

Increasing Marketing Effectiveness

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Abstract: Marketing efficiency as a concept is strongly linked to many of the core organizational results, such as long-term growth, stability, customer satisfaction, competitive advantage, and strong market orientation. Marketing effectiveness depends on the company's goals. Due to the growing demand for marketing professionals, one needs to focus on a system where both short-term and long-term financial impact can be measured on the company's market investments. Marketing effectiveness measurement is a business process that shows the results of specific marketing decisions. The effectiveness of marketing activities should be defined as the return on the funds invested in these activities.

Keywords: Marketing, marketing effectiveness, marketing effectiveness evaluation criteria.

INTRODUCTION

Marketing is a process whereby the resources of a company are combined with the existing or emerging needs of customers or users in a manner that is consistent with the needs and expectations of all interested parties. The most commonly used traditional marketing tools in business are web sites, corporate identity, advertising, social networking, events, presentations, sales promotion, business gifts, etc. For companies today, the key issue is not the need for marketing tools, but the targeting of measures that guarantee efficiency.

If the marketing tools are chosen precisely, they can benefit, i.e. to improve the company's awareness of the specific service. The purpose of the article is to analyze marketing effectiveness measures, what increase marketing effectiveness.

MARKETING EFFECTIVENESS DEFINITION

Each company uses various resources (material, financial, human) in order to survive in a competitive market and generate profits. The more efficiently these indicators are used, the faster the production is produced and sold. A portion of the resources are accumulated for future use. Their proportion must be rationally established. If they accumulate more, the production process slows down and resources are used irrationally. The company is constantly making efforts improve your marketing activity. These efforts are expressed in cash. For that is need to determine the cost effectiveness, you need to pay a quantified estimate the state of the marketing activity at the desired time. The knowledge enable this activity to be managed, purposefully change its state.

Marketing effectiveness tools

Assessing marketing effectiveness is the key to optimizing any process, and marketing campaigns are no exception. By developing and evaluating your key

marketing campaign performance metrics (KPIs), you can clearly see what works and what's not. There are some common KPIs that you should evaluate for each campaign, regardless of type, feed, or storage [7]:

Return on investment (ROI)

The return on investment reflects the sales revenue that the campaign gives each euro. Return on Investment (ROI) is the best KPI to measure the effectiveness of all your marketing campaigns

Price for sale

The price per win is the bill for every sale.

Price per lead

The cost of basic tools is the cost-effectiveness of marketing campaigns. This metric is fully targeted to campaign wizards. Because it affects the sales process, it did not evaluate the quality of potential customers.

Conversion Rate (or Goal Completion Rate)

As you rate your site's conversion rate (the percentage of visitors who have turned potential customers or clients), you should also rate the same individual campaigns.

Table-1: Marketing effectiveness definition

Author	Definition	Highlight
Solcansky, M., Simberova, I. [1]	„Marketing efficiency is the quality with which managers go to the market to optimize their performance in order to achieve good results in the short and long term. Introduction to marketing measurement is often criticized because it focuses only on short-term goals. But in fact, by definition, it focuses on marketing activities that can be implemented to improve short-term and long-term results.“	The quality with which managers go to the market to optimize their performance.
Daukševičiūtė, I., Valainis, A., Vilkaitė, N. [2]	„The analysis of definitions of marketing effectiveness allow foreground approaches based on the following factors: achieving business goals, market share, ration among difference between consumers price and producers price, and marketing cost, optimization of spending, process of value creation.“	Allow foreground approaches based on the following factors: achieving business goals, market share, ration among difference between consumers price and so on.
Milichovský, F. [3]	Marketing effectiveness is created by several levels, which includes five attributes of marketing orientation approach: customer philosophy,integrated purchase organization, accurate marketing information, strategic orientation, operational efficiency.	Includes five attributes of marketing orientation approach: customer philosophy,integrated purchase organization, accurate marketing information, strategic orientation, operational efficiency.
Faridyahyaie, R., Faryabi, m., Noubar, H., B., K. [4]	Marketing effectiveness requires managers to have enough information the objectives of planning and efficient allocation of resources to different markets, products and territory. Marketing effectiveness also depends on the adequacy of managers presenting your profile strategies from your philosophy, organization, and information resources. Finally, marketing effectiveness depends on the ability to implement successful marketing plans at different levels of the organization.	Marketing effectiveness depends on the ability to implement successful marketing plans at different levels of the organization.
Pawar, A.V. [5]	„Internet marketing is not a singular approach to raise interest and awareness in a product. Because of the vast number of platforms the Internet creates, the field encompasses several disciplines. It involves everything from email, to Search Engine Optimization (SEO), to website design, and much more to reach an everevolving, ever-growing audience. It offers certain advantages to consumers over traditional marketing.“	It involves everything from email, to Search Engine Optimization (SEO), to website design, and much more to reach an everevolving, ever-growing audience.
Binet, L., Filed, P. [6]	The most frequently used measures of effectiveness are the various business effects: profit, sales, market share, penetration, loyalty and price sensitivity. The most important measure of effectiveness in the short term is ‘activation’ effects: typically, in recent years, these are online direct responses (transactional or intermediate) and their telephone or coupon equivalents in earlier periods.	The most frequently used measures of effectiveness are the various business effects: profit, sales, market share, penetration, loyalty and price sensitivity.
Cain, K. [2]	„To measure and, ultimately, improve your content marketing efforts, you need to know which metrics to track and analyze, and how to do so. The best place to start is by gathering some data from your company’s website, including your: unique visitors; page views; search engine traffic; bounce rate; conversion rate; inbound links.“	Gathering some data from your company’s website, including your: unique visitors; page views; search engine traffic; bounce rate; conversion rate; inbound links.

