

InDetail



New Model Marketing—building on experience

A model for exploiting experience that achieves a better marketing ROI

A InDetail Paper by Bloor Research
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Publish date : June 2009

The Think Smart approach is to build a consistent, industrialised process through which to manage the four major elements of the marketing process

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Executive summary

Building businesses on lean management structures can create gaps in the organisation that are not always apparent, such as in marketing. Marketing objectives and strategies can be set by senior managers but there is often a gap between the strategy and its implementation. Many companies will have a good fundamental marketing vision but may not have the right mix of go-to-market skills, or the management expertise needed to collectively drive these functions. A common solution is to outsource to specialist marketing agencies or consultants, but these often have a fundamental weakness—they are geared to utilising a limited, even single, skillset, which may not be the appropriate solution for every marketing project.

The Think Smart operational model is fundamentally different from any other outsourced service, in that its primary objective is to structure a sales and marketing discipline around a client's marketing strategies. The model has been developed to replicate the internal marketing resources required for any particular project. The objective, therefore, is to apply the same philosophies and operational models to marketing that apply to industrialising any process—building a consistent industrialised process that can be applied across the four primary areas of marketing: strategy development, message creation, marketing communications and Business Process Management.

This does run the risk of looking like a 'rip and replace' approach to marketing, where every vestige of the current marketing processes, skills and resources have to be removed. In practice, however, this is not the case, as the model is well suited to being introduced in small pilot projects and then rolled to other projects when appropriate. In this way, clients learn the model and how to apply it themselves.

The bottom line

The effectiveness of marketing is particularly subjective, so a service that is based around trying to match client marketing strategies with both knowledge of what works in many market sectors and management expertise in implementing such strategies is likely to prove more successful across the board than simply utilising one or more specialist agencies or consultancies.

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The actual challenge for every marketing services operation is whether any client company sees an external marketing effort contributing more to the growth and development of the business than the combination of strategic and go-to-market skills that already exist internally. Typically, many companies will have a good fundamental marketing vision, particularly in terms of target markets and users, but may well be weaker in the ability to define a sound marketing strategy that delivers that vision. The most common weak point, even for the largest and well-resourced of enterprises, will be in having the right mix of go-to-market skills coupled with the management expertise needed to implement a strategy cost-effectively.

One of the downsides of building businesses on lean management structures is that, as they grow, operational gaps can appear in the organisational structure that are not always immediately apparent. One such can be found in marketing, where CxO level executives can see the broad spread of marketing objectives and define the broad strategies needed to attain such goals. However, there is often a gap between that definition of strategy and its coherent implementation. Operational managers will have responsibility for specific marketing functions, but will not necessarily have the broader vision or experience to create the management plan that turns marketing strategies into implementations that create a good and timely return on investment.

A common solution to this problem is to outsource specific implementation tasks to specialist marketing agencies or consultants. Where those skills are a perfect match for the marketing objectives of a client company, such agencies can provide an excellent service. It is, however, in the very nature of the agency business model that there is often a mismatch between the actual needs of the client and the specific skills set of the agency. The result is that the 'answer' is always the agency's skill set, regardless of the questions the client's marketing requirements are actually asking.

Think Smart Marketing is not a marketing agency. The implementation of the Think Smart operational model is fundamentally different from any other outsourced service in that its primary objective is to add structure, discipline and specialist management expertise to client marketing services. This runs counter to some general assumptions about the marketing

process, particularly that it requires a high dependency on creativity and flair to achieve the best results. In practice, however, while creativity and flair certainly have a part to play, the marketing process can be addressed in much the same way as any other industrial process if the right management skills are applied and the correct understanding of the granularity within the marketing process exists.

The Think Smart approach, therefore, is to build a consistent, industrialised process through which to manage the four major elements of the marketing process. These start with the development of strategy, and follow on with the creation and validation of appropriate marketing messages. Then comes the implementation phases of marketing communications—which can be highly granular, depending upon the product and the target marketplace—and Business Process Management. With a consistent process across the marketing mix, Think Smart contends that this industrialised management model makes it easier and more straightforward to ensure that a marketing message, for example, is fed through to various elements of marketing communications—advertising and Public Relations, for example—in a consistent manner.

