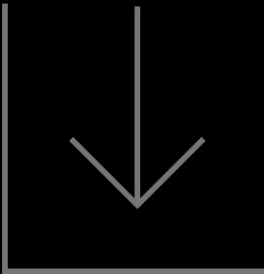
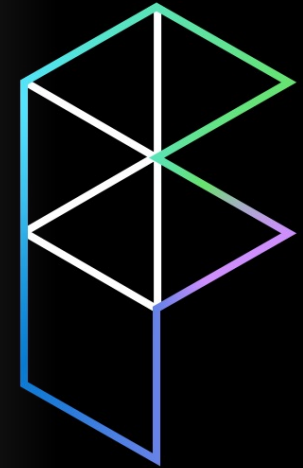


Designing a Winning Marketing Organization

Prof. Sundar Bharadwaj
Coca-Cola Company Chair Professor of Marketing
Terry College of Business
University of Georgia



Uncovering the Anatomy of a WMO

- The Structure of a WMO
- The Responsibilities of a WMO
- The Path to Become a WMO

Data Description

471 Responses (79 public firms)

Country of Origin

- 70% for USA
- 30% from outside the US

Firm Age

- 25% of the companies were started post 2000
- 75% Prior to 2000

Industry Sectors

- 18% B2B
- 26% B2C
- 56% Both

Size (revenues)

- 43% Less than \$1B
- 10% Between \$1B-\$10B
- 6% Between \$10B-\$50B
- 2% Greater than \$50B
- 39% Unreported

Size (Employees)

- 29% Less than 1000
- 22% 1000-4999
- 7% 5000-9999
- 17% Greater than 10,000
- 25% Unknown

Sourced from the Marketing Capability Benchmark Study marcaps.com/research


Strategic Partner: 

Marketing Capability Benchmark

Introduction

Welcome! and thank you for your interest in assessing your organization's marketing capabilities. This assessment, based on research supported by MMA, will benchmark your organization's marketing capabilities to others in the industry. You will receive a complimentary PDF report via email, with the top 3 recommended action steps after you complete the assessment. A few instructions before you begin:

- The assessment should take you 10-12 minutes to complete.
- You will be assessing your organization's marketing activities and practices. We will aggregate your answers with others to generate industry benchmarks. Individual answers will not be identified.
- For the best experience, we recommend you answer the questions on a tablet or computer using a Chrome browser
- Visit <https://marcaps.com/research> to learn about marketing capabilities.

Marketing Capability Benchmark

Modern marketing organizations leverage their capabilities to create new value for customers and the firm. They create customer value in:

1. The Exchange area by matching offerings to individuals
2. The Experience area by increasing convenience and enjoyment, and
3. The Engagement area by enhancing brand meaning.

Modern marketing organizations create firm value in:

1. The Strategic area by identifying opportunities for new growth
2. The Operational area by implementing processes, methods and technologies to elevate effectiveness of marketing, and
3. The Knowledge area by the creation, analysis, and utilization of data to generate unique insights, guide decisions, and optimize resources.

This report summarizes and benchmarks your assessment of marketing capabilities at your company. For more information, refer to the article "Is Your Marketing Organization Ready for What's Next?" in the Nov-Dec 2020 issue of Harvard Business Review or contact us at info@marcaps.com.

HOW ARE WE DOING?

FIT SCORE



64%

Fit Score measures the degree of alignment between the capabilities you need and the capabilities you have.

4.0

OVERALL SATISFACTION



Overall Satisfaction Satisfaction score shows % of industry with overall satisfaction lower than yours.

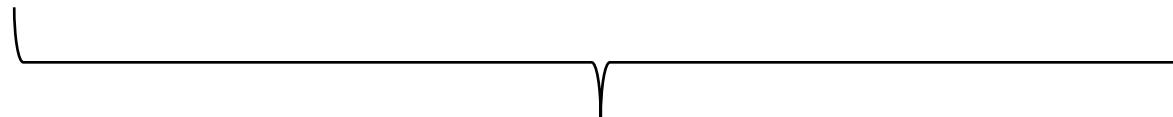
Distinguishing Winning Marketing Organizations (WMO) From Lagging Marketing Organizations (LMO)

Economic Growth

- Achieve revenue and profit goals
- Find new ways to achieving growth
- Measure the return and optimize marketing investments

Customer Growth

- Engage consumers/customers and build brand equity
- Personalize offerings to customer preferences, needs and situations
- Increase convenience and enjoyment across the customer journey

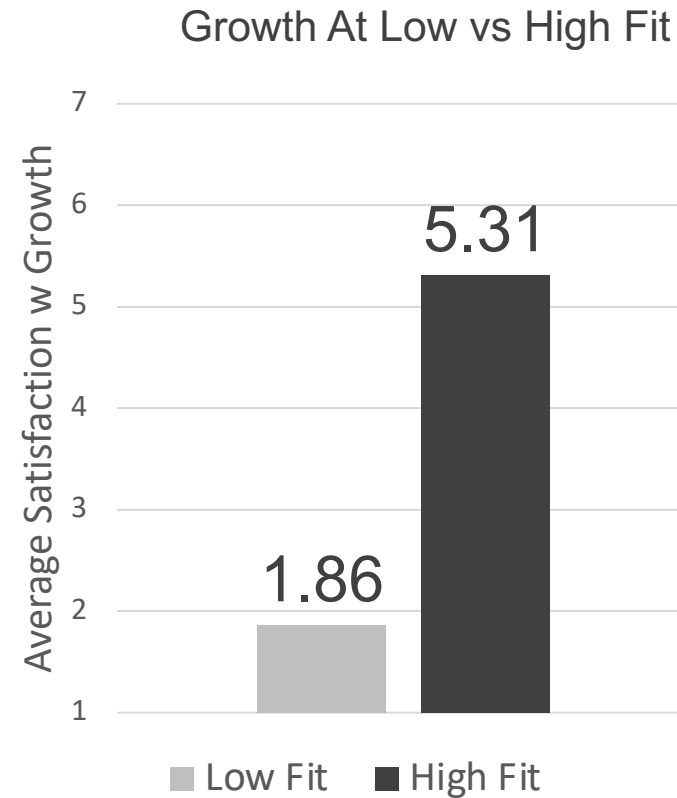
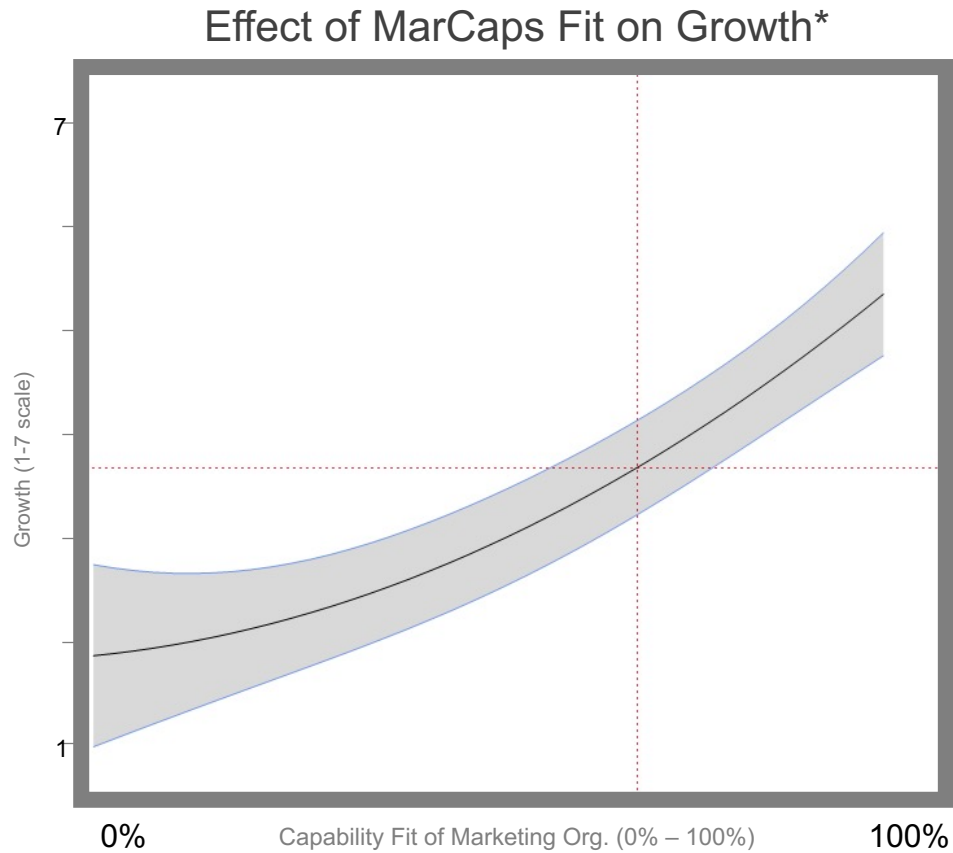


LMO
Score in the Bottom 3 Box
1, 2 or 3

WMO
Score in the Top 2 Box
6 or 7

Additional criteria in future (In Progress): Employee growth -engagement and satisfaction

Capability Fit Impacts Growth



3x

Companies with high marketing capability fit reported 3x the level of growth than companies with low marketing capability fit – after controlling for other factors.

