

THE MARKETING METRICS

THAT MATTER TO YOUR CMO

MARKETING METRICS



use
website traffic
to assess content
marketing effectiveness



use ROI as
a measure of
effectiveness

MROI =

Incremental Financial Value
gained as a result of the
marketing investment

cost of the
marketing
investment

cost of the marketing investment



CON- TENTS

- [Page 03](#) Introduction: From Data to Decisions
- [Page 04](#) Think of the Business
- [Page 06](#) Speak a Common Language
- [Page 09](#) Value over Volume
- [Page 11](#) Lead with Insights
- [Page 12](#) Purpose, Perspective, and Presentation
- [Page 14](#) Pull it All Together: A Checklist
- [Page 15](#) Glossary of Marketing Metrics
- What's Hot and What's Not

A close-up photograph of a person's hand holding a tablet computer. The tablet screen displays a line graph with a blue background and a white line showing an upward trend. The hand is wearing a gold ring. In the foreground, a cup of coffee with a spoon is visible on a wooden table. The background is blurred, showing another person's arm and a watch.

FROM DATA TO DECISIONS

If there is a science to marketing, it lies in measurement. There's no doubt that we live in a data-filled, data-driven world today but there's a secret that's been hiding in plain sight. **Marketers shouldn't be talking about data.**

In this age of analytics, data is a tool. When data is used as a form of measurement, it becomes a metric. But notice that CMOs never walk into a board meeting and discuss bounce rates, blog traffic, or click through rates. While those are all helpful data points to optimise campaign results, they are not the needle-movers that your C-suite is concerned with. Instead, CMOs use data to identify new business opportunities, drive revenue growth, and understand if their team's efforts are delivering the results that the business needs.

As a marketing manager, you should be doing the same. It's time you pull yourself out the data swamp and focus your energy on the metrics that matter - to your CMO, your C-suite and your business.

We've developed this guide to help you identify those metrics, improve your ability to weave a business-relevant story with them and sharpen your skills in making sound recommendations that will contribute to your company's top-line growth. To do so, we sat down with CMOs and marketing analysts from across the region to understand how they use data to inform decision-making, and how they want their managers to share data at a senior leadership level.

So if you're ready, let's start thinking like a CMO!

Jennifer Bunting

Head of Content & Product Marketing, APAC & EMEA
LinkedIn



THINK OF THE BUSINESS

As a marketer, you naturally have your marketing priorities. But, if you hope to progress into leadership one day, it's best that you start viewing the marketing function not as a silo, but in context of the business.

All too often, marketers focus their energies on a marketing priority that sits outside the business priorities. For example, you might be focused on growing share of wallet from existing customers. So if you meet with your CMO to discuss increased revenue by customer, but your C-suite is most concerned with winning new business, then you're clearly setting yourself up for failure.

Business and marketing priorities should never be independent of, or in conflict, with each other. So, to make sure that you're leading your team in the right direction, have a conversation with your CMO to align business and marketing priorities.

The top 3 metrics that Asia Pacific marketers use to evaluate performance really aren't numbers that the C-Suite is interested in.

#1

CONVERSION RATE

#2

RESPONSE RATE

#3

CLICK-THROUGH RATE



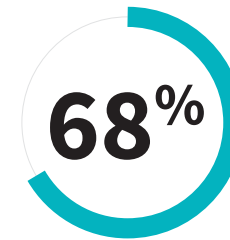
“I encourage my team, even summer interns, to learn to be commercially fluent. CEOs care about P&Ls and balance sheets, so start there. Understand where your company’s revenue comes from, what the levers for revenue and cost are. Once you have this context, you’ll be able to relate your marketing efforts back to company performance.”

Apurva Chamaria, Global Head of Corporate Marketing.
HCL Technologies Ltd

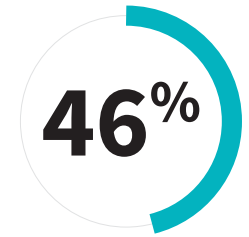
SPEAK A COMMON LANGUAGE

Once you start thinking of how your marketing efforts can contribute to business priorities, the next step is to learn to speak the same language as the rest of the business.

