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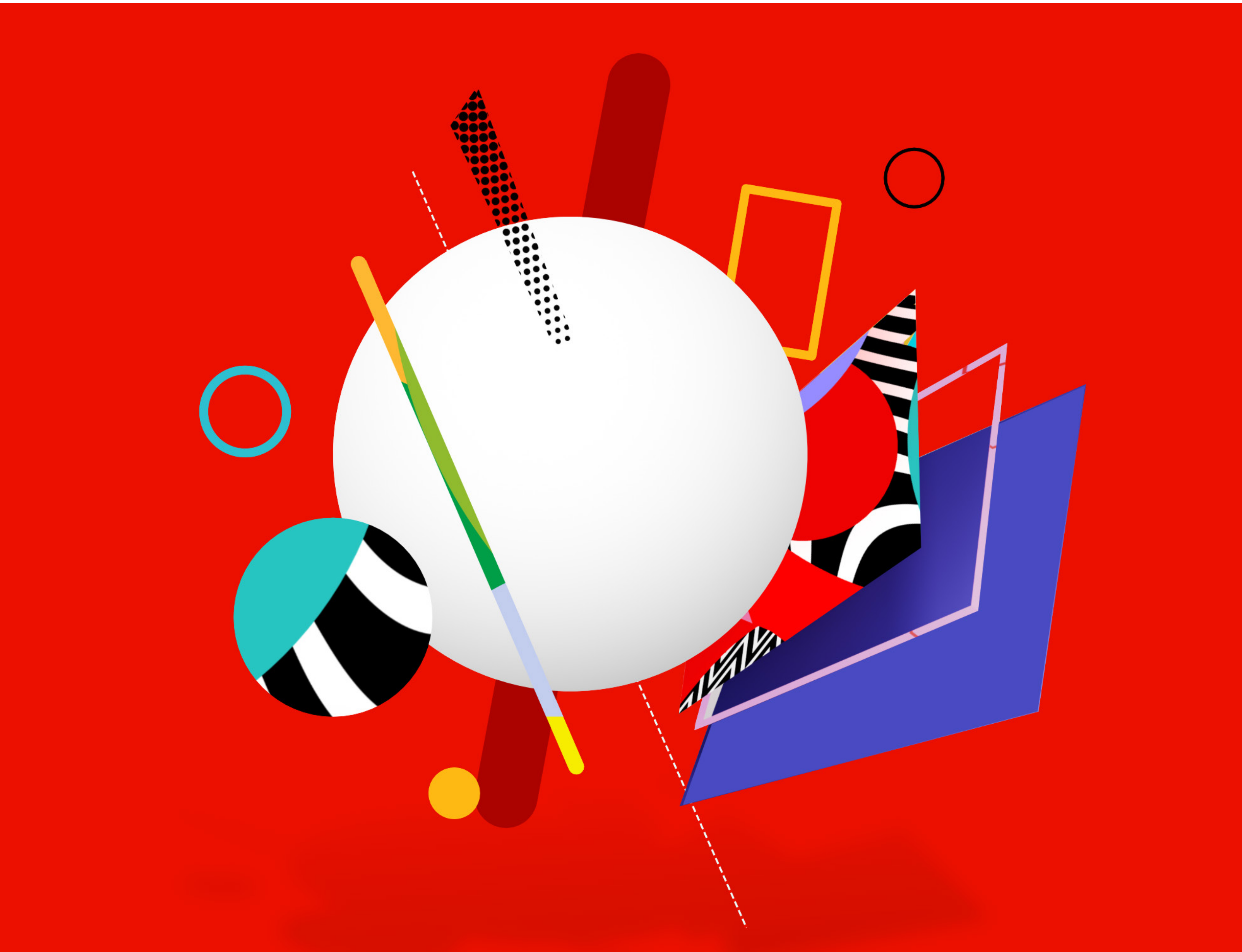
REPORT

The Essential Eight.

Top metric reports every marketer needs



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Outside of the marketing department, executives often perceive that marketing exists solely to support sales, or that marketing is an "arts and crafts" function that throws parties and churns out brightly-colored brochures.

But this is all starting to change. Technological advances have sparked a shift in the classic buyer's journey—the relationship between brand and buyer is no longer owned by the sales team but by marketers. Yet the perception of marketing as a "cost center" persists. How can marketers position themselves as drivers of both revenue and profits?

Soft metrics (also known as "vanity" metrics) like brand awareness, impressions, organic search rankings, and reach are important, but only to the extent that they quantifiably connect to hard metrics like pipeline, revenue, and profit. And it's no secret that CEOs and boards don't care about vanity metrics.

So what *do* they care about? In today's economy, CEOs and CFOs want to hear about growing revenue and profits.

They are asking questions like:

- How much faster are we growing now versus last quarter? What about now versus last year?
- How much profit was made last quarter versus last year?
- How much revenue and profit do you forecast for the next quarter?
- How can you trust your answers to the above questions?

