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THE
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OF MARKETING

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FOR TOMORROW

Insights from the Capgemini Research Institute

A NEW PLAYBOOK FOR CHIEF MARKETING OFFICERS

Why CMOs should enable real-time marketing to drive sustainable growth

WHAT MATTERS TO TODAY'S CONSUMER

A NEW PLAYBOOK FOR CHIEF MARKETING OFFICERS

Customer-data volumes are growing as digitization and online sales accelerate. With a surge in ecommerce growth, ensuring a single view of the customer has become critical to success.

But are CMOs and their marketing teams realizing the full potential of data-driven marketing? Is the marketing function sufficiently data-driven to be able to conduct real-time marketing? How mature are in-house marketers in using data and technology to enable a better understanding of new consumer behaviors and insights, and can they respond appropriately and quickly enough?

To answer these questions, we surveyed 1,600 marketing executives from around the world with a business-to consumer (B2C) focus and representing a range of industries, including automotive, banking, consumer goods, insurance, retail, telecom, and utilities. We also conducted in-depth interviews with 25 CMOs and other marketing executives.

Data and technology is enabling marketing to achieve its potential as a growth driver and fulfill a broader role. CMOs are now responsible for a wide range of activities, including data and technology, business strategy, business growth, and customer experience. Our research reveals, however, that organizations are indeed struggling to be data-driven in marketing owing to capability, talent, and access challenges. For those organizations that are successful, they are reaping benefits ranging from more effective decision-making, better business outcomes, and the ability to perform real-time marketing that consumers increasingly expect. It is critical that today's marketing teams be data-led, so they can drive sustainable growth.
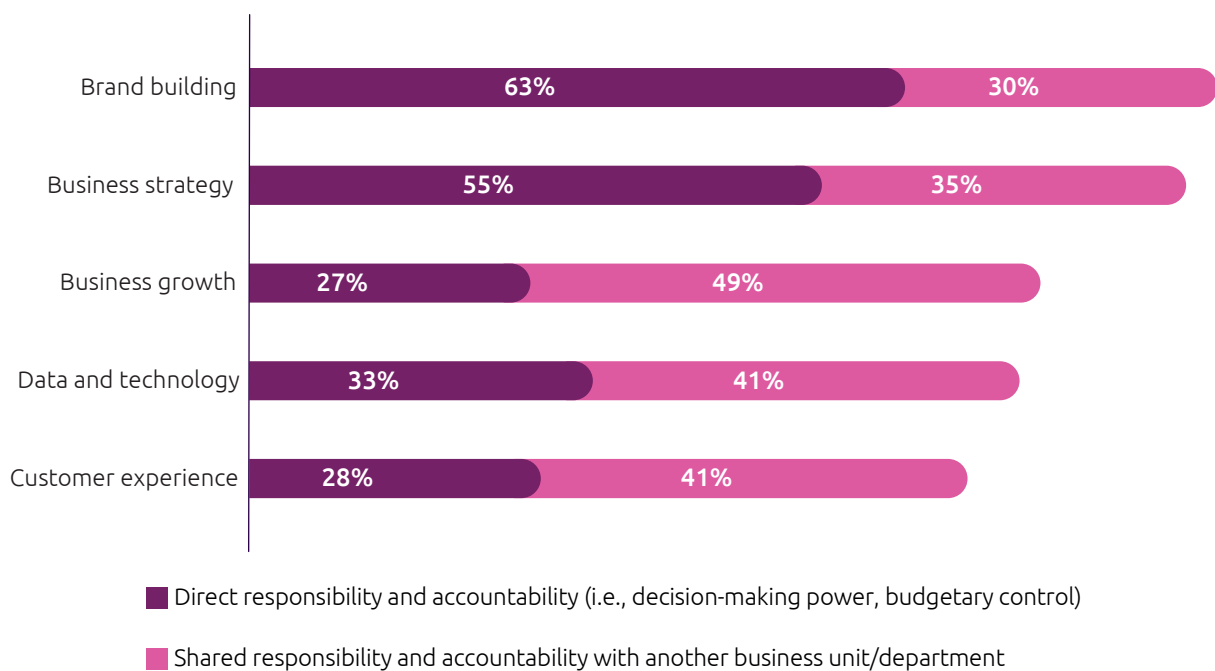
1 – DATA ENABLES MARKETING TO ACHIEVE ITS POTENTIAL AS A GROWTH DRIVER

