



10 Steps to Enterprise Marketing Measurement: A Marketing Executive Checklist

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As the leader of a marketing organization you're under relentless pressure to deliver real business results. But your teams are struggling to manage more marketing channels, more marketing interactions (touch points), more performance data, and more complexity than ever. How can you keep pace with the demand to act upon this avalanche of information?

How will you take the steps needed to increase the quality of the measurement, analysis and optimization you perform across your marketing ecosystem?

Will you implement a consolidated view of your marketing performance across that ecosystem?

Will you take advantage of the synergies and impacts among campaigns, channels, and other business specific criteria that are revealed by that view?

If you do, you (and your CFO and CEO) will have a clear understanding of your enterprise marketing performance. Your teams will be empowered to continually act upon opportunities to improve that performance through more informed optimization strategies.

The following 10 steps present an executive level blueprint for implementing enterprise marketing measurement.

STEP 1: Define your data collection and storage approach

As “down in the technical weeds” as this sounds, all it really means is that you need to make a decision as to how you are going to collect your advertising, response and customer (ARC) data from all the disparate sources where it currently resides (search engines, ad networks, your CRM system/customer database, in store POS systems, in-house spreadsheets, etc.), and decide where you are going to consolidate and centralize an enterprise wide view of that data.

This “data warehouse” can grab all your marketing campaign data, website performance data, planning data, syndicated third party data, and customer data from its multiple sources in order to enable a better understanding of the synergies, impacts and influences of each campaign and channel (both online and offline) on the other. Doing so will provide you with a holistic view of your marketing ecosystem, and will enable the optimization of your future marketing efforts with your organization's marketing success (rather than campaign specific or channel specific success) as the goal. Three possible data warehousing choices include:

1. **Building In-House.** Warehouse the consolidated data inside your company. This requires your own IT organization to collect and manage large volumes of data through the use of software, hardware, and talent (people) that they build and maintain themselves. An advantage to this approach is that you are not tied to a specific vendor or agency and can change partners without having to move your data. Consideration should be given to initial start-up costs, time to market, ongoing maintenance costs, data security, internal expertise, and long term strategic corporate goals. These factors must be considered to determine if the time, effort and costs involved in developing and managing an in-house solution outweigh whatever downside exists for outsourcing the management of your enterprise marketing measurement.



2. **Your Ad Agency.** Use your agency to consolidate and warehouse your marketing and customer data. Some agencies have created proprietary reporting and marketing measurement systems that allow for centralized marketing data management. And working with an agency with which you already have a relationship has some advantages. But utilizing an agency that is responsible for buying certain of your media channels to also manage the system that will compare the effectiveness of all your channels may result in a biased presentation or interpretation of that data. And if you work with multiple agencies and/or manage some of your channels in-house, it may not be ideal to have one agency managing all of the data. If you chose to leave that agency, problems may develop as a result.

3. **A Third Party Marketing Analytics Provider.** Use an unbiased third party marketing data specialist to consolidate, manage, and report enterprise marketing performance data on your behalf. A number of marketing intelligence providers automate the collection and warehousing of marketing and customer data, and provide user-friendly interfaces to view, manipulate and interpret that data. But what you need to ensure prior to pursuing this approach is that the provider has significant experience working with data from all the types of sources you'll be providing (search engines, ad networks, analytics providers, CRM systems/customer databases, call center, POS systems, etc.), is flexible enough to be able to incorporate all your unique business rules into the management and presentation of the data, has data modeling and predictive analytics capabilities to apply to your data, and presents data in a manner which is clearly actionable.

STEP 2: Define your key performance indicators (KPIs)

Once you decide on an option for consolidating and storing your marketing performance data you need to define the common set of metrics to be used to measure the success of your marketing efforts – your key performance indicators. This “Ends-to-Means” approach starts with defining the high level business decisions that need to be made across your entire organization as a result of your marketing performance, and then identifying the granular level data needed to support those decisions. For example, if one of your business goals is to improve the marketing ROI on a given product line, you need to collect marketing costs and the resulting revenue broken down by product line and then use those two metrics to calculate the ROI by product line as your KPI. You also must commit to calculating/reporting on the same KPIs across all your channels or campaigns in order to compare the effectiveness of every channel/campaign against each other in an apples-to-apples fashion.

In order to take this ends-to-means approach you MUST involve representatives/stakeholders from all the function areas of the business who will be using the data to support decisions in pursuit of their goals. Only these people can speak authoritatively on what they want to accomplish and what metrics will enable them to measure that success. By involving them you also ensure their buy-in and support of the enterprise marketing measurement process.



STEP 3: Assign granular KPIs to each of your campaigns

Once your organization's business goals and KPIs are defined, the next step is to assign goals and KPIs to each marketing campaign whose performance you plan to track. Defining these metrics will not only enable you to evaluate each campaign's individual performance, but will enable you to learn the impact of each campaign, within each channel, on every other channel/campaign, as well as its contribution to your enterprise marketing success. If available, integrate past campaign data into the mix to better understand performance over time, being sure that the data can be mapped to your current KPIs.

