

CMO Priorities for 2010

April 2010



The Narrative Branding® Company

Objectives

- This report tracks CMO priorities for 2010. The objective is to understand how corporate CMOs are reinventing marketing in response to a fast changing economy.
 - The 2009 study revealed that a clear majority of CMOs find the traditional “brand positioning” methodology has lost effectiveness. In 2010 we look at what are the new methodologies on the rise.
- Verse Group collaborated with Bellwether Interactive this year to conduct the online survey among 130 CMOs and other marketing decision-makers. The 2009 study was fielded by Forrester (formerly Jupiter Research).
- Key areas:
 - Top priorities in 2010
 - Most important trends
 - How CMOs are reinventing marketing with new methodologies, tools and techniques

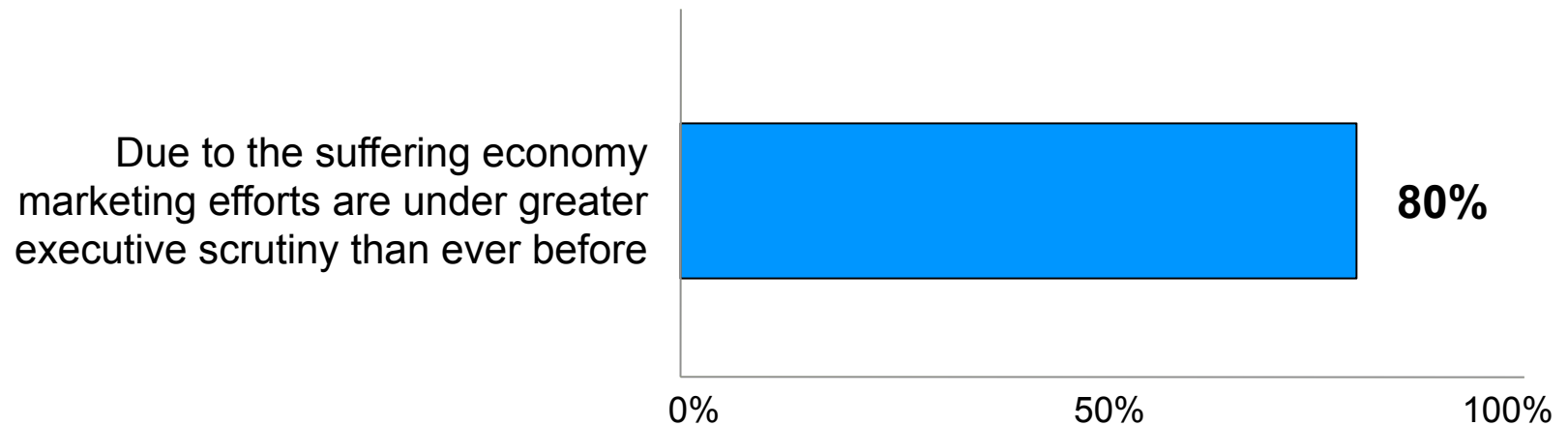
Summary of Findings

- There is a sea-change in priorities for 2010. Re-invigorating and re-building brands is now the top priority.
 - This is a remarkable shift from 2009 priorities of budget cutting and proven ROI.
 - There is a big jump in the perceived importance of corporate social responsibility to improve brand image.
- In 2010, brands are clearly suffering from the cutback and ineffective methodologies of the past 2 years. Many CMOs report that their brands and marketing communications are weaker.
- 80% report that marketing departments are still under tremendous CEO scrutiny.
- Even so, “Winners” and “losers” are emerging.
 - The “winners” are the 53% who are optimistic about reinvigorating their brands.
 - The “losers” are the 31% still stuck in retrench mode.
- As in 2009, the traditional brand positioning methodology is losing effectiveness.
- In today’s dynamic business world, CMOs are actively seeking breakthrough methodologies that are flexible
 - They see successful brand having strong narratives and metaphors

