



10 METRICS

To Attract Executive Attention
and Prove Marketing ROI

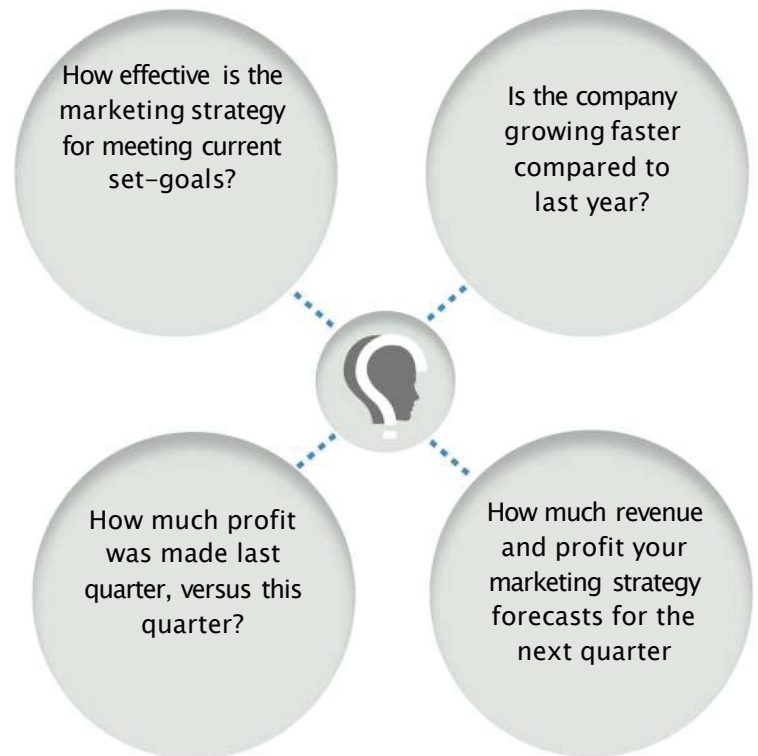


Top-10 Metrics to Attract Executive Attention and Prove Marketing ROI

How can you really get into proven marketing efforts that will help push more leads into the sales funnel? And, what are the metrics that can help marketers take better control over the revenue process, achieve set-goals of the quarter, and build respect for the company among stakeholders and customers? These are the questions that marketers constantly ask in order to bring forth a solid strategy for driving more revenue and profit.

However, tougher challenges include putting into practice those metrics that make sense to Chief Marketing Officers, and convincing them about the efficiency and effectiveness of your marketing efforts.

Chief Marketing Officers hardly care about how much money you spent in pay-per-click (PPC) advertising in the last week, or in a one-month email campaign. They like to see growth in revenue and profits, which includes:



This paper shares the top-10 metrics to attract Chief Marketing Officers' attention, and provides a clear picture of marketing investment in order to win them over.

1. Database Size by Segments

Customer database segmentation is the practice of classifying and dividing customers into discrete groups (similar in specific interests and behaviors) to serve them competitively and economically with a relevant and targeted message. By understanding the different characteristics of customers and prospects, segmentation can be done based on geographic base, customer served, product class, organization size, product delivery model, and special needs of customers.

Why is this metric important?

Segmenting is the practice of classifying and dividing your database of individuals into similar groups that are relevant to marketing, such as age, gender, interests, spending habits, and so on.

- Simplifying sophisticated customer data for more relevancy
- Making customer data more productive
- Managing large volumes of customer data stored in different silos
- Segmenting by customers' stated preferences and their past purchasing histories
- Building targeted and relevant campaigns to drive more return-on-investment (ROI)
- Building differentiated distribution and customer retention strategies

How to use it?

