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Unlocking Value from Integrated Corporate Communications and Marketing

By Alex Parkinson

RESEARCH REPORT R-1611-16

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Executive Summary

The growing complexity of business in a global era of digitization and speed and the constantly shifting and accelerating demands of stakeholder relationships are forcing a rethink when it comes to the corporate communications and marketing functions. The two, which have historically been considered peripheral functions that provide intangible benefits, such as brand recognition or reputation protection, have in recent years emerged as business-critical departments that contribute deeply to company value, albeit in ways that are hard to measure. Plus, the rise of social media continues to drive change at companies more broadly, as well as in the communications and marketing functions. Today, organizations are seeing greater efficiency and benefit to operating marketing and corporate communications as a single function.

This report analyzes the trend toward integration. It is not a quantitative assessment of how many companies have integrated functions, but rather a qualitative analysis of what can be achieved through integration. It draws on interviews with nearly 25 communications and marketing experts, including corporate practitioners, and is complemented by desk research on available literature.

These are the key findings:

As companies grapple with digital transformation, an integrated corporate communications and marketing function could help elevate the importance of data collection, sharing, and analysis such that it transforms business strategy. Corporate responses to complexity and related challenges are more robust when they are thoroughly informed by all available information, consistent, and fast. The corporate communications and marketing functions both have extensive experience with technologies that deliver data, such as social media, and with interpreting that data and translating it into critical insights. When integrated, the two functions are better positioned to make the case to the C-suite for a digital, data-driven approach to business strategy, drawing on the technologies and tools that have typically fallen under their remit.

Integrated corporate communications and marketing can create a customer-centric culture. In a lot of ways, integrated corporate communications and marketing is about asking customers their preferences: when and how to communicate with them. By having the two functions work symbiotically, companies can glean better insights from long-term engagement on social media, feed that information back into other parts of the company, such as product and service innovation, and respond with meaningful content that sparks interest and continues engagement. Emerging titles such as chief client officer, chief experience officer, executive vice president of member experience, and chief global customer and marketing officer all reflect the expanded customer-centric approach that comes from integrating communications and marketing.
Integrated corporate communications and marketing can create an employee-centric culture. Turning employees from “informed” or “engaged” to “advocate” is the holy grail for companies, according to one executive we interviewed. The potential for employee advocacy to contribute to company growth is huge because stakeholders trust messages that come from employees more than they do messages that come from companies.

Integrated corporate communications and marketing plays an important role in developing employee advocates because:

- A company’s brand is not only relevant to attracting customers, but also to attracting and retaining employees.
- Combined, the functions provide all employees the values, narratives, messages, and platforms to represent the company accurately and meaningfully.
- Corporate communications is often responsible for internal communications, placing it at the heart of employee engagement, particularly in an age in which internal communications is as much about listening as it is talking.

As defenders of corporate reputation, integrated corporate communicators and marketers have an important role in building trust by helping infuse the business with purpose. Companies exhibit transparency and authenticity by, among other things, striving to foster a positive relationship with the environment, their communities, and their stakeholders generally. Historically, corporate social responsibility (CSR) initiatives have often fallen under the auspices of corporate communications. But, as companies increasingly see the benefits of underpinning business strategy with purpose, corporate communications and marketing have begun to work together to ensure that company brands, strategies, operations, and messages are synonymous with ethical business. This in turn can accelerate growth in an era in which customers and employees reward responsible companies.

Integrated corporate communications and marketing improves agility and efficiency. Integration can lay a foundation for greater agility because it helps companies find and solve problems faster by removing barriers to information flows and decision making. Showcasing this potential then puts the company on a path to digital transformation, where this speed and efficiency can be magnified.

Integrated corporate communications and marketing creates a consistent message. According to a report by global public relations firm Weber Shandwick, “the best run brands in the world behave in a consistent way; they stand for one thing or a few things and consistently communicate that globally.” Different departments and businesses can coalesce around a shared narrative and brand, thereby minimizing ambiguity in the way companies are perceived internally and externally. In his leadership profile on page 46, Antonio Lucio, chief marketing and communications officer of HP Inc., says companies are only able to maintain the threads of the narrative by having a well-integrated marketing and communications function.

Value of Integrated Corporate Communications & Marketing

When barriers to collaboration between corporate communications and marketing are removed, companies can experience several benefits that improve efficiency and drive value creation.

Companies can...

- AGILITY & EFFICIENCY
  - become faster and more productive

- ALIGNMENT OF GOALS, METRICS, & BUDGETS
  - distribute resources in a way that furthers the business strategy

- CONSISTENCY OF MESSAGE
  - uncover and tell more powerful stories that display a consistent core message

- CUSTOMER CENTRICITY
  - create a culture that helps companies better understand and respond to customers

- ELEVATION OF CORPORATE PURPOSE
  - make CSR a core component of their strategy and brand rather than an add-on

- EMPLOYEE BRAND ADVOCACY
  - better understand, inform, and engage employees, turning them into brand ambassadors

- CUSTOMER CENTRICITY
  - create a culture that helps companies better understand and respond to customers
Creating and unleashing better stories can be a powerful benefit of integration. Nowadays, companies are selling not only a product or service, but a brand that is underpinned by its values—values that are more effectively disseminated by stories. Storytelling can engage customers, employees, and other stakeholders with content that sends a uniform message tailored to specific audiences. A successful story encourages action beyond an advertisement, promoting long-term engagement. Storytelling is everybody’s responsibility, not just those in the communications and marketing function, because stories live everywhere—in product development, manufacturing operations, and customer service, to name a few. Having barriers between departments stops those stories from getting out.

Integrated corporate communications and marketing helps companies align goals, metrics, and budgets. If one consistent strategy for corporate communications and marketing is coming from one leader at the top, the two functions share goals and understand how to deploy resources to reach them, as well as to establish the right metrics to measure progress. Integrated corporate communications and marketing functions are typically more strategic, which means working with other departments more often (for example, with HR to build employee engagement through effective internal communications). Measurement metrics such as employee engagement, Net Promoter Scores, social influence, and likelihood to act have become increasingly popular with corporate communications and marketing because they better indicate the progress the functions are making in contributing to company growth, as well as their own integrated priorities, than the metrics these functions have traditionally used. When measurement metrics are more aligned to strategic priorities across the business, the integrated function can make a stronger case for a larger budget because it can show more accurately the value it provides to the company. Not only that, but integrated functions can better target their budgets to areas that support strategic priorities.

Collaboration between corporate communications and marketing is an important part of the integration model and can lead to structural integration. Integration is a slow, ongoing journey. For large organizations that have functioned in certain ways for decades, a number of barriers exist to simply restructuring to integrate corporate communications and marketing. Yet, although many companies reap benefits from having communications and marketing collaborate, some experts note that if the functions don’t report to the same leader, they never truly work properly together. As Linda Rutherford, chief communications officer at Southwest Airlines, states in her leadership profile on page 14. “Working in an integrated fashion, we’re able to better leverage our resources, get bigger bangs for our buck, and garner more audience than if we were working independently.” As a result, it is common for companies to begin their journey in a collaboration model, whereby corporate communications and marketing are managed separately but work closely. Doing so can showcase the benefits of integration and pave the way for structural integration.
Structural integration should be leadership led. It requires cultural readiness and time, among other things. Many companies struggle to undertake the transition to structural integration. For those companies that have achieved it, some necessary steps to get there include:

**Appreciation and understanding of both disciplines** For successful structural integration, leaders and employees must understand how corporate communications and marketing, individually and together, increase company value. Leaders in particular must understand exactly how structural integration benefits the company.

**Leadership led** As is so often the case with structural change, leaders—CEOs in particular—must spearhead the integration in order to establish cultural readiness throughout the company.

**HR must be supportive** As companies look to integrate, move functions around, and depart from historical norms and ways of working, confusion and reticence to change can emerge among employees, not to mention difficulties determining roles and responsibilities. HR can help the communications and marketing team work through these issues by acting as a sounding board for strategy and decisions.

**Take it slowly** Large companies are not going to transform overnight. There is a need to “fold in gently” between the two functions. Often, collaboration is the first step.

**Integrated corporate communicators and marketers must have a range of skills that go beyond communications and deep into fundamental business strategy.** The integrated function may nowadays be responsible for transforming the business. As such, integrated corporate communications and marketing teams must comprise people with the following traits:

- Business acumen
- Deep understanding of data and analytics
- Flair for storytelling and creativity
- Cross-functional networking skills
- Inquisitiveness
- Resilience
- Technological know-how
- Trustworthiness
While it’s important for regional businesses to reflect the consistent message of their parent company, headquarters should also give the regions enough freedom to pursue their own communications and marketing endeavors. Different cultures demand different engagement strategies. Although many of the new communications technologies available to companies are used uniquely in each market, the overall benefits of driving digital transformation are common across geographies. Headquarters needs to provide a foundation for markets to achieve those benefits, while allowing them to do so in their own individual way. HQ can do that by having social media representatives on the ground in different markets, arming the markets with the overarching corporate values and narratives, and giving them the leeway to engage with their stakeholders in their own ways.
The Merging of Corporate Communications and Marketing

Highlights from the Field

Case studies and examples featured in this section include:

Southwest Airlines  Chief Communications Officer Linda Rutherford describes how her role and function is to be a “catalyst for change” at Southwest Airlines, helping others to tell the story of how they can create value for the company by serving the customer. More on page 14.

MasterCard  The Conversation Suite—a dynamic global insights and engagement engine—has helped MasterCard understand customer sentiment regarding mobile banking. Through this social listening program, data analysis became a foundation for communications decision-making and a barometer and resource to the entire business. More on page 19.

Coca-Cola Asia-Pacific  Collaboration between communications and marketing not only brings a number of benefits to the organization, but it also elevates the functions’ importance to the C-suite. More on page 27.

Oil and Natural Gas Corporation (ONGC)  Corporate communications and marketing employees come from very different backgrounds at ONGC, which requires engineering experts to work in marketing. But a job rotation program helps build the understanding of each discipline and paves the way for collaboration. More on page 28.

SAP  As storytelling takes on increasing importance at companies, SAP describes how its global content creation team has helped transform the way communications and marketing achieve their goals. More on page 31.
BROADENING STRATEGIC RESPONSIBILITIES

The lines between corporate communications and marketing are blurring. Increasingly, the traditionally separate functions are merging into one that has broader strategic responsibilities. Some even say something more revolutionary is going on, something like fundamental business transformation.2

A number of market and societal factors are pushing companies to merge their corporate communications and marketing efforts; global public relations firm Weber Shandwick and executive search and leadership consulting firm Spencer Stuart summarize the push as “likely driven by the indivisibility of corporate and brand reputation.”3

Much has been made of the heightened strategic role that corporate communicators and marketers play at companies, and there is not much better evidence of this than the shifting of customer responsibility to the communications and marketing world. Harvard Business Review and Marketo note: “As a harbinger of the future, the mandate to improve customer experience is emerging as a catalyst for marketing executives to leverage their skill sets in larger roles within their companies.”4

The integrated function ensures that across the company, departmental projects are not limited to only being executed within a small slice of the company’s operations and that key messages aren’t only delivered to a limited audience, according to Kim Randall, vice president of sales and marketing at automotive dealership operator Servco, who also has responsibility for corporate communications and who serves on the company’s internal management committee. “Tapping into the key strengths of our marketing team—collaboration, creativity and innovation, and critical thinking—have helped drive our management team to think more broadly as we bring new ideas and products to market,” she says.

Michael Kaelin, executive vice president and CFO of RTI International, says: “In today’s world, it is very important that the combined function has a seat at the big table. We have a head of corporate communications, marketing, and government relations who reports to the CEO. Every strategic initiative we undertake has a marketing and communications component, so the earlier they are involved the better. Getting involved early provides them the best opportunity to add value and help the initiative succeed.”

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3 Fleit and Morel-Curran, The Transformative CMO.
DEVELOPMENTS IN CORPORATE COMMUNICATIONS AND MARKETING

In an address to the Arthur W. Page Society in 2014, Richard Edelman, president and CEO of the global communications marketing firm Edelman, outlined five developments in the communications and marketing industries, and business and society generally. He said that these major developments have caused the need for corporate communications and marketing to operate more closely.5

Tectonic shifts in trust There continues to be a residual suspicion of business, as the Edelman Trust Barometer found in 2015.6 Although the 2016 edition of the annual research shows trust improving, companies still need to be cognizant of the way in which the public perceives business. Moreover, communicators and others are trusted over CEOs as spokespersons for companies, and peer-to-peer conversation has supplanted top-down controlled messages.

Unprecedented complexity Globalization, technology, and privacy are colliding. Business must move beyond the classic goal of license to operate toward a broader ambition of license to lead, in which it earns societal approval of innovations by listening and adapting.

Brands are now acting as representatives of their communities Brands are built not only through the tangible benefits they offer, but also in inspiring people through causes and content sharing. As activists and organizers of movements, the brands are forcing change.

The nature of media has transformed The reader is now also content creator and advocate. The born-digital brands such as The Huffington Post rely heavily on contributors and on comments by informed readers in an ongoing discussion. Publications such as the New York Times now offer high-quality, high-performing sponsored content that runs alongside earned media. And media companies are now adding short-form video alongside other content, which is evidence of the need to show and tell.

Technology is causing the integration of corporate reputation and brand marketing Consumers do not differentiate an engagement with a corporate call center from an interaction on Twitter. Those responsible for each of these areas need to work more closely to ensure the customer experience is seamless on all media.

