From Stretched to Strengthened

Consumer Products Point of View

Insights from the Global Chief Marketing Officer Study
The 2011 Global CMO Study is part of our C-suite Study series encompassing interviews with more than 15,000 C-suite executives.
In today’s world, the savvy, smarter consumer sees, hears and discusses every product, service or brand experience around the world.

Source: visual provided by 2011 trendwatching.com (Domestic premium series)
In fact, consumers around the world think the future is about them… personalized, customizable and focused on them individually.
The new devices and ways of access and connecting puts the consumer at the centre of your world

- Mobile devices
- Social media
- Digital TV & Radio
- Digital direct
- Point-of-Sale displays
- Digital outdoor
- Web & internet A&P
- Gaming platforms
- Sensors

IBM Institute for Business Value
Through the 188 in-depth CP discussions, we are better able to understand the evolving role and function of the CMO in the C-suite

<table>
<thead>
<tr>
<th>Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Sample consists of private sector CMOs (97%) and public sector leaders (3%)</td>
</tr>
<tr>
<td>▪ Representative sample across 64 nations and 19 industries</td>
</tr>
<tr>
<td>▪ Private sector organizations with revenue more than US$500 million in mature markets and more than US$250 million in growth markets; public sector organizations with more than 1,000 employees</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Face-to-face one hour interviews with 1,734 CMOs</td>
</tr>
<tr>
<td>▪ Facilitated using structured questionnaire</td>
</tr>
<tr>
<td>▪ Wide coverage: from highly profiled organizations (48 of the 100 top Interbrand organizations) to lower profile local organizations</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Statistical analysis of 35 questions and the related 236 discrete factors</td>
</tr>
<tr>
<td>▪ In-depth analysis based on self-reported performance characteristics for differences between outperformers and underperformers</td>
</tr>
<tr>
<td>▪ Comprehensive review and analysis of more than 10,000 interview quotes</td>
</tr>
</tbody>
</table>

Note: Outperformers and underperformers were identified by answers to questions about their organization’s competitive position. Those who selected “significantly outperform industry peers” were identified as outperformers; those who selected “somewhat or significantly underperform industry peers” were grouped as underperformers.
Introduction – Swimming, treading water or drowning?

Deliver value to empowered consumers
- Move from market analysis to understanding individuals
- Take charge of growing volume, velocity and variety of data

Foster lasting connections
- Focus on the relationship, not just the transaction
- Invest in building your corporate character

Capture value, measure results
- Demonstrate accountability through ROI
- Recognize shift towards new skills and capabilities

The CMO Agenda – Get fit for the future

The perfect solution is to serve each consumer individually. The problem? There are 7 billion of them.

Consumer products CMO, Singapore
CMOs: swimming, treading water or drowning?

<table>
<thead>
<tr>
<th>In this digital era...</th>
<th>CMOs have to...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Globalization has brought the world to everyone’s backyard</td>
<td>Do more than ever, inside and outside the organization</td>
</tr>
<tr>
<td>Everyone is a broadcaster, publisher and a critic: there is nowhere to hide</td>
<td>Be more accountable for return on investment (ROI)</td>
</tr>
<tr>
<td>Transparency is the new price of entry</td>
<td>Use tools and technologies that their children understand better than they do</td>
</tr>
</tbody>
</table>

And... more data, more sources, less clarity

And... CMOs have just three to four years to make their mark

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The new way forward is not just advertising but to leverage a digital technology to reach new consumer segments and to understand their habits through digital media.

Consumer Products, Marketing Communications Director, Malaysia
CMOs feel unprepared for the amount of complexity they face

**Expected level of complexity and preparedness to handle**

Percent of CMOs responding

- **79%**
  Expect high/very high level of complexity over 5 years

- **31%**
  Complexity gap

- **48%**
  Feel prepared for expected complexity

> “Complexity is consumers demanding more tailored solutions, unique to their needs and yet they are connected globally one to another stronger than ever...”

