MARKETING IN THE NEW

What can Chief Marketing Officers in the consumer goods, life sciences and retail industries do to succeed in marketing's "New Normal"?
The journey to the future – the "New Normal" 4

Strengthen CX (to achieve CI) 10

Be a living brand 14

Orchestrating for radical collaboration 18

Throw out the talent rulebook 22

Return on the individual: the "New Normal" ROI 26

A time to reflect. A time to act. 30
What does the future of marketing look like? And what can Chief Marketing Officers (CMOs) do today to succeed in what will be the “New Normal”? These are, quite literally, billion-dollar questions.
Not long ago, companies knew who their competitors were. Prices were stable. Consumers followed a linear path to purchase. Marketing budgets were largely allocated to two areas—advertising and promotions. Certain rules were accepted and marketers knew what they had to do. Today, all bets are off. CMOs operate in an environment of unprecedented change and uncertainty (see Figure 1).

Figure 1. The journey to the future – the "New Normal"

Digital technologies and analytics have grown more sophisticated; they now enable CMOs to reshape everything from consumer engagement to workforce management strategies.

"Nonstop" consumers’ behaviors are unpredictable, fluid and experimental; the data trails they leave behind are valuable—and overwhelming.

The returns on marketing investments are under greater scrutiny: CMOs are accountable for revenue outcomes.

Competitors are springing up quickly from unlikely places; many favor digital channels of engagement over traditional channels.

Disruption is not a threat, but a unique opportunity for CMOs to step up and drive the growth agenda.

For decades, CMOs have dreamed of the day that one-to-one (1:1) marketing would be viable. That day is here. All of the factors illustrated above are converging to make true 1:1 or “B2Me” marketing the “New Normal.” B2Me is the deep, authentic and appropriately personal connection that consumers now expect companies to make with them.

It goes far beyond the immediate transaction of buying a product or service. B2Me is about personalization, and listening and learning about individual consumers—both offline and online—to create a holistic approach that enhances their lives. CMOs must navigate this sea of moving parts. By 2020, the marketing waters will be even choppier. Nearly all CMOs we interviewed predicted a rise in marketing complexity, and the growing influence digital technologies will have on their work and the ways customers gather information, formulate their demands, and interact with their providers.

91% of CMOs believe marketing will undergo fundamental change over the next five years, up from 78 percent in 2014. Analytics, digital and mobile will be the key drivers of that change.

Embrace uncertainty. Update your strategy

The rapid explosion of digital technologies creates a non-stop stream of possibilities to tailor marketing interactions. More fundamentally, it brings the opportunity to rethink the company's growth strategy. CMOs have the perfect occasion to step up.

Growth boundaries are now in a perpetual state of flux. New entrants are springing up everywhere, using digital disruption to enter existing markets, create new forms of demand and redefine value chains. Relationships with customers and partners become unpredictable as new ecosystem plays constantly emerge. Growth is much more elusive and much harder to achieve.

In this environment, leaders must focus on the company's core business. But the vast majority of CEOs and CMOs believe that the disruptive growth agenda—along with digital innovation, new business models or cutting-edge customer engagement—is also critical.

Because marketing is closest to the “customer,” as well as to the high-paced technology evolution, CMOs have a key role to play in driving that disruptive agenda. Across industries, 50% of CEOs see their CMO as a driver of the company's disruptive growth strategies. But a number of other C-suite leaders are also lining up: Chief Strategy Officers (considered by 49% of CEOs), Chief Sales Officers (38%) and Chief Operating Officers (37%). It's time for CMOs to step up to the new challenge and take charge. If they don't, someone else will fill the gap.

CMOs have a clear opportunity to start the journey to the future. They need to get comfortable with uncertainty because it is here to stay. As highlighted in a recent Accenture Strategy point of view, CMOs should take concrete steps to start shaping strategies for customer innovation and disruptive growth, and become a key driver of that agenda.

94% of CMOs believe that disruptive growth will drive their company's growth agenda in the future. Three out of four view marketing as a key driver of innovation.

50% of CEOs view their CMO as one of the five C-Suite leaders to drive the company's disruptive growth strategies.

