Brand + CX
= Marketing’s New Imperative
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Marketing Searches For New Footing

The rules of marketing are being rewritten. Go-to approaches have lost their efficacy as customers assert more control over the information they receive and how they receive it. Increasingly empowered and selective consumers are actively shaping their own ecosystems and setting high bars to entry.

The disruption is reflected at the very top. CMOs struggle to deliver growth in a high-stakes, fast-changing environment. Titles such as chief growth officer and chief customer officer have emerged at some high-profile brands as they grapple with the imperative of driving growth while also delivering superior customer experiences.

These forces will continue to gather momentum in 2020, potentially reconfiguring marketing organizations and redefining marketing. Customer-obsessed organizations will thrive in this new reality — being customer-first not only through campaigns but with every interaction and touchpoint. As many consumers seek out brands that align with their values and fuel their sense of purpose, traditionally disparate functions including marketing, operations, and employee experience will come into closer alignment.

Marketers who understand the shifting landscape will be best able to adapt and capitalize on the opportunities it holds. This guide explores the key players and drivers to help you thrive in 2020 and beyond.
The Customer In 2020

Consumers today have unparalleled choice and convenience. We can stream the movies and TV shows we want, whenever we want. We can check in, book ahead, and lock and unlock doors through our mobile phones. We can have the products we buy delivered to our doorstep the very next day.

The irony? We are none the happier for having these luxuries.

The rise of hyperpersonalization and instant gratification has failed to fulfill the human need for connection, affiliation, and meaning. By some measures, Americans are significantly less satisfied with their lives than they were a few decades ago.¹ Time spent alone on digital media crowds out time engaged in building strong relationships. Meanwhile, fading trust in political, social, and religious institutions has left many feeling disconnected and seeking purpose.
2020 will mark a turning point, as consumers pivot away from self-centered experiences and benefits and move toward more communal ones. This will play out in various ways:

Consumers will spend more social media time in closed experiences, such as interest-specific Facebook groups. They will more actively tailor their online environment to the people, interests, and causes that matter most to them.

As issues such as climate change, wealth inequality, and political unrest catalyze action, consumers will also be driven by purpose — and will look to align many of their purchases with their values. They will also gravitate toward brands that spark joy — and that present a hopeful vision of the future that they can take part in. These shifts in consumer mindset and decision making have steep implications for marketers.

After years of catering to individual needs and preferences, marketers will find opportunity in crafting group-targeted experiences that reach people in the context of their identities — for instance, as runners, new parents, or wine enthusiasts.

Savvy marketers will also look to convey the emotional rewards — particularly joy and hope — of engaging with their brand.
Brands Compete To Fill The Void

As consumers increasingly attach their hopes to brands, many brands will respond by competing on values and purpose. Marketers will be integral to this mission by identifying what matters most to consumers and what touchpoints and messaging work best to convey brand promise.

Touting socially responsible principles to vie for dollars and loyalty is not a new practice for brands, but it will intensify in 2020. The case for doing so is compelling: More than half (54%) of US online adults say it’s important that companies operate on a socially responsible level, while more than two-thirds say that a company’s social responsibility reputation has at least some influence on their purchasing with that company.²

How important is it for you that companies operate on a socially responsible level?

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<th>Important</th>
<th>Middle</th>
<th>Not Important</th>
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<td>54%</td>
<td>32%</td>
<td>14%</td>
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Source: Forrester Analytics Consumer Technographics® North American Retail And Travel Topic Insights 2 Survey, 2019
Base: 4,818 US online adults
Pursuing values-based strategies can be risky. Savvy consumers are quick to condemn brands whose values messaging they perceive as inauthentic. Gillette’s “toxic masculinity” flop of early 2019 and the perception of Facebook as untrustworthy and out of touch, despite its purported mission of building a more connected and better world, are cases in point.\(^3\)

In 2020, brands’ efforts to get values messaging right will be mixed. Some will take a rigorous approach to prove their authentic commitment: Up to five Fortune 500 brands will seek B Corp certification in 2020 to show that they meet the highest standards for social and environmental performance and transparency.\(^4\) A commitment to balancing profit and purpose can make for powerful marketing messaging — and, when clearly communicated and executed, can flow to the bottom line as well.

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37% of values-driven firms report double-digit year-on-year revenue growth versus 32% of companies overall.

