

WHAT WORKS WHERE 2018



RESEARCH REPORT

# Marketing's Age of Illumination

## TABLE OF CONTENTS

### **4 About the research**

More than 1,150 marketers paint the picture of a new Age of Illumination

### **7 Research themes**

Three big themes that we'll explore further

### **8 The influence of marketing**

Importance and influence are up, as are budgets

### **9 Marketing objectives**

Brand and customer relationships take the lead

### **12 Channel usage and effectiveness**

Some shifts in spend, but content stands out

### **15 Views on ROI**

Still a thorn in marketers' sides

### **16 Marketing's importance explored**

Nuances exist depending on geography, company size and sector

### **19 Got skills?**

Only half of marketers feel they have the right skills

### **20 CMO challenges**

A shift to more strategic challenges

### **22 Customer experience**

It's important, but few have it figured out

### **24 Five steps to success**

Practical ways you can gain an edge in 2018 and beyond

### **26 The Halo model**

People, platforms and brand are the major marketing drivers today

## About the research

Omobono has been conducting ongoing research to uncover marketing drivers for business-to-business brands since 2011. Our efforts help our clients, our colleagues and the industry do better work by reporting which channels deliver best results, the challenges marketing leaders face right now and pathways to success. Each year, our findings tell a new story.

This year's research reflects insights gleaned from more than 1,150 professionals around the globe, including the UK, mainland Europe, North America, Asia and the Middle East.

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# What are marketing leaders at the world's largest companies doing to drive success?

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Our aim for What Works Where 2018 was to get to the bottom of that singular, important question: What are marketing leaders at the world's largest companies doing to drive success? As you might expect, there's much for us to learn – from the importance of having the support of senior leadership to the power of content marketing.

Our research partner was Marketing Week, the UK's leading marketing journal, and we'd like to thank the Marketing Week team for their assistance and insights.

# Marketing's age of illumination

As CMO, you're no stranger to changes in the industry. The fundamentals of B2B have transformed. And our 2018 research shows how your role has shifted over time – providing new opportunities.

No longer is marketing focused solely on campaigns and customer initiatives. Increasingly, you're shaping business strategy. You're nurturing talent and culture. You're leading digital transformation. It's a new day, and we've found fresh evidence that marketing has the tools and insight that it takes to drive success. Step into Marketing's Age of Illumination.



# Overview of research

Spanning industries, revenue and geographies, we've sourced and analysed a diverse range of marketing perspectives.

# 1,159

respondents  
across the globe

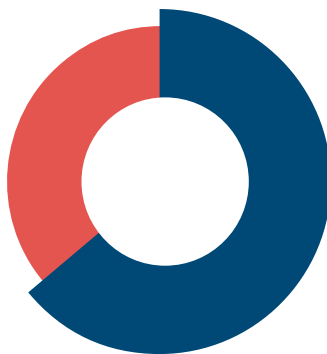
While the majority of respondents were from the UK, it's important to note that there were strong correlations across all geographies.

Approximately  
one-third of respondent  
companies had annual  
revenues of at least

# \$250M

# 70%

of respondents  
were senior  
manager level  
or higher



## 64%

were B2B marketers

## 36%

have both B2B and B2C  
marketing responsibilities

How these two groups differ  
is surprising, as we'll explore.

## Three areas of research:

1. Marketing **objectives**; use of digital channels and their effectiveness (what works)
2. The **challenges** B2B marketers face in achieving their goals and how they overcome them (again, what works)
3. The **role of B2B marketing** within B2B and B2C organisations. Is it valued? Does it lead the customer experience? And with which departments does marketing need to partner to be successful?



# Three clear themes

In Marketing's Age of Illumination, marketing leaders are shining their light on more areas of the business than ever before, with marketing gaining importance and influence along the way. Our research uncovered three themes that are leading to successful marketing strategy, planning and execution. We've also created downloadable What Works Where companion volumes on each of these themes.



## Customer Experience (CX)

Marketers are trumpeting the critical importance of CX for driving business. In fact, 49% of respondents say that deepening customer relationships is their biggest marketing objective for 2018, second only to raising brand awareness.

**Coming soon**



## Strategic Brand

Brand is back – but in a more strategic way. No longer just a lofty idea activated by hopeful approaches, brand awareness is taking on a new, more complex operating model. It's deeply rooted in business strategy, engaging many organisational functions and running on high-octane platforms.

**Coming soon**



## Marketing as Accelerator

Customer service, HR, sales, operations, IT: Marketers can accelerate the objectives of all of these departments. And these departments are starting to notice. In doing so, marketers are gaining allies, increasing their influence and fueling their own initiatives and results.

**Coming soon**

# The numbers show marketing is shining

Our data shows the past year has been good to marketers. Nearly 8 out of 10 respondents report the department is viewed as important within the organisation, and 21% of respondents report a large increase in confidence in marketing over the past two years. Influence is up too. Today, 67% of marketers say they are being seen as fairly or very influential.

There's more positivity on the financial front too. Thirty-nine percent of respondents report that budgets have increased, although it's more pronounced in the UK than in other markets.