Source: Accenture Strategy

Beyond their strategic role in actively shaping and driving the company’s disruptive growth agenda, CMOs also need to address the questions that have historically prevented them from taking full advantage of the true 1:1 marketing opportunity in the “New Normal”:

For answers to these and other questions, Accenture turned to findings of our recently conducted survey of 847 marketing executives. We augmented those with: in-depth interviews with CMOs and their direct reports from leading global consumer goods, retail and life sciences companies; Accenture Strategy’s most recent annual Global Consumer Pulse survey; and our own experience and industry research.
Strengthen CX (to achieve CI)
In marketing’s ‘New Normal,’ the focus will be on advancing the consumer experience (CX) to enable greater value of consumer intimacy (CI).

Be a living brand
Winners in the new will develop “living” marketing organizations that are more agile and responsive than ever before.

Orchestrate for radical collaboration
CMOs will need to forge a united path so that internal and external partners work together to deliver the outcomes that consumers expect and that business demands.

Throw out the talent rulebook
Marketing in the new means managing in the new and optimizing workforce performance in new ways.

Return on the individual: the "New Normal" ROI
A focus on traditional returns on investments will give way to returns on individuals and embracing new measures of value.

“It's less and less about brands trying to shout at the consumer. It's more and more about trying to ensure that the brand is authentic to the consumer. We're in an era where, if consumers don't like something, they shout about it. They can slam it down in a nanosecond. So it's a different type of marketing than we've done over the last 20 years, which was focused on figuring out a compelling benefit and then just blasting it out to consumers.”

Head of Brand Marketing of a leading alcoholic-beverage manufacturer
Strengthen CX (to achieve CI)

Orchestrate for radical collaboration

Throw out the talent rulebook

CMO Consumer Robotics Outsourced In-House Consumer “genome” * Consumer “genome”: this comprises everything that makes a consumer a consumer. Their unique and fluid preferences, their passions, behaviors, and everything else that makes them tick—their background, beliefs and convictions. Tapping into this intimate knowledge creates the opportunity to deliver a powerfully personalized experience.
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Strengthen CX (to achieve CI)

With consumers increasingly expressing demands for personalized attention and services, companies are bending over backwards to deliver memorable, satisfying and relevant consumer experiences (CXs). Obviously, delivering the right consumer experiences will attract new consumers and boost the loyalty of existing ones. But over the long-term, CX will do even more.

Consumers are increasingly willing to share personal information in exchange for personalized attention (see Figure 2). Optimizing CX is one way companies can tap this treasure trove of consumer information and engage with consumers in new ways. Specifically, they can use consumer information to:

- Continually shape their brand.
  In fact, forward-thinking companies will use information to encourage their consumers to contribute to and stimulate the brand’s evolution. By “setting their brands free” in this way, CMOs can shift marketing’s attention to monitoring and steering the brand into new and more relevant directions. In a way, freeing the brand is what will allow CMOs to become true brand guardians.

- Extend their brand relevance.
  As part of their efforts to optimize CX, companies will have the opportunity to extend their offerings beyond the realm of products to include services. “Living Services,” which flex over multiple delivery touchpoints to meet individual consumers’ “liquid expectations,” when customer experiences seep over from one industry to an entirely different industry, hold particular promise.
  By taking advantage of the digitization of everything and the unprecedented understanding of consumer genomes, companies will finally be able to achieve the B2Me dream of mass customization and deliver Living Services that adapt, evolve and pivot around the consumer experience, rather than only around visual brand consistency or product sales.

Living Services are inherently consumer-centric. They flow from the question “how can we improve consumer’s lives?” rather than “how can we sell our clearly defined product more profitably?”

To seize that opportunity, companies will need to be more innovative about how they build and sustain relationships. Companies need to push CX further to achieve consumer intimacy (CI). This means engaging with consumers in new ways to shape their experiences at every opportunity. In fact, leaders will help consumers become active participants in creating the intimacy that underpins loyalty and trust. CX + CI will be the winning formula for companies marketing in the new.

Our research shows that those that “get CX right” outperform their peers on a number of measures—from consumer loyalty and returns on their marketing investments to revenue gains. Perhaps most tellingly, they meet or exceed their consumers’ expectations for CX 91 percent of the time—21 percent higher than their peers.


