

Welcome

What will marketing look like at the end of the decade? That's the essential question at the heart of this research, carried out among senior marketers from across Europe.

EMC's members are the key marketing associations in Europe so, if our associations are to plan for the needs of their members, the answers are vital. We believe in sharing good practice and in ensuring that professional standards are maintained through accrediting marketing qualifications and supporting our member associations.

If you want to join the debate, your national marketing association wants to hear from you.

Contents

| | |
|----------------|--|
| Page 3 | 1. Quo Vadis European Marketing?...The Marketing 2020 Survey |
| Page 4 | 2. Senior Marketing Management across Europe |
| Page 6 | 3. Major objectives of marketing & sales across Europe: Growth plus reach/awareness! |
| Page 7 | 4. Capabilities in Brand Strategy & Management: Solid Experiences and Capabilities, but still struggling in execution |
| Page 8 | 5. Digital Capabilities...the biggest bottleneck! |
| Page 11 | 6. Social Media Capabilities: The Return of the Content Jedi! |
| Page 12 | 7. Marketing Measurement & Monitoring: What you cannot measure, you cannot manage |
| Page 13 | 8. Talent Management & Skills Development: the permanent organisational construction site |
| Page 14 | 9. Sustainability & CSR: new values matter! |
| Page 15 | 10. The ultimate mantra: Managing the Total Customer Experience! |
| Page 17 | 11. Future Outlook: It is about the economy, stupid! |
| Page 18 | 12. Biggest challenges to move into 2020: Omni-Channel...Facilitated by the Critical Enabler of Integrated Processes And IT Applications |
| Page 20 | 13. So: how to get started...? A company-specific marketing transformation map required! |

1. Quo Vadis European Marketing?...The Marketing 2020 Survey

Marketing is being disrupted. Increasing individualisation in the delivery and communication of services, as well as new Internet-based applications (such as consumer-generated content within Web 2.0), means that there is an increasing amount of uncertainty surrounding the optimal shape of marketing going forward.

One of the main reasons behind this prevailing uncertainty is the apprehension regarding the effectiveness and efficiency of marketing strategies and tactics and how to move forward into 2020.

So our main question is: What will the challenges be for marketers in the year 2020 and what are the best strategies to tackle those challenges?

To find out more, European Marketing Confederation (EMC), which consists of the major marketing associations across Europe, have joined together to investigate further, with the assistance of senior marketing decision makers and CMOs across Europe.



What will the challenges be for marketers in the year 2020 and what are the best strategies to tackle those challenges?



2. Senior Marketing Management across Europe

The 285 participants were mainly drawn from senior management and Board level in companies across Switzerland, Germany and the UK. The majority were large organisations – typically international, with over 250 employees and often over 5000 (especially those in Germany).

In addition, 18 personal interviews were conducted. Companies were screened out if they had fewer than 10 employees and/or under € 1 Mio. turnover. Manufacturing (15%) consumer goods/FMCG (10%) and technology (8%) together accounted for one-third of respondents and a further third were drawn from professional services. Other sectors included retail, healthcare & public sector.

The major function focus of the marketing departments is on advertising/communication (57%), sales channel management incl. digital (44%) and business development (39%), (multiple responses).

The major concentration and key tasks include the development of the marketing & launch plans, driving customer insights to choose a specific brand and translate those customer insights into product requirements and features (figure 1).

The interviewees often stated that current marketing planning is often:

- Inadequately synchronized with business planning as a whole;
- Too limited to the planning of strategies and measures, while neglecting content-based planning at a topic level and program level;
- Nothing more than an adaptation of planning from the previous year, with minor modifications in terms of content and scheduling (known as the “binder-off-the-shelf syndrome”);
- Lacking in accurate KPIs agreed between marketing and other affected company areas (such as sales and distribution, international branches, etc.);
- This in turn has the consequence that the added value of marketing expenses in terms of a return on marketing investment can hardly be noticed and is very difficult to prove and often the CMO has difficulties justifying the expense.



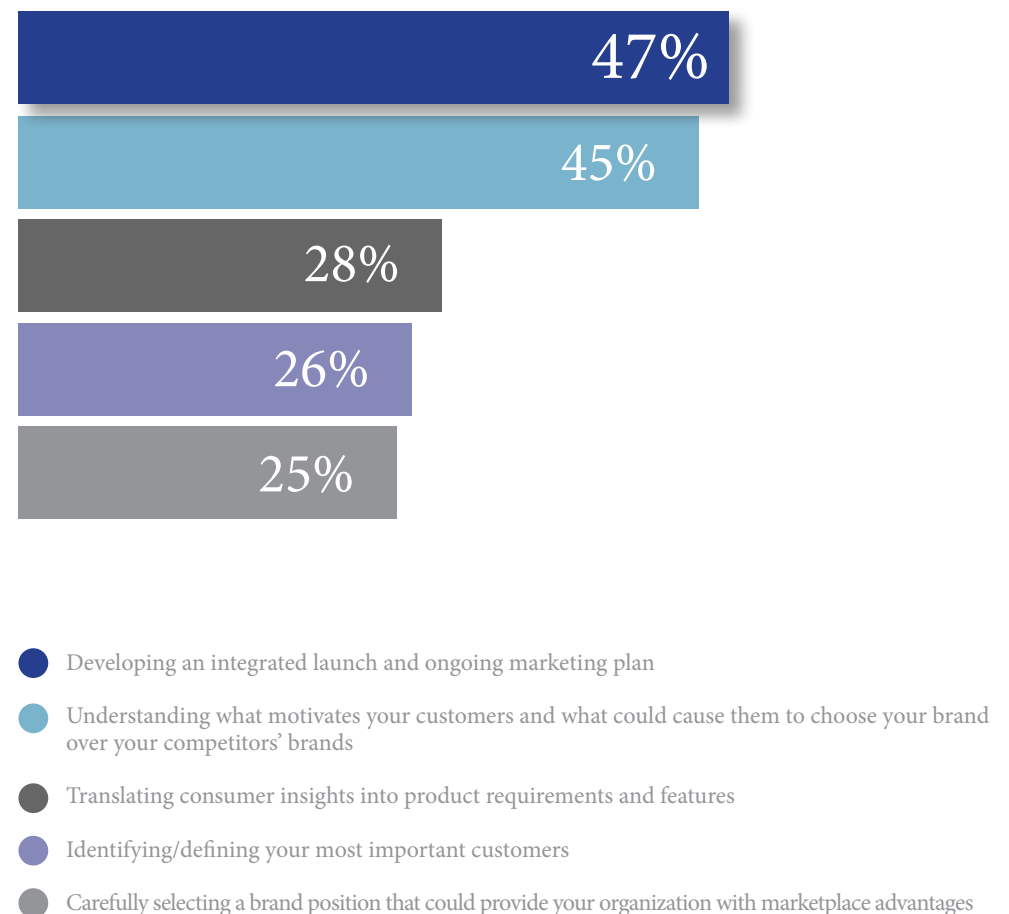
The major concentration and key tasks include the development of the marketing & launch plans, driving customer insights to choose a specific brand and translate those customer insights into product requirements and features.

