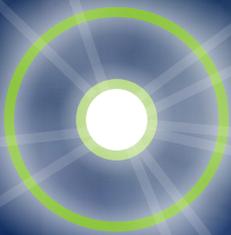




DEFINING MARKETING SUCCESS:

METRICS THAT MAP TO THE
CUSTOMER JOURNEY



FOREWORD

Dear Fellow Marketer:

Marketing used to be a much simpler proposition. Brands created advertising campaigns primarily for TV, print, and radio, with an emphasis on storytelling and emotional appeal. Attempts to measure effectiveness were based on where ads appeared and how much exposure they received.

Since then, marketing accountability has taken on much greater significance. With the rise of digital channels and the vast amounts of granular performance data they produce, marketers are under more pressure than ever to show exactly how their investments further business objectives and contribute to the bottom line. Yet every day, we encounter marketers who are still challenged to do so.

At Visual IQ, we wanted to create a resource to which marketers could turn for advice on which metrics to use to effectively measure the impact of marketing on business goals. The result is *Defining Marketing Success: 28 Experts Tell You How*.

From the most effective marketing technology and time-tested formulas to the specific metrics that matter most, I am thrilled with the diverse insights and advice these experts have provided. We think that there is something useful for everyone, and we hope that you will find a few specific gems within these pages that you can use at your organization.



Regards,

Manu Mathew

Co-Founder & CEO, Visual IQ



As a pioneer in the space, Visual IQ has been producing the world's most powerful cross channel marketing attribution software since 2006. Its hosted IQ Intelligence Suite of products combines a user-friendly interface with advanced attribution management and predictive modeling functionality to provide clear recommendations for marketing optimization. Recognized as a leader in cross channel attribution by a leading market research firm in 2014, Visual IQ won The Drum's 2015 Digital Trading Award for Best Attribution Solution, won the 2014 ASPY Award for Best Data or Analytics Solution, and was a finalist in the Digital Analytics Association's Excellence Awards in 2013, 2014, 2015 and 2016. For more information, visit www.visualiq.com.

INTRODUCTION

Do you know exactly how your marketing spend affects revenue growth? If you do, you are in the minority. Most business leaders want to know the value they are getting for their marketing investments, but few are fully satisfied by the answers they receive. And the problem is not lack of metrics.

Online channels are data-rich environments. Data fuels programmatic advertising, marketing automation, and attribution platforms. There is a lot of data available to consider. Email marketers like click-through rates. Social marketers closely watch social-driven web traffic. Mobile marketers zero in on app traffic. But do these metrics have anything to do with bottom-line performance?

To better understand what marketing metrics matter most to business leaders, and with the generous support of Visual IQ, we reached out to 28 marketing experts with the following question:

On which metrics do you advise senior marketers focus to most effectively measure the impact of marketing on business goals, and why are these metrics the most important?

Not surprisingly, many experts qualified their answers with, “that depends on business goals.” Of course, they said a lot more, providing perspectives from several industry verticals, geographies and business models. In this e-book, we have collected a fascinating array of business-goal-oriented marketing metrics. Many not only tie to bottom-line performance but also enlighten broader business management decisions.

I am confident that anyone interested in quantifying the business value of marketing expenditures will find this e-book a thought-provoking resource.



All the best,
David Rogelberg
Publisher



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FOCUS ON WHAT YOU CAN MEASURE



LEX BRADSHAW-ZANGER

Partner, Lead Consultant,
Radon Strategy Labs

The career of Lex Bradshaw-Zanger has spanned the growth of the Web and has covered America, Europe, and the Middle East. He was most recently the senior director, digital strategy for McDonald's Europe. Before McDonald's, Bradshaw-Zanger was part of the business partnerships team at Facebook. A former ad man, Bradshaw-Zanger spent more than 10 years in the agency world with WPP, Publicis, and Leo Burnett MENA. Father of three girls, he is a #DigitalNative, global #geek, and #Parisian.