This approach also runs counter to the traditional operational model of any outsourced marketing agency, where the primary objective is to offer a particular set of skills and/or services around which a business has been built. On the other side of this coin can lay the marketing consultants, specialists in areas such as developing strategies but with little direct experience of managing the implementation of those strategies.

If there is a potential weak spot in the company's approach it may be where it runs up against possible psychological responses from clients. Some may see a contradiction in the application of industrialised operational models to marketing, particularly if they perceive marketing as requiring a high level of creativity and flair. In practice, however, that creativity and flair is still required and valued, but becomes a more integral part—a more consistent implementation of a strategy. Some others may see this approach as so fundamentally different from current practices that it inevitably requires the traumas involved in a total 'rip-and-replace' of a client's existing marketing operation. In practice, this is rarely the best way to approach change of any kind. In

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fact, this approach works best via introduction into targeted pilot projects. Think Smart's aim here is to help client staff learn the processes and understand the methodology, so that they can increasingly take over the management of the process themselves.

Product architecture

The Think Smart model has been developed to replicate externally the type of marketing resources the client businesses require for a particular project. The objective, therefore, is to bring together an appropriate horizontal mix of skillsets from internal and third party sources across a wide range of marketing disciplines, coupled with the application of vertical management expertise to ensure that the right marketing approach is selected and the best possible team built to implement it.

Making this work in practice will require additional management skills to those normally found in a marketing agency or consultancy. In practice, many of those businesses play important roles within the operational collectives that Think Smart aims to bring together. To this end, the company contends that it is capable of building a flexible 'industrialised' marketing process that can be scaled and adapted to match the go-to-market needs of businesses that vary both in size and market area. That process is used to build a marketing 'stack' based on its own expertise, combined with the abilities of a wide range of external specialist service providers, whose contribution to a project it manages on behalf of a client. This way, Think Smart claims it can produce a faster and more positive return on investment than any other marketing approach, including in-house operations.

Marketing process 'modules'

In operation, the Think Smart model is based on a layered and integrated capability that can start as early in the process as building a marketing strategy based on the client's fundamental marketing vision. It then manages this through to defining the component functions appropriate for the go-to-market implementation of the strategy. These individual functions can be provided either in-house by the company's own teams or through appropriate third party suppliers. The contributions to a specific project by those third parties are then managed and integrated by Think Smart's core project team. An example of the company's

industrialisation approach is that each of these functions can be identified and managed—whether in house or third party supplier—as individual process modules within the overall implementation process.

The strategic start point

CxO level executives in most companies will have a 'vision', no matter how vague, of what constitutes the target market and what level of market penetration they would like to achieve. In practice, however, the cores for most of them will lie in other areas, such as business management, sales or technology development. It is not uncommon for the essential skills marketing to not be a part of that CxO mix at all. Where it is part of the mix there is often still a significant level of disconnect within a company's in-house resources between the strategy and the skills needed to implement it effectively.

The first module in the Think Smart model, therefore, is the requirement to scope the entirety of a project. This can include helping clients to understand their own levels of ability and skills, particularly in the skills needed to turn a vision into a working reality. This is where flexibility and openness is obviously paramount, for each client business will inevitably be unique in its requirements and the steps needed to implement a marketing vision. The need, therefore, is to identify what the client wishes to achieve and identify the resources it already has available—both in terms of implementation skills and, more importantly, creative and management skills needed to bring implementation projects together as a coherent entity. Think Smart's objective, therefore, is to engage with a client at the most appropriate level, from managing the implementation of a detailed marketing plan through to operation as a 'virtual CMO' helping to define—or more likely redefine—the fundamental marketing vision, then creating and implementing the marketing strategy.

At this level the objective is to work less to a specific brief and instead work to identify the issues and problems that are holding a client back in its marketplace, and from that create the brief. There is always a risk—largely psychological but sometimes real—for a client company management to feel it is losing control and being 'driven by outside forces' in this process. The counter-argument is that much of the risk of implementing marketing strategies can be removed, particularly for those

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businesses without the necessary resources or skills base, by testing ideas against a wide range of highly skilled, deeply experienced individuals.

