The reconfiguration of marketing organization in the age of digital transformation: a paradox perspective

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Abstract

For most companies, digital transformation is at the top of the agenda. This article digs into the tensions faced by the marketing organization, which, along with other departments dealing with business intelligence, is particularly affected by the ongoing digital transformation. The goal of this research, which builds on the theory of paradox, is to explore how and to what extent these tensions produce changes inside large marketing organizations, which, in turn, leads to potential reconfigurations.

A qualitative thematic study was conducted. It included 16 in-depth interviews with high-level internal and external consultants and data collected at 12 conferences.

The findings show that the digital transformation of marketing is leading to unprecedented complexity. More specifically, they show the tensions resulting in three

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paradoxes: a learning paradox (the combination of traditional and digital marketing skills), an organizing paradox (both expertise and a holistic view), and a performing paradox (both customer and brand centricity). The findings also highlight the resolution strategies that these organizations adopt as they attempt to respond to these paradoxes. On this basis, different possible scenarios emerge and are discussed regarding the reconfiguration of the marketing organization.

Keywords: digital transformation; theory of paradox; marketing organization; digital marketing

(JEL: M3, O3, D8, L2)

Introduction

The development of digital technology over the past 20 years has led companies to integrate digital technologies into all their activities, which has had a profound impact on both their nature and their functioning (Grewal et al., 2020; Kumar, 2018; Moorman & Day, 2016). As Sebastian et al. (2017, p. 197) put it, "new digital technologies, particularly what we refer to as SMACIT (social, mobile, analytics, cloud and Internet of things [IoT]) technologies, present both game-changing opportunities and existential threats to big old companies." Companies have to undergo a genuine digital transformation, which has been a major topic at many conferences, in articles, and on blogs and relates particularly to the field of marketing. Indeed, the marketing department is said to have lost significant influence to the sales department (Homburg et al., 2015), and the development of digital technology is changing interaction with consumers and potentially creating new paradigms (Gielens & Steenkamp, 2019; Kumar, 2018; Loonam et al., 2018). This development requires new skills and profiles that marketing departments are still lacking at present (De Swaan Arons et al., 2014; Singh & Hess, 2017) as well as a complete review of the ways in which companies operate (Joshi & Giménez, 2014; Kumar, 2018). These mutations generate tremendous tension, put growing pressure on marketing departments to perform (Whitler & Morgan, 2017), and entail organizational changes. So far, marketing organizations have managed to evolve and adapt, despite predictions that technological revolutions would cause marketing organizations to disappear (Aimé et al., 2018). Does digital transformation jeopardize marketing? What might be the impact of these tensions on the marketing organization? To the best of our knowledge, the future of marketing organization is still unclear in the literature, and this research aims to fill this gap. Therefore, the goal of this

research, which builds on the theory of paradox, is to explore how and to what extent the tensions created by digital transformation produce changes inside large marketing organizations and lead to potential reconfigurations.

A review of the marketing organization shows that it finds itself in turbulent times and faces tensions that can be seen as paradoxes (Smith et al., 2017; Smith & Lewis, 2011). The paper contributes to describing how the digital transformation of the marketing organization plays out and is being embraced by big organizations. It also highlights the difficulties and limitations that these organizations are facing as they attempt this transformation. More specifically, it reveals the organizational tensions that result in three paradoxes: (1) a learning paradox, requiring a combination of traditional and digital marketing skills; (2) an organizing paradox, demanding both expertise and a holistic view; (3) a performing paradox, associating customer centricity with brand centricity. On that basis, different possible scenarios emerge and are discussed regarding the possible reconfiguration of the marketing organization.

Theoretical development

The influence of a digital transformation on the marketing organization

Building on a literature review of 282 papers, Vial (2019, p. 118) defines a digital transformation as "a process that aims to improve an entity by triggering significant changes to its properties through combinations of information, computing, communication, and connectivity technologies." Digital transformation appears to be a high priority for management within traditional organizations and is even described as "crucial to survival" (Loonam et al., 2018, p. 102). Indeed, it destabilizes and jeopardizes more particularly big traditional organizations which need to adapt

(Sebastian et al., 2017). Large corporations such as Mars Petcare, GE, and Microsoft have already started making significant changes to their marketing but are struggling to find the relevant type of organization (Anthony & Schwartz, 2017; Kumar, 2018).

Amid this pressure, marketing is changing, and Kumar (2018) proposes synthesizing these changes under the concept of *transformative marketing* as a two-way process. On the one hand, the marketing function is strongly influenced by the ongoing changes among markets and customers, that is increasing opportunities and expectations to propose personalized and experiential offerings. On the other hand, marketing influences the business environment through the increasing use of data and technology. While those changes provide opportunities to generate value for the company, they also create tensions and challenge the organization's status quo, thus potentially leading to *transformative marketing.*

Over the past decade, the literature has identified changes and conflicting obligations for the marketing function, all of which are areas of uncertainty and issues for managers and researchers (Aimé et al., 2018; Moorman & Day, 2016). Firstly, D^3 ("digital, data-rich, and developing market") environments have produced a considerable increase in the amount of data since the early days of the Internet and, in particular, since the advent of social networks (Sridhar & Fang, 2019). This data now allows the consumer to have very granular knowledge with unprecedented responsiveness (Wedel & Kannan, 2016) and is disrupting how the market is approached, the relationship to time, and marketing expertise. The collection of in-use information allows firms to develop real-time insights about a specific transaction that is underway and then leverage these insights to enhance the efficiency and effectiveness of the value delivery process (Kopalle et al., 2020). It also appears to disrupt even the marketing organization itself

with the emergence of functions such as chief digital officer, chief information officer, and chief data officer (Joshi & Giménez, 2014; Singh & Hess, 2017).

