From Stretched to Strengthened

Insights from the Global Chief Marketing Officer Study

> "A year ago, one in ten clients asked us about social media. This year, it's nine in ten. We're in an environment where negative blogs can lead to an emergency board meeting. That is the power of social media."

Edmond Moutran, Chief Executive Officer, Memac Ogilvy & Mather MENA (Middle East & North Africa)

Media and Entertainment CMOs are striving to adapt to a culture of increasingly individualized consumer content experiences.

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 105 of those CMOs representing the Media and Entertainment industry.

Our interviews reveal that CMOs globally see four challenges as pervasive, universal game-changers: the data explosion, social media, proliferation of channels and devices, and shifting consumer demographics. In Media and Entertainment, CMOs say four disruptive forces undermine business models: consumer expectations for personalization, control, relevance and timeliness; changes in how advertisers target and market to consumers; challenges in digital content monetization; and rampant adoption of digital devices.

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

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Media and Entertainment 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 Media and Entertainment, the top four challenges are the data explosion, emerging market opportunities, decreasing brand loyalty and growth of channel and device choices.

▶ **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 Media and Entertainment, CMOs rely primarily on competitive benchmarking, corporate strategy and market research.

- 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. In Media and Entertainment, CMOs plan to use social media, customer analytics, mobile applications and tablet applications.

▶ **Foster lasting connections**

- In this digital era, organizations need to understand customers and act quickly on what they learn. As Media and Entertainment CMOs manage the shift toward digital technologies, designing experiences for tablet and mobile applications 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. Fifty-four percent of Media and Entertainment CMOs believe both their corporate character is understood and that more work remains.

▶ **Capture value, measure results**

- Sixty-three percent of CMOs globally and 60 percent in Media and Entertainment believe marketing ROI will become the most important measure of success over the next three to five years.

- Most CMOs use partnerships primarily to augment their promotional activities. Over the next three years, CMOs in Media and Entertainment plan to use external resources for direct/relationship marketing, new media strategy and design, sales contact/lead management and online community development.

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