Prove your *marketing worth.*

A cheat sheet for using marketing analytics to demonstrate and share your team's value.

In a digital world, where every campaign and customer experience can be tracked, it's imperative for marketers to have data that proves the value of their every effort. Because when you can't prove whether your marketing drives organizational profits, you're less likely to get the budget you need to deliver the outstanding experiences your customers expect.

Use this cheat sheet to learn how marketing analytics—a game-changing capability of marketing automation solutions—can help your marketing team demonstrate value and drive results.

You'll learn about the following areas:

1. Why marketing analytics brings value.

2. How to drive ROI with every marketing decision.

3. Make marketing analytics integral to your process.

4. The final tips and takeaways you need for success.

Why marketing analytics brings *value.*

Today, CMOs spend more time and more budget than ever before to understand how their marketing efforts impact bottomline business growth. But there's still a disconnect between how organizations view marketing efforts. Are they a cost center? Or does marketing reliably generate business value and revenue?

At 53% of organizations, marketing is still seen as a cost center, not a revenue center.

Source: Pipeline Marketing, 2018

Marketing analytics—a combination of processes and technologies—can help you evaluate your marketing efforts and provide clear evidence that your marketing team brings demonstrable value to your organization. By providing data-driven evidence of how marketing efforts pay off, marketing analytics also help you earn the trust of your C-suite leaders, and it may even inspire them to give you a bigger budget. Use this cheat sheet to learn how marketing analytics could bring value to your team and your overall organization.

Drive ROI with every marketing *decision.*

When you take the following three steps at your organization, you can begin to see your marketing efforts pay off and drive the bottom line. As you read, note how every step illustrates the ways marketing analytics drive organization-wide ROI.

1. Establish marketing accountability across your team.

Before you can measure the efficacy of your marketing efforts, your whole team needs to understand the value of taking those measurements. It all starts with cultural change—establishing a culture of accountability on your marketing team.

Start by asking your marketing team to justify investments by examining how their choices might impact revenue and growth. Can they realistically estimate the returns expected from their marketing endeavors?

Carefully consider your investments in solutions and tools that will help measure marketing—and be ready to discover that to really demonstrate results, you may need to restructure your marketing incentives and compensation.

“While technology is critical for success, companies must make sure they also focus on establishing the right culture, leadership, and skills internally.”

Source: Adobe

These shifts aren’t easy to make—but done right, they can drive ROI. These practices drive peer respect and profits at the same time, and make your efforts to measure marketing efforts well worth the hard work.

2. Create marketing plans designed to drive ROI.

Marketing metrics are only truly valuable when they demonstrate real results to internal leaders. So the most important reports to plan for concern ROI—the data that helps your team make informed decisions in the future that drive overall profits. That means it’s important to plan your programs with ROI in mind, right from the start.

“Analytics is a means to an end—it should result in some kind of output or insight…. It’s a way of seeing and understanding patterns. It gives us insights into an audience, and those insights can be integrated into other customer-touching technologies for personalization and campaign management.”

— Nate Smith, Group Manager, Product Marketing, Adobe

Start by defining clear objectives and then select measurable metrics that support those goals. Next, design your programs to be measurable. Learn what KPIs align with your organization's business goals. Them, brainstorm how marketing can help. This means that you should have a clear idea of what, when, and how you'll measure KPIs, and you should understand what those KPIs mean in the bigger picture.

Measuring ROI not only helps you find out what works. It also helps you identify what works best, so you can find more success in the future.

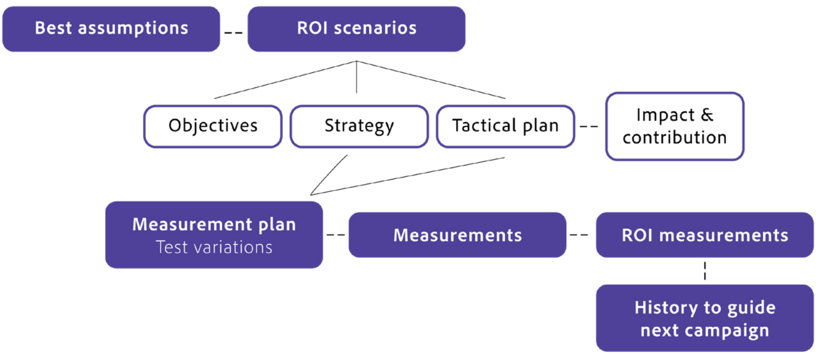
"It's easy to assume that many CMOs simply do not have the capability to effectively track ROI. However, the majority (61%) of CMOs currently cite ROI as a key metric that informs the marketing strategy, but only half that number place ROI as one of their top five strategic key performance indicators (KPIs)."

