

The Ultimate Marketing Machine

A HARVARD BUSINESS REVIEW WEBINAR FEATURING

Marc de Swaan Arons

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OVERVIEW

In today's digital world, the way marketers engage customers has transformed. Yet in most companies, the structure of the marketing function has changed little over the last 40 years. To identify how winning companies approach marketing, Millward Brown Vermeer and several other organizations launched a multi-year study called Marketing 2020. This initiative gathered data from over 10,000 marketers in 92 countries.

Through this work, the study authors created a framework that identifies the brand characteristics associated with marketing excellence and the key drivers needed to organize for growth. By adopting this framework, companies can start the process of building a high-performance marketing organization.

CONTEXT

Marc de Swaan Arons described the findings from the Marketing 2020 survey, as well as a framework for building high-performance marketing organizations.

KEY LEARNINGS

Although the work of marketing has changed dramatically, the structure of marketing organizations has remained the same.

The world of marketing has changed dramatically in recent years and will continue to evolve. Looking ahead, the context for marketers will be influenced by four trends: urbanization, technology, sustainability, and new economies.

In addition, consumers' desire for total transparency is changing the nature of marketing. The need for transparency is driven by:

- **The Internet.** The Internet spreads information with lightning speed and fuels consumers' desire for greater transparency from businesses.
- **Generation Why.** The younger generation demands transparency from the companies they work for and do business with.
- **NGOs.** Nongovernmental organizations are taking the lead and demanding accountability from businesses. One example is Oxfam's [Behind the Brands](#) initiative.

Yet despite these significant changes in the nature of marketing, the structure of marketing organizations has changed little.

CONTRIBUTORS

Marc de Swaan Arons

Co-Founder, EffectiveBrands; Senior Partner and Chief Marketing Officer, Millward Brown Vermeer

Gardiner Morse (Moderator)

Senior Editor, *Harvard Business Review*

Marketing 2020 explored the challenges and opportunities related to how companies structure the marketing function today.

The Marketing 2020 initiative was started about a year ago to identify how fast-growing companies structure the marketing function and approach marketing leadership. Marc de Swaan Arons described the project:

- The study was jointly organized by Millward Brown Vermeer, ANA, Spencer Stuart, Forbes, MetrixLab, and Adobe.
- An advisory board represented industries like consumer packaged goods, financial services, and technology, as well as academia.
- One-on-one interviews were conducted with 250 CEOs, CMOs, and agencies about the role and structure of marketing, as well as what influence consumers have over brands.
- Over 10,000 marketing professionals from 92 countries participated.

Study participants reflected on the opportunities available today for marketing leaders to influence the business. They felt that the greatest opportunities include social marketing, collaboration with consumers, globalization, and purposeful marketing.

However, staying current in today’s fast-paced environment is a concern for marketing leaders. Marketers worldwide felt their top challenges were information overload, touchpoint consistency, doing more with less, avoiding consumer privacy risks, and breaking down organizational silos.

The Marketing 2020 framework identified brand characteristics associated with marketing excellence and business growth.

By analyzing how fast-growing companies differed from their peers, the Marketing 2020 study identified characteristics of winning organizations and distilled them into a framework that other companies can adopt. The Marketing 2020 framework has three brand characteristics:

1. **Big insights.** These are insights that drive competitive advantage, and are more than just big data. Big insights unify what marketers know at the consumer and creative levels. Dove Soap’s Real Beauty campaign, for example, is based on the insight that worldwide only 4% of women describe themselves as beautiful. Having the right data and leveraging it are key differentiators for companies with above- average revenue growth.

“The goal of the Marketing 2020 study was to identify how fast-growing companies build marketing capabilities and lead the marketing function. We wanted to learn what it takes to win.”

– MARC DE SWAAN ARONS



Figure 1
Overperforming companies use data to generate big insights.

2. **Purposeful positioning.** A good example of purposeful positioning is American Express’ Small Business Saturday campaign, which leveraged the company’s back-office expertise to help companies emerge from the recent economic downturn. Purposeful positioning may also have purpose-based functional benefits such as Pampers diapers, purpose-based emotional benefits like the Dove Real Beauty campaign, or purpose-based societal benefits like Dulux Paint’s product donation program for low-income communities. The Marketing 2020 data shows that companies with societally purposeful brands outperform their competitors on several marketing KPIs.

