



A BRIDGE TO SUCCESS

Connecting Your Marketing Efforts
to Your WHY with Confidence

TABLE OF CONTENTS

Marketing's Perilous Proof Gap	3
CMO Survey	3
Gartner	3
Bridges to Nowhere	5
Homegrown	5
MMM	5
Attribution	6
What's Working	6
Bridging Your Efforts to Your WHY	7
Your Prime Goal	7
Fix it or fail fast	9
Value momentum	10
Crossing the Chasm	10
Your bridge	10
Forward-focused	10
In service of a financial goal	10
Unified	10
Accessible	10
Getting started: Your Checklist	11
About Keen	12

CHAPTER 1: MARKETING'S PERILOUS PROOF GAP

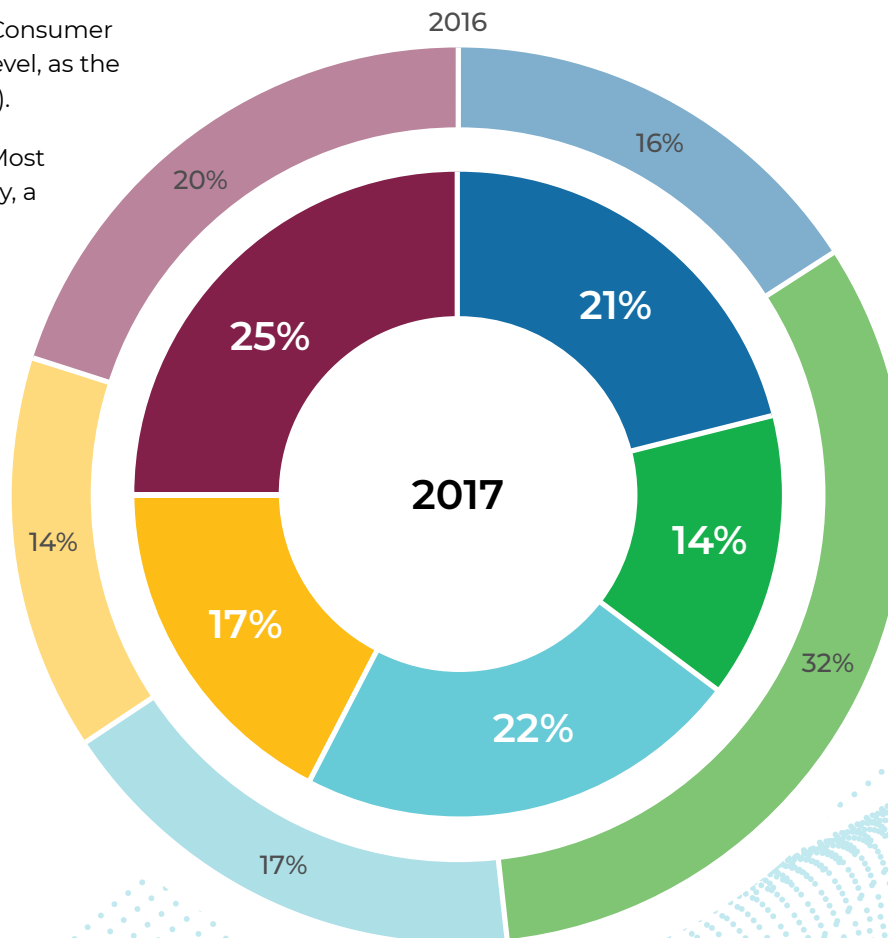
It happens in almost every adventure movie, from “Butch Cassidy and the Sundance Kid,” to “Fast Five” and “The Bourne Ultimatum”—our hero inevitably finds himself in a place where freedom is right in front of him, but he’s separated from it by a perilous gap that he must close—usually with a death-defying leap.

Working in marketing can sometimes feel the same way. Consumer brand CMOs face professional peril at an unprecedented level, as the shortest-tenured members of the C-suite (just 44 months’).

And like Butch, Dom and Jason, their destination is clear: Most agree driving revenue growth is their #1 goal. Unfortunately, a chasm of near-epic proportions stands between them and that goal—lack of access to metrics that show progress to the goal. So marketers often don’t have confidence about whether their goal is within reach or they’re falling perilously short.

2016	2017	
16%	21%	0 to 12 months
32%	14%	13 to 24 months
17%	22%	25 to 36 months
14%	17%	37 to 60 months
20%	25%	61 or more months

Source: SpencerStuart.com, CMO Tenure, based on an analysis of the tenures of CMOs from 100 of the most-advertised U.S. brands as of December 31, 2017.





Even the most daring movie heroes wouldn't jump blindfolded; nor should you.



