

# The most perfect union: Unlocking the next wave of growth by unifying creativity and analytics

Companies that harness creativity and data in tandem have growth rates twice as high as companies that don't. Here's how they do it.

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“Ideas and numbers” have always had an uneasy alliance in marketing. To creative directors, designers, and copywriters, creativity is an instinctual process of building emotional bonds with consumers. Bring in too much quantitative analysis and the magic dies.

“[As marketers] we have to understand and connect with customers,” the CMO of a hospitality company recently told McKinsey. “I’m afraid the data people will win, and it will all become a commodity if brand and creativity don’t matter anymore. I’m afraid the creative process will lose its soul.”

Despite such understandable concerns, the notion that creativity and data are adversaries is simply outdated. Combining the power of human ingenuity and the insights gleaned from data analytics is a good start. But the best marketers are going a step further and integrating this power combo into all functions across the marketing value chain—from

brand strategy and consumer insights, to customer experience, product, and pricing to content and creative development, media—even measurement. Far from robbing a brand of its soul, this fusion of skills and mind-sets is an essential part of the modernization of marketing to drive growth.

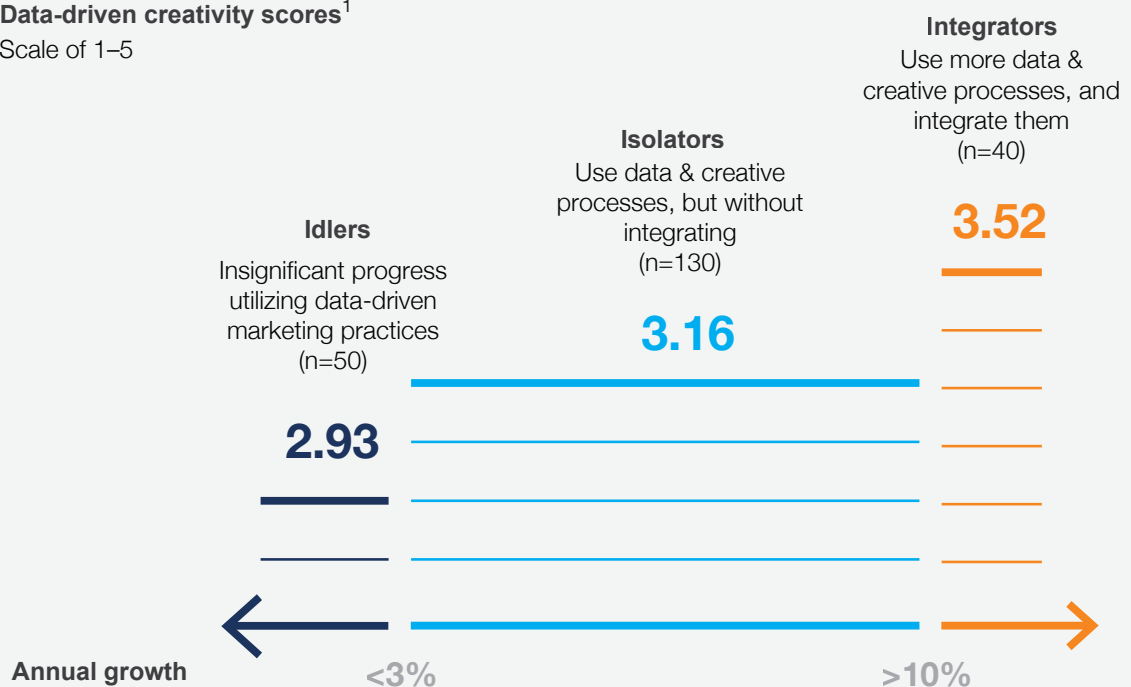
As part of an ongoing series of studies in conjunction with the Cannes Lions Festival and the Association of National Advertisers, McKinsey recently surveyed more than 200 CMOs and senior marketing executives (including interviews with 25+ of the CMOs) and tracked the performance of their companies. We found that marketers who are what we call “integrators”—those who have united data and creativity—grow their revenues at twice the average rate of S&P 500 companies: at least 10 percent annually versus 5 percent (Exhibit 1). This is a welcome development for CMOs, who no longer see themselves primarily as stewards of the company’s brand, but as drivers of company growth.

