

# THE FUTURE CMO

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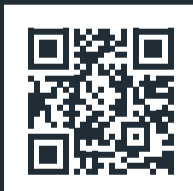
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## THE FUTURE CMO

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## LEADERSHIP

# CMO churn: red flag or a sign of health?

CMO tenure is at its lowest level for a decade. Is this a warning sign or an opportunity for fresh perspectives and skills?

MaryLou Costa

**C**MOs don't stay in the job for long – and their tenures are getting shorter. Is that a bad omen, or is a steady injection of fresh blood just what the role demands? You can't argue with the facts. CMO tenure is at its lowest level in a decade, at an average of just 40 months, according to executive search firm Spencer Stuart. Compare this with CEOs, who now stay in place for more than twice as long as CMOs, with an average tenure of 85 months.

Spencer Stuart analysed CMO tenure in 100 of the most-advertised US brands in 2020. The firm found the drop was fuelled largely by transitions of several high-profile, veteran marketers, such as Lynne Biggar, who left her six-year role as Visa's global CMO in March this year to take on board director and consultancy roles.

Remi Kent moved to Progressive Insurance in October 2021 after nearly two years as CMO at 3M. Carla Zakhem-Hassan took up the post of CMO at JPMorgan in October after four years at Citi, one of those as CMO.

"The pandemic caused many executives to rethink their career path. It also led many brands to either pivot or rethink their marketing approach. Not surprisingly, how brands choose to take a stand on many current social topics has changed the game in many regards," says Spencer Stuart partner Greg Welch, who leads its CMO Tenure study.

There are other factors driving the current volatility in the CMO role. For example, Welch points to advances in technology and a changing social environment that influences the role's relationships across consumer touchpoints.

The CEO position has not faced the same disruption, with companies less inclined to transition from this role as they are other C-suite roles in the name of continuity in otherwise unstable times. In turn, those CEOs have driven internal change, from strategy to personnel, to survive the challenges that were exacerbated by the pandemic.

"The pandemic gave CEOs a chance to step back and think about what their brands stand for. In many cases, that meant a desire for a fresh perspective. And in other cases, it also provided an opportunity for CEOs to both upgrade their team while also improving the diversity in their C-suite," says Welch. Such



CEO-directed shakeups aimed at improving the business have also led to shorter tenure for CMOs, which in parallel, have translated to CEOs staying on longer to see the changes through and create a renewed sense of cohesion.

It's not all revolving doors for CMOs, Welch says, pointing to some long-time CMOs still very much in place. For example, Microsoft's Chris Capossela has been in the CMO seat for more than eight years and with the company for nearly 31 years. Google's Lorraine Twohill has been in the CMO post for more than 13 years, as part of nearly 20 years with the company.

But is the overall trend a death knell for CMOs or simply part of their life blood? The jury's out,

as is clearly demonstrated by the opposing viewpoints of two experienced senior marketers.

Marius Nedelcu, CMO at money transfer brand TransferGo, is bucking the tenure trend by celebrating six years in his role. But the level of CMO churn is a phenomenon he's seen and understands, driven by the increased pressure on marketing to demonstrate business impact.

"Businesses are likely to see burn-out and stress – and job satisfaction plummet – as CMOs are not given enough time to properly build their function and deliver results," Nedelcu advises.

In recent years, the CMO has been seen as "the silver bullet for growth", he adds. Businesses expect an individual to come in, identify an issue,

implement a new strategy and deliver quick success. "But in reality, growth comes through the collaboration of various departments and leaders of the company, and so businesses must exercise patience."

Nedelcu says this is particularly true given the responsibilities of the modern CMO: brand development, PR, performance marketing, organic growth and social, CRM, and referrals. "To do all of these well, the CMO needs time to build the right team chemistry for so many roles to perform together," he says.

Otherwise, he argues, it's like comparing a relationship with a one-night stand. Finding new CMOs might be fun for a while and provide new input, but it doesn't help build a secure foundation.

"Too much CMO churn creates instability, distrust and damages the company's direction. This means that growth will slow, KPIs will be missed, and the brand's reputation will be damaged," Nedelcu warns.

Fiona Hope is CEO of Lintbells, the parent company of pet care brand YuMOVE. She takes a different perspective, arguing that an average 40-month tenure for CMOs – around 3.5 years – is a reasonable amount of time to not only create, develop, execute and deliver results, but satisfy experience-hungry marketers.

Hope draws on her perspective as a former CMO who has spent most of her career in marketing at brands such as Whirlpool, Coca-Cola and Diageo.

"To be a relevant CMO today, you need to keep updating your skills. The best CMOs have broad business experience working with different sizes of business and scales of marketing budget. I also believe the length of tenure speaks to what makes a good marketer; they are curious as individuals and curiosity requires you to take new experiences and keep learning," Hope says.

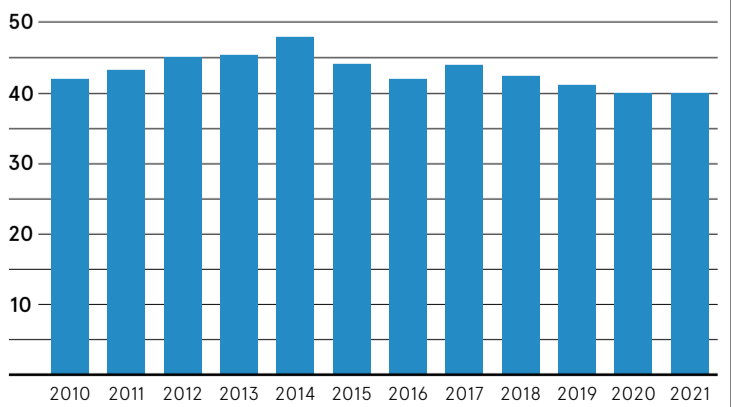
Hope and Nedelcu agree on the need for the right environment for CMOs to excel.

"A business needs to ensure there's an environment in which the marketer can enrich their learning. And the marketer needs to be prepared to think ahead all the time and ask themselves what they need and how they can stay relevant in the role, especially if the business is growing fast," Hope notes.

Equally, CMOs need to feel connected to a brand's underlying mission and purpose – the key, Nedelcu believes, to fighting off a "grass is greener on the other side" mindset.

### CMO TENURE IS AT ITS LOWEST LEVEL IN MORE THAN A DECADE

Tenure, in months, of CMOs from 100 of the most advertised US brands, as of 31 December 2021



Spencer Stuart, 2022



# Start your engines: building a growth marketing strategy

**David van Schaick**, The Marketing Practice CMO, argues that if you want B2B growth, you need to look to marketing – but it's going to mean a change in mindset

**G**rowth marketing has been gaining traction as a B2B marketing philosophy in recent years. So much so that agencies and clients alike cited it as the top trend. But what does it really mean?

Marketing has been built up in a series of silos, from brand to digital to field or account-based marketing. The approach has been to try and optimise each part of the system by giving everyone micro-KPIs – the digital team is optimising for conversion, field is optimising for leads – but that's not how you create growth.

Growth marketing is about cutting through those silos and using modern principles to work together, borrowing from growth hacking and the world of agile. Very commercial in its focus, it's a clarion call for B2B marketers to cut through the complexity.

The challenge is that growth marketing is outcome focused rather than output focused. That's quite a shift. From client to agency or team, instead of saying 'build a website' or 'deliver 10 campaigns', it becomes 'how to generate a certain amount of

revenue from a particular audience over a period of time'.

For a discipline that often only knows how successful it is going to be with any strategy after the fact, this can prove a difficult adaptation to make. If you've got these problems – a lack of meaningful metrics, siloed skills and a lack of accountability, it can be very hard to get things done. It's a problem that is compounded by a customer audience that, while often receptive to ideas, ultimately struggles to take the final step towards commitment.

There is enormous complexity in the buying and selling process. In order to respond effectively to the needs of the buyer, across multiple channels, with relevance and timeliness, you need quality data and you need to be able to organise it and make it available in the right format to your teams to act.

In B2B, the additional complexity comes from the large buying group. Recent research from The Challenger Group found that the average number of decision-makers in a B2B buying

group has risen from 6.2 stakeholders to over 10, and it's still growing. The Marketing Practice's own research would suggest it's potentially as many as 15. The data and signals need to be understood not only at the level of an individual – the old 'lead' model – but also at an account level. There's a big shift towards account-based technology in B2B. This is why.

As a result, the buying process is hard to predict and typically heterogeneous across organisations. An additional



**Growth marketing argues for a broad range of skills working tightly together in small multi-disciplinary teams, focused on the customer**

complication comes from the fact that 'buying by committee' tends to make the collective audience more risk-averse. The higher the number of people, the harder it is to build consensus. For a lot of companies, the B2B marketer's biggest challenge is the prevailing desire to...do nothing.

Tackling that challenge means finding that new marketing mindset. Growth marketing argues for a broad range of skills working tightly together in small multi-disciplinary teams, focused on the customer. Triangulating insight, getting perspectives from brand and field, sales and product, being able to look at leading indicators in the data that show the strategy is on the right path, adapting and learning as you go.

It asks marketers to go beyond traditional lead measures and take responsibility for growth outcomes, bringing them into closer collaboration with sales and the front office. It means having a common go-to-market strategy across marketing, sales, product and service where they all share the same belief and the same story they're trying to tell. And by creating a more accountable, collaborative approach to growth marketing, it smooths the way to a more constructive relationship with the board – something long sought after by marketers from every sector, not just B2B. McKinsey has shown that high-growth companies are seven times more likely to have a 'unifier CMO' – someone who fosters robust, collaborative partnerships across the C-suite.

It's one thing to begin to think differently. It's quite another to begin to act differently and restructure the organisation accordingly. In some cases, the skills most attuned to agile, multi-disciplinary teams might not even be present in the organisation at all. This is an exercise in transition.

A solid place to start is to go back to the measures of success. As an organisation, are you still focused on output over outcome? By switching thinking in this simple, single area, it very quickly becomes clear where marketing activity is delivering value.

The next step is to view those outcomes and measurements in the wider context of the business. How easily can marketers understand the different incentives and behaviours of teams across the rest of the organisation, and how easily can they be aligned so you're all looking at a similar picture?

When KPIs and measurement are aligned, then it comes down to practicalities. Who do you collaborate with on what issue, where and when? It may be something as simple as a group chat, or it could involve the creation of a scrum under an agile framework to bring together a broad group to tackle a broader, longer-term challenge. Understanding the cadence of collaboration is key.

However organisations choose to reframe their approach to growth marketing, there remains one guiding principle: the buyer is now in charge. No longer beholden to sales for information, they can direct much of the process themselves. In order to be where they are, when they want you, a more joined-up approach between marketing and the rest of the organisation isn't just nice to have, it's essential.

For more information, please visit [themarketingpractice.com](http://themarketingpractice.com)



## ADTECH

# To make the most of martech stacks, keep it simple

Marketing technology stacks get brands in front of customers across multiple platforms. Taking a simplified approach could save time, money and frustration

Alice Broster

**I**n a world of almost infinite information, the right marketing technology stacks are key to communicating brands and products to consumers. There is a wide range of options for marketers, but one rule stands out: keep it simple.

Marketing technology stacks are seen as the gold standard for integrated methods of communication. The technology helps marketers reach customers quickly, efficiently, and perhaps most importantly, within a budget.

Also known as a martech stack, the approach sees companies collate a series of tools to optimise their marketing across different platforms. This can include content management systems (CMS), social media and email, customer relationship management (CRM), and search engine optimisation (SEO). By condensing a series of marketing tools into one stack, the aim is to cut the time that teams spend moving from application to application, automating certain jobs, and collecting real-time data.

"Using marketing tools that help customers understand who you are is important, but having a stack that works cohesively together and

is built for speed is what sets brands apart in 2022," says marketing consultant Rachel Chambers. "If it takes your team hours to fulfil basic tasks without real-time analytics it can really set you back."

Essentially, the stacks allow marketers to do more, faster, according to brand and marketing executive Sophie Waterhouse. "It's not feasible to expect marketers to complete repetitive but essential tasks like pulling and interpreting data or updating spreadsheets if you want to remain competitive," she says. "By automating data tasks I can see close to real-time feedback on my content and adapt what I create in line with what customers want. Marketing stacks allow you to deliver, track and react to campaigns without needing a team of thousands and an endless budget."

On paper this seems simple, but martech stacks can become complicated. Digital marketing is an ever-expanding industry. Knowing how to pick the right tools in a crowded market could save companies hours of precious time, money – and a great deal of frustration.

Scott Brinker created the *Marketing Technology Landscape* infographic in 2011 to chart the growth

of martech startups. He initially plotted 150 companies. By 2020, that number had grown to around 8,000 martech solutions.