- Design customized marketing campaigns for the right customers at the right time and through the right channel
- Set up communications that are more relevant and targeted
- Reduce the time to market while launching new campaign
- Understand customers and personalize communications for more engagement

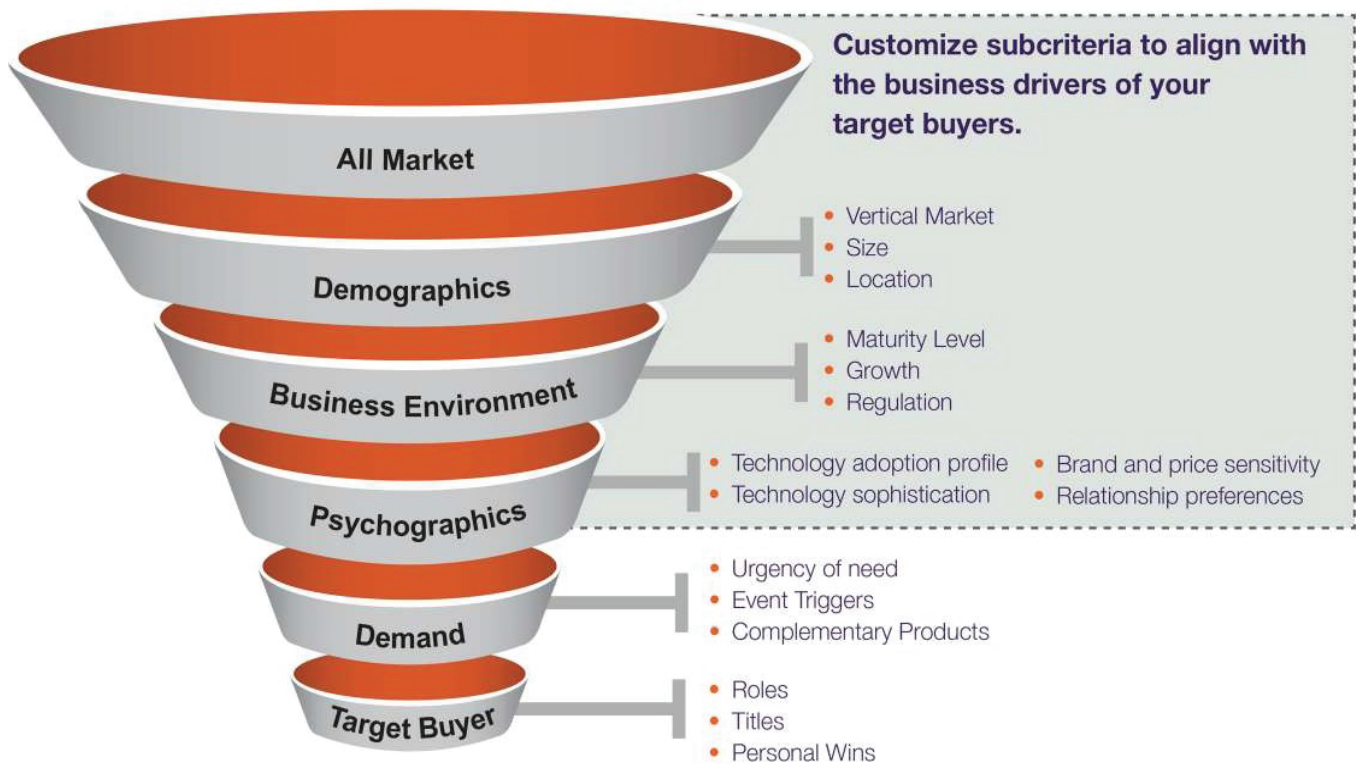
Of course, it's not so easy to segment customer database at that level.

A study by Juniper Research says, over-the-top players and digital content providers need to deploy analytics solutions to improve customer segmentation and thereby increase targeting and up-selling opportunities

Using marketing automation tools like Marketo or Eloqua, you can get more advanced in your customer segmentation, plus can automatically create and manage customer database by easily capturing their visits, email responses, and form submission activities.

Statistics

Gartner analysts Jennifer Beck and Richard Fouts described a deep segmentation model that went beyond demographics to include many sub-criteria around the business environment, psychographics, demand, and target buyers.



2. Form Abandonment Rate

The basic definition is the percentage of people who looked at a form, but didn't complete or submit it for further action. This simple statistic is easy to calculate. Numerous studies report web form abandonment rates that range from 50 to 90 percent. Out of the 10 percent that complete the form, only a fraction of the information gathered may be accurate.

$$\text{Form Abandonment Rate (\%)} = \frac{\text{Total number of click} - 1 \text{ the total number forms successfull submitted}}{\text{Total number of click}}$$

Why is this metric important?