To answer those questions with authority, marketers need to:

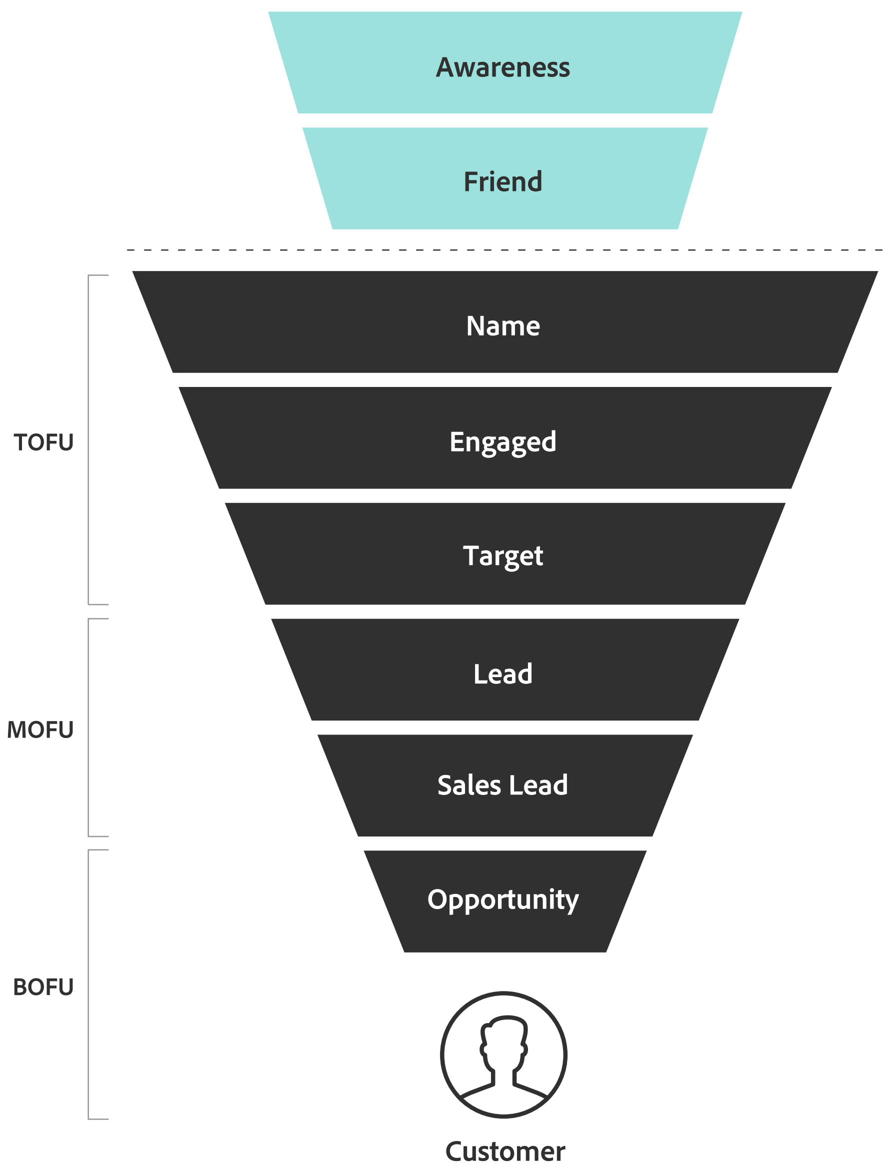
- Know the impact of each marketing investment
- Forecast results, not spending
- Make a hard case for business spending

In short, reporting and metrics gathering are your new best friends. That's where marketing automation tools like Marketo Engage—ones with robust reporting capabilities—come in. Once you're confidently reporting and tracking your program performance, you can confidently answer questions from the C-suite.

Your sales funnel

Before you start churning out reports, you need to understand your sales funnel. What journey does a prospective customer take from the top of your funnel (as a new lead) to the bottom (as a customer)? You'll need that deep organizational knowledge to track marketing programs against metrics.

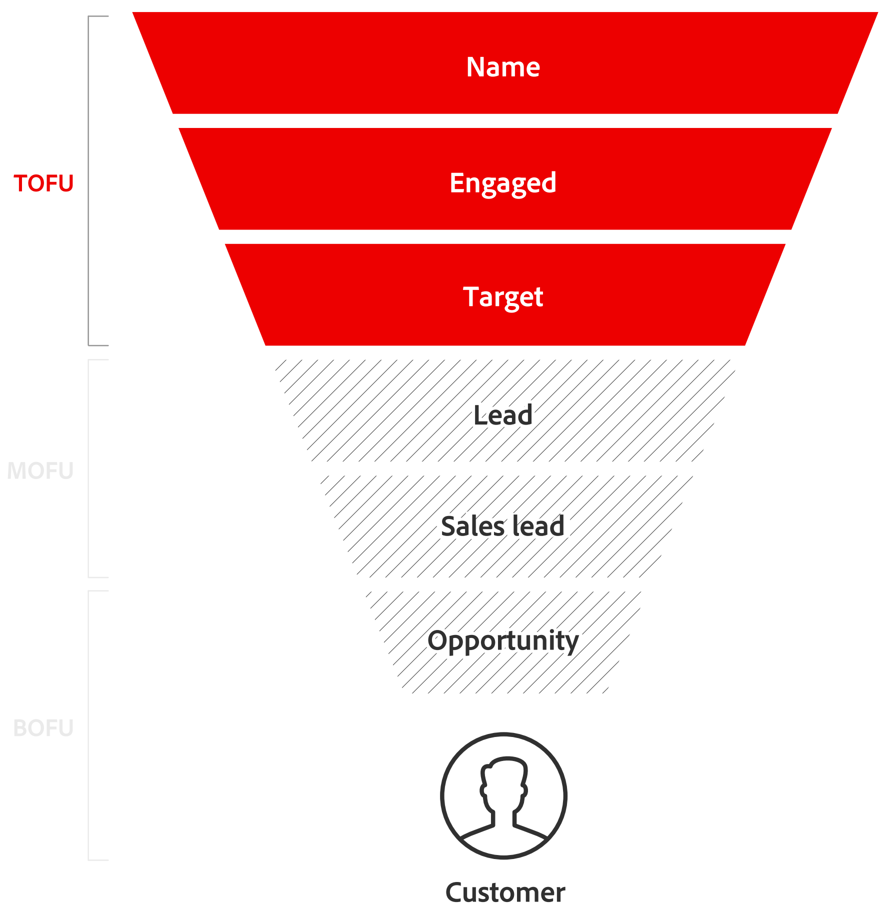
At Marketo Engage, we break our sales funnel up into three parts: top-of-funnel (TOFU), middle-of-funnel (MOFU), and bottom-of-funnel (BOFU).



