

## Marketing Performance Measurement in IT Service Firms: A Descriptive Study in Maharashtra

Swapnil Sudhakar Rao Kitey

Research scholar, Dept. of Business Management, RTMNU, Nagpur

Dr. Ramprakash O. Panchariya

Research Supervisor, Dept. of Business Management, RTMNU, Nagpur

### Abstract

Marketing performance measurement has emerged as a critical component for evaluating the effectiveness of marketing strategies, particularly in the IT services sector characterized by intense competition and rapid technological advancements. This study examines the marketing performance measurement practices adopted by IT service firms in Maharashtra using a descriptive research design. Primary data were collected from 120 marketing professionals through a structured questionnaire, and analyzed using statistical tools such as percentage analysis, correlation, and regression. The findings reveal that firms widely use a combination of financial and non-financial metrics, including sales growth, customer retention, and digital analytics, supported by tools such as CRM systems and Google Analytics. The results indicate a significant positive relationship between the use of marketing metrics, analytical tools, and overall marketing performance, while challenges such as difficulty in linking marketing activities to return on investment, lack of standardized metrics, and data integration issues negatively affect performance. The study concludes that although IT firms are increasingly adopting data-driven approaches, there remains substantial scope for improving measurement frameworks, analytical capabilities, and integration of systems. The study provides practical implications for enhancing marketing accountability and effectiveness in IT service firms.

**Keywords:** Marketing Performance Measurement, IT Service Firms, Marketing Metrics, Digital Analytics, Customer Retention, Return on Investment, Maharashtra

### Introduction

In the contemporary digital economy, marketing has evolved into a strategic function that directly contributes to organizational performance, especially in knowledge-intensive industries such as IT services. The rapid expansion of IT service firms in regions like Maharashtra has intensified competition, compelling firms to adopt robust mechanisms for evaluating marketing effectiveness. MPM has thus emerged as a critical managerial concern, enabling firms to assess the efficiency and effectiveness of marketing activities and align them with organizational objectives. Marketing performance measurement refers to the systematic process of assessing marketing activities using financial and non-financial metrics such as ROI, customer acquisition, retention, and brand equity. The increasing emphasis on accountability and data-driven decision-making has further accelerated the adoption of performance measurement systems in organizations. In IT service firms, where intangible offerings, relationship-based selling, and long sales cycles dominate, measuring marketing performance becomes particularly complex. The IT services sector in Maharashtra, encompassing hubs such as Pune, Mumbai, and Nagpur, plays a vital role in India's digital economy. Firms in this sector rely heavily on digital marketing, relationship marketing, and global client acquisition strategies. However, despite significant investments in marketing activities, many firms face challenges in quantifying the impact of these efforts on business outcomes. The difficulty in linking marketing inputs to financial outputs remains a persistent issue in marketing research and practice.

Moreover, the growing availability of big data, analytics tools, and CRM systems has transformed the landscape of marketing performance evaluation. Firms are increasingly leveraging dashboards, KPIs, and advanced analytical techniques such as marketing mix modeling and attribution analysis to assess marketing effectiveness. However, the adoption and effectiveness of these tools vary significantly across firms, particularly in emerging markets and service-oriented industries. Given these challenges, there is a need for empirical research focusing on how IT service firms measure marketing performance, the metrics they employ, and the effectiveness of their measurement systems. This study aims to provide a descriptive analysis of marketing performance measurement practices in IT service firms in Maharashtra, thereby contributing to both academic literature and managerial practice.

### Literature Review

Marketing performance measurement has been widely studied in marketing literature, with early contributions emphasizing the need for accountability and systematic evaluation of marketing activities. Ambler (2000) introduced the concept of marketing metrics as key indicators that reflect business performance and are critical for managerial decision-making. Subsequent research expanded this concept by linking marketing metrics to firm performance and shareholder value. The influence of MPMS on organisational results has been the subject of a substantial body of studies. In their analysis of the connection between MPMS and company success, Liang and Gao (2020) emphasised the mediating function of marketing capabilities. According to their research, using MPMS extensively and interactively improves market-linking and learning skills, which in turn improves company performance. This implies that measuring systems serve as both strategy facilitators and assessment instruments. Morgan (2022) highlighted the significance of comprehending the MPA process, contending that it is still difficult to connect marketing initiatives to financial results. In order to provide a comprehensive understanding of performance assessment, the research put out a conceptual model that incorporates marketing measurements, accountability, and decision-making procedures. For IT service companies, whose results are frequently long-term and intangible, this viewpoint is especially pertinent.

