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# How the organizational structure of the marketing department is impacted by ongoing changes in digital marketing and consumer behavior.

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<p>The purpose of this study was to gain more profound knowledge of marketing departments in organizations and understand how aspects such as digital marketing, technology, data, and consumer behavior are affecting the daily operations of a marketing team. Because modern marketing teams need to adapt to consumer behavior constantly, the research topic was relevant.</p> <p>The study was carried out by implementing explorative and qualitative research methods because the complexity of the research subject. The particular reason for the circumstance is that the goal was to understand the research topic on a deeper level without measuring characteristics or variables. The research data consisted of three interviews with Chief Marketing Officers who have more than ten years of experience in the field.</p> <p>The interviews showed that marketing teams have changed to a great extent over the past decade, and marketing is now perceived more as a strategic function. Regarding the structure of a marketing team, the respondents felt that organizational structure is the primary element that needs to be figured out because it affects predominantly how marketing teams operate. In addition, it was indicated that it is essential to enable cross-functional collaboration in-house and with external experts.</p> <p>The author recommends that different marketing concepts should be evaluated critically because all organizations are different and have unique goals. Nevertheless, this subject</p>	

needs further investigation as insufficient secondary information limited the opportunity to carry out extensive research.

Keywords

Organizational structure, marketing department structure, marketing, digital marketing, consumer behavior, technology, data

## **Contents**

<b>1</b>	<b>Introduction</b>	<b>3</b>
1.1	Importance of research, aims, and objectives	4
<b>2</b>	<b>Theoretical framework</b>	<b>5</b>
2.1	Marketing department composition	5
2.1.1	Organization and structure	5
2.1.2	Marketing and marketing department	9
2.1.3	Marketing department composition history	9
2.1.4	Changes in marketing departments	10
2.2	Greater role of digital marketing	11
2.2.1	Overview of digital marketing	11
2.2.2	Techniques of digital marketing	12
2.3	Structural changes	13
2.3.1	Key changes	14
2.3.2	New structures	15
<b>3</b>	<b>Methodology</b>	<b>19</b>
3.1	Research designs	20
3.2	Data collection	21
3.3	Data analysis	22
<b>4</b>	<b>Limitations</b>	<b>24</b>
<b>5</b>	<b>Findings</b>	<b>24</b>
5.1	Qualitative research results	24
5.2	Discussion	37
<b>6</b>	<b>Conclusion</b>	<b>41</b>
<b>7</b>	<b>References</b>	<b>43</b>

## Appendices

Appendix 1. Interview questions.

## **1 Introduction**

Modern marketing departments are having to cope with the ever-changing technology and consumer adoption of technology. As consumer trends emerge and consumers adopt new behaviors, the marketing department is also required to change. The Internet is one of the fundamental parts of changes, introducing transparency and connectivity in everyday lives (Kotler, Kartajaya, Setiawan 2016:5). According to global business data platform Statista, 4.66 billion people are active internet users, which is more than half of the world's population (Johnson 2021). People are spending more time online, which has shifted the purchasing behavior and requires organizations to look at new opportunities to market their products and services. Therefore, integrating different communication methods in marketing today is crucial. Trend analysis conducted by Cisco in 2017 shows that the growth of digital communications is happening daily. Results indicate that at the beginning of the global Internet, traffic per day was less than 100 Gigabytes (GB) compared to 105,800 GB per second in 2021 (Chaffey, Chadwick 2019:6).

In many organizations today, the marketing department structure has been the same for more than 40 years. Trends and strategies that were seen as highly innovative only a few years ago are becoming outdated. To understand the ideal structure, marketers must tackle questions such as what drives marketing excellence? What are the organization's goals and values that carry brand strategy? Finally, what kind of structure guides problems mentioned previously? (Arons, Driest, Weed 2014).

The inevitable truth is that organizations must implement a more robust customer-centric approach in the future. Customers are looking for more transparency and value, as well as immediate responses. Currently, the marketing team structure is lacking skills that could deliver what customers are expecting. The skillset is not only limited to data and technology professionals but also creative thinkers. Seeking further support from digital marketing agencies in terms of new skills could be one of the solutions to this problem. However, this approach could have many disadvantages (Hemsley 2017).

## 1.1 Importance of research, aims, and objectives

The research topic is relevant because the Internet has become a large part of everyday life. Companies constantly improve their online presence and looking for new opportunities to differentiate and deliver value to customers. Furthermore, as the world has now been in a global pandemic, people are naturally more prone to use different digital platforms. Rapidly changing environments require organizations to rethink their marketing, understand what skills are needed, and source those.

The research question aims to find answers to two main issues. First, how much are marketing departments going to develop their customer-centric approach further? This actively demonstrates that in order to provide a competitive advantage, organizations might need to rethink their organizational structures, where new approaches introduced are along the lines of smaller in-house teams and digital agencies. Secondly, how radical could the changes in marketing structures be? Is it possible that the need for new skills to deliver marketing functions will not be possible to implement in-house teams?

In anticipation of the aims, published literature, books, and qualified internet sources related to the research question have been extensively evaluated. By critically evaluating relevant literature and conducting interviews with current Chief Marketing Officers in the field, the objective outcome should answer the proposed research question.

## 2 Theoretical framework

To better interpret the research topic, one must first understand the organization and how it is structured. What is marketing, marketing department structures, and how has digital marketing become part of traditional marketing? Lastly, how are all the mentioned aspects as a whole affecting the marketing departments in the future?

### 2.1 Marketing department composition

#### 2.1.1 Organization and structure

The definition of an organization can be interpreted differently by each individual. When looking into the definitions, common factors can be found, such as goals, cohesive communication, and collaboration (Martin and Fellenz 2010:5). Bratton (2007) has described work organization as follows:

Work organization is a deliberately formed social group in which people, technology and resources are deliberately co-oriented through formalized roles and relationships to achieve a division of labour designed to attain a specific set of objectives efficiently (Bratton 2007 cited in Martin & Fellenz 2010:6).

Additionally, Watson (2008) interpreted the term work organization as follows:

Work organizations are social and technical arrangements and understandings in which a number of people come together in a formalized and contractual relationship where actions of some are directed by others towards the achievement of work tasks carried out in the organization's name (Watson 2008 cited in Martin & Fellenz 2010:6).

Every business follows a model and a strategy in order to succeed. Which in practice is easy to recognize but strenuous to define as it depends on how people are viewing it. Michael Lewis provides a more straightforward definition for a business model: what actions an organization needs to take in order to produce revenue. The business model concept is often linked to Peter Drucker's definition of a business model introduced in 1994, which is also part of his business theory, that a business model is an "*assumption of what company gets paid for.*" (Ovans 2015). Drucker's concept has often been cited in other's work, and the particular reason for the circumstance is that it provides answers to the question: what is a great business model? Additionally, a business model of the highest standards should answer questions such as who are the



customers? Furthermore, what are their values, and how can value be delivered to customers while making money? (Ovans 2015).

Figure 1. below illustrates a generic business model canvas.

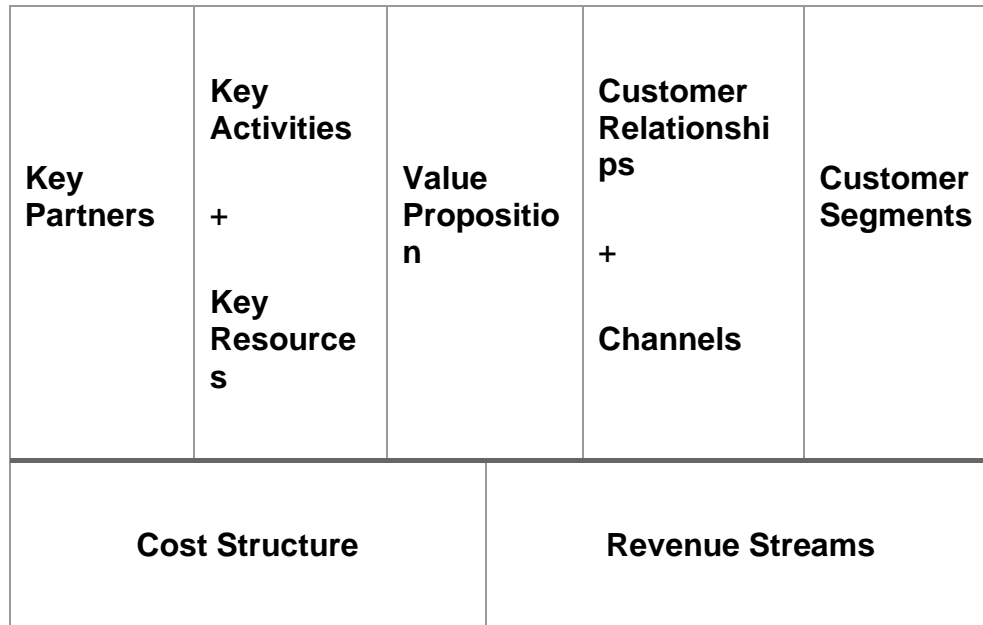


Figure 1. Business Model Canvas Example (Osterwalder *et al.*,2014:152).

