



INDUSTRY INSIGHTS: CMOS LOOK AHEAD

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The CMO role continues to evolve alongside an ever-changing digital landscape, increased channels, stricter data privacy laws, and more. With these progressions, the pressure mounts for the CMO. eMarketer interviewed four CMOs from some of the world's best-known companies across industries to give you a well-rounded perspective of how CMOs are looking ahead.





MEET THE CMOS



Klarna.

David Sandström, CMO, joined Klarna in 2017 where he led the fintech company through an extensive brand transformation from one of many financial institutions to a consumer lifestyle brand and shopping platform. He is responsible for everything related to consumer growth, design, marketing, brand, communications, and sustainability. During his time at Klarna, Sandström has overseen several pioneering marketing campaigns and has garnered international attention; from working with Lady Gaga, Snoop Dogg, and A\$AP Rocky. to launching the company's first-ever Super Bowl spot. Page 6



Milena Oliveira, senior vice president and CMO, Transportation and **Electronics Business Group,** has spent over 21 years at 3M working in a variety of marketing roles across the world allowing her to gain valuable international knowledge and a broad view of 3M's business and marketing functions with general management experience. Before her current assignment. Oliveira was the vice president and managing director for 3M Argentina, Chile, and Uruguay. Page 12



Asmita Dubey, chief digital and marketing executive, joined L'Oréal Groupe in 2013 as CMO for L'Oréal China, where she was responsible for laying the foundations for the Groupe's ecommerce acceleration in China. Dubey was appointed chief digital officer for the consumer products division in 2017 and additionally in 2020 was named as CMO for the L'Oréal Groupe. She has helped the Groupe and its brands maximize media value and ROI by focusing on the key digital growth drivers. Dubey joined the Groupe's executive committee as chief digital and marketing officer in April 2021. Page 8



Charisse Hughes, chief brand and advanced analytics officer, leads the Kellogg Company's brand, marketing, and advanced analytics team. Her vision is to create a future-ready Kellogg Co. with a winning portfolio of leading, iconic global brands and characters that inspire consumers to sit at our table. Hughes is committed to creating personalized engagement and inclusive experiences enabled by deep data-driven understanding, advanced analytics, and machine learning. She is a member of the Kellogg Co.'s executive committee leadership team and was previously CMO. Page 14

OVERVIEW

Did you know that marketing was first given a seat at the table over 30 years ago? One would think that after three decades, the CMO role would be at a maturity stage. The position, however, continues to rapidly evolve. In fact, the responsibilities of today's CMOs are multiplying faster than ever. Leaders grapple with increased competition, how to meet consumer demands throughout complex customer journeys, looser control of their brands with influencers, and wrangling the ever-changing data privacy landscape.

The added responsibilities of the CMO have raised the stakes. According to executive recruitment firm Spencer Stuart, the average CMO tenure in the US fell to 40.0 months in 2020, its shortest since 2009. To succeed, CMOs must closely align their marketing initiatives to their business and drive measurable results. After all, it is the CMO who ultimately represents the voice of the customer or—in revenue speak—the path to purchase.

To help CMOs on the path to success, eMarketer recently defined three key initiatives: Connecting the marketing strategy to the business strategy; adopting a leadership style that matches the organizational strategy; and, seeking roles in which the CMOs' core strengths align with the needs of the specific opportunity.

As no two businesses are alike, no two CMOs are identical. It takes different skill sets to manage through the key initiatives we identified. To help marketers, CMOs, and business leaders understand what it takes to recruit, refine, and retain a successful CMO, eMarketer identified five CMO archetypes to match attributes to the expected focus of the role.

Breadth of Potential CMO Responsibilities



To succeed, CMOs must closely align their marketing initiatives to their business and drive measurable results.

