DIGITAL RADISH

# MARKETING DNA FOR FAST GROWING BUSINESSES.

Senior marketers give insight on the role marketing departments play in overall business growth. We reveal that businesses where marketers help set overall business strategy perform better than those who don't.

ALF INSIGHT
POWERING BUSINESS GROWTH

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# WHAT ROLE DOES THE MARKETING DEPARTMENT PLAY IN OVERALL BUSINESS GROWTH AND HOW RESPECTED ARE THEY WITHIN THE BUSINESS?

# THE DNA OF THE MOST SUCCESSFUL MARKETING DEPARTMENTS – WHAT ARE FAST GROWING BUSINESSES DOING DIFFERENTLY?

# WHERE DO THEY SEE THE FUTURE OF MARKETING AND THE ROLE OF TECHNOLOGY WITHIN THE NEXT 5 YEARS?

## FOREWORD

**In recent years, client-side marketing departments have been under increasing pressure: maintaining their place at board level while marketing spend and head count are constantly being scrutinised.**

Here at Digital Radish we were keen to understand how all this change has impacted the way marketing is viewed by the wider business and more importantly, the CEO. We partnered with ALF Insight to survey over 75 senior marketers to gain insight into the above questions.

This report covers marketing's role in business growth and how valued the department is. Marketers' influence can be attributed to their firm grasp of numbers, use of technology and hard work. They are also working side-by-side with marketing agencies to achieve the best results.

We isolated answers from the survey respondents that said their revenues were growing compared to those whose businesses were declining in size or staying the same. This enabled us to pinpoint the behaviours of fast growing businesses and their marketing teams that were experiencing success.

Find out how your business compares and learn how to gain the credibility that your team deserves in this exclusive report.

We hope you enjoy the read!

Lorna Charlish & Renaye Edwards
Co-Founders of Digital Radish





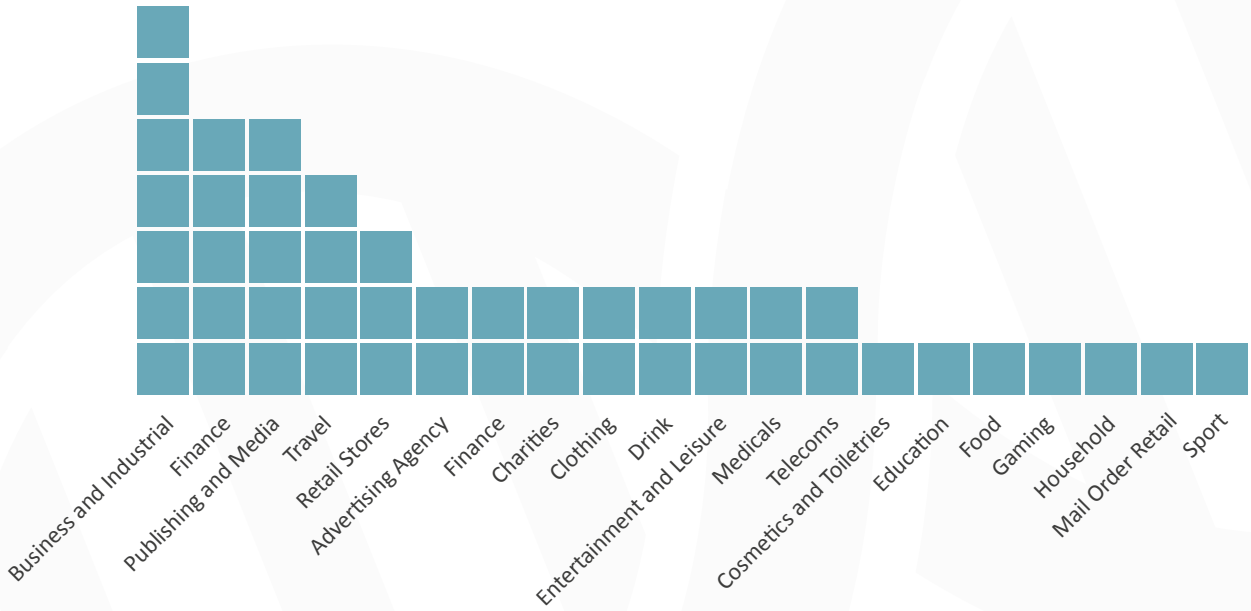
# OVERVIEW - AUDIENCE PROFILE

WE SURVEYED OVER 75 IN-HOUSE, CLIENT-SIDE MARKETERS TO FIND OUT:

- How their business was performing
- The structure of their marketing department
- Marketing's influence over the strategic direction of the company
- How the marketing department is valued within the company
- How marketing is utilising the latest technologies and expertise of external agencies

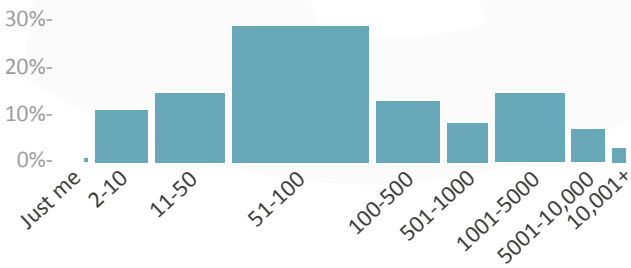
## SECTOR:

Top sectors: Business and Industrial, Finance, Publishing and Media




## SIZE OF BUSINESS

Roughly how many employees does your organisation have?




## SENIORITY:

# 80% SENIOR MANAGER OR ABOVE

# BUSINESS BENCHMARKING:

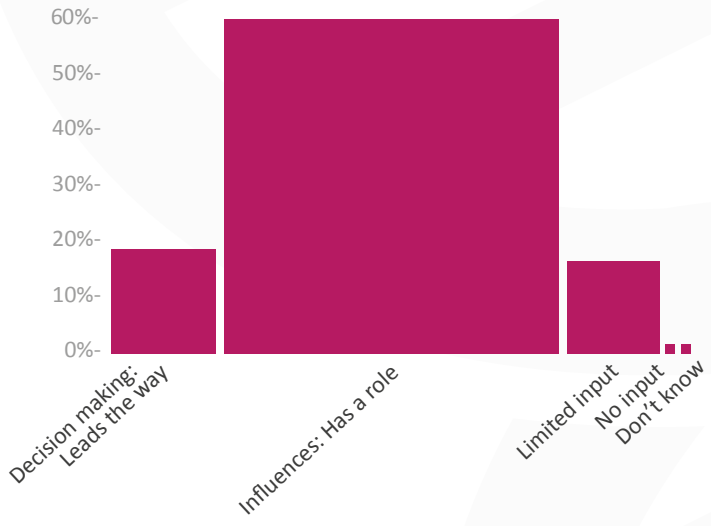
## HOW DOES YOURS COMPARE? REVIEWING THE DNA OF THE MOST SUCCESSFUL MARKETING TEAMS.

