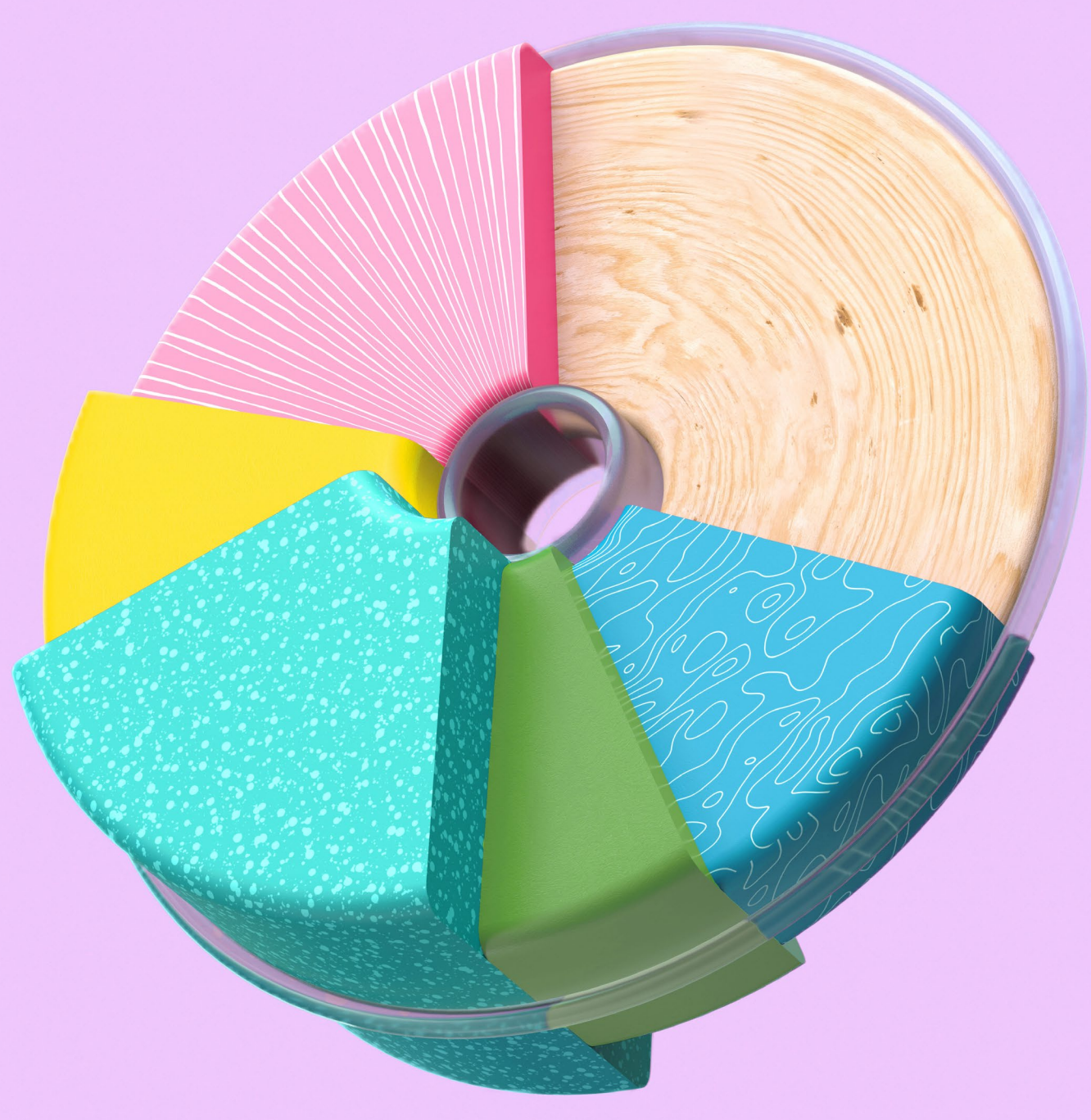


## New research: Do your marketing measurement capabilities measure up?



Marketers are expected to drive business growth by pulling the right media levers at the right moments. Effective measurement and attribution capabilities are critical to that success—and to proving business impact. Yet measurement teams today face a range of headwinds including a loss of marketing signals, measurement models that fail to incorporate the full range of customer touch points, trust and transparency issues in the media ecosystem, and more.

