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Marketing ROI
in the **Era of Big Data**

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March 5, 2012

Method

Online study: January 27 - February 8, 2012

253 marketing decision makers

Company revenue: 45% over $1 billion

Diverse industries: 42% B-to-B, 28% B-to-C, 30% both

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The Failure of Big Data

All marketers want to be data-driven…

91% believe successful brands use customer data to drive marketing decisions

But many are not collecting the data they need

39% say their own company's data are collected too infrequently

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The Failure of Big Data, cont'd

And if they do collect data, they may not be sharing and utilizing it effectively

51% lack of sharing customer data within own organization a barrier to effectively measuring ROI

Marketers Adopt New Digital Tools, But Struggle to Measure Them

The newest digital marketing tools are catching up quickly in widespread corporate adoption

85% are now marketing via their own brand accounts on social networks

These tools are among the least likely to be measured for ROI (despite their profusion of data)

Only **14%** of companies using social network marketing tying efforts to financial metrics

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Marketers Adopt New Digital Tools, But Struggle to Measure Them, cont'd

And marketers are struggling to compare across their various digital media

70% of CMOs say "cross-platform model for ROI" is a major goal

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ROI – Marketers Know They All Need It, But Can't Even Agree What It Is

Marketers think that they should be measuring their marketing ROI…

70% marketing efforts are under greater scrutiny than ever

But many managers aren't measuring marketing ROI either consistently or effectively

22% use only brand awareness to make marketing decisions

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ROI – Marketers Know They All Need It, But Can't Even Agree What It Is, cont'd

What organizations are satisfied with their measurement of marketing ROI?

55% large organizations satisfied with ability to measure ROI

To what extent is marketing ROI used for decision-making?

57% use marketing ROI for their budget decisions

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ROI – Marketers Know They All Need It, But Can't Even Agree What It Is, cont'd

Understanding what marketing ROI is

37% no mention of financial outcomes when asked

to define marketing ROI

How can an organization improve their ability to measure marketing ROI?

Incentives for employees and vendors

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ROI – Marketers Know They All Need It, But Can't Even Agree What It Is

Achieving success in measuring marketing ROI

64% of those working on measuring marketing ROI more than 5 years are satisfied with their ability to measure marketing ROI

Conclusions

Set objectives first

Design metrics to ensure marketing is linked to those objectives

Gather the right data for those metrics

Communicate to the entire organization what your objectives are, and how they are being measured

