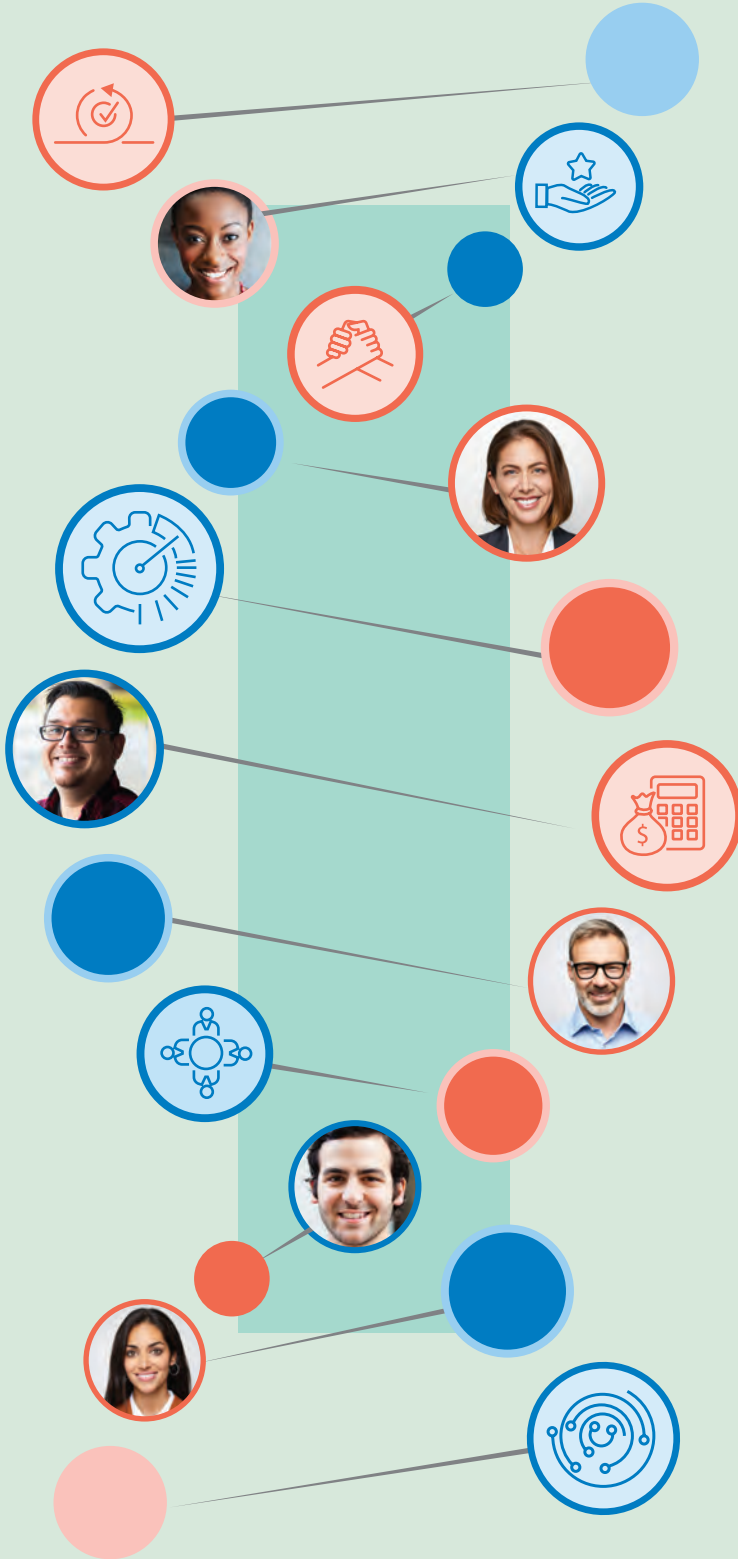


CMO and C-Suite: The DNA of Partnership





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FOREWORD



Jeff Kavanaugh
Head, Infosys Knowledge Institute



Skyler Mattson
President, WONGDOODY

In a quirk of fate, on the day COVID-19 sent Wuhan into lockdown, the World Economic Forum (WEF) was meeting in Davos to discuss the future of capitalism.

COVID-19 not only redefined how we do business, communication, and culture, but shifted the tectonics of capitalism itself. It has had a profound impact on marketing and IT, challenging leaders' expertise, ingenuity, and resolve. The response to the pandemic demonstrated companies can be lifelike, responsive, evolving entities at enterprise scale — and any company, however large and complex, can transform to be adaptive and resilient. In fact, they may have no alternative.

With quarantine, lockdowns, and social distancing driving seismic shifts in business and consumer behavior, the pressure to accelerate digital transformation and maximize the use of technology is greater than ever. The Organisation for Economic Co-operation and Development (OECD) warns that global growth will shrink by at least 6% in 2020.¹

The next new normal is still emerging, the future uncertain. The entire enterprise needs to move quickly together, and evolve — with Marketing and Information Technology (IT) prime examples of corporate paths that need to converge rather than compete.

With this in mind, we present this research report.

In early 2020, we began our study, an assessment of collaboration among Chief Marketing Officers (CMOs), Chief Information Officers (CIOs), and their teams. We added to existing research that showed CMO and CIO roles converge as companies digitally transform. We were specifically interested to analyze these roles in digitally mature companies: ***Do they collaborate? Do they share a cooperative ethos? Do they work together to create a common culture?***

We surveyed 750 IT and Marketing professionals and interviewed CIOs and CMOs — just as COVID-19 went global. Recognizing the significance of the moment, we paused and refocused, surveying another 220 leaders to understand CMO-CIO collaboration in a hybrid world and to test the extent to which stakeholder capitalism is a viable path forward. We validate conclusions from this follow up survey using secondary research, which supports insights we derived earlier.

Our research shows that in the emerging ecosystem, CMO and CIO roles are influenced by the pandemic across multiple dimensions — and the CMO's people-centered skill set is vital.

Fail fast, Fix faster: The collaborative ecosystem

Our study of this ecosystem reveals some clear lessons.

Before the pandemic, Marketing and IT were siloed, with low collaboration scores (28%) across nearly 30 areas. Moreover, only 25% of IT said their digital transformation and business objectives were fully aligned with their Marketing counterparts. Marketing rated this alignment even lower, at 13%. COVID-19 has accelerated the need and opportunities for Marketing and IT to work together. **The CMO-CIO partnership now must ...**

Elevate human experience

In the words of one interviewee, “Consumers have long memories. How brands perform in a crisis is going to stay in people’s minds for a long, long time.” Marketing’s forte is consumer connection, and the pandemic has taught them to do it quickly and authentically. Marketing’s external view places them at the forefront to understand stakeholders. They identify agility and CX-to-HX evolution as the top challenges to collaboration (agility: 69% Marketing vs. 46% IT; CX to HX: 58% Marketing vs. 35% IT).

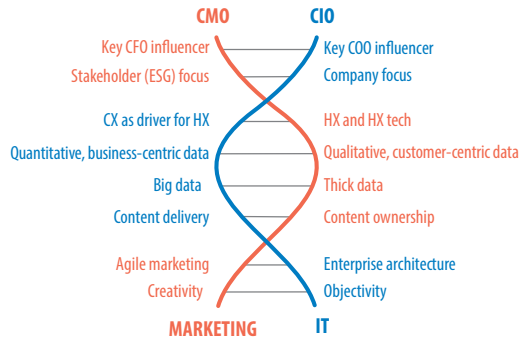
Catalyze C-Suite collaboration for ESG and stakeholder wins

Respondents were more than three times as likely to have a positive than a negative sentiment that COVID-19 marks a tipping point toward stakeholder capitalism (54% vs. 16%). The push for stakeholder capitalism is coming from the top: 83% of senior executives agree or strongly agree, compared to nearly half of vice presidents and managers. The C-Suite

DNA must evolve together. CMO and CIO collaboration becomes a force multiplier, extending into the rest of the C-Suite, with CMO and CFO partnering on ESG, just as the CIO and COO worked together on immediate post-COVID-19 operational strategy. The CMO and the CIO can lead on understanding business needs, mapping them to stakeholder demands, and then delivering to a diverse ecosystem.

Qualify and quantify brand resilience

The pandemic elevated the CIO due to their role in rapidly scaling technology to enable remote workforces and flexible operations. Meanwhile, before the pandemic more than half (51%) of our IT respondents believed the CMO role would be replaced altogether – COVID-19 exerts yet more pressure on the CMO to demonstrate value. CIOs now drive business resilience, the perfect parallel to CMOs’ driving brand resilience. The human touch is more important than ever, and here’s where CMOs can shine, deliver, and prove this is the renaissance of the CMO, not the twilight.



Source: Infosys Knowledge Institute

Before the pandemic: Culture and collaboration

Despite sharing the same strategic goals and widespread understanding of the importance of CMO-CIO collaboration,² CMOs and CIOs — and their teams — still are not thinking together, planning together, or working together. This lack of collaboration holds companies back because the teams that need to work together to carry out customer-oriented digital strategy are not, in fact, working together.

Collaboration upstream but not downstream

Before the pandemic, Marketing and IT were siloed, with low collaboration scores (28%) across nearly 30 areas. Moreover, only 25% of IT said their digital transformation and business objectives were fully aligned with their Marketing counterparts. Marketing rated this alignment even lower, at 13%. While important pre-pandemic, active collaboration is now essential. COVID-19 has forced the CIO to enable flex capacity on demand and to deliver boundary-less experiences of remote work.

To the extent they did collaborate, CMOs and CIOs worked together on upstream strategy. However,

this collaboration did not flow downward to the tactical team level. For instance, Marketing and IT respondents rated the category degree of collaboration on “strategic growth-oriented goals” at a similar level — but IT had a more positive view on the category “voice of the customer.” (See Figure 1.)

Despite numerous reports over the past decade about CMO-CIO collaboration, our study shows they were still not consistently planning or executing together before the pandemic.

- Although nearly 60% of respondents indicated some degree of alignment, less than one-third indicated strong cross-functional alignment.
- Alignment ratings were remarkably consistent — all 28 categories ranged between 23% and 32%.

