



The Future Role of Marketing in the Organization

The American Marketing Association
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What Will the Role of Marketing Be in the Year 2015?

Chance favors the prepared mind. - Louis Pasteur

If there is any lesson from the market turmoil of the past year, it is that companies must better anticipate what they cannot predict.

One way to look into the future is to create "memories" of it - envisioning our industry years down the road, taking into account today's known trends and - more importantly - the uncertainties of the profession and our landscape.

The American Marketing Association (AMA) and Decision Strategies International (DSI) undertook the work of creating "future memories." At AMA's signature Mplanet event [this week], it rolled out the four scenarios for the future of marketing to help marketers navigate the uncertainties of the new marketsphere.

In the past, companies focused on planning based on financial forecasts. Numbers based, it worked well in a world that was very predictable. More recently, they've added information into their planning about competitors, customer behaviors, and the channels they were using.

This new marketsphere requires companies to go beyond computing variables and look at the very structures of its business models. Scenario planning allows companies to break away from assuming future market predictions and start imaging new possibilities.

Using Scenarios

By doing scenario planning, companies can pick up on early signals of changes that may be coming. Organizations facing the following conditions will benefit from scenario planning:

- Uncertainty is high relative to managers' ability to predict or adjust
- Costly surprises have occurred in the past
- The company does not generate new opportunities
- Strategic thinking is too routine or bureaucratic
- The industry has changed or is about to
- The company wants a common language and framework, without stifling diversity
- There are strong differences of opinion - many with merit

Constructing the Scenarios

AMA began its scenario-building project by identifying forces that might influence or shape the future role of marketing over the next seven years. Through secondary research and interviews with a diverse group of marketing thought leaders, AMA developed 80 different forces (*see trends sidebar for highlights*).

2015 Marketing Trends Using Scenario Planning Method

**Shrinking World,
Expanding Relationships**
Increasing globalization and technology integration change economic relationships, business opportunities, how companies organize to plan and execute [not parallel], the role of marketing.

**The Rise of New Class,
BRIC by BRIC**
Urbanization of the middle class in BRIC countries creating new consumer markets as well as increased competition on the global stage.

Innovation or Invasion?
Further advancements in marketing technology truly enabling micro profiling and targeting, to the point of drawing push back on privacy and civil liberties and threat of legislation/regulation.



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A survey of B2B/B2C marketers across multiple industries validated the forces that might influence or shape the future role of marketing and rated each force's predictability and impact in the market. From this survey, AMA separated the forces into trends and uncertainties that might impact marketing in the future.

Finally, two workshops were held with marketers to get their input on the construction of future scenarios and the implications for marketers of the various scenarios. The outcome of this entire process was the identification of four distinct future scenarios for 2015. Each is personified by four CMO archetypes, described below.

Future Scenarios Overview for 2015

Closed structure

ORGANIZATION

Open structure

The Strategic Guru - Jane

Landscape

- Traditional company model
- Plethora of opportunities/resources
- Integrated distribution channels

Marketing Function

Marketing drives strategic opportunities for the organization. The Strategic Guru owns customer expertise and touch points. The Guru is a trend spotter with data on all market segments and customer insights to mold offerings to fit customer needs.

The Value Chain Optimizer - Tim

Landscape

- Traditional company model
- Stalled economy
- Short term, bottom line focus

Marketing Function

The value chain optimizer takes less risk and demands more accountability across all functional areas. Old systems and outdated processes distract teams and require short term fixes. With higher accountability and lower risk taking, marketing control resides in fewer organizational hands so that measurability is centralized.

Network Orchestrator - Diego

Landscape

- Virtual teams and workspaces
- Network of collaborating companies
- Efficient value chains/logistics

Marketing Function

Empowered customers demand quality as well as customization at local and global levels. Marketing requires intense flexibility and the ability to rapidly change course. Network Orchestrator understands that creativity is as important as bottom line contribution in measuring the success for marketers.

Sales Facilitator - Xeena

Landscape

- Economic stagnation
- Geopolitical uncertainty
- Few technology breakthroughs

Marketing Function

Customers drive an underground economy based on barter and reciprocity and creating their own review platforms. Sales facilitator has difficulty demonstrating value and ROI. As a result, organizations have merged marketing into sales and increasingly used customers as their marketing arm.

Abundant

RESOURCES

Scarce



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Key Implications for Marketers

AMA challenges all marketers to have the flexibility to market in the moment while still having the discipline to plan for a continuum of possibilities in the future. To ensure marketing is a central contributor to business strategies and the company's financial success, marketers must:

- **Be the Driving Force:** Take the lead in showing the need for scenario planning, especially if the company is only focused on short term solutions and results
- **Go First, but Not Alone:** Gain consensus among management team about the most likely future environment in 2015 or other target year, and its potential impact on marketing in the organization
- **Create a Roadmap:** Spearhead a course of action to prepare for the future states
- **Focus on Game Changers:** Concentrate on areas that will make a difference:
 - Organizational model
 - Marketing competency and resources
 - Brand strategy
 - Profitable growth model
 - Potential game changers

SOURCES: Decision Strategies International; Scenario Planning: A Tool for Strategic Thinking

Available Spokespeople

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2015 Marketing Trends Using Scenario Planning Method

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Command-and-Control Becomes Cultivate-and- Create

Marketing efforts becoming increasingly two-way conversations providing valuable information, co-created solutions impacting business strategies and product/service offerings.

Channel Convergence and Consequence

Reality and implications of a convergence in communication platforms and devices, and new outlets continuing to challenge traditional media.

Talent Turmoil

Rise of virtual employees, more competition from other industries for top graduates, increased demand for analytical and technology savvy marketers.

The Pressure to Prove
Persistent challenging of marketing's role in the organization, its strategic value and bottom line contribution.