



From Managing Metrics To Managing Performance

By: Laura Patterson, President

In their recent study, Improving Marketing Effectiveness, The Chartered Institute of Marketing (CIM) and Deloitte revealed that nearly half (49%) of the companies are still not using customer metrics or marketing metrics to help inform board-level decision making. We were not surprised because these findings echo the results over the past nine years from our own Marketing Performance Measurement study.

Our study last year of over 400 marketing and business executives and this study of 200 senior marketers and board level executives, and numerous other studies by firms such as Anderson Analytics, Unica, Aprimo and more continue to investigate how companies measure marketing performance. Over the past decade, all of these studies suggest that many marketers are making progress when it comes to basic marketing metrics, such as customer satisfaction, acquisition and retention but not much progress when it comes to marketing performance management. As a result, there is a general sense of C-level disappointment with the marketing function.

What can marketing do to change this perception? Marketers need to move from managing metrics to managing performance. When marketing achieves this level of competency, it will be able to leverage metrics to support the decision making process, investments, and drive change. The value from the investments in marketing tools, processes, systems and skills for measuring marketing effectiveness will be lost if we do not use the insights from metrics to help guide the organization.

Measuring marketing takes time, energy, expertise, and money. Many marketing organizations are running lean and operating in overdrive. So if organizations are not going to use the metrics to make business decisions, then regardless of how accountable we make marketing, we've missed the mark. It is our contention, that the next phase of the marketing accountability issue is not one so much of metrics as it is one of alignment. The CIM study supports this line of thought. While 81% of the respondents found the marketing strategy was aligned with the overall

corporate strategy, only 37% indicated that the marketing objectives are aligned with the business outcomes.

Alignment is a critical success factor for improving marketing effectiveness, for moving from managing metrics to managing performance, and for using marketing metrics to facilitate change. Alignment may seem like common sense and a relatively easy fix, however, with our work with hundreds of companies, we have found that this is easier said than done. Most marketing organizations don't have a process for ensuring alignment. So it's earlier enough in the year still to revisit your approach. If you don't have an alignment process, hope you'll take a step back and develop one.

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