

ROWING AS ONE: INTEGRATED MARKETING TODAY

Conducted by

DMA[®]
Direct Marketing Association



“[Marketing integration is] rowing as one.”

-Donn Rappaport

Integration. It’s one of the buzzwords in marketing today, and with good reason. The concept makes intuitive sense. Who wouldn’t want their organization to work together to maximize the impact of their marketing? That’s what integration is: a concerted organizational effort to align data and channels to best serve the customer. As Donn Rappaport, Chairman of ALC says, integration is “rowing as one.”

Practically getting there is another story. Turning a siloed marketing strategy into a unified one takes a real commitment to tackle organizational barriers both within and between the IT and marketing departments. It’s not just about creating consistent creative. It’s also about making sure that data from across the enterprise flow in the same direction to create the most powerful insights, which in turn feed a coordinated creative process. As hard as it sounds, it’s often even harder to do.

Technology has made integration both more possible and more important. Marketers have so many new channels. Messages get lost or diluted, and in the worst cases can compete with each other if not properly aligned. Figuring out how to best use, mix and stagger different channels deployments can amplify instead of confuse their message.

Along with the proliferation of channels, there’s a proliferation of data – and not just marketing data but also digital creative and digital content. Merging all of this data together opens the possibility not only for powerful insights, but also for near-instantaneous customer response. It takes the opportunities of online behavioral advertising and spreads them to the whole marketing chain.

Most companies aren’t close to achieving this ideal. This study seeks to provide some answers about the current state of integration in the marketing community.

METHODOLOGY

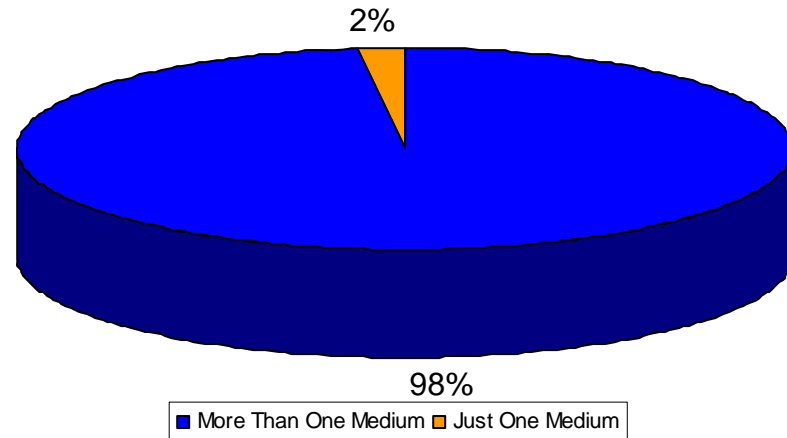
DMA fielded an online survey in the first two weeks of April 2011. The invitation to the survey was deployed via email to the DMA house list, with 325 usable responses. All respondents who completed the survey were given the incentive of receiving this report as well as the chance to win a full conference pass to the upcoming All For One Marketing Summit, June 20th – 21st in New York City. Several quotes within the paper come from an email questionnaire for presenters at the conference, all of whom are preeminent marketers and/or thinkers about marketing.

Nine out of ten marketers have attempted integration

INTEGRATION TODAY

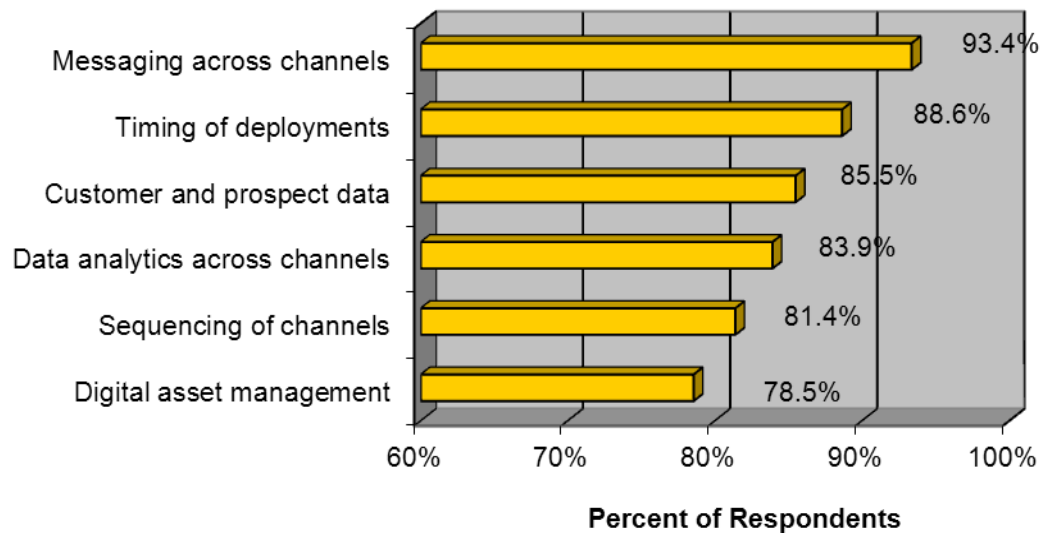
Not surprisingly, nearly all companies use multiple channels to reach their customers.

