WHY MARKETERS NEED TO SPEAK

THE LANGUAGE OF DIGITAL

RACEPOINT INMEDIA REPORT | 2016

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A RACEPOINT GLOBAL REPORT

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THE CHANGING ROLE OF MARKETERS IN THE DIGITAL LANDSCAPE

Modern business is driven by technology. Mobile, social media and the Internet of Things (IoT) are changing the way which each and every company works, from chip makers to chip shops. As businesses embrace technology to an ever-growing degree, the skills needed in the workforce grow too. This in turn is changing the way which businesses need to communicate with their customers, employees (existing and potential) and partners.

For the modern marketer, the increased dependence on technology across a business is an opportunity and a challenge. On the one hand there are new digital tools that allow marketers to apply new approaches to the varied demands of their roles. There are new web, app, and development projects to work on which extend beyond their traditional remit.

At the same time, the convergence of the skills gap and the rise of the Internet of Things (IoT) is transforming many companies' products into Internet enabled services. This will place greater emphasis on already influential developer audiences, meaning closer collaboration between marketing and HR departments will be required to capture their attention – including all the nuance in language and approach this entails.

The bottom line is that for marketers to be successful in a digital environment, they need an added element of digital literacy to make use of tools, assess and execute new projects, and effectively communicate with new audiences. It might seem daunting but it's not a matter of retraining. This is about adding a technical element to their mindset so as to operate more successfully in today and tomorrow's digitals environment.

OUR VIEW:

THE NEW MARKETER-

TECHNOLOGY STRATEGIST & INNOVATION LEADER

According to Gartner, digital marketing has moved into the mainstream: 98% of marketers affirm that digital techniques are merging with the larger marketing operation[1]. It has therefore become an organic part of any marketing strategy, focusing on areas such as social marketing, data analytics, customer experience and digital commerce.

As marketing, however, has evolved into an increasingly technology-powered discipline, marketing departments might not yet understand how to fully leverage what IT and their development teams can offer. Conversely, IT departments and developers may not understand how to accurately translate marketing requirements into technical capabilities. To address this disconnect, marketers are increasingly asked to become technologists - with the ability to understand the design and operation of technology solutions, the context of technology, and the project management process. In addition, they are required to manage technical-minded teams, and liaise and build relationships with a whole new host of audiences that include developers and tech-savvy professionals.

Having a technical mindset and a basic understanding of coding is no longer a useful skill added to the bottom of a CV, but an integral and organic part of the role of the marketer in the digital era. This has already become clear to many marketing professionals – Adobe Systems recently found 64% of marketers expect their role to change in the next year[2]. It is therefore important to understand the specific components of the new merged traditional and digital marketing strategy that are defining the role of the marketer.

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1   http://www.gartner.com/smarterwithgartner/digital-marketing-comes-of-age-in-gartners-cmo-spend-survey-2015-2016/
2   http://www.adobe.com/content/dam/Adobe/en/solutions/digital-marketing/pdfs/adobe-digital-roadblock-survey.pdf

THE MARKETER IS DEAD

LONG LIVE THE MARKETING TECHNOLOGIST

The days of buying 'off-the-shelf' marketing solutions are gone. Deploying a marketing automation suite successfully requires understanding of how that technology works and a solid grasp of the project management process. In fact, technology is now so deeply intertwined with marketing, so much so that a recent survey by Gartner found technology accounts for 33% of total marketing budgets today[3].

The shift from the existing tool portfolio to more technologically-advanced solutions does require extra investment. Marketers will have to justify and prove the ROI of these investments. A data-driven approach with clear KPIs set to advocates and influencers will help prove this value outside the marketing team.
That value will largely come in the data marketers will have access to. By unifying

internal (structured) and external (unstructured) data, marketers can develop a more rounded viewpoint of their customer base and identify individual customer profiles. This includes identifying individual advocates and influencers who can help amplify communications. Once these advocates and influencers are identified, bespoke engagement plans can be created to drive better results.

In fact, technology is now so deeply intertwined with marketing, so much so that a recent survey by Gartner found technology accounts for 33% of total marketing budgets today

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3   http://gartnerformarketers.com/CMOspend

This level of insight has ramifications far beyond marketing. Real time customer intelligence can be used to inform the wider decision-making process of an organisation. This will arm the marketer with the necessary business case for investing in these technologies. According to Forrester predictive analytics should become "a demonstrated decision-support tool" for marketing and sales and not simply a new layer of marketing technology[3].

