

DISPATCHES™

Insights On Brand Development From The Marketing Front

MOVE OVER CMO. MAKE WAY FOR THE CDO.

(Note: An article in last week's Wall Street Journal noted that, once again, the average tenure of Chief Marketing Officers has declined, continuing a longstanding trend in corporate America. This remains a trend that we have been watching--and occasionally writing about--with no single cause. Though, as both the WSJ article and we have noted, perhaps the most important cause is that CMO's and their marketing teams fail to demonstrate the effectiveness of their investments and actions. We think there is another reason why CMO's fail, or at least move on so frequently: little to no meaningful differentiation in their product-brand actions. So, for this week, we are reprising a DISPATCHES we issued in the Fall of 2016. More than ever, it seems to make sense.)

During an interview with a client, preparing to launch a promising and differentiated new product, when asked how excited she was about it she had this to say: "I'm very excited about the asset (product) itself because it represents a significant advance in a very competitive market. It's a kind of marketer's dream. But, if I'm totally honest, I fear that our company will not make the most of it simply because we will go to market the way we always have. And for this one to win big, we *must think differently and act differently* since we are going to be appealing to a *totally different target* than any we have before." What's particularly noteworthy about her remarks isn't so much her candor as is her use of the words "differently" and "different"—three times in one sentence.

Thinking differently and, thereby, acting differently. Not a bad mantra—especially for today's marketers, when if for no other reason, the speed of new technology and its upending of established consumer and customer lifestyle-behaviors continuously forces a new, even different kind of thinking. Actually, thinking and acting differently should be "a natural" for marketers. After all, it's a sub-set of that most critical of all marketers' accountabilities: to meaningfully *differentiate* one's brand from competition, enabling the brand to win in the marketplace.

Honestly, can there be any accountability among marketers that ranks ahead of this one? And yet, as our client has frankly stated, even a meaningfully differentiated *product* may not be sufficient to win in the marketplace the way a company ought to. All of which has provoked our own thinking with regard to maximizing a brand's differentiation and odds of winning; namely, maybe it's a good time to replace the traditional Chief Marketing Officer (CMO) in the company with the Chief Differentiation Officer (CDO). In recent years we have seen companies make shifts in the nomenclature (and presumably, the

responsibilities) for their CMO's. For example, some companies, in an effort to better emphasize and gain from their brands' connections with their customers have re-titled their CMO's as Chief Customer Officer, or better yet, Chief Customer *Experience* Officer. In this vein, what **would** a Chief Differentiation Officer be ultimately accountable for?

We can think of at least four broad areas that a competent CDO would hold ultimate accountability for: Product, Positioning, Go-to-Market Strategy & Plan, and Brand-Building Organization. The first two of these would seem to be current CMO accountabilities...although, without full reporting-command of a company's R&D department, a CMO's accountability for development of truly differentiated products is often a shared accountability. Still, though, in our view it's the chief marketer in any organization who must ensure that new products fulfill important unmet needs, or at least meet important customer or consumer needs significantly better than current marketplace offerings. Likewise, he or she must also ensure that existing brands are positioned—even with a parity-performing product versus leading competition—to deliver meaningful *perceived* differentiation in the minds and hearts of their chosen targets.

The second two—Go-to-Market Strategy & Plan along with Brand-Building Organization may at first blush not seem to be significant “differentiator” opportunities. Just to be clear, when we say Go-to-Market Strategy & Plan we're not merely thinking of a typical marketing plan. Rather, we're thinking more broadly to include such important potential differentiators as distribution (channels and consumer/customer access to the company's brands); merchandising (including, for example, in-store locations both permanent and temporary); and value-added programs and services that constitute the “whole product, the whole brand experience.” Each of these offers, potentially, yet another means of delivering meaningful differentiation—to the chosen target, that is.

As for Brand-Building Organization, perhaps we merely could have called this differentiation opportunity area “Marketing Organization.” But that traditional, company-function term seems short of the mark, virtually outdated. More than ever today, the CMO become CDO needs to think quite differently about how his or her organization is structured and staffed. Merely adding a few digital marketers to the traditional MBA-loaded marketing team hardly offers any potential for thinking and acting differently than the competition's marketing teams.

Honestly, the more we think about it, the more we're convinced that applying principles of differentiation to the structure and staffing of a CDO's organization may offer the single-biggest opportunity to out-think and out-maneuver competition. For example, why must brand-builders mainly be MBA's? Why not a more cosmopolitan team of multi-disciplined talent? How about a team comprising artists, movie/video-makers, cultural anthropologists, and would-be or former detectives? And where ought this diverse team be located? Perhaps places where they can daily be close to and interact with target customers or consumers; perhaps, too, where they can have advance access to new ideas and emerging trends—in short, perhaps in multiple locations. The point is simply this: how might a brand-building organization be better synched with today's demand for more ideas faster, for more target interaction more often? Our take is that there is considerable

room for thinking and acting differently to achieve these things...differentiation beyond that for the product or the brand positioning.

Come to think of it, considering the immense value of meaningful differentiation for a brand today, maybe it's not enough to seek out a Chief Differentiation Officer. Maybe instead the role demands an even more impactful title: *Chief Discontinuity Officer*. You don't hear much these days about companies or brands achieving a true discontinuity in the marketplace. For sure, genuine discontinuities don't normally fall from the sky into our laps. But you have to wonder how many more there might be if at least one person at each company was being held accountable...as CDO, Chief Discontinuity Officer.

Richard Czerniawski & Mike Maloney

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Stay safe and be well,
Richard Czerniawski and Mike Maloney

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