Marketing Metrics That Contribute to Marketing Accountability in the Technology Sector

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Abstract
The marketing function is facing challenges to its existence and is losing influence and resources within organizations as it fails to demonstrate its accountability. This exploratory study identifies marketing metrics that can potentially contribute to marketing accountability in the technology sector. The findings suggest the marketing function could possibly benefit through using both financial and nonfinancial metrics when demonstrating to their finance colleagues the link between their activities and organizational outcomes. The study’s findings also suggest that in addition to an increase in influence within organizations, the marketing function could benefit from favorable resource allocation and timely approvals for new marketing initiatives when it is perceived as being accountable.

Keywords
marketing metrics, marketing accountability, marketing influence

Introduction
The marketing function is facing a major challenge for survival with a decrease in the influence of the marketing function within organizations (Verhoef & Leeflang, 2009). In turn, this is resulting in the marketing function losing budget and headcount (Webster, Malter, & Ganesan, 2005). A lack of marketing accountability has been identified as a major cause of marketing’s loss of influence within organizations (Rust, Ambler, Carpenter, Kumar, & Srivastava, 2004).

Previous studies have identified marketing accountability as an antecedent of marketing’s influence within organizations (Homburg, Workman, & Krohmer, 1999; Stewart, 2009; Verhoef & Leeflang, 2009). Despite this link between marketing accountability and influence, it remains unknown what marketing metrics contribute to marketing accountability and what benefits in addition to marketing influence can be realized through increasing marketing accountability.

The existing marketing accountability literature provides an extensive array of marketing metrics; however, it provides little guidance on how to prioritize or implement these metrics. Furthermore, the literature does not explore the benefits of being accountable beyond that of marketing influence. In addition, there are only a limited number of studies that use nonmarketing samples, resulting in many studies asking marketers to rate their own marketing accountability performance, possibly ignoring the marketing metrics their organizations would like the marketing function to use.

Responding to the urgent need for marketers to justify the value of the marketing function to the business community (Davies & Ardley, 2012) and to calls for further research into how firms might become more accountable (Verhoef & Leeflang, 2009), this exploratory study has two objectives. First, to identify easy-to-implement marketing metrics that contribute to marketing accountability and second, to identify benefits to the marketing function of being accountable in addition to the widely accepted benefit of marketing influence. Following the work of Verhoef and Leeflang (2009) and Moorman and Rust (1999), this study proposes a conceptual model that identifies the metrics marketers could consider using to demonstrate their accountability and the benefits in addition to marketing influence that can be realized through increasing marketing accountability. The development of the conceptual model addresses the two research questions of this study: (a) What metrics should be used to measure marketing accountability? and (b) what benefits for the marketing function are there for increasing their level of accountability?

Furthermore, this article extends the existing literature beyond the commonly used self-reporting marketing function sample frames of previous studies through using a sample of senior finance professionals (CFOs and Finance Directors); this not only reflects the current increase in the
importance of finance professionals within organizations (Zorn, 2004) but also adopts Carson and Brown (1994) recommendation that marketing is best understood not as what marketers perceive it to be, but rather as what their firm’s top management (which includes CFOs and Finance Directors) perceive it to be.

**Theoretical Premises**

**Marketing Accountability**

The marketing accountability concept is critical to marketing’s stature within organizations as it has been shown to contribute to marketing’s influence within organizations (Verhoef & Leeflang, 2009). The existing literature is largely consistent in how it defines marketing accountability, with it generally being accepted as the ability to link marketing activities to financial and/or nonfinancial outcomes. The American Marketing Association (AMA) defines marketing accountability as

> The responsibility for the systematic management of marketing resources and processes to achieve measurable gains in return on marketing investment and increased marketing efficiency, while maintaining quality and increasing the value of the corporation. (AMA, 2011)

