

Transcript

March 12, 2025, 1:59PM

● **Mariana Peneva | Institute for Real Growth** started transcription

DE **Dave Edelman** 0:05
Hey, Mariana.

M **Mariana Peneva | Institute for Real Growth** 0:07
Hey. Hello.
Hi, David. Nice to meet you.

DE **Dave Edelman** 0:09
Yes, same here.
And where are you located?

M **Mariana Peneva | Institute for Real Growth** 0:14
I'm in the Netherlands in Amsterdam.

DE **Dave Edelman** 0:17
Ah, lovely. Lovely town. I'm in.

M **Mariana Peneva | Institute for Real Growth** 0:18
Yeah. What about you?

DE **Dave Edelman** 0:20
I'm outside of Boston in Cambridge.

M **Mariana Peneva | Institute for Real Growth** 0:22
Oh, OK.
Yeah. So it's a bit earlier for you in the data and it is for me.

DE **Dave Edelman** 0:27
Yes, yes, it's 10:00 AM, yeah.

M **Mariana Peneva | Institute for Real Growth** 0:31

But really nice to meet you. I know also thanks.

I know we had to postpone wants the meeting, but I'm really glad we can talk now.

DE **Dave Edelman** 0:37

Yeah, I'm glad you're feeling better.

M **Mariana Peneva | Institute for Real Growth** 0:39

Yeah. Yeah. It's one of those, I think flus that everybody gets, you know, but.

DE **Dave Edelman** 0:44

I got it. I had it.

I was totally knocked out.

M **Mariana Peneva | Institute for Real Growth** 0:46

Yeah.

DE **Dave Edelman** 0:47

Yeah, not good, but it's in the past.

M **Mariana Peneva | Institute for Real Growth** 0:51

Yeah. Hey, so we're talking about the humanized growth in the era of AI study.

I don't know how much Marc has already told you about the study or what we're doing.

DE **Dave Edelman** 1:03

I could use a refresher.

M **Mariana Peneva | Institute for Real Growth** 1:04

Yeah. No, I can imagine.

So basically, we started the study a few months ago and we do it together with in a partnership with Google.

That's all the whole study basically started, and then we also got on board, Oxford University.

They usually join us on most of our studies and also the Ana, the CMO Growth Council.

So as part of the study, we are doing vision interviews and so far we have done about 30 interviews with Cmo's. So really more to practitioner side of things.

We did quite an extensive desk research and we used the notebook LM from Google, which is quite helpful as well.

DE **Dave Edelman** 1:45

Oh, I use it all the time, yeah.

M **Mariana Peneva | Institute for Real Growth** 1:46

Yeah, yeah.

So we have those two components.

But now we're at a point where we want to get more. The perspective of the experts.

So not so much Cmo's and practitioners, but more like the experts.

More visionary and more looking into the future, and then in the coming weeks we'll also be launching a quant.

So Quant survey to validate some of the hypothesis.

So that is where we are in terms of the key questions. So we're looking at.

Until now, how has marketing and mainly you know the Cmo's leveraging the power of AI.

So how have they leveraged that for marketing, but maybe also for the whole organization?

Maybe they have done something, but it's also about where do we see the future going? Because from experience like from what we read, what we heard and from experience until now, a lot is focused on cost efficiency in marketing.

But I feel like there is much more to be discovered in the future.

And then the other point is really the leadership. So as a CMO like what should be your priority when it comes to AI?

And you know what are the?

Let's say that the leadership implications from this transition.

But I would say those are the three things we're exploring and I'm hoping that from this conversation I can get that expert perspective.

DE **Dave Edelman** 3:03

I'll do my best. I have opinions.

M **Mariana Peneva | Institute for Real Growth** 3:03

And and yeah, and. And you know, what's your vision?

Yeah, that's what I'm looking for. Yeah, yeah, yeah.

DE **Dave Edelman** 3:07

Yes, I definitely have opinions.

So.

M **Mariana Peneva | Institute for Real Growth** 3:10

Yeah, yeah.

So if that's OK with you, maybe we can start. Yeah. So, yeah, until now. How have you seen marketing in CMOS leveraging AI?

