ALLOCADIA 2017 MARKETING PERFORMANCE MANAGEMENT MATURITY STUDY

ORIGINAL RESEARCH BENCHMARKING HOW COMPANIES RUN THE BUSINESS OF MARKETING

ALLOCADIA

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OVERVIEW

The marketer's place in today's world can be overwhelming — there are more channels, more technologies, more data, and higher customer expectations than ever before. Marketers have a constant need to understand what is working, what is not, and how their actions are driving business impact.

So, what is at stake?

The answer: *A "seat" at the executive table.*

And what does this mean?

Marketing must now look at their organization more like a business and no longer a function. In short, they must make every dollar count to maximize their team's performance and prove their impact.

Marketing leaders that succeed at this enjoy added power, confidence and the trust of the entire company. Those who fall short will be delegated to the second row: taking orders and executing, rather than strategizing and leading.

This theory is proven with data from Allocadia's 2017 Marketing Performance Maturity Benchmark Survey, which reports that 55% of the most mature and successful companies expect revenue growth exceeding 10% year-over-year, whereas only 30% of the least mature companies expect the same growth.

While developing Allocadia's Marketing Performance Maturity Model, we interviewed many successful marketers from a variety of industries and company types. This report shines a spotlight on some of the reasons why these marketers are thriving.

We found a number of critical success factors. The best-performing marketers tend to focus on core operational data; investments, returns, and strategic views of data like ROI. They are integrating technologies globally, meticulously cleaning data sources, and providing measurement that prove their value to the business and its goals.

In short, these successful marketing organizations are embracing Marketing Performance Management (MPM) and continue to mature and optimize their department's marketing performance.

This benchmark report and the accompanying Maturity Model Report and Assessment Survey are meant to help marketers identify the gaps within their approach to Marketing Performance, what areas they should focus on improving next, and which resources are needed to take those next steps.

To get the maximum value from this report, please read the "How to use the Benchmarks" sidebar on page 4 and read the accompanying report: The Essential Framework for Optimizing Marketing Performance.

WHAT IS MARKETING PERFORMANCE?

THIS REPORT'S intention is to help organizations improve and ultimately optimize their Marketing Performance. But there are competing or incorrect definitions of Marketing Performance. Without this clarity, performance becomes a moving target. Allocadia's definition is below:

"Marketing Performance is marketing's results or output compared against its set of objectives."

This is an intentionally simple definition. Marketers must set goals for themselves, and then determine where their outputs fall against those goals. With this in mind, most marketers would say they are already measuring and managing Marketing Performance – and they would be correct (sort of).

It is up to marketing leadership to drive the discussion at the executive level and within their own teams, and set the criteria for Marketing Performance. However, they often fail to understand the layers and inputs that go into optimizing their team's performance. Instead, they defer to shortcuts or allow other executives within their organization to define success. This common scenario not only leads to an underperforming marketing organization, it puts the marketer at risk to lose budget, resources, or internal authority, making it more difficult to meet the demands of the role.

There is a massive opportunity for those organizations that cognizantly take on Marketing Performance as more than just arbitrary measurements. To be successful Marketers should understand Marketing Performance has two main drivers:

- **MARKETING EXECUTION**

  Marketing Execution includes all market-facing activities; ranging from overarching global campaigns to individual field events. Execution is the muscle behind everything the marketing organization does.

- **MARKETING PERFORMANCE**

  Management (or MPM) is what goes on behind the scenes. This includes planning & budgeting, operating technology and processes, the evaluation of results, and output of insights. MPM should be looked at as the strategic arm, guiding the organization towards success.

This report is a data-driven study backed by a survey that was conducted with a professional research organization, ResearchScape. The goal is for marketers to be able to tangibly measure their organization's progress and compare against their industry and peers. There is also qualitative backed research, which is intended to be directional; also providing guidance on how marketers can improve their organization. The hope is each of these inputs will give marketers a path forward to optimize their Marketing Performance.

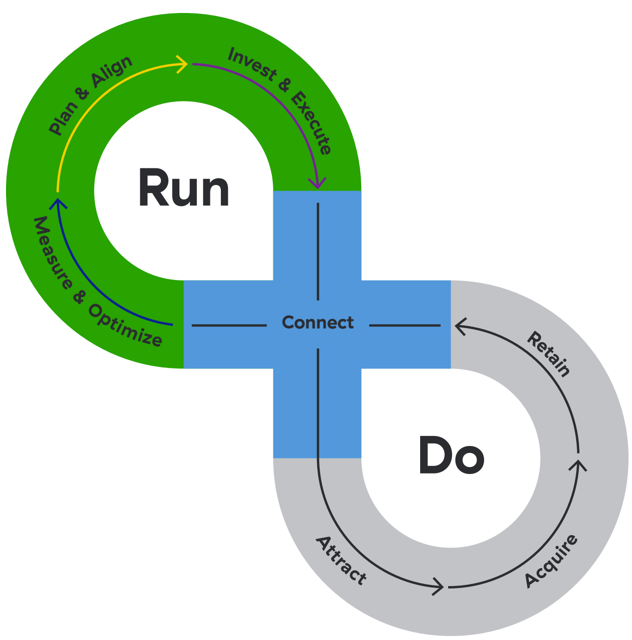


FIGURE 1

HOW TO USE THIS REPORT

Here are the suggested steps for marketers who want to utilize this data and report to the fullest extent:

1. Read The Essential Framework for Optimizing Marketing Performance, Allocadia's initial report that built the Maturity Model this data aligns with. It contains details on each maturity stage and each dimension, which also can be found in Figure 2. This will provide context around the path to optimizing Marketing Performance and what Marketing Performance Management is.

2. Complete Allocadia's Marketing Performance Benchmark Assessment and take a screenshot of the final output with your scores.

3. Compare your results to the results of similar companies in the Benchmark Table Section (starting on page 21)

FIGURE 2

	STATIC	TRANSITIONAL	PROGRESSIVE	PROACTIVE	OPTIMIZED
EXECUTIVE VISION	Marketing leadership does not have the time, is not empowered, or is unaware of the need to champion marketing performance.	The CMO has set their vision for marketing performance and is socializing it inside and outside of marketing.	Executive vision spans beyond marketing centric. Aligns to corporate objectives and looks at a 3 – 5 year horizon.	Focus has moved past vision, alignment, and evangelism to maximizing marketing's contributions and fully enabling the department's success.	Marketing is a top functioning department. The CMO is a corporate leader and focuses majority of energy on beating market expectations.
ORGANIZATIONAL TALENT	There is a lack of data, technology, and analysis skills within marketing.	Marketing is aware of the talent deficit. The desired types of skills have been identified and top marketers are being elevated.	Target marketer "profiles" have been identified and documented. The creation of training and recruiting processes have begun.	Formal training and recruiting has been put in place. Almost all marketers have strong data, technology, and/or analysis skills.	Externally recognized as a best in class marketing organization. Programs are in place to keep talent level elite.
ALIGNMENT	Marketing's collaboration with finance and sales is practically non-existent.	Departments have publicly acknowledged a gap. Discussions around better processes and alignment are occurring. Joint execution has not begun.	A joint project is in flight to connect data from marketing investment, sales results, and marketing results. Groups meet on a regular basis.	A "golden handshake" around pipeline delivered exists between marketing, sales, and finance. The groups often collaborate with an end goal of driving revenue.	Finance is a trusted strategic partner to marketing and sales. Departments are aligned on market expectations and work to create predictable expenses and revenue.
DATA VISIBILITY	No agreed upon approach. Metrics that exist are tactical and "activity based" (e.g. clicks, press release hits).	Core marketing metrics have been defined and marketing is working towards gaining full visibility into past performance.	KPIs have been mapped to corporate objectives. Multiple layers of measurements are defined. Benchmark targets have been set.	All measurements lead to marketing contribution. Measurements have shifted from past static results to insight based and future looking.	"Intelligent" insights or prescriptive analytics exist, providing marketers with recommended next best actions depending on the desired goal(s).
DATA CLEANLINESS	Data is silo'd across the organization and impossible to get to. Even different marketing functions have disparate data and data formats.	Data format and database design has begun. There is an understanding of where data exists and what data needs to be cleaned.	Core data (investments and results) have been normalized/cleaned. Efforts have begun to build a single data warehouse.	Marketing data is accounted for in a single data warehouse and in a consistent format. Advanced data modeling has begun.	One view of the truth exists across marketing, sales and finance. Advanced data modeling exists at every level of the marketing organization.
TECHNOLOGY ADOPTION	Excel, PowerPoint, Outlook and SFDC dashboards are the main technologies used for performance. At times, even the above tools are lacking.	Technologies exist, but are underutilized and inconsistent across the organization. Excel and PowerPoint are still prevalent.	Core technologies such as CRM, MAP, MPM are linked. Some silo'd marketing technologies still exist and Excel is still used.	Technologies are best in class, automated, self-service and flexible for the end user. A technology future roadmap exists.	MPM stack is clearly mapped. There is documentation of how the technologies work together and how they produce recommended next best actions.

