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## **The Evolution of the Marketing Ecosystem: Organizational Structure and Capabilities**

Margarida de Paulo Chorão Moreira Navalho

Master in Marketing

Supervisor:

PhD Daniela Langaro da Silva do Couto, Assistant Professor,  
Department of Marketing, Operations & General  
Management at ISCTE Business School

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## **Abstract**

Faced with today's intricate and rapidly evolving marketing landscape of heightened consumer expectations, increasingly competitive markets, digital transformation, technological and data disruption, marketers tend to overlook structure as a solution. In spite of that, structure can be a fundamental strategic variable and mean to drive sustainable growth.

With this in mind, by incorporating existing literature and conducting qualitative interviews with senior marketing professionals from multiple industries, this paper seeks to understand the transformation of marketing organizations and capabilities, as well as its effects on performance.

Organizations are moving towards flatter, more agile structures, with broader functional scope and centralized key functions. Digital capabilities are being integrated internally, in fact, digital first is still emphasized. Regardless, a big shift towards data-driven is particularly evident in emerging capabilities.

While the pace of adaptation varies, some of the recent changes reportedly enhance marketing efficiency and ROI measurement, though direct impact remains challenging to measure. Results identified managerial good practices, thus, providing practical guidance and a foundation for future research to expand on.

**Keywords:** Organizational Structure, Marketing Organization, Structural Marketing, Capabilities, Functions, Performance

**JEL Classification:** M31 Marketing, L22 Firm Organization and Market Structure



## Resumo

Perante um ecossistema de marketing complexo e em rápido desenvolvimento com expectativas de consumidor mais exigentes, mercados em crescente competição e transformação digital acompanhada de uma disrupção tecnológica e de dados, os profissionais de marketing tendem a negligenciar a estrutura organizacional como solução. No entanto, a estrutura organizacional pode ser uma variável estratégica de marketing fundamental para crescimento a longo prazo.

Através da revisão de literatura e realização de entrevistas com profissionais de marketing de diversas indústrias, este estudo procura aprofundar a evolução da organização e competências de marketing, assim como, os seus efeitos em performance. Podemos concluir que as estruturas organizacionais estão a tornar-se cada vez mais horizontais, ágeis, com maior abrangência de funções para o marketing e funções chave centralizadas.

Ainda, as competências digitais têm vindo a ser internalizadas, mantendo-se ênfase no mindset “digital-first”. Contudo, verifica-se uma grande mudança para um marketing “data-driven”, particularmente evidente nas competências a crescer em importância. Embora o ritmo de evolução varie e o impacto direto das alterações realizadas seja difícil de atribuir, em alguns casos foi constatada maior eficiência das ações de marketing e melhorias na medição do retorno do investimento (ROI). Os resultados permitiram identificar boas práticas para gestores relativas à organização do marketing, proporcionando assim orientações práticas e uma base para pesquisa futura.

**Palavras-chave:** Estrutura Organizacional, Organização do Marketing, Marketing Estrutural, Competências, Funções, Performance

**Classificação JEL:** M31 Marketing, L22 Firm Organization and Market Structure



## Table of Contents

<b>Abstract</b>	<b>i</b>
<b>Resumo</b>	<b>iii</b>
<b>Chapter 1. Introduction</b>	<b>1</b>
<b>Chapter 2. Literature Review</b>	<b>3</b>
2.1. Organizational Structure	3
2.1.1 Types of Organizational Structure	3
2.1.2 Characteristics of Organizational Structure	5
2.1.3 Linkage between the Types and Characteristics of Organizational Structure	6
2.2 The Marketing Organization	6
2.3 Understanding The Effects of Organizational Structure	8
2.4 Capabilities	9
2.4.1 Emerging Marketing Capabilities	9
2.5 The Effects of Organizational Structure in Marketing	11
2.5.1 Structure as a Moderator of the Strategy-Performance Link	12
<b>Chapter 3. Methodology</b>	<b>13</b>
3.1 Research Approach	13
3.2 Data Collection	13
3.2.1 Interview Script Design	13
3.2.2 Sample	14
3.2.3 Conducting the interview	15
3.3 Data Analysis	15

<b>Chapter 4. Results and Discussion</b>	<b>17</b>
4.1 Current Marketing Organizational Structure	17
4.2 The Evolution of the Marketing Organization	22
4.3 Capabilities	30
4.4 The Future of the Marketing Organization	32
<b>Chapter 5. Conclusion</b>	<b>33</b>
5.1 Contributions for Theory and Implications for Practice	34
5.2. Limitations and Future Work	35
<b>Bibliography</b>	<b>37</b>
<b>Appendices</b>	<b>41</b>



## List of Tables and Figures

Table 2.1 - Linkage between Types and Characteristics of Organizational Structure.....	6
Table 2.2 - Emerging Marketing Capabilities.....	10
Table 3 - Characterization of the Sample.....	15
Table 4.1.1 - Table of Results of Question 1.....	19
Table 4.1.2 - Table of Results of Question 2.....	20
Table 4.2.1 - Table of Results of Questions 3,8 and 9.....	24
Table 4.2.2 - Table of Results of Question 8.....	25
Table 4.2.3 - Table of Results of Questions 4,5 and 6.....	27
Table 4.2.4 - Table of Results of Question 7.....	28
Table 4.3.1 - Table of Results of Question 11.....	30
Table 4.3.2 - Table of Results of Question 12.....	31
Table 4.3.3 - Table of Results of Question 10.....	31



# 1. Introduction

In today's ever-evolving landscape of highly competitive and fast changing environments, organizational structures and its respective capabilities stand out, more and more, as a determinant of success and a source of competitive advantage (Lee et al., 2014). Although there is a growing interest in the role of structure and its emerging perspectives and models, research on marketing organizational structures is mostly broad and scarce.

There has been a noticeable increase of marketing complexity in the last decades with an "increasingly broader set of constituents and objectives" (P. Kotler & Keller, 2012, p. 621) and faster emerging marketing challenges. Faced with these hurdles, marketing organizational structures are often overlooked, however, according to Fryrear (2023) it is imperative that "organizational structures and processes ... match the sophistication and complexity of the marketing strategies" (Fryrear, 2023, p.1). Likewise, structure must accommodate emerging capabilities and adapt according to strategic needs.

In 2014, Lee et al. introduced the concept of structural marketing that recognizes structure as a fundamental strategic variable for marketing. In addition, developments were made regarding the effects of structure on relational outcomes, marketing mix efficiency and effectiveness and marketing innovation. Nevertheless, there is a significant research gap regarding the effects of structure on marketing activities' performance.

Furthermore, it is clear that changes in the marketing ecosystem have impacted structures in the past few years. A survey conducted in 2022 by Marketing Week revealed that over 56% of respondents reported changes in marketing teams since 2021 (Valentine, 2022). This way, it is becoming increasingly critical to understand the way forward for marketing organizational forms.

In view of this changing context and trends, the goal of the current dissertation is to address these research gaps by: 1) understanding tendencies and emerging marketing structures, likewise, underlying capabilities; 2) explore the relevant effects of the chosen structures or structural changes on outcomes for marketing.

Thus, the following research questions were formulated:

RQ1: How are marketing organizational structures evolving in firms?

RQ2: What are the emerging marketing capabilities and how are they being accommodated within the marketing organization?

RQ3: What were the effects of the main changes in structure on marketing outcomes? Accordingly, by means of addressing these research questions, the findings will delve into the connections between structure and marketing performance, along with ecosystem trends, allowing specific managerial recommendations to be provided.

The current dissertation is organized as follows:

- In the introduction the author delves into topics regarding organizational structures, capabilities and the effects of structure on marketing outcomes;
- In the methodology, a qualitative approach is proposed and ten individual interviews were conducted;
- Results are presented with main findings being organized according to the interview script and research questions;
- Finally, conclusions are drawn and implications for theory and practice are discussed.

## **2. Literature Review**

### **2.1. Organizational Structure**

The role of organizational structure in strategy, firm performance and other numerous outcomes has long been recognized by researchers, so much so that research on organizational structure traces back to Chandler's observations of the importance of aligning structure with a chosen strategy for improved outcomes (Chandler, 1962).

Developments in defining organizational structure gathered that structure is made of three interrelated aspects: "(1) the design of units, divisions, departments, teams, and networks that group individuals; (2) the reporting relationship among organizational entities; (3) the coordination mechanisms that integrate units' activities and resources" (Huber, 1991; Moorman et al., 1993; Olson et al., 1995; as cited in Lee et al., 2014, p. 74). Furthermore, the layout of an organization's structure is defined by: (1) the existing types of structures; (2) the characteristics of organizational structures.

Habib and Victor describe the types of structures as the approach for grouping employees in an organizational entity (1991), whereas the characteristics are leveraged to describe behavioral aspects such as inter-unit relationships and coordination of activities (Walton, 2005). It could also be stated that the structural types are a macro-structural managerial decision, while in contrast, characteristics describe "the division of work and authority and the processes by which these divisions are controlled and coordinated" (DeWitt, 1993, p. 32).

#### **2.1.1 Types of Organizational Structure**

Among the first types of structures to emerge in business practice were functional structures and multidivisional structures.

Functional structures are characterized by arranged units, with distinct boundaries, in charge of a specific function or expertise such as sales, operations etc. (Habib and Victor, 1991). The structure favors efficiency, specialization and capability development but coordination problems may arise (Workman et al., 1998).

On the other hand, multidivisional structures arrange the firm into smaller, more focused, distinct units that perform various tasks. The division of the units can be product or service oriented, geographical or, very commonly, customer-centric (Day, 2006; Habib and Victor,

1991). Although these structures are typically more responsive and flexible to change, activities are duplicated in the firm, meaning an inefficient use of functional resources and higher cost (Gulati, 2007).

Newer types of structures with fluid boundaries that encourage collaboration across units and flatter vertical hierarchies have increasingly been pushed for by firms in comparison with functional and multidivisional structures. The rising organizational structures with flexible boundaries including matrix, team and network structures are an example of that (Lee et al., 2014). According to Griffin and Hauser (1996), a matrix structure organizes activities throughout more than one reporting line, combining both functional and divisional chains of command at the same time (1996). This allows for flexibility and cross-functional cooperation, nevertheless, the dual reporting line can generate confusion (Aaker, 2008).

Furthermore, researchers also highlight team structures within flexible boundaries structures. By definition, a team type of structure groups different functions according to one common goal, regardless of functional barriers (Griffin and Hauser, 1996). There are several benefits associated with this type of structure, namely, team learning, nonetheless, it may also result in complex coordination (Cohen and Bailey, 1997). With that in mind, there are various forms of team structures, some of the most common among marketing researchers are project teams and work teams.

Cohen and Bailey (1997) outlines project teams as a temporary team structure and work teams as a stable team structure responsible for providing goods or services, for instance, customer service.

It is also agreed among researchers that modular forms of team structure are emerging, in particular, ambidextrous and hypertext structures (Child and McGrath, 2001, as cited in Lee et al., 2014). O'Reilly and Tushman (2004) distinguish ambidextrous structures as a dual organization structure, meaning a structure made of two independent project teams, each with its specific purpose. The first project team, so-called "emerging business units", with the purpose of exploration and the second, "existing business units", to explore existing capabilities. This way, "emerging business units" tend to be more flexible whereas "existing business units" are more formal (O'Reilly and Tushman, 2004).

In similar fashion, hypertext structures are a combination of "autonomous self-organizing teams...to support innovative activities and hierarchical structure for routine tasks" where employees can change between the two (Nonaka and Takeuchi, 1995, as cited in Lee et al., 2014, p.75).

Lastly, researchers additionally emphasize more intangible and flexible types of structures, for instance, network structures. This type of structure is referred to as “a cluster of “task- or skill-specialized economic entities” (autonomous units, subsidiaries, and independent firms) whose activities are coordinated by contracts or relational norms” (Achrol, 1997; Achrol and Kotler, 1999; as cited in Lee et al., 2014, p. 76). In this case, the social constructs centrality and density are usually used to address the complexity of the concept (Lee et al., 2014).

### **2.1.2 Characteristics of Organizational Structure**

As characteristics of organizational structure are essential to understand the full extent of structure design and its effects, we will dive into the following six characteristics identified in managerial literature: centralization, formalization, specialization, integration, interdependence and modularity.

Jaworski and Kohli refer to centralization as the degree to which decision-making authority and action-taking power resides at the top of the hierarchy (Jaworski and Kohli, 1993, as cited in Lee et al., 2014). It is stated that authority allocation at the top of the hierarchy harms innovation, decision making efficiency and even intra-company exchange of knowledge, however, it can be beneficial in some circumstances (Menon et al., 1999).

That being said, the degree to which rules and procedures govern in an organization constitutes formalization (Troy et al. 2001). According to Kabadayi et al. (2007), formalization may present a challenge in dynamic markets by hindering the ability to adapt rapidly and impact performance.

The division of tasks into specialized roles in firms naturally fosters internal knowledge and capabilities, nevertheless, differences between groups are amplified (Barclay 1991, as cited in Lee et al., 2014). The extent to which a role in a firm calls for a specific set of skills or expertise defines specialization (Olson et al. 2005).

Regarding integration, authors describe it as the level to which organizational units closely coordinate their activity (Germain et al. 1994). Interdependence, or the need for cooperation among groups in the firm, is said to result from integration and promotes diffusion of knowledge across companies, yet it may reduce flexibility (Vorhies and Morgan, 2003).

Last but not least, the need for agility towards changing markets has led to new research that highlights modularity in organizations. According to Day (2011), modularity is the capacity of a firm to breakdown a business into units and re-assembling to cooperate more efficiently.

This leads to business unit reconfigurations, meaning, removal, addition or recombination of organizational units (Eisenhardt and Brown, 1999), such as patching or other changes in organizational charters. It is important to state that virtually all organizations contain combinations of the types and characteristics of structures (hybrid structures).

### 2.1.3 Linkage between the Types and Characteristics of Organizational Structure

Lee et al. (2014) recognized a research gap in connecting and identifying which characteristics were more likely to be present in particular types of structure, as research more commonly investigated the characteristics of structure instead of the types. This way, Lee et al. (2014) proceeded to map five types of structures onto six characteristics of structure as shown in Table 1 (Lee et al., 2014). These interrelations between characteristics and types provide insight into how firms are influenced by macro-level structures and, consequently, how to adapt and manage hassles.

**Table 2.1** Linkage between types and characteristics of organizational structure

Types of Organizational Structure	Characteristics of Organizational Structure					
	Centralization	Formalization	Specialization	Interdependence	Integration	Modularity
Functional Structure	High	High	High	Low	Low	Low
Multidivisional Structure	Moderate	Moderate	Moderate	Low	Low	Low
Matrix Structure	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate
Team Structure	Low	Low	Low	High	High	High
Network Structure	Low	Low	High	High	High	High

Retrieved from "Structural marketing: using organizational structure to achieve marketing objectives" by J. Lee, I. V. Kozlenkova and R.W. Palmatier, 2015, *Journal of the Academy of Marketing Science*, 43, p. 79. Copyright 2014 by the Academy of Marketing Science.

## 2.2 The Marketing Organization

When conducting the present review, it was found that literature on the marketing organization and its composition is hard to come by and, when existing, it is mostly broad. In spite of that, Kotler and Keller (2015) identify the following types: functional, geographic, by product or by brand, by market or matrix organizations. Moreover, Kotler and Keller (2015) widely recognize that company success is determined not only by the skills of the individual marketers but also by the way marketers are organized to create a high-performing marketing team.



Kotler and Keller (2015) particularly identify the following functional areas: market research, sales, product, advertising and sales promotion, public relations, customer service, marketing planning and administration, direct marketing and digital marketing. Although this organization stands out for its simplicity, coordination problems may arise, as well as loss of efficiency as the number of products or markets increases and each functional group competes for budget and status (Kotler & Keller, 2015). Geographical marketing structures are also identified, adding that some companies are adding area market specialists (regional or local marketing managers) to support sales efforts in high-volume markets or when high market adaptation is required (Kotler & Keller, 2015).

According to the present Kotler and Keller (2015) classification, product- or brand-management (types of multidivisional structure) differ from functional as it adds another layer of management and is adequate when a firm has a wide variety of products and brands, making it hard for a simple functional organization to handle. This structure typically includes a general, group level, product manager in charge of product category managers, whom are, subsequently, in charge of the specific product or brand managers. This type of structure can often be characterized by a hub and spoke system, where the brand or product manager coordinates efforts with multiple departments (Kotler & Keller, 2015).

The brand or product manager job description may include: “preparing an annual marketing plan and sales forecast; working with advertising, digital, and merchandising agencies to develop copy, programs, and campaigns; managing support of the product among the sales force and distributors; gathering continuous intelligence about the product’s performance, customer and dealer behavior, new problems and opportunities; and, lastly, initiating product improvements to meet changing market needs” (Kotler & Keller, 2015, p.729). Despite the fact that this organization allows managers to focus on a cost efficient marketing plan and react quickly to market changes, the main disadvantages include product or brand managers gaining product expertise but rarely reaching functional expertise. Market fragmentation also makes it more difficult for companies to develop a national strategy, for instance. Lastly, another important consideration is that brand managers usually bring the company focus on building market share rather than customer relationships (Kotler & Keller, 2015). Alternatively, companies can be structured by product categories to manage their brands. Firms, such as Procter & Gamble, have made a major shift to category management (Kotler & Keller, 2015). The new organization was designed to ensure proper resources for all categories, in comparison to a previous scenario of competition for resources and lack of coordination. Another motive for the change is the growing dominance of retail trade. In addition, in some

packaged-goods enterprises, category management has become aisle management, including multiple related categories commonly found in the same areas of stores (Kotler & Keller, 2015). Nonetheless, it is also stated that when customers belong to different groups with distinct preferences and behavior, a market managed organization is beneficial. Likewise, a customer management organization that deals with individual customers, rather than with a market or segment, may also be desirable, particularly in cases where customers have different and intricate needs. This organization will boost relationship quality (Kotler & Keller, 2015).

Finally, a matrix type of organization may also be embraced by firms that have many products for several different markets. This organization may lead to doubts regarding reporting lines and authority, during practice (Kotler & Keller, 2015).

### **2.3 Understanding the Effects of Organizational Structure**

Several theories have been highlighted by marketing researchers to explain how organizational structure influences performance and achievement of organizational goals, such as: Contingency Theory, Configuration Theory, Control Theory and Resource-Based Theory (RBT).

In sum, the contingency theory claims the best organizational structure depends on internal and external contingencies (Troy et al. 2001), whereas configuration theory highlights that elements interact with each other and those interactions are what truly impacts firm performance (Meyer et al., 1993). Thus, models developed under the theory indicate the organizational fit as proximity to an ideal profile of organization.

Control theory states that formal and informal control mechanisms aid managers in coordinating behaviors and activities with the goals of the organization (Ayers et al. 1997, Snell 1992, as cited in Lee et al., 2014).

The first three theories, meaning contingency, configuration and control theories, present multiple limitations as neither of them are able to address the mechanisms or processes that drive performance, likewise, propositions are usually too broad to be able to provide specific guidance for managers.

Alternatively, resource-based theory is described by Barney (1991) as an approach that states that firms are a combination of resources and capabilities where resources that are unique, valuable and difficult to imitate provide competitive advantage to the firm. Resources could be identified as assets that companies use to create and execute strategies (Barney and Arikan, 2001, as cited in Lee et al., 2014), meanwhile, capabilities are argued to be specific types of

resources with the intention of increasing productivity of other resources (Kozlenkova et al., 2014).

Unlike the first three theories, resource-based theory addresses the mechanisms used by structural elements to enhance performance and achievement of company interests overall, as the structural design may allow capabilities and resources to be created and leveraged (Kozlenkova et al. 2014). For instance, through the fit between structural types and characteristics with the marketing strategy. Although structural components cannot be considered resources that enable competitive advantage, the specific configurations of structural elements may enable competitive advantage.

## **2.4 Capabilities**

Overall, capabilities are viewed by authors as intricate clusters of skills and knowledge included in organizational procedures that transform available resources into desired outcomes (Day, 1994). An emerging concept distinguished by researchers regarding capabilities is the concept of dynamic capabilities, meaning capabilities that build, improve, shield, and maintain relevant a firm's unique assets on an ongoing basis (Teece, 2007), since these allow to tackle static concepts' limitations (Lee et al., 2014).

Subsequently, marketing capabilities have been defined by researchers as the firm's capacity to employ its current resources to carry out marketing functions so that the desired outcomes are accomplished (Morgan, Katsikeas, and Vorhies, 2012). Most literature uses RBT to conceptualize marketing capabilities and its connections, however, it has also been stated that some studies leave uncertain what theory was used to support. Research and definition of marketing capabilities remains fragmented and numerous capabilities can be defined (Morgan et al., 2018).

### **2.4.1 Emerging Marketing Capabilities**

Although most literature focuses on cause-effect relationships regarding capabilities or correlates types of capabilities, two recent studies were found that define and elaborate on the most important or emerging capabilities for marketers. Table 2 summarizes the findings from the two articles regarding marketing capabilities.

Research shows a distinct transition towards analytical capabilities as marketing analytics, data and technology gain significance, nevertheless digital still remains important.

Within their respective research paper, multichannel capability, big data visualization, social CRM technologies, advanced data analytics, marketing communications, data analysis, excel, presentation and interpersonal skills held greater importance ratings.