In the view of CMO, economically turbulent times have the result that, on the one hand, the pressure on marketing departments grows and the evaluation of their contribution becomes more critical. This also brings about an increase in the requirement for a high quality and measureable marketing planning. On the other hand, the long-held practice of conducting annual (sequential) marketing planning becomes nearly impossible. Whereas this strategy is based on one single planning session for one planning horizon (for example, a fiscal year), the plans are now continually adjusted and updated at quarterly intervals based on new information or market developments as part of rolling marketing planning. Across the quarters, the plan is fine-tuned in stages for the subsequent periods. The advantage of rolling planning – apart from permanently improving marketing planning – is that the quantitative results of marketing reporting and the related KPIs are (necessarily) included systematically.

While moving away from planning focused purely on (tactical) measures, most of the interviewed CMOs and board members want to set more rigorous priorities and gradually develop planning further, right up to the individual activity level. When doing so, specific KPIs, rather than qualitative aims must be defined for all levels within marketing planning (strategic prioritizing, program levels, activities). Such indicators can then highlight the benefits of certain measures and activities as well as their contribution to the high-level business objective. The goals and results of earlier programs and campaigns can be used to gradually iterate and refine measures and allocated marketing budgets, this is increasingly performed as part of a marketing spending optimization measure. Even a relatively simple cause-and-effect analysis can help to gradually refine planning and execution. The basis is a deep understanding of the target group and their preferences and wishes (in terms of “*who is your who?*”).

Figure 1

Key tasks concerning the classical so-called “Marketing P’s” (only 3 most important, top 5, n=174)



3. Major objectives of marketing & sales across Europe: Growth plus reach/awareness!

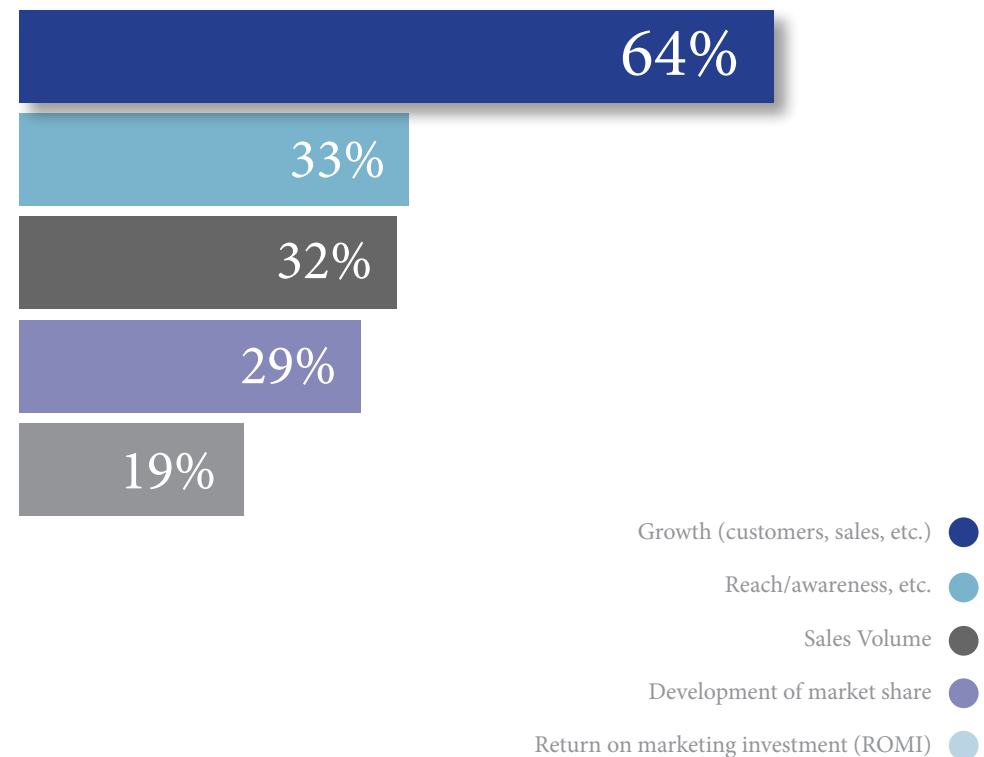
Growth is declared the major objective in 64% of respondent companies. Building reach/awareness, building sales volume and development of market share are identified at the top of the list also by about one in three companies (figure 2).

Sadly – targets such as customer loyalty, customer profitability or customer engagement come low on the list – mentioned by fewer than one in 5.

The UK respondents are more focused than others on the number of generated leads while in Germany there is greater interest in measurable goals such as marketing lift/campaign lift and operative KPI and ROMI. This may reflect the specific job roles of respondents. A higher than average proportion of Swiss respondents said their primary objective is customer loyalty – again perhaps reflecting the smaller company focus where customer relationships can assume great importance. German CMOs appears to focus more on measures (in terms of KPIs) and innovation management. CMOs from the UK are more often covering sales & marketing jointly together, so having a slightly different focus. In Switzerland a domestic focus is dominant, with a higher focus on retention and business development.

Figure 2

Primary objectives of marketing and sales
(only 3 most important, n=174)



4. Capabilities in Brand Strategy & Management: Solid Experiences and Capabilities, but still struggling in execution

Having rated the importance, respondents rated their organisation's capabilities in each of a number of specific areas relating to brand strategy and management.

The capabilities roughly match the perceived ranking in importance with brand strategy and positioning considered to be the most important (8.12) and also receiving the highest mean score in terms of capability (7.25 out of 10). It is notable that brand measurement and analytics comes bottom of the list for both (figure 3).

Also, European senior marketers still struggle with capabilities in terms of execution, to keep pace with the importance of brand management and also in getting all stakeholders on the brand bandwagon to understand the brand strategy and how this has to be implemented top down, cross-functional.

“Getting buy in from all stakeholders on what the brand is, why it's important - top management need to understand brand strategy and it needs to be a top down approach - seen as valuable and something that everyone is responsible for, not just the marketing department as it will help achieve all goals in the long term. It's an attitude change/ understanding, to be consistent across all touchpoints.”

Similarly, digital transformation is said by many, to be at the heart of the biggest challenges.

“Our biggest challenge: Getting lost in the digital jungle.”

Figure 3

Importance of capabilities in brand strategy and management (mean, scale from 1 “significant weakness” to 10 “significant strength”, n=146)



5. Digital Capabilities...the biggest bottleneck!

European CMOs and board members are less confident about their digital capability but having given brand measurement and analytics a low score both in importance and in capability earlier- actually customer data/analytics comes top of the list when it comes to digital (after Brand management).