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For Lex Bradshaw-Zanger, knowing which metrics are most meaningful in assessing the impact of marketing on business goals means first understanding a business' core principles, and then leveraging that business' metrics capabilities. "At the end of the day, understanding marketing effectiveness is about analyzing your customer base, identifying the right customers, understanding your segment potential, and knowing what resonates," says Bradshaw-Zanger. Many tools and many kinds of metrics can deliver these essential insights. Bradshaw-Zanger says, "The key is to focus on those things you can actually measure."

For example, some years ago, before there were significant digital and social marketing channels, Bradshaw-Zanger launched a direct online bank in France. The business did a lot of traditional TV and print advertising. "By tracking call center and website traffic within minutes of running an ad, we were able to attribute TV and print spend back to account openings and lifetime customer value," Bradshaw-Zanger says. >>>



You must look at each step along the way and identify the right metrics for that point in the funnel.



KEY LESSONS

- 1 Analyzing your customer base, identifying the right customers, understanding your segment potential, and knowing what resonates can help you to determine the metrics worth measuring.
- 2 Calculating a different reach-to-conversion ratio for each stage of a sales funnel would show marketing efficiency at each stage of the marketing-sales process.

FOCUS ON WHAT YOU CAN MEASURE

To understand exactly what is happening as a result of marketing actions, you need to fully use the tools and data that are available to you.

The business model is also important. Bradshaw-Zanger cites the telecom business as an example, which has a fairly complex mix of sales channels that includes online, in-store, and affiliates. Metrics must align with each stage of the complex sales funnel and what that specific stage is trying to achieve. Bradshaw-Zanger explains, "Is it awareness? Maybe a reach metric is the right measure for awareness at that point in the funnel. Is it consideration? Maybe engagement is the right measure. At the bottom of the funnel, you are looking at sales. You must look at each step along the way and identify the right metrics for that point in the funnel."

Senior business managers are typically interested in metrics that tie more directly to sales, but having digital channels and iterative testing strategies sometimes changes the discussion at the executive level. For instance, if there is doubt about the effectiveness of a strategy or questions about the sales performance of a particular product, a quick test iteration can help executives decide to shift marketing spend for a period of time, possibly away from brand marketing into performance marketing. "Those test metrics serve an educational purpose so that you can determine whether you need to support awareness or other lower funnel-specific activities," Bradshaw-Zanger says.

In Bradshaw-Zanger's opinion, one of the more useful and broadly applicable metrics is a reach-to-conversion ratio. "In an era where we can now segment and target audiences much more effectively than we ever could before, conversion rates should be much higher," Bradshaw-Zanger says. 

“A reach-to-conversion metric gives a clear picture of both the scale and effectiveness of your marketing activity.”

FOCUS ON WHAT YOU CAN MEASURE

The reach-to-conversion ratio shows how effectively you are hitting the right people, and when you hit them, how effectively you are converting them. The interesting aspect about a reach-to-conversion ratio is that you can apply it in many different contexts. For instance, you could have a different reach-to-conversion ratio for each stage of a sales funnel so that each ratio gives an indication of the marketing efficiency related to that particular stage of the marketing-sales process.

This metric is also useful when presenting to senior business managers, some of whom will not be marketing people. "A reach-to-conversion metric gives a clear picture of both the scale and effectiveness of your marketing activity," says Bradshaw-Zanger. ■

WHEN CONSIDERING MARKETING METRICS, CUSTOMER EXPERIENCE IS KEY



TRINADHA KANDI

Specialist Leader, Digital Marketing and Analytics, Deloitte Digital

With 15 years' experience in digital marketing, analytics and marketing operations, Trinadha Kandi is a technology expert on Adobe Marketing Cloud and IBM customer experience analytics and campaign management platforms and has worked in numerous verticals. Kandi received the University of British Columbia's Award of Achievement in Web Analytics, represented the Web Analytics Association from 2008 to 2010, and presented at the 2012 Digital Analytics Association Symposium India and the 2014 Direct Marketing Association Conference.



