The New Marketing Metrics for B2B

Measurements that really matter to the success of your business

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Introduction

New marketing tools and rapidly changing buyer behavior require fresh thinking by modern marketers about the best metrics for evaluating their efforts. The old rules of relying on metrics like brand awareness, cost per lead, and lead-to-sales conversion rate are in need of an update. So, what are the metrics you should be focusing on today?

The most useful framework for thinking about metrics is that of lifecycle marketing. B2B marketers have long understood that business buyers have their own process for evaluating and purchasing products and solutions. Your job as a marketer is to understand that buying journey and map how your marketing efforts help the prospect move along, stage by stage, in the direction of buying from you.

Your metrics, then, should be mapped to your success at moving prospects from one stage to the next. This framework reduces waste and pinpoints the key drivers that move the process along toward a sale – and a lifetime relationship thereafter.

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Your 5-Step Action Plan

1   Analyze your customer's buying process by customer segment, stage by stage.

2   Identify your marketing objectives at each stage.

3   Break your marketing program into its component parts, asking questions about what determines success for each component.

4   Select the most powerful metrics that indicate success in moving the customer to the next stage.

5   Track the data at regular intervals, such as weekly, monthly, or quarterly.

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Step: **1**

Analyze Your Customer's Buying Process

Step 1: Analyze Your Customer's Buying Process

You know your customer's buying journey better than anyone. So lay it out on paper, stage by stage. In large enterprise buying, the journey may follow a path like this:

> **Needs identification:** Identify a need and research solutions
> **Short list:** Identify and contact a short list of solutions providers
> **Evaluate:** Evaluate potential solutions providers
> **Select:** Choose a solutions provider
> **Use:** Install, use, upgrade, and cross-purchase

If you are selling to small businesses and only a few parties are involved, you may have a smaller number of stages and the process may move a lot faster. Buying processes often vary by industry or product category. For example, the way a company buys products, such as furniture and copy paper, will differ from their purchases of raw materials, information technology, or machine tools.

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Step: **2**

Identify Your Marketing Objectives

Step 2: Identify Your Marketing Objectives

Once you understand what path your customer is on, analyze what you as a marketer are trying to achieve at each stage. Here is how your customer's journey might translate to your marketing objectives:

Customer's Buying Process Stage	Marketer's Objective
Needs identification	**Attract:** Get your brand and product/service known in the marketplace, and attract people who may be interested.
Short list	**Capture:** Capitalize on the prospect's initial attraction to you and gain enough of the prospect's information to start a new relationship.
Evaluate	**Nurture:** Progressive communications to answer questions and educate the prospect, while building trust and reinforcing need, so that the lead continues to consider buying from the product category in general – and your product, in particular.
Select	**Convert:** The lead becomes a sales opportunity; you convince the lead to buy your product over both the status quo and your competition.
Use	**Expand:** This stage includes retaining your customer base, generating upsells and inspiring advocacy.

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Step: **3**

Select Metrics for Each Stage

Step 3: Select Metrics for Each Stage

The next step is selecting the metrics that most clearly indicate success in moving the customer to the next stage. A good way to enter this stage is to break your marketing plan into its component parts and ask yourself a series of questions about each stage. How many inquiries have I produced? Which channels are most effective?

Attract
> How many people visit your site?
> How attractive is your content?
> How popular is your brand?

Capture
> How many content consumers became known prospects?
> Which calls to action are the most effective? With which audiences?
> Which channels are the most effective in conveying messages?

It's very important to limit yourself to the one primary and one to two secondary metrics you want to track.

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Step 3: Select Metrics for Each Stage

Nurture
> Which programs are most effective in nurturing?
> Are there nurturing steps at which leads stall or drop out?
> Which activities are driving the lead scores up? Which show no effect?
> How many Marketing Qualified Leads are created?

Convert
> Which lead sources and campaigns are most effective in generating customers?
> How quickly are the leads converting?
> How many Sales Qualified Leads/opportunities are generated?
> How many new customers?

Expand
> Which customer marketing programs and campaigns are most effective?
> How successful are we in retaining and upselling to customers?
> How is the customer loyalty trending?