Secondly, many companies are struggling to find an effective new marketing organization that is more customer- than brand-centric (De Swaan Arons et al., 2014). Thirdly, by focusing on (dis)intermediation processes, Gielens and Steenkamp (2019) highlight "seismic shifts" in brand-consumer interactions, which appear to act in opposite directions and put the consumer in the driver's seat. On the one hand, the emergence of D2C (Direct to Consumer) models creates sales disintermediation mainly through brand websites while developing digital intermediation between brands and consumers (i.e., crowdsourcing of ideas for new products). In this way, brand-consumer relationships shift from a simple conversation (from brand to consumer) to a multitude of interactions (Appel et al., 2020; Iglesias & Bonet, 2012) and a co-construction of its meaning with communities (Quinton, 2013; von Wallpach et al., 2017). Marketers, therefore, need to acquire new social media skills and/or outsource online brand management to external agencies (Appel et al., 2020; Brinker & McLellan, 2014; De Swaan Arons et al., 2014), which is not without risk (Palmatier et al., 2006). On the other hand, disintermediation grows through the rise of C2C (consumer to consumer) models with the development of the *sharing economy* and platforms, such as BlaBlaCar or Airbnb, acting as brands. Fourthly (and paradoxically), in the face of an extremely complex digital ecosystem, marketing managers' overall vision and their coordination role are becoming more important than ever before (Brexendorf & Daecke, 2012; Loonam et al., 2018).

Finally, those changes require not only modifications to the marketing curriculum but also new skills that have to be updated continuously so that marketing managers master

the data through continuing education and self-learning tools (Cluley et al., 2020; Joshi & Giménez, 2014; Kumar, 2018); another requirement is soft skills, such as having a transformative vision, being forward-thinking, and having a change-oriented mindset or other leadership and collaborative skills to work in the network (Kane et al., 2016).

In a nutshell, technology and digitization are putting unprecedented pressure on organizations to evolve and we argue that digital transformation necessarily has an impact on the marketing organization. Large corporations are primarily concerned. As most of them present a complex multinational marketing organization involving various subsidiaries and business units (SBUs), a large panel of internal and external stakeholders, and/or an important portfolio of brands, the changes appear to be particularly challenging and interesting to study.

All the conditions – tensions, organizational complexity, technology, persistence of change – seem to be in place to bring about a profound organizational change, about which there is still much uncertainty. As Kumar (2018, p. 11) puts it, "*there is no 'software fix' available for firms to transform.*"

However, unlike, for instance, the human resources literature that explores the impact of digital transformation on work organization (see Schwarzmüller et al., 2018, for a review), to the best of our knowledge, no research has focused on its impact on the marketing organization, especially in big companies where any change is difficult to implement. This present research aims to fill this gap.

Our two research questions are: (1) What are the underlying dynamics shaping large marketing organizations in the digital age; and (2) how could those dynamics possibly reconfigure large marketing organizations? Given the complexity that digital

transformation entails, the theory of paradox was identified as a relevant framework to highlight these dynamics.

The theory of paradox

Researchers have devoted a lot of effort to studying how to manage tensions in order to optimize organizations (Smith & Lewis, 2011). While organizational theories of the early 20th century (e.g., Fayol, 1916) look for the best alternative and contingency theory (e.g., Lawrence & Lorsch, 1967) and considers the external environment to identify under which condition A or B is preferable, the theory of paradox (Smith & Lewis, 2011) takes a new perspective. It considers "how to engage A and B simultaneously" (p. 395) because paradoxes are "contradictory yet interrelated elements that exist simultaneously and persist over time" (p. 382). It takes a "both/and" rather than an "either/or" approach (Calabretta et al., 2017). Thus, the theory of paradox is particularly relevant when tensions persist over time – for example, in situations of technological change and in complex and ambiguous environments, such as multinational contexts (Smith & Lewis, 2011).

Paradoxes can be split into four categories (Smith & Lewis, 2011): belonging, learning, organizing, and performing. Belonging paradoxes relate to identity tensions between the individual and the group. Learning paradoxes are temporal: They occur when there is a disruption between the past and the future. The last two categories are structural: Organizing paradoxes stem from tensions between organization approaches (e.g., between collaboration and competition) while performing paradoxes arise from tensions between stakeholders and shareholders' expectations (e.g., between financial and social goals).

