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The B2B Marketer's Guide to

Decoding Metrics

INTRODUCTION

As a marketer, you know how critical it is to understand how your marketing efforts contribute to the bottom line.

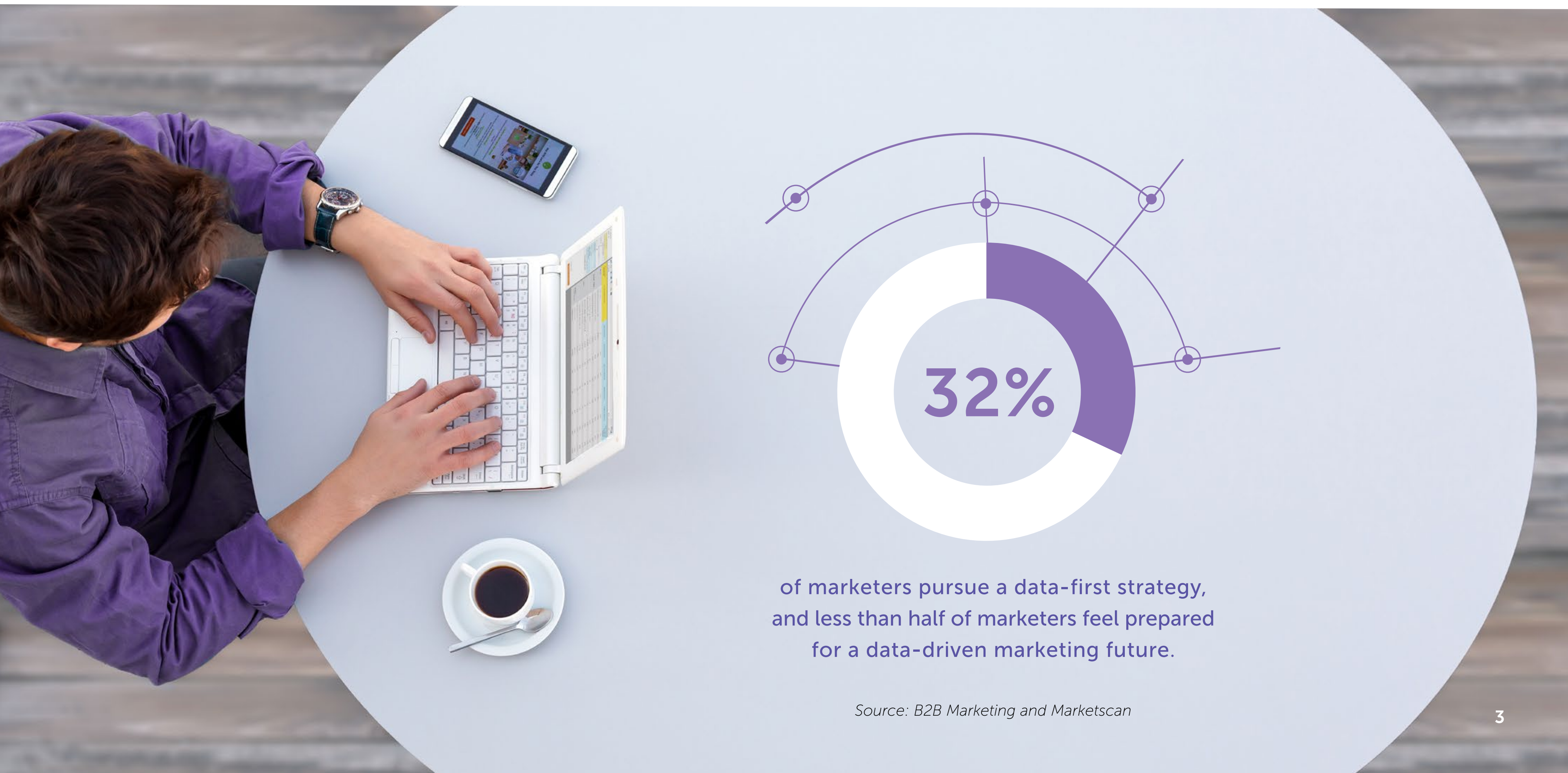
To do this, you need to know how to measure the impact of your campaigns, identify which campaigns and channels are your top performers, and understand how the dollars you spend translate into revenue growth. Yet, many marketers struggle to do this in a scalable and repeatable manner. Some of us may have challenges doing it at all.

There's a lot that goes on behind-the-scenes to generate sales pipeline and ultimately revenue. And by becoming a data-driven marketer that's in tune with the right metrics, you can demonstrate marketing's contribution to both. This is critical when you consider that the rest of the organization's view of marketing is based on its revenue impact.

To prove how marketing contributes to business growth, you need to know how to connect the right data points together. But that is not always very straightforward. According to B2B Marketing and Marketscan, only **32%** of marketers pursue a data-first strategy, and less than half of marketers feel prepared for a data-driven marketing future.

Understanding how to analyze your marketing efforts has never been more important. Metrics illustrate the impact that you and your team are driving in the organization, which is critical to ensure you have the budget and resources you need to deliver optimum business outcomes. Without metrics, it's nearly impossible to measure the success of your activities and identify elements to optimize in future campaigns. And without them, there's no way to determine your return on marketing investment (ROMI) or for many organizations, ROI.

This ebook will describe the methodologies you can use to evaluate campaign effectiveness and demonstrate how your efforts impact revenue growth.



WHY ARE METRICS IMPORTANT?

As Peter Drucker, the founder of modern management, said, “You can’t manage what you can’t measure.” Marketing metrics are essential to understanding which campaigns or channels are the most effective and illustrating the ultimate value that they drive.

Many marketers measure soft metrics (sometimes known as “vanity” metrics), which include brand awareness, impressions, clicks, organic search rankings, and reach. And while these types of indicators are valuable for understanding the early-stage impact of a campaign, oftentimes, they are not what the C-suite cares about. In today’s economy, CEOs and CFOs want to hear about growing pipeline, revenue, and profits, and soft metrics are tricky because, in many cases, they measure activity rather than results—quantity over quality. Instead, you should hone in on quality metrics that prove the revenue impact of your campaigns.

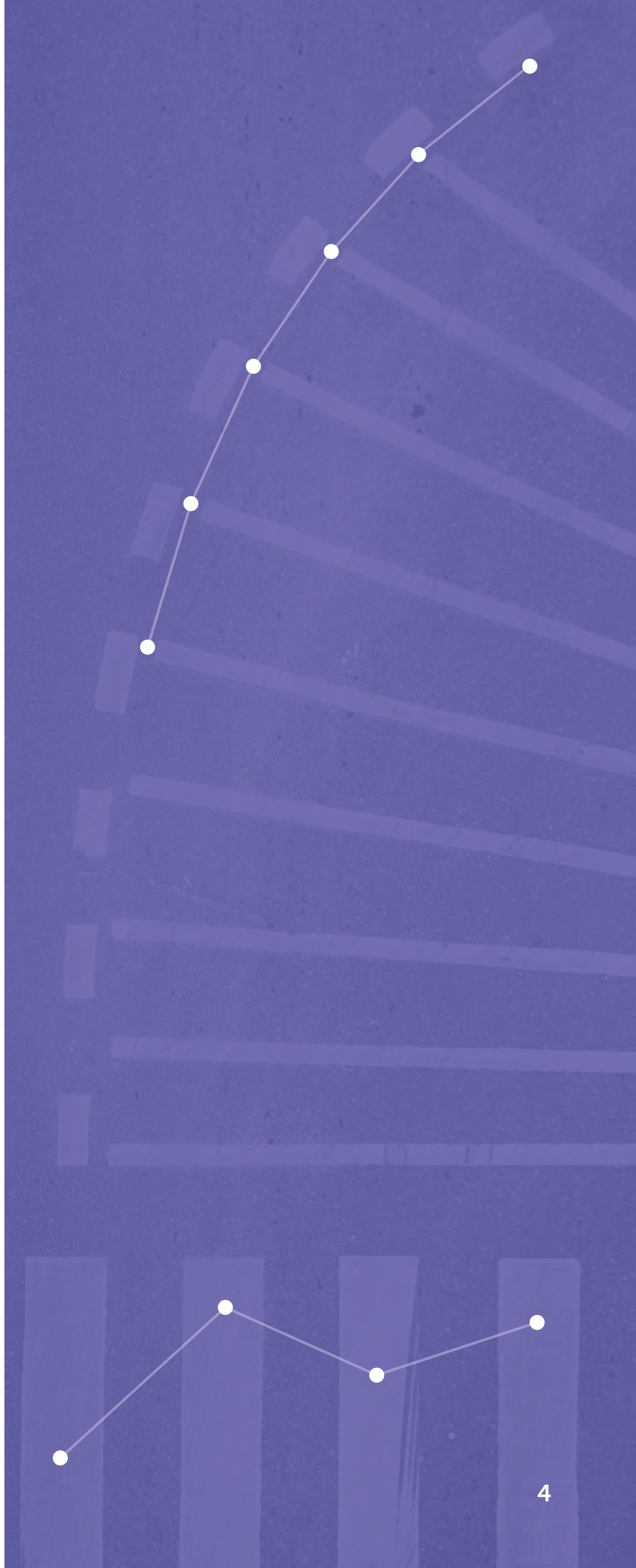
Here are some examples of important questions that the right metrics can help you answer:

- How is our lead database growing this quarter vs. last quarter? What about this year vs. last year?
- How does the pipeline look for this quarter and next?
- How much profit did we make year over year? And how much of it is contributed by marketing?
- How much revenue and profit do we forecast for the next quarter? And what resources do we need to accomplish our goals?

To answer those questions with authority, marketers need to:

- Know the revenue of each marketing campaign investment across channels
- Understand how quickly leads are moving through the funnel
- Measure and forecast results
- Make a strong business case for marketing investments

Today, marketers are drowning in a sea of data, but you can shut out the noise by focusing on the right set of metrics. This is where marketing automation tools, like Marketo—with robust reporting capabilities—come in. Once you’re measuring and tracking each campaign’s return on marketing investment (ROI), you can confidently answer questions from the C-suite, giving credit where credit is due and demonstrating marketing’s role as a revenue driver.



