

# “Re-imagining” marketing at GE

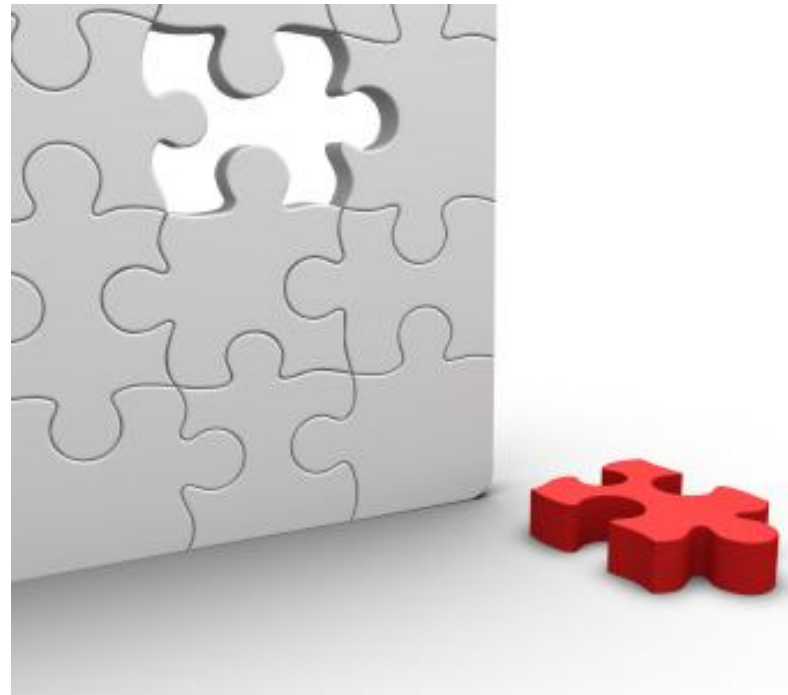
Steve Liguori

Executive Director, Global  
Marketing  
GE

CMO Collective  
November 8, 2011

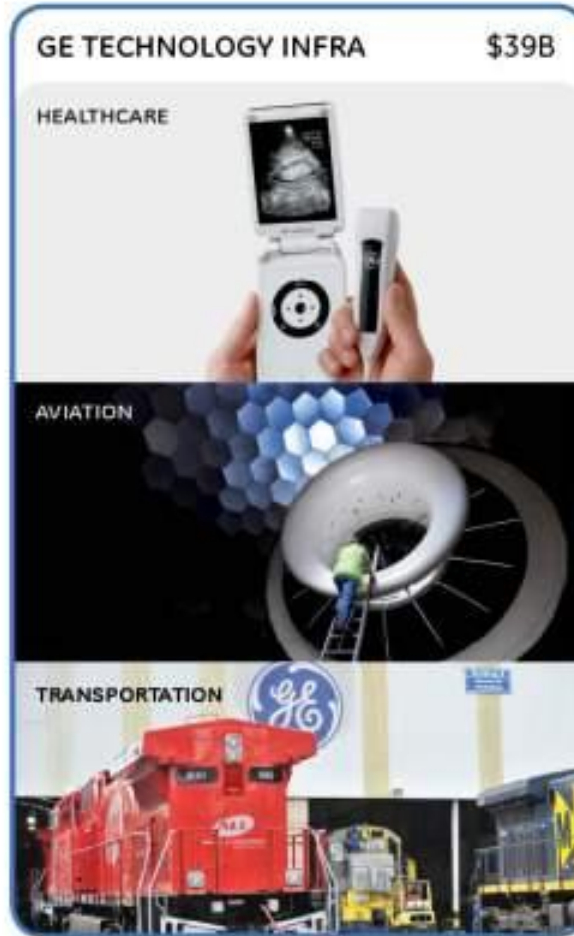


GE imagination at work



# GE Overview

2009 revenue, % earnings