4 TRAITS OF LEADERS IN MARKETING PERFORMANCE MANAGEMENT

KEY FINDINGS: HOW THE BEST COMPANIES MANAGE MARKETING PERFORMANCE

HOW DO we improve? What are the best and most mature companies doing? What should I focus on next?

These are questions marketers ask themselves, and each other every day.

Defining success: Within this report, a successful marketing organization is defined by those that are expecting budget increases while their company is expecting higher revenue growth. Both of these questions were asked in the survey. From this information combined with the 30 survey questions, we are able to understand what the most successful marketing organizations are doing that others are not. The answers provided are clues for the rest of the industry to determine which competencies to focus on and what to put time and money towards.

Refering to the 6 dimensions of Marketing Performance Maturity in Figure 2:

1. **EXECUTIVE VISION**
2. **ORGANIZATIONAL TALENT**
3. **ALIGNMENT**
4. **DATA VISIBILITY**
5. **DATA CLEANLINESS**
6. **TECHNOLOGY ADOPTION**

Each is integral to the success of a marketing organization. However, after analyzing the data from the survey and speaking with dozens of marketers, four key categories stood out as areas of focus for the most successful organizations:

1. **VISIBILITY AND REPORTING OF DATA**
2. **TECHNOLOGY ADOPTION & INTEGRATION**
3. **DATA CLEANLINESS**
4. **FINANCE & MARKETING ALIGNMENT**

Companies who excel in each of these 4 areas, are expecting budget increases, significant revenue growth, and are highly confident in their return on marketing investment.

▶ TRAIT 1: VISIBILITY AND REPORTING OF DATA

STRONG VISIBILITY and reporting of data is critical for global marketing organizations. Consistent and targeted measurements are how the CMO and marketing leadership communicate their intentions to the rest of the department. These are also the mechanisms used to report back success (or failure) to their superiors.

All companies understand the importance of Executive Vision.

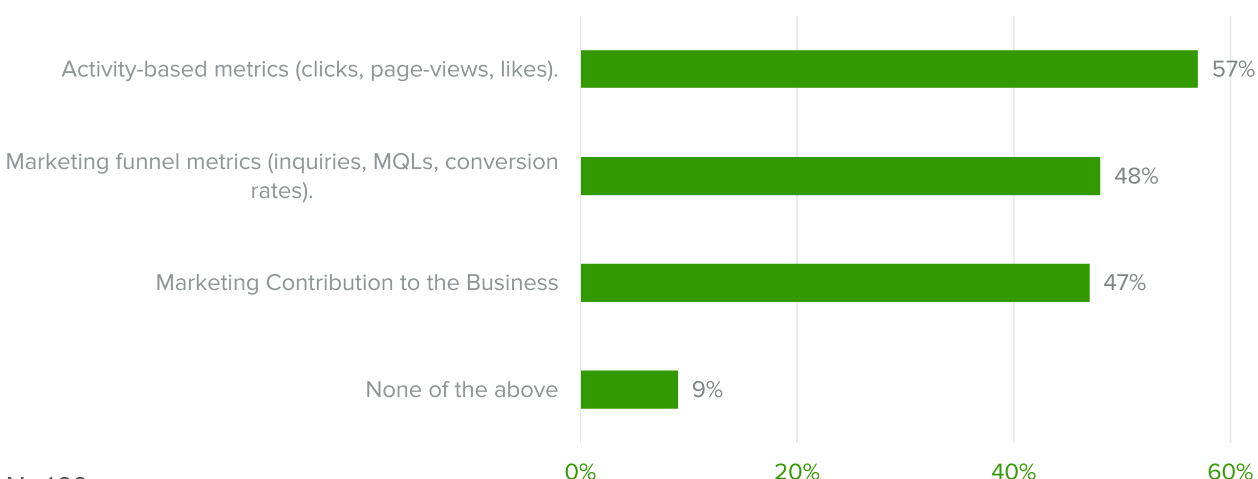
For marketing organizations, Executive Vision is the initial step in creating meaningful metrics. It sets the path for what the department is trying to accomplish and what needs to be accomplished. However, the data from this survey showed that the most successful marketing departments are not separating themselves in this area — leading us to believe most organizations, regardless of maturity, are on the right path. Though setting a strong Executive Vision is a ubiquitous trait among those in our study, more successful marketing organizations are setting themselves apart in regards to the visibility and reporting of data.

Most organizations struggle with visibility, and are dependent on Excel.

The industry as a whole is not particularly advanced in this category. Only 50% of organizations report having full visibility, or better, into basic marketing metrics and 57% of marketer organizations still report activity-based metrics to their CMO (see Figure 3). The technologies and tools marketers are using are even more telling: 80% of organizations are still

FIGURE 3

What KPIs and/or metrics are reported to the CMO (or Top Marketer)?



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using Excel in some form to measure their performance and 47% are not using any purpose-built technology at all. There is work to be done.

High-growth companies can prove Marketing's contribution to the business.

While there are few companies that are truly advanced around visibility and reporting of data, there is still a clear delineation between those companies that are expecting revenue growth versus those who are not. Companies expecting more than 25% revenue growth are 2X as likely to have CMO-level reports showing marketing contribution to the business as those companies expecting flat to negative growth. (see Figure 4)

Leaders in MPM ensure Marketing is in lock-step with company objectives.

Adding to this point, 83% of companies that expect 25%+ growth report that marketing performance goals "often or always" align with their company's objectives. Conversely, only 50% of those that expect flat or negative, report the same. And finally, 65% of the companies expecting 25%+ revenue growth report that Marketing's KPIs correlate directly to contribution to the business, whereas only 33% of companies with flat to negative growth report the same (see Figure 5).

FIGURE 4

What KPIs and/or metrics are reported to the CMO (or Top Marketer)?

