

# The Agile Enterprise Marketer

*How a tumultuous market and a perplexing organizational workload make the CMO's job more difficult and more important than ever*





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The CMO may be in one of the most demanding situations of anyone in the modern enterprise. They are forced to venture bravely into arguably the most dynamic and unknown of business arenas at the command of an organization who also wants the CMO to avoid risk, measure results, and work in ways that don't rock the boat. The agile enterprise marketer – i.e., the successful CMO – is able to do this expertly. She or he must be 'multi-minded' by providing vision and leadership for the organization, producing the revenue and sales required of them, and taking bold new operational initiatives that show tactical prowess and a keen ability to demonstrate return on marketing investment.

### I. Rude awakenings of the Modern CMO

Anne Marie bolts upright in bed, a victim of yet another of her terrible dreams. In this one, she was chasing a river of money into a room with a million doors, many that opened to a bottomless pit. Behind one, she recalls with a shiver, a wickedly laughing man with an accounting hat on condemning Anne Marie to ROI prison for the rest of her life. Behind another door, an avalanche of unopened direct mailers. And a third door only shows the impact of a potentially bad viral marketing campaign.

Unfortunately for Anne Marie and other marketing leaders, the nightmares for the modern CMO are often very real in the waking hours. Today's CMO experiences a constant flow and flux of "rude awakenings," sudden realizations and rapid-fire requests to do something with nothing. In the past 10 years, the marketers' world has changed faster and more dramatically than any other organization within the enterprise. The CMO, as the strategic leader and visionary for marketing, must deal with this hectic environment daily. In fact, it is his or her primary charge to do so.

To say the CMO is only a marketing leader is too small a designation. The organization, particularly in sales, product development, logistics, technology, service – and especially management – look to the CMO for creativity, collaboration and innovation, as well. They "require" the CMO to be the adventurous and daring pioneer into the unknown. "Bring us revenue," "differentiate our brand," "take advantage of new media," and "don't let us be left behind" are the clamors from the organization. They want the CMO to take daring leaps. They want the CMO to be agile, deftly exploring the tumultuous marketing arena.

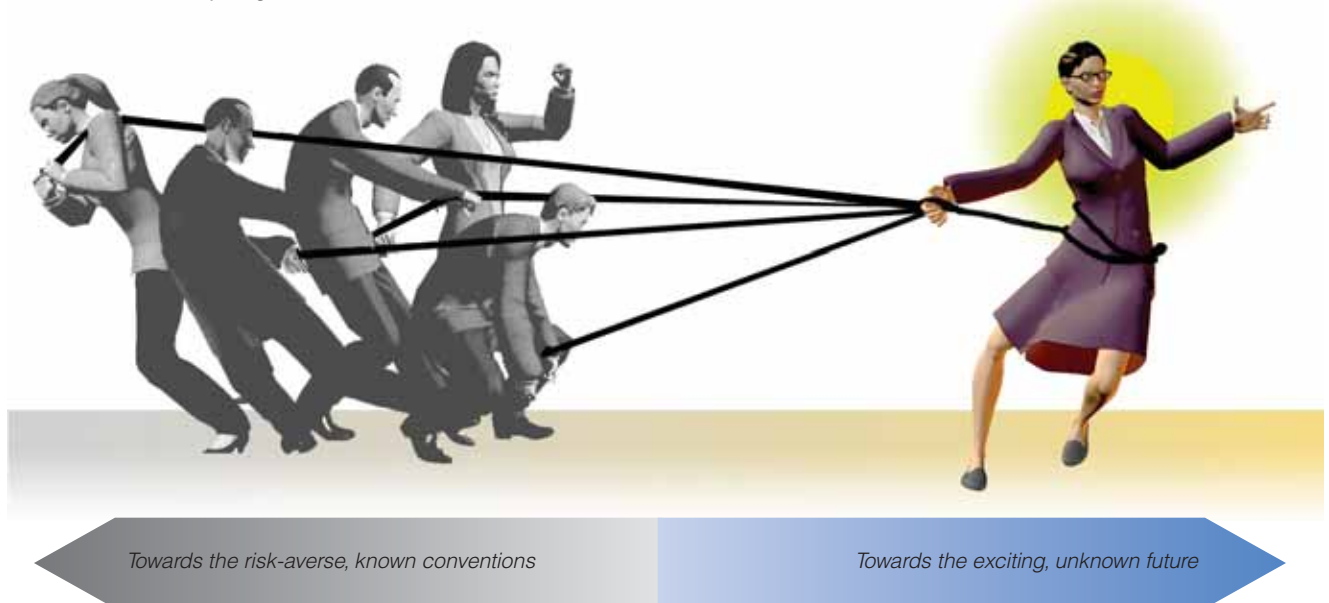
On the other hand, the organization is about minimizing risk, taking only very cautious chances. Most people – and their organizations - prefer change to be slow and well controlled. With this, they task the marketer to “do things our way”, “don’t take any real chances”, and “show us the return in a way we can understand it”. They demand risk aversion while asking for risk. They ask for metrics in emerging media that are difficult at best to measure – even when the data is available. The organization commands a continual paradox. Do things your way, but do things our way.

This paradox creates a perpetual tug-of-war between the CMO and the organization, where the CMO must simultaneously bring the organization into the future while being tethered to the traditional measurements and constraints that the business commands.

***The CMO must boldly lead the organization and explore a faster-changing, unknown world***

*Please drive new revenue,, make us leaders, and differentiate us, but use the same metrics, deliver the same results for the same costs and don't do anything rash.*

*I'll show you the way and make us brilliantly shine, but you're going to have to look at things in a new way.*



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### Highlights

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*The CMO must demonstrate strategic value and economic worth – all while being a good tactical leader as well.*

#### *Rude awakenings, maniacal ravings and other thoughts that stir in the night*

The “rude awakenings” that wake the CMO up at night revolve around this paradox. They manifest themselves in very real and tactical ways. For example, a rude awakening may be how to economically justify social networking initiatives to a conservative CFO or how to devise a communication strategy that meets both cost reduction and customer experience goals. The CMO may deal with issues like these or issues, such as the following:

- I have a new product to launch and lack the funds to do traditional media. What can I use that will actually get me results and fast?
- The email and interactive channels seem to get all the glory, but there’s no tie to our bricks and mortar. How do we get that aligned for all of us?
- 16 marketers sending 46 separate messages and 5 mailers. Doesn’t it seem like we may be upsetting and potentially alienating customers? Or at least spending more than we need to?
- I have a tiny budget and stretch goal for acquisition. How am I supposed to achieve that?
- It’s time for the second financial reforecasting budget cut (or the third or fourth) for marketing spending. How can I make these pennies go further?
- I can’t get the data I need to measure my success. Come to think of it, even the metrics to measure my success may not be right.

