Carol Meyers

is Senior Vice President and Chief Marketing Officer, and drives the strategy and execution for brand, product and acquisition marketing. She brings over 15 years of software sales and marketing experience to Unica. Previously, she was vice president of the North American Business Group for Intel Corporation's Wide Area Network Systems Operations (formerly Shiva Corporation). In this position, she directed the company's North American marketing, sales and support programmes. She is a member of The Conference Board's Council of Marketing Executives II, Global Fluency's CMO Council and the Direct Marketing Association, and is a frequent speaker at many industry conferences and events. She holds a BS from Fairfield University and is a graduate of the General Electric Financial Management Programme.

Keywords: marketing, enterprise marketing management (marketing resource management, campaign management, web analytics), marketing technology, marketing channels (web, direct mail, email), trends, performance measurement

Carol Meyers
Unica Corporation
170 Tracer Lane
Waltham, 02451 MA, USA
Tel: +1 781 839 8008
Fax: +1 781 890 0012
E-mail: cmeyers@unica.com

Enterprise marketing management (EMM) systems: Current use and future prospects

Carol Meyers

Received: 29 January 2007

Abstract

To gather data on current and future use of enterprise marketing management solutions in Europe, Unica and Ovum conducted an online survey of 300 senior marketing executives in December 2005–January 2006. Respondents represented a range of industry sectors and were equally divided among France, Germany and the UK. Most respondents expressed confidence about the strategic value of marketing in supporting the organisation, and good practice in marketing was said to be widespread. In contrast to the pervading optimism, UK respondents in particular were pessimistic about their ability to achieve the organisation's marketing objectives, due to a lack of marketing expertise. Technology, in particular the internet, was central to marketing, with e-mail and the web being the most popular channels, but traditional approaches such as direct mail and word-of-mouth marketing were continuing to play an important role. The majority of organisations had no immediate plans to implement innovative new technology-related channels, such as blogs and Really Simple Syndicate (RSS) feeds. Nearly three quarters of organisations measured marketing performance, the most popular metrics being customer satisfaction and the number of new clients. Return on investment (ROI) was the most popular new metric planned for implementation in 2006. Exactly half the respondents claimed to have heard of EMM, which was better known in France than elsewhere. Several point solutions were in use, the most popular being real-time marketing and marketing resource management (MRM). None of these solutions was, however, used by more than 40 per cent of the organisations. In general, planned implementation of new EMM solutions reflected the current usage levels, but there were indications of strong growth in lead management solutions. Lack of awareness was cited as the main reason for not investing in EMM, but concern with costs and budgets was also widespread among the organisations surveyed. In conclusion, the survey demonstrated that holistic EMM solutions are not in common use, and although they are likely to become more widespread in future, several factors hinder the spread. Despite these findings, the survey did indicate that elements of

EMM — such as personalised e-mail marketing and MRM — are becoming increasingly common among European marketers. For example, 32 per cent of the respondents indicated that they are using MRM technology to manage their marketing functions. The figures reflecting lack of plans for blogs and RSS feeds suggest that businesses are investing their budgets in core, enterprise-level technology to support the marketing function, rather than spending it on less proven tactics.

Journal of Direct, Data and Digital Marketing Practice (2007) **8**, 309–318.
doi:10.1057/palgrave.dddmp.4350064

Background and objectives

Enterprise marketing management (EMM) is a category of enterprise software designed to make marketing more effective, efficient and accountable by streamlining and automating processes. It covers the entire marketing lifecycle from budgeting and planning through to cross-channel execution and analysis and reporting. The need for enterprise marketing software is prompted by the growing complexity of marketing as a discipline. This complexity is a consequence of the proliferation of micro-targeted products and channels coupled with the need to comply with a raft of legislation, regulations and codes of practice.¹

EMM software emerges

EMM software has emerged from narrower marketing technology categories such as campaign management, marketing resource management (MRM) and web analytics. With these capabilities provided in an integrated suite, EMM provides the ability to more efficiently and effectively plan, manage, execute and measure marketing performance across channels. It enables marketers to understand their customers' cross-channel buying behaviours and to present a more consistent face to the customer. Performance measurement is particularly important because many marketing departments today face an overwhelming pressure to justify expenditure and demonstrate results.² Marketing performance management (MPM) systems are a subset of MRM, the branch of EMM concerned with planning and resource management.

Current usage is estimated @ 5 per cent

Analysts and others believe that a complete EMM strategy will become increasingly important over the next few years.³ Current usage is, however, estimated at only 5 per cent of the companies which could benefit from EMM. To assess the extent to which awareness of EMM has spread through industry in Europe, and to investigate current and future attitudes towards overall EMM implementation, Unica Corporation teamed up with analysts Ovum to conduct a survey of marketing professionals in France, Germany and the UK. The survey focused on the following areas directly related to EMM:

- Current and future use of performance metrics in marketing.
- Awareness of EMM as a category and complete concept.

