

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.

I started by asking Brent how he made the leap from an English degree at McMaster to launching a digital career during the formative years of the Internet.

BC

Brent Chaters (BC): I went to Mac with the plan of either going into journalism or medicine. That was the original plan. And Mac was ideal because you didn't have to have a science degree to go into it, so it made sense. And then before that, the high school I went to had a graphic arts program, so I was always, like, Photoshop, Illustrator, like, very early days. And then my mom worked at HP and she was very heavily into technology. So, when she grew up, she actually was learning how to code on punch cards and, you know, very old school technology, but she was really dialed into what was happening and she was just like, "Hey, like, there's this Internet thing, it's kind of got a little bit of graphic design, you love technology." And I was like, "That sounds interesting."

So, I made a pivot in university and did my postgrad after, but yeah, there was no real planning. Like, 2000 was the Wild West for the Internet, right? Like, there was no rules and nobody knew what it was gonna be. And so, went out and explored it and learned a little bit of coding. Like, I was able to take some of my graphic design background, lace it in with my English major degree. And so kind of it just brought, you know, a little bit of, like, left brain, right brain altogether.

SS

Stephen Shaw (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

No, I don't because I think...I mean, obviously, the conversations we're having right now, this is the new evolution of what journalism is. I think it's shifted to a little bit more of an entrepreneurial space. You know, I think if you think of, like, the classic channels of journalism like print magazine, that certainly has changed. But I think people always need information. I think that the way that we communicate is always gonna be relevant. So, you know, I think if I would've gone into it, I would've found ways to kind of pivot with the ways that that technology were taking it, and I just would've ended up in probably, you know, a very different place, but probably still grounded in some way or another in tech and communication.

SS

Well, you and I share similar aspirations because I felt I was destined to become a journalist at one point. So, it is very, very similar. And of course, the content that we've created here with Customer First Thinking today is of course an opportunity to practice those skills. So, you got started, I think, at HP, and you were there for quite some time and moved on to Intuit. What kinds of lessons did you learn then that you have carried forward since those days that are still applicable? Both very good organizations. Intuit has quite a reputation for customer experience. What did you learn from those two experiences?

BC

Yeah. You know, I mean, it probably comes down to some of the leaders that I had. Georgia Sievwright, huge impact on my career. She was our VP for legal and corporate comms. So, kind of, like, back in early 2000 when I started, they didn't know where to put these Internet people, so they stuck me in IT and they're like, "Hey, you know how to make webpages so you know how to, like, run a web server. You know how to be a DBM." Like, I had no idea how to do any of this stuff. I figured it out, but Georgia kinda took me under her wing in her group for corporate comms and she's like, "Hey, you're that guy who knows how to do animation and do all this. Like, so we'd like to think about how we communicate to our employee base in, you know, more interesting ways through digital technology."

And, you know, what she taught me was, as a leader, when you've got people with ideas and innovation, don't let, like, silly things get in the way. At one point, we wanted to do some video streaming, so some of our VPs to other VPs

to show how our networking technology could go coast to coast, and you could actually talk over the Internet, which clearly you can do now, but back then, that was blowing people's minds. And she's like, "What do you need for that?" I'm like, "Well, you know..." Like, I gave her a list and she called me up, she's like, "Well, I'm at a store right now. Like, I'm gonna just buy this and expense it." Like, you know, she just found ways to, like, make things happen. You know, she wasn't afraid of taking big swings.

We had Carly Fiorina, who was the CEO at the time, coming to Canada. She's like, "Do you think you could stream Carly?" And, like, I'm naïve. Like, young me is, like, not realizing how big a deal that is, like, "Absolutely we can." We kinda do, like, the first test and we took down the entire network. I got a call from our network guy. He's like, "What are you guys doing?" Like, "Well, here's what we're doing." He's like, "Oh, okay, you need to do, like, multicast." I learned more about what was required and I learned about networking, but the team came together to make the Carly experience excellent. And it was the first time she was ever, like, live streamed across the nation for an all-hands and, like, real-time interaction. That sounds like it's something so simple today, but this is pre-YouTube. Like, this is before...

SS

Oh, I remember. (9:55)

BC

...bigger stuff, right? So, you know, I would say what I learned there was the drive for innovation. Like, you know, when you don't know what you can't do, there are no breaks and there are no limits, and you just...you kinda do what you can. And then, you know, moving over to Intuit, Jeff Cates who I had actually worked with at HP was the CEO for Canada. What I learned from him was you don't have to just be... Like, I was brought in to be the digital marketing guy, but he allowed me to explore things like product marketing. It's where I learned, like, what I would call core marketing as well. So, like, we did, like, the first Super Bowl ads. I learned how those operated. We did the first mass marketing. You know, and then I was operating as a business owner as well. So, having ownership for P&L and a product line, new product introduction. So, you know, I started to learn across that. And again, you know, like, I think often we work with people and we think of them as, "This is what you do, this is what you're excellent at," and we want them to continue to do that. But if you give

somebody an opportunity to expand, like, they'll grow into the box that you create for them. So, you know, I think it's more been about the leaders than the organizations.

And then the last one, I would also say Gail Evans. She is now I wanna say CIO or CTO for 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 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. And we were able to have a very mature conversation that allowed us to pivot so that what we were building was right. And that was probably...like, that was my first time being on a platform talking to other executives, and, you know, I felt that she had my back. So, you know, I think continuing to allow people to, like, elevate and rise up is just as important as well.

SS

So, you came up to the ranks of digital. I think you earned a bit of a reputation in search marketing as well, and became actually quite renowned for it, is my understanding.