The CMO mandate has expanded beyond traditional brand-building to become more holistic:

- 90% of CMOs currently say they are responsible (either directly or shared) for business strategy, such as defining and launching new products and services.
- Close to three-quarters (74%) have a responsibility for data and technology, business growth (i.e., revenue and profit contribution), and customer experience
- Over three-quarters of CMOs (76%) are responsible for business growth (i.e., contributing to revenue or profit) – either directly or as a shared responsibility.

Figure 4. The CMO remit has broadened to become more holistic

Percentage of CMOs who say they are currently responsible for the following functions/competencies

Function	Direct	Shared
Brand building	63%	30%
Business strategy	55%	35%
Business growth	27%	49%
Data and technology	33%	41%
Customer experience	28%	41%

■ Direct responsibility and accountability (i.e., decision-making power, budgetary control)

■ Shared responsibility and accountability with another business unit/department

Given its broadened role, marketing is more integral to the business than ever before. Data mastery – extracting meaningful insights from deep data analysis to shape marketing decisions and customer activation – will be critical to CMOs' success in this broadened role to deliver faster and more precisely

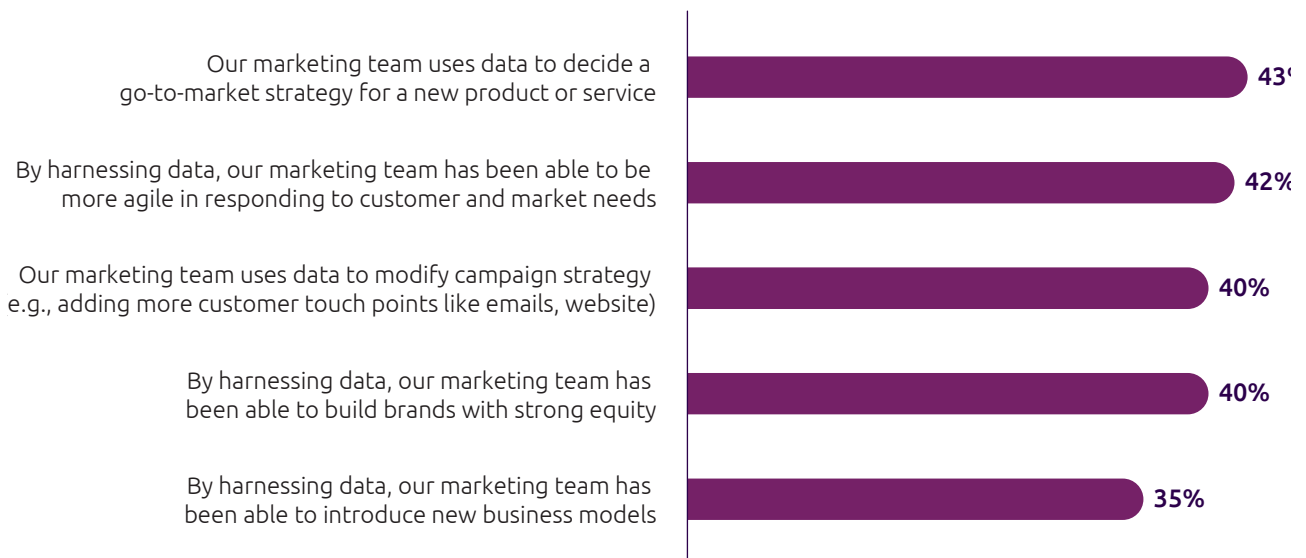## 2-THE MARKETING FUNCTION FALLS SHORT OF BEING DATA-DRIVEN

Marketers are struggling to effectively use data to drive marketing decisions and actions

Overall, less than half of marketers say they currently use data to drive marketing decisions and actions (see Figure 5):

- For example, only 42% of marketers say that by harnessing data, their team has been more agile in responding to customer and market.

