Catherine Lada

Getting Started With Marketing Analytics

How do you know your campaigns are performing well? Can you measure the success of a strategy? How can you be sure your hard work is bringing you closer to your goals?

Marketing is a dynamic field, and analytics can help you get a handle on your strategy. With analytics, you'll have a clearer picture of where you've been, how your plans are working, and where you could be moving forward.

This course will give you a broad overview of what marketing analytics is and how it can benefit your team. You'll also get tips and tricks for making the most out of your data.

Click on the first lesson below—or the *"Start Course"* button above—when you're ready to begin.

INTRODUCTION

What Is Marketing Analytics?

COLLECTING DATA

Choosing Marketing Key Performance Indicators

What Is Marketing Analytics?

CL Catherine Lada

Imagine This

Darci wants to know how their organization's new landing page is affecting sales. They ask two members of the marketing team, Jules and Sabrina. Check out their answers below.

Jules

"Oh, it's going great! We've seen sales go up a little, so we can probably attribute that to our new landing page."

"The campaign has been very

Samantha

successful. So far, 60% of customers who see the landing page are making a purchase.”

How do these responses compare? Whose is more informative and trustworthy?

CONTINUE

There's more to marketing than launching a single campaign and watching it run. Marketing requires continuous evaluation—and that's possible with marketing analytics.

With analytics, you have data to review and redirect your strategies so that you're always moving toward success. Without analytics, you're traveling without a map.

In this lesson, learn the basics of marketing analytics. Then explore the problems it can solve and questions to ask as you consider how analytics can work for you.

WHAT IS MARKETING ANALYTICS?

What Is Marketing Analytics?

Marketing analytics is the practice of quantifying the performance of marketing campaigns. Analytics involves tracking and examining key performance indicators, revealing what's working and what isn't. Marketing analytics provides a big-picture view as well as insights into specific marketing efforts.

While marketing analytics is a broad field, it generally involves two parts:

Collecting Data

Collect data from surveys, A/B tests, and insights tools.

Analyzing Data

Analyze data automatically using specialized platforms or manually with statistical programs.

How Marketing Analytics Can Help

Marketers are constantly juggling campaigns and audience segments. But how do you know what your customers like and dislike? Why do certain campaigns work better than others? What's the impact of your overall strategy, and how can you make it better? Marketing analytics helps you answer these questions and more with data.

Here's what you get when you start implementing marketing analytics:

- **Insight.** The data you gain from marketing analytics can provide powerful insight. What resonates with your audience? What strategies work best for your business? Where is your money and time best spent? Analytics helps you stay informed about your work.

- **Credibility.** Telling your boss that your marketing plan is working is not as powerful as showing them data that proves the impact. Marketing analytics quantifies value. It tells you not only what's working but can also help you explain why.

- **Efficiency.** By revealing what's most effective about your campaigns, analytics saves time and money. It can also help you measure progress toward your goals,

ensuring that you're addressing or avoiding issues that could bump you off track.

- **Growth.** Marketing analytics can guide plans for the future. It can tell you which strategies are working and which lag behind. With analytics, you can make decisions and plans based on objective information.

