

THE SPARK

Sourcing and Procurement Flash Report

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MARKETING

Leveraging Procurement To Make Marketing Budgets Go Further



There was a time where one could understand marketing in simple terms. An ad on TV, a catchy jingle, or a memorable slogan. Marketing as many still think of it today is broad and static, but that's not really true in a modern marketing landscape. Today's marketing is personalized, agile, omnichannel, increasingly digital, performance-based and all-encompassing. Whether they recognize it or not, your customers are being marketed to from the moment they wake up until they fall asleep at night.

The staggering reach of marketing as a function is revealed when we examine the modern CMO. It's a common expectation for them to deliver results, and quickly, across a broad and growing set of responsibilities and initiatives, including:

- + Optimizing agency relationships
- + Media strategy, planning, and buying
- + Public relations, influencer, and event spend
- + In-house creative and production
- + Marketing technology and research
- + Shift to digital and social media
- + In-store and experiential marketing
- + and much more...

With such a diverse catalog of responsibilities, marketing teams were more exposed to the extreme changes brought on by the pandemic. Many CMOs saw a drastic shift in marketing dollars away from brick and mortar initiatives, along with increased PR support to communicate through the uncertainty. Live event spend came to a complete halt until the Spring of 2021 when the budgets floodgates opened again as optimism for a return to in-person events soared. And dramatic shifts in consumer needs and expectations continue to evolve daily at a challenging pace.

Between managing the shift to digital, maintaining a pipeline of highly-targeted and compelling content, keeping pace on technology, and re-engaging customers in physical spaces, CMOs have to put every dollar under a microscope if they want to thrive. They are being asked to do more, more effectively, with fewer resources, and without a playbook from the past to lean on. Small surprise that the average CMO tenure these days is under four years.

However, today's CMOs do have an ally in this struggle, one which most have been reluctant to call upon—Procurement. In our experience, historically, this reluctance is the result of:

1. Marketing being a highly emotional category with multiple stakeholders, deep supplier relationships, and high expectations
2. Challenges with traditional "benchmarking" exercises because of the differences between scopes of work and type of agency support that clients require
3. Skepticism in the procurement function as a whole and fear that the goal will be to drive to the lowest price versus the highest value

Yet, a partnership between Marketing and Procurement doesn't have to be defined by the past. In fact, a fortified relationship between the two can provide value and relief for today's over-extended CMOs.

With Procurement's help, Marketers can gain visibility across more categories and organizations, providing insights into best practices and areas of opportunity. Whether it's support that drives better pricing and outcomes, predictive data that examines category trends to anticipate future marketing needs and growth areas, more realistic benchmarking, a flexibility to curate custom solutions from diverse suppliers, or managing agency and client transitions, there's almost no function or pain point that isn't improved by a closer partnership between Procurement and Marketing. **Will you be the one to reach out today?**



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We want to hear about your business challenges.
Contact thespark@logicsource.com to start the conversation.