## UNDER THE INFLUENCE

**The debate about how marketers are perceived by other business leaders rumbles on. However, according to our research, there is a simple fact to consider: businesses where marketers are taking a role in setting overall business strategy perform better than those who don't.**

Our survey revealed that in 87% of fast growing businesses, the marketing function has an influential or decision-making role in setting overall business strategy. In businesses without a strong growth trajectory, this figure drops to 69%. Clearly, the customer insight, data and expertise that marketers can provide has never been more critical in enabling business growth.

What role does the marketing function play in setting overall business strategy?




**FAST GROWING BUSINESSES HAVE MORE INPUT FROM MARKETING LEADERS**

**According to Deloitte[1], 81% of CEOs see marketing as a key driver of growth, but this recognition does not extend throughout the company with 77% of marketers feeling that employees do not fully appreciate the value of marketing[2]. Similarly, our survey found that 57% of marketers feel they are not as respected as they could be, which demonstrates the need to change the profile of marketing within businesses.**

When asked how respected the marketing function was with senior management, the majority of respondents answered 'somewhat respected'. 41% of marketers believe they are very respected, 54% believe they are somewhat respected and just 3% think they are not respected.

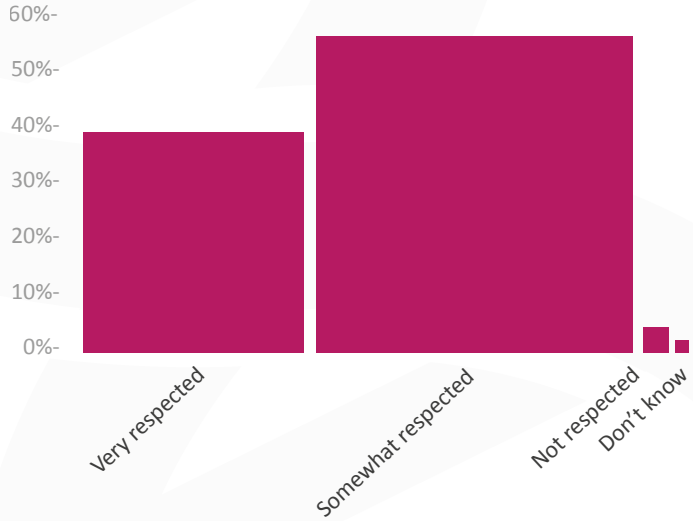
Where marketers are respected in the business, this is attributed to a variety of factors, with 52% believing it is due to having credible leaders within the marketing department.

Increasing pressure to commit to tangible business goals (both within client businesses and agencies) means that marketers need to know their numbers. Marketers in fast growing business are 39% more likely to have a strong grasp of business targets and actuals than in less profitable businesses.

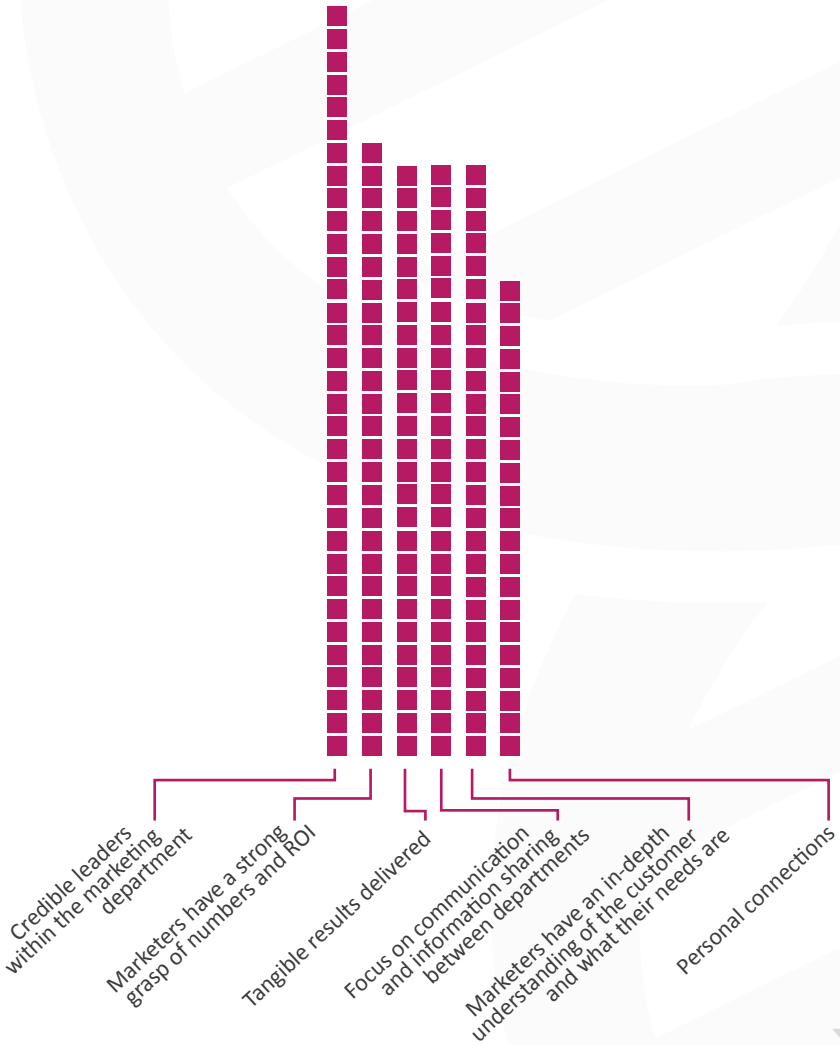
This shows that credible leadership style is more important than the actual results delivered. So as long as marketing leaders seem authoritative and know what they are talking about, results delivered at the end of a campaign are a secondary factor when it comes to judging the role marketing plays.

