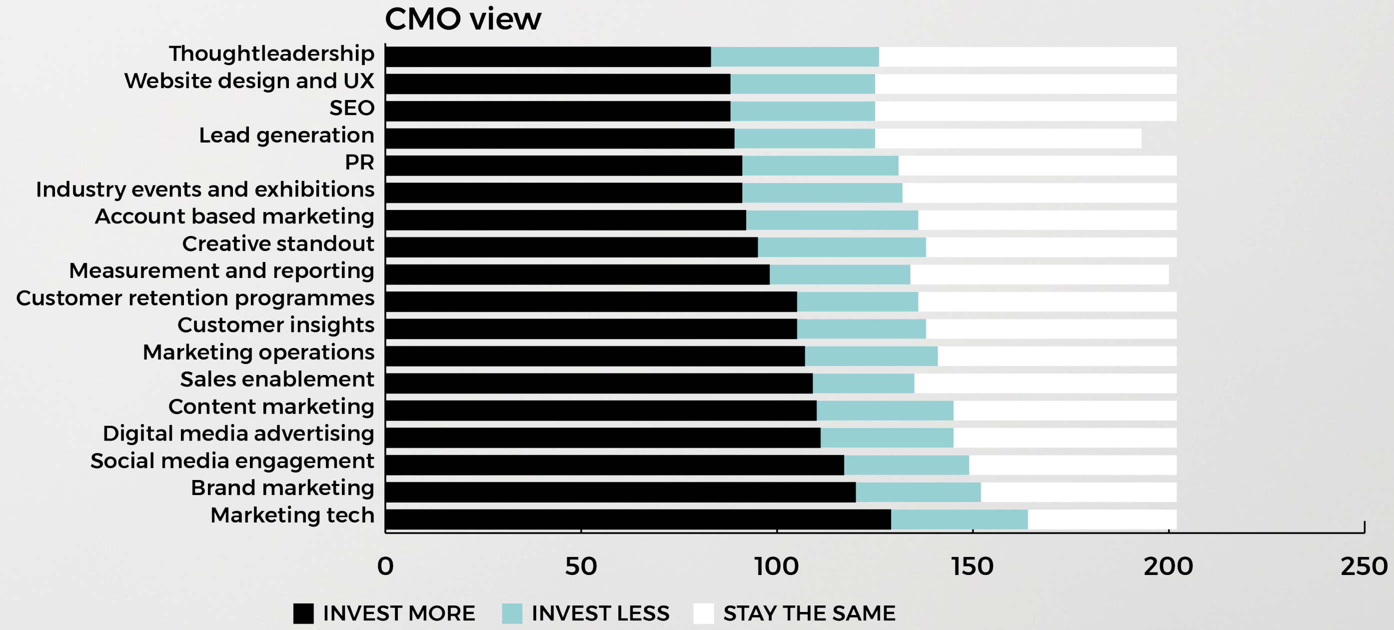
37% no change in the level of importance 37%

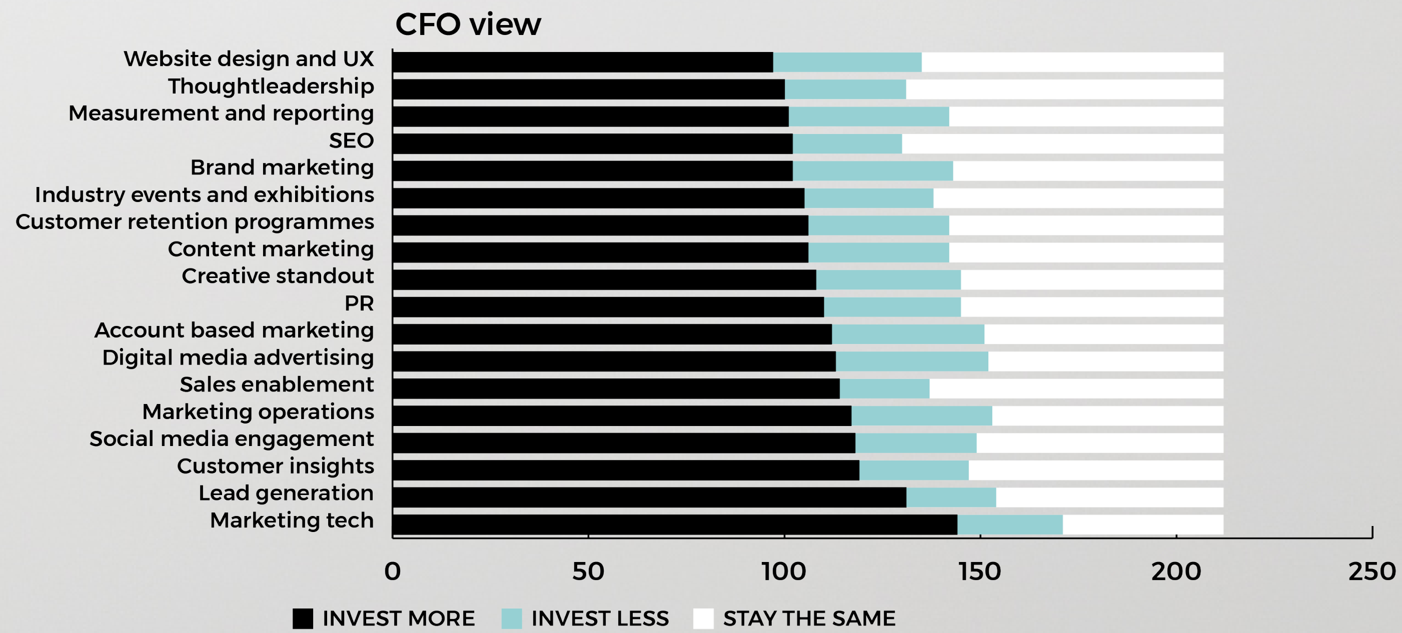
RESPONSE TO ECONOMIC PRESSURES

We know that in an economic downturn, some big B2B purchases get delayed, and the pool of in-market buyers can shrink from around **5% to 1%**.[5] While CFOs will push to increase short-term lead generation, CMOs need to invest in brand building that will capture buyers looking to spend as the economy recovers.

60% of CMOs want to invest in more brand marketing over the next 12-24 months compared to 48% of their finance counterparts.

62% of CFOs want the budget to be spent on lead generation in the same period compared to just 44% of CMOs.





ABILITY (OR OTHERWISE) TO COLLABORATE

47% of CFOs would describe their relationship with their CMO colleague as only "somewhat collaborative". Another **21% admit it's "not collaborative or aligned at all"**. CMOs feel a little more positive about their relationship with the CFO, with **43% claiming it to be "highly collaborative"** and **36% "somewhat collaborative"**.

47%

of CFOs would describe their relationship with their CMO colleague as only "somewhat collaborative".

When we asked our CFO audience how often they work closely together with their CMO colleague to plan brand marketing strategies and set aligned metrics and KPIs, nearly **60% admitted to this only happening "sometimes"**.