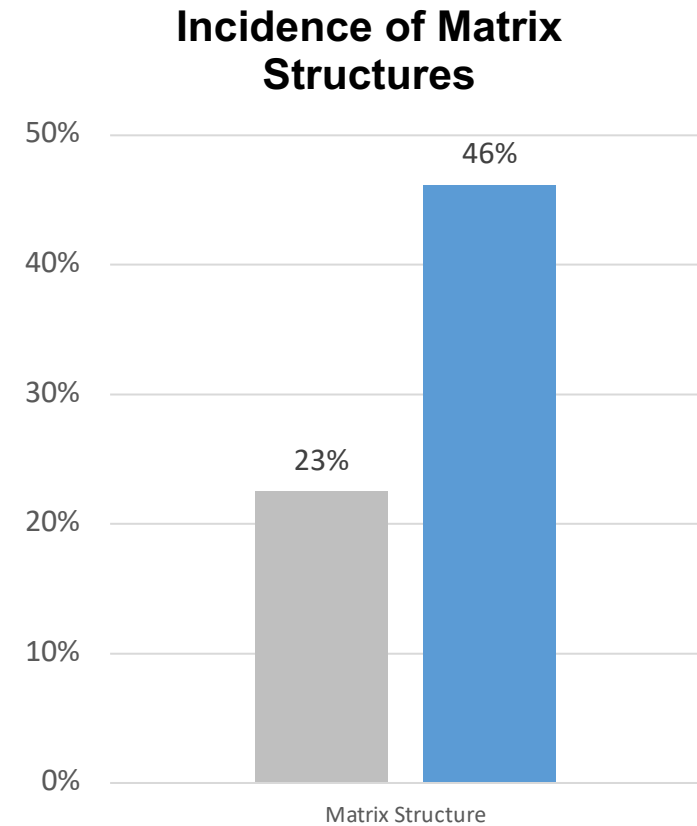
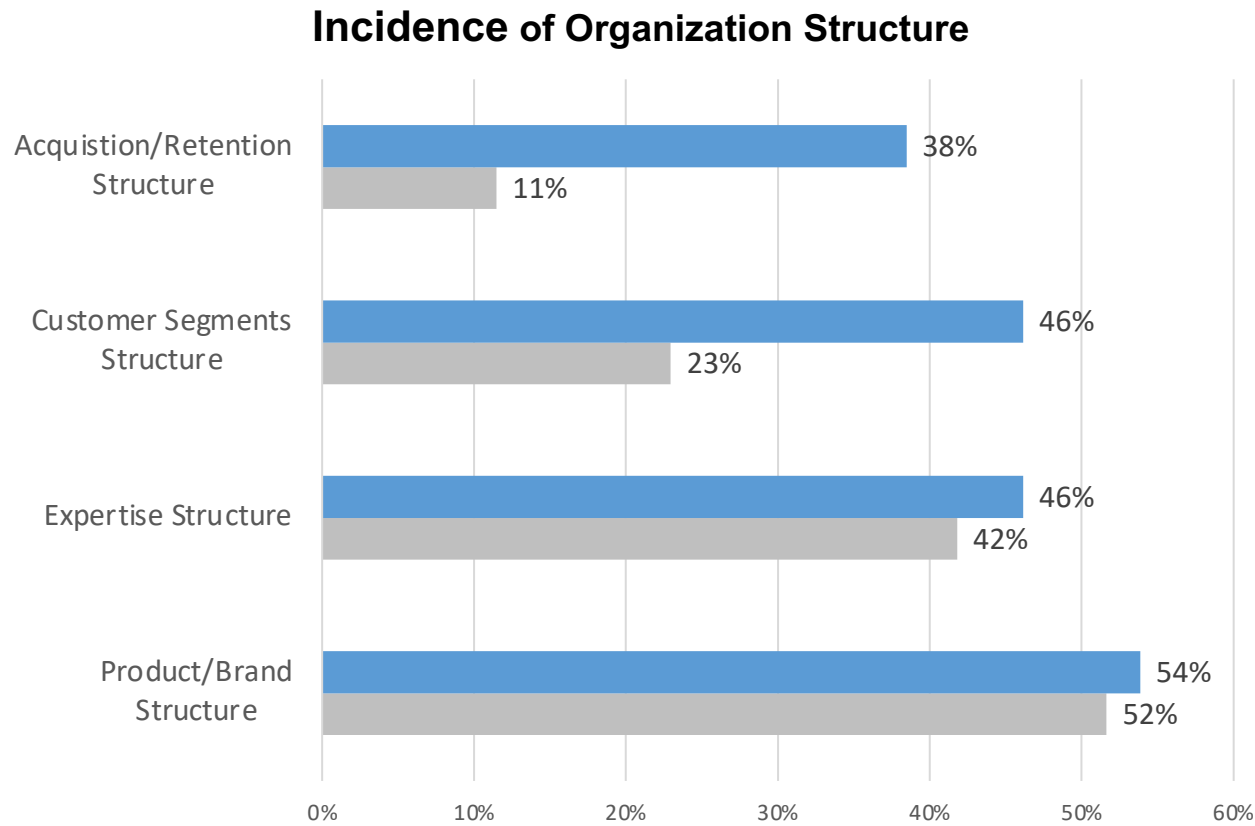
*Growth is an aggregate of satisfaction (on a 1-7 scale) with company’s ability to 1) Achieve revenue and profit goals, 2) Find new ways to achieving growth and 3) To measure the returns and optimize marketing investments. The graph is based on the results of a model controlling for firm size, age, industry type.



The Structure of WMOs

- More customer centric
- Less centralized
- More externally connected

WMOs Are Significantly More Customer Focused and Complex In Their Structure Design Choices

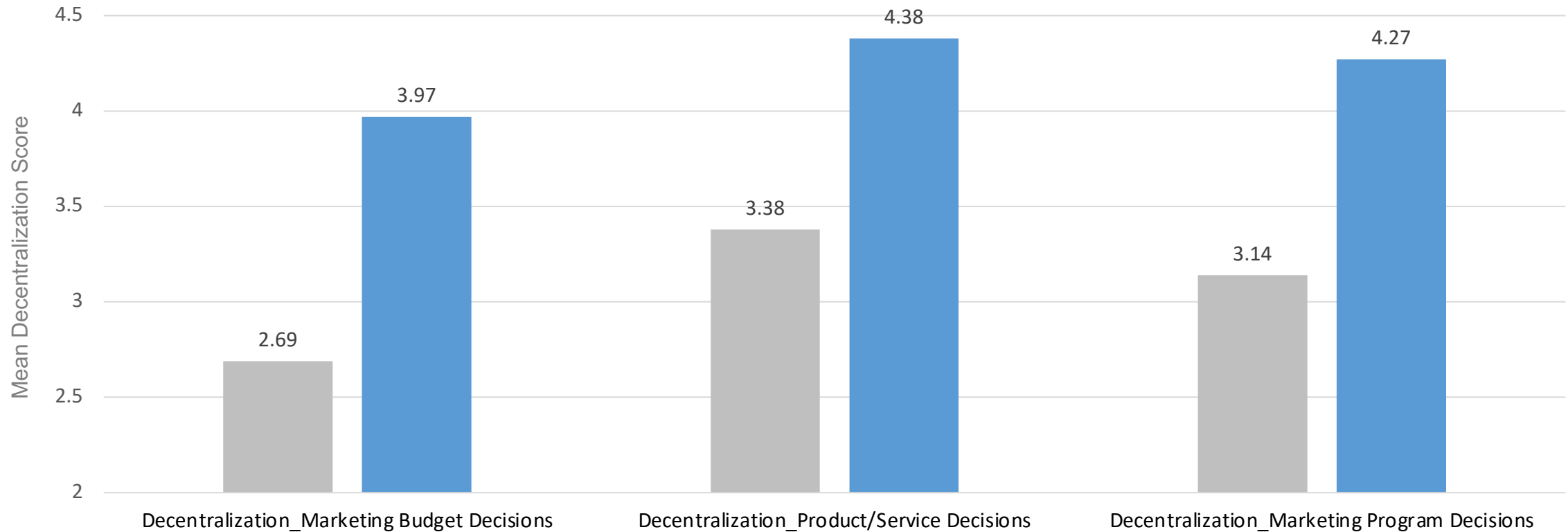


Q. Which of the following statements reflects the way marketing is structured in your organization?

Lagging Marketing Organizations (LMOs)
 Winning Marketing Organizations (WMOs)

