university of groningen

faculty of economics and business

customer insights center

Why do marketing projects fail or succeed?

Employees can make the difference

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Management summary

Many organizations are working on big changes

Marketing in the past

› Marketing as creative art
› Brand development through mass media
› Marketing on feeling
› No analysis of customer behavior
› Outdated customer data per department
› Only the field employee knows the customer
› Budget based on past earnings
› Marketing as an independent department
› Product driven innovations

Marketing nowadays

› Marketing as creativity and science
› Brand development via targeted ads
› Marketing based on facts and numbers
› Analysis of customer behavior and value
› Centralized real-time customer information
› Employees share customer insights
› Budget based on profit contribution
› Integration of marketing, sales, service, product development and finance
› Customer driven innovations

This shift from product-oriented to customer-oriented work can only take place via more or less successful change projects.

Many marketing changes are not successful

"85 % of all Customer Relationship Management (CRM) implementations more or less failed, with the main reason that only 14% of all employees wants or uses it"
IBM Global Survey

"55 percent of CRM projects is not a success"
Gartner research

"I know that half my advertising works, I just don't know which half" *(John Wannamaker, 1865)*

"Marketing loses influence in the board of Dutch organizations, because they do not deliver measurable results"
Leeflang & Verhoef, Rijksuniversiteit Groningen

"66 % of the marketing budget can still not be clarified in the beginning of the 21st century"
Marketing Leadership Council

"50% of the CEO's think that their marketingmanagers should improve the effectiveness of their spendings"
IDC

What makes the difference in failure or succes?

"Most of the top-10 failure factors can be summarized as human behavior, such as resistance, sabotage, ignorance, lack of preparation/training/motivation"
Gartner Group

"The biggest challenges in CRM implementations are internal organizational problems"
Ernst & Young

"Not technology makes the difference, but the people who need to implement it"
IBM Global

"A little more effort on the part of everybody to make the times better, and better times will surely come along" *(dezelfde John Wannamaker, 1920)*
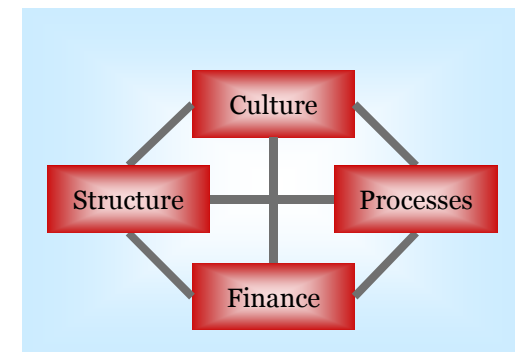
"Only 7% of the markting implementations takes the 'human factor' into account, although that can improve its successes more than other factors"
IBM Global Survey

Realize why changes succeed or fail

› Of course strategy/structure, processes/systems, finance/analytics and more conditions must be taken into account for an organizational change to succeed...

› ...only these form just a small start, because especially the culture of employee involvement and the resulting psychological factors explain more than half of the success of the change.

› Tip: do not just measure standard aspects, like (customer and) employee satisfaction: use all related psychological factors.

Employee involvement