~\$157B Revenue  
~ 300K  
employees

\$11.2B earnings  
\$16.6B cash flow

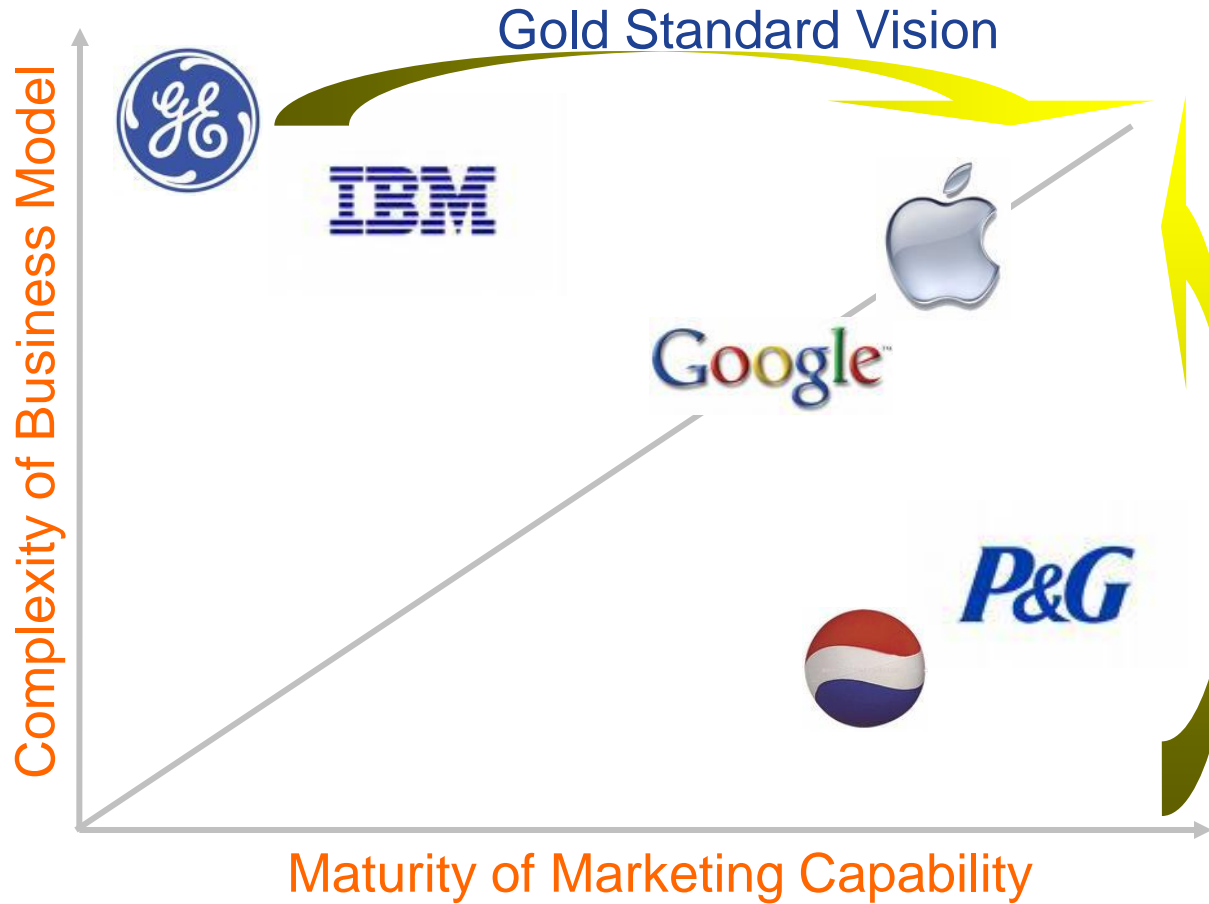
# GE's Marketing Journey to Gold Standard



*“Make marketing a new source of sustainable competitive advantage for GE.”*

Where is your business on the marketing journey?