Source: Gartner, *CMO Spend Survey 2018-2019: Marketers Proceed Into Uncharted Waters With Confidence*, October 2018.

Finally, focus on decisions that improve your marketing with every iteration. Move past backward-looking metrics to those that inspire forward-looking execution. By identifying the channels and campaigns that have the highest revenue impact and ROI, you'll unlock your ability to optimize future efforts that drive success.

3. Implement a separate, but aligned, ROI management process.

Every step of your process should share a focus on ROI—with each move, your process should increase it. The following flowchart illustrates a standard process for driving ROI with marketing analytics. It shows how insights, used throughout the marketing cycle, can generate positive results. Examine it to see where your marketing team currently aligns with this approach—and where you have work to do.



Start with ROI. Review ROI scenarios early in the planning cycle to shape your objectives, strategies, and tactics to drive it the whole way through.

Make a measurement plan. Prioritize measurements first—and build your campaign plan with them in mind. Make room for tests and variations within that plan to improve your ability to pivot mid-campaign.

Adjust as you go. Look to your selected measurements as your campaign unfolds to capture lift, diagnose weaknesses, and generate insights. Now, you can make improvements in-process without waiting for a final report.

Explore your results. Dive into your ROI results to guide changes in your future strategies and tactics as you begin the next phase of your campaign. Guide your next stage of planning by focusing on the channels and strategies that proved most effective.

Make marketing analytics integral to your *process.*

Use the following questions to assess whether you're currently doing all you can to effectively incorporate marketing analytics into your marketing strategy.

1. Do you know why—and for whom—you're collecting marketing metrics?

With all the analytics tools available today, you're probably already tracking a lot of metrics and gathering loads of data. But are you tracking data that readily communicates your value? The two categories of metrics that C-suite leaders are most interested in are those that illustrate profit and growth, including the following:

- **Revenue**, which reveals your marketing department's impact on overall company revenue.

- **Marketing program performance**, which reveals how individual marketing programs contribute to sales during the customer journey.

A word of caution—be aware when using cost metrics, like cost per acquisition, to make your case. Metrics like these tend to cast marketing back into the role of a cost center. Instead, focus your outward reporting on how marketing drives overall revenue and helps your company outpace competitors. Use metrics like these to prove value:

Flow—The number of leads that entered each stage in a given period.

Balance—How many active prospects are in each pipeline stage.

Conversion—The rate of conversion from stage to stage.

Velocity—Your average revenue cycle time.

Focusing on metrics like these lets you illustrate how marketing decisions impact sales—giving you a comprehensive outlook on how your activities drive ROI.

2. Are you collaborating effectively with your sales team?

At the end of the day, all internal teams are driving the same goal: generating business value. But unless your marketing and sales teams work together, you may be doing more work for less impact. Collaborate with sales to create a shared foundation for gathering revenue metrics. Find out what each team cares about—and explore ways that teams can support each other by formally defining each revenue stage and creating rules that determine movement between them.

Some important revenue metrics to measure during each stage include your number of leads, active prospects, conversion rates, and average revenue cycle time. Focusing on how marketing impacts sales productivity, you will gain a much more comprehensive view of your marketing ROI. And unlock more ways to support your sales funnel, too.

“Marketing has a mandate to be a leader across functions and enable other teams with the tools they need to execute at a high level, from sales development to customer success.”

Source: Pipeline Marketing, 2019

3. Do you have a clear measurement strategy to make sense of your metrics?

Some of the key challenges to measuring marketing efforts include timing, excessive variables, and factoring in multiple touchpoints and influencers. But marketing analytics tools can help overcome these issues by allowing you to understand the entire customer experience—and to learn where you can improve that experience in the future.

“Regardless of the touchpoint, in every micro-moment, the brand’s goal is to fully understand the context of the individual and provide an unparalleled experience that reflects that contextual understanding.”

