



YOUR MARKETING DOESN'T WORK

6 Steps to Make it Work



by GUY POWELL

How often do we as marketers suffer through the budget ax? How often is it that when we talk about our success we talk about the quality of the creative or the number of visitors to an event? But when it comes down to whether we moved the needle or generated additional revenue we can only answer with a blank stare. We think it worked. The proof of whether your marketing worked is in the speed with which your budget can be cut. If it's first to be cut then it's not working.

If your marketing was working your budget wouldn't be the first to be cut. You would be able to respond with an immediate, believable connection to a loss in future revenue. It can't be working if you can't prove that it works. I've trained thousands of marketers from around the world and all of them have the same issues. Very few of them in a small percentage of companies can prove their marketing works. Where marketing works, the marketing team has developed a culture of measuring marketing, of gathering data and of analysing the data to deliver actionable results. Not only can they calculate their marketing ROI for the past but they can also use that information to make better decisions for the future. Armed with the right decision support materials they can justify their budgets, take measured risks to launch new products, try new concepts and test new media. Where marketing doesn't work they can only point to great creative, catchy slogans and fancy collaterals.

How much do you spend to measure marketing effectiveness?

Companies such as Procter and Gamble, Unilever, Miller Brewing and others spend a large portion of their precious marketing budgets - sometimes reaching nearly 10% - on customer/consumer research, sales data and other sources. They use a range of simple to sophisticated analyses to help them maintain their edge against the competition.

They have determined that there is an ROI on marketing ROI. By investing in data, measurement and analytics they are delivering increased revenues and superior growth. Armed with their results they can protect their budgets and continue to maintain and grow their position in the marketplace. They have developed a strategic advantage to grow faster than the competition.

A marketing effectiveness culture isn't free

Unfortunately, data acquisition, measurement and analytics aren't free. It costs time, money and brainpower. And there is the fear of finally determining that your marketing really isn't working – yikes! These are only some of the reasons why marketers don't invest in determining marketing effectiveness. There are many others. Marketers must sacrifice precious money out of their existing budgets and time out of their overworked day in order to take the first step in measuring and analysing ROI. There is, however, light at the end of the tunnel. Once this step is taken, though, the increased ROI can deliver an annuity of growth, margins and market share year after year. What does it take to deliver increased marketing ROI and improved decisions making?

Here are six steps to consider:

1 The business question has to drive the analysis and data gathering efforts. Without refining the scope of the business question based on the cost, the data required and the analysis method, projects can get mired in work leading to inconclusive results. What are the types of questions we are trying to answer? Only after defining and refining the business question should the remaining efforts take place.

2 A sound understanding of Return of Marketing Investments for both direct and indirect results and outcomes – So often marketers are looking for the easy answer. Measuring marketing has its own complexity. Just determining the value of the 'last touch' often isn't enough. We need to know the value of all touches including direct, indirect and brand effects.

3 Knowledge of the fundamentals of the market – How do consumers respond to your and your competitors' marketing activities across the entire mix (e.g., the 4Ps)? How do actions in the channel drive revenue for you or your competitors? How do external

factors, such as the weather, seasonality and economy, influence the market? Marketers must fully understand consumer response in order to develop a functional model of the market.

4 Getting the data – What types of data are available? Is there data available at the point of sale or do we need to measure interim variables that might be a reasonable proxy for outcomes due to marketing? How can we prove the hypothesis? What are the frequency, periodicity and granularity of the data? Data is the biggest challenge when embarking on building a marketing effectiveness culture

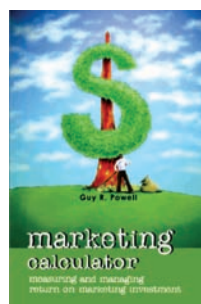
5 Understand the marketing structure – How does the market work? Are social media amplifying your marketing efforts? How does marketing work with the sales team? Drawing a map of your marketing infrastructure is a key element in this effort.

6 A desire for continuous improvement – Building a marketing effectiveness culture demands building systems and processes that deliver increasingly more valuable results. Improving marketing effectiveness is a constant effort and requires ongoing investments in time and money.

Once you've been able to answer these questions you can truly show that your marketing works. If done properly you will be able to protect and grow your marketing budget. And you will be able to accelerate your career. The time to get your marketing working is NOW.

Guy has over 20 years experience in senior level sales & marketing in the US and worldwide, both on the client and consulting sides. Through his DemandROMI consulting and training practice he has trained thousands of senior marketers throughout the world representing trillions of dollars in revenue.

Guy has a recently released book that will help marketers implement a new culture of marketing effectiveness in their organisations. It is available now in stores throughout the US and Asia. It is also available online at all popular book sites.



Marketing Calculator: Measuring and Managing Return on Marketing Investment
By Guy R. Powell

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This book uncovers the components of driving increased marketing effectiveness and can be applied to just about every industry and marketing challenge. It demystifies how marketers can significantly improve their measurement and management infrastructure in order to improve their return on marketing effectiveness and ROI.

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