
Dick Stroud

Dick Stroud is the programme director for Internet-based marketing courses for the Chartered Institute of Marketing, and a visiting member of the teaching faculty at the London Business School and the American University in London where he teaches on their e-business management programmes. In addition to his teaching activities he manages his own consultancy that delivers strategic advice on ways that companies can optimise the use of the Internet.

Keywords: skills, training, marketing, knowledge, organisation

Ways to increase the effectiveness of the marketer

Dick Stroud
Internet Strategies,
8 Strutton Court,
54 Great Peter Street,
London SW1P 2HH,
UK
Tel: +44 (0)20 7222 0270
Fax: +44 (0)20 7233 0617
E-mail:
dick@internet-strategies.co.uk

Interactive marketing needs interactive marketers

Dick Stroud

Received: 20 November 2000

Abstract

The paper discusses how the role of the marketer is changing as companies increasingly adopt Internet-related applications as a key parts of their IT and business strategy. It considers the demands placed upon marketers to acquire new skills and the implications for their role and responsibilities as the functional boundaries of companies are forced to adapt to the new methods of trading enabled by the Internet. Finally, the author proposes a checklist of the issues that a company's senior management should address to ensure the marketer is provided with the tools and the power to work effectively.

Introduction

There is a considerable body of knowledge being created about the strategic and tactical business and technological issues involved in interactive marketing. One area where very little commentary has appeared is the knowledge, skills and work environment for the marketers who are expected to initiate and deliver radically new Internet-enabled business solutions. Where there has been any discussion of this subject, it has focused on the start-up 'dot.coms' rather than the much larger universe of marketers who are working in 'old economy' organisations.

The author has become fascinated by this human resources facet of interactive marketing and its position in the spectrum of other e-business applications. With depressing regularity it is the lack of attention to re-skilling staff and the inability of companies to address the organisational change issues that result in the disappointing outcomes from interactive marketing applications.

This paper explores these issues, and suggests ways in which the effectiveness of the marketer can be increased to deliver their organisation's interactive marketing solutions

Is there a problem?

The recent *Marketing Trends*¹ survey published by the Chartered Institute of Marketing found that nearly 50 per cent of companies believe their marketing department has responsibility for their website. In companies with turnovers between £50m and £100m this figures rises to 68 per cent. Similar results were found in a survey conducted by *E-Business Review*.²

This new responsibility obviously demands a new set of technical and business skills if the job is to be efficiently executed. If this were the only requirement then the situation could be relatively easily remedied. What is more important, and far harder to resolve, is the potential

**Marketing is
invariable at the
vortex of change**

organisational and business model changes that often accompany the use of the Internet as an integral part of a company's business. Marketing is invariably at the vortex of this change, but often lacks the power and resources to deliver the anticipated outcomes.

We are all aware of the way that Internet is altering the nature of business, but in most cases have not reflected these new dynamics in the structure, skills and resources we apply to marketing. These tensions exhibit themselves in a range of ways.

- *The frustration of responsibility without power.* There is a need to get other parts of the organisation to change their processes, but without the hierarchical authority to ensure it happens.
- *Slow delivery of results.* The expectation that the 'interactive' activities can be executed by the existing marketing resource in an unchanged structure.
- *Poor implementation.* Marketing staff needing to make decisions without the necessary technical knowledge and concepts.
- *Lack of organisational responsiveness.* The need to make decisions in 'Internet time' within slow, ponderous organisational structures.
- *Failure to focus on the customer.* The necessity to focus on the customer is inhibited by an old organisational structure that was designed for totally different purposes.

Few of these issues are unique to the era of the Internet. What is radically different is the magnitude, speed and scope of their impact.

The remainder of this paper examines these factors in more detail and suggests the changes that need to be made if marketers are to function effectively in the new interactive environment.

Need for new skills

To use a military analogy, we are trying to fight the new interactive marketing battles with weapons designed for the last war. Our weapons are the new knowledge, concepts and processes related to interactive marketing.

Despite the torrent of commentary about interactive marketing, the academic and professional institutions have been slow to reflect these new skills in their examined body of knowledge. Marketers are expected to equip themselves for this new era through *ad hoc* training and conference attending. The oldest source of marketing education, 'learning on the job', is not an option in such a new and evolving discipline.

The marketer who is expected to operate in the interactive world must acquire three categories of knowledge and skills. To create a comprehensive listing of the content for each category would fill the remainder of this paper, but the following sections provide examples of the scope and detail within each category.

