



# From Stretched to Strengthened

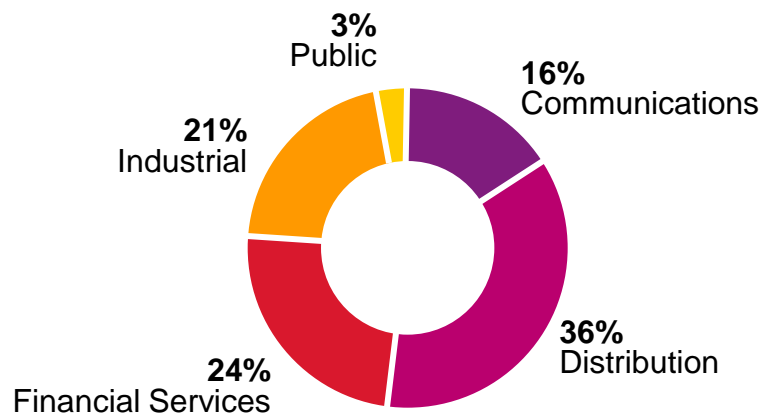
Insights from the  
Global Chief Marketing  
Officer Study

**CMO**  
C-suite  
Studies

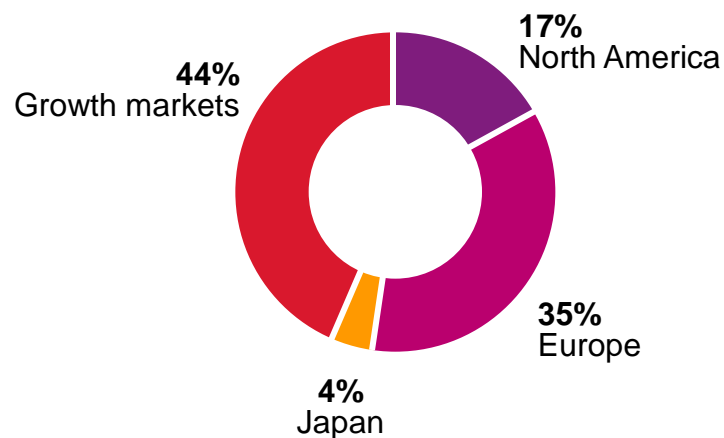
In this largest sample of face-to-face CMO interviews, we spoke with more than 1,700 CMOs

**The study represents organizations in 64 countries and 19 industries**

**Sectors**



**Regions**



Growth Markets include Latin America, Central and Eastern Europe, Middle East and Africa and Asia Pacific (excluding Japan); n=1734