"In practice, finding tools that integrate together and work as one strategy can be really difficult and very expensive," Waterhouse says. "You've always got to keep your final goal or campaign in mind or you can get lost down a rabbit hole of new technology."

Depending on the size, function and culture of a company, the martech stack may look slightly different. First, there's the best-in-class approach, where a marketing team selects individual software packages to fulfil specific marketing needs. This allows CMOs to invest in tools that their team have experience working with and aren't restricted by the capabilities of one vendor.

It can be difficult, however, to integrate tools that are not specifically designed to run alongside one another. In these situations, it can take time and cost money to create a cohesive strategy.

"Best-in-class might sound appealing, but it can be a nightmare to manage," Waterhouse says. "When you're trying to manage a budget and a team who might not be trained up on every piece of software, attempting to pull together so many different tools can end up being less efficient. Building this kind of stack takes serious planning and trial and error."

Next is the single-provider approach. This sees a marketing team pick one tool or vendor to fulfil every part of the marketing strategy.

"Looking at the digital landscape right now, it feels like more vendors are moving towards offering



**Having a stack that works cohesively together and is built for speed is what sets brands apart in 2022**

multiple services in one tool. I opt to automate email marketing, manage social media platforms, maintain CMS analytics, and collate data for SEO all in one place," Waterhouse explains.

Using one provider for many tasks plays into the idea that martech stacks can streamline campaigns and potentially save a lot of time. However, the simplicity of this method can also be its biggest challenge. There's less room for specialisation and nuance when working with one vendor.

"You need to have a conversation about whether the tool can deliver everything you want," Chambers says. "Marketing is characterised by change and innovation. If you're buying into a tool and spending money now, are you going to feel left behind in a year's time?"

And finally, there's the hybrid approach, under which brands try to combine the best-in-class and single-provider options to get the best of both. This may mean finding one vendor that has many of the tools and software opportunities that are needed, but supplementing this with a best-in-class approach for a specific area.

When it comes to creating a hybrid martech stack, Waterhouse says: "For me, automating the way that companies collect, interpret and use data has been crucial to underpinning all of the other work I've done. Having a martech stack that has that at its core has enabled me to develop campaigns that react to what customers want. But everyone's priorities are different."

Combining individual tools with software that solves multiple marketing issues could be the way to build a personalised marketing stack without complicating processes.

But there's no clear-cut answer on the best way to build a clear, successful yet simple marketing tech strategy. And the landscape is getting more complicated.

Research published in the Chiefmartec study found that 48% of companies select the best-in-class approach, while 21% prefer to work with a single vendor. The other 31% of brands said they have worked out a hybrid approach that fits their companies.

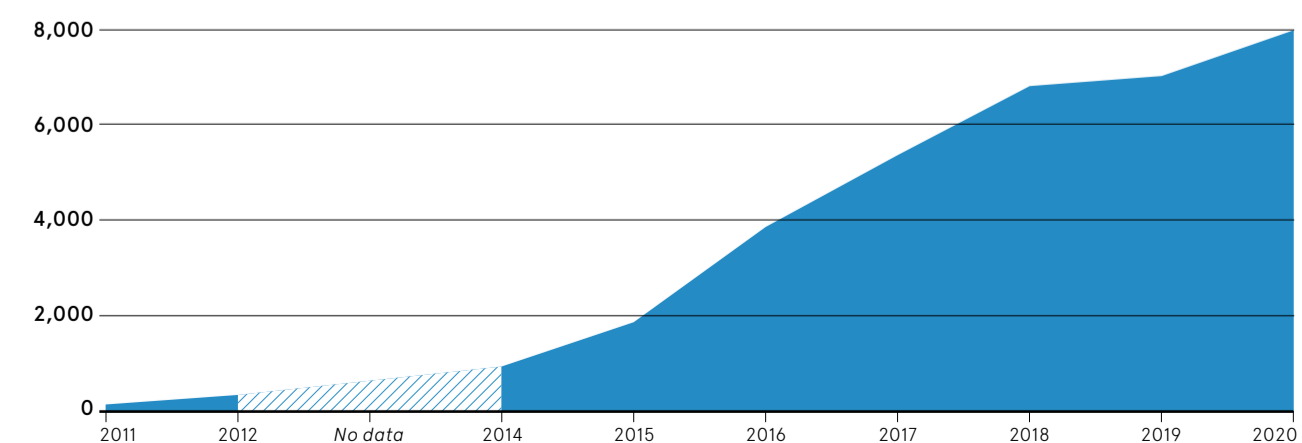
To move forward, Waterhouse says brands need not be afraid of incorporating new tools into their marketing stacks. This could mean a greater focus on social media and influencer marketing to increase visibility and sales or an increased emphasis on affiliate marketing and product placement.

As digital marketing tools continue to innovate, the pressure is on marketers to adapt strategies, Waterhouse says. "People expect more from brands now. Social media and closer brand and customer relationships builds the idea of transparency."

## THE MARKETING TECHNOLOGY LANDSCAPE HAS SEEN EXPLOSIVE GROWTH

Number of companies on Scott Brinker's *Marketing Technology Landscape* infographic

Chiefmartec, 2021





Tom Wonnemur via Getty Images

TEAM STRUCTURE

# Revenue operations and the future of the CMO

A revenue operations model sees sales, marketing and customer services come under one leader to harmonise growth efforts. Where will this leave the CMO?

Mark Frary

Growing revenue is often seen as a dark art, with few businesses holding a recipe for success. Revenue operations (RevOps) aims to change all that.

RevOps brings the operational side of sales, marketing and customer service together in a way that harmonises processes, technology and data to drive growth. It has been driven by a revolution in data analytics and the emergence of digital selling technology, which have yielded unprecedented visibility and control of the full revenue cycle.

The concept is the focus of a new book, *Revenue Operations: A New Way to Align Sales & Marketing, Monetize Data and Ignite Growth*, from Stephen G Diorio, executive director of the Revenue Enablement Institute, and Chris K Hummel, the institute's managing director, who has previously held global CMO roles with Schneider Electric, United Rentals and Unify. It highlights three RevOps organisational structures that are becoming popular.

The tsar model sees the entire sales, marketing and customer

service organisations unite under a chief revenue or growth officer. The federation approach is an alliance between the leadership functions with rules of engagement, in which they manage growth initiatives and work together to remove obstacles. And finally, there's the chief of staff approach, where the sales and marketing operations, sales enablement and customer analytics are merged into a unit under a single leader, rather than the sales, marketing and service functions as a whole.

Proponents of RevOps says it provides business owners and CEOs with a practical and proven system for growing their business, based on technology and systematic and repeatable processes. It can also drive greater and faster revenue generation. When teams are aligned in a RevOps structure, they can generate 38% more revenue in 27% less time, according to sales management platform Varicent.

A growing number of major companies are adopting the approach. Gartner has forecast that by 2025, 75% of the highest growth companies in the world will deploy a RevOps model.

Business leaders are starting to recognise that functional silos are a barrier to revenue growth, says Doug Bushée, a senior director in the company's sales practice, who has revealed the research in 2021. Under this siloed approach, clients are handed from one function to another, using different technologies, people, and processes.

"As a result, progressive organisations are beginning to align sales,

marketing and customer success technology, data and KPIs to provide an end-to-end view of the revenue-generating engine," Bushée says.

The new book by Diorio and Hummel says that a systematic approach to revenue and growth is long overdue. "Every part of the business has been systematised in the corporate world – back office, finance, HR, logistics and supply chain – but growth and revenue, the lifeblood of the company, has not," Diorio says.

The new publication is a recipe book for companies that want to introduce a RevOps structure, according to the authors. The book offers a "periodic table" of bitesized elements that can change how companies operate and improve revenue prospects, rather than outlining a wholesale corporate transformation that could take years to implement.

RevOps is vital because companies have lost control of the buyer journey, according to Hummel. "So many people are focused on the funnel and acquiring a customer that they forget what happens afterwards," he says.

The revenue cycle now looks like a bow tie. Activities to drive demand are on the left, those aimed at driving purchase are the knot in the centre, and activities to deepen relationships with customers are on the right. The right-hand side is becoming increasingly important as more than half of all purchases are now repeats or based on a subscription model, says Diorio.

"The CMO job is a transitory life-form built on media and promotion [things like television, radio, print and out of home] and these amount to around a third of the pie," Diorio explains. "All the money has moved into what we called owned digital channels: email, blogs, apps, e-commerce and the voice of the customer."

But for senior marketing people who have worked hard to carve out the role of the CMO and win a seat at the top table, the idea of handing over their newly found power to a chief revenue officer is worrying. Some fear that any new revenue-focused leader will come from the sales organisation, sending marketing back into the wilderness.

Hummel thinks that CMOs won't have to return to the traditional role of managing media and building brand in this new organisational

**“So many people are focused on the funnel and acquiring a customer that they forget what happens afterwards”**

structure. Instead, they have an exciting opportunity to become this new growth leader.

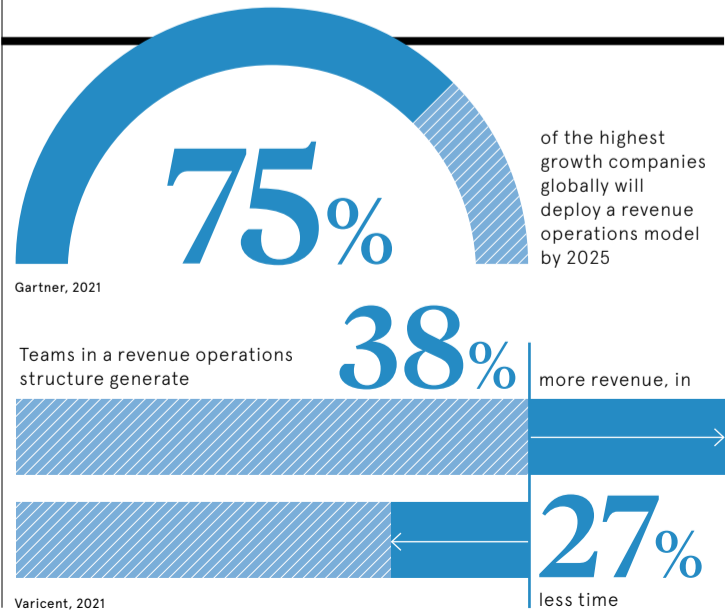
"Anyone who can foster collaboration and can influence things they don't own is really important. CMOs tend to have that," says Hummel. CMOs often understand the customer, not just how to sell to them, he adds. They also know how to use data and understand what data-driven selling is all about, he notes.

"That is why RevOps often falls to the CMO; they are more naturally comfortable with the data, comfortable with the holistic customer point of view – and are good at driving collaboration."

There's a danger that sales teams believe they own the last mile of revenue and come to see RevOps as a natural addition to their own silo. "The CMO has all these skills, but they don't own the revenue and struggle with financial justifications for what they do," says Hummel. "A sales rep can say they sold \$1m of product – but they wouldn't have sold that without all the branding and support from the finance and product teams."

Diorio says that without change, CMOs may be doomed. At its most impactful, marketing can play an orchestrating role, engaging with all other parts of the company, providing holistic views of the customer perspective and amplifying the rest of the organisation. It can create a whole that is greater than the sum of its individual parts, he says.

"Otherwise, like a decaying satellite, the marketing function will continue to appear quite sophisticated and even cool from the outside, as it inexorably heads toward its own demise." ●



# The new consumer dilemma – lean or green?

Consumers' desire to be green is conflicting with their need to save money. How can marketers help them overcome this dilemma?

Macro trends in today's world have the power to pull and push where people spend their money. As a result, consumer attitudes are constantly evolving. Over the last few years, for example, we've watched sustainability become a priority, with eco products, services and experiences taking centre stage. And more recently, the rising cost of living has had a profound effect on how shoppers navigate their budgets.

But how do these trends play out on the ground? Do they conflict with one another or complement each other? And is it a catch-all sentiment? New research by leading audience insights company, GWI, throws up some interesting demographic differences in attitudes. Around 3 in ten gen Z/millennials, for instance, are likely to be conscious of clothing prices, compared to just under a fifth of boomers, at 19%. In contrast, boomers (66%) are ahead of gen Z/millennials (61%) when it comes to concerns about the cost of their food shop.

"Lifestyles and different forms of purchasing responsibility are having an impact here," says Jason Mander, chief research officer at GWI. "Income plays its part too – higher income groups tend to be more worried about things like transport and vacations, whereas lower income groups are more focused on day-to-day or essential items like clothing, food and housing."