Top-of-funnel (TOFU):

A person in this buying phase is at the beginning of your sales and marketing funnel. They are aware of your product or service, but they're not ready to buy. We actually break the TOFU stage down further, into three subcategories:

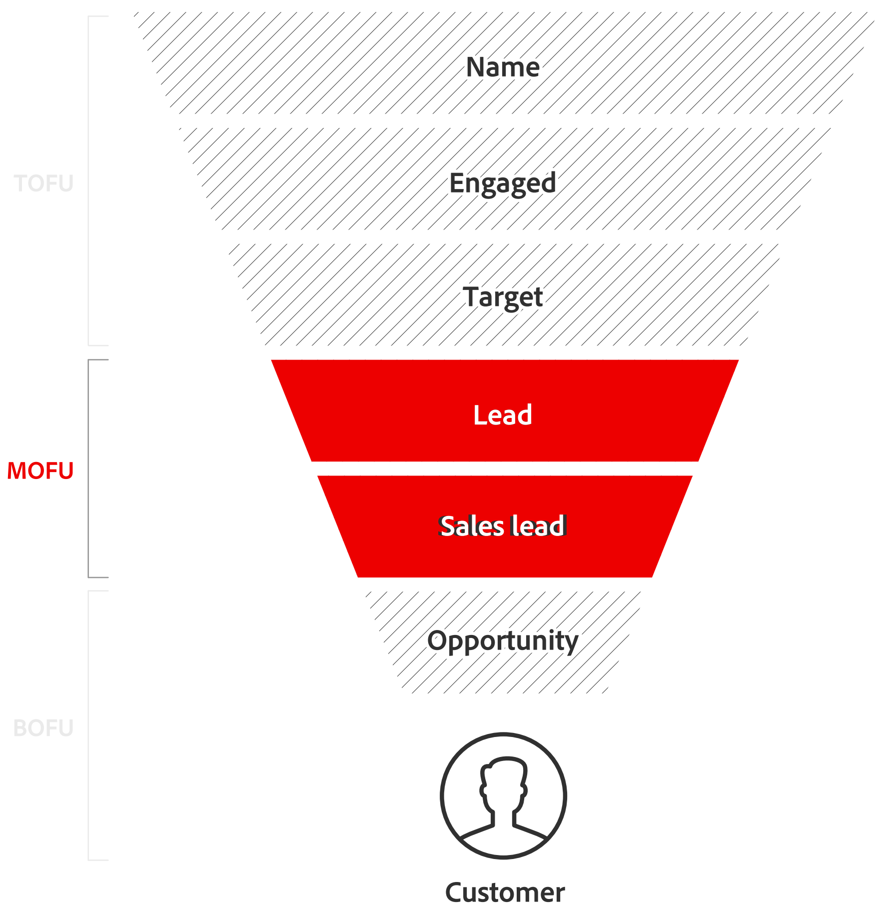
- **Name:** Names have officially entered our database, but they have not engaged with our company. Names are just names—they are not leads. *Example: Names you've collected from a tradeshow booth.*
- **Engaged:** Engaged individuals have had a meaningful interaction with our company. *Example: Someone who has downloaded an eook.*
- **Target:** Targets have been determined (via lead scoring) to be qualified buyers. *Example: Someone who has downloaded an eook, AND fits your buyer profile—at Marketo Engage, this might be a VP of marketing.*



Middle-of-funnel (MOFU):

A person in this buying phase is engaged with your content, has displayed buying intent, and is potentially a sales lead. We break MOFU down into two subcategories:

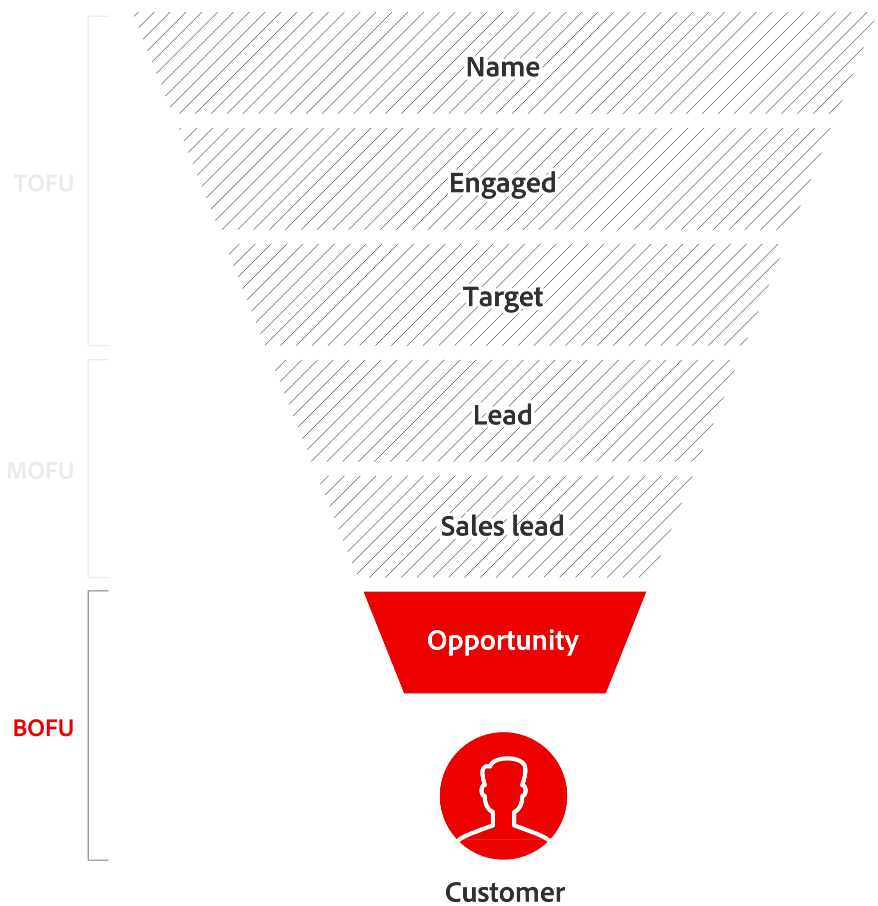
- **Lead:** At this stage, a target officially becomes a lead (based on scoring criteria).
- **Sales lead:** If sales determines that the lead is a qualified buyer, a rep passes the lead to an account executive, making the lead an official sales lead.



Bottom-of-funnel (BOFU):

A person in this buying phase is close to becoming a customer. We break the BOFU stage into two subcategories:

- **Opportunity:** Leads at this stage are sales accepted and are actively being worked by sales.
- **Customer:** These are closed-won deals.



Key marketing program metrics

Now that you have a good sense of how your sales funnel works, you'll want to create measurements that report on and map to each stage. So what are the key demand generation metrics that every marketer should track?

At Marketo Engage, our demand generation team tracks the following key high-level metrics when they are running reports:

- **Program successes:** The number of people who took an action we wanted them to take within a program. An example of this would be "attended a webinar," "clicked on an email," or "downloaded an ebook." These successes could be new, or might already exist in our database.
- **Targets:** As we covered in our sales funnel section, these are qualified new names brought in by a program. They must meet a minimum demographic score and have completed a relevant action—such as "attended webinar."
- **Marketing qualified leads (MQLs):** These are leads that meet a certain score threshold—whatever score marketing and sales have agreed upon.
- **Opportunities:** These are the right people with buying intent. If someone qualifies as an opportunity, it means a sales account executive thinks they might become a closed-won deal with an associated dollar amount.

Evaluating programs

After each of your demand generation programs, whether it is an email sent to your database or a huge event, you need to do an evaluation of your success. This helps you report out on metrics to your C-suite and decide whether or not you will engage in the same activity again.

There are three main things to keep in mind when evaluating your programs:

1. **Evaluate programs against metrics that matter:** This means you should be measuring beyond vanity metrics that answer the question of "how many___." Instead, you should be looking at the amount of pipeline generated compared to a program spend, and the program's investment per qualified new lead.

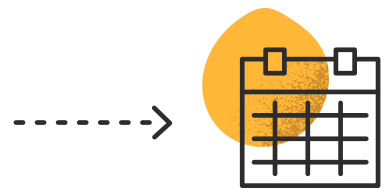
2. **Your metrics should go beyond the first touch:** Traditionally, marketers have only measured first-touch (FT) attribution for their programs, meaning the credit for the deal is given to the program that first brought the lead in.

   Today, marketers should be tracking first-touch in addition to multi-touch (MT) attribution, which examines the value of every marketing interaction with an account in terms of driving opportunities, pipeline, and revenue. Multi-touch attribution shows you how all of your programs work together. For example, some programs may excel at bringing in new leads, while others are more effective at deal acceleration.