This reinforces our interview findings that across initiatives, Marketing and IT remain siloed.

Figure 1. Marketing and IT worked in silos, with goals not aligned



Source: Infosys Knowledge Institute

Culture is a verb

This data and our interviews highlight the importance of culture in collaboration, and the difficulty to create this culture.

Culture is becoming an increasingly important enabler for Marketing and IT. In the past, the increase in outsourcing reinforced silos, as described by the director of customer insight and marketing data at a Tier 1 European retail bank:

“We’re looking to take our Marketing and IT back in house. Bringing things in-house will force us to talk and create solutions that are relevant to customers.”

A collaborative culture doesn’t just happen by chance, proximity, or osmosis. In-person conversations have long been an important aspect to create a collaborative culture. However, with many companies intending to permanently move a large percentage of employees to remote work,³ they need to innovate and personalize team building to maintain a shared culture.

IT and Marketing in tandem can plan and model the future, creating a culture that fosters collaboration in any situation, remote or in person. IT will be crucial to create this wider cultural change, with increased demand for cloud-based call centers and video calling services through the likes of Amazon, Zoom, Teams, and WebEx. Laurent Rotival, SVP, Strategic Technology Solutions & CIO, Cambia Health Solutions, sums it up:

“Success is completely dependent on the marketing leader and the technology leader and their ability to partner and rebuild a shared strategy and capability.”

While the CIO can lead on embedding best practices in process transformation, security, operational efficiency, training, and certification, the CMO can lead on understanding and designing experiences to address the human side of these initiatives. As more agile and intelligent physical and virtual workplace technologies emerge, the CMO and the CIO together can lead on future agile experimentation and develop sound practices to transform the customer’s experience while increasing productivity and strengthening culture.

“The work styles tend to be very different between a technical person and a marketing person, which leads to work culture differences. Traditionally, this cultural difference has hindered collaboration.”

— Carol Kruse

Former CMO of ESPN and Cambia Health and former Head of Global Digital for The Coca-Cola Company



Cultural rifts and silos

“Culture is hugely important. Our two cultures, though, are very different. You can change everything, but if you don’t change the Marketing and IT culture, you’ll be left with the same frustrations.”

— Amani Korayeim

Director of Sales and Marketing, Institutional Investor

Collaboration challenges: Marketing concerned with legacy systems and teams, IT with vision and budget

Marketing is more concerned with cross-functional work and legacy systems as impediments to collaboration. IT is more concerned about corporate vision and budget — likely because IT is traditionally viewed as a cost center and Marketing is viewed as a revenue generator.

This is an opportunity for Marketing to address IT concerns by sharing their vision to strengthen brand and drive revenue. Likewise, IT can increase Marketing’s participation in legacy modernization so that core systems support Marketing workflows and provide relevant data. (See Figure 2.)

In our survey, Marketers saw lack of skills and culture as the biggest challenge (41%), followed by cybersecurity risk (41%), agile (40%), and cross-

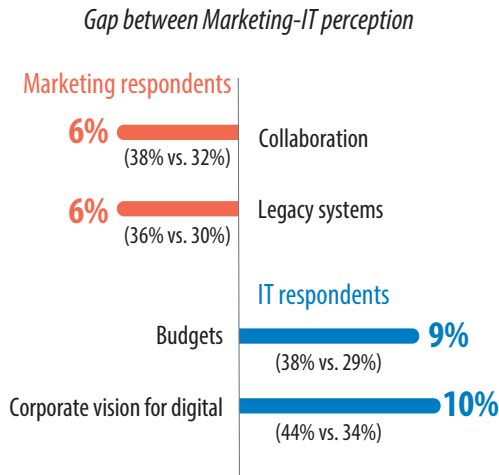
functional collaboration (39%). For IT workers, however, the biggest challenges were lack of corporate vision for digital (44%), insufficient budget (39%), cybersecurity risk (38%), and misaligned budget (38%). After the pandemic, the top 5 challenges are expected to be related to scaling remote work and collaborating in distributed environments.

IT concerns about budget cuts are justified, with CIOs forced to absorb deep reductions in the wake of COVID-19. In May 2020, for example, global IT spend is predicted to decline 8% to \$3.5 trillion in 2020, down from \$3.8 trillion the prior year.⁴

Similarly, Gartner research in April 2020 revealed 76% of marketing leaders expect a cut in marketing budgets.⁵ CMOs in North America and the UK, for example, are expected to cut TV advertising by 32%, offline advertising by an equal amount, and event marketing by 28%. In April 2020, Google announced it expects to see a decline in ad revenue **for the first time ever**,⁶ and reduction in marketing budget by half for the remainder of 2020.⁷

With perceived lack of digital strategic vision and budget cuts, neither IT nor Marketing can afford — literally and figuratively — to be siloed.

Figure 2. Vision and collaboration across teams mark the biggest gaps in perception



Source: Infosys Knowledge Institute

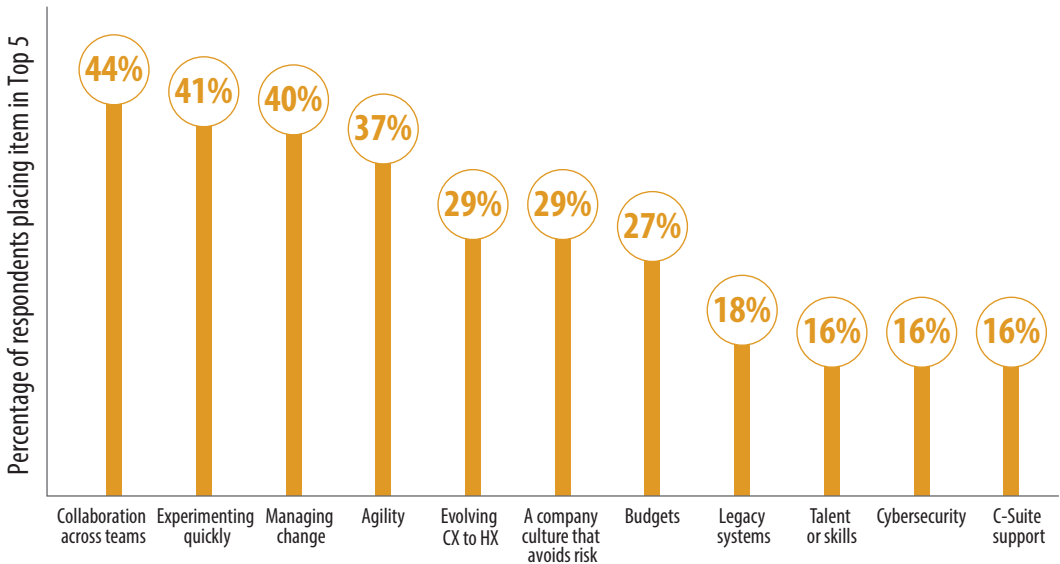
Siloed competition must evolve to collaboration

For our respondents looking beyond the pandemic, their collaboration challenges directly relate to navigating COVID-19 (see Figure 3):

1. Collaborating across teams.
2. Experimenting quickly.
3. Managing change.
4. Agility.
5. Evolving CX to HX (tie).
6. Company culture that avoids risk (tie).

Figure 3. The Top 5 challenges arise from scaling to remote work quickly and collaborating in distributed environments

Which of the following pose the biggest challenges to collaboration between Marketing and IT?



Source: Infosys Knowledge Institute

COVID-19 uncovered different stress points for Marketing and IT. In the words of one interviewee, “Consumers have long memories. How brands perform in a crisis is going to stay in people’s minds for a long, long time.” It also forced IT to quickly scale remote capabilities.

These stress points are reflected in post-COVID-19 challenges to collaboration. (See Figure 4.)

Marketing recognizes the need to connect with people, and to do so quickly and authentically — and they foresee collaboration challenges in these areas.

- *They identify agility and CX-to-HX evolution as challenges by a difference of 23% compared with IT (agility: 69% vs. 46%; CX to HX: 58% vs. 35%).*
- *To succeed in the pandemic, IT will have to spend more and take greater risks in a short time.*
- *Their top concern is budgets — by a difference of 31% (58% vs. 27%) — followed by risk-averse culture, with a difference of 23% (58% vs. 35%).*

In fact, COVID-19 changed the CIO paradigm more than any C-Suite position due to technology being central to the response. Rather than simply supporting status quo technology operations, CIOs now also drive business resilience.

COVID-19 changed the CIO paradigm more than for anyone else in C-Suite

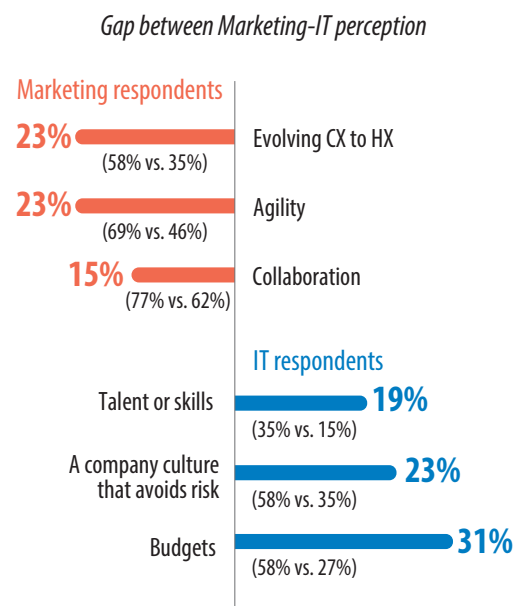
Lockdowns and quarantines accelerated technology adoption and corporate change, with implementations that usually took months or years required to be delivered in days. CIOs are now at the center of a hybrid work-office/home-office model, spanning everything from supply chains to stakeholder value chains while expected to deliver seamless and secure access to employees and gig workers.

