THE M.A.R.S. PROJECT

Omar Rodriguez Vila, PhD
Emory University

Sundar Bharadwaj, PhD
University of Georgia

Neil Morgan, PhD
Indiana University

Shubu Mitra

Peter Schelstraete



Mobile Analytics Real-time Social

What are the marketing capabilities required to win in this new environment?

The M.A.R.S. Project

- Independent academic-industry partnership to study the change in the marketing organization of B2C firms as a result of the most critical changes in technology
- End goal is to create knowledge that can guide leaders on the design and management of modern marketing organizations
- The work results from operational support and a research grant from the Mobile Marketing Association (MMA)
- All conversations with participating companies are confidential

Steering Committee:

Kristi Argyilan, SVP, Marketing, Target

John Costello, President, Global Mktg & Innovation, Dunkin Brands

Jon Suarez-Davis, Chief Strategy Officer, Salesforce Marketing Cloud

Norman DeGreve, CMO, CVS

Brad Feinberg, Sr. Director Media & Digital, MillerCoors

David Godsman, Chief Digital Officer, The Coca-Cola Company

Sanjay Gupta, EVP-Marketing Innov. & Corp. Relations, Allstate

Kellyn Kenny, CMO, Hilton

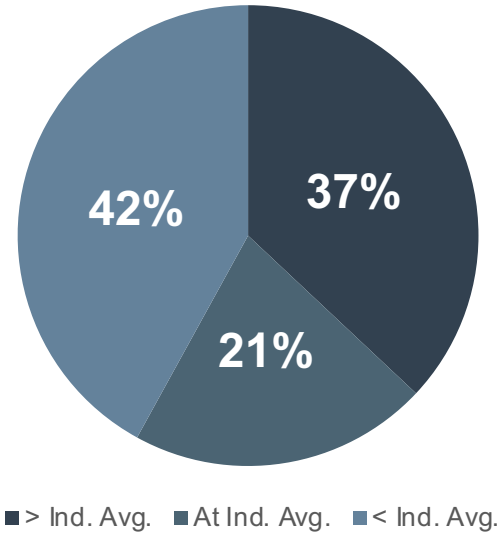
Rebecca Messina, CMO, Beam Suntory

Louis Paskalis, SVP, Enterprise Media Executive, Bank of America

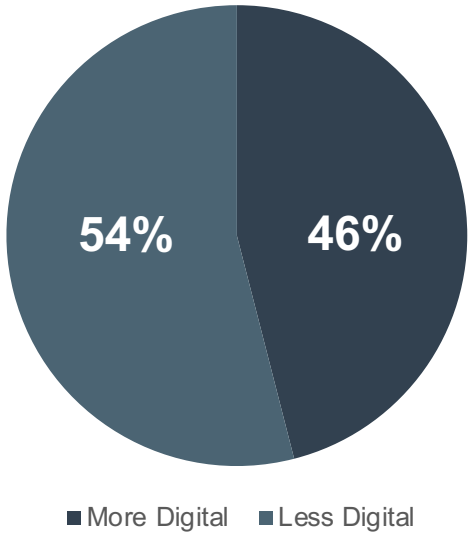
Greg Stuart, CMO, Mobile Marketing Association - Chair

100+ Interviews / 80+ Companies

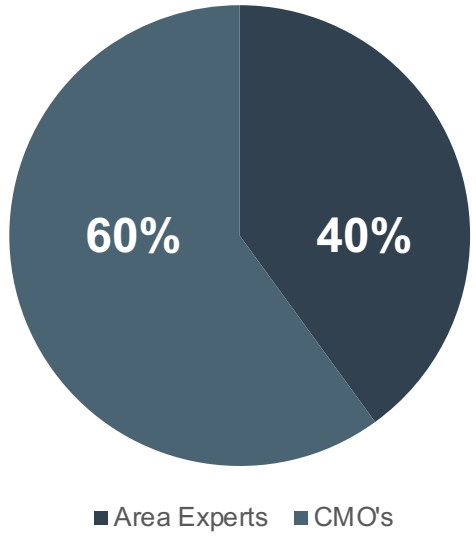
Company Performance



Digital Level



Executive Profile



**Digital: each firm rated on 1-10 scale based on the role of digital technologies as part of their business model and offering. Industry Average = 3-year CAGR for all the firms in a given industry.*

Company Sample Includes:

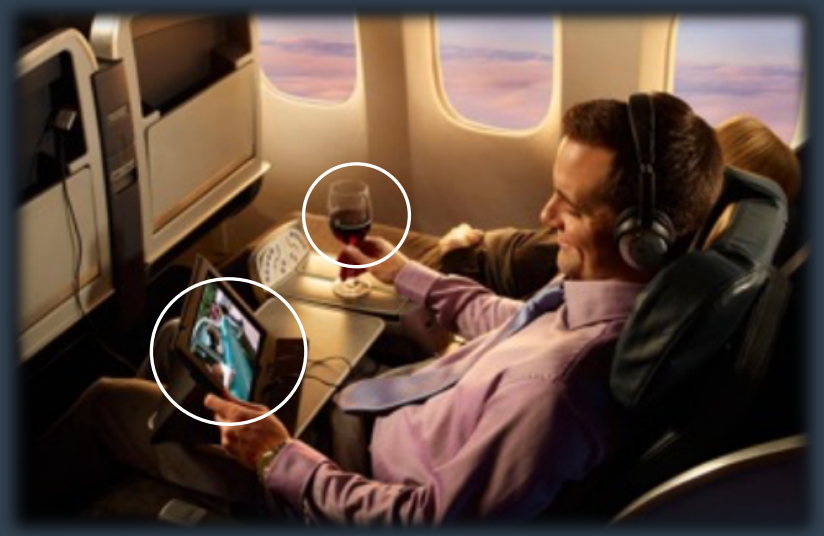
Amazon	Bayer	Dunkins	JPM Chase	Pizza Hut	Twitter
Allstate	Campbell's	Ebay	Latam Airlines	Retail Me Not	Uber
Ally Financial Inc.	Cancer Treatment Centers of America	Esurance	Lego	RJ Reynolds	Ubimo
American Express	Carmax	Expedia	Lenovo	Samsung	Unilever
AT&T	Chobani	GM	Marriott	Spencer Stuart	Yum Brands
Bank of America	Citibank	1-800-Flowers	Master Card	Spotify	Salesforce
Barclays	Coca-Cola	Heineken	Match.com	Target	Subway
Beam Suntory	Colgate Palmolive	Intuit	McDonalds	TechStyle	Volkswagen
Bloomin Brands	Cox Communications	Jack Morton	Miller Coors	ThredUp	Visa
Harry's	CVS Health	Johnson & Johnson	Pfizer	ToysRUs	TMobile

What Has Fundamentally Changed?

