

From Stretched to Strengthened

Insights from the
Global Chief Marketing
Officer Study

“Changes and increasing complexity are inevitable, so we must be ready to face those challenges.”

Senior marketing officer, Banking, Vietnam

Banks having recently experienced unprecedented growth, are now responding to significant market shifts and revenue and asset declines. Despite the traditional view of banking being a “staid and conservative” industry, its CMOs are facing market-changing issues at rates equal to or greater than their peers in other industries.

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 200 of those CMOs representing the Banking 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



Banking 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 Banking industry, the top four challenges are the data explosion, social media, growth of channel and device choices, and privacy considerations.

▶ **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 Banking, CMOs rely primarily on market research, corporate strategy, customer analytics and campaign analysis.
- 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 Banking CMOs, the priorities are customer analytics, mobile applications, customer relationship management, social media and a single view of the customer.

▶ **Foster lasting connections**

- In this digital era, organizations need to understand customers and act quickly on what they learn. As Banking CMOs manage the shift toward digital technologies, enhancing customer loyalty/advocacy, designing experiences for tablet/mobile applications using integrated software suites to manage customers 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-eight percent of Banking CMOs believe their corporate character is understood and 59 percent say more work remains.

▶ **Capture value, measure results**

- Sixty-three percent of CMOs globally and believe marketing ROI will become the most important measure of success over the next three to five years. Banking industry CMOs agree, with customer experience as the next most important measure.
- Most CMOs use partnerships primarily to augment their promotional activities. Over the next three years, CMOs in Banking plan to use external resources for customer and data analytics, sales contact/lead management, direct/relationship marketing and IT skills.

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

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Route 100, Somers
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November 2011
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