In an economic landscape which is characterised by competitiveness, proving ROI for every investment is vital. Being able to provide additional value beyond their primary function will help marketing teams put themselves in a more integral role in terms of the overall operation and strategy of their organisations.

24% of the CEOs surveyed feel they do not have enough information about what customers or other stakeholders want

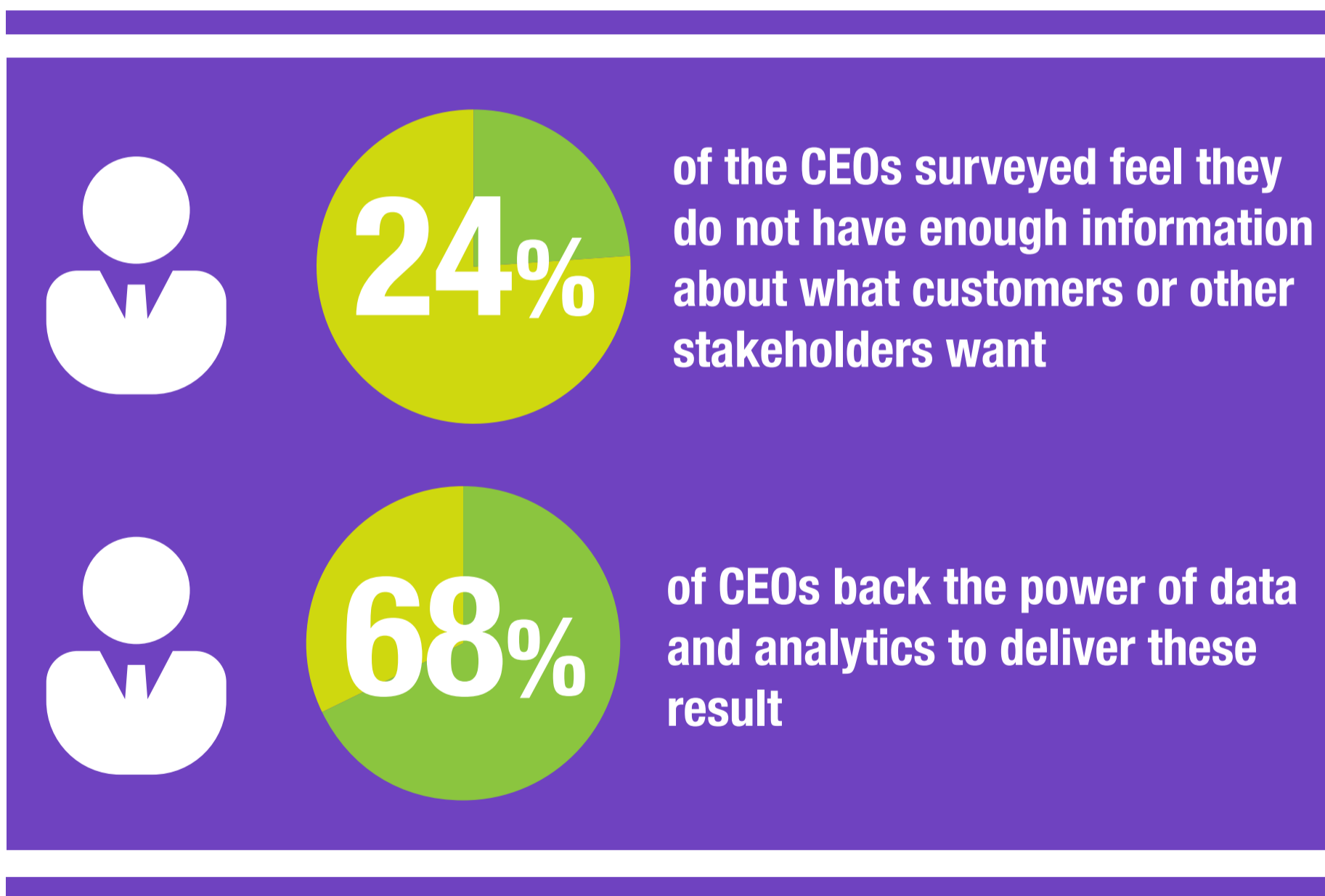**68%** of CEOs back the power of data and analytics to deliver these result

Figure from PWC.com - CEO Survey, 2016

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3   Forrester Report: 3 Pillars of B2B Marketing's New Mission: https://6sense.com/2016/01/forrester-report-3-pillars-of-b2b-marketings-new-mission/

NEW MARKETING AUTOMATION TOOLS

Technology has unlocked the potential of the marketing sector. Brands are armed with powerful tools that enable them to listen to their customer base and obtain real-time insights like never before. These tools, however, should be deployed beyond the tactical level of merely reporting trends and patterns.