SET UP A SOLID FRAMEWORK FOR MEASUREMENT

Step 1: Define Your Revenue Model

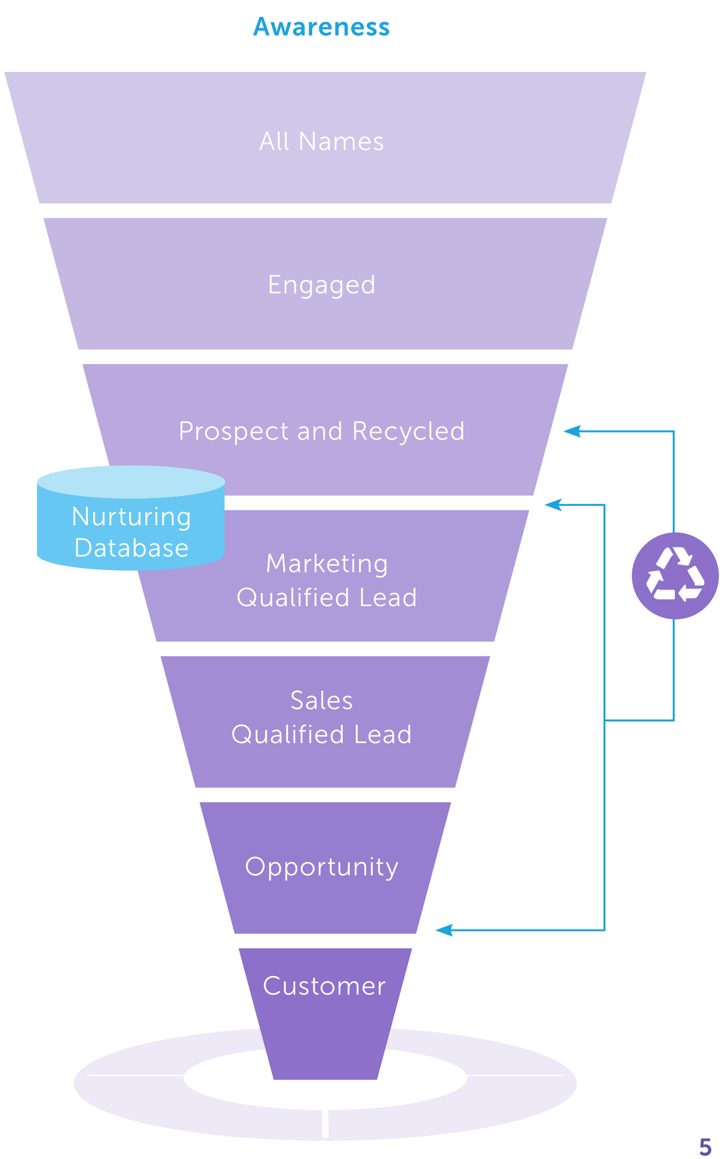
An important first step for campaign measurement is to have an agreed upon revenue model with defined stages and definitions. Essentially, it's an internal version of your buyer's journey, as defined by marketing and sales, starting from when a buyer first becomes aware of your business to after they become a customer and beyond. While a buyer's journey is self-directed, having clearly defined revenue stages helps power the health of your marketing funnel.

Marketing and sales need to collaborate to formally define each stage in the revenue model, the business rules that determine a prospect's movement from one stage to the next, and at which point a prospect should be handed off from marketing to sales. This builds a foundation for a comprehensive set of metrics that creates accountability for each team and helps optimize the flow of leads towards a purchase. It can also help you monitor the trends for each stage and discover where there may be bottlenecks in your lead management process, allowing you to make forecasts and optimize how leads flow through each stage. Depending on your organization, your revenue cycle model may look different.

At Marketo, we break up the revenue stages into three parts: **Top-of-Funnel (TOFU), Middle-of-Funnel (MOFU),** and **Bottom-of-Funnel (BOFU).** Prospects who are starting their buyer's journey map to the TOFU stage, engaged leads and qualified leads map to the MOFU stage, and leads that are sales opportunities map to the BOFU stage. But marketing doesn't end after the sale. The customer journey extends from awareness to acquisition and all the way to brand loyalty.

Should your funnel be flipped?

If your marketing strategy includes targeting specific accounts via account-based marketing (ABM), your revenue model may look different than the one outlined to the right. In this case, you've already identified key accounts that are most likely to generate revenue or have other strategic importance, and your efforts are focused on identifying and engaging with the right people in those accounts. While your funnel may be smaller at the top, it will yield more qualified leads in the long run. In either case, the measurement of your campaign and channel success will be the same, except with a focus on either leads or target accounts.



SET UP A SOLID FRAMEWORK FOR MEASUREMENT

Step 1: Define Your Revenue Model

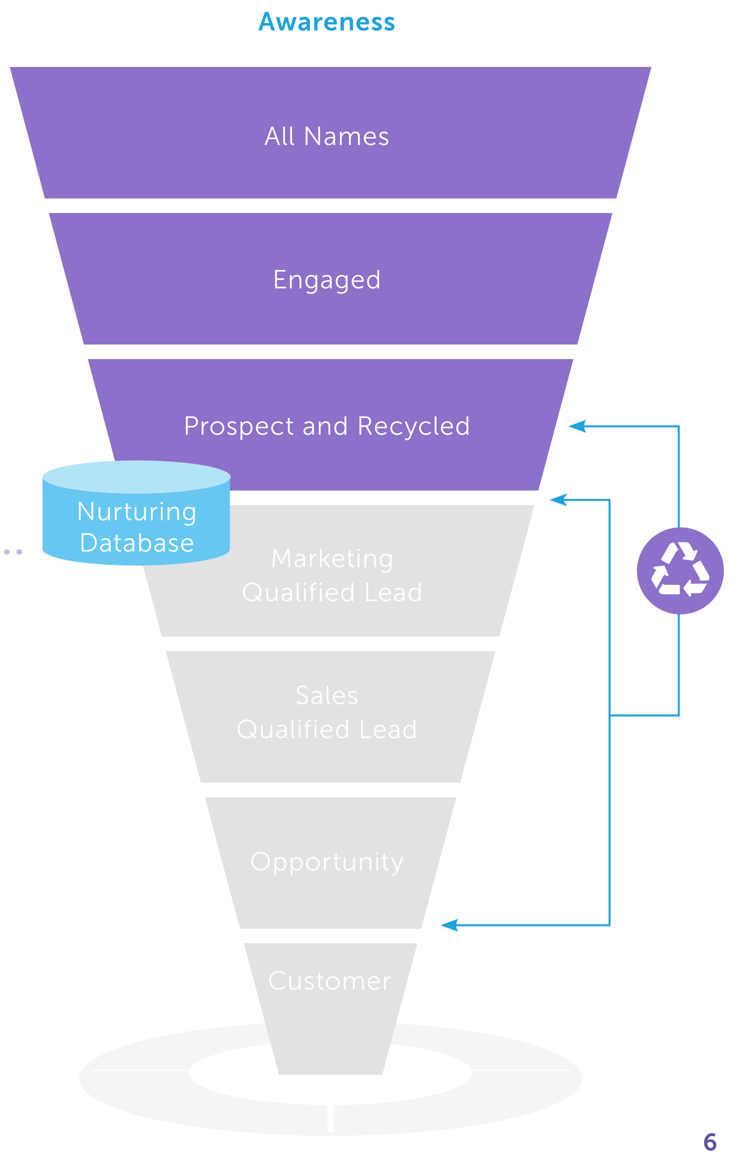
Revenue Stage: Top-of-Funnel (TOFU)

Prospects in this buying phase have just entered your sales and marketing funnel. They are aware of your product or service, but are not ready to buy.

At Marketo, we break the TOFU stage down further, into two sub-categories:

New Names: This is the number of buyers who have officially entered your database, but have not engaged with your company yet. This could be someone who was acquired through a business card at a tradeshow.

Lead: A lead has been determined to potentially be a qualified buyer based on your buyer profile and is opted-in to your marketing communications through engagement with your brand. This could be someone who downloaded an ebook and officially entered into your database. Leads will begin to be nurtured with the goal of eventually becoming marketing qualified leads (MQLs).



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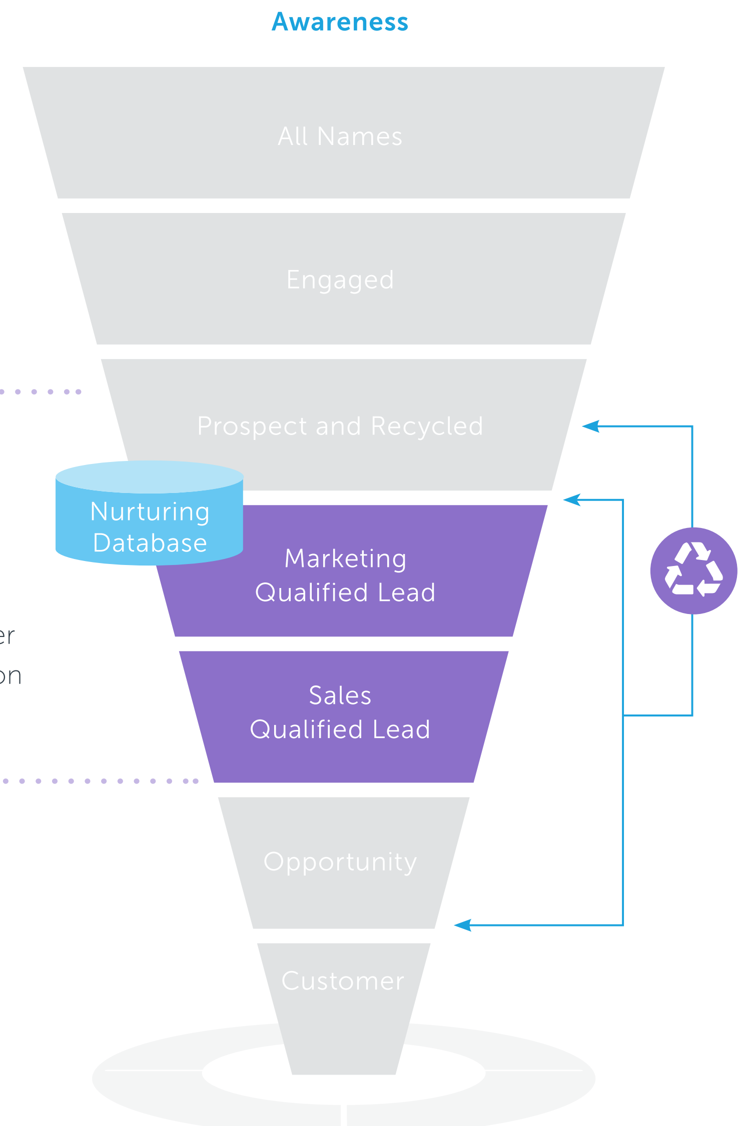
SET UP A SOLID FRAMEWORK FOR MEASUREMENT

Step 1: Define Your Revenue Model

Revenue Stage: Middle-of-Funnel (MOFU)
Prospects in this buying phase have the right demographics and behavior and have engaged with your content or offers, have displayed buying intent, and are potentially sales leads.



At Marketo, we break MOFU down into two sub-categories:

Marketing Qualified Lead (MQL): At this stage, a lead officially becomes a marketing qualified lead (MQL) based on scoring criteria that you have defined. For example, at Marketo, this could be a VP of Marketing who watches a demo and has previously engaged with us multiple times.