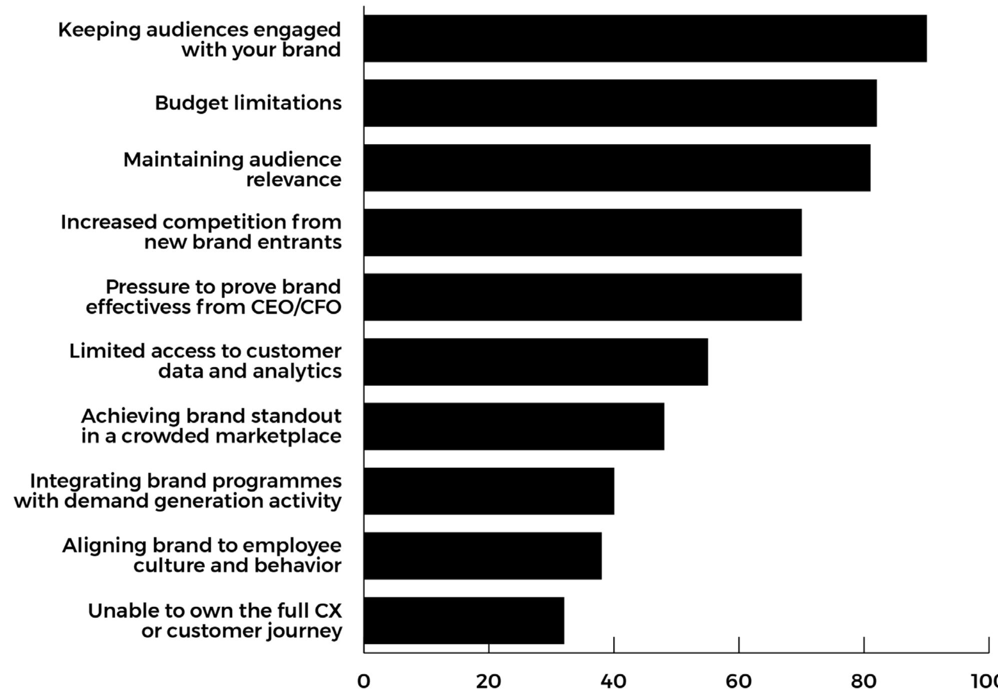
A LACK OF CONFIDENCE IN MARKETING

This is a difficult time for most business professionals, CMOs in particular. Many are scrambling to keep up with the rapid changes in how buyers navigate the purchase journey, in addition to the explosion in new systems and data available to both Marketers and buyers. Not to mention the need to hit challenging targets with less budget while trying to optimise and track the impact of their go-to-market strategies. An overwhelming **72% of CFOs said their CMO struggles to demonstrate the commercial value and ROI of brand marketing programmes**.

Our research also reveals that **50% of CFOs are only "fairly"** confident in their CMO's ability to make effective commercial decisions relating to how and where marketing budgets are spent. When asked the same question, **49% of CMOs said they were "completely"** confident in their CFO's ability to make the same decisions.

50% **of CFOs are only "fairly" confident in their CMO's ability to make effective commercial decisions relating to how and where marketing budgets are spent.**

When CMOs were asked what their greatest barriers or challenges to achieving their brand marketing objectives where over the coming 12 months, the fourth highest ranked answer was 'Pressure to prove the effectiveness of brand investment to our CEO and CFO'.



Is it any wonder a recent KPMG report uncovered "a 'frightening' lack of confidence among senior marketers"? Unfortunately, CFOs' lack of belief in their Marketing counterparts is only helping to fuel this confidence deficit.

A MISMATCH IN PROFESSIONAL RESPECT

Would it surprise you to learn that while...

87% of CMOs think their CFO could be a future CEO, only **55% of CFOs return the compliment**?

Possibly not. To revisit our stereotypes, one hypothesis could be that more finance leaders than Marketers are interested in becoming CEOs anyway.

Even so, CMOs should worry about whether these statistics indicate a lack of respect. Only **22% of CFOs think the value their CMO demonstrates to their company's bottom line is "excellent"** — most believe it's only "good" or "average". If the value a CMO brings to the boardroom isn't recognised, any argument for investment in brand may not be given due consideration.

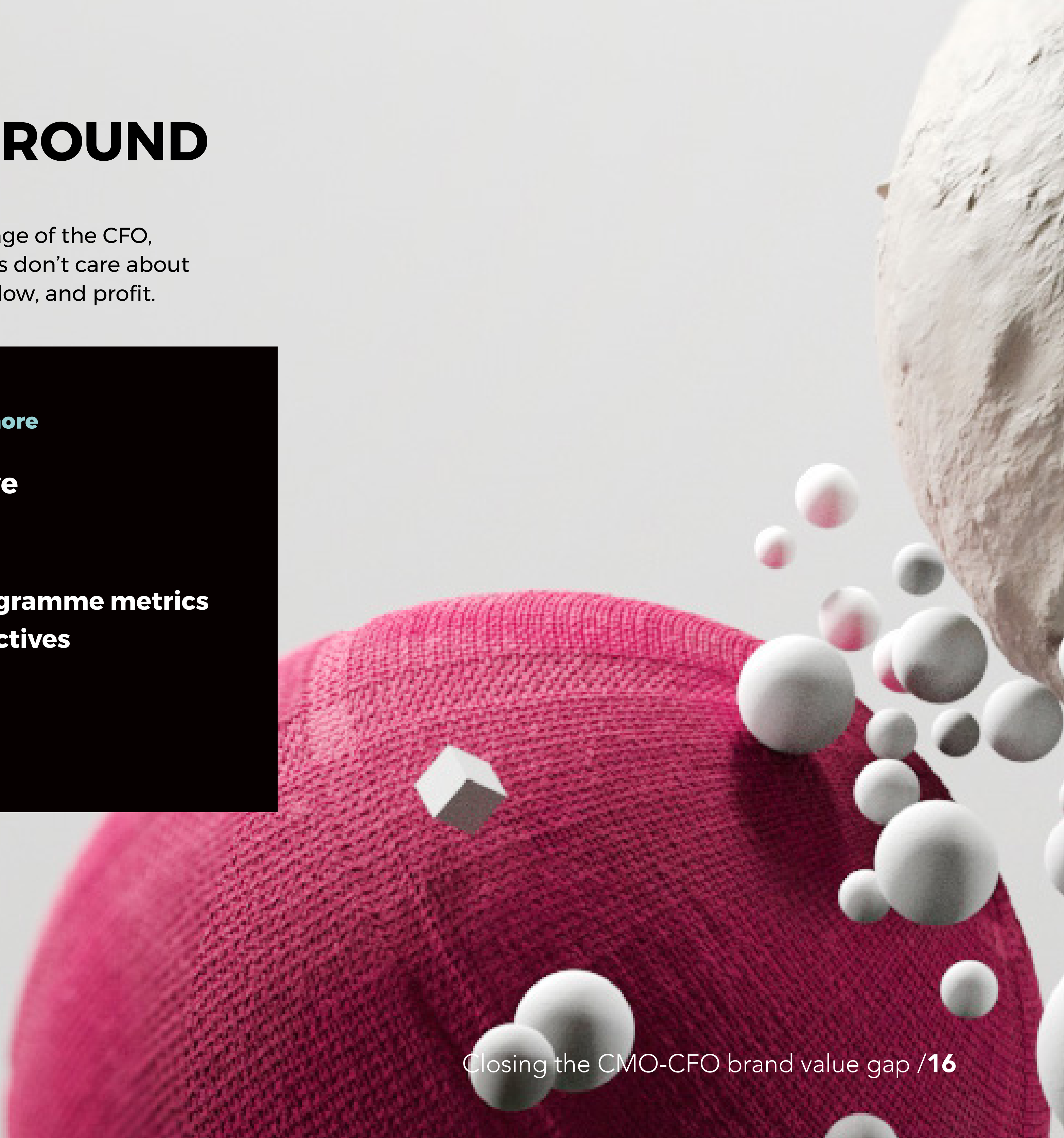
THE SEARCH FOR COMMON GROUND

A lot has been written on the topic of Marketers needing to speak the language of the CFO, including the B2B Institute's excellent *Marketing to the CFO*.[7] Finance leaders don't care about brand awareness and perception levels, they care about sales pipeline, cash flow, and profit.

A common language is important – but finding common ground is even more

The top five areas where CFOs think CMOs could improve for better alignment with the finance team are:

1. **Providing more accurate tracking and reporting of brand programme metrics**
2. **Having a better understanding of commercial goals and objectives**
3. **Improving knowledge and use of marketing technologies**
4. **Using customer data and analytics more effectively**
5. **Having stronger accountability for marketing results and ROI**



THE SEARCH FOR COMMON GROUND

A recent study by professional accountancy body ACCA suggests CFOs are "increasingly adopting a value-centric approach in their work [representing] an evolution towards a chief value officer role away from a traditionally financially focused remit".[8] The five areas above indicate a desire for Marketing colleagues to help CFOs better track, measure, and articulate results — not only in immediate financial returns but in broader business and customer value.

Consideration of marketing technologies in the list underlines CEOs' expectations that their CFO "delivers forward insight", has strategic input, and takes an active role in longer-term planning.[9] In other words, investing and deploying the right technology will be key to competitive advantage.

CMOs were also asked which areas their CFO could strengthen to improve alignment with themselves and their marketing team.

