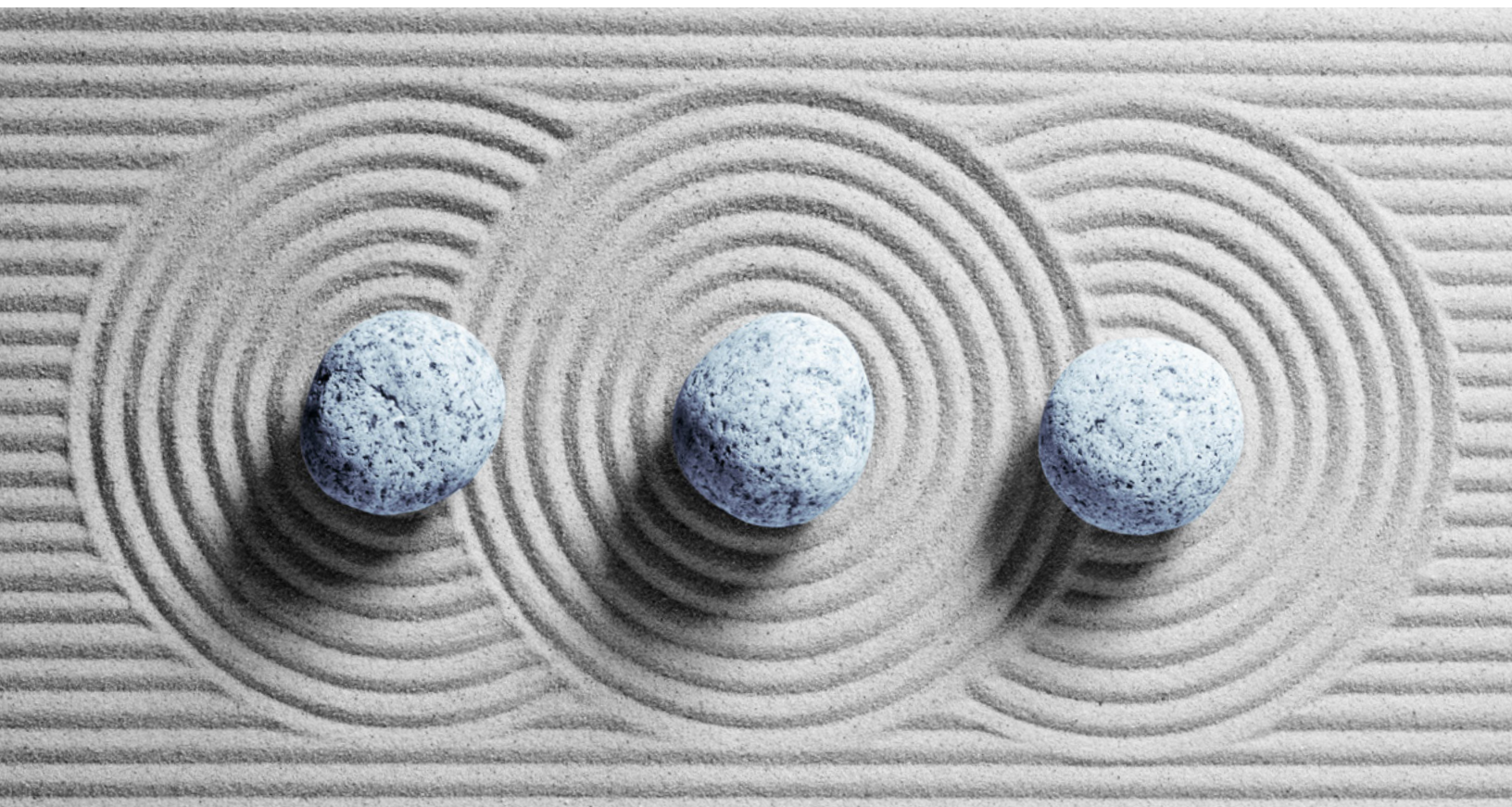


Marketing & Sales Practice

The growth triple play: Creativity, analytics, and purpose

Companies that integrate creativity, analytics, and purpose are delivering at least two times the growth of their peers.