Figure 5. Less than half of marketing teams drive decisions by harnessing data

Percentage of marketers that agree with the following statements

Statement	
Our marketing team uses data to decide a go-to-market strategy for a new product or service	43%
By harnessing data, our marketing team has been able to be more agile in responding to customer and market needs	42%
Our marketing team uses data to modify campaign strategy e.g., adding more customer touch points like emails, website)	40%
By harnessing data, our marketing team has been able to build brands with strong equity	40%
By harnessing data, our marketing team has been able to introduce new business models	35%

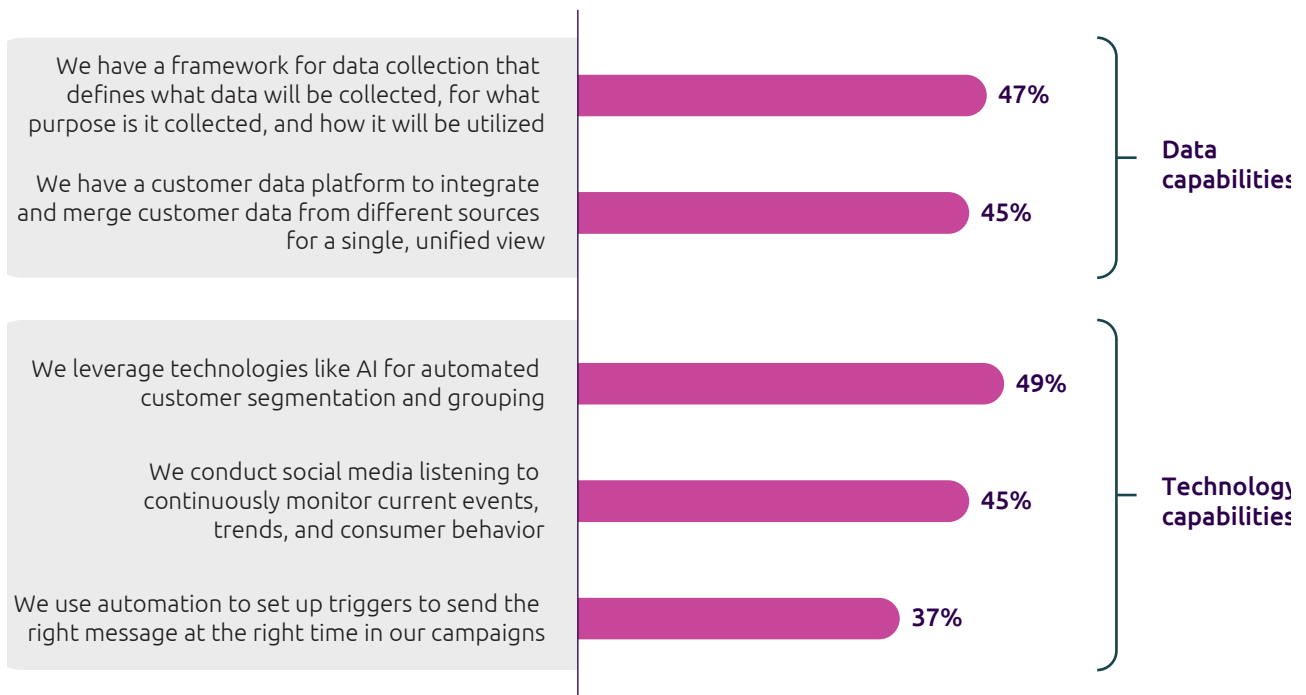Source: Capgemini Research Institute, CMO survey, March–April 2021, N=1,600 marketers.

"Given its broadened role, marketing is more integral to the business than ever before."

Marketers have a capability deficit

As Figure 6 shows, less than half of marketers say they have built the data and technologies capabilities needed to deliver data-driven marketing.