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Step: **4**

Identify the Most Powerful Metrics

Step 4: Identify the Most Powerful Metrics

There are a lot of metrics you can collect and track, many of which are covered in this book. However, it's very important to limit yourself to one primary and one or two secondary metrics.

There are two key reasons for keeping your metrics limited: First, data collection and tracking are time-consuming. Second, fewer metrics will keep you focused and on target – and are easier to explain to others.

Some metrics are more valuable than others. Consider sales revenue or customer loyalty behavior vs. mere marketing activity. Ask yourself, "What drives my company's business?" Where possible, use the metrics that are most meaningful to the business as a whole.

Put your metrics in writing so you can refine and compare results over time, and so you can point to your success – or make course corrections as needed.

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Step 4: Identify the Most Powerful Metrics

It helps if you think about metrics in two flavors: "activity" metrics and "results" metrics.

Activity Metrics: These tend to quantify areas where marketing has complete control. Examples are impressions, response rate and cost per lead. This data is really easy to capture.

Results Metrics: The business usually cares more about results — meaning measuring what the target did, and what benefit accrued to your organization from the campaign. Examples include lead-to- sales conversion rates and total revenue.

Select results metrics where possible. However, results data can be hard to get (for example, when you run a lead generation campaign, the sales results may not happen for months). In such situations, you may need to use activity metrics.

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Step: **5**

Regularly Track the Metrics That Matter

Step 5: Regularly Track the Metrics That Matter

The final step is arguably the most important – tracking and analyzing results. Keeping an eye on your key metrics is critical, but it's also important to not get too caught up in the day-to-day data. Once you've been tracking the important numbers for a while, you'll have a good idea of how fast you will be able to spot trends.

Meet with the stakeholders and your leadership team to agree on how often reports should be generated and at which intervals, such as weekly, monthly, or quarterly. You may also want to right away.

And of course, you don't want to just report and analyze trends, you'll want to make sure the analysis is actionable. Look for opportunity to do more of what's working and fine-tune any of the areas that need improvement.

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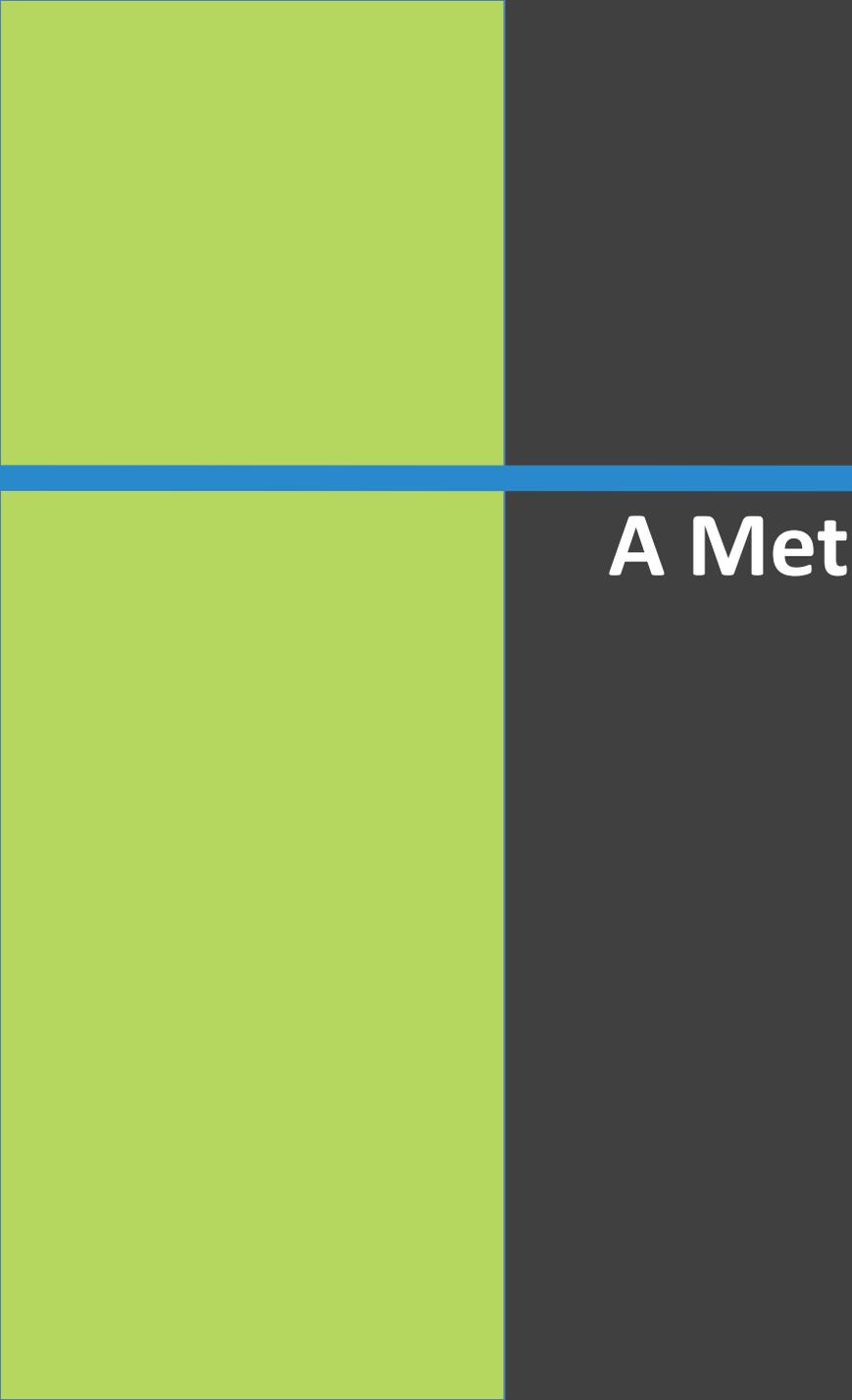
A Metrics Checklist