"If you consider marketing in its simplest definition to be the activity of identifying a market and selling into it, it follows naturally that marketing leaders belong at the heart of setting and influencing business strategy because without the market there can be no business."
*– Tom McMullen, Director, MBI (ALF Insight)*

## How respected is the marketing function with the senior management?




## Where marketing has a strong and respected role in the organisation, what do you attribute this to?




**57% OF MARKETERS FEEL THEY ARE NOT AS RESPECTED AS THEY COULD BE**

[1] Deloitte
[2] Deloitte

# NEW MARKETS, NEW VENTURES

67% of businesses have seen a revenue increase in the last 12 months. 8% reported that their revenue stayed the same, with just 5% reporting a decrease.

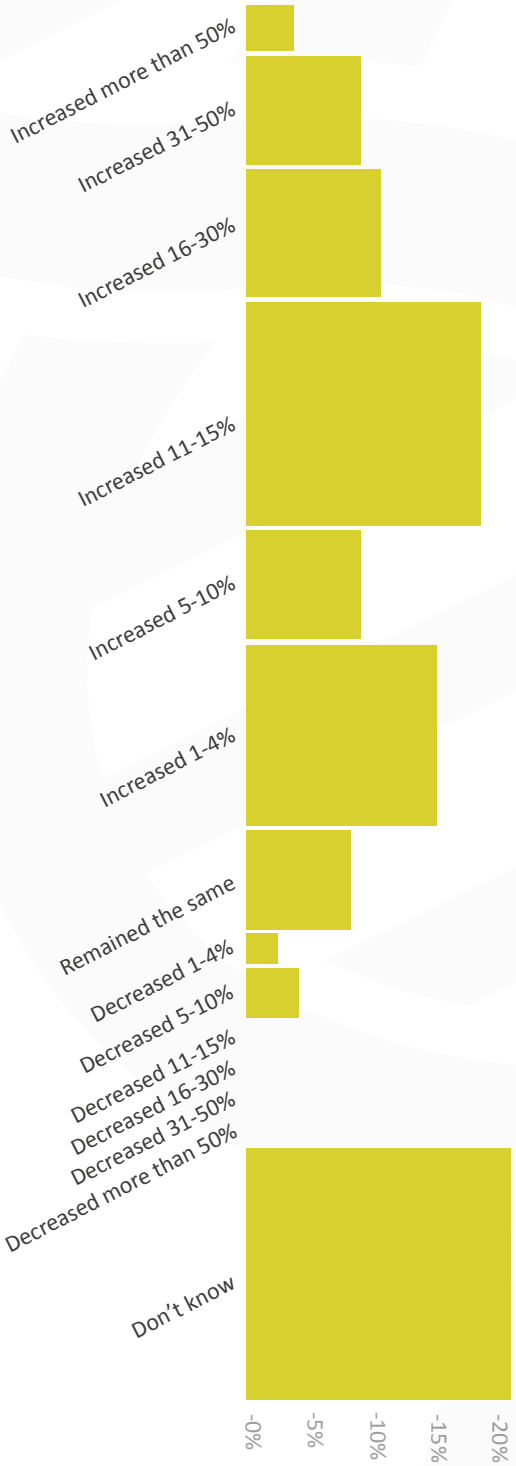
37% of businesses attributed their growth to launching into new markets, demonstrating the value of looking to new ventures.

Our report finds that successful businesses are 22% more likely to be launching into new markets than the average.

With over 556,00 start-ups launching every month[3], this is putting pressure on larger organisations (particularly in the technology industry) to reinvent themselves, evolve their products and expand into new emerging markets. Countries that have seen the highest number of new entrants include Brazil, China and the US.

Launching into a new market or sector should not be taken lightly. For more information on how to successfully launch into a new market or sector check out Digital Radish's report on 'Cracking new markets' here.

How has your revenue changed over the past year?




**THE MAIN REASON FOR THE ORGANISATION RESPECTING THE MARKETING DEPARTMENT IS CREDIBLE LEADERS**

[3]Rivalfox

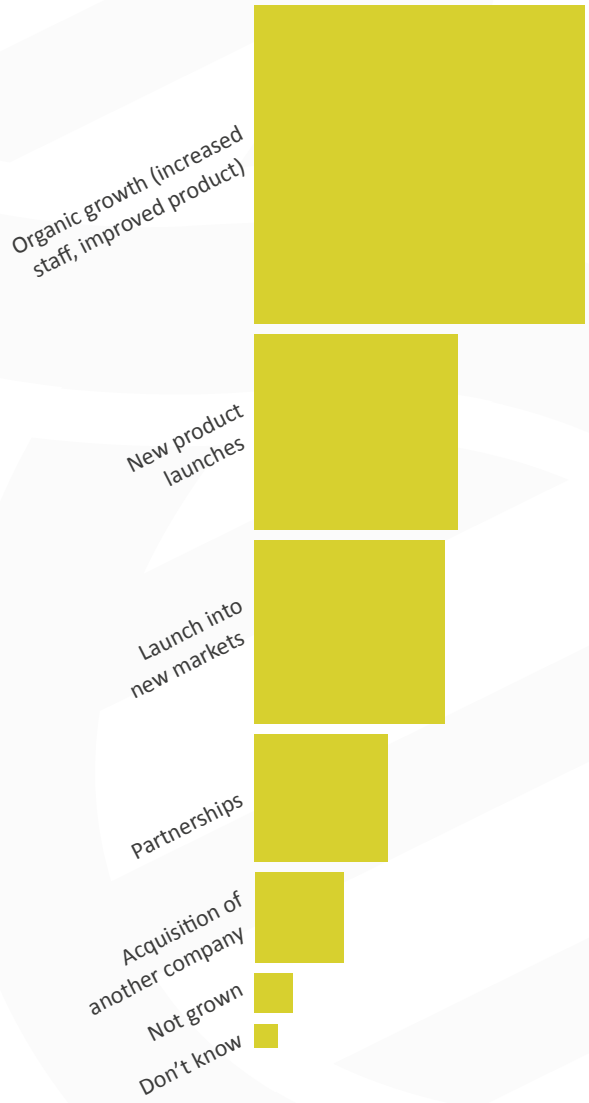
In terms of where this growth has come from, the majority of businesses (62%) have grown in the last three years due to organic growth. This includes factors such as an increase in staff and improved products. Despite the excitement of new launches, extensions and acquisitions, the fastest growing businesses are those that keep a clear focus on their core.

Senior business leaders named organic growth as the main driver for success, outstripping acquisition of another company, new product ventures and launches into new market. 61% of businesses overall have attributed an increase in staff and improved product to their success, whereas this grew to 74% among the fastest growing businesses.