Tools such as Synthesio, NetBase, Sprinklr, and Brandwatch help marketers have unparalleled insight into their customers, the market and competitors which allows them to play a much more important role in key strategic business decisions: from product design to development and services. Importantly, they unify multiple data sets to gives a rounded and in-depth view of every customer – a critical factor in any business transformation plan.

This is just one reason marketing budgets are growing. 2015 saw marketing budgets increase from 10 percent to 11 percent of revenue, and two-thirds of marketers expect their budgets will grow in 2016 too[4].

The insight marketing teams can offer underpins a more important change in wider business strategy: a move from the focus on business operations and efficiency savings which dominated the recession mindset to putting customer insight at the heart of their business decisions. Failing to listen to and consider consumer sentiment has seen even the biggest companies fail. Take 2009's fastest growing company, Blackberry which failed to react to market trends and was posting losses of $4.4 billion just four years late[5].

4   http://www.gartner.com/smarterwithgartner/digital-marketing-comes-of-age-in-gartners-cmo-spend-survey-2015-2016/

5   http://www.nytimes.com/2013/12/21/technology/blackberry-posts-huge-loss.html?_r=1

Conversely, brands such as McDonald's have shown the value of social listening. The fast food business responded to social media calls for aits breakfast menu to be made available throughout the day and saw its sales promptly rise 5.4% in Q1 2016[6]. McDonald's US President, Mike Andres, commented: "The successful launch of All Day Breakfast proves that when we listen to and respond to our customers and align around a great execution plan, we will grow our business and take share."

If knowledge is power then marketers are more powerful than ever before. With that comes greater responsibility, greater expectations and greater accountability. Marketing automation tools change the rules of the game and marketers need to be agile and adaptable to stay on top in a fast-paced digital landscape.

70% OF BRAND MARKETERS

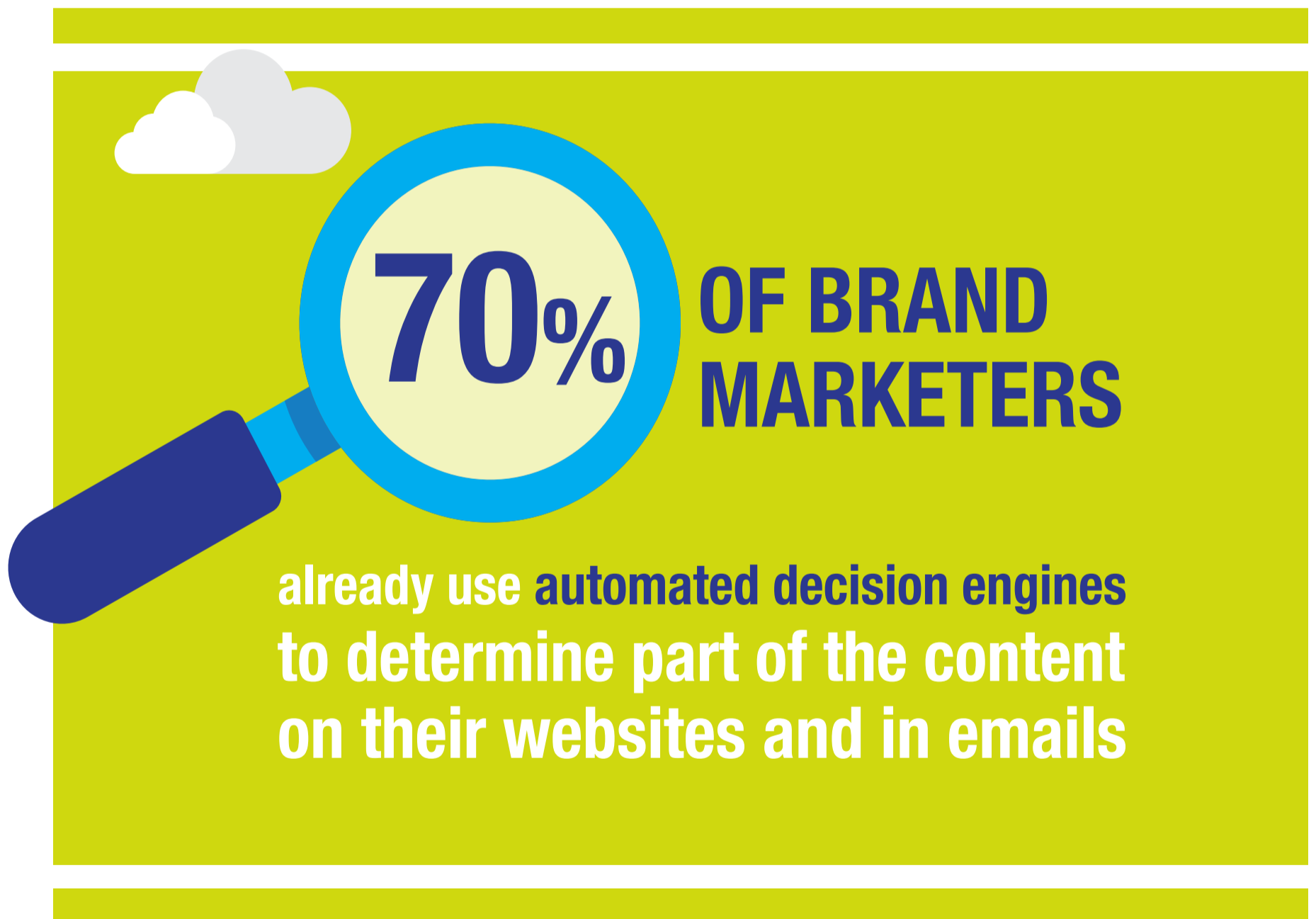already use **automated decision engines** to determine part of the content on their websites and in emails

