

Measure these 3 non-financial marketing metrics and optimise your growth



As a marketing executive I've learnt that marketing strategies may require adaptations as the implementation process unfolds. Yes, even the best strategies! All businesses are challenged to attain and maintain a competitive edge, market position as well as customer

retention strategy. The IT sector is dynamic and it is an intensely competitive marketplace, fast-paced and innovative.

Competitive forces beyond the control of the organisation make agility in strategy execution and data analysis key. Those responsible for marketing have to ensure; (1) that the strategies pursued works well with the changing market and competitive environment in which they operate, (2) marketing and branding efforts are measured to achieve the planned results, and (3) also ensure return on the marketing spend.

There are myriad metrics to apply to measure marketing initiatives. The pace at which business operates make it essential to have metric systems that are simple to execute and effective. The insights obtained from the metrics allow for strategy adaptations to optimise brand and marketing campaign executions. The following three non-financial marketing metrics can help guide and measure your brand and marketing efforts to enable informed adaptations.

Metric 1: Brand Awareness

Are you the first choice for a particular service? Do you know

your position in relation to that of your competitors? Track the impact of your brand marketing by applying this low cost, easy to execute metric. Ask these two simple questions:

1. For service / product (e.g. cloud based accounting software solution), what is the first product you think of?
2. For service / product (e.g. cloud based accounting software solution), what other companies have you heard of?

Gathering the relevant data can be done through telephone interviews, online surveys or through casual industry networking forum engagements. The metric goal is to use these simple questions to help you to understand the positioning of your competitors relative to yours, and further understand how your product or service is received.

Metric 2: Churn

Do you know how many customers are not acquiring your services or buying your products? Churn rate is simply the percentage of your existing customers who choose not to engage in your business. In other words, they no longer buy from you. Depending on the type of business and volumes of sales engagements, the churn rate can be calculated periodically.

Whether measured annually, every 120 days, 90 days or 30 days, this metric has a significant impact on the bottom line and is a key metric to apply for measuring customer loyalty. The metric goal is to reduce the churn rate.

Metric 3: Take Rate

How many customers actually act on your call to action or accept the offer? Whether it is to download a white paper, sign up for free trial software, accepting a telemarketing offer or responding to an advertisement via text, the effectiveness of a marketing campaign should always be measured.

For example, let's assume that you are in the IT training business and your campaign offers a discount of 20% to anyone who signs up for your coding workshop. The campaign costs you a total of R10 000 in direct and indirect costs. It is sent to 1 000 customers on your mailing database and 200 of the targeted customer base take up the offer.

Divide the number of uptakes (200) by the number of customers you engaged (1 000) equals a take rate of 20%. At an acquisition cost of R50 ($R10\ 000/200$) per workshop attendee assuming that the workshop cost is R500 per person, the projected turnover for this campaign is R100 000.00.

Sounds good, right? Now, assume that it's not a training business but a stationery company's campaign selling sticky notes at R20.00 per pack. The acquisition cost of R50.00 would equate to a losing demand marketing campaign. The turnover on the campaign would be R4,000.00 while the total spend is R10,000.00 resulting in a R6,000.00 loss.

The metric goal is to improve the cost side of marketing by increasing the take rate and reducing the customer acquisition costs.

To reiterate and conclude

These metrics are effective because of its simplicity and quick feedback. Insights allow for adjustments of strategic and tactical executions in an agile way. It enables performance improvement of marketing initiatives, customer engagement and takes a snap shot of the returns on a particular campaign spend. These metrics can be measured without involving the entire finance department.

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