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Should customer experience become a priority over traditional brand marketing for today's Chief Marketing Officer?

A report from tml Partners from their recent roundtable debate with marketing leaders from B2B and B2C.



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Introduction

tml Partners and RebeltechPR recently hosted a roundtable discussion with CMOs from different sectors to discuss the changing landscape of marketing, and specifically the importance of customer experience for today's marketing leaders.

Mark Choueke, Rebeltech CEO and former award-winning editor of Marketing Week, opened the discussion with his view on this rapidly evolving topic.

He began with a definition of the components of customer experience as: 1. *Immediate* - real-time responses, regular and meaningful innovation; 2. *Connected* - thanks to platform businesses such as Uber, Airbnb and Netflix as consumers we expect a joined-up experience; 3. *Relevant* – personalisation and knowing the customer by using data in a meaningful way, and not over-using it; and 4. *Human* – having a sense of experimentation, setting the right tone and being open to failure, but learning from it.

Where is the market on customer experience? Forrester has written about the 'end of advertising' which is to be replaced by true customer centricity. The CMO perspective and skill set hasn't stood still for some time and is still evolving. There is an almost continuous debate about what should be the role's primary areas of focus.

The customer experience focus is something that, mainly, dominates conversations in the B2C world. What about B2B? As businesses also streamline and automate their

processes with more and more software, are we talking to customers and handling client relationships in the right way? Are our innovation cycles and customer response times fast enough? Is there a new and necessary way of working that combines the fluidity, speed, risk-taking and technology smarts of startups with the discipline and processes of Enterprise companies.

Mark presented the point that as businesses use more technology to streamline processes allowing them to restructure, re-prioritise and become more automated and intuitive, we need to relearn how to sell to them.

B2B marketing has tried but failed to evolve in line with modern expectations. Most recent innovations in customer conversations started from an old-world, largely 'offline' legacy. In many cases, PR, marketing and content are still treated as separate disciplines, none of which are known for innovative or lateral thinking in the B2B environment. We need to make our customer conversations, our customer relationships, our internal structures and processes faster and more human, while still business-like.

The debate then opened around the table and four main themes came out.

1. Who owns customer experience?
2. The internal battle
3. B2B versus B2C
4. Measuring success in the digital age

Who owns customer experience?

Customer experience is a concern for the whole organisation and is widely accepted as a key priority for CMOs. While traditionally it might have fallen very clearly under the remit of the marketing and/or sales teams, digital transformation has changed this and as highlighted by Ruth Mortimer, Content Director of Centaur Media, “customer experience feels like a concept rather than something that is owned”. Rory O’Neill, CMO of Fintrax, commented “it is the job of the CMO to represent the customer”. In order to represent the customer, CMOs need to take into account user experience and user journey which makes “customer experience an uneasy alliance between marketers and engineers/tech” said Richard Harris, CMO of GoCompare.



Taqi-Eddin, CMO of Cashplus. The optimal structuring is total integration, so that marketing, sales, tech and even finance are all aligned and feeding in to one another. This is the way to draw on everyone’s separate strengths and truly focus on customer experience. The marketing department is in a powerful position here, as Sarah Speake, CMO of TruPhone highlighted: “marketing is best placed to be the natural glue between sales, tech, legal and finance”. However, few organisations achieve this. B2C leads the way in terms of integrating marketing into the entire organisation, but in both B2C and B2B there is often an internal battle which prevents true cohesion between departments.

“Customer experience feels like a concept rather than something that is owned”

The connection between marketing and IT is an important one. There is a tension between the CTO having the technical acumen, therefore the control over digital developments, and the CMO having the marketing skillset to tailor digital platforms to focus on the customer. “The CTO has become the biggest threat to marketing, as they own the app” commented Najlaa

The internal battle



Where is marketing on the internal pecking order? This has a knock-on effect on how central customer

experience is to an organisation’s strategy. Andrew Crisp, Partner at IBM gave the example of Apple. “Apple is owned by marketing. It’s in the whole DNA of the organisation from the top down. Most companies are owned by the CEO”. That said, “surely it’s the CEO who owns customer experience, but when has it ever come up in a board meeting?” Ian McCaig, Founder of Fiit, commented.

To truly integrate marketing into an organisation it must come from the top down and be embedded into the culture. Customer experience then actually becomes a concern for the whole organisation.

The internal battle *(continued)*



“The value of marketing is fundamentally different if the CMO is on the board” comments Sarah Speake. If marketing has a voice at board level, which we are seeing in more and more organisations, the customer begins to have a voice as well and the focus shifts. It is more common in B2C organisations for CMO to be a board-level position, but it is filtering into B2B as well, and is certainly a trend that we feel is on the rise. Having top-level representation starts to chip away at the internal battle for marketers, which is getting the customer’s voice heard and making this central to business strategy.

