

Marketing is a (buyer) journey, not a destination

Executive Summary

CMOs are implementing significant shifts in where and how they allocate marketing spend.

In the 'Customer in Control' marketing age, marketers are experiencing a renaissance within their discipline. It is already disrupting how marketing operates and is re-writing the rules for the future.

To understand how marketing is evolving, The CMO Club in partnership with IBM surveyed 100 Chief Marketing Officers (CMOs). Then, we sat down with eight respected marketing executives to get their perspectives on the research, the marketplace and the implications.¹

¹Our respondents drew pretty evenly across B2B (54%) and B2C (46%) enterprises. The majority of the budgets under consideration were in the \$1 to \$5M range annually (41%) with a lower percentage (33%) reporting budgets of \$5M or above. N=100

Two notable trends we gathered from 100 CMOs:

1 CMOs are pivoting their marketing to include customer retention/advocacy while concurrently allocating investment across the entire customer journey, not by channel.

Traditionally, marketing has been focused on awareness – reach and frequency, staying on message, and stuffing the top of the purchase funnel. However, the research revealed that today's CMO is much more focused on investing across the entire customer journey from discovery to advocacy – with an understanding that journeys have changed dramatically. Overall, marketing budgets were reported up, due to either strategic funds or strong organic increases, but so are expectations. Furthermore, CMOs are planning to increase their spending across every stage of the buyer journey over the next two years by an average of 50 percent.

2 Marketers are constantly testing, failing, winning and innovating with their digital multitaskers.

As they are doing this, they are less interested in uni-directional tactics (e.g. television, print) and prefer multitasking digital tactics. Digital is rapidly gaining favor as marketers engage in closer dialogue with their customers across the buyer journey. The main reason for this is both practical and strategic in nature. CMOs want to engage where their customers are – and that is increasing disproportionately into digital realms. The fact that digital channels are multitasking (addressing the buyer at different stages of their journey) and offering rapid feedback is allowing for more agile and nimble experimentation to test different approaches.

What follows are four key takeaways CMOs can apply to their own marketing strategies.



Four key takeaways from the CMO Study:

Understand that we're in a Marketing Renaissance

Spencer Stuart reports that average CMO tenure is at 48 months – double where it was in 2004. As the recruiting and consulting firm has stated, “CMOs’ ability to leverage digital and analytics to create value for the business has been a factor in longer tenure. The ability to create measurably successful marketing initiatives built on customer insight has increased CMOs’ credibility in the C-suite.”¹

Accordingly, marketing budgets are rising. Our research found that 57% of respondents indicated their budgets would increase over the next 2-3 years. Duke University’s CMO Survey also reported in Feb. 2015 that marketing budgets were expected to rise at their highest percentage (8.7%) in the next year.

Respondents indicated that their annual budgets may only be slightly increasing, however the ability to show quantifiable return on investment (ROI) is enabling access to strategic and innovation budgets that weren’t previously accessible.

And where are they investing their increasing marketing dollars? Content marketing. The CMO respondents reported that content (13%) is leading the charge. That is followed by digital advertising (11%), traditional advertising (11%), and even those analog, physical activities (11%) remain important.



“It is the best of times in marketing...borne of challenges and big opportunities.”

- Sachin Gadhvi
VP Marketing, Ticketmaster



“People now see marketing as a great fusion opportunity that reaches beyond awareness and into training or advocacy. The increased scope is leading to increased resources.”

- Mirjana Prokic
Marketing Director, Valspar



“Our attention spans are now shorter than a goldfish. We need to build content with that in mind. I am encouraging our team to produce less, more precise content.”

- Chris Campbell
CMO, CNO Financial

¹ Spencer Stuart <http://www.forbes.com/sites/jenniferrooney/2015/03/16/cmo-tenure-hits-48-months-and-chief-marketers-moves-indicate-rising-influence/>

Invest across the experience, not the funnel

Unlike their traditional counterparts, marketers in this new age of marketing are increasingly focused on the entire buyer journey. Our research shows that on average, marketing budgets are being invested evenly across the buyer journey, with the highest investment at the Buy stage (21%), followed by Discover (20%), Learn (16%), Try (16%), with Advocate (14%) and Use (13%) rounding it out.

What's interesting is that marketers are planning to spend even more on the buyer journey, with CMOs planning to increase spending in each stage by an average of 50 percent. Furthermore, many CMOs identified a significant change in their buyers' journey due to the digital disruption of the last 10 years. In short, the customer now dictates the journey, with or without you.



"Good content is critical for the stages of the buyer journey. The buying cycle is completely inundated with messages. It has become the sewer of marketing rather than a funnel."

- Yoni Ben-Yehuda
CMO, medCPU



"You have to understand the customer and how their purchase journey has evolved because it's changed and a lot of companies haven't adapted."

