

*A good Dashboard will give you a visual snapshot of how your business is running.*



*A Marketing Dashboard must be built ad-hoc for each company.*



### Introduction

A Marketing Dashboard should be just as important to a company's Marketing Manager and/or General Manager as a car's dashboard is to the driver.

A Marketing Control Panel is an organized visualization of the main metrics showing a company's performance, through the use of a friendly technology giving easy access to corporate data.

With tools such as these, corporate executives can have real-time access to different diagnostic variables (Sales, Market Share, Brand Awareness, Advertising Penetration, etc), cross-referencing them, in each case, with whichever forms of measurement are important (Key Performance Indicators, Effective Measurements, etc); and from there you can get down to many other details (regionalization, business units, channels, etc).

### 5 key points

It is not simply a matter of bringing data and technology together. A good Marketing Dashboard requires a lot of preparatory work and large doses of strategic intelligence.

Although we should not generalize, there are five points which will help us ensure success:

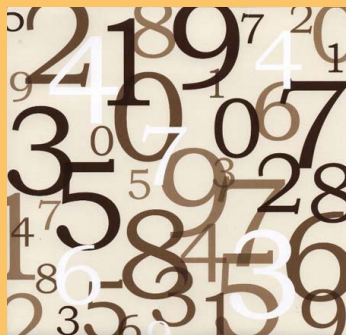
- Being quite clear about the proper **role of the Marketing Department** within the Organization.
- To have **sufficient knowledge** in order to **identify the key metrics**.
- Using a **financial approach** focused on results, **both in the long-term and in the short-term**.
- Including **Brand Values**.
- Having an **attractive and easy to use interface**.

We need to work on these points with "loving care", meaning by that that we are not planning to make a ready-made software, but a tool made to measure to the specific needs of a unique company and situation for each case being analyzed.

*Better decide where you want to go before setting sail, rather than start arguing in the middle of the route because everyone wanted to go to a different place.*



*Large amounts of data quickly become useless if not converted into knowledge.*



### **The Role of the Marketing Department**

- If there is no clear agreement regarding the role the Marketing Department should play in the company, it will surely be difficult to measure its degree of success.
- It is not only a question of coordinating and unifying the schedules of the Marketing Manager and the C.E.O, but that the range of possibilities must cover all the key company departments and their corresponding managers.
- In order to be able to assess the Marketing Department it will be necessary to set up a series of assumptions (some of them based on previous measurements having been made, for instance, with econometric models, but others simply based on the experience of persons that have been working for years with the brand and its environment). Such assumptions will be of the type: “what effects should I expect from Advertising, in the short-term vs. the long-term”, “how much will it mean, in terms of Sales, an expected increase in the buying frequency following an advertising campaign”, etc.
- So that no one within the Company might lack confidence or be in disagreement with such assumptions, the best way to reaching out to them will be through a work team comprised of representatives from all areas. And once an agreement is reached, to share the resolution with the top Company executives.
- All of this will take up quite a bit of time, but such team work will be highly beneficial to all the parties involved. In the final count, it will take less time than if all this had been handled by the Marketing Department on its own, having to devote endless hours every year to defend the scheme, often leaving everyone with the feeling that many may not be convinced by the final result.

---



---

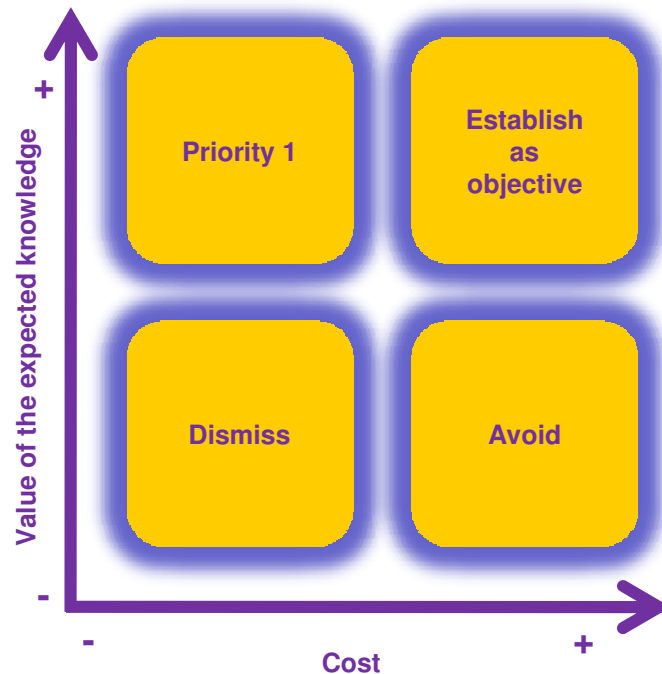
### **Knowledge used to identify Metrics**

