

Marketing Marketing



MATS RÖNNE

SWEDISH ADVERTISERS' ASSOCIATION

Marketing marketing

Mats Rönne

SPECIAL DEAL

Limited time offer!

*term and conditions apply

Why do we do marketing?

To sell more more profitably

A42044275

"Marketing is an attitude, not a function"

The **role** of marketing

- 1. To have expertise in understanding the market, and how this can be transformed into profitable business development.
- 2. Transfer this knowledge to **all areas and functions in the company.**
- 3. Execute the functions of the marketing department.



"Innervation"

Innovation

"In companies, product development and marketing are investments. Everything else is a cost."

Peter Drucker

Or in real life

Develop customer value

- 1) New/improved products and services, customer relations etc.
- 2) Perceptions and expectations about what is being provided

Communicate customer value

Reach as many as possible
Penetration

2) As well as possible (engaging and inspiring) => **Pricing power**



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"The problem with best practice is that it is not common practice"

Les Binet

CMO vs Management team

Brand Building in Imbalance

A report on Swedish managers' perceptions of marketing that builds strong brands and profitable growth

Original title: Varumärkesbyggande i obalans published in August 2021.

Lead author: Niklas Bondesson, PhD in Marketing (Stockholm University), advisor at NoA Consulting

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NºA Consulting



People on the management team

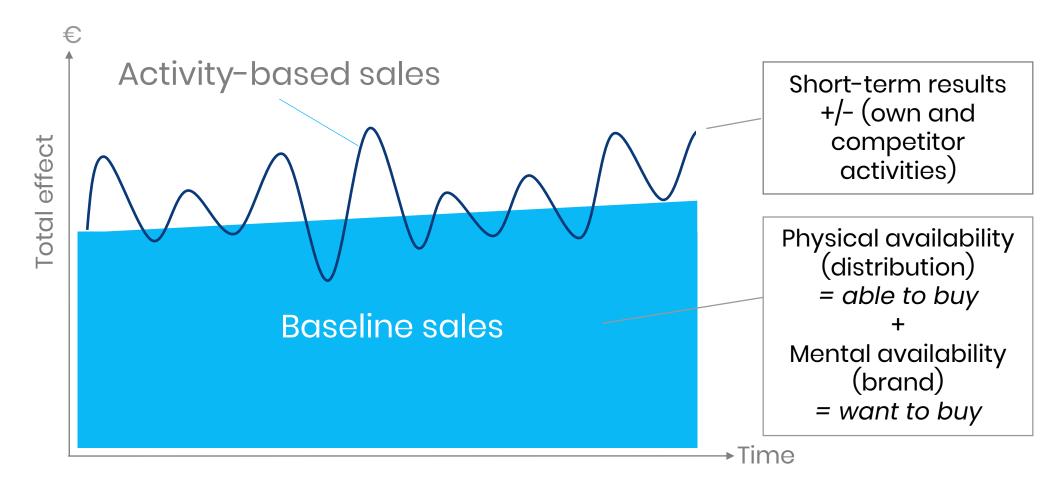
- Understand the importance of brands
- Do <u>not</u> understand the mechanics of the activities that are more likely to create the desired brand effects
- Enjoy getting involved in the details of marketing communication
- Fail to see the value of creativity

... but

 Those who do understand the role of brands and brand building are more successful

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Two types of sales and marketing effects



5%

CARE CONTRACTOR

Source: John Dawes: Advertising effectiveness and the 95-5 rule, Ehrenberg-Bass / B2B Institute

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The Marketing Department '23

Organisation | Roles & Responsibilities | Priorities



Different focus

Vel

"Strategic partner"

Understand the business

CEO

- Develop strategies and objectives
- Set priorities and plans
- Improve processes



"Efficient production"

- Own channels / be a media house
- Automate content
- Be more data-driven
- Be more creative

