

Marketing Engines



July – 2020

83%

of marketing organizations
do not have the right
marketing strategies

92%

have only medium or low
digital maturity levels

75%

cannot measure the return on
their marketing activities

Adapt or fail

Why your organization needs
to build a marketing engine to
balance magic and metrics

New reality

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The future of marketing will look a lot different from the present of marketing. Trends such as hyper-personalization and omnichannel prevalence will fundamentally change the way marketing organizations operate, and usher in new digital ways of working. Marketing organizations will have more P&L responsibility, as marketing often represents the last resort to win new customers and increase average basket sizes in a world of interchangeable products and services. This will present significant challenges and force organizations to address critical questions, such as whether they have the right skills to meet

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future requirements. This is making executives nervous: our survey shows that CMOs and CEOs do not feel prepared to meet the future challenges. They know that action is necessary, but what should they do? Our experience shows that a passive approach is no longer an option. Marketing organizations must transform themselves into marketing engines in order to survive – we give you insights about how to adapt.

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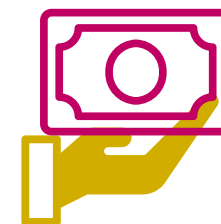
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Key trends shaping the future of marketing

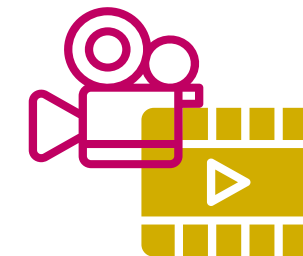
The **marketing landscape** is changing fast. The era of static billboards, cold calling and mass mail shots is coming to an end, replaced by new digital tools such as microtargeting, personalization and social media influencers, as well as an increasing business

responsibility of marketing departments. In the future, marketing departments are in charge of sales, customer value and profitability. To succeed, data will become king, and companies will have to adapt to this new reality or risk marketing meltdown ...

Overview of key marketing trends



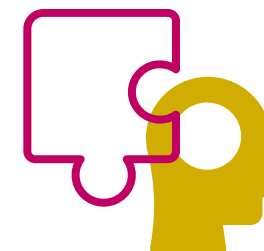
Pressure to show
marketing results



Dynamic content
formats



Sense-making
and transparency



Hyper-
personalization



Omnichannel
prevalence

Challenges facing marketing organizations

These trends are creating challenges for existing marketing organizations. A recent Roland Berger survey¹ shows that marketing and sales decision-makers feel ill-prepared to deal with them.



"Companies underestimate the transformational impact and the power of the new marketing reality."

TOBIAS GOEBBEL, SENIOR PARTNER

Expert talk

WITH TOBIAS GOEBBEL, SENIOR PARTNER



What is the core challenge facing marketing organizations in their attempts to future-proof? Marketing organizations are not being ambitious enough. They are too focused on reshuffling their existing organization rather than redesigning it completely. This means a new mandate and scope. For example, what role should marketing play? And what is the level of ambition?

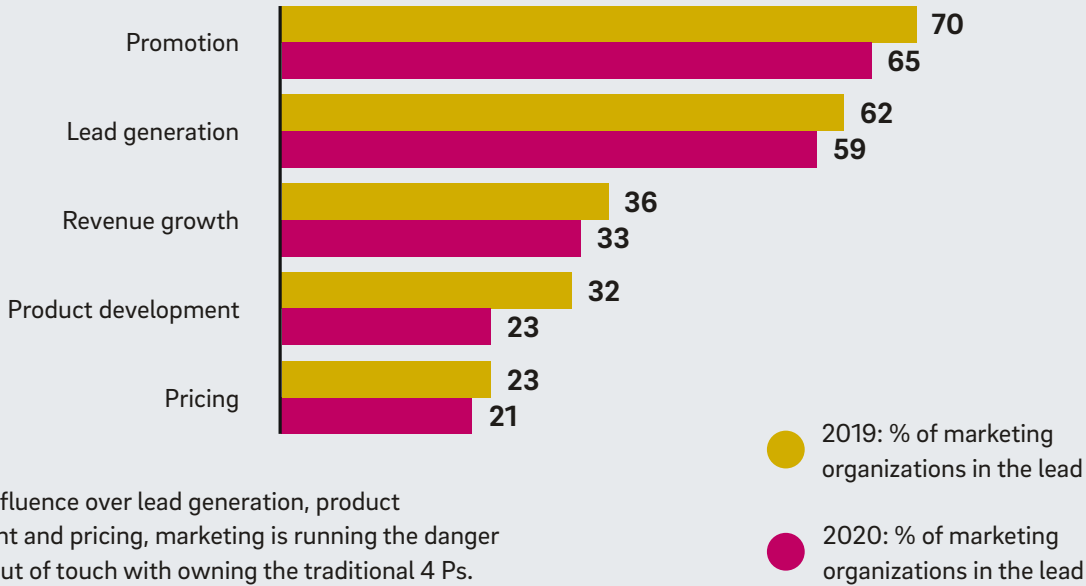
How can marketing organizations define their level of ambition? In our experience it is essential to define marketing's mandate to contribute to business performance. For example, what is marketing's role regarding sales, product management and R&D? Is marketing in the lead, or is it merely in an executing/supporting role? Without proper consideration of this key question, customer-centricity will remain a buzzword, and any re-organization will lack parameters.