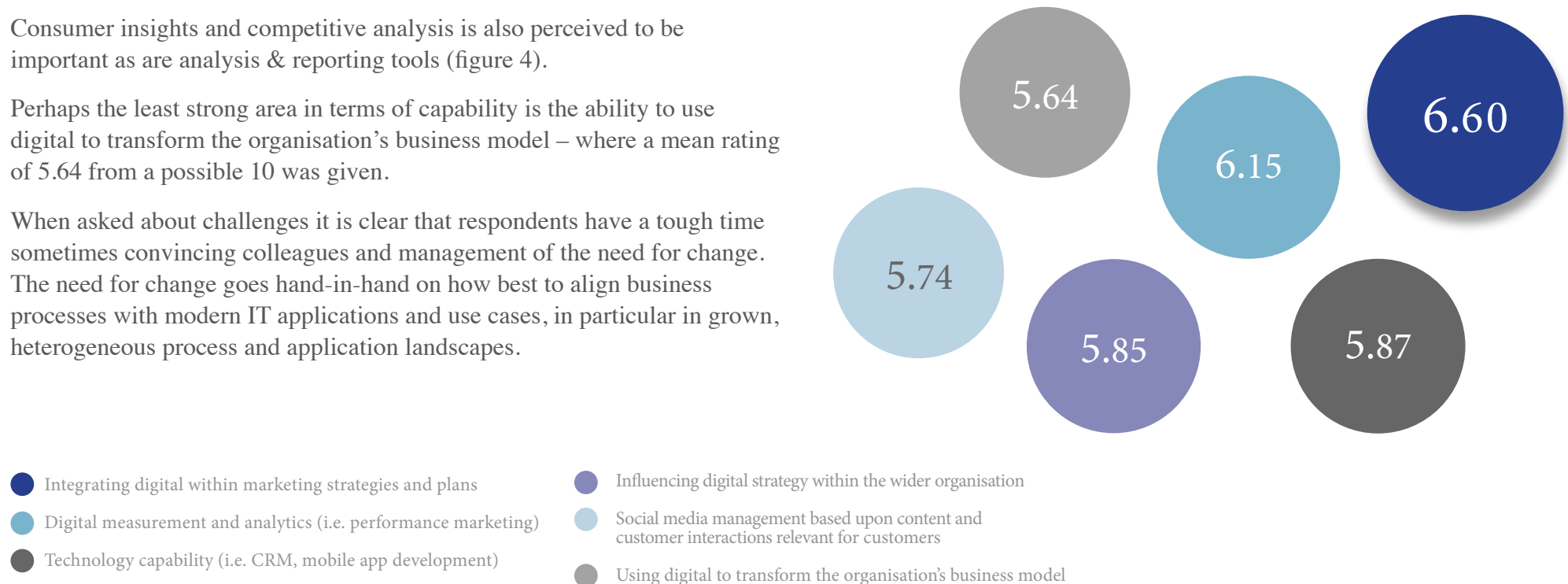
Consumer insights and competitive analysis is also perceived to be important as are analysis & reporting tools (figure 4).

Perhaps the least strong area in terms of capability is the ability to use digital to transform the organisation's business model – where a mean rating of 5.64 from a possible 10 was given.

When asked about challenges it is clear that respondents have a tough time sometimes convincing colleagues and management of the need for change. The need for change goes hand-in-hand on how best to align business processes with modern IT applications and use cases, in particular in grown, heterogeneous process and application landscapes.

Figure 4

Rating of digital capabilities across different areas (mean, scale from 1 “significant weakness” to 10 “significant strength”, n=124)

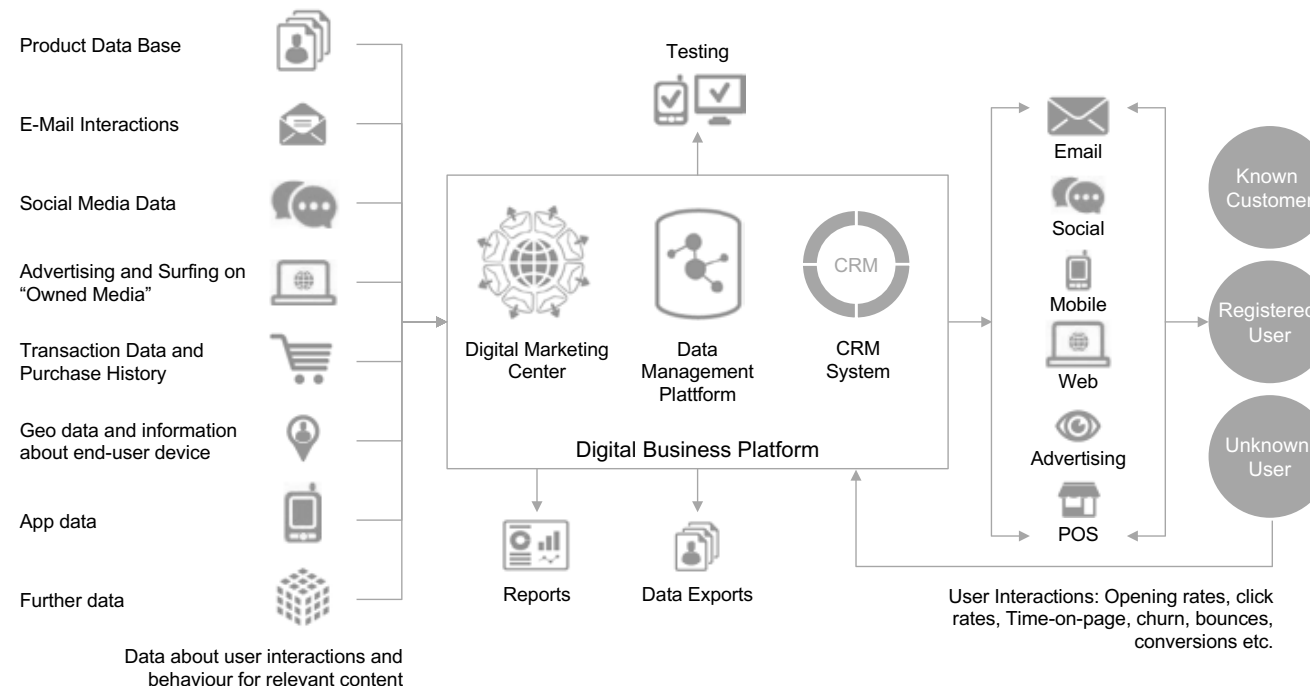


The diverse IT applications and digital marketing platforms include a multitude of different use cases, scenarios and functions, reaching from (figure 5)

- **Data & Analytics:** Import & Export of data from CRM/CMS/Analytics via open API interfaces, reports for KPI tracking in Digital Marketing or the connection into major media platforms (such as DoubleClick, Adnexus, Google Adwords);
- **Segmentation:** development of target groups, custom audiences on the basis of different data points, Look-alike Audiences like “statistical twins” for a fast optimization of advertising performance or 3rd Party-Audiences;
- **Programmatic Advertising:** Combination of existing customers in real-time due to a combination of CRM data, combined with Behavioural Targeting and Facebook Audiences;
- **Multi-Channel-Campaigns:** i.e. via Display Advertising, Mobile Advertising, Video Advertising, App Marketing incl. Push Notifications, In-App Messaging or Social Media Operations such as Custom Audiences in Facebook and Twitter.

Figure 5

Example for an integration of Digital Marketing and CRM Platform (schematic)



They also identified recruiting the right talent as one of the main challenges when it comes to digital, and commonly identified an increasing demand for in-house training to further develop internal staff, based upon using company-specific case studies to ensure direct transfer of training into daily operations.

