

The background features a collage of financial data visualizations. On the left, a bar chart with blue bars is overlaid with a red line graph showing an upward trend. To the right, a sunburst chart displays hierarchical data in shades of blue and green, with numerical labels like 10, 20, 15, and 25. A large magnifying glass is positioned over the center-right, focusing on the text. The overall color palette is muted, with greys, blues, and greens.

MARKETING ACCOUNTABILITY

PROVING THE CONTRIBUTION OF MARKETING TO FIRM FINANCIAL PERFORMANCE

MARKETING ACCOUNTABILITY

- RESEARCH FROM OVER 850 MARKETERS
- A FINANCIALLY VALID WAY TO COMMUNICATE, QUANTIFY AND MEASURE THE CONTRIBUTION OF MARKETING TO THE BUSINESS
- 12 BEST PRACTICES TO BECOME A MORE ACCOUNTABLE MARKETING ORGANIZATION
- HOW TO BUILD A MARKETING DASHBOARD THAT THE CFO AND CEO WILL UNDERSTAND AND AGREE WITH



STEPHEN DIORIO

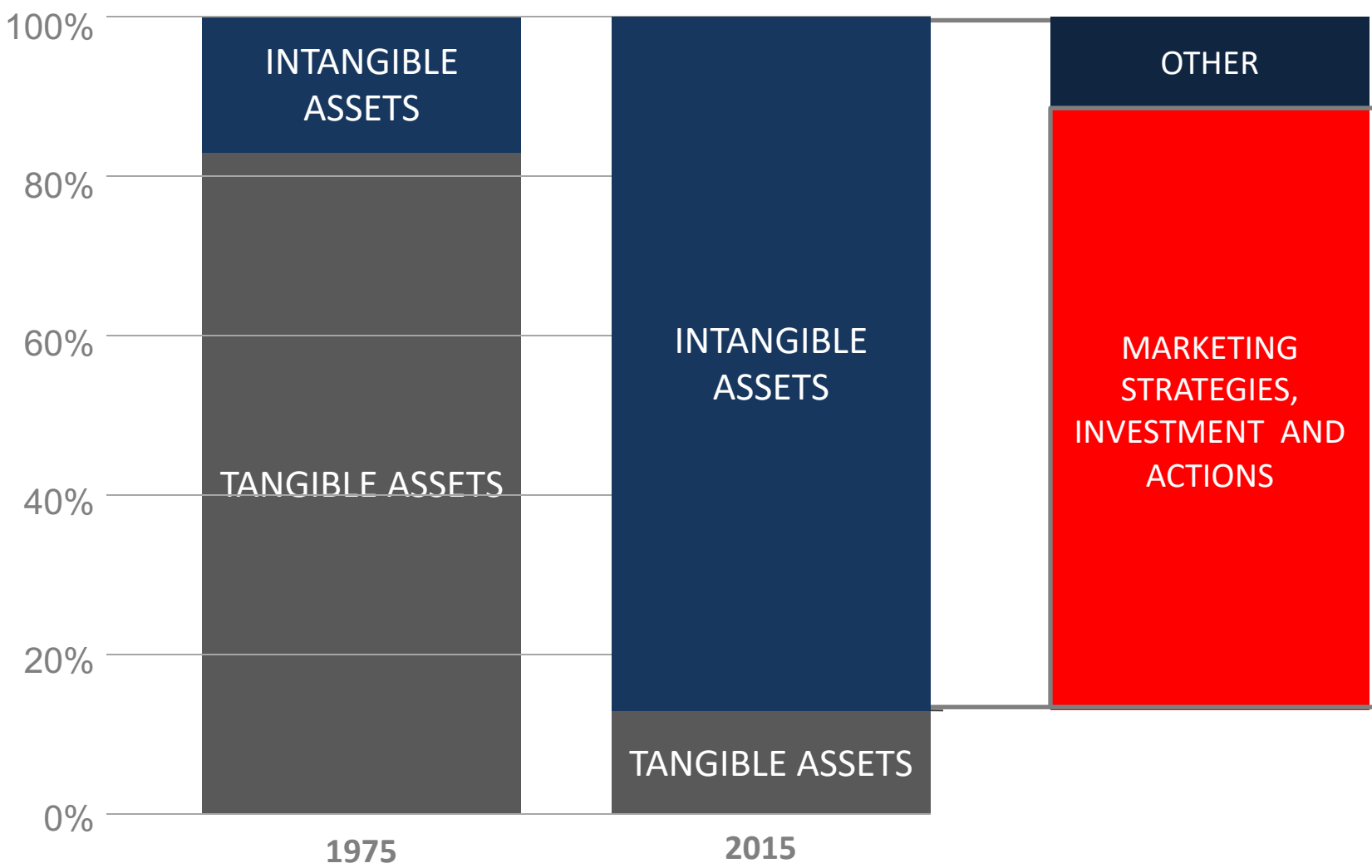
DIRECTOR

