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The Agile Marketing Organization



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AT A GLANCE

With digital channels and tools constantly emerging, marketing organizations must adapt much more quickly to rapidly changing conditions. To increase their agility, chief marketing officers require very different capabilities and structures than were needed in the past.

WHAT'S NEEDED

Companies require new talent in agile development, big data for consumer insight, programmatic buying, and branded content, as well as redefined roles for existing talent in areas such as marketing-effectiveness analytics, marketing innovation, and agency management. At the same time, organizations must consciously build structures that offer greater agility.

A CALL TO ACTION

Organizations that aren't able to build these capabilities and structures over the next year will fall behind their competitors.

THE JOB OF TOP marketers has grown exponentially bigger and harder given today's digital reality. Traditional skills such as creativity and brand building, although still important, no longer suffice. Mandates have broadened. And marketing has become much more of a science, requiring technical, data-crunching abilities. With digital channels and tools constantly emerging, marketing organizations must become (to borrow a term from the world of software development) more *agile*, iterating much more quickly to adapt to rapidly changing conditions.

To increase their agility, chief marketing officers (CMOs) require very different capabilities and structures than were needed in the past. Capabilities include new talent in agile development, big data for consumer understanding, programmatic buying, and branded content as well as redefined roles for existing talent in areas such as marketing-effectiveness analytics, marketing innovation, and agency management. At the same time, organizations must consciously build structures that align with their key business objectives. Organizations that aren't able to build these capabilities and structures over the next year will, we believe, fall behind their competitors.

To understand the organization models necessary in this fast-moving digital era, The Boston Consulting Group interviewed CMOs and senior marketing executives at approximately 30 major corporations and benchmarked more than 70 companies in a variety of sectors, including consumer, financial services, travel, retail, media, technology, and automotive. Nearly half of the companies had revenues of \$10 billion or more. The results confirm what we have observed through our daily work with clients: Marketing organizations have fundamentally changed. Leaders must raise their game.

CMOs require very different capabilities and structures than were needed in the past.

The Capabilities Needed for Success

Companies are facing a host of new and different challenges since our last study of senior marketers, in 2012. (See *Marketing Capabilities for the Digital Age*, BCG report, January 2012.) Three years ago, companies recognized that they had a big gap in their capabilities related to social media and community management. Today, these areas are still important, but companies appear to have mostly built the necessary capabilities.

The focus now has expanded to different areas, including big data, branded content, videos, and apps. We estimate that a new technology platform or channel launches every week. Analytical techniques to understand consumers and measure

marketing effectiveness are also growing simultaneously more accessible and more complex amid a deluge of marketing messages, even as marketing processes are becoming more automated. At the same time, companies are finding it challenging to locate fresh sources of talent that can deliver competitive advantage.

“We don’t have enough staff for breakthrough and new-capability work—only the basic running of the day to day.”

In our current study, CMOs said that their greatest struggles are with organizational silos and ownership issues, the lack of technology- and data-savvy talent, and the impact of scaling up their digital efforts. Many respondents reported difficulty recruiting and retaining marketers with the new skill sets required. “Turnover can be high, especially for roles in emerging technologies and spaces,” according to one top marketer. Said another, “We don’t have enough staff for breakthrough and new-capability work—only the basic running of the day to day.”

In our look at best practices across the dozens of companies we studied and from our work leading the transformations of many marketing organizations, we have uncovered seven emerging capabilities that marketing organizations must develop immediately.

AGILE DEVELOPMENT

Many best-in-class marketing organizations act more like technology companies, using agile techniques borrowed from the software development world to speed up the development of initiatives and timelines. (See Exhibit 1.) As an example, some leading organizations appoint a “scrum master” who leads rapid “sprints” to develop integrated marketing initiatives, apps, and websites. Scrum masters often divide work into smaller pieces for rapid development.

Scrum masters start each sprint with a two-hour review of the previous sprint and the accomplishments of previous teams. They review the business and marketing goals, as well as important marketing metrics, and then move on to the project backlog to determine what the team can do in the current sprint. Each day the team holds a 15-minute stand-up meeting, in which members brainstorm ways to unblock activities and keep one another on track. Along the way, team members test and learn from experiments and, finally, determine what they can accomplish in the next sprint.

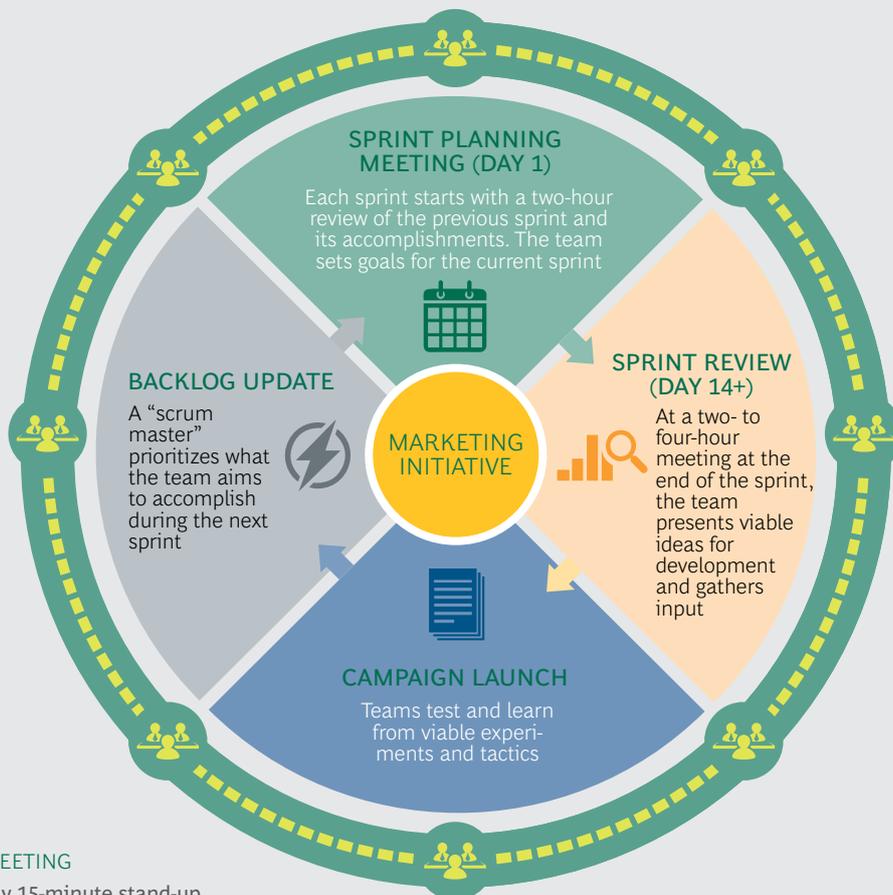
Finding people with capabilities such as these can dramatically accelerate the pace at which marketing organizations innovate. No longer can marketers spend six months developing and testing a campaign. As cycles accelerate, people and workflows must adapt.

