

# How Agencies Can Bridge Gaps For Mid-Market Success

By: Robert Rose, Senior Analyst

Digital disruption has been particularly hard on companies in the mid-market. Competitive advantages historically based on regional/local presence, distribution, long-standing customer relationships, or even partnerships with larger enterprises are no longer sufficient. With multiple channels such as mobile and social and new processes like inbound and content marketing, it is no wonder that mid-market companies are turning to technology for help.

This is a marked change from even ten years ago, when technologists in mid-market companies faced uphill battles to get technology approved. The challenge today isn't if technology can help to create a differentiated marketing approach - it's how the company gets it done. Technology solutions such as marketing automation, social suites, content management, testing, analytics, and others are implemented with the aim of driving efficiencies. But, in many cases, randomly adding these technology solutions causes even more chaos than before. More capabilities with technology does not a strategy make, especially when marketing may already be overwhelmed with more than it can handle.

As mid-market companies look to serve the new "empowered customer," most are also being squeezed from both above and below. Unlike a small business, they have larger intertwined sales, marketing, and communication efforts. They can't simply transform their marketing operations overnight.



And unlike a large enterprise, they often have smaller staffs and less ability to delegate. They can't afford to simply hire and/or launch a separate, new initiative.

Increasingly, mid-market companies are looking to agencies to help solve the capabilities challenge. The timing may be right. Digital Clarity Group's primary research on the service provider landscape points to fundamental shifts for the agencies, as they expand their capabilities to add technology expertise to strategy, implementation, and ongoing management.

But the key to success for mid-market companies is not a classic outsourcing of technology. It lies in creating a true partnership with an agency. The businesses that are making strides towards new capabilities around digital and marketing are first acknowledging that they are essential, and then taking the time, effort, and responsibility for identifying how the business will address them.

With a partnership approach, mid-market companies and agencies work together to utilize the inherent strengths and talents of all the partners at a table to develop a cohesive, consistent, and value-oriented framework. In our roles as analysts and consultants, we have seen success with a number of models across different industry segments and enterprises sizes. For mid-market companies that are strapped for talent, bandwidth, resources and time, partnering with smart new agencies that understand how to bridge this gap can be one of the most effective ways of responding to digital disruption.

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## The “Appification” of Marketing

The technology landscape that helps to power this innovative new partnering approach has only gotten more complex. Over the last few years, Scott Brinker, CTO of ion Interactive and author of the Chief Martec blog, has mapped out the landscape of marketing technology providers. The 2014 version of that map includes almost 1,000 different companies across 43 categories and six major classes. As he has said: “Marketing has become a technology-powered discipline, and therefore marketing organizations must infuse technical capabilities into their DNA.”<sup>1</sup>

However, marketers are already overwhelmed by the amount of technology that is now required of the business. According to a recent study of 300 marketers at mid-sized companies, more than 60% of them say they already have too many marketing technology vendors to manage them effectively.<sup>2</sup>

This ever-growing complexity is enough to frustrate any leader of a business large or small. Some businesses simply challenge their marketing departments to become smarter and better at understanding technology. Others challenge their IT departments to become more facile with marketing processes. But, in our experience, these efforts usually lead to even more frustration. In today’s market, it is not simply adding more to the marketer’s plate – especially in areas where they have little or no expertise. And, it’s not about helping technology professionals understand the concepts of inbound, or content marketing, or marketing automation. Rather, a unique, integrated and separate strategy that includes both marketing and technology will lead to more success.

## The Evolving Role of Agencies

Just like every other business, agencies have been impacted greatly by digital transformation. The research for Digital Clarity Group’s *Guide to Service Providers* included extensive interviews with 87 agencies and integrators. In almost every case, the agencies themselves were undergoing fundamental transition in the value they were creating for clients from a technology/marketing perspective. As we noted in the *Guide*, “nearly every service provider we interviewed said it is adding staff (or entire new skill sets), acquiring other firms, forming new vendor partnerships, mastering new technologies and otherwise transforming its business model and product offerings.”<sup>3</sup>

### Maps and Bridges


There is no doubt that, in many cases, mid-sized companies are struggling to get started with a new customer engagement and/or inbound strategy. One study found 60% of mid-market organizations currently lack an integrated data infrastructure needed to support any kind of customer engagement program.<sup>4</sup>

Further, another found that 70% of mid-market marketing executives agree that the practice of marketing itself has become more challenging despite (or in some cases because of) the range of technology solutions available.<sup>5</sup>

Agencies can, and should, help create the maps and bridge the technology gap. DCG’s research finds that successful partnerships between agencies and mid-market companies are focusing on what we have identified as the “Three I’s”:

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1. **Implementation** – a tool isn't a tool until it is installed, implemented well, and established within an operating environment.
  2. **Integration** – technology is integrated across more and more complex infrastructures so that a more holistic view of customer interactions can be used for deeper insight.
  3. **Incorporation** – the rapid evolution of technology and/or the marketing platform it feeds changes so quickly, that the agency is instrumental in helping to monitor, iterate and inform this channel.

## Beware Of Cobblers With Barefoot Kids

Opportunities for agencies and mid-market companies to partner go beyond technology prowess. From content execution for content marketing programs, alignment of customer journeys to optimize lead nurturing campaigns, and even the ongoing measurement of success, agencies are evolving to help mid-market businesses fill other gaps in an already-stressed organization.

