

Six Years to Transform Marketing

WINNING IN 2020

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Based on interviews with hundreds of thought leaders, visionaries and C-suite executives from leading brands and agencies across the globe, two current studies suggest how brands can prepare themselves for 2020.

Surveying the future

The MARKETING 2020 program is by far the most global and comprehensive CMO study ever conducted. Published by

the global marketing strategy consulting firm EffectiveBrands, the survey takes an in-depth look at the future of marketing

and how it can best focus and organize to support business growth. Marketing 2020 also identifies the future role of marketing in delivering business strategies and explains how to equip the marketing function for success. The findings, along with interesting and informative commentary from leading marketing executives, were reported in the Fall 2013 issue of ANA Magazine.

ADVERTISING 2020, from The Wharton Future of Advertising Program at the University of Pennsylvania, takes a slightly different approach by offering a vision of what advertising could and should be. Both studies anticipate a time when

the global middle classes, according to the Organisation for Economic Co-operation and Development (OECD), will have doubled to 3.2 billion people by 2020. As a result, more consumers will be able to make brand choices based on preference, not just price, and consumer empowerment and the demand for transparency will be at an all-time high. So how can brands and their agency partners prepare? Given that everything seems important, how can priorities be established? And how will we know if we're on the right track?

The ad campaign in 2020

Advertising 2020's conclusions provide important context for Marketing 2020's predictions surrounding the changes coming to the CMO role and the overall client-side marketing organization. Essentially, the Wharton work argues that successful advertising campaigns of the future will imitate the principles of the digital newsroom, where content production and distribution will be faster and vastly enhanced. Much of the budget will be spent on adaptation during the campaign, rather than booking media and finalizing all creative ahead of time. We can already see these principles in action on brands like Old Spice, for which Wieden+Kennedy capitalized on a surge of popularity by producing 200 YouTube videos in 48 hours. The need to respond with new iterations is another aspect of the newsroom trend: the always-on message. Today's campaign-based message will be ditched in favor of constant communication – both offline and online – that will evolve based on changing circumstances. In addition to being faster and more responsive, the central philosophy of evolved advertising will be based on audience feedback and response. A key metric could

be, for example, the number of appearances on media's "most emailed" lists, as brands stop looking at such recognition as fun and interesting and more as quantifiable input that can be used to make future content even more attractive. Advertising 2020 sums up its recommendations with the acronym AGILE CHOPS: All Touchpoints Orchestration; Global; Insights from Data and Privacy/Permission; Live Newsroom Model; Extended (Opened) Innovation; Context; Human Emotion and Story; On-Demand; Prioritize Adaptive Experimentation; and Social Impact.

Winning organizations in 2020

Marketing 2020 envisions the most successful marketing departments of the future aligned against super-clear strategies and business goals. According to Marc de Swaan Arons, Founder of EffectiveBrands, "Just knowing what your strategy is turns out to be a major differentiator." Joe Tripodi, Executive Vice President and Chief Marketing and Commercial Officer at The Coca-Cola Company, frames it like this: "The marketing function needs to be leading the growth agenda for the company. We have a company-wide 'big hairy audacious goal' of doubling our sales between 2010 and 2020. We're trying to double in ten years what it took us 120 years to achieve." But measuring financial growth alone is not enough, says Tripodi. "I'd like to redefine EPS from 'earnings per share' to 'economic value, partner value, and social value,'" he says. "Those companies that are ruthlessly focused on earnings will be left by the wayside. It's not just what you sell, it's what you stand for." Research supports Tripodi's point of view that the CMO who adopts a more financial- and value-based approach gains more respect and power in the corporate decision-making process. Fifty-eight percent of today's marketing teams claim to work closely with their CEOs to drive growth: a fifty-three percent increase since a similar study in 2006. Responses also show that marketing is playing a larger role in approving growth-oriented investment decisions (like entering new markets) in thirty-three percent of companies, up from nineteen percent in 2006. De Swaan Arons agrees that CMOs are critical to achieving the highest goals of an organization. "The CMO is often the executive with the sharpest understanding of the marketplace, and he or she needs to translate that far beyond the traditional marketing mix to be taken seriously by the CEO and executive peers. Those who have accomplished this have successfully pivoted from a position of being perceived as the big spender with little respect in the boardroom to an equal peer who can help show the

way. The CMO's influence has dramatically increased.”

Establish purpose and leading based on data

Having a clear and compelling purpose will be a vital brand characteristic in 2020; those that demonstrate a clear societal purpose will consistently outperform their competition, and the most accomplished brands will offer functional, emotional and societal benefits as key parts of a whole. Identifying and adhering to this purpose will be vital to building successful brands as measured by hard KPIs, such as lead generation and revenue growth. To accomplish this, Marketing 2020 findings show that over-performing companies actively engage employees, consumers and departments far beyond the marketing team. Alongside the need for purpose will be a greater understanding of data. The Marketing 2020 study reveals that delivering far-reaching consumer experiences will require brands to analyze and understand data effectively. This will feed into cross-platform social capability and content creation – both important drivers of future success and give brands the power to more fully measure the return on investment of their activities.

Walmart, for example, has established its own R&D division, @WalmartLabs. The center's marketers and technologists have developed tools like the “Social Genome,” described as “a giant knowledge base that captures interesting entities and relationships in the social world.” The Genome constantly churns through a vast knowledge base of public data, social data and proprietary data, including contact information and purchase history, in order to identify online mentions of products sold by Walmart. The company can then reach out to each individual with information and relevant offers (and the Genome knows whether someone who says “I love Her!” is referring to the Spike Jonze film or his girlfriend).

The 2020 organogram

Delivering such sophisticated, data-driven messaging and advertising will necessitate radical organizational change. The 2020 marketing organization will be nimble and networked. Global marketing departments will allow for greater local specialization and regions will lead key initiatives, rather than relying on wide ranging global directives. In the

interview with ANA Magazine, Coca-Cola's Tripodi described how the company has begun using "global centers" – regional divisions given responsibility for the development of content meant to be broadly shared. For instance, Germany was asked to become the global 'charter center' for Christmas, based on its previous outstanding performance during the holiday season. "Global' used to be at the top of the food chain," he said. "But now the real opportunity is going to be the networked entity. It's going to be all about finding the people who do the best work, letting them do it, and letting [that work] get socialized around the world."

Leading brands will also partner with more outside organizations and agencies to spark creativity and flexibility. And finally, the CMO's role will also change – he or she will no longer sit at the top of a pinnacle, but instead orchestrate everything from the center of a spoke-and-hub model focused on coordination and integration. From that central position, the CMO will also oversee much greater investment in training; the Marketing 2020 results already show that companies that invest in marketing capability training programs significantly outperform their competitors. How CMOs begin to tackle these dynamics today will determine who will come out a winner in 2020. These two surveys are a good reference point to start asking informed questions about whether your organization is preparing for the future.

For more on the Wharton Future of Advertising's (WFOA) Advertising 2020 study (and for a complete conversation on AGILE CHOPS), visit wfoa.wharton.upenn.edu/ad2020/.

Executives from WPP's Ogilvy & Mather, OgilvyOne, The Futures Company, Kantar, GroupM and Wunderman, in addition to MediaCom clients The Coca-Cola Company and Mars, Incorporated contributed to the study. WFOA's Academic Director, Jerry Wind, presented exclusively to MediaCom's clients at the Cannes Festival of Creativity in 2013.

[Click here for more information about Marketing 2020](#) or [view the story here](#).

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