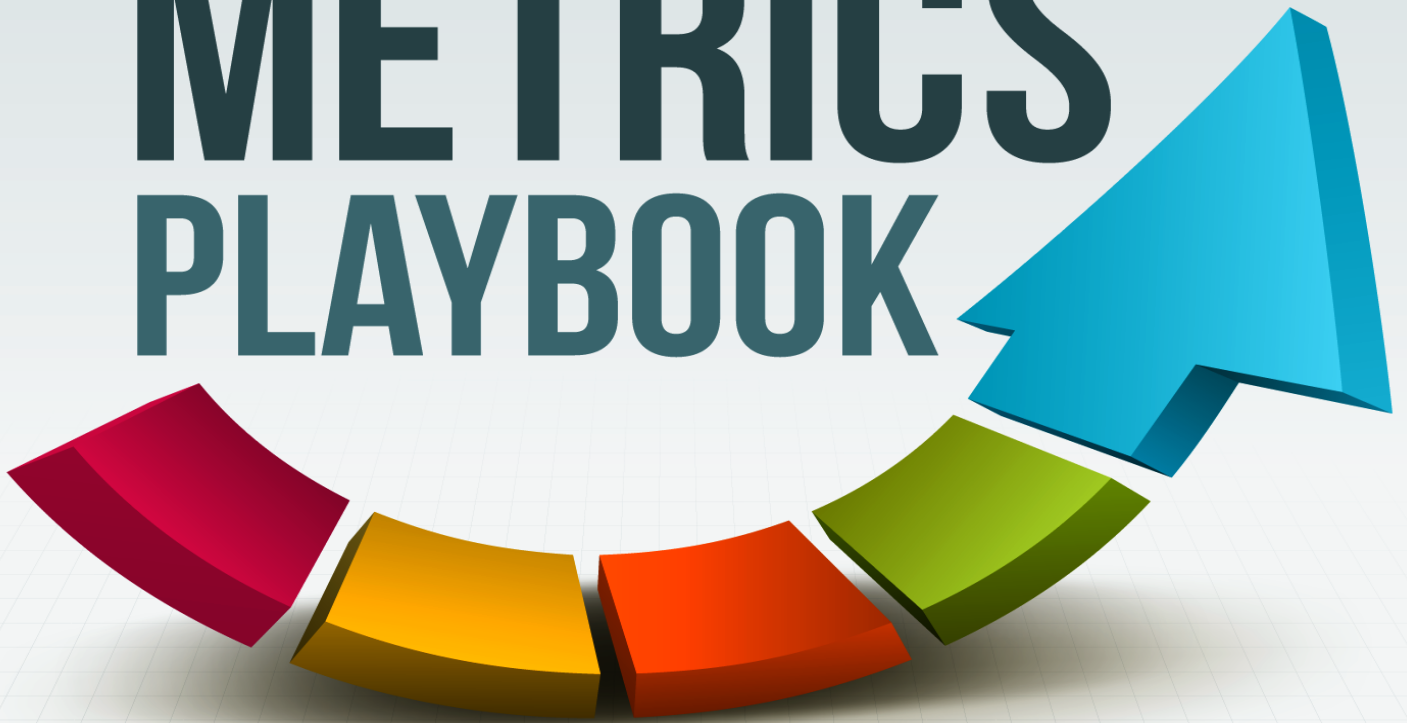


DIGITAL METRICS PLAYBOOK



Measuring your Online
Branding Strategies

Enrique Quevedo | Daniel Besquin | Michelle Read

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Today's digital marketing landscape is a complex mix of channels and devices. Reaching an audience and convincing them to take some type of action can be complex. Even more complex is measuring the consumer experience as they interact with your digital marketing. That's where this Digital Marketing Playbook comes in. It provides a simple, easy-to-follow process to help any organization create a measurement plan for its digital marketing strategy. From defining objectives to turning them into metrics, this resource is practical and easy to understand. Any digital marketer or analyst will find its advice actionable and useful.

**—Justin Cutroni,
Analytics Evangelist,
Google.**

A fantastic look at an often overlooked area of marketing measurement. As the world has exploded from traditional media into the digital realm, the base objective of branding has remained, and the tools and strategies explored in this book offer cutting-edge solutions to address very established marketing concepts and goals.