All activities performed by different units in the organization contribute to competitive advantage and differentiation. To understand all of the activities and their performance, the basic value chain tool is implemented. The value chain uses different activities in order for an organization to understand current and potential sources of differentiation as well as the behavior of costs. Figure 2. below shows commonly used Michael Porter's value chain (Barnes 2001:50-52).

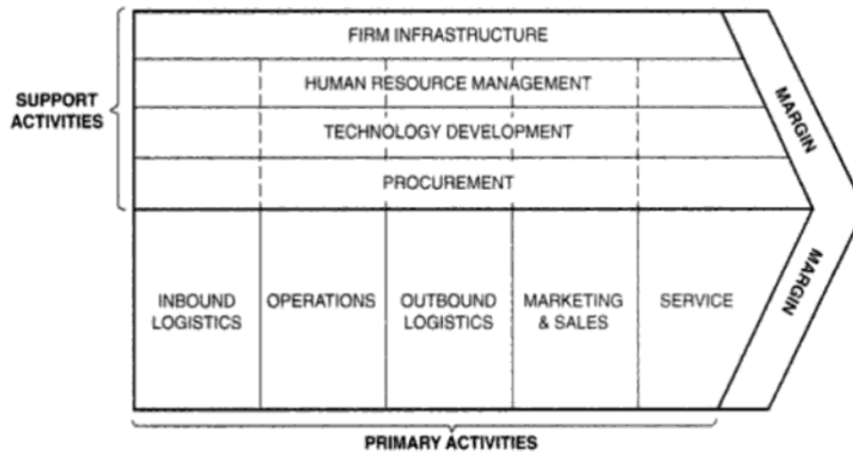


Figure 2. Michael Porter's Value Chain (Barnes 2001:50-52).

Moreover, it can be interpreted based on the earlier discussion that each organization has a structure. Consequently, this means that an organization's specific goals, a particular division of labor, and executive power form a relation to an organized whole (Ahmady, Mehrpour, Nikooravesh 2016:455). Three main points generally determine organizational charts, 1) A clear structure dictates hierarchy levels, power of the managers, and reporting in an organization 2) Structure divides and determines positions of employees in groups, which additionally divides the groups into separate units and 3) Structure enables to create of efficient systems to help systemize all units within an organization. A structure can be affected by numerous factors such as the company's size, overall strategy, and goals (Ahmady, Mehrpour, Nikooravesh 2016:456).

Generally, modern organizations are run by the executive team, also known as the C-suite, whose role is to set a firm strategy, allocate resources, and monitor and coordinate activities. Essentially, the general organizational chart consists of C-suite positions. Generally, the Chief Executive Officer's (CEO) task is to oversee other executive roles such as Chief Marketing Officer (CMO), Chief Financial Officer (CFO), and Chief Information Officer (CIO) (Guadalupe, Li, Wulf 2012:2).

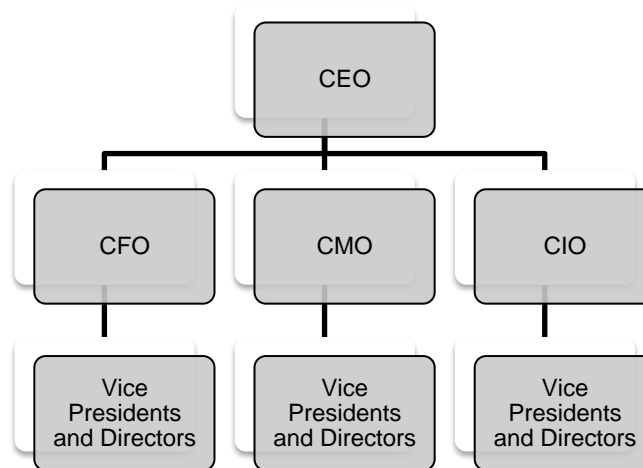


Figure 3. General Management Organizational Chart Structure model interpretation based on Guadalupe, Li, Wulf (2012) study (Guadalupe, Li, Wulf 2012:2).

To support the organization's goals and business model, a certain structure needs to be established. Smith, Framer, and Yellowley have suggested three general components of an organizational structure: functional, divisional (product or geography-based), and mixed, also known as matrix structure (Smith, Farmer, Yellowley 2012:136).

Functional structure / hierarchical structure implies division into different units according to expertise or specialization, further grouped into different units such as marketing, sales, finance, or human resources (Smith, Farmer, Yellowley 2012:137). In a functional structure, marketing would act as a separate unit.

Structures that are either geography, product, or service-based are known as divisional structures, where specialists are categorized according to a specific product, service, or region (Smith, Farmer, Yellowley 2012:137). Furthermore, in both of the variations mentioned, product category and region would have their marketing department.

The matrix structure combines functional forms with the product or project-based divisions (Smith, Farmer, Yellowley 2012:138). In a matrix structure, marketing would act as a separate unit that collaborates with all projects or products simultaneously.

### 2.1.2 Marketing and marketing department

Knowing that marketing is a large part of an organization and its structure, one needs to understand what is the primary role of a marketing department.

American Marketing Association (2017) has interpreted marketing as follows:

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large (American Marketing Association 2017).

Findings implicate that marketing departments contribute to high standard business performance (Moorman, Rust 1999 cited in Wirtz, Kuppelwieser, Tuzovic 2014:4). One of the prominent roles of a marketing department is to guide the customer's voice internally and collect, analyze and communicate relevant data concerning the market, competitor, and customer insights (Lovelock, Wirts 2011:393-394 cited in Wirtz, Kuppelwieser, Tuzovic 2014:4). Oliver and Luce (2020) propose that organizational structures change rapidly due to technology, data, and social media (Olivera, Luce 2020:122).

### 2.1.3 Marketing department composition history

Marketing departments were first formed in American organizations in the 1950s and 1960s, where they acted either as an extension to the sales team or advertising departments. Specialists with different roles were included in the team, such as distribution, sales, advertising and promotion, marketing research, pricing, and customer service. It is suggested that the marketing department is a crucial function, impacting all aspects of an organization as a whole, and is structured around different channels (Olivera, Luce 2020:122).

Andrews (2020) suggests that roles like Vice President of Marketing / Chief Marketing Officer (CMO), Marketing Manager, Return on Investment Specialist, Developer, SEO Specialist, and a designer are crucial roles for a successful marketing function structure (Andrews 2020). Muellner (2015) agrees that CMOs are an essential component of a marketing department, as their role is to supervise vice presidents, digital, and communications.

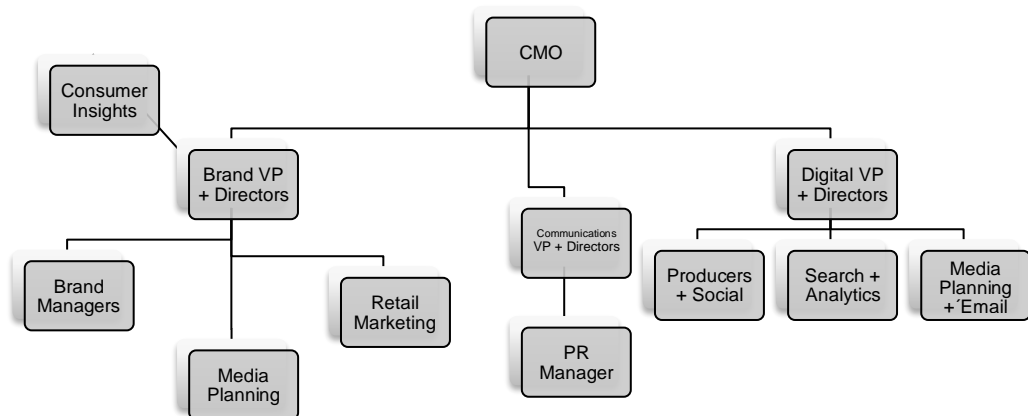


Figure 4. Traditional marketing department structure (Muellner 2015).

To illustrate what was stated in the previous paragraph, figure 4. shows the structure of a traditional marketing department in most organizations today. IT and creative/design teams are distributed equally between all teams.

#### 2.1.4 Changes in marketing departments

Marketing has changed enormously in only a few decades. With digital marketing becoming more popular, organizations often treat it as a parallel structure. Researchers suggest that traditional marketing such as offline advertising and public relations, and digital marketing such as social media and search engine optimization (SEO), need similar approaches (Arons, Driest, Weed 2014).

Furthermore, many organizations' marketing departments are siloed in terms of structure. Marketing cannot any longer act as a separate entity. Hence, this actively demonstrates that all functions need to operate on the same level, which means that the marketing department has to turn their internal communication more transparent and take care of both online and offline communications, and extend throughout all functions within the organization (Arons, Driest, Weed 2014).

While some organizations might benefit from having digital marketing and traditional marketing act as separate units, these functions should not be divided. The biggest

challenge for marketers today is to evaluate digital innovations and find ways to implement them so that digital marketing functions align with traditional marketing communications (Chaffey, Chadwick 2019:7). Digital marketing has become a function that is part of marketing departments' daily tasks.