DE **Dave Edelman** 3:12

Yeah, let's do it. Yeah.

M **Mariana Peneva | Institute for Real Growth** 3:19

Like, what's your view on that?

DE **Dave Edelman** 3:21

Yeah. So I have a framework I use to look at how companies are using AI that has three levels.

M **Mariana Peneva | Institute for Real Growth** 3:27

Mm H.

DE **Dave Edelman** 3:28

The first level is what I call for me, which is where individuals are using ChatGPT perplexity, Microsoft Copilot to just get their own work done with some help. Help me.

M **Mariana Peneva | Institute for Real Growth** 3:32

Hmm.

Mm hmm.

DE **Dave Edelman** 3:46

Write a brief on this.

Help me do some research on this.

And it's it's people on their own doing stuff, and there's a lot of that going and that's fine.

There's nothing wrong with that, and people are learning about these tools and how to use them, and it's helping them be productive, maybe even get new ideas.

Nothing wrong with that, but it's very internal isolated. Then the next level is what I call for us.

And for us, is where a marketing organization is looking. How?

It gets something done, such as launching a new campaign for example, and is looking more end to end and saying how can AI change the way we do that and most of that will be focused on efficiency.

Most companies are using that mostly to generate. Well, you could use the tools to do some research on target on target market and help you write a brief.

You can use it to come up with some variations on creative.

M **Mariana Peneva | Institute for Real Growth** 4:54

Yeah.

DE **Dave Edelman** 4:55

You can also use it to model out a media strategy.

And so you're changing the way you're doing things.

Maybe with some changes in your operating model.

But it's still very early stages and we should come back to that. The third level is what I call 4 hour customers.

M **Mariana Peneva | Institute for Real Growth** 5:14

Yeah.

DE

Dave Edelman 5:20

Where you're actually.

Changing the way you provide value to your customers.

M

Mariana Peneva | Institute for Real Growth 5:25

Yeah, that's what I'm doing.

DE

Dave Edelman 5:27

Because of AI capabilities.

M

Mariana Peneva | Institute for Real Growth 5:30

Mm hmm.

DE

Dave Edelman 5:31

So for example.

I've done work with Verizon.

And understanding that somebody is actually paying too much because they're on the wrong monthly plan and so they're constantly getting charges for data.

M

Mariana Peneva | Institute for Real Growth 5:46

Mm hmm.

DE

Dave Edelman 5:50

So you go after them with a carefully crafted pitch.

That's telling them.

Why don't you go upgrade to a new plan and you'll actually save money and it's personalized and it's targeted and they are using AI.

M

Mariana Peneva | Institute for Real Growth 6:03

Mm hmm.

Yeah.

DE

Dave Edelman 6:09

For several things there.

One is spotting that trigger.
And realizing that that's an attrition risk.

M **Mariana Peneva | Institute for Real Growth** 6:18
Mm hmm mm hmm.

DE **Dave Edelman** 6:19
Because they might lose that customer.
Because of the extra charges that customer is getting and then they are probably testing lots of different variations. AI is coming up with many different variations and then they can use tools to automate and manage the actual testing process.

M **Mariana Peneva | Institute for Real Growth** 6:26
Mm hmm.
Mm hmm.

DE **Dave Edelman** 6:42
Of doing test and learn.
Test and learn and figuring out not just what's the best average offer, but the best offer for Mariana versus David.
Based on characteristics about each of us.
And so that's where you're actually changing the way you think about marketing as a value creation engine.

M **Mariana Peneva | Institute for Real Growth** 7:04
Mute, mute.

DE **Dave Edelman** 7:05
So that's different and you're thinking about it at an individual level, you're looking for triggers and contextual information on an individual and then you're being very creative in terms of coming up with new ways to actually provide value.
You and I've got other examples of that as well.
But that top one in terms of four hour customers.
Is still very early in the game.

M **Mariana Peneva | Institute for Real Growth** 7:34
Yeah.

DE **Dave Edelman** 7:35
You know, maybe.

And I was involved in some research with BCG and the Ana. Yeah, where no more than 15% of companies were really doing that.