Organizations and individuals tend to avoid inconsistencies and, therefore, paradoxes. Poole and Van de Ven (1989) distinguish between four generic responses to manage paradoxes: (1) "opposition" (accepting the paradox and living with it), (2) "spatial separation" (working on different levels of analysis with different organizational units), (3) "temporal separation" (taking into account the role that time plays in the analysis), and (4) "synthesis" (introducing new terms to try to resolve the paradox). Other researchers mention denial, regression, separation, dilemma (privileging one part of the tension over another), compromise among defensive reactions, confrontation, adjustment, and transcendence among the active managerial answers (Grimand et al., 2018). Smith and Lewis (2011) try to integrate all these different conceptions into their "dynamic equilibrium model." Latent tensions become salient because of changes in the environmental factors or actors' awareness. From there, they can initiate either a vicious cycle (leading to defensive reactions, such as organizational inertia) or a virtuous cycle (requiring an acceptance of the paradox and producing a resolution strategy through iterative processes and integration, thus allowing sustainability).

The present research uses the lens of the theory of paradox to shed light on the mechanism underlying the digital transformation of marketing organizations in large corporations.

Methodology

As the study focuses on having a better understanding of how large corporations face the complexity that the digital transformation of marketing entails, we selected professionals (i.e., organizational and specialized consultants) who are at the forefront

of the digital transformation and have reflexive capabilities. Consultants are not only actors but also promoters of change (de Chernatony & Riley, 1998). According to Bogner et al. (2009, p. 68), they have acquired "technical, procedural and interpretive knowledge of a given field of action thanks to the relevant actions they have carried out there," with the possibility of putting their ideas into practice with their clients. However, the term "consultant" covers a very different set of realities, ranging from generalists at large organizational consulting firms to independent experts often used as a supplementary workforce (Sturdy, 2011). Moreover, the boundaries between consulting firms and in-house consultants are becoming porous, with more and more managers taking on consulting roles in their organizations as a result of the systemic imperative for change (Birkinshaw et al., 2008; Sturdy, 2011). To this end, we interviewed complementary profiles: organizational consultants in major consultancy companies such as McKinsey, EY, and BCG; consultants specialized in one specific digital marketing area; inter-branch spokespeople; and managers who are in charge of the digital transformation and serve as internal consultants at major international fast-moving consumer goods and services companies (see Table 1).

Insert Table 1 here

The data was collected through 16 individual and in-depth interviews lasting between 60 and 150 minutes each. The interviews were recorded (total length: 23 hr 30 min) and transcribed in full before being coded and then iteratively analyzed with NVivo 11. The notes that the authors took during 12 conferences on the digital transformation of marketing were also integrated into the thematic analysis by using NVivo (details in Table 2).

Insert Table 2 here

The collected data was analyzed using theoretical coding based on the element of the theory of paradox while allowing for open coding when new or more detailed themes emerged (Strauss & Corbin, 2014). Coding was continuously revised through an iterative process of analyzing transcripts of the verbatim interviews and relating them to the emerging theoretical understanding of the interviewees' observations. To reinforce internal validity, two researchers coded the material, compared and discussed their interpretation. The final NVivo inter-coding rate (kappa) reached 93%. Four major themes emerged: (1) an unprecedented complexity, (2) a learning paradox, (3) two structural dimensions (organizing and performing), and (4) resolution strategies.

Results

Marketing organizations are facing unprecedented complexity

According to the experts we interviewed, the current period is characterized by persistent change as a result of social, economic, and technical forces. The current empowerment of consumers, millennials' aspirations, and the widespread loss of trust in institutions and businesses are all generating social turmoil. In addition, the proliferation of points of contact with the consumer and of distribution channels creates unprecedented complexity for marketing organizations, and *"the consumer is now within the company"* (Denis). Technological advances in consumer knowledge, such as the exponential increase in the amount of data available and data processing capabilities, are adding to this complexity. Companies are caught in a maelstrom with an uncertain outcome, which can lead to tremendous opportunities but carries a high level of risk that could threaten the survival of marketing organizations. This

complexity is emphasized by the different levels of decision making as marketing organizations are stratified. In big corporations, marketing organizations are duplicated at local, regional, and central levels. Niels gives an illustration of this increasing complexity at L'Oréal by using the management of communication campaigns on social media as an example: *"There are interfaces that need to be much tighter, whereas before it was a fairly well-defined process. Now they are people who have to work together a little bit all the time. And it's also linked to the issue of central versus local. So, typically, in companies like L'Oréal, we have people at the central office who produce the content and people locally who buy media. And it no longer works at all!"*

In short, marketing organizations are facing an unprecedented level of complexity and persistent change that is fertile ground for paradoxes to emerge. Indeed, several paradoxes stem from the fieldwork: (1) a learning paradox with a temporal dimension and (2) two paradoxes with a structural dimension, namely an organizing paradox on marketing capabilities and a performing paradox on the value creation of marketing.

