

# SOLVING FOR MARKETING ROI

Measuring Peak Performance

Linked in™





# ASSESS YOUR ROI

In order to begin your journey, you'll need to know what you're aiming for.

As a modern B2B marketer, you're likely on a journey into uncharted territory or across challenging terrain: proving the impact of your investments. When budgets are tight and teams are lean, understanding the impact of your marketing programs is more important than ever.

It's no longer enough to just generate leads. Now you need to prove contribution to pipeline and revenue. That's why the leaders of the pack are going "beyond the click" by implementing attribution and measurement techniques to show quality, not just quantity, of leads. This guide will help you master the complexities of calculating ROI "beyond the click" to actual revenue.

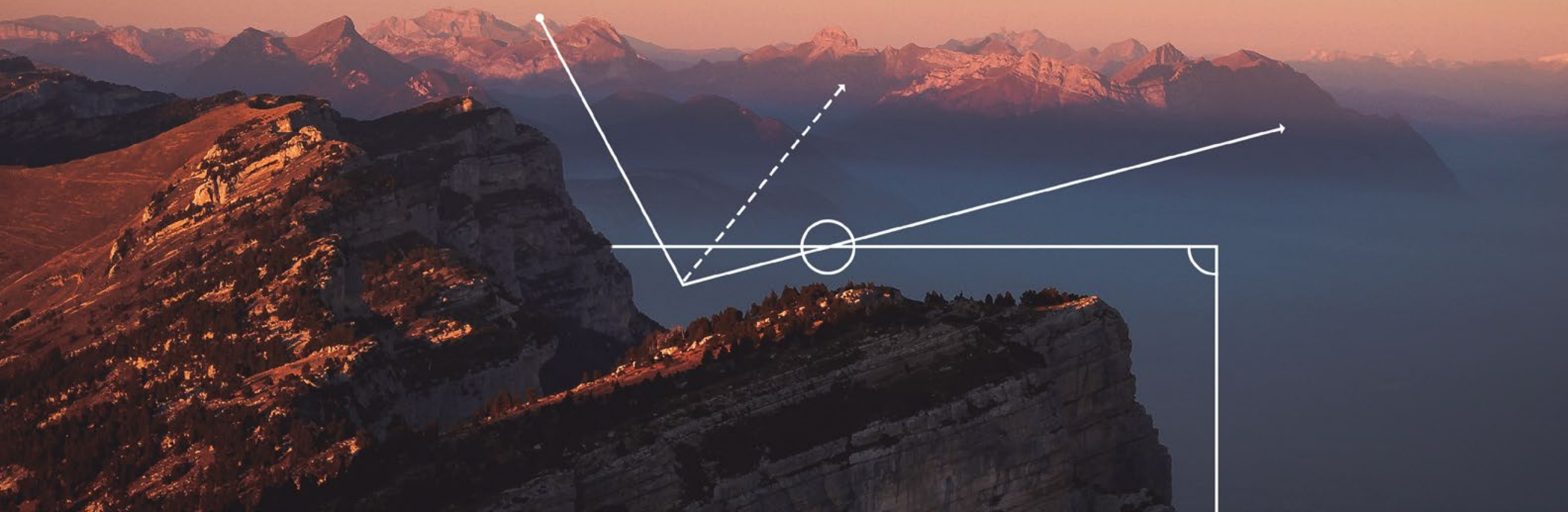
## Grading your team's knowledge of calculating ROI:



In a webinar we conducted, **62%** of attendees indicated that they were just starting to learn how to calculate their ROI. If you're in that 62% — or even if your team has 'graduated with honors' — we'll provide tips and ideas you can put to use right away.

# YOUR JOURNEY

Chapter 1: Defining ROI .....	03
Chapter 2: Breaking Down the ROI Calculation .....	07
Chapter 3: Climbing the Curve of Marketing Math Success .....	15
Chapter 4: How LinkedIn's Marketing Team Measures Beyond the Click.....	21
Chapter 5: Your FAQs About ROI Answered .....	33
Conclusion: Your Journey Begins With Your First Step .....	39

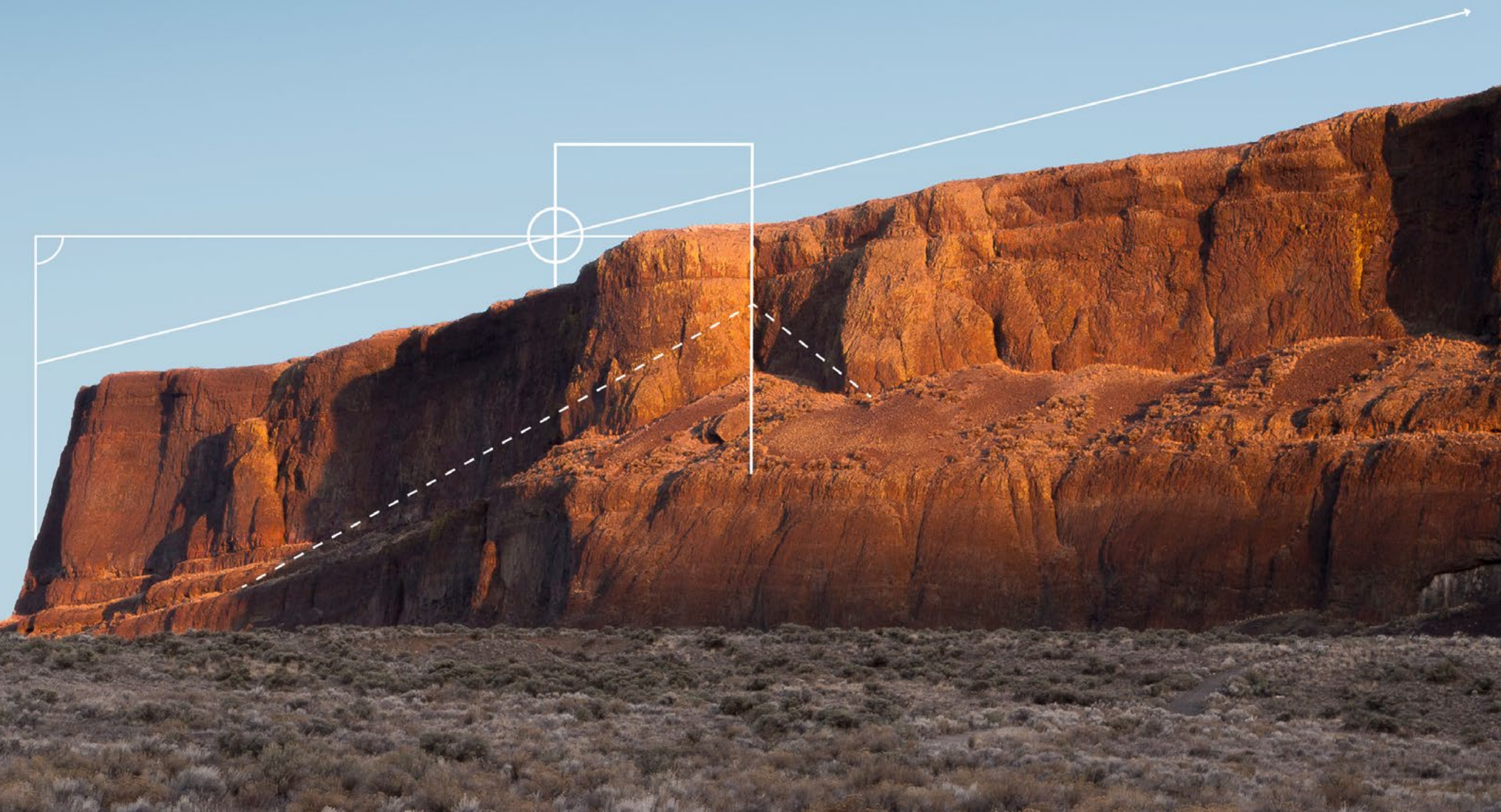




Chapter 1:

# DEFINING ROI

To reach your destination, you need to stay focused. Keep the end goal in mind.







# DEFINING ROI

At the highest level, you can divvy up marketing investments into three main categories:

- **Brand marketing:** The awareness and perception building that comes with classic brand advertising.
- **Acquisition marketing:** All about bringing in new customers. Lead generation, demand generation and performance all describe how to bring in new customers through marketing.
- **Customer marketing:** Once you've landed that customer, it's about keeping in touch, growing the relationship, and encouraging them to renew. If the customer churns and are no longer a customer, this type of marketing can help win them back.

Because the largest percentage of marketing expenditure often goes into acquisition marketing, we're going to focus this guide on that investment category. We'll share how LinkedIn drives qualified leads, collaborates with sales, and attributes revenue impact. You'll find out how to crunch numbers and develop metrics in order to calculate your ROI—and demonstrate that you and your team are helping your company reach new heights.

Read on to learn how to calculate ROI on acquisition marketing.

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# DEFINING ROI

Clear the path to better tackle the challenge at hand.

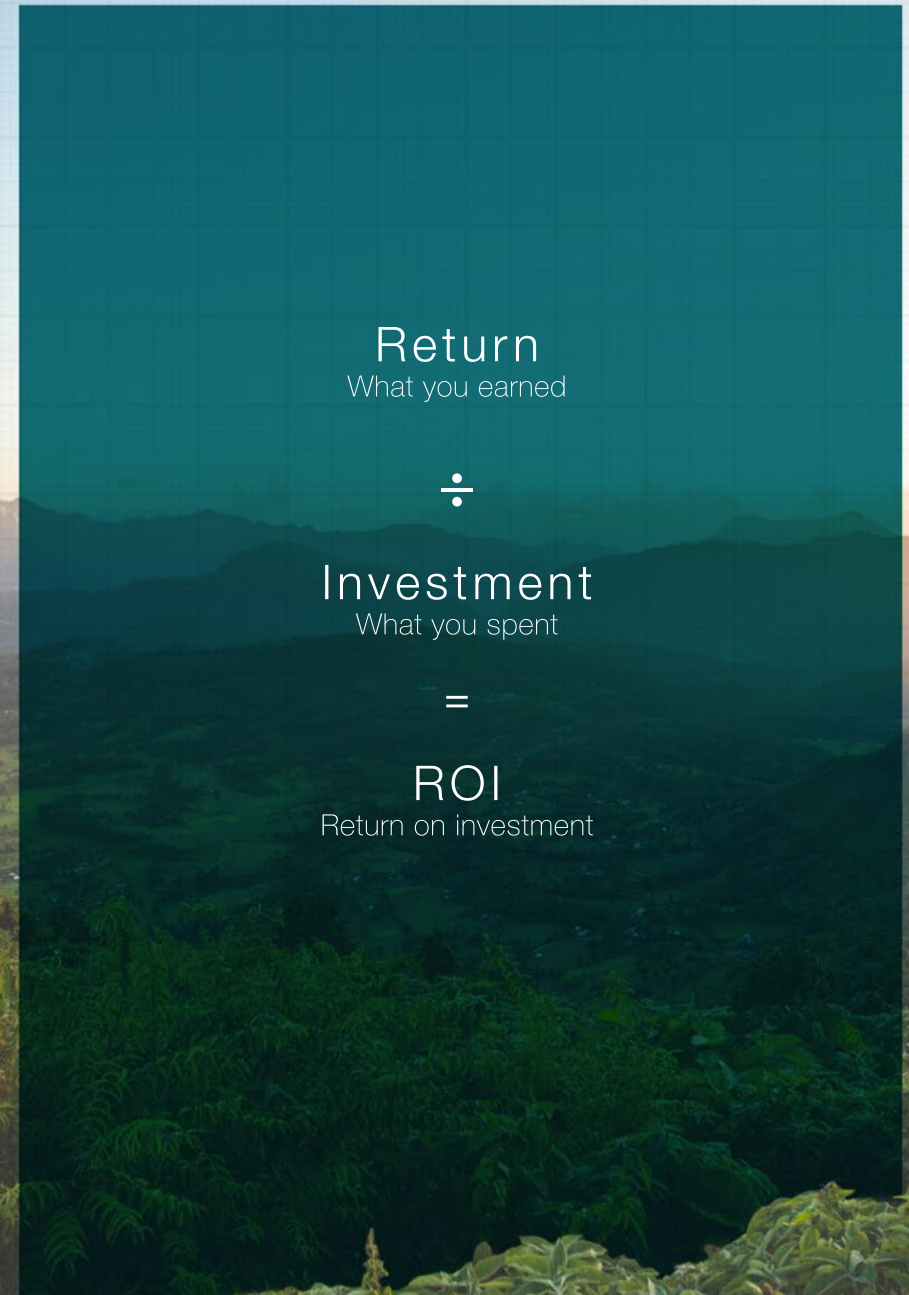
Let's start by understanding how to define ROI.