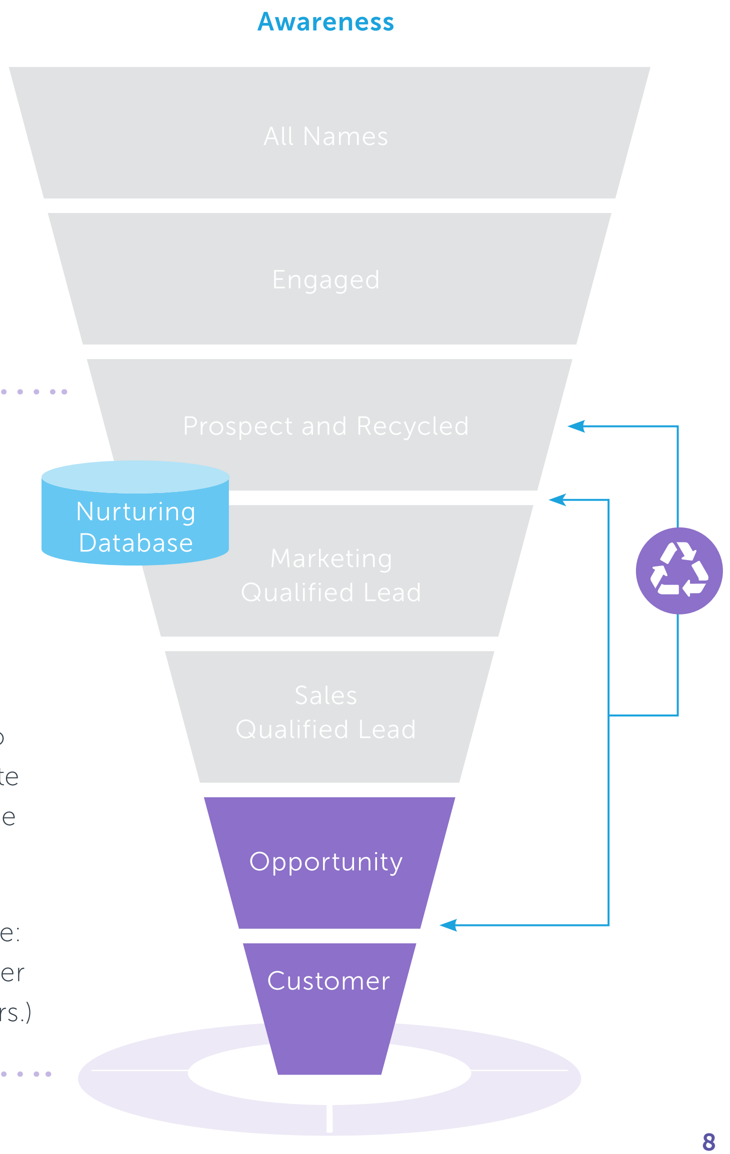
Sales Qualified Lead (SQL): Once a lead becomes an MQL, sales evaluates whether the lead is qualified through a phone call or email based on interest in your product or service and whether they're a good fit. If they are, then the lead becomes a sales qualified lead (SQL). But if a salesperson decides to reject, or recycle, an MQL, it goes back to marketing for further nurturing.

SET UP A SOLID FRAMEWORK FOR MEASUREMENT

Step 1: Define Your Revenue Model

Revenue Stage: Bottom-of-Funnel (BOFU)

Prospects in this buying phase are close to becoming customers.



At Marketo, we break the BOFU stage into two sub-categories:

Opportunity: Opportunities are the number of SQLs who fit the BANT criteria:

Budget: This lead can afford your product or service.
Authority: This lead has the authority to purchase your product. He or she is the decision-maker.
Need: There is a pain that your product or service can help solve.
Time: The lead's purchasing timeframe aligns with your sales cycle.

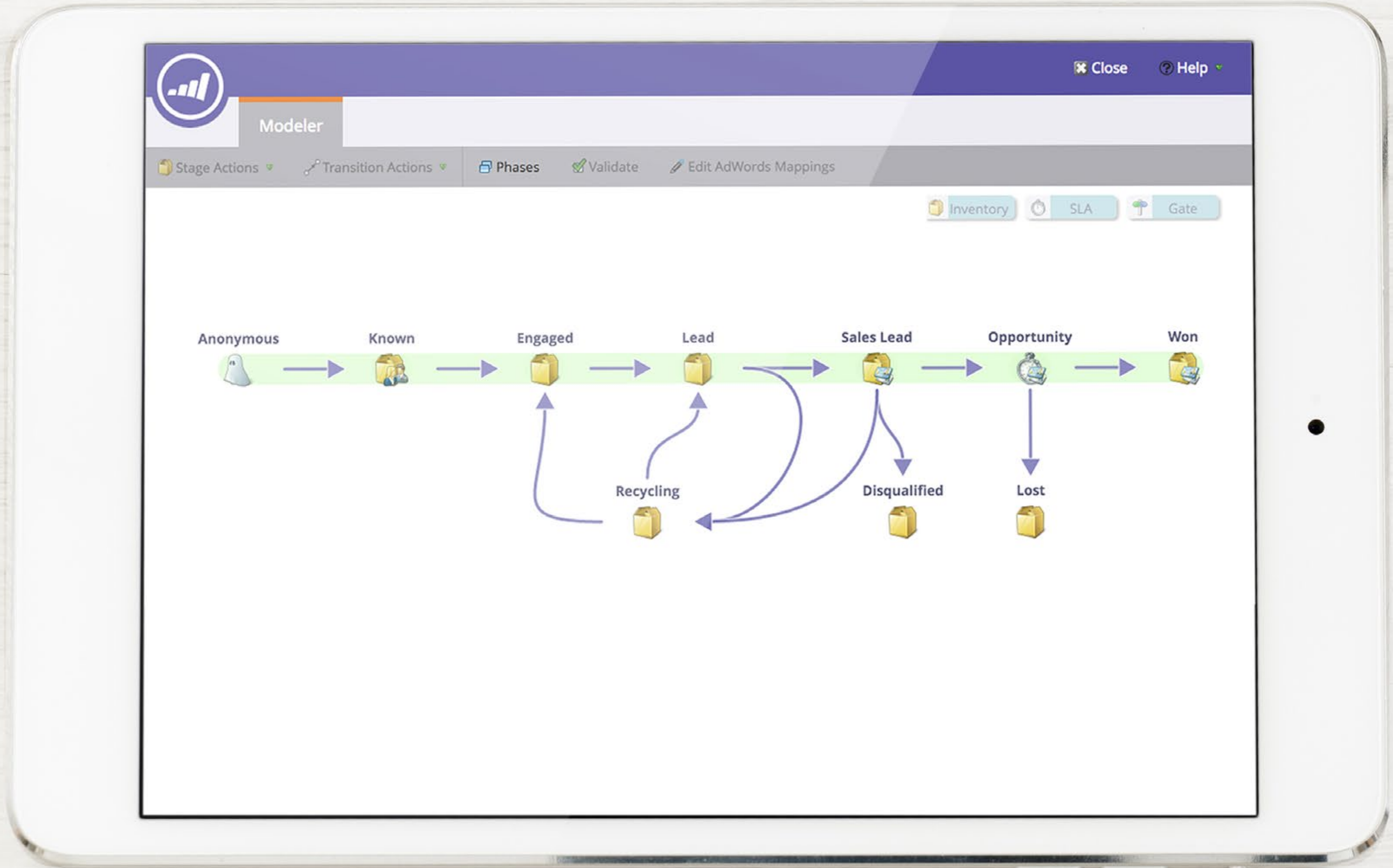
The number of opportunities for each campaign reveals how valuable your leads are in regards to your primary internal customer–the sales team. If your campaign leads are not converting into opportunities, one reason could be that your sales team doesn't see value in the leads you generate and your campaign may not be as valuable as you thought. If this is the case, you'll need to refine your campaigns to target the right audience.

Customer: Customers are closed-won deals who have purchased your product or service. (Note: The buyer's journey with your company shouldn't end post-sale. Plan a strategy around customer base marketing—retention, cross-sell, and upsell—to maximize the value of your hard-won customers.)

SET UP A SOLID FRAMEWORK FOR MEASUREMENT

Step 2: Model the Revenue Cycle in Your Marketing Automation Platform

Your revenue cycle model will be used to direct the rules in your marketing automation platform. In the example below from Marketo's Lifecycle Modeler application, you can see how each stage of the revenue cycle could be defined in your marketing automation system, where intelligent rules govern where someone is in the buyer journey at any given time—based on their behavior across channels, their engagement with your campaigns, their lead score, and even data changes in your CRM system (such as someone getting disqualified because they left their company or becoming part of an opportunity).



SET UP A SOLID FRAMEWORK FOR MEASUREMENT

Step 2: Model the Revenue Cycle in Your Marketing Automation Platform

How can you use your revenue model to do more effective marketing? In the report to the right, you can see how Marketo's Success Path Analyzer enables marketers to visualize the movement of prospects through each stage in the journey.

In this example, you can see important metrics that indicate how leads are flowing through the funnel like how many leads are in each stage, the average time in each stage, the conversion rate for leads going from one stage to the next, and more. So why does this matter? You can see where leads get "stuck" and focus your marketing efforts on content and campaigns that help nudge them to the next stage.

Breaking the sales cycle into distinct stages allows you to track movement of buyers through each stage–which in turn lets you answer key questions to optimize your campaign accordingly. These questions include, but are not limited to:

- How long is the purchase cycle from initial awareness to a closed deal?
- Is there a stage where people get stuck?
- How much pipeline coverage is needed to help sales hit their targets for this quarter?

MEASURE METRICS THAT MATTER

Once you set up your revenue model, you can begin to measure throughout the different stages you defined.

Identifying your goals and what metrics you will measure is critical to achieving buy-in and setting expectations. When planning any marketing investment or campaign, your first step is to forecast your expected outcomes. What does success look like? Do your key stakeholders have the same viewpoint? Make sure to identify what a good outcome is before you get started and get everyone on the same page.

All too often, marketers plan campaigns and commit their budgets without establishing a solid set of expectations about what impact their campaigns should have. The best marketing campaigns have intentional measurement strategies planned in advance. It is very challenging to go back after the fact to measure since you need to have the proper tracking in place—so consider what you want to look at in advance and ensure you have the right tools to do so.

As you plan your campaigns, whether it is sending an email to your database or launching a new product, it is important to look at early-stage success metrics and then mid- to late-stage metrics as your campaigns mature. For example, when an email campaign first launches, you can look at open and click-through rates and conversions. Further down the line, when the information is available, you can measure how much pipeline each email helped generate.

