

The logo consists of a white circle on a dark purple background. Inside the circle, the word "Econsultancy" is written in a dark purple, sans-serif font.

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# Introducing the Modern Marketing Model (M3)

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The increase in new channels and technologies has dramatically changed the environment in which marketers operate. But the way in which marketing is taught, understood and operates has not really changed. This is not sustainable. We need a new unifying framework as a reference for what marketing has become.

**01**

Organisations need to adopt a new model to blend classic and digital marketing. Here's how to do it.

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What are the dangers of not defining a new marketing model?

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# **01 ORGANISATIONS NEED TO ADOPT A NEW MODEL TO BLEND CLASSIC AND DIGITAL MARKETING. HERE'S HOW TO DO IT**

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## 01 ORGANISATIONS NEED TO ADOPT A NEW MODEL TO BLEND CLASSIC AND DIGITAL MARKETING. HERE'S HOW TO DO IT

The increase in new channels and technologies has dramatically changed the environment in which marketers operate. But the way in which marketing is taught, understood and operates has not really changed. This is not sustainable. We need a new unifying framework as a reference for what marketing has become.

Alongside this need for a framework, there are new requirements for marketing competencies and capabilities around domains of expertise like data and analytics, customer experience, content, multichannel and personalisation, which are neither properly understood nor being met. This is acknowledged in the marketing industry but not reflected in any definitive model.

Due to these changes and the rise of digital, the marketing function is going through an existential crisis: it is not clear on its own remit; does not know what skills it needs; how to organise itself; and it struggles to resolve a dislocation not only in how it interacts with other business functions but within itself with 'digital' vs 'traditional' schisms.

In 2013, we launched the [Modern Marketing Manifesto](#) articulating our belief that the marketing discipline should embrace digital and classic marketing. The Modern Marketing Model (M3) now creates a new framework for applying this thinking within organisations.

The visual of the model below shows the elements of marketing brought together in a new configuration; this white paper provides the context and rationale for this approach.

The Modern Marketing Model is a unifying force which fuses digital and classic marketing into one future-facing framework. This informs marketing's remit, required competencies and organisational design.

M3 defines marketing in the digital age.

**01** ORGANISATIONS NEED TO ADOPT A NEW MODEL TO BLEND CLASSIC AND DIGITAL MARKETING. HERE'S HOW TO DO IT





## 02 WHAT ARE THE DANGERS OF NOT DEFINING A NEW MARKETING MODEL

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## 02 WHAT ARE THE DANGERS OF NOT DEFINING A NEW MARKETING MODEL

Chief marketing officers have the highest turnover in the C-suite, as we are reminded by [The Trouble with CMOs](#), recently published in the Harvard Business Review. They are in office for an average 4.1 years, compared to eight years for a chief executive, according to [Korn Ferry](#) analysis.

The relationship between the CEO and CMO is also troubled. A global survey by the [Fournaise Marketing Group](#) in 2012 set out the scale of the problem, revealing that 80% of CEOs do not trust, or are unimpressed with, their CMOs.

Why do marketing leaders have such short average tenures in their jobs? Because of poor job design resulting from confusion around what marketing actually does. Without a clear reference like M3 to help clarify an organisation's expectations of what the marketing function does, we will continue to see turmoil that is damaging value.

If we cannot reconcile digital and classic marketing, then we will see further organisational silos, duplicated work and a lack of clarity and focus around roles and responsibilities which leads to inefficiency, frustration and bickering. Opportunities are missed and the growth that marketing – and the business – wants to deliver will be stymied.

For academia and providers of marketing education, it is important that what they teach is relevant and current with what the marketing industry and employing organisations require from their teams. We must encourage educators to update their courses and curricula with reference to a model like M3. Otherwise we will see more marketing students complaining that “[studying marketing at university was a frustrating waste of time.](#)”

