

Marketing Communications: The New Landscape

By Eric J. Poerschke

About the Author

Eric J. Poerschke is a partner at NextLevel Thinking, a marketing solutions firm that successfully blends strategic and creative reasoning to deliver answers for their clients. Eric has more than 10 years of experience at successfully crafting and executing marketing strategies. He has worked with companies in many industry sectors and vertical markets which have given him a very broad perspective of what works and what doesn't work when it comes to marketing strategy.

The science and art of marketing communications has long been misunderstood. When times get tough, this is typically the budget that is reduced or eliminated. However, countless studies show that this approach is usually a mistake. In fact, those same studies point out that a down economy is usually the best time to gain market share from your competitors. The reason that this is one of the first budgets to get cut is unclear. However, most executives, especially those from non-marketing disciplines, view marketing as a “soft” expense. If done correctly, marketing is anything but soft. In fact, marketing is just as important as any of the other disciplines in your business such as accounting, finance, sales, etc.

I would even argue that marketing is the most important discipline in your business because it deals with the motivations that drive your customers and potential customers to purchase your product or service. Most market driven organizations use this information to not only design their marketing communications, but also to influence the entire customer experience. The sales discipline is a close second for obvious reasons. However, a well thought out and well-executed marketing communications program will certainly build name recognition, which will effectively open doors for your sales team.

So, what is a well thought out and well executed marketing communications program? I decided to find this out by doing some homework on the industry. I first conducted a thorough secondary research study of the trends, shifts, and new developments to understand the current and developing market dynamics. I then reviewed the landscape, consisting of advertising agencies, general consulting/strategy firms, think tanks, branding firms, interactive agencies, direct marketing firms, innovation firms, sales motivation/enablement/consulting firms, design firms, marketing consulting/strategy firms, CRM software firms, and database marketing firms, to find out what each type of firm was saying about themselves.

The exercise was fascinating and the results were very instructive. After countless hours searching, reading, surfing and discussing, I was able to boil down the findings into what I call “the pillars of success” in the marketing communications industry. These pillars of success are not driven by what marketing communication firms want to offer, but by what businesses need to make them successful. The three pillars of success are: the customer, measurability and business perspective.

The focus on marketing in the future is going to be one-on-one customer relationships instead of a one-to-many mass-market approach. Many predict that creative people in marketing and advertising will spend less time trying to appeal to a mass audience and more on niche groups. In fact, the term brand will describe a more holistic way of looking at the customer. The brand of tomorrow will represent the company. The brand will reflect the company’s attributes and the personal relationships it enjoys with each customer. Therefore, your organization must look at all of its’ touch points to really improve the customer experience. Focusing on good products and services should come first and a solid brand will follow. All of the trends point to the fact that maintaining a running dialogue with your customers is the wave of the future. It will take a mix of direct marketing concepts and 360 degree marketing to make this happen.

As the focus moves to the customer, the ability to not only measure, but also generate positive returns on your invested marketing dollar will be a key factor in future marketing programs. The fact that much of this work will be based on direct marketing concepts will make this easier to measure. Executives within organizations are insisting on measurability. If they are going to invest money in the business, they want to know what type of return they are going to get for that investment. They argue that marketing should not be any different than the other business disciplines. The fact that this has not traditionally been done very well in marketing gives some a reason to be concerned. Others will take advantage of this fact and marketing will be viewed as a strategic discipline within their business instead of the traditional cost center.

The ability of an organization to view marketing from a business perspective will be very important to that organization's success in the future. In the past, the typical marketing organization didn't always link their programs to business objectives. At best, they were talked about but never really tied together. As mentioned earlier in the article, the concept of "branding" has moved far beyond communicating product differences and building "image." In order to improve brand performance, marketing experts need to consider product redesign, overhauling the supply chain, reducing costs, introducing loyalty rewards for customers and many other business focused variables.

When a company is looking for an outside firm to assist with their marketing challenges, it has been suggested that the way forward lies with "virtual" lead agencies, who advise at a strategic marketing level, and then bring in, as required, excellence in the marketing communication disciplines such as advertising, public relations, direct response etc. During the next decade, marketing firms/advertising agencies will break into three types of companies: ideation firms, realization firms, and media companies. Realization firms would carry out the concepts of ideation firms. To some extent, this has already begun to happen. Because of the commission system, many advertising agencies are uncomfortable pitching for work that doesn't have an advertising outcome. Many executives are aware of this fact. Therefore, because of the necessary business focus discussed above, traditional management consultants are now making many of the important high-end strategic marketing decisions. In fact, a recent survey of top marketing executives found that 60% of respondents believe that management consultants are a significant threat. This is not necessarily great news. Management consultants have traditionally excelled at data processing and organizational change, while not being highly rated for the creativity of their solutions. These consultancies often focus on stripping out costs rather than adding value. The shift to creative, value adding, profit driven solutions is a big one.

In summary, marketing communication firms of all origins will be trying to reinvent themselves in the future. The enviable position will be ideation firms that provide customer driven, business focused ideas that will help a company grow. The key for realization firms is twofold: To be successfully linked with an ideation firm or firms that can feed them business, and to focus on their core competency in becoming the best realization firm in their category.