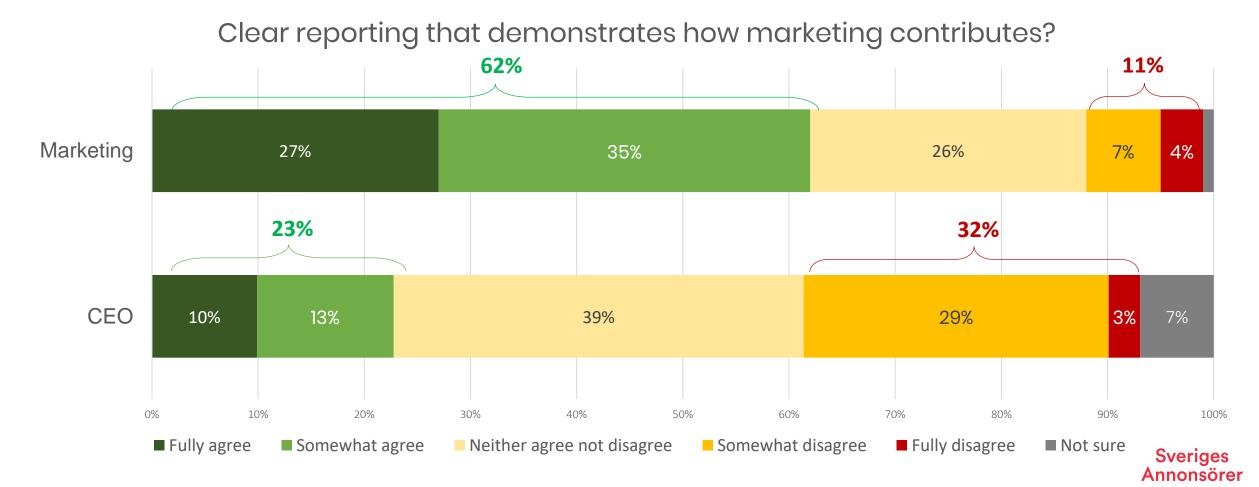
Marketing believes it reports well, but CEOs disagree

Clear reporting that demonstrates how marketing contributes? Marketing 7% 4% 27% 35% 26% CEO 10% 13% 29% 3% 39% 7% 0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100% ■ Fully agree Somewhat agree Neither agree not disagree Somewhat disagree Fully disagree Not sure **Sveriges**

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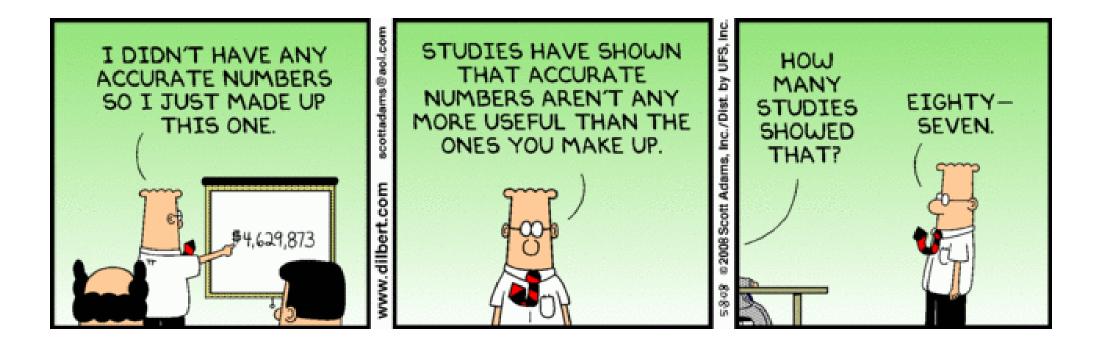
Annonsörer

Marketing believes it reports well, but CEOs disagree

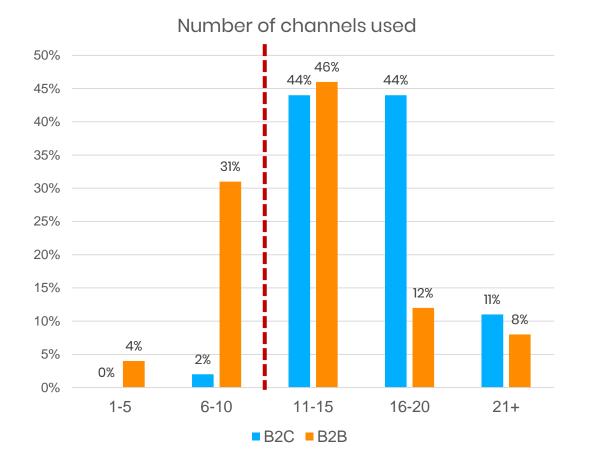


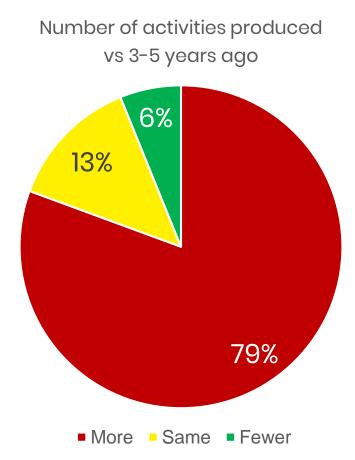
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Delivering numbers – or valuable insights and learnings?