However, Rust, Moorman, Bahlla (2010), on the other hand, argue that the marketing department should be renamed as the customer department. CMOs should be replaced with customer directors whose roles are to oversee functions that contribute to a more customer centric-approach, like market research, customer relations management, customer service, and research and development (Rust, Moorman, Bahlla 2010:1). Similarly, the research suggests that technological advantages and artificial intelligence are dominant factors in redesigning organizational and marketing department structures (Olivera, Luce 2020:122).

Nevertheless, many agree that the future of marketing departments is heavily management-focused. Even though every marketing professional in an organization's marketing team fulfills an important task, top management such as CMOs will remain dominant (Forbes 2014, Richardson, James & Kelly 2015:4).

## 2.2 Greater role of digital marketing

One can see that a marketing department plays a substantial role in an organization's structure. Digital marketing is a function that has been developing marketing further and introducing new ways to deliver value to customers and the organizations themselves.

### 2.2.1 Overview of digital marketing

Digital marketing is a form of marketing where the marketing objectives are achieved by applying data, technology, and digital media. Digital marketing manages multiple online company presence, like mobile apps, websites, and the company's social media pages. The expectation is that many organizations implement online communication techniques such as Search Engine Marketing (SEO), email marketing, online

advertising, social media marketing, and partnerships with websites (Chaffey, Chadwick 2019:9)

Everything in marketing done today is strongly related to digital media and audience interaction. Digital marketing has changed into being a feature that is a part of the day-to-day activities of a traditional marketing function (Chaffey, Chadwick 2019:5).

### 2.2.2 Techniques of digital marketing

To understand digital marketing effect on the marketing team structures, one must understand the fundamental digital marketing techniques. Digital marketing operates through different channels while applying numerous communication techniques.

Generally, communication tools and media channels fall into two main categories, online and offline communications. Online communications consist of six categories: 1) Search engine marketing (SEM), including components such as search engine optimization (SEO) and pay-per-click (PPC) 2) Online PR such as publisher outreach 3) Online partnerships such as affiliate marketing 4) Display advertising such as sponsorships 5) Opt-in email such as advertisements in third party emails 6) Social media marketing such as social media presence and campaigns. On the other hand, offline communications are, for instance, direct emails, packaging, and sales promotion (Chaffey, Chadwick 2019:28).

Search engine optimization (SEO) is a method that helps advertisements to stand out in search engine results. Some of the best-known search engines are Bing, Google, and Yahoo! According to Chaffey, SEO is an approach that organizations use to increase their presence as a company or products in search engine results, using specific phrases or keywords (Chaffey, Chadwick 2019:26).

Generally, paid search, also known as pay-per-click (PPC), means that an organization pays for its advertisements to stand out in search engine results. These results display as sponsored links and appear when specific keywords or phrases are used (Chaffey, Chadwick 2019:26).

Figure 5. Illustrates PPC in red and SEO in yellow based on keyword search in Google search engine. The keywords used were *white round dining table*.

Google search results for "white round dining table".

Search results: About 193,000,000 results (0.84 seconds)

**Ads - Shop white round dining table**

Product	Price	Source
IKEA - DOCKSTA Pöytä, Valkoinen/valkoinen,...	€159.00	IKEA
Ruokapöytä Justine 120 cm Pyöreä Marmori ...	€379.99	Kodin1.com
Masku Concept White ruokapöytä 110 cm	€125.00 (was €245)	Masku.com
JYSK Ruokapöytä RINGSTED Ø100 valk.	€199.00	Jysk.fi

**Organic Search Results (SEO):**

- <https://www.homedepot.com> › White › Round › **Round - White - Kitchen & Dining Tables - Kitchen & Dining ...**  
Results 1 - 48 of 131 — Metal. (58) · Metal/Wood. (11) · Glass. (2) · Particle Board. (2) · Plastic/Wood. (1) · Plastic. (1) ...
- <https://chrissymarieblog.com> › white-round-dining-tables › **The 12 Best White Round Dining Tables - Chrissy Marie Blog**  
Apr 18, 2020 — white sound dining table in a nook with big windows. This pretty kitchen nook with the faux marble table is number 5 off my list — comes in a larger size too — and belongs to @ ...
- <https://www.wayfair.com> › ... › Dining Tables & Seating › **Round White Kitchen & Dining Tables | FREE Shipping Over ...**  
Main Menu. Outdoor Décor. See All · Outdoor Rugs · Statues & Sculptures · Outdoor Pillows & Cushions · Mailboxes · Bird Baths. Garden. Back to Main Menu. Garden. See All · Planters ...

Figure 5. PPC and SEO example screengrab from Google search engine (Kartsep 2021).

### 2.3 Structural changes

The first two sections of this literature review covered the fundamental issues related to the research question. Earlier, the author discussed overall marketing changes and introduced digital marketing, which is a powerful, commonly used marketing function. This section covers critical trends suggested to change marketing departments and proposes future marketing department's structures.



### 2.3.1 Key changes

Naturally, the activities of a marketing department determine the success of an organization. A marketing department's core goal is to focus on delivering value to consumers while making a profit. However, research indicates that future marketing teams' success depends mainly on how the senior management implements the following fundamental changes: a more precise structure, skilled marketers that can work with constantly developing technology, and cross-functional in-house cooperation (Kotler 2004:4).

One of the fundamental issues determining a marketing department's success is the CMOs ability to structure and run marketing teams efficiently. Today, many marketing departments are not equipped with skilled people to cope with modern marketing challenges, such as constantly evolving digital marketing functions like SEM and social media, or even approaches such as agile marketing or growth marketing. Hence, the CMO must set high goals, constantly improve the marketer's skills and hire skilled staff to keep up with changing marketing environment. Additionally, the marketing department must be led to create confidence in the eyes of the CEO and other departments within the organizations, such as sales and information technology (IT) (Kotler 2004:4-5).

As marketing is moving from exclusivity to inclusivity, it is primarily affected by technological advantages. With more advanced technology and data-driven functions, marketers need to constantly search to find out more about customers (Kotler, Kartajaya, Setiawan 2016:8) while simultaneously collecting and analyzing customer data (Rust 2020:15). However, many marketing teams are struggling to keep up with the technological skills and new approaches, resulting in not reaching growth and agility.

In high-growth companies, the core focus is on analytics, data, cross-functional teamwork, and communication. While many marketing teams utilize modern digital analytics tools, some are still implementing outdated solutions and therefore missing out on growth options (Buck *et al.*, 2017). A survey of 600 respondents working in high-growth companies worldwide indicated that in order to drive growth, the focus must be on three areas: performance, creation, and investment. The same research

indicated that implementing agile processes showed significant results when marketers were enabled cross-functional collaboration (Ahuja, Perrey, and Segel 2017).

Researchers indicate that as a result of technology improvements, marketing departments need to become more agile. In a connected world, customers are making decisions rapidly, and organizations must find a way to deliver results constantly. Agility, however, can be challenging to reach. In practice, the agile marketing team should find solutions to problems and evaluate results faster while simultaneously running successful campaigns and creating new content. This approach requires cross-functional in-house teams (marketing-IT; marketing-sales), a clear goal, understanding of customer buying behavior, an established marketing technology structure, and adequate data (Edelman, Heller & Spittaels 2016).

Undeniably the key factors that are going to impact the changes in marketing departments are affected enormously by developing technology, new approaches to deliver results more effectively and customer behavior in a connected world – resulting in the marketing leaders not understanding the right strategies and structures to implement for success.

### 2.3.2 New structures

While many marketing teams are successfully operating in siloed structures and implementing little collaboration within in-house teams, recent research suggests that marketing functions will become more agile and play a more significant role in the company's growth (Vila *et al.*, 2020). Arons, Driest, and Weed (2014) indicate that the most difficult challenges to tackle among executive leaders are role distribution, structure, and processes (Arons, Driest, Weed 2014).

The structure of a marketing team is mainly dependent on the executive managers, making the marketers within a team the most valuable asset. Due to new approaches such as agile marketing, managers must constantly educate current employees while investing in new talent hires to keep up with the changes (Sebring 2019:19). In order to help the organization succeed, marketing departments must expand at a global scale while simultaneously executing and planning on short notice. Therefore,

marketing executives must set a structure that enables them to grow internationally and provides talent enablement at any level within the organization whenever needed (Arons, Driest, Weed 2014).

As a result of the rising popularity of digital marketing and the new roles it is creating, such as digital content creators, Arons, Driest, and Weed (2014) suggest that marketing teams should be categorized based on roles indicating belonging of titles. The role distribution is categorized into analysts, content developers, customer engagement & social media (Arons, Driest, Weed 2014).

Additionally, another research agrees that people, processes, and tools are essential components of a future marketing department. While cross-team enablement is essential, it is not enough if the marketing team does not have the right people, transparent communication, and tools to execute marketing functions. Marketing has developed exceptionally in the past two decades due to many variables such as social media, the internet, digital marketing, and podcasts. Therefore, Calus *et al.* (2019) suggest that marketers constantly learn new ways of working. As a result, marketing departments will be structured to enable cross-channel engagement (online and offline), equipped with hybrid marketers. This means that the team will be a hybrid of advanced skills and abilities (Calus *et al.*, 2019:35-42).

