



AZtech Strategies, LLC
The Channel Convergence Experts™

Best Practices Marketing Measurement Metrics

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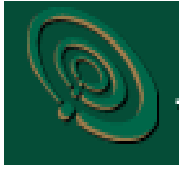
Best Practices Marketing Measurement Metrics

Objectives

- * Understand the challenges facing marketing organizations in measuring their performance and impact on the business
- * Understand the role of integrated marketing
- * Discuss the Best Practices marketing measurements

Methodology

- * AZtech Strategies used the following criteria to determine which companies to examine:
 - Complex product and services portfolio aimed at diverse client segments and functioning as separate business units
 - Global Corporation [at least 30% of revenue from international regions]
 - Commitment to growing a services business and/or the challenge to transform from a product-centric to a services-centric business [minimum of 30% of revenue Professional Services]
 - Heavy focus in industry verticals such as, public sector, commercial and financial services
- * Based on that criteria, AZtech Strategies completed an examination of the marketing dashboards and integrated strategy implementation practices of leading professional services organizations such as Accenture, Deloitte, IBM Global Services, and Unisys.



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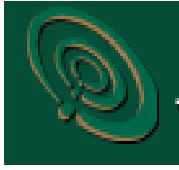
Marketing Landscape

- * Over the past 3-5 years, all the marketing organizations studied experienced significant budget cuts.
 - ▶ Often times, these cuts came mid-year/mid-program; very few programs were seen to fruition. As a result, AZtech Strategies found no one organization presented itself as a Best Practices Marketing Organization. Rather, we found pockets of excellence and incidences of Best Practices at a tactical level within each organization.
 - ▶ We also found the organizations are either planning to implement or in the process of piloting new strategic marketing measurement initiatives, which we feel, will ultimately lead them to become Best Practices Organizations.

- * All organizations felt their 2005 budgets for both programs and people would increase slightly.
 - ▶ On average the organizations felt their 2005 marketing spend will be ~2.5% of the corporate/business unit's revenue.
 - › This is lower than the average technology company's spend of 3-3.5 %⁽¹⁾ due to this study's almost exclusive focus on Professional Services and Consulting organizations.

- * Executive mandate is pushing marketing organizations to think beyond traditional lead generation to increasing Client Equity.
 - ▶ The competitive landscape is increasing the importance of Client Equity.
 - › Client Equity was most commonly defined as the value resulting from the current and future client profitability as well as such intangible benefits as references and referrals. Client Equity incorporates client loyalty to buy repeatedly, the faith to

What we run into all the time is this kind of situation: the events team does a tradeshow with a CxO breakfast; the direct marketing group sends a promotion to a group of CxOs, some of which also attended the breakfast; the tele-marketing group does another campaign. Finally, the sales reps have been working the account for a year and invited the CxO to a briefing. All this is reported at the tactical level. Therefore, the measurements we use have each group exceeding their forecasts; but as a company we missed our target in that industry. It's that kind of redundant measuring that is very difficult to capture, let alone manage. – VP Marketing



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recommend a brand and the willingness to forgive the inevitable mistakes that every firm makes.

- › Marketing measurements, therefore, are shifting from a focus on the results of a tactical spend to a more strategic and broader view of impact on share of client spend and client activity.
- * The challenge faced by all the marketing organizations studied is establishing appropriate measurement metrics that give a realistic view without redundant measurements.

Client Equity Building vs. Leads

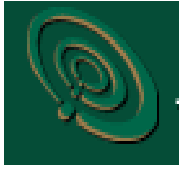
- * Although there is an increased focus on building brand awareness and Client Equity at the executive/strategic level, the sales channels and practice groups remain focused on lead generation.
 - ▶ While the sales people and practice leaders we spoke to acknowledge effective brand building naturally generates quality leads, marketing's ability to help them meet short-term quarterly revenue targets is how they evaluate the value of marketing.
- * This dichotomy is driving marketing organizations to create very targeted multi-media/channel strategies.

