



# Lessons from Academia: Marketing Metrics, Performance, and Opportunities

- Ofer Mintz, University of Technology Sydney



## Overview of Presentation

- 1. Research on assessing marketing performance:** How to define it? And how does this vary by stakeholder (marketers, top-non marketers, and investors)?
- 2. Research on marketing metrics:** What do managers use, what drives this use, and what metrics are most related to improved performance?
- 3. Describe opportunities for research collaborations with academics**



# Managerial Assessments of Marketing Performance

- Ofer Mintz, University of Technology Sydney
- Paul Burke, University of Technology Sydney
- Christine Eckert, University of Technology Sydney
- Marc Fischer, University of Cologne

## Motivation

*“There can be few (if any) issues more central to the well-being of the marketing discipline than establishing the performance value of marketing”*

--- Katsikeas, Morgan, Leonidou, and Hult (2016)

- Researchers and practitioners have introduced various metrics at different levels and systems of metrics over past decades (e.g., Katsikeas et al. 2016; Keller and Lehmann 2003; Rust et al. 2004; Srivastava et al. 1998)
- ***But: Knowledge about which type of metric matters most is very limited!***

**Poll:** You just ran a major integrated marketing campaign across all the 4 P's. How do you define whether the campaign was successful?

- ***Customer mindset impact:*** awareness, satisfaction, loyalty, etc.
- ***Marketing assets impact:*** customer lifetime values (CLV), brand equity, customer equity, etc.
- ***Top-line impact:*** market share, sales, etc.
- ***Bottom-line impact:*** net profit, return on investment (ROI), net present value (NPV), etc.
- ***Capital market impact:*** stock prices/returns, market value, Tobin's q, etc.

Is your definition of whether the campaign was successful the same as:

**Top non-marketers?**



**Investors?**



## Research Questions

- 1. *Metric dominance:*** What type of performance metric, i.e. customer mindset, marketing assets, market outcomes, financial effort, and capital markets, do managers prefer to assess marketing performance?
- 2. *Group differences:*** Do differences in metric preference exist between senior marketing executives (e.g., CMO), other senior executives (e.g., CEO, COO, CFO), and investors (e.g., shareholders, analysts)?
- 3. *Role of performance uncertainty:*** What role does uncertainty in performance measurement play for the type of metric?
- 4. *Strategic conditions:*** How does strategic focus of the marketing campaign (growth/profits) and firm (low-cost/differentiation) influence metric importance?

## Method

- Collected data from 460 respondents located in the USA (via Precision Sample panel)
  - 153 Top-level marketers (CMO, S/VP, etc.)
  - 152 Top-level non-marketers (CEO, COO, CFO, etc.)
  - 155 Investors (analysts, investors, brokers, etc.)
- Conducted conjoint study to measure managerial preferences (see next slides)

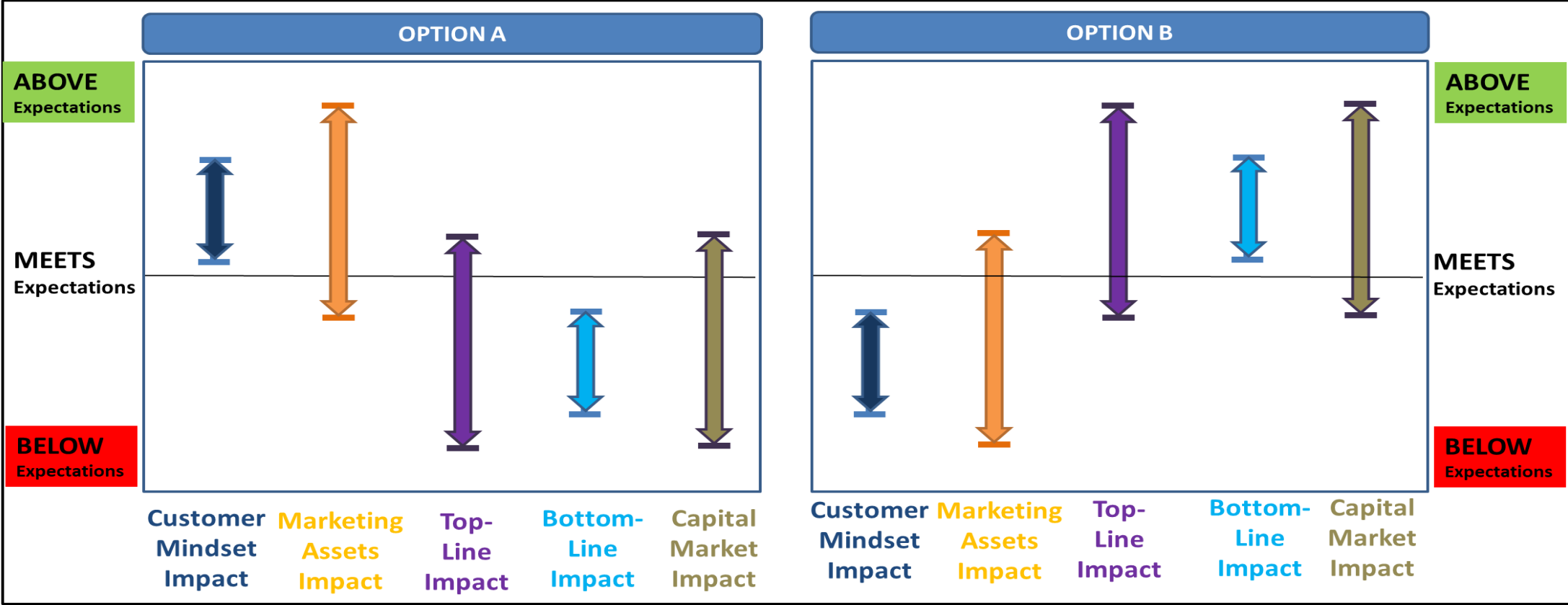


## CHOICE EXPERIMENT:

*In your expert opinion*, which of the following marketing campaigns would you rank as having the “best” performance for this large S&P 500 firm that focuses on its **cost advantage** and has implemented two large different integrated marketing campaigns focusing on **profits**?

# Example of a choice set (out of 16)

Which of the following two options has performed best?



