

Making Good on Marketing's Promise



The gap between marketers' intentions and influence may hinder business growth agenda.

Despite marketing's lingering reputation in some senior management circles as the function that is more interested in spending money than bringing it in, top-level marketers increasingly understand they share the same mandate as their peers in the executive suite: To help drive profitable business growth.

To that end, Prophet's recent State of Marketing Survey, focusing on marketing's contribution to business growth, found many of the approximately 300 respondents looking beyond traditional "MarCom" in defining their role. The majority of these senior marketers ranked the overall customer experience as far more important than tactics like advertising and promotion. They ranked new and existing products and services ahead of improved marketing and branding for attracting customers. And they almost unanimously pointed to the need for business, brand, and marketing strategies to be better integrated for growth goals to be met.

Yet the study also revealed decided disconnects between such thinking and the all-too-stark realities. There's a noticeable gap between marketers' intentions and their ability to influence outcomes. Reducing it should be a shared responsibility of senior management if resources are to be more efficiently deployed and marketing's capabilities — and, ultimately, the full power of the brand — are to be utilized to their full potential.

Lining up with the CEO

One of the first disconnects revealed by the study centered on an ongoing misalignment between senior marketers' own objectives vis-à-vis their perceptions of their CEO's. A majority of respondents defined business growth as top-line revenues, followed by bottom-line profits as a secondary priority. Yet, when asked to identify the CEO's priorities, nearly 50% of the study participants zeroed in on bottom-line profits, with top-line revenues distantly following at 25%.

Here's where the danger lies in this misalignment: Marketing executives often lean toward developing brand portfolio strategies designed to boost revenue growth. Yet, with a focus on the bottom line, senior management could well argue that cost cutting and reductions in marketing investment are quicker routes

to profitability. It suggests a need for marketers to do a better job of making the case for, and delivering on, customer-centric growth opportunities that will enhance revenue while also creating improved returns on marketing investment.

Another worrisome gap was found between senior marketers' recognition of the most important drivers of business growth versus their actual influence over some of those that are the most important. In the survey, they ranked the business' "customer-centric" functions and initiatives as the most critical contributors to business growth in the 12 to 18 months ahead. Specifically, customer service and delivery, and the customer experience were rated as critical by nearly one-third of respondents, with business and marketing strategy each trailing distantly. Interestingly, the marketing stand-bys of advertising and promotions each only eked out a 1% response.

But the disconnect arose when marketers showed their lack of involvement in functions closest to the customer. Nearly 20% said they had no influence over customer experience, while 33% lacked any influence over customer service. Forty-three percent said they had no role in pricing, and a surprising 45% cited a lack of influence over sales.

The HR and IT "silos"

Moreover, the gap between intentions and influence also showed itself in the area of cross-disciplinary collaboration. On one hand, the majority of respondents believed that their ability to work across silos in order to achieve growth objectives was very or

Breaking Down the State of Marketing Survey

PARTICIPANT PROFILE

Senior most marketing person:	50%
Senior most brand steward:	43%
Average years on the job:	4½

COMPANY PROFILE

Average annual revenues:	\$11.9 billion
Average number of employees:	18,292

MARKETING PROFILE

Innovative approach to marketing:	41%
Average investment in marketing:	7.6%

moderately successful. They cited the top contributing factors to successful relationships as shared objectives, understanding the other's role, and respect.

Yet this success fell short with two critical enablers of marketing-driven growth: HR and IT. More than 20% of respondents ranked these relationships as below or not at all successful. This is troubling given the importance of HR in helping to equip employees to deliver on the brand promise, and IT's in devising the systems and processes that help capture customer insights and enable new capabilities.

Senior marketers' lack of functional influence and challenges on collaborative fronts may be less surprising given the number of senior marketers who apparently lack the requisite level of influence in the organization's upper reaches. Despite the fact that a significant 88% of respondents have been welcomed to the corporate strategy table, less than one-third of them occupy a decision-making seat at it.

In the end, it's in the effective integration of business, brand, and marketing strategies where the price is being paid for the gap between senior marketers' intentions and their actual ability to wield influence in the enterprise.

Follow the leaders

The most successful corporations — 3M and Procter & Gamble to name a couple — have found ways to meld these strategies as a

Marketers Don't Influence the Right Levers		
	Most Critical Aspect	Marketer Plays No Role
Business Strategy	19%	12%
Customer Service	16%	33%
Customer Experience	15%	18%
Sales Force	11%	45%
Marketing Strategy	11%	2%
Product Development	7%	23%
Pricing	5%	43%
Distribution	4%	41%
Brand Strategy	3%	12%
Brand Portfolio Strategy	3%	17%

means of powering the profitable growth of their enterprises. While 99% of the survey respondents ranked this integration of strategies as very or somewhat important, only 11% considered their organizations as successful at accomplishing it.

And this may constitute the most significant disconnect of all.

Rectifying this situation requires cultural change, under which all employees have been trained and encouraged to understand how the brand promise is their job to uphold in every dealing with every constituent at every touch point. But that cultural shift has to be led and enabled from the top. The CEO, supported by a like-minded senior management team, is the linchpin for building a customer-centric culture.

Underlying it all is the understanding that brand building is a holistic endeavor; every time your brand is "touched"—internally or externally—is an opportunity to reinforce or compromise its promise. To that end, businesses need to know every way their brand touches every constituency, and manage each touch point

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effectively and consistently. This requires crossing over the management silos to marshalling the full resources of the enterprise, whether better utilizing IT to help uncover critical customer insights, or HR to recruit and train the right employees in on-brand behaviors.

Companies that intend to more fully reap the benefits of a strong brand and business have found ways of closing all the gaps that too often characterize the role and influence of brand and marketing in the organization. And that's how everyone better contributes to the shared mandate of creating profitable growth.

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