

The Marketing Ecosystem Blueprint

Unlocking innovation and driving growth

March, 2022



EXECUTIVE SUMMARY

AAR and The Drum embarked on an in-depth research study to explore how marketers develop the ever-evolving building blocks of their marketing ecosystems - which, for the purposes of this report, means the sum of internal and external marketing capabilities, across people, partners, platforms and processes. From this, we were able to establish a blueprint for how CMOs should design and run their marketing ecosystems, where seven puzzle pieces fit together to create a holistic ecosystem that can enable genuine creativity and effective marketing.

The puzzle pieces are:

- 1 **Always-on change** - how to implement change management initiatives
- 2 **Organisational design** - rethinking this to unlock creativity, including in-housing and innovation
- 3 **People: mind the (skills) gap** - ensuring the availability of critical people skills internally
- 4 **Partners: bringing out the best** - finding the right external agencies or in-house set up
- 5 **Platforms: the martech race** - how to compete in a world of increasingly advanced technology
- 6 **Process: changing a culture** - the battle to optimise processes and streamline ways of working
- 7 **Measuring success** - confidence in CMO's ability to measure success

We will cover these puzzle pieces in turn in the sections that follow, combining everything we learned from a quantitative study of 100 UK CMOs and qualitative interviews with marketing leaders from BT, TSB, Molson Coors and Nomad Foods. The study included business-to-business (B2B), business-to-consumer (B2C) and direct-to-consumer (D2C) brands spanning a range of industries including technology, retail/FMCG, manufacturing, professional and financial services. This informed our understanding of the DNA of a modern marketing ecosystem and shaped the AAR Marketing Ecosystem Blueprint, for 2022 and beyond.

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INTRODUCTION

In an age of continuous disruption where businesses must innovate fast, marketing operations are arguably more important to success than ever before. But to achieve business-critical marketing goals, there is near-uniform agreement (among 98% of CMOs) that having the right marketing ecosystem in place is essential.

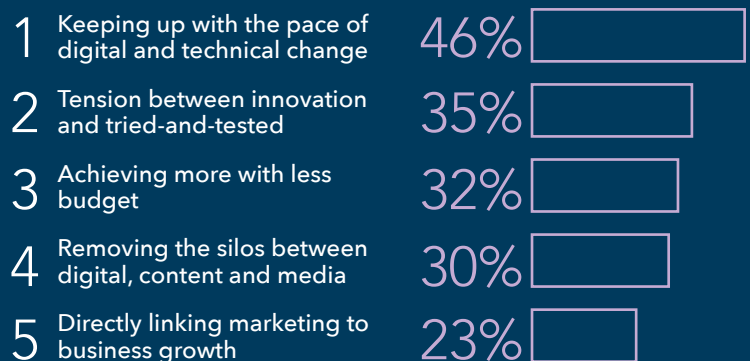
With the world in a constant state of change, marketing must adapt to ensure it remains 'always-on'. Nine in 10 CMOs are reviewing the people, partners, platforms and processes that make up their marketing ecosystem at least every six months to ensure they are working together optimally and setting the organisation up for success, while 27% are reviewing every month. The main reason for this? To drive business growth, say 57% of CMOs.

98% of CMOs agree that having the right marketing ecosystem in place is essential to achieve business critical marketing goals.

Marketing decision-makers face some of the toughest internal and external challenges they have ever faced. Stoked by the Covid-19 pandemic, marketing budgets are getting tighter, teams are becoming more fragmented and the struggle for talent rages on, exposing critical skills gaps. That's just within the marketing function. Outside of that, there's a plethora of consumer touchpoints, shifts in buying behaviour, fiercer competition and a need to drive digital transformation at an unprecedented pace. In this challenging environment, marketers are still expected to foster continual creativity and innovation. So, how does the CMO ensure they address all of this to support business growth?

FIGURE 1

The top 5 challenges for marketing ecosystems today



THE MARKETING ECOSYSTEM BLUEPRINT

The research uncovered that marketing leaders exude some level of confidence in how their marketing ecosystems are set up for today, but how do they ensure it is designed to be agile enough to adapt for what's coming tomorrow?

Building the right marketing ecosystem is a constantly evolving journey and one that is different for each organisation – but there are some common principles that allow us to build a framework. Change is never finished. And whether it's a change to people, agencies, marketing tech or the process, it needs to be viewed holistically to understand the impact one will have on another.

It's important to recognise it's not just about having the right ingredients, it's also about how they're prepared: the culture, environment and ways of working are all vital to ensure that what's in the ecosystem performs to its full potential. Read on to explore the seven themes to consider.



1

ALWAYS-ON CHANGE

How does change management operate best for the marketing ecosystem? There are three key principles: change is always a work in progress; the CMO must own the transformation; and it should go with the grain of the business wherever possible, mirroring existing change management process and language. We cover these in more detail below.

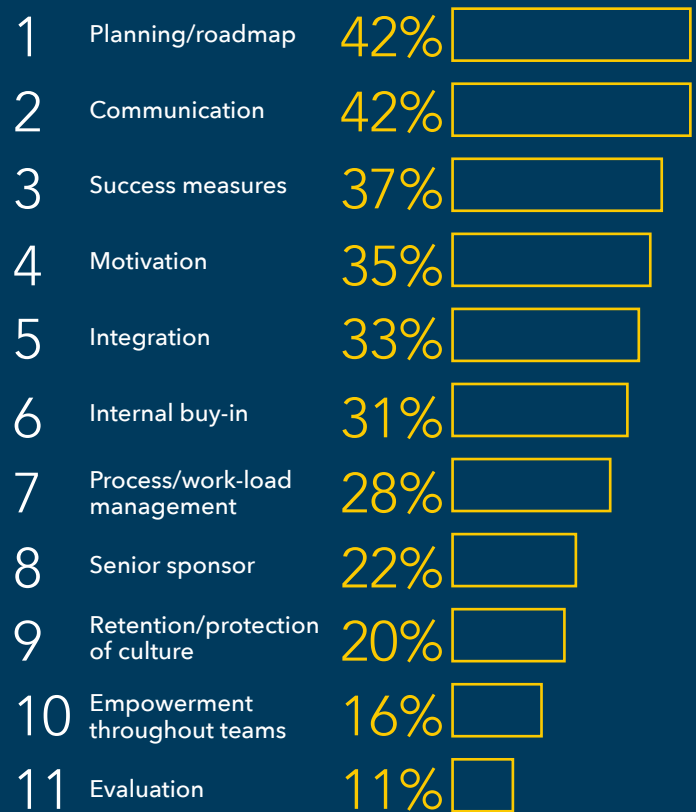
The evolution of the marketing ecosystem is an iterative, always-on activity - but a major challenge facing marketing leaders lies in creating a successful culture of change that establishes organisational buy-in for the journey ahead.