Additional sales

Supplementary sales tools are the contribution of marketing efforts to the number of sales. Increased sales show that your marketing campaigns are beneficial for generating sales and are a great way to compare your marketing efforts.

Purchase Channel

With Google Analytics (or a similar tool), you should also evaluate and analyze the sales process of potential customers created by each marketing campaign (e.g. visits, interactions, leads, and sales conversions and percentages). This can help you find points that can help you learn more about your traffic or

sales cycle. You should measure and analyze the sales process of potential customers created by each marketing campaign.

Customer life expectancy

"Customer Lifecycle Value" assesses the value of your clients' living value using the formula: "average sales per customer" multiplied by "average number of customers per year" multiplied by "average customer retention time". These data will, of course, take time to collect, but when calculating CLV, you can see which marketing efforts generated by the best customers. Customer's Life Valuation Formula.

Multi Channel Channels and Attribution

Although you want to separate each of your campaigns and marketing channels, there will always be

overlaps. For example, a customer learns about your site in social media and then returns to it through a search engine. To see a more accurate view of your marketing, you should use multichannel channels and apply attribution simulations.

Online marketing tools can be described in a set of different features (see Table-1). It can be stated that all online marketing tools are both positive and positive negative features. These measures are achieved by a user with different expectations and unequal expressions willingness to contact the company. This means that the company should, in order to achieve its marketing goals choose not only one marketing tool, but a set of them according to the most not only to it but also to the intended users or the characteristics acceptable to their groups.

Table-1: Features of online marketing tools [8]

Online marketing Measure		Features
Search Marketing	Search engine optimization (SEO)	Free
		Consumer confidence
		It takes a lot of time to optimize the webpage
	Search Engine Marketing (SEM)	Fast result
		Costs
Marketing for a website bound and syndicated marketing	El. email marketing	Free
		Association with brukals
		EU opt-out legal model - You can not send a letter without the consent of the payee
		Antivirus software can block sender server in the future
		Feedback
	Invasive marketing	Cybercrime
		Risky
	Syndicated content and RSS feeds	Free
		The user controls the information ("pulling model ")
	Social media marketing	Ratings webpages
Free		
Effective		
		The company does not control the information which is spreading
Social networks, forums		Effective
		Free
		Users control the content
Website		Feedback
Blogs		Customer loyalty is formed
		Informal communication with the client
Widgets	Not discreet	

Search marketing is a process of traffic and visibility from search engines, because both paid and unpaid efforts. Search marketing includes [9]:

- SEO: Make traffic for free or free
- SEM: Buying traffic through paid search engines

- Originally referred to as "search engine marketing," the shorter term "search marketing" is now often used as the main term "SEO" and SEM. The longer term "search engine marketing" (SEM) is now generally described by paid search activity.

Marketing for a website bound and syndicated marketing

It as being an evolution as marketing shifts from *Push* to *Pull*. RSS is quickly becoming a method where users can opt-in for additional content [10].

Social media marketing

Social media marketing is a powerful way for businesses of all sizes to reach prospects and customers. Your customers are already interacting with brands through social media, and if you're not speaking directly to your audience through social platforms like Facebook, Twitter, Instagram, and Pinterest, you're missing out! Great marketing on social media can bring remarkable success to your business, creating devoted brand advocates and even driving leads and sales [11].

Marketing effectiveness increasing evaluation criteria

As stated Juščius, V., Baranskaitė, J. [8] marketing effectiveness depends first and foremost on

how effective your marketing strategy is marketing actions [12], and his measurements are historically focused on results: both financial and Nephi [13]. In assessing the effectiveness of marketing activities, it is necessary to evaluate the results of sales and profitability, marketing programs efficiency, costs.

As stated Juščius, V., Baranskaitė, J. [8] the effectiveness of marketing activities is also influenced by non-financial factors: marketing culture, service culture, quality of service, interpersonal relationships, customer relationship management, organizational stability, internal communication, innovation and others. Therefore, the evaluation of the effectiveness of the marketing must be done in the financial and non-financial terms criterion (see Figure-1). The smallest components of the presented indicators can be either long or short period effects.

