



Conference KeyNotes

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Senior Marketing Executive Conference

Growth through Value Creation: A Roadmap for CMOs & CEOs To Innovate and Lead in This Economy

As a community of business leaders, The Conference Board convenes senior executives to share cutting-edge ideas and best practices. These *Conference KeyNotes* summarize the discussions of the executives who attended the *Senior Marketing Executive Conference* in New York City in November 2009. The views expressed are those of the presenters and participants of the conference.

Key Issues [Page 2](#)

- Marketing is in a unique position to jump start the economic recovery
- The CMO is central to the company's strategy for creating value
- Strong brands are vital shorthand for ideas and qualities such as trust
- Digital marketing demands targeted tactics to reach virtual communities
- Best practices: tools and resources to get things done

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- Service and trust are the top two priorities of customers in the next year
- Increasing penetration in existing markets is the CEO's top priority, said nearly half of attendees
- Almost half of CEOs say that increasing penetration in existing markets is their top priority
- Half of senior marketing executives are "on the same page" as their CEOs in terms of marketing priorities
- Senior marketing executives have only somewhat leveraged social media/networking into the marketing mix

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What Conference Participants Plan to Do Differently

- Strategy
- Assessment



KEY ISSUES

Marketing stands at the heart of business strategy. Marketing helps us find our customers, know where they are going and what they need. It is a galvanizing force, bringing people and resources together. The CMO's challenge in the new economy is to leverage a company's unique, value-creating capacities, the qualities that lead to innovation and productivity. Strong brands can be emblems of ideas and company qualities. As the web dissolves barriers of time and distance, digital marketing brings new tools, yet demands more targeted and creative tactics. Conference attendees discussed these topics and how they relate to global challenges, the digital revolution, and the gradual economic recovery.

Marketing Is in a Unique Position To Jump Start the Economic Recovery

- Innovation and productivity, not consumer spending, will drive the economic recovery, as unemployment and debt loads for U.S. consumers are high and income growth remains low.
- Globalization makes marketing more important than ever. In a "flat" world, more people can collaborate and compete in real time on more and different kinds of work from more corners of the planet than at any time in history.
- Cause-related marketing can be important part of a marketing program. Companies are taking a more strategic approach to philanthropy as they try to align giving to their mission, culture, and the interests of customers and employees. Non-profits see fewer, larger, longer relationships with company partners.
- Generational differences define more vividly the buying patterns of consumers. Traditional marketing segments are splintering into virtual communities, many accessible only online.
- New employees are more active in social causes. During the recession, despite the drop in sales, customers and employees increased participation in specific charities affiliated with their stores. Vendors are actively supporting retailers' charitable programs.

The CMO's Challenge Is Central To the Company's Strategy for Creating Value

- The CMO's challenge is to clarify and invest in the company's unique, value-creating capacities. Crack the code, market the company's identity, and align stakeholders' interests. Market the institution, not just the business.
- Identity is often the essential missing piece in how a company creates value. It yields sustainable competitive advantage by leveraging unique institutional capacities. It leads to developing the right products, fosters innovation, and inspires a timeless brand.
- Value creation drives wealth creation, as employees create value, customers pay for it, and investors are rewarded with it. Value is maximized when it is created on several levels simultaneously, answering the needs of individuals, businesses, industry, and society.
- All value flows upstream. No matter where a company is on the value chain, its success depends on its contribution to the well-being of others. An international dining guide built a publication and digital platform by expanding and organizing reliable information that consumers needed to make smarter dining decisions.
- There is a correlation between individual identity, strength, and the company's capacity to create value. Employees are the front line of identity and the best brand promoters a company has.

Strong Brands Are the Vital Shorthand for Ideas and Levels of Trust

Trust in brands has never been more important in selling goods and services—and never more challenged by market and societal forces.