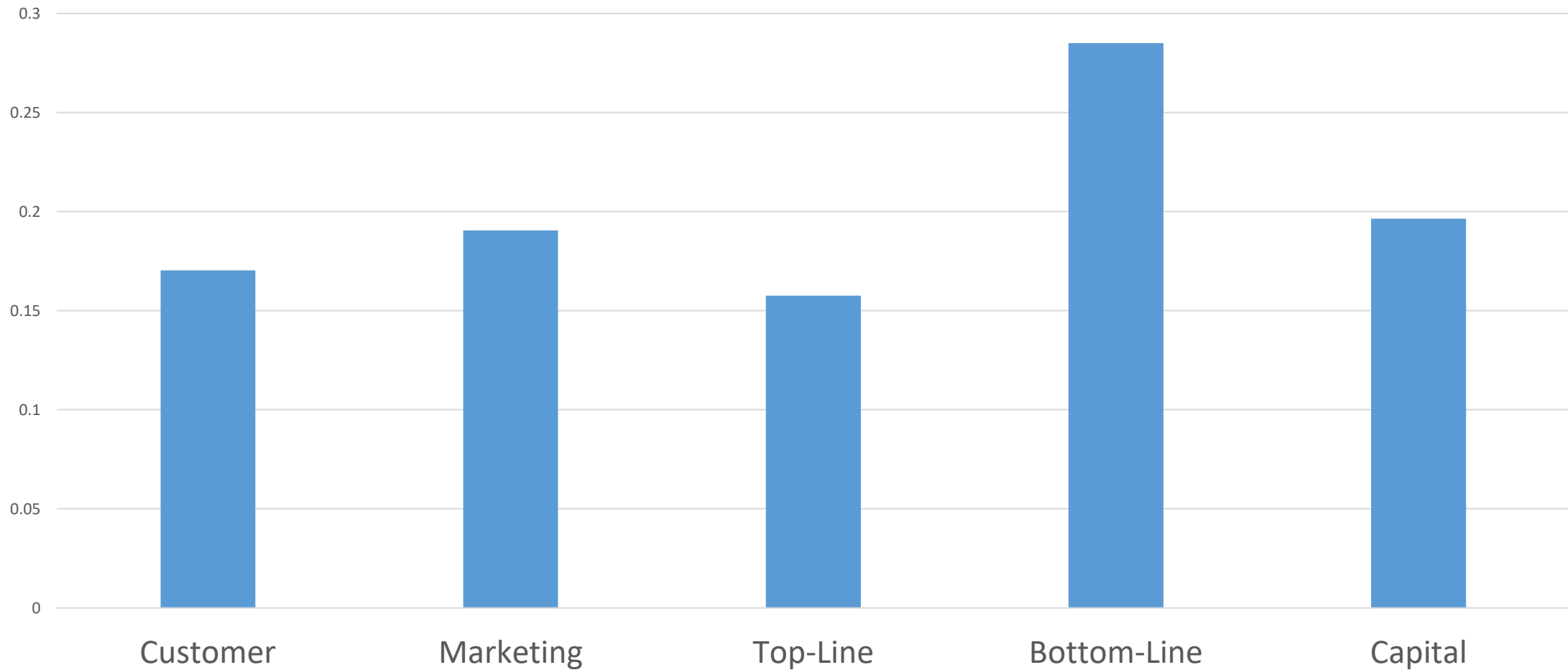
Select only one answer

Option A  Option B

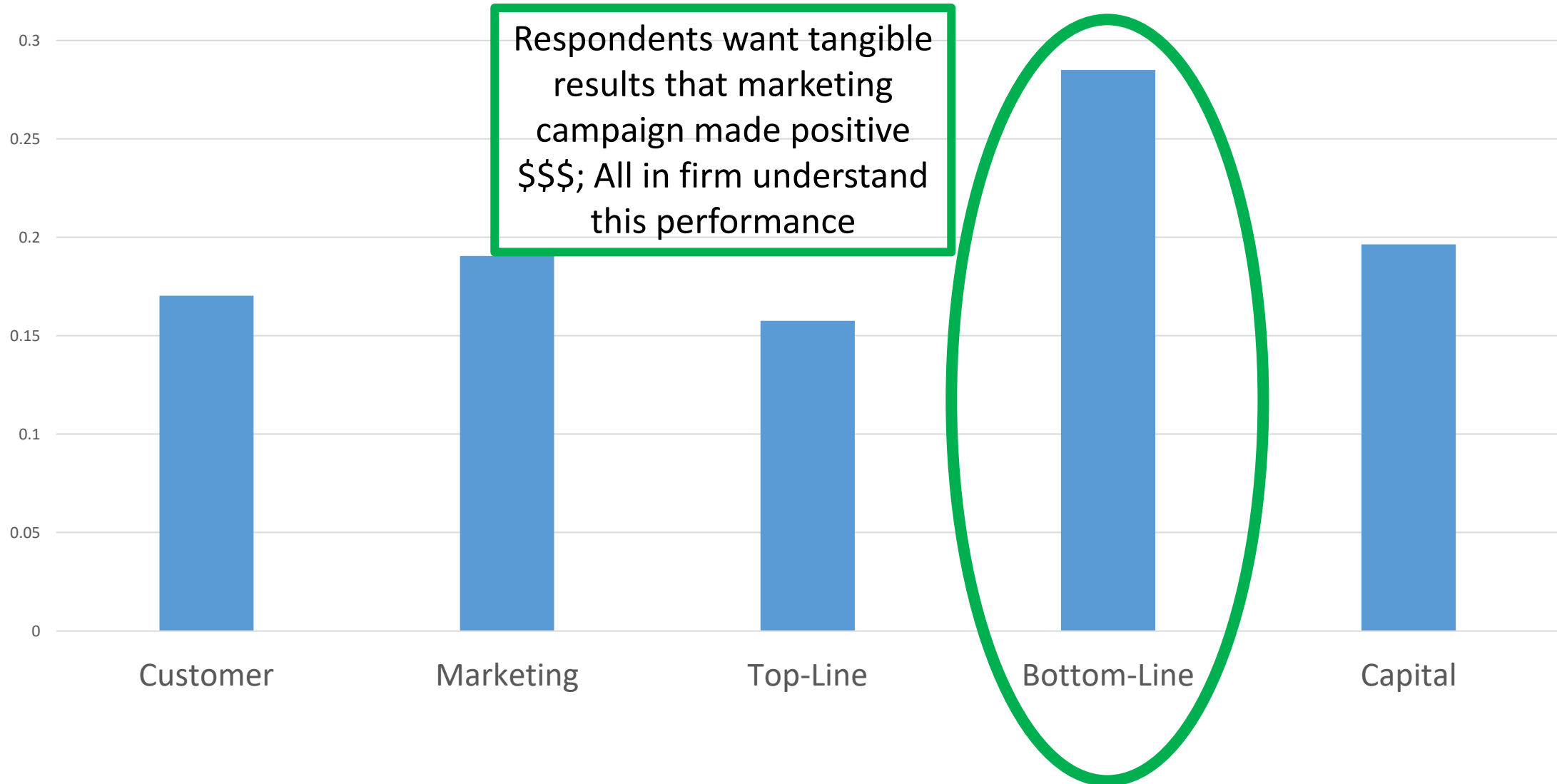
## Reminder of Performance Types

- ***Customer mindset impact:*** awareness, satisfaction, loyalty, etc.
- ***Marketing assets impact:*** customer lifetime values (CLV), brand equity, customer equity, etc.
- ***Top-line impact:*** market share, sales, etc.
