

20/20 in 2020:
Toward a New
Vision in Marketing

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Background

In February of 2011, the Atlanta chapter of the American Marketing Association (AMA)* convened its Executive Advisory Board (EAB) for a roundtable discussion. The question on the table for these top marketing executives was – what do you see unfolding in the next decade? And how can marketers best prepare for the changes ahead?

Three themes ran through the ninety-minute discussion:

- I. Shifting sands in the relationship between brands and consumers***
 - II. It's all about me! The new demand for personalization***
 - III. The paradigm shift in the role of Marketing and the DNA of the marketing organization***
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*The American Marketing Association is the professional association for individuals and organizations who are leading the practice, teaching, and development of marketing worldwide. The AMA has 38,000 members in more than 100 countries in over 600 chapters. AMA/Atlanta is the 4th largest chapter in the AMA, with over 1000 members.

Here are the EAB's perspectives, predictions and words of advice for marketing in 2020.

I. Shifting sands in the relationship between brands and consumers

The Balance of Power Continues to Shift

A trend that began in the last decade – the shift in the balance of power between consumers and brands – will continue, with consumers increasingly taking over the helm. As consumers take stock of their growing clout, they will make greater demands of companies they choose to engage with.

- They will expect a higher level of service and more immediate response to demands and feedback
- They will expect more sophistication in companies' use of their data: they will expect the left hand to know what the right hand is doing — that the company is sharing data internally and recognizes interactions the consumer has had with the company, regardless of which touch point
- They will expect more personal recognition, commensurate with the amount of information or business they've given a company

Whereas ten years ago, marketers “drove” consumers to websites, and “pushed” and “pulled” them to products marketers wanted them to buy, marketers now need to respectfully solicit consumers' willingness to participate.

All marketing will need to be real permission marketing by 2020.

Consumers will increasingly tune out marketers who are “delivering messages” in favor of those who engage the consumer in a real dialogue, centered on topics of interest to the consumer. Brands will participate in versus dominate the conversation and may often just host the conversation. Brands like Buffalo Wild Wings are using their Facebook walls to initiate and contribute to conversations about their consumers' main interests (sports, beer, wings), being careful to keep their posts non-corporate (short, no trademark marks, no sales pitch) and blend in as a peer.

Companies are more and more recognizing that relationship-building has to precede or even replace the sales pitch. They're focusing on building cadres of brand advocates, approaching them on the basis of shared values and common causes, and winning them over versus pitching to them. The premise is: if you build it (the relationship), they will come.

Establishing a relationship with consumers is only the first step. “Consumers want to be acknowledged and rewarded for being an active participant in the relationship with the brand”, said Richard Ward, CEO of 22 Squared. “And rewarding the consumer needs to be more than just a few coupon tabs on a Facebook page. As we get more sophisticated in our use of data, rewards will be personalized, based on each consumer's past use or expressed interests, with a focus on superconnectors, who will pass along their ‘wow’ experience to their networks.”

I. Shifting sands in the relationship between brands and consumers (Continued)

There are no more secrets – for anyone

We are entering a new era of two-way transparency. The walls of privacy and secrecy are dropping or being torn down.

Marketers know more than ever about consumers — more detailed and more personal information. Some is gained through data capture and some volunteered or made public by the consumer through social media.

While marketers now know more about consumers, consumers are doing their own research, too. They're going beyond the information that marketers disseminate and creating their own ways of looking "behind the curtain" of what brands publicly share. Consumer desire to know the 411 goes beyond the product – they want to choose the company they do business with, and they're savvy enough to notice differences between the talk and the walk.

Consumers are in marketing

The marketing department was once a place where internal employees created and shaped brands. That department is becoming defunct. The new marketing department mandates job sharing – with the consumer. As one board member put it, "Consumers are now our co-creators. They are us. Consumers are in marketing." It's unclear who reports to whom.

II. It's all about me! The new demand for personalization

Customized Experiences

Demand for personalization and customization is growing exponentially. For consumers, it's about a more relevant and therefore more optimized experience.

In the expectation of receiving a more personalized experience, consumers are willing to share a huge amount of information about themselves.

But marketers are just starting to figure out how to use that information to deliver truly customized experiences.

"Today, marketers don't really deliver customized experiences," said EAB member Jeff Hilimire, President and Chief Digital Officer of Engauge. "We say we do, but we don't. A truly customized experience is when, for example, you're in the market for a mini van and while you're watching Modern Family on TV, every commercial that comes on is about minivans. Marketers will need to use data to make ads more relevant."