You may live and breathe clicks, traffic and followers but your C-suite does not. What they want to know is Return on Investment (ROI).



of marketers use **website traffic** to assess content marketing effectiveness



of marketers use **ROI** as a measure of effectiveness

Source: Asia Pacific Content Marketing Trends 2016 by HubSpot and SurveyMonkey

Even marketers who are focused on ROI often lack a way to measure it. Truth be told, it isn't the easiest thing to calculate. Harvard Business Review offers a formula for Marketing ROI (MROI) but admits that it may be difficult to put an accurate finger on each of the components.

$$\text{MROI} = \frac{\text{Incremental Financial Value gained as a result of the marketing investment} - \text{Cost of the marketing investment}}{\text{Cost of the marketing investment}}$$

Source: A Refresher on Marketing ROI, Harvard Business Review, 2017

SPEAK A COMMON LANGUAGE

Consider, for example:

Cost of marketing investment

Should this include the time cost of your marketing team in developing, implementing and monitoring campaigns?

Incremental financial value

How do you determine the baseline from which incremental value is calculated? On digital platforms, could A/B testing using a non-exposed control group help?

Is there more?

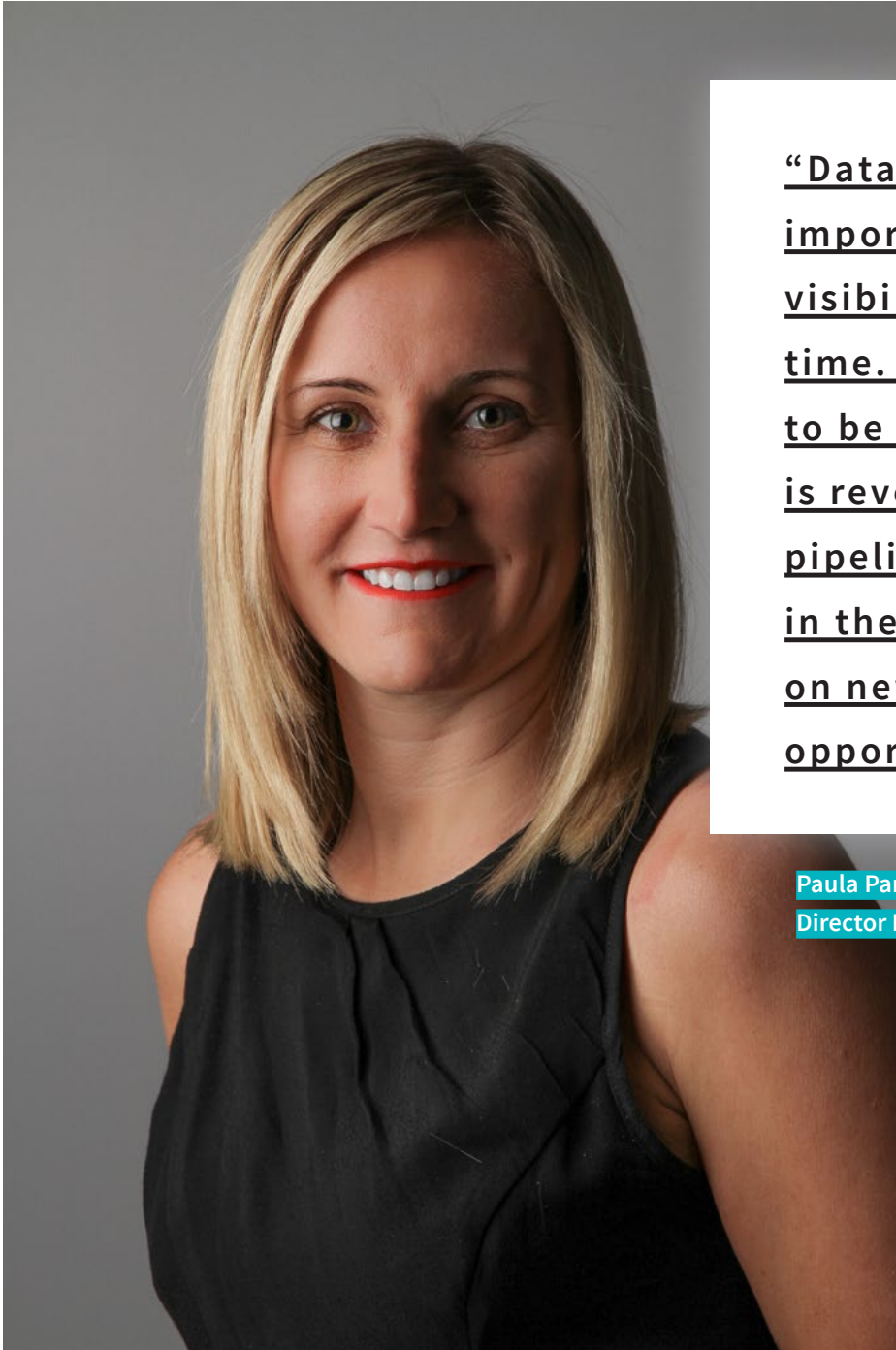
Immediate financial gains are great but is that taking too much of a short-term view? What about the long-term contribution to brand value?