BIG DATA FOR CONSUMER INSIGHT

Today’s marketing organizations are awash in data generated from such disparate sources as websites, social media, sales, mobile devices, and customer-relationship-management systems. Emerging tools and techniques have the potential to sift through reams of such data, delivering highly personalized, customized, and predictive “segment of one” messages and service levels—in real time—on the basis of the value a consumer brings to the company, his willingness to pay, and his receptivity to offers according to factors such as online behavior, location, and time of day.

EXHIBIT 1 | How an Agile Marketing Organization Operates

EACH MARKETING INITIATIVE IS DEVELOPED IN MULTIPLE SPRINTS, EACH OF WHICH LASTS TWO TO FOUR WEEKS; WHEN A CAMPAIGN IS LAUNCHED, THE COMPANY REVIEWS ITS BACKLOG TO PLAN FOR THE NEXT SPRINT



Source: BCG analysis.

But we learned that companies cannot always find the people they need to put all the data to work. Thirty-five percent of the companies we studied reported that a lack of dedicated, qualified analysts and data experts was hindering their efforts.

“On the people side, I don’t have the analysts and data crunchers who can work with big data,” said one senior marketer. As a result of this and other gaps, 60 percent of participants in our study either do not collect data or significantly underuse the data they do gather. Of those that do use big data, business units often lack focus on the objectives they are trying to achieve from tracking data, and they end up with a lot of nice-to-haves that do not produce results.

One new role is that of the “data storyteller,” who can communicate data-based insights effectively in the form of stories and narratives that will resonate.

Whether they have large or small data organizations, best-in-class analytics teams generate consumer insights from teams with specialized analytical expertise. Teams at most of the large organizations we looked at are made up of 20 to 30 people. At the extreme, data groups can account for up to 20 percent of the marketing team. At one credit-card company, approximately 65 employees, or 20 percent of the marketing organization, are devoted to analytics, including dozens of PhDs who develop strategies based on segmentation, customer lifetime value, and database marketing. Said the head of retention at a top telecom company: “If I had to cut my team by 80 percent, the last people to leave the building would be my analytics people.”

But more talent is not necessarily better in a future in which companies increasingly automate and outsource analytics, unless the companies have clear business objectives that they are trying to accomplish with these analytical functions. To deliver consumer insight more strategically, companies need three functional areas within data teams:

- *Data Management.* This area oversees data sourcing from often disparate company databases and external sources, developing quality control guidelines, and creating data warehouses, data marts, and data extracts for business intelligence (BI) tools, management information systems, and lists.
- *Advanced Analytics.* This area is responsible for modeling and analysis of data to make it actionable, partnering with business owners and senior management, working across functions to help understand ROI and aid in business decisions, and using a variety of modeling, analytical, and BI tools.
- *Consumer Insights.* This area marries big data with traditional consumer research; today at many companies, this function sits in a separate group, but we anticipate that it will increasingly work closely with other functions, such as product development and analytics, to provide a single view of the consumer.

One new role we uncovered is that of the “data storyteller,” who can communicate data-based insights effectively in the form of stories and narratives that will resonate inside and outside the organization. It can be a challenging role to fill.

MARKETING-EFFECTIVENESS ANALYTICS

Techniques are evolving beyond the traditional marketing-mix models (MMMs) long used to optimize the return on marketing spending across mass-media channels and to link marketing activity to sales. Today’s more-advanced MMMs employ increasingly sophisticated and detailed product-, market-, and consumer-level data—including many more variables than in the past—to capture the direct and indirect effects of marketing. For example, variables can include branded search, buzz, social media sentiment, and brand health metrics. Marketers are also measuring the impact of marketing at a deeper and more granular level, and they are linking marketing impact to other analyses, such as customer lifetime value and customer segmentation.

Best-in-class organizations are also using emerging methods such as digital attribution models to determine how to assign credit for online sales and conversions to

the wide range of digital touch points through which customers experience a brand. Techniques such as these help companies know which online-marketing investments actually improve the bottom line.

Although we have seen that some companies have not yet begun to use marketing-effectiveness analytics, many others are finding themselves drowning in analyses that do not necessarily lead to smarter decision making. Sometimes managers choose whichever analytical result best supports their agenda—but what executives really need to do is first determine the business objectives that marketing supports and the frequency and granularity of data required for decision making and then apply those requirements rigorously. The results of this effort can be used as a marketing dashboard or scorecard of KPIs that the entire organization can buy into and rely on to make smarter marketing investments.

In general, best-in-class companies use a variety of analytics according to the following approximate timetable:

- *Annually.* Executives conduct a full strategic review of marketing performance using techniques such as MMM, brand equity research, and media audits to determine future allocation at a macro level.
- *Quarterly.* Within the allocation determined, each discipline uses discipline-specific tools to assess marketing efforts. For example, people focused on digital initiatives might look at attribution models, people focused on direct mail might analyze how likely a prospect is to turn into a customer (through propensity models), and people focused on TV might study how well the company reached its audience (through a post-buy analysis).
- *Daily, Weekly, or Monthly.* Those tasked with spending marketing budgets might use specific tools for analysis, such as Google AdWords for search and cost-per-view for video advertising.

The best companies are working with a suite of analytics providers to create a “common currency” for measuring marketing, and they are embedding these metrics into their decision-making processes broadly.

PROGRAMMATIC BUYING

By 2018, companies will have spent an estimated \$24 billion on automated advertising-buying exchanges and real-time customer data. Companies have an opportunity to achieve significantly better engagement and performance by adopting the latest data-driven approaches. (See *Adding Data, Boosting Impact: Improving Engagement and Performance in Digital Advertising*, BCG Focus, September 2014.)

We interviewed executives at several companies that are moving significant dollars to programmatic buying in 2015. “Programmatic buying is important to us,” said the director of integrated marketing at a fast-moving consumer goods company. “It helps to keep costs down while allowing us to retain flexibility.” Procter & Gamble and American Express have publicly announced that they plan to shift at least 50 to 70 percent of their digital-media purchases to programmatic techniques. Companies

“Programmatic buying helps to keep costs down while allowing us to retain flexibility.”

are relying on programmatic buying even for their traditional-media purchases in print and TV.

