

The role of marketing in the business world today

Marketing is one of the most important functions in business, but it is often misunderstood. In an uncertain economic climate, with continued volatility, many organisations are focused on rationalising and cost efficiency. Marketing budgets may be cut and key talent retrenched—at a time when marketing is all the more critical.

The Media Precinct

January 2024



A strong marketing strategy can not only help businesses weather economic turbulence but also emerge stronger, more competitive and well-positioned to capture growth opportunities. According to [Nielsen data](#), brands that freeze marketing in a downturn can lose 2% of their long-term revenue each quarter and will take 3–5 years to recover losses.

Despite this, [WARC data](#) shows a continued decline in marketing budgets since the pandemic, with traditional broadcasting, print and out-of-home channels the hardest hit. Staffing levels have also continued to fall, with the sharpest decline seen in Asia-Pacific.

Misunderstanding of marketing

One problem is that marketing is often equated with advertising or promotion alone, or conflated with sales. Its strategic importance, in driving business growth and shaping customer experiences, is underestimated. Instead, it's viewed as discretionary spending and is frequently one of the [first departments hit by cost-cutting](#) when companies tighten their belts.

Marketing actually plays a much wider and more holistic role in an organisation than merely selling products. It involves understanding customer needs, creating value propositions, and delivering compelling experiences to build lasting relationships. Marketing helps businesses identify target markets, differentiate offerings and communicate value effectively. It also plays a vital role in identifying and adapting to market changes.

A key function of marketing, all the more important in the Age of Data, is collaborating with other departments to create a unified customer experience. As organisations grow, different functions become increasingly segregated. Remote working trends since the pandemic have [further exacerbated this](#).

The result is that data gets siloed across departments: information such as purchase history, customer feedback, product development research, market and economic analysis, website analytics and social media interaction isn't shared and aggregated. In an era of hyper-personalisation, where the [majority of B2B and B2C customers](#) expect their interactions with a brand to be personalised, leveraging this data is critical to creating targeted campaigns and tailored customer journeys.

As marketing strategist Prue Carlton explains, marketing is the eyes, ears and mouth of a company: "As the eyes, the marketer has a lot of exposure to lots of different parts of the business, and can be the link between siloed groups, such as finance, customer service and

sales. As the ears, we're the keepers of a huge amount of data on customers and how the market is changing. As the mouth, we're the keepers of the brand and the creators of the experience, and the champions of the customer's voice."

The digital dilemma

One of the biggest issues for marketers is how to demonstrate value and ROI, which—for traditional marketing—is particularly challenging. Marketing often involves indirect, long-term effects on brand awareness, loyalty and customer relationships. Attributing specific results to marketing efforts is also difficult due to variables such as market conditions, competition and consumer behaviour.

The advent of digital suddenly delivered a range of metrics that could demonstrate the impact of the marketing investment. It offered more data analytics capabilities and quicker results than traditional channels such as print, broadcast and out-of-home.

With increased pressure on marketing spend, many organisations ended up pushing a lot of their budget into digital. Because digital results can be instantly accessible, even in real-time, this has led to a focus on short-term sales results instead of long-term brand building and customer loyalty.

Dr Augustine Fou, a specialist in digital advertising, [has cautioned](#) that there can be "an unhealthy concentration of ad spend" in digital, where there may also high levels of fraudulent ads. This wastes budgets and skews analytics, making it harder for marketers to accurately measure campaign performance and demonstrate ROI. Next & Co's Digital Media Wastage report estimates that [\\$5.5 billion in ad spend was wasted in 2022](#), representing 41% of overall digital ad spend. While anti-ad fraud technology is available, not all clients and agencies are willing to pay for it.

But a bigger issue is that digital gets separated from the rest of marketing and isn't integrated into a holistic marketing campaign. Prue Carlton notes that without brand building and emotional engagement with an audience, digital marketing becomes less effective.