5 CMO ARCHETYPES

Strategy-Focused CMOs Set the Company's Vision

- Use deep analysis of consumer insights, competitive behavior, and social trends to define the company's positioning
- Own planning, go-to-market strategies, pricing decisions, and product innovation
- May sit in a centralized function within multibrand organizations in which marketing communications and operations are owned by business units. In some companies, these responsibilities may be owned by other members of the C-suite

Revenue-Focused CMOs Drive Business Growth

- Drive sales and view all activity through this lens
- Heavily use test-and-learn strategies and rapid optimization for paid media initiatives. Often oversee performance marketing to include referral programs, affiliate, and native advertising
- In high-growth and challenger brands, they may own innovation and channel management. In some industries, a chief revenue officer is responsible for both marketing and sales

Brand-Focused CMOs Build Equity and Value

- Define a brand's creative strategy and oversee all aspects of execution
- Set the strategic positioning for the company and its products while focusing on tactically executing advertising and marketing campaigns to bring the brand to life
- A chief brand officer may oversee these initiatives in some organizations

4 Engagement-Focused CMOs Seek Customer Connections

- Head communication planning and campaign management to ensure the right message is being delivered to the right customer at the right time
- Own marketing technology, data functions, and possibly customer loyalty
- Differs significantly by industry and business type. For example, in retail and ecommerce companies, the CMO is less likely to have responsibility over the website or app than in industries such as automotive or consumer packaged goods. In certain organizations, responsibilities may be shared with, or owned by, other C-suites

5 Experience-Focused CMOs Act as the Customer Advocate

- On the front lines of listening to customer needs, distilling customer insights, and advocating for customer needs within the organization
- Represent the needs of the customer at every turn. Identify opportunities to become customer-centric and align employees, partners, and vendors to meet the customer's needs
- The chief customer officer or chief experience officer roles may also oversee these responsibilities

Explore how four CMOs tackle challenges, disrupt an industry, embrace digital transformation, and make the CMO role their own based on their industry's—and organization's—needs.





CMO ARCHETYPES SKILL SET AND FOCUS

Experience Strategy Revenue **Brand Engagement** Customer understanding **Customer understanding Customer understanding Customer understanding Customer understanding Customer advocacy Customer advocacy Customer advocacy Customer advocacy** Customer advocacy Revenues/performance Revenues/performance Revenues/performance Revenues/performance Revenues/performance Innovation Innovation Innovation Innovation Innovation Branding and emotion **Brand equity Brand equity Brand equity Brand equity Brand equity Customer communication** Customer communication **Customer communication Customer communication Customer communication Customer experience Customer experience Customer experience Customer experience Customer experience Technology Technology Technology Technology Technology** Data and insights Data and insights Data and insights Data and insights Data and insights





KLARNA'S DAVID SANDSTRÖM, CMO

November 11, 2021



As buy now, pay later (BNPL) becomes a common consumer practice, Sweden-based Klarna has the potential to expand its payment platform beyond online commerce and head in-store this year. In a conversation with Sandström, we discussed why establishing trust via

payments was just the beginning and how Klarna has become a growth partner for its merchants and retailers.

We estimate that almost 60 million people in the US will use a BNPL service this year. Which market factors have contributed to Klarna's success?

I think at the core of it, it's basically a mass move away from the old, almost predatory credit card companies toward a new, better alternative way of paying for things. I think the fact that credit card companies have almost screwed over an entire generation with bad terms and conditions [and] shady interests and business models [has] made people leave that industry at scale.

Which retail categories have been popular for BNPL solutions?

We started out a lot in fashion and apparel because it lends itself very well to those average order values and that kind of purchase behavior. But over time, especially during and after the pandemic, we've seen BNPL expand into almost every single category available: electronics, travel, and subscription as well. It is not category-specific. This is more a new consumer behavior that we're seeing.

Klarna's initial ad campaign was focused on "What's the Catch?" to build trust. Your marketing messaging has moved into the practicality of everyday use. Tell us about the evolution of your approach.

If we look at the evolution of Klarna, a lot of what we did in the beginning was to grab attention for a new way of paying for things online. As we all know, payments [isn't] the sexiest industry in the world. We don't get a lot of free attention. In the beginning of our journey, we had to create marketing that really grabbed attention. Now that [payments] is one of the hotter industries in the world, we don't need that same attention anymore. We can focus on the value that we create and really harvest and take advantage of the attention that we're already getting. That is also being reflected in our marketing strategy. It's way more about how you use Klarna, the value we can deliver to you as a customer, and why it's better than the old incumbent alternatives.