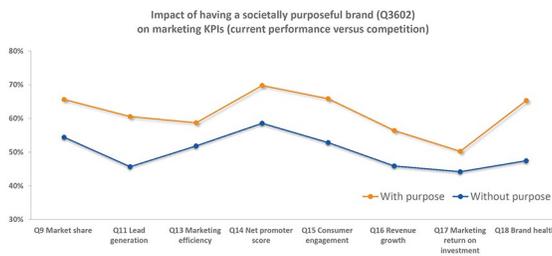


Figure 2
Purpose drives business growth.

3. **Total experience.** In a digital world, companies drive brand value through personalization and through the number of touchpoints and experiences they offer customers. Companies that provide a total experience to consumers offer both personalization and a broad range of touch points. A good example is the Nike+ initiative, which enhances runners’ experiences through tools like dedicated coaching and electronics to track athletic performance. The Dove Real Beauty campaign used grassroots approaches to create a total experience. The brand team launched a global photo exhibit called “Real Beauty Portraits,” as well as a classroom curriculum to teach children body confidence and self-esteem.

Another important aspect of the Marketing 2020 framework is organizing for growth.

Winning companies do more than just exhibit the three key brand characteristics; they also organize for growth. The Marketing 2020 framework describes five drivers that high-performance companies use to structure the marketing function:

1. **Connect.** Marketing is too important to be left just to marketers. The most effective marketing teams make connections both inside and outside the company that influence the business strategy. Marketing 2020 data shows that marketing teams are working more closely with CEOs than in the past and are approving more significant investment decisions. Close collaboration between marketing and CEOs is more common in industries like consumer packaged goods than in energy or healthcare.

“At companies like Walmart, Unilever, GE, and Nike, the CEO and CMO are connected at the hip and work closely together.”

– **MARC DE SWAAN ARONS**

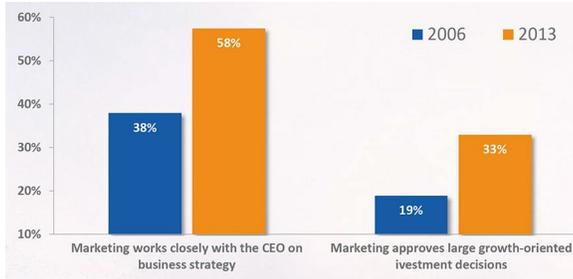


Figure 3
Marketing's influence in the organization is growing.

2. **Inspire.** According to Mr. de Swaan Arons, one key to inspiring employees is to “engineer less and engage more.” At Nike, for example, one person is responsible for telling the Nike story to employees, which helps create alignment throughout the organization. The Marketing 2020 study found that companies that engage internally demonstrate better business results.



Figure 4
Overperforming companies actively engage with their brand's purpose.

3. **Focus.** Focus drives growth; however, communication at all levels in organizations is essential. Marketing 2020 found that the percentage of leaders who agree with their brand's global strategy is higher at global levels than local levels. One solution is appointing global marketing leaders. For the Dove Real Beauty campaign, five leaders met twice a week for several weeks and developed the “Dove one pager.” This document guided every Real Beauty initiative, from communication to innovation, packaging, and more. It forced focus and clarity and defined how success was measured.

	EVP	VP/MD	Manager	Other
Global	83%	80%	83%	82%
Regional	72%	74%	75%	73%
Local	66%	64%	63%	56%

Figure 5
Communication at all levels is the key to focus.

4. **Organize.** Two key aspects of organization are orchestration and integration. An important role for every company is the chief experience officer. This leader ensures a consistent brand experience for all customers. Collaboration between marketing and functions like IT, HR, and finance is also important; it generates internal alignment and integration. At overperforming companies, levels of collaboration tend to be higher than in other firms.

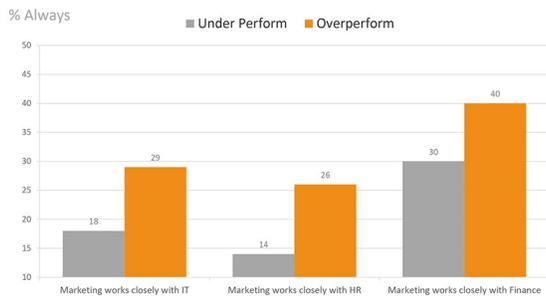


Figure 6
At overperforming companies, marketing collaborates with other functional areas.