How should stakeholder management be handled under this approach? Early involvement of stakeholders and transparency is key here – there is no room for political games. Instead, there should be an open discussion about how the customer interface should be managed going forward.

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Top 5 areas where marketing is losing ground

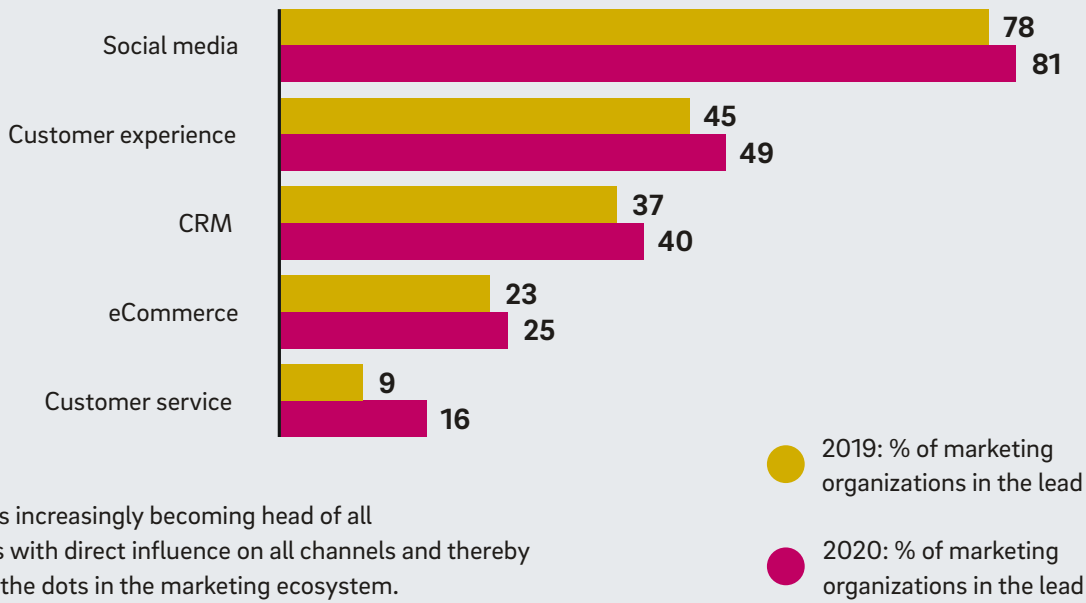
Percentage of companies in which marketing leads activity



By losing influence over lead generation, product development and pricing, marketing is running the danger of getting out of touch with owning the traditional 4 Ps.