Yet flying blind is just what most marketing departments do, even today. According to a recent study by Gartner, “12 percent of CMOs across North America and the UK say awareness is the most important metric to inform their marketing strategy going forward. For comparison, 7% speak the same of return on investment, and just 1% consider customer lifetime value (CLTV) measures to be as vital.”

According to the annual CMO survey, 63.8 percent agree that demonstrating financial impact is the #1 C-suite communication challenge, and yet 50.7% still rely on qualitative metrics like awareness to demonstrate the impact of their marketing spends.

“Who are these guys?” Butch might ask the Kid about now. The next logical question then becomes:

What do marketers need to change to ensure that \$1 trillion generates the highest possible return?

CHAPTER 2: BRIDGES TO NOWHERE

Part of what's perpetuated the problem is that marketing has a dizzying array of bridges to choose from when it comes to metrics, but most have turned out to be *bridges to nowhere* because they fail to connect marketing's activities to the critical WHY: helping to accelerate and/or achieve the financial goals of the business.

Let's take a closer look at the gaps in current methodologies (*without looking down*).

Homegrown insights

Despite the proliferation of marketing metrics solutions, 57% of companies acknowledge relying on a spreadsheet analysis to guide their marketing investment allocations. Our hunch is that this is an attempt to pull metrics together in one place for decision-making, even if disparate channels and levels of granularity prevent them from being truly comparable. The time, error risk and potential for “fuzzy math” contribute to this not being a confidence-inspiring strategy for either decision-making or reporting.

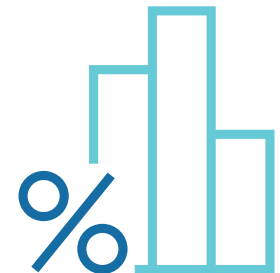
Marketing mix modeling

For more than 30 years, this has been the standard among large B2C brands; keep in mind this solution predates the Internet and digital marketing, and so is not optimized to assess it. MMM uses regression analysis to calculate a short-term ROI (12-16 weeks) for programs that have been fully implemented. Using this data, marketers then make future investment decisions with a goal of meeting or exceeding that past return.

Marketing mix modeling is a heavy lift, in terms of time and cost, so typically it's generated annually to support the budget planning cycle. It's not designed for decision support; it's up to the marketer to assess the data for decision-making value. And the short-term ROI fails to address:

- The longer return window on brand-equity programs
- The interaction between and among channels
- The impact of market and environmental factors

But perhaps the biggest shortfall of marketing mix modeling is that it fails to consider the full market opportunity, instead assuming that what has been done is the best mix. There is no “what-if” scenario capability, and as a result, marketers are limited to a low-risk, but also low-return view of how to drive incremental improvements in the status quo.





Attribution modeling

Attribution modeling applies a similar methodology but draws on what has been more accessible and specific data from digital channels. As the name implies, the model requires the end user to determine to which touch point purchase decisions will be assigned – first-touch, last-touch or multi-touch.

Attribution modeling only looks at digital channel investments, and therefore does not help marketers assess their overall channel mix. Because of the depth of insights attribution delivers, and the more timely nature of it relative to marketing mix modeling, the proliferation of attribution modeling has helped skew marketing investments too heavily toward digital.

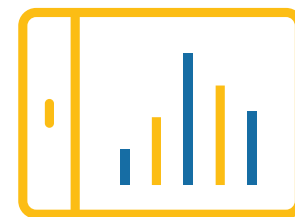
ROI

The one tried-and-true financial metric marketers have been able to get to is ROI; the sales generated divided by the marketing spend. This traditional ROI calculation has several critical shortcomings when it comes to facilitating better marketing decisions:

- **Short-term** – ROI typically only considers an impact of 12-16 weeks, skewing toward programs with short-term returns (like FSIs and couponing) over longer-term, potentially higher-impact equity-building plays (like advertising, PR or sponsorships)
- **Incremental** – Because they measure impact after a program is completed, ROIs promote an incremental approach to decision-making, making the goal to improve on a historic benchmark, without providing a view of what's possible.
- **Limited** – ROIs can't account for a number of key factors, like distribution, that may have a big impact on outcomes.

What's working?

That's the next logical question, of course. Turns out that none of these options are getting the job done—that is, if you measure success in terms of either CMO tenure (as we discussed on page 3) or return on marketing investments, which among national consumer marketing, now standing at a staggering \$1 trillion (yes, that's a “t”), is a paltry 2 percent.² So what needs to change?



CHAPTER 3: BRIDGING YOUR EFFORTS TO YOUR WHY

"Opportunities come to us every day in the form of decisions."