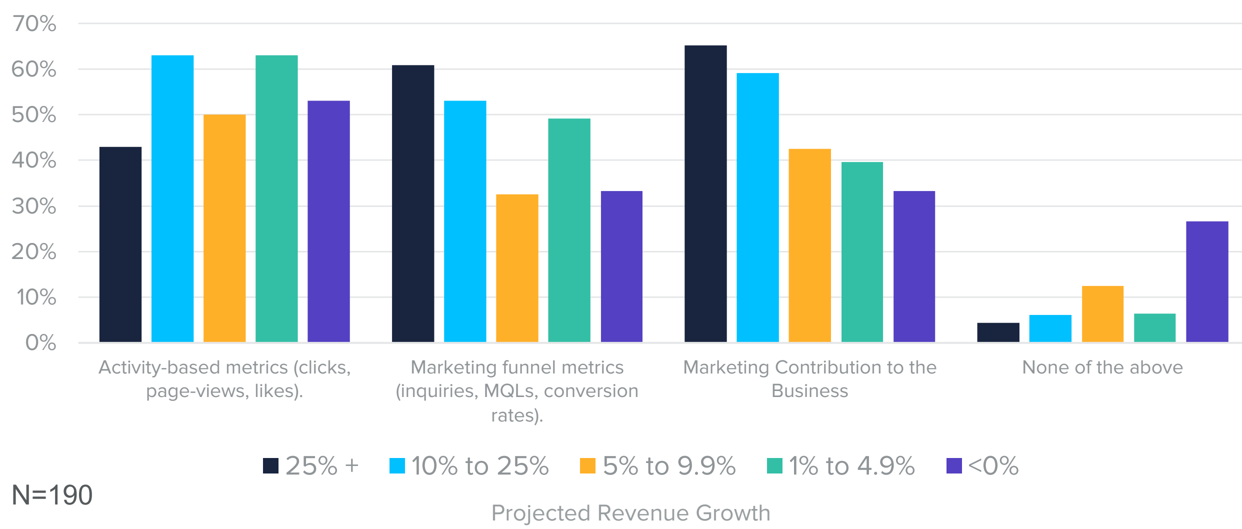

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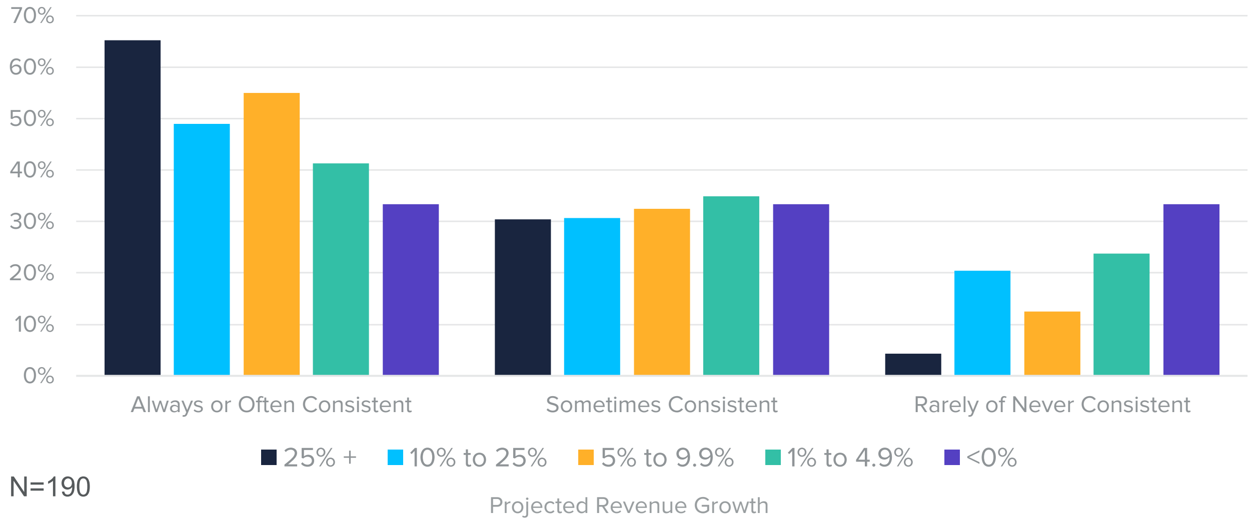
FIGURE 5

Marketing KPIs correlate directly to Marketing's contribution to the business:



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Strong MPM is impossible without a common definition and approach to measurement.

An organization's approach to marketing measurement can be just as important as the actual measurements themselves. When surveyed on this topic, 80% of organizations expecting flat to negative growth report they either have no agreed-upon approach or are only capable of baseline measurements; whereas only 39% of the organizations showing 25%+ growth report the same. Lastly, only 5% of the Static and Transitional stage organizations report the ability to track results beyond a baselines approach.

The most successful companies are focused on the visibility and reporting of data. Whether it is the specific metrics they are reporting or how they approach measurement holistically, the data show this to be true.

ACTIONS TO TAKE AROUND VISIBILITY AND REPORTING OF DATA

1. Think about different layers of measurement. CMOs do not need reports on clicks, page views and likes; those are more appropriate for specialists or field marketers.
2. Always work to roll metrics up to align with company objectives and/or marketing contribution to the business. Important: this does not mean that all metrics need to align directly with contribution to the business, but there should be a framework or path that allows every measurement to show how it is affecting the business. For example, a PR push that is part of a larger global campaign may also increase market share.
3. Work to create a consistent and fully accepted approach to measurement. At global organizations, this can mean similar or even identical KPIs across the entire company, measurement structures, and planning processes. At smaller companies, that means staying consistent in the approach throughout each quarter (and hopefully longer).

TRAIT 2: TECHNOLOGY ADOPTION AND INTEGRATION

MARKETING TECHNOLOGY has boomed in the last 10 - 15 years. Led by Marketing Automation and CRM, there almost 4,000 marketing technologies available. For marketers, these technologies range from revolutionary, to helpful, to overwhelming, to disappointing.

This range of "usefulness" speaks to the fact that within marketing organizations, technology is seldom the means to success, but rather the enabler for improvement — and ultimately, improved performance.

The idea that technology can help improve Marketing Performance is validated by the results of this survey. The data clearly shows that organizations who expect budget and revenue increases have a much stronger approach to their overall marketing technology stack and tech strategy.

The reliance on manual processes still greatly outweighs more advanced solutions.

For planning, investment management, and measurement — the core parts of MPM — marketing organizations rely heavily on Excel. As shown in figures 6 and 7, 82% of marketing departments use Excel as a technology for overall Marketing Performance Management and 79% use Excel in some fashion around planning activities. The maturity of technologies used for Marketing Performance Measurement and Planning is an indicator of success. 80% of companies expecting flat to negative revenue growth report they use tools like Excel, PowerPoint and CRM that weren't meant for planning and budgeting, or do not use any tools at all.

On the other end of the spectrum, only 12% of organizations are using attribution, which is the assigning of value to touchpoints that previously contributed to revenue or pipeline from a closed sale. Attribution is a more advanced part of MPM, but still only one portion of the entire process. This juxtaposition highlights that for the majority of the marketing industry, manual processes still greatly outweigh more advanced point solutions.

This, however, is not an excuse to keep with the status quo. Across the spectrum, companies that expect revenue increases show a tendency to use more advanced technology, specifically, attribution, Marketing Performance Management software and even Automation and CRM.

FIGURE 6

Which Tools does your company use for budgeting & planning?

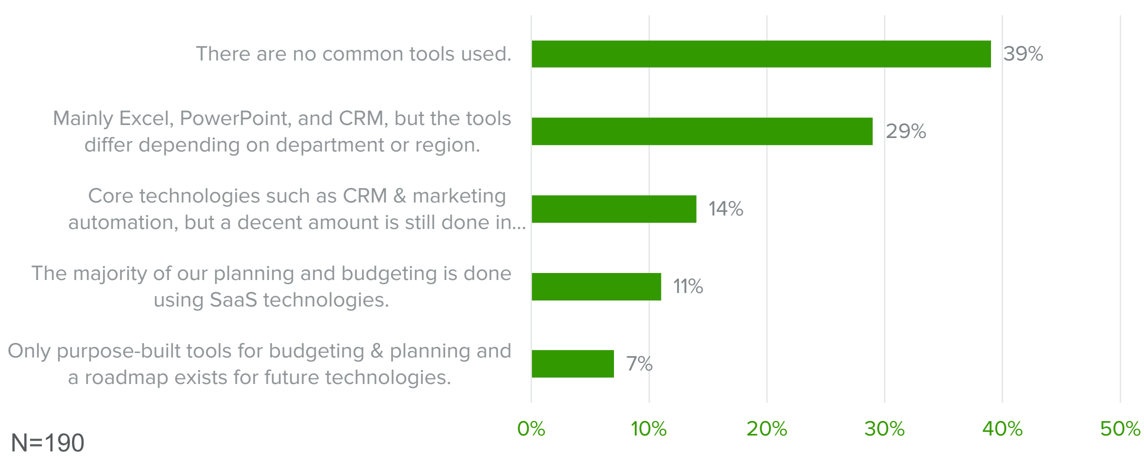
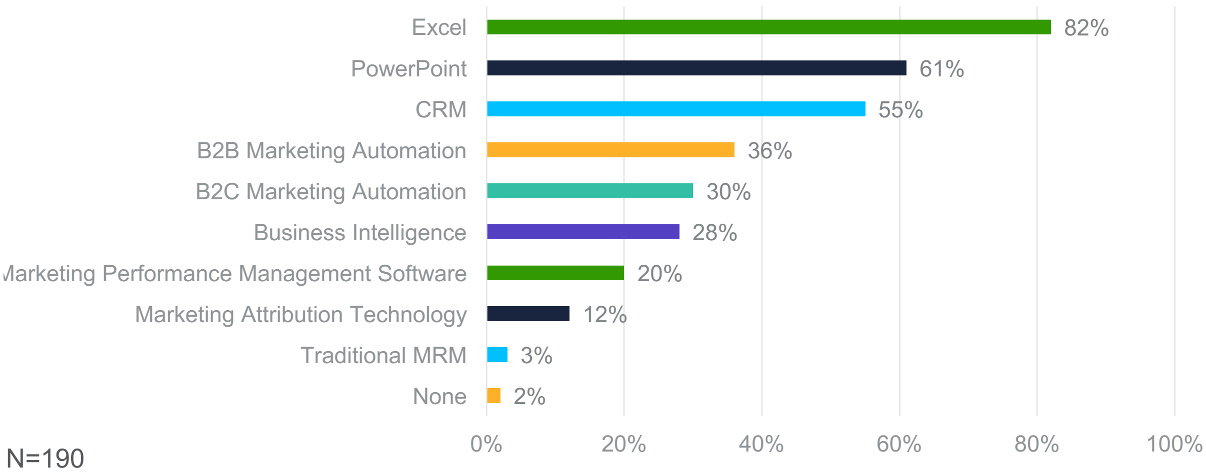