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When considering which marketing metrics are best for assessing business impact, according to Trinadha Kandi, the determination often depends on the business objectives you are trying to achieve in your industry or vertical. Marketers operating in the financial space, insurance space, life sciences, and even the automotive sector will need to use different metrics based on their unique objectives and business models. "That being said," Kandi adds, "one element that is uniform across the industry is the customer. Every brand and every company, no matter their vertical, is looking to acquire, engage, or retain a customer. The customer experience has increasingly become a focal point for marketing strategies because it is so closely linked to business strategies."

Kandi believes that unless a business initiates a dedicated discussion about the customer and the customer experience, the task of devising a complete or holistic marketing strategy will be impossible.



The customer experience has increasingly become a focal point for marketing strategies because it is so closely linked to business strategies.



KEY LESSONS

- 1 Any business today, no matter their vertical, should have the goal of delivering a quality customer experience.
- 2 Through tracking and evaluating its customer, channels, creative, and conversions, a business can understand and improve its customer experience and ultimately, its business performance.

WHEN CONSIDERING MARKETING METRICS, CUSTOMER EXPERIENCE IS KEY

When looking at the question of how best to acquire, engage, or retain a customer, he uses a framework, which he calls the Four Cs, to guide the conversation on metrics: customer, channel, content, and conversions.

“It starts with your customer,” he says. Marketers need to have a clear understanding of their customer and their customer’s unique interests and preferences. Customer-focused metrics that are helpful for this purpose include reach, loyalty, lifetime value, and retention rate.

After a business has carefully considered the customer, it should then determine how best to reach that customer. Kandi explains, “If I want to acquire, engage, or retain a customer, what channels am I going to use? That is the second C—the channels. If you want to acquire a customer and you are in the digital space, you need to consider the tactics you will use, such as search, display, email, social media, and mobile. You need to leverage these channels to reach your end customer.” At this stage, a marketer needs to evaluate metrics such as marketing channel performance, marketing ROI, cost per lead, and cost per acquisition.

After identifying the combination of channels and tactics that are optimally suited for connecting with the customer, a business will need to decide how best to engage with the customer. “What do you provide to the customer, whether it is your product, your service, or your solution? You must be clear on what value you are delivering to your customer. This is the third C—your content and your creative experience. The content and the experience are the elements you apply to the channels and tactics you use to engage with your customer.” Metrics that will be helpful to consider at this point include content effectiveness, visitor engagement rate, and site stickiness. 

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WHEN CONSIDERING MARKETING METRICS, CUSTOMER EXPERIENCE IS KEY

After a business has selected the right content and creative and has begun applying them on a variety of channels to engage with the customer, it will be time to look at the fourth C—conversions. At this point, Kandi says, “I will look at my marketing activities and say, ‘What is my ROI? What is my conversion rate?’ If I invested money in marketing channels, at the end of the day, I need to look closely at the conversions.” To understand success in this area, he recommends that marketers examine metrics such as their purchase funnel, lead-sales conversions and goal completion rate, which measures how effective campaigns are at enticing audiences to complete a specified marketing goal.

By looking at these four KPIs—customer, channel, content, and conversion—a company, no matter the industry or business model, can determine how best to improve the customer experience. Because improved customer service is at the core of so many business conversations today, Kandi believes moving the needle on that aspect of the business will help marketers achieve their goals. ■

CUSTOMER EXPERIENCE REMAINS THE CORE METRIC IN DETERMINING SUCCESS



KAT MANDELSTEIN

Customer Experience and
Marketing Leader,
PwC Experience Center

Kat Mandelstein focuses on customer-centered business strategies for a digital age. From strategy through execution, Mandelstein has led customer experience and marketing teams to deliver results for some of the most recognized brands in the world. She recently returned to the PwC US Experience Center team from PwC UK, where she helped develop the digital practice. Previously, Mandelstein led global digital and marketing teams at IBM and led one of the earliest successful online retailers, jcpenny.com. Mandelstein started her career in advertising agencies, including Malone Media.