BC

Certainly went very deep in search.

SS

Yeah. And quite renowned for it, I might add. Let's just fast forward to today. Your mandate is marketing transformation, but let me ask a very basic question to get started here, and that is what is the role of marketing these days in your opinion? 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

Yeah. You know, I think a very simple elevator pitch, marketing is the way that organizations communicate to their customer base. I think a lot of people think it's advertising or arts and crafts, or, you know, those sorts of things. Organizations that have really embraced marketing are thinking about it, you know, what is your brand proposition? Your brand is not a logo or a set of colors or guidelines. Your brand's now representing how somebody calls customer service and engages with you. Your brand is how people are talking about you post-sales, right? Your brand is, like, how they talk about your product. Like, that's how your brand is now, and it's amplified through digital.

So, you know, I think organizations now need to think about marketing kind of being threaded everywhere. And the role of the CMO is still highly relevant, but I always

say when we think about when and how we talk to our clients, we have to think about marketing, how the CFO would think about driving revenue and profit. You know, we have to think about how the CIO or the CTO would think about how technology is used to enable employee jobs and customer experiences. We have to think about how the CDO, the chief data officer, is thinking about how data is used for personalization and privacy, right? So, you kinda have to think about each of those C-suites, and marketing plays a little bit of a role across each of them. So, you know, you're doing a lot more...I call it team sports as opposed to individual sports in the world of marketing as a whole than you probably ever have before.

SS So, your point of view here is that if your neighbor asks you what marketing's all about, you would say comms. What do you think the answer should be? And I ask that because a lot of people in business and the C-suite, in fact, think of it as the demand generation folks, and some, the ad folks. But what do you think that definition should read like? (14.36)

BC Demand gen is certainly part of it. When you look at a lot of marketing organizations right now, they're thought of as cost centers. So, if you're not thinking about how you're driving demand, it's important. But, like, you have to partner with the sales team too, right? Especially when you're in the world of B2B. The marketing team is there to, like, set up the leads. The sales team is there to collect and drive them. And I can tell, like, I've run marketing and sales teams, the sales teams always just say, "The leads you're sending me are garbage. They don't work." And so, you know, marketing shouldn't just be about leads. It's about, like, how do you qualify? How do you make sure that the quality is better as well, right?

So, if you kinda take that to a level higher, it's not just about demand gen, it's about, you know, driving the right process and effective handoff of customer experiences across different parts of the organization. So, if it's sales, make it amazing. If it's somebody's going into customer care, make it easy to find you. Talk about things like search and SEO. Why is somebody picking up the phone to have to talk to somebody for customer support when they should be able to find that very simply on your website? Like, that's part of the role of marketing, is ensuring that those things are found just as much as doing the lead gen.

SS

So, the official AMA definition, which reads like it was written by a committee because they jam everything they can into the statement.

BC

Oh, it probably was. I've sat on some committees, so it probably was.

SS

So, the last version of it, 2017, finally put the word customer in the definition, but the real takeaway words from that definition in my opinion are create value. And then if you ask Seth Godin what his definition is, it's actually to serve customers. So, neither is talking necessarily about ads or comms even. They're talking about marketing's role as driving value in the enterprise. Do you agree with that?

BC

I do, but I'm probably a little bit more direct on it. Like, you know, I think we all have to be mature about it - we're running businesses. Our job isn't just value. Our job is to make sure that we're actually, like, putting revenue in the company's pocket. Like, that's your job. If you're not driving revenue, then, you know, you're effectively not doing your job.

I think people want to soften it a little bit by saying value because it doesn't sound so, like, corporate driven, but that's how businesses operate. And I think if you don't have a pragmatic view to it, you kinda get lost in what is the goal or objective that you're trying to do, and you get, like, a softer number. I think you can measure value in other ways, net promoter score, you know, those sorts of things, but end of the day, businesses really try and do two things: drive more revenue and cut costs down, right? And you gotta figure out how you do that.

SS

An interesting comment because the CMO title has changed in some organizations to Chief Revenue Officer, or it might be even a parallel C job set up to work with the CMO. So, you know, in organizations, there appears to be, you know, some dichotomies there, which ... let me gravitate toward the concept of marketing transformation, because as I said at the beginning, 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 is the question? How do you define marketing transformation and what's the question behind it?

BC

I mean, I kinda see transformation coming in a few different ways, right? So, they're the organizations that are shifting over from where marketing was seen as the owner of the brand, and now they're being asked to operate more as a business. So, you know, you need to realign your organization around business-driven goals. And so, some of those softer metrics like brand awareness, brand consideration, etc., aren't as relevant. Now, it's, you know, you're talking more about a funnel. So, how many leads are you driving at the top after you've thought about awareness? And then how many are you converting? What's your handoff? You know, those sorts of things.

Then you've got organizations that have already made the shift, but they're trying to drive higher levels of technology adoption into it. So, you know, they're like, "My marketing team's not getting more funding. Everybody's running flat out. We are over-consumed and, you know, we have to do more with less, so how do we do that? And we have to start to think about automating, right?" And, like, that conversation is being doubled down now with the role of things like Gen AI as a whole, right? So, how do I produce and create content faster? What's the role of my marketers in that new world? Like, do we shift from being creatives to being editors, or are we shifting to where we're still creatives but we have a different palette that we're painting with on a slightly new canvas, right? I think it's the latter. I don't think you can have AI do everything for you. I think you have to have... If you want to continue to evolve and stand out, there has to be the heart of something that sits there with a human who's actually looking and creating it. And then, you know, the third way that organizations are thinking about adoption right now is with inflation and costs. They're effectively just trying to figure out, how can I get more efficient as a whole? And so, the transformation is more about, like, workflows and people alignment. And that's not taking headcount out, that's really more about I have to partner, as I was saying before, right? I have to partner with the finance team, I have to partner with the sales team, I have to partner with the tech team. "My team is now working in a very different way and I have to think about how work flows across all of those, and we're creating the right governance to get that work done."