With prices rising rapidly, the most important factor in consumers' behaviour when it comes to sustainability is the cost – if it's seen as green and it doesn't have a noticeable financial impact on us, then we're more likely to buy it or do it. For instance, across all age groups, a whopping 85% of us are recycling and nearly two thirds (61%) are cutting our use of plastic packaging, while 44% are donating household items. However, GWI research also reveals that just a fifth of us are changing to green energy providers or buying sustainable clothing, both of which are perceived as involving additional costs.

"Almost everyone in the UK feels they're recycling or reducing their plastic usage, but far fewer of us are doing things that might cost us more, such as

buying sustainable clothing or organic food," says Mander. "This accords with what we often see in our research, where we find the greatest enthusiasm for shopping and living sustainably in ways that are easy to do, or which bring financial benefit, for instance, using energy-efficient appliances."

This conflict between doing what is good for the environment and what is good for our outgoings is even more significant today as consumers worry about price hikes and feel the effects of inflation. It's worth noting that according to GWI, nearly nine out of 10 people (88%) feel that the cost of living has increased either "somewhat" or "greatly" compared with six months ago.

"What we call 'lean versus green' refers to the conflict between consumers' general desire to help the environment and their perceived or real inability to follow through on that," explains Mander. "If you look at our data, the environment is an important concern for the majority of people. Some actively list it as more of an interest than others do but hardly anyone says that they don't want to do their best for sustainability. However, this doesn't always connect with consumers' actions."

This is especially true when they're making purchasing decisions. "You're standing in the supermarket, looking at a more expensive green-friendly product versus a cheaper, not quite so eco-friendly product," he says. "Which one do you actually put in your basket? That's the dilemma. How do you follow through on your aspirational behaviour to be green? You become a contradictory consumer – you want to do one thing, but you actually find yourself doing the other."

How can marketers help their brands by helping consumers to manage the conflict between shopping sustainably and economically so that they can make choices that fit with their ethics – and their budgets?

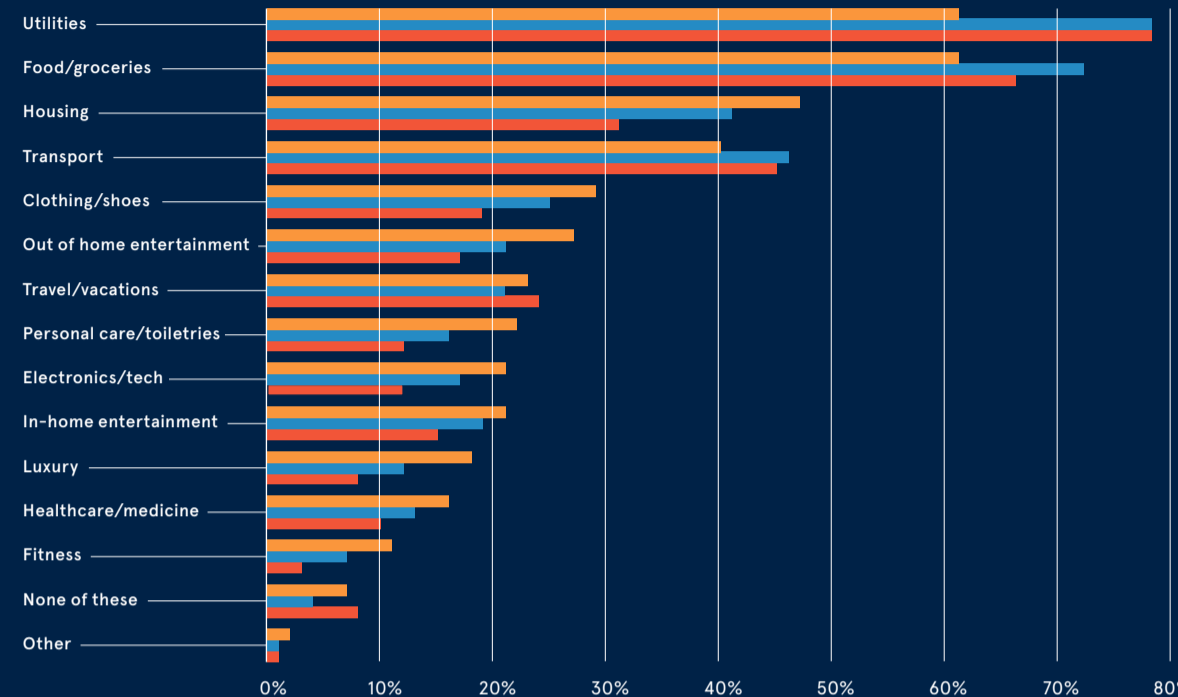
"Brands have a role to play by making it easier for people to feel good about themselves because they feel that they're following through on their idealised intentions when it comes to sustainability," says Mander.

Commercial feature

## CURRENT CONSUMER PRIORITIES

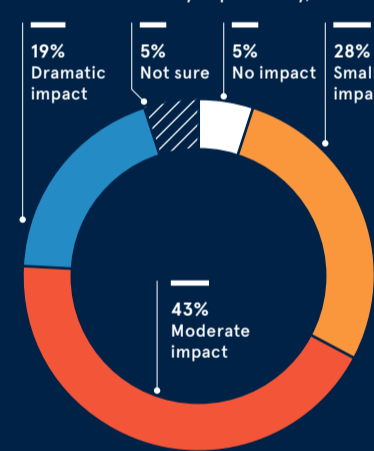
### PRICE CONSCIOUSNESS BY GENERATION

Which of these are you currently most price conscious about? Gen Z/millennials Gen X Baby boomers



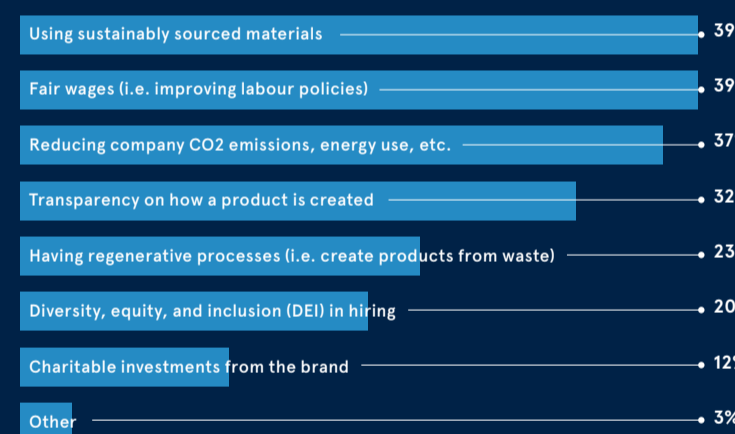
### IMPACT OF ECONOMIC HARDSHIP

How much of an impact do you think inflation has had on you personally, if at all?



### BRAND EXPECTATIONS

When choosing a brand to buy from, which of these, if any, are most important to you?



### CURRENT SUSTAINABLE ACTIVITIES

Which of these, if any, are you currently doing?



GWI, 2022

"What we find very consistently is that consumers expect brands, governments and the rest of society to make it easier for them to live sustainably. This means that to appeal to customers and reassure them, brands really have to emphasise their green credentials and demonstrate all the steps that they're taking to improve their supply chains and to make their packaging more sustainable."

This action by marketers can make a consumer feel good about choosing their brand. "It can act as an important differentiator," he explains. "When you're faced with two similar product offerings, then the one with the obvious

green credentials can sway you and make you feel that you're doing the right thing."

Consumers are increasingly aware of greenwashing, warns Mander. Only 12% of UK consumers say that a brand making charitable donations is important to them. That should act as a warning to any brand thinking that the donations and feel-good activities elsewhere will offset the need to take meaningful action within their supply chain and production process.

Brands that are seen to be making a claim that isn't strictly true – or that is headline-grabbing but isn't relevant to their business – will suffer, especially as consumers often use social media to

express their views. Transparency and honesty are essential here.

However, when a brand offers good value for money and its green credentials are clearly relevant, visible and have real depth and integrity, the result, according to Mander, can be good for them, good for the consumer – and good for the planet.

To find out more, visit [gwi.com](http://gwi.com)



ECONOMY

# For CMOs, inflation is both challenge and opportunity

High inflation is changing consumer buying habits and presenting brands with some of the greatest challenges for a generation. But there may be valuable hidden benefits...

Simon Brooke

**I**nflation is profoundly impacting consumers' relationships with brands, presenting marketers with serious challenges. But could it also hold long-term opportunities for CMOs? According to Mindshare UK, just 16% of people agree with the sentiment: "I feel confident that I can take this hit with minimal changes." More than 8 in 10 (85%) of us will be on the look-out for cheaper alternatives when shopping.

As inflation rises and more consumers look to save money in any way they can, marketers are having to review their strategies. PepsiCo's chairman and CEO Ramon Laguarta recently said the company would make retaining consumers the top priority as the cost of living rises.

"We think the consumer is very early in this process of adjusting to the new inflationary environment," he said on an earnings call in April, adding that he expected new consumer behaviours as they adapt to the new realities.

The food sector faces the most serious impact from inflation. Some manufacturers are retrenching. Danone, for instance, will put greater emphasis on its essential product lines. "We'll go back to fundamentals, rather than what was fashionable at one time or another," its chief executive, Antoine de Saint-Affrique, told the *Financial Times* in May. Chris Burggraeve is founder of marketing strategy consultancy Vicomte and former global CMO at AB InBev. He thinks one key issue for marketers is sustainable pricing

power. "This comes from long-term strategies that focus on stakeholder value rather than short-term shareholder value," he says. "The companies that are suffering from margin compression currently are those that don't have sustainable pricing power - they haven't invested in developing their brand so that customers are willing to pay more for it."

Burggraeve cites the example of Amazon Prime: subscription prices for the service in the US have recently risen by 17%, a move the company felt confident about because of its brand loyalty. Procter & Gamble is also in a good position here, argues Burggraeve. "CMOs need to lead the fight in the boardroom to persuade the CEO and the CFO to invest in the brand so that in this new world of higher inflation their companies have effective, sustainable pricing power."

Brands that feel unable to increase their prices have another option. Recent research by Havas Media Group identified a 77% net increase in the number of people who say it is more important that brands help them to save money than before the crisis. There was a 75% increase in the number of people saying it is more important for brands to offer products and services that are priced fairly in terms of quality than before the current economic downturn and the rapid rise in inflation.

But CMOs must look beyond pricing. Jordan James is head of key holders at Unlocked Marketing; he has worked with Anytime Fitness and Crowne Plaza Hotels & Resorts, among others. He encourages CMOs to focus on perceived value or added value over competitors. For example, benefits like longer-lasting or harder-wearing products will be increasingly appealing, he argues. There will also be potential to tap emotional appeal, such as offering a treat for the family. "There's also a place for a focus on tradition," he says. "As a society, tradition calms and stabilises us."

When times are hard and brand loyalty comes under pressure, manufacturers must be ready to listen to their customers more carefully so that they can respond to demands and preferences at a quicker pace.

A focus on user-generated content (UGC) can help here, according to Ed

Hill, senior vice-president EMEA at Bazaarvoice, a retail technology provider. "UGC is all about connecting with consumers, building community, and creating a conversation between customers and a brand," he says. "It isn't about the questions they should be asking, but about listening and responding to customer feedback to understand wider sentiments towards a product offering or the brand itself."

Hill points to kitchen paper brand Plenty, which used what it learnt from customer reviews to help create Handy Towels, a single-sheet paper product for multiple rooms in the home that can be used with one hand.

Similarly, Unilever's UGC identified a demand among its consumers for a Keratin Smooth dry shampoo. In the absence of such a product, the company promoted other dry shampoos in its lines alongside the Keratin Smooth shampoo.

Loyalty programmes offer marketers another opportunity to retain increasingly promiscuous, price-focused consumers. During the pandemic, 62% of businesses reported that their loyalty programmes kept customers engaged in the crisis, according to Antavo, a loyalty management platform. Tiered programme owners - where those customers who spend more are placed in higher tiers offering more generous rewards - have reported a 1.8 times higher return on investment compared to those that do not offer tiers. Meanwhile, 72% of companies surveyed planned to revamp their loyalty programmes over the next three years.

"Businesses need to be increasing their investment in experimentation," says Dan Peden, product director at marketing agency Journey Further. "Whether it's on a website or in a store, an experimentation team or agency will help fuel customer insights and improve your customers' brand experience. When it's done properly, experimentation allows you to challenge what you thought you knew about your customers and remove your opinions from the conversation."