Their top five areas are:

1. **Having a deeper understanding of brand marketing goals and strategies**
2. **Increasing their knowledge of target customers' challenges and needs**
3. **Allocating more budget to marketing to improve brand programme performance levels**
4. **Giving marketing teams more time to prove brand programme effectiveness and ROI**
5. **Being more supportive of creative bravery and innovative ideas**

EXPLORING THE CMO-CFO RELATIONSHIP

THE SEARCH FOR COMMON GROUND

CMOs risk getting caught in a cycle of brand under-investment. If they can't prove impact, they won't secure budget for future spend. The third area from the list above is borne out elsewhere in our research, with

46% of CMOs saying the budgets allocated to brand marketing are too low, compared to only **16% of CFOs**.

When it comes to the time needed to prove impact (number four on the list),

81% of CFOs believe the optimum period to measure the commercial effectiveness and ROI of brand programmes is under 12 months. CMOs think it takes longer: **52% of them opt for between 12 and 18 months**.

So those are the big five factors that can stand in the way of a fruitful CMO-CFO relationship: the impact of current market conditions, insufficient collaboration, CMOs' status in the boardroom, shaky Marketer convictions, and a struggle for common ground.

Doubt looms large in this relationship. CFOs doubt the value CMOs bring. And there's doubt across the board in the ability of brand marketing to achieve growth and profit. With CMO and CFO roles expanding outside of traditional remits to become more complex, failing to tackle the root causes of these uncertainties could be disastrous for all.

For CMOs to convince CFOs to increase their support of creative bravery (number five on the list), they'll need to overcome finance leaders' top three concerns with brand creativity in their company. Our research showed these are:

1. **Difficulty measuring creative effectiveness**
2. **A lack of creative ambition and support from leadership**
3. **The fact CFOs believe creative marketing makes it harder to tailor specific messages to audience segments or personas**

Read on to discover the biggest and most surprising perception barriers currently preventing B2B CFOs and CMOs from seeing eye-to-eye on brand marketing.

THE SIX BIGGEST PERCEPTION BARRIERS TO BRAND VALUE ALIGNMENT

TRANSMISSION.

THE SIX BIGGEST PERCEPTION BARRIERS TO BRAND VALUE ALIGNMENT

It's easy to assume that some things are 'common sense'. Everyone agrees that brand marketing influences sales, you might think. Or that the health of your brand will impact the health of your business. But as we all know, assumptions can be dangerous.

We took six of the most commonly heard brand marketing assumptions and presented them to our panel of CMOs and CFOs for comment. We wanted to learn which truisms, legacy statements, and boardroom conjectures still linger in the C-suite. Who remains stuck in a legacy mindset, and who has an open-minded approach to B2B brand marketing.

PERCEPTION 001

B2B **BUYERS** *DON'T* BUY *ON* BRAND

PERCEPTION 001

B2B BUYERS DON'T BUY ON BRAND

84%

of CFOs believe B2B buyers will purchase the best solution, product, or price. Not the best brand.

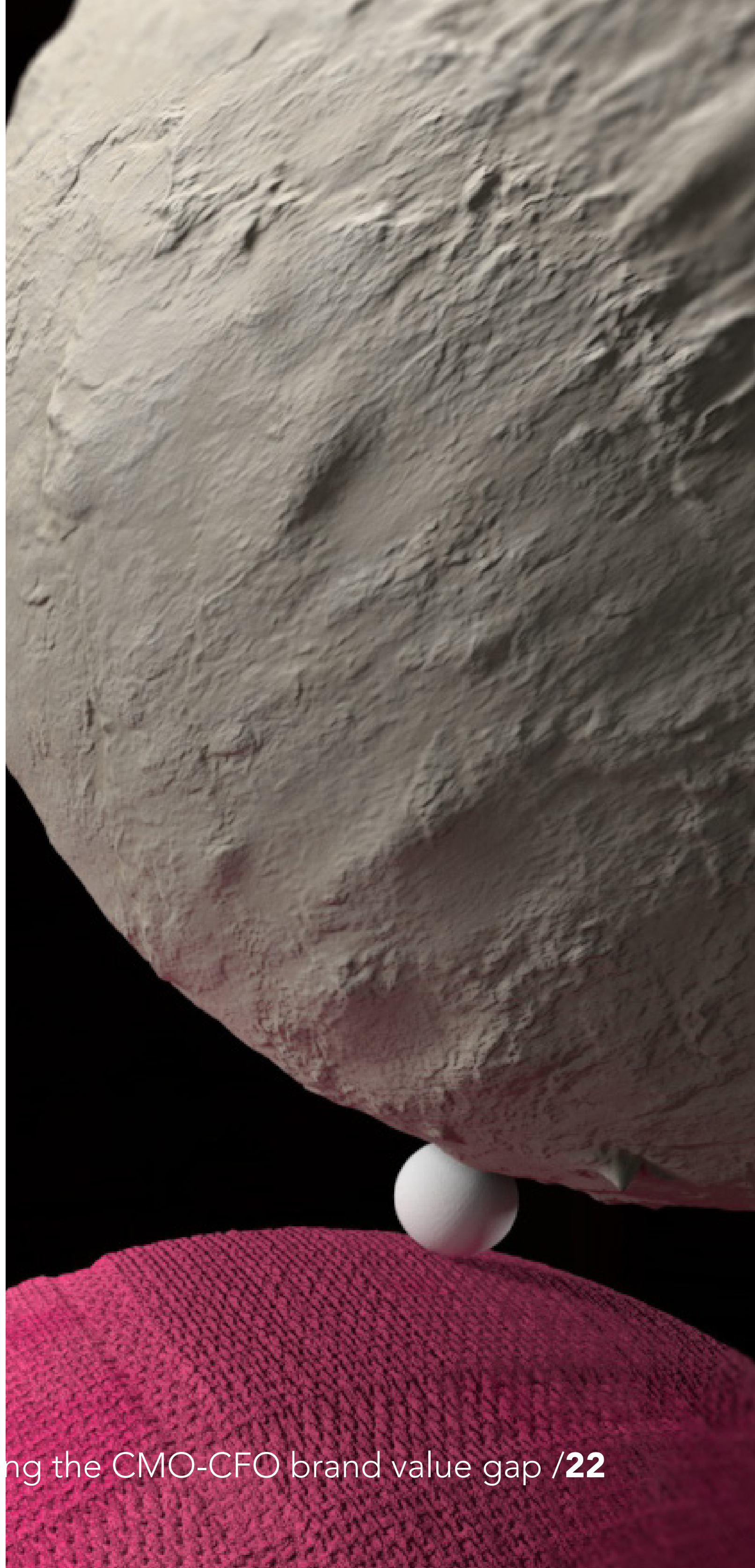
Perhaps that's not such a surprising statistic. But how about the fact that 71% of CMOs agree with their finance colleagues?

A classic case of 'product delusion'

Wake up CMOs! These results suggest that our most senior Marketers are suffering from what Peter Weinberg and Jon Lombardo call chronic 'product delusion' (PD) — the belief that B2B companies compete primarily on the quality of their products. The better the product, the stronger the sales. And brand barely matters.[10]

Many B2B organisations are product-led. But if most CMOs believe only features and benefits sell, why bother investing in brand marketing at all? If they think price comes above all else, B2B brands will end up locked in a race to the bottom, chasing sales through discounts and deals.

Let's flip to the B2C world for a minute and ask ourselves the same question. Do we buy Coke rather than Pepsi based on its taste, how well it quenches our thirst, or how much it costs? The Pepsi Challenge was an entire advertising strategy built around the opposing view: that brand plays a pivotal role in consumer choice. Strip away brand associations and people make different value judgements.