In the CMO’s mind, the imperative is to make sense of all of the new opportunities while making them fit into a framework where she can prove their strategic and economic worth. In this sense, being a “hype machine”, a cult of personality, or a creative savant is not enough to be a competent CMO. The nature of the organization requires the CMO to be a tactical and operational leader, as well. All in all, this is good business, but it does not make the CMO’s job any easier. Simply put, the successful CMO must be of multiple minds at most times.

At a top-level view, the CMO (and the marketing function in general) have a pretty complex job to start with. Their tasks include:

- Building a brand with powerful corporate and product identities, sometimes bringing together multiple divisions, business units and product lines
- Building awareness among customers and delivering meaningful messages to a marketplace where the average consumer already receives 700 branded marketing messages per day

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### Highlights

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*The CMO needs to balance creativity and operational excellence both personally and from his team in widely varied roles across the organization.*

- Generating revenue, leads, and customers while relying on sales and/or distribution channels to actually close the deal
- Driving competitive differentiation and marketplace leadership, making sure that the company is ahead of, or current with, new opportunities and isn't surprised by competitors trying to do the same
- Being a voice of the customer with a focus on driving engagement, advocacy and loyalty, but with no control of product quality, service interactions, or countless other factors that affect the customer experience

These types of job responsibilities make the CMO utilize the creative side of his or her mind, in an effort to find new opportunities and drive competitive differentiation. The organization, though, adds an additional set of job responsibilities to the CMO's workload that have many different but equally complex objectives:

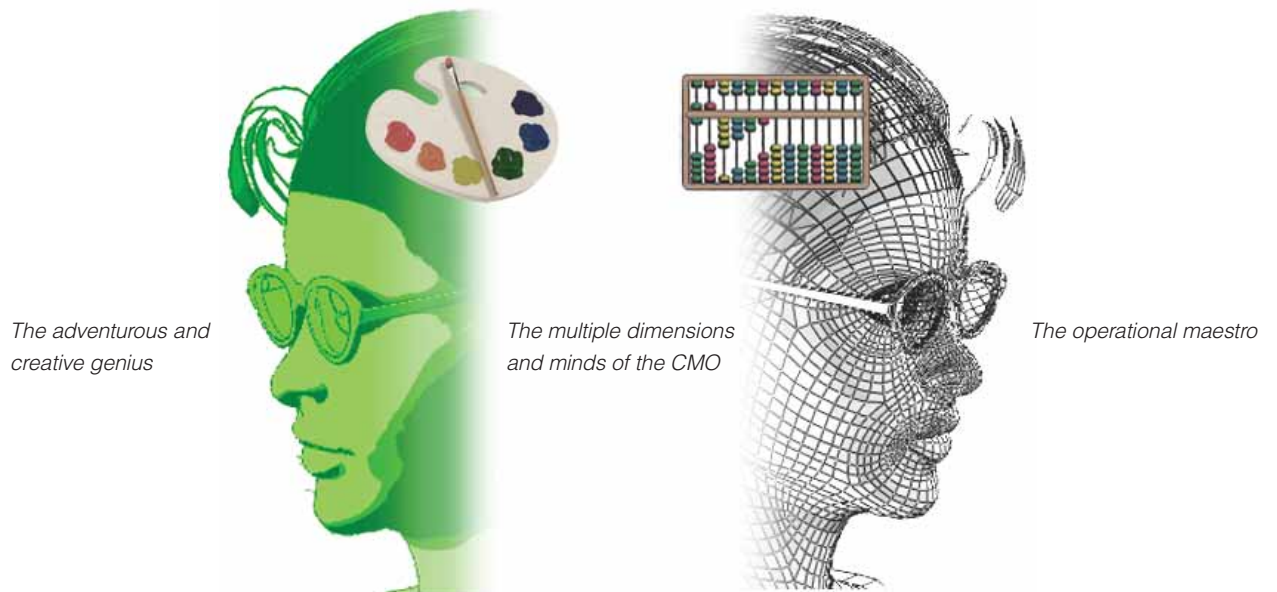
- Demonstrating campaign and marketing performance, often at a transactional level for marketing activities that are as diverse as TV commercials, golf sponsorships, reward programs, or data analysis initiatives
- Taking strict financial accountability for the marketing investment and demonstrating ROI on marketing activities
- Mandating reduction in marketing expenses and resources while requiring increased results
- Splitting, diverting or double-counting credit with sales and other departments who benefit from marketing

Further complicating matters is the relative enigma surrounding the job itself. Considered a relatively new role within the organization, CMOs don't always share the same levels of authority or expectations as other C-level leaders. While the CMO wants to be asked to the boardroom, many find they are pigeonholed as misunderstood tacticians with relatively narrow skills. This is likely the reason why long-term CMO tenure and position stability is difficult. Industry sources estimate that the average CMO tenure is between 23-38 months'. The CMO's role may be hard to define, and it is often expanding to cover an ever increasing number of functional and tactical areas of the business. Some of these even include "hidden" responsibilities that do not seem like marketing at all, such as operational coordination between functional groups and accountability for data quality.

***The Hyper-Dimensional Multi-Mind***

To be successful in a multitude of roles with competing objectives and serving many masters, the CMO must be able to have multiple minds. In other words, the CMO must be able to think among many different dimensions, and then coordinate and reconcile those different 'thought paths' into one cohesive line of action.

*The modern CMO must retain the ability to think creatively and emotively about the big picture, but must also be an operational expert and competent leader*



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### Highlights

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*The CMO must master the operational components of the organization exceptionally well – managing resources, data, new/emerging media, content and technologies to deliver tangible results.*

At its simplest, the multi-minded CMO must actively engage in two very different mindsets. The first is the adventurous and creative genius, who must have an eye for visuals, language, and style. They must be able to view the business from the perspective of the customer, understanding how the brand and product fit in with people's lives and the competitive landscape. They must take the pulse of the marketplace and identify the new trends and opportunities before they are widely adopted or proven. They must be able to apply the unknown to the business model and persuade others to take a leap for the benefit of the enterprise.