Exhibit 1

### Marketers who integrate creativity and data drive more growth.

#### Data-driven creativity scores<sup>1</sup>

Scale of 1–5



One CMO told McKinsey that he has shifted the entire C-suite’s view of marketing spend from a P&L expense to an investment the company is making in its future.

The study also revealed that while marketers rarely consider their creative output “world class” or “iconic,” those integrators with the 10+ percent growth see their efforts as “engaging,” “unique,” and a core contributor to the creation of brand equity. Some go so far as to call their creative output a key part of what sets them apart from competitors.

Here are three distinct ways in which these integrators are modernizing marketing:

### 1. They treat creativity and data as equal partners.

In companies that are integrators, creative functions are becoming more data driven, and data-driven

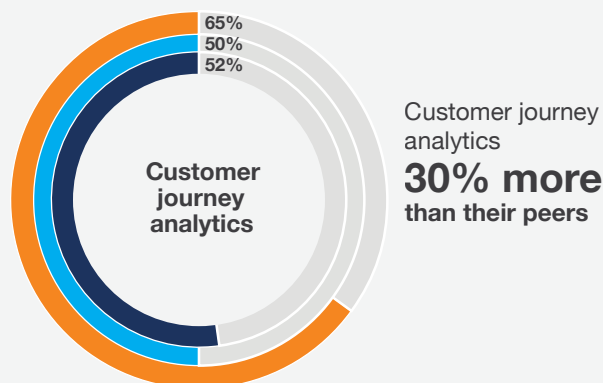
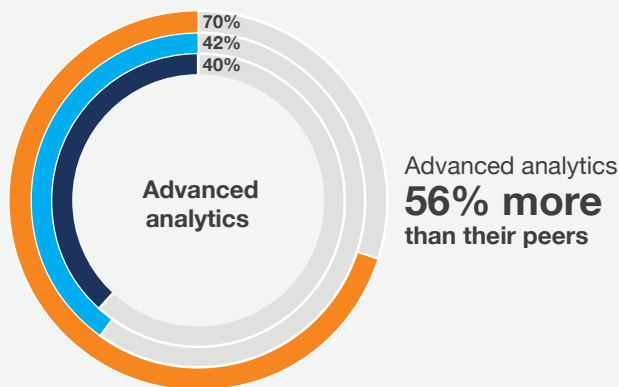
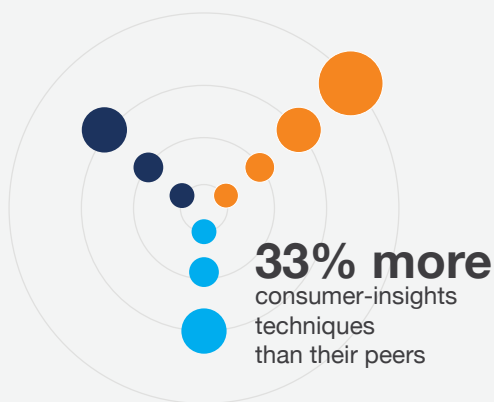
functions are growing more creative. Two areas where we see this happening most clearly are customer experience and consumer insights.

First, customer experience: Historically, this is a function overseen by people who think creatively and strategically about how to meet and exceed customer expectations. But today, data analytics can uncover customer intentions, triggers, and interests that reveal subtle pain points and unmet needs. We found that the integrators in our study continuously and rigorously mine for such insights as part of the day-to-day process of improving customer experience instead of using analytics in a separate, adjacent process (Exhibit 2). On average, they use four or more types of insights and analytic techniques, both traditional (focus groups, primary research, third-party research) and data driven (customer-journey analytics, advanced analytics,

Exhibit 2

## Integrators make better use of creativity and data than peers.

- Idlers
- Isolators
- Integrators



and artificial intelligence), whereas their non-integrator peers use three or fewer. A majority (70 percent) of integrators employ advanced analytics for consumer insights, compared with only 40 percent of companies with average growth. And 65 percent of integrators use customer-journey analytics, versus 50 percent of average growers. We call this latter category of companies “isolators” because, while they are using both data-driven and creative processes, they are doing so in isolation without integrating them across their marketing functions. The final category in our survey is “idlers”: companies that are growing 3 percent a year or less and have made insignificant progress in utilizing data-driven marketing practices.