Interactive business knowledge

This encompasses the new business paradigms and processes that result from the using the Internet and includes:

**The marketer's role,
skills and scope of
influence must adapt
to the Interactive
environment**

- new pricing models and the changing role of the customer in the pricing equation
- potential to expand the business boundaries of market and product/service range
- scope and implications of multiple channels to market
- implications of new legal and regulatory environments
- mapping of traditional marketing techniques (advertising, direct mail) on to the interactive world
- potential for deepening and broadening the customer relationship
- dynamics of trading interactively and the resultant organisational implications.

The internet has radically extended the depth to which the marketer must understand the technology

Technical knowledge

There has always been a requirement for marketers to appreciate the concepts of the IT that supports their activities (customer databases, direct mailing systems etc). The Internet has radically extended the scope and depth to which the marketer must understand the technology. Research conducted by the author³ shows this lack of understanding of the technology is a major perceived weakness and cause of concern for the marketer.

A large part of the problem is created by the jargon that surrounds the Internet. This has undoubtedly created significant difficulties for marketers in understanding and managing their Web responsibilities. This manifests itself in their difficulty in establishing a common knowledge and understanding between themselves and their internal IT department and external interactive agencies.

The main areas of Internet technology knowledge the marketer requires are:

- a basic appreciation of how the Internet operates
- the architectural options for creating and managing websites
- the determinants of website usage (performance, access, measurement)
- content and customer data management
- using third-party services, content and functionality
- emerging technologies and their marketing impact.

Clearly, it is impractical to expect marketers to be fully conversant with all of these areas. However, they must appreciate the marketing implications of the technical issues and have a sufficient grasp of the 'language' to source and understand expert advice. Of all of the knowledge areas this is the most volatile and demands continual updating.

The importance of partnering

Partnering

This is a generic term for the skills needed to exploit the numerous types of partnerships that have been enabled by the Internet. The scope of 'partners' now includes competitors (eg industry marketplaces), shared customer alliances (eg affiliate revenue sharing), Web content and service relationships (eg provision of content to customers). The inherently

cooperative nature of the Internet ensures a continual expansion in the scope of partnering opportunities.

This is the least developed category of the marketer's new skill set. Leading exponents of the skill have identified the following as categories of new skills:

- formal processes for evaluating partnership opportunities and relating them to the organisation's interactive strategy
- creating 'workable' partnering agreements that are suitable for the fast-changing and uncertain world created by the Internet
- processes and organisational disciplines for evaluating the performance of partnering agreements
- methodologies to manage the partnering relationships at multiple levels within the organisation (ensuring the strategic vision is translated into a tactical reality).

A note of warning

Vital as it is to stress the need for new skills, it is equally if not more important to appreciate that these are additives and not a substitution for the existing skills of marketing. It is frightening to see how often the fundamental precepts of marketing have been abandoned, with disastrous outcomes. It is not just the new dot.coms that have tried to defy the basic principles of marketing. Many 'old economy' businesses have failed to apply the same level of marketing planning rigour to their Internet ventures as they would to their traditional activities. Hopefully this period of corporate madness is now behind us.

We are trying to fight the new e-business battles with marketing skills and organisational structures designed for the last war

Extension of the marketer's role

Expanding marketing's scope of involvement

If you were to ask a group of senior managers if the Internet has changed (or is changing) the nature of their business, you would get varying degrees of agreement. If you were to ask the same people if they have altered the scope of responsibilities of their marketing group accordingly, you would find far less agreement.

The role of marketing during the 'brochureware era' of the Web changed very little. As the name suggests, the scope of use was limited to its role as a communications tool, which required no change to its scope of responsibility. But even this limited use of the Internet did demand the acquisition of additional technical knowledge, which often failed to happen.

As the use of the Web has expanded and extended into other parts of the business it has been necessary for the marketer's scope of involvement to alter accordingly. Because of this diffusion of marketing's responsibility, the remainder of this paper will expand the scope of the discussion to include all the applications involved in e-business. The following are business areas where marketing is regularly required to become involved and often lead activities.

- the standards and provisions for delivering customer service via the Web

- the company's approach to the legal and privacy issues associated with the Web
- the mechanisms and scope for accessing the company's corporate systems
- the use of the Web as a mechanism for recruitment
- the standards and methods for managing message traffic generated from the website
- the use of the Web as a means to extend or substitute for existing sales channels.

Expanding scope of marketing's involvement

All these examples highlight the expanding scope of involvement of marketing. Where problems arise is when marketing is expected to deliver Web solutions, in this cross-functional environment, but is not provided with the organisational power to ensure the required behavioural change occurs.

