

From Stretched to Strengthened

Insights from the
Global Chief Marketing
Officer Study

“We need to adapt and change the mind set of my marketing organization to understand and make the move from traditional marketing approaches to the new world of social networks and collaboration. We also need to develop a more holistic view and take end-to-end responsibilities within marketing.”

Communications CMO, Germany

The Internet revolution has changed the relationship between Communications Service Providers (CSPs) and their customers. As more and more consumers exchange information about providers, products and experiences over the Internet, it seems they increasingly trust consumers like themselves more than providers. The vast majority of CSP CMOs believe connecting with customers, in particular through digital channels, will have the most impact on marketing.

How are chief marketing officers (CMOs) helping their enterprises cope with the fundamental shifts transforming business and the world? To find out, we conducted 1,734 face-to-face interviews with CMOs in 64 countries, with 131 of those CMOs representing the Communications industry.

Our interviews reveal that CSP CMOs see the following market factors as key game-changers: customer collaboration and influence, proliferation of channels and devices, social media, the data explosion, decreasing brand loyalty and shifting consumer demographics. To respond to this, CMOs in the most successful enterprises are focusing on customer relationships, not just transactions. They are committed to enhancing engagement with their customers and providing a customer experience that goes beyond satisfaction.

In the course of our conversations with CMOs worldwide, an overwhelming consensus emerged. The vast majority of CMOs believe there are three key imperatives that will enable them to respond to the marketing challenges in today's complex world. They must understand and deliver value to empowered customers; create lasting relationships with those customers; and measure marketing's contribution to the business in relevant, quantifiable terms.

Deliver value
to empowered
customers

Capture value,
measure results

Foster lasting
connections



Communications industry insights

▶ **Swimming, treading water or drowning?**

- CMOs are facing significant challenges and most feel underprepared to manage them. Overall, the data explosion, social media, growth of channel and device choices and shifting consumer demographics were the top four concerns for all CMOs. In the Communications industry, the top four challenges are shifting consumer demographics, social media, decreasing brand loyalty, and customer collaboration and influence.

▶ **Deliver value to empowered customers**

- Many organizations struggle to develop customer insights because they primarily focus on understanding markets rather than individuals. At least 80 percent of CMOs rely on traditional sources of information such as market research and competitive benchmarking to make strategic decisions. In Communications, CMOs rely primarily on competitive benchmarking, customer analytics, corporate strategy and market research for decision making.
- Managing big data is high on the list of CMO priorities. Four-fifths of all respondents plan to use customer analytics, customer relationship management (CRM), social media and mobile applications more extensively over the next three to five years. For Communications CMOs, the priorities are social media, customer analytics, a single view of the customer and customer relationship management.

▶ **Foster lasting connections**

- In this digital era, organizations need to understand customers and act quickly on what they learn. As Communications CMOs manage the shift toward digital technologies, enhancing customer loyalty/advocacy and using social media as a key engagement channel are their top priorities.
- More than half of CMOs say their corporate character is well understood in the marketplace. Yet 57 percent also say more work remains to get employees on board. Fifty-three percent of Communications CMOs believe their corporate character is understood and 60 percent say more work remains to get employees on board.

▶ **Capture value, measure results**

- Sixty-three percent of CMOs globally believe marketing ROI will become the most important measure of success over the next three to five years. In the Communications industry, CMOs say the most important measures will be revenue per customer, followed closely by customer experience and marketing ROI.
- Most CMOs use partnerships primarily to augment their promotional activities. Over the next three years, CSP CMOs plan to use external resources for sales contact/lead management, customer and data analytics and direct/relationship marketing.

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