The demand for greater marketing accountability comes from a wide range of stakeholders, including shareholders (Clark, 1999), United States Federal regulators (Stewart, 2008), the International Accounting Standards Board (IASB; 2004; Tuli & Bharadwaj, 2009), and Financial Officers and Chief Executive Officers (CEOs; Stewart, 2008). If the demands for greater accountability from the marketing function are not addressed, the marketing function may continue to lose resources, especially in periods of economic uncertainty (Clark, Abela, & Ambler, 2005). The marketing function can address the threats to its future through becoming more accountable and therefore enhance its influence among senior management (Davies & Ardley, 2012; O’Sullivan & Butler, 2010). However, what is not known within the literature is “the how” of marketing accountability. The literature is clear that marketers need to be more accountable but provides little guidance on the metrics marketing practitioners should use to demonstrate marketing accountability. A view shared by Merlo, Lukas, and Whitwell (2012) who highlight the need for future research to examine what they and Stewart (2008) claim to be one of marketing’s deep-rooted professional problems of explaining how the marketing function achieves its results (Merlo et al., 2012).

**Marketing Metrics**

 Contributing to marketing’s lack of accountability is the absence of a manageable number of useable marketing metrics to measure the outcomes of marketing activities. The MSI defines marketing metrics as “the performance indicators top management use (or should use) to track and assess the progress—specifically the marketing performance—of a business or business unit” (MSI, 2004, p. 3). Existing metrics are often difficult and impractical for most marketers to successfully implement (O’Sullivan & Butler, 2010). Adding to the difficulty associated with implementing marketing metrics is the lack of a universal model of measurement (Davies & Ardley, 2012). Despite these difficulties, marketing metrics are still a priority for organizations with a survey of marketing executives showing more than 90% viewed marketing performance metrics as a significant priority (Stewart, 2009).

Suggestions for how to best measure the performance of marketing are generally split between supporters of financial measures and those who support a broader range of measures that incorporate some nonfinancial measures. An exclusive focus on financial measures of marketing accountability is opposed by Llonch, Eusebio, and Ambler (2002) and Sheth and Sisodia (2002) who favor measures relating to customers and call for marketing metrics that reflect the uncertainties associated with managing external forces, such as customers and competitors. McDonald and Mouncey (2009) defend the marketing function for not defaulting to purely financial measures as the benefits from marketing activities can last longer than a single financial reporting year. User friendly nonfinancial metrics have been identified as market share, perceived product or service quality, customer loyalty or retention, customer or segment profitability, relative price and customer lifetime value (Barwise & Farley, 2004). However, nonfinancial metrics have been criticized for not directly linking to financial outcomes and shareholder value (Lehmann, 2004), yet it is acknowledged that isolating the impact of marketing activities on shareholder value is seen as a difficult measure to implement (Hanssens, Rust, & Srivastava, 2009). Developing a user-friendly suite of marketing metrics could allow the marketing function to demonstrate accountability and therefore gain additional influence within organizations.

Several studies have combined financial and nonfinancial metrics into an extensive menu of available metrics. Farris, Bendle, Pfeifer, and Reibstein (2010) organize marketing metrics into nine metric categories, containing a total of 114 metrics that cover both financial and nonfinancial metrics. However, little guidance is provided on how to prioritize the use of this large list of metrics. Ambler (2003) and Clark (2001) both contend that marketing is not short of metrics, but rather lacks structure for organizing and implementing the available metrics. In addressing this large number of available metrics, Ambler, Kokkinaki, and Puntoni (2004) ranked marketing metrics based on their usage, importance, and the visibility of the metrics to top management. Their top 15 metrics covered six key metrics categories, these being the following: (a) consumer attitudes, (b) consumer behavior, (c) trade customer, (d) relative to
competitor, (e) innovation, and (f) accounting. Despite their sample comprising of 30% finance professionals and 70% marketing professionals, they concluded that accounting measures were reported as being significantly more important than all other categories by top management. Supporting Ambler et al. (2004), Lehmann and Reibstein (2006) developed six broad categories of marketing metrics, these being (a) customer metrics, (b) brand/product metrics, (c) financial performance metrics, (d) marketing mix metrics, (e) web metrics, and (f) industry unique metrics. While this development of metrics categories assists in organizing the large number of available metrics, it does little to prioritize what metrics should be used by marketers when demonstrating the link between their activities and organizational outcomes to senior finance professionals. Jeffery (2010), in an attempt to reduce the large number of available marketing metrics, developed what he describes as 15 metrics everyone should know and within these 15 metrics there are three categories of metrics: (a) nonfinancial, (b) financial, and (c) internet and social media metrics. Encouragingly, Farris, Pfeifer, Bendle, and Reibstein (2010) provided prescriptive guidance on the usefulness of marketing metrics; however, their study does not address the usefulness of marketing metrics among finance professionals.

