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Six steps to build marketing resilience now

How CMOs can maintain growth amid economic headwinds

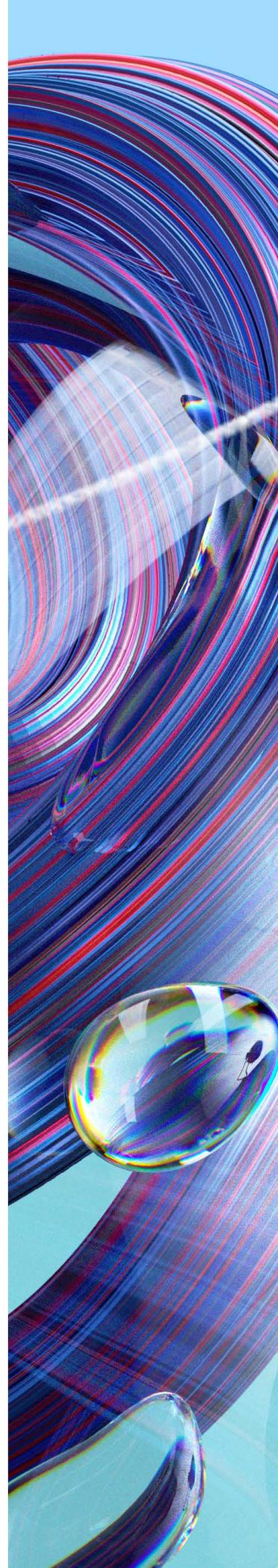
The economic shockwaves of the COVID-19 pandemic caught many marketing leaders off guard. Across industries, marketing budgets plummeted. In the years following, many organizations rebuilt their marketing budgets to new highs. Along the way, smart leaders leaned into new solutions that helped address challenges and deepen customer connections—proving that even in times of unprecedented global chaos, marketing can serve as a compass for mapping the path to growth and brand resilience.

Now, yet again, economic indicators are warning of a downturn, with two in three CMOs reporting that they feel less optimistic about the trajectory of the economy¹.

Historically such conditions would have likely led to cuts in marketing budgets across industries. But with the growing role and importance of marketing in revenue growth, most CMOs anticipate that budgets will remain the same or even increase in the quarters ahead¹.

Great news for marketers, right? Except then there's the threat of continued inflation—which reduces what's possible tomorrow with today's budget. An average forecasted budget increase of 8.8% means that many organizations will find themselves essentially treading water¹.

In these conditions, it's important for CMOs to take action now to identify savings and efficiencies without sacrificing growth. While strategic spending and operational efficiency are best practices in any economic environment, they become critical when budgets tighten and the pressure to demonstrate return on marketing investment increases.





In this paper we will explore **six tactics** that can help marketing leaders get more out of budgets, enhance operational resilience—and deliver on growth ambitions.

TACTIC 1

Harness the power of performance marketing

TACTIC 2

Shift owned channels into overdrive

TACTIC 3

Establish spend thresholds based on performance

TACTIC 4

Find cost-effective ways to source and amplify content

TACTIC 5

Partner with agencies to identify savings

TACTIC 6

Ramp up templated, reusable content

Harness the power of performance marketing

In times of uncertainty, CMOs need to squeeze the most out of marketing budgets. Digital performance marketing—where payment is tied directly to outcomes—is well suited to that demand, offering unprecedented clarity into what works and what doesn't, and allowing leaders to shift funds and tactics rapidly.

But just because performance marketing tactics can offer that clarity and agility, doesn't mean they will deliver the desired outcomes. Indeed, many brands struggle to realize the potential of performance marketing due to disconnected tactics, one-size-fits-all targeting, and delayed or opaque reporting.

When the pressure is on to demonstrate return on investment, performance marketing can drive greater efficiency. That starts by unlocking the full potential of new capabilities:

HYPER-TARGETING:

Use customer and behavioral data available on digital channels in concert with your own first-party data to perform audience modeling and create micro-segments. Then close the loop by feeding customer engagement and performance data back into a decision engine powered by artificial intelligence and machine learning, to update segments in real-time. This kind of hyper-targeting enhances relevance and creates more meaningful engagement.

REAL-TIME MULTICHANNEL NURTURING:

Design orchestrated multichannel journeys to build trust and consideration, deliver personalized content and use behavioral triggers to nudge action – allowing you to accomplish more than traditional retargeting. This type of investment in mid-funnel activity can help you drive efficient customer acquisition and new levels of growth.

DYNAMIC PERSONALIZATION:

Serve personalized creative, messaging and offers by pairing hyper-targeting with dynamic content assembly. By applying artificial intelligence and machine learning to real-time data, you can develop and optimize advanced rulesets that trigger dynamic assembly of content components – allowing you to create exponentially more variations of content necessary to deliver personalization at scale.

