

Chapter 12

In anything you do in life, it is easier when everything is structured. Same in the business field, it is important to have an organizational structure. This can be beneficial to business because understanding your roles and responsibilities requires understanding where you fall in the organizational structure. Those who are aware of their roles and responsibilities are more likely to be productive and generate high-quality work within the organization. Several organizational structure variables can apply in a business. The type of variable structures is formalization, centralization, and specialization. These variables are important in shaping both an SBU's and its marketing department's performance within the context of a given competitive strategy.

Chapter 13

Return on marketing investment (ROMI) is a metric that measures the profit or financial value generated by marketing activities about the marketing spending or risk. The purpose of ROMI is to quantify how marketing expenditures affect your revenue. You can assess which forms of advertising are profitable and which ones are not using ROMI. You may efficiently allocate your spending to much more cost-effective operations if you have an understanding of the amount you spend on marketing activities along with the income it produces. Increasingly these days, investors, boards, CFOs, and others are insisting that marketing managers do a better job of measuring the returns their marketing programs deliver on the investment therein. Doing so is important for a variety of reasons, including demonstrating the overall and program-by-program effectiveness of marketing expenditures, choosing among various marketing tactics or media, and obtaining the financial resources necessary to support top-line sales growth.