37% of businesses attributed their growth to launching into new markets, demonstrating the value of looking to new ventures. Our report finds that successful businesses are 22% more likely to be launching into new markets than the average.

Forging new partnerships allowed 25% of businesses to grow while acquisition of another company sparked growth for only 17% of businesses. Just 6% had not grown.

How has your business grown in the last three years?




**37% OF BUSINESSES ATTRIBUTED THEIR GROWTH TO LAUNCHING INTO NEW MARKETS**

# BUDGETING FOR SUCCESS

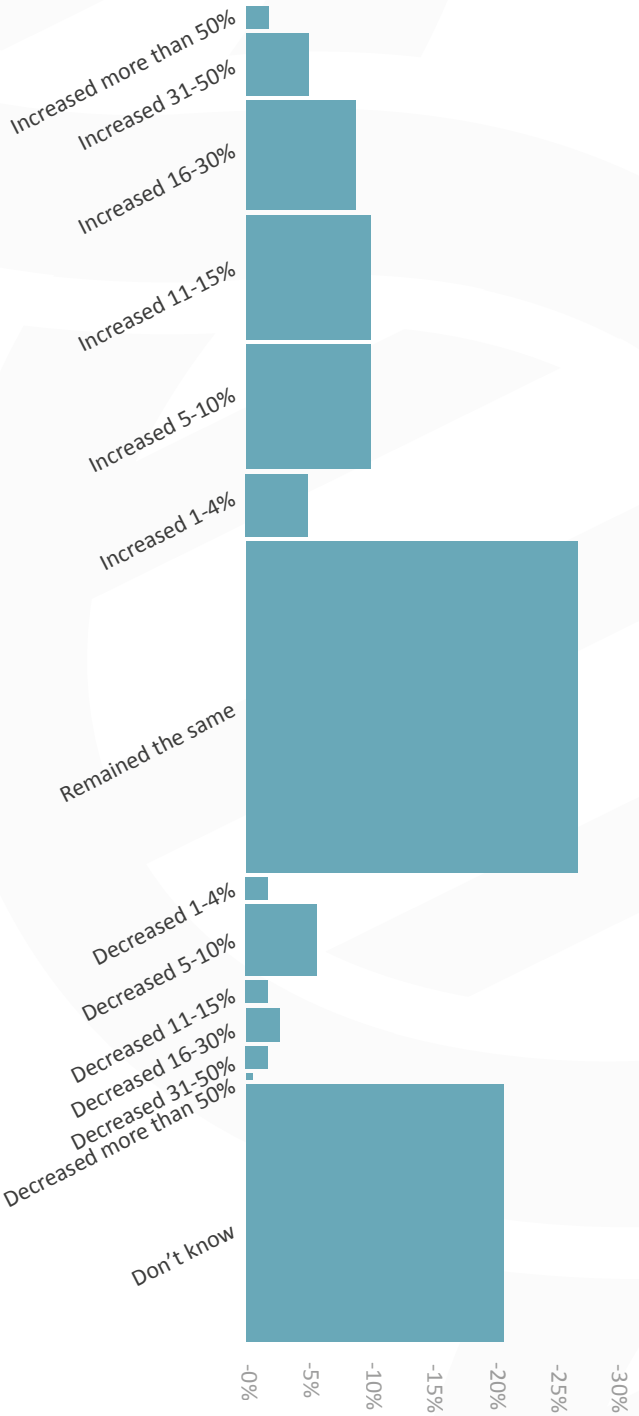
There is a correlation between businesses that have grown and those that have seen their marketing budget increase. As budgets increase, so does business growth. Overall, more marketers saw an increase in budget than those who saw a decrease: 38% of respondents stated an increase, 27% stayed the same, while only 14% saw a decrease.

According to Gartner[4], on average, companies spend 10% of their annual revenue on overall marketing activities.

Worryingly, 21% didn't have a view on their marketing budget and did not know if their budget had increased or not. According to IAB[5], 57% are not basing their marketing budgets on any ROI analysis.

"Working for a large corporate organisation means that as marketers, we are constantly being challenged on business targets, actuals, conversions and ROI. The foundations of building a solid CRM strategy to enable effective execution and tracking is hard work, but absolutely essential. The upshot is that it enables us to legitimately increase our marketing budget to account for the higher target."
*- Robyn Ashman, Marketing Director, Planet Retail*

Please indicate how your marketing budget has changed since last year?




**21% DID NOT KNOW IF BUDGET HAD INCREASED**

[4]Gartner
[5]IAB

# TECH FIRST

It will come as no surprise that fast growing businesses are almost twice as likely to actively support the adoption of new technologies and digital tools.

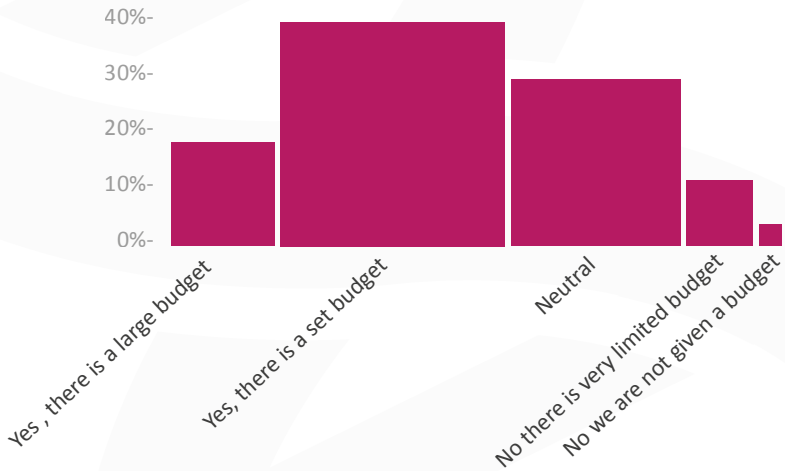
The majority of businesses have a set budget for the marketing department to purchase new technologies and tools, with 40% having a set budget and a further 17% having a large budget with unlimited spend. 29% said their company was neutral when it came to new technologies and 11% had a very limited budget. Just 3% were not given a budget to spend on new technologies and tools.

The majority of marketers feel technology improves the efficiency of their team, with 98% investing in some form of technology. Website and related tools, including CMS, have been the most popular investment with 70% of marketers purchasing them. Also popular was 56% investing in data and social analytics, 54% in CRM and 52% in email/SMS service providers.