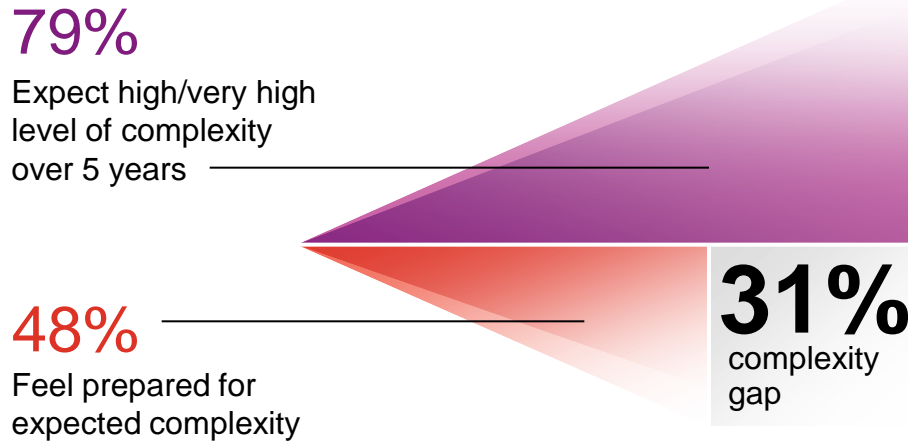
# Agenda

## Introduction – Swimming, treading water or drowning?



# CMOs feel unprepared for the amount of complexity they face

## Expected level of complexity and preparedness to handle *Percent of CMOs responding*



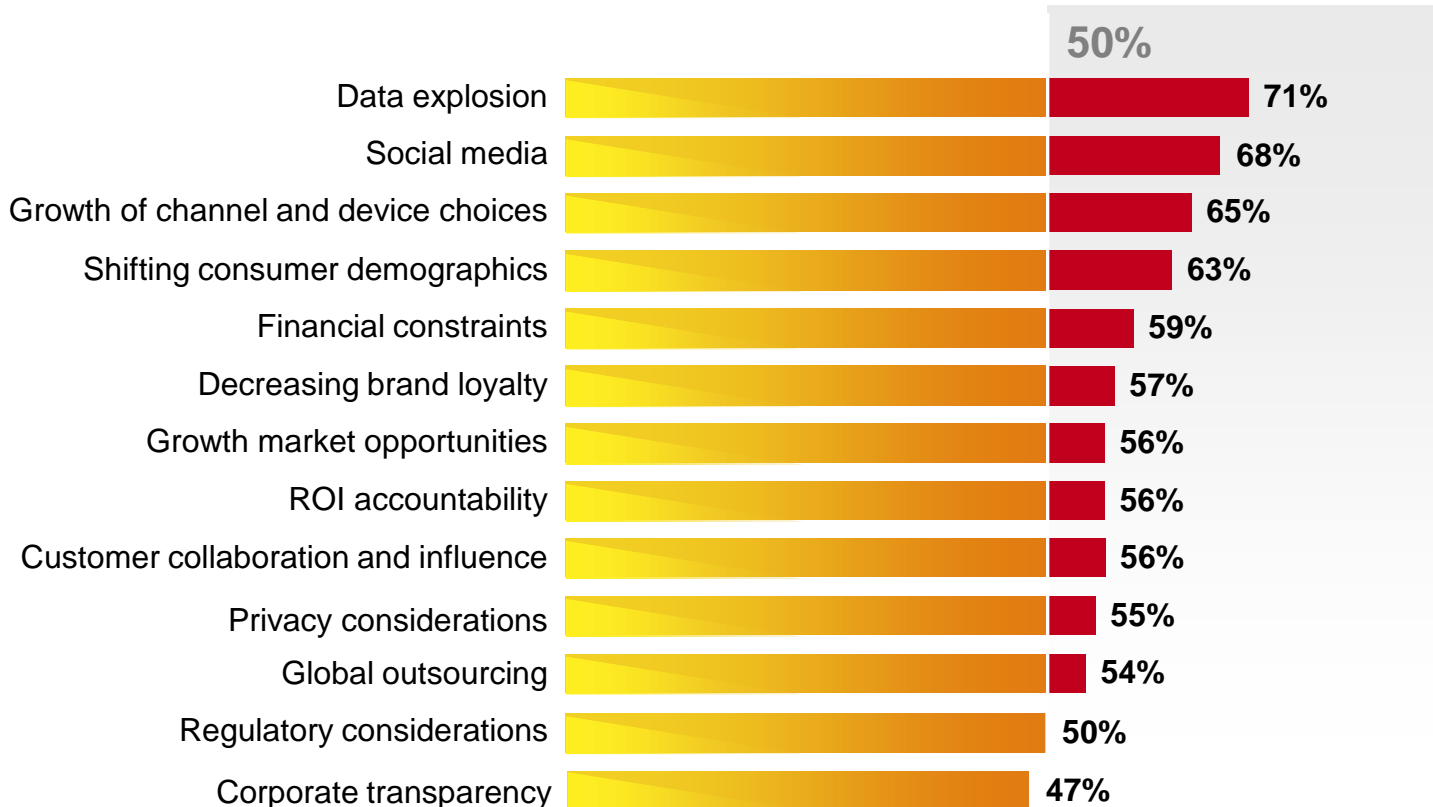
*“In this coming age of complexity and uncertainty, there is a serious risk of ‘losing our north,’ of being intoxicated by data overload and suffering from corporate indigestion.”*