**—David Booth,
Founding Partner,
Cardinal Path, US.**

FOREWORD

As we moved from the realm of offline analytics to online analytics, it is astonishing to think how quickly we went from famine to feast when it came to data. We had almost no data. Faith-based initiatives ruled. Then, here comes the web and boom (!), we have more data than God wants anyone to have. And yet, much of digital marketing remains a faith-based initiative.

It turns out that having access to data does not deliver data-driven organizations; it is what you do with that data that's the key. I know! Common sense! Yet, it is utterly uncommon.

We have a humble goal with this book. We want to completely change the mental model you bring to the analytics game and get you to do more with data. To truly, in the deepest sense of the word, help you create a data-driven organization.

This book starts by defining branding and clearly articulating a comprehensive measurement framework for branding initiatives. Then we get into the how-to section, where we will hold your hand and slowly walk you through some of the complex but awesome metrics and dashboards that can make your day-to-day job glorious. Finally, my favorite is the last part where we talk about online and offline measurement and how you can tie digital to the company's bottom line.

There are parts of the book that will make you a little bit uncomfortable. The book will force you to ask the hard questions. But I give you my personal guarantee that it will deliver an astonishing amount of focus and direction to your measurement efforts.

Awesome, right? It really is. And so much fun.

So devour this book. And remember the words of Zack Matere:

"Information is powerful, but it is how we use it that will define us."

Happy Analytics!

Avinash Kaushik

Author - Web Analytics 2.0, Digital Marketing Evangelist - Google.

INTRODUCTION

MARKETING

When was the last time you checked your phone? If you're like 60% of people, it was at least once in the last hour.¹ As consumers, we are now constantly connected and engage with the world around us through multiple forms of technology, any time we want to. In fact, 48% of the US population is an "Always-On Consumer," according to the latest study by Vivaldi Partners.² Always-On Consumers, initially identified by Forrester, use three connected devices every day, go online multiple times a day, and do it from at least three different locations. Attention spans are shorter and our expectations of products and services are greater; we are also better informed when making a purchase decision.

As marketers, we must recognize this as an opportunity for millions of more moments when we can share our brand message and connect with our consumers. Although people may be changing the way they connect, the reasons we connect are the same. We care about our friends and family. We are interested in learning about the world around us. These motivations remain the same. Likewise, our marketing challenges remain the same. It is just that now we have additional platforms and many more opportunities at hand to accomplish our goals — we can become Always-On marketers.

Regardless of the type of technology through which communication flows, marketing efforts should still focus on these four objectives:

- **Building Awareness**
- **Influencing Consideration**
- **Driving Sales**
- **Growing Loyalty**

The aim of *building awareness* for a brand is to make sure that potential consumers know about it. After all, people can't buy a brand if they don't know it. Since the beginning of advertising, brands have used billboards, radio and television commercials, or other vehicles that allow them to reach as many people as desired. With the proliferation of new technology and constant connectivity, people discover and learn about brands according to their own agenda. Marketers can no longer easily reach people through traditional media alone. They need to understand the moments that matter for their audience

¹ Time Magazine, the Wireless Issue, Aug 2012

² Joachimsthaler, Erich. 2014. "Divining The Future: The Always-On Consumer," *Forbes*, February 27.
<http://onforb.es/1qPdXjb>.

so they can reach them when they are most receptive to their brand message. That may be when they are browsing the web to search for a product, or when they are watching videos with friends or checking emails before they go to sleep.

Marketers face the same challenges of fragmented attention when trying to *influence consideration* of their target audience. Consumers are not only harder to reach but are also more discerning buyers because of the amount of information available during the purchase process. Efforts to turn people who are aware of a brand into a buyer of that brand are most persuasive when reaching the consumer at the right time; for example, convincing them to buy your product as they compare brands and read reviews.

The foundation of *driving sales* continues to be focusing on a strong “call to action” to achieve transactions; however, the dynamics of the marketplace have changed. People move seamlessly between multiple forms of media and interact with the brand on- and offline. The big challenge for marketers now is to find a way to measure the impact of their digital strategies on actual sales.

Although word-of-mouth marketing has almost always existed in some form, these moments are now even more critical given the influence of technology. *Growing loyalty* is no longer a bonus if marketers do their job well, but rather, a critical objective that should focus on producing brand advocates and enabling them to spread the word on behalf of the brand. Marketers should not underestimate the power of an advocate in today’s constantly connected world.