Figure from Gartner - Predictions for Smart Marketing Technology 2016

6   https://www.theguardian.com/business/2016/apr/22/mcdonalds-sales-all-day-breakfast-mcpick-2

UNDERSTANDING THE NEW ENGAGEMENT DYNAMIC

We are living in the era of 'smart things' where every consumer product becomes a platform for innovation. Your toaster doesn't just toast; it tracks calories. Your fridge doesn't just keep food cool; it does your weekly shop too. The Internet of Things has given rise to a web of internet-enabled devices from cars and domestic appliances to health monitors, shoes and mugs and the list continues. In fact, Gartner estimated that by 2020 there will be 20.8 billion connected things[7].

As the average toothbrush gets smarter, so too does the average consumer. They are more tech-savvy than ever and marketing communications need to acknowledge this fact. As products are changing and becoming part of an inter-connected ecosystem, the way they need to be marketed to that increasingly tech-savvy consumer audience is also changing.

It goes beyond the consumer too. The well-trodden maxim is that every business is a technology business. This includes everyone from your local electrician optimising their website to rank higher in local searches to the world's biggest auto-manufacturers equipping their vehicles with computer vision and self-driving functionality. Domino's Pizza is a prime example of a business embracing technology to completely change its offering. The popularity of the company's app is already well documented with as many as 1 in 8

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of the UK population having downloaded it[8]. The pizza restaurant has since added functionality such as a 3D pizza builder and customer pizza profiles – just two examples of how it is building its marketing and customer experience around digital.

This means that marketers are communicating – internally and externally – with a different audience to what they might have ten or even five years ago. The language marketers need to use should evolve accordingly to meet this challenge. That understanding of technical nuance and terminology is critical to the success of selling products externally and projects internally. Through the implementation of internal code academies like Racepoint Global's Code Talk, talent can be spotted and nurtured. The de-siloing of marketing from technical job functions like IT and developer teams will also help foster a greater level of technical understanding.