**Table 2.2** Emerging Marketing Capabilities

Grouping Topic	Classification	Capability	Author
Digital Technologies		Big data infrastructure for unstructured data	(Herhausen et al., 2020)
Channels		Use of mobile sales assistants	(Herhausen et al., 2020)
Channels		Multichannel capability	(Herhausen et al., 2020)
Digital Technologies		Big data infrastructure for machine generated data	(Herhausen et al., 2020)
Digital Technologies		Big data visualization	(Herhausen et al., 2020)
Digital Technologies		Artificial intelligence and machine learning	(Herhausen et al., 2020)
Social Media		Social CRM technologies	(Herhausen et al., 2020)
Digital Technologies		Big data infrastructure for structured data	(Herhausen et al., 2020)
Digital Technologies		Scraping and web crawling	(Herhausen et al., 2020)
Digital Technologies		Advanced data analytics	(Herhausen et al., 2020)
Social Media		Social media for salespersons	(Herhausen et al., 2020)
Digital Technologies		Voice interfaces	(Herhausen et al., 2020)
Digital Relationships		Digital Relationships	(Herhausen et al., 2020)
Digital Marketing Analytics	Knowledge	Marketing Communications	(Kurtzke & Setkute, 2021)
Digital Marketing Analytics	Knowledge	Measurement and Evaluations	(Kurtzke & Setkute, 2021)
Digital Marketing Analytics	Knowledge	Digital Technologies	(Kurtzke & Setkute, 2021)
Digital Marketing Analytics	Knowledge	Customer aquisition, retention and customer relationsh	(Kurtzke & Setkute, 2021)
Digital Marketing Analytics	Knowledge	Digital Marketing	(Kurtzke & Setkute, 2021)
Digital Marketing Analytics	Skills (Technical)	Data Analysis	(Kurtzke & Setkute, 2021)
Digital Marketing Analytics	Skills (Technical)	SEO and SEM	(Kurtzke & Setkute, 2021)
Digital Marketing Analytics	Skills (Technical)	CRM and Database skills	(Kurtzke & Setkute, 2021)
Digital Marketing Analytics	Skills (Technical)	Web Analytics	(Kurtzke & Setkute, 2021)
Digital Marketing Analytics	Skills (Technical)	Data Mining	(Kurtzke & Setkute, 2021)
Digital Marketing Analytics	Skills (Technical)	Statistics	(Kurtzke & Setkute, 2021)
Digital Marketing Analytics	Skills (Technical)	Social Media Analytics	(Kurtzke & Setkute, 2021)
Digital Marketing Analytics	Skills (Tools)	Excel	(Kurtzke & Setkute, 2021)
Digital Marketing Analytics	Skills (Tools)	Google Analytics	(Kurtzke & Setkute, 2021)
Digital Marketing Analytics	Skills (Tools)	Business Intelligence Tools	(Kurtzke & Setkute, 2021)
Digital Marketing Analytics	Skills (Tools)	Statistical Tools	(Kurtzke & Setkute, 2021)
Digital Marketing Analytics	Skills (Tools)	Google Ads	(Kurtzke & Setkute, 2021)
Digital Marketing Analytics	Skills (Soft)	Communication and presentation	(Kurtzke & Setkute, 2021)
Digital Marketing Analytics	Skills (Soft)	Interpersonal skills	(Kurtzke & Setkute, 2021)
Digital Marketing Analytics	Skills (Soft)	Problem solving	(Kurtzke & Setkute, 2021)
Digital Marketing Analytics	Skills (Soft)	Self-management	(Kurtzke & Setkute, 2021)

Source: Own elaboration.

## 2.5 The Effects of Organizational Structure in Marketing

Researchers have undoubtedly noted the impact of structure on marketing variables, as well as its facilitating effect. In literature overall, authors mention integrated modular structures as essential to address marketing difficulties and, in terms of managerial implications, increasing decision-making autonomy and avoiding formal hierarchical structures is also recommended (Lee et al., 2014).

In 2014 Lee et al. introduced the concept of structural marketing, which is described as “the firm’s use of structural design elements as marketing tools to achieve marketing objectives” (as cited in Lee et al., 2014), meaning the concept defines that organizational structure features compose strategic marketing variables.

By reviewing the main propositions and tenets of researchers on the impact of structure in marketing outcomes, it is clear that initial conclusions, using real business practice cases, have been taken regarding very specific conditions and outcomes. Accordingly, Lee et al. in 2014 conducted an analysis of over 40 empirical studies between 1990 and 2013 and was able to identify four main research areas: “(1) structure as a driver of market orientation, (2) structure as a driver of innovation, (3) structure as a driver of inter-functional and inter-departmental relationships, and (4) structure as a moderator of the strategy–performance link.” (as cited in Lee et al., 2014)

Regarding structure as a driver of market orientation, it is important to highlight Shah et al.’s research which analyzed the impact of the structure types on market orientation and was able to state that firms that have structures around consumer groups have improved customer relationships (Shah et al. 2006). Moreover, the characteristics of centralization and formalization are often used to study market orientation (Lee et al., 2014).

Research on structure as a driver of innovation mostly focuses on specific innovation outcomes such as new product success or radical innovation. In this case, the most studied type of structure and characteristic seem to be team structures and cross-functional integration. For instance, it was found that cross-functional integration promoted new product performance and its effectiveness rose when the firm sold services instead of products (Im and Nakata 2008; Troy et al. 2008, as cited in Lee et al., 2014). Although there are relevant conclusions, other innovation outcomes and structure types or characteristics need to be further researched. As for structure as a driver of inter-functional and interdepartmental relationships, findings vary amongst research of the characteristics of formalization and centralization, leading to the conclusion that synergies need to be considered (Lee et al., 2014).

We will now review more in-depth findings regarding structure as a moderator of the strategy–performance link.

### **2.5.1 Structure as a Moderator of the Strategy-Performance Link**

This area of research mostly focuses on the impact of the fit between organizational structure and strategy. It is consensual that structure should support the chosen strategy for performance and goal achievement, nevertheless, most of the research doesn't assess marketing outcomes directly which limits construct development (Lee et al., 2014).

According to Lee et al. (2014), most studies assess the fit of characteristics with types of strategies, using configuration theory where configurations were compared rather than simple interactions between variables. However, the approaches taken seem to be questionable due to lack of analysis of impact of individual components on the performance (Whittington et al. 1999; as cited in Lee et al., 2014).

It is clear there is a major research gap regarding the fit between structure and strategy, as there is only research regarding firm strategies or strategic types instead of marketing strategies such as advertising, R&D, promotion etc. (Lee et al., 2014).

According to Lee et al. (2014), some studies mention factors that improve the effectiveness of advertising or R&D, however, research doesn't consider how structural design impacts marketing activities outcome. This way, in this dissertation, there is an aim to start to address this research gap regarding the impact of structure in marketing activities or workfronts' outcomes, in order to provide managerial guidance.

In sum, organizational structure can be classified according to the types and characteristics of structure and existing theory regarding the relationship between structure and strategy and performance is explored in this literature review. In addition, resourced-based theory establishes a clear connection between organizational structure and capability development. Although research regarding the specific and emerging marketing capabilities is scarce, a trend of digital and data-based capabilities is evident.

All in all, a research gap remains in understanding how structural design is applied in practice and how it directly impacts marketing-specific outcomes. This dissertation aims to address this gap by examining how organizational structures and capabilities have evolved and its outcome.

### **3. Methodology**

#### **3.1 Research Approach**

The aim of this dissertation is to understand the evolution of marketing organizational structures and marketing capabilities, as well as, the respective impact on marketing performance in B2C firms.

Seeking to address the research questions and its complexity, an inductive approach will be followed in order to uncover new perspectives and general conclusions. Likewise, describe the evolution in the past years and its impacts in hopes of reaching practical inputs and possible benchmarks for the future. Due to the intricacy of the composition of organizational structures and overall complexity of the subject, a qualitative method for data collection was pursued. In line with exploratory research, as limited studies have addressed the topic. Data was gathered through semi-structured interviews with senior marketing professionals so that interviewees' perspectives and in-company experience can be further investigated and fully understood.

#### **3.2 Data Collection**

##### **3.2.1 Interview Script Design**

Within the different types of structure for in-depth interviews, the following interview was designed as semi-structured so that the interviewer is able to ask follow up questions regarding topics covered. Taking into account the central elements of this dissertation, organizational structure and capabilities, the following guideline for the areas of research was built: Current Organizational Structure, Analysis of Current Structure, Evolution of the Organizational Structure, Analysis of Impact, Capabilities and Future Scope of the Marketing Organization. Subsequently, the interview questions were formulated according to the literature previously reviewed to aid in the structuring of data and provide clear outputs.

The questions were formulated in an open-ended and neutral style, meaning most questions were broad and unbiased, and follow up questions were made when necessary to expand on a subject.

When it came to questions regarding complex concepts and definitions, for instance, regarding the types of structures, descriptive questions were asked. For example, interview participants were asked to describe the organizational structure and then, the structure was classified by the interviewer according to literature. To assess the effectiveness of the prepared interview guide (Appendix A), a test was conducted with a fellow junior marketing professional, prior to the actual interviews.

### **3.2.2 Sample**

The intentional sampling method was applied within a population of marketing professionals in the B2C segment, as a result of the specificities and requirements regarding knowledge of the marketing organization in the respective company, strategy behind it and evolution throughout the last few years.

Research was also restricted to the B2C segment as the B2B segment encompasses very distinct marketing practices and needs, meaning, its inclusion would result in a lack of comparability between participants and increased research complexity. This way, for the purpose of this research, interviewees had to meet the following criteria:

- Be a marketing professional or leader;
- Have 10 or more years of experience in marketing;
- Work at a B2C company with over 500 employees and majority of core marketing functions located in Portugal;
- Work in the respective company for at least 2 years.

Thus, a pool of target population was selected via LinkedIn, based on the criteria listed above. The possible participants were approached through cold emails, LinkedIn messages or using network contacts. Over 40 cold emails and around 15 LinkedIn messages were sent out, not including network contacts that were approached by Whatsapp. Out of these approaches, 10 marketing professionals were interviewed based on their availability and interest between September and October 2024. Information regarding the characteristics of the sample, including characteristics of the interview participant and characteristics of the corresponding enterprise, is displayed in Table 3.



**Table 3** Characterization of the Sample

Interview	Company Dimension	Company Product	Company Segment	Gender	Position	Years of Experience	Duration
1	Large	Mainly Services	B2C & B2B	Female	Marketing Director	+10 years	47 min
2	Large	Mainly Services	B2C & B2B	Female	Brand Director	+10 years	1h13 min
3	Large	Mainly Services	B2C & B2B	Female	Head of Communication Channels	+10 years	36 min
4	Large	Mainly Services	B2C & B2B	Female	Marketing Project Manager	+10 years	45 min
5	Large	Mainly Physical Products	B2C & B2B	Female	Marketing Director	+10 years	57 min
6	Large	Mainly Physical Products	B2C & B2B	Male	Head of Media	+10 years	54 min
7	Large	Mainly Physical Products	B2C & B2B	Female	Marketing Manager	+10 years	43 min
8	Large	Mainly Services	B2C & B2B	Male	Marketing Executive	+10 years	1h22 min
9	Large	Mainly Physical Products	B2C & B2B	Female	Marketing Director	+10 years	44 min
10	Large	Both	B2C & B2B	Female	Head of Brand Strategy	+10 years	32 min

Source: Own Elaboration.

### 3.2.3 Conducting the Interview

10 senior marketing professionals currently leading or working in marketing departments of B2C enterprises in Portugal with over 500 employees from various industries (ranging from fast moving consumer goods to retail and distribution, to finances, technology, communications, energy and utilities etc) were interviewed.

All the interview participants were notified about the anonymous and confidential character of the interview. Consentient regarding audio recording of the interviews was solicited to all participants in order to assist transcription and analysis.

The interviews were conducted in the participant's native language (Portuguese) with an average duration of roughly 51 min, ranging from 30 min to 1 hour and 22 minutes. As interviews were done, adjustments were made regarding order and content of questions with the aim of reducing repetition within the same interview. Whenever additional clarification was required, for instance, when a vague answer was given or a question wasn't clear, reformulation and follow up questions were made.

### 3.3 Data Analysis

Given the exploratory nature of this study, a primarily inductive approach and qualitative analysis were chosen.

The results were analyzed using content analysis, aiming to identify patterns in the interview transcriptions. The content analysis allowed to organize inputs and establish categories and labels in a flexible and subjective way.

All interviews were recorded, then transcribed. The first three interviews were manually transcribed in its entirety, while the remaining interviews were transcribed using the software *Transkriptor* and reviewed manually to improve time efficiency. Following that, all identifiable elements were removed from the transcription and the translation to English was done. Interview transcriptions can be found in Appendix B.

The content analysis was performed through coding, meaning, main themes were identified and each code or subcode was highlighted using colors. Afterwards, the data was organized in tables or charts that include attribute codes, meaning, a participant characteristic such as working in a company that sells a “product or service”, and substantive codes. The interview participant’s answer is represented by the substantive codes.

Multiple tables were created for specific sets of interview questions. In some cases, a table without attribute codes that represented how many interview participants stated that information was built for a clearer and global interpretation of results. This way, allowing an improved representation of tendencies. This decision was made for the global analysis of marketing capabilities, for instance, where the connection between the most important capabilities for marketeers mentioned and other questions or participants’ attribute codes was deemed irrelevant for the purpose of this research.

Ultimately, the end goal is to, firstly, identify patterns and, secondly, identify cause-effect relationships, meaning correlations made by the interview participants.

## 4. Results and Discussion

Results were organized based on the structure of the interview script and proposed research questions in the following subchapters.

### 4.1 Current Marketing Organizational Structure

This section aims to analyze the results regarding the current state of marketing organizational structures in companies with all marketing functions in Portugal, the results correspond to the interviewees' current enterprises in regards to the business-to-consumer segment (B2C). Taking in consideration questions 1 and 2 of the interview, as well as, possible follow up questions related to the topic.

In Table 4.1.1, as attribute code there is “product or service” corresponding to the current company of the interviewee. As substantive codes there is the “type of organizational structure” implemented at each company, the “nº of direct reports of head of marketing”, “nº of layers of management” meaning the number of layers of management above an entry-level employee (including executive level), for instance, if you report directly to the executive committee equals one layer, “nº marketing FTEs” meaning full time employees and the corresponding value is rounded, “shape of structure” and, lastly, “function with the most FTEs” corresponding to the marketing function with the most full time employees allocated. When it comes to the codes related to the type of organizational structure and the shape of structure, the answers were interpreted and classified into the organizational structure typologies and hierarchical shapes of structure present in the literature review, respectively.

Regarding the advantages and disadvantages of each structure highlighted by each interview participant, the data was grouped according to the type of structure in correlation. This way, in Table 4.1.2, the substantive codes are “organizational structure classification” that includes types, characteristics and shape of structure, “main advantages” and “main disadvantages”. If an area of a table is filled with “-” it means the topic was not addressed by the interview participant.

As we can see in the table below, marketing organizational structures form a hybrid of several types of structures, the most common being functional, matrix and category or segment based. Also including brand or product based and even customer journey oriented, in some

cases. Functional seems to be the most common regarding the macro structure, meaning, the macro division of teams or departments (Interview 2,4,6,7,8,9 and 10). The remaining macro structures are category based (Interview 5), customer journey based (Interview 1) and matrix (Interview 3). Within teams or departments, a matrix structure is the most common.

Concerning the shape of the organizational structure, organizations are flat or horizontal marketing structures. The average number of layers of management above an entry-level employee is 3,3 (including executive level). The horizontal structure tendency within the data pool is also made clear by the number of direct reports of the head of marketing that are, for the most part, superior to the number of layers, with an average of 5,1 direct reports.

The reasons for opting for a horizontal marketing structure that were highlighted by interview participants include agility and adaptation, cross functional collaboration and fast decision making that are crucial for fast-evolving markets and customer needs. Interview participant 2 even stated that “it facilitates communication and approval”. The advantages and disadvantages of horizontal structures will be further developed in Table 4.1.2.

Lastly, the number of full-time marketing employees ranged from 20 to 160. It is also important to highlight that although some marketing structures include teams for functions such as product, customer management or customer service, ecommerce and loyalty, other structures allocate these functions to separate departments. When it comes to marketing functions with most full-time employees allocated, several distinct answers were given, including operational marketing, communication channels (including digital & media), client management and brand management.

**Table 4.1.1 - Table of Results of Question 1**

Interview	Product or Service	Type of Organizational Structure	N° of Direct Reports of Marketing Head	N° of Layers of Management	Shape of Structure	N° of Marketing FTEs	Function with the most FTEs
1	Mainly services	- <b>Macro Structure:</b> By Customer Journey/Functional - <b>Within departments:</b> Matrix (By segment or product and Function)	7	3	Flat/Horizontal	120 FTEs	-
2	Mainly services	- <b>Macro Structure:</b> Functional - <b>Within departments:</b> -Functional; -Matrix (by segment/category and function).	3	3	Flat/Horizontal	100 FTEs	Marketing in comparison to Brand
3	Mainly services	- <b>Macro Structure:</b> Matrix (by segment and function)	5	3	Flat/Horizontal	20-30 FTEs	Communication Channels
4	Mainly services	- <b>Macro Structure:</b> Functional - <b>Within departments:</b> -Product-based; -Matrix (by product and function).	5	4	More vertical than others	100 FTEs	Evenly distributed
5	Mainly physical products	- <b>Macro Structure:</b> By category - <b>Within departments:</b> Matrix (By brand, product or sales channel, and function)	5	3	Flat/Horizontal	20-30 FTEs	Brand Management
6	Mainly physical products	- <b>Macro Structure:</b> Functional - <b>Within teams:</b> Functional	6	4	More vertical than others	70 FTEs	Digital & Media
7	Mainly physical products	- <b>Macro Structure:</b> Functional - <b>Within departments:</b> Matrix (By category, brand and function)	7	3	Flat/Horizontal	60 FTEs	Operational Marketing
8	Mainly services	- <b>Macro Structure:</b> Functional - <b>Within departments:</b> -Matrix (by campaign or segment/category or client, and function); -Product-based; -Functional.	7	3	Flat/Horizontal	160 FTEs	Client Management
9	Mainly physical products	- <b>Macro Structure:</b> Functional - <b>Within teams:</b> -Functional; -By segment/category.	4	3	Flat/Horizontal	20 FTEs	Evenly distributed
10	Both	- <b>Macro Structure:</b> Functional - <b>Within teams:</b> -Functional; -By segments.	2	4	More vertical than others	40 FTEs	Operational Marketing

Regarding the advantages and disadvantages of each structure, highlighted by the interview participants, the data was grouped according to the type of structure in correlation, as follows in Table 4.1.2:

**Table 4.1.2 - Table of Results of Question 2**

<b>Organizational Structure Classification</b>	<b>Main Advantages</b>	<b>Main Disadvantages</b>
Functional	<ul style="list-style-type: none"> <li>-Focus;</li> <li>-Well defined functions and responsibilities;</li> <li>-Automatic and efficient processes;</li> <li>-High specialization and internal know-how.</li> </ul>	<ul style="list-style-type: none"> <li>-Less people with a global, end to end vision of the business. Tendency for siloed vision;</li> <li>-There isn't accountability for profit &amp; loss for each person;</li> <li>-Big market changes would require profound reorganization;</li> <li>-High level of specialization sometimes leads to lack of a broader skill set in human resources;</li> <li>-Requires from management a high effort to ensure cooperation between teams.</li> </ul>
Product Based	<ul style="list-style-type: none"> <li>-Ownership (due to product allocation).</li> </ul>	<ul style="list-style-type: none"> <li>-High replication of functions;</li> <li>-Requires a lot of alignment between products;</li> <li>-Lack of visibility of the whole business;</li> <li>-Repetition and lack of creativity for human resources, after a few years managing the same product or brand.</li> </ul>
Customer Journey Based	<ul style="list-style-type: none"> <li>-Focus on the end result without disputes between products or segments;</li> <li>-Promotes collaboration;</li> <li>-More time efficient regarding alignments compared to departments organized by product;</li> <li>-Less redundant than product based structures.</li> </ul>	<ul style="list-style-type: none"> <li>-Risk of losing global vision of the state of the business, the end-to-end vision.</li> </ul>
Category Based	<ul style="list-style-type: none"> <li>-Global vision and integrated strategy for the core category;</li> <li>-Synergies between brands and improved agility;</li> <li>-Enhances market disruption and innovation.</li> </ul>	<ul style="list-style-type: none"> <li>-Less share of attention for smaller brands.</li> </ul>
Matrix	<ul style="list-style-type: none"> <li>-Development of a multidisciplinary skill set by working with diverse teams daily.</li> </ul>	<ul style="list-style-type: none"> <li>-Difficulty in clarifying the separation of responsibilities;</li> <li>-Less clarity in reporting lines;</li> <li>-In some cases, more prepared for short term projects, not well defined for long term needs.</li> </ul>
Centralization	<ul style="list-style-type: none"> <li>-Centralized functions helps transversal management of all brands or products, including, priority management, integration and consistency between products;</li> <li>- Allow 360° vision within the company;</li> <li>-Enhances knowledge sharing within the organization.</li> </ul>	<ul style="list-style-type: none"> <li>- Lack of involvement of marketing and communication in the starting point of product creation can undermine the focus on the consumer.</li> </ul>
Specialization	<ul style="list-style-type: none"> <li>-Non dependency on third parties.</li> </ul>	<ul style="list-style-type: none"> <li>-Big market changes, require profound reorganization;</li> <li>-High level of specialization leads to lack of a broader skill set in human resources.</li> </ul>
Horizontal	<ul style="list-style-type: none"> <li>-Agility and adaptability;</li> <li>-Collaboration;</li> <li>-Facilitates communication;</li> <li>-Facilitates decision making but might decrease autonomy of department heads.</li> </ul>	<ul style="list-style-type: none"> <li>-Operational coordination is more up top and, therefore, is hard to manage due to a lot of information.</li> </ul>

Most participants with functional structures highlight the focus on specialization and defined roles with a siloed vision negative trade off, whereas participants with product-based structures state strong ownership as a main advantage with function replication as a negative trade off. Interestingly, interview participant 1 highlighted the “focus on the same end result in a very synergistic way, avoiding “fights” between the departments “in regards to a customer journey organization and participant 5 stated “transversal vision and a global strategy for the group’s core business.” as an advantage of a category type structure.

In addition, advantages and disadvantages specifically related to marketing, the agile work methodology and smaller or new business segments were also stated. It was emphasized that new or smaller business segments within a company need to be in autonomous units for focus and agility, in the midst of big organizations with other products. Need for disruption and innovation was also stated as important when allocating a new segment, for instance, by creating an autonomous unit or allocating to a non-biased director.