The traditional responsibilities of each function have morphed in response to these drivers, developing into an integrated role. This role often involves, in the words of Southwest’s Linda Rutherford, “thinking beyond functional responsibilities.” As they take on strategic importance, integrated corporate communications and marketing functions are working closely with other departments on a range of issues, as well as on those issues for which they have primary responsibility. All of these are outlined in Table 1.

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<thead>
<tr>
<th>Traditional roles and responsibilities</th>
<th>Integrated roles and responsibilities</th>
</tr>
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<tbody>
<tr>
<td>Corporate Communications</td>
<td>Advising the CEO and C-suite</td>
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<tr>
<td>Communications policy</td>
<td>Working more closely with their C-suite contemporaries to coordinate stakeholder engagement, in order to provide better counsel and to shape strategic direction.</td>
</tr>
<tr>
<td>Communications strategy</td>
<td>Collecting, analyzing, and sharing data</td>
</tr>
<tr>
<td>Crisis and emergency communications</td>
<td>Supporting the company as a whole in creating a better understanding of customers and employees (among other stakeholders) from information gleaned through new communications tools and technologies such as social media, so that the company can respond to their demands more effectively.</td>
</tr>
<tr>
<td>Employee (internal) communications</td>
<td>Creating a consistent message</td>
</tr>
<tr>
<td>Executive communications</td>
<td>Taking the company mission to a broad range of audiences across a broad range of communications platforms. It’s the integrated function’s role to develop the corporate narrative based on a company’s values and support all departments and employees in their dissemination of those messages.</td>
</tr>
<tr>
<td>Intranet communications</td>
<td>Driving business strategy and growth</td>
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<tr>
<td>Investor relations</td>
<td>Leading a customer-centric culture</td>
</tr>
<tr>
<td>Media relations</td>
<td>Building a long-term relationship with customers (at both B2B and B2C companies) that seeks to understand demand better. Whereas once marketing “pushed” messages to customers, now customers are proactively engaging with companies, and companies must respond quickly. That means that for companies that include social media in their marketing, the function is forced to undertake tasks that were historically in the corporate communications domain, such as handling customer complaints and stakeholder relations.</td>
</tr>
<tr>
<td>Public relations</td>
<td>Leading corporate culture</td>
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<tr>
<td>Relationship building</td>
<td>Understanding the importance of culture in the organization and the role CMOs and CCOs play in helping to shape a positive and productive mindset. This often means elevating the importance of company values and promoting their inclusion in company strategy and branding.</td>
</tr>
<tr>
<td>Reputation management</td>
<td>Supporting risk management efforts</td>
</tr>
<tr>
<td>Reputations</td>
<td>Using new communications tools and technologies to see ahead of the curve and predict risks before they emerge. Mining these technologies for information to understand customers and other stakeholders presents new risks, such as data privacy, which the integrated function needs to manage in partnership with the office of the chief legal officer.</td>
</tr>
<tr>
<td>Understanding demand and customers</td>
<td>Understanding market ecosystems</td>
</tr>
<tr>
<td></td>
<td>Monitoring environmental and market conditions and communicating findings across the enterprise, so that the organization can adapt in ways that yield competitive advantage.</td>
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Driving early adoption of new business practices
Linda Rutherford vice president, chief communications officer, Southwest Airlines

As chief communications officer of Southwest Airlines, Linda Rutherford reports directly to CEO Gary Kelly, a strong indicator that the function she is responsible for has a strategic role at the company. Rutherford has led corporate communications at Southwest since 2006. She oversees a $52 million budget, and her remit covers communications and outreach functions, which include community affairs and engagement, corporate philanthropy, emergency response and business continuity, employee communication, employee legislative grassroots activities, media relations, social business, visual communication, and the company intranet.

Hers is the type of all-encompassing responsibility that an integrated corporate communications leadership role is beginning to look like. But what’s interesting is the clear elevation of communications over marketing in terms of her responsibilities. Two years ago, Southwest launched a new brand that put “heart” front and center of the campaign. On its website, the company says it is “introducing a vibrant look inspired by our love of people.” This quote provides one clue as to why Rutherford’s communications responsibilities are so important: they help Southwest Airlines understand its customers and other stakeholders, bringing crucial insight to help the company operate more efficiently and market more effectively.

In the Q&A below, Rutherford explains more about how the function supports the business, as well as the challenges she faces in her role.

What role do you play in developing and executing business strategy?
My role is to be a catalyst for change, drive early adoption of new business practices, and help enable frontline leaders to embrace the change and be champions for the rest of the business. We use engagement strategies to activate various stakeholders—from community leaders and employees to regulators, news media, and brand fans—on topics of mutual interest. We look for ways we can work together, support one another, and generally make our company more successful, which in turn helps the local economy, employment, etc.

How do you support value creation at your company?
I help leaders develop the narrative and storytelling about what the change/process/product will do for our various audiences. How does this new widget help you load planes faster? We help tell the story about how the change will create value for the individual in pursuit of serving the customer.

What’s the biggest challenge you face in your role?
The biggest challenge is probably that in a company using cross-functional work teams, you still find siloed efforts where there is confusion about priorities, who will budget for what, and sometimes efforts working at cross purposes or even duplicated efforts when good coordination breaks down.
How do you drive integrated corporate communications and marketing deeper into the business, such that it supports multiple business functions?

Our company uses executive steering groups to provide stewardship and advocacy for large-scale collaborative projects. I sit on several of these, which help create enterprise awareness, resources, and coordination across multiple business functions.

What has integrating corporate communications and marketing helped you do, which you could not have were the functions operated separately?

Separately, we could achieve great things, such as with content on social media. Working in an integrated fashion, we’re able to better leverage our resources, get bigger bangs for our buck, and garner more audience than if we were working independently. A great current example is our enterprise music strategy. Working separately, we might have relationships that allow us to activate on social around a band that flies on Southwest or perhaps sponsor a concert. Working in an integrated fashion, we’re more strategic, can leverage all the assets and come up with a much broader platform or plan.

What traits should a successful corporate communications and marketing leader have?

A successful communications and marketing leader must be a fearless change agent and be willing to take on the role as the chief integration officer. So much of what needs to be done by organizations today needs to happen with systems versus siloed thinking, yet most organizations are still set up, staffed, and resourced in a siloed, functional way. We have to help evolve our organizations to actually be set up to carry out the systems thinking and integrated work that needs to be done. You break down siloes by bringing teams together, asking them to problem solve together, and putting into action their recommendations. When they see their work coming to life, it will further encourage this type of collaboration. Thinking beyond functional responsibilities becomes more commonplace than the rare exception.

What would help you do your job better?

It would help me do my job better if we could find a new or better way to financially resource these endeavors. Individual department budgets, cost centers, etc., all complicate the effort to integrate. As we evolve to more collaborative work teams and systems approaches, we need to be sure our corporate organizational structures, budgeting systems, and performance management processes can flex to the new way of working.

What else do you hope to achieve with the integrated corporate communications and marketing function?

Ultimately, I hope we have a storytelling effort and content strategy across multiple stakeholder groups that allows us robust conversations with our customers and influencers and allows us to more effectively share and glean information beyond traditional (and expensive) marketing platforms.
INTEGRATION AND SOCIAL MEDIA

Social media—which this report defines as the broad range of technologies and mechanisms available online that allow people and organizations to engage with each other and share opinions and insights—is a core element of digital transformation. Social media changes how companies communicate and gives them access to data and insights that were previously unavailable.

According to Corporate Communications Practices: 2016 Edition, Facebook, Twitter, and LinkedIn are the social media platforms companies most commonly use (see Chart 1), although YouTube is becoming increasingly popular and is complemented by an increase in the use of Instagram, suggesting that visual platforms are taking on increased significance in the social media landscape.7

Social media is, however, more than just these platforms. In many cases, it is not just an avenue for engagement, but the core element of a business model. Consider new technology-based companies like Uber and AirBnB, both of which rely heavily on social media (through reviews and ratings) to authenticate their products and services. Such

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**Chart 1 Corporate Social Media Channels by Company Size (Number of Employees)**

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<thead>
<tr>
<th></th>
<th>Under 10,000</th>
<th>10,000-24,999</th>
<th>25,000 and over</th>
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<tbody>
<tr>
<td><strong>Blog</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>n=14</td>
<td>n=14</td>
<td>n=17</td>
</tr>
<tr>
<td>28.6%</td>
<td>21.4%</td>
<td>41.2%</td>
<td></td>
</tr>
<tr>
<td>Facebook</td>
<td>78.6%</td>
<td>85.7%</td>
<td>76.5%</td>
</tr>
<tr>
<td>Google+</td>
<td>21.4%</td>
<td>7.1%</td>
<td>47.1%</td>
</tr>
<tr>
<td>Instagram</td>
<td>7.1%</td>
<td>21.4%</td>
<td>47.1%</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>85.7%</td>
<td>85.7%</td>
<td>94.1%</td>
</tr>
<tr>
<td>Pinterest</td>
<td>7.1%</td>
<td>0.0%</td>
<td>29.4%</td>
</tr>
<tr>
<td>Public website</td>
<td>64.3%</td>
<td>78.6%</td>
<td>76.5%</td>
</tr>
<tr>
<td>Reddit</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Tumblr</td>
<td>7.1%</td>
<td>7.1%</td>
<td>17.6%</td>
</tr>
<tr>
<td>Twitter</td>
<td>78.6%</td>
<td>92.9%</td>
<td>88.2%</td>
</tr>
<tr>
<td>YouTube</td>
<td>71.4%</td>
<td>64.3%</td>
<td>88.2%</td>
</tr>
<tr>
<td>Investor relations website (or designated section in public website)</td>
<td>71.4%</td>
<td>71.4%</td>
<td>64.7%</td>
</tr>
<tr>
<td>Other</td>
<td>14.3%</td>
<td>0.0%</td>
<td>11.8%</td>
</tr>
<tr>
<td>None of the above. The company does not use any social media channels</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

*Source: The Conference Board/CCI, 2016*

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start-ups provide a good lesson for established companies. That these companies are often formed with social media at their core means that barriers between departments and between the information flows required to take advantage of social do not exist.

When social media first emerged as a business tool for established companies, the common approach was to use it as a broadcast mechanism, a tool to deliver messages to a broader audience more quickly. That meant that corporate communications teams typically took responsibility for these new technologies, and often that continues to be true. (*Corporate Communications Practices: 2016 Edition* found that the corporate communications function is responsible for social media at 94.1 percent of companies with 25,000 or more employees.) But as the potential of social media for customer and stakeholder connections became apparent, marketing, sales, and other functions, such as HR, sought responsibility for social media accounts and the strategies behind their use, highlighting the problem of siloes within companies and the barriers that prevent departments from working together for the overall benefit of the company. In such situations, social media is not optimized, and that slows companies’ digital transformation.

Social marketing and social selling The success of social in connecting employees with customers and other stakeholders means sales and marketing staff are leading the push toward sales strategies that utilize new technologies—it’s unsurprising that at a company like Cisco, which has a robust employee advocacy program (see Cisco case study, page 43), the majority of employee advocates are salespeople.

Of course, marketing is deeply involved in the sales process and is therefore a critical component and leader of social selling strategies. Companies are starting to realize this and putting resources behind these efforts. According to technology research firm Gartner, social marketing was the top area of technology investment by chief marketing officers (CMOs), with 65 percent of respondents to the organization’s survey ranking it in their top five priorities for 2015-2016.8

When social selling is a sophisticated part of a sales approach, the role of corporate communications and marketing is heightened. For example, sales staff trained to use LinkedIn well also start to listen better, meaning they can return to marketing or communications teams and ask for impactful content that will help them close sales. To have corporate communications and marketing working symbiotically means that sales teams get the best of both worlds in their responses to customers on social. In the sales cycle, for a company to be relevant it has to listen; it has to know what problem it is addressing. Social media can help a company collect insights from customers.

In the sales cycle, for a company to be relevant it has to listen; it has to know what problem it is addressing. Social media can help a company collect insights from customers.

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Social listening has room to grow

Approximately 70 senior executives at The Conference Board Customer Insights Conference in December 2015 were polled with a series of questions relating to social listening practices at their companies. As Chart 2 shows, more than half of the executives said they are not making use of social listening data within their organizations, despite acknowledging that it should be treated more seriously. At the same time, nearly 60 percent said they recognize the importance of continually innovating customer insights or market-research discipline, while only 12 percent believe it’s an uphill battle to achieve this.

Chart 2
To what extent does your organization recognize the importance of continually innovating your customer insights or market-research discipline?

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>59%</td>
<td>To a great extent. Our company realizes that not doing so would put us at a competitive disadvantage.</td>
</tr>
<tr>
<td>29%</td>
<td>Somewhat. Selected executives buy into the importance of innovating while others are too satisfied with the status quo.</td>
</tr>
<tr>
<td>12%</td>
<td>Very little. It’s totally an uphill battle.</td>
</tr>
</tbody>
</table>

Chart 3
How willing are your customers to share personal data with your organization?

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>26%</td>
<td>Very. They have a clear understanding of the value they will get by us knowing them better.</td>
</tr>
<tr>
<td>43%</td>
<td>Only when they know there is a clear, near-term benefit.</td>
</tr>
<tr>
<td>14%</td>
<td>Less than they used to. Privacy concerns and other factors are affecting their willingness to share.</td>
</tr>
<tr>
<td>17%</td>
<td>Not very. Our organization needs to do a better job of communicating why sharing data is beneficial to our target.</td>
</tr>
</tbody>
</table>

Chart 4
Which of the following statements best describes the role of social listening data in your company’s customer insights practice?