US Internet Users' Attitudes Toward Brands Using Their Data in Advertising and Marketing, March 2021

% of respondents

Helps me discover more things that interest me

50%

Makes it easier to find the products/services that interest me most

49%

Often feels invasive

44%

Makes navigating the internet easier

34%

Don't like sharing my personal information, no matter the benefit

23%

Isn't something that I really care about

20%

Note: ages 18+

Source: Merkle, "Consumer Experience Sentiment Report." April 22, 2021



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"Marketing—to a large extent—has become a lot about data, but it's also a lot about confidence, believing in something." —David Sandström, Klarna

Which marketing channels have been most effective and what's on the horizon to test this year?

It's hard to say because I think as a young company that is grabbing market share, we're in constant R&D mode. We're trying everything. What we've seen, and it's almost cheesy to say, is that peer-to-peer influence—when it comes to payments, when it comes to online shopping, when it comes to trying new things—is still really strong. The use of influencers, social, and referrals has been really strong for us. I think tapping into new demographics and new segments has also opened up our marketing strategy slightly. What we're going to look into sponsorships more and more and really see if we can unlock a bigger population by trying those kinds of things.

Klarna works with merchants to make BNPL readily available. This is a crowded space—there are other BNPL solutions and credit card companies are now offering installment options, too. How do you differentiate your product when in negotiation with new and prospective merchant partners?

What's interesting about Klarna is that it's way more than just a payments provider. The payment is really a way to establish trust and a relationship with a consumer, but we own that. We've become really good at driving traffic, creating incremental sales, connecting consumers with brands in a new, fresh, and interesting way. Beyond our payment products, we've turned into a growth partner for our

merchants and retailers. And that is something that's been very appreciated by the market.

Let's switch gears to talk about you as a leader. What is one piece of professional advice you would give to your younger self?

Well, I think marketing—to a large extent—has become a lot about data, but it's also a lot about confidence, believing in something. There are a billion ways to do things. Picking one or two things and being convinced about those is still key, although we have all the data available in the world. Working on self-confidence is something that I would recommend to myself and many of the other marketing leaders out there.

What is your leadership or workplace mantra that you share with your team?

One thing I keep on nagging about is pressing print, moving away from PowerPoints, moving away from strategies, moving away from theories, and making sure that whatever we do, whatever we talk about, there is a product at hand. It doesn't matter if we work with product development or marketing [as long as we make] sure that we focus on the output. Do not focus too much on the briefs or the theory, but focus on the output. Every time I meet a team or an individual, I ask them to print whatever they've done. And that doesn't mean we print on paper per se, but bring what you've done. Bring your output.

Want to learn more about why Klarna's own customer network is its strongest marketing channel?







L'ORÉAL GROUPE'S ASMITA DUBEY, CHIEF DIGITAL AND **MARKETING OFFICER**

March 2, 2022



Marketers at the L'Oréal Groupe have embraced the shift from digitalization to virtualization—and from digital transformation to data transformation. Doing so allows the beauty giant to bring relevancy and personalization to consumers' buying journeys. During a conversation with

Dubey, she shared insights into how L'Oréal's data-driven multichannel marketing approach enhances engagement, drives conversions, and creates consumer loyalty.

Data-driven marketing has become a top priority for today's marketers. What areas do you think need to become more of a priority for digital and marketing leaders within an organization?

Beyond data transformation, it is true that technology trends continue to augment consumer interaction. So when we are talking about technology trends, there are technologies like 5G connectivity, augmented reality (AR), virtual reality (VR), extended reality, artificial intelligence (AI), and now blockchain. All these technologies are coming into marketing and making sure that our consumer experiences are more enhanced. It is interesting and important for the marketer of today, and tomorrow, to understand the applications of these technologies toward the best consumer experiences.

Your team is constantly testing and optimizing new creative approaches based on the data you've collected. How are you preparing for when third-party cookies go away? How will you use your first-party data?

