

From Stretched to Strengthened

Insights from the
Global Chief Marketing
Officer Study

“For marketing, the way consumers and advisors access and share information is changing. This creates a new need for information from insurers. We have some solutions in place today but I believe we are only half the way to where we need to be.”

Insurance CMO, Canada

Insurance marketing strategies and programs must reflect the multi-modal characteristics of the customer for searching for and purchasing insurance both today and in the future.

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 158 of those CMOs representing the Insurance industry.

Our cross-industry 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



Insurance 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. Insurance CMOs share the same concerns, and say they are even more underprepared for the data explosion (78 percent versus 71 percent) than their peers globally.

▶ **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 Insurance, CMOs rely primarily on market research, competitive benchmarking, corporate strategy and customer analytics.
- 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 Insurance CMOs, the priorities are customer analytics, customer relationship management, a single view of the customer and social media.

▶ **Foster lasting connections**

- In this digital era, organizations need to understand customers and act quickly on what they learn. As Insurance CMOs manage the shift toward digital technologies, enhancing customer loyalty/advocacy and using integrated software suites to manage customers are their top priorities.
- More than half of all CMOs say their corporate character is well understood in the marketplace. Yet 57 percent also say more work remains to get employees on board. For Insurance, the results are similar: 50 percent of Insurance CMOs believe their corporate character is understood and 58 percent say more work remains.

▶ **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 Insurance industry, CMOs say the most important measures will be customer experience, followed by marketing ROI.
- Most CMOs use partnerships primarily to augment their promotional activities. Over the next three years, CMOs in Insurance plan to significantly increase their use of external resources for customer and data analytics, direct/relationship marketing and tracking/measurement.

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

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