

# Visions in marketing

## Finding the signal through the noise

A report by the Economist Intelligence Unit



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# Executive summary

As innovations in marketing gather pace, some of the developments in B2C businesses are finding their way into the B2B space. B2B marketers, for example, are personalising the customer experience and are more effectively tailoring products and services to specific clients. The role of marketing is changing as companies further leverage customer insights. More accurate prediction capabilities, greater cross-functionality and a shift from a cost centre to a revenue driver are giving marketers greater influence across the company. Harnessing these technologies requires marketers' skill sets to broaden. This report finds:

- **New ways of engaging with customers through multiple channels are changing the customer experience in the B2B space.**

For example, social media remains in an experimental stage for most B2B companies, although it is expected to grow in relevance. In parallel, online video is expected to become more prevalent as a channel, and marketers are customising their messages for mobile platforms. This makes the design and user experience more important for marketers to reach customers through instant, highly visual mediums.

- **Improving customer engagement is building customer lifetime value.** This is particularly important in order to increase retention: to

achieve this, delivering a coherent customer experience is crucial. This is a particular challenge for companies with complex products or a multitude of options available for customers across several delivery platforms. Such companies are increasingly looking to use their customers' experience as a way of differentiating themselves from their competitors. At the same time, mining customer insights is crucial to determining trends and engagement patterns along the buying cycle, allowing companies to tailor messages to ever-narrower customer segments.

- **Customer feedback, combined with the new insights gleaned through analytic tools, are influencing product development and design, as well as increasing speed to market.**

Marketing information is becoming more important as a competitive factor in industry, driving a greater role for the marketing function across the organisation. To leverage the new role of marketing requires a change in process or operating structure, enabling marketers to share insights quickly. This means both technology solutions and the creation of cross-functional teams. These typically bridge research and development (R&D) or product development departments and demand closer co-ordination between the marketing, finance and information technology (IT) functions.

● **Metrics for valuing marketing's new value are not uniform: many are company- or even product-specific.** Traditional measures of customer awareness, attraction and retention are still commonplace, but companies are tracking these more fluidly across channels along the customer lifecycle. Others look to the key metrics surrounding investment in marketing technologies or new campaign strategies that are directly tied to cost savings and revenue generation. Some are harnessing these metrics to realise further efficiencies gained via sharing customer insights across the entire company.

● **Marketing's remit is expanding beyond traditional lines, interweaving internally with other company functions and externally with a wider variety of customer touch-points.** As the importance of new platforms and technologies continues to grow, senior marketers need key

staff with a knowledge of analytics as well as an understanding of budgets and forecasting. Furthermore, changing business models are forcing marketers to expand their knowledge of not only their own business environments, but of those of their clients and supply chains.

● **Chief marketing officers (CMOs) need to recognise the capabilities and limitations of the tools available to access their clients, deliver their message and glean customer insights.** Although still imperfect, these technologies are reshaping the function of marketing and opening up a range of new opportunities. CMOs must earn greater relevance in the boardroom with more cross-functional understanding and the development of closer relationships with other members of the C-suite.

# Introduction

New technologies are driving marketing innovations in forward-thinking companies. Many of the strategies, tactics and techniques widely found in B2C companies are being applied to a B2B environment. By gathering, mining and analysing consumer information, companies are able to segment their strategies to ever-more precise groups. Going forward, CMOs in the B2B space will be focusing on building the content appropriate for these new distribution channels, including tailored messaging through digital videos delivered on mobile devices.

At the same time, understanding and extracting greater value from customer engagement is leading to better-defined return on investment (ROI). Moreover, the ability to evaluate the impact of marketing strategies on the bottom line of the company is elevating the role of marketing across the entire organisation. The marketing function is becoming more integrated with product development, finance and IT—no longer operating in a silo or as a mere communications process. The future success of the marketing function depends on attracting individuals with a wider purview, and traditional marketing skills as well as analytical rigour. This does not mean that the creative aspects of the past have ceased to be crucial, only that they need to be coupled with

the technological and analytical skills of finance and IT departments as well.