Over 98% of Marketers Report Using Multiple Media



Slightly more surprising is that more than nine out of ten marketers have at least attempted to integrate the messaging across channels, and nearly as many have begun to align channels deployments.

Percentage of Companies Integrating Marketing Elements



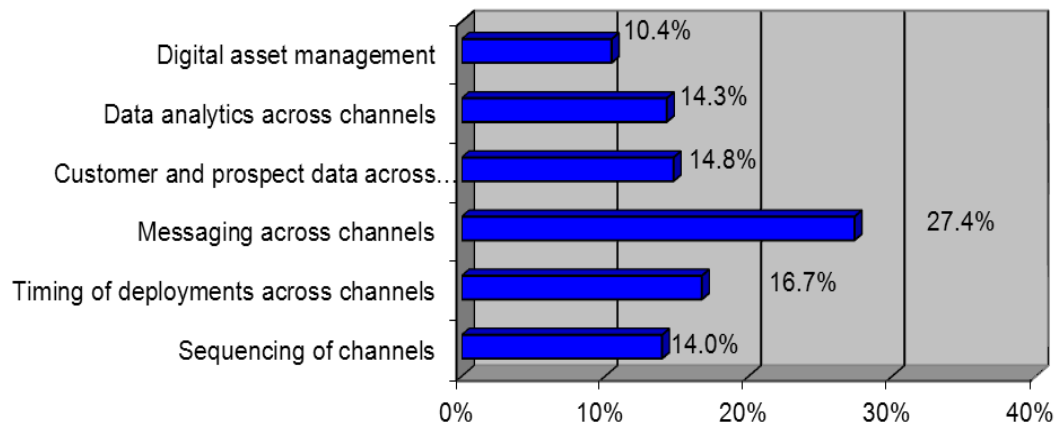
Most marketers clearly have grasped that integration is an imperative. Even in digital asset management – the storage and indexing of all digital marketing creative and intellectual property – nearly 80% of companies have attempted integration. Marketers are trying to walk the walk as much as talking the talk.

“The biggest obstacles to integration are old habits and fear.”

-Tor Myrhen

The effectiveness of these integration efforts is another story. Although most marketers have taken steps to unify their marketing processes, far fewer feel these efforts have achieved optimal results. Of those marketers that have begun to align their messages across channels, only 27% report effective integration. This means that 3 of 4 companies still feel their integration efforts are incomplete – and this in the area where integration is most advanced. In digital asset management, even fewer – 10% – report effective integration. Most other areas of data and channels integration fall closer to the low end of the range than the high. When including answers of “moderately effective integration” in the analysis, the numbers are less bleak (See Appendix). But the overall point remains unchanged: effective integration is still a rarity in the marketing world.

Effective Integration



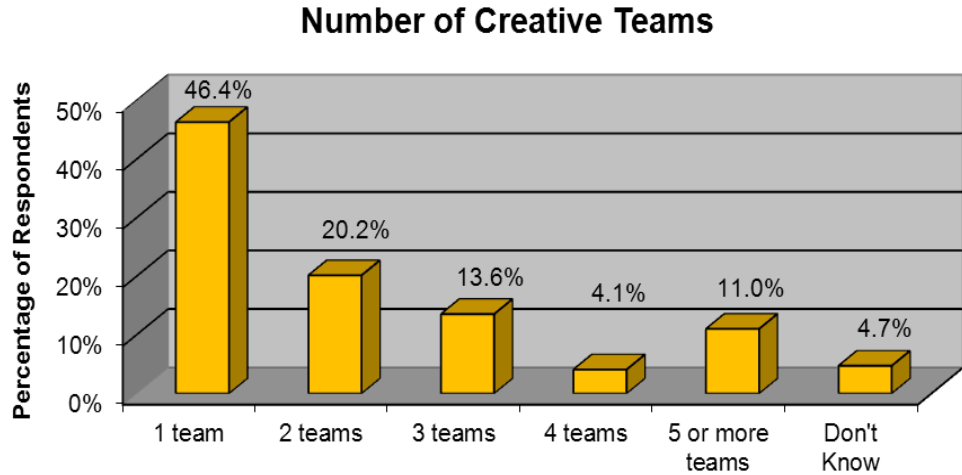
WHAT MAKES INTEGRATION SO HARD?

Two things: Organizational legacies and unclear business rules.