The pressure is exceedingly high to prove the value of marketing. We are being driven to create more integrated efforts that drive more value toward the customer. It's a difficult transition because we have traditionally been so focused on billable hours. It's counter intuitive to create consolidated Professional Services gigs. – Marketing Director

- * We've always been customer-centric. It's always been about relationship building for us. But there is more demand from our practice leaders to narrow our marketing efforts to a few market segments. The shotgun approach was never ideal. With our bandwidth today, it's impossible. What's equally impossible, though, is getting the practice areas to agree on what those "strategic areas" will be...and don't even ask me about implementing an integrated program. – Practice Leader

- * Although most organizations are expecting slight increases in their budgets for 2005, their strategies are focusing on a few (no more than 10) strategic initiatives where they feel they can have most impact.
 - ▶ It is no longer a matter of dividing the marketing budget across all planned activities. Spending is consolidated, prioritized and targeted.

(1)Source: IDC CMO Advisory 2003 Benchmarking Study



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- ★ In addition to focusing their efforts, Professional Services organizations' marketing teams are expected to coordinate domain expertise and speed the sales cycle by educating the client.

Marketing's job is not to have feet on the street. Marketing's job is to enable the sellers to sell. What I do, from a marketing perspective in terms of making customers aware of our strategic outsourcing capabilities or our banking solutions has to be orchestrated and managed from a cadence perspective so that it ties to what the sellers are doing. Sales people can't go out with too much in their bag; they simply can't remember it all. Our job is to help them focus and speed the process along. – EVP Marketing

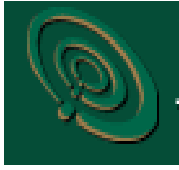
Segmentation Takes on New Importance

- ★ Market segmentation is certainly not a new concept for marketing organizations; however, the restriction on people resources and dollars is resulting in greater degrees of granularity.
 - ▶ Gathering in-depth client intelligence is a top priority for the organizations we studied; on average, they spend 4.5-5% of their marketing budgets on client intelligence gathering and industry research.
 - ▶ The focus of research is shifting from traditional analyst-driven quantitative research to multi-level qualitative research.

We're fortunate to have the executive bandwidth to spend time learning about the customer. We have vertical business development executives who make it their mission to understand the customers in telecommunication or manufacturing or whatever. – VP Marketing

We've been getting very frustrated with the quality of information coming out of the analyst groups. We have initiatives underway to find better ways to gather deep customer intelligence. We know we win more deals when we're in a pre-RFI/RFP stage. That takes work. Our client executives are doing better, but marketing is expected to support them more and more. Sometimes it feels like they think we have a crystal ball. – Practice Leader

- ▶ Segmentation is discrete and precise; marketing programs are designed to simultaneously hit multiple job functions with a coordinated message.



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- ▶ Client intelligence is also driving solution development. Clients expect technology to improve their business, requiring Professional Services organizations to gather deep intelligence in order to develop more integrated solutions.

The toughest challenge we face is getting our practice leaders to yield control. The customer does not want 3 different Partners pitching 6 different projects. They want to understand our capabilities and how we will leverage the full breadth of what we do to positively impact their business. It's so logical it's hard to believe there is a problem. But you'd think I was asking the leaders to undergo a root canal without Novocain when I pitch a cross practice initiative. – EVP Global Marketing

- * Measurements are a combination of awareness, executive access, and share of spend impact.

Evolving From IT to Services

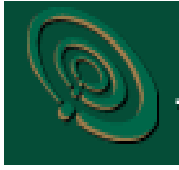
- * Client intelligence continues to send the message, "We want integrated solutions that positively impact our business process." This creates a challenge for some of the companies we studied as they struggle to overcome their hardware/technology heritage.

We can't demonstrate we've moved the bar, because we have no "consulting bar" to go by, especially in emerging areas like off-shoring. So it keeps coming back to sales wins. Sales wins are important, but I cannot possibly prove marketing made that win happen. We're only one piece of that puzzle. – VP Services Marketing

- * They find the very strength of their brand - reliability and engineering prowess - works against them.

- ▶ It implies proprietary solutions and an IT-only orientation.
- ▶ Sales Teams struggle to balance the margins on big iron and traditional services such as maintenance against the longer sales cycle of Consulting and Professional Services projects.
- ▶ Marketing struggles to develop and communicate an enhanced brand identity while Sales Teams continue propagate the old.