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>13%</td>
<td>It is central to our understanding of the perception of our brand.</td>
</tr>
<tr>
<td>53%</td>
<td>We barely use it, but feel that we should treat it more seriously.</td>
</tr>
<tr>
<td>25%</td>
<td>We find that it’s helpful in confirming insights we gain from other sources, but isn’t all that helpful on its own.</td>
</tr>
<tr>
<td>9%</td>
<td>Social listening data is of minimal importance to our marketing research.</td>
</tr>
</tbody>
</table>

Chart 5
How difficult is it for you to keep up with technological changes and new vendors in the insights space?

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>It’s not a problem for us. We have systems and/or people on our team in place to ensure that we are on top of this.</td>
</tr>
<tr>
<td>63%</td>
<td>Only when they know there is a clear, near-term benefit.</td>
</tr>
<tr>
<td>17%</td>
<td>It’s very difficult. We always feel like our organization is behind on knowing about new companies and solutions that could help our insights practice.</td>
</tr>
</tbody>
</table>

MASTERCARD  Applying social media research insights for better business decisions

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Objective/Brief

One of the few steadfast companies that committed fully to research by making insights more actionable and became more strategic, efficient, and successful is MasterCard.

In 2011, MasterCard’s executive leadership challenged the organization to transform the B2B financial services giant into a more consumer-focused technology company.

To do so, MasterCard created the Conversation Suite—a dynamic, global insights and engagement engine—built and supported by a global team of communications and social experts who monitor, engage in, and analyze conversations around the world in real time, 24/7. The social listening and analysis of public profile social data serve as a barometer, a resource, and as a foundation for communication decision-making. One demonstration of MasterCard’s ability to transform data into insights, actions, and business results relates to its efforts in mobile payments, an emerging form of commerce enabled through the use of mobile devices.

MasterCard is a technology company in the global payments industry. It operates the world’s fastest payments processing network, connecting consumers, financial institutions, merchants, governments, and businesses in more than 210 countries and territories. MasterCard’s products and solutions make everyday commerce activities—such as shopping, traveling, running a business, and managing finances—easy, secure, and efficient.

In 2011 the mobile phone became the consumer method of choice for making purchases and managing money. MasterCard was perfectly placed to help merchants provide their customers with a safe, simple, smart way to pay using their mobile devices. In a strategic drive, MasterCard led developments of standards and was among the first to launch mobile commerce technologies that let people, “pay with a tap.”

As part of this drive, the MasterCard executive team embarked on a journey to transform the B2B financial services giant into a more consumer-focused payments technology company. From a communications standpoint, MasterCard was squarely B2B; the opportunity was to shift engagement online and develop a direct relationship and dialogue with consumers and influencers.

The Conversation Suite applies data to uncover research-based insights to achieve better business results. The data analysis became a foundation for communications decision-making and a barometer and resource to the entire business. Among the first discoveries in 2012, data scientists uncovered a trend revealing consumers’ excitement and anticipation for the emerging mobile commerce technology. But those who
tried it expressed two sources of anxiety: lack of acceptance and data security. Deep contextual analysis revealed concerns over data security centered on unfamiliarity with the technology and the possibility of personal data compromises. Frustration over “lack of acceptance” also arose over the inability of certain merchants to process mobile payments at point of sale.

Beyond the PR team who listened, engaged, and refined their communication, social data insights profoundly influenced planning and execution throughout the company. This “voice of the consumer” directly influenced marketing messaging, advertising campaigns, product development, and merchant training programs. Following the initial discovery, the company’s market research survey results confirmed the social media findings. Since the time of this example, MasterCard continues to apply social media insights to achieve more fully integrated business decisions.

The Conversation Suite’s role as a seminal business tool has been proven many times over. MasterCard evolved the analytics to provide ongoing social insights and strategic guidance for meaningful business results. In years two and three, MasterCard applied its research findings to lower barriers to mobile payments by:

- Interpreting the evolving social discussion of mobile commerce to inform marketing and communication targeting and messaging
- Providing a pulse of social opinion for the mobile payments industry
- Uncovering positive and negative drivers of use, adoption, and sentiment in global markets
- Reporting on barriers to adoption of mobile technology for consumers and merchants to help MasterCard overcome them

**Strategy**

To generate earned media insights that could be trusted, upheld, and executed required a more sophisticated approach than one tool alone could offer. The Conversation Suite did the heavy lifting using complex, multilanguage search string algorithms and human-validated analytics. The right streams of data were identified using search string methodologies to remove false positives, spam, and splogs (spam blogs), as well as ensuring the right geographical signals. Data scientists applied a layer of subject matter expertise, statistical acumen, and critical thinking to create the necessary insights.

The deliverables were real-time monitoring and analysis of online communications including news, blogs, Weibo, Twitter, Facebook, YouTube, Google+, Instagram, boards, and forums. MasterCard employees could self-sufficiently access relevant content and human-validated data, as well as create real-time research and reporting. MasterCard generated regular timely reports, showing key metrics, SWOT [strengths, weaknesses, opportunities, and threats] analyses, key influencers, and industry themes. The aim was to help MasterCard set smarter objectives, develop better strategies, create more compelling tactics and execution, evaluate performance, and drive continuous performance versus objectives, competitors, and past performance.
Importantly, an annual study of social commentary around mobile payments was developed to assess people’s willingness to adopt mobile payment services. The annual Mobile Payments Study, now in its fourth year, aimed to assess people’s awareness, understanding, attitudes, preferences, and behavior toward existing payment options throughout North and South America, Europe, Africa, Asia, and the Pacific Rim. To assist in leading the industry agenda, visually compelling, sharable graphics were created to summarize the findings.

**Execution/Implementation**

Using proprietary social media analytics expertise, methods, and technology, researchers identified millions of relevant social media posts each year on the subject of mobile payment innovation in the context of MasterCard and its industry peers. From the huge volume of posts, a broad sample of substantive comments were subjected to more granular expert human-coded content analysis. The resulting insights were converted into actionable business drivers. The findings were successfully applied throughout MasterCard and adopted across the wider industry.

**Evolving Global Picture of Mobile Payments**

In 2013, MasterCard’s Mobile Payments study revealed that mobile payments transitioned from skepticism to adoption as 81 percent of conversations were driven by users who adopted mobile payments compared to only one-third the previous year. In 2014, the social media analysis revealed that conversations had gone from “problem solved” to “what’s next?” In 2015, consumers began to embrace the mobile payments and were beginning to ask banks and merchants to provide mobile payment options.

The global picture was well illustrated for the MasterCard team. Users based in Europe were the most vocal in expressing opinions about mobile payment technology, followed closely by Asia-Pacific and the United States. Some skepticism was evident in Europe as consumers discussed mobile payment security and general reservations about the feasibility of worldwide adoption.

Across the Latin American and Caribbean regions, nonadopters expressed a need for clarification on the mobile payment technologies offered as well as a clearer understanding of the cost implications mobile payments may have on their current lifestyles. China, Thailand, Australia, Japan, and Singapore were the most active countries across Asia. Users discussed product experiences and shared opinions about news stories originating in traditional media. Discussions in the Middle East and Africa tended to retell or redistribute stories which originated in traditional media, with the highest shares of discussion stemming from South Africa, Saudi Arabia, United Arab Emirates, and Nigeria.

In the United States, users showed interest in the compatibility of mobile payments with other payment systems. Other drivers of discussion centered on value, longer-term benefits, and security.

These insights were fed back into MasterCard’s global communications strategy and formed the basis of wider industry insight.
Strategic Communications Guidance

MasterCard used the in-depth global picture to inform messaging and targeting strategy. MasterCard’s paid, earned, and owned communication reinforced high-potential themes which led the industry and elevated themes which needed to be improved.

Leading the Mobile Payments Industry Agenda

MasterCard’s insights were used as an industry barometer for understanding consumer and merchant adoption. The study revealed significant year-over-year improvements on a number of key performance indicators:

- The 2015 study tracked 2 million global social media posts about mobile payments across social channels, up from 85,000 posts in 2012, the first year of the study.
- Sentiment was on the upswing in 2015, with 95 percent of consumers feeling positive or neutral about mobile payments technology, an increase of 1 percentage point over 2014 and 18 percentage points over 2013.
- Safety and security of mobile payments continues to drive conversations, with sentiment improving further in 2015, now 94 percent positive or neutral, a 3 percentage point increase over the 2014 study. This reflects an overall trend across all years of the study, where security sentiment was 77 percent positive or neutral in 2013 and 70 percent in 2012.

The 2015 study was revealed at Mobile World Congress where MasterCard was at the center of all mobile payment conversation throughout one of the industry’s most important events. Striking data visualization assisted in the spread of the story and intensive media interest. The data insights were covered extensively throughout global mainstream and social media.

Drivers of Use, Adoption, and Sentiment

As sentiment toward mobile payments improved significantly, the analysis demonstrated the user experience, technical quality, and acceptance network was improving for consumers. Most posts praised aspects including Innovation, Convenience, and Speed, and findings were fed back into the business.

Despite increasing consumer sentiment, Experience remained an opportunity for improvement as it ranked as a high frustration point for users. Transaction Experience, Technical Functionality, and Consumer Security Protection were all identified as areas for education and product improvement.

Barriers to Adoption as a Business Driver

To drive successful outcomes, the research identified barriers to adoption to be fed back into the business. Merchant acceptance was the most visible topic identified early on in the program. Over time, merchant availability went from a barrier to entry for nonadopters to the most discussed positive topic. The findings were consistent with discoveries about merchant engagement.
Merchant conversations were driven by those who had implemented mobile solutions; nonadopting merchants increasingly turned to social media to seek mobile payments advice from other merchants. Many merchants discussed the benefits of mobile payments, in many cases as a differentiator for their business.

With confusion over security highlighted as a barrier, consumer education efforts in particular were identified as being critical to the success and adoption of mobile payments. The research identified an opportunity for education: despite robust security, confusion existed on how mobile technology could reverse fraudulent and unauthorized charges. Consumers using MasterCard for mobile payments are protected through MasterCard’s zero liability policy.

Results

In a world where many global organizations sit in limbo debating social media’s impact on Big Data decision-making, MasterCard committed fully to research, applied the findings, and became more strategic, efficient, and successful. The company’s data and insights aid in the execution of communications campaigns in real time—whether identifying and responding to an issue or facilitating creative opportunities to position the brand with media, influencers, and consumers.

Over the course of the last four years, MasterCard’s social insights have been used to successfully inform communications strategy, shape product messaging, and facilitate successful targeting. MasterCard has effectively shifted consumer conversations from questioning available mobile options and the security of mobile, to the possibilities of enhanced experiences through tech innovations on digital devices.

A 40-foot screen located in the atrium in the heart of MasterCard’s corporate office, the physical Conversation Suite has become a coveted destination for MasterCard employees, heightening awareness of the importance of the millions of online conversations shaping the brand and industry and serving as a flexible space for brainstorming and information sharing.

Throughout the four years of its Mobile Payments study, MasterCard’s traditional market research study confirmed the integrity of the social media insights, delivered in a fraction of the time and at a significantly lower relative cost. MasterCard’s social media analysis now works to complement MasterCard’s surveys as data integration adds context and rigor to the findings.

The Conversation Suite has helped evolve the MasterCard culture to be more open and collaborative, demonstrate best-in-class engagement within the industry, and meet the challenge of transforming MasterCard into a more consumer-focused, aware, and insights-led technology payments company.

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a International Telecommunications Union, 2011.

COLLABORATION VERSUS STRUCTURAL INTEGRATION

Integration of corporate communications and marketing is often understood to mean a situation in which the two functions report to the same leader and fall under the same budgetary responsibility. There are certainly a number of benefits to this, but importantly, integration is not necessarily a reporting structure, but a philosophy that sees the two functions working more closely and drawing on each other’s expertise. With that in mind, many of the benefits of integration—the elements that can drive value within a company—can be achieved by having a close collaborative relationship between corporate communications and marketing.

Granted, companies that are in a structurally integrated model noted several advantages that are generally a magnification of the benefits because of the ability to streamline decision making when the functions report to the same leader. But structural integration is no mean feat, so a gradual approach to bringing the functions together, often started by collaboration, appears to be a more realistic option for many companies. After time, companies might find that bringing the functions together under one leader is easier and makes sense. This was, for example, the experience of B2B mutual property and insurance company FM Global. Others, particularly those with several brands or business units, might feel that it’s important to continue to operate marketing and corporate communications as different functions.

The key is to achieve value for the company in whichever way that can happen best. Every company representative that participated in this research noted that integration—to whatever degree—is an ongoing process. Companies are always striving for more efficiency, better understanding, and faster decision making.

The USC Annenberg’s latest Generally Accepted Practices report suggests collaboration is a more common approach to integration than structural integration. Although the report does not track instances of structural integration versus collaboration, Chart 6 shows that in 2014, among 347 respondents, the majority of public and private companies said their communications/PR and marketing functions were “neither coordinated nor uncoordinated” or “very uncoordinated”—both of which suggest the lack of any formal structural integration.

