UDC 658.8

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PERFORMANCE OF MARKETING ACTIVITIES: CONTEMPORARY METRICS

Today's marketing is predominantly done in the digital environment and differs significantly from traditional marketing. One such parameter that has undergone considerable transformation is the metrics that measure the performance of marketing efforts.

The paper aims to outline the peculiarities of measuring the performance of a company's marketing efforts in the up-to-date digital space.

Measuring the performance of marketing activities has changed significantly due to the transition from transactional to relationship marketing, which is focused on long-term cooperation with the company's customers, suppliers, distributors, and staff. At the same time, the digitalisation of economic processes has enabled tracking the results of any marketing activities in general in nearly real-time. Under such circumstances, setting relevant performance indicators becomes crucial since they will be used to determine the achievement of marketing goals. However, only 23 % of marketers are confident that they track the right Key Performance Indicators (KPIs) [1]. The professional resources addresses several important aspects of this process [1–3].

First and foremost, marketers distinguish marketing metrics and KPIs. For instance, Diachuk O. Defines marketing metrics as specific performance data points that monitor, record, and measure the success of marketing plans and campaigns over time. It can be website visits, social media followers, or email open rates. At the same time, KPIs are the most essential metrics indicating achieving specific marketing goals. In other words, metrics are raw data points, while KPIs are metrics with a purpose. KPIs provide deeper insights into the company's marketing strategy. Marketing Qualified Leads (MQLs) and Sales Qualified Leads (SQLs) illustrate this difference. So, MQLs are potential customers (treated as metrics), and SQLs are MQLs deemed sales-ready (treated as KPI) [2].

Gibson K. distinguishes performance indicators depending on the stages of the "marketing funnel" (or stages of the customer journey) [2]:

1. Awareness: Introduce potential customers to a brand or product. There are such relevant marketing KPIs as website traffic and impressions.
2. Consideration: Help customers evaluate the product against alternatives. Here, metrics such as time spent on a website, pages viewed per visit, and social media interactions can be employed.
3. Decision: Influence customers to purchase the products. The conversion rate and sales revenue are considered to be the focus at this stage.

Linker E. provides two main classifications of KPIs [3]. The first one is based on the primary focus of marketing efforts. It envisages the following types of KPIs:

1. Financial KPIs: return on investment (ROI), cost per acquisition (CPA), and revenue growth rate.
2. Acquisition KPIs: customer acquisition cost (CAC), conversion rate, and click-through rate (CTR).
3. Retention KPIs: customer churn rate, lifetime value (CLV), and engagement rate.
4. Social Media KPIs: social media reach, engagement rate, and follower growth rate.
5. Content Marketing KPIs: website traffic, time on page, and bounce rate.

The criteria for the second classification are Measurement Type and Time Frame. There are the following:

1. Quantitative KPIs: These numerical indicators provide tangible counts or rates. For instance, for granular insights, website traffic and lead generation can be quantified by visitor counts and lead captures and segmented by region, product, or demographic.
2. Qualitative KPIs: They offer insights into non-numerical factors influencing marketing success. Brand reputation, for example, can be assessed through customer feedback, reviews, or sentiment analysis.
3. Leading KPIs: These are forward-looking indicators that provide insights into future performance. For instance, increasing newsletter sign-ups or product demo requests can predict future sales or conversions.
4. Lagging KPIs: Quarterly sales figures or year-over-year growth rates offer a retrospective view of marketing performance. They allow businesses to identify what worked, what did not, and where there is room for improvement.

Modern marketers can establish and use a wide range of indicators to measure the company's marketing efforts and make informed decisions about various aspects of its marketing activities.

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