



How to Measure Digital Marketing Effectiveness

(2018 EDITION)

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Introduction

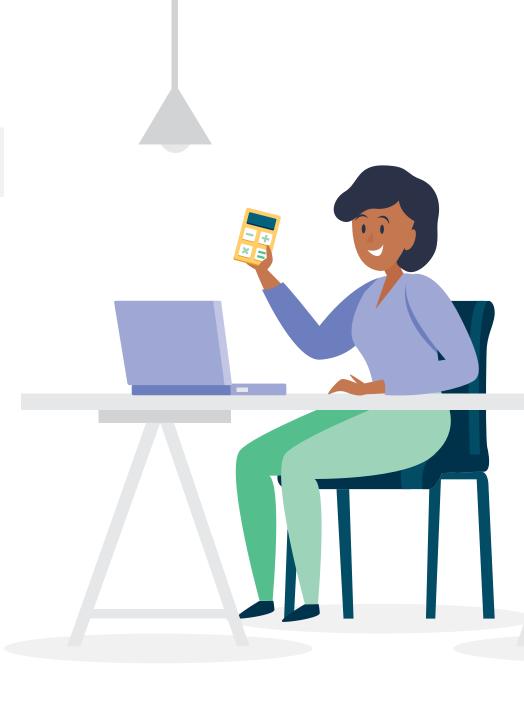
You invest in marketing. You create content. You see what happens.

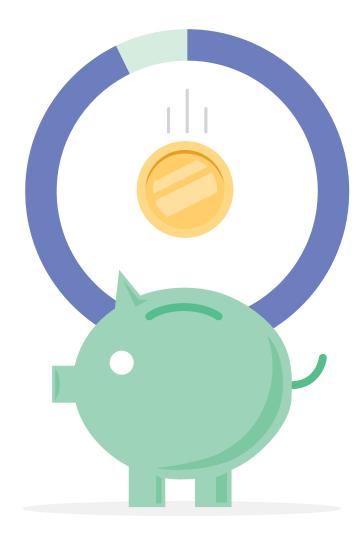
How much money did you make? How much more loyal are your customers? What was the ROI on that tweet you sent back in April?

If you can't answer these questions, then you're unfortunately not equipped to measure how effective your digital marketing is. And if that's the case, it's time to pack up and go home.

Or.

You can learn how to calculate every sales and marketing metric that matters to your organization.





Across businesses of all sizes, 93 percent are poised to increase their marketing investments in 2018.

The Competitive Landscape: How Effective are Digital Marketers?

Nearly half of small businesses spend less than \$10,000 a year on their digital marketing activities. At the global enterprise level, that figure is in the millions.

Across businesses of all sizes, **93 percent are poised to increase their marketing investments in 2018,** most prominently in social media, content creation/distribution and company websites.

But are these investments paying off?

Well, just **39 percent** of companies say their marketing strategies are effective.

That's quite low, so something is off. Tactics need to change, strategies need more data insights and audience targeting could be vastly improved – that's just for starters.

So how do you measure the success of your company's marketing?

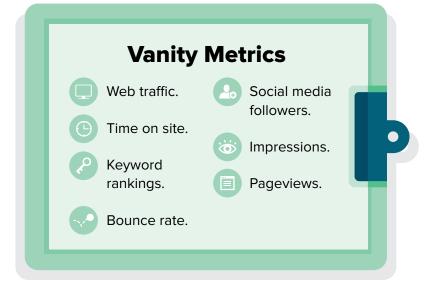
Vanity vs. Value: Digital **Marketing Metrics That Matter**

"Thought leadership" and "social media likes" are not metrics. They're vague, sometimes unhelpful indicators of where your mind is at. But there are plenty more KPIs that marketers live and die by (mostly die) that do not correlate to ROI and that are likely misinforming your concept of marketing effectiveness. We call these vanity metrics.

Distinguish between vanity and value when analyzing and reporting ROI.

You need to construct your ROI framework in terms of valuable metrics that apply to the business at large, not surface-level web analytics data.

To help with this, take a storefront approach. If your online presence was a brick-and-mortar shop, what KPIs would you actually worry about? Sales, revenue, overhead, time to purchase, repeat visits, etc.



Value Metrics

- eBook downloads.
- Conversion rates.
- Sales-qualified leads.
- Customer acquisition costs.
- Customer lifetime value.





Google Analytics: Your ROI Tracking Toolkit

To compile all of this business data, you need a simple (and free) dashboard like Google Analytics.

With just a short snippet of tracking code automatically tagged to each page of your site, Google Analytics tracks the performance of your web pages and their associated campaigns. Every time a user completes a task or interacts with your site, that information is fed into reports, which allows you to calculate the value of each web lead and how much money he or she brings to the table.

Assigning actual dollar values at this level of granularity is how you measure effectiveness, plain and simple.

