MAY 2015

Making marketing technology work

What is marketing technology and why does it matter?
Scott Brinker, cofounder and CTO of ion interactive, and
Jason Heller, global leader of McKinsey Digital Marketing
Operations, explain.

It has become well established that people are using an increasing range of tools and
technologies—from social media to smartphones—to help make more informed purchasing decisions.
That evolution is, in turn, transforming marketing into an increasingly technical function requiring
new roles, such as that of the marketing technologist. In this interview, Scott Brinker, cofounder and
chief technology officer (CTO) of ion interactive, and Jason Heller, global leader of McKinsey Digital
Marketing Operations, explain that the most important changes businesses must make to take
advantage of technology often have little to do with the technology itself.

What it means to be a marketing technologist

Scott Brinker, cofounder and CTO, ion interactive: Marketing has fundamentally become a
technology-powered discipline, and it's leading to the rise of new kinds of marketing professionals.
A marketing technologist is a technically skilled person who designs and operates technology
solutions in the service of marketing. This isn't just about embedding IT services within marketing,
though. Good marketing technologists strive to understand the context of the technology. They're
passionate about reimagining what marketing can do in a digital world. They help nontechnical
marketers craft better campaigns, programs, and customer experiences that effectively leverage
software and data. They help manage the new kinds of technical interfaces that marketing has with
agencies and service providers—the API[1] layer between them. They're hybrids, who speak both
marketing and IT and naturally see the connections between them. And in a world of greater
intersections between disciplines and functions—and the need to break out of legacy organizational
silos—such roles really facilitate change.

Jason Heller, global leader of McKinsey Digital Marketing Operations: That's a great definition. I
like to think of a marketing technologist as someone who is a bridge between the consumer

[1] Application programming
interface.

experience and marketing operations. Putting in place effective marketing technology really all starts with understanding how the consumer is changing and which channels are experiencing growth and why. Companies need to develop their strategies and objectives based on clear insights about both of these areas. Then they need to create the organizational structures and build capabilities to support them. The last decision is what channels and technology to use.

Brinker: Absolutely. I think the confusion and complexity and fear that people associate with navigating the marketing-tech ecosystem is really a proxy for their struggle with how to make sense of the new marketing environment. Rethinking how a company will engage its audience and across what channels—that's a far more daunting challenge than the technical infrastructure to execute on that vision. It's worth emphasizing that this is not about marketing replacing IT or marketing going rogue. Marketing technologists can, on paper, be based in either IT or marketing. They should facilitate greater collaboration between the two departments.

The dawn of the platform age

Brinker: There's tremendous change happening in the marketing-tech landscape. One of the most fascinating dynamics is a dual narrative of consolidation and diversification. On one side, major enterprise-software companies are building and acquiring large "marketing cloud" offerings. But at the same time, thousands of other start-ups are innovating new ideas around them. It's a spectacularly fertile field. We're now starting to see those two forces converge, as these marketing clouds become true platforms with open APIs and official ISV[2] ecosystems, to make it easier for marketers to plug specialized capabilities into a common marketing-technology backbone. A great example of this is Salesforce.com's App Exchange, with over 2,600 certified apps that marketers can plug into their system. What will make this landscape even more interesting over the next several years is the increasing role that the Internet giants—Google, Facebook, LinkedIn—will have in providing software to marketers, competing with the business models of traditional enterprise-software companies.

Heller: This "platformization of marketing" is a very real phenomenon already. We have leaders on the scale of Adobe, Oracle, and Salesforce.com making near $1 billion acquisitions and creating massive scale. But the question remains: Can they keep up with the market and the changing behavior of consumers? Will start-ups and solutions that focus on a specific feature—aka point solutions—lead the cycles of innovation and continue to be acquired by the major marketing platforms when they hit critical mass, or will the platforms innovate an approach to open integration of a broader ecosystem of third-party software? A capable marketing operations function will need to be prepared to manage either scenario.

[2] Independent software vendor.

Two marketing-tech challenges: Cadence and governance

Brinker: There are two dimensions to the challenge of making marketing tech effective. There is the technical challenge of selecting, integrating, and operating all these systems and their data through the lens of traditional IT management. That's a nontrivial challenge itself. But the bigger challenge is transforming the way marketing uses these tools. Part of that is understanding the application layer of all this software—learning how to harness it in marketing to conceive and execute great programs and campaigns. That's where marketing technologists are particularly helpful as an integral part of the team. But the more difficult part of that is changing how marketing thinks and behaves, given the capabilities that these new tools enable. It requires a different cadence of marketing management, where agile sprints, iterative experiments, and adaptive feedback loops are more important than the traditional yearly marketing plan. Vision and strategy are still required, but they have to be able to be realized in a more emergent fashion and at a much faster clock speed.

