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# **Metrics-Driven Climate and Metrics-Based Activities as an Organizational Processes to Complement MPM system in the Firm**

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## **ABSTRACT**

We have learned that the marketing performance measurement (hereinafter MPM) does matter from the growing accumulation of the recent research. Marketing needs an appropriate set of metrics to plan, check and correct their marketing actions. How can then the use of MPM can be radicated in the organization? Although marketing research stream have developed marketing metrics and linked metric use to firm performance, there is little understanding of what promotes the use of marketing metrics in an organization. We observe many cases where the metrics cannot be well rooted in the organization because of the cultural resistance, irrelevance to the actual marketing activities, and the departmental conflict. We search into the organizational factors which help the use of MPM to be rooted in the firm.

Our research investigates the factors that promote the use of marketing metrics in an organization. As antecedents of marketing metrics use, we consider two aspects of organization, objective aspect and subjective aspect. As objective organization aspect, comprehensiveness of marketing performance measurement system (hereinafter CMPMS) is thought to be a crucial antecedent of marketing metrics use. We also focus on employees' subjective environment—the organizational climate, which is defined as employees' shared perceptions. Our basic hypothesis are as follows: firstly, CMPMS has a positive influence on metrics-based marketing activities; second, a metrics-driven climate has a positive influence on metrics-based marketing activities; third, metrics-based marketing activities have a positive influence on marketing-mix activity performance.

Our research used survey data collected from 824 managers with marketing-related responsibilities. The data was analyzed using structural equation modelling to test a conceptual model grounded in the marketing metrics and organizational climate literature. Through its examination of the model, this paper demonstrates that, in addition to the presence of comprehensive marketing performance measures, a metrics-driven organizational climate and metrics-based marketing activities are key mechanisms that accentuate the use of marketing metrics in an organization.

Our results demonstrate that a marketing metrics-driven climate is significantly related to metrics-based marketing activities, and that metrics-based marketing activities have a significantly positive influence on marketing mix performance. In contrast, the comprehensiveness of marketing performance measurement exhibits a significantly negative influence on metrics-based marketing activities, but has a direct, positive effect on marketing mix activity performance.

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