MEASURE METRICS THAT MATTER

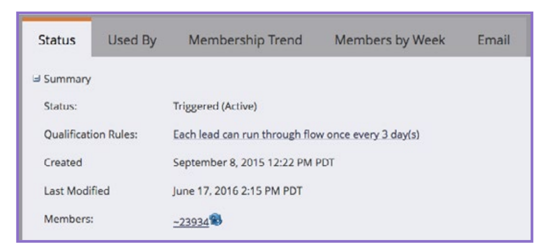
Know When to Measure

Some marketers only measure their campaigns immediately after deployment. In doing so, they miss out on some critical metrics. Other key metrics take time to mature, so you need to look at different sets of indicators throughout time.

We suggest looking at metrics in the following timeframes:

REPORT ON	PAST	FIRST WEEK	FIRST FEW WEEKS	3 MONTHS	6-9 MONTHS
	Previous Programs and Opportunities	Clicks and Opens	MQLs	Opportunities and Pipeline Created	Revenue Won

Measurement in Action: When we produce our largest asset—The Definitive Guides—we look at metrics from past guides to help us set benchmarks and goals. Then we set goals that act as early indicators of success (shares and downloads) and those that may take longer, but help us get closer to understanding the ROI (pipeline and revenue won). Before we ever launch the asset, we define and agree on these metrics, as well as the intervals that we will reassess. To the right, you'll see this in action for The Definitive Guide to Digital Advertising.



MEASURE METRICS THAT MATTER

To determine what to measure for each campaign, understand what is important for your marketing team to evaluate for campaign effectiveness and optimization as well what you need to report on to other stakeholders—your team, your manager, sales, the C-suite, etc.

Early indicators of success:

- Lift in website traffic, new visitors, social shares, referring domains, form fill outs, comments, and site interactions
- Subscription to email or RSS, new names, % new names per program
- Number of leads (right demographics, desired behavior), investment per lead
- Engagement score for set of programs per month

Late indicators of success:

- Number of opportunities
- First-touch ratio
- Multi-touch ratio
- Pipeline

Let’s break these early- and late-stage metrics down further.

MEASURE METRICS THAT MATTER

Early-Stage Analysis

Early-stage analysis is a great place to start when you're launching a new campaign. Opportunities take a while to develop, but there are other important metrics you can track during this stage. In the top-of-the-funnel stage (TOFU), your main objective is to fill your pipeline with as many good leads as possible to generate more customer opportunities.

Create early stage reports that keep track of metrics to answer these questions:

- Which campaigns and channels are bringing in targets or leads most cost-effectively?
- Which campaigns and channels are bringing in the most highly qualified leads?

MEASURE METRICS THAT MATTER

Early-Stage Analysis

Here are some metrics you should be tracking in your early stage analysis:

Investment: This is the total amount spent on each campaign. This amount could be zero, such as for organic social media and blog posts.

Investment per New Name: This number is calculated by dividing the total investment by the total new names. This measures how much you're spending to acquire each new lead. At Marketo, the ideal cost is less than $30. (As a reminder, a new name is a buyer who has entered your database, but has not engaged with your company yet.)

% New Names: This reveals how many leads are new to your database out of all the leads a campaign is generating. If you are looking to build the size of your database, a high percentage of new names is a positive indicator.

Investment per Lead: This number is calculated by dividing the total investment by the total leads. This measures how much you're spending to acquire each new qualified lead and reveals which campaigns are the most efficient at attracting your specific buyer. At Marketo, the ideal cost is less than $30. (As a reminder, a lead is someone who could potentially be a qualified buyer based on your buyer profile and is opted-in to your marketing communications through engagement with your brand.)

Successes: This is the number of people who take the desired action of your campaign. While successes often go untracked, measuring them reveals how truly effective your campaign is since the desired action can differ across channels. For example, if someone registers for an event or webinar, but they don't attend or watch the on-demand recording, then they may not be considered a success depending on your goals. On the other hand, for an email offering a whitepaper download, someone may need to download the whitepaper to be considered a success.

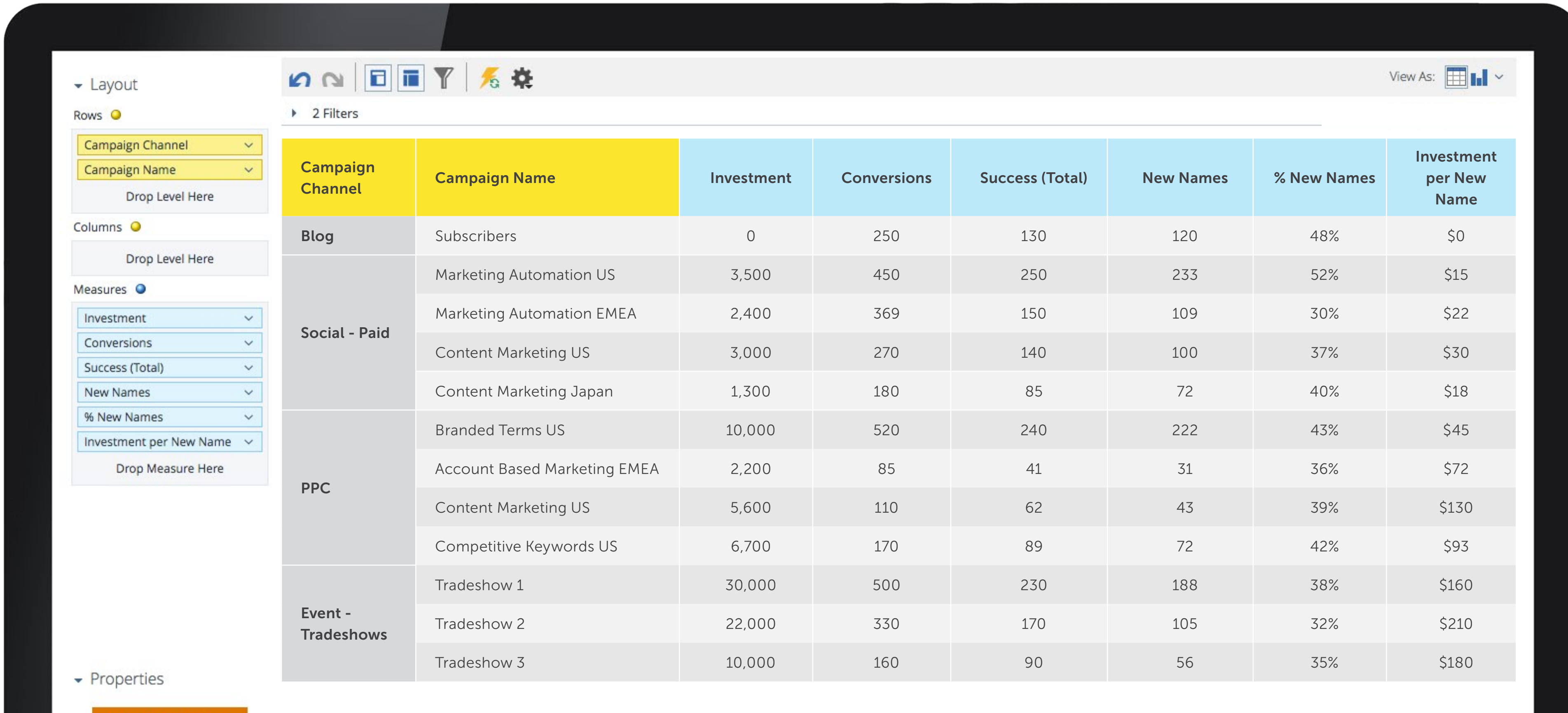
Creating success criteria per channel gives you an apples-to-apples comparison of campaigns where the desired outcome is something different. But the main point, and the metric for making comparisons, is having taken that desired action. Remember to have strong alignment across teams on what your definition of success is for each channel. What determines a success can vary across teams and organizations, so it's important that you define this early on.

While it's not necessarily considered a metric, it's important for you to break down the costs of running each of your campaigns to determine how much you are investing in every campaign and channel. This will come in handy down the line as you evaluate whether your campaign was worth the investment and which channels are the most cost-effective. And if your cost increased as the campaign ran, be sure to document the changes and the factors that contributed to it. This will help you forecast the budget for your future campaigns of that nature.

MEASURE METRICS THAT MATTER

Early-Stage Analysis

Let's take a look at how you can track these metrics using Marketo Advanced Report Builder's Program Cost Analysis.



Campaign Channel	Campaign Name	Investment	Conversions	Success (Total)	New Names	% New Names	Investment per New Name
Blog	Subscribers	0	250	130	120	48%	$0
Social - Paid	Marketing Automation US	3,500	450	250	233	52%	$15
	Marketing Automation EMEA	2,400	369	150	109	30%	$22
	Content Marketing US	3,000	270	140	100	37%	$30
	Content Marketing Japan	1,300	180	85	72	40%	$18
PPC	Branded Terms US	10,000	520	240	222	43%	$45
	Account Based Marketing EMEA	2,200	85	41	31	36%	$72
	Content Marketing US	5,600	110	62	43	39%	$130
	Competitive Keywords US	6,700	170	89	72	42%	$93
Event - Tradeshows	Tradeshow 1	30,000	500	230	188	38%	$160
	Tradeshow 2	22,000	330	170	105	32%	$210
	Tradeshow 3	10,000	160	90	56	35%	$180

From this report, you can see that you are receiving the most new names from your PPC campaign for branded terms, targeted at prospects in the United States. But which campaign is bringing in the leads most cost-effectively? At $0 per lead, your blog is bringing in the most cost-effective leads, while your tradeshows are the most expensive. This may be because blogs consist of content that your internal team creates, while tradeshows involve extra costs for things like sponsorship, booth design, collateral printing, and shipping.

MEASURE METRICS THAT MATTER

Middle-to Late-Stage Analysis

Once your leads start to convert into opportunities, you can begin to determine whether your campaigns are worth the continued investment by analyzing the MOFU and BOFU stage in your revenue model.

Creating mid- and late-stage reports helps you keep track of metrics that can answer these questions:

- How fast are leads moving through the funnel? Are they converting at a good rate?
- Which campaigns and channels are positively impacting revenue?
- What is the return on marketing investment (ROMI) for each campaign?

Calculate Your Return on Marketing Investment (ROMI)

Ultimately, the impact of your campaigns should translate into return on marketing investment (ROI). There are two approaches to calculating ROI. One method looks at the investment on the campaign vs. the return, which helps marketers make comparisons across all of their campaigns. The other method looks at total marketing costs, including the cost of staff. This is a more comprehensive approach that is not as commonly used because it includes several factors that are not campaign-specific, such as the costs of marketing staff, office expenses, technology, agency fees, and printing.