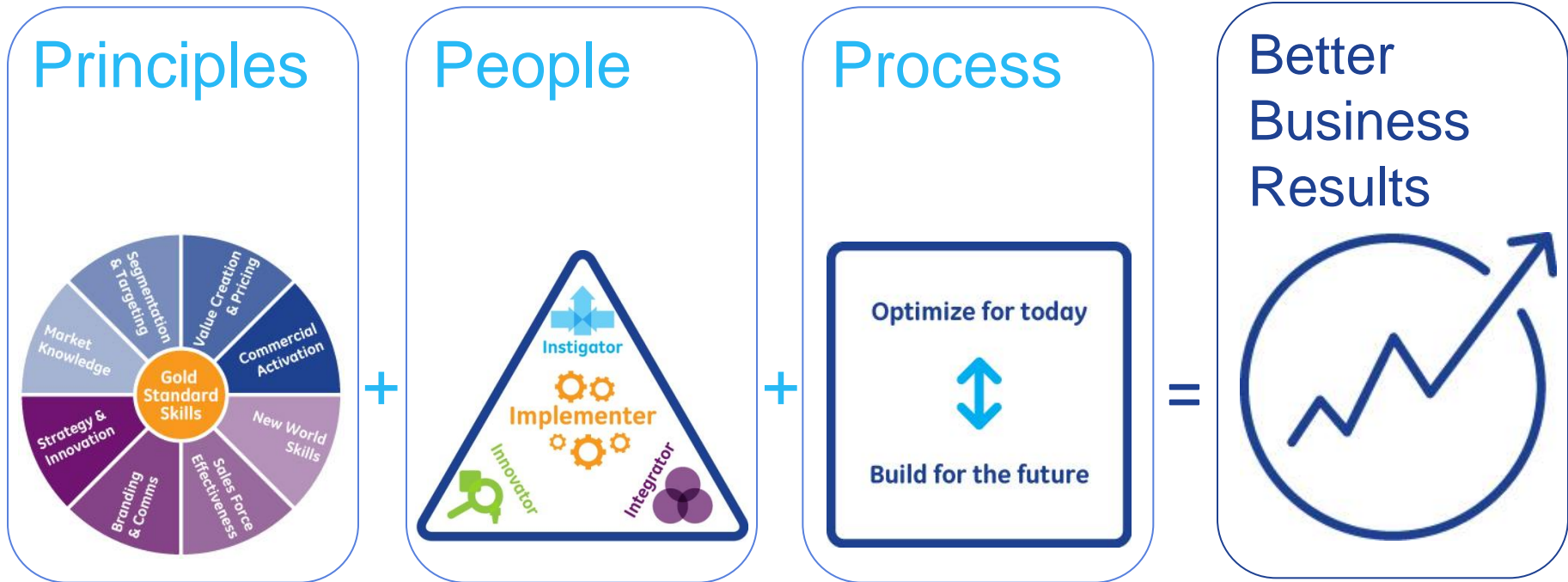
# Why? Simple solutions for a complex world...



From...  
differentiating  
commoditized  
products

To...  
finding  
simple  
solutions in a  
complex

# GE's Gold Standard Equation



3 new P's!

# Gold Standard Marketing has arrived!

Published  
October  
2010  
Harvard  
Business  
Review  
(HBR)

Marketing for  
all seasons...

The image shows the cover of a Harvard Business Review article. The title 'Unleashing The Power Of Marketing' is prominently displayed in large, bold, black font. Below the title is a subtitle in green: 'When GE realized that its products would no longer sell themselves, it had to invent a formidable marketing function from scratch.' The authors' names, 'by Beth Comstock, Ranjay Gulati, and Stephen Liguori', are listed below the subtitle. The cover features a large, artistic illustration of a paintbrush with a gold handle and a silver ferrule. The bristles of the brush are depicted as a series of vertical lines that transition from black to a vibrant rainbow spectrum (purple, blue, green, yellow, orange, red). The background is white with a grid pattern. In the top right corner, there is a small 'HBR.ORG' logo. At the bottom left, it says '1800 Harvard Business Review October 2010'. At the bottom right, it says 'October 2010 Harvard Business Review 1801'. There is also a small vertical text 'ILLUSTRATION: CHRISTINE' near the brush.