Organizations developed silos for a variety of often good reasons, but in an age of integration, they impede what needs to be done. Breaking down old hierarchies opens the way for more collaboration between teams, but for many organizations, this is a huge challenge. Tor Myrhen, President and Chief Creative Officer of Greygroup and one of the most respected creative minds in the industry, states simply that the biggest obstacles to successful integration are “old habits and fear.”

The hesitation to change comes from more than inertia. It also comes from a lack of clarity on what needs to be done. Many marketers have already tackled the relatively easy task of creating collaborative creative teams. For 46% of marketers, a single creative team is in charge of campaigns across channels, with another 20% reporting two teams.

Nearly half of respondents indicate that one creative team is in charge of campaigns across channels.

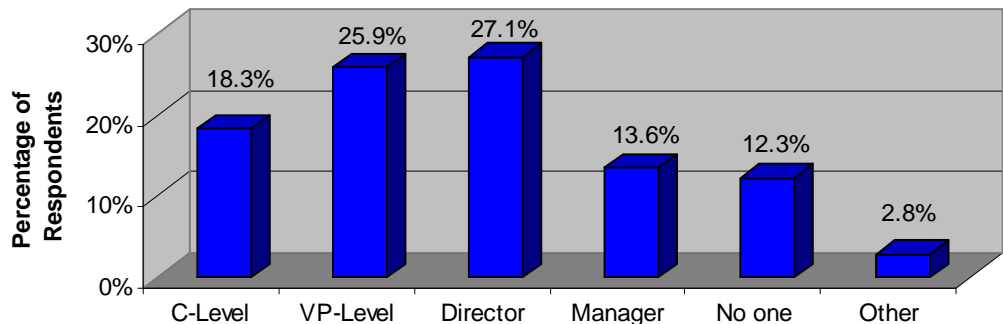


Given the unified structure of creative teams, it is no surprise that integration appears most effective in messaging and channel sequencing. Organizations have moved furthest to accommodate collaboration in these areas.

True integration, however, is about more than just messaging and delivery. According to Rick Greenberg, SVP, Client Solutions at MediaMath, “There are a lot of moving parts: in a fragmented landscape, a lot of technologies have to work together to drive campaign success.” Creating individual customer experiences on a mass scale begins with clear business rules connecting data (including consistent data entry and capture) and creative.

This issue influences the whole organization of marketing and IT, which now need to work hand-in-hand. It’s a complex dance, and it ultimately depends on support and ultimate oversight by someone near the top of the leadership totem pole. For most companies, this is the CMO, or perhaps a senior vice president. Yet less than half of companies give their CMOs or VPs this responsibility.

Who Has Ultimate Responsibility for Aligning All Marketing Media?



“The right integrated marketer has... the flexibility to deal with ambiguity and uncertainty.”

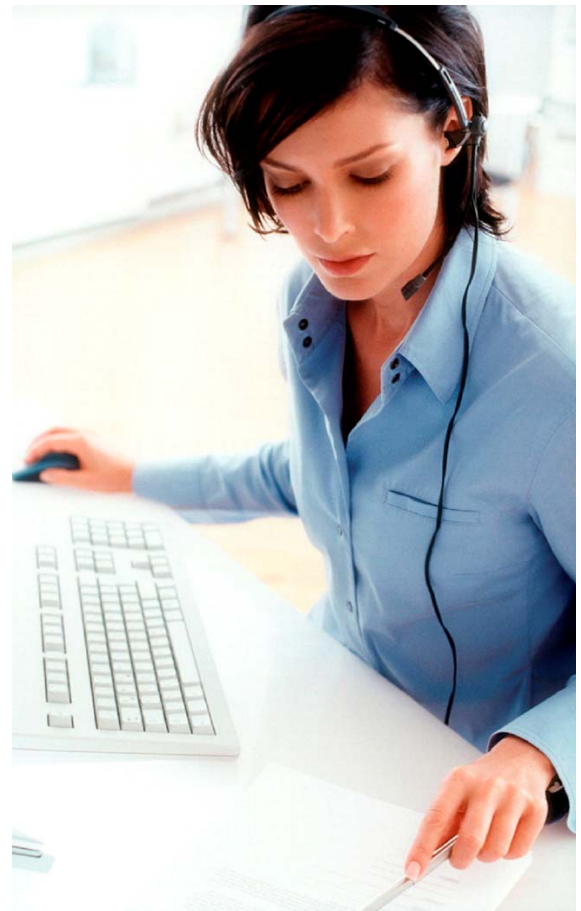
-Dana Wade

Even for marketers willing to take risks, there is inherent complexity in linking the database operations with creative teams. Successful integrated marketers sport a new set of skills, according to Dana Wade, Management Consultant with Spencer Stuart. They need to be both analytical and creative. She adds, “The right integrated marketer has... the flexibility to deal with ambiguity and uncertainty.” In an evolving marketing landscape, there are no off-the-shelf solutions.

