



How to Measure Marketing Success?

Description

Across the world, there are systems that fail to provide the correct measurement for marketing success. The trouble begins at the point of deciding what is marketing success. For a lot of people, marketing success is the amount of tangible “action” that is accounted for at the end of the funnel. While the transactions in the system that yield tangible sales or “buy” are definitely a part of the end objective, current business success depends on more than just these numbers.

Most marketers grown up target pressure systems and to prove some tangible return on the magnanimity of the money spent by them, have always resorted to historical measurement and individual channel ratings, which are flawed in every way due to the assumptions they stand on. In an age when consumer behavior is changing quicker than these marketers expect or anticipate, all previous models of measurement are obsolete.

Previous marketing measurability tried to figure out the relationships and derivations from “reach” of every channel tracking the responses through point-of-sales or post-sales surveys. Consumer behavior has become more complex since then, and multi-channel attribution systems are in place since the early 2000s. Evolution of buyers (Buyer 2.0 persona for example) hasn’t been met with evolution in marketing models that are in practice. Marketers still decide on perusing communication channels depending upon the responses channels generated in the past year, allocating budgets based on an assumption that the consumers are going to take the same journey to the revenue Garden of Eden again this time. Unlike in scientific experiments, marketers still measure the outcome of campaigns at the end of the season, assuming that they got the marketing mix “right” at the beginning.

A lot of talk happens on “experience” of a marketer, which actually means nothing in this era of intuitive designs and frameworks that are in play. Marketing is in the midst of the biggest possible threat to its existence, and disruptions in the way the marketing defines its work is in order.

I will begin with the simple question first – **“What’s the objective of marketing?”**

Many debates that the objective includes understanding and delivering customer satisfaction profitably and competitively. I don’t completely disagree to this. I have a problem with the scope of this statement

and what comes next as the decoding of this statement.

For many decades, marketing function has been the only one spending company money and a huge lot of it. Doing what? Practitioners argue that they were getting market intel through market research, contributing such intel to product development, launching products through a complex design that included tools like PR/advertising/channel marketing/events/etc, and ensuring support to sales function through continuous communication with the target consumer market.

Ask any practitioner about all these various activities that marketing swears by, and you will find them trying to convince themselves on which of these activities are good or relevant in changing times. In most of my interviews, I have come across marketers who have defined themselves as ATL practitioners or BTL practitioners and most recently as proponents of digital marketing. Some were candid enough to disclose that marketing agencies have defined a turf of the game that has set the standards for the industry in terms of expected spend, designs, channels to be used, measurements, etc.

What if everyone is involved in the wrong game? What if agencies have built this broken and incorrect system to serve their own image as far as it floats them to the next big innovation in marketing?

Throughout the world, CMOs are the most doubted lot across organizations, finding it increasingly difficult to provide marketing designs that work and the number of measurable factors linked to the revenue they are spending.

My proposal to this effect is to provide a larger definition beyond understanding and delivering customer satisfaction. Marketing should don the role of creating constant and super linear “Demand” for the brand or product or the organization it serves. That’s the scope that a marketer should have, and look forward to designing a system to address that scope.

Creating constant and “super linear” demand for any brand or product isn’t a joke. This demand creation will account for designing an ecosystem that involves:

- **continuous user acquisition** through brilliant discovery systems
- **excellent engagement-maps** for users who discover the brand or its communications
- **micro-communities**
- **intuitive designs** for all engagement systems reducing current and target knowledge gap for users engaging with the brand
- **a multi-channel attribution based communication model** designed on the basis of high intent and high demographics match
- technological interventions (apps, beacons, gps based services, etc) to **improve “time spent” by each user** inside brand’s umbrella
- backend **graph databases used to predict trends**, communities, networks, learning etc

None of the above reflects what marketers feel their job description is today. Most of these are outside elements for the majority of our marketers across the world and that’s only because they have allowed themselves to be working inside this defined silo without any gain or improvements in their own work.

If you start by “demand” and your sole objective is to increase “demand” each year, then you can actually design a scalable system that tracks demand numbers and correlate the same to improvement in customer life cycle, contribution per customer in a given timeline, overall revenues, new products,

and a whole lot more.

I define “Demand” as *the sum total of all engagement by a user on a given channel at a given time “t”*. For example, let's say that you have created some discovery items on Youtube for your brand, then the total number of views the videos get at a given timeline would be an indicative demand number for that category of videos. The goal is not to look at these demand numbers in exclusivity, but as a contribution to the total demand for your brand in the multi-channel system during that time.

The demand number growth will allow for acquiring users into your system of engagement maps, which then leads them through conversation backed products, communities, apps, buying decisions, referrals, and lot more. This literally means that you aren't measuring the end of the funnel for marketing success, but you are measuring the beginning of the funnel and scaling up the possibilities of bettering the entire system rather than the conversion side of the funnel (which is where everyone put their energies sadly).

If I were to design a multi-channel attribution based system for communications, then I would do the following:

- measure the amount of “total time” spent by users in these channels with the right “intent” (as per my product) at any given point in time
- run algorithms (like Bayes theorem) to predict the highest probabilities between channels producing higher engagement for a result in the system
- improve “engagement time” via engagement-maps for the selected channels, demarcating which channels would become active in the different buying phases
- allocate resources and money based on the engagement-maps and the descending order of probability for high engagement with users

Measuring marketing success is not measuring sales revenues from individual channels. Today's buyer needs to be engaged across multiple channels with the option to take an “action” in any of the used channels. Since the final call rests with the buyer on his/her individual choice of channel for “action”, marketing design should focus all its energies on defining ‘base demand’, map out ‘target demand’, and design a brilliant user acquisition process – nourishing the process with strengths in community management, content integration, intuitive designs of tools or apps, and maintaining the engagement maps.