

From Stretched to Strengthened

Insights from the
Global Chief Marketing
Officer Study

“Complexity will increase (as regulations become stringent and diverse). However, our company’s ability to differentiate comes precisely from our capability to build unique projects.”

Director, Marketing & Innovation, Industrial Products, France

Industrial Products CMOs face unprecedented opportunity: to manage growing constituents, help optimize performance and better understand the customer chain.

Our interviews reveal that IP CMOs are overwhelmingly underprepared for the top market factors driving their marketing strategy across the board (12 out of the 13 factors all rated >50 percent underprepared). In addition, they see four challenges as pervasive, universal game-changers: collaboration with customers and influence, emerging market opportunities, proliferation of downstream channels, and ROI accountability. To respond to this, CMOs in the most successful enterprises are focusing on customer analytics, not just transactions, and on better collaborating with customers and customers’ customers. They are committed to bridging the skill gaps in marketing tools and technology. For the China market, particularly the metal business, how to manage channel strategy and harness the power of distributorships are the top priorities over the next few years.

The vast majority of IP CMOs (80 percent) see a substantial increase in customer relationship management tools, including mobile technologies and customer analytics (75 percent) to better understand their customers. Specifically, in the mining industry, the ability to harness the power of social media and blogs is a new trend. In heavy machinery and industrial equipment sector, we also have seen collaboration tools such as supplier relationship management (SRM), electronic data interchange (EDI) or customer portals.

Finally, IP CMOs consistently recognize technology as one key enabler to managing the data explosion, deriving customer insights, and enhance customer advocacy; however, they also identify the inability to measure ROI and talent shortage as major roadblocks. Interestingly, IP CMOs have not identified external partnerships or outsourcing to address these inadequacies; nor do they recognize these as areas as personal developmental needs. CMOs may also be reaching out to CIOs to garner customer insights in a digital age.



Industrial Products industry insights

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

- Overall, global CMOs feel data explosion, social media, growth of channel and device choices and shifting consumer demographics were the top four concerns for all CMOs. In the Industrial Products industry, the top four challenges are customer collaboration and influence, emerging market opportunities, ROI accountability and growth of downstream channel.

▶ **Deliver value to empowered customers**

- In Industrial Products, CMOs rely primarily on competitive benchmarking, corporate strategy, market research and customer analytics for decision making.
- Managing big data is high on the list of CMO priorities. However, priorities for Industrial Products CMOs include collaboration tools that would enhance customer experience, customer analytics, content management and collaboration tools.
- IP CMOs are still grappling with how to build the business case around investments, quantitatively articulate the payback certainty and, perhaps more importantly, the lack of skilled talent.

▶ **Foster lasting connections**

- As IP CMOs manage the shift toward digital technologies, enhancing customer loyalty/advocacy, designing experiences for tablet/mobile applications and using social media as a key engagement channel are their top priorities.

▶ **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. Industrial Products industry CMOs agree, with customer experience as the next most important measure. In the context of this commodity-heavy type of business, customer experience means on-spec product, co-development of product portfolio, on-time delivery and lifting flexibility.
- Over the next three years, IP CMOs plan to use external resources for direct/relationship marketing, tracking/measurement and online advertising and promotion, particularly when it comes to augmenting a socially and environmentally responsible corporate character.
- Interestingly, most IP CMOs agree how they interpret the voice of customer insights and their own leadership abilities as key capabilities for personal success. They will be working with CIOs and, potentially, external partners to complement their own skill-sets.

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