



KPMG Future of Podcast Transcript

Future of Marketing

Carmen (00:20) Well, hello, everyone. Welcome to the Future of Marketing podcast and it's fantastic to have Jason Galloway, Managing Director of Customer Advisory of KPMG in the US. Hi, Jason.

Jason (00:31) Hey, nice to talk to you today.

Carmen (00:34) And Joanna stringer, a partner in our KPMG strategy advisory in the UK.

Joanna (00:40) Delighted to be able to join you, Carmen.

Carmen (00:42)

Yes, a truly global get together with Australia, USA and the UK represented in one call. And it's such an exciting thing to be talking about the Future Of marketing and how our connected customer is changing the marketing operating model. This is a really important theme at the moment, the customer marketplace in the consumer marketplace is changing rapidly. We've seen some big key shifts in behaviour, some key shifts in omni channel spend some key shifts in the ability of customers to do and live their lives as they have in the past. The emergence of our digital channels and on the channels have given our consumers so much more power than they've ever had before or yet some of the restrictions on their everyday lives, we've given them less. So it's such an exciting time to talk about marketing and to talk about what the Future of Marketing for those customers.

I'd like to talk to Jason first and talk to him about marketing technology. There was a recent report I saw that were over 27% of marketing directors budgets are now spent on Martech. It's such a huge part of their investment and their spend. It's interesting to hear your thoughts on how has that landscape changed, and what sort of decisions are marketers having to make now around marketing technology?

Jason (02:01)

That's a great question, Carmen. And really, you know, as to your point, marketers are spending so much money of their budget on marketing technology itself. And it's becoming increasingly complicated. Spending north of 25%, on their marketing technology stack itself. More importantly, how do you actually think about getting value out of that? If you think about what's going on in today's environment, there's not a lot of extra money out there to spend on your marketing technology. So people really need to spend as much time focused on how to get actual value out of what they already have today. We spend a lot of time talking to our clients about this. And one of the areas that really people are starting to focus on is what are the key KPIs that I'm trying to measure? Right, you might have 240 or 250, but really starting to boil that down and say, you know, what are the key 45 things that I need, I need to accomplish? And how do I use the marketing technology to do that? It's even more important when about 50% of CMOS are saying they're having a hard time managing and getting value out of their overall marketing technology stack.

Carmen (03:12)

That's really interesting, Jason because the increasing focus on measurement and marketing technology and every single part of the marketing mix thing measured and scrutinised. It's always been a factor in our marketers lives, you know, with that old saying, you can measure one half of your advertising and how much is working, but you can't measure the other. And it's always been this area of the business where there's been a lack of data, but now we're awash with data, marketing technologies, you know, over 25% of our budget is dead and marketers are optimising that as best they can. What about measuring things that are a little bit harder to measure like brand, how in the future might we be getting and looking at a brand value and linking that to Marketing sales results.

Jo, what do you think about that?

Joanna (04:04)

It's a great question Carmen. And we are increasingly trying to find ways where we can use the plethora of data that we have available to us to understand what is driving brand value, not just retrospectively considering what part of business value can be attributed to brand. So looking across the spectrum of factors that we have, and if we think about, for example, some of the behavioural psychology thinking and the application of heuristics, what we can consider is the type of data that falls into one of each of three categories that influence the value of brand. So first of all, you have up front effects heuristics, which are really about creating the right emotions. And in many ways, that's been the traditional role of marketing. And you have availability heuristics, which is really about creating memorability in the mind of the consumer and that is historically been the role of brands and then you have processing fluency heuristics, which is about creating relatability, between a brand and a customer, and of course, that's traditionally the role of CX.

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So in that one kind of conclusion of data, what we see is the confluence of marketing brand, and CX, which is another big trend, which will enable us if we're able to kind of pull those data sources together, both to give CMOs one single source of data, which might be applied on a dashboard to enable them to track and monitor the efficacy of all of their work across those three areas, but also simultaneously to top level to be able to see how all those three different buckets of marketing and branding CX spend are ultimately impacting the value of that business.

Carmen (05:47)

And so have you seen anyone successfully doing this yet creating this kind of dashboard where they're looking at these three tiers of measurement and bringing that into one holistic point of view or ability to measure and then the create an effect insights off the back of that?