WMOs Manage Less Centralized Marketing Organizations

Extent of Decentralization by Marketing Organization Type



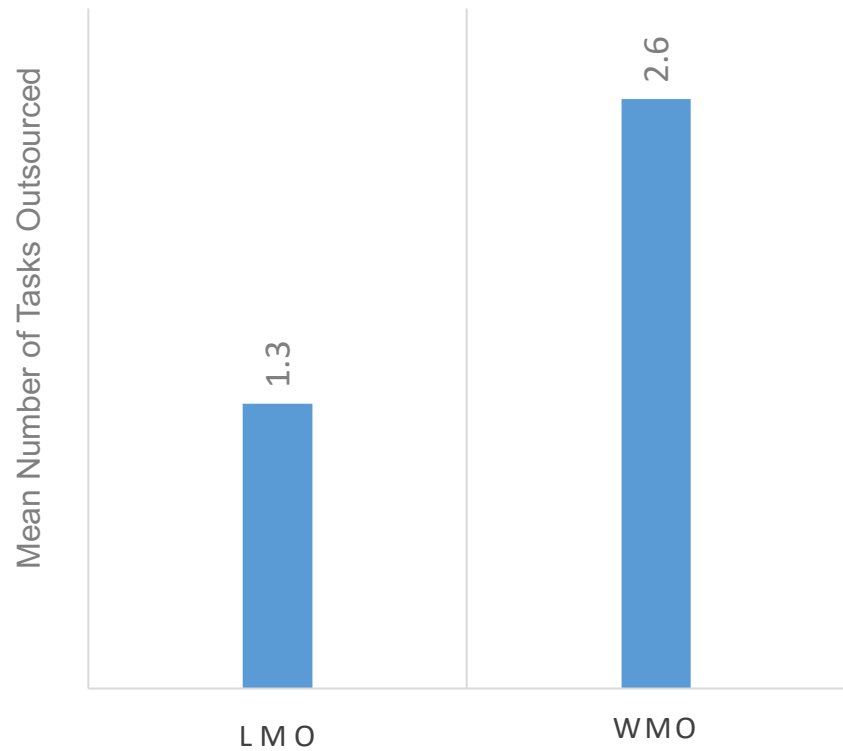
Q. Please use the slider below to indicate the extent to which marketing budget, product and program decisions in your company are centralized (i.e.: made by a corporate team for the entire organization) or decentralized (i.e.: made by local/ regional/ functional teams)

Scale: 1 (Centralized) – 7 (Decentralized)

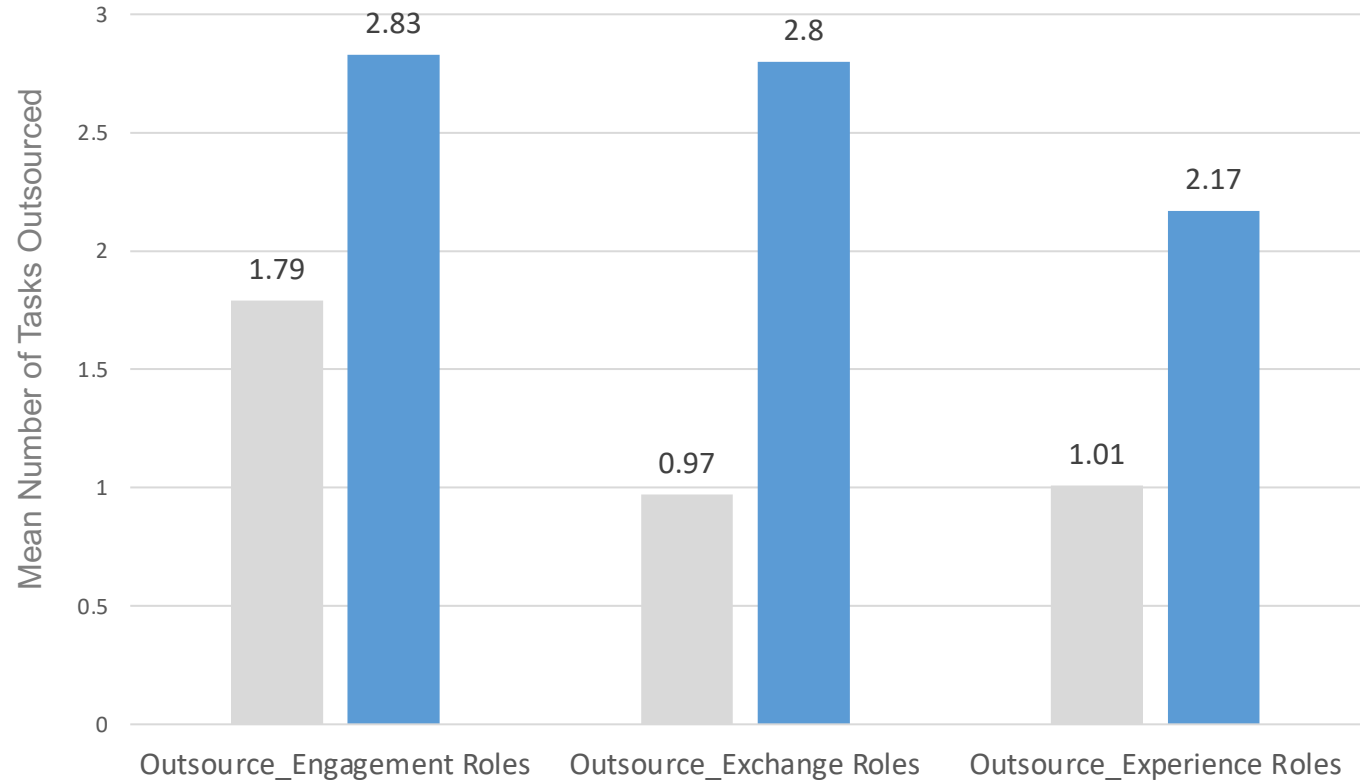
- Lagging Marketing Organizations (LMOs)
- Winning Marketing Organizations (WMOs)

