Marketing Strategy module – Lecture 7 notes

Welcome to Marketing Strategy with the London School of Business Administration. We' re now going to be looking at how we generate those marketing results and the data that we'll be analysing, how we analyse them, how we structure that analysis into dashboards, the KPIs, and how we control the performance of our marketing strategy and campaign. So let' s get started. This lecture covers generating marketing results. We' Re: going to be looking at the different types of data across our channel mix, measuring the conversion funnel, dashboard examples, and the RACI, R-A-C-E, looking at the different KPIs and metrics we can use to measure across that framework, KPIs, and how to control the performance of our marketing strategy and campaign. And this is where we are on the strategy framework.

We' re at the G in STRATEGY. We' re at the G at generate. So this is what our focus is going to be on for this lecture. Tying this back to the STRATEGY framework, we' re at G, generate. And our key question here for us to focus on answering is, how are we going to track marketing performance, measure results, and respond? Remember, we set our marketing objectives, and we have a key measurement aspect involved. And that could be to grow revenue. It could be to increase the engagement rate, for example. We now need to understand how we' re going to measure whether or not we have done those things, whether or not we have increased revenue, whether or not we have increased engagement.

So we're going to take a look at a range of methods for how to do that. We're also going to be looking at a range of metrics and KPIs that we can use as well. Our starting point. Our starting point for measuring is, first of all, to define our benchmark, because these become our check-in points. Now, we can do this as part of our action planning and implementation, planning for our marketing activity. But we want to set an absolute baseline. This is our targets and goals that we' re trying to achieve. And those are aligned to fulfilling and achieving the overall objective that we've set for our marketing strategy. And our marketing activity. Now, it could be that we set a benchmark by channel, our digital marketing channel or tactics that we're using.

And we can do that. Or we can set an overall benchmark for all of our marketing activity. Depends on what we' re including in our campaign and how we' re intending to run that campaign. Our next step is to set non-subjective KPIs. Key performance indicators to measure performance. Now, these should be quantifiable. So, things such as conversion rate, engagement score, click-through rate, top traffic sources, new versus returning visitors could all be part of those KPIs. Now, when we' re focusing on a KPI, that should be a clear indicator in terms of whether the marketing activity is a success or not. So, this should tie back specifically to our objective. If our objective is to increase revenue, then we' re going to be very, very focused on the conversion rate, average order value, the amount of revenue that' s been generated, our return on investment.

All of those areas are going to be very, very important for us to measure performance to understand whether or not we've achieved the objective set. Our next step, step three, is to ensure that we are being consistent in our measurement approach. If we change how we measure a particular channel or we change our goal of what we' re measuring or we change our approach in how we' re measuring, we need to make sure that we' re comparing like for like. So, we need to be consistent. If we make a change, that' s absolutely fine, but we need to make sure that we' re noting that change. So, it should be consistent across time. And if we make a change, that we are really aware that now we've changed how we measure so that if we' re comparing one month, the previous month to this month, and we made a change in how we' re measuring a metric,

it' s important that we' re very aware that we' re not necessarily comparing like for like. So, to be really clear on how we document those and our measurement method to ensure that we' re being as consistent as possible. So, that' s the first step. Step four is to align with objectives. All of this should be aligning with objectives, but it As a clear reminder here because there are hundreds and thousands of data points that we could be measuring, but there are some are going to be more relevant to our objective than others. They' re not all going to highlight something relevant to whether or not we' re achieving our objective. By tying this back to our objective, we are ensuring that we' re spending time and effort on the right areas that are going to provide those values.

So, always check in, actually, how am I going to determine whether or not we' ve achieved this marketing objective we've set? It could be an objective or goal for the particular channel as well. There are critical success factors for us to bear in mind when we are measuring any marketing performance, and that is to make sure, again, that we' re categorising the organisation' s corporate and marketing objectives, and we' re factoring that in, determine which factors are critical for accomplishing those objectives. You know, what do we need to ensure happens to make our campaign as successful as possible to achieve those best outcomes when we' re measuring? Now, that can also be factored into our action plan and our implementation plan, and it should be detailed in there as well.

But there may be some key milestones that we need to achieve in our performance that we need to measure. To check that we' re on the right track to achieving the overall objective. And we need to determine a few KPIs that will ensure progress can be measured. So, what those few key performance indicators are. We don' t want to have hundreds of those because it makes it more difficult to keep track of them. Also, it starts to reduce that level of clarity that we' re going to need to be able to make decisions if we might need to change something in our marketing activity. For example, if we see an underperformance with a particular channel or tactic that we' re using, if we have a set of three to five KPIs, then we can start to see very quickly, actually, we're seeing indicators now from our KPIs that we' re underperforming.