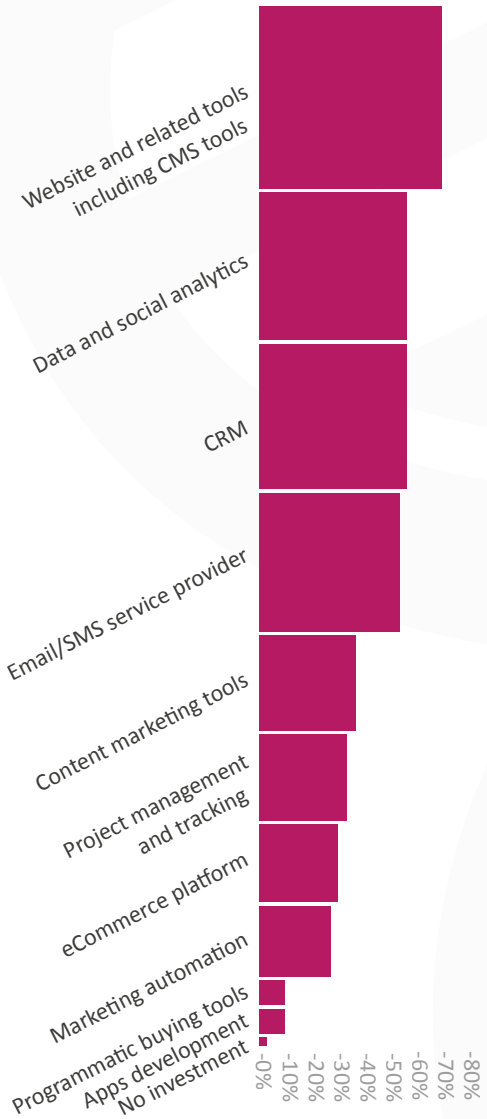
35% invested in content marketing tools, 33% in project management and tracking, 32% in eCommerce platform, 29% in marketing automation, 11% in programmatic buying tools and 11% in app development.

It's not surprising that so many invest in their website, as it is the core of most businesses. A poorly functioning website can directly affect business: 65% of web users do not shop on a poorly designed site[6] and 40% of people abandon a website that takes more than three seconds to load[7]. Businesses need to ensure that their brand shop window is presented in the best possible way to portray their brand in a positive manner.

## Does your company actively support the adoption of new technologies and tools?




## What type of marketing technology have you invested in?




**29% OF MARKETING DEPARTMENTS HAVE INVESTED IN MARKETING AUTOMATION**

**56% OF MARKETERS HAVE INVESTED IN DATA AND SOCIAL ANALYTICS**

[6] Netxtra
[7] Kissmetrics

With the dawn of Big Data and the software to process it, 72% of marketers believe that Big Data will have a high level of impact on their business, with 42% believing they are able to leverage all data and analytics available to improve marketing effectiveness.[8] According to IAB[9], 91% of senior corporate marketers believe that successful brands use customer data to drive marketing decisions.

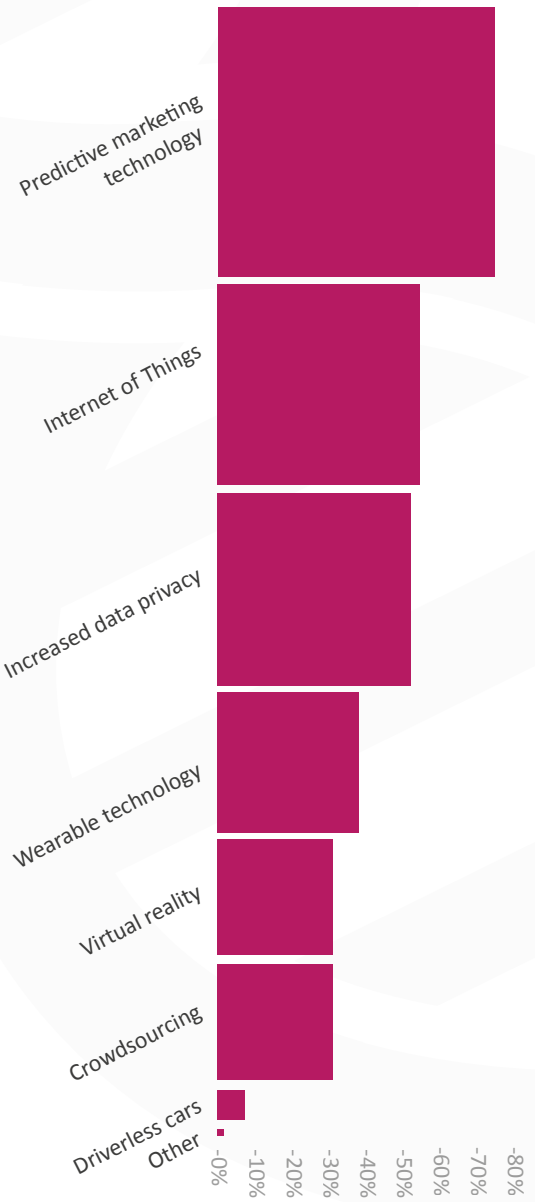
However, with the ever-increasing amount of data at their fingertips, 71% of CMOs feel painfully underprepared to handle the explosion of data under their roof, according to IBM[10]. Marketers need to establish an effective way to collect, collate and process this data to their advantage in order to drive their marketing decisions.

Looking to the future, senior level marketers believe that predictive marketing technology will have the most impact on the way businesses engage with customers in years to come with 73% putting their faith in predictive technology. According to SAP[11], predictive analytics can increase response rates by 40% and increase lead nurturing effectiveness with content analytics by 100%.

55% also believe that the Internet of Things will affect the way businesses engage with their consumers. This looks likely as by 2020, there will be between 26 billion and 50 billion devices connected to the internet, based on estimates from Ericsson and Gartner[12]. Comparatively, human population will reach 7.6 billion, meaning there will be more than three connected devices for every human on the planet.

Predictive marketing technology will enable a firmer grip on their budget and campaign planning for the future by being able to tap into what consumers are looking for. The prevalence of the Internet of Things means that marketers who adapt to a whole new way of sharing information will be the ones who thrive.

Which technologies do you think will impact the way businesses engage with their consumers over the next ten years?