More recently, Mintz and Currim (2013) in examining the use of 84 metrics reinforced the importance of using marketing metrics through finding the use of marketing and financial metrics results in better perceived marketing-mix performance. However, their study was limited to the use of metrics and not the importance of the metrics included in their study. One possible reason for this lack of prescriptive guidance on what metrics to use is Mintz and Currim’s (2013) finding that the use of metrics is heavily influenced by not who the manager is, but instead the organizational setting in which the manager operates. A conclusion is also reached by Davies and Ardley (2012) who suggest the discovery of a universal set of marketing metrics is a challenging endeavor. This limits the opportunity to provide marketing practitioners with prescriptive guidance as factors such as firm strategy, firm and environmental characteristics can influence what metrics are used.

Marketing Influence

The decline in marketing’s influence within organizations has been attributed to five factors, these being (a) the inability to demonstrate the link between marketing activities and costs to shareholder value (Doyle, 2000); (b) Chief Marketing Officer presence in top management teams having no measurable impact on organizational performance (Nath & Mahajan, 2008); (c) a weak connection between marketing activities and business strategy, results and internal communication (McDonald, 2009); (d) a lack of a single integrating theory of marketing (Srivastava, Shervani, & Fahey, 1999); and (e) difficulties in measuring the performance of the marketing function (Ambler et al., 2004; Conchar, Crask, & Zinkhan, 2005; McDonald, 2009).

Many researchers (Homburg et al., 1999; Merlo et al., 2012; Verhoef & Leeflang, 2009) have attempted to identify the major antecedents of marketing’s influence. When examining external factors such as market orientation and strategic stance of the organization, there is little agreement among their findings. However, these authors agree that internal factors play an important role in generating marketing influence within organizations. Merlo et al. (2012) found support for internal marketing reputation having a positive relationship with marketing influence. Homburg et al. (1999) found CEO background positively related to marketing influence and Verhoef and Leeflang (2009) found marketing accountability to have a positive impact on marketing influence.

To date, research has measured marketing’s influence as perceived CEO satisfaction with marketing (O’Sullivan & Abela, 2007). Calls are being made for research into nonmarketing functions’ satisfaction with the marketing function (Barwise & Farley, 2004; Kahn & Mentzer, 1998; Merlo et al., 2012; O’Sullivan & Butler, 2009; Verhoef & Leeflang, 2009). Of particular importance is the role of the finance function, which is increasing in influence and prominence (McDonald & Mouncey, 2009; Zorn, 2004) yet the finance function’s satisfaction with the marketing function has received little attention from marketing accountability researchers.

Marketing influence has been treated as an end goal in itself with no apparent consideration of other possible benefits to the marketing function of increased marketing accountability. In discussing their research findings, O’Sullivan and Butler (2010) argued that marketing’s influence among nonmarketing senior executives could possibly influence how scarce organizational resources are allocated. Identifying and testing additional benefits to the marketing function of increasing their level of influence within organizations may encourage the marketing function to focus more on realizing greater levels of marketing influence and accountability.