"What's happened, over a period of twenty years, is that the lack of investment in less measurable forms of advertising has eroded the value of a brand by neglecting to build the emotional connection with the customer. Ultimately, digital has become less and less effective over time because of this missing element. It's not really about one or the other being most effective but a good balance of the two."

Exclusively digital practitioners may also lack experience and knowledge in traditional marketing and be overly focused on metrics. Glenda Wynyard, Communication Architect & Managing Director, Media Precinct, says digital should not be siphoned off on its own.

“Media requires a layered approach to be truly effective and most digital-first agencies don’t have this approach. They often don’t have the research tools and media strategists in-house and they tend to become performance-based so they focus on the last click and CTA rather than the need for awareness or other campaign needs.”

Bringing back brand marketing

To correct the traditional vs digital imbalance, some marketers are seeing a return to traditional advertising or brand investment. Building trust, loyalty and creating an exceptional customer experience is vital: [Salesforce research](#) has found that 90% of customers value it as much as products and services.

Brand marketing can be all the more important in a downturn. A strong marketing strategy can help organisations survive a recession. Businesses who commit to long-term brand advertising feel the benefits during recovery when markets are rebounding and the ROI is much greater. The classic example is [Kellogg’s](#) which emerged from the Great Depression as the market leader for breakfast cereals.

Marketing expert Peter Field has long argued for the need to balance short-term sales activation and long-term brand building. In his report [The 5 Principles of Growth in B2B Marketing](#), Field recommends a 50:50 split: “brand building excels at driving long-term growth; it usually works on an emotional level to create long-term memories and associations that continue to influence purchase decisions long after the advertising runs. This is a bigger task than sales activation, requiring a much broader reach and repeated exposure. But brand building is ultimately more effective because the effects last longer and so accumulate over time”.

Accountability and ROI: proving the value of marketing

Given its longer-term nature and lack of immediate metrics, how can traditional marketing be made more accountable, and how can marketers prove the value of what they do? In a climate where every department is fighting for budget, getting buy-in from the C-Suite is critical.

Marketers need to clearly communicate their strategic value to the executive. This means demonstrating how the marketing function aligns with overall strategic objectives and speaking the same financial language. Ideally, marketing should already have a seat on the board. A paper by the [Australian Marketing Institute \(AMI\)](#) and [Deloitte](#) suggests that directors “would benefit from a better understanding of the marketer’s critical role in contributing to business strategy as well as to its development and execution”.

Marketers need to take the lead with data and analytics, and head up cross-departmental initiatives, ensuring that insights are shared across the organisation. Getting a comprehensive view of the customer and being able to make data-driven decisions is vital to marketing’s success.

Marketers need to ensure they guide and drive digital and not let it become separate and siloed. From creative and campaign planning to media buying, SEO and tracking, digital needs to be a subset of marketing not isolated from the overall strategy.

Marketers need to set clear objectives and track and measure their performance to demonstrate ROI and ROAS as clearly as possible, for both traditional and digital advertising. This includes regularly sharing marketing results with stakeholders, highlighting successes as well as areas for improvement, and the overall impact of marketing activities on business performance.

Marketing fundamentals haven’t changed

At the end of the day, the fundamentals of marketing are the same as they were a century or more ago. Traditional marketing expertise must guide the digital side and make it part of a holistic strategy.

As Glenda Wynyard notes, “brand campaigns are so important when it comes to the leads that you need to generate, the awareness that you need to develop. The traditional principles of marketing haven’t changed. The channels have changed and the audience has changed, but the principles and the foundations will always stay the same.”

By improving the understanding of their role, marketing professionals can secure more support and help their organisations fully harness the potential of marketing to drive growth and long-term success.



THE MEDIA PRECINCT

The Media Precinct is a full-service media agency that specialises in mining deep insights about Australian audiences. We partner with your brand to deliver tailored solutions that ensure the best outcomes for your marketing and advertising campaigns.

[Get in touch](#)