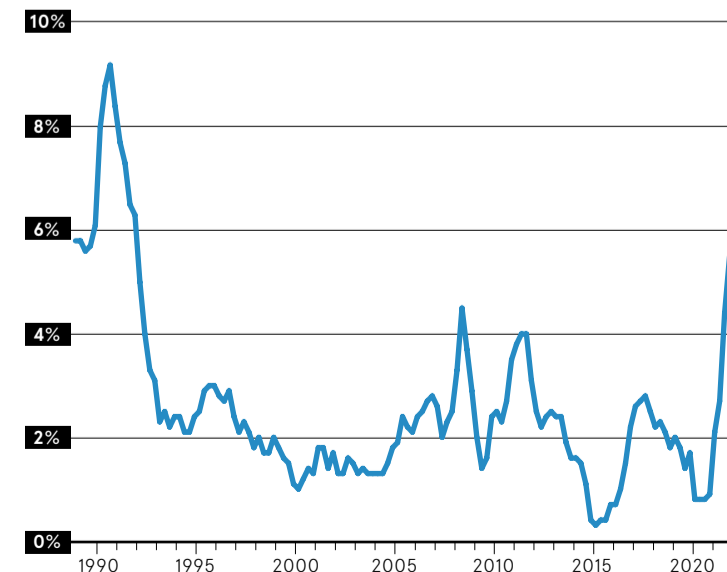
Necessity, it's often said, is the mother of invention. CMOs who are prepared to think more broadly and cast themselves as thought leaders in the boardroom have an opportunity to reimagine not just their market strategies, but their brand's ethos. ●



## UK INFLATION IS SOARING

ONS, 2022

Percentage change in the consumer price index, on a quarterly basis



# How can data bring marketers closer to their customers in demanding times?

CMOs need to leverage consumer and market data to build purpose-driven brands and turn crisis into opportunity

**W**hether your company is launching a new phone or coffee machine, or looking to persuade customers to upgrade their laptops, understanding what makes customers buy is at the heart of business success. For example, according to research by market, consumer and brand intelligence insights firm GfK, 56% of consumers will select a brand because it supports a cause and 65% of consumers think that experiences are more important than possessions.

Today's marketers live in a new reality where disruptions in markets, customer behaviour and world events occur practically overnight. Yet, at the same time, a third of Americans say we need more change, not less. Customers who have adopted digital shopping increasingly expect fast, personalised service and constant innovation.

The key to meeting sometimes ambiguous or confusing consumer demands lies in better data, insights and analytics. Some 80% of CMOs surveyed by GfK believe that data, analytics and insights are very important to winning and retaining customers. However, only a third say they're confident in the reliability of their existing data, and 60% of marketers surveyed by the CMO Council (CMOC) in 2020 said their data around customer insights was inconsistent in depth or granularity.

To help clarify these needs and chart a path toward the future, GfK and the CMOC have partnered in a new content series in 2022, 'Signals from the Noise', based on interviews with over 300 senior marketers worldwide. A new report will be published in July - but what can be said today about the gaps between marketers and data?

What's needed are smarter data tools that support consumer, market and brand/marketing strategies in complex, fast-moving global markets. Existing data and analytics systems that rely solely on historical trends are no longer good enough at helping marketers predict and prepare for such disruptions. Marketers need powerful user-intuitive data and analytics systems to get ahead of the next disruption.

This means marketing departments taking ownership of customer, market and brand data. "Traditionally, marketing data has been the responsibility of the data scientists and market researchers, and the output was often a quarterly presentation to the board of some PowerPoint slides," says Gonzalo Garcia Villanueva, global

chief marketing officer at GfK. "It's been the preserve of the specialists, not the people inside the business."

Today's marketing departments need access to up-to-date insights on a monthly or weekly basis. Pandemics, global events and a fast-moving social media landscape mean a product or issue can blow up and disrupt a marketplace in a matter of days. The question for marketing leaders is, are we getting insights - on consumers, markets and brands - and adapting our strategy to meet customer needs faster than our competitors?

With the rise of AI, companies like GfK are building real-time platforms such as gfknewron that provide fast access to data without the need for specialist data science skills. "What we're seeing is a democratisation of data, so that you can get the information you need to make better strategic decisions more quickly," says Garcia Villanueva.

For example, a company launching a new household appliance could use marketing data from GfK to understand how important battery life is to the average consumer in a market, or how concern about sustainability compares for consumers within markets in the same region. "Today it's possible to capture billions of data points but the crux is to extract insights from the data," says Garcia Villanueva. "With gfknewron, you can slice and visualise the data exactly



56%

of consumers will select a brand because it supports a cause

65%

of consumers think that experiences are more important than possessions

62%

of consumers will buy brands that appeal to their beliefs/values

GfK, 2021

Commercial feature

the way you need, whether that's for understanding price elasticity in one market, or looking at which markets will pay £100 more for a washing machine that lets you add socks in the middle of the wash."

This insight can be used to drive more effective pricing and marketing strategies, allowing companies to tailor everything from retail partnerships to advertising copy to meet customer expectations and drive better brand performance. It's also a way to understand your brand's strengths and weaknesses in a market. "Do you really know why customers buy from you, or why they might not?" says Garcia Villanueva. "You can't afford to just trust your gut anymore. You need data, and it needs to be timely."

Whilst data scientists have an important role to play, today's data dashboards can be used by marketing teams without the need for specialist skills. Marketing teams can now have access to insights that are updated weekly, capturing millions of data points and presenting AI-driven insights in easy-to-understand formats. Data can be viewed by region, product and even down to specific features - without needing to create complex, time-consuming reports.

“

**Do you really know why customers buy from you, or why they might not? You can't afford to just trust your gut anymore**

Accessing the right tools is only half the story. Organisations will only realise the full benefit of data insights if they also build a data-driven culture. This means moving away from the common quarterly report culture to one that demands always-on insights to support faster, more frequent decision making. "A tool like gfknewron provides amazing data, but if you only give it to the market research team, and they put it into slides and share that each quarter with country managers, you've lost the opportunity to capture an opportunity or hedge against a new risk," says Garcia Villanueva. CMOs must be reviewing data insights weekly, if not daily, to ensure decisions are made quickly, frequently and supported by high-quality, reliable data.

Data-driven cultures also support the changing role of the modern

CMO. "With the right insights being shared with the right people, the CMO becomes a key voice within the C-suite," says Garcia Villanueva. "Marketing is uniquely positioned to be close to the customer and understand how they are responding to the company's actions. A data-enabled CMO becomes a critical part of the mission to build a purpose-driven company that speaks to the customers' values and aspirations."

To find out more, visit [gfk.com/cmo](https://www.gfk.com/cmo)

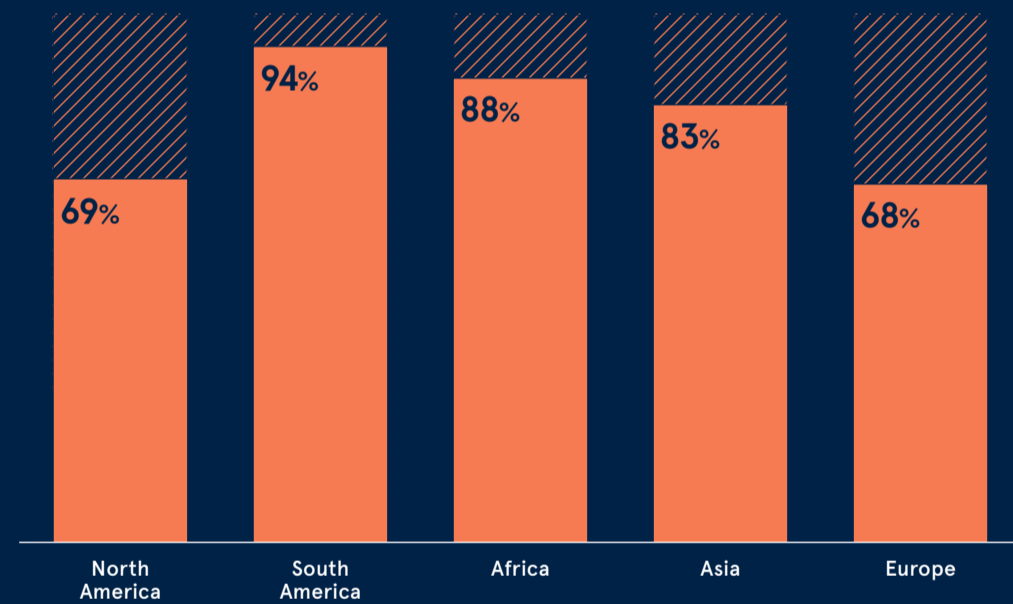


# THE CMO'S ROLE IN TACKLING THE CLIMATE CRISIS

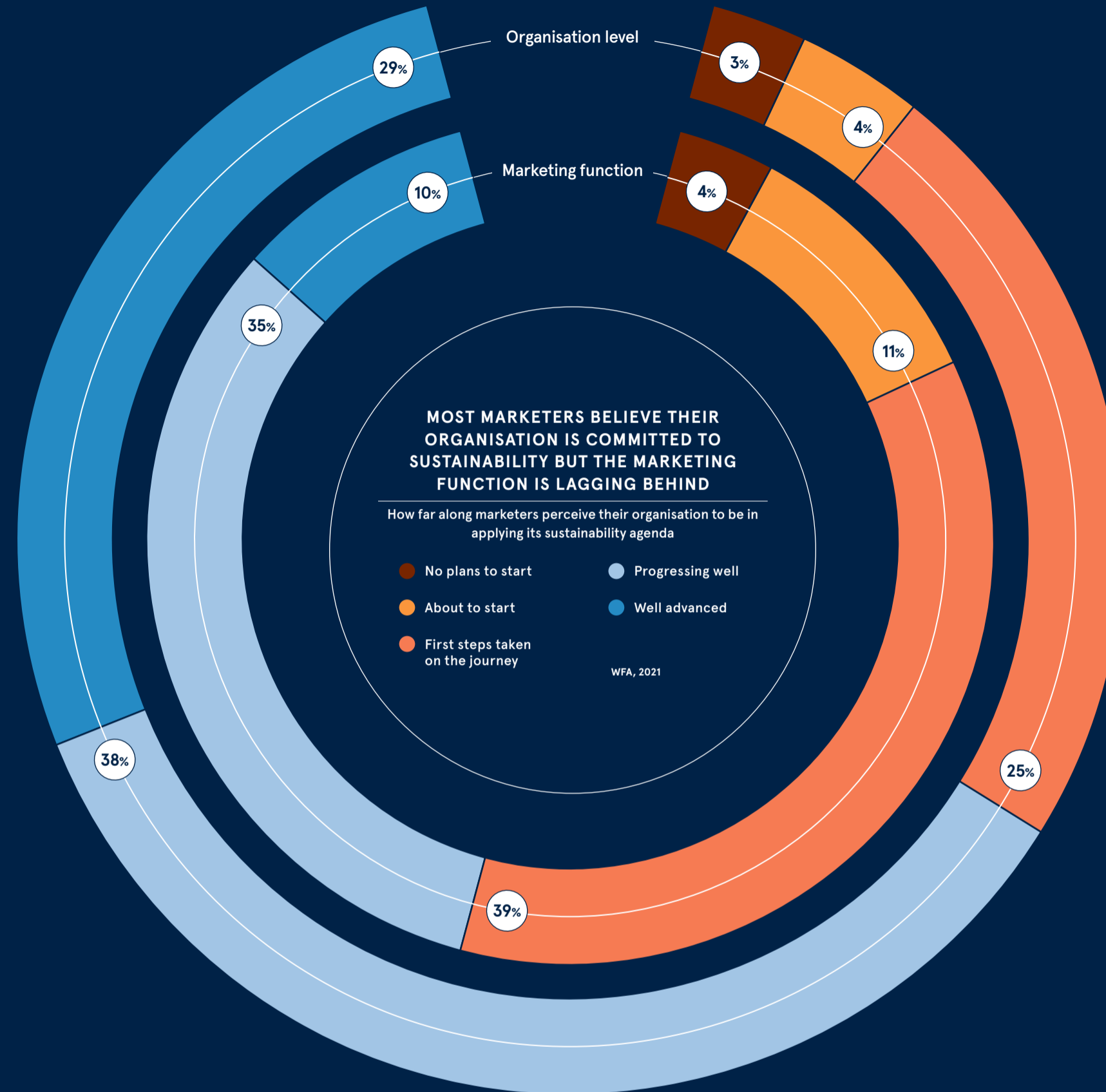
Reducing greenhouse gas emissions and keeping global warming to 1.5°C above pre-industrial levels is one of the biggest challenges facing the world. But while marketers acknowledge the scale of the issue and consumer demand for it, all too often the function is left out of the conversation when it comes to how to tackle the climate crisis