Regarding the agile work methodology, while advantages include well defined processes, alignment between areas and agility, disadvantages include a lot of time spent in meetings and the methodology’s timelines and human resources evaluation responsibilities being counterintuitive for marketing. Revealing a need for adaptation of the methodology for marketing functions.

Lastly, the following marketing organization insights were emphasized:

- 1) For some, separation between brand and marketing departments improves clarity in functions;
- 2) Centralized communication team improved priority management for a few participants. As well as, brand consistency when there is an umbrella brand for most products;
- 3) When launching a product or campaign, an internalized end-to-end marketing process, meaning from the consumer insight to the communication and advertising, allowed for improved achievement of goals and impact for interview participant 7;
- 4) Recruiting human resources with diverse backgrounds for marketing specialist areas allowed for a non-siloed vision and broader skill set for interview participant 9;
- 5) Multidisciplinary digital performance teams including functions such as media, content, analytics and personalization, reporting to product owners improved focus on results and sales for multiple participants. On the other hand, reporting to the product owner meant people are less exposed to know how within the company, meaning that functional knowledge is less transversal;
- 6) A close synergy between brand and consumer experience boosted consumer insights sharing

for interview participant 2. Nevertheless, detractors' feedback sometimes made brand too cautious and restricted at times;

7) Product, offer and pricing allocation to the commercial department and consequent lack of involvement of marketing and communication department from the starting point, lead to lack of focus on the consumer for interview participant 10's enterprise.

## **4.2 The Evolution of the Marketing Organization**

This section aims to explore the evolution of the marketing organization, meaning, the main changes concerning organizational structure and functions, likewise, the accommodation of emerging needs and capabilities in B2C marketing organizational structures. In order to identify main tendencies and possible benchmarks. For this analysis, questions 3 to 9 of the interview were taken into consideration, alongside follow up questions.

This way, in Table 4.2.1, the attribute code remains "product or service" and the substantive codes are "main changes in structure", "key impact of changes", "structure improvement points". Yet again, if an area of a table is filled with "-" it means the topic was not addressed by the interview participant.

When analyzing the mains changes in organizational structures, it is clear that most could be described as accommodation or internalization of digital capabilities, including digital media, digital performance, personalization, lead generation, content, technical support and analytics, as well as, described as agility-oriented changes, including changes in structure such as team allocation or introduction of the agile work methodology.

Moreover, a broadening of the marketing functional scope is also clear in some cases, including customer management, customer experience, partnerships and loyalty, and analytics. Furthermore, it is also specified the centralization of certain marketing capabilities such as digital or communication.

In organizations that sell mostly physical products, a change towards category management versus only brand or product management is also noticeable. Besides the tendencies previously mentioned, changes include growing or new business segments, downsizing or reallocation of functions such as events and overall brand activation, flatter structures and, even, addition of a brand or marketing tech teams to work on technological and innovative solutions to facilitate marketing processes.

Interview participants often describe the impact of the changes implemented so far as too soon or difficult to assess direct impact, nevertheless, efficiency of marketing investments



(higher ROI) and improved measurement of the global impact of marketing activities on sales, on the business has been described as consequences. In addition, one interview participant mentioned that the structural change and consolidation of the category vision led to a new and innovative product being launched in the market.

When talking about current structural improvement points, participants mentioned changes in function allocation, centralization of specific functions, internalization of capabilities and adjustments related to clarification of functions or duplication. It was emphasized by one of the interview participants that restructuring or adaptations of current structure will be according to the following strategic plan and strategic priorities. This way, reinforcing the connection and required fit between structure and marketing strategy.

**Table 4.2.1 - Table of Results of Questions 3,8 and 9**

Interview	Product or Service	Main Changes in Structure	Key Impact of Changes	Structure Improvement Points
1	Mainly services	<ul style="list-style-type: none"> <li>- Removal of one management level from on of the areas, organization became flatter and more agile since covid;</li> <li>- Creation of a multidisciplinary digital team model (digital disruption), lead by each product owner;</li> <li>- Creation of the digital teams for all business categories;</li> <li>- Creation of a new team responsible for customer acquisition strategy;</li> <li>- A long time ago, the departments were divided according to product, now it is by customer journey which better promotes collaboration.</li> </ul>	<ul style="list-style-type: none"> <li>- Customer journey organization: More time efficient regarding alignment and less redundant. It had a positive impact on results.</li> <li>- Digital teams: Require high effort from product owner and workload. Having one responsible for digital teams brought clearer vision and agility so far.</li> </ul>	Adjustments regarding redundancy, function duplication in some teams.
2	Mainly services	<ul style="list-style-type: none"> <li>- Internalization of all digital media;</li> <li>- Implementation of agile methodology (only brand is not on agile);</li> <li>- Closer synergy between brand and customer experience.</li> </ul>	<ul style="list-style-type: none"> <li>-Agile methodology: Difficult to assess the direct impact. Although it improved and structured process, thought and alignment, some aspects are counter intuitive for marketing such as timelines and chapter lead evaluating instead of product owner;</li> <li>-Internalization of digital media: Yes, there was a positive impact in the optimization of digital media buying.</li> </ul>	Experiment having social media with advertising instead of the digital team. Merge offline and digital media.
3	Mainly services	<ul style="list-style-type: none"> <li>- Department marketing scope went from mostly product marketing to multiple other functions, scope was broadened. Data analytics and loyalty were included for example.</li> </ul>	<ul style="list-style-type: none"> <li>Acceleration of growth, market share growth every year.</li> <li>Improved focus on brand presence ,in every moment of consumers' life.</li> </ul>	Clarify functions & individual goals. Improve procedures & dependencies.
4	Mainly services	<ul style="list-style-type: none"> <li>- Integration of distribution channels and customer relationship within marketing department;</li> <li>- Integration of digital sales channel in marketing department;</li> <li>- Creation of omnichannel within marketing department;</li> <li>- Brand activation department integrated in the communication department;</li> <li>- Introduction of agile and allocation of product owners in various departments.</li> </ul>	<ul style="list-style-type: none"> <li>Allows for the measurement of the global impact of marketing actions, impact on sales, business. Improved ROI analysis.</li> </ul>	None for now.
5	Mainly physical products	<ul style="list-style-type: none"> <li>- Marketing organization changed from brand-based division to category-based division, meaning, brands from the same category are centralized in one marketing department under the same director.</li> </ul>	<ul style="list-style-type: none"> <li>Too soon to assess.</li> </ul>	Improve share of attention for smaller brands and union and convergence in the department.
6	Mainly physical products	<ul style="list-style-type: none"> <li>- Growth in size of the digital team;</li> <li>- Creation of a technical support team in-house;</li> <li>- Local marketing team was integrated in other teams, as it was removed as a team/department;</li> <li>- Creation of a rewards team in marketing and digitalization of loyalty.</li> </ul>	<ul style="list-style-type: none"> <li>Adaptation that took place allowed continuous growth.</li> <li>Higher efficiency of marketing investments (ROI).</li> </ul>	Create a unique digital content,materials team that works with all teams in the department to ensure coherence. Improve agility.
7	Mainly physical products	<ul style="list-style-type: none"> <li>- Creation of a specialized and centralized digital team that works with all brands;</li> <li>- Organization of departement changed from brand based to category based.</li> </ul>	<ul style="list-style-type: none"> <li>The change and consolidation of the category vision, brought a new product to the market.</li> </ul>	None for now.
8	Mainly services	<ul style="list-style-type: none"> <li>- New business units;</li> <li>- Enhanced functional dimension of structure;</li> <li>- Growth of brand digital teams;</li> <li>- Creation of sales oriented, multidisciplinary, digital teams;</li> <li>- Creation of a content production team in partnership with agency;</li> <li>- Reduction of events and brand activation area;</li> <li>- Agility driven changes, such as changes in team allocation.</li> </ul>	<ul style="list-style-type: none"> <li>Too complex and too soon to assess direct impact.</li> </ul>	Adaptations according to the following strategic plan and strategic priorities.
9	Mainly physical products	<ul style="list-style-type: none"> <li>- Growing number of segments and, therefore, brand managers;</li> <li>- Creation of an internal specialized media team, with lead generation;</li> <li>- Addition of an employee responsible for content.</li> </ul>	<ul style="list-style-type: none"> <li>Improved results and media efficiency. Ability to critically evaluate with partners and increased internal agility, due to internal media know how.</li> </ul>	Add a content and social media management team internally, including community and customer relationship management (content production outsourced).
10	Both	<ul style="list-style-type: none"> <li>- Creation of a brand technology and innovation area with the goal of creating brand solutions to facilitate work;</li> <li>-Reinforcement and expansion of digital and technology teams.</li> </ul>	<ul style="list-style-type: none"> <li>Difficult to assess.</li> </ul>	Improve synergy between communication and product.

When discussing the structural changes' overall impact, including the impact on marketing KPIs, participants elaborated on the key performance indicators for their respective marketing departments. For the purpose of this analysis, identical KPIs were grouped and the number of interview participants mentioning the KPI were counted as shown in n. Finally, the KPIs were also grouped by subject.

**Table 4.2.2** - Table of Results of Question 8

Subject	N° of Interviews	Main KPIs for Marketing	N° of Interviews
<b>Brand</b>	14	Brand Notoriety	8
		Brand Attributes	2
		Brand Consideration	1
		Campaign Recall	1
		Consumer Perceived Value	1
<b>Sales</b>	9	Sales (Including by segment and brand)	6
		% Innovation in Sales	1
<b>NPS</b>	5	NPS (Including market and client)	5
<b>Market Share</b>	5	Market Share (Including per brand and category)	5
<b>Client</b>	4	N° of Clients	1
		New Clients	2
		Client Churn	1
<b>Profit</b>	7	Profit Margin or Profit & Loss	3
		Revenue	1
		ARPU (Average revenue per user)	2
<b>Innovation</b>	3	Innovation	3
<b>Loyalty</b>	1	Loyalty Index	1
<b>Marketing Budget</b>	1	Marketing Budget Compliance	1

As shown in the tables above, the most mentioned KPIs were Brand Notoriety, Sales (including per segment and brand), Net Promoter Score and Market Share (including per brand and category). A balanced focus between brand and sales KPIs for marketing is showcased. Consumer satisfaction and loyalty' importance is highlighted, as is innovation as a marketing performance indicator.

In order to further assess the evolution of the marketing organization beyond structural attributes, changes in the importance of marketing functions alongside new functions for marketing were discussed. Thus, Table 4.2.4 showcases the results regarding functions. The attribute code remains, once again, “product or service” and the substantive codes are “marketing functions growing in importance”, “marketing functions decreasing in importance” and “new functions for marketing”.

In regards to the functions growing in importance, the digital marketing function is emphasized by multiple interview participants, particularly, digital media, digital performance,

lead generation, digital marketing funnel, ecommerce, content and social media. Furthermore, business intelligence, analytics, ROI analysis, data interpretation and consumer insights are stated by most as becoming increasingly important.

Concerning functions decreasing in importance, there is a clear tendency amongst responses. Offline brand activation, events and sponsorships are declining in importance for companies, in accordance, out of home (OOH) marketing was also highlighted. The arguments or reason why stated by participants, particularly for events, include the fact that events are a long term investment for brands and take time to build awareness, have a small reach compared to today's connected world, and, consequently, when sponsoring an event the cost per person reached is very high becoming an investment that isn't justified, particularly for brands with very well established brand notoriety. Participants state that companies are reducing the number of events and that, when sponsoring an event, the event should also be an experience for those who aren't in person and have a wider reach, meaning online expansion. Interviewees also mentioned that certain point of sale activations are being replaced by digital activations and personalization due to much higher return on investment, as well as, less time and effort allocated.

Lastly, when asked about new marketing functions that have emerged within departments, the rise of the data-driven marketing approach is clear. Showcased by the inclusion of the following functions: business intelligence, business analytics, big data and corresponding data scientists, AI and enhanced audience segmentation. In accordance with the data-driven shift, new working tools for marketing such as AI and new tech solutions are starting to be applied to marketing processes, from market and consumer research to campaign development. Creating fully digital value propositions and working on new forms of brand presence in the digital world have also become new functions, reinforcing the need for a digital-first mindset. Additionally, ESG as a new marketing function brings out the conscious element of modern marketing.

**Table 4.2.3** - Table of Results of Questions 4,5 and 6

Interview	Product or Service	Marketing Functions Growing in Importance	Marketing Functions Decreasing in Importance	New Functions for Marketing
1	Mainly services	- Digital.	-	- Business Analytics; - AI.
2	Mainly services	- Digital Media; - Customer Experience; - Brand building regarding: - Consumer Insights; - Brand Purpose; - Ethics.	Events.	- Data scientists and big data; - Tech and new tech solutions.
3	Mainly services	- Partnerships and Loyalty; - Social Media; - Events.	Out of Home.	Marketing is now much more analytical.
4	Mainly services	- Business Intelligence - Digital Performance, for instance, Lead Generation; - Communication.	Events and brand activation.	Business Intelligence.
5	Mainly physical products	- Omnichannel; - Social Media & ecommerce; - AI.	-	- ESG; - New working tools for marketing.
6	Mainly physical products	- Digital & Media; - Analytics; - Personalization; - ROI Analysis; - Loyalty.	Local or point of sale brand activation (transitioned to digital).	- Business Analytics; - Audience Segmentation.
7	Mainly physical products	- Digital; - Data Interpretation; - Consumer Insights.	-	-
8	Mainly services	- Digital (both for brand building/awareness and for sales/performance).	Events, brand activation and sponsorships.	- Building fully digital value propositions; - AI and analytics, applied to marketing processes; - Digital brand new forms of brand presence in digital world.
9	Mainly physical products	- Digital marketing funnel; - Content; - Analytics.	-	-
10	Both	- Digital; - Technology.	Administrative functions.	-

The externalization or internalization of marketing functions is also an important element of evaluation, concerning the evolution of marketing functions. Outsourced functions were grouped by similarity and the number of interview participants who stated that the function was outsourced was counted, as shown in Table 4.2.5 below.

**Table 4.2.4** - Table of Results of Question 7

<b>Outsourced Marketing Functions</b>	<b>Total N° of Interviews</b>	<b>Mainly Product Company</b>	<b>Mainly Service Company</b>	<b>Both</b>
Creativity	9	4	4	1
Media Buying	6	3	3	
Events/Event Production	4	2	2	
Public Relations	3	3	0	
Content Production	3	2	1	
Social Media and Community Management	2	1	1	
Influencer Marketing	2	1	1	
Market Research	3	1	1	1
Loyalty Projects or Programs	1	1	0	
Afiliate Marketing Campaigns	1	0	1	
IT Developments, Websites and Platforms	1	0	1	
Sales Teams and Coordination	1	0	1	

Creativity and media buying undoubtedly represent a pattern regarding outsourcing of marketing functions, as most participants stated that this function is outsourced. The main reasons why, stated by interviewees, are as follows:

- 1) Regarding outsourcing of creativity:
  - a) Creative profiles and careers require distinct management in comparison to typical corporate management;
  - b) Need for diversity and rotation of projects, in order not to funnel vision regarding a market or consumer;
  - c) Non consistent workload;
  - d) Strategic and creative support through external know-how for enterprises.
- 2) Regarding outsourcing of media buying:
  - a) Costs;
  - b) Higher capacity of negotiation of media agencies;
  - c) Process agility and specialization.

On the other hand, a few interviewees provided insight regarding the rationale behind the internalization of media, citing that an increased internal lack of knowledge of the media function negatively impacts optimization, integration of processes and agility. One even

claimed that internal business knowledge paired with media know-how enhanced optimization compared previous outsourcing results. Furthermore, agility and integration with other marketing functions were said to improve after the internal media team was created.

All in all, numerous participants assert that outsourcing mostly addresses functional marketing needs, whereas the core and strategic marketing is done in-house. In addition, a desire to internalize big data and AI functions, in order to have control over information and be able to critically evaluate subjects was expressed.

### 4.3 Capabilities

This portion of the research focuses on emerging marketing capabilities and the most important capabilities for any marketer nowadays, considering both technical and interpersonal capabilities. The results presented are linked to questions 10 to 12 of the interview script. To achieve a clear, concise and global interpretation of the results regarding capabilities, capabilities were grouped when high levels of similarity were displayed and the number of participants that highlighted the respective capability were counted.

Overall, interviewees emphasized soft skills over hard skills, as seen by the greater number of different soft skills identified in comparison to hard skills. The argument is that hard skills are more readily acquired and developed, nonetheless, some hard skills, such as AI, require a lot of attention and focus in order for widespread proficiency to be achieved. Table 4.3.1 displays interpersonal capabilities, the so-called soft skills, whereas, Table 4.3.2 displays technical capabilities, also known as hard skills.

Concerning soft skills, curiosity, empathy and interpersonal capabilities clearly stand out, whereas, regarding hard skills, data interpretation is identified as the most critical, meaning, the most important hard skill according to the marketers interviewed.

**Table 4.3.1** - Table of Results of Question 11

<b>Most Important Interpersonal Capabilities For Any Marketer (Soft Skills)</b>	<b>N° of Interviews</b>
Curiosity	6
Interpersonal Capabilities	5
Empathy	4
Human Factor/Humbleness	2
Proactivity	2
Adaptability	2
Solution Orientation	2
Colaboration	2
Results Orientation	2
Ability to Influence	2
Ability to Inspire	1
Public Speaking	1
Critical Thinking	1
Autonomy	1
Emotional Intelligence	1
Storytelling	1
Ownership	1
Entrepreneurship	2
Resilience	1



**Table 4.3.2** - Table of Results of Question 12

<b>Most Important Technical Capabilities For Any Marketeer (Hard Skills)</b>	<b>N° of Interviews</b>
Data Interpretation	8
Strategic Thinking	3
AI	3
End-to-end Vision of Business	2
Correlation of Several Information Sources	1
ROI Analysis and Evaluation of Results	1
Automation	1
Market and Consumer Orientation	1
Marketing Strategy Execution	1
Digital Campaign Management and Planning (including Google Search, Google Analytics, Meta)	1

Lastly, when participants were asked about the marketing capabilities that have emerged, meaning, new capabilities or capabilities that have significantly increased in importance, several participants that replied to this question highlighted data analysis or data interpretation, followed by digital performance. It is also interesting to note that Brand Purpose and Ethics Building was brought to light.

**Table 4.3.3** - Table of Results of Question 10

<b>Emerging Marketing Capabilities</b>	<b>N° of Interviews</b>
Data Analysis or Data Interpretation	4
Digital Performance	3
Prompting in AI tools	2
Business Analytics	1
Creation of Digital Value Propositions	1
Audience Segmentation	1
Identification of New Business and New Value Propositions	1
Agile Methodology	1
Brand Purpose and Ethics Building	1
Problem Solving	1
Colaboration	1
Client Insight Sensitivity	1
Project Management	1

## **4.4 The Future of the Marketing Organization**

In the last portion of the interview, participants were asked a speculative question regarding the future of the marketing organization, specifically how the organization of marketing will evolve and remain successful, focusing on their personal opinion. Thus, question 13 of the interview was taken into consideration for the present analysis.

Most participants foresee marketing becoming one of the first areas of business to fully incorporate artificial intelligence and, consequently, suggest that marketing will become more productive, will have access to increasingly high quality information and process it in a shorter time span, meaning, efficiency in treatment of data. Some participants even indicate that functions will be different, more focused on coordination of software rather than execution (Interviews 2 and 7).

Interview participant 1 adds that this transformation will require a change of mindset within organizations, stating “The dynamic of organizations will have to change, towards more flexibility, adaptation and change of mindset overall”.

In addition, the inclusion of sustainability, ethics, brand purpose and technology in marketing is emphasized (Interviews 4,7, 8 and 9).

A continuous shift from creativity and communication to data driven marketing, automation and hyper personalization is, likewise, increased proximity to consumers including co creation and personalization. (Interviews 6 and 7). Regarding advertising, a clear path towards entertainment was also stated.

At last, a few interview participants also reinforce that a marketing mindset across all the organization is a determinant of success, meaning a marketing orientation as core for the whole enterprise.

## 5. Conclusion

In today's fast evolving landscape of new consumer behaviors, increasingly competitive markets, disruptive innovation and technological breakthroughs, it is crucial that marketing organizational structures adapt to accommodate emerging needs or capabilities and tackle the increasing marketing complexity.

Having said that, this dissertation was developed with the aim of providing exploratory understanding of the evolution of marketing organizational structures, emerging capabilities and their respective accommodation in organizations, and thirdly, the main outcomes for marketing. As well as, managerial contributions and benchmarks to guide future practices.

Thus, filling the gap between literature and practice in B2C companies in Portugal. To address the research questions, ten interviews with senior marketing professionals were conducted, revealing qualitative insights. The interviews led to the following main takeaways:

Firstly, regarding research question 1, current marketing structures are predominantly a hybrid of functional, matrix and category or segment based as functional division is most common as the macro structure, whereas, matrix structures are most common within teams or departments. Matrix structures support collaboration and agility meanwhile functional remain common due to focus and defined roles. The advantages pointed out are in line with literature statements of Aaker (2008) regarding matrix structures and Habib and Victor (1991) regarding functional structures.

Regarding hierarchy, it is clear that there is a significant trend of horizontal structures due to improved agility, collaboration and fast decision-making. Perhaps, this scenario might be emphasizing a search for balance between collaboration and role specialization as companies navigate increasingly dynamic markets.

Concerning the evolution that organizational structures have undertaken in recent years, the main trends include internalization of digital capabilities, agility-oriented adjustments including introduction of the agile work methodology, broadening of the functional scope of marketing and centralization of certain marketing functions or capabilities, for instance, digital and communication. Furthermore, in product-based organizations, category management is gaining prominence, this way, following the international trend reported by Kotler and Keller (2015). Lastly, flattening of structures was also reported, particularly since Covid. Other changes

included growing business segments, downsizing of functions related to offline marketing and the addition of tech teams for innovative marketing solutions.

Secondly, concerning research question 2, the rise of data-driven marketing is clear, as the most mentioned emerging marketing capabilities are data analysis and interpretation, then digital performance and AI prompting. These emerging capabilities are being accommodated in organizational structures through the introduction of new functions, internalization or team expansion and reorganizing. In fact, the new functions for marketing highlighted were business intelligence, business analytics, big data, AI and audience segmentation. Creating fully digital value propositions and new forms of digital brand presence have also become new functions.