If you're considering ROI on ad spend, a simplified formula could look like this:

(Ad-Sourced Revenue – Ad Spend)

Ad Spend

We believe that oftentimes, ROI isn't a fixed formula. It starts with understanding your objectives and finessing a formula that is most appropriate. Also, while ROI is a great measure of success, marketers who limit boardroom conversations to ROI may shape a misperception that marketing is a cost centre, rather than a business driver.



“Data is the voice of the customer. And it’s important for all business leaders to have visibility over customer insights in real time. But the conversation of leads needs to be left behind. The language of business is revenue, and that is completely tied to pipeline creation and progression. Data, in the form of insights, should shed light on new marketing and business innovation opportunities and should inspire action.”

Paula Parkes,
Director Marketing, Asia Pacific, Adobe

VALUE OVER VOLUME

For many marketers, data and metrics fall into the more-is-merrier camp. Data is vital, after all, to understanding your customer and the business. But in the process of getting closer to the data, we've seen too many marketers fall into the trap of numbers overload.

Vanity Metrics



Followers



Clicks



Shares



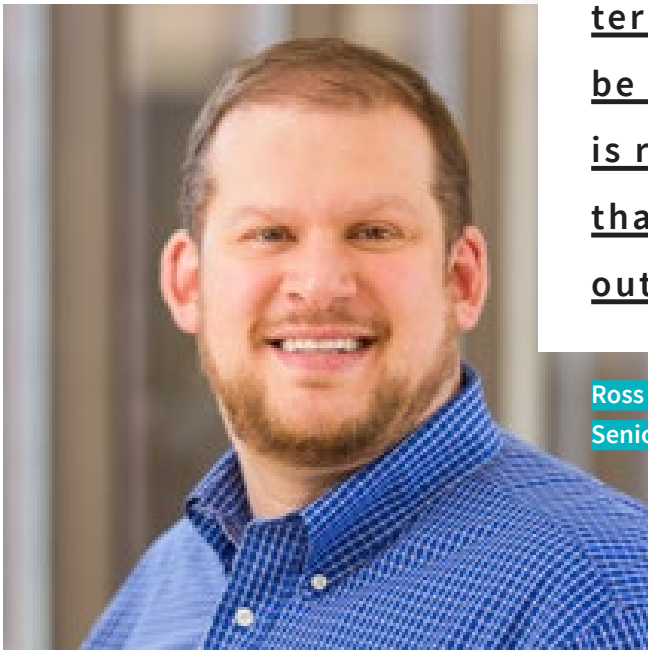
Impressions



Likes

We call these vanity metrics because, more often than not, they just make you feel good. When these numbers grow, they create an illusion of success. Granted, if your priority is to raise brand awareness, then clicks and views do matter. But if your C-suite is looking for sales and revenue growth, for example, they're not going to have much patience for these numbers. What they're after are in-depth, actionable insights.