While hybrid marketing teams can sound indefinite, significant input from the marketing executives must execute this function. To illustrate, one of the main things to consider is the recruitment process. In a hybrid marketing team, employees need to know how to work on design and branding, webinars, SEO, PPC, conversion optimization, events, and public relations. Nevertheless, a hybrid marketing team does not require constant expansion in in-house teams, as eventually, it will be more cost-effective to work with an external expert if needed (Calus *et al.*, 2019:36-37).

Additionally, a questionnaire conducted in 2014 among prominent organization marketers in ABA Marketing Network Online Community showed no need for sizeable in-house marketing departments. The respondents shared that their marketing departments are already following the hybrid structure, where all marketers take care of online and offline marketing aspects. Nevertheless, some of the respondents already worked with an external expert, such as a digital agency. Whereas others said,

outsourcing roles such as SEO, creative, and data analyst would help the team in day-to-day marketing activities (Marsili 2014).

For marketing teams to build long-lasting relationships with customers, marketers must execute the highest performance level on all customer buying path phases. Generally, the customer buying path has five stages: aware, appeal, ask, act and advocate. However, it is essential to know that some phases might be skipped or visited numerous times (Kotler, Kartajaya, Setiawan 2016:59-65). Many customers look for the post-purchase actions and whether it matches with what marketers have claimed. Customer engagement is more critical than before, and personalized marketing has risen above mass media marketing. For marketers to deliver this, all organization functions must work together – marketing and sales, marketing and product, and cooperation within the marketing department (Kotler, Kartajaya, Setiawan 2016:88).

Today, many organizations are labelling themselves as growth-driven when in reality, all of the departments are siloed and results insignificant. Senior management distributes information to different teams on numerous occasions, thus cancelling cross-functional collaboration between marketing and other teams. However, without this vital component, organizations cannot deliver a customer-centric approach (Ellis, Brown 2017: 29-31). The core goal of customer-centric marketing is to create long-lasting relationships by promoting company-specific products to a customer that they would value at all times. While on the other hand, product-centric marketing means that mass media marketing is used to gain as many customer's attention as possible (Rust, Moorman, Bahlla 2010:4).

In many organizations, the marketing team would focus on delivering top-of-the-funnel activities, whereas product development incorporates an enormous volume of tasks, as shown in figure 6 (Ellis, Brown 2017: 29-31). As a result, organizations are running into problems such as not understanding what the customer wants and excluding growth opportunities. To illustrate, Ellis and Brown (2017) examined the growth story of BitTorrent, a company with a great product that struggled to detect growth options. The organization hired an expert who was skilled in marketing and had excellent product knowledge. While implementing cross-channel communication, the expert understood that the most crucial strategy to follow is to listen to current customers (Ellis, Brown 2017: 29-31).

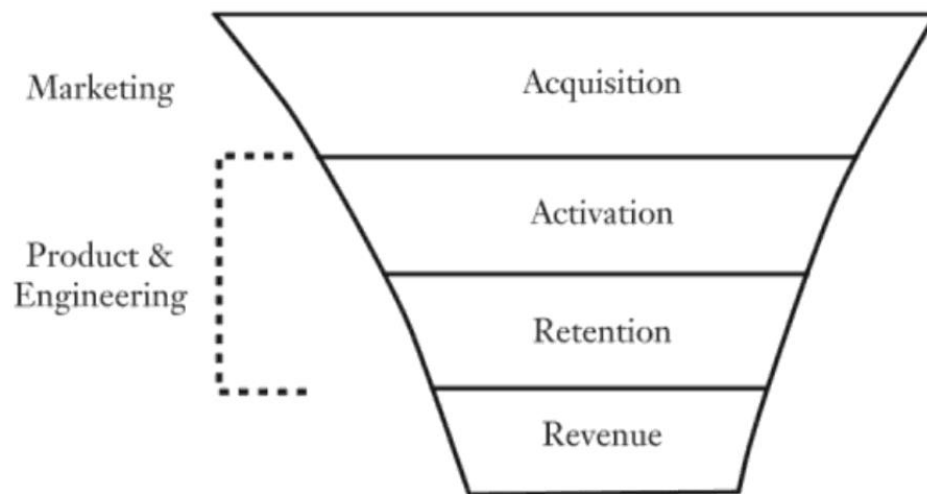


Figure 6. The customer funnel and typical department ownership (Ellis, Brown 2017:30).

Numerous researchers have indicated that marketing departments should be modernized. Moreover, in the modern era of technology and connectivity, social media has become one of the most crucial engagement tools - because it provides less emotional involvement compared to face-to-face interaction (Kotler, Kartajaya, Setiawan 2016:89). Modern marketing strategy is closely related to agile and growth marketing approaches, as the core focus is on cross-functional collaboration, customers, and speed. Essentially, modern marketing is about modifying the processes how work is being executed. Research indicates that if marketing departments implement a modern marketing approach efficiently, results could show more than ten percent additional growth and significant reductions in marketing costs (Armstrong *et al.*, 2020).

Because marketing, technology, and consumer behavior are constantly changing, marketing departments also need to abandon outdated approaches and strategies. The modern marketing approach requires marketing departments to have skilled people who understand customers, can work collaboratively, and know how to utilize modern technology to its total capacity. If these qualities are not met, the marketing department cannot deliver a customer-centric approach, which means that the marketing department should be ready to constantly create and modify all content at all volumes, where the results are as personalized as possible (Armstrong *et al.*, 2020).

Today, organizations are outsourcing external experts to deliver marketing tasks and bridge the skill shortages in-house. The particular reason for circumstances is that an external overview is needed to create better engagement, content, or help with daily tasks (Arons, Driest, Weed 2014). However, the modern marketing approach suggests that organizations should instead insource their talent. Today, in-house marketers need to have a vast skill set. It would be reasonable to hire, for instance, data-driven marketers who are comfortable working with consumers and design-driven marketers who would be able to work with data.

Nevertheless, there is no silver bullet for when companies should implement insourcing. However, research suggests that insourcing would be reasonable if there is a need for fast content creation and testing or data ownership. In many cases implementing an agency to carry out these specific functions can be time-consuming and costly (Armstrong *et al.*, 2020).

To sum up, everything that has been stated so far shows that today's modern world has reshaped marketing. While technology and consumer behavior are changing, marketing departments cannot function by implementing outdated approaches and strategies. However, when executing marketing functions, there is no one size fits all solutions. New approaches affect the marketing team structures and force organizations to think of new ways to deliver customer-centric approaches and allocate resources.

### **3 Methodology**

This section covers the research methods used to gain insight into the research question, data collection, and analysis methods. The literature review of this work acts as a fundamental part of gathering past and present information to research, while interviews with experts on the field help gain insight and discover new perspectives. Stevens *et al.* (2015) has stated that research is "an organized, formal inquiry into an area to obtain information for use in decision making." (Stevens *et al.*, 2015:1).

### 3.1 Research designs

Generally, three types of research methods can be implemented based on the research question: causal, descriptive, and exploratory (Stevens *et al.*, 2015:27). The author of this work has implemented a combination of exploratory and qualitative methods because the primary goal is to gain a deep understanding of the research question.

The descriptive research's primary goal is to describe characteristics or covariation of variables while implementing a strict structure, which results in gathering quantifiable facts. Moreover, the data collection method for descriptive research is executed using sample surveys (Stevens *et al.*, 2015:34,38).

One can potentially determine results by using only the descriptive method, as it is very effective. However, it does not reflect the causal relationship between variables such as variable one causes changes in variable two. Similar to descriptive research, causal research gathers quantifiable data through sample surveys. Nevertheless, causal research is more highly structured, time-consuming, and risky (Stevens *et al.*, 2015:40-41).

Because this research's primary goal was to understand the research topic without describing characteristics or measuring any specific variables, the exploratory research method was chosen. The exploratory research method implies gaining insights into the research by exploring different subjects and searching for answers to what has happened or is happening currently. Often the idea behind exploratory research is to look at previous work done by someone else (secondary data) and conduct interviews with experienced people in the research topic field. The data collection is flexible, relatively unstructured, and enables the researcher to implement smaller focus groups. Therefore, generating qualitative and reliable data (Stevens *et al.*, 2015:27-31).

One can gather the research data by implementing either a quantitative or qualitative approach. The quantitative approach aims to analyze and generalize data results from a sample target population (Macdonald *et al.*, 2008:9). Simultaneously, qualitative research is based on different theories and observations posed by key opinion leaders in the field (Macdonald *et al.*, 2008: 9).

A combination of exploratory and qualitative methods was implemented in this research to collect and analyze data. This research aims to gain insight into what factors have impacted the changes in marketing departments. Hence, the exploratory approach that generates qualitative data was the best way to proceed. The primary idea of exploratory research is to gain insight on the topic by asking questions rather than just receiving answers. Therefore, the best option is to carry out interviews with experienced people in the field (Stevens *et al.*, 2015:27-31). Additionally, explorative research provides the option to hear respondent's emotions in real-time, which creates a better understanding of how they feel about the research topic in general.

