

The YoungShand Marketing Challenges Project

A look at the challenges facing
New Zealand Marketing Directors
in 2020 and beyond

YoungShand.

A Little About the Project.

There are some undeniable challenges that brands and businesses have faced in 2020, thanks to COVID-19. But before it became a global pandemic impacting most of the world, we kicked off The Marketing Challenges Project. The project aimed to understand better the significant issues that marketing teams are facing in 2020. So over the first quarter of the year, we sat down with 21 senior marketing executives (both clients and non-clients of YS) to get an idea of what was going on from their point of view.

The goal was to reset and zero in on the challenges in front of us at the beginning of this new decade - new opportunities, new hope and exciting new projects. Well, it didn't entirely turn out like that. Instead, we've got the new COVID-19 world – a locked-down, disrupted and alternate reality – but change does bring with it new opportunities as well.

Welcome to the first YoungShand Marketing Challenges Project. Enjoy.

“A big part of my job right now is to understand what’s going on and what can we do about it? If that takes an innovative lens then great, but often it just means focusing on the right thing, and being pragmatic about dealing with it.”

Jason Clapperton, Head of Marketing Suntory Coffee

Read the article already? Skip to page 10 for more detail.

Summary.

- We interviewed 21 senior marketing professionals across different sectors.
- The sectors included finance, food & beverages, supplements, fashion, retail, services, fitness, auto, utilities, manufacturing, and education.
- Each contributor was asked to detail their three most significant challenges.
- We used this first-hand intel to pull out the consistent themes.
- This has enabled us to develop the overview of challenges that we have below.

Challenge	Questions	Mentions	%
Change/Innovation	How can I create more change, faster?	11	52%
Marketing Strategy	How can we achieve clarity and focus?	10	48%
Digital & Tech	How can we take advantage of the marketing tech that is available now?	13	62%
Building Brand	How do we get the business to invest for the future?	9	43%
Budget	How do we get everything done within budget?	5	24%
Marketing Capability	How do we grow the skills of the team?	3	14%
Diversity	How do we connect with diverse cultures and communities?	3	14%
Agency Issues	How can we get our agency to deliver the skills and leadership we need?	3	14%
Media	How do we stay on top of all the new media options?	2	10%
Retail power	How do we manage the new power of big retail?	2	10%
Local/Global	How do we stay relevant locally, with a global/regional business?	2	10%

It's clear that we're all needing to find our way through this new world. However, we were already in the midst of a period of uncertainty. As a result, the biggest challenges noted focussed on how to deal with change and how to respond strategically (both before and during COVID-19). Following that, the next challenges centred around implementation - 'how do I develop my digital and online capabilities and strengthen my brand'.

The Big Five.

In this section, we have summarised the learnings from the top five areas that Marketing Directors and Managers identified as their biggest challenges. In the following section, we go into greater detail about each of these, focussing on the issues and key learnings.

01.

Change and Innovation.

One of the most significant themes to come out of the conversations was the need to better manage change. There was a recognition, even pre-COVID-19, that we are moving into a period where culture and technology are rapidly changing business and how we connect with customers.

There was a desire for more innovation, to be agile, faster and not bound by process. On the other hand, there was an acknowledgement that we haven't embraced some of the new tech and tools that have promised so much, but haven't delivered the step change we expected.

"We are living in a world where all of a sudden, drones, robotics, AI, automation and space colonisation are becoming reality at a pace we would not have imagined just a few years ago. We need to reset our mindset on what is possible today."

Mark McCutcheon, GM Sales & Marketing, Rinnai

02.

Strategy.

There is a clear desire for change. But there is also the challenge of how to create clarity around the strategy to move forward. This was combined with a desire to understand customers better, to change business models to adjust to new market realities (very top of mind now) and to develop better value to avoid category-wide discounting.

Also noted by a quarter of the participants, was that they were attempting to do too much. They discussed needing to focus more on what was important, to move the dial. However, a lack of clear agreed strategic thinking was holding them back.

“We need to be thinking at a macro level, the face of education is changing. What will university education look like in 20 years’ time?”

Shelley Winsor, Senior Marketing Manager, University of Otago

03.

Digital and Tech.

There were three key themes within this category. Overall, nearly two thirds (62%) of the participants listed at least one of these challenges.

- There was an overall acknowledgement that marketers need to improve their digital capabilities. While we have seen a significant improvement over the last five years, there is a realisation that this is about constantly upskilling to meet the demands of new tech.
- A need to improve the customer experience, and COVID-19 has only made this more important.
- Challenges around how to use data to develop more personalised experiences that result in strong loyalty and drive better acquisition and retention programmes.

“We’re transitioning to a digital first world. There’s always a new tech solution, the options are changing so quickly, but we need to be more strategic about what to invest in to meet our long term goals.”