FIGURE 7

Which technologies do you use for marketing performance management?



Integration of marketing data across technologies drive growth

These results also highlight the importance of consistency in using technology to sync data and connect technologies across the marketing organization. Figure 8 shows that 57% of companies expecting 25%+ revenue growth have consistent technology integrations, such as syncing their marketing automation and CRM systems. Only 13% of companies expecting flat or negative revenue growth report the same.

There is also a clear trend between companies who expect revenue to increase at greater amounts and their entire marketing organization, all geographies and business units, using the same technologies. This is highlighted in Figure 9. 74% of companies who expect budget increases of 25%+ report their use of marketing technology across the organizations to be always or often consistent. 27% of those companies expecting flat to negative budget report inconsistency in their marketing technology and only 33% report having high consistency (see Figure 9).

FIGURE 8

Marketing Performance technologies across the organization are consistently integrated together:

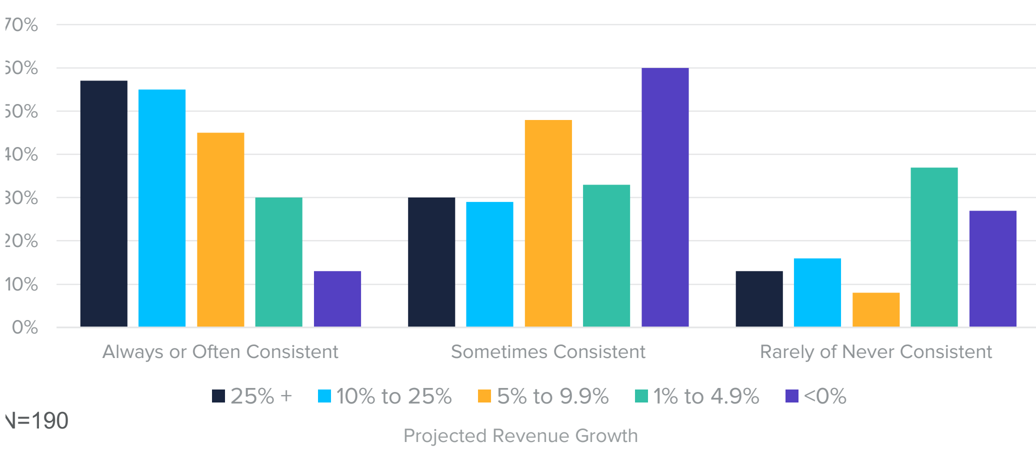
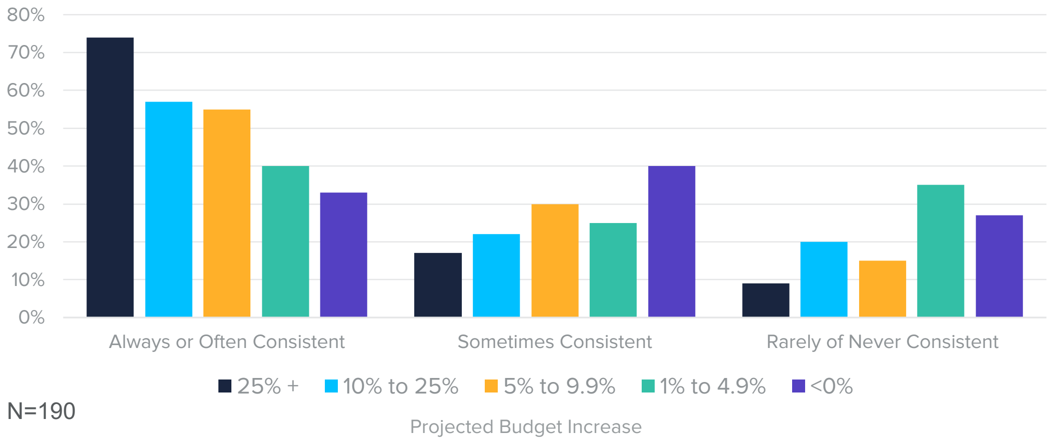


FIGURE 9

A consistent set of Marketing technologies exist across the organization:



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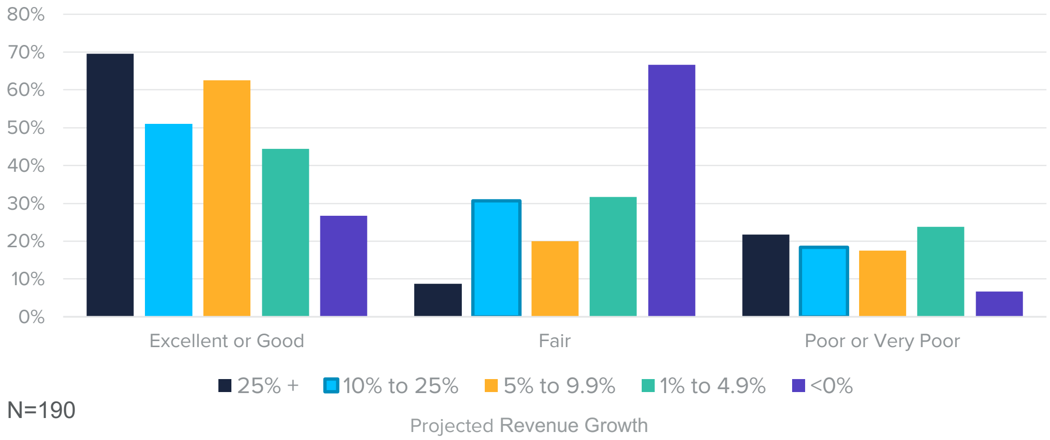
Companies who succeed have a well-defined marketing technology roadmap.

In addition to consistency within marketing technologies, a defined marketing technology of roadmap is an indicator of successful organizations. Specifically, in Figure 10, when looking at defined marketing technology roadmaps, 70% of companies that expect revenue increases stated they have good or excellent clarity of their roadmap, versus 27% of those with flat to negative revenue growth expectations.

FIGURE 10

The level of clarity of an organization-wide marketing-technology roadmap is:



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ACTIONS TO TAKE AROUND TECHNOLOGY ADOPTION AND INTEGRATION

1. Audit your current technologies. For marketers at large organizations: identify which similar technologies exist across the the entire department, determine whether you can consolidate. For marketers at smaller companies: cut technologies that may not be valuable or used, these can be a distraction and a waste of money.

2. Focus on integrating technologies. It is clear that the most successful marketing organizations do this and do this well. An integrated tech stack leads to better data quality (which is highlighted in the next section of this report) and helps to create a better customer experience.

3. Build an agreed-upon tech roadmap. There are two reasons for this. First, it provides clarity for the entire marketing organization on where the priorities are around technology, and what the timeline is to execute. Second, the data shows that the most successful companies are using more advanced technologies like Marketing Performance Management and attribution. Creating a path to get there is important.

