Agile Marketing: An operating model for the modern day marketer

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Digital/McKinsey
It’s not about digital marketing – it’s about marketing in a digital age

The customer is empowered

The customer is connected

The customer has high expectations
The **customer decision journey** has changed

**Active Evaluation**
Brands enter and exit the consumer’s consideration set at any point up until purchase

**Initial Consideration**
The consumer has an initial set of brands in mind based on brand perceptions and exposure to recent touchpoints

**Consider**

**Bond**

**Evaluate**

**Buy**

**Advocate**

**Experience**

**Loyalty Loop**
After purchasing a product or service, the consumer has a formative experience and builds biases to inform his/her next decision journey

**Moment of Purchase**
Ultimately the consumer selects a brand at the moment of purchase
In a **multi-device, multi-channel** world...

- **owns four digital devices & spends 60 hrs/wk consuming content across devices**
  - *Nielsen*
- **moves between screens up to 27x an hour**
  - *Time Warner*
- **uses 3 different devices to complete a task**
  - *Ad Exchanger*
This has **fundamentally changed** the dynamics of marketing

<table>
<thead>
<tr>
<th>From traditional</th>
<th>To digital</th>
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</thead>
<tbody>
<tr>
<td>One-off</td>
<td>Always-on</td>
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<tr>
<td>Push</td>
<td>“On-demand”</td>
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<tr>
<td>Mass</td>
<td>Personalized</td>
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<tr>
<td>Paid</td>
<td>Owned + earned + paid</td>
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<tr>
<td>Pre-planned</td>
<td>Agile</td>
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<tr>
<td>Produce</td>
<td>Produce, measure, optimize</td>
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The modern marketer must master **addressability and data activation at scale**

**Anonymous data**
- Brooklyn, New York
- Source = Google
- Keyword = new iPhone features
- 4 page views
- Abandoned site on iPhone 6S page
- Male 25-34
- Drives luxury car
- Owns a home
- Travels frequently

**Identifiable data**
- Customer ID
- Segment definition
- Value $430 per year
- Last purchase was Sept 2015
- Responded to family plan offer
- Spends time in NY & LA
Fueled by a robust and growing **data ecosystem**

**Basic info**
- $500,000,000+
  - B2B>$500,000,000+
- Marketing
  - B2B>Sales>Marketing
- Management Consulting
  - B2B>Business & Finance>Management Consulting

**Location & Neighborhood**

**Professional Interests**

**Hobbies & Interests**

**Things You May Have Bought**
- Leisure
  - Past Purchases>Travel>Leisure
- Babies & Kids
  - Past Purchases>Retail>Babies & Kids
- Electronics
  - Past Purchases>Retail>Electronics
- Men’s
  - Past Purchases>Retail>Clothing, Shoes & Accessories>Clothing>Type
- Health
  - Past Purchases>Consumer Packaged Goods (CPG)>Health & Beauty

**What Others Know About You**
Fundamentally, digital marketing IS data activation

Enhance targeting and optimization of paid media

Enable personalization of owned channels

1. Media data
2. Transaction data
3. Social data
4. 3rd party data
5. Engagement data
6. Call center data

Transaction data
Media data

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Many use cases across the customer decision journey

Supported by a data infrastructure and advanced analytics
Guided by a simple and **effective organizing framework**

**Distribution**
Marketing technology used to target addressable audience across channels

- Delivering personalized experiences across channels
- Creating a feedback loop to feed the data beast

**Design**
Managing the content, offers, and experience the customer or prospects receives

- Creative iteration
- Offer management
- Testing & experimental design

**Decisioning**
Analytics model scores propensity for segments to convert or up-sell

- Customer scoring
- Advanced analytics

**Data**
Data from disparate systems is aggregated in a customer data platform

- 360° customer view
- Adressability management

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#KelloggMLS
...and a **marketing technology stack** to manage data, campaigns, and analytics

**Distribution paid channels**
- SEM bid management tool
- Demand-side platform (DSP)
- Ad server
- Affiliate platform
- Marketing datamart

**Core data and decisioning**
- Advanced analytics
- Customer data platform
- Data management platform (DMP)
- Campaign management / Content personalization
- Tag manager

**Distribution owned channels**
- Content management system, website and mobile services
- Email / marketing automation
- A/B / MVT platform
- Web / mobile analytics, Attribution platform
Technology is just part of the solution -- **Agile marketing practices** are a vital component to operationalize capabilities.
Five core beliefs to mobilize the organization for data activation at scale

1. Mobilize cross functional leaders around the opportunity
   - Define value at stake, secure cross functional engagement
   - Motivate a sense of urgency

2. Get creative about navigating the legacy
   - Be relentless about solutions
   - Shift legacy IT projects into marketing Opex

3. Walk before you run
   - Fortify the foundation, prove ROI
   - Then develop complex capabilities at scale

4. Prioritize “lighthouse” projects to kick-start execution
   - Define primary use cases and rally around them
   - Pursue the biggest opportunities first

5. Let data activation drive your new marketing operations model
   - New roles and processes around strategy & orchestration, campaign management, content & creative, data & analytics
Putting it in context – some recent big payoffs

New BAU speed

1-2 tests every 2 months
BAU

War room
50+ tests per year

25% - 150% Conversion rate improvements

4X Digital revenue

Digital revenue 4X
Today’s key take aways

- Be relentlessly customer centric
- Have an unwavering commitment to data activation at the core
- Develop the right marketing technology stack
- Embrace agile marketing practices