We' re not achieving our target that' s been set for us to be able to achieve the overall objective by the end of the campaign. And that allows us then to change our approach. It allows us to change our approach to the end of the campaign. It allows us to maybe re-allocate spending and budget in other areas or to different tactics because we've kept that clear measurement in place. Using a scorecard is one way that we can measure marketing performance. And this example on the screen from Dave Chaffee and Elise Chadwick is an example of a retailer using a scorecard, which is documenting and reporting on marketing. So they' re using lots of different channels in their marketing strategy, in their marketing campaign, and then this scorecard is how they are measuring at the metrics and KPIs that they' re focusing on.

Now, if we look at each category here, you might also start to see some areas that are going to be relevant to measure your own marketing strategy and marketing campaign. So the first one we' ve got here is to measure the results in terms of whether it' s delivered to the market, whether it' s delivered to the market, whether they' re- delivering against the objectives that they' ve set. Now, revenue is a key focus for this retailer example. That is the top one that they' re focusing on. They also want to understand how the channels are individually contributing to the success of driving that revenue. So they'll be looking at measuring email marketing revenue that' s been generated, PPC, paid advertising. They'll also be looking at social media, how much is that generated in revenue.

Then they also want to see the cost per channel they' re interested in here as well. They have the multi-channel infrastructure cost, if there' s anything maybe separate that they need in terms of software to be able to create a multi-channel campaign where it' s more consistent with each other. You might have data feeding backwards and forwards from different platforms, and that might indicate additional infrastructure costs in terms of IT that' s needed. So that' s it. Giving them, then, the marketing team, the picture of the results. We've generated this amount of revenue from these channels, and this is how much it' s cost us to do that. We then have customers and stakeholders. And they want to measure the overall customer satisfaction, so understanding what the feedback is, maybe looking at Trustpilot reviews, for example.

Or they might be asking their customers to review their experience between one and the other. And they'll be asking those customers to review their experience between one and the other. And how many of those customers have actually retained, The customer prosperity to defect. So how many of those customers have actually retained, and how many of those customers have we not retained at all? How many of them were potentially going to be customers that we didn't quite convert? We’ve got the amount of customers that have gone to purchase, and the perception of added value from their customers. As well which can be something that' s quite difficult to measure, it depends on how that' s being captured. But if it' s through a survey or it' s in- store then it' s a little bit easier to be able to generate that analysis and data, and the integration of customer experience now that could be between online and offline seeing what that looks like in terms of maybe going into the retail store and ordering online or ordering online and collecting in- store there. Then, the core processes here on the bottom left- hand side so the productive multi-channel usage; the price relative to competitors and the quality of integrated customer view - being able to determine if they have a view of the customer in terms of who they are, their behaviour, building up that person' s sonar but with actual behavioural data.

They want to understand what quality it is, how reliable is that information or actually is it a little bit inaccurate which means that maybe it's it S damaged the results in some way and then we have people and knowledge here, so staff satisfaction which could be captured through pulse surveys. Appropriate behaviours of living the brand this ties back to the values of the organization, the culture, the vision and the mission. The willingness to diversify extend the brands' and knowledge of the customer target customer now that could be within the marketing team but more broadly across the organization in terms of do we really know who our customers are or is it only a pocket of people or maybe a particular department like marketing that really have a solid idea of who the customer is, so this starts to give you a perspective of channel performance and you'll see it' s from a variety of different areas here which is why it.

It has been detailed on a scorecard because then the retailers are able to get more of that holistic 360-degree view of the performance rather than just looking at the channels. This is a much more wider perspective being looked at here. There are different types of channels and there are different types of channels, and there are different types of data that we can look at when we are managing the performance but also when we' re monitoring the performance of digital marketing, and let' s have a look at these here. So if we take this bottom part here, this is the operational, the web analytics part you know this is looking at whether we've got referrer or campaign data that So, very specific, we might have tracking UTM' s for example on links and we' re looking at our analysis in GA4 or other similar tools.

We' ve got website or clickstream data, customer response and profile data, and then sales transactions. Looking at how many sales we' ve made, who those customers were, you know what the source of that traffic was to drive that conversion was it from a referring partner or was it direct to our website so it' So, more of your operational we then have the tactical looking at audience data in terms of reach, their characteristics, opinions, reviews, testimonials, sentiment analysis. Could also feature in here in terms of what people are saying about the organization and we've got lifetime value models in here as well, understanding the customer lifetime value can be really important in determining whether or not the leads or the prospects or the customers are valuable to the organization and we can also look at the of the correct quality because if they don't stay with the organization for very long it might start to indicate that maybe it' s not quite the right fit or the right audience for the organization. Then we have the strategic at the very top here so this is when we Re- looking at performance management systems, something like a scorecard or dashboards, like the scorecard we've just looked at, you know where it' s looking at multiple different areas it' s not just focused on the operational aspect here at the bottom, but it' s capturing everything here from the tactical to the strategic and looking at it at a much broader business impact for you, not just for the marketing perspective, but for the wider business as well. We' re going to take a look at some dashboard examples because that S also another way for us to become more strategic, particularly if we have dashboards for different stakeholders.

