

AdAge

Why Forward-Thinking Companies Put Marketers on Their Boards

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Credit: Deloitte Digital

Over the past decade, we've all seen how rapidly the the influence of marketing in the C-suite has expanded. Despite this, and even while chief marketers are primed to take over the lead in technology spending this year, representation from marketing isn't growing nearly as fast on boards. In 2016, only 2.6 percent of board members had marketing expertise.

In the age of customer-centered business, how can this be?

Marketing still faces an uphill battle with leaders who grew up in a different business environment, many of whom sit on boards and choose new directors today. Many still carry common misconceptions from the past—for example, seeing marketing as a tactical instead of strategic activity, reliant on soft-skills and based in luck, and not as a center of real value creation.

Companies that will thrive into the future are completely reorienting their business around their customers. CMOs are uniquely positioned to lead this shift as the orchestrators of the customer experience and those closest to the customer data. Visionary boards will recognize that to compete in a customer-driven world, marketers should play a more strategic role in the boardroom to help steer organizations through the shift to customer-centricity.

Here are three key reasons why companies need to bring more marketing perspectives to their board:

1. Customer-centric companies win, and marketing is the center of customer intelligence.

With a large majority of companies competing primarily on customer experience to win today, marketers have become a vital influence across nearly all business functions. As that influence continues to grow, and along with it ownership of technology and customer data, marketers hold the key to critical insights needed to realize these experiences.

We know customers who have the best past experiences spend 140 percent more compared to those who have the poorest past experiences, and that customers with positive experiences remain customers for five years longer than those with negative customer experiences. Boards can't afford to miss out on the marketing perspective that brings that strategy to life for their organizations.

2. Including marketing improves diversity of perspective—from competency, to gender, to race.

Diversity of perspective leads to better performance, and that doesn't stop at the board room. In a recent study by the Peterson Institute, researchers found that diversity in general is what leads to stronger performance. For instance, a single female CEO doesn't necessarily perform better than a man when controlling for gender in the rest of the company. Instead, the higher rate of diversity throughout the organization is what is most impactful.

What does all this have to do with including marketers on boards? It turns out marketing is one of the more diverse of professional groups. Last year, while only 5 percent of CEOs and 12 percent of CFOs of the top 1,000 U.S. companies were women, they represented 29% of CMOs. And in the annual U.S. Bureau of Labor Statistics survey, the percentages of women and minorities were higher across the board in fields of marketing and communications. By increasing your marketing representation, you may also increase diversity of other measures at the same time.

3. Companies with marketing representation on boards perform better.

Likely as a result of stronger customer insights and diversity of thought, companies whose boards include marketing representation have been shown to perform better— even more so when the company was in a period of decline.

As marketing has become more data-driven, and the pace of change so rapid, marketers are showing they can generate the critical insights needed to help a company turn the ship around, see new opportunities and execute strategically in a way that customers will respond to.

It's time for marketers to take the opportunity

Nearly two-thirds of respondents from the most recent [Deloitte board survey](#) said they added a new director in the past year, and 78 percent have a policy for regularly refreshing those seats. Not only does that mean that there is opportunity, but companies are showing through these policies that they understand the value of new perspectives in driving their companies toward a successful future.

The time is ripe for marketers to take their seat and help organizations realize customer-centricity—all the way from the top. It's time to make marketing voices heard.

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