Temporal dimension: a learning paradox

Marketing organizations' adoption of new digital technologies is a hesitation waltz between keeping old recipes and destroying the past. Old recipes are certainly imperfect and outdated but have been proved to work. By contrast, not all the new technical solutions are necessarily stable: *"There's the usual stuff already, and now you add digital, too. There are 18 levers. I don't know what I have to do with Pinterest, Instagram, etc. I have no idea how to handle this thing. And then there's another one coming out every day, so it's hell, honestly!"* (Ethan). Moreover, brick-and-mortar companies do not feel comfortable with these technologies because mastering them can

be a challenge. Michael acknowledges that: *"We talk about it a lot; we don't do it all that much yet. It's all just talk. We're all convinced of this; we talk about it in meetings, etc. Now, doing it is complicated because, first of all, the big data! Alright, great! It feeds a lot of conversation, but it's not really under control. We don't know how to do it."*

Furthermore, putting in place new tools that are not fully mastered may jeopardize the existing business model. Lucas explains this by noting the case of a traditional retailer implementing e-retailing services: *"The danger will be, first of all, to do things that don't work, to launch websites, applications, and digital services too fast, and then they don't work, and that's awful for business! Five years ago, we launched the Carrefour Drive site. We were late compared with our competitors Auchan and Leclerc, and there were problems with the payment method. Some things didn't work – for four months, there were technological performance issues on the website, and I'm convinced we lost many customers as a result. The risk of going digital is to launch something that doesn't work."* Indeed, if they are not stable and fully mastered and are potentially disturbing, these new technologies are sometimes seen more as threats than opportunities.

Several factors can explain why marketing organizations are resistant to digital transformation. First of all, it seems very hard, not to say impossible, to keep track of the digital advances as things are constantly on the move. This is what Ethan, a consultant, tells his clients: *"When I talk to marketers in large companies about this, I tell them, 'Technology is a moving target, and you're assimilating what came out two or three years ago.' But it moves like that. So, already, you're overwhelmed, and you'll always be overwhelmed because it keeps moving forward."* Then, another limitation comes from organizations' inertia, as Alice notes: "*For the moment, they are adapting*

more than the culture is. In other words, what the company has done to adapt is to switch budgets, switch structures, and open its ears, which has been an effort. I'm not sure we can say that it has really changed its culture. I think it has imposed its culture and asked the newcomers to adapt and find a roadmap that matches the way of working." Therefore, the temptation for marketing managers is to resist the change as they do not see the benefit for them – they even envision digital transformation as mostly time-consuming and risky, as Denis explains: *"The perception it gives is that it's more complex. And since it's more complex, they have the feeling that it takes more time, and they already don't have time; that it's riskier, and then, there's risk management. So there's really a withdrawal posture. I have digital guys whose bosses, marketing directors, tell me, 'Our teams spend too much time on that'."* A tempting temporary solution embracing change without affecting the organization is to outsource the newly required skills to external agencies, which is what Niels recommends: *"How exactly do companies adapt themselves? Painfully. The standard maturity cycle of a company on digital marketing is that, initially, people do some of it, but it hardly represents 5% of their investment and almost everything is outsourced to the agency."* Outsourcing allows the marketing organization not to be affected in its usual operations. At the same time, however, they neither own the process nor build learning and skills, which, at some point, puts managers in a risky situation.

Motivations for change result from a double obligation – one positive (*"I did this, so I'm at the forefront, I'm early. My dear investors, invest in me, look how ready I am for the future,"* according to Michael), the other negative (*"if we don't do it, we're dead,"* say Damien and Michael). The positive obligation is fueled by the phenomenon of mimicry described above; the negative obligation may be more abrupt and may result

from a crisis in reputation or a sudden change in the environment, such as the appearance of a serious competitor, a profound change in the organization of a major customer, or the disappearance of a profession through outsourcing. Niels describes this fear of being outdated: *"If there are two or three people in a competing marketing department who've understood what to do with all these new things, you're just out of step."* Awareness triggers a diagnosis of the skills deficit in organizations: *"to be totally fair, it's only when you're facing the wall that you start the digital transformation"* (Ethan).

Once the opportunity (or the need) to adopt new digital marketing techniques has been acknowledged and taken up, the question of concrete operationalization arises. At first, a small team, or "incubation cell," operates outside the organization's contingencies and processes, which gives it the flexibility to experiment. The incubation cell will conclude, based on the initial diagnosis of a skills deficit and information gathered from precursors, that it is necessary to integrate the new skills that have been identified. The new skills can be incorporated in the short term by hiring new profiles and/or in the long term by training current marketers. One possibility is to bring in cutting-edge experts from outside the company who will have operational know-how and help to generate a new spirit inside the organization: *"In fact, these experts have extremely specialized skills and a very clear and valuable vision of what is changing in the world."* (Alice). This strategy requires breaking out of the usual routines and *"changing the profile of your staff, recruiting people who might have a lower academic background but are more agile and resourceful"* (Alice). However, newcomers have difficulty adapting to normalized and rigid environments, and existing staff lament the loss of some of their power.

In the long term, the more sustainable solution for marketing is to embrace a learning process through which the marketing organization will acquire new skills. These skills can be secured through internal processes, such as training programs or informal dissemination of digital skills, and/or through external processes by encouraging participation in exchange circles or professional recognition and media exposure. This dissemination phase increases the knowledge and the skills necessary for the digital transformation (see Table 3).

Insert Table 3 about here.