Earlier frameworks by Gao (2010) provided a comprehensive review of marketing performance measurement, identifying key dimensions such as financial metrics, customer metrics, and internal process metrics. The study highlighted the importance of integrating multiple metrics to capture the multidimensional nature of marketing performance. Similarly, Rust et al. (2004) and O'Sullivan and Abela (2007) demonstrated that effective use of marketing metrics enhances firm performance and managerial satisfaction. Recent studies have also explored the role of digital technologies in marketing performance measurement. Ascani et al. (2025) identified key challenges in measuring social media marketing performance, including data fragmentation and lack of standardized metrics. The study proposed an integrative framework that combines management accounting principles with marketing analytics to improve measurement practices. This is particularly relevant for IT firms, which heavily rely on digital marketing channels. Adegbola et al. (2024) highlighted the importance of marketing performance measurement in small and medium enterprises (SMEs), emphasizing its role in optimizing resource allocation and improving competitive advantage. The study found that commonly used metrics include sales growth, ROI, and customer engagement, while tools such as Google Analytics and CRM systems are widely adopted. These findings are applicable to IT service firms, many of which operate as SMEs.

Furthermore, Katsikeas et al. (2016) and Hanssens and Pauwels (2016) explored the relationship between marketing investments and firm performance, noting that multiple intervening variables often obscure this relationship. This complexity underscores the need for advanced analytical techniques such as marketing mix modeling and attribution analysis to accurately measure marketing effectiveness.

The literature also highlights the importance of integrating qualitative and quantitative measures in evaluating marketing performance. While financial metrics such as ROI provide objective insights, non-financial metrics such as customer satisfaction and brand equity offer a more comprehensive understanding of marketing effectiveness. This multidimensional approach is essential for service industries, where customer experience plays a critical role.

Despite extensive research, gaps remain in understanding how marketing performance measurement is implemented in specific industries and regions. In particular, there is limited empirical evidence on MPM practices in IT service firms in emerging economies like India. The unique characteristics of the IT services sector—such as intangibility, customization, and global client interactions—necessitate tailored measurement approaches. Therefore, this study seeks to address this gap by examining the marketing performance measurement practices of IT service firms in Maharashtra. By analyzing the metrics, tools, and challenges associated with MPM, the study aims to provide insights that can enhance both academic understanding and managerial effectiveness.

**Objectives:** By identifying important metrics, tools, and techniques, assessing their efficacy in evaluating marketing outcomes, analysing implementation challenges, and comprehending the connection between marketing effectiveness measurement and overall organisational performance, the study seeks to investigate marketing achievement assessment practices in IT service firms in Maharashtra.

**Methodology.** The study uses a descriptive research approach to look at how Maharashtra's IT service companies assess marketing performance. A standardised questionnaire will be used to gather primary data from marketing executives and managers, while corporate reports and journals will be the source of secondary data. The data will be analysed using regression analysis, correlation, and descriptive statistics, and a stratified random sample approach will be employed.

**Results and Discussion**

The analysis is based on responses collected from 120 marketing professionals working in IT service firms across Maharashtra.