Gaps in the Literature

In reviewing the existing literature, three opportunities arose for future research that could accelerate the restoration of marketing’s influence within organizations: (a) the literature shows that there are many existing marketing metrics, and these metrics are often too complex for marketing practitioners to implement. The identification of easy to implement marketing accountability metrics would assist marketing practitioners to connect their activities to organizational outcomes; (b) little research exists that looks at the additional benefits in addition to marketing influence for marketers who increase their level of accountability, O’Sullivan and Butler (2010) suggested additional benefits could be derived
from the budget allocation process; and (c) marketing influence has predominately been measured using self-reporting samples of marketing professionals, to a large extent ignoring the senior managers who have control over the resource allocation process, namely, senior finance professionals. The adoption of a sample frame of senior finance professionals could assist in extending the existing research and recognize the growing importance of finance professionals within and externally of organizations. Collectively, addressing these three gaps in the literature could enable marketing practitioners to implement the metrics needed to link their activities to organizational outcomes and additionally discover currently unknown benefits associated with marketing accountability and influence, ultimately assisting the marketing function to reverse the decline in its accountability and influence within organizations.

Research Question

The literature shows marketing accountability contributes to marketing influence, which in turn has been shown to have a positive impact on firm performance (O’Sullivan & Abela, 2007). However, exactly what metrics the marketing function should use to demonstrate their accountability are not known. To advance the marketing accountability research stream and address the gaps in the literature, this study focuses on the research problem of “what marketing metrics can the marketing function use to demonstrate its accountability to finance professionals”? In addressing this research problem, this study addresses two research questions: (a) What metrics should be used to measure marketing accountability? and (b) what benefits for the marketing function are there for increasing their level of accountability? These research questions were incorporated into an interview guide that was used during in-depth interviews with finance professionals.

Methodology and Data Collection

The existing literature does not provide instruments to identify and prioritize the marketing metrics required of marketing professionals to generate marketing accountability. To discover the marketing metrics that contribute to marketing accountability, a qualitative research design was used. As this study occurs in a rather narrow organizational context, finance professionals in Australian technology companies, an in-depth understanding of the marketing accountability issues relevant to finance professionals was required. The qualitative approach used in this study provided the researchers the opportunity to explore a broader scope of the research problem to ensure all relevant constructs were considered. In addition, the research questions for this study sought to generate theory as opposed to test existing theory, further supporting the use of qualitative methods (Creswell & Clark, 2007; Healy & Perry, 2000; Morgan, 1998).

Data Collection

Participants were located using the professional networking website www.linkedin.com, using the search criteria of Australian-based senior finance professionals (CFOs and Finance Directors) used in the technology sector. Reviewing professional profiles contained within LinkedIn enabled the screening of potential participants before qualified participants were approached using LinkedIn’s “inmail” messaging service. Potential participants who expressed an interest in participating in this study were emailed an introductory explanation of the study and a consent form. The use of LinkedIn as a sample source has been established as a suitable sample source by Mintz and Currim (2013).

In-depth interviews, using an interview guide, were used to collect qualitative data. The use of the in-depth interview method is appropriate when a researcher is attempting to understand a construct in a given context (Fontana & Frey, 2000). The use of in-depth interviews provided an opportunity for the researcher to discover new insights associated with the research problem that does not exist in the literature (Easterby-Smith, Thorpe, & Lowe, 1991). This is relevant to the sample group of senior finance professionals who are not widely represented in samples of the existing literature.

Sample

Previous research into marketing accountability and influence has heavily relied on self-reported samples of marketing professionals. As noted by Merlo et al. (2012), this may provide biased findings, given marketing respondents were asked to report on their own profession. This study, as does Merlo et al. (2012), uses a sample that excludes marketing practitioners to minimize self-reporting bias.

Finance professionals are increasingly becoming more prominent in organizations, with the percentage of organizations with a CFO position rising from below 10% in the 1970s to currently above 80% (Zorn, 2004). This rise in prevalence of senior finance-related positions can be attributed to increased regulator demands from the Securities and Exchange Commission (SEC); the Federal Accounting Standards Board (FASB) and Sarbaines-Oxley; and shareholders requiring greater visibility on company performance. The scope of the finance function has expanded beyond its historic bean-counting perception with Groysberg, Kelly, and MacDonald (2011) identifying the top five finance job in organizations as the CEO’s partner in the strategic and financial assessment of new opportunities across organizations. O’Sullivan and Butler (2010) encourage the inclusion of nonmarketing senior corporate offices as their views and votes can either support of stymie marketing initiatives within organizations.