CMOs who invest in these capabilities and get performance marketing right have seen significant gains in marketing efficiency and effectiveness.



Based on **Deloitte's 2021 Personalization Research**, companies with mature personalization capabilities achieved an average of 50% improvement across key performance metrics: Customer engagement, cost per acquisition, conversion, revenue per customer, and retention².



Targeting in a cookie-less world

In the past, performance marketing tactics have relied heavily on third-party browser cookies. With the **deprecation of cookies**, brands will need to take increasing ownership of their first-party customer data. Check out **these six trends** to deliver on the promise of performance marketing.

Shift **owned channels** into overdrive

Consistent and connected customer experiences are essential to building loyalty—and loyalty is critical to brand resilience. Owned and earned channels can play an especially powerful role during times of uncertainty by combining higher return on investment (ROI) than paid media with greater opportunities for personalization, relevance and connection.

When evaluating your channel mix, three channels can play a particularly strong and efficient role in growing customer value and connections:

EMAIL MARKETING

Use targeted emails to nurture leads or deliver customized offers. The ROI of effective email marketing is often among the highest of any channel, especially when you embrace new capabilities for automation and personalization.

ORGANIC SEARCH

Invest in content marketing on owned website/e-commerce channels and search engine optimization (SEO)—including keyword strategy—which also typically yields a high ROI. SEO builds awareness and generates leads to bring more customers into the top of your marketing funnel. It's important to avoid the common mistake of adopting a one-and-done approach. Being successful in Search requires ongoing maintenance and creativity to keep your content and keywords up to date with customer interests and needs—both globally and locally—and ongoing optimization to keep up with platform and algorithm changes.

ORGANIC SOCIAL MEDIA

Expand reach and amplify messaging with organic social media content. High engagement rates create the opportunity to connect with audiences, build loyalty, and amplify promotional messaging (e.g., bundle or savings offers, price drops). Social is also a great channel to activate your loyal customers as social influencers by creating compelling, sharable content. More on that in Tactic 4.



30% savings seen when marketers improve marketing mix allocation by making strategic shifts like Tactic 2 and 3³.



Improving SEO to drive organic traffic and conversions: a case study

A leading luxury retailer sought to make the most of an e-commerce and website redesign to increase organic search rankings and drive new user growth.

Deloitte Digital partnered with the retailer to perform a technical audit of the website, content analysis and competitive keyword analysis resulting in recommendations to optimize the site for SEO success. The result: A **44% improvement in organic traffic** by incorporating SEO into site design, content, and development and a **45% increase in conversion** by placing relevant content in front of buyers right when they were searching for it.

ENABLING TECHNOLOGY

To achieve greater effectiveness and scale in these channels, CMOs should continually invest in and tune their adtech tools with new capabilities in mind:

Customer data platforms

can be used to stitch together customer and prospect identifiers from across channels and functions (e.g., sales, marketing, service), providing a 360-degree view of engagement that can be leveraged to target and orchestrate connected experiences across channels in entirely new ways.

Content management systems

that are fully integrated with decisioning engines can deliver personalized content to users engaging with a brand's owned site content. Key personal identifiers captured in the process help in nurturing new leads and fostering deeper engagement.

Marketing automation tools

can efficiently help you scale content delivery and orchestrate personalized experiences that drive add-on purchases, reduce shopping cart abandonment and bake in new levels of loyalty.

Together, these capabilities not only allow marketers to understand how users are engaging with their channels, but also to serve them targeted, relevant content that amplifies effectiveness, opens new markets and drives growth.



Establish spend thresholds based on performance

In hard times, CMOs are often asked to identify “low-hanging fruit” to reduce budgets. This is challenging and can backfire if it results in ceding market share to competitors. A strategic lens on media and campaign investments is key to balancing short-term cuts with long-term resilience. For example, brands with a broad portfolio of products may be overinvesting in low-margin lines that aren’t generating enough revenue to justify spend. Similarly, brands targeting multiple markets and audience segments may not be seeing enough consistent success.

Pulling these levers can help drive greater efficiency:

REALIGN SPEND ACROSS PRODUCTS / MARKETS

It’s critical to assess marketing spend across products, regions, and segments to identify areas of underperformance and over-spend. Going dark in non-strategic markets and reducing campaigns for low-growth, low-margin products can yield a **10%-20% savings** that can be applied to supporting more effective marketing of other products or in other markets³.

ESTABLISH MINIMUM THRESHOLDS

A similar tactic you can use is to establish minimum thresholds for products or markets to qualify for varying levels of marketing investment.

