

TCS 2019 CMO Study

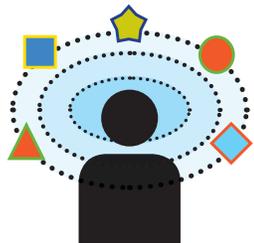
Innovating Brand Experiences Through Digital Transformation

The CMO Challenge: **CREATE AN EXTRAORDINARY BRAND EXPERIENCE**

Using Digital Technology to Personalize
Communications and Boost ROI

Announcing the TCS 2019 Chief Marketing Officer Study

By Sunil Karkera

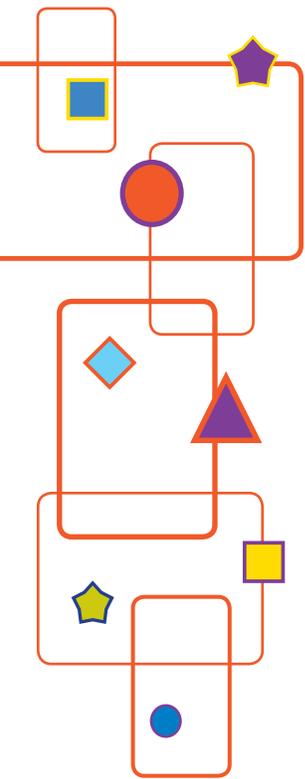


Today's chief marketing officers are under pressure to improve performance with smaller budgets. In the United States, marketing spending as a percentage of revenue across B2C and B2B firms fell from a peak of 11.0% in 2012 to 7.9% in 2018.¹ And that pressure is shortening CMO tenure: In 2016, the average tenure in the U.S. (at 4.1 years) was the shortest of anyone in the C-suite. In comparison, the average chief executive officer was lasting nearly twice as long (at 8 years).

This changing climate for CMOs is being driven by digital technologies, and TCS is taking an in-depth look at the CMO in the digital age with the TCS 2019 Chief Marketing Officer Study. Our goal is to understand how leading companies are using digital technology to dramatically improve the customer brand experience

and increase revenue and retention. Ultimately, we want to help CMOs at large companies in North America and Europe better understand how the most successful marketing functions are harnessing digital technologies to increase revenue, profitability and customer value.

¹ Duke University/Deloitte CMO Survey of 2,796 marketers, published in February 2018, slide 33. <https://cmo.deloitte.com/xc/en/pages/articles/cmo-survey.html#>



From our work with CMOs at many of the world's biggest companies, it's clear that this research couldn't come at a better time.

Our study has been in the research design and planning phase for months, so that we can bring new and important insights to market. In this essay, we give CMOs a sneak preview of the issues that TCS will be exploring when we bring our findings to market in spring of 2019. We predict our research will show many prevailing beliefs about best marketing practices in the digital realm are no longer relevant.

The TCS 2019 CMO study will use the data from the marketing functions of 500 CMOs in North America and Europe to show how they are using, or planning to use, digital technologies to personalize customer communications and increase revenue, profitability and customer value.

Digital Everywhere

The stark reality for CMOs today is this: Digital technology is now at the core of marketing, and many—but not all—once-sacrosanct marketing practices are being reevaluated.

The demands on the CMO role have also increased sharply because digital technology now permeates nearly every aspect of what marketing departments do. Even the creative side of marketing is being influenced by digital technology. For example, artificial intelligence technologies are used increasingly to help marketers ferret crucial real-time insights and analytics about customer needs, wants and behaviors.

Many traditional marketing investments are now impediments to attracting and retaining profitable customers, including:

- Marketing budgets spent simply to create awareness of an organization's products and services
- Campaigns personalizing communications at the segment (not individual) level
- Boundaries separating marketers from sales and post-sale service

TCS 2019 CMO Study Preview

This study explores how the marketing functions of 500 CMOs in North America and Europe are using digital technologies to personalize communications to prospective and existing customers—all with the goal of converting prospects to customers, and new customers to loyal customers. The study examines consumer marketers (B2B2C companies that sell products and services to wholesalers and retailers before they end up in consumers' hands).

We will look at the communications activities of such B2C, B2B and B2B2C companies in four generic stages of the customer lifecycle—stages that apply to all companies, product and service alike:

- Create awareness
- Influence decision to buy
- Post-sale customer support (including contact center and social media responses)
- Nurture repeat and new purchases by current customers

Customer Lifecycle

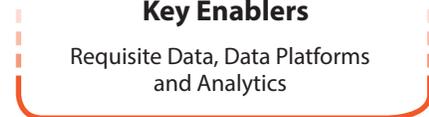
Pre-Sale



Post-Sale



Key Enablers



Dimensions of Personalization

- Relevant product/service information
- Special offers (deals and pricing)
- Graphic design elements
- Videos
- Interactive experience (with product visualization on customer's premises)
- Order status information
- Purchase recommendations

Communications Channels

Digital

- Search ads
- Social Media
- Ecommerce site ads
- Email
- Company mobile app
- Mobile app ads
- Smart speaker device
- Wearable device ad (like on an Apple watch)

Non-digital

- Direct mail
- Broadcast media ads
- Print media ads
- Events/seminars
- Contact center
- Billboards

YOU'LL DISCOVER THE MOST RECENT DATA ON THESE IMPORTANT TOPICS:

The New and Evolving Digital Brand Experience

- What communications channels are companies favoring in each of the four stages, and do they differ by industry, product and service type or other factors?
- How are companies personalizing their communications in these stages, and what data and tools are they using to do so?
- Does using more channels and having more data lead to better personalization? And does better personalization lead to better conversions, lower customer churn, and greater repeat purchases and profitability?
- What metrics are marketers using to gauge their performance? How accurate are those metrics?
- To what degree are marketing functions involved in creating communications across all four generic stages in the customer experience? (For example, are communications in post-sale customer service off-limits to most marketing functions?)

Marketing's Work with Other Customer- and Non-Customer-Facing Functions

- Marketing functions increasingly are sitting on powerful data about customers and their purchasing behaviors, wants and needs. But to what degree are marketers supplying data and insights to sales, customer service, R&D and IT? And are these other functions actually using and getting value from the data?

What Skills Marketing Functions Need Today

- What skills are important, and where are some of the biggest skill gaps?

Automating and Technology in Marketing

- How much of marketing's activities are automated today? How do CMOs expect this change in the near future? In short, how much marketing activity do CMOs believe can be automated vs. done manually, as they've always been done?
- How complex has the average CMO's "marketing stack" of technologies become? (One estimate is that there are nearly 7,000 marketing software packages from more than 6,000 companies on the market today.) Has a big stack of marketing technologies become an asset or liability to marketing innovation?
- How are CMOs using analytics in each stage? Are they using it in one stage more than the others? And are they using analytics to understand the behavior of every customer across their lifecycle as a customer?

What the Most Successful Digital Marketers Do Differently

- How do the most and least effective marketing organizations differ on these topics? In particular, how do they differ in the way they personalize communications—and with what data and using what channels? And how much are marketers reaching out beyond their traditional "awareness creation" role to playing a crucial role in sales, customer service, and product enhancement and development?
- Do companies differ in how they approach consumer privacy and sharing data?

Next Steps: Stay Tuned to This Digital Channel

Over the next few months, we will be collecting input and analyzing data, and we'll provide regular insights on the issues above in several formats. These insights will offer powerful takeaways for CMOs everywhere who want to launch more successful marketing campaigns,

tie marketing to revenue, help their companies gain market share, and continue marketing's path in becoming a crucial resource for their organization's sales, customer service, product development, finance and IT functions.

To receive the report and other related updates as soon as they are published, click here.

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