Subsequently, as key opinion leaders' work was used to support the research, the author felt that the qualitative data's exploratory approach is the best route. Therefore, qualitative data is used to support the findings covered in the literature review. Alternatively, one might find that qualitative data can also challenge the secondary data findings. Nevertheless, qualitative data includes answers to interview questions that contextualize the data gathered and high-quality information per respondent (Macdonald *et al.*, 2008: 9).

### 3.2 Data collection

Because the research question is complex, the author felt that the best way to conduct this research was to explore relevant secondary data sources such as published articles and books and primary data in interviews with current professionals working in the field. The author aimed to conduct interviews with at least five professionals who have an extensive understanding and experience from the field. However, the author was able to conduct only three interviews. Particular reasons for circumstances will be covered in the limitations section of this work.

The CMOs who participated in the interviews were Lari Numminen (Sievo), Bruno Bin (Smarp) and Annette Kauppinen (Gold&Green Foods). The interviews were coordinated via video software program Zoom and recorded for data analysis. Moreover, the interviews' lengths were 32 minutes, 58 minutes and 35 minutes.



Considering that the interviews' goal was to answer the research question and gain deeper insight into the topic, the interview consisted of semi-structured and open-ended questions. This type of interview enables the formation of an informal and unstructured atmosphere. The topics covered were presented beforehand, which allowed the interviewee to get familiar with the research topic and optimize both parties' time. Often semi-structured interviews are guided by the responses of the interviewees. Hence, it requires the interviewer to keep the interaction somewhat structured by understanding when it becomes inapplicable and asking the right questions. While this approach provides highly reliable qualitative data, it is essential to know that one can discover new approaches during the interview not covered in the secondary data. However, this can benefit from providing new insights and understanding of the research topic (Stuckey 2016:57).

One can find the interview questions included in the appendix section of this work. The interviews' goal is to gain insight into how marketing has changed over the years and how it affected the marketing department's day-to-day operations. Additionally, the author is exceptionally interested in interviewees' opinions of the future structure of marketing departments and aligns with secondary research.

The interview starts with general questions related to marketing and changes in the industry and proceeds with structured questions according to the literature review of the work.

### 3.3 Data analysis

The author of this work chose to analyze the data based on interview notes and a transcript. A transcript is a document where the interview questions, answers, and emotions are presented in a written format. In this case, the interview recording is converted into a written format. This approach intends to interpret the data and findings without losing the intention behind the provided answers (Tuomi, Sarajärvi 2018:117-118).

Once the transcript of data is ready, one should conduct a preliminary data analysis. Preliminary data analysis indicates that the researcher keeps track of the data and

actively identifies follow-up areas. The process helps the researcher to identify issues, current relevant data and direct the researcher to look for further information. While the qualitative data analysis process can have different approaches, the author chose to follow a relatively loose approach, which means that the data was identified as a whole and segmented into different categories so that the theoretical framework and interview questions align. Based on the interview notes and transcripts, the author asked questions such as: Why? What if? Who? What? To better understand the data and follow up areas (Grbich 2013:20-22).

Figure 7. illustrates a segment of a transcript that has been analyzed implementing preliminary data analysis, followed by example set by Grbich (2013) (Grbich 2013:20-22).

Interview	Data Analysis
<p><b>Question:</b> Lari, what is the current structure of your team like?</p> <p><b>Answer:</b> Our team currently is a function that is closely aligned with two other teams – new sales and customers in Sievo. Within this company, it is basically a revenue function where the new sales and customer teams are interacting and creating business for the company. Marketing as a role works closely with these two teams. Within the marketing team we have five roles. Roles include product marketing, marketing operation, content marketing and brand management. The fifth role being management.</p>	<p>Small team – is Sievo’s marketing team a hybrid of advanced skills? Needs to be checked with other participants as well.</p> <p>Cross-functional teams.</p>

Figure 7. Transcript segment analysis example interpreted based on findings published by Grbich (Grbich 2013:20-22).

## **4 Limitations**

The primary limitation of the research was the number of interview respondents. The research goal was to gain a deeper understanding of the research subject by conducting interviews with five CMOs who have deep knowledge and years of experience in the field.

The author's original goal was to interview five professionals in the field because that would provide a wider variety of perspectives. Because the focus group was CMOs, whose calendars are frequently occupied, it was challenging to find experts who would spend time answering interview questions. For that reason, the data includes only three experts' opinions and knowledge of the research subject.

The interview questions were sent to the respondents in advance to optimize both parties' time during the session. Understandably, not all respondents had time to study the interview questions beforehand. Hence, the author had to collate some of the questions to ensure that necessary information was gathered. This resulted in the author having to rapidly think of new questions, which means that the author could not gain a complete perspective of some of the interview questions. Therefore, this brings some challenges in analyzing the collected data. However, the belief is that the collected answers are enough to get a good overview of the research.

## **5 Findings**

This part of the work presents interview questions (Appendix 1) and the respondents' answers in the qualitative research section. Further, the author will analyze qualitative research findings in the discussion section.

### **5.1 Qualitative research results**

To carry out qualitative research, the author of this work interviewed three CMOs with an extensive understanding of the field. The CMOs participating in the interviews were Lari Numminen from Sievo, Bruno Bin from Smarp, and Annette Kauppinen from Gold

& Green Foods. Out of all the participants, Annette has the vastest experience in the field, over 30 years; followed by Lari, who has 15 years of experience, and Bruno, who has over ten years of marketing experience.

**How do you feel marketing has changed over the course of your career?  
Have you noticed any significant changes? Please detail.**

Lari Numminen: "Ten years ago digital marketing was new (Mobile Advertising and SEM). It is not easy any longer, because marketing is more about separating yourself from competitors and positioning in a more sophisticated way. Essentially, it is just not about being new, it is about standing out."

Annette Kauppinen: "The biggest change has been the opportunity to analyze a campaign's success."

Bruno Bin: "In my opinion, marketing has changed over the course of last week. There is not a lot that I do today, that I learned in school. To me, it is about being passionate about marketing - keeping up with what is happening in the industry, following companies that are doing well, and learning from people, essentially developing a network."

Additionally, Bruno Bin stated that: "One of the biggest things that has changed is the way how marketing is perceived within organizations. Ten years ago, it was harder for marketers to show how much of a pipeline was created. In the case of Smarp, marketing sources 69% of all of the revenue, whereas SaaS (Software as a Service) industry average is 30-40%. Those things can be stated because they are trackable. This means that I can go to the leadership and board and tell those things, which makes marketing valued in the business and has a spot in the executive table. Marketing was not seen as a strategic function before, but as a result of Martech (Marketing Technology) exploding, there is so much that can be done with it. Martech really helped to elevate the function."

**What changes have you seen in consumer behaviour?**

Lari Numminen: "Most of marketing at the moment is digital. Separation between digital marketing and conventional marketing, especially this year, does not exist. Most marketing is in digital media and most of what marketing does is digital."

Annette Kauppinen: "Online sales have grown rapidly. Overall, the consumer behaviour has changed a lot, but not in the grocery field that much. In Finland we are not that advanced yet. For instance, Tesco in the UK has been implementing online grocery shopping successfully for over 15 years."

Bruno Bin: "The expectations of consumers have become high. For marketers of course, that increases the expectation of what needs to be executed. In B2B marketing modelling against what we are seeing in consumer behaviour in B2C is always a good idea - to predict what is next. It will always happen first in personal lives, and in the B2B industry companies can try to recreate that experience."

Organizational structure is important because it supports the organization's business model and goals (Smith, Farmer, Yellowley 2012:136). This view indicated that it is important to understand the respondents perspectives on organizational structure and marketing department relationship.

### **How do you feel organizational structure affects marketing departments?**

Lari Numminen: "Organizational structure has an important role in how company sets up marketing goals, objectives and resources. How a company is structured will largely influence how one sets up marketing team resources."

Annette Kauppinen: "The organizational structure is either helping or restricting a company. First of all, marketing is something that everybody thinks they know better than marketing, which is unfortunate. The second thing is that the marketing is nowadays so much analyzing things and it is really needing an IT (Information Technology) environment around it to get the best results. Additionally, cross-functional teamwork is important for success."

Bruno Bin: "Organizational structure is one of the main things that needs to be figured out first. Size of the company, goals, go to market strategy - all of those things will

help to figure out what kind of team is needed. Further, very clear roles and responsibilities are important. It needs to be figured out how to start specialize those functions.”

When looking deeper into how marketing teams can evolve and help the company grow, Bruno Bin indicated that there is a strong approach towards four pillar marketing departments in B2B companies: “Basic B2B structure would have four pillars. Product marketing, brand and communications, and marketing automation, but it also depends on the company. Are you ready to specialize in those pillars? You have to prioritize first hires, but as you grow you are able to expand and grow within the pillars. The other key element is: where does marketing sit within the organization itself? Does marketing report to the CEO, sales or general manager - all of these change the dynamics of the marketing organization heavily.”