## Unleashing The Power Of Marketing

When GE realized that its products would no longer sell themselves, it had to invent a formidable marketing function from scratch.

by Beth Comstock, Ranjay Gulati, and Stephen Liguori

Just ten years ago GE had no substantial marketing organization. For decades the company had been so confident in its technologies that it seemed to believe the products could market themselves. People designated as marketers were assigned to sales support (lead generation or trade shows, for example) and communications (advertising and promotional materials). In discussions about corporate strategy, marketing wasn't at the table. At best it was considered a support function, at worst it was overhead. In a few GE businesses, such as appliances and the former plastics unit, marketing was a viable contributor, but in most of the others brilliant minds were languishing in dead-end jobs.

Many internal skeptics did not see how marketing as a function could help GE grow its businesses. Take GE Aviation, the multibillion-dollar division that develops and manufactures jet engines for commercial and military aircraft. The commercial aviation industry is relatively simple: a handful of aircraft manufacturers, two GE competitors (Rolls-Royce and Pratt & Whitney), and about 300 airlines. "You could put the entire industry in a conference room—it's that compact," says Thomas Gentile, the vice president of engine services for GE Aviation and a former chief marketing officer at GE Capital. "So the challenge was: How could market research really help us? Because we could literally pick up the phone and call everyone in the industry who mattered and find out what was on their mind."

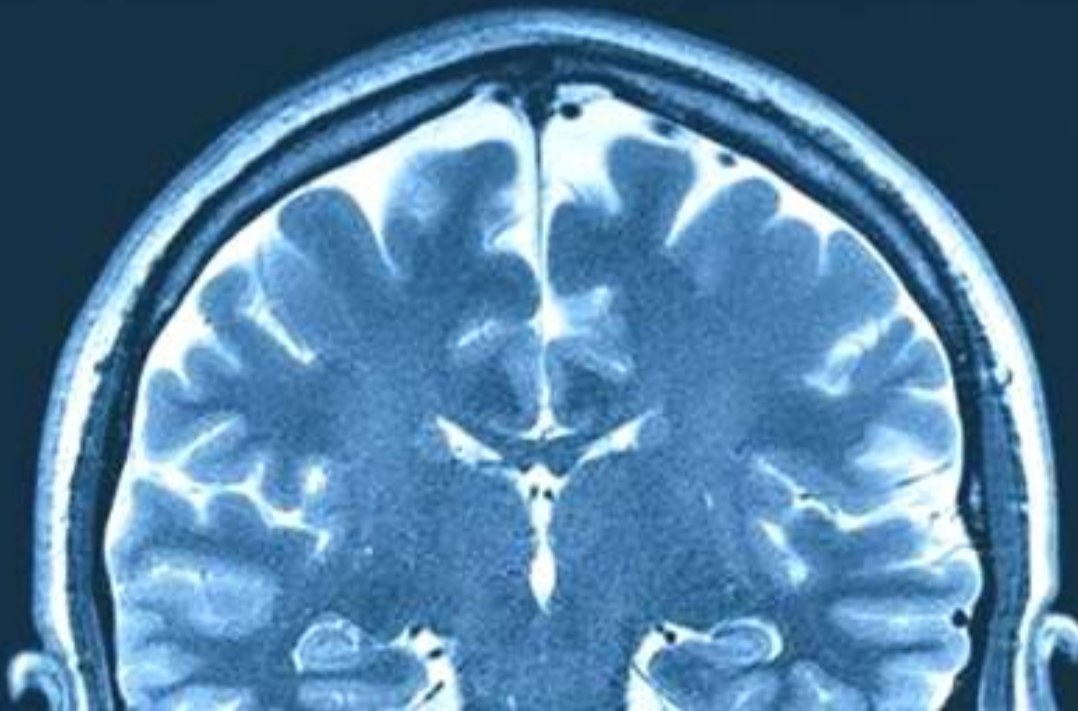
But things were changing. The businesses were maturing, and like other companies, GE was learning that it could not win simply by launching increasingly sophisticated technologies or by taking existing technologies to new markets. Some of our best-thought-out new offerings were fast becoming commodities. Even executives within a business like Aviation recognized that it was having trouble making sense of a rapidly changing industry. Fuel prices were volatile, demand was slowing, stronger regulatory oversight was around the corner. How to remain competitive and also prosper? "We didn't really