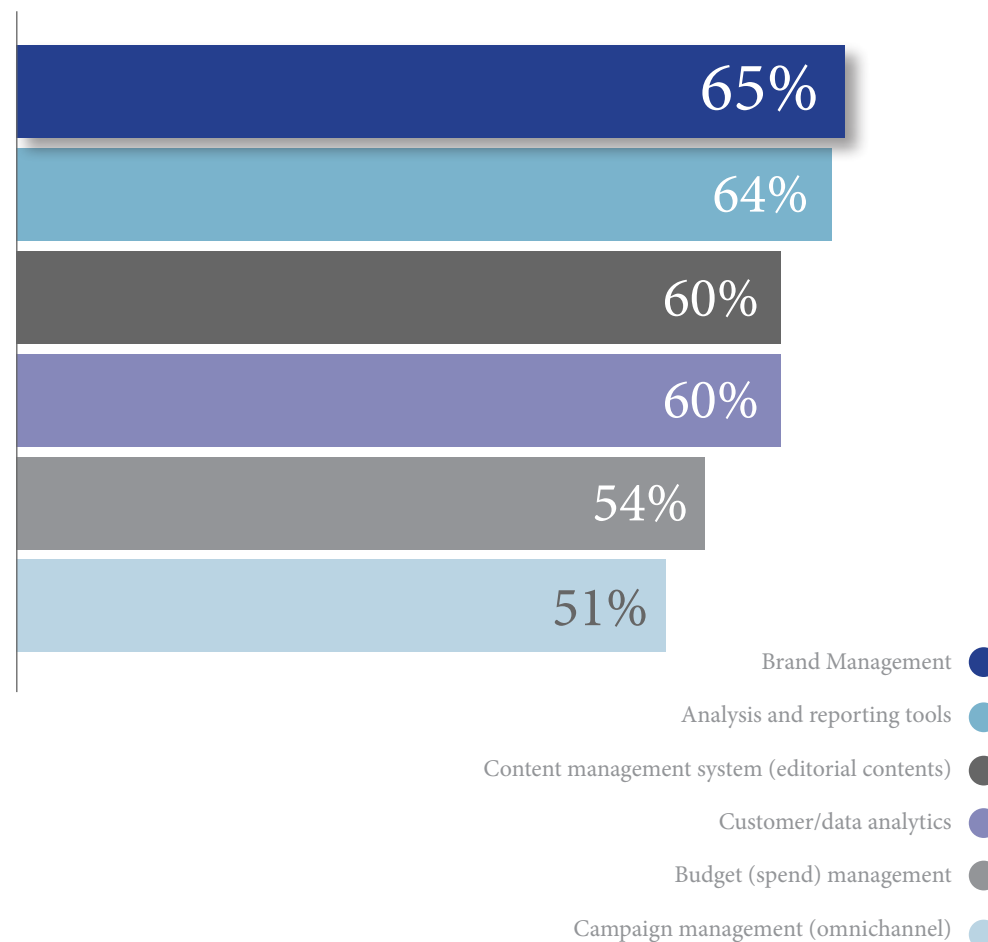
“Our biggest challenge: IT resources, process and IT know-how and the organisation. From print to “e”...we’re in the middle of a digital transformation process which will definitely challenge us in the next years ...with ever increasing platforms and artificial intelligence coming up.”

Some stated that they do lack comfort stemming from bad experiences in the past with heavy process and IT projects and also complain of not being able to fully understand...and consequently not even manage...the mechanics of process & IT transformation projects.

Not surprisingly, in the majority of the cases rather single- focused applications and scenarios are prevalent in the market, such as brand management and planning (65%), simple reporting tools (64%) or budget management (54%). Higher valued, more complex applications such as marketing mix modelling (39%) or customer touchpoint analysis (36%) fall behind significantly (figure 6).

Figure 6

Current digital and IT set-up: tools and applications already used today (in %, multiple responses, top 5, n=124)



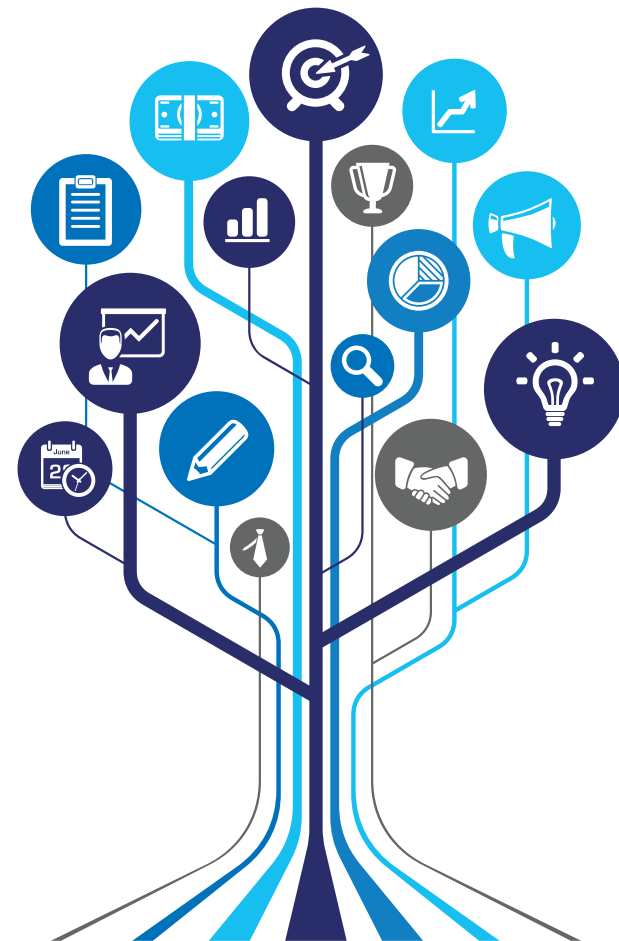
6. Social Media Capabilities: The Return of the Content Jedi!

Respondents see the production of editorial content as a key social media capability (giving a mean score of 7.13 out of 10). Again there is rather less attention to the measurement and analytics. (Average 6.18) In general there is not huge confidence in current capabilities (mean score 5.85) and least of all in measurement and analytics. But, even if this appears to be true across diverse industries and well understood, even in different maturity levels using social media, execution still lacks behind.

“Being noticed above the noise. Creating truly compelling content – and further develop Social Media competencies In-House.”

Respondents see the production of editorial content as a key social media capability.

Interestingly to see: the outsourcing of the entire content development to agencies is seen as a convenient and quick-fix, but mostly not been regarded as sustainable also in a longer run. Pretty uniformly, CMOs and board members request to build-up those competencies in-house and marry those skills with product management know-how and consumer insights.



7. Marketing Measurement & Monitoring: What you cannot measure, you cannot manage

There is something of a contradiction in the responses when asked about capabilities in measurement and accountability. Having suggested earlier that it comes relatively low on the list of priorities – on specifics such as *“Aligning marketing activity with business objectives”*, in fact a high average score was given of 8.34. It may come as little surprise that *“having a culture of accountability within marketing”* while relatively important (mean 7.04) is not top of the list.