WMOs Are More Actively Engaged With The Outside Ecosystem

Insource Vs. Outsource Of Marketing Tasks



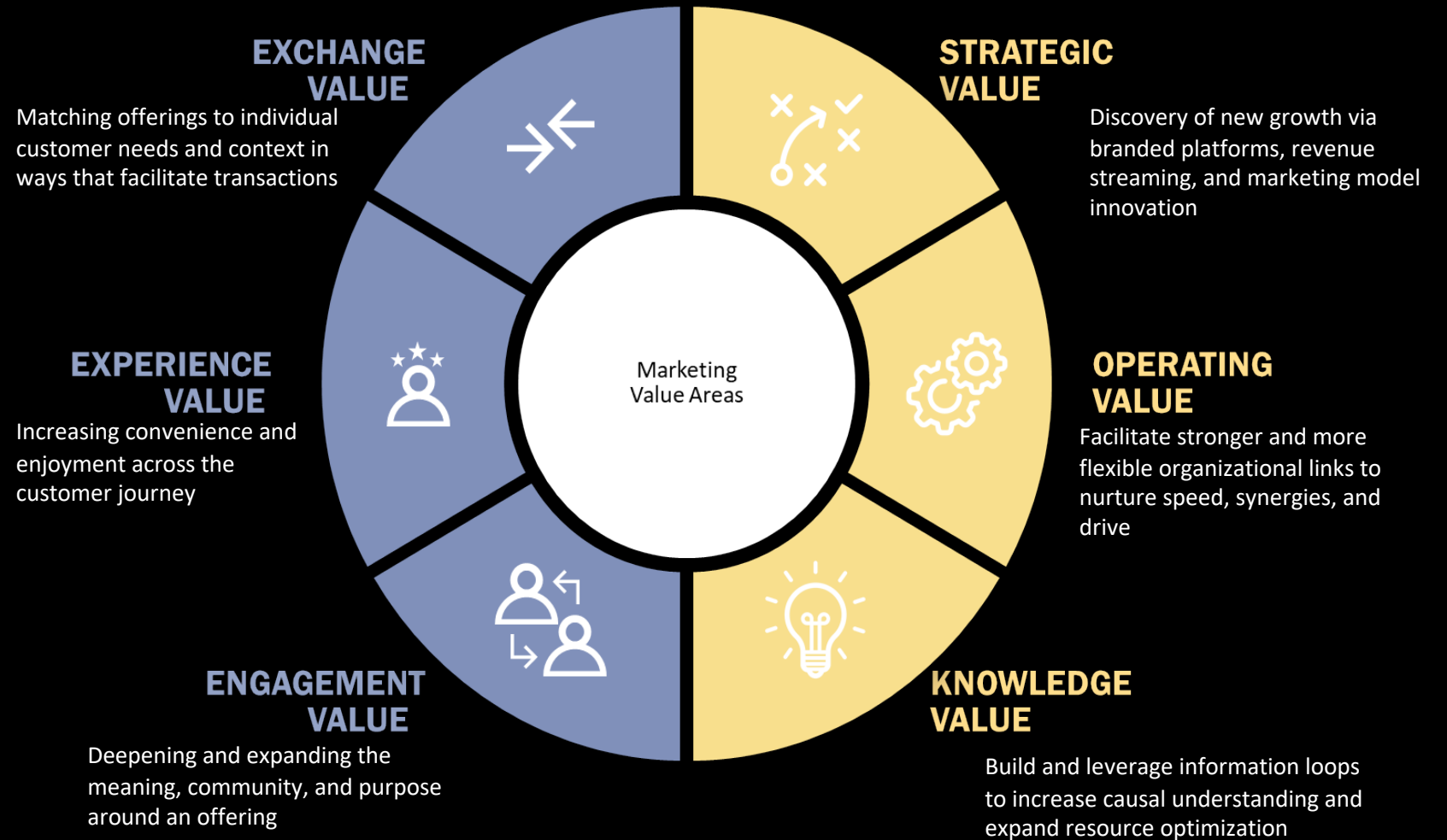
Insource/Outsource Of Marketing Tasks by Marketing Value Area



Lagging Marketing Organizations (LMOs)
 Winning Marketing Organizations (WMOs)

Q. Please indicate if the activity listed below is OUTSOURCED (i.e.: 50% or more effort/spend is by outside agencies).

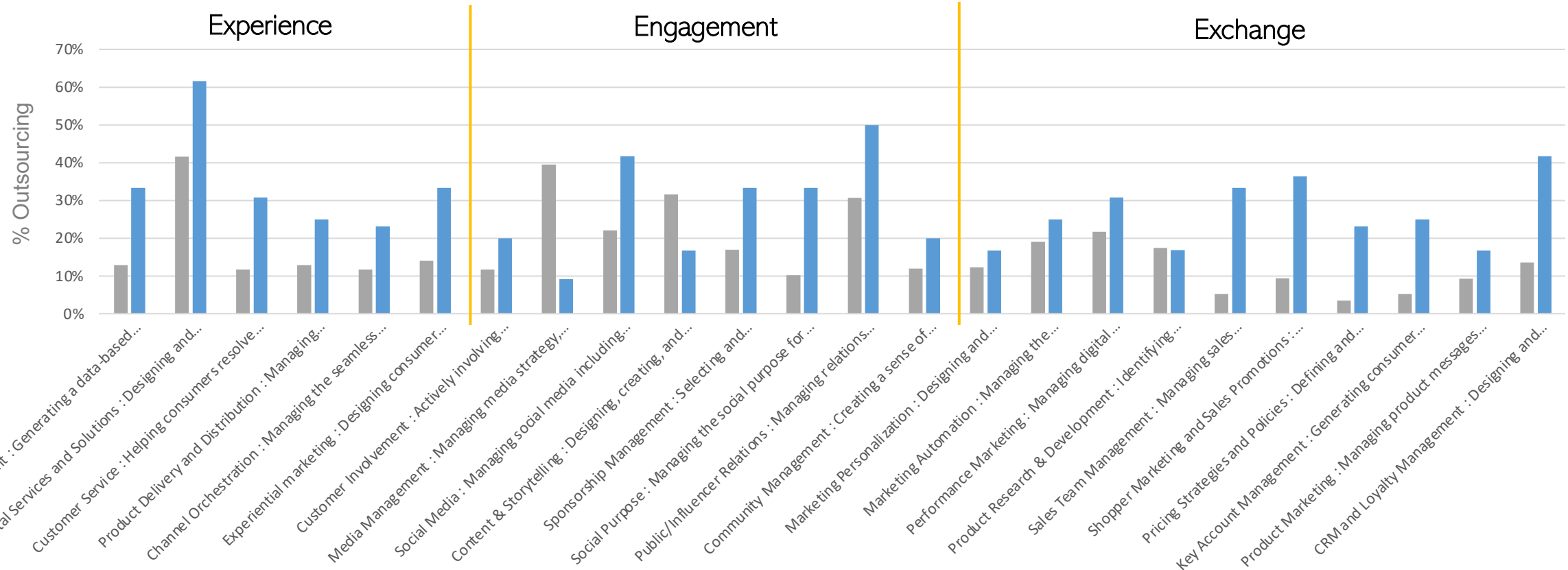
The Modern Marketing Framework



Overall Levels of Outsourcing Are Low and Centered on Engagement Activities

Extent Of Outsourcing by Specific Marketing Activity

■ LMO ■ WMO



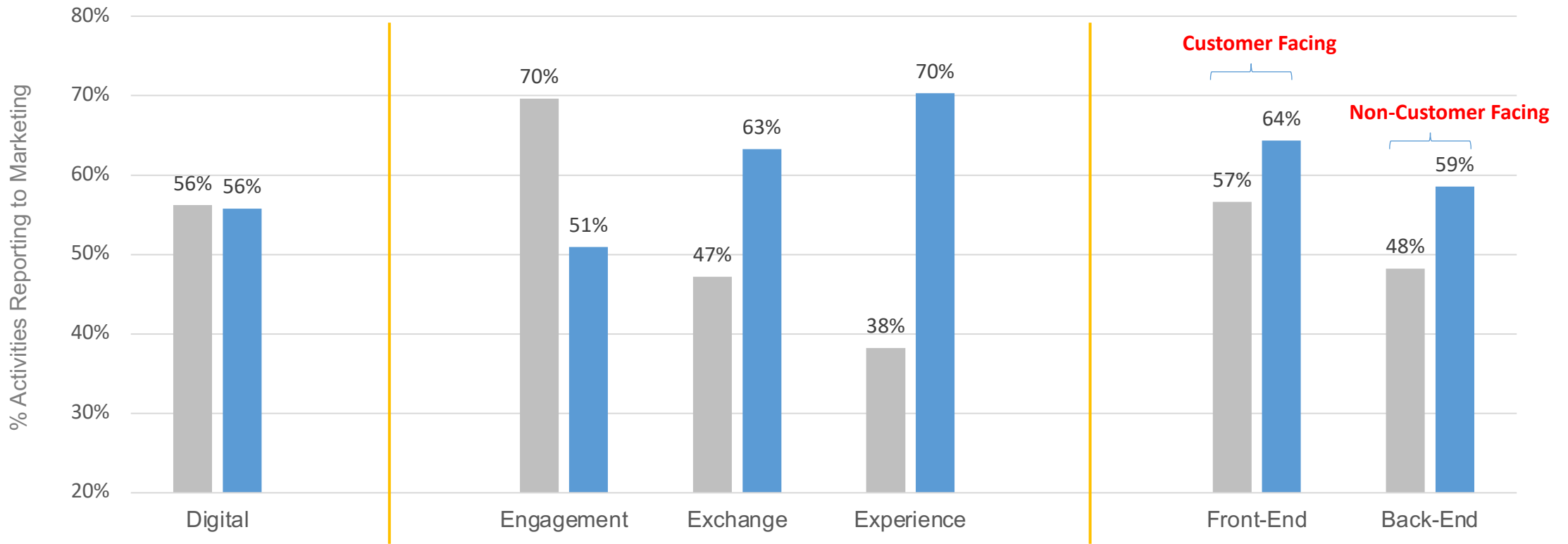
The Responsibilities of WMOs

- It is not about digital, it what marketing activities that they do that matters
- They are more involved in customer experience.
- They deliver greater personalization through exchange value
- Engagement value is their base camp.



