

# PERSPECTIVE

From Fragile to Agile

*The next evolution in marketing and advertising*



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## **Abstract**

The business environment has changed for advertisers and media agencies as it has for other industries with the explosion of digital technologies and marketing. This has given rise to a challenge of scale that requires the various players in the media ecosystem to work hand in hand. In this paper, we discuss how a new business model – Marketing-as-a-Service – has emerged that strikes a balance amongst the various players, helping marketing and advertising move from fragile to agile.

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## The challenge of scale

Technology has created a very different world in the last 20 years alone. Communication and information travel much faster and more reliably now than ever before. It is changing the face and pace of business. The rise of the Internet and the digital media has dramatically changed old business models and has made innovation and fresh thinking important in all industries today.

Traditionally, advertising largely relied on local media agencies to distribute information to meet the needs of local markets and cultures through channels such as television, radio, and newspapers. The Web brought about dramatic change

and information can now be provided in a myriad of new ways. Not just that, the Web has changed the way businesses interact with consumers and the way consumers control, choose, and select. It is helping forge a new era in business transparency and engagement. In the digital world, businesses can no longer rely only on carefully crafted local press releases or ad campaigns to attract customers and distribute information. Media agencies, on their part, must cater to a wider geographic spread while maintaining consistency of messaging across many more channels. This has given rise to a challenge of scale for media agencies.



## Facing the challenges head-on: A new business model emerges

To address the challenge of scale, a new business model – Marketing-as-a-Service or MaaS – has emerged. Organizations, known as the consolidators are bringing together the numerous components and agencies involved to deliver MaaS. By stitching together the various components and agencies, consolidators help manage the scale of the digital media operations for advertisers. They address the much-needed governance and coordination between the online advertising ecosystem players who are as diverse as creative agencies, translation partners, localization firms, search engines, publishers, and more. Consolidators function as the fourth-

party logistics companies that ensure coordination and governance in a multi-player digital ecosystem.

While many larger media agencies are stepping up to the plate and moving to the role of consolidators, large business process management (BPM) or ITES firms are showing the most promise in offering MaaS. They are establishing MaaS practices to consolidate online operations in a global hub-and-spoke model, integrate and govern the various partners in the digital ecosystem, and provide the benefits of economies of scale through both traditional labor

arbitrage and consolidation of operations. These organizations use their strong capabilities in managing processes to offer additional digital services such as content coordination and creation, roll-out of email and web campaigns, search engine marketing (SEM), and search engine optimization (SEO) services, besides managing digital assets (DAM) and providing an analytics backbone to improve ROI on the digital spend. What works in their favor is that they leverage their long-established capabilities in consulting, technology, and process to provide a holistic solution.

## The future of marketing

Consolidation is inevitable to meet the needs of marketing. The new business dynamic will lead media owners, media agencies, technology companies, and creative agencies to work together further to manage new and emerging challenges. Combining creativity, media knowledge, strategy, and technology will help find ways to make marketing more personal and engaging. Such a consolidation will be vital to address the challenges of scale that marketing faces in a new, digital environment.



## About the Author



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Shyam has over 17 years of professional experience in Supply Chain (SCM), Digital Services (DCX) and Master Data (MDM) for diverse industries. He is responsible for conceptualizing and implementing shared service for Fortune 500 clients to enable benefits of global delivery of supply chain and digital services. Prior to Infosys, Shyam worked in supply chain and marketing functions in the hi-tech manufacturing and financial services industries.

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