JAVA SCRIPT

HTML

<code>

22%

</>

C++

of marketers see themselves as
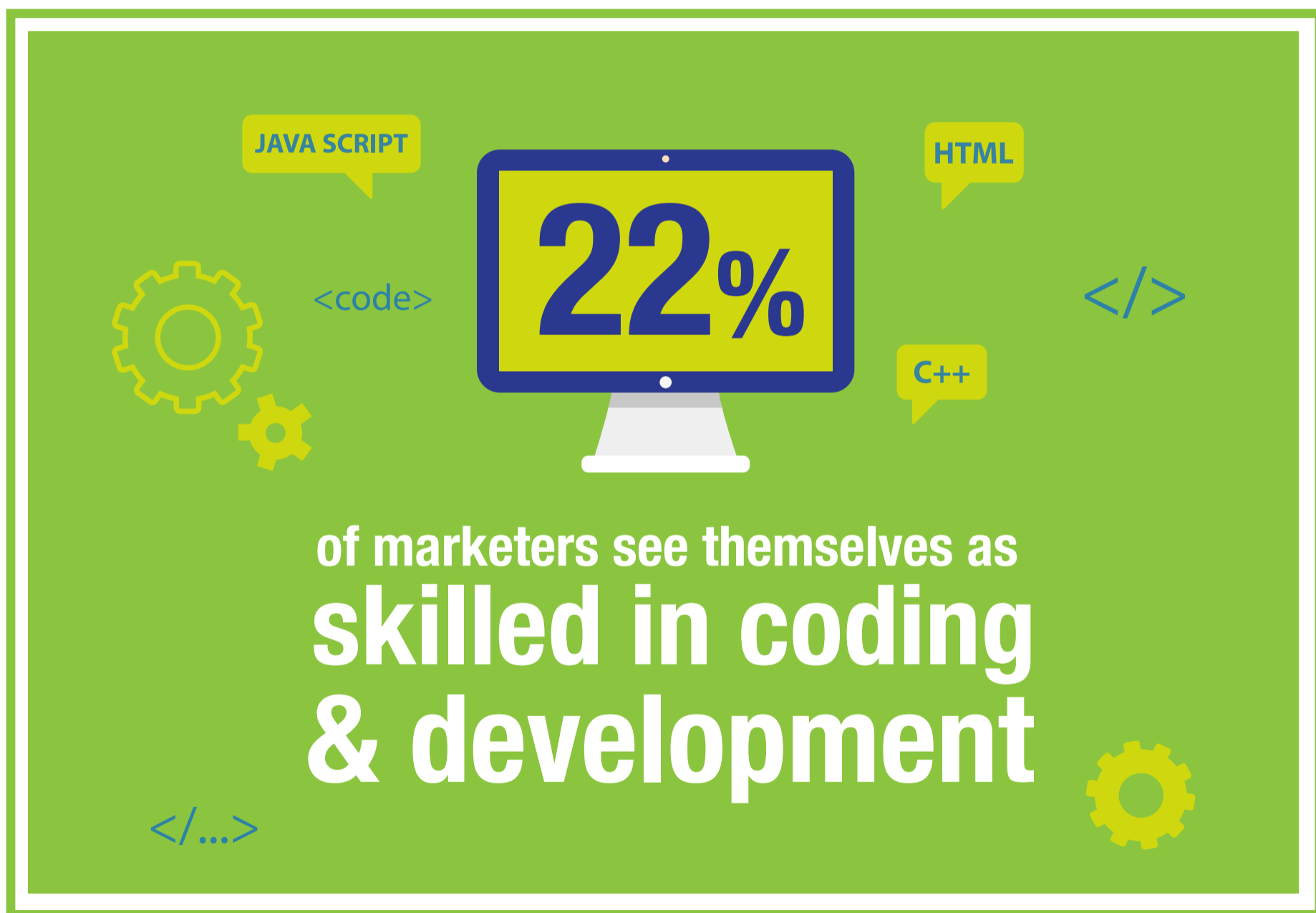**skilled in coding**
& development

</...>

Figure from SmartInsights.com - The Digital Marketing Skills Gap

8   http://www.telegraph.co.uk/finance/newsbysector/retailandconsumer/leisure/11438253/Dominos-sales-surge-as-1-in-8-of-the-UK-population-download-its-mobile-app.html

RETHINK THE RELATIONSHIP

— BETWEEN —

MARKETING & HR

Just like the line between marketing and IT departments is being blurred, the same applies to marketing and HR. A recent survey by LinkedIn reveals that talent acquisition teams worldwide see employer brand efforts as cross-functional, with 47% sharing employer branding with the marketing department[9]. In fact, that brand is a vital aspect in the acquisition of premier talent; research by advertising and communications agency Capstrat, found that 72% of millennial would sacrifice salary for a more fulfilling career[10].

As businesses become more technology-focused, marketers will need to work closely with the HR department to connect with developer communities to articulate why their business understands them best and can offer that job satisfaction. This means that developer relation programmes will become a necessity rather than an add-on in marketing and communications campaigns.