FORBES MARKETING ACCOUNTABILITY INITIATIVE

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MARKETING ACTIONS AND INVESTMETN CREATE ENTERPRISE VALUE

Components of S&P500 Market Value



THE FINANCIAL CONTRIBUTION OF MARKETING



THERE ARE 18 WAYS MARKETING DRIVES ENTERPRISE VALUE

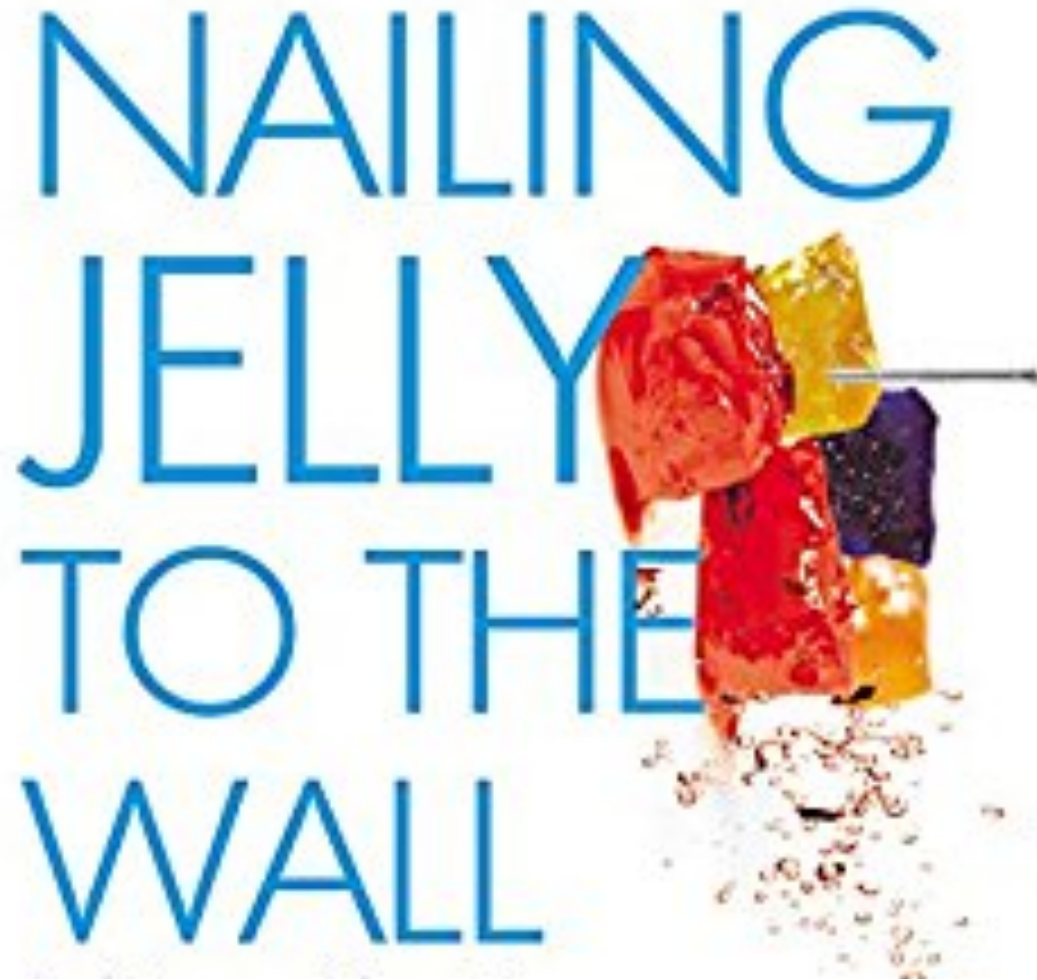
THE FINANCIAL CONTRIBUTION OF MARKETING TO THE ENTERPRISE



18 STRATEGIC VALUE DRIVERS OF ENTERPRISE VALUE

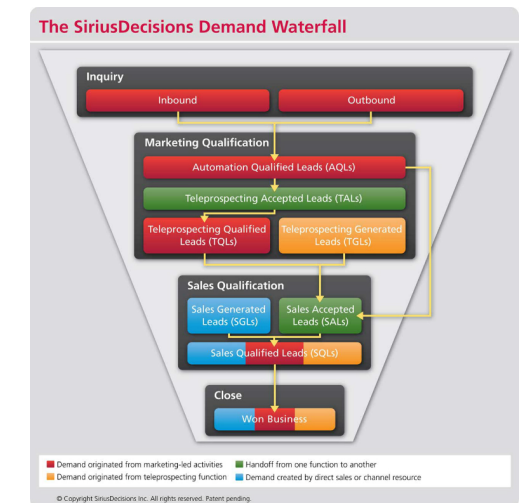
BRAND ASSETS	CUSTOMER SATISFACTION	ORGANIZATIONAL KNOWLEDGE SHARING	MARKETING EFFECTIVENESS	OWNED DIGITAL MEDIA PERFORMANCE	EMPLOYEE TALENT, LEADERSHIP AND ENGAGEMENT
BRAND PREFERENCE	CUSTOMER LOYALTY	INTER - DEPARTMENTAL CONNECTEDNESS	SALES AND SERVICE EFFECTIVENESS	DIGITAL CHANNEL PERFORMANCE	PERCEPTIONS OF INNOVATION
BRAND MOMENTUM	CUSTOMER RELATIONSHPS	ORGANIZATIONAL MEASUREMENT CAPABILITIES	CHANNEL REACH, SHARE AND PERFORMANCE	DIGITAL EXPERIENCE	PRODUCT & SERVICE QUALITY

