

DASHBOARD – CONCEPT AND APPLICATION IN THE MEASUREMENT OF MARKETING EFFECTIVENESS

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This article attempts to bring closer idea of using a dashboard tool to measure the effectiveness of marketing activities. It presented barriers, base elements, how to create a dashboard development path. Today's dashboard solutions have the potential to collect, integrate, analyse and present reports in various contexts of the study and meet all expectations of companies and researchers. It now appears, therefore, that the companies that use the tools of marketing analytic dashboard, have the biggest chance for success on the market.

Keywords: marketing, dashboard, marketing metrics, marketing effectiveness, paths of marketing metrics

1. Introduction

To determine the most important issues of marketing research and their range, carried out by researchers and practitioners, various supporting tools may be used, such as monitoring and analysing the effects of marketing activities.

These tools, using new technologies, are supporting marketing analysis in businesses. If we accept what has been stated at the Conference „Controversy around marketing” organized by the Department of Marketing L. Koźmiski Academy, that marketing is secondary to practice, then it requires great care to identify new directions of research and collaboration with practitioners to formulate the research problems for their needs, not forgetting about the development of marketing and the creativity of the future development paths [1].

If we take into account only the needs of practitioners, the sphere of marketing theory will be certainly quite poor. It should be done differently, as it has happened before, for example in the United States - the famous research PIMS, and in Poland research of the companies, which was conducted together with research institutions or with the university units using experiments and interactive research.

It may also be noted that these studies permeate through the cooperation of the universities and practitioners, and the result is often co-developed areas of research so necessary for both parties. Other productive ventures are seminars and lectures that are conducted by both practitioners and researchers. In addition, various types of analysis and the results of joint research serves as a basis for the development of new research topics, and knowledge of young scientists can be used by the company. Therefore, it is worth even more to develop these joint actions to make them targeted and used by both sides. The tools presented below can be used for both sides, as they enrich the range of marketing analysis in practice. So does marketing analysis – science supported through such measures as efficiency of operations and competition on the market –this is the main thesis.

2. Need for information

Stock markets around the world provide us every day with information on the current situation in corporations. Share price quotations are a source of knowledge about the current condition of the company. Unfortunately, many managers of other companies end his day without having received a response from the market. A management dashboard provides information relating to the key areas of business systems, signalling trouble before the problem is fully revealed.

As an example, let's take the sales process. Most managers discover at the end of the quarter or the year that sales goals have not been met. If, however, they were using the dashboard to monitor key determinants in the sales process, they would know how effective it was from the beginning. You can then take the appropriate action.

Private companies always focus on the percentage growth of the sales in plan. Unfortunately, they never give details of how they plan to achieve this growth. This often leads to failure of the intended plan, and how much different it is from what was planned, the management finds out at the end of the period [2]. This system of creating and delivering the information is outdated and very risky.

3. Dashboard how important it is for business?

Console, corporate board, instrument panel or – just as in the title – „Dashboard” is an innovative instrument that supports the process of management, based

on its internal information system and database. The name of this tool and other synonyms directly relate to the specific design – it is modelled on dashboards in cars as it includes set of indicators that help you organize and visualize the data necessary for the decision making process of the company.

Despite the fact that this text will focus on the marketing variation of the dashboard, console, i.e. mainly filled with data regarding the effectiveness of marketing activities, it should be made clear: corporate dashboard is a multi-use tool and can also be composed of other "pads" than marketing data, so it can suit the specific operational and business strategy.

Regardless of the form of organization of marketing in the company, there is a communication problem between marketing department and the decision-making centre. It is also a problem concerning the relationship between these two centres.

The decision-making centre is responsible for over-arching strategy and the direction of company development. They must have a full view of its activities and decide about the expenditure of resources (financial, human, time, etc.) which are delegated to specific actions and specific departments.

The marketer, running after the realities of marketing and holistic orientation, is aware of the importance of financial capital, which is needed to identify the dynamic changes taking place in the environment of the organization, and thus – how to dynamically adapt to them.