Given the increasing ability of the marketing function to drive product development and ultimately revenue, tomorrow's CMO needs to be more of a generalist than they are today. This includes broader skill sets that reflect the need to work in cross-functional teams. For many organisations, the marketing function is moving from a cost centre to a revenue driver, and the CMO will become increasingly accountable for obtaining bottom-line results. Meanwhile, as business models become more complex across the supply chain in the B2B space, CMOs must increasingly integrate marketing strategies between companies, understanding not only their own industries, but their customers' industries as well.

This paper strives to highlight innovations in marketing strategy and practice in forward-thinking companies from a cross-section of industries. In so doing, it will explore their impact on corporate strategies, tactics and products; the role of CMOs and the changing relationships between marketing, IT, product development and finance figure prominently.

## 1

## Multiple new channels are changing the customer experience in the B2B space

“Being able to appeal to the 20-year-old engineer in the middle of China is something that is critical to success in this business today, and if you insist on applying the old recipes that used to get you at the front of the line of a 50-year-old design engineer in Detroit, it’s just not going to work.”

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*Henri Richard, former chief sales and marketing officer at Freescale Semiconductor*

Fostering deeper engagement with customers while catering precisely to their diverse information needs is a new common denominator among marketing strategies for many forward-thinking companies. However, this is a relatively new phenomenon in the B2B space, where online, mobile and social-media communications technologies are now being harnessed to provide multichannel customer-service experiences.

### **Freescale Semiconductor is competing online through user experience**

For Freescale Semiconductor, an engineering-driven computer hardware manufacturer, creating a simplified and user-driven online customer experience was the primary endeavour that they hoped would separate them from their competitors. As Henri Richard, a former senior vice-president and chief sales and marketing officer at Freescale explains, despite extensive in-house engineering and IT capabilities, semiconductor companies are relatively new to the use of online technology. It was for this reason that he decided to make their online presence their “number-one sales person”. “I always told my team,” says Mr Richard, “that if there was one legacy I’d like to leave Freescale, it would be to be seen by our competition, industry analysts and the press, as one of the leading, preferably the most advanced, semiconductor

companies when it came to our online presence. And I truly believe that it is the fundamental element of becoming a leader in terms of sales and marketing in our industry.”

For Freescale, the rationale behind this was clear. The wide use of Internet and digital-communication technology demanded a reinvention of the B2B sales experience for next-generation clients. Mr Richard affirms, “Being able to appeal to the 20-year-old engineer in the middle of China is something that is critical to success in this business today, and if you insist on applying the old recipes that used to get you at the front of the line of a 50-year-old design engineer in Detroit, it’s just not going to work.” He emphasises that today, the ability to access the decision-maker is increasingly happening later in the sales cycle. For this reason, the ability to maintain a continuous conversation with the client across the sales funnel and react in real-time has become a vital part of the sales process. Mr Richard explains that companies like Freescale have to make this process extraordinarily easy in order to satisfy the customer’s information needs, particularly in a highly innovative sector with a multitude of complex products. As a result, the parametric search capabilities of the company’s online portal were developed to allow customers to isolate very specific types of information, customising their experience,

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Press releases are very different today than they were 18 months ago and are written for a real-time Twitter world where people grab information fast and move on

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*Wes Durow, vice-president of global marketing at Sonus Networks*

and, according to Mr Richard, providing the tools and incentives to dig deeper into their product offerings. “Only when you’ve been pre-selected in this way do you get a chance to get in front of the customer.”

### **Sonus Networks are building B2B connections through new media channels**

Opportunities for customer engagement and tailoring the customer experience across different marketing channels are only increasing. Wes Durow, vice-president of global marketing at Sonus Networks, a provider of voice over Internet protocol (VoIP) and unified communications systems, expects social media to drive his company’s customer engagement during the pre- and post-purchase process over the next

three to five years. Moreover, he predicts that the role of video will grow in most companies’ channel-management strategies. “This is a short-and-fast form of visual interaction and a great opportunity to speed customer engagement. It is also a traceable medium [that is] able to translate customer information into actionable insights,” says Mr Durow. “Many of Sonus’ customers are designing applications for the mobile environment first before they design for the desktop environment. For example, press releases are very different today than they were 18 months ago and are written for a real-time Twitter world where people grab information fast and move on. As a result, marketers will increasingly have to customise their messages to mobile delivery platforms.”