Chart 6
Interdepartmental Integration/Coordination between Communications/PR and Marketing

<table>
<thead>
<tr>
<th></th>
<th>Public</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very coordinated</td>
<td>39%</td>
<td>44%</td>
</tr>
<tr>
<td>Neither uncoordinated nor coordinated</td>
<td>53%</td>
<td>49%</td>
</tr>
<tr>
<td>Very uncoordinated</td>
<td>8%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: USC Annenberg, 2014

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9 Generally Accepted Practices VIII: Eighth Communication and Public Relations Generally Accepted Practices Study (Q4 2013 data), USC Annenberg Strategic Communication and Public Relations Center, 2014.
As companies embark on integration in their own ways, they face common challenges. One of those challenges relates to ownership and responsibility of particular functions and new tools such as social media that bring benefits across the company. It’s important to remember, however, that integration—whether of the functions or more broadly within the company—is about transforming the business. Breaking down silos is not about taking work away from a function, but about saying “we want to work together.”

**Achieving structural integration**

Although many companies operate effectively with having the two functions collaborate, many others also understand that structural integration could be a more optimal state, but they struggle to undertake the transition. Building cultural readiness for such change is an important part of success, and that takes time and leadership, among other things. Companies that have moved successfully from collaboration to structural integration have highlighted the following best practices to help them get there:

**Appreciation and understanding of both disciplines** For successful structural integration, leaders and employees must understand how corporate communications and marketing, individually and together, increase company value. When one function is simply subsumed under a leader who does not recognize its importance, frustration and challenges occur. Historically, companies have favored one function over the other, but in today’s markets more can be achieved with both. This might mean that companies should avoid a situation in which one side simply absorbs the other, but at the very least it should mean that each function should be given a broad enough mandate to continue to do the important work of that function, while combining with the other where necessary.

**HR must be supportive** As companies look to integrate, move functions around, and depart from historical norms and ways of working, confusion and reticence to change can emerge among employees, not to mention difficulties with regard to allocating roles and responsibilities. It’s an important time for integrating teams to work with HR departments to ensure clarity of roles and to develop and maintain a consistent message with regard to company values and strategic objectives. Senior Vice President of Marketing Roberta Butler of commercial and industrial property insurer FM Global says she used her HR representative as a sounding board for her ideas as well as an ally in executing decisions.

**Leadership led** As is so often the case with structural change, leaders—CEOs in particular—must understand what the benefits of both corporate communications and marketing are and why operating them in an integrated function can magnify those benefits. More importantly, they need to be the ones leading the integration process because it helps to establish cultural readiness throughout the company. CEOs can help the rest of the company build an understanding of the primary role that integrated corporate communications and marketing has in driving a business in the digitized world. Leaders of the functions, meanwhile, need to learn to work beyond the reporting lines.
**Take it slowly** Large companies are not going to transform overnight. Claire Watson, vice president, strategic communication management at Cropley Communication, advocates for companies to “fold in gently,” meaning they should take time and care to ensure integration is successful. A lot of this comes down again to cultural readiness. The company needs to be ready for the change and supportive of it, and that readiness takes time to develop, especially at large organizations. Kathy Klotz-Guest, CEO of Keeping it Human, explains how this happened at IBM: “They were working on breaking down siloes, and a large part of how they did that was via employee blogging and advocacy programs. And after about eight years, they could tie their programs to increased lifetime customer values. The entire process of implementing employee advocacy made the company better at storytelling, and identifying and using employee expertise. It also allowed them to better surface relevant and powerful stories throughout the company, regardless of where they lived, and that means outside of marketing. It is still a challenge because of size—but they continue to try to break down those siloes. And IBM has made this a key effort that benefits customers and ultimately the company.”

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**COCA-COLA ASIA-PACIFIC proves collaboration gets the C-suite’s attention**

Collaboration between the communications and marketing functions in Asia-Pacific for the Coca-Cola Company is about bringing alignment and consistency to addressing the opportunities and challenges the company faces in marketing itself and its brands and in defending its products against misperceptions and business threats.

Like many company leaders, Pablo Largacha, Coca-Cola’s vice president of public affairs and communications, Asia-Pacific, says this goal has been achieved to a large extent—he cites improvement in metrics related to brand love, corporate reputation, fan base, employee engagement, and media coverage—but that “there’s always room for improvement.”

Both the public affairs and communications (PAC) and marketing functions for the region report independently to the company’s CEO. However, through the establishment of joint committees and working groups on different projects (including for institutional, brand and digital communications, and sustainability), the two functions work closely.

In particular, the social media message benefits from the two teams collaborating closely. Largacha says marketing and PAC share responsibility for the technology, and together they develop the messages and collaborate to make sure social media messages disseminated from corporate accounts include both brand and company information that is aligned and consistent in the eyes of external audiences.

Corporate social responsibility (CSR) is important to Coca-Cola’s brand. It’s an area that is led by PAC, which develops institutional communications that leverage the company’s social impact. But because of its significance to employees and consumers, marketing is heavily involved to link CSR to the brands.

Largacha notes that several criteria are necessary to help the two functions collaborate successfully and to achieve their goals on the biggest projects, even as they face challenges with resources and financial support. Among those criteria are:

- Alignment has to start at the top. It can’t be the sole responsibility of a committee or working group.
- Management has to be committed to being flexible and to trying new things. Integration is a great opportunity for innovation and risk taking. For a region like Asia-Pacific, that means global headquarters needs to allow local teams greater freedom to try different things not fully aligned with global strategy.
- Resources have to be committed from the outset, or the group soon loses motivation.

Ultimately, the collaboration has helped both functions earn an audience with the C-suite because the projects the teams work on together are now considered business critical and are closely monitored by senior management.
OIL AND NATURAL GAS CORPORATION uses job rotation among similar functions to boost collaboration

Marketing has historically not been a strategic challenge for Oil and Natural Gas Corporation Limited (ONGC), the largest producer of crude oil and natural gas in India, in which the government holds a 68.94 percent stake. India produces only 30 percent of its crude oil needs, and with ONGC delivering around 70 percent of that contribution, demand for its product has always been very strong.

Corporate communications at ONGC has mainly focused on developing the corporate brand and managing reputation, rather than participating in product pitches. As a result, ONGC has kept the two functions distinct. However, as managerial best practices have evolved, leadership at the company has advocated for collaboration between the two, believing that the synergy from the different perspectives of each function is beneficial. Collaboration typically occurs on a project-by-project basis.

ONGC considers corporate communications and marketing executives to have the same key performance attributes. These include:

- A holistic macro approach to business
- An empathetic approach toward the customer and other stakeholders
- A strong communications edge
- Results orientation

Collaboration is therefore a value driver. But the background of each group of employees has provided a challenge. Whereas the corporate communications team comprises mostly executives with a communications background, the specialist nature of ONGC’s product and its value chain customers has resulted in a marketing team comprising a mix of marketing professionals and engineers who have learned marketing on the job.

The company uses regular job rotations among employees, in disciplines such as human resources, materials management, and finance, to sharpen skills, manage workload, and improve diversification across the 33,000-person organization. The HR development team works across the company to identify and fill gaps in quality and quantity of human resources in respective functions. If required, employees participate in a training and development program administered by ONGC Academy, the company’s training and development institute. As ONGC’s management approach increasingly calls for collaboration between communications and marketing, the job rotation program serves the functions perfectly.

At ONGC, job sharing has helped dissolve barriers between the two functions and encouraged collaboration between marketers, who are often considered blue-collar workers because of their technical background, and the white-collared communications disciplines. A one-to-one mentoring program has also been created by communications and marketing employees who participated in the program, helping to further improve collaboration.

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CAPITALIZING ON STORYTELLING

As a business tool, storytelling—often called content marketing—has existed for decades and has become an important part of business as companies become content creators in the digitized world. Nowadays, content drives engagement with customers, employees, and other stakeholders. Companies are selling not only a product or service, but a brand that is underpinned by its values—values that are more effectively disseminated by stories.

According to *Communicating Social Impact*, a report of a 12-company research working group facilitated by The Conference Board, stories have the greatest impact on companies’ most important audiences. The report says: “Data does not move people in the way a good story with emotion does. Data are important for internal reporting purposes, but alone do not provide an emotional connection to the activity... The story reaches people at a deeper level and stays with them longer. As high-tech continually becomes more dominant in our lives, there is a greater demand for ‘high-touch’ interactions.”

According to the *Generally Accepted Practices* study, 71.5 percent of companies use storytelling. Weber Shandwick and Spencer Stuart have found that 58 percent of global CCOs are currently creating and publishing their own content, and an additional 18 percent say they are in the process of preparing to become original content publishers. This focus on content creation, the organizations say, is in response to a changing media environment led by technological advancements and social media, which make storytelling crucial for engagement.

**Purpose underpins stories**

Successful corporate storytelling is often informed by purpose. Customers, employees, and other stakeholders are drawn to content that showcases how companies have put the advancement of social and environmental well-being at the heart of their operational and product and service strategies. Stories underpinned by purpose can help create movements, attracting large numbers of employees and customers and engaging them in long-term relationships with the company, its brands, and the issues it is focused on. Often the best corporate storytellers are companies with purpose at the heart of their strategy because this content is the most compelling (see SAP case study on page 31 for more information).

Patagonia, the outdoor apparel company that has built its brand on its environmental mission and operations, is a perfect example. The company is widely known as an effective storyteller, distinguished by its ability to turn consumers into activists. It has used stories to showcase faithful customers of its “Worn Wear” program (which offers tips and tools for people to fix their own garments rather than buy new ones) talking
about their favorite pair of 15-year-old swim trunks. In 2012, when the company was “taken to task over using down in its products obtained through cruel practices,” it released an animated short about its policy of tracing the source of its down.

Fast Company’s Jeff Beer writes: “Over the last few years, [Patagonia] has stepped up its efforts to draw a clearer line between its goods and its overall mission. From growing new wetsuit materials (neoprene is an environmental and possible health hazard) to advocating for the destruction of underused dams, it is actively turning it all into stories and finding new ways to tell and spread those tales to a larger audience. It’s all part of the plan to transcend the notion of being a brand and become more of a, dare we say, movement.”

Five Essential Building Blocks of Compelling Stories

- **An Effective Character** Stories should contain a single compelling character who is relatable to the audience and who is comfortable relaying specific details, memories, and experiences.

- **Trajectory** Stories should chronicle something that happens—an experience, a journey, a transformation, a discovery—but they don’t need to be a linear, sequential recounting every time.

- **Authenticity** Stories should show—rather than tell—the audience about the character’s transformation, using rich details and featuring the character’s own voice, devoid of jargon.

- **Action-Oriented Emotions** Stories should convey emotions that move people to act and marry these with clear, easy-to-find pathways to get them to those desired actions.

- **A Hook** Stories should capture the audience’s attention as quickly as possible, giving them a sense of whose story it is and what’s at stake.


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14 Beer, “The Purpose-Driven Marketer.”

15 Beer, “The Purpose-Driven Marketer.”
SAP’s global content creation team puts a new spin on marketing

As content assumes an increasingly important role in selling and marketing, companies are starting to create their own through dedicated departments that create accessible stories tailored for the modern audience’s technology use and shortened attention spans. SAP’s global content team, started as an initiative to develop stories for employee communications, is a prime example. Two years ago, SAP spun off the content team from employee communications and adjusted the model to focus on external as well as internal audiences.

Content creators in the corporate communications function take a journalistic approach to telling company stories, to appeal to traditional PR audiences such as journalists and analysts, while also keeping employees engaged. For example, The Spin is an online news station that has replaced newsletters and updates from company executives. Each week, corporate newscaster Megan Meany updates employees, customers, and other interested viewers about important information from around the company.

Marketing and corporate communications are run separately at SAP, but they work closely, and the marketing team has taken note of the success corporate communications has had with content creation and dissemination. As a result, it has moved away from traditional sales videos such as “talking heads” and begun creating journalistic-style content that can start a conversation in a sales cycle about how technology is disrupting business models and entire industries, and how it is improving lives and solving big problems in society. The videos and articles provide the perfect avenue for SAP to showcase its products and discuss how the products contribute to digital transformation, completing the content marketing loop.

These are exactly the types of messages that companies need to rely on to drive business growth—and they’re the types of messages that have surfaced as companies realize the importance of corporate communications in marketing and sales.

Flood analysis in Buenos Aires One example from SAP TV and the SAP News Center highlights how the company helped Buenos Aires city officials install sensors that analyze weather data and provide real-time reports on areas that need immediate support during torrential seasonal rains that cause flash floods. Whereas previously this story might have gone untold, now the content creation team is dedicated to uncovering this sort of rich information and telling it in a digestible, shareable format.

The Buenos Aires story also demonstrates how content creation helps deliver value to the company. Judith Magyar, a member of SAP’s global content team, notes that showing the value of content creation and communications is difficult because the standard way to demonstrate it continues to be “by being able to say the value of our brand went up.” But these stories give salespeople a tool to develop leads, which is important when the team is seeking budgetary resources. “This is an example of a communications asset that is helping to drive sales,” Magyar says.
The Value of Integration

Highlights from the Field

Case studies and examples featured in this section include:

**Bosch China** For a company that has some 20 different product offerings from as many business units in China, structural integration of corporate communications and marketing is not necessarily the optimal approach. Nonetheless, close collaboration between the two functions has helped deliver the benefits of integration. More on page 34.

**Cisco** The Cisco employee ambassador program has helped the company unleash more than 14,000 employees onto social media as brand advocates. And that number continues to grow quickly. More on page 43.

