

The Ikigai of Marketing

A Perspective on 2024

To mark the start of the fifth annual IRG100 Leadership Program, we share our perspective on what businesses need from Marketing and challenge CMOs and other growth leaders to step up and take responsibility for helping their companies drive more humanized growth.

In a rapidly changing global landscape, the concept of business growth has undergone a profound transformation. Companies today are increasingly seen as integral parts of a larger societal ecosystem, responsible for creating value for all stakeholders, including colleagues, customers, communities, and investors.

Marketers in these overperforming organizations are increasing their influence by helping companies make this shift. Many leaders are reappraising their roles in business and life. Most of the CMOs and other growth leaders participating in the IRG100 program do this by defining their 'Ikigai' - the sweet spot between what they love, what they're good at, what they get paid for, and what the world needs from them.

The time has come for all marketers to find their Ikigai and take responsibility for driving more humanized growth.

Declining Influence

Looking back 5 years ago, there was a lot of talk about the declining reputation and receding influence of Marketing and CMOs. Some companies replaced their CMOs with more commercial 'Chief Growth Officers.' HBR published a bundle of articles named 'The Trouble with CMOs.' Headhunter Spencer Stuart reported yet another decline in the average tenure of the CMO, and IPA research found that less than half of all directors felt confident describing how marketing was adding value to the company.

But that was then. Today, winning marketers are increasing their influence by helping their companies shift from shareholder primacy to multi-stakeholder value creation. Post-Covid businesses understand the importance of business purpose and empathy and prioritize diversity, equity, and inclusion. Marketers are helping by providing a window into the world to understand stakeholder needs better, like uncovering the growing need for human connections among colleagues and the increased demand for open dialogue among community stakeholders.

Momentum

The shift in focus to more humanized growth didn't happen overnight.

Since the start of the 21st century, the business world has debated the evolving role of capitalism in society. In 2008, Bill Gates made a passionate plea at Davos for moving

towards what he called 'Conscious Capitalism.' Although many CEOs expressed sympathy for this call to action, most claimed that they couldn't make any significant move towards this broader definition of value creation without their investors' blessing.

This investor blessing came in 2018 through the 'Annual CEO Letter' of Blackrock's Larry Fink - aka 'the ten-trillion-dollar man.' Fink demanded that companies with Blackrock investment need to 'make a positive contribution to society.'

The US Business Round Table CEOs immediately responded by publishing a new 'Statement on the purpose of the Corporation' that decisively locked the shift from shareholder primacy to multi-stakeholder value creation. Since then, the Davos meetings, already progressive, have shifted even further towards a more sustainable business agenda. The UN's Sustainable Development Goals (SDGs) have become part of the business language worldwide.

But the rest is not history. The rest is the future.

This isn't just about rebuilding influence and securing a future career path. Today's existential sustainability and social issues represent a call to action for marketers to step up and take responsibility to help their companies succeed. And do the right thing. Because **if not now, then when?**

Who?

Humanized growth begins with an understanding of the impact the organization has on all stakeholders. It involves aligning with the reality of the world around us and recognizing the importance of stakeholders in shaping a company's success. And it will be hard work because building an insightful understanding of the needs of all stakeholders is quite challenging. And creating value propositions that deliver against unmet needs for all stakeholders is even more difficult. But this is where it gets interesting for marketers. Now, we are talking about the fundamental capabilities of the Marketing function. This is where CMOs can help their CEOs and other C-suite colleagues deliver a more humanized growth strategy. Marketers are perfectly placed to help refine growth and create value for society overall. Talk about a unique opportunity to increase influence.

The good news is that we indeed see an increasing number of marketers collaborating with peers and partners to help the company drive more humanized growth. And these CMOs aren't only helping their businesses grow but also using their power to influence consumer behavior to create real, sustainable change. Think of Dove building brand growth and women's self-esteem, First Direct offering financial services and improving people's mental wellbeing, and Tide getting rid of stains and convincing consumers to wash at 30 degrees instead of 60.

Now is the time for marketers to help achieve what former Unilever CEO Paul Polman calls 'the Business Plan for the Planet' - the UN's seventeen SDGs. Marketers have the right experiences, skills, capabilities, and attitudes to get this done. And **if not you, then who?**

Impact

The good news is that the IRG Growth Study finds that businesses are indeed shifting their focus. 78% of IRG respondents agree that their business has evolved towards a more humanized growth strategy. And 65% of IRG100 program participants report that their influence on the business strategy has increased.

This brings us back to the Ikigai of Marketing. The last few years have seen massive disruption for people, businesses, and marketers. This disruption has created a situation where what the world needs fully correlates with what marketers can offer.

Stepping up to this responsibility is paying off morally and rewarded financially. Meeting the UN's Sustainable Development Goals will unlock trillions in value and create hundreds of millions of jobs just in this decade.

So, let's shift the focus from losing influence to taking responsibility.

Driving humanized growth **is** the Ikigai of Marketing.

Sincerely,



Marc de Swaan Arons and Frank van den Driest
Founders | Institute for Real Growth