We might have a dashboard for different stakeholders and we might have a dashboard that' s much more operational that features this type of analysis at the bottom of this triangle, and then we may have one that' s much more strategic that' s focused on communicating the performance to the CEO, to shareholders, to stakeholders of the organization. We're going to look at the Racy framework and we have looked at a breakdown of metrics and KPIs across the RACE framework, but also to think about the performance of the organization and we’re going to look at a conversion funnel maybe a preference of yourself to use instead or to use both.

When we are driving awareness there are going to be different statistics data metrics that we' re going to want to focus on here such as like website visits for example when we' re looking at the interest we want to understand that when those visitors land on the website what do they do they stay on the website for a really long period of time usually do they just bounce and leave straight away which would indicate it' s not of interest to them, then we then have the desire of turning those interested people into prospects and into customers. And that could be when they add a product to their basket and maybe then abandon, but they come back later on because then they drive action and they become a customer.

And we would be looking at ROI, return on investment, revenue conversion rate here. So all the way across the conversion funnel, it' s a good point to look to grow, much like the racy and any other funnel or diagram that you want to use. The metrics at each stage will be different because the channels we' re also using typically will be a little bit different, or the way that we' re using them will be different. So we need to measure their impact in a different way let So, take a look at an example so here if we take this example here which is B2B focused, this is a JB Media Group. So at the awareness stage they want to educate and have information to help grow in their knowledge of solutions to help the visitor grow in their knowledge of solutions, so this is all about getting traffic to the top of the funnel and they want to build the brand awareness that' s all that they' re going to be focused on, they' re looking at monitoring traffic that' s their key goal and metric here. At the consideration stage, you know this is about where the prospects will be seeking lots of different solutions and expertise and they’ll be comparing them against each other so here they want to get those leads and they want to try and then convert them into the decision stage so here the focus is going to be on measuring how many of those marketing qualified leads MQLs will then convert into so lead generation here is the main focus because when we' re moving into the decision stage this is when the prospect is ready to say yes they' re seeking reinforcement probably from testimonials awards reviews legacy of the organization to validate that they' re making the right decision and then we have the retention stage.

So we' re going to go back over here to the organization chatting bot side space we' re all going to be sharing that little Ellen twenties and how many of those have renewed, what' s our churn rate, looking at how many customers have left the organisation. So you can see that for each of these stages the focus and the goal is different and the measurement of the focus is different because what we' re focusing on achieving is different at each stage. So that' s what I would like you to think about for your own organisation. Think about what those different metrics will look like at each stage of either the race fee or the conversion funnel, whichever option you would like to use.

And in terms of tools to measure marketing performance, there are a huge number of different tools. The most commonly used tool for website analytics, looking at traffic, looking at what visitor behaviour on your website is GA4. And that is the most prominently one used for that. But if we are focusing on maybe looking at comparison of our website, audience, there' s like Alexa, there' s similar web to compare against competitors. If we' re looking at digital analytical tools, we' ve got Google Analytics that I mentioned but there' s also a few others in here as well. If we re wanting to conduct key keyword SEO keyword analysis Moz can feature in here, but we also have SEMrush is in here Google Trends can also be really useful as well as Google AdWord planner as well because that can give you volumes in terms of traffic but also comparison to your competitors

If we want to look at where we' re ranking in terms of SEO Moz is a really great solution for that And Google Search Console as well can be helpful and there' s a few others in here SEMrush is also an option in there If we want to understand how is our website Being crawled by Google and Bing how successful are we? There' s Screaming Frog There' s Yoast and there' s Google Search Console amongst others in that category and the same if we' re wanting to look at our backlink analysis in terms of the quality of the backlinks, the number of backlinks to check that we' re referring quality traffic to our website. But also that our brand is being represented in the right places in terms of what we' re we' re aiming to achieve.

Again, we' ve got a Search Console in there. We' ve got Majestic. We' ve got Moz in there up as well as others. If we’re doing paid activity PPC, we could use AdWords. We want to conduct AdWord paid search analysis SEMrush, and we could also use AdWords. It is also in there as well as Athena. For influencer outreach and management, there are hundreds of tools available for that; this is just a snapshot of a few of them. And you can see them here on the screen. There' s a few different ones here, and for data management platforms and audience targeting if we' re collecting and wanting to store lots of data and we want to come to conduct lots of analysis, it' s important.

We have the tools in place to do that, and you can see there' s a range of options here as well. This could also be something that' s tied into your CRM, for example, like if you re using Salesforce or a mask this You might also use that to manage your data there, which also depends on what your processes are in the organization, in terms of other legacy software that you might be using? For integrations in the website, where what platform your website is also built and is an important factor, so we can see there' s a range of tools here, and each one of those will provide a particular perspective and data and analysis. For either a particular channel or a type of activity.