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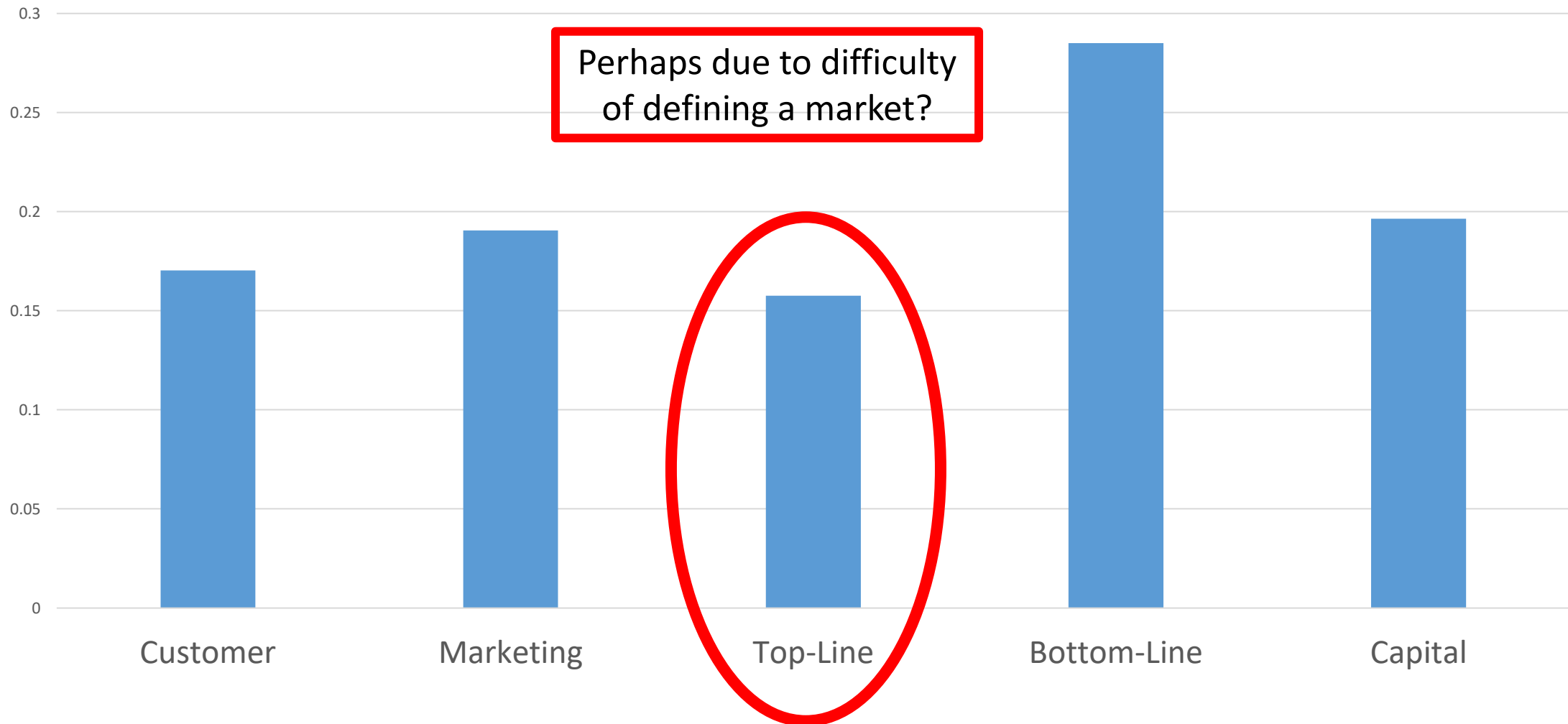
## Relative Importance of Metrics (across all respondents)



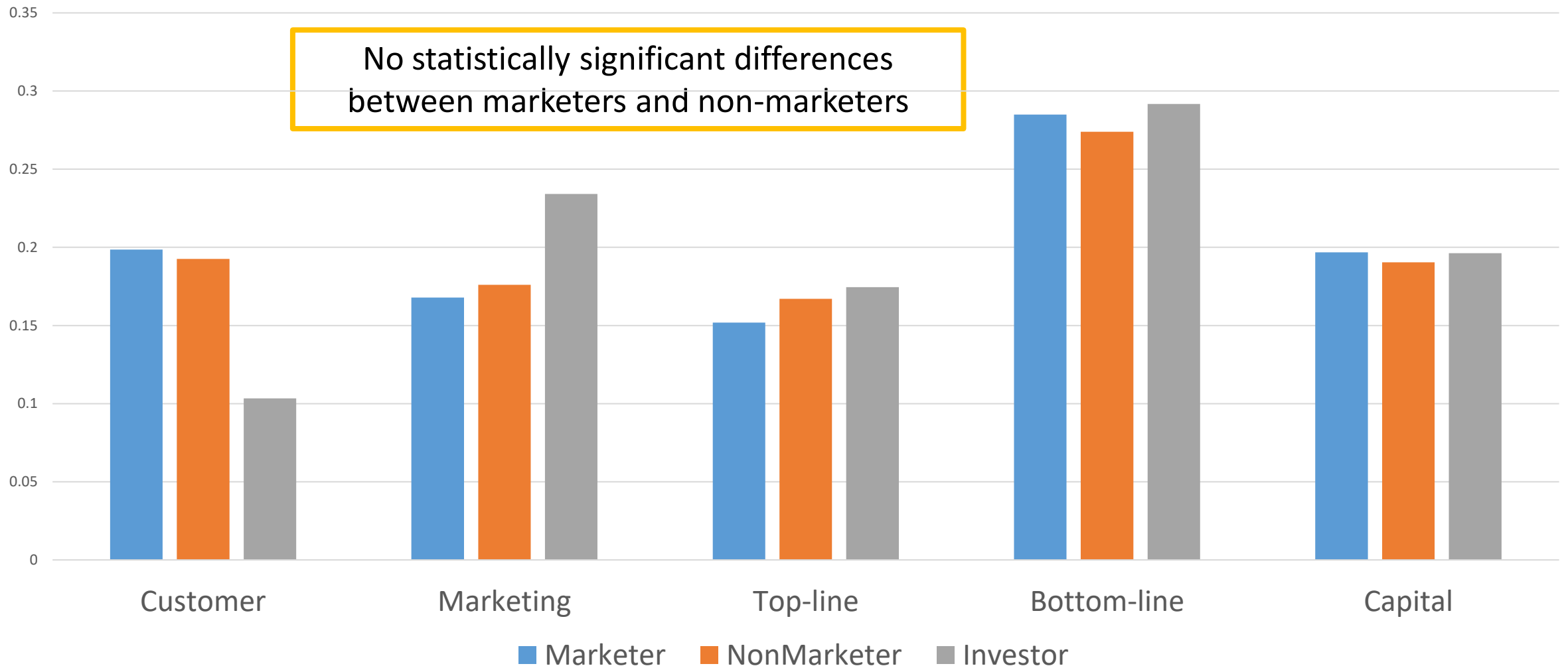
## Relative Importance of Metrics (across all respondents)



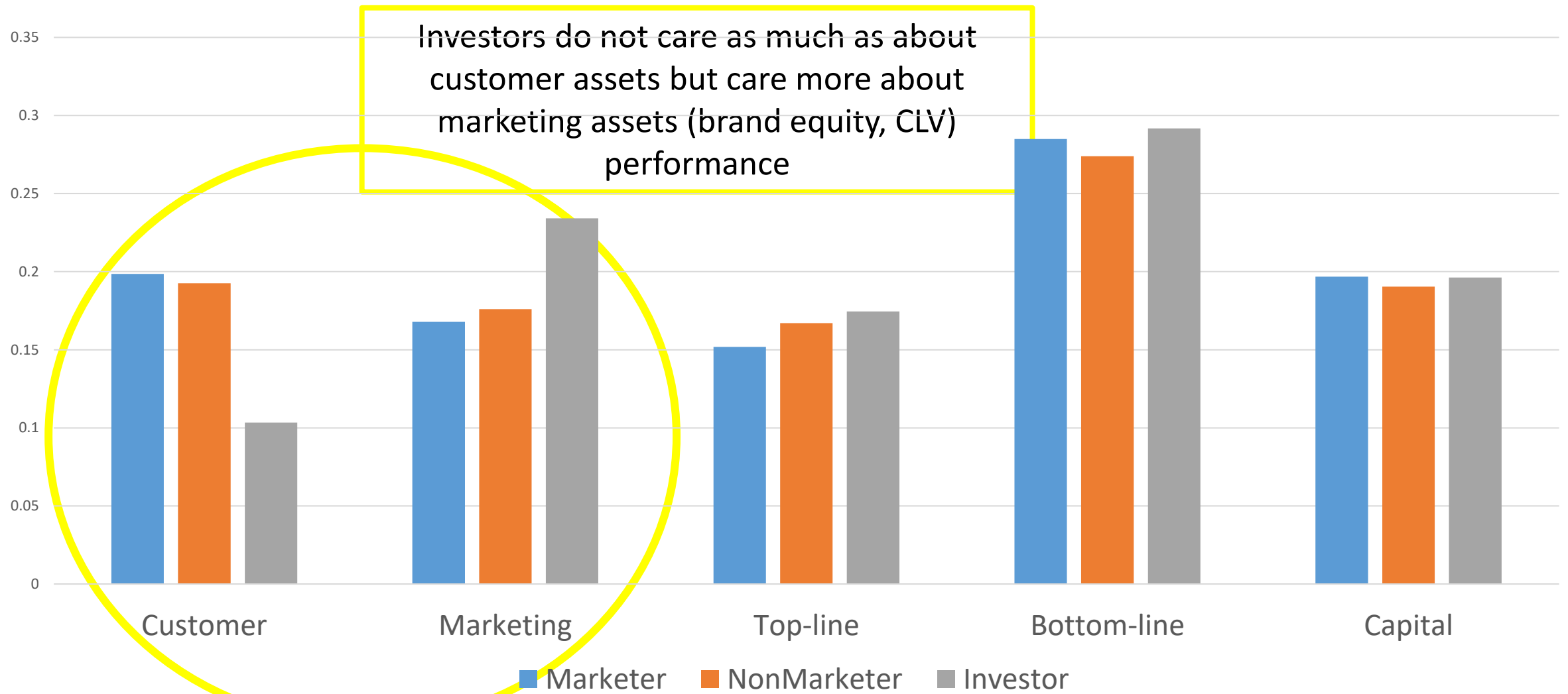
## Relative Importance of Metrics (across all respondents)