The organisations appear relatively confident of their existing capabilities in *“Aligning marketing activity with business objectives”*, (mean 7.02) but in contrast -rather less sure about their capability in *“Consolidating analytics and metrics into a “single view”* (5.29, figure 7).

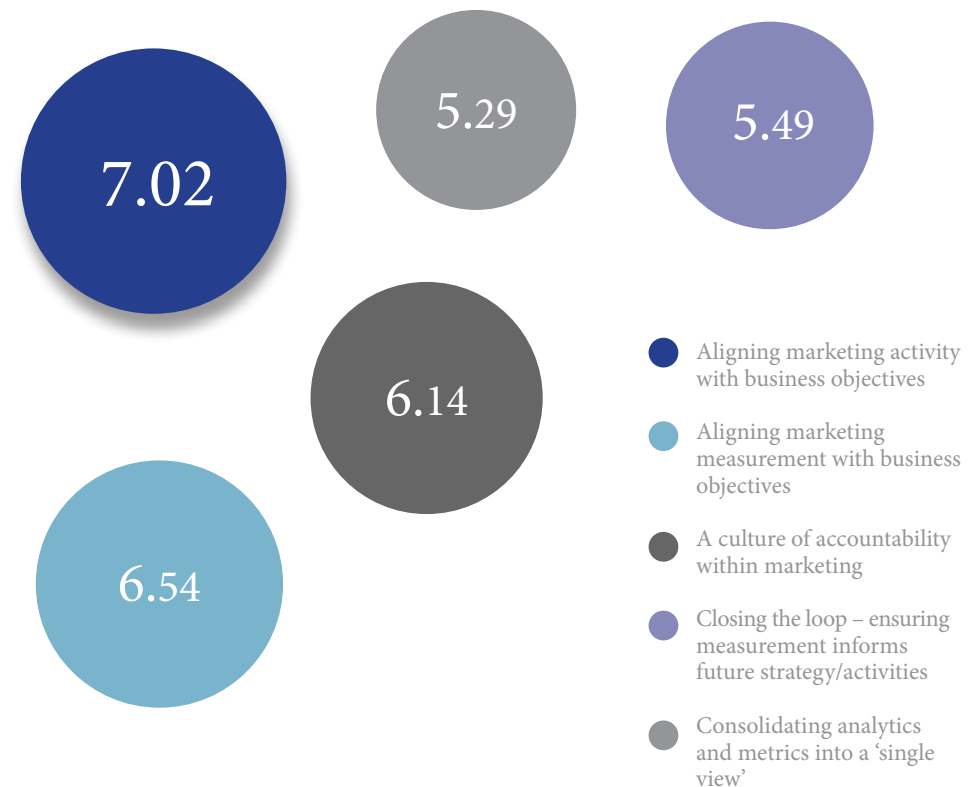
Major hurdles exist due to disparate systems, using the right tools, establish integrated processes and transforming “Big Data” into actionable, “Smart Data”.

“The use of disparate systems and tools prevents a ‘single view’ or reporting purposes. Too many systems, problem will be creating a usable dashboard to incorporate all results for all internal stakeholders.”

Getting the right people and the right tools will be among the main challenges in terms of capability in media measurement and monitoring.

Figure 7

Rating of capabilities in marketing measurement and accountability, across different areas (mean, n=110)



8. Talent Management & Skills Development: the permanent organisational construction site

CMOs across Europe do attach importance to talent management and skills development, as evidenced by their answers on the topic. A mean score of 7.6 out of 10 was given to 3 of the 4 capabilities listed. However, there is a gap here in terms of perceived capability in attraction & retention of the right talent (mean 5.90) and also the professional development of the marketing team (6.06, figure 8).

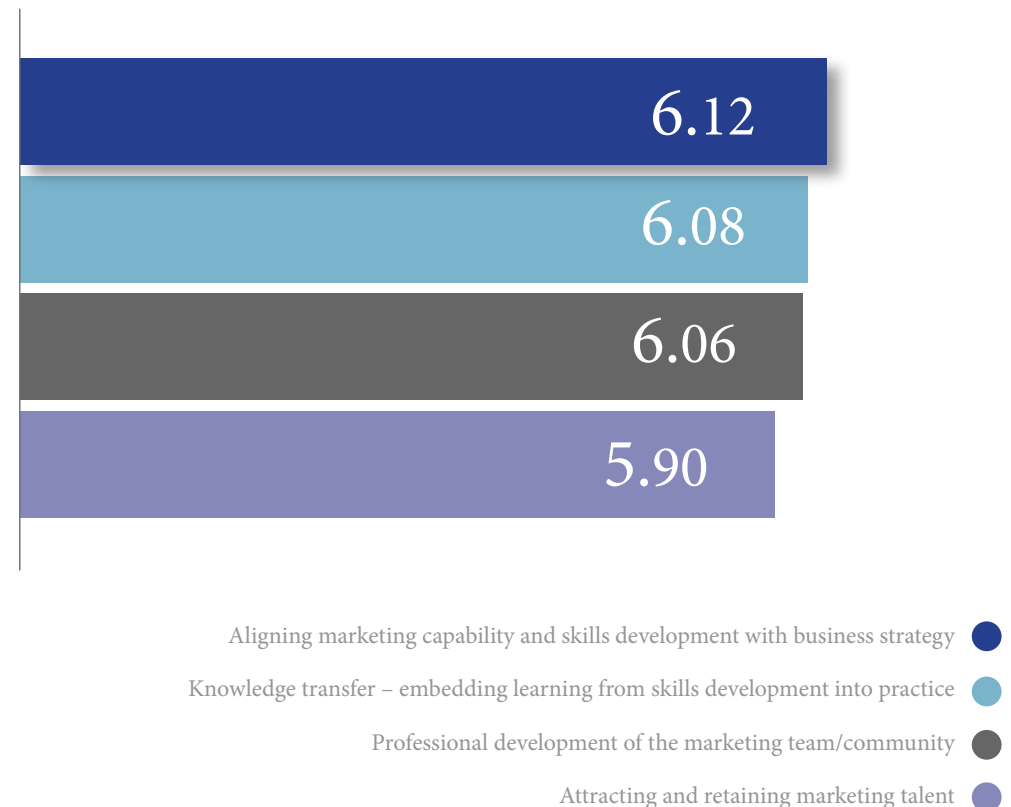
“Getting the A players to work for us. Invest in employees. Attract them, keep and develop / train them. Speed in adapting to change and constant skills update. Allowing the staff to develop through external learning and fully utilizing their capabilities.”

In this vein, the majority see a need for further in-house training with specialized training, fitting to the particular industry segment of the specific company. Therefore, less generic standard trainings are requested, but rather training build upon specific company-internal case studies to make the newly acquired know-how immediately actionable.

Coping with generation Y/the Millennials and their need for work/life balance and tendency to change job is acknowledged to be one of the main challenges in terms of personnel.

Figure 8

Rating of capabilities in marketing talent and skills development across different areas (mean, n=108)



9. Sustainability & CSR: new values matter!

The integration of sustainability and Corporate Responsibility into brand positioning and story is identified as the main priority in terms of CSR capability. (mean 6.79). Again respondents see their organization as being relatively weak in terms of capability to do this. (mean 5.74)

“We don’t currently have a clearly defined CR strategy ... it is just another buzzword on ppt.”

