



April 6, 2022

MMA MOSTT Research Study: Insights from MARCAPS Benchmarking Study Customer Experience

Sundar Bharadwaj

Coca Cola Company Chair Professor of Marketing
Terry College of Business
University of Georgia



MARKETING

AUTHORS

Omar Rodríguez-Vilá
Associate professor,
Goizueta Business School

Sundar Bharadwaj
Professor, Terry
College of Business

Neil A. Morgan
Professor, Kelley School
of Business

Shubu Mitra
COO, MarCaps

Is Your Marketing Organization Ready for What's Next?



PHOTOGRAPHER

SAMM ESCOBAR

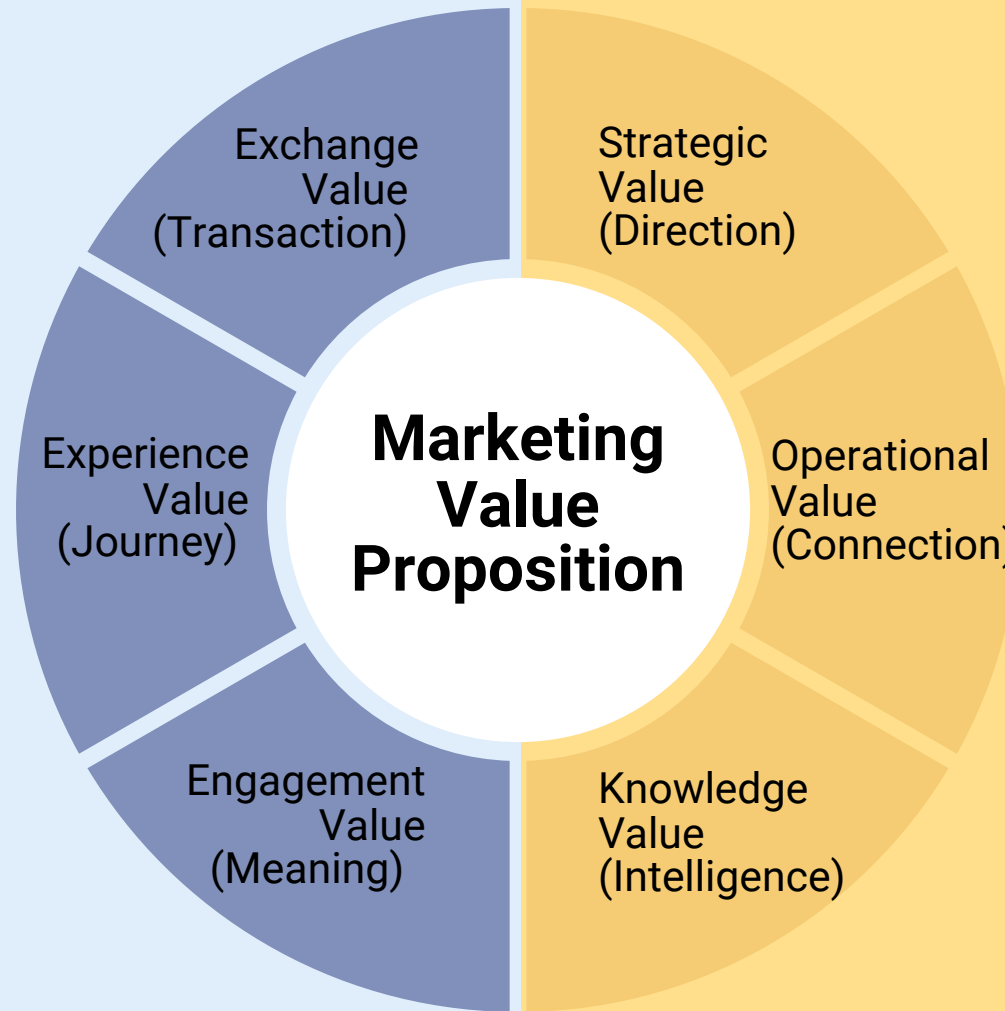
A framework for aligning growth

strategies and capabilities

Drive growth by matching offerings to individual customer needs and context in ways that facilitate transactions.

Drive growth by increasing convenience and enjoyment across the customer journey.

Drive growth by deepening and expanding the meaning, community, and purpose around an offering.



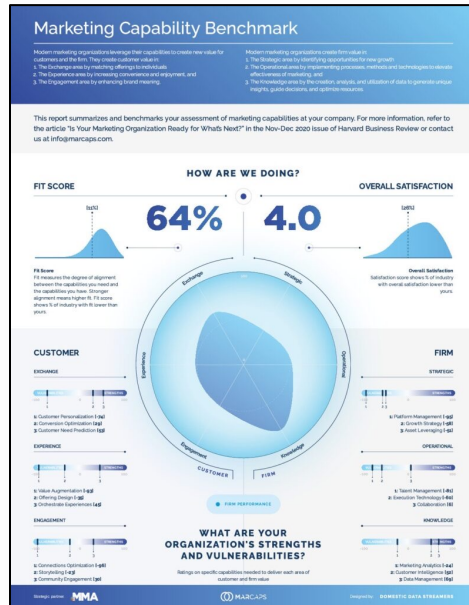
Guide the discovery of new growth via branded platforms, revenue streaming, and marketing model innovation.

Facilitate Stronger and More Flexible Organizational Links to Nurture Speed, Synergies, and Drive.

Build and Leverage Information Loops to Increase Causal Understanding and Expand Resource Optimization

A Study Into The Characteristics of Marketing Practices

MarCaps Benchmark Survey



Total n = 980
Valid n = 897

Performance Indicators

Survey
Financial Growth
Customer Growth

Third Party
Revenue Growth
Profit Growth
Share Value

Contrast Groups

Winning Marketing Organizations (WMOs) 14%

Lagging Marketing Organizations (LMOs) 22%

Insights On...

- Organization Structure
- Centralization vs. Decentralization
- Marketing Footprint (role/responsibility)
- Insource/Outsource
- Capabilities

Financial Growth:
Satisfaction with -

- Achieving revenue and profit goals
- Finding new ways to achieving growth
- Ability to measure the return and optimize marketing investments

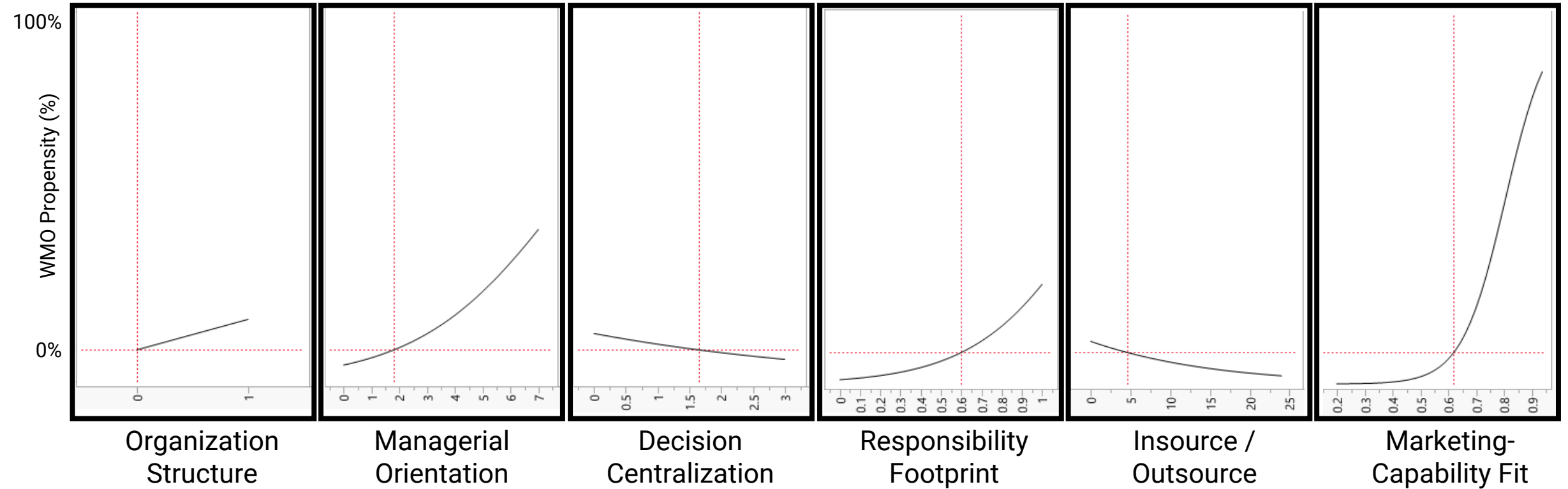
Customer Growth:
Satisfaction with -

- Engaging consumers/customers and build brand equity
- Personalizing offerings to customer preferences, needs and situations
- Increasing convenience and enjoyment across the customer journey

LMO
Score in the Bottom 3 Box
1, 2 or 3

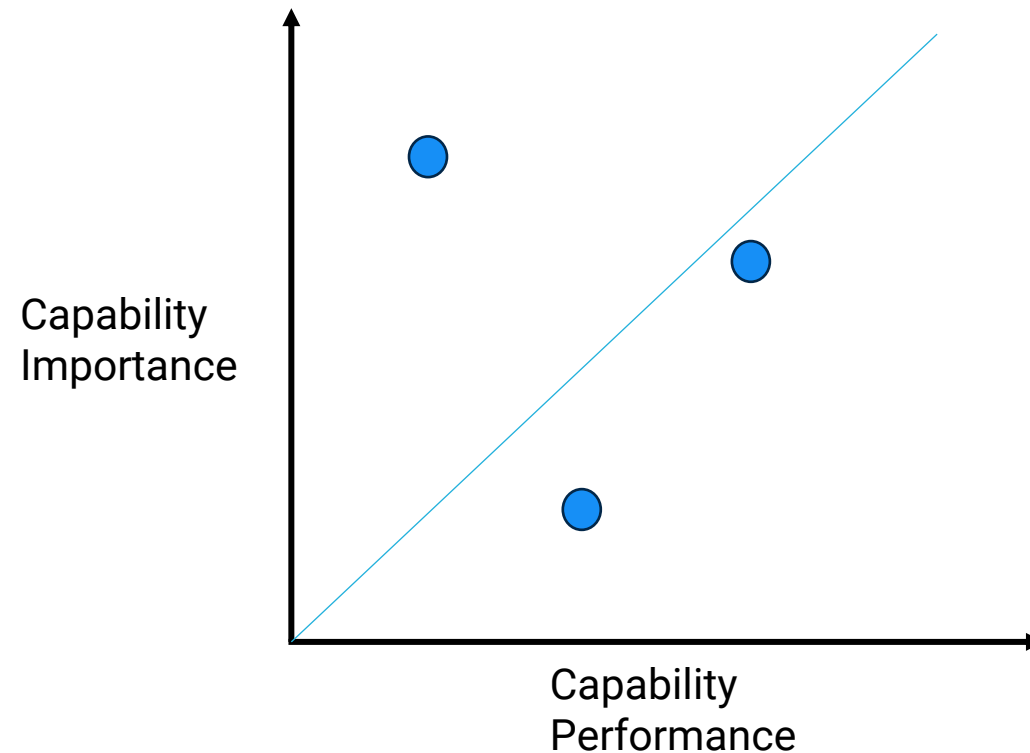
WMO
Score in the Top 2 Box
6 or 7

The Most Value Adding Actions: (1) Marketing Capability Fit (2) Orientation (3) Footprint

