

5 Reports to Measure Your Marketing ROI



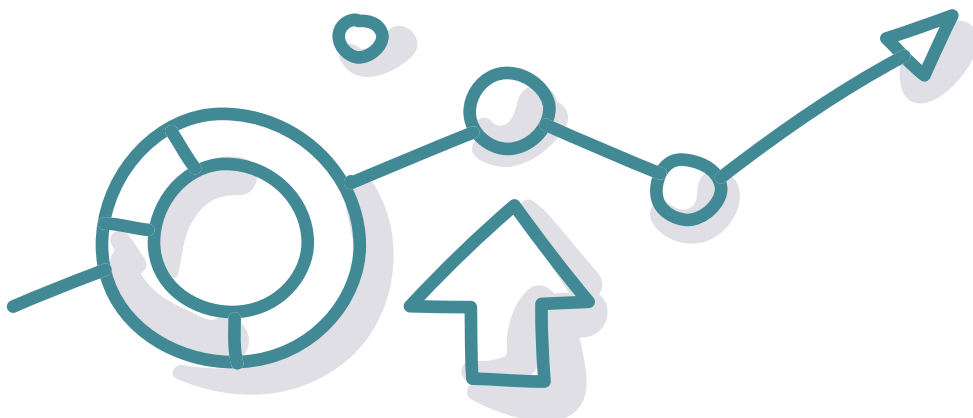
Do you know what your marketing campaign is worth?

If that seems like a trick question, it wasn't meant to be, but it is meant to get you thinking about what you're paying for marketing and what you're getting in return for your hard-earned (and sometimes so quickly spent) money. In many ways, digital marketing can be cheaper than traditional alternatives. If we asked you whether you would rather create a television commercial and buy a coveted spot during the Super Bowl or send out a targeted text to your SMS subscription list, you'd most likely pick the much cheaper texting option behind door number B, but would you be picking it for the right reasons?

So much of what we do on the internet is based on gut feeling. We think we have a great idea for a web-based business, we think we outlined our brand in a relatable and interesting way, we think we picked the right bright orange and chartreuse logo, we think that last Tweet was hilarious... and so on. But at what point do we sit up straight and realize that with everything from our money to our reputation to our future on the line, we ought to be operating our businesses on fact rather than supposition?

That's exactly what ROI (return on investment) reports help us do. By measuring the most important factors influencing the return we're getting on our investments, we find ways to make ourselves better. And when we get better, we win.

Here are 5 ROI-measuring reports you won't want to miss...



1 & 2 - Customer Acquisition Cost (CAC) & Customer Lifetime Value (CLV)

CAC (which includes things like the actual costs of advertisements, marketing costs, what you're paying a sales rep, and affiliate commissions) is an essential metric because it helps you figure out whether what you're spending to reach new audiences and guide them down the sales funnel is absolutely worth it.

CLV is linked to CAC, but it attacks the idea of customer cost for a sort of reversed perspective. By calculating the lifetime value of your customer – that is what your business can expect to make from a customer over total time they are purchasing products or services from your company – you can better gauge how much you can reasonably afford to acquire and then retain each new customer.

$$\text{CAC} - \text{CLV} = ?$$

That innocent little ? is an indication of where your business stands.

Let's look at it another way. Bob's House of Bulldozing just spent a total of \$3000 on a Facebook campaign that resulted in Bob acquiring 15 new customers (we know that because of our social media metrics, but more on that in a little bit). Some quick calculations tell us that Bob spent about \$200 for every new customer he acquired as a result of the Facebook offensive. That doesn't seem like such a bad investment for Bob; his bulldozers cost about \$50,000 for just the basic model. Now, if Bob was selling ballpoint pens or lipstick, that \$200 may be slightly less exciting.

Say Bob does sell ballpoint pens (exciting career change for Bob, we're sure). On the face of things, his \$200 is certainly worrisome, but then he calculated his CLV and realized that on average, his customers are spending \$1800 over the lifetime of their association with the company. Maybe they're buying bulk? Anyway, the point is that Bob is now pocketing \$1600 for every customer he picked up from the Facebook campaign.

And that's why you have to have more than one metric, even if you're only evaluating one fairly narrow ROI influencer.

