

INCREASING MARGINS

MAKE SURE YOUR MARKETING DOLLARS COUNT

Challenge: If your company's strategic marketing plan is worth the paper it is printed on, then maximizing resources is certainly among the goals that should be included in this critical document. But does it also outline mechanisms to determine whether the stated goals have been reached?

Solution: Construction companies that quantify their marketing efforts reap even greater rewards. This is the conclusion of a new publication, *Increasing Marketing Effectiveness at Professional Firms: Findings, Analysis and Commentary From a Global Study*, jointly published by Expertise Marketing and Larry Bodine Marketing. The findings are based on a survey of 377 respondents from a cross-section of professions including accounting; architecture; construction/general contracting; law; real estate; and several other professional services sectors. Bodine observes, "We have a verified link between competitive effectiveness and the intentional act of measuring. Marketers and business developers should immediately switch to activities that can be measured."

Nonetheless, the data show that few of the professional services companies that completed the survey actually measure their marketing successes or have a specific budget line allocated to achieve such goals (see accompanying figures). The study further suggests that companies with a formal marketing measurement budget are almost 240% more likely to say they are extremely effective than those companies that don't formally allocate money to measure their marketing and business development effectiveness.

The percentage of companies that have a separate budget for measuring marketing ROI—and also rate themselves as extremely effective against competitors—is 35%. This compares extremely favorably to the respondents, of which only 20% said they were "extremely effective" against competitors.

Marketers in all fields face obstacles to measurement with the most common complaints being: "Our people aren't inclined to measure. It's hard to change their mind-set."

"Measurement is not viewed as a worthy activity. Our people avoid accountability," observes Suzanne Lowe of Expertise Marketing. She explains, "Measurement is perceived as too hard, too costly and too time-consuming." However, she adds: "Measurement obstacles are largely self-caused and are related to inertia and avoidance of accountability. Now that we have verified the powerful punch that formal measurement provides, there should be no more excuses to avoid it."

Figure 1. Does your budget have a separate line item for measuring/evaluating the effectiveness or results of marketing?

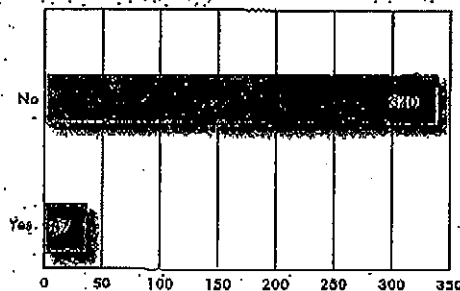
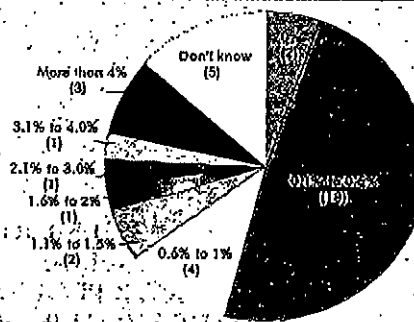


Figure 2. What percent of gross annual revenues/turnover does your "measuring the effectiveness of marketing" budget represent for your firm's last complete fiscal year? (Excluding any other marketing expenditure—just measuring/evaluating the effectiveness or results of marketing)



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