LMOs Tend To Focus Their Responsibilities On Engagement Activities. WMOs are More Involved On Experience and Exchange

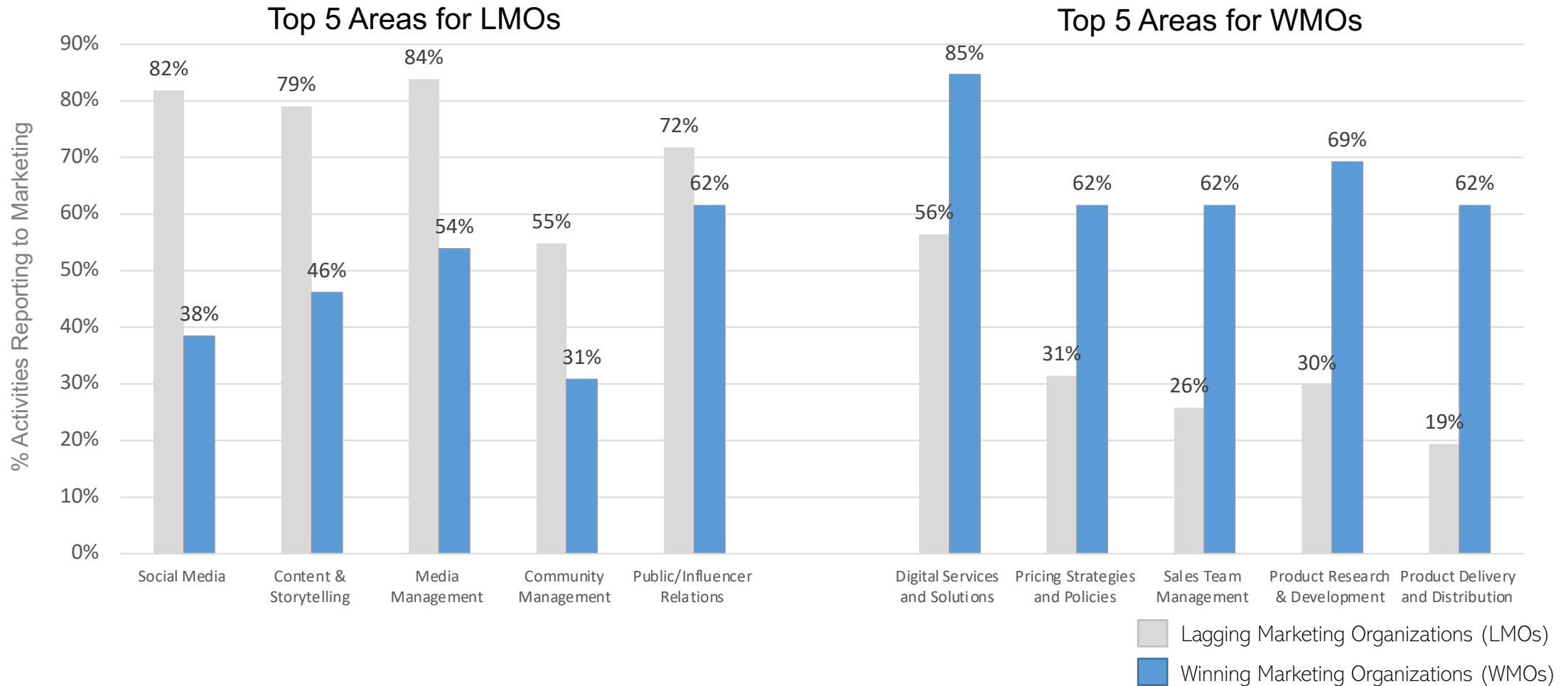
Responsibility of Marketing by Type of Organization



Q. Below is a list of marketing activities. For each activity, please indicate if it REPORTS INTO MARKETING, i.e.: It is a marketing dept. responsibility. Select 'N/A or don't know' if the activity does not apply in your organization.

Lagging Marketing Organizations (LMOs)
 Winning Marketing Organizations (WMOs)

WMOs Operate With a Broad Bandwidth Across Diverse Growth Drivers.

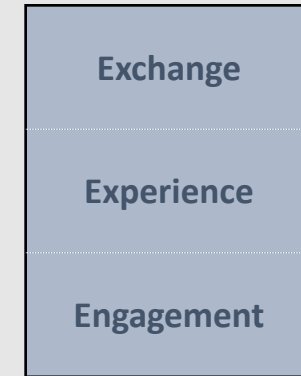
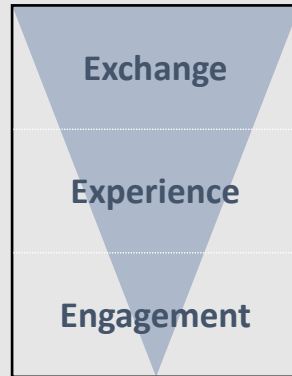


Exchange and Experience Value Seem The Most Distinguishing Basecamp Capability of WMOs

Exchange Focused

Exchange + Experience

Three-Stack Model



WMO

8%

8%

15%

LMO

4%

1%

3%

WMOs Are Strong on Converting Data to Action

Top 10 Capabilities With Greatest Difference Between EMOs and WMOs



Lagging Marketing Organizations (LMOs)
 Winning Marketing Organizations (WMOs)

What Matters to WMOs...

- Customer experience is #1.
- Balance of foundational and new.
- Talent is core.
- Four areas of value.

Matter Most

WMO'S

Matter Least

Capability Definition

Seamlessly delivering an integrated and consistent user experience with our product, services, and brand across different channels

Optimizing all media investments (e.g.: paid, owned, earned media etc.) across all relevant communication channels

Finding, attracting, and enabling the internal talent needed to design and execute our marketing programs and activities

Personalizing our offering (e.g. products, services, messages, or experiences) in ways that match the needs of individual customers

Leveraging key account management practices to acquire/retain customers

Capability Area

Value Area

Designing service or product offerings that can expand across categories under the same brand	Journey	Experience	5.5
Ability to collect, protect and use individual level customer transaction data	Media	Engagement	5.5
Integrating customer and market data into a single source database with common access to all decision makers	Talent	Operational	5.5
Conducting research and generating insights about the needs of users and their perception of our brand and products	Personalization	Exchange	5.5
Actively nurturing the culture of the marketing team in ways that promote the desired behaviors	Sales	Exchange	5.5
Using data-driven approaches to continuously refine segmentation and targeting decisions	Strategy	Strategic	5.5
Creating brand content and stories that effectively engage customers across relevant formats (e.g. different screens, short and long formats)	Data	Knowledge	5.5
Using Customer Lifetime Value measures to continuously optimize resource allocation	Data	Knowledge	5.5
Cultivating a community of our users who share with one another and engage with us to develop and improve our products, services, and content	Knowledge	Knowledge	5.5
Connecting marketing spend data with customer behavior data to measure ROI	Culture	Operational	5.5
Using common frameworks and methods to facilitate collaboration across functions, businesses and geographies	Strategy	Strategic	5.5
Identifying and executing ways to monetize our core business, marketing assets, or marketing activities	Content	Engagement	5.5
Using data, innovative services and digital solutions to resolve customer pain points across the journey	Data	Knowledge	5.5
Using product marketing to create and promote features to drive acquisition	Community	Engagement	5.5
Using agile management methods to plan and execute marketing programs with the required speed, quality and cost	Knowledge	Knowledge	5.5
Using performance marketing to deliver messages at the right time and in the right form and channel to drive conversion	Methods	Operational	5.5
Predicting what customers are looking for during their purchase journey	Monetization	Strategic	5.5
Using up-to-date Martech stack across different decision areas (e.g.: planning, CRM, measurement etc.)	Journey	Experience	5.5
Continuously changing products/services to meet evolving customer expectations on performance, quality, and price	Product Marketing	Exchange	5.5
Select, develop, and integrate a network of outside partners to design and execute marketing programs	Agility	Operational	5.5
Conducting social activism (e.g.: promoting social change, donating to a cause etc.) to support a societal issue of importance to customers	Performance Marketing	Exchange	5.5
Identifying a social purpose and effectively integrate it into the marketing programs for our brand	Journey	Experience	5.5
Addressing environmental sustainability concerns in our product, marketing activities or business practices	Martech	Operational	5.5
Real-time and automated generation of content and channel mix	Innovation	Experience	5.5
Managing relations with the bloggers or influencers to promote brand and product stories	Talent	Operational	5.5
	Social Activism	Engagement	5.0
	Social Purpose	Strategic	5.0
	Sustainability	Experience	4.5
	Automation	Exchange	4.5
	Influencers	Engagement	4.5

4 5 6

Importance for WMOs

...Is Different from What Matters to LMOs

- Data as #1
- Talent not present.
- Exchange is missing.
- Focus on tasks rather than customer.