THE PROBLEM: QUANTIFYING THE RETURN ON MARKETING IS DIFFICULT

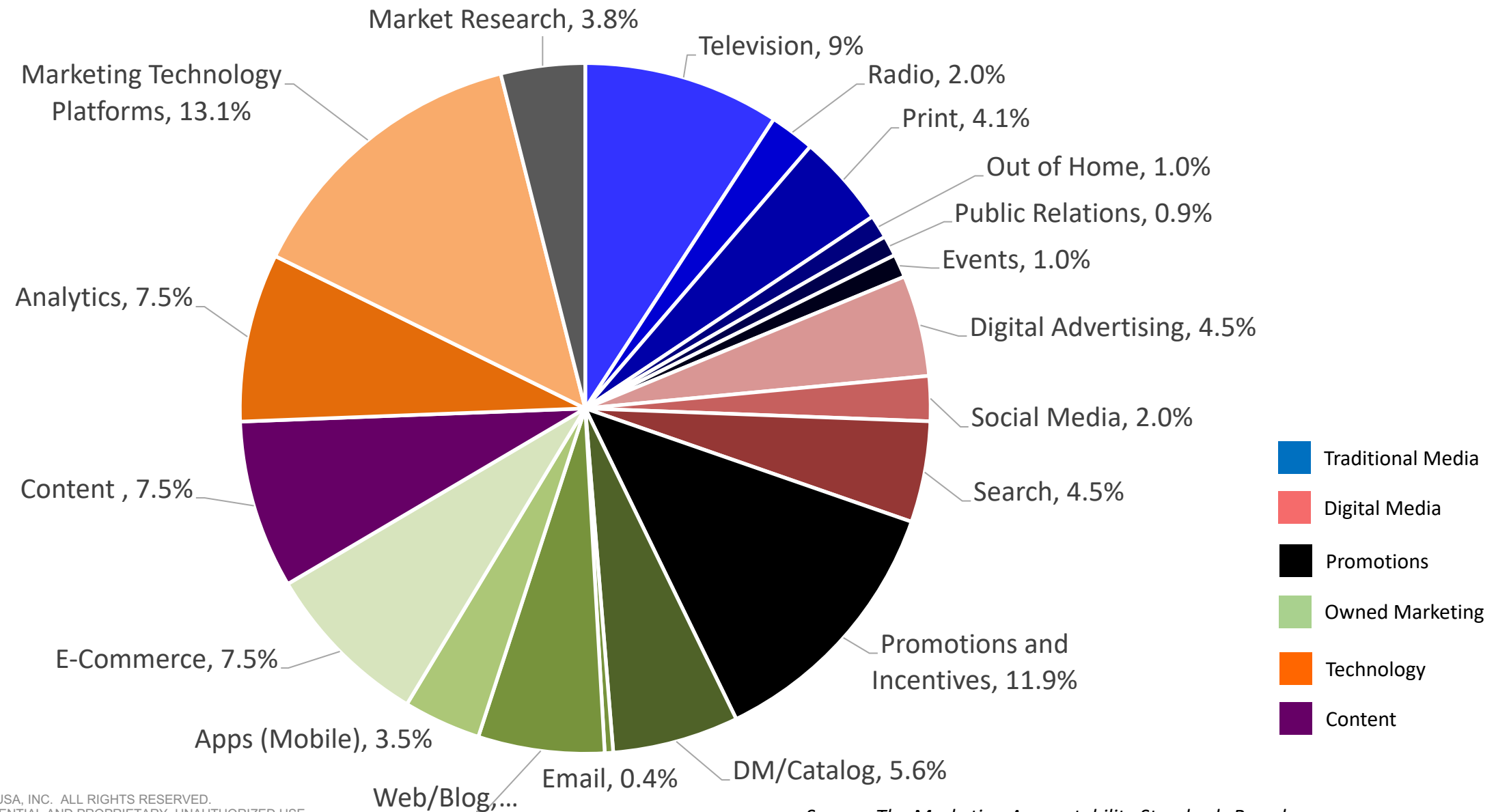


MOST MARKETING MEASUREMENT APPROACHES ARE FLAWED AND DO NOT REFLECT THE FULL VALUE CREATED FROM MARKETING

- **Sales waterfall and funnel based models** diminish marketing as a lead gen function
- **Bottoms up attribution models** overweight last touch tactics vs. upstream investments that yield referrals, traffic and choice
- **Top down marketing mix models** optimize media allocation and impressions but are only correlated to traffic and sales – not causal
- **Front of the funnel metrics** are regarded as vanity metrics disconnected to financial metrics
- **Bottom of the funnel metrics** overweight actions and activities that can destroy firm value
- **Digital and social metrics**



THE COMPLEXITY AND COMPOSITION OF THE MARKETING INVESTMENT AND ASSET PORTFOLIO HAS EXPANDED TO 20 CATEGORIES



THE COMPLEXITY AND COMPOSITION OF THE MARKETING INVESTMENT AND ASSET PORTFOLIO

	Brand Awareness	Customer Engagement	Demand Generation
Social Media	99%	99%	100%
Content Marketing	99%	99%	99%
Search	98%	100%	99%
Digital Media	99%	99%	99%
Mobile Media and Applications	99%	99%	99%
Influencer	99%	99%	97%
Promotion & Incentives	99%	99%	100%
Traditional Advertising	99%	99%	100%
Events	99%	100%	99%
Out-of-Home Media	99%	99%	99%
Public Relations	99%	99%	99%