Digital media offers new opportunities for marketers to build their brands with the Always-On consumer. Because it works differently than traditional media, there are still many unknowns to marketers. The lack of knowledge often leads to marketers dismissing the potential benefits of digital for the comfort and safety of what they know. Today, you must go beyond just placing your brand in front of your consumers and waiting for them to buy your products. Fully leveraging digital media should be part of the solution to the broader marketing challenges.

Likewise, measuring success of digital branding campaigns should now go beyond the traditional brand metrics, such as: Brand Equity, Brand Preference and Purchase Intent, and integrate ways to assess how digital media is being leveraged. We’ve seen many brand marketers continue to struggle when it comes to measuring and determining digital marketing returns. According to eMarketer, research shows that 57% of companies worldwide have not established KPIs (Key Performance Indicators) to measure return on investment on digital initiatives.³

DIGITAL MARKETING

Digital media has proven to be very effective for direct-response strategies. It has brought great benefits to eCommerce and lead generation business models, thanks to its efficiency and accountability. However, there is also a limitless opportunity to use digital media to create and nurture relationships between your brand and your customers. We used to think about branding in terms of

³ 2013. “Firms Face Challenges in Digital Transformation,” eMarketer, October 29. <http://bit.ly/1b0hy84>.

reach and its impact on *sales*, but through digital media, there is now an extraordinary opportunity to engage and connect with your audience throughout the entire purchase process.

Digital media involves two-way communication, and branding initiatives should benefit from this new means of interacting with an audience. The branding process is, of course, triggered by your effort to *expose* your brand, product, or service to a specific audience. As is the case with traditional media, repeated stimuli produce greater awareness; however, it doesn't have to stop there. Brands can continue to build awareness and *attract* the audience into their brand's territory (for example, their website), where they have more control over people's experience. Once you've *attracted* your target audience to your brand territory, you can begin to influence their consideration and *engage* them in a way that creates value for them; don't just let people endlessly navigate through your website without purpose. The perceived value that comes from those engagements should create a bond and motivate people to come back, enabling you to *retain* their attention longer. A successful brand experience, one which creates valuable engagements and bonds, should also produce measurable *influence* on members of your target audience — influencing their perception, intent, or behavior — so that the next time they face a buying decision, they'll choose you over your competitors. And so, for our digital branding strategies, we'll split the higher level marketing objective: *build awareness*, into two stages: *expose* and *attract*. Similarly, we'll also split *influence consideration* into three stages: *engage*, *retain*, and *influence*.

To summarize, the framework is composed of five stages:

1. **Expose** your brand
2. **Attract** people to your brand territory
3. **Engage** your audience, providing them with valuable experiences
4. **Retain** their attention over the long term
5. **Influence** their perception, intent, or behavior

The main objective of any branding campaign is not only to expose your brand, or to attract or engage an audience; the ultimate goal is to influence that audience so that your brand is in their consideration set. Once you have a framework in place, it will be far easier to strategize ways to achieve that goal.

In developing such a framework, there are a few important questions that each organization needs to answer, such as: What does success look like for your business? How can you tell that you are doing a good job engaging visitors? How can you tell whether you're creating a strong bond with your audience? And, in the end, is the branding strategy improving sales figures? The exercise of defining success will inevitably make you focus on the things that matter most and, therefore, will also help you create more successful strategies.

Our objective with this book is simple: to influence the mindset of the next generation of digital brand marketers. We want to enable them to focus not only on brand awareness and its impact on sales but also on the brand experience that they can produce using digital channels and the impact of that brand experience on long-term profitability. Throughout the book, we'll propose a comprehensive digital measurement framework that should be used in conjunction with your traditional brand measurement methodology. Using the framework to measure online activity should facilitate digital

strategy accountability and business decision making, thus enabling you to achieve increased success as a result of your branding strategies.

We are very interested in hearing what you think and would like to learn from your experience. Please share your thoughts with us as you read through the book. Use the hashtag #DigitalBranding or start a discussion on our site: www.digitalmetricsplaybook.com/discussion

CHAPTER 1

BRANDING IN THE DIGITAL AGE

WHAT DO YOU MEAN, “BRAND”?

