Marketing Performance Excellence: Five Best Practices for Proving Marketing’s Value to the Organization

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About VisionEdge Marketing – Experienced Practitioners

Founded in 1999 and headquartered in Austin, TX, VisionEdge Marketing, Inc. serves more than 100 customers, and counting. VisionEdge Marketing, Inc. is a data-driven and metrics-focused marketing firm that specializes in improving marketing performance and creating competitive advantage designed to attract, secure and retain profitable customers.

Services Include:

✓ Marketing performance management
✓ Marketing and sales alignment
✓ Product and strategic marketing
✓ Pipeline re-engineering
✓ Professional development
Session Objectives

1. The State of Marketing Performance Measurement and Management
2. What do Best-in-Class Marketers Do Differently
3. Five Best Practices You Can Implement Right Away

“Need the math behind the creativity.”
John Seifert, Chairman-CEO of Ogilvy & Mather North America

Demonstrating Marketing’s Value Still An Issue

VEM MPM Study

- 2011
- 2010
- 2009
- 2008
- 2007
What is Performance Management

...the process of measuring progress toward achieving key outcomes and objectives in order to optimize individual, group or organizational performance.

“Marketing departments are finding themselves under increasing pressure to justify their spending, prove the effect of their marketing campaigns and demonstrate program success…”

Forbes Insights, The Accountability Evolution, 2009

Best Practices Marketing Organizations

Have a set of measurable performance standards, a pointed focus on outcomes, and clear lines of accountability.

They are performance-driven outcome-based.
Five Key MPM Best Practices

- Alignment – Direct Line of Sight
- Accountability – Metrics and Dashboard
- Analytics – Data, Insights and Model
- Audit – Benchmark, assess, and close gaps

Crossing the Finish Line
Why Companies Invest in Marketing

Understand the market and customers
- Develop and execute a strategy to create preference and consideration that enables the organization to
  - Acquire more of something
  - Acquire it faster
  - Acquire it cheaper
- Otherwise, might as well just put more feet on the street
- Need to demonstrate we are “getting the job done”

“The purpose of a business is to create a customer” — Peter Drucker

Need to Move from Talk to Walk

Don’t make the grade:
- Only 17% of CEOs would give Marketing an “A.” (VEM)
- 34% of CEOs give Marketing a “C” grade, only 6% of CEOs give Marketing an “A” grade, 8-9% give Marketing a “D” grade. (CMO Council)

Still a Priority:
- 95% consider measuring Marketing performance to be a top-three priority for their company.
- Accountability top priority for 68% of senior Marketing executives (ANA)

Can’t Get No Satisfaction:
- Only 9% somewhat satisfied with their company’s ability to set and monitor Marketing Metrics (VEM)
- 48% felt that CEOs believe that their organization’s ability to measure marketing performance was only marginally effective. (VEM/MPM)

Measurement Challenged:
- Marketers remain challenged to measure value and ROI, <50% use marketing analytics (Alterian, n=1545)

Dissatisfaction With Metrics Continues:
- 95% of marketers tracking 1-20 metrics and
- 76% say metrics are not useful in decision making (HBR Leadership Roundtable)

Top Priority still:
- CMOs under pressure to demonstrate value: ROI
- major issue in 2008 (B-Had)

Top Priority 2000-2009:
- 66% rank Accountability as Chief Concern
- Measuring effectiveness is second most important priority (ANA)
- 66% of business executives say marketing analytics and metrics are marketing’s greatest need (Booz Allen)

Lack of Satisfaction:
- Only 21% of 319 respondents rate themselves “satisfied” or “very satisfied” with Metrics capabilities (CMO Council)

Measurement Challenged:
- Over half (53%) say that difficulty in measuring performance is a key reason for pressure on Marketing department (ANA and Booz Allen Hamilton)

Top Priority:
- 60% rank Accountability as Chief Concern (ANA)
- Measuring effectiveness is second most important priority (ANA)

Measurement Challenged:
- Marketing is only marginally or somewhat effective at measuring effectiveness (Deloitte study of over 450 executives)

Still a Priority:
- 66% of survey participants say measuring marketing performance is one of their top 3 priorities

Still Don’t Make the Grade:
- only 22% of CEOs give Marketing an “A” (VEM/MPM)
- Fewer than 1 in 10 say their organization is completely effective at MPM (Lenskold)

Lack of Satisfaction:
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Break the Never Ending Cycle

Perhaps the greatest risk is that without a perception of accountability and value, CEOs and CFOs will make sweeping, arbitrary decisions about cutting expenditures which ignores the relationship between marketing spending to effectiveness and produces a short-term focus leading to limited success.

Need focus to go from outputs-focused to outcome-focused

Six Action Steps You Can Employ Today

- Align and Link to the Business
- Set Measurable Marketing Objectives
- Select Outcome—based Performance Targets
- Adopt a Metrics Framework
- Measure
- Report
The Rewards of a Performance-Driven Marketing Organization

- Better insight into customers – what they want and what messages will resonate
- Greater message continuity
- More effective allocation of resources
- Fewer underperformers on the sales team
- Higher win rates
  - Improved customer acquisition and retention
- Stronger customer loyalty and equity
  - Greater customer share of wallet

Thank You and Questions

Metrics in Action: Creating a Performance Driven Marketing Organization

Workbook: It’s More than Money on the Line: Creating Metrics to Measure Marketing’s Effectiveness, Impact and Value

Both are available at www.visionedgemarketing.com