



The Ultimate Guide to **Content Marketing ROI**

Uniting a Brand's Left and Right Brain

Content marketing is a discipline where art meets science. In response to a strong consumer demand for informative, high-utility content, brands are launching newsrooms to produce original content in addition to licensing timely, relevant stories from top publishers. Why? Content marketing has the potential to generate significant ROI for your business – through engagement, conversions and even sales.

Engaging videos, blog posts, infographics, and multimedia comprise the creative, artistic side of content marketing. But what about the science?

The process of quantifying your content marketing efforts can seem daunting to creative types, especially if you're not regularly using forecasting tools to measure analytics and KPIs. Even if your content goes viral, your CMO, CEO, and CFO will want to see results in terms of cost, revenue, and margins.

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Why Read This Guide?

You need a process and analytical framework to support your content strategy and tie it to your company's bottom line. Building a content strategy around your key performance indicators (KPIs) before you dive into content production will build greater credibility and focus among all team members.

This guide will teach you how to measure your content program's full return on investment. You'll be able to:

- › Determine which KPIs will indicate growth for your business
- › Forecast how much budget is needed to meet your marketing goals
- › Align brand and lead generating activities to your business goals
- › Report the progress (and success!) of your marketing programs

Reporting is a lot like telling a story. You need to illustrate trends, explain methodologies, and present information in a logical way. In addition, your story (or results) should inspire your audiences to take action on your findings — increase budget for email marketing, zero in on advertising to your Facebook audience, or create additional customer service channels.

Begin with the End in Mind: A Deep Dive Into KPIs

Success in content marketing doesn't happen overnight. If you want to delight, engage, and connect with your audiences, you need to produce high-value material.

Be careful with the KPIs that you choose to highlight – particularly with content marketing you have seemingly infinite metrics to choose from, and some are better indicators of business growth than others. If you're not selective, your organization will find itself buried in an unmanageable data dump, or celebrating the success of content that didn't return monetary value to your company.

Content marketing KPIs are a direct reflection of your company's conversion funnel. Metrics should track a lead's movement through the funnel by answering the following questions:

- › **How effective is your content in exposing new prospects to your brand?**
- › **How effective is your content in building interest and engagement with your brand?**
- › **To what extent does your content inspire customers to do business with you?**
- › **Overall, how effective is your content strategy in driving revenue?**

Metrics such as brand awareness, page impressions, and search ranks need to sync up with bottomline concepts, including costs, revenue, profits, and pipeline. The following framework will help you connect the dots.

METRICS <i>What do we measure?</i>	KPIs <i>Is our content building our business?</i>
REACH	
<ul style="list-style-type: none"> › Impressions › Traffic › Subscriber / Audience size › Share of voice › Audience penetration across org 	<ul style="list-style-type: none"> › Is our content being seen? › How large is our audience? › What's our share of voice in a market/channel? › Is engagement growing across the workflow chain of a single organization?
ENGAGEMENT	
<ul style="list-style-type: none"> › Time on site › Bounce rate › Page views › Return visits › Referrals › Social sharing and interactions 	<ul style="list-style-type: none"> › How much time are people spending with our brand? › Are people engaging with our brand & content? › Where and how often are people engaging with our content?
CONVERSIONS	
<ul style="list-style-type: none"> › Brand lift › Perception / attitudinal change › Behavioral conversions › Lead generation › Sales lift 	<ul style="list-style-type: none"> › Are we creating awareness? Is our message memorable? › Are we changing perceptions? › Are people discovering and understanding our product & service offering? › Are we driving quality leads? › Are we driving overall sales?

Defining the 3 Pillars of Content Marketing Measurement

Reach

This should be measured to see if you are attracting your target audience. Advanced content marketers use a combination of paid, owned and earned media to reach the right audience for the topic the brand wants to be associated with. Take a look at classic metrics such as growth in visitors, unique visitors and visits from specific search terms (your topic), visitors from mobile and social, and more.

Engagement

This is all about your content and whether it is proving to capture the visitor's attention once they arrive on your site. Do your customers trust you, and do they see you as a credible source of information? Are they valuing your brand's content over others? Engagement can be measured through pages / visit, time spent on the site, return visits, social shares and comments.

Conversion

This is the most important, but often overlooked, content marketing metric. Every site should have conversion goals as this answers an important question: Are your audiences interested in doing business with you? Common conversion goals for a consumer brand could include subscription to a newsletter, sweepstakes, coupons or some other offer, or even as simple as clicking through to another part of your website or piece of content (such as an advertising clip on YouTube).

Connecting Content to Conversions

Customer acquisition is a marathon, not a sprint. The length of your conversion cycle depends on whether you're a B2B or B2C organization, and conversions can span a period of hours, days, week, or months. A website visitor may discover your company through content, return to your site a week later via an advertisement, sign up for your email list, and then sign a contract six months later. Deterioration and drop off exists at every stage of the funnel. Only a small proportion of your site's visitors will become paying customers.

