THE MEASUREMENT OF MARKETING PERFORMANCE IN IRISH FIRMS

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Since the start of the decade a number of reports have pointed to a weakness in the marketing performance of Irish firms. These reports have given rise to a discussion of how marketing performance might be improved. To date, a consideration of marketing performance measurement practices has not informed this discussion. By replicating earlier studies in the UK and Spain, this article provides an insight into the metrics that Irish firms use to measure marketing performance. It also examines the relationship between these measurement practices and firm performance.

Findings, based on a survey of 209 marketers, indicate that marketing performance measurement in Irish firms is dominated by financial metrics and that measurement practices appear to be less well developed than practices previously reported in the UK and Spain. The study provides some support for the theorised relationship between marketing performance measurement and firm performance. Based on these findings it is argued that the development of performance measurement practices should be included in any comprehensive programme to improve marketing performance on the part of Irish firms.

Introduction

It has been suggested that the marketing performance of Irish firms is relatively weak (Enterprise Strategy Group, 2004; ISA, 2002; Wardle, 2004; ICT Ireland, 2003). Further, in adopting the recommendations of the Enterprise Strategy Group Report, the government has committed to addressing this perceived weakness (Department of Enterprise, Trade and Employment, 2005). However, one possible route to improved marketing and firm performance which is advocated in the marketing literature – the adoption of marketing performance measurements – has to date been overlooked in this discussion. This study seeks to examine the marketing performance measurement practices in Irish firms. This examination provides an assessment of current practice and a basis for comparing marketing performance measurement practices in Irish firms with those reported in previous international studies. Also, the study tests whether there is a relationship between measurement practices and firm performance.

Marketing Performance Measurement (MPM)

Currently, marketing performance measurement (MPM) is the focus of intense practitioner interest. This can be see in the activities of the Marketing Leadership Council in the US, the Chartered Institute of Marketing in the United Kingdom and the Australian Marketing Institute. Practitioners are turning to performance measurement in response to demands for enhanced marketing productivity (Clark, 2001; Morgan et al., 2002). Also, financial accountability has become an increasingly important issue for senior marketers (Webster et al., 2003) and is reflected in the prioritisation of performance measures that demonstrate a return on marketing spend (Ambler, 2003). Further, the development of credible measures of marketing performance has been proposed as a means regaining marketing's lost influence (e.g. Shaw, 1999; Rust et al., 2004). Within the academic community, interest in MPM has continued from the 1960s through to the present day (see, for example, Rust et al., 2004). Current academic interest in MPM is reflected in the fact that for the fourth consecutive iteration, MPM has been included in the Marketing Science Institute's top research priorities (MSI, 1998, 2000, 2002, 2004).

MPM research is widely viewed as having originated in the 1960s and 1970s with the publication of work by Sevin (1965) and Goodman (1972). These works adopted an accounting perspective to identifying the profit impact of marketing. Later work by Shapiro and Kirpalani (1984) and Foster and Gupta (1994) sought to build on these earlier studies by improving the interface between marketing and accounting. An accounting perspective continues to influence practitioners, as can be seen by the fre-

Table 1 **Studies of Marketing Performance Measurement**

MEASURES	AUTHOR
Single financial output measures	
Profit	Sevin (1965); Goodman (1972)
Sales revenue	Feder (1965)
Cash flow	Buzzell and Chussil (1985); Day and Fahey (1988)
Non-financial measures	
Market share	Buzzell and Gale (1987); Jacobson (1988); Szymanzki et al. (1993)
Quality of service	Bucklin (1978)
Adaptability	Walker and Ruekert (1987); Bhargava et al. (1994)
Customer satisfaction	Oliva et al. (1992); Peterson and Wilson (1992); Anderson and Sullivan (1993); Selnes (1993); Donaher and Mattson (1994); Halstead et al. (1994); Hauser et al. (1994); Piercy and Morgan (1995); Spreng et al. (1996); Fornell et al. (1996); Anderson et al. (1997)
Customer loyalty	Oliva et al. (1992); Anderson and Sullivan (1993); Selnes (1993); Teas (1993); Dick and Basu (1994); Reichheld (1994); Jones and Sasser (1995); Fornell et al. (1996); Teas and Palan (1997); Voss et al. (1998)
Brand equity	Barwise (1993); Keller (1993); Aaker and Jacobson (1994); Ambler and Barwise (1998); Haigh (1998); Keller (1998); Selnes (1993); Simon and Sullivan (1993); Lasser et al. (1995)
Input measures	
Marketing assets	Piercy (1986); Srivastava et al. (1998)
Marketing audit	Kotler (1977); Brownlie (1996); Rothe et al. (1997)
Marketing implementation	Bonoma (1985); Bonoma (1986); Bonoma and Crittenden (1988)
Market orientation	Kohli and Jaworski (1990); Narver and Slater (1990); Kohli et al. (1993); Day and Nedungadi (1994); Slater and Narver (1994); Deshpande and Farley (1998); Han et al. (1998); Jaworski and Kohli (1996); Wrenn (1997); Narver and Slater (1998)
Multiple measures	
Efficiency	Kotler (1977); Bonoma and Clark (1988); Dunn et al. (1994)
Effectiveness	Walker and Ruekert (1987); Sheth and Sisodia (1995)
Multivariate analysis	Bhargava et al. (1994); Spriggs (1994)