PERCEPTION 001

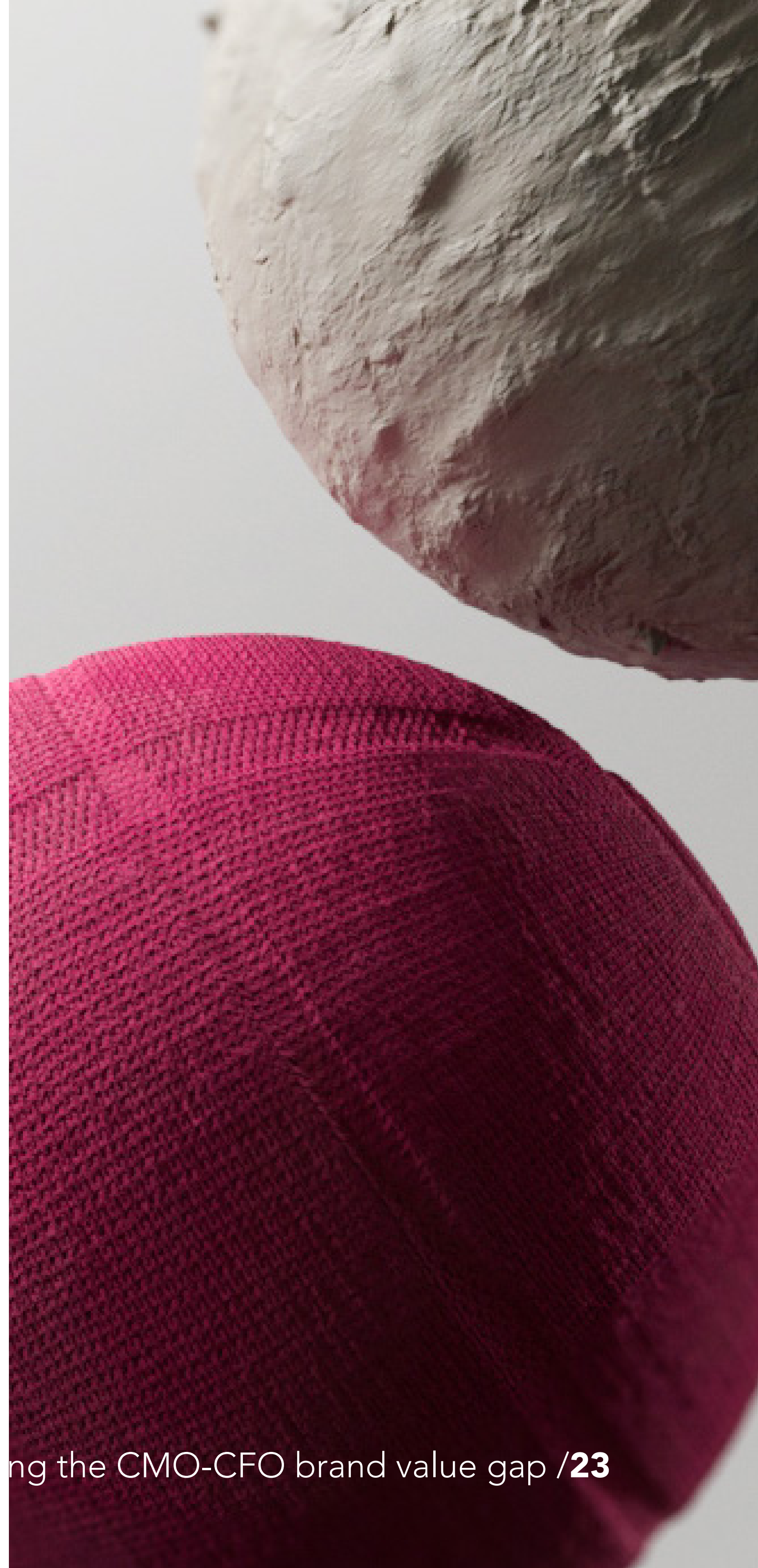
B2B BUYERS DON'T BUY ON BRAND

Is our choice of handbag driven by the durability of the leather or the number of internal pockets? If so, Louis Vuitton would go out of business. This may seem like Marketing 101, but when applied to the admittedly more complex world of B2B buying, these inherent branding truths appear to be falling by the wayside.

Brand matters in B2B. As Jenni Romaniuk and Byron Sharp put it in *How Brands Grow: Part 2*,

> **"In a B2B world, the context changes, the brands change, and the buying processes change, but the responses to questions about brand memories follow the same patterns as in the B2C world.[11] "**

Recent research from the Ehrenberg-Bass Institute[12] also found that in high-involvement B2B purchases, most buyers don't even consider more than two brands. They typically default to the brands they've heard of, already know, or are familiar with. As Weinberg and Lombardo remind us, "the problem isn't that buyers don't know enough about your products. The problem is that buyers don't know your brand exists".[13]



B2B BUYERS DON'T BUY ON BRAND

Time to rebrand brand marketing?

All is not lost, however. **77% of the CMOs we surveyed agree that brand marketing is a key driver of short-term sales performance**. Unfortunately, only **43% of CFOs feel the same way**. Maybe we Marketers have shot ourselves in the foot with the terminology we use for brand marketing. We talk about long-term brand building and short-term demand generation.

Is this being interpreted by CFOs to mean brand has an intangible impact in some nebulous future, while demand generation does the hard work churning out sales in the here and now?

Brand Marketers need to consider a shake-up of how they frame strategies and articulate results to better educate the C-suite on the influence of brand along the B2B purchase path.

84%

of CFOs believe B2B buyers will purchase the best solution, product, or price. Not the best brand.

52%

of CFOs disagree with the statement "brand marketing is a key driver of short-term sales performance".

Tequia Burt
Editor in Chief, LinkedIn Collective & LinkedIn Ads Blog

"Do you eat generic cornflakes or Kellogg's? B2B buyers are people too and can connect as emotionally to brands as consumers do. Most B2B products and solutions have features that are not drastically different — with only slight variations between each competitor. So, in a purchasing situation, the buyer is going to choose the brand that made an impression on them."

LinkedIn

PERCEPTION 002

BRAND'S *IMPACT* ON REVENUE *GROWTH* *CAN'T* BE ***MEASURED***

PERCEPTION 002

BRAND'S IMPACT ON REVENUE GROWTH CAN'T BE MEASURED

Measuring the impact of brand is hard. There's no single metric that can be tracked and reported on in the way we measure simple activities like email open rates or gated downloads.

We know that a large majority (**67%**) of our CMO audience admit that proving the effectiveness and commercial value of brand marketing is difficult for them — but surely, it's not impossible?

79% **of B2B CFOs state that there are no reliable metrics that clearly tie brand marketing to revenue growth.**

What's driving the perception that brand's impact can't be measured? We think it comes down to three major differences in the way CMOs and CFOs evidence and interpret brand performance.

PERCEPTION 002

BRAND'S IMPACT ON REVENUE GROWTH CAN'T BE MEASURED

1. Measuring different things...

Many factors impact the health of your brand. Brand awareness, market reputation, customer satisfaction rankings, employee engagement, and several more all contribute to assessing brand health. However, B2B CMOs and CFOs are prioritising these differently:

The top two metrics in the CMO column focus on the mental availability of a brand in the mind of the buyer: what the buyer thinks of the brand and their ability to recall and shortlist it. Then come financial metrics further down the list. **CMOs are placing more importance on the 95% of out-of-market buyers** who aren't ready to begin a purchase discussion – underlining the role brand marketing plays within the buying cycle.

We asked CMOs:

What brand metrics matter most to you when assessing the health of your brand? (Top 5 responses)

1. **Brand awareness levels**
2. **Brand consideration levels**
3. **Customer acquisition rate**
4. **Market share**
5. **Return on Investment (ROI)**

We asked CFOs:

What brand metrics matter most to you when assessing the health of your brand? (Top 5 responses)

1. **Customer acquisition rate**
2. **Revenue growth**
3. **Profit margin**
4. **Customer retention rate**
5. **Brand awareness levels**

The CFO measures are understandably weighted towards financial results. They prioritise the **5% of in-market buyers**. Set these responses next to CFO views on the optimum time to measure brand campaigns and we see a problem. To accurately report on revenue growth, profit margin, and customer retention, organisations will need longer than the "less than 12 months" within which most CFOs suggest brand marketing should be measured.

PERCEPTION 002

BRAND'S IMPACT ON REVENUE GROWTH CAN'T BE MEASURED

1. Measuring different things...

What's nearly as revealing as the top priorities are what CMOs and CFOs choose ***not*** to measure. **Brand perception scrapes into the top 10 for CMOs but not for CFOs who rank it 13th** — perhaps because it gets put in the 'too hard' bucket for CMOs and the 'too woolly' bucket for their finance counterparts.

No one rates Net Promoter Score (NPS), which languishes near the bottom of the table, just above pipeline opportunities for CMOs and Share of Voice for CFOs.