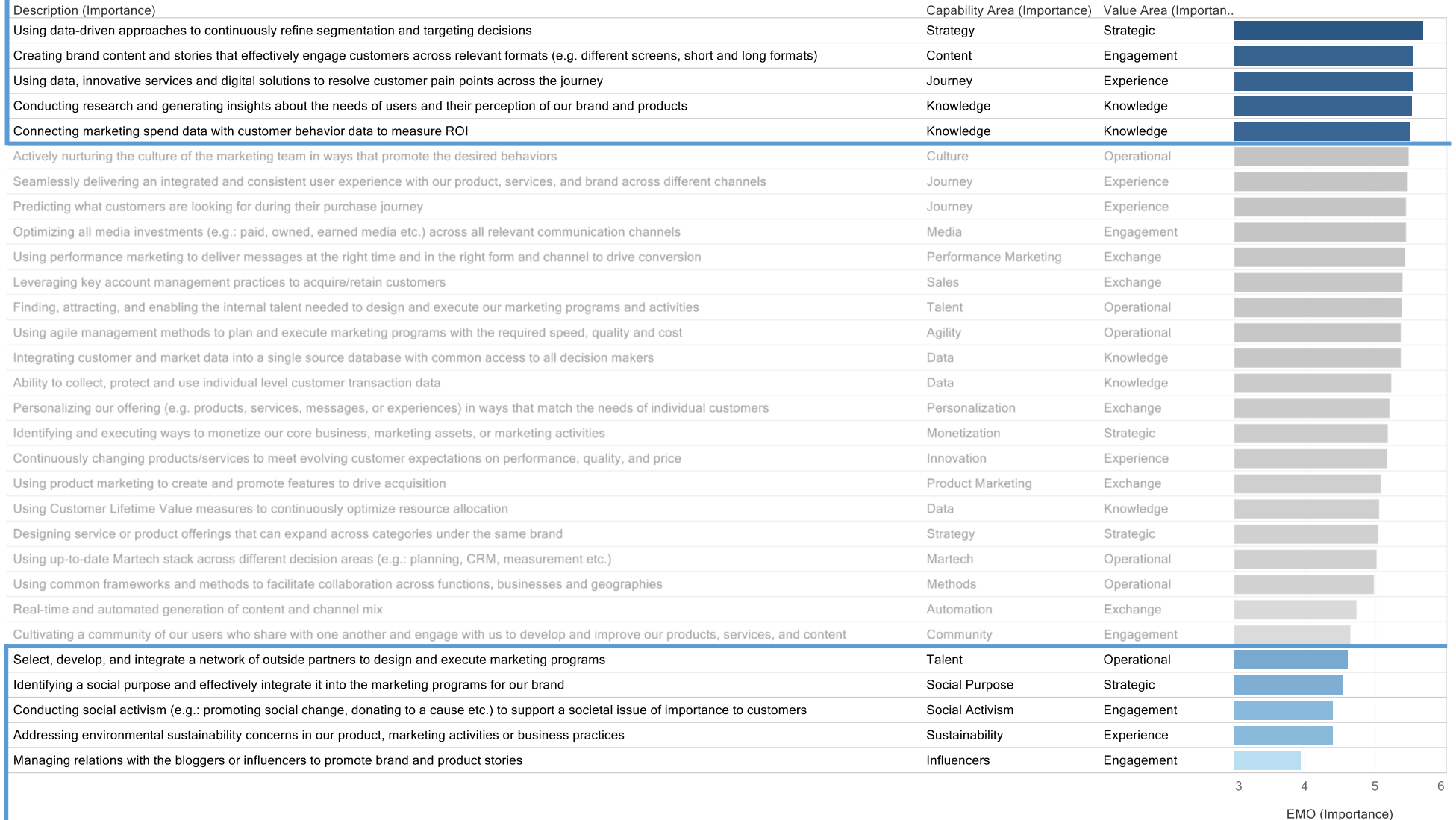
Matter Most

EMO'S

Matter Least



- Issues of social purpose and sustainability.
- External talent is not prioritized.

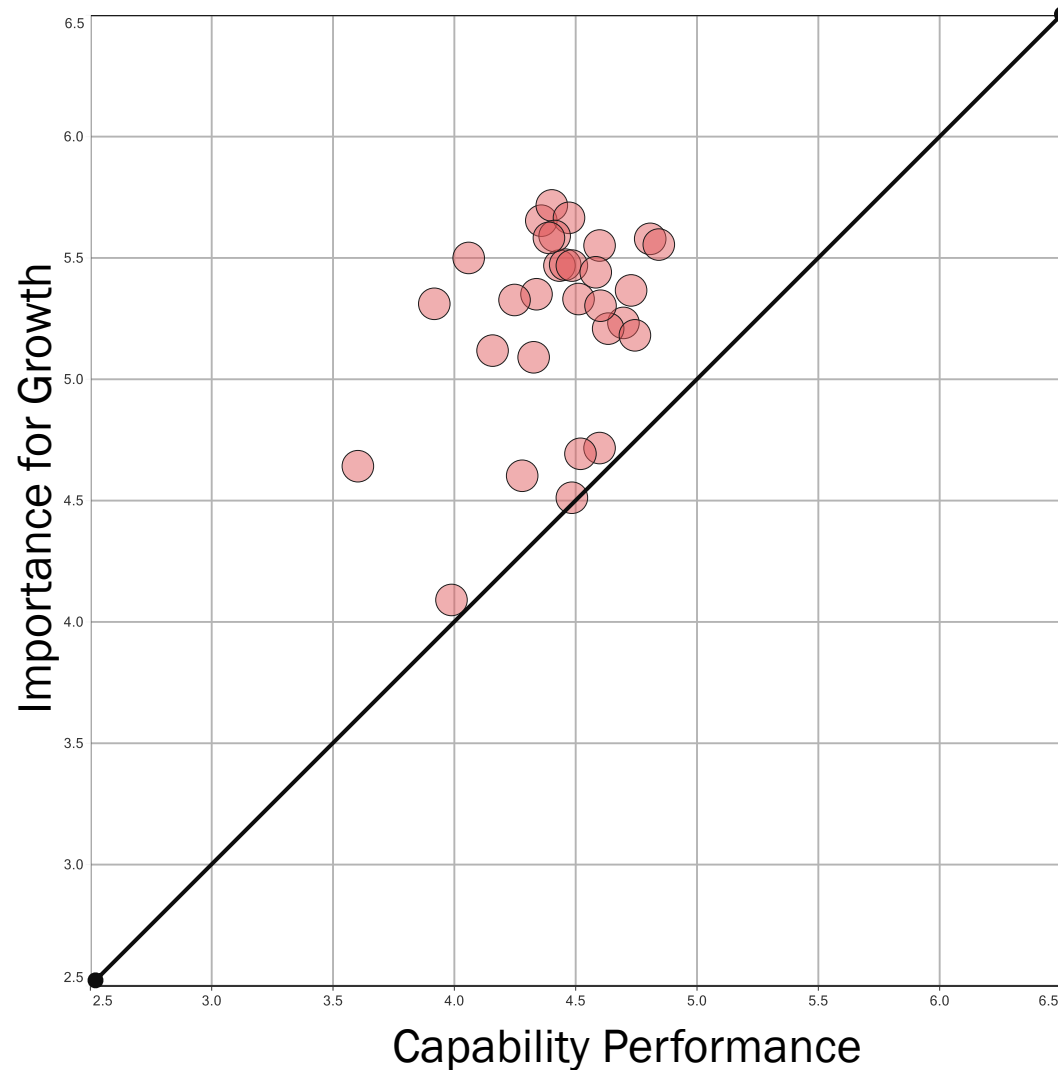


The Path of a WMO

- Find what matters to your organization over the next three years (Importance)
- Find how well you do it today (Performance)
- Focus on strengthening Performance-Importance Fit

