



MASTER YOUR MARKETING ROI —HOW TO DELIVER AND MEASURE REVENUE GROWTH



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INTRODUCTION

Proving marketing ROI and delivering growth are arguably the biggest challenges for CMOs and marketers today.

The marketer's job description is made harder by the issue of credibility, and often failing to prove those all important marketing metrics to CEOs and business leaders.

It's time to put those difficulties behind you.

In this e-book, we go through how to deliver and measure revenue growth, in an effective and credible way, ensuring your efforts get the recognition they deserve and proving that marketing can deliver.

01

HOW MARKETING DRIVES
REVENUE GROWTH



HOW MARKETING DRIVES REVENUE GROWTH



Today’s marketers are operating in a volatile market. CMOs are constantly battling rapidly changing consumer expectations, dynamic markets, increasing complexity in marketing channels, and if that wasn’t enough, the challenges of having very limited resources to work with.

To add to this scenario, there’s a constant need for innovation to unlock untapped value in the longer term.

Your biggest marketing challenge: revenue growth

Arguably, the biggest challenge for today’s marketers is indeed tapping into opportunities to drive revenue growth.

In a [study by Deloitte](#), 53 per cent of chief marketing officers (CMOs) surveyed feel pressure to achieve revenue growth for their business. This was also the biggest change they noted in regards to how their team’s responsibility has transformed over the past few years.

Why is it so hard to prove ROI?

Marketing has been one of the last business functions to integrate its data, processes and systems, which has created tremendous fragmentation and complexity in proving ROI.

A [study by Fournaise](#) found that most CEOs think marketers lack business credibility and are unable to demonstrate ROI. In comparison, those same CEOs value and trust 90 per cent of the work their CFOs and CIOs execute. The core of this issue seems to be that they feel marketers are too far removed from the core purpose of their job: to generate consumer demand for their products and services in a quantifiable and measurable way.

Failing to deliver on what matters

This is unsurprising considering that 77 per cent of the business leaders in the study said marketers often talk about brand, brand values and brand equity when senior management has difficulty linking these elements back to revenue, sales and EBITDA. Clearly, marketers need to earn more credibility in their field and perhaps improve their influencing skills.

One barrier is that the customer’s buyer journey is split across product, sales and service. This is why it’s crucial to agree on a clear revenue target with the senior leadership team.

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3 ways to drive business growth

1. Own the customer experience

Businesses today need to own and leverage the customer experience to be able to champion top-line revenue growth.

New advancements in real-time customer feedback and monitoring tools means that today's clued-up marketers can truly understand customer behaviours and listen to customer feedback on their products and services. This is hugely beneficial as it will give you valuable insights into where you can make improvements and drive additional growth.

New technologies such as social multi-channel marketing, mobile and predictive analytics all create a holistic experience for customers. This experience is what builds real customer loyalty and, in the long term, profitable growth, which means increased value for stakeholders.

Personas to help you understand your target audience

Personas help you to not only understand your customers better, but subsequently generate more leads and create more relevant offers that your target audiences will be interested in, plus facilitate authentic conversations for your brand.

It's important to embrace the new buyers of today and understand how you can adapt to their needs. They know more about what they're looking for than ever before, they've researched it all beforehand, and completely changed the way they decide what to buy and how to buy it.

The biggest opportunity today is personalisation. By being able to leverage available technologies, marketers can treat every prospect and customer as an individual. Best of all, this can be done using anonymous profiles that protect consumer privacy.

2. Measure and track marketing ROI

Reliable data-based insights have become ever-more important, ever since data acquisition became one of the key priorities for businesses today.

Success in this arena relies on bringing the data together to create a clear picture of what influences the customer journey and buyer decisions. That is exactly what integrated, real-time marketing applications are all about, which is precisely the view that your CEOs and leadership teams are after.

Thanks to tools such as real-time brand monitoring, you can aggregate and analyse data to understand consumer trends and immediately pivot around them. Importantly, we are able to demonstrate the impact of marketing campaigns and deliver the hard facts and figures that the boardroom wants: data on revenue, sales and EBITDA.

3. Think revenue cycle—not sales cycle

We need to replace the “sales cycle” thinking with that of a greater revenue cycle. The new reality marketers need to face is that the buying cycle has fundamentally changed.

Online marketing has changed the traditional sales cycle model, where marketing generates leads and sends them over to sales to “close” through a measured funnel. Now, the cycle begins with the first interaction a potential buyer has with your company, and (in an ideal world) ends when they become a happy customer—even a repeat customer who refers you to their friends and family.

