



The Importance of Measuring the Effectiveness of Marketing

By Holt Hackney

A little more than a decade ago, Austin marketer Laura Patterson began noticing a growing dissatisfaction between chief executives and their marketing heads regarding the overall effectiveness of marketing.

Soon thereafter, solutions were developed to try to resolve the chasm.

“The problem,” said Patterson, the president and co-founder of VisionEdge Marketing (www.visionedgemarketing.com), “is that the tools were too focused specific aspects of marketing, such as how effective an e-mail campaign was, or whether search engine optimization was drawing people to the site.

“The chief executive responded with: ‘Well this is interesting, but how does it help me understand how marketing moves the needle? Show me the direct line of sight between marketing activities and business outcomes.’ In essence, they wanted to know how to evaluate



the overall effectiveness of marketing.”

Patterson saw an opportunity and the annual *Marketing Performance Management and Measurement (MPM) Survey* was born. She has been tracking this critical marketing issue ever since. Earlier this month, she released the findings of the 10th annual survey, which includes responses from over 450 international business executives and marketing professionals. The most important finding: Tight alignment of marketing activities and business outcomes separates the best-in-class marketers from all the rest. In fact, it is the number one key predictor in how the CSuite will assess its marketing organization in terms of its ability to impact the business.

Other key findings of the MPM survey were:

- 23 percent of marketers received an “A” from the C-Suite, a relatively consistent number for the past decade.
- Nearly 62 percent of the A grade marketers make MPM a priority compared to only 47 percent of other marketers.
- More than 50 percent of respondents indicated that they are marginally effective or ineffective at measuring marketing performance.

And what do the most effective marketers do differently?

- They make performance measurement a priority.
- They seek out tools.
- They develop a MPM approach.
- They embrace measurement skills and training.
- They use metrics and a dashboard to demonstrate accountability.

Patterson added that the industry is starting to catch up as far as tools, including those offered by her own company, which can help marketers improve their performance measurement process.

“There are no more excuses,” she said. “For the past decade, we have strongly believed that clear links and metrics between marketing activities and programs with business outcomes was a critical piece of the puzzle when it comes to the C-Suite perception of marketing’s ability to impact the business. The findings from this survey clearly show that marketers who develop or strengthen their alignment and accountability capabilities are on the right path to achieve marketing excellence.”

Disclaimer: Any VEM information or reference to VEM that is to be used in advertising, press releases or promotional materials requires prior written approval from VEM. For permission requests, contact VEM at 512-681-8800 or info@visionedgemarketing.com. Translation and/or localization of this document requires an additional license from VEM. For more information on VEM, visit www.visionedgemarketing.com.