Although a digital-first mindset is emphasized, it can be concluded that there is a clear shift towards data capabilities. This trend validates the findings of Herhausen et al. (2020) and Kurtzke and Setkute (2021) regarding marketing capabilities.

Finally, while addressing research question 3, the results revealed that for most marketers the direct impact of recent changes is often difficult to assess to form direct correlations, due to the effects of many different factors or recency of change. However, the internalization of media was shown to significantly improve media buying optimization, the change to a customer journey organization resulted in improved time efficiency and impacted sales positively and the change to a category-based organization led to a new, innovative product launch. Moreover, the growth or integration of digital performance teams, accompanied by growth of analytics and business intelligence, led to increased marketing investment efficiency and improved measurement of marketing's global impact on sales (ROI).

## **5.1 Contributions to Theory and Implications for Practice**

The main findings in this research, firstly, contribute to organizational theory by providing insight into the current types of structures adopted by enterprises and its respective advantages and disadvantages. Although most advantages and disadvantages align with existing literature, the characterization of structures brings new clarity and bridges the gap with practice. Marketing structures are mostly horizontal, functional and matrix, however, interesting advantages were stated regarding customer journey-based structures and category-based structures that might reveal new paths for research. How structures have evolved also unlocked further trends, for instance, internalization for ROI optimization, introduction of the agile work methodology, broadening of the functional scope of marketing, centralization of select

marketing functions and addition of tech teams for innovative marketing solutions can lead to new research paths.

The identification of the specific capabilities in emergence, likewise, the most important capabilities for any marketer regarding both technical and interpersonal capabilities, fills a research gap as academic literature predominantly focuses on cause-effect relationships of capabilities. All in all, a clearer identification of marketing capabilities for enterprises and individuals, including opinions of marketers across multiple industries selling both products and services, is provided.

Furthermore, the assessment of structural changes' direct impact, including impact on marketing performance and main KPIs, builds a theoretical understanding of how structural changes impact performance. This correlation provides a foundation for future research to expand on how organizational design choices specifically influence marketing workfronts' effectiveness.

Nevertheless, most findings provide practical guidance for marketers and marketing managers. Firstly, marketing managers and HR can use insights from this dissertation to make informed decisions and apply benchmarks when structuring their marketing departments as the study highlights the benefits of different structures. Secondly, insights regarding accommodation of capabilities and the rationale behind the allocation of functions in-house or externally to optimize performance are provided.

Lastly, both marketer, enterprises and academia can utilize the capabilities identified to guide development and training for future preparation.

## **5.2 Limitations and Future Work**

Although this exploratory study provides clear contributions to both theory and practice, it is subject to multiple limitations that should be taken into account.

Pertaining to the data collection, the research sample is reduced. Although, there isn't a defined number of participants to gather data from in qualitative research, representation could be improved. Research could be expanded through the inclusion of not only Portuguese but also international marketers and companies. The research is also limited to marketers' perspectives, in future works human resources should be included to provide a different outlook. In connection with the attribute codes, further research on the correlation of the topics according to the attributes could be developed. For example, by doing a comparative analysis

according to the revenue model, industry, country, business growth stage and primary sales channel of the enterprise.

It is also important to point out that although qualitative research is flexible and allows to identify new ideas, its subjectivity and limited generalizability are inevitable. Therefore, future research can expand ideas through quantitative analysis of structure-performance links, for instance. Other qualitative methods could also complement the analysis, for instance, by including content analysis of recruitment platforms.

Besides that, the focus of the dissertation on structure and capabilities may overlook other influential factors such as culture, leadership style or external environmental factors.

At last, another avenue for future research includes conducting longitudinal research to follow changes in organizational structure and capabilities over several years.

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## **Appendices**

### **Appendix A: Interview Script**

#### **Current Structure**

1. How is marketing structured in your current company? In other words, which marketing functions are covered and how are they organized?

#### **Evaluation of the Current Structure**

2. In your personal opinion, what are the 2 main advantages and the 2 main disadvantages of the implemented marketing structure?

#### **Evolution of the Structure**

4. Have there been any significant changes in the organizational structure in recent years? If so, what were the main changes?

5. Which functions have increased in importance and/or human resource allocation, and which have declined?

6. Have new functions appeared in marketing? If so, which ones?

7. Which functions are outsourced and why?

#### **Analysis of the Impact of Change**

8. What are the most important KPIs for marketing in the company? What was the impact of the main changes on the KPIs?

9. Do you identify any improvement points regarding the current organization?

#### **Capabilities**

10. Which marketing capabilities are currently emerging, meaning, new capabilities or capabilities that have grown in importance in recent years?

11. In your personal opinion, what are the 2 most important interpersonal skills that any marketer should have? (Soft Skills)

12. And what are the 2 most important technical skills that any marketer should have, both in terms of knowledge and tools? (Hard Skills)

### **Future Scope of the Marketing Organization**

13. How do you think that a successful marketing organization will look like in the future?

## **Appendix B: Transcript of Each Interview**

### **B.1 Interview 1 - Participant 1**

Interviewer: How is marketing structured in the company where you currently work, that is, what functions are included and how are they organized?

Interviewee 1: Marketing in this industry, primarily service-oriented although it also has products, is a core area of the company from which new value propositions for the market emerge. Obviously, there is a strategy area that outlines the five-year plan and vision, but marketing designs the plan year by year, hence the centrality of marketing in the company. In the B2C segment, we are organized as a customer journey. Product management focuses on innovation at the product level and requirements. After the product base, the process passes to two other areas: one that acquires customers, analyzes competition, market, and customer insights; and another that manages customers with the goal of increasing customer lifetime, generating greater satisfaction, increasing customer value, and share of wallet. Then, there is one more division that, in the customer value chain, encompasses "churn", or customer exit, seeking to anticipate and retain customers. Additionally, there are two separate divisions dedicated to market segments, managing these segments in a 360° manner.

Interviewer: How many management levels do these areas have more or less? Is the structure more horizontal or more hierarchical?

Interviewee 1: I prefer that the management and structure be completely horizontal as it brings significant agility, with about 4 levels, namely administrator, director, coordinator, and employee. Trainees also report to the coordinator. There are about 20 of us in the department. The agility necessary in a highly competitive market cannot allow for a week of waiting to respond.

Interviewer: Do you use flexible work structures like project teams or working groups? How often and for what purpose?

Interviewee 1: If necessary, there is mobility of people based on project needs, yes. There are many multidisciplinary projects in marketing with needs ranging from commercial, IT, communication. Project managers oversee the project from start to final implementation. For example, there is a transformation project occurring in the company, with people allocated to it in a matrix structure. For instance, projects focused on customer experience, continuous improvement, and evaluating primary customer pain points, from which we can draw conclusions about the customer journey.

Interviewer: How is the structure organized within the departments?

Interviewee 1: Within the segmentation team, there are 6 areas. There is an area for offer management. Then there is a team that bridges the product to the market, coordinating with communication the priorities of all areas, communication priorities, briefs for communication, and the link with the sales team. The sales priorities must be managed to prevent each product manager from prioritizing their own, so to speak. Then, there is an area focused on customer experience themes, journeys, etc. This area will merge with a team that handles the offer for a segment. It could even be in the customer management area but is situated in acquisition. There is also a newly created strategy team for recruitment, and another area dedicated to efficiency transformation.

Interviewer: In your opinion, what are the two main advantages of this type of structure and the two main disadvantages?

Interviewee 1: The main advantage is the focus on results, perception and understanding of all businesses of the focus on the same end result in a very synergistic way, avoiding “fights” between the departments. In the past, we had segments separated into departments. Bringing all offerings together promotes greater collaboration between areas. The disadvantage is that if there isn’t much knowledge about what the other areas are doing, there’s a risk of losing sight of the business’s overall state. One part may be compensating for another, losing sight of what is going well or poorly. It’s important to keep an overview of the company and the business. Therefore, curiosity is essential. For example, to acquire customers, one could lower prices by 50%, but that would cause problems in customer management, as all customers would demand that price. It's crucial to understand the business as a whole.

Interviewer: Do you think these changes have had an impact on the performance of marketing as a whole?

Interviewee 1: I think they have because before, many things required alignment, which wasted a lot of time between the different departments. A lot of alignment was truly necessary, which became redundant. Now there is another need for alignment; it is done by showing what is being done but in a much more adaptable manner, and people are already more aligned regarding objectives.

Interviewer: Have there been significant changes in the structure in recent years? Have there been restructurings? What were the main changes?

Interviewee 1: Since Covid, there haven't been major changes in terms of management, just one area or another that was altered. In my team's case, I think we have become more agile because previously there was one person managing two areas and the teams under them, we made the organization even flatter. Another thing that happened was the disruption of digital. Even though we were already working with digital, a more pronounced digital transformation occurred in the company that forced the teams to reorganize, and as a result, we created a squad model, which are multidisciplinary teams. Previously, there were categories that we didn't even work in digital marketing, now what we have is a so-called product owner for my area for all segments, who leads digital teams with various skills from media, content—which means those who create the creatives—business experts, IT, systems. In other words, with almost the same people, we had to create a digital team that has since evolved and even moved the ecommerce part more to commercial, meaning the product owners remain on my side, but areas from other teams ended up migrating to the commercial area. Previously, there was a media in communication, the content teams were in the agency; now they are all inside an ecommerce team in commercial, which makes sense to me. The product owners remain on this side because if they were to move to commercial, there was a lot of discussion about this, because the market changes very quickly, and when they make changes to the offer, they have to notify, and 80% of the time we don't notify, and it's not out of malice, it's just because there's a scramble to align, do, etc. If there was this product owner, let's call it a mirror on the other side, this would happen the same way. We have a product owner in the department who, when there are changes, communicates for both offline and digital; it's more agile. The changes were aimed at addressing the growing need for digital and greater agility. Also, in moments for the company,

for example, the departure of a team that was creating offers in the system and asking IT etc., to the customer management department. As a new system comes in and it's customer management that manages that project, this migrating team will play a relevant role in working with them and it makes more sense today for ease.

Interviewer: And have new functions emerged for marketing?

Interviewee 1: The acquisition strategy emerged about a year ago and came from the opportunity; we are going to have a new system and it gives us the chance to treat customers differently, and we will leverage this new system to characterize each new customer that arrives. A new area has emerged as well. And another need that I have and have not been able to incorporate while maintaining headcount is business analysts, more analytical/numerical people; some marketers can complement both things, which are essential for preparing for the future. AI too, we can do a lot of data work with the teams we have to bring in, but I would like to internalize these skills that are fundamental for marketing in the future.

Interviewer: Which fields of work or which marketing functions have been gaining importance and which have been declining in importance?

Interviewee 1: Some segments have always had a very high focus, others have gained more importance due to projects or the company's strategy or market situations. Otherwise, it has remained stable.

Interviewer: Which functions are outsourced and why?

Interviewee 1: We do not currently outsource; we have had it before, but there was one area where the customer management team migrated, which is practically all outsourced. But we do everything in-house because they are core functions.

Interviewer: Do you consider that job descriptions have changed and, if so, in what way?

Interviewee 1: They have remained similar. We at one point had a coordinator who coordinated two other segment coordinators, so there the job description was slightly different, but generally, for quite some time it has had this configuration.



Interviewer: Has there been any impact as a consequence of the changes made recently?

Interviewee 1: This area of the acquisition strategy is creating a new framework with IT, a new system, it has an operational component of creating a journey that requires alignment with other teams and is still being fine-tuned in the structure. I think the digital part is requiring a big effort from people, the product owners, who have to divide themselves; some of them are also coordinators of the areas. Besides coordinating the area, coordinating the squad is a big effort, but it allows for a big picture view of acquisition.

Interviewer: What are the main evaluation metrics for marketing as a whole? And has there been any impact on the KPIs as a consequence of the changes made recently?

Interviewee 1: For the acquisition area, it is customer acquisition and RPU, that is, average revenue upon entry. For segments, sales and margin. Since they shifted from silos of segments to now, I think so. Initially, there was a lot of me being responsible for acquisition and another for churn, each maximizing their objective, but we realized that the goal is to increase customer growth, so there is a power struggle between both parties. With this vision, the overall work goal for the teams was completely clarified.

Interviewer: What points of improvement do you identify in the structure?

Interviewee 1: They are still adapting. The change in digital is recent, a part of the acquisition strategy is slightly overlapping with areas of offering, the same people in the meeting tables, there may be redundancy here. I need to talk to people, but I think there are opportunities for improvement. Digital changed recently; this structure makes more sense, but there may still be duplication. Overall, it is running better because we have a more unified vision... and we have a single responsible person for the various functions of the disciplinary teams, which helps a lot with agility.

Interviewer: Is there any competency that you think is growing significantly in importance?

Interviewee 1: The analytical part is increasingly important in marketing, there are two forces here, that part and the continuous part, and more and more analytical tools are available

for us to capture customer insights. That is, information analysis, data analysis, but also gaining sensitivity to the customer, to customer insights. For this, we also have a lot of information; the customer talks to us every day and can provide us with very rich information. Sometimes, there is so much information that we don't know how to use it, and new tools come to assist in this analysis. Gaining more sensitivity to the customer, we don't always have to conduct focus groups. We will continue to do so but to assist. We need analytical people who want to understand the customer. In product management, we previously had very marketing-focused teams, and we need those competencies as well, but increasingly in product management, there is a large component of project management, a desire to understand the technological part, which is very useful, and a willingness to learn about the products.

Interviewer: In terms of competencies for any marketer, what are the two soft skills you consider most important? And the two hard skills that are most important, both in terms of knowledge and tools?

Interviewee 1: In terms of soft skills, I think the most important are attitude, sparkle in the eyes, grit, essentially the desire to make things happen and deliver. Then, empathy and being collaborative, involvement. And the ability to influence the organization, for example, that the project is the most important to make happen. Regarding hard skills, analytical capability but in a logic of reasoning and data interpretation. Understanding the game, using logical reasoning, building around a challenge, and very importantly, the ability to solve problems. The difficult part is the soft skills; I think hard skills can be learned.

Interviewer: Is there any competency that you think is very underdeveloped in the market?

Interviewee 1: I think underdeveloped is more AI, the tech area.

Interviewer: And how do you envision integrating them?

Interviewee 1: By challenging the team to start integrating new areas of work, training with sharing of achievements. I have even talked before about coordinating to challenge them to look at our work and think if they could transform it, using complementary tools, questioning. There has to be interest, and if we stimulate sharing and conversation around this, I've done this with customer insight topics, and a liking develops.

Interviewer: From a future perspective, do you have any plans for restructuring? And how do you think a successful marketing organization will look in the future?

Interviewee 1: Yes, I think so, but it is still in a very embryonic stage. I think that increasingly, marketing, in terms of agility, the merging of areas will happen more and more. We can allow people to grow, step out of their comfort zone, and develop new skills; I think this will naturally happen. Regarding a successful organization in the future, I think it will be very different considering the technological revolution and artificial intelligence; there will be more people or the same number of people doing much more because they will be more efficient in methodology. We will have a lot of quality information for decision-making, processing information in less time, spending less time preparing presentations, etc. The very dynamics of organizations will have to change, with greater flexibility, a general mindset shift, and adaptation.

## **B.2 Interview 2 - Participant 2**

Interviewer: How is marketing structured in the company you currently work for? That is, what are the functions covered and how are they organized?

Interviewee 2: We have two main business areas in the company, B2C and B2B. In B2C, we have Marketing areas, Commercial areas, and customer value management areas. What falls under marketing is the marketing direction itself and the brand direction. The brand area is “married” to the customer experience area, meaning they are together under the same director; I have this dual role. Now we also have something new, relatively recent, which is a new business segment that is also under my area, so I have a kind of all-in-one marketing and brand. The marketing direction is more or less divided by product type, category, segment; that is, there is a team that handles acquisition, a team for each different segment. There is another area that deals with aggregation proposals, meaning upsell and cross-sell. Then there is another area that could be within marketing and is in customer value management, which is the loyalty area that includes the loyalty program. We are very organized more by product, with transversal areas, meaning the product has an agile structure, which is not the case for my direction. Agile structure because there are these pillars more related to product owners, but then there are chapters that are transversal, like the pricing chapter, which consists of people specialized in ensuring pricing alignment across the various teams, or the go-to-market chapter, which comprises all the people responsible for passing briefings to the brand regarding when they go ahead with what campaign, in which channels, etc. There are some transversal chapters. This is a matrix organization for marketing.

Then there is the brand direction that works in direct cooperation with marketing and is not an agile structure but is what’s called a center of expertise within agile. In practice, what happens is that the brand people are in the meetings you call dailies; they are not in all of them like marketing, but they are in many, and they conduct retrospective meetings after campaigns have ended. They have weekly status meetings, so it’s almost as if they are part of the team, but they are in a separate center, which is the brand direction. Here we have an area dedicated to advertising some segments. All advertising campaigns, above the line, meaning all communication seen from digital to billboards, radio, and television. This area also used to have, but now it’s in another area, although it’s more intuitive for it to be here, just to help you

understand, what the brand entity is responsible for is confirming whether the brand is being applied correctly.

In addition to advertising, we also have advertising for another segment that, because it doesn't have communication so consistently over time, is grouped with a very seasonal area—the activations, events, and sponsorships area. This team also works on another segment due to a division of labor in the department. Then there's a third area, which is the digital area. We created an in-house digital media buying agency within the brand; we stopped outsourcing media agency services. We continue to subcontract for television and radio media buying, but for digital, we do almost everything in-house. We created a group of people whose role is to set up digital campaigns, handle setup on Facebook, Google, Instagram, programmatic buying, negotiate programmatic, and keyword buying, SEO, and SEM. SEO is not done here because it's more about website optimization, but SEM, the purchase of keywords, yes. This area also manages social media. For one of the segments, social media management is with advertising because it's closely tied to what's done in advertising, but otherwise, it's separate.

Then we have a fourth area that manages the budget for the area and manages offline media buying. In the consumer experience area, we focus on analyzing customer consumption journeys, analyzing processes, listening to the voice of the customer, and understanding complaints—what they say about us on social media, grievances. It's a customer-oriented view of what goes wrong and has the function of communicating with different areas of the company, from marketing to operations, call center, IT, etc., to try to understand what is going wrong, or with the product manager. Finally, there is an area dedicated to another segment, where they define the commercial offer, set the market strategy, establish customer experience processes, and strategize channel distribution. It's sort of an all-in-one marketing for this segment.

It could be part of marketing, but it was decided that, due to being disruptive and the need for focus within the vast scope of things to do in the existing segments, it would be better for someone less influenced by what is done in the company for the other more mature segments to think about this segment.

Therefore, we have the brand, marketing, and customer value management that bring new acquisition commercial offers to the table, focusing on growing customers and selling more services to them. Then you have all the commercial channels, including a digital channel manager and a digital director. In the brand, digital marketing is essentially the ability to use the channel as a means of advertising. The digital director is responsible for sales on the website and app, from both an acquisition standpoint and a customer value growth perspective. Within customer management, there is still a big data area that was initially with the brand, but it was

later decided that it made more sense to integrate it there. So what does customer management do? While marketing and branding are 90% focused on acquiring new customers, consumer experience and customer management are aimed at managing the customer portfolio. Therefore, the function is to grow the revenue from existing customers that marketing acquires. It is about managing the customer lifecycle, trying to increase revenue. So we have marketing in the strict sense and in the broad sense, the brand. They are autonomous but report to the same person.

Sometimes, two areas are overseen by the same person because it makes sense or is related to the director's profile. Brand and consumer experience have synergies; I would say they are two areas that run in parallel but have weekly meetings at the same time, the so-called staff meetings (mandatory weekly meetings of management with direct reports). Beyond the director's profile, this creates positive synergies; in other words, there have been advertising campaigns inspired by consumer insights obtained through the area, and we have also done things differently in the brand due to customer feedback. In other words, insights from one side feed the other, and on the other hand, there are restrictions on the brand to avoid issues with customer experience. Furthermore, customer management needs to communicate well with the customer; the brand is very focused on communicating externally but has all the know-how to communicate with customers, which is another synergy that makes everything faster. Two indicators that guide us are brand consideration, which brands would you consider for the service or product, and NPS, which is the capacity to recommend the product. In addition to the staff meetings, in terms of governance, there is a monthly gathering of all management, during which people present their projects, and there is a component where areas are exposed to everyone. I can also tell you that when things go wrong, for example, during a time of greater pressure from customers, there is also a detrimental effect of this synergy. Sometimes there is a not-so-positive contamination effect where the brand thinks it won't say certain things because of x and y. Because we are always looking at a slice of customers that is not the majority, who complain about the product. We become overly cautious about talking about things, and that effect is sometimes not so good, in my opinion. But it is a trade-off; there are not only advantages.

Interviewer: Is it common to use more flexible work structures, like temporary project teams? In other words, how often do you use them and for what purpose?

Interviewee 2: There are projects that arise that are cross-area, cross-functional projects with a specific goal and deadline. Normally, a steering system is set up, which involves weekly meetings with a sponsor, who is often an administrator. You also appoint a project leader. These projects are identified at the beginning of the year in the commercial plan and can sometimes last more than a year, up to a year and a half. They are projects that typically do not have a clear area to which you should attribute them; they require skills from various departments and do not have direct ownership.

Interviewer: What is the total headcount in marketing, and are there areas with a greater allocation of human resources? How many management levels do the departments have?

Interviewee 3: Brand and marketing are about 100. Regarding levels, we are a structure that I consider quite flat. In other words, the distance to power in the company is very flat. There is the so-called base pyramid level, which is the staff level. Then there is the manager level. After that, there are the heads of departments, who are the directors. And then those directors report to an administrator.

Interviewer: In your personal opinion, what are the two main advantages of this type of structure and the two main disadvantages?