## CONSUMERS WANT COMPANIES TO FOCUS ON TACKLING CLIMATE CRISIS

Percentage of people who said that companies implementing programmes to improve the environment is 'extremely' or 'very' important



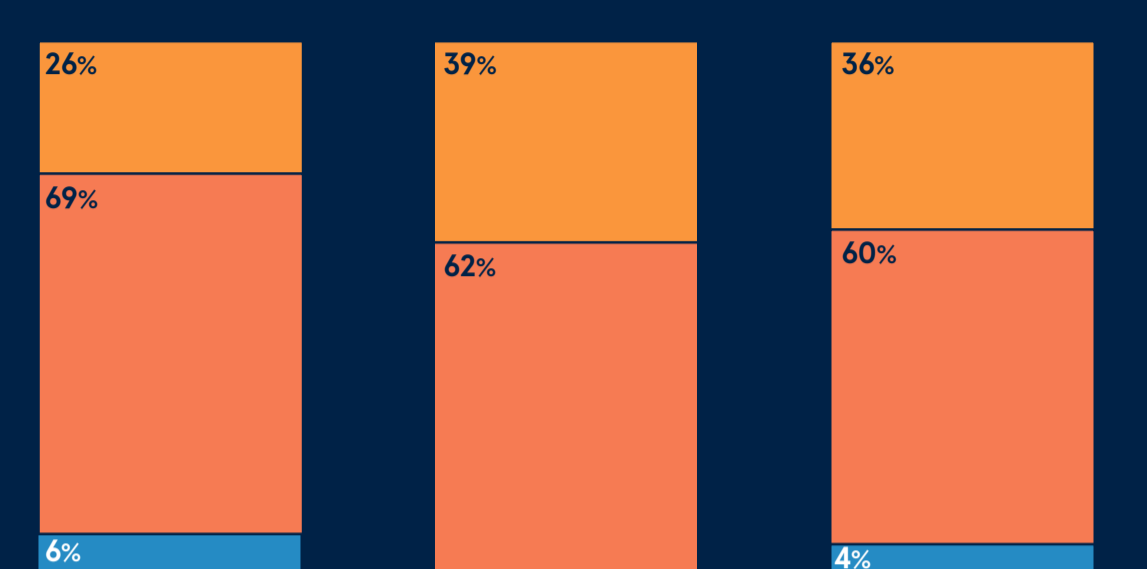
Boston Consulting Group, 2020



## CLIMATE CHANGE IS OFTEN NOT SEEN AS MARKETING'S RESPONSIBILITY

Percentage of marketers

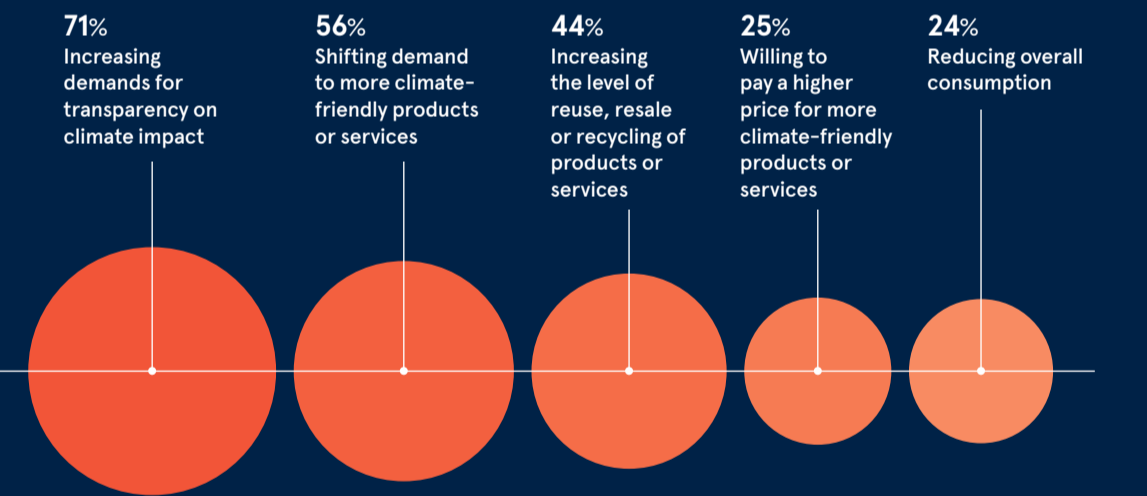
Owing to rounding, percentages do not total 100



WFA, 2021, CMO Survey, 2022

## CLIMATE CHANGE IS AFFECTING BRANDS' CUSTOMERS AND PARTNERS

Percentage of marketers who cite the following as impacts of climate change

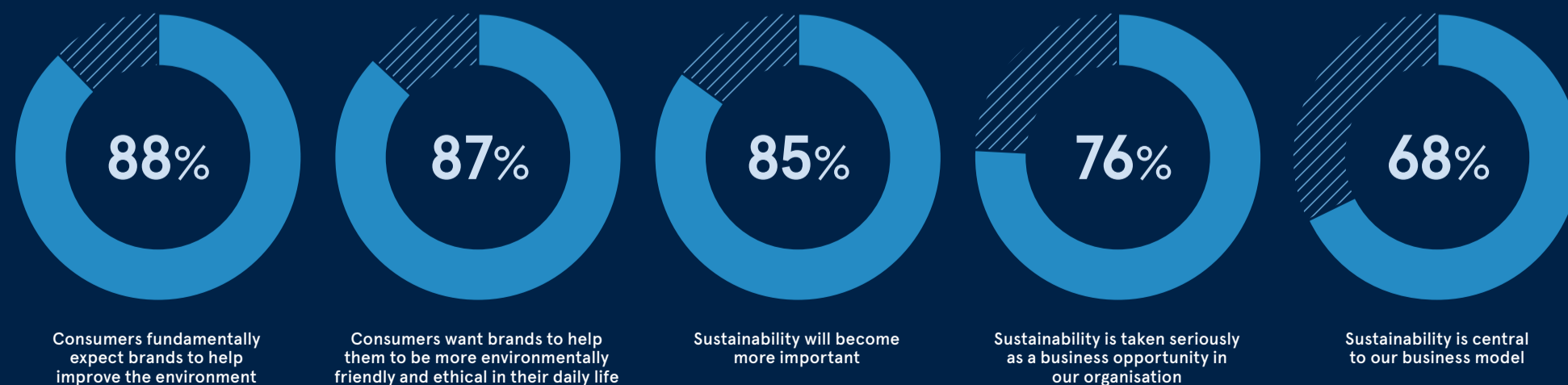


CMO Survey, 2022

## GLOBAL MARKETERS ACKNOWLEDGE CONSUMER EXPECTATIONS AROUND CLIMATE CHANGE AND BELIEVE THEY ARE RESPONDING

Percentage of marketers who believe the following

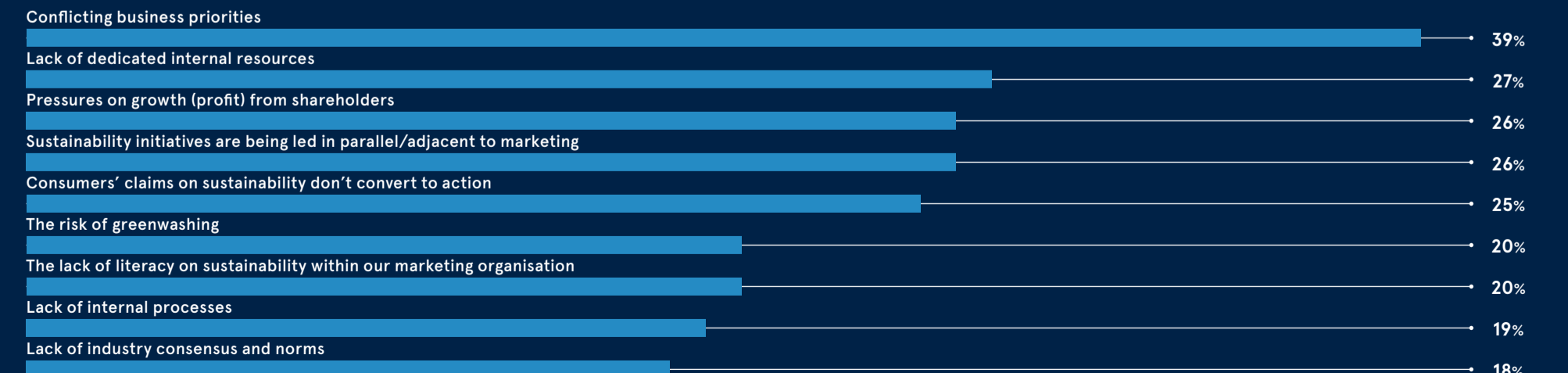
WFA, 2021



## THE CHALLENGES MARKETERS FACE IN REALISING SUSTAINABILITY AMBITIONS

Percentage of marketers

WFA, 2021



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LEGISLATION

# Law of the jumble

Westminster has pledged to update data protection legislation so that it has a lighter touch, but any changes it makes could create as many complexities as opportunities

Chris Stokel-Walker

**T**he UK has had four years to get used to the sweeping changes that the EU General Data Protection Regulation (GDPR) brought with it when its provisions were implemented in the Data Protection Act 2018. That year, businesses were forced to rewrite data-handling procedures and implement stringent new ways of interacting with their customers.

Having been marched up to the top of the GDPR hill, it looks increasingly likely that marketers and their clients will be marched back down again some time soon. In the Queen's Speech on 10 May, the government revealed that it was planning significant reforms to data protection law.

Details were thin on the ground, but the government did say that it intended to replace the "highly complex" legislation that it had inherited from the EU with something offering a lighter touch. The main goal: to make the whole process more straightforward and save organisations from having to do "excessive paperwork".

But there are causes for concern for businesses, many of which have only just managed to wrap their heads around all the complexities created by the GDPR. For instance, firms that have one foot in the UK and the other in Europe are worried that the extra bureaucratic burden of having to comply with two sets of regulations could cause them huge problems.

Westminster has said that it will open its proposals to consultation,

which means that the industry – and consumers – has the power to shape the law. So what, then, should the future of data protection regulation look like?

There tends to be a great deal of anxiety surrounding big legislative changes, but this often proves unfounded when the realities of compliance don't prove as difficult as feared. This is why some marketers suggest that worrying too much in this respect is a stressful waste of time and energy.

"Data protection regulation is quite simply beyond the capacity of us mere mortals," admits Andrew Armitage, founder and MD of A Digital, an agency based in Kendal, Cumbria. "People running small businesses can't afford the services of a compliance department, a chief data officer or an information security officer. The reality is that most small firms – and probably larger ones too – will choose their providers carefully and do the best they can."

But Armitage believes that no company can categorically say that it's always 100% compliant with all the rules. "It's too complicated to know what material gets sent where and when. This becomes a problem only in the event of a security breach or a scandal," he says.

The main aim of the proposed reforms is to save firms from "excessive paperwork", which should, at least in theory, reduce the risks of non-compliance. But the key question is whether some of the more bureaucratic elements of the GDPR will have to remain in UK law.

There is a good reason for retaining certain elements of the GDPR, according to Natalie Cramp, CEO of data science company Profusion.

"I don't think anyone can argue that it's a flawless piece of legislation," she says. "But, if you consider how weak and outdated our data privacy laws were before its enactment, it has substantially improved the situation overall."

For instance, the GDPR drove a significant change in consumer rights by putting the individual at the centre of data protection legislation. The concern is that the good work it prompted the marketing industry to do to smarten up its act – and build public trust in the process – will be undone.

"The fear is that the government will favour weak and/or vague regulations in the name of simplicity," says Cramp, who foresees a potential double whammy. "The UK could end up in a situation where businesses are struggling to navigate a new set of rules, thereby damaging their ability to operate internationally, while people are left with little protection."

The prospect of a two-track system is worrying plenty of British businesses that have interests in the EU, observes Dr Janet

Ward, senior lecturer in marketing at the University of Brighton.

Although firms that rely on foreign markets further afield "may welcome some easing of the GDPR, companies that depend on European trade may raise concerns", she predicts, noting that UK exports to the EU in 2021 were £20bn down on the total for 2018, the latest comparable year of stable trading.

Ward points out that having different regulations from those of our nearest foreign market may seem like a nightmare, particularly for smaller firms that have had to deal with problems caused by the Northern Ireland protocol. She adds that "those more focused on consumer behaviour will be concerned about a dilution of protections, particularly for children and other vulnerable people".

Whatever reforms are eventually enacted, one thing is for certain: the whole marketing profession would like these to be the last for a while.