Marketing is becoming increasingly fragmented





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... and this is often the organisation chart

- 68% "more specialists have been added"
- 55% "unclear evaluation methods" (consultants)
- 100% (!) "lack of coordination" (consultants)

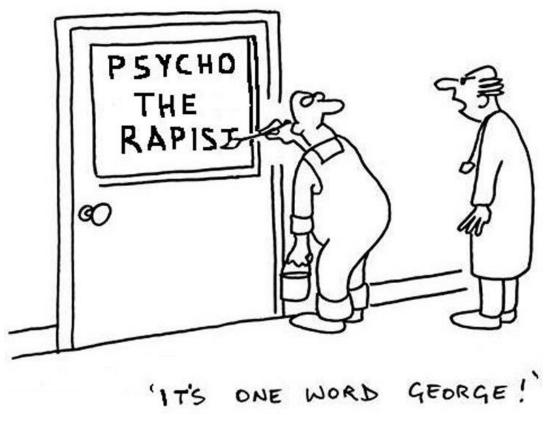


Measurement problem or language problem?



"The problem with words is that they don't always say what they mean"

Dennis Potter





Effective vs Efficient



Effect/Effective

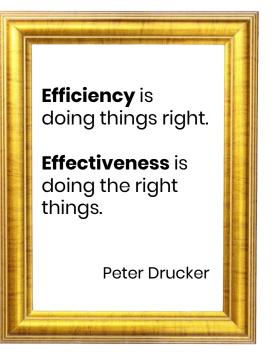
= metrics that indicate the road to business development, e.g.

- Brand awareness, liking, purchase consideration
- Purchases, market share, number of customers
- Willingness to pay / average price

Efficiency/Efficient

= metrics that indicate how well resources are used to create effect, e.g.

- Media exposure metrics, e.g. shares, mentions, video starts/views
- CPC (cost per contact), CTR (click rate), CPA (cost per action), CPO (cost per order), response level



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So where do we go from here?