Conclusions and implications

- Corporations cut back too far on marketing in 2008 and 2009 – and are now seeing the impact in weaker brands.
- There is real opportunity for corporations to gain a lasting competitive advantage by moving quickly to re-invigorate their brands.
 - Not everyone can or will seize the day. In many cases they still need to make the case to their CEOs.
- To succeed in today's dynamic business environment, CMOs must re-invent marketing. They need more flexibility, accountability and coherence across digital and traditional media platforms.
 - CMOs can't expect to reinvigorate their brands using the same old brand positioning methodologies that worked in the past.
- CMOs see narrative and metaphor as key elements in re-inventing marketing.
 - But it won't be easy to shift from the brand positioning approach because they are not aware of the breakthrough new methodologies that are, in fact, being used by some leading corporations.

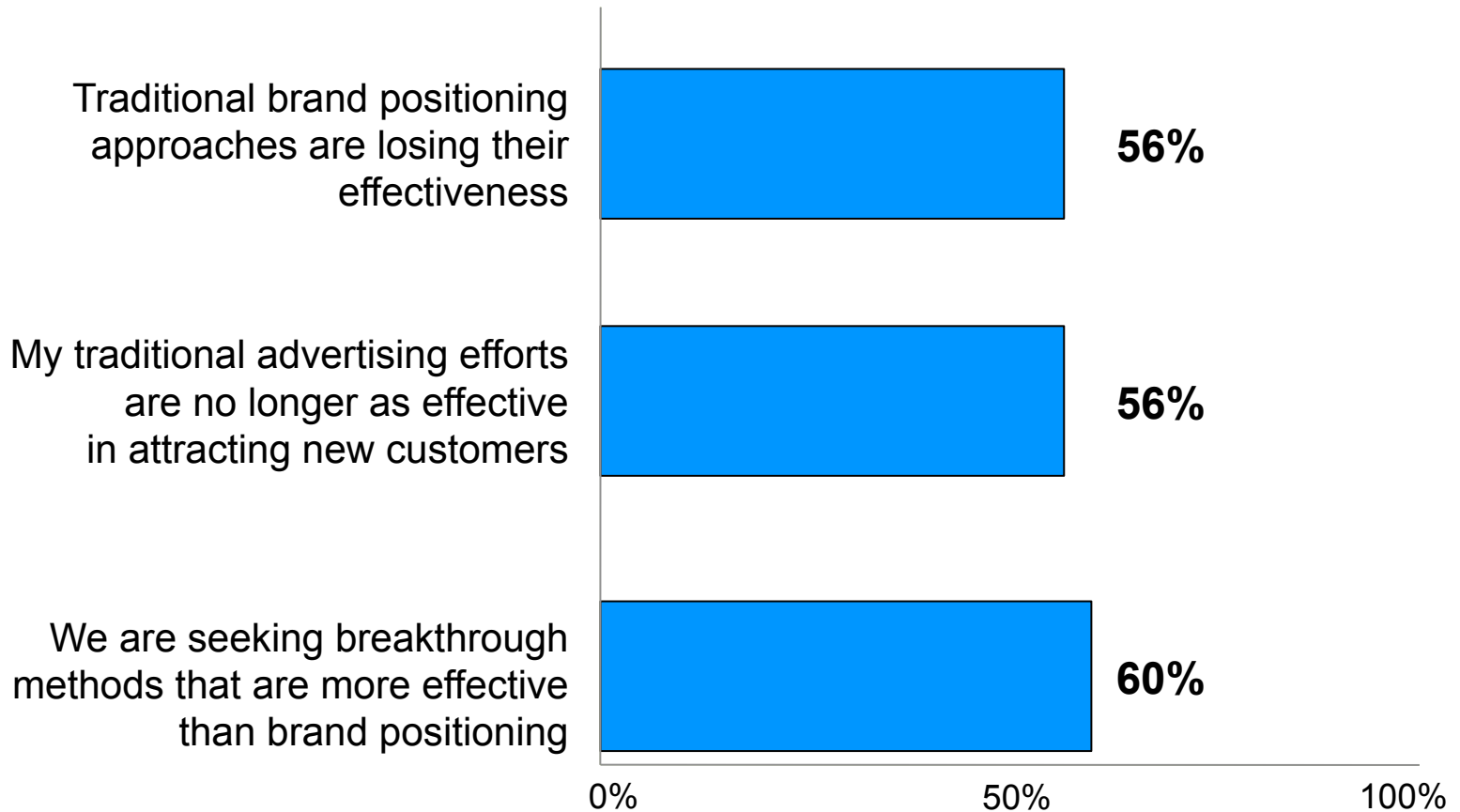
All marketers under executive scrutiny



Question: Please indicate the extent to which you agree with each of the following statements. Top 2 box

Source: 2010 CMO Priorities Tracking Study n=131

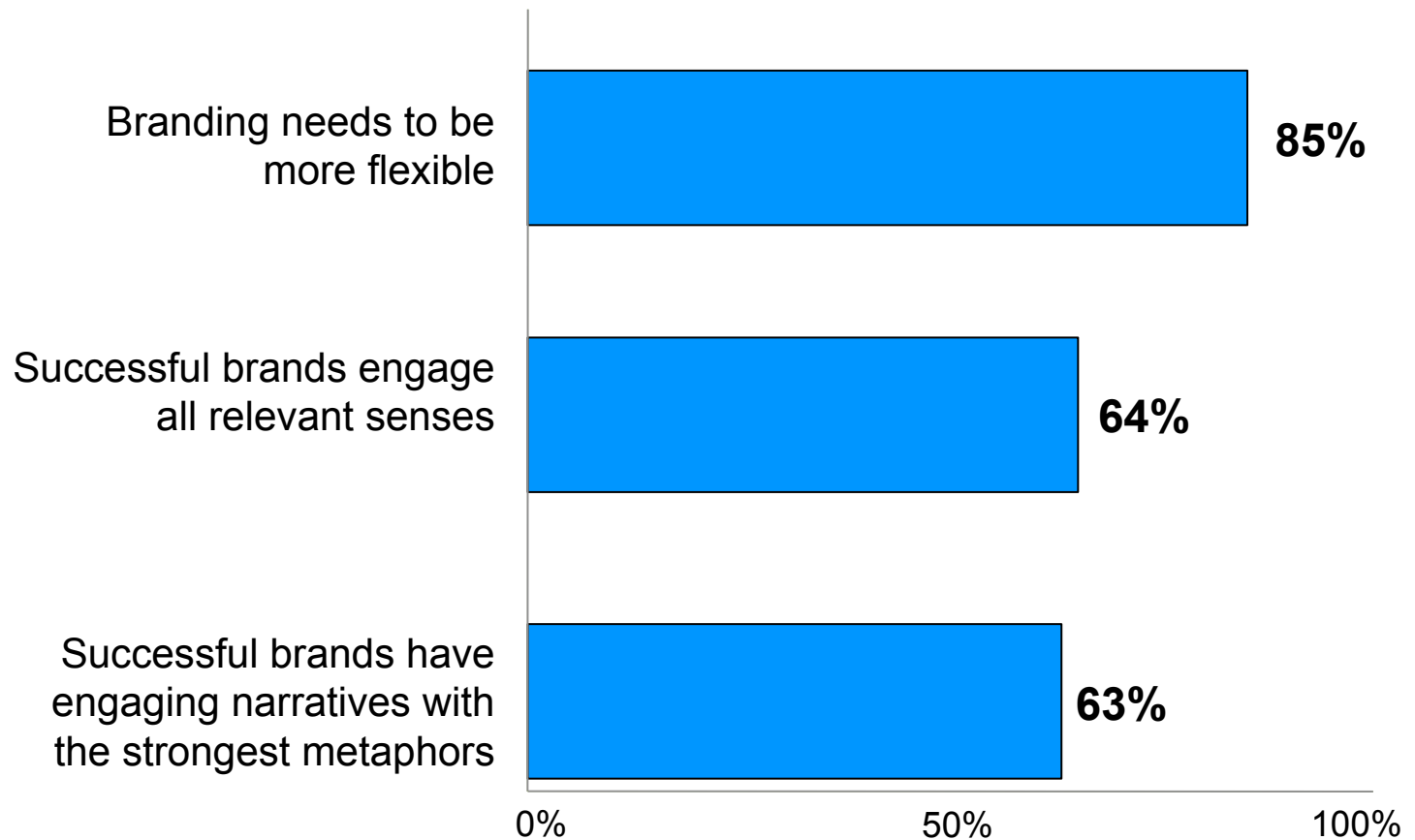
There is a breakdown in the “tried-and-true” methods. Marketers are seeking more effective approaches.