The other mindset, often the "unsung hero," is that of the operational maestro. This mindset must understand how tactics such as communications, data, resources, and investments come together to meet specific marketing and business objectives. They must state marketing activities in terms that other business people can understand, often using the language of financial return on investment. They must speak in the business context on how marketing impacts and integrates with other business units, such as sales, product development and senior management. They must coordinate the activities of many people, processes and technologies to deliver the promise and actual components of marketing. This resource management is now critical to success. Perhaps most importantly, they must be able to build consensus and provide leadership to the organization as they pioneer into unexplored marketing avenues.

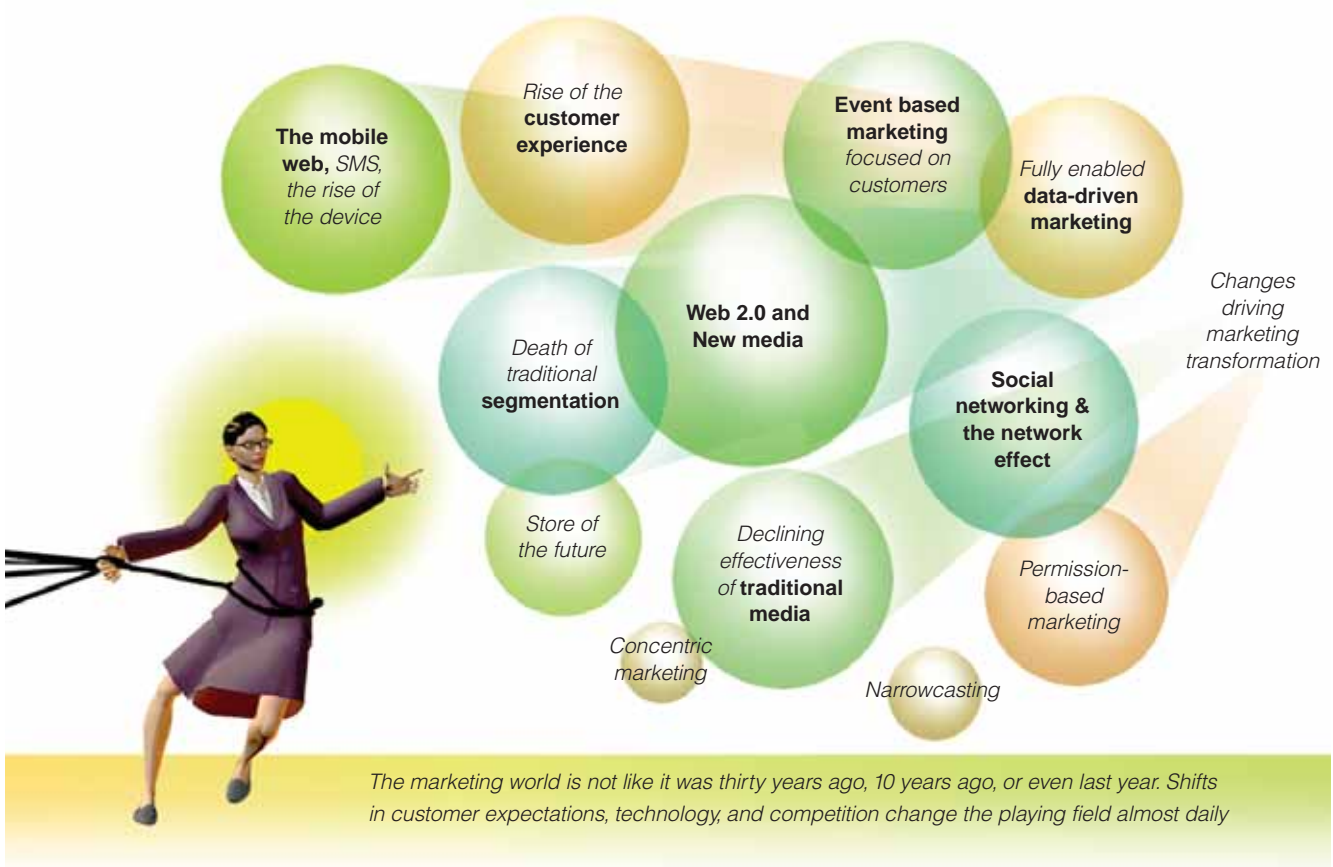
The melding of these minds is not easy, but is critical to success. Of course, thinking in a new way is just the start. The successful CMO will manifest their multi-mind through action and their ability to enable action in others. We call this manifestation agile marketing – that ability to embrace and seamlessly incorporate change into creative and operational management functions.



## II. Putting Agile Marketing to work on today's new opportunities

The marketing opportunities (indeed, business opportunities) emerging today present no shortage of intrigue and challenge. To some marketing organizations and CMOs they will be rude awakenings that cause more strife than anything. For others – for those agile marketers - they will present provocative, fertile opportunities to build competitive advantage and new customer relationships.

*Rude awakenings or powerful opportunities? New challenges for the CMO.*



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## Highlights

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*The CMO must address customer experience development and improvement, even though much of the experience generally occurs outside of marketing's domain.*

### *Opportunity: Rise of the Customer Experience*

A recent Bain & Co. survey showed that 80 percent of major companies believe they deliver a “superior experience” to customers. This sunny perspective is encouraging, but when the customers of the same companies were asked about their experiences, only 8 percent agreed<sup>ii</sup>. IBM has recently conducted customer experience research in the banking, insurance and retail industries with similar results. The majority of customers, often as many as 4 to 1, are either antagonistic or apathetic towards the companies with whom they interact.<sup>iii</sup>

This can be grim news for the marketer who may spend millions on brand marketing, advertising, and campaigns trying to recruit customers into a bad experience. On top of that, the dissatisfied customers act as their own anti-marketing campaign, informing their friends of their bad experiences. Bad experiences, given notoriety by angry customers, can become their own powerful identities that can counter even the most effective, positive, brand messages. The power of social networking disseminates this kind of bad press with nearly mind-boggling speed.