M **Mariana Peneva | Institute for Real Growth** 7:40
Yeah, the pathways, right. Yeah. Yeah. Erin.

DE **Dave Edelman** 7:49
They were still just focused. Mostly they say they want to.

M **Mariana Peneva | Institute for Real Growth** 7:49
Mm hmm.

DE **Dave Edelman** 7:53
But they're focused on efficiency.

M **Mariana Peneva | Institute for Real Growth** 7:55
It was the beginning. Yeah. Yeah, yeah. And what?
What do you think is getting in the way?
Is it just a matter of time because it's such a new thing?
Well, it's kind of a new thing and it takes time until companies really get to that level of, you know, 4 hour customers.
Is it lack of understanding what's possible?
What do you see as the blockers on the way?

DE **Dave Edelman** 8:16
Yeah, I'm actually doing a webinar on this later today.
So.

M Mariana Peneva | Institute for Real Growth 8:20

Is it with Sadie? This is.

DE Dave Edelman 8:23

No, it's LinkedIn live.

It's a LinkedIn live.

M Mariana Peneva | Institute for Real Growth 8:25

Ah OK, because I'm joining one with Sadie, so I thought maybe you were.

DE Dave Edelman 8:28

OK.

No, no, it's a LinkedIn live that I'm just doing on my own.

M Mariana Peneva | Institute for Real Growth 8:32

OK. Yeah.

DE Dave Edelman 8:34

A big chunk of this is actually just mindset. What I just described that for us could do.

Actually they could have done awhile ago.

Maybe not as well, but they could have done.

The issue is mindset.

It's saying instead of just pushing out campaigns.

That we are just figuring out who to mail a predesign campaign to because we know the campaign.

M Mariana Peneva | Institute for Real Growth 9:03

Yeah.

DE Dave Edelman 9:04

Generates a certain amount of revenue of rowaz.

It's actually flipping it around and saying where are my customers?

What can I do to take them the next step?

What is it that can provide value?

And it's a.

It's a flip in mindset from a campaign push to a trigger responsiveness, and that's a deeper you you change your budgeting.

You change your planning.

That's not just about.

AI.

It's about how you even think about the discipline of running a marketing team.

M

Mariana Peneva | Institute for Real Growth 9:43

Yeah, yeah, yeah.

DE

Dave Edelman 9:44

And that's a big change that I see in working with clients 'cause they're just so used to a talent they plan. So they have their marketing plan for the year and the plan has budgets and it's got certain campaigns that they're running and that's what they have budget.

M

Mariana Peneva | Institute for Real Growth 10:01

Yeah.

DE

Dave Edelman 10:04

For and, that's what they do. And this is saying no, it's not really a campaign. It's an ongoing program that's constantly searching for signals, trying to move customers constantly testing and learning. And it may be some of it.

We're looking for attrition risks.

Some we're looking for cross sell risk.

Some we're looking, we just have to educate customers because they don't know how to use our stuff.

M

Mariana Peneva | Institute for Real Growth 10:36

Yeah, yeah, yeah.

DE

Dave Edelman 10:37

And so there's a big mindset shift that's involved.

M Mariana Peneva | Institute for Real Growth 10:42
Mm hmm. Mm hmm. Yeah.

DE Dave Edelman 10:44
Let me give you another great example.
Of how not to do it.
So I about a year ago I moved to the House that I'm in now and when I did, I decided to treat myself to an espresso coffee maker.

M Mariana Peneva | Institute for Real Growth 11:01
Oh yeah.

DE Dave Edelman 11:02
I like. I like the Nespresso. I like you know, the the espresso stuff and all that.
So I bought the Nespresso coffee maker and it comes with 100 pods for little coffee pods right at the start.
Three days later, I'm starting to get bombarded every day with offers from Nespresso to buy more pods.
I just three days ago I got 100 pods.

M Mariana Peneva | Institute for Real Growth 11:27
You know, yeah.

DE Dave Edelman 11:30
How much coffee do they think I drink? And if they thought I was a small business, for example, they have my address.

M Mariana Peneva | Institute for Real Growth 11:31
Yeah.
Yeah.

DE Dave Edelman 11:39
They can look that up and see it's a residential address.
It's very obviously residential.

