

SUCCESS FACTORS IN TODAY'S MARKETING ENVIRONMENT

Cheri Chevalier, David Coulson, Jo Ann Ely, Andrew Zimakas
An initiative of CMA's Branding and Strategic Planning Council

CONTENTS

Overview	P. 3
The Changing Marketing Environment Facing the CMO	P. 4
Leading with Data-based Insight	P. 6
The Digital Discipline	P. 12
Critical Communication Skills Part 1 – Story Telling	P. 19
Critical Communications Skills Part 2 – Evolving Formats	P. 22



CONTENTS

- The content of this deck will offer a practical guide for the Marketing leader (CMO or otherwise) to help her/him drive success in today's challenging and evolving business environment
- We will also provide an overview of key success factors, as a prelude to “making it happen” via cross-functional collaboration and departmental engagement (we'll look to address steps 2 and 3 in future releases of this initiative).

Step 1

Understanding Key Success Factors

- The changing marketing environment
- Outline of key success factors

Step 2

Driving it Across the Organization

- The critical need for cross functional collaboration

Step 3

Engaging Your Own

- Gen Y and beyond



THE CHANGE MARKETING ENVIRONMENT FACING THE CMO

The Marketing function has evolved dramatically in the last few years, driven by:

External environment changes

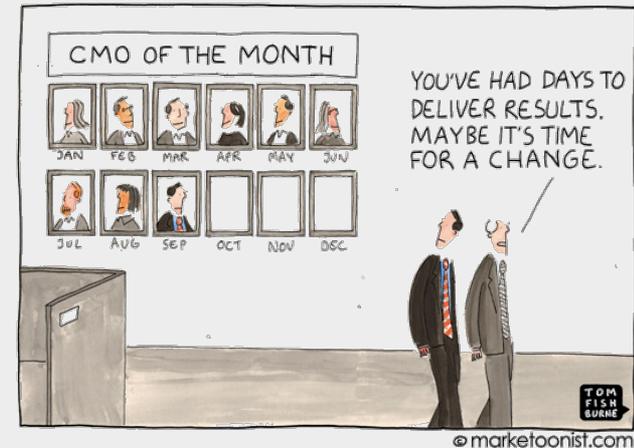
- Digitization, media fragmentation, device/channel proliferation
- Explosion in data availability
- Customer empowerment

Internal organizational factors

- Constrained resources
- The financial accountability imperative
- Broadening notion of 'brand' – internal/external stakeholders.

The Role of the CMO

- Varied & complex
- Challenging
- (Potentially) influential and fulfilling



Identifying and effectively acting on these factors is critical for success of the CMO and Marketing.

MARKETING “SCIENCE AND ART” REQUIRED

To help a change in strategy be successful, CMOs must champion initiatives that combine both science and art.

We will address the following throughout this deck:

- Leading with Data Based Insights - “Science”
- Digital Marketing - “Science & Art”
- Critical Communication Skills – “Art”



LEADING WITH DATA-BASED INSIGHT

Key Drivers/Trends

The marketing profession has always relied on data. However, with the ever growing amounts of data available, the consumer is becoming increasingly empowered.

Marketing needs to meet the challenges of this empowered consumer:

- Through a more systematic approach
- By using data at every opportunity and become 'marketing scientists'

New insights are required to meet the rapidly changing environment.

- Observation, testing and measurement are still key, but the challenge is to arm marketers and business leaders with insights to improve business outcomes.
- Marketers are now able to identify deep behavioral patterns, formulate new hypotheses, predict the future, and prescribe best course of action.



© marketoonist.com

LEADING WITH DATA-BASED INSIGHT

New Competencies Required

1. Architecting Data

- Draw on a much wider range of data: demographic studies, social media discussion, blogs, online reviews, analysts' reports.
- Architect raw data, structure it to be more digestible and easily available for analysis.
- Requires skills/knowledge related to data management, social media.