There is a data paradigm that is shifting. And in that data paradigm, there is massive data availability, first of all. Then there is greater

concern for data privacy. There are also battles with the tech giant[s] around data. L'Oréal is very committed to the privacy of [its] consumers. We want to do responsible AI and we have a framework for that. So this idea of, "Yes, there is data, and there's fluid data everywhere, but people are not mere data points." We treat anything to do with data, in order to bring personalization to our consumers, with skill, [and] with a privacyfirst mentality.

"It's important for marketers today and tomorrow-to understand the applications of new technologies toward consumer experiences."

-Asmita Dubey, L'Oréal Groupe

As you collect consumer data in a responsible way, what new approaches do you plan to take?

Every time we do data-driven marketing, it is to bring personalization and relevance to our consumers so that they can explore their own unique beauty. One example is how we bring services to our consumers, whether [they are] augmented reality-based services, like virtual makeup or hair color try-on, where you can try a purple hair color and virtually see it on your smartphone. When we do these things, we create consumer engagement, we create better conversion, and we create more consumer understanding—and more knowledge of what the consumers want.

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Let's talk about emerging technology trends. You spent a lot of time in the Asia-Pacific market, which is always on the cutting edge of technology. How is L'Oréal leaning into social commerce?

Social commerce is a great opportunity and [a] new business model for us. To begin with, there are more than four billion people who are social, and two-thirds of [those] people use some kind of social media before they start shopping.

[For L'Oréal,] the first step is to master the social platforms, be it TikTok, Instagram, or livestreaming content. L'Oréal had more than 10.000 livestreams in 2021. This provides us [with] an opportunity to enable our beauty advisors [and] our prescribers—like our hairstylists or dermatologists—to then start interacting with their own consumers and sell products to them.

Nyx Professional Makeup, for example, is doing a lot of influencer-led shopping and commerce. Our professional products division is enabling a platform which allows hairstylists to sell products to their consumers. We also sell through livestreaming. These are all great opportunities for consumers and prescribers to come together and talk about their brands and also buy [products] at the same time.

As you've rolled out social commerce globally, what have you observed with performance?

If we think about countries and how social commerce behavior differs among countries, China stands out. The way consumers engage with social and commerce at the same time [in China] is absolutely scaled and it's almost a new normal. And then there are markets like South Asia, or even Latin America, where you see a lot of promise, again, because these markets are extremely social in nature. These consumers are ready to interact, ready to buy, ready to talk to influencers [and] prescribers. There [are] a lot of promising models that are coming from markets beyond China as well.

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The beauty industry has been an early adopter of AR—one of eMarketer's Big Tech trends for 2022. How will L'Oréal be leaning in more heavily to AR in the year ahead?

We have been a pioneer and leader in AR, and one of the accelerators of that is ModiFace, the AR company that we acquired in 2018. We have more than 1.000 services powered by ModiFace in more than 100 countries. We work with L'Oréal's more than 25 brands. We also provide AR services to our retailer partners, be it a makeup try-on, skin diagnosis, or a hair color try-on service.

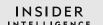
The metaverse is something that many industries are talking about right now. How are you getting involved?

We are opening new doors to the beauty metaverse. It started with gaming. There are a lot of gamers in the world and more than 45% of gamers [in the US] are women. Our brands are very involved with gaming. Nyx Professional Makeup, for example, sponsored a women's esports team, which allows [female gamers] to have self-expression, makeup, and engage with the brand within the gaming community.

From there, we're assessing [our] virtual presence. Lancôme, for instance, has a virtual store—go and visit it on our website. Nyx Professional Makeup participated in a Crypto Fashion Week where we have makeup looks that we are minting as [nonfungible tokens]. [The metaverse] is a space that we are looking at. And we know that the Web3 [concept] is going to evolve. It is here. It's inevitable.

Want to learn more about how L'Oréal Groupe is reinventing customer experience to shape the future of beauty?







THREE TRENDS TO WATCH: AUTHENTICITY, ATTENTION, AND ADVOCACY

This article was contributed and sponsored by Oracle Advertising and Customer Experience.



Tamara Prewitt Senior Director, Product Marketing, Oracle Marketing

The world is emerging from a two-year hiatus, and many of us may feel we're approaching something akin to normalcy. But we know customer engagement is permanently altered. There is no such thing as a future-proof marketing strategy. In

fact, more than one-third of marketing professionals said adapting to circumstances as they arise is one of their top challenges according to a recent Oracle survey.