Figure 2. Consumers share information in exchange for personalized experiences

Source: Accenture Seamless Consumer Retail Survey Results, November 2015

Shoppers are most willing to provide typical retail information like loyalty membership, preferences and contact information. Significantly more this year compared to last year, they are willing to provide health information, current location and purchase channel history.

of consumers are willing to share personal data such as their address, credit card information and purchase history if a company is transparent about how it uses the data or if they can control how the data is being used.
Source: Accenture Interactive, Personalization Pulse Check 2016
www.accenture.com/personalization

of consumers switched providers globally in 2015 due to bad experiences. In the United States alone, the cost of this defection to business is estimated to be $1.6 trillion.
Source: Accenture Strategy, Global Consumer Pulse Research 2015

of US consumers enjoy receiving real-time promotional offers, recommendations and reviews while shopping in–store. To offer such insights, companies must know the consumers well—even better than consumers know themselves.
Source: Accenture Seamless Consumer Retail Survey Results, November 2015
"We will have a much different kind of mindset in terms of brand management. The old model of brand stewardship was all about controlling the brand message. The new model is much more about having conversations with consumers about the brand and constantly evolving the message, based upon the kind of feedback you're getting. We become brand curators, or the brand story masters."

CMO of a leading alcoholic-beverage company

"Over the long term, marketing will move to experimentation, based on analytics. But that's not what sells product. It's the 'art' of marketing that sells the product. Customers aren't excited by the tools we have. They are excited by the relationship and how our experience makes them feel."

CMO of a leading grocery retailer

"[Marketing in the new] is not about having stand-alone brand messages and creating consumer attention from those messages. It's about tapping into what is of interest to consumers, thus bringing the brand to life and ultimately driving brand credibility."

CMO of a leading beverage manufacturer
Now what?

1. Accept your consumers' efforts to shape their experiences. They will make your marketing efforts stronger and more effective. Let them help you create a more relevant brand.

2. Review your abilities to recreate your brand and experiences, if needed. Build capabilities and structures that help enable faster responsiveness than you ever thought possible.

3. Acknowledge that the channel through which content is delivered is as important as the content, itself. More investment in non-traditional channels and social media tactics will create more authentic marketing experiences.

4. To achieve CI, you need to build compelling consumer experiences around an intimate understanding of the consumer genome. This will give you a deeper understanding of WHAT consumers purchased and allow you to begin to understand WHY they made those choices.

5. Apply design thinking principles to create memorable and distinctive experiences across all channels (traditional and new) to build consumer affinity at every stage of the consumer journey.

Example: To create a greater sense of intimacy with its consumers, a leading retailer examined how its best associates treated (and knew so much about) its customers. The retailer then rolled out programs and tools to empower all of its employees to deliver similar levels of personalized service. As part of this transformation, the company supplied iPhones to all full-time associates. This enabled the associates to effortlessly connect with consumers 24-7 (should they need to) and via the consumer’s preferred method of interaction (text, call or email). As a result, associates are now able to build deeper person-to-person relationships and deliver enhanced experiences. For example, associates can now easily provide advance notices of relevant promotions based on individual consumer’s buying behaviors.
Be a living brand

As companies exploit consumer insights and advances in connected intelligence to create Living Services, CMOs will need to assume a new leadership stance. Because these services must continually evolve to meet consumers’ changing expectations, the speed with which the marketing organization designs and deploys programs will take on new relevance.

To achieve the change that is needed, at the speed required, CMOs will need to create a “living” marketing organization in which everyone plays a role in brand revitalization and quickly adapts to drive better CX. Workforces will become more fluid.

Command and control will give way to fast innovation, collaboration and “living” experimentation. Marketing tactics will be augmented with strategies designed to boost consumer engagement and spread an understanding of the brand and its essence.

A new, living marketing organization built for speed and responsiveness will comprise these essential components:


While 99% of marketers agree that consumer experience is important, only 30% are doing something about it.

Source: Accenture Interactive 2015 Digital Content Survey

Only 58% of executives believe they have a documented content strategy that meets their current and future needs.
LIVING CREATIVE CAPABILITIES
which enable the organization to continually exceed consumer expectations and keep pace with the speed of content production required in the social/mobile world.

LIVING CONTENT
which is continually updated, scoured and analyzed to generate actionable insights. The ability to manage growing volumes and complexity of content flows will be critical.

LIVING ORGANIZATIONAL STRUCTURES
that enable marketing to continually adapt and move in lockstep with consumers’ changing demands.