Interviewee 2: I don't know if it is related to the structure or the culture. I think that the brand and marketing work well together; they have very complementary skills. I believe that being organized with agile methodology has helped because there are more defined frameworks and work methodologies. We have the downside of always being in meetings all the time, and sometimes there is time to work, but it requires constant alignment of people on what needs to be done, which is positive. Less positive aspects, there is a plan, but reality does not always correspond. This means that sometimes we go more with the flow of the moment, but because the dynamics of the market also require this adaptation, we have a lot of capacity and resilience to improvise. However, sometimes we fall into the exaggeration of everything being a priority. We have a huge difficulty in prioritizing things because we want to do everything, and it is impossible to do everything well. Therefore, sometimes we operate very much on the basis of who shouts the loudest. And that, sometimes, is not so good overall for resource management; we should stick more to the plan. We always have a lot of work, however, there is a collaborative spirit that is very commendable. And I believe that in terms of structure, the fact

that it is not very hierarchical, and that there is a causal, informal treatment between people, is very positive. When the distance to power is low, what sometimes happens is a greater tendency for more involvement from the administrators. On one hand, it facilitates communication and approval; on the other hand, there is a tendency not to give as much space and autonomy to the directors. We have a maxim of experimenting and learning; we seek to give autonomy to people for that to happen. We tend to be too directive but then want people to think for themselves; if we are too directive, people stop thinking, and that is a downside. As a consequence of the structure, I believe that besides the issue of agility that we ended up discussing, there has been a learning and clarity about what is led by marketing and what is led by the brand. For example, we suspend marketing campaigns when we address themes in the communication we do, such as domestic violence. In other words, marketing that is very sales-oriented respects the work of the brand enough to understand that talking about something with this level of purpose will contribute, even if you remain quiet about your offerings, and this means you have gained internal credibility.

Interviewer: Have there been significant changes in the structure in recent years? Have restructurings been made? What are the main changes?

Interviewee 3: The most significant change was the introduction of the agile model a few years ago. It was difficult to implement because you have the roles of chapter lead and scrum master. Anyway, roles that have a high degree of suitability in digital areas, and you work in two-week sprints to deliver, imagine, a new feature in an app. It makes sense; this agile language makes sense. In marketing, you don't deliver with that cadence; you have to put the products out when they are ready and as quickly as possible, so it is somewhat forced. Therefore, agile has some good aspects that help us structure our reasoning and force us to work together, but it also has others that are against the grain. For example, you have chapter leads evaluating people and product owners who are those who lead the teams and are not the ones who formally evaluate people; something is wrong, in my opinion. I think that's the main problem I see with agile. But the brand does not have agile. Things that have evolved from an organizational point of view. The consumer experience has been aligned with the brand for a few years. There is also concern, and we will start to promote more rotation. Promoting the rotation of leadership so that people step out of their comfort zone. This is a major discussion among those who are very fans of this happening because they believe that those reporting to them gain from changing leaderships, bringing new perspectives, as the area is rethought and novelty is



introduced, preventing discomfort. In theory, that all sounds good. The issue is that when you have an organization that has relatively few people, the organization becomes very dependent on the pace at which you move and the knowledge you have; replacing a person with 20 years of experience, who knows how to do things by heart and can do things much faster, with a person who has been doing something completely different and lacks that experience can rock the boat at a more difficult time. I think it's an interesting discussion currently happening in organizations about whether you should rotate a person even against their will.

Interviewer: What areas of work or marketing functions have been growing in importance and which have been declining?

Interviewee 2: One function that has grown significantly is digital marketing. It has increased, i.e., the purchase of digital media. The fact that we made the decision to internalize digital media was very structural, and over time the team has grown. Social networks are multiplying too; the workload increases, and the number of campaigns you have to launch increases; digital requires much more detail and time allocated than offline does. One area that grows less, but also depends on cycles, is the events area when you have a brand that is already well-established due to having good levels of notoriety. You start wanting to focus more on product sales. You want more focus on product sales, you want more brand building from the perspective of purpose. Customer experience is also a focus at the moment.

I think that the product manager in the marketing area used to have an end-to-end role. With this agile structure and the creation of these centers of expertise, the role of the product manager, who was responsible for the process from start to finish, has somewhat crumbled and, in my opinion, is not so positive.

Interviewer: Did the internalization of media have a specific reason?

Interviewee 2: Yes, we began to feel dominated in a sense by the black box of Google and Facebook. You are doing briefings for the media agency and do not know what criteria the platforms themselves have to make good segmentations, to optimize media buying. We started to think that we had more knowledge internally about the business, and that by knowing the tools, we could optimize media buying to maximize our objectives and thus we did not want that knowledge to remain outside the company. All that we are doing with big data, using AI in

the various business areas is precisely to ensure that knowledge does not stay outside the company.

Interviewer: Did you notice any change in results or in the efficiency of media buying?

Interviewee 2: Yes, we did notice, I mean, there is an optimization that is difficult to quantify, but there is one point that you can measure, and in the optimization of media buying, with the same money you buy more.

Interviewer: Do you think new functions have emerged for marketing?

Interviewee 2: Yes, data scientists for big data did not exist before. I think in the brand area, there is a trend of people focused on understanding consumer insights, individuals focused on the purpose of the brand and ethics. Functions more oriented towards tech products, machines to machines, that has grown quite a bit. In other words, in the B2B segment, there are many new products of managed services, such as cloud, security, private networks, more tailor-made products. I think it is that applied intelligence trying to understand how the company's solutions can help business X or Y. I think that is a trend.

Interviewer: Is there any other marketing function that is outsourced? And if yes, why?

Interviewee 2: The movement of in-sourcing media buying, the movement of in-sourcing digital design, in other words, us hiring designers to do creative work here. But it is always something that we do not tend to increase much in this area because we believe we are not creative. We do not have a creative director from any agency here, so the people here are more to expand content. You have creativity done by the agency, then you need to adapt it to various formats, that is the goal. So, whenever we need more resources or in areas we know we are not experts, we subcontract in an outsourcing regime. Another thing that happens a lot in marketing is that we have people coordinating sales teams that are outsourced, managing sales forces that are also outsourced.

Interviewer: Regarding the main change, which was the shift to agile, were you able to attribute or detect any impact on the main marketing metrics?

Interviewee 2: It is difficult to attribute. Marketing is evaluated by the new customers you acquire across various product lines, and customer management is analyzed more by churn. Churn is the percentage of people from the customer base that has disappeared. We are always circling around active customers and ARPU (average revenue per user), which is the average revenue per customer. These are the main metrics. How agile contributed or did not contribute? I think we made a somewhat hybrid agile approach because we did not stop having people allocated to certain products, and therefore you are the owner of your processes, of your product, and that is very important not to lose. I think it did not harm, it was a way of organizing differently. I think the person has a certain dual control over their own work in a matrix format, which is the Product Owner and the Chapter Lead. You are evaluated as a product manager by your ability to price the product by the chapter lead, but ultimately, who is responsible for looking at all your skills is the Product Owner. Who then does not evaluate you, conceptually has that only problem. If that caused or did not cause something extraordinary in the results, I can't say; I did not feel it was decisive for the final business results of the company. I think you need to allocate responsibilities. You need to have very well-defined tasks. You need to have a good unifying culture, common values. That repetition and definition of things and skills, I think is absolutely critical. More than structure, I think defined processes are essential. The main KPIs for the brand are brand consideration, which reflects how the brand is perceived across 300 different indicators. We evaluate campaigns by checking if people recognize the brand when the logo is covered, if they can associate it with the right brand, if they remember the campaign, if they liked it, if it stays in people's minds over time, and if they took action after seeing it, such as researching the site or talking to a family member. We also consider attributes like whether the brand is supportive, expert, or hype. For experience, we use NPS.

Interviewer: Do you identify any points of improvement in the structure, and if so, what?

Interviewee 2: One thing that could be done is merging the digital area, which handles digital media buying, with the offline area of media. It's more or less a natural evolution that I advocate for, but it's still not very well-known. Online and offline have many synergies in media buying. When you create media plans, you should look at them holistically. I believe even social media teams would benefit from experimenting with how to integrate social media with advertising. Social media is often driven by spending money on topics, but it really needs good themes, and sometimes the creative people could think better about those themes. Basically, those are the two thoughts that come to mind.

Interviewer: In terms of skills for any marketer, what are the two most important soft skills? And the two most important hard skills, both in terms of knowledge and tools?

Interviewee 2: Well, the ability to lead and inspire people is essential; you need to be inspiring for others to also give their best. I believe strongly in accessible leaders who don't create distance with power and who are approachable. The human factor is key. To be excellent, you really need to do what you love. Regarding hard skills, I think it's important to have a good combination of big picture and small picture thinking, meaning the ability to see the whole and make decisions not just within your area. Many people lack the capacity to see the big picture, but at the same time, you should know how to dive into detail when it's relevant. Also, a solid analytical foundation is essential. In organizations, no decision should be made without a data-driven basis, even if it's later guided by intuition. This combination of intuition and reasoning, coupled with good common sense, is vital. People with good sense are the best asset.

Interviewer: What marketing skills have been necessary to accommodate in the organization?

Interviewee 2: I think digital has been an undeniable aspect, particularly in learning to think in terms of segments. Working on segmentation has been a trend. I also think there's a growing importance of having brands that stand for a purpose, possess values, and demonstrate ethics.

Interviewer: Are there any underdeveloped skills in the market?

Interviewee 2: I believe AI still has a lot of potential. Marketing needs to stay ahead and adapt to current events. You need to have team members who are curious and intellectual, researching what's next. That blend of profiles, people who are great at execution and those who are forward-thinking, always considering how new technologies can impact processes and outputs is a positive mix to have in the team.

Interviewer: Looking at future perspectives, do you foresee any restructuring?

Interviewee 2: I believe mobility is already heavily promoted, and I think that will always be encouraged within the company.

Interviewer: How do you think a successful marketing organization will look in the future?

Interviewee 2: I envision a scenario where marketing, branding, and customer management fall under the same umbrella. I see a model similar to those times when agencies worked closely with clients on the same premises. There have been periods when this happened with media agencies too. I identify with that model. I'm not sure if I'm projecting or doing futurology, but I think we'll all be performing different roles in the future. I believe many routine functions will be replaced by AI. We will find ourselves thinking more about what software should do rather than what we will do. I think this will seriously impact how we organize ourselves. It will be crucial to effectively use these platforms and software to serve what generates a higher quantity and variety of outputs. I believe we will stay ahead of the curve.

### **B.3 Interview 3 - Participant 3**

Interviewer: How is marketing structured in the company you currently work for, meaning, what are the covered functions and how are they organized?

Interviewee 3: Marketing in the company has 5 main areas: a partnerships area that handles all external connections with partners for various products/services. This includes three people, each responsible for a business area. Then we have the segments area, which essentially performs the same role but from an internal perspective and focuses on internal projects of the company itself. These areas operate alongside the operations and channels area, which has one person assigned to each of the allocated channels, whether it's ATMs, social media, solidarity efforts, events, and various operational channels that often post about my room. We also have other more analytical areas, one for segmentation and profiling of users and others for KPIs that analyze the business as a whole, post-campaigns, shares, and so on.

Interviewer: In your personal opinion, what are the two main advantages of this type of structure and the two main disadvantages?

Interviewee 3: The main advantage is that it's very versatile. You end up being able to have an overview of the entire business and have input in various decision processes for the company's goals and various businesses. On the other hand, there tends to be a significant overlap of functions, there are some gray areas that are hard to perceive in terms of accountability, and it can be difficult to establish who should drive projects to success. That is the primary difficulty because it becomes hard to clearly and simply delineate where the responsibilities of each area end. I believe that's the main issue. The fact that it's already a large structure with many short-term projects makes me feel that we do not have a well-defined structure for long-term projects, always dealing with micro-projects, a lot of day-to-day management, and not so much structural management. It would be important if it were more departmentalized.

Interviewer: Have there been significant changes in the structure in recent years? Were there any restructurings? What were the main changes?

Interviewee 3: The department is quite recent in the company; the area itself is not as new, but there was a whole restructuring a few years ago. When I entered the team, it was already structured this way, however, I know that we have grown in number and, clearly, in terms of the volume of things delivered, allocated projects, the difference between what was happening at that time and what happens today is visible. It was a much more product-oriented marketing, and that part has moved outside this scope due to an internal restructuring of the company. Since I joined, I believe we've been working towards an increasingly clearer understanding of the functions, objectives, and responsibilities of each role. This is to address the gray areas we were discussing a little while ago. I think there has been an effort in recent times to ensure this commitment and accountability. As we grow in structure, there is sometimes a greater risk; the more people there are, the less we do. The same ones are always hustling while others, due to their nature, will become more sidelined. And that accountability and definition of functions is essential in a structure like this.

Interviewer: Which areas of work or marketing functions have been gaining in importance, and which have been decreasing in importance?

Interviewee 3: Yes, I think the area of external partnerships has grown and received more focus, and this is somewhat related to the strategy. This change in strategy is what has highlighted the partnerships area more, at the expense of an area, for instance, of segments which are internal projects that sometimes lack visibility. In terms of channels, I believe that due to this change in strategy, the events aspect and being close to the consumer have gained more prominence, as well as social media; obviously, websites remain relevant. I think all channels continue to have a very strong relevance; for example, email remains a direct marketing channel that continues to stand out. What may have lost a bit of weight is Out Of Home.

Interviewer: Has any new function emerged for marketing?

Interviewee 3: I think not. I believe marketing is very analytical; the numerical aspect is very important. I've been in other scenarios where making things look nice and people liking them was more important than the actual results. Here, there is a strong analytical concern, but I think that's related to the management of the company.

Interviewer: Which functions are outsourced and for what reason?

Interviewee 3: We have outsourced much of the IT development, the creative agency part is also outsourced, as is media. Also, for the websites, a lot of it is outsourced as well. What is core, such as databases and analysis, is all done internally. Everything that is not considered core, we have outsourced. For example, we don't send emails on our own platform; we use an external platform, but the core of the data and segmentation is internal.

Interviewer: What are the reasons for these functions being outsourced?

Interviewee 3: There are different reasons. For example, when we go to a media agency, I think it has to do with cost. For the creative part, we believe that agencies, given they are in constant evolution and that is their core, have added value and multiple capabilities compared to having a constant internal person. When it comes to the IT part, it often has to do with the fact that we don't have internal capacity, meaning time, since there are other projects ongoing and the internal teams cannot meet the demand.

Interviewer: Do you believe that job descriptions have changed? If so, how?

Interviewee 3: I think so because there has been a concern from the individuals to move through various roles to gain knowledge. We think it's good, so there is a concern and an attempt to ensure that people do not stagnate in a certain position and can take on new challenges and grow. It was a necessity.

Interviewer: What are the main evaluation metrics for marketing as a whole? And what is the impact on KPIs resulting from changes in recent years?

Interviewee 3: I believe the impact has been significant. There has been a complete change in objectives and focus. We have stopped being a cool brand that just creates engagement to become something that has to be there in all your moments of life. There is a very big concern about this, and I think it is reflected in the results. We have been able to grow and achieve share; the share has been increasing consecutively every year. There has been an acceleration in the pace at which objectives are met. The main objectives are share and sales (which are the commercial objectives).



Interviewer: Do you think the current structure is aligned with and supports the marketing objectives and strategy of the company? And what points for improvement do you identify?

Interviewee 3: I think yes, it is aligned. I think there needs to be greater clarification not only of roles but also of individual objectives. There is also an issue of internal reorganization that needs to be worked on; some procedural edges are not properly smoothed out, and there are too many dependencies.

Interviewer: Which marketing skills do you think are growing in importance?

Interviewee 3: I think it's increasingly important for people to be specialists in something. The marketing market is so broad; I feel that when you go to the market looking for a specific role, it's very difficult to find. It's a significant necessity. Another skill that I think is needed for marketing is not so much a technical skill but a personal one; it is essential to keep up with trends and have a lot of adaptability to change things.

Interviewer: For any marketer, what two soft skills do you consider the most important? And the two hard skills that are most important, both in terms of knowledge and tools?

Interviewee 3: Regarding soft skills, we've already talked about that. For hard skills, I think it depends a lot on the role you're going to take. It's very different if you have someone who will work in more performance-oriented marketing versus someone who will work in a more creative part. Depending on whether you want to be a generalist or a specialist. Here, keeping up with artificial intelligence is becoming necessary as well. I think that increasingly, in marketing, it will be relevant. Therefore, it is also essential to be able to keep up with these new tools that are emerging.

Interviewer: Speaking of this topic, the lack of specialization is perhaps a dilemma in education as well; how can it be improved?

Interviewee 3: I think that the marketing academia is very theoretical; they don't feel the pains of platforms, segmentations, or effectively working with data within organizations, which often aren't organized. Clearly, there is a lack of practicality in academia, and that is necessary.

Interviewer: Looking ahead, is there any restructuring planned? And how do you think the successful marketing organization of the future will be structured?

Interviewee 3: In terms of restructuring, as far as I know, there are no plans for that yet. I think the industry will revolve a lot around artificial intelligence. I believe it will be one of the first business areas to include artificial intelligence; it's much easier to apply it in marketing than in healthcare, for example. Working with data helps create more efficient, targeted, and personalized campaigns. If you ask me if it's in two or three years, I don't think so. I believe there is a long way to go until then, but I think the future will rely heavily on artificial intelligence. A trend I see globally is that there is clearly an increasing divide between product, product marketing, and more operational marketing. I think there has been a greater separation between these two areas that used to be much more intertwined.

#### **B.4 Interview 4 - Participant 4**

Interviewer: How is marketing structured in the company where you currently work, that is, what functions are included and how are they organized?

Interviewee 4: Marketing has 5 departments. We have one for communication, which is called Branding and Communication. We have the department for segments and offerings, which is product management. We also have a department called Ecosystems and Partnerships, which manages the commercial network and partnerships, and it also has the subsidiary. There is another department called Omnichannel that manages everything related to digital. And finally, we have the Business Intelligence department.

Interviewer: What is the total headcount in marketing? And are there functions that stand out for having a greater or lesser allocation of human resources?

Interviewee 4: We are very well distributed, actually. We are about 100 people in total. Each team has around 20 people, so it's pretty balanced.

Interviewer: Within these 5 departments, how are people organized within the departments? Organized functionally, by product, or by type of consumer?

Interviewee 4: Yes, most are organized by product to generate synergies. Each responsible person aligns with people from other departments who also work on that product. I know who the pivots from the other teams are for that product, and we work together.

Then there's some variation; for example, in the communication team, there is also a division between the forms of communication or the medium of communication, so to speak. We have a team responsible for direct communication, another team more focused on content, which includes social media, influencers, blogs. Then we also have two people more responsible for media. But even those people have to bridge with the product, i.e., organize communications by product. It's not possible to communicate all the products together.

So, yes, I would say that by product is the main organization, and then also by type of function; in this example, it's the communication medium, and in other teams, it can also vary slightly by project type.

Interviewer: Is it common to use more flexible work teams, project teams? If so, normally for what purpose and how often?

Interviewee 4: Yes, we often have extra projects that are not planned, and therefore, they choose one person from each department, for example, to form a task force. And it can vary; it's not always the same people, and even in the middle of a project, it can change. It can include just marketing or also people from other areas.

Interviewer: In your personal opinion, what are the two main advantages of this type of structure and the two main disadvantages?

Interviewee 4: The main disadvantages of being allocated, for example, to a product or a theme, is that we lose a bit of visibility into what's happening with other products and projects. No matter how many synergies there may be or how many results are shared, only those who get hands-on know what's going on. So, I think there can be a failure in visibility of what's happening. I think that's the main disadvantage.

Another disadvantage, which ties a bit into the same point, is repetitiveness; we're working on the same theme for a year or whatever it is, and after a while, it's always the same. So, I sometimes feel that I no longer have creativity; I no longer know what to think, I've already thought it through, I've already done it. When the theme is too confined, when there's a specific theme to which we are allocated, I feel that lack of creativity and visibility.

On the other hand, and now I'll contradict myself a bit, the fact that we only have one theme allows us to have greater ownership. So, I'm responsible for this theme and take responsibility for the decisions I make. That's also good; people recognize in us the power of decision. Personally, I like to have responsibility for what I'm doing.

Another advantage of this organization, speaking about marketing in general, is that by working with various teams, it allows us to be truly multidisciplinary; in other words, I'm not just working with people who work in communication every day; I'm talking to people who deal with the commercial network, or who handle digital performance, or who manage partnerships with other companies. I think this way of working is really good.

Interviewer: Have there been significant changes in structure in recent years? Have there been reorganizations? What were the main changes?

Interviewee 4: About seven years ago, there was a big change. Before, the marketing department only had the communication part: communication, digital, media, and a little bit of product management, but nothing special. The part that manages the distribution channels, therefore, the sales, became part of marketing. It became marketing and customer because we also started managing the relationship with the customer through the sales channels (physical and digital), through the contact center, for example. That was the main change, and I think it makes total sense because marketing is to communicate with the customer, so it makes sense that we are also responsible for the sales channels. Nowadays, we have a very close relationship with the contact center; whenever a new campaign is released, or whenever something needs to be tested, we talk to them, align with them, and we also listen to calls to see how things are going, whether we are communicating well or not. Then, the digital sales channel that includes the website, the leads, is also within marketing, and it wasn't before. Now it even seems strange, but the truth is that a few years ago, companies didn't see marketing that way; in other words, marketing was communication, and sales were sales.

In addition to this change, maybe more related to the evolution of society and technology, omnichannel emerged a few years ago. To ensure that wherever the customer goes, from the website to the contact center, they are always treated the same way. And that was a tough thing to implement; it wasn't like that before, but I think it was something very good; it's good for the customer.

During Covid, there was also a restructuring. I can't really remember how it was before, but there were more departments, seven if I'm not mistaken; there were some mergers of departments. I think everything happens faster now; things happen more quickly, and more things happen. On the other hand, I think there is a bit less control over what is happening. In other words, everything is happening so fast that you can't have a full view of it all.

Interviewer: What areas of work or marketing functions have been growing in importance and which have been declining in importance?

Interviewee 4: Marketing in general has been growing significantly in importance for the company. There were years when marketing was more about communication, and suddenly, marketing began to have a much bigger weight in sales. Marketing is the one that presents almost the results of sales, campaigns, promotional actions, everything we do. For that to happen, I think, for example, the department with the Business Intelligence team has clearly

grown immensely in importance. Because this team had existed for many years, but it wasn't even called that; I can't even remember the name, and it was probably only to make sales forecasts or conduct some customer studies. Now, no, Business Intelligence is much more than that. It studies the entire customer, helps us segment communications, conduct tests, pilots, propensity models; in other words, there are countless things.