2. ...with different expectations...

B2B doesn't benefit the vast datasets available to our B2C colleagues for quantitative analysis. Measuring Share of Voice against Share of Market is feasible in many B2C markets, but less so in B2B. Carrying out annual brand tracking exercises is expensive, time-consuming, and beyond the reach of many B2B organisations.

Instead, Marketers fall back on measuring what can be tracked with our existing systems and frameworks — often short-term, siloed activities — rather than what should be tracked. The issue comes when CFOs expect to be able to use these results to assess the effectiveness of all marketing activities, from brand marketing to demand generation.

BRAND'S IMPACT ON REVENUE GROWTH CAN'T BE MEASURED

3. ...for a different period of time

What's the average length of a B2B sales cycle? It depends if you're selling software or a piece of heavy machinery, but it'll range from six months to several years. So, how will you know if your brand marketing is successful if you're working alongside one of the **81% of CFOs who think the optimum time period to measure the effectiveness of brand programmes is under 12 months**?

In some cases, this impatience for results is spreading to the marketing department. **44% of CMOs think the optimum period for measuring brand programme effectiveness is under 12 months**. What's driving this impatience? It can't help that the average CMO moves roles after 3.3 years — the shortest tenure in the past decade.[14]

Steve Kearns
Global Head of Content
@ LinkedIn Ads

"B2B Marketers must stop relying on vanity metrics like CTRs and CPC to prove brand ROI. These click-maximising "performance" marketing tactics will fail to convince the C-suite. Instead, begin tracking Share of Voice and other Mental Availability metrics, which can provide a clearer picture of your brand marketing efforts' impact on the business."

79%

of B2B CFOs state that there are no reliable metrics that clearly tie brand marketing to revenue growth.

67%

of CMOs have difficulty proving commercial value and ROI of brand marketing and **72% of CFOs agree the CMO struggles to demonstrate it**.

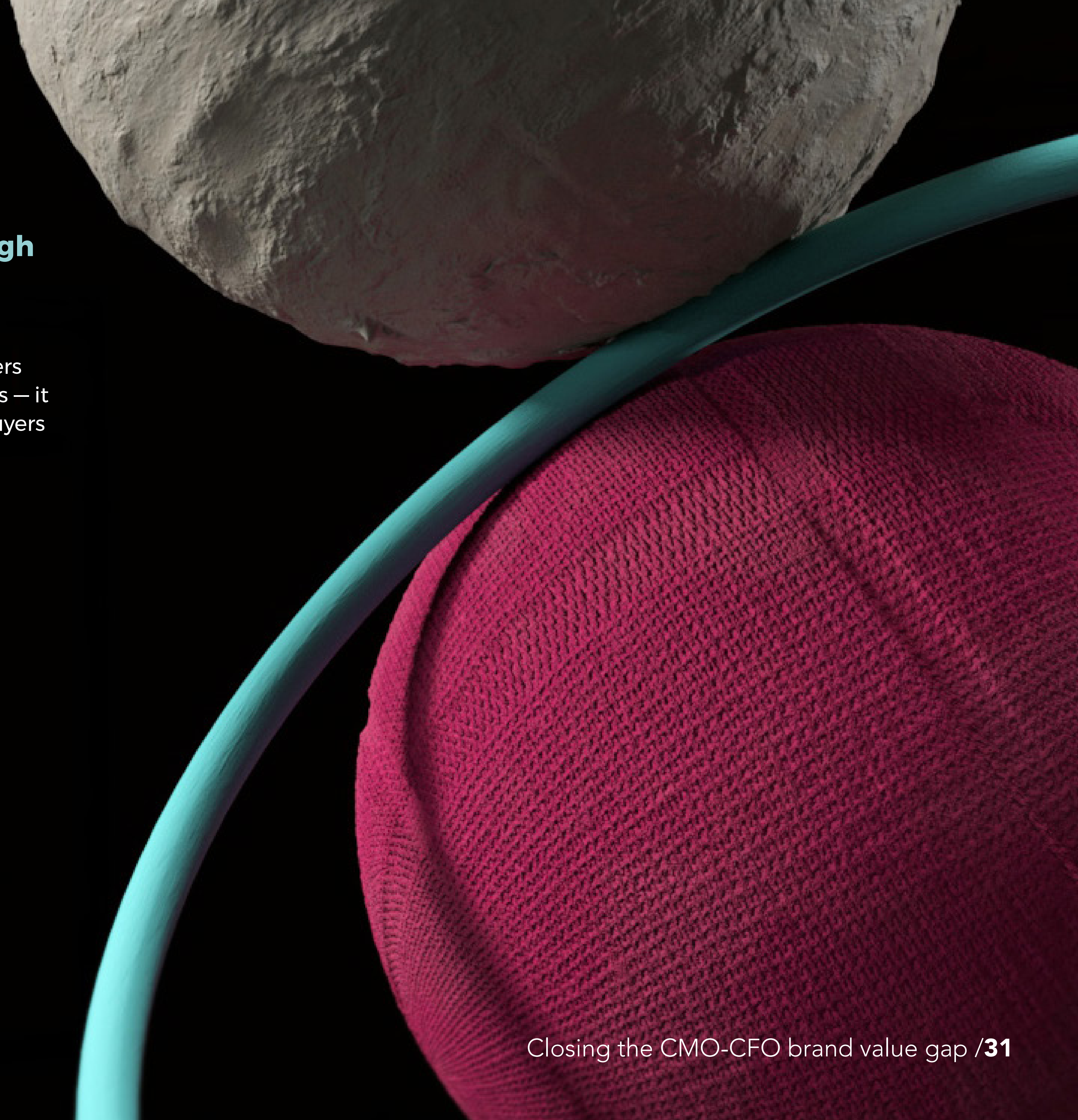
81%

of CFOs think the optimum time period to measure effectiveness of brand programmes is under 12 months.

PERCEPTION 003

BRANDS *GROW* THROUGH **RELEVANCY,** *NOT REACH*

BRANDS GROW THROUGH RELEVANCY, NOT REACH



68% of B2B CFOs believe that brands grow best through audience relevancy, not reach. 54% of CMOs agree.

Our industry loves to talk about targeting the right person, with the right message, at the right time, through the right channel. Of course, B2B buyers need to feel like your organisation is relevant to their specific requirements — it helps create and maintain Category Entry Points (CEPs). But to do that, buyers need to know you exist.

PERCEPTION 003

BRANDS GROW THROUGH RELEVANCY, NOT REACH

Mental availability and familiarity drive sales

Professor John Dawes' 95:5 rule states that brand marketing should be focused on the **95% of buyers who aren't in market at any one time**.[15] The period when prospective customers aren't actively looking to buy — because they're locked into a three-year contract, say — is when developing brand awareness and familiarity's most critical. This process creates mental availability: the production of brand memories that are easy to recall and feel familiar when someone's ready to buy.

> **"As marketing research and effectiveness company System1 puts it: "It's increasingly possible to target advertising very narrowly, the ultimate aim being serving online ads to exactly the right audience at exactly the right time. But just because it's possible, doesn't make it a good idea. It's actually the perceived 'wastage' from broadly targeted ads that grows brands in the long term.[16] "**

We were surprised to find that **54% of CMOs believe brand relevancy to be more important than brand reach**. One potential reason is that B2B Marketers are bombarded with messages emphasising the importance of hyper-personalisation and account-based targeting. But in brand marketing, we need to change our mindset and understand that going broader is better.

PERCEPTION 003

BRANDS GROW THROUGH RELEVANCY, NOT REACH

Relevant to whom?

It's tempting to think that if a B2B business has a beautifully differentiated value proposition, it can neatly segment its audience and target brand marketing activity exclusively to its niche market. But if that perfectly positioned firm isn't aware of all its CEPs (as determined by its buyers), it'll miss out on sales. If you've designed software for HR departments but your solution's increasingly being bought by marketing teams who find it solves a specific problem they have, your HR-targeted campaign will fall short.