Despite the rapid adoption of this technique among leading companies, only about a third of those whose representatives we interviewed were doing programmatic buying in 2014. The rest lacked an understanding of its potential. Best-in-class companies are testing programmatic buying internally, while still looking to their agencies for guidance about how to use the technique to make buying more efficient.

BRANDED CONTENT

The branded-content market is projected to grow to \$4.4 billion by 2016. Content strategies are rapidly evolving to adapt to an ever more fragmented ecosystem of platforms and channels—mobile, e-mail, interactive tools and Web experiences, videos and short films, and editorial content—in order to reach consumers with relevant information when, where, and how they prefer to engage.

“Content creation did not use to be a big focus for us, but now it is.”

For example, Dove’s Real Beauty Sketches campaign included a video that featured an FBI sketch artist, who drew two sketches of a woman sitting behind a curtain using a description from the woman herself for one and a description from a stranger for the other. Images based on strangers’ perspectives were more accurate and attractive than those drawn from self-descriptions. The video received nearly 135 million views. Consider also clothing retailer Uniqlo, which has generated significant results from its program to increase e-mail newsletter subscribers and drive traffic to its site. In return for their e-mail address, customers received a holiday photo produced by a well-known artist. Sharing was built into the experience, and winners of a contest received a shopping spree on the site. As a result of the campaign, the company doubled daily traffic, added 120,000 e-mail subscribers, and generated millions of impressions on Twitter and Reddit.

Most companies we studied are creating content to add value to their relationship with customers. What’s new is that they are trying to put a coherent strategy behind their effort and place experienced people in charge of it. “Content creation did not use to be a big focus for us, but now it is,” said the head of digital for a consumer goods company. “Now brands are more heavily investing in content.”

Specialized vendors—among them Contently, Flite, and Water Cooler Group—are emerging to help brands find the capabilities they need to test and learn from new approaches. As one example, Tongal uses collaborative contests to connect businesses in need of video content with a network of writers, directors, and production specialists, thus crowdsourcing creative projects from pitch to production.

Marketers go through the following key stages as they develop their branded-content capabilities:

- *Understanding the Consumer.* Companies learn consumers’ needs, which topics interest them, and which platforms are best for reaching them.
- *Testing and Learning.* Individual contributors within departments create content that tells a clear and compelling story for the brand, product, and company. As

they begin to see the value that branded content can generate, they start to tailor owned and paid media on the basis of consumer data.

- *Scaling What Works.* Many companies begin to amplify content with paid search and other media as they rapidly understand how content has an impact on the customer journey. Next, they scale what works to much larger audiences and develop dedicated teams to support the efforts.
- *Mastering Content.* At this stage, content produces an ROI that is measurable through brand awareness, consideration, relevance, conversions, and advocacy. Content becomes a core pillar of the marketing strategy. For example, Kraft Foods has announced that it receives four times greater ROI on content than on paid advertising.

Best-in-class companies are employing content developers in their marketing teams in areas ranging from copywriting to in-house video production, often bringing in talent from traditional media organizations such as Time, Inc., and Condé Nast. A key role on the content team is that of chief content officer (CCO), who is responsible for creating the company's content across channels. The position has become a priority as marketers aim for a more cohesive content and storytelling strategy.

MARKETING INNOVATION

Best-in-class organizations are launching innovation labs to stay on top of trends and experiment with new approaches. To “find the next Facebook,” they are getting as close as possible to those at the forefront of innovation. Organizations such as The Home Depot, Anheuser-Busch Companies, and Unilever are setting up shop in technology hubs like Silicon Valley, California, and Austin, Texas, launching venture capital funds and start-up labs to learn better ways to develop products and reach customers. Others have, within their marketing organization, dedicated teams that typically conduct pilots and measure their results before approving channels and platforms for wider marketing use and developing best practices for using them.

For example, Anheuser-Busch has set up a “beer garage” in Palo Alto, California, where staff members experiment with new digital-marketing tools. The team created the Bud Light Button app, which promises to deliver beer in an hour; another project allows spectators at Miami Dolphins football games to get beer delivered to their seats with the tweet @beerme.

Nestlé has established an “innovation outpost” in Silicon Valley as well as “digital acceleration teams” in 13 markets to help deepen relationships with consumers in the digital world and respond to their needs more quickly. The innovation outpost aims to enhance existing partnerships with the world's largest technology companies while seeking future partners among the thousands of small technology startups. “You can't underestimate the importance of having an external presence in high-innovation, rapid-turnaround places like Silicon Valley,” says Mark Brodeur, global head of digital-marketing innovation and leader of the innovation outpost. “It's both energizing and humbling, and in a short time we've built invaluable relationships with many of the players setting this tempo.”

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The company has strategic global partnerships with Facebook, Google, and Twitter; regional partnerships with Pinterest; and close links with BuzzFeed, Snapchat, and Tumblr. For example, Nestlé worked with Google to launch Android KitKat, a version of the Android operating system, and promoted it with more than 50 million Kit Kat bars featuring the Android logo. Google initiated the concept, and no money exchanged hands.

To staff innovation centers, organizations require talent devoted to keeping their fingers on the pulse of innovation and trends across channels. For example, Nestlé rotates a dozen digital-acceleration-team members to work for eight months at a time in a state-of-the-art consumer-engagement center at the company's global headquarters in Switzerland. Team members manage social communities for global brands, address fast-turnaround projects focused on digital and social media, and learn through an intensive training program. Their work area features a multimedia content-creation studio and is surrounded by large screens streaming real-time data showing how customers are talking about the company online. Team members return to their local markets as digital leaders equipped to train and inspire others.

Efforts such as these show how the best organizations are staying on top of technology trends, rather than falling behind in the race for the freshest approaches.

AGENCY MANAGEMENT

A single agency of record, no matter how large, does not always have all of the capabilities companies require. Marketers today must often work with a portfolio of diverse agencies to get the specialized expertise they need. We found that brand teams typically work with more than ten agencies or vendors. As a result, managers can often spend half their time or more overseeing outside companies.

With so many agencies and vendors that need to work together, marketers typically must continually revisit and refine key marketing processes such as strategy setting, agency briefing, procurement, and creative review as they manage a large campaign. These processes are often hampered by too much iteration and inefficiency. Some marketers have developed “ways of working” playbooks that detail best practices, processes, and policies. They have rolled out the playbooks to their employees (and even more widely), with training plans to fix key areas of inefficiency.

Many best-in-class organizations have developed marketing-operations roles.

