



Resolve To Make Marketing Count In 2011

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Measuring Marketing received plenty of attention during the first decade of the 21st century. And the economy of the past several years only served to reinforce the need for Marketing to be more accountable and to be able to measure its effectiveness and value. At the start of last year, *B-to-B Magazine* wrote: "While proving ROI on Marketing performance is nothing new, the recession increased the emphasis on accountability and analytics, and this will continue even as a recovery gets under way."

For years, Marketing organizations have explored how to measure Marketing effectiveness and improve Marketing accountability. There has been a significant effort to learn how to measure and report a Marketing program's impact based on customer and market data and analytics as opposed to intuition and experience.

This type of effort often requires new processes when it comes to data collection, analytics, measurement, and reporting. Organizations have steadily invested in developing and implementing processes to measure and report their progress toward achieving key outcomes and objectives in order to optimize their performance.

Since 2001, we have conducted research in the area of Marketing performance measurement and management (MPM) and we have identified best practices related to performance management that any Marketing organization can adopt and leverage. Resolve to tackle these five best practices in 2011 to improve your Marketing measurement and effectiveness.

1. Create direct line of sight between Marketing activities and business results

Marketing's difficulty in linking its contribution to and impact on the business in a definitive way is due to how it tracks activities through to business outcomes. There is a blaring gap in Marketing's ability to show a clear linkage to the business. Commit to improving the link between Marketing and business results. One option is to use a mapping methodology.

2. Select the right metrics

The findings suggest that there simply aren't any levers to pull due to the lack of adequate metrics that would improve Marketing performance. Most marketers are challenged with defining metrics and measurement from lead-to-pipeline-to-revenue. Too many Marketing metrics primarily focus on campaign management measures and are predominantly more about volume-oriented output-based metrics such as metrics related to the Web site traffic, downloads, and site behavior or social media behavior. It's time to focus on metrics related to customer management, lead management, market outcomes and Marketing management -- that is, to move from output to outcome-based metrics, such as pipeline contribution, product adoption, and share of wallet.

3. Engage executive leadership and tease out business outcomes

Members of the C-Suite have indicated that measuring Marketing is a priority. Organizations that engage their leadership team in the performance management process will gain more traction with their effort. A key piece of the puzzle is clear, specific, quantifiable business outcomes that need to be collaboratively developed with the leadership team. This means the outcomes need to be more than a revenue target. When was the last time as a marketer you marketed to a bucket of revenue?

4. Add skills, processes, and tools

Many organizations have invested in Web and Marketing automation tools that easily and cheaply provide instant insight into campaign activity, but not necessarily into business results. Desire can only take an organization so far. Ultimately, to implement a performance management initiative, the Marketing organization needs data, analytical, measurement and reporting skills, processes and tools. This requires Marketing to make some investments in its infrastructure and capabilities. The focus on what to measure appears to reflect more of what Marketing is capable of measuring over what it should measure.

5. Leverage dashboards to foster course adjustments

The ability to easily collect, track, and report on Marketing performance can make the difference in a consistent and effective MPM practice. Investment in this area is critical. Systems that allow access to critical data elements and automatically visualize the data for Marketing allow for faster and more frequent assessment of Marketing effectiveness. When these systems are not in place or lacking, they can cause Marketing to focus on metrics that they can track vs. what they should. Tracking and measuring what you can is not the same as measuring and reporting on what matters.

The Marketing dashboard graphically represents Marketing performance. A good dashboard is actionable. It enables the Marketing organization to understand what is and isn't working and if necessary to make appropriate course adjustments. Having a dashboard is one indicator of MPM maturity. Make the coming year the year you work from dashboards that enable the organization to see Marketing's contribution to the business.

Implementing these best practices requires Marketing to take a more operational approach. Marketing as a function knows what it needs to do, but the lack of systems and issues associated with data collection, the lack of key performance management processes, a lack of well-defined metrics and the lack of reporting systems remain obstacles. These challenges create a cascading effect that impedes Marketing from being more effective.

When Marketing focuses on what can be done it may not be working on the things that will enable it to adequately contribute to the business -- hence reducing Marketing return on investment. A solid MPM practice enables optimizing Marketing activities, thereby making measurement more relevant and allocating Marketing resources more appropriately. Create a Marketing Operations function that will tie together analysis with performance management.

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