The customer experience often itself resides out of marketing's control. While many of the most visible experiences are delivered in the name of marketing (e.g., ads, direct mail), the bulk of experiences happen post-marketing and relate to: sales; product delivery; product quality; returns; and product repair and replacement. At the same time, marketing is often tagged with the responsibility of shaping customer attitudes towards a company and is asked to repair the damage. Done poorly, this task puts the company in double jeopardy. Marketing floods the marketplace with brand communications about good experiences (one of the few tools they may have) while the company continues to deliver bad ones. Not only does this make the company seem deceitful or diabolical, it is also the exact action that makes consumers distrust marketing messages to begin with.

On the upside, a good customer experience can be a powerful differentiator. While most companies struggle with price, product features, or channel plays, those that deliver the right experiences at the right time stand to build customer advocacy that often transcends price or place.

As any customer experience problem or opportunity extends beyond the marketing department, the CMO must bring multiple competencies to bear on the issue.

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### Highlights

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*A CMO must carefully determine where and when his input into the customer experience would be most valuable, focusing most on those areas within the scope of his control.*

Some of the actions the CMO must consider include:

**Becoming a megaphone for the ‘voice of the customer’:** The CMO should advocate for and champion the customer experience within the enterprise. The CMO should show a vision and plan for how the customer experience can be changed. The CMO should also understand and communicate breakthroughs and new opportunities in customer experience management. Such breakthroughs and opportunities might include new research techniques (such as advocacy metrics), new design techniques (such as moment of truth analysis), and new modes of operation (such as using new media in creative ways).

**Leading and coordinating the customer experience:** The CMO will need to involve other functional and divisional leaders in making real change in the customer experience. In this sense, the CMO needs to demonstrate strategic thinking, persuasive leadership, and skilled coordination.

**Taking care of marketing’s role in the customer experience:** As ‘owner’ of many of the key interactions in the customer experience, the CMO has many opportunities to control the customer’s experience within the purview of her own department and initiatives. Agile marketers need to understand that the customer’s experience is affected by the communications they receive (whether TV ads, direct mail, web experience or sales calls) and that each of these interactions contributes to the overall attitudes customers harbor.

The CMO should be cautious as to how much of the customer experience belongs in their workload. Taking on certain pieces may prove to be outside the scope of their control. At a minimum, they should at least provide direction and leadership for the customer experience. Using advanced techniques, such as more sophisticated and operational customer segmentations, event-driven marketing strategies, and new media are some of the ways marketing can improve its own role and performance in the customer experience.

*Opportunity: The Death of Segmentation (as we know it)*

The old marketing method of blasting a message out there and seeing what comes back is already so tired that many consumers now go through great efforts to avoid those messages whenever they can. The average customer views nearly a thousand marketing messages a day, yet engages in only a handful of buying experiences. Some of the worst perpetrators include auto and insurance

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## Highlights

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*Traditional segmentation is not suitable to emerging media, and is often not “customer experience friendly.” Given the transparency of customer experiences using new media, customers who heavily influence others, but may not buy much are often undervalued. Customers who buy, but do not add to the community may be overvalued.*

companies, who saturate the media with unrelenting brand marketing messages despite having a consumer base with purchasing episodes that average years apart. Worse, these companies often have some of the best knowledge of who their customers are and when they are ready to buy.

Traditional segmentation is meant to alleviate some of the randomness of brand marketing, but has it done so effectively? The traditional marketing method often goes like this:

- **Step 1:** Define what we believe the client might want based largely on products they already have (or do not have) and on the segment to which they “belong”.
- **Step 2:** Make “unsolicited” offers for the “next best product” to clients en-mass or to those that have been identified as having a high propensity to accept the offer.
- **Step 3:** Increase the efficiency and volume of campaigns to customers in an effort to achieve conversion or revenue targets.

Methods like these will continue to become less important and less effective in the future. Besides being wasteful and potentially damaging to the customer experience, the goals often focus on the wrong metrics. Many of the traditional segmentation schemes work for management reporting, but not agile marketing. However, adding much needed granularity without really driving the criteria for how it ties into increased performance may lead down the “rabbit hole” of potentially having too many segments that do too little. Listed below are some of the common traditional means of segmentation and their issues:

**Tier based segments:** Provides a historical view generally based on frequency. Beyond the top deciles, there is very little separation in customer values to pursue effective marketing efforts.

**RFM analysis:** Provides a score, not a future prediction. Often results in “hounding” the best customers, and decreasing profitability with low-return investments not targeted to customer needs or timing.

**Product/service bundle based segments:** Frequently misses opportunities for integrated marketing and bundling, does not address differing needs for customers across their lifecycle. Frequently seen in siloed organizations, where one marketing arm may be disconnected from the other.

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### Highlights

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*Event based marketing uses an operational approach to marketing segmentation, enabling a real-time, customer relevant dialogue.*

**Customer Lifetime Value:** This metric is invaluable in understanding and prioritizing customers, but may be less useful in executing campaigns. It provides value segments for use in campaign and service differentiation but only if all the potential vectors are combined to one value and segment history predicts future behavior.

The shortcomings of traditional methods, both of segmentation and marketing tactics themselves, compel the agile CMO to define new segmentation techniques and tools. New techniques are suited for their explicit purpose, meaning the segmentation (or profiling or persona-building) that is used for management reporting is not the same that is used to design messaging, or the same analysis used to understand customer value is not the same that may be used to define offerings. Agile marketers can correlate and aggregate to an executive level of segments, but the tactical approaches are “fit for purpose.” New techniques are also more specific to buying episodes and purchasing behavior, accounting for customer lifecycles and more nuanced customer profiles. They are predictive and reactive, reflecting sophistication in the data, knowledge, and tools used to enable their creation.

A new view on segmentation is only part of the picture. This new view has to be applied to the ways in which marketers communicate to, and interact with customers. Some of the newer techniques in this realm include event based marketing (EBM) and changing the ways companies use different channels (such as the web or devices) to interact with customers.

*Opportunity: Event based marketing focused on customers*

If traditional marketing is disconnected from buying episodes and from understanding the customer’s attitudes, event based marketing is nearly the opposite. Event based marketing is a discipline matching customer needs and attitudes with lifecycle information and ultimately purchasing episodes. These events become the basis for marketing activity, either spun predictively by developing a keen understanding of the customer’s lifecycle and delivering communications at a likely event, or reactively by delivering marketing in response to a customer’s immediate interaction.