TRAIT 3: DATA CLEANLINESS

DURING INITIAL interviews with marketers for the report The Essential Framework for Optimizing Marketing Performance, it became clear that data cleanliness acts as an integral cog within a well functioning marketing organization. While strong capabilities in Executive Vision are important to setting a target for the entire department, and clear Measurements and Visibility into data is necessary to communicate priorities and results, none of this can be done successfully without quality data.

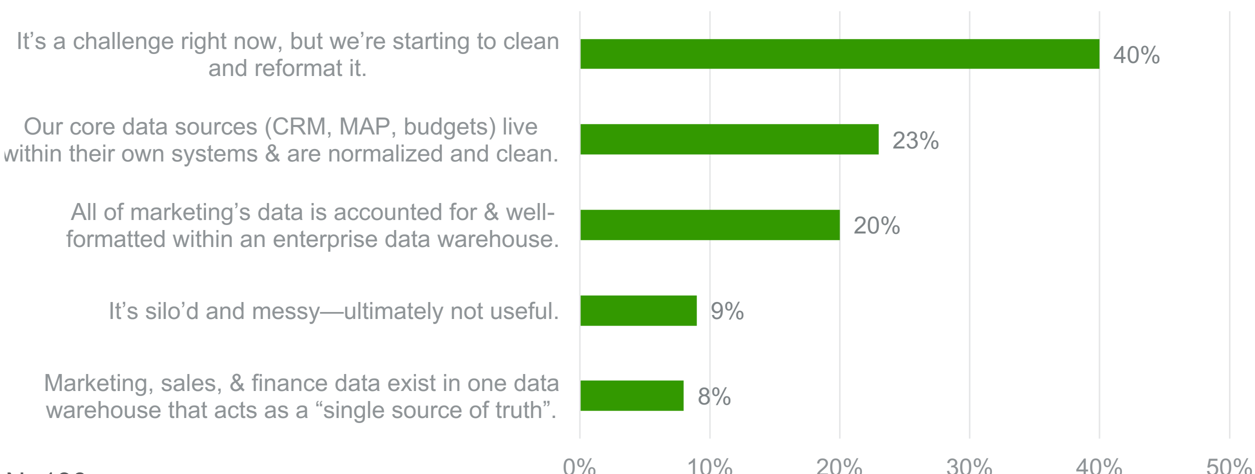
Technology is part of the vehicle needed to create clean sources of data, but it takes more than just buying a new tool to solve a data problem. People and processes need to be involved, as does an idea or goal of what is to be done with the data once it is in the desired format.

Data quality is a major challenge among organizations.

However, the results from this survey tell a story that very few organizations do have their data in control. Only 8% of organizations can confidently say they keep marketing, sales and finance data in one data warehouse that acts as a "single source of truth." Figure 11 shows that only 29% of marketing organizations have data such as MAP and CRM information in a single BI tool, warehouse, or data lake. Conversely, almost 50% of organizations report not having control of their data.

FIGURE 11

How would you rate the overall state of your company's Marketing and Sales data?



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Poor data quality limits reporting and understanding.

To further the case that data cleanliness is a major issue, Figure 12 shows that more than 42% of companies report that they can only run baseline reports on past Marketing Performance, and 13% report they don't even know where all their data lives and can't run any reports.

With that in mind, looking further into the survey data, it is clear that more mature and successful organizations do have a better control over their data. Companies expecting revenue increases are 2-2.5X more likely than underperforming organizations to have marketing and sales data that is always or often consistent (see Figure 13).

FIGURE 12

How is your Marketing organization leveraging its data?

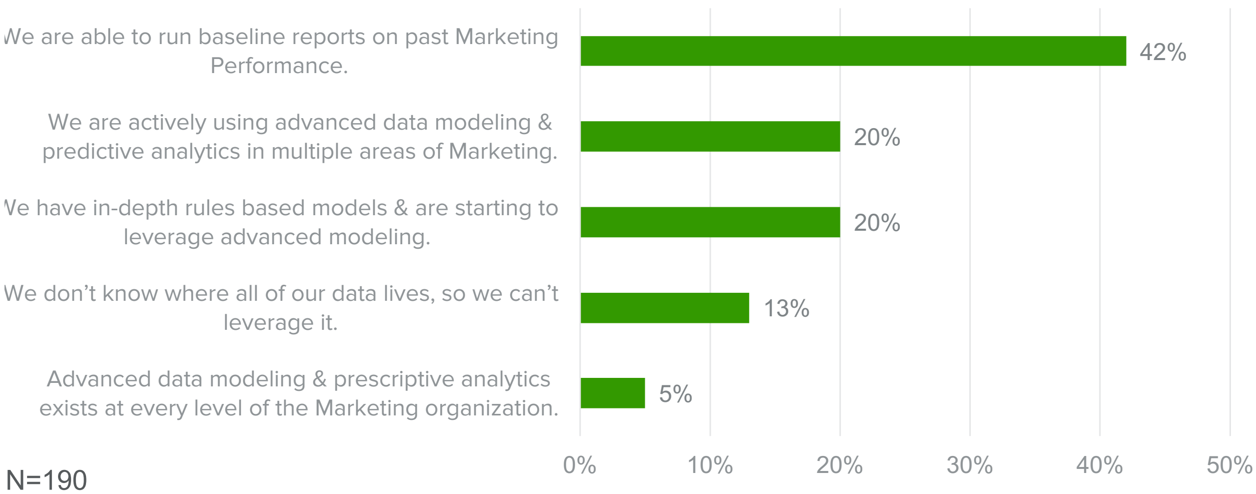

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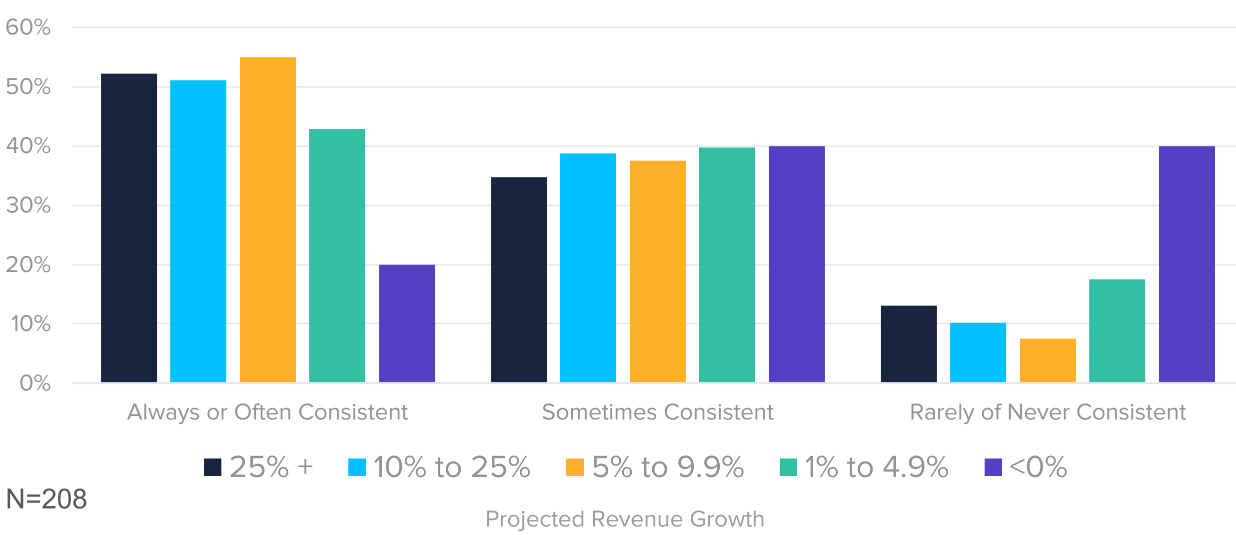
FIGURE 13

Marketing and Sales Data are Consistent Across Both Organizations:



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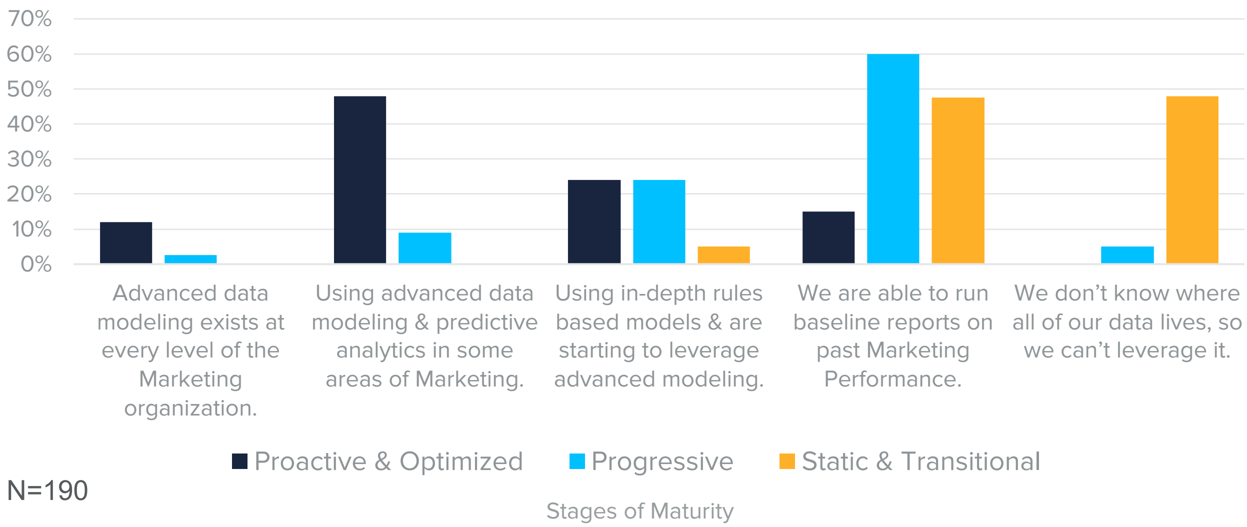
High-performing organizations lead the pack in data cleanliness

Data cleanliness is clearly an area that the most mature organizations are further advanced in and less mature organizations greatly struggle with. When asked about the state of their marketing data, 93% of Static and Transitional (the least mature) organizations report their data is either not useful or they have just begun cleaning and reformatting it and 33% of those report their data is not useful at all. Along with that, 0% of the same organizations have advanced data formatting or or singular warehouse or data lake. In contrast, 100% of companies within the Proactive and Optimized stages (the most mature) report they are able to see some value from their data.

Similarly, when it comes to putting data to work, 95% of stage Static and Transitional (the least mature) organizations report that the best they can do with their data is run baseline reports. 47% of those say they can't leverage this data at all (see Figure 14). Adding to this, 0% of these same organizations are using predictive analytics or advanced data modeling, exasperating the level of maturity. Alternatively, Proactive and Optimized (the most mature) organizations are not particularly advanced in this area either, but are making progress. The takeaway here is that all companies have work to be done around data cleanliness to allow for better reporting and visibility.

FIGURE 14

How is your Marketing organization leveraging its data?



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ACTIONS YOU CAN TAKE AROUND DATA CLEANLINESS

1. Gain consensus internally that without moderately clean data you cannot achieve advanced marketing performance. Work to understand the state of your data, where it lives, and what steps can be taken immediately to format and clean it.

2. Work with sales and finance to assure marketing's data is aligned and matches their view of the world. The marketing/finance/sales trio is the keeper of the revenue side of the business and if the data differs or if there are differing opinions, that will slow everyone down greatly.

3. Have an idea around what you want to do with the data. Clean data is only the first step. Without a strategy for how it will be leveraged, this asset may not turn out to be useful after all. This why Executive Vision, Measurement & Visibility, and Technology are all inputs into a data cleaning strategy.

TRAIT 4: MARKETING & FINANCE ALIGNMENT

FOR YEARS, the marketing industry has talked about the importance of the relationship between Marketing and Sales. This relationship is important. However, the Finance and Marketing alliance is just as important as CMOs command more responsibility within their organizations. Finance holds the purse strings: any budget increase, major budget change, or overall investment strategy must go through finance. In addition, the CFO continues to take on a much more strategic role in the organization as a whole and thus is more influential. If the CFO sees marketing as a strategic lever, Marketing will have more power, more flexibility, and a stronger voice. If the CFO sees marketing as a cost center, expect to be fighting against budget cuts rather than for budget increases.

The results from this survey underscore the importance of this alliance. There were no discernable trends around marketing and sales alignment, whether it be expected revenue growth, budget changes, or even maturity of the marketing department. It seems marketing has a "good enough" focus on this relationship or at least is plenty aware of the need. However, the data on Marketing's relationship with Finance shows that the more successful organizations are indeed stronger in this area.

The Marketing and Finance alignment problem is real.

At a macro level Figure 15 shows that only 14% of Marketing organizations see Finance as a trusted strategic partner and 28% either have no relationship with finance or speak only when forced to. This highlights the marketing and finance alignment problem across the industry.

FIGURE 15

How would you describe Marketing's relationship with Finance?

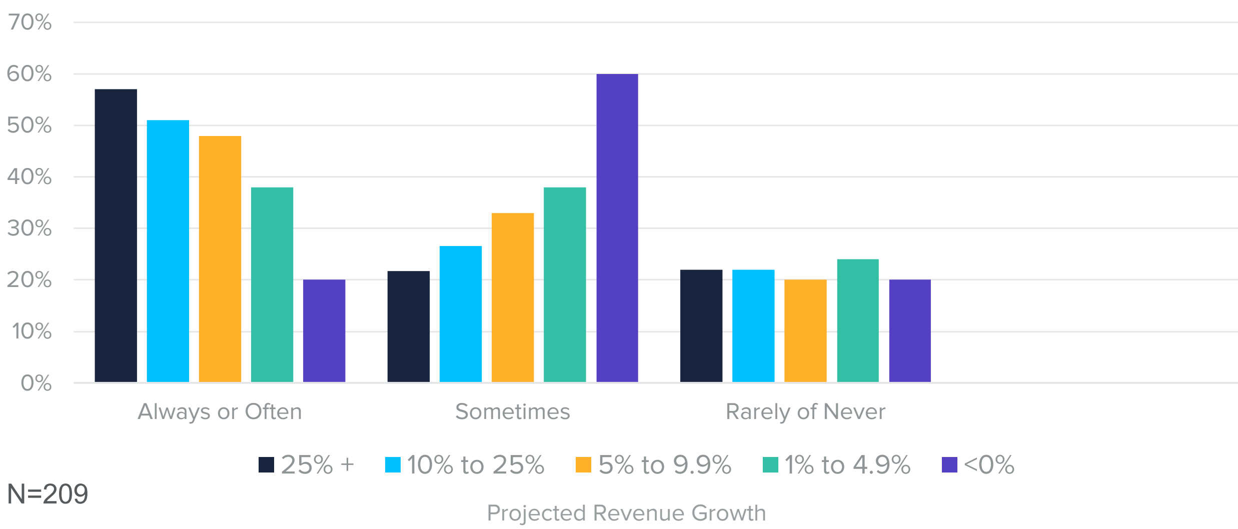
N=196

Leading Marketing organizations align with Finance

Looking deeper into the data of this survey, 57% of organizations that are expecting 25%+ revenue growth report that Marketing and Finance often or always work well together on investment tracking and measurements. In comparison, only 20% of companies expecting flat or negative growth report the same. Looking closely at Figure 16, the data also shows a strong correlation between revenue growth and alignment between Marketing and Finance.