**HP Inc.** Chief Marketing and Communications Officer Antonio Lucio believes the value created by marketing and communications is in developing a brand that will stand the test of time, and purpose must drive that brand. Integrated corporate communications and marketing helps deliver on that objective by revamping the total customer decision journey. More on page 46.

**Target** Making structural integration work under a chief marketing officer is all about having a leader who understands the benefits that corporate communications bring to a powerful brand and who gives communicators the room to get their job done. More on page 53.

**FM Global** The idea of restructuring to integrate corporate communications and marketing quickly might be appealing, but for many large corporations it takes time. FM Global found the gradual approach to integration yielded benefits in the long run. More on page 55.
FROM COLLABORATION TO STRUCTURAL INTEGRATION

There’s a good reason why many companies are pushing their corporate communications and marketing functions to work more closely together. A number of value drivers emerge when the two collaborate and support each other. Although this collaborative model is a step in the right direction for integrating the two functions, often companies find that the value is magnified by formalizing the collaboration under a structural integration model. Dustee Jenkins, senior vice president of communications at Target, says: “I do think reporting lines help you connect on a more frequent basis, but it doesn’t solve everything.”

Several impediments can prevent companies from achieving structural integration. These include maneuvering large organizations away from decades-old practices, or corporate structures that necessitate multiple marketing or branding teams across a company. Companies that own several brands, for example, require separate marketing satellites to be housed within each, as the brands tell a different individual story.

This section assesses what can be achieved under both frameworks of integration.
**BOSCH CHINA achieves benefits of integration through close collaboration**

Bosch China relies heavily on its corporate communications function, which stems from founder Robert Bosch’s sentiment: “The brand is not an accessory, it is the main point.” That belief is deeply rooted in a culture that deems open communications with employees and stakeholders essential. Bosch’s view of brand and how to achieve that through communications is an example of integrated corporate communications and marketing.

Jay Jiang, vice president for corporate communications, reports to a member of the C-suite. He is not only responsible for the development and execution of communications strategies (internal and external), but also for the corporate brand in China and cross-automotive divisional communications and marketing events. However, despite these marketing initiatives rolling up under corporate communications, other marketing divisions do not officially report to corporate communications because of highly diversified product offerings (over 20 product offerings, ranging from automotive components to home appliance, power tools, and hydraulic machinery, among others) and the individual marketing support each requires that a corporate marketing function couldn’t provide.

The company says it has never sought to integrate corporate communications and divisional marketing activities, but rather to focus on how to use collaboration between the two functions to tell one story. For example, Bosch China promotes itself as an Internet of Things (IoT) solutions provider through corporate communications, a position that infuses itself into the brands and ultimately supports sales. The corporate campaign is informed by product stories identified by marketing within the business units. Bosch measures its success through third-party surveys that indicate whether key stakeholders’ perception of the company has improved.

The lack of structural integration doesn’t stop the company from achieving the benefits of integration. For example, the corporate communications function supports business divisions’ marketing teams by developing and maintaining a strong, reputable corporate brand and works closely with HR in each business unit to develop the employer brand to aid attraction and retention; social media is used by both marketing and corporate communications to engage with stakeholders; and business unit marketing teams leverage platforms and consistent messages established by the corporate communications team, such as technology forums or other customer events, to form customer relationships and enhance the marketing and sales process.

The key to having a successful collaboration that brings the benefits of integration, says Jiang, is continuous communication between the two functions and identifying clear responsibilities for each function at the outset of each collaboration. Although some companies argue that structural integration helps alleviate the challenges associated with identifying such responsibilities on a case-by-case basis, for Bosch China it is more effective to have marketing and corporate communications support each other as separate entities than to roll them up together.
WHAT’S THE VALUE OF COLLABORATION?

Customer centricity

In a lot of ways, integrated corporate communications and marketing is about asking customers their preferences: when and how to communicate with them. By having the two functions work symbiotically, companies can glean better insights from long-term engagement on social media and other platforms, feed that information back into other parts of the company, such as product and service innovation, and respond with meaningful content that sparks interest and continues engagement.

Vanessa DiMauro, a senior fellow with the Society for New Communications Research of The Conference Board, and her colleagues Peter Auditore, principal researcher at Asterias Research, and Don Bulmer, vice president of research at Gartner, say: “Organizations that are social media savvy will recognize the value and enhancements that can be derived in the areas of customer service, CRM [customer relationship management], and customer experience through social media networks. This is becoming a significant competitive advantage as social media networks evolve and grow.”

In 2016, Brand Learning led a study in partnership with The Conference Board and a range of other organizations called Growth Drivers. The report found:

Growth-ready organizations constantly explore what they can do better to deliver more value for their customers, employees and investors... They use technology to meet heightened consumer and customer expectations. They recognize that while they are building on a legacy of entrenched behaviors, systems, and practices, if the desired customer experience changes, they must reinvent themselves, working backwards from customer needs to the business ways of working.

George S. Day, the Geoffrey T. Boisi Professor Emeritus at the Wharton School of the University of Pennsylvania and former executive director of the Marketing Science Institute, says: “This combined function ensures closer internal and external alignment, by using the internet to coordinate all marketing and sales activities—from customer-service reps responding to complaints on blogs to systems for tracking sales calls and consumer web behavior.”

Day adds: “Increasingly, CEOs are looking for a single point of contact with all market-facing activities, who can take responsibility for the value proposition, innovation, marketing, and sales across all platforms. Many companies have responded with a new combined role of chief commercial officer.”

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Amy O’Connor, senior director of digital and social media communications at Eli Lilly, says her company’s integration of corporate communications and marketing was about developing a cohesive customer experience, particularly on social media. She says customers expect a one-stop shop for engaging with a company. “To have communications, marketing, and social media siloed based on your internal business practices doesn’t make sense to customers—you just add to the confusion for finding answers and solutions,” she says. She cites an example of a message she received from a clinic in Papua New Guinea, which alerted her to the fact that the country was running out of insulin and requested that Eli Lilly send stocks. The only way for the clinic to contact the company was through social media, and although the country isn’t a business priority, this was a humanitarian issue that needed to be addressed. O’Connor was able to elevate the issue because her function is integrated in the business. She says she gets requests like that every day.

**Emerging titles reflect importance of customer engagement** Chief commercial officer is just one example of a title that has emerged to capture the extensive customer engagement activities that marketers and communicators now have to influence and often control. According to Paul Hagen, a principal analyst at Forrester Research, a number of other versions of the same role exist at companies such as Allstate, Dunkin’ Brands, USAA, Philips Electronics, FedEx, the Cleveland Clinic, and SAP. These titles include chief client officer, chief experience officer, executive vice president of member experience, and chief global customer and marketing officer. In some cases, the titles remain the same, but responsibility for customer service has been added to the list of responsibilities for chief marketing officers or chief communications officers. Whatever the title, the motivation is the same. Hagen says: “These individuals serve as top executives with the mandate and power to design, orchestrate, and improve customer experiences across the ever-more-complex range of customer interactions.”

**Employee centricity**
The 2016 *Growth Drivers* sought insights into the techniques companies are using to grow in the modern age. One of the study’s key findings stated:

> Whichever choices companies make [regarding how they intend to grow], they will be delivered through the talent and effectiveness of their people. People deliver the customer experience—not just in services businesses but across sectors. People create, nurture, and deliver the brands that connect the business to its customers. People manage the change and innovation that lies behind each growth path. People foster the sustained customer relationships needed for the company to succeed. People need to deliver change at an unprecedented level, they need to keep up with new technologies, behaviors, and skills. And so it is unsurprising that building people’s talent and effectiveness is a strategic imperative for growth and success.

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20 Hagen, “The Rise of the Chief Customer Officer.”

21 *Growth Drivers*, Brand Learning.
This need for a focus on maximizing the potential of employees is echoed by company leaders. The Conference Board found that CEOs of US companies consider “developing next-generation leaders” the number-one hot button issue of 2016, with a failure to attract and retain top talent coming in second.22

These findings are significant for the corporate communications and marketing fields for a number of reasons. In particular:

- A company’s brand is not only relevant to attracting customers, but also to attracting and retaining employees.
- Combined, the functions provide all employees the values, narratives, messages, and platforms to represent the company accurately and meaningfully.
- Corporate communications is often responsible for internal communications, placing it at the heart of employee engagement, particularly in an age in which internal communications is as much about listening as it is talking.23

**Employee advocacy in the social world** One executive interviewed for this research said that turning employees from “informed” or “engaged” to “advocate” is considered the holy grail for companies. The potential for employee advocacy to contribute to company growth is huge. A number of statistics demonstrate this, including:24

- Employee advocacy programs involving 1,000 active participants can generate $1,900,000 in advertising value.
- Brand messages are eight times more likely to be shared on social media when first distributed by employees than when distributed by the brand.
- There is only an 8 percent overlap between the company’s followers and those of its employees.
- 41 percent of people believe conversations with company employees to be the most credible specialist sources of information.25

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In *Social Media Employee Advocacy: Tapping into the Power of an Engaged Social Workforce*, Ed Terpening, Charlene Li, and Aubrey Littleton find that 90 percent of the brands they surveyed are already pursuing or have plans to pursue some form of employee advocacy.\(^{26}\) They also find employee advocacy drives employee engagement and supports employment branding. Kathy Klotz-Guest suggests that employees need to be genuine and honest when they talk about the company for stories to resonate. She says that employees are a company’s best storytellers, but that social media marketers often get in the way by wanting to own the content and talking points. For employee advocacy programs to be successful, employees need to be free to share their experiences of the company. It’s important for an integrated corporate communications and marketing function to operate in the background, building the brand and emotional connection between the company and the employee, which will ultimately translate into honest, effective employee advocacy.

Results from a 2016 study of 134 organizations by JEM Consulting found around 55 percent of companies already have an employee advocacy program in place.

The vast majority of employee advocacy programs are less than two years old and have fewer than 10 percent of employees participating.

Chart 7
**How long has your company had an employee advocacy program?**

<table>
<thead>
<tr>
<th>Duration</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>31%</td>
</tr>
<tr>
<td>1-2 years</td>
<td>54%</td>
</tr>
<tr>
<td>3-5 years</td>
<td>15%</td>
</tr>
<tr>
<td>More than 5 years</td>
<td>0%</td>
</tr>
</tbody>
</table>


Chart 8
**What percentage of your employees participate in your employee advocacy program?**

<table>
<thead>
<tr>
<th>Participation</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fewer than 1%</td>
<td>15%</td>
</tr>
<tr>
<td>1%-10%</td>
<td>62%</td>
</tr>
<tr>
<td>11%-50%</td>
<td>15%</td>
</tr>
<tr>
<td>51%-100%</td>
<td>8%</td>
</tr>
</tbody>
</table>


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Nearly all respondents with such a program sought to use it to enhance the company’s thought leadership position, pointing to the importance of content and storytelling in modern corporate communications and marketing (see Capitalizing on Storytelling, page 29). However, the way companies measure the performance of their employee advocacy programs is not aligned to the goals they target.

Most companies measure the success of their employee advocacy programs by looking at metrics related to traffic on websites and social media even though the same pool of companies does not acknowledge that either of these are goals of the program.

Chart 9
How do you measure the success of your employee advocacy program?

- Increase in website traffic: 62%
- Impressions: 46%
- Improved employee engagement: 46%
- Increase in social media following: 39%
- Leads generated: 39%
- Sales: 15%
- Increased engagement with key constituencies: 7%
- Content downloads: 7%


Chart 10
What are the goals of your employee advocacy program?

- Elevate and humanize brand: 69%
- Improve employee engagement: 77%
- Amplify the reach of branded content/reach new audiences: 15%
- Enhance thought leadership position: 92%
- Drive leads/sales: 54%
- Strengthen relationships with key stakeholders: 54%
- Employer branding/employee recruitment: 46%
- Support change management initiatives: 8%
- Improve customer experience/support: 31%

According to the research, organizations make no effort to measure the effectiveness of reaching the most important goal of enhancing the company’s thought leadership position. Granted, this goal is difficult to measure (indeed, respondents cite measurement of the effectiveness of employee advocacy programs as their number-two challenge), but the fact that there is no sign that companies are trying to measure progress against this goal suggests an opportunity for improvement.

One of the benefits of structurally integrated corporate communications and marketing is better aligned goals, metrics, and budgets (see Alignment of Goals, Metrics, and Budgets, page 50).

In 79 percent of cases, employee advocacy program management falls to a communications- or marketing-related function.

The research doesn’t stipulate whether these functions are structurally integrated; however, USC Annenberg’s Generally Accepted Practices report suggests that structural integration is rare.27 It’s therefore plausible to suggest that if these programs were managed under a structurally integrated corporate communications and marketing function, there could be better alignment between the goals of the program and what is being measured.

With 31 percent remaining neutral on the question, the findings indicate that generally employee advocacy programs are delivering benefits to companies. There is, however, opportunity to lift companies out of the “neutral” assessment of their programs and to increase the percentage of companies that are “very satisfied” with their programs.

Nearly two-thirds of companies are at minimum satisfied with their employee advocacy programs.

27 Generally Accepted Practices VIII, USC Annenberg.
Formal employee advocacy programs An important element of building employee advocacy is that it should develop organically—employees must want to be brand advocates, not be forced into it. However, that doesn’t mean that formal parameters around employee advocacy programs aren’t effective. Some of the leading organizations in this area, such as Cisco (see Cisco case study, page 43) and Dell, have launched formal programs to guide employee advocacy on social media.

