Marketing in the C-Suite: A Study of Chief Marketing Officer Power in Firms’ Top Management Teams

By

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All interested are welcome
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ABSTRACT

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Not all Chief Marketing Officers (CMOs) are equally powerful. The authors investigate the reasons and outcomes of this phenomenon using a hierarchical measure of power for the CMO in the top management team (TMT). Theory suggests that CMO power in the TMT should increase with (1) the CMO’s control over resources required by other executives in the C-suite, (2) the criticality and (3) effective provision of these resources, and (4) the non-substitutability and (5) centrality of the CMO. These rationales are used to identify factors affecting CMO power in public U.S. firms with the CMO position for at least two out of five observed years. Findings show that CMO power increases when the CMO has the additional responsibility of sales, as TMT marketing experience decreases, and as firms pursue innovation, with the last two relationships being conditional on each other. Further, CMO power in highly divisionalized TMTs, and the CMO’s additional responsibility of sales, are found to improve sales growth, but CMO power in firms that are unrelated diversifiers reduces profitability. The authors discuss the theoretical and practical implications of these results for marketing’s influence in the C-suite and the firm, the integration of marketing and sales, and market orientation.