EXAMPLE: Deloitte worked with a client to prioritize marketing programs based on criteria such as the priority of the product, research and development, segment, and consumer experience. Spend thresholds were then assigned based on program priority. A high priority program may receive full funding whereas a low priority program would receive limited funding.

PARTNER WITH OTHERS TO GAIN CLARITY

For many CMOs, understanding marketing spend relative to performance is difficult, especially if budgets aren’t centrally managed. Partner with procurement, marketing, finance, and measurement functions to gain clarity and establish a marketing spend baseline. Then you can identify areas where investment isn’t generating the desired performance or business results.



30% savings seen when marketers improve marketing mix allocation by making strategic shifts like Tactic 2 and 3³.
10%-20% savings when you go dark or reduce campaigns in non-strategic markets³.



Developing sensible campaign spend thresholds: a case study

A global pharmaceutical company was struggling to control marketing spend across its multiple markets. Budgeting decisions and campaign funding took place at the local level, leading to limited visibility into advertising and promotional (A&P) spend.

Deloitte partnered with the company to establish a centralized A&P spend baseline. This enabled us to identify **27% in A&P improvement potential** across markets. The largest driver of savings was predicated on a market performance threshold: Products which exceeded set A&P-to-sales ratios or failed to meet minimum market thresholds would require a business case to justify certain levels of A&P investment.

Find cost-effective ways to **source and amplify content**

Consumers are increasingly turning to social media influencers and creators for product and brand recommendations, a trend that may accelerate as audiences—especially younger generations—seek out alternative product recommendations amidst price increases and other economic pressures. Already nearly 40% of consumers trust social media influencers over brands, with Generation Z and millennial consumers twice as likely as baby boomers to trust influencers⁷.

In an environment where purchasing decisions are increasingly driven by creators and online communities, CMOs may find they get more impact by investing in alternative content creators and amplification-friendly tactics that help multiply the reach and impact of marketing.

Here are three areas to focus on:

INFLUENCER MARKETING

Partnering with creators who have cultivated loyal followership can be a cost-effective way to engage certain audiences. This can be especially true when collaborating with so-called “micro-influencers” who bring with them highly targeted and active communities of followers. In addition to adding a layer of authenticity and trust to messaging, creators often closely monitor how their content is performing and adjust messaging and tone rapidly, which can help make your content investments more relevant and effective.

USER-GENERATED CONTENT

Incentivize customers and users of your products / services to publish reviews by offering discounts on future purchases. This inexpensive strategy can be very effective at driving purchases via social media channels and through direct-to-consumer and marketplace sites. **Over 90% of consumers turn to online communities to get questions answered about a product or service⁵.** Brands can also recruit employees to amplify brand messaging via social media channels.

AMPLIFICATION-READY ACTIVATIONS

One of the best ways to grow the value of existing content is to turn those assets into highly sharable media that can be amplified across social channels and platforms. Case in point: sponsorships. Ask sponsorship and collaboration partners to help create unique brand takeovers during live event moments. This content is ripe for earned media amplification and viral potential, which can vastly increase sponsorship value—sometimes rivaling the impact of a primetime TV ad spot.



80% aided brand recall after ad exposure delivered by influencer marketing, resulting in gains in brand familiarity and affinity⁴.



Use AI to gain new perspective on ROI

AI-enabled measurement platforms with image recognition can help you gauge the hard-to-quantify value of in-content brand exposure on screens and across digital channels, helping to more accurately reveal the true value of brand activations, such as sponsorships and earned media.

Partner with agencies to identify savings

On average, external partner spend represents approximately 24% of marketing budget allocations⁶—which makes agencies a natural place to look for efficiencies. But rarely do across-the-board cuts make sense; after all, some agency activities deliver greater business value than others. There's no need for CMOs to go into an agency ecosystem assessment on their own. Tapping insight from their counterparts in procurement, agency relations and finance can help to identify savings opportunities while still achieving effectiveness from agency investments.

Consider the following approaches:

ESTABLISH A BASELINE FOR YOUR MARKETING EXPENDITURES

The first step is to establish a baseline that shows working vs. non-working spend and categorizes spend by agency vendor and marketing activity. Baseline in hand, you can bring agency partners into a conversation about the best way to reevaluate spend without negatively impacting effectiveness and outcomes.

AUDIT MARKETING PERFORMANCE AND REVISIT CONTRACT NEGOTIATIONS

CMOs can often identify efficiencies by comparing vendor rates and performance to the share of marketing budget each vendor receives. As a result of this process, you might identify costs that should be recovered due to underperformance of delivered services. You might identify media non-compliance issues that require clawbacks. Or you might find opportunities to renegotiate rate cards, overhead and/or team composition.