Consumer Products
General Manager Asia Market, Singapore

Source: Q4 How much complexity will your organization have to master over the next 3 to 5 years compared to today? n=1709; Q6 How prepared do you feel for the expected complexity ahead? n=1712
Consumer Products CMOs are even more concerned with the data explosion, social media and shifting consumer demographics.

### Consumer Products Under preparedness

**Percent of CMOs reporting underpreparedness**

- **Data explosion**: 50% (85%)
- **Social media**: 71% (71%)
- **Shifting consumer demographics**: 68% (61%)
- **Growth of channel and device choices**: 66% (60%)
- **Global outsourcing**: 63% (59%)
- **Decreasing brand loyalty**: 61% (56%)
- **Emerging market opportunities**: 61% (61%)
- **Regulatory considerations**: 60% (57%)
- **ROI accountability**: 57% (54%)
- **Customer collaboration and influence**: 54% (52%)
- **Financial constraints**: 52% (41%)
- **Corporate transparency**: 39% (51%)
- **Privacy considerations**: 33% (42%)

Source: Q8 How prepared are you to manage the impact of the top 5 market factors that will have the most impact on your marketing organization over the next 3 to 5 years?

n=3 to 75 (n = number of respondents who selected the factor as important)
We wanted to understand which underprepared areas are the most critical for CMOs

![Marketing Priority Matrix](image)

Source: Q7 Which of the following market factors will have the most impact on your marketing organization over the next 3 to 5 years? n1=1733; Q8 How prepared are you to manage the impact of the top 5 market factors that will have the most impact on your marketing organization over the next 3 to 5 years? n2=149 to 1141 (n2 = number of respondents who selected the factor as important in Q7)
Outperformers are battling almost as much as underperformers to deal with the four most critical pain points:

<table>
<thead>
<tr>
<th>Pain Point</th>
<th>Outperforming</th>
<th>Underperforming</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data explosion</td>
<td>65%</td>
<td>77%</td>
</tr>
<tr>
<td>Social media</td>
<td>66%</td>
<td>70%</td>
</tr>
<tr>
<td>Growth of channel and device choices</td>
<td>56%</td>
<td>73%</td>
</tr>
<tr>
<td>Shifting consumer demographics</td>
<td>57%</td>
<td>72%</td>
</tr>
</tbody>
</table>

Source: Q8 How prepared are you to manage the impact of the top 5 market factors that will have the most impact on your marketing organization over the next 3 to 5 years?

n outperforming = 45 to 338; n underperforming = 29 to 250

“\[We have to be prepared to for change. It’s no good doing what has been done before in today’s environment.\]”

Consumer Products CMO, UK
To deal with the broad level of underpreparedness, CMOs signaled three key domains of improvement

Marketing must become more adept at managing the magnitude of change now taking place. Otherwise, it will be like going into battle with a Swiss Army knife.

Financial services vice president, marketing, US
Agenda

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– Recognize shift towards new skills and capabilities

The CMO Agenda – Get fit for the future

Collect the data is not the challenge anymore, but the switch to decision making is the challenge.”

Consumer Products Industry
Business Strategy Director, Brazil
Consumer Products CMOs still focus on understanding markets versus understanding the individuals to shape their strategy.

**Consumer Products**

**Sources used to influence strategy decisions**

Percent of CMOs selecting all sources that apply

- Market research: 82%
- Competitive benchmarking: 79%
- Corporate strategy: 74%
- Marketing team analytics: 72%
- Customer service feedback: 69%
- Financial metrics: 68%
- Sales/sell-through numbers: 68%
- Customer analytics: 68%
- Test panels/focus groups: 64%
- R&D insights: 64%
- Retailer and shopper analysis: 64%
- Customer service feedback: 55%
- Consumer-generated reviews: 44%
- Third-party reviews & rankings: 34%
- Online communications: 34%
- Supply-chain performance: 31%
- Professional journals: 30%
- Blogs: 24%

Source: Q15 What sources of information influence your marketing strategy decisions? n=105
CMOs are overwhelmingly underprepared for the data explosion and recognize need to invest in and integrate technology and analytics