**Highlights**

*Opportunities for overcommunication are plentiful, turning a potentially healthy marketing dialogue into near customer harassment. EBM focuses on optimizing communications and outcomes based on customer lifecycle, triggers and other dimensions to increase effectiveness.*

The case for event based marketing can usually be found in any marketing department's communication calendar or interaction map. In many companies, marketing outreach happens many times during the month or year per customer. These communications are multiplied by the channels they use (e.g., web, device, phone, TV, mail, etc.), and then added to the array of non-marketing interactions a customer may have (using a product or service, or checking account information). The bulk of interactions can turn a healthy marketing dialog into near customer harassment as the customer is 'touched' hundreds of times over the relationship.

Annual communications portfolio							
Shows and Events Communications	Subscription Communications	Weekly newsletter	Reports published				
<ul style="list-style-type: none"> <li>5 global events</li> <li>5 communications promoting</li> <li>3 additional for attendees</li> <li>15 regional events</li> <li>3 communications promoting</li> <li>3 additional for attendees</li> </ul>	<ul style="list-style-type: none"> <li>1 welcome/thanks</li> <li>12 content (monthly)</li> <li>5 special research</li> <li>4 renewal series</li> <li>1 renewal confirmation</li> <li>3 post renewal non responders</li> <li>Customer Focused OBTM</li> <li>Usage Stimulation</li> </ul>	<ul style="list-style-type: none"> <li>Weekly</li> <li>52 in total</li> </ul>	<ul style="list-style-type: none"> <li>As available</li> <li>25 per month, sent based on selected interests</li> </ul>				
		<table border="1"> <thead> <tr> <th>Product Outreach</th> <th>Interests and Archives</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> <li>every other month</li> <li>case study</li> <li>role based</li> <li>3 role versions</li> <li>18 in total</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>twice monthly</li> <li>content or role based</li> <li>6 versions</li> <li>144 in total</li> </ul> </td> </tr> </tbody> </table>	Product Outreach	Interests and Archives	<ul style="list-style-type: none"> <li>every other month</li> <li>case study</li> <li>role based</li> <li>3 role versions</li> <li>18 in total</li> </ul>	<ul style="list-style-type: none"> <li>twice monthly</li> <li>content or role based</li> <li>6 versions</li> <li>144 in total</li> </ul>	
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130 communications in total, each with the potential to embed one of two offers, 260 distinct communications	25-30 in total, each with potential to embed 1-2 offers, 50-60 distinct communications	Plus service follow-up, account activation and registration, preference and privacy collection, privacy notification, outcalls on bouncebacks among others.					
Over 400 communication events (many with different messages)							

Event based marketing takes a new discipline. It is not just about simply reducing communications (although that sometimes happens) but about making communications more effective. EBM understands that there are multiple moments that offer the potential to communicate with customers - not all of which are sales opportunities. The agile marketer knows that "not selling" can increase customer loyalty and interest in receiving communication and ultimately focus on a strategy for communications that builds relevance and trust to increase loyalty and value.

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### Highlights

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*Use personas as a mechanism to visualize and design customer interactions, connecting engaging messaging and relevant experience steps.*

One technique is to apply a sophisticated lifecycle and lifestyle segmentation scheme to the customer base and create personas. Like segmentation, personas define a group of like customers. They are different, though, in that they define groups by combining event data, econographic data, purchasing lifecycles, customer behavior and shopping patterns whereas traditional segmentation may only consider demographics, firmographics, lifetime value, or product ownership.

The personas are then used as communication planning tools to determine the type of communications and offers, along with their timing, channels, media, and other marketing attributes. These are set as custom communication calendars based on events.

In the responsive model of EBM, customer events are determined near or at the point of interaction. A rules engine (i.e., a software-driven marketing system) evaluates potential customer interactions at the individual level as they occur. If a set of criteria is met, triggers begin the execution of a marketing action. Some of the simplest instances of EBM are basic cross-sell procedures with which every marketer is familiar. For example, a customer buys a new computer online, so the company instantly offers virus support and surge protectors. Others take in multiple indices to attempt to predict more complicated life events. For example, a customer changing insurance beneficiaries, opening a savings account, and increasing credit card volume may signal a life event (such as a new baby) to a financial services provider.

As is the case with customer experience and segmentation activities, the specific strategies for EBM are custom to each and every company. Whereas some companies may find themselves needing to play each and every event as it happens, others may find that their event cycles happen at a different tempo and do not require even modest technology to enable. In all cases, a change in marketers' attitude and a thoughtful strategy is needed to take advantage of the EBM opportunity.











*Opportunity: Web 2.0 and New Media*

In the last decade, the web is arguably the only phenom that has continuously and simultaneously been proclaimed as just starting and already finished. The web is old news, right? Anyone older than a teenager can now remember when the search engine market was already sewn up in the late nineties (then Google came), or how VOIP was labeled dead-on-arrival (it's now a sub-industry itself) or that SMS was just for kids (it's not) or that Wal-Mart and Microsoft were late to the party (they are not now), or that online commerce was a bust (whoops!). The fact is that the internet, new media, and modern communications have such rapid cycles of development and change that it is only natural for us to simultaneously announce one mode of business dead while heralding the next with fear and excitement.



**In eMarketing, a homepage doesn't even scratch the surface**

A collection of web pages, images, videos and other digital assets hosted on a particular domain or subdomain on the World Wide Web.

 <p><b>Email</b></p> <p>A store and forward method of composing, sending, storing and receiving messages over electronic communication systems.</p>	 <p><b>Portals</b></p> <p>A unified, single point of customer access to personally relevant information for each customer, linked from various logically related applications.</p>	 <p><b>Social Networking</b></p> <p>Members invite their personal and extended networks to join a community. A SN Site connects users through core features, relevant discussions, content, and offline social connections.</p>	 <p><b>Viral Marketing</b></p> <p>Using specific tactics that drive peer-to-peer and word of mouth messaging, improving referrals, network building, and recommendations from the best sources: customers.</p>	 <p><b>Search Engine Optimization</b></p> <p>Maximizing the findability of a website or piece of content by ensuring the coding, attributes are optimal for being found &amp; indexed by the algorithms of search engines.</p>
 <p><b>Knowledge bases</b></p> <p>A searchable data-base/repository supporting knowledge sharing with internal/external parties that accesses information based on key words, relevance and privileges.</p>	 <p><b>User Communities</b></p> <p>A central electronic location for users with a common point of interest where they can provide support and share relevant information with each other as a group.</p>	 <p><b>Customer relevant data</b></p> <p>Customer data sources serve as an integral component by providing profile, transaction, behavior, interaction.</p>	 <p><b>Mobile Web</b></p> <p>Access to the World Wide Web from mobile devices such as cell phones, PDAs, and other pocketable gadgets connected to a public network.</p>	 <p><b>Small Message Services</b></p> <p>Chats, Instant Messenger, Texting and alerts delivered as text to chat programs and devices.</p>



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## Highlights

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*Focus on defining these key elements in creating a new media strategy: why would customers want to use social networking tools in your context? Why would you want them to? What is the value of their influence in your social community? How do you maximize it?*

The agile marketer knows that the business strategy around new media must always be looking forward. While few industries must remain on the constant bleeding edge of new technology or networking theory, most companies still have to work hard to stay competitive and many have to take risks to maintain leadership.