by Biljana Cvetanovski, Brian Gregg, Eric Hazan, Orsi Jojart, and Jesko Perrey



Key takeaways

- Only 7 percent of companies are delivering on the growth triple play by unifying creativity, analytics and purpose. They are **driving average revenue growth of 2.3 times versus peers from 2018–19 (which increased to 2.7 times versus peers from 2019–20).**
- In the period 2018–19, companies using just one of the capabilities—either creativity, analytics, or purpose—saw an average growth rate of more than 6 percent. Adding a second component saw growth rates climb to more than seven percent. **For those that employed the full triple play, growth rates climbed to more than 12 percent.**
- CMO's have a once-in-a-generation opportunity to lead growth, as **78 percent of CEOs are now banking on CMOs and marketing leaders to drive growth.**

The next normal is the 'no normal'

The year 2020 was unlike any other, as lives and livelihoods were upended by the pandemic. COVID-19 affected every aspect of our lives, forcing customers and businesses alike to embrace new behaviors, including digital ways of working, shopping, and relaxing. Within a span of a few months, a decade's worth of e-commerce adoption took place as the pandemic raged, leading to many new, digital-first marketplaces. The normal we all knew was gone. In fact, there was no normal at all.

The historic shifts brought on by the pandemic have also fundamentally changed the role of marketing leadership and the chief marketing officer (CMO). According to McKinsey's new research, in these "no normal" times, 78 percent of CEOs are now banking on marketing leaders to drive growth.

We looked at how more than 860 executives across the globe are prioritizing investments and capabilities that help accelerate growth.¹ In the process, we uncovered three elements—creativity, analytics, and purpose—that constitute a "growth triple play" that provides at least two times the growth of peers who don't invest in all three in tandem. Even before the pandemic, companies that had developed all three capabilities were logging double the growth of their industry peers, a margin that only increased once the COVID-19 crisis hit. But even though all three elements are available to most companies, only 7 percent of companies have been able to use them successfully in combination.

To better understand how companies are using the growth triple play of creativity, analytics, and purpose to drive above-market growth, we separated out those that have most successfully integrated all three elements to see what they do differently.

The growth triple play

The companies that use the three elements of the growth triple play together—creativity, analytics, and purpose—achieve dramatically higher average growth rates. The research shows using the full growth triple play can boost average growth rates by 2.3 times compared to companies that don't use any of the three elements. The results were even more dramatic during the pandemic, when the impact of using the full triple play boosted growth rates by 2.7 times.