# 67%

of marketers say they are seen as fairly or very influential



# 39%

of marketers say their budgets are increasing

## What makes marketing so influential?

Global respondents representing companies with \$250M+ of revenue provided insight about what makes marketing influential or very influential. Here are the top themes and what respondents had to say:

### 1. We drive business strategy.

"We shape strategy, drive client experience and track future health of the business."

### 2. We have a seat or an ear on the board – or in the C-suite.

"Route in to the board through Commercial Director. People are now seeing the value of marketing and what it can bring for the business."

### 3. We fuel sales.

"Our online and offline marketing is designed to support the sales team. We help them hit their numbers and get inbound calls."

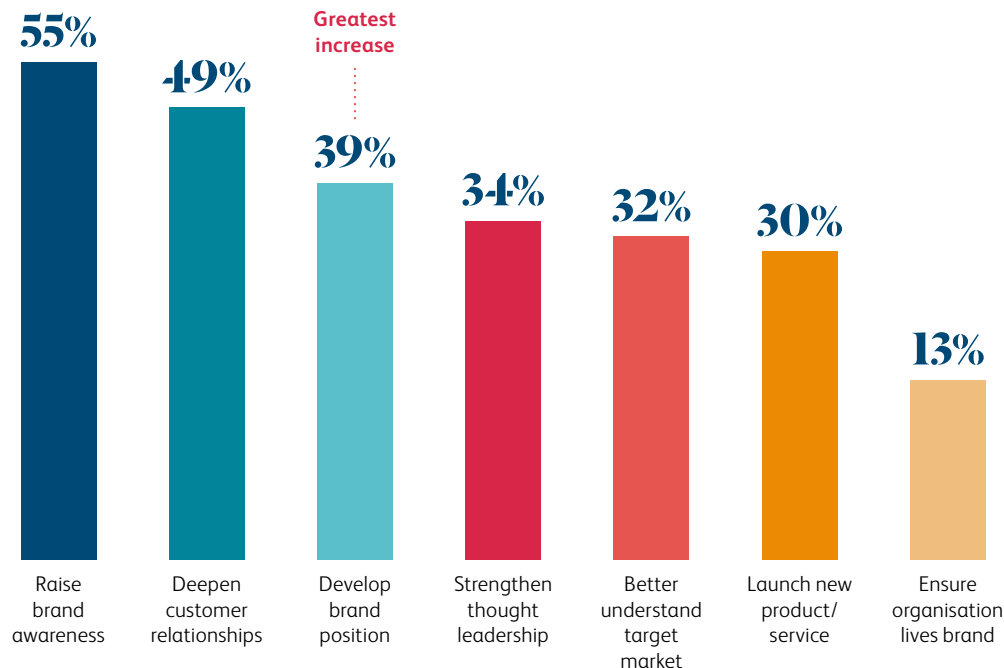
# Biggest objectives

## Brand is back

Amidst this bright news for marketers, it seems there is a broadening shift in focus from a tactical view to the strategic. When asked about their biggest marketing objective over the next 12 months, marketers across the board reported raising brand awareness was number one, above deepening customer relationships and strengthening thought leadership.

Directly related to brand awareness, developing brand position was reported as the third most important objective. This imperative has risen in importance since 2011, when only 9% ranked it as most important.

## Marketing priorities (all respondents)



As we'll see a little later, communicating a clear brand vision was reported as a major challenge in this year's research, with 85% of respondents agreeing. So it seems that brand is in the spotlight this year. This means gaining visibility for the brand and clarity around what the brand actually represents.





# Are marketers missing opportunities?

Meanwhile, there were some comparatively low returns on other objectives. At 13%, ensuring the organisation lives the brand came in last. This is just not a priority, reflecting something we've seen since 2011. To us, this is a missed opportunity. Living the brand not only drives business success, but should also be part of marketers' core expertise.

Slightly below the top, came strengthening thought leadership, which has occupied the number-one slot in previous years. Better understanding the target market was also a lower priority for marketers. This is an area in which we encourage marketers to look at more closely, because it will be at the heart of marketing's contribution to the organisation in the future.