What we' re also going to be looking at in this lecture is how we pull it all together in something like the scorecard that we looked at earlier, or a dashboard. We re going to take a look at that shortly, in terms of metrics. There are hundreds of marketing metrics. We don' t have enough time to cover all of them here in my book. Marketing strategy I actually have a chapter on metrics and measurement by channel, and That would be a great resource to go and refer to. One of the key ones is the cost per acquisition (CPA) and This is about us understanding What are our marketing and sales costs? How much is it costing us to effectively get new customers? So that we can understand what is our cost per acquisition?

How much does it cost us to acquire that new customer? Is it sustainable? Can we do that in the future? We can use that to forecast. We can then also start to see if that type of customer is the right one in terms of their behavior and retention rate; it starts to Allow us to understand what our investment might need to be for marketing, which is why it' s one of the key metrics Regardless of objective because we need to understand How much it is costing us to attract new customers? Now when we' re looking at dashboards, there' s a couple of different ways that we can do this. We could have our digital marketing plan Be a Dashboard that we are regularly updating which I recommend anyway, so that we have a living document.

Now if I talk you through this one here, we Ve got the campaign type in terms of the the channel and the activity so we' ve got digital marketing media Google Ads Bing ads We' ve got display media in here We have public relations in terms of sponsorship Press releases webinars social media ads and the channels and you can see how this goes into detail We then have the goals for each one We then have the target audience if it' s different if we' re using segmentation. This may be different for each one The clicks and visits that we Reporting on here Resources that may be required, remember we were looking at implementation in a previous lecture that would be detailed here.

The weighting of the budget splits so you can look at it in terms of percentage: 100% of the budget is all of the marketing budget being aligned assigned to one single Campaign type; or we could be splitting this up like we have done here - giving 5% in some areas, 2% others, and 22% in other areas. We then have our projected cost so this can become part of your monitoring of the budget as well, so you might use this to report on your dashboard in performance to monitor progress for planning activities and resources but also to monitor your budget. So we've got projected cost here, and then we' ve got the actual cost, and then you'll see that this is going on into then again chat, which then gives you the detail when things are happening when things are taking place.

And if you have just a slightly more zoomed- in version here for you to have a look at, so this is one example; this is where we can have our planning, our budget, our reporting on performance all in one place and that can be really useful if you' re a particularly small team means you've got less documents to manage. This can all be automatically populated by having different feeds from different software and programs, and so it doesn't have to be manual. And this can also be in a platform itself, depending on what tools you' Reusing just to give you some ideas here but what' s particularly useful here is that we have our spend projected and actual cost with the performance, because that then allows you to make some decisions in terms of okay this is what we actually spent. This is what we projected, we spent half of what we thought we were going to, you and maybe we drove half the the amount of results that we were expecting or actually we didn' t need to spend this much to drive the results that we were looking for so it can be really useful to have your performance data in your budget together so that we Re not just looking at numbers in terms of revenue, but we' re also looking at performance when we are determining our performance and what we' re going to measure, on either in our dashboard in our budget planning, whatever that looks like.

We do need to think about what those goals are for each of our channels based on our marketing strategy objective. So I've got some examples here on the screen let' Say we have the overall objective to increase the number of customers that we acquire, so our goals for our channels this could be: increase the mailing list sign-up, look at our subscription of email subscribers, look at the number of people and focus on increasing the number of people that have registered for an account because that each one of these will drive towards achieving this overall goal, here which then goes towards the objective. Well, we could be focused on revenue as our objective so when we' Re- looking at the goal for our channels, it could be about the number of orders that are being placed, the payment and transactions being made, or the amount in the donations because again each one of these is contributing to the overall goal which contributes to the objective.

We could have inquiry increasing inquiry volumes as our objective when we look at this in terms of individual channel activity more people requesting information, more people submitting the contact form, more people engaging on live chat, downloading a gun, and then we' ve got engagement, the amount of people playing video content off of being downloaded, submitting a review, submitting a comment, comparing information, and sharing on social media. And again, each one of these are all contributing towards increasing that level of engagement, so they' re like incremental aspects that also when they' re all combined and all together, they are contributing to the overall goal and objective, and that. What we want to want to understand when we' re thinking about it in terms of either the conversion funnel or the RACE framework, so let' s take a look at an example with the RACE framework.

Okay, so this is our example using the Racy framework and this is using it to formulate a dashboard to monitor performance now for Reach, this is focused on the last three months; it is to increase awareness and drive website visits using inbound marketing, so that' s the overall goal of Reach for this example based on which has been informed by the marketing objective. Now we' ve got here the number of sessions, the number of users, the revenue per visit generated, and that s the overall goal of reach so we' re going to look at the overall goal of reach and we' re going to look at the actual search sessions as well and we' ve got context in here you know less than 40 being generated here no change no change on users and no change on sessions when we' re looking at act here we' Re- looking at defining customer journeys to connect website visitors with relevant content to generate leads, so monitoring the number of leads is really important.