Structural dimension: an organizing paradox and a performing paradox

The organizing paradox comes from the fragmentation of skills resulting from the digital transformation, which creates a tension between expertise on the one hand and integrative capability on the other hand. For a long time, the entire responsibility of a brand was shouldered by the brand or product manager. But it is doubtful that a single person can have all the skills required by the digital transformation, as Niels explains: *"I can't fragment my responsibilities, so I need to have a product manager who plays an integrative role and knows enough to play this role; at the same time, however, it will never be deep enough in terms of expertise... so that creates a tension that is very strong [...] We want to keep people responsible, but at the same time, skills are fragmented, so organizationally there is a thing to solve that is complicated."* One can object that this is a temporary situation and that the brand manager could acquire those new digital skills, but as Georges, a data scientist, points out, the skills required seem to be incompatible with a marketer's profile: *"There's a rather important technical component in the training path of a data scientist. You need to have a good affinity for mathematical sciences and computer science. I think it's easier to move from being a*

data scientist to being a marketer than the other way round... I don't know exactly what a marketer's job is on a daily basis, but I imagine their skills and those of a data scientist are quite different and, therefore, difficult to substitute." This leads to the first paradox, with digital transformation requiring both cutting-edge expertise and a holistic view. The marketing organization should simultaneously encompass an array of expert functions, such as data scientists, data analysts, and chief programmatic officers, and an orchestration role, as it was in the past but with a much broader scope. This also relates to the type of marketing capabilities that have to be built and the extent to which marketers need to incorporate specific skills. A prerequisite is that marketers understand the main stakes in broad strokes, as a CMO presented his role at a conference: *"Yes, the goal [of a business school] is precisely to train people who are a little above the fray and who have a global vision of the digital sphere! In my job, I don't understand everything, but I understand all the ins and outs…".*

The second (i.e., performing) paradox relates to the increased weight of consumers as a key stakeholder. As stated before, digitalization has a double effect: fine-grained consumer knowledge for companies and more power given to consumers who can interfere in the running of a company through direct and public involvement. Indeed, as Niels says, this poses a challenge to marketing organizations. *"The thing that is complicated to solve is the product versus customer organization, and that's the same. It's very complicated. All the companies are organized by brand, product, and product manager, but at one point, the customer of L'Oréal Paris shampoos is also the customer of Maybelline mascara and is potentially also the customer of Lancôme skincare and Garnier shampoos. [...] Well, once we say that, it's fine, but the organization has no ability to talk to that client in a consistent and hierarchical way."* The digital

transformation is challenging the way marketing creates value as it has to deal with not only real-time and highly personalized responses to consumer demands but also the consolidation of a company's assets, such as brands, and do so at the same time, which has an impact on both short-term and long-term performance. This means marketing organizations should balance the requirements from two key stakeholders: the company shareholders and the consumers. This is a performing paradox resulting from tension in the marketing organization between customer centricity and brand centricity. Should the marketing organization focus even more on consumers while breaking the silos and making the most use of the unprecedented granularity and recent nature of consumer data? This would require a more horizontal organization, as explained by a participant at a conference: *"Digital transformation also means making top management understand that the consumer is evolving and that it is not the company departments that have to evolve: We must put the consumer, who is also the user, at the center of the process. Therefore, we have to reorganize the company around the consumer versus verticality."* Or should marketing put the capacity to build strong and inspiring brands above anything else in order to attract consumers? Mark suggests that the essence of marketing is to tell good stories: *"The very last point […] is that I believe the role of marketing has become clearer over time. We used to be part-scientists, part-analysts, part-salesmen. We could be anything and everything… but I think we're storytellers. We tell a story. Actually, our job is to tell a beautiful story about a brand and to make sure the story is not fake but really exists."* Moreover, as John emphasizes, a strong brand is a key driver for differentiation: *"If there isn't a person in a company to instill the brand essence, the company becomes a commodity seller [...] I think that, today, the very best brands are those that have a point of view on the world. A brand is a social player. If*

the brand is restricted to being only a product, it is copied immediately. Kellogg's, for example, has a point of view on breakfast."

Companies manage those paradoxes in four main types of resolution strategies.

Resolution strategies: from denial to cooperation

The easiest way to resolve the paradoxes resulting from the complexity of digital transformation is to **deny** it. As Ethan puts it, "*when you look around, marketing hasn't fundamentally changed..."* This is because of the organizational deafness described by Daniel, who uses the metaphor of earplugs: "*I feel like... it's just as if... we put earplugs in each other's ears. Yes, indeed, we just looked for what suited us best, maybe just because of, I don't know, short-term financial profitability or lack of willpower..."* The first reason is that some top managers are afraid of losing legitimacy and use some kind of inertia to protect themselves: "*And then we tell [the boss] that the world's changed, that we can't work like we used to. But their first reflex is to think, 'Wow, I'm in jeopardy! And if I am, then I'd better change even less'... Yes, because the guy is explaining to me that I'm a complete has-been and that I'm not fulfilling my role as head of the executive committee!*" (conference). The second reason is more rational and relates to the difficulty of measuring the efficiency of digital transformation: "*the big challenge with digital is that for 20 years now, people have been saying: 'The company is customer-centric,' whatever... And, in fact, this has never been the case. The reality is that it's totally false for plenty of reasons, starting with economic ones.*" (Alice). As a result, the reaction is to minimize the changes brought about by the digital world, as Niels explains when he mentions marketing managers at big corporations: "*They think, they say that all this stuff is irrelevant... All these algorithms, it's just fake, it's very*

deterministic. What counts is the emotion, the surprise..." Hence, any attempt to implement digital transformation will be seen as inefficient, as when Daniel reports the reactions to his proposal of creating a digital committee: "*I got feedback from the marketing teams and then from the business managers who basically told me: 'It's all well and good, but it takes too much time for the teams; it's fun for them, but they have to do the real work'."*