- Current and planned use of EMM solutions.
- Buying process for EMM technology.

To set the findings into a broader context, the survey also sought information on marketing-related goals, perceptions and practices. In addition, it looked at the mix of marketing channels within the organisations surveyed.

Methodology

An online survey of 300 marketing decision-makers was conducted in late 2005, using multiple-choice questions. The respondents were divided equally among the three countries and represented a wide range of industry sectors, including business services, consumer goods, manufacturing, retail and technology. Annual revenues varied widely, as did the size of the marketing budget as a proportion of revenue. Most respondents, however, worked in businesses with annual revenues of less than £166m and marketing spend amounting to 1–5 per cent of revenue.

The survey responses enable a more detailed profile to be constructed. Nearly half the respondents were sector or brand managers, with the remainder divided more or less equally between marketing directors and marketing managers. Financial services (including insurance) was the largest industry sector represented, accounting for 13 per cent of respondents. Next in line were the public sector (11 per cent), retail (10 per cent) and technology and communications (10 per cent).

Results and discussion

Perceptions and goals

Overall, 59 per cent of respondents believed that their marketing activities were well aligned with corporate goals and objectives. This proportion increased with revenue and with the size of the marketing technology budget. Furthermore, nearly half the respondents (48 per cent) believed that nonmarketers in their organisation saw marketing as a strategic function that delivers measurable value. A further 20 per cent believed that marketing was seen as strategic but with a value that could not be measured directly.

In the survey, most respondents said that the overall objective of marketing within their organisation was to support sales (35 per cent) or to build brand awareness (30 per cent). Driving sales through direct channels was the third most widely cited objective (19 per cent), indicating that marketing was sales related, if not sales driven, in the majority of organisations. German respondents placed relatively more emphasis on sales support and less on brand awareness. Interestingly, the emphasis on brand awareness increased with the size of the marketing technology budget, although there was no clear relationship with the organisation's revenue.

Looking specifically at 2006, the most commonly identified goal of marketing in all three countries was to increase sales or profits

Marketing spend is between 1 and 5 per cent of revenue

Marketing is strategic

Marketing supports sales

(34 per cent of respondents). Overall, increased market share was the next most widely quoted goal (17 per cent), though in the UK it came in third place after developing the brand, product or organisation. German respondents were much more concerned with the goal of increased customer service (16 per cent) than those in the UK (7 per cent) and France (5 per cent). This may reflect the large number of services companies operating in the German market. As far as challenges are concerned, the UK and French respondents saw the achievement of market leadership or market expansion as the main challenge for 2006. German organisations were more concerned with cost and budget issues. Overall, only 5 per cent of the respondents identified knowledge or availability of technology as their main challenge.

Marketers lack expertise

There was evidence that UK organisations in particular were pessimistic about their ability to meet these objectives and goals. In fact, 58 per cent of UK respondents agreed with the suggestion that their marketing department lacks the expertise to achieve the organisation's marketing objectives. This proportion was much lower in France (37 per cent) and Germany (17 per cent). Perhaps surprisingly, it did not vary consistently with the size of the organisation.

Current practice

More than half of the respondents (58 per cent) believed that their organisation was fully aware of and complied with all privacy and marketing regulations. A similar proportion (56 per cent) claimed to actively solicit, store and honour customer preferences for contact method, frequency and interests.

Customer information sharing

Almost half of the respondents (48 per cent) claimed that customer information was shared across marketing channels in their organisations. The proportion was higher in the UK (57 per cent) than in France (45 per cent) or Germany (42 per cent). Similarly, 49 per cent of respondents believed their organisation's offers and interactions to be coordinated and consistent across channels, with little variation among countries. A similar proportion (46 per cent) claimed that the marketing organisation had a centralised process and systems for content reuse and sharing. At the same time, just over one-third of respondents (34 per cent) reported that their organisation maintained separate teams for traditional and online marketing. Larger organisations in particular tended to follow this approach, which potentially makes it more difficult to attain consistency across channels.

Overall, the survey results reveal that good practice in marketing was widespread though far from universal in France, Germany and the UK. This contrasts with the findings of some other recent surveys. In the US, for example, far fewer marketers believe they consistently deliver offers and customer interactions across channels (34 per cent⁴ as opposed to 49 per cent). In the current survey, good practice was characteristic of organisations with large revenues and large marketing technology budgets. It seems that smaller organisations in particular have a long way to go.

Technology investment

The marketing technology budgets of the organisations involved in the survey varied enormously in size, from less than £6,000 to more than £665,000. Not surprisingly, there was a close relationship between the size of the organisation and the size of its budget. Looking at industry sectors, the smallest budgets were found in insurance and business services.