To address all these complexities and manage such a large portfolio of agencies in a scalable way, many best-in-class organizations have developed marketing-operations roles, located in marketing, not in procurement. These roles often oversee planning and budgets, measure performance, and deal with contracting, negotiations, and reviews. Staff members can find agency-related cost savings by improving the efficiency with which marketers use agencies and vendors, such as by reducing multipliers, harmonizing rates, and optimizing nonbillable hours. Sometimes marketing-operations people manage media buying as well. Marketers have found savings of anywhere from 5 to 10 percent by putting these roles in place.

Building the Marketing Organization 2.0

Beyond building and strengthening capabilities, marketers need to consciously de-

velop greater agility throughout their organization. We recommend, on the basis of our work with leading organizations, that companies implement the following structural changes immediately to succeed in the fast-moving digital environment.

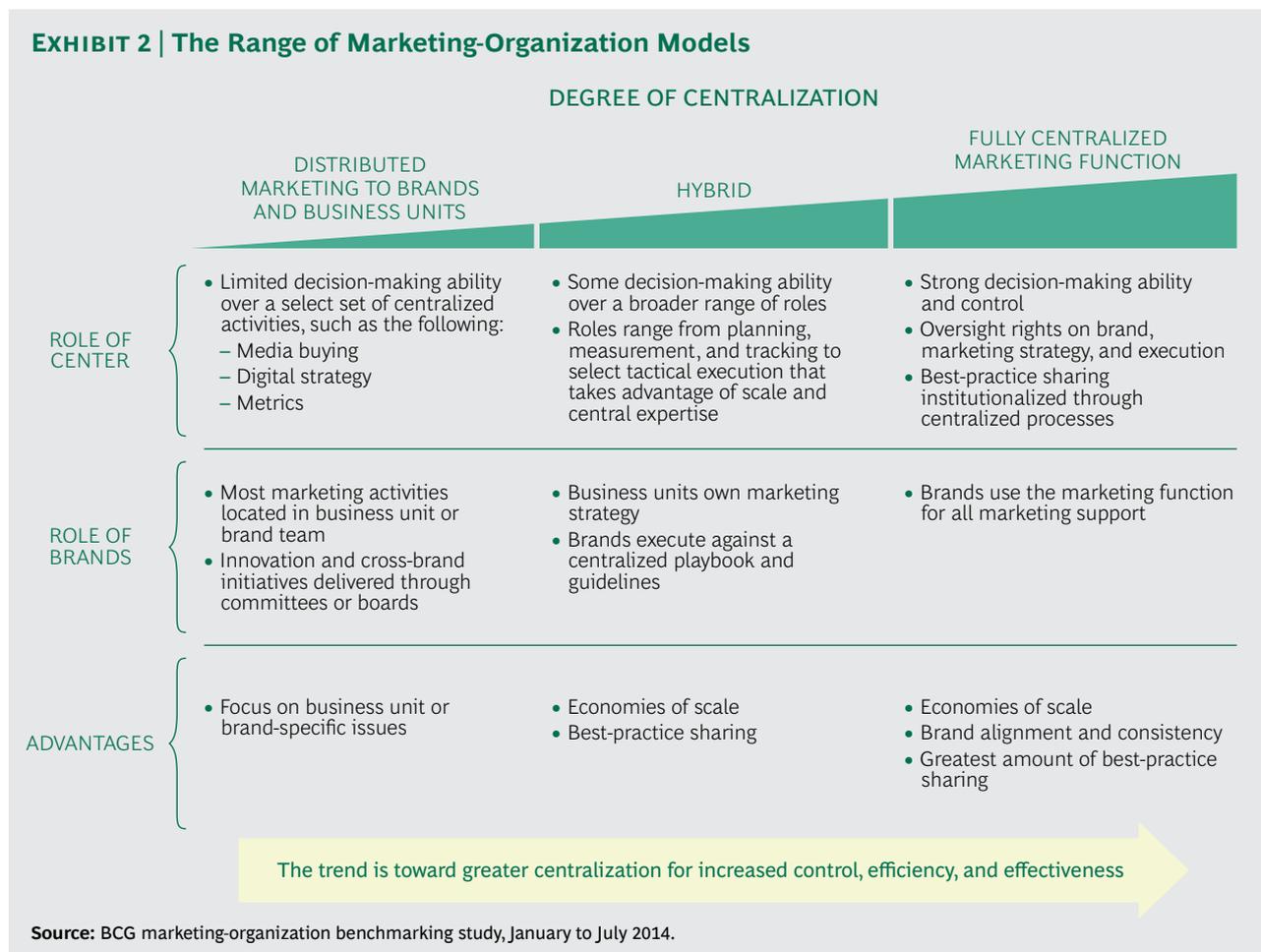
CENTRALIZE THE RIGHT ACTIVITIES

Many companies are seeking to centralize functions so that they can put in place better controls and create greater efficiencies. But they often are not strategic enough about *what* they centralize.

Marketing groups are typically organized according to one of two polar extremes. (See Exhibit 2.)

Many have at their center a CMO who has oversight of the brand, marketing strategy, and execution. The advantages of centralization include scale efficiencies, brand alignment and consistency, and the efficient sharing of best practices. This model is easier for smaller organizations.

At the other extreme are those companies that distribute marketing expertise to brands and business units. Companies often manage innovation and cross-brand



initiatives through committees or boards. In these cases, select activities—among them media buying, digital strategy, and metrics—can be centralized in centers of marketing excellence for advice or help. The advantage of this model is that marketing activities are highly responsive to the specific needs of brands and business units. We find that this approach is more common in global companies with multiple brands.

The majority of organizations are a hybrid of the two, centralizing select roles and execution. The business units own the marketing strategy, executing against a centralized playbook or guidelines. Certain functions still need to be centralized even if the larger model is decentralized, however.

Agile organizations need first to determine what they're going to centralize. Then they need to determine how the rest of their marketing structure will support the company's business objectives. To know what to centralize, it's important to answer the following questions:

“Five years ago, we had a separate digital team. But now you can't be a brand manager unless you live in the digital world, so we dissolved that group and moved digital and social back into brand teams.”

- *Can you create significant value?* Look in particular at areas such as packaging, media buying (traditional and digital), production, market research, and agency management.
- *Do you need stronger “guardrails” and guidelines?* Areas such as social media and customer data and analytics often require greater oversight.
- *Do you need to capture and share what you've learned?* Best practices in digital innovation, mobile, other emerging technologies, and digital listening can be collected and disseminated.