Source: Adapted from Clark (1999)

quency with which marketing is assessed through financial measures (Kokkinaki and Ambler, 1999).

Research conducted in the 1980s and 1990s led to a broadening of performance measures to include non-financial as well as financial evaluations. Notable here was the inclusion of measures of market share (Buzzell and Gale, 1987; Szymanzki et al., 1993), customer satisfaction (Selnes, 1993; Piercy and Morgan, 1995), customer loyalty (Reichheld, 1994; Jones and Sasser, 1995) and brand equity (Aaker and Jacobson, 1994). The next major wave of research interest coincided with the emergence of e-commerce. There has been what Clark and Clark (2003) describe as a frenzy of activity in this area since the late 1990s. Table 1 presents an adapted replication of Clark's (1999) summary of existing research on performance measurement in marketing.

While measures of the performance impact of marketing have become ever more elaborate, their application by practitioners is limited. As Clark (1999) notes, the development of multidimensional measures has been wonderful for researchers but problematic for practitioners who are unable to implement successively more complicated measurement schemes. The ongoing measurement difficulties faced by practitioners are reflected in a number of recent industry reports (for example, Booz Allen and Hamilton, 2004; CMO Council, 2005).

An important emerging stream within the MPM literature relates to studies of the link between measurement practices and firm performance. Within the literature there is a strong theoretical link between the measurement of marketing performance and improved business performance (Ambler and Riley, 2000). Also, earlier studies have provided empirical evidence pointing to a relationship between the formalisation of the marketing planning process and the attainment of improved performance (Lysonski and Pecotich, 1992). However, to date studies have yet to provide evidence of a strong link between measurement practices and performance (see, for example, Ambler and Riley, 2000).

Research Objectives

This study aims to provide an insight into the metrics used to measure marketing performance in Irish firms. Notwithstanding the prevalence of reports pointing to a weakness in the marketing performance of Irish firms, no previous studies have considered the performance measurement practices of firms in this market. An assessment of current measurement practices is important given that such practices are presented as a means of improving marketing performance and increasing marketing's influence within firms. By adopting a research instrument previously employed in the UK (Kokkinaki and Ambler, 1999) and Spain (Llonch et al., 2002) the study aims to provide a basis for a comparative analysis of performance measurement practices. The study also examines the relationship between measurement practices and firm performance.

Methodology

The membership list of the Marketing Institute of Ireland was used as the sample frame for the study. An instrument developed by Kokkinaki and Ambler (1999) was employed to identify how firms measure their marketing performance. Kokkinaki and Ambler (1999) present and apply a framework that tests companies' abilities to measure performance based on the collection, reporting and importance attached to six categories of information. These information categories are: direct customer, consumer intermediate, consumer behaviour, competitive market, innovativeness and financial results. For a full discussion on the rationale for the choice of measurement categories and an overview of how the scale was developed see Kokkinaki and Ambler (1999).

Respondents were asked to indicate which measures were considered by top management in reviewing their firm's marketing performance and which performance measures were collected. Next, respondents were asked to indicate the importance attached to each measurement category by top management. Responses were captured on a seven-point scale ranging from very important to very unimportant. Next, respondents were asked to indicate what, if anything, these measures were compared against. The answer format for this question allowed respondents to indicate the benchmark against which each measurement was compared: previous year, marketing/business plan, total category data, specific competitors and other units in the group.