- Michael Lacorazza
EVP, Head of Integrated Marketing,
- Wells Fargo

Bet on every horse in the race

Marketers are testing the waters by experimenting across tactics and buyer stages. In a sense, they are initially putting bets on every horse at the start of the race, but leveraging agile approaches to reallocate resources to the leading “horses” mid-race and increasing their chance to win the day.

What’s behind this experimental approach to budgeting? Fifty-three percent said that the main reason for experimenting with different allocations across the buyer cycle is due to the imperative to generate higher revenue. And 20% say that they are experimenting with different allocations because better data and technology allow them to measure the success (and failure) of each experimentation, so they can quickly identify winning approaches and pivot away from less-than-effective ones.



“I’m currently allocating 5 - 10% of my budget to innovation — new ideas and approaches where it’s okay to fail, but it allows us to test new concepts.”

*- Paul Koulogeorge
CMO, Goddard Schools*



“We have an archive that contains an original of every shoe model that Bally has ever manufactured since 1851. That is our history, but also a rich source of content and ready for experimentation.”

*- Anne-Marie Gaultier
VP Global Marketing and
Communications, Bally*



Learn from the rise of the digital multitaskers

CMOs clearly indicated in the survey that they are growing less interested in uni-directional tactics (e.g. television, print), but prefer multitasking via using digital methods. Our research strongly shows this shifting interest with a 52% traditional and 48% digital spending split.

Digital is clearly king as marketers endeavor to get into closer dialogue with their customers across the buyer journey. The main reason for this is practical in nature, CMOs want to be where their customers are — and that is increasing disproportionately into digital realms.

Regardless, the rise of the digital multitasker is here. CMOs consistently rank social, website, email, digital and apps as their preferred tactics within each buyer stage. By investing in digital channels, CMOs are able to hedge their investments and deploy tactics across multiple buyer stages at the same time.

The fact that digital channels are multitasking (addressing the buyer at different stages of their journey) may have been a fortunate accident rather than an intentional investment. However, this approach allows for more agile and nimble experimentation to test different tactics. ROI attribution is a secondary bonus.



"Social media done correctly is like an orchestra, playing the same tune but each bringing something different and unique to bear. LinkedIn is the clarinet, Facebook is the drums, etc. They might look and sound different, but they're all working together to try and share the message."

- Wendy Harrington
CMO, Franklin Templeton



"A negative brand experience could be that the app crashed, an ignored service request on social or a below subpar product. This all translates back to the brand experience...even if marketing doesn't own the area where that experience occurred."

- Sachin Gadhvi
VP Marketing, Ticketmaster

Peer advice: Practical how-to's

Today: Evaluate your understanding of the buyer journey and how you create an experience. Don't assume your buyer's journey has not changed in the last few years as many CMOs are discovering shifts or even complete flips where they engage with the customer. Remember, customers don't care about your org chart and are engaging outside of the marketing department (e.g., sales, customer service, your other customers).

Tomorrow: Challenge your mental models of marketing and how/where you engage with your customer's buyer journey. Evaluate who you will need to partner with in your organization to deliver a better customer experience. Traditional media is not dead, but the measurement and adaptability of digital channels means we need to evaluate where digital or a hybrid digital/traditional approach will create a better experience.

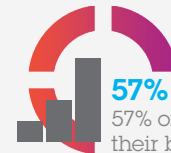
Next month: Run, don't walk. Longer CMO tenures, access to strategic budgets, and newly quantifiable marketing plans are enabling you to transform your organization and quickly show impact. Don't forget the content needed to fuel the machine, but evaluate if you are encouraging more or precise content.

Next quarter: Make experimenting (and failing) systemic and part of your culture. It will not happen overnight. Actions including allocating a set percentage of your budget for edgy, untested ideas and enabling the team to become domain experts in new channels will support experimentation without reprisal if it goes sideways. Place multiple bets before the race, but measure and agilely move your bets mid-race, not after the season is over.

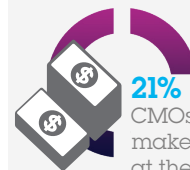
Investing for the (buyer) journey



CMOs are planning to increase their spending across every stage of the buyer journey over the next two years by an average of 50%.*



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CMOs reported that they make their highest investment at the Buy stage (21%), followed by Discover (20%), Learn (16%), with Advocate (14%) and Use (13%) rounding it out.*

Discover more:

Discover how the CMO Club can help you solve your biggest challenges.

ibm.biz/thecmoclub

Get how-to's and success stories to help build your CMO skills from THINK Leaders.

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IBM Marketing Solutions make it easier to design and deliver meaningful customer experiences. Learn how you can change the way you engage.

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* Analytics and thought leadership consulting provided by the IBM Center for Applied Insights

CMO Biographies & Final Thoughts



"We are in the business of facilitating great experiences, right at the moment where someone is passionate about an event. We are connecting them to a great life experience."