## 03 WHAT ARE THE OBJECTIVES OF M3?



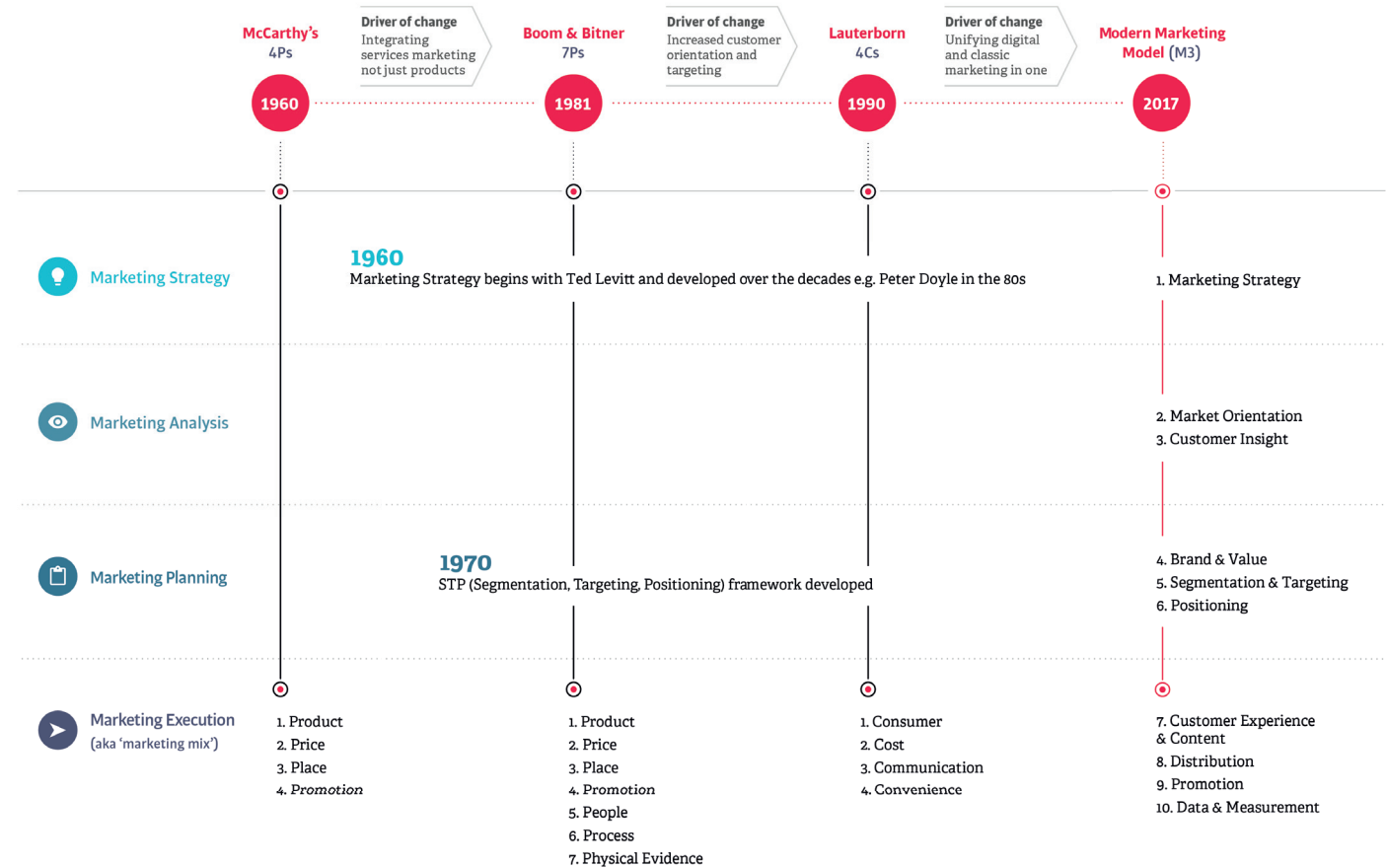
**The Modern Marketing Model seeks to:**

- Answer the question: “What is marketing?” now we’re in the digital age.
- Change and improve how marketing is taught and understood both in academia and in the workplace.
- Reduce confusion and fragmentation in the marketing industry by uniting existing different models and elements into one framework that fuses classic and digital marketing.
- Inform the role and remit of the marketing function within organisations to improve how it works both within itself and with other business functions.
- Provide a reference to ensure the necessary competencies and capabilities are addressed in creating a ‘future fit’ organisational design for the marketing function.
- Provide a model that covers not just the ‘marketing mix’ (where former models such as the 4Ps focus) but other important areas like strategy and brand.
- Ensure the model works not only for large advertisers but also, for example, for small business-to-business organisations which may have no media spend. Previous models have been too skewed towards big brand advertisers in the FMCG space. This model seeks to be relevant for both product and service businesses; and B2B and B2C.

## 04 HISTORIC MARKETING MODELS & THE NEW M3 APPROACH




## 04 HISTORIC MARKETING MODELS & THE NEW M3 APPROACH

This graphic outlines how popular marketing models have evolved over the last sixty years, culminating in the ten elements of the Modern Marketing Model.