37% of CMOs see the ability to measure success of a change management programme as a top concern.

The survey found that planning/roadmap creation and communication (both 42%) are the two most important factors in a successful change management programme, with the ability to measure success also proving to be a top concern for 37% of CMOs.



FIGURE 2
The most important factors in a successful change management programme - ranked by importance



A WORK IN PROGRESS

For marketers to implement change, they need buy-in from the whole organisation – from the very top down – to bring everyone together under one vision. To do so effectively means communicating that vision to the right people, both in and outside the marketing function, to connect it to the roadmap for change. That way everyone understands not only what you're doing, but why you're doing it, when and how they fit in.

"It's about making sure you spend enough time aligning on what you're setting out to do, the role of marketing, data, and how to architect that – and make everyone part of the change," says Christian Thrane, Managing Director of Marketing at BT's Consumer Division (BT, EE and Plusnet).

Change management isn't a one-hit wonder. It's an ongoing process – one that requires a constant lens on what's changing and evolving to understand what parts to invest time and resources behind.

"When you think about the ecosystem, there's lots of moving parts. The tools and processes are forever changing; there's always the next big opportunity,

“ Making sure your brands have a clear point of view in the world is foundational. Part of the challenge is not getting thrown off. If you forget the heartbeat, you're chasing shallow spaces without any purpose.”

platform, tool or data," says Michelle St Jacques, Chief Marketing Officer, Molson Coors. "But some of the core pieces of marketing are enduring thoughts – making sure your brands have a clear point of view in the world, and that they are distinctive and showing up in a consistent way across touchpoints.

"They are foundational to building brands, they are the heartbeat. And then there's all these things around it constantly evolving. Part of the challenge is not getting thrown off. If you forget the heartbeat, you're chasing shallow spaces without any purpose."

THE CMO MUST OWN THE TRANSFORMATION

A big part of driving change is being able to demonstrate the role of marketing within the organisation; the impact it has in understanding the market and the customers; the impact it's having on the P&L; and the impact of short-term measures (sales) and long-term measures (brand). The CMO must own this transformation.

"Change management is always undervalued - and it's always with the benefit of hindsight," says Steve Axe, Chief Marketing Officer, Nomad Foods. "The most important thing in getting over internal barriers is planning for them. Constantly having a change management workstream requires different resources and skillsets but it takes as much effort to make it happen, as does driving the actual change itself."

The job of the CMO is to show that effective marketing delivers better results. It's about moving the needle to get the mandate to do the things that are important - and being able to communicate that in a common language. That means having allies in two key positions - the CEO and the CFO.

"Blindly asking our CFO for more marketing dollars would be irresponsible; our job is to show them that, through investment in our brands, we will deliver better results," says St Jacques. "You need to have that vision to be able to unlock the investment to spend more behind our brands, but be able to back it up with results."

“ Things are changing week by week, month on month, quarter on quarter. You have to appreciate that's the world we live in, and then create a culture that is flexible enough to understand and adapt to those changes, and face into them with positivity.”

The change is constant, and so building a positive culture around flexibility to address this is key.

"We're no longer in a world of routine annual performance reviews; things are changing week by week, month on month, quarter on quarter," says Keith Gulliver, Head of Brand and Marketing, TSB. "You have to appreciate that's the world we live in and then create a culture that is flexible enough to firstly understand this but then be able to adapt to those changes, and face into them with a level of positivity. That means offering new development opportunities for people, investing in new skillsets and new ways to drive performance and growth."

GO WITH THE GRAIN OF THE BUSINESS

Any marketing change is likely to fail if you don't go with the grain of the change, governance and processes within the business.

Gulliver cites the example that you can organise your marketing ecosystem in exactly the right way, whether that's focused on customer centricity or around data and insight, but if another part of the business is structured in a different way, for example orienting around products, then it can cause tension and conflict. He says: "When you're doing those structural reviews around people and operating models, you can't do it in isolation of the rest of the business - those things need to work together, otherwise the bigger process falls down."

"Marketing shouldn't be this siloed operation," Gulliver adds. "You're going to be most successful if you integrate as much as you can with the rest of the business, where marketing becomes a business wide focus and an ethos, as much as a department. The more you integrate within the business, the further upstream you get and the more influence you have on strategy - and that's much more sustainable."

THE AAR PERSPECTIVE

Challenge yourself to answer these questions:

- Have you developed a compelling purpose and vision for marketing that the organisation - and your external partners - can unite behind?
- What's in it for them? Have you thought about each stakeholder group's mindset, bottom-up and not just top-down, to make the best case for change?
- How much time and resource are you dedicating to planning and managing change versus creating the change itself?
- What training, communications and hiring plans will accompany the change?
- How are you investing in your own leadership development and personal support given the challenges you face?