And then the amazing thing is a week and a half later, they're pitching me on buying more machines.

M **Mariana Peneva | Institute for Real Growth** 11:53
Oh no.

DE **Dave Edelman** 11:54
Yes.

M **Mariana Peneva | Institute for Real Growth** 11:55
Yeah, yeah.

DE **Dave Edelman** 11:55
So what was clearly happening was their mindset was not to say what they could've done is three days after.
Send me a note.
Congratulations on buying it.
We hope you're enjoying it.
Tell us how you like it.
Did you know you can make iced coffee?
Not just hot coffee.

M **Mariana Peneva | Institute for Real Growth** 12:15
Yeah.

DE **Dave Edelman** 12:17
What flavors do you like?
Like there's all these things they could have done, none of that.
They didn't do any of that.

M **Mariana Peneva | Institute for Real Growth** 12:22
Yeah.

DE **Dave Edelman** 12:23

And instead they just have a campaign.

Came that they run to pitch pods and now they have a new name on the list.

M **Mariana Peneva | Institute for Real Growth** 12:31

Yeah, but it's funny because when you say it is just so obvious.

DE **Dave Edelman** 12:35

I.

M **Mariana Peneva | Institute for Real Growth** 12:36

And it's like, yeah, it's hard to imagine, you know.

I know this is happening.

It's just hard to imagine, you know why this is happening.

Yeah. Do you see any?

Any differences when it comes to different industries? Because I had a conversation with someone yesterday and they said that.

AI is more applicable if you think about customer experience. It's much more applicable to services.

And in retail, now you're giving me an FMCG example.

So I'm I'm not sure where what I think about it.

So I'm just exploring opinions if there is if let's say, some industries are more.

Yeah. Closer to the benefits of AI or not.

DE **Dave Edelman** 13:15

Yep, the reason it all has to do with access to 1st party information.

M **Mariana Peneva | Institute for Real Growth** 13:21

Mm hmm.

DE **Dave Edelman** 13:22

And I'm giving you a consumer goods example with Nespresso, but it's really not because they sold it direct to me.

They had my name.

They had direct information, so the issue is not only services, it's first party data.

M **Mariana Peneva | Institute for Real Growth** 13:38

Yeah, yeah.

DE **Dave Edelman** 13:39

And that's the key, because with AI you can do a lot more to change the. Ongoing experience that is absolutely true.

M **Mariana Peneva | Institute for Real Growth** 13:47

Mm hmm.

DE **Dave Edelman** 13:48

You can find cross sell opportunities.

You can find opportunities to reduce attrition like I mentioned earlier, because you have all these signals AI needs to be fed.

It needs data, data, data.

M **Mariana Peneva | Institute for Real Growth** 14:00

Yeah, yeah, yeah.

DE **Dave Edelman** 14:03

And so if you've got access to 1st party data, you can constantly feed the AI.

M **Mariana Peneva | Institute for Real Growth** 14:03

Mm hmm.

Mm hmm.

DE **Dave Edelman** 14:11

Now one of the things that as we look ahead.

In terms of marketing, is that marketers really good marketers? One of the things they have to do besides the mindset thing that I was talking about is start getting more creative in working with their technology teams on opening up new sources of data.

So are there new ways to get signals?

M **Mariana Peneva | Institute for Real Growth** 14:33
Mm hmm mm hmm mm.

DE **Dave Edelman** 14:35
So for example.
One of the big telecom companies in Europe now uses a service.
It's called data org, but there's several of them that takes every call center interaction and turns that into digital data about the caller.

M **Mariana Peneva | Institute for Real Growth** 14:56
Wow.

DE **Dave Edelman** 14:57
So if you're calling in, some may be sales calls, some may be service calls, but then they're they're capturing the fact that Mariana called in.
She was ***** ***.
She saw a better offer for her phone, right?

M **Mariana Peneva | Institute for Real Growth** 15:11
Yeah.

DE **Dave Edelman** 15:11
She saw a discount offer.
She didn't understand why.
She wasn't.
It was only A to new customers.
Why can't she get that offer?
And she was ***** ***, and she cited these other examples and that's now digitized data about Mariana, about what she called in about her attitude, the fact that she mentioned competitors, yo, that she knew how much she spent and how long she had been a customer.

