

Running Head: Fittest CMOs

Survival of the Fittest CMOs  
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## **Introduction**

Given the rapidly “evolving” role of the Chief Marketing Officer (CMO), one paradigm to consider when surveying the swiftly changing CMO phenomenon is to look at natural ecosystems and how ever changing environment pressures facilitate the change or evolution of the organisms in those ecosystems. In this paper, we will examine the characteristics of the “primitive” CMO, the new environmental pressures challenging the CMO, and finally the fitness factors that are involved in the survival of the fittest CMOs.

## **The Primitive CMO**

During former epochs of slower environmental change the CMO would typically focus on growing brand recognition, increasing the efficiency of the advertising, and the conducting of basic market research (Court, 2007, p. 32). Moreover, the classic CMO role “may be broad, but his or her power to influence the business is often limited, because the role rarely includes oversight of sales, strategy, or product management” (McGovern & Quelch, 2004, p. 7). However, with the advent of climactic changes such as the Internet and mobile computing, the primitive CMO is fading into extinction.

## **New Environmental Pressures**

Now, we detail the every changing environmental pressures that the CMO must be able to adapt to or risk annihilation. First we will consider the pressure of immediate availability of information. Next, the pressure of the ability of the customers to organize and collaborate

### ***Immediate Information Pressure***

With the rise of the Internet and hand-held devices, consumers have immediate access to an array of information sources. This enables the customer to choose both how and where the media content, including advertisement, is consumed (Court, 2007, p. 30-31).

### ***Collaborative Customers Pressure***

Information technology also facilitates customer interaction and collaboration. Consumers can now share personal product reviews and influence other’s buying

patterns. In addition to this, with the use of social networking tools such as Facebook or MySpace ordinary customers can generate product reviews and “buzz” that have the potential of a greater marketing effect than a company’s corporate public relations department (Court, 2007, p. 29).

### ***Economic Recession Pressure***

The last, but certainly not the least, environmental pressure to be examined is the current global economic recession. In fact one economic analyst in Great Britain stated that “this is becoming the most serious global recession for, I’m sure, over 100 years” (Parker & Barker, 2009). This environmental condition creates obvious challenges for not only the survival of the CMO but for the entire organization.

## **The Fitness Factors of the Evolving CMO**

The question quickly emerges, “What adaptations must the CMO make to survive?” Next, this student will briefly detail five categories of “fitness” which provide the CMO a competitive advantage in a proverbial “dog eat dog” ecosystem.

### ***Information Fitness***

The first area in which to function as a fit entity is in the use of information technology. With the pressure of customer interaction and collaboration, CMOs must aggressively move into these new arenas. Given this environmental condition, an understanding of blogs, short message system applications like Twitter, and various social-networking tools is vital (Court, 2007, p. 33). Moreover, as this student has developed a small Facebook application in only a few hours, the potential for providing value to potential customers through free, branded programs is enormous. Also, given the ease to record user data through online actions and selections, social-networking sites can effortlessly target advertisement directly to consumers.

### ***Customer Service Fitness***

With the availability of information technology, the CMO must leverage the data provided by these systems as well as the tools that consumers use to provide them a more personalized service. The CMO from Alcatel Lucent, John Giere, stated:

*Personalized services are an imperative. Mass segmentation schemes will no longer sustain a vibrant business. Communications service providers and*

*enterprises alike are uniquely positioned to transform their offerings by mining and carefully analyzing their end-user intelligence - an intangible asset that can be used to tailor offerings, ultimately creating a more compelling customer experience and service value. At Alcatel-Lucent, we question the status quo every day to help our customers innovate, stay relevant and achieve successful financial results. (Giere, 2008b)*

In addition to this, Giere is working to deliver value via marketing messaging to various user devices in a targeted manner enabling the customization of offers according to personal preference (Giere, 2008a, p.43).

### ***Brand Fitness***

The environmental pressure of customer interaction and collaboration also encourages consumers to desire active involvement and association with brands they trust. According to Lori Rosenwasser, Global Director of Brand Engagement at Landor, “Of course, we cannot ignore the changing landscape of branding—which can mostly be attributed to YouTube. Who owns the brand is up for debate. It used to be the marketing department or brand manager; then the CEO and top management team. Now customers lay claim” (Rosenwasser, 2009).

With this stated Rosenwasser supports a brand marketing approach that is more inclusive than traditionally implemented. At Landor, Rosenwasser advocates three areas of input, that are viewed as “concentric circles of influence” that are included in the development of the brand. The first circle is everyone. Ideas should come from sources such as chat rooms and online forums that contain discussions of both product strengths and weaknesses. The second circle is management. The third circle, the bull’s-eye, is for top leadership such as the CEO (Rosenwasser, 2009).

### ***Agility/Customization Fitness***

At Best Buy, as part of their “customer centricity” program, local stores are encouraged to utilize local insights from their customers’ buying patterns to direct marketing and product selection (McCregor, 2008). The return on the marketing investment is also a part of utilizing local knowledge. Best Buy CMO Barry Judge states:

*This effort includes maximizing advertising ROI by intensively focusing on how each program effectively targets demand. It includes trimming programs that no*

*longer make sense in an environment where advertising ROI is at a premium, cutting programs that target segments where demand has disappeared, increasing investment in areas where demand is relatively strong, or squeezing more out of fixed asset programs that have the capacity to work harder. (Judge, 2008)*

### ***Recession Fitness***

The final fitness quality to be reviewed is the ability to adapt to an economic recession. Harvard Business School professor John Quelch covers various fitness factors in his article *Marketing Your Way Through a Recession*. First, he states that the marketer must research the customer. As with the previous fitness qualities above, timely data on your customer is vital. “Instead of cutting the market research budget, you need to know more than ever how consumers are redefining value and responding to the recession” (Quelch, 2008).

Another factor that was less than intuitive to this student is was to maintain marketing spending:

*This is not the time to cut advertising. It is well documented that brands that increase advertising during a recession, when competitors are cutting back, can improve market share and return on investment at lower cost than during good economic times. Uncertain consumers need the reassurance of known brands, and more consumers at home watching television can deliver higher than expected audiences at lower cost-per-thousand impressions. Brands with deep pockets may be able to negotiate favorable advertising rates and lock them in for several years. (Quelch, 2008)*

Finally, CMOs must emphasize core values within recession marketing strategies. This is done in concert with the CEO. “Economic recession can elevate the importance of the finance director's balance sheet over the marketing manager's income statement. Managing working capital can easily dominate managing customer relationships. CEOs must counter this. Successful companies do not abandon their marketing strategies in a recession; they adapt them” (Quelch, 2008).

## **Conclusion**

In conclusion, we have utilized the paradigm of the natural ecosystem and how ever changing environment pressures facilitate the change or evolution of the organisms in those ecosystems. We examined the characteristics of the “primitive” CMO, the new environmental pressures challenging the CMO, and the fitness factors that are involved in the survival of the fittest CMOs. Within each environmental pressure, the CMO must utilize their organization’s strengths gaining competitive advantages in their market ecosystem while adapting to turn each threat into an opportunity for not only survival but growth. It’s a jungle out there indeed.

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