2 ORGANISATIONAL DESIGN

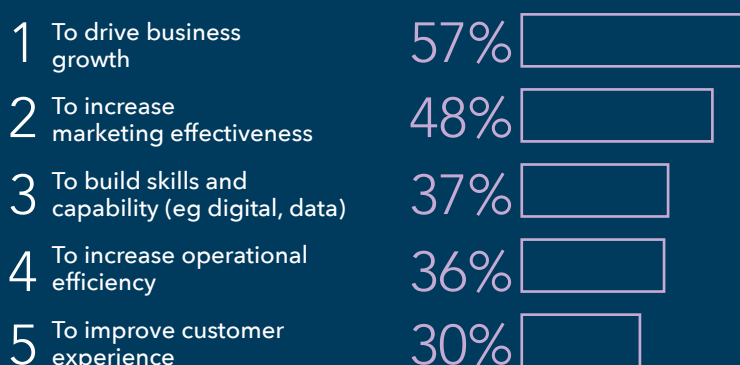
Your marketing ecosystem is comprised of distinct layers, including how you think, create, trade/buy, adapt, distribute and measure. Each has an important role to play in driving growth, and the efficiency and effectiveness of any marketing ecosystem is determined by the architecture of internal and external capabilities across these layers. In this section, we explore the ongoing battle for CMOs to find the right model, looking at what's driving the in-housing trend and how marketers are embracing innovation to flex their creative muscle to push the business forward.

Behind any set-up, you need a strong foundation. A well-designed marketing ecosystem requires a holistic architecture that utilises a mix of skills and services to unlock innovation and creativity.

"[The CMO] needs to be the architect behind how all of these things play together - because if you lose the architecture, you lose control of how you manage your customer base, your impact on P&L and your insights," says Thrane. "It's about connecting the dots, orchestrating it, understanding the totality of the impact, making sure your processes are fast and that you're able to learn yourself so you don't end up with multiple handovers, both internally and externally."

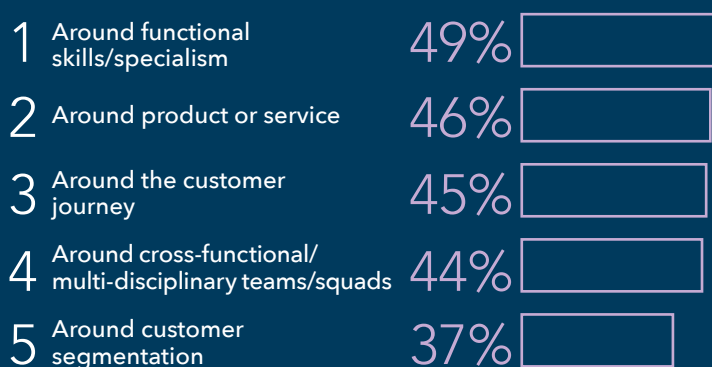
The research revealed there's no silver bullet to how the marketing ecosystem should be designed, because it's unique to every business and how it operates. What is important is having a core of expertise that can understand and orchestrate the different moving parts of the ecosystem.

FIGURE 3
The key drivers for redesigning the marketing ecosystem



**NB. Driving business growth was more prevalent for B2B and B2C brands versus D2C who over-indexed on building skills and capability*

FIGURE 4
How marketing ecosystems are being redesigned



IN OR OUT (HOUSING)

With a need for speed, as well as the desire for brands to own their own experience and data and to find cost efficiencies, the long-established in-housing trend is set to continue, following moves by major brands such as Lloyds Banking Group, Marks & Spencer and PepsiCo – and, indeed, the brands that contributed to this report.

More than half (52%) of marketing is now delivered in-house (internal resource), while 23% is in-sourced (external agency resource that sits ‘internally’ with the client team) and 25% outsourced (external resource), among survey respondents. And CMOs plan to in-house more in the next year – notably social, media and brand advertising capabilities.

But there are challenges in doing so. Over a third feel that digital skills (40%) and innovation (40%) are missing from their internal teams and have looked to external partners to overcome the challenge of keeping their in-house resources fresh and creative. More on that in section 4.

This seems to be an ongoing challenge for CMOs as they struggle to find the right model. Costs (47%), efficiencies (43%),

control (36%), people/talent (34%), culture (27%) and speed (26%) are driving decisions to in-house parts of the marketing ecosystem that had previously been outsourced.

Brands can find it hard to attract and retain leading strategic and creative thinkers, as well as niche digital and data talent. Even where they do, it’s challenging to retain objectivity and avoid ‘going native’.

This constant change means that finding the right balance isn’t as straightforward as it could be. Almost half (49%) of CMOs are now planning to outsource some of what they brought in-house again, while 11% are planning to outsource all of what they brought in.

The change in narrative around the in-housing trend is something that Goldman Sachs pre-empted back in June 2020, attributing this as a by-product of Covid-19. They cited evidence that advertisers were looking for more flexibility with their external agencies and full-time staff, noting that price is playing a key factor in this constant change – whether moving in or out.

FIGURE 5

Top 5 capabilities CMOs plan to in-house over the next 12 months

1 Social	57%	<input type="text"/>
2 Media	50%	<input type="text"/>
3 Brand advertising	49%	<input type="text"/>
4 CRM	32%	<input type="text"/>
5 Content	29%	<input type="text"/>

FIGURE 6

Top 5 concerns in bringing parts of the marketing ecosystem in-house

1 Getting the in-house resource fresh, creative, innovative	47%	<input type="text"/>
2 Having the right capabilities	45%	<input type="text"/>
3 Budget	41%	<input type="text"/>
4 Internal alignment	36%	<input type="text"/>
5 Resistance from agencies	33%	<input type="text"/>

“How do you take all these things that are black and white around data and turn it into a rainbow? That’s the magic of what we do.”

A CORE OF EXPERTISE

The qualitative part of this study added more dimension to this story. The decision to in-house certain capabilities is not to take anything away from the agencies, but rather to bring in a core of ‘outside in’ expertise into the internal marketing team. That way, they have subject matter experts who can match the standard of capabilities the external partners can offer. And by raising the bar internally, it enables them to maximise the impact of their agency partnerships.

“I don’t see it as being a one or the other situation - [the in-house agency and external agencies] play different roles that make our creative ecosystem more powerful,” says St Jacques. “I intend to continue to manage it that way where we have opportunities in place where we need it.”

She sees a future that combines both aspects - agencies helping to push their brands into bold new spaces and thinking differently about how to drive growth into the future, plus a smart in-house agency that can be agile and responsive.

