New research: Do your marketing measurement capabilities measure up?

Marketers are expected to drive business growth by pulling the right media levers at the right moments. Effective measurement and analytics capabilities are critical to success, and in a pricing business climate, their performance is more important than ever. However, many marketing teams struggle with measurement challenges that are impeding the ability of the organization to drive higher revenue, profits, and transparency. An analysis of current measurement capabilities and performance among today’s front-runners provides insights into the most effective approaches to measuring the impact of marketing.

Measuring what matters for growth:

Understanding the importance of measurement

No. 1: 4 in 5 of front-runners recognize the importance of customer-first operating models that focus on understanding the needs of customers, their journey, and experiences. This is not only critical for growth but also expected by consumers today. Most organizations are behind the curve in this area: just 1 in 3 respondents say their teams are customer-first.

No. 2: 5 in 4 in 5 of front-runners on measurement front-runners recognize that improving measurement effectiveness is critical to driving revenue and profits, and expanding capacity across the range of measurement activities. Front-runners are approximately 20% more likely than low-maturity organizations to say they are focusing on improving capabilities.

No. 3: 5 in 4 in 5 of front-runners recognize that improving measurement capabilities is about creating a first-rate measurement team that is more than simply a group of data analysts or media buyers. Measuring more, doing more— and growing faster. Front-runners are approximately 20% more likely than low-maturity organizations to say they are focusing on creating a high-performance team.

An unplanned ecosystem:

Measuring more, doing more— and growing faster.

Most marketers are trying to optimize performance for both revenue and profit. However, many organizations are behind the curve in terms of how they are measuring and modeling performance. In early 2022, Deloitte Digital commissioned a study by Lawless Research to understand the capabilities and performance among today’s front-runners. For most marketers, the measurement challenge is not one of technical capability. Instead, it is about understanding the impacts across channels, customer journeys, and data sources to optimize performance.

Measuring more, doing more— and growing faster.

Front-runners are focusing on improving capabilities and expanding capacity across a range of measurement activities: 27% more likely to use Brand health surveys, 1.4X more likely to incorporate media mixed modeling (MMM), and 2.5X more likely to use multi-touch attribution (MTA) platforms, media marketplaces. As channels for engagement and commerce continue to proliferate, this isn’t simply about creating a more accurate scorecard for the marketing function. Measuring more, doing more— and growing faster. Front-runners are focusing on improving capabilities and expanding capacity across a range of measurement activities: 27% more likely to use Brand health surveys, 1.4X more likely to incorporate media mixed modeling (MMM), and 2.5X more likely to use multi-touch attribution (MTA) platforms, media marketplaces. As channels for engagement and commerce continue to proliferate, this isn’t simply about creating a more accurate scorecard for the marketing function. Measuring more, doing more— and growing faster.

KPIs most commonly tracked by measurement front-runners:

Customer satisfaction
Customer experience
Revenue
Sales

No. 1: 4 in 5 of front-runners say they use customer satisfaction as a KPI. However, many marketers are still struggling to measure the impact of marketing. For many organizations, the core challenge of improving measurement lies in the disconnect between the customer journey and the metrics used to assess it.

No. 2: 5 in 4 in 5 of front-runners say they use customer experience as a KPI. However, many marketers are still struggling to measure the impact of marketing. For many organizations, the core challenge of improving measurement lies in the disconnect between the customer journey and the metrics used to assess it.

No. 3: 5 in 4 in 5 of front-runners say they use revenue as a KPI. However, many marketers are still struggling to measure the impact of marketing. For many organizations, the core challenge of improving measurement lies in the disconnect between the customer journey and the metrics used to assess it.

No. 4: 4 in 5 of front-runners say they use sales as a KPI. However, many marketers are still struggling to measure the impact of marketing. For many organizations, the core challenge of improving measurement lies in the disconnect between the customer journey and the metrics used to assess it.

Lost signals, broken models.

Beyond measurement: improving measurement models

Lost signals, broken models.

No. 1: 4 in 5 of front-runners recognize that improved models can increase revenue by 1.4X. However, many marketers are still struggling to measure the impact of marketing. For many organizations, the core challenge of improving measurement lies in the disconnect between the customer journey and the metrics used to assess it.

No. 2: 5 in 4 in 5 of front-runners recognize that improved models can increase profit by 2.5X. However, many marketers are still struggling to measure the impact of marketing. For many organizations, the core challenge of improving measurement lies in the disconnect between the customer journey and the metrics used to assess it.

No. 3: 5 in 4 in 5 of front-runners recognize that improved models can increase customer acquisition by 1.25X. However, many marketers are still struggling to measure the impact of marketing. For many organizations, the core challenge of improving measurement lies in the disconnect between the customer journey and the metrics used to assess it.

No. 4: 4 in 5 of front-runners recognize that improved models can increase customer retention by 1.25X. However, many marketers are still struggling to measure the impact of marketing. For many organizations, the core challenge of improving measurement lies in the disconnect between the customer journey and the metrics used to assess it.

About the research.

This study was conducted from February to April 2022, with 200 business leaders and 60 marketing leaders at companies with revenues of $500 million or more ($250 million or more for advertising agencies). For participants, the report provides an understanding of the impact of improving measurement capabilities. It also highlights the importance of focusing on improving measurement effectiveness for both revenue and profit. The study provides insights into the most effective approaches to measuring the impact of marketing, and provides recommendations for improving measurement capabilities.

Endnotes:


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