Then, related to the evolution of the times, the digital team within the omnichannel, everything related to digital performance, online lead generation, has clearly grown a lot in weight.

Communication, I think, has greater weight, but not as much as the others. It has more weight because perhaps before the results of what was done weren't evaluated as much; these days, everything we do has to show results—in other words, why are we putting up a poster there, why are we sending an email marketing campaign, what results will this bring? Before, there wasn't this importance; there wasn't as much connection to the results of what communication did. So I think communication has also grown.

But I would put it in this order; that is, business intelligence, then digital, and then communication. Because communication is what will drive it all; it's everything that the others are doing.

Interviewer: Is there any area that has declined in importance?

Interviewee 4: The area that has clearly declined is the events area, due to a lack of budget and a lack of demonstrable results. In the case of the company, there used to be a department specifically named activation, brand activation, and it no longer exists; in other words, it was absorbed by communication. What happens now is that each person responsible for the products will contact suppliers and manage that part of events, meaning there is no longer a need to have a specialized team. I think there has no longer been a way to justify this investment; there are also many good agencies that organize events, and there's no need to internalize. Aside from that, I can't really see any others.

Interviewer: In terms of headcount, that is, allocation of human resources, has there been any change?

Interviewee 4: In our case, it has remained stable. There has been a lot of turnover. There has been a lot of turnover and internal mobility and everything. Now I think it is much more balanced in terms of age, for example.

Interviewer: Has any new function emerged for marketing?

Interviewee 4: No. I think the integration of Business Intelligence in marketing has occurred. I don't know how it is in other companies; perhaps it isn't part of Marketing. There is a leadership for that; I don't know. But in our case, it's included.

Interviewer: Do you consider this integration beneficial? Do you see any impact?

Interviewee 4: Yes, a few years ago, when I wanted more business or customer data, I had to ask other departments, which took some time. They didn't know why I was asking, and sometimes I didn't know how to ask well because I didn't know what they could do. With everything in marketing, it's easier because this team has visibility of what marketing does, the projects that exist, the campaigns, etc. When we need to do a new campaign and we need to create customer segmentation, they can be much more precise about what the product is and how we communicate, and therefore they can help us in a much better way. There's much greater synergy.

Interviewer: What functions are outsourced and why?

Interviewee 4: Various. Event production is outsourced, as are the creatives, meaning the production of creative pieces; we don't have designers. In this case, I think it's a matter of costs, but perhaps it also doesn't make sense for us to have designers because it's not a recurring task; they work in sprints. It wouldn't be good for a designer creatively; they wouldn't be stimulated. Therefore, creative work, everything related to social media management and influencer management, we also have two agencies we work with. Then there are more digital performance topics; we work with an agency that does affiliate campaigns for lead generation. Media is also outsourced. After that, we have small suppliers for material production. We also have partners for market studies, and that's it. In other words, I think we have the most partners in communication.

Interviewer: Regarding the description of the functions themselves, has it changed? If so, in what way?

Interviewee 4: Yes, I think it has changed because we all started to be project owners; that is, before we might have done a little bit of everything, and it wasn't so well-defined. This has been more recent; it has been defined in writing for around two or three years now. In this case, we refer to ourselves as POs, which means Product Owners since it's a product or service. Essentially, our work is very much project management. I think this occurred because, for one, the type of employee changed; I believe younger people are more eager to take ownership, that's the theme of ownership. I think this change in job titles also happened alongside the rejuvenation of the team.

Interviewer: What are the main evaluation metrics for marketing as a whole? Has there been any impact on the KPIs as a result of the changes over the past few years?

Interviewee 4: We have very well-defined objectives for marketing, and those objectives then translate into our personal evaluations, meaning our personal goals. In the case of communication, there is one goal that is always present, which is brand awareness. Then there's another value that directly impacts our work, especially for those who are Product Owners, which is the annual sales target for a product. Therefore, brand awareness and the sales target are the main ones. Then there are other objectives, such as implementing new things/innovation, digitalization, etc. This organization that we have now allows us to have a better understanding of the overall trajectory, meaning what we do and what the global impact is. More and more with the evolution of digital, I can track who clicks on the ad, clicks on the email, etc., and I am therefore certain about how many sales I generated. Because now I work with the digital team, the Business Intelligence team, and everything else. A few years ago, it wasn't like that; those in communication only looked at the things they did and didn't know whether they were having an impact or not. In other words, I know that a few years ago the impact of communications wasn't measured, and now it is. Therefore, yes, the new organization has helped at least in terms of sales value and business impact.

Interviewer: Do you consider that the current structure is aligned with and supports the company's marketing objectives and strategy? What points for improvement do you identify?



Interviewee 4: This new way is recent, it's been about two years; we're still seeing the impacts. For now, it's been going well, so I wouldn't change anything for the time being.

Interviewer: For any marketer, what are the two soft skills that you consider most important? And the two hard skills, both in terms of knowledge and tools?

Interviewee 4: Regarding soft skills, I think it's all about relationships. I believe a good marketer needs to be able to talk to anyone. It's a bit about empathy. A good marketer should know how to deal with anyone, in any department, any area, whether junior or senior, and put themselves in the other person's shoes. This is the only way we'll be able to sell our message, right? Therefore, we need to understand the other's needs and how they view the world so we can push our agenda forward. So, I would say empathy and the ability to relate to others. I also find it important, and I notice when it's missing, to be able to speak in public; a marketer who cannot do this finds it very complicated.

Regarding hard skills, tying it to what I've been saying, which has been changing a lot, the ability to read data, meaning analytical capability, I find it really important. The ability to read numbers, to think more strategically and about business evolution.

Another hard skill, I think this is the most important, isn't just doing; they need to be able to assess results and understand the impact of things.

Interviewer: Is there any competency that you think is growing significantly in importance?

Interviewee 4: Perhaps work management, that is, the method of work. I don't know if you've heard of the agile work method. It's talked about a lot, and people are making much more effort to work this way. So, there are sprints, kick-off meetings, weekly meetings, and at the end, there's a retro to evaluate results. I think this work model has indeed been implemented almost by force, so to speak. There was a whole task force to implement it, but I think it's very important. On a more functional marketing level, data but also digital performance.

Interviewer: From a future perspective, how do you think the successful marketing organization will look like in the future?

Interviewee 4: There are themes emerging in projects that relate a lot to sustainability. So, I don't know if tomorrow there won't be a sustainability team that starts to be part of marketing,

for instance. To ensure that all the actions we undertake consider how we are impacting society. When I talk about sustainability, I don't mean just environmental; I also mean social sustainability, etc. I think this is very much on the table, considering how everything that companies do impacts society, and then, there it is, it all converges in marketing and how we communicate things, how we reach the customer, how we sell this in a way that is not harmful.

## **B.5 Interview 5 - Participant 5**

Interviewer: How is the marketing structured in the company you currently work for, meaning what functions are encompassed and how are they organized?

Interviewee 5: In terms of marketing, we have undergone some changes and adjustments, particularly this year. Currently, the marketing team is divided into what is, first of all, the product area 1 (the core product). This is the first major division, which is between the marketing area of product 1 and everything that is not that product. We have other brands, we have a business diversification strategy within the group where new areas have emerged over the years. But we also have other product areas that have been growing in importance, which has created the need to somehow specialize the marketing teams.

Therefore, since product 1 is the core area of the group, it is important that we have a marketing team focused on the various brands (at least 6 different brands of product 1). We have a series of brands that are part of our portfolio. Within this global marketing team for product 1, we are organized by brands. So this is the macro-organization. Each brand has a marketing manager who is globally responsible for the brand and whose primary objective is to define the brand's strategy. The definition of the strategy, positioning, and defining everything that is the essence of each brand and the objectives of each brand.

Below the marketing manager, we have brand managers. The brand managers can be organized in various ways. They can be arranged by type of product of that brand, and the brand manager handles everything from identifying needs to conceiving, monitoring development with innovation teams, and then pricing strategy; everything is done by that person. In other words, market analysis, identifying opportunities, defining new products, pricing strategy, distribution, coordination with sales teams, and then all the rollout to the market of the products.

Another different logic of organization for brand managers, for example, if brand X has a very large presence across all sales channels, we end up having almost a channel management logic. Thus, the marketing manager ensures the global strategy, and below that, brand managers end up being in charge of managing a channel, whether it concerns the entire portfolio, pricing strategy, or the entire innovation strategy.

Then we have a communication team that supports all the marketing teams. Therefore, they are part of the marketing team but focus on maximizing the objectives of communication and looking at product 1 brands in a transversal way, rather than just having the marketing teams

focused on the communication of each product individually or the brand. We have a team that helps maximize investments, managing much more transversely what the brands of product 1 are, ensuring that we meet a timeline and a calendar that allows for brand activation at various moments.

Interviewer: What is the total headcount in marketing? Are there functions that stand out for having greater or lesser allocation of human resources?

Interviewee 5: In communication, we are talking about a team of about four people who manage everything related to communication, media plans, social media. Then for one brand, we are talking about five people. So, one marketing manager plus four people. Another brand also has one marketing manager plus four people, meaning five in total. For the remaining brands, we are talking about three more people. A total of around twenty to thirty people.

Interviewer: What functions are outsourced and why?

Interviewee 5: We have some functions in outsourcing and others where we leverage the group's synergies. We have some internal design teams that we rely on. We also have an internal sponsorship team that we depend on a lot. We outsource everything related to creative agencies, media agencies; that work is fully outsourced. We also have market research, and we have a business intelligence team in the group that supports marketing but is not part of marketing.

Why? Particularly with the media agency, it has a lot to do with the ability to make media purchases, greater specialization, and enhanced negotiating power that we expect the media agency to deliver in managing the media itself. The same goes for creative agencies; even though we have internal design teams, having a more strategic approach to creativity is also important, and we need external support for that. Obviously, the strategy is within the team. We have someone who helps us materialize and structure it, and who supports us. So, I would say it relates more to those functions that are a bit more creative and technical, linked to creativity like finalized arts, 3D; those are things that we don't directly have that creative edge within our team related to communication. In the group, we also have corporate communication and an agency that handles all PR connections and also helps us reach the media in a different way.

Then we have another area that is also transversal to the group, which is the innovation area. This innovation area is also responsible for producing market reports and for some developments from an innovation perspective. Whether through internal innovation or a

program we have which is a portal where all employees can submit ideas that are often analyzed by this team and can then be accelerated; we even have some products that we launched in the market as a result.

Interviewer: In your personal opinion, what are the two main advantages of this type of structure and the two main disadvantages?

Interviewee 5: The main advantage of this global integration of brands is that, previously, we were separated by brand management, and nowadays I can have a much more transversal vision and a global strategy for the group's core business. Therefore, I feel it is very important to have this centralized vision and this centralized approach and a common strategy for what is the core business. Regardless of each brand having its own role, its own positioning, its own team, each brand has completely different awareness. And this allows us to effectively have here operational synergies and to look at the market and have an appropriate value proposition for each market segment, to have a multidisciplinary logic in marketing and communication, and I think that is indeed a great asset of having this area of marketing for product 1 completely centralized.

The disadvantage can sometimes lie in the fact that the largest brands are the ones that receive the most attention. But even from a budgetary perspective, this convergence is very important. A budget that used to be very fragmented is now integrated, allowing us to take advantage of the synergies from smaller brands concerning larger brands. This is also important because, on one hand, smaller brands have to fight a bit for internal attention but, on the other hand, they benefit a lot from these group synergies and knowledge sharing.

Interviewer: Do you think it has also contributed to efficiency? That is, are the teams more agile, more efficient in that sense?

Interviewee 5: I think so. It contributes significantly to this agility, it greatly enhances this transversal vision of the brands, to have coherence in what the value proposition of the brands is, the approach, the way to reach the market, the strategy, which ends up being very consolidated in a team that has a 360° view of the brand, and that is very important.

Interviewer: Have there been significant changes in the structure in recent years? Were there restructurings? What were the main changes?

Interviewee 5: What triggered this change has a lot to do with the importance we attribute to what is core business. Therefore, we believe that this move towards synergies and centralization in the same unit and in the same marketing direction gives us much more strength, provides us with a much more integrated vision, and a much more concerted strategy regarding the category. A more transversal vision; until now, we were a bit more fragmented. Having each brand's role much clearer and more defined allows us to set and work on specific targets for each brand, specific sales channels for each brand, specific communication channels for each brand, and specific fields of action and communication for each brand. This enables us to reach all segments and achieve a much broader range of consumers. Therefore, I think that in the end, obviously, everything ties back to effectiveness in what we do. It is very different to create a marketing plan with this global vision than to create multiple plans. It is much more agile and much more effective, increasing our responsiveness.

In fact, the market has evolved a lot; we live in an era where we coexist with several very different generations, and this is a significant challenge for us as marketers to stay informed. We also sense a considerable evolution from a digitalization perspective. Everything is much faster; everything is more immediate.

Interviewer: Do you think this new structure responds better than the old one to all these changes?

Interviewee 5: Yes, in my view, it responds better. Due to its agility, effectiveness, 360° vision, and even from an internal perspective regarding the relationship with sales teams, it proves to be something much more agile and effective. Therefore, yes, I believe it was a very positive change.

Interviewer: Which areas of work or marketing functions have seen increased importance and which have seen decreased importance?

Interviewee 5: This is a very interesting topic. First and foremost, I think the marketer needs to be someone with a very critical vision and must be very attentive to what surrounds them, to society. This implies that we become specialists in various fields. Not only must we be marketing specialists, but it's also essential for us to be specialists in management,

communication, and sometimes even psychology, because the truth is that consumers also evolve, and their motivations change.

For us, the importance of functions has been relatively stable. What I mean is that we feel today's marketer must be someone deeply involved with the brand, someone very engaged with the business, concerned with generating value for their various stakeholders. Therefore, the vision of marketing that only worries about communication makes less and less sense. It's also important not to have only 100% marketers. It is crucial that teams have this multidisciplinary and can complement each other.

It is also challenging for a brand with a core product like ours to be 100% digital. Therefore, this has never been our path. It is important for the brand to have an increasingly omnichannel presence, which indeed requires us to have a vast skill set and breadth. Then obviously, there are tools that are rising today, namely AI, which will be fundamental for all of us, and probably tomorrow we'll all be concerned about whether we can create a good prompt on an AI platform.

Amidst all this, I return to the beginning, which is that marketing must be a person attentive to society, aware of evolution, and mindful of technological advancements because, indeed, the brand also needs to embody this. Brands today need to be active, present, and to be where consumers and communities are.

Interviewer: Do you think there has been a pronounced transformation of marketing in a digital and analytical sense?

Interviewee 5: Yes, there has been a significant increase, especially in our e-commerce. This channel saw a spike in sales during COVID. We managed to retain some loyal consumers in e-commerce, while others returned to more traditional shopping channels. Social media has gained considerable importance, and we had some initiatives; we focused greatly on service levels to meet our satisfaction targets.

Interviewer: Do you think any new functions have emerged for marketing?

Interviewee 5: I don't think so, we have a very specific area here, which is the Customer Experience area within our marketing. This is a team that cares a lot about the satisfaction of the end consumer. However, this is not new; it has been evolving and has been able to use different tools in its work, but the logic and purpose of marketing have not changed. What I feel is that what is increasingly different is the use of different tools because what is expected from

marketers today is slightly different. But in essence, the concern for the consumer, the community, the quality and coherence of what we deliver, and a relevant value proposition is something that hasn't changed. We just have different tools to work with today. And I think there's another thing: companies and organizations increasingly need to have a marketing mindset. Obviously, the marketing team is the first to have it, but it's important that the entire organization has this focus and has as its mission to serve the customer, understand the impact it generates for the community, and for the planet, which is obviously very important. Probably, now remembering the topic of impact on the planet, the theme of ESG is something that is a new aspect within marketing. I'm not sure if it should be something like a new function within marketing or if marketers themselves need to evolve in that sense. We have a cross-functional area in the group that deals with those topics, but it's important that as marketers we do not overlook it.

Interviewer: Regarding the description of the brand manager's role, has it changed? And if so, in what way?

Interviewee 5: What I believe is that the profile of people being sought is what I think might be slightly different. In the sense of looking for a concerned person, a person with critical thinking, with the ability to connect with other areas, someone who can articulate with various areas such as sales teams, innovation, production, and quality. Therefore, I would say that perhaps the functions themselves, the job description, haven't changed much. I think that the profiles we're looking for are increasingly 360° profiles, where we are obviously looking for people with analytical capabilities, combined with others who also have important emotional capabilities, someone with a high level of emotional intelligence.

Interviewer: What are the main evaluation metrics for marketing as a whole? And has there been any impact on KPIs as a consequence of the changes made recently?

Interviewee 5: I would say it's still early to assess the impact of the change. From a marketing KPI perspective, we always look at performance KPIs, revenue KPIs, and volume KPIs. For us, the metric of units consumed, overall revenue, whether by brand or by segment, is crucial. We also look at profitability. And then we have other metrics we monitor, obviously market shares, in value and volume, distribution indicators, and also more brand-related indicators such as awareness, top-of-mind, etc. A marketer cannot only look at brand maturity;



they need to understand the actual sales results of the products. We also have KPIs from the perspective of digital and social media, the Net Promoter Score, which is very important, as well as recommendation and loyalty indices, etc.

Interviewer: What points of improvement do you identify within the structure?

Interviewee 5: Yes, there are always points of improvement. Many people in the functions are relatively new to the company, and therefore I feel that I need to create a team spirit, a spirit of unity and convergence. And then, as I mentioned earlier, the share of attention for smaller brands is also an important point of improvement.

Interviewer: In terms of skills, what are the two soft skills you consider most important for any marketer? And the two hard skills most important in terms of knowledge and tools?

Interviewee 5: It is essential not to overlook analytical ability; I think it's crucial to have team members who can read a dashboard, look at a P&L, etc. Then, I think it's also very important to have a market and consumer orientation. These are some of the most important aspects. What I mentioned earlier about marketers needing to have critical thinking and constant attention to their surroundings comes much from that market orientation. Therefore, I would say that analytical ability and market orientation are fundamental. The ability to correlate various data and sources of information is also essential. It's important for us to look at Nielsen or GFK data and be able to interpret market data, but it's also vital to have the ability to go beyond that and resort to other sources of information, such as social listening, for example. And then a lot of empathy, I think it's becoming increasingly important to have empathy, whether for the consumer or for colleagues. One must have emotional intelligence to work in a team and manage this ever-evolving world.

Interviewer: Is there any skill that you think is becoming much more important?

Interviewee 5: I think it has a lot to do with the rise of artificial intelligence. I think it's something we all need to pay attention to more and we already have some early adopters of these new tools in the team. Everything related to artificial intelligence, in various aspects, whether in HR management and skills, or in information gathering.

Interviewer: Is there any skill that you think is very underdeveloped in the market?

Interviewee 5: I think analytical capability or skills were somewhat lacking for a while, but now we are reversing that. It was something that was a bit more distanced from marketing, particularly when associated more with communication.

Interviewer: From a future perspective, how do you think a successful marketing organization will look?

Interviewee 5: I think it will be very participative, for example, in terms of co-creation logic. A logic of personalization, with increasingly greater segmentation that brings this personalization. This will require fewer barriers between marketing or the brand and the consumer, including the community. Also, considering the notion of preserving resources for the future will force us to change significantly and to reduce the boundaries with the consumer. I also feel there is a significant gap between academia and the professional world in marketing. I believe we need to evolve in this sense, with academia being much closer to the business and brand side. People need critical thinking, which can only be achieved by working on the more pragmatic side with real problems of the brands. I think that would make sense.

## **B.6 Interview 6 - Participant 6**

Interviewer: How is marketing structured in the company you currently work for, that is, what are the functions involved and how are they organized?

Interviewee 6: We have an administrator responsible for the direction of marketing and more, and then you have a marketing director. The line following the director has a more transversal part that handles budget control, relations with the commercial areas, for example, to define promotions; this team also deals with loyalty projects. We have the ROI, the return on investment that is done here. What each team does is that this team then controls what the return on investment is. And, therefore, it is basically evaluating everything that is done in the department, what return it has, and what incremental sales it brings you. It's a team that is agnostic, meaning it is transversal to marketing and allows for concrete evaluation of more important or priority actions in terms of return versus each area pulling to its side. Then you have the advertising and strategy team. Everything that involves creative concepts, development of advertising campaigns for the brand, content that feeds, when you launch a campaign, it can be linked by advertising or can be linked by content that you make with a partner. You can do it with a television channel, you could, for example, have a program or even develop a program, several ways to do this. So, basically, strategy thinks about what campaigns we should have, at what moments we respond to some competitor reaction, what themes are interesting to address, etc. Then you have another area that handles everything related to public relations, activation, and social responsibility. Then you have an area that acts as a bridge with the commercial areas. What do they do with the commercial areas? For small brands that don't have a marketing structure, we give support, so these colleagues serve as a bridge with those areas and then bring the challenges to marketing for us to help solve. They also handle the communication at the point of sale, managing projects at a more transversal level of marketing. They are, essentially, an intermediary of the commercial. Then, you have a physical marketing materials production area, which includes design and production. After that, we have the media and digital area, which has a technical component that supports digital assets. In media, we manage everything, whether it is buying space on radio and television, digital, social media, local media, outdoor, and everything that is home media, that is, managing advertising within our own assets as well. The digital team manages social media, brand websites, but we have another e-commerce department in the group. Then you also have a technical support area for building dashboards, analysis, understanding which software we need

to work with, what technological development is needed to improve the website, etc. Outside of all these teams, there is e-commerce in another department, loyalty in another department, and customer management, which handles complaints, is in another department as well. Product management is in the commercial areas.

Interviewer: How many management levels do these areas have, more or less? In other words, is the structure more horizontal or more hierarchical?