2. Applying Science

- In-depth analysis and understanding of complex market dynamics – using insights to predict outcomes.
- Scientific principles and approaches to marketing research.
- Requires researchers with advanced math and science capabilities/certification.

3. Influencing Action

- What segments to target, what to offer, how best to serve.
- Using systematic, scientific methods to understand individual customers and tailor messaging.
- Requires deep business knowledge, salesmanship, organization change management.



LEADING WITH DATA-BASED INSIGHT

Evolution of Analytical Modeling

Prescriptive:

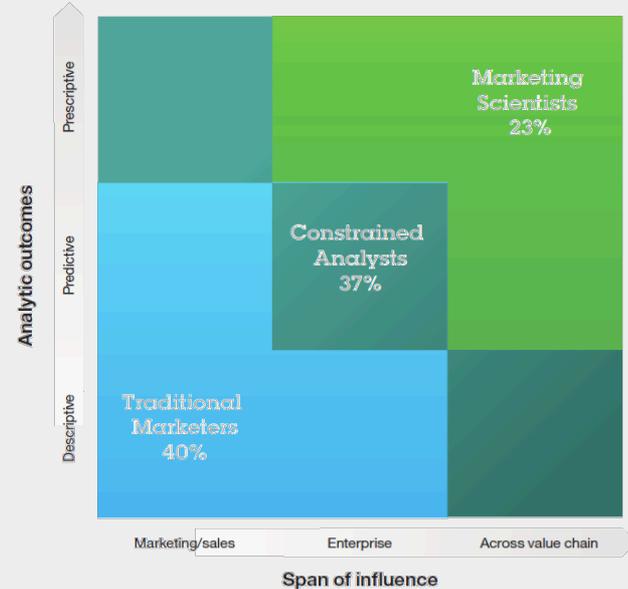
Sophisticated models used to recommend next steps/actions based on analysis across complex criteria and data

Predictive:

Analyses and models used to help predict possible outcomes of marketing initiatives and market trends

Descriptive:

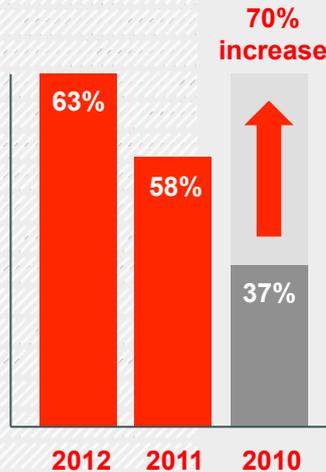
Analyses used to describe events, product portfolios, market segments and customers



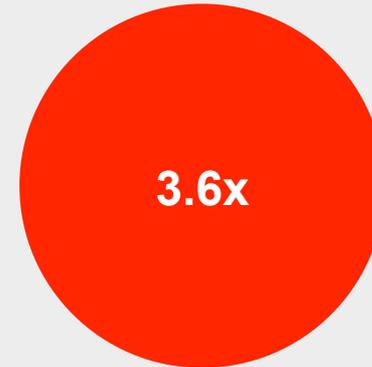
To be successful marketing “scientists”, practitioners must progress from traditional descriptive analyses, to those that help predict outcomes, to actionable, prescriptive, analytical models that encompass the entire value chain.

LEADING WITH DATA-BASED INSIGHT

The Pay-off: Analytically sophisticated companies outperform their competition.



Percentage of respondents who cited a competitive advantage from the use of information and analytics^{1,2}



Likelihood of organizations competing on analytics to outperform their peers²

1. 2010 and 2011 datasets © Massachusetts Institute of Technology.
2. 2 Analytics: The real-world use of big data. 2012 Study conducted by IBM Institute for Business Value, in collaboration with Säid Business School at the University of Oxford.