Despite the increasing importance of finance professionals within organizations, little attention in the marketing accountability research has been given to nonmarketing samples. The
exception being Verhoef and Leeflang (2009) and Davies and Ardley (2012) who used samples of marketing and finance professionals. This study uses a purposive sample comprising of finance professionals to extend the research beyond the widely used self-reporting marketing professionals sample frame. When studying emerging areas, a purposive sample is recommended as it allows for discovery (Corban & Strauss, 2008). The sample frame for this study was defined as senior finance professionals used in Australia’s technology sector. The sample frame consisted of CFO and Director level finance professionals employed by organizations that collectively have a global market capitalization of US$948 billion, annual revenues of US$426 billion and 786,000 employees. As with previous studies, the sample was restricted to organizations in the technology sector to allow results to be compared with the existing literature.

Conducting and Recording Interviews

In-depth interviews were conducted over a 10-week period from February 2011 to April 2011. The interviews were conducted using a telephone and were digitally recorded, with the respondents’ permission, to allow for accurate transcription into text files for analysis. The homogeneous sample frame allowed saturation to be achieved within 11 in-depth interviews, with the last 3 interviews not generating new coding nodes. The sample size is consistent with the number of interviews recommended by Creswell (1998) and (Charmaz, 2006). The 11 interviews were on average 40 min in length resulting in a total of 63 pages of transcribed text.

Data Coding and Analysis

Qualitative data coding and analysis adopted the procedure recommended by Miles and Huberman (1994). Data were initially coded using the research question and interview guide, followed by thematic analysis to code and categorize the data. Themes were identified through frequency of mention, coverage of respondents, and relevance to the research questions. Coding took place after reading the transcript of each interview. A coding structure was developed for each theme to ensure consistency as the researchers categorized the data. The initial list of codes were based on the existing literature and then amended as the researchers compared the initial codes against the actual data. The coding scheme was initially developed based on the existing literature and an initial review of the transcripts. The researcher’s colleagues reviewed the coding of qualitative interview data. In addition, informants verified all interview transcripts as being correct and confirmed the research themes associated with their interview transcripts correctly reflected their responses, a procedure recommended by Tracy (2010). The digital interview audio recordings, text transcripts, signed information and consent forms, email correspondence with informants, and LinkedIn search criteria form a chain of evidence that can be used to validate the data used in this study and are available for re-analysis.

Findings

It is widely recognized in the literature that the marketing function’s inability to demonstrate a link between their activities and organizational outcomes is a major challenge to marketing’s future (Ambler et al., 2004; Doyle, 2000). The findings of this study assist in extending the existing literature through identifying the specific metrics available to the marketing function to demonstrate a link between their actions and organizational outcomes through the use of financial and nonfinancial metrics when interacting with their finance colleagues. The field research and data analysis for this study discovered three themes that contribute to marketing accountability: (a) financial metrics, (b) nonfinancial metrics, and (c) benefits to the marketing function from being accountable. The findings related to each of these three themes are now discussed.

Theme 1: Financial Metrics

The first theme to emerge through the analysis of the interview data addressed the marketing accountability financial metrics that respondents believed marketing practitioners should use to measure and communicate their contribution to organizational performance outcomes. This theme directly addressed the first research question of this study of what metrics should be used to measure marketing accountability. Four financial measures of marketing accountability were identified: (a) return on marketing investment (ROMI), (b) revenue per customer, (c) marketing expenditure vs. budget, and (d) marketing expenditure as a percentage of revenue. A sample interview quote embodies this theme:

Now being a finance guy, I want very quantitative measures, correlations and links between what marketing have done and how this improves the company’s finances.