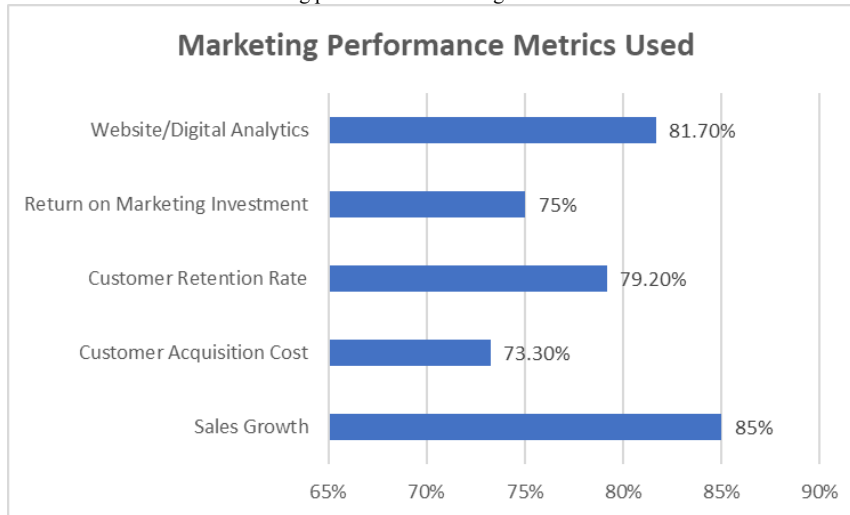


Fig. 1 Marketing Performance

The most widely used metric is sales growth (85%), followed by digital analytics (81.7%) and customer retention (79.2%). This indicates a strong focus on both financial and customer-centric performance indicators, reflecting a balanced approach to marketing evaluation.

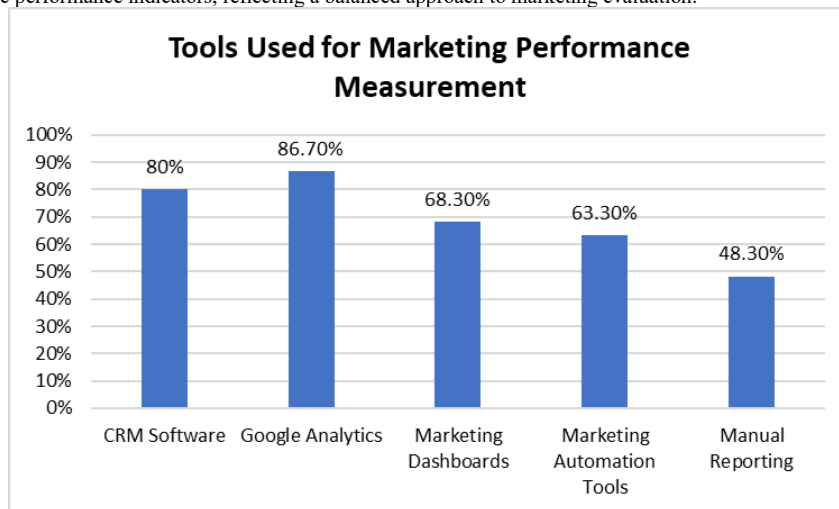


Fig. 2 Marketing Performance Measurement

Google Analytics (86.7%) and CRM software (80%) are the most commonly used tools, highlighting the importance of digital tracking and customer data management. However, 48.3% still rely on manual reporting, indicating scope for improved automation and technological adoption.

**Table 1 Challenges in Marketing Performance Measurement**

| Challenges                             | Mean Score (5-point scale) | Rank |
|--|----------------------------|------|
| Difficulty in linking marketing to ROI | 4.32                       | 1    |
| Lack of standardized metrics           | 4.10                       | 2    |
| Data integration issues                | 3.95                       | 3    |
| Limited analytical skills              | 3.72                       | 4    |
| Budget constraints                     | 3.60                       | 5    |

The most critical challenge is the difficulty in linking marketing activities to ROI (Mean = 4.32), followed by the lack of standardized metrics. This confirms that despite the availability of tools, firms struggle with accurate performance attribution.

**Table 2 Correlation**

| Variables               | Marketing Performance |
|-------------------------|-----------------------|
| Use of Metrics          | 0.62**                |
| Use of Analytical Tools | 0.68**                |
| Employee Expertise      | 0.55**                |

There is a strong positive correlation between marketing performance and the use of analytical tools ( $r = 0.68$ ), followed by the use of metrics ( $r = 0.62$ ). This indicates that firms with better measurement systems and tools achieve superior marketing performance.

**Table 3 Regression Analysis**

| Variables    | Beta Coefficient | t-value | Significance (p-value) |
|--------------|------------------|---------|------------------------|
| Metrics Used | 0.41             | 4.85    | 0.000                  |
| Tools Used   | 0.46             | 5.32    | 0.000                  |
| Challenges   | -0.29            | -3.21   | 0.002                  |
| $R^2 = 0.58$ |                  |         |                        |

The regression results indicate that tools used ( $\beta = 0.46$ ) and metrics used ( $\beta = 0.41$ ) have a significant positive impact on marketing performance, while challenges negatively affect performance ( $\beta = -0.29$ ). The model explains 58% of the variation, indicating a strong explanatory power. This suggests that effective use of tools and metrics significantly enhances marketing performance in IT service firms.

