

MMA: How three “growth stacks” now define successful marketing organizations

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Research funded by the Mobile Marketing Association (MMA) has highlighted three core pillars of marketing, or “stacks”, for brands to consider.

- The “exchange” stack involves using digital signals provided by consumers to deliver an enhanced degree of personalization.
- The “experience” stack involves reducing pain points on the path to purchase in order to optimize satisfaction and loyalty.
- The “engagement” stack enriches brand meaning and societal impact, with the aim of boosting referral knowledge value.

New data powered by the MARS (“Mobile, Analytics, Real-time, Social”) Project are re-shaping the entire marketing ecosystem, according to on-going research being developed under the auspices of the Mobile Marketing Association (MMA).

And, as that change continues at all levels of brand stewardship, the MARS Project reports, “A deep and pervasive sense of barely concealed chaos exists within many marketing functions.”

Interviews with 100-plus senior brand leaders – “we looked at companies that are doing really well, companies that are doing not so well, and companies that are kind of somewhere in the middle,” said Indiana University’s Dr. Neil Morgan, who addressed delegates at the MMA’s 2019 Impact: Build the Future Conference – **identified a fresh set of values** that are driving the practice of marketing even as a **new group of interconnected disciplines render a different batch of success metrics**.

“There are thousands of new, bright, shiny objects. Which ones are a waste of money?” Morgan, the PETsMART, Inc. Distinguished Chair in Marketing at Indiana’s Kelley School of Business, asked delegates at the MMA’s 2019 Impact: Build the Future Conference.



Neil Morgan, PETsMART, Inc. Distinguished Chair in Marketing, Indiana University's Kelley School of Business

The MARS Project is underwritten by an MMA grant and guided by a steering committee that includes top marketers from Allstate, Bank of America, Beam Suntory, The Coca-Cola Co., CVS, Dunkin', Hilton, MillerCoors, Salesforce Marketing Cloud, and Target.

And its formal mission is to tap into an "independent academic/industry partnership to study the change in the marketing organizations of B2C [business-to-consumer] firms as a result of the most critical changes in technology."

Its stated goal: "To create knowledge that can guide leaders on the design and management of modern marketing organizations."

To that end, the group look at both theory and practice. And, on the latter point, Morgan identified a major global

brand's approach to organizing the marketing function that may redefine how products and services are brought to market.

To manage the seemingly endless wave of innovations that its brand stewards need to handle, the financial-services giant created a marketing R&D group, Morgan reported.

"Its job is not necessarily to create new stuff, but to help the marketing organization figure out what, of all the stuff that's out there, is actually worth doing something with."

The firehose of offerings, he continued, can be tempting for marketers who have at least a couple of reasons to keep pace with technology. "It can get really hard to say, 'No,'" he told the MMA gathering. "On the one hand, there's the fear of missing out.

"On the other hand, you've got the fear of being blindsided. The Coca-Cola Co. is not worried about what PepsiCo is up to. The Coca-Cola Co. is worried about what two guys with a sugar plantation in Brazil are up to, or what someone with a PhD in California is going to do next.

"That's what they're worried about. And that's why it's really, really hard to say, 'No'. But if you say, 'Yes' to everything, you keep adding and adding and adding ... But if you look at what most marketing organizations are doing, they keep adding."

Such an expansion of services, Morgan added, may be understandable: "Organizations are changing, but they're changing without a map. They're moving without really knowing where they're going to."

Marketing groups, he proposed, need to "choose a strategy of how they're going to compete." And they need to review new options because "the old strategy models don't hold. They don't work in the new world.

"One of the most interesting quotes we heard was from a CMO who said, 'We know we need to make a choice, but we don't know what the choices are.'"

What do the new MARS-world models look like? Morgan described three new "growth stacks" – defined in this context as "unique ways organizations can design and configure talent, technologies, and activities to create value for their customers."

According to Morgan, and the MARS Project team, "We believe that there are three things" – using the language of technology to rebrand what used to be called "pillars" as "growth stacks" – "that MARS has fundamentally changed in terms of how organizations can create value for their customers and, therefore, capture value for themselves."

- **Exchange:** The tools of personalization can “pick up signals where consumers are looking that give you clues as to what they’re looking for.”

And that means “reacting on the basis of past observations of behaviors of that customer – or customers who look like them – to serve up product offerings and programs that are most likely to be the closest match.”

The exchange growth stack, Morgan advised, “is about freeing up the widest range of possibilities” for a brand, “figuring out what will work for you, which programs [your customers] like, at what price point, and serving those up in real time when they get onto your website.”

When exchange is operating at peak efficiency, it matches the specific needs of a consumer at a given moment with a brand offering.

The goal of the exchange stack: Optimize acquisition and retention costs.

Example of a best-in-class exchange brand: Chobani.

- **Experience:** The MARS Project experience, explained Morgan, really is about using the available technologies to eliminate consumers’ pain points, thereby informing and facilitating the path to purchase.

More specifically, the MARS Project discovered, the experience growth stack drives demand by increasing convenience, eliminating hassles/pain points, or finding latent needs across the consumer journey.

The goal of the experience stack: Optimize customer satisfaction and loyalty.

Example of a best-in-class experience brand: Casper mattresses.

- **Engagement:** “Engagement,” he admitted, “is an overused term, but [in MARS], it’s really about driving enhanced functionality by connecting more closely with consumers and enabling consumers to connect with each other so they can share information about how best to use your brand.”

In other words, it drives demand by expanding brand meaning and societal impact, in part by joining, building, and managing communities,

The value-add of experience for brand owners, of course, is that when shoppers share information with another shopper, the brand can listen and learn as well. “That enables you to potentially enhance the meaning of your brand because you’re getting closer to the way in which it’s used by actual consumers.”

Salesforce, a partner in the on-going MMA initiative, has helped move the project ahead by recognizing user communities in a “trailblazer marketing” program.

Those cohorts are particularly attractive, Morgan added, “not just because of their referral value, but also their knowledge value” – insights that can enable brands “to change and adapt their services and their products over time.”

The goal of the engagement growth stack: Optimize referral and knowledge value.

Example of a best-in-class experience brand: Outdoor retailer REI’s #OptOutside initiative.

“Put these three things together and you can start to make choices: What configuration of these things makes the most sense for your brand – or makes the most sense for your organization in terms of being able to deliver value in a significantly different way than we were able to do in the past?”

No two brands will have the same stack mix, as the MARS Project identified different marketers had different growth-focused advantages.



The organizers of the MMA/MARS program, added Morgan, “believe that, over time, most organizations – irrespective of where they start from – are actually going to evolve to this kind of a three-stack [marketing] organization.”

Moreover, he continued, “If you’re a multi-brand organization, where you may want to use different configurations, you need to be able to create value for customers using each of the three value stacks.”

The stacks, in fact, become the foundation of a new brand strategy. “The next piece is to put it all together ... Our observation is that the reason that most organizations are kind of slightly in crisis is because they’re reacting”, such as by adding more verticals, focusing on organizational structure versus a work structure, and not “designing” their models.

“They keep adding without having strategy.”

Morgan’s counsel: Pick a growth stack, whether it be exchange, experience, or engagement. “You start with that building block. Then you have a strategy. Then you’ve made a choice. After that point, it becomes a question of which capabilities do you need now to add to make the right strategy choice.”

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