M **Mariana Peneva | Institute for Real Growth** 15:20

Mm.
Wow.

DE Dave Edelman 15:42
All of that becomes data that then they can follow up with you.

M Mariana Peneva | Institute for Real Growth 15:44
Yeah.
Wow. Wow.

DE Dave Edelman 15:48
So they're opening up new kinds of data.

M Mariana Peneva | Institute for Real Growth 15:52
Yeah, that's very interesting. Yeah. Yeah, yeah.

DE Dave Edelman 15:55
And then just think about other ways to open up data. What Nespresso did not do, they could have just asked me what flavors do I like.
How much coffee do we drink in our household? They could have had what I call zero party data just by asking me directly and they didn't none.

M Mariana Peneva | Institute for Real Growth 16:15
Yeah.
Yeah. No, I understand. Yeah. Yeah.

DE Dave Edelman 16:20
And that and so good marketers. So in in our book, we talk about Marriott and Peggy Rowe.
Who's the head of customer experience?
One of the things she talks about is how they very deliberately ask bonvoy. Their loyalty club here and there they ask them questions.
Where might you be thinking about going on vacation next to a frequent business travel?
They'll say when might you go on vacation with your family?

M **Mariana Peneva | Institute for Real Growth** 16:51
No.

DE **Dave Edelman** 16:53
What kind of amenity do you like when you come into your room?

M **Mariana Peneva | Institute for Real Growth** 16:53
Yeah, yeah, yeah.

DE **Dave Edelman** 16:58
You know what? You know, if what's your favorite drink and they just gather that over time and they just use that as part of the service experience.
So good marketers, because of the capabilities of AI, have their mindset on.

M **Mariana Peneva | Institute for Real Growth** 17:08
Yeah.

DE **Dave Edelman** 17:17
How can I get even more data?
Other kinds of data, and there are tools now that make that easier to do.

M **Mariana Peneva | Institute for Real Growth** 17:19
Yeah, yeah, yeah, yeah.
And of course, when we talk about data, one thing that comes to mind is of course the whole notion of, you know, responsible AI and ethics. And when when we did this, the desk research, one thing that was very interesting for me to see is that in the.
In all publications in books, and it does pop up as a very important topic for marketing.
However, when you interview CMOS.
It's not really top of mind for them.
It feels like it's something the legal team should do, and yeah, they can also contribute.
Who do you think should be responsible for that?

Because what you say now, for example, the the telecom example, I think it's brilliant. But if as a customer if I don't know that they keep this file on me, you know where is the boundary.

Where is the? How do you see that one?

DE **Dave Edelman** 18:14

Yeah. Well, first of all, when they do record they they actually say at the beginning that this phone call will be recorded.

M **Mariana Peneva | Institute for Real Growth** 18:21

Yeah.

DE **Dave Edelman** 18:22

Not that you're gonna do anything about it, but yeah, but The thing is most what really is creepy and it varies by the person.

M **Mariana Peneva | Institute for Real Growth** 18:24

Yeah, yeah.

Yeah.

DE **Dave Edelman** 18:33

So one of the things that again as research for the book that we did was a global BCG does every year now a global survey of consumers?

Asking them about their attitudes towards information about them being used and what was interesting and it varies a little by country.

M **Mariana Peneva | Institute for Real Growth** 18:48

Mm hmm.

DE **Dave Edelman** 18:53

But let me just I'll start with the US.

75% of consumers in the US say that they have given more business to companies who have used.

M **Mariana Peneva | Institute for Real Growth** 19:07
Mm.

DE **Dave Edelman** 19:12
That they felt were useful.

M **Mariana Peneva | Institute for Real Growth** 19:14
Yeah.

DE **Dave Edelman** 19:14
But then the flip side.
2/3 have said they.
Business with companies who they felt used their data inappropriately.

M **Mariana Peneva | Institute for Real Growth** 19:27
I see what you mean, yeah.

DE **Dave Edelman** 19:29
Yep. So it, yeah, it varies.

