

# From Stretched to Strengthened

Insights from the  
Global Chief Marketing  
Officer Study

---

“The perfect solution is to serve each consumer individually. The problem? There are 7 billion of them.”

CMO, Consumer Products, Singapore

---

***In today's world, the savvy, smarter consumer sees, hears and discusses every product, service and retailers around the world.***

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 152 marketing leaders from the Retail 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



## Retail 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. Retail CMOs share the same concerns and often feel the impact of market changes more than their peers in other industries.

### ► **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. Retail CMOs rely on market research, corporate strategy, customer analytics and sales/sell-through numbers 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. Retail CMOs are in agreement, with 76 percent citing cost as the biggest barrier and 67 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 Retail 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 Retail, 54 percent of CMOs believe their corporate character is understood and 56 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 Retail companies are in line with their peers from other industries, with 68 percent citing marketing ROI and 61 percent citing the customer experience as the most important measures of success.
- Most CMOs use partnerships primarily to augment their promotional activities. Over the next three years, Retail CMOs plan to use external resources for online community development, direct/relationship marketing and call and service centers.

For further information or to reach an IBM industry expert, please contact [iibv@us.ibm.com](mailto: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](http://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 ™), 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](http://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.

---