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Marketing Accountability: A Holistic Approach

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About the Author



As a partner at Acom Healthcare, Jonathan Katz has worked closely with a broad range of clients within the biotechnology, pharmaceutical and medical device markets to bring their corporate, product and service brands to life in a compelling manner. With more than 30 years of industry experience, he has extensive experience in leading brand workshops, strategic development sessions and advisory boards that are dynamic and highly interactive. Mr. Katz has been committed to helping clients cultivate, actualize and evolve positive brand experiences that are meaningfully differentiated and customer-focused. His pragmatic approach puts strategy first and is guided by understanding the market and prioritized needs of key constituents. Whether launching a game-changing innovation or helping an existing product capture additional share, he is focused on creating persuasive branding that resonates with audiences, shifts behavior and builds enduring loyalty. He has a keen interest in the intersection of healthcare and hospitality and firmly believes that there is an opportunity to develop optimal brand experiences based on shared objectives.

Mr. Katz is a member of the Public Relations Society of America, New England-Israel Business Council, and the Forbes Boston Business Council. He also served for four years on the Washington University National Public Affairs Advisory Council and has guest lectured at Boston University and Northeastern University. He is also a licensed Justice of the Peace in the Commonwealth of Massachusetts.

Before joining Acom Healthcare, he was a co-founder of Braithwaite & Katz, a firm dedicated to providing strategic public relations counsel.

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The role of marketing within the hospitality industry has never been more essential. As the world emerges from a pandemic and contemplates how and at what rate to resume what was once familiar behavior, marketers are expected to identify ways to engage targeted audiences, re-establish trust, assure safety, provide memorable experiences and above all, build enduring connections.

There are four integrated concepts that are foundational to performing these activities in a successful and measurable manner: setting meaningful performance indicators, taking a broad approach to return on investment, forming durable relationships, and operating with authenticity. All of these ideas are linked by the need for marketing accountability.

1. Set Meaningful Performance Indicators

To evaluate marketing effectiveness, it's critical to first establish clear, pertinent, and achievable goals. Once this is done, the most common method of measuring success is setting Key Performance Indicators (KPIs) – quantifiable metrics that are inextricably tied to each goal. Measurement should be conducted on a regular basis to gain timely insights. This also allows for refinement and evolution of marketing initiatives as needed.

In addition to KPIs, another emerging set of metrics, Customer Performance Indicators (CPIs) is gaining adoption.

Gene Cornfield, lecturer at Boston University's Questrom School of Business and Managing Director of Accenture Interactive's Digital/Customer Experience Transformation writes in a Harvard Business Review article, *The Most Important Metrics You're Not Tracking (Yet)*, "most leaders say they are customer-centric, but if everything they measure is company-centric, how could that be true? Revenue, growth, and similar Key Performance Indicators measure how customers are performing for the company. But organizations that wish to be customer-centric and maximize growth must also measure how the company is performing for its customers." (Cornfield, 2020)

Cornfield contends "there are two elements that qualify a metric as a CPI. Most importantly, it must be an outcome customers say is important to them. Second, a CPI must be measurable in increments that customers actually value. Time, convenience, number of options, dollars saved, or recognition of their achievements are some increments that customers value, and there can be many others depending on context and if they're deemed relevant by customers." (Cornfield, 2020)

Ultimately, when KPIs and CPIs bear a relationship to one another, brands can be better assured that they are operating in the best interest of their business, brand, and customers. Further, it is paramount to accurately understand not only what your customers do, but also how they feel. The intangible aspects of experiences and relationships can be powerful determinants of brand adoption and loyalty.

2. Take a Broad Approach to Return on Investment (ROI)

Branding and marketing should always be held accountable. Dollars spent must help create a desired impact and contribute to the business's bottom line. Too often, however, ROI is based solely on quantitative data (number of social shares, clicks and click-through rates, number of leads and subscribers/followers, website traffic, unique visitors per month, and more).

ROI can also be evaluated strictly based on marketing investment. The most common formulaic approach to identifying Return on Marketing Investment (ROMI) is revenue generated by marketing, minus costs of goods, minus marketing spend, divided by marketing spend. (Velikiy, 2018)

Although these data points can help substantiate progress in achieving marketing objectives, it is important to take a holistic approach to ROI. *New York Times* best-selling author, entrepreneur, and customer experience expert Jay Baer is frequently quoted as saying, "We are surrounded by data but starved for insights. Great 'youtility' comes from customer conversations, not spreadsheets." (Baer, 2014)

Including qualitative measures can be an effective way of adding context to quantitative findings – especially for the hospitality sector. Conversion and occupancy rates are indeed meaningful,

but so is understanding what are the most compelling factors that influenced behavior and motivated action (for better or worse). Talk with customers; know why they value the brand. Talk with lost customers; know why they chose another option. Talk with internal constituents; make sure they know what the brand stands for and the expectations that customers have of them. Gain insights.