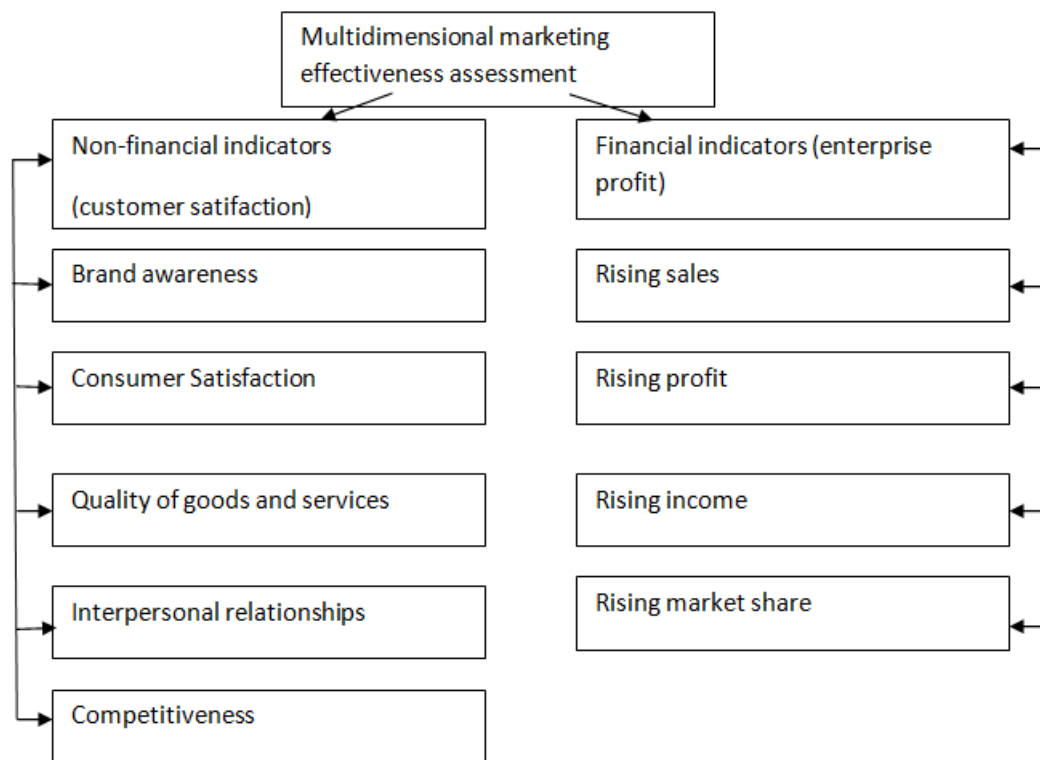


Fig-1: Marketing effectiveness evaluation criteria [8]

According Pavasarytė, A. [14] the continuity of marketing effectiveness classifies the organization's marketing effectiveness assessment into five levels [15]:

- Activity monitoring;
- Campaign evaluation;
- Complex modeling;
- User analysis;
- Brand Optimization.

Activity monitoring covers all activities of the mass media, such as:

Advertising - The overall reach of the audience (GRP) and the cost per thousand headline impressions (CPM) or cost per thousand users (CPT).

$$CPT = (\text{ad cost} \times 1000) / \text{edition}$$

$$CPT = (\text{ad cost} \times 1000) / \text{size of target group}$$

- Website - The number of clicks, the number of clicks on the ad on the Internet.

• Instant e-mail application - The amount of sent mail and the cost per sent message

Campaign evaluation can relate revenue, marginal profit, or discounted cash flows to marketing costs, in order to calculate ROI (ROI), otherwise known as marketing efficiency or advertising effectiveness.

Complex modeling - existing market models are being developed and the effectiveness of marketing activities evaluated according to the marketing complex 4P

Consumer analysis – using knowledge of consumer behavior and responses to gain further insight into the effectiveness of marketing, including the value of individual brands.

Brand Optimization - at this level, marketing professionals can not only evaluate how specific programs or program complexes help identify increased earnings, profits, or stock value, but can also assess the impact of marketing activities on its stock price.

CONCLUSIONS

The concept of marketing effectiveness is multivariate. Efficiency shows how successful your business is. The criteria for measuring marketing effectiveness can be long-term and short-term. Marketing program optimization solutions help increase marketing effectiveness. Financial and non-financial indicators for measuring the effectiveness of marketing are determined. The use of marketing efficiency measures covers the entire marketing mix. Marketing effectiveness is inseparable from any activity. The more efficient the company's resources are exploited, the faster it produces and sells. At the same time, this also determines the company's profit growth. The services are provided efficiently when delivered fairly and at reasonable prices to all customers, while allowing the company to cover its costs and receive a return on investment.

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