## Case Study: Hitachi

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Hitachi Data Systems has grown year over year, and fiscal Q2 ending in September of 2012 marked the 12th consecutive record setting quarterly revenues for the company: their new market outreach strategy has contributed to this

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*Asim Zaheer, senior vice-president of worldwide marketing at HDS*

### Hitachi Data Systems

#### New marketing agility

Conglomerates such as Hitachi of Japan are now tailoring their customer experience to resemble more closely B2C companies. According to Asim Zaheer, senior vice-president of worldwide marketing for Hitachi's information solutions subsidiary – Hitachi Data Systems (HDS).

HDS, the firm was historically known as a very large, enterprise-focused storage company. “We moved relatively cautiously in the market place and were not very aggressive in our messaging and outreach.” To reach new markets, however, HDS's strategy has been to embrace B2C tactics—a combination of events, online marketing and social media—to deliver a more enriched customer experience in their B2B space. This allowed HDS to segment and interact with their customers within specific accounts according to their roles within the company and their age—changing the nature of communications along the buying cycle.

Mr Zaheer explains, “A growing share of clients are leveraging social media to collect data about things they are responsible for and in our case it's managing or procuring technology. The more technical users of our product are looking for certain types of information through new social media vehicles and they are also likely to share experiences with other users of a particular piece of technology.” At the same time, Mr Zaheer highlights the importance of differentiating the level of customer engagement by position title, “Management ranks are looking for content through other vehicles, resulting in completely different kinds of engagement.”

#### Customer insights to build customer loyalty

At HDS, mining customer insights feeds into a process of determining trends and engagement patterns along the buying cycle, which in turn filters into a longer-term determination of appropriate messaging across channels. Hitachi

has applied a wider range of marketing channels to companies with long sales cycles. Where once customer engagement or interaction with a potential customer would mean a physical meeting or phone call, today engagement could occur daily over what are typically protracted sales cycles of six months or longer in the industry. “Today, engagement is now over a Twitter feed or a LinkedIn connection,” says Mr Zaheer. The end result of this deeper level of engagement is building customer loyalty.

The impact on the bottom line, however, is still harder for HDS to measure. It is still more of an art than a science, according to Mr Zaheer, but what they have learned is that engagement equals loyalty in this arena, and results in a much better standing with the customer, “and that's what we're trying to do—to maintain or increase our level of engagement with customers,” Mr Zaheer notes. These are a complement, not a substitute, to the company's analytics deployment. “Today, in a B2B environment with lengthy sales cycles and complex, changing product specifications, the majority of customer data still has to be entered manually into the CRM application,” he explains. “The challenge is to have current data to feed the system. It's considerably different than in a B2C space because what our customers are buying is much more complex.” This has implications on training and processes for the entire organisation.

Since the launch of their new customer engagement strategy, HDS has grown year over year, and fiscal Q2 ending in September of 2012 marked the 12th consecutive record setting quarterly revenues for the company: according to Zaheer their new market outreach strategy has contributed to this. As Hitachi looks to implement these marketing innovations company-wide in order to reach new markets, HDS is in the process of sharing their best practices with their sister firms within the conglomerate. “The next challenge for Hitachi is how to scale these initiatives with growth,” says Mr Zaheer.

## 2

## Customer feedback and new customer insights are driving product and service development

“The closer we are to our customers, the better we understand what their needs are, the better forecasting we have, the better time to delivery and ultimately the better return on investment. We measure all of that.”

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*Diane Adams, CMO at FXI Limited*

Understanding customer needs through direct customer feedback, combined with the insights gained through deep customer analysis, are together revamping product and service development. As understanding customer behaviour becomes more integral to corporate strategy, an important challenge for marketers is to turn this information into action that will impact the bottom line.

### Customers drive product innovations at FXI Inc

At FXI Inc., a private manufacturer of polyurethane industrial and consumer foam products, the ability to get closer to their customers has affected both the management of the company and the types of products it produces. “The closer we are to our customers,” explains FXI’s CMO, Diane Adams, “the better we understand what their needs are, the better forecasting we have, the better time to delivery and ultimately the better return on investment. We measure all of that.” Meanwhile, information about customer needs consistently leads to new innovations in foam products, she says. For example, FXI has developed products for the environmentally conscious consumer, having designed recycled mattresses and mattresses with 12 different memory foams reflecting the need for different weights, feel and recovery

characteristics. The company has even developed a bed-in-a-box solution for manufacturers that allows for easy shipping and storage. “The ability to access and analyse data from our customers was central to these innovations,” according to Ms Adams.