Here's the classic definition from finance: Divide your return—or what you earned—by what you invested to drive that outcome in order to calculate your return on investment.

*Return on ad spend* is often what marketers mean when they say ROI.

When calculating your advertising investment, you're usually tallying up the spend on paid media and maybe adding in costs for elements like the creative. Figure out how much it will cost you to produce the campaign. Then add in how much it will cost you to run your campaign through paid media channels. Tallying these together is the spend side of *return on ad spend*.

You'll likely run into others on your journey—it's important to make room for them on the path.





# UNDERSTANDING FULLY LOADED ROI

Your CFO might embrace more of a 'Fully Loaded' ROI mindset because they're considering all the different investment categories.

This usually means adding the spend on paid media plus the creative cost and then adding in other investment categories, like the salaries for sales and marketing. Because if you're delivering leads to a sales team, both are part of the investment. Not only is marketing playing a role and influencing the sales but so is the sales team, since they're responsible for closing the deal.

You might add in cost for the systems associated with sales and marketing, such as your Salesforce subscription or licensing for a content management system for your website or an email service provider. All of those systems are typically costs that marketing incurs. If you offered a discount or included some other type of offer in the ad, a fully loaded ROI would account for those variables too.

To keep this lesson simple: when we're talking about ROI, we're talking about return on ad spend. If you're not calculating ROI at all for your marketing, then return on ad spend would be the best place to start.

**Now that we know the general formula, what's in this ROI calculation?**

Spend on paid media  
and creative costs

+

Sales and marketing  
salary cost, system cost,  
incentive cost, etc.

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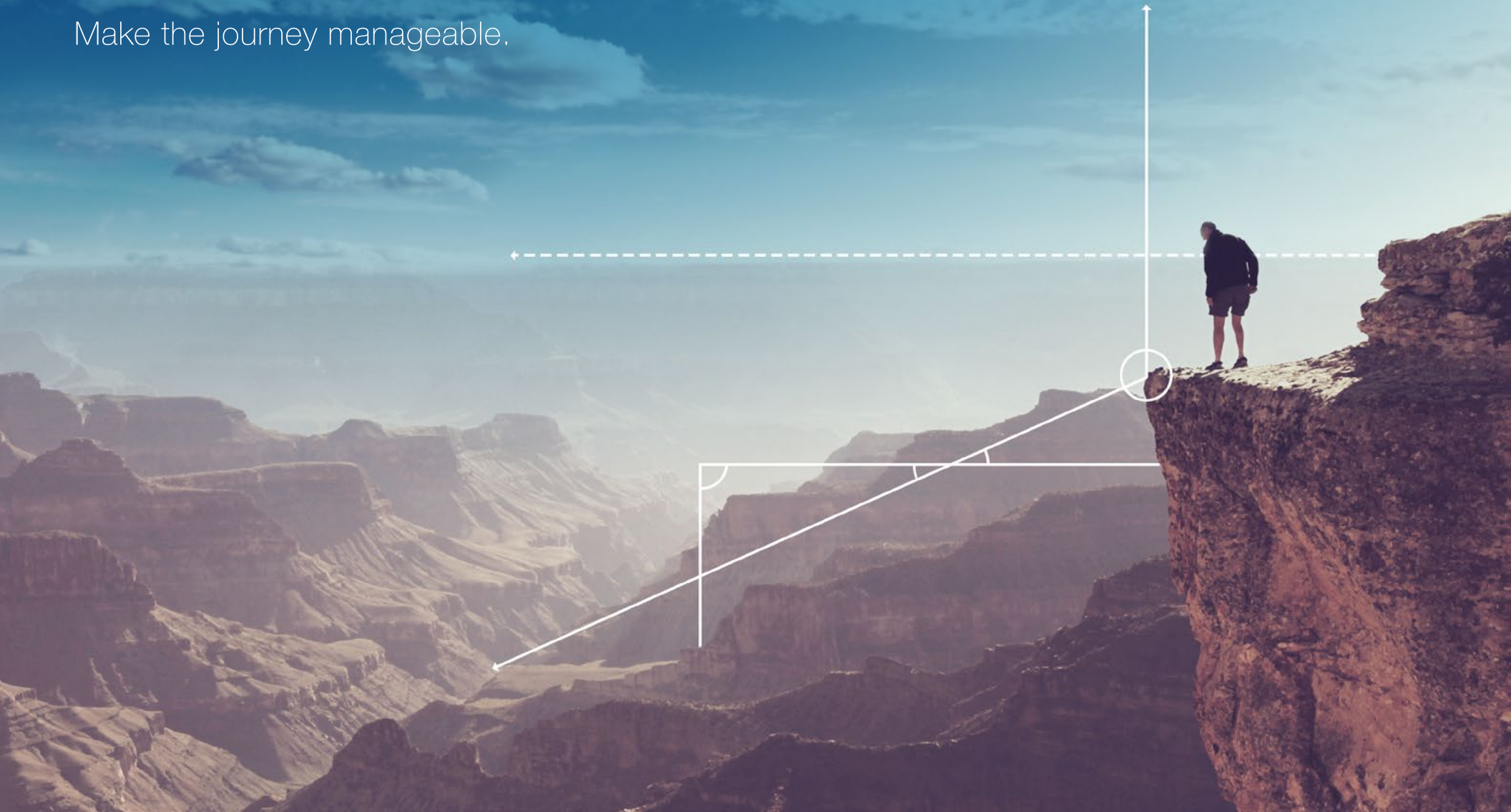
Investment for fully-loaded  
ROI



Chapter 2:

# BREAKING DOWN THE ROI CALCULATION

Make the journey manageable.





# THE ROI CALCULATION

When you're facing a tough climb, it helps to break it into manageable steps.

Here's how to break down this ROI calculation. It starts with ad-sourced revenue: the revenue that's coming into your company from advertising. You then subtract the ad spend from the ad-sourced revenue. Then divide that by the spend to figure out your ROI.

$$\left( \text{Ad-Sourced Revenue} - \text{Ad Spend} \right) \div \text{Ad Spend} = \text{ROI}$$

For example, if you spend **\$2,436** and generate **\$7,720** in ad-sourced revenue, here's how you'd calculate the ROI:

$$(\$7,720 - \$2,436) \div \$2,436 = \mathbf{217\%} \text{ (or 2.17x) ROI}$$

Here's a simpler version:

$$\text{Ad-Sourced Revenue} \div \text{Ad Spend} = \text{ROI}$$

$$\$7,720 \div \$2,436 = \mathbf{317\%} \text{ (or 3.17x) ROI}$$

Deciding which version to use depends on how you align on objectives and goals within your company. In the simplified version, you divide revenue by the spend, which is even simpler than subtracting the spend. Plenty of marketing teams, including ours, use this alternative simplified version to calculate ROI.



# THE ROI CALCULATION

Measuring ad-sourced revenue is challenging.

- Measuring your ad spend
- Measuring your ad-sourced revenue

Ad spend measuring is quite simple: you tally up all your invoices and contracts from various paid media that you're running.

Measuring ad-sourced revenue is harder because you need to figure out marketing attribution.

Especially within a B2B business, marketing's contribution is not always crystal clear since the buying process can be quite lengthy, and involve multiple stakeholders and numerous touches and interactions. We're going to spend a bit of time in the following sections explaining how can you better measure ad-sourced revenue and what kinds of tools marketers are using to do so.

We'll also cover various methodologies and philosophies marketers call upon to measure that ad-sourced revenue.





# UNDERSTANDING THE METRICS NEEDED TO SOLVE FOR ROI

Every traveler needs to grasp the lay of the land and the equipment at hand to find the best way forward.

Before we get into the specifics, let's define the most common ROI acronyms.

## **CPC—COST PER CLICK**

Ad spend / clicks. The actual price you pay for each click.

## **CTR—CLICK-THROUGH RATE**

Clicks / Impressions. The amount of clicks in your campaign divided by the number of impressions or sends.

## **CPL—COST PER LEAD**

Ad spend / leads. The amount of money you spend to acquire a lead.

## **MQL—MARKETING QUALIFIED LEAD**

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

## **LEAD SCORE**

The methodology marketing uses to identify MQLs





# UNDERSTANDING THE METRICS NEEDED TO SOLVE FOR ROI

## SQL—SALES QUALIFIED LEAD

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

## CVR—CONVERSION RATE

Conversions / Clicks. The percentage of users that take a desired action.

## CPA—COST PER ACTION OR ACQUISITION

Ad Spend / Conversions. How much it costs on average for one person to fill out a form or become a lead. You'll want to evaluate one campaign versus another and different platforms as well.

## ROI—RETURN ON INVESTMENT

$(\text{Revenue} - \text{Ad Spend}) / \text{Ad Spend}$

## MARKETING AUTOMATION SYSTEM

Technology used to automate marketing actions to improve engagement and efficiency.

## CRM—CUSTOMER RELATIONSHIP MANAGEMENT

Customer Relationship Management: Technology used to manage and analyze interactions and data throughout the customer lifecycle.

## ATTRIBUTION

Accurately attributing an outcome to a specific tactic. The five models for marketing attribution are: first touch, last touch, multi-touch, rules-based and algorithmic. (More on this below.)



## ROI Expert Tip:

Move away from click-focused metrics. By optimizing for just those numbers, you could be hurting your ad campaigns. You might even be optimizing away from conversions by instead optimizing for clicks—which do not always convert to customers.



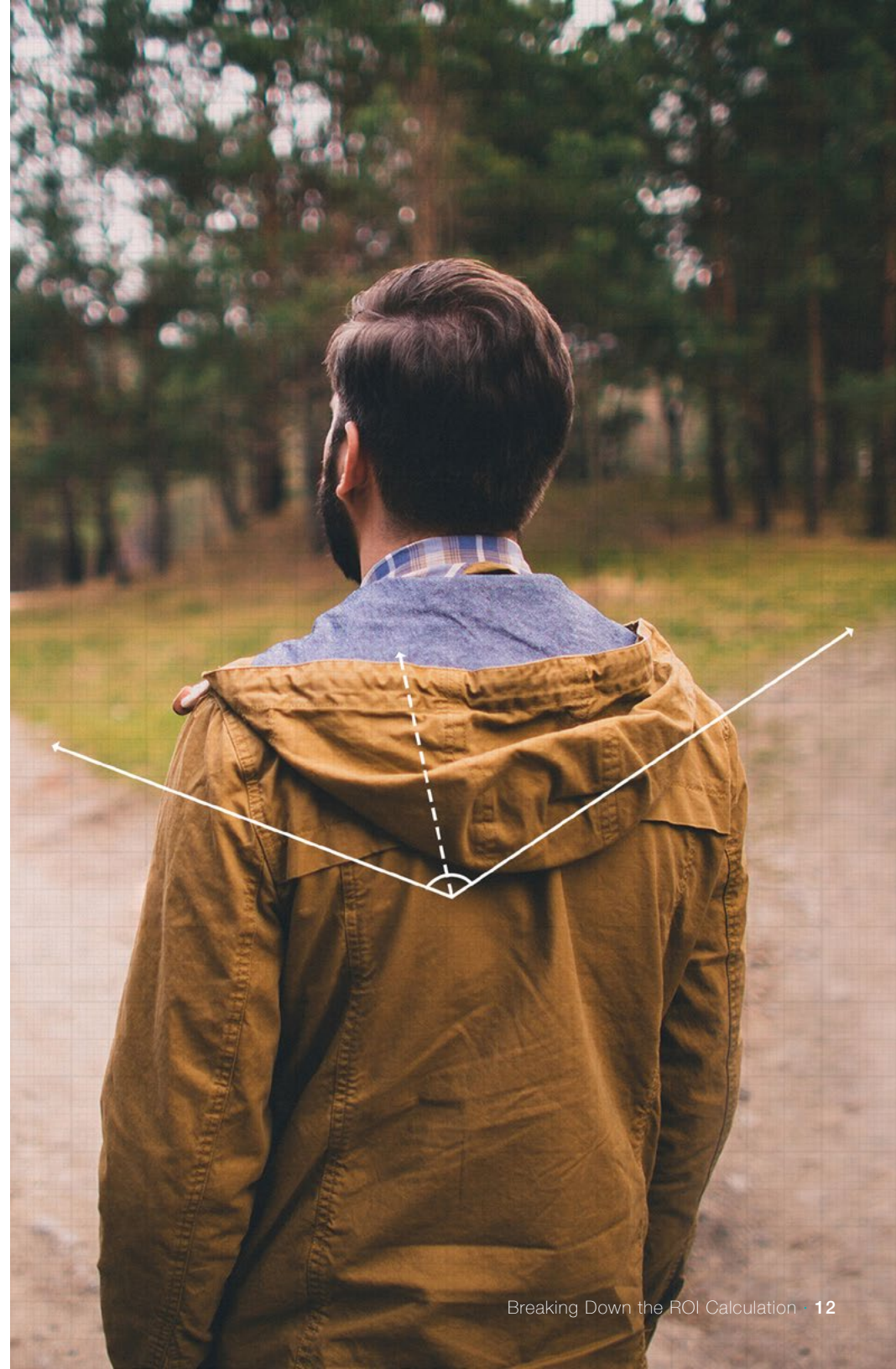
# OVERCOMING THE ATTRIBUTION CHALLENGE

You need to choose the best path to arrive at your destination as intended.