Ambler (2003) contends that the measurement of changes in brand equity allows firms to reconcile short and long run perspectives on marketing performance. Consistent with Ambler et al. (2001) respondents were asked whether they had a 'term' for the main intangible asset built by the firm's marketing efforts and whether this asset was formally and regularly tracked through financial or other measures. Firm performance was assessed with regard to sales growth, profitability, new product success, percentage of sales share accounted for by new products, market share and return on investment (ROI) or return on net assets (ROA). Firm performance is operationalised as the mean of responses to five-point scales, asking participants to rate the success of their firm in comparison to the average in their sector.

The questionnaire was pre-tested in interviews with eight marketing managers. The pre-test group was precluded from participating in the final survey. Participants evaluated the clarity of the questions and the response formats. The term 'consumer intermediate' was seen as unclear/confusing and it was replaced by the term 'consumer attitudes'. Pretesting ended when the respondents reported no difficulties with comprehension or completion.

Analysis and Discussion

Total usable response was 209, representing a response rate of 20.75%. This response rate was highly satisfactory given that rates ranging from 12% to 20% are considered acceptable for cross-sectional surveys (Churchill, 1991). Time-trend extrapolation was used to test for the existence of non-response bias (Armstrong and Overton, 1977). As no significant differences were observed between early and late respondents on any of the variables of interest, it can be assumed that non-response bias was not a serious problem. Where relevant, responses from the current study are compared with those from earlier UK and Spanish studies.

Satisfaction with ability to measure marketing performance

The responses summarised in Table 2 indicate moderate to low levels of satisfaction with existing measures of marketing performance in Irish firms. Only 20% of respondents indicate that they are satisfied or very satisfied with existing measures. Mean satisfaction for respondents is 3.47 (standard deviation = 1.187). This is below the mid-point on the scale and lower than was observed in Spain (4.44) and the UK (4.07). Mean satisfaction increases with increasing firm size and one-way analysis indicates that these differences are statistically significant ($F = 3.387$, $df = 189$, $p = 0.036$).

Table 2 Satisfaction with Measures of Marketing Performance

Level of Satisfaction	%
Very satisfied	2.4
Satisfied	17.6
Fairly satisfied	36.6
Neither satisfied nor dissatisfied	19.5
Fairly dissatisfied	20.0
Dissatisfied	2.9
Very dissatisfied	1.0

Table 3 Marketing Performance Measures Considered by Top Management

	Never	*Rarely/Ad Hoc*	*Regularly/Yearly/ Quarterly*	*Monthly or More*
Financial	1.9%	9.2%	31.4%	57.5%
Competitive market	7.2%	26.2%	44.1%	22.6%
Consumer behaviour	4.6%	28.1%	39.3%	28.1%
Consumer attitudes	9.6%	36.0%	39.1%	15.2%
Direct customer	8.9%	29.3%	38.7%	23.0%
Innovativeness	15.8%	31.1%	34.7%	18.4%

Valid percentage where measurement category is used

Table 4 Regularity of Measurement Collection

	Never	*Rarely/Ad Hoc*	*Regularly/Yearly/ Quarterly*	*Monthly or More*
Financial	1.9%	7.8%	26.7%	63.6%
Competitive market	5.1%	33.5%	37.6%	23.9%
Consumer behaviour	7.1%	33.5%	39.1%	20.3%
Consumer attitudes	7.8%	37.0%	40.1%	15.1%
Direct customer	6.9%	32.4%	35.1%	25.5%
Innovativeness	20.1%	38.7%	28.4%	12.9%

Valid percentage where measurement category is used

Marketing performance measures considered by top management

Financial measures are the most frequently considered by top management when reviewing marketing performance. As can be seen in Table 3, for the majority of firms, top management consider financial measures monthly or more often when reviewing marketing performance. No other measure is considered with this regularity.

The top management in approximately one quarter of firms consider competitive market measures, consumer behaviour and direct customer measures as frequently as monthly or more. Measures relating to consumer attitudes and innovativeness are considered monthly or more frequently by 15% and 18% of firms' top management respectively. The regularity with which financial measures are considered by top management is significantly associated with firm size (Gamma = 0.365, p value < 0.001). The larger the firm, the more often financial measures are considered. The proportion of firms whose top management consider financial measures at least monthly when reviewing marketing performance increases from 44 per cent for small firms, to 54 per cent for medium-sized firms, and to 70 per cent for large firms.

Marketing performance measures collected

Financial measures are the most frequently collected performance metric. On a monthly basis (or more often), financial measures are collected by almost two-thirds of firms whereas one in four collects competitive market and direct customer measures with this regularity. Results are summarised in Table 4.