MEASURE METRICS THAT MATTER

Middle-to Late-Stage Analysis

Not every campaign will have a complete ROMI calculation. Some campaigns will have softer goals, such as number of attendees at an event, but as always, the closer you can get to measuring ROMI, the better you will be able to justify your investments.

However, even the simplest ROI goals should include (as compared to cost):

- Pipeline
- Opportunities
- Revenue

With ROI goals in place, executives will see not only the program spend that goes out the door, but also exactly what benefits are expected as a result, which makes them much more likely to support your investment.

Modeling your ROI goals will also help you to:

- Identify the key profit drivers that will affect the revenue model and ultimately your profits
- Create "What if?" scenarios to see how changing parameters may vary the results and impact profitability
- Establish the metrics on how you will measure success

MEASURE METRICS THAT MATTER

Middle-to Late-Stage Analysis

Allocate Value with Attribution Models

It may take some time for your leads to move through the funnel, convert, and translate into ROI. To become more strategic about measuring the impact of your campaigns, start by recognizing that your buyer rarely makes a purchase as a result of a single touch. Conventional marketing wisdom, known as The Rule of Seven, proposes that at least seven successful cross-channel touches (forms of engagement) are needed in order to convert a cold prospect into a buyer. In fact, on average, **50%** of leads are not yet ready to buy, according to Gleanster Research, so it's important to measure your campaign's impact across every touchpoint your lead encounters with your company.

Attribution models offer marketers a set of guidelines that help determine which activities get credit for downstream activities, like sales opportunities created or pipeline/revenue generated. However, to accurately attribute these business results, first you need to know two things about each campaign:

Lead Source

This indicates the channel through which a new lead enters your database (PPC, social, sponsored content, website, etc.). The lead source will help you track which channels bring in the most leads, the most qualified leads, and the ones for which marketing is directly responsible.

Acquisition Campaign

This is the specific campaign that brought a new lead into your database and indicates which of your campaigns bring in the most new names. Keep in mind that just because a campaign doesn't acquire many new leads, doesn't mean it's not valuable. Some campaigns are designed to generate brand awareness and attract new leads, while others are designed to further engage them and convert them into customers. But by understanding which campaigns are best at acquisition, and combining that with revenue attribution, you'll know which campaigns bring you the best new names that eventually become paying customers.

50%

of leads are not yet ready to buy

Source: Gleanster Research

MEASURE METRICS THAT MATTER

Middle-to Late-Stage Analysis

First-Touch and Multi-Touch Attribution
Different attribution models will impact the valuation of your marketing activities and channels. In this section, we'll cover two different attribution strategies—first-touch and multi-touch attribution.

Marketers have traditionally only measured **first-touch (FT) attribution** for their campaigns, meaning the original acquisition campaign gets 100% of the revenue credit. If someone comes in through a campaign, then continues to engage with your brand throughout different campaigns and touchpoints and finally turns into an opportunity, only the initial campaign will get credit for bringing in that customer. This model works best if your top goal is to grow your lead database with the right leads.

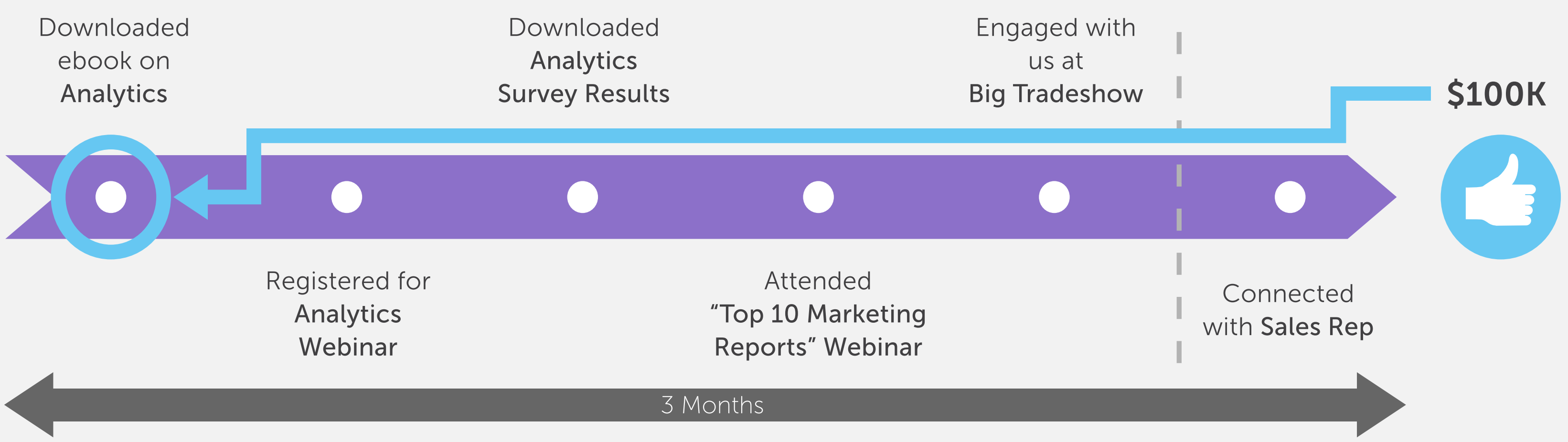
What if you have a long sales cycle and your challenge is not just growing your lead database, but nurturing those leads until they're ready to buy? You'll need **multi-touch (MT) attribution,** which credits the revenue to every successful marketing interaction with a lead. Buyers engage with your brand across channels throughout the different stages of the buyer journey. And with MT attribution, any campaigns that successfully touch a lead before the creation of an opportunity split the value of that opportunity evenly. This model works best if your campaigns are designed to maintain interest and engage leads throughout the sales cycle—which are most B2B marketing campaigns.

MEASURE METRICS THAT MATTER

Middle-to Late-Stage Analysis

Let's look at first-touch and multi-touch attribution in action:
Imagine that a lead arrives on your website and fills out a form to download your ebook on analytics, officially entering your lead database. Now that you have his contact information and know he's interested in the topic of analytics, you send him an email about an upcoming analytics webinar you're hosting. You target him with the right message at the right time—as he's currently looking for an analytics solution to evaluate his marketing data—so he registers for your upcoming webinar. In the meantime, he continues engaging with your company, downloading some survey statistics on marketing analytics from a third party report hosted on your site. On the day of the webinar, he visits the link that you sent him to attend. As a follow-up to webinar attendees, you send out a recording and discount code to register for the next tradeshow you're attending. This lead, being interested and fully engaged with your company, registers and attends and is eventually connected with a sales rep leading to a closed deal. With first-touch attribution, his first engagement with your company—the ebook download—is given 100% of the revenue credit for the deal.

First-Touch Attribution



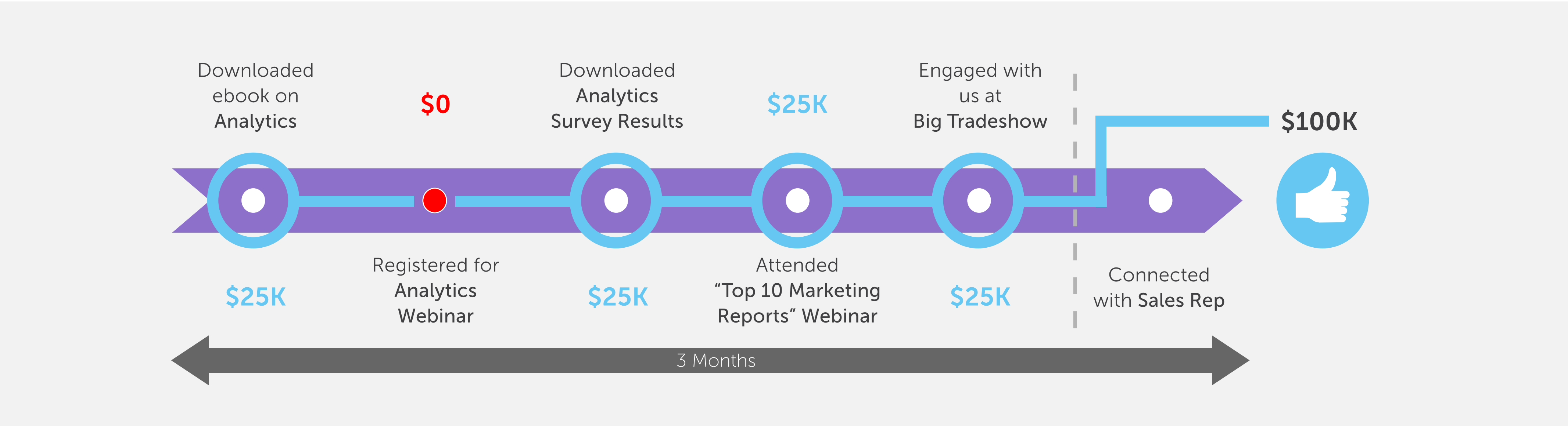
MEASURE METRICS THAT MATTER

Middle-to Late-Stage Analysis

Let's say that for this same scenario, your company decides to allocate the revenue credit by multi-touch attribution. In this case, all successful touchpoints would get equal credit for the acquisition, except for the analytics webinar registration. This is because, at Marketo, webinar registration is not considered a success for this channel, only attending the webinar or watching the on-demand recording is a campaign success. In this case, the deal credit gets distributed across the ebook download, analytics survey download, "Top 10 Marketing Reports" webinar attendance, and tradeshow attendance.

As you can see, multi-touch attribution paints a more complete picture and shows you how all of your campaigns work in conjunction throughout each stage of the buyer's journey to result in a new customer. Remember that getting the most accurate multi-touch attribution requires looking at campaign successes, not just conversions.

Multi-Touch Attribution



MEASURE METRICS THAT MATTER

Middle-to Late-Stage Analysis

Below are some first-touch (FT) and multi-touch (MT) metrics you should be tracking in your mid- to late-stage analysis.

FT Opportunities
The number of opportunities created by the sales team (interested, have budget, have authority, have the need, have the time, etc.) calculated using FT attribution.

FT Pipeline
Amount of FT opportunity pipeline generated. This reveals which campaigns are the most efficient at acquiring the right leads.

FT Ratio
The amount of FT pipeline a campaign generated divided by the total investment on that campaign. At Marketo, our golden metric for a good campaign is one that generates pipeline at least five times the investment.

MT Opportunities
The number of opportunities created by the sales team calculated using MT attribution.

MT Pipeline
Amount of MT opportunity pipeline generated. This reveals which campaigns are the most efficient at pushing leads through the sales funnel.

MT Ratio
The amount of MT pipeline a campaign generated divided by the total investment on that campaign. At Marketo, our golden metric for a good campaign is one that generates pipeline at least five times the investment.

Revenue Won
The amount of money your company won from this deal. This will vary depending on the deal size and may increase over time as you cross-sell and upsell to your existing customers.

