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## Become A Social CMO

CMOs Must Experience Social Networking To Lead The Brand Experience

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### EXECUTIVE SUMMARY

CMOs indicate that, in the age of the customer, collaboration and influence through social networking will have the biggest impact on their organizations in the next three to five years. However, only 16% of CMOs think that it's necessary to become proficient at social media themselves to be successful leaders. Forrester believes that CMOs who personally participate in social media will be better at: 1) leading the new brand experience, and 2) leading a new generation of cross-functional marketing organizations.

### CMOS ARE BRACING THEIR ORGANIZATIONS FOR THE AGE OF THE CUSTOMER

CMOs are preparing their organizations and strategies for the changing landscape of empowered consumers, who are forcing a disruption to the traditional sources of competitive advantage. In the next 20 years as we enter what Forrester calls “the age of the customer,” CMOs cannot settle for customer-centric or customer-focused strategies. Rather, they must become customer-obsessed in the way they lead their businesses.<sup>1</sup> They know that:

- **A sea of customer change is heading their way.** An IBM survey of 300 CMOs found that “increased customer collaboration and influence” will have the greatest impact on their organizations in the next three to five years.<sup>2</sup> But only 47% said that they are prepared to meet the challenge.
- **They must invest in social media to engage with empowered consumers.** Sixty-four percent of marketers plan to increase their investment in social media over the next three to five years.<sup>3</sup>
- **They are understaffed for social initiatives.** Marketers tell Forrester that their biggest concern about their organization's ability to use social media is their lack of resources (people).<sup>4</sup>

### Yet CMOs Hesitate To Personally Participate In Social Media

Does becoming a customer-obsessed company, and subsequently a more social-media-savvy business, mean that CMOs need to start blogging and tweeting about their brands? The overwhelming majority of CMOs don't believe so.

- **CMOs from the largest companies are conspicuously absent from social media.** In a study by *Business Insider* of 143 top marketing executives from the Fortune 100 companies, only 15 CMOs were identified as having an active Twitter account.<sup>5</sup> While many CMOs use LinkedIn, most do not use social media to interact with everyday consumers.



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- **The vast majority of CMOs don't believe they need to personally master social media.** According to IBM's study, only 16% of CMOs believe that they need to build their aptitude in social media in order to be successful.<sup>6</sup>
- **Many CMOs only use social media because of peer pressure.** One executive recruiter told us that "many CMOs use social media because they feel like something bad will happen to them if they don't."

### CMOS MUST EXPERIENCE SOCIAL NETWORKING TO LEAD THE BRAND EXPERIENCE

As the steward of the brand experience, CMOs must understand how to align social media initiatives with brand-building and business-building strategies that result in a competitive advantage.<sup>7</sup> By participating personally, they can use their experience to identify opportunities quicker and provide better guidance to the organization and its partners. CMOs don't develop media plans without an understanding of their audience and the guidance of strategic objectives, so they should do the same with social tools. To provide that strategic context, CMOs must use social media to understand the online social impact of the three C's: the customer, the competition, and the company.

- **Listen to the customer with your own eyes and ears.** CMOs should use social networking to develop a direct line to customer sentiment, just like they do with focus groups and face time with key customers. Follow the lead of CMOs like John Costello, at Dunkin' Brands, who opened a Twitter account along with several other key Dunkin' executives, to understand how their customers felt about their restaurant experience. The market insights group will still vet the significance of consumer sentiment using social media listening tools that provide scalable, timely, and actionable insights.<sup>8</sup>
- **Keep a pulse on the competition.** CMOs should use social networking to monitor their competition, just like they test competitors' new products and shop at their stores. Rather than wait for traditional competitive intelligence reports, the social CMO should personally follow her competitors on Twitter or "like" his competitors' Facebook pages to keep up with new social media experiments. Julia Goldin, CMO of Revlon, follows her competition on Twitter and Facebook because she wants to understand how they engage with consumers through new channels. Meanwhile, Porter Gale, CMO of Virgin America, uses really simple syndication (RSS) feeds from technology hubs, like TechCrunch and Mashable, to monitor new technology partnerships.
- **Experience your company's social strengths and weaknesses.** CMOs should use social networking to get firsthand knowledge of their company's brand experience in these new channels of communication, just like when they (should) call their company's customer service center, use their company's website, or go mystery shopping. CMOs can only inspire a vision and outline a compelling road map for the brand experience when they personally

understand the gaps in the company's current social capabilities. At a minimum, CMOs should be participating in key company-sponsored social initiatives on Facebook, Twitter, LinkedIn, YouTube, and influencer blogs.