**Consumer Products Underpreparedness**

*Percent of CMOs selecting as Top 5 Factors*

- **Data explosion**: 85%
- Social media: 71%
- Channel & device choices: 66%
- Shifting demographics: 68%
- Financial constraints: 52%
- Decreasing brand loyalty: 61%
- Emerging markets: 61%
- ROI accountability: 57%
- Consumer collaboration: 54%
- Privacy considerations: 33%
- Global outsourcing: 63%
- Regulatory considerations: 60%
- Corporate transparency: 39%

**Need for change to deal with data explosion**

*Percent of CMOs indicating high/significant need*

- **Invest in technology**: 70%
- Integrate insights: 63%
- Understand analytics: 64%
- Rethink skill mix: 66%
- Collaborate with peers: 49%
- Validate ROI: 54%
- Address privacy: 23%

Source: Q8 How prepared are you to manage the impact of the top 5 market factors that will have the most impact on your marketing organization over the next 3 to 5 years? n=6 to 136; Q20 To what extent will the opportunity to collect unprecedented amounts of data require you to change? n=171 to 180
As well as they are eager to deploy new channels, tools and technologies to reach the consumer

### Consumer Products

**Plans to increase the use of technology**

<table>
<thead>
<tr>
<th>Technology</th>
<th>Percent of CMOs selecting technologies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile applications</td>
<td>81%</td>
</tr>
<tr>
<td>Social media</td>
<td>81%</td>
</tr>
<tr>
<td>CRM</td>
<td>80%</td>
</tr>
<tr>
<td>Consumer analytics</td>
<td>80%</td>
</tr>
<tr>
<td>Content management</td>
<td>73%</td>
</tr>
<tr>
<td>Collaboration tools</td>
<td>69%</td>
</tr>
<tr>
<td>Tablet applications</td>
<td>69%</td>
</tr>
<tr>
<td>Reputation management</td>
<td>63%</td>
</tr>
<tr>
<td>Predictive analytics</td>
<td>62%</td>
</tr>
<tr>
<td>Search engine optimization</td>
<td>60%</td>
</tr>
<tr>
<td>Single view of consumer</td>
<td>56%</td>
</tr>
<tr>
<td>Campaign management</td>
<td>55%</td>
</tr>
<tr>
<td>Score cards/dashboards</td>
<td>53%</td>
</tr>
<tr>
<td>E-mail marketing</td>
<td>43%</td>
</tr>
</tbody>
</table>

Source: Q22 Do you plan to decrease or increase the use of the following technologies over the next 3 to 5 years? n=169 to 175
Consumer Products CMOs see cost and lack of ROI certainty as their greatest hurdles to using technology in marketing

**Consumer Products**

**Barriers to using technology in marketing**

*Top 5 selected by CMOs*

- **Cost**: 64%
- **Lack of ROI certainty**: 61%
- **Lack of skills of (potential) users**: 49%
- **Tool implementation issues**: 44%
- **Ease of use**: 43%
- **Lack of IT integration with organization**: 42%
- **Lack of marketing and IT alignment**: 37%
- **Lack of technological ownership in marketing**: 32%
- **Lack of IT skills**: 30%
- **Reliability**: 16%

Source: Q23  What are the top 5 barriers to using technology? n=105
Recommendations and tough questions – Deliver value to empowered consumers

Begin with the big business question.
- Focus on the opportunity to create value for consumers as individuals.

Open the aperture.
- Reprioritize your investments to mine digital channels, such as blogs, tweets, social networks, peer reviews and consumer-generated content, to access consumers’ honest, unmediated views, values and expectations. Use advanced analytics to recognize preferences, trends and patterns across every touch point.

Safeguard Consumers Trust and Data.
- Work with IT to assess potential data and infrastructure exposures, employ tools to secure consumer data and update privacy policies to address consumers’ concerns.

How are you gearing your marketing people, programs and processes to understand individuals not just markets?

Which tools and processes are you investing in to better understand and respond to what individual consumers are saying and doing?