Three key competences needed for marketers

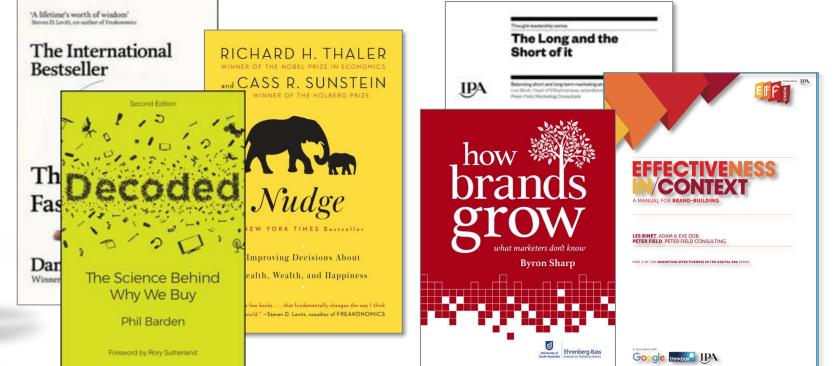
1) Understand what drives the business

2) Understand how people make decisions

3) Understand how marketing works

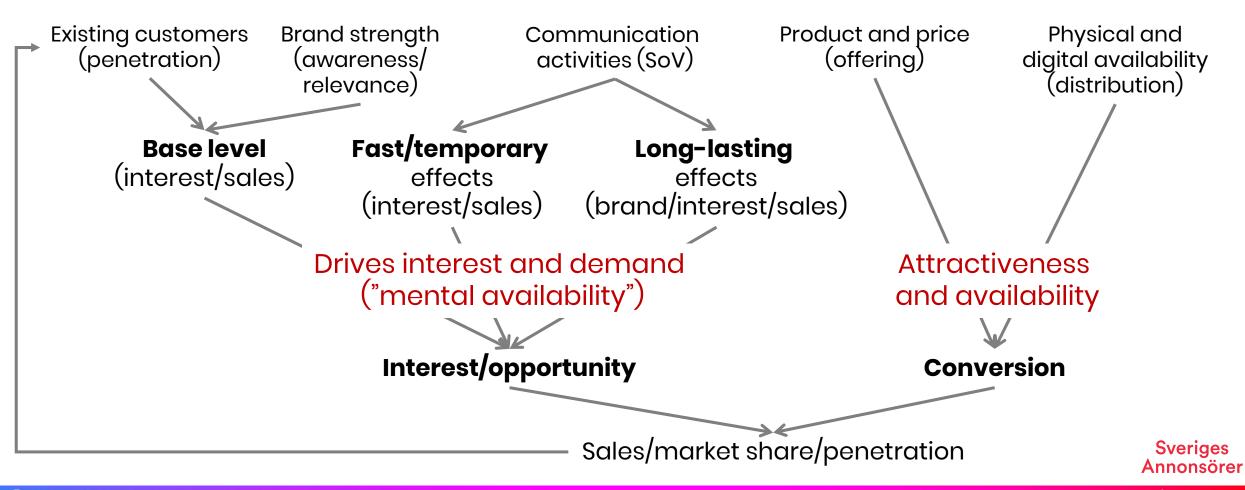
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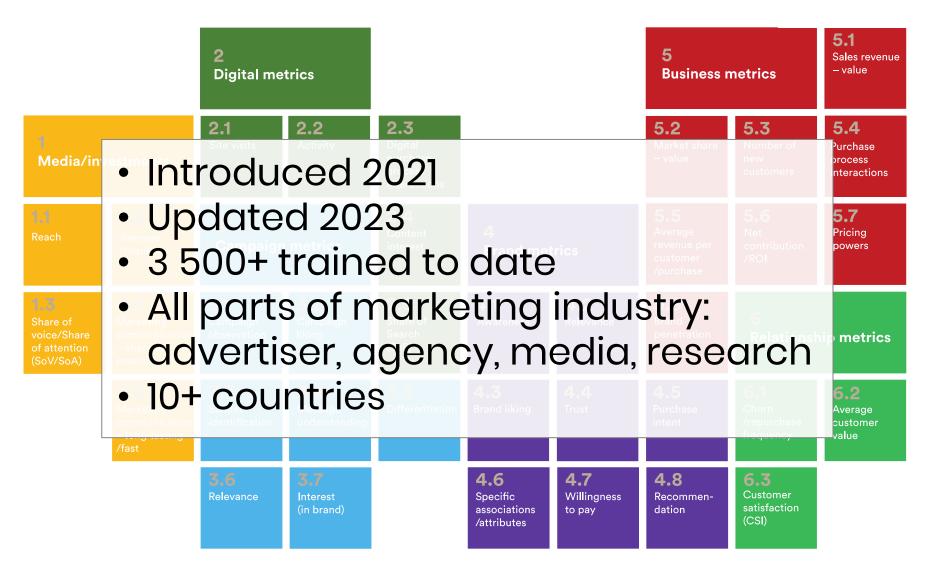
A structure for understanding marketing in a business context (with thanks to James Hankins & Les Binet)



The Effectiveness System 2.0

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Collection of metrics



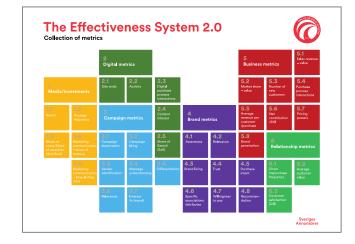
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10 reasons for the success

- 1. Supported by the entire marketing industry
- 2. Focus on top-level level effects how does marketing contribute to the business?
- 3. Focus is on understanding what people do and why
- 4. Focus on definitions what we want to know rather than exactly how to measure it
- 5. Descriptive, not prescriptive
- 6. Adaptable for own needs

- 7. Common language for all parties without marketing jargon
- 8. Based on solid scientific learnings and empirical grounds
- 9. Independent of channel/activity
- 10. Comprehensive documentation and training

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Thank you!

Dzięki!

Tack!