It is evident that many organisations are still at the stage of developing their policy in this regard and getting the employees and management on board.



10. The ultimate mantra: Managing the Total Customer Experience!

It is recognised that the management of the total customer experience is part of the marketing task and that brands will still be important in the future. Responses relating to perceptions and acceptance of the role of marketing internally indicate no lack of confidence in understanding or appreciation of the function.

Even where there is a strong need for improvement in the individual disciplines and functions in marketing & sales, those challenges are still viewed as marginal compared to establishing a comprehensive Total Customer Experience approach. There are certainly many reasons for this; however, in most cases they are due to 5 particular challenges:

- **Other organizational units involved:** Total customer experience management extends far beyond the functional limits of marketing. The tourism industry is a vivid example: While marketing usually focuses only on marketing communication, customers' perceptions are determined by all customer interactions related to the use of products and services, for example the competent advice from the ticket seller or the pleasant and polite manner of the ticket inspector or cabin crew. However, from an organizational perspective, these areas belong to different departments outside of marketing, such as passenger transport or related service areas. The situation in the automotive industry is similar: While marketing usually proclaims sovereignty over marketing communication, product management or development are usually responsible for the actual product. Similarly, all after-sales services are also located outside of marketing.

- **Change management:** Project experience has shown that aside from inadequate processes and systems, the biggest hurdles for implementing systematic Total Customer Experience are in changing employee behaviour. Independent of the size of the organization, resistance can arise due to:
 - Variance with existing organizational norms and traditions
 - Interdependence with subsystems that are difficult to understand or delimit
 - Privileges, taboos or resistance to external ideas ("not invented here")

Resistance is particularly strong among people who rely primarily on their own experience, who only believe in one way of doing things, and who have an extremely low tolerance for risk. Resistance is strongest in groups, on the other hand, when the group members have a strong group identity or feelings of superiority. The result: Such a process of change aimed at reorienting all customer interfaces requires not only significant effort, but also tends to take several years to reach fruition.

- **Insufficient measurability:** The success of a high-quality and brand-consistent orchestration of all customer interactions is only susceptible to direct tracking with indicators in the rarest of cases, and even then it is all but impossible to quantify the effects in terms of sales.

- **Insufficiently integrated processes & IT applications:** Insufficiently integrated processes and supporting IT systems undermine the very notion of high-quality customer interaction. Call-center agents, for instance, generally do not know whether the customer has already been contacted by a partner in the sales organization (e.g. an independent dealer in car or mobile phone sales). Even after more than 10 years of Internet experience, customer queries may be received by the manufacturer via the Web and yet have to be transmitted to a local sales partner after a series of manual steps to bridge integration gaps. While this may be viewed as an inconvenient if acceptable procedure where customer volumes are low, it is all but untenable in the high-volume B2C environment.
- **Insufficient data quality:** While customer orientation has been a frequent topic of discussion in recent years, most companies have barely touched on the subject of how to systematically gather and utilize customer data as a foundation for comprehensive Total Customer Experience. They do not use the customer data they gather to identify their most important customers (like new customers and key accounts), nor do they aggregate different information sources from different functional areas in the company (like technical support hotlines, the order department, all the way to online behaviour). Studies and projects have shown that the numerous theoretical and practical discussions surrounding the need for systematic management and use of customer data as well as related procedures such as data mining, predictive analysis (i.e. predicting future customer behaviour) or micro-geographic or use-based segmentation have as yet failed to become reality for most companies. Data collected passively by keeping records of all sales interactions and customer data collected actively (using direct questions) are hardly ever used systematically or in an integrated way.

The call for excellent data quality goes unheard in most cases. The causes are manifold:

- Distribution of essential customer data to different data processing systems and several functional areas has the effect of limiting the “unified view of the customer” postulated for CRM to the customer data in a single area
- Customer contacts and interactions are often regarded as “proprietary” knowledge by sales staff and tend to be maintained among an agent’s personal contacts (say, in Outlook) rather than in an accessible CRM system which would make this (private) customer knowledge replicable and transparent
- Maintenance of customer data is not prioritized due to the associated effort in the midst of daily activities
- Customer data is not immediately available in the required granularity
- Customer data management is generally regarded as a one-off process and cost at the expense of continuous, long-term data maintenance in a regular process.

Data collected passively by keeping records of all sales interactions and customer data collected actively (using direct questions) are hardly ever used systematically or in an integrated way.

11. Future Outlook: It is about the economy, stupid!

The state of the economy is expected to have a greater impact on growth for these international organisations than changing consumer behaviour, shortages of skills or technology led-disruption.

It is anticipated that growth is most likely to come from innovation /product development. When asked about their company capability in dealing with future challenges, respondents did not relay a great deal of confidence – typically giving a 5 or 6 rating.



12. Biggest challenges to move into 2020: Omni-Channel...Facilitated by the Critical Enabler of Integrated Processes And IT Applications

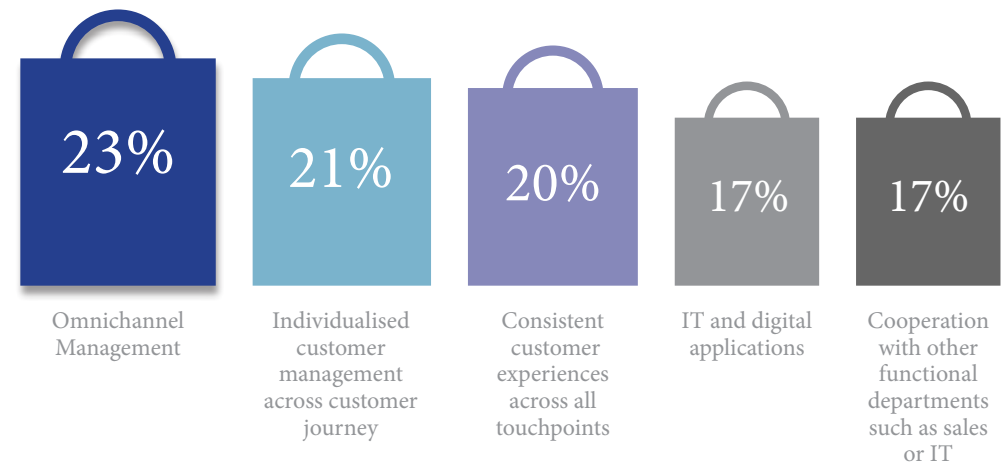
Omni-Channel Management (i.e. providing the customer with a seamless shopping experience whether the customer is shopping online from a desktop or mobile device, by telephone or in a bricks and mortar store) and an individualised customer journey appear to be the most important challenges to move into 2020.

Hence, all process and IT applications – the “enabler” for Omni-Channel and consistent customer experiences across all touchpoints – still lag behind in the majority of companies.

An individualised Omni-Channel customer journey appears to be one of the most important challenges to move into 2020.

