

### From Insights from the Global Chief Marketing Officer Study Stretched to Strengthened

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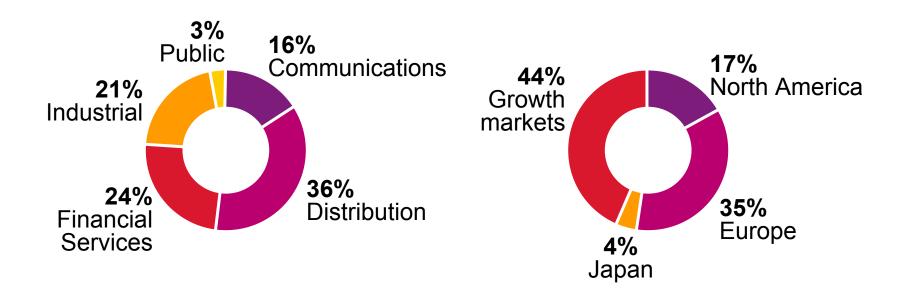
November 9th, 2011 @ IBM Performance 2011



### We spoke with more than 1,700 CMOs

#### 5 sectors, 19 industries

#### **64** countries





### We have a challenge!



# Swimming, treading water or drowning?



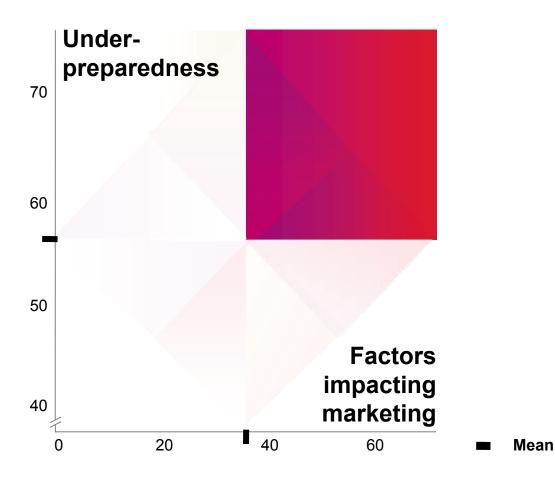
## 7 out of 10 CMOs are underprepared to manage key changes...

Data explosion Social media	68%
Channel and device choices	65%
Shifting demographics	63%
Financial constraints	59%
Decreasing brand loyalty	57%
Growth markets	56%
ROI accountability	56%
Customer collaboration	56%
Privacy considerations	55%
Global outsourcing	54%
Regulatory considerations	50%
Corporate transparency	47%



### ... particularly those with the biggest impact

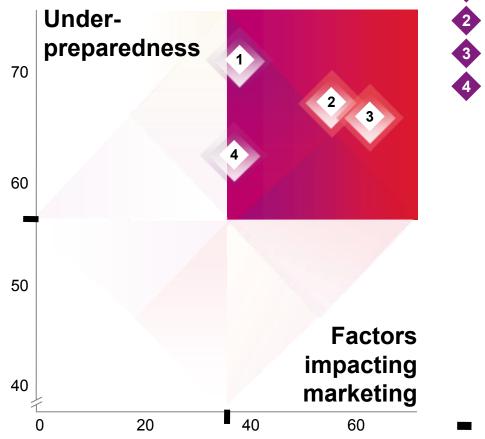
### **Marketing Priority Matrix**





### ... particularly those with the biggest impact

### **Marketing Priority Matrix**





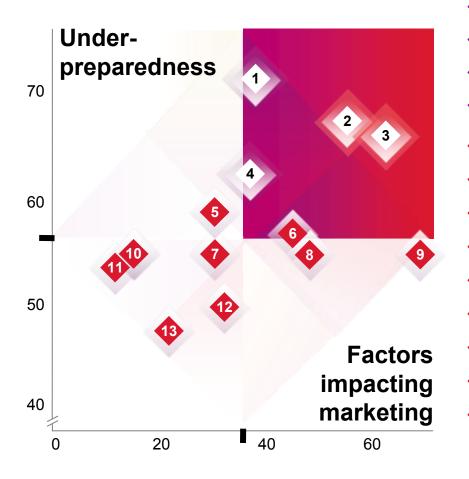
Mean

- **Data explosion**
- Social media
- Growth of channel and device choices
- Shifting consumer demographics