### Customer feedback improves convenience at TD Bank

For companies such as TD Bank Group, a North American financial services company with retail and commercial customers across the US and Canada, turning customer feedback and a deep understanding of customer needs into actionable strategy is the CMO’s raison d’être. “We’re here to help grow the bank,” states Dominic Mercuri, TD’s CMO, “My team is focused on understanding how the bank makes money and understanding what the consumer wants. If you start with the focus on the customer, everyone in the organisation can align to that.” Through this customer focus, marketing becomes involved in most business strategies across the bank.

In organisations that constantly measure success with new customer information; the “immovable” three-year plan is a thing of the past. At TD, customer feedback is used to redesign service offerings at the retail level on an on-going basis. For example, TD recognised that their

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If you start with the focus on the customer, everyone in the organisation can align to that.

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*Dominic Mercuri, TD Bank's CMO*

customer base wanted to interact more closely with the bank. Through the creation of TD Helps, they launched an online social community providing anyone with a question - customers and non-customers alike - with access to tailored answers from in-house experts and others in the community. “With the advent of social media, we know consumers want to interact even more with organisations, but they want to interact on their terms.” TD Helps, he explains, is a way to take the financial expertise and the kind of service and convenience that customers expect from TD into the social sphere. “By understanding the needs of the customer, we were able to make their experience better, more comfortable and more convenient,” he explains.

### At Bell Canada, customer insights led to Mobile TV

At Bell Canada, the country's largest telecommunications company, understanding consumer desires is also the primary driver of new product and service development. A perfect example, says Wade Oosterman, President, Bell Mobility and Residential Services, and Chief Brand Officer for Bell, would be Bell's Mobile TV offering. This service allows people to watch live and on-demand television on their smartphones and other devices.

“The inspiration for the expanded Mobile TV product came from observing people at the Olympics,” he explains. In 2010 Bell was a major sponsor of the Vancouver Winter Olympics, and had enabled coverage of events on customer mobile phones. Bell learned that customers, while attending one live event, also wanted to know what was happening at the same time at other events. Many customers turned to their mobile phones to watch, and many watched multiple channels – and they watched in the stands, in the streets, on public transportation, in restaurants, everywhere. According to Oosterman, it was then that the company realized the true impact mobile TV would have.

Expanding Bell Mobile TV to include news, sports, entertainment and children's programming

required enabling the company's 4G network and getting the content rights to various programmes that work on mobile device screens. To increase adoption they implemented an intuitive pricing structure that was easy for customers to understand.

To roll out this new project, explains Mr Oosterman, an important role of the marketing function was to ensure that customers understood their purchase decision, essentially positioning Bell as “mediators” between the consumer and the technology. “Understanding our customers allowed us the opportunity to simplify their buying decision,” he says. Because in wireless technology, everything is built on a per-kilobyte or a per megabyte basis, many companies offer download capacity in those units. “However,” says Oosterman, “If you were to ask anyone how many megabytes a three-minute video takes, nobody would know.”

As a technology company, Bell's role as mediator is to speak to the customer in plain English. “In the case of mobile TV,” he explains, “we translated megabytes into viewing hours as that's something that our clients can intuitively understand. So, for example, we charge \$5.00 for ten hours of viewing. We've now enabled the customer to make an immediate value judgement on whether that's good, bad or indifferent for them.”

### Sonus Networks redesigned to deliver an “out-of-the-box” experience

Access to a greater depth and breadth of customer data has also changed the way that Sonus Networks approaches its marketing strategy. “The ability to aggregate information to help go after markets, versus just transactions, is really what this information provides today,” notes Mr Durow. “That didn't exist in a ready manner even 24 to 36 months ago.” For Sonus, understanding their customers' needs prompted a redesign of the delivery of their network solutions more along B2C lines, rather than what is typically found in the high-technology manufacturing B2B environment.