These financial metric findings are largely consistent with the existing literature; however, Farris, Bendle, et al. (2010) included stock-price metrics that were not raised by respondents in this study, supporting Hanssen et al.’s (2009) claim that it is difficult to isolate marketing’s impact on stock price. In addition, respondents did not mention any metrics related to product margins, a metric that ranked third on Ambler et al.’s (2004) list of marketing metrics. The lack of profit or margin-related metrics is a surprise finding given the sample composition of this study was exclusively senior finance professionals; however, respondents could be utilizing ROMI as a proxy for profitability associated with marketing activities.

These findings support the challenges facing the marketing function, in particular the need for the marketing function...
to demonstrate the link between marketing activities and financial outcomes (Doyle, 2000), and reinforce the need to address the weak connection between marketing activities and results (McDonald, 2009). The findings suggest the marketing function should promote the linkages between their activities and organizational results. One way the marketing function could do this is through the ROMI metric. The ROMI metric was mentioned by all but one participant in this study and is defined as the marketing function generating positive financial returns on marketing investments and is reflected in the following sample interview quote:

one simple measurement is the return on investment, what is the return on the opex they have spent.

In addition to the use of ROMI, the respondents indicated the revenue per customer metric could also be used by marketing to demonstrate a link between their activities and organizational outcomes.

**Theme 2: Nonfinancial Metrics**

The second theme generated from the interview data generated four nonfinancial measures of marketing performance. As with Theme 1, Theme 2 directly addressed the first research question of this study of what metrics should be used to measure marketing accountability. The four nonfinancial measures are (a) brand awareness (prompted and unprompted), (b) market share (value and volume), (c) website traffic (number of unique visitors), and (d) the number of new customers. These metrics are potential lead indicators of future financial performance, as noted in the following respondent quote:

...top line growth in some industries can take a while so I think the short to medium term indicator is awareness of a brand and solutions and a long term indicator is revenue from the actual marketing strategy.

Possibly reflecting the sample being comprised of senior finance professionals, the findings lack any customer-centric metrics such as customer satisfaction, customer loyalty, willingness to recommend, and perceived product quality, which contrasts the findings of Mintz and Currim (2013), Lehmann and Reibstein (2006), and Farris, Bendle, et al. (2010).

These four nonfinancial measures of marketing accountability address the need for user-friendly metrics as proposed by Barwise and Farley (2004). A criticism of Barwise and Farley (2004) recommending the use of nonfinancial metrics is that they don’t directly link marketing actions to financial outcomes and shareholder value (Lehmann, 2004). However, the use of nonfinancial measures addresses some of the weaknesses associated with the sample’s strong support of using ROMI measures that can easily associate business results with marketing activities despite these results potentially occurring regardless of the marketing function activities (Hayman & Schultz, 1999). In addition, ROMI measures of marketing accountability are accused of rewarding short-term results and ignoring intangibles such as brand awareness (Ambler & Roberts, 2008).

Despite evidence showing higher customer satisfaction can lead to improved financial performance (Clark, 1999; Rust, Lemon, & Zeithaml, 2004), the sample for this study did not consider using customer satisfaction as a measure of marketing accountability. This can potentially be explained by the background of the sample who are all senior finance professionals and who may support Clark (1999) assertion that customer satisfaction is often perceived as a subjective measure that generally has lower importance among finance professionals. However, the sample for this study equally wanted financial and nonfinancial metrics, predominately using nonfinancial metrics as lead indicators for forthcoming financial results. The results suggest that marketing professionals could potentially benefit from using financial and nonfinancial metrics to demonstrate the value of their marketing activities.

**Theme 3: Benefits to the Marketing Function**

While marketing influence has been widely recognized as the major benefit to the marketing function of an increase in marketing accountability (Homburg et al., 1999), research into other potential benefits of an increase in marketing accountability is scarce. Addressing the second research question of this study of what benefits for the marketing function are there for increasing their level of accountability, this study discovered three benefits in addition to marketing influence that can be obtained through an increase in marketing accountability. The three additional benefits are (a) additional resources, (b) cross-functional support, and (c) timely internal approvals.

