

= Marketing performance measurement and management =

Marketing performance measurement and management (MPM) is the systematic management of marketing resources and processes to achieve measurable gain in return on investment and efficiency , while maintaining quality in customer experience .

Marketing performance management is a central facet of the marketing operations function within marketing departments .

Marketing performance management relies on a set of measurable performance standards , a pointed focus on outcomes , and clear lines of accountability (i.e. roles and consequences) .

Marketing performance management is based on six success factors : 1) alignment , 2) accountability , 3) analytics , 4) automation , 5) alliances , and 6) assessment .

= = Alignment = =

Alignment of marketing activities and investments to business outcomes occurs when a marketing organization establishes a direct line of sight between marketing activities , investments and business outcomes .

Alignment begins with customer insights , to ensure that the marketing performance management approach will be rewarded by the marketplace . Secondly , alignment with enterprise objectives ensures that marketing efforts are in sync with what the company is striving to achieve . Enterprise goals can be cascaded to the business unit level and then to the department level to maintain consistency and drive synergy both horizontally and vertically . Marketing objectives that are developed this way can be cascaded to all of the marketing sub @-@ functions for alignment .

= = Accountability = =

Accountability is the monitoring and measurement of the commitment a person , group , or organization makes to deliver specific , defined results relating to the enterprise ? s financial and strategic objectives .

Selecting the right metrics , integrating performance targets , and producing actionable dashboards are all integral to accountability .

Accountability encompasses making a commitment to a particular action , accepting responsibility for completing that action , and then disclosing how well you performed against your commitment . Accountability requires commitments , metrics , and consequences (positive and negative) .

= = = Metrics = = =

Measurable performance standards are called metrics , which are the cornerstone of accountability . Marketing metrics encompass Activity , Output , Operational , and Outcome categories :

" Activity metrics " relate to the number of things done in a process , such as the number of new blog posts or the number of events .

" Output metrics " relate to the result of a process , such as website traffic , media mentions , or event participants .

" Operational metrics " relate to the efficiency and effectiveness of a process , such as cost per lead , revenue per customer , revenue per sales representative , cost per customer , or leads per sales representative .

" Outcome metrics " relate to the consequences of a process ? outcomes , such as revenue , profit , win rate , pipeline contribution , share of preference , share of wallet , or share of market .

= = = Indicators = = =

To manage causes and effects , managers identify Leading Indicators and Lagging Indicators :

" Leading indicators " are metrics that a manager can monitor before stakeholders see results .

They are in @-@ process metrics and process @-@ input metrics that serve as warning signals of output , operational , and outcome metrics . Within a workflow diagram , the questions represented by a diamond are typical sources of leading indicators . They indicate whether there will be re @-@ work , scrap , waste , or delays in what the process is meant to achieve . They are actionable and predictive . By monitoring leading indicators , managers can intervene to attain higher performance .

" Lagging indicators " are metrics that a manager ? s stakeholders see . They are post @-@ process metrics (i.e. output , operational , or outcome metrics) . Lagging indicators are important for seeing the big picture , but they are not actionable in and of themselves .

= = = Reporting = = =

Marketing performance can be reported in a wide variety of formats (verbal , pictorial , graphic , tabular , text , dashboard) , which are used for accountability and decision @-@ making . Ideally , reports revisit past commitments or forecasts , to enable learning and refinements for future performance .

Dashboards are particularly important in marketing performance management , visually displaying multiple metrics on a single screen or page . This allows managers to monitor performance at a glance , and to be alerted when performance varies significantly above or below expected levels . Ideally , dashboards show the relationships between leading and lagging indicators . This can empower people at every managerial level .

= = Analytics = =

Analytics seeks to identify patterns in data by organizing it and applying mathematics , statistics , or algorithms to it . Analytics foster fact @-@ based , data @-@ driven customer , product , market and performance decisions and develop models to support scenario analysis and predict potential outcomes .

Marketing analytics can be used to create models to help understand , monitor , and predict customer behavior , such as likelihood to defect or predisposition to purchase . It can help managers quantify performance , make and optimize channel and mix decisions , understand the impact of a campaign on a sales list , and create many other types of insights .

Data availability is accelerating at an unprecedented pace , and analytics technologies can help marketers quickly synthesize data from various sources . Analytics can harness the power of data by converting it to actionable information and models that guide strategic investments and decisions that drive marketing performance .

= = Automation = =

Automation of marketing processes reduces manual labor , errors , and inconsistency . It enables timely , personalized messaging to customers , prospects , and other stakeholders .

Automation provides infrastructure for marketing performance management . It spans marketing resource management , campaign automation , business intelligence , data management , reporting platforms , and scenario analysis tools .

= = Alliances = =

Alliances are arrangements between companies to create additional value together . Distributors , resellers , marketing agencies , and other companies may co @-@ develop , co @-@ promote , and / or co @-@ deliver various parts of the marketing mix (product , price , promotion , placement) .

Marketing performance management requires information transparency , clear roles , and smooth handoffs between alliance members , both externally and internally . A spirit of alliance among the work groups across the marketing organization , and with other support functions and business units

shapes the ecosystem that nurtures or hinders marketing performance . Collaboration cross @-@ functionally is essential to marketing efficiency and effectiveness .

= = Assessment = =

Assessment is the evaluation of strengths , weaknesses , and opportunities in marketing performance management . Assessment is typically conducted by benchmarking other organizations or comparing performance to a standard . Ideally , assessment is supported by a culture of genuine concern , dedication , and willingness among management and employees to continually improve performance .