Perhaps one of the greatest shortcomings in a company's view of new media may be how they define it. Any company that thinks that they have a website, so they are done has failed to understand what new media is. New media today extends beyond the company's branded website. It includes e-mail, small message services, device access and voice. It may include new online technologies such as chat or VOIP. It may include a new view of content and service provision, as are found on extranets, portals, and customer-specific, data-driven web pages and user generated content.

The most common examples of new media leadership have long been the web-only plays such as Amazon, eBay, or Google who seem to break boundaries daily with their innovative models and technologies. So much, in fact, that leaders at more traditional companies may even wonder how they are relevant to their long-standing traditional businesses. Herein lies an arguably bigger challenge for CMOs of traditional companies: "how do I sort through irrelevant online excursions to create a new media strategy that's right for us?"

Finding the right strategy is not easy. Keeping up sometimes means copying competitors. Consumers now, though, base their expectations on their entire commercial experience. This means that they transfer expectations from one company to another (e.g., applying an expectation they have with their mobile provider to their bank). Every new breakthrough should at least provide pause for consideration in terms of what it will mean to each industry and to each company. For example, small message services seemed like a toy just years ago. Now industries as diverse as travel, banking, telecommunications, and logistics use them in routine customer interactions. Other emerging technologies may have the same fate or end up duds. Only time will tell how profound an impact technology such as ubiquitous GPS or RFIDs will have in the marketer's future toolbox.

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Highlights

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*Create a strategic framework for social and community-based marketing that allows the organization to see the individual goals and interdependencies of the community, supporting technologies and all channels.*

***Opportunity: Social Networking – The agile marketer in the real world***

Simply put, social networking is the affect of people communicating with other people. It is only a remarkable marketing and societal phenomenon when enabled by three profound and powerful modern enablers that put it on super-steroids: 1) the use of the Internet and computing technology to connect people; 2) the ability to send (or reference) massive amounts of multi-media information in an instant; and 3) the acceptance and habituation of consumers to use it. The net effect is that of instant markets and speedy information dissemination that happens in new ways not thought of before.

An easy example is that of the e-mail joke that circulates the globe effortlessly and quickly from people passing it on. More sophisticated examples are the wildly popular social networking sites such as MySpace or YouTube, which connect millions of people trading tomes of content daily. While most companies aren't interested in sending jokes or posting prom pictures, the commercial implications are both impressive and provocative. On the upside, marketers can visualize how a social networking strategy can quickly proliferate a message, pass along recommendations, and create a 'buzz' without any media spend. The downside is that the social network remains beyond the control of any one company, and bad news can spread as quickly as good.

*A "Day in the Life" of Social Networking: Movie Madness*

Shown below is a slightly imaginary series of events that shows how social networking can work from the customer's perspective. Marketers reading this will see how the marketing force here can stimulate, influence and harness this phenomenon. In many ways, this illustrates how the customer experience, sophisticated segmentation, event based marketing, and new media can come together to create an ideal, 'perfect storm' of marketing effectiveness.

1. Lee sees the preview at the theater



2. Lee downloads the preview and countdown clock at home through MySpace.



3. Lee sends the link to 12 of his friends with a few clicks.



4. Lee is then linked to Ford© comics, collectibles and tickets



5. Four of the twelve friends click, link and buy, and then forward on to their friends



6. At opening night, they compare thoughts and experiences and the next blockbusters they plan to see

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## Highlights

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*Understanding the social visitor's path in the media community and perspective are critical to relationship development – and ultimately, monetization.*

1. **Lee sees the preview at the theater** for a new action-adventure movie about characters he cherishes from childhood. He is excited and needs to know more.
2. **Lee downloads the preview and countdown clock at home through MySpace.** The movie has its own MySpace page with downloads, links and more. The countdown clock is particularly interesting, as it reminds him daily to check back and get more information.
3. **Lee sends the link to 12 of his friends with a few clicks.** It is that easy. Most of his friends have accounts on MySpace already.
4. **Lee is then linked to comics, collectibles and tickets,** all of which he and his friends may buy. In addition, he signs up to win a pick-up truck he's interested in through a cross-promotion with a major auto company.
5. **Four of the twelve friends click, link and buy, and then forward on to their friends** and so the network effect takes place. Lee's initial action spawns 12 messages in the first generation, 38 in the second degree of separation, 168 in the third...
6. **At opening night, they compare thoughts and experiences and the next blockbusters they plan to see.** Lee and his friends (and now many of their friends and their friends' friends) are now engaged with the movie company, the exhibition company, the toy company, the auto company, etc., each with their own profile and prospective commercial relationship.

***Agile Marketers want to know: How much influence does Lee have?***

Lee's network will engage in different ways, expanding a new meta-community in ways that are traceable to Lee. Most importantly, Lee's network can be qualified according to behavior. Lee's influence can be correlated to profiles and levels of revenue in many ways. Business rules can be written to flag profiles that follow links and take the intended final action, as well as important steps along the way. Each profile can be quantified and used to build a revenue model associated with certain behavior and usage patterns. Certain profiles can then be tracked and webpage content can be modified in real time.

The agile marketer will also need to know how to maximize the opportunity. In this example, the movie company can maximize Lee's influence by mapping and applying business rules to the network as it grows, changes, and generates revenue. By carefully mapping the events tied to each touchpoint, downstream revenue can be projected as profiles are tracked and connected at key decision points. Moments of truth (i.e., critical points in determining Lee's attitudes) that engage and drive purchase decisions can be created and tracked.