In early 2022, Deloitte Digital commissioned a study by Lawless Research to understand the capabilities and results among midsize and large companies across nine different business-to-consumer industries plus advertising agencies that serve B2C brands. We then developed a maturity model based on sophistication of measurement effectiveness. We found that **measurement front-runners<sup>1</sup> are proactively addressing today's challenges in ways that improve value for both the business and its customers.**

### Measuring what matters for growth.

Marketing leaders generally recognize the importance of customer-first operating models that drive experience personalization and competitive differentiation. Nearly nine in 10 respondents told us that they track customer experience-related key performance indicators (KPIs). Yet many marketing organizations fail to connect their activities to the most important *business* objectives. For example, **just one in three respondents said they use revenue-based KPIs** to assess marketing performance.

Front-runners are making the connections that matter. Compared to low-maturity organizations, **front-runners are:**

**27%**  
Leveraging **27% more KPIs.**

**1.4X**  
**1.4x** as likely to use **revenue** as a KPI.

**2.5X**  
**2.5x** as likely to use **total sales** as a KPI.

### KPIs most commonly tracked by measurement front-runners:

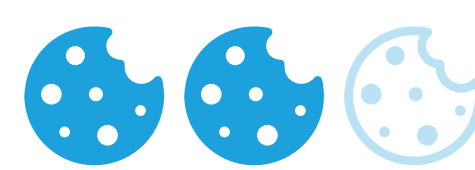
1. **Customer satisfaction or NPS**
2. **Customer lifetime value**
3. **Customer retention**
4. **Revenue**
5. **Total conversions**



### Lost signals, broken models.

Beyond *what* you measure, it's important to refine *how* you measure marketing performance. For many organizations, the core challenge of improving measurement lies in how they collect and connect customer and media performance data.

This isn't simply about creating a more accurate scorecard for the marketing organization. Future revenue growth for your whole business depends in part on embracing new media and digital channels in new ways, with a particular focus on emerging opportunities such as social commerce, unlimited reality and third-party marketplaces. As channels for engagement and commerce continue to proliferate, **marketers need to expand data capabilities and evolve measurement models** to encompass both new and traditional channels—and also to account for the loss of marketing signals caused by third-party cookie deprecation, device restrictions and regulatory changes.



**2 in 3** are **slightly or somewhat aware** of the impacts of **privacy / cookie changes**.



**2 in 5** said that **data quality** is a **top challenge**.



Just **1 in 3** claimed to have **first-rate attribution capabilities**.

### An untrusted ecosystem.

Our research showed that the external ecosystem of "madtech" (marketing and advertising technology) platforms, media agencies and other vendors isn't solving these issues for marketers—and in some cases is part of the problem. Trust and transparency are key issues, with just one in four respondents saying they strongly trust the accuracy of media spend and impression numbers from their partners. To address these challenges, marketers are actively seeking new partners that can help them bridge capability gaps and achieve value.

**No. 1**

**No. 1 barrier to improvement: a lack of qualified vendors** that understand the organization's needs.

**4 in 5**

**4 in 5** plan to issue an **RFP** and/or engage a **third-party consultancy** by the end of 2023.

### A model approach to marketing data.

Smart marketers aren't waiting around for the "next cookie" or for agency partners to solve signal loss for them. In order to improve measurement capabilities and accuracy now, **front-runners employ 1.25x as many data types in their measurement models** compared to low-maturity organizations.



**Measurement methods most important** to front-runners:

- ▶ Merged multi-touch attribution (MTA) and media mixed modeling (MMM): **37%**.
- ▶ Brand health surveys: **34%**.
- ▶ Marketing mix modeling: **34%**.



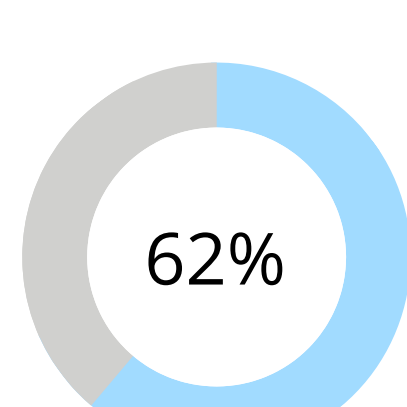
**Measurement methods least important** to front-runners:

- ▶ Unified person level: **10%**.
- ▶ Last view attribution: **12%**.
- ▶ Closed loop measurement: **13%**.

