

Transforming a Marketing Team for the Digital Age

Introduction

The data and technology revolution is transforming the marketing world.

Leading edge companies are recognising the potential of using data and technology to build deeper, more engaging customer relationships – by delivering personalised one-on-one customer messages, to each and every customer and prospect, at each and every stage of the customer journey – with companies like Microsoft leading the way.

In June 2015, a bus stop poster in Glasgow showed Microsoft's mobile voice-activated assistant, Cortana, announcing a reminder about playing cricket at the weekend. One local, Chris, derided the advert tweeting a photo of it with the caption: "Said nobody in the east End of Glasgow ever", which was retweeted 4,283 times. Microsoft responded with a personal tweet to Chris which said that they weren't kidding that Cortana was personal, including a photo of the same bus stop with a poster which read: "Cortana, next time I speak with Chris, remind me not to mention the cricket."

To deliver this, leading edge marketers are transforming their marketing functions to:

■ Be more customer centric

Recognising and engaging with people as individuals – by better understanding who they are and what they're looking for and creating a dialogue with them using relevant messages, at the right time, through the right channels.

■ Create a seamless, multi-channel experience

Leveraging new, more cost-efficient communication channels alongside traditional ones and delivering a joined-up customer experience that makes it easy for people who see an advert to then enquire and buy.

■ Focus investment on the most effective activities

Delivering fewer, bigger, better campaigns – by quickly identifying and focusing investment on those communication messages and channels that are most effective, and eliminating those that are not.

This paper looks at how leading edge marketing organisations are transforming their marketing teams for the digital age – including the key strategies for success, the typical transformation journey they go on and the benefits that transformations can deliver.

Six strategies for success

When transforming their teams for the digital age, leading marketers typically use six strategies for success:

To better meet customer needs, marketers are investing in:

■ Leading edge data and technology:

Putting in place the customer data, systems and technology needed to identify each customer and assess and focus on the activities that are most effective.

■ Compelling customer insight:

Generating compelling customer insights, that can be used to engage customers with the right message, at the right time, through the right channel.

To build a joined-up multi-channel experience, marketers are investing in:

■ Big brand ideas:

Creating big, compelling brand ideas that can be cascaded across all cross-functional teams, to deliver a seamless customer experience across all touch points.

■ New channel expertise:

Bringing the brand to life across all customer touch points and communication channels, in a seamless and joined-up way.

To focus investment on the most effective marketing activities, companies are embedding:

■ Tight performance management:

Putting in place systematic test and learn processes to quickly identify and focus investment on the top performing activities and eliminate poor performing ones.

■ An agile, empowered culture:

Streamlining teams and processes to be more agile – and empowering people to challenge the norms and learn from their failures as well as their successes.

The transformation journey

To make the journey, leading marketers are streamlining their teams to be more agile, embedding the necessary capabilities and expertise and increasing their team's cross-functional impact.

Building a more agile marketing team

CMOs typically start the transformation journey by streamlining their existing marketing team and day-to-day operations – by consolidating duplicative functions,

integrating end-to-end teams to work closely together and simplifying the creative development process. This can result in a significant headcount reduction of 20% to 40%.

CMOs then use the freed up resources to hire in new expertise – using external agencies to support and upskill the existing marketing team in the interim. In our experience, companies typically bring back in approximately half the number of people that were originally exited, creating an overall net headcount reduction.

Once the new hires are in place, marketing organisations tend to reduce their overall reliance on external agencies – using them to upskill the existing marketing team, deliver specialist expertise and be on top of emerging trends and technologies.

Investing in new capabilities

To support these changes, leading marketers typically hire in three types of new expertise:

- **Customer Insight Experts**, (in areas such as Customer Segments, Customer Journeys, Customer Loyalty, Customer Experience and Customer Contact) who can help develop more relevant products, services and messaging, delivered through more influential channels.
- **New Channel Experts**, (in areas such as Digital, Social, Email, Mobile, SEO, PPC, Content Integration, Digital Media Planning and Buying, and Programmatic) who can leverage new, more cost-efficient channels alongside traditional channels, as well as create a more seamless customer experience.
- **Marketing Effectiveness Experts**, including: Data experts (in areas such as Test Design, Data Analysis and Governance, Test & Learn, KPI Measurement and In-flight Optimisation) who can set up and run systematic test & learn and rapid optimisation programmes that quickly identify the top performing communication activities and eliminate poor performing ones.

Creative people (such as Copywriters, Journalists and UX Designers) who work alongside the data experts – to create content that can be tested and optimised in real time.

Building greater cross-functional impact

Companies are increasingly recognising that strong brands are key to delivering a great customer experience and thus are encouraging marketers to work more effectively with their cross-functional peers, to define and gain alignment to a powerful brand promise that the whole organisation can buy into.

Marketers then work with Data, Technology, Propositions and Service teams to develop compelling propositions that bring the brand promise to life.

Additionally, they work with channel teams (such as Retail and Digital) to deliver a seamless, joined-up customer experience and identify and focus on those communication messages and channels that are most effective.

The result

When executed well, great marketing transformations significantly increase marketing's return on investment in a number of ways:

From an organisational perspective, they typically result in a headcount reduction, as well as a lower reliance on external agencies and thus agency costs.

From a customer perspective, brands that can recognise their customers are better able to engage them with a relevant message, at the right time, through the right channels.

From a channel perspective:

- Spend is typically reallocated away from more expensive traditional channels (such as television, press and posters) into new, more cost-efficient channels (such as digital, social and search). However, in all cases we viewed, a significant proportion of a brand's budget is still spent on traditional channels, reinforcing the importance of maintaining a strong brand presence.
- Brands that have a seamless, joined-up customer experience across all touch points are more successful at converting customer awareness and consideration into product enquiry and purchase.

From a marketing effectiveness perspective, companies that systematically test how well each communications activity performs in-market are better able to identify and focus investment on those messages and channels that are most effective, and eliminate those that are not.

In conclusion

The data and technology revolution is only just beginning – with a sense that we only understand a fraction of what life will be like in five years' time.

To embrace this change, marketers should encourage their Board to invest in the data and technology needed to deliver a personalised one-on-one customer experience, to each and every customer and prospect, at every stage of the customer journey.

In turn, they should transform their marketing organisation to:

- Be more customer centric.
- Create a seamless, joined-up multi-channel experience.
- Focus investment on the most effective marketing activities.

By doing this, marketers can use data and technology to create deeper, more engaging and rewarding customer relationships and thereby build meaningful competitive advantage.

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