

WINNING MARKETING ORGANISATIONS

NEW CONSUMER BEHAVIOUR IN THE DIGITAL AGE REQUIRES A NEW KIND OF MARKETING ORGANISATION

Earlier this year a survey by Marketing Week reported that more than 75% of all Chief Marketing Officers in the UK would like to restructure their marketing department within the next year. At first sight this finding might seem surprising. But on reflection it clearly makes sense to have a long hard look at how a marketing department is organised, given the dramatically changing role of the consumer: today's globally networked consumers exchange views online and provide instant recommendations or criticisms of specific brands and products, all in record time and across huge potential audiences .

In the digital era, the "Consumer 2.0" not only receives but also sends marketing messages. On top of attracting consumers' attention to their own message, businesses also have to enthuse them, a key factor in getting the online consumer's support in distributing the marketing message. Social networks, like Facebook, play a very important part in spreading marketing messages. Whilst this is hardly news for marketers who are trying to attract young consumers it is notable that even for consumers aged 50+ social networks are becoming increasingly relevant. Facebook's fastest growing demographic user group is women aged 50+, an important target group with attractive purchasing power.

What can be done by marketing executives to meet these market challenges and to restructure their departments for greater efficiency?

Amongst advertising and marketing agencies the revolution is already in full flow. All major advertising and marketing agencies are remodelling themselves to provide the full bandwidth of multi-channel and media services, expanding their service offering through the establishment or acquisition and integration of specialty online units.

Integration is also a key word for the marketing departments of tomorrow, in whichever industry sector they are active . One best practice example is the marketing of the sports drink brand Gatorade, which has sought to shift its image away from its former 'soft-sports drink brand' positioning to a more 'sports performance brand'. With the intention of driving the future brand image whilst maintaining sales volume, Gatorade established a Chicago based 'Mission Control Centre' from where all brand related online communication in every social network is analysed, in order to:

- a) be able to respond in real time, and;
- b) to develop marketing tools and measures of all types.

The Gatorade approach in moving marketing functions away from a 'silo mentality' illustrates that working in an interdisciplinary manner is a key success factor. The differentiation between conventional marketing, PR and new media is no longer applicable. Instead, teams are built according to product lines and work across all media.

Whilst the Gatorade case is an interesting example, the approach is not necessarily directly transferrable to other brands and companies. Every company has to find its own approach by defining how important new media and social networks are for their future operations.

Luca de Meo, Volkswagen's international marketing director, for example, is convinced that the future is digital. He believes that marketers require technological competencies and skills on top of the traditional 'marketing tool set'. In de Meo's mind, ongoing digitalisation is an opportunity which forces multinational companies to think globally and in

Marketing departments need to be structured to capitalise on unrestrained growth in social media.

Businesses should avoid a 'silo mentality' when restructuring marketing departments

the progressive manner in which consumers do already. Since the introduction of the World Wide Web in 1991, more and more people are using the internet to access the latest information and to purchase online. And the community of 'online affine' is ever growing: those born after 1990 have never experienced an analogue world without internet. Instead, this generation has been raised as 'digital natives' and will become an increasingly important target group as they start purchasing their first branded consumer durable goods.

With this in mind, it is clearly worth taking the time to rethink a marketing department's structure and to invest in the online and digital competencies of marketing staff – this applies especially to employees who have been in marketing long before the internet and digital marketing existed. Such redirection takes time and businesses can choose a short cut by simply engaging a social media expert or implementing a new marketing division responsible only for online and digital marketing. But to enhance marketing performance in the long run it is important not to divide a company's marketing functions into old and new media departments. Instead it is crucial to introduce a structure which provides for digital marketing related thinking across all marketing levels. The purchasing department also needs such a holistic approach since increasingly it will have to decide on the purchase of external digital related services. Simply: **a marketing department should itself be as flexible as the internet.**

The need for restructuring and realigning existing marketing structures towards a more digital approach is supported by recent figures from the media agency Zenith Optimedia. Its recently published 'Advertising Expenditure Forecast' predicts the internet to overtake television as the biggest channel by net advertising revenue in 2013. Broadcast video advertising turnover is forecast to grow – whilst at the same time the internet channel will grow even more strongly from the increasing use of video for advertising purposes. The internet is transforming from an information and sales medium to an image medium.

The potential for developing marketing, communication and brand-building in a digital world is immense and diverse. Businesses also need to maintain the competitive ability and effectiveness of their marketing departments. Consequently, senior marketing executives should engage in the following crucial tasks:

- 1) Define the importance and role of digital / online marketing by brand and target group.
- 2) Analyse how far the marketing department has the "organisational fit" to meet future market challenges.
- 3) Redefine the internal marketing tasks and services which have to be handed over to external service providers and specialty agencies.
- 4) Redefine all marketing roles and responsibilities within the company.
- 5) Fast reacting media demand quick reactions! This requires company internal structures which enhance flexibility and reaction time.
- 6) Avoid a 'silo mentality'. Instead adopt and support an integrated, holistic approach to market development.
- 7) Encourage and support development of digital knowledge and skills, providing training as necessary. This also applies to includes senior marketing executives.
- 8) Enhance measures to track, monitor and control all marketing campaigns and initiatives.

SEMPORA supports both B2C and B2B clients by realigning their strategic marketing development in order to become future 'winning marketing organisations'.

The future belongs to marketers who integrate new and traditional media

Internet advertising spend is forecast to overtake TV spend – are marketing departments ready for that?

Steps for best practice

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