One of the biggest challenges when measuring the impact of marketing is to accurately attribute an outcome to a given tactic. Yet doing so is critical to build the credibility of the marketing team and to make informed choices about how to allocate future budget. Fortunately, data-driven technology enables you to more accurately attribute which marketing tactics actually drove revenue. Let's review the three basic attribution models—1. first-touch, 2. last-touch, 3. multi-touch—and why last-click attribution is damaging to your cause and why algorithmic attribution is the future.

**1. First-touch attribution:** The first-touch model gives 100 percent of the credit to the first action the person took before making a purchase. Because it gives all the credit on the basis of the first touchpoint, it will naturally overemphasize a single part of the funnel. Oftentimes that marketing tactic is an upper-funnel tactic.

**2. Last-touch attribution:** This commonly used model gives 100 percent of the credit for a conversion or sale to the last marketing tactic the prospect interacted with. Oftentimes that marketing tactic is a lower-funnel tactic, such as email or paid search. But modern marketers know it takes multiple touches to convert a B2B prospect into a sale. If you give credit for each sale to last action that person took before making a purchase, you don't have the complete story. In other words, last-click attribution fails to recognize the contribution of branding efforts that got the prospect in the upper funnel in the first place.

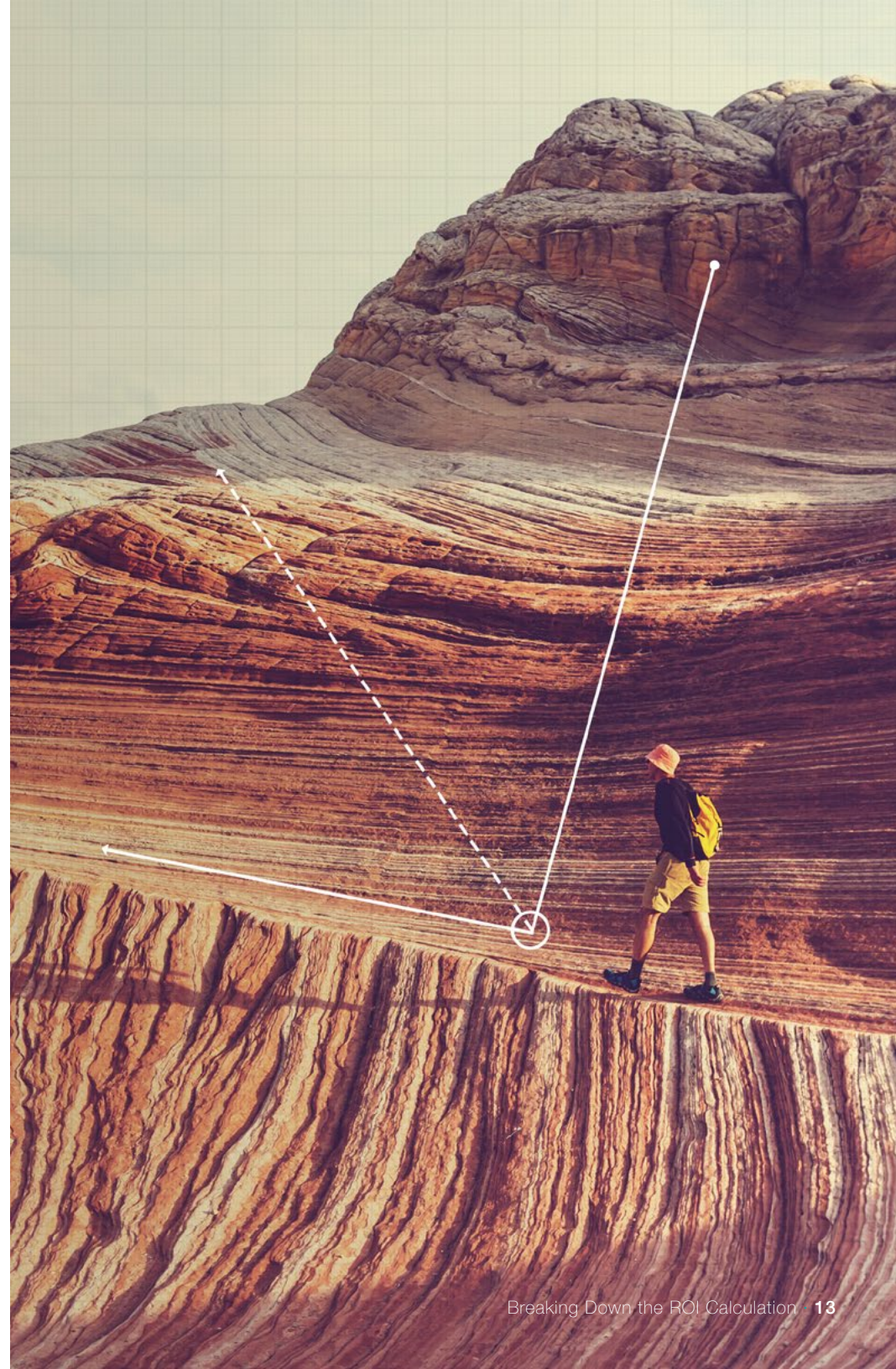




# OVERCOMING THE ATTRIBUTION CHALLENGE

**3. Multi-touch attribution:** Multi-touch (or multi-channel) attribution more accurately measures the impact that your entire marketing strategy drives. There are two basic kinds of multi-channel attribution, both of which enable marketers to move beyond last-click attribution. The two are rules-based attribution and algorithmic attribution.

**A. Rules-based attribution:** In the rules-based attribution model, you assign a certain value to particular tactics based on predetermined rules, such as frequency, recency, and perceived value of the interaction. For instance, you might give a higher score to a more recent interaction and for watching a demo than for downloading an eBook. You might even give equal credit to the search marketing, email, and whitepaper download a prospect interacted with before becoming a customer. In this case, each of the tactics would be credited with driving one-third of that customer's revenue. However, rules-based attribution is often ineffective because the rules are not necessarily driven by data.





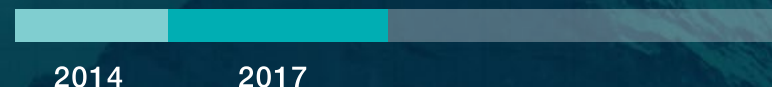
# OVERCOMING THE ATTRIBUTION CHALLENGE

B. **Algorithmic attribution:** A more complex yet more accurate method is algorithmic attribution, which works on the assumption that a prospect consumed many content assets and took many actions before becoming a customer. While similar to rules-based attribution, algorithmic attribution relies on the intelligence of software to apply value to interactions and improve the weighting over time. This method analyzes data from digital tools and platforms (such as SEO tools and marketing automation) along with data from offline tactics (such as print and radio ads).

Algorithmic attribution relies on identifying and tracking anonymous site visitors using cookies or other technologies, but also measures interactions with known prospects as tracked in systems such as marketing automation or CRM. The marketing team must also review historical data to correlate the activities that resulted in sales so it can program the model to assign higher values to the marketing tactics that drove conversions and revenues.

Without a doubt, it's much simpler to measure only that final touch, but for improved visibility into the buying process, you should work toward a multiple-touch attribution model. The more insight you have into the effectiveness of your nurturing techniques, the better you'll be able to optimize them.

## Measure Impact Across the Entire Funnel



Up from just 24 percent in 2014, **40 percent** of marketers said they have moved beyond measuring based solely on last-click and have adopted multi-touch-point attribution models.

It can be difficult to figure out which of your tactics are leading to sales and revenue. But the most effective marketers measure impact of their spend across the entire funnel, not just the last touch.





Chapter 3:

# CLIMBING THE CURVE OF MARKETING MATH SUCCESS

Reach new heights.





# CLIMBING THE CURVE

The biggest rewards come to those who create solutions to obstacles along their travels.

As a marketer, your goal is to travel up the curve or marketing math success. By doing so, you'll realize a more mature marketing measurement approach that goes far beyond the click and ultimately leads you to understand your ad-sourced revenue in order to calculate your ROI. Simply put, you want to be able to look at an ad and see exactly how many conversions it has generated. Ultimately you want your ad to turn into a lead and then into a customer.

## The Curve of Marketing Math Success

Move from clicks to conversions

**Click Focused:** Only measuring what happens with ad.

**CPC/CTR**  
Success= Low cost and high-click through

**Traffic**  
Success= Visits to my site

**ROI**  
Success= Strongest return on my ad spend and lowest cost-per-acquisition

**Conversions**  
Success= Leads and a strong conversion rate

**Conversion Focused:** Measuring the actions ads drive.

*On a recent webinar, HubSpot's Product Marketing Manager, Marcus Andrews spoke to this slide. Moving up the curve requires a shift away from clicks to conversions.*

Many marketers begin at the left-hand side of the curve, focusing on CPC and CTR, but these can be misleading since they don't tell the whole story. The best marketers have traveled up to the second half of the curve; they're conversion based. In other words, they know which actions and ads lead to a conversion.



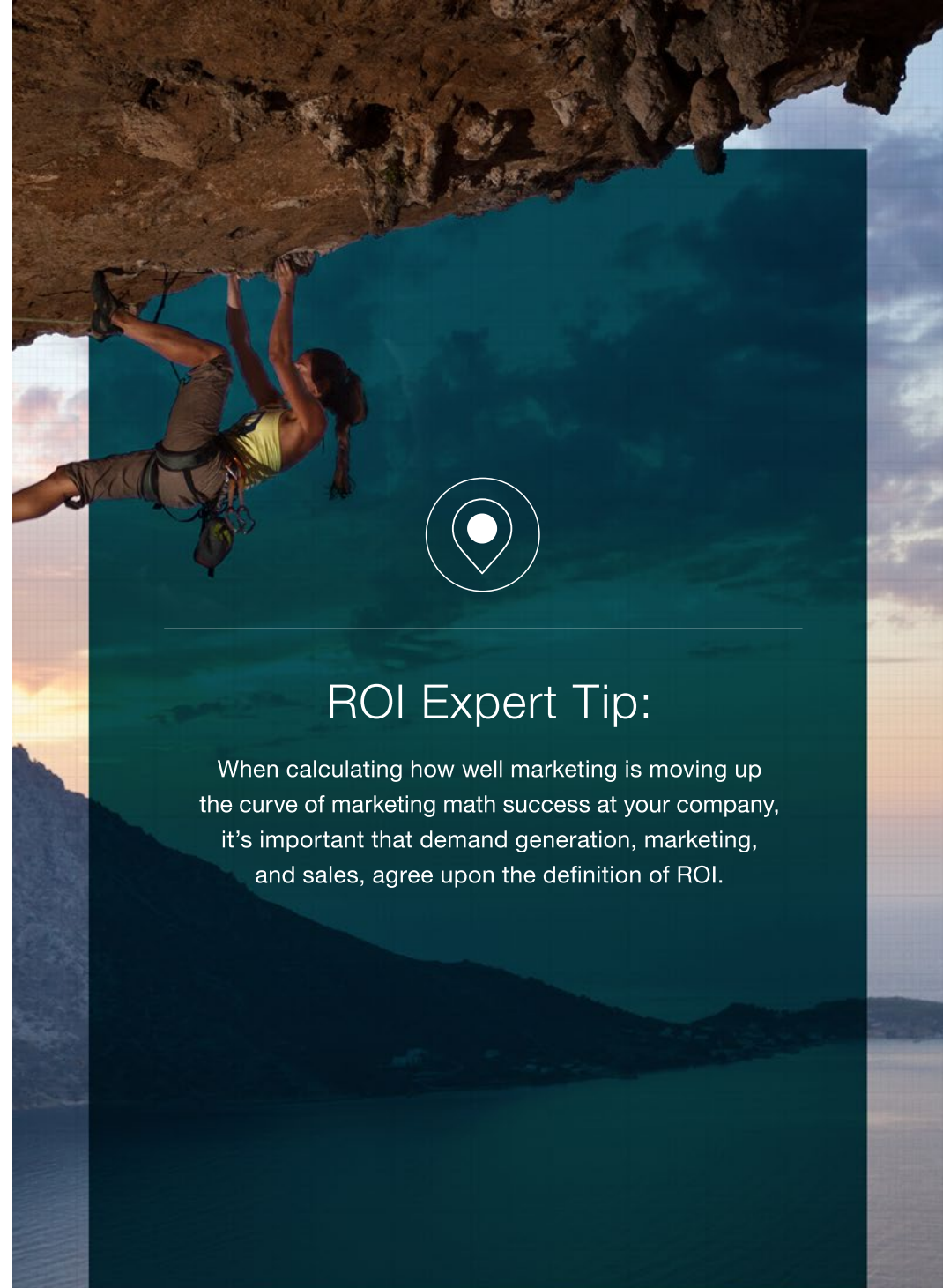
# CLIMBING THE CURVE OF MARKETING MATH SUCCESS

Bottom Line: The best way to evaluate ads is to see which ones are driving the most conversions.