The conflict between the two centres is born at a time when the centre of decision-making puts pressure on the marketing team to provide clear evidence of effectiveness and most importantly - the effectiveness of marketing activities in relation to expenditure allocated to them [3]. The situation is complicated by the fact that decision-makers often do not have time to analyse the details (which are very critical for the strategy) of the data provided to them by marketers, or simply cannot understand such data, which often leads to short-sighted marketing decisions.

This problem is solved by the premise and practice of marketing dashboard. Dashboard is an important part of the performance management. Properly constructed, it demonstrates adaptation of marketing expenses to anticipated results. It also allows the organization to determine whether it is on the right track, leading to an increase in demand for products, improved customer retention and increased market share [4].

Dashboard is a decision support tool that facilitates strategic decision making and correcting the course of action. In order to facilitate the synthesis and interpretation, it presents internal and external key measures in an accessible and attractive way and most importantly - in real time [5]. The most important benefits of this embodiment are:

- Speeding up the decision making process in the company and reducing its costs;
- Pictorial and timely look at the situation in which the company is, resulting from the continuous monitoring;

- Tracking the effects of specific marketing activities that avoid the so-called „marketing myopia“;
- Streamlining of communication between the centre of decision-making and the marketing department;
- Increasing the role of marketing in the whole company and its operations.

4. Barriers and obstacles to the dashboard

Some managers are concerned that by focusing on the figures presented in the form of a marketing dashboard, you can lose sight of the whole. In addition, attention shall be paid to the issue of privacy and the pressure that this technique has on people. Most experts, however, believe that the benefits justify the risks.

Pat LaPointe, consultant and analyst in the field of marketing and author of „Marketing by the Dashboard Light“, lists six major barriers and obstacles to undertaking of an effective measure of marketing effectiveness, and thereby standing in the way for the implementation of a well-functioning dashboard:

1. Applying space solutions to junk data .

Even the most advanced analytical gymnastics seems to managers for nothing, if it is calculated on the basis of inaccurate or mismatched data .

2. Lack of proper proportion in the data collection process.

The three guiding principles of data collecting - the speed, accuracy and relevance – do not go hand in hand often. A lot of businesses choose the first one, at the expense of the other two - minimizing the cost and time of research. The effect of this approach is described in the preceding paragraph.

3. Over-reliance on IT.

The people responsible for the corporation's Information Technology deal with not only the collecting and storage of data, but also the creation of profiles of the most profitable customers. De facto, they do monopolize decision-making process, making it dependent on the new technologies in a rather malicious way. Technology should be only supporting - not replacing managers or directors in the art of management.

4. Inadequate recognition of the work of researchers and analysts.

What is the exact role played by marketing researchers and analysts? It is key. What is the their role across the enterprise? Fundamental. It's their job that allows adapting company's activities for dynamically changing market environment. But what career development opportunities are waiting for researchers and analysts? None.

As a rule, they receive a pittance and miserable prospects for career development. This obviously affects the quality of their work. Again - see first point.

5. Lack of investment in the skills of researchers and analysts.

Lack of recognition of the quality of the work of researchers and analysts is reflected in the persistent lack of training given to them dedicated to improving their technique, knowledge and skills.

6. What is needed is a clear leader.

Delegation of power and authority to lower levels is a good thing, but it can be associated with particularities, excessive individualization of decisions, and above all - a lack of looking at a complete picture of your business. Such an approach should have a leader representing the centre of decision-making - taking care of it all, so that everyone plays for one and the same goal. It is a leader who is able to push his own vision and lead the rest in the most appropriate direction [6].

It is worth adding to these points above a common ailment of executives, which is an inefficiency to think only in purely economic terms - out of context with hard numbers, while they are insensitive to the needs of consumers in the brand development perspective. In this case of the business philosophy, dashboard in no way proves to be a useful tool to promote governance, and will only intensify such an incorrect and out-of-dated practice.

5. Basic elements in creating of a dashboard

The content of tables may be the two most important basic elements of the dashboard, based on the observation of the market "scorecard", which are a set of metrics and provide early warning signals.

