

Chief Marketing & Sales Officer Forum

Marketing learns to speak the language of the C-suite

Jonathan Gordon, a McKinsey partner and leader focused on the power of smart analytics to drive growth, talks about the future of marketing with Brian Solis, principal analyst at Altimeter Group and a leading thinker on the impact of social media and disruptive technology on business.

Brian Solis: Customers are becoming more demanding, and more connected. As I say in my upcoming book, *What's the Future of Business*, instead of purely reacting to this different breed of customer, companies need to evolve their business, philosophy, and infrastructure to create customer experiences around very specific moments of truth. Thinking of this as a decision journey gives marketers a better way to in turn make decisions around resource allocation, marketing spend and overall significance in each moment.

Jonathan: The whole idea of moments of truth really resonates with me. It's a thoughtful view of the customer decision journey where you can say that there are certain events where "Here's when it really matters," or "Here's when you're going to succeed or fail." The challenge for marketers - and brands in general - is that in some industries, those moments of truth are often disappointments in service delivery or other situations where the brand has let them down.

Making analytics the language of the C-suite

Brian: I think part of the challenge in marketing now is that you have social media champions within the organization today who've started a bottom-up effort to transform their businesses, but few of them have the momentum to break through the "glass" ceiling and get to the C-suite, where most of them don't use this stuff any way. So for them to understand the future of their business from a social media perspective is rather difficult. I've stopped talking about social media's impact and started talking instead about the way digital technology is changing the entire customer journey. Once you start speaking the language of the C-suite and show how channel usage is evolving toward social media, they begin to get it.

Jonathan: There is a disconnect between more seasoned executives who have never really done digital marketing and younger marketers who've grown up with it. Rather than talk about social media, which sounds like sort of a buzzword, I've taken to calling it "digitized word of mouth," which is a well-established and accepted concept. The difference is that you have to provide metrics that are meaningful

to the C-suite – not just “fans” and “follows” but “sales” and “renewals.” As an example, the board of an insurance company was going to radically cut marketing’s budget because they didn’t understand what it was doing to help the company. The new CMO, however, used advanced analytics to show that marketing was actually driving sales and growth – these are metrics they took real notice of, and they ended up not cutting the budget at all. All these digital interactions with customers have created an incredible amount of rich data that actually allow marketers for the first time to provide hard facts about marketing’s impact.

Brian: Those analytics can be incredibly powerful but having impact can be a different story. It’s often that a team of analysts pour over data to deliver binders full of analysis, only to learn that they’re shelved and confined to a lifetime of collecting dust. Now comes a new breed of analytics that provide rich and visual reports, but these are too are at risk of collecting dust. What’s missing is the “human algorithm,” the connection between data, people, and trends that’s presented in a tangible and visceral way to help executives make decisions.

Jonathan: You’re right. In many ways, data is a communications issue. Too often analytics is so dense that executives just don’t have the time to wade through it. At the same time, despite what the data often says, CMOs still think in terms of big campaigns of 12 to 18 months that are all about pushing the message out, where turning up the volume is too often the first response to a disappointing audience response. Given the rapid give and take of customer interactions, and the need for rapid response to optimize programs, campaign lengths will shrink significantly. You can see how digital tools have changed the way we work as a business team and how consumers behave. However, we retain the same old belief in big campaigns and old-school creative marketing. The basic marketing model is still mostly a twist on the 1950s model.

Building a “circle of innovation” for the C-suite

Brian: Getting to the C-suite is so important now because the ground we’re standing on is changing pretty dramatically. Many companies are going to need a new hired gun to come in and help the C-suite adapt at a much more rapid pace than they have so far. I almost wonder if somebody just needs to come up and be like the Chuck Norris of the executive suite and say, “Okay, everybody. This is what’s going on, and this is what we need to do about it.”

At the same time, the future of marketing is in the hands of people who don’t necessarily understand all the various customer relationships elements and how they tie into every part of the business. And this is why social media can’t solve it alone, because the social media team today is just another silo, and marketing and customer service are no longer just departments. This is now a way of everyday business and organizations need to create a circle of innovation at the executive level that reports specifically to the C-suite about how to manage these new opportunities.

What does “Marketing” mean?

Jonathan: Marketing in the digital age may mean something else entirely. My view is that marketing becomes less about communications and more about total value proposition. We worked with a telecom company to help them understand what was driving demand and customer acquisition. What we discovered through measuring social media was that customer dissatisfaction with the

company's call center was costing the company 8% of its customers a year – essentially offsetting all the acquisitions they were getting from the TV campaign. The answer isn't for marketing to trumpet that the company has good customer service; the answer is to fix customer service. Marketing needs to be about the complete customer experience. Otherwise, it's going to find itself in the very narrow world of communications.

Brian: Absolutely. In this new world marketing and service move beyond departments and into the very fabric of business philosophy. They now become part of this experiential journey where we start to affect every stage of how people are thinking, embracing, and interacting with us. The perfect example is the automobile industry. Most companies are doing amazing things with their car quality, but consumers' top complaint is that they don't like going to the dealership to buy or service their car. There's a disconnect between design, advertising, and the last mile of customer engagement. In this new world, we must repair and design meaningful experiences at every step.

Before you can even get your customer to the first or second moment of truth, peers and competitors are already dissuading them in ways that you don't even know. And the only way to start to change that is to realize that we can't just use marketing to push more people into the funnel. They're actively exploring the experiences of others to help them better understand how to think about you. There are both good and bad experiences for us to learn from and thus we have to source any dissatisfaction, learn from what's positive, and identify new touch points to improve how we design, market, and serve.

Jonathan: Right now, a lot of marketing thinking is around emotional benefits but I wonder whether this is going to get challenged because digital technology can teach us so much about the actual fundamentals of the brand experience as opposed to the finer points of an image.

I think that's a wave that some organizations are going to struggle with, because they've invested a lot into the emotional side of branding. Not to say that that's not important, but it's absolutely not a substitute for a good service experience or a good customer experience more broadly.

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