

Q&A: Direct Line Group's managing director of marketing and digital on why the job of convincing other functions that 'marketing does more than coloring in' is never done

Article



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*This Q&A is an excerpt from one of 10 interviews we conducted for our report, [**"The Insurance CMO Report 2022: How to Deliver Profitable Growth in a Demanding Market."**](#)*

In the highly commoditized insurance industry, one of the most difficult jobs CMOs face is building effective messaging and a strong customer experience to differentiate their company's brand. The duties of their role have expanded well beyond acquiring new customers and now include improving retention and lifetime value, as well as demonstrating a return on massive marketing investments.

To better understand how insurance CMOs are navigating these challenges, we spoke with **Mark Evans, the managing director of marketing and digital at Direct Line Group**, whose decade of experience in marketing gives him a deeper perspective on how the role has evolved.

The following has been edited for brevity and clarity.

Insider Intelligence (II): What has driven the changes to your role since you became a CMO?

Mark Evans (ME): I've held the same job for over 10 years, but it has expanded significantly since I started. Three things come to mind as having driven the changes.

- The role grew to incorporate elements like customer experience and digital services.
- I joined the Executive Committee about three years ago. There wasn't a marketing role on the ExCo before that. It changed everything: my stakeholders, my position in the organization, and the emphasis on leadership and empowerment.
- Two years ago, we introduced an Agile model across our head office whereby everything moved into cross-functional Tribes and Squads. That's been a huge change and a bigger leadership challenge than I had anticipated.

II: Do you think those changes follow a trend in the CMO role that you've seen with peers as well?

ME: There's a virtuous circle where a CMO who gets results and becomes trusted and respected moves onto the ExCo and gets more responsibility and accountability. But this certainly hasn't happened everywhere. I've talked to many frustrated CMOs who feel that they only have parts of the role that they should have, and therefore they can't have the impact they want. Many CMOs don't sit on the ExCo or they don't even have the insight or the customer experience functions reporting into them.

II: I'd like to hear a little bit more about what taking digital under your wing entailed—and the other areas that marketing is responsible for, like customer experience.

ME: As a result of moving to an Agile operating model, we actually split our former digital function into component parts. In federating everybody into Agile Squads, we deliberately didn't retain an overarching digital team. Symbolically, when everybody's digital, why do you need a separate digital function?

That said, I still look after some of the components of what used to be the digital function, such as Experience design. The bigger point, though, is that I lead a team on behalf of the ExCo, and the allocation mechanisms within the Agile model ensure that resources go to where they're needed. And I definitely don't control that. The boundaries are more blurred than any other environment I've worked in.

You asked what's the scope of the CMO's remit? Well, it's pretty much the end-to-end of what the customer sees. There's Experience design—our Digital Storefront and MyAccount—and then all the things you'd expect at the heart of any marketing function, such as Brand and Performance Marketing. Alongside that we have CRM, Marketing Effectiveness, and all our Brand Tracking and Competitor Analysis. My role also incorporates PR and SEO—but again, all the activity happens within the Squads. ExCo members are collectively responsible for high-level orchestration through the quarterly planning cycle, which means that it's the broadest possible marketing church, but all the activity is federated.

II: What metrics do you use to measure success?

ME: There are three main buckets.

- **Brand health** is made up of awareness, consideration, and those metrics that we want the brand to stand for.
- The second bucket is **return on investment (ROI)** and all the performance marketing metrics that you'd expect.
- The third is **customer experience** and working closely with operations to drive our net promoter scores and resolve complaints.

Core commercial metrics like retention and lifetime value sit in the Product Tribes and Squads, but given that the resources come from the Chapters, everything is jointly owned.

II: What do you mean by “resource from the chapter”?

ME: Marketing is a Chapter. We have 150 people in the marketing organization. Some people stay centrally on groupwide initiatives, but most sit in cross-functional squads. Essentially, we've adopted Spotify's Tribes and Squads model. The Product Tribes, which are responsible for the P&Ls, are populated by people from the seven Chapters.

