

# How to Use Performance Management to Gauge Marketing Investment

What my son's swimming experience taught me about the importance of performance measurement



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December 19, 2016



My 12-year-old son, Gil, started competitive swimming this year. As a data guy, I look at my son's swimming activity under a different lens than most parents. I try to find meaning in all of the swim data: start time, intermediate time, finish time, improvement time, placement, aggregate swimmer times, etc.

Prior to Gil's first swim meet, I knew his best event would be the 50m breaststroke. His weakest event would be the 50m butterfly. So, in my mind, I had set my assumptions on Gil's performance. Sure enough, he excelled at the breaststroke. But, to my surprise, he also performed well in the butterfly. The data also showed an unexpected problem. So, what happened?

At the start of Gil's 50m butterfly, he entered the water in a weak position. He was last off of the starting block, and didn't jump out far enough. His time underwater before breaking to the surface was short, which meant he needed to start into his stroke sooner, which is a disadvantage. (Off the block swimmers try to stay underwater as long as possible to maximize their start speed before surfacing.) I was already thinking that a slow start along with a weak stroke would likely mean a finish close to the bottom. But, to my surprise, Gil made up the time and finished 3rd.

The strength of his butterfly stroke surprised me. But, the data actually revealed a larger, looming problem. I began to see a pattern in most of Gil's swimming heats across all events. He was consistently slow off of his start (usually placing last), but in most heats made up the difference, as evidenced by his intermediate time and finish placement. If his start time were better, he could significantly improve his finish time.

It was clear that starts were causing him problems. But the problem also represented a clear opportunity to take some directed action that would greatly improve overall performance.

With any marketing investment, you start with assumptions on how you believe the investment will perform. You won't know with complete certainty the payoff, until you review the data and capture some insight. And the actuals might be very different from your assumptions.

## A superficial analysis of the investment could hide a number of looming problems:

- High conversion rate on a promotion, but low absolute return
- Marginal ROI, but high promotion cost of sales
- Weak promotion redemption for players with high ADT

## Some things to consider when evaluating your marketing investments:

1. **Always measure** – if you can't measure the outcome or evaluate progress with key performance indicators, then you should question the investment.
2. **Use a common measurement framework** – always evaluate your performance across a standard set of metrics.
3. **Take action when necessary** – if you see something that is not working, use that knowledge to change behavior.

As for Gil, he spent the next several weeks working on starts in additional private lessons with his coach. His hard work paid off. He shortened his start time by almost 3 seconds, which also increased his momentum and speed. At the Washington State Fall Divisionals, Gil finished 8th overall – not bad, for his first year swimming.

As Mark Spitz used to say, “Swimming isn’t everything, winning is.”