- There is an amazing amount of data available to Companies: internal data, external data, study cases, experience,... All this is waiting to be converted into KNOWLEDGE.
- Moving from data to knowledge requires a transformation process. At this point, we shall benefit if we have jointly reached a clear definition of the role that the Marketing area plays within the Company. Confronted with the key question: “what do we need to know in order to measure the health and effectiveness of the Marketing department?”, we will have previously established what we understand by effectiveness in this context.
- Identifying the questions that need to be answered and the indicators that need to be used it is what will help us carry out the transformation process.

*It's not always worth it to pay for the information we lack.*



• Once established the list of questions and indicators, we need to verify that we can find the necessary information within the Organization. However, there will often be questions to which you do not have the answers, given the available data. What is to be done in such cases? Acquire new data? Conduct ad-hoc researches? It will not always be worthwhile. We should consider the cost incurred to obtain the information vs. the value and importance of it:



*When less is more.*



• Quite often it is not a question of “discovering new ways of doing things”, but of quantifying and measuring what you’ve been thinking and doing intuitively for years.

• Through experience we will be able to see what is the relationship between the indicators that have been defined, and we will also be able to achieve the ability to analyze and predict trends.

• Is there an ideal number indicators? Between 10 and 15 is recommended. Fewer than 10 may not provide enough information, and more than 15 may indeed constitute a data subset that could in turn be analyzed and broken down.

• Getting to define what will be the most difficult task but also the most attractive and interesting. Moving from observation... ..to understanding.



# Marketing Analytical Consulting

*Mathematics at the Service of Marketing*

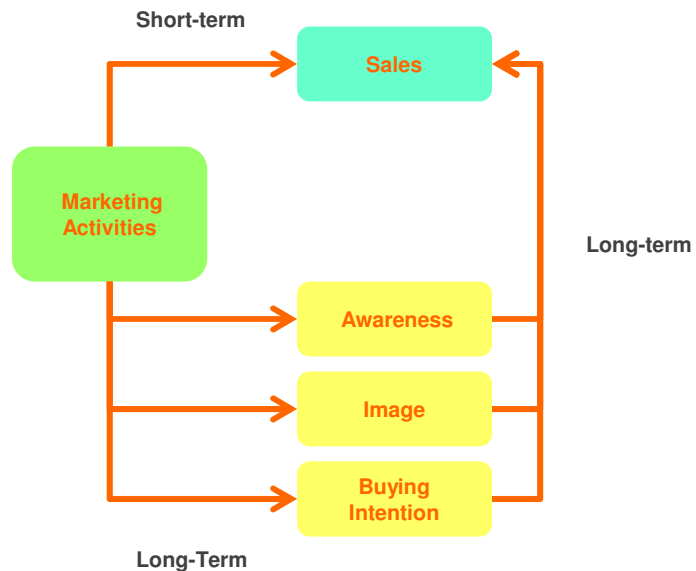
*When measuring the return we can't confine ourselves to the short-term, because we won't be telling the truth.*



*We need to quantify the return in the long-term.*

## Financial Approach in the Short and Long Terms

- Measuring the return of the Marketing actions has nowadays become an obsession with companies. In many cases, this is leading to a short-term vision which may result in erroneous knowledge.
- While it is true that some types Marketing can have immediate effects on product sales (promotions, for instance), it is equally true that others can have a cumulative effect not immediately apparent in the-short term (brand advertising, for instance).



