

From Stretched to Strengthened

Insights from the
Global Chief Marketing
Officer Study

“Instrumented products provide more intelligence about their customer. It changes how to market to customers.”

CMO, Office Equipment, United States

With the growth of connected devices, the electronics industry is seeing more value shifting closer to consumers. As a result, functions that facilitate customer understanding, such as customer relationship management, are likely to have the most impact on the industry.

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 19 countries, including 112 marketing leaders from the Electronics 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



Electronics industry insights

▶ **Swimming, treading water or drowning?**

- CMOs are facing significant challenges and most feel underprepared to manage them. Electronics CMOs say their four biggest challenges are the data explosion, social media, financial constraints and decreasing brand loyalty.

▶ **Deliver value to empowered customers**

- Many organizations struggle to develop customer insights because they primarily focus on understanding markets rather than individuals. Like their peers in most other industries, Electronics CMOs rely primarily on competitive benchmarking, market research and corporate strategy for decision making.
- To handle the growing volume and variety of customer data to which electronics companies traditionally have not had access, Electronics CMOs are eager to deploy CRM and customer analytics tools that will help them better understand customers.
- Across all industries, the two biggest barriers hindering CMOs from adopting new tools and technologies are cost and lack of certainty about ROI. Electronics CMOs are in agreement, with 80 percent citing cost as the biggest barrier and 71 percent citing lack of ROI certainty.

▶ **Foster lasting connections**

- With shifting value to customers, organizations need to understand customers and act quickly on what they learn. However, electronics CMOs are using data to manage transactions, not relationships, with customers throughout their use of devices.
- 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-five percent of Electronics CMOs believe their corporate character is understood and 59 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 Electronics companies are exactly in line with their peers from other industries. Customer experience, at 59 percent, was cited by Electronics CMOs as the second most important factor.
- Most CMOs use partnerships primarily to augment their promotional activities. Over the next three years, Electronics CMOs plan to use external resources for 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.

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