"Everyone in our industry is keen to avoid constant changes to the rules," says Amanda Walls, founder and director of Manchester-based agency Cedarwood Digital. "Each time the rules change, we go through our own consultation process with experts to then roll out

**“The fear is that the government will favour weak and/or vague rules in the name of simplicity”**

the required changes across our websites and those of our clients. This process is not only costly; it's also incredibly time-consuming. Any move to 'simplify' data regulation has to be a final one for at least the foreseeable future."

Such simplification needs to work for all concerned. British consumers and their representatives aren't likely to favour much in the way of deregulation, because they gained a set of significant legal protections in 2018. An international survey of 2,600 consumers published by Cisco Systems last year found that 18% of UK respondents had approached an organisation to enquire about having the personal data it had obtained on them

amended or erased – one of the important rights granted to them by the GDPR.

Tech firms, for their part, will generally lobby for deregulation. For instance, they're likely to be concerned about how the long-planned Digital Markets Unit within the Competition and Markets Authority is being beefed up with greater powers to clamp down on bad actors, although nothing substantial is likely to happen in this department before the end of the 2022-23 parliamentary session.

It all leads to plenty of uncertainty for marketing chiefs as they try to formulate their medium-term business plans. This is a headache that doesn't have an easy remedy as yet.

If there's one thing that the industry would like to obtain from the forthcoming legislation, it's clarity.

"There would need to be a clear distinction and understanding here of how our own data protection guidelines would work with this, without creating the complexity of having to operate within different data rules depending on which organisation's products we're working with," says Walls, who fears that such an outcome "would not only be incredibly time-consuming; it could also increase the risk of error".



Oscar Wong via Getty Images

INSIGHT

# 'Creativity has the power to drive progress for people and business'

Simon Cook, CEO, LIONS, discusses the festival's plans to drive the marketing industry to address societal issues

**Q The Cannes LIONS Global Growth Councils for Progress aim to tackle some major societal issues at this year's event. Why does the ad industry need to step up?**

**A** Set against the backdrop of an increasingly turbulent world, the global ad industry faces a number of big challenges that need to be tackled at a faster rate than any of us ever predicted. We know that creativity has the power to drive progress for people, for business and for positive change in the world. This means that the creative marketing community is in an incredibly fortunate position as they can harness creativity to enter and create change in culture, business and the world.

Our five Global Growth Councils for Progress are an expansion of the CMO Growth Council, which we launched with the Association of National Advertisers (ANA), the industry body that represents US advertisers, in 2018. They will convene for the first time during the Festival in Cannes to find global solutions, set the agenda and define their commitments on the global stage. For the first time, this initiative will include representatives from across the community – including creative agencies, brands and media owners – unifying the industry behind one collective and urgent agenda.

We are delighted that Marc Pritchard, chief brand officer at Procter & Gamble, will head up this initiative. With each Council comprising between 25 and 30 core members, we want them to be a platform for a range of voices who can bring new perspectives, insights and cultural context to accelerate the pace of progress at a much greater scale and create a truly global community. Our open call for Council members saw 25 spaces made available for any visionary creative professionals able to demonstrate entrepreneurship, regardless of specialism or location.

**Q What are the key issues that need addressing?**

**A** Earlier this year, we launched the LIONS State of Creativity Study. Completed by thousands of people from 100 countries, it was our largest survey to date, collating views and insights from a diverse set of voices across the creative ecosystem. The five Council themes were

formed in response to the global issues identified by the industry through this study as being most important and pressing to the progress and growth of their business and the impact on the planet: sustainability; diversity, equity and inclusion; talent; data and technology; and brand creativity and effectiveness.

**Q How will Cannes LIONS track progress and ensure action is taken to move the industry forward?**

**A** In a couple of weeks' time, we will be reuniting the global community in Cannes and we couldn't be more excited to convene our community and the Councils in real life.

We invite every Festival attendee and LIONS member to contribute to the conversation by joining a corresponding community to debate, pledge, create or lead an initiative that supports our collective move forward. On Friday 24 June at 11am, the Council chairs will come together on the Lumière stage in Cannes to define the agenda and their commitments for the year ahead.

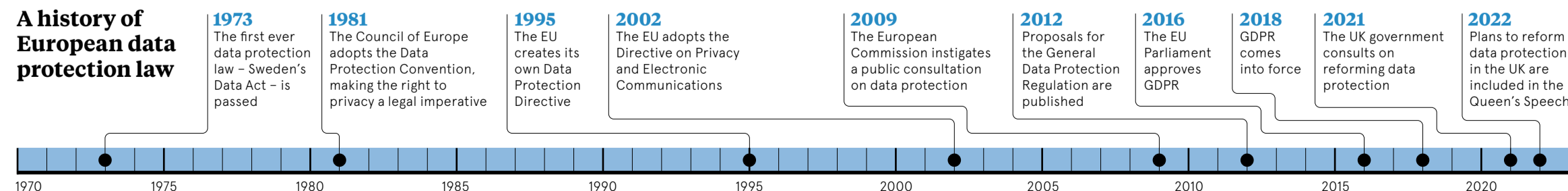
LIONS and the ANA will provide the year-round platform for the industry to convene and track progress. The Council working groups will work throughout the year on the task in hand to ensure that they are furthering progress. They will then return to Cannes LIONS in 2023 to give an update on the industry's collective progress. LIONS is in a position to provide the global platform for the industry's agenda and we're delighted to be able to commit to this as an ongoing, collective movement.

Cannes LIONS takes place in Cannes, France, 20-24 June



Simon Cook  
CEO, LIONS

## A history of European data protection law





MEASUREMENT

# Metrics maze: marketers struggle to measure effectiveness

New research suggests a big drop in marketing effectiveness. Does this expose fundamental problems, or could flimsy metrics be to blame?

Morag Cuddeford-Jones

The Data & Marketing Association (DMA) turned up a disturbing insight in 2021. After three years of consistent performance in the marketing sector, effectiveness suddenly slumped. What happened?

The data came through the DMA's awards, which have received more than 1,000 entries since 2017. The association found that in 2021, effectiveness slumped by the substantial amount of 23%.

Tim Bond, director of insight at the DMA, says, "The pandemic was always going to be a curveball and we weren't sure what would happen. But last year, we were

encouraged by the increase we saw. This year [the drop] is potentially of concern."

He offers potential explanations for the sudden and steep drop. "During the pandemic - when brands were hyper-conscious on reduced budget, added measures were put in place to make sure they were getting bang for their buck. When that spend returned, some of those hygiene factors may have dropped."

Paul Sinclair is marketing director at Zen Internet. He's not surprised by the data. But although it is not new, it's good to have statistics to demonstrate the sector's fears.

"Part of it is the proliferation of data, more digital channels, TV and radio becoming digitised. There's more data to be looked at and analysed and many marketers or leaders have taken their eye off the ball for the ones that really matter."

So could the problem be traced to the methods companies use to measure their effectiveness?

The DMA research highlights four categories to determine marketing effectiveness. They are business effects (profit, market share), brand effects (awareness, consideration), response effects (leads, bookings), and campaign delivery effects (reach, impressions).

The research found that marketers entering the awards used a total of 170 different metrics, with campaign delivery metrics making up 41% of entries and 59% devoted to business, brand or response effects. Only 6% of effectiveness measures seen in the research related to business effects.

Campaign delivery effects are often termed vanity metrics, easy numbers to obtain and often cited in millions of something - views, clicks, audience - that grab the attention but offer little in terms of understanding business outcomes. So why are they even used?

Vanity metrics have a place, says Jamie Irving, global head of digital marketing at Boden. But, he notes, "It's about quality, not quantity after all," adding that they should be secondary or wrapped into a single KPI to be effective.

"Ultimately, the most important metric is the one which will shift business outcomes. If we view vanity as guardrails and acknowledge the impact they'll have on the metric you need to hit, then you are

in control of the performance you need to deliver. That should help maintain effectiveness."

Campaign effects have a certain immediacy: deploy an ad and see the number of clicks only an hour later. That's seductive, but not necessarily helpful, and certainly not on its own. The DMA's report shows that medium-term activity - campaigns between four and 12 months - were squeezed in 2021, even though they're generally seen as optimal for driving ROI. With the desire to pin immediate profit to marketing spend, that change could have a negative impact in ROI multipliers.

Campaign effects can be useful for media planning but for anything more profound, Bond says they aren't fit for purpose. It's best to take a blended approach, prioritising business, brand and response effects while matching them to business realities such as category and budget. This helps to really understand effectiveness.

"At the most basic level, logic dictates that if we're choosing to take an action there will be a return, whether it's a shift in awareness, consideration or sales. Therefore there are only really three metrics that could matter," Irving says. "What changes is the timescale we're looking at and the need for proxies to have an 'early read'. It's the early read that'll be the killer if not everyone is aligned to the true metrics."

Sinclair acknowledges others may feel pressure from on high, which can lead marketers to grasp at the quick-fix straws of campaign delivery data. "We [have] no short-term shareholder demands to meet. [But]



**There's more data to be looked at and analysed and many marketers or leaders have taken their eye off the ball for the ones that really matter**

I often report to the board quarterly with metrics that give us confidence: the type of customers we're acquiring, understanding if we're keeping existing customers happy."

One of the key implications to come out of the DMA's research is that there should be a renewed focus on brand building. Placing less weight on immediate outcomes, this impacts ROI by stimulating future demand. It can also insulate companies from the price promotion race to the bottom, by encouraging consideration based on brand values rather than cost.

However, as brand effects tend to be more complex and costly to measure, the research suggests companies will have to commit more resources to the area if they're to see long-term results.

What is certain is that 170 metrics is too many. Marketing departments will have to rationalise their KPIs to find those that give a true picture of the state of their business, and reduce their dependency on the quick, reassuring hit of sky-high but useless campaign effects.

Sinclair suggests that marketers stop using vanity metrics as a proxy for a scientific approach to measurement and understand what it means to gain real insight. "We're commercial people in the organisation, so we need to get comfortable with data sets, how they link to pricing and so on. I'm joined at the hip to the CFO."

There is already something of a market correction. Famously, challenger bank Starling pulled its ads from Facebook and Instagram over

privacy concerns, but several weeks later stated that it "hasn't caused a noticeable decline".

Irving believes recent moves to retire the third-party cookie could be a step in the right direction to refocus that conversation. "By default, business metrics will come more to the fore than they may have in recent years and the data we need to make decisions will become more reliable."

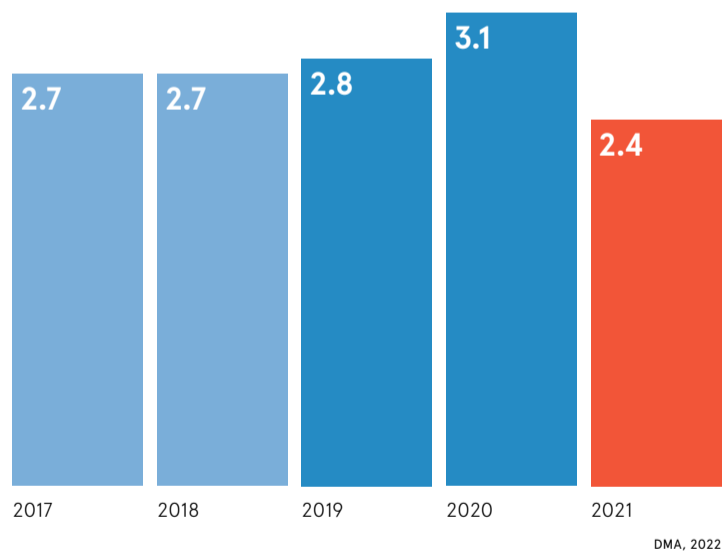
For marketers and their colleagues in finance, sales and even the C-suite, it may feel there's a need to brush up on the basics. To this end, in partnership with the DMA Media Council, the DMA has recently launched a Marketing Framework 101. This will provide best practice guidance on how to measure business outcomes and understand the impacts of marketing across different timescales.

The framework will also include a glossary to define terms around measurement, so that everyone is at least using the same terminology. Siloed media planning creates siloed media measurement and distorts marketing effectiveness. The report suggests that it leaves marketers trying to justify marketing spend "with one hand tied behind their backs".