Independent analytical audit

This is one of the first activities to be undertaken. Here, the client, who can be either an independent business or a company within a larger business, is audited in terms of its existing business strategies, the associated marketing strategies and its sales approach. This identifies and compares what the client business wants to achieve, what it thinks it is doing to achieve those goals, what is actually doing, and what the results are in practice. Through this, issues and problem areas can be rapidly identified and strategies planned to overcome them. These can range from poor implementation, through lack of control over the various processes and on to fundamentally weak strategies.

This is a process that needs to be repeated at regular intervals, typically on a quarterly basis.

Message development

Once a fundamental marketing strategy has been defined the next 'module' is the development of appropriate marketing messages. This process is much more than simply creating a catchy 'one-liner'—no matter how memorable. In practice it requires not only creativity but also wide-ranging experience of what approaches work with chosen market sectors and what do not work. It therefore requires extensive collective expertise to ensure it is done effectively, and is a process that a client has to be prepared to repeat as often as products or market conditions change.

Implementation modules

Once the strategy has been defined and the marketing messages created, the next stage is to start the implementation process. The number of individual implementation stages required will be determined by the specific requirements of every project. Some elements may be performed by in-house departments directly, some solely by third party suppliers, and some by a mixture of both. The important factor here is being able to identify the best approach in each area and manage the integration of each process step as a contributor to the implementation of the whole go-to-market strategy.

Differentiators

The key differentiator for Think Smart is its fundamental approach to marketing through using an industrialised model through which to manage the process. Unlike both marketing consultancies and marketing agencies, the company's operational model is based on its objective of building a scalable, industrialised process for delivering positive results in the client's marketplace—a repeatable, but adaptable, model that can be applied to a wide range of different businesses and target markets. Both consultancies and agencies have a core strength and weakness. The strength they share is their respective skills in their chosen market sectors: some will be skilled in consumer marketing while others work best in high value, slow sales-cycle industrial markets. Some, like the consultancies, will be based around deep knowledge and experience at a strategic level, while agencies will often have a limited, often singular, implementation skill such as event organisation.

For a client company this does mean that, while there are almost limitless levels of skills diversity and expertise available to them, both in-house and via third parties, the management of the gap between fundamental marketing vision and the day-to-day implementation of a working go-to-market strategy is usually lacking. Think Smart describes its capabilities here as 'wrapping its experience round the functional process and managing it'.

That experience is based on two factors: the company's core team with its wide range of skills and deep experience in many marketing management and implementation roles; and the ability to build out from that team by selecting and managing specialist third party service providers that, collectively, gives the right mix of skills and experience to build an effective go-to-market strategy and implement it. In this way it is able to provide clients with the level of marketing support they require—arguably to a level they did not realise they required. This can range from managing and implementing the marketing of a single project, through to becoming what is, in effect, the marketing operation for a business.

Case study

Despite difficult economic conditions and targeting a struggling retail sector, leading e-commerce vendor, hybris, achieved what its VP of Marketing, Robert Clara, claimed was “one of the most successful campaigns we have ever run” with a recent marketing programme run by Think Smart Marketing. The campaign delivered response rates nearly ten times higher than previous activities and achieved the same results in one month as earlier telemarketing campaigns had achieved in six. Also, according to Clara, the leads that reach the sales force continue to be better qualified, making it easier for them to begin a meaningful dialogue with prospects immediately. Now, hybris intends to emulate the campaign across its other European territories and to carry out further, similar campaigns in other market sectors.

From the beginning

Although Think Smart Marketing first engaged with hybris in early 2007, it wasn't until December 2008 that it launched the first integrated marketing campaign on its behalf. This was because, initially, “Think Smart's approach was one step ahead for us [hybris]. In the beginning we mainly focused on PR to build up the brand ‘hybris’. Sales were driven by contacting our potential customers via telemarketing directly,” said Clara, adding, “it was 18 months later when we decided to close the marketing loop for approaching a broader target group and we called Think Smart in to discuss their ideas.”

