Keynote Presentation | [MarTech Trends] Innovating and Thriving in Marketing Transformation

BAIN & COMPANY

JUSTIN HALIM

Expert Partner, APAC Marketing & E-Commerce Practice Head
Bain & Company

THE MARTECH SUMMIT

MarTech Trends: Innovating and Thriving in Marketing Transformation

JUSTIN HALIM

Justin.Halim@Bain.com

Partner, Head of FRWD@Bain APAC

Singapore

BAIN & COMPANY ◐

There are a clear set of underlying themes driving the MarTech ecosystem
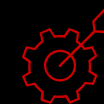
Data unification

- # consumer touchpoints growing **~20% CAGR** between 2014-21
- Data volume and complexity increasing **6x**
- Crossing both online and offline channels and touchpoints

Privacy-centric future

- **Third party cookie and device identifier** deprecation
- first party data, fingerprinting, use of purchased external datasets workarounds

Accurate attribution

- **Reduction in budgets** post COVID and given macro uncertainty **increasing expectations for understanding spend efficacy**
- **~80%** of marketers unhappy with tools used to measure ROI, only **~36%** happy with how they measure business impact

'No code' MarTech

- Reduced complexity and requirement for software engineering with **intuitive, 'drag and drop' interfaces**

Content automation

- Demand for content to support personalization; traditional, manual processes for creating content (e.g. banners, emails) unable to keep up with **requirement for potentially 1000s of variations**

D2C capability

- **Explosion of online shopping and eCommerce**, brands looking to reach consumers directly
- Requirement to optimise customer experience, provide alternative payment methods and enhance base commerce functionality

With AI already being deployed; in future, likely to be a significant continued expansion of AI deployment across a wider range of use cases,
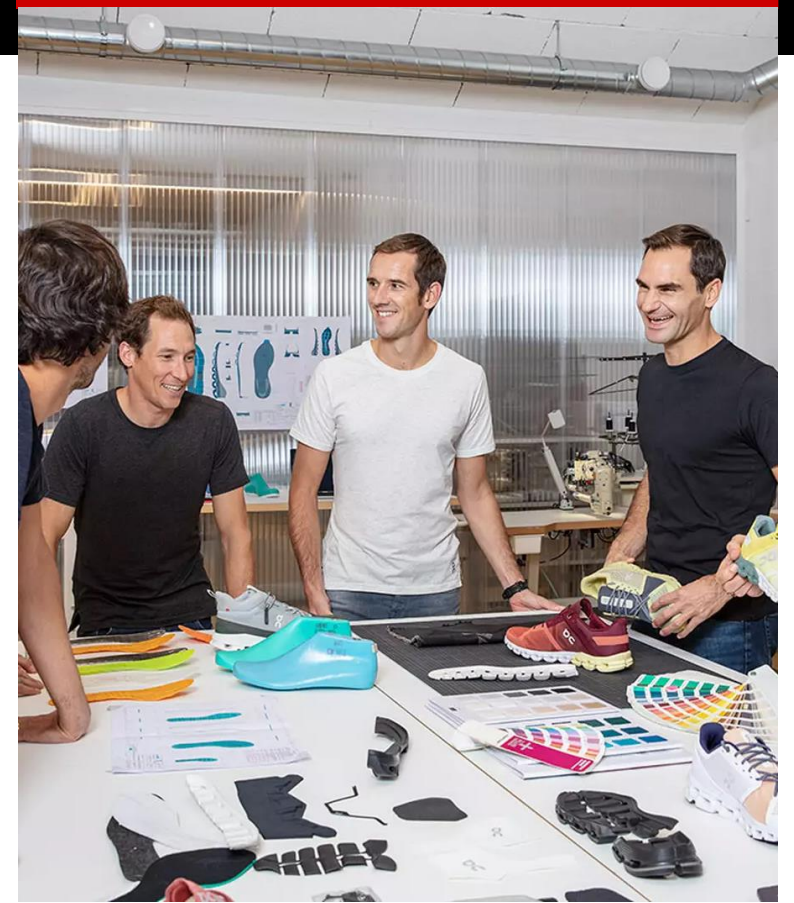
Key Questions for marketers

Why is **MarTech ever more important**, and what makes it so **hard to get it right?**

What sets apart **marketing leaders**, and how do they **leverage MarTech to win?**

Which **MarTech approach do leading marketers** implement?