At the same time, all this information about customers, traditionally the domain of data scientists and other left-brained talent, is now being utilized in collaboration with people in creative roles, such as content producers and experience designers. Moving advanced consumer insights out of the background and onto the dynamic front lines of customer engagement gives analysts a new voice within the creative process. They participate in the process of making their work come to life—a new campaign created, an email test sent to a new customer segment, a new on-site or in-store experience deployed. This fosters a sense of empowerment among analysts and helps uncover ideas that would otherwise never see the light of day.

## **2. They make integration a way of life through an agile marketing operating model.**

Integrators have set up structures that allow them to innovate more effectively. At a higher rate than their peers, they have embraced agile marketing and have created small, nimble, cross-functional, colocated, and relatively autonomous teams that execute on single, laser-focused business objectives. Staffed with talent from throughout the marketing department and other areas of the organization, such as IT and operations, these agile teams (or

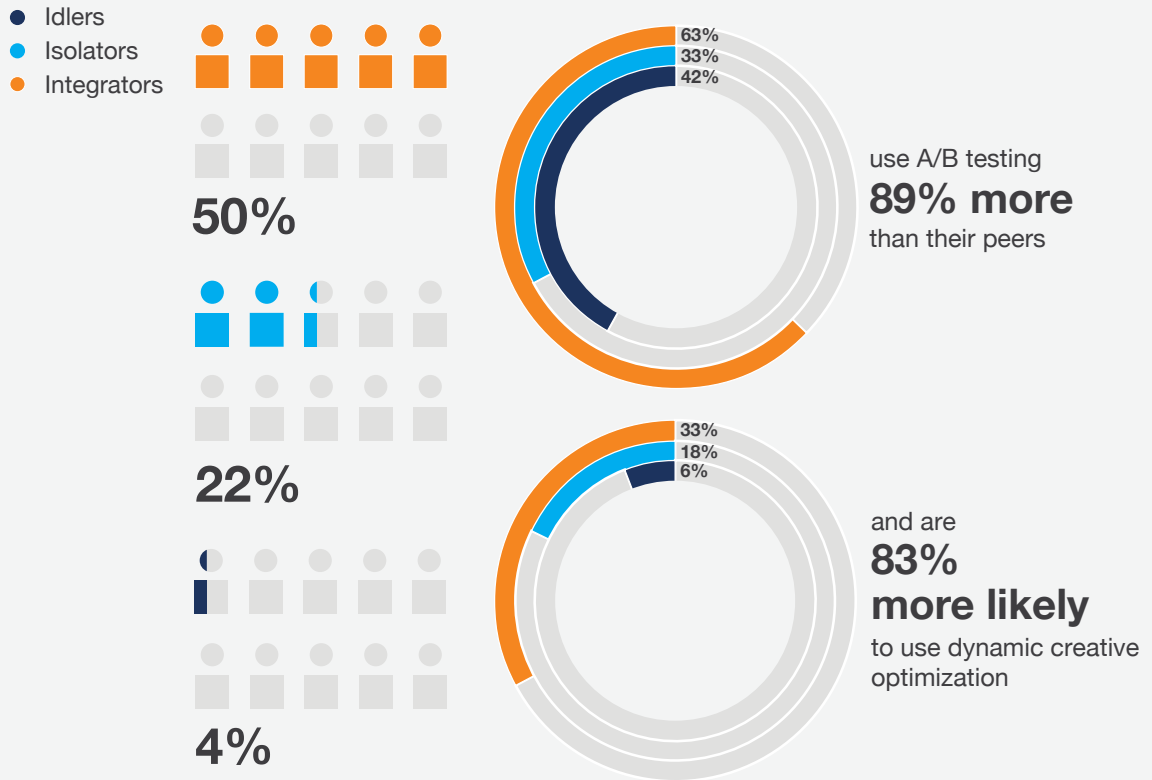
“squads”) enable people with different skills sets and backgrounds to sit side-by-side and collaborate with each other on a daily basis. This model brings several marketing functions into a single high-performing team that provides the IT and operations resources needed to bring new ideas to market. In addition, there are typically resources from legal and finance on call to support quick decision making.