### **What is the current structure of your team like? Have you seen any significant changes?**

Lari Numminen: “In Sievo, marketing is a function that is closely aligned with two other teams - new sales and customers teams. Within this company, marketing is a revenue function, where the new sales and customers teams are interacting and creating new business for the company. Within the marketing team, we have five roles such as product marketing, marketing operation, content marketing, brand management, and management.”

Annette Kauppinen: “In a food business one of the biggest issues is a portfolio. For example, what kind of products are we offering? Marketing has been taking care of that. We have roles such as portfolio, brand, growth and sales support, which are split into two – I am still the CMO overseeing everything, but in my daily life I am taking care of the international markets and growth. Because we are mainly focusing on digital, all of it is under that. Moreover, we have brand and portfolio together, who are focusing more on traditional marketing. They report to me and I will take things forward.”

Bruno Bin: “We have a team of five. Marketing automation and CRM (Hubspot and Salesforce, Martech and reporting), product marketing, content writer, content

strategist, and a digital designer who supports everyone in the team with whatever is needed.”

**Generally, organizations are divided into three structures: functional/hierarchical, divisional and matrix. With which structure does your marketing teams perform the best? Why?**

Lari Numminen: “The matrix structure even for a small company is not necessarily a question of a pure matrix but, even in a small team there will be people who can have ownership of specific aspects. Sievo’s marketing team does not have a Channel Marketing manager (partner sales), but the team has someone who is responsible for that. In contrast, Sievo does not have an analyst relations marketing manager, instead the product marketers are responsible for analyst reparations. When it comes to relationships with other teams, this approach where there is always someone who has ownership of specific responsibilities is good. It is quite natural that it is clarified to other teams within the company, but also to your team as well.”

Bruno Bin: “From experience, it is better for the business if marketing reports to the CEO, or secondarily to a general manager rather than sales. Because marketing owns revenue tomorrow, sales owns revenue today. When a marketing department is reporting into sales, it can be dysfunctional to some of the key things that marketing is responsible for today to make sure that tomorrow looks bright. Having a CEO as the mutual point of the reporting line is good for the business. It works well when you have a general manager, who all the teams report to, who then reports to the CEO. If the goal is to have marketing as an executive function, then everything should be reported directly to the CEO in most cases. I think there are certain structures that are very common. But there are always unique cases. In one company where I was working, the structure of a team was probably one of the biggest things that was dragging them down.”

Numerous studies showed that there are certain roles in marketing teams which are crucial to succeed. Due to that reason, the author wanted gain the respondents insight on most important roles of a marketing team and optimal headcount.

**What are the most important roles in a marketing team?**

Lari Numminen: "There needs to be broadly two areas of expertise, content creation and performance. Whether or not that is five, ten, or just two roles, there needs to be people who can drive results - perhaps analytical people who focus on the numbers game. Additionally, a marketing team would need to have content creators who are not restricted by numbers per se but can actually create compelling stories. In the base of it there are two rounds of expertise, and from that the team can grow into an infinite number of roles and responsibilities. But largely, it is performance and content in my opinion."

Annette Kauppinen: "I would think about the context first. When opening in a new country then most important role is PR (Public Relations), when the company is already established, then it is probably a combination of growth hacking and content."

Bruno Bin: "There are two roles that are the most important in a marketing team. Which are product marketing and marketing automation. The reason for that is that product marketing is the messaging (Who are you? Who should care about you? What do they value? Why should they choose you?), and it is the hardest part, which requires a certain level of seniority and a certain type of person to really be good at this. Because brand positioning has to be constantly reviewed. It is important for a marketing team because if that is not good, then everything else that is done is already bound to fail. If marketing does not have a string messaging, the chances of making a sale are diminished. Product marketing is a vital function and I think it is the main cause of lousy marketing and teams that fail."

**What do you think is the optimal head count of a marketing department?  
Why?**

Lari numminen: "One reflection is looking at the customer acquisition cost of a customer. If that is known, then usually the headcount of the marketing team is well balanced towards how good of an investment it is to hire the next marketer. In some cases, it depends entirely on the industry. Adding additional marketing head count is not going to give more revenue, whereas in other cases, it may be that company has to have a large marketing team. Tying it into the core fundamental numbers of the business is typically where the answer is."



Annette Kauppinen: "It depends on the company. I realized that marketing has so many roles that it is nowadays almost impossible that one person can be a professional in all of the roles. I can overlook and understand the basics, but I could not do social media successfully. Minimum is definitely three people and maximum can be whatever, because the organization can always layer up."

Bruno Bin: "One has to think what the company is trying to accomplish and how much money does the company have – it needs to be understood what the goal of the company is, and a little bit the current state of things. For instance, how much does it cost for marketing to get some of those things? In essence, data and unit economics of the business have to be used to be able to say how much money can be spent on marketing as a whole, so that the unit economics are healthy. As a rule of thumb, it should be under 12 months. There are also ratios like lifetime value - customer acquisition cost. Essentially, one needs to understand how much marketing can cost to a business so that it still is a profitable function. It starts from how much money marketing costs and how much is needed to achieve that."

### **How have digital marketing functions affected day-to-day operations in marketing departments?**

Lari Numminen: "The reality is that for any marketing team, even in consumer marketing, we are already past the state of digital media being new. Now it is more of a question how to reach ideal audience and drive business. Whether it is digital or not, perhaps the word digital is out-dated."

Annette Kauppinen: "I thought that digital marketing would change traditional marketing more, but it has not. Traditional media could be used to support digital media better. They could work better together. For instance, outdoor offline advertising could include QR code, through which one could start to do interaction. Digital and traditional marketing can be combined better in many ways, because digital channels can support traditional media and vice versa. As a result, the consumer way can be led through both channels much more efficiently."

Bruno Bin: "Digital marketing is huge, and a lot of marketing has gone digital. But it is not like non digital marketing does not exist. Perhaps the answer is more of the

omnichannel piece of it, which is connecting both. Brands that can make it about marketing and think about the customer journey as a whole as well as understand those online and offline channels - should be able to make messaging and story cohesive. However, it is not easy to do."

**Digital marketing and traditional marketing need similar approaches. Do you agree that all marketing departments should be less siloed? Why or why not?**

Lari Numminen: "Fundamentally it is correct that marketing departments should be less siloed. Any marketing organization should be very tied into ultimately what the company is trying to achieve. Not only do the silos between brand marketing, traditional marketing and digital marketing need to come down, but also the silos between sales and marketing. The understanding that marketing can be done by different specialists working on different assignments does not make any sense. Marketing, as it stands now, is collaborative and it is something that needs to be done in a coordinated way, that brings in other teams as well."

Annette Kauppinen: "I worked 20 years in selling digital advertising services as well as in game advertising. The changes were noticeable - very early, people wanted to see the first campaigns and how the ad looks on the screen. Nowadays, it does not matter - one might not see the ad but it is there. It is reaching the right people and marketing knows it. Additionally, the trust has built a lot. For instance, ten years ago it was in the talks how advertising agencies should have digital advertising as part of traditional advertising. Digital advertising team was separate from traditional advertising and probably they got to brief them later on - it should all be combined as marketing. It does not matter what the channel is in the end. Unfortunately, it is still too siloed and there are nowadays people who are specialized for certain fields - but are they really collaborating?"

Bruno Bin: "Within the marketing team, clear roles and responsibilities need to be established, because if everyone does a bit of everything, it is not a very effective way of working. Within that collaboration can be created. Silos within a team are never the answer, everyone needs to move in the same direction and collaborate - what is needed from their roles and how they can help. Within the company, it is the same. In

a start-up world, the reason why silos cannot happen is because between marketing and sales - sales needs to be able to tell the same story that marketing told people when they got in, and marketing needs to have information back from sales what they are hearing from people who they are actually talking to. They talk to real people and have real insights.”

### **What do you think has been the impact of technology and data on marketing departments?**

Lari Numminen: “We are at the stage where it is given that marketing is led in a data driven way. At the same time, it is easy for people to get lost in the details of the numbers. Just because some things can be measured can lead to paradoxes, that the measurable aspects are over emphasized. In Sievo, performance marketing is something that can be measured, and results can be seen objectively. Whereas brand marketing is something that is valued immensely, but the truth is that it cannot be measured with the same game plan as performance marketing. Additionally, at Sievo we cannot resource ourselves on the same expectations between performance marketing and brands. If that was the case, we would have got 90% of all our budget going to Google, and get results there, but then our brand suffers in the long run. The balance has to be made so that too much data and too much insight can actually give myopia of too small of a focus.”

Annette Kauppinen: “Technology and data have affected marketing functions enormously. 20 years back marketing was seen as a very creative position. Now, the best marketers understand how to analyze the data. Analyst minded get so much more out of marketing. Of course, one can be creative as well, not saying it is needed of course.”

Bruno Bin: “That has everything to do with being able to prove value. Within the marketing department, data allows to make educated decisions. There are levels with data - there is data, reports and analytics and then there is insights, which is a completely different thing. It is a huge part of everyone's job in my team - to continuously be able to improve. Data has changed everything.”