In addition to cost efficiency, speed of response and quality control, it’s becoming a much more effective model for the CMO to lead, according to Gulliver.

“It’s really important that the agencies in your ecosystem are genuinely working and responding together via integrated briefs - you’ve got to try and break those barriers down, build trust and make sure it’s a truly objective process,” he says. “One of the benefits of this is the knock-on effect of upskilling other parts of the marketing team via the expertise that you bring in.”



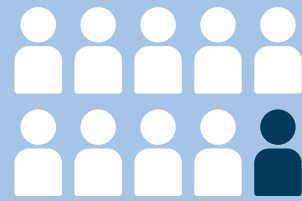
THINK
CREATIVE,
WORK
EFFECTIVE

THE INNOVATION GAME

To be able to innovate at the pace of change, creativity has to be at the heart of the marketing ecosystem - that, combined with a culture that is fast, agile and innovative. With the promise of greater technology, creativity has become more important than ever.

The difference now is that it is 'fact-based creativity'. Axe explains: "Because we have access to so much data that we never had before, in terms of the effectiveness and the live feedback we can have on our communication, both from a cultural resonance standpoint and a ROI standpoint, we can constantly push the barriers of our creative output."

Yet the survey revealed that only 17% of CMOs are fully confident that they have the right conditions in place across their marketing ecosystem to allow creativity to flourish. Could it be that a lack of diverse talent is inhibiting a culture of creativity in the modern marketing ecosystem? Nine in 10 CMOs think so. It's clear that more needs to be done to create the environment that marketers need to be truly creative.



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CREATIVITY: A MUSCLE, NOT A TEMPLATE

Every brand is different and while there are some common areas to explore in the context of the marketing ecosystem, creativity is the secret sauce that sets brands apart. Contrary to some areas of marketing – such as data, which requires a standard framework – we must be careful as an industry to not try to framework how to get to creative brilliance, warns St Jacques.

“There are obviously ways that you can use data better than others, but I don’t think that leads to brilliant marketing – it’s an aid that helps us identify things we want to solve for and helps us optimise in the back half,” she says. “The middle bit to me is where creativity lives and where it’s about being bold and finding ways for your brands to really breakthrough in the marketplace.

“It’s more of a muscle than a template and you need to be building that muscle and building capabilities around how to help your marketers understand what a great idea is. The data is the book ends on either side. How do you take all these things that are black and white around data and turn it into a rainbow? That’s the magic of what we do.”

As we think about building the marketing ecosystem, it’s about having the right combination of both. Focus too much on inputting data into a spreadsheet looking for the answer and the entire marketing industry will become obsolete. Equally, by focusing solely on creativity you can miss the foundations of what’s working and what problems you’re trying to solve.

“Trying to build ecosystems that have a healthy dose of both creates the tension that ensures you’re moving your brands forward versus staying stagnant,” adds St Jacques.

“ Trying to build ecosystems that have a healthy dose of both creativity and data creates the tension that ensures you’re moving your brands forward versus staying stagnant.”

THE AAR PERSPECTIVE

Key things to consider:

- Are your internal and external capabilities aligned against your strategic objectives?
- What’s the right model for what you need to achieve?
- Should you orientate your organisational model around customer segments? Customer journeys? Products? Marketing disciplines or channels? Strategy/planning or execution?
- How can you ensure diversity in your internal teams and partners?

3

PEOPLE: MIND THE (SKILLS) GAP

A successful marketing ecosystem depends on the connection between your people and the other parts of the ecosystem: partners, process and platforms.

“Without the right people to manage the architecting role, it won’t work internally or externally, it will always feel disjointed,” says Thrane. “People are at the core of being able to orchestrate and architect your own set up, your own future, and how you run campaigns.”

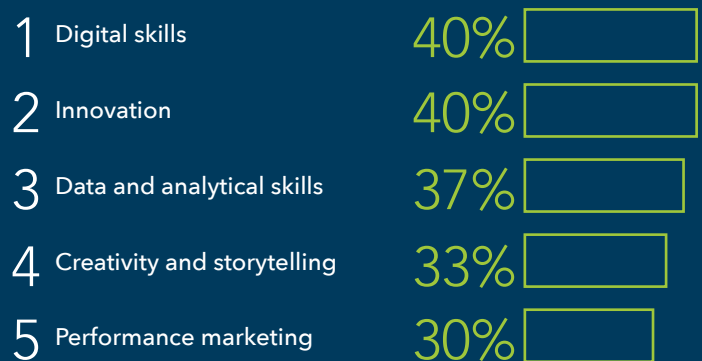
While new platforms can improve performance, it’s vital that you have the right people to use them effectively. And while 34% of CMOs say their people are the most important part of their ecosystem, the pace of technological change has created skills gaps that nearly all CMOs have had to address.

In the current search for talent across the marketing industry, we need to find people who will bring skills and capabilities that allow them to raise the bar. But hitting that sweet spot is not easy. Digital skills (40%), innovation (40%) and data/analytic skills (37%) were the top three ranked critical skills/capability gaps.



FIGURE 7

The top 5 critical skills gaps in the internal marketing function



In addition to these specific skills, talent with the ability to see and understand the broader business context, and help with the overall architecting and orchestration, is even rarer, but crucial to success.

“It’s just as much that business savviness and better understanding of your business,” notes Thrane. “There are many people who are specialised in a particular area but the ability to optimise across all is a rare skill and one that will be key moving forward.”

98% of CMOs have done something to address the skills gap in their organisations.

“Nothing happens without the right people within your organisation to drive the vision,” adds St Jacques. “Not only is it about bringing in the right kinds of people who have the same creative ambition, it’s also ensuring that we have a diverse set of people sitting around the table – and certainly those whose voices and differences are valued.”

The challenge is that you need to have the right people, capabilities and skillset to meet the demands of the consumer today, so it’s encouraging to see that 98% of CMOs have done something to address the skills gap in their organisations. The most popular initiatives include internal (55%) and external (53%) training, coaching and mentoring and recruiting new people (51%) to address the gaps. More than a third (38%) are planning initiatives for 2022 and a quarter (25%) have addressed gaps by turning to their partner resource. More on that in section 4.

