

Customer
first
thinking.



Marketing Transformation

An Interview with Brent Chaters, Managing Director, Accenture

Brent Chaters:

Brent Chaters leads the Marketing Transformation practice at Accenture and is a noted expert and celebrated speaker on search marketing.



Any way you look at it, these are troubling times if you're in marketing.

You've got AI coming full speed at you, maybe about to take away your job. No one understands what you do – not your mother, your best friend, or most of the people outside of marketing in your company. And even worse, just about everyone thinks they can do your job. Which leads to imposter syndrome because you likely don't have a whole lot of training yourself. Fake it until you make it, you keep saying to yourself.

Your CMO keeps changing every few years, forcing you to prove yourself all over again. And the career ladder looks pretty shaky right now, with tighter budgets and almost no senior mentoring (no one sticks around long enough or is too busy to take the time). Most of your younger colleagues think marketing begins and ends with communications. Clicks, followers, fans – that spells success for them. They can't understand why finance folks are so dismissive of their requests for more dollars at budget time. And geez, what happens when Google starts phasing out cookies? How

will we prove all those digital media dollars are actually working? What will finance have to say then?

Maybe this wasn't such a great career choice after all, you think. And yet ... you love what you do. It's CREATIVE! You get to have a say in how the company represents itself in the marketplace. If only the CEO could appreciate the fact that marketing is in the front lines of the battle for growth. After all, we're the company's connection to the market! But you worry the CEO has no real clue what would happen if the company stopped marketing altogether. Most CEOs, you're told, come out of finance or operations. To them, marketing is and always will be a cost centre.

That last concern may be the most troublesome of all. Only 10% of Fortune 250 CEOs have marketing experience, according to McKinsey. They don't really appreciate the power of branding and they see marketing primarily as the brand steward rather than a growth driver. And even when they acknowledge that a great customer experience is crucial to success, they don't necessarily see marketing as the ones who should be in charge. In fact, marketing, for the most part, has been shut out of the strategic conversation at the Executive level.

This growing divide between CMOs and the C-suite – the furious pace of technological change – the rapid rise of generative AI – the complexity of managing customer interactions across a myriad of channels – the criticalness of delivering memorable experiences – these and many other stress points are forcing marketers to rethink what they do and why. How can marketing find common ground with Finance? How can they spike company growth? How can they play the long game at the same time as generating quick wins? How can they avoid spreading their budget dollars too thinly across all of

the available media options? How can they build a leaner marketing technology stack that makes everything easier? For that matter, where does AI fit into the picture exactly?

These challenges, and many more, haunt today's marketer. The only solution is to transform marketing: make it more relevant, more strategic, more impactful. Scrap the orthodoxies. Empower marketing to become agents of change rather than foot soldiers. Teach marketers to speak the language of the boardroom. All of that falls within the mandate of Brent Chaters at Accenture: to drive transformational change in marketing organizations that recognize the importance of rapid adaptation in times of uncertainty. Brent got his start in digital marketing, became a renowned expert in search marketing and today leads a team that helps CMOs reenergize their operations.

SS

Stephen Shaw (SS): You were an English major who followed that up with a college degree in interactive multimedia. Those were the early days of the commercial Web – did you see it as a ground floor opportunity?

BC

Brent Chaters (BC): My plan was to either go into journalism or medicine. My mom worked at HP and she was very heavily into technology. Her career advice to me then was, "Hey, there's this Internet thing and you love technology." That time was the Wild West for the Internet. There were no rules. Nobody knew what it was going to be. I was able to take some of my graphic design background from high school, combine it with my English major degree, and so make use of my right and left brain.

SS

Do you sort of wipe your brow now and say, "Phew, I could have gone the journalism route and possibly be out of work by now"?

BC

I think if that had happened, I just would've ended up some way in tech and communication.

SS

You got started at HP, and you were there for quite some time before moving on to Intuit. What lessons did you learn then that are still applicable today?

BC

It probably comes down to some of the leaders that I had. Georgia Sievwright had a huge impact on my career. She was our VP at HP for legal and corporate comms. Back in early 2000 when I started, they didn't know where to put the Internet people, so they stuck me in IT: "You know how to make web pages, so you must know how to run a web server." I had no idea how to do any of that stuff, but I figured it out.

Georgia took me under her wing in corporate comms and said, "We'd like to communicate to our employee base in more interesting ways through digital technology." What she taught me was that, as a leader, don't let silly things get in the way. She just found ways to make things happen. She wasn't afraid of taking big swings.