Key Questions for marketers

Why is **MarTech ever more important**, and what makes it so **hard to get it right?**

What sets apart **marketing leaders**, and how do they **leverage MarTech to win?**

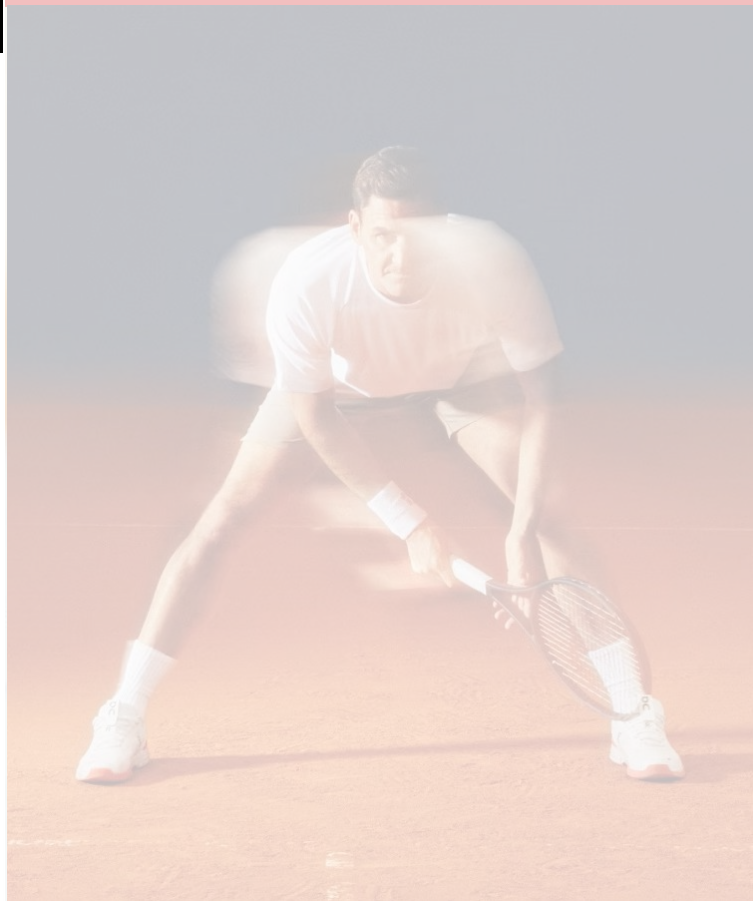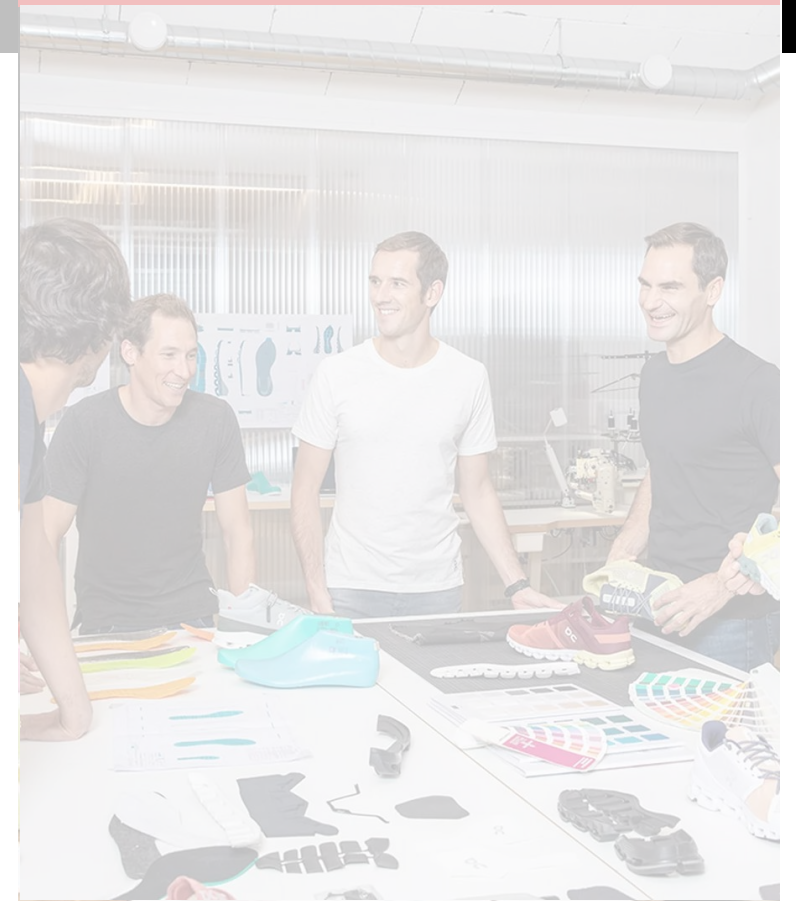Which **MarTech approach do leading marketers** implement?