**Don't underestimate  
the importance  
of understanding  
the target market**

## Priorities differ for the largest organisations

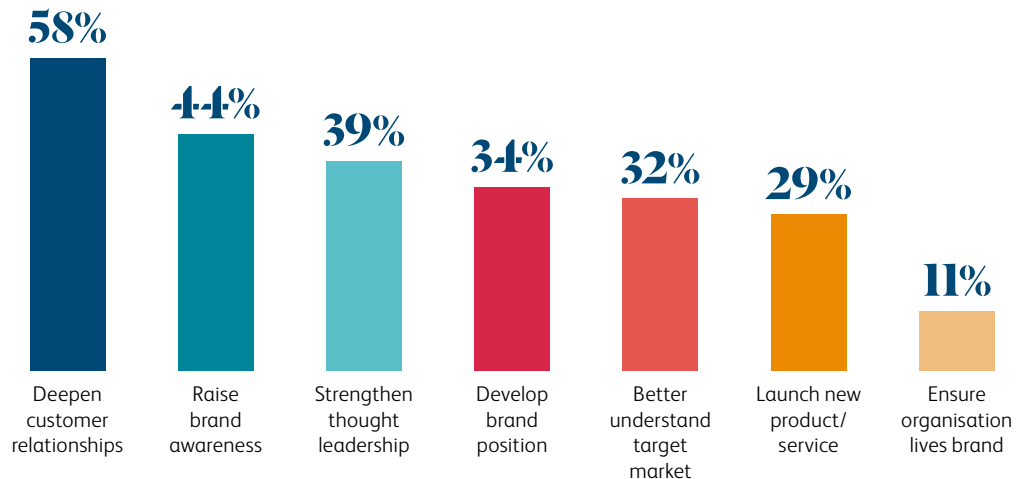
When we looked at larger organisations (revenues of \$250M+), we found that the order of these top two objectives traded places, with deepening customer relationships taking the lead at 58% and brand awareness dropping to 44%. Thought leadership also increased in importance over brand positioning.

Surprisingly, however, despite the fact that larger organisations put the customer first, the commitment to better understanding their target market is lower than all respondents overall. This is also the case in their involvement with living the brand, despite employees being a fundamental driver of the customer experience and public opinion.

This narrative points to the siloed nature of bigger companies, in which multiple departments act individually rather than cross-departmentally to address the organisation's challenges.

So, how do large companies overcome this conundrum? We've got our take on it. It's not just about doing more marketing. It's about applying marketing strategies across multiple business initiatives and challenges.

## Marketing priorities (\$250M+)



**It's not  
just about  
doing more  
marketing**

Marketing strategy puts people at the center of business. A people-based approach considers how their experience and behaviour can be positively influenced by the application of the key marketing tenets: who are we talking to; how do we segment them; what do we want them to think or do; how do we inspire and influence them uniquely; and how do we reach them effectively?

This presents marketers with a massive opportunity to take their skills across the organisation to drive strategy and, in turn, business growth.

# Channel surfing

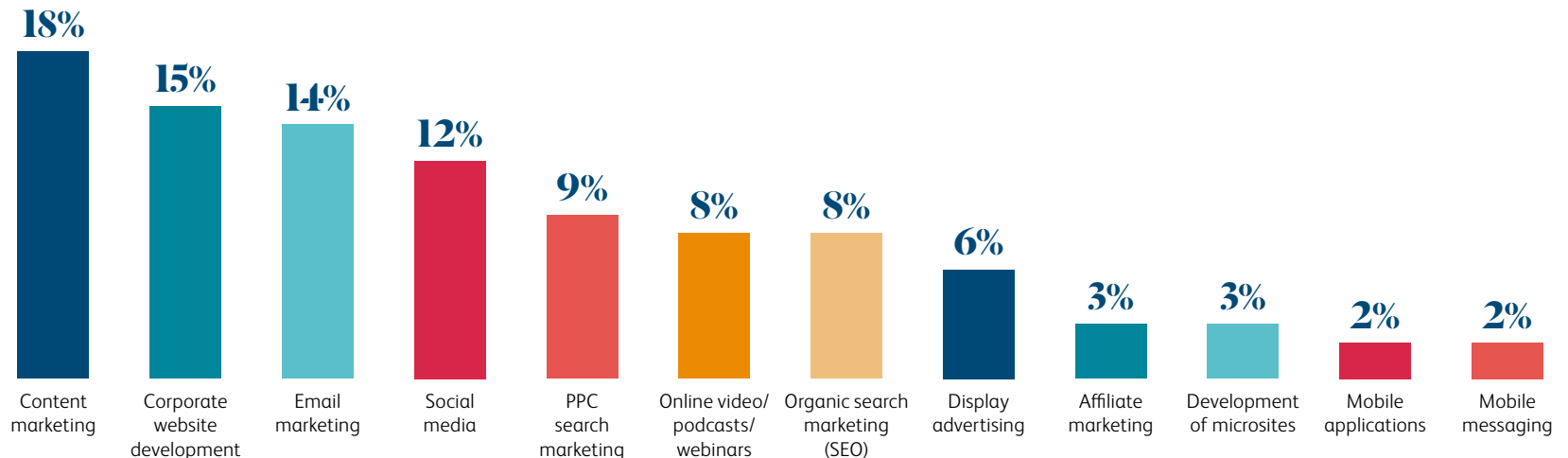
Since 2011, the proportion of marketing budgets that are spent on digital has crept from 40% to this year's 50%. But for business brands that put building customer relationships high on their list of priorities, half the budget is not spent on digital channels. Opportunities, such as customer and industry events, as well as sponsorships and traditional media still take their slice of the budget pie.