- Consumer use of digital channels, and willingness to share with each other
- Ability to observe and capture individual customer behavior data, and engage in personalized two-way communications
- Customer data volume, velocity (real-time?), and complexity (different kinds of data, more units of analysis)
- Data + Analytics enables attribution modeling and “closed-loop” performance marketing

Effect on Customer Expectations

Illustrative example: Airline Industry

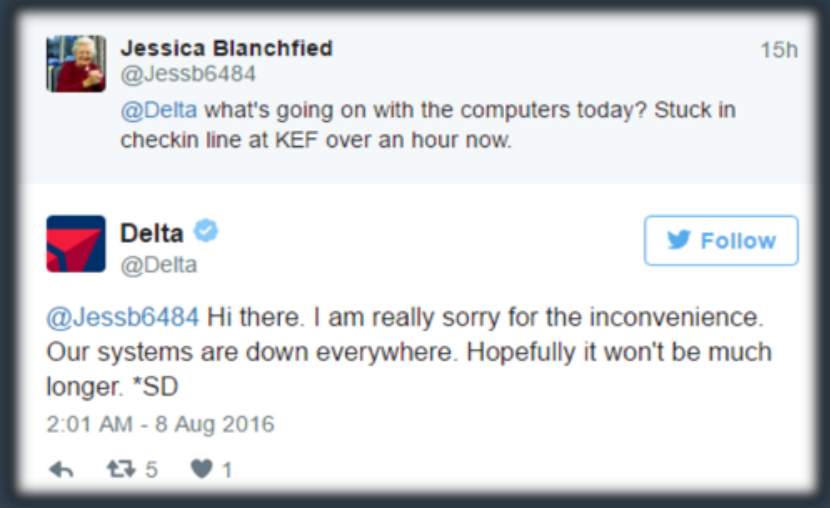


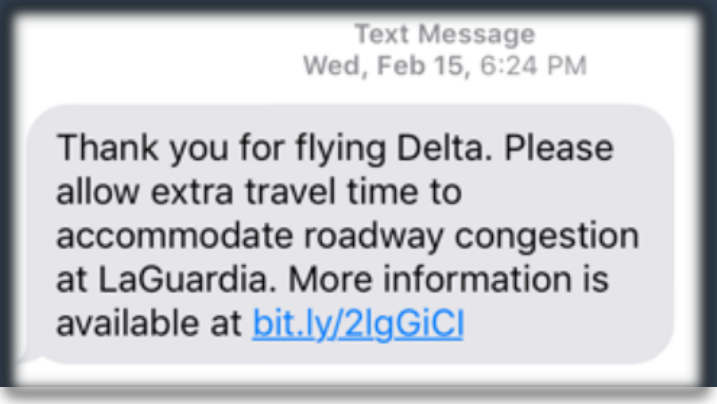
Individuality

Immediacy

Integration

Information





Effect on Company Expectations

MASS		*MARS*
Brand Management	**Role of Marketing**	*Growth Management*
Performance Risk	**Risks of Marketing**	*Environmental Risks*
Variable Cost *Front-End Costs* *(e.g. Media, Distribution)*	**Costs of Marketing**	*Fixed Costs* *Back-End Costs (e.g. Production, Data, Content Management)*
Promote the Innovation	**Work of Marketing**	*Become the Innovation*

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A Golden Era For Marketing



Accuracy



Accountability



Agility

Instead…we find Entropy

A deep and pervasive sense of barely concealed chaos within many marketing functions

"Think the creative development process is broken, and I don't really think anyone's really cracked the code."

"We're all challenged by not even knowing all the right questions to ask, and you feel exposed."

"We were very entrepreneurial in spirit so if you thought there was an issue or that you could do something better, you just went and hired it and so, maybe that meant that you had creative people sitting inside, you know, a category. All of a sudden every single brand wanted to start up their own, basically, business, and they could do that! To some degree, that's kind of what happened [here]. And so now we're still trying to kind of put pieces back in the places it needs to be."

"I feel like it's like when you're on a rollercoaster and you're creeping up before they drop you down, that's where we are."

Commonly Observed Tensions

I thought I knew my role

Blurring of lines and need for ever more collaboration requires full redesign

We have loads of data, now what?

The challenge of putting the customer at the center of the business

Tech is eating strategy

Newly available data and attribution leads to emphasis on value capture over creation

Which bell and which whistle?

How to select the type of innovation that matters for a specific brand and business?

Marketing Divided

Brand and Performance marketer “camps” within firm don’t get along…view the world very differently

What should be in-house?

With all these new things we are doing, which should we in-source vs. outsource…and when?

If I can measure it, it may be fraud

The challenge of data integrity and collaborations in the digital space

We are adding, not changing

It is less about what to start vs. stop. It is about doing more with less

THE M.A.R.S. PROJECT


Fog of “M.A.R.S.”

Root Cause

Changing Without a Map



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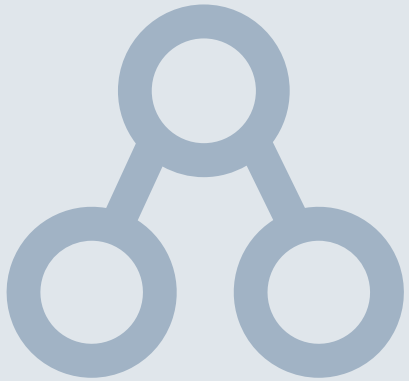
Building Your Map

How to compete?



Capability Stacks

How to operate?



Organizational Links

How to learn?



Information Loops

Rodriguez Vila, Schelstraete, Bharadwaj, Mitra & Morgan // For discussion only // Not for circulation.



Exchange Stack



Experience Stack



Engagement Stack

Growth Stacks

Unique ways a marketing organization can design and configure talent, technologies, and activities to create value for their customers



Exchange

Drive demand by enabling personalization

Matching the specific needs of consumers at a given moment with a company offering

