

Interview with Professor Robert Shaw, Cass Business School

Robert Shaw is honorary professor of marketing metrics at Cass Business School and also runs his own consulting firm Demand Chain.

Robert also runs the Value Based Marketing Forum, which researches good practice in marketing accountability and profitability and advises five professional institutes – CIMA, ICAEW, CIPS, CIM, IPA.

He has written ten business books, including Marketing Payback (FT Prentice Hall 2005) and Database Marketing (Wiley 1997). He has worked as a consultant for the last 20 years, assisted over 100 companies, and worked with over 1,000 directors and senior executives. Before becoming a consultant, Robert worked in the wine trade, in the coal mines and as a petrol pump attendant, and has a doctorate in nuclear physics.

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What is marketing accountability?

Accountability is the obligation to give an account for performance in the light of agreed expectations. It's commonplace throughout modern business – with the exception of some marketing departments. Marketing gets accused of being expensive, slippery and unaccountable by other departments that are more accountable.

Marketers have three accountabilities, all of which present challenges:

- actions that were taken (by people accountable to the CMO or marketing director)
- money that was spent
- impact that was achieved in the light of agreed expectations

First, marketers and agencies tend to be informal about recording actions and decisions. They often start with a blank document whenever they write a brief and this unstructured text is not archived systematically in a way that can be analysed easily.

Second, information on how much was spent by whom is usually recorded, but other details are often lacking. Consequently, if asked to analyse spend across headings such as media costs by channel, brochures by message, corporate hospitality by purpose, marketers often struggle, and have to go back to their agencies to ask for retrospective cost analyses.

Third, agreement about "impact" is often unclear. While marketers amass data from many sources, it often does not illuminate the question of impact.

How do accountability and data fit together?

Giving an account requires evidence. Data from the market can provide vital evidence of marketing's impact. However, it's a logical non-sequitur to assume all data provides evidence. Data may show what customers are thinking and doing, but often the link to marketing activity is missing. If data is not linked to marketing activity, it should be swept away.

What practical steps should marketers take to be more accountable?

The superb [Return on Ideas](#) (ROI) paper published by the Institute provides an agreed framework for accountability and reading it is in itself the first step to accountability. Second, get an independent assessment based on the ROI framework. Third, sweep away the irrelevant data and fill the gaps with better data and analysis.

What are the most important metrics for marketers to focus on and why?

Data on the three accountabilities set out in Question 1 are the main types of metric marketers should focus on.

One common measure used by marketers to gauge success is 'awareness'. What are its shortcomings?

Awareness is only important in certain circumstances. For firms that already enjoy high awareness it has little relevance – preference or loyalty may be better goals. For small firms it may be unaffordable and more direct sales activity may be more cost effective.

Does a focus on measurement inevitably mean creativity suffers?

Absolutely not; high impact requires brilliant creativity. However, brilliant creativity does not always result in high impact, so measuring impact is essential.

How do you accurately measure the more intangible aspects of marketing such as brand reputation?

Reputation is measured through market research and is a well-established procedure. However, measuring is one thing, linking it to marketing activity is another.

Most organisations now have too much customer data rather than too little. How can marketers best make use of the wealth of data available to them to make effective decisions?

In summary, sweep away the mountains of inessential data and take steps to link marketing cost and impact using the remaining data. The Return on Ideas report provides many practical ideas that answer this question, so I'd encourage readers to get hold of the report for themselves. If any readers want to speak with me about this, I'm happy to answer questions.