Interviewee 6: You have the marketing director, then you have first-line directors, second-line directors, and at this level, you can be a director or coordinator. Below this level, it's all about implementation and management functions. What can happen is that you accumulate more areas and functions without growing in the hierarchy, so your growth ends up being more through expansion.

Interviewer: In your personal opinion, what are the two main advantages of this type of structure and the two main disadvantages?

Interviewee 6: What we feel is that we are a team that works a lot in silos. In other words, although the projects are transversal, you don't let go of your team and will always have your team's vision. You will always defend your area and not have a broader vision; we even say that you have a lot of vision for your own yard. The main disadvantage is this one. Then, the other disadvantage that is not related to how the structure is set up, has to do with the size of the company. As it is a large company and often you have to create specialists, it means that they have fewer transversal skills. This sometimes makes many things difficult. It complicates things from a career perspective because they gain a degree of specialization that even outside the company will be difficult to find something parallel, something similar. And it is also a disadvantage for the company because many times you want to aggregate resources and cannot. The company tries to combat this by rotating people. But in these specialized areas, it is more complicated to manage that. Gaining other skills that are relevant even from the standpoint of brand communication. The advantages are that you clearly have defined the areas of action for each one, you don't have overlapping functions, and the task of each one is very well delineated. Therefore, this process is very automated. Obviously, the size also brings this. You have to automate all processes to be able to be efficient in this chain. And you have people who technically dominate the topics, can be good managers, but are also technically good. And I

think that is an advantage because I feel that anyone in the company is very competent in their area, and you are not dependent on others. Another structural advantage is this ability to progress by acquiring areas, because new areas will emerge, and it is necessary to have someone, and often you don't seek to bring in people to build new areas; you always try to aggregate and put below people who can take over. And that is great because it is a school and gives you responsibility. This factor of evolution and growth of people is very positive.

Interviewer: Have there been significant changes in the structure in recent years? Have there been restructurings? What are the main changes?

Interviewee 6: There have been several changes at various levels. Until recently, we had a restructuring. The weight of digital is clearly changing the way we are organized, the skills you need to have, and we have even reformulated profiles. We felt that need not only during Covid but also after, which is how can we continue this component of innovation, and therefore we are seeking many digital profiles. From the processes you do, the media planning you do, to the development of a creative campaign that in the past you thought only for television, today you no longer think only that way. And what other technologies do you need to have? This digitalization that is being felt is asking for new skills, and the work is changing in a very significant way. Therefore, I think this is the main one. The main transformation that exists and that is happening has to do with digital power. Yes, the digital team has increased, both at the level of digital media planning; practically half of the media team is allocated to digital, and at the level of social media, the number of people has quadrupled because then the platforms have also branched out. You have a technical support team doing this work on sites, optimizing sites. The largest team in marketing is perhaps the digital & media team. Some of the physical marketing materials will be digital in the future; this transformation is occurring. New areas have also been created. This area of technical support for sites that I mentioned, we did not have before. It was externalized; there was a need to seek out these technical skills in the market and internalize them. Therefore, in reality, there has been a significant impact even in the structure, in the organization we have. Then, all the analytical component, the ROI models, therefore, these more transversal areas of analysis that you can now have more consolidated data with digital, and you can create econometric models, understand what impact it has on sales. The loyalty projects, too. It was a business area that emerged again, and it was also a process of digitalization but gained dimensions that it did not have. Therefore, the rewards area is now a really new area within marketing.

Interviewer: Is there any area or function that has decreased in importance?

Interviewee 6: We have been readjusting some areas. The area of physical materials is more significant. Eventually at the level of the local actions and activations you used to do, local communication, but from an offline perspective, meaning actions at the point of sale, which today you do many more social media actions. This area of local marketing used to be a separate area and today it is integrated into the teams. Today, through social media, the conversion and investment is different. It has changed a lot and will continue to change, and we are adapting either by slimming down areas or by distributing them among the remaining teams.

Interviewer: Have new functions emerged for marketing?

Interviewee 6: You are at a level of personalization and customer contact that is completely distinct from the past. In the past, you did very mass communication and therefore you didn't have the specialization to work on your database. We are working to segment across all available channels. Therefore, you are creating roles for audience creation, creating clusters, understanding what types of customers, etc. Thus, we have an area that we call business analytics. We created these new areas to respond to this personalization. We believe, and data shows us this, that when you communicate in a personalized way, your return on investment is much higher compared to when you do mass communication.

Interviewer: Which functions are outsourced and why?

Interviewee 6: All the creative part and then the production of films and everything, that is all external. You would need many FTEs, all functions that require ongoing support and are heavy from a management standpoint are outsourced. The creative area, at this point, makes sense for us to be external. All media buying and planning due to software and everything, we work with a media agency that does planning and monitoring of campaigns, handles billing, centralizes all that in a single agency. Everything related to event communication is external, so we have someone managing it but we hire an agency that manages the event for you. The PR area has a public relations agency; that is outsourced. The loyalty project is external, it is a loyalty agency, one or several; they handle the creative aspects, implementation, and the product. You have a lot of management functions but very little production function internally.

Interviewer: What are the main evaluation metrics for marketing as a whole? And has there been any impact on the KPIs as a consequence of the changes in recent years?

Interviewee 6: What we measure is sales, that is the main indicator. Then you have NPS, customer satisfaction level. From a marketing perspective, the more strategic ones for the brand are the brand awareness index. So, top of mind, recall, proven awareness. From a point of impact, what has changed is the consumption patterns of people, the platforms, etc., and therefore to reach them you had to adapt to achieve the same objectives you had. In the past, to achieve a brand awareness KPI, you only needed to make a TV ad. Today, you need to make a TV commercial, be outdoors, be on the radio, be digital. In other words, from an impact perspective, it was more about consolidation and maintaining growth.

Interviewer: Can you identify any areas for improvement in the current structure?

Interviewee 6: Yes, there are changes I would like to make and I am trying to make that are structural to marketing. Often, perhaps for the same campaign, you have three teams producing materials, depending on the medium, and maybe you want to say the same thing; there is a common key visual. There are things that are different, and perhaps the customer doesn't notice because they don't have everything at the same time. But it makes sense for us to move towards a single digital materials production team that is transversal to all teams. Now, as I mentioned, personalization requires many more pieces. You will enter a hyper-personalization of communication with everything that is being done, and that will have a significant impact on production and digital production as well.

Interviewer: For any marketer, what are the two soft skills you consider most important? And the two most important hard skills, both in terms of knowledge and tools?

Interviewee 6: Soft skills, I think are proactivity and adaptability, that is, the ability to manage change, agility. From the perspective of hard skills, I believe it encompasses everything related to digital work, whether it's Google Analytics, Google Search, working on Meta platforms, everything related to social media. All this aspect you might have regarding campaign implementation, understanding how the tools work, how I can implement the campaigns, that is very important. Google, Meta, Artificial Intelligence, automation, staying

updated on what's coming out, how to work with it. And then, you need to have a well-developed emotional side, which I think is important. You need to have reasoning and management skills, obviously, which has a very rational side, but then a very emotional side in managing relationships. I feel some younger people, especially those more technical, struggle to relate to others.

Interviewer: How do you think successful marketing organizations will be in the future?

Interviewee 6: In the past, the creative component had a very large weight in organizations; sometimes a marketing direction was essentially a direction of advertising/communication. Today, marketing is not that, and in the future, it won't be that either. The future will be data-driven, based on personalization and a process of automation. These days, you gather insights, seek to respond to those insights, so you start right away with data. Then, you create an automation process that unfolds this and reaches people to deliver something that is personalized. And I think that is the future. The marketing director will essentially be a director of digital transformation based on data and the implementation of personalization, in my opinion. You've moved from communication to data-driven. In the future, you might not have many designers either because machines will adapt the pieces based on 3 or 4 concepts you put in, and they will develop 300 pieces. We will be more technological and less about marketing, you know? In reality, the focus will be on managing this, optimizing, and allocating things. The curation of content will not be yours.



## **B.7 Interview 7 - Participant 7**

Interviewer: How is marketing structured in the company you currently work for, that is, what functions are covered and how are they organized?

Interviewee 7: There is a separation between strategic marketing and operational marketing. In strategic marketing, everything related to brand positioning is defined. In operational marketing, everything concerning brand activation is included, from communication to activation, in short, everything related to the point of sale. Within the strategic marketing area, there is a consumer insights area that deals with everything related to research and consumer knowledge. There is also a brand management area that handles responsibilities like brand identity, verbal and visual elements, positioning, and the entire brand diamond. A new area was also created called the digital hub, which is a very recent area that falls under operational marketing and handles communication on social media, everything related to digital interaction. It indeed has skills for linking different digital communication channels, from storytelling to visual activation. Within operational marketing and the digital hub, they are organized by brand, and competencies are concentrated, meaning the same person handles communication and coordinates with the digital team when digital communication is needed, working with agencies, etc. The digital side is not divided by brand. I believe that in the future, as knowledge and organization accumulate, this will happen. Product development is done by R&D, but coordination and launch are managed within the strategic team.

Interviewer: How many levels of management do the areas have approximately?

Interviewee 7: So, there is a level of marketing direction, then a level of manager, then a level of senior brand manager, and in some cases, there is a junior brand manager. There are, in fact, three levels at a minimum, and then four, depending on the brand and its size.

Interviewer: Which functions are outsourced and why?

Interviewee 7: I would say there are three competencies. Media management is not internalized; it is done through an agency. I mean space purchases because content production for media is done by digital, which handles all content production. Creativity above the line is

clearly handled by an external agency. The other outsourced competence relates to research itself, meaning there is a consumer insights team that looks at results and coordinates studies, in short. The fieldwork is done through a specialized research company with field teams.

Interviewer: In your personal opinion, what are the two main advantages of this type of structure and the two main disadvantages?

Interviewee 7: I can compare with two companies that have a similar profile and structure. I believe marketing always needs to be seen as the sum of parts, and each part is important to the final result, so having a structure that brings everything together and isn't outsourced, especially regarding consumer insights, is crucial to ultimately achieve good communication and connection with the consumer, which is super important. For me, a marketing team that understands everything from the consumer down to the end result is the perfect model. What often happens is that campaigns are made that are very impactful and talked about, but then to what extent does that lead to purchase and the final result of creating a relationship with the brand? I believe that structures lacking this don't achieve such good results... They may eventually succeed after many attempts and errors, probably. I think the likelihood of error is lower when you have this solid structure from start to finish. Especially regarding effectiveness, I believe the effectiveness is greater whenever thorough groundwork is done. As for the disadvantage, it is the time these processes sometimes take. Because it's much faster to assume we have all the insights and rush to put everything on the market, thinking it will be super effective when in reality it isn't. Therefore, the biggest disadvantage is that instead of taking two months to develop a campaign or a launch, it might take a year. But indeed, for effectiveness, I think it is much better in the long run.

Interviewer: Have there been significant changes in the structure in recent years? Have there been restructuring efforts? What were the main changes?

Interviewer 7: I would say that the most obvious thing is that the big change in marketing teams has a lot to do with this specialization in the digital area. There were digital skills, each marketer obviously evolves in their own experience, but there wasn't a team specialized in digital, and now there is. There has also been an evolution that I find very curious because traditionally, as I said, we were very organized by brands, and it started to be understood that if we wanted to innovate and bring dynamism to the market, which is perhaps becoming more

mature, we need to look at the market by category and not by brands. In other words, the people in charge really began to dominate this way; they became category managers. It was already intrinsic, I think, but when the name changed, it means greater importance is given to market analysis, identifying even opportunities for innovation. Often, it is also a trend in marketing; segments are increasingly crossing over, and there are synergies in bringing certain segments together in innovation. So, this greater breadth makes me look at the market differently and identify opportunities beyond the brands I have. And this is a structural change. Of course, there has to be a significant marketing maturity, which I think the Portuguese market mostly supports. This category view is very common in multinationals, for example.

Interviewer: What are the main evaluation metrics for marketing as a whole? And has there been any impact on the KPIs as a result of the changes in recent years?

Interviewee 7: Yes, I can give an example. The launch, for example, of a product in the last year was the result of these measures. There it is, the category view, what can we bring to the market that doesn't exist. When we suddenly start to encompass categories, there are already two ways to look at the market. So, this launch is a bit of a result of this vision of, wait a minute, this brand can go a little further because there is indeed a need for it in people's lives. So, to answer your question, innovation ends up being different when we change this view; we create this category structure and not a brand one. It's about broadening our horizons. The category allows us to broaden the scope of products we have in the portfolio. But I understand that things also take time to yield results. And in fact, I would say that this formalization of the structure, as I said, was a formalization. I think that in practice, we were already doing a bit of this exercise of what I can bring and we always step a little further away from the brand. Regarding the KPIs, the strategic marketing ones are always KPIs related to the percentage of innovation, and innovation is obviously a driver of the brand, the weight of innovation in terms of sales. Then there are market share KPIs, and then, there it is, they started to create penetration rates in the categories. One thing is the brand penetration rate and the brand market share; another thing is in the category, what is the weight of our sales? The weight of the marketing investment in terms of sales. Then there are the obvious ones, like awareness, spontaneous notoriety, general notoriety, etc. I only identified what seems to me to be much different from other companies.

Interviewer: Which areas of work or marketing functions have been growing in importance and which have been declining?

Interviewee 7: I won't focus on digital because it has already been talked about a lot, but I think everything related to information and the use of that information as a source to produce good results for marketing is clearly a trend. In the past, whenever we conducted a study, it was called research, and now it's called consumer insights. And this seems like a detail, but it's not a detail. The information used to be seen as a set of data, and now it is understood that data is not the final result. The final result is what you extract from that information. And I think this was an awareness that has been increasing and has been democratized, if you will, in marketing teams. This idea that it is not just about data; it is about deriving insights that then help us build business. Therefore, I believe this change, alongside everything related to the digital world, which also brings us information, makes this consumer insight aspect very important.

Interviewer: What points for improvement do you identify in the structure?

Interviewer 7: No, I believe that from a marketing structure standpoint, it is very well thought out. It is really comprehensive. What we often see in the market, particularly in marketing, is a strong focus on communication and activation and less on defining positioning before communication. Often, we focus on the end of the chain and forget that this end of the chain must be preceded by a very structured thinking about brand positioning and what we bring to the market that our competitors do not. And often, structures have flaws in this area due to a focus on the short term, the size of the teams, etc. It is about the allocation of time and people as well, specialization, we need to have people with time to think and to mobilize.

Interviewer: For any marketer, what are the two soft skills you consider most important? And the two hard skills most important, both in terms of knowledge and tools?

Interviewee 7: One of the soft skills that I think is crucial and increasingly so in society in general but particularly in marketing, has a lot to do with empathy. And empathy in the broadest sense you can imagine. Openness to listen, listen to the consumer, listen to competitors, and at the same time be very attentive to what they are doing. Then, curiosity because in truth, we cannot surprise the market if we are not attentive to things. As for hard skills, I would say analytical ability, I truly believe that it is in the analysis of information that we can gather all the variables and from there discover new paths, how can I read the data. Besides this,

everything related to the world of virtual reality, everything related to AI, will be super useful as a work tool for the coming years.

Interviewer: How do you think successful marketing organizations will be in the future?

Interviewee 7: I would say that technology, I believe technology will clearly be a core axis that will enter marketing structures in a very clear way.

## **B.8 Interview 8 - Participant 8**

Interviewer: How is marketing structured in the company where you currently work, that is, what functions are covered and how are they organized?

Interviewee 8: The company has multiple businesses, with a business for individuals and another for businesses. Regarding marketing for individuals, there is a large division: a brand and communication area that is typically transversal to the entire group since the brand needs to be treated as a single entity, and then there is a marketing area where the management of value proposition for the customer takes place, along with the other Ps of marketing, namely pricing, promotion, product, etc. There is all that part of business management because the commercial areas tend to be essentially operational. Since marketing manages the value proposition, it essentially manages the business from a value perspective. The brand and communication team is responsible for the brand and for defining the strategic brand plan, that is, what we want as a global value proposition, or in other words, what I want you as a consumer to see when you look at the company. The task of the brand and marketing is for you to look at our brand and have a set of positive feelings, a sense of value that leads you to choose the brand. That you join the brand for the best possible price or the greatest number of services and stay here for a long time, happy with the service. There is a definition of a strategic vision of what this long-term vision is; the value proposition only works if it is seen end to end. The brand and communication team is responsible for the brand and then for defining and planning campaigns, producing them, and implementing them in the media, etc., to build up an asset that is the brand, which evokes recall and a set of functional and emotional attributes in consumers. This is the core of what the brand does; it also has some supporting commercial functions, such as materials for points of sale, etc.

These teams are typically organized internally around macro campaigns. In this industry, the moment of purchase decision occurs only periodically, and therefore, there is a great objective of building the brand in the minds of consumers so that at the moment of decision, the consumer acquires or retains the service with us. This means that the organization of the brand team is designed to work on campaigns that, in the long term, will build functional and emotional attributes. Typically, we have teams responsible for end-to-end campaigns, from the brief, working with the agency, to production and implementation. The teams work on different campaigns.

Then there are 2 teams that are transversal and provide services to the 2 campaign teams: one for activation, events, and offline operationalization, and another for media, meaning they are not creative, focusing on media planning and buying space on television, digital, out of home, and another for digital. The digital part is constant; they work on their own but also translate the macro campaigns for the digital ecosystems, including influencers and production. What we have seen recently in the Portuguese market and in the company is that digital has gained great prominence. It has moved from being a passive presence to a much more active one in terms of quantity and has also gained significant importance in macro campaigns with its own adaptations. We even created something, in partnership with an agency, to have the capacity to produce small content quickly and at scale. This allows for recording beyond the campaign recordings.

The digital team has been growing in importance, in terms of the number of assigned people, etc. Conversely, the areas for external brand activation have been declining. This is a trend I think is happening with most brands in Portugal. Sponsorship of major events has been declining for multiple reasons, including the fact that they are long-term bets that take time to build. Long-term investment is typical of monopolistic businesses with high margins, which is increasingly difficult to achieve nowadays. There is also a problem, in the current world where we are all connected, that these events no longer have the reach they once had. The cost of activating/sponsoring the event for the reach, imagining 100,000 people who are there, is high. The event must also be for those who are there and for those outside to expand. It's difficult to sponsor an event and reach 10.5 million Portuguese people. Brands have been exiting due to this difficulty of greater reach and cost. Therefore, there is a significant trend for digital to grow in capability while activation and sponsorships decline.

The role of creative agencies is very important. First, because they have diverse profiles whose careers must be managed differently. Secondly, they need to be exposed to diversity; a good creative must create diverse campaigns to avoid narrowing their vision about that market/consumer. Also due to peaks in demand and times of lower need.

Interviewer: What functions are outsourced and why?

Interviewee 8: Creative agencies and media agencies. Regarding media, outsourcing is done. It is a topic related to the processes of planning campaigns, they have this streamlined and then the ability to negotiate with television, print, outdoor, and radio. It plays a relevant role in terms of aggregating demand from various clients. In marketing as a whole, outsourcing

is relatively rare because it is core to the organization. The outsourced aspects respond to functional requests and the communication department. In other words, they are functional competencies; the partners do not think about the strategic direction of the business or the brand. They help to create or operationalize a campaign.

Interviewer: How many levels of management do the departments have?

Interviewee 8: Yes. Typically, you have a director, a manager area, and then teams, so that's 3 levels. About 40 or 50 people perhaps.

Interviewer: Do you use flexible work structures like project teams or working groups? How frequently and for what purpose?

Interviewee 8: In branding and communication, it is not very common to have multidisciplinary project teams with other departments, but it is in the rest of marketing. Because typically the output is campaigns, for events, a project team is indeed necessary; during that month, the workload is immense, so others come to help but then disband, as it is not a constant need.

Interviewee 8: Moving on to the rest, marketing consists of about 120 people. In the personal marketing sector, there is a team responsible for creating business conditions to acquire clients and manage the clients while they are here. The current organization is, first, we have two areas, as they are more recent and smaller, new segments. It is as if they were business units because these marketing teams are responsible for the P&L, Profit and Loss, of the company in the end. They have a comprehensive view of their respective business. When you have newer and smaller businesses, new segments, it is very important to have an autonomous business unit. They can have synergy and benefit from the macro structure of other teams, but a more autonomous view is required to be agile; otherwise, they get lost in a very large organization. They think about the business, where the product is going, negotiate with partners, launch campaigns, revenue and costs, identify communication needs. Within these teams, they are very multidisciplinary teams; you have product managers, project managers, pricing specialists, and commercial staff. The other segment has product areas, a client management area, and a commercial area; channels are managed by them. The digital marketing squad is within this team, one squad for each brand. Digital is a completely different commercial channel



from traditional, like retail and stores. Digital has to combine a set of skills; the one who manages it is the product manager since he knows the direction in which the product is going. Typically, he has a digital media expert with him, has content, that is, a designer; these are the two core elements, from a matrix perspective. Then typically, there is also someone for analytics, someone for personalization, which is essentially about the consumer journey, and there may or may not be a front-end developer who configures the web pages. Depending on the size of the company and the level of autonomy and synergy, these functions can be more tightly integrated, and the disadvantages are: people evolve less and are less exposed to cross-knowledge. The advantages: focus on results. We have had various models; it has been completely transversal in conjunction with branding and communication because branding and communication also implement campaigns. Nowadays, we have a mixed model, meaning the media expert and the personalization person are within the business unit, and the content person is in branding and communication. Why? Because content often involves adapting campaigns that come from macro campaigns; there is a significant synergy. Personalization does not have synergy because it is its own function. Media has some management synergies with the agency, but in reality, it is the most important function for results, and thus its alignment with results is crucial. We have a solution where the media reports to the product owner, but in fact, there is a more informal chapter. They continue to meet to share knowledge, but his boss is the product owner, not the chapter expert of media. In digital media, some are in branding, others in squads, some have awareness and brand objectives, others have sales objectives. In the past, we had a leader who was a hierarchical boss; the advantage is that know-how and knowledge are shared much more quickly, but the disadvantage is that branding staff do not have a commercial results-oriented DNA, it is not their core. Now they report to the product owners who see sales every day and then have an informal report to this branding person to share knowledge, almost like a monthly forum for knowledge sharing, but it isn't hierarchical. There are no perfect solutions; it is always a logic of focusing on results versus the transversality of knowledge. Depending on the company's moment, the organization's maturity, and the function's maturity, sometimes it makes more sense to be one way, and other times it makes more sense to be another way. It is the balance we have reached; we believe it is the best for the current context of the company. In the media, because the focus on results is more important, the media expert reports to the product owner; in content, as we believe that the uniformity of the brand's look and feel is more important, it reports to the brand. There is no right answer; it was the balance we reached.