The glossary, the DMA hopes, will help organisations understand what is meant by various terms across the media measurement process and 'de-silo' the process of measurement. Armed with a more rigorous approach to effectiveness, perhaps future initiatives that seek to prove their successes on the awards circuit will truly be worthy of a gong. ●

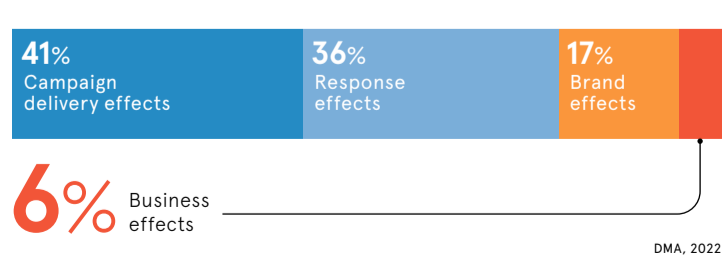
## THE EFFECTIVENESS OF MARKETING CAMPAIGNS IS DECLINING

The total number of effects recorded per campaign, on average, according to entries to the DMA Awards



## BRANDS ARE FAILING TO MEASURE THE BUSINESS IMPACT OF THEIR MARKETING CAMPAIGNS

The different types of effectiveness measured in entries to the DMA Awards in 2021



# Shooting for the stars: how to boost your video strategy

From boosting engagement to helping build trust in your brand, corporate video has a lot of benefits and is worth getting right

People frantically looking up 'How to...' video guides was one of the defining features of Covid lockdowns. Without easy access to plumbers or builders, it was up to the video tutorial to help guide our shaky hands through fitting a new shower head or fixing the fence.

For Robin Kirchoffner, CMO at media solutions and service provider Dalet, the rush online was no surprise and it's a trend that's set to continue. That's because, firstly, he says viewers on average retain a whopping 95% of a video message - much higher than written communication and vital if you're taking a hammer to your house - and secondly because business marketing teams have been steadily growing the quantity and quality of corporate video content.

"People love watching video to help them understand, buy and enjoy things, and the pandemic just led to more proliferation," Kirchoffner explains. "Corporates have responded by creating more video content, both internally as well as externally on channels from YouTube to TikTok. Most industries were already doing this, but the need to have it properly wired as part of your marketing strategy has increased. It can help build a brand message, customer trust and contribute to a firm's top and bottom line."

Tutorials and product demonstrations are a great example. They are valuable because they help customers get the most out of their new products and services. One of Dalet's clients, Audi UK, produces and distributes such video tutorials to its car dealers as well as training content and commercials to its sites and applications. Another client, American Family Insurance, manages all kinds of assets, including training and marketing content.

"As marketers, you need to make sure that video is there for customers and clients because this is how they want to access information," Kirchoffner



explains. "The C-suite also sees the shift in usage and is asking for new initiatives to be launched more quickly. Marketers need to be fast on their feet with new and more video content."

However, this growth has created several pain points for marketing teams in their media supply chains. This encompasses all parts of the video journey including content creation, commissioning, production, distribution to multiple platforms and storage.

"Most businesses using video content are not native media organisations," Kirchoffner explains. "They don't have the toolsets and processes in place to manage and plan their video content and campaigns, document and categorise everything and understand how and why it is performing. There isn't a single point of truth where everyone can work together."

Instead, he adds, the content is very siloed, with some stored in cloud services, some offline on hard drives and some on a shared server. As a result, it is hard to leverage value and have true transparency and visibility. Many organisations also manage these tasks manually with filing, indexing and planning taking up valuable employee time.

"The question is: how do you control these video assets? A marketing team managing and creating different videos needs a level of automation and centralisation to help manage the flows," he says. "It helps drive the consistency of messaging, format, graphics and quality control throughout an organisation, either with local or multi-national campaigns. It also frees up marketing minds to come up with new creative ideas and designs."

The Dalet Flex software product, used by Audi UK, American Family Insurance and leading media organisations, provides these centralised toolsets and processes as a service. "Marketing groups and corporations want to unify their teams so that internal staff and outside agencies, remote video producers and freelancers can see content processes on one system," says Kirchoffner.

"With Dalet Flex, they can ensure that their assets are visible, properly indexed, centralised and documented much more efficiently. You can also use analytics to see how each video is performing, how it is helping the bottom line or whether it needs to be amended or repurposed and used on a different channel."

Kirchoffner expects demand for video content to continue growing both long and short duration films and more cinematic high-resolution campaigns for specific events or product launches. "Already there is a need for specific branding, logos and colour schemes for different countries or channels," he explains. "You need to manage it well to help grow your brand."

For those of us soaked to the skin after a failed plumbing attempt - that can only be good news.

For more information, visit [dalet.com](http://dalet.com)



**Most businesses using video content are not native media organisations**





kate\_sept2004 via iStock

## FUTURE LEADERS

# To see the future of marketing, ask the next generation

Junior marketers offer insights that can change the industry for the better. CMOs should pay attention

## Jonathan Weinberg

**T**oday's junior marketers are tomorrow's CMOs. As new trends emerge and others evolve, these 20-somethings offer a unique perspective on their generation's interactions with the industry, providing their bosses with unrivalled insights.

Many CMOs are increasingly taking advantage. Research from digital experience platform Optimizely shows 76% of junior marketers said their opinion was valued by senior team members, while 86% said they have the freedom to try new things.

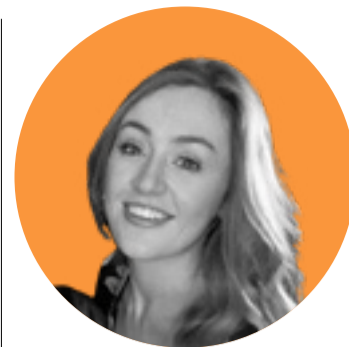
"They are the ones likely to shape the future of UK marketing," says Kirsten Allegrì Williams, CMO of Optimizely. "Experimentation practice will absolutely help advance their careers, along with their enthusiasm, and fresh thinking. It's vital senior team members embrace this."

Skills are also changing, suggests Chris Currey, director of digital and marketing recruitment specialists Digital Tonic. Good copywriting and proofreading abilities are in demand due to increases in content marketing, while strong numerical skills help derive insights from data.

PPC, SEO and marketing automation are also important now, Currey says. Very few young marketers are being given experience with inbound marketing, lead generation, and account-based marketing, he admits.

Employers are noticing that recent graduates are being taught with "too strong a focus on social media", Currey says. Skills that will be relevant later in their careers – such as strategy, planning and developing marketing plans – should be less of a priority initially, compared to learning hands-on tools.

“I had no marketing role models. I'd like to hear more about the process of getting into marketing, not just seeing people in marketing positions



### Relevance, value and sustainability

Junior marketers are filled with ideas and suggestions for today's CMOs on how the industry will or should change and the campaign messages that should be considered.

Liv Jump, 26, is assistant brand manager of own brand marketing at M&S Food and currently leads its Celebrating 30 Years of Percy Pig campaign. She has worked in marketing for four years. She believes the future will see a focus on value, personalisation and sustainability.

"Thinking about the current customer mindset, value is more important than ever and the emphasis will only grow," she says. "Customers want a fair price or great deal, but without compromising on quality. Marketing needs to be more relevant to more people 100% of the time to be successful."

Sustainability is critical, Jump adds, whether through packaging, point of sale or product development. Customers want to hear how businesses are making a difference.

Looking to the future, she expects insight to play a key role, along with bold, on-trend and reactive marketing. Her suggestion to today's marketing leaders is inspired by advice from her own CMO, Sharry Cramond: "When you think you've pushed all boundaries, push it a little more and you'll find the magic."

Jump is personally attracted to campaigns with meaning and relevance, and highlights the importance of social media for her peers. "Whether sharing funny memes, following brands directly on Instagram, or consuming products through influencer marketing, it makes sense for brands to market on there. The key is shareable content that will generate rich engagement," she advises.



### Embracing feedback

Lauren Fletcher, 24, has worked in marketing for two years and is currently social media executive at Lovehoney. She believes influencer marketing will "begin to bleed more and more into other marketing channels", with influencers firmly replacing celebrities as the

faces of brands. The ability to adapt quickly is now crucial, she says. Video editing skills are also important, as "almost every platform is requiring video content".

Fletcher sees marketing becoming "less obviously commercial". Thought leadership and proving yourself "as an overall 'good' brand" will be critical.

What's her advice for CMOs? "Talk to and listen to lower-level staff, especially those in consumer-direct marketing roles. We hear feedback directly from the consumers and social media users, which is super valuable and can help shape the overall marketing direction."

Fletcher says her generation prizes authentic and honest marketing, with her peers now "a lot more conscious of any twisting of the truth or unauthentic trend-hopping". She also points to the importance of diversity. "As much as showing representation on your channels is important, you need to have diverse people within your teams as well. If you're doing marketing about a certain minority, you need to make sure people from that minority are contributing, even if it's on a consultancy basis – and make sure they're getting paid for it."



### Technological advances

Tanaka Bofu is a graduate creative strategist at agency Armadillo. He believes behavioural design – marketing and design working together to create behaviour change – is now a key focus. "Good design can really help with the whole of the marketing process and should be involved at every stage," he suggests.

The 24-year-old, who has worked in marketing for eight months, thinks it's imperative to build trust between the customer and the brand. "In the loyalty space, to say 'we are using your information safely, but also making it work for you' is such an important message."

Bofu highlights AI and particularly augmented reality as marketing technologies to watch, with the latter using blank billboards so campaigns are only visible through AR. The metaverse will also be interesting, he suggests, "because brands won't be competing for the same physical space anymore; there will always be more virtual space that can be created".

However, reflecting on his own experience, Bofu advises others who are entering the industry to think about the potential of first-party data, something at the core of every campaign at his agency. "We didn't go into data in detail in my degrees, definitely not the terminology and potential. That's something that fascinates me," he says.

“When you think you've pushed all boundaries, push it a little more and you'll find the magic

And although Bofu believes that marketing is improving when it comes to diversity and representation, including by focusing on people from less affluent backgrounds, he says there are still barriers.

"My parents work in the NHS, so I had no marketing role models. I would like to hear more about the process of getting into marketing – not just seeing people in marketing positions."



### Mentoring opportunities

Hannah Elliott is marketing assistant at Boost Drinks. She suggests matching new junior marketers with employees from different departments or who are in more senior roles. This, she says, would offer education, collaboration and provide a neutral sounding board for advice. Greater industry networking opportunities should also be available, she believes.

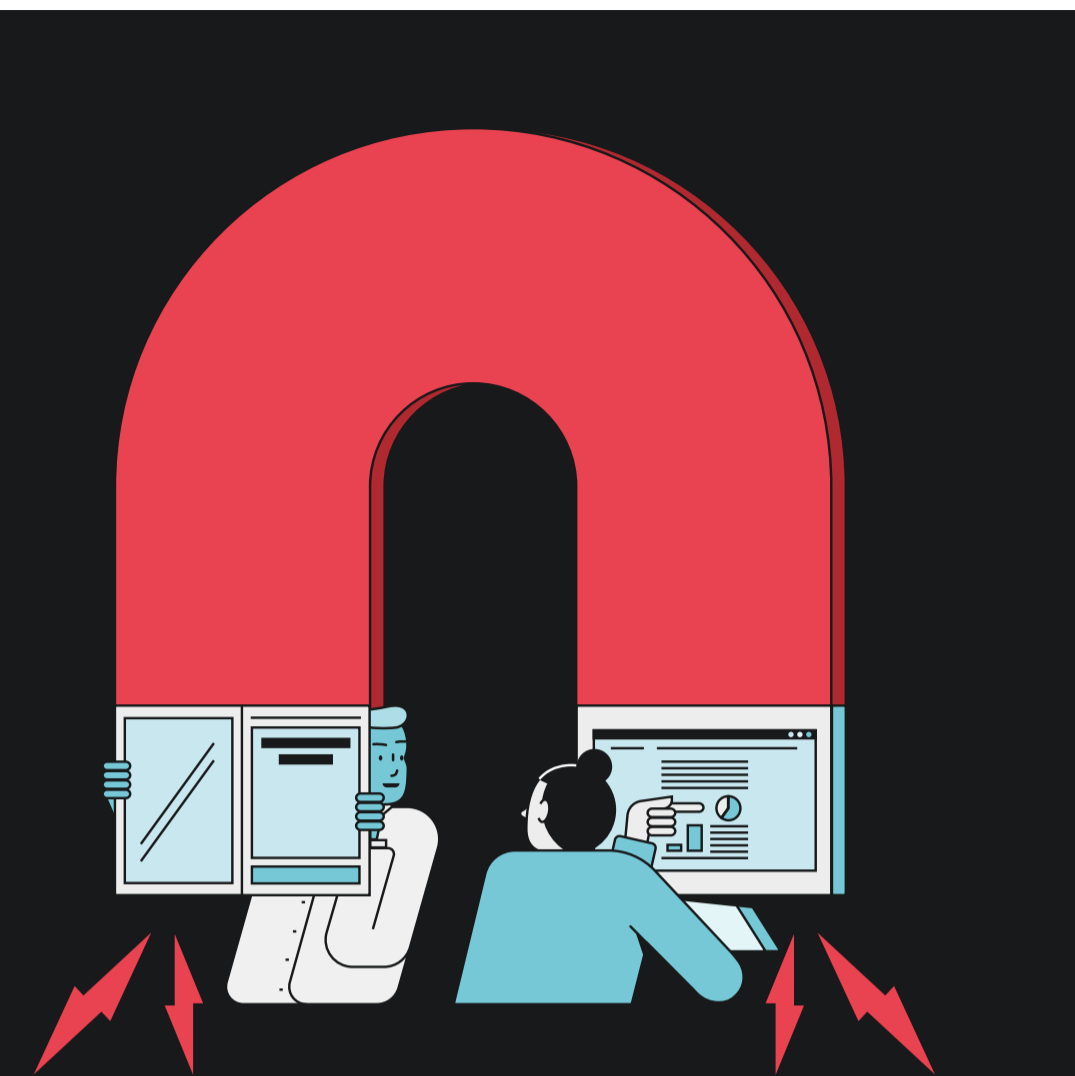
The 27-year-old has worked in marketing for four years. She believes reactivity is now as much of a core skill as creativity, pointing to 'brandter' – banter focused on brands.