Industrial products  
senior managing director/marketing, Spain

# The vast majority of CMOs are underprepared to manage the impact of key changes in the marketing arena

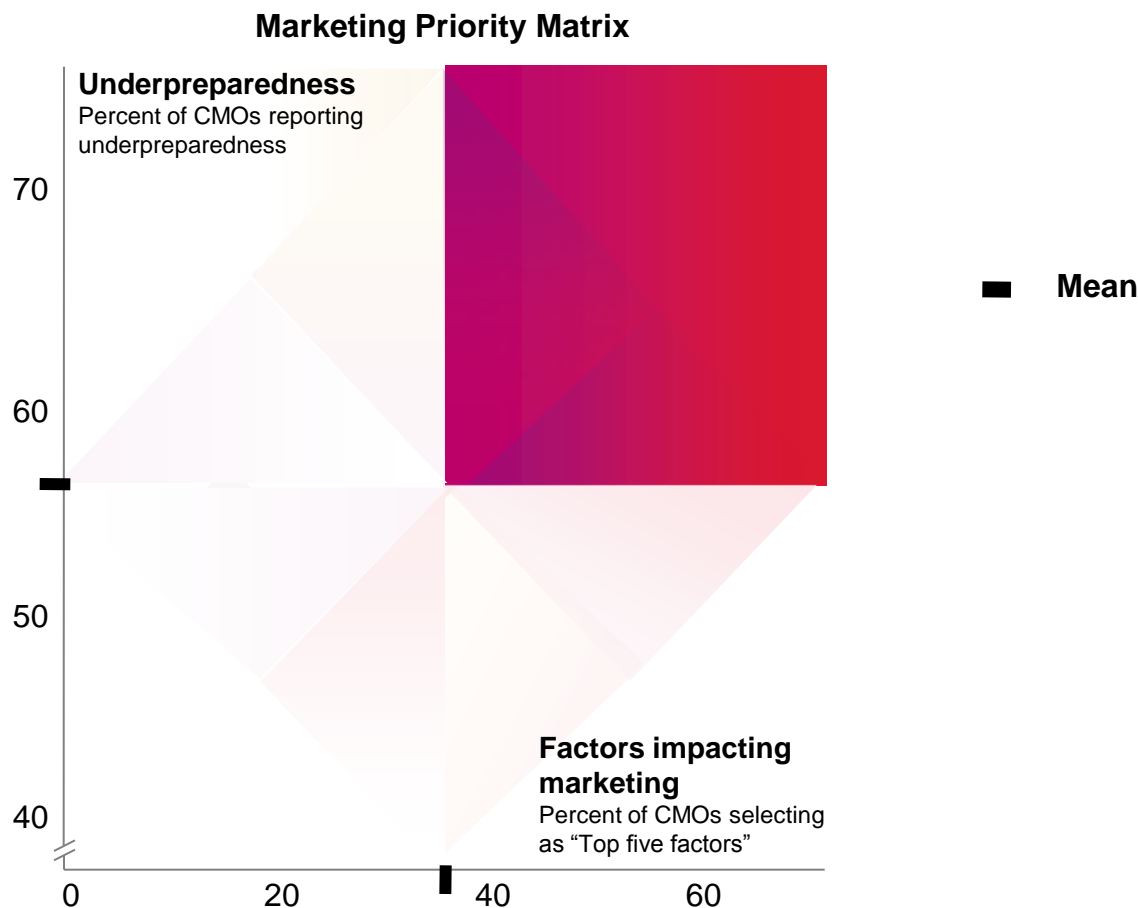
## Underpreparedness

Percent of CMOs reporting underpreparedness



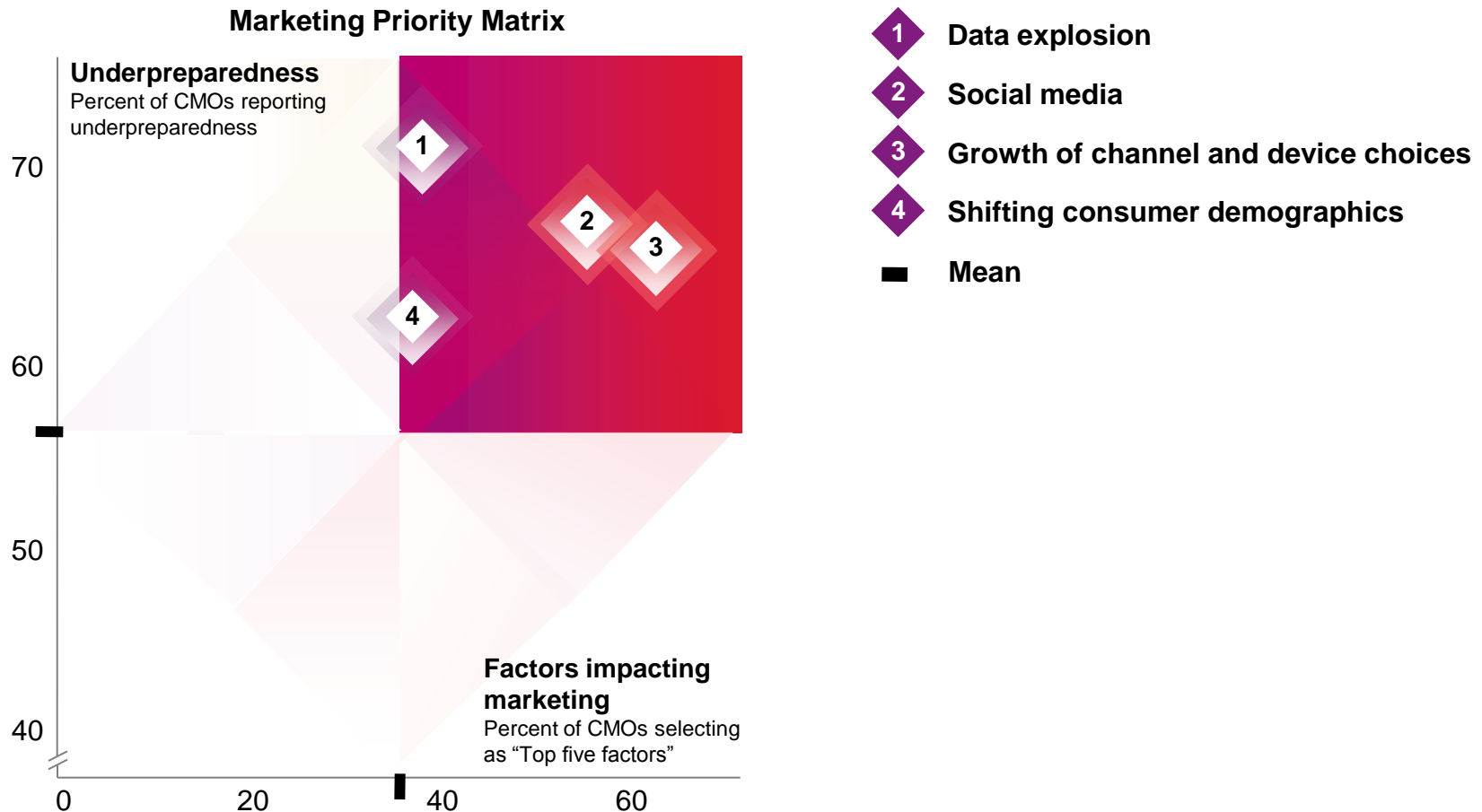
Source: Q8 How prepared are you to manage the impact of the top 5 market factors that will have the most impact on your marketing organization over the next 3 to 5 years?  
 n=149 to 1141 (n = number of respondents who selected the factor as important)

# The vast majority of CMOs are underprepared to manage the impact of top market factors affecting the marketing function