Optimizing acquisition and retention costs

Source: The M.A.R.S. Project / Rodriguez, Bharadwaj, Mitra, Schelstraete, Morgan

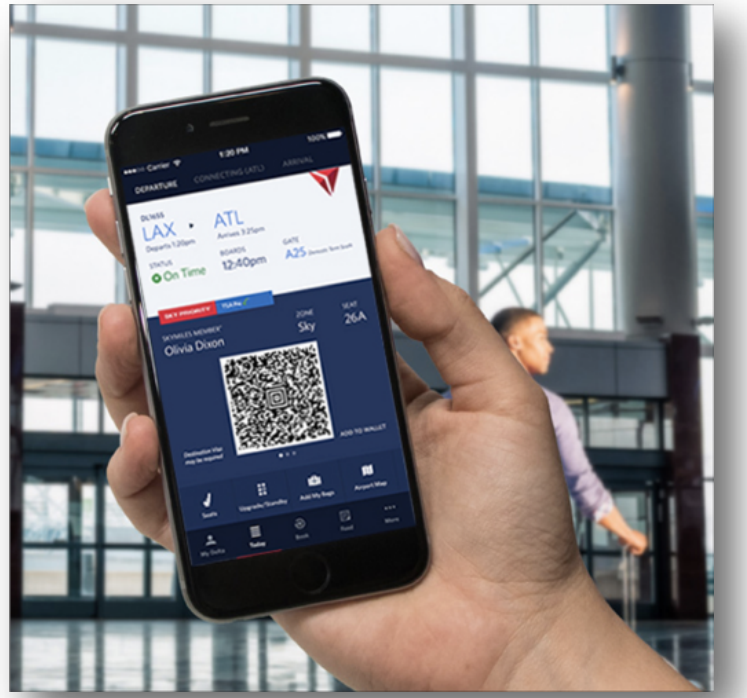


Experience

Drive demand by increasing convenience

Eliminate hassles, pain points, or find latent needs across the consumer journey

Optimizing customer satisfaction and loyalty



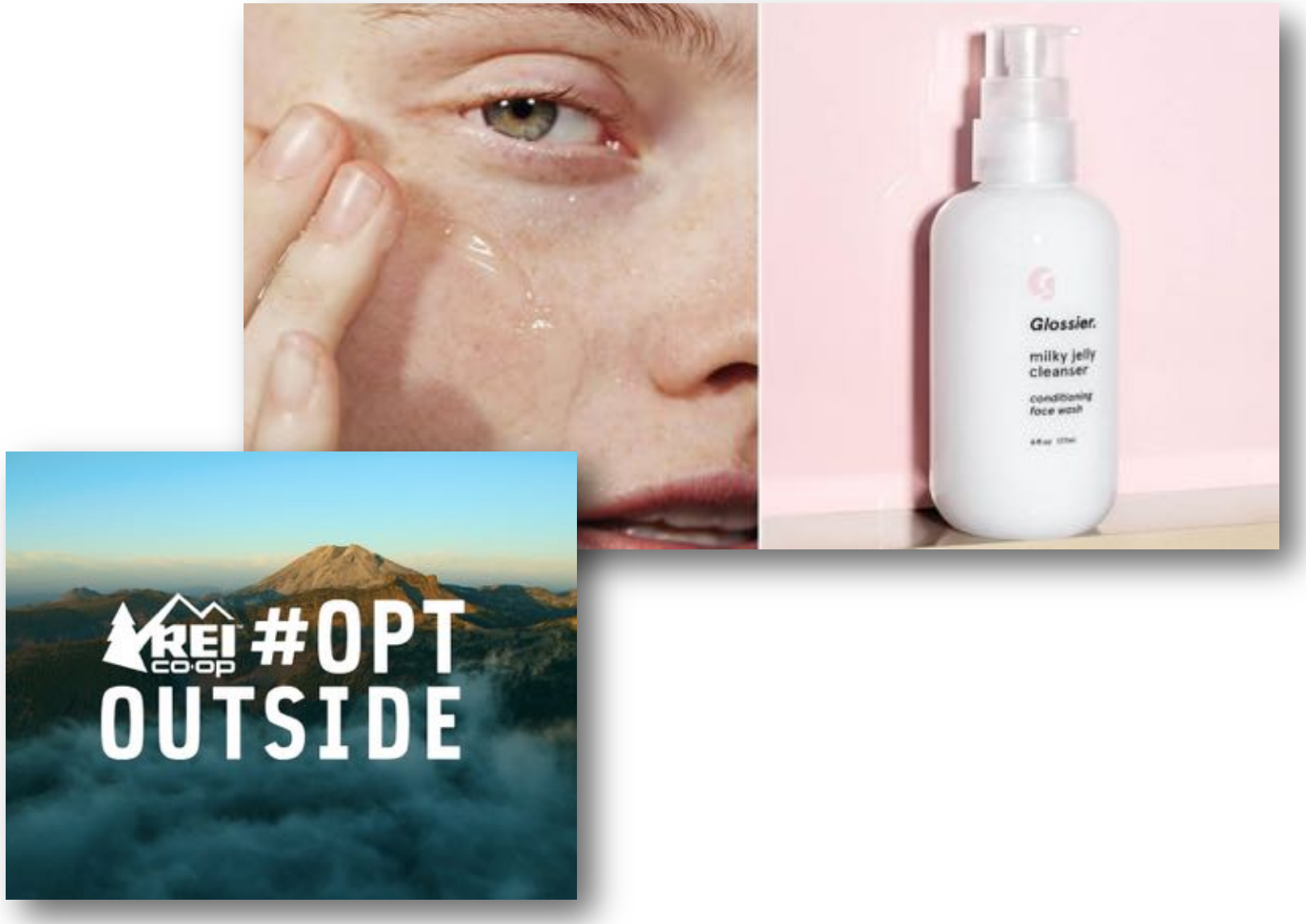
Source: The M.A.R.S. Project / Rodriguez, Bharadwaj, Mitra, Schelstraete, Morgan

Engagement

Drive demand by expanding brand meaning and societal impact

Join, build, and manage communities

Optimizing referral and knowledge value



Source: The M.A.R.S. Project / Rodriguez, Bharadwaj, Mitra, Schelstraete, Morgan



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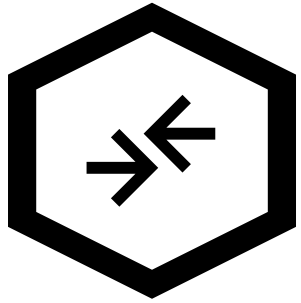