Consumer behaviors, as well as expectations, continue to change dramatically and increase the need for supporting Marketing Technology

78%
of millennials would rather pay for an experience than goods

One size fits all, often inconvenient **vs.** **Immersive Experience**

*"Make me feel and live it, make it **enjoyable and easy**"*

68%
of consumers expect online experiences to be linked to offline

One touch transaction **vs.** **Full journey**

*"**Seamlessly serve** with me, before/after buying, across touch points"*

The most emotionally connected brands have 2x the consumers willing to pay **20%** more for their product
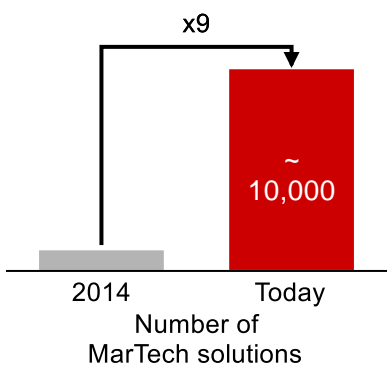
Mass advertising **vs.** **Branding is Personal**

*"Engage me in authentic conversations that **matter to me**"*

Marketers are all confronted with the same external complexity drivers

Proliferation of tools and vendors

- MarTech **landscape is increasingly complex** with ~10,000 vendors
- High level of **redundant features in MarTech stack** across vendors

Complex consumer journeys

- **Proliferation of consumer touchpoints** (chatbots, videos, new social media, podcasts, wearables etc.)
- Key consumer **segments are constantly shifting** their habits and expectations
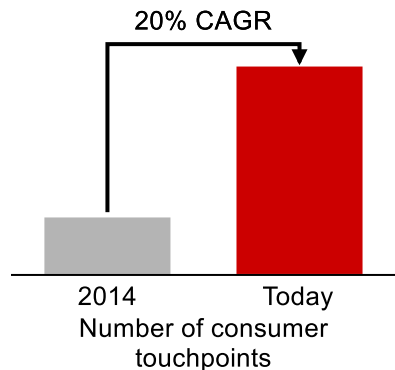
Data volume and complexity

- **Consumer data spread** across many sources, incl. retailers
- Fragmentation of consumer journeys driving **increase in data generation**
- Increase volume of **unstructured data**
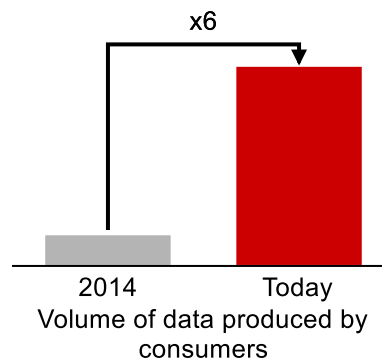
Pressured on talent and capabilities

- **Talent and operating model pressure** due to accelerated needs for more features at fast pace, with more complexity (e.g. data)
- **New roles and skills required** to manage the end-to-end Marketing ecosystem
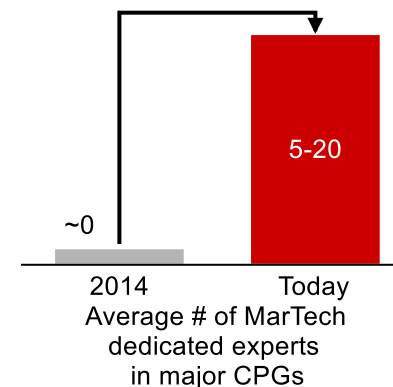
Regulatory constraints on privacy

- **Need to address first-party data** due to decline of third-party cookies
- Increasing **awareness and concern** from consumers on **data privacy**
- Changing **regulations** leading to **complexity and unpredictability**

x9

~10,000

2014 | Today
Number of MarTech solutions

20% CAGR

2014 | Today
Number of consumer touchpoints

x6

2014 | Today
Volume of data produced by consumers

5-20

~0

2014 | Today
Average # of MarTech dedicated experts in major CPGs

*"Google **initially announced phasing out of 3rd-party cookies** by 2021 triggered by **users demanding greater privacy, but then changed the target date to 2022 and recently to 2023"***

Source: Lit search, Bain experience, LinkedIn search MarTech experts in leading CPGs

This information is confidential and was prepared by Bain & Company solely for the use of our client; it is not to be relied on by any 3rd party without Bain's prior written consent

BAIN & COMPANY ●   7

Key Questions for marketers

Why is **MarTech ever more important**, and what makes it so **hard to get it right?**

What sets apart **marketing leaders**, and how do they **leverage MarTech to win?**

Which **MarTech approach do leading marketers** implement?

