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# The CMO in 2020: Blurred Lines

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By 2020, "I hate these blurred lines" may be only hazily remembered as a lyric from a controversial pop song, but it may as well be the contemporary CMO's lament.

Marketing leaders have an increasingly uncertain road to follow, with new opportunities emerging every day and establishing channels either adapting or dying. Lines are blurring between traditional and digital marketing. Lines are blurring in the arena of brand ownership, where companies must yield power to consumers. Lines are blurring between technology and marketing functions. Lines are blurring between B2C and B2B best practices. Lines are blurring in the C-suite on a "who does what?" basis.

I mean, it's tough out there. And 2020 is only six years away. What's a CMO to do?

## **If you're not digital, you're dead**

By 2020, the applicability of digital marketing will not be experimental, in doubt or optional. It will be a core element of marketing, if not THE core of marketing. CMOs who are not digitally savvy will face almost certain obsolescence...and effective "retirement." While traditional marketing mediums are not likely to disappear, they will most assuredly integrate with digital for maximum effect. Imagine billboards that are actually just blank spaces upon which customized images are projected via your glasses or your "active" windshield. Car Company X will be able to customize offers to their own drivers and targeted non-buyers. This offer could be personalized based on what car model you last purchased and when. What if a billboard said to a current owner, "Hey Kris, thanks for driving Car X! Get a \$50 discount on your next service." What if you could simply touch your temple or give the windshield a thumbs-up to have that offer delivered instantly to your phone? No more hoping people will remember a special URL or 800-number: just the right offer, accepted at just the right time. And instantly trackable, too, whatever the consumer may choose to do.

By 2020, we may even see broadcast ads customized and versioned on the fly based on individual household characteristics. Imagine a smart TV world where we show the Joneses at 422 Main Street the message "Save 10% today," display a QR code and take them to our responsive-design site? And if they don't bite? Thirty minutes later, we can run the spot again with a free shipping offer via a different QR code. Or there's a "Tweet me that offer" on the Jones' remote... or a viewer could simply nod her head twice once we've hit on the exact offer that closes the deal? Don't think of 2020 as a deadline by which you must achieve full integration; think of it as the you're-dead date if you're not already there.

## **Omni-channel retailers: if you're not all digital, you're on the right track**

Now before you read the line and say "Huh?," understand this: the multichannel retail CMO in 2020 will be successful only if the business is truly and fully converged, with no artificial digital/traditional distinctions. Marketers need to stop whining about showrooming and move aggressively ahead with creating a singular shopping experience regardless of what medium a shopper happens to be using at any given moment. Different prices online and

offline? Good luck. A store employee with no knowledge of a shopper's online habits and abandoned shopping cart? Not a chance. Indeed, the successful 2020 in-store experience will bear little resemblance to what we know today. Just the application of individualized digital billboards and offers in the physical store environment would be revolutionary.

## **Big retail becomes small experience**

Another key change in retailing will involve curation, or much more focused in-store merchandising strategies. This is a result of the Google Effect forever changing our expectations. On the Web, you may get 500,000 results, but you only look at 10 or 20. Now imagine today's big box retailer, fashioned the same for all and far too opaque in its floor design and structure. No. Just as they do on the Internet, consumers will want to feel like they're shopping at a near-100 percent relevant "boutique," even if it's tucked inside a large national chain. In a world I know well – jewelry – this is already happening. Jewelers are competing with dotcoms and big national chains by actually reducing their inventories and offering more customized service. Instead of trying to compete with the endless assortments available online, they use countertop systems that create photo-realistic renderings of custom designed jewelry, configured precisely to the customer's requirements. Once a design is set, a CAD (computer aided design) is sent to a highly automated, US factory that quickly makes and drop-ships the item. No retailer selling on the basis of inventory size can replicate this experience, and no digital outlet comes with the reassuring in-person advice and guidance of a real jeweler. Perfume counters of the future may consist of only testers, and instant shipment to your home via interaction with the physical counter. Items like housewares or tools may simply be 3-D printed on demand right at the store. Indeed, in a sort of "reversal of fortune" scenario, it may be e-tailers who end up scrambling to provide an experience as pleasurable and instantly gratifying! Of course, your site needs to be just as responsive: instantly offering up your customer's preferences, sizes and prior orders – gathered in whatever channel – and reconfiguring itself based on shopper history. Yes, being a retail CMO in 2020 will be a huge but exciting challenge. Such a marketer will not only have to integrate digital and traditional marketing, but also apply a huge dose of merchandising, fulfillment and store integration expertise, as well. As an aside, this may make the CMO in the retailing sphere an even better candidate for CEO.