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When Kat Mandelstein advises global business-to-business (B2B) and business-to-consumer (B2C) clients on how to build effective, integrated marketing strategies, she draws on the lessons she learned in her pre-Internet career at retailer JCPenney. "It all boils down to customer experience," she says. Although marketing tools and techniques have changed, tracking and improving the customer journey over time should be the number one priority for most businesses.

In fact, Mandelstein has discovered that regardless of whether a customer relationship begins with a face-to-face experience or a purely digital one, customers have come to expect that a company will recognize and appreciate both the customer and their cumulative interactions with a company.

Although each business has unique needs, Mandelstein asserts that value is derived from more than just price.



Optimizing the customer experience at every touchpoint and interaction is ultimately more important than price promotions. Building loyal customers depends on providing them with what they want at the time they need it.



KEY LESSONS

- 1 Regardless of how they first became a customer, people want to be recognized and appreciated over time, which requires advanced tracking and full integration of marketing and sales systems.
- 2 Brand sentiment can be a valuable measurement tool, but it requires a savvy human filter to eliminate possible misinterpretations due to the nuance of context.

CUSTOMER EXPERIENCE REMAINS THE CORE METRIC IN DETERMINING SUCCESS

“Optimizing the customer experience across every touchpoint and interaction is ultimately more important than price promotions. Building loyal customers depends on providing them with what they want at the time they need it.” To deliver an optimal experience, companies must recognize past customer interactions and purchases and consider them during future engagements.

This holistic view of customers requires the integration of marketing with customer relationship management (CRM) systems, and ideally includes unique campaign identifiers “so that you can track where people are responding to your marketing activity and then look at how much influence those tactics have on closing a sale,” says Mandelstein.

Tracking marketing and customer behavior only go so far, however, and Mandelstein admits that finding any single metric to measure the *quality* of customer experience is no easy task—rather, marketers need to consider several data points. “Measuring customer experience is more difficult than just looking at raw data,” she says. “You need to look at a mix of elements, such as survey results, buying patterns, and pass-along recommendations to others.”

Tracking improvements in brand sentiment scores can be a useful metric in this area, according to Mandelstein. However, she cautions that marketers need to “spot-check specific words and terms being considered” when calculating sentiment score, as sarcasm used in social media can easily distort results, and contextual issues must be factored in as well. “You need to look at the general data brand sentiment tools are providing,” says Mandelstein, “but you also need to do a cross sampling to see how words are actually being used to make sure that data is valid.” 

“
Measuring customer experience is more difficult than just looking at raw data. You need to look at a mix of elements, such as survey results, buying patterns, and pass-along recommendations to others.”

CUSTOMER EXPERIENCE REMAINS THE CORE METRIC IN DETERMINING SUCCESS

You may need to remove words that are used out of context so that you get a true picture of how customers perceive your brand.” Indeed, businesses need to look well beyond just brand sentiment and consider consumer attitudes toward product categories, business verticals, and other broader context.

Mandelstein points to an increasing number of “marketing suite” tools from the major CRM vendors as a sign that there is strong recognition of the need for more holistic views of customer behavior and tracking, which often requires integration of systems. The raw data coming out of these systems can be useful in evaluating specific campaigns and building more effective integrated marketing initiatives, but marketers should be cautious not to lose sight of the basics. Are customers being recognized and appreciated for their business? Whether ordering a Christmas toy from a mail-order catalog or returning a purchase made online in a physical store, is the customer’s experience a positive one that makes them want to return? If that is not the case, no amount of metrics measurement is going to save the day. ■



MIKE CAPRIO

Global General Manager of
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Mike Caprio, global general manager of Programmatic and Mobile Demand Side Platform StrikeAd at Sizmek, is a technology executive who has led global teams in creating product and sales strategies, developing platforms, and transitioning and building businesses. For nearly 20 years, his focus has been on advertising technology across traditional and digital media, with an emphasis on programmatic, mobile, and video. Caprio is a respected expert and consultant in incubating and implementing disruptive business models and technologies to drive performance.