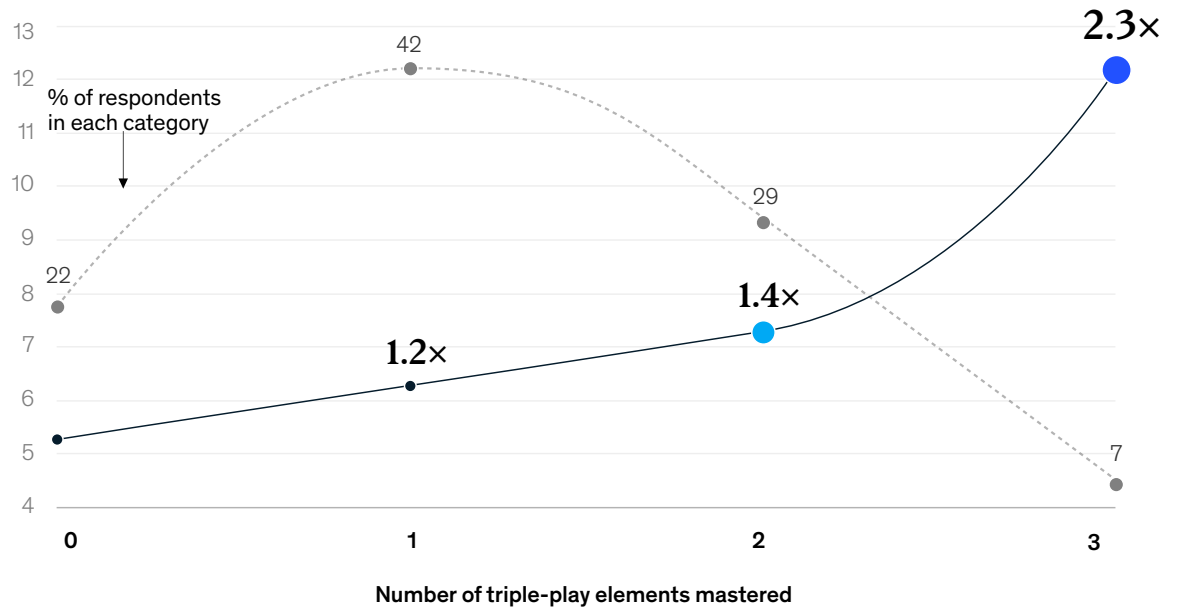
That cumulative impact is striking. In 2018–19, companies that used any one of the capabilities—whether creativity or analytics or purpose—saw an average growth rate of more than 6 percent, for companies that added a second component, growth rates climbed by another 15 percent to more than 7 percent, and for those that employed the full triple play, growth rates shot up by 67 percent to more than 12 percent.

¹ For the full McKinsey Global Institute report, see "Getting tangible about intangibles: The future of growth and productivity?," McKinsey Global Institute, June 2021, on McKinsey.com.

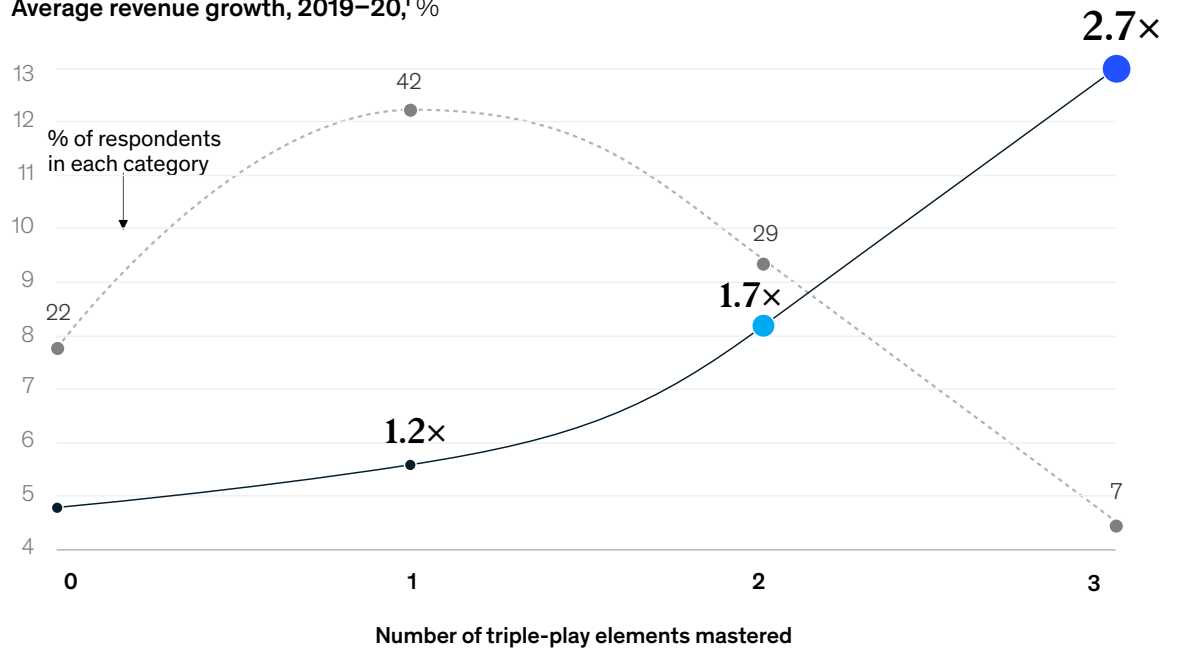
Exhibit 1

The triple play is positively associated with growth, having a further halo effect during the pandemic.

