

CMO versus CCO: Understanding the Difference

Introduction

Chances are that you are currently studying marketing with the intention of being a Chief Marketing Officer (CMO) sometime in your career. However, the marketing career landscape is changing, and you might end up becoming a Chief Customer Officer (CCO) instead.

Note: some companies may have a CXO role instead of a CCO, where CXO = Chief Experience Officer.

As you can tell by the "C", both of these roles are in the C-suite, or the senior leadership team of a company. But in recent years, there has been a slight shift away from CMO roles toward CCO roles in senior teams.

So what's the difference and how may it affect your career? Let's find out in this activity.

What is the Role of the CMO?

As suggested by the position title, a Chief Marketing Officer (CMO) is responsible for overseeing and leading the marketing efforts of a company.

Depending on the brand, firm and/or industry, this means that they (among other tasks) will:

- Develop and implement of marketing strategies
- Be responsible for revenue targets, and potentially overall profitability
- Be entrusted to build the brand with clear positioning and distinctiveness
- Enhance customer loyalty and maximize customer lifetime value
- Introduce new products and manage the firm's product mix line up
- Set pricing and discount strategies
- Achieve growth through market share, loyalty, new products, and market expansion
- Undertake marketing research to understand customers and the marketing environment
- Manage the overall marketing mix
- Identify key target markets
- Undertake internal marketing
- Coordinate marketing activities with internal and external partners
- Manage a substantial marketing budget and the marketing team
- And lots more related tasks...

What is the Role of the CCO?

A Chief Customer Officer (CCO) is essentially the internal "voice of the customer". This means that they try to drive a customer-centric view of what the business does. Some of their duties and tasks would include:

- Developing and implementing customer-centric strategies
- Working on a seamless and positive customer experience. across all brand touchpoints and channels
- Focusing on customer satisfaction, loyalty, and retention metrics
- Being the "customers' representative" at the executive table (see note below)
- Deeply understanding the customers (and segments) through research and data insights
- Create a personalized and tailored customer experience (industry-dependent)
- Look to be an innovator or early adopter of consumer trends, to better meet emerging needs
- Address customer complaints and fix root cause issues
- Work closely with the place, people, and process mix of the firm's 7Ps marketing mix
- Also look to drive customer lifetime value

So, What's the Difference Between a CMO and a CCO?

Yes, as you can see there is significant overlap between the CMO and CCO roles - so let's now explore the main differences.

- A CMO tends to take a shorter-term view and is more concerned with sales, profits, and brand management
- Whereas a CCO typically adopts a long-term perspective, looking for "big picture" improvements in the company's touchpoints and customer experience
- A CMO is more suited to a large goods-based company, whereas the CCO is more suited to a large service-based company
- CMO's will be more engaged with the marketing mix elements of product, price, and promotion
- CCO's will be more focused on people, process, place, and physical evidence
- CMO's will be responsible for marketing plans and their execution, whereas CCO's will be focused on more project-based and improvement-based activities
- The CMO's main non-financial focus is usually the brand, whereas the CCO's focus is usually the customer experience and customer journey
- The CMO's main metrics of interest would tend to be: sales, market share, profit margins, brand awareness, sales conversion, and return on marketing investment (ROMI)
- The CCO's main metrics to monitor would tend to be: customer satisfaction (CSAT), net promoter score (NPS), customer lifetime value (CLV), and various customer experience metrics and scores

It is important to note that the above list is a top-level and generic view that is likely to differ by firm and industry - it is presented as a guideline only.

Student Discussion Questions

1. What do you like most about each of the two roles? Which tasks would you enjoy doing?
2. Given the description of the CMO and CCO roles above and your list in Q1, which role would be more of interest to you in your future career?
3. How would the roles differ in terms of the right person for a CMO or a CCO role - that is, their skill sets, personality type, business interests, and qualifications? In other words, do the roles suit different types of people, or could someone seamlessly move between roles?
4. In your opinion, should firms have a CMO, a CCO, or both roles?
5. CCO roles are relatively new (first one in 1999) but they are growing in number. Some people argue that a CCO role is a good foundational step for a CEO role - why do you think that would be the case?