Today, we can segment marketing down to minuscule levels, and target our audience with specifically tailored content through search engines.

We need to establish an infrastructure where sales and marketing are fully integrated and equally responsible for generating growth. Measuring revenue needs to be a key priority for marketing, where the crucial aspect is to view all marketing and sales activity as equal parts of a greater revenue cycle.

02

THE TWO MAJOR DRIVERS
OF MARKETING ROI



THE TWO MAJOR DRIVERS OF MARKETING ROI



When you're measuring marketing return on investment, the decision of what to measure should be set during the strategic planning process, before finishing the final marketing plan. If you prioritise what to measure, you are able to build in the appropriate techniques to generate rich insight.

Don't forget contributing ROI drivers

ROI, engagement rate, conversion rate are useful measures, but there are other, important contributing ROI drivers that you may not have considered.

Elements such as creating customer awareness, brand advocates, and building the community which drives earned engagement for marketing campaigns are all interconnected and need to be looked at and understood in order to fully gauge your ROI.

These elements are crucial in the long term to build the awareness and customer support needed for profitable growth.



Key contributing ROI drivers

Consider including the following two elements as a part of your greater ROI, which ideally also are included in the marketing KPIs, as they form a part of the whole marketing picture.

1. Customer retention and customer satisfaction levels

These measures determine the success rate in keeping customers loyal and building repeat business, and additionally how happy your customers are. Are they happy enough to share their satisfaction to build word of mouth? These elements can be measured through, for example, the Net Promoter® Score.

2. Employee engagement and retention

Does your company actively empower employees to succeed and do you know how well can you retain them? Understanding the flow-on effect to customer satisfaction levels is imperative. This is also a measure in which you can utilise the Net Promoter Score.

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Does your company actively empower employees to succeed?

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03

MAKING A BIG IMPACT
WITH A SMALL
MARKETING BUDGET



MAKING A BIG IMPACT WITH A SMALL MARKETING BUDGET



Regardless of the size of your business, managing a small marketing budget will always be something marketers need to manage. Many small or medium business owners or entrepreneurs may be exceptional to run their business but know little about how to drive effective and profitable marketing.

SME marketing challenges to overcome

A big challenge for small and medium-sized businesses today is using the budget and resources of a small company to achieve the impact and presence of a large brand. Knowing where to place limited resources for maximum effectiveness is a common conundrum for SMEs.

SMEs have to choose between SEO or SEM marketing, content marketing, blogger outreach, social advertising, and a whole host of other options and combinations. Knowing which channel will be effective is the key to success, but is often out of reach for most SMEs.

This is where market segmentation can become a key tactic in defining your targeting—and it's not an effective process to attempt on your own.

SME business fails to avoid

SMEs or new start-ups often make the mistake of trying to do it all themselves, landing them in hot water when their efforts are not successful.

Companies make the mistake of paying for expensive marketing agencies that aren't able to use cost-effective, low-budget marketing. It requires a highly efficient, specific frame of mind and previous experience to understand how to get the most out of a smaller amount of capital.



Small budget marketing strategies

1. Clever budgeting

Creating an intelligent budget is the most important thing you can do for your business. Especially when it comes to marketing. It's probably more important to create a sensible budget than knowing how to spend it. Figure out what works for you by looking at focusing your resources towards channels that align with business objectives, your specific target segments, growth probabilities and ROI potential.

2. Leverage digital marketing

If you haven't already. It is not only cost effective these days (if you do it correctly), but also it's highly measurable. You can measure exactly what part of your budget is working and what part isn't, and then adjust the numbers accordingly.

3. Leverage interns

To get around the challenge of not having enough resources to implement the budget, consider hiring interns (by appealing to their need for experience), especially for areas such as administration and social media. Even so, make sure they have enough maturity, street smarts and linguistic skills, to be able to write about your brand intelligently. Remember to have a very clear brief with detailed outcomes so that you can use their input efficiently and productively.

4. Website tips

Make your website user-friendly, including only the important elements of your business. The key here is to build your website for your customers (not designers), so knowing them well (for example through having done solid marketing segmentation) is crucial.

Try to invest in narrowly focused low-cost pay per click search terms. Give some valuable information away for free to your potential customers to increase your website stickiness. Start your own blog in the brand voice that talks about subjects important to your audience—and keep it updated.

5. Social media tips

Share your social media channels on any marketing materials you send out and allow visitors to share your stories to their networks. Leverage LinkedIn, Twitter and other relevant sites to communicate with your target audience.