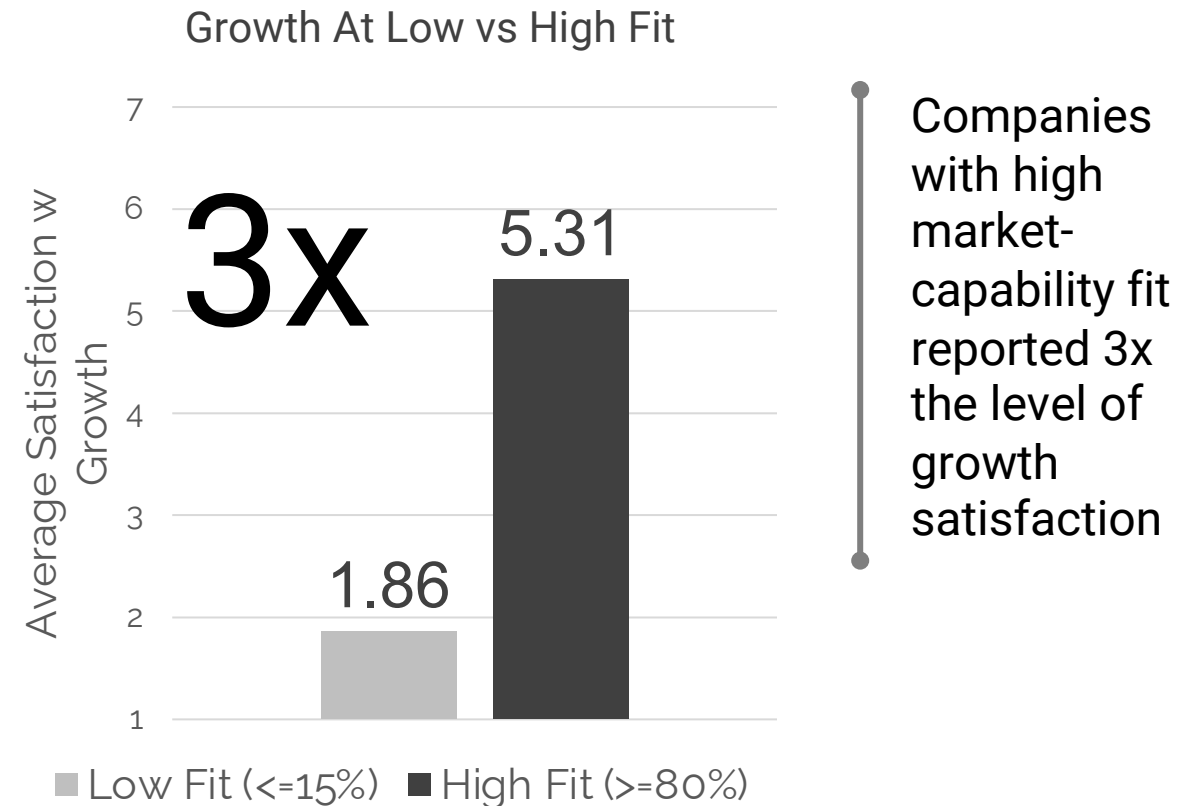
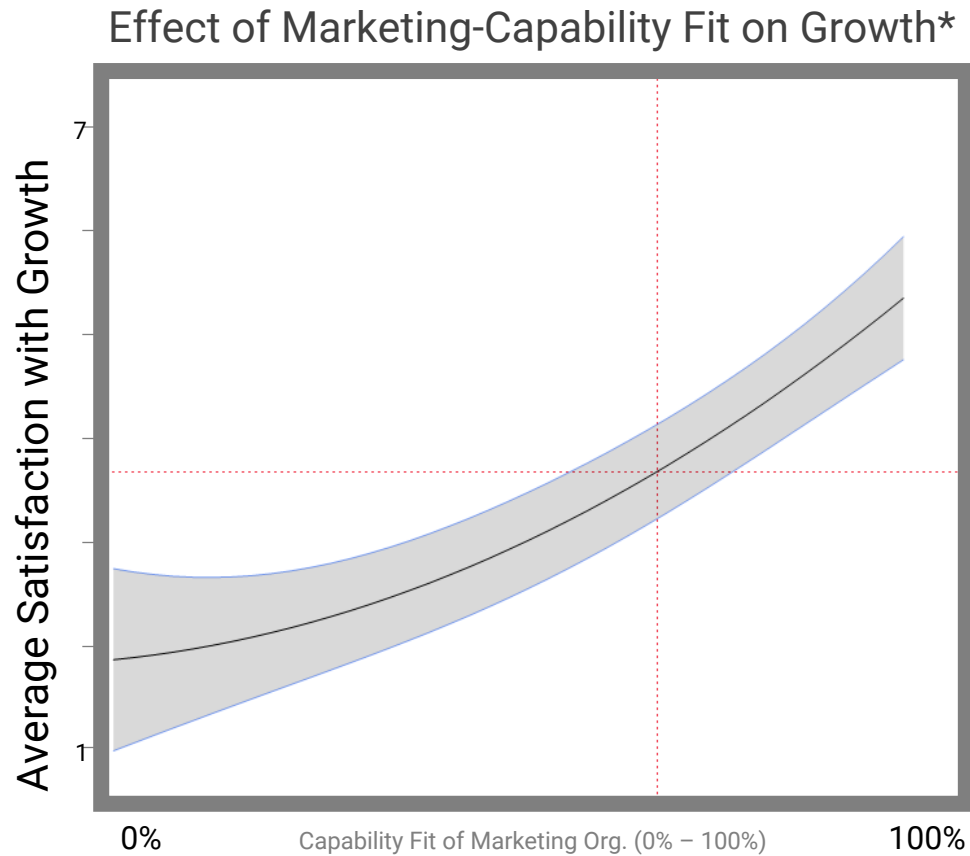


Marketing-Capability Fit: Distance Between The Capabilities A Firm Has and Those Required for Growth

- Start with a complete list of growth-related capabilities.
- Assess how important each is to your growth in the next 2-3 years.
- Assess how well developed the firm is in each capability (performance).
- Measure the average difference between Importance and Performance.

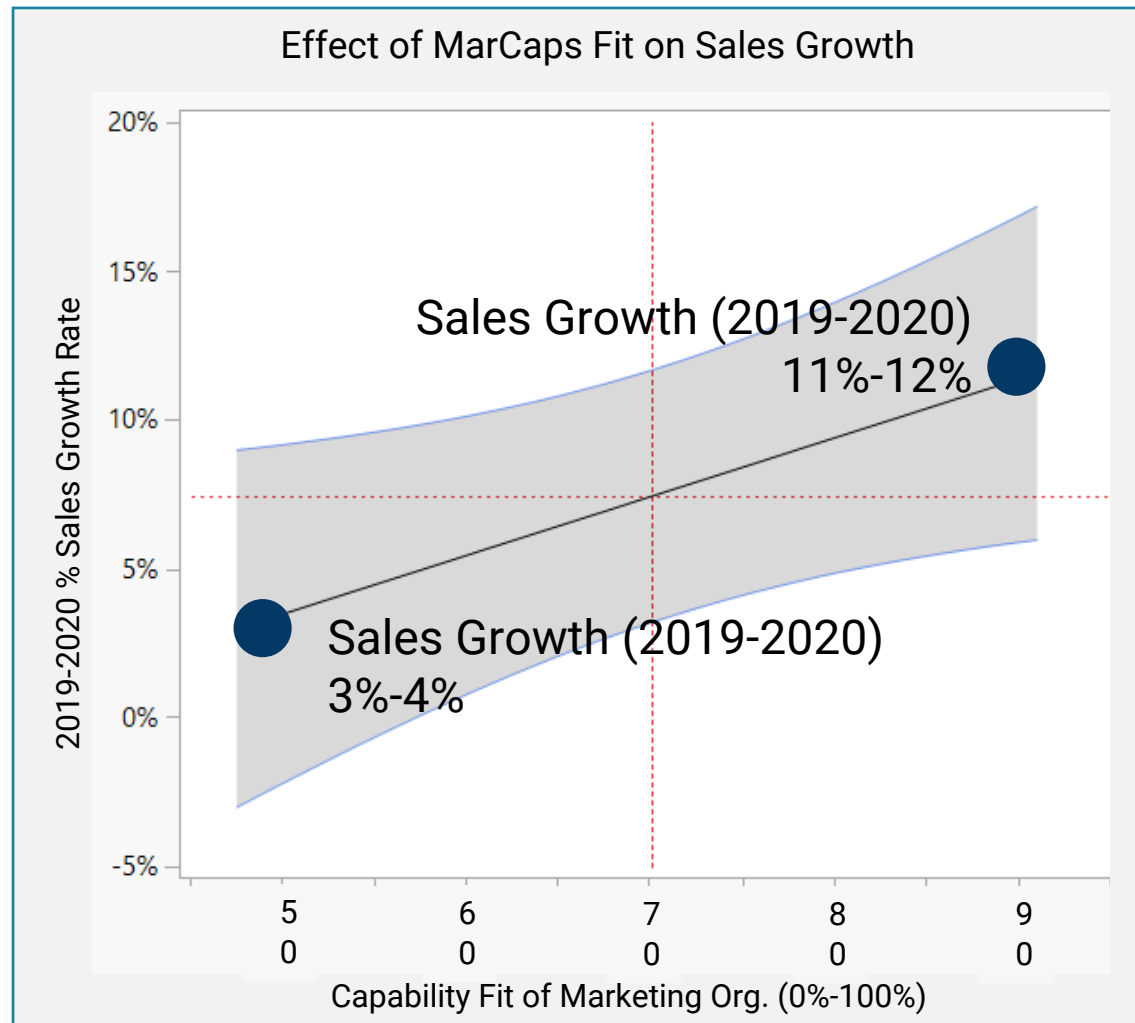


Marketing-Capability Fit Has a 3X Impact on Firm Performance



*Growth is an aggregate of satisfaction (on a 1-7 scale) with company's ability to 1) Achieve revenue and profit goals, 2) Find new ways to achieving growth and 3) To measure the returns and optimize marketing investments. The graph is based on the results of a model controlling for firm size, age, industry type.

Marketing-Capability Fit Also Has a Strong Relation to Top Line Growth Rates ...