**What do you think are the key changes that CMOs need to implement in order to create a successful future marketing department?**

Lari Numminen: "I would first of all challenge that view. In a successful company, the CMO should not be making all the decisions. In fact, in a successful marketing team, the CMO should be building the right team, that can make decisions independently. Marketing is one of those roles, where too much central control leads to bottlenecks. Things do not go fast enough, and the results are not good enough if there is a central person coordinating other people. Marketing is a function, where having specialists making decisions on behalf of the company - you can get better results"

Annette Kauppinen: "Successful marketing starts from OKRs - key performance and behaviour indicators, and how to successfully use those in daily routines when setting up the targets. The changes CMOs would have to do is that they would have to be more target oriented, understanding the channels and work together with key performance and behaviour indicators. Marketing is not only understanding the market, but also understanding the consumer and their behaviour, as well as your marketing behaviour. And then combining it."

Bruno Bin: "How is success measured? How does the company perceive success for marketing? One of the first things is to work with management to define what that is. For instance, sales - who do you want to talk to? With CEO and sales, it is a conversation of how many of those people do you need to talk to? From that we can build targets for marketing using data. There are targets that marketing can support, such as sales and awareness. It is important to understand how to align what is needed. That is within the executive team, and as a CMO, it is important to make it clear for everybody and what is expected."

"Some of the key changes to highlight would be - making sure that the team structure aligns with the go to market, having the right people in the right roles to support functions, knowing where to start (product marketing, marketing operations) and becoming smart with demand generation and innovating how you do that. Essentially it is managing people the right way."

**What is your understanding of agile marketing? What steps should marketing departments take in order to become agile? Are there any limitations?**

Lari Numminen: "The short perspective is that, during corona most marketing teams will adopt some practices that can be thought of as agile. Whether it is a two-week sprint or performance retrospect - most marketing teams will be doing something that can be considered agile. At the same time, I am not in the school of thought that all marketing needs to be agile. Compared to functions like sales or even product development, marketing typically has a long-term objective, such as building a brand, creating content that has a meaningful impact or positioning of a business or service - those are typically long-term goals that do not always go very effectively with agile. For marketing teams, there are agile aspects and workflows that should be adopted. However, marketing is one of those roles where more can be achieved by looking at the longer picture, where agile is not necessarily the right approach."

"I think that the flexibility of agile or adopting agile approach is as much about the mindset, as it is about what you actually do. As a marketing team, you should be able to accept that the way you work together with team-mates might change, and the way that you build projects and create initiatives may change greatly from a week-to-week or monthly basis - In fact, the composition of a team might change a lot based on what you are doing, and how many people work in marketing. It is given that marketing teams need to be agile because most marketing teams will be in this motion of change - I have yet to come across a marketing team where things are done the same way as they were done two years before."

Annette Kauppinen: "Marketing teams would still have to give a brief to the traditional advertising agency, and it is not sure if it is going to the right place. Even simple things that have been happening for 20 years, like testing - most of the traditional advertising agencies never test anything. They trust that the advertiser can make the decision."

Bruno Bin: "There are many valid concepts. However, a large amount of it is just marketing in full display creating things. There is so much confusion about what growth marketing or growth hackers are, and it creates as much bad as it creates good. I am not very into those approaches, because I am focused on having strong

messaging, good processes, and doing creative demand generation with a team that is passionate about what they do. Agile marketing is impressive, but I have not got deep into it yet. I have my own processes that I try to figure out and bring ideas to the team. However, I always try to balance that with what people want and think and try to build our processes that way so that it works for everybody.”

“I have been in companies that have done that successfully, and I have been in companies where that was a destructive thing. On a start-up scale, things move so fast that sometimes a two-week sprint is not good enough. Things will come up - and it is great to be organized that way, and I think you can do that, but you need to be able to reach within the context of what is happening. There is a big difference between unplanned things coming up and the team spinning around in circles, overworked - and actual things coming up that happen to be high priorities and what you had planned to do for the next two weeks. That is where it goes wrong as teams are not able to adapt.

**How often do marketing teams use external experts for delivering marketing objectives that can't be executed in house? Are some functions better to outsource to experts? If yes, what?**

Lari Numminen: “Outsourcing is interesting, because arguably you should be outsourcing even core competences if it makes sense that you can get things done quicker. Something like content marketing - it is important for any growth company to have a strong emphasis on content marketing. However, good content marketers should be able to work with other content marketers to get more done. Any growth company or marketing team should be able to outsource and work with partners across most roles. There will be areas where you cannot make the compromise, such as a deep understanding of what the product is, because that can come from actually being in the company. Eventually the balance needs to be made with what can be done in-house, and what someone else can help to do more efficiently.”

Annette Kauppinen: “We are outsourcing growth hacking, SEO and SEM. We do not use marketing automation, but I think if that is used, then it should be outsourced as well, unless there is a professional in house.”

Bruno Bin: "It depends, because every company will have functions that require an understanding of the product and its space, that will be very hard to outsource. In that case, you want to have someone in house to do it. But there are things that are easier to outsource, and a lot of the times that makes sense, because you can invest more or less every month as needed, and the relationship can be stopped much more easily if needed. What to outsource vs hire in-house would depend on what is really crucial to the company and marketing team. We have been outsourcing paid ads successfully, because we have an inhouse product marketer who has a really solid messaging framework, that can then feed that to an agency. For example, if a company is getting bad coverage in the news, they would want to have a PR person in-house as well as an agency."

**Do you think that marketing teams are going to be a hybrid of advanced skills and abilities? Why or why not?**

Lari Numminen: "There is broad enthusiasm for a concept called T-shape marketer, where in smaller companies marketers need to be able to do things, but marketers need to be able to be good at doing some things. For instance, someone who does marketing operations needs to understand Hubspot, but they need to be able to send an invite to the event. Whereas a content marketer needs to be able to write very compelling invites, but also need to be able to log in to Hubspot and send an invite. That is the T-shaped marketer approach, where someone is very good at something, and can show colleagues how to do things, whereas someone else is going to have very different skills and personality, but they can still work together, and complement each other."

Bruno Bin: "You should pick an area of marketing and become good at it. One can still manage people while being a specialist, but it is a different career path - or one can be more of a manager, generalist. Essentially, have deep expertise in some areas, but still able to have educated conversations in areas where the level of expertise is not reached."

**How can marketing departments develop a customer centric approach in a connected world?**

Lari Numminen: "Some marketing teams over invest their resources and competitiveness, trying to understand what their competitors do - sales cases, which competitors they are going against, and what is it about the competitors, that makes their solution differ. Not enough marketers spend enough time on what the customers are looking for. From that perspective, the customer mindset comes from spending more time listening to customers, meeting customers as well as looking at the data that customers provide. Whether it is the satisfaction they report on, or how much they use the product and what they use the product for."

Annette Kauppinen: "The service design has to be thought of from the beginning. If that is done well, you really know where to find your customers, and how to serve them best. It takes the whole company to do the service design really well."

Bruno Bin: "There are touchpoints on the customer experience, and the key is to listen and understand a lot more before amplifying your message. Many companies are so eager to grow, that they skip or do not fully focus on that part of the work. By listening to customers, companies are able to get to a point where they understand their problems, pains and feelings, and therefore speak their language. That makes it possible to start building a community around what they are doing and how it helps them. Understanding customers goes into a much deeper level that people realize."

## 5.2 Discussion

Based on the qualitative research findings, it is evident that marketing is constantly changing and providing new opportunities to stand out among competitors. The respondents stated that a decade ago, digital marketing was a relatively new concept. Some of the most significant changes have been the opportunity to analyze a marketing campaign's results and how the organization perceives marketing. Because of the developing technology and data, marketing is now seen more as a strategic function, which can have a place at the executive table. Additionally, how a marketing team is structured depends on many variables but constitutes how the organization is structured and basic unit economics, such as the cost of marketing.



As people spend time online, organizations have to understand what consumers want. Because most of what marketing does is digital, it creates pressure for marketing functions to execute on the level that consumer's needs are met. Overall, consumer behavior has changed to an extent where the expectations are higher than before. Regardless of the industry, it is good practice to compare B2B marketing against B2C, as the first changes always happen in personal lives.

Regarding organizational structure, it is the primary task for the company to figure out because that will support how a marketing team is assembled. The fundamental strategies such as the value chain tool and generic business model will help create a successful organizational structure. Further, it is crucial to have clear roles and responsibilities because communication is a critical element in successful businesses. Additionally, it is also essential to figure out to whom the marketing team reports. While some organizational structures are common, such as matrix, divisional, and hierarchical/functional, there will always be unique cases. Historically, marketing started as a support function for the sales teams, and today many marketing teams report to sales. Nevertheless, it is still essential to enable cross-functional collaboration with sales, as marketing is a function that needs to operate in a coordinated way. However, if the goal is to have marketing as an executive function, it should report either to the CEO or a general manager.

While digital marketing has evolved and changed traditional marketing to a great extent, they still need to be combined to reach customers efficiently. Many organizations treat digital marketing and traditional marketing as separate functions, but the truth is that silo is never the answer. Essentially, all marketing functions should be combined under marketing and enable cross-collaboration no matter the channel. The respondents have seen silos between marketing and sales, as well as marketing and advertising agencies. Essentially the trust has built a lot, but it does not mean that no communication and collaboration should not exist.

