



Make Marketing Count in 2011

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What are your plans when it comes to your marketing investments for the coming year? According to Forrester, Forbes Insights and others, more companies will expand their marketing budgets in the coming year, with one very important caveat, marketers will need to justify the spending, prove the effects of marketing campaigns, and demonstrate program success...or risk losing budgets. Forrester suggests marketers focus measurable program elements that are designed around business objectives. If you are like many organizations you've invested in web analytics tools, marketing campaign management systems, and sales force automation. Odds are you are coming to expect more accountability from your marketing organization.

Since 2001, VisionEdge Marketing has conducted research in the area of marketing performance measurement and management (MPM). During this time we've seen that 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. But there are still some important gaps to close.

When it comes to improving marketing measurement and performance, we encourage you to enable your marketing organization to achieve the following in order to help you understand marketing's contribution and value.

1. Work from a marketing plan blueprint

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. Part of the problem is in the marketing planning process. So often the plan is an extensive word or power point document that culminates in a calendar and budget worksheet. The relationship between the activities on the calendar and the business becomes blurred. While the work associated with the planning effort is extremely important, the resulting document isn't a useful day-to-day tool. Ask your marketing organization to summarize the plan in a one page map or blueprint that visually shows

the link between Marketing and business results.

2. Focus on outcomes rather than outputs

Too many marketing programs lack a performance target and those that have one are typically volume-oriented output-based metrics such as metrics related to the website traffic, downloads, and site behavior or social media behavior. Most marketers remain challenged with defining metrics and measurement from lead-to-pipeline-to-revenue. As a member of the leadership team you most likely monitor results such as new deals, rate of new deals, market share, customer retention/attrition, increase business per customer, etc. It's time to for marketing to focus on these types of metrics too - metrics related to customer management, lead management, market outcomes and marketing management. Ask your marketing organization to move from output to outcome based metrics, and to develop metrics more directly related to the business such as pipeline contribution, retention rates, referral rates, product adoption, and share of wallet. One key step is to include a performance target tied to an outcome-based metric for every program this year.

3. Clarify business outcomes

Marketers cannot market to a bucket of revenue. The lack of quantifiable specific outcomes related to the number of customers to acquire, retain, grow in a market or segment hampers marketing's accountability. Your marketers need to understand what needle to move. It is the responsibility of the leadership team to provide two things:

- Clear, specific, quantifiable business outcomes related to number of customers to acquire, retain and grow, and in which markets or segments at what average order value and
- How you expect marketing to contribute to these outcomes.

4. Improve your marketing organizations data, analytics, and measurement skills

The team may now have web and marketing automation tools that provide instant insight into campaigns activity but they won't take you far if you don't have the data and analytical, analytical and measurement skills. Many organizations have invested in information-centric technology to support segmentation, personalization, content management, customer touch points, and safe force automation. Analytics is the missing link that enables marketers to truly leverage these investments. Data and analytics skills will make it possible to make better decisions. Over the years researchers from Forrester, Jupiter, Ovum and others analyzed the

impact of analytics on performance. They found that marketers using analytics are able to focus their spending on the areas of greatest return and are able to move from “blind” acquisition to “intelligent” acquisitions, retention and value. You’ve made the infrastructure investments, now it is time to make the skills and talent investment.

5. Demand actionable dashboard

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 require a marketing dashboard that enables the organization to see marketing’s contribution to the business.

Essentially all of these steps require operationalizing marketing. Your marketing team probably knows what it needs to do. But without the systems to collect data and monitor results and the processes and skills to measure and report on marketing effectiveness and efficiency, the organization will continue to flounder when it comes to performance management. Marketers practicing performance management can optimize marketing activities thereby making measurement more relevant and allocating marketing resources more appropriately. This may be the year to consider establishing a Marketing Operations function that will tie together analysis with performance management.

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