Average revenue growth, 2018–19,¹ %



Average revenue growth, 2019–20,¹ %



Each element of the triple play is critical. Creativity is part of the origin story of marketing. It's in the breakthrough ideas that have always underpinned bold, imaginative campaigns. The last revolution in marketing was all about the fusion of creativity and data analytics. What's new today is partly the addition of purpose, the statement of a goal higher than just ringing up the next transaction. Purpose can vary widely, as long as it is true to what the brand ultimately stands for. Says Ann Mukherjee, CEO North America at Pernod Ricard: "Purpose could be about fun. Purpose could be about indulgence. Purpose could be about being a rebel. Purpose could be about saving the world. But purpose must be intrinsic to what the brand's narrative is."

The elements of the triple play turn out to be mutually reinforcing. The speed and granularity delivered by analytics is far more powerful when integrated with innovative, breakthrough creative ideas and programs. Both resonate with customers in a deeper way when they are connected to purpose. Triple-play companies that have learned to integrate all three elements are 1.8 times more

likely to be in the top quartile of growth within their sectors. McKinsey's research provides clear insights into exactly how the triple-play companies are deploying the three elements. It is not a theoretical exercise. Those companies take these specific steps to activate the triple play across the full sweep of their marketing practices:

Infuse creativity with analytics

Creativity starts by thinking and dreaming big, by opening the aperture to new ideas and approaches to delight customers. The discipline comes from making sure the customer is always front and center. Triple-play companies take more than a 360-degree view of their customers. Creativity is what gives rise to new campaigns, new products, innovative ways to serve consumers, and more. The addition of granular data and analytics can unleash creativity more effectively to drive deeply personalized customer interactions using iterative, test-and-learn approaches. Analytics help marketers make decisions at a faster clip by using marketing sensors to monitor changes in consumer behavior and make budget reallocations in real time.

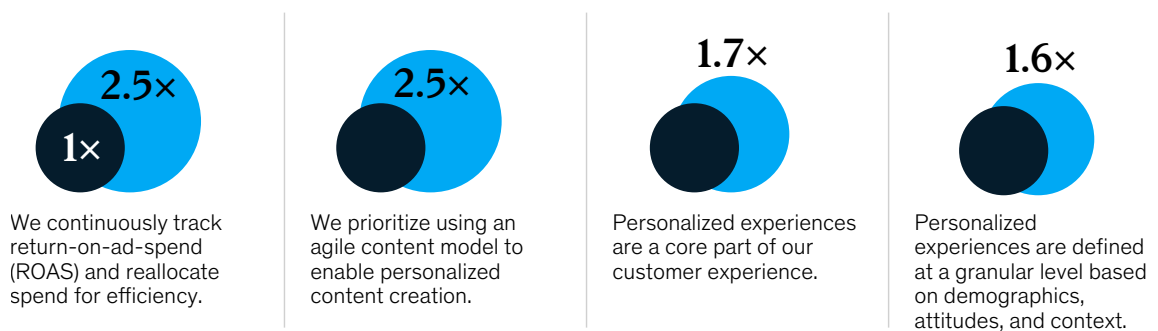
Exhibit 2

Companies that utilize the growth triple play infuse creativity with analytics at much higher rates than those who don't.

Ratio of triple-play companies vs others¹

● Others ● Triple-play companies

Infuse creativity with analytics



¹Ratio of triple-play companies that answered "strongly agree" vs other companies that answered "strongly agree."