–Mike Whitaker, The Decision Makeover

According to Whitaker, the problem may lie in how marketers make decisions. Whitaker's book looks at how successful decision-makers do things differently, and these principles apply to marketing decision-making as well.

"In my research for the book, I found that successful people look at the world differently; they are more focused on their priorities, they act on data and they also recognize the value of momentum...and they're not patient with a lack of momentum.

"The rest of us continue to rely on two methods for slow, poor decision-making: trial-and-error and hope."

When combined, these three strategies can deliver extraordinary results. Let's take a look at what's required.

Set a Prime Goal

Among all the goals your organization claims right now, for your job, for the evaluation of your results in your job, there is certainly one goal that is supreme over all others. What is it?

Everything else we do will serve to advance and support that goal; if it doesn't, you should not be doing it.

In some cases, you may have to push back on management and say "Pick one!" because your efforts and focus get diluted with too many goals in the room. Too many goals is a common reason that none get advanced very far.

And, as obvious as it may sound, you can only have one #1 goal.

You can have one #1 goal.

While marketers largely agree on the prime goal, the path to their destination varies widely.

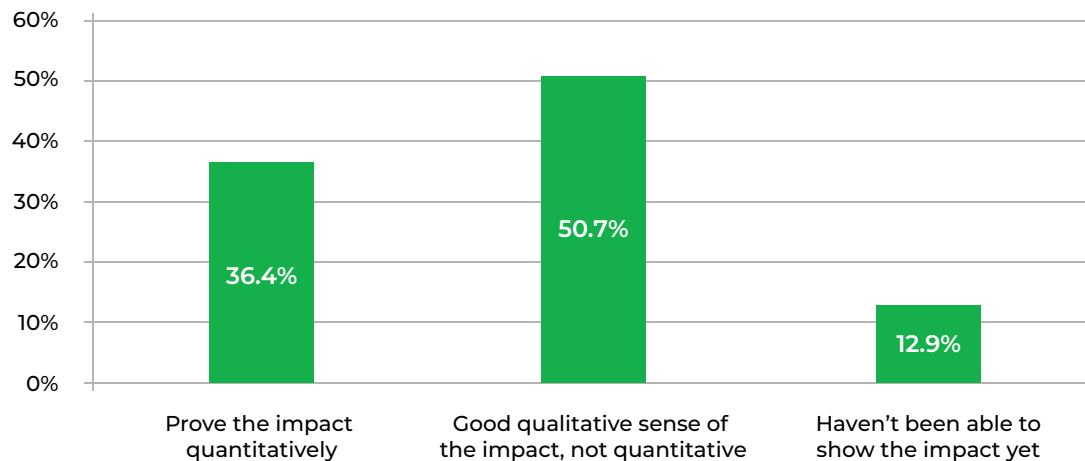
The CMO survey identified nine strategies CMOs are leaning on to meet their growth challenge in 2019.⁴ Most hope to grow market penetration by spending on existing markets and offerings, a strategy that comprises a full 55.1 percent of growth budgets.

And while increased use of marketing analytics is represented and CMOs report that they're using marketing analytics to drive decisions 43.5 percent of the time, they also rate the impact on performance at just 4.1, where 1 is not at all and 7 is very highly.

The reason for the performance gap may be found here:

Marketers appear to know their prime goal: Drive growth.³

How companies demonstrate the impact of marketing spending over the long run



Bridge Your Efforts to Your WHY with Proof

CEO: “Why are you recommending this marketing campaign?”

CMO: “Because it increases revenue.”

CEO: “How do you know?”

CMO: “I don’t.”



If the *WHY* behind your marketing efforts indeed is “to drive growth,” then you must bridge your efforts to your why with *proof* – proof in the form of timely, accurate data. And, if your goal is a financial one, then your metrics must be too!

Despite being the most widely accepted marketing metric, *awareness* is neither a reliable nor precise indicator of revenue growth.

Spoiler Alert: Technology platforms like Keen’s can provide that missing link when your prime goal is business growth. We can help you see what decisions will move you closer to your goal. (More to come on Chapter 4 – but we don’t mind if you want to skip ahead!)

Fail or Fix It Fast

Time to revisit our movie daredevil analogy again. Part of the reason our heroes end up in these breath-taking, do-or-die situations is that they’re lacking important information.

Butch and the Kid don’t know who is after them. Dom doesn’t know that the cars he’s hoping to steal are the seized property of the U.S. DEA. And Jason Bourne can’t remember who he was before he became an asset.

If you’re running your marketing budget without being able bridge the gap to your why, your financial goal, then you’re similarly blind to the risks. Let’s face it, it’s hard enough to make great decisions when you can see them.