M **Mariana Peneva | Institute for Real Growth** 19:31
Yeah.

DE **Dave Edelman** 19:33
But people will, if you had value to them. If you say something to them like we know you're spending too much money on your monthly telecom plan, upgrade to a better plan and you'll actually say.

M **Mariana Peneva | Institute for Real Growth** 19:45
Yeah.
Yeah.

DE **Dave Edelman** 19:52
So you gotta think about it from the customers perspective.

M **Mariana Peneva | Institute for Real Growth** 19:56

Yeah.

Yep.

DE **Dave Edelman** 20:06

It allows you to do so much more testing.

M **Mariana Peneva | Institute for Real Growth** 20:11

Mm hmm.

DE **Dave Edelman** 20:12

It automates the process. It lets you create variations.

It lets you do multivariate testing, not just AB testing, but you can do ABCDE testing.

M **Mariana Peneva | Institute for Real Growth** 20:24

Mm hmm.

DE **Dave Edelman** 20:25

And so all of that is enabled now with AI.

So you can test more and figure out what people think is creepy.

M **Mariana Peneva | Institute for Real Growth** 20:34

Yeah, yeah.

Well, that's a very good point.

So in one of the conversations, one of the CMO said something quite interesting that I also want to check with you, and his fear was that we. So we were talking about the Coca-Cola Christmas campaign.

Where for the first time they basically generated the whole commercial without any people, right?

Because they just fed in the in the model, whatever they've had done for the past decade or more, even.

And then it produced the campaign.

But then in that conversation with the CMO, he had some serious doubts about basically destroying.

Brands and he said if we all start putting the same thing and it's analyzed, then you know, generated in the same way, we're just gonna end up in, like vanilla for everyone.

DE **Dave Edelman** 21:08

Mm hmm.

M **Mariana Peneva | Institute for Real Growth** 21:17

So how do you see that one in terms of how do you really protect the brand identity? Yeah.

DE **Dave Edelman** 21:20

Yeah. So that's a different, yeah.

So that's a different, that's a whole different set of questions.

M **Mariana Peneva | Institute for Real Growth** 21:25

Yeah, yeah.

DE **Dave Edelman** 21:28

But I've always been all along a believer that AI should be a tool to drive personal creativity.

M **Mariana Peneva | Institute for Real Growth** 21:36

Hmm.

DE **Dave Edelman** 21:36

And So what?

You still need people to have the insights about.

What is going to resonate emotionally for different marketers?

What looks natural? What what?

Evokes emotion. AI can then help you come up with ideas and maybe even generate an ad.

M **Mariana Peneva | Institute for Real Growth** 21:52

Yeah.

DE **Dave Edelman** 21:59

But it's gotta be tied to a human. I still believe coming up with.
The emotional aspects of the connection, the insights.

M **Mariana Peneva | Institute for Real Growth** 22:11

Mm hmm.

DE **Dave Edelman** 22:13

If we all just simply use AI, it's not only that we're going to erode brands by making them sound similar, it's just also just gonna be.
More, more, more crap.

M **Mariana Peneva | Institute for Real Growth** 22:23

Yeah.

DE **Dave Edelman** 22:23

It's just gonna be a content overload.
It's gotta I do think there's a strong role for creatives.
In coming up with the emotion now that's different than them hand drawing it and you know, they may not need a real photo shoot.
They may be able to use AI to come up with new kinds of images that they never could before, but it still has a human.
Hand and the criticism of the cocad was that it was cold.

M **Mariana Peneva | Institute for Real Growth** 22:51

Hmm.

DE **Dave Edelman** 22:57

It was just very distant.
There was no warmth, a lot of you know, Coca-Cola has always been around tapping me, emotions of people being together. Connecting Coke was always about good times with other people. And you know what? They showed had zero warmth.

M **Mariana Peneva | Institute for Real Growth** 23:06

Yeah.

Hmm.

Yeah.

DE **Dave Edelman** 23:16

I mean, it was cool to look at but had no warmth and so.

M **Mariana Peneva | Institute for Real Growth** 23:19

Yeah.

DE **Dave Edelman** 23:20

You know where they lost the brand when they created that they maybe could have created an AI generated ad that had warmth that they really thought about. What should go into it?