- Brands need to stay relevant through innovation built around user experience, so that the expectation of trust grows with every user experience. Companies who enjoy consumer trust can afford to adjust the marketing mix, training programs, and how they interact with customers.
- Brand content is as respected, authoritative, and powerful in electronic and digital forum as it is in traditional media and marketing communications.
- Companies are likely to deploy a more diversified portfolio of brands in the future, aimed at generational differences, growing ethnic populations, and the diversity of a global marketplace.
- Rebranding after a merger or change in strategic direction presents significant challenges. Companies must collapse multiple brands into a single identity, redefine themselves (e.g., from equipment producer to solutions provider), and migrate away from dated market categories.
- Open source branding has emerged in contrast to the more traditional closed source approach. Closed source branding sets the image as a brand-centric, one-way communication, hoping to appeal to a market segment. Open source branding, usually targeted to younger audiences, invites participation in defining a brand, often through online communities.
- Personal branding for executives, entrepreneurs, and consultants is growing rapidly. Every individual is a business. Your name is your reputation and your brand. Your online profile is your business listing. Your network is your R&D, sales, and marketing departments.

Digital Marketing Demands Targeted Tactics To Reach Virtual Communities

The web is making profound changes in the economy, and digital marketing is only beginning to explore the challenge of reaching audiences that are both more dispersed and more concentrated. One “rate card” no longer fits all.

- People are flocking to online virtual communities where they find something in common. Communities are a focus of digital marketers, but have not yet been monetized effectively.
- Internet business propositions in the past were often based on fads. In taking a business to the internet, companies need to rethink the business proposition and economic model.
- Crowd sourcing and user-generated content are common elements of digital marketing. Co-branding, search engine marketing, and the rebirth of enhanced banner ads can all play a part in digital marketing.
- Two-way conversation is the real benefit of using social media in advertising and marketing. Blogs allow consumers to have conversations with subject-matter experts. Twitter, email, texting, social sites, and video are ways to meet, reach and hear from customers.
- Every individual is now a business. Personal branding, vital for CEOs, consultants, entertainers, is a concept for anyone focused on career path, according to branding experts and a leading global online career networking business.
- Digital is the only medium without comprehensive, third-party verification of viewership. We need to show how we drive people to a site. We need to measure to be effective.

Best Practices: Tools and Resources To Get Things Done

- Brand councils, made up of people from across business units and departments, can help clarify how a company creates value, maintains brand integrity, and develops support for executing brand strategy.
- Opportunity workshops, used by a global IT service provider, are internal sessions that follow a client meeting. Participants draw on multiple company resources to think through the client's needs. They identify new resources, come up with new ideas, and set the stage for a richer conversation in future client meetings.
- Real-time digital marketing research tools can reveal customers' buying patterns and act as a timely voice of the customer. Data systems collect, analyze, and measure the customer's focus and can suggest actions.
- A "values jam" held over several days across a company's global platform helped it identify values that were key to employees in dealing with customers. The jam led to a themed platform that tied company and employee values with client needs.
- Brand identity can be taught. Training programs for sales staffs should aim to give sellers the confidence to hold an initial customer conversation about brand and how the company creates value. Easy access to the company website and podcasts have proved more useful in facilitating the conversation than a plethora of materials.
- Engagement is the new web tool. An automotive company engages potential customers with a virtual test drive. The company uses micro-targeting to reach people with expiring car leases, providing whitepapers and blog feeds.
- Hire for attitude and train for skill, advised a hotel brand acclaimed for exceptional service. Ask trainees specifics about why a customer is important to them. Surrender any idea of controlling or teaching good behavior.

BENCHMARKS

Conference participants were polled on the following questions:

Chart 1
How many employees does your organization have?

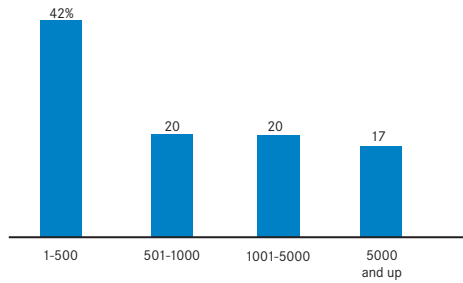


Chart 2
What do you believe are your Customers' top 2 priorities in the next 12 months?