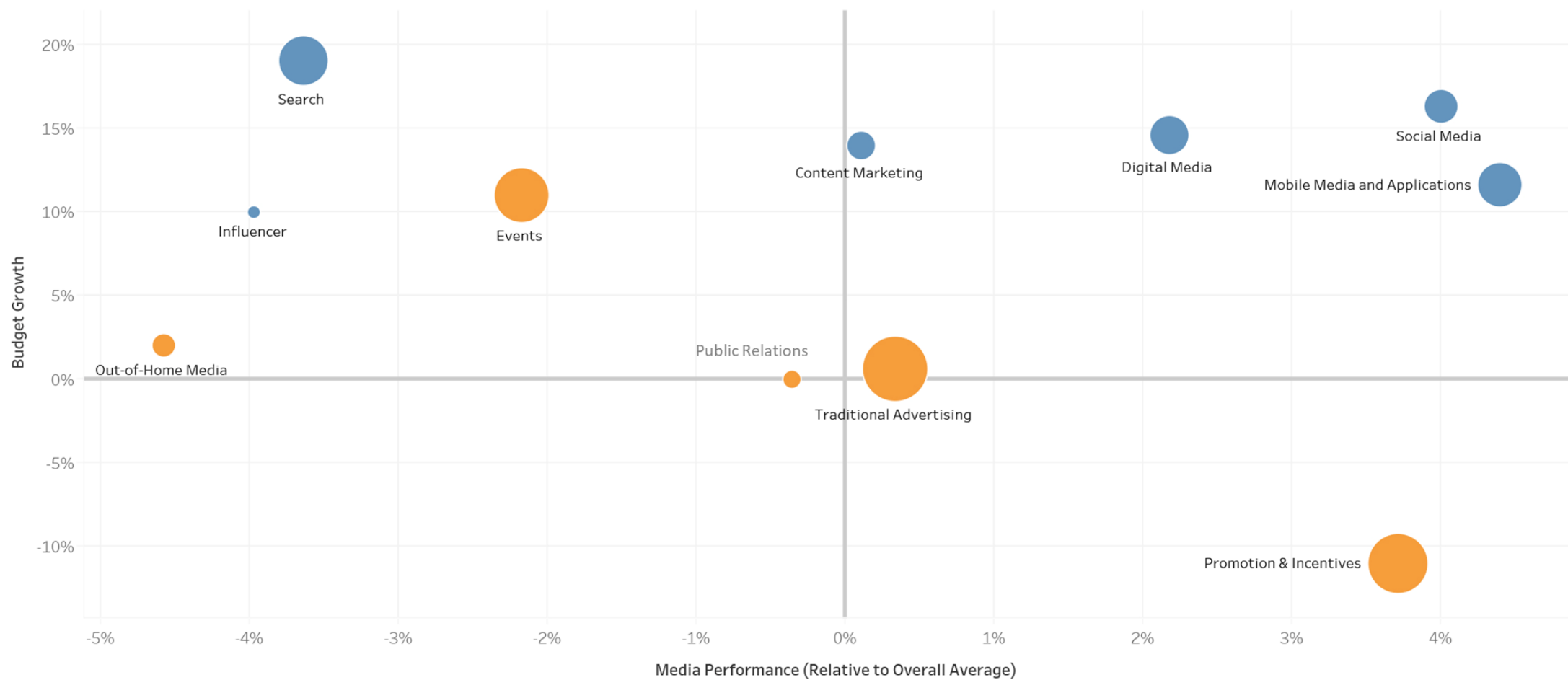
Emerging Digital



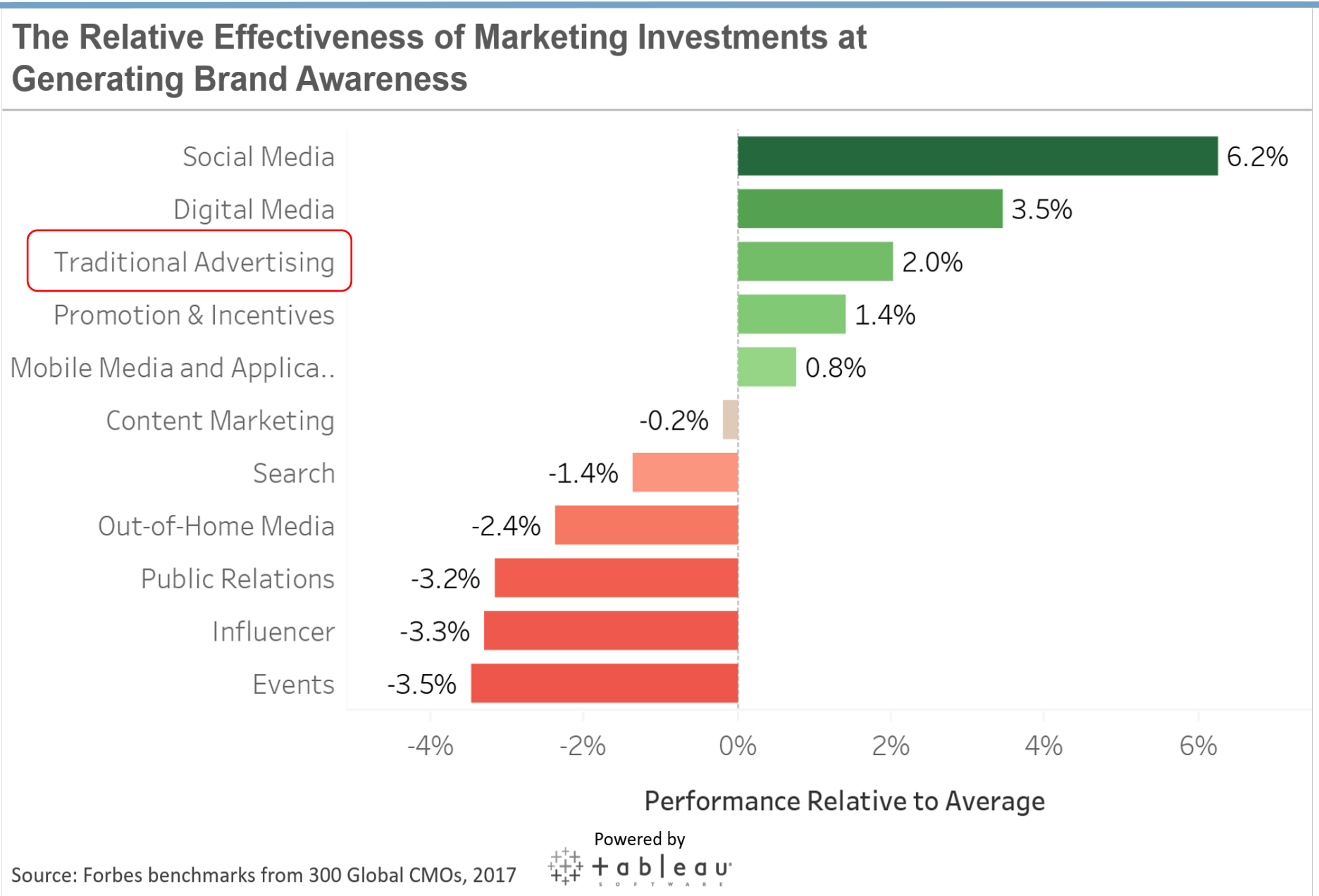
Traditional

CMOs PERCEIVE THEIR INVESTMENTS IN SOCIAL, MOBILE AND DIGITAL MEDIA ARE OUT PERFORMING TRADITIONAL MARKETING CHANNELS

CMO Perceptions of Media Performance vs. Investment Growth Rate



THE LACK OF EFFECTIVE MEASUREMENTS DIMINISHED THE PERCEIVED VALUE OF EVENTS ALONG THE CUSTOMER JOURNEY



PRACTICAL ACTIONS YOU CAN TAKE TOMORROW

- 1. MEASURE TWICE AND CUT ONCE – BUILD 12 OPERATIONAL MEASUREMENT COMPETENCIES**
- 2. AGREE ON YOUR WINNING HAND – FOCUS YOUR GROWTH STRATEGY ON UNDER FIVE GROWTH DRIVERS**
- 3. TREAT MARKETING LIKE A TEAM SPORT – THE COMPOSITION AND COMPLEXITY OF MARKETING REQUIRES HORIZONTAL PARTNERSHIPS**
- 4. PURSUE CONTINUOUS PROCESS IMPROVEMENTS IN MARKETING - TREAT THE DEMAND CHAIN LIKE THE SUPPLY CHAIN AND OPERATIONS**
- 5. IDENTIFY THE KEY ASSUMPTIONS IN YOUR MARKETING PLAN – MODEL THE WEAK LINKS IN YOUR MARKETING VALUE CHAIN**