And another thing. Who do you need to reach in your prospect organisations? We all know the statistics — decision-making units are getting bigger. Where once you might have narrowly targeted a single team or stakeholder, today multiple departments could have a say. Romaniuk and Sharp suggest you need to consider "the presence of multiple buyer 'brains' within the same organisation. **Therefore, reach should be based not only on a count of businesses, but also on 'business buyer brains with budget'".**[17]

Tequia Burt
Editor in Chief, LinkedIn Collective & LinkedIn Ads Blog

"Reach and relevancy both matter in B2B. Marketers need to drive reach among a relevant audience to ensure all prospective buyers of your product know about your brand. To be remembered in a buying situation, prospects must see your advertising long before they enter the market. This means that advertising to the 95% of out-market buyers is critical."

LinkedIn

PERCEPTION 004

IT'S BETTER TO HAVE A SAFE BRAND THAN A BOLD, DISRUPTIVE ONE

IT'S BETTER TO HAVE A SAFE BRAND THAN A BOLD, DISRUPTIVE ONE

76% of CFOs believe that in B2B, it's better to have a safe, reliable brand than a bold, disruptive one. **55% of CMOs disagree**.

Are CFO sentiments like these responsible for the risk aversion we see in the approval stages of B2B brand and creative strategies?

Brand experience versus customer experience

Let's look at CFOs' preference for a 'safe, reliable' brand against the context of other findings from our report.

One way to explain the contradiction between CMO and CFO views on creativity is that CFOs are conflating brand experience and customer experience. B2B customers want solid, safe, and reliable suppliers — but to reach those customers, suppliers have to be bold and disruptive.

1. Growing **brand awareness** is the top CMO brand marketing objective over the next 12 months
2. One of the top five challenges to achieving brand marketing objectives over the next 12 months, according to CMOs, is **brand standout or differentiation in a crowded marketplace**
3. CMOs say the second most important role of brand marketing over the next three years, after accelerating revenue growth, is **improving competitive differentiation**
4. 71% of CMOs think their **creative marketing should be bolder and braver than it is today**
5. 62% of CMOs think their creative marketing should be **more emotional and human-centric** than it is today

PERCEPTION 004

IT'S BETTER TO HAVE A SAFE BRAND THAN A BOLD, DISRUPTIVE ONE

The risk of not taking a risk

We take heart from the fact that **55% of CMOs disagreed that a safe brand is better than a bold one**.

B2B marketing teams are gunning for greater creativity. Under pressure to improve brand standout and competitive differentiation, many long to produce the type of blockbuster creative concepts that win Cannes Lions. But that makes three-quarters of CFOs feel very uncomfortable.

Many modern B2B companies believe that standing out from the crowd can be dangerous. There's safety in being conservative — no one ever got fired for buying IBM, after all.

Marketers need to persuade the CFO that the biggest risk is not taking a risk. Bland 'me-too' brand adverts won't cut it in today's hyper-competitive media environment. More than that, they could even damage your brand reputation.

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Creative blockers

CMOs' top five concerns or challenges with brand creativity and creative marketing in their company today are:

1. **It's hard to track and measure creative effectiveness and ROI**
2. **Our creative budgets are too small**
3. **Creativity doesn't drive immediate sales opportunities**
4. **There's a lack of creative ambition and support from leadership**
5. **It devalues the seriousness and credibility of our proposition**

Unsurprisingly, four out of the five are linked to the commercial and financial metrics CFOs care about most — underlining the control they have over creative output.

The fifth challenge is interesting in the context of what Jenni Romaniuk calls "fear of brand rejection". B2B brands worry unnecessarily about alienating buyers, when in fact "**91% of potential customers do not actively reject any B2B brands**."[18] In the end, it seems that CMOs are reining in creativity for fear of getting it wrong or worse yet, getting fired.

PERCEPTION 004

IT'S BETTER TO HAVE A SAFE BRAND THAN A BOLD, DISRUPTIVE ONE

When we asked our CFO audience the same question about concerns with creativity in their company, their top five were:

1. **It's hard to track and measure creative effectiveness and ROI**
2. **There's a lack of creative ambition and support from leadership**
3. **It makes it harder to tailor messages to different audience segments**
4. **Lack of creative talent (internally)**
5. **Our culture is too risk-averse**

As well as concerns reflected by some CMOs, this audience flagged internal, cultural issues around risk-aversion, talent, and attitudes towards creativity. Budget restrictions and the role creativity plays in driving sales opportunities don't feature.

Digging deeper into the topic, we asked both CFOs and CMOs where they felt creativity or creative marketing added the most value to their organisation. Interestingly, CFOs felt it was "in building greater customer loyalty and trust", while for CMOs, it's "in helping us stand out in market and to differentiate ourselves from competitors".

Creativity, in the eyes of the CMO, is a weapon for brand reach and distinctiveness in the early stages of the buying cycle. For CFOs, it's a way to help convince customers to stick with the brand post-sale.

76%

of CFOs believe that in B2B, it's better to have a safe, reliable brand than a bold, disruptive one.

CMOs say their top brand creativity challenge is "tracking and measuring creative effectiveness and ROI"

CFOs say the #1 business value of creative marketing is "building greater customer loyalty and trust"

Steve Kearns
Global Head of Content
@ LinkedIn Ads

"Our 2023 B2B Marketing Benchmark report shows that B2B leaders recognise the importance of equity, but sometimes struggle to action it. Just 6 in 10 report that their company has an official capacity that focuses on DEI. 38% believe companies only appear to emphasise DEI for appearances."

LinkedIn

PERCEPTION 005

A **STRONG** BRAND *PURPOSE* INFLUENCES BUYER **DECISION** *MAKING*

PERCEPTION 005

A STRONG BRAND PURPOSE INFLUENCES BUYER DECISION MAKING

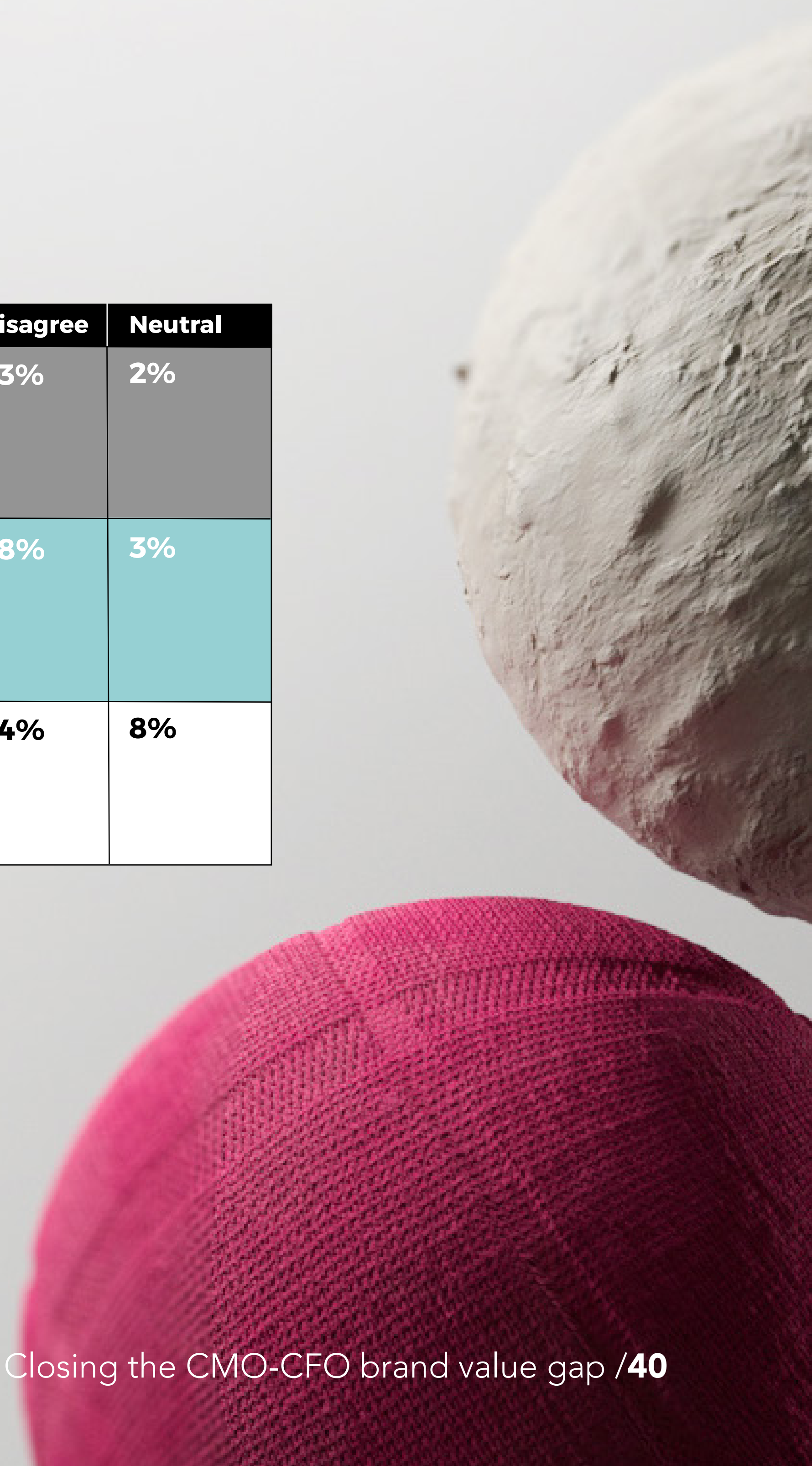
75% of CMOs think B2B buyers are more likely to buy from businesses with a strong brand purpose. 48% of CFOs disagree.