### CMOs Use Social Networking To Lead The Cross-Functional Organization

With a better understanding of how to strategically leverage social media across the three C's, CMOs can be more effective in using it personally to motivate and manage their organization. The point isn't to become a social media power user, but to be seen as a credible leader who is in touch with the realities of marketing today. Tom Seclow, head of the marketing officer practice at Spencer Stuart, finds that companies are looking for CMOs who can lead their organization to become social, not for CMOs who are proficient users of social media themselves. CMOs use social media to lead cross-functional organizations in the following three ways:

- **Inspire employees by practicing what they preach.** CMOs should use social networking tools to send a signal to employees that if it's important to them, it should be important to everyone. Ann Lewnes arrived at Adobe Systems with a vision to transform the company from a portfolio of distinct product brands into a unified corporate brand. To fulfill that vision, she dramatically reallocated her budget, pouring 74% into digital channels, of which the majority is spent on customer-facing initiatives. That shift has enabled Adobe to amass more than 4 million fans and followers collectively between all of the Adobe products in just 18 months. Ann says that her visible and vocal use of Twitter, Facebook, and RSS feeds has elevated the importance of embracing social platforms across the broader organization.
- **Sustain momentum with all of their employees.** CMOs should think of social media as a way to complement, not replace, their ability to connect with employees and build morale. In-person visits with the CMO are critical to building trust with employees as well as instilling energy and enthusiasm. But maintaining that level of engagement is difficult when employees are widely distributed. Social networking tools can help large or decentralized marketing organizations feel more connected. Kristen Lauria, vice president of marketing and channels for IBM Lotus Software, uses social collaboration tools to stay constantly connected to her global organization, particularly for managing complex cross-functional projects and coordinating large events.
- **Recruit hard-to-find talent.** CMOs should also use social media to compete for the scarcity of digital talent. That pain is especially acute for a company like Deloitte that hires 50,000 people every year. Luis Gallardo, Deloitte's global CMO, used LinkedIn to form a company network of more than 1 million potential candidates by strategically tapping into current and former employees who were already using the social media platform.

## RECOMMENDATIONS

### CMOS NEED A PERSONAL PLAN FOR SOCIAL NETWORKING BEFORE GOING PUBLIC

CMOs should devise a plan for their personal social networking strategy, whether they have been on the sidelines, are just getting started with social networking for the first time, or have already jumped in feet first and need to reevaluate their social network. Forrester recommends that CMOs take the following four steps to assess their personal and professional social networking strategy.

1. **Start with a small private experiment.** CMOs who haven't used social media yet, or want to try a new social media platform, should test it out in private first. For instance, sign up for Facebook and connect with your immediate family or close friends. Make sure to test all of the features. For instance, post a picture, write on a friend's wall, and "like" the pages of brands you are interested in. Ask an active social media junkie on your team to help. Once comfortable with the technology and gestalt of one platform, move onto others.
2. **Have a content strategy for their social media persona.** Decide what you want to accomplish and focus on it. Do you want to broadcast your company's success? Use Twitter. Do you want to network for partnerships? Use LinkedIn. Do you want to attract new talent to the organization? Use a combination of LinkedIn and Twitter. Do you want to demonstrate thought leadership? Create a blog, Posterous feed, and SlideShare account. For personal networking, LinkedIn and Facebook will help you establish a base of personal and professional interactions.
3. **Define their own balance between a personal and professional persona.** Determine how comfortable you are speaking about personal passions and professional interests. For some CMOs, it is a clear-cut issue — Porter Gale prefers to keep her participation in social media on the professional side. Meanwhile, Marty St. George tweets about his favorite sports teams, like the Boston Bruins, as much as he does about his own company, JetBlue Airways.
4. **Use their own voice, not the voice of the brand.** People quickly tune out corporate speak. Communicating in a conversational style promotes more trust, satisfaction, and commitment in relationships between an organization and the public.<sup>9</sup> Lee Applbaum, CMO of RadioShack, is very conversational on Twitter because he says "it's a great outlet to make my job more human." For instance, Lee happens to be an avid cyclist, so he will be tweeting about Team RadioShack in the Tour de France as a passionate fan of the sport instead of just a straight-laced corporate sponsor.

