

How Marketing Can Overcome Covid-19 and Stay on Course

April 13th 2020



DRAFT

BAIN & COMPANY 

What we're hearing from our clients



- A lot is being asked of marketers as you try to **balance competing priorities** – connecting with consumers, keeping revenue healthy, while also taking out cost
- COVID-19 is bringing a lot of **hardship** to our communities and **uncertainty** in terms of how severe and how long this crisis might last; this impacts several marketing elements such as:
 - Broken media plans / changes to the budgets
 - Rapidly changing consumer behavior
 - Changes in media inventory and pricing
- In this climate, it is **critical to 'act now'** to protect and run the business today but also **'plan now'** to retool the business for the future
- A marketing org that is **quick to make decisions, leveraging real-time data and in-market testing**, will help address short term needs, but also support your long term plan

Responding COVID19:

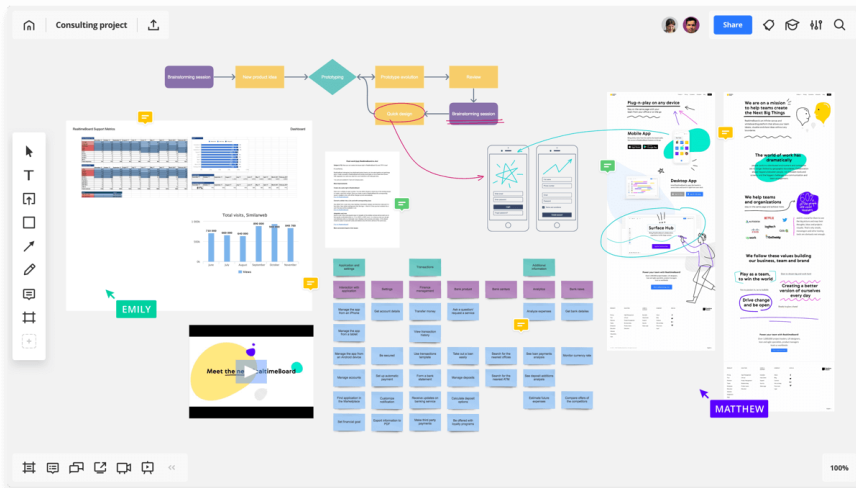
“Act Now” to protect teams, consumers, and the business; and “Plan Now”

ACT NOW to protect and run the business today

PLAN NOW to retool the business for the future

“War room”

- Connect with your customers and their needs
- Keep your revenue healthy
- Take out cost while re-investing in consumers
- Adjust ways of working



“New normal” transition

- What consumer and other changes will persist?
- What is the ‘new normal’ marketing strategy and media plan, especially if there is an extended recession?

- **What operating model do we need to thrive in the new world ahead?**
 - How to set up clear roles and responsibilities to make fast, high quality decisions?
 - How to adjust your teams ways of working to be more agile and nimble?
 - How to “future proof” your capabilities, incl. how to balance in-vs. outsourcing?

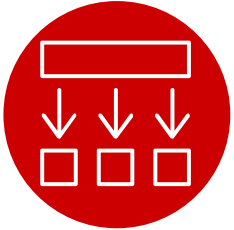
Focus for today

Roles: Clear up roles and ownership of decisions

What marketing leaders are doing?



- **2.8X** more likely to align strategy to customer priorities



- **3.3x** more likely to empower their employees to make decisions



- **1.9x** more likely to have clear decision processes in place



- **2.5x** more likely to have built in flexibility in the budget to adjust to the market and competitors

Examples

- **CabCo:** Took complete inventory of marketing activities – brand, performance, digital, traditional, etc. Redesigned what activities truly needed to be done and what the optimal “center of gravity” was for that activity