1. The scorecard from the point of view of the customer, which registers how the company is doing from year to year with measures of value that are important to the customer (for example, the average reputation of the product compared to the product's main competitor). Management should set targets for each indicator and take action when the achieved results appear to be adversely different from the assumptions.

2. Scorecard from the perspective of stakeholder satisfaction that should monitor different groups, whose main interests are dependent on the company's performance or affects it. These are the distributors, suppliers, banks, employees, retailers and shareholders. The Management Board shall take appropriate measures, where at least one of these groups will record a significant increase in dissatisfaction [7].

The next problems is five steps to creating a marketing dashboard by L. Patterson:

1. Adapting marketing to business results.

If you do not know what indicators will be needed for your company, everything else seems like an issue in dispute. The results that you are observing are more than just numbers. You have to understand that you want to achieve results associated with current or potential customers, to whom you have to get. You should know

how many of them should buy the product and which of your products / services should be acquired. The company can therefore use the mapping process, or other approaches that highlight the relationship between marketing programs and the results of the company.

2. Choosing your own metrics.

Organizations usually have measures of the following categories: customers (acquisition, retention, value), products (innovation, price, margin), positioning (market share, brand preference), and finance (budget, return on investment).

3. The creation of chains of data between marketing activities and results of the company.

Chains of data will help to show the connection between marketing activities (e.g., E-mail campaign with a call to action) marketing objectives and the company's performance, and assumptions about these three factors.

4. Acquisition of data.

Measurements require data. The company has to know what data is already collected, and what it still missing.

5. Check and review.

Please create a dashboard alpha version to test data and processes. When this version is ready, you can decide what changes (if any) are required and must be made. Then get a beta dashboard. Finally, you must create a pilot project, which can be later implemented. Then, it is necessary to analyse and determine how to make reporting automatic.

A you can see, creating a marketing dashboard, that works well requires time and investment, but it is worth the effort. A properly designed instrument panel contains critical diagnostic and prognostic measures and presents templates of results in the blink of an eye [8]. This is why the sphere of science is needed - analysts-researchers and students should know the ways to build alpha and beta, and reporting capabilities. This will allow to professionally carry out all marketing activities and to report and investigate.

Each dashboard should be as unique as the organization they serve. Regardless of the physical form it takes, its aim is to create a concise and clear reporting process for defined business objectives.

An effective dashboard is alive. It adapts and changes to the organization, when the tasks crystallise and are redefined, which results in relationships between metrics.

There are two main objectives of a dashboard: diagnostic insight (view) and predictive forecasting - with special emphasis on the latter. Some of the dashboard gauges are diagnostics, they observe what happens and try to discern why. The most important thing, on which we should base our presumptions, are the predic-

tive diagnostics, which use the experience to predict future performance under different assumptions regarding the circumstances and the allocation of resources.

Marketing Dashboard creates a way for the unit and all people above and below it in the organizational hierarchy, to see what works, as soon as possible, creating a solid foundation for learning. Figure 1 shows the path of development marketing dashboard.