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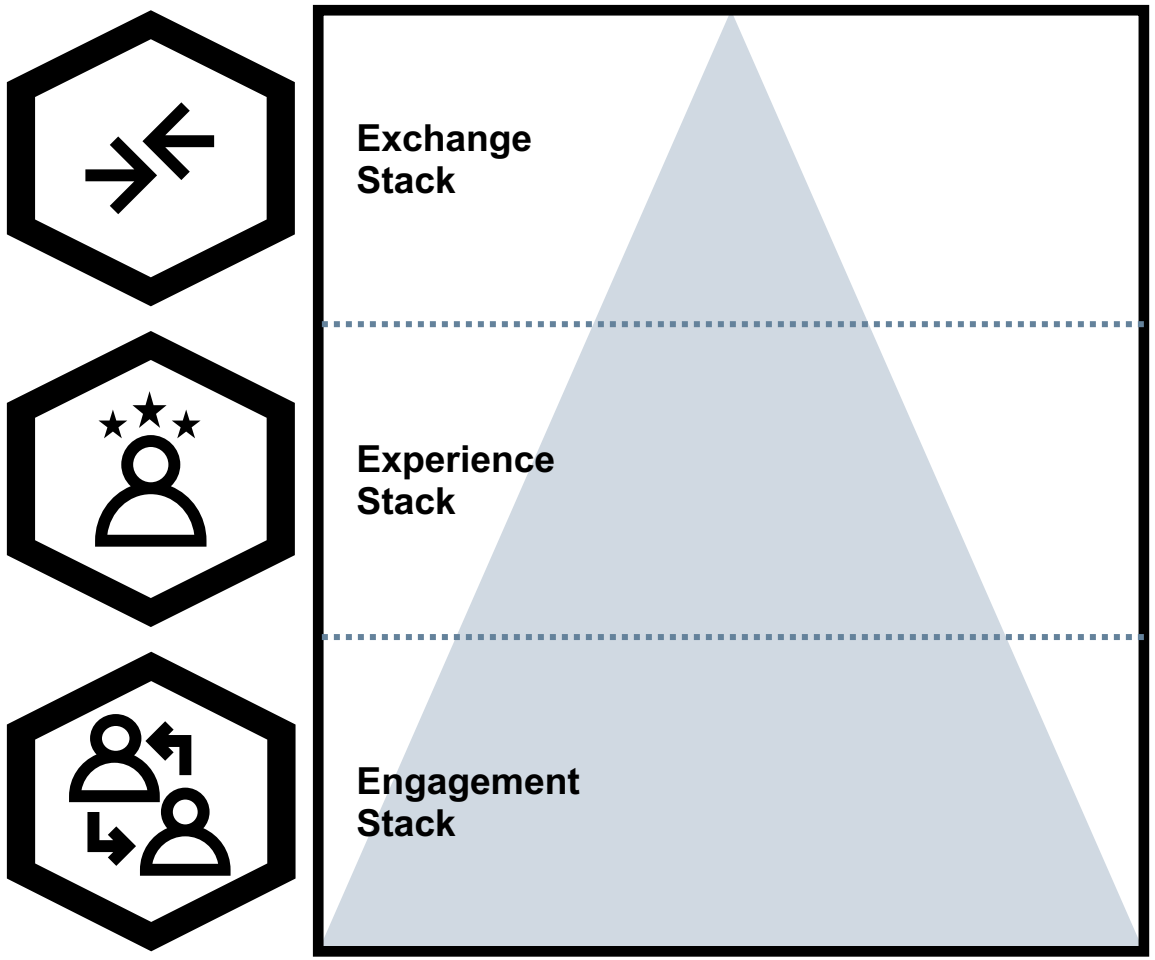
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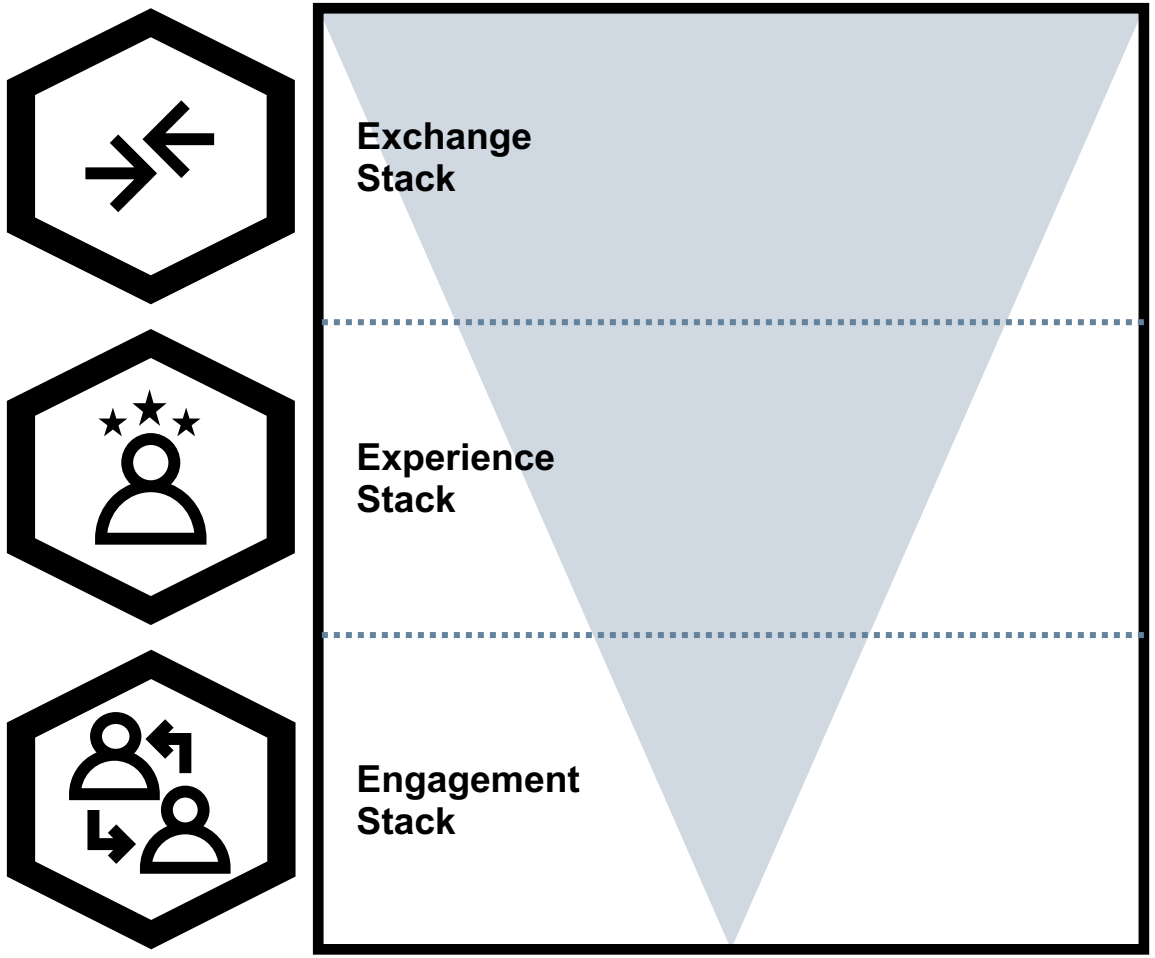
Branded Platforms