**75% OF BUSINESSES SEE PREDICTIVE MARKETING TECHNOLOGY AS THE BIGGEST DISRUPTER**

[8] MBVermeer
[9] IAB
[10] Dartmouth (IBM)
[11] SAP
[12] Vidyo

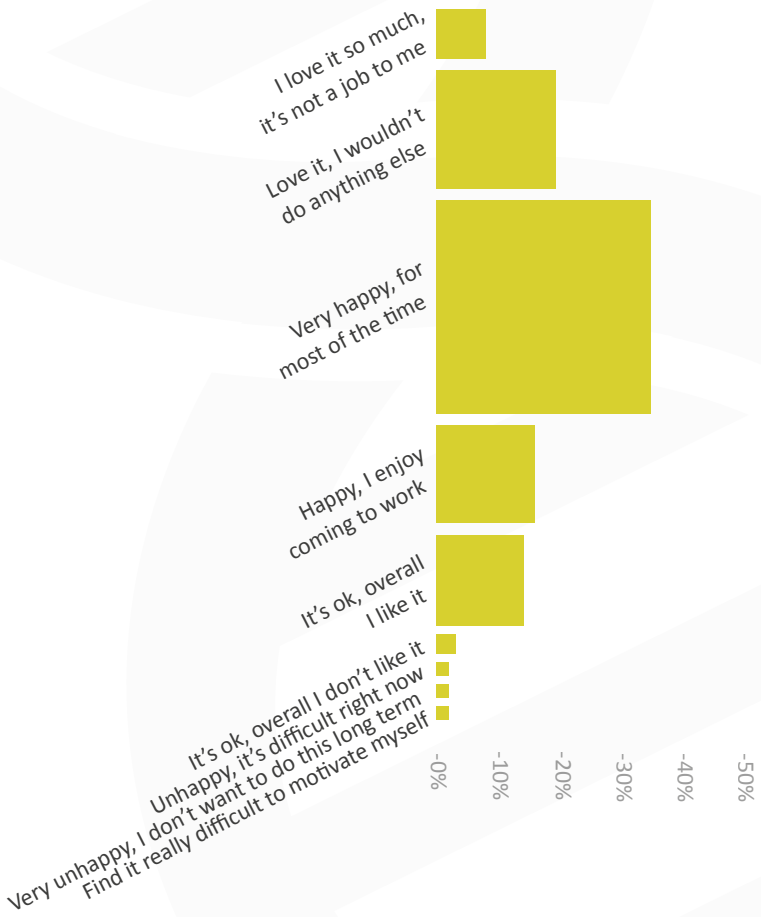
# IF YOU'RE HAPPY AND YOU KNOW IT

When looking at marketing metrics, one metric is harder to define than others – happiness. Yet it is critical. In fact, 88% of marketers in fast growing businesses describe themselves as happy in their role versus only 55% in low growth businesses.

8% say they love their work so much it doesn't seem like a job, 19% love the job to the extent that they wouldn't consider doing anything else and 35% enjoy their work most of the time. None of our respondents dread coming to work every day and just 2% find it difficult to motivate themselves and 2% don't want to work in marketing long-term.

As CIM[13] highlights in their Marketing Mix report, "Happy, skilled and motivated staff make happy customers." By keeping staff positive, this will be reflected in their work, which will translate to customers. Among the buzzwords of digital transformation, automation, predictive technology and data, the old fashioned values of human happiness can't be ignored.

How happy are you in your role?




**ONLY 55% OF MARKETERS DESCRIBE THEMSELVES AS HAPPY IN LOW GROWTH BUSINESSES**

**92% OF MARKETERS ENJOY THEIR JOB**

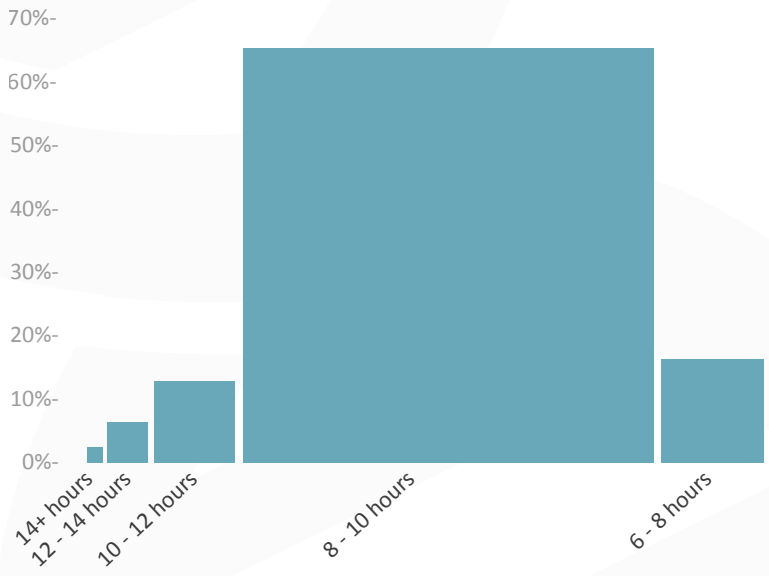
[13] CIM

# WORKING ROUND THE CLOCK

Marketers are very hard working, with the average marketer working 8 – 10 hours a day. 64% work 8 – 10 hours a day, with 84% working 8 hours or over. Just 16% work for 6 – 8 hours a day.

Similarly, The Robert Walters Career Lifestyle Survey[14] found that 38% of marketers are working more than 50 hours per week, significantly more than the UK average of 28%. The amount of marketers working over 50 hours a week has increased by 14% since 2011.

On average, how many hours do you work a day?




**84% OF MARKETERS WORK MORE THAN THE AVERAGE WORKING HOURS**

[14] The Robert Walters Career Lifestyle Survey

# AGENCY'S GOT TALENT

How clients and agencies work together has a direct impact on business growth. Our survey found that 88% of fast growing businesses make more use of agencies, as opposed to only 64% of low growth. In fact, 22% of fast growing businesses used more than five agencies. With so many varying areas of expertise, high performing businesses realise that the best results come from being able to leverage a range of external talent.

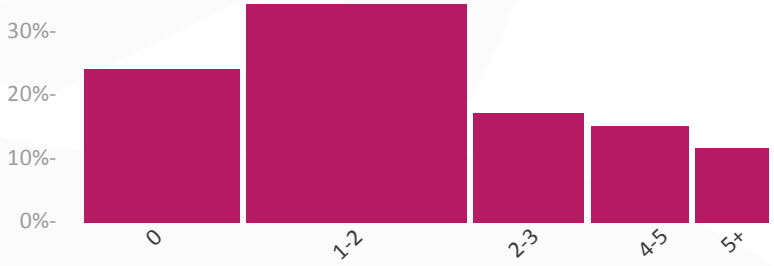
Marketers outsource a variety of tasks, particularly those that require specialist skills. The most popular operation to outsource was website build with 65%, followed by apps. Other technical outsourcing included social and community management at 25% and website management and analytics at 23%.