A Metrics Checklist

Here's a checklist of metrics you may consider for each stage. Your choice will depend on the nature of your marketing programs, as well as that of your customer's buying path. Again, remember that it's best to choose one primary metric and one or two secondary metrics to focus on throughout the campaign.

✓ **Attract**

> **People visiting your website:** Track the number of individuals visiting your website during the month. You can refer to external sources, such as Google Analytics.

> **Bounce rate:** The percentage of visitors who enter your site and exit it on the same page – "bounce" – without visiting any other pages. By itself, bounce rate means little. If the time spent on your site is short, it could mean your content did not engage them or was not what they were actually seeking. On the other hand, it also could mean that they were looking for just one quick thing and they found it (e.g., your address). If the time on the page one page. Note that if your company name contains a very commonly sought word ("deal," "Gaga," "Brazil") you may get more bounces.

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A Metrics Checklist

> **Social media followers:** For this metric, select a group of social media sites you are actively participating in and sum up the number of followers. Stick to the same sites as you track over time.

> **Social shares:** The number of shares in the given tracking period for each social media site you track.

> **Number of pieces of new content on your site:** This could include blog posts, web pages, white papers, webinar descriptions and registration forms, data sheets, and so on.

> **Number of press releases that your PR department creates and distributes.**

Because lists acquired from brokers or other sources are an investment (compared to house lists which you already own), carefully tracking results metrics allows you to ensure the cost-per-lead remains profitable.
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A Metrics Checklist

> **Number of events that your company has an active presence in during the time period; these could be virtual or real-world.**

> **Google ranking: This is the most** visible result of all your online activities. Pick a keyword or phrase that is most relevant to your business. Type that phrase into Google periodically and see where your site ranks. If your SEO/ content efforts are consistent and more competitive than your competitor's, your company's position will probably rise over time.

> **Search volume for brand:** Use Google Trends to check the trend in searches for your brand, performed by people directly in the search engine. Studies indicate this is a convenient proxy for online brand awareness. Note that the values shown in Google Trends are dynamic; therefore, the individual values for a given month will keep changing, requiring historical updates.