And then, you know, you flip to the other side. So, that's the internal business, now you flip to the customer. Customers are engaging differently as well, right? Like, you and I, we could go and get access to an AI tool very quickly. Like, and they're gonna start to be embedded in things like Siri and whatnot as well. So, you know, you'll just be able to, like, start to interface. That's the way I'm gonna interface with the business. So, now as customers, we're also changing the way that we're engaging with brands. So, brands are having to meet that shifting customer need as well. So, you know, you take those four things, that's kind of what's driving transformation. (20.58)

SS

Is it marketers asking for help to make that transition to this new consumer world? Or is it coming from business leadership saying that we need the best-in-class marketing practice here? Where do the questions come from?

BC

Yeah. I mean, it's a little bit of all. I'd say probably 80% of what I'm doing, marketers have the self-awareness in saying like, "I've been challenged to rethink my business model. I've been challenged to rethink about new goals and objectives. I recognize that, like, our customer experience needs to change, or I've been given a bigger remit or a bigger mandate," you know, kind as you were saying before. So, marketers are coming in with, you know, that model, and so they reach out and they say, "I need help."

You know, sometimes we're being pulled in from a VP or EVP of IT or technology who's saying, "Hey, like, my group is highly digital. I now need to help get the marketing team highly digital. Can you help us bridge the gap between us owning the tools and them using it to drive activation?" A lot of that was accelerated through COVID. Everybody had to get digital overnight, so you saw this, like, huge rise of, like, digitization. And then sometimes it's just driven by the businesses where they're saying, "We got new targets we have to hit. We don't know how we're gonna hit them. We need your help. Can you come and figure it out?"

SS

Is the demand for marketing transformation going hand in hand with the demand for digital transformation?

BC

Yes, absolutely. That's a huge driver.

SS

And just to go back to where the question is coming from, the kinds of businesses that you're being brought into. You

mentioned B2B earlier, and certainly there are challenges there. But I would imagine the greater challenges would lie on the B2C side. Are these companies facing disruption in their business model? Have they changed their business model? But I think you alluded to that. What are the driving factors behind it?

BC

Yeah. I mean, so 95% of what I do is probably more B2C. I've been both a B2B and B2C marketer. I think B2B is a lot more complex, to be honest. B2C, there's a few things that are driving it. So, there's a lot of legislation that's coming out now in terms of, like, how you can utilize customer data, and that's disrupting the personalization strategies of a lot of organizations. How do you hold? What can you target against? How do you align with your customer? The other side to it is they're also recognizing that there's new technology that is coming up that they're gonna have to adopt to as well.

And then I think the third part is COVID really did change the way that consumers are expecting to engage with things, right? Like, I'm still recovering from a bit of a cold, but you sit here and you question like, "Why do I need to go see my doctor when I could just do a quick 15-minute video conference and not sit in a room with a bunch of other sick people?" That same question gets applied to your grocery experience, your banking experience, your food ordering experience, right? All of those things, you sit there now and we've kind of created new habits, but thought about like, "Hey, the old way worked. It was fine, but there's a better way of doing this now."

And then the other component is people have found new ways of using their time as well. So, you know, I don't want to spend my time going to a bank to talk to my personal financial advisor and having to take two hours out of my day. I'd rather just do a quick video conference call, have a discussion with them, and then move on, right? And all of those things as we talked about it, it's the process of the business, but the role of marketing is helping to connect those tools and those people together, and making sure that customers understand that those are options for them as well as part of their service and value proposition. (24.52)

SS

So, I wanna move on to another bit of a 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, and I wanna dwell on that subject a little bit later on. And I read a figure where just 10% of CEOs in very large enterprises have any marketing experience at all. Most of them come out of operations and finance. They have a hazy often understanding of marketing, and this leads to a disconnect around what they feel marketing should be doing and what marketing feels it should be doing. There's also a language divide between the two. What can be done to bridge this divide? Is it on the CMO to figure out how to be better at speaking the language of business than the language of marketing and branding?

BC

You know what? Like, I do think it sits with the marketers. You know, you asked me earlier one of the things I learned. So, Intuit, I remember going in when I was originally given a budget for a new product that we were introducing. And it was small, it was a small budget, but, like, strategically, this was the product that we wanted to grow long term. And I went to the CFO and I said, "Look, like, I'm gonna make you a deal. I will take the budget that you start with me, but you give me a cost per acquisition cap, and if I stay below that cap, you'll fund until I go over it, and then you'll freeze my funding. And the second I go under it again, you'll increase my funding." He's like, "Nobody's ever thought about, like, budgeting like this before." I'm like, "Right. But, like, if I can drive you more revenue and I can drive you the number of units that you need, why not?" He's like, "Yeah, it completely makes sense."

So, we ran it as an experiment. We went from...it was actually a \$50,000 budget, so, you know, super small. And we ended up at 6 million at the end of the year, right? And it was just, like, rapid acceleration and rapid growth. And, you know, what I did there differently was talking to the CFO with a financial hat on and a business acumen hat on. And our CEO was like, "We've never seen anything like this. Like, and how do you take this now and go to, like, the UK and Australia, and the other countries that we're looking to deploy," right? And so, it kind of became, like, the gateway of how we thought about driving new growth in new market units.