Other outsourced processes include 43% media buying, 43% creative, 40% copywriting, 35% data cleansing or build, 23% integrated campaigns, 23% telesales and 18% customer experience.

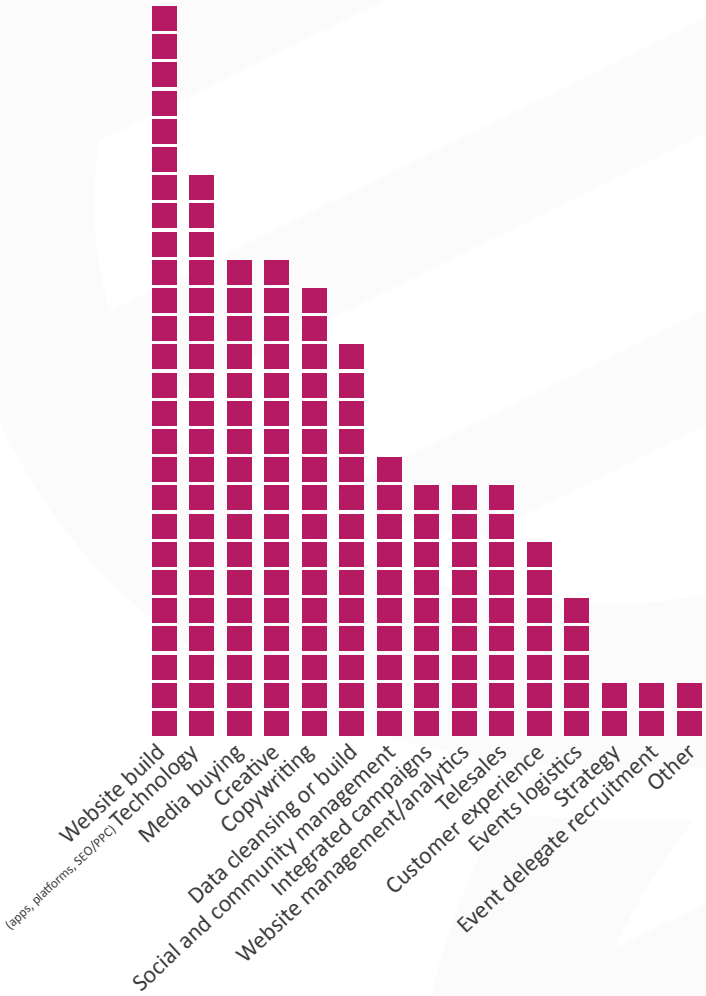
Gone are the days when client-side marketers and agencies were thought of as 'us and them.' Working as one unit has never been more important at a time where the marketing departments and the agencies that support them are proving their worth in driving business growth.

"The continued diversity of services and the fast pace of change often makes it difficult for brands to keep on top of the latest trends in digital and mobile. Outsourcing allows in-house teams to adopt a more agile methodology in terms of the effective management of resources and specialist skills."
*- Mark Jones, Senior Manager, Accenture Digital UK & Ireland*

## How many agencies do you have on a your roster?




## What type of marketing technology have you invested in?

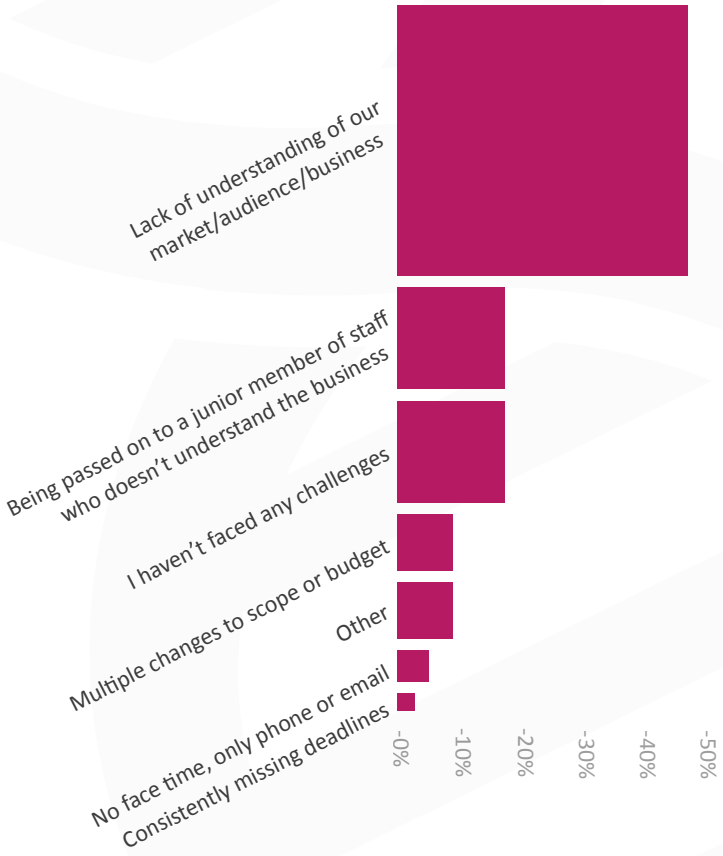



**WEBSITE BUILDING IS THE MOST POPULAR TASK TO OUTSOURCE**

Working with an agency is not without its challenges with 44% reporting a lack of understanding of their market/audience/business. Similarly, 16% encounter a problem when work is passed on to a junior member of staff who doesn't understand the business. Multiple changes to scope or budget was a problem for 9% of respondents, while 5% found issues with no face time and communication being limited to phone or email. 2% stated consistently missing deadlines as an issue. 16% haven't faced any challenges.

Clearly agencies that work as part of the client business and truly understand the needs of the customer will be in the best position to support client-side marketers as they continue to take a greater role is setting overall business strategy.

What is the most difficult challenge you have you faced when working with an agency?




**44% OF MARKETERS REPORT THAT AGENCIES THEY ARE WORKING WITH LACK UNDERSTANDING OF THEIR MARKET, AUDIENCE OR BUSINESS**

The greatest benefit of working with an agency was access to expertise not available in the marketing team with 45% reaping the rewards of this. 21% said it enabled them to upscale their operation and 14% thought it brought creative campaign ideas to the table. 7% said it gave them access to industry expertise and another 7% said it brought strategic planning and advice, with 5% getting innovation and advice on the latest trends.