Consumer behaviour and consumer attitude measures are collected at least monthly by 20 per cent

Table 5 Measurement Category Importance: A Comparison with Findings from UK & Spain

	Mean Ireland	*Mean Spain†*	*Mean UK†*
Financial	6.4	5.15***	6.51
Competitive market	5.6	5.01***	5.42*
Consumer behaviour	5.5	5.68	5.38
Consumer attitudes	5.3	5.51	5.42
Direct customer	5.3	4.19***	5.53
Innovativeness	5.0	5.94	5.04

† *Source*: Llonch et al. (2002)
* p value<0.05 ** p value<0.01 *** p value<0.001

and 15 per cent of firms respectively, whereas only one in eight collect innovativeness measures this often. The regularity with which financial, competitive market and consumer behaviour measures are collected are significantly and positively associated with firm size.

Importance attached to marketing performance measure

Next, respondents were asked to rate the importance of each of the range of measures to top management in their firms when they evaluate the firm's marketing performance. It is important to bear in mind that this question seeks to assess what *is* rather than what *ought to be*. All of the measures tested have a mean response above the mid-point on a seven-point scale indicating that all are perceived as being important. Financial measures have the highest mean importance (6.4) followed by competitive market measures (5.6) and consumer behaviour (5.3).

Student's t-test was used to assess whether the findings differed from those previously reported in Spain and the UK. In Table 5, where the international findings differ significantly from those in the current research, these are underlined and the significance is indicated. There are highly statistically significant differences between Ireland and Spain in terms of the mean importance attached to financial, competitive market and direct customer measures. On average, more importance is attached to each measure in Ireland than in Spain. The Irish and UK findings are quite similar, although Irish firms attach greater importance to competitive market measures.

Use of marketing performance benchmarks

Financial measures compared to previous year are the most common benchmark used to assess marketing performance. 76.6 per cent of respondents indicate that their firm uses this benchmark. The next most common benchmark is financial measures compared to marketing/business plan – identified by 67.5 per cent of respondents.

Comparative results are presented in Table 6. UK firms are significantly more likely to benchmark financial measures against plan, specific competitors and other units in their group. UK firms are significantly more likely to benchmark consumer behaviour against plan and specific competitors. Finally, UK firms are significantly more likely to benchmark consumer attitudes against specific competitors. Spanish firms are also more likely to use benchmarks. In particular, there is evidence of statistically significant differences regarding the use of each of the following benchmarks: consumer behaviour compared to previous year and other units in their group, and consumer attitudes compared to other units in their group.

Table 6 Performance Benchmarks Used: A Comparison with Findings from the UK & Spain†

	PREVIOUS YEAR			MARKETING PLAN			SPECIFIC COMPETITOR			OTHER UNITS IN YOUR GROUP		
	Irl	*Spain*	*UK*	*Irl*	*Spain*	*UK*	*Irl*	*Spain*	*UK*	*Irl*	*Spain*	*UK*
Financial	76.6	77.1	80.4	67.5	57.8	85.1***	14.8	15.7	23.0*	12.0	12.0	22.0**
Competitive market	42.6	36.7	51.4*	34.4	29.5	51.0***	36.8	50.0*	55.7***	5.3	3.0	6.6
Consumer behaviour	40.2	53.6**	47.1	31.1	39.8	42.0***	18.2	21.1	31.6***	4.8	15.1***	6.4
Consumer attitudes	31.1	52.4	36.7	31.1	36.7	30.3	15.8	19.9	27.7***	6.2	15.1***	5.1
Direct customer	36.4	42.8	40.3	30.1	29.8	37.7	20.6	14.5	22.8	4.3	9.0	7.3
Innovativeness	18.7	34.3*	21.3	28.7	38.8*	33.7	19.1	30.7**	20.7	5.7	7.2	6.6

† Data for Spain and the UK from Llonch et al. (2002)
* p value<0.05 ** p value<0.01 *** p value<0.001

Table 7 Regularity of Tracking the Marketing Asset

	Never	*Rarely/Ad Hoc*	*Regularly/Yearly/ Quarterly*	*Monthly or More*
Financial valuation	32.8	23.7	27.1	16.4
Other measures	27.5	36.6	28.9	7.0

Tracking of the marketing asset
Most firms do have a term for their marketing asset, although many (40.9 per cent) do not. The percentage of Irish firms reporting that they have a term for their marketing asset is lower than in the UK but higher than in Spain. Similar to the UK, brand equity is the most commonly used term for the firm's marketing asset. This is followed by reputation and brand strength, again similar to the UK. There is some evidence to suggest that firms with a term for their marketing asset tend to outperform those without. However, the magnitude of difference is small and only reaches statistical significance at the .05 levels.