Explore the stories below to see the impact of marketing analytics. Are any of these situations relevant to your work? Could you solve current challenges with more data?
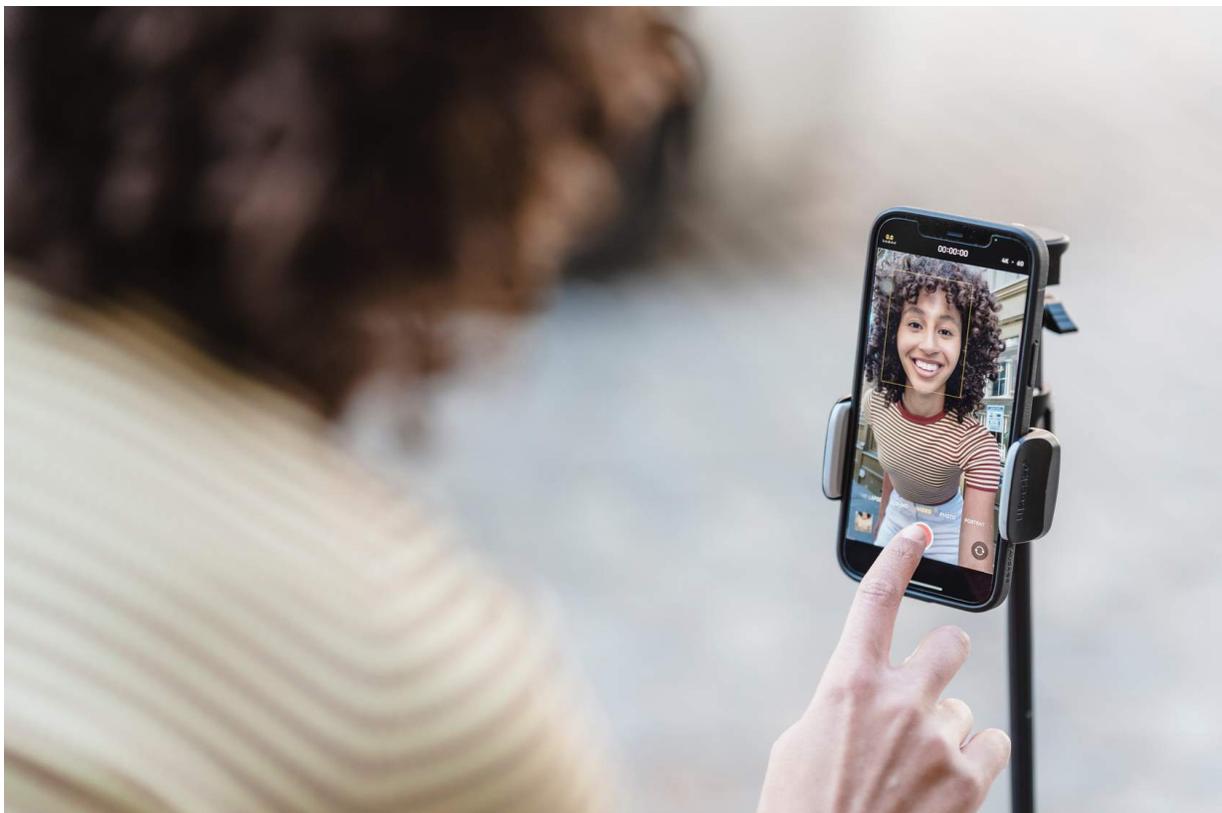
Social Strategizing

During a marketing team meeting, Miranda suggests that increasing their company's social media presence will improve sales. When her teammates express doubt, Miranda references data she's gathered showing that people who find their organization through social media are more likely to become customers.

Better Budgeting

Tala is planning her team's marketing budget. With analytics, she understands which channels and strategies work best for their plans and which she can cut from next year's budget.

A/B Testing

Ivan wants to know whether different subject lines affect customer engagement with their email newsletter. He creates two email versions with different subject lines and uses analytics to determine which version engages more customers.

Future Sales

Yin's friend on the sales team asks her if marketing can help with sales forecasting. With analytics, Yin shows her friend which strategies lead to more sales and uses the data to predict customer behavior.

CONTINUE

> Data will talk if you're willing to listen to it.

Jim Bergeson

Getting Started With Marketing Analytics

Earning and interpreting data takes thoughtful consideration. Before buying the latest program or setting up a new dashboard, think about what you want to track and how you want to track it.

Open the accordion below to explore some questions to guide your analytics plans:

What Do We Want to Know? —

Effective analytics starts with a plan. First, consider where you are and where you want to be. Here are some prompts to get you started:

- *What analytics do we already monitor?*

- *What are our goals? What do we want to improve?*

- *What information do we need? Are there gaps in our marketing plan knowledge?*

How Will We Implement Analytics? —

Next, think about how to implement your analytics alongside your marketing campaigns. What tools might you need? What programs could you use? Different strategies and software can organize and streamline your analytics. Pick the tactics and technology that best fit your team and business.