Joanna (06:04)

Yeah, absolutely Carmen. It's a live question that works we're working on with a number of clients at the moment. And interestingly, clients that aren't necessarily from industries have been at the forefront of marketing, perhaps because they have historically kind of got less established marketing functions, they may well have more agility and more flexibility to move more quickly, and innovate in the space. So I think it's certainly a really interesting observation that sectors and marketing departments that might have come from traditionally advanced marketing spaces, to really have a look at some of the very interesting things that marketing departments in the insurance, financial services and b2b spaces might be might be making.

Carmen (06:49)

And the role of marketing is changing within organisations - that's a trend we've been seeing over the past few years. And, Jason, I'd be interested to hear your views about marketing view on their discipline within the organisation, what sort of function are they creating in marketing? And how closely are they working with the other functions such as, you know, such as IT or HR or finance? What are some of the changes in org design you might have been seeing in some of the work you're doing?

Jason (07:17)

And I think what's interesting is seeing the connection points that the marketers have to increasingly make throughout the organisation, right, if they start to become much more of the creator of the CX or the manager of the overall customer experience, and they want to be seen that way, and they want to have credibility in the C suite. One, they need to connect with other parts of the organisation more and and be a connector of Dots on points, but to more important, more importantly, they need to continue to change the way that they they communicate with others at the C suite. What I mean by that is how do I actually start to talk in the terms of financing a business? Right? I think, you know, Joe brought up a really good point and talks about this dashboard. And I think we're interested in the finding around metrics and KPIs are marketers are much more starting to be focused on value and outcomes and, and stuff much more than in the past where they were focused on things such as, oh, where are we at from a brand standpoint? Or how many, how many clicks did this get? Well, that's great, that's important, but only if it ultimately turns back into something that I can value and I can measure, right. And if they want to have more credibility, those are the types of things that they're expected to do. And we see more and more of that every day, you start to see some companies out there who have gotten rid of the role of the CMO, because of those exact reasons. But so as we start to see these changes, the CMO starts to become more important. And I think we'll continue to see that as we go forward.

Carmen (08:55)

I think there are going to be a lot of marketers out there that are going to be thinking about your point around the future role of the CMO and potentially some companies abolishing that role. What – who – what – who's taking over the role of marketing or what we think of marketing? Now he's doing that job? And what sort of title do they have?

Jason (09:12)

You know, obviously depends on the company. But you see a lot of like chief growth officers, Chief experienced officers, Chief customer officers, that are really starting to pop up and take on those roles. I think it really goes back to what people were I think we're expecting from the CMO in general is being that initial touch point. How can you be that brand ambassador, the person who's responsible kind of for that overall experience

Joanna (09:35)

I think we're also seeing the scope of the CMO expand. So we're seeing a lot of CMO's essentially taking on far more responsibility and being asked to take on both commercial and growth targets. So their role is under pressure more than ever before to deliver commercially to the on the one hand, the revenue generator drive sales, increased basket size, drive customer acquisition, retention. On the other side to measure performance across channels, so to be able to provide accurate user tracking and profiling data, customer segmentation and channel strategy, they're being asked at a below the line level to justify increased cost of acquisition and equally to maximise ROI whilst driving traffic and leads. So this is really shifting, you know, marketing has shifted from being a function that was originally you know, very conceptual, very creative, all centred around the big idea. It is every more commercial, it's strongly linked to sales, and it's very much under pressure to deliver commercially. But there is something kind of really interesting in CMOs own reflection of their status within the organisation. And yet the CMO, maybe not believing themselves that they have the right to the authority to be really kind of driving that growth through the business.

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Carmen (11:12)

Come on CMOS, we want you to know that you've got leadership talent there. So what are some of the what are some of the capabilities that the future of the front office or the future CMO, will need to have in order to lead these marketing departments of the future? Sounds like they need to be able to do everything, but what are some of the key things that you think we should really be looking for in our future CMO leaders?

Jason (11:36)

I think the biggest thing is you think about the skills and stuff that they're going to need for the future is a couple key things right. They really need to be kind of an orchestrator and somebody who brings people together. They need to continue to have their skills around brand building and experiences that kind of stuff, but then they need to start layering in some that financial acumen as well. I think you see that a lot more. I have several clients, for instance, who are CMOs Wwo are former CFOs. You know, if you go back probably, you know, 1015 years ago, I don't think he really would have seen that before.