LIVING CHANNELS
that make it possible for marketing to re-imagine the traditional path to purchase and build intimacy in new ways.

LIVING ECOSYSTEMS
that work as a collaborative engine to ensure that the consumer experience is flawless and seamless across every consumer touchpoint.
"Consumer experience is the new battleground. It's not about delivery or applications. It's about the whole experience that cuts across organizational lines. CMOs need to take charge."

CMO of a tech startup

“We need to change our perspective around marketing... It's about being there for our customers when they need us. That's something the CMO needs to evangelize every day."

Executive of a global pharmaceutical company
Now what?

1. Organize key enterprise functions around an always-on experience platform of living channels, media and content.

2. Flex your technology and operations around consumer needs. A living marketing organization designs experiences for consumers in real time.

3. Apply creativity to more than your messages. Build new forms of brand engagement. Reconsider your interfaces and channels to push your creative potential.

4. Create a living creative capability at scale. That may include bringing in new agencies, new ways of generating creative ideas, as well as new ways of being creative—across all channels, content and interactions.

Example: To dramatically improve consumer intimacy in its call center, one firm partnered with a contact center startup to improve closure rates on phone calls by matching the personality of the caller to the personality of the contact. Based on an algorithm that assessed consumers' voice inflections and moods, the company created a more intimate experience by matching each caller’s personality profile to an appropriate person in the call center.
Orchestrate for radical collaboration

CMOs today must navigate a sea of moving parts. Nearly all CMOs we interviewed felt both excited and challenged by the growing disruptive influence digital technologies have on the ways they target and interact with consumers. To deliver, CMOs are now required to orchestrate a number of players, all working together to meet consumer expectations, create local market intimacy and drive business results.

Some of this orchestration will be internally focused. A holistic consumer experience requires an orchestrated approach to improving CX and introducing CI. Over 70 percent of marketing executives agree that effective teaming with sales and service is essential. All three functions are critical to delivering and continually optimizing the consumer experience.

As one retail executive explained, “You’re in my store. You’re on my app in my store. How do I engage you to actually make sure you’re getting the best experience? Since the teams that work in those spaces don’t talk to each other, they can’t answer that question.”

Moreover, Accenture research confirms that CMOs are quickly acknowledging the need for better alignment between marketing and IT operations. However, 37 percent of marketing executives still don’t recognize the value of teaming with IT.

Collaboration with IT will become increasingly important as companies rely more heavily on consumer data to strengthen CX and CI. The value of analytics in the future will lie in its ability to help marketers predict consumer behaviors and create more accurate forecasts. Owning and effectively managing the data is key to knowing the consumer.

Currently, advertising technologies, marketing technologies, ecommerce platforms, CRM systems, and sales and service applications operate in isolation. They will need to be integrated and then orchestrated to provide the most comprehensive view of the consumer. Further, the complexity and volume of customer touchpoints, along with the proliferation of marketing technologies, will require companies to work with IT to create and manage a single “experience architecture.” Such an architecture will help bring together systems of record and systems of insight, innovation and engagement that drive the speed and responsiveness that will be required.

Orchestration of external partners will be equally important. While CMOs should always keep core capabilities in-house, the value of (and need for) ecosystem collaborations will grow as marketing becomes more personalized and more focused on the delivery of Living Services. CMOs that form the right ecosystem relationships now will own the consumer relationships in the years ahead.

Ecosystem management is a clear area of opportunity. Almost four out of five marketing executives (78 percent) state they need to better leverage the ecosystem of partners and stakeholders to deliver superior consumer experience. It is likely that analytics and big data providers will be part of such ecosystems. Marketing leaders are steadily increasing their reliance on such players to take advantage of insights they might not be able to generate on their own.

Orchestrating all these moving parts is key to successfully marketing in the new.

“The interest in, and the need for, data and analytics is growing by leaps and bounds. It’s the backbone of the marketing function—how to very carefully categorize and measure all these discrete activities, and then weave it into some form of strategic view of what’s happening.”

CMO of a mobile startup

4 Ibid
5 Ibid
of marketing executives still don’t recognize the value of teaming with IT.

"The secret is to integrate all those touchpoints. It doesn't matter if online or offline. CMOs need to have an engaging call-to-action strategy to connect the dots, and to move the relationship with consumers from a one-way relation to a two-way one."

