



Digital evolution of Marketing /Marketing Department organisation structures

1. Background

In the good old days! Marketing was relatively straightforward to organise. Back in the 1970's when the marketing function really began to gain widespread recognition and adoption, there were typically just a few key levers that the department was responsible for. And these were mostly around building brand awareness among the target customer /consumer group.

Today's world however has become infinitely more challenging and complex. The role and responsibility of Marketing has grown significantly. Companies today now almost universally look to their marketing team as their engine of growth. Market sectors are more competitive, they are usually global, they have become multi-channel, technology is proving disruptive while at the same time being attractive, expertise eg in digital, mobile, social, SEO is becoming more specialist and harder to obtain...getting any increase in market share and gains in revenue is just more challenging.

The progressive Marketing function however is now looking to tackle these challenges head-on. They are taking responsibility for developing the company's strategy and plans that can navigate through this market maze and develop winning solutions. The need for an integrated, multi-channel, technically literate, innovative and ever more entrepreneurial team is now becoming paramount.

This brief note looks at the evolution of the Marketing organisation. It starts with "the good old days" and looks at where things now are. There is no "right/proven" structure and model. Every company of course is different. There are differences in B2B and B2C (principally B2B have historically had less "digitally" sophisticated and developed customers, though that is also now rapidly changing!) and companies are very influenced by number of products /number of Brands, number of countries sold to, size of revenue streams, readiness of the senior directors /officers of the company to invest, how responsive the business is to new channels of communication like web, mobile, social, and just how ambitious the marketing team wants to be!

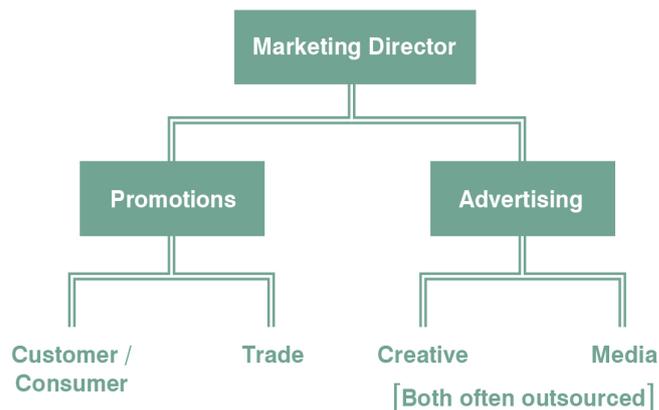
2. The good old days.

There were principally two key levers: Promotions and Advertising.

The Proms team developed the annual plan and set out the promotions cycle. They would agree plans with Sales dept. about what sort of incentives required at different stage of the sales cycle. Activity would be driven mostly by the Sales team and the needs of key Trading

customers. So there would be something planned for each quarter. The range of options was fairly basic, choose from direct mail, sampling, discounts and if possible eg “on-pack” competitions.

Alongside this and in support would be the *Product /Brand advertising*. This would depend on budgets and would be all about building awareness and recognition. It might be on TV or in Print or on the Radio. (Media buying and planning would invariably be outsourced to the Ad agency)



3. The 1990's

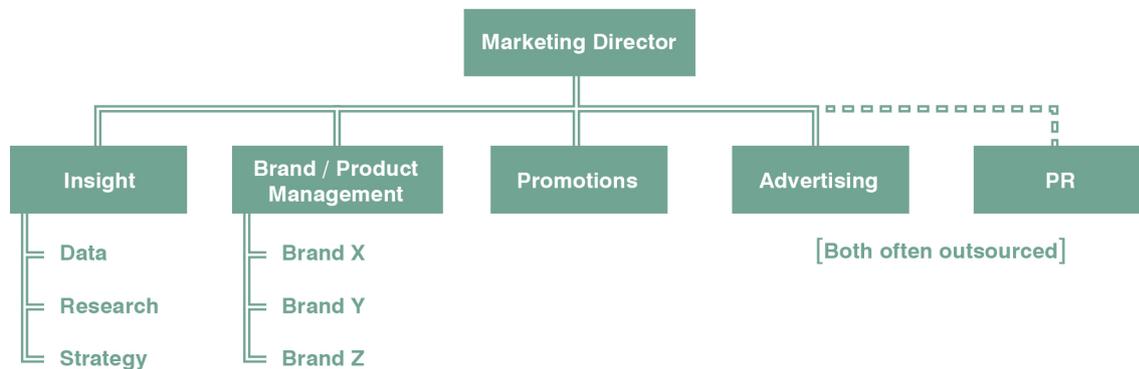
Still before the real commercial advent of the internet, yet Marketing even at this point was becoming significantly more sophisticated. The catalyst here was the availability of data and more and more computer processing power available on the desktop. Suddenly a marketing team could recruit in a data /insight /research team who could analyse customer behaviour, spot trends, engage in richer and deeper segmentation and identify much more tailored and refined and sophisticated marketing campaigns and activities.