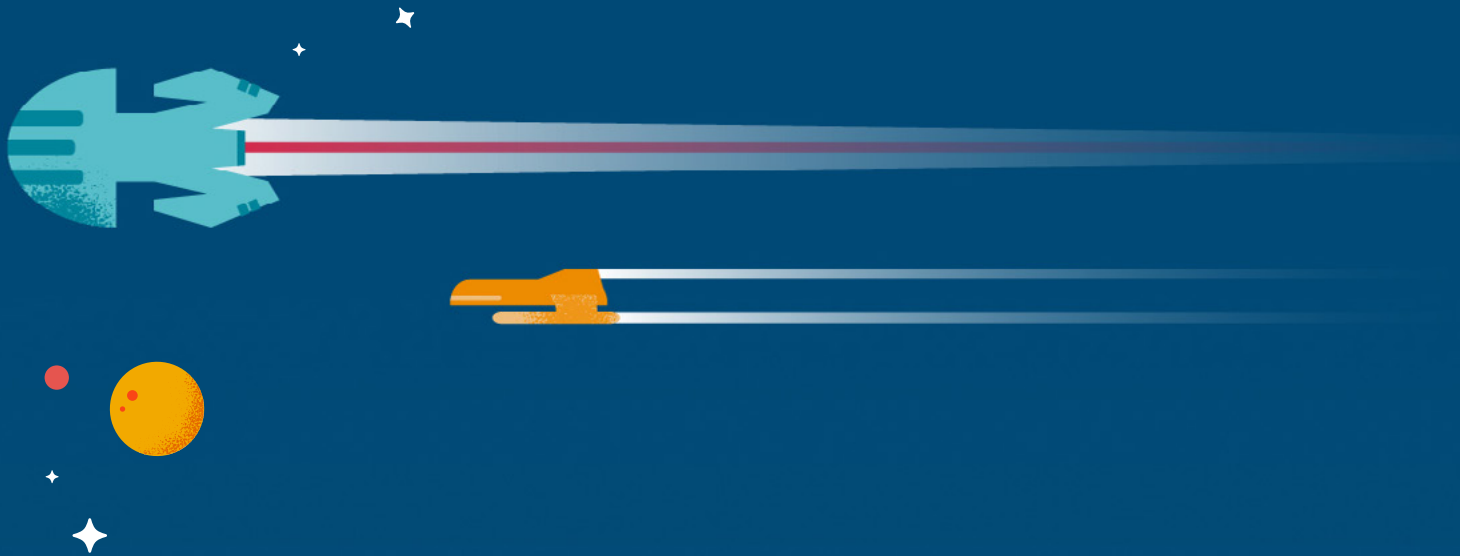
# 50%

of marketing budget is  
spent on digital formats

This rises to 60% in some industries (technology) and in some markets (US), while lower figures are shown for pure-play B2B companies and the financial services sector (45%).

## Budget allocation to digital channels





## It's all about digital content

Some shifts are visible in the way those digital budgets are being spent. Compared to previous years, content is now a separate category. Back in 2011, digital content didn't exist in its own right, but instead was split between email and social media. Right now, although not technically a singular channel, digital content leads the field in terms of budget allocation, particularly in the US (26%). But the three other major channels – websites, email and social media – they are leads today as they were in 2011.

### Budget priorities

#### Content marketing

It's most important to bigger companies, but they are less focused on search, perhaps reflecting their confidence in higher brand awareness.

#### Digital auxiliaries

Big companies are most likely to have microsites and use video, webinars and podcasts.

#### Email

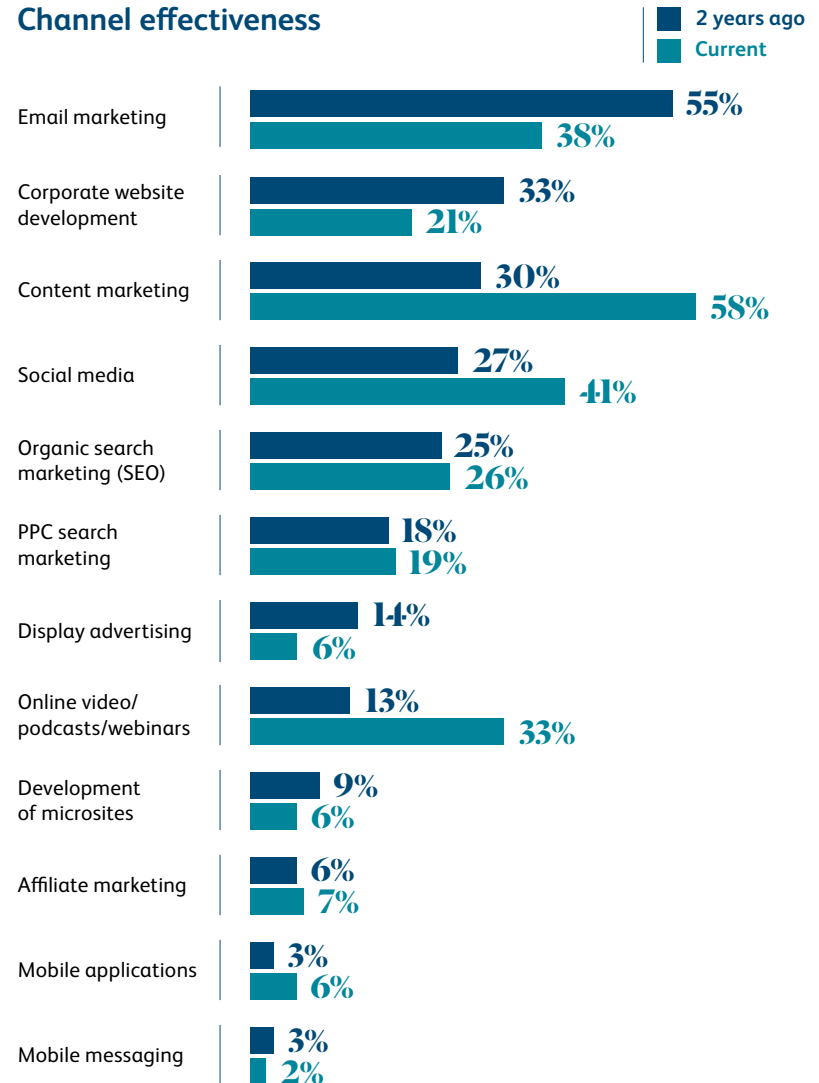
It will be interesting to watch what impact the European GDPR brings now and in the future.

