Building marketing capabilities for growth
Growth is an outcome of a clear strategy and exceptional customer experiences, enabled by world-class capabilities.

The most engaging, cohesive customer experiences are driven by high performing brand and marketing organizations.

This handbook provides thought starters for building your company’s brand and marketing capabilities.
The changing landscape of marketing
Marketing is shifting rapidly, with two macroeconomic developments influencing the perceived speed of change.

Accelerating digitalization

The number of marketing technology solutions available continues to skyrocket, rising 87% in the last year alone.

Exponentially increasing amount of data

The amount of digital information created and shared doubles every two years, and is expected to reach 44 zettabytes by 2020.

So how big is a zettabyte?

1 zettabyte = 1 billion terabytes. That's about 250 billion DVDs.
Executive leaders’ expectations of marketing have grown, and this in turn has shaped the top priorities for today’s marketers.

Executive management’s increased expectations of marketing:
- Managing, collecting, and making use of internal and external data
- Integrating siloed marketing applications into one or more marketing platforms
- Leading and supporting digital commerce
- Leading a culture of change and company-wide innovation
- Acquiring new customers through improved sales-enablement
- Leading the marketing function, including finding, developing, and retaining talent

Resulting top priorities for marketers in 2016:
- Generating more high quality leads
- Aligning marketing and business strategy
- Increasing marketing ROI
- Increasing brand awareness
- Personalizing at scale
- Developing a 360-view of customers
As a result, the fundamentals of the marketing role have changed...

From
Chief Marketing Officer
“Brand advocate”

Key responsibilities
- Insights
- Brand strategy
- Internal brand engagement (IBE)
- Influencing
- Implementing the brand identity

To
Chief Integration Officer
“Driver of cohesiveness and growth”

Key responsibilities
- Insights, data, analytics
- Brand purpose and experience strategy
- Building skills, standards, tools
- Integrating the silos
- Enabling coherence
- Deploying technology
But in the vast majority of companies, the organization hasn’t changed

Thus, CMOs’ formal authority has never been more out of sync with the depth and breadth of their responsibilities than it is today
This means that brand leaders continue to face significant challenges in their ability to truly impact the business.

The major pain points of brand/marketing functions, as voted by marketers:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Issue</th>
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<tbody>
<tr>
<td>53%</td>
<td>Lack of resources or budget</td>
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<td>33%</td>
<td>Confusion over roles and responsibilities</td>
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<tr>
<td>32%</td>
<td>Dysfunction and friction over priorities across the company</td>
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<tr>
<td>30%</td>
<td>Lack of training in new marketing skills</td>
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<td>30%</td>
<td>Organizational inability to adapt</td>
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<tr>
<td>28%</td>
<td>Not being involved in major decisions</td>
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Adobe: Digital Roadblock Survey of 1,004 U.S. marketers. (March 2014)
The case for marketing capability building
Maslow's hierarchy is a succinct illustration of the needs that motivate human beings, from the most fundamental at the bottom to the most complex at the top. If this full range of needs isn't met, your ability to be happy and successful is impeded accordingly.

Happiness and success are crucial to people's natural development—and the same applies to your business. Let's think of a marketing organization as an individual and apply Maslow's hierarchy of needs...
Maslow vs. Marketing

Maslow’s hierarchy of needs

Hierarchy of needs in brand/marketing organizations

**Physiological**

**Safety**

**Love and belonging**

**Esteem**

**Self-actualization**

- **Empowerment**
  “I feel empowered to deliver the promise”

- **Understand brand purpose**
  “I’m part of something bigger”

- **Organization and structure**
  “I’m part of a team with a clear role”

- **Skills**
  “I’m confident I can do my job”

- **Tools and processes**
  “I have the tools to do my work”
To fully leverage the potential of your people, employees need to have all of their needs met. Tools are food and water—it's impossible to even do work if they're not equipped with the basics. Then come the skills that give them the confidence to use those tools to get the job done. This is followed by having a clear role on a team—and the feeling of belonging and security that comes with fitting into a defined community within your organization.