From the field: Mars' Sheba brand uses the power of creativity to bring HOPE

Great creativity draws people in, engages them, and ultimately inspires them to take action, whether it's buying a product or embracing a cause. Jane Wakely, lead CMO of Mars, Incorporated, explains how the Sheba Hope Reef project builds on Mars's purpose with science while embracing creativity: "Purpose is our guiding light at Mars; we want to make a meaningful and measurable difference in the world. Sustainable fishing is close to our heart because pet parents love their pets to sometimes enjoy fish. Our goal, working with WWF over the past decade, has been to sustainably source 100 percent of the fish used in our pet food recipes. But we wanted to do more; scientists tell us that by 2043, 90 percent of the world's coral reefs will in fact be gone and 25 percent of all marine biodiversity will be lost. Since 2008, the Mars Coral Reef Restoration Program has installed over 19,000 Reef Stars, incorporating more than 300,000 coral fragments to help restore ocean health. We believe that more coral today means more fish for tomorrow. This purpose, in turn, inspires creativity. By involving our creative partners, we have built a coral reef which simply spells out the word 'H-O-P-E.' HOPE Reef is so large it can be seen from space. We want to grab people's attention in a cluttered world, and then drive them to a collection of content that educates them about coral restoration and galvanizes them to join the effort to restore ocean health. "It's a magical way to open people's minds, but also their hearts and get them on board to drive a movement that makes a meaningful and measurable difference," said Wakely.

**Creativity is what gives rise to new campaigns,
new products, innovative ways to serve
consumers, and more.**

Deploy analytics with purpose

Creating moments that are meaningful for customers requires analytical horsepower and precision to discover customer intentions, interests, and unmet needs. At a time when companies are generating massive quantities of data, however,

purpose serves as the anchor for marketers to determine which insights matter most and to focus their efforts there. That's why triple-play companies prioritize flexibility in their analytics and data architecture to not only co-create strategy with the C-suite but also to share those insights across the organization.

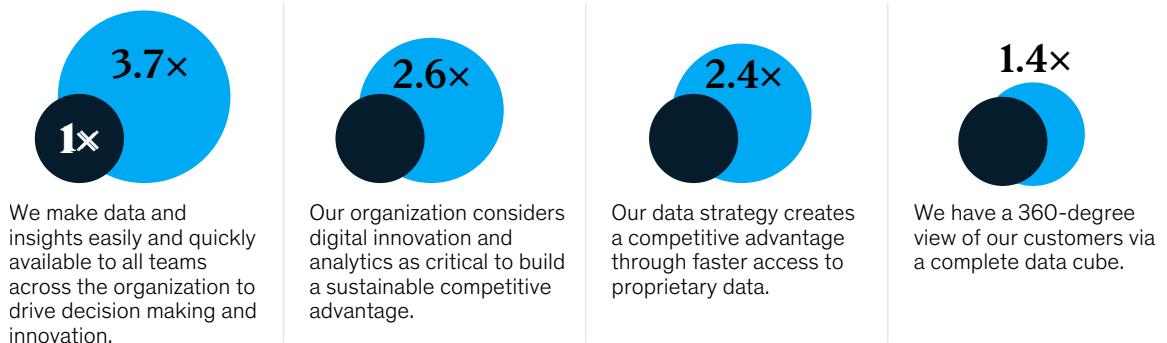
Exhibit 3

Deploying analytics with purpose is another feature of the growth triple play that companies who outperform their peers focus on.

Ratio of triple-play companies vs others¹

● Others ● Triple-play companies

Deploy analytics with purpose



¹Ratio of triple-play companies that answered "strongly agree" vs other companies that answered "strongly agree."

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From the field: How Salesforce is organizing entirely around the customer

Brian Solis, global innovation evangelist at Salesforce and eight-time best-selling author, says technology has conditioned today's consumers to expect that they can get whatever they want, wherever they want it, within minutes. Meeting that high bar is simply not possible without analytics and an unwavering focus on the customer. This also includes organizational transformation. "We've become a customer-360 company, because we're helping customers organize and digitally transform entirely around the customer and customer insights to deliver that real-time value, throughout the customer journey. The goal is to create connected, intuitive, and personal 'ignite moments,' that moment when you have someone's attention and you know their intention, and you can deliver the best, most personalized, efficient, convenient, and 'wow' experience possible. Analytics help companies understand those wants in real time; AI and automation can even help them deliver against them ahead of time."