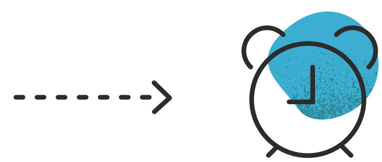
3. **Look at programs at different points in time:** Some marketers only measure their programs immediately after deployment. In doing so, they miss out on some pretty critical metrics. We suggest looking at metrics during the following phases:

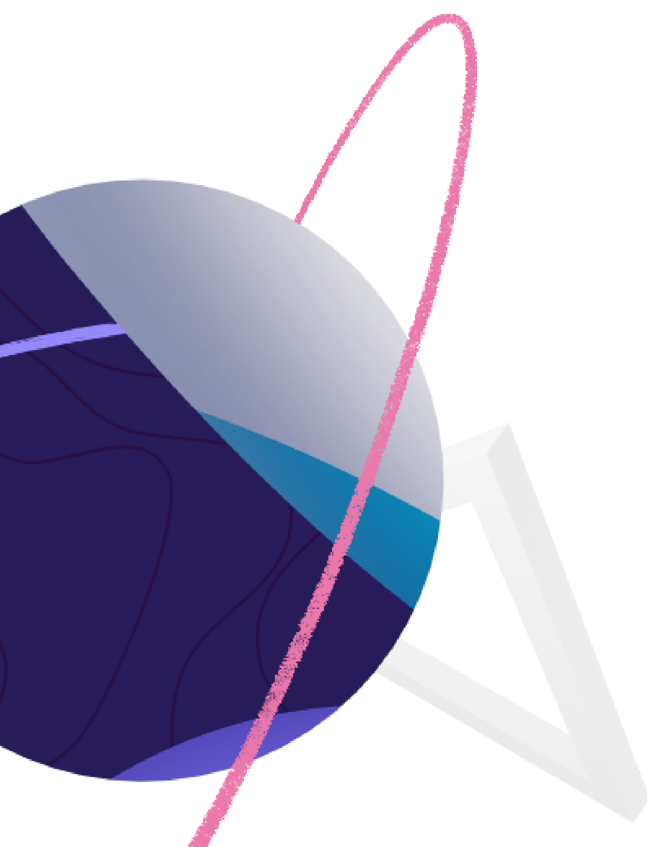
- **Immediately:** Did you get the responses you expected? Look at successes, targets (qualified leads), investment per target, demographic score, and so on. And if you didn't get what you expected, correct.

- **Two to four months later:** Did your program generate any opportunities? It might take 2–4 months (or more) for opportunities from your program to begin popping up. Look at your company's historical data to get a sense for when you can expect to see opportunities.



- **Periodic reassessment:** You will likely be getting successes and opportunities way beyond the initial program deployment, especially if it's a longer tail program (like a big event or a large content effort). Make sure you are constantly assessing how each program is doing over time.





The essential eight top reports

Now that you have a background on why you should create reports and the types of metrics you should consider reporting on, it's time to start reporting. But where to begin? Every organization will have different reporting needs, but here are the reports we consider essential:

1 TOFU lead analysis

The top-of-funnel metrics are the first metrics you use to evaluate a program. Opportunities take a while to develop, but there are plenty of other metrics that matter during this stage. TOFU lead analysis metrics include program investment, essential eight top reports of new names, total successes, total targets, investment per target, and average demographic score. All of these metrics can be tracked in your marketing automation platform.

Keeping track of these metrics answers three questions:

1. Which programs bring in targets or leads most cost-effectively?
2. Where are we exhausting our lists?
3. Which programs are bringing in the highly-qualified leads?

Let's take a look at all of this data in an example:

Where are we exhausting the lists?

Which programs are bringing in the highly-qualified leads?

Which programs bring in targets or leads most cost-effectively?

Program name	Program cost	Members	% New names	Success total	Target	% Target	Cost/ target	Avg demo
Program A	$9,375	2,911	70.6%	712	362	18%	$26	3.50
Program B	$1,000	221	80.1%	221	175	99%	$6	1.45
Program C	$1,000	218	69.7%	712	144	95%	$7	2.33
Program D	$514	97	79.4%	221	70	91%	$7	3.77
Program E	$1,317	198	89.4%	712	176	99%	$7	1.36
Program F	$14,500	2,702	64.1%	221	1,628	94%	$9	2.44
Program G	$611	93	75.3%	712	69	99%	$9	3.50
Program H	$1,625	207	78.3%	221	153	94%	$11	1.45
Program I	$17,500	3,084	54.7%	712	1,641	97%	$11	2.33
Program J	$700	166	33.7%	221	53	95%	$13	3.77
Program K	$1,342	135	77.8%	712	104	99%	$13	1.36

Looking at this chart, we can see that we still get a good percentage of new names from our Program B-sponsored emails in the second row (80.1 percent are new names), but we are starting to exhaust our list from Program I (54.7 percent) and Program J (33.7 percent).

So which program brings in targets or leads most cost-effectively? At six dollars per lead, Program B-sponsored emails are actually bringing in the most cost-effective leads on the chart.

Finally, which programs are bringing in the highly qualified leads? Programs D and J had the highest average demographic score, which means that the leads we got from those programs fit the profile of what we're looking for.

2 MOFU opportunity analysis

Once our leads start turning into opportunities from our programs, we can begin determining whether our programs are worth the investment. Through Revenue Cycle Analytics of Marketo Engage, we can track those FT (first-touch) and MT (multi-touch) metrics that we spoke about earlier. In this report, we look at:

- Program costs and successes
- New names
- Investment per FT opportunity created
- FT pipeline created
- FT revenue won
- FT pipeline to cost
- FT opportunities won
- Investment per MT opportunity created
- MT opportunities created
- MT pipeline created
- MT pipeline to investment
- MT revenue won

Tracking these metrics helps us answer the following questions:

1. Which programs created the most pipeline for the investment?
2. Which program was the lowest investment per opportunity?