Looking at a conversion rate of the visitors to becoming leads, the bounce rate is important because we want to understand are we driving quality traffic that are going to convert into leads or actually are we driving traffic that isn' t necessarily going to be relevant for us? So whilst the visitor numbers might look really good in reach, we' re not actually converting any of those people. And then we' ve got the number of pages per visit being monitored here as well. You can see there' s lots of metrics here that are different for each stage already in the race. We' ve only just looked at the first two and all of these when they' re all combined together, you get a fuller picture of whether or not you' re achieving the goal that you' ve set at each stage of the racing, but also the overall marketing strategy objective.

If we look at convert and engage here, so convert, converting to sale online or offline using reminders and persuasion. Here' s the focus: we want to understand what' s the number of sales, how much revenue, what is the average order value, and what is our conversion rate based on what we' ve driven through reach and act. How many of those people have we then converted? For engage, we' re focusing on customer communications to encourage advocacy and repeat sales. So, how many of those users are returning what? That percentage-wise, what are the sales rates and how many of those users are returning? What' s the percentage of sales by email if that' s one of the core channels it makes sense to be monitoring that and what are our social media referrals as well if we' re using both the email marketing social media as part of our engage aspect and a big focus of the campaign at that stage and it' s important that we' re monitoring those results.

We can see here, emails increased by nearly eight percent and social media referrals have decreased by just over 14 percent. So then we start to get a bigger picture of what' s working, what isn' t, what each stage looks like in terms of success if we have reach and we Regenerating lots of visitors, but then we look at convert and we have a really low conversion rate which, at this point, here in this example is not point twenty percent. Then we might find that actually we have a disconnect between what we' re doing in reach, in terms of our activity, and attracting the target audience maybe not quite right; now we' re not attracting the right people or when we Re- at the act and convert stage, we need to do some more conversion rate optimization for example to convert more of those people that are visiting our website to then drive them into the conversion aspect.

So we could also include on our dashboard or report or in our in our tool or software that we may be using is looking at comparison charts and what' s important that we include here needs to is dependent really on our objective of what we' re focusing on, so this is an example of the metrics are being focused on. Might not be so relevant for yourself depending on the marketing channels that you' re wanting to use and you know what those metrics we' re going to be looking at in terms of your objectives they may be slightly different. This is just to share an example, so here we've got the number of sessions versus sales because that' s one of the key digital marketing objectives here for this particular organization and then we have the breakdown of sessions unique users lead sales revenue average order value and this is being compared so this is being compared by one month and 12 months what does the difference look like? So this then allows you to give you that kind of like snapshot so you don' t have to go into the detail it gives you that overview so thinking about what' Going to be the most important quick data and chart for you to understand, that can enable you to save a little bit of time but also to provide figures and a general consensus of if things are going well, this is what it would look like if things aren't going quite so well as you planned or aren't as you predicted. This is what that would look like, so that you have that in in your mind as well, particularly when we' re we' re going to create a dashboard. Or we' re going to brief in a dashboard to a data team or we' re going to use a particular tool, we need to think about what metrics are going to be important for us to understand, to be able to recognize if the marketing strategy is achieving what we what we intended at the very beginning and against the objective we. Ve set and you can see here this is a little bit more of a granular view but because we have the colour coordinating conditional formatting here it allows you to see instantly okay we may have a problem here where it' s red and here so we might want to check out referral and paid and organic search. Because we can see there' s potentially an issue there and this is where that becomes really useful having that snapshot so that you can see very quickly if there' s something that needs maybe a little bit more attention or adjusting we' ve got the same here with leads for organic search, generic paid search as well as being flagged and the same here with paid search and generic search so this would be important for us to understand. We can see this is broken down into sessions, leads and sales because remember this particular example is focused on driving sales, so being able to drive more sessions is going to be important as well as driving more leads because if we don' t have the leads, we can' t control them, we can' t convert them into sales, we' re not going to achieve the objective on this side here.

It' s comparing year-on-year, month-on- month comparisons to then see don' t necessarily need this right these tables here on the right- hand side if we have the conditional formatting here in the center you can see it. As a little bit more of a granular a granular outlook and view, something to consider for your own organization for your marketing strategy that you' re creating for what you would be including in terms of the channels and the tactics for the racy framework, because that will dictate the metrics that you' re looking at measuring and also the KPIs which we' re going to come to in a second, so KPIs, key performance indicators, can include non-financial measures as well.

It doesn' t all have to be about revenue again this ties back to what your key objective is and that' s the key objective of your marketing strategy, so if you Re- in your marketing strategy, and if you have key objectives or targets by channel or digital marketing media that will then dictate which KPIs are most relevant. The KPIs should be measured frequently as I previously mentioned, we want about to check in these are indicators in terms of whether our performance is heading in the right direction and so we should be looking at these very very frequently that could be daily, weekly, monthly depending on the scope of the marketing campaign and the amount of activity taking place.