How Will Analytics Affect Our Workflow? —

Finally, discuss how you will modify your marketing and business workflow according to the data you discover. Explore specialized software to organize and analyze data so that you get accurate information.

The insights you gain can inform different aspects of your workflow, including work outside of marketing. Therefore, it's important to demonstrate the importance of analytics to the rest of your team.

Check Your Understanding

What questions can you answer with marketing analytics? *Check all that apply.*

☐ How are our marketing campaigns currently performing?

☐ What does our audience want to see from us?

☐ How should we prioritize our marketing channels?

☐ How do our strategies compare to our competitors' strategies?

SUBMIT

CONTINUE

Summary

Marketing analytics is valuable because it identifies precisely what is working and why in your marketing campaigns. A robust plan can provide insight, credibility, efficiency, and growth, leading to more effective and informed marketing plans.

As you think about how to take advantage of marketing analytics, discuss these questions with your team:

- What do we want to know?

- How will we implement analytics?

- How will analytics affect our workflow?

ⓘ **You may want to hire an expert.** Marketing analytics can be overwhelming, and specialists have the knowledge and experience to develop a unique plan for your organization. Instead of going forward alone, consider bringing someone onto your team.

Choosing Marketing Key Performance Indicators

CL Catherine Lada

Has This Ever Happened to You?

Nora is the CFO of an up-and-coming online retailer. She's reviewing next year's budget with Jokin from the marketing department.

"To help sales hit their aggressive targets, we need to increase our marketing budget by 15%."

- Jokin

"I don't see how that's going to help sales, and we have to keep overhead low next year."

- Nora

"Marketing doesn't get credit for our hard work. We're not overhead!"

- Jokin

"Sorry, Jokin, but I can't justify this budget increase without some proof that it's working."

- Nora

CAN THEY RESOLVE THEIR DIFFERENCES?

Data to the Rescue

Have you ever been in Nora or Jokin's position? Marketers know they bring value to companies and are more than a cost center. Yet financial professionals need proof of that value to allocate

budget dollars effectively. It can be challenging for everyone. That's where data, or **marketing analytics**, can help. And **key performance indicators**, or KPIs, are tools marketers can use to analyze performance. Flip the cards to learn more:

Marketing Analytics

Using data and numbers to measure the success of marketing initiatives

Key Performance Indicators (KPIs)

Specific measurements that marketers track over time

In short, KPI analysis uses data to demonstrate the actual value of marketing efforts. In this lesson, learn why KPIs are an essential tool for marketers and which KPIs will help you measure and track success.

MARKETING ANALYTICS

CHOOSING MARKETING KEY PERFORMANCE INDICATORS

Why Are KPIs Important?

Over time, tracking KPIs gives you valuable information to guide decision-making. We touched on one reason KPIs are important in the introduction, but let's review more below:

1   **Budgeting.** Tracking KPIs gives you the intel to decide the most effective place to spend your marketing dollars. You can also use KPIs to demonstrate how your efforts contribute to the bottom line.

2   **Setting and achieving goals.** Set goals like increasing engagement, sales, or referrals, and then use KPIs to measure progress. Daily, weekly, or monthly reports will show how your work engages customers in the real world. Use the data to identify trends and opportunities.

3   **Troubleshooting.** KPIs are an important tool to improve, track, and tweak your path to success. Zero in on problem areas and repair them quickly, rather than wait until a campaign ends with poor results.

CONTINUE

Getting Started With KPIs

There are dozens of KPIs marketers use, depending on their goals and business type. For example, an online retailer who wants to increase sales might select KPIs related to customer behavior on their website. They could track the landing page bounce rate, page views, and cart abandonment rate to pinpoint where it's hard for customers to complete their purchase in the sales process.

How to Choose KPI Tracking Tools

Tracking KPIs is as easy as setting goals, establishing a measurement tool or unit to track the goal, and checking progress toward the goal. There are many tools available, so do some research to find a product that meets your needs. For example, social media sites have built-in tools; or purchase a software or service plan. Keep these tips in mind as you research:

- [ ] Consider who needs to use the tool and which views each team needs.