## Do Differences Exist Across Types of Respondents?



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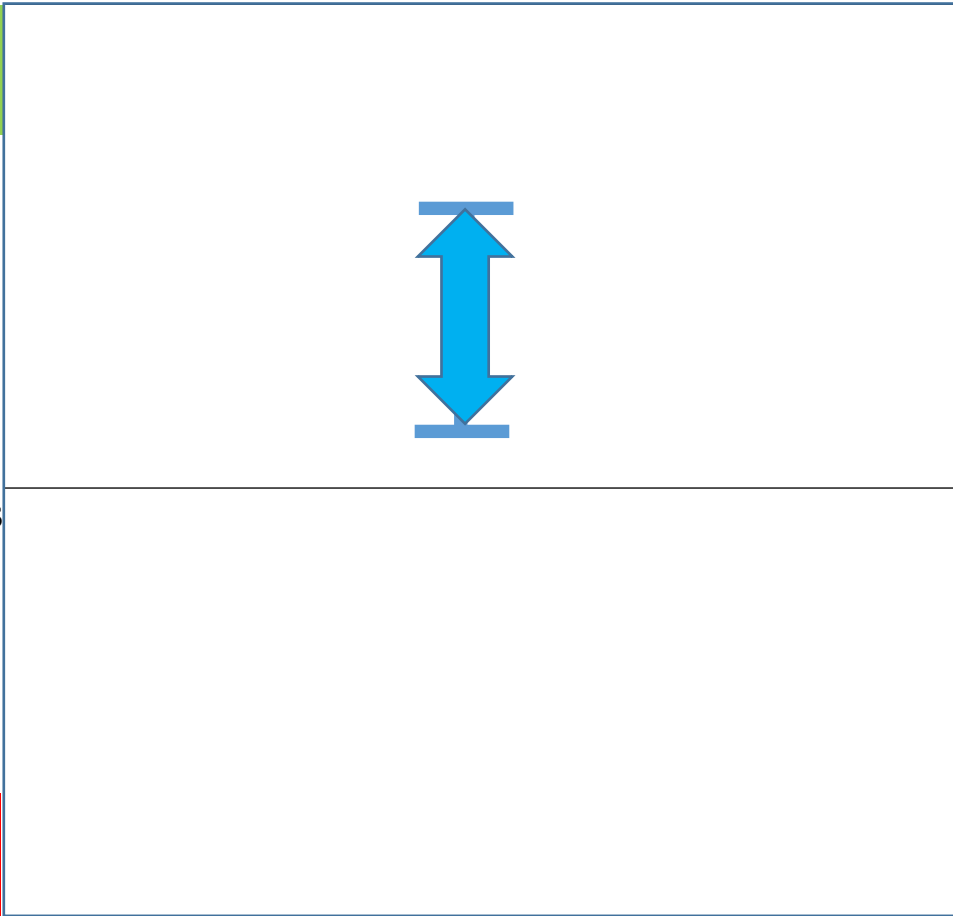
# Interactive Experiment: Please select which Overall Marketing Performance is Better? (Option A or B)