M **Mariana Peneva | Institute for Real Growth** 23:26

Mm.

DE **Dave Edelman** 23:34

But they didn't.

In this case, maybe they let the AI do too much.

M **Mariana Peneva | Institute for Real Growth** 23:37

Interesting.

Yep, very interesting. OK. And if we shift a little bit also to the to the type of leadership of these takes and in the very early in the conversation you spoke about the, the mindset flip that this requires. What else do you think it takes in terms of?

DE **Dave Edelman** 23:51

Mm hmm.

M **Mariana Peneva | Institute for Real Growth** 23:55

Let's say if we talk to Cmo's and what advice should we give them on how to approach this whole?

Let's say transition that for some.

It's very exciting.

Others are really scared by it.

What would be your leadership advice to them?

DE **Dave Edelman** 24:09

Yeah, that AI is a tool, but the basics and you know, I I taught at Harvard Business School marketing for three years and you still need strategy. You still need brand.

M **Mariana Peneva | Institute for Real Growth** 24:17

More.

DE **Dave Edelman** 24:23

You still need to understand your customers.

M **Mariana Peneva | Institute for Real Growth** 24:24

Yeah.

DE **Dave Edelman** 24:26

That does not change. AI can help you get information about your customers, but you still need to understand what really is your brand.

M **Mariana Peneva | Institute for Real Growth** 24:32

Mm hmm.

DE **Dave Edelman** 24:38

What's the what is the?

M **Mariana Peneva | Institute for Real Growth** 24:38

Yeah.

DE **Dave Edelman** 24:40

How does your brand add value to a customer's life?

M **Mariana Peneva | Institute for Real Growth** 24:46

Yeah, yeah.

DE **Dave Edelman** 24:46

It could be tactical, it could be emotional.

It could be aspirational, but what is that?

And you can't lose that. In fact, with AI, there's a danger even more of losing it. As you were saying.

So you have to be that much stronger in thinking about how your brand empowers the customer.

M **Mariana Peneva | Institute for Real Growth** 25:03

Yeah.

Hmm.

Yeah, yeah, yeah.

DE **Dave Edelman** 25:13

And and take that and bring that into your creative.

But then also into the nature of the marketing you do.

M **Mariana Peneva | Institute for Real Growth** 25:21

Hmm.

DE **Dave Edelman** 25:22

So you know, telling me that you know from an espresso thing, how are you empowering me to do auto replenish, to explore new flavors?

Learn about coffee from all over the world.

M **Mariana Peneva | Institute for Real Growth** 25:35

Yeah.

Yeah, yeah.

DE **Dave Edelman** 25:39

You know, how are you empowering me to do that?

Your eyes should be on that, not just on selling pots. OK. If you just wanna sell pods, I I can get pods from anywhere. You're not building any connection to me.

M **Mariana Peneva | Institute for Real Growth** 25:52

Mm hmm.

Yeah, yeah.

DE **Dave Edelman** 25:54

It's about marketing has to bring the customer.

When I was chief marketing officer at Aetna, there was a change in the CEO where Mark Bertolini, who hired me, he retired.

We were about to be bought by CVS.

Karen Lynch became the CEO and the first thing Karen said to me was I want you banging on the table even louder about our customers and making sure that when we're making decisions, we are thinking about the impact on our customers.

M **Mariana Peneva | Institute for Real Growth** 26:12

Mm hmm.

Yeah, yeah, very clear.

Yeah, yeah, yeah. Again, when you say it, it's so simple and so, so intuitive. And yet so few people thinking that way.

DE **Dave Edelman** 26:36

It gets lost.

It get lost in the chase.

In the chase for quarterly earnings and the chase for ROAS on an individual campaign, not thinking about the broader portfolio, trying to minimize and take the simple path. But then when I see a clients are open rates, go down, unsubscribes, go up.

M **Mariana Peneva | Institute for Real Growth** 27:01

Yeah.

DE **Dave Edelman** 27:02

Their costs go up because people are not clicking on their ads.

Because they just look the same as everything else, so we gotta reconnect.

M **Mariana Peneva | Institute for Real Growth** 27:07

Yeah.