CMO of a leading food and beverage manufacturer

"Anything that involves innovation, we outsource. Once it becomes mature, we bring it in-house. At that point, up to 50 percent of the team members are employees. But there are always contractors in place."

Digital and Marketing Executive of a leading retailer

"More than ever, marketing will have to collaborate with so many parts of the organization it traditionally didn’t. I see collaboration being a bigger part of the core skill set that a marketing leader is going to have to have, going forward."

Marketing VP for a leading beverage manufacturer

"Brands will have a network of specialists. Agencies today struggle with the old model, which may provide a retainer fee of a few million dollars to a single agency. This will be challenged in the future. We will see more pay-for-service models."

Chief Marketing and Innovation Officer of a global beverage company
Crush the functional silos (Marketing, Sales and Service) that impede the delivery of meaningful and consistent experiences across the consumer lifecycle.

Accelerate where needed. Consider establishing a center of excellence to drive efficiencies and improve cycle times. An analytics center of excellence can help ensure recommended practices are infused across business units, thereby eliminating data and information silos.

Integrate marketing, advertising and channel technologies. Transform processes and operating models to enable the orchestration of key functional areas, including IT, global business services, brand marketing and partner ecosystems.

Minimize reliance on “shadow IT.” Instead, work with internal (and ecosystem) technology partners to develop a core set of capabilities that will prepare you to market in the new.

Example: A leading alcoholic-beverage manufacturer uses outside agency partners to bring its brands to life in social media and digital. Because the space is evolving so quickly, the company opted not to build a digital marketing organization within the company. Rather, it hired agencies that take on that responsibility for the brands.

The agencies bring the brand messages to life in the appropriate media, through digital and social, in the best way since they are able to stay on top of the latest thinking and technologies. “This space is changing too quickly; and unless you’re willing to churn through your own staffing, it’s really hard to make sure that everyone you’ve got is as contemporary as they need to be in something like that,” shared the CMO.
To market in the new, CMOs will need to orchestrate a liquid workforce comprising three types of talent.

In-house. Our research has found that CMOs are trying to up-skill their own people and move more core marketing functions inside.

One driver of this growing reliance on internal talent is the shift to Living Services, which requires marketing organizations to gain better control of CX and CI. One way they are building and scaling the more sophisticated capabilities they need is by rethinking their organizational models. For example, many are consolidating capabilities in centers of excellence, global business service organizations or digital service units to drive efficiencies and outcomes in everything from campaign design and execution to analysis and digital enablement. Additionally, many are building and/or integrating their capabilities in marketing technologies. The goal of such in-sourcing maneuvers is to create just-in-time abilities to meet consumers’ liquid expectations—at the exact moment they are in the buying mood. But several executives we interviewed indicated that getting the right in-house talent is an uphill battle—especially in areas that require expertise in data science, big data and analytics. As a vice president for marketing at a retail company explained, “... most of our full-time employees just don’t have the chops. The truly innovative people, the smart people, either have their own company or they’re freelancing. They are not full-time employees.”

Outsourced. Supplementing the workforce with freelance or outsourced resources will continue to be an important way for CMOs to secure the liquid talent they need, when they need it. For example, some firms find it beneficial to have outsource partners help them curate their internal technology stacks and provide the digital know-how that the transition to Living Services will require.

But looking outside the organization brings its own challenges. One CMO from the consumer goods industry worked with agencies that “are very good at what they do... but they tend to be slower.” Another CMO from a beverage company feels that agencies often underperform. “There’s a lot of turnover, and a lot of recreating the wheel if people shuffle through.” These complaints may grow as the number of intermediary agencies—which can often help to manage performance of outsourced talent—declines.

Whether working with one large agency or multiple ones, the key to successfully marketing in the new is working with agencies that have a proven ability to execute at speed and at scale.

Robotics. There is some good news for CMOs grappling with the talent challenge. Artificial Intelligence (AI) can be used to automate routine marketing tasks, at scale. Robotics can be used to drive automation. And machine learning can be used to process analytics and reveal intelligence that can inform better decisions.