**Measure twice,
cut once.**



MARKETERS THAT INVEST MORE IN MEASURING AND MANAGING MARKETING PERFORMANCE ARE CREATING MORE VALUE AND GROWTH



5%

5% higher levels of performance from their marketing investments across 11 categories of investment



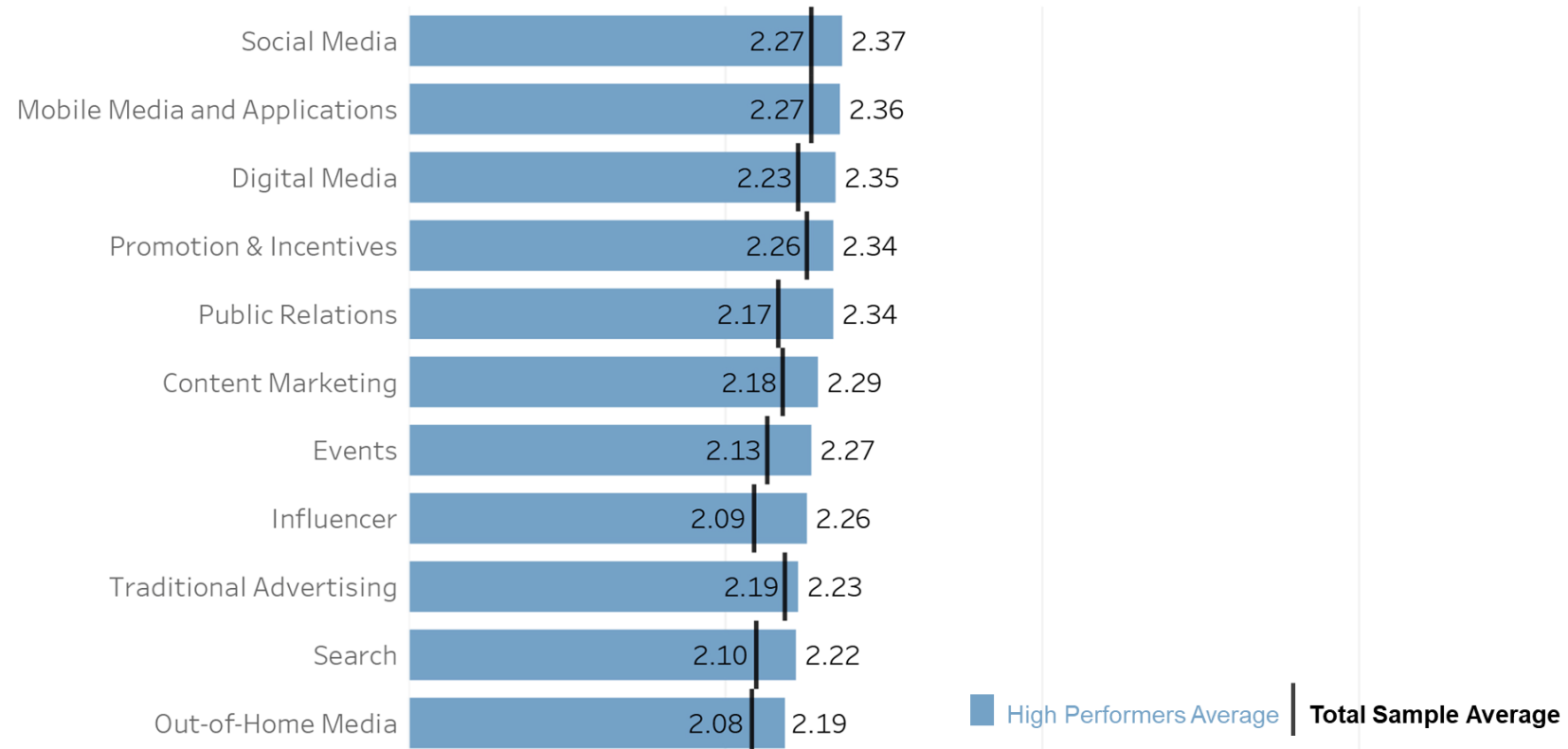
7.5%

7.5% better growth outcomes across 27 measures of business performance at every stage of the journey

PERCENTAGE OF PERFORMANCE FROM THEIR MARKETING INVESTMENTS ACROSS 11 CATEGORIES OF INVESTMENT

Marketing Investment Performance by Media Type High-Performing Marketers vs. Total Sample

HIGH PERFORMANCE: 3; AVERAGE PERFORMANCE: 2; LOW PERFORMANCE: 1



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Source: Forbes benchmarks from 300 Global CMOs, 2017

12 COMPETENCIES OF HIGHLY ACCOUNTABLE ORGANIZATIONS

PEOPLE	<ol style="list-style-type: none">1. Cross-Functional Organizational Structures: Growth is a “team sport” that requires high degrees of collaboration across business units and functions.2. Measurement Skills and Competencies: Marketing accountability requires superior “below the line” skills in analytics, modeling and financial integration.3. Functional and Role Alignment: Marketing must be functionally aligned with the growth strategy and enabled, partnered and resourced to achieve company growth goals.
PROCESS	<ol style="list-style-type: none">4. Common Funding Processes: Centralized funding of short-term, long-term and strategic marketing investment maximizes ROMI and facilitates trade-offs.5. Common Planning Processes: Common planning processes that are data-driven, frequently updated and forecastable improve financial outcomes.6. Information-Sharing Processes: Documenting, sharing and leveraging information and learnings across the organization directly impacts enterprise value.
INCENTIVES	<ol style="list-style-type: none">7. A Common Economic Purpose for Marketing: Leadership must agree upon the economic purpose and contribution of marketing investments and actions to grow enterprise value.8. Collective Growth Rewards and Incentive: Executive stakeholders must share growth incentives to foster collaboration and achieve collective growth outcomes.9. Common Enterprise Measures and KPI: Company growth performance requires connecting the dots across many data sources to fuel reliable and externally validated measures of the financial impact of marketing investments.
SYSTEMS	<ol style="list-style-type: none">10. Common Customer ID and Profiles: Customer profiles are the foundation of marketing mix and attribution models that span investments, channels and stages of the customer journey.11. Planning, Attribution and Forecasting Models: Measurement models must incorporate a wide range of detailed performance data to support strategic CMO decision-making and investment trade-offs.12. Broad Data Sources and Degrees of Integration: The more internal and external data sources integrated into marketing planning models, the more robust performance measurement models become.