As businesses become more technology-focused, marketers will need to work closely with the HR department to connect with developer communities

There are many ways to pursue this such as building developer communities and forums to reach out and engage with talent. As an expert in communicating the corporate messaging and brand identity the marketer will have a leading role in driving these processes. As with any communications exercise, to do so successfully they need to understand their audiences.

9   https://business.linkedin.com/content/dam/business/talent-solutions/global/en_us/c/pdfs/GRT16_GlobalRecruiting_100815.pdf

10   https://www.capstrat.com/elements/downloads/files/millennials-work.pdf

11   http://www.mckinsey.com/mgi/overview/in-the-news/how-us-companies-can-fill-the-skills-gap

The size of the challenge which HR faces should not be underestimated. In the US alone, McKinsey finds that two-thirds of companies have roles they cannot fill due to the lack of qualified applicant[11]. The skills gap is only set to worsen with a 2014 report by the UK's Local Government Association found that current levels of education will leave the country with a 2.9 million shortfall in the required number of skilled workers[12]. Hiring will be as much a competitive battleground as selling.

A little knowledge goes a long way. A technical mindset gives a marketer the capacity to understand not just the roles that their organisation is hiring for at that particular moment but also the emerging roles that will need to be filled in the organisation in the longer-term. This is not simply a case of compiling a job description. The marketer will use their technological foresight to work with HR to identify the candidate profiles that will fit future business needs, as well as understand the best channels and platforms in order to reach them.

59%
of businesses
are investing in their employer branding
to help attract talent in competitive areas

Figure from LinkedIn - Global Recruiting Trends 2016

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12 http://www.local.gov.uk/documents/10180/11431/Realising+talent+-+employment+and+skills+for+the+future/be9a4027-7cc6-47bc-a3d7-7b89eaf3ae69

NEW PROJECTS

WITH

BROADER HORIZONS

n the past, marketing campaigns relied on TV and radio ads, posters and brochures. Then the era of e-mail marketing and social media emerged and marketing evolved beyond a spray-and-pray broadcast approach to one of personalised and targeted campaigns; for instance, Coca Cola's 'Share a Coke' campaign which allowed customers to buy or order a bottle of Coke with their name on it.

Digital marketing projects have become more sophisticated since those early email blasts, encompassing a variety of digital assets, including content management, marketing automation, specialised solutions for social media management, customer-facing apps and microsites. All this is based on bespoke software projects that develop unique, consistent and personalised customer experiences. Barclays has taken this approach with its 'Digital Eagles' campaign which combines online and in-person educational resources with traditional yet informative advertising to help teach its customers about digital literacy.

As the array of digital assets and projects are developed, implemented and managed by the marketing department, marketers are instrumental in managing relationships with digital agencies, service providers, IT and product design/development departments. They are also responsible for evaluating and choosing the right partners and being the link between all stakeholders that do not have complete visibility nor understand priorities, timing or briefs.

This means that marketers need to be able to understand and provide technical briefs to developer teams, ask the right questions and budget proposals appropriately and work alongside them to bring them to life. It's important to bear in mind that developer teams are often over-stretched, with their workloads booming: all the while there is a talent shortage to meet the existing and future demand. Gartner even warns that demand for enterprise mobile apps will outstrip available development capacity five to one by the end of 2017[13].

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13 http://www.gartner.com/newsroom/id/3076817