Neither quantitative nor qualitative assessment alone can provide a complete picture of marketing effectiveness. It is the combination that can generate the most informative insights and provoke the need for an even more nuanced understanding of customer segments.

Another consideration is that not all marketing investment may be intended to have a short-term impact on revenue. There are times that marketing spend is dedicated to solidifying longer-term objectives including earning brand loyalty and enriching the brand experience. Although these will eventually contribute to the bottom line, efforts in this direction necessitate time, consistent execution, and ongoing reinforcement.

For this and other reasons, Apple CEO Tim Cook has been quoted saying “I don’t consider the bloody ROI.” (Denning, 2014) He takes a long view, places an emphasis on the customer experience and is continually focused on building relationships within the brand’s ecosystem.

Marketing accountability is key to justifying investment. It is equally vital, however, that accountability be grounded in relevance. Understanding true return on marketing investment extends beyond numbers and formulas and must include consumer insights to best contribute to the brand’s long-term objectives.

3. Form Durable Relationships

Historically, marketing focused on one-way outbound communication of features and benefits of a product or service. With an evolution of technology, two-way communication became the norm, and many marketers quickly understood the value of having a dialogue and providing unique brand experiences (not just on property but including pre- and post- direct engagement). As marketing continues to progress, there is a clear opportunity to develop enduring relationships between brands and customers.

According to Rebecca Scully, former Director of Product Marketing for the customer data enterprise Amperity who currently serves in the same position for Syndio Solutions, “Most hospitality brands today have so much distance between themselves and their guests that ‘relationships’ are no more than a series of transactions. It doesn’t matter how many times I stay with my favorite hotel brand when I travel to San Francisco, Portland, and New York. They still never seem to recognize me as an individual, their marketing is never personalized, and I always have to hunt to find my loyalty number in order to log in for free WIFI. With so many other hotels to choose from shouldn’t this brand be trying harder?” (Scully, 2020) She continues, “Hospitality brands today have a tremendous opportunity to reinvent the personal touch in the digital age. The brands that do this well will gain market share, build long-term customer loyalty,

and grow revenue, according to pretty much everyone smart on the internet.” (Scully, 2020)

Relationships, whether between people, or individuals and brands operate on the same exact tenets – shared beliefs, common goals, mutual benefit, and unshakable trust. Making sure a brand’s objectives, KPIs, CPIs, and how ROMI is measured are all interrelated. These practices are aligned with customer-centricity and the objective of using marketing strategically to build lasting and relevant relationships with targeted customers.

4. Operate with Authenticity

At the very core of every successful brand is its authenticity. The trust established between brand and customer holds the potential to foster loyalty, advocacy, and even, if necessary, forgiveness.

Forbes contributor and co-founder of Imaginovation Michael Georgiou, explains “An authentic brand is one that decides to be transparent and consistent in its messaging and branding initiatives. It has business values it remains true to, and most essentially, it is honest.” He continues, “Your brand’s authenticity has never been more relevant. According to recent Stackla data, 90% of customers mentioned authenticity as an important factor in deciding which brands they like and support.” (Georgiou, 2021)

Brand authenticity should permeate internal and external expression of the brand. This includes the ability to be aspirational, but also pragmatic when it comes to setting objectives, KPIs, CPIs, and measuring ROMI. Measure what matters to customers and internal constituents. Brutal honesty and a realistic perspective are imperative. And most importantly, remember it means more to act with authenticity than it does to claim it. As brands strive to establish relationships, they must be aligned with those with whom they aspire to engage. It is critical to bring the brand to life through consistent experiences that exceed customer expectations – through relevance, personalization, and, above all, authenticity.

Multidimensional Marketing Accountability

Marketing accountability is traditionally associated with setting goals and measuring performance. The opportunity, however, is to take a more holistic approach. This means capturing data, but also insights. Understand what is shaping customer perceptions and motivating behavior. This also means taking responsibility for forming relationships with key constituents based on their needs, wants, and interests and operating with authenticity, both internally and externally.

Together, these concepts form the foundation for not merely defending marketing initiatives, but bolstering brands based on customer knowledge. Marketing accountability can be instrumental to establishing viable directions for hospitality brands searching for ways to maintain or regain relevance. The need to take ownership remains a constant in an otherwise, rapidly evolving and often unclear market.

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