SS

Well, it's certainly a way to turn around the perception of marketing as a cost center, as a line item budget as opposed

to a revenue generator and leading to business growth for sure. Let me go back in time a little bit. So, say between the mid '50s 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 aren't invited into the boardroom often. They're not even invited up to the executive floor for that often. They've lost a lot of prestige and influence relative to that era. What do you think accounts for that loss in prestige? Is it a feeling that marketers don't have the necessary gravitas these days to play with the adults?

BC

I think if you went back, like, the 1950s, right? Like, "Mad Men," right? Like, marketing was seen as the way that businesses were perceived to be cool, right? Your job was to be out there and get that zingy thing that everybody would remember. And, like, if you nailed that, it turned a business significantly. Going into the '80s, right? You talked about Apple and the iconic 1984 ad, Steve Jobs was laser focused on that. It's funny because I think you're right, a lot of CEOs don't come from that marketing background, but then you think of some of the most iconic CEOs and whether they were core marketers or not, they certainly thought about how their brand was perceived and how their brand was being driven out there.

And somebody like Steve Jobs, I think he was another one who brought together that thinking of creative and technology together. And he was just really good at, like, driving the value proposition, the iconic, "It's a phone, it's a music device, right? It's, like, all these things in one and it's one device." And then people are like, "Oh, that's so cool." Showmanship, that was all part of marketing. And I think, you know, we've lost a little bit of that flare to it. You know, I think part of the challenge now is, like, it's so saturated marketers can't keep up with all the channels. Back in the day, you know, you won on billboards and TV, and radio. The end. Now, hey, there's Threads that, like, we've gotta figure out, like, should we be on it or not? You know, there's some new whatever that comes out, and then somebody shows up and says, like, "Is VR, like, is that a channel that we wanna be in? Do we wanna be in, like, e-gaming? Like, how do I show up for all of these different things as a whole?"

And, you know, I think the explosion of channels has kind of diluted the creative, but then there's still, like, creatives

like Ryan Reynolds. I think that dude does a great job of capturing whatever the zeitgeist of that moment is, and just pushing stuff out, right? It's like, "Oh, Mr. Big died, spoiler alert, on the reboot of 'Sex and the City'." And then he's got a Peloton commercial with the Peloton girl on it as well, and he just kinda captured everything that was happening in that moment. So, he's doing a great job of creating what I think some of...when you think about the classic marketers of the 1950s from a creative perspective. But yeah, I mean, as a whole, I don't think they're being invited to sit at the true C-suite table as much as it used to be. (30.49)

SS

And I'm wondering, and your points about creativity is a really good one because people are generally feeling in the business that there's been a dramatic loss in the creative innovation because largely of the shift to performance marketing and, you know, the lack of attention to long-term brand building. I mean, there's a whole argument around that. I wanna come back to that subject because it is kinda key. But the other thing that I think holds marketers back is it's interesting that in your LinkedIn profile, you reference yourself as a chartered marketer. I read where just 35% of marketers in Canada are formally trained, just 35%. They're what people call 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, again, marketing is seen as something anybody can do?

BC

Yeah. It's funny. So, I had this very same conversation with a colleague and he made this statement, and I kinda laughed, but it was so true. He's like, "Marketing is the only industry where, like, some yahoo can come from anywhere in the organization and be like, 'I could do marketing.'" Like, somebody can show up from finance and be like, "I could do marketing." You know, we were talking about it and I was like, "Well, why is that? Like, why is that a perception? Like, why do people think they can do that?" And I do think part of it is people think it's like...I call it arts and crafts. Like, they look at it and they're like, "Well, like, I could come up with an ad. I could come up with an idea." And it's like you might be able to come with an idea, but to take the idea to execution, that is something else.

And the other thing too is, like, it's, like, anybody can go into a room and be like, "I'm an interior designer. Like, I

could figure out, like, what I wanna decorate the room with.” But, like, everybody walks in and they’re like, “Oh, it’s not my taste, it’s not my style.” So, like, the art of marketing is not the ability to create the craft, to create the ad. The art of marketing is to create something that, like, it’s not whether you like it or not, it’s the thing that’s gonna resonate with the largest potential audience, and then understanding what that audience needs is. It’s the thing that’s gonna drive dialogue and conversation with people, right? That’s where I think that separates the marketers who truly know their craft versus the randoms that show up thinking that they can do it.

SS

So, I’m gonna cite another disturbing figure, which is that CMO tenure is at its lowest, I think, in a decade, something like three years. What accounts for this level of churn? Are CMOs set up to fail due to the unrealistic expectations of the C-suite, or their lack of understanding of what marketing’s contribution is? Are they merely scapegoats for slower than expected growth? What accounts... I mean, this is the lowest tenure of any C position in the enterprise.