Gartner expects post-COVID-19 IT spending to decline by 8% in 2020.⁸ However, investment in digital transformation strategies is expected to increase in areas related to new hybrid ways of working. Cloud computing is a good example, with spend on public cloud services expected to rise by 19%, cloud-based telephony and messaging by 9%, and cloud-based conferencing by 24%. In addition, other research has shown that software that automates processes is also likely to benefit, as executives push for greater efficiency.⁹

The radically shifted global operating environment now needs to deliver elastic capacity on demand while executing at a greatly accelerated pace. Where CIOs were once tasked to maintain technology capabilities, they are now mission-critical to business resilience. To deliver on this lofty mandate, IT has spent more and taken greater risks in speed and scale, and has greater concern about budgets and risk-averse company culture, than Marketing.

This has had the knock-on effect of Marketing being more concerned than IT about agility (69% vs. 46%) and evolving CX to HX (58% vs. 35%). It’s not that IT are unconcerned about these topics — they require organizational change and carry lower priority and greater risk to current business operations.

Figure 4. Collaboration across teams is now the biggest Marketing-IT challenge



Source: Infosys Knowledge Institute



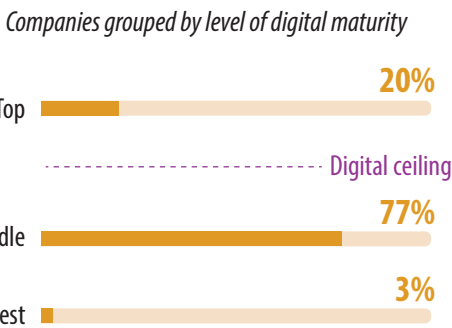
Foundation or forefront: Enterprise transformation and digital maturity

The Knowledge Institute developed the Digital Maturity Index in 2018 to measure enterprise digital capability and has continued to assess this in subsequent research. For this report, we asked respondents to indicate their company's progress on each of the over 20 initiatives that comprise the index. (See Figure 5.)

Consistent with recent Infosys research, fewer than 5% of companies are in the lowest cluster of digital maturity; three-quarters are in the middle cluster, and one-fifth are in the top cluster. Companies struggle to reach the top cluster; despite significant technology investments, these enterprises experience diminishing returns, hitting a “digital ceiling.”

Our research showed that an alliance between the CMO and the CIO enables successful organizations to break through this ceiling. Our hypothesis is that CMO-CIO collaboration is a cause to break through the digital ceiling, not simply correlated with it. The symbiotic exchange of customer awareness and tech savvy enables the high achievers to be decisive, make fewer mistakes, and converge more quickly on completed initiatives that are actually adopted.

Figure 5. Against a digital ceiling: Diminishing digital returns



Source: Infosys Knowledge Institute

We measured digital maturity using a basket of 21 digital initiatives, grouped into four categories representing different initiative types:

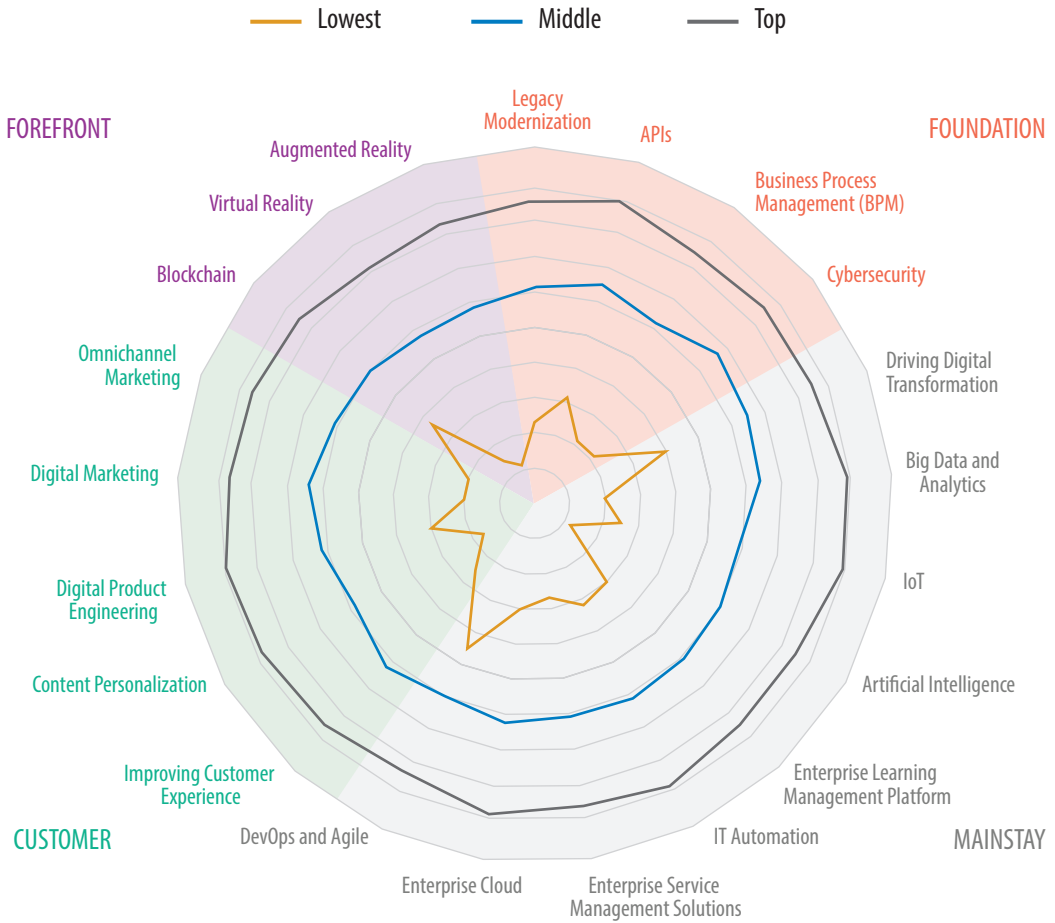
1. **Foundation initiatives** must be implemented to modernize legacy systems.
2. **Mainstay initiatives** represent the core elements of digital transformation, including automation and artificial intelligence (AI).
3. **Customer initiatives** primarily impact the customer experience. They include omnichannel marketing and content personalization.
4. **Forefront initiatives** harness cutting-edge technologies, such as virtual reality and blockchain.

Respondents were then asked about the implementation maturity for each initiative (see Figure 6):

- Not started (or in planning).
- Completed multiple proofs of concept.
- Completed pilot projects.
- Operating at scale.

Top-tier companies stand out, with strong progress across 21 digital initiatives (see Figure 7). We found that as enterprises evolve their digital maturity, they are able to operate a progressively larger number of digital initiatives at scale — this is represented by the outer circle nearly at the perimeter of the circle.

Figure 6. The Digital Maturity Index: Cluster analysis



Source: Infosys Knowledge Institute

Top-tier companies are mature across many initiatives, while the rest struggle to move beyond pilots

For the past couple years, research has shown that most business leaders rate digitalization as a company priority;¹⁰ we found that fewer than half of our respondent companies deliver digital transformation initiatives at scale.

Since the pandemic began, however, this has changed rapidly, and CFOs are focusing on wider stakeholder product or service offerings for long-term value creation.¹¹

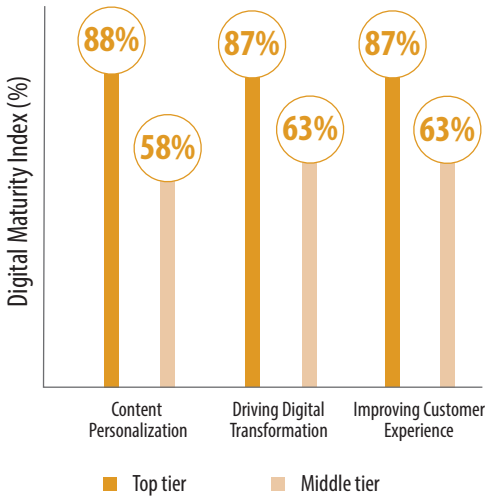
In top-tier companies, Marketing and IT collaborate aggressively across technology initiatives. They are especially motivated by customer-focused initiatives like content personalization, digital transformation, and customer experience. (See Figure 7.)

Almost 44% of top-tier companies expect a collaborative CMO-CIO relationship to boost profitability by 5% or more. In comparison, only 20% of lowest-tier and 15% of middle-tier companies share these expectations.

To summarize, CMOs and CIOs in top-performing companies perceive the connection between collaboration and revenue growth.

Figure 7. Visionaries operate customer-focused initiatives at scale

Visionaries: Customer-focused initiatives at scale



Source: Infosys Knowledge Institute

Marketing and IT employees in top-tier companies expect their collaboration will unlock greater value than do those in less digitally mature companies. Having seen firsthand the benefits of this collaboration, these companies that have broken through the digital ceiling are 27% more bullish financially.

In addition, top-tier companies demonstrated greater adaptability — planned or unplanned — and resilience. Our study shows that collaborators in digitally mature companies have their eyes on revenue generation, not more tactically on technology metrics. They leverage the digital ecosystem to empower employees, bring personalized customer digital experience, and drive revenue.

In effect, the more the CMO and the CIO collaborate, the more digitally mature the company. The more digitally mature the company, the greater expected resilience and financial performance. Our interviews with executives in other functional areas suggest this applies to other areas of the C-Suite as well.

CMO-CIO collaboration with the CFO, for example, enhances value, builds reputation, and mitigates financial risk to cash flow and profitability.

CMO-CIO collaboration also has a role to play here to help the CFO deliver on this strategy. The CIO's technology focus enables the tools that provide flexibility, resiliency, and agility at an enterprise level, while the CMO can translate how these initiatives translate into corporate brand and perception by consumers and the other stakeholders paying close attention to business behavior in the pandemic.

In the following section, we look at digital transformation alignment.