THE CHALLENGES AHEAD

Companies face a seemingly contradictory challenge of making their communications both more personal and more automatic. Consumers expect personal and responsive treatment, and at the same time they want instant access to information. Meeting both needs takes different tools but an integrated approach.

Satisfying customer expectations for personal treatment requires bringing customer service more fully into the marketing mix. Social channels platforms have enabled customers to have more authentic and relevant conversations with each other and with companies. They are exchanging thoughts not only about products, but also customer experiences. These conversations can by themselves be great resources for market research, but they also elevate the importance of traditional customer service. Ineffectual customer service can undo the best laid marketing strategies – as countless brands can attest. Customer service agents – and automated customer feedback tools – can also capture real-time customer feedback, provided they have clear data entry instructions and a corporate culture that encourages insights to flow up to where brand and product decisions are made. Any integrated marketing plan should cover customer service and imbue it with the values expressed in the overall strategy.

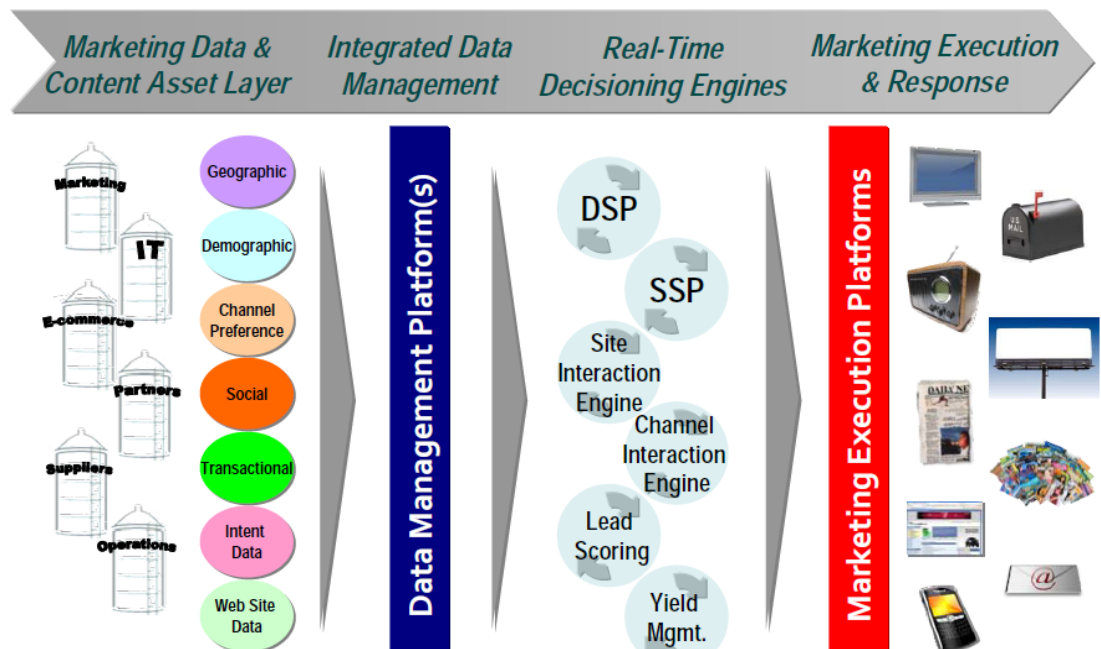


“Integration, supported by aligned marketing IT, will be the engine that drives customer-focused marketing.”

-Bruce Biegel

The second major challenge is speed. Giving customers personally relevant information where and when they want it demands real-time, automated messages. Bruce Biegel, Managing Director with Winterberry Group, foresees the development of a Web 3.0 defined by system-generated content.¹ To achieve this vision, companies will have to fully integrate “Big Data” – the sum of customer data, marketing assets, and web content containing information or thought leadership. Virtually no company has successfully tied all elements of Big Data into a single coherent system. What will companies need to do to fully achieve this? They will need to develop business rules for how all data is entered, analyzed and connected to each other – and to distribution channels. According to Biegel, “At the end of the day, they will need to reallocate people, design new technology platforms and populate them, and make a myriad of business process changes. The CFO, CIO and CMO will all have to work together, aligning the organization around a customer-centric approach to communication.”

Align Marketing Processes, Platforms and People – With a Privacy Compliant and Staged Approach



Courtesy of Winterberry Group

As much as a challenge, integration is an opportunity. The next few years undoubtedly will see a number of technological and organizational innovations that will enable marketers to fully take advantage of what integration can provide them.

¹ For a full review of these points, download “Marketing Transformation: A Path to Real Time Integrated Marketing” from <http://www.winterberrygroup.com/ourinsights/cp>.

APPENDIX