Counting Conversions: The Micros and Macros of Your Commercial Goals

To get the most out of your web analytics, you need to set up proper Goal Completions and Events Tracking functions, which string together different types of conversions within your campaigns.

A conversion occurs whenever a desired action is taken on your site, aka a user is moving incrementally down the sales funnel. For example:

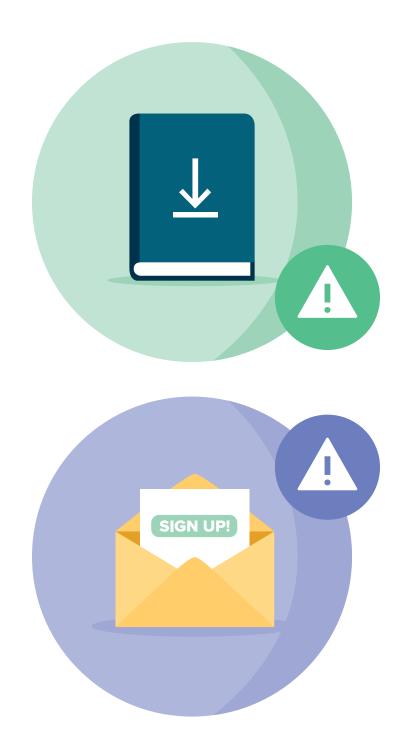
Micro conversions: Actions that do not have a commercial impact but may in the future through effective nurturing. Think of these as small process milestones or baby steps.

- Newsletter subscriptions
- eBook downloads
- Creating an account

Macro conversions: Actions that directly lead to commercial value. These are much larger, intent-driven interactions.

- Contacting a salesperson
- Demo request
- Purchasing on site

For nearly every business with an online presence, your primary goal is to increase conversions by capturing customers' contact info, thus allowing you to move prospects into your sales pipeline.



Campaign Channels, and How to Measure Them

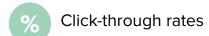
Designating "eBook download" or "newsletter signup" as a Goal Completion in Google Analytics, for instance, means Google will log the conversion, where it came from, which page the visitor landed on prior to converting, along with the subsequent actions they took. Measuring the progress and the frequency of these events keeps your digital marketing metrics-driven and forward-moving.

You can also segment the data you aggregate by the channels in which conversions occur. Integration with other enterprise tools will be necessary here.

Here are a few metrics to consider, broken out by what companies deem to be their most effective marketing channels:



Search Engines





Organic position for commercial keywords



Social Media





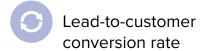




Email



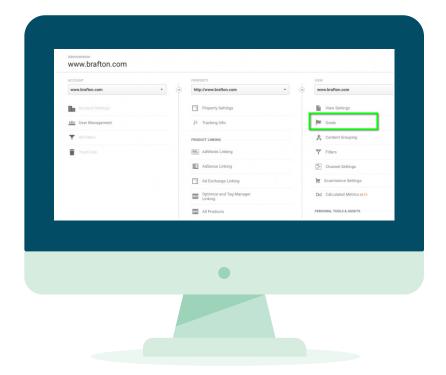




Setting Up Google Analytics Goals

You can create Google Analytics goals in the Admin panel, under the specific view you want to track conversions for. The Admin panel can be a bit elusive, so let me show you how to get there:





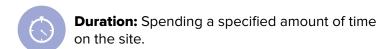
Goals start tracking data from the date they're created (not retroactively), so make sure you prioritize setting them up as early on as possible.

Let's take a step back and define the five types of goals available:

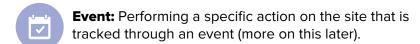


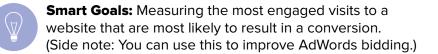
Destination: Reaching the page/type of page that represents a conversion.

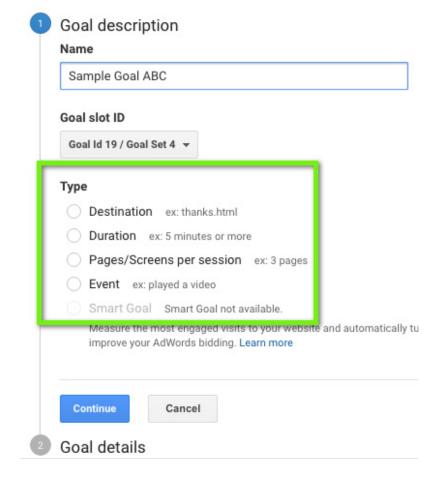
Pro Tip: The destination URL should always be the page a user reaches after completing the desired action (e.g. /thank-you). Just make sure this URL is only accessible via a gated pathway and is not indexed by search engines. Otherwise people could find this page through search and artificially inflate your numbers.











In general, you'll want to focus on Destination and Event goals. Tracking goals for how long a user spends on your site or how many pages they view isn't a great measure of whether they will contribute to your company's bottom line (unless you make your money selling ads on your site). More often it skews the otherwise valuable data on which parts of your site are lead gen gold.