However, the tsunami of digital brings with it a more complex agency partner selection process. As Forrester Research analyst Liz Herbert has said: “Companies are increasingly turning to third-party services that can provide new ideas and unique skill sets to accelerate the digital business journey... [However,] they struggle to find the right partners, especially with so many smaller partners gaining relevance – and with nearly all services providers rebranding themselves as ‘digital’”.<sup>6</sup>

Mid-market companies can help clear their own fog. At DCG, we have found that businesses that create successful partnerships start with a thorough understanding of their own needs. Then they ensure that they engage as many firms as they need to in order to address them. To be clear, this is not about engaging different agencies and segregating by different parts of the funnel or by channel (e.g. Brand vs. Web vs. Email vs. Mobile). This has historically been the way that many agencies are engaged.

Rather, a new formula for partnering is to first deeply understand the experiences the business is facilitating across the entirety of the customer journey – then identifying partners who can help both leverage and supplement their inherent strengths and talents. These partners will bridge the gap across either multiple functions (e.g., creative vs. technical) or across the “three I’s” as above.

We suggest taking a good look at an agency’s engagement strategies. To paraphrase the lyrics to the classic David Bowie song “Changes,” agencies themselves are not immune to anything that their clients are going through. Therefore, an examination of their own efforts around inbound marketing, content marketing, and technology implementation (and across the three I’s) is a key leading indicator of how they will handle their client’s business needs. Put simply: a brand should beware partnering with any service provider that doesn’t itself have as good or better digital capabilities than what it seeks. And, if the excuse is that “we are too busy with clients to get around to minding their own store,” then it is time to look elsewhere.

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## At the Far Side of the Bridge

For mid-market businesses, partnering with agencies to prioritize and execute content creation and inbound marketing -- as well as the implementation, integration, and incorporation of the technologies that support them -- can be an optimal way to innovate and deliver value to this new, empowered customer. But the partnership is not about simply abdicating the responsibility to an outsourced provider or through random acts of technology acquisition. It's about leveraging all of the unique and inherent strengths and talents of the team. This includes the business, the agency, and the technology providers themselves in order to develop a cohesive, consistent and value-oriented framework. The outcomes can improve the organization's ability to:

- Increase the speed and agility of marketing planning.
- Help to segment visitors and create more resonant, personalized content that ultimately creates a more engaged (and more valuable) customer.
- Create inbound, marketing and other customer experience strategies that are driven by content.

- Increase the likelihood that technology will help to facilitate all those processes.
- Help the business to measure and, most importantly, derive meaning from those results.

In his effort to encourage companies to recognize when it's time to disrupt their own business, Clayton Christensen, author of *The Innovator's Dilemma*, once said that "blindly following the maxim that good managers should keep close to their customers can be a fatal mistake." Mid-market companies should be acutely aware of this. Customers may not be asking for more personalized, relevant content-driven experiences. But it is surely the case that they will expect them to be there.

And the same advice goes for the agencies themselves. Smart companies are finding ways to disrupt their current operating models, learn new methods, and figure out how they themselves will deliver new, optimal customer experiences. By partnering, they may just find that they'll surprise, delight, and create a better customer.



## Notes

1. Chief Martec's 2014 Marketing Technology Supergraphic <http://chiefmartec.com/2014/01/marketing-technology-landscape-supergraphic-2014/>
2. Marketing Got Complicated: Challenges (And Opportunities) For Marketers At Companies <http://www.dnnsoftware.com/about/resources/whitepapers/view/whitepaper/cid/429576>
3. Guide to Service Providers for Web Content and Customer Experience Management <http://www.digitalclaritygroup.com/guide-to-service-providers-north-america/>
4. Analytics: A blueprint for value in midmarket organizations [http://www.ibm.com/midmarket/au/en/att/pdf/Analytics\\_-\\_A\\_blueprint\\_for\\_value\\_in\\_midmarket\\_organizations\\_-\\_GBE03591USEN.pdf](http://www.ibm.com/midmarket/au/en/att/pdf/Analytics_-_A_blueprint_for_value_in_midmarket_organizations_-_GBE03591USEN.pdf)
5. Marketing Got Complicated: Challenges (And Opportunities) For Marketers At Companies <http://www.dnnsoftware.com/about/resources/whitepapers/view/whitepaper/cid/429576>
6. Navigating The Fast Moving Landscape of Digital Implementation Partners <http://www.forrester.com/Navigating+The+FastMoving+Landscape+Of+Digital+Implementation+Partners/fulltext/-/E-res112382>



## About Digital Clarity Group

Digital Clarity Group is a research-based advisory firm focused on the content, technologies, and practices that drive world-class customer experience. Global organizations depend on our insight, reports, and consulting services to help them turn digital disruption into digital advantage. As analysts, we cover the customer experience management (CEM) footprint – those organizational capabilities and competencies that impact the experience delivered to customers and prospects. In our view, the CEM footprint overlays content management, marketing automation, e-commerce, social media management, collaboration, customer relationship management, localization, and search. As consultants, we believe that education and advice leading to successful CEM is only possible by actively engaging with all participants in the CEM solutions ecosystem. In keeping with this philosophy, we work with enterprise adopters of CEM solutions, technology vendors that develop and market CEM systems and tools, and service providers who implement solutions, including systems integrators and digital agencies. For more information about DCG, visit [www.digitalclaritygroup.com](http://www.digitalclaritygroup.com) or email [info@digitalclaritygroup.com](mailto:info@digitalclaritygroup.com).

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