Form abandonment rate has a great impact on visitors' engagement and conversion rates. When you run different marketing campaigns simultaneously, it is important to identify and respond to each sign of buyer interest in order to generate better insights and results. This metric can benefit you in many ways, including:

- Know how many people were engaging with your form
- Get information on how long your form was taking to complete
- Which fields were causing customers to abandon the process?

How to use it?

To maximize form completion rates:

- Focus on understanding and facilitating each prospect's buying process
- Customize the content and automate the timing of all your marketing communications
- Guide conversations and personalization with a problem-solving approach

3. New Website Visitor

This metric examines the number of people who visited your website for the first time. This marketing metric is always important for marketers to measure how many new customers appeared.

What are its benefits?

Before buying decisions, new prospects always look for information in order to become educated. If you understand those prospects' exact needs, you can easily turn them into new opportunities.

Statistics

According to the statistics of Interconnected World: Shopping and Personal Finance, 2012, 61% of global Internet users research products online.

How to use it?

Each visitor to your site leaves a digital footprint in the form of an IP address. Integrate this element into your marketing strategy to develop more revenue growth, and to maximize your return-on-investment:

- Capture anonymous visitors
- Get insights which page is visited by new visitors
- Check visitor trends daily and weekly
- Get geographic concentrations of web visitor



Shopping and Personal Finance

A quick tip for a higher conversion rate:

The first time visitors are your top-of-the-funnel leads who generally come to identify their needs. Here, Progressive Profiling can be handy in controlling form length and getting the right information of your visitors without irritating them with lengthy form submission process.

4. Email Bounce Rate

A “bounce” occurs when a recipient’s mail server rejects your email message. There are two types:

- A “soft bounce” is often a temporary problem, thus the descriptive word “soft.” It happens when the mail server confirms the recipient’s email address, but still cannot deliver the message. The recipient’s mailbox may be full or inactive, the recipient’s mail server may be temporarily down, or the connection may have broken.
- A “hard bounce” is a message that’s permanently undeliverable because the address is non-existent or invalid, or because the recipient’s mail server is blocking your mail server.

Why is this metric important?

High bounce rates can get your marketing campaign blacklisted. In fact, those bounces can impact your overall branding goals and the sender’s reputation — which means low inbox reach for your business in the future.

By analyzing email bounce rate, you can create intelligent lead-nurturing email campaigns, not just a series of unfocused and irrelevant email blasts. It also enables you to market intelligently with emails that meet buyers’ interests, and that take into account the solutions they need.

How to use it?

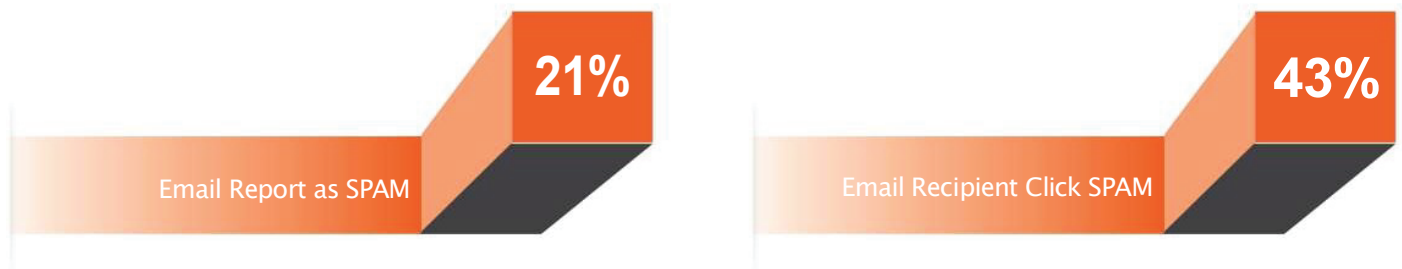
- Build chronological leads to nurture email campaigns that meet buyers’ interests
- Combine demographic data with behavioral data to score, qualify and advance leads
- Create clean and structured customer information for better relevancy
- Personalize your content dynamically to match specific users

To minimise bounce rates, keep a clean database, and update or delete any permanent bounce addresses. If you want to know how to optimize your email delivery, here is Marketo’s FREE guide.