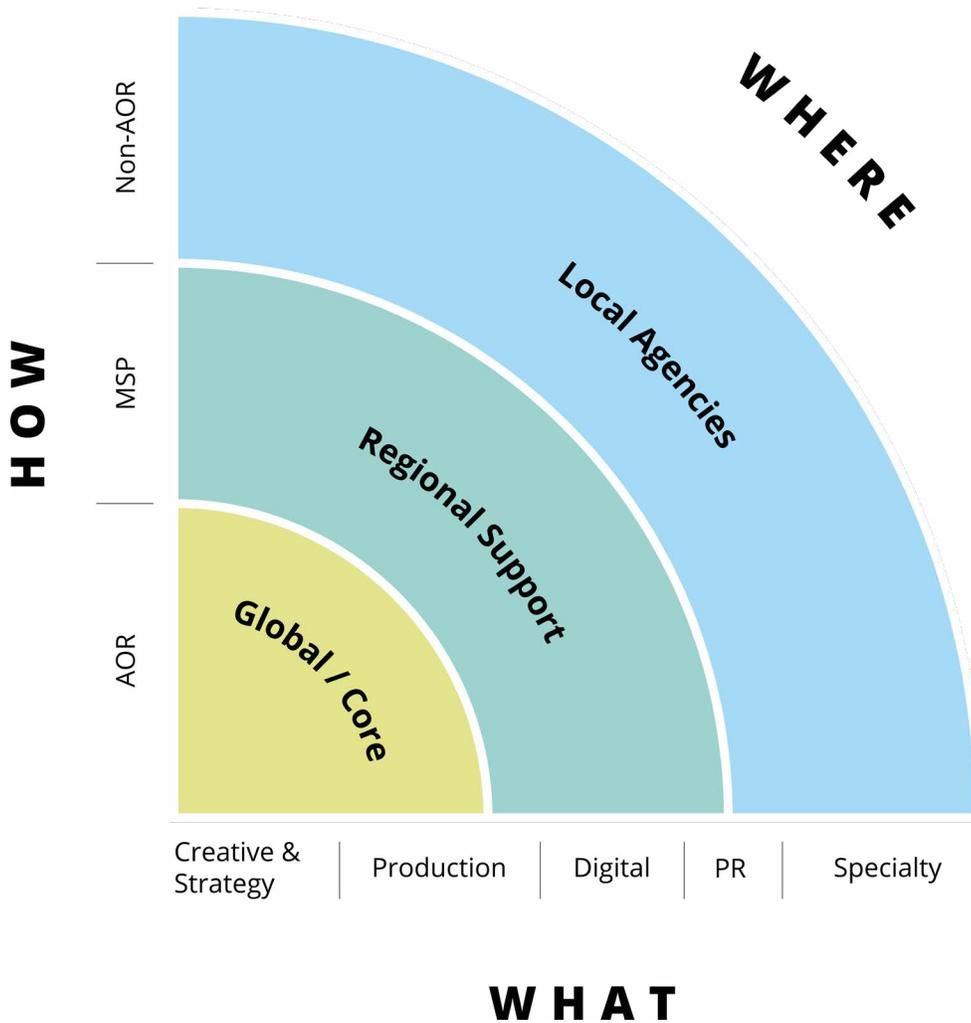
It can be helpful to create standard processes for invoice and performance auditing. This is best executed alongside procurement, which will help enforce sourcing policies and renegotiate contract terms based on performance metrics.

OPTIMIZE YOUR AGENCY ECOSYSTEM

Consider re-structuring or assigning agency activities and responsibilities based on a combination of capabilities and geography to gain new efficiencies. This can yield volume discounts and economies of scale while removing duplicate spend and still preserving quality where it matters in your ecosystem. Such initiatives might look something like:

- Maintaining creative and strategy with a global and core agency of record
- Decoupling production from strategy and creative in order to increase efficiency and reduce costs
- Shifting to a global in-house production hub that allows centralized messaging and workflow
- Partnering with regional hubs or niche players for localization

Agency spend reduction strategies	Typical Savings ³
Revisit contract negotiations	1 - 3%
Consolidate the agency ecosystem, pursue volume discounts, and in-housing	5 - 15%
Go dark in non-strategic markets	10 - 20%



Ramp up **templated,** **reusable content**

Modular or templated content can be a powerful tool to help CMOs drive operational and asset efficiencies while also enabling personalization at scale. By breaking down creative assets into modular components that can be assembled and updated or localized as needed, marketers can quickly bring an array of assets to market without creating content anew for every campaign.