### ... particularly those with the biggest impact

### **Marketing Priority Matrix**



Data explosion
Social media
Growth of channel and device choices
Shifting consumer demographics
Financial constraints

- Decreasing brand loyalty
- Growth market opportunities
- ROI accountability
- Customer collaboration and influence
- Privacy considerations
- Global outsourcing
- Regulatory considerations
- Corporate transparency



CMOs signaled three key domains of improvement

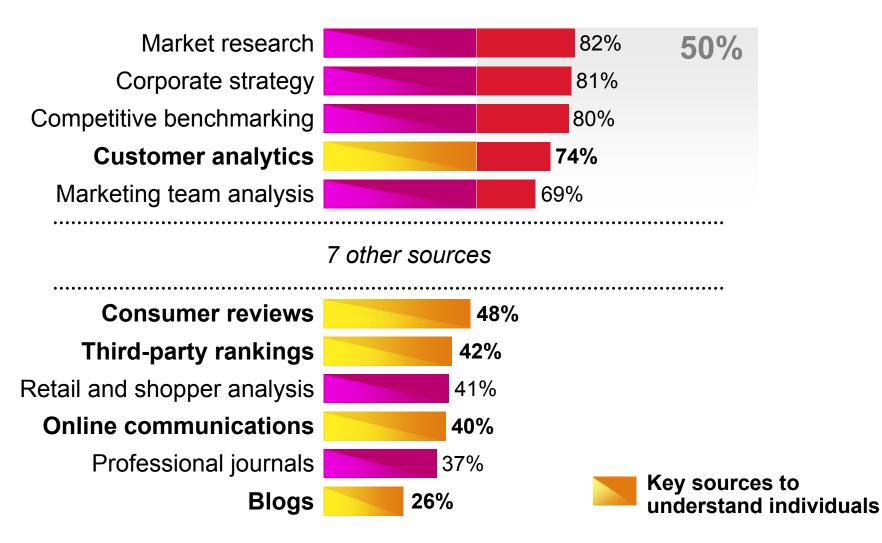




### Delivering Value to Empowered Customers

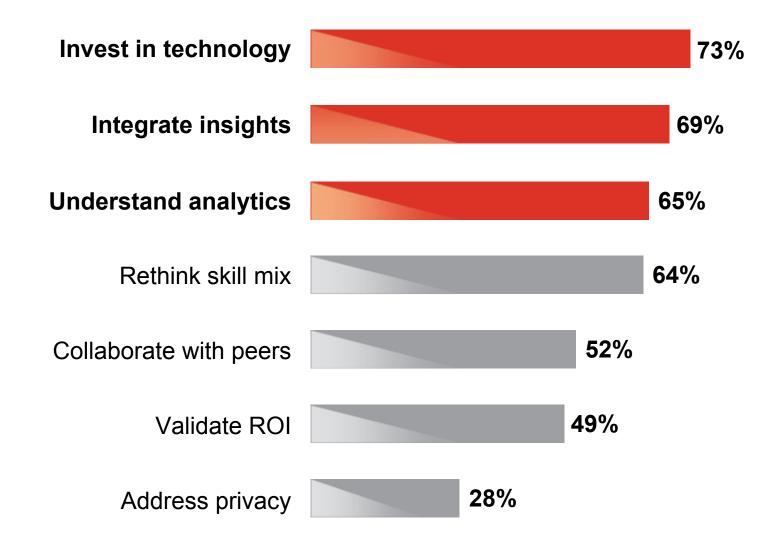


### Markets - not individuals - still shape CMOs' strategy

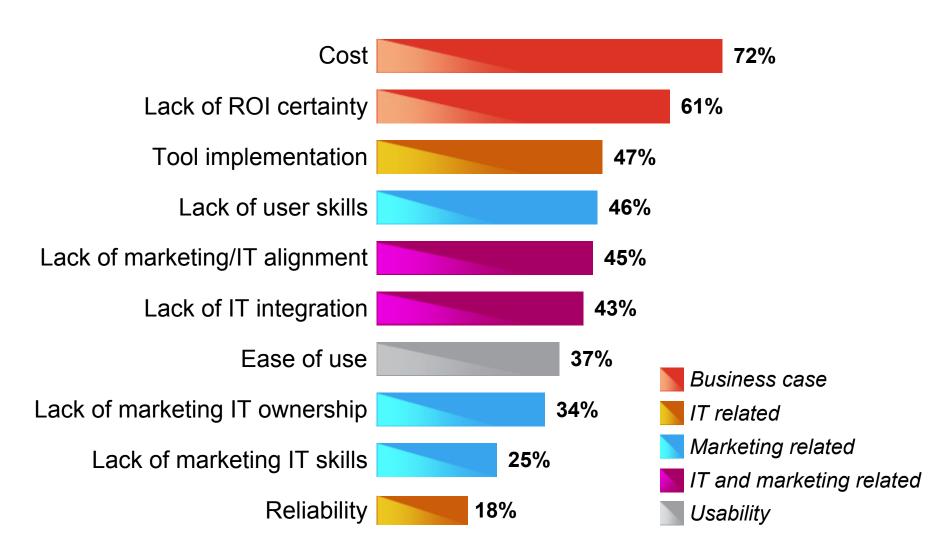