***Looking through the other side***

To better illustrate the power in the story above, it is useful to see the marketer's tale. Illustrated below is a "day in the life" of Catherine, a savvy marketing manager for the movie who understands the social networking opportunity and how it integrates into an overall marketing strategy.

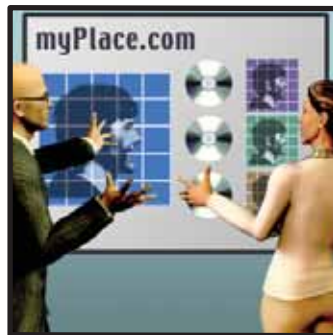
1. Catherine reviews marketing analytics generated overnight:



2. Catherine and marketing team strategize



3. Team discusses DVD cross-sell by segment



4. Catherine finishes the marketing plan based on profile



- 1. Catherine reviews marketing analytics generated overnight:** Catherine starts the day by reviewing the page performance and makes decisions to tweak one business rule on promotions – the numbers show more revenue generation than expected. She makes a note to discuss several unexpected numbers regarding how the networks are leading people to the company's other films.
- 2. Catherine and marketing team strategize:** Catherine meets with other marketers to "level set" across advertising, web, merchandising and PR. During the meeting Catherine gets an automatic update via her Blackberry – the movie's MySpace page now has 300,000+ friends.

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### Highlights

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*New analytics tools and approaches that combine online, offline, customer centric profile and transactional data are emerging to make web analytics more robust than ever.*

- 3. Team discusses DVD cross-sell by segment:** A critical issue for the marketing team is developing a comprehensive view of the movie audience to target for DVD sales. Cross channel analysis and promotional coordination will be based on integrated data.
- 4. Catherine finishes the marketing plan based on profile:** After the meeting, Catherine finishes developing a marketing plan for Lee's profile. She wants Lee to share his experiences with others – and do so as early on in the cycle as possible.

Marketers in Catherine's position need to know what they are willing to invest to establish the right network. Each network has one or more "mavens" (i.e. knowledgeable people who express authority on certain subjects) and "connectors" (i.e., people who know and interlink many people)<sup>6</sup>. These people are many times the same person in some social networks. Given business rules associated with certain profiles of these critical individuals, a net present value (NPV) can be calculated. That NPV can be dynamically updated given how the profile changes with time. A total NPV and investment threshold can be calculated to determine the value of the network.

Catherine must also know how to 'identify' Lee, and once she does, she can use him again as a "Friend of the company". Lee's usage patterns can quickly and dynamically identify 'Lee' as a new user if tracked correctly. The business rules can and should be modified as profile behavior changes take place. For example, if Lee's network breaks a certain threshold of connections and activities reflecting a certain level of purchase intent this might indicate adjustments needed in promotions. For example, emerging patterns in DVD purchases from the company site might lead Catherine to change the business rules in the campaign. Cementing a broader relationship requires a carefully crafted method of engaging Lee that takes him to and successfully engages him in other areas of the movie company's (and the holding company's) business.

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### Highlights

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*CMOs need a model that can manage the duality of the organization – strategy and operations – as well as effectively leveraging all the resources within their purview.*

Social networking and this example in particular, is just a mere illustration of the brave new world the multi-minded, agile CMO must understand. Not all companies will be interested in peer networking sites such as MySpace, but all companies must understand how the modern era changes consumer behavior and must ultimately modify the behaviors of enterprise marketing leaders. In Catherine's case, the combination of customer experience, segmentation, event based marketing, new media, and social networking was an opportunity for leadership. For some of her competitors that missed the boat, this story may resound as a "rude awakening".

### III. A new framework for the Agile Enterprise Marketer

In order for the agile, multi-minded CMO to approach the expanded view and roles required, he or she first needs to adopt a more complete view of the evolving marketing function. This new view takes an updated purview of marketing competencies and capabilities. We've called this the Agile Marketing Maturity Model or AM3. Whereas a traditional view may have been limited to items such as the brand, creative and campaign execution, the new view includes sophisticated attributes of customer management, organizational design and elements and marketing infrastructure. It allows organizations to evaluate what competencies they have, what they need to build out and what needs to be built brand new.

This framework can be used to evaluate, understand, and plan for marketing operations that are forward-looking, flexible, and responsive to both external changes and internal, organizational demands. Below, you see along the top are five new categories of competencies that the CMO should adopt into the marketing organization. Six enablers represent the activities, tools, and structures needed to successfully support, manage and execute the new competencies.

This framework can be used in evaluation and ultimately in planning for marketing strategy implementation and operations. IBM uses this model to assess the maturity of a marketing organization across these dimensions. IBM recently used this model in its own transformation. The mix and level of enablement is different for each industry and company. Many companies will seek to be competitive or obtain leadership levels of enablement in many categories. In most instances, companies will prioritize their maturity goals by strategy, need and investment priorities, choosing a few areas in which to excel while only pursuing relatively competitive levels in others.



Listed at right are general descriptions of the competencies and enablers in the framework in order to provide a top-level understanding of its composition. While this summary gives a flavor for the model, the model itself is both deep and flexible, meaning that its level of detail and specificity can be explored and applied to real-world operations in even the most complex marketing organizations.



New competencies for the agile enterprise marketer include the following:



**Marketing definition and insight:** Capabilities that enable marketers to understand and analyze customers, markets, and programs. These programs include such specific competencies as data analysis, predictive modeling, Voice of the Customer research, advocacy measurement, competitive research, foresight and futurecasting, and media patterning. The insights from these analyses are rapidly, easily and seamlessly applied to all aspects of marketing, from customer experience design to brand creation to performance measurement.



**Strategy and investment prioritization:** More than a financial exercise, the savvy CMO must be able to determine and communicate how and when marketing and customer investments will pay off. This may include the bottom line – profit, the top line – sales, customer experience, customer retention, customer loyalty, net promoter/advocacy scores, share of wallet, diversification including risk prevention, and obsolescence and/or engineered self cannibalization. Very frequently though, these activities lead marketing to need new metrics, new measures and new delivery partnerships. This involves multiple areas of the organization, not the least of these, the CFO team.