“Every metric has its value. Direct output metrics like click-through rates and page views can be important at a tactical level but the real question is whether these need to be reported upwards. The golden rule is to understand your audience and what they need to hear. At the C-suite level, the value of marketing deserves to be expressed in terms of impact on business goals. Marketing has to be part of a bigger story. Focusing on the data that is relevant to this story will help you demonstrate that when marketing acts in a certain way, business outcomes improve.”



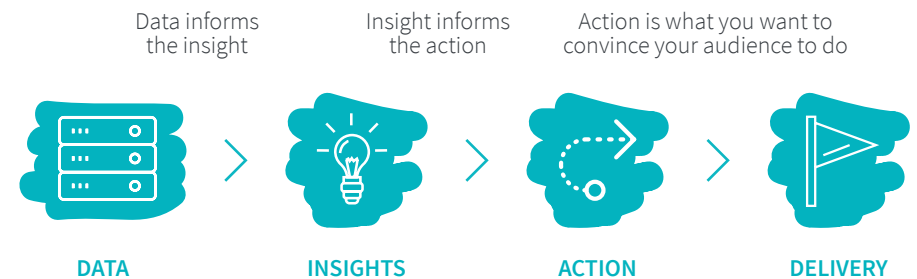
Ross Graber,

Senior Research Director of Marketing Operations Strategies, SiriusDecisions

LEAD WITH INSIGHTS

Data alone doesn't make decisions. It can, however, be used to prove your point or validate a concept. So instead of presenting data and metrics, you should be learning to process them, make a finding and share your analysis. You can also use several data points to support your findings - a process that analysts call triangulation.

The data flow



Having an insights-based approach to data is critical when you're presenting to your C-suite. Bringing insights to the table - whether marketing efforts have created a specific impact, or if investments should be made with a new audience - are what leaders now expect from marketers.

It's not to say that marketers should ignore the marketing metrics that we all know and love. These are still important in measuring the health of your marketing team, but think of them as foundational knowledge. In your conversations with your CMO or C-suite, lead with insights. It demonstrates that you are able to handle the massive amounts of data coming at you, and are apt at extracting, filtering, refining, and packaging it in a way that helps grow the business.

"Companies that have been successful in harnessing the power of data start with a specific business problem and then seek data to help in their decision making."

Harvard Business Review - "Extracting Insights From The Vast Stores of Data"



PURPOSE, PERSPECTIVE, & PRESENTATION

Now that you have a better handle on how to deal with data and extract business value from it (i.e., turning data into insights), the challenge is in communicating it (i.e., using insights to spur action).

Purpose

Be crystal clear about why you are sharing this information with your C-Suite. An 'FYI' is not a valid use of their time. Have a purpose or an outcome in mind. It's not that different from building a strong call-to-action in your marketing campaigns.

Perspective

Own the topic. Machines crunch data but humans give it meaning. Having a point of view or perspective is critical to defining the insight you're sharing, contextualising it in to your business and ensuring that it is relevant to your C-Suite audience.

Presentation

Do not underestimate the importance of presenting information well. Aesthetics do matter, but they should aid your purpose, not distract from it. Keeping it concise and simple is key, especially when you're trying to convince time-pressed C-Suites.

As marketers, we pride ourselves on being storytellers. Take the same approach with your data - weave a compelling story with the insights you've developed, and focus on the 'why' and 'how'.

When training his analysts, Stephen Tracy, Managing Director of YouGov Singapore, places emphasis on building their data storytelling capabilities - what he calls packaging up insights and data. He recommends Nancy Duarte's *Resonate* as an informative read and David McCandless' *Information is Beautiful* and *Knowledge is Beautiful* as inspiring examples of data visualisation done right.



