BLOG

Meaningful measurement

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I once had the misfortune to work in a business where marketing was seen as "the colouring-in" or "soft-furnishings" department. People who really should have known better believed that marketing had no value to the business beyond "making pretty pictures". Having come from an environment where marketing investment was known to be a key driver of profit this came as a bit of a shock.

So, I set about trying to prove the value of marketing to the business. I dug out all the research the company had done in the past few years, pored over internal sales and external market share data, spoke with people across the business and at agency partners.

All the usual stuff.

All of that information was distilled down into one, relatively concise, report that tried to demonstrate what we knew (and didn't know) about how marketing investment worked there. I'd encourage anyone moving into a new marketing role to do the same. It's a great way to learn the business and a new pair of eyes often finds insight that others have missed.

However, despite my best efforts, it fell on deaf ears.

So I left.

I moved agency side.

Nobody was surprised.

Some were surprised that I went to a media agency. I may be romanticising this (we just started watching The Wire from the start again) but I recall my answer to be something along the lines of "follow the money". To this day, I wonder how £10M media budgets are signed off with less informed client scrutiny than £100K production budgets.

As I near my 13th anniversary with MediaCom Edinburgh I've been thinking a lot about luck. Thankfully, mostly not the poor luck to work in places that don't appreciate what you do. But the luck that got me into marketing in the first place. The luck to work with and learn from challenging and inspiring people. The luck to work for some of the best brands in the world. (See previous article "Person Friday for busy, friendly office")

I've come to the conclusion that luck is a necessary, but not a sufficient, condition for success.

To make the most of your luck, you have to learn and keep relearning your subject. You need to understand what works and what doesn't. So, how do you go about proving, to yourself as much as anyone else, that what you're spending your precious time and other people's money on is actually achieving what you expect it to?

As much as we each become the stories we tell ourselves, so businesses become what they measure. The better your approach to measurement, the more trust you will generate with the rest of your organisation and the better you can de-risk decision making for yourself and for the wider business.

Perhaps the most overlooked dimension of measurement is that of time. We've become obsessed with short term data. Just because it's available doesn't mean it's useful or meaningful. We've fetishised the data itself rather than judging it based on how much useful insight it might impart.

Of course, short-term data has it's uses but a long-term outlook is important because of what we know about the multiplier effect of highly creative, emotionally engaging campaigns. As Binet & Field have shown, the sales effects of rational campaigns are quite immediate and they tend to outperform those of emotional campaigns for around the first 6 months.

However, because rational messages are forgotten more quickly than feelings, emotional campaigns are seen to be much more effective over the longer term. Short-term effects can, therefore, be quite different from long-term effects and ignoring this fact can lead to poor decisions being made about future strategy.

The current obsession with the short term has another dangerous attribute – short term data is thrown off at such a rate and in such volumes, it's easy to drown in it. Indiscriminantly collecting that data just because it's there creates no value. Data has no intrinsic value. It only has value when it is turned into insight which can help answer specific questions.

As Byron Sharp pointed out in this piece from 2017, much of the investment in marketing metrics can seem wasted because of this short-term obsession. Do you really need monthly (I've even seen weekly) tracker data? How much are those metrics really changing over the long term? Beyond statistical sampling fluctuations?

So, rather than starting from whatever data you have to hand or “because we’ve always measured that”, try starting from the questions you are trying to answer. Of course, that means knowing which questions are important. There are most likely three buckets of questions you need to concern yourself with:

1. Input Indicators: What is contextually different from last time? How does this activity differ from what we did before? What were our competitors doing that might impact on our results?
2. Leading Indicators: Have enough people seen what we’re doing? How do they feel about it? Is that different from how they felt before? Different how?
3. Lagging Indicators: Has what we’ve done changed behaviours? Have we sold more? Where did those extra sales come from? Is that where we expected them to come from? If not, why not?

Knowing the questions you’re trying to answer defines the type and volume of data you need to collect. So, before you start any activity, you know what data you require to help you demonstrate effectiveness. You’ll be surprised at how much of that data is already being gathered within your organisation if you ask the right questions of the right people. If you can’t find it internally then you know you need to find it outside the organisation, either through commissioning it or by finding proxies.

Knowing what you’re measuring and why will give you far more confidence that you know what you’re doing. It’ll help you, and your business, be more confident in making marketing decisions. It’ll give you the insight you need to argue your case more effectively with those outside the marketing team.

And, if after all that, you’re still in the “colouring-in” department, maybe they don’t deserve you.

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