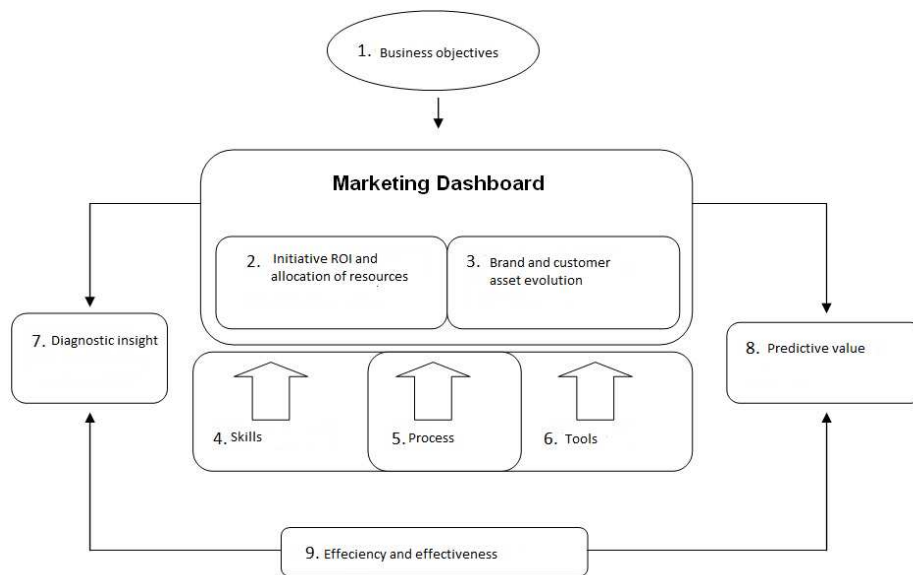


Figure 1. Marketing Dashboard

Source: Pat LaPointe, *Marketing by the Dashboard Light*, Association of National Advertisers, MarketingNPV.com, USA, 2005, p. 27

Marketing Dashboard contains the following content that will derive from the card results:

1. Business Objectives: this is the starting point. These are the goals of the company, translated into a set of marketing objectives. All ideas and initiatives should be filtered through this prism.

2. The initiative ROI and resource allocation: an important part of the dashboard is to measure the additional cash flows generated by marketing programs and initiatives in the short term. What's more, the dashboard is a great tool to measure the efficiency of resource allocation in value of money, employment status, or both.

3. Brand and customer asset evolution: at least equal to the most important (in relation to the results of short-term) is a long-term evolution of corporate assets entrusted to marketing - usually includes brand and customer relationships. Dashboard can provide a reading of how these assets grow and how they grow.

4. Skills: refined dashboard keeps track of the skills and competence of the team of marketers in relation to the set objectives of proficiency.
5. Process: the Dashboard also allows insight into the performance of critical business processes necessary to deliver the required value proposition for the customer.
6. Tools: it is less a metric than an enabling factor; the successful application of the dashboard uses and constantly improves the tools to deepen the understanding and to reduce the effort, both in its production and distribution.
7. Diagnostic insight: dashboard must change the perception from “what is going on” to “why is this happening”, providing insight into where the earlier expectations were inaccurate, to help improve the process of defining the expectations and predictions for the future.
8. Predictive value: the difference between helpful and really effective dashboard, is the degree to which it utilizes and provides diagnostic insight into what is likely to happen in the critical dimensions of business without intervention.
9. Efficiency and effectiveness: the ultimate goal - to increase both the effectiveness and the efficiency of marketing investments, thereby increasing the ROI and NPV for the company [9].

6. Dashboard customization capabilities and linkages with financial implications

Pat LaPointe believes that the dashboard provides all current information necessary to conduct company business operations, such as the effectiveness of distribution channels, the evolution of the brand and the development of human resources. An effective dashboard will help to focus and organize thoughts, enhance internal communication and indicate where marketing is cost effective, and where not. La Pointe uses four "paths" used by marketers today.

The path of consumer metrics - measures in what way potential customers are becoming real customers. In the sphere, it is also researched how the customer experience is reflected in the perception of value and competitive advantage of the company.

The path of individual metrics - presents knowledge of marketers about the unit sales of products and services - sales by product line or region of sale, marketing cost per unit of product sold as a measure of efficiency, as well as where and how the margin is optimized in the context of the characteristics of the product line or distribution channel.

The path of financial metrics - focuses on whether the marketing expenses pay off in a short period of time. ROI indicators for programs and campaigns measure the immediate impact on the net present value (NPV) of the expected profits in connection to the specific expenditures.

The path of brand metrics - monitors the long-term effects of marketing activities using measurement values that allow us to evaluate both whether the brand is healthy in terms of actual and potential customers, as well as from a financial perspective.

In the LaPointe's opinion, dashboard presents lessons learned from all the paths in such a way that you can see the delicate relationship between them. A well-designed instrument panel should have tabs which will group the various "family" of measures arranged by product, brand, experience, distribution channels and macro-factors.