Such solutions allow marketers to assume more strategic roles. They enable managers to shift their focus to activities that call for decidedly human traits such as complex thinking, judgment and higher-order reasoning. And with their guidance and recommendations, they complement marketers’ expertise and experience, as well as their ability to experiment and innovate. In addition to boosting the speed and productivity of the marketing organization, AI can actually help keep top talent engaged. Research conducted by the Accenture Institute for High Performance and Accenture Strategy found that 84 percent of managers believe machines will make them more effective and their work more interesting.

For CMOs, the real potential lies in using AI to unleash an organization’s creative potential, capture new growth opportunities, and lead a more empowered workforce of the future. The most successful long-term unions multiply the value that managers or machines are able to deliver on their own.

6 Accenture Interactive, “CMOs: Time for digital transformation or risk being left on the sidelines,” 2014.
7 Accenture Institute for High Performance and Accenture Strategy, “Managers and machines, unite! Three things leaders must do to make the most of cognitive computing,”, 2015.
More than twice as many high performers are spending more on analytics, including making greater investments in human capital through training, investments in people, and the use of consultants (82% vs. 40%).

Source: Accenture Digital, “Winning with analytics,” 2015

The AI opportunity is significant in marketing. Accenture research found that 54% of managers’ time is spent on repetitive tasks that might be candidates for automation.


33% of executives believe they are using data and analytics to a point of differentiation.

"I think there is going to be a trend of people in the marketing or content-production business ridding themselves of time-wasting, repetitive jobs. Automation will allow them to focus on the things they can do as humans and that they are good at—like applying intuition and judgment."

Chief Innovation Officer of a leading US retailer

"You’re always going to supplement your teams with freelancers. It’s about finding the right balance of cost savings and productivity versus paying the benefits of everyone."

Chief Visionary Officer of a tech startup

"Don’t overly rely on people with functional expertise. Consider 6-month agile rotations. You may find that it’s more important to field team players right now."

CMO of a tech startup
Encourage your workforce to be masterful collaborators. Lead by example and inspire teams to follow. Augment in-house talent by crowdsourcing unique skills like creative and analytics.

Provide opportunities for your data scientists to develop critical, actionable insights. Analytics plus instinct is a winning combination. Augmenting data analysis with intuition and observation will be key.

Experiment to identify uses for artificial intelligence that make the most sense for your marketing teams. Launching targeted experiments and learning from them in a structured way will help you zero in on higher-value opportunities.

Pick trusted partners, not vendors, who can help co-create strategy, drive innovation and scale execution. Stop thinking in terms of 10-year cost-management outsourcing deals and start thinking in terms of value-added business relationships.

Reconsider the traditional marketing agency model. Create a deliberate ecosystem strategy that incorporates in-house and outsourced talent, in all cases working with partners who can commit to Living Service outcomes.

Example: A global, fast-moving consumer goods company had seen one of its subsidiaries achieve dramatic results by connecting with its consumers in context-relevant ways and much earlier than was possible through traditional marketing media. The global CMO is now taking the company’s entire marketing department into the new with a pilot-led transformation. A number of pilot programs are leading everyone to an outcome-driven and data-driven way of working. Among other initiatives, data scientists are being recruited and located close to where marketing activities are planned and implemented.
Return on the individual: the "New Normal" ROI

Historically, marketing has not had much P&L accountability. That is changing. CMOs are increasingly accountable for revenue gains and the financial results of their decisions and their programs. Those who do it well reap the rewards. Accenture has found that companies that manage their marketing investments effectively and efficiently experience better marketing and overall financial performance as a result.8

Just as 1:1 marketing is now a reality, so is the ability of retail and fast-moving consumer goods companies to calculate—and pursue—customer lifetime value. In this environment, ROI takes on new meaning: Return on the Individual. To calculate this ROI, CMOs will need to evaluate hard and soft (non-sales) metrics such as advocacy and contribution to brand health. Page views are out; indicators of consumer intimacy and cash flow are in.

Digital technologies and sophisticated analytics are now available to enable CMOs to apply algorithms to attribute granular percentages of growth to specific activities.

Calculating the new ROI will pose challenges. For instance, if CMOs use third-party agencies, they will need to hold those agencies to higher standards and closely evaluate the value each delivers, potentially leading to a dramatically new make-up of the set of agencies they are working with.