A Metrics Checklist

✓ **Capture**

> **Conversion rate on calls to action (CTA):** This number shows you the effectiveness of your CTA buttons in converting unknown visitors to known

> **Cost per click (CPC) and cost per form fill:** If you are using online advertising tactics like pay-per-click (PPC), these metrics are relevant.

> **Number of net – new prospects:** The number of new prospects(from all sources) for the time period being considered.

> **Leads by source:** The lead source is a direct indication of the conversion potential of a lead.

A Metrics Checklist

✓ **Nurture**

> **Number of new leads:** Prospects who qualify for active marketing.

> **Number of reopened leads:** These are older leads who had been deemed not ready and had been put into a drip program of some kind, but who have recently demonstrated some kind of engagement that indicates growing interest.

> **Open rate, clickthrough rate of email programs:** Open rates can be deceptive. As an example, if someone reads your email without enabling images, that read will not register as an open. Clickthrough rates are a better indicator of active engagement from an email recipient.

> **Lead score profile of new leads:** This metric helps you observe lead quality over time. For this, identify all new leads opened in a month, and look at their lead scores at the end of the month. This could be a very valuable tool while communicating with sales reps (who tend to raise lead quality as an issue from time to time).

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A Metrics Checklist

> **Number of marketing qualified leads (MQL):** This is the target metric of nurturing programs. Note that it's critical that sales and input at this stage, it enhances their trust in lead quality and often results in better follow-up rates.

> **Cost per MQL:** The marketing program cost to create one MQL. This metric identifies the quantity-based cost efficiency of marketing programs, and is generated by dividing the program cost (which could include prorated labor and technology costs) by the number of leads generated. By itself, this metric can be misleading because it highlights marketing costs, but it gains more meaning later in the process when you can compare it to value generated.

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A Metrics Checklist

✓ **Convert**

> **Number of sales qualified leads (SQLs):** This is the number of leads that sales consider worthy of active pursuit based on several factors, including mutual fit.

> **Number of new customers.**

> **Cost per SQL:** The cost of creating a SQL, including the marketing program costs.

> **Cost per new customer:** Sales and marketing expense in the period, divided by new customers acquired in the period.

> **Campaign and channel ROI:** ROI can be calculated as one-year sale value (bookings) vs. marketing program costs. Here, you might look at total costs and review ROI per channel and/or source.

A Metrics Checklist

✓ **Expand**

> **Open and clickthrough rates of customer campaigns:** Select the campaigns that target current customers and track the response statistics.

> **Churn rate:** Number of customers lost in the period, divided by customer count at the beginning of the period.

> **Upsell revenue as a percentage of total revenue:** This reflects a company's ability to upsell to current customers. For new companies, this will be a small percentage (10% to 30%); while for seasoned companies, it will come closer to 50% or more.

> **A loyalty metric like the Net Promoter Score (NPS):** NPS is an effective metric to show how customer loyalty is trending. In addition to an overall indicator, NPS provides verbatim answers that can indicate the key areas to invest in for increased customer loyalty.

Conclusion

Conclusion

With the added insight into campaign performance provided by marketing automation analytics, you'll be able to create more effective, optimized campaigns – **and do it faster than ever.**

About MedData Group

MedData Group provides data solutions, demand generation, and content marketing to providers of healthcare technology, medical devices, pharmaceuticals, medical education, and others looking to engage with hard-to-reach physicians and other healthcare professionals by using a fundamentally unique approach.

MedData Group publishes Medical Product Guide, the industry's go-to resource that provides clinicians and healthcare professionals with meaningful vendor, product and industry information. By distributing meaningful content to healthcare professionals, we are able to collect more data, glean deeper insights, and reach larger audiences than any other demand generation service. Using behavioral analytics and big-data techniques, our proprietary content and lead management system produces unrivaled insights that we apply to best-in-class marketing practices to achieve unmatched results towards helping our clients reach their business goals.

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About Act-On

Act-On Software delivers cloud-based integrated marketing automation software. Marketers can manage all of their online marketing efforts from a single dashboard that can be seamlessly integrated with CRM so that sales can have access into various marketing functions. Act-On's fresh approach to marketing automation gives its users full functionality without the complexity other systems impose, and makes campaign creation and program execution easier and faster.