Senior Account Executive, Andy Wagner, confirms the need for a wider approach. He joined the company in the summer of 2008 and immediately recognised the challenge faced by sales teams when selling complex products. He said, “We went back to Think Smart because we were looking for an intelligent marketing solution. Although we had all of the tools for marketing, we did not have the resources internally to apply them well. We needed to work with people that had the skills and experience. With Think Smart, we can deliver the raw materials and they craft them into marketing messages that work and then get all the moving parts working together. What's more, they do it all better and quicker than we can.”

The approach

The campaign was centred on a commissioned research report from the leading retail analyst group, Verdict, where the aim was to establish credibility, competence and know-how. The cycle began with PR activities to push the messages to the media and generate widespread interest. This was followed by an email campaign supported by a customised and targeted microsite, which, in turn, was coupled with an intelligent tracking system delivering reports on each person's interaction with the microsite. The reports were provided to the telemarketing resource that then followed up directly with all interested prospects. This process continues to deliver well-qualified leads to the sales team, while improving the focus of telemarketing and dramatically reducing the number of telemarketing days required.

Getting results quickly

The first e-campaign launched at the beginning of December 2008, to coincide with the Christmas period, and was deemed successful within a month. In fact, almost 20 per cent of those contacted went on to visit the microsite content and/or download the commissioned Verdict report from the site. A subsequent follow-up mailing to the 80 per cent that did not respond initially was sent out during the third week of January. This achieved a similar level of response and the telemarketing function (managed by Think Smart) testifies to the improvement in lead quality it delivered, and continues to deliver, to the sales teams.

Wagner adds, “This campaign takes a pragmatic approach that is more grown-up and interesting for prospects and that is why we are seeing such a good response. It is more about delivering useful and attention-grabbing content that informs our prospects rather than bombarding them with sales collateral. The great thing is that this approach works over a longer period of time. It's not just about selling today. It does work immediately but it also works over the longer term.”

Case study

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Clara concludes, “This is an integrated approach that uses many marketing disciplines to achieve better results overall. In fact, it is one of the best campaigns we have ever run. We are proving our competence and building on-going relationships with prospects. We have been surprised by the positive reaction of people to the campaign and we will build on that response through the next two stages. Once we have completed the first series, we plan to take the collateral we have built in the UK and replicate it across the other territories in Europe. Then we will target other market sectors using the same intelligent, integrated approach.”

The Vendor

Think Smart was established in 2003, bringing together a core team of individuals with extensive and complementary skills in marketing strategy and implementation management. The objective was to fill a gap in the provision of marketing services between strategy-only consultancies and marketing agencies that predominantly have limited areas of skills and specialisation that are targeted horizontally across all markets.

Vendor background

The drive behind the launch of the company was the increasing tendency for businesses to reduce the head-count, and therefore capabilities, of in-house marketing teams as part of a widespread movement towards operating cost reductions. The objective has been to build, through its own resources and through co-operation with a wide range of partners, teams that can provide the equivalent marketing capabilities for such businesses, either on a project basis or with more long-term relationships.

Customers

Think Smart client base comes primarily from the IT and automotive sectors, with others in the financial sector, pharmaceuticals and the public sector.

Competitors

Because of the fundamental difference between its own business model and any other marketing services provider, Think Smart contends that it does not have any direct competitors. This is because many of the marketing agencies that would seem to be competitors are generally limited in scope by the core skill-sets they have available. These limit the breadth of services they are able to offer clients. Indeed, the company contends that many of those agencies could make expert contributions in their areas of expertise as part of the collective implementing a go-to-market strategy.

It is fair to observe that there are a number of companies that offer a similar model of service—often called a full service—though they are not necessarily direct competitors. Many that brand themselves as full service have some form of inherent restrictions. Some, for example, are geographically limited, focusing on providing a comprehensive service just for local businesses. Others are geared to providing a full service for

a particular market sector. Examples here are Espere, which specialises in Fleet Management service, and G2, which concentrates on consumer sectors.

One possible form of competition comes from full service organisations that have either acquired specialist agencies or grown their own organically, but as separate businesses. An example here is the Adventis Group. The degree of competition will depend on how integrated is the relationship between the individual companies, and the availability of appropriate skills within those businesses, as the natural tendency will be to push business through group-owned channels if at all possible.