As CMOs take stock of the next normal, here are three trends to watch:

Greenwashing and the rise of "genuinfluencers"

Consumers have turned away from the picture-perfect social influencer, giving rise to genuinfluencers who highlight imperfections and serve as corporate watchdogs. As companies rush to turn green initiatives or other social causes into market differentiators, genuinfluencers have exposed brands that did not live up to their promises. So-called greenwashing on social media can scar a brand for years, even if they do their best to support the causes they promote.

Business leaders must stop thinking of a social cause as a corporate differentiator. Embrace it as an authentic passion and eliminate the chance of being accused of greenwashing. This philosophy can lead to real change and brand preference without turning a social cause into a marketing opportunity.

The attention recession

The pandemic fueled consumers' appetite for unique content and forms of interaction, as they sought distraction and connection. Gaming, for example, was already a popular way to escape. Since 2020, gaming has overtaken TV on Gen Z's list of personal interests and is poised to pass movies and music.

People look for more fulfillment and adventure after staying put and abiding by the rules. Brands can make the most of this by celebrating and leveraging consumers' creative genius. Companies would also be wise not to underestimate employees' need for creative fulfillment, which contributed to the Great Resignation in 2021.

Brands that break free from outdated norms and restrictive templates will be successful. Nurturing creative genius among employees and consumers will help brands spark innovation, differentiate, and build superior strategies.

The "BETAs"

Inspired by the term for an unfinished software release, BETAs are taking a prominent role in business purchasing. They are 21 to 40 years old and exhibit these characteristics:

- Blurred: Live in a continuum of professional and personal worlds.
- Evolving: Focused on self-improvement and eager to apply innovation.
- **Tech-native:** Expect easy experiences and communicate primarily through messaging, video, and social media.
- Activists: Purpose-minded and concerned about the environment. inclusivity, and gender equality.

This buying group is driving the consumerization of B2B sales, so companies must understand how to motivate and appeal to them. Traditional engagement tactics such as in-person meetings or virtual sales calls don't work. If brands are not paying attention, they won't see BETAs coming or recognize that long-held customer loyalty has evaporated.

These are just three of several other behavioral and market trends that have emerged over the last two years and promise to be with us for much longer. Now is an excellent time to get reacquainted with your buyers. Hear how Oracle Advertising and Customer Experience can help you calibrate your short- and long-term strategies. Find out more.

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Oracle Red Bull Racing brings fans closer to the action and gives them insights they can't get anywhere else. By partnering with Oracle Advertising and CX, the team is personalizing the fan experience and improving lifelong loyalty.



3M'S MILENA OLIVEIRA, SENIOR VICE PRESIDENT AND CMO, TRANSPORTATION AND ELECTRONICS BUSINESS GROUP (TEBG)

April 12, 2022



To better serve the needs of 3M's Transportation and Electronics Business Group (TEBG) customers, the division is reimagining what's possible by pairing immersive technologies with industry expertise. We recently spoke with Oliveira who shared how her team's marketing

leverages mixed reality, AI, and human interaction to bring 3M solutions and products to life within an integrated customer experience.

Your career at 3M started more than 20 years ago as an intern in Brazil. You're now the senior vice president and CMO of one of 3M's most diverse, global, and technical groups. How has your experience shaped your marketing approach?

I have had the wonderful opportunity to live in many places and work in many roles—from [a] local to regional to global scope—at 3M. Having an understanding of the global customer base [has shaped my approach to marketing]. I've had the opportunity to engage with customers. Through that, you learn a lot about the customers' wants and needs. That has a tremendous impact on my role today. One of the critical things is to be a customer champion, to focus on the customer journey and customer experience. Having an understanding of our customers has had a great impact. From a global aspect, being with customers and the diversity of [my past] roles [have] been a tremendous help to position me in a unique way for this role.

What characteristics or skills do you believe make a CMO successful?