The analysis reveals that IT service firms in Maharashtra actively use a mix of financial and non-financial metrics, supported by digital tools such as CRM and analytics platforms. However, challenges such as ROI attribution and lack of standardization persist. The statistical results confirm that the effective adoption of marketing measurement systems significantly improves overall marketing performance.

#### Discussion

The findings of the study provide significant insights into the marketing performance measurement (MPM) practices adopted by IT service firms in Maharashtra. The results indicate that firms are increasingly recognizing the strategic importance of measuring marketing performance, particularly in a highly competitive and technology-driven environment. The dominance of metrics such as sales growth, customer retention, and digital analytics reflects a hybrid approach that combines both financial and customer-centric perspectives, aligning with the multidimensional frameworks proposed in earlier studies. The widespread use of tools such as CRM systems and Google Analytics suggests that IT service firms are leveraging digital technologies to enhance the accuracy and efficiency of performance measurement. This supports the argument that data-driven marketing has become integral to organizational success. However, the continued reliance on manual reporting by a considerable proportion of firms indicates a gap in technological adoption and integration, particularly among smaller firms or those with limited resources. One of the most critical findings of the study is the persistent challenge of linking marketing activities to ROI. Despite the availability of advanced tools and metrics, firms struggle to establish a direct causal relationship between marketing inputs and financial outcomes. This issue has been widely acknowledged in marketing literature and remains a key barrier to achieving full accountability in marketing. The lack of standardized metrics further exacerbates this problem, leading to inconsistencies in performance evaluation across firms. The correlation and regression analyses reinforce the importance of adopting structured measurement systems. The strong positive relationship between marketing performance and the use of analytical tools and metrics indicates that firms with more sophisticated measurement practices tend to achieve better outcomes. This finding highlights the role of marketing capabilities and analytical competence as critical drivers of performance. Conversely, the negative impact of challenges on marketing performance underscores the need for firms to address issues related to data integration, skill gaps, and resource constraints. Another important observation is the role of employee expertise in enhancing marketing performance. The positive correlation between expertise and performance suggests that human capital remains a crucial component of effective marketing measurement. Even with advanced tools, the ability to interpret data and derive actionable insights depends on the skills and knowledge of marketing professionals. Overall, the study confirms that while IT service firms in Maharashtra have made considerable progress in adopting marketing performance measurement practices, there is still significant scope for improvement. Firms need to focus on integrating advanced analytics, standardizing metrics, and enhancing employee competencies to fully realize the benefits of marketing performance measurement systems. These findings contribute to the existing body of knowledge by providing empirical evidence from a regional and industry-specific perspective, thereby offering valuable implications for both practitioners and researchers.

**Conclusion.** According to the study's findings, marketing performance assessment has emerged as a crucial strategic role in Maharashtra's IT service companies, allowing businesses to assess the success of their marketing initiatives and match them with corporate goals. The results show that businesses actively employ a mix of non-financial and financial measurements, bolstered by digital tools including analytics platforms and CRM systems. The empirical findings also support the notion that using the right measurements and analytical tools significantly improves marketing effectiveness, even while current obstacles like ROI measurement difficulties, a lack of standardisation, and problems with data integration prevent the best results. Overall, even though businesses have embraced contemporary assessment techniques, the degree of consistency and sophistication varies, suggesting room for improvement.

**Recommendations.** To guarantee uniformity and consistency across campaigns and departments, IT service companies should concentrate on creating standardised frameworks for measuring marketing effectiveness. It is advised to invest more in integrated data systems and sophisticated analytics tools to increase the precision of tracking and identification of marketing results. Additionally, companies should give marketing experts' training and skill development top priority in order to improve their analytical and sophisticated data interpretation abilities. For a more thorough assessment of marketing efficacy, companies could also use a balanced scorecard method that incorporates both financial and non-financial measures. Lastly, using cutting-edge methods like attribution analysis and marketing mix modelling to handle ROI measurement issues would greatly enhance taking decisions and overall marketing success.

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