The Challenges of Marketing in the Network Society

This article by Bruce Levi, Marketing Capability Director at BRAND LEARNING, explores what Marketing in the Network Society means, and explains why having a compelling, aligned Digital Capability Strategy is such an essential component of business success.

We've all seen the astounding numbers, the data, the news headlines and sat through multiple presentations telling us to embrace the Network Society we inhabit (often referred to as the 'new digital world'). And, to a greater or lesser extent we probably all agree. If the noughties (the last decade) were for network pioneers and a time of active experimentation, the tweenies (the next decade) will be for mass adoption and a period of breathtaking digital revolution.

A recent survey of senior marketers by the CMO Council stated 46% were planning a digital makeover and 59% were preparing to enhance training in digital capabilities. Discussion with our clients and our own observations reveal that, whilst there are real & significant opportunities, these are not well chartered waters, with significant risk and limited best practice to aid navigation.

Given the scale of the opportunity, the size of the challenge and the risks of getting it wrong, we at BRAND LEARNING believe there is a strong case for first developing a guiding strategy for enhancing digital marketing capabilities before rushing into the many fragmented digital solutions on offer.

The Network Society – its impact on Marketing

The Network Society in which we all now live is changing (and if the predictions are correct will continue to change) our behaviour and expectations, both as consumers, customers and equally, as employees. The power of the network has resulted in time & distance being compressed on the one side and potential spheres of influence being broadened at the other. This results in our expecting real-time responses and provides opportunities to participate & voice our opinions, whilst at the same time demanding greater accountability, transparency and authenticity from brands and organisations.

Our belief is that most of the core marketing principles behind great, profitable, sustainable brands and businesses are even more pertinent today, but that the tools, channels, speed and way (organisationally & culturally) we need to apply those principles has changed dramatically. This, in turn, impacts the marketing capability requirements of businesses and should force a drastic reappraisal of how best to build or fill important gaps in existing marketing capabilities – especially in 'Network Marketing'.

Whereas in the past, the brand/consumer relationship was primarily brand/company driven because the opportunity for effective two-way interaction was more limiting and limited, this relationship is and will increasingly be jointly driven and even independent of the company. To capitalise on this radical change requires marketers to adopt a new network mindset, to act not as controllers but as 'stewards' and to build the skills to apply more iterative, co-creative, transparent and responsive processes in their insight generation, innovation, strategy development, communications and customer service. At BRAND LEARNING, rather than 'Digital Marketing' we prefer 'Network Marketing', since this describes the core underlying shift rather than the medium itself and embraces both offline as well as online dimensions.

Approaches To Change

Charles Darwin's famous observation *"It is not the strongest of the species that survives nor the most intelligent that survives. It is the one that is the most adaptable to change."* is particularly relevant for today's organisations. Agility and Responsiveness are the watch words if you accept that we are in a rapidly evolving environment, where established best practice for winning the hearts and minds of consumers, customers and employees is still being written. P&G refer to their agility as *"our ability to be fast, flexible, responsive and versatile in a complex and rapidly changing business environment..."*

There are essentially 3 main ways businesses seem to be choosing to adapt and operate within the Network Society:

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Wait & See is the first approach. Not recommended! The business may use digital channels for brand awareness building, customer service etc. but with a 'one-way mindset', not yet willing to engage and embrace continuous, direct feedback. Then, perhaps triggered by a PR-related incident on a social network, with a few consumers taking matters into their own hands, the business unwittingly stokes a major crisis. Recent high profile examples reported in the press include Nestle's sourcing of palm oil reported on Facebook and Eurostar's Twitter response to significant train disruption during heavy snow. Senior leaders then realise the pressing urgency for the business to engage proactively, which begins the process of change – but all too often it's too little, too late.

The second and more common approach we have observed is where champions (early adopters/evangelicals) within an organisation lead the business **Step by Step**, through experimentation and applied learning to discover new opportunities and ways of working to build the business. Once new winning formulae are identified and proven, the business can roll them out more broadly across its brands and business. P&G and PepsiCo have both been reported to have adopted such techniques to great effect.

Finally, a business does occasionally take a **Transformational** approach. The leadership team decides on a radical, top down transformation, with associated higher risks but with major opportunities to gain advantage over the competition. John Chambers, CEO of Cisco, has spoken many times of the path he initiated. *"I'm a command-and-control guy. It clearly has worked well for me. I say, turn right, 66,600 people turn right. But that's not the future. The future's going to be all around collaboration and teamwork, with a structured process behind it. And that's the key"*. John understands the scale of the challenge and of the opportunity and is committed to making Cisco a more nimble and responsive organisation.