**OPTION A**

**ABOVE**  
Expectations

**MEETS**  
Expectations

**BELOW**  
Expectations



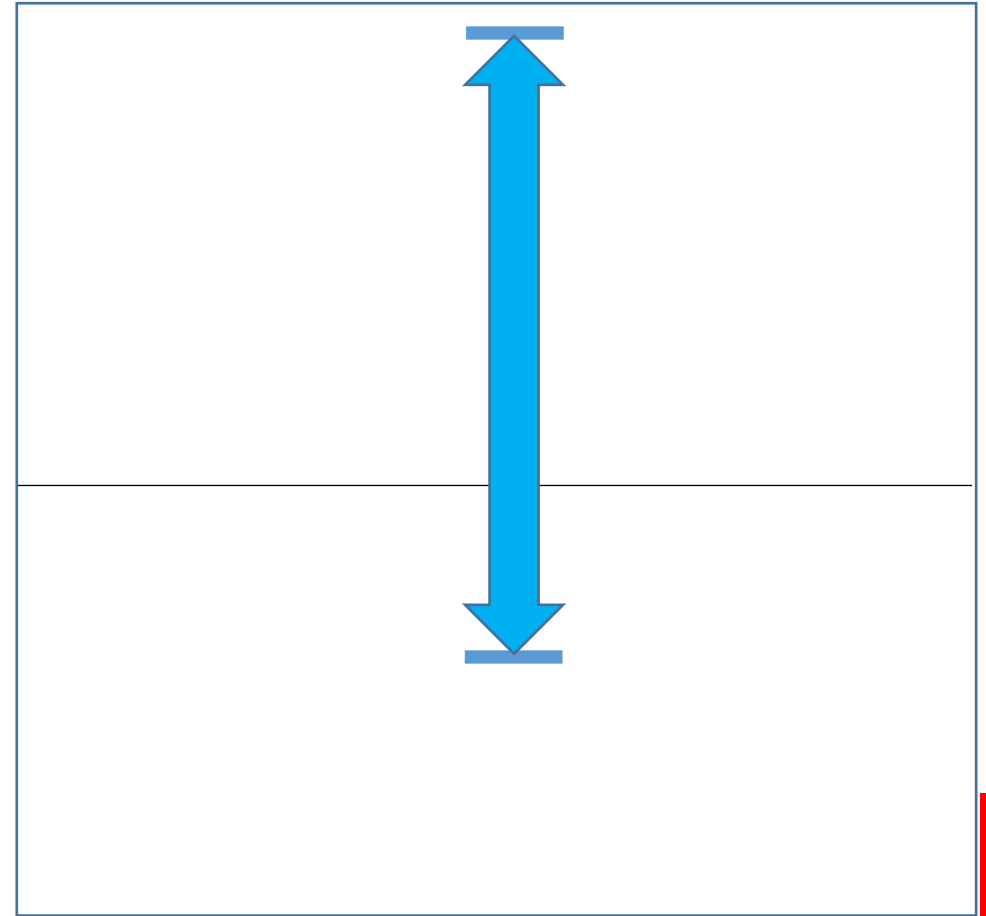
Performance

**OPTION B**

**ABOVE**  
Expectations

**MEETS**  
Expectations

**BELOW**  
Expectations



Performance

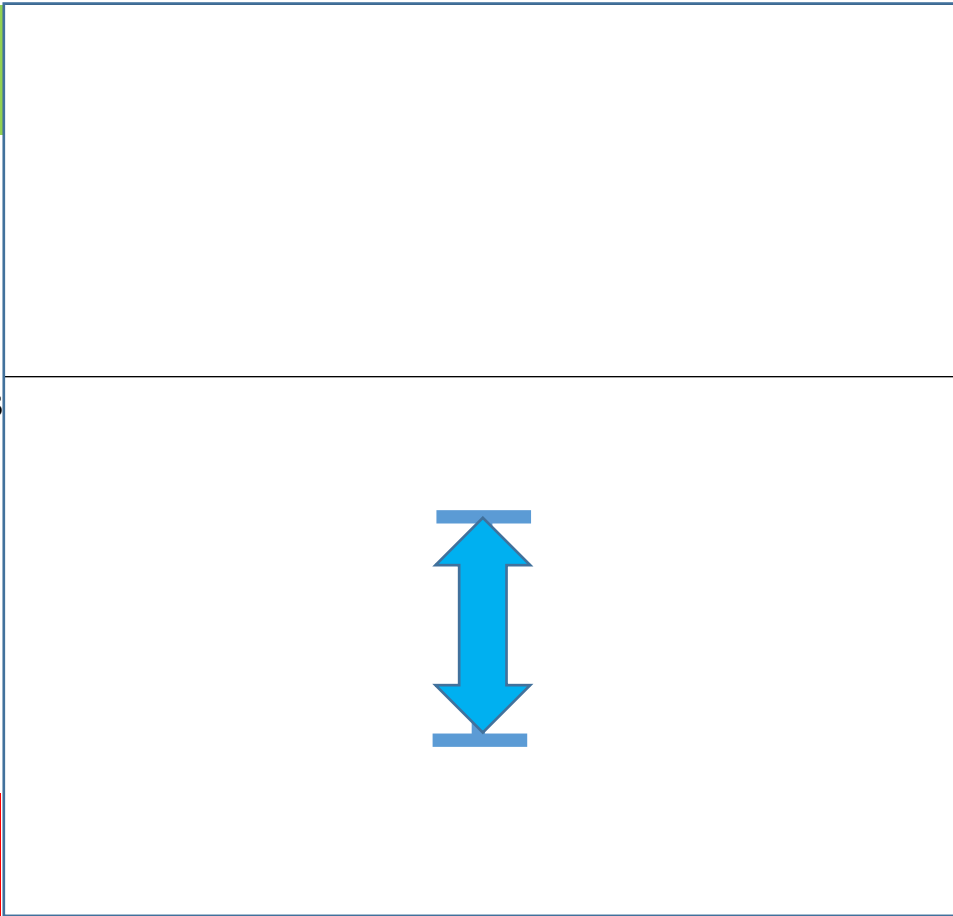
# Interactive Experiment: Please select which Overall Marketing Performance is Better? (Option C or D)

**OPTION C**

**ABOVE**  
Expectations

**MEETS**  
Expectations

**BELOW**  
Expectations



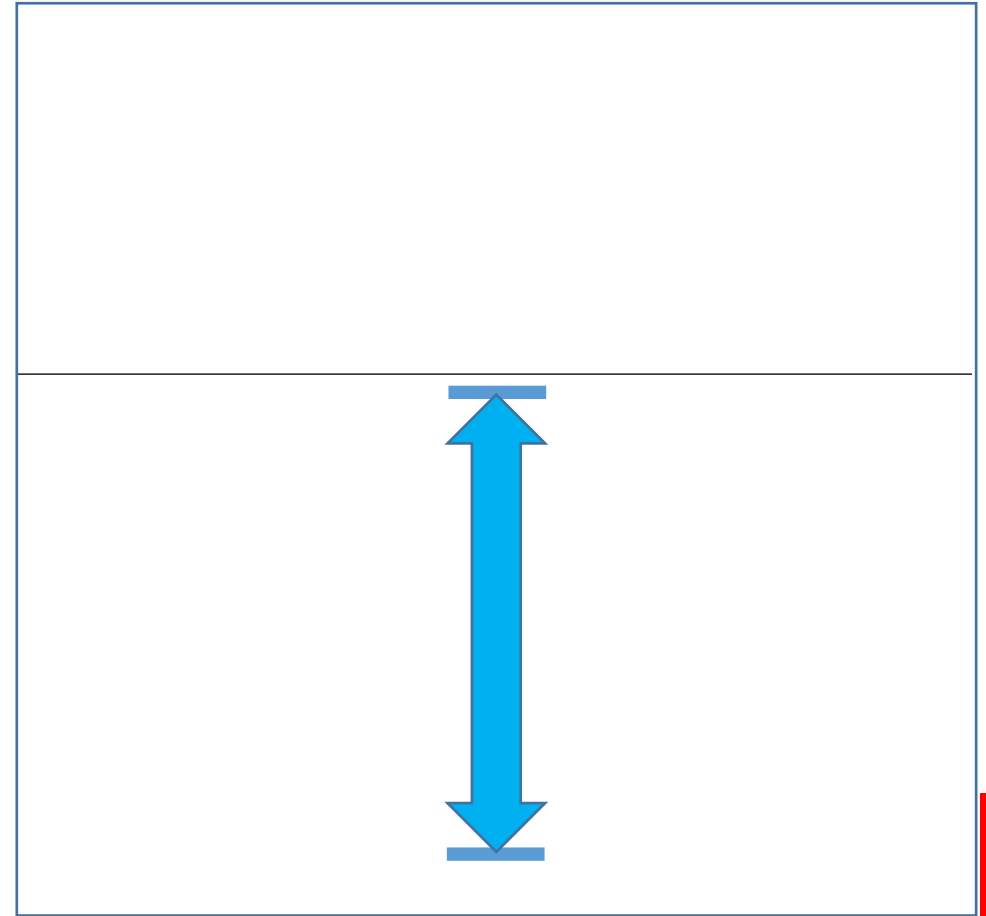
**Performance**

**OPTION D**

**ABOVE**  
Expectations

**MEETS**  
Expectations

**BELOW**  
Expectations



**Performance**


# Preferences for performance scenario by uncertainty level (across all respondents)





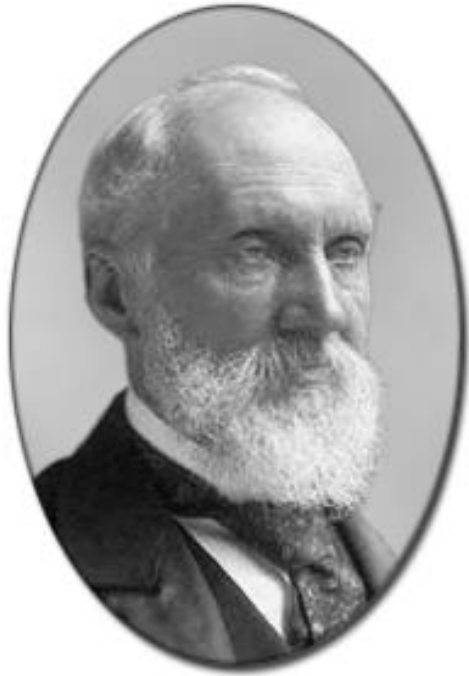
## Main takeaways of study

1. Bottom-line performance (profit, ROI) is most preferred by all respondents
2. Top-line performance (sales, market share) surprisingly least preferred by all respondents
3. Differences exist between managers (agents) and investors (owners/principals)
4. Investors' preferences relatively higher for marketing assets (brand & customer equity, CLV) and lower for customer performance (satisfaction & awareness) than marketers and top non-marketers
5. All avoid certain losses; however, not all avoid risk seeking when perform well ("house money" effect)
6. Surprisingly, no impact of firm competitive strategy and strategic goal of campaign on performance preference