These findings chime with Adobe’s 2022 Digital Trends report, which found that more than half of business leaders will be making investments in acquiring the right customer experience and digital talent, as well as focusing on training initiatives, to make their teams more successful this year.

“The world is changing and you’re going to have to build the consents and direct communications with your customer in a real-time, data-driven way across all your channels,” says Gulliver. “If you want that competitive advantage, that journey has to start now – but it’s going to take time. It’s all about having one eye on the future.”

THE AAR PERSPECTIVE

Top tips for finding the right talent:

- Look for new ways to attract talent with niche skills that are in short supply
- Identify people who have the vision to connect and architect across the business
- Equip, motivate and incentivise your teams for long term success
- Focus on training to upskill, motivate and retain your best people
- Ensure you are taking concrete action on diversity, equity and inclusion

4

PARTNERS: BRINGING OUT THE BEST

Agency partners play a crucial role in the marketing ecosystem. They bring different perspectives and 'outside-in' thinking that can unlock different layers of creativity. But the CMO needs partners that are proactive and curious in their approach and have a proven track record of delivering results.

You can work with the best partners in the world, but if you don't get the right people on the right account - and synergy in how to achieve, review and measure - you potentially don't have the right partners. You can't underestimate the importance of cultural fit.

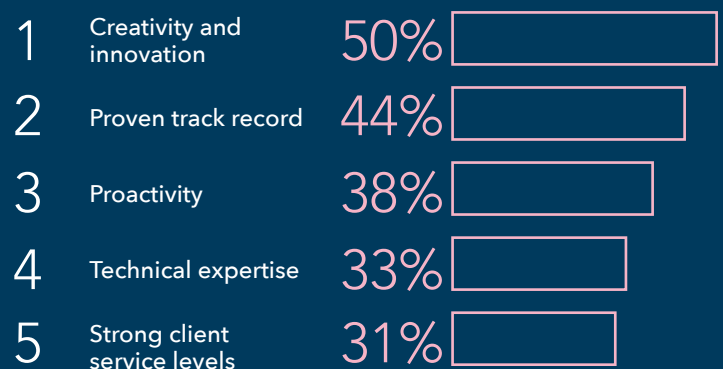
"I want the best creative team, the best media team, the best production team - and they don't all come from the same place," says Axe. "The most important thing for me is that it's our centre of expertise and you need to pick long-term strategic partners that you can go on that journey with and have the right conversations at the right level. Agencies are partners, not service providers."

The number one ranked aspect CMOs look for in an external partner is creativity and innovation (50%) - aspects that 73% feel are missing from their internal marketing functions. They also want partners that have a proven track record and are proactive in their approach.

The quality of the people, the strategic plan and the creative output is also important.

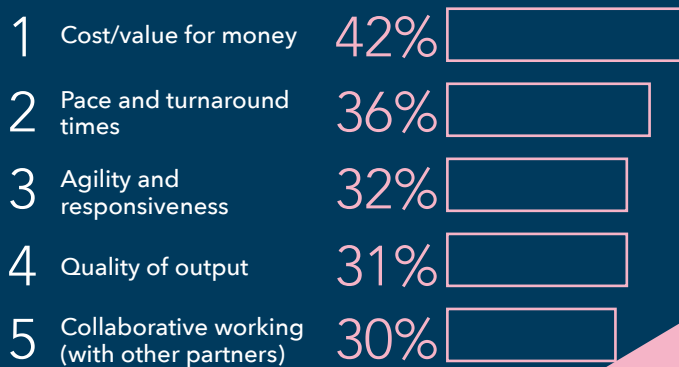
"Transparency is really important, as is cultural fit, proactivity, creative, innovative thinking - people that are going to help guide the trajectory of the team and the ecosystem also need to have skin in the game," says Gulliver. "[I look for] agencies that are at the forefront of test and learn, trying new things and innovating against defined areas of effectiveness, optimisation, connection, audience and activation."

FIGURE 8
Top 5 things CMOs look for in an external marketing partner



And yet the partner ecosystem can be volatile, despite the benefits on offer. In the past year, a quarter of CMOs have cut agencies, a quarter have switched while keeping the same amount overall and 31% have added more agencies to their roster to support with media (38%), performance (37%), social (31%), creative (30%) and growth marketing (27%).

FIGURE 9
Top 5 challenges with the external marketing partner set-up



For 50% of survey respondents, the biggest driver of change when adding new agency partners is to ensure better alignment between disciplines, followed by cost savings (48%), better alignment with the internal marketing function redesign (41%) and to enable colleagues to enhance their skills (32%).

"I look for partners that are on the front foot and always looking to learn and develop," says Thrane. "If you become complacent with how good you are, you will not be good enough next year. It's about the mindset of learning, curiosity and willingness to challenge yourself and each other."

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THE AAR PERSPECTIVE

Key things to consider:

- How can I treat my agencies as partners, not suppliers, to ensure they contribute fully?
- Does the commercial model with my agencies incentivise performance and collaboration adequately?
- How am I measuring my relationship with my partners and their contribution to my marketing objectives and business performance?

5 PLATFORMS: THE MARTECH RACE

Marketing technology is a fundamental piece of any successful marketing ecosystem. The ongoing blizzard of technology promises to save the day, but it's complex. As a result of the accelerated pace of change over the last 18 months, nearly one in every two CMOs (46%) say keeping up with the pace of digital and technological change is the number one challenge facing their marketing ecosystem, with their most critical skills gaps being digital, data and analytics skills. As a result, 67% of CMOs are reviewing their platforms and 44% are looking at technology enablement.

"Our job within leadership of a marketing organisation is to not just be throwing more tools at our teams. It's about being truthful about the ones that we think are actually going to derive value and then figuring out how you simplify it so that it can be part of the everyday approach that a team member or marketer may leverage," says St Jacques.