Then see which of those conversions are turning into customers. You want to be able to say, *'Every time I spend X on this ad, I get X back.'*

It's important to note that ad campaigns often start out with a negative ROI—and that's okay. Look at the data, A/B test and optimize your way towards ads that deliver a higher ROI.

It's also important not to run your ad campaigns in isolation. Don't think about it as an ad campaign: think about your overall marketing campaign and your goals. Think about running a multi-channel campaign: email, content, think about your sales team and how they can leverage the campaign.



## ROI Expert Tip:

When calculating how well marketing is moving up the curve of marketing math success at your company, it's important that demand generation, marketing, and sales, agree upon the definition of ROI.



# PUTTING THE MATH TO WORK: MOVE FROM CLICKS TO CONVERSIONS

Don't settle once you're out on the trail—push forward knowing the destination is worth the effort.

Once you figure out your conversion rate, you might ask yourself, *'What am I doing with this data? How do you put it to work and optimize for ROI?'*

Optimize by channel and campaign to what is driving the highest ROI. You do this by tailoring content—your copy and imagery—for each channel and measure to determine what works best on each channel. If you're running multiple campaigns at once, you take a look at which is driving the most conversions.

Last-touch attribution is often the easiest way to do this because it's the easiest to track, but multi-channel attribution offers a more nuanced view of performance. Knowing the precise source of a lead—which campaign or channel—helps you optimize your strategy because you can shift your spend accordingly.

For example, someone sees your LinkedIn Sponsored Content post, then later visits your website, and then receives a LinkedIn InMail, at which point they convert. Last-touch will tell you to invest more in InMail campaigns. Multi-touch will give you a more holistic view of the buyer's journey, and realize that multiple factors contributed—and may be worthy of further investment.





# PUTTING THE MATH TO WORK: MOVE FROM CLICKS TO CONVERSIONS

Here's how to take a multi-channel approach on LinkedIn:

**Publish an attention-grabbing ad with a clear call to action.**

LinkedIn Text Ads insert text-based promotions into your target audience's newsfeeds, while LinkedIn puts ads you customize with information from profiles where your audience will see them on LinkedIn.

**Offer compelling and relevant content.** LinkedIn Sponsored Content puts your content in the feed of your target audience.

**Proactively reach out with an offer.** Through LinkedIn InMail, you can send personalized messages directly to key prospects, perhaps with an exclusive offer.

## The Importance of Customer Lifetime Value

All of the metrics mentioned previously tie into a master metric that can guide marketing budget allocation. Lifetime value is a projection of the revenue that a customer will generate during their lifetime (note this means their lifetime as a customer, not their expected lifespan on the planet). For subscription-based services, this is a simple calculation of average length of subscription X monthly cost of subscription.

KISSmetrics produced an infographic with a good explanation of how to calculate lifetime value for less predictable services.

Looking at how much one of your customers spent as a result of your first campaign with them is not enough to understand that customer's full value to your organization.



# PUTTING THE MATH TO WORK: MOVE FROM CLICKS TO CONVERSIONS

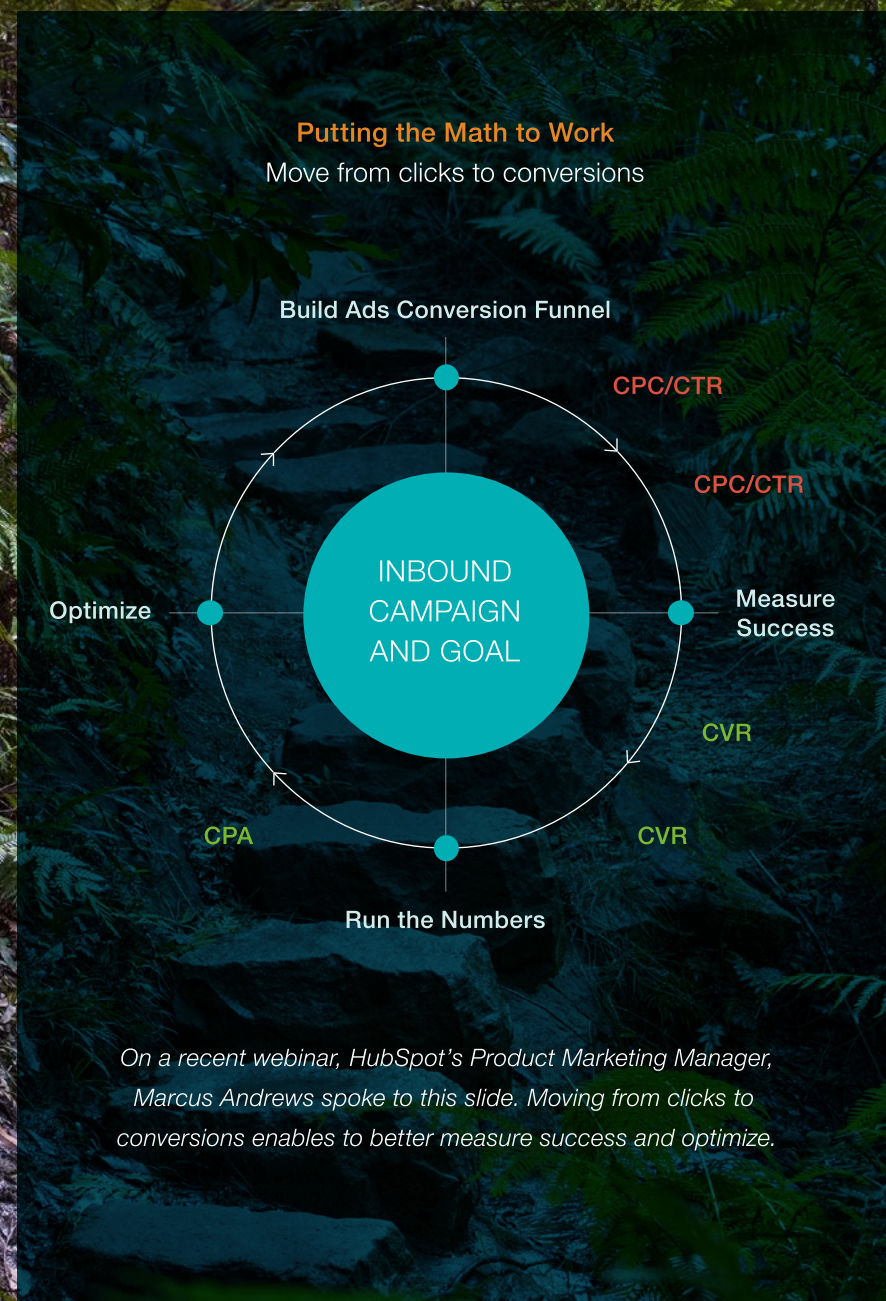
Now here are the steps you take to move from clicks to conversion:

**Build an ad conversion funnel.** This is an optimized landing page with a form where you can capture a lead.

**Start measuring initial performance.** After the first few weeks running your ad, review CPC and CTR. You may not get many conversions at first. Depending on your ad spend and sales process, it may take months. Once you see results come in, you can start measuring performance. If you start optimizing before you gather data or see conversions, you're just guessing. Make sure you let the numbers run and then assess.

**Once you've got conversions, run the ROI numbers to see how well you're moving up the curve. Look at your campaign.** Perhaps you're running one campaign with four different creatives or targets. Look at which is driving the best conversions and click-through rates.

**Optimize the results.** Do more of what works and less of what doesn't. Put more budget toward ads that are doing well or create similar ads. After you optimize by running more of what works well and then iterate (i.e., further optimize), you'll get closer to a CPA number and understand how much it costs you to drive one conversion.

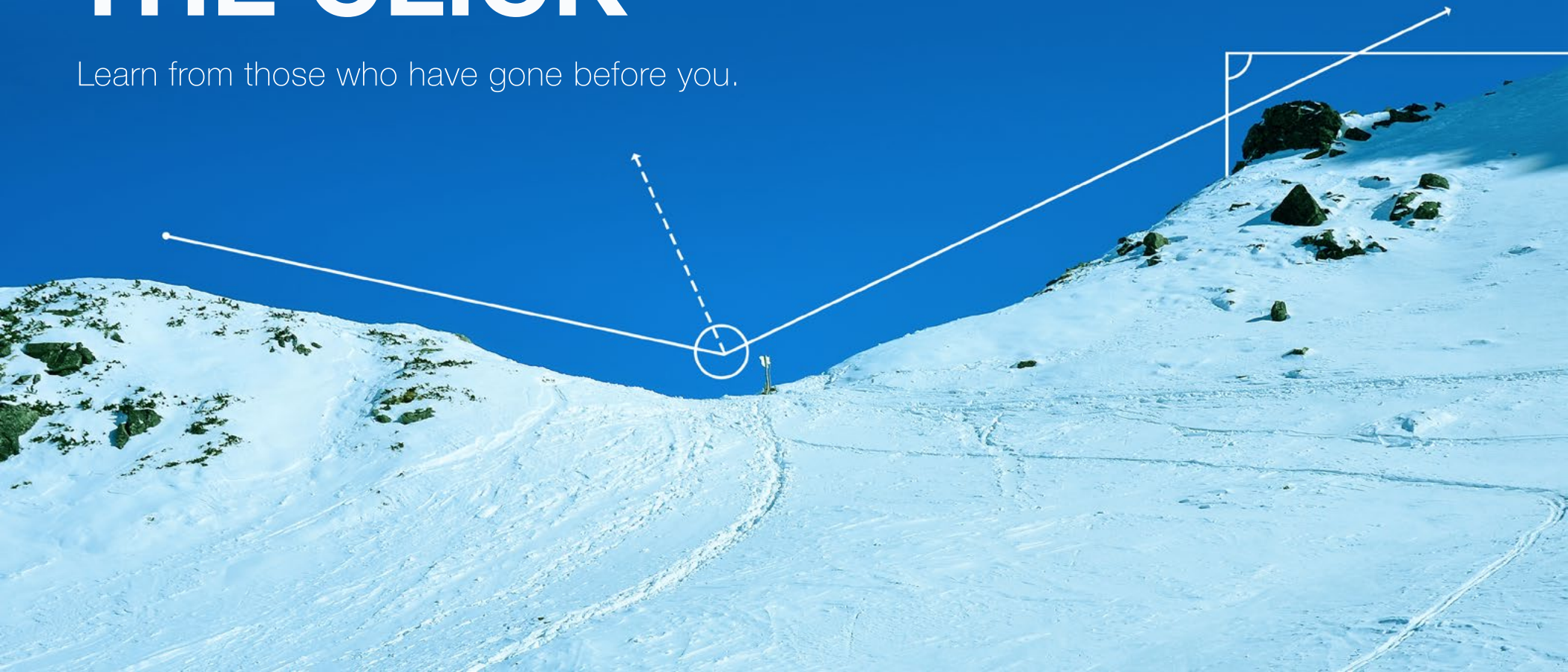




Chapter 4:

# HOW LINKEDIN'S MARKETING TEAM MEASURES BEYOND THE CLICK

Learn from those who have gone before you.

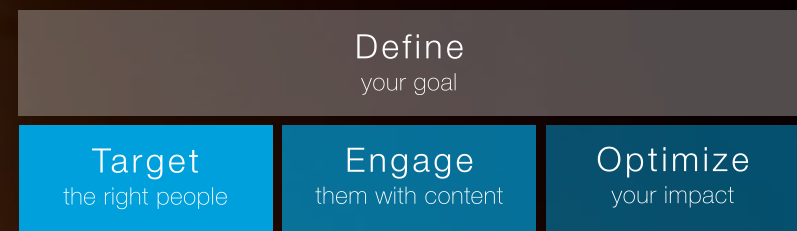




# BEYOND THE CLICK

While on your trek, it's wise to pay attention to the signposts left by earlier trailblazers.

