



Marketing Metrics Part 1
**The importance of
marketing metrics**

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Introduction



Customers are the most critical aspect of any business.

Ensuring customer satisfaction and maintaining positive and lasting relationships with them through customer loyalty is crucial to keep a viable and profitable business.

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Introduction



A continuously happy customer, enjoying a positive experience at each moment of truth of the customer journey, is key to ensure profitability.

But how can we measure customer satisfaction and link it to continued business performance?

This is where marketing metrics play a significant role.

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Metrics are more than just numbers. Metrics are measuring systems that quantify a dynamic, a trend or a characteristic (Farris et al, 2006).

Having specific, realistic, sustainable and measurable metrics is key to any business. Whether they are short, medium or long-term, the marketing metrics will help show a company's ability to sustain its operations and benefit from new areas for growth initiatives.

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Being able to reflect on what has been done and assess the impact of marketing initiatives on generated business will continuously help build the long-term strategy.

Metrics give the marketing function the opportunity to prove their ability to create beyond-product value (Patterson, 2015).

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Metrics need to be clear, easy to source, to understand and to use. They shall provide useful, actionable information that impacts the business (Popky, 2015). Here are some examples of marketing metrics that are commonly used:

- **customer satisfaction**
- **average customer spend**
- **customer retention rate**
- **product market share**
- **penetration rate**
- **re-order rate**

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Marketing metrics need a regular and consistent monitoring, to ensure data accuracy and support a well-informed decision-making, leading to potential corrective actions to the initial marketing plan.

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Having the right marketing metrics in place will help to have focus and better staff engagement, a better vision, help decision-making and will definitely contribute in having better performance (Koller et al, 2005).

Measuring the right metric will help demonstrate the positive or negative impact of the measured activity on the overall business (Bernoff, 2008).

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On the contrary, failure to identify the impact of marketing activities on the overall business can lead to a loss of profit.

Therefore, it is key to ensure that marketing activities outcomes are measurable in a consistent, specific, reliable and sustainable way on a regular basis; to ensure the credibility and accountability of the marketing function across the whole organisation (Patterson, 2015).

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Conclusion



To conclude, marketing metrics provide marketing managers with invaluable customer knowledge and useful information on current market trends, help implement corrective actions in the short-term, build longer-term strategies and support decision making.

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