3 - CTA Clicks

CTA stands for “call-to-action,” otherwise known as the link or button at the end of a blog or on your website that’s used to encourage consumers to engage. They’re typically accompanied by brighter, action-boosting language such as “buy now!” or “learn more!” but sometimes the piece of content itself is the CTA, as is the case when you post a gate in front of your free ebook that asks for contact information with a big fat “submit” button at the end.

CTAs can also take the form of:

- A PICTURE OF YOUR APP’S NEWEST FUNCTION WITH A BUTTON THAT SAYS “VIEW OUR NEWEST FEATURE”
- SOCIAL SHARING BUTTONS
- A CLICK-TO-CALL BUTTON
- AN EMAIL BUTTON
- A FORM TO REGISTER FOR A WEBINAR OR CONFERENCE

And that’s just the beginning. It probably stands to reason, then, that some CTAs work better than others, but it’s often impossible to tell which CTA will generate the most leads for your business or the particular product or offer in question until you give it a try. That’s what makes A/B testing (wherein you issue two ads on a short trial basis, see which one is performing the best, and then release the winner on a much larger scale) so popular.

There are other valuable ways to analyze your CTAs, though, which is why a comprehensive report is so important. One metric gives you a glimpse of what’s working, but several metrics paint a much broader and more interesting picture. Once you know how many clicks a CTA is getting, how many page views it took to get those clicks, and how many of the people clicking actually end up taking the action ultimately on offer (a sale, form, contact request, etc.), you’ll know which of your lead generation strategies is working – and maybe you’ll even get a bonus bit of knowledge by learning which type of content is inspiring your ideal consumers to act.

4 - Social Media Metrics

Maybe you're still holding onto the idea that you can gauge some metrics yourself. After all, you can sign into Facebook just as easily as the next person and those likes and shares are just as plain as day. Maybe your recent post highlighting your company's charitable endeavors didn't exactly go viral, but it got a couple hundred likes and a bunch of shares, too. Isn't that awesome?

Well.... Not necessarily. We know, it's a total bubble burst, but studies have shown that there is little if any correlation between an article's shares on social media and the number of people who have actually read the article in question. More than ever before, people are using their mobile devices to read blog posts, because the majority of the time they're on the go. People who are on the go are skimming, not actually reading, or maybe they're looking at your post on Facebook linking to your blog and they share it without so much as a cursory glance at the actual content. Why?

- It looks like something their friends would be interested in
- It mentions a product or brand they like
- It's by someone (or endorsed by someone) they follow, like an industry influencer or celebrity
- The title is something they think will make them look good, or sharing it simply makes them feel good

It may not be pretty, but it's the truth.

Which brings us back to our original point. You need social media metrics because that's the only way you know whether your social marketing strategy is working, and you need these five in particular:

- SOCIAL MEDIA AND SOURCES
- MESSAGE CLICKS
- ENGAGED CONTACTS
- SOCIAL ENGAGEMENT
- SOCIAL MEDIA REACH

Find a report that includes all five, and you've really hit the ROI jackpot.

5 - Landing Page Conversions

When you're running a business, the word of the day is always "convert." Nothing is worth anything if it isn't ultimately turning casual readers into actual customers. Maybe it takes hours to move someone through the sales funnel or maybe it takes weeks or even months; while quick conversions are kind of awesome, in the end, the fact that you've converted someone is far more important than the speed in which it was accomplished.

Landing pages are the sections on a website you get to by clicking a hyperlink embedded on another page, most often the same website's homepage. For example, you might visit your bank's website and then get to the credit card sign-up page via a link on the homepage that says "Find out more about our credit programs" (also a CTA, btw). Knowing how people are getting to a landing page is incredibly important because it tells you which of your traffic generation strategies are actually working.

As you can see, metrics are largely about gauging your performance, not because the robots are checking up on your progress but because you need to be. Your success depends on constantly evaluating your methods to see which are working. Then you have to reevaluate your evaluation and reevaluate your reevaluation and... you get it. All of this self-assessment and constant calculation can be really difficult, especially when you start adding in more metrics in an effort to gain a more accurate idea of how healthy your marketing strategy is.

Invest in reports and what you know about your ROI will get exponentially better ridiculously quickly. Invest in someone who can help you understand what everything in those reports mean and it's like paying for the best SAT tutor available; yes, it costs money, but the improvement you'll see in your own performance (and what those improvements could mean for your entire future) is pretty special.