Natalie Allen, Marketing & eCommerce Manager, Kings Plant Barn

04.

Brand.

40% of the participants identified a brand issue. They ranged from long term erosion from years of under-investment, to developing a robust, distinctive brand in the top ten global brands for their category. There was a real desire to prioritise brand issues, as the group recognised just how critical a strong brand was for the long term health of the business.

“Group fitness provides connection. We need to harness that, both physically and digitally, and create a brand that is in the top 10 global fitness brands.”

Anna Henwood, CMO, Les Mills International

05.

Capability.

Although only specifically mentioned by three people, this came up as a theme throughout many of the conversations. While some people were talking about specific marketing skills, there was also an underlying need for more capability around commercial and strategic marketing. Several participants recognised that their team needed better skills to handle conversations around return on investment and performance, to credibly help others in the business understand the long term investment benefits, while delivering on short term objectives.

“We need to continue to demonstrate value, understand short and long term benefits, and keep agitating change that drives continued growth and behaviour change.”

Simon Hofmann, GM Brand and Marketing, Kiwibank



Key Findings.

This section looks at each of the five challenges in more detail, uncovering the issues that need to be addressed and the key takeouts.

Change and Innovation.

Marketers are a passionate, ambitious group. Everyone interviewed had an energy and a real desire to get stuck in, create change, innovate and make a difference. That's why we've led with this theme. It underpins everything else that Marketing Directors are facing right now.

"Successful businesses will build the capability to understand their customers' needs and context in real-time. This will enable them to grow by offering the right experiences, products and services more effectively and become genuinely helpful at every touchpoint."

Matt Bain, Marketing Director, Spark

The challenges fell into two distinct areas:

The need to better understand what will be important in the future and the trends that marketers should be focused on.

- Right now, significant changes are happening at a macro level, including how we travel, shop and socialise.
- There are also more significant shifts in our attitudes towards the environment and social equity that are shaping how we buy.
- Understanding these trends, as well as the shifts in technology, are essential to frame or filter the different options today and in the future.

How to create a platform for innovation, built on a greater understanding of future trends and consumer needs.

- There was a desire to be more agile and to understand 'how big business can act as a small business'.
- Businesses need to adopt a fail-fast mentality (common in Tech startups), to compress the time it takes to get to market.

Key issues:

- Process and bureaucracy slowing things down.
- Businesses were not being brave and disruptive enough to create significant change.
- The tools and technology are there, but there is a knowledge gap that needs to be addressed.
- The biggest issue identified, however, was a lack of clear and agreed strategic direction, which could help guide these decisions.

The takeouts:

- There is a need to develop a view of the future, built on an understanding of the fundamental market and consumer shifts and trends.
- Internal stakeholder management is needed to build a more persuasive argument and coalition for change within the organisation.
- Businesses need to develop an innovation framework that includes areas of focus, and how to innovate to drive change (with acceptable risk).

Strategy.

If a desire for change and innovation was the key theme, then developing a clear strategic plan for the business was the most significant need identified – and perhaps the key thing holding businesses and marketing teams back.

“The key issue is that we’re light on insights. We have too much to do, with too little thinking. As a result, too many fragmented activities. We spread our efforts too thin. How can we do less but do it better?”

Adriaan de Lange, Head of Marketing, Douglas Pharmaceuticals

The challenges spanned the usual strategic themes, including:

- The need to review and reconsider the current business model, including assessing if the sector would be relevant in the future.
- Developing a more robust understanding of what customers need.
- How to compete and differentiate against competitors.

Key issues:

- Not addressing these challenges created issues of relevancy and trust with customers.
- This often led to a need to discount to compete with competitors.
- The pressure to chase short term targets while wanting to realise long term goals.

- And a recognition that Marketing was trying to do too much. The challenge isn't budget but 'excelling across less' and developing 'clarity in direction and scope'.

The takeouts:

- There is a need to elevate significant strategic marketing decisions to an executive level.
- A clear process is required to help achieve broad buy-in of the objectives that the team is focused on. Without this, the marketing team can get lost in the busyness of urgent, rather than critical activity.
- A clear strategic plan is needed to avoid lack of focus (another big reported frustration).

Digital and Tech.

This was a different challenge than the first two. There was an acknowledgement that the world has shifted (and it has moved even more over the past few months). We are now, more than ever, living in a digital world, relying on it to deliver services, communications, products and entertainment.

“We need to know more about how customers are shopping online and create an outstanding experience.”

Fiona Robb, Marketing Communications Manager, Paper Plus

The challenges are driven by the speed of change and a need to keep up, including:

- Transitioning to a digital-first approach.
- Understanding the new metrics and how to link them back to business performance.
- A desire to ‘ditch the digital divide’ and develop more digitally literate marketers.
- The need to move more budget from TV to mass digital (this was not universal).
- Developing strong customer experiences and linking offline and online.
- Improving how data is used to provide better, more personalised experiences.
- Implementing the right MarTech stack to ‘balance mass with individual and community engagement’.