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[Recent research](#) by eMarketer reveals that over 31 million US internet users will only go online via mobile device in 2016. That's why, when looking to measure marketing success, Mike Caprio feels that cross-device intelligence is essential. The average consumer now has more than two devices, which presents both an opportunity and a challenge for the marketer in accurately measuring customers' engagement with your brand. "When you have an accurate view of what individual audiences are doing based on a user as opposed to by device, you can apply attribution. This practice has been done for years in desktop, but in mobile environments, it's more challenging. However, when you solve the barrier through third-party technology, it will give you a much better sense of the media and the tactics that are driving the best sales results," he explains. And, of course, better attribution leads to better ROI.



When you have an accurate view of what individual audiences are doing based on a user as opposed to by device, you can apply attribution.



KEY LESSONS

- 1 Today's multi-screen world poses unique marketing challenges, but if you can achieve a unified view of the consumer, it opens opportunities to deliver more personalized campaigns.
- 2 Refining marketing strategies based on performance insights gained from past campaigns is an iterative process that can lead to increased sales and conversions.

MARKETING'S ULTIMATE GOAL: A MEASURABLE, UNIFIED VIEW OF THE CONSUMER

Brands must first identify and merge the information they have on both desktop and mobile environments to make this perspective possible. To do so, they must obtain a device ID and link it with the anonymous cookie associated with the desktop activity for that consumer. Brands that have a CRM record for that consumer can take it one step further and track all of their marketing activity through a single key. "This unified view of the consumer has become the ultimate goal for advertisers and brands. It particularly appeals to brands that are looking to take more ownership over their data, especially in relation to their consumers and their CRM," Caprio says. "To be clear, this is not about personally identifiable information (PII), it's about segmenting customers based on historical patterns—and applying advanced analytics on top to become predictive."

Using this data in combination with advanced marketing attribution allows a brand to look at all paid and earned media. "That will give you a really good sense of what is motivating the behavior you are looking for from an audience perspective," Caprio explains. "Then you can segment your audiences into people who are actively engaged with your brand, people who are passively engaged with your brand, and people who are not engaged at all with your brand."

After analyzing these metrics to gain an understanding of how consumers are engaging with their brand, marketers can then use geo-location tracking to deliver timely offers. 

“You buy media, you learn, you buy better, but unless you have the infrastructure in place, it is really tough to do.”

“Suppose you are Starbucks and you want to do a mobile programmatic campaign,” Caprio says. “You can target anonymous mobile users within a given distance from your store location during a particular time and under certain criteria. You can run adaptable and dynamic creative that says for people who are standing in front of a Starbucks, ‘Come into Starbucks right now and save 50 percent on a Frappuccino.’”

However, the challenge is being able to trace purchases resulting from the geo-targeted offer back to the campaign. “Unless consumers pay for the products through their phone, through your app, you cannot associate that purchase to actual sales,” Caprio notes. Although consumers are increasingly using their mobile devices for payments, this trend has not yet reached critical mass. If consumers pay at the cash register with their credit cards, however, it is possible to identify the uplift on such purchases and link it to sales. But footfall analysis has yielded some interesting correlations in limited studies.