Cab Co: data analysis identified significant opportunity in cross-sales

EXAMPLE DECISION RIGHTS

Key decisions	VP ROM	SR GM	CCO/CMO	SR Mktg	Why Dec?
Budget Allocation					
• How much Marketing budget should be allocated to Global Marketing Activities (as defined in recommended framework)? (Q1 and Q2)?	C	I	I	I	
• How much Marketing budget should each SR have and when?	C	I	I	I	
• How much Marketing budget should each SR have and when?	C	I	I	I	
Planning					
• How should we allocate budget across Marketing objectives (e.g. Brand building, engagement, performance) in a SR? (SR level)?	A	I	C	I	
• Campaigns: What campaigns should we run and should they be acquired for a given SR?	I	C	I	I	
• Campaigns: What SR-specific campaigns should we run (if any)?	I	C	I	I	
• CRM: What CRM communications should we send and should they be acquired for a given SR?	I	I	C	I	
• CRM: What SR-specific communications should we send (if any)?	I	C	I	I	
Execution					
• Creatives: Who should develop the creatives best?	I	I	C	I	
• Media planning and buying: What media should we buy? What is the reach and frequency?	I	I	C	I	
• CRM execution: What is our communication cadence? What is written in the email?	I	I	C	I	

Clarified decision rights on top 5-10 decisions within marketing and between marketing and other functions
Empowered only one "C" and "I" for each decision
Building our global marketing program on decision-effectiveness now

- **Media Co:** Redefined strategic planning process; clarified roles of centers of excellence vs. regional teams in both strategic planning as well as campaign process

Based on RAPIDS, Bain's POV on decision rights for the campaign process aims to address inefficiencies and lack of clarity (2 / 2)

CAMPAIGN OP MODEL

	Local Campaign Strategy / Brief	Local Media Plan / Buying	Local Creative Dev / Testing	Local Campaign Production	Local Launch	Learn & Adapt
Agencies	Input	Input	Input	Input	Input	Input
Central product team	Agree	Agree	Agree	Agree	Decide	Decide
Country director	Decide	Decide	Decide	Decide	Recommend	Recommend
Head of IM	Input	Input	Input	Input	Agree	Input
Consumer Insights	Input					Input
Data Science	Input					Input
Creative Planning	Input	Recommend	Perform			Input
Creative	Input	Perform	Perform	Perform	Perform	Input
CRM / CMO	Input	Input	Input	Input	Input	Input

Ways of working: Rewire testing / decision making to make your teams more agile

What marketing leaders are doing?



- **1.6x** more likely to have cross-functional teams centered around the customer



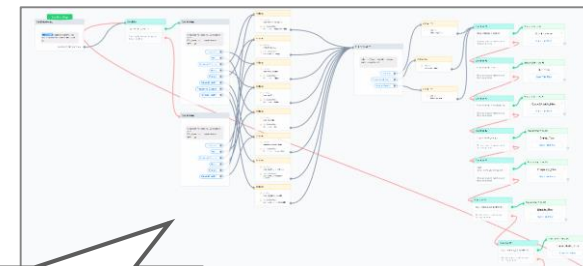
- **2.7x** more likely to use test and learn to optimize campaigns



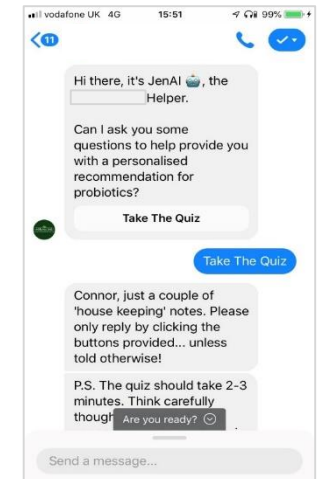
- **2.3X** more likely to use T&L results for budget allocations

Examples – Vitamin and Supplement Co

- **>50 tests a month**, run, optimized and scales
- **63% sales growth YoY**
- **Agile ways of working created**, embedded across the business
- **Significant new technology utilized**, inc. chatbots and hyper-targeted DOOH



Question flow coded into personalisation tool



Ways of working: The need to be faster, more dynamic and more data-driven

SHIFTS IN MARKETING STRATEGY

Long lead-times 3+ months	>	Real-time “newsroom” model A few days
Collaborative decisions	>	Rapid-fire, autonomous decision-making
“Big bet” culture \$3M for one campaign	>	Continuous experimentation \$3M for 20+ campaigns
Mass-market campaigns 4-6 campaigns/year	>	1:1 conversations 100+ campaigns/year
15-30 second video ads	>	6-10 second video ads
Pay for exposure	>	Pay for performance