Question: Please indicate the extent to which you agree with each of the following statements. Top 2 box

Source: 2010 CMO Priorities Tracking Study n=131

Successful branding requires flexibility, a relevant sensory experience, engaging narratives and strong metaphors



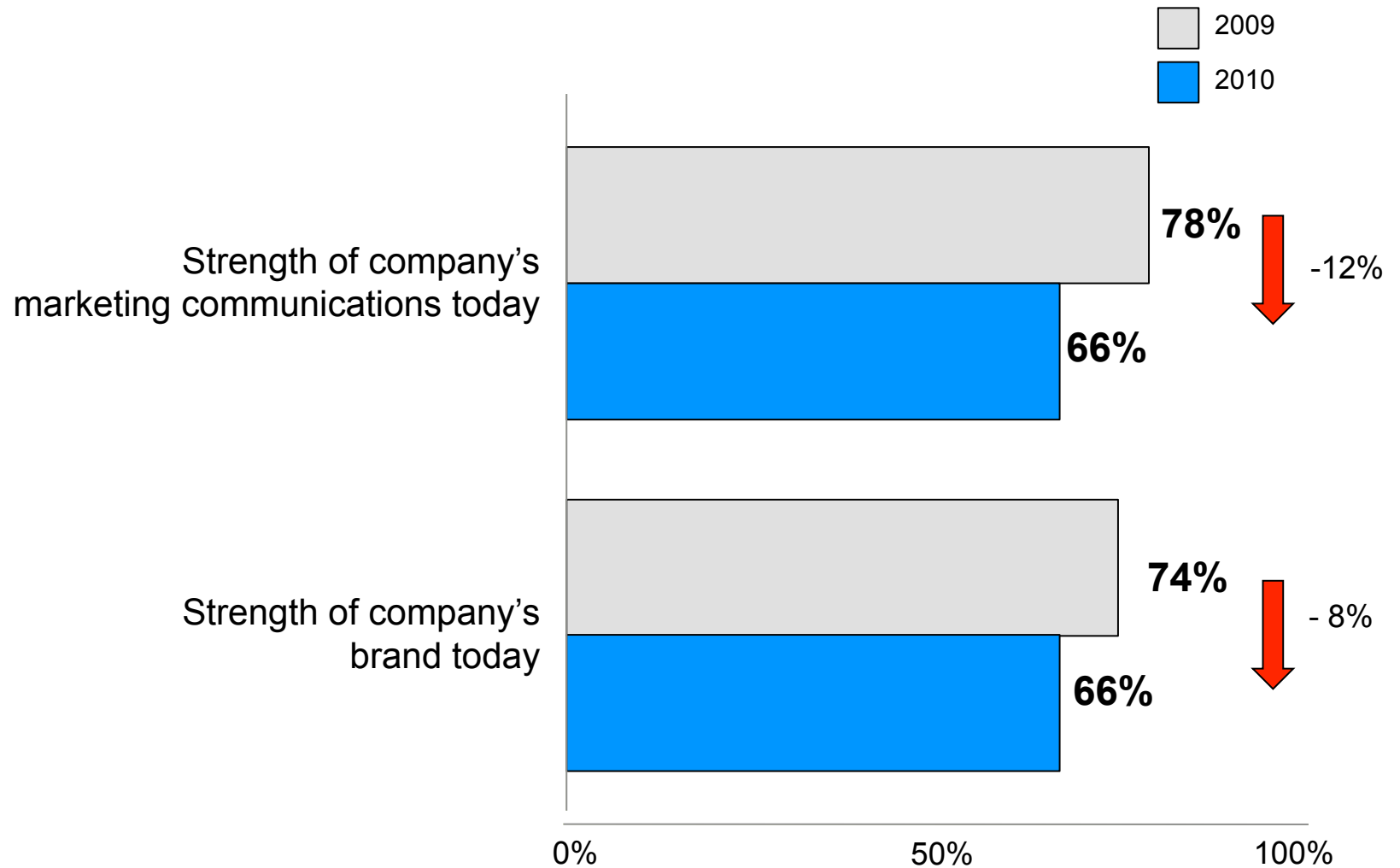
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Source: 2010 CMO Priorities Tracking Study n=131