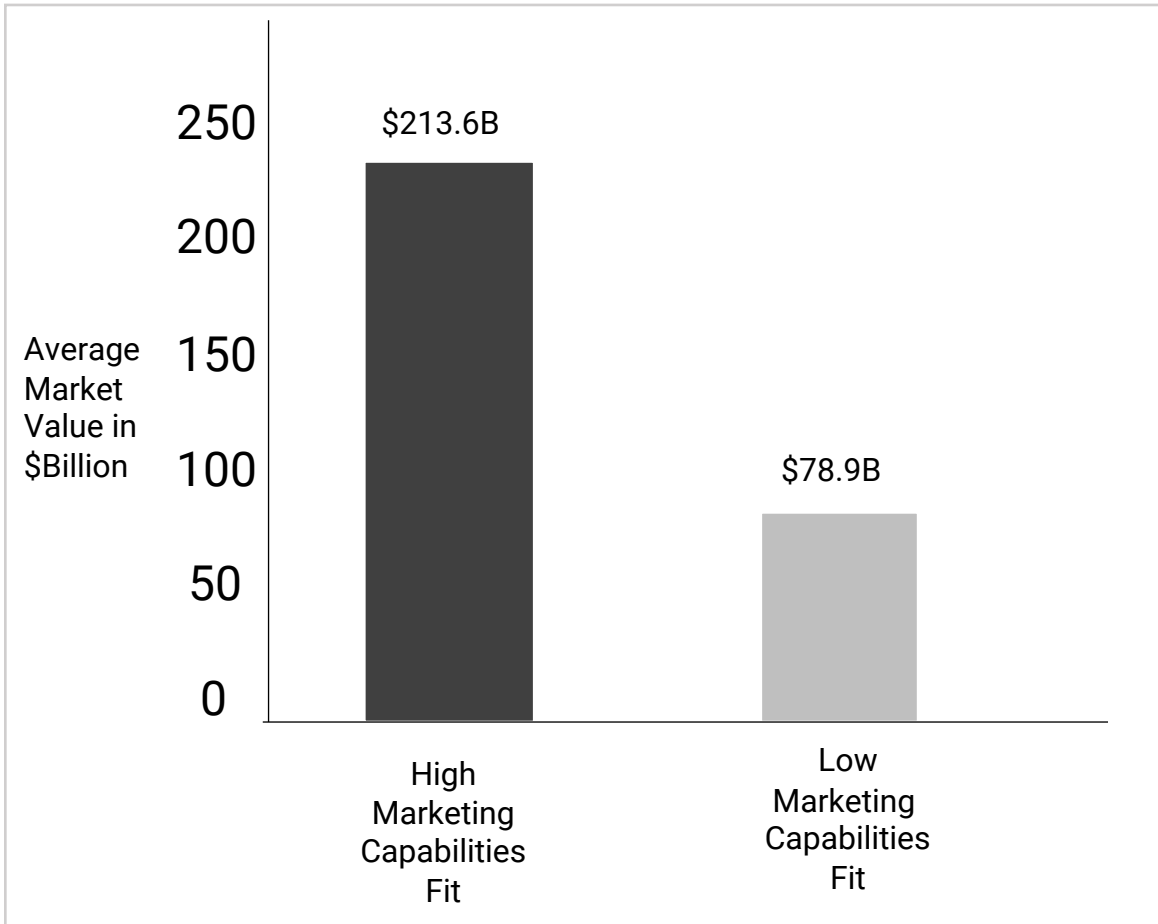
2.5x

A 1% increase in fit leads to 2.5% increase in Sales Growth after accounting for size, age, R&D investments, Advertising investments and intensity of competition.

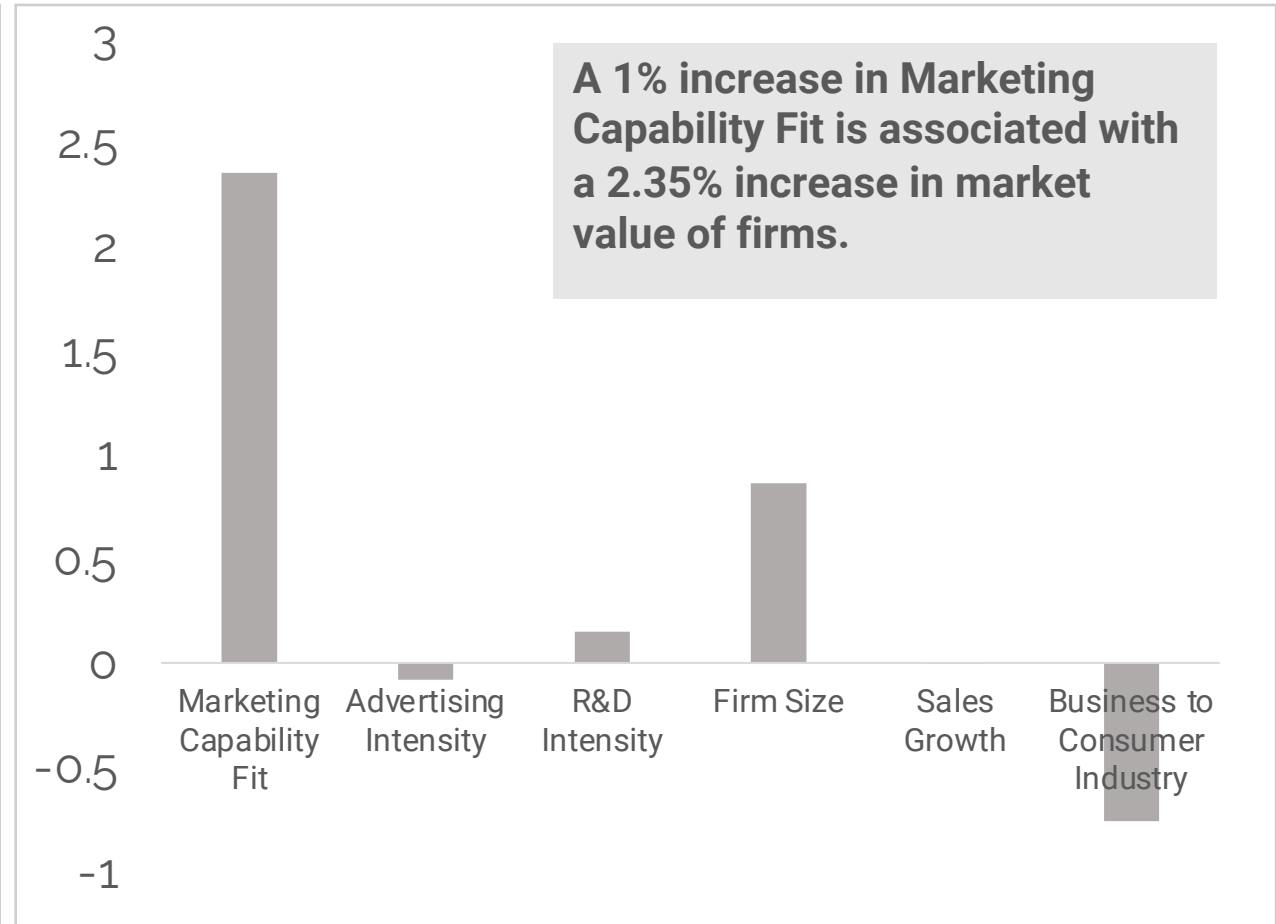
Note: Financial data from publicly traded firms available in Compustat.

...And Market Valuation

Market Valuation by Level of MarCaps Fit



Elasticity of MarCaps Fit

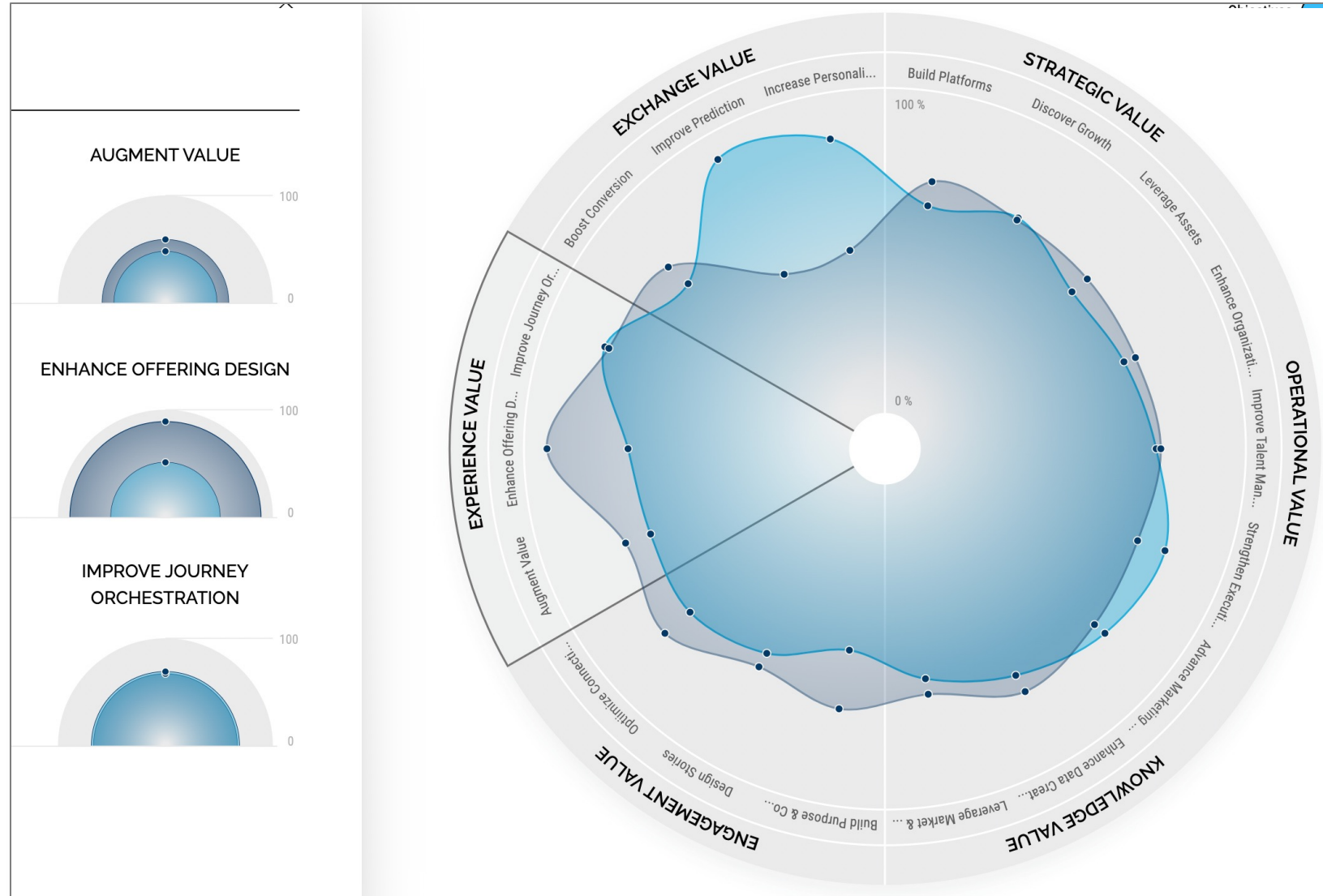


Note: Financial data from publicly traded firms available in Compustat.