# Channel ratings shift

In terms of channel effectiveness, customer confidence tracks spend. But we see some differences from just two years ago. When we asked marketers what channels were most effective then, we learned that email marketing was far in the lead, with content marketing, social media and online video/podcasts forming the top channels. Looking at the details, we see some dramatic rises and drops. Most marked is the increase in perceived effectiveness of online video/podcasts/webinars – 260% higher than two years ago.

Meanwhile, perceptions of email effectiveness have dipped, with display advertising showing the biggest fall with a 57% decrease. US marketers have kept the faith slightly more than in the UK, but for B2B marketers within B2C companies, email effectiveness has lost significant ground, losing 80% of its perceived effectiveness. Microsites' effectiveness is also down in their contribution to marketing results, but only by half. Websites, the second most invested in channel, have dropped in their effectiveness rankings by 30%.

## Channel effectiveness



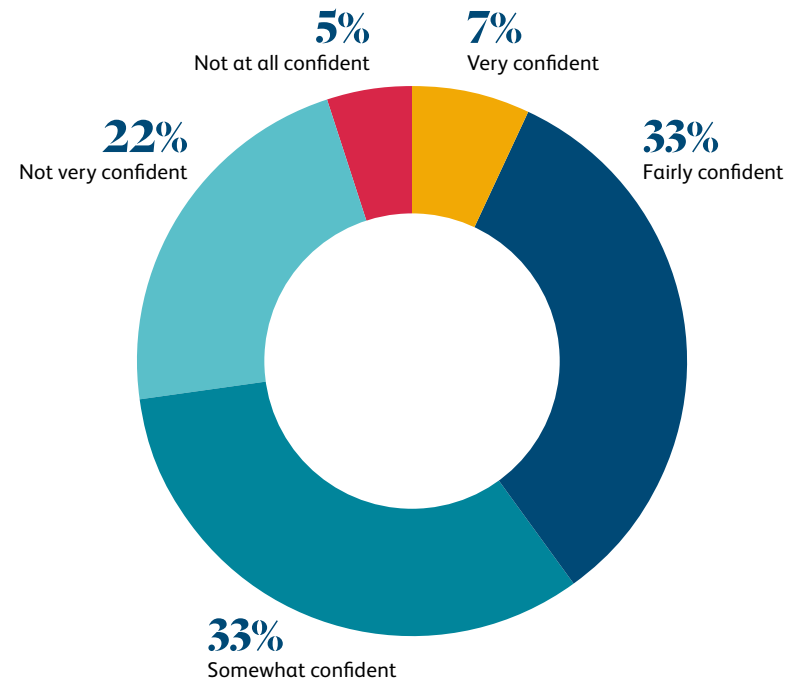
## ROI: a Catch-22

We've been digging into marketing leaders' insights about the importance of ROI and its measurement since our first What Works Where research in 2011. Today, we see it's still a challenge. And yet it's still the most important data for influencing budget allocations.

As many as 27% of global marketers say they're not really sure how their marketing is working. And only a few feel much more confident than they did in the past, with the majority preferring to hedge their bets and say things have only improved slightly or stayed the same.

It looks like despite digital's promise of clarity and granularity, the fundamentals of how marketing is performing elude the majority of marketers. Yet another reason to invest in insights to define which metrics matter.

Confidence in accuracy of ROI





# Shedding light on marketing's importance

Seventy-six percent of our global respondents say marketing is viewed as important within their organisations, with nearly half agreeing that it's very important (47%). And perceptions of marketing are improving. Sixty-one percent agree that marketing's importance has increased in the last two years.

However, a deeper dive into the data reveals some nuances. US respondents are slightly more polarised on this issue. While 50% agree marketing is very important, more US respondents say marketing isn't important than in other markets (-5%). And US respondents were almost twice as likely to say that marketing is decreasing in importance (8% US vs. 5% globally).

US marketers also seem less confident about ROI. They were 12% more likely to say that they do not have confidence in their ROI and confidence overall is 7% lower than for other geographies.