- [ ] Can the tool grow as you do?

- [ ] Does the tool integrate with tools you currently use or plan to use?

- [ ] What does the dashboard look like? Is it easy to use?

- [ ] Does it fit within your budget?

> ⓘ **Don't be afraid to try before you buy.** If you think you've found the right fit, ask for a program trial before committing. Ask stakeholders from different teams to test drive it. They may identify additional issues worth considering.

How to Track KPIs

Try some of the common KPIs outlined below, or explore to find ones that suit your business and goals. Expand the rows to get started.

Customer Lifetime Value (LTV) —

This KPI is one way to measure marketing's return on investment. It predicts how much a customer will spend with the company over time. A formula might include the average sale x the number of purchases x the average term a customer purchases.

For example: A company that makes disposable diapers could apply the formula like this:

$40 (Average diaper purchase)
x 24 (Annual number of purchases)
x 2 (Average period they buy in years)
= $1,950 (Average LTV)

Customer Acquisition Cost (CAC)

This measures how much you spend to gain a customer. This should include the cost of campaigns and what it takes to produce them, including staff and technology. To get your CAC, take the amount spent over a time period and divide it by how many customers you gained during that period or campaign. Try comparing that number to your LTV. A healthy CAC should remain below LTV.

Return on Investment (ROI)

This KPI tracks how much money you made after investing in marketing. Divide LTV by CAC for a simple look, or drill deeper to compare campaigns or platforms and find which marketing efforts produce the best return.

Referrals

Tracking how people found you is a good way to learn more about where your customers are and where you should put your efforts. These will be specific to your business, but you might track inbound links from other sites, social media referrals, and organic web traffic. Share results with those working on social media marketing, SEO, and content generation and hone your efforts to attract even more traffic.

Engagement

Like referrals, engagement is a great KPI to show where you're connecting with your audience and how. Measure emails, social media, and website interaction and traffic. Are they working together to lead people down the sales funnel? Engagement can get very granular and specific. For example, how many people shared your video or clicked on an email link? Identify where potential customers are quiet or leave the conversion path, and compare it with successes. What can you replicate?

Lead Conversion

Lead conversion examines how prospects turn into customers. This KPI helps you understand where leads leave the pipeline and what kind of leads are most likely to convert to customers. Marketing Qualified Leads or MQLs are interested but not ready to purchase yet. Marketing is still working to convince them. A Sales Qualified Lead, or SQL is ready for a push to convert. It's important for marketing and sales departments to work together and share information about products, services, and relevant leads to maximize success.

Behaviors

KPIs about customer behavior can show marketers where messaging or user experience aren't meeting customer needs. When a customer immediately leaves a landing page or quits a survey halfway through, it gives marketers valuable clues about potential customers. They can use this information to tweak content, messaging, design, pricing, and lead generation. Those data-informed changes will, in turn, drive desired behaviors—like converting more sales.

Check Your Understanding

Now that you're familiar with KPIs and their importance in marketing, try the question below.

Gavin is a new salesman at a senior living facility. He notices a decrease in tour bookings over the past three months. He also remembers that he asked marketing to add a "Getting to Know You" questionnaire to the tour booking form three months ago. He suspects this might be the problem. What KPI type might he use to confirm his suspicion?

○ Gavin should run customer LTV to show marketing how much money they're losing when they don't send him good leads.

○ Behavioral KPIs could help him understand if the form is too long or confusing. He might tweak or maybe even scrap that form.

○ Referral KPIs could tell Gavin if the right people are coming to his site in the first place. Maybe their social media messaging confuses customers.

SUBMIT

CONTINUE

Summary

KPIs are marketing analytics tools that offer data-based evaluation of marketing initiatives. Specific and measurable numbers help marketing, sales, and other teams better identify the most valuable activities. KPIs help with effective budgeting, goal setting, and troubleshooting. Some popular types are:

- **Customer lifetime value** (LTV) estimates how much a customer is likely to spend with the company, while **customer acquisition cost** (CAC) outlines how much it costs to gain a prospect as a customer.