LEADING WITH DATA-BASED INSIGHT

Questions to Guide your Approach

Leading with data-based insight does not mean one approach is appropriate for all organizations, but the following questions should help in identifying what your approach should be:

1. What problem do you need to solve?

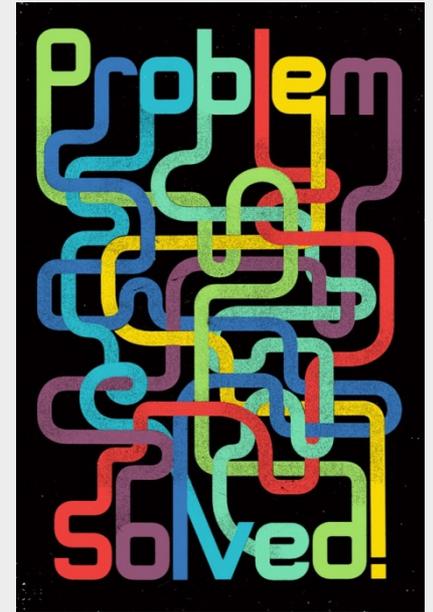
Advanced analytics can provide insight on almost anything in an organization. But don't drown in analysis-paralysis. Focus on what your problem is first and use prescriptive analytics to show you where to drive change.

2. How centralized do you want the analytics organization to be?

Do you want to develop a service bureau model to attract and retain the best analytical capabilities in one team or deploy key capabilities with strong business insight throughout the organization?

3. How fast do you need decisions to be made?

Fractions of seconds now matter in many online environments and advanced artificial neural networks/ machine learning algorithms can deliver advanced calculations in microseconds.



LEADING WITH DATA-BASED INSIGHT

Questions to Guide your Approach

Leading with data-based insight does not mean one approach is appropriate for all organizations, but the following questions should help in identifying what your approach should be:

4. Do you have the capabilities in house?

Re-tooling and enhancing skillsets for employees is critical and should be continuous, but you may need to bring on or contract for additional, highly advanced analytical scientists.

5. How do you want to ensure consistency and quality?

Organizations should not only invest in analytical resources, but in quality assurance professionals to develop ongoing and automated testing models to catch errors and ensure accurate data is driving decisions.

LEADING WITH DATA-BASED INSIGHT

Recommendations

While there are many approaches that best fit different organizations, the following can be a general guide in deciding how best to leverage data-based insight:

1. Evaluate your current analytics capabilities.

Decide if it is a resource issue or a cultural issue. Is the organization conditioned to listen and act on analytical results or does it simply use analytics to justify decisions already made?

2. Identify if you are capturing all of the data you need.

Many organizations designed their data capture and analytical capabilities when radically different technologies were available.



LEADING WITH DATA-BASED INSIGHT

Recommendations

While there are many approaches that best fit different organizations, the following can be a general guide in deciding how best to leverage data-based insight:

3. Decide if you have or need the capabilities in house or need external.

Does your current employee base have the ability?
Do you have the ability to attract the talent?
Do you need external consulting help to set up, manage or periodically re-evaluate your analytics capability?

4. Invest in new technologies.

Does your current employee base have the ability?
Do you have the ability to attract the talent?
Do you need external consulting help to set up, manage or periodically re-evaluate your analytics capability?



THE DIGITAL DISCIPLINE - KEY DRIVERS/TRENDS

Digital Marketing refers to digital activities in the marketing space, and encompasses developing content and driving traffic to digital touch points, building campaign websites, as well as fostering interactions and engagement in social networks.¹

- It includes both “push and pull” approaches, encompassing a range of disciplines, such as Web/Email Marketing, Search Engine Marketing, Social Media Marketing and Social CRM.
- It requires the marketer to effectively leverage the ‘digital ecosystem’ in which its brand, associated product(s)/service(s), and customers reside.
- It can provide incredible new opportunities to engage with customers and other brand stakeholders.
- But the stakes are high, since customers are more demanding and vocal in this digitally-enabled, social media-driven ecosystem.
- There’s a need for the marketer to manage more data, channels/devices, and complexity, often with the same or fewer resources than before.



