

Inside Leadership



Why competitive companies are targeting a different kind of Marketing Leader

Sarah Good of HRM Executive Recruitment talks with 20 heads of marketing about the future for marketing careers.



Two recent articles from McKinsey, highlight the substantially increased complexity that senior marketing executives are having to work through, as their companies seek to drive out of the economic wilderness and align to potential growth opportunities. These are new post-recession landscapes where Brand Managers are struggling to get clarity and with budget sign off now at a higher level, frequently have difficulty in getting decisions made.

From our own customers activities, we see companies recruiting senior brand custodians, that includes a completely different competency set, to that which they sought two years ago. Gone is the emphasis on creative flair and direction, replaced by a broader, more influential and analytical commercial executive who makes

decisions on hard facts and numbers. Today's senior marketing executive is a highly numerate professional who uses clear insights to create actionable recommendations for their business. Behind this change is a recognition by organisations that their customer today, is far more demanding, seeking higher value, more complex and customised solutions and is prepared to walk away if the value proposition does not stack up.

This new emphasis has wide ranging implications for the careers of senior marketing executives. To look at this further, we spoke with a group of twenty heads of marketing across a wide sector of business segments, from technology and consumer goods to financial and professional services. In this article they talk

about the impact the downturn has had on their organisations and we summarise how in turn this shapes their future careers.

Marketing Budgets

With income falling for most organisations, we began by asking what percentage cuts, if any, they had made in their budgets? Most replied in the range of 20% to 40% but said corresponding marketing costs had reduced by similar amounts at least and in some cases by up to 60%. In addition, they highlight that overall purchasing power has increased. With the availability of longer term contracts, they are yielding mid-term benefits and savings to their organisations.

Consumer Behaviours

Most of the panel see their customers switching channels to

get better prices and cutting back on expensive materials or products. Price points were generally described as more sensitive with new product development being centred on lower price point items for consumer goods, which most agreed were doing better.

“Customers are now asking, I may want and it’s nice, but do I need this product” before purchase. A number of the panel suggested they saw customers “switching to cheaper but not necessarily better” alternatives and “trading down to private label” for many items. Panel members whose companies are in consumer goods said “customers are buying more on promotion, they don’t want to waste money, and they are more frugal”.

Similar observations were made by those representing business to business sales organisations. “Buyers are absolutely focused on achieving value for money for their organisations and far more entrenched in this regard”. “They are taking a more short term perspective”. The group discussed that given the dynamic in their various segments, senior marketers today had to be able to work with granular customer data and predictive analytics to develop strategic responses that their CEO and CFO’s would buy in to. The ability to work with and influence through numerical data is paramount to be able to get the support of their respective business leaders.

Professional Services

Senior marketing executives in professional service firms who participated in the panel discussion, all described how their customer relationships were substantially changed. “Billable is

a thing of the past, with fixed fee pricing becoming common place”. “Clients are actively shopping around for value, which was relatively unheard of in Professional Services previously”. In general they want “business advice” and “not just legal or accounting related services”. “They also want a higher range of our technical services for fewer fees”.

While customers of professional service firms are clearly looking for increased value, the marketing executives from this segment say their customers “are also looking for a brand they can trust, one that is relatively conservative and in business for the long haul.” This presents challenges for the careers of senior marketers as they consider how to adapt to this need for both analytical and creative skills. Equally they must demonstrate the ability to steer product development groups as they seek to respond to these substantially changed customer needs. The senior marketing executives that firms therefore will hire, are sophisticated data users who understand the need to allocate their time in different ways to reflect the different KPI emphasis in their roles.

Marketing Priorities

All of the panel share the view that marketing’s “most important task right now is to go back to core brand values and work harder on demonstrating value to the customer”. Companies need to make sure that “all staff can communicate the value of their products to customers in a meaningful way” and need to understand that “benefits such as convenience no longer exist”.

They also agree that customer or client knowledge is key to marketing success. In tough times

they highlight the importance of “taking care of your existing customers”, “as holding the core loyalists is critical”. “New customers are a bonus.”

Despite the perceived need for different thinking for a different time, the panel of highly experienced marketing executives believe the golden rules for their established products or services are:

1. Keep it relevant
2. Be true to your core brand values
3. Stick to the knitting
4. Rationalise range where possible
5. A good online marketing strategy is the best value marketing spend and fundamental to survival.

Our own experience as recruiters of senior marketing executives for client organisations, is very much aligned to the observations the panel make about what is driving the change in their careers. Organisations today want to recruit a conscientious pair of hands that steers the business in the right direction, making decisions based on hard facts, figures and insights.

All of the panel agree that the challenges they currently address, while significant, represent an extremely interesting time in their careers. Experience is being gained that will stand to them as they grow through their organisations. Much like their own organisations are doing, they see opportunities to get working with the important facts and bring a real energy to the response as they position themselves for long term success.

Sarah Good is a Senior Marketing Selection Consultant at HRM Executive Recruitment.

www.hrm.ie