“I’ve seen many cases where a marketer or brand manager goes to their C-Suite with a killer insight and it falls flat — usually for two reasons. One, the insight was poorly communicated. Having ‘data’ is never enough to compel your stakeholders to follow a particular course of action, as you need to find clear and creative ways to visualise and communicate with data. The second reason why data-driven insight often fails to resonate is because it isn’t delivered with a clear course of action. Going from data to insight to action is key, and if you don’t articulate an action plan that is informed by the data, your C-Suite is unlikely to buy into your idea. So, when communicating with data make sure you present it in clear and creative ways, and always chart out a clear course of action that your C-Suite can sink their teeth into.”

Stephen Tracy,
Managing Director, YouGov Singapore



PULL IT ALL TOGETHER

In short, if you're presenting to your CMO or C-suite about marketing performance, here are some ways to make sure you shine.

Always have a point behind your analysis.

Data exists to help validate your message, not to overtake the conversation with numbers.

Avoid focusing on a single metric.

Use several data points to convey and strengthen your point.

Being clear and concise is paramount when communicating with C-suite.

Focus on the need-to-know, not on the nice-to-know.

When you share a data-backed insight,

it should be in order to aid a recommendation or a tangible direction. If it is not a vital element in proving your hypothesis or telling the broader story that you want the C-suite to remember, then remove it.

If you're using slides to share your findings, remember the rules of visual storytelling.

Be sure that charts, graphs and the like are easy to read and understand.

A wooden desk with a light-colored wood grain. On the desk, there is a small, square, orange-brown leather notebook with a debossed logo. Two black rulers are placed on the desk, one horizontally and one vertically. A white pen with a black tip lies horizontally on the right side of the desk. An orange chair is partially visible on the left side of the frame.

GLOSSARY OF MARKETING METRICS

To help you make sense of the many marketing metrics out there, here's our take on those you should be talking to your C-Suite about, and those you should be keeping to yourself.

WHAT'S HOT

Metrics that can be used to tell a business-relevant story, reveal insights and guide a course of action are the metrics that your C-Suite care about.

CLV: Customer Lifetime Value

A projection of the revenue that a customer will generate during their lifetime as a customer.

Conversion Rate

The percentage of people who take a desired action, calculated by dividing total number of conversions by total number of clicks.

Customer Acquisition Cost

The total sales and marketing expenditure in a given period, divided by the number of new customers acquired in the same period.

ROI: Return on Investment

Financial gains minus marketing spend, divided by marketing spend.

WHAT'S NOT

Metrics that measure daily performance of the marketing team should be kept within the marketing team.

Bounce Rate

The percentage of people who land on your web page and leave without clicking on anything else.

CPA: cost-per-acquisition or cost-per-action

The amount of money you spend to get one person to take an action (like fill out a form), or become a lead without clicking on anything else.

CPC: cost-per-click

The actual price paid for each click, calculated by dividing ad spend by clicks.

CPI: cost-per-impression

The total cost of an ad divided by the number of impressions (the number of times people saw your ad).

CPL: cost-per-lead

The amount of money you spend to acquire one lead, calculated by dividing ad spend by leads.

CTR: click-through rate

The number of clicks your campaign generates, divided by the number of impressions or sends.

Post-click conversion

The percentage of clicks on your ad that led to a conversion.

View-through conversion

The percentage of impressions on your ad(s) that led to a conversion.

Engagement Rate

The number of interactions (clicks, likes, comments, shares, etc) plus the number of clicks and followers acquired, divided by the number of impressions.