I remember one time we had Carly Fiorina, who was the global CEO at the time, coming to Canada. Georgia asked me, "Do you think we could live stream Carly?" I told her, "Absolutely we can!", not realizing how big a deal that was. We did our first test and took down the entire network. I got a call from our network guy demanding to know: "What are you doing?" I explained it to him, and he goes, "Oh, okay, you need to do multicast." The team came together to make the Carly experience excellent. It was the first time she was ever live streamed across the nation in real-time. That may seem so simple today, but this was pre-YouTube.

And then, at Intuit, Jeff Cates, who I had actually worked with at HP, was the CEO for Canada. He allowed me to explore things like product marketing. If you give somebody an opportunity to expand, they'll grow into the space that you create for them. And then I would also say Gail Evans. She is now the Chief Digital Officer at Disney Parks. She was an EVP for us at HP globally. And she took a big bet on us. At that time, we were consolidating all of the websites. We didn't think it was going well. I felt we needed to voice our opinion and she gave us a platform to speak to the Executive group. We were able to have a very mature conversation that allowed us to pivot so that what we were building was right. I felt that she had my back.

SS

You came up through the ranks of digital. I think you earned a bit of a reputation in search marketing as well.

BC

Certainly went very deep in search.

SS

Let's fast forward to today. Your mandate is marketing transformation. Let me ask a very basic question to get started: What is the role of marketing these days? The fact that there is a need for transformation would suggest that role is changing, but what would be your definition of marketing as it exists today?

BC

Very simply, marketing is the way that organizations communicate to their customer base.

SS

The C-suite thinks of marketing as purely demand generation.

BC

Demand gen is certainly part of it. But it's not just about demand gen: it's about managing the customer experience across different parts of the organization.

SS

The official AMA definition of marketing, if you distill what is a long paragraph into a simple statement, is to create value. If you ask Seth Godin what his definition is, it's to serve customers. So, neither is talking about ads or comms even. They're saying marketing's role is to drive value in the enterprise by serving customers. Do you agree with that?

BC

I do, but our job is to make sure that we're actually putting revenue in the company's pocket. I think people want to soften it a little bit by saying value because it doesn't sound so corporate. But that's how businesses operate. And I think if you don't have a pragmatic view, you get lost in what is the goal or objective that you're trying to achieve. At the end of the day, businesses really try and do two things: drive more revenue and cut costs, right? And you've got figure out how to do that.

SS

I think that businesses today are fundamentally asking themselves, what should marketing's contribution be to the business? Is that at the heart of marketing transformation? What are the main drivers?

BC

I see transformation in a few different ways. First, there are the organizations that are shifting from brand building to performance marketing. How many leads are you driving? How many are you converting? Then you've got organizations that are trying to drive higher levels of technology adoption: We have to do more with less, so how do we do that? With Gen AI, for example, how do I produce and create content faster? Do we shift from being creatives to being editors? And then, there are organizations just trying to figure out how to be more efficient as a whole. There the transformation is more about workflows and people alignment. That's really more about partnering with the finance team, with the sales team, with the tech team, to get work done. Customers are engaging differently as well, right? They're changing the way they're engaging with brands. Brands are having to meet those shifting customer needs.

SS

Are marketers asking for help to make the transition to this new digital-first era? Or is it coming from business leadership saying that we need to upgrade our marketing practices?

BC

It's a little bit of both. I'd say probably 80% of what I'm doing, marketers are saying, "I've been challenged to rethink my business model. I've been challenged to rethink our goals and objectives." Or they've been given a bigger mandate. Sometimes we're pulled in from a VP or EVP of IT or technology who's saying, "I need to help get the marketing team highly digital." A lot of that was accelerated through COVID. Everybody had to get digital overnight, so you saw this huge rise of digitization. And then sometimes it's just driven by the businesses where they're saying, "We've got new targets to hit. We don't know how we're going to hit them. We need your help. Can you come and figure it out?"

SS

Does the demand for marketing transformation go hand in hand with the demand for digital transformation?

BC

Yes, absolutely. That's a huge driver.

SS

Are these clients also facing disruption in their business model due to the changing habits of people?

BC

So there's a lot of legislation that's coming out now in terms of how you utilize customer data, and that's disrupting the personalization strategies of a lot of organizations. They're also recognizing that there's new technology coming along that they'll need to adopt. And then COVID really did change the way that consumers engage with companies. It led to new habits. People found new tools and ways of using their time. The role of marketing is helping to connect digital technology and people, making sure that customers understand their options.

SS

I want to move on to another pain point for a lot of marketers these days, and that is the relationship between the C-suite and the CMO. CMOs today don't have quite the influence they used to have. CEOs and CFOs have a hazy understanding of marketing, and this leads to a disconnect around what they feel marketing should be doing versus what marketing feels it should be doing. What can be done to bridge this divide?

