



Creating a Marketing Performance Management Policy

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Today's marketers are under relentless pressure to obtain data, prove ROI and justify decisions. Marketers even have to go so far as to justify choices that haven't been made yet, hence the momentum behind predictive analytics. It would seem we are in the singular pursuit of measurement. So far this year, at every conference, event and customer meeting I've attended the question of 'How do we show ROI?' has surfaced.

Many marketers we work with have functional responsibilities and therefore their measures often reflect their role. As a result, the measures are frequently independent of each other and it's difficult for marketing to truly demonstrate its impact and value. For example, social media marketers may be measuring mentions, sentiment, or traffic back to the website (hopefully you have moved beyond likes, and followers as your core metrics of success). Website/content marketers may be measuring the most popular pages or content downloads (hopefully you have moved beyond number of new items posted to the site in some period). SEO marketers may be measuring traffic and search engine ranking (hopefully you have moved beyond pages indexed or the number of backlinks). Email marketers may be measuring open and delivery rates (hopefully you have moved beyond counting the number of campaigns deployed). Asking the question, 'How to measure the ROI of these tactics?' is the wrong question.

There is almost no way to draw a straight line between the investment associated with these tactics, measures and business results. These tactics play a supporting role in a larger strategic initiative designed to impact business outcomes. We have become so focused on measuring and improving the metrics associated with the tactics that we may have lost sight of our real purpose in the business: find, keep and grow the value of customers.

This is why it is essential that marketing measurement is part of our marketing governance initiative. This way we can insure that we develop and consistently manage the processes, data, analytics and measurement to support marketing investments and decisions that will effectively move the needle for the business not just improve the efficiency of a tactic. Many organizations are in the throes of their marketing plan development. Others are trying to create better performance reporting and dashboards. Both of these efforts are aspects of marketing

governance. As you tackle these tasks, we'd encourage you to develop a measurement policy that will help guide your efforts and facilitate performance management.

From the Performance Agreement:

The performance agreement is a mutual understanding between marketing personnel and the leadership team that marketing will make investments on behalf of the company that are result-oriented and measurable. The C-Suite is responsible for the establishment of performance agreements with the Marketing leadership and personnel. The agreement should reflect the organization's priorities and the approved corporate strategic plan, objectives, and stakeholder expectations.

An effective performance management program should be integrated into your marketing compensation plan. Where does your policy belong? Your measurement policy along with other marketing governance elements are serviced by your marketing operations function. It's marketing operations that enables marketing to work as a fully accountable part of the business and to create a marketing center of excellence.

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