What we struggle with is that this evolution is not about classic marketing communications. It is about investing the marketing dollars in making the salespeople, the Professional Services people more intelligent about the offering. It's an enablement and education of those types of activities that will help them come across more effectively in front of the customer than it is simply about putting an ad out that says, "Trust me. We know your business." - VP Marketing



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- * The challenge continues to be balancing the need to develop a “modern” brand with the need to meet short-term revenue goals.
- * The measurement metrics around shifting brand identity are particularly difficult due to the lack of relevant historical data.

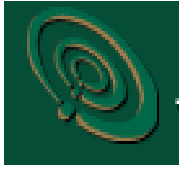
Services Marketing Challenges

- * Services marketing is unique and the challenges often underestimated.
 - ▶ It’s about marketing people’s skills, knowledge and competency, all of which are intangibles.
- * In addition, the business’ primary expense is people. The practice leaders look for them to be 100% billable. If utilization rates aren’t good, it is difficult to justify spending money on marketing.
- * It is equally difficult to justify non-billable activity like relationship building.
 - ▶ Unfortunately, the reality is often the only people in the organization capable of proving Professional Services competencies are the Consultants and Practice Leaders.
- * None of the marketing organizations we spoke to feel they’ve found the model to justify Professional Services marketing spend.
- * However, all are focusing their efforts on increasing their access to and awareness within CxO communities.

...to build detailed Professional Services marketing capabilities is a major investment. When companies are in an environment like IT, where you are measured quarter-to-quarter and success or failure is depended upon that, it leads you to very rudimentary marketing things that drive period revenue. And that’s not going to be a robust strategy. It will not sustain us in the long run. – VP Services Marketing

It is a little bit of a catch 22 that you’ve got there. You need your people utilized 100% to drive the ability to invest, but you need to invest to drive utilization. I think the challenge, right now is that nobody has found a comfortable enough model to allow them to investment spend, just because the IT industry has been so up and down over the last several quarters. – VP Marketing

It is clearly the view that if you have a large customer to keep it with us, you must expand beyond product selling and marketing. You must go into more strategic kinds of consulting areas because this adds more value to the customer. You must get C-Level executives engaged. If you want to become a strategic partner to a customer you get there by the use of consulting kinds of offerings. That is exceedingly difficult to track and measure. – VP Services Marketing



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Integration Demands Partnering – Externally & Internally

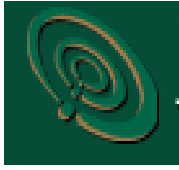
- * Client demand for integrated solutions has been a continuous theme for the last five years as has been their demand for interoperability. Professional Services organizations are finally accepting the need to develop Services alliances.
 - ▶ Most organizations have hardware and developer alliances; however, until recently, few Professional Services organizations were willing to admit they need an alliance strategy for services delivery as well.
- * Marketing organization are finding themselves tasked with developing the model and support infrastructure for external multi-partner services solutions. With the exception of one company studied, none of the organizations we spoke with felt comfortable in this role.
 - ▶ This challenge is a lack of multi-channel skill sets internally combined with securing (and protecting) investment dollars and evangelizing the partners' capabilities across complex Services organizations.
 - ▶ The mentality within the practice areas or the business units is still one of "Our margin comes from services, we can't give that up."
- * Even more difficult for marketing organizations, though, is coordinating *internal* cross practice or business unit alliances.

Everyone talks a good game about delivering integrated solutions to our customers, but at the end of the day, it's a bloody battle for revenue. Our executives are pushing the business units to cooperate, but it just doesn't happen. When it does, it's so incredibly painful, I wonder if it's worth it. - Director

We run an industry marketing council for each of the industries we go to market in. We have the product brands represented on those councils. Therefore, as we build a go-to-market strategy for that industry, the product brand priorities are represented within that strategy. It is highly matrixed and very complex. Convincing the product areas about the advantages of going-to-market in a cross brand industry orientation is sometimes challenging. This focus on revenue inside an industry seems to be helping drive efficiency and a focus around it. VP Services Marketing

Integrated Marketing – Key to Success, Yet Greatest Challenge

- * This study focused on Professional Services organizations with multiple practices or business



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units in an effort to uncover best practices around integrated marketing.

- ★ The finding is that all companies studied are still struggling with the successful implementation of integrated marketing programs.