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MEASURE METRICS THAT MATTER

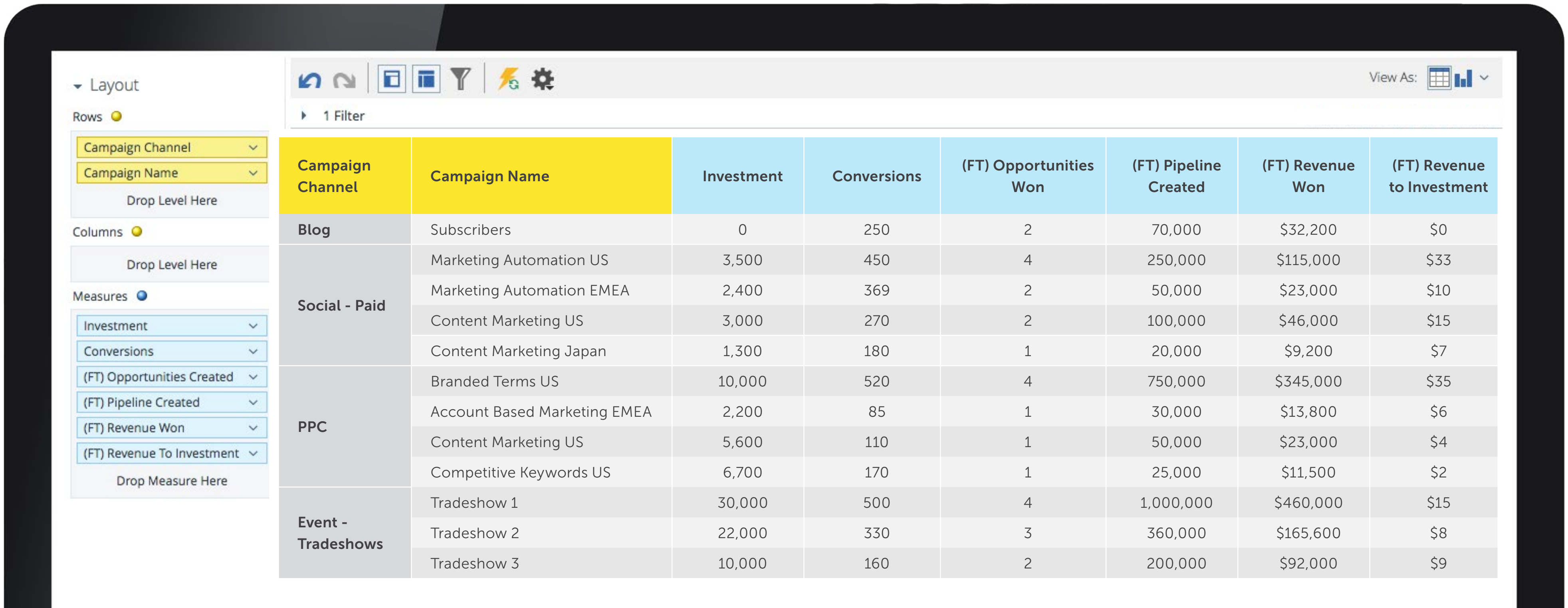
Middle-to Late-Stage Analysis

To see mid-late stage analysis in action, consider the example from Marketo Advanced Report Builder on the following page. The same campaigns tracked in the TOFU analysis report are tracked here. This table will show the different revenue attribution calculations for each of your campaigns across channels. It gives you a full picture of the impact of your marketing channels and campaigns and allows you to make comparisons that lead to better spending decisions.

You can customize your reports to combine FT and MT attribution for a comprehensive view of how all your campaigns bring in new leads and help push leads along in the sales funnel, or you can split them by FT and MT metrics for a more focused comparison of how effective each campaign is at each of these objectives. Let's dive into these metrics.

MEASURE METRICS THAT MATTER

Middle-to Late-Stage Analysis



Campaign Channel	Campaign Name	Investment	Conversions	(FT) Opportunities Won	(FT) Pipeline Created	(FT) Revenue Won	(FT) Revenue to Investment
Blog	Subscribers	0	250	2	70,000	$32,200	$0
Social - Paid	Marketing Automation US	3,500	450	4	250,000	$115,000	$33
	Marketing Automation EMEA	2,400	369	2	50,000	$23,000	$10
	Content Marketing US	3,000	270	2	100,000	$46,000	$15
	Content Marketing Japan	1,300	180	1	20,000	$9,200	$7
PPC	Branded Terms US	10,000	520	4	750,000	$345,000	$35
	Account Based Marketing EMEA	2,200	85	1	30,000	$13,800	$6
	Content Marketing US	5,600	110	1	50,000	$23,000	$4
	Competitive Keywords US	6,700	170	1	25,000	$11,500	$2
Event - Tradeshows	Tradeshow 1	30,000	500	4	1,000,000	$460,000	$15
	Tradeshow 2	22,000	330	3	360,000	$165,600	$8
	Tradeshow 3	10,000	160	2	200,000	$92,000	$9

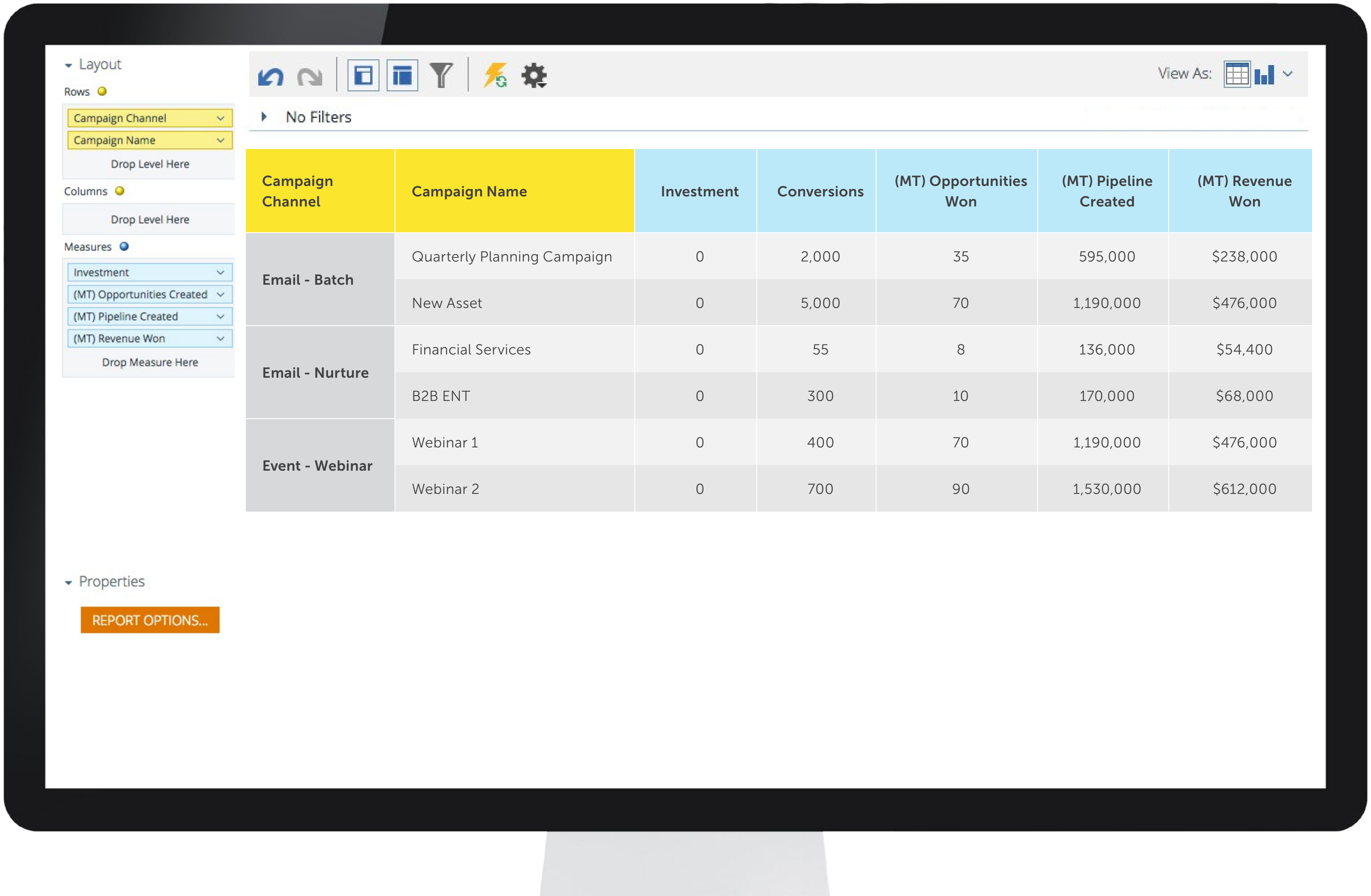
When analyzing your FT and MT metrics, it's important to take a look at the number of opportunities created so that the campaign data is not skewed by just one high opportunity. By looking at the FT and MT opportunities column, you can understand which campaigns brought in the most leads that are considered as valuable opportunities by sales.

In this report tracking FT metrics, your paid social campaign for "marketing automation—US", PPC campaign for "branded terms—US", and "tradeshow 1" campaigns acquired the most leads that became opportunities. And in terms of which campaigns were the most cost-effective, you can see that the blog and PPC campaign for competitive keywords targeted at prospects in the United States brought in the most revenue compared to the spend.

MEASURE METRICS THAT MATTER

Middle-to Late-Stage Analysis

For longer-tail campaigns that may take more time for acquired leads to convert into opportunities, take a look at your MT metrics. In the report tracking MT metrics, you can see that your two webinars and your email batch campaign for your new asset brought in the most opportunities, so you may want to consider reusing content or running more campaigns like those ones.

