



## Chapter 10: MARKETING METRICS



# Learning outcomes

After reading this chapter, you should be able to:

- Understand the evolution of marketing metrics
- Define and categorize marketing metrics
- Create a marketing dashboard
- Integrate metrics into a company performance measurement system.



# The evolution of marketing metrics

- Terminology
- The increasing focus on marketing accountability
- From traditional marketing control to marketing metrics
- Marketing based marketing
- Asset-based marketing.



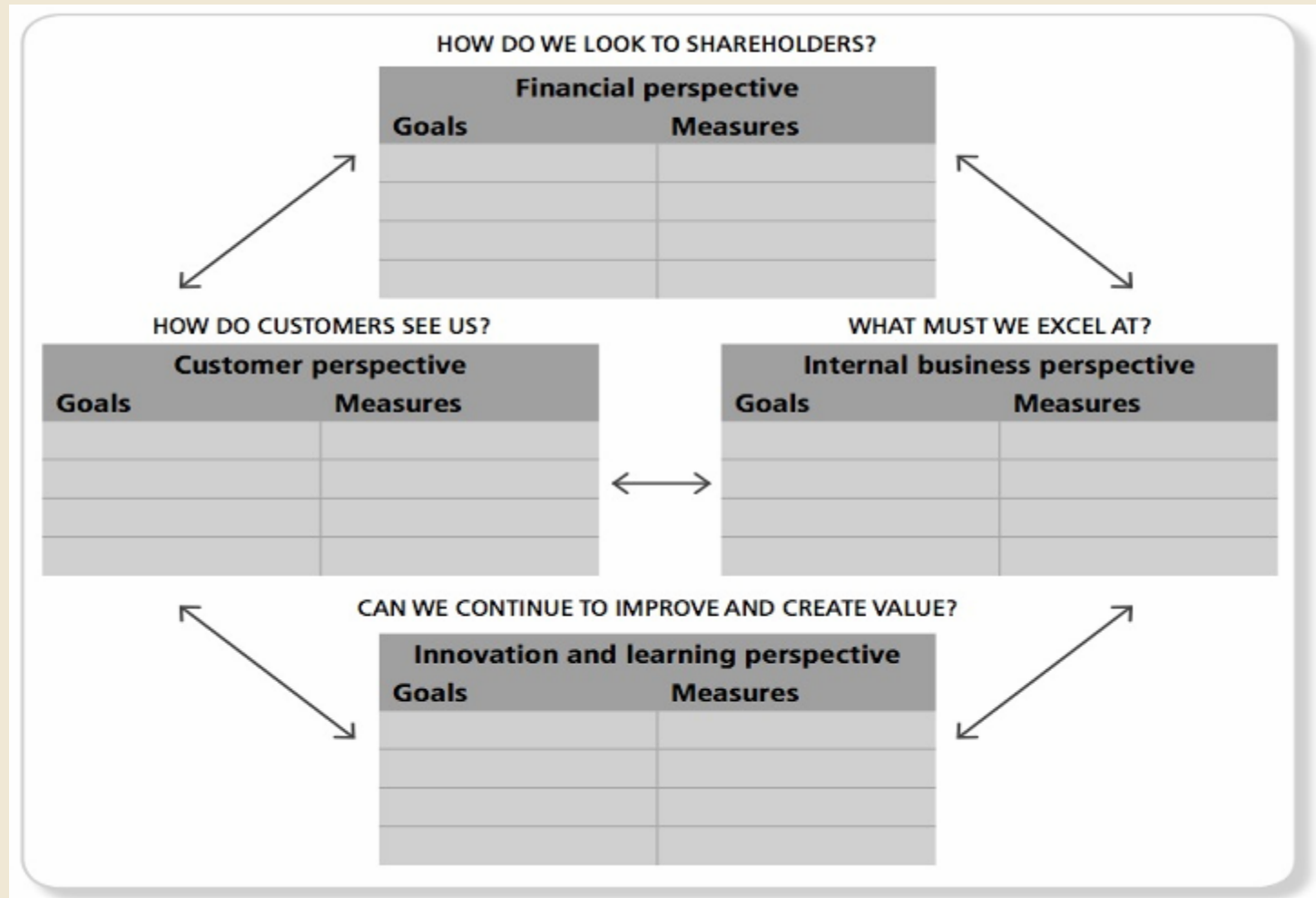
# Strategic monitoring systems and performance measurement

- Challenges in designing strategic monitoring systems
- Design decisions
- Creating a positive context of measurement.