- ▶ Program development on paper is relatively easy, as is gaining verbal alignment. The actual funding and implementation however, is a tremendous challenge for every company studied.

- ★ Interestingly, every company acknowledged the following weaknesses in their marketing organizations that would be corrected through more centralized and integrated marketing efforts:

- ▶ Redundant marketing functions, programs and budgets resulting in sub-optimization of efforts across the business
- ▶ Slow implementation due to control or funding negotiations
- ▶ Inconsistent field and client communications resulting in diluted Client Equity
- ▶ Inability to measure integrated marketing effectiveness as most programs end up tabled due to implementation difficulties.

We are implementing processes in which there is a far more collaboration between the industry folks and the brand folks. They collectively decide what are the messages, what are the programs, what are the tactics, and when do they happen in a more synchronized way than we have done in the past. But everyone needs to understand this is a journey. We still struggle. – SVP Marketing

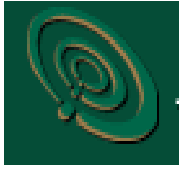
- ▶ Typically, a single business unit ends up taking control.

- ★ Only two companies we spoke with are working aggressively toward achieving integration. They are not attempting to centralize all marketing, their goal is to target strategic client touch points and centralize the effort to attack those points.

- ★ Participants in this study had difficulty citing what percentage of marketing dollars went toward integrated marketing. The lowest guess was 15%, the highest was 35%.

- ▶ The difficulty was separating integrated marketing efforts from corporate marketing.

We've been all over the board on centralization vs. decentralization of marketing. In an ideal world centralized marketing is more efficient. But we live in the real world. Centralization is simply not going to happen in our culture. What our executive management has said, though, is that we will look for those activities that are best implemented with a cross-Deloitte view, such as CxO events or business impacting solution launches and we will create virtual cross BU teams for those types of activities. Sounds good, doesn't it. – VP Marketing



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Building Client Equity

If Client Equity is high, the client is more likely to trust and make a decision in favor of the company. It is our job in marketing to drive Client Equity. That then creates a linkage, in my view, to what it takes to close the deal. – Director Marketing

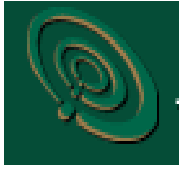
- ★ Marketing organizations are focusing on Client Equity rather than Brand Value because it tracks retention and client profitability. Client Equity also enables the segmentation so important to today's marketing strategies.

- ▶ Knowing the relative profitability of clients not only helps promote retention of the best clients but also substantially improves marketing's ability to target. "Brand Value" does not provide tools for marketing and sales to continue to attract and retain satisfied clients.
- ▶ As Frederick Reichheld⁽²⁾ wrote, "Client Equity effectively explains success and failure in business.... The companies with the highest retention rates also earn the best profits. Relative retention explains profits better than market share, scale, cost position or any other variable associated with competitive advantage."

One marketing measurement is related to a product sale...and those are going to be reflected in terms of a transaction. That is a short-term view.... More importantly, the role of marketing is to build a partnership with a client. There you are not going to see a direct one-to-one relationship between a marketing activity and . get [matching dollars]...the same year. That you must measure in terms of spending share. – VP Marketing

- ★ Marketing is particularly challenged to prove its value in Professional Services organizations.
 - ▶ Focusing on Client Equity enables marketing to substantively influence Professional Services' success by keeping the focus on client profitability, retention and activity.
- ★ Increased competition and client spending reductions is making building Client Equity a top priority for the organizations we studied.
- ★ The struggle is determining the correct media/channels for marketing spend.
 - ▶ Participants indicated they expect to see an increase in their advertising budgets in 2005.
 - ▶ Research (particularly telemarketing) is significantly more important to services organizations; they view it as filling 3 important roles:
 - > Understand client needs to facilitate quicker development or

(2) Source: *In The Loyalty Effect*, Bain & Co



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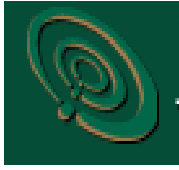
- packaging of solutions
- › Understand client purchasing patterns and spending plans enabling them to engage in the pre RFI/RFP stage of projects
- › Establish benchmarks for awareness & perception
- ★ Measurements include:
 - ▶ Speed-to-market with client-centric solutions
 - ▶ Improved awareness of client issues which enable marketing to create more compelling advertising and collateral
 - ▶ Accuracy of Client Equity benchmarks