The KPIs can also be acted upon but communicated to the CEO and the senior management team because they' Re- tied to the marketing objectives, which are tied to the organizational objectives, so these KPIs should be able to say whether or not marketing and the marketing activity is actually going to contribute to helping support and achieve the objectives that are in place. The KPIs can also tie responsibility to the individual who might be managing the digital marketing activity or tactic, or the team, the marketing team as a whole, depending on which KPIs are chosen. We should also be looking at positive impacts, so it could affect all the other performance indicators in a positive way. It might be that if we have one KPI measuring A tactic or digital marketing channel that' s performing particularly successfully; let' s take email marketing for instance.

We increase the engagement in email marketing, which means we actually we increase the amount amount of visitors going to the website and the amount of time that they spend on site, which also might then mean we increase our conversion rate. So, we could have a almost like a customer journey flow of the KPIs that we Re- measuring and looking at how if we grow in this area and if we increase our conversion rate, that might actually contribute to helping support our and we have strong positive indicators of performance, that then has a knock-on positive impact throughout the customer journey. So let' s now look at some examples of key performance indicators. Again, the ones that are most relevant will be determined by your objective. So first of all, we' ve got Customer Lifetime Value, CLTV.

CLTV, this measures the value a single customer brings for the duration of them being a customer. So the calculation is based on the average purchase value, the average frequency of customers purchasing from your organisation, and their average customer value over that lifetime. So, if we have a customer, our average customers spend £20 with us, they stay with us for two years, we will then start to see what that average value of the customer is over that two-year period if they' re to purchase every couple of months with us. And this is then calculating their lifetime value if they stayed with our organisation. Now, this can be really great in understanding what the value is of retaining existing customers.

You know, if we keep our temperature, if we keep our temperature at 100% of our existing customers, this is their lifetime value over the duration of them staying with us. The next one that we have here is CPA, Cost Per Acquisition. And this determines how much it costs the company to acquire a new customer. It measures both the marketing cost, which could be a sales cost, paid advertising cost, email marketing cost. And then it looks at the number of conversions for that customer. So this is the number of conversions for that customer. And then it looks at the number of conversions for that customer. So this is really important for organisations to understand because if we have a low CPA, a low cost per acquisition for PPC, for example, then we know that it' s not actually costing us that much to drive the visitors to our website.

But we can also then look at our revenue that has been generated from those visitors, the conversion rate. And if we' re, if that still remains really low and we have a high conversion rate, then that' s a low cost acquisition. And that' s brilliant. That' s exactly what an organisation is looking for. On the other side of that, we might see that we have a high CPA for some particular channels like LinkedIn, for example. And if we' re using LinkedIn ads and we see we have a high CPA, we can then further investigate whether or not that CPA is worth value, because maybe we' Re: bringing in customers that are, are purchasing and spending more than those customers that come through PPC.

Even though the cost is slightly higher, it might actually warrant that additional cost because the spend is higher. So it allows us to compare digital marketing channels together. It allows us to see if we make predictions. If we start to spend more, will we increase our CPA or actually will it still stay at the same level, maybe at a lower amount? Or actually is the CPA just too high? It' s not worth the value of us spending advertising money on a particular tactic or channel. We have close rate here as well. So close rate measures, the number of prospects are much more relevant to a B2B organisation. It measures the number of prospects that become customers in comparison to the number of leads in the pipeline.

So this allows us to understand how many of those lead those prospects that we' ve got coming in, are we actually turning into leads and turning into customers? And this allows business organisations to understand if there might be some quality issues in the leads that the prospects that are coming in. If we find that we have a huge number of prospects, but they' re not converting into leads or customers, then we know that there' s a misalignment. We might have lots of prospects coming in, but they' re not of the target audience and not the right quality. And they' re just not interested in the products and services of that organisation. So, that means it makes it more difficult to convert those particular customers.

Customer retention rate: This is also really important because this KPI measures the percentage of customers that are retained for a specific period of time. So, this can be used as a year-on- year measure, and you can then compare at the end of the year, or end of the quarter, or end of the month, how many of those customers you have retained, you've kept. This is a particularly important KPI to understand, because if the customer retention rate is low, this would highlight an issue in retaining customers and demonstrate a high churn rate. It could also mean that actually, yes, we' re converting lots of customers, but they' re not the right ones. Or we don' t have the support within our organisation.