As they balance resources among their in-house talent, agencies and ecosystem partners, CMOs will be expected to calculate the returns on their investments—and use those ROI measurements to justify their budget requests. Similarly, CMOs will have to approach budgeting and spending in a different way. They will shift from a system of batch spending on a quarterly or yearly basis to a system of continuous and fluid spending. The spending targets will also likely change. CMOs should routinely break down spending by cost-to-reach, cost-to-engage, and cost-to-plan-and-orchestrate—and then compare those working and non-working spend categories to the true lifetime value of the consumer. Importantly, CMOs will be operating in a flat-budget environment that must remain largely FTE (full time employee) neutral.

They will need to learn how to balance short- and longer-term investments so that marketing drives steady growth. And while they should experiment with (and learn from) investments, it will be critical that they support all spending decisions with a business case.

Finally, they will need to adopt Zero-Based Budgeting (ZBB) principles to justify all expenses—not just the variances from prior years—for each period.

By analyzing every item of spending, CMOs will not only achieve a new level of transparency, but also make funds available for priority investments that will drive the changes needed to succeed in the new.

39 %

of businesses spend more than $100 million on digital marketing. 41% expect their digital budgets to grow by more than 5% in their next fiscal year.

Source: Accenture Interactive, “CMOs: Time for digital transformation or risk being left on the sidelines,” 2014.

“There is a greater push for ROI across the board. With digital, we have to justify and prove everything.”

Executive of a global media-buying agency

“The whole paradigm of how you financially account for marketing is turned upside down.”

CMO of a global food and beverage manufacturer

“I have fellow CMO friends who still don't have P&L accountability. How is that possible? I think marketing is about being not just a brand steward, but also being held accountable to drive business growth.”

CMO of a leading retailer
Now what?

1. Embrace transparency. Be rigorous and demanding about ROI analysis and proof.

2. Look beyond brand equity to calculate the return on marketing investments. Continually challenge the status quo prominence of advertising and promotional spending. Use new inputs that measure the value of intangibles such as consumer affinity and partnerships.

3. Manage (and measure) your marketing initiatives as P&L line items. Measure the Return on the Individual by assessing short-term (immediate) and long-term (lifetime) value.

4. Serve two masters. Wise spending will improve consumer experiences and also please shareholders. Apply principles of Zero-Based Budgeting to continually question your investments and assign the right balance of resources.

Example: A global company needed to enhance transparency and, at the same time, increase direct collaboration with its brand managers in each country. To achieve those goals, the marketing organization installed a global dashboard that provides extensive visualization of its data within hours, rather than the weeks the information-gathering process used to take. In addition to being able to leverage new marketing analytics and insights, the organization can now collaborate via direct link with its country brand managers. This, in turn, allows the marketing organization to more effectively monitor and manage its brand health across all key performance indicators.
A time to reflect. A time to act.

In simplest terms, marketing is about identifying, creating and satisfying consumers’ demands for products and services. That basic definition of marketing will not change in the new. What will change, however, is the scope of responsibility and the manner in which CMOs bring their marketing visions to life.

CMOs are certainly aware that change is underfoot. In the most general terms, they are already seeing marketing shift from a stand-alone, sales-enabling function to a highly collaborative and strategic business area—one that plays a critical role in creating positive consumer experiences and driving profitability and growth. They are not running from the challenges posed by new ways of working. Rather, they are running towards the opportunities these changes will bring about.

Those that win in marketing’s "New Normal" will do things differently. They will reconsider the rules and strategies that have guided them for years. They will optimize consumer experiences and, in the process, usher in an era of customer intimacy. They will maximize the potential of an increasingly liquid workforce, which comprises in-house resources, outsourced talent and even machines. They will become master orchestrators of extended ecosystems and creators of marketing organizations that are as alive and dynamic as the consumers they want to reach. And they will assume greater accountability for their actions and outcomes. In short, CMOs of the future will be change agents committed to boldly leading their organizations to the new.
About Accenture

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions – underpinned by the world’s largest delivery network – Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With approximately 384,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com.

About the Research

This document is based on findings from our 2016 survey of 847 marketing executives across 15 industries in 12 countries and Accenture Strategy’s most recent annual Global Consumer Pulse research. In July-August 2016, Accenture Consulting conducted in-depth interviews with CMOs and their direct reports, representing a variety of industries and companies of all sizes. We are grateful for these executives’ time and insights.

Join the Conversation

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