When companies do recognize that a digital transformation of marketing is already happening, they might try to **separate** the roles and share them between different types of experts: "*How do companies deal with that? It's amazing how people work in silos. Marketing used to be a one-stop-shop. Now you have to identify a multitude of players, centralized or decentralized."* (John). For instance, Ethan explains that a major food company *"has recently tried to re-organize people along tasks – such as activation, product development and so on – rather than product lines."* However, splitting the marketing roles also generates other difficulties: "*Having said that we need more experts, there is a much larger ecosystem of partners with a proliferation of interfaces, problems, committees, communication problems, problems understanding feedback and so on."* (Niels). Moreover, *"it's not very easy to sustain brands when you're organized along task or activity"* (Ethan). Some companies recognize the tensions created by digital transformation but interpret them as **dilemmas** requiring an either/or decision. Thus, the marketing organizational tension is presented as a "*product versus customer organization, which is complicated to solve" (Niels).* According to Niels, *"the real question is: Are we going to have product managers or customer segment managers? [Silence] I don't have the answer...*" The performance tension is also often presented as a dilemma; for example, Sally mentions that "*when we discuss with marketers, we*

realize they're in a long-term dimension, and when we talk about CSR [Corporate Social Responsibility], we are even more in the long term, whereas sales guys and even general managers have shorter-term objectives. So, there is this duality in the company that needs to be resolved."

According to the experts, the best solution involves **cooperating**: "*in fact, with this notion of data and digital in the middle, we actually put consumer behavior back in the middle, and we realize we've fragmented its understanding, so we have to 'de-silo-ize.' And I think that's what digital transformation is all about."* (Mark). This means accepting not being a digital expert: "*I've always learned more from my team than from my bosses. I've always recruited people who are better than me, at least in terms of technical skills. You have to manage complexity and reconcile opposites, in terms of both quality and quantity. So there is no simple organizational model, except for new ideas.*" (John). In the end, marketing digital transformation "*requires being collaborative*" (John).

To conclude, the unique way in which each organization tries to solve these paradoxes, namely by having simultaneously (1) cutting-edge expertise **and** holistic view and (2) customer centricity **and** brand centricity, can provide insights into the future of marketing organizations, as discussed in the next section.

Discussion

The current research on marketing organization presents digital transformation as a disruption that makes it necessary to forget the past and to enter a new world. To this end, customer centricity enabled by fine-grained consumer knowledge and the integration of cutting-edge digital skills is seen as the must-have of modern marketing

organizations. Contrary to the literature that presents the tensions faced by marketing as dilemmas (an "either/or" situation; e.g., Cluley et al., 2020; Kopalle et al., 2020; Wedel & Kannan, 2016), our findings show that the reality is more balanced. We identified that they are actually paradoxes since they are persistent and have to be addressed simultaneously. Three paradoxes emerged from the fieldwork: a learning paradox (a combination of traditional and digital marketing skills), an organizing paradox (both expertise and a holistic view) and a performing paradox (both customer and brand centricity). We will first discuss the organizing and performing paradoxes as they have implications for the structure of marketing organizations while the learning paradox refers to a temporal dimension.

The **organizing paradox** may appear to be nothing new. After all, marketing departments have faced many technological developments in the past and have always been able to incorporate them. What is different here, however, is that the machine running on increasingly sophisticated algorithms is possibly in the driver's seat. Hence, tensions arise out of the decision-making process. This issue relates to contemporary debates on artificial intelligence: Who is in a position to make the best marketing decision concerning a promotional campaign – the machine or the marketer? Both should be involved to ensure long-term sustainability.

The **performing paradox** makes it possible to reconcile brand and customer centricity by taking into account the potential for a conflicting requirement of two key stakeholders. This allows room for creativity and differentiation, avoiding too much mimicry. Indeed, if everyone has the same fine customer data, the same algorithms will produce the same value propositions. The tension also focuses on what produces a decisive competitive advantage at the heart of the business model. Does the competitive

advantage come from having an excellent response to customer expectations everywhere, all the time? In other words, the offer itself does not have a differentiating character, but the customer experience is the best. Or does the competitive advantage come from the product's or the service offer's unique attributes, as advocated by the Blue Ocean Strategy? The former matches the business model of pure players like Airbnb, Amazon, and Uber while the latter illustrates the business model of consumer goods. A paradox perspective makes it possible to consider both options at the same time – as marketing should create short-term and long-term value both for customers and for the company.

Consequently, given how companies deal with these two structural paradoxes, distinct scenarios can be expected for the future of marketing according to the resolution strategies adopted (see Figure 1).

Insert Figure 1 about here.