Value of Thought Leadership

- ★ Professional Services organizations are investing heavily in gaining vertical/industry expertise.
 - ▶ Organizations are working to build their reputation as an industry expert separate and apart from their businesses in order to enhance their Client Equity.
 - ▶ Participation in industry alliances and consortiums is a priority for 2005.
 - › Vertical Associations, while important, are not considered solid paths to building thought leadership due to the fact everybody belongs.
 - › The more selective the body, the more appealing.
 - ▶ In addition, leveraging and attaching external subject matter experts to the brand identity is a top priority.
- ★ Thought leadership also drives alliance strategies.

Thought leadership is a very mundane term in my book. It doesn't mean anything. But to answer your question, it translates to A) awareness and B) a positive perception of the company as somebody who can help me and others solve business problems. Thought leaders are the people who are innovators, who are thought of as adding value to my company and my business overall. They are beyond companies looking to make revenue impact. They are trying to drive impact not only from a business perspective but from a community and a public well-being perspective. – Practice Leader

Thought Leadership is what I alluded to earlier. Does the client value us from a strategic point of view to drive change and transformation and make that client more competitive in the marketplace? We try to measure that in terms of things like access. Do we have access to the CEO or the board? Are we consulted before there is a real project? Are we viewed as a partner in their business, not a vendor? - EVP



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- ▶ As discussed earlier there is a greater recognition of the need to partner with other Professional Services organizations. The need to gain industry credibility is often a key driver.

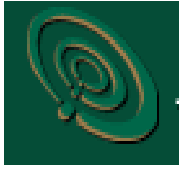
Non-Selling Relationships

- * Every company we spoke to is targeting CxOs with the goal of improving their access.
 - ▶ One company, in particular, is aggressively pushing an executive sponsorship program within key clients and industries.
 - ▶ The goal is simply improved access. Access equals increased Client Equity, which will ultimately result in reduced competition for deals, shorter sales cycles, higher margins and increased client satisfaction.
 - ▶ The other companies studies consider Board level access a key performance indicator.
- * The cornerstone of an access strategy, though, is that it is NOT about selling.
 - ▶ The goal of access is to earn the role of “trusted advisor.”
 - ▶ Access is also a measurement of thought leadership.
- * Industry analyst and press coverage is another dimension of access.

We know our [access] strategy is working when I can get our CEO on Lou Dobbs or get an article in the *WSJ* with a phone call. It works the same way with the industry analyst. Our exec sponsors are measured on having immediate access to our strategic analysts. What I think many companies fail to recognize, is it's the conversation with the analysts that's most valuable. The mention is icing on the cake, but the sanity check before the fact is invaluable. – SVP Marketing

Senior executives play particularly important roles with our larger accounts. They are performing a service for the client. It is not billable, but because the client sat is higher, it translates back into revenues for OUR COMPANY. So it is measured in terms of increased client sat and increased share of spend. - VP

If we do it right, we never have to actually sell anything. Granted that's the ideal. In today's competitive environment it is harder and harder to achieve. But if we focus our attention on being a sounding board and an advisor, we'll be way ahead when a project does come along. It's a constant struggle, especially with sales being what they've been, to NOT start selling, but we firmly believe it pays off. – Practice Leader



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Influencer Strategies

- ★ Traditional Influencers (industry analysts and press) are an interesting challenge for marketing teams.
 - ▶ It is critical to court them, but their real impact on Client Equity is very difficult to determine.
 - ▶ In fact, many CxOs express frustration and disappointment in the reports and advice they receive from the leading analysts.
 - ▶ As a result, the companies we studied are becoming very focused with their influencer strategies.
- ★ Companies are also recognizing the most powerful influencers are peers.
 - ▶ CxOs look to their peers for credible advice based on experience.
 - ▶ Peer-to-Peer events and client references are as important a component of an influencer strategy as Analyst Relations.
 - › However, it is critical peer-to-peer events not be selling events. They must be about education.
- ★ Interestingly, companies with multi-channel strategies are also recognizing their partners are important influencers.
 - ▶ Two companies have efforts underway to communicate to partners a bigger picture beyond their relationship.
 - ▶ Often time the partner spends more time on the client site. It can be an invaluable source of intelligence as well as means to speed the sales cycle and reduce competition for a project.