## **B2B marketers: You're not off the hook either**

B2B marketing will face the same quantum convergence, whereby the digital versus traditional dynamic disappears and all the old rules get rewritten. Let's take a long-standing soldier in the B2B marketer's arsenal: the trade show. In 2020, your booth will auto-scan visitor barcodes, which will deliver custom information and recommendations to salespeoples' tablets while simultaneously feeding data to your website, which will be customized for that prospect the moment they happen to visit. You'll be sending welcome emails before visitors even leave the booth – and each will be fully customized, prospect by prospect. In truth, that's all simply digital integration that could be done today – there will be more by 2020. By then, your booth may be reconfiguring itself based on a visitor's badge-type via walls that are organic LED video panels that instantly change based on a viewer's preferred language, business role, vertical, etc. They'll change color and content, pull relevant information from your site or cloud-based datamart and automatically pull up customized demos. If the competition pays a visit, maybe the walls could just go blank!

At a fundamental level, B2B CMOs have a huge advantage in this brave new world; they typically know more about, have more contact with and have more direct channels to reach their customers and prospects. Because of the richness – and more importantly, specificity – of this data, the B2B CMO has a much better chance of moving out of a reactive marketing world and achieving truly prescient marketing by 2020.

## **Big data is like high school sex**

Everyone claims they're doing it, most really aren't, and the ones who are, ain't very good at it... yet. But the current crop of "high schoolers" will be adults in 2020, and big data will have morphed from a hot phrase to a best practice. Comprehensive integration of all internal and selected external data to seamlessly deliver highly specific and relevant experiences will become necessary for success. Personally, I condemn the term "big data" as being too imprecise, and missing the main point: it's more about the relevance and precision of the data and – like everything else – the value is in how you use it, not that you

have it. By 2020, the best marketers will use their small, medium and big data to deliver on-the-fly custom pages, apps, experiences, offers, ads... even phone calls with customers.

## ROI is not a 4-letter word in 2020

Thankfully, it will soon be almost impossible to dispute that marketing delivers ROI and that its impact can be tracked. That's effectively true already, but it's not easy to do. Packages that measure full-cycle engagement from first engagement through ZMOT, into the funnel and through to conversion and ongoing engagement are already out there; even Google Analytics' recent upgrades have dramatically improved its path-analysis functions and the price is, of course, right. My expectation is that Google will continue to improve and innovate its analytics...maybe even buying other analytics partners to produce a data gathering juggernaut. We'll see. The biggest challenge remains crosspartner tracking. CMOs will have to integrate data with partners, and will probably make data-sharing a deal prerequisite. This is particularly critical for CPG and other B-to-B-to-C companies that must ensure that third party retailers track and turn over the right data. Bottom line: in 2020 there will be few acceptable "cost centers" in the corporate world. You're a profit center or you're not a player, pure and simple. The tools are largely there, and certainly will be in short order.

Insisting that marketing needn't be a profit center...insisting that the value of marketing cannot be defined, tracked and analyzed...these are the surest ways to opt out of a C-suite role.

## Whose brand is it, anyway?

While it's presently fashionable to claim that consumers "own" your brand, this weird fuzziness will eventually settle into a co-ownership situation. In a 2020 world in which the customer is a true stakeholder, successful CMOs will "parent" rather than direct brands. They will need to understand that user experience has a direct impact on brand equity, and therefore ensure that a customer has every reason to advocate for rather than denigrate the brand. High-value CMOs will master the balancing act of giving customers a sense of participation while preserving guardrails and not allowing their brand to be driven from its

innate roots

and core values. The 2020 CMO must also be a diplomat and, in many ways, a consumer ombudsman. When brands and customers butt heads the CMO must morph into the Chief Diplomatic Officer, accept that the customer's right to guide the brand is here to stay and negotiate a stand-down of hostilities.

### **Bringing it all together in consumer finance: a case study**

The world of consumer finance is a wonderful petri dish in which to swirl many of these issues because its CMOs face every issue in the book for two critical reasons:

1. Financial dealings are involved in every step of life. A bank provided the ATM that the cash for lunch came from, another bank provided the credit card used for the shopping and a mortgage banker provided the HELOC that's being used for the vacation.
2. Financial services have a rather unique relationship with the customer. When a consumer buys shoes and hands over the plastic, they get something they want without concurrent pain. But when the credit card bill comes due, they get the pain without the concurrent payoff. RBS or Santander or HSBC isn't "the enabler of my great new shoes," it's the bearer of bad news.

Dynamics like these require finance CMOs to go above and beyond, and those in 2020 will have to use all the tools available in a digitally converged world to foster customer delight. Websites, for example, must be truly responsive. When I log on to my

account, I'll expect to see information organized the way I want it, or be able to quickly drag and drop to change. I'll see reports based on the spending categories I've defined. I'll see my statement organized as I wish: maybe I want to see transactions sorted by size, rather than chronology. Let me create a graphic "speedometer" monitoring my spending during a custom time period.