Here's how we (the LinkedIn Marketing Solutions team) set ourselves up for a positive ROI on our own advertising spend:



1. Define the goal
2. Target the right people
3. Engage those people with content
4. Continuously optimize impact

Our team's three main marketing goals:

1. Drive quality traffic to our properties
2. Drive MQLs for the sales team
3. Deliver bookings/revenue dollars for our business from new customers



# LEARN FROM THOSE WHO HAVE GONE BEFORE YOU

Our process for moving 'beyond the click' to deliver bookings:

1. Before you even get the lead, you need traffic.
2. Traffic leads to inquiries aka leads (Here's where LinkedIn Conversion Tracking comes in. More on that below.)
3. With MQLS, it's not all about quantity; you need quality. We use a lead scoring methodology to assess the quality of leads before passing them to sales. By focusing on quality traffic and quality conversions, we increase the percentage of traffic that converts to MQLs. Because of LinkedIn's quality audience and unique targeting capabilities, our platform is extremely effective at driving higher quality leads.
4. Next, sales creates opportunities from the most qualified leads meeting their criteria.
5. Some of those opportunities will close and turn into bookings, or revenue.

When we say 'moving beyond the click', we're referring to the MQL, Opps (i.e., opportunities) and Bookings circles below Traffic and Inquiries.





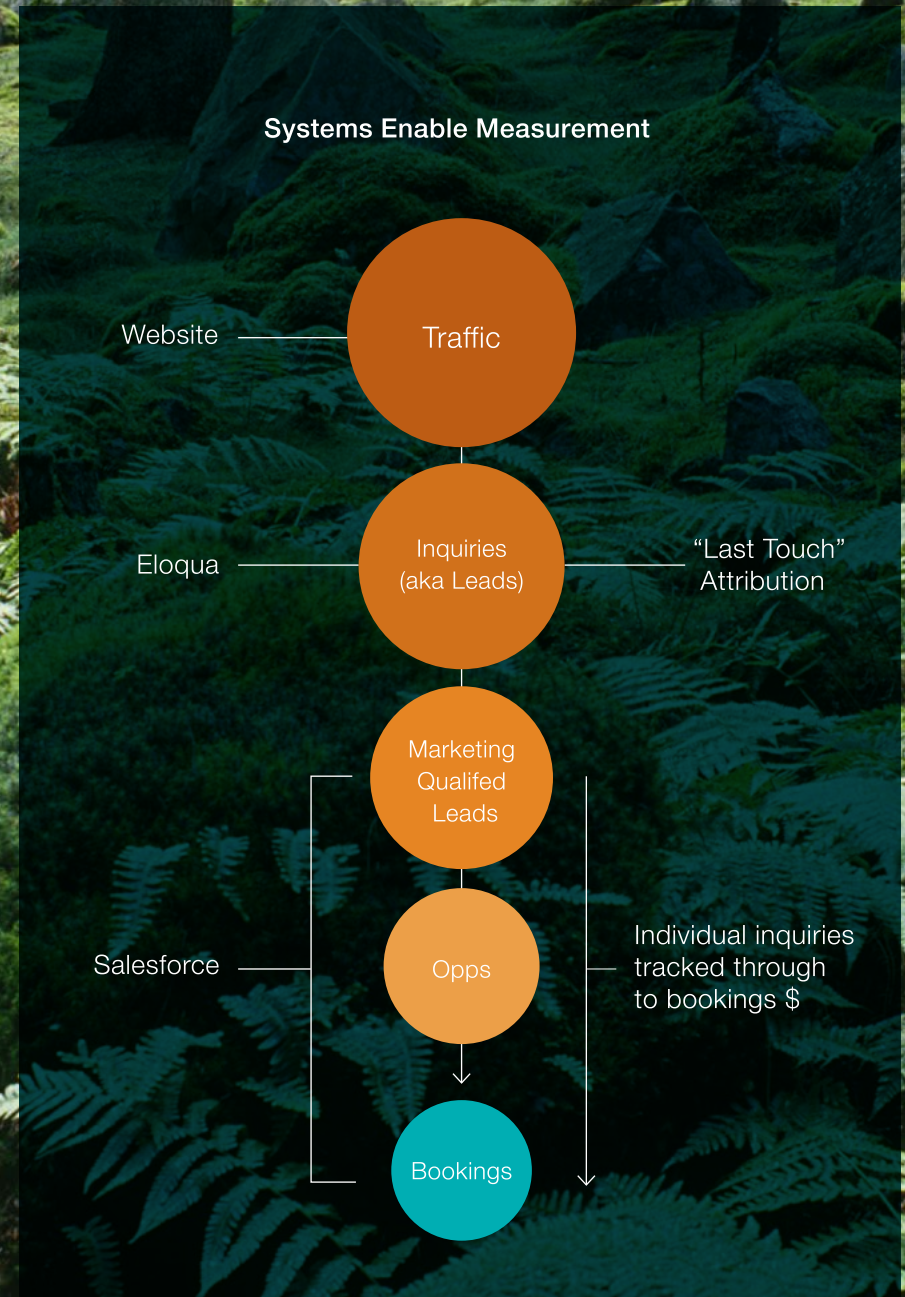
# SYSTEMS ENABLE MEASUREMENT

We use a number of systems to measure across the whole spectrum, but most importantly, to measure beyond the click.

Using Google Analytics, we measure website traffic.

With Eloqua (a marketing automation platform), we measure inquiries and use a last-touch attribution model. (As we mentioned, the most sophisticated model is multi-touch attribution. However, we're still evolving our approach, so we use last-touch attribution. That means the campaign prospects interact with last before becoming an inquiry gets the credit. The channel through which that campaign was delivered also gets credit.)

Everything “beyond the click” is occurring in Salesforce. To measure beyond the click, we set up the right codes in Salesforce so that we can track individual inquiries from the moment they become an inquiry or when they qualify as an MQL. We also use Salesforce to measure the activities the sales team takes to qualify an MQL as an opportunity and then when those opportunities close and become a booking. All that activity is on the right hand side of the Sales Enablement Measurement graphic.





# SYSTEMS ENABLE MEASUREMENT

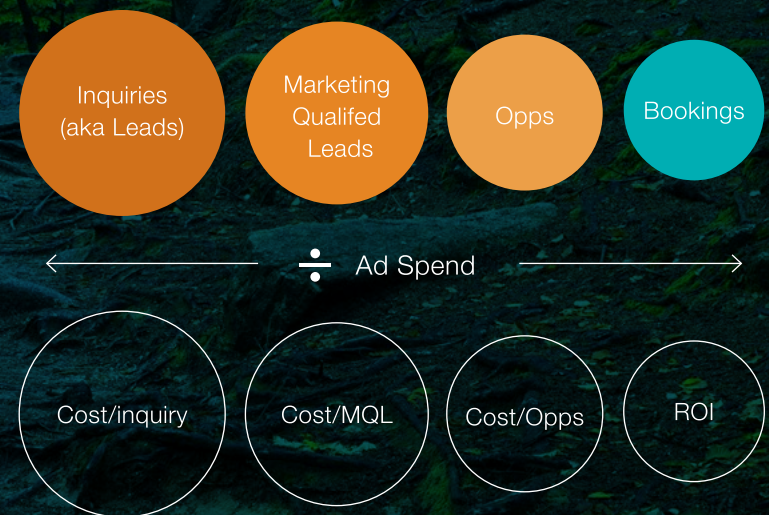
While you can promote content in numerous ways, when using ads, you need to first know the ad sourced revenue number. Then you can get to ROI. Divide all of the above variables by ad spend to calculate:

- ROI (if you're dividing bookings by ad spend)
- Cost per opportunity (if you're dividing opportunities by ad spend)
- Cost per MQL (if you're dividing MQLs by ad spend)
- Cost per inquiry (if you're dividing inquiries by ad spend)

Since our sales cycle lasts up to 2-3 months, we're not going to be able to get the real-time read on ROI for a new initiative, a new campaign, or a new channel that we're testing. So we move back to the left and start looking at these cost per comparison to get timely intelligence about how our campaigns are performing. This is especially important when you're trying something new, and when your sales cycle is longer.

While it's essential to ultimately calculate ROI by dividing your bookings attributable to advertising by your ad spend, you also need to manage further back to the left. That's the only way to make sure you're making adjustments based on the real-time patterns.

Manage to ROI by channel, using cost per X as a leading indicator to optimize more quickly.





# HOW TO MEASURE IMPACT ON LINKEDIN

When you're ready to push your limits, be as prepared as possible.

LinkedIn Conversion Tracking, a set of capabilities built directly into LinkedIn Campaign Manager, enables you to easily measure leads, sign-ups, content downloads, purchases, and other desired actions on your LinkedIn Sponsored Content and Text Ads campaigns. Specifically, you can understand more about the specific ads and even the unique LinkedIn audiences that are driving your conversions. You can even identify the seniority, industry, job function, location and company size of the people who are becoming leads.

With LinkedIn Conversion Tracking, you can:

- **Track the metrics that matter most:** track website conversions from your LinkedIn programs directly in Campaign Manager. At a glance, you can understand your LinkedIn advertising ROI, conversion count, cost-per-conversion, conversion rate, and return on ad spend. You can even track which audience segments are driving the most conversions.
- **Record every conversion, every time:** track conversions on your website from desktop and mobile, whether members converted after clicking on—or even after just viewing—one of your ads.
- **Optimize your campaigns to drive even better performance:** Monitor the specific campaigns, ads, and the nature of the audiences that are driving conversions. Then use this information to improve your Sponsored Content and Text Ads targeting, creative, and maximize the downstream impact of lead and opportunity pipeline goals.

You can measure ROI using conversion tracking by simply assigning a value for each conversion.

With conversion tracking, you can:

1. Track leads from your LinkedIn ad campaigns
2. Understand the ROI of your spend
3. Optimize for the results that matter most





# HOW TO MEASURE IMPACT ON LINKEDIN

## How we think about LinkedIn Conversion Tracking metrics

At LinkedIn, we use conversion tracking to measure campaigns through the bottom of the funnel. We feel that true optimization happens when you look beyond click-through rate or conversion count. So we look beyond just the conversion count in order to understand the whole story of the campaign's performance. Our 'true north' conversion metrics—the ones that help us isolate top or bottom performers—are conversion rate and cost per conversion. Cost per conversion is the dollar amount you spend in order to acquire a conversion on that campaign. The lower that number, the better.

We also look at post-click conversion to help us optimize creative. This metric allows us to understand if our creative, messaging and landing page are working together. For those of you tracking conversions in a CRM system, this post-click conversion number usually lines up with the conversions you're seeing in your CRM from your LinkedIn campaign.

View-through conversions reveal what people are doing after they see your ad. We can track, for example, if someone sees our ad, and then comes back within 30 days to our landing page and converts. This helps us understand how impressionable our ads are. Are they memorable enough to stick in someone's mind and drive them back to our site to convert? Is your content influential and creating enough awareness to get people to visit your site, engage with your brand or convert into a new customer?