Most marketing technology budgets were owned by the finance or marketing function, regardless of organisational size, industry sector or country. Interestingly, there was no association between ownership of the budget and the control that marketing had over it. In other words, the fact that some survey respondents were budget owners did not alleviate the need for additional approval on marketing technology expenditure. As one might expect, the public sector was strongly dependent on CEO/CFO approval for budgetary spend.

Marketing channels

Not surprisingly, the survey showed that technology, in particular the internet, was central to organisations' multi-channel marketing strategies. E-mail was the most widely used marketing channel among the organisations represented in the survey (Figure 1). In fact, 75 per cent of the respondents stated e-mail to be the most prevalent means of marketing to customers and prospects, followed closely by the web at 73 per cent. Interestingly, traditional direct mail and word-of-mouth marketing still formed part of the mix for more than 60 per cent of organisations surveyed. In general, use of each individual channel was reported to be more widespread in France than in the UK and Germany, though not by a wide margin. The most notable exception

The internet is central

Summary

Top-5 Measures Currently Used
Email
Web
Direct mail
Word of mouth
Customer service

Top-5 Measures Planned for Use
R/T web personalisation
Sales automation/tools
RSS feeds
Web seminars
Social networks

Top-5 Measures Not Used / Planned
MMS
Blogs
Web seminars
SMS
RSS feeds

© Copyright Ovum 2006

Figure 1: Marketing operations — technologies and channels used

Planned technology investments

was word-of-mouth marketing, which was much less prevalent in France (51 per cent of respondents) than in Germany (79 per cent) or the UK (74 per cent).

Looking at plans for the future, real-time website personalisation was the most frequently cited channel scheduled for implementation in 2006. No less than 34 per cent of respondents planned to start using this, more than doubling its use from 31 per cent in 2005. Other channels or associated technologies whose planned use exceeded current use included multimedia messaging (MMS), really simple syndication (RSS) feeds on web use, web seminars and sales force automation/tools. RSS feeds were more popular in Germany than elsewhere as far as planned use was concerned, but the reverse was the case for the other channels listed. Nonetheless, with the exception of sales force automation, the majority of businesses did not use and had no plans to use these other channels. It seems, therefore, that while more innovative technology-based channels may make the news, European organisations are content for the moment with basing their multi-channel strategies on more traditional approaches.

Performance measurement

In the survey, 71 per cent of the respondents claimed that their organisation measured marketing performance. There was some variation from country to country, with the UK above the average at 76 per cent and Germany below it at 65 per cent. Generally speaking, organisations that measure marketing performance had considerably larger budgets as well as larger revenues than those that did not measure performance. Performance measurement was particularly widespread among organisations where the marketing department was in control of the marketing technology budget: only 17 per cent of these organisations did not measure performance. This suggests that nonmarketers may be more reluctant than marketers to approve expenditure on technology for performance measurement.

Use of performance metrics was most prevalent in the consumer goods sector and least prevalent in the public sector. With public sector organisations increasingly under pressure to demonstrate that their money is well spent, this finding is surprising.

Top metrics

In the survey (Figure 2), the most popular metrics currently in use were customer satisfaction and the number of new clients. Overall, each of these metrics was used by around 80 per cent of the organisations that measured marketing performance. Looking at the results separately for each country, the same metrics occupied the two top positions in both the UK and Germany, but budget adherence was a more popular metric in France than the number of new clients. There was in fact a substantial amount of variation among the three countries in the use of different metrics. The most notable example was customer churn, which was twice as popular among German organisations (71 per cent

Summary

Top-5 Measures Currently Used
Customer satisfaction
No. new clients
Brand awareness
Budget adherence
Revenue generated

Top-5 Measures Planned for Use
ROI
Loyalty index
ROA
Retention rate
Cost per lead

Top-5 Measures Not Used or Planned
Conversion rates
Customer churn
ROI
ROA
Retention rate

© Copyright Ovum 2006

Figure 2: Working practices — what measurements are used/planned (respondents that currently measure)

of the organisations that measured performance) than their French (35 per cent) or UK (31 per cent) counterparts.

Organisations that measured performance were asked which new metrics they planned to implement. The most widely quoted was ROI. With 35 per cent of organisations intending to make use of ROI in 2006, this was the only metric whose planned use exceeded its current use (33 per cent). Considerably less importance was assigned to ROI in Germany than in the other two countries.

Usage of customer churn metrics

Of those organisations that did not measure performance, more than half expressed an interest in using customer satisfaction and the number of new clients, mirroring current usage. Brand awareness, customer churn and market share were the next most popular metrics. Interestingly, among organisations that measured performance, customer churn was ranked next to last when current and planned use were added together. This suggests that organisations more familiar with performance measurement might have less confidence in customer churn as a metric. The average figures, however, conceal a large amount of variation among countries. German organisations reported a very high level of interest in customer churn, again reflecting current usage. French and UK organisations, on the other hand, had very little interest in this measure, while their German counterparts showed minimal interest in brand awareness and market share.