This new way of working—often called a content factory model—can slim the costs of asset creation and production, translating to **savings of up to 30% on creative services**⁵. Templated campaigns also save time at almost every point of the creative lifecycle, producing up to a 75% decrease in time to market⁵ by cutting down on lengthy conceiving sessions and review cycles.

CMOs can find content efficiencies by leaning into:

MODULAR CONTENT

Partner with internal content operations or external agencies to rewire how content is built—atomizing creative into its component parts (e.g., image, message, offer, call to action) to personalize by target audience segments rather than taking a one-size-fits-all approach.

OMNICHANNEL CONTENT STRATEGY

Align content strategy with channel planning to yield a more componentized content model: running agile experiments to measure how different component combinations perform on certain channels and optimizing over time. We recommend marketers adopt an iterative go-forward strategy by starting small, funneling learnings in your next experiment, and scaling over time.

CONTENT OPERATIONS ENABLED BY “MADTECH”

Adopt an agile-based approach to content creation by assessing your processes and capabilities with a goal of identifying areas where you can reduce content waste and shorten production time. Componentized content works best in a marketing environment that is agile, data-driven and enabled by madtech (martech and adtech) including a content management system, digital asset management platform and automated workflow tools.

By moving to a more templated and component-driven content model, CMOs can improve overall content velocity and ultimately get the right content to the right customers at the right time—resulting in greater efficiency and effectiveness in bringing campaigns to market.



75% decrease in time to market achieved by marketers who use templated content⁵.



Enabling reusable content to drive speed and efficiency: *a case study*

A top-five U.S. bank was faced with increasing campaign cycle times and an inability to deliver personalized offers and experiences at scale. The marketing team sought to transform its digital acquisition marketing to drive greater efficiency and effectiveness.

Deloitte partnered with the company to reimagine the campaign lifecycle and enable componentized creative that could be rapidly assembled into personalized marketing across channels. By introducing agile processes, standing up a content management system and digital asset management platform, and redesigning digital marketing assets into standardized and reusable components, the bank cut campaign cycle times in half—in some cases reducing timelines from weeks to hours—and **achieved savings by reusing 75% of its creative**.

MEASUREMENT

The measure of **your success**.

An important capability to support these tactics and amplify customer resilience is a robust system of measurement and attribution modeling. Digital channels and tactics give marketers unprecedented quality and precision of data—but without a well-designed system of key performance indicators, analytics, and modeling capabilities that data has little value.

Establishing a marketing measurement capability that uses artificial intelligence and automation is important. This capability will identify where the greatest value lies and where cuts or optimizations can be made. An automated system of measurement gets smarter over time, creating an ever-improving model.

Various tools and methodologies exist to help CMOs gain this type of visibility.

Marketing leaders can get granular with econometric modeling for multi-channel attribution (MCA). MCA helps marketers understand advertising and marketing impact across channels in a forward-looking fashion—even down to the individual customer level—without relying on third-party cookies or other signals that have been reduced or lost due to browser, device, and regulatory changes.

Armed with this information, you can make strategic choices about spend on campaigns and channels that are underperforming and reallocate that spend to stronger areas. CMOs have seen an **11% increase in media-driven conversions and a 10% decrease in cost per media-driven conversion while maintaining spend levels⁷**.

These granular insights also allow you to use scenario planning to optimize budgets without risking cuts on spend in growth areas. MCA can also be used to predict opportunities to increase overall spend and ROI across channels.



Effective marketing measurement requires smart performance indicators, next-generation models, well-managed data, instant insights, a connected ecosystem and integrated internal teams. To learn more about the best practices and results achieved by today's measurement front-runners, download and read our series on performance measurement.

www.deloittedigital.com/us/measurement

CONCLUSION

By making the most of each dollar in the marketing budget now, CMOs can protect strategic investments in more transformational initiatives. Deloitte's [2023 Global Marketing Trends Report](#) found that CMOs plan to accelerate the move to new digital technologies/platforms as well as systems and/or algorithms to create greater personalization over the next 12 months. When budgets are tight new technology or capabilities may feel like “nice to have” investments that can be paused for later, but these advancements are critical to improving marketing precision, identifying new potential markets, and optimizing to reach the right customers. Lastly, don't forget to close the loop with effective measurement. This not only allows algorithms and decision engines to get smarter and optimize, but also empowers CMOs to demonstrate the value of the marketing function to their c-suite peers – positioning marketing as a revenue driver, not a cost center. Ultimately, by looking for ways to be more efficient and effective today, marketers can drive business growth and build greater operational and brand resilience to tackle whatever lies ahead.

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