Leadership, not only for CMOs but for everyone. In the CMO role, I think leading by example, being close to people, especially over the last two

years, [and] promoting collaboration and an agile mindset motivates teams. At the same time, the humility to ask for help, to learn from others, to make mistakes [are also important skills to have]. We are in a very dynamic environment today and things are changing daily. I think it's important to have a "learn every day" mindset. Another thing that comes to mind is communication and storytelling. Besides being a customer champion, I think [CMOs] have to be great storytellers to bring solutions to life in a unique way. A data-driven mindset is everything today, too. With data, we can be more effective and impact the customer journey in a very positive way. At 3M, and any other place, innovative thinking and creativity come in handy as well.

We are evolving to think about the human-to-human experience, and shifting from the path to purchase to a "path to purpose." —Milena Oliveira, 3M TEBG

Storytelling is often based on a lot of data. Let's talk about 3M's Futures Survey. What can you tell us about this platform?

The 3M Futures Survey is a platform that explores five global science and technology trends. We are exploring those trends and the impact that they have on reimagining what's possible and what's next. We are leveraging a lot of 3M experts in the platform—including scientists, engineers, and designers—because in most cases they are at the forefront of their fields. Two of the trends that we are exploring are AR/VR and [AI].

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How are AR and AI becoming a bigger part of your marketing strategy?

3M believes in immersive technologies. They are, in many ways, the future of work. When we are using those technologies appropriately, it can be very effective to demonstrate the power of our solutions [and] help our customers with learning opportunities, design and visualization, and even collaboration. We work a lot with our customers for technical-to-technical engagement, and we leverage those technologies to bring digital capabilities and people's expertise together in an effective way to engage with our customers globally. We use both AR and VR to bring our solutions to life, to demonstrate the impact of our solutions on our customers. We are using Al to help us customize customer journeys and to find more effective ways to engage with customers online. Today, we are looking more into what happened and why it happened, and we are moving toward a "what's going to happen" mindset. Al is going to help us move from engaging with our customers on that path to purchase to being more effective on that "path to purpose."

Milena, your group focuses on B2B marketing, yet we see many marketers taking cues from the business-to-consumer (B2C) playbook. How are you leveraging multichannel engagement?

It's funny that we still use B2B and B2C. For me, it's really human to human. The same experience that we all have on Amazon is the experience that we want when we engage with suppliers. I think that's the mindset that is changing, especially within my group. We are evolving to think about the human-to-human experience, and shifting from the path to purchase to a "path to purpose." A lot of times, customers are coming to our channels for an experience, they're not necessarily coming to buy something. They come to learn from us, to look for solutions, help, and expertise. It's key for us to have an integrated experience to make things easy for our customers.

What channels are you prioritizing to make sure that 3M is in front of the right buyers or learners?

It varies a lot around the globe. For example, here in the US, LinkedIn is key to engage with design engineers, but when we go to China, WeChat is very important to engage with the technical industries. The B2B space is still a bit traditional, especially when you're talking about very technical products. Another platform that we are exploring that we don't see a lot in the US but we see in other markets is WhatsApp. From WeChat to WhatsApp, to LinkedIn, to even Instagram, in some cases, those platforms provide meaningful content for our customers.

What's next for 3M?

We are on a journey to transform how we engage with customers. Datadriven analytics can change the way that we do things and engage with customers when, where, and how they want. In addition, we are just at the beginning of AR/VR exploration. We are even thinking about the metaverse. Those are all things that we want to advance at a fast pace so we can help our customers with collaborations, design opportunities, and visualizing how things can be done in the future.

Want to learn more about how 3M leverages innovative technology for multichannel engagement?







KELLOGG COMPANY'S CHARISSE HUGHES, CHIEF BRAND AND **ADVANCED ANALYTICS OFFICER**

April 19, 2022



Consumer centricity is at the core of Kellogg Co.'s marketing, and it's all powered by data. During a recent conversation with Hughes, she emphasized the importance of a well-established value exchange when asking for consumer data and how data usage has strengthened

engagement, acquisition, and innovation strategies across its family of brands.

Charisse, before you transitioned roles to focus on brands and analytics, you were the CMO of Kellogg's and other well-known brands. The responsibilities of a CMO have changed drastically in recent years. Based on your experience, what makes a CMO successful?