Joanna (12:07)

That's a great point you make, Jason. Now we have a CMO who's number two is actually an actuary. So we are seeing very much more emphasis and presence of finance in the marketing function.

Carmen (12:20) And what about technology? I mean, if you have to manage 25% of your budget in the market, how many technology agnostic people or data scientists, etc, do you need in your team?

Jason (12:32)

That's a good point, especially, you know, as you mentioned, with the budgets being as high as they are, you need a cross right, the CMO needs to either understand the technology or at least have somebody on their team that's really heavily focused on that, just like you're starting to see, you know, data scientists and stuff being right underneath the CMO, you're actually starting to see an increase of a chief marketing technology officer in some cases, with the person who's just focused on that. Going back to the conversation earlier to about, you know, the kind of the connected enterprise and how do I make sure that my, my, my functions are connected together? Here's another really good area that you should look to really connect with the CIO as well. Right? You shouldn't really look to have a shadow IT organisation, but look at how do I connect that into other parts of the organisation, and ultimately into that overall customer experience?

Carmen (13:26)

And this connection with the other parts of the organisation, are we seeing the data and metrics when we're looking at marketing measurement. Are we saying that those are connected through this dashboarding of the future? Are we saying that say customer complaints, customer call centres, case management of complaints are connected right back to the original customer data and inquiries? Are we seeing companies merging that data and moving ahead on that now?

Joanna (13:59)

Yeah, I think we absolutely all come and I think we're seeing everything from, you know, the way people are managing their supply chain doing demand forecasting, you know, across the whole of the connected enterprise, it's all driven insight sits at the heart of all of that. And fundamentally, the front of insights is the customer. So we have this, it's almost like a kind of a prism, that is magnifying the impact of the connected enterprise, which sits between the connected enterprise and of course, that end user. And that insight function, which is able to kind of connect to that end user, pull that data in and then put it through into the different parts of the connected enterprise that is really so pivotal in enabling clients to accelerate their growth and really be truly customer centric.

Jason (14:42)

I think Jo brought up a really good point, especially around thinking about like supply chain in today's environment, with everything thing that's going on having that liquid supply chain is so much more important. Why, for instance, would a company who's selling out their products and can't get anything in on the shelf and keep it there? Why spend the money to work your product right now you don't need to do that. And on the other hand, if a company is shut down and they're not able to produce anything, why should I be marketing on that as well?

Carmen (15:21)

And that is interesting, because with all this data, and all this ability to connect the front, middle and back office, we still see measurement at the C suite of things like a simple FISA that score or NPS. do think that high level KPI matching to customer satisfaction -Do you think that is going to get more sophisticated and more advanced in the future?



Joanna (15:50)

But it's interesting, isn't it? Because I think fundamentally, there is a lot more sophistication coming underneath those, those metrics, yet. The nature of the C suite is that the reporting will have to remain in its essence simple. Now, you know, I would suggest that this is likely to mean the emergence of a number of new key metrics. Whether NPS now last duration, I know it's a very popular metric with many CEOs and many established business managers, which is probably why it's why it's lasted. So so well. Certainly, I think the complexity that will underpin the metrics of the future will be more sophisticated, but I wouldn't expect to see, you know, an emergence of an overpopulation of those metrics that the C suite any time soon.

Jason (16:39)

I think what you're going to see is, is that kind of that evolution, because people are going to start asking more of the so what you know, if a cset score is high, or an NPS score is high, okay, but what is it driving from a financial value perspective? Right, like, that's good. We all want high people to like us and we want people to promote us, but what does that tie back to in terms of financial value?

Carmen (17:02)

Connecting deeply back into the business is so key without any sort of marketing metric that you put up to, to your secrets. And so Jo, tell me a little bit more about this data and the confidence of marketers, because it's interesting that they don't see themselves. Is this saying that they don't see themselves in the C suite? They've been into a trend in the past or discussions around, you know, from CMO to CEO, how do I make that leap? Do you think marketers are feeling less confident in that now?