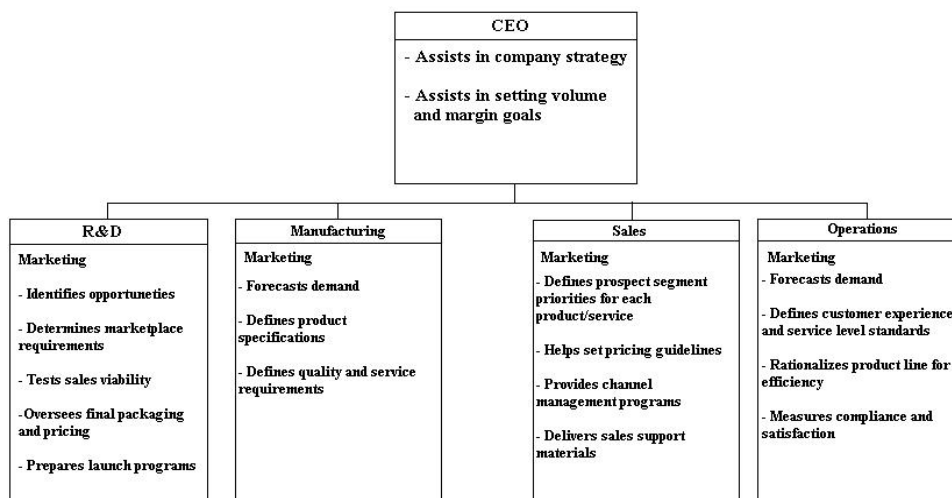


Figure 2. The many Roles of the integrated Marketing Organization
 Source: Pat LaPointe, *Marketing by the Dashboard Light*, Association of National Advertisers, MarketingNPV.com, USA, 2005, p. 216

The meaning of “fully integrated” marketing is collaboration of all the aspects of marketing in all the departments of the company, to achieve better results for the business as a whole. For this goal to be met, marketing has to speak the same language as the rest of the departments – the language of metrics and numbers. A newly created dashboard can be a good start of integrating marketing into the context of the company and redefining its role.

7. Practical sphere

Dashboards are made by such companies such Domo, Dundas, SalesManago and Outbox. Polish companies (the last two) only create prototypes or focus on virtual business (e-marketing, website traffic, SEO). It does not give a complete

picture of the leadership, which we wrote about earlier, but for companies selling online can be a remarkable tool.

SALESmanago is one of Europe's first - class marketing automation systems. SALESmanago, the Polish system, is the fastest growing platform of this type in Poland. More than 400 companies in Poland and Central Europe use the system SALESmanago Marketing Automation. Companies that carry e-Mail Marketing reach more than 400% increase in the effectiveness of e-mails and convert sales. The system is used by over 400 companies, among others. Rainbow Tours, SITA, Eden Springs, Audioteka, Cinema, Jean Louis David, Answear.com and a large group of small and medium-sized enterprises.

SALESmanago Marketing Automation offers the most specialized and innovative suite of tools in the field of marketing automation. The system includes a tool for the identification and monitoring of people on the web and social media, CRM, E- Mail Marketing, form generator and landing pages and dynamic content on the website.

Outbox - the polish system is used by English J Bross, Spring source Droids, Oracle, Hibernate. He specializes in IT consulting, Enterprise Product Management and implementation of CRM solutions for example in Telco & Media, financial services and education services.

Dundas the system is used by - Astra Zeneca, Black Berry, Coca-Cola, University of Utah, Teck and in Poland - exclusive distribution partner Passus Sp. z o. o. - system is used by large enterprises from List of the 500 largest companies.



Figure 3. Executive Dashboard

Source: Materials provided by Dundas Company with a permit to publish

There are in dashboard marketing four paths and three platforms, there is a lot of ways of reporting. In addition, it is possible to diagnose - to plan, create prospects and monitor performance. Scheduling should be based on market research and forecasting, so you can assess how the market is in a perspective of time, how can be structured and what the value of customers will be like. Based on the historical data can be answered not only in short term, but what will happen in a year.

Dashboard clearly presents charts and indicators, which are grouped in various tabs. Each of these contains generally 4 -5 metrics. Often these are charts, rates, maps (in terms of sales regions), and indicators like tachometers in the car. Same tab (usually four) is based on the needs of the enterprise and concern issues such as sales, support, and products. Below is an example of a dashboard.

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