

# FAILURE TO DEFINE 'RETURN ON INVESTMENT' PREVENTS EFFECTIVE MEASUREMENT OF B2B MARKETING, SAYS SURVEY

Submitted by: Motive Public Relations

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Report reveals serious consequences for failure to prove marketing ROI. Identifies email marketing, PR and sponsorship as biggest losers over last year

Marketing professionals are failing to demonstrate return on investment (ROI) on their marketing spend due to a fundamental inability to agree with management precisely what the parameters for ROI should be, according to a survey published today by marketing campaign lifecycle management specialists, CRM Technologies.

Called 'Achieving ROI on Marketing Spend', the survey of over 100 heads of marketing in +£50m t/o businesses shows that 87% of marketing directors have faced barriers when trying to demonstrate return on investment. 52% stated that the inability of management to actually quantify and agree what ROI should mean in practice had been the reason for failure. Other barriers to demonstrating ROI on marketing spend include poorly targeted campaigns (39%), inability to analyse response data (20%) and having available budget to spend on analysis (18%).

Despite the inability to agree even basic ROI parameters, 88% of marketing heads claim that they face a range of penalties if they cannot demonstrate effective return on marketing spend. According to the survey, penalties range from budget reductions and board-level 'grillings', to disciplinary action and departmental staff losses.

"There has always been a need for businesses to prove the value of their marketing investment – and this need is now greater than ever," commented managing director at CRM Technologies, Andrew Freeman. "However, the pressure on the marketing management function is not made any easier by the apparent inability of general management to understand the dynamics and parameters that indicate campaign success and prove the value beyond doubt," he added.

However, the failure of some businesses to define ROI is compounded by others who mistakenly identify the wrong measurement parameters altogether. Only 22% of businesses attempt to even trace what prompted a customer or prospect to approach them in the first place, while 21% believe that the measurement of intangible objectives, such as 'brand awareness', will prove marketing effectiveness.

Of all the business sectors surveyed, it was the distribution sector that seemed to have particular problems demonstrating marketing ROI, followed closely by the hi-tech, business services and manufacturing sectors. The most common business to business marketing techniques across the survey were shown to be web site activity and advertising (both used by 99% of the sample). The biggest losers in the survey were shown to be email marketing, public relations and sponsorship – all dropped from the marketing mix by 19% of the sample within the last 12 months.

Copies of CRM Technologies' independent market research report, entitled 'Achieving ROI on marketing spend' can be obtained by going to the CRM Technologies web site at [www.crmtechnologies.com/achievingroi/register.html](http://www.crmtechnologies.com/achievingroi/register.html).

#### About (CRM Technologies)

CRM Technologies provides fully-managed and outsourced marketing campaign lifecycle and lead management services to a range of organisations including Sun Microsystems, Borland, Network Associates and others. The company's technology and consulting solutions help to drive a business' lead management process, optimise marketing spend and deliver campaign validation and identifiable return on investment for the marketing department.

The company's headquarters are based at Network House, Basing View, Basingstoke, RG21 4HG.  
[www.crmtechnologies.com](http://www.crmtechnologies.com)