In our study, we saw a wide range of real-world roles more or less likely to be centralized in marketing. (See Exhibit 3.) We found that many companies are leaving savings on the table by not centralizing thoughtfully, however: they are missing out on creating economies of scale and are unable to take full advantage of best practices. Others, our interviews revealed, are slowly feeling their way toward the right structure for them:

- “We have been in the process of centralizing certain functions into corporate for a while now.”
- “We used to have online content managers in each business unit, but they didn't talk to each other.”
- “Five years ago, we had a separate digital team. But now you can't be a brand manager unless you live in the digital world, so we dissolved that group and moved digital and social back into brand teams.”

CREATE THE RIGHT STRUCTURE

There is no one-size-fits-all organization structure. Effective companies create a structure that aligns with the major business objectives of their organization and then scale that structure. Some companies' most important objectives concern

EXHIBIT 3 | Functions Commonly Centralized in Marketing

PERCENTAGE OF RESPONDENTS REPORTING CENTRALIZATION OF A FUNCTION

MORE LIKELY TO BE CENTRALIZED IN MARKETING (%)		LESS LIKELY TO BE CENTRALIZED IN MARKETING (%)	
Digital innovation	80	Promotions	38
Digital strategy	75	Social media (internal communities)	38
Advertising production	71	Marketing analytics	33
Sponsorship	71	Trade shows	33
Digital-media planning and buying	71	Customer relationship management	30
Website development and management	67	Insights	30
Digital creative	67	Customer loyalty	29
Digital production	67	Public relations	27
Other emerging technologies	60	Product management and marketing	23
Traditional-media planning and buying	56	Marketing intelligence	22
Mobile	50	Word-of-mouth marketing	20
Advertising creative	50	Customer retention	20
Brand management	50	Customer experience	20
Events	50	Product and service innovation	13
Social media (external marketing)	45	Pricing	11
Search engine optimization	44		
E-commerce	40		
Digital listening and response	40		
Customer acquisition	40		

Source: BCG marketing-organization benchmarking study, January to July 2014.

Note: This exhibit reflects findings from companies that shared data on this topic. Digital-media planning and buying includes all nontraditional channels, promotions include incentives and coupons, and sales force represents sales representatives' marketing materials.

products, so they organize themselves by product type. Others are more concerned about customer segments, so they organize themselves according to how they target customers.

The marketing organization should match these business objectives. Companies most commonly organize themselves according to one of five potential dimensions, each with important trade-offs. (See Exhibit 4; also see the appendix, "The Five Types of Marketing Organization.") Most marketing organizations are a combination of at least two of these dimensions, with one being dominant. Which one dominates generally depends on the size of a company.

- Segment-Centric.** This type of marketing configuration is organized according to customer segments, each with distinctly different needs and channel-mix strategies. This is one of the newer structures we have seen. This model has been most commonly used in financial services, technology, and business-to-business organizations. The structure puts the needs of the customer at the center, enhances multichannel integration, and promotes cross-selling and up-selling. However, this distributed model can create a lot of duplication across segments and fail to build sufficiently deep channel expertise.

EXHIBIT 4 | Five Marketing-Organization Models

	WHEN TO USE	PROS	CONS
SEGMENT-CENTRIC	When customer segments have distinctly different needs	<ul style="list-style-type: none"> • Takes into account holistic needs through a customer-centric approach • Enhances the omnichannel experience 	<ul style="list-style-type: none"> • Can create functional duplication
PRODUCT-CENTRIC	When organizations are heavily product focused	<ul style="list-style-type: none"> • Offers deep product-marketing expertise • Enhances the ability to create product feedback loops 	<ul style="list-style-type: none"> • Can make cross-selling and up-selling more difficult
CHANNEL-CENTRIC	When the business is organized according to purchasing channels	<ul style="list-style-type: none"> • Creates deep expertise in specific channels 	<ul style="list-style-type: none"> • Can impede the omnichannel experience
GEOGRAPHY-CENTRIC	When customers value local responsiveness and speed	<ul style="list-style-type: none"> • Provides local or regional responsiveness and nuance 	<ul style="list-style-type: none"> • Can create inconsistency among brands globally
FUNCTION-CENTRIC	When companies have a single brand or want deep expertise in marketing	<ul style="list-style-type: none"> • Creates deep functional expertise • Takes advantage of scale 	<ul style="list-style-type: none"> • Can be difficult to integrate channels

Source: BCG marketing-organization benchmarking study, January to July 2014.

- *Product-Centric.* This marketing configuration is organized according to distinct products or product lines, with different customer needs addressed through product variation. This model is most commonly used in consumer goods organizations. The main benefit is that the structure allows for greater integration with product innovation. A downside is that it does not take into account the holistic needs of the client and can stifle cross-selling.
- *Channel-Centric.* This marketing configuration is organized according to distinct channels through which consumers purchase or experience the brand, such as wholesale, retail, in-store, online, and catalog. It is most common for retailers and brands with an e-commerce component. We believe the model of e-commerce reporting to the CEO will eventually disappear as the lines between channels blur in an omnichannel world, although the structure may remain in place for a longer period of time under the CMO.
- *Geography-Centric.* This marketing configuration is organized according to local or regional geographies. It's no surprise that this structure is most common among global and multinational companies. This structure can meet local preferences and improve responsiveness, although it may provide less expertise to specific channels, products, or representations of the brands in different regions. To be efficient, these models tend to require centralized functions, such as centers of excellence. That said, companies often overestimate the degree to

which localization actually matters. This structure can therefore lead to unnecessary duplication within markets.

- *Function-Centric.* This marketing configuration is organized according to distinct functions, such as acquisition, customer marketing, brand marketing, digital, and customer insights. The structure is most common in companies that are fully centralized under a CMO and have one brand or product and clearly defined roles and required specialties, such as in companies with small marketing organizations. This structure can provide deep functional expertise, take advantage of scale, and make it easy to allocate responsibilities, but it can also provide less expertise in client segment, products, and local markets, depending on how companies organize functional teams.

Marketing organizations can't become silos separate from the way the rest of the business operates. To be effective, they must reflect the business.

Instead of being thoughtfully designed, the structure of many marketing organizations has evolved into a patchwork that is at odds with the structure of the rest of the business. Consider a company whose marketing group is organized by customer segment but whose business is organized by channel: a lack of alignment can emerge when segments cross channels, and marketing will not be adequately set up to pursue the business goal of building an important channel. Consider too a centralized marketing organization trying to pursue global goals in a larger geography-centric organization with strong regional general managers who control the P&L—efforts can fizzle at the local level.

Marketing organizations can't become silos separate from the way the rest of the business operates. To be effective, they must reflect the business.