Figure 9

5 Biggest challenges for marketing to move forward into 2020 (in %, n=95)



Comparing the biggest challenges for marketing to move forward into 2020 with the existing capabilities to deal with those challenges (figure 10), a significant number of fields of action become prevalent in terms of a “*Marketing Agenda 2020*”. The area with the biggest challenges and the lowest existing capabilities (quadrant 3) comprise with high priority internal, organisational fields of action such as the recruitment of employees with relevant experiences / know-how, employees & (internal/ external) organisation or the establishment of a true omni-channel management. Similar priority gain elements such as the establishment of IT & Digital applications and platforms, the implementation and usage of new technologies, or lack of an adequate and efficiently usable CRM system (quadrant 6). Obviously, the diverse set of capabilities with regard to experiment with digital applications (quadrant 6) has already outgrown the capability of the underlying organisation to follow (quadrant 3).

On the contrary, all capabilities such as the coordination and integration of decentral departments or the planning & steering of all marketing and sales activities (quadrant 7) are perceived as having high capabilities already, whilst having lower priority and pressure to move forward into 2020 – whilst still need to improve ROMI. Virtual reality, contextually smart virtual assistants (i.e. Siri, Google Now), wearable technologies and further mobile devices and networks so far receive still low attention, whilst also having lowest capabilities still (quadrant 1). Elements such as artificial intelligence and the usage of bots are recognized to have impact for Marketing 2020, but the establishment of capabilities has often already started (quadrant 5). Only “*consistent customer experiences across all touch-points*” pay off for all the efforts taken over the last years – still more pressure to come even in that area with the alignment of processes and IT applications (quadrant 9).



Figure 10

Marketing Agenda 2020 Magic Quadrant with Biggest challenges for marketing to move forward into 2020 vs. existing capabilities to deal with those challenges (n=different numbers)



13. So: how to get started...? A company-specific marketing transformation map required!

What emerges from the responses is a profession that may be failing to recognise the importance of metrics to measure and monitor performance. As a notoriously difficult skill to implement, organisations respond by pushing it down their list of priorities and preferring the focus on more identifiable and tangible areas of marketing capability.

Some are grappling to keep pace with the rate of change imposed by digital disruption and economic circumstances and recognised that there are multiple gaps in their current organisation capabilities.

The wide range of themes on the “*Marketing Agenda 2020*” and the very different focuses of the interviewed CMOs and senior executives mean that a “*one size fits all*” solution is hardly possible. In the in-depth discussions held, particular key areas of action and modules were mentioned frequently. This helped to be able to address the topics on the “*Marketing Agenda 2020*” in a structured and systematic manner (figure 11). These 8 modules certainly cannot be regarded as a definitive solution, however, they can be used as a sort of checklist for validating individually defined fields of action.

- **Marketing tasks & competency model:** Human resources need to make a critical appraisal of the available skills. The focus will be offering employees with specific skills, for example in search engine marketing or affiliate marketing a high quality working environment and good prospects. The biggest challenge will be balancing the need to encourage

qualified candidates to make use of wide-ranging levels of freedom to organize their work while integrating them in existing company processes. Many CMOs state that they regard the systematic and sustained establishment of the required (digital) skills in their companies as highly problematic. Existing competency catalogues must be revised as well as the respective job descriptions. In addition to recruiting online specialists, the focus here is on interdisciplinary training of marketing employees, also in non-online fields. The philosophy behind this is that only a broad foundation in modern marketing techniques and the use of online/mobile marketing can ensure integrated communication using all channels. The reason: customer experience management is a holistic process, requiring the buy-in and commitment from all functions within an organisation - not just marketing. And in this vein, companies should “*hire for attitude*” and “*train for skills*”.

The necessary differentiation and specialization in marketing means new challenges are arising in the area of employee development: Traditionally marketing employees tended to be generalists who focused on communication. An increasingly diverse and specialized range of skills (for example social media, analytics, IT expertise, etc.) has created new issues in the area of employee development. This also affects the required management skills: The balancing act that has long been common knowledge among senior managers in other company areas (such as technology, IT, and purchasing) between a specialist or a management career will be felt more keenly in marketing until 2020.

- **Marketing planning & marketing spending optimization:** While moving away from planning focused purely on (tactical) measures, most of the interviewed CMOs want to set more rigorous priorities and gradually develop planning further, right up to the individual activity level. When doing so, specific KPIs, rather than qualitative aims must be defined for all levels within marketing planning (strategic prioritizing, program levels, activities). Such indicators can then highlight the benefits of certain measures and activities as well as their contribution to the high-level business objective. The goals and results of earlier programs and campaigns can be used to gradually iterate and refine measures and allocated marketing budgets, this is increasingly performed as part of a marketing spending optimization measure. Even a relatively simple cause-and-effect analysis can help to gradually refine planning and execution. The basis is a deep understanding of the target group and their preferences and wishes (“*who is your who*”).
- **Innovation and project management:** For many CMOs, 2020 will see a great deal of activity in the field of innovation/project management. This is especially the case in the retail area (introduction of private labels, e-commerce/mobile commerce), car manufacturers (moving into e-mobility) and the consumer goods industry (product launches). Even within B2B the time to market is speeding up there are more options in terms of sales channels and communication. The emphasis is on the successful introduction of new products (products and services). In addition to generating new and innovative product ideas, orchestrating the launch to market lies at the heart of extensive project management across all affected areas (for example, different sales channels, customer service, or geographies). Scenario techniques as well as innovation/target group labs are used to accomplish this.
- **Process management:** Individual activities within the value chain must be investigated as to the extent to which they are actually necessary or efficient. The “brown paper method” offers an established and effective approach to devising and visualizing the internal business value chain. The employees relevant to the process both from marketing as well as other involved areas and internal/external marketing “customers” (such as purchasing and agencies) are all integrated in this process. Supplementing a process analysis with financial key figures (such as process costs) facilitates structured discussions and conclusions about the actual value contribution and the establishment of the “business blueprint”. Actual examples show that the workshop-led approach has considerable advantages: The “*high touch, low tech*” approach forces a high degree of interaction and discussion between participants, and is better at fostering the formation of a consistent group opinion in the participants’ own companies than the isolated analysis of individual process elements or key figures. Automatic customer interaction can then be established afterwards in a highly standardized manner – triggered each time by particular customer interactions and events (programmatic advertising).
- **Total customer experience management:** Total customer experience management focuses on establishing high-quality customer interactions across all points of contact during the entire customer or product life cycle, which ranges from building relationships with new customers and exchanging services with existing customers through to losing customers at the end of the life cycle. Therefore, the “life cycle” of such a total customer experience includes all customer relationships at all levels – from brand awareness before purchasing through to replacement purchases or the end-of-life management of products and solutions. The key to customer retention lies in ensuring that the customer has the best possible experience at all times (moments of truth). This is because the evaluation of performance is particularly affected by critical moments in which an excellent service or a non-performance are acutely perceived. The focus here is on diverse, yet consistent, and high quality dialog opportunities between the customer and the company – in other words: Optimum customer satisfaction with optimum customer potential utilization (e.g. share of wallet).