The most common instance of this problem concerns the roles of marketing and IT. This is partly due to an unresolved power battle that still exists in many organisations as to whether IT or marketing is responsible for their organisation's Internet strategy. Twenty per cent of companies with turnovers greater than £100m report that IT is responsible for the Internet strategy.⁴ One solution to this problem would be for marketing to take its rightful place at the pinnacle of the organisation and assume the executive power to ensure the success of such ventures — but this may be a minority view held by a few marketing-centric executives!

In the short term, marketing is likely to remain the catalyst for change, but it is the responsibility of all parts of the business to deliver on their specific Web activities.

A more practical solution is to ensure that the dual responsibilities for ensuring the success of such projects are very clearly defined. In the short term, marketing is likely to remain the catalyst for change, but it is the responsibility of all parts of the business to deliver on their specific Web activities. For this to work demands a high level of senior executive involvement and a new form of structure that can accommodate such cross-functional working.

The planning process

Few companies have yet modified their planning process (corporate, divisional, marketing and interactive) to reflect the demands of responding in 'Internet time'. In reality, few organisations have strategies, translated into plans, for their e-business activities, although most organisations would like to think that their process for formulating their plans follows the hierarchical model shown in Figure 1.

Need to modify the planning process

In this model the corporate goals and strategies permeate through the business into the detailed functional plans that are then supported by the way the organisation employs its e-investments. The fundamental requirement for this model to be effective is that the corporate strategies reflect the new business paradigms that the Internet makes possible.

Unfortunately, for most companies this model remains a theoretical ideal rather than a workable planning process. A simple test that illustrates the success of implementing this approach is to review the documents created at each level and identify how (or not) they

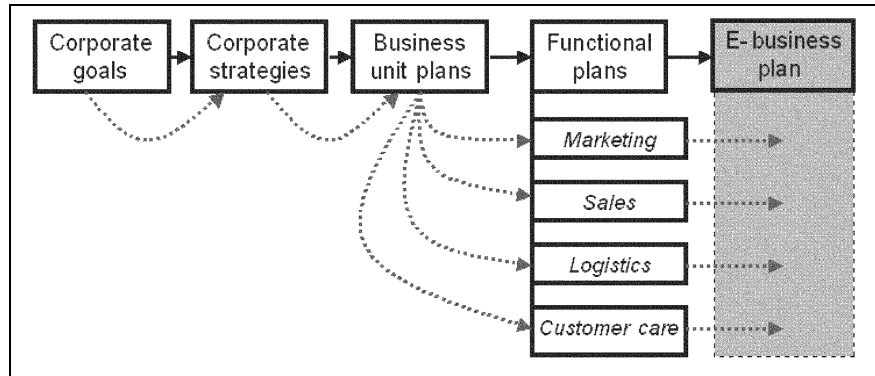


Figure 1: Hierarchical process for the creation of e-business plans

progressively link together. This is an illuminating exercise for companies to undertake!

In an article by Professor Michael Earl⁵ examining the different approaches to linking IT and corporate strategy, he reflects that 'integrating IT with business goals is only marginally easier than reaching the summit of Everest'. The task of unifying the e-business and corporate strategies is no less daunting.

The most common approach that the author has seen adopted is shown in Figure 2. In this 'silo' model the decisions concerning e-investments are taken at a functional level. The great danger of this method is that the investments become sub-optimised and the silos of activity can lead to corresponding silos of data that are not usable across the whole organisation.

This uncertain landscape of planning is where marketing often finds itself as it tries to implement its company's Web strategy. When this issue is combined with the increased pace of decision making demanded by the e-world, it helps explain the planning nightmare that many marketers find themselves inhabiting.

Considering these two approaches illustrates the need for companies to re-evaluate their approach to planning and managing their e-business

Decisions concerning e-investments are taken at a functional level

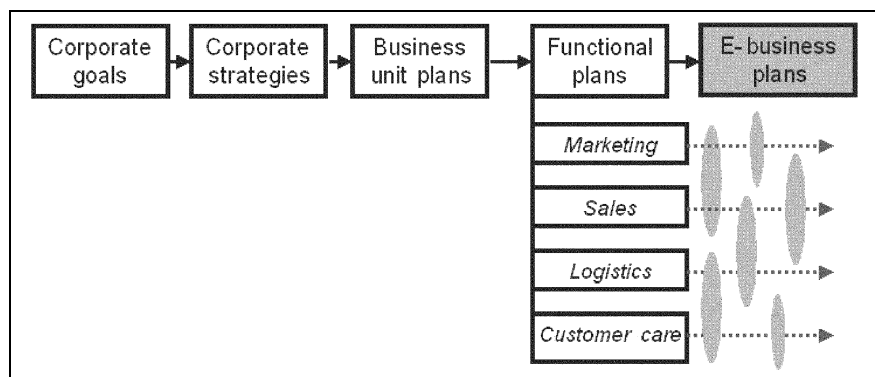


Figure 2: Silo planning process for the creation of e-business plans

Few companies have yet modified their planning process to reflect the demands of reacting in 'Internet time'. In reality, few organisations have any form of e-business strategy.