How do you safeguard your consumers’ data and privacy in a multi-channel, multi-device world?
The Challenge
When Grupo Mahou-San Miguel, S.A. developed a new brand of beer, Mixta, to appeal to younger drinking-age consumers, the Spanish brewer needed to capture a loyal following in an already crowded market.

The Solution
Capitalizing on the passion young people have for all things digital, Mahou-San Miguel bypassed traditional media and launched the product via social media exclusively, exploiting the power of viral networking and developing more than 30 Mixta commercials for YouTube and internet outlets.

The Results
The Mixta campaign, with more than 10 million hits, is battling for second place among all YouTube brands in Spain, by number of views. And the engagement of consumers with the Mixta brand is further evidenced by the emergence of user-generated imitations of Mixta ads and a social media “club” of Mixta fans.
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The CMO Agenda – Get fit for the future

Marketing performance tracking is driven by consumer loyalty. End-to-end lifecycle management is key.

Telecommunications CMO, Belgium
Confronted with the shift toward emerging digital technologies, CMOs see enhancing consumer loyalty as the top priority

**Consumer Products**

**Priorities for managing the shift toward digital technologies**

- Enhance consumer loyalty/advocacy: 66%
- Monitor the brand via social media: 58%
- Use social media as a key engagement channel: 57%
- Design experiences for tablet/mobile apps: 51%
- Measure ROI of digital technologies: 48%
- Use integrated software suites to manage consumers: 45%
- Analyze online/offline transaction analysis: 37%
- Develop social interaction governance/policies: 33%
- Gain comprehensive visibility of supply chain: 32%
- Monetize social media: 29%

Source: Q12  What are your priorities for managing the shift toward emerging digital technologies? (Select top five.) n=188
However, most CMOs are using data to manage transactions, not relationships.

### Consumer Products

**Extensive use of consumer data**

*Percent of CMOs using data captured within consumer lifecycle phases*

<table>
<thead>
<tr>
<th>Lifecycle Phase</th>
<th>Transaction focused</th>
<th>Relationship focused</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segmentation/targeting</td>
<td>69%</td>
<td></td>
</tr>
<tr>
<td>Awareness/education</td>
<td>64%</td>
<td></td>
</tr>
<tr>
<td>Interest/desire</td>
<td>58%</td>
<td></td>
</tr>
<tr>
<td>Action/buy</td>
<td>64%</td>
<td></td>
</tr>
<tr>
<td>Use/enjoy</td>
<td>49%</td>
<td></td>
</tr>
<tr>
<td>Bond/advocate</td>
<td>47%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Q21 To what extent does your marketing organization capture, analyze and act on consumer data generated during the following consumer lifecycle phases? n=176 to 178

© 2011 IBM Corporation
Consumers have clear expectations based on the corporate character, yet employees are not fully on board

**CONSUMER PRODUCTS**

Is your corporate character understood in the marketplace?

<table>
<thead>
<tr>
<th></th>
<th>Not understood</th>
<th>Strong contributor to the brand’s success</th>
</tr>
</thead>
<tbody>
<tr>
<td>Say no or limited understanding of corporate character</td>
<td>8% 20% 19%</td>
<td>33% 20%</td>
</tr>
</tbody>
</table>

Is much more work needed to get employees on board?

<table>
<thead>
<tr>
<th></th>
<th>Significant work needed</th>
<th>No work needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Say significant or much work needed</td>
<td>19% 32% 20%</td>
<td>23% 5%</td>
</tr>
</tbody>
</table>

Source: Q10 Is your corporate character understood in the marketplace? n=183; Q11 How much work is needed to have employees embrace and live the corporate character? n=182
To activate the corporate character in a transparent world, marketing needs to drive broad changes in the organization.