1800 Harvard Business Review October 2010

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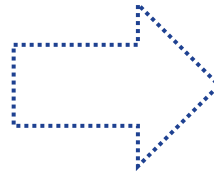
technology-led  
innovation

commercial  
innovation

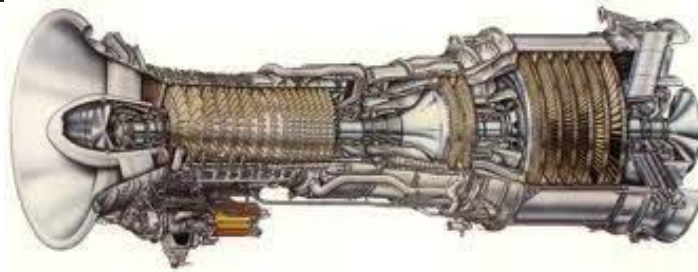


# From “Invention” to “Innovation”

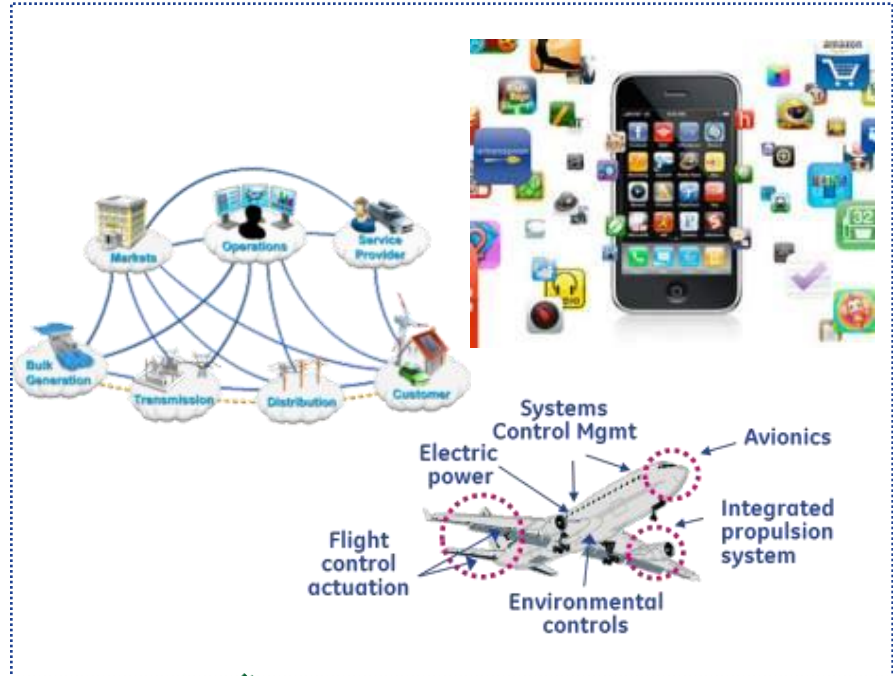
From “Invention”  
(1900 – 2000)



To “New Age”  
Innovation  
(2000 and beyond)