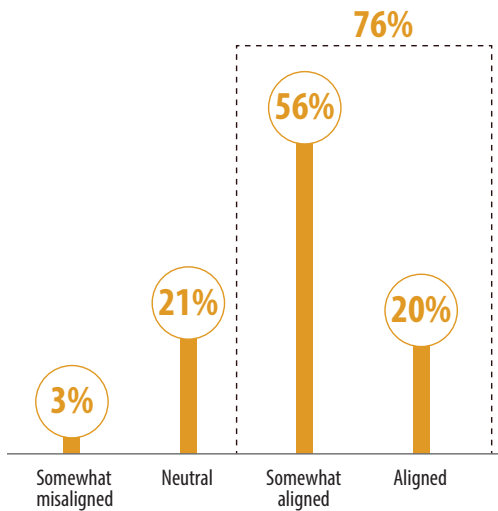
Digital transformation: The misalignment

“There’s a lack of understanding on both sides. Marketing’s traditionally been about asking IT, ‘Is this website secure?’, and ‘We’re not going to lose any customers, are we?’”

— Director of Customer Insight and Marketing Data, Tier 1 European retail bank

Over three-fourths of the respondents (76%) indicated that digital initiative goals and corporate strategy are aligned (56% somewhat and 20% fully) (see Figure 8).

Figure 8. Over three-quarters believe digital goals and corporate strategy are aligned



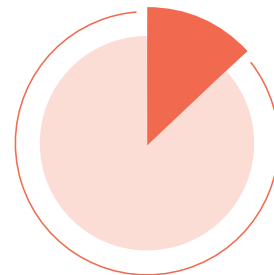
Source: Infosys Knowledge Institute

However, for the respondents who identified as fully aligned, IT was represented over Marketing by a nearly two-to-one margin (see Figure 9; 25% vs. 13%).

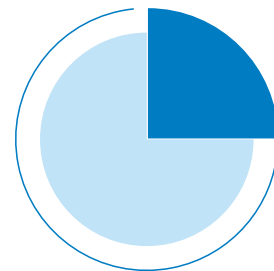
- **IT has an enterprise systems view**, which enables understanding of technology initiatives and their relationship to overall business objectives.
- **Marketing has an external customer view**, which enables understanding how the company’s digital transformation delivers personalized customer experiences.

Figure 9. IT has a sentiment nearly twice as strong that digital transformation strategy and business objectives are aligned

How aligned is your digital transformation strategy to your company’s overall business objectives?



Marketing function:
13% aligned



IT function:
25% aligned

Source: Infosys Knowledge Institute

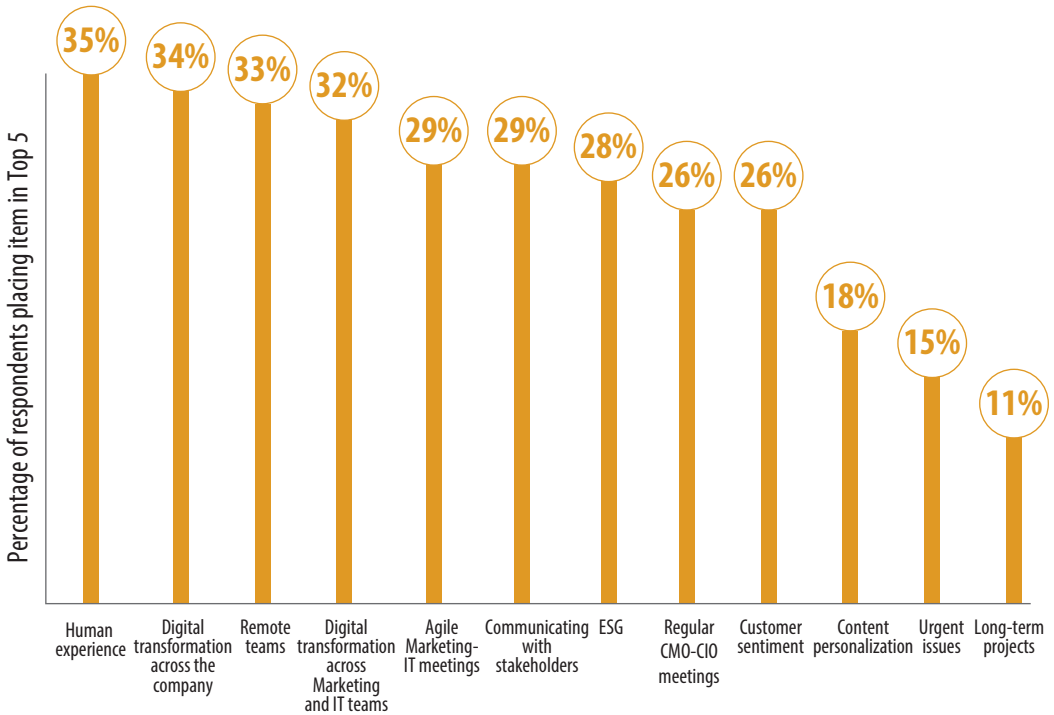
Enterprise transformation with stakeholders in mind

Overall, respondents rated twelve areas (see Figure 10) based on opportunity for Marketing-IT collaboration. The top five are listed below:

1. Human experience.
2. Digital transformation across the company.
3. Remote teams.
4. Digital transformation across Marketing and IT units.
5. Regular Marketing-IT meetings, and communicating with stakeholders (both 29%).

Figure 10. Human experience is the biggest opportunity for Marketing-IT collaboration

What are the biggest opportunities for digital collaboration between Marketing and IT?



Source: Infosys Knowledge Institute

IT had a higher rating than Marketing in its understanding of how collaboration helps digital transformation across the enterprise (62% IT vs. 46% Marketing). IT also indicated a stronger view than Marketing that content personalization is an area ripe for collaboration (35% vs. 23%).

Opportunities where Marketing has a stronger sentiment than IT are (see Figure 11):

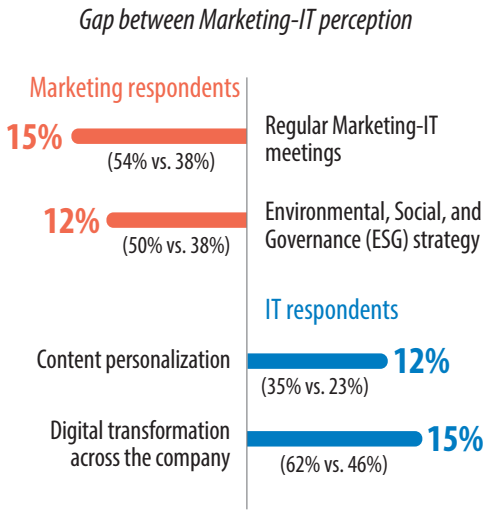
- Regular Marketing-IT meetings (54% vs. 39%).
- ESG issues (50% vs. 38%).

- Remote teams (58% vs. 46%).
- Regular CMO-CIO meetings (46% vs. 35%).

Opportunities where IT has a significantly stronger sentiment than Marketing are

- Digital transformation across the company (62% vs. 47%),
- Content personalization (35% vs. 23%), and
- Digital transformation across Marketing and IT units (54% vs. 46%).

Figure 11. The external view helps Marketing understand a more diverse set of stakeholders



Source: Infosys Knowledge Institute

Marketing’s external view enables them to understand how a more diverse set of stakeholders will affect their companies:

- 50% of marketers versus 38% of IT ranked ESG goals as a Top 5 opportunity for collaboration (a difference of 12%).
- Marketers also recognize they can’t go it alone — they value IT meetings (54% marketers vs. 39% IT; difference of 15%).

IT still values content personalization (35% vs. 23%, difference of 12%), reflecting their perspective on internal stakeholders, not just customers. They also maintain their focus on digital transformation across the company (62% vs. 47%).

A stakeholder ecosystem offers new opportunities where collaboration will be key — even more so in the “Great Reset.” (WEF, June 2020)

ESG criteria: The stress test

ESG criteria are a set of standards used by responsible investors to screen companies. Social criteria address how a company manages employees, the supply chain, human rights, and the communities in which it operates. Environmental criteria address carbon footprint, access to resources, pollution, and waste. Governance criteria address how a corporation polices itself; these criteria include diversity and transparency.

Marketing sees greater opportunity for ESG collaboration than does IT (50% vs. 38%). Marketing is the visionary here, with the ground feel and knowledge of how the world is changing. Our respondents suggest that Marketing has an intuitive understanding of the growing importance of ESG investing and that collaborating with IT is one way to serve ESG goals and a wider ecosystem of stakeholders — customers, partners, employees, and society. Marketing and IT teams can increase the effectiveness of companies delivering distinct and diverse value propositions to a stakeholder ecosystem.

Our survey and recent research indicate that in effect, ESG and the triple bottom line seemed to have passed the stress test. A recent report cites JPMorgan telling clients, “We see the COVID-19 crisis accelerating the trend to ESG investment.”¹² Forbes confirmed a steady increase in ESG investment and above-average returns during the pandemic,¹³ and asset manager DWS eloquently advancing the case for sustainable investment.¹⁴ Upon further review, this is unsurprising, given how COVID-19 integrated social issues with global business, and then stress-tested through reaction to systemic shock and restrictions of free movement. The pandemic demonstrated that taking visible steps on social bonds, digitization, and decarbonization build market trust and have economic value.

By empowering CMOs to lead in this area in collaboration with CIOs and CFOs, companies will better address ESG criteria investors increasingly care about. They will also play a critical role in the enterprise’s preparation for a new era of capitalism.



A call to action: Stakeholder capitalism

Wuhan and WEF

On January 23, 2020, Wuhan went into lockdown; 5,000 miles away, the World Economic Forum met at Davos to give “concrete meaning to the term ‘stakeholder capitalism.’”¹⁵

COVID-19 not only redefined how we do business, communication, and culture but also shifted the very tectonics of capitalism itself, highlighting the shortcomings of shareholder capitalism. In one of Albert Einstein’s “spooky action at a distance”¹⁶ twists of fate, the WEF anticipated a new model of capitalism with its Davos Manifesto 2020: The Universal Purpose of a Company in the Fourth Industrial Revolution,¹⁷ the manifesto redefining the company’s role in society:

“The purpose of a company is to engage all its stakeholders in shared and sustained value creation. In creating such value, a company serves not only its shareholders, but all its stakeholders — employees, customers, suppliers, local communities, and society at large. The best way to understand and harmonize the divergent interests of all stakeholders is through a shared commitment to policies and decisions that strengthen the long-term prosperity of a company.”