So marketing teams might typically have a Head of Insight (in early days this might have been the Market Research Mgr), who would take responsibility for data and analytics. The work might be outsourced to a specialist data/research team or combined with some in-house expertise.

In addition, the whole concept of the “Brand” began to take root. Brand Mgrs. began to proliferate as companies looked at the pioneer of effective Brand marketing, Procter & Gamble, and wanted to adopt and copy their, it seemed, proven success model. Brand Mgrs. were charged with being the “guardians of the brand”. While no-one was quite sure what that meant! it seemed mostly about measuring and monitoring Brand awareness, propensity to purchase and brand sentiment. It also meant being the champion of the brand internally across the company. That usually also meant being the coordinator of brand planning, brand budgets, brand promotions, brand development and brand advertising. And in some instances having those skills reporting directly into them rather than being separated out.

But this era did particularly herald a step-change in the profile and power of Marketing. Marketing Directors began to appear on the main board. The Brand Mgr started to become a powerful figure of influence and responsibility. The team became more than just

administrators of a promotions budget. They became responsible formally with Sales for top line revenue growth, and often took on the Brand/Product P&L. They also had a much more involved role in the long term. No longer just about short term tactical campaigns and quarterly sales programmes. There was now also a key responsibility to use the data and insight to generate product development programmes which would keep the Brand alive and contemporary and compelling.



3. Now!

Today's world has seen a step change in complexity. We now live in this multi-channel, technology-enabled world of innovation, new ideas and constant change. Channels to market have proliferated and fragmented. It's no longer a simple world of TV, Print, Radio. Now add of course so much more whether via desktop, mobile, tablet, webcast, YouTube, Pinterest, Facebook, Twitter, social media monitoring generally, in-game advertising, pre-roll, SEO, SEM, blogs, eCRM, e-Commerce...the list goes on.

And yet, this has all fallen to the Marketing Department. No other team has stood up and tried to take this all on board. And typically no other team in the company would naturally have the skills or market understanding to adopt and embrace all this change and opportunity. So everyone now looks to Marketing. Tell us about these changing market /multi-channel /omni-channel conditions, how do we now reach out to our target audience (they are no longer where they used to be!), get us the data and insight that enables us to understand what marketing communications will work and what will not, conduct the tests that show how to engage with our target customers in this digital world, identify the new programmes and activities and product development which will ensure we remain /become successful!

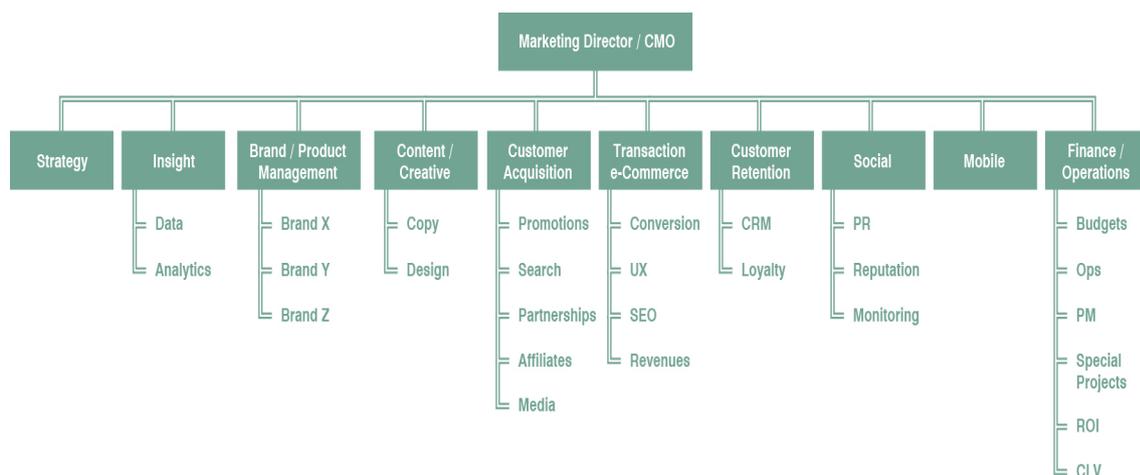
No small challenge.