1. “Digital Marketing - Don't Miss the Forest for the Trees”. A.T. Kearney Global management consulting firm, 2012.

THE DIGITAL DISCIPLINE - KEY DRIVERS/TRENDS

There is a major opportunity to leverage digital throughout the customer experience and lifecycle, in order to deepen customer relationships and drive customer and brand value.

Progress from a fragmented customer experience across channels, to a seamless and multi/omni-channel approach requires the marketer to adopt a broad perspective and mindset, addressing these critical areas:

- 1. Align** the digital marketing focus with the organization's business and brand strategy and its overall marketing focus.
- 2. Link** all customer touch-points (both online and offline) as part of the brand.
- 3. Collaborate** across the organization to deliver an outstanding digital experience, applying both an internal and external lens to digital efforts.
- 4. Execute and Measure** against the right digital marketing strategies and tactics.
- 5. Develop** internal digital capabilities, while partnering externally for leading-edge thinking and for flexibility in resourcing.



©marketoonist.com

DIGITAL MARKETING: KEY QUESTIONS

ALIGN

Key Questions:

- What is the overall strategy for our business/brand?
 - Vision, mission, values
 - Value proposition/positioning
 - Marketing strategy
- How does digital tie to our key business and brand objectives?
- How do our customers (and other stakeholders) engage via digital?
 - How can digital help meet currently unmet needs?
- What are our digital marketing capabilities?
- What is the appropriate scope and focus of our digital marketing strategy?

LINK

Key Questions:

- Have we defined our end-to-end customer experience with the brand?
- What role does/could digital play – both within, and across, each step?
- How do we seamlessly link offline and online elements to create a superior and seamless multi-channel experience?
 - Is there a need/opportunity for full-scale re-engineering, or is this incremental?

COLLABORATE

Key Questions:

- What role does each functional area play in each part of the value chain in delivering the customer experience?
- How can we create better functional collaboration to deliver a superior customer experience?
 - Offline and online elements
 - How can Marketing facilitate this?
 - Who needs to buy-in?
- How can digital (as a medium) be used to increase effectiveness of internal collaboration?
 - Information sharing, innovation, culture building, etc.



DIGITAL MARKETING: CRITICAL AREAS TO ADDRESS

EXECUTE/MEASURE

Key Questions:

- Based on the previous three areas, what is our optimal digital marketing approach?
 - Priority areas (linked to brand/business objectives)
 - Supporting strategies/tactics
 - Tools and partners/properties
 - Required resources / IT needs
- What is the appropriate measurement framework?
 - How do we mine and leverage actionable insights across the business?
 - What KPIs should we track?
 - How do they link together and to overall brand/business KPIs?

DEVELOP

Key Questions:

- Have we defined our end-to-end customer experience with the brand?
- What role does/could digital play – both within, and across, each step?
- How do we seamlessly link offline and online elements to create a superior and seamless multi-channel experience?
 - Is there a need/opportunity for full-scale re-engineering, or is this incremental?



© marketoonist.com

DIGITAL MARKETING – PRIORITY RECOMMENDATIONS

1. Align your digital strategy with your brand/marketing/corporate strategies (note: you may first require more clarity on the latter to move forward).
2. Assess how seamless your customer experience is - online/offline, across devices and channels.
3. Explore how digital makes (or could make) the customer experience fundamentally *better* - not just different.
4. In creating your digital strategy, consider interrelated elements that may play a significant role:
e.g. content, social media, mobile, targeting & personalization, data integration.
5. Share your digital vision and strategy across functions (as a shepherd, not an owner) - understand the role that each function could play and build commitment to create and execute the plan.



© marketoonist.com

DIGITAL MARKETING – PRIORITY RECOMMENDATIONS (CONT'D)

6. Champion digital inside the organization, to collaborate better and bring customer-facing elements to life.
7. Engage IT throughout – become digital partners with purpose.
8. Assess your current digital skillset and resources - determine what can/should be developed, hired, and outsourced to partners.
9. Start with a relatively simple strategy – execute well and evolve over time.
10. Develop a measurement framework that links to business results and existing metrics as clearly as possible (e.g. via the purchase funnel).