Of course, you need the right CMO in the role. This goes back to culture. Sarah Speake commented that “you

need the right CMO to match the behaviour style of the business” otherwise they will likely have a short tenure and little impact on the organisation. Behaviour style is one thing, and this is essential in matching the right CMO to an organisation, but experience is another. Many organisations are taking marketing leaders from different backgrounds to their own, for example B2B hiring from B2C, and using this complimentary experience to drive strategies forward.

“The value of marketing is fundamentally different if the CMO is on the board”

“In a startup, everyone feels like marketing is their job, they live the ethos. When companies get bigger this shared focus fades away” said Merlin Mason, co-founder of ThanksBox. This sort of culture and shared vision needs to work its way back into the larger organisations in order to achieve true customer focus.



B2B versus B2C

“We need to improve customer experience in a B2C way for B2B” stated Monica Ralli, CMO of I3D. B2B has a way to go in achieving fully integrated customer experience. Many B2C organisations aren’t there either, but it is more widely established as a key concern and there are the text-book examples such as Apple leading the way.



B2B presents different challenges for customer experience. “The commercial entity is the end customer, how do you manage the individuals with whom you communicate within the organisation”, commented Merlin Mason. Great customer experience relies on a level of trust between the customer and the organisation, but with B2B there is a perceived unbreakable focus on the bottom line, which goes against trust. Going back to the top-down approach to integrating marketing within

an organisation, a further challenge is the background of the key figures on the board, for example in B2C organisations, the CEO often comes from a background in marketing. However, in B2B it’s often the case that the CEO comes from a finance background.

How is B2B going to overcome these challenges? Something has to shift and it’s going to happen soon. B2C has set the benchmark, all organisations are now competing with the likes of Amazon, Apple and Google for customer service and so “change is going to ripple through B2B marketing like a tsunami” said Rory O’Neill. The CMO is going to have to be the driver of this, even though it’s a relatively new role in B2B. B2B CMOs have their work cut out for them, but also have the biggest opportunity to have an impact and effect change. It’s a sensitive area, though. Often those CMOs that go into B2B organisations and push the traditional boundaries of marketing are gone within 18 months, and those that take the commercial role and all but lose their marketing roots are the ones that stick. Going back to culture, however, if a CMO understands and respects the ethos of an organisation and brings about change sensitively, it can be transformational for a business. It is in these situations where bringing on board a CMO with B2C roots into a B2B organisation can be a hugely successful strategy.

Measuring success

“Measuring marketing activities is becoming more and more complex. Getting the right metrics is really hard. How do you take the right measurements when people are rapidly adopting new technology?” said David Kirby, Investment Director at Livingbridge. Customer focus is changing how we measure marketing and there are different angles from which marketing needs to report. Internally, how many customers you have, how much it costs to acquire them and their lifetime value, “if you own these metrics you have the carrot/stick to get people internally on board”, David Kirby continued.

However, customer experience needs different metrics to be measured, it’s far more qualitative. You need to focus on your reviews, “go through every one and treat it as a learning experience” advises Najlaa Taqi-Eddin.



Encouraging departments beyond marketing to listen to and act on reviews can present a battle, but it’s a necessary step if customer experience is going to be at the core of the business’ strategy.

Conclusion

“Business success is less to do with brand and more to do with how organisations can empower customers” said Mark Choueke. In order to achieve this and bring customer experience up the agenda, there need to be changes in both the structuring of organisations and how we think about marketing. The relationship between IT and marketing is pivotal. “Make IT report into marketing” suggests Andrew Crisp. “Sit your UX/UI designers within your marketing team and ask them to feed back to the full tech team” was another suggestion from Sarah Speake.

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In terms of how we understand marketing, Ruth Mortimer commented, “traditional marketing’s 4Ps silo into promotion, there now needs to be a different blueprint and we’ll see this being adopted in the next five years”.



About our co-hosts

Rebeltech is a strategic PR agency helping series 'A', 'B' and 'C' stage technology companies scale faster through exceptional storytelling.

Rebeltech's founders have worked across journalism, marketing, content, PR and communications; in media, agency and in-house roles straddling B2B and B2C and across a range of industries.

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RebeltechPR



Neil Rankin, restaurateur with Mark Choueke, CEO of Rebeltech



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tml Partners is an international executive recruitment firm specialising in senior marketing appointments

With a team of highly experienced consultants, we provide specialist marketing expertise that is unrivalled by generalist headhunters and in-house resourcing teams. We network extensively in this community continually adding value with thought provoking events and publications to help facilitate the agenda for the marketing leaders of tomorrow.

Finding the right marketing talent is far from obvious and ineffective hiring is high risk. tml Partners mitigate this risk with a truly dynamic perspective on hiring the best marketing talent. We're trusted and connected networkers in the senior marketing community and spend a lot of time understanding the motivations and building meaningful relationships with the best, hard to find, passive talent.

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