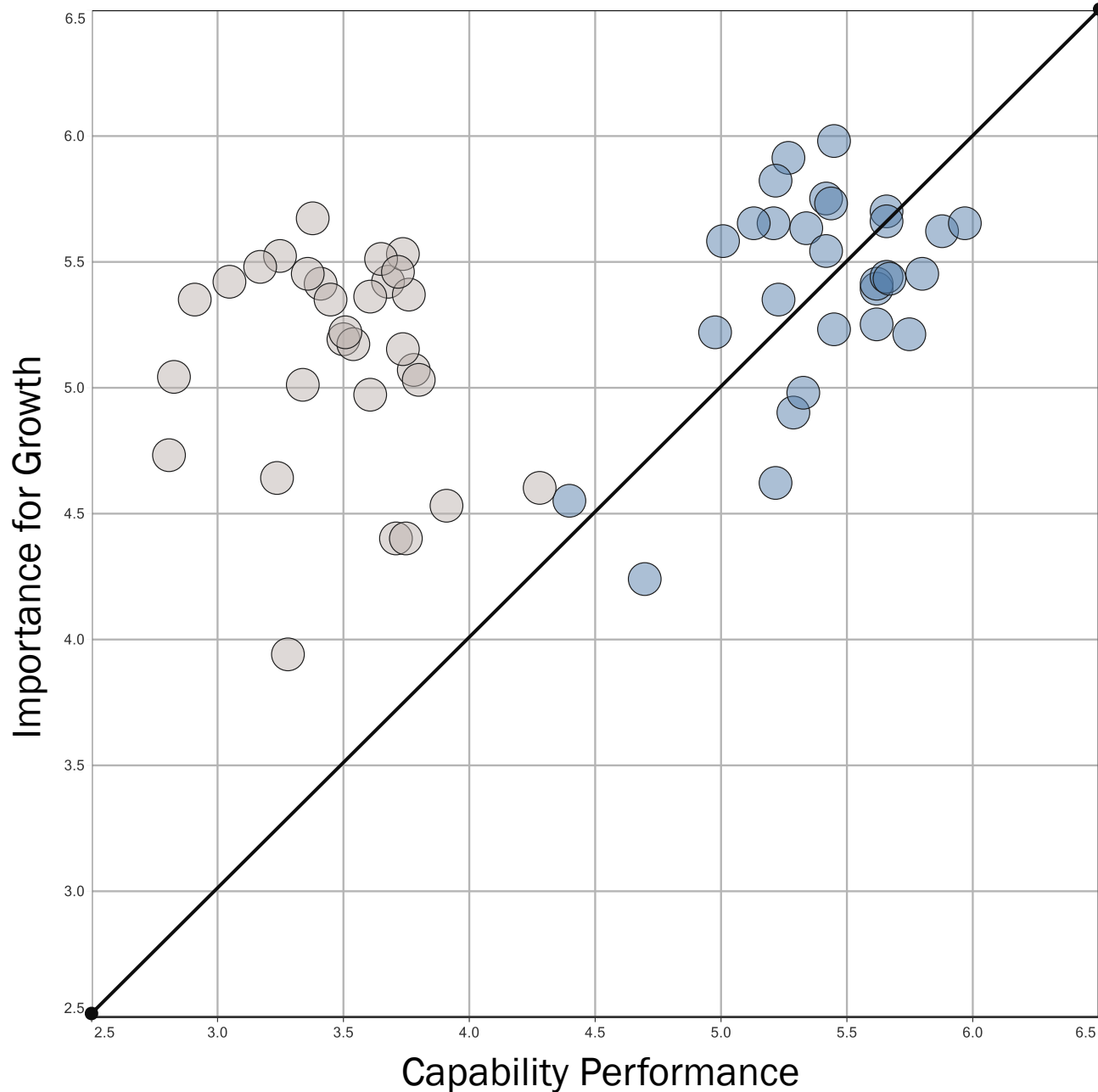


The MarCaps Capability Fit Score



Fit Score

72.5%



WMO Fit Score

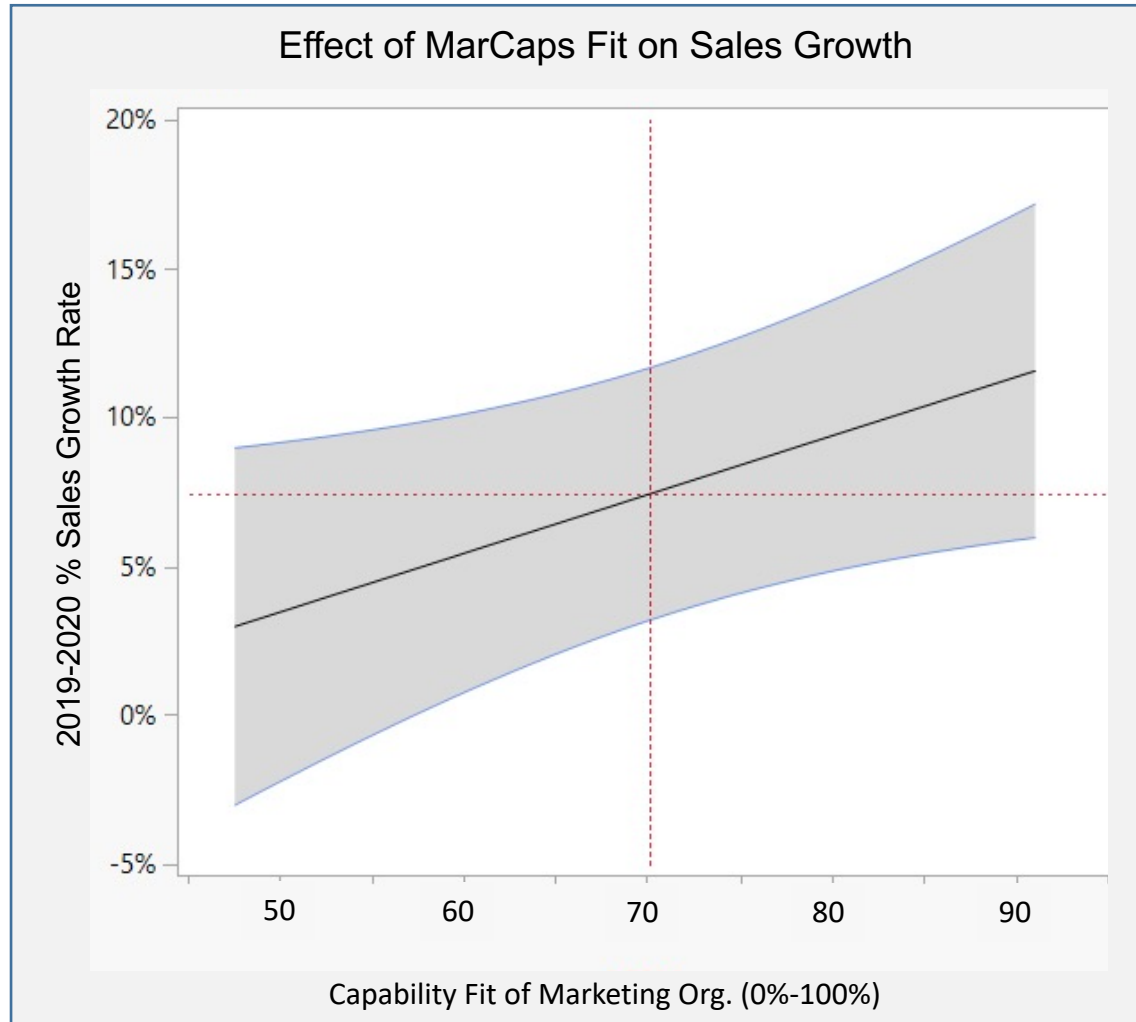
86%

LMO Fit Score

53%

- Emerging Marketing Organizations (EMOs)
- Winning Marketing Organizations (WMOs)