# Recap of Research on Metrics

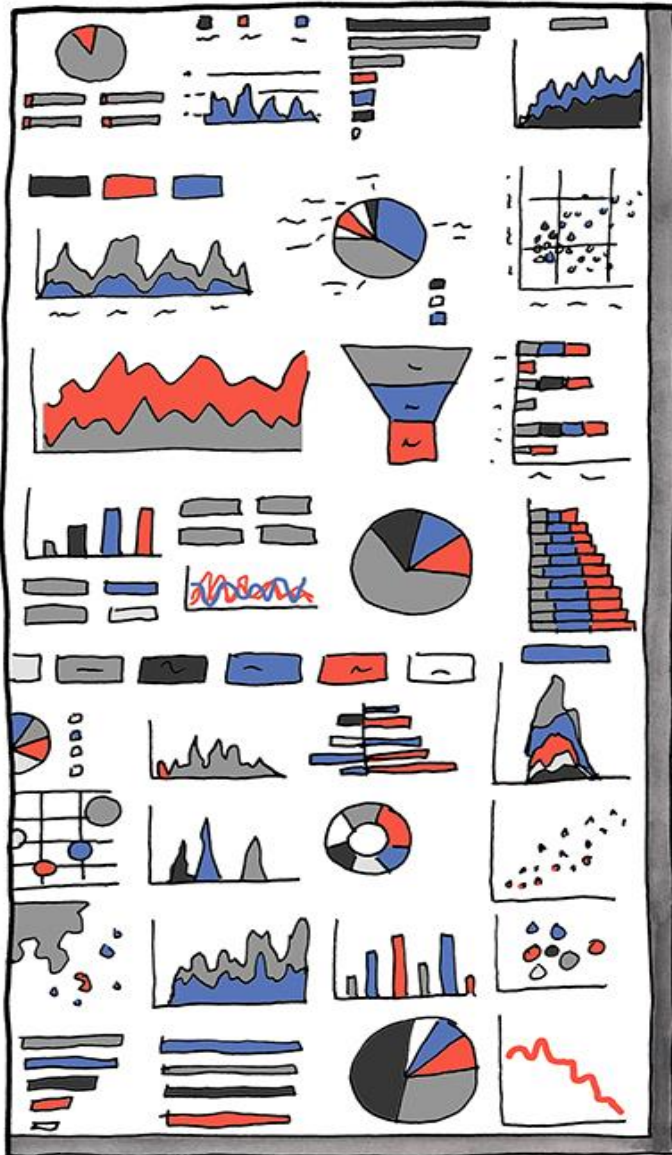
- Ofer Mintz, University of Technology Sydney



“To measure is to know – if you cannot measure it, you cannot improve it”

“When you can measure what you are speaking about, and express it in numbers, you know something about it, when you cannot express it in numbers, your knowledge is of a meager and unsatisfactory kind; it may be the beginning of knowledge, but you have scarcely, in your thoughts advanced to the stage of science.”

Lord Kelvin 1824-1907



OUR NEW DASHBOARD HAS ALL OF THE DIFFERENT KPI'S WE CAN TRACK NOW.



WHAT'S THAT KPI TRENDING TO ZERO?



IT MEASURES HOW WELL WE UNDERSTAND THEM ALL.



TOM FISH BURNE





## Overview of Studies (click on any link to access full study)

- [Why are metrics important?](#)
- [What metrics are most used around the world?](#)
- [What drives metric use?](#)
- [What are the right/wrong metrics \(those that relate with performance\)?](#)
- [How do managers make trade-offs between metrics?](#)

# Co-authors from:



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## Data from Multiple Studies

- 1,637 managers from 16 countries describing 4,384 marketing mix-decisions
- 439 US managers describing 1,287 marketing-mix decisions
- 563 US managers responsible for >\$1million marketing budgets who responded about ideal dashboards for two marketing budget decisions (totaling 1,126 decisions)
- 200+ radio interviews

## Why are Metrics Important?

- Find in each of 16 countries that managers who use more metrics for marketing-mix decisions have higher marketing-mix performance
  - Thus, use more metrics to make your decisions!
- Marketing (non-financial) metrics, on average, more effective for managers to employ for their decisions than financial metrics
  - However, managers are more uncertain of such metrics, so this attenuates their use

# What metrics are most used around the world?

| Country     | Ave Metric Use | Rank | Metric Used Most | % Used | Metric Used 2 <sup>nd</sup> Most | % Used | Metric Used 3 <sup>rd</sup> Most | % Used |
|-------------|----------------|------|------------------|--------|----------------------------------|--------|----------------------------------|--------|
| Australia   | 10.11          | 5    | Satisfaction     | 58%    | ROS                              | 50%    | ROI                              | 48%    |
| Brazil      | 8.91           | 8    | Satisfaction     | 64%    | ROI                              | 46%    | Preference                       | 45%    |
| Canada      | 8.52           | 10   | Satisfaction     | 50%    | ROI                              | 50%    | Awareness                        | 47%    |
| China       | 11.14          | 2    | Target Vol       | 61%    | Satisfaction                     | 60%    | Mkt Shr                          | 51%    |
| France      | 5.79           | 15   | Satisfaction     | 47%    | Total Custs                      | 35%    | Net Profit                       | 32%    |
| Germany     | 8.88           | 9    | Satisfaction     | 56%    | ROI                              | 50%    | Awareness                        | 46%    |
| India       | 10.72          | 3    | Awareness        | 71%    | Satisfaction                     | 66%    | ROI                              | 59%    |
| Indonesia   | 8.48           | 11   | Target Vol       | 61%    | Net Profit                       | 57%    | Total Custs                      | 53%    |
| Italy       | 8.35           | 12   | ROI              | 52%    | Likeability                      | 48%    | Satisfaction                     | 48%    |
| Japan       | 4.29           | 16   | Awareness        | 27%    | Net Profit                       | 24%    | Target Vol                       | 24%    |
| Mexico      | 9.66           | 6    | Satisfaction     | 55%    | Net Profit                       | 53%    | Awareness                        | 49%    |
| Russia      | 10.19          | 4    | Likeability      | 59%    | Net Profit                       | 52%    | Awareness                        | 48%    |
| South Korea | 11.72          | 1    | Satisfaction     | 64%    | Preference                       | 54%    | Likeability                      | 52%    |
| Turkey      | 9.23           | 7    | Net Profit       | 67%    | Mkt Shr                          | 64%    | Satisfaction                     | 58%    |
| UK          | 8.00           | 13   | Satisfaction     | 51%    | Awareness                        | 46%    | ROI                              | 45%    |
| US          | 7.38           | 14   | Awareness        | 45%    | ROI                              | 37%    | Satisfaction                     | 36%    |
| Overall     | 9.08           | ---  | Satisfaction     | 53%    | Awareness                        | 45%    | ROI                              | 43%    |

Why can't Indonesia, Japan and Russia get no satisfaction?