(1) In the first scenario, which focuses on digital expertise and customer centricity, marketing is replaced by a handful of data scientists. Their role is to use the enormous amount of available data to find hidden consumption patterns and consumers' brand preferences in real time. Marketing decisions are entirely automatized, with analytical findings determining the actions of the customer service, sales department, and R&D teams. Companies such as Amazon and Dell are good examples of this scenario. (2) In the second scenario, which is oriented around the customer but where there is still a need for an integrative vision, marketers definitely lose influence to the sales department. The latter becomes a "customer experience" department dealing seamlessly with all customer touchpoints before, during, and after the purchase through powerful CRM programs. The main function is either a chief customer officer or a customer

success officer. Netflix and Allianz are good examples of this scenario. (3) In the third case, which is brand-centric and where there is a need for digital expertise, marketing is fragmented into several different functions, such as community manager or native-content editor, to manage content, e-reputation, and brand image. In this context, brand teams devote time and effort to participate in online conversations at multiple levels. This third scenario can be illustrated by Evian or Chipotle, which rely heavily on social content to promote their brand. (4) The last scenario, which is brand content-focused and where there is a need for an integrative or a holistic view, bets on data overload being able to create a need for more thorough strategic thinking about the brand identity. Thus, marketing will not only remain but also be reinforced. Brands can be seen and managed by companies as valuable intangible assets fueled by symbolic meaning. Vuitton (*Spirit of Travel* campaign) and Dove (*Campaign for Real Beauty*) are good examples of brands building strong meanings and serving causes.

These scenarios reflect and illustrate organizational tensions that should not be mutually exclusive if we consider a paradox perspective. A few advanced marketing organizations, such as at Nespresso and Nike, have been successful at reconciling these structural paradoxes to have both an outstanding customer journey and a very strong brand.

As for the **learning paradox**, it is adding a third dimension that gives the dynamic aspect (see Figure 2). Indeed, while marketing organizations need to incorporate new digital skills, they should not surrender their current marketing capabilities. On the contrary, they should manage to find synergies and build new capabilities by integrating both old and new skills. This requires collaborative management tools and processes, together with adapted human resources like training programs and two-way mentorship.

Insert Figure 2 about here

However, this research is based solely on speeches by and interviews with consultants and top marketing executives. They were chosen for their high reflexivity, which could produce post-rationalization effects. It would be useful to complete these findings with case studies that integrate the perspectives of all the stakeholders in a company and adopt an international and multisector approach. Moreover, this research relates to the level of the organizational structure. A complementary approach would involve looking at the tensions more at a micro-level: between the individuals and the groups. This could shed light on the belonging paradox, which was not explored in the research.

Conclusion

In summary, this research contributes to a better understanding of what is behind the digital transformation of marketing organizations. Data inflation requires a great deal of hindsight to translate available information in a way that is understandable for everyone in the company and in line with the company's strategy and identity. This requires creativity and human qualities to break down silos and inspire the entire organization. In short, this means the marketing department has to return to its foundation, which it may have cast aside in recent decades, namely creating value for all stakeholders.

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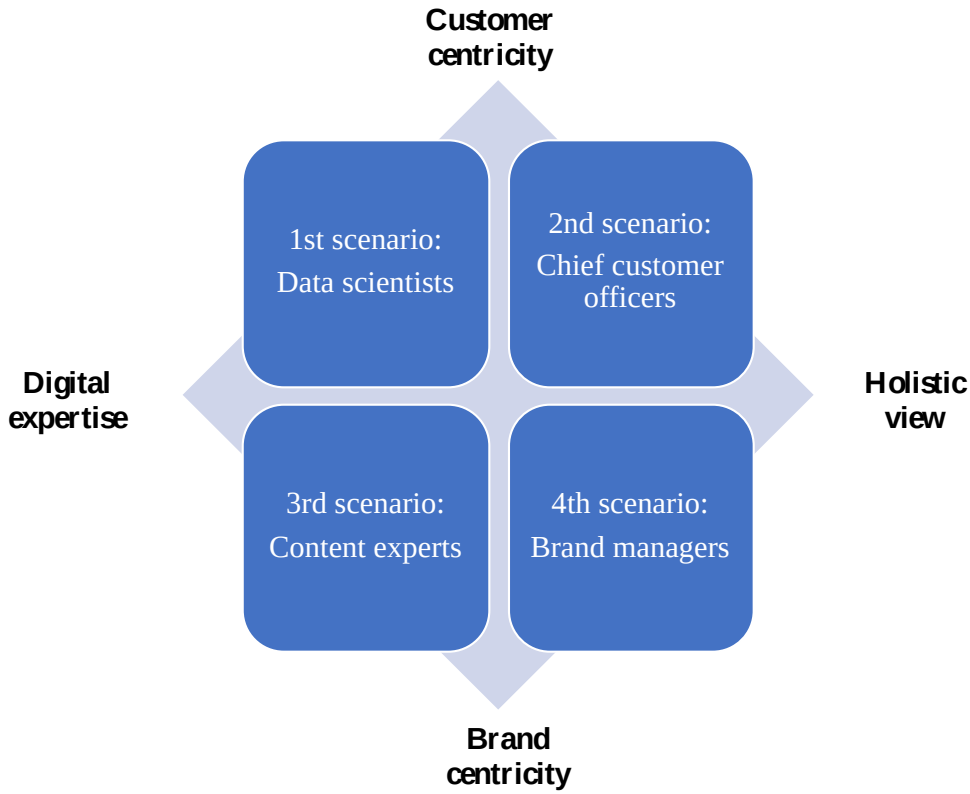