FIGURE 16

Marketing and Finance work well together on investment tracking and investment measurements:



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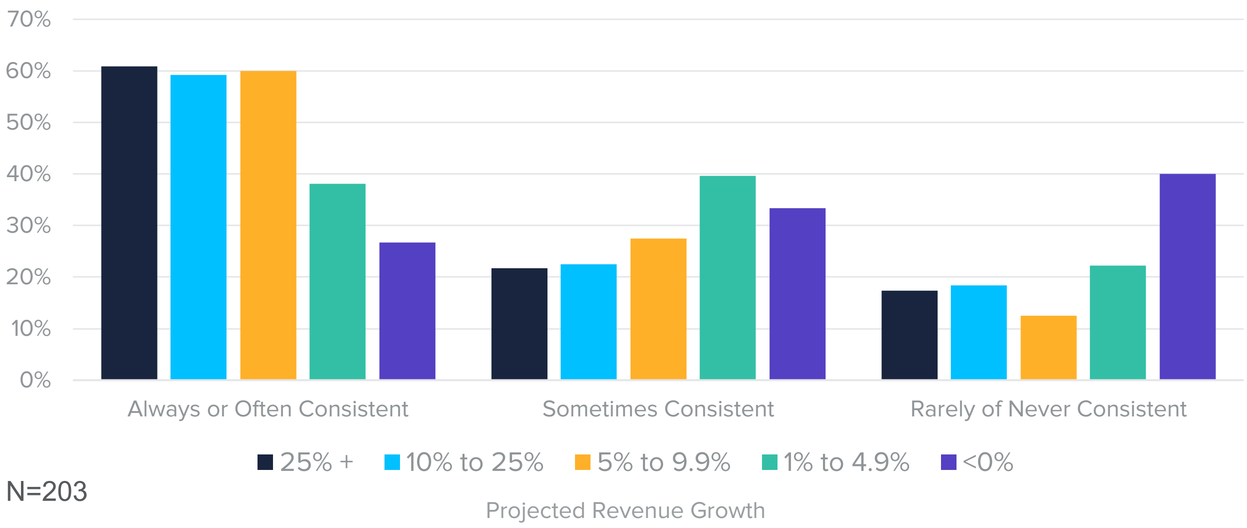
Alignment on processes and approaches is also important between Marketing and Finance. Marketing organizations that expect larger revenue growth report significantly better alignment. Figure 17 tells this story as 61% of companies expecting 25%+ growth report consistent (often or always) alignment with finance on the measurement of budgets and returns. Those expecting flat to negative growth report the same only 27% of the time. Furthering this point, 40% of companies experiencing flat to negative growth say they are rarely or not at all consistent with finance in their reporting. Only 17% of those companies expecting 25%+ revenue growth report poor consistency.

Lastly, well over 50% of organizations expecting revenue increases of 10% or more state they have strong relationships with finance. Only 27% of those that are expecting flat to negative revenue growth report the same. The key with all of this data is not to forget Finance. The most successful marketing departments forge a strong partnership here to maximize their resources and demonstrate their continued impact.

FIGURE 17

Marketing and Finance's measurement of budgets and returns are aligned and consistent:



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ACTIONS TO TAKE TO IMPROVE ALIGNMENT BETWEEN MARKETING AND FINANCE

1. The Marketing/Finance relationship is just as important as the one with Sales. If you don't have a strong relationship with a finance counterpart, make this a priority today. Whether that be the CFO, the head of FP&A, or one of their lieutenants, find someone. They will help you with everything related to investments and results.

2. Bring Finance into your planning and budgeting process. This may seem counterintuitive at times, but Finance values predictability over anything else. If they understand how much and where Marketing is going to spend, they will be more comfortable. If they start to gain trust in your projections, they will give you the opportunity to test and try much more.

3. Discuss with Finance Marketing's measurement practices and how Marketing Performance will be judged. Again, Finance likes predictability, so setting expectations of what success looks like and then update as progress is made, or as changes happen. This will provide Finance with an important view. Once trust is gained, they will look at Marketing as a strategic partner rather than a cost center.

BENCHMARKING MARKETING PERFORMANCE MATURITY

WITHIN THIS section you will find multiple tables that will help identify where peer companies are in their path towards optimizing Marketing Performance. To properly benchmark your organization, first complete Allocadia's Marketing Performance Benchmark Assessment and take a screenshot of the final output with your scores so you can compare against the tables below.

DEMOGRAPHICS

Overall this survey represents a wide range of marketing organizations. 30% of participating companies have revenues over $1 Billion and 48.6% of participants have revenue over $200 Million. Additionally, there are almost equal numbers of participants that are B2B, B2C and serve both B2B & B2C markets. And lastly, there are 13 different industries represented, including "Other"; with Tech, Finance, and Non-Profit & Education as the largest buckets, none higher than 17% of the dataset.

FIGURE 18

PARTICIPANT DEMOGRAPHICS: REVENUE

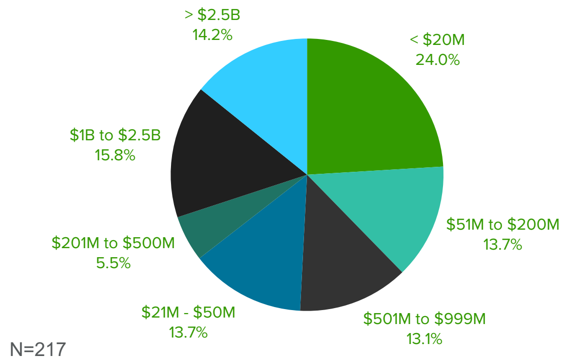


FIGURE 19

PARTICIPANT DEMOGRAPHICS: CHANNEL

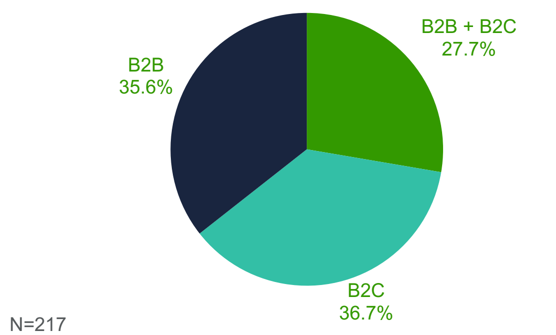
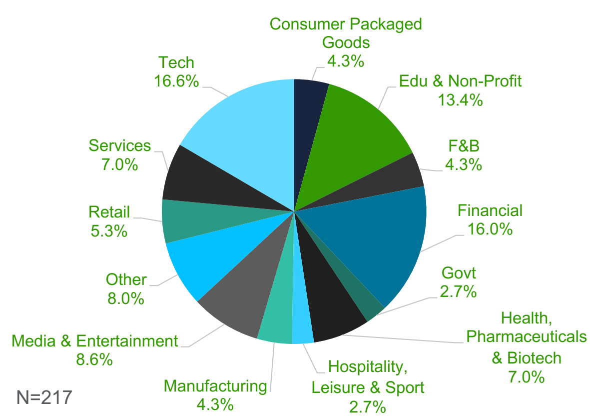


FIGURE 20

PARTICIPANT DEMOGRAPHICS: INDUSTRY



CHANNEL

Looking at the channels each company services, Table 1 shows that B2B companies are less mature than those who are either just B2C or serve both B2B and B2C markets. While all cohorts are directly in the Progressive stage, B2B companies on average are more than a full point below B2C companies. This is driven primarily by gaps within the Talent, Alignment, Visibility and Data Cleanliness dimensions.

This is not surprising as it is widely reported that B2C companies are further ahead when it comes to data and digital. With a more linear sales cycle when selling direct, B2C companies have less complexity than B2B. For B2B companies, managing different systems and handoff between marketing and sales adds an additional level of difficulty around MPM.

TABLE 1

SEGMENT: CHANNEL

Channel	N=	Executive Vision	Talent	Alignment	Visibility	Data Cleanliness	Technology Adoption	Total Stage Score
B2B & B2C	50	3.3	3.1	3.4	3.3	3.2	3.1	19.4
B2C	66	3.2	3.0	3.5	3.2	3.3	3.1	19.3
B2b	63	3.1	2.7	3.3	3.0	3.0	3.0	18.1

REVENUE

Consistently within the revenue segments the largest companies, $2.5B+ revenue, and the smallest, less than $50M revenue, are less mature. The one segment that does not follow this trend is B2C where companies with $1B - $2.5B are actually the most mature within all of the revenue cohorts. (Tables 2, 3, 4 & 5)

The reason for this advanced “hot spot” between $50M revenue and $1B revenue is because the smallest companies are often so focused on growth that they have not yet started to put processes in place. The largest, while they desperately need and want processes and a strong Marketing Performance Management process, have legacy systems, processes and data that need to be addressed.