### Data explosion drives change and investments



### Barriers that prevent marketing from using technology





### Steps to deliver value to empowered customers

 Create value for customers as individuals



How are you gearing your programs and processes to understand individuals?

- Access digital channels to learn what customers think
- Use analytics to recognize preferences and trends

Which tools and processes are you investing in to better understand and respond to individual customers?

- Employ tools to secure customer data
- Update privacy policies to address customers' concerns

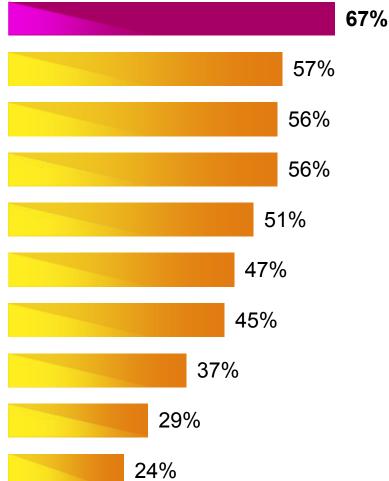
How do you safeguard customer data and privacy in a multichannel, multi-device world?



### **Foster Lasting Connections**

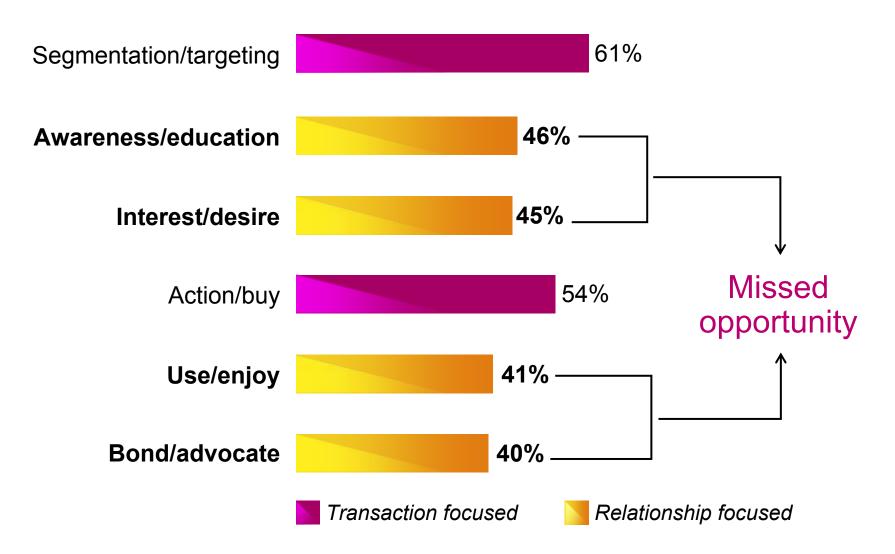
### Enhancing customer loyalty is the top digital priority