The respondents felt that marketing is now taken more seriously concerning data and technology that have evolved and remodeled marketing. It has reached the point where marketing departments can prove their value and make educated decisions because of data. Further, data has many levels, such as analytics and insights. This

means that marketing teams need to be set up to know how to handle all aspects of marketing – digital and traditional, and all angles of data.

It has been stated that marketing departments are changing due to many factors, such as consumer behavior and digital marketing. In order to be successful, the CMOs must redesign the teams. However, marketing is a function where central control is restrictive. Organizations should be hiring specialists whom they trust to make beneficial decisions. Additionally, marketing should follow the critical performance and behavior indicators, where the understanding of those aspects are combined. Nevertheless, CMOs should ensure that the teams are equipped with people who can support marketing functions and go to market. The CMO's role is more about managing people the right way instead of adopting new approaches constantly.

While many approaches are seemingly the right way to manage marketing teams, it has created much confusion among marketers. The respondents believe that marketing teams should adopt some ways of agile marketing. However, all of the concepts that require short sprints of work are not necessarily good for the company. It is believed that marketing is better executed when the teams are focusing more on the long-term goals. However, the problem with approaches like agile marketing, modern marketing, and growth marketing is that unexpected things will come up, and marketers are having difficulty adapting and shifting priorities. This could be why many CMOs take some aspects of different marketing approaches and techniques and try to make their version of it.

Some have suggested that the future marketing teams will be a hybrid of advanced skills, and the teams will be working with an outsourced expert when needed. One of the respondents felt that organizations should outsource even core functions if things get done faster. However, another respondent felt that there are also downsides to outsourcing. For instance, profound product knowledge is often challenging to outsource, and in that case, the company should have a person in a marketing team. Nevertheless, outsourcing makes a lot more sense because the benefit is that the relationship can be stopped more quickly if needed. However, the theoretical framework argues that outsourcing should be part of the marketing team's daily activities, but it would be beneficial to consider insourcing. Insourcing would enable the organization to have ownership of data, allow quick content creation, and have

talent available at all times. When it comes to deciding what to outsource, or even insource, depends on what is essential to the company and the marketing team.

One of the respondents mentioned T-shaped marketer approach, which essentially means that marketers need to get things done, but they also need to be good at some things. On the other hand, it is argued that marketers need to pick one area where the expertise and knowledge are developed. To some level, the T-shaped marketer concept ties into the hybrid marketer concept. However, it needs to be further researched to gain a better understanding of it.

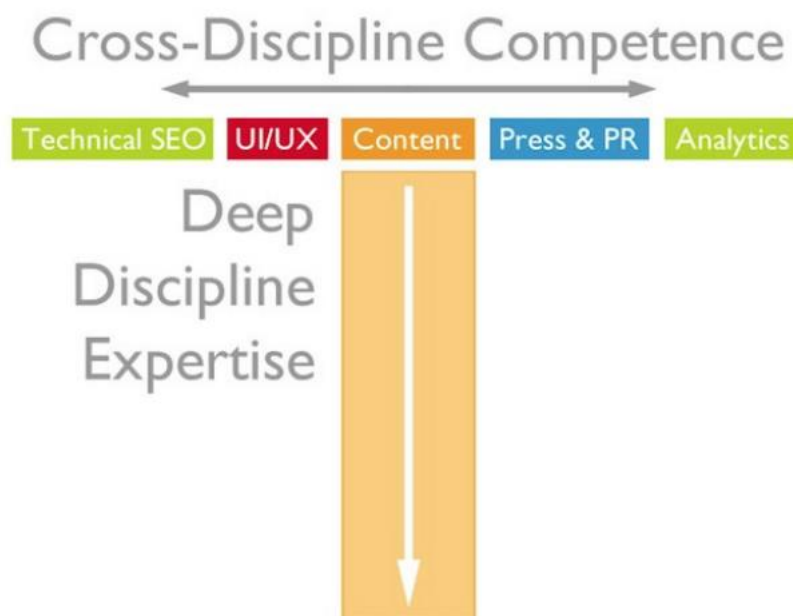


Figure 8. Example of a T-shaped marketer's expertise of knowledge (Chaffey and SmartInsights.com 2015:24).

The figure above illustrates T-shaped marketer's knowledge and expertise in specific areas of marketing. Generally, a T-shaped marketer would have deep understanding and knowledge of one or two areas of marketing and broader understanding of other marketing related topics (Chaffey and SmartInsights.com 2015:24).

As discussed earlier, consumer behavior has changed enormously and forces marketing to adopt new ways of executing tasks. To develop customer-centric marketing in a connected world, marketing teams should listen more to the current customers and

look for ways to improve the relationship instead of focusing on what competitors are doing. When the marketing team can understand the customer's problems and feelings, it is easier to provide what they are looking for. However, there are many steps in order to reach that level of consumer understanding.

## **6 Conclusion**

The purpose of this research was to gain a deeper understanding of how marketing department structures have changed over time. In a connected world, where technology has affected people's everyday lives, pressure on marketing teams to deliver excellent results is rising. Based on the theoretical framework and qualitative data gathered from the interviews, the author can better understand the relevance of this research topic and specify any significant changes in terms of the marketing department day-to-day operations.

As of recently, marketing is seen as a strategic function that can help the organization to grow. Marketing has changed tremendously over a short period of time; and is now more about standing out among the competitors. The essential factors that have changed marketing in general are digital marketing, consumer behavior and technology. Technology advantages have provided the opportunities to analyze campaigns' results and develop consumer buying behaviour. Essentially, technology has helped to develop different digital marketing strategies and created new roles for marketing teams.

Regarding a marketing team structure, businesses should first figure out the organizational structure because it predominantly affects how marketing teams operate. A structure plays a significant role because if done wrong, it can lead to failures. Simultaneously, marketing has evolved to a place where digital marketing is something that all marketing departments work with daily. While it was stated that future marketing teams will be management focused, the qualitative data showed opposite results. Research indicated that marketing is a function that cannot be led with central control. Thus, the most important changes that executive marketers have to implement are mostly related to how to manage and hire the right people, understand company's overall market and goals, and enable cross-functional collaboration.

The interview results confirmed the authors' assumptions of marketing having to think of new ways to reach the consumers. Essentially, consumers expect to see personalized results immediately, which raises the need to develop a customer-centric approach in organizations. In order to achieve that, marketing teams should focus on current customers and their perception of a product or service. Nevertheless, regarding skill shortages that have been supposedly created in in-house marketing teams due to changes in marketing – due to consumer behavior and technology - proves to be insignificant. Changing consumer behaviour and technology will affect marketing teams but does not mean that marketing teams are going to face skill shortages. Qualitative research results showed that outsourcing skills is favoured by many marketing executives; however, specific areas of marketing like content marketing or product marketing are extremely difficult to outsource due to its nature.

Nevertheless, the changes suggested in the theoretical framework can be valid to some extent. Based on the research results, it is interpreted that modern marketing team leaders are aware of different marketing approaches such as agile marketing, growth marketing and modern marketing. In fact, the research showed that the respondents have implemented different areas of these approaches in their marketing teams, but none have fully adapted to a specific approach or strategy. For instance, cross-functional collaboration and communication, and growth marketing strategies are the most prominent factors adapted from those approaches.

To conclude, the author believes that while many marketing teams are going through changes, it is not evident that in-house marketing teams face skill shortages to deliver outstanding results. Additionally, it could be beneficial to an organization to outsource marketing experts, but this has not nor will change the composition of a future marketing team. However, the most evident changes that will most likely reshape marketing to a great extent are aspects that are a combination of digital marketing and technology.

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## Appendix 1. Interview questions.

### General

1. How do you feel marketing has changed over the course of your career? Have you noticed any significant changes? Please detail.
2. What changes have you seen in consumer behaviour?

### Marketing and structure

1. How do you feel organizational structure affects marketing departments?
2. What is the current structure of your team like? Have you seen any significant changes?
3. Generally, organizations are divided into three structures: functional/hierarchical, divisional and matrix. With which structure does your marketing teams perform the best? Why?
4. What are the most important roles in a marketing team? How have those changed in the past five years?
5. What do you think is the optimal head count of a marketing department? Why?

### Digital marketing

1. Digital marketing and traditional marketing need similar approaches. Do you agree that all marketing departments should be less siloed? Why or why not?
2. How have digital marketing functions affected day-to-day operations in marketing departments?
3. What do you think has been the impact of technology and data on marketing departments?

### Key changes

1. What do you think are the key changes that CMOs need to implement in order to create a successful future marketing department?

2. What is your understanding of agile marketing? What steps should marketing departments take in order to become agile? Are there any limitations?
3. How often do marketing teams use external experts for delivering marketing objectives that can't be executed in house? Are some functions better to outsource to experts? If yes, what?
4. Do you think that marketing teams are going to be a hybrid of advanced skills and abilities? Why or why not?
5. How can marketing departments develop a customer centric approach in a connected world?