

Measuring marketing effectiveness

[Business](#), [Marketing](#)



1. 3. Marketing effectiveness

The porter five forces analysis allows the company to understand the micro-environment, which allows the company to adopt better marketing strategies to ensure that it curbs the level of competition, partner with better suppliers, mitigate the threats of new entrants, make better deals with the clients, as well as effectively mitigate the threat of substitute products. In addition, it will also allow the company to understand where the power or weakness lies in a business situation, thereby allowing it to deal with it effectively. In essence, it allows Driver Trett to comprehend the strengths in the current competitive position, and the subsequent strength of a position it considers moving into. It directly relates to the financial metrics, which the company has to improve on a continuous basis. According to Solcansky, Sychrova and Milichovsky (2011), to be effective in marketing is a fundamental interest for every company as it ensures business sustainability and competitiveness. For this reason, employing the right marketing metrics is paramount. Besides, through the metrics and key performance indicators, companies can be able to demonstrate effectiveness and efficiency. According to Gaiardelli, Saccani and Songini (2007), financial metrics, such as return on investments and increased profitability are effective when used in analyzing marketing success. In fact, when the financial metrics are used, increased return, revenues, and profitability signify effectiveness in marketing. At Driver Trett, the company had increased returns, profits, as well as revenues, which is an indicator that the marketing endeavors were a success. The PESTEL analysis allows the company to deal effectively with the external environment. It allows the company to identify advances in technology that will allow it to

effectively compete, identify legal issues so that it does not have to deal with court cases, as well as learning how to help protect the environment, which will lead to a positive brand.

Also, as Zahay and Griffin (2010) point out, customer retention is an important metric for marketing because it directly highlights how satisfied the clients are. Since Driver Trett has a high retention rate, the marketing strategies are effective. Gummesson (2004), Ramani and Kumar (2008) and Hunt and Arnett (2006) articulate that for a firm to develop a superior position in a market, it must use its resources effectively, interact with customers in a satisfying way, adopt total quality practices, as well as the measure its capabilities. Considering Driver Trett, the company meets these criteria due to the high retention rates of clients, as well as its competitiveness. For instance, the return on relationships (ROR), which is characterized by high customer retention rate is effective in gauging the marketing strategies for a company where a high retention rate signifies a high rate of effectiveness (Gummesson 2004). In addition, Bahadir and Tuli (2002) further stresses on the importance of using financial returns in gauging the efficiency of a marketing strategy. In essence, as the writer asserts, when there are high returns, including the company's profitability and revenues, it signifies the effectiveness of marketing and thus is a key performance indicator that is highly effective.

2. 1. Predictive Metrics and External Environment Change

Driver Trett will have significant external environmental changes that will have a significant effect on the performance of the firm on matters of

marketing within the next three years. Firstly, using competitor metrics, the level of competition is expected to increase significantly over the next three years. As pointed out earlier, Driver Trett faces significant competition in the Middle East where the main competitors are FTI Consulting, Hill International, GMCS, D&A Consult, HLP Consulting, KEO International Consultants, and Systech International. For this reason provided that the market share of Driver Trett. Driver Trett has a market share of 10%, which is poised to decrease over the next three years. In essence, most of the competitors have specialized in similar services with Driver Tretts. For instance, there is a similarity in the services offered. The competitors, just like Driver Trett also offer consultancy services related to claims management, dispute resolution, training, seminars, lectures, and workshops, expert witness services, project management, planning, and programming, as well as quantity surveying and commercial management. For this reason, given the competitiveness of these firms, where they have specialized in more than one marketing channels, including digital marketing, aligning pricing strategy with the company strategy, market segmentation and differentiation, product lifecycle management, as well as modelling profit maximization simulations, there is bound to be increased competition in offering these similar services.

Besides, according to the Annual Report of 2015, Driver Trett has expressed its intention to adopt the Four-Year Growth Targets & Strategic Plan that is aimed at doubling the revenues and increasing profit percentage. In accordance with the plan, the company aims at becoming the global market leader in the proviso of commercial and dispute resolution services to all industries, and it plans to achieve this by critical mass in its AMEA market

and technical staff who are prepared to travel around the region to serve engineering organization, as well as multinational construction while also optimizing its utilization levels. However, it should be noted that the competitor firms are also aiming to increase their revenues and profitability. Besides, Driver Trett is also ensuring that its leadership is optimal by ensuring that they add qualified personnel, including the chief operating officer who will significantly improve the company's leadership given the fact that the company is aiming at increasing its headcount. Even so, the competitor firms are also investing in leadership to improve their management in a multinational way. According to the 2015 Annual Report, Driver Trett in their four-year plan, they also assert that the company aims at becoming a market leader in the provision of planning, quantum, and technical expert witnesses. As the company points out, this will be achieved through the DIALES construct, which will provide over 40 internationally renowned experts for supporting its global business, including global footprint offices, cultures, and languages. Even so, the competitor firms, being multinationals, they also aim at becoming market leaders in the provision of their services. Besides, Driver Trett, as well as the firms, also intend to leverage their commercial, expert, and dispute programs to provide complete and effective services to their clients. For this reason, since the firms will adopt similar strategies, the external environment will be characterized by increased competition, which may render a decline in profitability and revenue decline in the next three years. For this reason, the increase in competition may adversely affect the company regarding income and profits. In essence, even though the company is forecasted to

experience significant growth in the next five years, the issue of competition may slow the growth down. In essence, even though the profits and revenues will grow significantly, they will grow at a significantly lower rate compared to when the firm is not poised to experience competition. For this reason, since competition is inevitable the growth rate regarding revenues and profits will significantly be negatively affected.

Also, the company has invested a lot in customer metrics. The company aims at bettering the satisfaction levels of the company. For this reason, the company aims at increasing the retention rates and loyalty. In essence, this can, in turn, enhance the number of clients in the external environment, thereby ensuring that the company will not experience a decline in clients or the revenues and profits. If the company maintains the clients, then there is bound to be an increase in the number of customers, and thus, it will prevent profits from dropping, which creates the perfect environment to ensure market profitability.