Fit Drives Sales Revenue Growth in 2019 and 2020



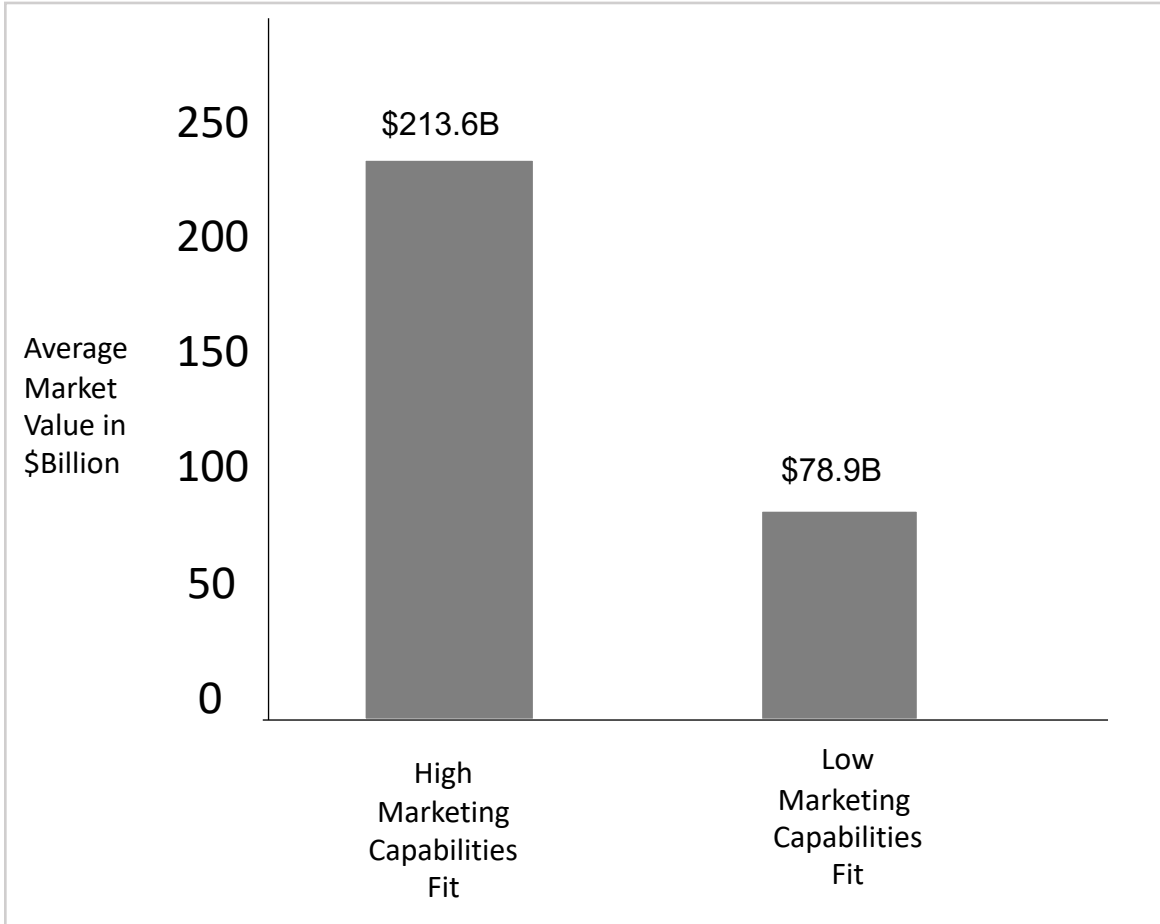
2.5x

A 1% increase in fit leads to 2.5% increase in Sales Growth after accounting for size, age, R&D investments, Advertising investments and intensity of competition.

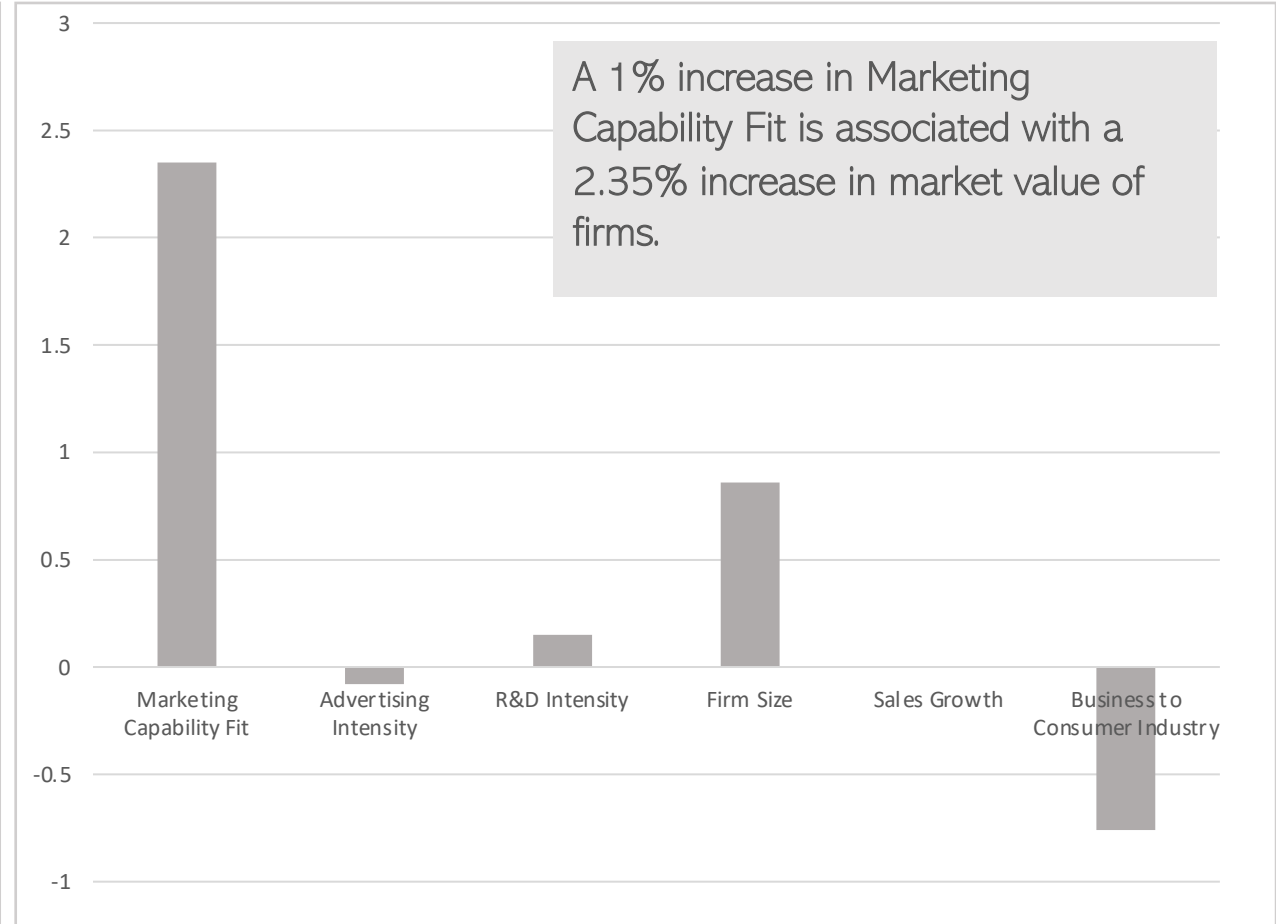
Note: Financial data from publicly traded firms available in Compustat.

And Market Valuation

Market Valuation by Level of MarCaps Fit



Elasticity of MarCaps Fit



Note: Financial data from publicly traded firms available in Compustat.

Anatomy of a Winning Marketing Organization

- Structured externally around customers and customer outcomes and more complex structures rather than around internal product or functional expertise.
- Decentralized decisions and greater tendency to draw on external expertise.
- Demonstrate a diverse set of marketing capabilities and create environments where people thrive.
- Develop a high degree fit by aligning performance to capabilities that matter to future performance.
- The marketing capability fit delivers growth, customer and financial market performance by leveraging the possibilities of today (e.g. Agility, technology, analytics, societal, etc...).

Where Next?

...read our article in the Nov-Dec 2020 issue of HBR for more details on the framework.

Is Your Marketing Organization Ready for What's Next?

strategies and capabilities

Harvard Business Review November-December 2020 105

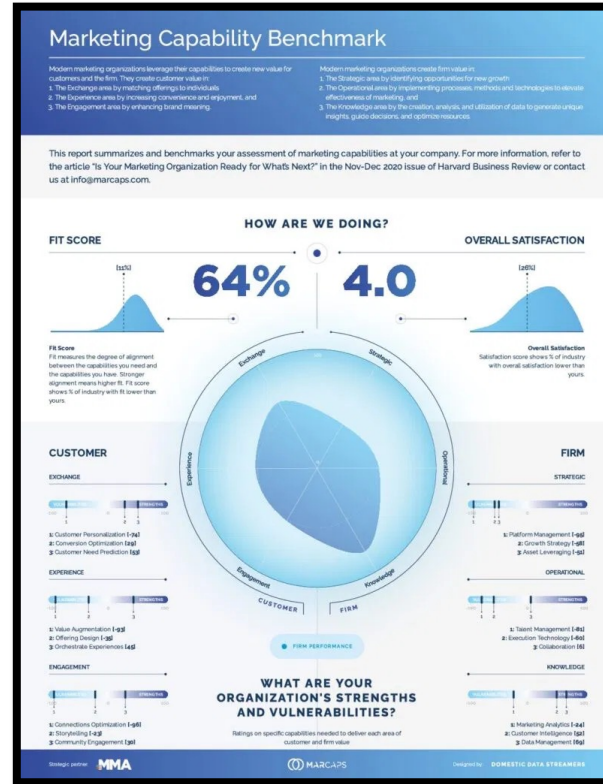
MARKETING

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