Optimization by top  
funnel metrics vs bottom  
funnel metrics

### Top Funnel

Opens / Open Rate / Clicks / Click-Through Rate /  
Engagement Rate / Cost-per-Click

### Bottom Funnel

Conversions / Conversion Rate / Cost Per Conversion /  
Conversion Value / Return on Ad Spend

*These are the metrics we look at to isolate  
top or bottom performers.*



# HOW TO MEASURE IMPACT ON LINKEDIN

## How we optimize campaigns by top metrics vs bottom funnel metrics

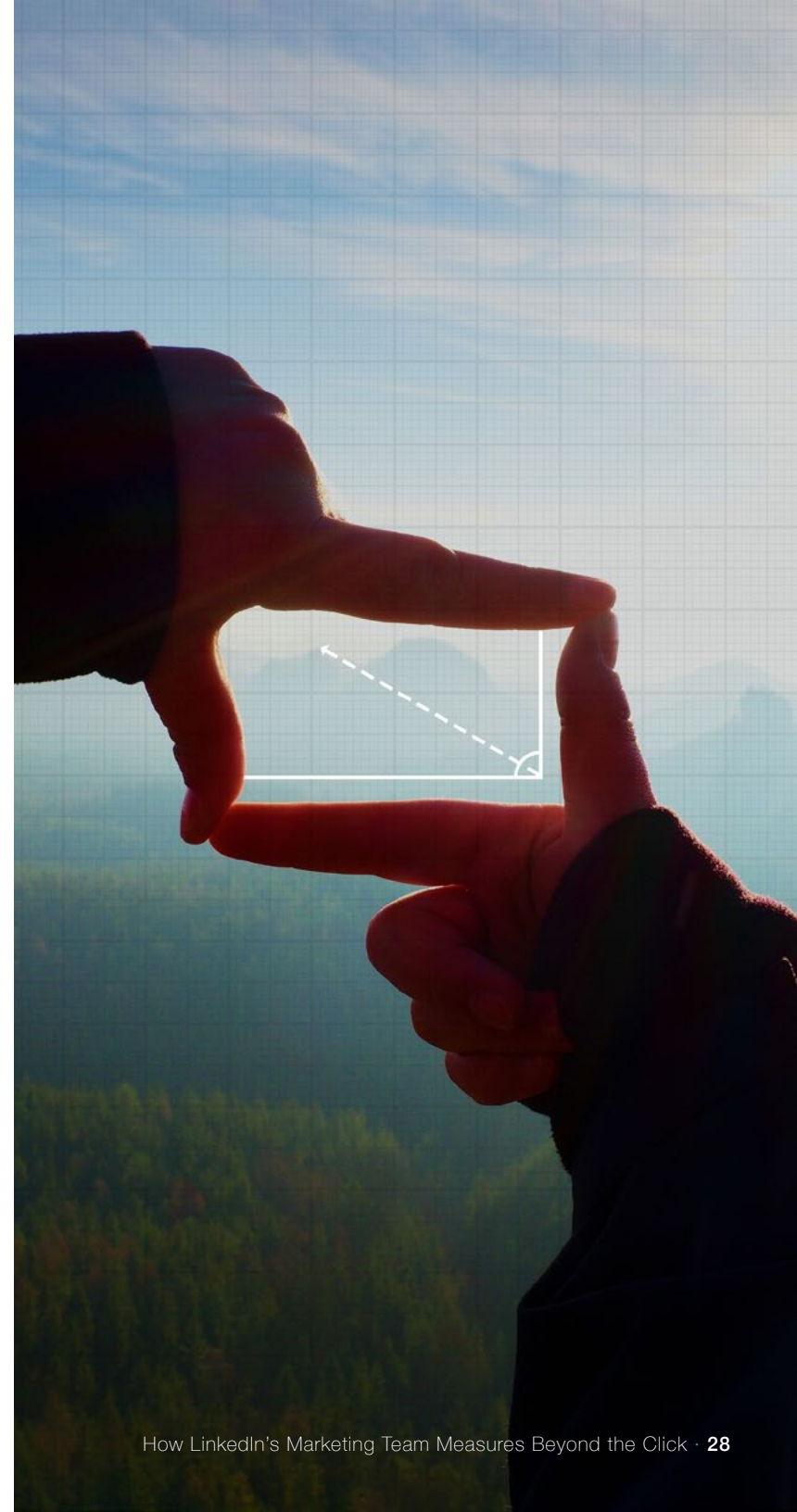
When deciding which metrics to use to measure our campaigns, we first define our objective. If the objective is to drive new visitors to the website, we look at metrics like clicks, click through rate and cost-per-click to understand campaign performance. If our goal is to drive leads for our sales team, we look at metrics like conversion rate and cost-per-conversion.

Conversions	Post-click conversions	View through conversions	Conversion rate	Cost per conversion	Total conv. value	Return on ad spend
3,691	1,168	2,523	3.975%	\$10.53	\$148,880.00	700.871%

Below are two examples that illustrate the importance of understanding the metrics you'll use to measure campaign performance. In both of these examples our objective was to drive leads for the sales team.

The first example shows only top-funnel metrics, and it's clear that our 'TechCSCCaseStudy' (Technology Case Study) campaign is the winner. It is getting higher click through rate and engagement rate.

Campaign Name	Status	Impressions	Clicks	Avg. CTR	Total Social Actions	Total Eng.	Avg. Eng.
	Total	2,560,276	10,574	0.413%	2,956	13,532	0.529%
LMS_TechCSCCaseStudy		12,011	87	0.724%	3	90	0.749%
	Status	Impressions	Clicks	Avg. CTR	Total Social Actions	Total Eng.	Avg. Eng.
	Total	6,922,575	26,191	0.378%	7,346	33,536	0.484%
LMS_SMG16Refresh		2,174,928	6,762	0.311%	2,421	9,183	0.422%





# HOW TO MEASURE IMPACT ON LINKEDIN

How we optimize campaigns by top metrics vs bottom funnel metrics

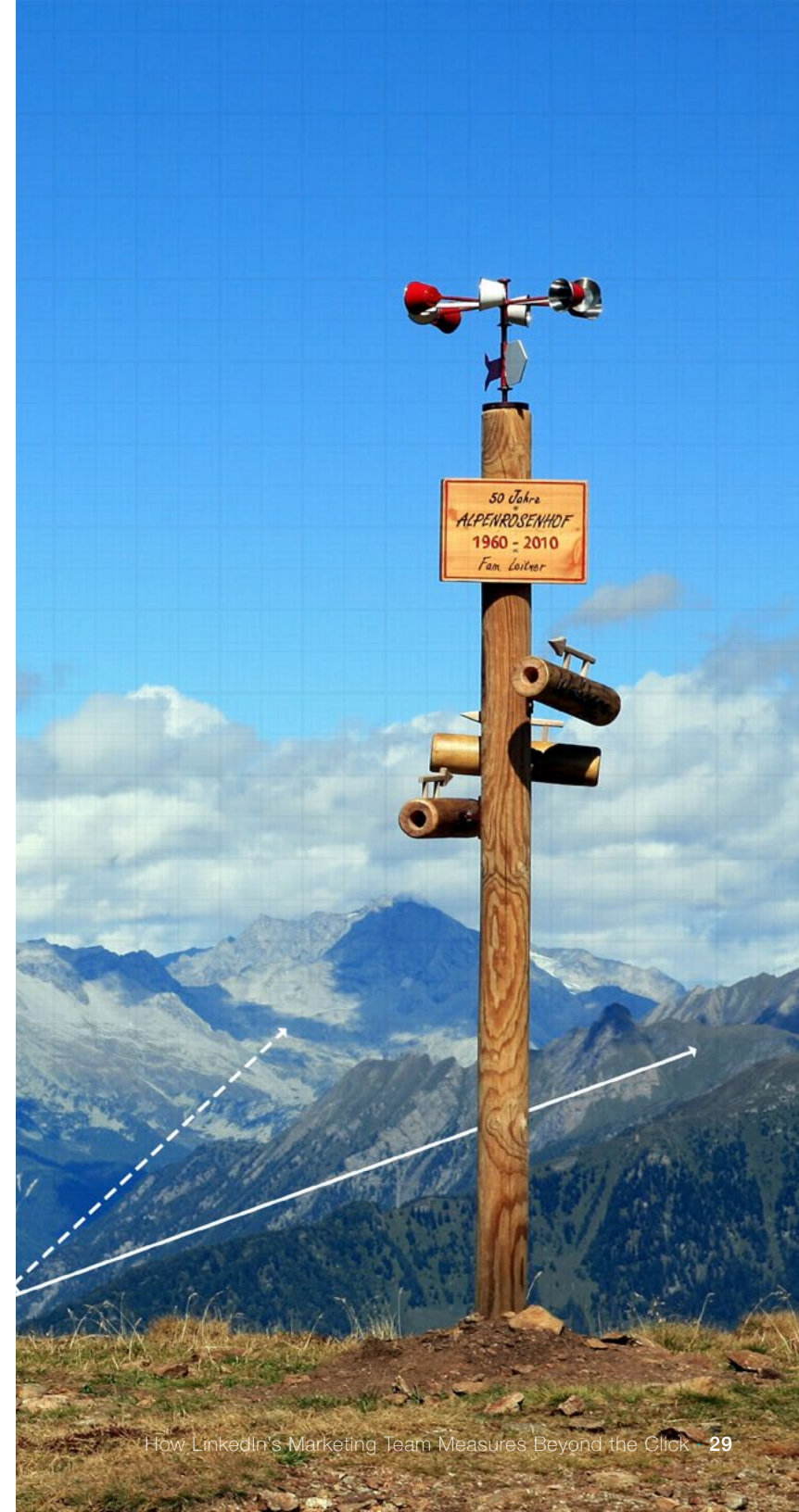
In this second example, we look at those same campaigns through the lens of our conversion tracking metrics. This changes the perception of a top-performing campaign. The 'SMG16Refresh' (Sophisticated Marketer's Guide to LinkedIn) has a much higher conversion rate at a significantly lower cost-per-conversion, for a much higher return on ad spend.

Campaign Name	Status	Conversions	Post-click conversions	View through conversions	Conversion rate	Cost per conversion	Total conv. value	Return on ad spend
Total		3	1	2	0.203%	\$56.62	\$93.00	54.754%
LMS_TechCSCaseStudy		3	1	2	3.448%	\$56.62	\$93.00	54.754%

	Status	Conversions	Post-click conversions	View through conversions	Conversion rate	Cost per conversion	Total conv. value	Return on ad spend
Total		2,744	1,583	1,181	5.797%	\$6.49	\$85,250.00	478.453%
LMS_SMG16Refresh		2,744	1,583	1,181	40.58%	\$6.49	\$85,250.00	478.453%

So remember, the key to effective measurement is understanding your objective from step one, and then associating your campaigns with the right metrics. Simply put, you shouldn't define success in the same way for all campaign objectives.





## A SUCCESS STORY

# How Netbrain Converts High-Revenue Opportunities With LinkedIn Conversion Tracking

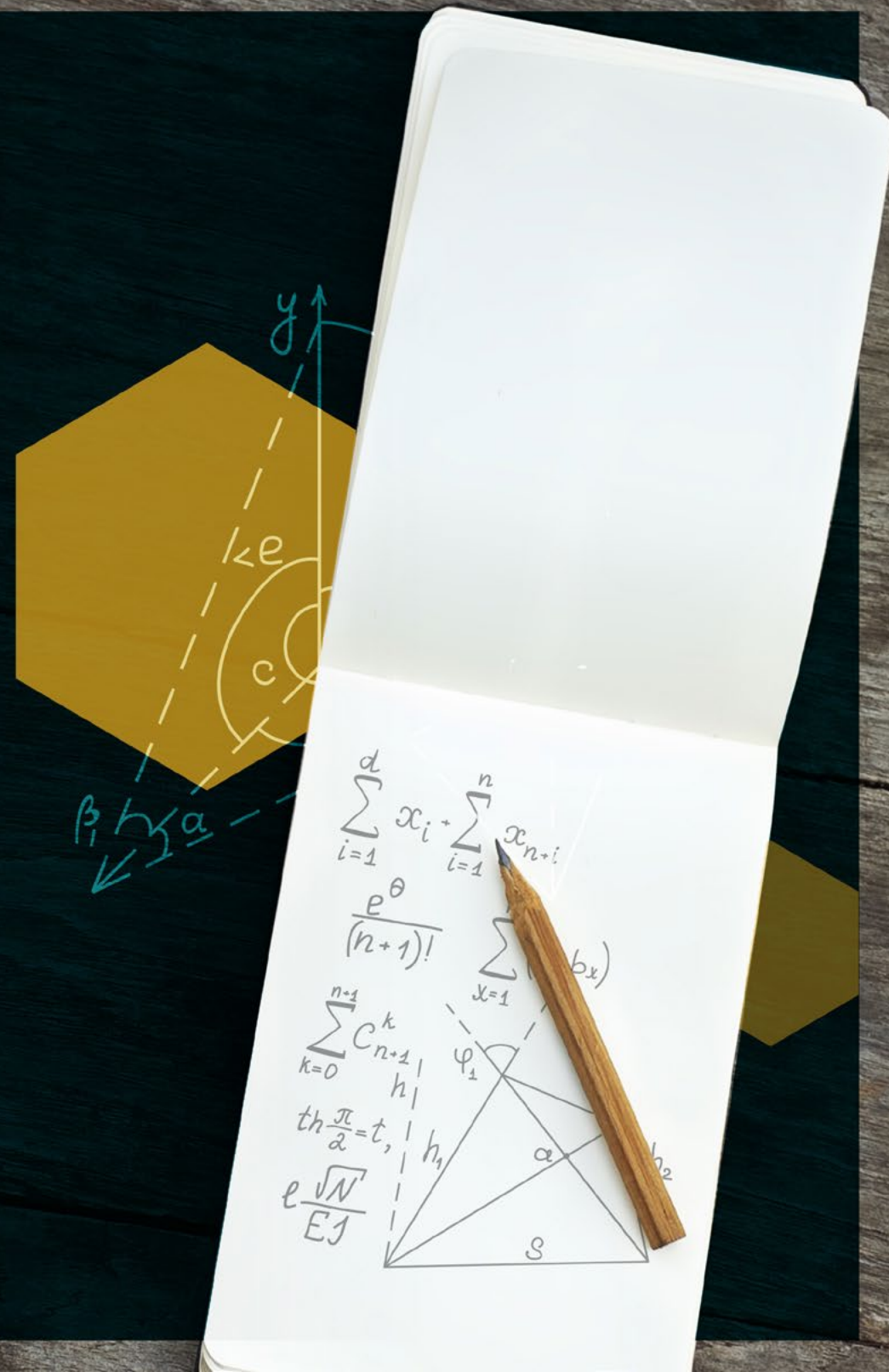
## Attribution: The missing piece

A pre-IPO enterprise software company, NetBrain provides a platform that offers documentation and automation solutions for IT pros tasked with managing complicated networks.