Figure 6. Less than half of marketers (45%) have a customer-data platform that allows for a single view of customers

Percentage of marketers that agree their organizations have the following marketing capabilities

We have a framework for data collection that defines what data will be collected, for what purpose is it collected, and how it will be utilized	47%
We have a customer data platform to integrate and merge customer data from different sources for a single, unified view	45%

Data capabilities

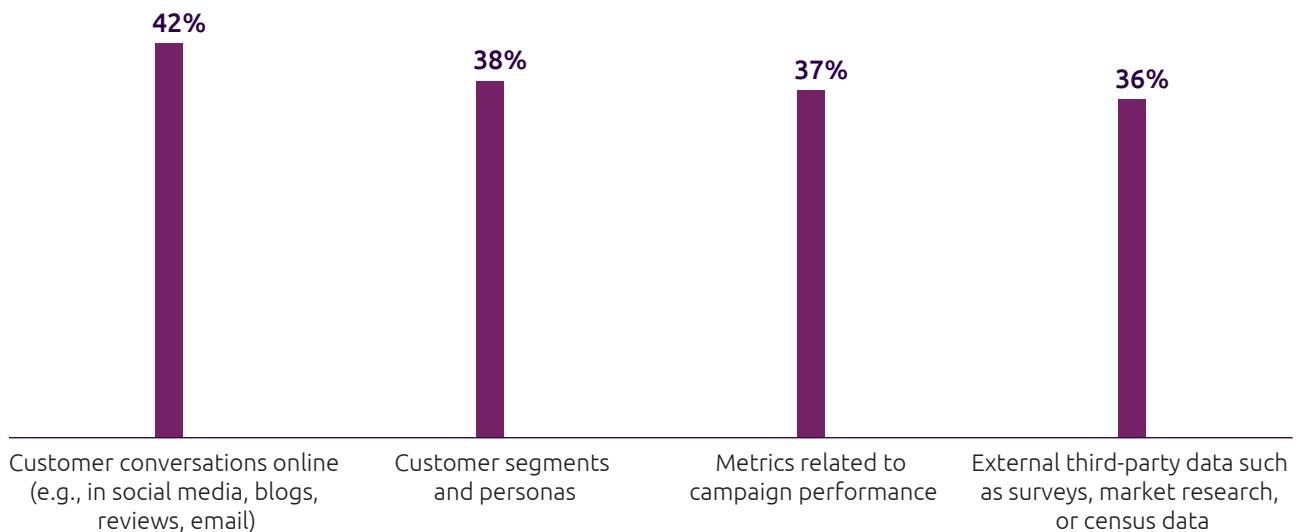|	
We leverage technologies like AI for automated customer segmentation and grouping	49%
We conduct social media listening to continuously monitor current events, trends, and consumer behavior	45%
We use automation to set up triggers to send the right message at the right time in our campaigns	37%

Technology capabilities

Source: Capgemini Research Institute, CMO survey, March–April 2021, N=1,600 marketers.

Data is not readily accessible to marketing

Availability of and access to data is a problem for marketing teams. For example, 49% of marketers say they have technology such as AI to automate customer segmentation and grouping. However, only 38% say that customer segment and persona data is available to them (see Figure 7).

Figure 7. Only 38% of marketers say they have "customer segments and personas" data in the required format to aid decision making in marketing

Percentage of marketers that agree with the statement "Data is available in the required format to inform our decision-making in marketing" for each of the data elements listed

42%	38%	37%	36%
Customer conversations online (e.g., in social media, blogs, reviews, email)	Customer segments and personas	Metrics related to campaign performance	External third-party data such as surveys, market research, or census data