BC

Yeah. I’m gonna throw a different way of thinking about that stat back at you as well, right? Because I think there’s a couple different ways, like, what the stat doesn’t tell us is, are they being fired or are they moving into different jobs? So, you know, I think it’s a blend of CMOs are coming in and the CMOs that are excellent are in high demand, and they get scooped up, and they get scooped up quickly and they move into other roles. In my job in Canada, I’ve got good exposure to the Fortune 500 C-suite of CMOs, and a lot of their tenure is definitely a lot longer than what that stat says. And then the ones that I know that have moved on, at least in Canada, one of two things is kinda happening. They’re either moving on or they’re moving into...they’re global or into a U.S. company in some cases. Or in other cases, they’re moving out, but they’re moving to a competitor as well. So, there’s a lot of, like, self-directed. And then I’d say of that mix, maybe 10% are exiting without, like, any sort of plan of where they’re going to next. It was more, like, a business decision on it. And usually when that’s happening, it’s because the business is realigning, like, what they’re thinking of marketing as a whole, right? And most of it is driven where it’s, like, you’re seen as a cost center and the marketing group has not made that pivot to be able to articulate the value. So, it kind of goes back to, like, the

CEO doesn’t really understand what marketing is doing, so then they start to get frustrated, and then the CMO’s like, “Oh, look at the ads, look at the TV, look at...” And they’re like, “But, like, what is it doing for my business?” And they can’t articulate it, and so, eventually, the CEO gets tired of it, and you see this, like, changeover. (35.41)

SS

Well, absolutely, it is this inability on the part of most marketers, because they’re not trained in financial jargon or financialization. They struggle to explain their contribution because they can’t actually point to a connection between the KPIs that they live by every day and what the CEO cares about. That seems to be still a major problem for marketers, not being able to prove ROI.

BC

And I think that goes back, if you went back in time, you went back to the ‘90s and before CPG was kind of seen as where the best marketers came out of, right? Like, everything...

SS

Before they did come out of. Yeah.

BC

Yeah, right? It was like if you were a P&G person, you were like gold, and Kellogg’s, you were gold. Like, you were like... They were machines at building what was perceived as marketing, and, like, they really set that high bar for a long time. And then, you know, I think through the 2000s, you start to see this, like, rollover where it wasn’t just about packaging and brand and product. You start to see marketing own more around price and strategy and those things. And so, you know, you start to see a bit more of a shift rollover. And, you know, it’s not to say that CPG marketers aren’t good anymore, but I’m finding that when they transplant into other organizations, they’re not adapting to the other organization’s expectations because they came from a core brand. Whereas now I think there’s more of an expectation of, like, a classic MBA business operator in that role.

SS

Absolutely. I had the chance to interview David Kincaid from Level5, who you would know. And he bemoans the fact that there’s been a real loss of brand discipline in a lot of companies. That they were schools for marketers for a very long time and no longer are. So, absolutely.

I wanna move on a little bit to some of the challenges that marketers face today. The CMO of MasterCard came out with a book called “Quantum Marketing” where he says quite bluntly that marketers are facing an existential crisis,

as he calls it, for many of the reasons that we've been talking about here on this interview. Is the main challenge for marketers today, and you've been referring to it, the fact that there are so many more media channels than there were before? Is it the mere complexity of having to manage across those channels, manage budgets across those channels, is the whole exercise and media planning now really more an exercise in throwing darts than anything?

BC

Yeah. So, it's yes and no. I think I fully agree with the complexity of it. Marketers who are doing it well, I don't think it's throwing darts. I tried to explain this years ago in a book I wrote, and I don't think I did a good job, but I'm gonna stick to the analogy anyways, is that I think before, marketers needed to think two dimensionally, like, you know, channel and message, that was it. And then on top of that, there's segments. And, you know, the channels have got more complicated, so you're not just thinking in two ways that have gotten more complicated, but you also have to think in a third plane as well. And then on top of that, you've also seen a heavier shift to always-on marketing. So, there's the big brand stuff that's happening, and there's the always-on, and then the demand that sits on marketing has gotten more complicated.

I think what's happened now is that marketers are trying to do a lot more. Technology is helping them do some of that, data is helping do some of that. You know, and then when you talked about throwing a dart at a board, a marketer who's doing a really good job has the right tools wrapped around them, so they have access to the right data, and they have the ability to drive scale. So, like, I can go and target an individual. We did a project once with a client, and just for the sake of seeing if we could target just them and nobody else, so true one-to-one through targeted web ads, we were able to get down to that individual level. If you put enough time and effort into the right data and the right technology platforms, I could sit there and really target down to an individual.

There's a great story about a guy who was a marketer, and he did retargeting to his roommate. He played the long con on him, and it, like, went over weeks. And finally, the guy broke down and goes to his room and he is like, "I don't understand, like, why they think I'm into all this weird stuff. And this is, like, always showing up." And he was

like, "Hey, man, that was me, and, like, I've been using all these platforms to just target only you and nothing else." But there is that capability, and the fact that it was an individual doing that, it's not complex technology, you don't need big enterprise stuff, you just need to be very smart in terms of how you're implementing it. (41.00)

SS

So, let's just talk about how marketers organize themselves. And in many organizations, because of the very things you're describing, you have now specialized functions that go deep on a particular channel, whether it's social media or search or, or, or. And they're all battling for their own slice of a budget, which isn't increasing a whole lot year over year. Is there a need here to reorganize marketing so that there's greater cohesiveness, that in fact there's a greater impact, that there's a greater ability to prioritize where those next dollars should be spent?

BC

Yeah. I mean, I've been working with organizations for a long time and that's been a problem for at least, like, the last five or six years. And ultimately, like, this'll be a very simple... It's not as simple as this is. It's a much larger complex organization transformation. But, you know, you effectively look at like how you shift from, like, single channel to orchestration. So, there's usually somebody who would come in and own that orchestration layer and their job is to partner with... There's usually, like, a data team who's running some sort of, like, marketing mix modeling and other data analysis across things.