## 04 HISTORIC MARKETING MODELS & THE NEW M3 APPROACH

The right table goes into more detail for each element of M3 and what competencies are required:

	Element	Key challenge	Marketing competencies and capabilities required to execute
 <b>Marketing Strategy</b>	1. Marketing Strategy	How is marketing going to help deliver on the business strategy?	Articulating the marketing approach and plan to deliver against business objectives. Outline of approach and key decisions around elements below and the resources (including budget) required to execute
	2. Market Orientation	Are we adequately aligned and capable of succeeding in this market?	Avoiding product and sales orientation, how to achieve market orientation and customer focus. Includes market/competitor insight and analysis
 <b>Marketing Analysis</b>	3. Customer Insight	Who are the customers and what are their needs and expectations?	Design, methods and outputs for understanding customers: qualitative, quantitative, face-to-face, digital (including social media analysis etc.)
	4. Brand & Value	Why should anyone care or take notice? What unique value are we providing?	Brand purpose, promise, Brand architecture. Brand tracking and measurement. Brand equity. The value proposition of the brand, including (but not exclusively) price
 <b>Marketing Planning</b>	5. Segmentation & Targeting	How does our market break down into groups and which will we go after?	Classic (geo/demographic, behavioural, psychographic) and digital (contextual) segmentation to map market. Select target segments based on relevance and attractiveness. Decide how wide/narrow to target (e.g. is 'mass marketing' a valid approach?)
	6. Positioning	How will we convey our product/service and how might that differ by individual customer or segment?	Decide how brand proposition will be articulated to create desired position and perception in the market. Digital offers unique capability to do positioning in realtime and at an individual level via dynamic personalisation. This requires defining the rules, logic, data attributes, automation and dynamic content required to drive personalised digital experiences
 <b>Marketing Execution</b>	7. Customer Experience & Content	What is the customer journey, how will we understand and improve it, and how will we support that with content?	Product/service development and innovation. Mapping multichannel customer journeys by target segments using personas. Architecture and corresponding measurement framework to continually improve the customer's journey and experience in achieving their goals. Creating and updating relevant content to support and enhance the desired customer experience and outcomes at all stages of the funnel
	8. Distribution	How will we be found in the places our customers are?	Channel and partner management. Online content distribution platforms, aggregators, syndication, directories. User-powered distribution, sharing mechanics/dynamics, virality, scheduling, distribution automation
	9. Promotion	How will we actively get our message in front of the right people?	Using paid, earned and owned media to promote the brand. Includes all forms of digital and traditional advertising, marketing and PR approaches
	10. Data & Measurement	What data do we need to support our marketing (including to machines)? How do we measure and optimise performance?	Define data sources/types (e.g. first party or not), metadata, schemas/taxonomies, APIs required to market to machines/bots (including search engines). Define what metrics will be used to gauge and optimise marketing performance. Data governance, privacy policies and procedures. Providing reporting, analysis and insights to improve performance and enable more efficient data-driven marketing

## 04 HISTORIC MARKETING MODELS & THE NEW M3 APPROACH

### What elements have changed and why?

The table below gives a brief explanation of the most obvious changes that M3 brings and some of the reasoning behind them.

Current terminology	M3 version	Reason for change
Marketing Strategy	1. Marketing Strategy	No change in terminology needed
Market Orientation	2. Market Orientation	No change in terminology needed
Market Research	3. Customer Insight	Largely a semantic tweak to encourage focus on customer and generating insight not just research. Digital customer insight can be very dynamic: realtime, ongoing, immediately actionable
Brand	4. Brand & Value	Added 'value' to focus on the value proposition of the product/service and to compensate for cutting 'Price' as a standalone element as in the 4Ps model
Segmentation Targeting	5. Segmentation & Targeting	Combined segmentation and targeting into one as so closely aligned and usually undertaken by the same resource
Positioning	6. Positioning	No change in the terminology, although in the detail we need to emphasise the unique capabilities of digital to do realtime, dynamic, 1to1 positioning, especially through personalisation
Product	7. Customer Experience & Content	Still covers classic product/service development and innovation but 'Customer Experience' is deliberately broader than just 'product' and covers services as well as the customer journey and experience around the product itself. 'Content' recognises the importance of content marketing to support the customer journey
Place	8. Distribution	'Distribution' works better for digital where the idea of 'place' is not limited by the physical and aggregators, affiliates, syndication and platforms play a big role
Promotion	9. Promotion	No change in terminology needed
[didn't exist]	10. Data & Measurement	Data is now a marketing asset in itself (e.g. metadata, schemas) so needs to be considered part of the marketing mix: increasingly we are marketing to machines with data. Marketing also now has more dedicated roles and capabilities around data, analytics, measurement and optimisation (e.g. understanding 1st vs 3rd party data, CMP vs DMP, SSP vs DSP, privacy, governance, digital metrics and measurement frameworks, customer journey analysis etc.) and needs to be a distinct domain of marketing competence
Price	[cut]	Price is rarely under the direct remit of the marketing function. Price is covered under other areas like "Brand & Value" and "Marketing Strategy" but does not warrant being a distinct element

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## MAPPING CLASSIC AND DIGITAL MARKETING DISCIPLINES TO M3

**Following are the core classic and digital marketing disciplines:**

**Classic marketing disciplines**

- Advertising
- Brand management
- CRM & Loyalty
- Database marketing
- Distribution
- Events and experiential marketing
- Market research
- Marketing strategy
- Packaging and labelling
- Partner marketing
- Pricing
- Product/service development
- Promotions
- Public relations
- Retail & shopper marketing
- Sponsorship
- STP (Segmentation, Targeting & Positioning)
- Telemarketing