Focus on the purpose

Purpose acts as a North Star, guiding the overall direction as CMOs and marketers make crucial decisions that shape long-term growth. Linking purpose to creativity and analytics helps companies recognize the opportunities that are

going to resonate most deeply with customers. CMOs and marketers understand the power of purpose and weave it into the culture, creating a recognizable sense of mission for customers, employees, prospective employees, and other stakeholders.

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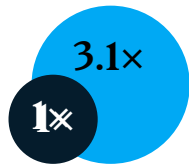
Exhibit 4

Finding power in purpose is the final element that companies who employ the growth triple play focus on.

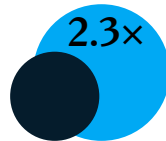
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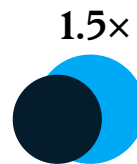
Find power in purpose



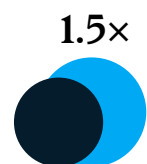
We have a unique value proposition to encourage talented people to join and stay with the company.



My company has a clear purpose and mission statement that allow us to assess what we do and don't do with respect to growth opportunities.



My company has a powerful, winning value proposition and brand positioning.



Our purpose is at the core of how we think and talk about our brand(s).

¹Ratio of triple-play companies that answered "strongly agree" vs other companies that answered "strongly agree."



From the field: How Oatly finds purpose in a more resilient food system

It's not hard for John Schoolcraft, chief creative officer of Oatly, a global alternative dairy company based in Sweden, to explain his company's purpose. Oatly aims to drive a systemic shift towards a sustainable, resilient food system where people don't have to trade taste against the future of the planet. "Just talking about sustainability is useless. We want to prove to people that the things we are doing are having a positive impact on the world. For example, we have programs where we work with farmers on sustainable farming initiatives, such as more diverse crop rotation, which allow farmers to lower their use of fertilizers and herbicides, improve long-term soil health, and diversify incomes. We're trying to create change, to gain the trust of our consumers through action instead of just talking. If you were to go back and analyze our creative work for the past nine years, you would see this approach in almost everything."

Winning in the next-normal world

Marketing leaders have a once-in-a-generation opportunity to lead, shape, and drive the growth agenda. They can take advantage of this opportunity by integrating creativity, analytics, and purpose—the growth triple play—across the full spectrum of marketing activities. Already, the most successful CMOs are deftly using the precision and rigor of analytics to anticipate and satisfy customer needs, guided by purpose and energized with creative approaches.

On a practical level, winning in this next-normal world means orchestrating functions, across the organization and partnerships in the extended ecosystem, based on a richer understanding of customer wants and needs. In most companies, only the CMO is positioned to take this on with both internal and external relationships. Indeed, CEOs are increasingly depending on their marketing leaders to deliver growth. As marketers take on this expanded growth mandate, the most successful are willing to make fundamental changes to position themselves and their organizations to thrive in the post-pandemic environment. Success will be defined by how well those CMOs execute on the following three imperatives:

One: Lead from the front as a unifier

The CMO is now more than ever viewed as the CEO's "go-to" growth partner. Standing at the frontier where customer needs meet organizational capabilities, the CMO is uniquely positioned to draw on all functions across the organization. The ability to deliver on the growth agenda and demonstrate tangible impact will depend heavily on the strength of the collaborative alliances the CMO can forge across the C-suite and beyond.

Climb in the cockpit—you're the copilot now.