- ROI, or **return on investment**, utilizes the CAC and LTV to demonstrate the value of marketing efforts. How much you spend to acquire a customer should always be less than how much that customer spends with your business.

- **Referral** KPIs help you understand where and how people find you and show how well SEO, messaging, and content drive people to your site.

- **Engagement** is similar to referrals, except it looks at how long people stay with you and measures their interest. This information reveals what your audience likes and doesn't like to hear from you.

- **Lead conversion** helps you find holes in your sales funnel and maximize success. These KPIs help tighten the ship and lose fewer customers.

- **Behaviors** are one final KPI bucket that shows you what customers are doing on your pages, helping you make informed changes and drive the actions you want.

KPIs help marketing teams work smarter and prove the true value of their efforts. Measuring efforts with data-based analytics can prove that your work has a positive impact on the bottom line.

> (i) **Share your findings with other teams.** Never place blame on anyone. Instead, keep communication open and work together to improve numbers.

Move to the next lesson to learn how to put your knowledge of KPIs into practice.

CONTINUE

Measuring the Effectiveness of Marketing Campaigns

CL Catherine Lada

Introduction

Sofia leads marketing for a well-loved neighborhood restaurant. In her latest campaign, the restaurant's social media featured chefs, servers, and other restaurant staff. Sofia's boss wants her to present the campaign results at their next meeting. *"Show us how effective that new staff campaign is,"* he tells her.

How do you know a campaign is effective? What does success look like in marketing?

Effectiveness in marketing is highly subjective. What is seen as a victory in one campaign may spell disaster for another.

The subjectivity of success makes it essential to define it for the campaigns you develop. Knowing exactly what makes your campaign effective helps you improve future marketing plans.

In this lesson, you'll explore different ways to measure campaign success.

MEASURING THE EFFECTIVENESS OF MARKETING CAMPAIGNS

Why Does Measurement Matter?

Marketing is highly competitive and interacts closely with other aspects of business like sales and lead generation. Likely, you have a limited marketing budget, meaning that you need to carefully allocate your time, effort, and resources. When you're investing hours of work on a campaign, it's best not to just speculate what will be effective.

Measuring campaign effectiveness gives you an advantage by revealing the impact of your work. By understanding exactly how your campaign engages your audience and interacts with your broader organizational plans, you'll create compelling, data-driven strategies.

Start With the End

Thinking about effectiveness starts in the planning stages of each campaign. Instead of assessing success post-launch, reflect on what will make your campaign successful and allow those considerations to shape your planning. It's impossible to track every metric, so focus on those relevant to your definition of effectiveness.

Ultimately, measuring campaign success can be summed up by asking: *What's working and what's not? Why?* Here are some questions to consider:

What Are Your Objectives?

What do you want to gain from your analysis? What questions do you want to answer? For clarity on what success means, get specific with your objectives.

Also, consider how other departments define success. While "improve keyword ranking" may be a valid marketing goal, sales may be more concerned about conversions or customer relationships. Think about how your objectives align with your organization's overall goals.

What Are Your Key Performance Indicators (KPIs)?

What do you want to measure? Select KPIs that correspond to your objectives. For example, if you are measuring the impact of an email campaign, you may want to keep an eye on open rate, conversion rate, and click-through rate.

Again, consider how these KPIs tie into your broader goals. A high open rate may sound successful, but if the same email campaign has a low click-through rate, you may question how well the campaign actually performed.

What Are Your Data Sources?

Where will you get your data? Some data sources include Google Analytics, customer relationship management software, and social media analytics tools. As with other measurement elements, pick sources that are most relevant to your goals and objectives.

> **"** The goal is to turn data into information, and information into insight.
>
> **Carly Fiorina**

Sofia's Story

Sofia wants to know: What was the impact of featuring restaurant staff on the restaurant's social media?