“Implementing a total-market strategy— rather than a transaction-based, deal-by-deal approach— Sonus has increased its market share from 2.8% to 22% over the past 18 months, the company’s online traffic has doubled and base press coverage has increased elevenfold in the past year

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*Wes Durow, vice-president of global marketing at Sonus Networks*

“The technology we make is very complex, but great technology is only great if it’s easy to use and simple to manage. We needed to design our products to emulate more of a consumer experience, like when you begin to use a new PC or phone, or even a new bicycle,” he explains. Sonus wanted to provide their clients and channel partners with a coherent experience, where all the information and tools they needed was intuitive and at their fingertips. Mr Durow states, “We’ve gone across the company with what we call a whole-product initiative and that’s really making sure that everything end-to-end, out-of-the-box is ready to go, and it doesn’t matter whether you’re selling in Des Moines or Dubai, that’s the experience B2B customers demand.”

Understanding the market as a whole has not only helped Sonus to change the delivery mechanism and service behind their product, but has also transformed the company. According to Mr Durow, by implementing a total-market strategy, rather than a transaction-based, deal-by-deal approach, Sonus has increased its market share from 2.8% to 22% over the past 18 months, the firm’s online traffic has doubled and base press coverage has increased elevenfold in the past year. “Ultimately we see this approach helping us to continue to build a fast growing business” he asserts.

## 3

## Measuring the benefit of improved customer information

Whether customer feedback is obtained through live interaction or through deeper customer insights gained from data collection and analysis, the ability to understand and measure the potential value arising from that information varies significantly between companies. Measuring and understanding this plays out in tailored performance indicators. These are not always directly related to revenue from products or services, but are often closely measured by improvements in customer service, the rate of customer attraction, referral and retention, or the perceived quality of the customer experience. Other benefits are less tangible but can be tracked, such as the ability to diffuse customer information throughout the entire company effectively.

Freescale Semiconductor's campaign-management tools facilitate communicating consumer insights and campaign results across the company. This has allowed for more effective channel management and co-ordination between operational and functional lines. As Mr Richard explains, "It allows us to have a very scientific way of tracking our campaigns, automatically follow up with customers and gives us the tools to sift through information in a much more efficient way. It then distributes the results of a campaign across the entire organisation, from the marketing team to ultimately the product-

management team and sales team, allowing for greater integration between groups." Such cross-team collaboration has been key to realising the gains from customer insights.

### Information drives cost management and customer satisfaction at Austrian Post

For companies such as Austrian Post, which is majority-owned by Austria's government, the value of gaining a greater understanding of customers' needs and behaviour is commonly measured in cost reduction and improvements in service delivery. As Thomas Bissels, the head of sales and marketing for the firm's parcels and logistics arm explains, at present postal organisations are very focused on reducing operating costs, "so we have to ensure that our product or service development goes in that direction. On one hand, we need to save money, on the other we have to provide the right product and service," Mr Bissels says.

Through a combination of CRM-aided market segmentation and live interaction with customer groups, Austrian Post determines customer behaviour and client preferences on an ongoing basis in order to find new efficiencies in their delivery. "As a result," Mr Bissels elaborates, "One of our main focuses at the moment is using the Internet to allow our customers to

“Some investments in customer service and in customer satisfaction are simply required in order to stay ahead of your competition.”

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*- Thomas Bissels, head of sales and marketing for parcels and logistics at Austrian Post*

say what time and day their shipments can be delivered.” Moreover, Austrian Post is offering alternative delivery points and implementing a delivery station where customers can pick up parcels 24 hours a day. “This all came out of the understanding that we were delivering parcels when the customers weren’t at home and they didn’t want to go to a closed post office on their way home from work,” he clarifies.

The key measures of success of these new service options are the cost savings of increasing the proportion of successful deliveries on the first

attempt, in addition to the level of customer satisfaction. These are fairly simple, yet valuable, measures of the value of a new product or service to the company, says Mr Bissels. “If I introduce a service, and if I had 91% of parcels delivered on the first attempt, then afterwards I had 95%, then it was successful,” he explains. However, he cautions against measuring every event in a service in terms of return on investment. “Some investments in customer service and in customer satisfaction are simply required in order to stay ahead of your competition.”