How do you divide a roomful of Marketers? Ask them how they feel about brand purpose. It's a polarising topic that separates the Sinek superfans from the (Byron) Sharpian and (Mark) Ritsonian cynics. It turns out this topic also divides CFOs.

CFOs are marginally more persuaded of the impact of social or environmental credentials on buyers than a strong employee purpose. But there's not much in it.

If an influential member of the C-suite doesn't believe in the power of brand purpose, how far can Marketers embed it within the organisation? CMOs can't control Environmental, Social, and Governance (ESG) behaviours internally in the same way as they can influence external communications on the topic.

Brand purpose statements	Agree	Disagree	Neutral
B2B buyers are more likely to buy from businesses with a strong social purpose	55%	43%	2%
B2B buyers are more likely to buy from businesses with a strong environmental purpose	49%	48%	3%
B2B buyers are more likely to buy from businesses with a strong empoyee purpose	38%	54%	8%



PERCEPTION 005

A STRONG BRAND PURPOSE INFLUENCES BUYER DECISION MAKING

People power

76% of CMOs think B2B buyers are more likely to buy from businesses with a strong employee purpose, while almost **54% of CFOs actively disagree**.

The downstream brand effect of a strong employee purpose is worth considering here. It might not influence B2B buyers' conscious decision making, but employees who feel supported and valued will likely become advocates. And a whole organisation full of brand advocates is a powerful force for reach and perception.

Taking purpose to the cleaners

'Purpose-washing' is real and it's getting worse. In our *State of B2B Brand Building 2022* research, 22% of CMOs admitted they championed societal causes for "commercial reasons only". That number has almost doubled this year, with **41% of CMOs saying their brand champions societal causes mainly for commercial gain**. **56% said it was either "somewhat" or "highly" likely their brand was pushing misleading cause-based messaging or claims without checking their authenticity**.[19]

PERCEPTION 005

A STRONG BRAND PURPOSE INFLUENCES BUYER DECISION MAKING

What's brand purpose, anyway?

Jumping on social bandwagons to sell more stuff is never a good idea. But brand purpose doesn't have to be linked to societal issues. B2B organisations can develop a strong, authentic brand purpose if they link it to their core value proposition. As Mark Ritson puts it, "it's over-simplistic to claim purpose always works or that it always doesn't. Purpose can be a legitimate, effective positioning strategy; not just for paragons like Patagonia but a raft of other more prosaic brands."[20]

41%

of CMOs say their brand champions societal causes mainly for commercial gain.

75%

of CMOs think B2B buyers are more likely to buy from businesses with a strong brand purpose. 48% of CFOs disagree.

Tequia Burt
Editor in Chief, LinkedIn Collective & LinkedIn Ads Blog

"B2B marketers are championing bolder, more creative tactics to grow brand and increase market share. Our recent B2B Marketing Benchmark report found that 59% of marketing leaders say their C-suite has increased the importance of brand building given economic conditions. However, brand consistency is just as important in helping to build trust, credibility, and recognition."

LinkedIn

PERCEPTION 006

BRAND HEALTH *DOESN'T* IMPACT BUSINESS *HEALTH*

PERCEPTION 006

BRAND HEALTH DOESN'T IMPACT BUSINESS HEALTH

42% of CFOs don't believe the health of their brand has a direct impact on the health of their business. 75% of CMOs disagree.

We've already seen that **84% of CFOs think B2B buyers will not select a supplier based on their brand** — and that **69% say that brand marketing is considered an expense in their business, not a revenue driver**. These blind spots impact how CFOs assess the importance of brand marketing to the growth and profitability of their business.

Brand health vs brand value

The health of a brand is judged on emotion and perception-based measures like trust and likeability. A brand's value is assessed on commercial, cost-based, or market-based metrics. Which is a CFO likely to feel more comfortable with? For a non-Marketer the concept of brand health may not be fully understood therefore, its importance is more easily dismissed. Whereas for a Marketer hoping to predict and influence future buyer behaviour, it's all-important.

Simply put, perhaps CMOs focus on brand health while CFOs focus on brand value.

PERCEPTION 006

BRAND HEALTH DOESN'T IMPACT BUSINESS HEALTH

Show me the money

The evidence of the business value of brand exists, framed in terms CFOs recognise. An analysis of 13,000 of the world's largest publicly traded companies shows that brand, as an intangible asset, accounts for up to **40% of business value**.[21]

Forbes research shows that marketing assets like brand, customer value-add, and the impact of marketing performance can contribute to over **50% of enterprise value**. The issue is this value isn't captured in financial accounts. "Current reporting standards actually reward short-term investments that actually destroy more firm value than they create at the expense of long-term value."[22]

PERCEPTION 006

BRAND HEALTH DOESN'T IMPACT BUSINESS HEALTH

Reality bites

We'd love to bring a glimmer of hope here, but the reality is things aren't likely to get better anytime soon. Despite evidence showing how organisations that invest in proactive marketing in a recession perform better in the long run,[23] securing budget will be hard for many Marketers.

Even if cuts are avoided, how many organisations will invest more in brand marketing? **50% of CMOs admit they're either "unconfident or somewhat confident" in convincing their board or leadership team to invest a greater share of the marketing budget in brand marketing in 2024**.

Steve Kearns
Global Head of Content @ LinkedIn Ads

"The health of your brand has a direct impact on the health of your business, particularly in an uncertain economic environment. Evidence shows that during economic slowdowns, the proportion of in-market buyers can shrink as low as 1% as companies delay purchases Investing in brand building will enable you to target future customers, who are the source of your future cash flows."

LinkedIn

42%

of CFOs don't believe the health of their brand has a direct impact on the health of their business.