Measuring and learning from campaign results is an iterative process, Caprio explains. “You buy media, you learn, you buy better, but unless you have the infrastructure in place, it is really tough to do.” By leveraging cross-device advanced attribution alongside insight gained from past marketing campaigns, brands can take advantage of the knowledge they have gained about their respective audiences, delivering a personalized offer in a time and place where consumers are most receptive to take action. In this way, brands can realize increased sales and optimal business value. ■



NICK PANAYI

Head of Global Brand and Digital Marketing, CSC

Nick Panayi joined CSC in 2011. His areas of responsibility include digital marketing, global brand management, social media, and demand center and activity-based management. With more than 20 years in the technology industry, Panayi's experience includes management, strategic planning, and marketing roles with Avaya and Compaq. *BtoB Magazine* named Panayi to the list of 2013 Top 25 Digital Marketers. He has a bachelor's degree in marketing and an MBA and works out of CSC headquarters in Falls Church, Virginia.



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When Nick Panayi and his team check the marketing dashboard as part of their morning “coffee report” each day, they usually look first at a single key metric to evaluate the highly disciplined “Leads-to-Cash” system they have created: the ratio of marketing-qualified leads (MQLs) that have been accepted as sales-qualified leads (SQLs). This one number best measures the results of all the sophisticated lead generation, qualification, content creation, predictive modeling, and customer tracking capabilities of a modern digital marketing ecosystem. “Everything we do is about adding to or enriching the sales funnel,” he says, but cautions that the MQL:SQL ratio is only meaningful if “there is a single version of the truth” and everyone understands and uses the same lexicon and data. “A single source of truth ensures you are not spending time figuring out the numbers,” he says, “but rather what course corrections to make.”

Establishing this single version of the truth is not an easy task and consists of three key pillars, according to Panayi. >>>



There should be no guesswork as to whether your activities have line of sight to results.



KEY LESSONS

- 1 Metrics should be centralized and normalized in a highly controlled, well-defined platform that everyone in the organization understands and supports.
- 2 It is important to build a company culture where everyone looks at the same dashboard first thing in the morning to get a good picture of what is happening across the entire sales journey.

First, the digital marketing ecosystem must be airtight and fully integrated, which requires keeping a "death grip" on the process so that all data is consistent and comparable from initial lead to completed sale. "There should be no guesswork as to whether your activities have line of sight to results," he says. Every piece of content, every customer, every marketing touchpoint, and all resulting activity should be tracked with unique identifiers and attached to the lead for the entire sales life cycle.

Second, educating the full organization to the terms and data being used is essential. "Everyone is entitled to their opinions," says Panayi, "but no one is entitled to their own definitions." This mutual language leads to higher levels of cooperation between sales and marketing and builds an inclusive team culture. "Our job is not done when we hand over a lead to sales," says Panayi. "We have full ownership as the team moves forward all the way to deal close."

The last pillar, says Panayi, is an "easy to understand, dynamically updated, and consistently beautiful" dashboard, which is viewed widely so that "the same joy and pain is shared and experienced consistently across your organization." In Panayi's case, this need for consistency means aggregating more than 50 modules from more than 30 companies into one highly visual display. "You need to build the kind of culture," says Panayi, "where everyone looks at the dashboard first thing in the morning to get a good picture of what is happening across the entire sales journey." 

"A single source of truth ensures you are not spending time figuring out the numbers, but rather what course corrections to make."

Not every company has the resources to build and execute a sophisticated, fully integrated system such as the one Panayi oversees, but his key messages and metrics are applicable across many marketing platforms:

- Do not build a “Tower of Babel” with your data. Keep it clear, well-defined, and presented in a way that shows direct impact on sales goals.
- Insist on total transparency, making the marketing dashboard or equivalent available to all who ask for it and, suggests Panayi, to many who do not.
- Minimize what Panayi calls “off the grid” reports or discussions, focusing everyone, including the chief marketing officer (CMO), on the data presented in the dashboard.
- Insist that key performance indicators (KPIs) must be both measurable and trackable in the dashboard, and help each person identify and fully understand the metrics that are most relevant to executing their role.

“If you think about the steps as a journey—from initial marketing effort to MQL to sales-accepted lead to SQL and eventually to sales close—then everything you do and measure,” says Panayi, “should be about moving customers along that path.” ■



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