

The Nine Lives of an Irish CMO

Ogilvy Dublin and Kantar Insights recently concluded a comprehensive study that explores the perennial concerns that Irish CMOs face in creating value for their respective businesses. The work, entitled 'Nine Lives', is an apt title for the challenges facing a profession that has been dramatically redefined over the last decade.

Digital transformation has introduced new opportunities, new responsibilities and new definitions of success. The role that brands play in the lives of consumers has utterly changed, forcing marketers to rethink every aspect of their proposition. Adding to these dynamics, societal issues have prompted consumers to demand more from their brands, raising expectations around social performance.

1. Role of Marketing

It's hardly surprising that the first concern that CMOs express is an existential one. Where does marketing fit and how can it best influence an organisation? The challenge is exacerbated by what CMOs characterise to us as the Marketing Credibility Gap. Nirmla Kumar, from the London Business School captures the essence of the problem when he describes CEOs as being ready to say that the most important challenges are indeed marketing ones, they just don't believe that marketers themselves can actually confront them.

2. Value Creation

And while this attitude may be the reason for the relatively low number of CMOs on company boards, it sets the stark context for the second pressing concern - the challenge of creating a tangible value proposition for the discipline. For designing a marketing operation built around emerging capabilities and skillsets that deliver company growth in very explicit and visible ways.

3. Media Investment

Predictably, the constant challenge of defending media investment looms on every CMO's radar. It is described as an ongoing battle, affected by three factors: (i) retrenchment, where growth is impacted by recessionary pressure, (ii) diversion, where the business needs to invest in new priorities, (iii) market uncertainty, where extenuating factors like COVID present. As one CMO put it, "Marketing is like charity: well-funded in good times; the first to be cut in the bad."

4. Insight

The power of illuminating insight - a fruitful, emotional truth with commercial leverage - is critical to the success of all marketing operations, but getting there seems arbitrary and the result is often variable quality. While insight is not a data point, in an age of unparalleled data proliferation, it is easy to be data-rich and insight-poor. As one CMO put it: "our problem is not an overabundance of data, it is a paucity of hypothesis."

5. Implementation

Marketers worry that creating effective memory structures is essential but hard to do. Evidence from Kantar's databases agrees that the art of branding is very difficult to get right with most brands scoring in the weak to average range. Further evidence suggests that another key metric, linkage, is unrelated to when a brand appears in a marketing communication and that there is little relationship between the number of brand appearances and the branding score itself.

6. Differentiation

Since building successful memory structures can prove to be so elusive, the struggle of whether to focus on salience or differentiation becomes the obvious and immediate next concern for CMOs. Dealing with commodification is a challenge that was expressed virtually universally by our panel. The reality is that with such a profusion of competition, category convergence in every sector is an increasing pressure.

7. Innovation

Innovation generates more failure than success, and CMOs know their processes are often not up to the challenge. The starting point should be a recognition that innovation is hard... but essential. Consider our neighbours in the UK: competition is so fierce in the yoghurt category that if one were to buy every SKU at an average buying frequency, it would take 65 years to get through them all. In a world saturated with choice, innovation needs to offer consumers options that are meaningfully different to the ones they already have.

8. Artificial Intelligence

The eighth concern in the CMO's world presents a philosophical debate. Is artificial intelligence a plug and play incremental investment or is it a transformative agent in the development of a company's value proposition? For many, the challenge lies in fusing human and AI resources into the DNA of a company's organisational design and, as one CMO put it - managing the challenge of balancing artificial intelligence with human intervention.

9. Measurement

Ironically, the Nine Lives end where they began, at the raison d'être of marketing. What value does the discipline create for the organisation and of crucial importance, how does the Board measure that value? Boardrooms everywhere use NPS as an industry standard, but increasingly there's awareness from the marketing community that its utility is circumscribed. It all comes down to knowledge, but what if the future success of the profession hinges on the wrong knowledge?

For more information on "Nine Lives," and strategies to address the challenges raised, contact Jane.Gregory@ogilvy.com and Robin.McGhee@kantar.com