Within the marketing function, three categories of employees shape the bench for growth: thinkers, feelers, and doers. Thinkers are skilled at analytics, customer segmentation, and scenario analysis. Feelers connect to customers and communicate internally. Doers execute marketing initiatives, which is essential in today’s 24/7, always on economy. In Mr. de Swaan Arons’ “orchestrator model,” CMOs develop dedicated product teams for each key initiative with the appropriate blend of thinkers, feelers, and doers. In addition to these internal teams, high-growth companies work with a wide range of agencies, which increases the overall level of marketing expertise.

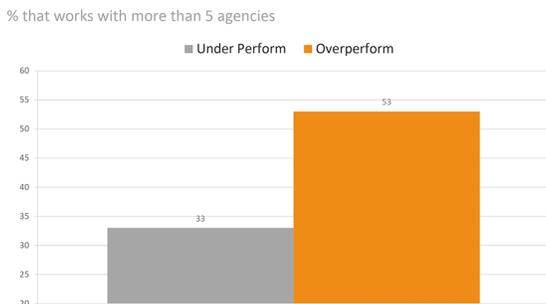


Figure 7
Overperforming companies seek specialized marketing expertise from multiple firms.

5. **Build.** Building marketing capabilities drives growth. Overperforming companies train their employees more than their underperforming counterparts and offer higher-quality training. The Marketing 2020 data shows that marketing capabilities have the strongest correlation to revenue growth, brand health, and marketing ROI.

When marketing in today's digital age, companies need to experiment with new technologies such as social media. Diageo's leaders, for instance, partnered with Facebook, while AB InBev asked board members to check in to board meetings using the foursquare app.

The top Marketing 2020 priorities for CMOs serve as a roadmap for marketing leaders.

As marketing leaders consider how they can apply findings from Marketing 2020 to their own environment, Mr. de Swaan Arons outlined the top Marketing 2020 priorities for CMOs:

1. **Lead by example in the digital world.** Having an experimental and iterative mindset is important, as is celebrating both mistakes and successes.
2. **Engage the total organization.** Marketing is more effective when it partners with other functional areas.
3. **Inspire and empower, rather than control.** Marketing leaders should avoid being the brand police. Team members should feel free to experiment, as long as it doesn't damage the brand.
4. **Ensure brand consistency throughout.** It is possible to promote consistency without being too heavy handed.
5. **Build marketing capability.** Marketing expertise is what drives growth. When people grow, the company grows as well.

Learn More

Just as the radical changes in marketing have made the ultimate marketing machine a success imperative for organizing marketing, so is the need to build a culture that embraces marketing analytics. Read more about how it can be done:

[Argyle Conversations: Building a Marketing Analytics Culture](#)

BIOGRAPHIES

Marc de Swaan Arons

Co-Founder, EffectiveBrands; Senior Partner and Chief Marketing Officer, Millward Brown Vermeer

Marc is an acknowledged thought leader in the burgeoning area of global marketing leadership and the co-author of the best-selling marketing book, *The Global Brand CEO – How to Build the Ultimate Marketing Machine*.

Marc is founder of EffectiveBrands and works with many of the world's most prominent CMOs. He is a frequent keynote speaker at business schools, companies, and industry conferences. He has been quoted and appeared in numerous publications, and has also served as a judge on both Effie and WARC effectiveness panels.

Marc co-founded EffectiveBrands in 2001 following a successful career with Unilever working in The Netherlands and New York. At EffectiveBrands, Marc spearheaded the Leading Global Brands™ study and Marketing2020—the biggest and most global marketing initiative ever—with contributions from over 300 CMOs and 10,000 global marketers across 92 countries.

Educated in the U.K. and the Netherlands with a business economics degree from the Erasmus University, Marc serves on the Advisory Board of GoodWeave, which works towards ending child slavery in the carpet industry and the Andrew Glover Foundation, which works to prevent teen-age crime and keep kids out of jail.

Gardiner Morse (Moderator)

Senior Editor, Harvard Business Review

Gardiner Morse is a senior editor at *Harvard Business Review* where he focuses on innovation, marketing, and sustainability. He developed the magazine's recent special section on health care delivery and has acquired or written feature articles on a wide range of topics including new models for drug development, leadership in health care, open-innovation strategy, and the neuroscience of decision making.

Before coming to HBR in 2001, Morse served for 15 years in a range of editorial and business roles with the publishers of the *New England Journal of Medicine*. There he developed and launched numerous publications for physicians and the general public, and served as executive editor of *Hippocrates*, a journal for primary care physicians.

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