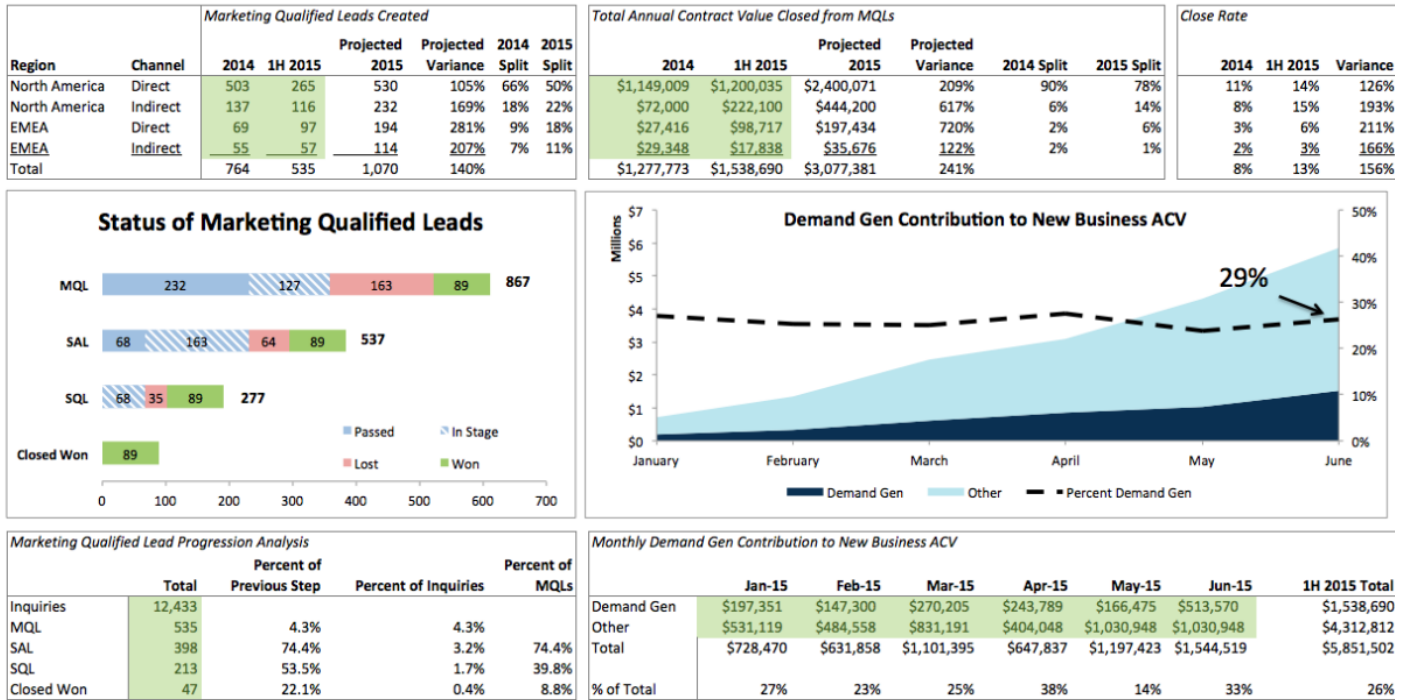


How to drive your business with marketing instrument panels*

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Company 1H 2010 Marketing Dashboard



The late Ed Koch, a recent New York City mayor, always asked, “How am I doing?” Marketers – as well as government leaders – need to know if their “customers” are happy.

Perhaps you head the marketing operations for your company and want to get a better handle on customer metrics. You heard about the idea of a marketing dashboard at a recent trade association meeting and think that may solve your problem. How should you proceed? What should be on your dashboard?

Progressing beyond a single item to monitor the effectiveness of business performance, leading organizations often use a set of key metrics called *marketing dashboards* to understand their key performance indicators.

Just as an automobile dashboard captures critical driving information such as speed, distance, fuel levels, vehicle and engine temperature, navigation and so on, a marketing dashboard summarizes pertinent information on branding, channels, customer contact, promotion, sales performance, service profitability, the Web, and customer value.

Consider the benefits

Some specific benefits of using dashboards include the following: business intelligence, trend tracking, measuring efficiencies or inefficiencies, real-time updates, visuals (charts, graphs, maps and tables), customized reporting of performance and aligning goals and strategies with results. Major downside considerations include the cost, time and the talent needed to administer marketing dashboards.

The main value of the dashboard framework is that it consists of a multitude of practical information that is current, accessible and easy-to-understand. Dashboards can be designed for top C-level executives as well as the managers working in the trenches.

The accompanying figure illustrates an example of an executive marketing dashboard. This dashboard features the following metrics: sales levels and growth targets, the decision-makers, exceptions, key accounts (including revenues), the marketing pipeline (status of marketing activities throughout the buying cycle), and tracks leads and dollars generated over an annual period.

Decide what to measure

What should you measure? The spectrum of opinion varies widely from a single metric such as the Net Promoter Score to 50 or more performance indicators. Just as we don't want to be overwhelmed with our automotive dashboard, keeping the marketing dashboard simple helps measure what matters and aligns with business objectives. That said, here's a good starting point to consider in choosing five to ten key performance indicators that may include the following:

- Financial measures: revenues, contribution margins, turnover ratios, profitability
- Competitive measures: market share, advertising/promotional budget, image map
- Consumer behavior: market penetration, customer loyalty, new customers
- Consumer intermediate measures: brand recognition, customer satisfaction, purchase intention
- Direct customer measures: distribution level, intermediary profits, service quality
- Innovativeness measures: new products launched and the percentage of annual revenue from these new products
- Customer value measures: process metrics, customer retention rates, customer lifetime value, RFM (recency, frequency, monetary value)

Realize that doing business today requires a new level of accountability for performance. Superior customer value means knowing customers' behaviors and buying patterns.

Metrics are an important part of the strategic marketing process to understand: (1) How successful the organization is now; (2) What it needs to accomplish to become even more successful in the years ahead.

Smart marketing managers will embrace this challenge and use metrics as a planning tool to improve business strategies.

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Image Source:

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