TABLE 2

SEGMENT: REVENUE

Revenue	N=	Executive Vision	Talent	Alignment	Visibility	Data Cleanliness	Technology Adoption	Total Stage Score
< $20M	44	3.2	2.7	3.4	3.0	3.2	3.0	18.4
$21M - $50M	25	3.2	2.9	3.3	3.1	3.2	3.2	18.9
$51M to $200M	25	3.2	2.9	3.6	3.3	3.2	3.3	19.5
$201M to $500M	10	3.4	3.1	3.6	3.7	3.7	3.4	20.8
$501M to $999M	24	3.3	3.2	3.6	3.4	3.3	3.3	20.0
$1B to $2.5B	29	3.3	3.0	3.4	3.1	3.1	3.0	19.0
> $2.5B	26	3.1	2.8	3.2	2.9	2.8	2.7	17.6

TABLE 3

SEGMENT: REVENUE & B2B

Revenue	N=	Executive Vision	Talent	Alignment	Visibility	Data Cleanliness	Technology Adoption	Total Stage Score
< $20M	14	2.9	2.2	3.1	2.8	2.9	2.9	16.8
$21M - $50M	9	3.1	2.7	3.1	3.2	3.1	3.2	18.5
$51M to $200M	10	3.1	2.8	3.4	3.1	2.9	3.2	18.5
$201M to $500M	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
$501M to $999M	7	3.3	3.3	3.7	3.5	3.2	3.6	20.5
$1B to $2.5B	10	2.8	2.4	3.0	2.7	2.8	2.6	16.3
> $2.5B	9	3.1	2.4	3.3	2.8	2.7	2.8	17.2

TABLE 4

SEGMENT: REVENUE & B2C

Revenue	N=	Executive Vision	Talent	Alignment	Visibility	Data Cleanliness	Technology Adoption	Total Stage Score
< $20M	21	3.3	2.9	3.6	3.2	3.4	2.9	19.3
$21M - $50M	9	3.2	2.9	3.5	2.9	3.3	3.4	19.0
$51M to $200M	8	3.1	2.6	3.8	3.1	3.3	3.2	19.0
$201M to $500M	4	3.2	2.9	3.5	3.6	3.5	3.2	19.8
$501M to $999M	9	3.0	3.0	3.3	3.1	3.2	3.0	18.6
$1B to $2.5B	9	3.6	3.7	3.7	3.8	3.6	3.5	21.9
> $2.5B	6	3.1	2.8	3.1	2.9	2.7	2.8	17.3

TABLE 5

SEGMENT: REVENUE & BOTH B2C + B2B

Revenue	N=	Executive Vision	Talent	Alignment	Visibility	Data Cleanliness	Technology Adoption	Total Stage Score
< $20M	7	3.2	3.0	3.3	3.0	3.1	3.3	18.9
$21M - $50M	5	2.9	2.8	3.2	2.8	2.8	2.9	17.4
$51M to $200M	7	3.4	3.5	3.6	3.7	3.6	3.6	21.4
$201M to $500M	3	3.2	3.0	3.5	4.1	3.9	3.5	21.2
$501M to $999M	8	3.5	3.2	3.8	3.6	3.7	3.3	21.1
$1B to $2.5B	9	3.4	3.2	3.4	3.0	3.0	3.1	19.1
> $2.5B	11	3.1	3.0	3.3	3.1	3.0	2.6	18.0

INDUSTRY

With 13 different industries represented the spread between least mature and most mature cohorts is almost 7 points. The Hospitality, Leisure and Sport industry has the highest score of 22.4, while the lowest is Food & Beverages at 15.7. The one discernable trend within this segment is that the three industries with the largest sample sizes land within 0.3 points of each other. This hints that revenue and channel are much more likely to project the maturity of a company than industry (see Table 6).

TABLE 6

SEGMENT: INDUSTRY

Industry	N=	Executive Vision	Talent	Alignment	Visibility	Data Cleanliness	Technology Adoption	Total Stage Score
Consumer Packaged Goods	8	3.2	2.7	3.6	3.1	3.1	2.8	18.5
Edu & Non-Profit	25	3.2	2.9	3.4	3.2	3.2	3.2	19.0
F&B	8	2.7	2.0	3.2	2.6	2.8	2.5	15.7
Financial	30	3.2	3.0	3.5	3.0	3.1	3.0	18.8
Govt	5	2.9	2.9	2.6	2.6	2.7	2.8	16.3
Health, Pharmaceuticals & Biotech	13	3.5	3.3	3.5	3.4	3.3	3.2	20.2
Hospitality, Leisure & Sport	5	3.5	3.7	3.8	3.8	3.9	3.7	22.4
Manufacturing	8	3.3	2.7	3.5	3.3	3.2	3.2	19.2
Media & Entertainment	16	2.9	2.6	3.4	2.8	3.1	2.9	17.7
Retail	10	3.1	3.4	3.6	3.4	3.3	3.3	20.1
Services	13	3.3	2.8	3.1	3.3	3.2	3.3	19.1
Tech	31	3.1	2.9	3.4	3.2	3.0	3.2	18.9
Other	15	3.4	3.0	3.4	3.2	3.5	3.1	19.5

WHY OPTIMIZING MARKETING PERFORMANCE MUST HAPPEN TODAY

THE NEW charter for CMOs today is to run their Marketing organizations like a business. Every marketing team has a significant opportunity to drive their company's success, but only if they are able to successfully plan, align resources, and prove the value of their investments.

Not only are CMO budgets on the rise, but the proliferation of data, digital and measurement capabilities have given CMOs more tools than ever before to drive impact. However, with this added monetary and technological power, comes a new burden; proving marketing's worth. Without the ability, and visibility, into Marketing Performance, a CMO risks losing their budgets, reducing their resources, missing their goals, or worse. Thus the onus has turned to Marketing leadership and their team to maximize the impact of every dollar they spend.

There are only two paths in this new marketing world. Marketers can either take control of Marketing Performance or allow it be dictated by others. These scenarios will look like the following:

1. Advanced Marketers that embrace their new responsibilities along with new capabilities that are available to take ownership of Marketing Performance will build or retain their position as a strategic leader. Not only within marketing, but also across the entire company. Not all organizations that take Marketing Performance head on will succeed, but the ones who do find prosperity will rise to new levels within their organization.
2. Stagnant Marketers who choose to ignore the changing winds and keep the status quo, willfully or not, will find that the CEO, CFO, and COO will pass marketing's agenda and objectives down as an edict. Little negotiation will occur and the CMOs that fail (which often is inevitable) will have their responsibilities diminished. This scenario is unideal and scary for marketing leaders.

Clearly the first scenario is more desirable, but it is not easy. It forces marketers to move out of their traditional comfort zones: to learn, to test, and to try.

Allocadia's goal is to help marketers and their organizations understand the key dimensions and levers within Marketing Performance and Marketing Performance Management and then provide the tools to help them improve. This is done with our previous report, The Essential Framework for Optimizing Marketing Performance, this Benchmark Report and data, and the accompanying Marketing Performance Maturity Assessment.

Notice, none of these items focus on specific tactical marketing actions. Rather, they focus on strategic plans, data, alignment, and processes. These are organizational-wide initiatives. The reason for this is because the fatal flaw in attempting to optimize Marketing Performance is focusing too much on the tactical execution. The operational aspects of managing Marketing Performance are where the crucial gains are made. Execution is imperative, but execution happens naturally for most marketers, whereas Marketing Performance Management requires greater strategic focus and discipline.

That is why Marketing leaders who are able to take on Marketing Performance from both the management (MPM) side and the execution side will generate more revenue for their company, contribute to corporate successes, and see their fortunes rise. The marketing leaders who fail to do so will struggle and ultimately fall to irrelevancy. Do not wait, put the time and energy into optimizing Marketing Performance across all facets of your business.

HOW THIS RESEARCH WAS CONDUCTED AND ANALYZED

Allocadia, in partnership with Researchscape surveyed 217 respondents using an online study fielded from August 5 to September 13, 2016. The survey results were not weighted.

A note about the data and analysis: When looking at the data from the organizations in different maturity stages and dimensions, caution was used as these data points can be “self-fulfilling prophecies”. Answers to 30 of the 35 survey questions directly cause a participant to be rated higher or lower in maturity. To find meaningful correlations Allocadia identified results and breakouts within these cross-tabs that were significant and substantially different than the average response within the data set.

To receive scores for your organization please take Allocadia’s Marketing Performance Benchmark Assessment.

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