INTEGRATE & TRANSFORM



Integrated, cross-functional marketing capabilities



Constant tracking and experimentation



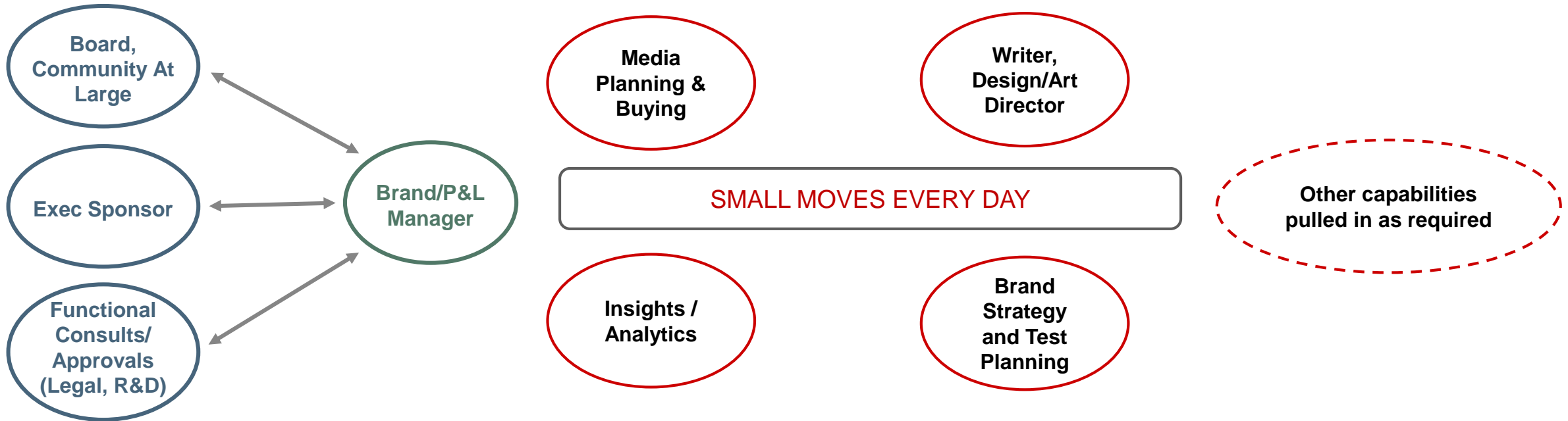
Analytics for marketing ROI



Fast and dynamic execution

Ways of working: A range of talent is required to work in agile

- Daily Immersion
- Weekly Deep Dive
- Monthly/Steerco



Daily rhythm with multi-skilled teams
Seats filled through a combination of internal talent and external partners

Capabilities: Own your data, insights and consumer connection, plus, make sure to align with your partners on objectives and incentives

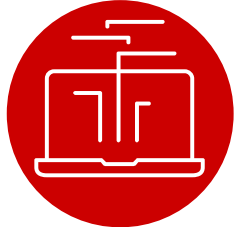
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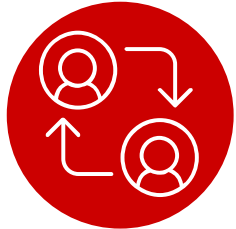
- **3x** more likely to have the right digital marketing expertise



- **2.5x** more likely to have the right analytics talent



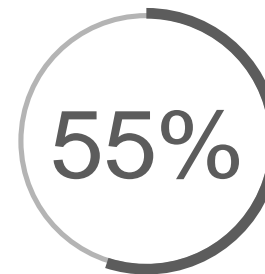
- **2.1x** more likely to manage mar/ad tech within marketing



- **1.6x** more likely to integrate partners in strategic processes

Example - Financial Co

- Used **multi-variate testing** to focus 50+ offer and landing page combinations to max lead quality
- Created **sales team training** to match influx of new interest by channel & product
- Developed **educational seminars, online playbooks, and “pre-built” local campaigns**
- Stood up **multi-touch attribution and lead scoring in internal CRM**



55% Decrease in lead costs without losing conversion quality

Capabilities: Six critical steps to enhance your capabilities



Identify the current data and technology gaps



Define a data strategy for your business



Enrich relationships with data partners



Aggregate data assets to maximize growth



Attract and retain digitally enabled talent



Invest into innovations

Questions