The Analyst community is a pain in my butt. I have to keep them informed. I have to hand hold and educate them, but I honestly don't know how much real value I get out of them. We made the decision a year or so ago to really examine who we spend time with and who we just keep informed.
EVP Marketing

We're focusing our spending on peer-to-peer influencers. I have not sat in a single customer meeting where they haven't asked for a reference. We're not completing ignoring the analysts, but we're not investing as heavily across the board. It's a far more focused effort. -- Director

Influencers of all types are critical to us. We view influencers as not only analysts and press but also our partners. Anyone who comes into contact with a client, is an influencer. We work hard to identify the most powerful ones in our top accounts and keep them well informed. VP



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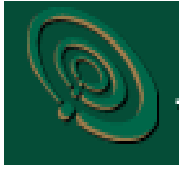
Event Strategies

- * The debate around the effectiveness of event marketing continues in all the companies we studied.
 - ▶ The general feeling of Professional Services organizations is that the ROI is not there for large tradeshows. However, there are "must attends."
- * Industry Events where they can showcase their subject matter experts are more meaningful for Professional Services organizations.
- * Client and influencer events are where Professional Services organizations tend to focus their event dollars.
 - ▶ All are concerned about the increasing number of these types of events.
- * Event measurements are particularly difficult; often clients/prospects attend because a sales rep invited them.
 - ▶ Creating a revenue link between the event and marketing without double counting is a challenge.
- * Measurements tend to focus on positioning within the event (booth placement, panel appearances, speaker placement) and follow up activities such as:
 - ▶ Executives/Practice Leader meetings with CxOs
 - ▶ Visits to Centers of Excellence or Briefing Centers within one quarter of the event
 - ▶ Jump start of stalled sales cycles
 - ▶ Attendance at events within the event

Events like Comdex or N+I are really pretty worthless in terms of improving our Customer Equity or market awareness, and they rarely generate meaningful leads. But the reality is, your absence is noticed more than your presence. We're being very selective about which we invest in and how we invest. - VP

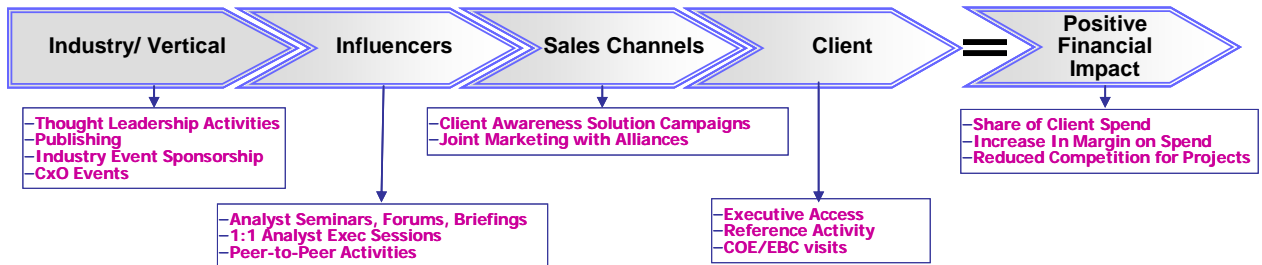
Everybody is doing "tier one" or "key client" events now. Everyone is targeting CxOs. It's going to be increasingly difficult to secure attendance. We're going to be very selective in 2005. What we do, we'll do big. But we'll probably leverage Industry Events just to have a better chance at getting CxOs to attend. - Director

The challenge is making marketing relevant to the rest of the business vs. people who think that they just need to make the rest of the business understand marketing. I think the opportunity in doing so is huge from the standpoint of value and, therefore, investment from an SG&A perspective in marketing as a critical element of the company strategy. That's why I am so focused on things like talking about progression of leads, talking about closing or attach rates as a way of educating regarding the impact of marketing on share of customer spend. When you talk to a CFO and CEO, speak their language rather than trying to teach them yours. Talking about CVI means nothing to our CEO – EVP Marketing



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Roll Up Metrics



- ★ The companies we studied are moving toward creating measurements which roll up multiple activities into 2-3 strategic measurements
 - ▶ The consensus is this model will ultimately reduce redundant efforts/spending, streamline messaging, increase Client Equity and ultimately deliver solid financial results.
 - ▶ The challenge is collecting the data in a uniform manner across different types of tactics.
- ★ Only one company is close to maturing this model.
 - ▶ Their goal is to create a marketing portal/dashboard, which will connect marketing more proactively to sales and deliver deeper insight, thereby enabling marketing to make immediate adjustments in support of sales.