Key issues:

- The need for change has become exponentially more prominent over the last two months, adding to the pressure to upskill and transition quickly.
- Businesses are reluctant to invest in large projects, due to COVID-19 and the predicted economic slowdown.
- The speed of consumer adoption, who are looking for better, more rewarding online experiences to help them make decisions about where to spend their money (which could be limited).

The takeouts:

- The tools and technology are there – the issues that need to be addressed are training and adoption.
- Moving to a data-driven approach has the potential to create a step-change in the effectiveness of both acquisition and loyalty focused marketing.
- Due to COVID-19, we're seeing rapid adoption of technology that has been available for years. Those businesses that were already prepared (or can act quickly) have an advantage.

Brand.

Developing strong brands is an evergreen challenge for marketers, but the most noted problem was balancing short term targets with long term brand building.

“With the focus on continuously planning on a quarterly basis, how do you grow brands which take years?”

Carolyn Schofield, Marketing Communications Manager, Trustpower

Several communication challenges fell under brand, including:

- Addressing perception issues.
- Re-energising old brands.
- Developing clear brand propositions.
- Growing awareness.
- And developing distinctiveness to achieve differentiation.

The biggest challenge, however, was managing the short and long term objectives.

A common question was ‘how do I build a long term brand when the focus is on the next quarter’s results?’ Developing an internal understanding and commitment to long term brand building seemed to be an almost universal challenge. This is not driven by a lack of knowledge, confusion or capability. The job to do is building

the case for change and consensus within the leadership team that this is an investment-worthy strategic priority.

The takeouts:

- Marketing teams need to develop a more robust understanding at the exec level of the value of long term brand building.
- Upskilling is required to successfully communicate the benefits to the business in commercial terms that the exec team can confidently support.

Marketing Development.

The last challenge could perhaps be the most important – ‘how do we increase the skills and capability of our marketing team?’ Addressing this is critical, because improving the strategic capability of the marketing team will help shape, drive and unlock growth in the organisation.

“Today marketers need to stay up to date with digital and technical skills so they remain relevant in this increasingly online world.”

Sarah Pepworth, GM Marketing & CX, Public Trust

There are three key gaps in capability and knowledge:

Skills - The shift to digital has created a tech skills gap. Marketers now need to be as comfortable developing a customer journey for a website development project as they are conducting research to uncover consumer insights for a brand campaign.

Strategy - Developing clear strategic skills and a compelling philosophical point of view is essential to build credibility within the organisation. There is a certain level of conviction needed to be heard around an executive table with Accountants, Engineers, and Lawyers.

Commercial - Marketing has always been seen as the creative part of the business. However, now more than ever, there is a need for commercial skills. Results need to be tied back to immediate communication metrics, as well as brand measures and business goals. Marketing projects should focus on

driving big numbers like revenue, profit, or loyalty – don't just measure impressions and clicks.

The takeouts:

- There is a need to invest in strategic and commercial skills if the marketing team wants to have a credible voice at the exec table.
- Agencies are essential partners, especially when they have the specialist skills that address the gaps in capability and knowledge – marketers want specialists, not generalists.
- Leadership from agencies is critical, but it needs to cover both creative and digital thinking.

The Impact of COVID-19.

We contacted all of our contributors again during the lockdown to check if they wanted to revise their challenges. Everyone stayed with the core challenges they had previously identified, but in saying that, some things did change.

- **Strategy became even more critical** - Due to the sensitivity of the situation, it became essential to have the right message and to be positioned appropriately.
- **Online is critically important** - Digital projects were being prioritised, driven by necessity and consumer demand.
- **Timelines were being compressed** - Everyone was focusing on projects and ideas with a quick payoff.

In Conclusion.

After analysing the results, the overarching key message from the interviews is that marketers have a real desire to get stuck in, create change, innovate and make a difference. However, perhaps that needs to be tempered by slowing down and deciding what is strategically essential first. We need to ensure our plans support the broader business goals and address underlying issues that are holding the brand back. If we can do that, then we might also address the busyness that creeps in while we're not paying attention.

Slowing down and focusing on the strategic priorities may also help build credibility and get the CFO on side, creating the space to establish long term digital and brand projects that will deliver real value. And in the new COVID-19 era, it's clearly about the right strategy, committing more fully to online and doing it quickly.

Thank you to our contributors.

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We help our partners occupy the sweet spot between bold human-centred ideas and the connected digital world, emerging technologies and innovation. We'd love to discuss how we can help you. The future belongs to the curious, so let's go.

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