Sachin Gadhvi, VP Marketing, Ticketmaster

Sachin Gadhvi is responsible for customer acquisition at Ticketmaster and Ticketmaster Resale. Prior to Ticketmaster, Sachin built expertise in consumer marketing and e-commerce while working for Target and Performics.

Sachin received his Bachelor's from Florida Atlantic University and an M.B.A. from the University of Michigan.



"We created amazing content by pulling the data team, creative services and product lead together, and sitting them together for two hours a day for a week. It was a powerful alliance of statistics, visuals and storytelling that resulted in faster yet far more compelling content than one could produce individually."

Wendy Harrington, CMO, Franklin Templeton

Wendy is responsible on a worldwide basis for marketing and communications.

Prior to joining Franklin Templeton, Wendy served a variety of leading financial services firms, venture capital and management consultancies including McKinsey & Company. Wendy earned an M.B.A. from Stanford and a B.S. from the University of Illinois.





“The Golden Rule: not having an ego in marketing. The real secret is removing ego from the process, which allows you to continually pivot and improve.”

Yoni Ben-Yehuda, CMO, medCPU

Yoni Ben-Yehuda has worked in both the Healthcare IT space and entertainment industry for over a decade. Prior to becoming the CMO of medCPU, Yoni worked as the youngest VP of Marketing for Serchlite Multimedia.

Yoni also serves as an advisor to Professor Ian MacMillan in a Social Entrepreneurship independent study program, where he teaches at Wharton School of the University of Pennsylvania.



“The customer is now using digital to dictate the journey and it has flipped our entire purchase process.”

Michael Lacorazza, EVP, Head of Integrated Marketing,

Wells Fargo

Michael leads the development of scaled, integrated marketing efforts, as well as the Wells Fargo brand positioning and expression, advertising and media.

Prior to joining Wells Fargo, Michael was a Managing Director at TD Ameritrade, Vice President at Digitas, and held senior marketing positions at Marriott International and the Lexus Division of Toyota.





"The Customer Journey for selecting childcare is very nuanced and deeply personal. We have to understand customized truthpoints along their path that validates our brand and responds to their needs."

Paul Koulogeorge, CMO, Goddard Schools

Paul is responsible for The Goddard School's marketing, advertising and public relations in aiding the continued growth and success of the franchise.

Prior to joining The Goddard School franchise, Paul held executive marketing roles at DFC Global Corp, Kraft Foods, The Coca-Cola Company and EB Games. Paul earned an M.B.A. from the Kellogg Graduate School of Management at Northwestern University and a B.A. from Washington University in St. Louis.



"The biggest challenge today is to adapt the content to all the new digital tools. Gamification is an incredible way to generate engagement while keeping the authentic look and feel of our luxury brand. In China, we created a WeChat game to open a vault to win a luxury handbag. We saw over 300,000 people involved within a few days."

Anne-Marie Gaultier, VP, Global Marketing and Communications, Bally

Anne-Marie leads the Marketing and Communications activities worldwide at Bally in addition to serving on the Bally Executive Committee.

Before joining Bally, she worked for several advertising firms including Young and Rubicam and was the COO for Saatchi & Saatchi in France. Previously, Anne-Marie held global marketing positions at Club Med, Bouygues Telecom and Groupe Galeries Lafayette, and served as the president of the French Advertisers Association.

Anne-Marie holds a B.S. in marketing from Ball State University, an M.A. in advertising from the Medill School of Journalism at Northwestern University and an Executive Masters from HEC Paris.





"I get hit up from every angle: old and new vendors, agency and team members for new ideas...you can tie yourself in a knot if you chase down every angle, so I ask consumers. My deciding factor is direct consumer feedback!"

Chris Campbell, CMO, CNO Financial

Chris leads communications, public relations, product development, direct marketing, strategy, planning and analysis, agency functions and brand management. Before joining CNO, Chris held positions at Allstate Financial, CNA Financial and Monitor Group, focusing on strategy, marketing and channel management.

Chris earned his bachelor's degree in Government from Dartmouth College and his M.B.A. from the J.L. Kellogg Graduate School of Management at Northwestern University. He serves as Vice President on the Board of Directors of the Chicago Chapter of Meals on Wheels.



"Encourage and monitor social word of mouth, not only to spread the word when you do something really well, but to gain insight on how the customer sees and uses your product. You will be surprised."

Mirjana Prokic, Marketing Director, Valspar

Fluent in six languages, Mirjana leads sales and marketing activities at Valspar UK and is responsible for maximizing sales volumes and opening new markets within the unique specialty chemical marketplace.

Prior to Valspar, Mirjana held director and management roles at U-POL, Ducla Group, Si & Si Group, Iveco and Interpress. Mirjana earned a degree in psychology from the University of Belgrade and a Master's in international economics from BK University in Belgrade.