Let's take a look at these metrics on paper:

Check # of opps to make sure the number aren't skewed by just one high-dollar opportunity.

Which program has the lowest cost per opp?

Which programs create the most pipeline for the spend?

Program Name	Program cost	Success (total)	New names	Opps created	Cost/Opp. created	Pipeline created	Revenue won	FT pipeline to cost	MT pipeline to cost
Online Ad A	$1,526	555	463	2	763	327,200	18,787	221	252
Virtual Event B	$10,000	765	2,087	5	2,128	1,266,230	3,160	127	15
Webinar C	$1,997	777	300	5	444	218,497	—	109	96
Webinar D	$5,000	1,275	1,326	6	909	431,849	27,000	86	43
Online Ad E	$26,998	2,831	1,594	91	297	2,073,468	1,034,897	77	97
Webinar F	$1,199	645	121	5	240	82,636	450	69	269
Tradeshow G	$2,500	18	65	1	1,875	127,297	38,189	51	15
Online Ad H	$4,750	304	53	0	12,091	190.618	92,786	40	33

We know that our webinars (third, fourth, and sixth rows) are doing fantastically and have the lowest cost per opportunity of any of our programs. We also know that our online ads create the most FT pipeline for our spend, and that our webinars and social ads create the most MT pipeline for our spend.

This report also tells us what *isn't* doing so well. When a program isn't performing, you have to ask yourself—should we still be running that program?

3 Program channel performance

You can also look at channel performance to determine what channel is best for opportunities and targets. Remember the sales funnel? A target is a lead who is earlier in the funnel; later in the funnel, once that lead has been qualified by sales, the lead becomes an opportunity. By running this type of channel performance report in Revenue Cycle Analytics of Marketo Engage, you can determine the number of targets you've created per channel, as well as cost per target, percentage of opportunities, and days to opportunities.

Program channel	Targets	Cost per target	Percentage of opp	Days to opp
Spnsored Email	127,134	$23	0.7%	304
Inbound/Web	43,865	$—	8.4%	170
Webinar	22,120	$37	4.0%	417
Tradeshow	20,866	$75	7.8%	569

Let's take a look at our sponsored emails in the first rows. We can see that although sponsored emails earn the most targets and have a relatively low cost per target, the percentage of targets that turn into opportunities are the lowest on the report (0.7 percent), and the days to opportunity is high.

But then take a look at our inbound and web channel in the second row—a good number of targets, at zero cost per target. We can also see that 8.4 percent of targets turn into opportunities, and that there are only 170 days to opportunity creation. For your business to succeed, it is critical to understand which channels are your top performers. Let's say your CEO surprised you with a $50,000 budget increase—would you know where to spend it?

4 Group by vendor or channel for more insights

If you're running a lot of paid programs, examining each program line by line doesn't give you a very good sense of how different vendors stack up against each other. At Marketo Engage, we examine our paid program vendors side-by-side, consolidating the data across vendor and channel for better insights.

Here's an example of how this looks:

Vendor	Channel	Total cost	# Program	Total FT opp.	Cost / FT opp.	Total FT pipeline	FT ratio
Vendor A	Online Ad	$26,665	1	90	$296	$1,981,705	74
Vendor B	Online Ad	$5,167	3	2	$2,584	$217,268	42
Vendor C	Virtual Tradeshow	$51,250	5	16	$3,203	$1,515,000	30
Vendor D	Webinar	$2,000	1	1	$2,000	$30,805	15
Vendor E	Online Ad	$4,365	2	1	$4,365	$49,500	11

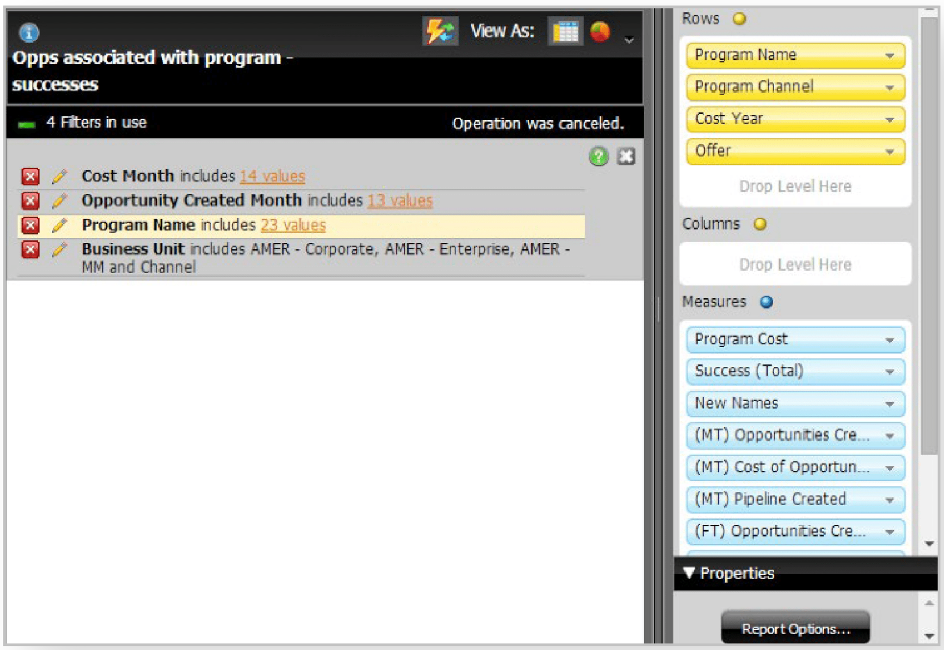
Channel	Program cost	New names	CPNN	Opps. created	Cost / opp. created	Pipeline created	% Pipeline connecting to revenue	FT ratio
PPC	$573,898	13,459	$50	208	$3,239	$9,617,687	25%	14
Social Media Ads	$38,554	16,664	$2	35	$1,096	$1,348,344	215%	35
Webinar	$200,574	16,175	$12	78	$2,571	$2,294,500	6%	11
Online Ads	$837,603	59,349	$24	87	$9,398	$2,755,287	8%	3