- **Marketing analysis & performance tracking (KPIs):** A key data system, aligned with marketing planning, is required. The fact that a wide range of key figures can be easily implemented should not hide the fact that the initial determination of a useful and target-orientated key data system is, in turn, associated with greater effort and resources. For example, the question of which key figures should be used to measure which goal, and how these figures can be correctly determined (*“metrics that matter”*). Example studies in companies show that, due to the high degree of complexity and the usually limited contribution to providing an explanation, defining and tracking up to 20 different key metrics, which is useful at least in theory, usually transitions quickly from an initial phase of enthusiasm either to being abandoned entirely or to a “natural focus” on a few selected key figures. “Paralysis by analysis” comes to a natural end over time. It is evident that concentrating on fewer, but more compelling key figures and deliberately omitted other (*“...also very interesting target values....”*) is more beneficial. The optimization of such a KPI system can be performed iteratively. Prerequisite for this is the iterations are defined programmatically and regulated consistently. All CMOs interviewed agreed that no optimum “80/20 solution” would come about on its own. Comparatively simpler analyses, for example along the brand funnel or a market potential analysis can provide surprisingly clear results.
- **Information Technology Expertise:** Marketing information systems and sales information systems (CRM systems and Digital Marketing Platforms) are intended to help decision makers acquire, systematize, analyse, evaluate, and pass on up-to-date, customer-related information. A marketing system should meet requirements such as high levels of user orientation, integration and coordination capability and acceptance by system users. The focus is on using IT in a variety of ways in every marketing process; this is only possible when the marketing strategy is consistent with the IT strategy.

Marketing IT planning needs to translate the key points of an IT strategy into concrete measures that are designed to support the marketing strategy. The interaction between the IT strategy and the marketing strategy inspires independent plans, processes, and organizational structures. The focus here should not be on developing a qualitatively perfect IT strategy, but rather on developing an IT strategy that is perfectly aligned with the specific needs of the processes, organization, and competencies within marketing. A practical approach for aligning the two areas should normally be oriented around concrete questions about key issues such as required competencies and the development concept. However, experience shows that, in most companies, discussions concerning the individual functional capabilities of the applications used far outweigh strategic discussions about processes which take beta solutions, which can be quickly implemented, into account. The chance of a process-orientated optimization is thereby (often inadvertently) discarded.

- **Web 2.0 & community management:** In recent times since the advent of social media, the conventional practice model of conveying content from the company to the customer using different channels has become obsolete. Instead, a “solution-oriented approach” is increasingly becoming necessary in order to communicate relevant content in a manner that is cross-medial and target-group-oriented. Furthermore, key concepts need to be continued across various communication channels and interaction points and always implemented in a way that is media-specific. Experience from other companies shows that having a “campaign manager” orchestrating all measures and disciplines is likely to lead to success. “Crowdsourcing” enables new products, services and creative concepts to be developed directly with the target group.

Figure 11

Examples for fields of activity to be implemented on the “Marketing Agenda 2020”

| Marketing Tasks and Competency Model | Marketing Planning and Marketing Spending Optimization | Innovation and Project Management | Marketing Process Management | Total Customer Experience & Loyalty Management | Marketing Analysis & Performance Tracking (KPIs) | Information Technology Competency and Expertise | Web 2.0 and Community Management |
|--|--|---|---|--|--|---|---|
| Competency model | Project management planning process (rolling) | Project management product introduction | Process mapping | Total Customer Experience strategy and goals | Marketing Balanced Scorecard (planning) | Reconciliation of marketing & IT strategy | Search engine optimization, search engine marketing, social search optimization |
| Functional calibration | | Mass customization | Analysis of cycle times & process costs | Complaint management | Budgeting review | Budget & resource planning & management | |
| Target system & performance management | Target outcomes segmentation (target group matrix) | Alliance/partner management | Sales channel management (conflicts) | Behavioural branding initiative | Marketing Dashboard (review) | Multi-channel campaign execution | Social Media and Community Manager |
| Talent management | Consumer typologies | Product lifecycle monitoring | Audit of marketing/sales collaboration | Loyalty program | “What-if” analyses/scenarios | Offline and online execution/response handling | Corporate communication guidelines |
| Compensation model | Buying center analysis | Viral marketing | Campaign management | Offer/bid management | Net promoter score tracking | Digital asset management | Crowdsourcing |
| Change management/ team building | Sales channel management (planning) | Strategic Innovation portfolio management | Campaign automation & real-time campaigning | Service quality benchmarking | Market potential analysis (“share of wallet”) | Collaborative tools | Social communities |
| Marketing training | Benchmarking (competitors, other industries) | Strategic Innovation portfolio management/ optimization | Campaign coordination | Total Customer Experience (touchpoint) monitoring and benchmarking | Competitor benchmarking (context analysis) | Tele-marketing and contact center integration | Animation/wed TV |
| Campaign coaches/ commercial managers | Pricing and pricing industries) | Competitive radar/ co-operative radar | Agency model & evaluation | Cascading communicative key concept/rollout methodology | Brand tunnel analysis | Data mining and predictive analytics | Affiliate marketing |
| Internal communication | Campaign architectures | Scenario development process | Marketing purchasing processes | Continuous improvement process (customer/service perspective) | ABC analysis: dialog marketing | CRM and social media integration | Behavioural targeting |
| Level of empowerment | Branding guidelines | Pre-testing (target groups lab) | | Customer value analysis and management | Customer Lifetime Value Management | Data quality management (responsibility, execution, rule process) | Web2.x image assessment |
| | Strategic prioritization (matrix) | | | Multichannel experience management (“moment of truth”) | Web Analytics | Customer segmentation | Web2.x channel management (blogs, forums, brand communities, customer chat) |
| | Program definition (contents) | | | Proactive churn management/winning back customers | Consumer insights | Mobile marketing (coupons, loyalty, location based services) | Social commerce |
| | Tactical measure planning | | | | | | |
| | Market budget optimization (channel/ target group mix) | | | | | | |

The themes and modules presented here overlap many times and have many dependent features. Their full potential is frequently realized by combining other modules. For example the unique identification of customers and corresponding user profiles as part of customer data management forms the (necessary) basis for subsequent individualization of marketing planning and personalization of communications. The module concept deliberately presents the heterogeneous categories on an equal basis and does not attempt to depict the overlaps and interaction between the individual problem areas and modules. The important aspect appears to be to take all relevant modules and reciprocities into account to create a company-specific marketing agenda as part of the transformation process and to reflect holistically on all marketing activities.

Author:

Ralf Strauss, President German Marketing Association,
Managing Partner Customer Excellence GmbH, Managing Partner
CMO Academy GmbH, Germany, Professor of Digital Marketing
and E-Business at HSBA/Hamburg



© 2016 The European Marketing Confederation. All rights reserved.

The European Marketing Confederation is the umbrella organisation for marketing, sales and communication associations in Europe. Operating since the 1960s, our Brussels headquarters was established in 1993. Our mission is the promotion and the development of marketing as the fundamental business process leading to economic growth and prosperity and the improvement of the competitive position of Europe's trade, commerce and industry. We deliver our mission by defining standards for marketing education and training in Europe, with qualifications that are comparable and recognized across borders, supporting the science and practice of sales, marketing and communication and providing a unique source of information, studies and best practice.

www.emc.be

EUR.EMC.011/12.16