Chobani



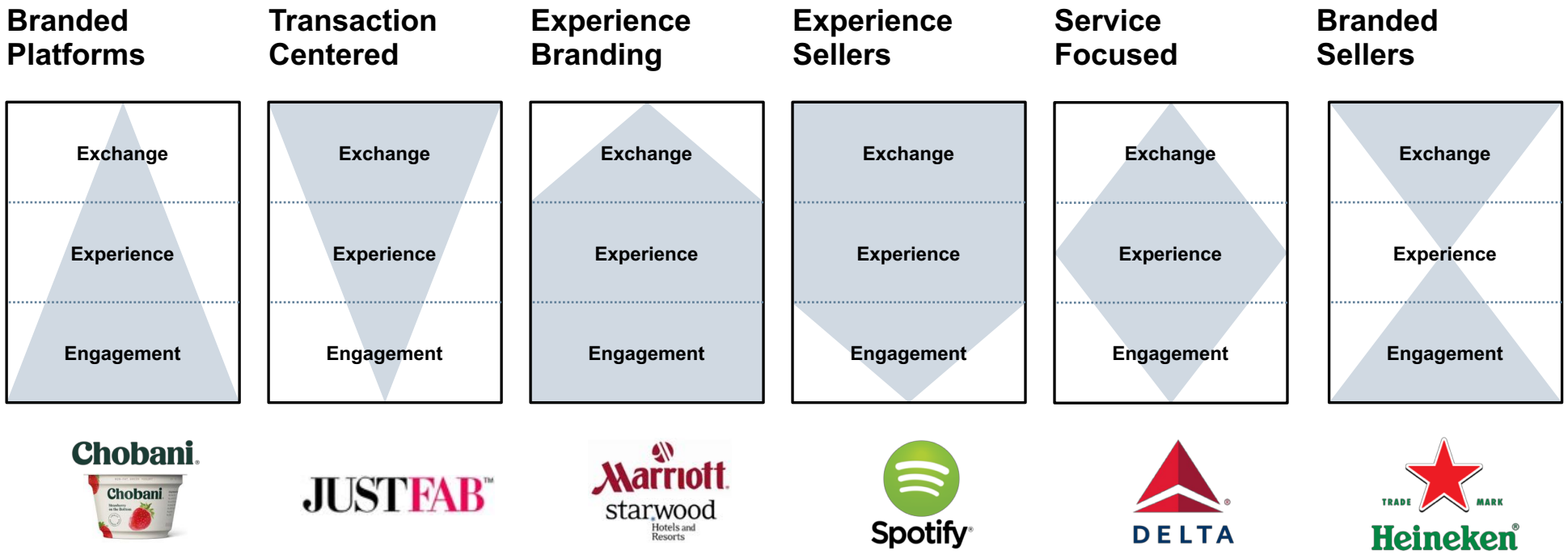
Transaction Centered



Just Fab

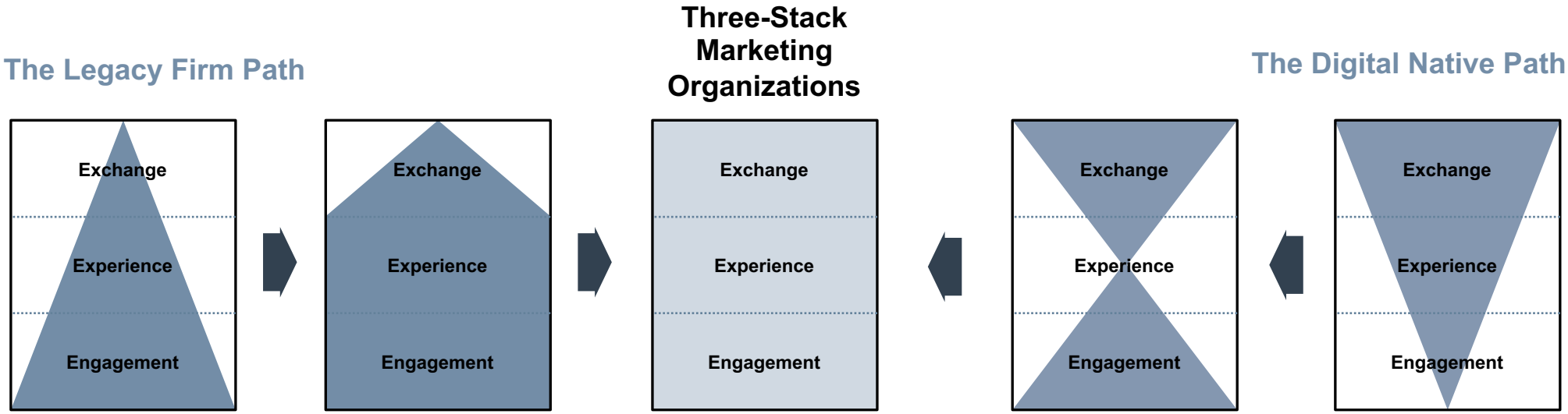


Strategies to Compete on M.A.R.S.



Rodriguez Vila, Schelstraete, Bharadwaj, Mitra & Morgan // For discussion only // Not for circulation.

Org Design Journey Varies by Starting Point



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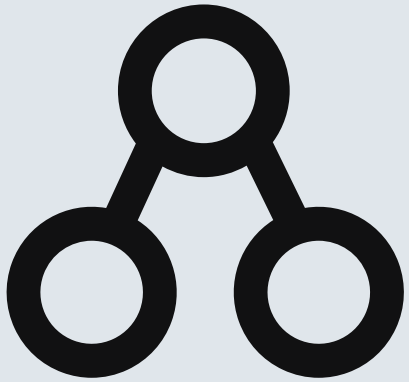
Building Your Map

How to compete?



Capability Stacks

How to operate?



Organizational Links

How to learn?