**Digital marketing disciplines**

- Affiliate/performance-based marketing
- Content marketing – includes copywriting, video
- Conversion rate optimisation (CRO)
- Customer/user experience
- Digital analytics and measurement
- Digital data marketing – schemas, feeds, APIs, metadata, machine-to-machine data
- Digital display advertising – includes retargeting, programmatic
- Email and eCRM – includes marketing automation, personalisation
- Mobile marketing
- Online PR – includes online influencer marketing, reputation management
- Paid search marketing (PPC)
- Search engine optimisation (SEO)
- Social media marketing – includes community building, collaboration/co-creation, social CRM, social customer care, social monitoring/listening



## 05 MAPPING CLASSIC AND DIGITAL MARKETING DISCIPLINES TO M3

In the table below, we have mapped the classic/digital marketing disciplines that are most commonly used for each element of M3:

M3 element	Most commonly relevant classic/digital disciplines mapped to M3
1. Marketing Strategy	<b>Classic:</b> Marketing Strategy, Brand management, Market Research, Pricing <b>Digital:</b> (already covered under classic)
2. Market Orientation	<b>Classic:</b> Marketing Strategy, Market Research, Pricing <b>Digital:</b> (already covered under classic)
3. Customer Insight	<b>Classic:</b> Market Research, Pricing, STP <b>Digital:</b> Digital Analytics, Social Media, PPC, SEO
4. Brand & Value	<b>Classic:</b> Advertising, Brand management, Pricing, Public Relations, Sponsorship, STP <b>Digital:</b> Digital Display, Online PR, Social Media, Content Marketing, CX/UX
5. Segmentation & Targeting	<b>Classic:</b> CRM & Loyalty, Market Research, Pricing, STP <b>Digital:</b> Digital Analytics, Social Media, CX
6. Positioning	<b>Classic:</b> All classic disciplines can play a role in how a brand is positioned <b>Digital:</b> All digital marketing disciplines can play a role in how a brand is positioned
7. Customer Experience & Content	<b>Classic:</b> All classic disciplines can play a role in the customer experience and content <b>Digital:</b> All digital marketing disciplines can play a role in the customer experience and content
8. Distribution	<b>Classic:</b> Advertising, Database marketing, Distribution, Partner Marketing, Public Relations, Retail & Shopper Marketing, Sponsorship <b>Digital:</b> Affiliate/performance-based marketing, Content marketing, Email and eCRM, Online PR, SEO (Search Engine Optimisation), Social Media marketing, Digital data marketing
9. Promotion	<b>Classic:</b> Advertising, CRM & Loyalty, Database marketing, Events and experiential marketing, Packaging and labelling, Partner Marketing, Promotions, Public Relations, Retail & Shopper Marketing, Sponsorship, Telemarketing <b>Digital:</b> Affiliate/performance-based marketing, Digital Display, Email & eCRM, Mobile marketing, Paid Search marketing, Social Media marketing
10. Data & Measurement	<b>Classic:</b> All classic disciplines have some degree of data/measurement with 'below the line' approaches historically most focused on data and analytics <b>Digital:</b> All digital marketing disciplines have a significant element of data, measurement and optimisation

## 06 THE THREE OUTCOMES OF M3

**We hope to see the following three applications of M3:**

1. Organisations discuss M3 internally to clarify their expectations of what the marketing function does, how it is structured, and how it works with the rest of the business as well as with external suppliers.
  - Read Econsultancy's Digital Marketing: Organisational Structures and Resourcing Best Practice Guide and With a blank sheet, what organisational structure would you choose for marketing and digital? for further stimulation.
2. Talent and HR professionals review the recruitment, training and development needs of their organisations for digital/marketing resources with reference to M3.
  - Read Econsultancy's How Marketers Learn report for more on how best to help your marketing teams learn and improve their capability.
3. Academic and digital/marketing training organisations assess their curricula and course offerings with reference to M3 and update their content accordingly.
  - Review Econsultancy's modern marketing training and Marketing Week's Mini MBA in Marketing taught by Professor Mark Ritson.

**Marketing's chance to lead**

The impact of 'digital' has perhaps been felt first, and most keenly, by the marketing function. However, if marketing can also be the first to transform itself then marketers will be in a good position to lead the transformation of the whole organisation.

If marketers can lead the move towards adopting M3 principles within their organisation, then we believe the trend towards marketers becoming CEOs will accelerate.

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About the author: Ashley Friedlein is co-founder of Econsultancy, part of Centaur Media, which also includes Marketing Week and Oystercatchers.