



BRAND LEARNING

Sharpen Up Your Act in Marketing



Andy Bird and Mhairi McEwan, Co-founders and joint Managing Directors of BRAND LEARNING, explain why in the months and years ahead, businesses might do better to sharpen up their act in marketing to help drive demand rather than simply cutting heads to reduce costs.

The media right now is full of stories covering the impact of the credit crunch, of recession and of business failure; newspapers packed with companies losing in the battle for consumer confidence and having to cut jobs and close up shop.

Yet to reference Abraham Lincoln's words of wisdom; *"Give me six hours to chop down a tree and I will spend the first four sharpening the axe"* (1809-65), in the days and years ahead, rather than simply cutting heads to reduce costs, businesses might succeed better if they sharpened up their act in marketing to prepare themselves better to compete for the available customer spend.

Whilst the media berates the lack of growth, there has been scarce coverage of what could or should be done about driving growth. And next to nothing on where businesses should start in the battle to rebuild consumer confidence.

We believe that sharpening marketing skills to build competitive edge will be essential to winning greater share of customers' purchasing power in the months and years to come.

In that context, Marketing has never been so important or under so much pressure to deliver growth, yet so ill-prepared to do so. In addition to recession, a raft of other challenges like globalisation, media fragmentation and the rise of digital media are combining with internal challenges like cost-cutting, organisational turmoil and loss of corporate memory to make marketing harder than ever.

Why excellent marketing can make the difference

The best way to create enhanced shareholder value is to generate top-line growth by increased levels of customer demand. Creating superior customer value is vital to long-term business success and underpins the longer-term delivery of sustained shareholder value. We believe the role of marketing is to drive demand-led profitable growth by leading the continuous process of customer insight, engagement and brand building that helps the whole organisation deliver superior customer value.

Organisations spend billions of pounds on marketing, so it's incredible that focus on improving the quality of the marketing skills and decision making that lie behind these investments has only relatively recently made it onto the radar of top CEOs and CMOs. In 2006, the accumulated spend of the top 10 countries by advertising expenditure reached \$363 billion. It is big money, bigger than the GDP of many countries. But is it wisely invested?

We believe the time has come to add some well-needed rigour to marketing and to invest in marketing capabilities to drive better effectiveness and cut-through of these major corporate investments.

Marketing capability development is a relatively young discipline yet it is a powerful one - helping an organisation sharpen up its operations and equipping it to excel at customer-centric marketing. It demands a practical approach to driving business growth that inspires tangible change, making marketers, and those around them who support marketing, better equipped so they can more effectively and more efficiently drive demand-led growth.

It is critical to business performance that marketing delivers. When marketing flails and flounders, so will the business. While costs can be cut to enhance bottom line profit in the short term, the effectiveness and cost-efficiency of marketing investments may also decrease and, more importantly, top-line revenue growth will stall as customer demand stagnates.

Unlike conventional training, marketing capability development tackles not just individual skills but the most important and weakest organisational marketing capabilities. By investing in marketing capability development, organisations can ensure that their marketing efforts are much more cost-effective, better leveraging skills and internal best practice and enhancing impact and performance externally. But does it really make a tangible difference? Where's the proof?

A story of transformation and growth

Akzo Nobel, formerly known as ICI Paints, together with BRAND LEARNING, leading international specialists in marketing capability development, were awarded the overall top award, the Grand Prix, as well as the Marketing Capabilities Award in The Marketing Society's Awards for Excellence 2008, for "pushing the boundaries of what marketing can achieve".

Akzo-Nobel and BRAND LEARNING won the Grand Prix because of the dramatic way in which the marketing function was transformed and delivered clear impact on the financial performance of the business. From slowing growth and declining brand shares, the business was turned around to deliver compound annual growth of more than 5% over a three year period to become the global leader in decorative paints.

For world-class organisations like Akzo-Nobel, marketing capability development is not about investing in a 'training programme'. It is a strategic investment in driving demand-led growth by actively building organisational capabilities, with direct CEO and CMO sponsorship. It ties closely into business objectives and it is planned with as much focus and effort as are the extensive funds that marketers control.

Driving profitable demand-led growth

It is not only Akzo-Nobel that is investing in marketing capability development. Today, many world-class organisations are building marketing excellence strategically to better drive demand-led growth.

For anyone with a rudimentary understanding of business, it is clearly not enough in these days of credit crunch and recession to look to spend your way out of trouble. Marketing capability development can make the difference between a performing and a failing organisation. By focusing on sharpening marketing capabilities, companies can begin to build the competitive edge needed to deliver demand-led growth despite the challenging economic times in which we now live.

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BRAND LEARNING are leading international specialists in building marketing excellence.

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