They'll have their various different channel activators that will be engaging. When you do your marketing mix modeling, there's kind of like a tops down or bottoms up. So, bottoms up, like I'm getting real-time data feeds from, like, social media, paid search, etc., etc., to see how they're performing to tune it. And then the bottoms down, which is, like, you've got your TV, your out-of-home, your mass, that kinda sit there from a long term and you're trying to kind of tune the system. But that orchestration layer is what organizations are effectively driving adoption to solve that very specific problem as a whole.

SS

So, cross-disciplinary teams being set up to manage whether it's campaigns or aspects of the customer journey, is that what you're seeing?

BC

Yeah. So, we're gonna go really deep down the rabbit hole for a second. There's kind of, you know, a bunch of

factors in this. So, there's how your organization is aligned internally, so there are people who own that. Then you've got your agency partners. And then in some cases, some organizations have internal agencies as well now. So, now it's not...you're not just talking about like, how do I coordinate with this little team? It's I've also got a team that's out buying mass media, and then maybe I have an agency partner for digital channels, and then maybe I also have an internal agency that's creating onsite web banners and ads, and whatnot. So, you're not just talking about individual people, you're talking about, like, groups of people that you have to coordinate against.

And then, you know, what organizations are having to do is figure out, how do I bring all of them together? And so, I'll work with them to define their operating model of how each of them are coordinated, how it is governed. And you go from, like, annual planning, so what is the big campaign? What are the big things that you want to do? All the way down to, like, what are your campaigns through the quarters, the months, you know, even sometimes down to, like, the days as well? At Intuit, I ran on a daily. Like, I could tell you how many units we would sell of a product based on the day of week, the month it was in, and what offer we were gonna put out. And I'd be plus or minus probably five units. Like, there was that level of rigor to what we were doing. And organizations are now having to, like, get down to, like, that kind of science on things, but you have to coordinate across all those different channels.

So, you know, when we talk about orchestrate, it's not just, like, planning, it's coordinating all of those different people, all those different teams. So, when you think about briefing somebody in, everybody's gotta be at the table. When you're talking about strategy, everybody's gotta be at the table. And then how you get executed, that has changed because now on top of that, it's not just like set it and forget it, it's, "Okay, we're one week in. Are we performing to what our plan was? If we're not, why? What do we need to change? Okay, hey, search team, I need you to ramp up and we're gonna, like, take down from social. I'm gonna shift some of my paid TV budget, and then I'm gonna do whatever else."

So, you've got this person who's kind of quarterbacking it now and in real time shifting and adjusting budgets. Whereas in the old days, pre-digital, once you made your

buy, you made your buy. There was no, like, going back. You were not committed. But, like, now there's this, like, tuning that happens. So, it's a very complicated, complex machine that has to happen, and organizations that land it drive performance. Organizations that don't, miss out. (45:46)

SS

Well, and I think largely what you're describing is best practices around performance marketing, the sort of longer term brand building exercise, it seems to be a tougher argument for marketers to make these days because the demand is to show results today, not next year, right?

BC

It is, but, like, I mean, again, so when I was at Intuit, we were launching new products. Conventional wisdom would have said you start with, like, big mass. Like, you need to get people aware of the product. We started at the bottom of the funnel and we worked our way up. And the thinking was, like, run it for performance, run it like a startup. So, as you build your funnel out and you build the perfect machine to, like, drive revenue, eventually you hit a point where, like, I'm not getting any more people into the perfect mouse trap. I need to go wider. Now, I need to turn on the faucet for a TV ad or a radio ad or, you know, buying a out-of-home bus stop or billboard or whatever else, or sponsor a hockey team or whatever it is you need to do. But, like, you kind of...we worked our way up to it instead of starting with, like, big blasts.

Now, the advantage to that too is it's a new product, so as people came in, we could also see like, are you loving the product? Like, are you an advocate for this product? And if they weren't, we could, like, slow the tap down. You go the other way, once it's out there and people hate the product, you're gonna get brand activation, but you're gonna get brand activation now and not the way that you wanted. People will be like, "This is garbage. I can't believe a company of that stature would put this out." And now you're, like, trying to defend against it, and now you're on your back foot. So, you know, I think that there's...well, I know for a fact there's very much a role for big brand advertising, but the way it sits into the mix has shifted, and the way that you use it as a tool has shifted.

SS

One thing Intuit absolutely gets right is the customer experience. And the vast majority of marketers today make the case that it's seen as vital, yet they'll also admit that

their own organizations aren't doing it very well. And, you know, if you take note of the American customer satisfaction ratings and its dramatic decline over the last number of years, you would say they're probably right. And many marketers don't have direct responsibility for CX. What's your perspective on who should own CX within the enterprise? Or is that a more collaborative venture? And since so much of brand perception is driven by actual experience, shouldn't marketers own customer experience?

BC

Yeah. I mean, own is such a binary term as well, right? Like, I think everybody has to have accountability for it. And then CX is very nuanced across different things. So, the CX view a marketer is gonna bring to something is gonna be very different than, like, somebody who is well-versed in sales, or somebody who's well-versed in a call center, or who's well-versed in in-store experience. Like, each of those are very different animals. I think the role of marketing in that is to probably corral them all together and coordinate. So, like, if that's how we wanna define ownership, sure. But, you know, each of them needs to sit. Like, they still need to be embedded in those areas. And, you know, I don't think of it as, like, they're the traffic cop to, like, go in and say, "This is the way that it shall be." It's bringing the right experts to the table and saying, "How do we wanna show up for, like, a retail physical experience? What does a great CX look like, right, if we're doing, like, a floor planogram?" That's a very different skillset than, you know, somebody who's gonna sit there and talk about, like, what does a great call center experience look like where you've got callbacks and other things that are happening?