A Deep Dive Into Customer Experience

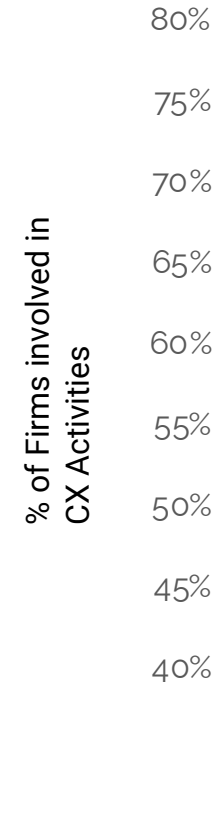
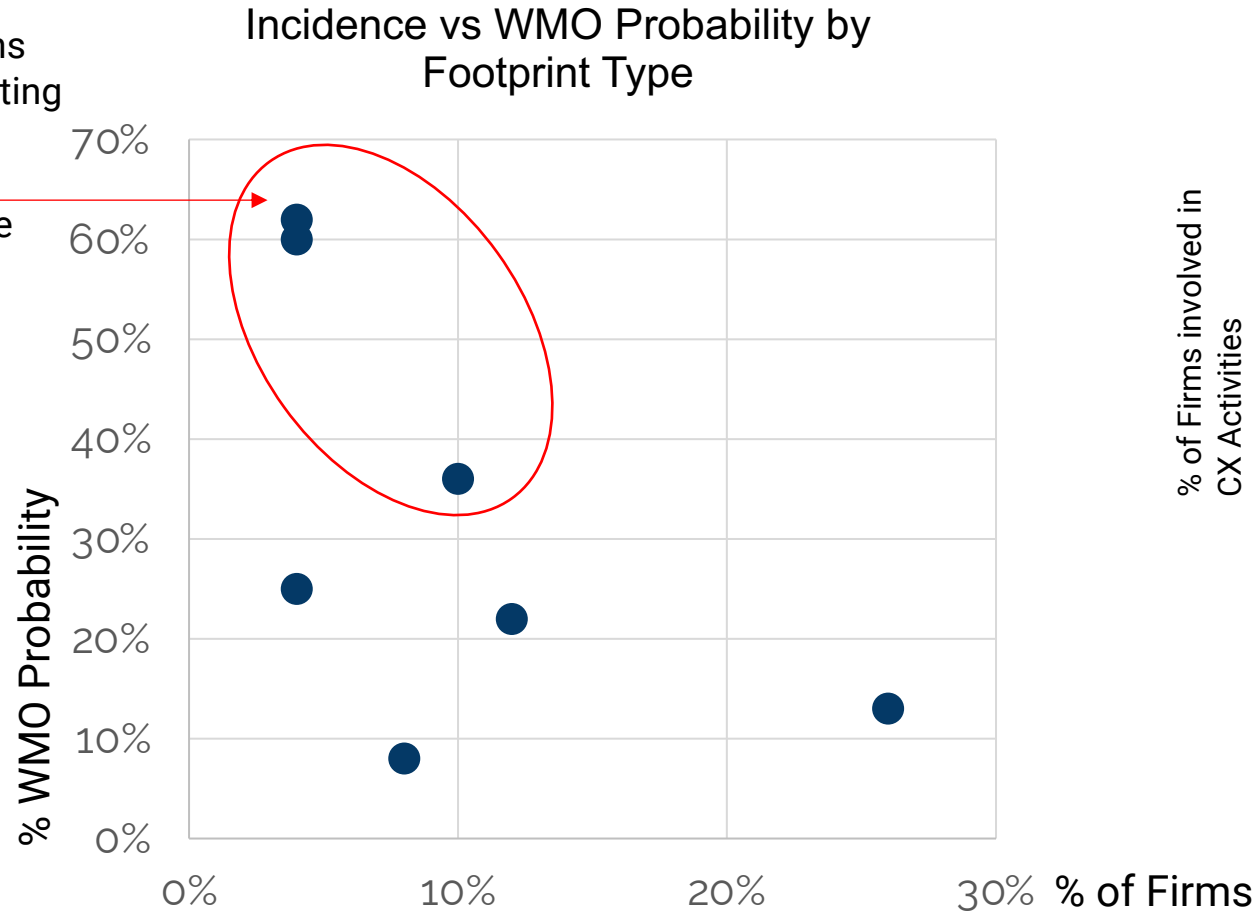
Experience Fit Depends on Alignment Between Importance and Performance on 3 CX Capabilities Areas

Illustrative Example



WMOs Are Involved in Customer Experience Tasks

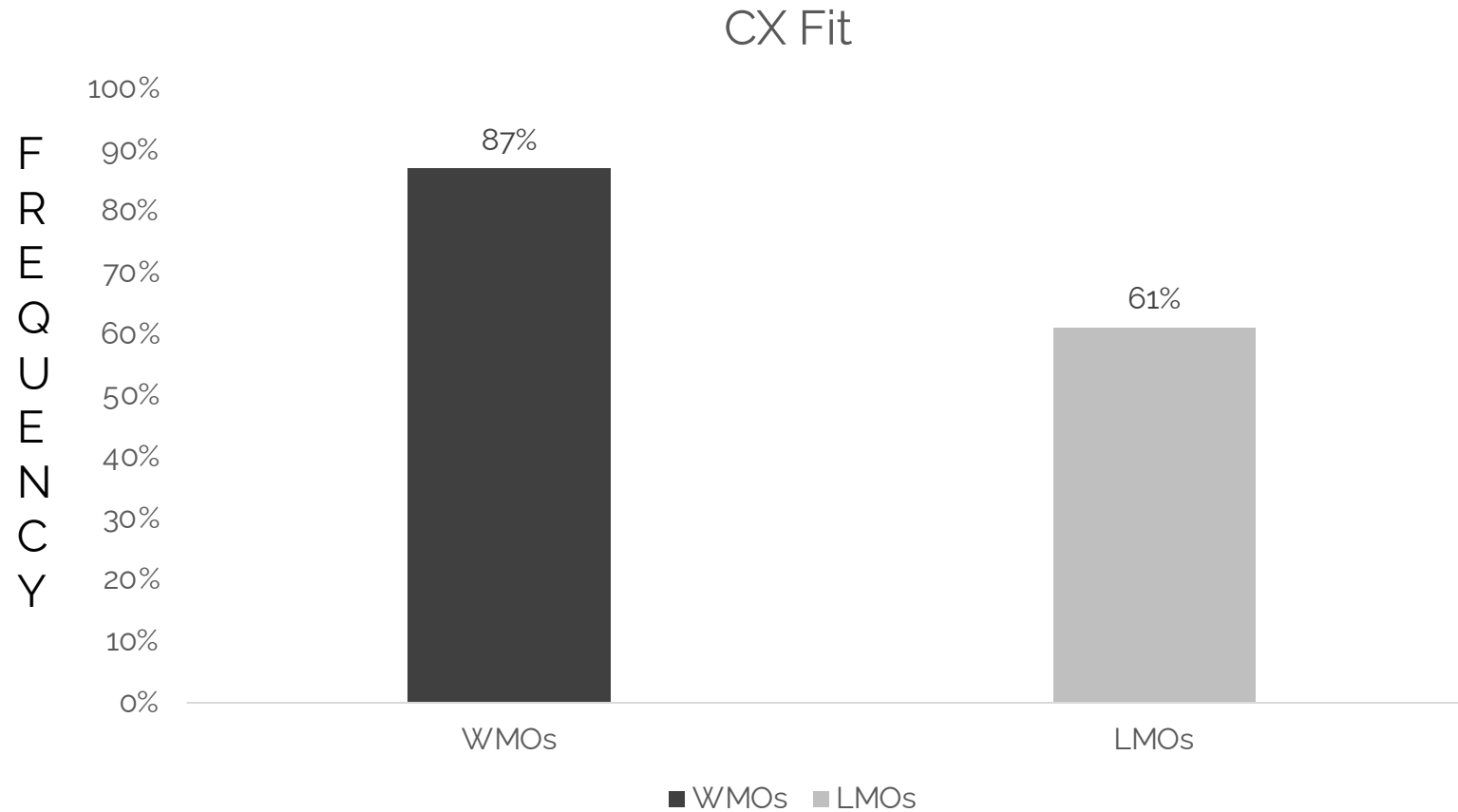
Three configurations where marketing is actively involved in managing the customer experience.



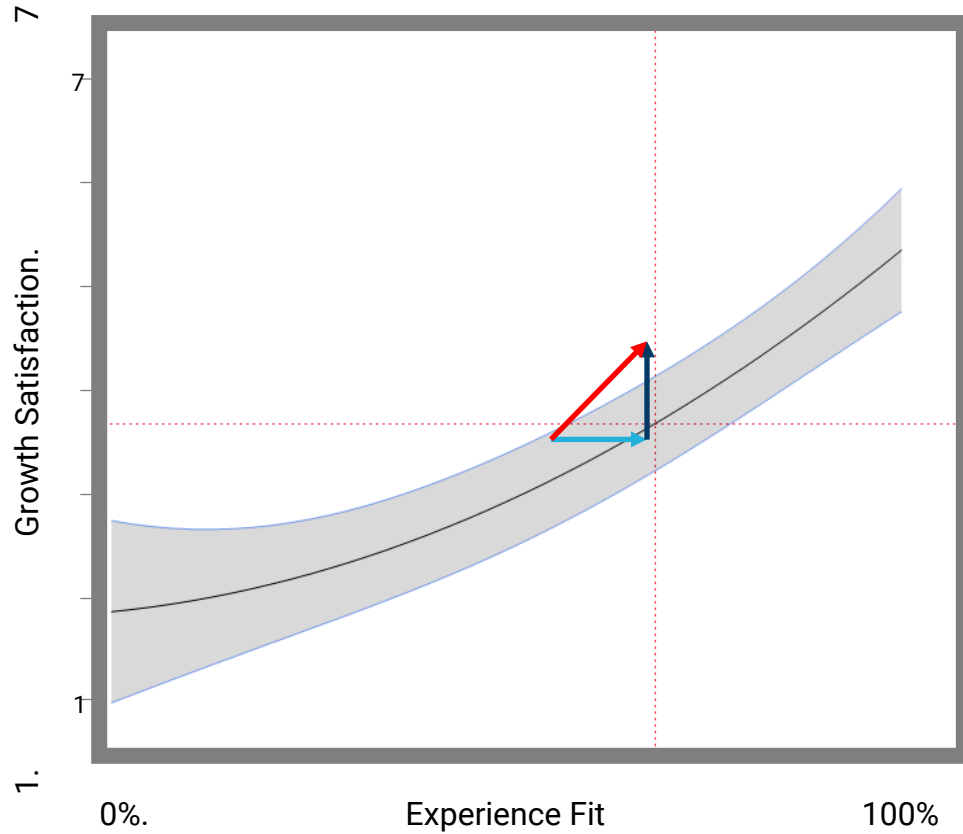
WMO or Winning Marketing Organizations
 Revenue Growth 2019 vs. 2018: 18%
 Revenue Growth 2020 vs. 2019: 12%

LMO or Lagging Marketing Organizations
 Revenue Growth 2019 vs. 2018: 2%
 Revenue Growth 2020 vs. 2019: -1%

