



The Language of Marketing Operations (Glossary of Terms)

Average Lifetime Value (LTV): Average Sale x Adjusted number of times customers reorder

Benchmarking: A method to measure the building and sustaining of market-based assets, such as brands, channel relationships and customer bases.

Brand Asset Management (BAM): A method to estimate the value of a brand, manage it as a strategic asset and leverage the asset to drive business strategy.

Brand Equity: The marketing effects or outcomes that accrue to a product with its brand name compared with those that would accrue if the same product did not have the brand name. It can be measured at the firm, product or consumer level.

There are several different models for Brand Equity calculations:

- **Brand Equity Methodology (Moran):**
Brand Equity = Effective Market Share x Relative Price (Price Premium) x Durability (Loyalty Index)
- **Brand Equity Methodology (Dennis Flynn):**
Brand Equity = Brand Awareness + Brand Loyalty + Perceived Quality + Brand Associations + Brand Personality + Misc. Brand Assets
- **Brand Equity Methodology (Ipos):**
Brand Equity = Differentiation + Relevance + Popularity + Quality + Familiarity
- **Brand Equity Model (Kevin Lane Keller)**
Brand Equity = Brand Salience + Brand Imagery + Brand Performance + Consumer Feelings + Consumer Judgments + Brand Resonance

Brand Valuation: The process of identifying and measuring the economic benefit of the brand value (the amount that a brand is worth in terms of income, potential income, reputation, prestige, and market value) that derives from brand ownership.

Brand Value: The Net Present Value (NPV) of the forecasted brand earnings - the brand discount rate.

Customer Advisory Board: A group of senior executives (CXO, VP) from strategic customers hand-picked to participate over a 12-18 month timeframe with a company's executive team to provide honest and direct insight and feedback on industry trends, business drivers, customer issues and market opportunities.

Customer Lifetime Value (CLV): The net present value of the profit an organization expects to realize from a customer over the duration of their relationship. CLV focuses on customers as assets rather than sources of revenue. The volume of purchases made, customer retention rates, and profit margins are factors taken into account in calculating CLV.

Digital Asset Management (DAM): Databases used to store, catalog and retrieve brand images, graphics and other collateral (e.g. photographs, animations, videos and music) used in marketing messages.

Digital Body Language (DBL): The art and science that revolves around detecting and understanding prospective buyers' signals and intentions to better communicate with them. The online equivalent of the facial expressions revealed around the negotiating table. By analyzing the recency, frequency and click stream data of website visits, marketers can zero in on the buyer's pains, concerns and motivation.

Enterprise Marketing Management (EMM): A category of software used by marketing organizations to automate key processes, leading to more efficient and effective management of their end-to-end process. Key functions of EMM include gathering and analyzing customer data across websites and other channels, planning, budgeting, managing the creative production process executing targeted customer communications, and measuring results and effectiveness. Compared to a point solutions approach, the benefit of an integrated EMM suite is improved collaboration, increased efficiency, more streamlined resource optimization, improved decision-making, visibility and accountability across the entire marketing function, a more integrated customer experience and reduced total cost of ownership.

Enterprise Relationship Management (ERM): A software-based application that leverages existing data about customers to develop a better understanding of the customer and how the customer is using products and services. This kind of application may use data mining of a data warehouse or existing sales, marketing, service, finance, and manufacturing databases to generate new information about customer relationships.

Force Field Analysis: A technique for promoting change by identifying driving and restraining forces that promote or inhibit change.

Gap Analysis: A methodology to assess the present state, the desired or 'target' state and the gap between the two states. Gap analysis is a very useful tool to help marketers identify the difference between a company and the leader's market share, current vs. desired capabilities, actual vs. potential operational performance, corporate messaging vs. perceived corporate behavior, user needs vs. product benefits, and self-assessment vs. customer/market assessment.

Lead Scoring: A method of classifying a sales opportunity by assigning points based on responses to qualifying questions, buyer behavior (white paper downloads, demo requests, etc.) and other factors. When opportunity profiles are completed, response points are added to achieve an overall score for the opportunity (the Lead Score), which in turn might determine whether the lead should be forwarded to Sales or to a reseller, retained for cultivation, or discarded, and determine the prospect's qualification for various offers.

Marketing Asset Management (MAM): A coherent and integrated platform for extracting real value from marketing assets (such as research, competitive intelligence and best practices) by improving the creation, control, aggregation, distribution, management, reuse and repurposing of these assets. MAM enables organizations to improve performance along several dimensions at once, including strategy development, brand management, innovation, campaign creation and execution, performance management and employee competency.

Marketing Operations Management (MOM): An enterprise software solution for managing marketing strategy and planning, budgeting and procurement, project management, digital asset management, and marketing analytics. Similar to MRM.

Marketing Resource Management (MRM): The enterprise tools used to plan, budget and forecast marketing expenditures, or manage the integration of budgetary tools in efficient marketing execution workflows. Similar to MOM.

Net Present Value (NPV): The difference between the present value of cash inflows and the present value of cash outflows. NPV is used in capital budgeting to analyze the profitability of an investment or project.

Net Promoters Score (NPS): A measure of the number of advocates a company (or website) has who would recommend it compared to the number of detractors. Promoters (scores of 9-10) are loyal enthusiasts who will keep buying and refer others, fueling growth. Detractors (scores of 0-6) are unhappy customers who can damage a brand, impeding growth through negative word-of-mouth

Predictive Analytics: A discipline that encompasses a variety of statistical models and data mining techniques to analyze current and historical data and make predictions about future events. Predictive analytics exploits patterns found in historical and transactional data to identify risks and opportunities, and develops models that can guide decision-making.

Voice of the Customer (VoC): A market research technique that produces a detailed set of customer wants and needs, organized into a hierarchical structure, and prioritized in terms of relative importance and satisfaction with current alternatives.

Win-Loss Analysis: A forensic method to confirm current marketing and sales assumptions, win-loss analysis can be early warning indicator for product obsolescence, market maturity and economic shifts, as well as an aid to identify and track subtle changes in customer buying behavior.