Understanding the brand means that your employees believe in the entire organization's goals and its purpose, and in their power to play a crucial role of their own in fulfilling this larger mission. As in Maslow's hierarchy, the final stage is the most difficult and complex to attain: the empowered feeling of making decisions and having a real, personal impact on the success of the brand and business.

Over the past decades, it has become clear to more and more leaders that investing in employee brand engagement is worthwhile. And it certainly is, at least when it is done well.
But in reality, engagement efforts are too often limited to internal communication and training programs that aim to explain to employees what the brand stands for, and how that meaning applies to their daily work. Investing in just these programs addresses the top two levels of the pyramid, appealing to employees’ drive to make a difference in their work lives, without first addressing foundational needs.

A short term surge of inspiration then collides with the hard reality of the actual workplace. In large, global brand and marketing organizations, lack of clarity around roles and responsibilities—and the resulting mismatches between skills and roles—are the rule, not the exception. As a result, investments in internal communication campaigns and brand training—under the assumption that employees will “sort out the rest” with each other—have a very low return and often leads to cynicism instead of renewed energy.

To ensure the power of your brand to drive growth and foster integration across company silos reaches its full potential, internal communication and brand training need to be accompanied by marketing capability building: creating the clarity, tools, ways of working, and processes that people need to be successful, feel grounded, and be effective in their work.
The drivers of effective marketing organizations
We have found that world class brand and marketing organizations share seven key characteristics

1. Clear vision for the role of brand/marketing
2. A cohesive strategy that drives integration of business, brand, marketing, product, and sales
3. Clarity around roles and responsibilities
4. Universal marketing taxonomy, tools, processes, frameworks, and education
5. Transparency and central coordination of marketing and media budgets
6. A shared view of success and aligned KPIs
7. An integrated understanding of the customer
Clear vision for the role of brand/marketing

Determine the role of the brand and marketing organization within your company so it can optimally help deliver your business strategy

We distinguish between four operating archetypes for brand and marketing organizations, characterized by the relation between your central brand/marketing team and the individual business units or geographies.

Determining the archetype that best suits your organization will help identify the best ways to build up the structure, ways of working, skills, education, and processes/tools that support the actualization of your goals.
Operating model archetypes in the context of corporate governance

- **Independent Supporter**: Standalone business
- **Distributed Builder**: Shared skills
- **Centralized Driver**: Shared business system
- **Integrated Orchestrator**: One

Nature of corporate guidance:
- Operational
- Strategic planning
- Strategic guidelines
- Financial controls

Degree of integration between companies/business units
Archetypes for brand/marketing operating models

**Independent**

**Role of central team**
Supports other functions by training on the importance of the brand and assists with project needs identified by business divisions

**Role of unit teams**
Owns all area-specific activities

**Applies to**
Portfolios or holding companies of many brands with diverse needs

**Distributed**

**Role of central team**
Builds education, tools, and processes necessary to strengthen marketing capabilities throughout the organization

**Role of unit teams**
Owns area-specific activities, but answers to the central team on quality of the work

**Applies to**
Businesses with different customer bases and unique competition across units

**Integrated**

**Role of central team**
Orchestrates and owns a common brand idea and collaborates closely with divisions to ensure it is executed

**Role of unit teams**
Responsible for executing local and central strategies

**Applies to**
Businesses with a similar customer base, but unique competition across units

**Centralized**

**Role of central team**
Drives the brand and marketing as key components of the business strategy to build a consistent global presence and drive growth

**Role of unit teams**
Responsible for the execution of centralized strategies

**Applies to**
Businesses with overlapping customer bases and similar needs across units
A cohesive strategy that drives integration of business, brand, marketing, product, and sales

32%
of marketers believe dysfunction and friction over priorities is holding them back

In order to create cohesive customer experiences externally, it is ever more important to integrate internal structures, processes, and priorities across business, brand, marketing, product, and sales.

Making it real
Create a marketing transformation strategy and develop ways of working that integrate brand, marketing, sales, and communications tactics and define clear goals for each area.

Adobe: Digital Roadblock Survey of 1,004 U.S. marketers. (March 2014)
Effective brand building requires a global planning framework that is shared across business units and functions.