BC

I think it's up to marketers. You asked me earlier about some of the things I learned. At Intuit, I remember being given a budget for a new product that we were introducing. It was a small budget, but this was a product that we wanted to grow long term. I went to the CFO and said, "I'm going to make

you a deal. You give me a cost per acquisition cap, and if I stay below that cap, you'll fund me until I go over it, and then you can freeze my funding. But the second I go under it again, you'll increase my funding." He goes, "Yeah, that makes complete sense." So, we ran it as an experiment. We went from a \$50,000 budget, super small, to \$6 million by the end of the year. What I did differently was talking to the CFO with a financial hat on.

SS

Let me go back in time a little bit. Between the mid 1950s and the mid '80s, marketing actually had a fairly big role in influencing business strategy and direction. That doesn't seem to be the case anymore. Marketers have lost a lot of prestige and influence relative to that era. What do you think accounts for that change? Is it a feeling that marketers don't have the necessary gravitas anymore to play with the adults?

BC

The "Mad Men" era, right? Showmanship, that was all part of marketing. Marketing was seen as the way to get that zingy thing out there that everybody would remember. If you nailed that, it affected the business significantly. We've lost a little bit of that flare for showmanship. The challenge now is marketers can't keep up with all the channels. Back then, you won on billboards and TV and radio. The end. Now, hey, what about Threads? Virtual reality? E-gaming? And the explosion of channels has diluted the creative. But yeah, I mean, as a whole, I don't think marketing is being invited to sit at the C-suite table as much as they used to be.

SS

The other thing that holds marketers back is just 35% of marketers in Canada are formally trained. They're what's called "accidental marketers". In fact, we may be the only business discipline that doesn't insist on some sort of formal accreditation beyond having an MBA. Is that because in business, marketing is seen as something anybody can do?

BC

So, I had this very same conversation with a colleague, and he made this statement, and I kind of laughed, but it was so true: "Marketing is the only industry where some yahoo can come from anywhere in the organization and think, 'I can do marketing.' Part of it is people thinking it's arts and crafts: "I can come up with an ad." The art of marketing is not the ability to create the ad. The art of marketing is to create something that will resonate with the largest potential audience. It's the one thing that's going to drive conversation with people, right? That's what separates true marketers from someone who shows up thinking they can do it.

SS

So, I'm going to cite another disturbing figure, which is that CMO tenure is at its lowest in a decade, something like just over three years. What accounts for this level of churn? Are CMOs set up to fail due to the unrealistic expectations of the C-suite? Are they often scapegoats for lower than expected growth?

BC

What the stat doesn't tell us is, are they being fired or are they just moving into different jobs? In my job in Canada, I've got good exposure to the Fortune 500 CMOs, and their tenure is definitely a lot longer than what that stat says. And then the ones that I know who have moved on, at least in Canada, have taken a better job, jumped to a competitor, or moved to their global or U.S. head office. And then I'd say maybe 10% have exited because marketing is seen as a cost center and the marketing group has not been able to articulate the value it creates. The CEO doesn't really understand what marketing does while the only response of the CMO is to say, "Look at the ads". The CEO says, "Yeah, but what's that doing for my business?" When the CMO can't answer, that's when you see this turnover.

SS

Is the main challenge for marketers today managing the proliferation of media options? Is the whole exercise of media planning now really more an exercise in throwing darts than anything?

BC

I think before, marketers needed to think two dimensionally, channel and message, that was it. And then on top of that, there were segments. Now you also have to think in a third plane as well with the shift to always-on marketing. When you talk about throwing a dart at a board, a marketer who's doing a really good job has the right tools, they have access to the right data, and they have the ability to scale. You just need to be very smart in terms of how you're implementing it.

SS

Marketing is now made up of many specialized functions and they're all battling for their own slice of the budget. Is there a need to streamline marketing so that there's greater cohesiveness and consensus as to where dollars get spent?

BC

That's been a problem for at least the last five or six years. There's a bunch of factors that come into play. There's how your organization is aligned internally. Then you've got your agency partners. You might have a team that's buying mass media, and then maybe an agency partner for digital channels, and then an in-house agency that's creating onsite web banners and ads, and whatnot. What organizations are having

to do is figure out how to bring all of them together. And so, I'll work with them to define their operating model, how each of them are coordinated, how they are governed. At Intuit, I could tell you how many units we would sell of a product based on the day of week, the month, and what offer we were going to put out. And I'd be plus or minus probably five units. There was that level of rigor to what we were doing. But you have to coordinate across all those different channels.