Global
Top 5 initiatives driven by transparency
Percent of CMOs selecting initiatives

- Manage brand reputation within and beyond the company: 50%
- Enhance engagement with consumers and citizens: 74%
- Expand data collection, analysis and insights capabilities: 67%
- Strengthen collaboration across the enterprise: 64%
- Orchestrate a single view of the brand: 61%

"The change in mindset not only has to occur in marketing but across the whole corporate culture." — Consumer Products, Chief Marketing Officer, Spain

Source: Q9 To what extent does transparency create a need for you to: n=1645 to 1675
Brand reputation needs to be managed within and beyond the company now more than ever

Consumer Products
Top 5 initiatives driven by transparency
Percent of CMOs selecting initiatives

- Manage brand reputation within and beyond the company: 73%
- Enhance engagement with consumers and citizens: 69%
- Orchestrate a single view of the brand: 63%
- Expand data collection, analysis and insights capabilities: 63%
- Strengthen collaboration across the enterprise: 57%

The biggest challenge for marketing over the next 3 to 5 years is building a corporate brand reputation in a world of high transparency.

Consumer Products, head of global marketing, Switzerland
Recommendations and tough questions – Foster lasting connections

**Jumpstart relationships.**
- Capitalize on new digital channels to stimulate conversations with existing and potential consumers, and create new types of relationships to reveal untapped opportunities. Use tangible incentives to attract followers.

**Connect continuously.**
- Engage with your consumers and citizens at every stage in the consumer lifecycle, and build online and offline communities to strengthen your brand.

**Champion your organization’s corporate character.**
- Help the enterprise define and activate the traits that make it unique. Work with the entire C-suite to meld the internal and external faces of the enterprise.

How do your marketing tactics and investments work in sync to create and grow a pervasive and innovative total consumer relationship?

What steps are you taking to connect consumer insights with product and service development, and stimulate your consumers to become brand or company advocates?

How are you collaborating with your C-level peers to activate your corporate character across all touch points and experiences?
Kraft Foods: consumer engagement delivers slam dunk for Oreos

The Challenge
Kraft Foods Oreo cookie was first introduced in China in the 1990s, but it was too sweet for local palates and the package too big for small Chinese families.

The Solution
Kraft reintroducing a reformulated Oreo in 2006 with NBA basketball star Yao Ming as a brand ambassador. Online games encouraged younger consumers to compete with the celebrity in Oreo Twist, Lick and Dunk contests, while mothers were encouraged to share their Oreo Moments in an online diary on China’s popular QZone social network.

The Results
Sales have increased 80 percent, making the Oreo the best-selling cookie in China; the gaming site has generated more than 1.2 billion clicks, with nearly 5 million page views and 1.5 million unique visitors; the QZone network attracted 38 million uniques and more than 40 million user-generated Oreo Moments in the first six months.
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The CMO Agenda – Get fit for the future
CMOs believe ROI on marketing spend will be the number one method for determining success by 2015

### Consumer Products

**Seven most important measures to gauge marketing success**

*Percent of CMOs selecting success measurements*

<table>
<thead>
<tr>
<th>Measure</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing ROI</td>
<td>65%</td>
</tr>
<tr>
<td>Overall sales</td>
<td>61%</td>
</tr>
<tr>
<td>[Operating] Profit</td>
<td>52%</td>
</tr>
<tr>
<td>consumer experience</td>
<td>47%</td>
</tr>
<tr>
<td>Conversion rate/new consumers</td>
<td>40%</td>
</tr>
<tr>
<td>Marketing-influenced sales</td>
<td>37%</td>
</tr>
<tr>
<td>Social media metrics</td>
<td>37%</td>
</tr>
</tbody>
</table>

Source: Q19 What are the 5 most important measurements you (will) use to gauge marketing success by 2015? n=188
To truly deliver marketing ROI, CMOs need to have significant influence across all four Ps, not just promotion.