The numbers are small, but the findings are unexpected, reflecting an underlying sentiment that seems slightly less positive in the US than in other markets. This is contrary to our previous studies, which have shown US marketers to be more confident than those in the UK, mainland Europe and Asia.

**76%**  
of our global respondents  
say marketing is viewed  
as important within  
their organisations

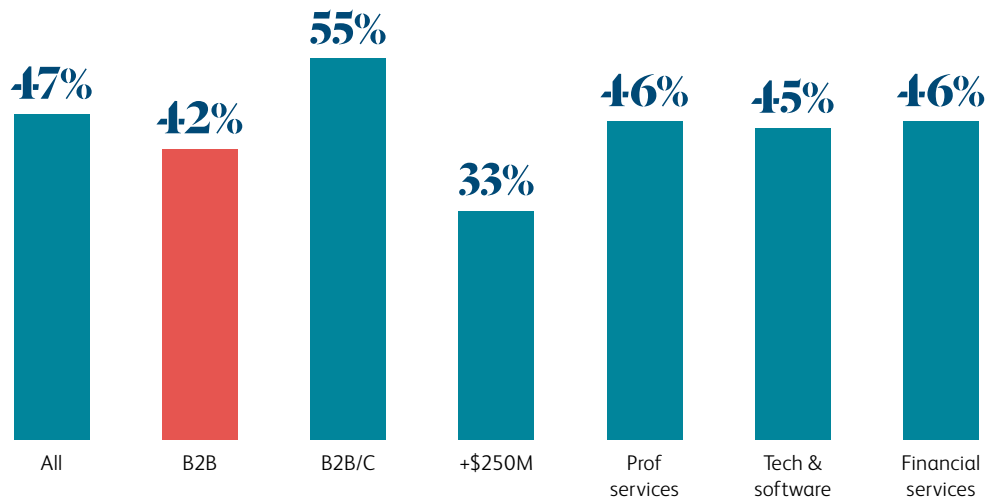
Then there's the difference between how B2B marketers within B2C companies feel compared to pure-play B2B marketers. The data tells us that those in B2C companies feel there's a higher level of corporate commitment to marketing and are correspondingly more positive about it. In the UK, they also have the most influence.

If we cross-reference this against other metrics, this is reflected in the fact that marketers in B2B organisations are half

as likely to be totally confident about their ROI and twice as likely to say they have no confidence in it.

In big companies, marketers are also less positive. For those companies with revenue of \$250M+, only 33% agree that marketing is very important, and they are more than twice as likely to say it's decreasing in importance. There are also more respondents in bigger companies who say they don't have influence (16%) as do (12%).

### Who values marketing most?



**B2B marketers in B2C organisations report more corporate commitment to marketing than those in pure-play B2B companies**

# Marketing influence

Marketing is gaining influence cross-functionally and in the C-suite and boardroom. That's what our respondents are telling us and what they are showing us through their ability to elevate and support the efforts of other departments. As a result, they are having a direct impact on sculpting overall business strategy.

# 67%

of marketers say they're influential

# 27%

say they're very influential

Here's what respondents are doing to gain influence:

Getting close to the C-suite

**“Leadership is acknowledging the importance of marketing and establishing a strong brand more than they did before.”**

Getting clear on results and measurement

**“We have the statistics behind their activity to guide decisions and the strategy of the business plan.”**

Building relationships with others in the organisation

**“The organisation sees the value that marketing brings; marketing is involved in every stage of the customer journey; we have say over a lot of other departmental activities.”**

# Got skills?

Half of marketers say they are confident their teams have the right skill sets. Yet, with marketing rapidly evolving in function, scope and accountability, it's no wonder the other half isn't so sure.

A look at what's missing highlights what they might be nervous about.

Firstly, digital is missing, whether specific skills in analytics and lead generation or more general ones in digital service delivery. And it's important, with one in five respondents stressing it's something they need.

Secondly, however, some respondents recognised that while digital skills are needed, so is fundamental marketing knowledge. One bemoaned the "huge lack of skill set and basic marketing understanding across the team." There were also multiple mentions of the need for proper marketing strategists.

Finally, agency partnerships also play a role, as in-house departments recognise that they can't do it all on their own.

# 50%

of marketers say they are confident their teams have the right skill sets

## MISSING SKILLS

“

**Digital innovations that help ourselves and our clients.**

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“

**Due to the fast-paced and ever-changing marketing landscape, having access to an [external] skilled and knowledgeable team is paramount.**

# What keeps you up at night?

We kicked off our 2018 What Works Where journey by surveying some of our top-tier clients in three geographies – the US, the UK and the Middle East. Having worked closely together for some time, we were pretty sure, but still wanted to clarify, what issues wake them up at night.

Our goal was to understand our clients' priorities from the list of challenges outlined to the right. To our surprise, we learned that marketers are deeply concerned with all the challenges we listed. So in short, everything matters to the modern marketer.

