

Chief Marketing & Sales Officer Forum

Putting marketing ROI in the driver's seat

McKinsey partner, Roxane Divol, interviews Michael Lazerow, CMO of Salesforce Marketing Cloud and founder of Buddy Media, about the role of the CMO and how the science of ROI is driving marketing.

Using the cloud to create a complete picture of the customer

“In September at Dreamforce, we launched the Marketing Cloud as the world’s first unified, cloud-based social marketing suite. Marketers want the ability to do all of their social marketing through a single platform. The Marketing Cloud includes the number-one social listening application, Salesforce Radian6, the number-one publishing application, Salesforce Buddy Media, and the number-one social advertising application, Social.com, to create a platform that now serves 55 percent of Fortune 100 companies. Marketing Cloud has become one of Salesforce’s six major product lines, allowing our customers to fully engage with their customers, in addition to marketing to them and servicing them, all through a unified platform. Now we’re able to help companies use less to do a lot more and grow their businesses around people.

“It comes down to a greater ability to act. For example, we’ve listened to consumer online buzz for the last seven years using various technologies. But when you bring it all together, that’s where the magic happens. That’s what allows you to turn the insight around who’s talking, where they’re talking, and what they’re saying into action. Integration is what enables the people perspective—the idea that a person is not a cookie, not an e-mail address, not a mobile phone number, but a person—by facilitating a company’s engagement with their customers across sales, service, and marketing. That’s a huge differentiator, and no one else is doing it.”

The two main drivers behind social media marketing success

“The first is the organizational commitment that this is the right thing to do. There was a time when this was a bigger leap of faith, but now that there are significant case studies around ROI, I think it’s easier for companies to make the serious investment. The second driver is a structure that facilitates internal collaboration. Companies with a flatter structure might find this task easier, since they tend to foster openness and trust. A company can’t completely control what its customers buy, what the press writes about it, or the way governments tax or regulate it. It can, however, encourage its employees to interface more seamlessly across departments—and this is critical to social media marketing success.”

The 50-50 creativity-science equation for CMOs

“If we look back just 10 years, the CMO’s job was 90 percent creativity and 10 percent science. I think now we’re at 50-50. It’s not only about great stories, it’s about how you capture all that’s available to you in terms of quantitative and qualitative data and how you use that data to grow the business. Technology and analytics are fundamental to this. These ‘creative types’ who got into marketing because of the art of storytelling are now spending more money on technology than CIOs. The most powerful part of marketing today is data, but it’s also the most misunderstood. One of the big things we’re working on is how to take all of that data and create insight for the business. Think, for example, of the technology we have on the listening side: we can take all of the online mentions of Coca-Cola—millions every month—sort them by location, and then by influence, credibility, and clout. So all of a sudden, those millions of seemingly unrelated mentions have become 4,000 individuals that Coca-Cola really should talk to because they’re influential about the brand.

“‘Stacks’ is the name given to the type of information that is all about a company’s product, the stuff that you bottle and then sell. That’s where marketers used to be 100 percent focused. Now we’re talking about a time horizon that’s longer than a moment. It’s no longer just about that Super Bowl ad, which is the ultimate in this kind of stack technology and media. You create this amazing ad that pretty much runs once and then dies. But then you’re left with the question: ‘How are we going to interact with these customers when they want to engage, and do so on their terms?’ That’s the role of the marketer as journalist, compared with the marketer as artist. Marketing isn’t a moment in time anymore; it’s a long-term engagement. The company itself has to always pay attention, and this is the fundamental addition to the skill set and orientation of the marketing function—from a creative team that ‘launches’ messages to a team of journalists that monitors, reports, and engages. At some point, there will be more journalists working in consumer-focused companies than in news media.”

Using ROI to drive marketing decisions

“Every human interaction costs money, so I think companies will be best served by looking at the probable return on their investments in digital marketing. What is the value of improved customer engagement? If you can use social media to turn moments of customer pain and frustration into moments of glee, you’re well on your way to creating customers for life. This happens to be the name of Salesforce.com’s 13-year-old program that employs a long-term perspective on customer engagement. The upside of social marketing is tremendous, and cost savings has to be seen as part of the equation. Some of our clients have reduced their customer services costs by 44 percent—and the upfront investments don’t have to be astronomical. One client, for instance, identified off-the-shelf technology alternatives that saved them \$8 million per year over custom applications.

“I also see the image of the CMO changing fundamentally. He or she will no longer be the person whose activities are seen as ‘add-on,’ and that have to be tempered in times of budgetary constraints. In crisis moments like these, it’s actually the CMO who is best equipped to deal with change—both now and going forward.”

Founded in 1999, Salesforce.com is a leader in enterprise cloud computing.