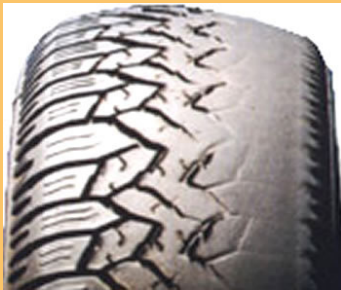
- But being able to measure these effects in the long-term is often difficult. We find ourselves with a Baseline which sometimes reaches a value that is as significant as up to 75% of the Sales records, and nobody tells us how much of this revenue was thanks to Advertising, to Distribution or to Word Of Mouth type effects.
- The financial managers, therefore, won't be able to connect that effect with any action. And this is obviously an error.
- A major contribution of Conento to the measurement of long-term effects is "The Baseline Wear-Down Theory". Applying this theory, the short-term increase can be converted (of advertising, for instance) into a long-term value, thus obtaining the total equivalent financial value = short-term + long-term.
- The following chart will help us understand the foundations of the theory :



# Marketing Analytical Consulting

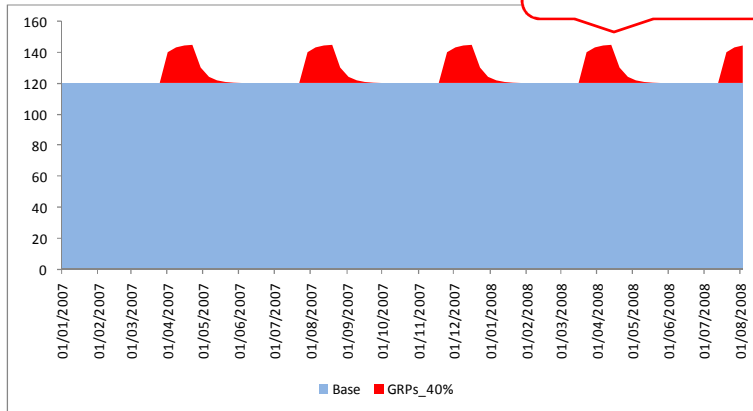
*Mathematics at the Service of Marketing*

*The Wear-Down Theory is capable of quantifying effects in the long-term.*

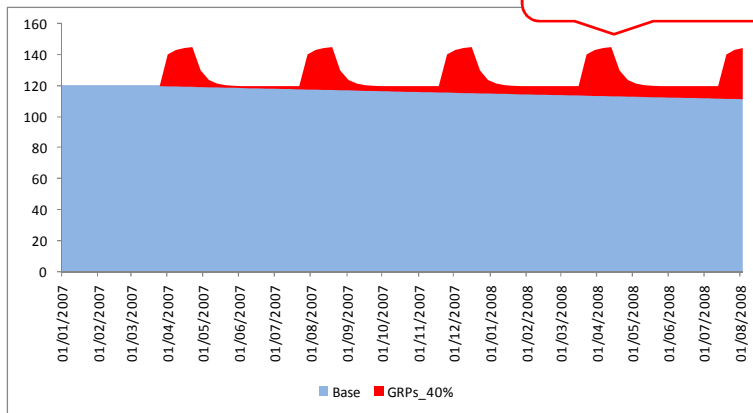


*Brand values also need to be converted into economic values.*

### Standard Theory



### Wear-Down Theory (CONENTO)



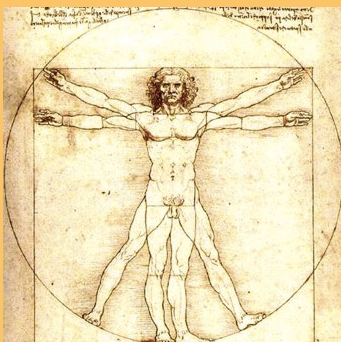
### Brand Values

- Many companies invest large amounts of money into conducting studies where they analyze the evolution of different metrics for their Brand, Advertising, Buying Intention, etc.
- And again, in addition to examining the evolution of a series of statistics, the important thing here will be to go beyond simple comparative data (60% of people know my brand, 30% value it highly, etc.) to direct relations between each of the brand variables and their corresponding economic value for the company.