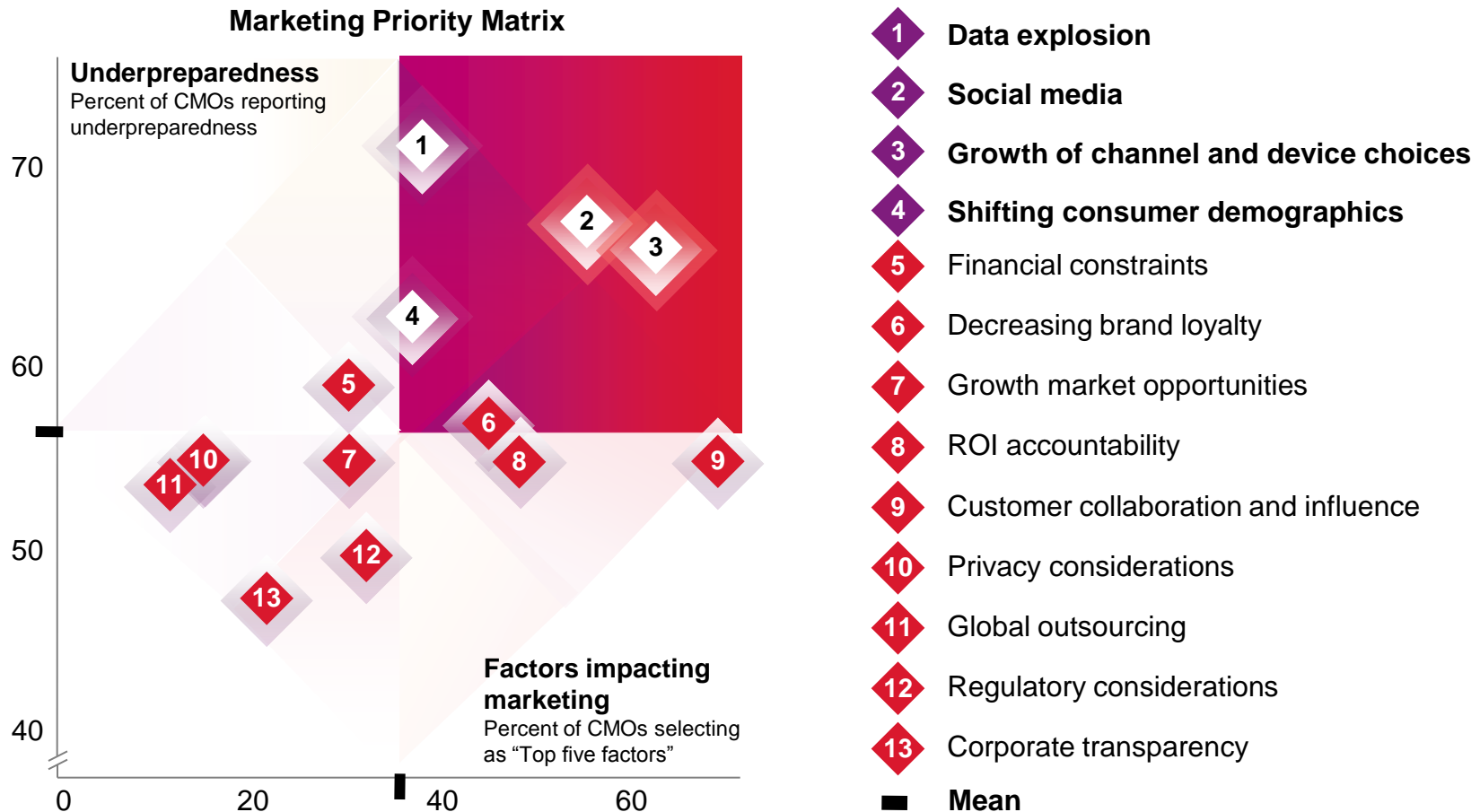
Source: Q7 Which of the following market factors will have the most impact on your marketing organization over the next 3 to 5 years? n1=1733; Q8 How prepared are you to manage the impact of the top 5 market factors that will have the most impact on your marketing organization over the next 3 to 5 years? n2=149 to 1141 (n2 = number of respondents who selected the factor as important in Q7)

# The vast majority of CMOs are underprepared to manage the impact of top market factors affecting the marketing function



Source: Q7 Which of the following market factors will have the most impact on your marketing organization over the next 3 to 5 years? n1=1733; Q8 How prepared are you to manage the impact of the top 5 market factors that will have the most impact on your marketing organization over the next 3 to 5 years? n2=149 to 1141 (n2 = number of respondents who selected the factor as important in Q7)

# The vast majority of CMOs are underprepared to manage the impact of top market factors affecting the marketing function



Source: Q7 Which of the following market factors will have the most impact on your marketing organization over the next 3 to 5 years? n1=1733; Q8 How prepared are you to manage the impact of the top 5 market factors that will have the most impact on your marketing organization over the next 3 to 5 years? n2=149 to 1141 (n2 = number of respondents who selected the factor as important in Q7)

## To deal with the broad level of underpreparedness, CMOs signaled three key domains of improvement



*“Marketing must become more adept at managing the magnitude of change now taking place. Otherwise, it will be like going into battle with a Swiss Army knife.”*

Financial services vice president, marketing, US

# Agenda

## Introduction – Swimming, treading water or drowning?

### Deliver value to empowered customers

- Move from market analysis to understanding individuals
- Take charge of growing volume, velocity and variety of data



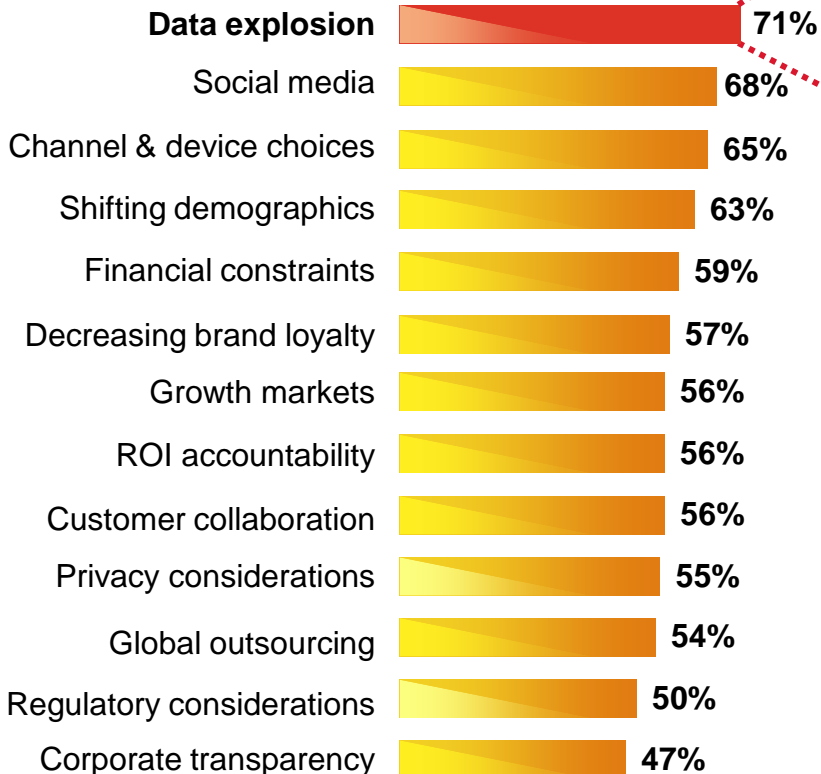
*“The biggest challenge isn’t the amount of data that’s available, but interpreting the data and making business decisions based on the insights it provides.”*

Telecommunications CMO, Poland

# CMOs are overwhelmingly underprepared for the data explosion and recognize need to invest in and integrate technology and analytics