Enhance customer loyalty/advocacy Deploy tablet/mobile apps Use social media to engage customers Use customer management software Monitor the brand via social media Measure ROI of digital technologies Analyze online/offline transactions Develop social media policies Monetize social media Increase supply chain visibility





### CMOs still focused on transactions, not relationships





### Steps to foster lasting connections

- Jumpstart relationships via digital channels
- Use tangible incentives to attract followers
- Engage at every stage in the customer lifecycle
- Build communities to strengthen your brand
- Help define a unique enterprise identity
- Engage the C-suite to solidify corporate character

Do your marketing tactics work in sync to develop a pervasive, innovative total customer relationship?

Do you connect customer insights with product development? Are your customers brand advocates?

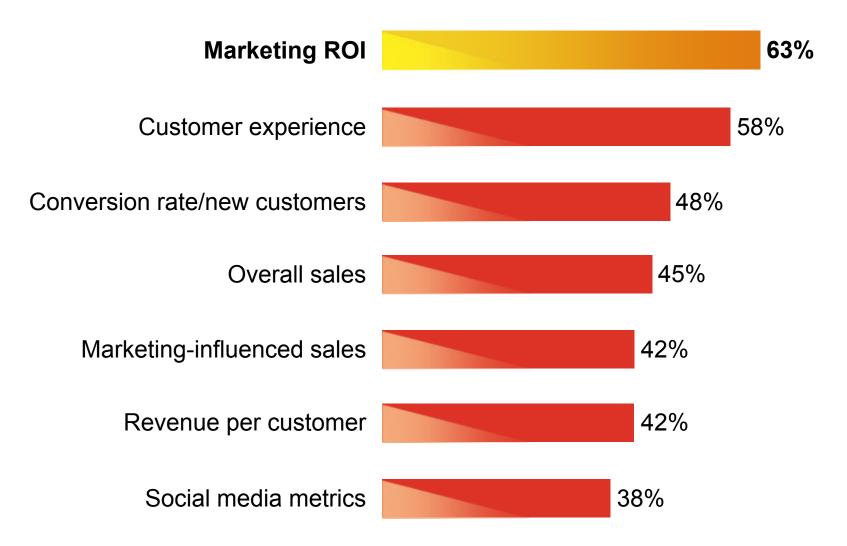
Do you collaborate with C-level peers to activate corporate character across all touch points?



### **Capture Value, Measure Results**



### By 2015, ROI will be the leading measure of success





### Promotion

Advertising and promotion Aligned communications Innovative social media





	Advertising and promotion		84%
Promotion	Aligned communications		82%
	Innovative social media		73%
	Customer needs research		67%
Products	Product service portfolio	53%	
	Comprehensive R&D cycle	47%	