Yeah.

Yeah. Yeah, very good.

OK.

I'm also aware of the time.

Is there anything that you think is really important for us to know at this stage of the study?

But I didn't ask you about yet, and I don't think this is the last time we're going to speak so.

DE **Dave Edelman** 27:26

OK.

Fair enough.

M **Mariana Peneva | Institute for Real Growth** 27:28

But yeah, I'm just curious if there's something that you feel we really need to consider.

DE **Dave Edelman** 27:33

Yeah, I think that there's a leadership opportunity for the heads of marketing.

M **Mariana Peneva | Institute for Real Growth** 27:38

Mm H.

DE **Dave Edelman** 27:41

Building on what I was saying before that I feel in that there are two ways marketing is going right now.

One is not a good Rd. where marketing is becoming just a luncheonette that takes orders.

So the business unit said I need an e-mail campaign. I need a this I need that.

And marketers are becoming just a production shop where AI just simply makes them a more efficient production shop. That's not helping the company. It's not.

M Mariana Peneva | Institute for Real Growth 28:01

Yeah.

Yeah.

DE Dave Edelman 28:13

It's not realizing the impact marketing can bring, but there's another which some companies are doing where marketing is at the table more bringing that image of who we really are as a brand.

What can we do for customers?

What really is the art of the possible?

And I believe marketing now, especially with the tools AI enables can step up with new insights with new capabilities to expand the sense of what's possible and have more of a leadership opportunity.

M Mariana Peneva | Institute for Real Growth 28:39

Yeah.

Yeah.

DE Dave Edelman 28:49

And I'm helping, you know, I do a lot of consulting work with companies where I am helping my clients do that.

M Mariana Peneva | Institute for Real Growth 28:56

Mm hmm mm hmm.

DE Dave Edelman 28:57

Their CE OS actually want them to, but the people they need help.

They need coaching and stuff.

M Mariana Peneva | Institute for Real Growth 29:02

Yeah.

DE Dave Edelman 29:02

But I think it's a great opportunity right now because of what's possible for marketers

to step up. And I think that's important in a study like you're doing is to give that sense of aspiration to our market.

M **Mariana Peneva | Institute for Real Growth** 29:14

Yeah, yeah.

No, and it's also and that's why we do the study. And you know, I don't.

Maybe you've spoken to Mark already about our purpose, which is all about helping CMOS to increase their their personal their business and then societal impact.

So indeed, AI could be a great opportunity for that. Yeah. OK.

DE **Dave Edelman** 29:33

Mm hmm.

Yep.

M **Mariana Peneva | Institute for Real Growth** 29:38

Well, thank you so much.

It has been really pleasure meeting you and also talking about AI with you.

So thank you so much for that, David.

DE **Dave Edelman** 29:43

Sure.

M **Mariana Peneva | Institute for Real Growth** 29:45

And again, I'm sure that at certain point Mark will reach back asking for.

More advice or sparring sessions so I will be in that. I am. Yeah. Yeah, yeah, yeah, I am. Oh, fantastic.

DE **Dave Edelman** 29:51

Sure. Are you gonna be at con?

Are you gonna be there?

I'll see you there.

I'll be there for that weekend before at St.

M **Mariana Peneva | Institute for Real Growth** 29:56

Then I'll see you there.

DE **Dave Edelman** 29:58

Paul de Vance.

M **Mariana Peneva | Institute for Real Growth** 29:59

Yeah, yeah, yeah. Oh, great.

DE **Dave Edelman** 29:59

Yeah, yeah, I'll be there. Yep.

M **Mariana Peneva | Institute for Real Growth** 30:00

Fantastic. Then I'll. I'll meet you in person. Perfect.

DE **Dave Edelman** 30:03

Yes, absolutely. OK, take care, Mariana.

M **Mariana Peneva | Institute for Real Growth** 30:05

OK.

Well, have a good day.

DE **Dave Edelman** 30:06

Yep. Bye, bye.

M **Mariana Peneva | Institute for Real Growth** 30:06

Thanks, Dave. Bye.

● **Mariana Peneva | Institute for Real Growth** stopped transcription