By aligning your content marketing activities to your buyer personas and stages of the conversion funnel, you'll increase your opportunity to acquire leads and close deals. Conversion funnels map the steps that prospects take as they become paying customers, as well as the steps that first-time customers take when they become returning buyers.

Stages of a Conversion Funnel

Early Stage

Goal: Generate traffic and brand awareness; **Tactics:** Blog posts, curated lists, email marketing, thought leadership, social media, events

Middle Stage

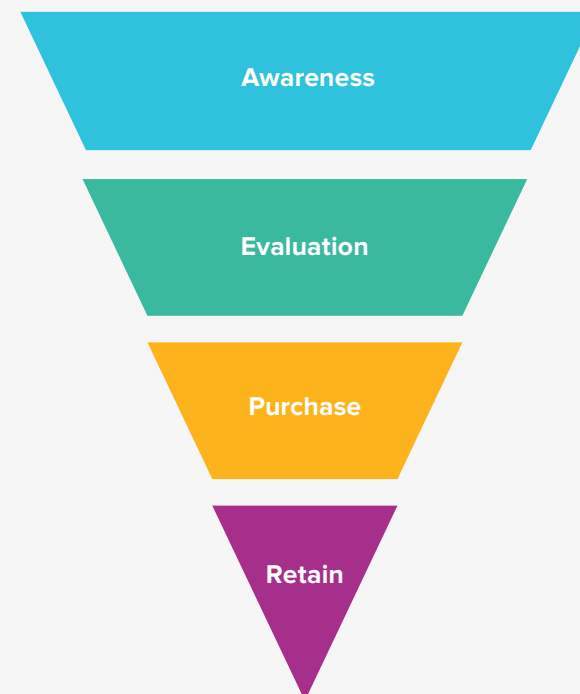
Goal: Generate leads; **Tactics:** Case studies, analyst reports, webinars, best practice guides, newsletters, events

Late Stage

Goal: Convert leads to customers; **Tactics:** Newsletters, demos, trials, comparison guides, price sheets, smaller invite-only events

Customer Stage

Goal: Retain customers, upsell, advocacy; **Tactics:** Case studies, consulting services, client workshops, product updates, tutorials/training, advocacy program



Working Backwards: Forecasting ROI to Plan Your Budget

If you're building a content strategy for the first time, you might be knee-deep in budgets and spreadsheets trying to answer one simple question: How much money is necessary to get started?

Some marketers throw darts in the dark to answer this question, but there's a more efficient approach. You need to create a forecast of what return on investment you expect to achieve. From there, you can work backwards to determine your upfront costs.

Imagine this likely scenario: Your CMO wants 500,000 unique visitors per quarter to a newly launched microsite hosting various content offers. They're aiming to capture X% net new names. How much budget do you need to accomplish these goals?

Excluding varying engineering and design needs, here are some standard costs that you'll need to account for:

- › Original Content (X)
- › Syndicated Content (Y)
- › Staff Editors (Z)

Now you need to solve for X, Y, and Z. Work backwards.

Across marketing campaigns, let's say your average conversion rate is 3% and your annual customer value is \$500. For every 500,000 site visitors, you'll generate 15,000 customers. At a user value of \$500, this traffic stream will be worth approximately \$7,500,000.

If you spend an additional \$500,000 on content production, content licensing, traffic acquisition, and staff, your operating margin will be 93%, your cost per customer will be \$33, and your cost per unique visitor will be \$1.

Remember that in practice, a number of variables will influence conversions and sales. Seasonality and product changes are two examples as sales tend to vary based on seasonal, cultural, and economic trends.

To accurately capture ROI from your content marketing program, you'll need to customize your analytics tools with the right attribution models. Attribution models will help you optimize revenue-generating marketing activities, especially if your business has multistate paths to conversion.

As defined by Google Analytics, "an attribution model is the rule or set of rules that determines how credit for sales and conversions is assigned to touchpoints in conversion paths. For example, Last Interaction attribution assigns 100% credit to the final touchpoints (i.e., clicks) that immediately precede sales or conversions. First Interaction attribution assigns 100% credit to touchpoints that initiate conversion paths. These are two examples of attribution models."

Your framework for measuring ROI, user behavior, and sales should capture transitions between each of these conversion steps, not just the final jump from email subscriber to customer.

A “report card” provides your organization with transparency to the ROI of your content marketing. At NewsCred, we update our demand generation report card daily; however, you could share your progress periodically, weekly, monthly, or even quarterly.

Content type	# of Campaigns	\$ Spent	Leads to Date	CPL
Whitepaper	4	\$3,011.59	129	\$23.35
Webinar	3	\$4,509.56	316	\$14.27
Tutorial	3	\$4,738.18	344	\$13.77
TOTAL	10	\$12,259.33	789	\$15.54

The Content Performance Report

To identify your top performing content, you need to measure the cost per lead acquired from your content through a web form (“gated content”).