# How and Why Managers Make Trade-offs

- **How:**

- Type of marketing budget decision ✓
- Type of decision task (internal/external) ✗
  - Follow-up analysis of +200 managers revealed similar null effect ✗

- **Why:**

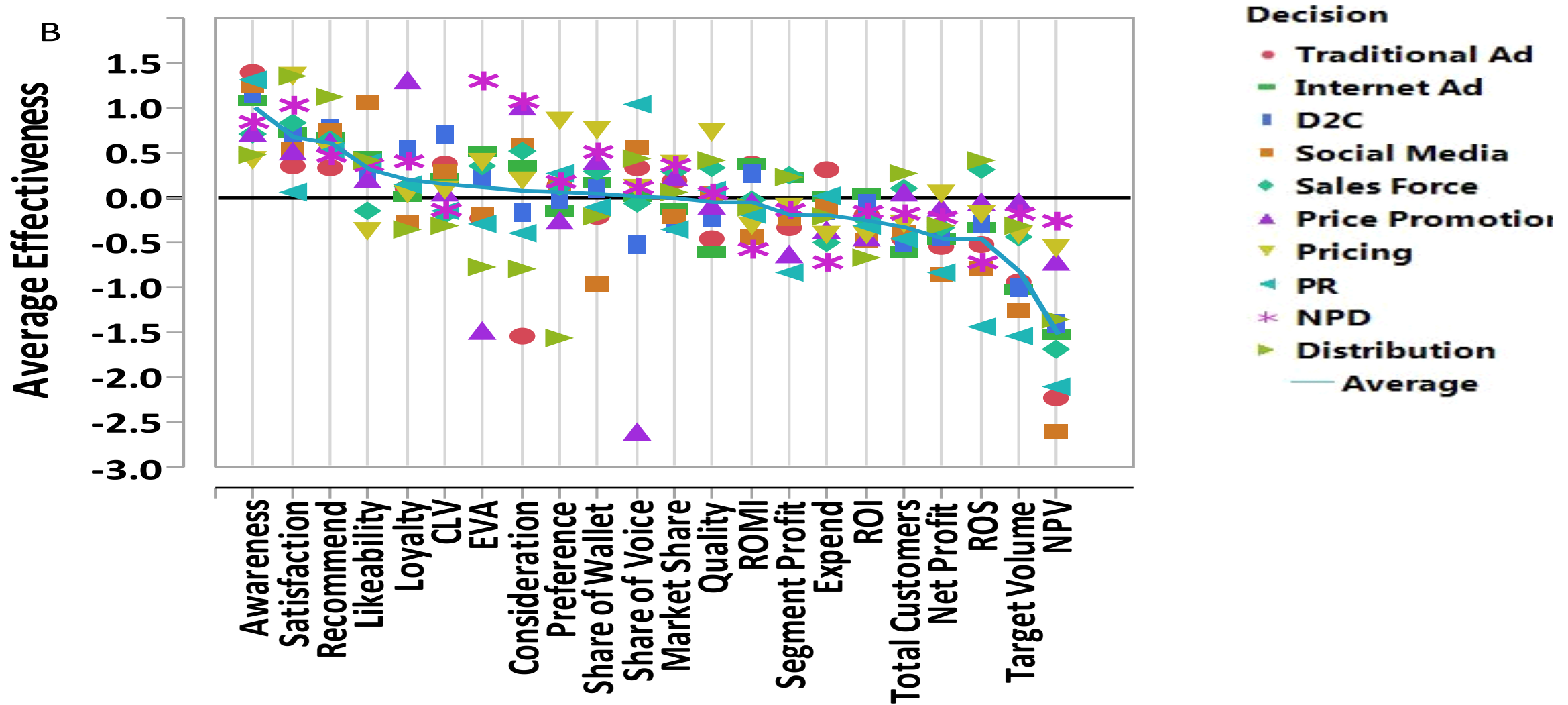
- Managerial perceptions of data ✓
  - Those concerned about measurement quality prefer metrics based on accounting and financial data over psychometric / non-financial data
- Responsiveness of metric (how much marketing can directly affect) ✓
  - Marketers prefer metrics they believe they can directly affect and not so grandiose to follow all the way to stock market returns



## How to get managers to use more metrics?

- Train managers on metric use
- Hire a Chief Marketing Officer (CMO): meaning have top-level organizational support
- Encourage organizational involvement, managerial discretion, and trust
- Discourage arrogance, power distance between employees, and fear of failure