STEP 4: Establish campaign attribute tracking

During the collection and consolidation of data it's important to build the proper campaign attributes framework. You should collect as many data points (campaign attributes) as are available from each of your data sources and include everything that is known about each campaign that could possibly have an impact on its performance, including: target audience, creative, messaging, size, placement, publisher, timing, etc. This information will drive your eventual enterprise reporting and analysis. You should also establish how frequently you will be extracting data from every data source, for the more frequently you grab and update data, the more real time the intelligence and insights you derive from your data will be, and the quicker you can take steps to optimize future marketing efforts based on that intelligence.

For each of these data sources, work with your internal representatives who are responsible for implementing the campaigns that produce the data, to do the following:

- Verify the availability of the data, and identify each of the data elements it contains
- Determine how, and how frequently, to extract the data for consolidating it into your enterprise view
- Make sure there is a place for each data element in your data warehouse
- Define any business rules, calculations or manipulation that need to be applied to the source data when it is consolidated in order to be able to view it in the context of your individual campaign goals, overall marketing goals and KPIs
- Normalize specific types of attributes so they will be matched up when different types of campaigns and channels are compared (for example digital display ad size is an equivalent type of attribute to TV or radio ad duration in time)
- Create business rules to "bundle" certain types of data into categories – such as branded vs. unbranded keywords, personal vs. business types of products, price vs. feature oriented offers
- Build these business rules into the data warehouse to ensure that new data elements are created as the source data is brought into the data warehouse
- Make sure there is a place for each new data element in the data warehouse

It is also vitally important to implement – and pre-test – proper tracking codes on your website and all other marketing channels that adequately isolate specific combinations of campaign attributes in order to be able to link very specific marketing efforts/versions to eventual outcomes.

STEP 5: Integrate your sales data

In order to close the loop on your marketing performance and calculate marketing ROI, you must integrate sales transaction data from all the sources where it exists into your data warehouse. Then calculate ROI back to each channel, campaign and campaign attributes. Depending on your ability to track customer segments, lifetime value (LTV), purchasing behavior – such as recency, frequency and monetary value (RFM) – not to mention a customer's net present value, include these data elements to get a better view of marketing campaign effectiveness and the influence on purchasing decisions and acquiring the highest value customers.

STEP 6: Employ visual scorecards of your marketing performance

Two keys to the success of your enterprise marketing measurement are gaining buy-in from all the internal representatives/stakeholders who will feed, use, and benefit from the enterprise view of your marketing performance, and providing visual scorecards and reports of their performance in achieving their individual, as well as enterprise wide, KPIs.

All too often stakeholders responsible for individual campaigns or channels get bogged down in the minutia of their piece of the larger marketing puzzle. As a result, there can be a tendency to build visual representations that contain unruly and overwhelmingly complex sets of “unactionable” data. Instead, work with the stakeholders to define what data/attributes really matter given their KPIs, and work to build visual scorecards and reports of campaign performance that directly relate that data to those KPIs. Examples of the enterprise marketing intelligence that these visual scorecards should provide include:

- Quantifying the business impact of individual, and overall marketing investments
- Determining which channels generate the most customer interest or engagement
- Establishing which channels generate the most conversions, revenue, sales, ROI
- Identifying complex, multi-channel, multi-campaign or multi-keyword customer acquisition paths
- Discovering which campaign attributes have the most impact on performance
- Revealing the monetary impact that each channel and campaign has on the other, and on enterprise wide marketing success

Be aware that your visual scorecards need to evolve as you gain new insights about your marketing performance, as business goals change, or as your business itself changes – all of which can change the way in which you measure performance. So the marketing intelligence solution you select needs to be flexible and allow for this evolution.

STEP 7: Use your data to calculate true metrics

An enterprise marketing measurement system isn't fully complete, or even accurate, unless it calculates the real impact that each channel, campaign and attribute has on your combined marketing performance. And that real impact must take into account the extent to which each channel, campaign and attribute impacts, and is impacted by, every other channel, campaign and attribute. To determine this impact your solution provider must be able to consider every marketing touch point recorded across every channel, and utilize sophisticated mathematical

algorithms and modeling to calculate how much credit for every conversion/sale/brand metric should be attributed to each marketing touch point.

Once this true attribution is calculated, every marketing performance metric for each channel, campaign and attribute needs to be recalculated into true metrics that reflect their true value in generating sales. The most robust and sophisticated marketing intelligence software products deliver this level of calculation and recalculation right out of the box, enabling you to work with, and base informed marketing decisions on, the data elements you already use to run your business – but simply recalculated to take cross channel, cross campaign and cross attribute impact into account.