To begin with, focus on only a couple to be able to concentrate your attention and be more credible. Talk about subjects that are relevant, but stand out by having a unique point of view and create some noise. If you are targeting a B2B audience, become a trusted advisor and choose a niche where you can become an expert.

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04

THE POWER OF HIGH-QUALITY DATA



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To be able to develop a solid strategy that helps drive your business objectives, you want to have an in-depth view of how your brand is currently received in the market. You'll need to know your status quo before knowing what steps you need to take to move forward. And you need to monitor and measure your brand performance on an ongoing basis.

When measuring marketing ROI, or any marketing efforts for that matter, the most important element to any piece of measurement is data, and the quality of data that you collect will have a big impact on your insights overall.

Data is a key driving force to marketing efforts

Data and insights should always be the driving force behind your marketing efforts, no matter its source. It could be pulled from "big data", or by ongoing brand monitoring. By understanding what channels and touchpoints your customers actively engage with, you'll be able to build a solid strategy.

Hence, it's important to not only get insights but to get the right insights. You will need in-depth insights, about your market, your current brand position, the sentiment of your customers and brand awareness.

With these insights, you can adopt the right marketing strategy to reach your KPIs and grow revenue.

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Questions that determine your metrics to measure

- » Where and how are you positioned in the market currently?
- » How is your brand perceived by your customers currently and over time?
- » Which marketing initiatives are performing well and which ones aren't?
- » Have your marketing efforts paid off?
- » What are your competitors doing and what do you need to do to be competitive?

These measures will all help you to adopt the right brand strategy to reach your business goals, whatever they might be.

The right insights to drive sales

Having the right insights helps you to be relevant for your customers and cement you as a leader in your industry in their minds. Furthermore, you will know which of your marketing efforts work, and which don't, so you know what to invest in next time for maximum impact.

By knowing your current position and getting clear on what exact measures you'd need to take to improve your marketing activities, you'll be able to drive authentic and consistent conversations with your target audience. In the long term, this will lead to results in terms of more sales and growth.

05

HOW TO MEASURE MARKETING ROI



HOW TO MEASURE MARKETING ROI



In a survey of global marketing leaders [Deloitte](#) found that CMOs rely on three marketing metrics above all others to measure success: ROI, engagement rate and conversion rate. The problem is, not everyone agrees that these metrics provide robust and credible insights. It leaves us left asking, how can we prove the efficiency of these metrics to convince naysayers otherwise?

Here, we'll go through each metric and discuss what you can do to validate them in the eyes of your critics.

1/ ROI: four measures to capture revenue

There are four main measures you can use to capture and analyse sales and revenue. Each is designed to measure different goals and KPIs. The one you choose will depend on your strategy.

1. **Direct tracking:** for example, measure the impact an email campaign has on online purchase behaviour.
2. **Trend analysis:** a good example of this is to compare sales levels before and after a marketing initiative.
3. **Market testing with experimental design:** this might include A/B testing (using a new marketing tactic in-market against a control group that receives business-as-usual marketing) to determine which generates the most sales and revenue.
4. **Marketing modelling:** for example, using [marketing mix modelling](#) to identify incremental sales by a specific channel.

2/ Engagement rates

On its surface, engagement is not about ROI. Its purpose is to understand whether customers are reading, clicking, liking and sharing your content. How frequently are visitors returning to your website and social channels? Are they asking questions or commentating on your posts? Are they connecting with other community members? There's a lot to track. Thankfully, there are advanced tools that can bear the brunt of this work for you.

Underneath, engagement is more than measuring traffic and conversations. High engagement correlates to positive customer experiences, which in turn [drives greater brand loyalty, sales and profits](#).

An important engagement measure is email engagement as this is a key marketing tool for driving traffic to your website. In the US, ROI for email is at [4,300 per cent](#), however, it is important to realise marketers only look at an email's open and click-through rate—not the time spent reading and engaging with the content. Take into consideration that of all the emails that are opened, over half are open for [less than two seconds](#), and it's easy to see how results can be skewed.

This is why it's important to track your email engagement data, and it is something that advanced CMS tools can help with. There are limitations to this approach, however with enough analysis and testing it can still provide a deeper understanding of how your audience engages with your email marketing and how to improve your content to drive engagement further.

3/ Conversion rates

Conversions can be actions such as filling out a lead form on one of your landing pages, completing a checkout on an e-commerce site or a pricing request on your website.

Measuring the conversion rates of your audience as they progress down the funnel from marketing leads to sales-ready leads is a critical part of determining ROI. Moreover, it also helps measure the effectiveness of your marketing and sales teams—and their campaigns.