"Brands will have to connect all the dots and rethink the way they store and access customer data to connect every touch point," said Hilimire. "Right now, it seems like brands are listening to you – but it's not real listening. If a consumer takes a poll on Facebook about favorite flavors of a fast food company's milkshakes, that data needs to be connected to other data about that consumer, and used to make the next communication with that consumer more relevant."

In seeking to deliver more customized experiences, marketers should look beyond the basic information, "Lives in Atlanta, has three kids, plays tennis" — to the more "in the moment" information. "Immediate and locally focused information — this is more relevant and timely and this is the key data to capitalize on," said Hilimire. An example is Charmin's iPhone app that lets consumers rate public bathrooms. "This provides a benefit and is relevant to my life versus asking me to become a fan of my toilet paper on Facebook," he said.

Social, Mobile and Local are perhaps the three big forces that are coming together to offer customization/personalization according to Hilimire. The mobile device is currently the preeminent customizable device (more so than desktops) as it better conveys the context of where you are and what you are doing at any given moment.

II. It's all about me! The new demand for personalization (continued)

Customized Messages

Sophisticated marketers are increasingly delivering personalized messages, which make unsophisticated marketers look more and more out of touch. Tom Lowry, Director of Technology at Google, identifies Netflix and Amazon as brands that are truly delivering personalized messages. These brands learn what you like and what your friends like. When you're on your mobile, they know where you are. They also know what you've watched or bought and give you recommendations accordingly.

Ironically, delivering a personalized message requires relying on impersonal technologies (tremendous amounts of data and algorithms). “Don't let your technology show” is the industry adage. Lowry cites Apple as one of the few companies that is very good at “hiding their technology.”

Down the road, consumers will have more choices of when to trade personal information for personalization — a value exchange/equation that will be unique for each person. Ads become more valuable when the user has 'opted in.' Personalized ads require an element of education on how this adds value for the consumer. With good education, ads that are personalized will cease to be seen as disrupting activity and, instead, will be seen as helpful.

Customized Products

Users will have higher expectations of “just for me” product design. In Lowry's opinion, “We are a long way from being in a place where user-centered design is the norm. Apple is the exception to the rule that consumers prefer customized products. Apple has had unparalleled success by offering great design but very limited choice. Truly great design may be enough to allow the consumer to forego the desire to customize, at least for some segments of the market.”

III. The paradigm shift in the role of Marketing and the DNA of the marketing organization

The dramatic changes in how marketers connect with consumers are causing marketing organizations to rethink in systemic ways how they practice their craft. For clients and agencies, organizational structures, ways of working and the skill sets in-demand will look dramatically different in the next decade.

Here are the areas where the transformation is underway:

Organizational Structure

- **Wanted: a new model.** Companies are looking for more than new products to ensure their futures – they're looking for new systems and new ways of doing business.
 - **Start-ups are becoming corporate role models** because they are set up to handle rapid change, morphing job descriptions, operating free of the shackles and blinders of “how we did it last year,” and being at home on the steep part of the learning curve.
 - **The structure and roles of marketing departments must evolve**, as lines become more blurred between areas of accountability, and more seats need to be pulled up to the main brand management table. As one attendee put it, “everyone is in marketing now.”
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Modus Operandi

Speed & Flexibility

Marketers are still learning how to keep pace with the higher speed of change in the digital world. Ten years ago, marketers rushed to put up websites (mainly out of fear of being left behind), only to ask, “Now what do I do with it?” Even today, many companies jump on new media (like social media and mobile) like trains leaving the station – they respond reactively in “ready/fire/aim” mode versus capitalizing proactively.

The rate of change is speeding up, and disruptions are happening faster than ever, and on a larger scale (look at the trajectory of Groupon!). Marketers will need to retool their planning and decision-making practices to enable companies to move at faster speeds. Here are some of the changes that EAB members advise:

- **Planning cycles/frameworks must change:** no more twelve-month planning cycles
- **Decision making needs to occur lower** because there's no time to go up the ladder (if there should even be a ladder).
- **Budgets, resource allocations and marketing plans will need to be more flexible**, to enable marketers to jump on opportunities and respond to customer needs in real time
- **Workflow planning needs to be more flexible.** The faster pace of technology change makes work flow less predictable: if you've never used the technology before, it's hard to gauge how long it will take to get the work done the first few times.
- **Product life and sales cycles will need to be shorter** to respond more quickly to consumer wants and needs

Market Intelligence

The era of twice-a-year focus groups and bi-annual Attitude and Usage studies is long gone. Marketers will need new tools to keep a constant finger on the pulse of consumers as well as new ways to deploy learning in real time.