For example, we have a strategic outsourcing discussion with customer ABC, and all of a sudden, it is not moving forward. Our goal is to have that knowledge so we can immediately do some things from a marketing intelligence perspective to reach out to that potential client and see what we could do to help the sales team progress. Remember, the sellers are the ones who have got to make period revenue. They don't have time, if sales stalls, to sit there and handhold the deal. Our goal is to enable marketing to help do that for them using multiple activities and channels. – VP Services



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New Approach Requires New Skills

- ★ This approach requires a far greater degree of collaboration across functional groups within marketing and across business units.

- ▶ Because of this sales executives tend to fight the approach the most. They envision it will slow the sales cycle down.

Honestly, marketing is its own worst enemy. Instead of being seen as an asset to sales, we're seen as the idiots slowing the process down. What is frustrating is that it's political maneuvering that causes the problem. Turf battles kill marketing's reputation in every company I know. - VP

- ★ It also requires a much more strategic mindset for those responsible for marketing metrics.

- ▶ This is the greater challenge as often the people charged with marketing dashboards are very analytical and lack the skills sets to see the connection across multiple activities.

What we've found in our early attempts to evaluate our total impact on the sales chain vs. the success of campaigns or events is that, it is very difficult for our teams to connect the dots. These are smart people. But they are totally focused on their function. We've had to elevate the management of metrics, for these pilots anyway, to senior executives; not ideal, but for now, it's where the skill set sits. - SVP Marketing

- ★ Equally important, this approach demands consistency in reporting and careful segmentation and attachment of activities and their anticipated impact.

- ▶ Tracking is across multiple levels, but ultimately results in impact on specific industries, solution sets or clients.

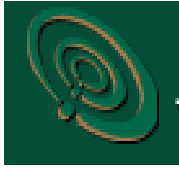
We've talked about consolidating measurements. But honestly, we can't get our heads around how to track it. Some of that is the limitation of our systems, but more of it, I believe, is the mindset of our people. You have to think very carefully about anticipated impact beyond the activity itself. - VP

- ★ All the companies we studied are, in some form, piloting this roll up approach to marketing measurements.

- ▶ Most are focusing the pilot on a small set of clients where their share of spend is low.

Characteristic of Best Practices Metric

- ★ In reviewing the marketing metrics of the companies we studied, the following Best Practices characteristics emerged:



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- ▶ Relevant to executive management

- › Organizations we studied focused on 3-5 metrics for executive management.

- ▶ Highly selective

- › Information overload is the most common pitfall.
- › They are reported on at a high level with the ability to drill down to the programmatic level

- However, only 2 companies drilled down to the singular tactic level. Both were lukewarm regarding the value of that view.

- ▶ Multi-dimensional

- › Rather than focus on measuring lead conversion of a campaign, companies examined the impact of multiple programs on share of client spend or market share within an industry

- ▶ Actionable

- › Measurements must be meaningful enough to drive corrective action. Participants felt too many of their measurements ended up being statistics for statistics' sake.

Two of the biggest disconnects we face are:

- 1) The fact that we start from a set of metrics and a set of beliefs from a marketing perspective that are too disconnected from what the sellers care about daily;
- 2) is the fact that when you deal with such a big matrix we, in marketing, are still trying to put too much stuff in too small a bag for the salespeople to effectively use and remember. The sales guy can remember one or two things, so we've got to bring that together more effectively. – VP Marketing

Marketing needs to start with more sales-oriented metrics and the sales review process, and tie marketing directly to that rather than having have it built off of an independent process. – Director Marketing

Thank you to the companies who participated in this study. We appreciate their time and candor and hope this executive summary is helpful.

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