WMOs Exhibit Higher CX Fit Compared to LMOs: 87% vs. 61%

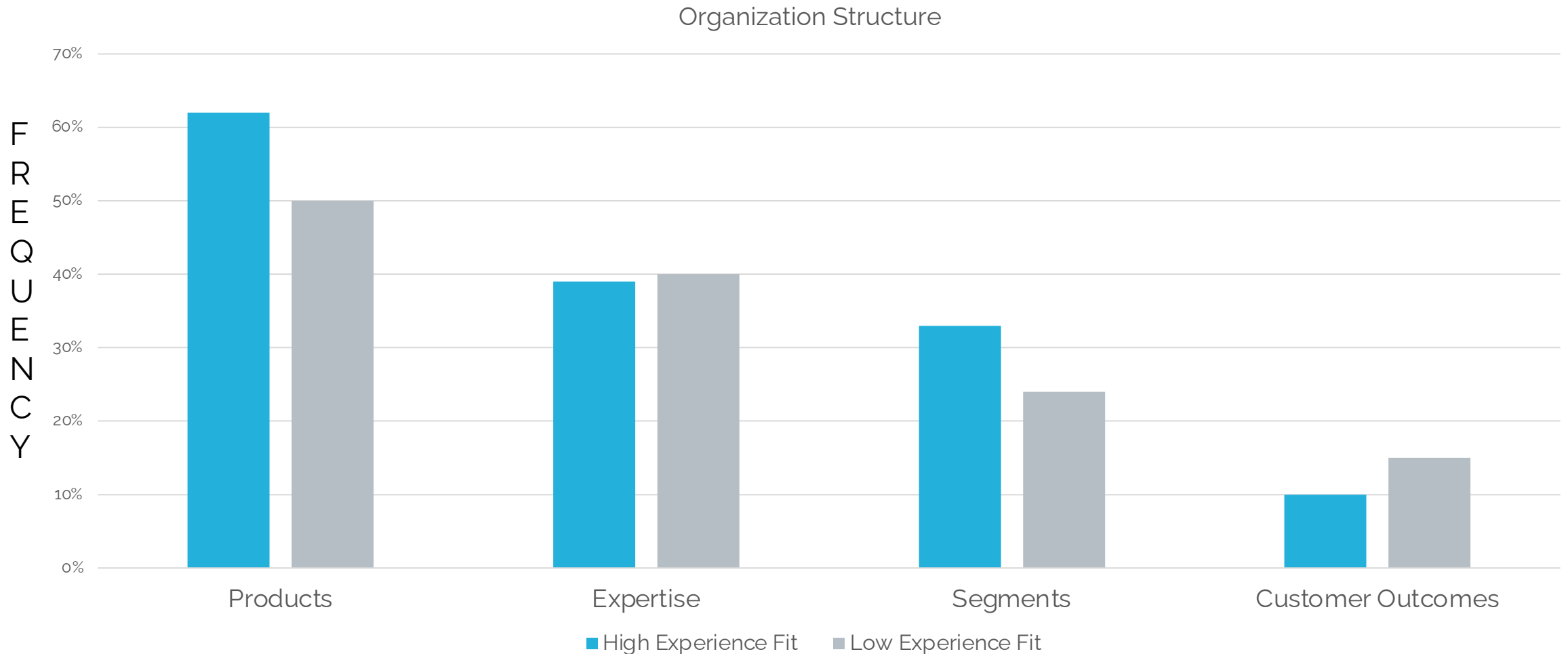


Growth Satisfaction Ratings Are Responsive to Experience Fit

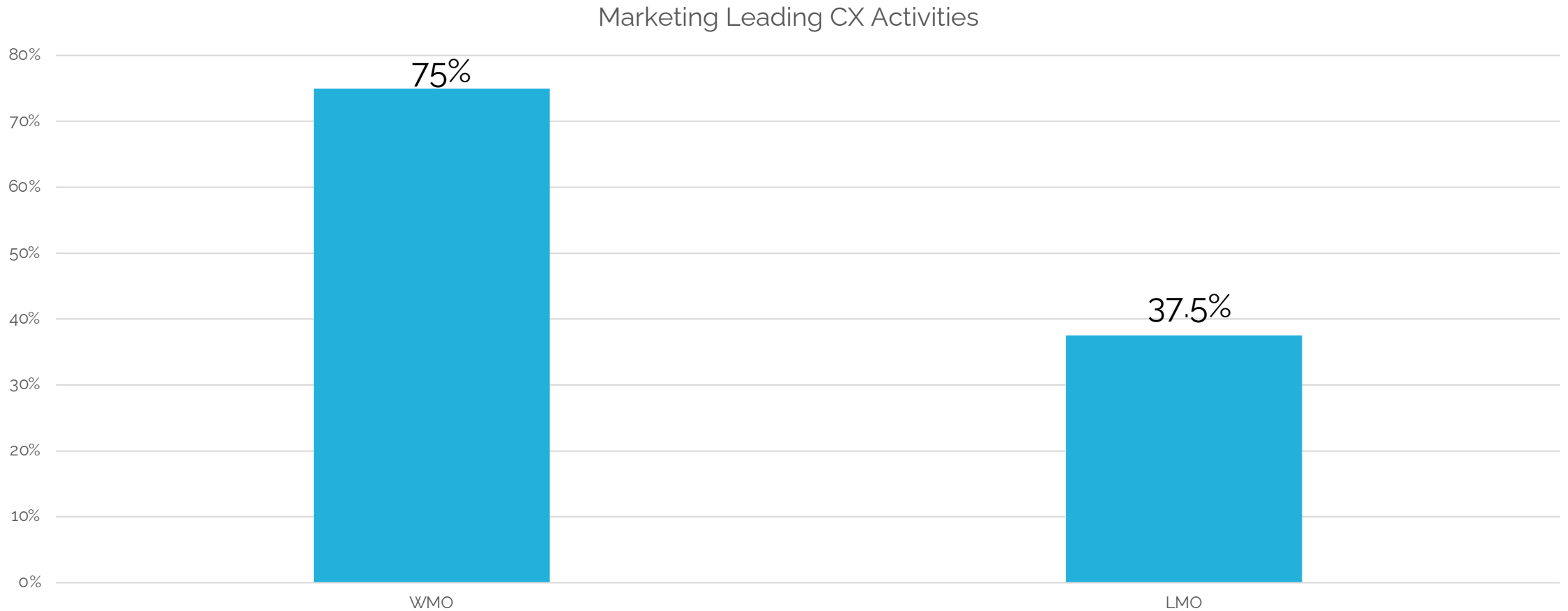


A **10% increase in Experience Fit** leads to **1.9 units increase in Total Growth satisfaction** measured on a 1-7 scale.

Higher Experience Fit Firms Are More Likely to Be Structured Around Products and Segments

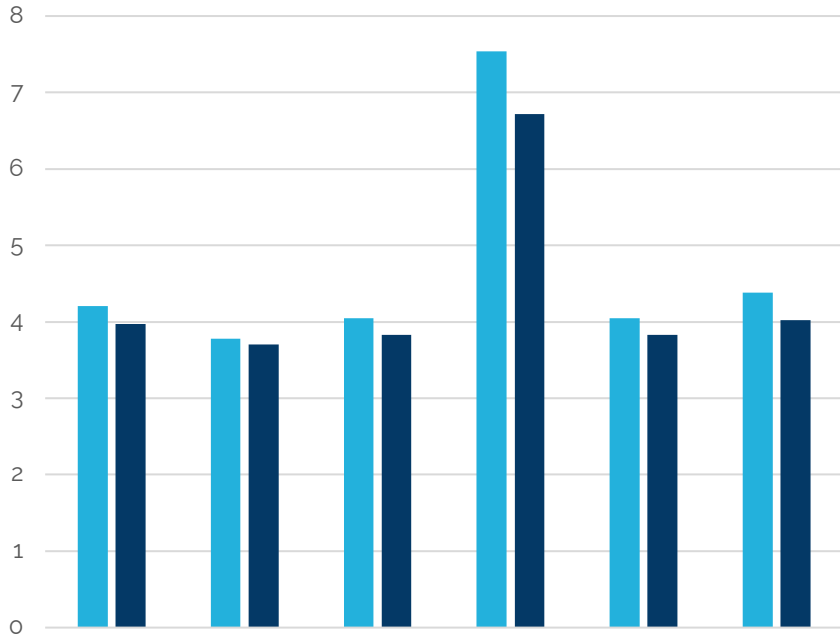


Marketing Leads Rather than Reports in More Experience Activities in WMO Firms



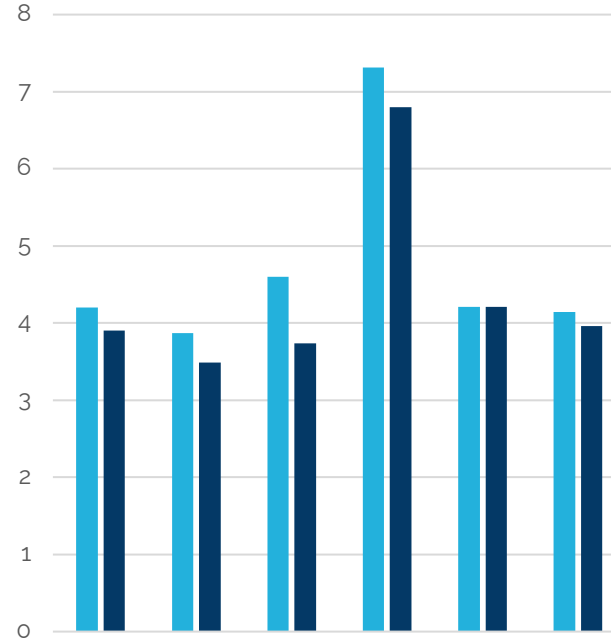
When Marketing Leads Experience Activities, Satisfaction Across a Number of Outcomes is Greater