CRITICAL COMMUNICATIONS SKILLS – PART 1

Storytelling

- In a business environment overflowing with data, business leaders may be tempted to lean on data in their engagements with prospects and customers or even employees.
- It's important to remember that it is emotion, not data, that connects people and gets your audience engaged and interested.
- One of the most powerful ways to drive emotion is through storytelling.
- Marketers, sellers and business leaders need to connect with their audience on an emotional level to influence and storytelling provides this emotional platform.
- Marketers are not fully harnessing the power of this communication skill to accelerate their efforts.
- More than ever, story telling is being used by sellers, marketers and business leaders to influence. No longer is this skill restricted to the tool kits of filmmakers and authors.

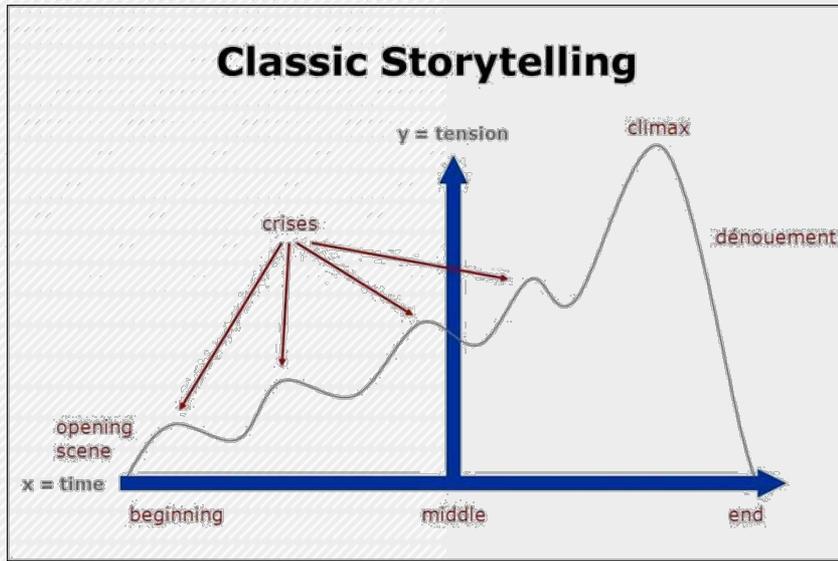


If you want to communicate powerful messages in business, there are two things to keep in mind. First, you should use stories to craft engaging and personal experiences that relate to the overall point you are trying to make. Second, don't rely only on facts. Remember, facts matter most when the audience is rationalizing a decision that has already been made on an emotional level -Kelsey Ruger

STORYTELLING (CONT'D)

Storytelling capabilities include:

- Understanding how to build effective stories
- Understanding how to best deliver the stories
- Understanding how to best bring your brand attributes to life through stories



STORYTELLING (CONT'D)

Questions marketers should be asking:

1. Are your sellers and marketers skilled in this new competency?
2. Do you have a plan in place to get them trained?
3. Are they bought into the advantage it gives them in the marketplace?
4. What is the corporate story for your business?
5. What are the story scenarios that demonstrate who you are and what you stand for?
6. As executives become the face of the brands they represent, have you also considered, what is your personal story?



STORYTELLING - RECOMMENDATIONS

1. Understand the key stories that illustrate the value proposition of your brand.
2. Determine the 'tone and manner' you wish to convey in your stories as it relates to your brand – your brand attributes should permeate your brand stories.
3. Your stories should make it easy for the audience to empathize with what happens to the characters based on their own life experiences.