Dell employees complete four hours of social media training to participate. Recognizing that content discovered, curated, and shared by employees would be more effective than standard corporate communications, Amy Heiss, marketing director for social media at Dell, said the company wants “80 percent about topics that are informative, helpful, and relevant to customers or are personally interesting to employees, and only 20 percent about the company.”

In the absence of a formal employee advocacy program, companies often develop policies to guide personal use of social media by employees.

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>Under 10,000 n=14</th>
<th>10,000-24,999 n=14</th>
<th>25,000 and over n=17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adopted by the board of directors</td>
<td>14.3%</td>
<td>7.1%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Adopted by the Chief Executive Officer</td>
<td>0.0</td>
<td>7.1</td>
<td>11.8</td>
</tr>
<tr>
<td>Adopted by the Corporate Communication department</td>
<td>28.6</td>
<td>14.3</td>
<td>35.3</td>
</tr>
<tr>
<td>Adopted by the Human Resources department</td>
<td>21.4</td>
<td>0.0</td>
<td>11.8</td>
</tr>
<tr>
<td>Adopted by the Legal department</td>
<td>21.4</td>
<td>35.7</td>
<td>17.6</td>
</tr>
<tr>
<td>Other</td>
<td>7.1</td>
<td>35.7</td>
<td>5.9</td>
</tr>
<tr>
<td>None of the above. The company does not have a formal policy</td>
<td>7.1</td>
<td>0.0</td>
<td>5.9</td>
</tr>
</tbody>
</table>


29 Hecklinger, “How Dell Empowers 10,000 Employees to Participate on Social Media.”
Integrated corporate communications and marketing can help build an employer brand that helps employees be mindful of company values when using social media.

Chart 14 **Other policy prescriptions, by company size**

<table>
<thead>
<tr>
<th>Employees engaging in social media must:</th>
<th>Under 10,000 n=14</th>
<th>10,000-24,999 n=14</th>
<th>25,000 and over n=17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoid unnecessary banter</td>
<td>14.3%</td>
<td>21.4%</td>
<td>23.5%</td>
</tr>
<tr>
<td>Be mindful of the company’s values</td>
<td>78.6</td>
<td>78.6</td>
<td>64.7</td>
</tr>
<tr>
<td>Establish that all opinions are their own and not the company’s</td>
<td>71.4</td>
<td>78.6</td>
<td>70.6</td>
</tr>
<tr>
<td>Be respectful of their audience and adopt the same professional etiquette that they would use in their offline relationships with colleagues and customers</td>
<td>64.3</td>
<td>64.3</td>
<td>58.8</td>
</tr>
<tr>
<td>Limit statements regarding the company or its products and services to customer replies</td>
<td>28.6</td>
<td>28.6</td>
<td>17.6</td>
</tr>
<tr>
<td>Use common sense and reflect on the implications of their statements about the company, its employees or its products and services</td>
<td>64.3</td>
<td>78.6</td>
<td>64.7</td>
</tr>
<tr>
<td>Abstain from expressing any criticism about the company, its employees or its products and services</td>
<td>28.6</td>
<td>35.7</td>
<td>17.6</td>
</tr>
<tr>
<td>Verify that what they state about the company, its employees or its products and services is factually accurate</td>
<td>42.9</td>
<td>14.3</td>
<td>17.6</td>
</tr>
<tr>
<td>Verify that what they state about the company, its employees or its products and services already is public information</td>
<td>57.1</td>
<td>42.9</td>
<td>23.5</td>
</tr>
<tr>
<td>Respect copyrights</td>
<td>42.9</td>
<td>71.4</td>
<td>47.1</td>
</tr>
<tr>
<td>Change their passwords regularly and take reasonable steps to protect their social media accounts from unauthorized uses</td>
<td>35.7</td>
<td>21.4</td>
<td>23.5</td>
</tr>
<tr>
<td>Other</td>
<td>7.1</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Building a network of employee advocates at CISCO

With social media, companies now have at their disposal an army of potential brand and company advocates who can expand the reach of company messages into personal and professional networks. These so-called employee advocates can be a huge benefit to corporations, but they need to be managed carefully to avoid the pitfalls of a large number of untrained employees engaging freely about strategic company issues and crafted messages.

Through its Social Ambassadors program, Cisco has created a foundation for managing employees as they evolve into brand and company advocates. Led by Laura Powers, director of global social media marketing, the program has encouraged almost 6,000 employees to take to social media as Cisco ambassadors. The employees represent a range of functions, including engineering, marketing, and human resources, but the majority come from the sales team—little surprise given the power of social media to engage customers. Powers says Cisco’s goal for the end of the year is to lift that number to around 20,000.

“We really recognize the value of enabling our employees to get out there and allowing their voices to be heard,” says Powers. “Communication is a lot more credible and authentic when it comes from our employees.” This point is supported by the fact that Powers has seen engagement on social media up to four times stronger through employee ambassadors than Cisco’s corporate accounts. “We’re seeing more engagement and more reach through our employee voices. That’s why we’re focusing so much on it and why we have such aggressive goals around employee advocacy,” says Powers. Being an employee ambassador doesn’t just benefit the company. According to Powers, the social policy, training, and certification program helps ambassadors create their professional image and their personal brand.

Cisco’s employee ambassador program, including training and program management, is run by Powers’ organization, but it’s an example of where collaboration between departments is absolutely necessary. For example, the team works with the corporate communications function as well as regional marketing teams to disseminate the program to employees and to manage the rare instances in which ambassadors say things on social media that they shouldn’t. The groups also meet regularly to ensure their teams are synched up in their approach to social media and how they’re instructing their employees to take part.

Powers says: “You have to work as one across teams. And that’s the mentality that we have—that we’re one team working for the greater good.”
Elevation of corporate purpose

Although changing to become more strategic, corporate social responsibility (CSR) has traditionally been a tool to improve company reputation and image. Nowadays, however, CSR is often replaced with a philosophy of building companies and brands on their ability to advance social and environmental issues through operational excellence and innovation in products and services.

According to *The Conference Board CEO Challenge*® 2016, CEOs recognize that the basic value proposition of providing a good product or service at the most competitive price is not, in itself, enough to win new customers or retain current ones. The report says: “In this year’s survey, respondents are focusing on strategies that build trust by adopting a values-based approach to customer relationships that includes improved product and service quality (perhaps the most important foundation stone for trust building), communication of corporate values and ethics as part of brand building, and internal accountability to those values.”30

A number of indicators suggest the importance of purpose to customers and employees:

- 55 percent of consumers will spend more on products from companies that demonstrate they care31
- 67 percent of consumers prefer to work for socially responsible companies32
- 91 percent of global consumers expect companies to do more than make a profit, but also to operate responsibly to address social and environmental issues33
- 84 percent of global consumers say they seek out responsible products whenever possible34
- 90 percent of global consumers would boycott a company if they learned of irresponsible or deceptive business practices.35

The *Growth Drivers* research also found that “employees do not care about financial growth as much as leaders think or expect. Business success alone is not reason enough for people to change or to release their discretionary energy in service of their company. Instead, they need to relate to the purpose of growth. What type of growth is the company pursuing and why, and how does that relate to the company purpose?”36

Michael Nolan, executive vice president and CFO of Servco Pacific, says the company considers its integrated marketing and communications function “not only as a way to promote our product and brand awareness, but also how we as a company can be viewed in the marketplace and our community. This creates grass roots traction as well

32 Doing Well by Doing Good.
33 2015 Cone Communications/Ebiquity Global CSR Study, Cone Communications and Ebiquity, 2015.
34 2015 Cone Communications/Ebiquity Global CSR Study.
35 2015 Cone Communications/Ebiquity Global CSR Study.
36 Growth Drivers, Brand Learning.
as fostering a connection with the community in a way that translates to employee and customer attraction and retention.” As an example, Nolan says that when the company wanted to donate $250,000 to the community after hitting a company milestone, it used an integrated marketing campaign that included traditional and digital elements to engage customers to help it select 10 charities that they felt would most benefit from the money.

Integrated corporate communications and marketing helps take CSR and other purpose-related initiatives out of an occasional CSR report and into the core of a company strategy, positioning the organization for growth in an era where such strategies matter.

There are few better examples of an integrated corporate communications and marketing function driving a values-based strategy than Unilever and its Sustainable Living Plan, which is “our vision to grow our business, whilst decoupling our environmental footprint from our growth and increasing our positive social impact.”37 In an interview with Harvard Business Review, Keith Weed, CMO of Unilever, summarizes why integration of corporate communications and marketing addresses so many of the challenges associated with building a purpose-driven brand and corporate strategy:

The real tension you have in companies is when marketing is in one silo, identifying what consumers need and driving demand, while sustainability is in another trying to reduce environmental impact, while corporate social responsibility is in another working on the company’s social contribution, while communications is telling its own, possibly different, story. In a connected world, this kind of internal disconnection is a hindrance, not a help.

You can’t have two different groups of people pulling a brand in two different directions. I now oversee global marketing, internal and external communications, external affairs, and the Unilever Foundation, but I also have the chief sustainability office and sustainable business development reporting into me as well. This means I can drive clarity and alignment of message for Unilever, for what we’re doing in sustainability both internally and externally. Internally my message is very much one of join up and join in, so we can all work together as one team to deliver the Unilever Sustainable Living Plan and our purpose: to make sustainable living commonplace.38

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Purpose underpins a brand that will stand the test of time
Antonio Lucio chief marketing and communications officer, HP Inc.

As far as integrated corporate communications and marketing goes, examples don’t come much better than HP Inc. Antonio Lucio joined the company from Visa in April 2015 following HP’s separation into two publicly traded Fortune 50 companies. As chief marketing and communications officer, he is a member of HP Inc.’s C-suite, reporting to CEO Dion Weisler.

Lucio’s responsibilities include leading the global marketing and communications organization, which has responsibility for branding, demand generation, and strategic events. In the Q&A below, Lucio expands on how integrating corporate communications and marketing helps build a brand and ultimately grow the company.

What role do you play in developing and executing business strategy?
I spend a lot of time working with the CEO and my peers on the executive leadership team to make sure everything we are going to do is not just going to be a marketing exercise, but who we want to be as a company. HP Inc. and HP Enterprise have gone through the largest separation in business history, so we’ve had to recraft the mission and vision of the company, as well as the corporate narrative. The only way you’re able to do that in such a short period of time is by having alignment and the support of senior members of the company, so that they own it with you.

How do you support value creation at your company?
The value created by marketing and communications is in developing a brand that will stand the test of time. The brand needs to be built with purpose: To have a meaningful impact on people’s lives; to build strong emotional connections based on tangible proof points; and to behave with integrity of words and actions. We’re constantly reinventing ourselves in search of that purpose.

When purpose is the pinnacle of the company’s existence, it drives strategic growth, provides meaningful differentiation from others, and attracts employees and consumers. The role of corporate communications is to develop a compelling narrative infused with the brand purpose which will guide employee and consumer engagement strategy.

What’s the biggest challenge you face in your role?
Being charged to take one of the market’s most trusted and most recognizable brands—we’ve been in business for 76 years—and grow it. Reframing what it would mean in the context of a more focused product portfolio spanning both commercial and consumer markets, a more focused target audience (especially millennials), and with this evolution comes the need to rethink what the brand is and the promise we have to deliver on. Our new brand platform will be nourished by our past but inspired by the endless possibilities of our future.
How do you drive integrated corporate communications and marketing deeper into the business, such that it supports multiple business functions?

We service multiple external and internal stakeholders, like any global company. In the age of digital media, where all communication converges in social media, 24/7 communication is the norm, and anybody anywhere can create a movement. There is a greater need for transparency and consistency in our messaging across all our stakeholders. The narrative of a corporation and brand need to be seamlessly integrated to minimize ambiguity across business functions and, ultimately, foster synergy in all facets of the company. You are only able to maintain the threads of the narrative by having a well-integrated marketing and communication function.

Our launch of the new Personal System Premium line and our introduction of a broad partner ecosystem for our new 3-D business are great examples of end-to-end communication integration under our “Keep Reinventing” brand promise. Our plan was formulated and executed with paid, owned, earned, and shared media focus, which includes tailor-made messaging for each audience seamlessly integrated into our broader corporate narrative.

What has integrating corporate communications and marketing helped you do, which you could not have were the functions operated separately?

We are able to develop end-to-end communication across the total customer decision journey. The experience we create for our customers—from search across to purchase—is no longer just about products. We have the ability to delight customers with relevant interactions at every level of the brand experience, which allows us to:

1. Bring our vision, mission, and brand to life
2. Make our company ethos—“Keep Reinventing”—mean something significant
3. Amplify the volume of product marketing/sales priorities

What traits should a successful corporate communications and marketing leader have?

They need to have a deep understanding of analytics: the math, the math, the math. Our discipline has become as much a science as an art. They also need to be able to balance analytical skills with a broad set of interests in the humanities. Marketing is about establishing human connections through empathy. Take the time to find the human truth. Finally, cultivate resiliency. Life will throw you curve balls. Resilience is the ability to pick yourself up, learn, adapt, and move forward with experience and conviction. In a constantly evolving and changing world, there is no more important leadership trait than resilience.
What would help you do your job better?
Better measurement systems that evaluate marketing lag, how customers behave, and how the marketing industry operates. Rewind just a few years, Facebook was not ad supported, media was still mostly bought over the phone, LinkedIn was still in its infancy, and Snapchat didn’t exist. We have to get comfortable with an ever-evolving set of marketing data that we use as inputs into how we make decisions. Triangulation across data sources and analytic tools along with good marketing judgment and a healthy sense of urgency is how we need to operate.