MQL: Marketing Qualified Lead

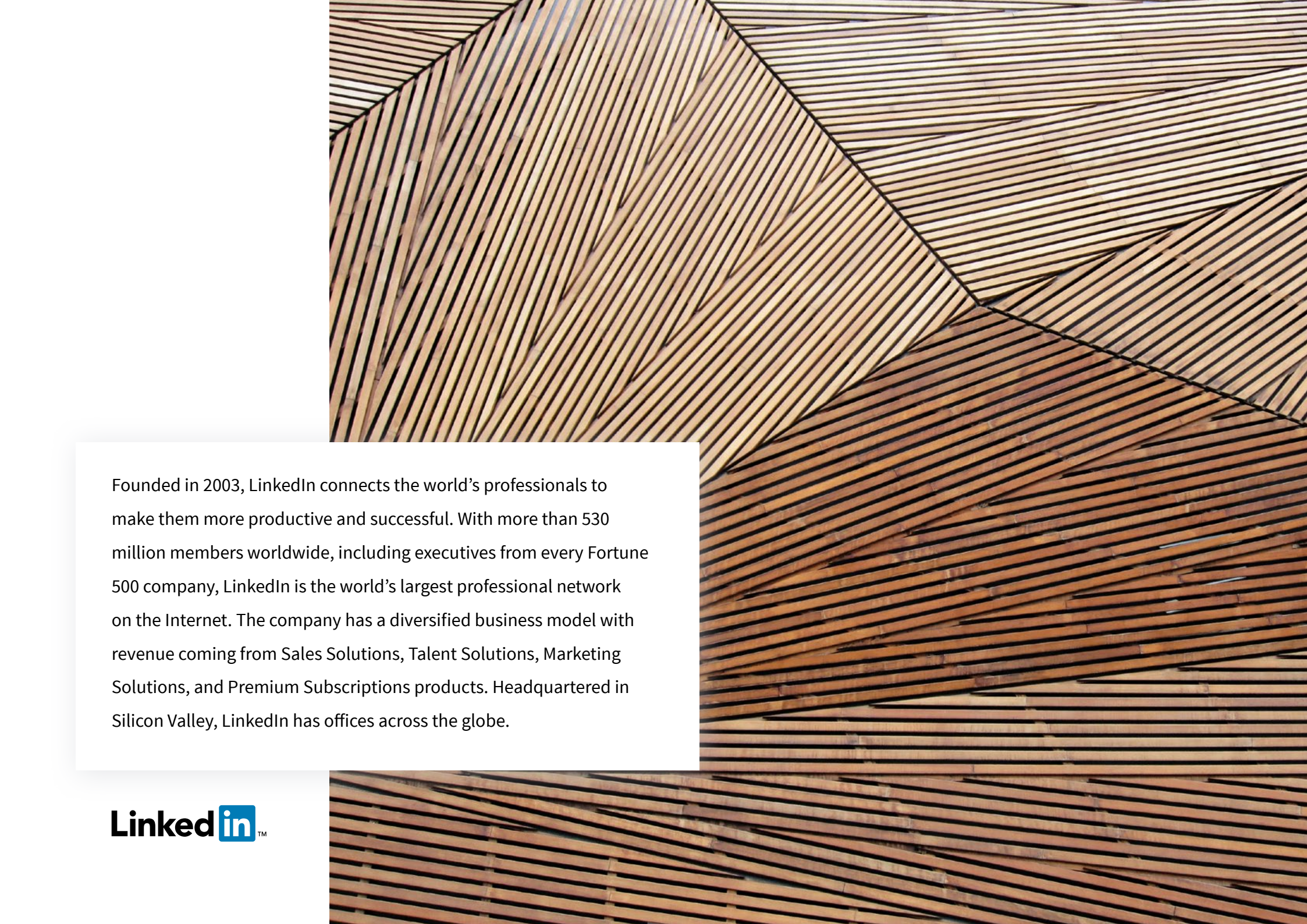
A lead that meets the benchmark agreed upon by marketing and sales for being considered a strong prospect. This is usually qualified through analytics and/or a lead scoring system.

NPS: Net Promoter Score

A measure of the willingness of customers to recommend your company's products or services to others.

SQL: Sales Qualified Lead

A lead that sales has vetted and qualified as a prospective customer.



Founded in 2003, LinkedIn connects the world's professionals to make them more productive and successful. With more than 530 million members worldwide, including executives from every Fortune 500 company, LinkedIn is the world's largest professional network on the Internet. The company has a diversified business model with revenue coming from Sales Solutions, Talent Solutions, Marketing Solutions, and Premium Subscriptions products. Headquartered in Silicon Valley, LinkedIn has offices across the globe.