## 4

## Expanding the role of marketing within the company, as well as outside

Technology trends are opening marketing to a more integrated role across the entire organisation. New insights gleaned from CRM and other customer-analysis software are providing for closer co operation with other functions than ever before. Meanwhile, competitive pressures and increasingly complex business environments are pushing the boundaries of marketing expertise.

FXI Inc. is discovering that in order to expand their product lines and market in both the B2B and B2C channels, marketing has to work horizontally between functions and divisions within the company. Speed to market is one of the biggest pressures in industry today, affirms Ms Adams. "From consumer insights, to concept, to product launch is now less than half the time than what was acceptable a few years ago, and it's the data that allows us to be so much more flexible and responsive." The pressure is not simply to get ahead but to keep from being left behind. Ms Adams says, "For FXI, to compete we have to be able to translate customer information into any required change in process, work with the R&D department, change demand forecasts and align this information with the finance team." Meanwhile, in order to communicate effectively across the entire company, she notes that, "Every business unit has a cross-functional team—somebody from operations,

manufacturing, finance, sales, marketing, R&D and a project leader who manages the process to ensure that we meet all of the deliverables and timelines."

### Integrating marketing, finance and IT at TD Bank

At TD, products and services are regularly measured against whether they are meeting financial goals, in addition to how marketing strategies and overall corporate strategy can be streamlined to better improve the company's ROI. "Because we are a very fact-based organisation, we've had a strong focus within the marketing function around understanding what works and what doesn't work to drive revenue and support earnings," Mr Mercuri explains. Accordingly, new product development is led by the line of business in coordination with marketing and finance groups.

In the past, within many companies finance and marketing only met at the end of a quarter or the beginning of the year to plan the coming year's budget, whereas today, finance tends to work in close co-operation with marketing. "At one time, the finance function generally looked on marketing as a cost centre. We've built strong partnerships across the organisation to effectively leverage information and information technology at TD," states Mr Mercuri. Again, he

affirms that enabling facts to drive decisions has brought them to work very closely with finance to understand customer profitability. "I have an executive from our finance operation that interacts with my people on a daily basis and participates in my weekly meetings. We have regular one-on-ones and she helps as we develop our marketing strategy and plans on an ongoing basis," he says.

Similarly, the marketing and IT functions are closely intertwined, with the marketing team spending roughly one-quarter of their time on how to use technology to support bank staff. "We have a large group of people who are dependent on technology, whether it's our social media team, our customer analytics team, or the group that feeds leads and customer insights to our front-line staff," says Mr Mercuri. This reliance on technology has blurred the lines between marketing and IT, as marketing staff have become increasingly tech-savvy. "Because information gathering and the use of data tools and customer analytics are so important to the marketing function, we work closely with a team from the technology group, solely dedicated to supporting the marketing function to ensure we have the technology tools in place to meet our needs."

### The CMO/CIO Relationship at Hitachi

Meanwhile, the partnership between the CMO and the CIO will continue to grow in the B2B space. "As the speed of transactions increases in the B2B world, the key to being able to compete is to gather customer information as quickly and accurately as possible, mine and analyse the data, and then reach back out to customers faster than the competition," says Mr Zaheer of Hitachi Data Systems. "Going forward, tailoring your product or service delivery, your marketing methods, or identifying prospective customers will happen much faster and it's going to be technology-driven." However, he affirms, in order to make that happen one needs to have systems in place that can store such information the way it is needed, and then mine it. "These sound like simple things to say, but they're very

complex to actually execute, and that's where the partnership between [the] CMO and [the] CIO going forward is only going to be stronger," Mr Zaheer asserts. Having the data is not enough, it needs to be collected and maintained in a usable manner.

### Freescale Semiconductor is marketing across the supply chain

For Mr Richard, a former CMO at Freescale, changes in technology along the supply chain for semiconductors require an understanding of not only the industry and its competitors, but also comprehension of the businesses working along the entire supply chain for the end product. Where once the customer-engagement model was simple in terms of establishing relationships and working with one client, changes in business models and the use of multiple technology providers for one product are creating complex marketing challenges for the CMO. As Mr Richard explains, "Our clients used to be very vertically integrated, where you had one touch-point at a design centre with a lead engineer who was a potential decision-maker. Now we're facing large customers with multiple design sites and very distributed decision processes."