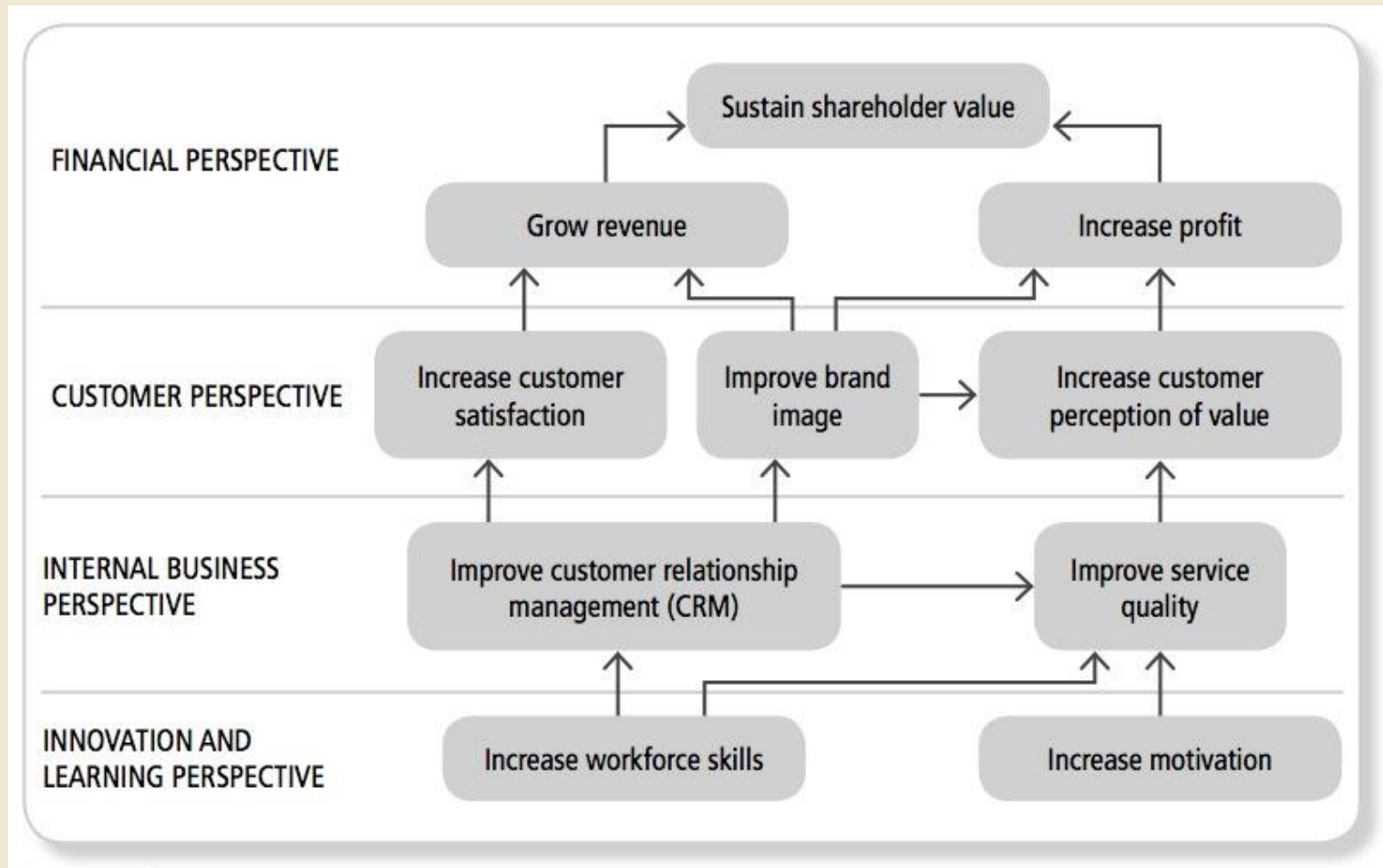


# Strategic monitoring systems and performance measurement (cont.)

## The balance scorecard and marketing linkages



# Figure 10.2 Marketing-related linkages in the balanced scorecard





# Portfolio of marketing metrics

- Classification of marketing metrics (Table 10.1)
- The cluster approach (Table 10.2)
- The marketing assets approach
- Leading and lagging metrics grid (Table 10.4).

# Leading and lagging metrics

Asset	Demand stimulation and prospecting processes	Acquisition or transacting processes	Retention and growth processes
Financial outcome	<ul style="list-style-type: none"> <li>• ROI</li> <li>• Marketing costs</li> <li>• Prospect lifetime value</li> <li>• CPM</li> <li>• Cost per click</li> </ul>	<ul style="list-style-type: none"> <li>• Revenue</li> <li>• ROI</li> <li>• Acquisition cost</li> <li>• Cost per order</li> <li>• Abandonment rate</li> <li>• Contribution margin</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholder value</li> <li>• Customer profit</li> <li>• CLV</li> <li>• Customer equity</li> <li>• Brand value</li> </ul>
Market outcomes	<ul style="list-style-type: none"> <li>• Share of voice</li> </ul>	<ul style="list-style-type: none"> <li>• Units sold</li> <li>• Market penetration</li> </ul>	<ul style="list-style-type: none"> <li>• Market share</li> </ul>
Behavioural outcomes	<ul style="list-style-type: none"> <li>• Ad awareness and likeability</li> <li>• Competition participation (e.g. redemption rates)</li> <li>• Store visits</li> <li>• Web site visits/Web page views</li> <li>• Enquiries</li> </ul>	<ul style="list-style-type: none"> <li>• Conversion/trail ratio</li> <li>• Purchase amount</li> <li>• Products purchased</li> </ul>	<ul style="list-style-type: none"> <li>• Repeat purchase rate</li> <li>• Churn rate</li> <li>• Retention ratio (behavioural loyalty)</li> <li>• Recommend (NPS)</li> <li>• Share of customer</li> </ul>