"As we continue into an uncertain future, everyone enjoys seeing brandter on Twitter; viral positive comments make you feel good and make you engage with the brand."

"The ability to talk and react within your brand values, directly to your consumers is massive. Doing it at speed and being first is even better," Elliott explains.

Elliott feels that she gets to know a brand best through how it communicates on social; alongside a supporting marketing campaign, this gains her trust and inspires her. "It used to be about having a website, then it was an app, now it's a TikTok channel. What's next?"

This question perplexes CMOs. But, as Elliott explains: "It isn't only juniors who can learn from senior marketers. I'm often asked what the latest trend is on social media, or what Gen Z are consuming in culture and who's the new big celebrity talent we should be working with." ●



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AGENCY RELATIONSHIPS

# How agencies can get a seat at the table

Without influence across the organisation, agencies' unique skills risk being sidelined. Now's the time to break out of the marketing box

Morag Cuddeford-Jones

Some say that the great resignation – a wave of job changing during and post-pandemic – arose because employees have rethought what matters in life. Latent frustrations have come to the surface and there's a realisation that life's too short for half-heartedness.

This, it has been suggested, has extended to the agency-client relationship, where commentators believe there is dissatisfaction and disillusionment among agency staff. Why? Because agencies are no longer at the top table. They have been relegated to factotums when, to be truly effective, they should be the business's strategic partner (not even just the CMOs), helping define the company direction from their unique understanding of which levers to pull, the channels to pull them on and, of course, the customer.

"People conflate marketing with communications. Most agencies never ask the client, 'Why are we doing this?'" says Claire Humphris, CEO of Iris London.

Understanding what marketing, and therefore the agencies, bring to the table remains hit and miss. It helps to have a CMO who champions the cause and can show the business the agency's worth, and then a CEO who leads the organisation to espouse it. This isn't easy. Recent research suggests that while 86% of CEOs said CMOs had the power and credibility to influence their decisions, only 34% said they had confidence in their CMOs. A further 38% said their CMOs had the wrong skill set for the changing marketing environment.

But CMOs cannot be both jacks of all trades and experts in all of them. Which means the drive to true customer-centricity depends on more agency involvement, not less. Customer-centricity is one of three key trends that defines today's market, along with digital transformation, including how that reshapes customer interactions, and the service-driven economy.

Laurence Parkes is CEO of Rufus Leonard. He explains why now is the time for marketing and its agencies



Dean Mitchell via iStock

to break free of their shackles: "Services, digital and the rise of the customer-centric mindset have enabled marketing as a fully rounded concept: understanding the customer and creating value for them through created experiences. This is the only true definition of marketing and is what has allowed good CMOs and their agencies to expand their remit."

Even physical product-driven industries, such as manufacturing and electronic, have moved towards also offering services to add value and differentiation in a crowded market. To leverage all these disciplines, CMOs need partners. Andre Dimitriou, EMEA CEO of VMLY&R, insists: "A good agency is involved in all aspects of a client's business, sitting on product innovation boards. There, day in, day out."

It's particularly important today because, as Humphris adds, customer problems sit outside siloes, and so the agency needs to sit outside them too. It can be culturally difficult for client organisations to accept. It is the task of leadership to open doors to the agencies and encourage people to work together to resolve challenges. But support must be firm. "The senior stakeholder has to lay that down from the outset," Humphris warns.

Some client organisations already see the value of an agency in taking a holistic view of their business. The trend towards agile, responsive marketing means businesses must react fast to changing customer expectations – never more so than in the pandemic.

Even today, post-pandemic, the landscape is changing fast. Clients don't have the capacity in-house to engage with all the latest trends – the metaverse, for example – to evaluate their worth and plot how to integrate them. But without doing

**“If you're a good agency, you're involved in all aspects of your client's business, sitting on product innovation boards. There, day in, day out**

so, they risk being left behind. "Our job is to understand that world [the metaverse], what the latest is from a consumer point of view and bring it into the business, and how it creates value," Dimitriou explains.

Agencies could drive innovation and experimentation without extensive retooling by an established business. Could the idea that agencies are simply the 'creative' arm be stopping organisations from embracing them? If so, they're missing out. "Creativity is about finding

solutions that help a business interact with its potential customer in a way that is easier, smoother and differentiated. If more people thought of themselves as creative, it would be liberating," Humphris admits.

Even then, with the variety of skills and disciplines involved in building a customer-centric business, it's unlikely any single agency can be a one-stop-shop for a client. This is where excellent networking capabilities come to the fore.

Parkes says: "It's hard to have breadth of capability in an agency of 65 people. It's a challenge for agencies to manage that breadth. We take the ecosystem approach – it's an excellent solution to the problem."

Of course, when agencies and internal departments all start to break out of their siloes, there is enormous potential for chaos to ensue. Keeping agencies in boxes and restricting their influence to direct reports was an easier – if limiting – relationship to manage. Working with agencies across the entire organisation presents new

challenges for the business: whose responsibility is this alliance?

"Certain clients are already there with marketing operations," Dimitriou reveals. Marketing operations, or MOPs, while seemingly still siloed in the marketing department, are a solution to help functions – technical, intellectual and more – engage across the organisation in a coordinated and effective manner. Marketing software company HubSpot has a neat analogy to define MOPs. In the *School of Rock* film, in which a motley group of pupils and a renegade teacher form a band, actor Jack Black approaches the class president and says: "Summer, you're in charge of the whole thing."

It isn't simply that agencies deserve a seat at the top table, although they surely do. It's about realising that, if an organisation is committed to breaking down its internal siloes to become truly customer-centric, it needs to break down its external ones too, and open itself to the potential that agencies have to offer – at every level. ●

## CMOs ARE STRUGGLING TO PROVE THEIR WORTH, AND THEREFORE THAT OF THEIR AGENCIES, TO THE BUSINESS

Percentage of CEOs who think the following about CMOs



Boothouse, 2021

# A new wave of business disruption means brands should focus on joyful experiences

When brands create positive interactions for customers, they gain a myriad of long-lasting business benefits. But in a data-heavy world with disjointed tech platforms, many businesses have lost sight of how to create the human touch

Commercial feature

In today's digital era, companies are being deluged by data and analytical tools. This means there is often a painful mismatch between the information they rely on and the brand experiences their customers need across different channels. At the same time, as the global economy experiences turbulence, business leaders need to unlock new areas of growth through modern customer activation strategies.

Across industries, PwC research shows nearly six in 10 consumers feel companies have lost touch with the human elements of customer experience, and businesses are trying to turn the situation around. It is clear that joyful experiences lead to stronger conversion rates, lower churn and higher customer lifetime values. Emotionally connected customers provide twice as much lifetime value to companies than those who are highly satisfied, according to Harvard Business Review. Crucially, such connected customers exhibit less price sensitivity, are more engaged with brand communications and buy more often.

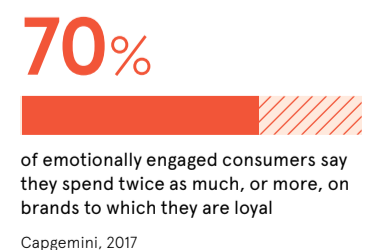
## WHY CHANGE NOW?



HBR, 2015



Forrester, 2021



Cappgemini, 2017

Companies are being held back in their change efforts by several core factors. "The first problem for many businesses is that they have become stuck in the information. Despite massive innovation in data warehouses, analytics tools and data standardisation, the tech is generally not built for the creation of joyful experiences," says Adriana Gil Miner, chief marketing officer at the customer activation platform Iterable.

Brands have also seen the customer engagement landscape shift endlessly as the variety of channels used, from websites to apps, emails to social media sites, expands. For many brands, the struggle to convert the mass of data points on these different channels into desirable experiences is a problem that has worsened as customers expect ever more from digital interactions following two years of the coronavirus pandemic.

"With the digital acceleration, each brand channel has gone from complementing the brand experience to being the brand experience," explains Gil Miner. "Companies have treated every channel as its own world, with its own rules, capabilities and data. This is a mistake. No matter the channel, it is the same customer wanting to experience the same brand."

This mismatched effort has been exacerbated by a growing array of corporate systems. Legacy technology, built before the advent of smartphones, has led many marketers to assume their customer relationship management technology cannot be updated to meet their changed needs. As a result, so-called "frankenstacks" of solutions used for different purposes are being piled on top of each other, resulting in what is, in effect, a monstrosity of technology that fails to unite. Such is the level of confusion that a Gartner study shows only 58% of marketers' tech capabilities is normally used.

"This unhealthy scenario means it is nearly impossible for those brands to create joyful, relevant experiences," Gil Miner notes. "Without that positive emotional connection wherever the customer is, there is low retention, decreased customer engagement and lost revenue."

There are far better ways to go about creating joyful experiences. They involve moving towards harmonised, individualised and dynamic communications with customers. This means interactions must be cross-channel and coordinated across all touchpoints, from marketing promotions to customer service and transactional communications. Brands also need to better predict and anticipate customer needs by using data and AI to deliver highly-personalised communications.



**“Without a positive emotional connection wherever the customer is, there is low retention, decreased customer engagement and lost revenue**

Lastly, brands must approach marketing with a service mentality of always-on, adaptive journeys, so they rapidly adapt to customer behaviour and changing preferences.

"This should be a top priority for brands and the first step is trading in the disparate legacy systems," explains Gil Miner. "Then they can move to cloud-based, flexible, no-code and automated tools, which draw in data from multiple sources, in a privacy-compliant manner and enable effective experiences to be orchestrated across channels."

Such consistently positive brand experience across every channel is particularly important given that 83% of emotionally engaged customers want multiple ways to interact with the

companies they buy from, according to Capgemini research. Simultaneously, personalising those interactions is essential given eight in 10 highly emotionally engaged consumers expect brands to know their individual preferences. Meanwhile, experiences can be made more dynamic, a crucial step given that McKinsey research shows 59% of consumers expect timely communications from brands at key moments.

Marketing technology leaders are abandoning best-of-breed approaches en masse in favour of single vendors with interconnected, integrated stack capabilities. Many are turning to the Iterable system, which is a customer activation platform that delivers unified customer experiences and allows users to create, optimise and measure every interaction across entire customer journeys. Marketing professionals use the intuitive interface for cross-channel journey orchestration across email, mobile, text message and web, with flexibility and scalability, and AI that understands users holistically to inform powerful decision-making.

Among those using Iterable are the makers of the mental health brand Calm, which can now systematically engage millions of customers on an individual level while adapting to the ebbs and flows of customers' stress levels during these uncertain times. Meanwhile, Fiit, a UK-based

subscription fitness app offering on-demand workout classes, uses Iterable to test push email and in-app content to boost its conversions of free trials to subscriptions. Elsewhere, Spain-based Dgtl Fundraising uses Brand Affinity, an intelligent personalisation solution powered by Iterable AI, to identify and segment potential donors based on cross-channel engagement signals.

Businesses face growing expectations from customers, who they must positively engage via an ever-expanding and increasingly complex array of channels. Given companies' disparate systems, masses of data, limited resources and enormous pressure to make key marketing campaigns deliver success, many are turning to automated, future-ready systems that deliver consistently joyful experiences across channels. This move will be essential to them capturing and retaining highly valuable customers.

To find out more about the consistent creation of joyful experiences for customers, visit [iterable.com/thetimes](https://iterable.com/thetimes)



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