Information Loops

Reacting vs. Designing

Adding verticals

Focusing on Org Structure vs. work Structure

Assuming Marketing

Controlling vs. Integrating

Changing Technology

Changing Sociology

Immiscible Organizations

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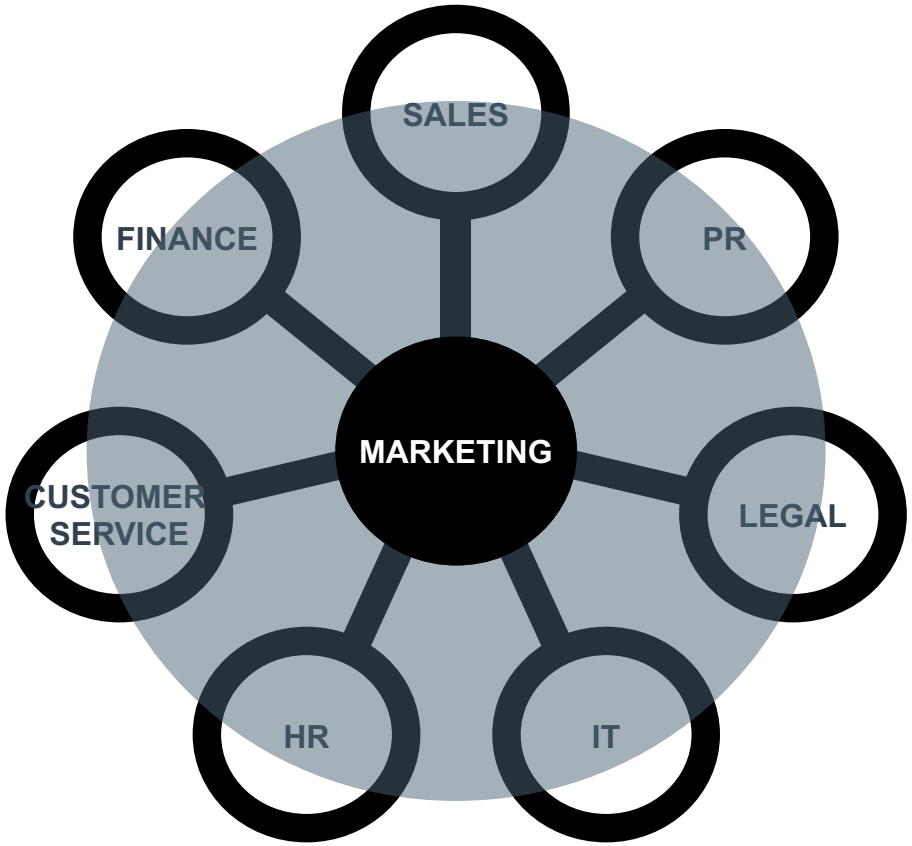
"Manage a coalition, not just a function"

"Now the tasks aren't discrete, they are all intertwined—meaning you have to work together."

CMO Retailer

"The reality is that no technology in the world, no digital marketing, no people-based approach, no multi-channel, no multi-device, no attribution model, can overcome a lack of alignment across an organization."

VP Digital – Services Industry



Create a Common Doctrine for the Organization

Your Way of Demand Creation

Shared frameworks

Common methods

One of the first things we did when we formed the new team is we got everyone together and we formed a statement of our purpose. We basically said, "Here's our purpose within the organization - here's what we're here to do," to inspire us and keep us grounded on why we're here.

CMO – Food & Beverage

Leaders as “Sense-Makers” of…



…the Function

“I sat in a lot of different brand meetings and it's very inconsistent because a lot of the decision making is derived by brand leader and their perspective on the work. They all come in with different philosophies and that usually overshadows any other way to create an enterprise perspective on things.”

VP Marketing – Product Industry

…the Work

“This is a company that has been doing marketing for close to 100 years, and still we had to spend 3-days locked in a room trying to figure out what marketing was all about for us in this new environment.”

Marketing VP – Services Industry

…the Priorities

“We decided to become the most creative company in our industry. My organization decisions are now following that goal.”

CMO – Product Industry

…each Other

“Tech did not understand why marketing were asking the questions. It was communication, telling them back and forth, including them in meetings, that really changed how we function.”

CMO – Services Industry

Frameworks to “Make Sense” of Marketing Activities

Acquisition – Retention

Desire – Decide – Delight

Upper Funnel – Lower Funnel

Believe – Buy – Advocate

Discover – Try – Buy – Use – Renew

“We've re-orchestrated ourselves to become more outcome-focused. While of course you have specialization areas like brand and data and analytics. But we've created a model where people come together to focus on an objective and an outcome and all the pieces of the machinery come together.”

- CDO Technology Company



DESIGNING ORGANIZATIONAL LINKS

INTEGRATION METHODS

Make integration a tangible and manageable asset

Defining “Integration” as an Asset

Define the types of integration needed by outcome

Determine metrics to assess their performance

Consistency	Coordination	Complementarity
Consistent with brand VIS. (Key Visual)	Coordinated deployment in time	Consumer-facing synergies
Consistent with brand strategy (Brief)	Coordinated experience across channels	Company-facing synergies

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DESIGNING ORGANIZATIONAL LINKS

CULTURAL NORMS

Define and Manage Key Behavioral Indicators (KBIs)

Trust

Shared Numbers

Connected incentives



Nurture Trust



We've got a set of principles that guide the way that we work with each other, the expectations that people have of each other. For instance, the way in which we generate trust with each other. That's an important one. And we call each other out, I'd say, "You're not generating a lot of trust with that attitude"

CMO – Services Industry

Shared Numbers

The end of spin

Connected KPI's

Shared goals

Open Kitchen

Manage the process

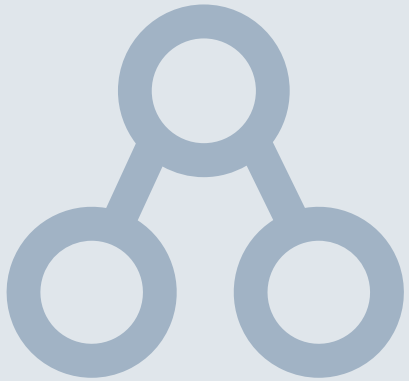
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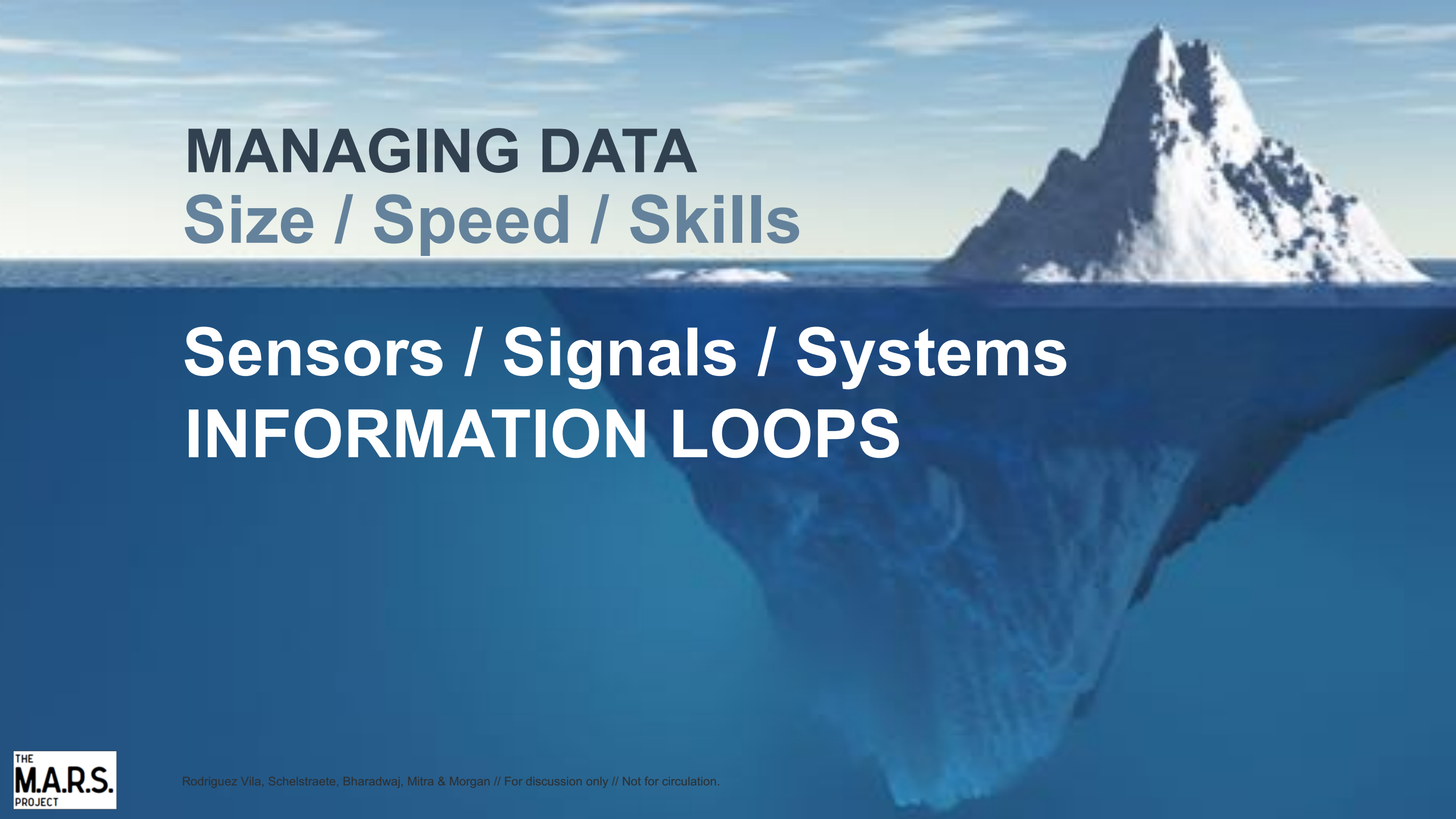