This information is confidential and was prepared by Bain & Company solely for the use of our client; it is not to be relied on by any 3rd party without Bain's prior written consent

BAIN & COMPANY

8

Companies that spend enough, better and deploy the right approach for their MarTech solutions outperform peers across multiple dimensions
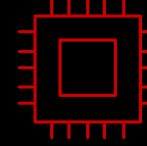
Actionable and Impactful		Integrated and Accessible		Personalised and Future-Proofed	
2.1x	more likely to **manage mar/ad tech** within marketing	**2.8x**	more likely to use **real-time data to measure campaigns**	**3.6x**	more likely to **focus on consumer feedback** and journey maps
1.9x	more likely to use **data to inform decisions**	**1.5x**	more likely to **apply learnings to investments** in near real-time	**2.8x**	more likely to **align marketing strategy with consumer priorities**
2.1x	more likely to use ongoing models **to allocate budget**	**2.7x**	more likely to **use test and learn** to **optimise campaigns**	**1.6x**	more likely to have **cross-functional teams centered around the consumer**
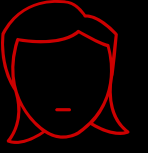
Source: Bain & Company and Google, Measurement Maturity Survey, December 2018-January 2019

Key Questions for marketers

Why is **MarTech ever more important**, and what makes it so **hard to get it right?**
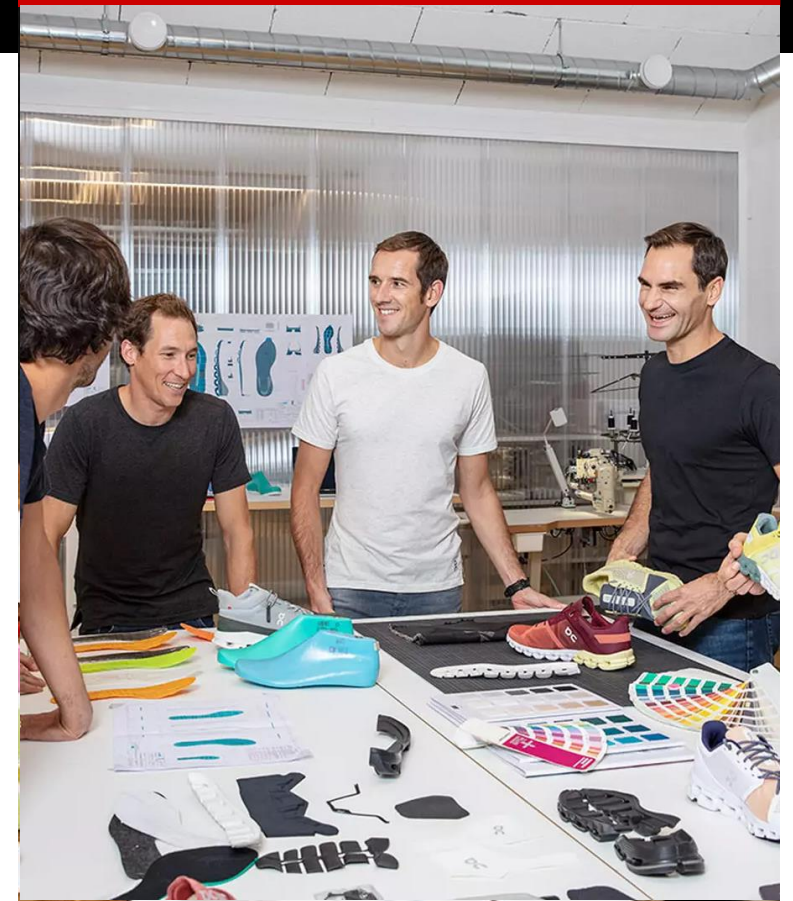
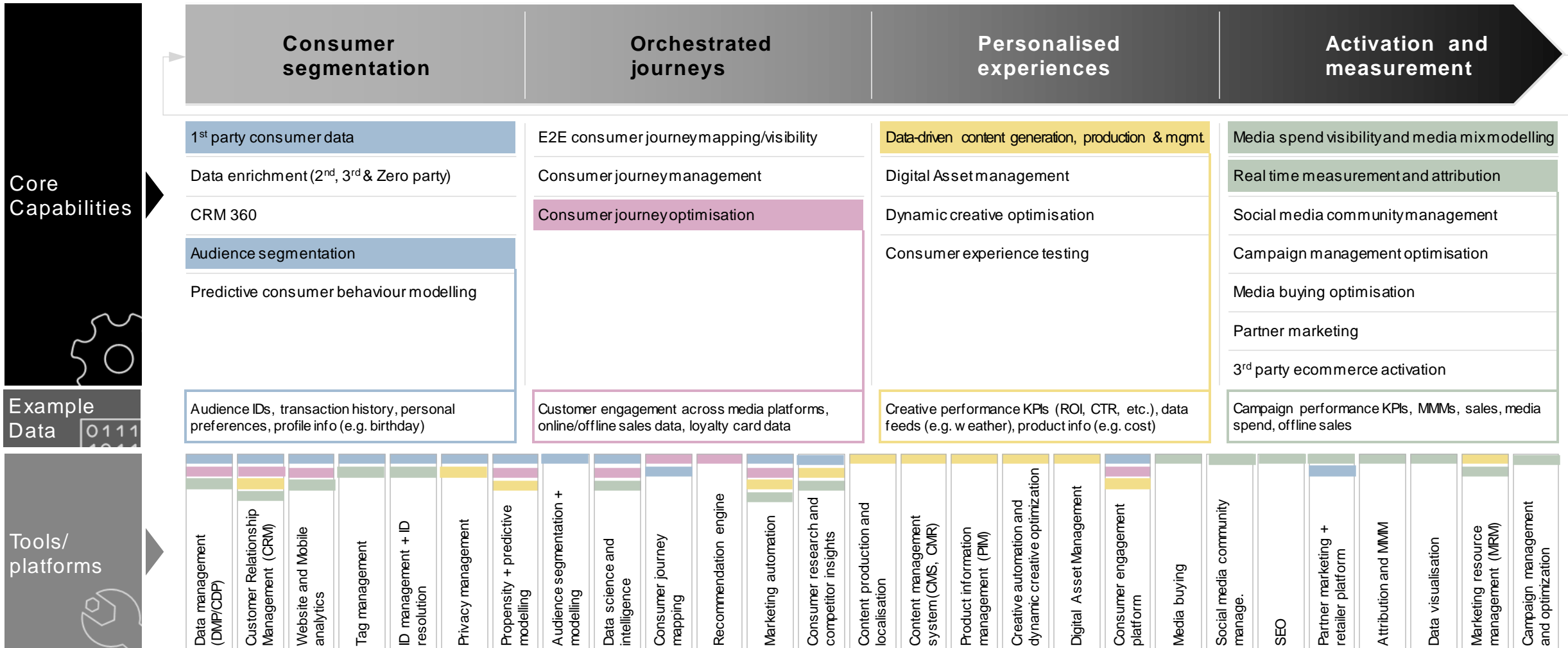What sets apart **marketing leaders**, and how do they **leverage MarTech to win?**
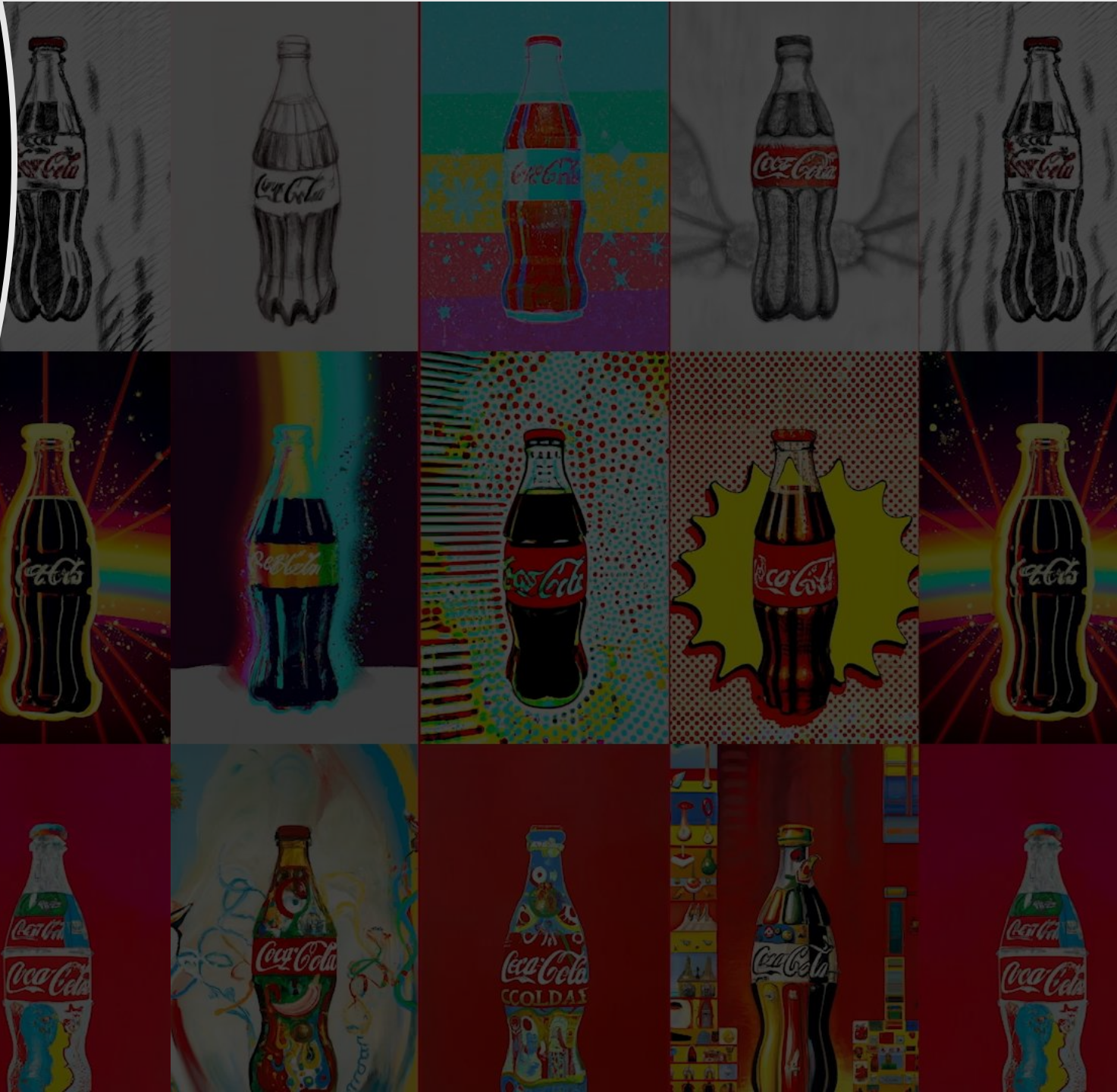
Which **MarTech approach do leading marketers** implement?