## CMO challenges

### Business strategy

Having a clearly articulated business strategy that's tied to the marketing strategy and understood by stakeholders

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### Brand vision

Developing, refining and/or communicating a clear brand vision – one that's integrated with your customer experience and broadly embraced throughout the organisation

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### Gathering insights

Gathering primary research, both quantitative and qualitative, to inform what you do as a company or marketer

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### Creative impact

Generating powerful, dynamic creative that breaks B2B molds and cuts through an increasingly crowded marketplace to engage and energise your customers

### Commercial impact

Measuring company and marketing performance accurately in order to properly allocate budgets and resources to your high-potential areas of growth

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### Role of websites

Determining the role that websites will play in your company's online presence – and how to leverage that for maximum brand presence and/or reach

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### Digital fragmentation

Identifying the right channels to best engage your customers from amidst the plethora of options that digital transformation has enabled

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### Internal sell-in

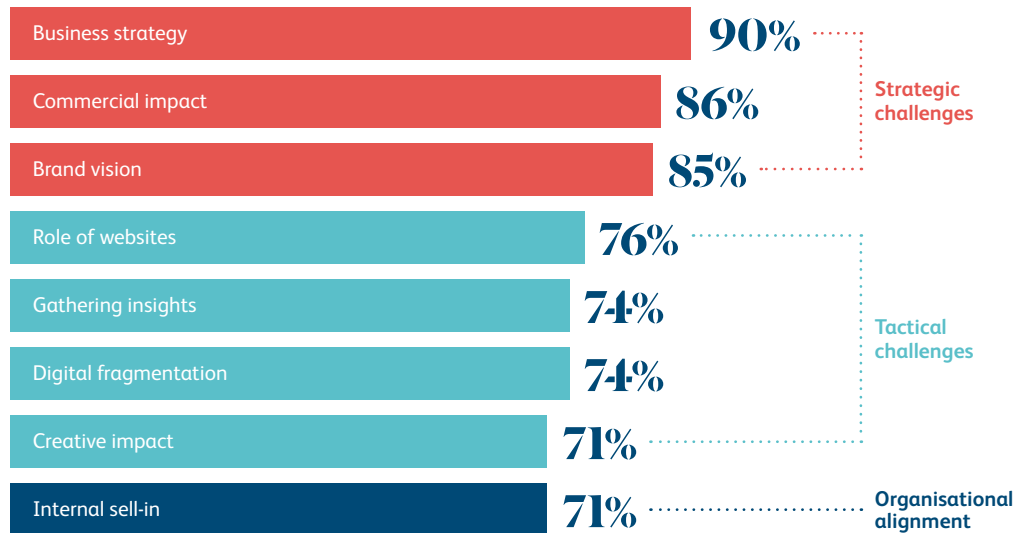
Bringing other parts of the organisation (e.g., other levels and business areas) along on your mission-critical initiatives

# Marketing challenges go beyond the tactical

Across the board, the results revealed that marketing leaders' biggest concern was business strategy. The data was consistent across geographies, sectors and industries.

Understanding the business strategy is the linchpin of an effective marketing strategy. As one respondent put it, "[It's] hard to have an effective marketing strategy without the business having a clearly defined strategy: Marketing just becomes a series of tactics." And of course, marketing must toe the line set by the business or follow the business vision. "It all starts with a good business strategy. Without a robust business strategy that clearly articulates the business growth opportunities, marketing could potentially develop strategies and initiatives that are disconnected from the growth model."

## This is what they told us was most important



Beyond strategy and the tactical, marketing is also the department that drives growth, both by "Ensuring that our organisation is aligned behind our intent" and by delivering results. As one respondent put it, "If we develop marketing strategies tied to business objectives, then the metrics we gather from our campaigns can be the best way to show how the marketing function drives real value in an organisation."

This all illustrates that marketing is being pulled into the most critical aspects of business. No wonder the pressures on marketers are sky high.



# Customer experience is big

## CX is increasing in importance

Our survey focused on the main challenges facing our CMO respondents and customer experience (CX) bubbled up as a big issue worthy of more investigation, as the following comment shows.

“Putting the client experience at the heart of everything we do drives maximum engagement through the sales funnel and enables us to also develop high impact account-based marketing models for our most valued clients.”

CX has been on our and our clients' radars for a couple of years. In 2013, Accenture highlighted that a disconnect between CMOs and CIOs threatened the ability of companies to deliver effective customer experiences. This has raised awareness of a challenge every company is facing. Today, digital is creating pressure for B2B marketers to consumerise the experience for their customers – and fast, which is reflected in our data.

A large, bold, orange percentage '75%' is displayed. A vertical dotted orange line is positioned to the left of the percentage.

# 75%

say CX is increasing in importance

But only

A large, bold, orange percentage '23%' is displayed.

# 23%

say CX is fully embedded

# But it's not yet fully embedded

CX matters, and it's increasing in importance – with 75% of respondents agreeing. But marketers are still not in a position to get their arms around it. Twenty-three percent say that CX is fully embedded in their organisation, but the majority say it's only fairly (38%) or somewhat (24%) embedded. It's clearly a journey that nearly everyone is on however. Only 2% say that it hasn't hit them yet, citing the fact that they don't have direct contact with their customers, and just 13% say it's not very embedded.