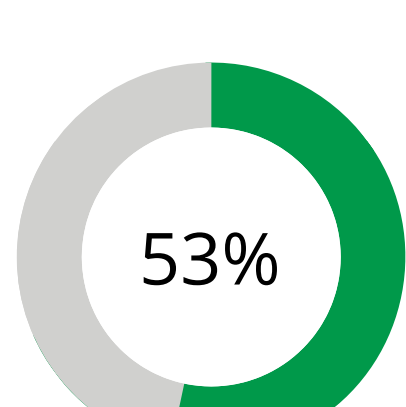
### Measuring more, doing more— and growing faster.

Front-runners are focusing on improving capabilities and expanding capacity across a range of key activities—from how they collect and manage data to how they grow, organize and augment their teams. Along the way they are experimenting, testing and learning in ways that drive innovation through their own organizations and beyond.

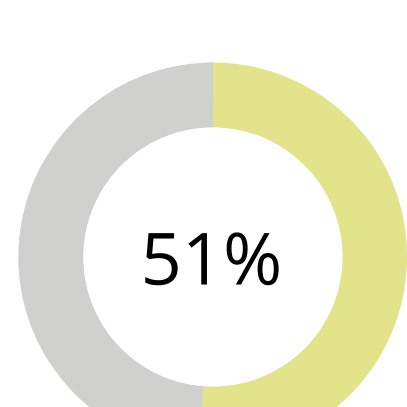
**Front-runners are:**



**62%** more likely to be **investing in intelligent data platforms.**

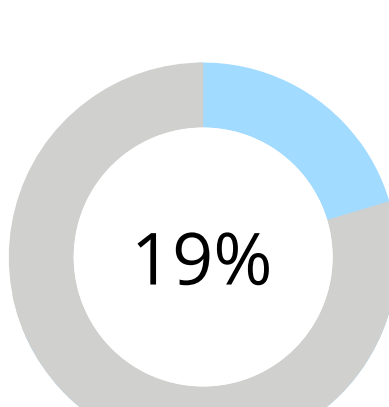


**53%** more likely to be **breaking down silos.**

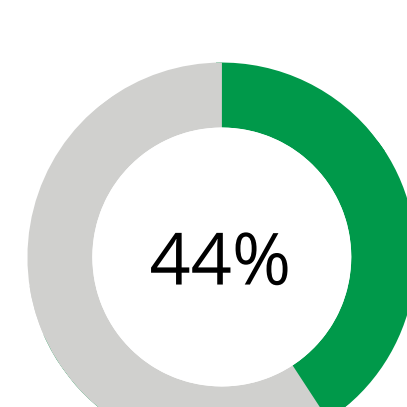


**51%** more likely to be **hiring data scientists & media analysts.**

**By pulling it all together, front-runners are:**



**Spending 19% less** on marketing.



**44% more likely to beat revenue goals.**



#### Measure, master, grow.

Today's front-runners recognize that improving measurement capabilities is not about doing any one thing better. It takes smart KPIs and next-generation models, well-managed data and instant insights, a connected ecosystem *and* integrated internal teams.

To learn more about the best practices and results achieved by today's front-runners, download and read our series on performance measurement.

[www.deloittedigital.com/us/measurement](http://www.deloittedigital.com/us/measurement)

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#### About the research.

The foundational research for the series, conducted by Lawless Research on behalf of Deloitte Digital between March 25 to April 25, 2022, is based on a blind survey of 800 leaders responsible for marketing measurement at US-based advertising agencies and business-to-consumer companies with 1,000 or more employees and revenues of \$500 million or more (\$250 million or more for advertising agencies).

#### Endnotes:

1. The maturity model identified front-runners (top quartile), medium-maturity (middle quartiles) and low-maturity (bottom quartile) organizations based on factor analysis of seven areas of self-reported measurement effectiveness.

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