

Tracking and Measuring Marketing ROI

Marketing ROI is often likened to Military Intelligence or, lately, to Business Ethics. Talking about each individual word as a singular concept makes sense, but when placing the words together in the same phrase it can sound like a contradiction.

This is not to say that marketing people cannot produce real results. As a matter of fact, they often have visible proof of their efforts, as in a new print ad, direct mail piece or even the slick television ad. But visible proof of effort doesn't equate to results. Visible proof doesn't protect them from the often-asked question, "So what sales did this help produce?" I've heard this question myself many times coming from sales persons as it gets closer to the end of the quarter and they are saying it with a tone of frustration as they are trying to meet their numbers.

Measuring ROI in sales is relatively simple. If salespeople meet or exceed their targets the company will keep investing in their employment. Measuring ROI in a selling process may not actually be that simple, but a closed sale is a clear indication of success. There is a real result, not just proof of effort.

Many marketing people feel threatened by the need to "justify their existence" with factual results. They shouldn't. In fact, the ability to track, measure, improve and prove the value of marketing is probably one of the biggest benefits of Internet Marketing. The integration with Internet Marketing offers a new potential and means to track a campaign from interest to final sale.

Many companies understand that an Internet-based campaign has the ability to record many useful details about their web site activity; in fact, it can often be too much information. The daunting task of not knowing how to begin, and which tools to use, has left some companies in a state of doing nothing. Be cautioned! This could be a grave mistake. Some would say, "Our web site is enjoying a booming business, so why worry?" If you don't know why you are succeeding, how will you know what to change when your results take a nose-dive?

We were recently approached by a company that had 95% of their sales coming in through their web site – up until a short while ago. The business dried up suddenly in a matter of just two months. We asked them the typical questions:

- Was this happening in general to their industry and competitors?
- Were there changes in buying behaviors?
- Had the regulatory environment changed?
- Had a big new competitor appeared on the scene?

Unfortunately, none of these were a major factor and we didn't have much else to look at since the client didn't even have the basics of search engine ranking reports to review. Since they didn't keep track of where the majority of their traffic was coming from, it was impossible to prove if changes in search engine methods were adversely affecting them. In the end, the only option for them was to scramble and put together a quick-fix launch of a broad and sweeping paid placement program to get their traffic back up, which was extremely expensive.

The lesson from this story and the obvious key to measuring Marketing ROI is to create a foundation for tracking. Buying processes progress through typical stages, so decide the amount of minimum information you plan to track and measure before selecting the type of tool to use. Your ROI objectives will vary at each of these stages:

- Interest or Awareness Stage: What are new visitors looking at on your web site?
- Awareness Stage: Who or what is bringing in the "right" traffic?
- Conversion Stage: Are your website visitors willing to engage or buy?
- Handoff Stage: When selling is still a requirement, e.g. B2B.

The opportunity is here today to develop a real Marketing ROI environment. By simple planning and some process design, you can build a mechanism to track and measure your marketing campaigns. Then you'll be in a position to bargain for increases to your budget, getting that quarterly bonus or keeping the sales team off your back.

Start today and don't let Marketing ROI remain a contradiction.

Market-Vantage specializes in Integrated Web Marketing. We help companies develop and implement effective Internet marketing strategies for a positive impact on their business. If you would like to improve your leverage of the Internet for marketing, please call us at 603-888-5600 or use our web inquiry form at <http://www.market-vantage.com/about/inquiry.htm> to request an initial confidential consultation about your specific situation.