Directly addressing the resourcing challenges facing the marketing function, the findings suggest that in situations where the marketing function is perceived by the finance function as being accountable, it could potentially receive additional resources, including headcount and funding; the following respondent interview quote highlights this:

...Obviously they will get more resource and get more things than what they wanted.

However, respondents were very clear that additional resources would only be made available to marketing where the marketing function is perceived by the finance function as being accountable, it could potentially receive additional resources, including headcount and funding; the following respondent interview quote highlights this:

if they [marketing] are you know accountable then they can more easily show how if we gave them more dollars then they can generate a positive ROI for the organisation.
This additional resourcing finding extends the existing literature as additional resourcing had previously only been associated with marketing influence (O’Sullivan & Butler, 2010).

In a closely related finding, it was found that where the marketing function could demonstrate accountability, they could benefit from increased access to support from other functions with the organization. This cross-functional support indirectly increases the resources available to the marketing function and is reflected in the following sample interview quote:

another benefit would be more collaboration between my finance staff and marketing. I would proactively encourage my team to give marketing more time and support because it’s a win–win for both of us, especially if we know what return marketing can generate with every precious dollar we give them.

This finding is supported by Davies and Ardley (2012) who contend the marketing function needs to interact regularly with a wide range of other organizational functions.

The influence within the organization subtheme, defined as the marketing function’s impact on decision-making processes, found the marketing function could have an increased impact on the organizational decision-making process within the organization through demonstrating accountability. The essence of this subtheme is reflected in the following sample interview quote:

I think the biggest benefit is the influence in the business as a whole.

This finding directly addresses the concerns over marketing losing its place at the boardroom table (Webster et al., 2005) and encourages the marketing function to become more accountable to enable the marketing function to reclaim its seat at the boardroom table.

The timely internal approvals subtheme was a surprise finding as it has not been mentioned in the existing literature. Approval times from the Finance function for marketing activities were found to improve when the marketing function is viewed as accountable; this is caused by the finance function not wanting to delay any marketing programs as they can see how the marketing programs would assist in generating positive financial and nonfinancial outcomes for the organization. This is evidenced in the following sample interview quote:

where marketing is accountable and delivers on what they promise then turnaround times would improve for expenditure approvals.

Summary of Themes

The first and second themes of this study identified easy-to-use metrics that the marketing function could use to increase their level of accountability with the finance function. The third theme identified the potential benefits available to the marketing function through improving its level of accountability.

The two metric themes found the need for financial and nonfinancial measures of accountability with nonfinancial measures being used as short-term indicators of forthcoming financial performance. A surprise finding was the exclusion of customer satisfaction as a measure of marketing accountability; this could possibly be related to the sample being exclusively finance professionals. The exclusion of shareholder value as a measure of marketing accountability when the study used a sample of finance professionals adds support to Hanssens et al. (2009) that shareholder value is too complex a measure to easily use, even by finance professionals.

The third theme identified the potential benefits available to the marketing function through increasing its level of accountability. As expected, marketing influence was confirmed as a major benefit of marketing accountability. However, additional benefits to the marketing function were also identified, including an increase in resourcing levels and more timely approvals from the finance function. These additional benefits should be further encouragement for marketing practitioners to focus on the level of accountability associated with the marketing function.

Table 1 consolidates the findings from the three finding themes:

Collectively, these findings address the two research objectives of this study: (a) to identify easy-to-implement metrics that contribute to marketing accountability and (b) to identify benefits to the marketing function of being accountable in addition to the widely accepted benefit of marketing influence. First, this study has first identified easy-to-implement marketing metrics that could allow the marketing function to link their actions to organizational outcomes.

| Theme 1: Financial metrics | Theme 2: Nonfinancial metrics | Theme 3: Benefits to marketing |
|---------------------------|-------------------------------|-------------------------------|
| • ROMI                    | • Brand awareness (prompted & unprompted) | • Additional resources |
| • Revenue per customer    | • Market share (value & volume)       | • Credibility |
| • Marketing expenditure vs. budget | • Website traffic (unique visitors) | • Cross-functional support |
| • Marketing expenditure % of revenue | • Number of new customers | • Influence within the organization |
|                           |                               | • Timely approvals |

Table 1. Summary of Findings.
Second, benefits of being accountable other than marketing influence were identified as positive consequences of increasing marketing accountability and additionally this study extended the literature from a mostly marketing-based sample to include finance professionals.