PRACTICAL ACTIONS YOU CAN TAKE TO BECOME MORE ACCOUNTABLE

	STEP ONE	STEP TWO	STEP THREE
PEOPLE	MARKETING ANALYTICS FINANCE TEAM	AGREE ON GROWTH DRIVERS & ASSUMPTIONS	ESTABLISH HORIZONTAL PARTNERSHIPS
PROCESS	CONSOLIDATE BUGETING	ESTABLICH COMMON THRESHOLDS	EVALUATE ALL INVESTMENTS & ACTIONS
INCENTIVES	MODEL THE MARKETING VALUE CHAIN	ESTABLISH COMMON METRICS	CREATE COMMON INCENTIVES
SYSTEMS	ASSIGN AN OWNER FOR DATA	DO A DATA GAP ANALYSIS	CONNECT DATA TO CUSTOMER PROFILES



FIGURE YOUR “WINNING HAND” OF 3 TO 5 DRIVERS THAT WILL MAXIMIZE DIFFERENTIATION AND VALUE FOR YOUR COMPANY?

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TO GROW MARKETING NEEDS TO BECOME A TEAM SPORT

SIX ROLES THE CMO PLAYS IN CREATING ENTERPRISE VALUE



Brand Steward



Voice of the
Customer



Cross-Functional
Orchestrator



Portfolio Manager

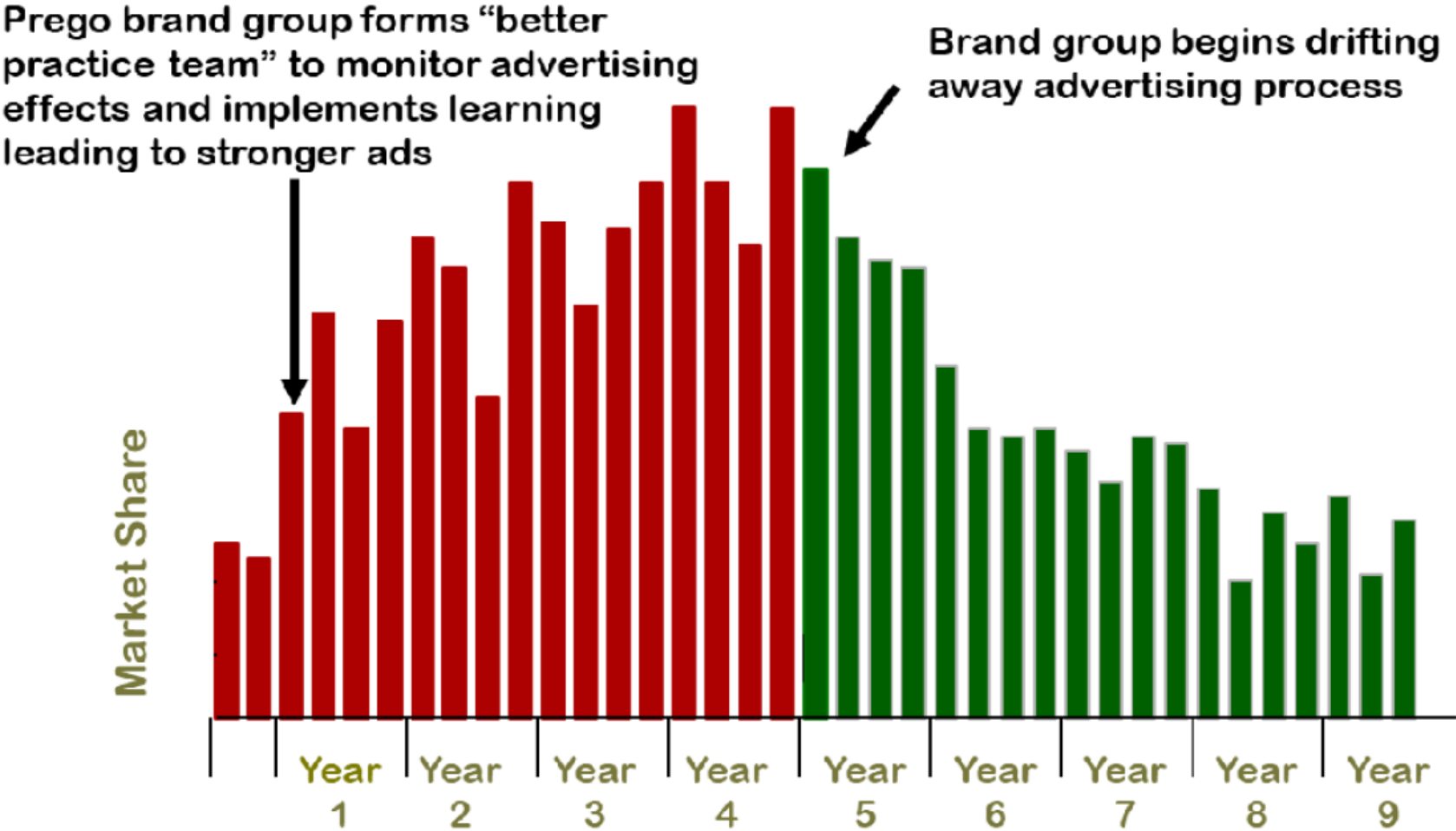


Director of the
Digital Roadmap



Innovation
Megaphone

THE POWER OF CROSS FUNCTIONAL COLLABORATION AND TAKING AN INTERDISCIPLINARY APPROACH TO MEASURING MARKETING PERFORMANCE