Statistics

21% of email recipients report email as Spam, even if they know it isn’t (Source: <http://convinceandconvert.com>)

43% of email recipients click the Spam button based on the email “from” name or email address (Source: <http://convinceandconvert.com>)



5. Email Open Rate

Your emails have no business value until they are opened. Email open rate represents the percentage of delivered emails opened by recipients. Your email is considered open if images are enabled or a link within the email is clicked.

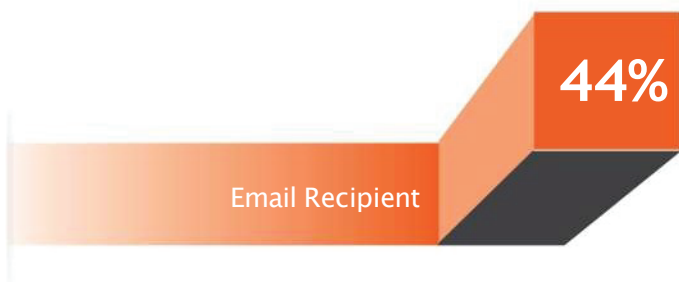
$$\text{Open rate} = \frac{\text{Unique opens}}{\text{Delivered number}} \times 100$$

What are its benefits?

Email open rate has great importance because it:

- Measures the number of people who are “engaged” with your content
- Reveals which segment of your email audience reads your emails
- Provides insights to better serve your customers

Different tactics are adopted by marketers to entice more and more users to open their emails. But the problem is that measuring your email open rate is hard to do manually, especially when you have to manage different campaigns at the same time.



Survey: Small & Midsize Businesses Are Spending The Majority Of Their Marketing Budgets On Email (Marketing Land)

How to use it?

Here are just a few tactics you could try:

- Experiment with your subject lines
- Change your time of sending
- Follow the pyramid structure of communication to keep your important content first
- Make sure your email is recognizable, and that your key points appear in the top-third portion of the message

Statistics

44% of email recipients made at least one purchase last year based on a promotional email.
(Convinceandconvert.com)

6. Email Click Through Rate

The CTR reveals how interested recipients were in a particular issue, and how well you converted that interest into click-throughs. In general, expect to see CTRs between one and 10 percent.

There are a number of variations on CTRs. One common variation, called Adjusted Click-Through Rate (ACTR), is calculated by dividing the number of click-throughs by the number of messages opened:

$$\text{Click-Through Rate (CTR)} = \frac{\text{\# of click throughs}}{\text{\# of messages delivered}}$$

$$\text{Adjusted Click Through Rate} = \frac{\text{\# of click throughs}}{\text{\# of messages opened}}$$

What are its benefits?

Your click-through rate equals the number of unique individuals who click on one or more links in your email, expressed as a percentage of total tracked openings. The major benefits it brings include:

- Know who visits your website
- Receive alerts when hot leads visit
- Segment individual visitors according to the pages they view
- Target email campaigns better in the future



How to use it?

- Make content and descriptions compelling
- Ensure the subject line prepares the reader for the content
- Highlight what you want readers to click
- Consider a hotspot to ensure your readers will see your important message

Statistics

72% of B2B buyers are most likely to share useful content via email. (Earnest Agency)

56% of businesses say they plan to increase their use of email marketing in 2013. (The Small and Midsize Business Email Marketing Survey 2013)

7. Conversion Rate

Conversion rate measures the proportion of visits to a website as a result of the marketing campaign you are running. A higher conversion rate ensures you will make more sales for the same traffic costs.

$$\text{Conversion Rate} = \frac{\text{\# of action taken}}{\text{\# of visit}}$$

What are its benefits?

- Know how many marketing-generated leads close
- Know what percentage of revenue that marketing generates
- Build individual landing pages around conversions that really work



How to use it?

- Provides compelling reasons for your prospects to act
- Optimizes your landing page
- Enables you to add compelling images, and remove unnecessary navigation bars
- Helps you take meaningful actions to improve your conversion results

To deliver targeted content and increase conversion rates, Marketo or Eloqua are the most complete and most powerful marketing automation tools.