I believe each topic should have only one owner/responsible person. Because they overlap, the problem for most Portuguese companies is not doing something well; usually, it is what they do not do and what they should be doing. The business is complex, and therefore it is very important in a management structure to have accountability and clarity about everyone's role, so people know what their function is. Business units for specific themes need focus and attention; otherwise, they get lost in the volume of things and the company. Then, for the overall value proposition, since there are so many themes and the business is so large, a functional structure is needed. You can have a structure by segment, by product, or functional. Product and segment would imply a massive replication of functions. I am in favor of a functional structure; in my case, I have a management direction responsible for acquisition and segmentation, then one for client management, another for retention, and then product management. Product management defines the products and their specificities. They are not concerned with the day-to-day dynamics of the business or with sales. They focus on evolving the product over a long time to have the best possible product for customers. The acquisition and segmentation team is concerned with looking at the market and understanding how to acquire the largest number of clients, providing instructions to the sales team on how to do it, defining pricing. Client management handles customer loyalty and value management of the customer base and loyalty. Retention is responsible for ensuring that customers do not leave. For greater accountability and agility, I brought the retention sales area inside this team. The call centers that handle retention are here. Why? So that the director can define retention pricing, retention processes, and the sales team can operationalize it. Product management is divided by product. Segmentation is by product type, and then there is a transversal team to support the offering that connects with the market. Transversal to coordinate the needs of all products, managing a global perspective of each offering. Managing campaigns, the campaign roadmap, and promotions, coordinating with the sales area and the branding area to respond to various products. A completely transversal team. Client management is divided by offer/client; there is an area of soft loyalty, and then there is a transversal team for the technical implementation of projects. In retention, the processes and pricing team were combined because there is a lot of synergy. Then there is the sales team that manages the call center, and there is a large analytics area that provides services to other marketing directions. Intelligence related to the consumer and market is not here within Marketing, it is a transversal team for the entire company.

Interviewer: Are there functions that stand out for having a greater or lesser allocation of human resources?

Interviewee 8: The client management area is very large; retention is also significant but has call centers, which don't count. It is a recurring service, so client relationship management is absolutely fundamental. Base management has a much larger scale in this business than customer acquisition.

Interviewer: Do you use flexible work structures like project teams or working groups? How often and for what purpose?

Interviewee 8: Besides the squads, whenever a new business initiative is launched, a team is typically assembled. It is necessary to bring together various competencies, often outside of the marketing directions, to launch a new product. Sometimes it is necessary to bring everyone together to rethink something from end-to-end.

Interviewer: In your personal opinion, what are the two main advantages of this type of structure and the two main disadvantages?

Interviewee 8: As an advantage, focus is essential; it is a mature business, and the market grows little, so to improve, a lot needs to be done cumulatively. There are many initiatives at the same time, so the focus of the teams is fundamental; that's why I advocate for a functional organization. It is also necessary to optimize many things; the more functional it is, the better. Specialization is also necessary, bringing many advantages in the context of a mature business. Regarding disadvantages, it is difficult to manage for the top level, with a lot of information and many reports. When you have a functional organization, it means in practice that the hierarchical level that has to manage operational coordination rises, it is at the very top. The top has a cross-sectional view of the projects and arbitrates between the marketing departments. For marketing performance, there are indeed disadvantages regarding results. There are fewer people with a cross-sectional view, fewer people seeing the business end to end, and therefore, naturally, the more people look at the business end to end, the easier it is to detect major themes. Responsibility for Profit & Loss does not exist for each person; everyone looks more at their function, as opposed to a less functional and more generalist structure. It is a model that allows focus and agility, specialization, and quickly improves themes. It also means that significant changes in the market imply a deeper reorganization of the structure. In other words, if the market completely changes tomorrow, it would imply completely reorganizing the business.

Interviewer: Have there been significant changes in the structure in recent years? Were there any restructurings? What were the main changes?

Interviewee 8: The creation of new business units, deepening the role of these business units, making them more autonomous and more focused on their objectives. There was a deepening of the functional dimension in marketing, a functional focus. We made small changes in terms of the macro function to ensure greater agility. For example: In this point/topic, they are often dependent on a certain team, so it does not make sense for that team to be there. In the brand, there was a growth in digital marketing, leading to a reduction in the activation area and the creation of this digital sales marketing channel that did not exist (the squads) and it has been growing.

Interviewer: Which areas of work or marketing functions have been gaining importance and which have been losing importance?

Interviewee 8: Digital has gained importance, both in terms of awareness and sales. Growth of certain business segments. In the rest of marketing, there were small adjustments to ensure agility. The integration of retention call centers into the retention team for focus and agility. Now there is only one responsible team; we brought everything together within the retention team focused on these KPIs.

Interviewer: Do you think any new functions have emerged for marketing?

Interviewee 8: First of all, know-how in designing a digital value proposition. It is an important topic. Products must be created from scratch for digital, which is a completely different mindset. For example, an online acquisition product with a subscription purchase model; what you expect from a digital product is different from what you expect when buying in a physical store, the way you trust and relate to the product differs. Promotional dynamics and pricing in the digital world takes time because algorithms take time to converge, which is very different from lowering a price in a store. The thinking of a digital end-to-end value proposition is completely different, and there are very few people who know how to do this. The way you think about product and value proposition in digital is different, as the channel and segment greatly influence it. This shift is not only a result of COVID but also due to the new

generation, which is digitally native. Then, everything related to AI and analytics. A functional dimension that crosses all areas but has a significant impact on how you set up marketing processes. For example, algorithms that anticipate consumer behavior. Moreover, the digital aspect concerning brand; the boundaries of digital for brand work are different from other media. There is more space to take risks and different ways to interact with consumers, influencer marketing, and the speed at which content is produced; producing a lot is more important, and quality might not be as relevant as in other media. Most markets are mature; there is no exponential growth currently, and the capability of marketing professionals to find business opportunities and markets with growth potential where they can create a value proposition with their assets to disrupt the market, identify business opportunities, winning value propositions, and target that market.

Interviewer: What are the main evaluation metrics for marketing as a whole? And has there been any impact on the KPIs as a result of the recent changes made?

Interviewee 8: It is a very complex business to assess the direct impact, and it takes time to evaluate the impact in this business. Obviously, the main metrics are the number of customers, NPS, revenue/margin. For brand, brand awareness, functional dimensions, and emotional dimensions associated with the brand, etc.

Interviewer: And do you identify any areas for improvement in the structure?

Interviewer 8: We are always changing the structure, reviewing the strategic plan, and there will be adjustments. Some larger, some smaller, to align with the company's strategic plan. It has to adapt to strategic priorities, focus on and allocate resources to the topics that need to be worked on or launched, and withdraw from where it is not a priority.

Interviewer: In terms of skills for any marketer, what are the two most important soft skills? And the two most important hard skills, both in terms of knowledge and tools?

Interviewee 8: Besides the know-how mentioned above, regarding soft skills, I believe having initiative, a willingness to learn and make things happen, seeing it through to a successful conclusion, being resourceful, not giving up, and showing autonomy is important. Having a strategic end-to-end vision and seeing the impact across the entire value chain is also

connected to maturity, thinking about different consequences, and weighing various dimensions of impact. Marketing is very analytical; even with customer insights, it is heavily based on numbers, so analytical capacity is crucial. Storytelling is also fundamental, along with interpersonal skills, relationship-building, the ability to lead the group in one direction, and getting everyone on the same page – in other words, leadership skills.

Interviewer: And how do you think a successful marketing organization will be in the future?

Interviewee 8: To achieve success, above all, there must be organizations with a cross-cutting marketing mindset throughout the organization. More and more, marketing is becoming core; the organization is oriented towards marketing. The whole organization needs to have that focus and mindset.

## **B.9 Interview 9 - Participant 9**

Interviewer: How is marketing structured in the company you currently work for, meaning what functions are covered and how are they organized?

Interviewee 9: We often say that we are an organic structure. In other words, we don't have a structure as rigid as other companies. This is mainly because our team has grown significantly since the beginning, and therefore, it has developed organically, according to needs and the profiles of the people, etc. We also observe how other structures in similar circumstances have evolved. Within marketing, at the moment, we have the entire brand area that responds to the core areas, meaning 2 core product segments, and then there's the services area. You have the brand management area. There's a person who manages the brand managers and also the brand itself. Then you have a media area that we didn't have before. For the first time, we have a media area because the team has grown and the business has expanded. Here, we handle all communication plans across all channels, including digital, and we also have a lead generation area. There are certain tasks that require significant lead generation effort, and we have a person dedicated to that. Next, I have a public relations area, content, influencers, and social action, all in the same team. Finally, we also have a store concept or store environment area that encompasses everything regarding the concept, segmentation, signage, and atmosphere. Then there are teams that implement around the stores. The customer team is separate, and performance for e-commerce is also within the e-commerce team. Everything related to performance campaigns aimed solely at specific sales for websites is handled by a team within the e-commerce group. All customer communications, newsletters, SMS, and managing the entire customer journey are handled by the customer team.

Interviewer: How many management levels does each area have, more or less?

Interviewee 9: It's as horizontal as possible within the growth. I have 4 direct reports who, in turn, have their reports. We're a total of around 20 people in marketing.

Interviewer: What functions are outsourced and why?

Interviewee 9: We work with many agencies, but we also do a lot internally. We have a key visual, and we adapt everything internally. For cost reduction, for greater speed, for more agility. We outsource social media management, where brand managers handle social media based on a content plan, but we also have an agency that even manages the community. Most companies have internationalized; due to a limitation of FTEs, we do that outside. We work with a communication/advertising agency, and we have centralized everything now in one. We have a PR agency. We have an influencer agency and another for social media. For events and brand activation, we also hire an agency on a project basis. Then for packaging, we use another agency. We work with many agencies. For instance, for digital content production, producing content for social media is preferable to do externally, but managing the community is more beneficial to keep in-house to ensure tone, greater agility, and speed. I think agencies help us when they have expertise in their respective areas, but there are more transversal tasks that are better kept internal. Sometimes we internalize functions due to cost issues, etc.

Interviewer: In your personal opinion, what are the two main advantages of this type of structure and the two main disadvantages?

Interviewee 9: It has been very beneficial to create an internal media department, which has people who came from branding backgrounds because it allows for that know-how of a media specialist who also has a brand vision, and that is very good—not having people confined to their respective "houses." Then, perhaps more related to culture and growth, flexibility and mutual support. When we need to adapt and assist, everyone pitches in. For me, having an internal media department is good because it allows for the know-how while also adapting formats on the fly, meaning integrating needs and features of the medium right from the start of the production process. The disadvantage is always the lack of personnel; we need more human resources. But I believe it is an agile structure; it isn't very heavy despite the growth. The role of leadership is fundamental in linking/alignment between strategy and execution. At the planning level, it is completely bottom-up. So, teams discuss, then we will discuss it at another level, etc.

Interviewer: Have there been significant changes in the structure in recent years? Were there any restructurings? What were the main changes?

Interviewee 9: We have grown in segments and therefore in the number of brand managers.



As the business has grown, we have also expanded the brand team. It's organic, with more people or with the same people doing more things. So, fundamentally, the changes have always been constant as the business has grown and with new areas emerging. And then there's specialization in media, with the creation of the team. We also now have someone for content, which we didn't have before. So, as we grew.

Interviewer: What are the main evaluation metrics for marketing as a whole? And has there been any impact on the KPIs as a consequence of the changes in recent years?

Interviewee 9: We have been able to achieve better results, but there has also been a shift in terms of brand and communication. We started to work on brand instead of just focusing on price and promotion. Now, we benefit from having someone in media, for example, who speaks the same language as the agency and who challenges the agency with knowledge. Instead of having takers, so to speak. Our agencies, more than being consultants, are basically our partners. We measure brand awareness, but that's the basics. We measure advertising recall, we measure the most recalled areas. An interesting thing is that before, people remembered advertising in general but didn't really know what it was. Now, it's very clear the core areas we work on that are coming to the forefront, which is very relevant for us. We measure NPS, which is extremely important for us, both in the market, which is the most challenging since it includes customers and non-customers, and just for customers. Marketing is evaluated, besides adhering to the marketing budget, by the market NPS.

Interviewer: Which areas of work or marketing functions have been growing in importance and which have been declining?

Interviewee 9: The entire digital space has gained tremendous importance. From attention span, thinking digital-first, but also the theme of content. Content that is not just about products, but also engaging people through content and interest, etc. Thinking about the website and working on it for SEO content, instead of just focusing on products. Working on the complete funnel in digital from awareness to consideration and conversion in a very connected way, and it requires a significant synergy and closeness between the teams, with e-commerce, clients, etc.

Interviewer: Do you identify any points for improvement in the current structure?

Interviewee 9: I think, for example, the brand managers are extremely overloaded, and I think it could grow with a content area that also manages social media internally, while keeping all content production external. But maintaining expertise in client relationships.

Interviewer: Which marketing skills do you consider are emerging, that is, new skills or those that have grown in importance?

Interviewee 9: I think analysts are very important, and there's a huge lack of them. Also, a bit of what we increasingly see in AI training, you don't need a programmer, you just need people who know how to ask the right questions. Thinking about what I do that can be automated, and that needs to be intrinsic to every individual. It has to be throughout the organization and empower teams to raise these issues. Analytical skills are necessary because we live in a data-driven world but with focus and clarity as well. Also, having creativity in daily problem-solving. Someone once told me: I prefer to have an intelligent and lazy person than a hardworking fool. Because the intelligent and lazy person will always find a quicker way to get things done. After that, collaboration, mutual assistance, and values. In marketing, we depend on the rest of the structure; we do nothing alone. While a sales area can negotiate, we cannot do anything alone; if others haven't produced the product, if others haven't set the right price, if others haven't implemented what's needed, we can't do anything, so we need each other a lot.

Interviewer: For any marketer, what are the two soft skills you consider the most important? And the two hard skills that are most important, both in terms of knowledge and tools?

Interviewee 9: I think that a person has a tendency to hire people who are similar to themselves. What is normal, it's the safe harbor, but this is terrible. Diversity in teams is exactly what enriches. It's about having people better than me on my team, due to complementarity and because it allows me to learn from them and grow more as well. Regarding hard skills, perhaps for some the analytical component, but for others the strategic capacity and for others the ability to link strategy to execution. This is extremely important. There are people who think very well but then it's important to know how to execute. We need to have all these skills in teams. Regarding soft skills, the relationship with others, humanity, and humility are very important. In this business, speed and agility are great. Another thing that is very important is to take pride

in the company we are in and to have someone who is entrepreneurial in someone else's business. I think this is a very good thing. About entrepreneurship and ownership.

Interviewer: What marketing skills do you think are most underdeveloped in the market?

Interviewee 9: Well, I think in this era of digital and performance, the topic of customer insights can be somewhat overlooked. Some say that what agencies need to do is transform what brands want to say into what customers want to hear. And often brands are very focused on what they want to say. And for customers, it doesn't matter at all. It's a big challenge for the marketing team to have a unique message, a call to attention, something that has stopping power. Focusing on the customer, the theme of storytelling, but the issue of whom I am talking to, what they want to hear.

Interviewer: How do you think successful marketing organizations will be in the future?

Interviewee 9: I think there are functions that will disappear, in terms of design, for example, not in a logic of creativity but of replication. Traditional advertising, as we know it with big screens and interruption, will increasingly be replaced by entertainment. We are also increasingly going down the path of content, not interrupting the person, but entering where the person is. On the other hand, I also don't know because just yesterday I read a document about younger generations starting to put down smartphones and return to landlines, so it's very difficult to know but we will go in the direction of the tools in use. I think the theme of boldness, stepping forward and doing for the community we are in. We have an increasing responsibility, what is my brand adding, the responsibility of companies and marketing departments as well.

## **B.10 Interview 10 - Participant 10**

Interviewer: How is marketing structured in the company you currently work for, that is, what functions are included and how are they organized?

Interviewee 10: The business of the company is not exclusively driven by marketing; there is a whole other part of the business that does not pertain to the commercial area. The commercial area is the one that fundamentally needs marketing, and when I say the commercial area, we are talking about retail, physical sales. So, this is a small slice of the business. This makes our model different from the traditional model. So, how do we, in the marketing area, divide ourselves? We have what we call the business area in commercial; they are not called marketing. Each of the businesses/sectors has a director. These directors, along with their teams, define the business objectives and pass those objectives on to us. Based on those objectives, we have what we call the customer marketing team and the brand team, which work together. In other words, we do not set prices or create market strategy. We develop the communication strategy which then has its impact; sometimes the business adjusts based on our strategic recommendation. What is Y doing, what is it not doing, what is the right moment to communicate, etc. Traditionally, marketing areas set prices and handle all that work; here that's done by the business side. We have the customer marketing area, that is, marketing for customers, which handles all the products and services of the company. Then we have the brand area that works on all brand-related topics, whether brand strategy, brand activation, or all touchpoints of the brand, including the purpose of the company, the value proposition for employees. In other words, the brand area is perhaps more strategic than operational. Thus, marketing is divided into these two blocks: one that takes care of operationalizing the campaigns and the communication needs of the business, and another that is the brand area that works on the more strategic aspect. These two areas cooperate closely. Within the customer marketing area, we have the head of the department and then a large team reporting to them, where each of these individuals is essentially allocated to a business. It's also important for them to know the business in depth so that they can work on the communication part. There is also a digital area. There is a leader of the digital area and a leader of the communication area and then there's the leader of customer marketing. They do digital marketing and communication for the products. In the brand area, we have the brand communication team and the brand strategy team. The brand strategy area works transversely with all teams. Then there is a specific

area related to brand activation, the implementation of the brand in the field and events. There's also another area, which was recently created, tech and innovation for brand, because it is very important, in the time we are in, in the market and the world, that there is this profile within our team that is very technology oriented. Because branding is not just about communication, we also have this responsibility and obligation to understand how we can be innovative from the brand technology standpoint, brand solutions to facilitate the internal work of our people. There are some technological initiatives that come from the brand area and then serve the company. Of course, all of this is related to the brand, to communication.

Interviewer: About this new department, created recently, can you give an example of the types of projects you develop?

Interviewer 10: We have this area that is developing the entire part of the design system. It's a tool, it's software that allows all our partners and all people to work, for example, everything they need to do related to the brand from a look & feel perspective, very much in a digital environment, meaning that this is completely directed towards the digital environment, following the brand's standards. It's like a brand book that anticipates all and any needs that may exist from a digital standpoint. If we want to create an app, for example, people take the design system and with that design system, someone can create an app that doesn't need to be directly supervised by us. What the design system does is ensure that when people create an app, website, or landing page, they will always create according to and within the brand's rules and norms. That's what the design system does. Another project, for example, and this is still in the pipeline, but we are creating a sort of Chat GPT directed towards the brand, everything strategic from a brand perspective, tone of voice, and all the communication needs. Instead of going to the normal Chat GPT, they will have an internal tool where they say, I need to create a Christmas briefing, my goal is, imagine, to sell three bottles of wine in the Christmas campaign. Any briefing, any campaign, whether products, services, business, or a post for an institutional LinkedIn, whatever it may be, the person says this is my objective, transform this into the brand's language, and make sure it reflects the brand. Basically, to ensure consistency and coherence in communication and even in the creation of tools like briefings, for example.

Interviewer: How many levels of management does the marketing structure have?

Interviewee 10: We have a director responsible for all areas and also takes part of the business. So, there is someone, we have a business director, and then, in some cases, there are 4 levels. But I think it's important to mention that in the company we prefer a horizontal matrix, meaning that although people have different levels of seniority, they can lead projects on their own. They have to coordinate with someone more senior.

Interviewer: What is the total headcount in marketing and does any function have greater allocation of human resources compared to others?

Interviewee 10: An average of 35, the two departments together, yes. I would say that within marketing, which is divided into digital and operational areas, the operational part is the one that has more people overall.

Interviewer: In your personal opinion, what are the 2 main advantages and the 2 main disadvantages of the organization implemented for marketing?

Interviewee 10: The advantage is that the structure allows for a 360 view of the company from both a corporate and commercial perspective. This way, we can empower each area with different advantages. The main disadvantage is that products, prices, and promotional mechanics are often created by the business area without the involvement of the marketing and communication team from the start. This can lead to a loss of focus on the customer.

Interviewer: Have there been changes in the organization of marketing in recent years, what are the main changes?

Interviewee 10: Besides the new tech area in branding, the main changes were all related to reinforcing and expanding the digital and technological teams.

Interviewer: What are the main KPIs for marketing? Have these KPIs been affected by structural changes? If so, what is the impact?

Interviewee 10: The main KPIs are defined on a campaign-by-campaign basis; however, they are generally related to market share, so maintaining and gaining market share, related to perceived value, and top of mind. It's difficult to attribute a direct impact.

Interviewer: What improvement points do you identify in the current marketing organization?

Interviewee 10: I think the main improvement point is to create a closer involvement between communication and marketing and the definition of products and services, that is, to improve this synergy.

Interviewer: In your opinion, which marketing functions have grown in importance and/or allocation of resources? And which have decreased?

Interviewee 10: Regarding functions that are growing in importance, briefly, all functions in digital and technology. In decline, I think only functions that used to be more administrative.

Interviewer: What functions are outsourced in marketing and why?

Interviewee 10: We outsource creativity, research, and some consulting.

Interviewer: In your opinion, what are the 2 most important interpersonal skills and the 2 most important technical skills that any marketer should have?

Interviewee 10: Regarding soft skills, without a doubt, curiosity and having an entrepreneurial profile, along with sensitivity and intuition for it. On the hard skills level, I think it is essential to have a good ability for data analysis and storytelling applied to marketing.