So, to keep those customers; if we' re spending lots of advertising spend and lots of marketing budget and we' re bringing in new customers but we' re not retaining them then there As a misalignment somewhere, there' s that for marketing would flag, we need to further investigate; Are we bringing in the appropriate customers? We' re converting them, so something is of interest, but then maybe our after-sales support just isn't. To meet expectations and we struggle to follow up and retain those particular customers so really important KPI there for us to measure as well, particularly if our objective is focused on growing our customer base and retaining existing customers. So to add some more examples here for you. If we were to measure customer satisfaction, which is at the very very top here, our example KPI and how we may particularly be focused on measuring this could be looking at 90% of customers who respond to a quarterly online survey reports and understanding whether or not they are pleased or very pleased with the service they received. So us being able to understand okay this is the objective here on the left hand side, this is what we' re focused on achieving and then we' re going to be looking at the objective here on the left hand side and understanding and this is the type of KPI and how we would be measuring that if we look at let' s see conversion ratio from inquiry to sale, we could then see from the KPI whether or not we ve got 20 percent of loved queries that are converted into a cell within six months, so we' re able to understand that we' re playing measurements and KPIs in place.

We' ve got customer retention, so we' re going to be looking at here: 75% of customers make a repeat purchase within 12 months. You know this is what we' re interested in understanding if we' re retaining our customers, how long are we retaining them for, and in what time frame? Because we want to understand that to inform the rest of our marketing planning. If we are looking at measuring an increase in sales, maybe that' s part of our objective; sales volumes of products of a particular product to increase to £2,500 per month in the new financial year, and we' ve got from what the context is here, so we can see that that' s quite a substantial increase.

And if we' re looking at both and focusing on reducing customer complaints, we could find out that 98% of customer complaints are responded to within five working days or fewer. Maybe actually, we established from the KPI that for us to fully achieve our objective of reducing and responding maybe more quickly to customer complaints, we need to reduce that response time from five days to two days, or to 24 hours, so here we' Re really, really focused on understanding the measurement behind our objective sales volumes of products of a particular product so we can see that that' s quite a substantial increase in customer satisfaction, customer retention, increased sales. What is it we would want to look at when we' re measuring and what is it we would want to identify?

Let' s not forget that we can also look at this in terms of the customer life cycle. We looked at the racy model a few lectures ago and we looked at some metrics there and now we can look at it in terms of KPIs so let' s look at this for each stage. So, if we' re at reach, we' re raising awareness and visits. We' ve got our SMART objective: we want to increase monthly visits by 30% in a year. You're. ve got our strategy and tactical approach here of using youtube channels and our kpi is to look at the number of visits of organic traffic that' s what we' re really focused on here and we would be focused on looking at that in on the YouTube channel in particular. Now if we're looking at act we' re driving interaction and leads our smart objective is to reduce cost per acquisition by 10 in a year. We' re using a range of strategies and tactics here we've got social media in advertising in here we've got content ROI that' As a big for us focus on the funnel, there of driving action so a big content strategy; our KPI here in this example is to look at the number of prospects per content item you know how many people are landing on the content pages and the amount of money spent per prospect based on how many leads we've been able to attain of visitors in convert; we' re looking at converting sales and driving revenues and profits. Our objective is to increase conversion rate from one to two percent in a year.

We look at our strategies and tactics; we want to further enhance those YouTube videos and tutorials, and we re developing an affiliate program in here as well with influences our kpi is to look at this has spent percentage of prospects over customers so how many have we converted we could be looking at ROI here conversion rate can also come into here as well and then lastly in engagement for driving loyalty and advocacy we have the objective of increasing time of increasing time from two months to three months in a year their lifetime of being a customer so driving that increased loyalty then retainment is really important at this point we want to take advantage of bloggers and technology to help create more personalized content which is the strategy and tactical approach here and in doing so we want to see the percentage subscription numbers a month we want to see that retainment We could also here look at time on site. we could look at whether or not we're retaining our email subscribers for example as well as looking at how many customers we' re retaining month on month as well so we can see there' s a range of KPIs it' s all dictated to by your objective which should be tied to your organizational objective so you can really demonstrate what marketing is contributing to the organization so what I would like you to do now is using the rating model or if you' d like to you can use the conversion funnel with the awareness, interest, desire in action it. s up to you but I would like you to have those stages of either the RACE model or the conversion funnel. And I would like you to think about what is your main goal for each of the stages here you know so for convert is it to drive more sales or is it actually just to have more people providing testimonials and convert them on the on the survey form for example I want you to think about the target audience now for each of the stages for reach at acts convert and engage you may actually find that it is the same target audience all the way through or you might be using segmentation if you are you might have different audiences at each stage And then I want you to include the key channels Ideally, three key channels that you' re going to be using at each stage.

So the three key channels in reach, act, convert, and engage. And I want you to think about how you' re going to be using them from the previous lectures. I want you to think about what your SMART objective is for each of these stages based on the channels that you' ve chosen. So if, for example, in convert, you have your goal as the overall convert goal is to drive more customers converting on the survey form providing feedback, then your SMART objective for email marketing, for example, might be actually to drive more clicks. For the website landing page, it might be to drive more people downloading the form or filling in the form. So thinking about what those objectives would be for each of the channels.