General Electric LM2500 Gas Turbine

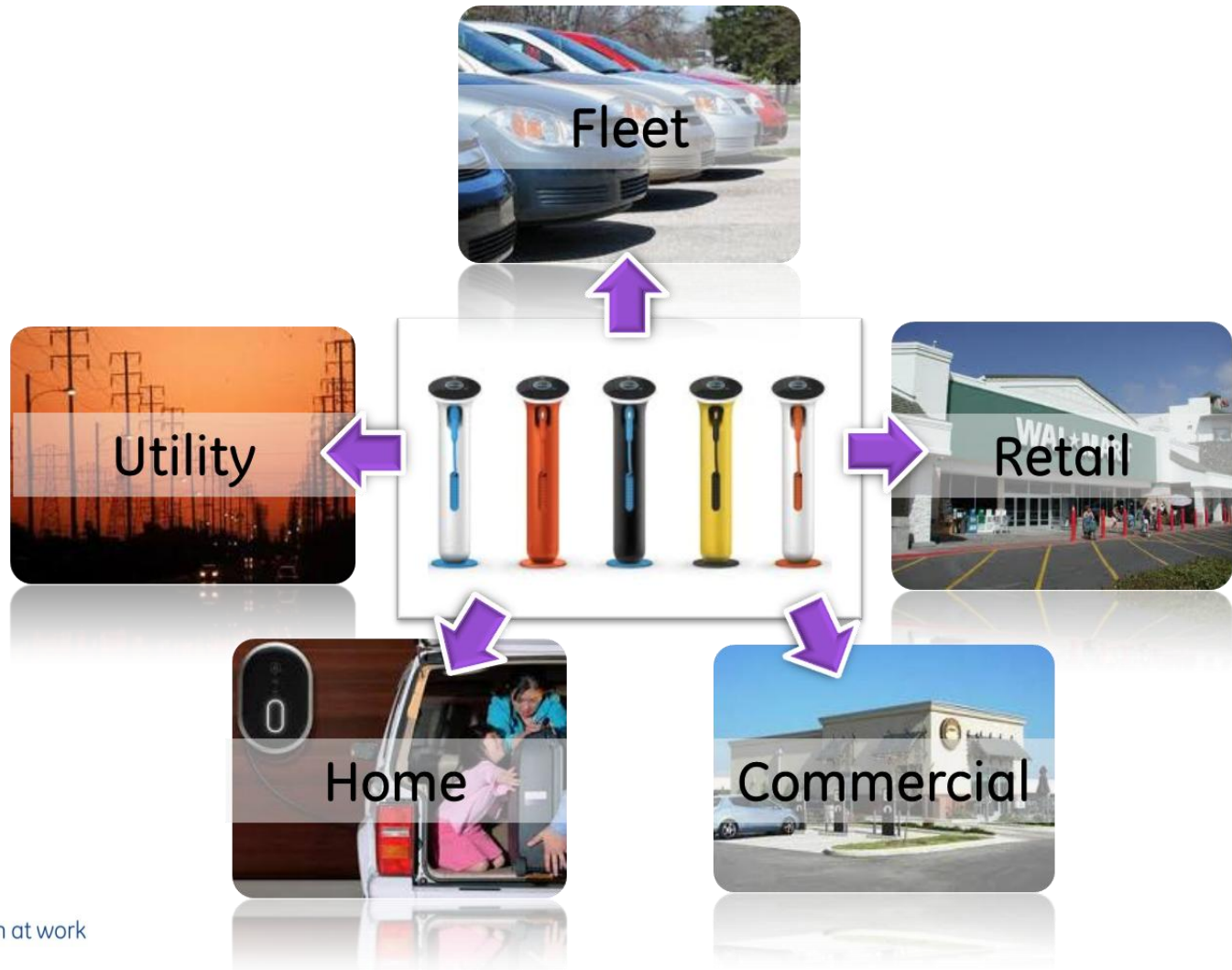


GE  
Win!