— John Bates, Director of Product Management, Digital Experience, Adobe

To measure marketing performance metrics, companies typically progress through three models. The first and most common starting point for tracking marketing results is to assign the entire value (pipeline or revenue) to the first or last activity that touched a deal. As a company matures, it eventually moves to an unweighted multi-touch model, where attribution is spread evenly. Finally, reaching a weighted multi-touch state allows for more accurate crediting of the activities that surrounded the first touch, lead conversion, opportunity creation, and customer close.

This crawl, walk, run approach eventually leads to a sophisticated tracking and modeling system that can measure the performance of efforts no matter where they occur in the buyer journey.

If you're looking for yet another way to measure the effectiveness of a new program, consider testing it against a well-formed control group and comparing the results. By using a robust marketing analytics tool, you can perform complex testing and comparative research without too much manual labor.

4. Are you conducting informed forecasting?

When your marketing team takes responsibility for the early stages of the revenue cycle, they end up with much better visibility into future revenue. Using thoughtfully selected measurements, marketing executives can use data collected early in the process to drive their forecasting—and discover, with precision, how many new leads, opportunities, and customers marketing will yield in future periods. Marketing analytics clues them into these numbers, so they know how many prospects are in each revenue cycle stage—and how likely those prospects are to move through each stage over time.

Though forecasting details can get quite sophisticated, the methodology for making accurate marketing forecasts is simple in concept. Intelligent marketing analytics solutions can handle the rest.

Simplify the complex forecasting cycle:

1. Model the stages of the revenue cycle, and then measure how each lead type moves through the various stages (conversion percentage and velocity).

2. Assign someone to enter an accurate number of new leads for each type into the system.

3. Model the flow of current and new leads through the various stages over time.

4. Review the results to accurately finalize your forecast.

Explore final tips and takeaways for *success.*

Tip #1: Use dashboards to see lots of data at once.

Your marketing campaigns and programs generate a vast amount of data, most of which you'll never use. As you design your dashboards, determine what is actually useful to you. Then, you're more likely to have the right metrics—and you'll be able to gather insight into what that data actually means. You'll also avoid insight-overload, giving you more time and energy to focus on the metrics that matter most your C-suite leadership, like revenue and marketing performance.

The best dashboards aren't just a reporting machine. They also guide how people within your organization think, catalyzing effective decision making. When you start with a clear picture of what you want to learn and know about your prospects, you can easily frame up shared goals across teams—and identify the data that will help you get there. While you do need to present numbers at the end of the day, it's far more important to share what the metrics mean—and how they are actionable—for your key stakeholders.

Keep in mind that numbers alone don't mean very much. It's the actions inspired by those results that make all the difference.

Tip #2: Couple the right people with streamlined processes.

As with any business transformation, the success of your marketing measurement program depends on how well you implement it. This requires you to establish the right team, processes, and technologies. Hire or designate the right people, then establish well-defined workflows for data analysis. Identify who will own each part of the process and formalize training to cultivate the specific skills your marketing team needs. Then conduct regular performance reviews to make sure everyone is up to speed.

"With the right people in place to bridge the gap between specialists and the rest of the company, the operationalization of insights becomes a lot easier. To get the most out of your investment in customer analytics, senior management must understand its value and be completely on board to create the optimal company culture to support analytics success."

Source: Adobe

Once you have your people and processes in place, turn to technology—and specifically to a robust marketing analytics tool that can help you accomplish all we've laid out in this guide. While Excel spreadsheets and other ad-hoc tools can do a lot, automated measurement processes provide much more definitive, reliable, and timely insight. Automation saves time on information collection and presentation, allowing analysts to focus on gaining insights and reining future actions towards better results.

Tip #3: Look to helpful resources and thought leadership.

As you develop new practices and approaches to marketing analytics in your business, you may need a little guidance to help you through. Check out our resources for marketing metrics, where you'll find ebooks, guides, webinars, and events you can use to help build your knowledge.

Explore resources

Marketo Engage can help.

To achieve all the goals laid out in this cheat sheet, your best bet is a robust marketing analytics solution that can do the heavy lifting for you—like Marketo Engage. We help you see where marketing investments will have the most impact, unify your marketing data to reveal actionable insights, and simultaneously map and measure your customer journey to give you greater power over the experiences you create for prospects. Finally, Marketo Engage provides flexible reporting that allows you to readily illustrate your attribution model

We can help your team drive ROI and develop a data-driven approach to your marketing efforts. So let's get started.

Learn more

Sources

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