Even successful decision-makers get it wrong sometimes. It’s called being human. The difference is they know when to jump...and they’re not afraid to do it.

First, you have to know if a program is delivering what you expect. That comes from having the right metrics available at the right time.

And then, you have to have the will to jump; but if you’re making the leap based on data and not just “hope,” it’s a lot less stressful.

The key is to decide.

**To drive growth,
you must bridge
your marketing
efforts to your
why with **proof**.
If your goal is a
financial one,
then your met-
rics must be too.**



Value Momentum

As a moviegoer, you know the exhilaration when your hero lands the jump and evades his pursuers, at least for a little while. He's got new space and momentum to increase his lead and reach his goal.

Well, the same is true for you. Once your eyes are fixed on your prime goal, and you've created a data-driven bridge to show you how to get there, you can really start to pick up your pace. Access to data in support of your goal makes decision-making faster and clearer. One good decision after another begins to build a winning streak, one you (and your senior management) can see in the form of financial contribution.

CHAPTER 4: CROSSING THE CHASM

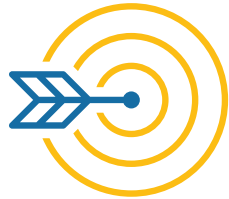
It's all so exciting. It's easy to just stop here and race off toward your happy ending. *But not so fast.*

First, let's make sure that bridge you're hoping to cross will be structurally sound. Here are the critical components:

- **In service of a financial goal** – Are the metrics you're counting on capable of measuring your progress toward your prime goal? Is it a metric that is consistent with how the rest of the C-suite measures progress (because if not, you're facing an uphill battle in trying to align them with yours).
- **Forward-focused** – It's important that the metrics you use are forward-facing; it's accepted science that past performance is not an indicator of future growth.
- **Decision-oriented** – Is the data organized in a manner designed to support decision-making, or does it require you to make sense of the knowledge hidden inside mounds of data?
- **Unified** – Siloed decision making allows dangerous gaps to develop. Make sure you have a unified view across all your channels, so that you can understand how they interact and stack from your customers' point of view, and appropriately allocate dollars across programs.
- **Accessible** – You don't want to charge ahead too far or fast without an ability to course-correct. Can your insights be accessed in real-time as you need them?

Getting Started: Your Checklist

A helpful first step to applying the tools you learned here is to assess where you are right now. Take a few minutes to answer the following questions as you think about your current marketing initiatives.



Tool 1 - Set a #1 Goal

- What is the #1 goal for which I'm primarily responsible?
- What other goals are competing with my #1 goal?
- What gaps do I need to bridge to gain **certainty** in achieving my #1 goal?
- What are my current efforts/initiatives to achieve my #1 goal?
- Does it have a credible WHY?



Tool 2 - Fail or Fix Fast

- Can I measure progress to goal?
- Do I have enough data to accurately evaluate progress?
- Which programs contribute most to achieving my #1 goal? Least?
- Which program(s) fail to move me closer to my #1 goal? Can I pause or stop them?
- What do I need to fix to align with my #1 goal?



Tool 3 - Value Momentum

- Where can I redeploy resources to accelerate momentum toward my #1 goal?

And lastly, ask yourself this question:

Are my current metrics the best indicator of progress toward my #1 goal or simply the best metrics I have available?

CHAPTER 5: ABOUT KEEN

I bet you saw this one comin'

This is the where we tell you that Keen is your bridge—your trustworthy source for unified marketing insights that are forward-focused, decision-oriented and accessible, all in service of your financial goal.

Keen Decision Systems' platform is considered a unified marketing measurement and optimization solution.

We are the leading SaaS (software-as-a-service) provider in this next generation of marketing metrics; as a result, we deliver:

- The accuracy and confidence of precise response curves to help you decide the best marketing mix for your future marketing investments, as well as insight as to how your programs are performing *in-flight*.
- The speed, agility and accessibility you need to continually optimize your marketing investments and react to such external forces as distribution and competitor activity.

The most frequent objection we hear is, "This is too good to be true." But it's not. And we have the data to prove it.



Schedule a call with us. Let's talk about your prime goal. And let us earn the right to be your bridge from your decisions to your goal of leveraging your marketing investments to improve the financial results for your business.

-
- 1 SpencerStuart Research & Insight, <https://www.spencerstuart.com/research-and-insight/cmo-tenure-2017>
 - 2 Forbes, "A New Survey Reveals that CMOs Are Facing the Shortest Lifespan in the C-Suite," March 26, 2017
 - 3 2019 CMO survey, "Driving growth rated #1 challenge for marketing leaders," p.47
 - 4 "9 Ways Marketers are Driving Growth in 2019," The CMO Survey Blog, April 19, 2019