

Digital Transformation and the Changing Role of the CMO

Beth Ann Kaminkow, former chief marketing officer of Westfield Corp. and founder of consultancy Popsicle X, has often faced the challenges of digital transformation head on. Mall developer Westfield's core business is to serve bricks-and-mortar retailers as a business-to-business enterprise. But those two areas are being challenged now by the digital age as mobile shopping has taken off and B2B companies have to engage with the end user, too.

Kaminkow discusses the importance of personal digital transformation — she needs to be hands-on with new technologies herself to understand the consumer — as well as top management unity on making such a change. It also is critical that everyone at the top has the same definition of digital transformation and agrees on the pace of change.

Knowledge@Wharton recently spoke to Kaminkow at the “Fast Forward: Executive Strategies for Personal Digital Transformation” conference, sponsored by Mphasis. What follows is an edited version of that conversation.

On Personal Digital Transformation

Beth Ann Kaminkow: I'm going to be speaking from two perspectives, one as CEO of a professional services agency that's within the Omnicom family and the other as [the former] global CMO of Westfield Corp.

For me, it always starts with the utilization of new devices, new technologies and new applications. I've always been somewhat of a hands-on learner. It's okay to start reading about the space and following what people are saying and listening to different points of view, but for me it's always been something that's complemented with going hands-on myself.

By becoming a bit of an early adopter — not because I'm an innovator in technology necessarily — it allows me to start to develop a stronger point of view of how that equates to usage and application within my own business context and space. Then [I begin to understand] what has to start shifting in terms of the way we

think about things and the way we understand behavior. How is my own behavior shifting because of what I'm doing?

It could even be little things, as e-commerce has become more prevalent. What were e-commerce sites I tend to like more than others? Why am I gravitating to those sites? What's interesting about them? How are they upping their game? How are they shifting my set of expectations for physical shopping and for any kind of commerce experience that I might have?

So I take that set of knowledge and learning and sort of deconstruct it, and analyze it and say, 'okay, what about all that ... can I now use [this] as my toolbox or my approach and [implement it] in the organization?' ... It's got to move beyond conceptual into the hands-on arena ... and understanding things and personalizing them and putting yourself in the user experience.

In the early days of [e-commerce, there] were retailers you'd never meet in the physical world

but were online. It was interesting to see how they behaved differently than any commerce that you'd experienced before.

For example, Net-A-Porter is one of my favorites — and weaknesses. One of the things I discovered was the way that they could surprise and delight and service a consumer was completely different than what you'd expect in a more physical retail environment.

[What I liked was] the way they could always dish up for you every morning what was new, what was based on past purchase behavior, what would be most interesting to you, what might look great on you — constantly tempting you and playing with the consumer in just a very intimate, very arranged environment. On top of that was the actual physical experience of that brand. Once the product arrives at your home, the unboxing experience with the black box they chose to make one of their signature pieces just made the whole experience feel elevated and very exclusive and special.

At the same time it also gave you this great box that looks so good that you could start boxing up your old clothes in your closet — and you had the ability to figure out how to start replacing them with your new Net-A-Porter addiction. It was a brilliant way of basically recognizing that their consumer most likely lived in pretty small spaces and one barrier to actually purchasing more would be the fact that you have a pretty full closet as it is. And they gave you a way of learning how to trade out the new for the older stuff. So just elements like that could be adapted into the way we thought of any business challenge that we were facing with a client.

Evolving Concept of Digital Transformation

The most fundamental thing that I have learned through trial and error has been that the alignment of agreement and definition at the top is so very important.... Even just the term 'digital' and the term 'transformation' by themselves can

take on lots of different meanings depending upon the orientation and past experience of the other leaders around the table.

It's really fundamentally important to push for a strong definition and a unified, shared meaning amongst the leaders. For example, we talked earlier [at the conference] about the 'field of dreams.' The 'field of dreams' at Westfield Corp. is based on 'if we build it, they will literally come.' It's about bricks and mortar, it's about architecture, it's about design. It's not necessarily about the digital experience.