This daily and tangible integration bears fruit in three important ways. First, data experts are part of the front-line marketing team. Second, integrated agile teams are able to do more faster. The absence of bottlenecks such as inter-departmental approvals enables frequent and rapid testing of new ideas, content, messages, and value propositions. As a result, the process of creating new campaigns or marketing initiatives often shrinks from months to weeks or even days. Over the last 12 months, integrators in our study were twice as successful as isolators at significantly increasing their speed to market for campaigns or marketing experiments and four times more successful than the idlers.

Finally, there is a quicker and more seamless implementation of technology solutions, thanks to a closer collaboration between marketing and IT (Exhibit 3). Half of the integrators in our study say that marketing and IT work together on a shared vision, versus 22 percent of isolators and 4 percent of idlers. Integrators also use A/B testing 68 percent more often than their peers and are 83 percent more likely to have adopted dynamic creative optimization, a technology that enables modular and dynamic personalized ads and content based on data about the individual consumer. At the other end of the spectrum, 52 percent of companies with the lowest rates of growth admit that their CMO and CTO rarely interact. This lack of coordination takes a toll on the entire marketing organization’s ability to deliver omnichannel customer experiences and to track and measure performance in proliferating channels.

Exhibit 3

**Integrators are 2x more likely to have Marketing / IT collaboration than their peers.**



**3. They seek “whole-brain” talent.**

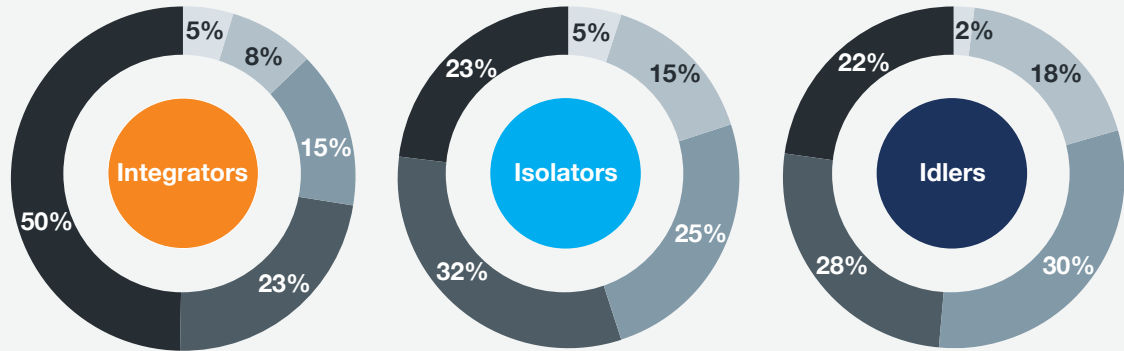
Hiring an award-winning creative director or a top-flight data scientist used to be enough to up the ante in a marketing department’s ability to improve performance. Integrators are now looking for something different. They want talented people who have both left- and right-brain skills, even though their primary function will utilize one more than the other. “There’s a misconception that our engineers are not creative and are just ‘numbers guys,’” the CMO of a leading tech company said. “Actually, they keep us on our toes because they’re so creative. They have extraordinary imagination and turn code into extraordinary products.” Additionally, integrators are focused on finding and nurturing people nimble enough to work with colleagues who have different skills and mind-sets than they do.

To ensure that this valuable talent pool has full control over its work product, integrators are increasingly bringing certain marketing functions in-house, particularly those closest to the customer experience, such as consumer insights and data analytics. And because rapid experimentation and testing and learning with new campaigns and designs is so critical, they are insourcing more digital media and content-creation roles. Integrators are the least likely of the three groups we’ve defined to have one large, full-service ad agency, preferring to use one or more boutique firms that specialize in emerging channels such as augmented and virtual reality, or such innovative capabilities as voice-activated commerce (Exhibit 4).

Exhibit 4

**Integrators are 50% more likely to use a variety of agencies for different types of work than their peers.**

- Numerous agencies
- Split creative, media, and digital
- Predominantly one creative and one media
- One full-service agency
- No agencies



Even these leading marketing organizations don't often achieve their ideals for the recruitment and nurturing of top talent—most say that their talent is somewhere between “on par with our competitors” and “better than competitors but not best in class.” Yet they have a clear understanding of the types of people they want, and they aim high to get them (Exhibit 5).