Before the pandemic, the WEF already believed we were at an inflection point where corporations must evolve from creating value for shareholders to benefiting wider society as a whole. COVID-19 put words into practice, forcing the issue on WEF leader Klaus Schwab’s sentiment that

“Business leaders now have an incredible opportunity. By giving stakeholder capitalism concrete meaning, they can move beyond their legal obligations and uphold their duty to society. ... If they really want to leave their mark on the world, there is no alternative.”

More inclusive engagement

By expanding focus from profits to customers, employees, and society, companies balance human concerns with business objectives. This holistic view enables enterprises to accomplish more than traditional program success metrics and to achieve the emerging goals of stakeholder capitalism.

We asked our research participants whether COVID-19 marked a tipping point toward stakeholder capitalism. Respondents were more than three times as likely (54% vs. 16%) to have a positive than a negative sentiment that, indeed, COVID-19 marks a tipping point toward stakeholder capitalism.

Moreover, 83% of senior executives agree or strongly agree, compared with nearly half of vice presidents and managers.

The push for stakeholder capitalism is coming from the top.

Our survey results add to a growing chorus, beyond WEF, pushing for stakeholder capitalism because the pandemic has brought “the importance of employees and customers ... into sharper focus.”¹⁸

The CMO must work with the CIO to deliver on ESG and stakeholder capitalism strategy. As curators of the organization's thick data, CMOs are in a unique position to ensure the human experience is at the center of everything a company does. CMOs are also well-placed to communicate the company's social purpose to stakeholders.

The fierce urgency of now

In the March on Washington in 1963, Martin Luther King Jr. described the “fierce urgency of now”:

“We are now faced with the fact that tomorrow is today. We are confronted with the fierce urgency of now. In this unfolding conundrum of life and history, there is such a thing as being too late. This is no time for apathy or complacency. This is a time for vigorous and positive action.”

COVID-19's fierce urgency of now demanded rapid change and a different mindset on a global scale. By expanding focus from profits and shareholders to customers, employees, and society, companies incorporate human concerns in business objectives. This holistic view will guide companies in their ESG and stakeholder capitalism strategy.

The death of George Floyd in Minnesota in May 2020 added another dimension to King's “*time for vigorous and positive action.*” Not only did millions of people around the world protest Floyd's death, but some of the best-known brands entered the debate. Netflix used Twitter to announce, “*We have a platform, and we have a duty to our Black members, employees, creators and talent to speak up*”¹⁹ — with similar actions by the likes of Disney,²⁰ Apple,²¹ and Nike.²²

The pressure on brands to align authentically with the values of their consumers is only going to increase. According to Euromonitor in May 2020, almost a third of consumers buy brands that have social and political values that match their own; a quarter boycott brands that don't.²³ By expanding focus beyond customers, to employees and society, leading brands have brought human concerns in line with business — and marketers are the key people to understand popular sentiment in relation to purpose and profit.

Marketers in our study have a more positive orientation to stakeholder capitalism than do those in IT — 50% versus 38%. To help stakeholder capitalism create real change beyond superficial “we are the world” platitudes, *the CMO must work with the CIO to deliver on ESG and stakeholder capitalism strategy and to agree on key metrics and objectives.*

For instance, CMOs can leverage their customer knowledge to better understand and reach all stakeholders and avoid corporate greenwashing as companies try to make good on their pledge to develop and use common metrics to track environmental impact. By virtue of their role and people-centered skills, CMOs have the credibility and platform to communicate the company's social purpose to stakeholders. *Together with the CFO, they have a tremendous opportunity to become C-Suite leaders on ESG, shaping the CFO's enhanced attention to stakeholder views on ESG.*

Quantitative data only tells companies so much about these stakeholders — the CMO's thick data provides unique insight on how to reach them.

“Stakeholder capitalism is certainly a worthy ideal and a more desirable form of capitalism. The pandemic highlights the need for a more inclusive form of engagement — all stakeholders come together to fight a common enemy.”

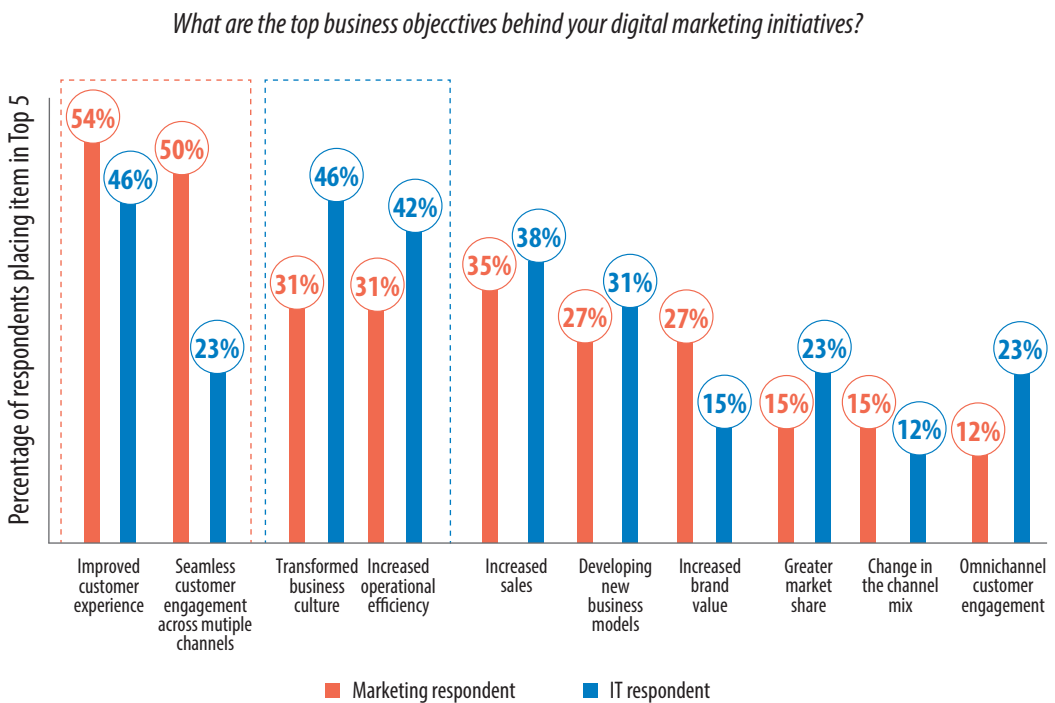
— Dr. Jingyang Zhang
Partner, The Martec Group

Evolving stakeholder focus = accelerated enterprise transformation

Our findings, combined with those from the Knowledge Institute’s earlier Digital Radar 2020 research, show that top-tier performers emphasize human experience in digital transformation, the CMO-CIO partnership, and measuring business value.

COVID-19 accelerated this trend, with improved customer experience the most important digital marketing initiative for Marketing and IT (see Figure 12).

Figure 12. Digital Marketing: Marketing values customer experience; IT values business culture and efficiency



Source: Infosys Knowledge Institute

Marketing’s biggest motivators for digital marketing initiatives are customer experience and engagement.

IT’s biggest motivators are transforming business culture and operational efficiency.

The CMO and the CIO need each other here — CMOs own the thick data on customer experience plus the skills to interpret it, and CIOs own the big data backbone and architectures to convert data into actionable intelligence.

A seamless stakeholder business core

A strong business core is table stakes. This is a seamless network of stakeholders who can talk to each other in real time, intelligently, at the speed of data. Key stakeholders need consistency across all touch points, with user sentiment an immediate priority. The CMO’s ownership of qualitative thick data will enable a streamlined, multichannel process that drives swifter and better decision-making. This will help companies make the most of every touch point, understand stakeholder satisfaction, and turn a potential crisis into an opportunity.



The evolution to a live enterprise

Swimming naked

Our research confirms enterprise-wide digital transformation is the biggest opportunity for Marketing-IT collaboration. Only 20% of respondents believe business and digitalization goals are fully aligned, leaving a significant gap between aspiration and achievement. Digital transformation remains arduous and yet at risk to miss objectives even if adopted.

Despite its difficulty and importance, a one-off digital transformation is not enough. To be resilient, companies must frequently evolve to respond to the needs of stakeholders.

COVID-19 is a litmus test for corporate resilience — the need for businesses to transform has never been more pressing. They must immediately respond, deliver seamless experiences, and empower employees to do their best work. As Warren Buffett once said, “You only find out who is swimming naked when the tide goes out.”

A brand is now measured by the real-time, anytime, anywhere service it provides customers, and the way it serves the needs of its stakeholders. Companies must meet those expectations to survive and to avoid being caught naked when the tide goes out. Startups have this agility and speed built into their DNA. Incumbent organizations, whether they are corporations, nonprofits, or governments, often do not.

A live enterprise is the Infosys vision of an evolving, knowledge-driven and data-driven organization, with agility built into its DNA. Through partnership, CMOs and CIOs can be a force that pushes organizations to evolve so they are responsive, hyperproductive, and sentient — embodying the best of what humans and technology can accomplish together. In the live enterprise, CMO-CIO collaboration becomes central to the ‘digital brain.’ Every company needs a digital brain, a nexus for continuous learning from multichannel data, providing the business with greater insight and intelligence to connect with stakeholders. Now is the time for Marketing and IT collaboration to personify this aspiration and evolving ideal.