Riding a wave of exceptional growth, NetBrain's marketing team faced significant pressure keeping pace with the company's aggressive goals. Its product addressed a real need, making marketing's job handing leads to sales crucial to the health of the business.

But even with a suite of channels to drive demos, NetBrain's marketing wasn't able to truly show the value of its campaigns or use those insights to improve campaign performance.

"By using LinkedIn to filter for job title, certification, and skills, we've been able to run LinkedIn Sponsored Content campaigns that zero in on the right potential prospects," said Priyank Savla, NetBrain's digital marketing manager. "But we weren't able to measure campaign effectiveness or optimize campaign performance."





## A SUCCESS STORY

# How Netbrain Converts High-Revenue Opportunities With LinkedIn Conversion Tracking

## Connecting the dots

Despite being tasked with providing more accountability, the marketing team often pieced together data from various sources to get a clear picture of campaign performance and ROI. “I would have LinkedIn Campaign Manager open in one screen,” said Savla, “Google Analytics in another, Salesforce in a third. It was not easy, to say the least.”

NetBrain implemented LinkedIn Conversion Tracking by simply inserting a small snippet of code—the LinkedIn Insight tag—into its website. Conversion tracking provided clear insights into the performance of its LinkedIn Sponsored Content campaigns and greatly simplified campaign optimization. Instead of grabbing a calculator and reconciling across multiple sources, NetBrain marketing can now access comprehensive conversion reporting in Campaign Manager.

“Before LinkedIn Conversion Tracking, we would have used URL parameters for each ad group,” said Savla, “then create Salesforce reports to see performance, then meet with Sales Ops to create CRM fields. And there’s a good chance we could generate a lead that already existed in our system. So that conversion wouldn’t get counted.” Conversion tracking not only simplified performance tracking and attribution, it gave NetBrain a way to zero in on the best-performing campaigns. In this way, Savla could see that even though some campaigns generated a low click-through rate (CTR), the conversions they generated were worth continued campaign investment.

## Challenge:

Getting insight into which LinkedIn campaigns led to demos. Meeting aggressive growth goals by optimizing campaign performance.

## Solution:

Conversion tracking with Sponsored Content

## Results:



94% lead-to-demo ratio in the first week



85% overall lead-to-demo ratio



2X increase in CTR in the past three months



A SUCCESS STORY

# How Netbrain Converts High-Revenue Opportunities With LinkedIn Conversion Tracking

## Turning insights into action

Given its highly appealing product, the goal of NetBrain's LinkedIn Sponsored Content campaigns has been to drive demos. "If we can get the right person to see our demo, then we usually make a sale," said Savla.

Today, NetBrain's marketing is doing just that, pairing LinkedIn's powerful targeting options to drive an incredible **94%** lead-to-demo ratio in the first week (**85% overall**) while seeing a **2X increase** in CTR over a three-month period. With conversion tracking, NetBrain now has a more holistic view into the performance and impact of its LinkedIn campaigns—and can fine-tune for even better results.

"Conversion tracking makes it easy for me to see which campaigns are working and how I can optimize spend."

—Priyank Savla, Digital Marketing Manager, NetBrain Technologies





Chapter 5:

# YOUR FAQs ABOUT ROI ANSWERED

It's smart to ask questions of those who've already made the trek.





# YOUR FAQs ABOUT ROI ANSWERED

Q. What are examples of how marketers can act on the results of measuring ROI?

A. Marketers can do the following once they understand the return on their investment:

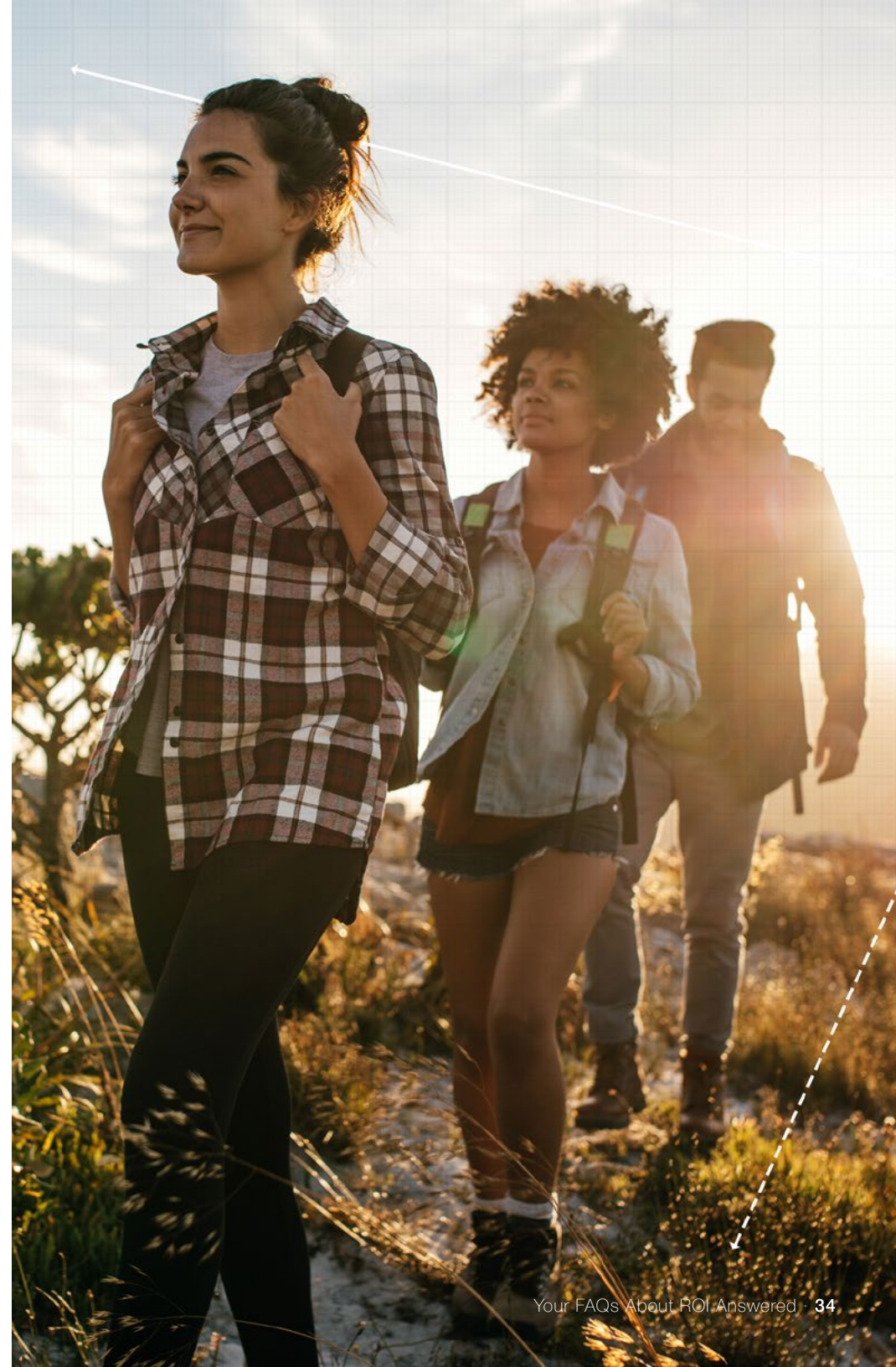
- Modify and test an ad to try to drive higher performance
- Offer different content to try to better appeal to the target audience
- Reallocate ad spend to prioritize the ad(s) driving better returns

Q. Who should be involved from my company in defining a structured method of measuring the value of marketing?

A. Because marketing's ultimate contribution is helping drive revenues, this exercise should involve representatives from marketing, sales, and finance.

Q. What is the difference between metrics and analytics?

A. Metrics are what you measure about your marketing programs to gauge performance or progress. Your most important metrics are your key performance indicators, or KPIs. Analytics use metrics and how they're trending to help you make decisions about your marketing efforts. Metrics and analytics are both important. You can't have analytics without metrics, but metrics alone won't help you take action that can improve your results.



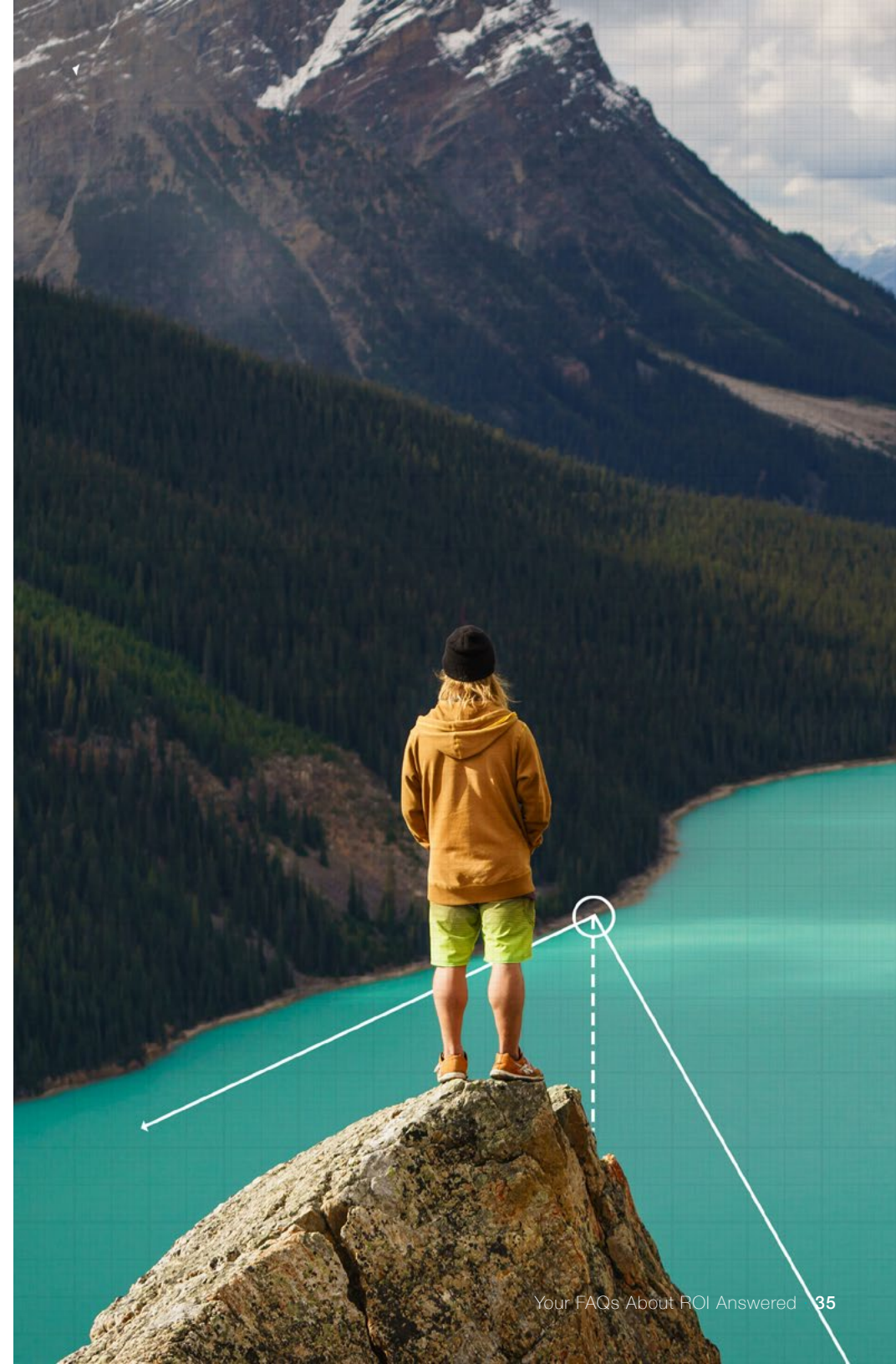


# YOUR FAQs ABOUT ROI ANSWERED

Q. What are useful metrics for measuring the effectiveness of upper funnel programs?

A. In the upper funnel, your goal is reaching your audience at scale to build awareness and a positive impression of your brand, even with those not yet in the market for your offerings. The following are useful metrics for measuring the effectiveness of upper funnel programs:

- Awareness
- Branded search
- Brand recall and lift
- Website and referral traffic lift
- Targeted page views, pages per visit, and time spent on site lift
- Subscriber/opt-in lift
- Targeted engagement (open rate, shares, likes, comments)
- Bounce rate decline
- Targeted unique visitors lift
- Inbound links lift





# YOUR FAQs ABOUT ROI ANSWERED

Q. What are useful metrics for measuring the effectiveness of lower funnel programs and tactics?

A. In the lower funnel, you “nurture” prospects that have either implicitly or explicitly expressed an interest in your brand, product, or service. The following are useful metrics for measuring the effectiveness of lower funnel programs and tactics:

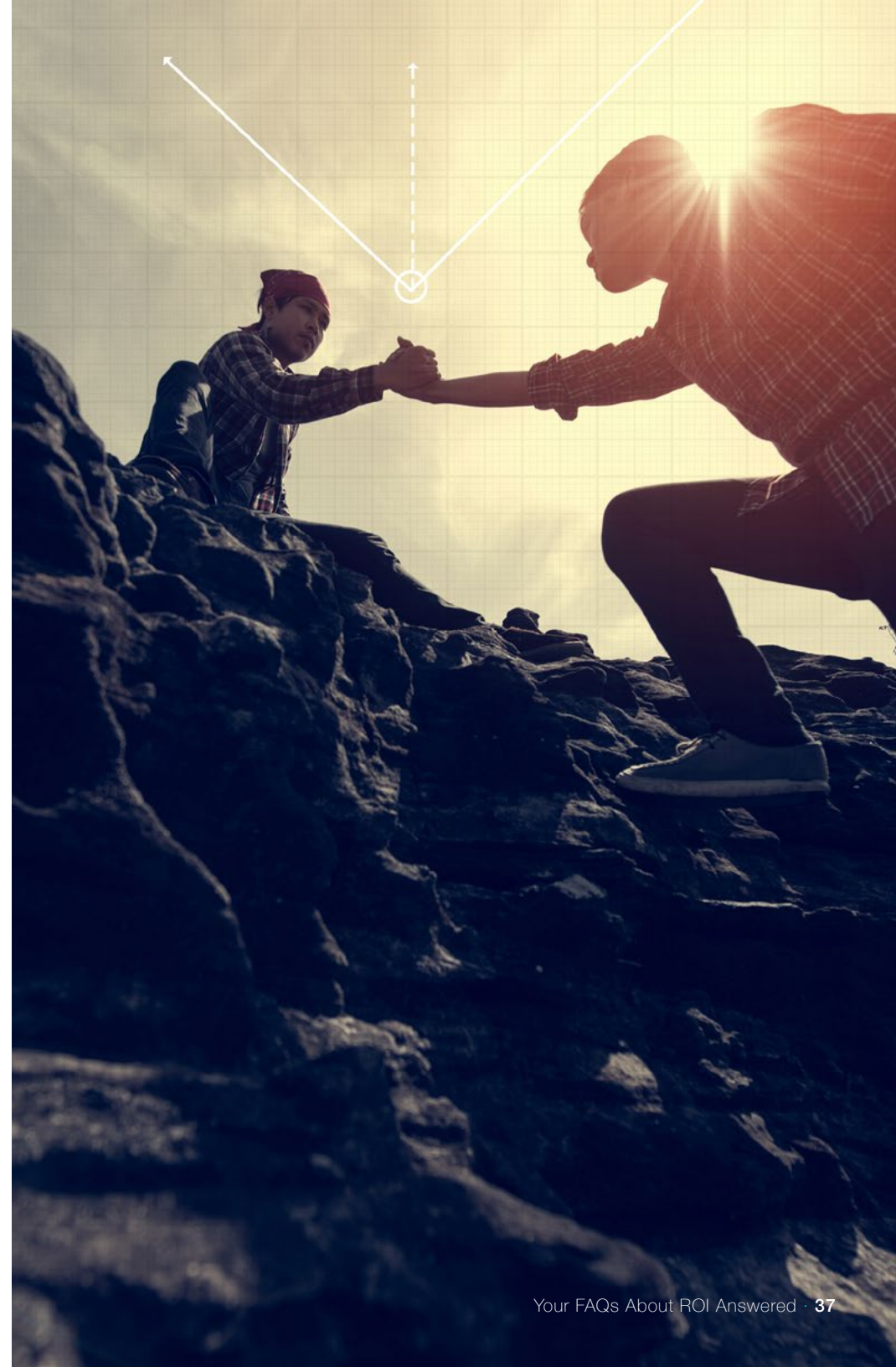
- Website form conversion rate
- Leads (organic vs. paid); cost per lead
- Marketing qualified leads (MQL); Cost per MQL
- Sales qualified opportunities (SQOs)
- Sales accepted opportunities (SAOs)
- Qualified lead velocity rate (i.e., growth in qualified leads)
- Pipeline contribution
- Revenue contribution
- Retention rate and/or customer lifetime value and/or upsell/cross-sell





# YOUR FAQs ABOUT ROI ANSWERED

- Q. If I am targeting small companies, can LinkedIn find these through people's profiles?
- A. LinkedIn gives you the ability to target based on company size, so yes, you can set up your target to focus on small companies. Then when you're getting leads from LinkedIn, you know that they are from small companies.
- Q. Does it make sense to attribute revenues to an ad, even if it was the first touch?
- A. Last-touch conversion says that whatever marketing channel last touched this lead gets full credit for the conversion. That's the place most advertisers and marketers start because it's the simplest. If you're getting a little bit more sophisticated, over time you probably want to move to something more like a time decay, attribution model or a multi-touch attribution model. This helps you understand the impacts of your different marketing tactics.





# YOUR FAQs ABOUT ROI ANSWERED

**Q. How do you suggest organizations with a long sales cycle using last-touch attribution models identify ROI ad spend for top-of-funnel effort?**

**A.** With a long sales cycle, top-funnel marketing efforts aren't necessarily going to get attribution credit. That's because by the time someone's converting into a lead they may have consumed more than one piece of content and they may be lower down the funnel when they're consuming it. At LinkedIn, we find that most of the leads that become MQLs have consumed multiple types of content (paid and organic) before they reach the lower funnel. This suggests that it's necessary to add that top-of-funnel investment to fuel the lower funnel.

It is good to look at what percent of qualified leads have consumed upper-funnel content to understand which of it is helping drive people lower down the funnel.

**Q. What is the definition of a quality lead?**

**A.** The definition is different for every company because every company has a different ideal customer. A qualified lead is a lead meeting certain criteria that sales and marketing have agreed is indicative of a strong prospect for the sales team. This is usually qualified through analytics and/or a lead scoring system. The key to coming up with criteria is to conduct research to understand your buyers and how well your product or service solves their problems.





Conclusion:

# YOUR JOURNEY BEGINS WITH YOUR FIRST STEP

When you're aiming to reach new heights,  
it's okay taking your time getting there.



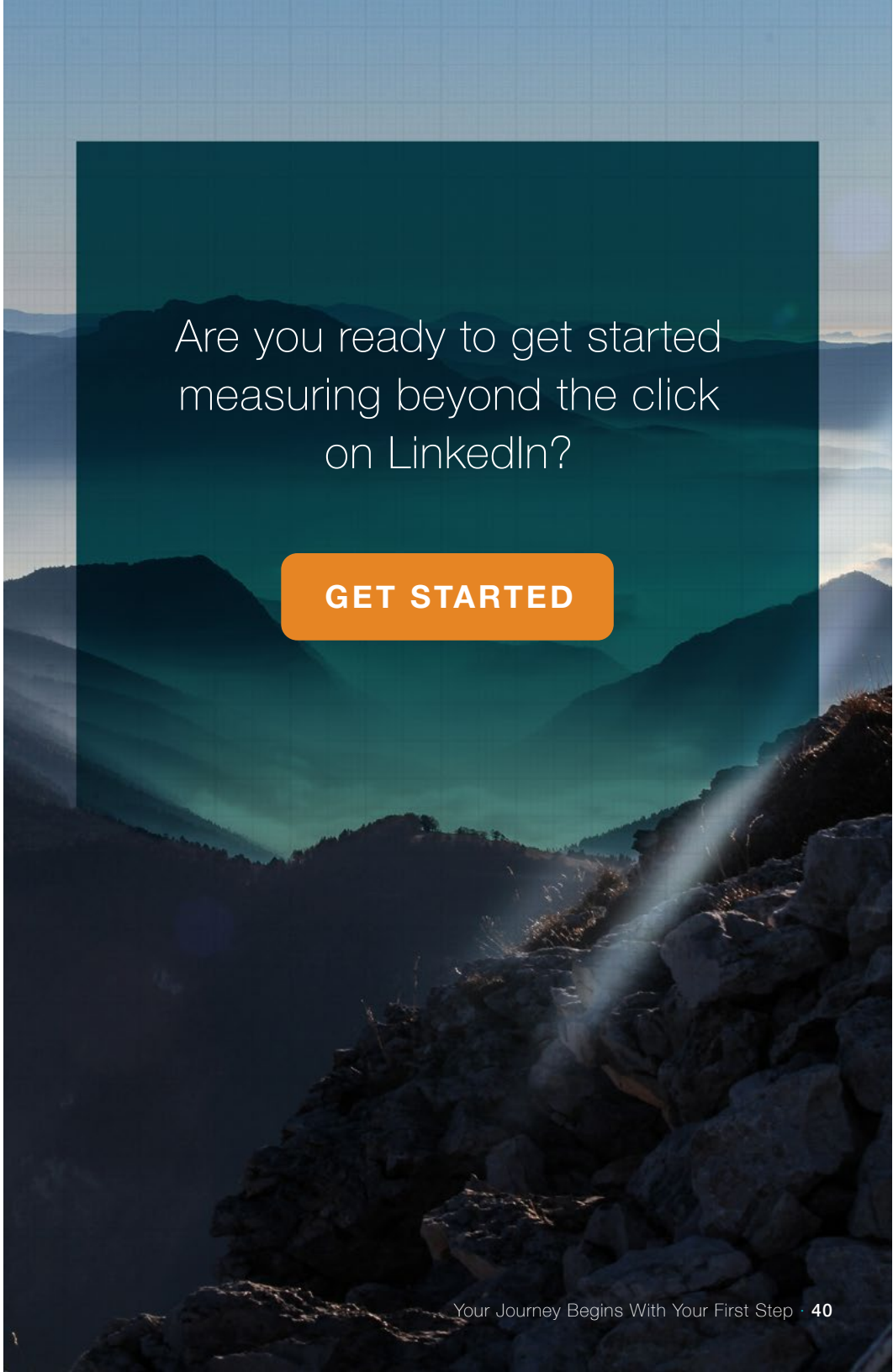


# YOUR JOURNEY BEGINS WITH YOUR FIRST STEP

Your company increasingly relies on you to attract and drive prospective buyers through the funnel. It also expects you to prove the value of your marketing investments. By substantiating that your marketing efforts pay off as explained in this guide—ultimately by contributing to revenues—you can confidently report the ROI of your programs and campaigns.

Here's a checklist of best practices to keep handy:

- ☐ Implement attribution and measurement techniques to show quality, not just quantity, of leads
- ☐ Divide your return—or what you earned—by what you invested to drive that outcome in order to calculate your return on investment
- ☐ Divide revenue by ad spend to determine return on ad spend
- ☐ Know which ads lead to a conversion
- ☐ Remember that ad campaigns often start out with a negative ROI
- ☐ Call upon multi-channel attribution for a more nuanced view of performance than last-touch attribution
- ☐ Consider customer lifetime value (CLV) a master metric that can guide marketing budget allocation
- ☐ Measure ROI using LinkedIn Conversion Tracking by simply assigning a value for each conversion



Are you ready to get started  
measuring beyond the click  
on LinkedIn?

**GET STARTED**





For the first time in the history of media, you can reach the world's professionals all in one place. More than 467M people worldwide gather on LinkedIn to stay connected and informed, advance their careers, and work smarter. Together they comprise the largest global community of business professionals. These are the decision-makers, influencers, and the leaders of today and tomorrow—precisely the people you want to target.

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