[Indeed, digital is] not necessarily where the default thinking goes first. So a huge transformation in the minds of many leaders could mean huge, billion-dollar investments in the actual bricks-and-mortar architecture. You think that people are being progressive and are in a shared mindset when in actuality it still means different things to different people.

For [digital transformation] to trickle down and cascade into an organization in a way that is really going to create a groundswell and galvanize people and be institutionalized, it has to be shared and understood at the very top. And then elements of it — like how does the process play out — are really important in terms of pace. We might all agree that digital transformation has to take place, but we might have different timetables for what we think is the right way for that to take place in a company.

Some people might come from a background, like I did, where it's really about you having to push and put people in their 'uncomfortable zone' pretty quickly. And there's going to be [other situations where] you have to go through the pain for a while before you get to ... assimilation. Others might feel that, based on heritage and legacy and history, [change] needs to be much more modulated and moderated. So those are the kinds of things that I think are really important to establish.

Changing Role of the CMO

It's one of the harder roles in the C-suite, although obviously they're all very challenged today. When we used to think about the CMO role, it probably had a little bit more of a balanced focus.... It was sort of like a communications role that also dealt with marketing in the company. Now I think it's much more about more tech than communications.

There's this blending — and sort of bleeding, if you will, into the CIO digital arena — and understanding of user experience design that is fundamental to the CMO role today. The more that the balance of communications and marketing takes place in the digital space, and leverages technology at the core of its architecture from ad tech to platforms and partnerships and so forth, the more that marketing person needs to be absolutely fluent at digital and technology. And it's not about just pure partnership with this chief digital officer and the CIO, which obviously have to be your best friends in the organization now, but it definitely [has to be about becoming] much more fluent [in the digital] language for the marketing person as well.

Encouraging Company-wide Digital Transformation

One of my favorite expressions professionally is ABL: Always Be Learning. If you come into the workforce at any generation now and you subscribe to the notion of 'it's about always be learning,' [remember that] fundamentals are really important. It's critical that fundamentals are still present. And it's about the connection to those in new, innovative, more entrepreneurial ways of thinking that is the sweet spot.

The constantly curious mind, the desire to be on the edge and to be playing [with digital technologies] yourself ... are key to going beyond knowledge learning to doing and activating around it, and having a more interpretive mind that allows you to truly create the right

application because not everything is going to be relevant. There are many things that are going to be out there that we're going to be constantly hearing about that may not actually be the things that are going to move and evolve your business.

At the C-level it's really important, especially as a CMO, to know the difference and to place those bets, because you're bringing your entire team along on that journey. And so that's one of the reasons why it's always great to have those people that are on the [cutting edge of technology] — to get a sense of what is coming down the pike.

Focus on the Customer

The point of putting yourself in the user's position is to get closer to the customer and to realize as a professional that you are also oftentimes a customer of either your products or your services or your company. The more you are able to personalize it, the easier it starts to be to understand the customer.

But it is very interesting to take companies on that customer-centric view, especially companies that have had a legacy of being much more business-to-business oriented. Help them understand the set of questions, the point of view shifts, the mindset shifts that have to take place for them to become empathetic and maniacally focused on customer behavior. That customer is changing at this pace ... that we've never really seen before. The customer is driving the shifts that we're seeing because of the technology in their hands.

We hear about mobile-centricity. It is all so fundamental and core to this because it's been the mobile device that has created that rapid pace of change.... It's been the biggest tool that has shifted how we orient ourselves and our lives. I like to think of it as that remote control of our life. It is a true extension of our being. Every company, and every position in the company, has to ... respect and understand what that means on a regular basis.

The last thing I'll say on that front is many companies I've worked with in my time have always said, "well, we're customer-centric." But then they say, "and get our customer to love and appreciate us more." That is such a great, telling statement because in the way that is phrased, there is nothing customer-centric about it.

Being customer-centric is about making somebody feel like you care about them, that you are doing what you're doing because of them and the relationship they have to you.... It's not about you anymore, it's about the person in that other seat and that person on the other side of the equation. ■