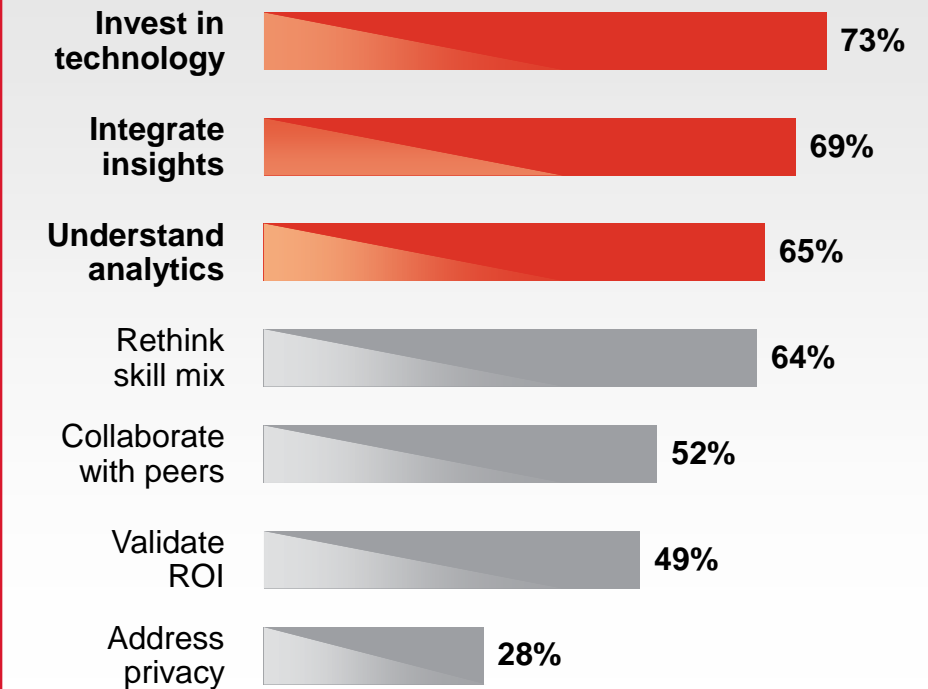
## Underpreparedness

Percent of CMOs selecting as "Top 5 Factors"



## Need for change to deal with data explosion

Percent of CMOs indicating high/significant need



Source: Q8 How prepared are you to manage the impact of the top 5 market factors that will have the most impact on your marketing organization over the next 3 to 5 years? n=149 to 1141; Q20 To what extent will the opportunity to collect unprecedented amounts of data require you to change? n=1629 to 1673

# Agenda

## Introduction – Swimming, treading water or drowning?

### Deliver value to empowered customers

- Move from market analysis to understanding individuals
- Take charge of growing volume, velocity and variety of data

### Foster lasting connections

- Focus on the relationship, not just the transaction
- Invest in building your corporate character

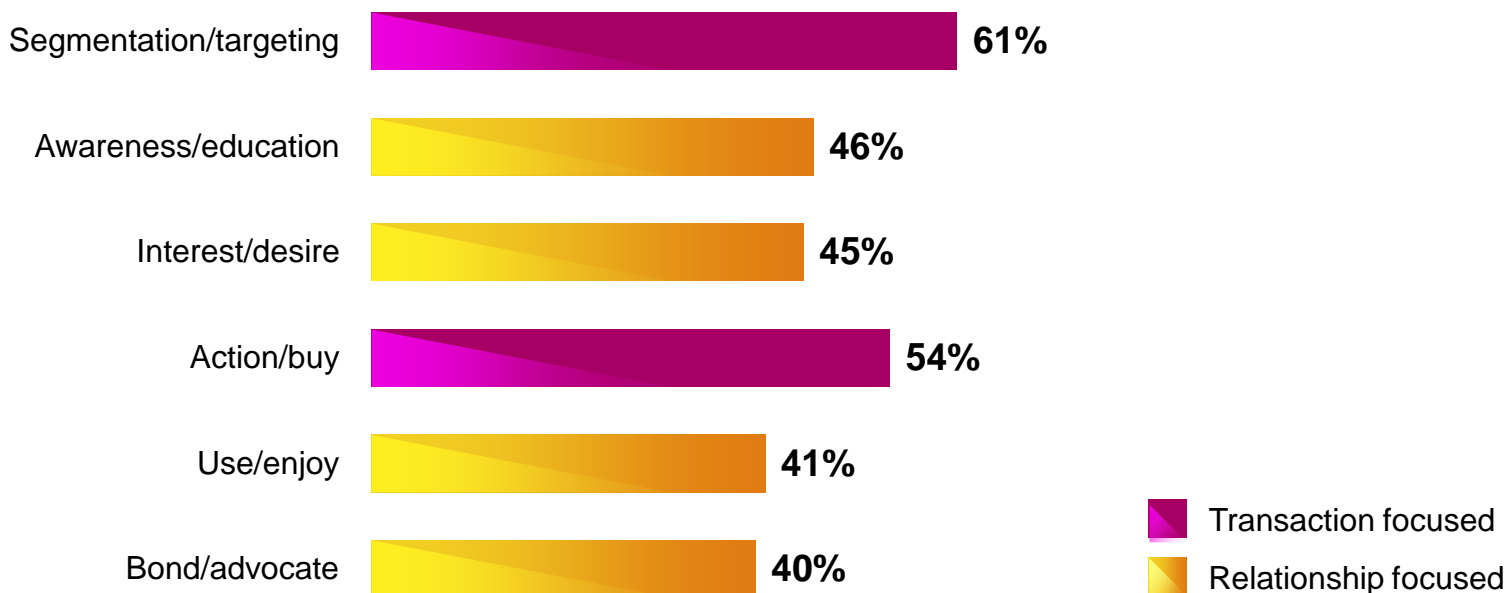


*“Marketing performance tracking is driven by customer loyalty. End-to-end lifecycle management is key.”*  
Telecommunications CMO, Belgium

