Why Brands Must Rethink Marketing in This Age of Disruption

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The 2015 **ANA** Masters of Marketing annual conference kicked off in Orlando on Oct. 14th with opening remarks by **Bob Liodice**, president and **CEO** of the Association of National Advertisers, who acknowledged in his keynote address the "exploding gains in technology" that have transformed the **marketing** landscape for those who take advantage. The challenge: it's never been easier to reach consumers. And it's never been harder to connect with them.

"This is generating **brand** loyalty and better business results, and improving shareholder equity," **Liodice** said of the impact of technology, <u>citing</u> advances in multi-screen platforms, integrated programs, more efficient programmatic media strategies, real-time **marketing**, outdoor **digitally**-based placed media and connected TV. But it's one technology in particular that's keeping **brand** marketers up at night.

Ad blocking tech, as **Liodice** stated, is now an industry-wide concern—and one that reflects changing consumer behavior.

"We must swallow our pride and recognize that ad blocking represents consumers' outrage over substantially diminished user experience," **Liodice** stated, as noted by <u>Adweek</u>. "We all know what that means. It means page clutter, lengthy video pre-roll, longer load times and ultimately angry content-seekers."

Apps like Crystal and Purify are helping those irate content-seekers block ads within mobile web browsers, for example. As **Ad Age** commented from the conference, "if only advertisers and their agencies would create better ads, consumers wouldn't be so inclined to block them."

"At a time when consumers are shopping less often and changing long-held **brand** preferences when they do shop, marketers are no longer getting the expected results from their **advertising** and promotion. Old-fashioned **brand**-building is becoming a relic of a bygone era."

Liodice also discussed the ANA's latest deep diver into marketers' hopes and dreams, with the second annual **ANA Marketing** Disruption Study, <u>The Marketer Strikes Back</u>—a collaboration with **McKinsey**—finding marketers moving away from command-and-control structures to networked organizations with an increasing focused on the customer, while "agile

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leadership is becoming a prerequisite for success."

In the <u>report</u>, analysis of nearly 400 client-side marketers showed a marked increase in concern for competitive forces and a focus on key business drivers such as growth, CRM and loyalty. Potential roadblocks to marketers' focus on driving growth cited include:

Weak insights: More than 40 percent of companies surveyed focus their resources primarily on the "customer experience" rather than the "product." However, only 13 percent of companies feel strongly that they have identified their customers' decision journeys and understand where to focus **marketing**.

Ineffective data: The ability to make data-guided decisions was the top mover in terms of capabilities marketers deemed important, increasing to 83 percent. But only 10 percent believed they were very effective at feeding insights into customer behaviors back into the organization to improve performance.

Lack of focus: From building capabilities (97 percent) to finding new partners (90 percent), marketers are embracing a "let's do it all" approach, which has the danger of diffusing resources, creating coordination issues, and straining the organization.

Overextended: Marketers are seeing a significantly or somewhat larger role of agencies across a wide array of functions, from understanding the customer journey (40 percent) to content development and management (45 percent). The increased reliance on agencies is likely to create significant management complexity for marketers.

Slow pace: Despite the move to more networked **marketing** organizations, almost 60 percent of initiatives take at least six months to make it to market.

Liodice also pointed out some "red flags" identified in the study, including marketers trying to "do it all," the need to improve data management, limited understanding of the customer, and inadequate staffing.

"What this survey highlights is an important pivot marketers are making to focus on those activities that really drive growth for the business," said Liodice. "The ability to deliver on growth, however, will depend on how well marketers can master **marketing** operations and shape the customer journey experience."

Stephen Quinn, EVP/CMO **Walmart** and **chairman** of the **ANA** Board of Directors, <u>introduced</u> the **ANA's** first annual **McKinsey** study last year with the comment that, "We're at a critical point in **marketing** history. This is **marketing**'s moment and we can lead the disruption." That statement is true now, more than ever.

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