Statistics

Research shows that 35–50% of sales go to the vendor that responds first. (Source: InsideSales.com)

79% of marketing leads never convert into sales. Lack of lead nurturing is the common cause of this poor performance. (Source: MarketingSherpa)

8. Return on investment

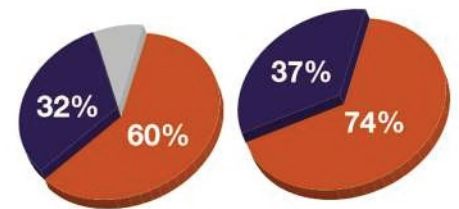
Return-on-investment (ROI), is the most common profitability ratio. ROI is determined in many different ways; the most frequent method is to divide net profit by total assets.

$$ROI = \frac{\text{Gain from investment} - \text{Cost of investment}}{\text{Cost of Investment}}$$

What are its benefits?

Determine whether your marketing program is succeeding or failing by tracking ROI. Successful companies use this metric not just to find out “what works” but also to discover “what works better”:

- Get return on impression, and understand customers' perceptions
- Enables you to know how much return you get on an opportunity
- Gives a clearer picture of how your marketing initiatives are performing
- Allows you to measure return on engagement, and return on objectives



How to use it?

- Central location for all leads and contacts, and track sales opportunities
- Run more campaigns, and deliver more qualified leads to sales
- ROI helps you convert, automate, nurture, prioritize and consolidate your data

Statistics

60% of marketers agree email marketing is producing ROI for their organization. 32% believe it will eventually produce ROI. – MarketingSherpa “Email Marketing Benchmark Survey” (2013)

74% of email marketers report having an “excellent” or “good” ROI, compared to just 37% who do not test. – Econsultancy/Adestra “Email Marketing Industry Census 2013” (2013)

9. Customer Acquisition Cost

Customer acquisition cost is the expense associated with convincing a consumer to buy your product or service, including money spent on research, marketing, and advertising. For a business to be profitable on each new customer, it must balance two variables:

- Cost to Acquire Customers (CAC)
- Lifetime Value of a Customer (LTV)

CAC can be calculated by taking your entire costs of sales and marketing over a given period (including salaries and other employee expenses), and dividing it by the number of customers that the business acquired in that period.

LTV can be calculated by looking at the Average Revenue Per User/Customer (ARPU) over the lifetime of your business relationship with a customer.

If the CAC of any customer is less than their lifetime customer value, then that customer is considered profitable for the firm.

What are its benefits?

The calculation of customer value helps a company decide how much of its resources can be profitably spent on a particular customer.



How to use it?

- Measure the expense of your lead generation
- Measure the sustainability of your campaign
- Measure how much it costs to acquire each new customer
- Measure the spending of capital for customer acquisition

Statistics

The probability of selling to an existing customer is 60 – 70%. The probability of selling to a new prospect is 5–20% – Marketing Metrics.

It costs 6–7 times more to acquire a new customer than retain an existing one – Bain & Company.

10. Program Performance

A customer-oriented company requires accountability. Goals must be quantifiable, measurable, and oriented to outcome.

What are its benefits?

Provide cost-benefit analyses, process evaluations, and impact analyses

- Measure how well the campaign is meeting one or more specific business goals
- Identify the objectives of the program
- Assist managers to identify best practices and pinpoint areas that are not meeting the campaign's objectives
- Provide recommendations for improvements that enhance effectiveness and increase efficiency

How to use it?

- Develop criteria for performance assessment
- Analyze your existing data



Conclusion

To start with have these 10 metrics calculated that are geared towards much needed ROI as a part of your measurement plan. As Marketers we need to make more informed decision and focus on improving ROI rather proving ROI and integrating measurement plan into your marketing efforts will make life easier.

“Seventy-six percent (76%) of B2B marketing professionals agree or strongly agree that their “ability to track marketing ROI gives marketing more respect.” Source: Forrester Research



Marrina Decisions has a proven track record of helping clients execute multi-channel campaign execution utilizing their expertise and detailed processes, and we'd like to help you do the same. Contact us today to find out how we can bring winning results to your next marketing campaign.

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