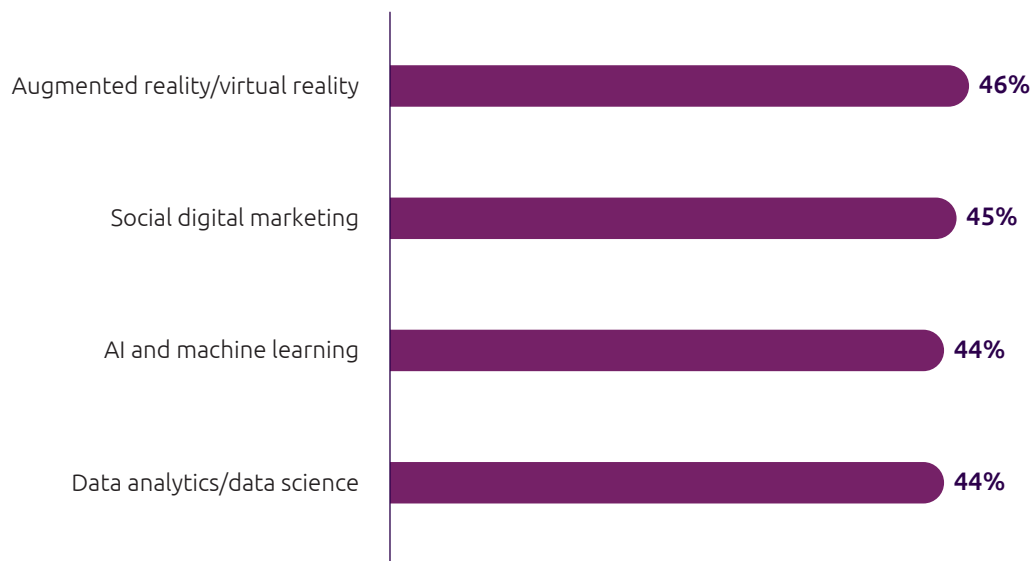Source: Capgemini Research Institute, CMO survey, March–April 2021, N=1,600 marketers.

There is a skill gap for technical talent in marketing

Marketers are yet to catch up on many important technical and digital-marketing skills. Only 44% say they have an adequate supply of skills in areas such as AI and machine learning, or data analytics and data science (see Figure 8). And less than half (45%) say they have social digital marketing skills.

Figure 8. Only 44% of firms say they have sufficient data science or AI/machine learning skills in their marketing organizations

Percentage of marketers that agree with the statement: "We have an adequate supply of this skill in my marketing organization"

Skill	Percentage
Augmented reality/virtual reality	46%
Social digital marketing	45%
AI and machine learning	44%
Data analytics/data science	44%

44%

of marketers say they have an adequate supply of skills in areas such as AI and machine learning

3-WHAT DATA-DRIVEN MARKETERS DO DIFFERENTLY AND THE BENEFITS OF A DATA-RICH APPROACH

We assessed organizations against critical data and technology against critical data and technology dimensions and found that only 11% of marketers qualify as data-driven marketers. They outperform the rest of the organizations in four key areas:

- Driving effective real-time marketing initiatives and derive high value from their use

- Realizing better business outcomes from real-time marketing

- Having well-rounded skills and expertise, including better category and customer understanding, data-driven skills, and soft skills like agility and emotional intelligence

- Fostering creativity more effectively across a broad range of areas, including personalization, customer engagement, and content.
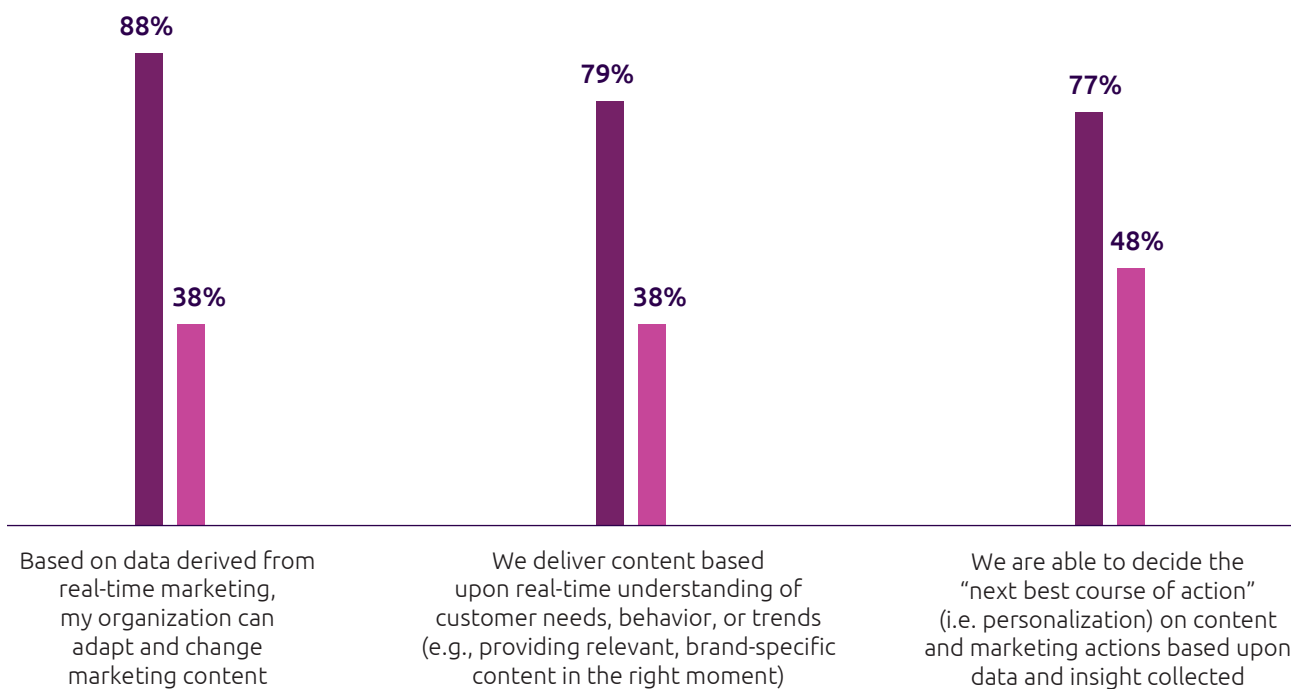
Only 11%