And so the Marketing department has had to evolve rapidly. It has had to take on and recruit new skills/ new people. It has had to expand simply to cover the basics. It now is expected to have skills in all these “new” areas and to understand mobile, social, Twitter etc etc. Over the course of the past decade marketing teams have grown in numbers (though not necessarily in comms spending budgets) and have become even more “centre stage”. They are now the champions of not just the Brand, but also of the Customer. They now formulate the total customer engagement strategy. Instead of Sales driving Marketing (as used to happen), it’s now the other way round. Marketing are the key. They are the ones who are at the heart of the business. It is their knowledge about digital and the changing market environment that is dictating the whole organisation’s future strategy. It is now Marketing’s relationship with IT that is the core team dynamic. It is how those two departments operate and collaborate and work effectively together that will ultimately decide who will be the winners by 2020.

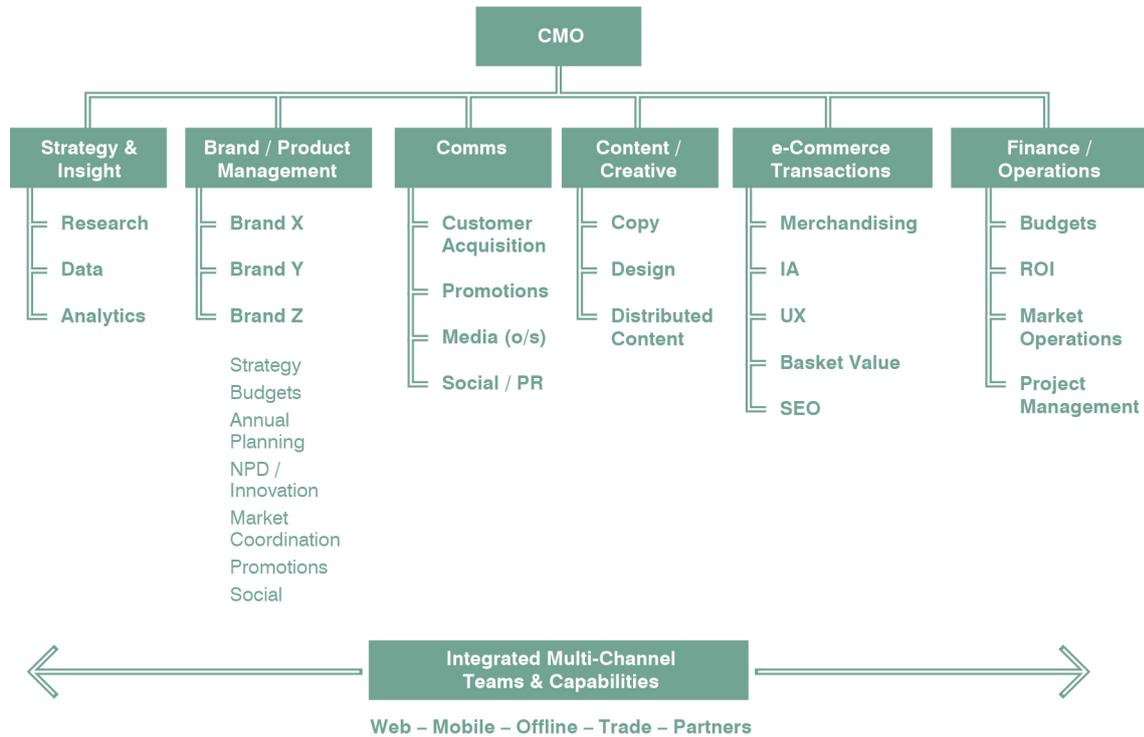
So in the next two diagrams /org structures, the first illustration shows how the Marketing skills set has proliferated and the range of new skills and functions the team had to adopt. The second chart next page shows how the better Marketing departments have come to terms with this, how they have reorganised to manage that proliferation to find a new simpler more streamlined more manageable and more effective org.solution.

As mentioned at the beginning of this note, there are no “right answers”. And this has simply tried to show how things have changed, and by just how much! And what some possible ways of navigating the organisation through this changing dynamic period might look like.

(i) Extended Marketing value chain /org.:



(ii) a Streamlined /consolidated Marketing organisation structure:



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[Michael runs this specialist recruitment /headhunting firm Digital 360, focussed on hiring key talent where Digital and /or Data skills and savvy are key. This is often in core Marketing or Tech functions.

Michael used to work at McKinsey in Strategy consulting, is an ex Procter & Gamble Marketer, and is former MD of Argos.co.uk and Head of Experian.com.

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His ethos is to work honestly and transparently and treat people with kindness and respect.]