SS

But this also goes back to the word you used earlier, orchestration. And considering that the customer today moves across many devices and touch points, and don't see the organization as being split into silos, they interact with it horizontally, not vertically. And if marketing's job is to shape the perception of the brand and ensure that brand experience is right, you would imagine they should be driving the customer journey mapping and the optimization and ensuring that there's no dissonance between what the brand is saying and what the customer's actually experiencing. (50.16)

BC

Yeah, that I would agree. I definitely think marketing should drive the customer journey map. Like, that is something

that they should...if they don't own, they should have a very heavy hand in. I think, I guess part of the reason I struggle with it right now is, like, I'd say probably 98% of marketing organizations just struggle to, like, remove the walls within their own group as a whole. They'll often bifurcate by lines of business. So if you think of like...I think every bank probably out there is this way. So, you know, if you're coming in to get a credit card, you're treated as if you are only there for a credit card. There is no way that you could possibly be thinking about getting a mortgage with us as well, which you might be doing. And there is no way that you could be thinking about getting a loan. And there's no way you could be thinking about setting up a bank account for a kid that you've got. Like, each of those are...and, like, they're as a marketing organization aligned to each of those different streams and experiences because that's how their P&L is stood up. And then from a customer experience, marketing operates that way.

Same thing happens in retail, right? You take all the different categories that sit in retail and they're going to drive their portfolio for what they're trying to do. And they're not competing with each other, but they're also not collaborating with each other. And so, you know, it ends up being a very disturbing experience. So, like, marketers can't even get their own house in order. I wouldn't try and impose that onto the enterprise until they can, like, fix their world.

SS

Well, and this is the point I think we started talking about at the top of this conversation, which is business transformation moving in lockstep with marketing transformation, because really, if you remain a siloed organization, it is just going to be very hard for marketers to accomplish what they need to do. And the other challenge I just wanna ask you about this is there's always been sort of this bias, I'll call it, this overweighting of acquisition versus relationship management. It has been ever thus. When the concept of relationship marketing came into being in 1983, the observation was made then that there wasn't a proportionate investment in customers versus trying to expand into other markets. And it seems to me it remains the case today. And doesn't CX line up with the argument that, hey, maybe we should be investing more in our existing relationships?

BC

Yeah. I mean, that is one that drives me nuts. There is nothing worse when you're thinking of everybody as if

they're a net new customer. Your in-base marketing is huge. And if you really build...like when you talk about building that funnel, I think because you're measuring that funnel and you're just thinking about the outcome, you forget that it's also an opportunity to develop a relationship, right? Capture an email, capture a phone number, capture mailing address. That becomes a way that you evolve the relationship, but then the next time you reach out to them, you should be acknowledging kind of where they are. And I think as marketers as a whole, we've kind of lost that narrow view on things. And, like, I'll raise my hand. Like, I sometimes even...like, when I was an applied marketer, there were times where I'm just like, "We just gotta make it rain. We just gotta bring in the results. And if that's a blast to the base, make it happen."

You sometimes, because you're in such a grind to get it out, you lose track of, like, stepping back and saying, "Hold on a second. Like, 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. Like, let's scrub them out, right?" So, there's, like, stepping back and thinking a little bit more pragmatically about it. I think we all make, like, those mistakes, but it is systemic. Like, I think it continues to be systemic. I see stuff where I'm like I had just bought something and you are now retargeting me and you're wasting your dollars on somebody who's like, "Like, I'm not buying more of this, so, like, stop targeting me, go target someone else." (54.21)

SS

So, which brings me to another point, and one of the other challenges we haven't talked about yet is that marketers have now less than a year to prepare for the loss of cookies. It's gonna be much more difficult to manage the funnel of everything you've been referring to through this conversation. What's your advice to marketers in how to make the transition with the deprecation of cookies?

BC

Yeah. I mean, so there's ... Like, they're not losing all access to cookies. They're losing access to third-party cookies, and...

SS

Which is programmatic advertising for the most part.

BC

Correct. Yeah. That's exactly it because it changes the way that you think about the channels that you're gonna engage with. And, you know, doing things like retargeting, they'll still exist. Like, the big players out there are creating

ways to pass customer data along instead of using...like, you're gonna drop a first party cookie, you would pick it up, and then you would use that to target within your own ecosystem through a partner that individual. So, there's some technology shifts that are gonna happen underneath to still enable it, and organizations that are making those shifts, they'll be ready for it. But at the same time, there's also gonna be, like, a drop in numbers. Like, if you as a marketer are not prepared to see a drop in, like, performance, right? Because we're not gonna see the results come in, they'll just disappear into another. It doesn't mean that your marketing has failed, it just means that the benchmark that you had before has changed.

Like, I think we often treat data out of marketing as if it's like financial data and it's, like, to the penny. And I'm like, "No, this is, like, directional. Like, this is probably plus or minus, like, 30%." You know, I go way back to the old days when we used to track through web logs. Like, there wasn't any of this, like, "cook-eing". It was just web log data that we would, like, hard, like, parse through and understand what people were doing, and then you moved over into cookies and it's like, is that the same person? Is it a different person? I don't know, but, like, traffic is going up, so we're good.

