

From Stretched to Strengthened

Insights from the
Global Chief Marketing
Officer Study

“Consumer trends are rapidly changing, and the online travel market is at a point of inflection due to the impact of global competition, social media, convergence of devices, the Internet and rapid market growth.”

CMO, Travel Distribution Company, India

Travel CMOs are in the hot seat: their enterprises recognize the value of marketing and demand a rapid measurable return on invested capital.

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, including 63 marketing leaders from the Travel industry.

Our interviews reveal that CMOs see four challenges as pervasive, universal game-changers: the data explosion, social media, proliferation of channels and devices, 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 helping employees exemplify their organization's “corporate character.” And they are looking for ways to demonstrate marketing's return on investment (ROI).

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



Travel 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. Travel CMOs say the top challenges for which they feel underprepared are shifting consumer demographics, the data explosion, regulatory considerations and emerging market opportunities.

► **Deliver value to empowered customers**

- Many organizations struggle to develop customer insights because they primarily focus on understanding markets rather than individuals. Overall, at least 80 percent of CMOs rely on traditional sources of information, such as market research and competitive benchmarking, to make strategic decisions. Travel CMOs rely on corporate strategy, customer analytics, competitive benchmarking and financial metrics for decision making.
- Across all industries, the two biggest barriers hindering CMOs from adopting new tools and technologies are cost and lack of certainty about ROI. Travel CMOs are in agreement, with 83 percent citing cost as the biggest barrier and 62 percent citing lack of ROI certainty.

► **Foster lasting connections**

- In this digital era, organizations need to understand customers and act quickly on what they learn. As Travel CMOs manage the shift toward digital technologies, enhancing customer loyalty/advocacy is their top priority.
- More than half of the CMOs say their corporate character is well understood in the marketplace. Yet 57 percent also say more work remains to get employees on board. In Travel, 59 percent of CMOs believe their corporate character is understood and 47 percent say more work remains.

► **Capture value, measure results**

- Sixty-three percent of respondents believe marketing ROI will become the most important measure of success over the next three to five years. CMOs from Travel companies are exactly in line with their peers from other industries. Customer experience, at 58 percent, was cited by Travel CMOs as the second most important factor.
- The majority of Travel CMOs believe corporate transparency requires marketing to make five key changes: enhance engagement with customers, manage brand reputation within and beyond the company, strengthen collaboration across the enterprise, expand data collection, analysis and insight capabilities, and orchestrate a single view of the brand.

For further information or to reach an IBM industry expert, please contact iibv@us.ibm.com.

© Copyright IBM Corporation 2011

IBM Global Services
Route 100, Somers
NY 10589 U.S.A.

Produced in the United States of America
October 2011
All Rights Reserved

IBM, the IBM logo and ibm.com are trademarks or registered trademarks of International Business Machines Corporation in the United States, other countries, or both. If these and other IBM trademarked terms are marked on their first occurrence in this information with a trademark symbol (@ or TM), these symbols indicate U.S. registered or common law trademarks owned by IBM at the time this information was published. Such trademarks may also be registered or common law trademarks in other countries. A current list of IBM trademarks is available on the Web at "Copyright and trademark information" at ibm.com/legal/copytrade.shtml

Other company, product and service names may be trademarks or service marks of others.

References in this publication to IBM products and services do not imply that IBM intends to make them available in all countries in which IBM operates.