Professional and academic institutions must realise that their world has changed

investments. Slowly companies are appreciating that the all-encompassing impact of the Internet requires responsibility for its success to be diffused throughout all parts of the organisation.

So what do we do about it?

It is to be hoped that as we move from this experimental period of using the Internet to a more mature phase, many of the issues which have been highlighted will disappear. A prime indicator of this transition is when we stop using the 'e' prefix and just see the technology as another instrument in the running of an efficient business. Already companies are removing the 'com' suffix, and the 'e' label will hopefully soon follow.

Before considering a checklist of the actions that marketing management need to undertake to help improve the effectiveness of their staff, there are two issues that are outside their control. Unless these are resolved then their task is made extremely difficult, if not impossible.

The role of the company's most senior management in establishing a workable environment in which the marketer can operate is vital. The fact that this is an often-repeated mantra makes it no less important. When the most senior management are really engaged in exploiting the technology then things happen, attitudes change. But all too often there is a token involvement that does not translate into tangible actions. If anybody is in any doubt of the change that can occur when the CEO really takes responsibility, then the example of Jack Welch of GE and his *dyb.com*⁶ exercise is mandatory reading. The conversations that the author has had with GE marketing staff confirm the levels of change that can be attained when senior management are really engaged.

Secondly, the professional and academic institutions that define and refine the body of knowledge required by the marketer must realise that their world has changed as radically as that of their students. All too often the necessary skills and knowledge are just not being taught. Because of the rapid speed at which the e-world is moving, the normal gestation period during which the experience of practitioners is distilled, analysed and reported is too short for the process to work effectively. Either these traditional organs of learning must adapt, or they must sacrifice thought leadership to new types of bodies — these might be consultancies, suppliers of e-business services or the practitioners themselves.

Checklist for management

The following checklist is intended as an aid to senior managers who are responsible for the success of their company's e-investments. Confronting and addressing the issues raised by these questions will ensure that marketing personnel are given both the necessary skills and the optimum operating environment in which to work. These questions are not listed in any particular order of importance or difficulty.

Q1 Visible leadership from the top

Have senior management demonstrated to all levels of the organisation their uncompromising intention for the e-business activity to succeed? Is it clear to everybody how success will be measured and management's

intention to sustain its focus to ensure the planned results are achieved? Has marketing's role been both defined and communicated to all the parts of the organisation that will be affected?

Q2 Identifying the areas of conflict with other parts of the organisation

Unless a company experiences a significant degree of internal conflict it is not really exploiting the power of the Internet to the full. This is the equivalent to the fitness adage of 'no pain, no gain'. In reality this may not be a necessary condition, but there is a germ of truth in the concept.

It is far better to anticipate the areas where conflict is likely to arise, and to ensure that it is confronted in a controlled manner, than to allow the problems to emerge slowly. Figure 3 illustrates the possible areas where 'organisational friction' might occur.

The most common areas where organisational friction is likely to be encountered are between marketing and IT, sales and customer support. In addition, the roles of operational marketing staff within their own hierarchy and with those responsible for strategy formulation are unlikely to remain static.

Channel conflict created by new direct sales mechanisms is a classic example of the challenges created by e-business, where marketers can find themselves trying to make far-reaching decisions often without an agreed strategy framework. Senior management should look at their organisation to identify those interfaces where the existing working relationships will be incapable of resolving the level of business stress that will arise from the deployment of e-business solutions.