As you can see in the first report, Vendor A had the lowest cost per opportunity, and contributed the most to FT pipeline—that's a vendor you'll want to use again.

In the second report, social media ads had the lowest cost per new name, but PPC contributed the most to pipeline.

5 Content program performance

With paid programs, whether you're running a content syndication program or a sponsored email list, content performance is particularly important. Paid programs give you access to a vendor database of leads that fit your specific criteria but aren't already in your own database. You want these leads to engage with your brand by providing high-value content, but what content works for which audience?



The Revenue Cycle Analytics program successes of Marketo Engage

The above report is a screenshot from the Revenue Cycle Analytics program of Marketo Engage. This report helps marketers determine what asset (content offer) works best across all of your programs with a specific vendor. This report measures program successes, new names, FT opportunities, and MT opportunities.

If you dial into the data deeper by exporting an Excel file, you can deduce what offer has performed the best so you can continue providing similar content to that vendor.

Vendor A

Program name	Offer	Program cost	Success	New names	FT ratio
Online Ad	5K—Marketing Metrics Success Kit	12,000	1,048	593	1
Online Ad	CS—Content Marketing Cheat Sheet	7,500	1,875	1,068	7
Online Ad	Graduated from Email Marketing to MA	13,500	428	200	2
Online Ad	WP—Amplify Your Impact: How to Multiply the Effects...	110,000	644	320	8
Online Ad	CS—Lead Scoring Checklist	110,000	1,248	585	12
Online Ad	eBook—The Definitive Guide to Marketing Metrics and Marketing Analytics	100,000	1,343	945	9
Online Ad	eBook— The Definitive Guide to B2B Social Media	13,500	1,746	1,087	12

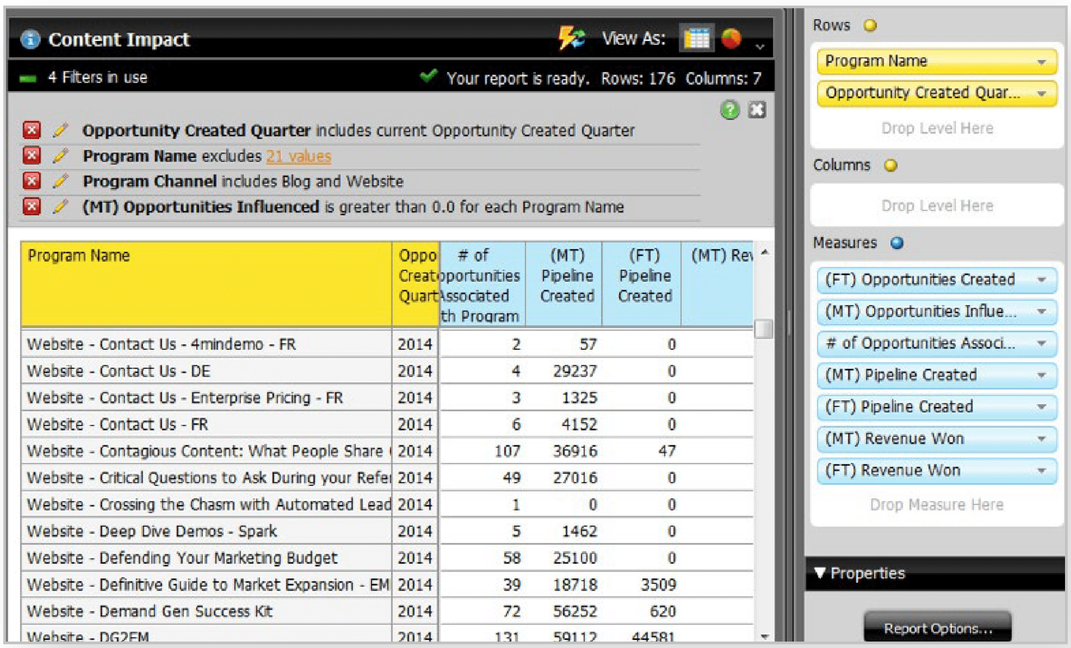
In the report above, you can see the program name (in this case these are all online ads), the names of the content assets we offered, program cost, total program successes, number of new names, and the FT ratio.

The FT ratio is particularly important and is determined by dividing the sales pipeline created by the total program investment. For us, above a 10 is excellent, above a seven is good, and above a five means the investment is at least positive ROI. For these online ads, we can see that the most effective content was our lead scoring checklist, and our *"Definitive Guide to Social Media."*

6 Content impact through first-touch and multi-touch analysis

In addition to determining how content performs on your paid channels, you also want to get an overall picture of content performance across all of your marketing.