It's also worth monitoring conversions across all your different channels and comparing these to evaluate which media is the most effective. Measuring your social media, Google Adwords and email marketing conversions next to those generated from direct and organic traffic to your site, for example, will help determine where to focus your efforts.

Depending on the setup of your site, you can measure conversions directly on your site. Alternatively, you can set up a goal in Google Analytics to track your progress. If you're suffering from low conversion, this can be the result of a bad user experience on your site due to poor design, poor customer offerings, or other content that does not engage your visitors.

Consider giving your website a once-over and calling in an expert hand if needed—it will be worth the investment.

Beware of the tracking trap

While the growth in marketing automation and tracking means that marketers are able to better track the impact of their marketing tactics, there is a downside to consider.

Beware that what you measure doesn't always provide insight into the incremental revenue and impact of profit accounting for multiple customer touchpoints. What tends to happen is that the media channels that drive the sale (for example offline media) don't get enough credit. This means their ROI becomes deflated and subsequently the final customer touchpoint (as an example, a pay-per-click ad) gets too much credit, which then inflates its ROI.

Also, measures today tend to put too much emphasis on short-term tactics and not strategies that measure and support important improvements (such as a website revamp or customer service training) that help yield sales in the long run.

Take for example, the fact that many of us focus on the ROI of pay-per-click. But consider that in real fact, what we really want to understand is the effectiveness of an integrated marketing campaign, and, the impact this has on your brand.

The best way to achieve this is to measure broader insights such as brand monitoring (in real-time), how offline and mass marketing efforts effect online and paid marketing, and how these elements as a whole impact the consumer's purchase decision.

The need for measurement won't go away

The onus on measuring and improving performance is always going to be the focus for CMOs and marketing teams. The challenge is deciding on what results to measure, getting [the real-time insights you need](#), analysing this thoroughly and strategically, and linking them back to marketing decisions that ultimately improve financial outcomes. Ultimately, what you decide to measure needs to be agreed on by CEOs, senior leadership teams and CMOs alike.

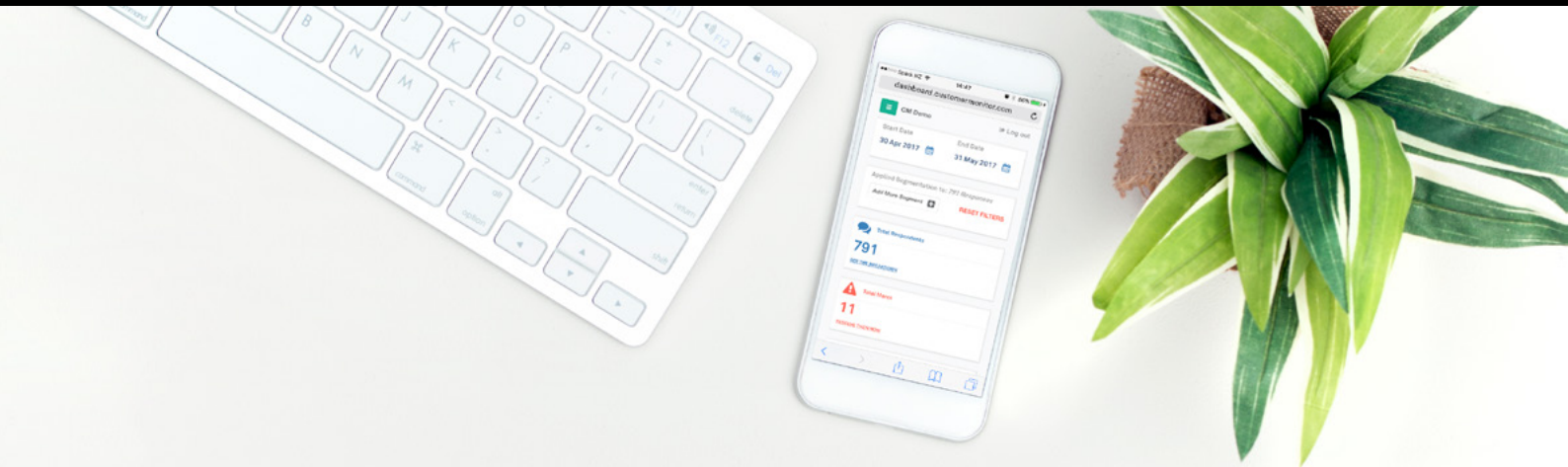
Implementing an [effective measurement program](#) often takes an expert hand in order to ensure that it is smart and focused on the business objectives.





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