And then I want you to think about your KPI and your metric. You might want to think about your metrics first and then your KPI for each of the stages of the receipt based on the channels that you are using. So and then have your your KPI here or choose your KPI first and then think about the metric. Depends on how you would like to do that. Remember the metric, you' ll have a variety of different metrics when we' re measuring the KPI is a key performance indicator. So the KPI should tell us very, very clearly whether or not we' re achieving the objectives we' ve set and the goals for each stage of the RACI framework. If we have lots of different KPIs, then we' re not choosing the right ones because there should only be one or two for each stage.

You can have a range of metrics that when they' re all combined and they' re all measuring together, you can have a range of metrics that when they' re all combined, you can then see and use that to inform your KPI analysis. So go through the examples that we' ve looked at in this lecture and pull together your ideas from the previous lectures when we' ve looked at the RACI framework, your persona, and started to fill in a similar table to this. Or you can structure it in a slightly different way. It' s entirely up to you. This is here for ideas to help you generate ideas. But I really want you to think about that activity at each stage of the RACI framework or conversion funnel, how you' re going to measure it and what the goals are for each of those stages and the channels you' re going to be using because that will determine what metrics you can choose and your KPIs.

The other aspect for us to bear in mind, particularly now we We have implemented our marketing strategy and campaign, is how we control it. How we ensure that we mitigate some of the risk factors that we have looked at in this lecture. So how do we control it? And in the previous one, but also to control the performance to ensure that we do achieve what we set out to achieve as our objective. So let' s take a look at how we do that. The purpose of the control systems are to ensure that we, in the marketing department and team, know what' s working and what isn' t. And that' s why having the budgeted spend and the actual spend and the performance together in the marketing budget can be really helpful because it allows us to see what Working and what isn' t very, very quickly without us having to look at multiple different reports and dashboards and so on.

And this is where it' s important for us to determine the data that we need to look at each day, week, a month and quarter because that might be slightly different for us to understand what' s working and what isn' t on a daily basis. It could be very different to what we use on a monthly or quarterly report. We also want to factor in, which we' ve already been doing, is the objectives. That we are focusing on, what we' re going to be measuring, what we' re going to be monitoring. So our marketing plan approach, which is what we' ve already started to do with the previous activity, is to detail the metrics we' re going to be using, but also now thinking about the frequency of reporting.

Are we going to look at those metrics daily, weekly, monthly or quarterly? Who' s going to be measuring and reporting on those metrics? Who are we going to be reporting the performance? Who are we going to be reporting the performance? Who are we going to be reporting the performance to? Is it going to be to the marketing manager, the rest of the marketing team, the CEO, the directors? And what happens if it's underperforming? Who takes the appropriate action? What does that plan, do, check, act stage look like? That' s important for us to also consider. So we' re going to think about that now with our next activity. So what I would like you to do with the reporting table that we' ve just started is to add the frequency of reporting.

So we' re going to add the frequency of reporting. So we' re going to add the frequency of reporting. Whether that' s you' re going to be monitoring the metrics and the KPIs hourly, weekly, daily, monthly, quarterly, yearly. Who and which department will measure each of those metrics and KPIs? Which stakeholder would be most interested in understanding about that KPI? And which team or person would need that information? You know, would we, if we' re reporting on the number of sales, would we then need to also let the, and the number of sales, the number of leads or potential prospects or customers coming through the pipeline and the conversion funnel, would we need to let the sales team know, for example?

And thinking about that coordination with the wider business is a really important aspect of part of our planning, but also to control our marketing performance as well. So this is what I would like you to do here is to add these additional columns to your reporting plan or table. We' ve got the frequency of reporting, whether it' s a report, whether it' s a report, whether it' s a report, whether it' s a report, whether it' s going to be hourly, daily, weekly, think about your objective, think about the channels you' re using, think about what' s going to be most useful. Who' s going to be measuring each metric and how, how is that going to take place? Like what' s that process look like?

Is it a case of getting it from the software? Is it a case of speaking to a particular team or department? Which stakeholder is going to be most interested in the results of each of the KPIs you' ve chosen? That could be different stakeholders. Who' s going to be most interested? Which team or department would require access to the results? Who' s going to be one? Who' s going to want to be regularly updated on the performance of your marketing strategy and campaign? These are important areas for us to factor in and to consider our impact in marketing, especially with our marketing strategy on the wider business. So spend some time thinking about this for your organization or organization of your choice, adding your own marketing strategy and your own marketing strategy to your campaign.

So think about this for your organization or organization of your choice, adding your own marketing strategy and your own marketing strategy in addition to the start of your table that you just started previously in this lecture. And this brings us to the end of this lecture. We have looked at generating marketing results. We' ve looked at different types of data that' s generated by different marketing channels, measuring the conversion funnel, as well as the RACE framework, R-A-C-E. Looked at dashboard examples, KPIs, and how we control the generation of marketing results, but also the role of the organization. So thank you so much for joining us. We' ll see you next time. Reporting of those results.