CERTIFIED BENCHMARKING PROFESSIONAL

Benchmarking articles – PERFORMANCE Magazine

1. Customer engagement through social media benchmarking



Context

Marketing research and benchmarking represent important aspects that can help organizations not only measure their performance, but also find ways to predict and improve it.

In other words, in order to conduct an advertising research, companies can use tracking tools like coded advertising coupons, whereas for web analytics for your website, statistics can be generated to show the visitors' behavior (Google analytics). But how can your company achieve great results through social media?

Most companies positioned social media at the top of their list of activities aimed at increasing online presence, but only a few of these brands monitor the appropriate key performance indicators (KPIs).

Moreover, benchmarking the correct KPIs will answer questions like: “How engaged are my customers?”, “What is working well?”, “Which are the gaps in our approach?” and so on.

Benchmarking refers to the process of comparing your competitiveness to similar players on the market and learning from the best practices that will help your organization significantly improve its performance. By implementing it in your social media strategy, you can learn more from your competitors, but also make a value assessment of the current social media campaigns.

Hence, looking into your own data is not enough, as online space is constantly growing and evolving. Benchmarks need to be established on reasonable and reliable data aspects that are relevant to the competition. Also, simplifying the benchmarking research (e.g. “My competitors have 2500 fans, so that represents one of my benchmarks” or “Last month I hit 1300 visits, so that’s my benchmark”) is not the best approach, as it diminishes the value of results.

Methodology

In order to conduct a successful social media benchmarking study, there are 3 key aspects to consider:

- Measurement of the right key performance indicators (KPIs): the most important indicators to be monitored in social media are number of clicks (# Clicks), or # Website visits per day, as they indicate how many people have read the content that the company shares. However, this KPI is not enough when talking about performance assessment. For example, it is good to know that you have 100 clicks, but the information is not complete without the number of followers. (100 clicks might be a good result if you have 250 followers, but it is definitely a bad result if you have 25000 followers). So, a key performance indicator to be monitored is “clicks per follower” or “# CpF”.
- Your company’s position compared to that of your competitors: when regarding consumers’ engagement (CFP), the most important factor to be considered is audience size. According to recent studies, smaller social media accounts are more performant on this matter than the larger ones, at least on Facebook and on Twitter. The explanation for this is simple, as small businesses usually tend to develop closer relationships with their customers, whereas global businesses are more impersonal in their customer relationships.

- Outliers' selection: after CFP measurement, the next big step is to check the posts from the last year, for example, and rank them according to the CFP. It is very important to see what do top stories and bottom stories have in common.

Conclusions

However, other things to consider when establishing the strategy for your social media benchmarking are the four social media benchmarking types:

- Aspirational Benchmarking: focuses on learning from social leaders in your industry;
- Trended Benchmarking: focuses on establishing goals, making projections and setting standards according to historical activities;
- Earned Benchmarking: focuses on comparing your social media campaign or advertising accomplishments against a successful standard or best practice competitor.
- Competitive Benchmarking: focuses on setting goals and criteria for performance improvement after taking into consideration direct competitors' aspects.

Depending on the chosen benchmarking type, different tactics, as well as KPIs to focus on, are applicable. By implementing social media benchmarking, companies can significantly benefit from superior results in a cost-effective manner.

References

- Shively, K. (2014), Social Media Benchmarking: What You Might Be Doing Wrong
- Falls, J. (2012), Benchmarking your social performance

Image source:

- Pixabay

2. Rapid product development through benchmarking



Context

Considering the fast emerging markets of nowadays, companies are constantly focusing on how to produce higher qualitative products, with less costs, and in a shorter period of time. Hence, organizations have started to focus increasingly more on product development processes.

All entrepreneurs are aware of the fact that productivity is one of the most important aspects for successful product development. Benchmarking enables companies to determine which of their procedures would benefit more from improvement strategies, and what they should do to become more productive and profitable.

When talking about product developement, companies can integrate benchmarking practices in order to enhance the processes, thus calibrating their organization's business performance.

Especially when thinking about resources constraints, one needs to assess what other organizations are doing in order to keep evolving, and to integrate these findings in its own new product development process.

Methodology

The benchmarking approaches need to focus on four main areas:

- performance management and measurement;
- new process development process standards and stages;
- governance;
- best and worst performing organizations.

Hence, in order to remain competitive on the market, a prerequisite for organizations worldwide is to have an effective *New Product Development (NPD) process* in place.

Therefore, a way of keeping up with trends, and adapting to the market demand in regards to new product development (NPD), is to integrate benchmarking for streamlining the paths for the new product offerings. Best practices benchmarking can be conducted based on product type, for example, in order to enable full productivity and team focus.

New product development (NPD) focuses on a complex set of stages, where benchmarking can definitely bring its contribution. According to Innovating Coach, the eight main stages of new product development are presented below, as follows:

- Ideology generation: utilization of SWOT analyses and current marketing trends, as well as road maps designed to be in accordance with different projects types and risks.
- Idea screening: establishment of criteria for ideas that should be either approved, or denied. It is preferable to include benchmarking in this step, and screen the top competitors' new innovations, their market share and consumer's needs.
- Concept testing: research on various patents, design of the due diligence, making sure that the consumers understand, need, and want the product. Use creative benchmarking in order to be able to react at consumers' demand.
- Business research analytics: inclusion of a KPI system for progress reporting and monitoring. Agree upon KPIs, in order to be able to calculate and compare valuable metrics, like average time for certain stages, or value of launched products, new product sales percentages and other important figures.

- Marketability Tests: organizing private tests, launching beta versions of the product, and then form test panels, compare results in order to improve your product before its official launch.
- Product development: making plans for product manufacturing, product marketing, and financial investing.
- Commercialization: keeping track on the manufacturing flow, in order to be able to supply the market demand. Moreover, technical support is needed for a continuous monitoring of the progress.
- Launch Review and Perfect Pricing strategy: the New Product Development has to be reviewed. In addition, an assessment of the NPD process efficiency has to be done. It is also important to put efforts into continuous improvement, and assess the overall value by analyzing internal costs, in comparison to new product profits.

Conclusions

Finally, according to APQC, in order to enhance improvement and New Product Development optimization, as far as benchmarking processes go, there are two aspects that organizations need to focus on:

- Best practices;
- Quantitative data to back up those practices.

References

- APQC (2011), New Product Development Best Practices, Benchmarks, and Metrics
- Edgett, S.J. (2011), New Product Development: Process Benchmarks and Performance Metrics
- Innovation Coach (2013), 8 Step Process Perfects New Product Development

Image source

- Pixabay