Building Marketing Capabilities – Today & Tomorrow

Brands and businesses that appear to be succeeding in the Network Society all seem to have at least one factor in common, regardless of how they have chosen to benefit: they all have a clear vision or end goal of what they are striving to achieve/do differently, whilst retaining the flexibility and willingness to experiment along the way and to adapt to mistakes and quickly learn from their experiences.
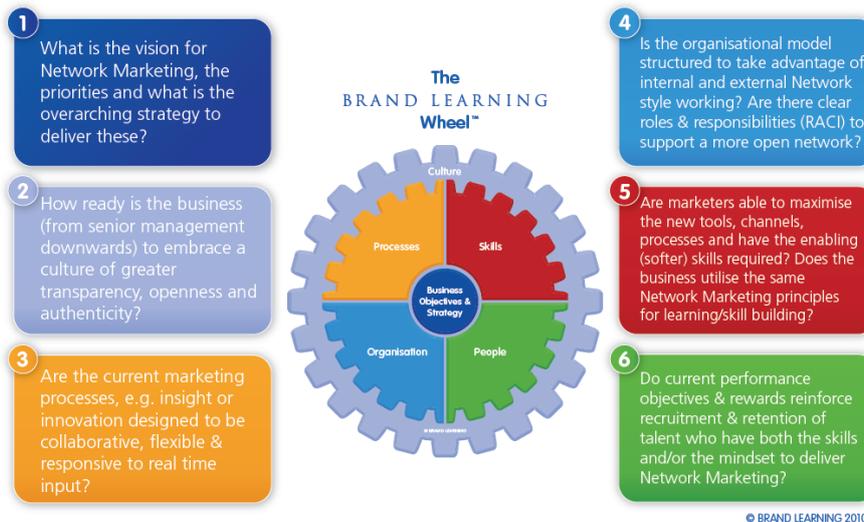
In developing such a vision and in building 'Network Marketing' capabilities to deliver against the vision, we believe it is critical to have a thorough, full grasp of where digital capabilities stand today, and where there are important gaps and a strong case for change in the future.

The BRAND LEARNING Wheel™ is the proven diagnostic tool we use to help our clients assess and define their marketing capability priorities. Across the 'Wheel' here are some of the specific Network Marketing questions we use as the starting point to help clients explore and define their strategy for Network Marketing capabilities. These questions are, of course, just the start point. Once the vision for Network Marketing in the business has been defined, we do extensive deep dives into each of the areas impacting capability, so the business can reach an effective capability strategy for Network Marketing and prioritise a plan to implement the changes identified.

Network Marketing Capability Strategy: Key Questions

1 What is the vision for Network Marketing, the priorities and what is the overarching strategy to deliver these?

2 How ready is the business (from senior management downwards) to embrace a culture of greater transparency, openness and authenticity?

3 Are the current marketing processes, e.g. insight or innovation designed to be collaborative, flexible & responsive to real time input?

4 Is the organisational model structured to take advantage of internal and external Network style working? Are there clear roles & responsibilities (RACI) to support a more open network?

5 Are marketers able to maximise the new tools, channels, processes and have the enabling (softer) skills required? Does the business utilise the same Network Marketing principles for learning/skill building?

6 Do current performance objectives & rewards reinforce recruitment & retention of talent who have both the skills and/or the mindset to deliver Network Marketing?

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In summary, the challenges surrounding Marketing in the Network Society are extensive. We can use core marketing principles, but they need to be applied in a radically different way and with a transformed mindset. The challenge, we believe, is to retain & apply the core precepts of marketing in the evolving Network Society, while actively experimenting, learning and becoming expert at leveraging the new tools at our disposal. Marketers need support to evolve. They need new capabilities to enhance and evolve the core principles and practices of Marketing – not to replace them.

Alongside this new mindset, marketers also need the support of an organisation and leadership team which is both agile and responsive and which invests in helping them get up the learning curve – not by adopting every new 'flavour of the month' technology, but by thinking about the right strategy – the vision, the objectives, the KPIs and the right capabilities needed to win the trust and respect of consumers, customers and employees in the Network Society. The Network Society is here to stay, the technology is evolving faster than ever – but does your business have a compelling, aligned digital capability strategy in place or is it simply experimenting without a clear direction?

BRAND LEARNING has partnered over 50 multinational companies in helping them to build their marketing excellence and is leveraging that deep expertise in marketing and in capability development to help organisations and the people within them to excel at customer-centric marketing.