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<th>Insights</th>
<th>Strategy</th>
<th>Activation</th>
<th>Measurement</th>
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<td>Customer needs</td>
<td>Purpose/Values</td>
<td>Geographies</td>
<td>Awareness</td>
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<td>Market intelligence</td>
<td>Reasons to believe</td>
<td>Target groups/segments</td>
<td>Consideration</td>
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<td>Internal insights</td>
<td>Revenue/profit targets</td>
<td>Products</td>
<td>Perception</td>
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<td>Business metrics</td>
<td>Communication themes</td>
<td>Market share</td>
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<td>Marketing metrics</td>
<td>Profit</td>
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<td>Revenue</td>
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<td>Business Objectives</td>
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<td>Sales</td>
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<td>Brand Platform</td>
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<td>Service</td>
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<td>Proposition/Core idea</td>
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<td>Events</td>
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<td>Revenue/profit targets</td>
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- Global planning framework
- Shared across business units and functions
- Effective brand building
Clarity around roles and responsibilities

33% of marketers feel that confusion over roles and responsibilities keeps them from reaching their full potential.

Clearly defining roles, designating responsibilities, articulating authority levels, and identifying handoffs will reduce inefficiencies and elevate the quality of work.

Making it real
Establish a company-wide marketing framework that outlines clear roles and expectations. For global and diversified companies—where marketing is spread far and wide—this framework enables best practice exchange and builds capabilities consistently across the organization to deliver cohesive experiences.
Universal marketing taxonomy, tools, processes, frameworks, and education

85% of CMOs indicate that their organizations lack universal tools and technology

Universal tools, processes, and frameworks elevate consistency, efficiency, and effectiveness across the entire marketing organization. Establishing a universal taxonomy improves collaboration, communication, and the quality of the work.

Making it real
Make sure everyone has access to the right resources. A clear, central marketing taxonomy and set of common tools can be used across the entire marketing organization. This allows marketers to focus less on “recreating the wheel” and more on generating brand and business growth.
5 Transparency and central coordination of marketing and media budgets

Maintaining transparency around marketing budgets and initiatives leads to clearer prioritization of efforts, better alignment on marketing activities, reduced redundancies, and stronger ROI.

49% of marketers “trust their guts” to guide decisions on where to allocate marketing budgets

Making it real
Coordinate and delegate. When one of the world’s top technology companies transitioned to a single marketing organization under one CMO in 2014, it put central and field budgets in the hands of a central committee, but kept spending decisions local.
A shared view of success and aligned KPIs

To make sure all teams are marching in the same direction, KPIs must be aligned across all marketing functions, as well as the business at large. Marketing and business KPIs should be clearly linked to promote cross-silo integration.

76% of marketers agree that they need to be more data-focused to succeed

Making it real
Regular reporting creates alignment and momentum. In the case of one global service leader, for example, integrated marketing, brand, and business KPIs are reported biweekly to an operations committee that is chaired by the CEO. Metrics can then be used to define essential actions for each team.
An integrated understanding of the customer

A shared data analytics platform enables informed, customer-centric decisions across the entire business. This is increasingly important given the growing competition for data talent.

86% of CMOs say customer data is spread across too many silos

Making it real

Large marketing organizations can harness the power of a data analytics engine to develop a more holistic view of the customer and empower every part of their businesses. For example, one of tech’s top multinationals has built a powerful brand/marketing function around this type of shared platform.

Rob Salkowitz, MediaPlant. Microsoft presents: The future of the CMO. (March 2014)
What marketing capabilities means for you
Building marketing capabilities means creating alignment and agility internally in order to be cohesive and effective in the outside world.

The landscape is shifting, change is accelerating, and responsibilities are weighing heavily on marketers. In order to build a business that continues to grow, you must start from the ground up.

A brand/marketing organization that stands strong is essential—without the skills, tools, structures, and processes to support them, your teams’ short-term successes will crumble.

The first step is to know how your organization operates as a whole in order to identify gaps and opportunities. That’s why we’ve developed our four archetypes, to help you assess how your teams relate.

Then, it’s creating a custom strategy for building a world-class brand/marketing function—one that embeds the brand into all aspects of the business, empowers teams to create change in the market, and supports real and sustainable growth.
Interested in joining our capabilities community?

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