The evolving CMO: Connecting with all stakeholders

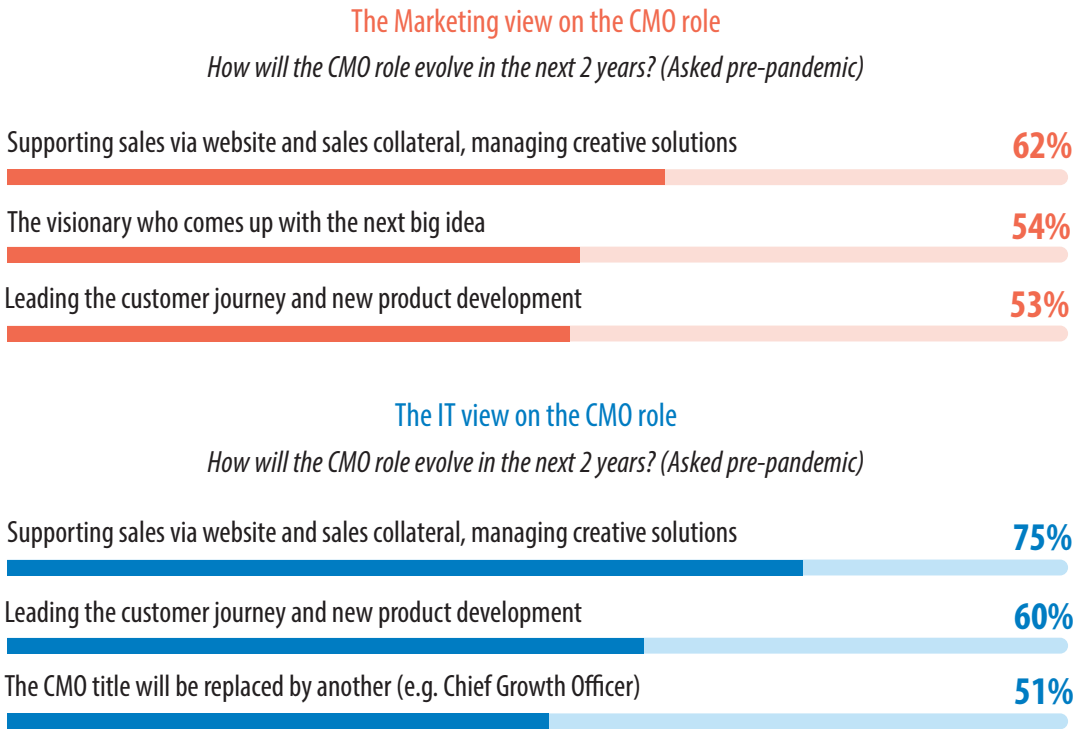
Before the pandemic, about half (54%) of Marketing respondents believed the CMO would be the visionary leader who came up with the next big idea (see Figure 13).

In contrast, about half (51%) in IT said the CMO role would be replaced altogether (e.g., by a Chief Growth Officer). They believed that in the next two years, the CMO needs to more directly support sales and lead the customer journey by developing new projects (or risk being replaced).

COVID-19 changed this timeline and customer focus — the time is now, and the customer is one of many stakeholders.

Marketing is challenged to make every interaction with the brand an intensely empathetic and human one. Marketing can expand its human, customer focus to all stakeholders — including viewing IT and others within the company as important stakeholders to align with tactically and strategically.

Figure 13. Twilight of the CMO? Over half of IT respondents believe the CMO role will be replaced



Source: Infosys Knowledge Institute

The evolving CIO: Rapid transformation requires rapid delivery

Before the pandemic, IT and Marketing agreed that in the next two years, the CIO would partner with the CMO on the IT vision (see Figure 14).

IT more strongly (42% vs. 33%) felt the CIO should shift toward formulating customer-facing solutions, global opportunities, and new revenue lines, where Marketing thought the CIO should focus on leveraging technological know-how.

Figure 14. IT and Marketing share perspective on how the CIO will evolve

The Marketing view on the CIO role

How will the CIO role evolve in the next 2 years? (Asked pre-pandemic)



The IT view on the CIO role

How will the CIO role evolve in the next 2 years? (Asked pre-pandemic)



Source: Infosys Knowledge Institute

Marketers did not know how right they were on the CIO leveraging technological know-how. COVID-19 caused IT teams to accelerate the clock speed of work; they went into overdrive to enable untold thousands of their employees to work from home with secure access, to office resources and to each other. The CIO led this event. This need for speed and

connection is not going to change anytime soon — and neither will the need for CIO leadership.

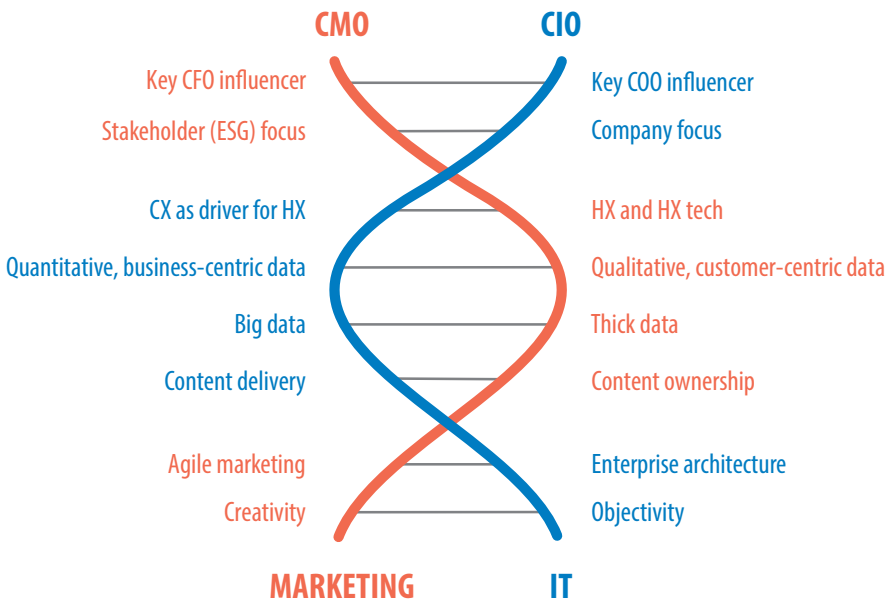
The CMO ensures a positive human experience of the technological solutions leveraged by IT. The CMO and CIO need each other as twin strands in the new corporate DNA of a live enterprise.

The double helix: Marketing and IT in a live enterprise

“Everyone’s really focused in the organization right now on serving the clients. It is a great opportunity for the CMO and CIO to come together to serve that objective. And I think in some sense, customer focus can serve as an accelerator of relationship building.”

— Sumit Virmani
CMO, Infosys

Figure 15. The CMO-CIO double helix delivers HX to stakeholders



Source: Infosys Knowledge Institute

CMOs and CIOs must evolve together

To deliver the right technological solutions and the right HX, collaboration must be in the very DNA of the CMO-CIO relationship. Digital initiatives bind this double helix, driving stakeholder engagement and enterprise success.

This means connecting the silos that separate the CMO and CIO organizations. The CMO and CIO must lead on this, producing a results-oriented culture. The CMO, with a distinct human-focused skill set, is in a unique position to help change organizational culture to enable this collaboration.

The CMO and the CIO must adapt to their environment to survive. Their individual traits, brought together, can help the enterprise become stronger. (See Figure 15.)

When Marketing and IT create agile, shared teams, they work together in sprints of digital co-creation, listening and learning. A stronger CMO-CIO relationship boosts culture by reimagining business process and fluid operating models, leveraging smart workplaces, nurturing smart teams, and driving organizational and cultural change toward becoming a living enterprise.



Evolving CX to HX

With the World Economic Forum leading the push for stakeholder capitalism and the growing focus on ESG as metrics for company value, HX and the triple bottom line will drive future CMO influence.

As analytics and AI become democratized, CMOs will refocus their attention to balance the impact these technologies have on customers, employees, and society.

Although 51% of our IT respondents believed the CMO role would be replaced altogether, this is not the twilight of the CMO — the role instead will evolve beyond CX to delivering HX. Digital is the great enabler here — connecting brands with customers via stories and experiences resonating on a deeply human level.

HX is enabled by the technological know-how listed in blue in the double helix in Figure 15 and by what marketing brings to the table, the skills and expertise depicted in orange.

To integrate the experience across the business, both IT and Marketing are needed. Marketing can bring in and interpret qualitative, customer-centric data to enrich traditional analysis and big data by adding context to better understand customer motivations and pain points.

Thick data provides insights into how brands uncover the next marketing wins. As companies embark or continue on their digital transformation journeys, the opportunity to become agile, responsive entities at enterprise scale presents a compelling challenge — and one that CMOs and CIOs are particularly suited for. CMO-CIO collaboration can be a force multiplier across the C-Suite.

CMO + CIO: Collaboration with the CFO

As ESG factors are incorporated into investment analysis and contribute directly to corporate financial performance, ESG issues are increasingly demanding the attention of CFOs. This is changing the CFO's role in investor relations, external reporting and assurance managing financial risk.

With their unique stakeholder understanding, the CMO and the CIO will work with the CFO on the organization's sustainability and ESG story. Specifically, they will

1. Enhance stakeholder dialogue.
2. Monitor inconsistencies across channels and business units to strengthen disclosure messaging.
3. Build consensus for action.

Ultimately, CMO-CIO collaboration with the CFO will enhance value, build reputation, mitigate financial risk, and move stakeholder capitalism closer to the heart of corporate strategy.

CMO + CIO: Collaboration with the COO

Stakeholders expect 24/7, anytime, anywhere access to information and real-time responsiveness. Companies must meet those expectations to survive and are under tremendous pressure to keep up with expectations across the stakeholder spectrum — investors, customers, employees, suppliers, and society at large.

According to a recent article in the Harvard Business Review, an effective stakeholder journey can boost revenue by up to 15%, cut service costs by 20%, and increase engagement by as much as 30%.²⁴

The stakeholder journey requires a seamless experience across multiple platforms and channels. Managing the journey' infrastructure, messaging, and technology is directly in the CMO-CIO sweet spot.

Agility, diversity of thought, and collaboration make companies successful in this respect, and can be achieved only with tight alignment of marketing strategy, digital execution, and operational awareness. As a result, the CMO, the CIO, and the COO should work together across three dimensions:

1. Create a strong business core that enables a streamlined, multichannel process for swift and accurate decision making, and creates value from each touch point.
2. Measure progress via shared language, metrics, and key performance indicators.
3. Leverage big and thick data to understand and improve the stakeholder journey.

From digital maturity to live enterprises



The four essential principles of becoming a living enterprise are as follows.