GE imagination at work

# Example: What will be the business model for EV chargers?



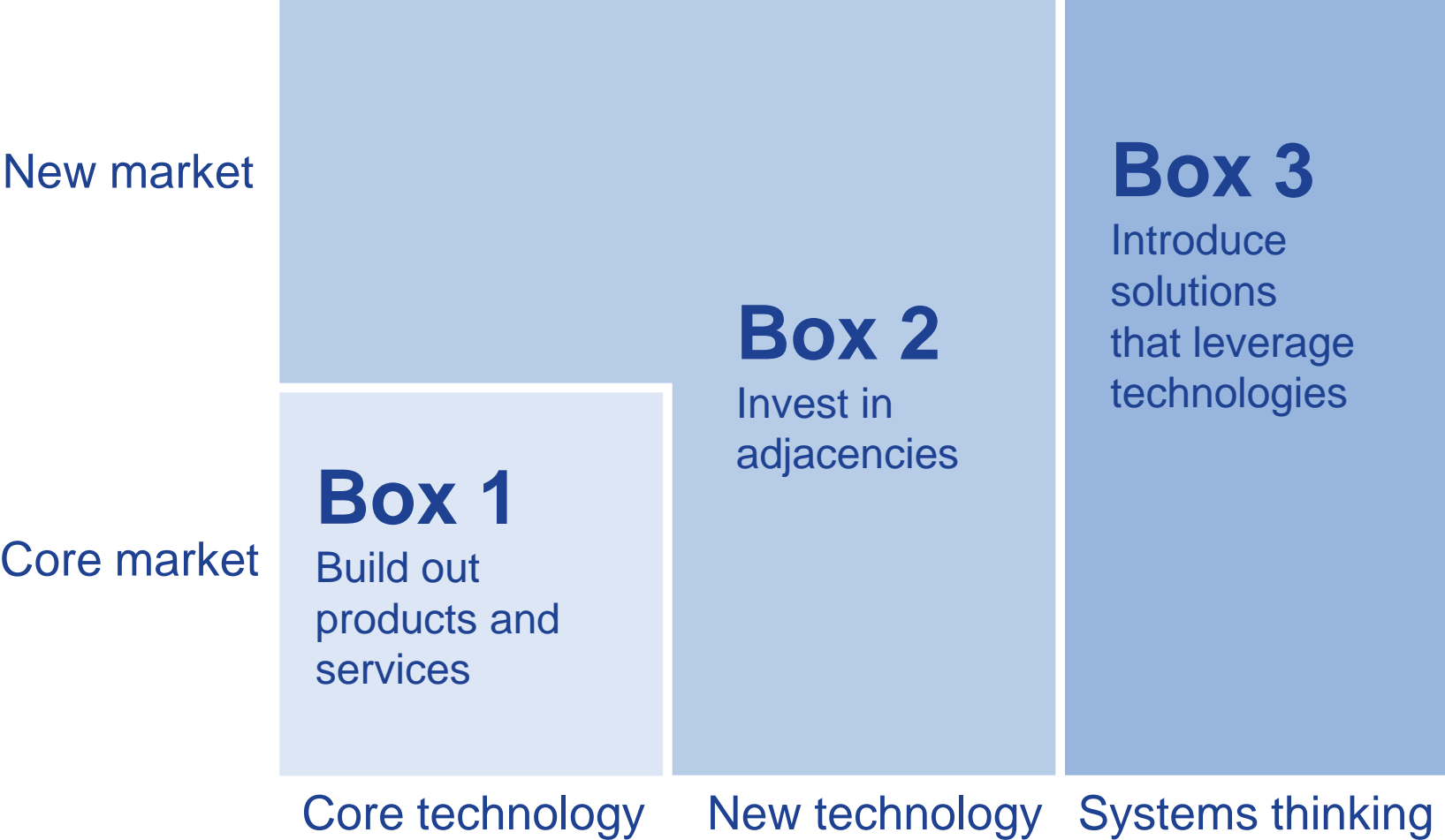
# Imagination Breakthroughs

A protected class of  
ideas



GE imagination at work

# GE's innovation portfolio



# Hallmarks of B2B vs. B2C

# Hallmarks of B2B vs. B2C

## I. No consumers!

# Hallmarks of B2B vs. B2C

I. No consumers!

II. Often hi-tech and hi-ticket

# Hallmarks of B2B vs. B2C

I. No consumers!

II. Often hi-tech and hi-ticket

III. Value Calculators rule



imagination at work





imagination at work