# Most CMOs are using data to manage transactions, not relationships

## Extensive use of customer data

*Percent of CMOs using data captured within customer lifecycle phases*



Source: Q21 To what extent does your marketing organization capture, analyze and act on customer data generated during the following customer lifecycle phases?  
n=1626 to 1653

# To form lasting connections with customers, CMOs recognize importance of corporate character – but more work needed

## Is your corporate character understood in the marketplace?

**22%**  
say no or limited understanding of corporate character

**53%**  
say understood and (strong) contributor to brand success



## Is much more work needed to get employees on board?

**57%**  
say significant or much work needed

**20%**  
say no or very limited work needed



Source: Q10 Is your corporate character understood in the marketplace? n=1702; Q11 How much work is needed to have employees embrace and live the corporate character? n=1703

# Agenda

## Introduction – Swimming, treading water or drowning?

### Deliver value to empowered customers

- Move from market analysis to understanding individuals
- Take charge of growing volume, velocity and variety of data

### Foster lasting connections

- Focus on the relationship, not just the transaction
- Invest in building your corporate character

### Capture value, measure results

- Demonstrate accountability through ROI
- Recognize shift towards new skills and capabilities

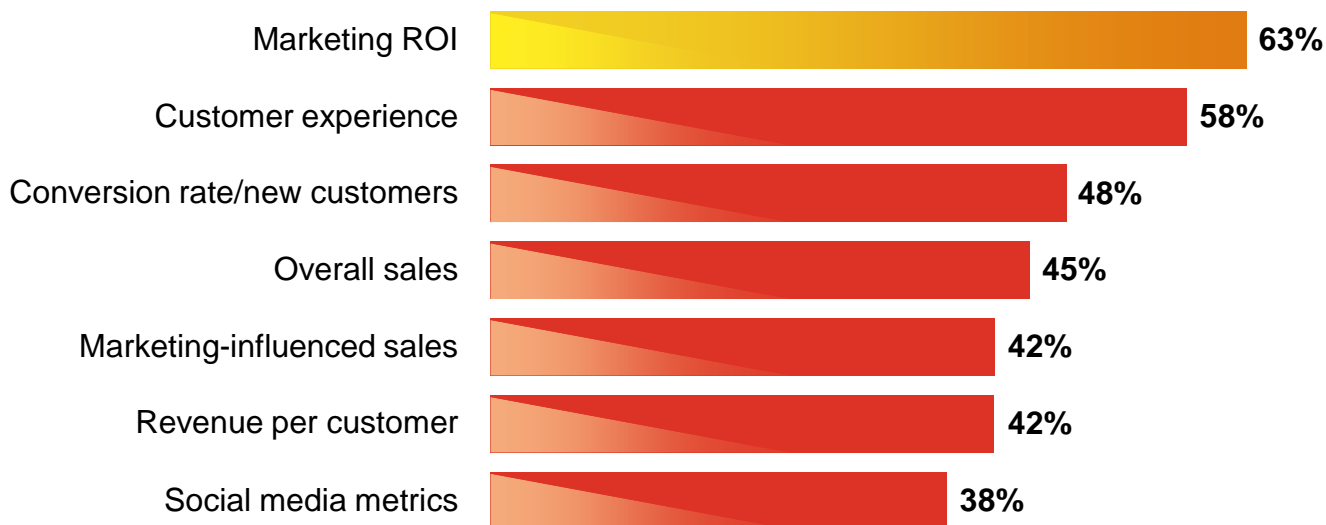
*“The success of my role is far more about analytics and technology than it is about hanging out with my ad agency, coming up with great creative campaigns. We must increase campaign ROI.”*

Airlines executive manager/marketing, Australia

# CMOs believe ROI on marketing spend will be the number one method for determining success by 2015

## Seven most important measures to gauge marketing success

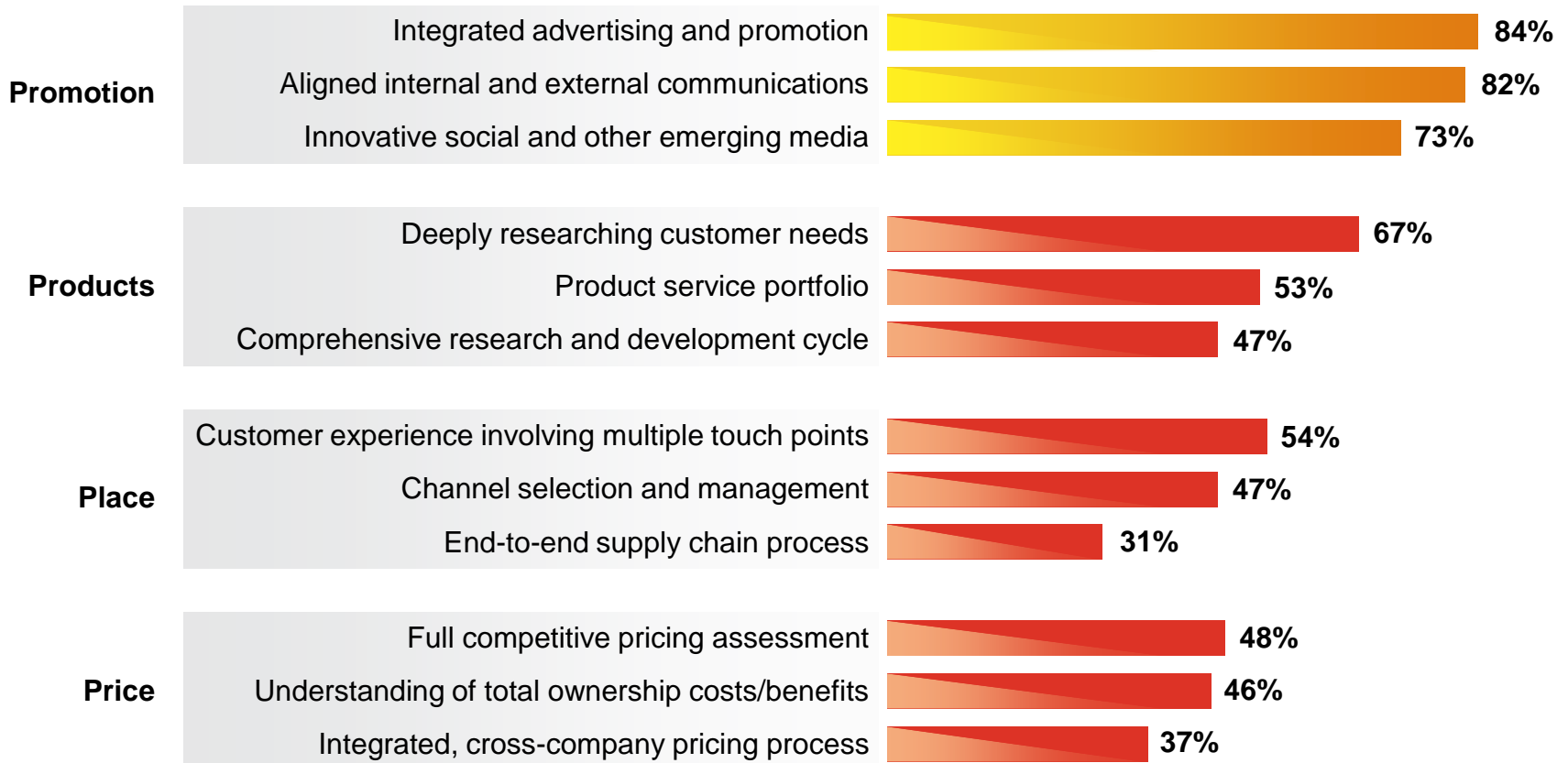
*Percent of CMOs selecting success measurements*