When we talk about orchestrate, it's not just planning, it's coordinating all of the different people, all of the different teams. So when you think about doing a marketing brief, everybody's got to be at the table. When you're talking about strategy, everybody's got to be at the table. And then on top of that, it's no longer "set it and forget it". You've got a person quarterbacking it in real time, shifting and adjusting budgets, who can say, "Okay, we're one week in. Are we performing to what our plan was? If not, why not? What do we need to change? OK, hey, Search Team, I need you to ramp up and we're going to shift some of the paid TV budget to you, and whatever else." Whereas in the old days, pre-digital, once you made your buy, you made your buy. There was no going back. So, it's a very complex machine and organizations that get it right drive performance; organizations that don't, miss out.

SS

I think largely what you're describing is performance marketing because the demand is to show results today, not next year, right?

BC

When I was at Intuit, we were launching new products. Conventional wisdom would have said you start with mass advertising. You need to get people aware of the product. But we started at the bottom of the funnel and worked our way up. The thinking was, run it like a startup. Eventually you hit a point where you need to go wider. So you turn on the faucet for a TV ad or a radio ad or an out-of-home bus stop or billboard or whatever it is you need to do. But we worked our way up to it instead of starting with a big blast.

SS

One thing Intuit absolutely gets right is the customer experience. And the vast majority of marketers admit that their own organizations aren't doing it very well. What's your perspective on who should own CX within the enterprise?

BC

I think everybody has to have accountability for it. Because CX means different things. So, the CX view a marketer is

going to have is very different than somebody from sales, or somebody from the call center, or somebody in-store. The role of marketing is to corral them all together and coordinate. It's bringing the right experts to the table and saying, "What does a great CX look like?"

SS

If marketing's job is to shape the perception of the brand and ensure that the brand experience is right, you would think they should be driving the customer journey mapping and ensuring that there's no dissonance between what the brand is saying and what the customer's actually experiencing.

BC

Yeah, I agree. I definitely think marketing should drive the customer journey mapping and if they don't own that, they should have a very heavy hand in it. I guess part of the reason I struggle with that right now is probably 98% of marketing organizations just struggle to remove the walls within their own group. They'll often be split up by lines of business. I think every bank out there is that way. That's how their P&L is set up. Same thing happens in retail, right? So if marketers can't even get their own house in order, how can they fix the experience?

SS

That's why business transformation has to move in lockstep with marketing transformation, because if you remain a siloed organization, it is going to be very hard for marketers to accomplish what they need to do. And the other challenge is the overweighting of acquisition versus relationship management. Shouldn't marketers be investing more in existing customer relationships?

BC

That is one that drives me nuts. There is nothing worse when you're treating everybody as if they're a net new customer. Capture an email, capture a phone number, capture a mailing address – that becomes a way you evolve the relationship. But then the next time you reach out to them, you should be acknowledging who they are. And I think as marketers we think, "We just got to make it rain. We've just got to show results. And if that's a blast to the base, so be it." You're in such a grind to get the campaign out instead of stepping back and saying, "Hold on a second. I could send out half the number of emails and probably still get the same results because I'm just hitting people who've already bought. Let's scrub them out."

SS

One of the other major challenges is that marketers now have less than a year to prepare for the loss of third-party cookies. What's your advice to marketers?

BC

It will change the way you think about the channels that you're going to engage with. There's going to be a drop in numbers. It doesn't mean that your marketing has failed, it just means that the benchmark that you had before has changed. I think we often treat marketing data like financial data, to the penny. No, it's directional, plus or minus 30%."

SS

The other thing you might start to see is more aggressive collection of first party data.

BC

Marketers are rethinking how they collect that data too. This is why CDPs are probably the hottest piece of technology out there. What that is allowing marketers to do is to collect both the CRM-type data but all the different interactions that you have.

SS

I want to come back to the subject of AI. It's early days but it could certainly be a boon for marketers. From a customer service perspective, it has a lot of clear advantages. And it will alleviate the complexity of interaction management. However, I think if you ask most marketers, they're worried about losing their jobs. Where do you come down on this debate?

BC

Here's a way to think about it: when AI was used in medical scenarios to identify a specific disease, it was probably 80% accurate. When humans tried to identify it, they were probably about 60% accurate. But when you used human plus AI, it was 98% accurate. I think the same analogy applies to marketing. Does it mean fewer marketing jobs? I don't think so. I think what you will see is the roles will change a lot. The expectation of what people do will be very different. You just have to be malleable to learn new skills and new trades, and make sure that you are in a spot where you're creating relevant value for the organization that you're in.



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