

The New Marketing Department

How Big Data is changing the structure of the modern marketing department



By Lisa Arthur
From *Big Data Marketing*

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Marketers take heart. Despite all the changes happening throughout the industry, chief marketing officer (CMO) tenure is on the rise. Back in 2006, CMOs had a super-short shelf-life, averaging only 23 months.¹ Granted, I helped fuel that trend in some of my past CMO gigs, as they seemed to run only 14–24 months, depending on my resolve—or the company’s. But, that was then, and this is now. And yes, I’m pleased to report that CMOs are sticky, once again.

In the past, I was a traditional brand CMO. I helped revamp brand positioning by establishing foundational growth strategies to stimulate revenue and market share leadership.

But more often than not, I lacked the insights and data to be sufficiently data-driven. As a result, I failed to grow beyond the brand role to where my colleagues, managers, and clients could see me as a true revenue contributor for my companies. I struggled to effectively educate my colleagues about the new and broader mission that was emerging for marketing, and I had trouble earning the credibility to make that broader change a reality.

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Today’s modern marketing departments are effective only when they listen to their customers and internal stakeholders and clearly define their missions and contributions. Then, they must measure and communicate those missions and contributions while executing a more compelling customer experience.

The CMO as a Change Agent

Sadly, redefining the role of marketing remains a long, laborious slog for many CMOs. Their departments are still mired in the Dark Ages. Some lack the skills, training, and/or financial resources to move forward.

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For others, the problem seems to be paralysis. After all, most people don’t like change. It seems change always has been, and always will be, associated with anxiety. Throw in the latest hype about whatever new social media platform is poised to rock your world or a benchmark study that implies the competition is sprinting ahead, and it’s easy to understand how fear can keep entire organizations frozen in place.

In his book *Linchpin: Are You Indispensable?*, author and marketing expert Seth Godin explains the evolutionary underpinnings of this fear. He describes the lizard brain, the little and ancient portion of our highly developed gray matter that is hard-wired to take over whenever we sense danger or threat. Our lizard brain is what prevents us from challenging convention in business. It makes us run away from failure rather than embrace and learn from it. It keeps us trapped in the status quo.²

Clearing these stubborn emotional hurdles or bypassing our lizard brains is an important first step in the transformation process. At some point, every marketer must come to terms with the fact that there is no turning back. Survival today depends on accepting change—and success tomorrow will depend on driving change. We’ve reached a point where the marketplace demands a new breed of marketing innovator, someone who’s both tech savvy and a true business leader. But, please don’t misunderstand: No one expects these new marketers to have all the answers. Instead, we need them to envision a different world, both internally and externally, for their teams, their companies, and their customers.

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Our job as leaders is to appeal to our teams' emotions while we guide them on the path to that change. As change agents, we can't merely paint the vision. We must inspire our teams to deliver on that vision, too.³ It is also imperative that we establish a culture of trust—and a culture that accepts a measure of failure. Jeffrey Hayzlett, former CMO of Kodak, talks candidly about the topic of failure whenever he works with CMOs. He encourages failure because without it, innovation and fresh thinking are nearly impossible to cultivate. Hayzlett's mantra is “no one is going to die” if there is a mistake made or a failed program.

Successful companies are headed toward a different world, the Enlightened Age of Data, where traditional brand CMOs and other one-dimensional marketing professionals will struggle to keep a foothold. By contrast, renaissance CMOs know they need help to solve issues posed by big data, process, and technology, and they address these challenges by adding fresh talent and new roles to their teams. Have you noticed an uptick in positions like vice president of CRM, marketing technology, or marketing operations? The titles may vary from company to company, but the gist is the same: The people in these new roles are the ones who will help untangle the big data hairball. They are collaborators who will help their organizations find the actionable insights required to elevate the customer experience and drive business growth.

The Data Scientist

I'm sure you've detected the common thread to all these new and reconfigured roles: They all center on data and technology. Given Gartner's prediction that by 2017 CMOs will be spending more on technology than their counterpart chief information officers (CIOs), is it any wonder? It's also little surprise that we're seeing organizations scramble to find and hire experts who specialize in these fields. Often referred to as data scientists, these new business leaders understand that today, data drives revenue. They're trained in subjects like statistics and advanced predictive analytics, and they have experience working with big data sets. The data scientist is a newer business role, and not every company is lucky enough to have one on board. But just because you haven't worked with one yet, don't make the mistake of thinking data scientists are unicorns, magical creatures that don't exist; nor are they unapproachable IT pros who don white lab coats and work in some ivory tower with their fellow geniuses. In fact, they're just the opposite. Data scientists are team members who can work collaboratively across the enterprise, and according to the Harvard Business Review, they have “the sexiest job in the 21st century.”⁴

Data scientists are leaders who help marketers combine the art of creativity with the science of numbers to drive insight and business results. They understand that marketing operations are strategic, and their job is to determine the qualitative expression of quantitative insights.

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The CMO and CIO Dynamic

We know that customer experience and interactions are the focus in this age of digital disruption. We know that marketing is at the center of helping improve and drive an innovative engagement strategy. And we know that technology is the way we express most business strategy today. It only follows that the CIO and CMO need to be working together, driving change to drive business value.

Fortunately, some companies are beginning to tackle this issue, and a handful of different models are emerging. Currently, we see four distinct alternatives:

1. Unifying CIO and CMO roles
2. The emergence of a chief marketing technologist
3. The dawn of the chief digital officer
4. Collaboration with the chief customer experience officer



Unifying CIO and CMO Roles

Marketing is now a fundamental driver of IT purchasing, and that trend shows no signs of stopping or even slowing down any time soon. As I mentioned, we all know marketing is becoming increasingly technology-based and that harnessing and mastering big data is now key to achieving competitive advantage. In addition, many marketing budgets already are larger and faster growing than IT budgets. So, maybe the CMO and the CIO should be one in the same?