Journey Management



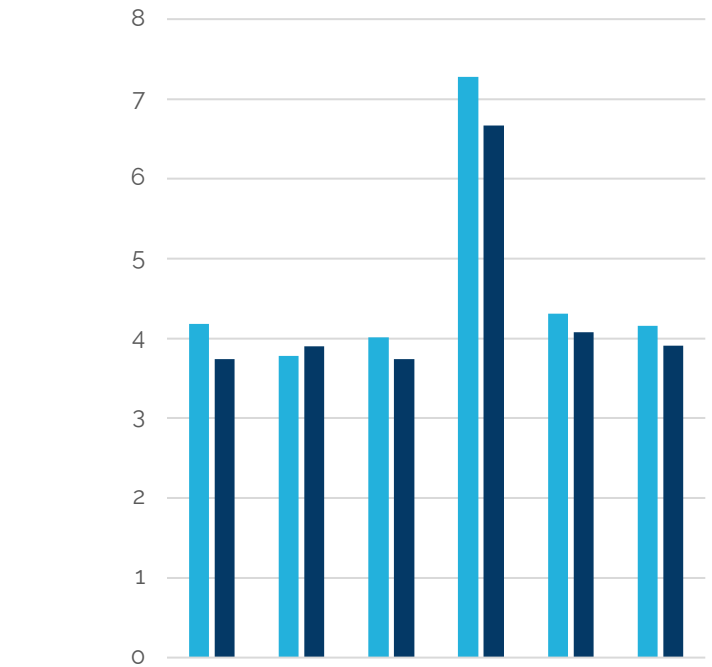
■ Marketing_Leads ■ Marketing_Reports

Design Digital Offerings



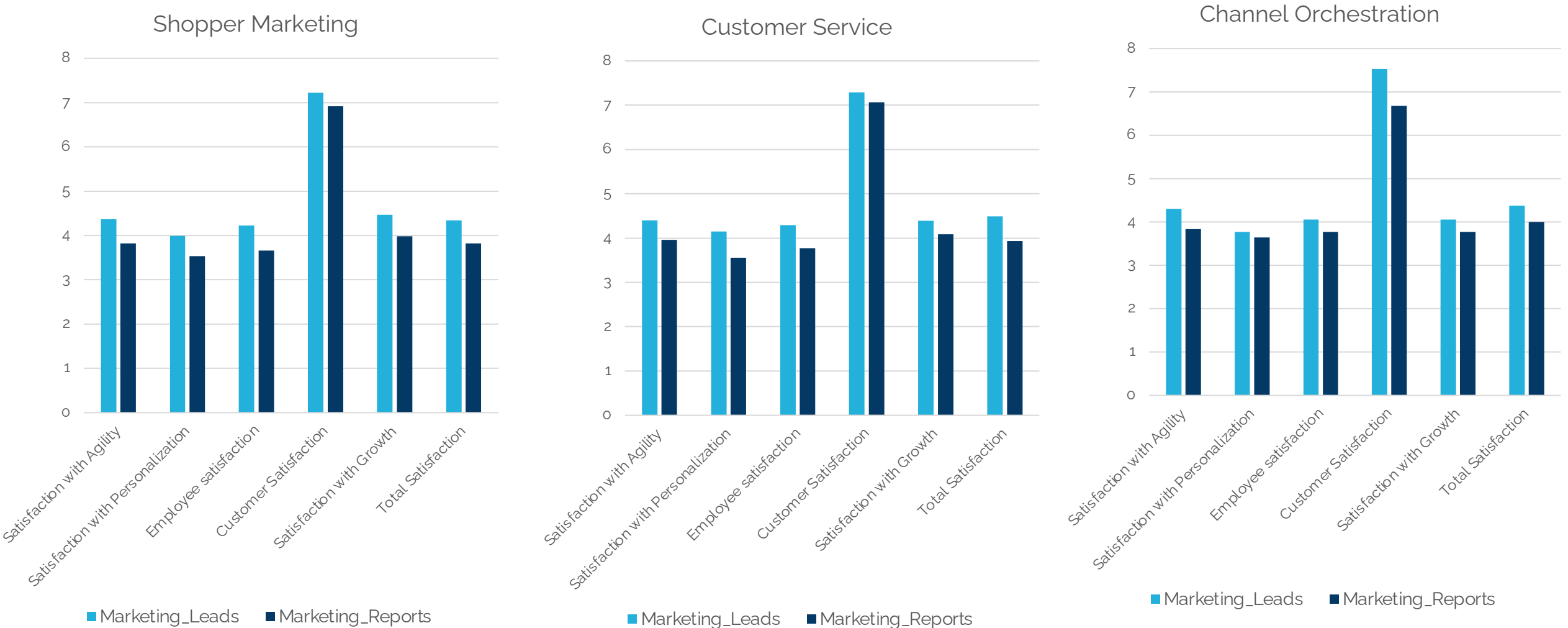
■ Marketing_Leads ■ Marketing_Reports

Experiential Marketing

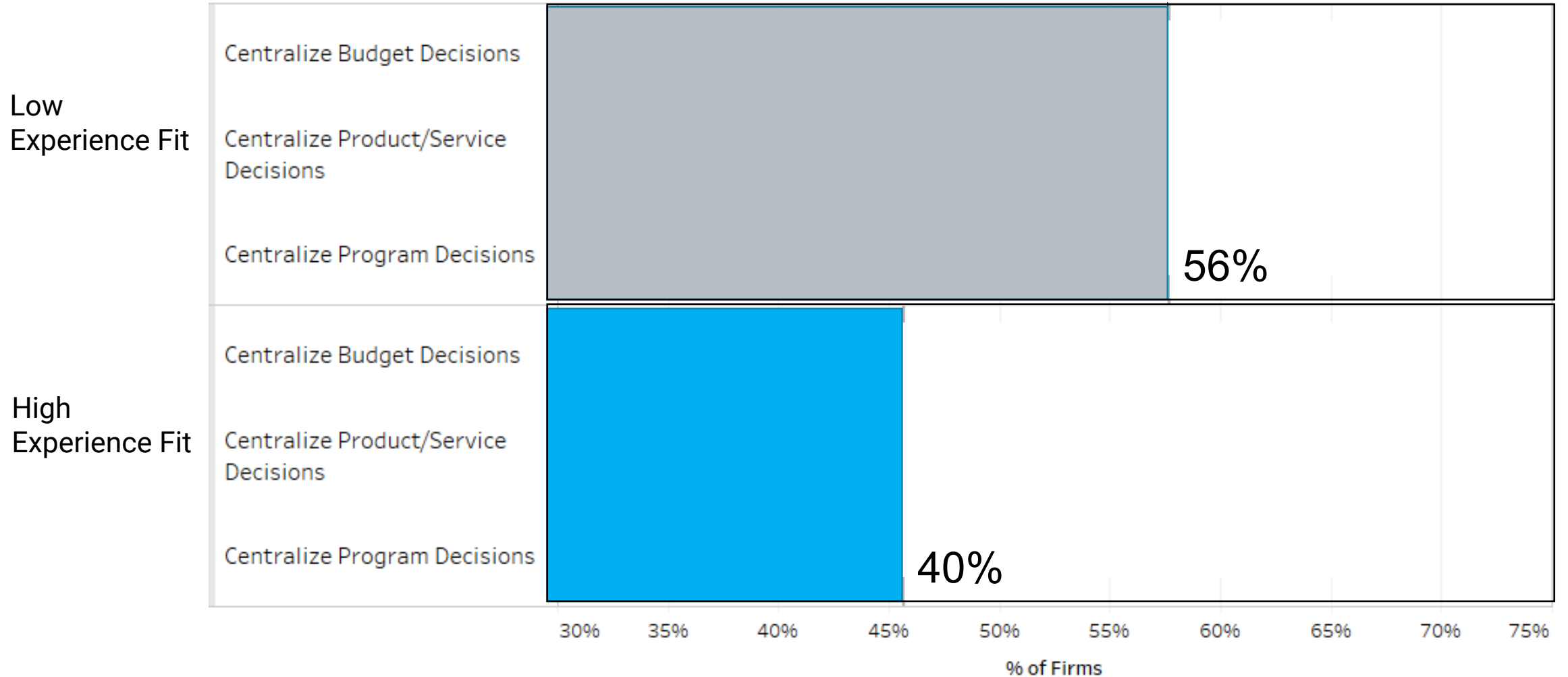


■ Marketing_Leads ■ Marketing_Reports

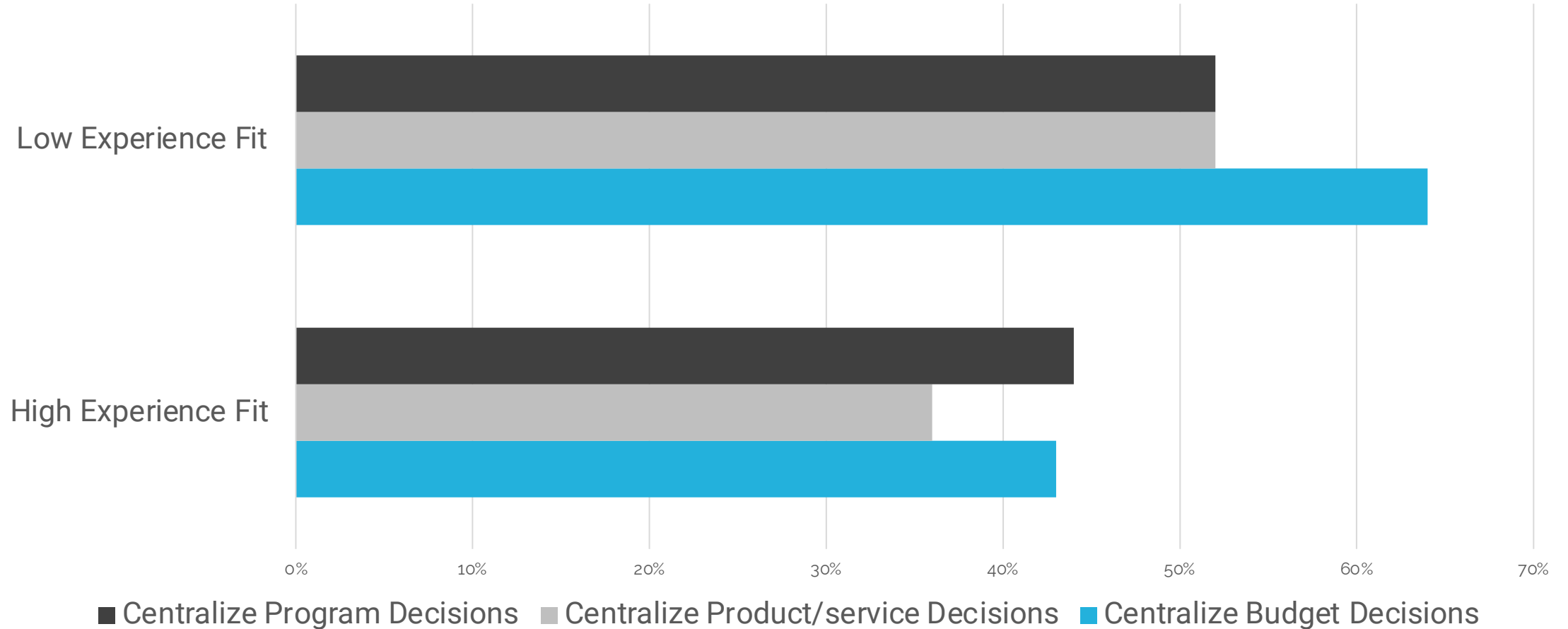
When Marketing Leads Experience Activities, Satisfaction Across a Number of Outcomes is Greater