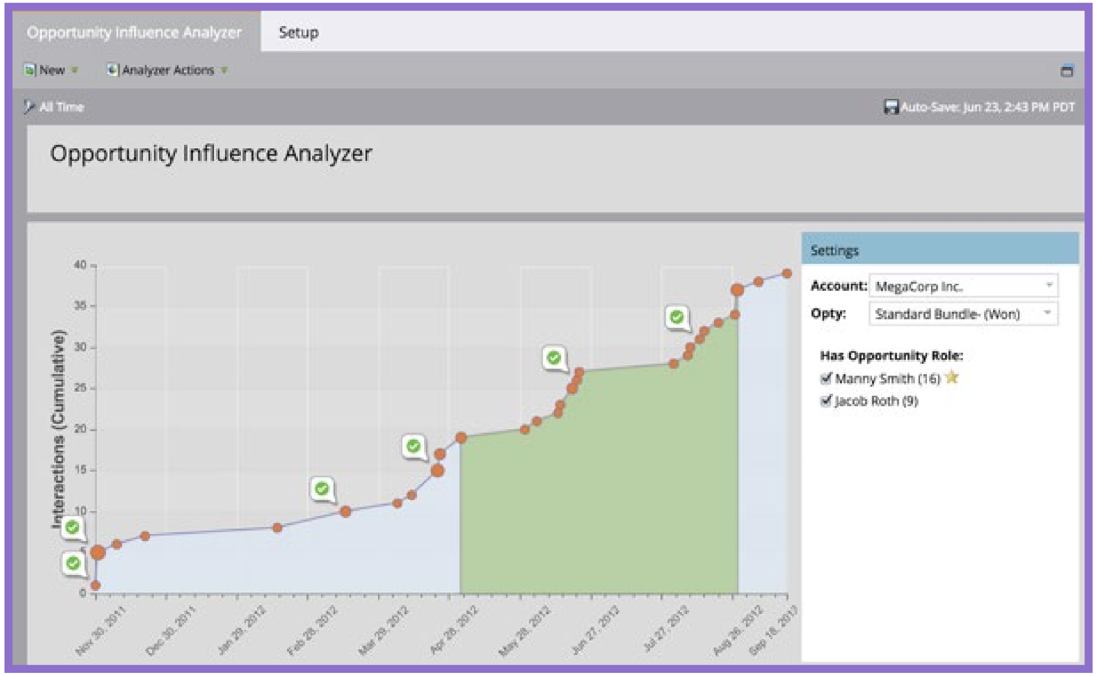


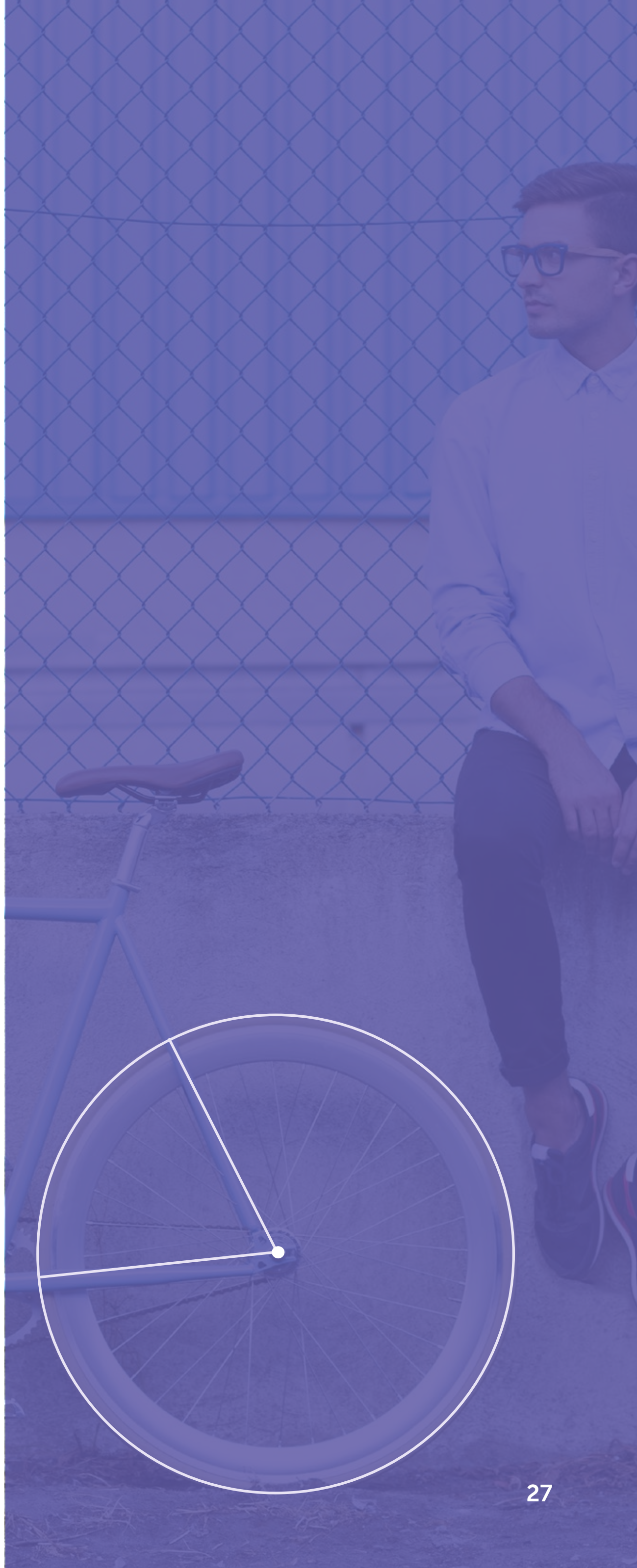
Campaign Channel	Campaign Name	Investment	Conversions	(MT) Opportunities Won	(MT) Pipeline Created	(MT) Revenue Won
Email - Batch	Quarterly Planning Campaign	0	2,000	35	595,000	$238,000
	New Asset	0	5,000	70	1,190,000	$476,000
Email - Nurture	Financial Services	0	55	8	136,000	$54,400
	B2B ENT	0	300	10	170,000	$68,000
Event - Webinar	Webinar 1	0	400	70	1,190,000	$476,000
	Webinar 2	0	700	90	1,530,000	$612,000

MEASURE METRICS THAT MATTER

Middle-to Late-Stage Analysis

But what is the marketing team's specific impact on each of these deals? Leads get assigned to the sales team and turn into opportunities to ultimately be closed by them, but with Marketo's Opportunity Influence Analyzer, you can track how each of your marketing campaigns influenced an opportunity or closed deal throughout a customer's entire lifecycle. You can follow each individual lead's journey throughout their engagement with your company—from their first interaction to all the different interactions that ultimately led to a closed deal. In the report below, the green area indicates when an opportunity opened and when it closed.





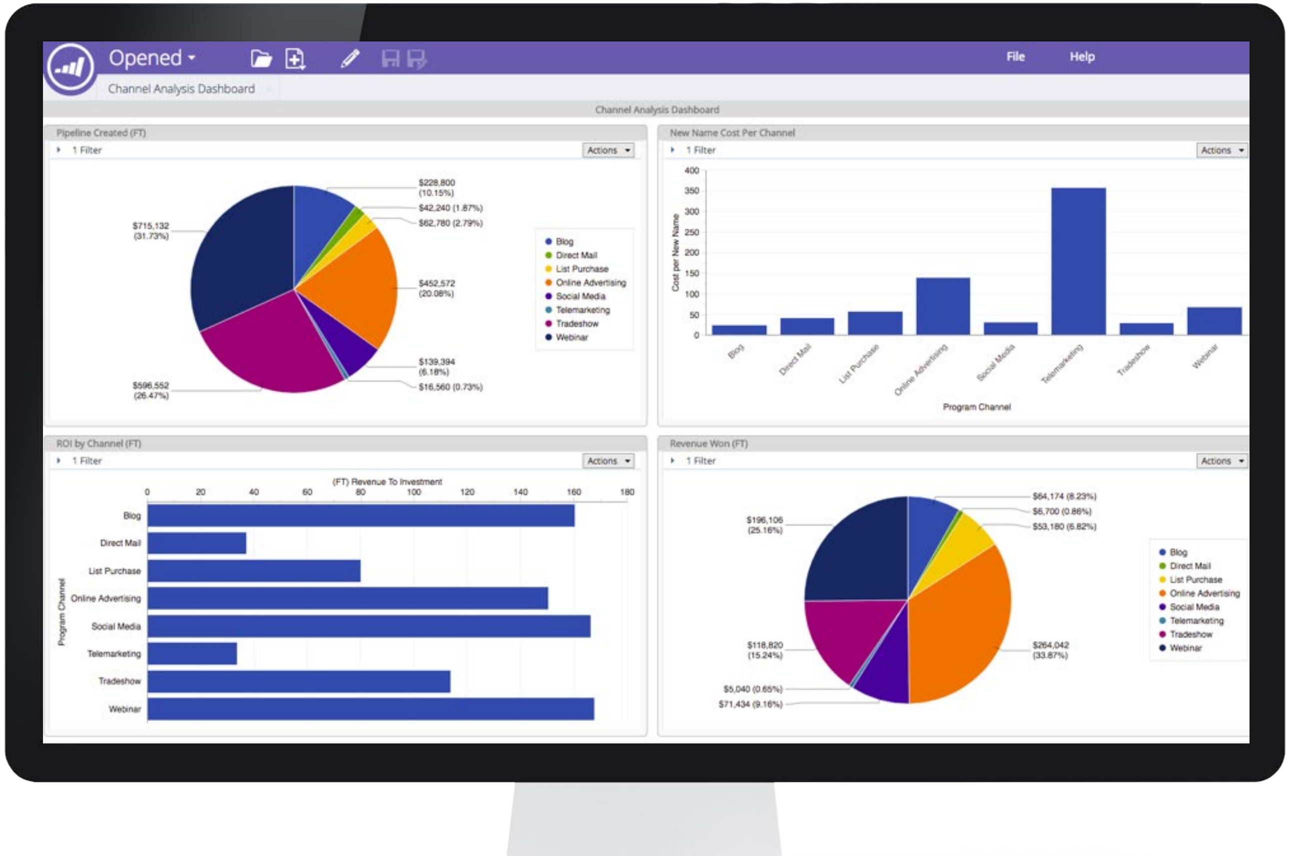
MEASURE METRICS THAT MATTER

Comprehensive Analysis

Aside from just measuring your campaigns from start to finish, it's important to look at ROMI in terms of overall channel performance. While the success of each of your campaigns may differ, a comprehensive view of your marketing channels can reveal some very valuable insights for both existing and future campaigns.

Within your marketing automation system, you can view your channel performance in a variety of ways. In the example dashboard below from Marketo Advanced Report Builder, you can see four different visual reports that reveal the amount of pipeline created, investment per new name, ROI, and revenue won for each channel.

Based on this data, you can see that your blog is your most cost-effective channel in terms of bringing in new names, while webinars bring in the most pipeline. However, in terms of the channel that brings in the most revenue, your online advertising efforts deliver the most results.



CAMPAIGN PLANNING WORKSHEET

Now that you understand what metrics to measure, how to allocate value, and when you should measure, you can begin mapping out how you will measure the success of your campaigns to tie in ROI.

Use the following worksheet to put together the overall scope of your campaign and determine what metrics you should track for an accurate measurement of your campaign success. We filled in an example to help you get started.