**Room for improvement**

Although the integrators in our study excel in data-driven customer experiences, creative use of consumer insights, implementation of agile working models, and collaboration between marketing and technology staff, virtually no companies in our survey stood out across all of the capabilities needed to maximize creativity. There are several for which most companies have much room for improvement, particularly in the area of talent acquisition (Exhibit 6):

**Measurement**

Most companies can track the impact of specific marketing components in direct-response channels such as email and search-engine marketing but

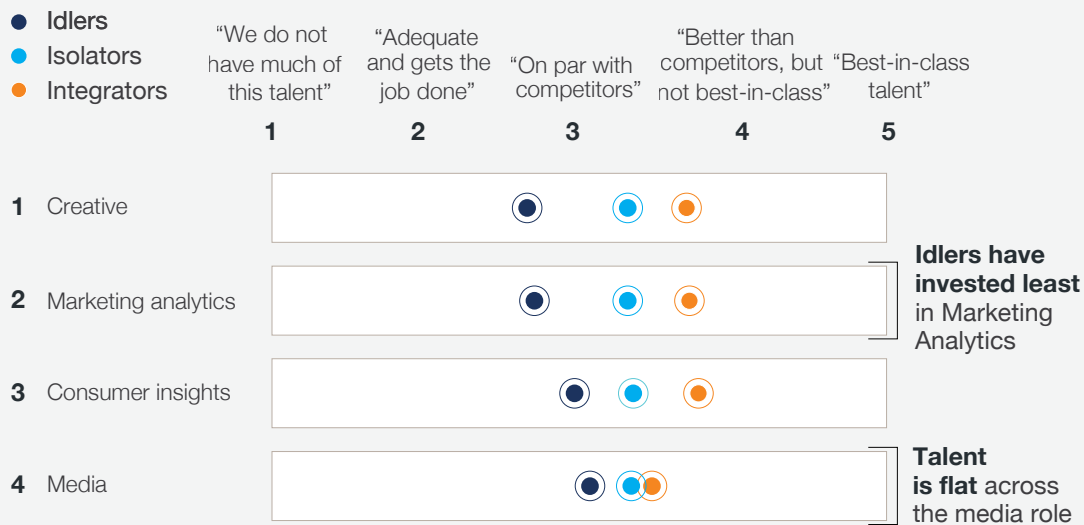
struggle to holistically measure channels (both online and offline) *and* attribute the success of a campaign to individual creative, content, and messages. Addressing this challenge requires a “mash-up” of existing technologies and approaches like media-mix modeling, which tracks both online and offline marketing channels; multitouch attribution, which allows companies to track the addressable touchpoints across a customer's journey; and advanced machine learning, which helps combine the two and use adaptive modeling to forecast the impact of shifts in marketing spending. At the moment, very few companies are doing any of this. Even among integrators, only 33 percent say they have the ability to track the ROI of their creative content for all campaigns and in all channels (versus 15 percent of their peers).

**AI-driven consumer insights**

Artificial intelligence (when thoughtfully applied to protect consumer privacy) can help marketers learn things even the most creative humans can't. By using natural-language processing, for instance, companies can figure out that a