1. Drive intuitive decisions. Automate systems and activate sentient principles so that decisions and responses to data-led insights are acted upon with maximum human intuition and minimum human intervention.
2. Build responsive value chains. Repurpose, reimagine, and reengineer the value chain to see what is not there, what can be improved, or what can be eliminated to deliver more value. Drive flexibility and resilience through continuous, agile cycles of rapid evolution.
3. Nurture creative, hybrid talent. Attract, develop, and retain a pool of problem finders to find the problems that must be solved for our future. Work must be seamless between humans and machines.
4. Deliver perceptive experiences. Respond quickly, thoughtfully, and scientifically to opportunities to create valuable new human experiences. Incorporate learnings to spot emerging and unmet needs.

We identified recommendations that align with these principles to support CMO-CIO collaboration, help companies move from CX to HX, and evolve to living enterprise behaviors:

1. Place human experience at the heart of the enterprise.
2. Set the standard for C-Suite collaboration.
3. Share the brand and co-own the metrics.

1: Place HX at the heart of the enterprise

CMOs must leverage their CX capabilities to better understand and reach all stakeholders. As curators of the organization's thick data, CMOs are in a unique position to ensure HX is at the center of everything the company does. CIOs must take a more strategic, COO-like role for all deployment of HX-focused technology. In an era of stakeholder capitalism and the triple bottom line, marketers are perfectly poised to communicate the company's social purpose to stakeholders.

CMOs: The stakeholder is not a large, faceless enterprise — it's a human being

"This is a test for companies that practice stakeholder capitalism. You're facing a crisis and you have limited resources. If you treat your employees, customers, and suppliers well, and give back to communities, when the pandemic is over, you'll see the benefits."

— Dr. Jingyang Zhang
Partner, The Martec Group

After the pandemic, our respondents expect HX will be the biggest opportunity for Marketing-IT collaboration.

To deliver perceptive HX, big data and data science enable brands to process information from social media, sensor data, and online transactions. Computational power is used to analyze this data at

unprecedented speeds. Big data is now used to drive decisions across every industry.

If they rely exclusively on big data, however, companies may miss the "why" behind their customer touch points. Thick data delivers this aspect through qualitative customer-centric data — the yin to big data's yang.

"There's been so much talk about data, and when we're talking about data, we're talking about big data ... this big, quantitative grouping that helps us understand who our customers are. But thick data, the qualitative ... is so important to get at the nuances."

— Skyler Mattson
President, WONGDOODY

Customers

Finding meaning in a flood of customer data is difficult.

As curators of the organization's thick data, CMOs can ensure HX is at the center of everything the company does. In an era of stakeholder capitalism and increased focus on the triple bottom line, they are also in the unique position to communicate the company's social purpose to stakeholders. With current thinking that ESG and stakeholder capitalism strategies belong to the CFO, CMO-CIO collaboration can still be a major influence on the finance function.

Customer thick data plays a central role to maintain brand relevance by adding context so companies better understand customer motivations and pain points. Everything the customer feels — qualitative perceptions about your brand, their preferences, the reasons they behave the way they do, and the trends that stick — all of these are as relevant as the big data that is sliced and diced.

Organizations therefore must use data to look deeply into the everyday emotional lives of their customers, assess how their brand can enhance and support this, and uncover the next marketing wins.

A new culture and way of thinking are imperative — beyond big data.

Employees

High-performing employees require a work experience that is innovative and personalized. CMOs and CIOs can use their expertise in customer experience to design and develop memorable positive employee experiences. They will work with Chief Human Resources Officers (CHROs) to create experiences that deliver job clarity, career development, and enlightened performance management.

The employee experience in live enterprises is enhanced through mentoring managers over an extended period. Two of these mentor roles are to govern work and be a change agent. Starting with Marketing and IT teams, organizations can create a cohort of managers who meet face-to-face (in person or virtually) every quarter and receive weekly coaching sessions. The result is personalized experiences for employees, which give them the chance to learn and grow.

Managers can then cascade the message through the organization to promote the best learning approaches — that is, community based. Leaders can endorse the message by using genuine personal stories to promote credibility and create contagious commitment.

2: Set a higher standard for C-Suite collaboration

The pandemic has accelerated C-Suite evolution and the shift to stakeholder capitalism. During this disruptive time, the CIO and the COO coordinated on operational strategy; now is the time for the CMO and the CFO to partner on ESG goals. The typically siloed CMO-CIO organizational interface can be connected through downstream shared teams. This collaboration will drive a talent (r)evolution, driving growth even in a post-COVID world while developing sustainable workforces. The opportunity is there — collaboration is key.

Meet — and meet often — to build agile teams with a lean, start-up mentality

A live enterprise nurtures creative and curious talent via a pool of pioneers and explorers to find the right problems and solutions. After all, if a task — however complex — can be mechanically defined, we can build AI systems to execute it. But problem-finding remains a distinctly human endeavor.

The CMO and the CIO each have critical roles in the post-COVID-19 ecosystem and should be each other's ally. They have the opportunity to create shared teams working in sprints of digital co-creation. CMO and CIO collaboration can lead a talent (r)evolution, enabling new business models, sustainable workforces, and fluid operating models for seamless working.

For instance, CIOs have been essential in rapid delivery of post-COVID-19 remote work force solutions. CMOs can join CIOs in leading the design of remote work solutions by turning their customer-facing skills inward, to employees. Similarly, when CMOs identify new technologies in the market to meet the growing demand for virtual interactions, they can collaborate with CIOs to seamlessly and securely integrate these technologies to serve external and internal needs.

The opportunity exists — collaboration is key. Attracting, developing, and retaining the right employees is critical, as Laurent Rotival of Cambia Health Solutions, says:

"And then you've got to build a team of people who share the vision, master the expertise, and live by teamwork. Marketing did it on their side and I did it on my side. I wouldn't be transparent if I didn't say that it was a hard road. It took a while to change, but we got there, and the combination is powerful."

Develop this talent pool of leaders who have the soft skills to talk, meet, and collaborate with each other and their teams. Here's how:

- Use technical credibility to hook the best talent. Look for people with the technical expertise

to check code and the business brains to work closely with product managers and business owners. The engineering manager rebuilds technical credibility and prowess that attract engineering talent, meaning experienced hires as well as campus recruits.

- Retrain your stars. Retool the watchers by identifying the strongest in-house talent and retraining them for roles that add more value. For example, project managers open to change can become scrum masters, and some business analysts could grow into product owners. Operate them in a cellular structure of small, empowered teams with a set of skills and competencies different from the norm.
- Be democratic and accountable. The new talent model involves doers taking on wider roles and accountability. Product backlogs, for example, are being converged to include both development and support activities, bringing greater ownership of product outcomes. Once you've retrained the right people for the right role, publicly recognize their success.
- Triage the talent. Enterprise innovation needs to come from employees who are converts to continuous improvement. Live enterprises triage different kinds of work and agile teams that synthesize the right mix of internal and external talent. Live enterprises are smart about where they want to go, and think critically about which mix will get them there. They demand a faster clock speed of rapid learning and decision cycles, with ever-evolving digital technology as their force multiplier.

Organizations should consciously look to increase the visibility of Marketing and IT leader role models who walk the talk. These leaders should meet — with each other and with cross-functional teams. Their time is well spent on developing people and strategy.

Look for the high performers with soft skills in IT and Marketing — these are the people who will change culture and overcome barriers to collaboration.

3: Share the brand, co-own the metrics

COVID-19 has increased pressure on companies to share brands with their communities, social media, customers, collaborators, and partners. Successful CMOs and CIOs envision new metrics for these stakeholders to drive revenue growth. On the short-term road to recovery, prioritize practical measures that ensure survival and resilience. Together, the CMO and the CIO will measure results via a business brand scorecard to understand the role of marketing levers like brand equity to increase enterprise value.

After the pandemic shut down much of the global economy in 2020, brands are more fragile than ever.

The U.S. economy lost over 20 million jobs in April 2020 alone, with nearly 15% unemployment.²⁵ The same month, factory output in Asia slumped to record lows; India's purchasing manager index fell to a record low; plus Taiwan, Japan, and South Korea dropped to new post-2009 lows.²⁶ In May 2020, the European Commission projected a "deep and uneven recession" that will see the EU economy shrink by 7.5% in 2020 (-4.5% in 2009).²⁷ In June 2020, the OECD warned global economies will shrink between 6% and 7.6% in 2020, "remain well short" of its growth activity levels from 2019, and fail to recover to pre-pandemic levels by the end of 2021.²⁸

With a bearish economic future predicted for the immediate post-pandemic era, the most resilient companies will be those most agile in responding to people as well as seeking profit. At the same time, today's digital ecosystem of social media, customers, community, collaborators, and partners shape the future of brands they increasingly believe they co-own.

COVID-19 demonstrated that when people are frightened, unsure, and face dire economic conditions, brands have an outsized role to play in their communities. This includes corporate social responsibility initiatives designed to meaningfully support customers and the community. Looking ahead, we believe stakeholder engagement that is

authentic, brand appropriate, and truly helpful will not only be appreciated but also have a positive and lasting impact on customers — and brands.

We have been inspired during the pandemic by the many examples of companies helping communities, from Starbucks providing front line health care workers with free coffee to LVMH and Estée Lauder repurposing facilities to make hand sanitizer. Other leading brands worked closely with government to fast-track regulatory approvals and retool manufacturing assets to make ventilators.

Companies that took care of their customers include Google, which has pledged \$340 million in ad credits for small and medium businesses, while Zoom and Cisco's WebEx massively expanded free access to their videoconferencing technology. Infosys worked quickly and creatively to aid healthcare and governments, including partnering with Naranya Health to build a 100-room hospital in Bangalore for COVID-19 patients.²⁹ Utilities such as Con Ed and telco giants such as Verizon and T-Mobile also reduced or waived late fees to ensure customers stayed connected.

“Consumers have long memories. How brands perform in a crisis is actually going to stay in people’s minds for a long, long time.”

—Amani Korayeim

Director of Sales and Marketing, Institutional Investor

With Euromonitor announcing that **“brands are now on a mission to put purpose over profit,”**³⁰ companies where the CIO and the CMO cooperate effectively embrace these trends better and can leapfrog traditional competitors. The CMO and the CIO must work together to evolve the brand that leverages a broader stakeholder ecosystem. Brand management is not solely a marketing issue; it relies on technology enabler tool and influences corporate profitability.