<table>
<thead>
<tr>
<th>Consumer Products</th>
<th>Percent of CMOs citing significant influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion</td>
<td></td>
</tr>
<tr>
<td>Integrated advertising and promotion</td>
<td>83%</td>
</tr>
<tr>
<td>Aligned internal and external communications</td>
<td>78%</td>
</tr>
<tr>
<td>Innovative social and other emerging media</td>
<td>69%</td>
</tr>
<tr>
<td>Products</td>
<td></td>
</tr>
<tr>
<td>Deeply researching consumer needs</td>
<td>75%</td>
</tr>
<tr>
<td>Product service portfolio</td>
<td>66%</td>
</tr>
<tr>
<td>Comprehensive research and development cycle</td>
<td>57%</td>
</tr>
<tr>
<td>Place</td>
<td></td>
</tr>
<tr>
<td>consumer experience involving multiple touch points</td>
<td>57%</td>
</tr>
<tr>
<td>Channel selection and management</td>
<td>46%</td>
</tr>
<tr>
<td>End-to-end supply chain process</td>
<td>26%</td>
</tr>
<tr>
<td>Price</td>
<td></td>
</tr>
<tr>
<td>Full competitive pricing assessment</td>
<td>60%</td>
</tr>
<tr>
<td>Understanding of total ownership costs/benefits</td>
<td>54%</td>
</tr>
<tr>
<td>Integrated, cross-company pricing process</td>
<td>41%</td>
</tr>
</tbody>
</table>

Source: Q14 How much influence do you and your organization have over the Four Ps and their related sub-factors? n=177 to 183
CP CMOs need partnerships which provides much more consumer and data analytics to get them closer to the consumer

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Percent of CMOs using partners extensively today</th>
<th>Percent increase of partnerships in 3-5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer and data analytics</td>
<td>16%</td>
<td>69%</td>
</tr>
<tr>
<td>IT skills</td>
<td>24%</td>
<td>63%</td>
</tr>
<tr>
<td>Sales contact/lead management</td>
<td>7%</td>
<td>57%</td>
</tr>
<tr>
<td>Call and service center</td>
<td>25%</td>
<td>44%</td>
</tr>
<tr>
<td>Tracking/Measurement</td>
<td>15%</td>
<td>40%</td>
</tr>
<tr>
<td>Direct/relationship marketing</td>
<td>23%</td>
<td>35%</td>
</tr>
<tr>
<td>Event management</td>
<td>44%</td>
<td>32%</td>
</tr>
<tr>
<td>Creative brand strategy</td>
<td>15%</td>
<td>27%</td>
</tr>
<tr>
<td>Traditional advertising and promotion</td>
<td>34%</td>
<td>24%</td>
</tr>
<tr>
<td>Online advertising and promotion</td>
<td>43%</td>
<td>23%</td>
</tr>
<tr>
<td>New media strategy and design</td>
<td>31%</td>
<td>23%</td>
</tr>
<tr>
<td>Online community development</td>
<td>38%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Source: Q16 What do you do within marketing and what resources will you tap into, to manage marketing today and going forward? (in 3 to 5 years)

n (Today) = 21 to 175 n (in 3-5 years) = 22 to 172
CP CMOs leadership skills will be expanded to be personally successful over the next 3 to 5 years

### Consumer Products
**Capabilities for personal success over next 3-5 years**

*Percent of CMOs selecting capabilities*

<table>
<thead>
<tr>
<th>Capability</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership abilities</td>
<td>70%</td>
</tr>
<tr>
<td>Voice of the consumer insights</td>
<td>61%</td>
</tr>
<tr>
<td>Creative thinking</td>
<td>55%</td>
</tr>
<tr>
<td>Competitive trends insights</td>
<td>45%</td>
</tr>
<tr>
<td>Cross-CxO collaboration</td>
<td>43%</td>
</tr>
<tr>
<td>Demand creation capabilities</td>
<td>41%</td>
</tr>
<tr>
<td>Analytics aptitude</td>
<td>35%</td>
</tr>
<tr>
<td>Understanding products/services value chain</td>
<td>32%</td>
</tr>
<tr>
<td>Management capabilities</td>
<td>31%</td>
</tr>
<tr>
<td>Social media expertise</td>
<td>25%</td>
</tr>
<tr>
<td>Technology savviness</td>
<td>23%</td>
</tr>
<tr>
<td>Finance skills</td>
<td>19%</td>
</tr>
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Source: Q17 What capabilities do you need to be personally successful over the next 3 to 5 years? n=188
Recommendations and tough questions – Capture value, measure results

**Capitalize on new tools to measure what matters.**
- Use advanced analytics and compelling metrics to improve decision making and to demonstrate your accountability.