Lack of time was the most frequently quoted reason for the failure of organisations to measure marketing performance in the way they would like, with lack of means or technology in second place. Again, there was much variation among countries. German organisations focused overwhelmingly on lack of time, while French organisations were concerned above all with a lack of means. UK organisations had

Technology investments and plans

a wider spread of reasons, with cost in second place after lack of time. Overall, smaller organisations were more concerned about failure to measure than were larger ones.

EMM — Concept and technology

The organisations included in the survey (Figure 3) used a wide variety of solutions that fall within the scope of EMM, the most popular being real-time marketing (39 per cent) and MRM (32 per cent). Several other types of solutions were clustered between 25 and 30 per cent: customer analytics, field marketing, campaign management, digital asset management, optimisation and reporting. Not surprisingly, there was a strong association between use of EMM solutions and familiarity with the EMM concept. On the whole, use of these solutions was more widespread in France than in the UK and Germany.

Generally speaking, the proportion of respondents planning to implement each type of EMM solution was fairly close to the proportion already using this solution. This suggests that the relative importance of different solutions in the EMM mix is unlikely to change significantly in the near future. Lead management solutions were the most notable exception to this trend, with only 19 per cent of organisations using them currently, but another 29 per cent planning to do so. Organisations not planning to invest in EMM solutions quoted a lack of awareness of the software's capabilities as the main reason for this. Small organisations were more likely to steer clear of adopting complete EMM solutions than larger ones; many of these claimed to be hindered by budgetary constraints.

© Copyright Ovum 2006

Figure 3: EMM technology — solution use/investment plans

Cost is a top concern

The buying process

A closer look at the process of buying technology revealed a concern with cost, especially among smaller organisations. Thus 41 per cent of organisations with a turnover below £166m stated that cost was the most important factor in the purchasing decision, compared to 11 per cent of the largest organisations (turnover exceeding £6.7bn). The next most important, though much less widely quoted, were compatibility with current systems and the functionality or features of the technology.

In researching technology as part of the purchasing process, organisations most often used traditional internet information sources and attendance at trade shows, exhibitions or conferences. Publications, often financial publications, were also popular. Again, there was variation with the size of the organisation. Use of consultancy and trade groups was highest in the largest organisations, while the use of web resources was most popular among the smallest. Overall, no more than 5 per cent of organisations relied on IT consultancies (as opposed to independent expert consultants), marketing groups or industry analysts. Also, while blogs are often said to be a valuable source of unbiased information, their use as a resource when organisations are planning to implement marketing technology was very limited in the survey (3 per cent of respondents).

Conclusion

The survey results suggest a high level of confidence about the strategic value of marketing in supporting the organisation, coupled with the widespread adoption of good marketing practice. Most of the organisations surveyed also claimed to measure marketing performance, usually as customer satisfaction or as the number of new clients. It appears that relatively few European companies have formal MPM systems in place.⁵ Instead, the prevailing approach to performance measurement is likely to involve disparate tools and disconnected metrics rather than the integrated, holistic approach associated with a complete EMM suite. The survey showed that, in France and to a lesser extent the UK, lack of technology was seen as a barrier preventing some organisations from applying the metrics they would like to use. Perceived lack of time was also an obstacle, especially in Germany. This suggests that some organisations view performance measurement as a low priority.

The survey found that complete EMM suites were not in common use. If the stated plans of the survey's respondents are, however, realised, a more holistic approach to EMM technology should roughly double by the end of 2006. Such a high rate of growth may not be achievable in practice, but it is clear that lead management solutions, for example, are set to become more widespread. Again, this should not be taken to imply that the organisations in the survey have developed formal EMM strategies. Instead, they may well adopt a piecemeal approach to EMM implementation. Either way it appears that, for the

immediate future, most organisations will use at most one or two EMM solutions, principally e-mail marketing and customer analytics. Smaller organisations are likely to be particularly slow in implementing these solutions. Organisations that currently invest a lot of effort in marketing and have a high awareness of EMM as a concept will take the lead, as one might expect.

References

1. Unica (2005) 'Enterprise marketing management (EMM) — Enabling world-class marketing', White paper.
2. Unica/Peppers & Rogers Group (2005) 'Measuring up. Building a culture of marketing performance using Marketing Resource Management (MRM)', White paper.
3. Collins, K. (2004) 'Redefine marketing processes to drive customer-centricity,' Gartner Research Report.
4. 2005 AMR/Unica survey of US marketers.
5. Neale-May, D. (2005) 'Measures and metrics. Marketing performance measurement audit — EMEA. Preliminary findings', CMO Council presentation at MPM Forum, London, 14 April 2005 www.mpmforum.org/PDF/MPMLondon.pdf.