With there often being a lag between identifying the need for a new app or piece of software or to readjust a marketing interface, the marketer needs to develop the digital literacy to be able to respond quickly and make necessary changes independently. Collaboration is critical here and the implementation of cross-departmental programmes will foster this. Meanwhile, moving to Rapid Application Development (RAD) will allow non-expert coders like marketers to utilise simple drag-and-drop interfaces to rapidly iterate on project builds.
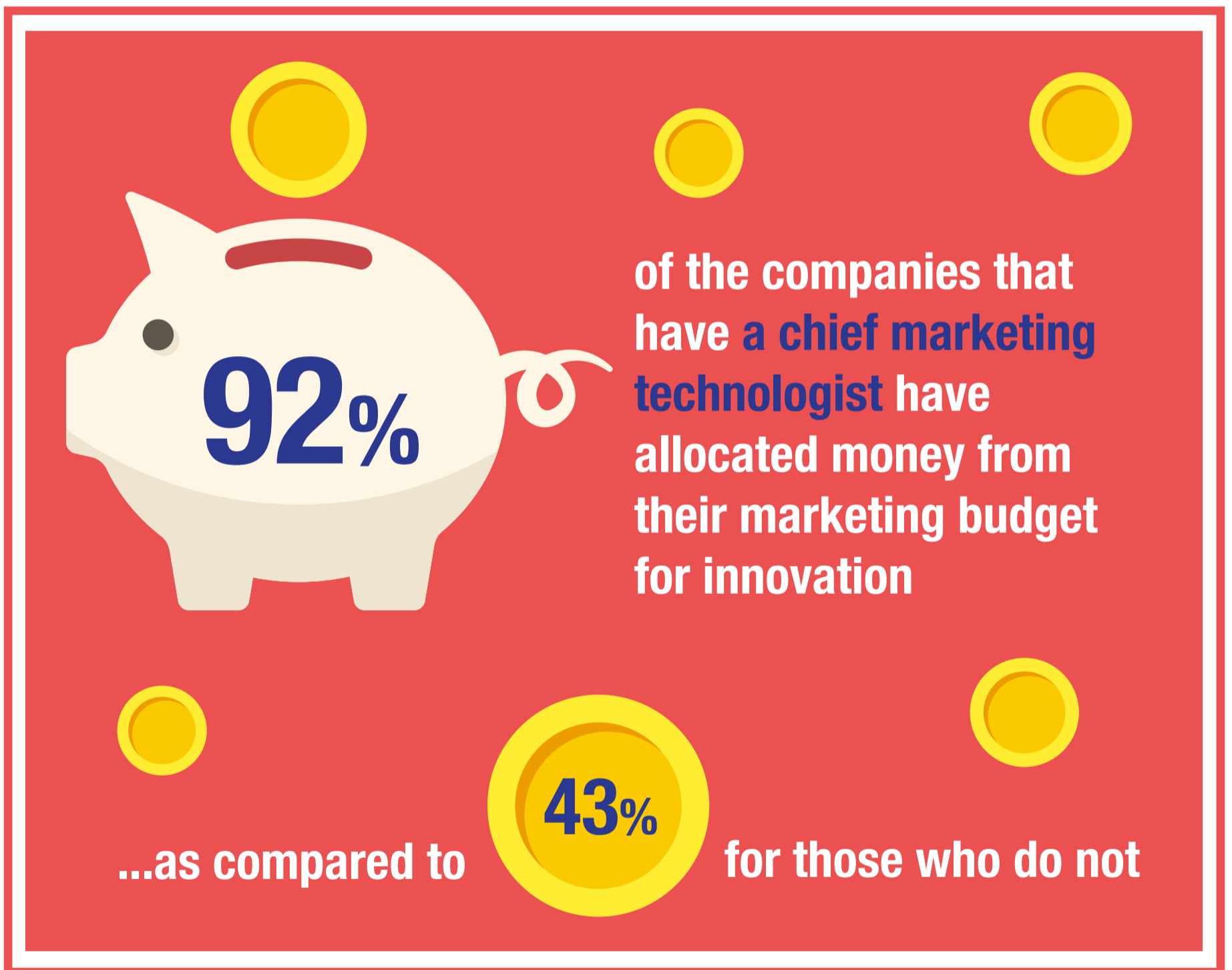
92% of the companies that have **a chief marketing technologist** have allocated money from their marketing budget for innovation

...as compared to **43%** for those who do not

Figure from Gartner - How the Presence of a Chief Marketing Technologist Impacts Marketing

CONCLUSION

A BLENDED APPROACH TO DIGITAL LITERACY

arketers have to transition to a new role, a role which exceeds the definition of traditional marketing. With a vast array of new marketing tools to master, new projects to oversee and execute, new teams to coordinate, and new relationships to build and nurture, the new marketer needs to be versatile, tech-savvy and agile. Their role is to connect organisational dots and create well-rounded and holistic marketing strategies. In order to craft strategies for the business of the future, the marketer needs to understand the logic behind the technological solutions available to them. They will essentially need to speak the evolving language of the Digital Era.

Digital literacy will move from a 'nice to have' to a necessity, distinguishing modern marketers from their predecessors and peers. A Master's Degree in Computer Science isn't

necessary but mastering a certain degree of software development and coding will enable marketers to flourish in a market landscape dictated by technology. This will give them the tools to understand and use digital tools effectively, exploiting them to their full potential while adapting those tools to better meet their specific marketing and business objectives and requirements.