We have to get comfortable with an ever-evolving set of marketing data that we use as inputs into how we make decisions. Triangulation across data sources and analytic tools along with good marketing judgment and a healthy sense of urgency is how we need to operate.

We use a mix of ROI analytics, survey research, and ad response data to understand marketing effectiveness and push our teams to move quickly based on those insights. I would not say that I am 100 percent confident in any one of those sources—they all have their flaws. We encourage our teams to understand all their marketing data and reinforce that moving quickly with 80 percent confidence and good judgment is better than not moving quickly enough because we are not 100 percent confident.

What else do you hope to achieve with the integrated corporate communications and marketing function?
I like to tell my marketing teams that we are businessmen and -women, first and foremost, and marketing specialists second. Understanding the numbers and understanding that the main reason for a marketing organization’s being is to drive revenue makes you by default comfortable with the numbers.

That does not mean there is no room for creation or that there is no need for building strong emotional connections. That’s where the marketing specialists take over. But we should never, never forget that brands are not built for the sake of brand building; brands are built for the sake of building and growing a business.
WHAT’S THE VALUE OF STRUCTURAL INTEGRATION?

Although many companies reap benefits from simply having communications and marketing collaborate, how might those benefits be magnified and additional benefits be achieved? Some experts note that if the functions don’t report to the same leader, they never truly work properly together: turf wars regarding responsibility and grappling over budget always remain when functions are separated.

In its report, *Convergence Ahead: The Integration of Communications and Marketing*, Weber Shandwick says that the combined communications and marketing structure makes sense from a number of vantage points. In the company’s words:39

**Integrated structures have proven invaluable during shifts in corporate strategy and reputation management priorities** If you look at how brands and reputations get built and maintained—it is a hybrid. The boundaries between what used to be traditional marketing and communications are dissolving. If you can’t mix and match the different components of marketing and communications, you won’t be effective at building brands and reputations.

**Integration yields satisfaction and unforeseen innovation** [People] see the power of doing things under a new strategy and in an integrated manner. Being a team and doing the things we’re contemplating—radically different than the traditional strategies that were invented within their old silos—these integrative strategies are really exciting.

**Integration better aligns with an ever-changing and increasingly complex environment** If you think about content engagement in this more channel-agnostic world, it seems irreversible. Having silo-ization doesn’t seem to make sense.

Weber Shandwick’s points provide a high-level overview of what structural integration offers, but professionals have outlined a number of more tangible outcomes.

**Agility and efficiency**

Much of what integration offers is agility and the ability to make decisions more quickly. CEOs acknowledge the significance of speed and efficiency to their organizations, and how integrated communications and marketing can support that effort. In *CEO Challenge 2016*, one of the big-picture trends that emerged was “getting their organizations aligned and making them more agile—supported by effective, enterprise-wide communication. All of this is taking place as the potential emergence of new technologies and innovations is poised to further challenge a company’s speed of response.”40 Structural integration can lay a foundation for speed and efficiency because it helps companies find and solve problems faster, removing barriers to information flows and decision making and helping a company capitalize on the potential of digital transformation.

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Michael Kaelin, executive vice president and CFO of RTI International, summarizes why this is important to companies: “Integrating communications and marketing should help with brand consistency, speed to market, and leveraging available outlets, which should drive efficient use of spend that is aligned strategically to what is important to the organization.” Kim Randall, Servco’s vice president of marketing and communications, adds: “By having these functions report to the same executive, we’re able to limit staffing and better manage project prioritization issues, thereby streamlining project execution.”

**Consistency of message**

One of the most commonly cited benefits of integrating corporate communications and marketing is the ability to create and disseminate a consistent message across all forms of engagement with stakeholders. According to Weber Shandwick, “the best run brands in the world behave in a consistent way; they stand for one thing or a few things and consistently communicate that globally.”

In a survey of IT decision makers, IDG Enterprise found that consistency of message is important to customers as well as to the companies disseminating it. Participants were asked “Do you notice when a technology vendor provides a consistent experience/consistent information to you via a variety of channels (for example, using a combination of email, social media, video, online product demos, events, etc.)?” Over 70 percent of respondents said that they notice it and appreciate it.

The Coca-Cola Company in Asia-Pacific notes that consistency of message between its collaborative corporate communications and marketing teams has translated directly into improvements in metrics such as brand love, corporate reputation, fan base, employee engagement scores, and media coverage.

Collaboration between corporate communications and marketing is important to achieving a consistent message across the organization. But it is enhanced by structural integration because that framework removes barriers for different leaders in the communications disciplines to make contrasting decisions on corporate narratives and values, among other communications areas.

**Alignment of goals, metrics, and budgets**

Consistency is not just about what stakeholders hear from a company—it also helps companies get aligned internally. If one consistent strategy for corporate communications and marketing is coming from one leader at the top of an organization, the analytics then overlap and apply consistently to each communications discipline, making it more efficient for the departments to track their performance and report back to management.

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41 Convergence Ahead, Weber Shandwick.
42 Content Customization Comes to the Fore, IDG Enterprise, 2016.
Research from the Reputation Institute suggests that CMOs can better quantify reputation metrics than corporate communications officers, giving them better metrics, more tools, and a voice with the CEO.\textsuperscript{43} Although efforts have been made to establish more tangible metrics for corporate communications value, such as work done by Mark Weiner at PRIME Research,\textsuperscript{44} integrating the two functions can enable both to tell more impactful stories to CEOs and the C-suite.

The integrated function has been able to elevate the awareness of the benefits it provides to corporate strategy, meaning PR and marketing are being taken more seriously. According to integrated marketing expert MaryLee Sachs: “CMOs who report the highest levels of alignment between marketing and PR establish objective-setting with blended and collective rewards.”\textsuperscript{45}

Meanwhile, with corporate communications playing a more significant role in marketing, sales, and business strategy, and the emergence of positions that look after customer experience and responsibility as well as employee communications, metrics such as employee engagement, Net Promoter Scores, social influence, and likelihood to act have become more important, compounding the overall significance the role is having in companies as a whole.\textsuperscript{46}

When measurement metrics are more aligned to strategic priorities across the business, the integrated function can make a stronger case for a larger budget because it can show more accurately the value it provides to the company. Not only that, but integrated functions can better target their budgets to areas that support strategic priorities. Often, it’s not only about the amount of money that’s made available—often through marketing budgets—but an attitude toward the type of assistance the group can hire. For example, Dustee Jenkins, Target’s senior vice president of communications, says that reporting to the CMO has allowed her to tap the best PR agencies in the world because that’s what the company’s marketing team demands.

Marketing budgets are growing, as noted in the Gartner CMO Spend Survey 2015-2016. Gartner says that a company with $2 billion in revenue would have increased its marketing budget from $200 million in 2014 to $220 million in 2015, and that 2 out of 3 marketers expect their budgets will continue to grow in 2016.\textsuperscript{47}

When structurally integrated, both functions operate under leaders who recognize the importance of each discipline and allocate their budget to reflect what can be achieved by the combined function against the goals of the organization.


\textsuperscript{44} Mark Weiner, PR and Meaningful Business Outcomes: Demonstrating and Generating a Positive Return on Your PR Investment, PRIME Research Americas, 2015.


\textsuperscript{47} Yvonne Genovese, Anna Maria Virzi, and Jake Sorofman, Gartner CMO Spend Survey 2015-2016: Digital Marketing Comes of Age, Gartner, 2016.
Better, more effective storytelling

Creating and unleashing better stories can be a powerful benefit of structural integration. Kathy Klotz-Guest, CEO of Keeping it Human, says this is because stories exist everywhere in an organization, not simply within the marketing or communications function. “Companies that are moving forward and doing a good job with content marketing understand that it’s everybody’s responsibility,” she says. “Great stories live everywhere in the company, and siloes keep these great stories from emerging.”

She cites start-ups as examples of companies that have been more successful at using social media to drive business value because they don’t have the legacy of walls to prevent information from getting out. “Customers don’t want to speak to marketers,” she says. “They want to speak to the internal experts, so companies need to let employees loose as content and subject matter experts. Employees closest to the customers often have powerful stories and content to share, and marketing needs to tell these stories. And with the right training and framework, employee advocacy programs can have a huge impact on customer experience, revenues, and lifetime customer values.”

Weber Shandwick suggests that integrated corporate communications and marketing “power compelling original content.” It says: “[Chief communications and marketing officers] are finding that the aggregation of functions better positions them to develop and distribute original content. Integration’s larger budgets and greater authority have enabled some CCMOs to craft compelling stories that shape reputation through content journalism.”

Great storytelling comes from the confluence of communications and marketing. Journalists have an eye for good storytelling. As a large proportion of people working in corporate communications come from journalistic backgrounds, corporate communicators are often in a strong position to find the best stories around companies. But from a marketing perspective, as Target’s Jenkins, says: “Creatives can effectively bring those stories to life in a way that we cannot on our own.”

48 Convergence Ahead, Weber Shandwick.
How TARGET has made structural integration work

If there’s one thing that makes structural integration work at Target, says Senior Vice President of Communications Dustee Jenkins, it’s the fact that the company’s CMO trusts her and her team to do their job as corporate communicators while serving as part of the broader marketing function. Jenkins, who reports to the CMO but often works directly with CEO Brian Cornell, says her team would never be successful if they weren’t empowered to work independently because the pace of communications nowadays demands an ability to respond quickly.

She estimates that 30-40 percent of her team’s work is done in conjunction with marketing on areas such as guest campaigns or introducing new products, but the rest of the time, communications is working on its own priorities. Often, when marketing is supporting a campaign, her team will note that it is not newsworthy and decide not to support it. That’s a decision she’s free to make, and an example of how the integrated function works so smoothly.

Target has grown on the strength of its brand: marketing has been the bread and butter of the company for decades. For communications to report to the CMO means a number of benefits—many of which are not often experienced by peers whose CMOs are less understanding of the crucial role communications plays on its own. For Jenkins, those benefits are, among others:

1. She has an advocate at the C-suite level—a supporter who can help her elevate things when necessary and who gives communications a seat at the table with regard to executing critical business decisions.

2. She has a powerful brand behind her, and being part of the marketing function gives her credibility, insight, and access to information she and her team might not always have; as such, she has the resources and the freedom to try things in new and different ways. She doesn’t just have more freedom with her budget (although that’s still a factor), but, for example, the permission to work with the best public relations agencies in the world, all stemming from the fact that marketing considers that to be important.

3. She is encouraged to enhance measurement of corporate communications by someone who focuses on measurement generally. She has moved away from simply tracking impressions to looking at whether a message has been heard effectively, what the tone of the resulting media coverage was, and how many people took action based on what they saw, for example. Whereas Jenkins concedes that the communications industry is moving in this direction anyway, she believes that reporting to a CMO focused on the math as well as the message got her team there much faster than they would have arrived on their own.
Capturing guest insights As companies look to collect better data and turn it into meaningful insights, Target is showing how it can be done well through structural integration. The company’s Guest Center of Excellence manages insights into the consumer through traditional market research techniques and social media listening and analysis. The group sits under marketing (the social media team is separate, though still housed under marketing), and as such provides communications an important resource. Jenkins says: “That’s really important information for a communications team because in order for a message to resonate, it has to be something that people want to read, and so because we have a direct tie-in to the team that oversees those guest insights, it helps us to partner with them to make sure our message is being heard effectively.”

The integration journey Although Target’s journey exhibits most of the best practices highlighted by others, it is true that the marketing function absorbed communications in 2010 when they first began the integration. But for Target, it’s a move that made sense. Look at the integration process otherwise, and all the hallmarks are there, especially the fact that the process was led in the beginning by a CEO who recognized the importance of telling the company story as well as the brand story.

And like all other integration stories, Target’s is an ongoing one. Jenkins says: “Like any organization going through a transformation, it’s not one and done. Evolution takes time.” Looking to the future, Jenkins says: “As people are inundated more and more with information and content is growing and there is an expectation of transparency, these things will continue to intersect. Everyone is under a microscope; everyone expects transparency on everything. Consumers want to know where products were made, what went into them, the cost breakdown, the age, our price for them, etc. These are all questions that consumers want answered. So, marketing, communications, and product development all start to blend together.”
FM GLOBAL Gradual approach to structural integration yields lasting benefits

As a B2B mutual property and insurance company, FM Global has typically relied more on corporate communications than marketing to grow its business. However, as the interconnectedness of the two functions became increasingly clear in the past decade, the company recognized the importance of marketing as well.

Roberta Butler, FM Global’s senior vice president of marketing, served as vice president of corporate communications when the company formed out of a merger in 1999, but took on the role of vice president of brand strategy in 2005, while marketing sat as part of sales. Fast forward to 2012, and the company’s leadership team spun marketing out of sales and gave Butler the responsibility of an integrated function that includes corporate communications.

Gradual approach to integration Progressing toward an integrated function, rather than executing a wholesale restructuring, is a common approach as companies slowly experience the benefits of the two functions working together, before often uniting them under one umbrella. Whereas a wholesale restructuring can be an overwhelming task, the gradual approach—while less intensive—still involves a lot of change and typically requires HR involvement. As Butler says, a lot of work goes on to figure out who goes where and which service falls under which internal group.