Unleashing the full power of the triple play won't be possible without a strong relationship with the CEO. It's important to be bound together with a common vision and a strong foundation of trust. For example, while CEOs need no convincing on the importance of creativity in driving growth—77 percent of CEOs, COOs and board members already believe that creativity is a crucial growth driver in the post-COVID-19 era—only half of them believe it can be integrated with technology. Marketing leaders

will need to draw on their full power as unifiers to bridge this gap, bringing together the creative and analytical branches of the organization, driven by purpose to create the solutions that can ignite and sustain growth over the long term.

Pernod Ricard North America CEO Ann Mukherjee sees the CMO as the Rosetta stone for the organization, from the finance department to the CTO. "The CMO has to be a jack-of-all-trades. They don't have to be a perfect expert when it comes to technology but must understand technology to stand side by side with the CTO and understand data architecture. In today's world of analytics, the delivery of mass-personalized content requires the CMO to understand martech, to understand how data flows in the company and how to deliver that across multiple systems. The CMO has to do the same thing with the finance organization to help them understand what value creation for a brand is, and to understand how that drives pricing or promotion. So all the things that typically were marketing are still important. But, today, the organization needs every function to be rowing in the same direction for you to deliver growth. That's why the CMO has to be a unifier."

Build alliances, not partnerships. To achieve that kind of unity of purpose across the organization, CMOs and marketers must lead from the front as unifiers as they work to build those critical relationships. Successful unifiers become strategic integrators sitting at the intersection of talent, technology, strategy, and communications. But forging that level of collaboration may not be easy. While most CEOs, COOs, and boards agree that marketing should be driving growth, there is much less consensus about the role of the CMO among the rest of the C-suite. Only 44 percent of CFOs and 62 percent of tech leaders agree that growth belongs to the CMO. The ability to create strategic alliances across the entire C-suite will be a critical skill in the next normal.

Be an ecosystem maestro. Speed of action only goes so far if other players in the ecosystem fail to move as quickly or are not aligned to a company's values and goals. To achieve extraordinary impact, orchestrating ecosystems and partnerships will be key in dealing with the new pace of change,

complexity, and disruptions. Top CMOs and marketing leaders are thoughtful about what skills they need in house and which are better left to outside specialists who become part of a networked team of resources, there when marketing leaders need them but willing to recede when they don't. Triple-play companies in our survey were 1.9 times more likely to say they worked with agencies that lead in a certain capability area—even if that meant the company needed to manage more agencies.

Two: Inspire a better outcome with purpose

In the next normal, decision making happens fast and is pushed deep into the organization. A clearly defined and articulated purpose is what keeps the organization moving together in the same direction as one cohesive unit.

Rally stakeholders with purpose and vision. A clear purpose acts as a beacon, signaling to both internal and external stakeholders that the company knows who they are and what they stand for. Team members on the frontlines draw on that sense of purpose as they set priorities and make rapid-fire decisions. They know intuitively where they have permission to operate—and where they do not. That beacon is just as important for external stakeholders. Ecosystem partners know where the lines are drawn, investors understand the strategic priorities, and customers can measure how closely the organization synchs with their personal values.

Purpose is especially important when it comes to the critical task of recruiting and retaining talent. A clear purpose helps companies attract in-demand workers—especially important for companies located far from Silicon Valley that are competing for digital stars. Once the hiring agreements have been signed, that sense of purpose helps companies allocate critical talent to the most important value-driving roles. Triple-play companies are twice as likely to have a more robust talent-acquisition strategy than other companies. These savvy companies understand that attracting and retaining the right talent is more important to achieving and maintaining above-market growth than investments of capital.

Shape the portfolio with purpose. A well-defined purpose can also help marketers sculpt the

product and brand portfolio, providing a guide for adapting and growing brands. Values will vary from organization to organization, but brands should serve both the organization and the customer, and in many cases a higher purpose. At Mars, Wakely calls this “building brands for mutual value.” “We believe that brands should be driving transformative, sustainable growth for their category. Through our ‘building brands for mutual value’ vision we are reimagining the whole concept of brand-building and the value they can bring to the next generation. By harnessing the power of key brands to drive real change on key social and environmental issues, we can deliver mutual value for pets, the people who own them, the partners we work with, and the planet we all live on. This is at the heart of our vision and why our brands like Sheba are sparking action on issues such as biodiversity loss.” That level of clarity helps organizations continuously refine their growth agendas. Triple-play companies are 1.6 times as likely to regularly review and refine their brand strategy to maximize growth and three times more likely than peers to discard brands, products, or activities that don't drive growth or detract from growth—even if they are part of the company legacy.