Perhaps most importantly, marketers now have the opportunity to broaden their horizons and effect change within their organisation on a much deeper level than ever before. The level of insight that a technologically astute marketer has leaves them perfectly placed to inform critical business functions beyond marketing with strategic insight.

It might seem like a mountain to climb but there is an abundance of resources available to help marketers develop these skills. What is needed is a blended approach to learning that includes online platforms and face-to-face learning. Collaboration with internal teams and structured external training will give marketers all the tools they need to thrive.
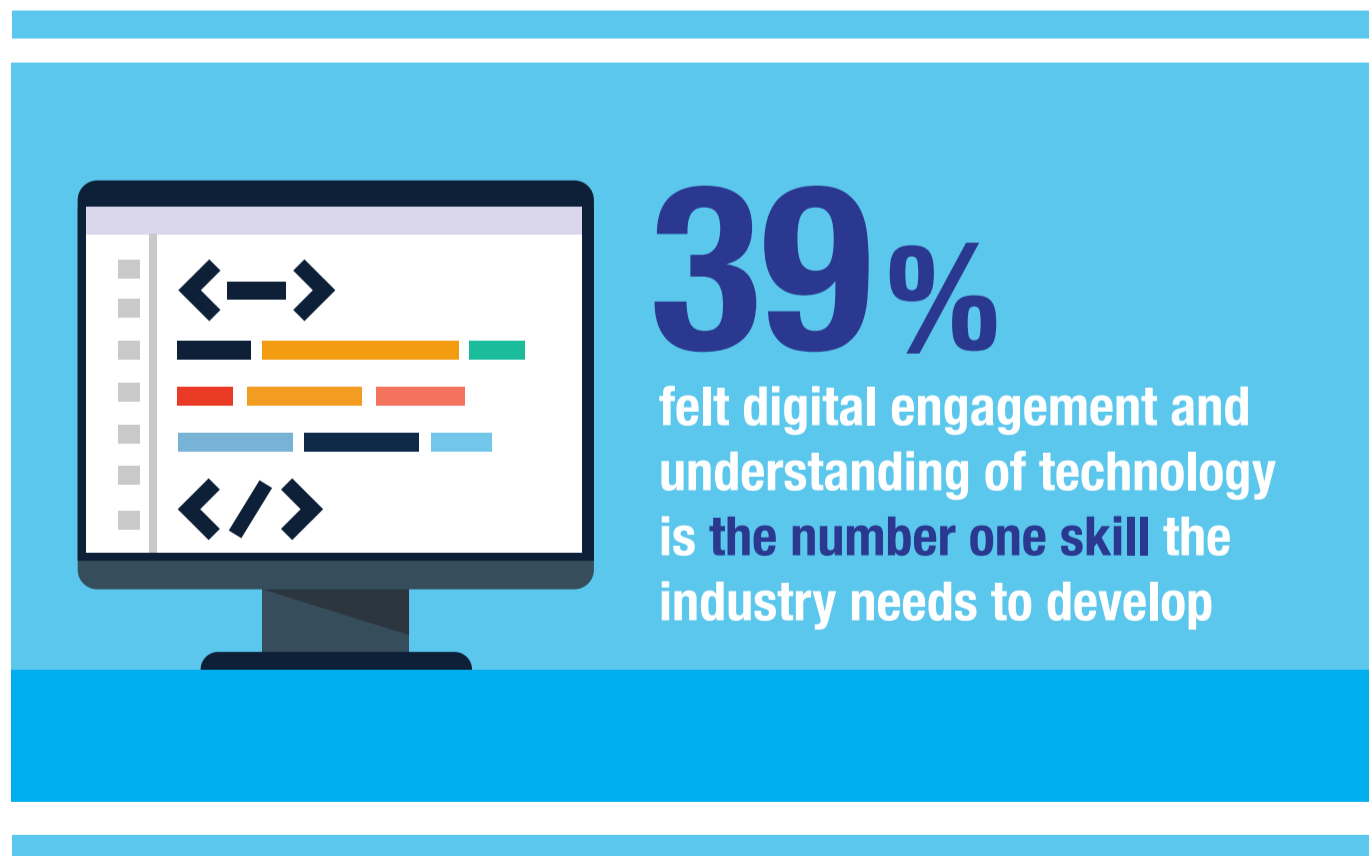

39%

felt digital engagement and understanding of technology is the number one skill the industry needs to develop

Figure from Future of Marketing report - The rise of the marketer

FOR MORE INFORMATION

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