Source: Q19 What are the 5 most important measurements you (will) use to gauge marketing success by 2015? n=1733

# To capture value and truly deliver marketing ROI, CMOs need to have significant influence across all four Ps, not just promotion

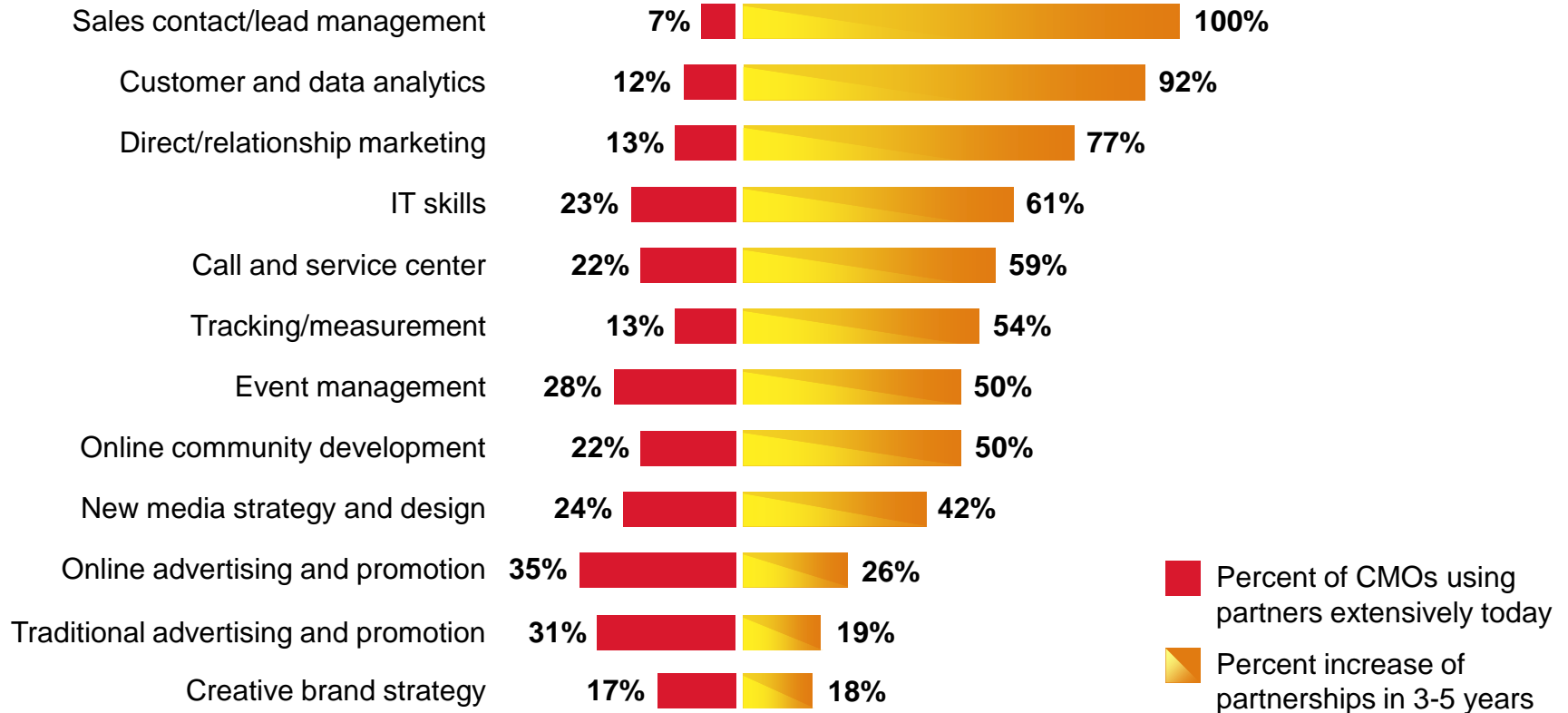
## Percent of CMOs citing significant influence



Source: Q14 How much influence do you and your organization have over the “Four Ps” and their related sub-factors? n=1580 to 1703