**Customer experience and dialogue:** Developing an advocacy-building customer experience and ongoing dialogs to create valuable customer relationships. This capability uses new design and analysis techniques that allow the learnings from Market Definition and Insight to be fully leveraged. Based on the prioritized marketing efforts, we begin the operationalization process – using the brand and organizational strengths matched with customer needs and wants focused on execution. We also determine what capabilities must be built to deliver the desired customer experience. New capabilities may include Moment of Truth analysis, event mapping, interaction mapping, contact strategy, contact rules, customer experience management, and offer management. The customer experience and dialogue discipline extends beyond the reigns of marketing to include multi-channel delivery, often involving the web, stores/branches and contact centers.



**Differentiated marketing execution:** The ability to successfully deploy marketing tactics across channels, media, geographies and segments/ personas, based on the experiences and dialogues. Marketing execution has changed dramatically through the explosion of channels. New capabilities include event based marketing, capacity management, personalization, and profile management. Multi-channel alignment is critical including coordinating the contact center, the web, the branch or store, and the agent/rep/face-to-face channel.



**Business performance management:** A data-driven capability to track operational marketing performance for analysis and decision-making. Measurement must extend beyond the traditional metrics and analyses of campaign response reporting to measurements that align to the business strategy. These include multiple views by function and organizational level. These include measurements such as advocacy, referrals, wallet share and brand, and they include different filters and domains based on dimensions such as campaign, geography, channel, and product. Using a strategy-based dashboard approach allows organizations a leading edge in defining, planning and measuring programs and their impacts.

The enablers that support these competencies include:

**Robust & comprehensive customer data:** Good data is critical to understanding, targeting, and interacting with customers. Smart marketing organizations are now focusing on customer data integration strategies that reconcile customer data across the enterprise through a comprehensive view of the customer. Good customer data sets the foundation for good analytics and performance measurement. This approach to data becomes the lifeblood of good marketing. Data attributes and entities include the customer “header,” audiences and householding, profile and statistics, usage behavior, media behavior, financial measures, privacy, permissions, preferences, social networks, inbound contacts, outbound contacts, billing, surveys, purchased data, and derived data.

**Enterprise marketing management (EMM) tools:** The right toolset enables the marketer to understand their customers, design campaigns, and develop new and unique ways of interaction. The conventional EMM toolkit includes traditional segmentation, lifetime value, predictive modeling, single customer view, marketing resource management, campaign management, optimization, agent interaction tools, email channel management, and integrated dash-boarding. But these tools are almost the ticket to entry. The new EMM toolkit may include more extensive data mining, bots and spiders, scenario modeling and forecasting, and detection tools/rules engines. It also must consider unstructured data analysis (new), enterprise content management, audience management, customer migration tools, web services and customization, and community management.

**Customer focused flexible organization:** The agile CMO must be able to work within the context of a flexible and aligned organizational structure. The organizational model, roles, skills and accountability must be aligned to the business strategy. Marketing must also actively and proactively coordinate and integrate with other functions, including sales and service, as well as external vendors and channel partners. Lastly, programmatic governance is needed to ensure alignment and operational goals are maintained. Attributes and actions include organizational model and style, centralized versus decentralized roles, skills, intra- and inter-function collaboration, education/learning, job movement, rapid redeployments, and vendor and partner integration/extension. Marketing must look at its interactions across the enterprise .

**Brand and creative:** If organization and tools provide the “how” for marketing, brand and creative are often the “what”. The new view of brand and creative extends beyond messages from corporate agencies – just as often now it is coming from customers. Maintaining alignment strategy requires carefully courting the voice of the customer. Customer needs and profiles must be mapped and integral to the brand. The brand itself needs to be steeped into operations, channels, campaigns, and applications. Actions and attributes include content strategy, content development, content management, user-generated content (UGC) infused with the brand. Integrated and or differentiated messaging, style guides, brand standardization across channels, and acceptance of a loss/change of brand control must be considered.

**Customer focused product and price design:** New techniques are used to align product design and pricing strategies with the customer and the business strategy. These techniques include customer driven product development and using new techniques such as conjoint analysis and sensitivity analysis. Customer panels are equipped with improved renderings and conceptual views to bring a customer as close to the idea as possible. Using panels as a means to test products and services that close value denial gaps – as well to identify the appropriate pricing of these services in the eyes of the consumer - is made real and effective through the internet. “Made to order” and “fit for purpose” are the new watchwords. Products themselves are offered and delivered differently, with customization, new features, and bundling. Performance of products is tracked with new metrics and aligned by operational segments. Examinations of product and price design must also include the basics - features/attributes, pricing, continuity, relationship consolidation, “bottom of the pyramid”/“top of the pyramid” analysis, regionalization versus globalization, bundles, and service arrangements.



**Customer lifecycle management:** This discipline shifts the organization's traditional perspective of products and prices to focus on the customer's interactions with the company throughout their entire relationship. Operational segmentation that uses customer touchpoint maps, feedback loops, and multi-channel coordination is the centerpiece for integrated customer communications into lifecycle management. Customer lifecycle management brings the entire suite of enablers together where the rubber meets the road: within the actual interactions with the customer.

This framework provides a comprehensive view and perspective on building and aligning marketing operations, but it is only a tool and a starting point. CMO's will find true success in how the strategies presented here are applied and implemented in the boardroom, through the channels, and in the field. How these perspectives manifest themselves in action is the true test and benchmark of the agile CMO's skills and abilities, and the organization they foster.

### **Conclusion**

If the wild and rapidly shifting marketing landscape and the binds of the internal organization are "nightmares" and "rude awakenings" for the CMO, then it must be time for change. In the new vision (call it a dream, if you will), the CMO is able to boldly leap into, and pioneer the unknown marketplace while creating excitement, confidence, and results in a way that the organization endorses. This new vision is one where the CMO is 'multi-minded', meaning they are able to view the world through different lenses and expand their role in the organization to one of a visionary, strategic thinker, and skillful tactician.

In the new vision, the CMO must still open doors and face bravely the challenges ahead as a leader, ready to show the organization a future that is vibrant, compelling, and as achievable as it is exciting.

### **About the author**

Cristene Gonzalez Wertz has deep marketing strategy, science and transformation experience with over 20 years of business and consulting experience. She has helped companies develop comprehensive solutions to strategic and emerging marketing issues, including development of customer experience and event based marketing. Her hands-on experience includes managing and leading teams charged with the strategy, org design, analytics, databases, marketing process, MRM, campaign planning, execution and performance measurement.

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