Sofia's organization's overall business goals include improving neighborhood engagement and increasing website traffic. With this in mind, she decides to track customer engagement and website clicks as KPIs. Her data sources will be social media and website analytics.
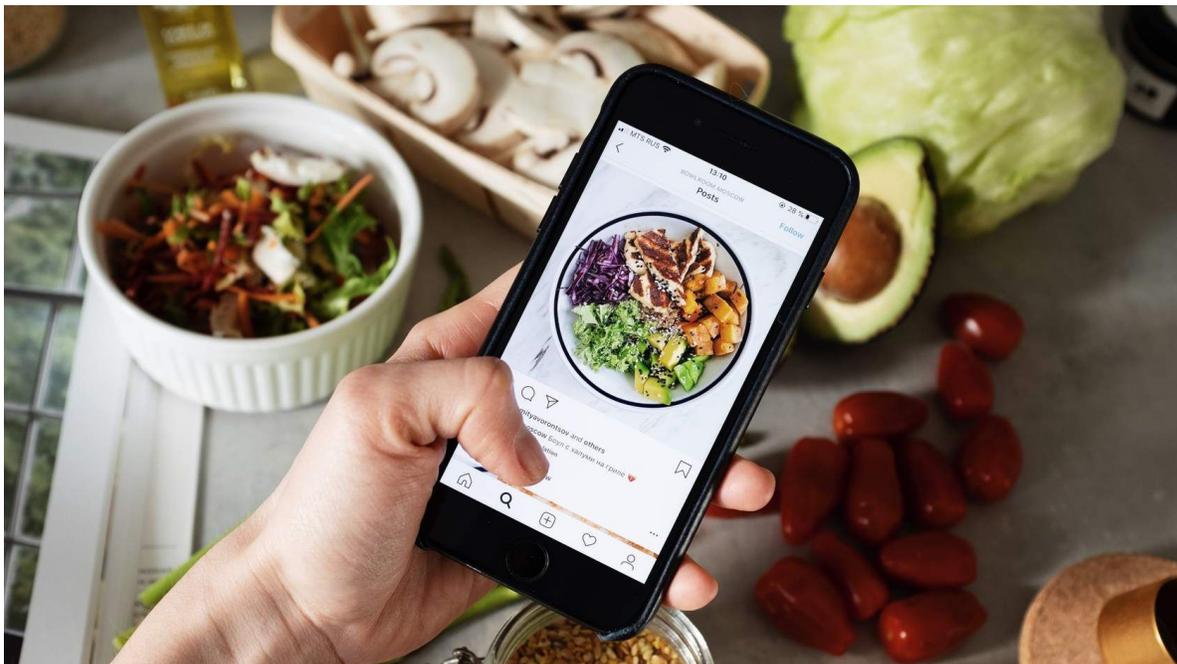
CONTINUE

Analyzing Your Data

Pulling information from your sources gets you raw data about your campaign. You can then interpret this information to get insights to assess the effectiveness of your campaign.

Data interpretation is unique to each campaign, purpose, and circumstance. Remember, success is subjective, and what may be effective in one case may be ineffective in another. There isn't one perfect way to analyze data—instead, think about how to compare your data to your goals and objectives.

Take a look at the different ways Sofia can analyze the data she pulled:

AUDIENCE ENGAGEMENT	LINK CLICKS

Sofia compares analytics from the staff campaign with previous campaigns. She discovers that across campaigns, posts received about the same level of audience engagement.

With this perspective, the new staff campaign did just about as well as previous campaigns.

AUDIENCE ENGAGEMENT	LINK CLICKS

When Sofia examines the rate of link clicks across campaigns, she discovers that the staff campaign posts performed best. While audience engagement remained consistent, the data shows that the staff campaign led more users to click on their links.

When comparing link clicks, the staff campaign appeared to be more successful than previous campaigns.

With these insights, Sofia can highlight the staff campaign's impact. She also uses the data to suggest new marketing plans.

Sofia's Presentation

When Sofia presents to her team, she displays audience engagement data and link click rate.

She shows that the staff campaign was effective in meeting their organizational goal of increasing website traffic. She also proposes that they brainstorm strategies to increase audience engagement since this KPI remains stagnant across campaigns.