Figure 1. Possible reconfigurations of marketing organization

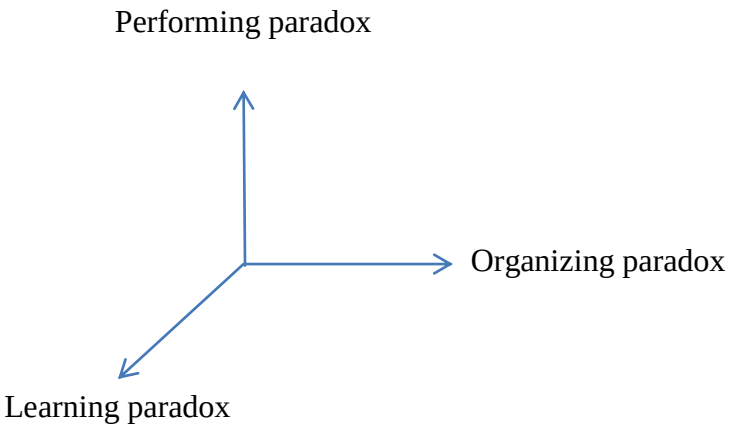

Figure 2. The three paradoxes of marketing digital transformation

Table 1. Profile of the Interviewees

Role		Pseudo	Company
Organizational consultants	External	Denis	EY (partner/managing director)
		Michael	EY (partner/managing director)
		Ethan	McKinsey (partner/managing director)
		Niels	BCG (partner/managing director)
	Internal	Alice	A: leading food company (HR)
		Mark	A: leading food company (marketing)
		Georgia	A: leading food company (marketing)
		Daisy	B: leading cosmetics company (marketing)
Specialized consultants	External	John	C: brand and communication agency (CEO)
		Peter	D: media agency (COO)
		Adrien	E: brand and communication agency (consultant)
	Internal	Georges	F: leading service firm (digital marketing)
		Lucas	G: leading retail firm (online retail)
Inter-branch spokespersons		Bernard	H: trade association representing online and offline retailers (director)
		Daniel	I: brand association representing large brand manufacturers (founding partner)
		Sally	I: brand association representing large brand manufacturers (director)

Table 2. List of Conferences

Date	Title	Speaker(s)	Host organisation
2017/06/08	*The impact of digitalization on the marketing function*	Panel of 7 specialists (an organization consultant, a chief digital officer, a market research analyst, a HR manager, a social media manager, a senior brand manager and a content producer)	Business school A
2016/11/08	*Affinity marketing*	A data analyst and book author	Professional society Y
2015/07/02	*Digital innovations for marketing*	Panel of 2 scholars and 2 executives from major market research institutes	Academic society
2016/03/17	*The implications of the digital transformations on marketing functions*	A scholar and the VP business strategy of a major consulting firm	Business school B
2018/05/29	*The challenges of e-commerce*	An e-commerce consultant	Business school C
2016/04/19	*Territories of digital marketing*	A former journalist, content producer	Business school C
2018/03/13	*Digital transformation of marketing: employment and careers*	HR consultant	Business school C
2017/05/19	*Evolutions of the marketing function in the digital age*	2 scholars	Professional association X
2017/09/15	*Big data and predictive marketing*	A data scientist and book author	Professional association X
2017/11/24	*The digital transformation of the healthcare industry*	A panel with a data provider, the founder of an e-health app, and a CDO from a pharmaceutical company	National Healthcare conference
2017/06/22	*The digital transformation of organizations*	A panel with 2 scholars and the CEO of a travel company	Business school C
2018/01/16	*The digital transformation of a car manufacturer*	A chief digital officer	Company's headquarter

Table 3. How the Digital Transformation is Disseminated Throughout the Organization

Internal	Massive training programs	*So, the point is rather how we make a digital transformation and how we train the people we have. Not all of them suck. So we're not going to throw away all these people who have brains and who have taken years to be trained. They have skills. The only question is how to add other skills. What we are saying is that in a digital transformation, it takes a third of the social body that has been exposed to digital services.* (Ethan)
	Informal dissemination of digital skills	*Yeah, great, except I don't know how to do this… and I no longer have a digital team to ask how to do it. So, I went to see Sophia, and I said, "I would like to do that." The girl said to me, "Okay." She left, and then, the next day, she came back and told me: "Look, you have native tools where you can do it yourself. If you don't trust me, you can go see John Doe…"* (Alice)
Hybrid	Internal/external hybridization of digital skills	*In fact, on all these things, you have some people in companies, sometimes skilled people, who are contractors for external agencies; sometimes, people working in agencies who have acquired skills like that before anyone else.* (Ethan)
External	Participation in business circles	*As for me, I'm interested in the results they produce but not in how they spend their time… so sometimes they go to conferences or to the EBG (digital innovation club) or to any other type of activity outside the company, and it's good for them to do that.* (Alice)
	Professional recognition/media exposure	*There we are, I had been elected "marketer of the year," and these things… these tiny things result in a little more chance or additional credibility or trust among the profession.* (Daniel) *The chief digital officer at L'Oréal is Lubomira R. She communicates extensively in the press.* (Denis)