

The CEO drives the brand

Why the global evolution of chief executive officers into chief brand officers is leaving marketers out in the cold.

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Quick. Think Virgin and chances are that an image of Richard Branson's shock of blond hair and toothy grin pops into your mind. General Electric: Jack Welch, less hair, less toothy.

The point is, when it comes to powerful brands driven by strong leaders, the two can become almost indistinguishable, which is a great thing as long as the CEO does a good job. As the key link between the board and the organisation, the CEO is the chief custodian of the brand, "...safeguarding its reputation and acting as the key driver of shareholder value", according to a study by the Zyman Institute of Brand Science at Emory University in Atlanta.

The face of the brand

There is much evidence locally that the CEO is indeed the chief brand officer. Several years ago, the then Checkers boss, Clive Weil, was often featured in the grocery giant's commercials with his famous "twolley for twolley" value promise. More recently, faced with the cyanide scare that reputedly cost the company an estimated R200 million, Pick 'n Pay CEO Sean Summers was the dominant face of all communications. Strong leaders inspire confidence and galvanise support, adding tremendous value, particularly during troubled times.

This realisation has put the role of marketing officers in the spotlight. Many are feeling left out of strategic discussions, with their role limited mostly to the 'soft' aspects of communication, branding and research. But the writing has been on the wall for some time. Pre-eminent management guru Peter Drucker once declared: "Marketing is too important to be left to the marketing department. Business has only two basic functions: marketing and innovation."

The company's reputation

If one accepts that marketing is the responsibility of the CEO, then the likes of Summers and Branson are just doing their jobs, and admirably so. And if you don't buy into that sentiment, then you're in denial according to a 2002 survey by Hill & Knowlton, which found that 90% of investment analysts base their recommendation of a firm's stock on the CEO's reputation.

Another survey by Burson Marsteller indicates that the CEO's reputation is responsible for as much as half of a company's reputation. Brand validity clearly depends heavily on a CEO who embodies the brand and its values.

It is, therefore, no surprise that the 2006 Sunday Times Brand Leadership/ Markinor "State of Marketing" survey was dominated by chief executives with strong personalities and high visibility. Marketers, as traditionally understood, barely feature in the survey, conducted

among 400 decision-makers across marketing, finance and operations nationally.

A look at some of the survey results

- While 61% of respondents report to an MD or CEO, who presumably reports to or sits on the board, only 9% report directly to the board. Among the top 10 marketers who are perceived to have "contributed to the success of their organisations", the only marketer who also sits on the board is MTN's Santie Botha.
- Underscoring the important role of the senior leadership, the list is dominated by CEOs. Marketing and communications expert Chris Moerdyk, Botha, and yours truly are the only career marketers recognised as "marketing thought leaders".
- The world's authority in marketing, Philip Kotler, described as "the world's foremost expert on the strategic practice of marketing," is the only academic recognised as having "contributed to the success of their organisations".
- Only 1% of the marketers believe they are responsible for the success of their organisations.
- Almost half of those interviewed could not name any other marketer whom they believe made a difference to the success of their organisations.

Marketers to redefine their role

It's clear, therefore, that traditional marketers have little, if any, significant impact on the bottom line. Since Kotler says the marketers' role is "to be the voice of the consumer in all the strategy thinking and planning" in the boardroom, marketers need to redefine their role within organisations and become key allies to the chief executives in creating shareholder value and building the brand.

Marketers today have to understand how success is measured in capital markets – by shareholder value added, time value of money and cost of capital. They must also be able to brief those who brief analysts, not just on financials but also on the source of future value – markets and customers. In other words, they must understand how CEOs are evaluated – in terms of being accountable to boards and investors and creating shareholder value.

Whether the CEO should star in company commercials such as Weil did is another debate. But one thing is certain, as Gloria Garvey & Brooke Gramman of Garvey + Gramman put it, "Where brand is concerned, keeping the promise starts and ends at the top."

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