## SUPPLEMENTAL MATERIAL

### Companies Interviewed For This Report

Adobe Systems

IBM

Blue Shield of California

JetBlue Airways

Deloitte Development

Korn/Ferry International

RadioShack

Virgin America

Spencer Stuart

## ENDNOTES

- <sup>1</sup> Competition operates differently in the age of the customer, with an obsession with customer knowledge and relationships as the only source of sustainable competitive advantage. See the June 6, 2011, “[Competitive Strategy In The Age Of The Customer](#)” report.
- <sup>2</sup> Source: “Today’s CMO: Innovating or following?” IBM, March 2011 (<http://www-935.ibm.com/services/us/gbs/thoughtleadership/ibv-cmo-prestudy.html>).
- <sup>3</sup> Source: “Today’s CMO: Innovating or following?” IBM, March 2011 (<http://www-935.ibm.com/services/us/gbs/thoughtleadership/ibv-cmo-prestudy.html>).
- <sup>4</sup> Customers and employees are becoming increasingly empowered by social technologies, dramatically changing the way they communicate and collaborate. To succeed in this new world, companies must make fundamental changes to resources, skills, tools, processes, and culture. Forrester calls this process of change “social maturity,” and it consists of five stages: 1) dormant; 2) testing; 3) coordinating; 4) scaling and optimizing; and 5) empowering the workforce. See the June 2, 2011, “[Accelerating Your Social Maturity](#)” report.
- <sup>5</sup> The study analyzed CMOs, chief communications officers, and senior-ranking marketing executives. Source: Mark Fidelman, “The Top 20 Social CMO’s Of The Fortune 100 [Infographic],” *Business Insider*, March 24, 2011 (<http://www.businessinsider.com/the-fortune-100-league-of-extraordinarily-social-cmos-infographic-2011-3>).
- <sup>6</sup> Source: “Today’s CMO: Innovating or following?” IBM, March 2011 (<http://www-935.ibm.com/services/us/gbs/thoughtleadership/ibv-cmo-prestudy.html>).
- <sup>7</sup> The chief marketing officer, as the steward of the brand experience, must connect the dots and lead the company’s social efforts. However, leading doesn’t mean marketing should “own” everything social. Every department has its role to play. However, getting all of those people aligned is critical. Orchestration — by the CMO — is required to make a social brand sing. See the April 29, 2010, “[CMOs Must Orchestrate Social Initiatives](#)” report.
- <sup>8</sup> A brand’s health is more vulnerable in the digital age as consumer opinion travels faster and further, spreading like a communicable disease. Today, brand health is under attack in four ways, through: 1) greater volume of data sources; 2) faster velocity of consumer data; 3) broader visibility of consumer sentiment; and 4) greater volatility of consumer behavior. To manage these four V’s of digital brand influence, CMOs must manage the collective real-time consumer opinions and behaviors that affect a brand’s public perception or performance. See the April 27, 2011, “[Managing Brand Health In The Digital Age](#)” report.
- <sup>9</sup> Source: Nathan Hurst, “Use of Human Voice in Social Media Can Help Organizations Build Relationships,” *MU News Bureau*, May 18, 2011 (<http://munews.missouri.edu/news-releases/2011/0518-use-of-human-voice-in-social-media-can-help-organizations-build-relationships/>).

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