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For global chip-maker Intel, determining the biggest bang for its marketing bucks is a complex challenge. The company invests in an array of channels to reach business and consumer markets around the world, but because its chips are embedded in other products, Intel cannot rely on retail sales as a direct measure of success.

Yet through a focused effort, Intel has found ways to not only gauge the business impact of past marketing spending, but also make robust predictions about future investments — thanks in part to a hardy “MROI Model” that churns through multiple sales indicators and such variables as Google query volume and the social media activity of target audiences.

“We managed to model the impact of our marketing efforts on consumption sales in market,” explains Edwin Derks, marketing performance measurement program manager for Intel. “We can answer questions such as, ‘Given our forecasts of external drivers and our assumptions about the economy, what is the optimal investment mix that gives us the highest net revenue contribution as a marketing organization?’”

Not all companies are as far along as Intel. In a 2010 ANA survey, “marketing accountability” was cited as the number one area of concern among senior marketers — for good reason. More than ever, marketing leaders are being asked to justify their budgets and demonstrate just how all those clicks and impressions are boosting the bottom line.

“Most companies have invested in marketing accountability and started the journey, but they’ve stalled,” contends Douglas Brooks, executive vice president for Synovate-MMA, a marketing effectiveness consultancy based in Chicago. “They haven’t gotten to the point where they learn about what happened, predict what might happen, and then track leading indicators against those predictions.”

We reached out to ANA members and other industry experts for insight on how senior marketing leaders can enhance marketing accountability in their companies.

Seek Alignment
When the consulting firm VisionEdge Marketing surveyed nearly 450 marketers earlier this year to assess their progress in marketing performance management, the company uncovered a single factor that differentiates “best-in-class” marketers from the rest of the pack: alignment methodology.

“They leverage metrics and dashboards, they do audits and benchmarking, they assess skills gaps, and they understand the power of data and analytics,” says Laura Patterson, president of VisionEdge, based in Austin, Texas.

“Companies often have methods for measuring return on traditional media, brand equity, or digital media, but they’re all in silos,” Brooks adds. “Unless you integrate them into an apples-to-apples view, you will never have accountability because you have no way of looking at the business in a holistic manner.”

Marketing accountability also requires marketers to work together with leaders in finance, research, and other departments across the organization, as well as with outside agency partners and analysts, to define their roles and goals as part of a cohesive team. MillerCoors promotes cohesion in setting business goals by not delegating the finance team to one corner of its Chicago-based headquarters. “If you look around our office, the finance
division sits everywhere," says Jim Meier, senior director of marketing finance. "We acknowledge that we're not the only ones who have something to say. It tends to be a very collaborative effort, a collective financial decision-making process informed by financial and non-financial factors."

MillerCoors also holds its employees accountable for business goals and results. "We've launched an internal branded initiative called 'Building a Commercial Mindset,' which includes a series of six modules designed to enhance employees' financial acumen," Meier says. "It's part of an effort to up-skill our sales and marketing people on all the things they need to know to do their jobs better. The modules relate to the financial view of the world: marketing spend effectiveness is there, along with pricing, revenue management, and other areas."

Identify the Problems
While setting clear business goals and performance indicators is essential for achieving marketing accountability, many companies make the mistake of casting too wide a net, experts say. "I can't tell you how many times I've gone to an executive team and asked them to show me what measures they use — and then getting 100 measures," says Brooks, of Synovate-MMA. "People do not take enough time to establish an accountability system for their business, to map out the problems they're addressing to develop the right analytics and data to fuel those questions. What business problems are you trying to solve? What are the backward-looking learning metrics? What are the forward-looking metrics? And what are the leading indicators we need to track to make sure we're on plan?"

Michael Macri, marketing science manager for Ford Motor Company, agrees that defining the problem is a vital step for accountability. "Figure out the problem you're trying to solve, then work your way backward," he advises. "Sometimes you don't need to know how the unemployment rate correlates to the price of gas; maybe you just need to know one small thing."

Another best practice for setting accountability goals: don't confuse marketing results with business outcomes. "You can report on how many ads you ran or how many sponsorships you did in local communities, but that's not showing the impact on the business," VisionEdge's Patterson points out. "The best-in-class marketers look at how they are moving the needle for the business."

Tame the Data
The ability to aggregate, manage, and slice-and-dice data is paramount for determining which marketing investments are worthwhile. Thanks to new data sources and analytic tools, it's easier than ever to gauge the impact of marketing on sales across channels and determine how much a campaign can be expected to boost sales among key demographics.

Terry Cohen, senior vice president of strategy and analytics for Digitas, a Boston-based marketing firm specializing in digital that works with companies such as American Express, Samsung, and Kraft, says that digital tools can be used to bridge online marketing with offline purchases, and can help with measurement at both ends of a campaign. "We can tag your ads, and we can match the online behavior at the customer level with panel data or loyalty card data from stores," he notes. "And we can use social media actively, meaning that social media is not only an activation and customer insights tool, but it is also a strategic and quantitative indicator of the efficacy of a particular campaign, service, offering, or message."

Digital media can also provide enlightening windows into how audiences respond to ads. Online radio stations, for example, can tell marketers exactly how many Internet-enabled devices are tuned in to their ads at a given time — and how many listeners clicked through in response. "The more digital we become, the more we can track," Cohen says.

A key part of meeting this challenge lies in setting up the technological infrastructure to tame the tornado of data. "Make sure your infrastructure is set up so you can attribute where your customers come from," Cohen notes. "Maintaining a history is valuable as you look at the value of the customer."

Make It Easy
Nearly all the experts we spoke with stressed the importance of making the analytic process as simple as possible, in part to ensure that company leaders are on board with using marketing's measurements to drive business decisions. In many companies, only a small group of people truly understands predictive analytics, Brooks says. "The solution is to get all groups together and agree on a system around measuring accountability, and using that measurement approach to predict business outcomes," he notes.