It could be argued that the business itself is a potential competitor for its customers—the in-house marketing operations of many businesses, offering a lower cost option to clients considering human resources rationalisation. The company disputes this view, even though it claims to be able to provide a better, faster return on investment at a lower overall cost. Instead, it sees itself as a project-oriented partner for any in-house marketing team. In addition, it does see one of its side benefits being skills transfer between the company and the client's in-house resources. There is potential to help re-skill and up-skill in-house staff, as well as helping to redefine the skills mix needed within the in-house marketing teams.

Partners

Many of the implementation processes adopted by Think Smart for any specific go-to-market strategy will be based upon utilising the expertise of partners. These range across the spectrum of marketing-related expertise, from skilled individuals—such as sector-experienced strategy consultants and specialist writers—to large agencies in areas such as graphic design or direct marketing tactics, and will be selected on the basis of the match between their particular skills and the specific implementation requirements of the go-to-market strategy.

To that end, the company does not have a defined and limited set of business partners in the accepted sense. Rather, operating in partnership with others, as the primary driver of a collective of appropriate businesses chosen to meet specific objectives, the ideology of building partnership-based collectives is at the heart of how the business operates.

Summary

The implementation of any marketing strategy will be a complex and variable mix of skills, knowledge and experience. Few businesses can now afford the operational costs required to sustain that mix in terms of human resources, so other alternatives need to be sought.

One alternative is to select a number of specialist market agencies to provide the implementation skills needed by the strategy. This approach is predicated on the assumption that a clear marketing strategy, coupled with appropriate management skills, is already in place.

Another is to select a specialist consultancy to help define the strategy. This approach is predicated on the assumption that suitable skills will be available to implement it.

In the opinion of Bloor Research a third strategy option is now available in the form of any marketing services provider that can mix significant experience of both marketing strategy development and management of its implementation through to end result. In addition, it must be able to select and manage the most appropriate specialist consultancies and agencies for any particular marketing project in order to build a coherent collective marketing team to work on a client's behalf. Think Smart Marketing is, in the opinion of Bloor Research, a company well-positioned to meet these new requirements in marketing.

Further Information

Further information about this subject is available from
<http://www.BloorResearch.com/update/1029>

Bloor Research overview

Bloor Research has spent the last decade developing what is recognised as Europe's leading independent IT research organisation. With its core research activities underpinning a range of services, from research and consulting to events and publishing, Bloor Research is committed to turning knowledge into client value across all of its products and engagements. Our objectives are:

- Save clients' time by providing comparison and analysis that is clear and succinct.
- Update clients' expertise, enabling them to have a clear understanding of IT issues and facts and validate existing technology strategies.
- Bring an independent perspective, minimising the inherent risks of product selection and decision-making.
- Communicate our visionary perspective of the future of IT.

Founded in 1989, Bloor Research is one of the world's leading IT research, analysis and consultancy organisations—distributing research and analysis to IT user and vendor organisations throughout the world via online subscriptions, tailored research services and consultancy projects.

About the author

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Martin Banks has been an observer and commentator on the technologies and businesses of the electronics and IT industries since 1968. As one of the UK's leading specialist journalists he has observed the development of IT systems and their impact on both individuals and business since the emergence of the first semiconductor memory chips and, subsequently, the first microprocessors.

In that time he has either worked on or written for all the leading publications covering the industry, from trade papers such as Electronics Weekly and Computer Weekly, through to national press such as The Times and Financial Times. He was the first winner of the Times/Hewlett-Packard Technology Columnist of the Year Award, an award he won twice.

Martin recently took on the Infrastructure Implementation brief for Bloor. This refers to the infrastructure and systems required to deliver applications and services to enterprise users, from servers, mainframe systems and data centres through to architectures and operational concepts such as Service Oriented Architectures (SOA) and Software as a Service (SaaS).

Complementing his Bloor work, he now runs his own specialist analysis and writing business. He is still a regular contributor to a number of publications, including Register Developer and IT Week, where he specialises in covering SOA, SaaS and enterprise infrastructure management and implementation. In particular, his focus is the business impact of such technologies.

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