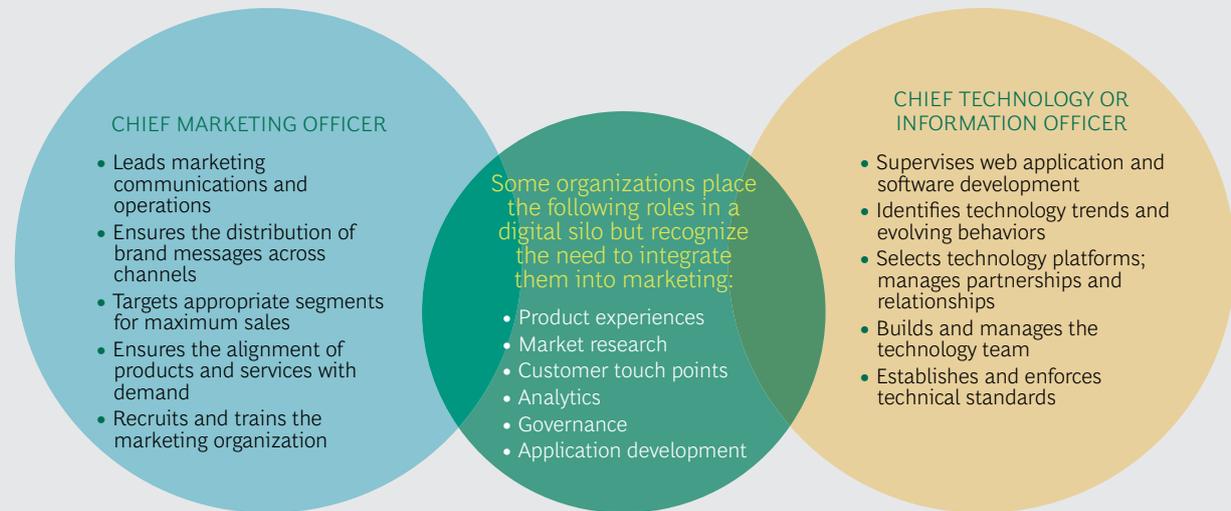
REDEFINE ROLES AND TALENT MANAGEMENT

The talent landscape is changing rapidly in many marketing organizations: both new roles and redefined roles are needed. But all the required skill sets may not feasibly exist in the same person. To find the capabilities they need, companies must search nontraditional talent pools, such as the content development talent from traditional publications mentioned earlier.

Most notably, the CMO role is broadening to include many new responsibilities related to technology and data. And the roles of the CMO and chief technology officer (or chief information officer) are blurring. Heads of marketing still focus on the brand, and heads of technology still focus on infrastructure. But, increasingly, they share responsibilities for areas such as the product experience, market research, customer touch points, analytics, governance of data and technology, and application development. Some organizations still place these roles in a digital silo, but they recognize the need to have them integrated into marketing. In a few years, the digital silo could disappear in many organizations. (See Exhibit 5.)

Marketers increasingly rely on the technology organization to develop new websites and apps. This can be challenging, because marketing and technology organizations often speak different languages and the heads of each department often have very different personalities and skill sets. Yet their roles overlap, touching similar areas. Clear decision rights and handoffs are needed to operate effectively in this world.

EXHIBIT 5 | Chief Marketing and Technology Roles Are Blurring



Source: BCG marketing-organization benchmarking study, January to July 2014.

Best-in-class organizations are also developing new roles. (See Exhibit 6.) In addition to those mentioned earlier, these include the chief marketing-technology officer, the chief customer-experience officer, and the chief data officer.

To find talent for these newly defined roles, companies are no longer looking only at graduates with a marketing degree or a pure branding background. Increasingly, they must find and retain much more technically proficient and specialized talent. To find the people to fill new and redefined roles, companies are exploring new talent pools. These can include data scientists, PhDs, econometricians, mathematicians, and media professionals. They are often hiring from nontraditional roles in digital and branded content, as well as from media companies.

Ultimately, however, when it comes to finding the right talent in the digital world, no easy fix exists. To begin to solve the problem, industry groups are coming together through options such as Google Digital Academy, which helps agency and client partners build digital skills and capabilities and transform the way they operate.

WHEN marketing is not working, marketing organizations often know it. They struggle to find the new capabilities, as well as new organization structures, to be effective in the current environment. Some have not fully thought through what to centralize and why. Their marketing organizations often operate in silos, cut off from the rest of the organization and its goals. They don't necessarily have the right skill sets to operate well, let alone on the fly.

But there's reason for optimism. By taking a careful look at these areas, marketing organizations can position themselves to navigate the inevitable ups and downs ahead. They can respond with greater creativity and agility to changes in the business environment.

EXHIBIT 6 | Best-in-Class Organizations Are Developing New Marketing Roles



MARKETING-TECHNOLOGY ROLES

CHIEF MARKETING-TECHNOLOGY OFFICER

- Combines business savvy with deep technical expertise
- Develops technology strategy for the marketing function
- Influences buying decisions; manages technology providers
- Serves as a liaison with IT to break down silos

WEBSITE MANAGER

- Works with marketers to update websites to reflect new branding and marketing campaigns



EXECUTIONAL ROLES

CHIEF CUSTOMER-EXPERIENCE OFFICER

- Is responsible for online and off-line customer touch points
- Designs end-to-end brand experiences and engagement

CHIEF CONTENT OFFICER

- Owns the creation and publication of content (such as text, video, and multimedia)

MULTICHANNEL-CAMPAIGN MANAGER

- Ensures seamless delivery of integrated multichannel campaigns
- Is also known as the integrated-marketing manager



OPERATIONAL ROLES

DIRECTOR OF MARKETING OPERATIONS

- Oversees planning and budgeting, performance measurement, and reporting

MARKETING INTELLIGENCE MANAGER

- Oversees purchasing of external research and data

CHANNEL EXECUTION AND PRODUCTION MANAGER

- Oversees vendors to ensure best-in-class execution and production across channels



ANALYTICS AND INSIGHTS ROLES

CHIEF DATA OFFICER

- Leads data initiatives across the organization
- Determines which data is captured and used and for what purposes