Google Analytics Events

Not all conversion actions on a website can result in a nice neat "Thank You" page. When you're looking to see whether a user takes a desired action on your website without inserting a page that could detract from the experience, look no further than Google Analytics Events.

Event Tracking in Google Analytics used to be a somewhat complicated endeavor, involving HTML and developer resources. But now, marketers have Google Tag Manager, which has put these analytics back into their hands. With a one-time addition of the Tag Manager container to your site's code, you'll have a wealth of complex tracking options at your fingertips in a marketer-friendly UI.

Google Tag Manager uses tags and triggers to define what you're looking to track. The tag represents the site activity and the trigger determines under what conditions to log that activity.



With a one-time addition of the Tag Manager container to your site's code, you'll have a wealth of complex tracking options at your fingertips.

Tag Configuration Tag type Universal Analytics Google Analytics Tracking ID ? UA-XXXXXXXXX-X Track Type Event **Event Tracking Parameters** Category Demo Request Action Submit 600 Label {Product} * Value Non-Interaction Hit False More Settings Advanced Settings

Tags: Defining the Event

With an event, you need to assign a category, action and label. While there's technically no wrong way to do this, experience shows that the Category is best for defining the type of activity (e.g. Demo Request), the Action explains what happened (e.g. Submit), and the Label works to specify the event (e.g. {Type of product for which the demo was requested}).

There's an option to assign a value (read more about assigning event and goal values **here**), but this can also be done at the goal level if you prefer. You can also make a choice about how an event impacts your bounce rate.

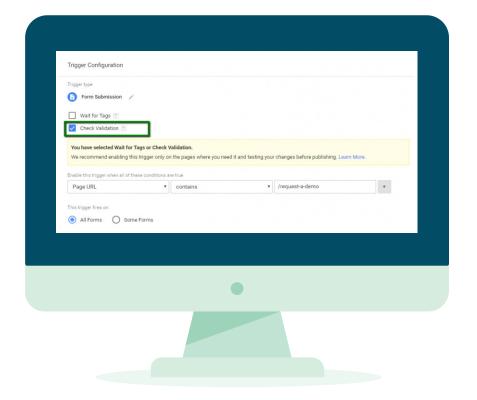
The drop-down for "Non-Interaction Hit" determines whether or not a user who only visits one page on your site but completes the event is counted as a bounce.

This will be set to "False" by default, which means anyone who completes the event won't be considered a bounce even if they leave the site from there (we typically recommend this since the event we're tracking should be important enough that a user doesn't need to go any further to have a valuable interaction with our site).

If you're looking for a stricter view of bounce rate, you'll want to change this value to "True" so users who leave the page after completing the event are still considered a bounce.

Triggers: When is an Event an Event?

Now that you've defined your event as a Tag, you need to tell Tag Manager when (or where) to look for that event to occur. This is where Triggers come in.





There are many types of triggers, but when it comes to events for goal tracking, the Form Submission trigger is the most useful. This is tailored to lead gen forms and even provides the ability to only count users who successfully submit the form.

For this, you'll want to make sure you check the box for the "Check Validation" option.

From there, the user-friendly condition fields let you set which pages the event should be counted on with the same options that are available in Advanced Segments.

Customers and Sales as KPIs

While analytics dashboards are great for marketing data, they may be too good at it, at least for the purposes of novice marketers who aren't yet familiar with all the terms or features.

That's why using **core sales metrics** can be useful as well. By this we mean, how many new customers have you gained? How many new sales calls have been booked? What are your revenue and sales growth rates?

By utilizing sales as a metric, in addition to more granular marketing data points, you can better frame your conversations with superiors and stakeholders from different departments when it's time to advocate for additional investment in your digital campaigns.



Another way to leverage your existing customer base is to use **automated customer satisfaction surveys.**Knowing how positive your clients are and whether they will serve as references allows you to gauge whether your products, your brand influence and your content is having enough of an impact to actually earn new business.





Short- and Long-Term Objectives: What Matters Most to You?

The quick answer to this question is **revenue**, **both now** and **tomorrow**.

But such a high-level goal isn't all that practical on a daily basis when you're tasked with executing on a strategy. And digital marketing isn't going to reap immediate rewards in every case.

For example, inbound marketing can often take six months before ROI materializes. A knowledgeable agency partner will tell you that your content marketing investments should be understood through the lens of annual return – some campaigns won't pay off for a year or more. Don't jump ship too soon simply because your near-term goals were too ambitious.

Conclusion

In 2018, social media influencers, experimental web design and interactive visuals have newly impacted consumers and businesses alike.

Automation is now the norm, and artificial intelligence creeps into everyday marketing tasks faster than many expected.

What this means for the average digital marketer is that measuring effectiveness becomes all the more paramount. Accurate measurement can actually be a brand differentiator, a mechanism for knowing how and where to target greater market share.

You can't manage what you can't measure.

Or, maybe more appropriately, you can't market what you can't measure.











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