And let me use a dashboard where I can control everything I experience online and by mail. Localized information is also a huge opportunity for consumer finance. Use your smartphone in 2020 to scan the back of your card and instantly get your balance, available credit, due date, etc. Scan the credit card placard on a retailer's door or website and see how many points you get from spending there and download special time-sensitive offers. An augmented reality mobile app will enable a hungry individual to look down the street for restaurants that take American Express. In short, it won't just be about alleviating the need for me to punch in my card number AND repeat it to the rep who answers, and real social engagement won't mean posting cute pictures with a hashtag on Twitter or Facebook and getting a bunch of likes. Those are positive things, but they won't deliver true brand promise and value perception for the 2020 consumer.

### **The CMO/agency relationship in 2020: more blurred lines**

For decades, CMOs have faced two related challenges when it comes to their agencies, and these challenges have only worsened with the advent of digital. I'm talking about market complexity and agency specialization. On one hand, a large agency of record (AOR) can be very attractive: it understands the business, provides extensive resources, ensures everything is in synch, seeks efficiency and provides the CMO with a single point of contact (or throat to choke). On the other hand, it is very difficult indeed for a large, creative AOR to provide and maintain cutting-edge competency and deep, focused resources in specialized practice areas. CMOs will always be tempted by nimble "boutique" shops that focus solely on one function, whether it be SEO, e-mail marketing or social media, etc. In many cases, extreme specialization can produce better tactics that risk off-brand messaging and come at the cost of consuming client time, effort and focus. Smart CMOs in 2020 will seek out agencies that prove adept at straddling this fence, and I think that is most likely to succeed via a horizontal network model – something Sir Martin Sorrell is now describing as "horizontality." Certainly by 2020, a CMO will want to choose a social media agency, an inbound agency, a media agency, a branding agency, a retargeting remarketing agency, etc. because each is completely focused and wickedly current... while also being inextricably tied together. In short, we CMOs are calling on our agency partners to wipe out one of our "blurred lines." I don't claim to know how this will happen, but large networks

should arguably have the advantage.

## The CxO shuffle! It's the latest craze! All the cool kids are doing it!

So what will happen to the CMO role itself by 2020? The marketing industry is rife with speculation about the CMO gig, ranging all the way from sure death to the next best path to the CEO office. The acronym shuffle usually involves the CMO/CIO/CDO roles, but you could add in another dozen less-common variants, such as Chief Content Officer, Chief Revenue Officer and Chief People-Pleasin' Officer (yes, that title actually exists). I will say this: the much-ballyhooed convergence of the CMO and CIO roles into a "Chief Digital Officer" is not viable. The level of deep, full-time expertise required by each role is to all consuming. Technology issues of cloud-based computing and applications, server management, DNS management, storage issues, security issues, hosting, bandwidth, networking, etc. will continue to require a full-time CIO, and the ever-increasing breadth of marketing demands a full-time CMO. By 2020, though, I do suspect the CMO role will have evolved into a hub-and-spoke arrangement, with the core marketing functions reporting directly to the CMO, but with the CMO as the hub of a wheel that manages "in situ" experts supporting marketing functions in other departments. Analytics is clearly critical, but may still reside under the CIO. Customer service may end up executing social media strategy but may reside under the COO. Similarly, merchandising, shipping, etc. are not likely to "report in" to the CMO. I'll say this: marketing's need to reach into those (and many other) functions will require a consummate "matrix" manager in the CMO spot. That said, the reason the CIO/CMO debate is so common is because it's becoming the CMO's most critical (and necessary) alliance. CMOs who do not "speak tech" with extreme fluency – and probably some hands-on experience – are nearly unemployable in 2020. Those who have not "grown up digital," with a natural understanding of the lingo, the nuances of online development languages and all the underlying technologies face a real challenge; it's rare for someone who has learned a second language to ever be as fluent as a native-born speaker. What's it all mean? Ready or not, digital is no longer an outlier – it's a permanent, core element of marketing that demands the 2020 CMO speak the language of his closest friend, the CIO... because the lines between digital and traditional communications will soon be history. It also means the consumer can now function very visibly as a key partner in the brand – one who will speak loudly when unhappy and who doesn't care how tough or

interdependent your job may be. CMOs must treat consumers as partners, not arms-length prospects or buyers. And as that partner, CMOs must leverage data – both big and small – to know consumers better than they know themselves by delivering rich, relevant experiences based not only on the past, but also the predicted future. Finally, CMOs must accept that – in an increasingly trackable, monitored, tech-wearable world – delivering demonstrable ROI is a necessity that relies on being able to set expectations appropriately and deliver on them reliably. 2020's going to be tough – and crazy. But for the CMO who is fascinated by and only wants to delight consumers while dreaming about brands, it's going to be one of the greatest gigs around.

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