Companies must assess their response to date, and continue to refine and improve. Rather than trying to control their brand, they can evolve by delivering quicker, more personal campaigns, using computational design in tandem with the CIO. In top-tier companies, the CMO and the CIO together evolve a brand that is responsive to customers, community, collaborators, and partners.

CMO-CIO collaboration can improve capabilities to continuously evolve, learn, and innovate. Each of these capabilities requires marketing sensing and interpretation, and has specific underlying technology enablers. By drawing on the combined strengths of Marketing and IT, the CMO and the CIO can use the best of human skills and technical skills to create an organization that is more dynamic, purposeful, and alive.

Customer focus is more important than ever, with customer and client expectations evolving more rapidly than large enterprises can keep pace. Beyond a good product at a fair price, customers now demand better behavior from business on multiple fronts — including that corporations act as global citizens and as stakeholders themselves.

This is true today, and it will be even truer in the future. Generation Z consumers and talent pools don’t forgive brands they perceive as purely mercenary. Research by Business Insider shows that Generation Z’s view of brands is a distinguishing characteristics from previous generations — as the first generation of digital natives, they want low prices from brands they trust.³¹ In terms of consumption, Generation Z differs from previous generations as follows:

- **Generation Z** (born between 1995 and 2010): Based on ethics, values, price and trust.
- **Millennials** (Generation Y, born between 1980 and 1994): Based on experience.

- **Generation X** (born between 1960 and 1979): Based on status.
- **Baby Boomers** (born between 1940 and 1959): Based on ideology shaped in the post-WWII era.

As Generation Z begins to influence more of the economy, Marketing must credibly shape brands and businesses that they trust and that evolve with their expectations.

Also emerging in this generation is an emphasis on reusing and repurposing. A circular approach to products, process, talent, and tech is fundamental to a sustainable organization. This strategy aligns with United Nations Sustainable Development Goal 8, *“Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.”*³²

Share the brand: The triple bottom line

People, planet, profit — the triple bottom line.

These concepts were conceived in 1994 by John Elkington,³³ British co-founder of SustainAbility. Looking back, Elkington might be considered godfather of the ESG³⁴ focus for many companies today.

Strong ESG scores lend credibility when brand building and create an “economic halo” that aids resilience, attenuates volatility, and adds to the triple bottom line. Companies must get better at responding to people as well as seeking profit. In top-tier companies, the CMO and the CIO together evolve a brand that is responsive to customers, community, collaborators, and partners.

Our research indicates 54% of respondents believed COVID-19 marks a tipping point toward a new model of stakeholder capitalism — the focus on a wider ecosystem of customers, partners, employees, and society. Our research indicates that ESG scores will only become more important.

Co-own the metrics

In an environment of global economic slowdown and shrinking IT spend and marketing budgets, CMO-CIO collaboration must actively lead revenue

growth by focusing on customer acquisition, purchase frequency, and increased loyalty. Successful collaboration needs the CMO to define the analytics business goals, with the CIO validating feasibility, time, and cost.

CMOs and CIOs must communicate metrics that business will value in the journey back from crisis to recovery and beyond. Aim for immediate business value like sales pipeline, improved margins, greater brand equity, and cost savings. Embed these metrics in business plans to guide current actions and forecast possible responses to future events. In the new ecosystem, a marketing success story told in traditional marketing metric terms will no longer make the same impact.

Together, the CMO and the CIO can produce measurable results via a business brand scorecard focusing on key milestones across three dimensions (see Figure 16).

1. **Brand perception:** Consumer awareness, brand strength, credibility, relevance, consideration.
2. **Brand performance:** Customer preference, price premium, customer loyalty, customer satisfaction, retention, share of wallet, lifetime value.
3. **Brand financial value:** Revenue generation capabilities, return on investment, transaction value, growth sustainability rate.

The business brand scorecard enables a company to qualitatively measure brand performance over time as well as measure the effectiveness of brand-

building in relation to financial inputs (like brand investment) and growth outputs (like brand impact).

Key principles of the business brand scorecard include:

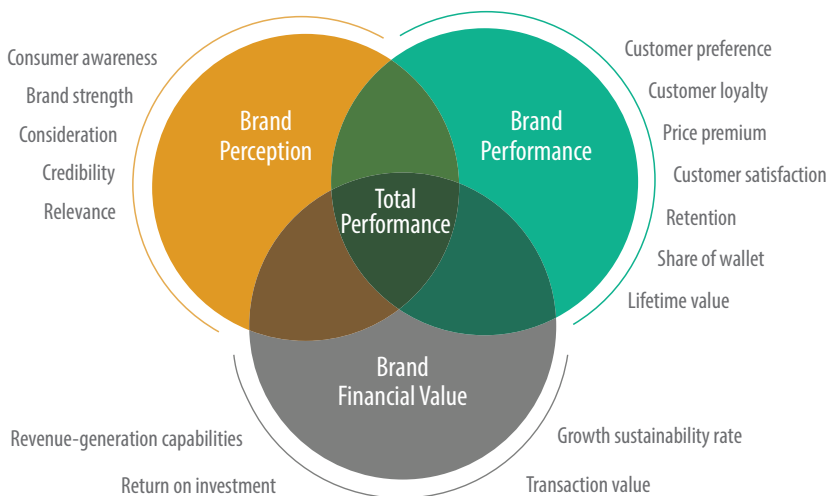
- **KPIs are consistent, credible, and commercial.** Focus brand measures on hard, commercial outcomes — just because it can be measured doesn't mean it should be.
- **KPIs are responsive to the operating environment.** Consider the changing markets, business needs, and human preferences.
- **Design and share with the C-Suite.** Draw on executive expertise to help KPIs drive collaboration and mindshare so other parts of the enterprise achieve their goals.

The business brand scorecard helps businesses understand the value chain, from marketing levers to brand equity and branded business value. This helps businesses track brand performance in a framework of customer values, plus shape downward brand management and upward reporting.

This also means to respond better. Rather than trying to control your brand, you can evolve by delivering quicker, more personal campaigns. CMOs must evolve computational design in tandem with the CIO. In a live enterprise mindset, the CMO and the CIO together evolve a brand that is responsive to stakeholders.

Ultimately, they must collaborate to put the voice of the stakeholder into every business case.

Figure 16. The business brand scorecard measures brand performance over time



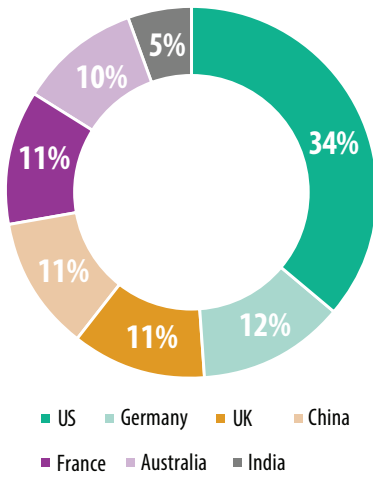
Source: Infosys Knowledge Institute

Methodology

In early 2020, the Infosys Knowledge Institute used an anonymous format to conduct an online primary survey of more than 750 CXO and other senior-level executives from companies with more than \$500 million in revenue. Respondents represented 12 industries and were based in Australia, Canada, China, France, Germany, India, New Zealand, the United Kingdom, and the United States. In April

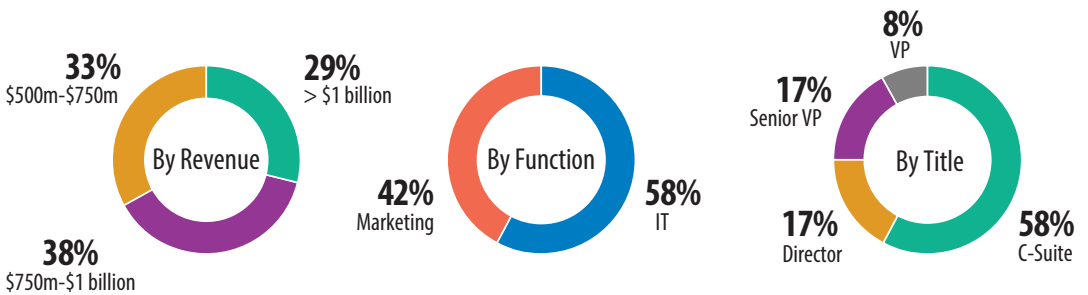
2020, we conducted a follow-up survey with another 220 leaders to understand CMO-CIO collaboration in a hybrid world and to test the extent to which stakeholder capitalism is a viable path forward. To enrich insights, we conducted phone interviews with industry practitioners, executives, and subject matter experts, before and during the pandemic.

Figure 17. Primary survey respondents, by country



Source: Infosys Knowledge Institute

Figure 18. Primary survey respondents, by company revenue size, function, and title



Source: Infosys Knowledge Institute

Appendix: Terminology and key concepts

CX: Customer experience

A marketing strategy with the customer at the center; focuses on improving the customer experience.

Enterprise transformation

The change in large companies to deliver better human experiences; includes digital transformation and human collaboration as drivers of change; delivers highly personalized products and services to customers and employees, faster than ever before and without hassle.

ESG: Environmental, social, and governance

A set of criteria for a company's operations that socially conscious investors use to screen potential investments. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, and shareholder rights.

HX: Human experience

A business strategy with humans (stakeholders) at the center. This is based on the premise that an individual's beliefs, values, feelings, and ambitions form the foundation for who they are and what they want from the organizations with which they choose to engage.

Live enterprise

The Infosys vision of a completely knowledge- and data-driven organization, with agility built into its DNA so that it can quickly sense changing business needs and continuously evolve in response.

Stakeholder capitalism

A system in which corporations are oriented to serve the interests of all their stakeholders, including customers, suppliers, employees, shareholders, and local communities. Under this system, a company's purpose is to create long-term value, not to maximize profits and enhance shareholder value at the cost of other stakeholder groups.

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