At my company, Teradata, the CIO and the CMO are now unified under one senior level leader. The change is still relatively new, but the intent is to drive a consolidated vision and organization as we continue to evolve our customer and go-to-market experiences. The former CMO of Hyatt, Tom O'Toole, wore both hats from 2006 to 2008. As Hyatt's chief marketing information officer, O'Toole drove the organization to accelerate and innovate its customer experience. He left Hyatt in 2010 to join United Airlines where he currently is the senior vice president of marketing and loyalty programs.

“We can't make assumptions about who is on which screen based on gender, household composition, or even behavioral data.”

The Emergence of a Chief Marketing Technologist

At a Direct Marketing Association (DMA) conference, Tim McGuire, a principal at McKinsey and head of the Consumer Marketing Analytics Center, moderated a 2012 panel that explored how to bring marketing and IT together. In a blog post from December 2012, McGuire wrote about the conference and panel:

“It was great to hear people talking about a range of experiences, from one end of the spectrum, where IT and marketers aren't communicating with each other, to the other end where they both are creating real value. But I was struck by the idea that what companies really need is a new role, such as a Chief Marketing Technology Officer. That's an idea we've heard before, but the need became very clear through the discussion as the panel focusing on the idea of a “bridge” to connect marketing and technology and work in both environments. There can't be a fence between the two organizations, but it's not enough to tear those fences down. Organizations need to build bridges based on people with the talent to operate in both marketing and technology environments.”

I must admit, I think the idea of a chief marketing technologist is a good one. Companies still need strong and focused breadth and storytelling behind their brands, and they also need to accelerate evolving and elevating the customer experience. A chief marketing technologist could partner with a CMO to help marketing express and execute strategies, bridge the divide with IT, and achieve competitive differentiation using technology.

ONE WORD OF CAUTION: If not linked closely with marketing, a chief marketing technologist could represent another silo, and the position may be best filled by a chief customer experience officer, or someone else, who worked closely with and fully understands the customer experience across all channels. In the end, CEOs and the entire C-suite will need to step back, think big, and build the organization they need to capitalize on today's disruptive trends.

The Dawn of the Chief Digital Officer

Given the growing importance of the digital experience and the expertise needed to understand the geeky side of digital marketing—digital marketing attribution, tags, dynamic digital profiles, and so on—companies are testing a new position in the C-suite, the chief digital officer (CDO). These digital gurus understand how to harness data behind social networks, web clicks, and conversions and use it to drive a transformation digital strategy. These strategic, digital savvy, and business-driven leaders have what it takes to help transform traditional businesses into digitally-driven companies.

Traits of a CDO⁶

- Marketing experience
- Management leadership
- Business understanding
- Information background
- Strategic visions
- Technology insight
- Digital expertise
- Global perspective

Where does this position best fit? For some companies, the chief digital officer reports directly to the CEO to drive enterprise-wide change. In others, the position reports to the CMO, yet carries the broad enterprise mission. Either way, the relationship between the CDO and the CMO has to be a two-way street. According to an article by Robert Berkman entitled the “The Emergence of Chief Digital Officers,” media based businesses appear to be particularly enthusiastic about this role, which makes sense given their growing dependence on digital business models.⁷

Collaboration with the Chief Customer Experience Officers

Another organizational alternative is to drive a more matrix-based approach with hardline and dotted-line reporting structures unifying formerly disparate teams. For example, in some companies, IT resources and customer insights departments are now distributed within marketing and other business functions, and they report back to a cross-enterprise team that sits in operations or finance. Eventually, these teams may report to emerging roles like the chief customer officer or the customer experience officer. In fact, one could imagine scenarios where the CMO reports to these executives, as well.

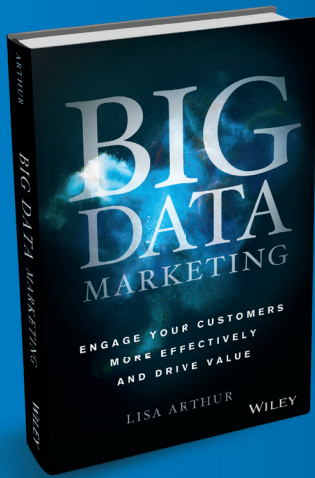
Companies are creating chief customer officers or customer experience officers to focus on the external buyer and work across the enterprise to drive the overall customer experience with a brand’s products and services. These new C-suiters are charged with connecting the dots between the customer and the company, and to succeed, they must work collaboratively to align resources and execute against the broader plan.

The position of the customer experience officer has been embraced by a few firms, including The Washington Post Company, a leading U.S. media outlet, and Merck, a large multinational pharmaceutical company. It appears that more organizations are embracing the chief customer officer position, with companies like Pacific Gas & Electric, MetLife, and Teradata leading the way.

Is Your Organization Ready?

All modern marketing departments share a common foundation; they are grounded in technology, customer experience, and data. Regardless of new titles, these teams have expanded their skill sets and become more externally focused as they apply data and technology to drive growth and value. As a result, modern marketing departments are vibrant and exciting, and the marketers there radiate a new level of confidence now that processes are data-driven.

Is your organization ready for big data marketing? Is it time for you to move out of the Dark Ages and into the Enlightened Age of Data?



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