An environment of distributed product development has created many more touch-points along the sales cycle as well as much less ability to influence decisions that in the past, he explains. "In some cases," notes Mr Richard, "you've got software and hardware completely separated and situations where supply chains themselves are being outsourced. So now to win the business you increasingly have to secure and control two, three, four touch-points in the value chain of a particular design, whereas ten years ago if you had the head engineer sold on your technology and the purchasing department was on board with your terms and conditions, the deal was done. Today, you could have that done at one point along the value chain and have a distributor or manufacturer or design house team up with another partner and find yourself in danger of losing the business," he says.

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*Dominic Mercuri, CMO at TD Bank*

At the same time, the demand for ever-increasing technological sophistication in consumer products has elevated the importance of Freescale's software solutions relative to their traditional hardware products. Mr Richard states that this has become an extraordinary challenge for marketing. Tracking diverse products across a range of touch-points in Freescale's customers' supply chains constitutes a major aspect of this. "You have a software component that becomes predominant in the ability of the customer to get their product to market, so the approach to being

able to capture the hardware customer is to have a superior software solution. So putting my best foot forward from a marketing standpoint with my software solutions to drag along hardware products is the game, even though it's not the main part of our revenue," Mr Richard explains. This is a reversal of the company's previous sales strategy, with vital implications for its product development.



# Conclusion

## Where the CMO is headed

Ultimately, the role of the CMO in every organisation will evolve in response to changes in their business models, the ability to access ever-growing markets and a more detailed understanding of the customer than ever before. Below are some key insights from this report's CMOs on where they are headed from here:

The ability to obtain and analyse market and customer data is also changing the core role of marketing in the boardroom. Sonus Networks' Mr Durow asserts that, "With the technology tools we have today, we can link investment with payoffs quite easily. Consequently, a CMO's job is to make the right investments that will drive the revenue engine of the company and this, in turn, requires tighter collaboration between the CMO, the CIO and the CFO." Mr Durow further claims that "the CMO is morphing into a new role as the chief revenue officer. Only five years ago CMOs were primarily focused on brand strategy, whereas now they are primarily responsible for turning customer insights into cash."

As such, skill requirements are changing in the information age of marketing. Thus, CMOs need to continue to diversify

the talent of their marketing staff. "Applying data in strategic marketing is the way of the future and if you don't have strong analytical skills, at least in the banking industry, marketing is not a great place to be. At the same time, to be a CMO you will have to be someone that's very comfortable with analytics, customer insights and more importantly focused on trying to create one-to-one opportunities with consumers," Mr Mercuri asserts.

For companies like FXI, the CMO will be integral in developing growth strategies and will begin to look more like a general manager than a traditional marketing officer. As Diane Adams explains, "Being able to work cross-functionally requires a unique skill set for CMOs and a breadth of knowledge in finance, manufacturing, management, operations and R&D, then ultimately getting to what used to be more traditional marketing functions in bringing the product to market. CMOs need to be very involved in driving innovation through disciplined stage gate processes and consumer insights. As such, project management skills are becoming more critical in marketing and across the organisation. With those skill sets you're going to start to see more CMOs really driving our organisations."

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GENEVA

Boulevard des Tranchees 16  
1206 Geneva  
Switzerland  
Tel: +41 22 566 24 70  
E-mail: [geneva@eiu.com](mailto:geneva@eiu.com)

LONDON

25 St James's Street  
London, SW1A 1HG  
United Kingdom  
Tel: +44 20 7830 7000  
E-mail: [london@eiu.com](mailto:london@eiu.com)

FRANKFURT

Bockenheimer Landstrasse 51-53  
60325 Frankfurt am Main  
Germany  
Tel: +49 69 7171 880  
E-mail: [frankfurt@eiu.com](mailto:frankfurt@eiu.com)

PARIS

6 rue Paul Baudry  
Paris, 75008  
France  
Tel: +33 1 5393 6600  
E-mail: [paris@eiu.com](mailto:paris@eiu.com)

DUBAI

PO Box 450056  
Office No 1301A  
Thuraya Tower 2  
Dubai Media City  
United Arab Emirates  
Tel: +971 4 433 4202  
E-mail: [dubai@eiu.com](mailto:dubai@eiu.com)