Top 5 areas where marketing is winning ground

Percentage of companies in which marketing leads activity

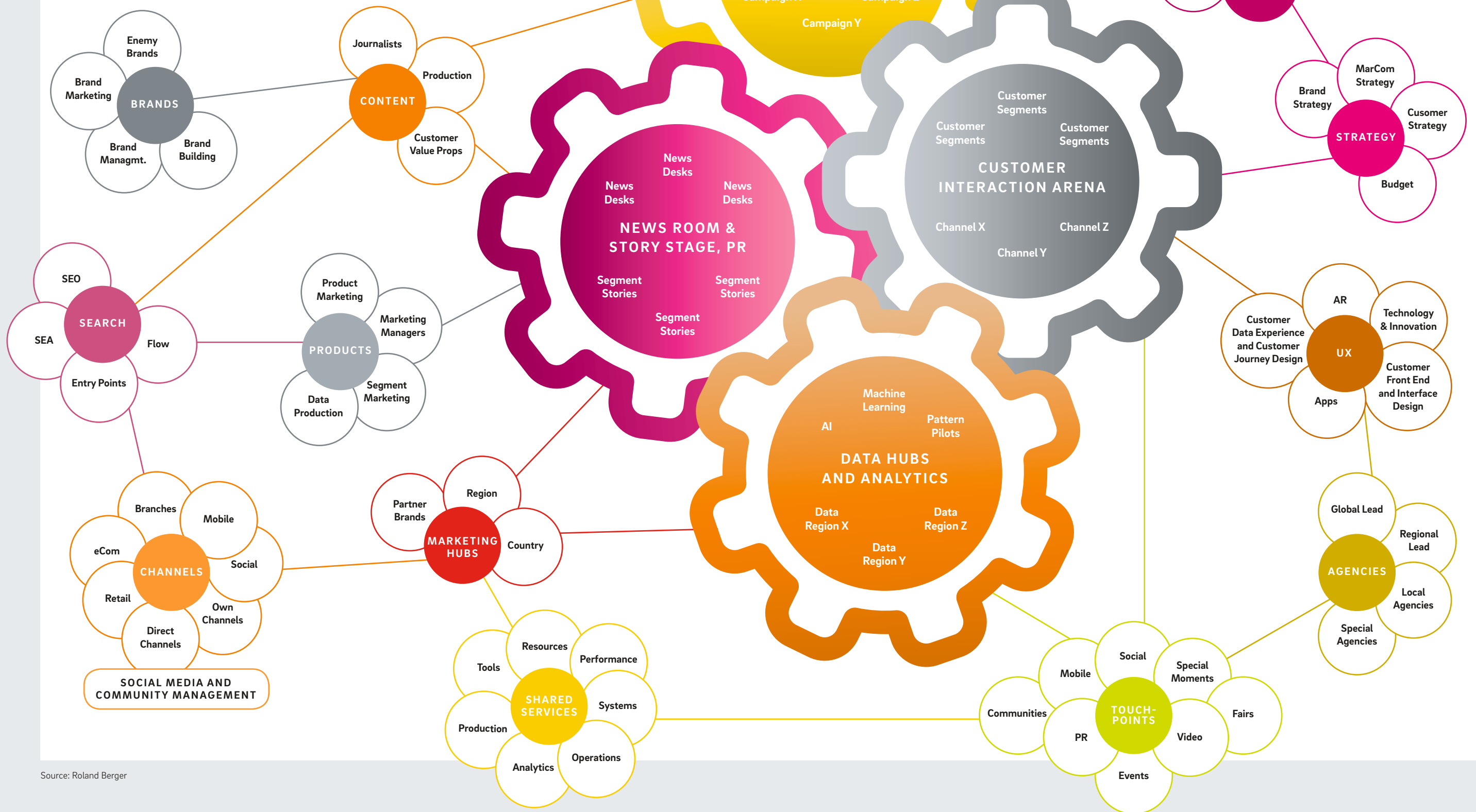


Marketing is increasingly becoming head of all touchpoints with direct influence on all channels and thereby connecting the dots in the marketing ecosystem.

Source: The CMO Survey (February 2020)

Building blocks of modern marketing engines

Marketing engines are capable of managing the customer ecosystem holistically



The ten principles of a successful marketing engine

1

Let marketing lead: Become the unfair advantage of your company. Marketing should own the four Ps "for real" including Pricing, Placement, Products.

2

Provide purpose: Stop talking only about products, move towards lifestyle.

3

Be triple A: Bring Analytics into the game. Use AI. Set up a best-in-class Agency Model. Marketing should be appointed the owner of customer data, and should ensure the build-up up of the necessary infrastructure to gather data across all touchpoints.

4

Double down on digital: Double your efforts to achieve excellence in digital marketing and invest in your digital channels.

5

Make sales your currency: Stop talking about brand-building KPIs. Marketing needs to drive revenue directly. Be ready to be measured by clear sales-driven KPIs within a binding governance structure.

6

Deliver ROI now, not later: Squeeze out efficiency to prepare for tough times and stay/ become a relevant business driver.

7

Excite and delight: Provide a ground-breaking, seamless customer experience without any compromise – online and offline.

8

Make personal CRM happen: Make campaigns really personal to increase conversion rates.

9

Make paid media second-best compared with influencers and own channels: Manage your community and immerse yourself into the new core channels of modern marketing.

10

Be Tesla: Think digital and become a real tech department in terms of platforms, people, skills and mindset – and strive for Mars.

"A clear, leading mandate for your marketing organization is mission critical – and should be translated in a new target operating model."

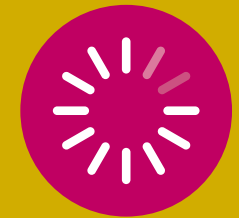
**NICOLAS WÜTHRICH, LEAD EXPERT
MARKETING TRANSFORMATION**

How to build a marketing engine – a simple but winning step-by-step approach



OPEN UP THE OLD ENGINE

- Understand mandate and KPIs of as-is marketing organization
- Create transparency about internal process and governance models
- Map interface of marketing organization with sales, product management, and research and development
- Understand stakeholder needs
- Analyze skill set of members of marketing organizations
- Review marketing tech stack, in particular marketing automation tools
- Benchmark against peers and best practices



FUEL THE NEW ENGINE

- Set ambitious purpose and mandate for the organization
- Define clear business-contributing KPIs
- Define the secret source of your marketing advantage, e.g. speed, technology, customer data, skills, etc.



START THE NEW ENGINE

- Provide a clear change story that inspires the employees
- Show early success of the new organizational setup



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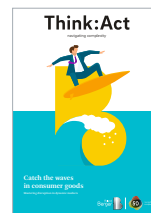
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