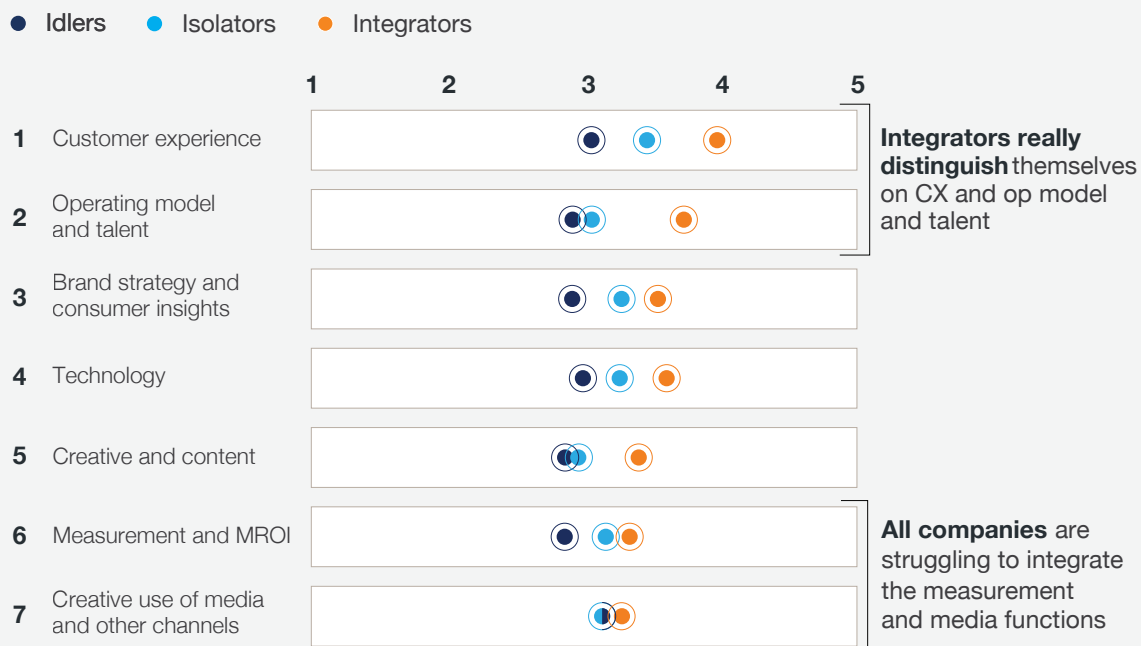
### Exhibit 5 Integrators have better talent across the board though very few best-in-class.

Average score (out of 5)



### Exhibit 6 Data driven creativity scores

Average score (out of 5)



consumer is interested in sports cars without the person ever having said so. Computer vision can analyze the videos and images people engage with and infer relevant themes and interests. This deeper understanding of consumer interests, motivations, and attitudes can help develop new value propositions, campaigns and experiences and can drive a pipeline for new products, product extensions, and ecosystem plays that wouldn't be obvious otherwise. Yet despite this potential, only 25 percent of integrators are employing it, versus 10 percent of isolators.

#### New and creative use of media

All the marketers we surveyed and interviewed, integrators included, felt they were not being creative enough in using media channels, whether dynamic video ads based on content a viewer has watched, mobile video, addressable TV advertising, digital billboards, or custom content integrations with big traditional media players. Aware of the need to engage with their audiences in new ways, traditional media companies have created new ad formats and invested in branded content studios that use their storytelling capabilities to help marketers create more immersive brand experiences.

And despite years of lip service to the need for digital-first content, a majority of companies are still repurposing content and campaigns from traditional channels. This represents a missed opportunity for mobile-tailored ad experiences, heightened consumer engagement with the content, and personalized experiences across all addressable channels.



One CMO in our survey said, "You don't create exciting things for people by figuring out things from data." Actually, we believe that's exactly what data can do. At the end of the day, analytics are what companies have learned about people's behavior. Such insights can guide and inform where imagination needs to go. In the best cases, they can

even inspire. Marketers that are leading the pack in driving growth understand that data and human ingenuity are two sides of the same coin. ■

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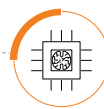
# REDEFINING CREATIVITY IN THE DATA-DRIVEN AGE

**“INTEGRATOR” COMPANIES UNITE CREATIVITY & ANALYTICS**

**AND GROW REVENUE 2X FASTER THAN AVERAGE S&P 500 ORGS**

## 1 INTEGRATORS TREAT DATA AND CREATIVITY AS EQUAL PARTNERS.

**33%**  
MORE CONSUMER INSIGHTS AND ANALYTICS TECHNIQUES

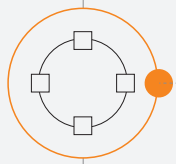


**55%**  
MORE AI AND ADVANCED ANALYTICS



**65%**  
USE CUSTOMER JOURNEY ANALYTICS VS. 50% OF PEERS

## 2 INTEGRATORS EMPLOY AN AGILE MARKETING OP MODEL.



**80%**  
MORE A/B TESTING, DYNAMIC CREATIVE OPTIMIZATION



**2X**  
MORE LIKELY FOR MARKETING AND IT TO COLLABORATE ON A SHARED VISION

**50%**  
MORE LIKELY TO USE MULTIPLE AGENCIES FOR VARIOUS TYPES OF WORK



**BETTER TALENT, FEW BEST-IN-CLASS**

## 3 INTEGRATORS SEEK WHOLE-BRAINED TALENT.