**Conclusions**

In addressing the gaps in the existing marketing accountability research stream, this study examined the antecedents and consequences of marketing accountability and found that through using financial and nonfinancial metrics, the marketing function could more readily demonstrate how their actions lead to positive organizational outcomes. Furthermore, this study encouragingly found that benefits beyond marketing influence were available to the marketing function through improving their level of accountability, with additional resources and more timely approval from the finance function being identified as additional benefits.

Combining the findings of this study with those of Verhoef and Leeflang (2009) and Moorman and Rust (1999), the researchers have built a conceptual model to illustrate the antecedents and consequences of marketing accountability, as shown in Figure 1.

Figure 1 depicts the marketing metric constructs acting as antecedents of marketing accountability, with benefits to the marketing function and business performance being hypothesized as a consequence of marketing accountability. Following Verhoef and Leeflang (2009), control variables of firm characteristics are included.

In addition to future research needing to validate and test the conceptual model shown in Figure 1, three areas for future research emerged, these are (a) development of user-friendly measures for isolating the marketing function’s impact on shareholder value, (b) how to build marketing function capabilities in the areas of finance and data analysis, and (c) how can the marketing function build cross-functional relationships.

This study is of an exploratory nature, which inherently results in research limitations. A major limitation of this study is the small sample size of 11 respondents, which reduces the generalizability of the findings. Future research should use larger samples and quantitative methods to further test the exploratory results of this study. As found by Mintz and Currim (2013), the use of marketing metrics is situation specific; therefore, future research could extend this research with finance professional to industry sectors beyond the technology sector that was been widely used among

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1 Verhoef and Leeflang (2009)
2 Moorman and Rust (1999)

| Financial Metrics          | Benefits to the marketing function<sup>1</sup> |
|----------------------------|-----------------------------------------------|
| - ROMI                     | - Additional resources                        |
| - Revenue per customer     | - Credibility                                 |
| - Marketing expenditure    | - Cross-functional support                    |
|   vs budget                | - Influence within the organization           |
| - Marketing expenditure    | - Timely approvals                            |
|   % of revenue             |                                               |

| Non-Financial Metrics      |                                               |
|----------------------------|                                               |
| - Brand awareness (prompted & unprompted) |                                               |
| - Market share (value & volume) |                                               |
| - Website traffic (unique visitors) |                                               |
| - Number of new customers  |                                               |

| Control variables<sup>1</sup> |                                               |
|-------------------------------|                                               |
| - Short-term emphasis         |                                               |
| - CEO Background              |                                               |
| - Publicly traded             |                                               |
| - B2B vs. B2C                 |                                               |
| - Goods vs. Services          |                                               |
| - Firmographics               |                                               |

| Business Performance<sup>2</sup> |                                               |
|---------------------------------|                                               |
| - Customer satisfaction         |                                               |
| - Customer loyalty              |                                               |
| - Turnover                      |                                               |
| - Profitability                 |                                               |
| - Market share                  |                                               |
| - Cost level                    |                                               |

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1 Verhoef and Leeflang (2009)
2 Moorman and Rust (1999)
recent marketing accountability research. The sample comprised Australian-based finance professionals, which may not be reflective of European, American, and Asian markets. While the exclusive use of finance professionals was deliberate and stemmed from the growing importance of the finance function within organizations, the self-reported views of CEOs relating to what specific marketing metrics they want the marketing function to use would assist in further identifying the marketing metrics the marketing progressions should be using to demonstrate how their activities link to organizational outcomes.

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