**Enhance business acumen.**
- Adjust your talent mix to increase technical and financial skills, and grow your digital expertise by finding new partners to supplement your in-house resources.

**Lead by example.**
- Expand your horizons by enhancing your personal financial, technical and digital savviness.

**How are you measuring and analyzing the results of your initiatives and communicating them to advance your marketing function's credibility and accountability?**

**What are you doing to enrich the skills mix in the marketing function and build technical, financial and digital acumen?**

**In what ways are you personally investing to broaden your capabilities?**
FootSmart: Analytics help deliver cross-sell success

The Challenge
A direct-to-consumer retailer of foot and lower-body health care products with more than 1.9 million consumers, FootSmart knew there was untapped potential in online sales. But to capitalize on this, the company needed algorithms that parse both individuals' previous behavior and overall patterns in the firm's consumer data.

The Solution
FootSmart uses analytics to capture the lifetime behavior of consumers on its site and comprehensive browsing, shopping and purchasing information. Using it to more efficiently identify the most profitable cross sells, while weeding out the underperformers, FootSmart now automatically generates carefully targeted offers to online consumers for relevant products much more likely to delight them.

The Results
Satisfied online consumers now generate 65 percent of FootSmart's sales; cross sells as a percentage of total online sales are up 147 percent; sales of cross-sell items have increased 97 percent; its cross-sell conversion rate climbed 31 percent; and average order value when cross-sell products are purchased is up 9 percent.
Introduction – Swimming, treading water or drowning?

Deliver value to empowered consumers
- Move from market analysis to understanding individuals
- Take charge of growing volume, velocity and variety of data

Foster lasting connections
- Focus on the relationship, not just the transaction
- Invest in building your corporate character

Capture value, measure results
- Demonstrate accountability through ROI
- Recognize shift towards new skills and capabilities

The CMO Agenda – Get fit for the future

Marketing is a balanced combination of art and science. A good approach blends human creativity and logical thinking based on the data insights technology offers.

Consumer products marketing director, Vietnam
Deliver value to empowered consumers

- Focus on creating value for consumers as individuals
- Reprioritize investments to mine digital channels to access consumers' views and use advanced analytics to recognize preferences and trends across every touch point
- Work with IT to assess potential data and infrastructure exposures, employ tools to secure consumer data and update privacy policies to address consumers' concerns

Foster lasting connections

- Capitalize on new digital channels to stimulate consumer conversations and new relationships; use tangible incentives to attract followers
- Engage with consumers throughout the customer lifecycle; build online/offline communities to strengthen your brand
- Help the enterprise define and activate traits that make it unique and engage the C-suite to meld the internal and external faces of the enterprise

Capture value, measure results

- Use advanced analytics and compelling metrics to improve decision making and to demonstrate accountability
- Adjust your talent mix to increase technical and financial skills, and grow digital expertise by finding new partners to supplement in-house resources
- Expand your horizons by enhancing your personal financial, technical and digital savviness
In addition to strategic actions, there are three initiatives CMOs can start today to become better prepared for the digital era

1. **Start playing – Be prepared to fail**
   - Experiment with new channels to reach your consumer
     - Invite eager marketing futurists from your organization to participate
     - Think about blending strong brands together to capture the attention of the consumer
     - Identify opportunities for small wins and boost support for more radical initiatives

2. **Collaborate across your C-suite peers**
   - Be proactive with collaboration
     - CIO: Understand which tools you have to understand the consumer
     - CFO: Explore financial implications and accountability
     - Understand the 5 year roadmap of future data sources & develop roadmap to capture, analyze and influence the consumer interaction

3. **Engage like the consumer**
   - Live your consumers’ experience with your brand. What does it feel like to be a segment of one?
     - Your brand is only as good as the worst experience-
       - Where do they go when the consumer doesn’t have a good experience?
     - Join the consumer conversation via social media – understand how consumers are building communities of we
     - Integrated multi-channel to identify the consumers experience of the brand