

Global study reveals most popular marketing metrics

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Satisfaction is the most popular metric for marketing decisions around the world, according to a new study from the University of Technology Sydney (UTS) Business School.

Satisfaction measures how satisfied a company's customers are with a company and its product or service. It was the most used metric in eight of the 16 countries studied, and was employed in 53% of all marketing-mix decisions analysed.

Researchers analysed more than 4,000 marketing plans from over 1,600 companies in 16 countries, including Australia, US, Russia, India, UK and China, to uncover the answer.

"Despite trillions spent on marketing globally, managers have said consistently over the last couple of decades that one of the most difficult activities is demonstrating the impact of their marketing actions," says UTS Business School lead researcher Dr. Ofer Mintz.

"We wanted to know what metrics managers are using globally, what drives metric use, including [cultural influences](#), and how many metrics managers are using. In today's digital technology-intensive and data-rich environment, it is important for managers to know which metrics count."

The other two most popular metrics to help determine marketing strategy were Awareness and Return on Investment (ROI).

Awareness measures how many people recognise a company, brand, product or service, and was used in 45% of plans.

This was followed by ROI, which measures revenue generated per dollar spent on marketing and was used in 43% of plans.

Other popular metrics included Target Volume, Likeability, and Net Profit.

The study, just published in the *Journal of International Business Studies*, also found a significant and positive relationship between a company's

total metric use and its marketing performance, in each of the 16 countries.

"We found the greater a manager's overall use of quantitative information or metrics when making decisions, the better the performance, accuracy, and overall quality of decisions. It also leads to greater CEO [satisfaction](#), and increased profits and shareholder value," says Dr. Mintz.

"Metrics provide information to help managers diagnose, coordinate, and monitor their actions. They also quantify trends or outcomes, reveal current relationships, and help predict the results of future actions," he says.

The study identified 84 different marketing and financial metrics in use, with managers employing on average around nine metrics per marketing-mix.

Country and organisational culture also had an impact on the types of analytics managers used.

South Korea, China and India had the highest use of metrics, and Japan, France and the US had the lowest use. Managers residing in countries with a lower tolerance for uncertainty and ambiguity employed significantly more metrics for their marketing decisions.

Other areas of national cultural difference that had an impact on metric use included collectivism, assertiveness, power distance, and future orientation. The study also identified organisational characteristics that drove metric use, however the result was counterintuitive.

"Rigid organisational cultures were less effective than more organic, free-flowing cultures where there was flexibility for managers to exchange

ideas and choose their own metrics, rather than focusing on a strict set of instructions," says Dr. Mintz.

"It's important for managers to understand the different drivers for [metric](#) use, both cultural and organisational. It is also useful to know what metrics other managers are using, and how many they are using, as it provides a benchmark for their own marketing-mix."

More information: Ofer Mintz et al, Managerial metric use in marketing decisions across 16 countries: A cultural perspective, *Journal of International Business Studies* (2019). [DOI: 10.1057/s41267-019-00259-z](#)

Provided by University of Technology, Sydney

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