Joanna (17:32)

Well, I think historic, you know, history is a very valuable tool, and there aren't very many CMOs, who made the leap to CEO yes, possibly in the fmccg sector that has been more common. But even there, that's a rarity. So I think it's understandable that CMOs don't necessarily, you know, see themselves in that driving seat. It's pretty rare to have a Marketeer on the board, outside the executive board. But marketing's prominence in those decisions. And and in that top level of overarching corporate governance is becoming more important. So I think we'll see a growth in the confidence of the CMO function, a growth in its influence in C suite decision but it will see more CMOS, making that move towards C suite leadership positions. And hopefully we're going to see an increased representation of marketing orientated non executive directors also on boards, which will help to really shape you know, overall thinking and, and really kind of top line strategy from the board down.

Carmen (18:37)

The world has undergone as you know, a huge giant pivot in with recent events and marketers need to follow that pivot many companies have shut down, many have changed the way they do business dramatically overnight. What sort of things have you seen marketers have to do during this pivot? And what recommendations would you have for them?

Joanna (19:00)

As you know, in many ways this has been this is marketing's moment, there is not a business out there that isn't wondering how this will shape and influence and demand habits will change the scenario for them in terms of how their ultimate consumers and clients are going to be behaving in the future. And of course, that sits with marketing. So, you know, for me, I think there's kind of three key things that marketeers and marketing departments are being asked for. Firstly, it's to stay on top of consumer trends, you know, behaviours, attitudes, need value drivers, what's changing now? But most importantly, what are those changes that are emerging now are predicted. to stick? Secondly, what are the strategic trends and how can the CMO function the marketing function scenario map to how the value chain might evolve? What might that new reality look like? And thirdly, thinking more short term, are there any transactional opportunities in the value chain ahead for how brands and businesses might gain competitive advantage, for example, through a more opportunistic approach to products and services in the shorter term. So for me, those are the three big questions staying on top of consumer trends through the short, medium and longer term, thinking about strategic trends and scenario mapping in the in the long term, and thinking immediately about how you can realise transaction opportunities in the value chain to drive short term value creation.

Jason (20:28)

You know, I remember when we were talking future of and, you know, future have used to be five years out, then it was three years out, then a year out. I heard a term the other day that you know, if the future is 90 days, right, I think so many things have been disrupted, that people really aren't sure what to do. And so when talking to a lot of our clients we talked about is what can you do now? How do you focus on the immediate How do you focus on the next 30 60 90 days, and the immediate things that you can do to continue to drive your business forward work. And that's where a lot of people are focused on, on that and on just driving value.

Carmen (21:07)

I love this idea Jason said next 90 days is the future because we've seen the briefs that are coming in, or the questions that are coming in from our clients. Help me transform my digital agenda and transform digitally throughout my organisation in in a couple of weeks, and I've got to do something tomorrow that I was planning to do in five years time. So it's a very interesting, new normal that we're facing into.

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So thank you so much for your time. Jason and Joe and just just thinking about, what's the one piece of advice you would give marketers to take away to think about when they're thinking about the future of marketing, if you could summarise it into one thing. Jason, what, what would that be for our marketers who are listening out there?

Jason (21:56)

What I would say is don't get overwhelmed. There's so much out there. So many things changing focus on the things that you can control, that you can impact the things that are driving your business really, at the end of the day, don't try to boil the ocean, right? So understand where you're going, work on those things and just continue to make progress. It's a journey. It's not a sprint.

Carmen (22:20)

Fantastic advice, no matter where you sit in the organisation. And what about you, Jo? What would you say to our marketers out there?

Joanna (22:30)

Well, so I'm going to, I'm going to be sneaky and try and sneak in three things for the one but my one thing, okay, that would be to say, create transparency. I think transparency is absolutely imperative for marketers, especially at the moment, work with agility, find new ways to structure your teams and bring that into everything you're doing in the ways you're working. And thirdly, to be brave, to own the future of your business, because it's you who will have the greatest business To help your business and your brand, succeed, so, transparency, transparency, agility and owning the future.

Carmen (23:12)

Fantastic insights both of you, thank you so much for your time, and I look forward to seeing you one day when the world opens again.

Joanna (23:17)

Thanks so much, Carmen.

Jason (23:18)

Sounds great. Thank you.