

Open Up Roundtable

'beat the downturn'

20th February 2009

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OPEN SKY
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Attendees

Gavin Bradbury - VeriSign

Bill Douglas - Orange Business Services

Ben Deller - World Duty Free

Ceri Jones - ex-Merrill Datasite

Adrian Arnold - Energy Saving Trust

Keith Railton - Open Sky

Geraint Holliman - Open Sky



The group engaged in an excellent and fulsome discussion on the best ways for marketers to beat the downturn. The debate was certainly very vigorous and everybody brought an interesting perspective to the table. Using the Open Sky 'Top tips for marketers to beat the downturn' white paper as our starting point we began by exploring the common challenges faced by the group.

The key themes arising were as follows.

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Customers

The group firmly agreed that the role of marketing right now is to ensure customer retention. Whilst our colleagues in sales are focussed on acquisition we as marketers must focus on the retention of existing customers who form the revenue lifeblood of our businesses.

We need to ensure we have a clear understanding of the customer journey and the role marketing plays in the efficient movement of prospects through the journey to becoming, and remaining, a customer.

Similarly, all marketers should be seeking to make marketing activities more efficient by integrating the marketing communications better into the customer journey.

The group reviewed the Harvard Business Review article 'How to protect your job in a recession' by Janet Banks and Diane Couto which, amongst many other interesting suggestions, highlighted the need to focus on customers:

"There's no better way to look forward than to stay focused on customers, for without them no one will have a job in the future. Anticipating the needs of your customers, both external and internal, should be your top priority. Prove your value to the firm by showing your relevance to the work at hand, which may have shifted since the economy softened. Your job is less likely to be eliminated if customers find that your contribution is indispensable."

Harvard Business Review, September 2008

Marketing as investment

The group all agreed with the suggestion that terminology is important in the battle to prove Marketing's worth. Henceforth, the group encourages everyone to describe marketing expenditure as 'investment' not as 'cost'. This will help focus our business' understanding as to what it is that marketing is trying to achieve: to invest in increasing the value of customers to our businesses.

Indeed, this subject was enthusiastically debated. It was agreed that marketing budgets are easy to cut because Finance Directors see it as a cost on the Profit and Loss account - and therefore something to be controlled downwards. YET, everywhere we look we are being told that marketing should 'deliver a Return' in the same way as any other INVESTMENT. Therefore we should argue that marketing expenditure is not cost but INVESTMENT and should be treated as generating future net cash inflows for our businesses - so if Finance wants to cut marketing budgets they are effectively cutting future cash inflow. Everyone agreed this will make for more interesting conversations with Finance Directors

Accountability and demonstrating value

There was considerable debate around the proving the value of marketing and increasing Marketing's accountability. It was suggested that Marketing 'needs to get real' in the current climate. Marketing needs to show that it really achieves demonstrable value to business in its ability to increase, accelerate or stabilise cash income.

It was agreed that whilst Marketing perennially fails to attribute cause and effect between marketing actions and results, it is more important than ever to be ROI and results-focussed in all our marketing actions.

Everyone agreed that it's not that we don't want to be measured, it's that we need to ensure that Marketing is measured on what is important for business not on simple communications outputs that are easy to measure but which have little relevance to building and maintaining customer numbers.

In order to protect Marketing budgets the group concurred that it is imperative to try and improve overall marketing efficiency by integrating activities better.

Sales and marketing alignment

There was unanimous agreement that the overall success of marketing could be improved by aligning the sales and marketing efforts of brands more closely, as they are often out of sync.

However, it was suggested that realistically this is a role for us Marketers to achieve as it was felt that Marketing, not Sales would accrue a greater benefit from closer alignment. Marketing as a function is rarely in control of the efficiency of the Sales function yet is still measured on overall sales effectiveness.

That said, everyone agreed that building closer relationships with Sales was imperative and that we should all strive to make our Sales colleagues understand what role Marketing plays in making their sales efforts more successful.

One member of the group noted how they have made great strides internally in aligning the Sales and Marketing teams and how this is paying dividends through better targeted marketing activity leading to a higher Sales success rate.

Board level support

Everyone noted how vulnerable the Marketing function in business was, due to lack of board level representation. If the case for marketing was being made by a board level Marketer it was felt that the function would receive more respect and appreciation for the role it plays. Unfortunately for the vast majority of businesses this is not the case.

The whole group agreed that Marketing can 'help itself' to achieve greater authority by aspiring to more professional standards. We can achieve this by avoiding the woolly/fluffy marketing terminology and aspiring to more useful, hard success criteria that actually have direct, causal benefit for the business. To this end it was agreed that, as a starting point, meaningless phrases such as 'like', 'nice' and 'cheap' should no longer be used when describing marketing propositions.

Celebrating successes

Everyone agreed that it's not all doom and gloom out there. Typically, however, everyone agreed that they had underplayed their successes and achievements. Now is not the time to hide lights under bushels: now is the time to promote and celebrate Marketing's successes. By fixating on the negative we create self-fulfilling prophecies so we must all actively seek ways to present the positive outcomes of our marketing activity.

The group's specific 'downturn busting' activities

- Attendee A is focussing much more on customer retention activities and greater alignment between the Sales and Marketing teams with some early signs of success.
- Attendee B is undertaking a great deal more internal promotion of marketing success and also networking more amongst his global marketing teams to build awareness of marketing efforts.
- Attendee C recommends a far tighter bond with the Sales teams, reminding them why they need Marketing, and the use of a wider range of internal communications channels to get the Marketing message across to the whole organisation.
- Attendee D has identified that some customer types are actually benefitting from the current downturn e.g. US/European passengers are benefiting from the weak pound. So look for the potential positive spins on your proposition.
- Attendee E is focussing on internal merchandising of recent successful activities with certain retailer. Also he's looking to get customer success stories created and distributed to give other customers and prospects confidence in his proposition.

NEXT ROUNDTABLE

12.00pm until 3.00pm Friday 22nd
May 2009 at Open Sky HQ

Confirmation details will be sent
four weeks prior but please put it
in your diaries.

Geraint Holliman. 20th February
2009