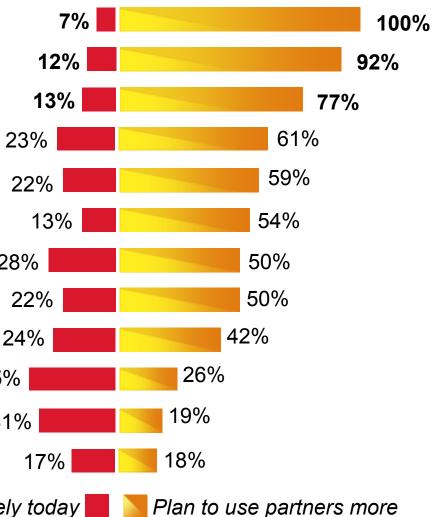
Promotion	Advertising and promotion Aligned communications		84% 82%
	Innovative social media		73%
	Customer needs research		67%
Products	Product service portfolio		53%
	Comprehensive R&D cycle		47%
	Multiple customer touch points		54%
Place	Channel management		47%
	End-to-end supply chain	31%	



	Advertising and promotion		84%
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Products	Product service portfolio	53%	
	Comprehensive R&D cycle	47%	
	Multiple customer touch points	54%	
Place	Channel management	47%	
	End-to-end supply chain	31%	
	Competitive pricing assessment	48%	
Price	Ownership costs/benefits	46%	
11100		37%	
	Integrated pricing process	37%	

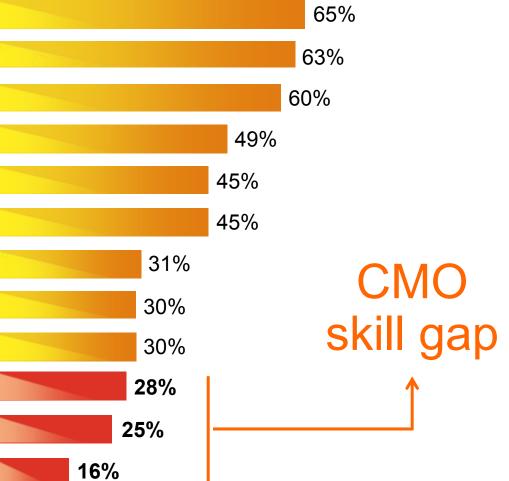
#### CMOs plan to use external partners for results

Sales contact/lead management Customer and data analytics **Direct/relationship marketing** IT skills Call and service center Tracking/measurement 28% Event management Online community development New media strategy and design Online advertising and promotion 35% 31% Traditional advertising and promotion Creative brand strategy Use partners extensively today





Leadership abilities Voice of the customer insights Creative thinking Cross-CxO collaboration Competitive trends insights Analytics aptitude Management capabilities Understanding value chain Demand creation capabilities Technology savviness Social media expertise **Finance skills** 





#### Steps to capture value, measure results

- Capitalize on advanced analytics tools
- Improve decision making and accountability
- Increase your team's technical and financial skills base
- Grow your digital expertise by finding new partners
- Lead by example
- Enhance your personal financial, technical and digital savviness

How do you measure and analyze results? Do your metrics advance marketing's credibility?

Are you enriching the technical, financial and digital skills in marketing?

*In what ways are you personally investing to broaden your capabilities?* 



### **Get Fit for the Future**



### Moving from Stretched to Strengthened

Deliver value to empowered customers

- Focus on customers as individuals
- Reveal preferences and trends hidden in data
- Secure customer data and update privacy policies



### Moving from Stretched to Strengthened

#### **Deliver value to Foster lasting** empowered customers connections Stimulate customer relationships and offer tangible incentives Focus on customers as individuals Engage throughout the customer lifecycle Reveal preferences and trends hidden in data Define a unique Secure customer data enterprise identity and update privacy policies Engage the C-suite to solidify corporate

character



### Moving from Stretched to Strengthened

### Deliver value to empowered customers

- Focus on customers as individuals
- Reveal preferences and trends hidden in data
- Secure customer data and update privacy policies

### Foster lasting connections

- Stimulate customer relationships and offer tangible incentives
- Engage throughout the customer lifecycle
- Define a unique enterprise identity
- Engage the C-suite to solidify corporate character

#### Capture value, measure results

- Use analytics to improve decision making and accountability
- Increase technical and financial know-how
- Grow digital expertise with new partners
- Enhance personal financial, technical and digital savviness



### Do not be afraid to call for help









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