An issue closely related to measurement of marketing is tracking the value of the firm's main marketing asset. Regularity of tracking was assessed on the same scale as used in earlier questions. Results are presented in Table 7. Most firms (56.5 per cent) do not track the financial valuation of their marketing asset on a regular basis. Also, most firms (64.1 per cent) do not use non-financial measures to regularly track the value of their marketing assets.

Relationship between regularity of measurement and firm performance
This section of the study is an adapted replication of Kokkinaki and Ambler (1999) and Llonch et al. (2002). However, the analysis differs from these previous studies in the statistical techniques employed. The response categories used to measure the frequency that performance measures are collected and considered by top management break the assumptions required by linear regression. Specifically, the distances between the points on the scale are not equal. Concern over the scale is recognised in previously published work (see Kokkinaki and Ambler, 1999). Reflecting this concern, logistic regression (Hosmer and Lerneshow, 2001) is used here to quantify the effect of size and sector on frequency of collection and consideration. As logistic regression requires the dependent variable to have just two values (Hair et al., 1998), the frequency of consideration variables are collapsed into two categories – firms that regularly (i.e. regularly/yearly/quarterly/monthly or more often) and firms that do not regularly (never/rarely/ad hoc) consider each measure. This analysis is summarised in Table 8.

The regularity with which a firm's top management considers competitive market measures is positively associated with firm performance. Firms rated as performing 'better than' their competitors are significantly more likely to consider competitive market measures than firms rated as performing 'poorer than' their competitors. This is also the case, although to a lesser extent, for measures of consumer behaviour and innovativeness.

Regularity of measure collection and firm performance
One-way ANOVA was used to test whether firm performance differs by the regularity with which each of the measures is collected. Firm performance is measured as the mean aggregate performance on the five measures: sales growth, profitability, new product success, percentage of sales share of new products and ROI/ROA.

As can be seen in Table 9, in general, the more frequently performance measures are collected, the higher the firms perform. However, performance

Table 8 Logistic Regression of Regularity of Measure Consideration on Firm Performance

	POORER THAN		ABOUT THE SAME		BETTER THAN	
	Odds ratio	*95% CI*	*Odds ratio*	*95% CI*	*Odds ratio*	*95% CI*
Financial	1.00	–	1.55	(0.49–4.91)	1.18	(0.40–3.49)
Competitive market	1.00	–	1.25	(0.59–2.63)	4.13***	(1.78–9.55)
Consumer behaviour	1.00	–	1.93	(0.89–4.19)	2.46*	(1.14–5.33)
Consumer attitudes	1.00	–	1.79	(0.85–3.81)	1.56	(0.74–3.26)
Direct customer	1.00	–	0.94	(0.43–2.04)	1.29	(0.59–2.81)
Innovativeness	1.00	–	1.68	(0.79–3.57)	2.42*	(1.16–5.06)

* p value<0.05 ** p value<0.01 *** p value<0.001

Table 9 Regularity of Measure Collection by Firm Performance

MEASURE	F	Df	p value
Financial	0.770	186	0.926
Competitive market	4.840	178	0.009*
Consumer behaviour	2.105	178	0.125
Consumer attitudes	1.898	173	0.153
Direct customer	0.775	170	0.462
Innovativeness	2.490	177	0.086

* p value<0.05

Table 10 Pearson Correlation Coefficients Between Measurement Category Importance and Firm Performance

	Firm Performance
Financial	0.11
Competitive market	–0.15*
Consumer behaviour	–0.21**
Consumer attitudes	–0.22**
Direct customer	–0.05
Innovativeness	–0.12

* p value<0.05 ** p value<0.01

Table 11 Firm Performance by Benchmarking Used

Measure compared against	*Previous year*	*Marketing/ Business plan*	*Total category data*	*Specific competitors*	*Units in your group*
	Yes No	*Yes No*	*Yes No*	*Yes No*	*Yes No*
Financial					
Competitive market					4.0 v 3.5*
Consumer behaviour		3.8 v 3.5**			4.0 v 3.6*
Consumer attitudes		3.8 v 3.5***			4.1 v 3.5***
Direct customer					
Innovativeness					

* p value<0.05 ** p value<0.01 *** p value<0.001

only differed significantly according to the frequency of collection of competitive market measures. On average, firms that 'never' or 'rarely' collect competitive market measures perform significantly more poorly (at 3.42) than firms that collected such measures at least monthly (3.78).