SS

Right. And so, the other area that might start to develop is the collection of first party data more aggressively. I think you just alluded to that, and that seems to be the consensus opinion, and organic content. So, the two going hand in hand, which is back to, you know, let's create very vibrant reciprocal experiences on a one-to-one basis for customers as much as we can. And that takes me into this whole subject of community marketing, right? That's another big growth area. Mark Schafer thinks that's the future of marketing, is community marketing. And he may have a point here, and yet community marketers, if you ask them, really have a tough time making a business case to fund their activities. What's your perspective on the growth of community marketing?

BC

Well, so I'm gonna back up for one quick second because I also think you said something there that's relevant as well is that with the change of data available, marketers are rethinking how they collect that data too. So, this is why, like, CDPs are...like, it's probably the hottest piece of technology out there, parking anything around Gen AI

and AI. Probably, like, CDPs are the way that organizations are thinking about collecting. And, you know, what that is allowing them to do is to collect both the CRM type data that you would have about you, but also, like, all the different interactions that you have. And so, then that creates a different way of targeting. You then, like, take that up and you think about, you know, how do you want to market to people? And I would say there's the known. So, I know you. I know it is you and you expect that I know it is you because you have logged into something and you have, like, illustrated, so I should be, like, very personal.

There is the "I know who you are but you don't think I should know who you are" because I've collected something. So, I probably shouldn't be putting something out that makes it overtly that I know who you are. Then there's "I could broadly guess I think I know who you are," or you fit, like, a profile of people and then, you know, I will target you. And each of these circles kind of extends, and extends, and extends until you get out to just broad mass where it's like, "I don't know anybody from anybody and I kinda don't care, and I'm just putting out a general message." So, when you start thinking about community marketing, I think the same thing starts to apply where you've gotta figure out like, how do you want to engage? What is it going to look like? And then how targeted or not targeted are you gonna be? (59.05)

SS

Yeah. Well, it's also maintaining engagement with community members who've raised their hand and signed up and said, "Yeah, I'm willing to be part of this." But it's a tremendous factor on the community manager to be producing content on a regular basis.

We have a couple minutes left here, Brent, and I wanna come full circle back to the subject that we started down the path talking about, which is AI. And we're early days really, and, you know, there certainly is opportunity for this to be a boon for marketers, whether it's creating efficiencies, generating lower level content, and on, and on, and on. From a customer service perspective, it has a lot of clear advantages. And the other big thing that we talked about is eliminating the complexity of it all.

However, it's also a threat. I think if you ask most marketers, they're actually worried about losing their jobs, maybe rightfully so because it could effectively lead to a massive shrinkage of the profession ultimately. I know that, you

know, you recently delivered a speech on this subject. Where do you come down on this debate between friend or foe? Somebody made the analogy the other day to fire. You know, do you treat fire as something beneficial or a threat? And it can be both. So, what are your thoughts on this?

BC

Yeah. I mean, it's complementary. The best stat I ever heard was...and the way to think about it is when AI was used in medical scenarios to identify specific disease, it was probably 80% accurate. When a human tried to identify, it was probably about 60% accurate. But when you used human plus AI, it was 98% accurate, right? So, I think the same analogy, I think, applies to what's gonna happen with marketing. You're gonna use AI to accelerate and to do certain activities, but if you leave AI to its own devices, you're gonna lose your competitive advantage, right? Like everybody's gonna be using the same AI platforms. So, if they all become normalized, you're just gonna get sameness. If you overlay it with human capital, then the human capital is gonna be able to tune it, and shape it, and shift it so that performs for what you want as your outcome. And I think that's the role that we're gonna play in it.

Does it mean that there's less jobs? I don't think so. I think what you see is the jobs definitely change a lot, and the roles will change a lot. Like, I fully know that they will change, and the expectation of what people will do will be very different. I've got young daughters, so when they get out of school in another 12 or 13 years, the roles that they would go into would be very different from, like, what I started with, and probably where I end up ending my career as well. You know, it'll just be a different market. And that's kind of been the way it was. Like, things have always evolved. If you went back to the '50s and you said, "Hey, there's gonna be email and we're gonna have...computers are gonna design stuff. Like, that's the end of creativity." Well, no, it's not. We've shifted, right? And we're shifting. And we're gonna go through another shift and it'll be okay. 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.

SS

Well, that's a good note to end on because there's certainly no other discipline that has faced as much immense change over the last 50 years as marketing has, and has adapted really, and successfully so for the most part. I guess where

people are concerned now is the transformation ahead of us is gonna be so profound that it's hard to predict how it's gonna look on the other side of it, if indeed there is ever another side of it the way things are going.

BC There's never another side. It's just goes, it goes forever.

SS Continuous transformation. Well, that should keep you employed for a long time to come.

BC I hope so. I hope so. And my successor, and their successor, and their successor.

SS Exactly. Permanent job. Well, this has been fun and, you know, marketing transformation, obviously close to my heart. And it's nice to talk to somebody who's right in the front trenches fighting the right battle here. So, I really appreciate your being a guest on this show today.

BC I appreciate being here, Steve. Thanks for the invite.

That concludes my interview with Brent Chaters. As we learned, marketing is going through an identity crisis. Neither the CEO nor the CMO can agree on the role of marketing. It is a discipline that is widely misunderstood and barely taken seriously anymore. Maybe

marketers have to accept most of the blame – never bothering to become literate in reading a balance sheet – but also because advertising doesn't drive business results the way it once did. So marketing is increasingly viewed as a marginal strategic player, incapable of connecting what it does to topline revenue. Responsible for obeying corporate marching orders, not deciding on the direction to go. Yet in the turbulent years ahead, as businesses are rocked by the massive disruption to come, marketing has an opportunity to serve as the lead navigator of change. But only if marketing embraces the need for change itself.



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