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In 2018, Unilever’s social and environmental purpose-led brands grew 69% faster than the rest of the business.

Brands will also look to appeal to consumers’ need for purpose and affiliation in other ways — for instance, by building customer communities as a way to forge stronger, more authentic connections. Some brands may invite active customer participation, taking cues from companies including Apple, which invites Apple Watch Series 5 customers to volunteer their health data to support medical research, and Nike, which encourages kids’ active participation via play through its Nike Adventure Club subscription.

Finite consumer resources mean that only a handful of brands will earn a portion of purpose-based spend and engagement. Those brands that win will move with swiftness and authenticity. Companies will need to look inward to crystallize their core values and use research to uncover what matters most to their customers and employees.

Marketing, brand, customer experience, and product teams must align on shared values and coordinate how to express them.\textsuperscript{5}
CMOs Tune Into CX

As brand expands outside of the confines of marketing and encompasses the entire organization, marketing leaders face a new mandate: to take command of all that feeds into brand. This includes purpose and values, communications, customer insights, and even employee experience. More than ever before, marketing efficacy rests on coordination among traditionally disconnected functions.

The expanded mandate has brought uncertainty. Some organizations have responded by removing or wholly eliminating the CMO position, while others have embraced titles such as chief growth officer and chief customer officer that oversee some traditional CMO duties. Organizations recognize the power of brand as a tool for growth — and the need to orient marketing and company strategy around the customer.

At a time when customers have more power than ever before, brand and CX are tightly intertwined. Forward-looking marketing leaders will aim to rally stakeholders around customer obsession and weave this into brand building.
Whether or not they hold the CMO title, chief marketers will thrive by:

1. Creating a vision for customer obsession.
   Marketing strategies centered on what brands think customers want are likely to fail. An outside-in approach to customer understanding — and a commitment to continuously build upon and refresh that understanding — is key to driving loyalty and business results. Marketers can gain that understanding by combining insights from marketing, customer service, sales, and other customer-facing roles and aiming to interact with customers directly to fill in gaps.

2. Establishing a span of control.
   The CMO role at some companies has evolved to encompass traditionally disparate functions such as innovation and sales. The reason? To deliver a cohesive brand experience rooted in customer obsession. While it may be unrealistic for marketing leaders to own every customer-facing function, success requires a clear understanding of how these functions shape what customers experience.

3. Delivering consistent brand experiences.
   As the leader in setting brand strategy, it is the chief marketer’s job to ensure that brand promise is expressed consistently, through all channels and touchpoints. Taking inventory of physical and digital brand experiences and identifying inconsistencies or missing pieces that keep the company from speaking with a single brand voice across customer interactions can help establish cohesion.

4. Recognizing their role in attracting and retaining employees.
   A brand’s identity is inevitably shaped by employees, and brand values are instrumental in attracting and retaining talent. As chief brand builders, marketing leaders will be essential to helping organizations win and keep top talent.7
Forrester predicts that fewer than 10% of CMOs will elevate the title to the degree outlined above. Others may begin reporting to another C-suite title with this broad mandate. While building and maintaining a customer-obsessed brand requires a coordinated effort, one person must ultimately take the lead in delivering on this aim.  

The ROI Of Improving CX

Customer centricity strengthens marketing effectiveness. It also drives business results. Companies that score higher on Forrester’s Customer Experience Index (CX Index™), which measures how well a brand’s customer experience strengthens customer loyalty, grow revenue faster and drive higher brand preference than CX laggards. They also can charge more for their products.

Even 1-point improvements in CX can translate to significant increases in revenue. Forrester research has shown that a big-box retailer with 100,000 customers could see an annual revenue increase of $244 million, for example, while an auto/home insurer with 15 million customers could see an increase of $214 million. For multichannel brokerage firms, a 1-point CX Index boost could mean an additional $19 billion in assets under management.
Creativity Energizes Brand And CX

In the quest for stronger brand experience and CX, CMOs have pursued ever-growing marketing technology investments. In the process, many have overlooked a critical factor: creativity. Between 2017 and 2022, marketing technology spend will have grown at nearly five times the rate of agency creativity investment, Forrester data predicts.¹¹

The hyperfocus on technology has been inadequate. As brands leverage the same technologies and tools, undifferentiated experiences abound: Quick-service restaurant apps allow diners to pay in advance and skip the line; airline apps let travelers retrieve their boarding passes and check gate information; fashion and beauty experiences have a strikingly similar feel.¹² Consumers grow weary of this digital sameness: In 2019, CX scores stagnated for the fourth consecutive year, Forrester’s CX Index shows.¹³

Delivering more impactful customer and brand experiences requires a renewed commitment to creativity.