Performance measurement category importance and firm performance

As can be seen from Table 10, the importance top management attach to financial, direct customer and innovativeness measures does not correlate with performance. The importance attached to competitive market measures has a marginally significant association with performance. The importance attached to consumer behaviour and consumer attitude measures has a significantly negative association with performance.

Benchmarks used and firm performance

For each benchmark measure of performance, Table 11 presents a comparison of the performance of firms that utilise the measure with those that do not.

As can be seen, benchmarking internally and externally on performance with respect to consumer behaviours and attitudes appears to have the most significant impact on performance. This is an interesting finding given that relative to British and Spanish firms, Irish firms are significantly less likely to use performance benchmarking.

Regularity of tracking of the marketing asset by firm performance

The correlations (Pearson correlation coefficients) between frequency of use of both financial and non-financial measures of the intangible asset(s) and firm

Table 12 Correlations Between Frequency of Measurement of the Marketing Asset & Firm Performance

	Frequency of financial valuation	*Frequency of other measures*
Firm performance	0.225**	0.267**

* p value<0.05 ** p value<0.01

performance are reported in Table 12. Generally, the more frequent the use of a measure of the intangible marketing asset(s), the better the firm's performance. Correlations are statistically significant, though the magnitude of the correlation coefficients is low. The strongest association is between performance and the frequency with which non-financial measures are used. This is again noteworthy given the limited use of such measures.

Discussion

In general, Irish marketers are dissatisfied with their firm's ability to measure marketing performance. Satisfaction levels are lower than those reported in similar studies in Spain and the UK. Notwithstanding the reported proliferation of marketing metrics (Clark, 2001), findings from the study suggest that financial measures continue to dominate when top management review marketing performance. This pattern of collection is broadly in line with previous studies in other markets (Kokkinaki and Ambler, 1999; Llonch et al., 2002). Amongst Irish firms, financial measures of performance are rated as bring most important. Irish firms attribute a higher level of importance to financial measures than in Spain but slightly less than in the UK.

Irish firms are significantly less likely to use benchmarks when measuring marketing performance than firms in the UK or Spain. Most firms do not engage in comparative analysis, other than in the comparison of financial performance against plan and previous year. When compared to UK firms, Irish firms are significantly less likely to benchmark financial measures against plan, specific competitors and other units in their group. Irish firms are also significantly less likely to benchmark consumer behaviour against previous year, plan and specific competitors. Further, they are significantly less likely to benchmark consumer attitudes against plan and specific competitors. Where benchmarks are used, they are most likely to relate to financial measures. Also, these financial measures are most likely to be compared with results from the previous year or the marketing/business plan.

The relatively low levels of benchmarking observed in Irish firms are worth noting given the positive relationship between benchmarking activity and firm performance. The observed relationship may reasonably be interpreted as an indication that benchmarking promotes performance. This conclusion is supported by recent research from the US (Vorhies and Morgan, 2005). Further, firms that have a term for the firm's marketing asset tend to outperform those that do not. In light of this, it is interesting to note that fewer firms in Ireland have a term for their marketing asset than is reported in the UK.

In line with the approach taken in previous studies (Ambler and Riley, 2000; Llonch et al., 2002) this relationship between measurement and performance was tested by regressing regularity of tracking and importance attached to a range of marketing performance measures on firm performance. The regularity with which top management consider each of competitive market, consumer behaviour and innovativeness measures is positively associated with firm performance. The frequency of collection of competitive market measures is also positively associated with firm performance. These findings provide partial support for the theorised relationship between marketing performance measurement and firm performance.

Conclusion

The findings from this study of marketing performance measurement practices provide a timely addition to the ongoing discussion on how best to develop the marketing performance of Irish firms (Enterprise Strategy Group, 2004; Department of Enterprise, Trade and Employment, 2005). Within this discussion, measurement practices have not, to date, been considered. Clearly, given the findings presented here, and findings from other international studies (Vorhies and Morgan, 2005), the development of performance measurement practices should be included in any comprehensive programme to improve marketing performance within this market. The challenge will be to encourage top management to include non-financial, brand, and benchmark measures in assessments of marketing performance. Indications from this study, that firms tend to outperform the market when they collect, review and prioritise such measures, go some way towards equipping marketers with the evidence necessary to meet this challenge.

Author

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