Using Revenue Cycle Analytics of Marketo Engage, you can track opportunities created and won, FT and MT pipeline created, and revenue won. This gives you a sense of what is performing the best overall and driving customers to purchase.



The Revenue Cycle Analytics content report from Marketo Engage.

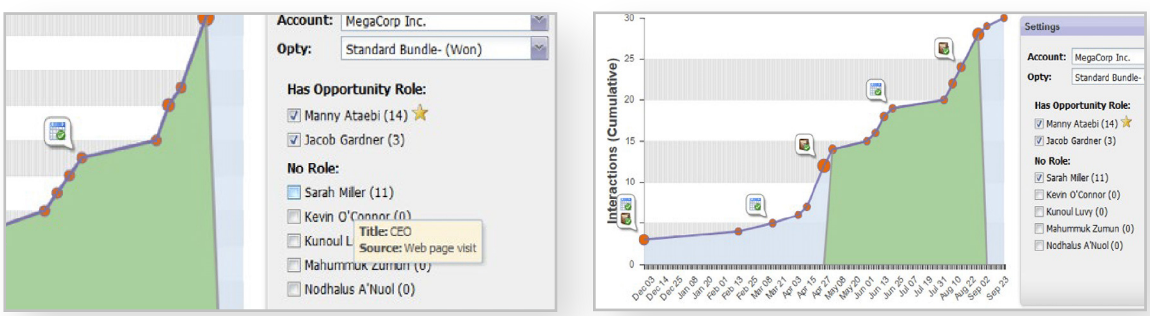
You can slice and dice the data any way that you want. In this screenshot, you can see that The Definitive Guide to Event Marketing (and place in italics please) has done particularly well in this quarter, with a high number of opportunities, FT pipeline, and MT pipeline created.

7 Opportunity influence

Data has shown that today, seven touches are needed to convert a cold lead into a sale. In B2B sales, a typical buying committee has between five and 21 people—that's a lot of people for marketers to reach! That's why it's important to track opportunity influence, to determine all of marketing's touches throughout the lead lifecycle.

Opportunity influence tracks not only touchpoints with the decision-makers, but also the influencer touchpoints as well. Remember first-touch (FT) vs. multi-touch attribution (MT)? Tracking opportunity influence typically shows both.

Let's take a look at what we mean. In the graph below, the Opportunity Influence Analyzer of Marketo Engage shows you interactions with the decision-makers in an account over time. The blue portion represents the lead's account before the lead becomes an opportunity (remember our funnel); the green shows the lead's account after. With only one touch from marketing before the opportunity was created, you might get the impression that marketing had little effect on this account.



The Opportunity Influence Analyzer of Marketo Engage.

But because this is a B2B account with multiple influencers and decision-makers, there are other names associated with the account. If you hover over Sarah Miller's name (see chart above), you can see that she's the company's CEO.

And if you check the box beside her name, as in the chart below, you get a whole new picture. Marketing influenced Sarah many times over the course of her lead lifecycle. She has downloaded eBooks, visited the blog, and attended a webinar.

As this demonstrates, to truly track program effectiveness, you have to track marketing's influence over the history of the entire account.

8 Pipeline to investment

To dial in deeper to all of your marketing programs, you can track the investment, FT opportunities, and MT opportunities created from each channel. You also want to track your MT ratio—pipeline divided by investment—so you know what works and what doesn't. At Marketo Engage, we characterize ratios higher than 10 as good programs, higher than seven as OK, and programs fewer than 5 as "not so great."

Program channel	Investment	(FT) opportunities	(MT) opportunities	(MT) Ratio
Website	$0	1,247	1,925	N/A
Paid Online (PPC+Email)	$3,919,554	889	1,093	8.4
Webinar	$594,110	228	510	25.8
Nurture Email	$15,750	19	472	898.3
Tradeshow	$1,276,977	426	353	8.3
Nurture Email-CTA	$26,665	13	250	280.8
Micro-Event	$689,858	87	145	6.3
Roadshow	$470,119	80	119	7.6
Sales Outbound	$0	1,058	106	N/A
Blog	$0	25	103	N/A
Nurture (New)	$0	0	72	N/A
Content Syndication	$483,264	57	63	3.9
Virtual Trade Show	$329,825	128	58	5.3

A pipeline generation report from the Revenue Cycle Analytics of Marketo Engage.

Our pipeline generation report, created in the Revenue Cycle Analytics in Marketo Engage,, shows that on average, 52 percent of the marketing programs of Marketo Engage own marketing programs are above a seven. We can see that some of our programs aren't working as well, and we know what needs to be fixed. For example, we know that webinars perform fantastically, with an MT ratio of nearly 54. Tradeshows are a 6.9, sponsored emails a 3.8, and content syndication a 9.6.

Conclusion

Now that you've seen Marketo Engage's "Essential eight," we hope you'll be inspired to take your own deep dives into the world of metrics and reporting. We've found that these reports enable marketers to own their own successes, get visibility into their challenges, and present their findings confidently to the C-suite.

With these essential reports, you'll be poised to demonstrate that marketing isn't a cost center—it's a revenue driver.

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