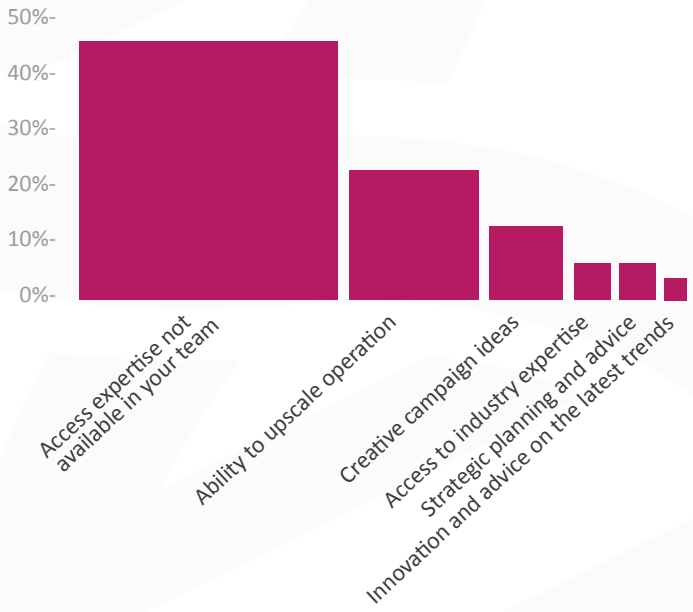
When working with an agency, producing high quality work was cited as the most important value, followed secondly by tangible results, with a deep understanding of the business and/or product coming in third. Being cost effective was the fourth most important quality, followed by regular communication. The personality of the team was the least important quality.

While price is still a factor, high quality work is what sets agencies apart, with tangible results helping to bring value to agency campaigns.

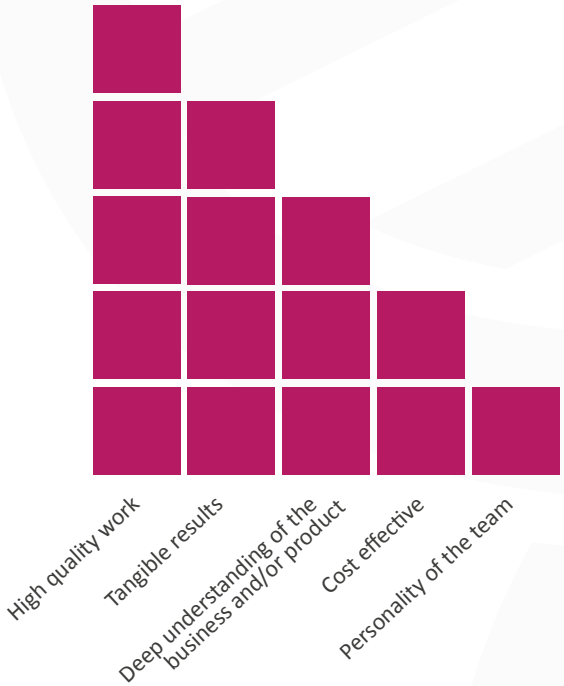
By being able to access expertise not available in-house, marketers can equip themselves with the knowledge they need to provide a complete end-to-end service, and take on projects they may not otherwise be able to.

Outsourcing work to an expert in their field also ensures work will be done to a high standard, which is the most valued aspect when outsourcing work to agencies.

## What do you see as the greatest benefit of working with an agency?




## What do you value the most when working with an agency? (Order of importance)




**45% OF MARKETERS SEE THE GREATEST BENEFIT OF WORKING WITH AN AGENCY IS ACCESS TO EXPERTISE NOT AVAILABLE IN THEIR OWN MARKETING TEAM**

# WHAT DOES THE FUTURE HOLD FOR MARKETERS?

Increasingly, marketers are the gate keepers to customer experience, which now touches product, digital and operations, setting out a strategic lead for the marketing department across the entire business and helping businesses grow quicker and more effectively. The fact that businesses where marketers take a leading role in overall business strategy perform better underlines the key role marketers must play in ensuring the customer is at the heart of business decision making.

Marketers who have a complete handle on data and numbers to back up their decisions will be able to justify their vital role at board level. Predictive technology, data and automation will mean that marketing efforts are quantified in a much more substantial way. Predictive technology will be used to forecast business numbers and drive the business forward. Having said this, marketers still need to push the boundaries by continually testing new technology and ensuring the less tangible element of creativity is not compromised.

"A good marketing team should represent the voice of the consumer. By listening to and engaging with your customers, you are able to represent them on behalf of your organisation. Through marketing, the consumer's voice can be fed into strategic decision making and product development can then represent what the customer wants, rather than what the business thinks the customer wants."

*Neil Harvey, Head of Marketing, FutureLearn*

# TOP 10 KEY TAKEAWAYS

1. Businesses where marketers are taking a role in setting overall business strategy perform better than those who don't

2. Nothing ventured, nothing gained: Successful businesses are 22% more likely to be launching into new markets than the average

3. 21% of marketers do not know how much is spent on marketing

4. There is still some way to go for marketers: 57% feel they are not as respected as they could be

5. New technology is important, with 56% of marketers investing in data and social analytics

6. Looking to the future, 75% of businesses see predictive marketing technology as the biggest disrupter

7. The vast majority of marketers are happy to go to work with 92% saying they enjoy their job

8. Marketers work hard: 84% work longer than the average working hours

9. Agencies are playing an important roll in marketing with 88% of fast growing businesses outsourcing work to agencies

10. Agencies can offer new perspectives: 45% of marketers see the greatest benefit of working with agencies is gaining access to expertise they don't have in-house

# ABOUT DIGITAL RADISH

We're an insight-led marketing agency. We build creative campaigns for businesses with ambitious growth plans. We act as a strategic partner with our clients, pulling together our years as in-house marketers and our digital marketing strategists to drive brand awareness and customer acquisition for ambitious businesses. We specialise in helping technology and media businesses launch new products and crack new markets, with clients such as: Unity Technologies, Acision, EMAP, World Trade Group, Sport England , ukactive and Guinness World Records.

Digital Radish has also been recently been ranked as one of the UK's top 100 Start-ups and won a B2B marketing award.

**Contact us:**

If you fancy a quick coffee to discuss your growth plans, please get in touch!
**lorna@digitalradish.co.uk**
or call: **+44 (0) 20 3609 1349**
**www.digitalradish.co.uk**

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