Q3 Defining roles and responsibilities

The diffused nature of the responsibility for delivering the results of e-investments is a common and dangerous characteristic of today's world. Only 5 per cent of UK companies have appointed specific e-business

Organisational friction is likely to be encountered between marketing and IT

Only 5 per cent of UK companies have appointed specific e-business managers

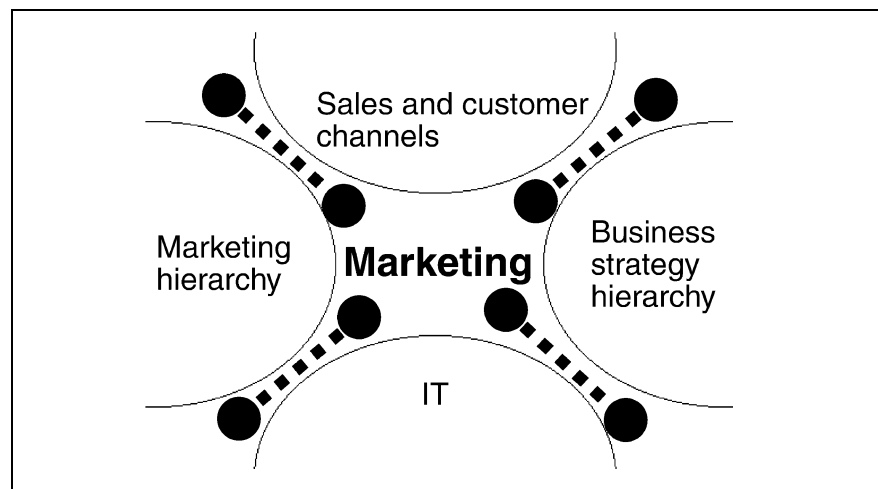


Figure 3: Organisational friction map

managers,⁷ and even in the cases where this has occurred their role and responsibilities are often ill defined.

Because of the immaturity of this whole area, there is little commonality of job roles across companies. The 'Webmaster' is perhaps the only universal job title that has so far evolved, and even here there is a wide scope in what it covers.

The message for management is that precision in defining what is expected of the different individuals involved in these activities is vital. The resulting questions are:

- have job specifications been created and communicated?
- have organisational structures been defined and roles assigned for the ongoing operation of the activities?

Q4 Providing the right skill base

The requirement for and the types of new skills and knowledge have already been addressed. Management need to decide:

- if these skills have been acquired
- if they have permeated throughout the marketing function
- the process for maintaining the knowledge base
- if there are obvious ways of grouping the skills to provide 'centres of excellence' within marketing and other parts of the company.

A radically new way of learning must evolve

Because of the rapid speed of technological change it may be necessary to evolve a radically new way of learning by adopting something akin to a 'just-in-time' approach.

Q5 Specifying the planning process

Has the company modified its planning process to reflect the new scope of opportunities and the increased speed of change resulting from the Internet? Two extremes of the planning process have already been discussed. Which of these models is most appropriate? Having decided the process, what is the impact on the role of marketing?

The devil is in the detail

Q6 Devoting sufficient resources

Since so little accumulated experience exists about the resource requirements of marketing in this new world, there is a tendency to underestimate the time and effort required. Because of this it is very important to spend sufficient time in the planning phase of e-projects to understand the multitude of necessary tasks that must be undertaken. The acquisition and management of website content is a classic example of a task that invariably requires more resources and takes longer than expected. The phrase 'the devil is in the detail' perfectly describes this problem.

Management does not have any crystal ball to predict resources required, but it has the responsibility to ensure that all possible efforts are made to forecast as accurately as possible.

Q7 Providing the tools of the trade

All employees of the company, including marketing, who are expected to contribute to an e-project should have easy access to the Internet. This sounds like a self-evident truth, but it is surprisingly not always the case. During the course of training activities the author has encountered numerous household-name companies that provide scarce and primitive Internet connection facilities to their marketing staff. Of all the issues that have been discussed this is the easiest to resolve.

Q8 Setting the standards of performance for the organisation

Has the company established standards of performance for its e-activities, communicated this information and specified responsibilities for their delivery? Have standards been defined for:

- response times to various types of in-bound messages?
- maximum site load time for key Web functionality?
- levels of website availability?
- reporting periods and distribution of the information for website activity?
- content validation?

When issues arise related to these factors, marketing is the first place where the problems are encountered. In most cases the attainment of these standards is outside the control of the marketing group.

References

1. *Marketing Trends* (2000) Survey, No. 24.
2. *E-Business Review* (2000) 'Survey of the UK e-business development', November.
3. Survey of attendees on Chartered Institute of Marketing courses during the past 24 months.
4. *Marketing Trends*, ref. 1 above.
5. Bensaou, M. and Earl, M. (1998) 'The right mind-set for managing information technology', *Harvard Business Review*, September–October, pp. 118–128.
6. An exercise initiated by GE to identify the ways in which the Internet is changing the dynamics of their business units' profitability and to realign themselves to exploit the potential opportunities it creates.
7. *E-Business Review*, ref. 2 above.

The role of the company's most senior management in establishing a workable environment in which the marketer can operate is vital