II: Are the marketing initiatives directly linked to business outcomes?

ME: Any marketing function that doesn't seek to link all activity to business outcomes has no legitimacy. We have a very strong Marketing Effectiveness team because the job of convincing other functions that marketing does more than coloring in is never done. If you don't, it's an easy target to cut. You have to talk the language of the board. Our performance spend has a heavy ROI focus, but we've also built some leading-edge modeling that allows us to understand the long-term ROI of our brand spend.

II: What are the key challenges you've faced over the last 12 months, and how have they shifted your priorities?

ME: All UK insurers are still figuring out what the world looks like after the introduction of new pricing regulation, compounded by the impact of inflationary pressures. Q1 2022 was a tough quarter because there was so much going on. Strategically, our biggest challenge is to increase the pace of innovation. That's largely why we set up an Agile model.

II: What channels do you prioritize with your campaigns? If they've shifted, what are the key ones that are now in focus?

ME: Ehrenberg-Bass says the more integrated your campaigns, the better. We're as fully integrated as possible, but we're still heavy on TV and search. TV does the heavy lifting for the brand—we can see a clear ROI there. We also spend a lot on performance marketing, particularly Google search. But integration is a tried-and-tested path. For example, our new campaign featuring Valkyrie will be at the cinema and on radio, as well as on TV.

II: What other key trends might alter market dynamics in three or five years?

ME: A lot of the future of insurance is playing out in China—and it's more modular, more fractional, more ecosystem-based. Customers will always look for ease and convenience. That provides insurance with an opportunity to meet a broader set of needs. But it will require flawless, end-to-end service delivery across the portfolio of products. We're imagining what the ecosystems for home and motor insurance will look like. It's easier in China because of the scale, data privacy laws, and the extent of digitization that's already there, but the principles still apply.

The Ping An Insurance Group and ZhongAn Insurance have talked about how the breadth of their products gives them a legitimate opportunity for an ongoing conversation. They can be relevant in more moments in customers' lives. A single-line insurer has one conversation each year, and they hope they'll get it right. Ping An said that motor insurance may be the ninth or tenth product they have with a customer. By then, they already know everything about the

customer's value and risk. They can price competitively and make the coverage more personalized. They said the data exchange makes it easier. I'm not saying that's exactly replicable here, but a key part of that formula is the opportunity to have more regular conversations with customers.

II: How important is data in your operations?

ME: If any insurer wasn't already convinced of the need to segment and personalize, they definitely are now because of the new pricing regulation. The consequence of this regulation is that inevitably you're going to be competitive in different parts of the market, so you must be able to dial up and down in those different parts—and data sits at the heart of that.

Data and personalization are also big topics across the insurance industry and many others because of the advent of a cookie-less world. The good news is that insurers have vast amounts of first-party data that we just need to get smarter with.

II: What are your top strategic priorities for the next few years?

ME: Growth and cost reduction are central. We're also very focused on diversity and innovation, which is a key reason to embed the Agile model. The beauty of Agile is that the synchronization of objectives across the business is inescapable. Alignment is one of its biggest benefits, and this helps to fuel innovation.

II: How do you keep up with changing customer demands and the market?

ME: One of our core values is "Be curious," and that's synonymous with Agile. Because the insight function sits within marketing, it's somewhat easier for myself and the team. Our challenge is to make sure that customer and competitor intelligence gets out to all parts of the business so that everyone's tuned in. We produce a monthly video for everyone with a market and competitor update. Last year, we developed a new segmentation model, and we've just completed a post-pandemic analysis showing how customer needs have changed as a result of COVID-19.

II: What has surprised you about the role?

ME: In the Agile model, the concept of servant leadership means you frequently act as an unblocker. But it's not easy to know when you need to get in the way and when you need to get out of the way. You can end up guessing quite a lot about where to be, what to do, how to show up, particularly in a more virtual world of working. This is where I have found it important to check in to understand what's needed of me for any given meeting or project.