# What are the right metrics (those that relate with performance)?

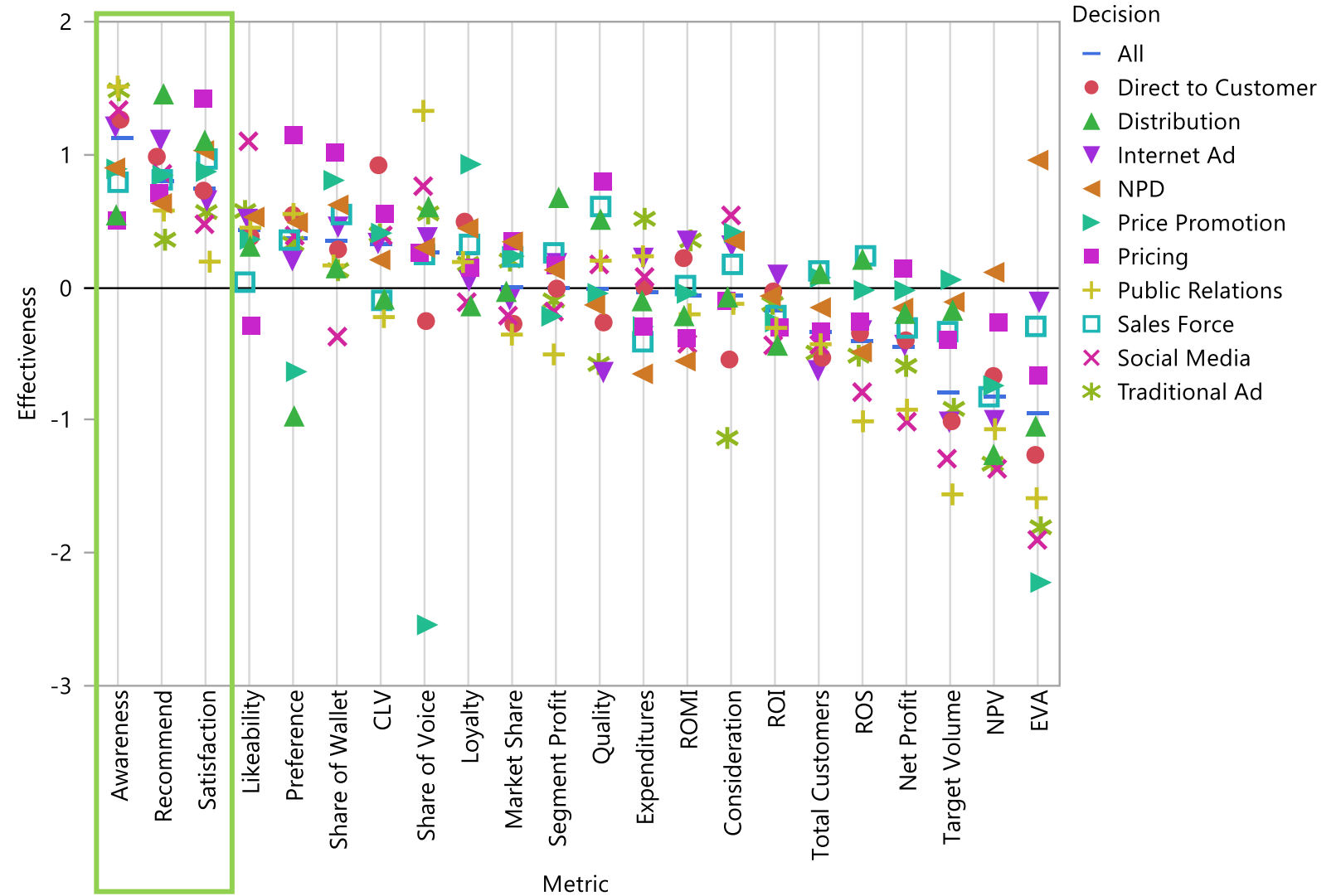




# What are the right metrics (those that relate with performance)?

## “Silver Bullets”

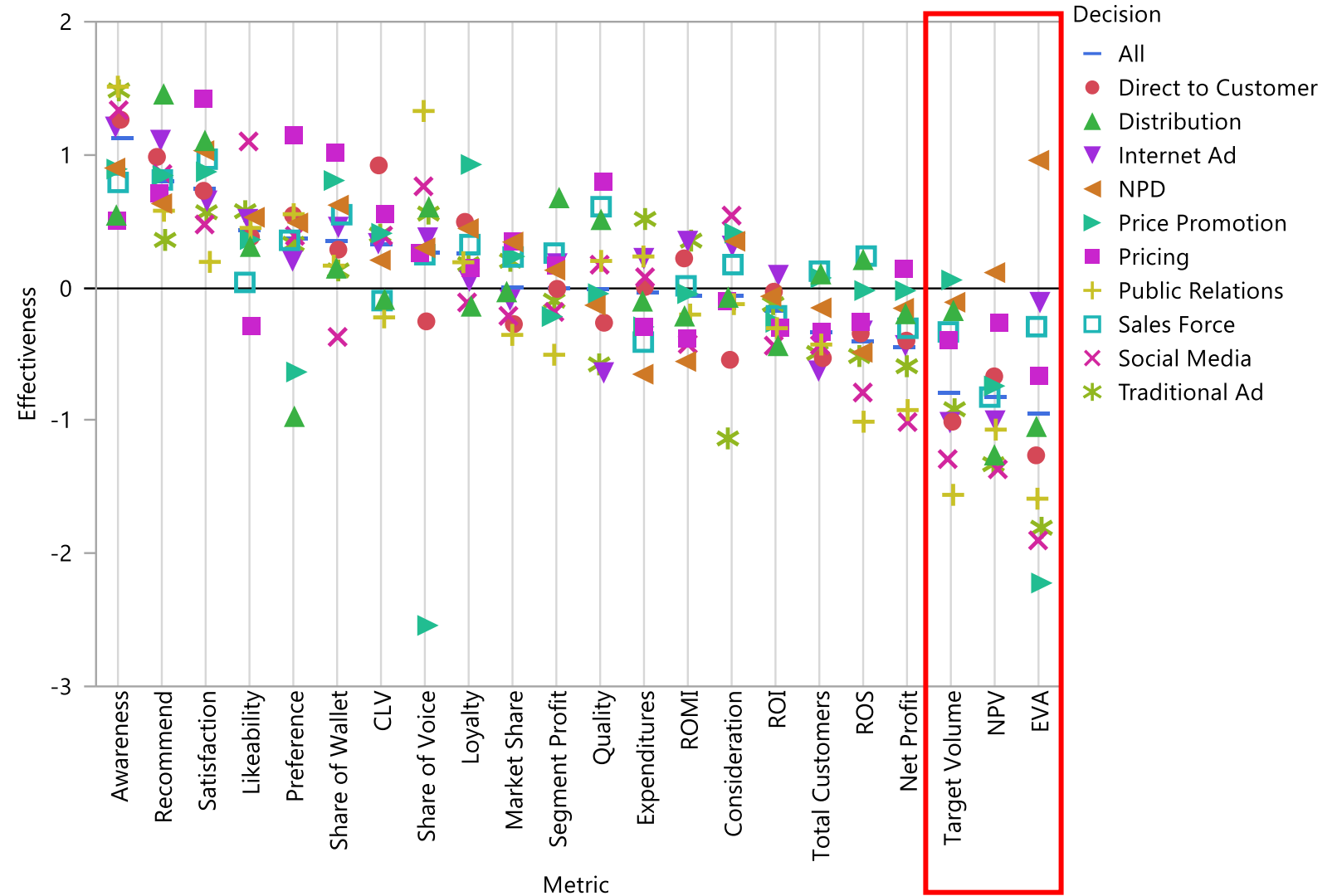
Awareness, Willingness-to-Recommend, and Satisfaction brackets the purchase funnel



# What are the wrong metrics (those that relate with performance)?

## “Lead Bullets”

Target Volume,  
Net Present Value, and  
Economic Value Added



## Other Notable Results across the studies

- Net Promoter Score is one of least preferred metrics for “idealized dashboards” (third worst)
  - Disconnect between attention given to it and managerial preferences
- Managers who make digital advertisement decisions have positive, significant preferences for metrics that are relatively more short-term (ROMI, share of voice)
  - Less preferences for long-term metrics such as CLV, EVA, perceptions of quality
- Could not find systematic patterns, clusters, segments, etc. of metric choice

## Main Takeaways from Research on Metric Use

- What metrics are most used around the world?
  - Satisfaction, Awareness, & ROI
- What drives metric use?
  - Organisation and national culture, top management support, and metric training, but not industry
- What are the right/wrong metrics (those that relate with performance)?
  - “Right” Metrics: awareness and willingness to recommend (but not NPS)
  - “Wrong” Metrics: target volume and net present value; CLV often mis-understood
- How do managers make trade-offs between metrics?
  - By type of marketing-mix decision, based on perceptions of data quality and whether metric can drive a direct response

The image shows a modern, brightly lit interior space. In the foreground, a wide, curved staircase with light-colored steps and a polished metal handrail leads upwards. The background features a large, abstract sculpture made of reflective, metallic panels that create a complex, distorted reflection of the surrounding environment. The floor is a light, neutral color, and the overall atmosphere is clean and architectural.

How to get involved with academic research?

## Academics constantly in search for research collaborations

- Academics' goal is to create empirical generalizations and/or validate theory that can provide a “win-win” opportunity for firms
- Methods
  - Analysing datasets with sophisticated statistical modelling
    - Attribution, new methods to measure, segmentation, purchasing/probabilistic analysis, understand customer choice/behaviour, etc.
  - Conducting field or lab experiments
    - To establish causality, help find why/what is driving underlying effects
  - Establishing industry benchmarks
    - Neutral voice

# Collaboration Types

- Research publications
  - Most faculty's main goal; involves no to very small scale funding but takes longer than normal consulting (various gov't programs to extend funding)
  - Often can use data a firm already possesses, which can be anonymized in research publications
- Consulting
  - Paid work
- Teaching / training
  - UTS has new fully online digital marketing masters program
  - Also, many enterprise learning micro-credential opportunities (data analytics, management in new normal, consumer behaviour, digital marketing, etc.)
  - And, we are always seeking guest speakers, cases, etc. for our current subjects



## If Interested in Potential Collaboration(s)

- For marketing/analytics collaborations: email me at [ofer.mintz@uts.edu.au](mailto:ofer.mintz@uts.edu.au)
- For other business collaborations: Prabhu Sivabalan ([Prabhu.Sivabalan@uts.edu.au](mailto:Prabhu.Sivabalan@uts.edu.au))
- For enterprise learning: Ros Wainwright ([Roslyn.Wainwright@uts.edu.au](mailto:Roslyn.Wainwright@uts.edu.au))



# Thank you!

# Questions?

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