



HAVE YOU (EVER) DONE A MARKETING REVIEW?

Results, performance, gains/losses, growth – much of business just lends itself to all manner of metrics and analysis. Those financials guys just have it easy with their formulaic approach to the world. Even more so in comparison to us strategy and planning types and our ethereal “marketing” and its burdensome conceptual reality.

Just how can we answer the question of marketing’s contribution in real terms? Is there a Return on Investment or is it just nice to have those marketing folks around?

There are a couple of rules that apply to this discussion:

1. **Marketing is not sales.** Selling is a transactional event. Too often people tend to lump sales and marketing as one entity. Now, there does exist a commonality of purpose in terms of moving the business forward, but sales represent current revenue streams. Here we can easily make judgments re: performance.
2. Marketplan’s definition: **Marketing is segmentation**...simple but complex in execution. Within this segmentation approach are two areas that are marketing’s charter – communication and analysis.

Communication – Not Marketplan’s forte but the area many people equate to marketing’s purpose. Press releases, social media, websites, advertising serve to support sales efforts as well as reinforce the business’ presence and actions. In days past there was an old joke about advertising – “I know 50% is wasted but I don’t know which 50%.”

- In today’s world the metrics associated with these activities are, to put it mildly, well developed. Set up a website and someone can tell you the number of visits, duration, return visits and a host of other metrics.
- Thus, results can easily be compared to investments made in these vehicles. Determinations can be made on the impact of these actions. The cost of acquiring a new customer, a key metric of revenue development should be a part of this side of marketing.

Analysis – the crux of marketing’s value add and the focus of segmentation. There are several on-going activities that those marketing folks are likely involved in (or they should be involved in):

- Market Size and Share Analysis – the very basic foundational information defining the “playing field” and your company’s position therein. Many companies have some sort of cultural approach with homegrown metrics that have endured over time. But in most cases the answer to the “what is your share” question is, more times than you’d think—“we don’t know”. This is a task marketing should continue to refine over time, testing new correlations and periodically doing a “deep dive” to reset a baseline assessment.
- Competitive Analysis – Closely aligned with size and share analysis is the compare and contrast with competition perspectives. The quantitative and qualitative assessment that lead to a realistic SWOT analysis – Strength, Weakness, Opportunity, and Threat. This defines realistic tactical choices that impact not only sales but the overall company strategy, providing direction and allowing for management to more easily assess the tradeoffs of time, investment dollars, and execution resources.

Companies whose marketing resources can address the above two areas in detail are likely to be far ahead of most others who just pay lip service to these questions. While these tasks seem simple they are complex to complete with appropriate detail and accuracy, and with year to year consistency.

Other areas where value can be added through marketing resources...

- Advanced Segmentation – if we take these examples to the next level, we might examine the common segmentation perspectives of our market and look at how we might re-segment the business along more creative lines. For example, we may have a market segmented by any number of measures: product size, product capability, configurations, etc. But if we look between these definitions or apply new definitions we hopefully arrive at new segments which address unmet customer needs and offer opportunity. A case in point might be the SUV market which started out as full-size vehicles, now we have several size levels that provide the buyer with the product he believes fits best. Examples of where segmentation has to some extent “exploded” the market – windshield wipers, cameras, tires, athletic shoes, gum...the list is endless.
- Technology – assessment of ongoing technology trends that could may impact current products and markets either representing a threat or a change in segmentation. An interesting example is fracking where not only basic well drilling is impacted but also the up- and down-stream support equipment, materials and services.

- Outliers – factors beyond immediate market influencers but ones that represent potential change, the most likely being government in the form of regulations that force issues. Also we might consider basic overall economic factors underpinning demand.

These are the types of activities that marketing groups should be doing to contribute to overall business unit and company growth. But the question still remains – **How can we judge performance?**

Marketing remains the area of business where the art vs. science characterization has seen little change. As more metrics are developed, especially regarding media, the more they lead to more questions and sometimes confusion.

“There is no cause and effect in marketing. Only inspiration and correlation.” Drawing/infering a direct outcome from a tactic can be a strategic trap as too many variables are present. A highly functioning marketing plan will take into account all the company’s actions and look for trends vs cause and effect. (hat tip: Marketing Profs) So, what can we say about those marketing folks and their efforts?

- By definition marketing is integral to the company’s overall strategic plan.
- Marketing must have an organic relationship to other company functions- sales, business development, operations, etc.
- Marketing’s main contribution is knowledge that illuminates, guides, and enhances the company’s strategy.

With these factors in mind, for effective marketing...

- Overall expectations must be set for marketing’s contribution; these in turn become the tactical plans for staff to execute over time.
- Some type of measureable goals must be attached to these plans and marketing’s overall contribution.
- A system of repeatable expectations and measurement which over time becomes richer in depth and context.

This remains a challenging aspect of management but one where creativity and interaction can yield substantial results.