



Digitalization in Marketing

***Embracing the
paradigm shift –
and creating
opportunity for
Procurement***

PM Society Event
February 26th 2020

Philipp Schuster
Global Category Lead, Creative &
Digital





A revolution for all parts of life!

Digitalization – much more than a trend

Increasing connectivity

Internet of Things

Digital platforms increase impact

E-commerce grows

Personalization & consumer

Focus on the individual

experience Artificial intelligence

Transformation of productivity

Smart sensors, robots and

Technology dominates

machines Virtual & augmented

Physical & virtual boundaries blur

reality Blockchain

Democratic revolution

Cyber security

A must-win challenge



A paradigm shift for Marketing!

Impact on Marketing

Consumer behaviors transform

Consumer expectations

Marketing and sales channels merge & complement each other, centered around the individual's needs

Technology, know-how & organizational capacities needed to leverage value from data, increase amount of content/speed

Availability & relevance of data & content

Agency models transform

**Digital is not part of the mix,
it IS the mix!**





We need to understand & seize the opportunities

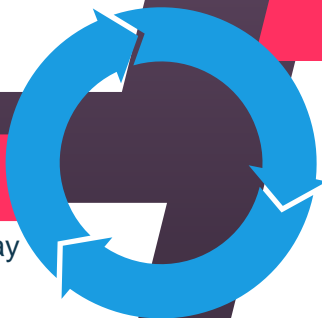
Impact on
Procurement

Processes & Systems

- // Significant impact on operational & transactional procurement
- // **Self-service & Guided buying (AI)**
- // Higher focus on Strategic contribution

Category Mmgt

- // Category structures to move away from traditional approaches
- // **Category strategies will have shorter tenures and need to be reviewed regularly**
- // Critical to be close to the market & understanding of the disruption



Business Understanding

- // **Business Partnering critical**
- // Acumen & Judgement
- // **Communication & influencing skills**





How do we contribute?

We need to challenge ourselves to become a **trustworthy internal consultant** and create **value beyond savings**





Becoming a strategic partner & internal consultant for Marketing teams

Example 1: Category Strategy deployment

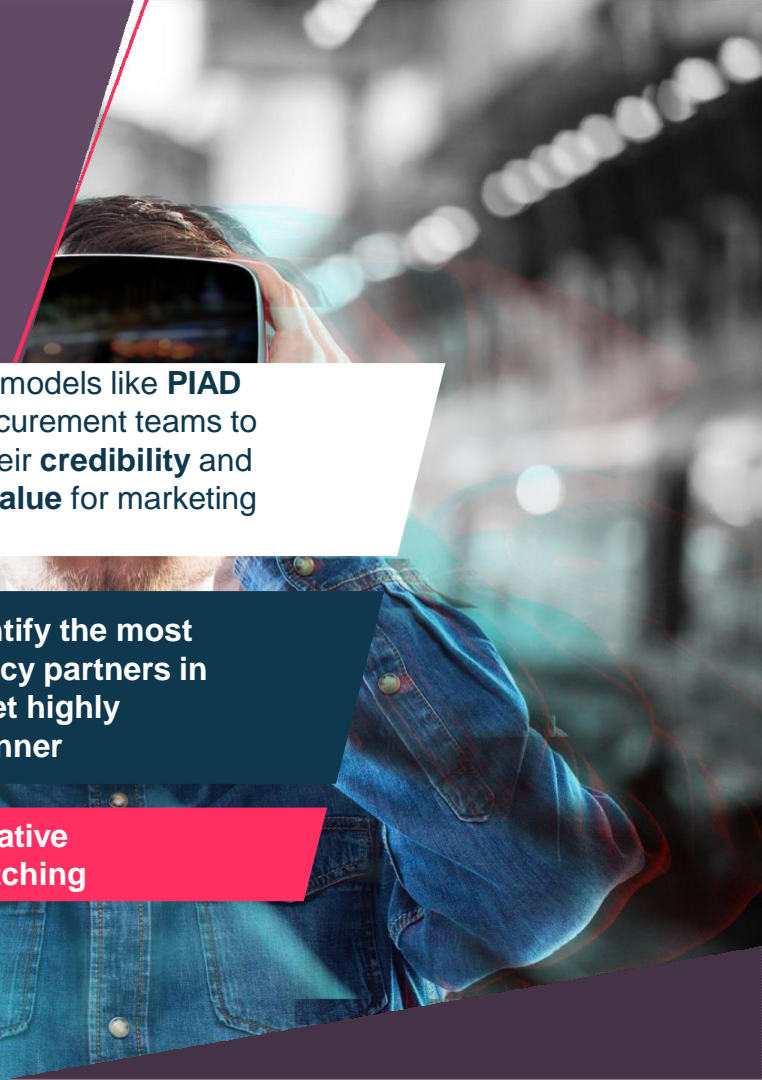
Focus on driving brand growth as well as optimizing the bottom line

Becoming the '**client of choice**' of agency partners to get **access to the right talent** and **innovation** will facilitate this goal

Alternative models like **PIAD** enable Procurement teams to increase their **credibility** and **strategic value** for marketing teams

Focus to identify the most suitable agency partners in an efficient yet highly impactful manner

Example 2: Innovative approaches to pitching





*Thank
you!*

Philipp Schuster

philipp.schuster@bayer.com





Forward-Looking Statements

This presentation might have contained forward-looking statements based on current assumptions and forecasts made by Bayer management.

Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in Bayer's public reports which are available on the Bayer website at <http://www.bayer.com/>.

The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.