Not everybody has to be an expert in every element but, particularly in brand teams, they need to be able to understand what's changed, how that impacts what they are doing and the best way to do it.

46% of CMOs say keeping up with the pace of digital and technological change is the number one challenge facing their marketing ecosystem.

But are platforms what make a marketing ecosystem unique?

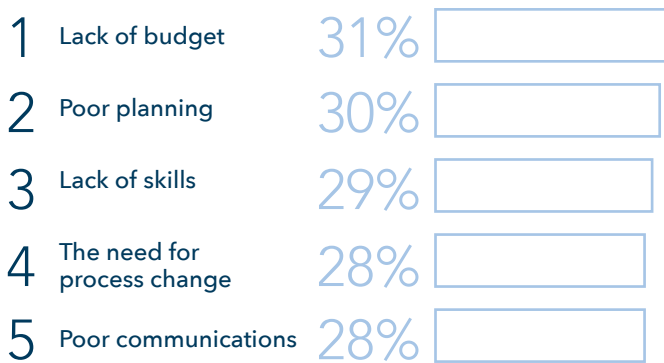
"Platforms are available for everybody; I can buy a platform, somebody else can buy a platform - they are versions of one and the same thing," says Axe. "They're important, they're a foundation, but they're not the game changer because everybody can access it. Everybody can buy Nielsen data - that doesn't make me a specialist. It's what I do with it that makes a difference."

REALISING THE VALUE OF TECHNOLOGY

The greatest barrier to realising the full potential and value of marketing technology is lack of budget (31%), followed by poor planning (30%), lack of skills (29%) and the need for process change and poor communications (both 28%).

This links back to challenges laid out earlier in the report. It could be that there's a lack of buy-in from the top; the inability to resource properly with the right skills or level of staff needed to personalise and optimise more heavily; or to afford to produce the volume of work required.

FIGURE 10
The greatest barriers to realising the full potential of marketing technology



Too often, companies can buy into the opportunities a new platform presents before they have understood what capabilities are required to deliver and embed it effectively. There might be some brilliant technical people who can work with a new platform, but do you have the people who are really driving the innovation roadmap of the platform, effectively communicating it across the business and really owning the strategy for it?

"You've got to assume you've always got gaps - and always have an aspiration to continuously fulfil them as new technologies and operational opportunities arise," says Gulliver.

LOOKING AT MARTECH HOLISTICALLY

The key to accessing the martech world is to work with the right partners and have the right conversations with them to be able to utilise what the platforms have to offer. But technology is something that underpins all commercial functions of the business and should be looked at holistically.

Axe explains: "If I've got an insight platform and a technology platform with a data stack, that needs to work just as well for the revenue growth management team as it does for the innovation team, the media and comms team, the CRM and sales team. That to me is the commercial tech that sits underneath your commercial operating model. Yes, you can carve it out - there'll be some specific parts in marketing - but you have to look at it holistically."

And again, it comes back to culture. People constantly change, people come and go and the capabilities will continuously evolve.

"The assumption that you run a couple of courses and capabilities can suddenly change everything is ridiculous," adds Axe. Instead, he's investing in a permanent capability resource as an ongoing investment to "constantly work on building, driving and supporting the capability build across the organisation".

THE AAR PERSPECTIVE

Key things to consider:

- How are you planning to build capabilities and design process change ahead of any new technology being implemented?
- How are you going to make technology easy to use and accessible to a wide audience so that the business gets maximum value from it?
- What are the selected use cases you can push live that are easier and high value to demonstrate quick wins and instil confidence?
- What's your approach to stay ahead of the latest developments in martech to ensure you're taking advantage where relevant?

6

PROCESSES: CHANGING A CULTURE

Current marketing processes are inhibiting effectiveness and consistent marketing, according to three quarters (75%) of CMOs, and only 13% are fully confident they have the right processes in place to achieve their goals.

Process is closely linked to company culture. You can have the best processes in the world but if people don't use them - or only some people use them - they're just not effective. Do people understand the processes you're using and the benefit for the team and the company?

"When you're driving new process change, it's always in service of the greater good - but we're missing the 'what's in it for me?'" says Axe. "That's the bit we need to build into the successful adaption of processes. Processes are a cultural part of a company."

75% say current marketing processes are inhibiting effectiveness and consistent marketing.

Getting the right process in place can be a real driver of creativity. Carving out appropriate time and ways of working for insight generation and the development of new strategic and creative ideas can create genuine business impact.



SHIFTING BEHAVIOUR

It's important that the ways of working around processes are clear to the people working with them. And while it can be a challenge to implement new ways of working, they must be embedded.

"Often, people have no preconception because it's a new technology, but when you're trying to shift human behaviour and the ways people have always worked, you need to reorientate this. That's where you come across challenges to face into because people inherently don't like change," adds Gulliver.

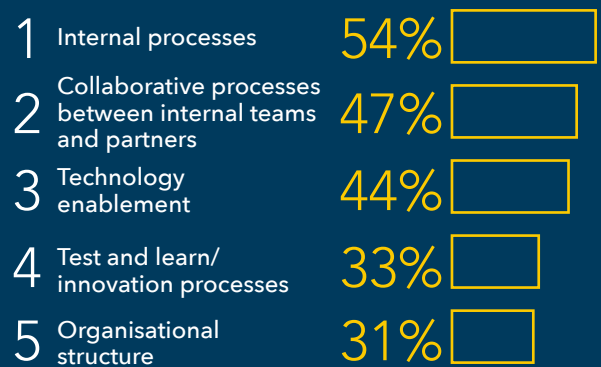
Consequently, 70% of CMOs have redesigned processes in the last year. Yet one in two CMOs (54%) say they are planning further internal process refinements in the coming year and a further 47% are looking at improving collaborative processes between internal teams and partners.

Process is bigger than the marketing function itself and that requires input from across the entire business. The challenge in getting it right, then, is ensuring you have the right people around the table across the business to unify under one process to enable better ways of working.