Check Your Understanding

Sofia's boss asks if she can reevaluate the effectiveness of their latest email marketing campaign. What should she do first?

○ Discuss goals and objectives with her boss.

○ Switch to a new email marketing client.

○ Download their current analytics numbers.

○   Choose an analytics model.

SUBMIT

CONTINUE

Summary

Measuring the effectiveness of your marketing campaigns gives you valuable insight into what's working in your campaign and what isn't. Measurement can continually improve your marketing plans and help you optimize your time, effort, and resources.

Consider how you'll define success for each campaign during development. Then, as you get data back after the campaign's launch, ask yourself these questions:

- **What are your objectives?** What do you want to gain from your analysis? What questions do you want to answer?

- **What are your key performance indicators (KPIs)?** What do you want to measure?

- **What are your data sources?** Where will you get your data?

Recall that there's no single definition of "effectiveness." A campaign's success depends on its relationship to the goals and objectives you've established. Keep the subjectivity of effectiveness in mind as you determine how well your campaigns are doing.

ⓘ There are many advanced methods and models for analyzing campaign effectiveness. We've just scratched the surface of what's possible for you and your marketing plans.

Models such as multi-touch attribution, marketing mix modeling, and economic modeling provide deeper insight into different types of campaigns and definitions of success. For an analysis plan unique to your organization, consider consulting an expert or hiring a marketing agency.

Continue for tips and tricks to improve your data analysis.

CONTINUE

Tips for Interpreting and Analyzing Marketing Data

CL Catherine Lada

Introduction

You've chosen the ideal metrics. You've set up the perfect dashboards. Your whole team is on board with the importance of marketing analytics. Then you start getting data back—and all you see are numbers. You might as well be looking at a math worksheet.

So, how can you make this raw data relevant? And how can you analyze it to inform your marketing strategy?

Interpreting data is an essential step in marketing analysis. The numbers tell an important story —you just have to know how to read them.

In this lesson, you'll learn about the importance of data analysis—and how your perspective can impact it. Then, you'll explore seven tips you can use to interpret your marketing data.
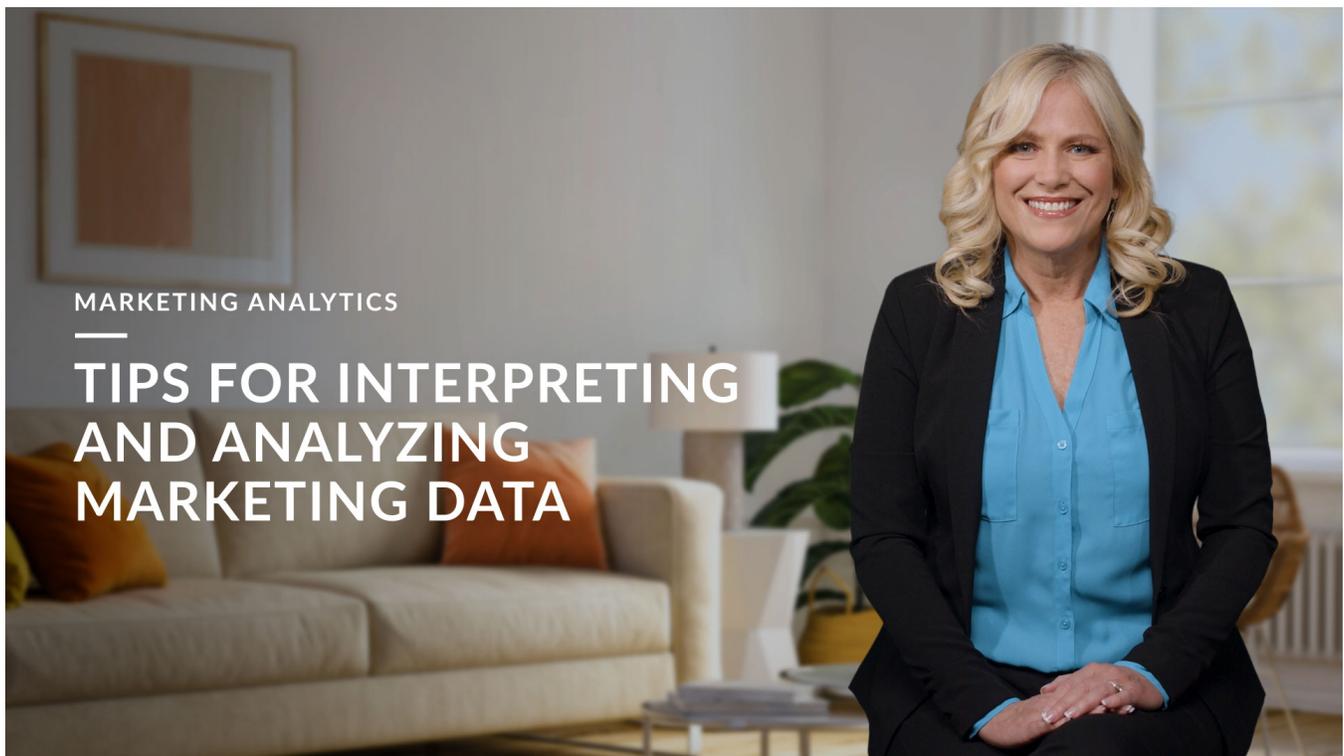
TIPS FOR INTERPRETING AND ANALYZING MARKETING DATA