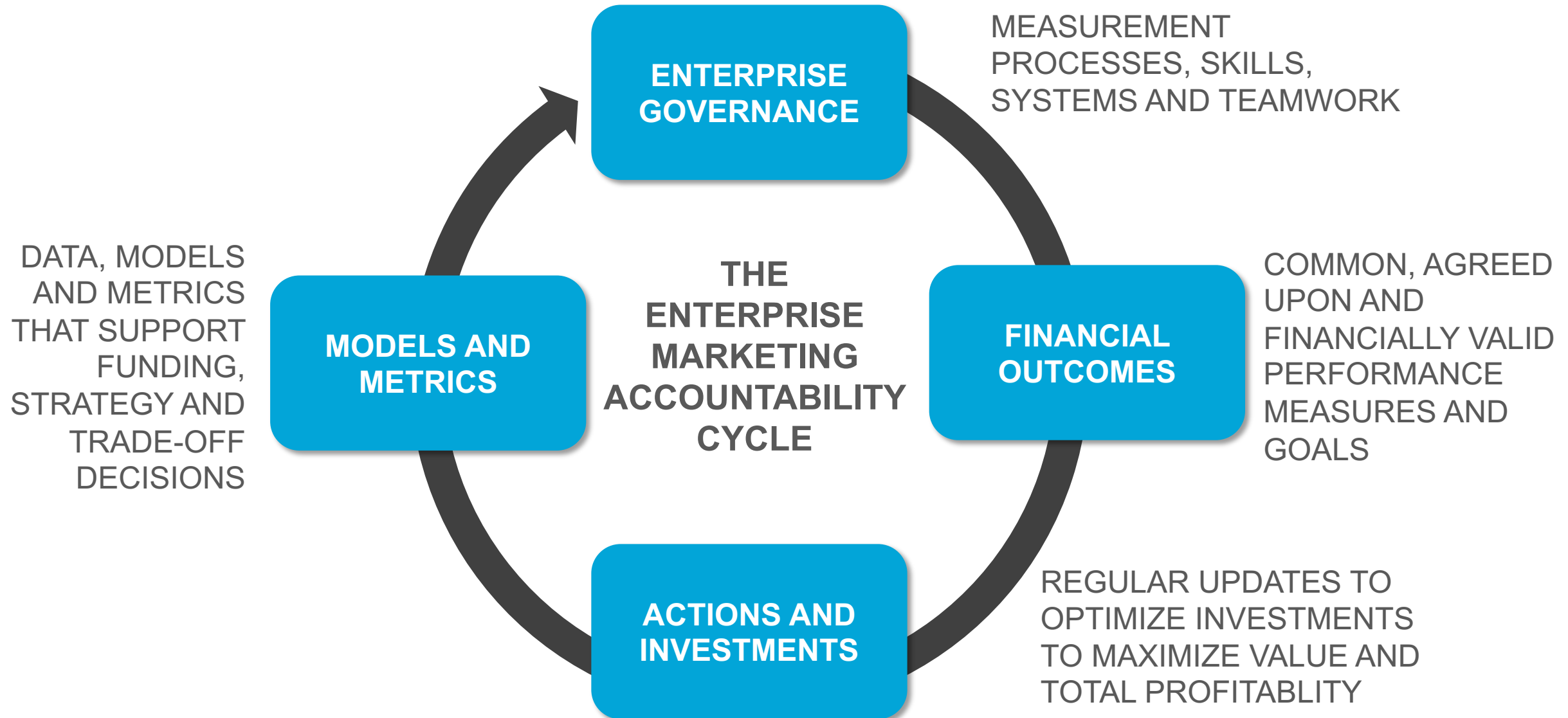


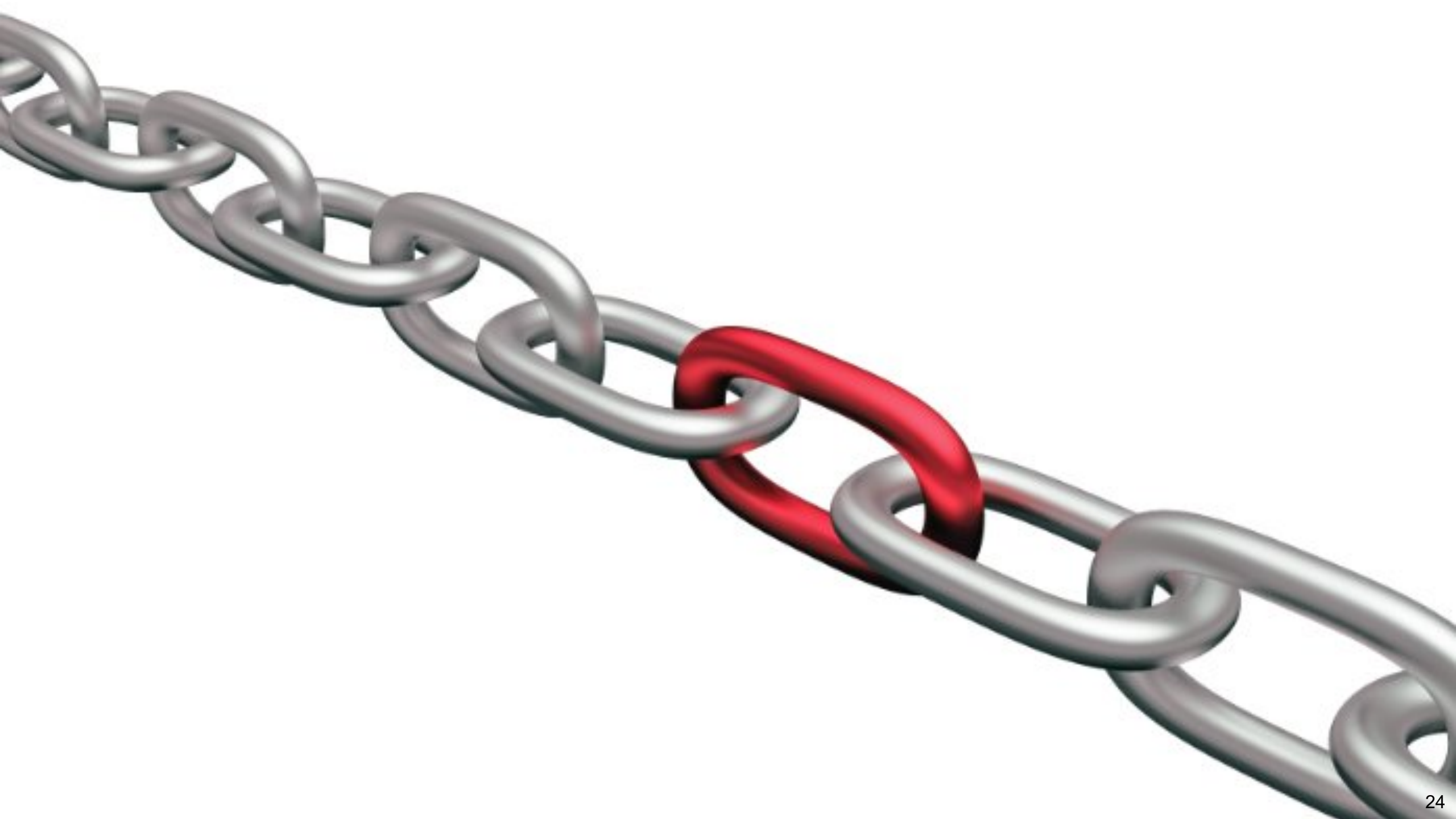
SMALL ACTIONS

=

BIG CHANGES

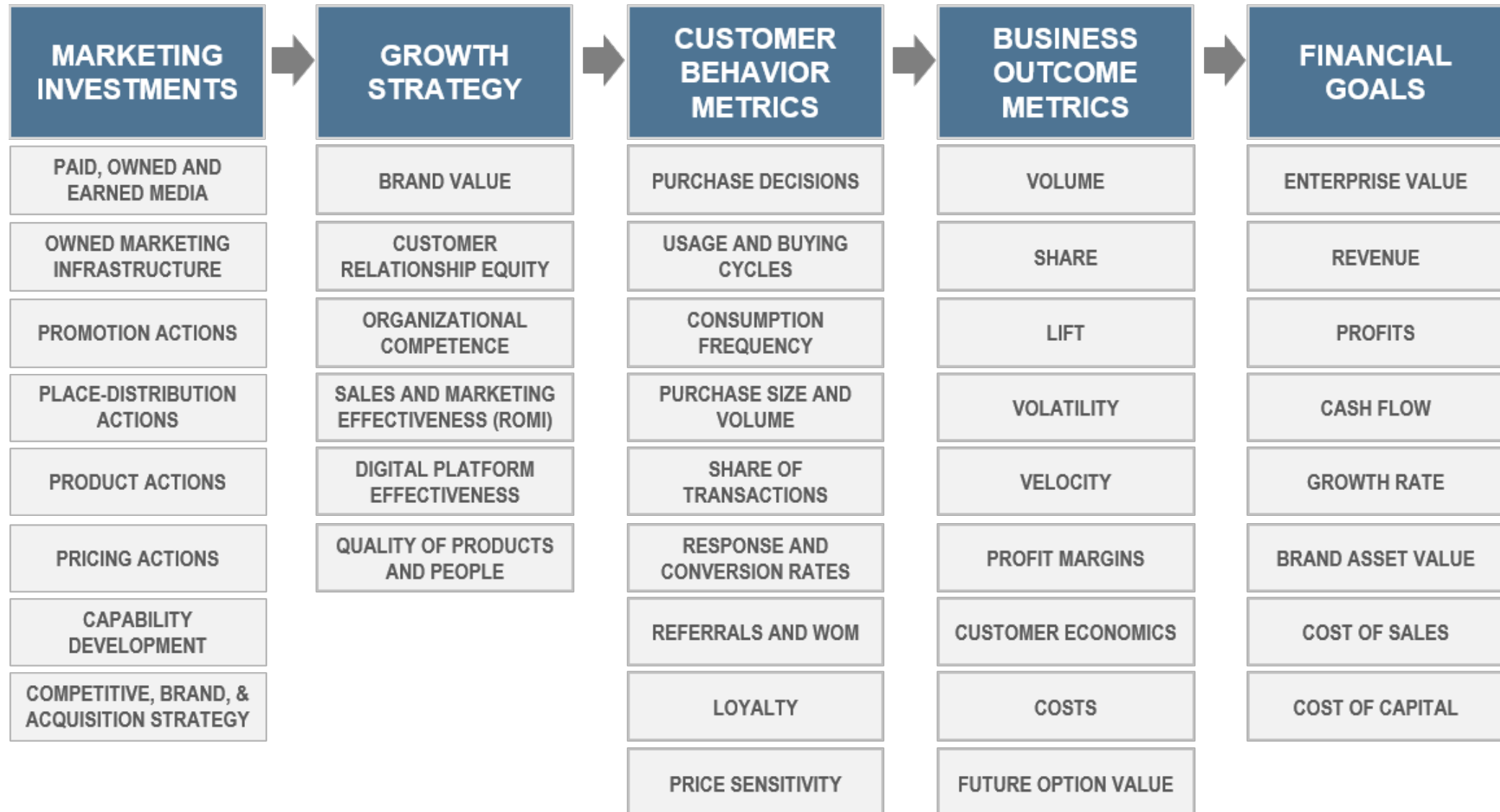
PURSUE AN ONGOING PROCESS OF CONTINUOUS IMPROVEMENT IN MARKETING RETURN ON INVESTMENT AND VALUE CREATION





UNDERSTAND THE RELATIONSHIPS IN YOUR MARKETING VALUE CHAIN

THE MASB MARKETING VALUE CHAINSM



QUESTIONS



LEARN MORE



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