of marketers qualify as data-driven marketers.

Data-driven marketers execute real-time marketing and drive significant value as a result

Real-time marketing requires deciding on the next best course of action based on the customer response to the preceding action. Eighty-eight percent of these marketers say they can adapt and change content based on real-time data (see Figure 9).

Figure 9. Data-driven marketers deliver and adapt relevant content and decide "next-best actions," which are some capabilities required to deliver real-time marketing

Percentage of marketers that agree with the following statements

Based on data derived from real-time marketing, my organization can adapt and change marketing content	We deliver content based upon real-time understanding of customer needs, behavior, or trends (e.g., providing relevant, brand-specific content in the right moment)	We are able to decide the "next best course of action" (i.e. personalization) on content and marketing actions based upon data and insight collected
88% / 38%	79% / 38%	77% / 48%

Source: Capgemini Research Institute, CMO survey, March–April 2021, N=179 data-driven marketers; N=1,421 other marketers.

"

Data-driven marketers have a greater supply of data and technology talent. They also have a greater supply of core marketing skills, as well as soft qualities and skills such as empathy, collaboration, and emotional intelligence."

Data-driven marketers realize better business outcomes from real-time marketing

When it comes to the overall impact of real-time marketing, data-driven marketers also report better performance against key metrics for real-time marketing campaigns:

- Improved brand awareness/consideration: 16-percentage point increase among data-driven marketers versus an 8-percentage point increase for other marketers
- Improved customer satisfaction: 16-percentage point increase among data-driven marketers versus 9-percentage point increase for other marketers
- Increase in conversion rates (of prospects to customers): 15-percentage point increase among data-driven marketers versus 6-percentage point increase for other marketers
- Increase in customer retention: 14-percentage point increase among data-driven marketers versus 6-percentage point increase for other marketers

Data-driven marketing teams possess well-rounded talent

Data-driven marketers have a greater supply of data and technology talent. They also have a greater supply of core marketing skills, as well as soft qualities and skills such as empathy, collaboration, and emotional intelligence as seen in Figure 10.

Figure 10. 72% of data-driven marketers have data analytics/data science and 71% have category understanding skills

Percentage of marketers that agree with the statement, "We have an adequate supply of this skill in my marketing organization"

Skill	Data-driven marketers	Others	Category
Augmented reality/virtual reality	74%	43%	Data and tech skills
Data analytics/data science	72%	40%	Data and tech skills
Social digital marketing	65%	42%	Data and tech skills
Brand positioning and platform	65%	37%	Core marketing skills
Category understanding	71%	46%	Core marketing skills
Empathy	67%	44%	Soft skills
Communications	68%	41%	Soft skills
Emotional intelligence	63%	46%	Soft skills
Collaboration	66%	48%	Soft skills

■ Data-driven marketers ■ Others

Source: Capgemini Research Institute, CMO survey, March–April 2021, N=179 data-driven marketers; N=1,421 other marketers.