Campaign Name	Next-Gen Analytics Campaign	
Campaign Objectives	Introduce a new breed of analytics and generate interested prospects	
Campaign Duration	Feb-Apr (90 Days)	
Campaign Components	2-part Webinar Series, Exec Brief, Technical Whitepaper, Buyer's Guide, Display Ads, AdWords, Tech Summit	
Target Audience/ Segments	CDO, Data Scientists, VP IT Ops	
Key Messages	Prescribe next best action based on inline insights. Blow away competition with real-time graphs & dashboards	
Campaign Goals	1,500 responses, 15 opportunities, $3M pipeline, 4 deals, $1m closed bookings	
Early-Stage Metrics	Conversions, successes, new names, % new names	
Mid- to Late-Stage Metrics	MT opportunities created, MT pipeline created, MT revenue won	
Campaign Budget	$200,000	
Expected Campaign ROI ($$)	5x program spend to bookings ROI	

CAMPAIGN MEASUREMENT IN ACTION

Now that you have a good understanding of metrics, from initial planning to measurement, let's take a look at a scenario of how marketing automation and metrics come into play to determine marketing's contribution to revenue.

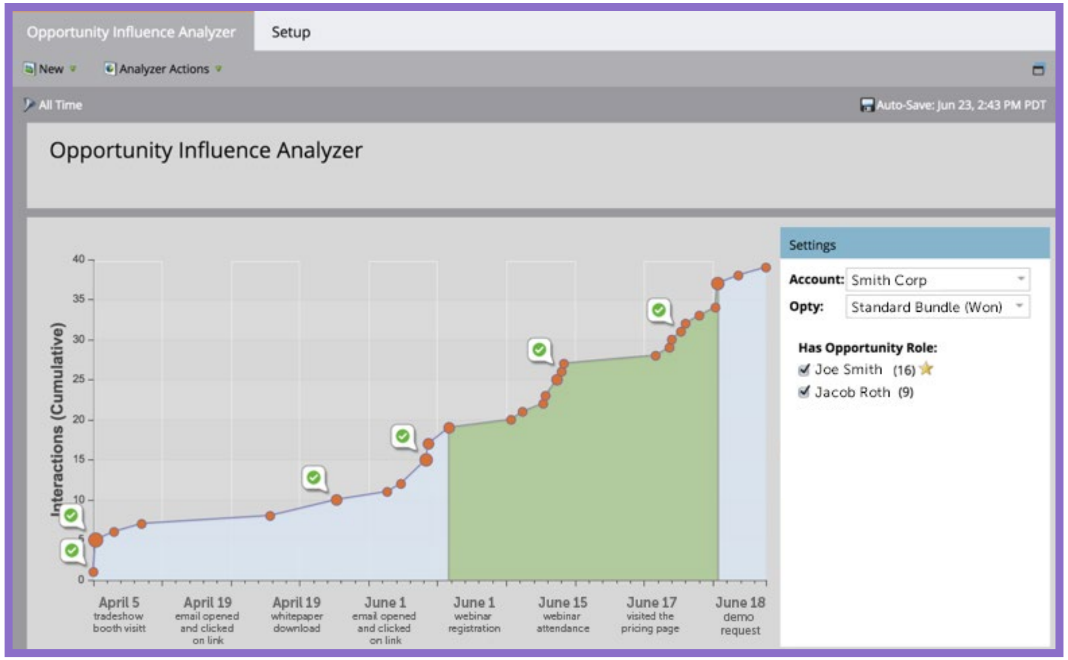
Let's say that Monday morning you get into the office and hear about the sales team's big win on a large deal they closed over the weekend with Smith Corporation. Cowbells are ringing and everyone is cheering. This effort was a cross-team collaboration with hard work from both the marketing team (bringing in and nurturing the lead) and the sales team (reaching out to them and eventually closing the deal). But to understand exactly how your marketing team contributed to this win so that you can show sales and senior executives how marketing is influencing large deals, you need to dig into the metrics.

By taking a look at a report, like Marketo's Opportunity Influence Analyzer, you can understand Smith Corporation's unique journey with your company from the first interaction to the different marketing campaigns they engaged with that ultimately led to a closed deal. You see that their Senior Marketing Manager, Joe Smith, first came into your database on April 5 after visiting your tradeshow booth. Then, he downloaded a whitepaper that you sent as a follow-up to the conference two weeks after. After he entered his title and company in the form fields to download the resource, he got scored in your marketing automation system and entered into the appropriate nurture campaign.

His activity with your company died down for a few months afterwards. But because he was identified as a viable lead, you continued to send him relevant information to build your relationship with him. One of your emails on an upcoming webinar got him interested again and he registered and attended your next webinar.

Before you know it, he reaches out to your sales team for a demo and then eventually signs up and becomes a customer.

By tracking his activity with your company over time, you now have a better understanding of this individual's journey with your company. While sales ultimately closed this account, through your various marketing campaigns such as your tradeshow, follow-up emails, nurture emails, and the webinar, you helped build awareness about your company, engaged with the lead based on his interests, and nudged him further along to the next stage.



CAMPAIGN MEASUREMENT IN ACTION

Metrics help you prove more than just how marketing contributed to the bottom line; metrics also help you analyze and optimize your campaigns and channels.

Now that you have a clear idea of the exact campaigns and channels that your lead engaged with, you can evaluate them against all of your other efforts to determine which are best for acquiring new leads and which ones are influential for moving leads forward in the sales cycle. Your objective here is ultimately to optimize for each stage of the revenue model you defined earlier on in this ebook: TOFU, MOFU, and BOFU.

As a refresher, when leads are in the TOFU stage, they have just entered your marketing funnel. At this stage, your objective is to improve your campaigns to bring in the most amount of valuable leads into your database. When you first hosted your tradeshow, the amount of leads that your campaign brought in was available for your reference. You could see the number of conversions (booth visit scans) and new names who you acquired. However, this only showed you how many leads the event brought in, not necessarily which ones were the most valuable. But now that you're looking back on this data well after the event has ended, the metrics have had time to mature and can be revisited. You're able to see exactly how many FT opportunities your campaign brought in (who first engaged with your company at the tradeshow and later become an opportunity). Evaluating this data against your other channels will help you invest in the right campaigns in the future with the goal of acquiring the highest number of leads who eventually become opportunities.

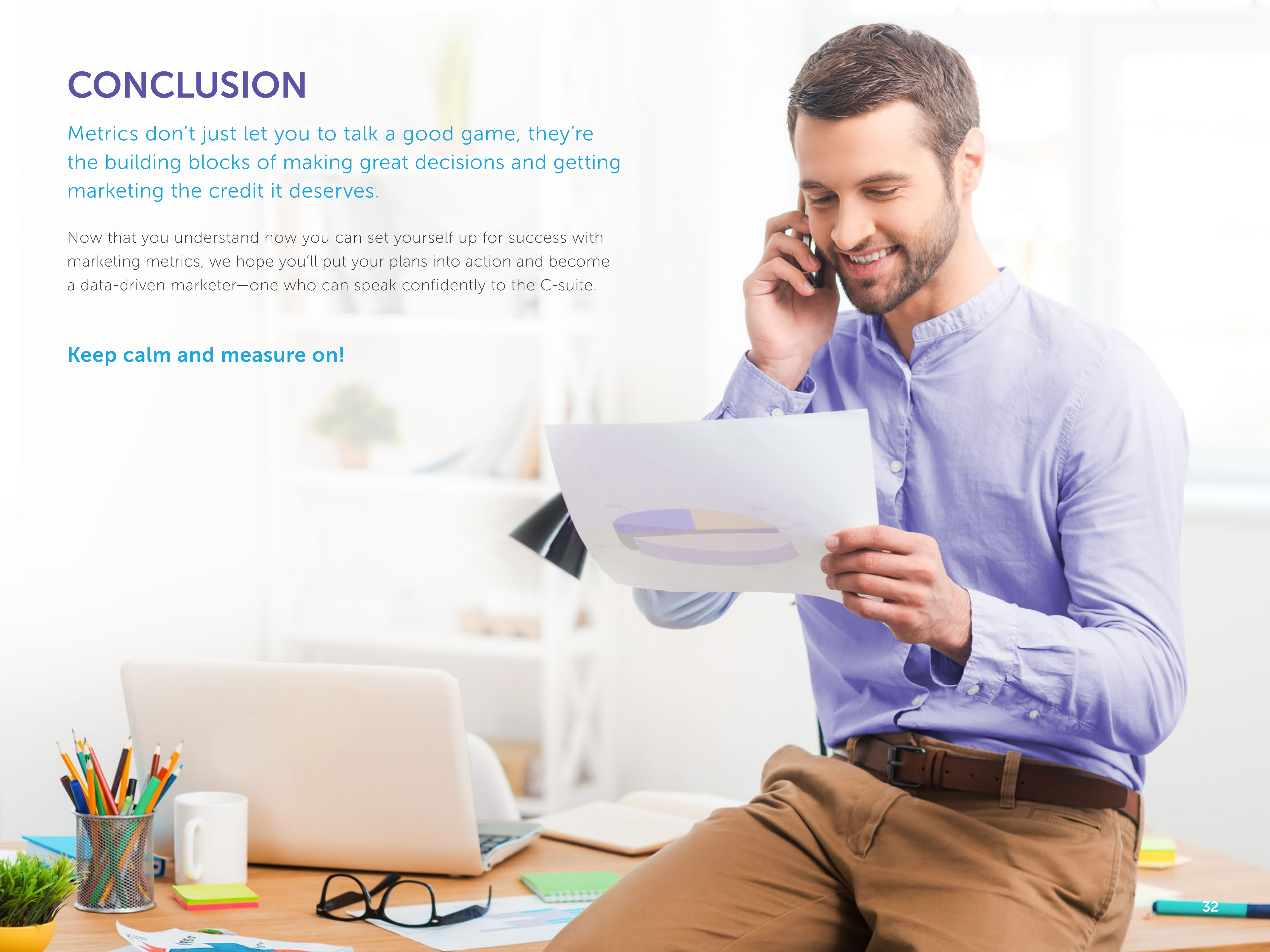
When it comes to the later revenue stages of MOFU and BOFU, your objective here is to optimize your campaigns to nudge prospects further along the sales cycle so that they don't get stuck in any one stage and move closer to becoming a closed-won deal. Business-to-business deals often have longer sales cycles, so you should use your MT attribution measurements to see which campaigns contributed to bringing in the most number of opportunities and revenue. You could argue here that while the tradeshow did bring in Joe Smith as a lead, if it wasn't for the campaigns that followed, he might not have further engaged with your company. Your marketing campaigns as a whole earned his interest and then continued to keep your company top-of-mind. MT attribution proves the impact of these other critical campaigns.

CONCLUSION

Metrics don't just let you to talk a good game, they're the building blocks of making great decisions and getting marketing the credit it deserves.

Now that you understand how you can set yourself up for success with marketing metrics, we hope you'll put your plans into action and become a data-driven marketer—one who can speak confidently to the C-suite.

Keep calm and measure on!



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