Weaker communications and weaker brands in 2010



Question: Please indicate the extent to which you agree with each of the following statements



Source: 2010 CMO Priorities Tracking Study n=131



There is a new urgency to reinvigorate brands to achieve business goals

Top 5 CMO riorities	2010 Rank	2009 Rank
Evolving our brand as the company's business strategy evolves	# 1	# 9
Preparing for an economic upturn	# 2	N/A
Refreshing our brand's image	# 3	# 8
Achieving measurable ROI on my marketing efforts	# 4	# 1
Developing marketing programs that integrate online and traditional media	# 5	# 2

Question: Looking ahead to 2010, which do you see as the top three priorities in your company's marketing efforts?



Source: 2010 CMO Priorities Tracking Study n=131



Corporate social responsibility and social networking are vaulting over other trends in importance

Most important trends for 2010	2010 Rank	2009 Rank
The growth of social networking	# 1	# 4
Shifting from traditional to non-traditional media	# 2	# 1
Using brand stories or brand storytelling	# 3	# 2
Using corporate social responsibility to improve brand image	# 4	# 6
Greater focus on visual design to gain a competitive advantage	# 5	# 3

+13%

Question: Looking ahead to 2010, which of the following do you believe will be the most important marketing trends for your business? (Select up to 3)



Source: 2010 CMO Priorities Tracking Study n=131



The upturn is not equal. Winners & losers are emerging.

- 1) **Optimists – 53%**
- 2) **Pessimists – 31%**

Priorities	Optimists	Pessimists
Evolving our brand as the company's business strategy evolves	64%	5%
Preparing for an economic upturn	51%	12%
Refreshing our brand's image	44%	17%
Achieving measurable ROI on my marketing efforts	16%	51%
Developing marketing programs that integrate online and traditional media	9%	51%
Cutting marketing budgets without cutting performance	9%	32%

Methodology

- This report and analysis are based on two waves of research sponsored by Verse Group.
 - The first wave of this study conducted in November 2008 by Forrester Research for Verse Group.
 - The second wave of the study was conducted as an online survey in December 2009, among marketing decision-makers. The study was designed and fielded by Bellwether Interactive. The sample of 131 respondents represented marketing decision-makers including CEOs, CFOs, CMOs, VPs of Marketing, and Marketing Directors. The companies had annual revenues of \$250 million and above, two-thirds of whom had over \$1 billion in revenues.

About Verse Group

Verse Group® is the independent brand consultancy that combines practical marketing experience with a storyteller's creativity. Narrative Branding® is our breakthrough approach for creating brands by engaging customers through design, metaphors, co-creation and a compelling narrative arc. In short, it is an approach to branding that is created for today's world.

Our multinational clients include: Samsung, Marriott International, Coldwell Banker, Starwood Hotels & Resorts, LexisNexis, Alere, Kodak, NXP Semiconductors and Colgate-Palmolive.

About Bell Weather Interactive

Bellwether Interactive is a full-service provider of market research, consulting and analytical services. We specialize in Internet research but have the expertise to conduct all types of market research and provide a full range of analytical services. Bellwether Interactive is in the business of helping clients understand their consumer through our experience, dedication and innovation.

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