Data-driven marketers foster creativity

Creativity and data are often considered opposites; creativity is seen as requiring the right brain, with a more artistic and emotional mindset, and data requiring the left brain, with a more analytical and methodological viewpoint. Our research found that data-driven marketers nurture creativity, which can take one of several forms:

- Building quick responses for changing trends
- Syncing data and creativity in customer engagement
- Delivering new ideas for personalized content
- Driving hyper-targeting in customer engagement
- Pairing data and creative talent

4-HOW CAN CMOs TAKE FULL ADVANTAGE OF DATA-DRIVEN INSIGHTS?

Drawing on our research, as well as our experience in working with organizations in this space We believe six focus areas are critical to CMOs' preparation for a data-driven marketing environment (see Figure 11).

Figure 11. Six focus areas critical to CMOs' preparation for a data-driven marketing environment

Create a clear vision for the marketing strategy

- Ensure data-driven capabilities are at the core of marketing strategy
- Define the roadmap for transformation

Accelerate collaboration across the marketing ecosystem

- Collaborate with key functions - IT, sales and finance
- Collaborate with external partners

Ensure talent is equipped with a baseline of data and creative skills while allowing for specialists

- Recruit or upskill marketing talent
- Focus on developing an analytical mindset
- Upskill on digital and performance marketing
- Develop a learning culture
- Establish a center of excellence

### Reimagine the customer journey with real-time engagement

- Implement a customer-data platform
- Utilize customer-listening tools to understand intent
- Have a clear content-management strategy and solutions
- Use automation tools for delivery

Implement a framework-driven data-collection process

- Create a framework for data collection
- Consider data from emerging digital touchpoints
- Unify internal data silos

Integrate long-term brand building and short-term marketing engagements

- Incorporate brand building with short-term marketing initiatives
- Allocate separate budgets for long-term and short-term marketing engagements
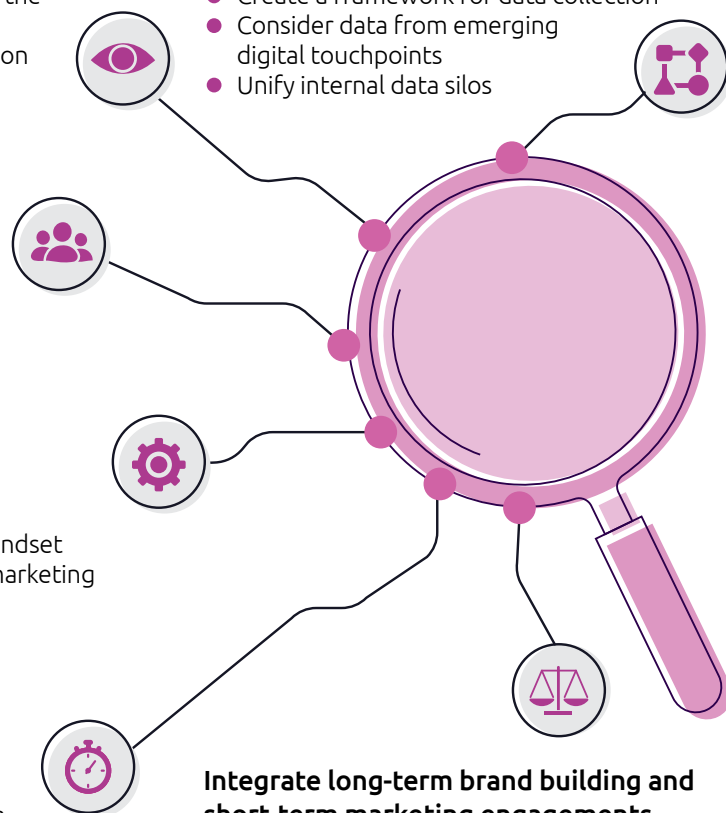
Source: Capgemini Research Institute analysis.

For details on the research methodology and to read the full report, please visit:

https://www.capgemini.com/research/a-new-playbook-for-chief-marketing-officers/