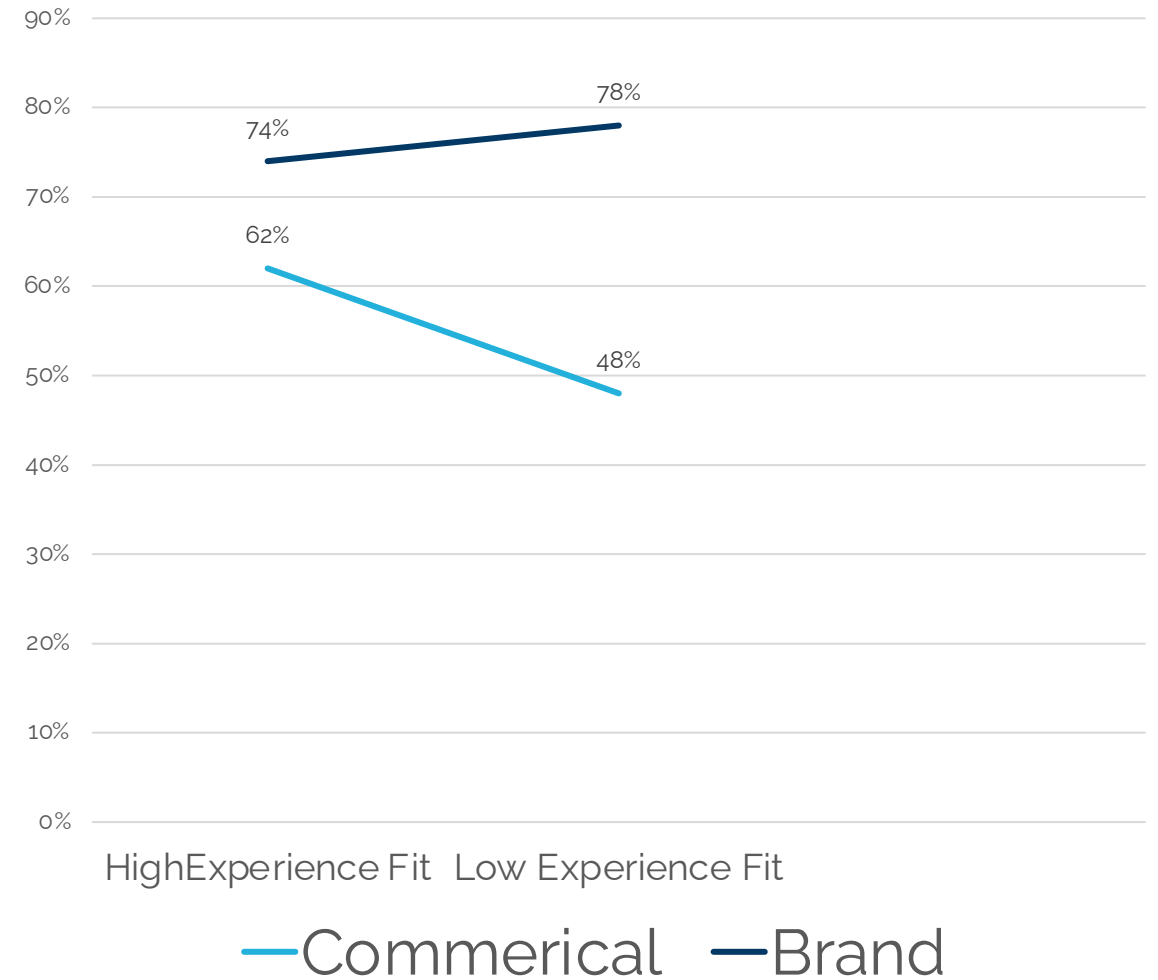
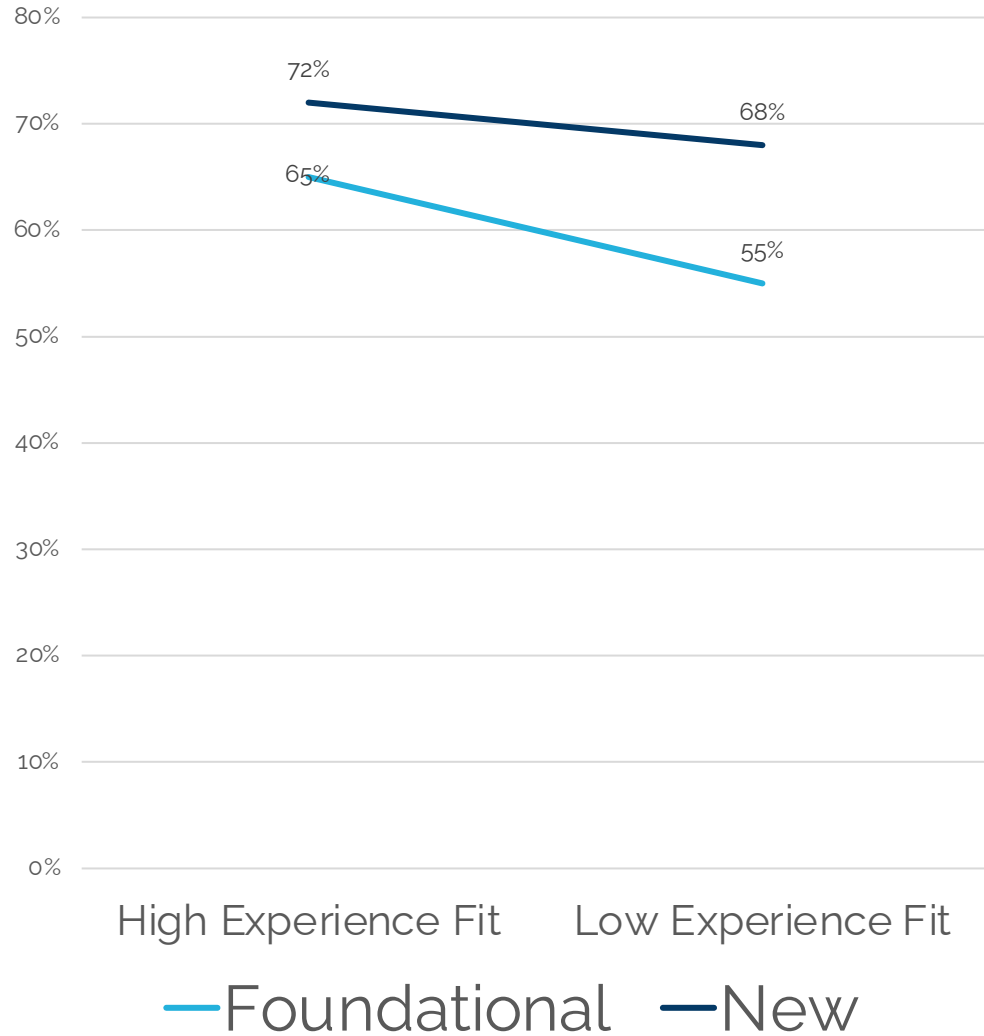
Low Experience Fit Leaders Tend to Control and Centralize a Greater Share of Decisions



Centralization of Budget and Product/Service Design Decisions are Particularly Dysfunctional for Experience Fit

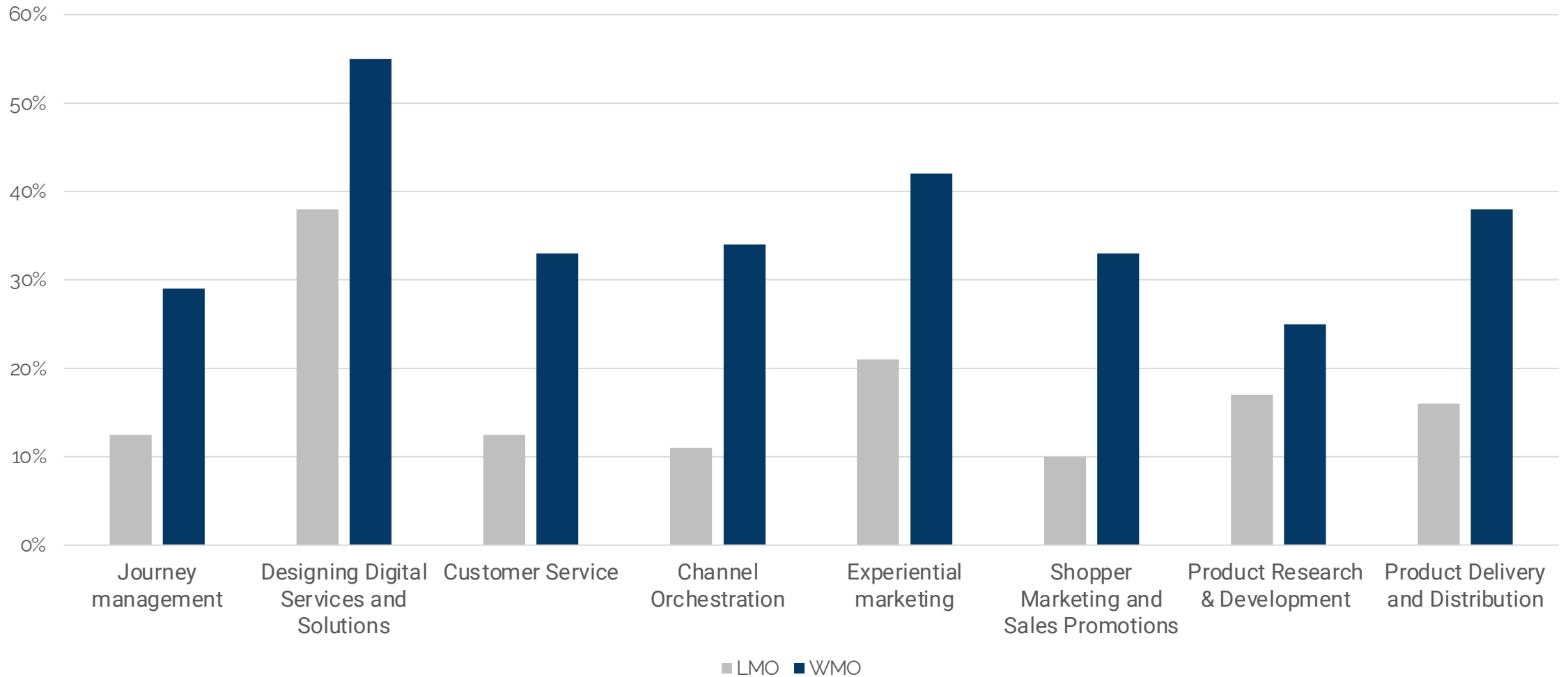


High Experience Fit Firms Have A Bigger Footprint in General, and more so in Commercial Activities



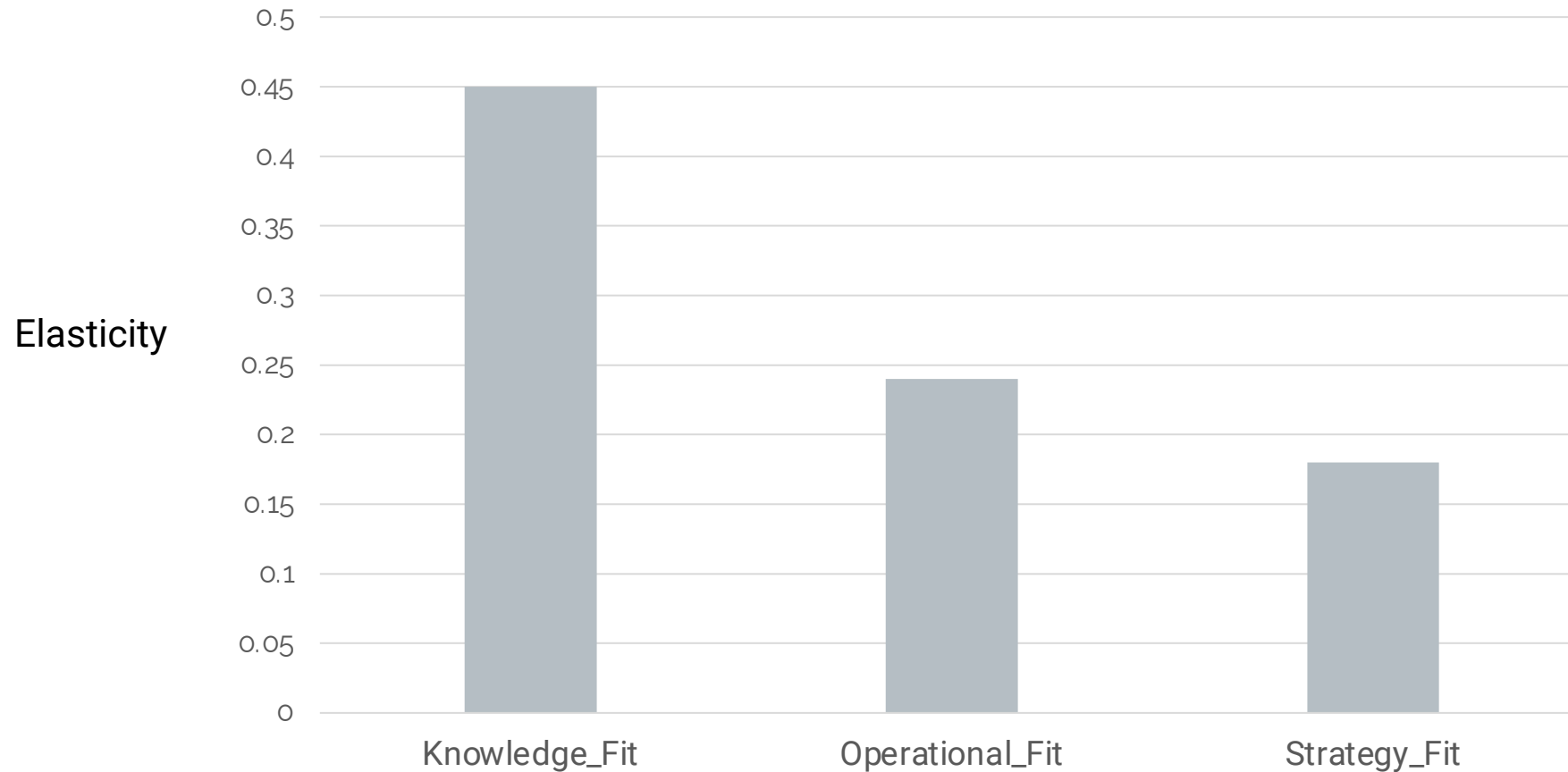
WMOs Outsource CX Activities More Than LMOs

Outsourcing %



Among Capabilities that Enable (Firm Value Capabilities), Knowledge Fit is The Most Important Firm Capability Driver for Experience Fit

Drivers of Experience Fit



How do I get started on this in my firm?