Heller: That speed highlights how labor intensive this kind of marketing work is, which is why technology is so important to manage it. That's either the unsexy part—or the really sexy part—of marketing, depending on who you are. Marketers are being asked to embrace an entirely new pace of operations, new processes, new approaches to decision making. Digital-marketing operations sits at the core of the capabilities companies need today. There are in particular three fundamental building blocks of marketing tech that are often overlooked: vetting, procurement, and governance. The enterprise environment can be complex, with multiple business groups, stakeholders, and existing platforms, and that can make decision making challenging. Companies need to focus on developing governance structures to guide the evaluation, selection, and management of marketing technology.

Agility's role in successful marketing tech

Brinker: Most companies recognize the need to be more agile; the question is how. One of the interesting effects of having technologists working in the marketing department is that they're cross-pollinating management methods from software development and IT, such as Scrum and Kanban, and helping to shape "agile marketing" practices. Even if marketers don't adopt agile in the exact same way it's used in the software community, they're taking the core concepts and adapting them to their needs. The essence of agile—transparency, quick feedback loops, distributed leadership further down in the organization, shorter cycles of action at greater frequency—is exactly what marketing needs to harness the potential that marketing technology has to offer.

Heller: The key is that companies need to embrace the spirit of agile. Be agile, rather than do agile. Our industry does a great job of creating hype and then confusion when it comes to using new

channels, techniques, etc. While this notion of "agile" as a set of processes isn't new, marketing has made it a rallying cry recently. What happens too often, though, is that there are people who want hard-and-fast agile processes but then end up biting off more than they can chew and becoming dispirited. Agile is about building up a data-driven DNA and making data-informed decisions as part of the day-to-day. And it's about allowing curiosity and ideas to emerge from anywhere in the organization, not just from leadership or a particular working group.

Building a marketing-tech culture

Heller: There's a great quote I like to use: "Your success is your biggest barrier to progress." Successful companies have achieved their status because they have established operating models that work—they are great at what they do. It's a challenging and scary proposition for successful organizations to change that. In order to truly take advantage of the benefits of marketing technology, you ultimately need to change your culture. You need executive commitment, a new set of goals, values, and objectives from the top down. But simultaneously, you need change to happen from the bottom up by hiring new talent, training people differently, and acknowledging and rewarding the behaviors you want. Evolving and innovative companies hire employees for the culture they want, which is not always the culture that they have. Some traditional companies— for example, McDonald's—have attacked this culture issue by creating digital labs and separating them from the organization to create a new culture. They've acknowledged that it's easier to attain success in digital within a group that's enabled to develop a culture on its own than trying to assimilate. I'm not sure, however, that this model is sustainable in the long term. Marketing organizations need to evolve on a broader scale.

Brinker: I like the quote "Culture eats strategy for breakfast," which is often credited to Peter Drucker. It's old, but absolutely right. Culture is the issue that makes change so hard. This is one of the reasons you see the chief digital officer [CDO] role becoming more popular. More than anything, this role is about being a cultural change agent. CDOs are often being asked to create a new generation of the organization from within. However, let's set realistic expectations: that kind of transformational change across an enterprise is going to be an intense, multiyear process.

Heller: What I've noticed is that in many cases the CDO role is established as a transient or stop-gap initiative to jumpstart the commitment to marketing and digital transformation throughout the organization. Many companies have a legacy operating rhythm that tends to be slow, and adding this role is a way to inject change. Companies that have hired and integrated more digital-savvy marketers in the midmanagement and frontline layers of the organization tend to have less of a need for a CDO. These companies have developed capabilities slowly and organically and have put in place an ability to build the business cases for digitizing channels, processes, and resources over time.

Scaling pilots and innovation

Heller: Taking a systematic and methodical approach to identifying pilots and designing experiments is a key characteristic of the modern marketer and the foundation of innovation. Today we have access to better analytics and technology than ever before, so we can experiment in ways that just weren't possible a handful of years ago. But where companies generally stumble is in institutionalizing a process of sharing key learnings back into the broader marketing organization. For me, one of the most important success factors is doing experiments with successful rollouts in mind and ensuring that the marketing planning and budgeting process can accommodate the opportunities, which can be difficult given the often-slow cadence of the budget process.

Brinker: A marketing innovation program can help an organization stay on top of the ongoing changes that are going to keep erupting in their market. The world isn't slowing down. But I agree with you, Jason, that the key to making that investment payoff is to define a process for integrating the learnings from the "lab" back into the mainstream business. Now the reality is that most of the experiments of such a program won't pan out. That's the nature of exploring on the frontier. But when you do find a winner, the real test of an innovation program is how quickly it can scale up that idea into the business. That's how you claim victory.

Heller: I'll add that it's hip to say "fail fast." That doesn't mean fail. It's okay for experiments to fail, but ultimately companies need to put in place a thoughtful program of experimentation that yields results for the business. ☐

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