The role is certainly evolving. I like to think about the CMO role's evolution by focusing on four key areas. First and foremost, CMOs help to define and shape the future—or the north star—to help the company or brand deliver long-term sustainable growth. The second is foundational to marketing: advocacy for what the consumer wants and cares about. We all know that consumers' expectations are vastly increased, especially as data and analytics become more pervasive. Consumers are expecting more [from] the brands they interact with. They're also expecting brands and companies to have a strong purpose that is tied to their values. Understanding that is key for any great CMO. The third area is bringing down silos across and within the organization. And then the last piece, which has gotten more important as data and the way consumers shop [have] changed, is building capabilities that ultimately shape the culture of an organization and the way it interacts [with customers].

Within your role right now, you're on the front lines of making data and analysis actionable. How has data improved the customer experience with Kellogg?

I think data is helping us understand the consumer even better. I think about the ways that we used to market to consumers by kind of putting them all in a really broad, vast bucket. What we've been able to do now is to understand consumers immensely, more than we ever could have. And I believe in my heart of hearts that the consumer experience is better in a targeted advertising world. With that comes a significant responsibility to treat your consumer and shopper's data with the utmost integrity and regard. We think very holistically [about] how we collect, protect, activate, and then communicate the value proposition that we're offering to consumers in exchange for the use of their data to serve them better.

"I believe in my heart of hearts that the consumer experience is better in a targeted advertising world. With that comes a significant responsibility." -Charisse Hughes, Kellogg Co.

Whenever we talk about data, it's hard not to discuss the fact that third-party cookies will be going away in 2023. How are you preparing?

[Kellogg Co. is] one of the very few companies within consumer packaged goods (CPG), and specifically within food, that has such a robust number of first-party data records. We are really doubling down

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on our first-party data. And in fact, we did this cool initiative at daylight saving time with Eggo Waffles, offering consumers a free Eggo waffle if they would give us some of their consumer data. We gained or acquired 100,000 first-party records within three hours, which exceeded all expectations. We are focused on evaluating different ways to drive acquisition with different value propositions in exchange for customers' data.

In recent years, Kellogg, like many others in the CPG space, has invested heavily in its ecommerce presence. Where do things like AI and machine learning fit into your strategy?

Al and machine learning are really important evolutions of how data is used. And if you think about the maturity from zero—not using Al or machine learning at all—all the way up to five, we're somewhere in the two and a half to three range. We've used Al and machine learning in a few different areas within our business, and we're continuing to test. At the end of the day, it's all about training the data and understanding what that trained data means, how to interpret it, and use it toward business goals. One thing that we've been doing is adapting our content and having users help us adapt that content. Based on where [consumers are] viewing or engaging, we're able to edit the content and tighten up the message.

Another way that we're using Al and machine learning is in innovation. One of our partners is helping us understand key terms, key food behaviors, and food trends, helping us [to] interpret those food trends, and understand whether [they're] nascent or whether [they're] developed. And based on that, we are able to tailor our innovation strategy. We also have an opportunity to identify breakthrough [terms] and define new foods and storytelling around that.

Social media is also driving a lot of online sales as well. We've all seen the success of the hashtag, "TikTok made me buy it." How has a platform like TikTok become more of a part of your strategy to reach younger consumers, specifically Gen Z?

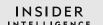
When we are building our experience plans, TikTok is right at the top of the list for that very reason. Gen Z is there, [and] TikTok is seeing more engagement than Instagram nowadays. So for us, that means we need to be where the consumer is. Our brands like Pop-Tarts, Eggo Waffles, Pringles, and Cheez-Its are all playing with TikTok. It's an opportunity for us to engage that Gen Z audience in a new and different way than we have in the past.

If you were to sum it up, what is Kellogg's key priority for 2022?

I wish there was just one that I could sum up, but what I will tell you is our objective is to clearly define and drive momentum behind our winning brands. It is to put the consumer at the center of everything we do and to use data and advanced analytics to power all of that, so that we are making sure our consumers have a seat at the table and we are speaking to them in a way that is meaningful, desirable, and helps them continue to connect with us.

Want to learn more about how firstparty data has improved Kellogg Co.'s customer experience?







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