Leaders do prioritize capabilities based on use cases, which in turn drive tools and platforms requirements
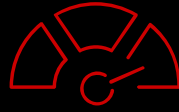
MarTech Strategy & Use Cases

	Consumer segmentation	Orchestrated journeys	Personalised experiences	Activation and measurement
Core Capabilities	1st party consumer data	E2E consumer journey mapping/visibility	Data-driven content generation, production & mgmt.	Media spend visibility and media mix modelling
	Data enrichment (2nd, 3rd & Zero party)	Consumer journey management	Digital Asset management	Real time measurement and attribution
	CRM 360	Consumer journey optimisation	Dynamic creative optimisation	Social media community management
	Audience segmentation		Consumer experience testing	Campaign management optimisation
	Predictive consumer behaviour modelling			Media buying optimisation
				Partner marketing
				3rd party ecommerce activation
Example Data	Audience IDs, transaction history, personal preferences, profile info (e.g. birthday)	Customer engagement across media platforms, online/offline sales data, loyalty card data	Creative performance KPIs (ROI, CTR, etc.), data feeds (e.g. weather), product info (e.g. cost)	Campaign performance KPIs, MMMs, sales, media spend, offline sales

Tools/ platforms

- Data management (DMP/CDP)
- Customer Relationship Management (CRM)
- Website and Mobile analytics
- Tag management
- ID management + ID resolution
- Privacy management
- Propensity + predictive modelling
- Audience segmentation + modelling
- Data science and intelligence
- Consumer journey mapping
- Recommendation engine
- Marketing automation
- Consumer research and competitor insights
- Content production and localisation
- Content management system (CMS, CMR)
- Product information management (PIM)
- Creative automation and dynamic creative optimization
- Digital Asset Management
- Consumer engagement platform
- Media buying
- Social media community manage.
- SEO
- Partner marketing + retailer platform
- Attribution and MMM
- Data visualisation
- Marketing resource management (MRM)
- Campaign management and optimization
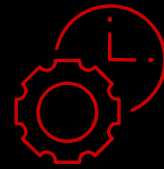
The new frontier:
OpenAI

# Generative AI offers a broad range of benefits

Speed
- AI-generated content can be produced in near real-time
  - Substantially reduces timeframe of creative lifecycle
 - Enables new use cases requiring in-the-moment content generation