*The chain value will tell us which variables and which variable relationships will generate added value for the business.*

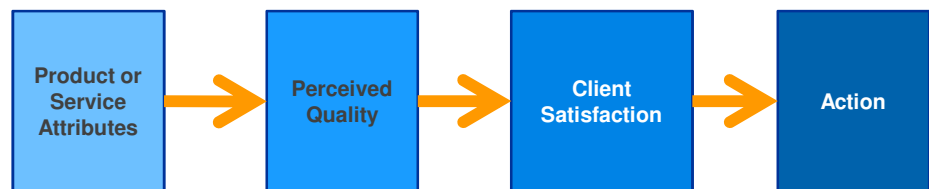


*An interface visually appealing and easy to use.*



- Now then, not all the variables which are usually measured in this type of researches must necessarily entail adding value. Many of us are familiar with a lot of brands of which we know nothing but just their trade names, and for whose products we will never take the slightest interest.
- Therefore, it is important to try and identify the value chain of our own brands and what are the key attributes we need to pay attention to.

Value Chain



- And this scheme and its intrinsic relationships will be unique for each Company.
- Once we have a clear idea about how to create value through increments and improvements in brand variables, we will seek ways to make such improvements, and then it will be easier to justify investments.
- All this will be displayed on the Dashboard.

### ***The importance of the interface***

- Finally, especially if we want our Dashboard to be implemented and used, design and organization will be crucial.
- It will also be important for the users to be able to do things on their own, for example, building scenarios or making forecasts, which will help them to gain new knowledge and to feel motivated to continue using the tool.
- A good interface should:
  - Be organized in such a way that Companies may recognize themselves reflected on the screen. That is why this type of tools should never be sold as standard software.

conento

## Marketing Analytical Consulting

*Mathematics at the Service of Marketing*

*The Internet will make it easy to monitor the level and type of usage of the Dashboard.*



*A shorter and more enjoyable way of reaching out for knowledge*



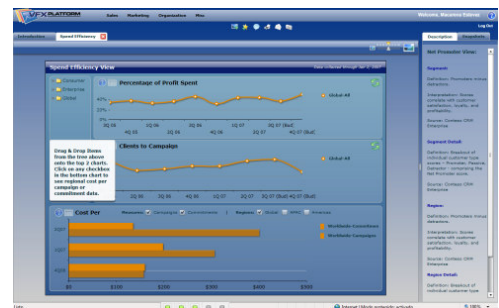
- It must be simple and sophisticated at the same time. If a key member of a Company misses something that he considers critical, he will throw it overboard.

- The way to navigate the web should be well-organized, and therefore, easy for anyone to use.

- People need to understand what is being measured and presented, and should feel that it is useful to them.

- People must use the Dashboard.

- Using the Internet-based technology the Dashboard will be easy to operate: how many people get in, how often, most-visited pages, most consulted metrics, etc.



## Conclusions

- The final objective of a Marketing Control Panel is expanding the knowledge base within the company, shedding light on previously unclear matters, and improving the speed and quality in decision taking.

- To that end it will be important: 1) to measure what you should measure and not only what you can measure, 2) have a clear vision of what you want to know and how you are going to get there, 3) choose those variables which are really predictive and can serve to make a diagnosis, 4) keep always in mind the need to provide answers of a financial character, 5) involve all relevant departments of the Company, without forgetting the long-term nor the brand variables, and 6) do it through a user-captivating technology that would make their professional life easier.

CONENTO. C/ Sagasta 15 – 5ª Izqda. 28010 Madrid Tel.: (34) 915938066  
E-mail: [macarena.estevez@conento.com](mailto:macarena.estevez@conento.com)