



[Fig. 22.4] △

The Control Process

interprets the results. Marketers today have better marketing metrics for measuring the performance of marketing plans (see Table 22.9 for some samples).⁷⁵ Four tools for the purpose of analysis, market share analysis, marketing expense-to-sales analysis, and financial analysis, the chapter appendix outlines them in detail.

Profitability Control

Companies should measure the profitability of their products, territories, customer segments, trade channels, and order sizes to help determine whether to expand, reduce, or eliminate any products or marketing activities. The chapter appendix shows how to conduct and interpret marketing profitability analysis.

Efficiency Control

Suppose a profitability analysis reveals the company is earning poor profits in certain products, territories, or markets. Are there more efficient ways to manage the sales force, advertising, promotion, and distribution?

Some companies have established a *marketing controller* position to work out of the controller's office but specialize in improving marketing efficiency. General Foods, DuPont, and Johnson & Johnson perform a sophisticated financial analysis of marketing expenditures and the results. Their marketing controllers examine adherence to profit plans, help prepare managers' budgets, measure the efficiency of promotions, analyze media production costs, evaluate customer and geographic profitability, and educate marketing staff on the financial implications of marketing decisions.⁷⁶

TABLE 22.9 Marketing Metrics

Sales Metrics

- Sales growth
- Market share
- Sales from new products

Customer Readiness to Buy Metrics

- Awareness
- Preference
- Purchase intention
- Trial rate
- Repurchase rate

Customer Metrics

- Customer complaints
- Customer satisfaction
- Ratio of promoters to detractors
- Customer acquisition costs
- New-customer gains
- Customer losses
- Customer churn
- Retention rate
- Customer lifetime value
- Customer equity
- Customer profitability
- Return on customer

Distribution Metrics

- Number of outlets
- Share in shops handling
- Weighted distribution
- Distribution gains
- Average stock volume (value)
- Stock cover in days
- Out of stock frequency
- Share of shelf
- Average sales per point of sale

Communication Metrics

- Spontaneous (unaided) brand awareness
- Top of mind brand awareness
- Prompted (aided) brand awareness
- Spontaneous (unaided) advertising awareness
- Prompted (aided) advertising awareness
- Effective reach
- Effective frequency
- Gross rating points (GRP)
- Response rate