

Strategy

Why Marketing Should Matter to Boards

By Diana O'Brien and Deborah DeHaas

As marketing becomes a more powerful channel for building a company's brand, promoting collaboration across the enterprise, and gathering customer insights, boards should consider reexamining the role of marketing and how the marketing function might be tapped to fulfill the board's oversight responsibilities.

The digital transformation of business has empowered consumers and changed the role of the chief marketing officer (CMO). Historically, marketing departments pushed messages into the marketplace and could control both content and recipients. Digital advancements, which include everything from social media to emerging technologies, have put consumers—who now have greater access to information, and make faster decisions—at the center. These changes have created significant opportunities by expanding the ways companies engage directly with consumers and gather market intelligence using customer relationship management and other systems. At the same time, the risks to a brand have risen sharply, as consumer loyalty can change faster than ever thanks to the influence of social media channels.

Marketing leaders are finally being invited into the C-suite and are expected to collaborate with senior counterparts to oversee enterprise risk management, talent, and culture, as well as strategy and finance. Because the CMO is at the intersection of marketing, culture, and risk, this person can strategically contribute to the board by establishing a unified approach to using the brand as a lever for growth while also more quickly managing brand and reputation risks across customers, business partners, employees, and other stakeholders.

The Value of Marketing Intelligence

With marketing at the center of intelligence-gathering on brand and reputation, the CMO can work with leaders overseeing risk management to educate directors about the organization's approach to risk and crisis. To do this, CMOs should routinely share insights with the board. In response, directors should consider understanding the following areas so they can better incorporate marketing intelligence into their strategy and risk oversight duties.

How well does the organization incorporate marketing data and analytics into strategy?

The organization's approach to assessing and monitoring market developments. Board members should actively learn about the organization's marketing capabilities and what the function does to analyze and monitor the market ecosystem, including customers, competitors, vendors, regulators, and others. Directors should ask questions such as: How connected is marketing to other functions to continuously monitor, filter, and address social media and other reputation risks? Do the aforementioned functions work in siloes? How well does the organization incorporate marketing data and analytics into strategy and operations? What analysis and reporting should the board expect to help it monitor disruptive threats and potential opportunities?

Employee engagement and training. Directors should understand how employees are trained to interact with others, both

inside and outside the organization. Directors should ask questions such as: Are engagements with customers, partners, and other third parties aligned with the company's cultural values? How are employees trained to handle these engagements? Do employees know how to spot a potential crisis—internal or external—both in real-world and electronic interactions, such as on social media? Is there a clearly identified channel employees can use to report a pending crisis?

With rapid advances in technology and greater collaboration with other functions, CMOs are well-positioned to work closely with boards on strategy and other important issues facing their organizations, and to contribute valuable insights to protect and strengthen brand and reputation.



Diana O'Brien (far left) is chief marketing officer, Deloitte LLP. Deborah

DeHaas is vice chair and national managing partner, Center for Board Effectiveness, and chief inclusion officer, Deloitte.

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