STORYTELLING - RECOMMENDATIONS

4. Use storytelling to not only persuade, but also to get rid of FUD (fear, uncertainty, doubt), make the complex simple, and produce mental images to multiply the impact of your message.
5. Pick business stories that are based on universal truths that transcend race, religion, ethnicity, and gender.
6. Build stories in a classic framework for the greatest impact: plot, characters, and setting all work to drive a unified narrative.



©marketoonist.com

CRITICAL COMMUNICATIONS SKILLS – PART 2

Evolving Formats

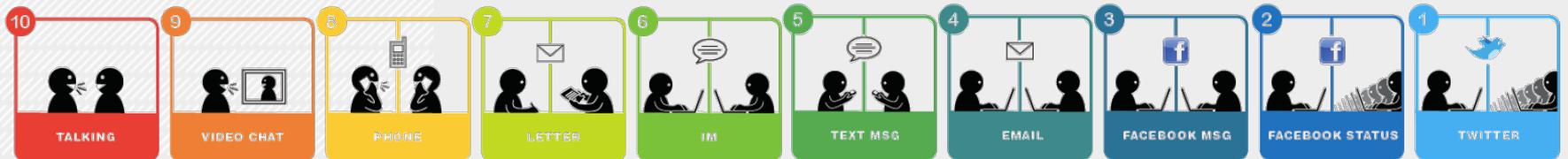
- The environment in which the written word is employed has fundamentally changed.
- We have moved from an era of one-way to two-way communications, from a monologue to a dialogue.
- The general sentiment about your brand, is no longer manufactured by the corporation, it is also largely created by your customers and prospects – and you have to be ready to respond.
- Marketers need to understand how to manage their brand in this two way communication world.



CRITICAL COMMUNICATIONS SKILLS – PART 2

Key trends

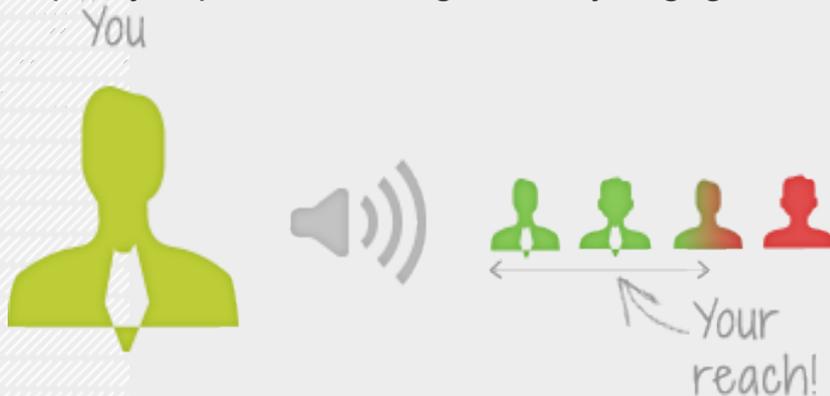
- While video is a strong medium, text still reigns king. Search engines reward sites with text-rich content.
- Digital media has become a primary information consumption vehicle for consumers, fueled primarily by the written word.
- Consumers crave compelling, value-added communications/content, and this content has become a primary marketing vehicle in and of itself.
- The days of focusing solely on web stickiness, eyeballs and clickthroughs are fading. These are the days of immersion, conversations, engagement, relationships, referrals, and action
- The socialization of media and information is our Industrial Revolution. For the first time in history, media technology and the tools and channels for broadcasting information has been disrupted and open for true global collaboration, while also effectively changing how people interact with each other.