Three: Fire up the full growth triple play

There's a reason only 7 percent of companies have been able to deploy the full growth triple play: it's very hard to do. Only those that have developed the necessary capabilities are able to integrate creativity, analytics, and purpose.

Make the triple play core to company culture.

Creativity is so fundamental to the marketing discipline, going back to its very roots, that every CMO and marketer should have a firm grip on the building blocks of visual representation, messaging, and media. But creativity also includes the ability to bring novel and disruptive new ideas to the surface, where those ideas can be refined, tested, and either scaled or discarded. That last part, however, is heavily dependent on the strategic analytical muscle, especially the ability to collect proprietary data and use it to generate insights that can drive value. Purpose helps set the overall direction, ensuring that every product or service, no matter how disruptive or surprising, is true to the brand identity and recognizable as such by customers.

Build a suite of growth enablers. Top marketers understand what motivates customers at a deeper level and can identify changes in customer behavior almost before they manifest. To achieve that level of customer knowledge, companies will need to develop insights that can help identify changes in demand markers based on when, where, and how fast customers are moving. This requires a suite of additional skills and practices to ensure rapid value creation and sustainable growth. The most important include the following:

- *Allocate resources*—by the week, the day, and the hour. Marketers should look to invest in a brand-building measurement ecosystem, including addressable TV analytics, “brand lift” studies geared for analysis, and geo-specific attribution and testing. This way, marketers have the flexibility to collect detailed insights on how exactly their campaigns are impacting consumer behavior and to track brand, reach, and frequency metrics. This new wave of data and performance metrics allows marketers to quickly adjust and reallocate resources and budget, by the week, the day, and the hour. Triple-play companies are 1.6 times more likely to continuously allocate and reallocate marketing spend in real time (or near-real time) to the most effective spend channels.
- *Know your customer like you’re in the room.* The ability to serve up exactly what the customers want, when they want it, and in their choice of channel, is rapidly becoming a baseline customer expectation. It requires real-time data and analytics to create customized pricing and promotion. Triple-play companies go even further: they are 2.1 times more likely to have their brand positioning fit to clearly defined target groups. Some leading companies are developing new levels of understanding by building systems that can pool and analyze structured and unstructured data, algorithms that can identify

behavioral patterns and customer propensity, and analytics capabilities to feed that information into dashboards. Those companies’ customer-data platforms can connect a single customer across devices, cookies, and ad networks, and enable real-time campaign execution across touchpoints and channels.

- *Find new ways of working to boost the metabolic rate.* Without flexible architecture, developers will be slowed by dependencies across teams, the need to stabilize or integrate codebases after their development, and a lack of team-level ownership and accountability. Triple-play companies understand this and are allocating significant investment to modernizing their architecture. They are 2.8 times more likely to run analytics decisions in real time, and 2.1 times more likely to have a flexible infrastructure.

Seizing the big moment

Even in the most volatile of times, there are companies that are driving growth that is twice as high as their peers’ through creativity, analytics, and purpose. By drawing on the full power of the growth triple play, CMOs and marketers can increase their odds of success, elevating their profile and their organization to new heights, and creating impact along the way.

For those that get it right, it can be the start of a new era where marketing is ascendant, and Marketing and the CMO is at the heart of decision-making. But to do so, they must act on new ideas, rigorous data-bound execution, and an unerring sense of purpose at the core.

The most resolute CMOs and marketers can rise above the chaos to lead the charge, inspiring their organization and their customers along the way.

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