Channel	Net New Names per Month	New New Names Change	MQL This Month	MQL Change %
Sponsored Webinar	398	30%	123	20%
Sponsored Email	337	28%	202	23%
Online Advertising	2015	50%	1,219	30%

These numbers have been modified.

Channel Level Reporting

This report will give you an aggregate view of the business impact of your marketing activities by channel. Every company has a sweet spot in terms of your marketing channel mix. Channel level reporting will help you determine the success of each of your channels, ultimately providing direction as to where you should allocate budget for the next quarter.

Tips for Reporting Data

Data is both a power tool and a nightmare. The right framework will tell an amazing ROI story. Follow these best practices to avoid finding yourself buried in a meaningless data dump.

Report Standardization

All content marketing reports should follow the same template.

Data Automation

Work with developer and analytics teams to automate your reports. This will help minimize human error.

Streamlined Presentation

If you're still pulling data into Excel, create a few templates in PowerPoint or another presentation tool to make the information more digestible or consider using a marketing analytics and workflow tool to measure your success more efficiently.

Outlined Methodology

Ensure that your entire methodology is documented and that your stakeholders have access to it.

Definition of Terms

In online marketing, phrases and marketing terms can have different meanings between business units. Make sure that your definitions are outlined for your team and stakeholders to understand.

Streamline Sampling Processes

Your sampling methodology can skew the numbers that you report. To minimize the potential for error, make sure that the data sampling steps are consistent across your team.

Consistency

Establish how frequently you need to create reports. At the very least, you should be tracking progress quarterly, but some reports will be necessary on a weekly or monthly basis.

Staff Appropriately

Decide which team members should manage reporting for content marketing. Have this team generate reports and ensure that systems are fully integrated and consistently online.

Data Consolidation

Identify which data sources you want to work with and how to best synthesize relevant information.

Growth

All reporting should be actionable and positioned towards growth. Don't track something just because it's interesting. At the end of the day, marketers are growth engines, not archivists.

Choosing the Right Tools

With so many metrics to track, choose the tools that can help you streamline processes, report consistently, and sift through massive volumes of data to uncover meaningful results and trends.

You should pick an analytics solution that provides as much insight as possible into your business goals. At minimum, you will need a platform that supports the following:

Content Drilldowns

This makes it easy for you to see which pieces of content are generating the most interest and sales opportunities.

Traffic Source Analysis

This type of tool makes it easy to identify referral traffic sources – other sites and platforms that are sending traffic your way.

Conversion Funnel Analysis

Analytics software can help you visualize the different paths to conversion that visitors are taking on your website.

Conversion Reports

This functionality will help you track revenue-generating actions from your website.

Social Sharing & Engagement

Monitoring and measuring the activity around your brand and content across social channels can help you optimize your content strategy and advertising budgets. Clicks, mentions, sharing actions, and audience growth are several figures that indicate successful marketing.

It's also important to choose tools that complement your existing marketing systems, like Marketo, Eloqua, or NewsCred's Content Marketing Cloud. For example, if you're running email automation campaigns, you'll want to make sure that your tools are in sync to measure the same data points.

Focus on Efficacy

This process requires relentless self-discipline. You might love your content, but does your audience love it too? Be critical about your content program's performance. Give yourself a reality check by asking:

Did you underachieve, achieve, or overachieve your marketing goal?

The answer to this should be highly data-driven, accounting for all the major KPIs.

Marketing leader and author, Andreas Ramos, outlined the steps that your team needs to take:

1. State the campaign costs.
2. State the revenue produced directly from the campaign.
3. Describe the tracking process.
4. State the number of leads and sales with a conversion rate.
5. State the maximum profitable cost per lead (maxCPL) or cost per action (maxCPA).
6. Use statistically meaningful numbers – if data samples are too low, the results aren't valuable.
7. Describe the control group so that you can draw conclusions about your campaigns.

“If you set up a content marketing process that works, you become a money machine. Your CFO will give you an unlimited budget. Your CEO will shower you with a big bonus. VCs fund your project. Your cat will come when you call.”

— Andreas Ramos

Conclusion


Content marketing is a powerful tool for engaging new audiences, building a brand identity, and strengthening customer relationships. It has the ability to impact the growth of your business, and when developed with care, your content will transform your marketing team into a customer acquisition engine. The more ROI you generate, the more content you'll be able to produce. The numbers speak for themselves.



Key Takeaways

In this guide we presented a lot of information for you to digest. We've included this final section as a cheat-sheet for what you need to remember:

- › Content marketing metrics should be custom-tailored to your brand's specific bottom-line goals
- › Metrics should align with your company's sales funnel and should capture four core areas: reach/virality, engagement, retention, and revenue
- › Be relentlessly critical about the "why" and "how" behind your numbers by incorporating a blend of qualitative and quantitative research techniques
- › Pinpoint metrics that help your content strategists drive down customer acquisition costs while boosting long-term customer value
- › Focus on attribution so that you can directly connect your sales and revenue to specific content marketing programs



**Companies who test are 75%
more likely to show ROI for
content marketing than those
who fail to test their strategies.**

— MediaPost