EVOLVING FORMATS (CONT'D)

Questions to consider as you examine the effectiveness of your communications:

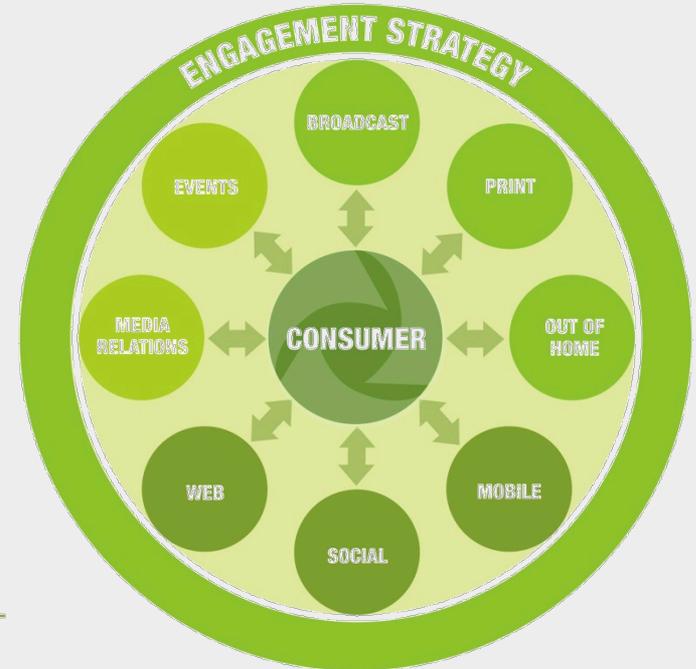
1. Do you possess the necessary talent and infrastructure to drive open communications with your customers across the various two-way formats?
2. Do you have a strategy around how your brand will 'show up' in the various communication vehicles of today?
3. Have you thought about how to land effective messages in 180 characters? In Facebook post formats? In LinkedIn blog formats?
4. Do you have a social media response strategy for both positive and negative commentary?
5. Do you have a policy in place to manage socially engaged talent within your organization?



EVOLVING FORMATS (CONT'D)

Priority Recommendations

1. Have a communication strategy in place for the 'new' communication vehicles.
2. Ensure you have brand alignment as to how you will show up across these various mediums.
3. Ensure your community managers - the voice of your brand - understand your brand characteristics, and ensure they communicate accordingly.
4. Have a communication plan in place for managing crisis. Given how fast word spreads in the digital landscape, how will you address business crises that arise?
5. Knowing how to write in this new era starts with knowing how to listen, and then how to engage, ensure you have listening rhythms in place and a strategy for addressing what you hear.



SOURCES

1. IBM - Insights from the IBM Global CMO Study <http://www-935.ibm.com/services/us/cmo/cmstudy2011/cmo-registration.html>
2. IBM - Smarter Marketing page - http://www.ibm.com/smarterplanet/us/en/smarter_marketing/overview/index.html?re=CS1
3. "New Communication Theory and the New Roles for the New World of Marketing". Brian Solis blog, Altimer Group - <http://www.briansolis.com/2008/07/new-communication-theory-and-new-roles/>
4. Ruger, Kelsey. "Storytelling In Business: How Can It Benefit You?" Kelsey Ruger's TheMoleskin Think.Try.Teach blog. <http://www.themoleskin.com/2010/03/storytelling-in-business-how-can-it-benefit-you/>
5. "The 5 New Must-Have B2B Marketing Skills". Eloqua blog - <http://blog.eloqua.com/key-marketing-skills/>
6. Hidalgo, Carlos. "5 Skills Marketing Employees Must Have". Marketing Profs. <http://www.mpdailyfix.com/5-skillsmarketing-employees-must-have/>
7. Singer, Adam. "Tomorrow's Marketing Skill Set". The Future Buzz Blog. <http://thefuturebuzz.com/2010/03/02/tomorrows-marketing-skill-set/>
8. Rothman, Dayna. "Four "New Marketing" Skills You'd Better Learn Quick". Marketo Blog <http://blog.marketo.com/blog/2012/08/four-new-marketing-skills-youd-better-learn-quick.html>
9. Hoffman, Lou. "Dénouement in Business Storytelling". Ishmael's Corner - Storytelling through a Business Prism <http://www.ishmaelscorner.com/2012/08/24/denouement-quest-for-science-in-business-storytelling-and-the-economist-apologizes-for-drinking-on-the-job>

**THANK
YOU**