Evaluate and reward employees in part on how well objectives are achieved

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So what is Big Data telling us about the future of marketing?
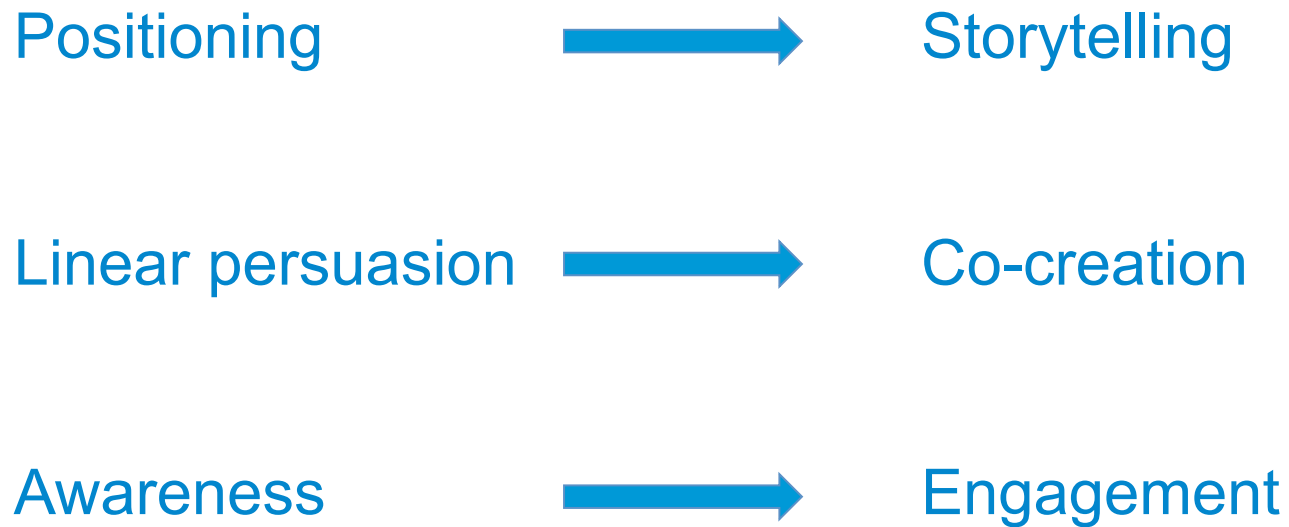
Big Data in traditional marketing management
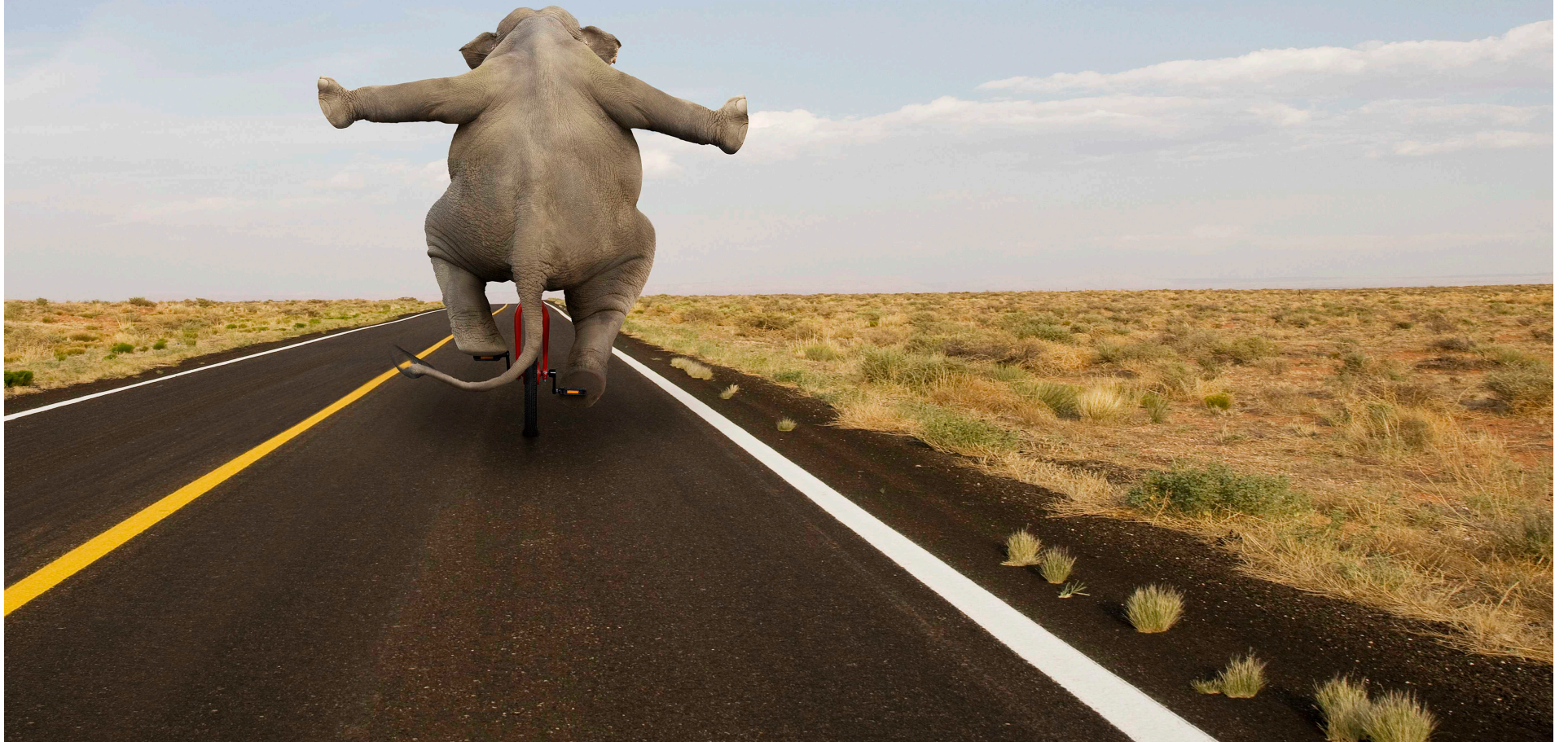
The old model is broken

"What we have seen in sector after sector is that this funnel behavior is not what is going on."
McKinsey
Nov 17, 2011

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Reinvent marketing

Positioning ➡️ Storytelling

Linear persuasion ➡️ Co-creation

Awareness ➡️ Engagement

Success stories

"Brand Journalism"

"Liquid and Linked"

The future of marketing in age of Big Data

Reinvent underlying model of how marketing works
- Storytelling approaches such as Brand Journalism, Liquid & Linked, Narrative Branding
- Co-creating with customers

Reorganize for the new reality
- Redefine role of marketing within corporation
- Encourage information sharing across departments

Rethink the metrics
- Engagement not awareness

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Download the full report at www.nyama.org

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