DATA OR INFORMATION SCIENTIST

- Uses advanced analytical tools and techniques on a wide range of data sources

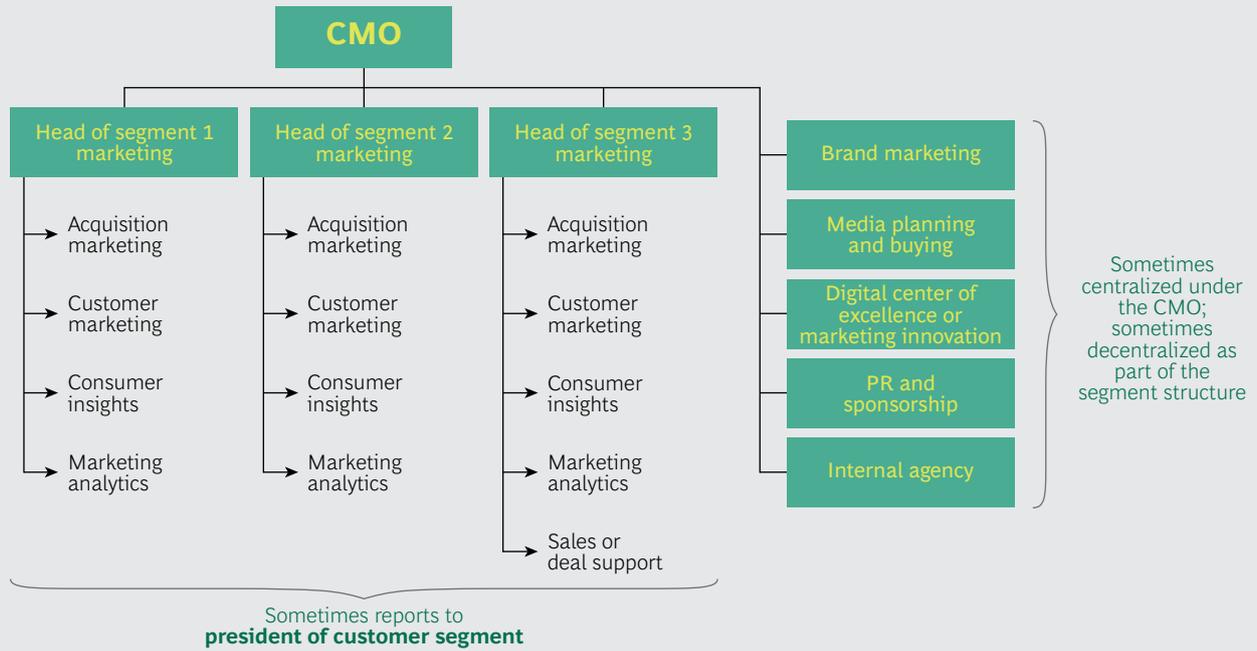
DATA STORYTELLER

- Communicates data-based insights that resonate inside and outside the organization

Source: BCG marketing-organization benchmarking study, January to July 2014.

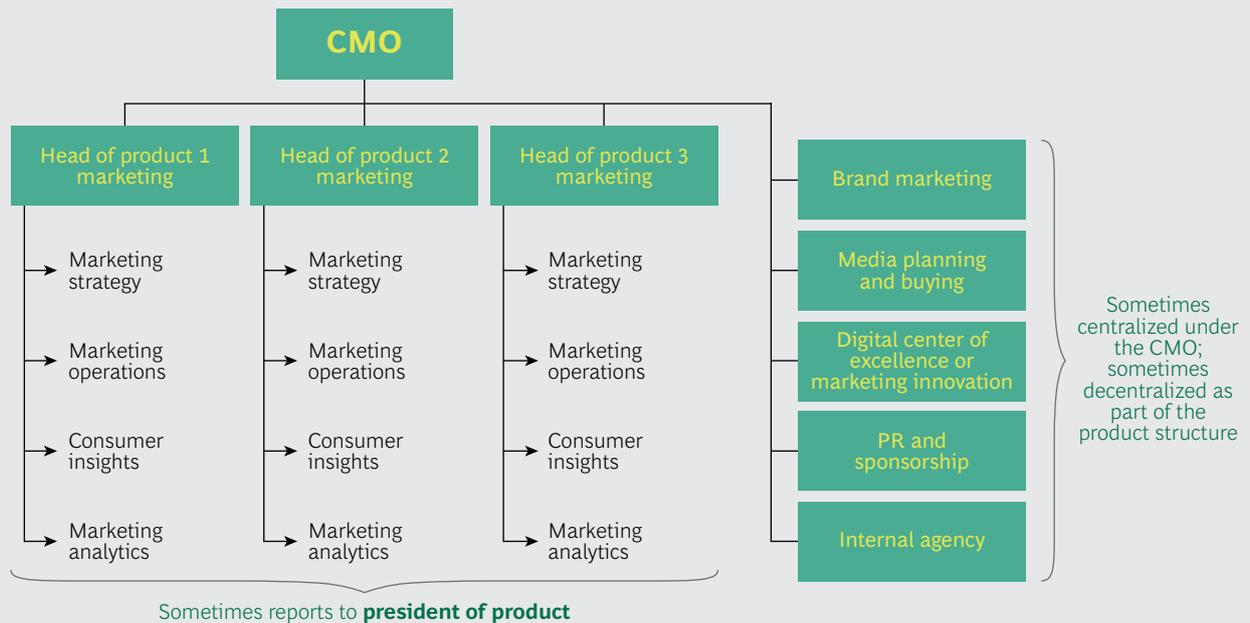
APPENDIX: THE FIVE TYPES OF MARKETING ORGANIZATIONS

The Segment-Centric Organization



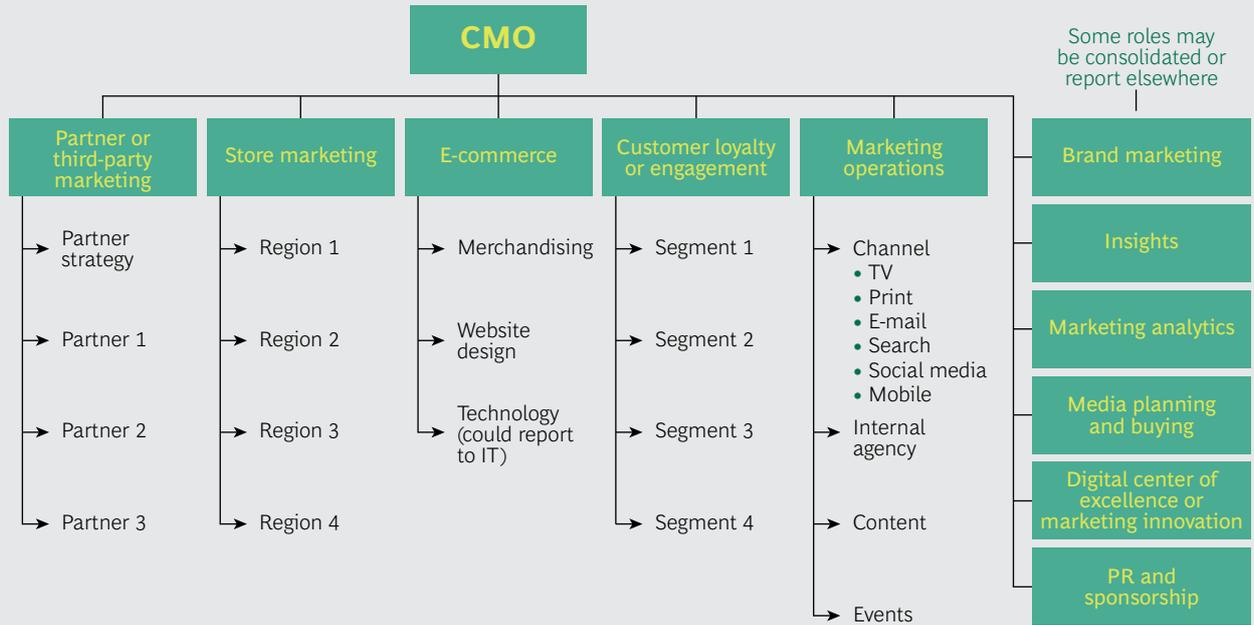
Source: BCG marketing-organization benchmarking study, January to July 2014.