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How to learn?



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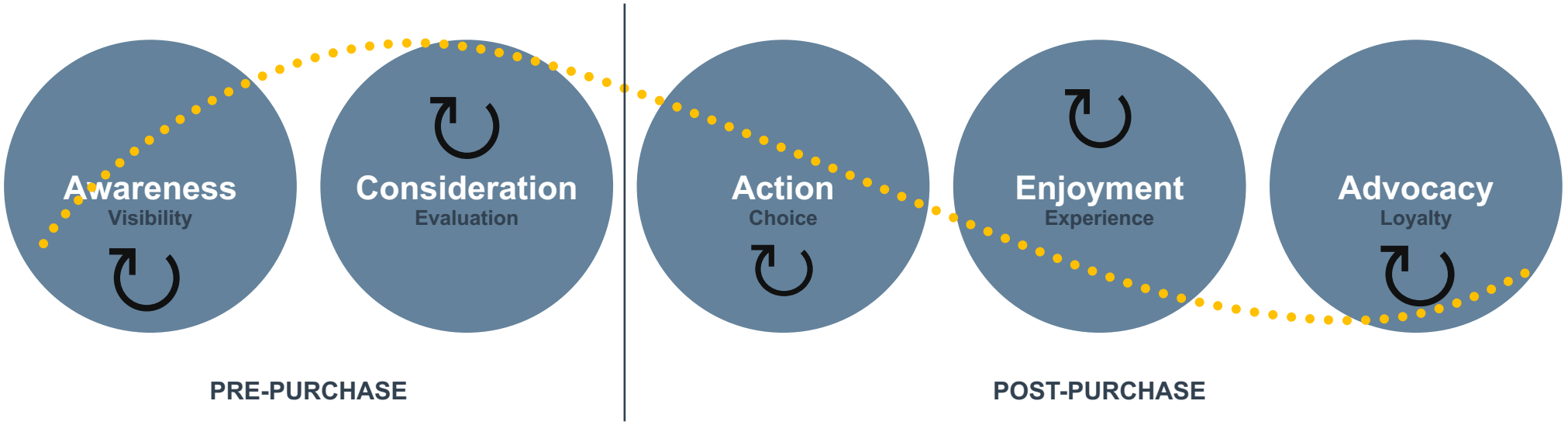
MANAGING DATA
Size / Speed / Skills

Sensors / Signals / Systems
INFORMATION LOOPS

THE M.A.R.S. PROJECT



Information Loops



Sensors / Signals / Systems

COVERAGE QUALITY USAGE

THE M.A.R.S. PROJECT

Innovation to Close Loop

Vending Machine

or

Data Machine?



- RFID enabled
- Transmits supply / demand data
- 9100 generation linked to app enabling users to configure before ordering
- Paid, Shared, Earned, and Owned data

Feedback Loops

Leveraging a Closed Loop Infrastructure

Derived insights

(e.g. Tencent calculating brand attributes from social media conversations; Delta investing to create a derived measure of satisfaction)

Response-based planning

(e.g. media channel choices based on response rates, not viewership rate. Constant signals/polling of market sentiment driving investment rates)