However, marketers cannot deliver CX on their own. Only 16% of marketers say that marketing takes total ownership of CX. Mainly, it's other departments driving it – particularly sales (65%) and customer service (54%).

Yet without marketing's involvement, we are concerned that both sales and customer service will be at risk of disconnecting from what the brand stands for and slip into service levels that are industry standard rather than differentiated and industry-leading. This is where marketing can really help as they collaborate with a cross-functional team comprised, on average, of three to four other departments. We're optimistic their efforts will push forward, backed by board-level involvement in 34% of these cases.

## Measuring CX – the big four

1

NPS scores are the #1 CX metric

2

Cyclical surveys are the primary method

3

Anecdotal feedback: the “Joy Metric”

4

Commercial impact (retention, renewals, revenue, sales increase)

## What is the “Joy Metric”?

What brings them joy, brings you success. One of the most intriguing metrics that many organisations are tracking today is how much spontaneous, unsolicited feedback they receive. This could be in the form of praise, testimonials or ratings. We call it the “Joy Metric.” Do you know yours?

# So, what can marketing do?

You're living in Marketing's Age of Illumination. You've got the tools and the opportunity. You're seen as more important than ever, and your influence is up. Now's the time to put your resources and expertise to use. Based on our What Works Where research, **here are 5 ways you can light your own way in this new era.**

## 1

### Invest in insight

Marketing is in the unique position of owning the voice of the customer. The irony here is that gathering insight was one of the least important challenges by marketers – which means that it's not currently seen as a priority. Correspondingly, understanding the target market is low on the list of B2B marketers' objectives. Bring something to the party. Own and invest in audience insight, from primary research to measurement and the customer journey.

## 2

### Make friends with the CEO

As one of our early interviewees bluntly stated, "Make friends with the CEO."

Engage senior leadership, ideally the CEO, because they are fundamental to your success. To do so, use your reporting metrics and valuable insights to gain their ear. Those metrics are the key to gaining budget allocations, resources and involvement in business strategy.

# 3

## Think beyond your functional space

Demonstrate strategic brand thinking and your ability to foster cross-functional enablement. Work closely with sales and customer service to create a two-way stream of communication and influence. When you develop solutions for their challenges, you help them better deliver consistent brand experiences to customers, which in turn, buys you more successful results – and influence.

# 4

## Lead business initiatives

Now, more than ever before, marketing is being brought into nontraditional areas.

No longer focused solely on outbound campaigns, marketing is getting involved with every critical business initiative – making corporate strategy clear and actionable or ensuring cultural alignment with business acquisitions, driving recruitment marketing and creating employer brands.

# 5

## Step up HR involvement

Increasingly, people are your brand. Working closely with HR on developing and activating a strong employer brand ensures that the people who come on board and stay on board are on brand. Employees at all levels need to understand the organisation's vision and values. And they need to see how those are brought to life in the employee experience. In turn, this will positively impact the customer experience.

# The Omobono approach

As the marketing world continues to shift, what worked yesterday won't work tomorrow. Omobono has its finger on the pulse of the ever-changing business world and is dedicated to designing and delivering effective marketing and talent experiences for global business brands. In partnering with the companies that shape the world we live in, we have developed an approach that will work for marketing leaders. We call it the Halo model. It provides a 360° audience experience for customers, employees and candidates.

By helping align the three key marketing drivers of brand, people and technology platforms, marketers can gain an opportunity to play a bigger role in the organisation and drive overall success.

## THE HALO MODEL





## People

Equip and empower your team to activate your strategy and represent your brand. They bring your values, vision and strategy to life. Not only are they more trusted than your leadership and more shared than your brand, they're also on the frontlines with your customers. From helping the C-suite communicate strategy organisation wide to training and employer branding initiatives, marketers cannot miss the centrality of people to effective marketing.

## Platforms

There are more digital tools available than ever before. And marketing is becoming increasingly in tune with what platforms work best for their specific needs. So, we can no longer relegate technology solely to IT or operations. Marketing needs to own customer-facing technology to create on-brand experiences. Where there are touch points with people, platforms must be people-centric while providing seamless integration, security and analytics.

## Brand

Your brand is central to your business strategy in the digital age where differentiators are so minimal. Brand is back, and it's recognised as a major value driver for business. With rapidly increasing business transformation cycles, brands represent the constant. No longer a pretty wrapper for the business, clarity of brand directly impacts clarity of business strategy.



**About Omobono:**

Omobono is the creative and technology agency that powers global business brands.

From offices in London, Chicago, Cambridge, Bristol and Dubai, we use creativity, strategy and technology to design and deliver outstanding customer and employee experiences for global business brands, making them more desirable to buy from and more attractive to work for.

**About What Works Where:**

What Works Where is Omobono's annual research that surveys B2B marketing leaders around the globe. We ask the questions that exclusively addresses the future of B2B marketing.

What Works Where has been in the works since 2011, uncovering insights that help organizations stay relevant and thrive in an ever-changing world.

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with our research, please contact:**

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