For processes to really work, they need to fit into the broader commercial operating model, explains Axe. That is unique to every company. He says: "Your marketing ecosystem has to be part of the bigger commercial operating system in terms of revenue growth management, customer and sales, CRM. Process is what you need to adapt more, because you need to get it right for you. There isn't a plug and play model."

FIGURE 11

How marketers are planning to improve processes



THE AAR PERSPECTIVE

Key things to consider:

- It's not about process for process' sake. It's about enhancing working conditions in a way that encourages creativity and drives performance
- Think about the main barriers to creating excellent work in how your teams and your external partners operate and identify the fastest, simplest changes to your process to fix them
- Ensure that everyone across the different teams and agencies have a common understanding of the marketing process

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MEASURING SUCCESS



With all of these pieces of the puzzle in place, how then do you know that it's working? Despite CMOs citing the ability to measure success of what they are doing as their top concern, only one in 10 CMOs (12%) are fully confident in their ability to do so accurately, while fewer than one in five (18%) are fully confident they have the right metrics to ensure alignment in reaching their goals.

With the ability to track and measure success a major area of concern, the problem is that everything marketers had been measuring against in the past has been moving at the same time. It has been difficult to have a fixed point to measure against.

With more sophisticated econometrics, advertising development tools for ROI and dynamic creative optimisation (DCO), marketers have a wide range of tools to

18% of CMOs are fully confident they have the right metrics to ensure alignment in reaching their goals.

create a customer feedback loop informing their strategies. Even tools for measuring equity - historically one of the hardest things to measure - are getting easier, according to Axe. Working with an external partner, Nomad Foods has been exploring a new tool that enables it to correlate equity with sales, turning what was his "biggest problem" into one of his "biggest opportunities".

“The playbook is only as good as the day you create it. The next day is an opportunity to challenge certain aspects and re-evaluate.”

CONSTANT LEARNING IN MEASUREMENT

To be at the cutting edge in measurement and research, the CMO needs to be constantly looking ahead at even more sophisticated tools powered by neuroscience, predictive modelling and AI, and to work with partners that are really pushing the boundaries of what's possible in this space.

Having a team that is constantly open to pushing boundaries and is able to bring a test and learn mentality keeps it fresh and relevant.

“We have a team of people who are not only helping to set the vision of what matters and identifying ways to continuously read the data to optimise, but also doing a ton of ‘test and learns’ out in the marketplace,” says St Jacques. “The playbook is only as good as the day you create it. The next day is an opportunity to challenge certain aspects and re-evaluate.”

While business performance is the core measure of success, marketers need to be constantly evolving the building blocks in the marketing ecosystem. Having that innovation mindset, and curiosity to determine what's working and what isn't, can help unlock value and ROI.

THE AAR PERSPECTIVE

Top tips for measuring success:

- Use a simple set of metrics that the whole organisation can understand and get behind to demonstrate the tangible impact of marketing on business performance
- Communicate these broadly and make them transparent and accessible
- Ensure you have the right measurement in place and the process around it to allow frequent and constant optimisation of your main marketing activities and investments
- Set a process to horizon scan periodically for new measurement approaches



THE MARKETING ECOSYSTEM BLUEPRINT

Armed with all these insights, what then does the Marketing Ecosystem Blueprint look like?

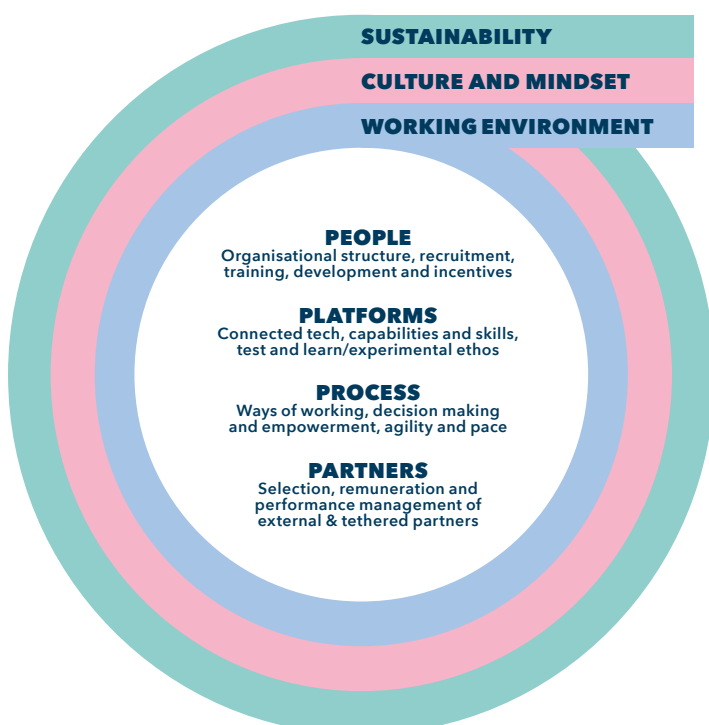
Building the right marketing ecosystem is a constantly evolving journey and there's no one solution to fix everything. Having the right blend of elements in place across your people, partners, platforms and processes can help set marketers up for success.

People and partners are, without doubt, the most important part of the marketing ecosystem - nothing happens without the right people within the organisation to drive the vision. Along with the culture surrounding the vision of the brand and wider organisation and the right insights to be able to activate change, this is the glue that pulls everything together. Platforms and processes are effective too, but only if you have the right people with the right capabilities aligned to the company vision and brand mission.

"A modern marketer needs to have a sound understanding and curiosity around technology and the total ecosystem set-up, needs to lean in and understand the P&L and the wider impact on the business, needs to be able to demonstrate that, and needs to have a big voice in the overall organisation," says Thrane. "The speed of learning is critical and the CMO must be constantly curious about who is doing things differently in certain domains. If anybody is doing something better, I want to learn from them."

"When I think about building a modern marketing ecosystem, it's forever evolving - the tools, the approaches and the processes based on what's changing - but remaining diligent and protecting the foundations of what make brands important is critical," says St Jacques. "When I see people getting lost, they're not evolving with the shifts of the tools, the processes and the ways that we can do things differently, or they've lost sight of what makes their brand different and important. And you have to do both to be successful."