"The core advantage of data is that it tells you something about the world that you didn't know before."

Hilary Mason, data scientist and founder of Fast Forward Labs

Analysis and Subjectivity

There is no one perfect way to interpret data, because each organization, campaign, and goal is different. And the perspective you take while looking at metrics will impact the insights you receive.

While analysis is subjective, it's also a skill you can improve. With practice, you'll be able to investigate different ways to analyze data and determine which are most relevant to you and your work.

When you're ready, click "*Continue*" to explore seven tips to guide your data analysis.

CONTINUE

Narrow Your Focus

First, consider how you can narrow your focus while interpreting data. You can't analyze it all. To make the best use of your time, be intentional. If you're not sure where to focus your attention, here are a few guiding tips:

- **Remember your key performance indicators (KPIs).** What objectives did you set for this particular campaign? How did you plan to track its success?

- **Focus on your goals.** How does the data relate to your wider business and industry goals? How does it reflect your progress (or lack of it)?

- **Identify what's missing.** What questions do you have, and what answers do you need? What knowledge gaps can your metrics fill?

Dominique feels overwhelmed by the data she's receiving on her latest social media campaign. However, she recalls the conversation she had with her boss as they were planning the campaign: they decided their KPIs would be the number of likes and shares. Knowing this, she has a better direction for how to analyze the data.

Segment Your Audience

Another way to understand your metrics is to segment them by customer demographics. By digging deeper into different characteristics, you'll get specific information about how people interact with your organization.

Choose segments that will help you fill your knowledge gaps. For example, you could try dividing data by:

- Age

- Gender

- Location

- Returning versus new customers

- Channel

Kay works for a fitness studio that offers different types of services. When the sales team asks if she has any insight on which services are best at retaining customers, Kay can segment their audience by both membership and services used. With this strategy, she can get a better idea of how different services impact customer relationships.

Watch Out for Confirmation Bias

Though evaluating campaign results will be subjective, you should also be wary of confirmation bias when interpreting data.

Confirmation bias is selective thinking. It's what happens when you analyze data with a conclusion already in mind. Remember, you're not analyzing data to validate success. You're analyzing data to understand what's really going on in your campaigns.

After seeing an article about a rival company's success in a marketing campaign, Isabel's boss insists that they should completely revamp their digital marketing strategy. Isabel pulls their analytics to get specific data on what's working and what isn't. She proposes a more nuanced plan to her boss, showing how the data supports her proposal.

Pause and Reflect

What was your biggest takeaway from this course? How can you apply what you've learned to your marketing strategy?

Thank you for taking this course!