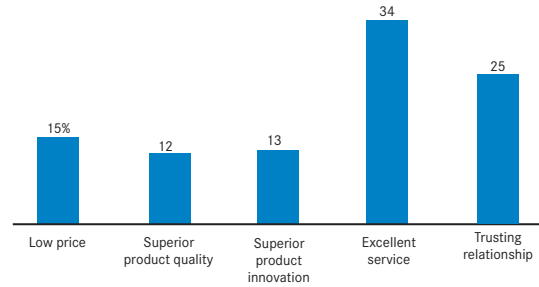


Chart 3
Which of the following is your CEO's top priority in the next 12 months?

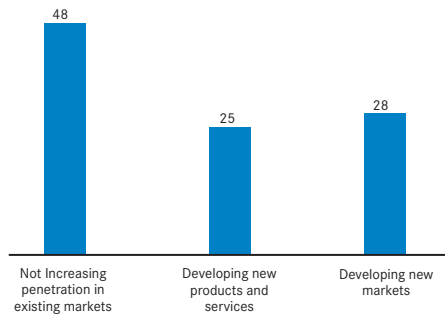


Chart 4
To what extent do you believe that you're "on the same page" with your CEO with respect to marketing priorities and strategies?

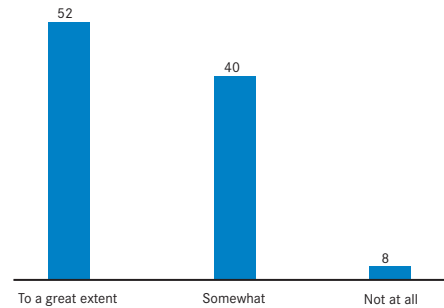
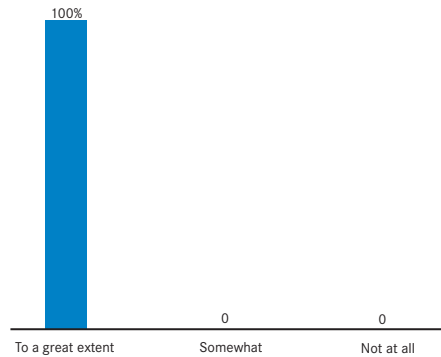


Chart 5
To what extent do you believe that you're "on the same page" with your CEO with respect to marketing priorities and strategies?



Percentages may total more or less than 100 due to rounding.

ACTION PLANS

What actions will participants take after the conference? These answers to a post-conference “action survey” highlight a range of objectives.

Strategy

- Design a model for monetizing social media marketing in professional services.
- Propose an employee branding strategy that helps define recruiting parameters.
- Train employees to become brand ambassadors to grow the value of your brand.
- Update the marketing plan to include a more comprehensive, coherent approach to digital marketing, with a consistent presence across all social platforms.
- Develop a blog to deepen customer relationships and enhance customer engagement.
- Convince company owners to leverage the strength of your identity and core values across all marketing efforts.
- Update your LinkedIn profile, develop a strategy to market personal skills through social networks, and connect with more members and groups within your industry.

Assessment

- Assess the opportunity for your company to become a leader in social media advertising—because no one else is doing it. Strike fast before others do.
- Reach out to conference attendees to continue best practices discussions.
- Sit down with finance to find better ways of assessing key metrics for the sales force, particularly in clarifying the results of the softer side of advertising.
- Don’t hesitate to ask “Who loses?” In assessing risk, the flip side of focusing on who wins is looking at who loses.
- Rethink and redo the marketing plan; be more flexible and quicker to respond to changes.
- Engage teams to analyze how social media can advance core brand strategies.
- Try to better understand why customers leave without buying.
- Identify a better way to collect data from e-customers in real time.



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Other Marketing and Branding Resources from The Conference Board

Publications

Corporate Brands: Meeting the Challenges of Changing Times, Council Perspective CP-005, February 2010

Connecting Emotions and Personality to Your Corporate Image and Brands, Executive Action A-0243-07-EA, August 2007

Councils

The Conference Board Council on Corporate Brand Management

The Conference Board Council Program

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