"I think there is such a thing as an optimal ecosystem, but I don't think it's completely right for a number of different businesses - and it's something that only exists for a very short amount of time because the reality is the rate of change means that you have to keep evolving it," says Gulliver. "It's an ever-changing ecosystem that's required with your best set of capabilities and a culture that can deal with that change, rather than focusing too much on getting it right for this moment in time."



THE FINAL WORD

George Porteous,
Chief Strategy Officer, AAR

Our research and analysis highlight several principles for an effective marketing ecosystem blueprint. The CMO must own this transformation with a clear vision for marketing and an articulation of its role in the business that everyone can get behind.

Marketing ecosystems have been around forever but to be able to make sense of the world we live in today, CMOs have a greater task on their hands to understand how all the different moving parts of the ecosystem connect and interact. You must look at the entire ecosystem holistically - without forgetting the foundational purpose of the brand.

People, partners, platforms and process are core ingredients in this mix. Without the right ingredients in place, the marketing ecosystem is missing the secret sauce that sets your brand apart.

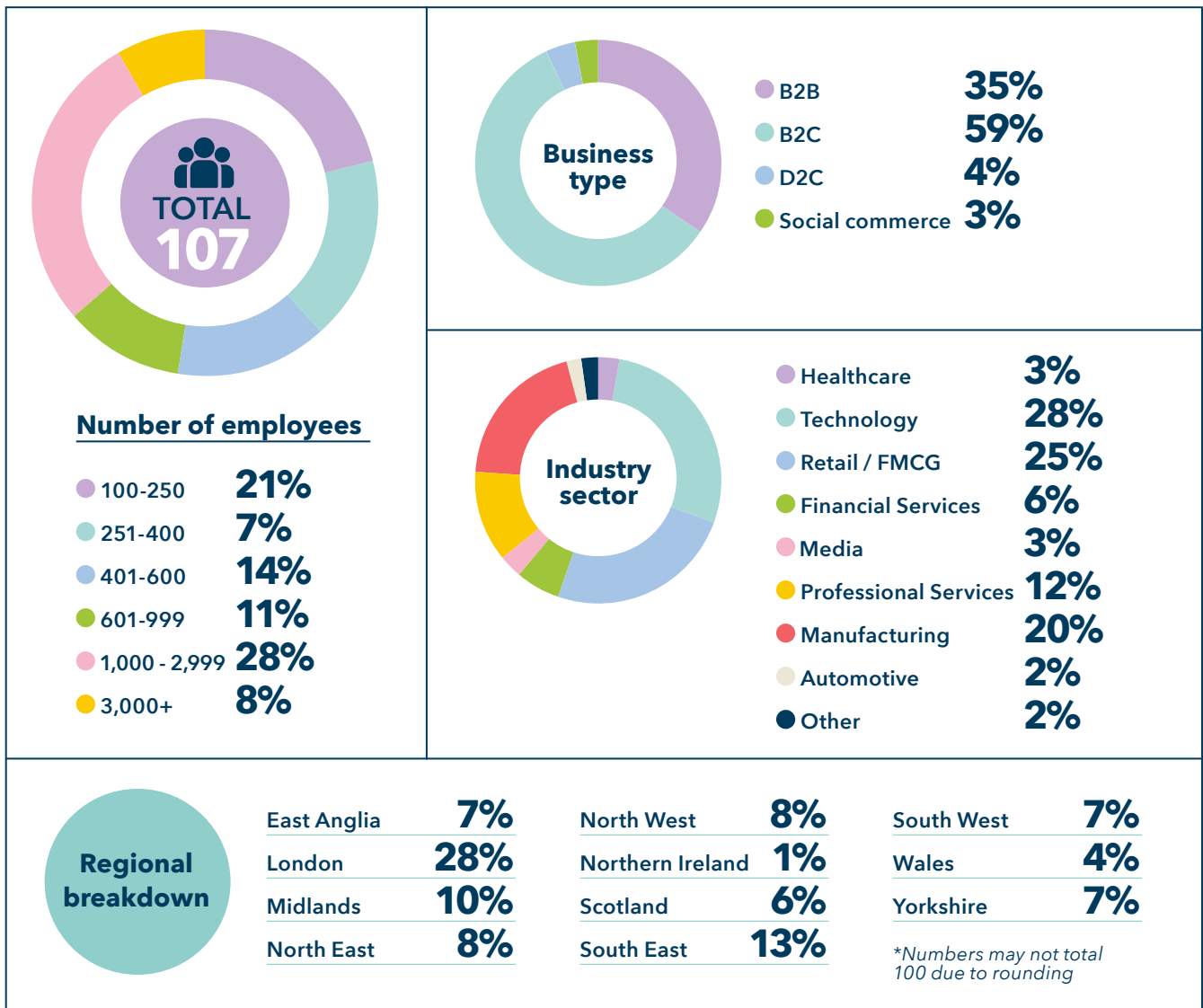
Any changes to this ecosystem must be carefully managed, facilitating the right culture and environment for everything to work together effectively. But change is never done, so constant investment in capability building and engaging people in and outside of marketing is key.

If we get all of this right and galvanise people to focus on one vision and shared goals, only then do we create the conditions for successful marketing that optimises performance, unlocks creativity and drives that all-important business growth.

METHODOLOGY

All statistics and quotes referenced throughout this white paper were based on the following:

Quantitative research: conducted by Yolo Communications between October 25 and November 4, 2021. The sample comprised over 100 UK chief marketing officers (CMOs)/marketing directors. The study included business-to-business (B2B), business-to-consumer (B2C) and direct-to-consumer (D2C) brands spanning a range of industries including technology, retail/FMCG, manufacturing, professional and financial services.



The research adheres to the UK Market Research Society (MRS) code of conduct (2019).

Qualitative research: conducted by The Drum's editorial team through telephone interviews with marketing leaders from BT, Nomad Foods, Molson Coors and TSB.