Causal inference decisions

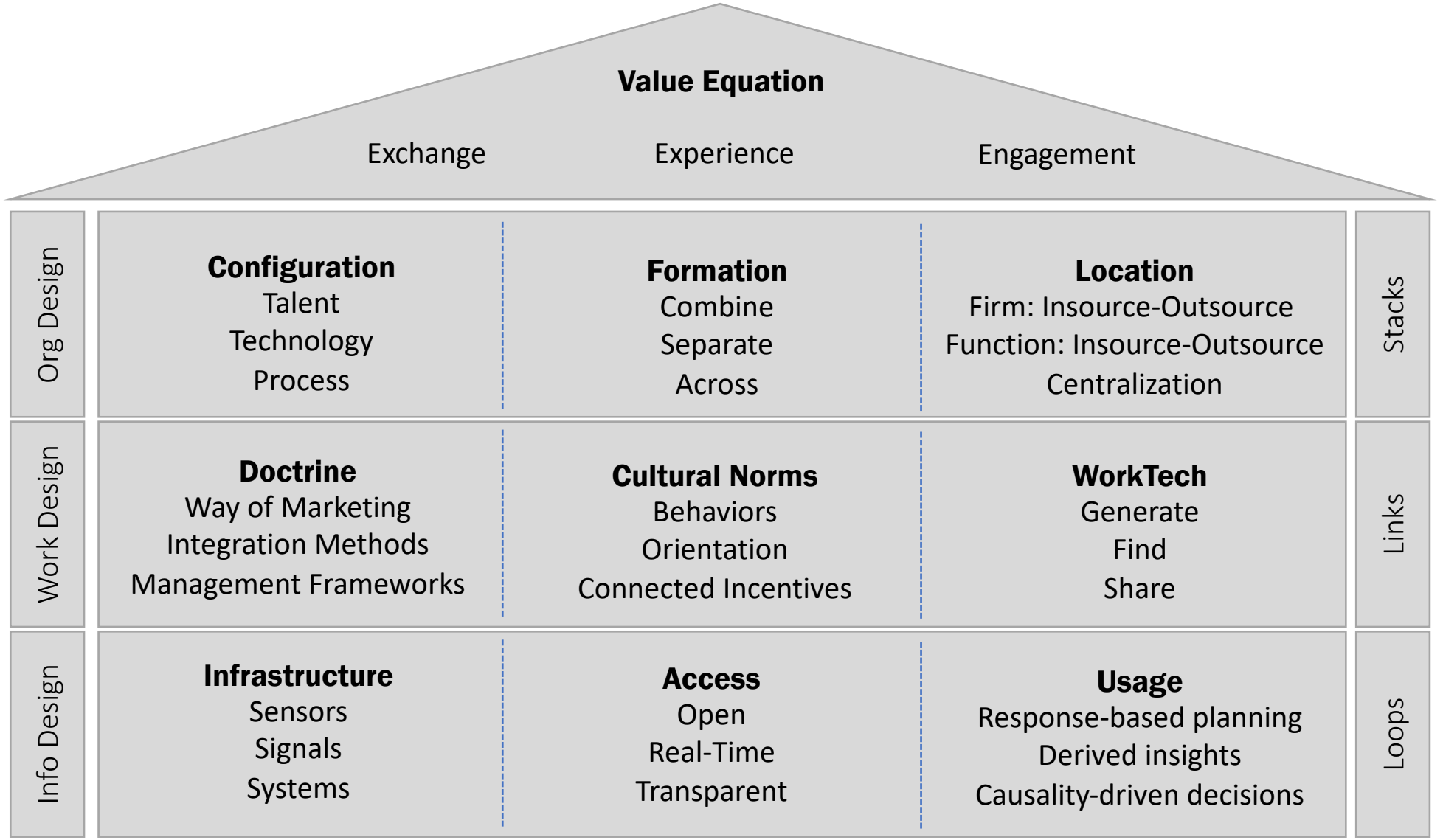
(e.g. designing field experiments and control groups into plans to achieve causal understanding of effects)

Designing a M.A.R.S. Ready Organization

Org Design	**Configuration** Talent Technology Process	**Formation** Combine Separate Across	**Location** Firm: Insource-Outsource Function: Insource-Outsource Centralization	Stacks
Work Design	**Doctrine** Way of Marketing Integration Methods Management Frameworks	**Cultural Norms** Behaviors Orientation Connected Incentives	**WorkTech** Generate Find Share	Links
Info Design	**Infrastructure** Sensors Signals Systems	**Access** Open Real-Time Transparent	**Usage** Response-based planning Derived insights Causality-driven decisions	Loops

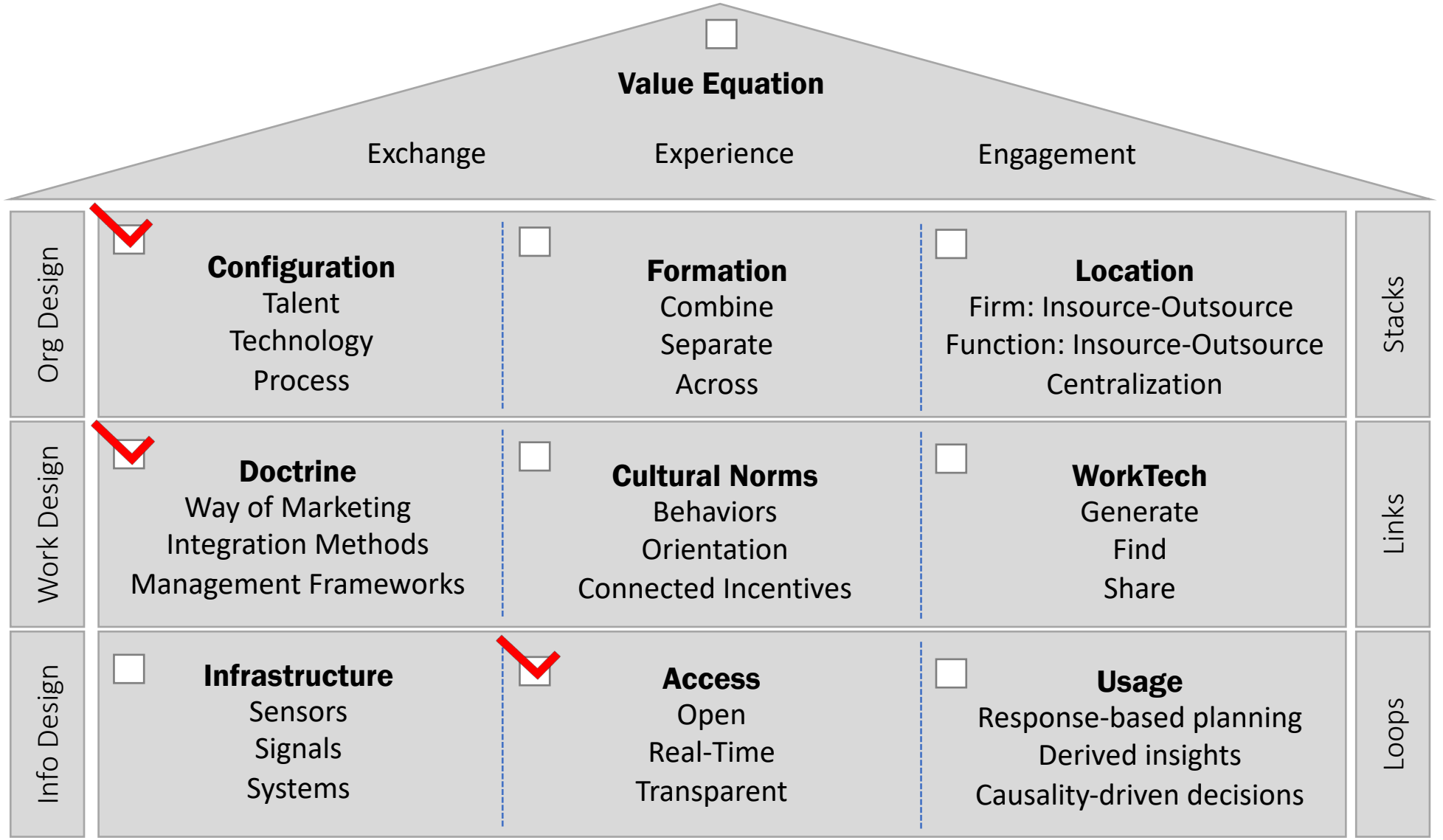
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