FM Global’s HR function is structured such that each of the company’s units has an assigned HR representative. As the corporate communications and marketing function was integrating, Butler says they used that representative as a “reality check.” For example, the HR representative would assess the overall plan for moving functions, then look at how the roles were being moved, consider the changes in roles and responsibilities to see whether a job evaluation was required, and check whether there was equity across the board with regard to how people were being moved around. “It has worked out pretty well,” says Butler. “We continue to make tweaks as our business needs evolve.”

Importance of leadership Having company leaders champion the effort has been integral to making the most of integration. Butler says: “The starting point for [the integrated function] delivering value to the organization is that the C-suite does not think of it any other way. The expectation is that both corporate communications and marketing will be driven together out of this group—there’s an acceptance that everything will be integrated together.” That acknowledgement at the leadership level means that the combined function has earned the right to have a role in strategy discussions, something that Butler’s counterparts at other companies don’t always experience.
One example of how the combined function has played a role in FM Global’s value generation is the effort by the function to promote a complimentary service to client-facing employees. FM Global is a one-product company—it sells large risk property insurance policies to Fortune 1000 companies. However, it also offers clients business risk consulting (BRC) services to help them understand where their weaknesses are—in their supply chains, for example—from a risk standpoint. This service is valued by clients who use it, but it wasn’t getting wide internal attention.

This presented Butler’s team with an internal awareness and education problem, something the marketing function could help the corporate communications side solve. “We did a classic marketing exercise with the BRC group to figure out its status internally, its penetration, how to find more accounts that would benefit from the service, and then to communicate that to the internal influencer audience,” Butler says.

**Storytelling** Even in a B2B scenario, with the more marketing-savvy business audience, storytelling plays an important role in marketing, and that’s something corporate communications has helped with at FM Global. Butler uses the example of the category 5 tornado that hit Joplin, Missouri, in 2011 and destroyed the local hospital, an FM Global client. “We told the story of how FM Global helped the hospital come through that loss and how they are doing now,” she says. In that example, corporate communications crafts the story for marketing to take to its target audiences. Additionally, FM Global owns the world’s largest purpose-built fire and natural hazard test facility, which it uses to test all manner of disasters. Butler and her team were challenged by executive management to move the traditional visitor tour to an interactive experience using relevant examples and storytelling techniques. A small cross-functional team with marketing and communications skills teamed up with colleagues in the engineering and research side of the business to rethink what visitors hear and see from a brand experience perspective. The group took a page from the “Agile” process—an alternative to traditional project management—and rolled out changes as they were developed. That process allowed for user feedback, which helped the team tweak and build as they went. The result is a vastly improved visitor experience delivered in less than six months.
Integrated Corporate Communications and Marketing Can Support Digital Transformation

The integration of corporate communications and marketing is occurring during a time of early digital transformation at companies. For The Conference Board, digital transformation “leverages digital technologies and the data they produce to connect organizations, people, physical assets, and processes. Within an enterprise, it often leads to significant changes in business strategy to capitalize on emerging customer needs. These changes may reshape a company or disrupt an entire industry.”

Both corporate communications and marketing are at the heart of these technologies and the data they provide because they have historically been responsible for their use in companies (as communications tools, social media originally fell under the responsibility of corporate communications and marketing), and they have experience in the data collection and analysis techniques required to put them to use. Marketers have long used data analysis techniques to understand customers better, and with the onslaught of technologies supplying that information to companies, their role has never been more significant. At the same time, companies have to make sense of the data—something that corporate communications is expert at.

In its two reports on the topic, The Conference Board has found that companies are moving inexorably toward the use of data from digitization to understand customer and employees better, as well as to improve efficiency of operations and decision making. However, both also note the shortcomings that companies face when it comes to this shift. For example, Navigating the New Digital Economy says companies are still in an “installation phase,” during which the diffusion of the latest digital technologies is quite slow. This conclusion is supported by USC Annenberg’s Generally Accepted Practices study, which found only 17.8 percent of companies say that social media pervades every aspect of the business.

And Digital Transformation: What Is It and What Does It Mean for Human Capital? suggests that the biggest obstacles for companies seeking to make progress toward digital transformation are the lack of digital leadership, no burning platform, competing priorities, and lack of familiarity with digital technologies.

50 Generally Accepted Practices VIII, USC Annenberg.
51 Young, Digital Transformation.
A report by Juniper Networks has found that the C-suite in particular is underprepared for digital disruption, with 90 percent of respondents saying that their organizations would be better prepared if executives were more tech savvy. Shel Holtz, a communications expert and advisory board member with the Society for New Communications Research of The Conference Board, believes that this lack of preparedness is a communications challenge. He says in some organizations communicators have taken responsibility for bringing executives up to speed on digital disruption, given their ability to connect the technology with tangible business practices.

Digital Transformation’s Four Essential Elements

1. **Technology** From wearable devices, location sensors, and radio frequency identification tags to social media platforms and smartphone applications (such as apps that let you hail a cab, rate a plumber, or find a gas station), technologies are a critical enabler of digital transformation. But they are just one of the components. People often conflate digitization—using technology to do something better or faster, like putting physical medical records online or storing photos in the cloud—with digital transformation. Understanding the difference is a good place to start.

2. **Connectedness** The Internet of Things (IoT) is one example of digital technology’s ability to connect organizations, people, buildings, machines, and other devices to each other, often for the first time. Digital transformation enables companies to interact with their customers (B2B or B2C) or even their customer’s customers (B2B2C) through social media, online evaluations, and real-time user data to learn what they are saying about the brand—and, even more importantly, what new needs and expectations they have.

3. **Data and analytics** Wherever digital technology creates connectedness, it also generates data—continuously and in massive volumes. Digital transformation is fueled by this data and by the information and insights that can be extracted from it. Companies need to think creatively about the business value of their data and how it could be combined with data from ecosystem partners. This information then gets infused back into products, services, and the innovation process itself. Data may also become a new line of business.

4. **Digital strategy** Companies need a disciplined way to assess where the biggest digital threats and opportunities lie for specific parts of their business. For this they need to monitor the competitive landscape, keeping an eye out for new entrants who could rapidly capture emerging opportunities. To execute a digital strategy, leaders need to think about how their culture, organizational design, job structure, operational processes, and policies may need to change.

It’s examples like Holtz’s, coupled with other experiences, that lead some experts and practitioners to suggest that corporate communicators and marketers—when effectively integrated—are often leaders of digital transformation. Companies exist in complex global environments and face a number of challenges. Responses to this complexity and related challenges are more robust when they are thoroughly informed by all available information, consistent, and fast. That’s what integrated corporate communications and marketing can achieve.

From the marketer’s perspective, Caren Fleit and Brigette Morel-Curran of Korn/Ferry Institute, say: “As organizations strive to set themselves apart from competitors, marketing has taken on new prominence throughout the business process. The days when marketing simply built brands, created above-the-line programs, and targeted customers are over. Now marketing—and more specifically the office of the chief marketing officer (CMO)—is transforming how business is done.”52

The Arthur W. Page Society cites the following among its list of responsibilities for the new CCO: 53

**Integrator** Leading cross-functional collaboration within the enterprise and across the C-suite, thereby involving the entire enterprise in building corporate character and stakeholder advocacy

**Builder of digital engagement systems** Developing sophisticated, enterprise-wide digital systems and processes for managing engagement with all stakeholders

From a practitioner’s perspective, Southwest Airlines’ Rutherford says too that it’s communications’ job to be the integrator—“to lead the charge towards a structure that opens a window on an organization.” Although Southwest is not structurally integrated in its corporate communications and marketing, the opportunity afforded through collaboration between communication and marketing is paying off (see Southwest Airlines case study, page 61), and she believes her communications team is at the heart of that.

In a recent webinar, she says:

> We are in highly transparent era. Think about departments of your company as different rooms—you can’t necessarily see what’s happening in each room, but it makes a house. Each room in the house represents a different function. Nowadays we can see what’s happening because the walls are made of glass. We need to find how to work better because all of our stakeholders can see different ways we’re coming to market, which means we have to be better internally at understanding what each of us is doing and how we can bring those efforts together to tell one story, one narrative, with one voice. I help guide that to make sure we have the right tools, people and talent in place to make that happen.54

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52 Fleit and Morel-Curran, The Transformative CMO.
Beyond the partnerships that can be typically considered useful to driving growth, the digital economy is pushing communications and marketing leaders to form partnerships with leaders such as the chief counsel and data protection teams. As marketing becomes more sophisticated—particularly with the use of data gleaned from social media and other technology—the role of privacy and security becomes more important. In an integrated function, communicators and marketers are already building the foundation for broader collaboration and elevating the exposure of the roles to the C-suite. With such elevation comes the opportunity to build stronger relationships across the enterprise.

**TRANSLATING DATA INTO INSIGHTS**

One of the headwinds that companies will face in adapting to the New Digital Economy is a lack of skilled workers. The Conference Board identifies STEM occupations as critical for organizations to transition their digital innovations into business innovations. It says a tech-savvy workforce is indispensable to get the most out of digital technology, bring new products and services to market, and become more productive and profitable.55

At the same time, the expertise to turn that data into insights and develop cohesive narratives that engage internal and external stakeholders to help companies make collaborative decisions and present a consistent message remains crucial.

Weiner and Kochlar summarize this role well. They say: “The importance of Big Data is not the vast quantity of information made available, but instead, it is the value that can be created to improve performance, and better understand competitors, consumers, employees, media, and other publics. Organizations must learn and recognize that data alone do not answer ‘why’ or explain inferred insights. Uncovering insights of Big Data require a human element and critical thinking to create meaning.”56 Southwest Airlines’ Rutherford explains this idea further: “When [communications is] called into a meeting to address a business challenge, we ask what tools we have and what we could know about the situation based on the data available to us, and we try to guide business partners in putting together a narrative in what they’re trying to do.”57

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57 Rutherford, “The Inevitability of Data-Driven Communication Integration.”
**SOUTHWEST AIRLINES**  Big data PR analysis aids on-time performance

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**Objective/Brief**

As one of the top domestic carriers of passengers and their bags in the United States, Southwest Airlines has a 40+ year history as an efficiency machine. For many years, it has held the top spot in the US Department of Transportation Monthly Air Travel Consumer Report as the best on-time domestic airline. Two years ago, those statistics began to slip, as the airline was working to bring together the schedules of Southwest and its newly acquired subsidiary, AirTran Airways. The airline also pivoted to a more long-haul scheduled airline with more connecting itineraries, all of which created a more complex operating environment. As a result, Southwest has struggled with on-time performance (OTP). It is important to note there is a direct correlation between poor OTP and customer complaints, and a low Net Promoter Score. The business has seen an improvement in OTP recently, a result of new programs and procedures in place to help improve turn times, originator flights, etc., along with diligence and dedication by Southwest Airlines’ employees.

**Strategy**

An enterprise-wide effort began with many moving parts to attempt to improve the airline’s operational performance. Initiatives like “Start Strong” were implemented to ensure the first flights of the day left on time, thereby creating a better operational day. The Communications Team was asked to participate in the enterprise effort and contribute data to a comprehensive view of operation for a holistic view of OTP. Then, a cross-functional team would analyze the data to better understand trends with the traveling audience (i.e., complaints, customer service calls, refunds, etc.).

**Execution/Implementation**

Southwest’s Ops Recovery Team pulls information monthly from various teams and departments to get a holistic view of how the business is performing when it comes to OTP, specifically in the areas of Operations, Customers, and Finance. As part of the monthly Ops Recovery Team report, under the Customer umbrella, the Communications team would supply data and insight on news coverage and real-time social conversation (sentiment, topics, and volume) that mentioned OTP directly, or, as Customers often reference it—“flight delay,” “on time,” or “late flight.”
Effectiveness of Assignment

The Communications data included the number of news and social media mentions daily, daily sentiment, sample of comments, and examples of news coverage, drawing attention to any major news announcement on any given day, like Department of Transportation rankings, or an event that may impact OTP, like weather, or ancillary service issues, such as a shutdown of an air traffic control tower. This data was married with the number of customer complaints that were recorded by the Customer Relations department, as well as the actual arrival delay in minutes per passenger, to give the team a surgical view of how external factors could be affecting OTP, and helped reiterate that poor OTP will drive an increase in customer calls and inquiries via the telephone and social channels, as well as be directly linked to downturn in the Net Promoter Score.

The business has put several new programs and procedures in place to help combat some of the “cause and effect” results of sluggish OTP. Initial results, based on the most recent stats from the Department of Transportation, show Southwest’s OTP rate for June 2015 was 72.5 percent, or eighth place when compared to other airlines. This was a significant improvement over June 2014, when OTP was 67.6 percent, and 10th place overall.

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OUR EXPERT

ALEX PARKINSON is a senior researcher and associate director of the Society for New Communications Research of The Conference Board (SNCR). He specializes in corporate philanthropy and communications and marketing, and is the executive editor of Framing Social Impact Measurement and Giving Thoughts, a blog and online publication series in which The Conference Board engages corporate philanthropy experts in an open dialogue about topical issues of concern to member companies. He is also the author of Making Sense of Social Impact Bonds for Companies, Better Together: Why a United Front Can Propel Diversity and Inclusion and Corporate Philanthropy in the United States and co-author of Corporate Communications Practices: 2016 Edition.

Alex led the integration effort between SNCR and The Conference Board when the two organizations came together in February 2016. He serves as the combined entity’s Associate Director and is a member of the SNCR Advisory Board.

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