Take the First Step to Improve Your Marketing Performance

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If you could make just one change to significantly improve your marketing organization's ability to measure and manage performance, what would it be? According to the ITSMA/VEM Marketing Performance Management Survey, *alignment* is the secret sauce.

One quarter of the 405 marketers who participated in the ITSMA/VEM survey reported that the CEO would give the marketing organization an A for implementing initiatives that enable the company to achieve its objectives. What are these "A" marketers doing differently? It all starts with alignment.

Best-in-class marketers are better at aligning marketing's objectives with the goals of the business and are able to both measure *and* communicate their contribution, thereby more clearly demonstrating marketing's impact and value to the leadership team.

The aspect of alignment that marketers seem to find most challenging is measuring marketing's contribution. 90% of the "A" marketers strongly agree or agree that they are good at measuring their contribution compared to only 51% of the middle of the pack marketers and 38% of the laggards.

What is it about measuring marketing's contribution that marketers find so difficult? There are two key components to the challenge:

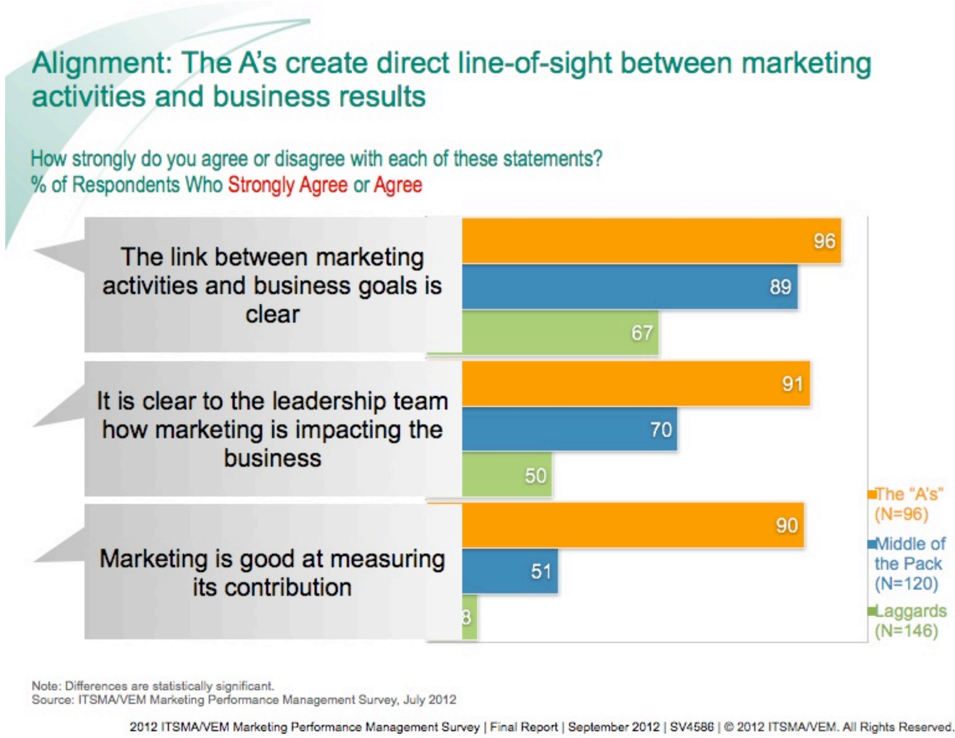
- **Measuring what matters:** While it is important to measure marketing activity to track programs and campaigns and fine tune them, these are not the metrics business leaders and sales executives care about. Business leaders want metrics related to business outcomes such as market share, category ownership, and customer equity. They want to understand, for example, how marketing is impacting service contract attach rates and pipeline contribution in a way that affects these overarching outcomes.
- **Connecting the dots:** Marketing may be producing "a lot of stuff" and business outcomes may be improving, but how do we know that that marketing's activities are what made the difference? Alignment and data chains are the answer. Start with the business objectives and desired outcomes. Based on the business outcomes, what are

marketing's objectives? What do the business leaders expect marketing to do? What does marketing need to do to achieve its objectives?

First, marketing needs to illustrate direct line-of-sight between marketing activities and investment and the business outcomes. This often requires a change in the planning approach. As a result of such an approach the relationship between activity/output metrics and the business will be more evident. This example illustrates how such alignment helps clarify the data chain:

- Business outcome: Increase ABC product line support revenue by 50%
- Marketing objective: Increase consideration among XYZ existing customers resulting in an X% increase of support contract attach rate
- Marketing Strategy A: Sales Enablement
- Marketing Program and activities:
  - Program: Up Your Game – A Playbook approach to increasing support services attach rates.
  - Key activities and outputs: Number of sales people completing certification class within 90 days, number of playbook downloads and participation in online playbook contest, % increase in usage of online selling tool within 30 days of certification

This approach takes discipline and practice. Is it worth it? [The results of the study]() suggest that it is. Marketers who are able to demonstrate their value and contribution to the business reap significant benefits. First and foremost, with the financial benefits of marketing investments clear, marketing is less likely to see budget cuts. Marketing is also more satisfied with its relationships with and reputations among the business leaders. Marketing is more confident with its ability to allocate resources to maximize effectiveness. And finally, marketing is better able to predict the outcomes of campaigns and programs.



So what's holding you back?