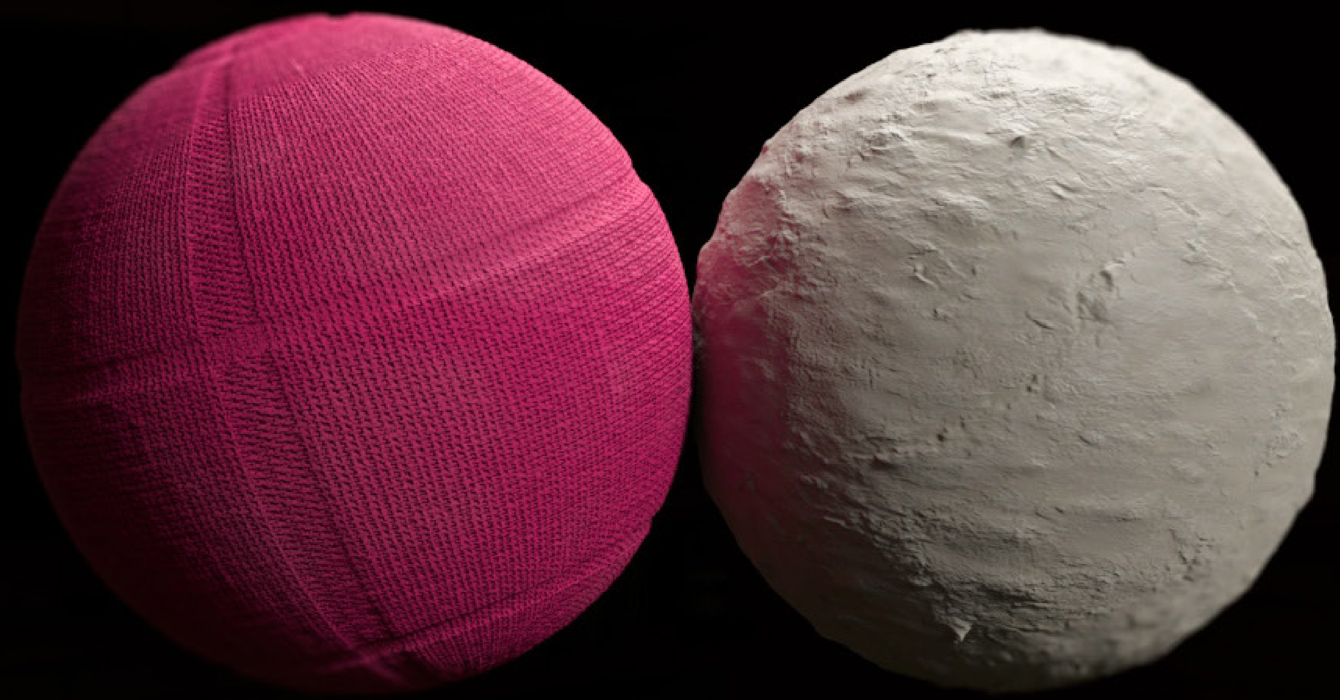
50%

of CMOs are 'unconfident or somewhat confident' in being able to increase their brand marketing budgets in 2024.

CONCLUSION

Bridging three dangerous divides

These divides are deep, but can be bridged. Our hope is that the evidence in this report will help CMOs dismantle unhelpful narratives. Distinguish fiction from fact. Tear down barriers to collaboration. And ultimately build healthier, more resilient B2B brands.



CONCLUSION

THE BRAND VALUE GAP

There's a disparity between the value assigned to brand by CMOs and by CFOs. That comes as a surprise to precisely no one. But there's also a dangerous gap between CMOs' sense of what good brand marketing can achieve and their confidence in executing it in their own organisations.

75%

of CMOs think the health of their brand has a direct impact on the health of their business — but 67% have difficulty proving its commercial value to the board.

THE CFO-CMO CONFIDENCE GAP

While CFOs don't see the full value CMOs bring the business, they'll continue to hold onto beliefs which hamper growth. If CMOs can't measure and articulate the impact of brand in a way that's meaningful to their own business, the same cycles of under-investment and cost-cutting will play out across B2B.

49%

of CMOs are completely confident in their CFO making effective marketing decisions relating to marketing budget. Only 36% of CFOs are completely confident in their CMO making the same decisions.

THE NOW AND THE NEXT GAP

Many CMOs are struggling to capitalise on brand marketing's potential. This could be due to a disconnect with the CFO and the board, the economic environment, or the inability to measure the impact — or all of the above. Despite the fact big changes are needed to remedy these issues, a majority of CMOs have an oddly buoyant prediction of the board's future support for brand.

88%

of CMOs have some level of confidence that they can convince the board to invest a greater share of budget in brand marketing next year.

METHODOLOGY

This study was carried out in partnership with market research company, Savanta, who surveyed a professional panel of 414 B2B organisations, split equally across North America (USA and Canada), Europe (UKI, France, Germany), and APAC (Singapore, China, Australia).

212 Chief Financial Officers and Director/Head of/VP-level Finance personnel and 202 Chief Marketing Officers and Director/Head of/VP-level Marketing and Brand personnel responded to a confidential survey in May 2023.

The research sample comprised 74% private ownership and 26% public ownership B2B organisations in a cross-section of industries, with between US$20 million and US1 billion+ turnover.

ABOUT TRANSMISSION.

Transmission is the world's largest independent global B2B marketing agency. Our full-service offering combines data-driven intelligence with the curiosity, creativity, and innovation to craft powerful, behaviour-changing engagement with audiences to create lasting impact and success.

Our team of B2B brand strategists draw on customer insight and the principles of behavioural science to inspire memorable propositions grounded in emotional truths and authenticity: building brands that deliver impact now and into the future. With offices in eight countries worldwide, Transmission has the global agility and experience to help B2B brands drive the now and define the next.

transmissionagency.com

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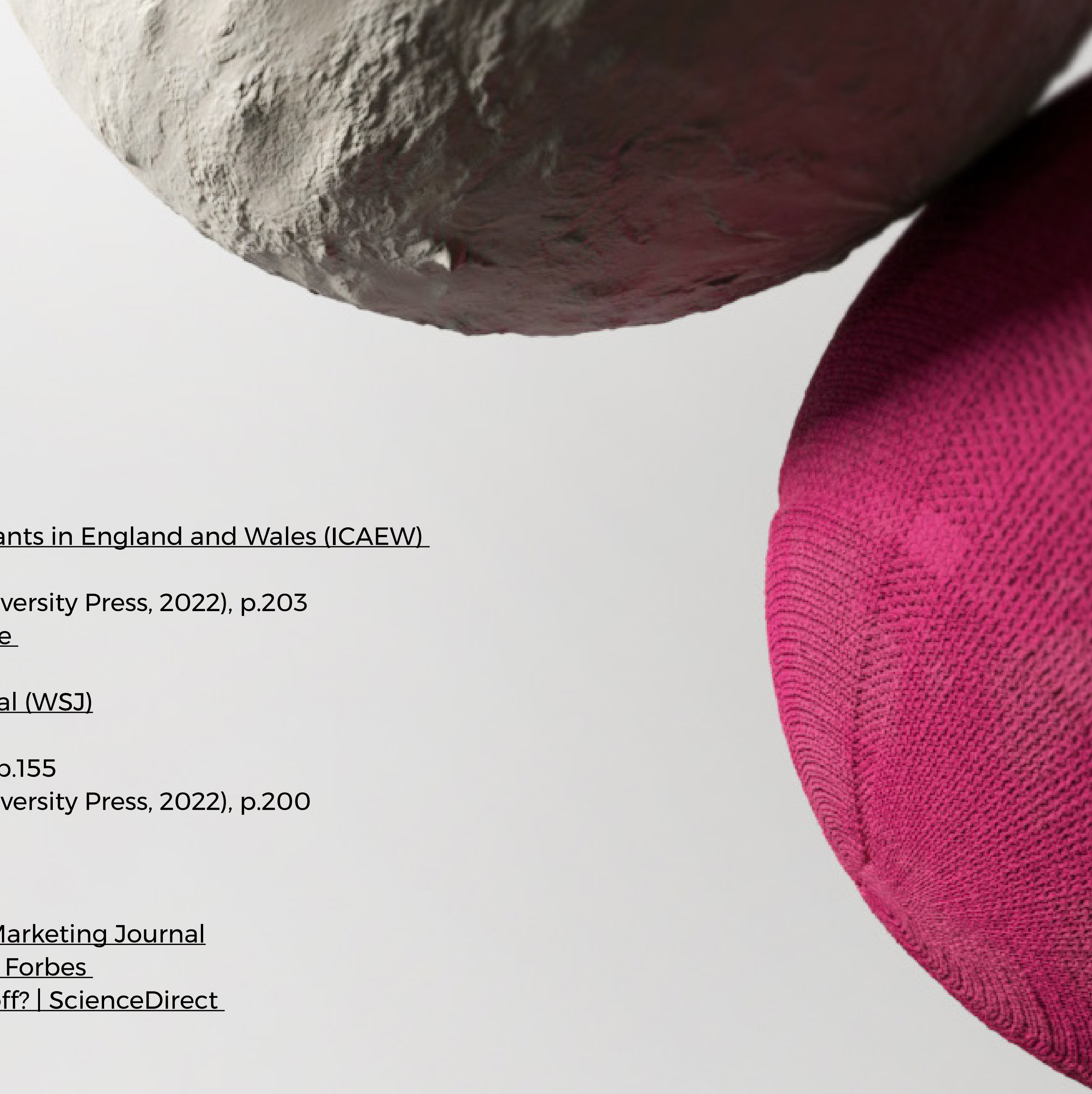

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