- Go look at the free benchmarking tool
- Check out the MRA tool at Marcaps.com

Benchmark your organization at marcaps.com/research

Get a free benchmark report



Marketing Capability Benchmark

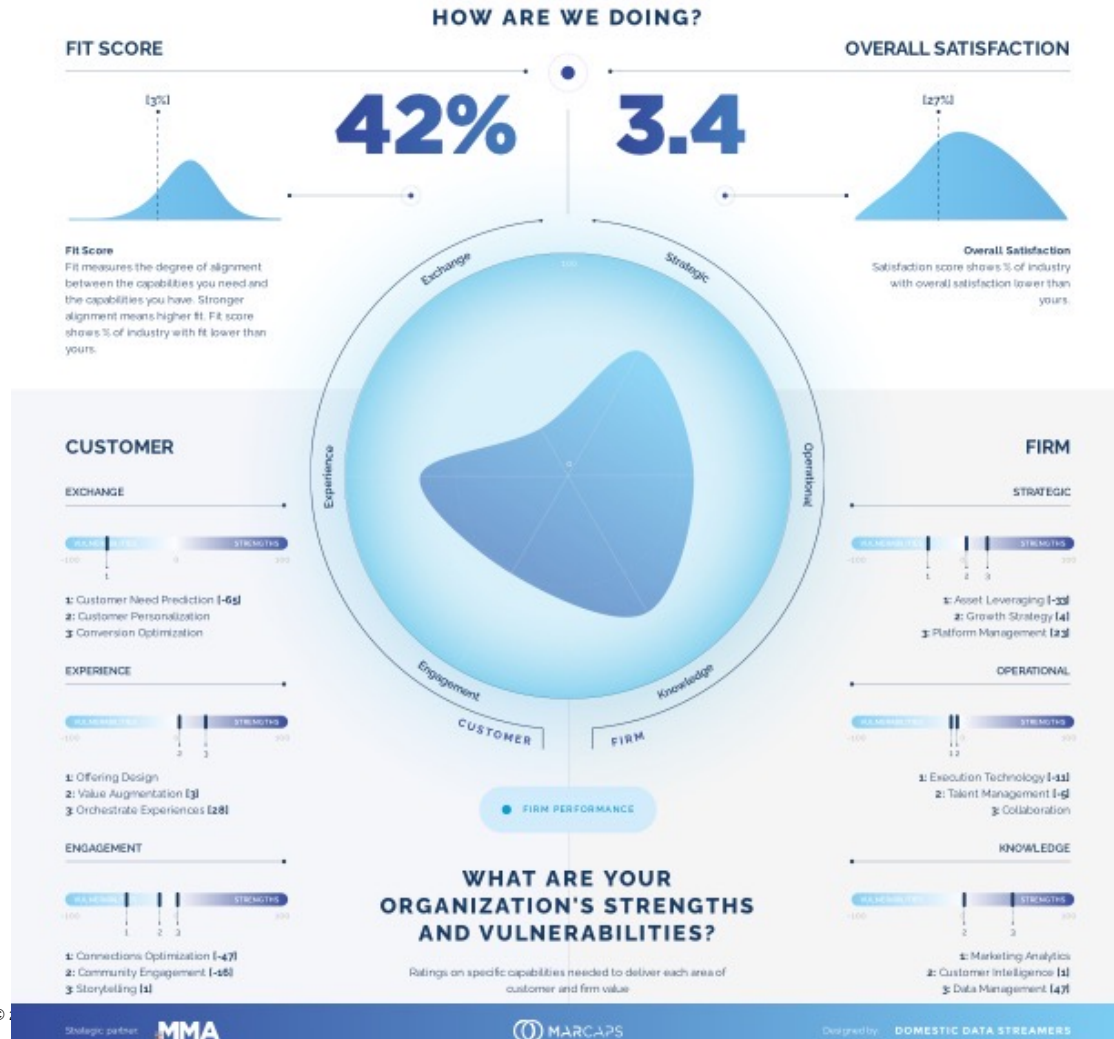
Modern marketing organizations leverage their capabilities to create new value for customers and the firm. They create customer value in:

1. The Exchange area by matching offerings to individuals
2. The Experience area by increasing convenience and enjoyment, and
3. The Engagement area by enhancing brand meaning.

Modern marketing organizations create firm value in:

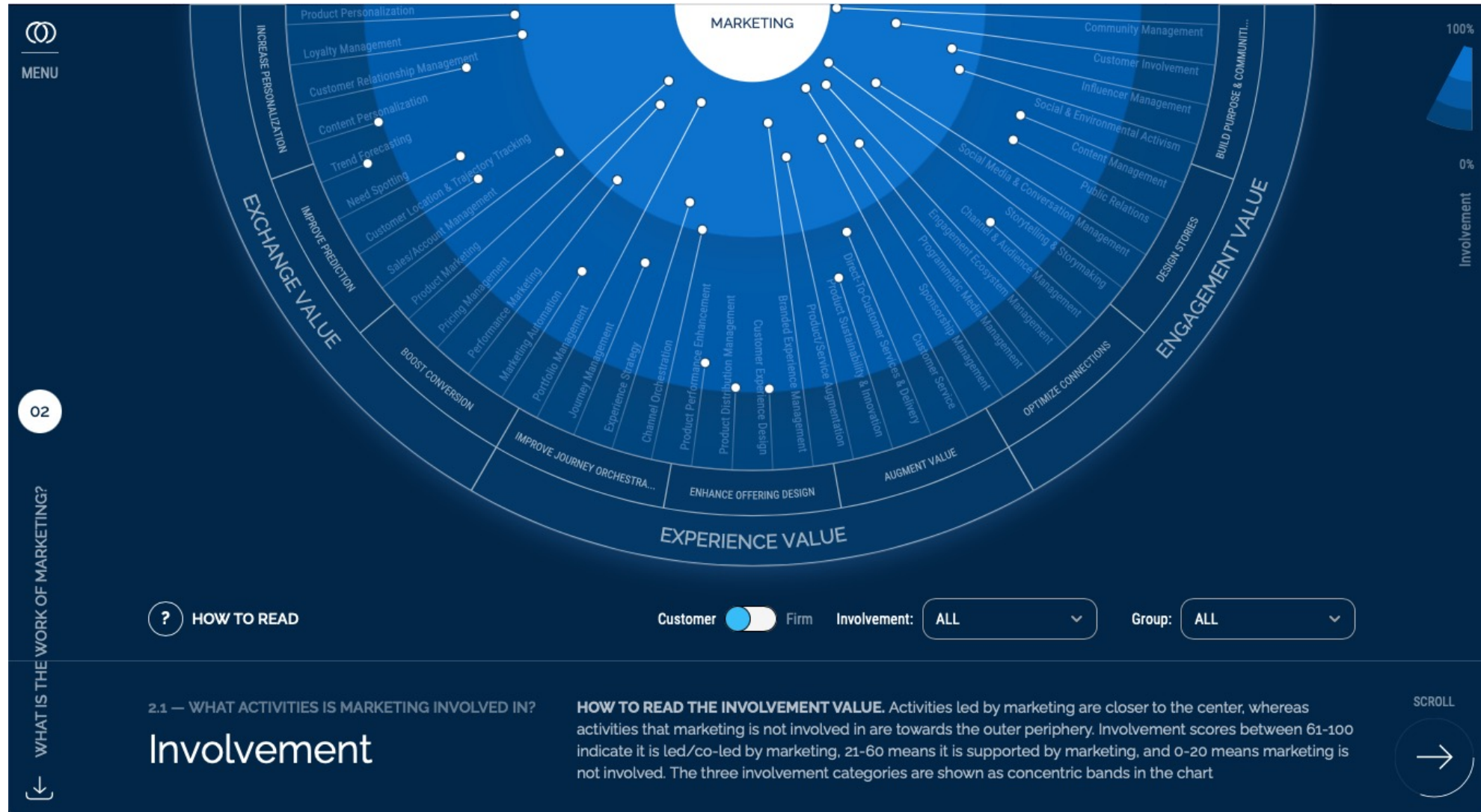
1. The Strategic area by identifying opportunities for new growth
2. The Operational area by implementing processes, methods and technologies to elevate effectiveness of marketing, and
3. The Knowledge area by the creation, analysis, and utilization of data to generate unique insights, guide decisions, and optimize resources.

This report summarizes and benchmarks your assessment of marketing capabilities at your company. For more information, refer to the article "Is Your Marketing Organization Ready for What's Next?" in the Nov-Dec 2020 issue of Harvard Business Review or contact us at info@marcaps.com.



MarCaps Marketing Readiness Assessment (MRA)

A Granular Assessment Provides Clear Map of Growth Capabilities Managed By Marketing



And a Detailed Fit Calibration



MENU

3.3 - WHAT SHOULD BE CHANGED?

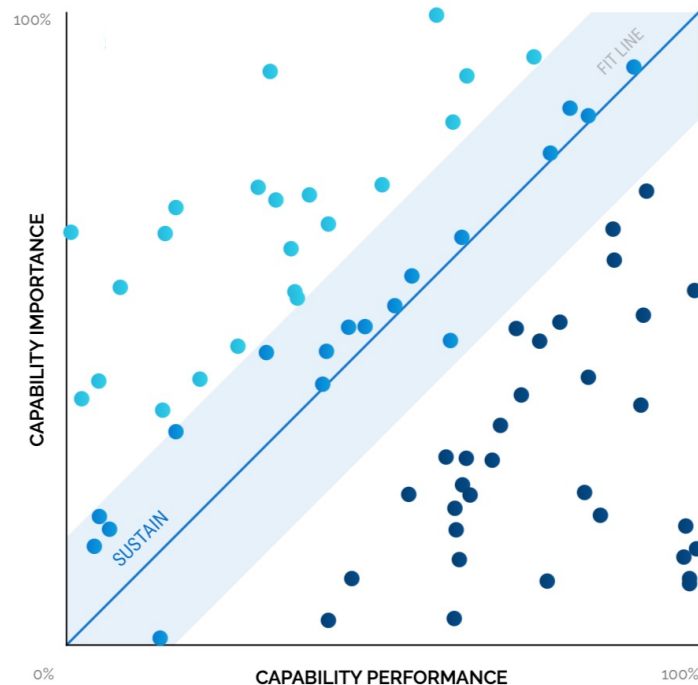
Importance vs Performance by capability

This scatterplot shows the distribution of the 72 marketing capabilities on performance and importance dimensions.

Capabilities needing investment/performance improvement are under **'Strengthen'**. Resources for those under **'Harvest'** could be redirected. **'Sustain'** capabilities demand no immediate change.

HOVER ON A CAPABILITY DATA POINT FOR MORE INFORMATION.

Fit Score
63%



03

WHAT ARE THE CAPABILITIES OF MARKETING?



SCROLL



Thank You... Questions?

Sundar Bharadwaj, PhD
Shubu Mitra
Neil Morgan, PhD
Omar Rodriguez Vila, PhD
Contact: Omar@marcaps.com

*Never doubt that a small group of thoughtful,
committed people can change the world.
Indeed, it is the only thing that ever has.*

-- Margaret Mead
Cultural anthropologist