Efficiency
- Incremental cost is negligible relative to traditional human-generated content
  - Lowers cost of status quo content generation
  - Substantially increases scalability by making more extensive content creation financially viable
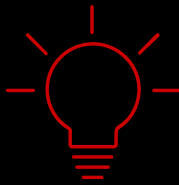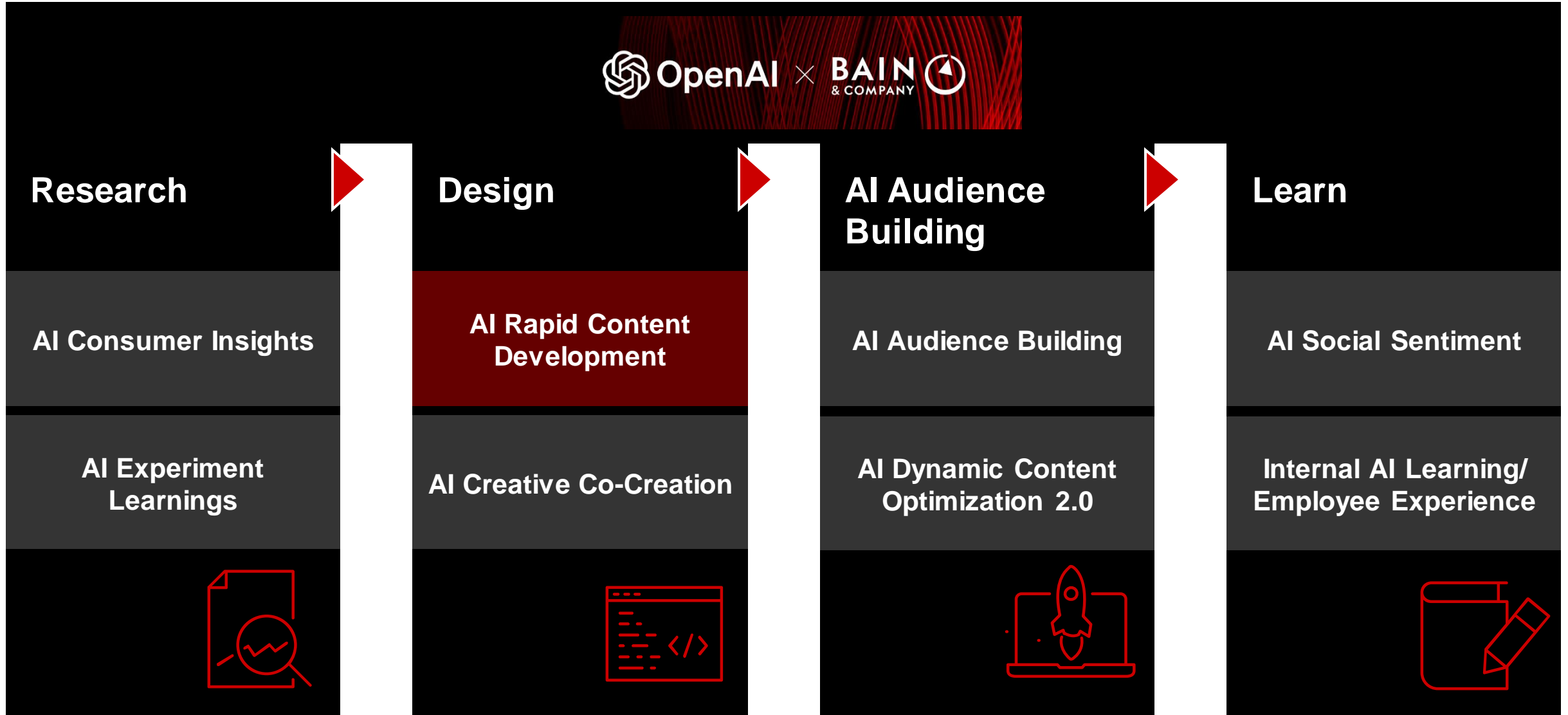
Customization
- Ease of experimentation and speed of iteration maximize opportunity for custom content creation
  - Enables highly personalized content creation
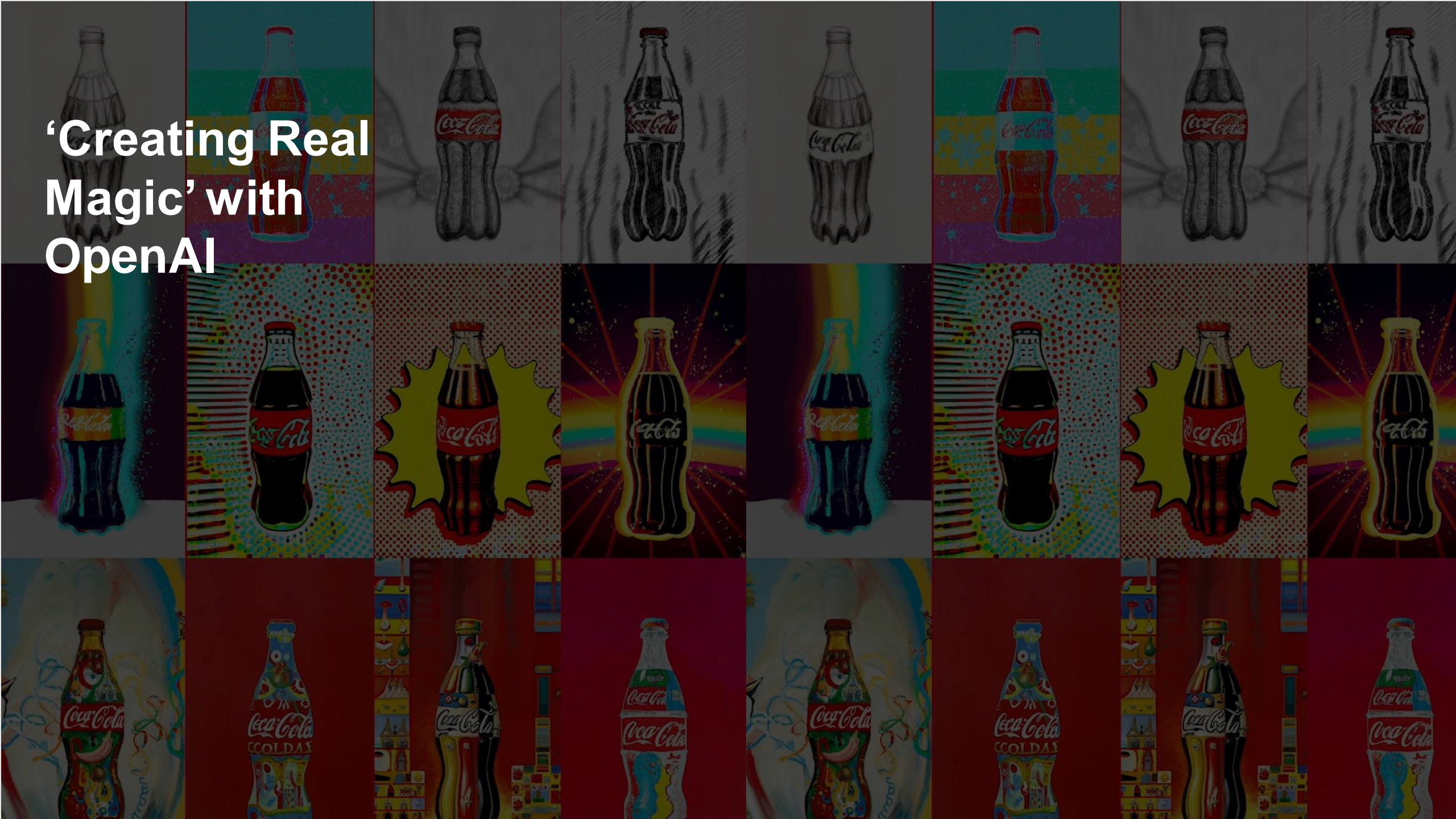 - Amplifies creative process improving range and quality of output potential
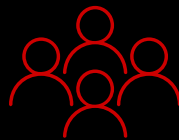
Democratization
- Ease of use lowers barriers of access to the creative process
  - Drives more creative exploration
  - Reduces dependency on specialized artistic skillsets/capabilities for content generation

How AI is amplifying the end-to-end marketing process

OpenAI ✕ BAIN & COMPANY

Research ▶ **Design** ▶ **AI Audience Building** ▶ **Learn**

Research	Design	AI Audience Building	Learn
AI Consumer Insights	AI Rapid Content Development	AI Audience Building	AI Social Sentiment
AI Experiment Learnings	AI Creative Co-Creation	AI Dynamic Content Optimization 2.0	Internal AI Learning/ Employee Experience

'Creating Real Magic' with OpenAI

The alliance between OpenAI and Bain & Co brings together world class AI capabilities and premier strategic advisory service

Model-as-a-Service

- AI research focus, continuing to evolve industry-leading large language and computer vision models

- Offers Model-as-a-Service business model (pay per usage)
  - Models and fine-tuning via API, enabling self-service customization and adoption

AI strategy and development

- Strategic prioritization and definition of generative AI use cases/products

- Implementation of generative AI use cases, across data science/machine learning, product engineering, product management, change management/adoption, etc.

Better together

Get access to industry-leading generative AI capabilities combined with strategy and implementation assistance to identify, and deliver the highest value use cases for your organization