This doesn’t mean abandoning tech spending but rather recalibrating investment. In 2020, forward-looking CMOs will once again turn to agencies for fresh approaches to reinvigorate brand experiences.
Investing In Agency Creativity Will Yield Higher ROI Over A Six-Year Period

Along with helping brands cut through digital clutter, greater creative investment will power growth. Forrester’s return on investment model for creative spend shows that for the average CMO’s budget allocations, a moderate shift toward creative over six years produces an 18% higher overall ROI using the same budget. Brands leaning on creative have already seen the approach pay off through stronger financial performance.
Create A Future-Ready Marketing Strategy

The shift toward customer obsession will test brands and marketers. Success will require soul-searching — brands need to be clear on what they stand for. It will also take customer insights that go beyond data points and reveal a more holistic understanding of the people behind them.

Forrester works with marketing leaders to develop customer-obsessed brand strategies that drive financial value. Reach out to learn more about how we can help your organization succeed in the new marketing landscape.

The success of creative investments will depend on productive partnerships with agencies. Like the brands they serve, agencies will need to rally around customer obsession. By fusing innovation and creativity with thoughtful applications of technology and data, marketers and their partners can redefine marketing to better serve brands and consumers.
Recommended Resources

To delve more deeply into the areas covered in this guide, explore the following resources:

**Embrace A New Marketing Era: End Dissonance And Drive Growth**

Many of the strategies that marketers have relied on have lost their effectiveness. The reason is a disconnect between what customers want and what marketers think customers want. Discover common points of friction, and find new ways to understand and serve your target audience.

[DOWNLOAD](#)

**Predictions 2020: The Customer In 2020**

As CMOs race to create novel, hyperpersonalized content and experiences, consumers still feel unfulfilled. Discover how consumer needs and expectations have evolved and what opportunities this could open for brands.

[READ NOW](#)

**Predictions 2020: CMO**

Rising customer expectations and growth pressures are redefining — and threatening — the CMO role. Learn how chief marketers must establish a span of control that encompasses customer experience, company values, employee experience, and conventional marketing.

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**Capturing The ROI Of CX**

CX transformation has many quantifiable benefits, yet CX professionals struggle to show how their efforts will yield business results. This step-by-step guide and ROI calculator can help to build a compelling case.

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**The Cost Of Losing Creativity: The ROI Model For Agency Creativity**

As technology spending has skyrocketed and digital sameness has taken hold, investing in creativity will help CMOs grow their brands and firms achieve higher returns. Learn how to recalibrate your tech and creativity investments.

[DOWNLOAD](#)

**Predictions 2020: Agencies**

CMOs’ demand for higher-performing campaigns and experiences will compel agencies to finally embrace their own transformation. Learn how agencies will reassemble their workforce, processes, and capabilities to meet heightened expectations.

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Endnotes

1. Declines in happiness over time have been recorded by the General Social Survey, which shows a significant decline in happiness among US participants since its peak in the early 1990s. In a December 2019 Gallup poll, the number of Americans considering themselves “not too happy” was the highest to date.

2. Forrester Analytics Consumer Technographics® North American Retail And Travel Topic Insights 2 Survey, 2019


4. To see Forrester’s predictions for B2C marketing in 2020, visit the following website. Source: “Predictions 2020,” Forrester (https://go.forrester.com/research/predictions/).

5. See the Forrester report “Live Your Values To Grow Your Business.”

6. Johnson & Johnson and Uber are among the companies to have either eliminated the CMO role or left it unfilled.

7. The Forrester report “Four Steps To Establish An Innovative Marketing Function” explains actions CMOs can take to establish a marketing function that drives customer obsession.


10. See the Forrester Report “The ROI Of CX Transformation.”

11. See the Forrester report “The US Marketing Technology And Services Outlook, 2017 To 2022.”


14. See the Forrester report “The Cost Of Losing Creativity.”
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