Some Recommended Strategies

- Employ real-time data collection and analysis for faster decisions/actions
 - Take research beyond the research department: make “listening to the market” part of everyone’s job description
 - Develop a rapid testing cycle: learn-do, learn-do, learn-do...do lots of little things quickly to get learning, fine tune and course-correct
 - Find the right balance of precision and speed. Speed and “getting there first” creates an advantage for most. Apple is an outlier in taking their time to get it perfect and therefore delivering a superior experience. Apple is an outlier in that taking their time to get it perfect is accepted, expected and therefore delivers a superior experience.
 - Leverage quantitative to get qualitative. Use both sides of brain.
 - Make sure data is actionable and get findings/implications out so that people can respond.
 - Form a closer relationship between marketing and IT. There’s too much data and not enough insights so data generators and users need to talk.
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Skill Sets

The new world of marketing will require a different set of skills and even a different personality profile than in previous decades.

Marketing for the (un)foreseeable future will require more risk taking, an ability to operate on gut with a minimum of information, and increased tolerance for messiness and absence of control.

Marketers need to have continuous curiosity, increased flexibility, adaptability, comfort with ambiguity, and resilience in the face of failure. As job descriptions become more fluid, and the pace of change increases, marketers will need to be comfortable going with the flow and being on the steep part of the learning curve more often than before.

Marketers will also need to develop a broader sense of context – that is, understanding that competition, inspiration, ideas and talent, can come from anywhere and everywhere.

The Marketing Leaders of the Future

For marketing leaders, the 2020 environment will require them to call on certain skill sets more than ever before. Henna Inam, CEO of Transformational Leadership, Inc. sees the following as being essential attributes of the 2020 leader:

- 1) **Tolerance for ambiguity** – the ability to create a plan without a great degree of knowledge of what the marketplace will be like, even in the near future.
 - 2) **Agility** – comfort with constantly reading and course-correcting the plan. The days of 12 month planning cycles and set-in-stone budgets are over.
 - 3) **Ability to disperse decision-making (strategically)** – knowing what and to whom to delegate in order to prevent decision-making bottlenecks so that employees can be more responsive to customers.
 - 4) **Ability to deeply engage others within the organization** – the 24/7 nature of a lot of jobs requires employees to give 110%. Marketing leaders must help create a link between each employee's work and his/her source of intrinsic motivation. Gallup research shows that 70% of U.S. corporate employees are not engaged in their jobs. Research also shows that engaging employees' values is at the core of discretionary effort.
 - 5) **Ability to deeply engage others outside the organization** – this same skill of understanding and serving others' needs is critical to building strong relationships with stakeholders outside the organization.
 - 6) **Rock-solid sense of their own strengths and weaknesses and their core values** – as leaders are required to make faster decisions, based on "gut," their self-knowledge and values become an even more critical anchor.
 - 7) **Ability to manage their energy** – The 24/7 demands of a leader necessitates that they are able to operate with full energy.
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Words of Advice for 2020

- 1. Pay closer attention to customer experience:** as products and prices are more at parity, the total brand experience (and especially customer service) will be the key differentiator. As one board member put it, “customer service will be the next killer app.”
- 2. Be real and have nothing to hide.** Cheating, or faking (think greenwashing, e.g.) will be very high-risk strategies. Consumers now have ways of finding out. (Think Wikileaks.)
- 3. Start a virtuous cycle of permission-based value exchange with your consumers.** Deliver value to them by using the information you’ve garnered about consumers for their benefit, and they will give you value in return. Give consumers open access to your products and services so they can help you tell the story.
- 4. Focus on the most important ways to customize or allow customers to personalize their products/services/experiences:** method of payment, delivery, data portability (make it as easy to move away from a product as to join), functionality (don’t lock it in based on partnerships). Let the user fully customize.
- 5. Make personalization feel personal.** Don’t let your technology show.
- 6. Rethink organizational structure and leadership values** so that organizations and leaders are more responsive to the changing needs of the market.
- 7. Fail forward:** Test. Learn. Repeat.

Give consumers open access to your products and services so they can help you tell the story.

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