Perceptions/ attitudes	<ul style="list-style-type: none"> <li>• Attention</li> <li>• Knowledge</li> <li>• Interest</li> <li>• Desire</li> <li>• Intentions</li> </ul>	<ul style="list-style-type: none"> <li>• Customer experience</li> <li>• Customer satisfaction</li> <li>• Service quality</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction</li> <li>• Customer commitment</li> <li>• Customer engagement</li> <li>• Brand equity</li> <li>• Customer loyalty (attitudinal)</li> <li>• Employee engagement</li> <li>• Employee satisfaction</li> </ul>
Marketing actions	<ul style="list-style-type: none"> <li>• Market segmentation</li> <li>• Lead generation</li> <li>• Marketing communication campaigns (nett reach, nett frequency)</li> </ul>	<ul style="list-style-type: none"> <li>• Sales funnel/pipeline</li> <li>• Sales force workload</li> <li>• Inventories</li> <li>• Out of stock percentage</li> </ul>	<ul style="list-style-type: none"> <li>• Frequency marketing</li> <li>• Relationship marketing</li> <li>• Internal marketing</li> <li>• Loyalty programmes</li> </ul>
Marketing strategies	<ul style="list-style-type: none"> <li>• Demand stimulation strategy</li> <li>• Prospecting strategy</li> <li>• Innovation strategy</li> <li>• New product development strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Sales strategy</li> <li>• CRM strategy</li> <li>• Channel strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Service recovery strategy</li> <li>• Retention strategy</li> <li>• CRM strategy</li> </ul>





# Designing marketing metrics

- Assumptions and questions to ask
- Mapping the business process
- Steps involved in developing metrics.

# Integrated marketing metrics

