

Changing with the Times

Microsoft CMO **Chris Capossela** on how the company is elevating its marketing

From his days as Bill Gates' speech assistant to his present role as executive vice president and chief marketing officer, Chris Capossela has witnessed several transformational changes in the business of marketing at Microsoft over the past 22 years. Having set the company's bold new strategy to grow the brand and create the next wave of rabid Microsoft fans, Capossela is quick to point out the ways in which marketing has continued to elevate its game.

"We've become far more data driven in our marketing," says Capossela, who has held a variety of marketing leadership roles at Microsoft, including an earlier stint as CMO, from April 2011 to July 2013. "We've really embraced the notion of doing fewer things but focusing them on having more impact. We study customer behavior more than we've done in the past. We're more focused on telling great stories — microsoft.com

/stories is a great example of a fresh take on corporate communications. We're going directly after the competition in categories where we aren't the leader. For example, our tablet and phone ads explain not just what you will like about our products but what they can do that the competition cannot."

Capossela shares his thoughts on the skills of great high-tech marketers, how to keep marketing fresh, what he learned from Bill Gates, and more.

Q. How has your time at Microsoft helped you become a better marketer? What skills are paramount to success?

A. Besides doing actual marketing, I have been lucky to work closely with marketing in other capacities, such as product design and sales. This has helped me better understand what other people need marketing to deliver for them to be successful. When it comes to the skills

of great high-tech marketers, I think the four that stand out are empathy, product passion, business modeling, and communication. Empathy is important to really understand the customer or the partner you are trying to serve. Product passion is critical because high-tech marketing is rooted in the notion that your products are literally going to change the world. If you treat them like commodities, your marketing is going to lack the emotion and aspiration needed to succeed. Business modeling is all about understanding the value exchange. Sometimes the value is to the consumer, sometimes to the advertiser, sometimes to the publisher, and sometimes to the IT department or developer. Marketing at Microsoft includes building a profitable business, so understanding the flow of money is crucial. Communication skills are important because you need to talk with lots of different audiences and understand how to speak their languages. Motivating a developer is very different than motivating an IT person or a consumer.

Q. How does marketing help inform product development to ensure sustained growth at Microsoft?

A. In a million ways. Product development is a team sport, and marketing plays an important role on the team. Market research is one of the functions that helps drive our product development. We have become more sophisticated at combining attitudinal research with behavioral data from our own products or websites to make smarter choices about what product capabilities are really going to matter to our customers.

Q. How do you keep pace with changes in the industry to keep your marketing fresh?

A. Hiring outside people is probably the most impactful thing. We benchmark ourselves against the best marketers in the world regardless of industry, but I think hiring well brings more organic change than anything else. We look for people who are smart, are completely in love with technology, and, most important, have a burning desire to get stuff done and be innovative. It's easy to find people who have two of these qualities, but you need all three to really make an impact.

Q. What business lessons did you learn from Bill Gates that still apply today?

A. The big surprise for me was just how incredibly curious Bill was — and still is — to learn new things. Despite how deep Bill was on a variety of topics, he was constantly in learning mode to update his own mental model of how something works. That's probably the number one thing I've tried to learn and apply in my own life.

— Ken Beaulieu