# To gain influence, CMOs need to introduce new skills into marketing's mix; many plan to tap external expertise

## CMOs' use of external partnerships

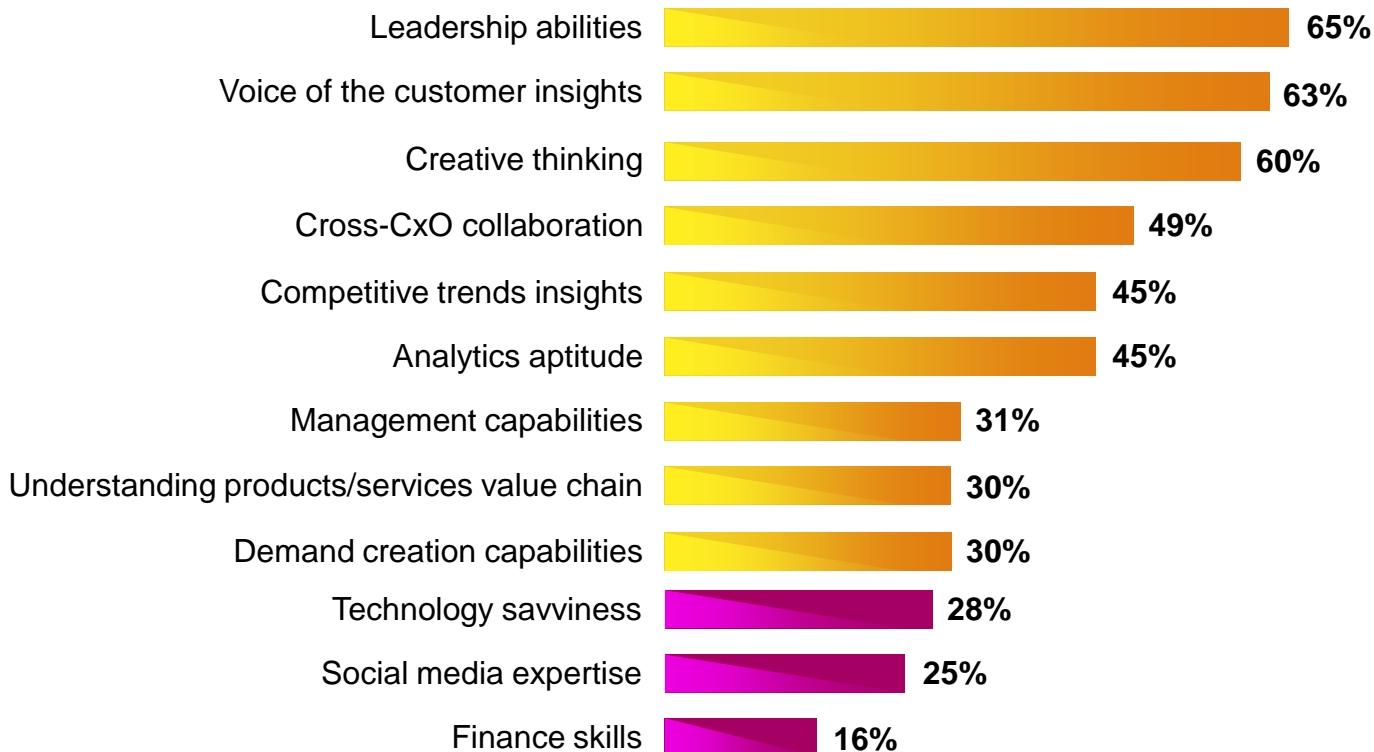


Source: Q16 What do you do within marketing and what resources will you tap into, to manage marketing today and going forward? (in 3 to 5 years)  
 n (Today) = 1440 to 1668 n (in 3-5 years) = 1481 to 1636

# CMOs also can expand their personal influence by shifting to new capabilities that focus on technology, social media and ROI

## Capabilities for personal success over next 3-5 years

*Percent of CMOs selecting capabilities*



Source: Q17 What capabilities do you need to be personally successful over the next 3 to 5 years? n=1733

# Agenda

## Introduction – Swimming, treading water or drowning?

### Deliver value to empowered customers

- Move from market analysis to understanding individuals
- Take charge of growing volume, velocity and variety of data

### Foster lasting connections

- Focus on the relationship, not just the transaction
- Invest in building your corporate character

### Capture value, measure results

- Demonstrate accountability through ROI
- Recognize shift towards new skills and capabilities

## The CMO Agenda – Get fit for the future



*“Marketing is a balanced combination of art and science. A good approach blends human creativity and logical thinking based on the data insights technology offers.”*  
Consumer products marketing director, Vietnam

## Moving from Stretched to Strengthened

### Deliver value to empowered customers

- Value for individuals
- Mine digital channels and use advanced analytics to recognize preferences and trends
- Work with IT to assess exposures, secure customer data and update privacy policies

### Foster lasting connections

- Stimulate customer relationships; use tangible incentives
- Engage throughout the lifecycle; build communities
- Engage the C-suite to meld internal and external faces

### Capture value, measure results

- Advanced analytics and metrics to improve decision making and accountability
- Increase technical and financial skills, and grow digital expertise; find new partners to supplement in-house resources
- Enhance personal financial, technical and digital savviness

## In addition to strategic actions, there are three initiatives CMOs can start today to become better prepared for the digital era

**1**

### **Create small action teams**

- Establish a short-term task force for each imperative to develop recommendations for improvements
  - Invite eager marketing futurists from your organization to participate
  - Break challenges in chunks to address the big picture, details and dependencies
  - Identify opportunities for small wins and boost support for more radical initiatives

**2**

### **Schedule time with your C-suite peers**

- Be proactive with collaboration
  - CIO: Discuss improvements for marketing technologies and tools
  - CFO: Explore financial implications and accountability
  - CHRO: Consider how to empower employees to better represent your corporate character

**3**

### **Engage like a customer**

- Live your customers' experience with your brand. What does it feel like to be a segment of "one"?
  - Drop in on stores and sites
  - Visit your call center, sit in with representatives, or remotely access randomly recorded calls
  - Join the customer conversation via social media