The Product-Centric Organization



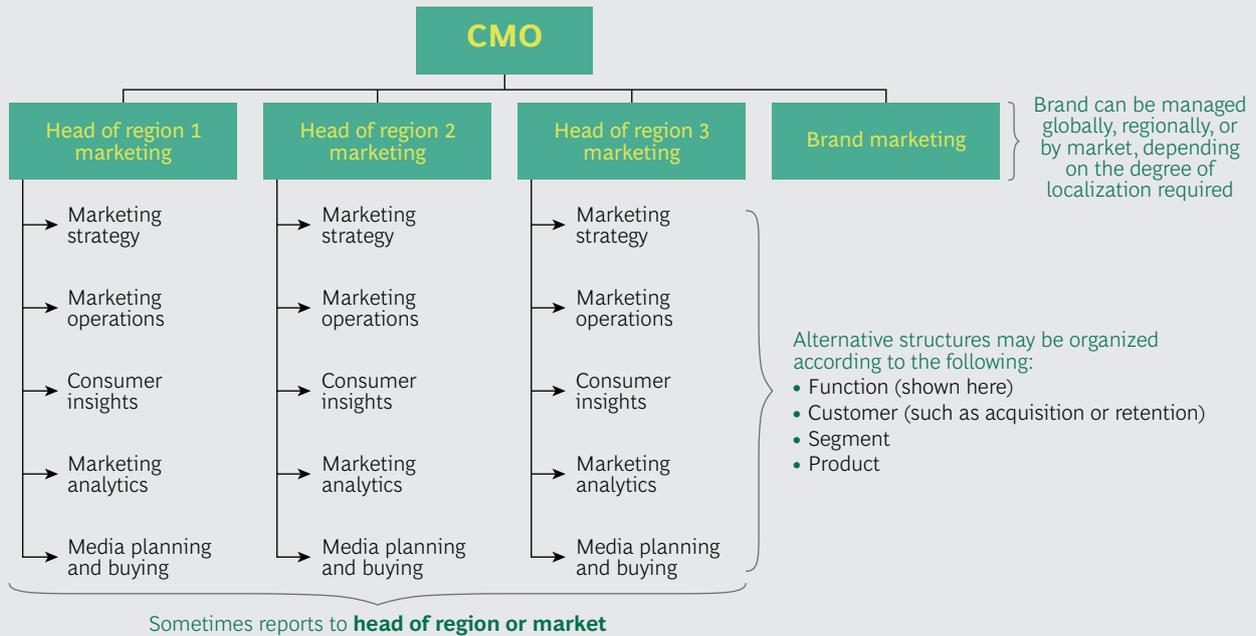
Source: BCG marketing-organization benchmarking study, January to July 2014.

The Channel-Centric Organization



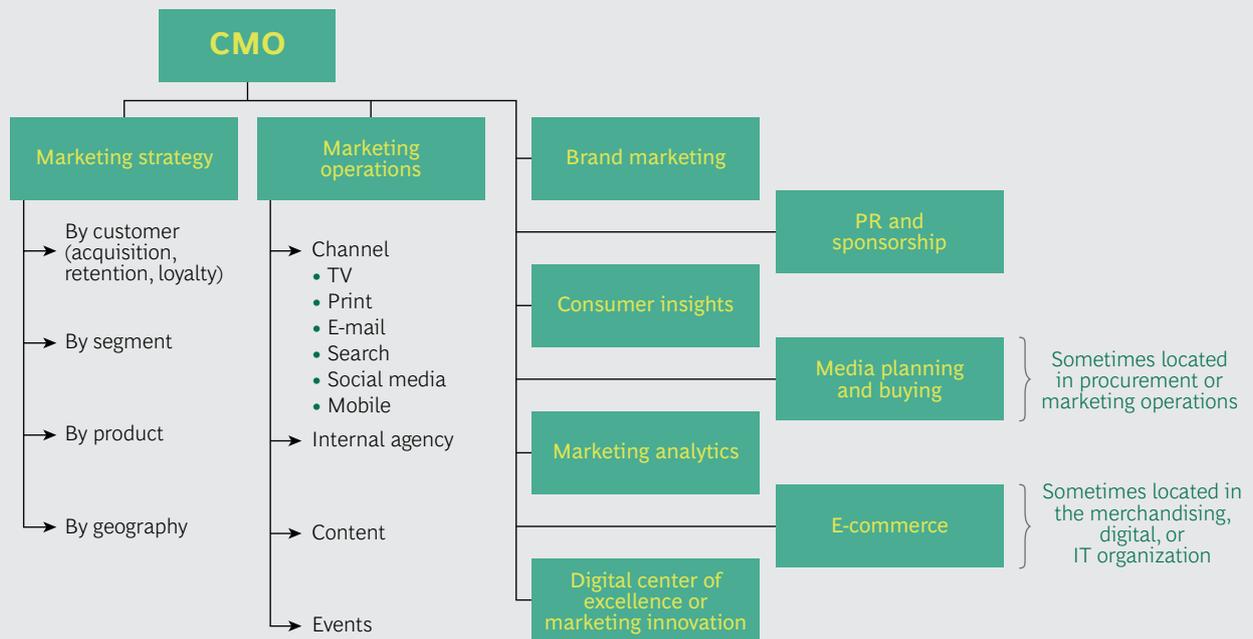
Source: BCG marketing-organization benchmarking study, January to July 2014.

The Geography-Centric Organization



Source: BCG marketing-organization benchmarking study, January to July 2014.

The Function-Centric Organization



Source: BCG marketing-organization benchmarking study, January to July 2014.

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