STEP 8: Use “top-down” attribution where cookie level data is not available

It is distinctly possible that you do not have “user level” data – meaning data by which marketing touches are associated with a given individual user ID (such as cookie data provided by the online display advertising channel) – from all of your marketing channels. This may be particularly true of offline channel data such as TV, print, radio and out of home advertising. However, a technique called “top-down” attribution actually utilizes algorithmic models and summarized campaign data (non-user level data) that include “time,” “geography” and other variables, to calculate the influence of those channels. Top-down attribution provides several actionable findings that include the “attribution halo” – which is the lift provided by a channel, a campaign, a business unit or a product to other channels, campaigns, business units and products.

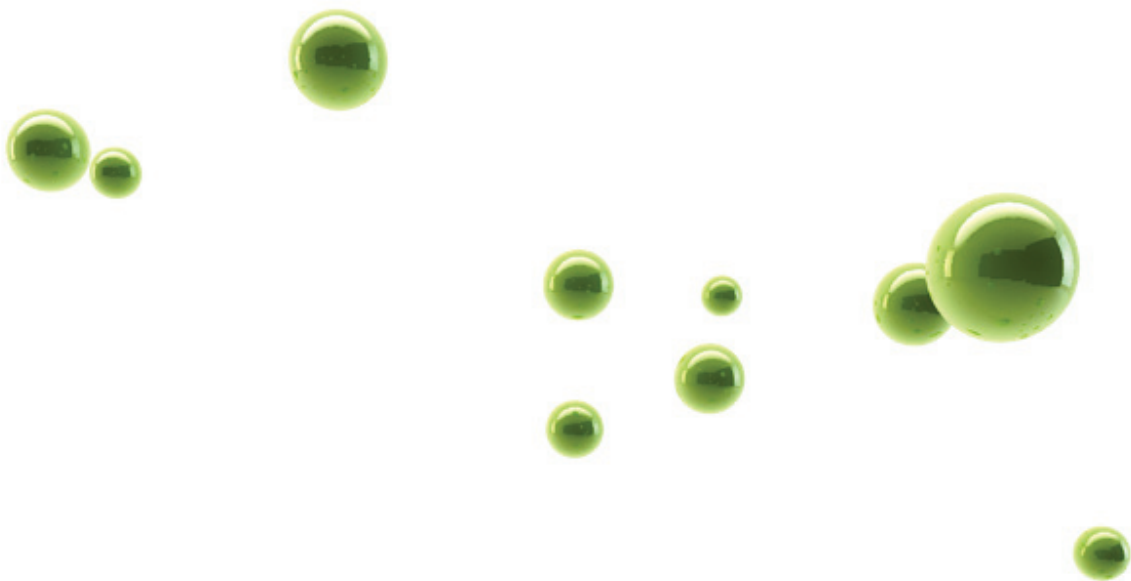
So make sure that when you collect your marketing data you include campaign summary level data – everything you know about the campaigns – from all the sources for which you do not have cookie level data. And make sure that whichever partner you are using can perform top-down attribution using mathematical modeling to calculate its impact.

STEP 9: Use your marketing performance analysis to continually optimize

Once you’ve completed all of the previous steps, it’s time to take action on the intelligence that your enterprise marketing measurement system provides. As long as your visual marketing scorecards and reports are built to use and analyze the most important data – and always focus on your KPIs – it should be very apparent (almost at a glance) which channels, campaigns, attributes and variations thereof are generating the best performance toward achieving your KPIs and business goals. The performance insights and intelligence gained through the analysis provided by these scorecards will illuminate opportunities for optimization of your marketing efforts. This is where predictive analytics come into play, enabling you to run “what if” scenarios to predict the outcomes of future marketing efforts based on reallocating marketing budget to specific channels, campaigns, attributes and combinations based on the past performance of those factors. Based on the results of those scenarios, your organization can continually make adjustments to your marketing investments to become ever more efficient and effective at achieving its goals.

STEP 10: Don't go overboard, but improve over time

Implementing an enterprise marketing measurement system is a continuous, repeatable process, not a one time, set-it-and-forget-it project. Don't go overboard and try to do everything you ever dreamed of doing with it on the day it goes live. Implement it in digestible and manageable chunks that allow your stakeholders to immediately recognize value from it and experience small victories from the intelligence it provides and performance gains that it enables. Be absolutely clear about your business goals and KPIs from the outset, then measure, analyze, learn, and take action on what you learn, and finally, repeat the process in an ongoing optimization loop. This blueprint will position your marketing organization to measure its performance more accurately than ever before, make more informed marketing decisions, take optimization actions that will result in more predictable outcomes, and drive significant increases in your overall marketing ROI.



About Visual IQ

Visual IQ produces the world's most powerful cross channel marketing intelligence software. Our hosted IQ Intelligence Suite reveals cross channel performance insights hidden within companies' marketing data, driving actionable recommendations to improve marketing effectiveness.

These enable marketers and agencies to adjust their advertising strategies and tactics to significantly increase marketing ROI across their marketing mix. The state of the art science behind our marketing software combines a user-friendly visual interface with advanced attribution management and predictive modeling functionality that clearly shows clients where opportunities exist for marketing optimization.