In order to create successful branding campaigns, one must first define the meaning of the word “brand.” While it can be a very broad, sometimes fuzzy concept, Seth Godin summarizes it beautifully in a blog post⁴:

“A brand is the set of expectations, memories, stories and relationships that, taken together, account for a consumer’s decision to choose one product or service over another. If the consumer (whether it’s a business, a buyer, a voter or a donor) doesn’t pay a premium, make a selection or spread the word, then no brand value exists for that consumer.”

Regardless of the size or kind of business you run, your brand’s power defines how much people will be inclined to select you over your competitors. One important component in the formula for a powerful brand is word of mouth. Strong brands get people talking about them, but powerful brands convert their clients into promoters who, in turn, work as an extended marketing team with full access to and trust from their own networks. Word of mouth from your brand’s promoters is more powerful than any marketing campaign, as your promoters are trustworthy advocates who can convince more people to buy your product or service.

In order to achieve your branding goals, you must create and nurture a relationship with your target audience. Be present in their relevant moments and create positive experiences. It’s not so much about your name or your tagline; it’s about creating stories. How do you make people wait in lines to buy your product? How do you make them show off your product to their friends and convince them to buy the same thing? It’s all about stories: the stories people tell themselves when using your product, and — even more important than that — the stories your customers tell their friends when promoting it. Brand

⁴ Godin, Seth. 2009. “define: Brand.” in *Seth’s Blog*, December 13. <http://bit.ly/10hUX0u>.

stories are created by positive experiences — either a flawless usage experience; a problem solved in a new, imaginative way; or maybe just a casual conversation through social networks.

It's important to note that there will likely be people who don't like your brand, and, contrary to the promoters, they will try to discourage other people from buying your product or service. Therefore, it is important to understand why people don't like your brand, find these detractors, learn from them, communicate with them, and attempt to convert them to clients.

For many years, brands have relied only on traditional media such as TV, radio, or print to deliver their messages. Nowadays, a complete marketing strategy should also include digital media channels such as websites, social networks, and mobile platforms to reach consumers and engage them.

TRADITIONAL MEDIA ACTUALLY WORKS...

A lot has been said about how digital media is better than traditional media. Some say it provides better ways to deliver a message and engage an audience; others say that it's more cost-effective and more accountable. While these arguments are true to some extent, we are not looking to get into that debate.

Traditional media works now, it has worked for decades, and it will probably continue working in the future for some products, for some audiences, and for some business strategies. Although it can be quite expensive, traditional media is still a very effective way to reach mass audiences.

The problem that lies between traditional and digital media is not whether one works better than the other; the real problem is that we have tried to apply the same strategy that we use for traditional media to digital media.

...BUT DIGITAL MEDIA IS FUNDAMENTALLY DIFFERENT

The fundamental differences between traditional and digital media are the direction and flow of communication. While TV, radio, and print involve a one-way flow of communication (content is pushed from the medium toward the audience), digital media is a two-way communication channel that works very differently from the single-direction flow of information. Here are some examples:

THE 30-SECOND PARADIGM

Let's talk about TV for a minute. The television advertising industry is organized around the 30-second spot. Advertisers spend millions of dollars producing entertaining commercials and then trying to find the best places and times to air those commercials in order to reach a specific target audience.

In the digital world, timing is more flexible (and often quicker). You may well have less than 30 seconds to get a single click on your banner ad. In his book, *The Social Media Bible*⁵, Lon Safko shares the results of a study that shows that you have only 1.54 seconds to convince people to give you a chance to interact with them, to move into the first stage of time investment. Picture a woman going through her inbox, parsing all the subject lines and deciding which are relevant and which are just junk. She will look at your email marketing subject line for 1.54 seconds before making a decision. If you succeed in getting her to open your email, you will then have 5 more seconds to convince her to move even farther, on to the second stage of time investment: clicking on the call to action and getting to your website. If you succeed, you will then have more than 30 seconds to deliver your message and further engage her inside your brand's territory.

You have only 1.54 seconds to convince people to give you a chance to interact with them.

MARKETING BY INTERRUPTION

The only way to deliver a message through one-way communication media is to interrupt the content being consumed at that time and insert a commercial message. Think about listening to your favorite radio show; while you listen, the show frequently gets interrupted to broadcast commercial messages from the show's sponsor brands.

In digital media; however, there is seldom a constant content flow that you can interrupt to deliver your message — mostly because content producers don't push content to the audience. On the contrary, the audience proactively seeks content from the publishers.

On the flip side, there are very few people out there who will turn on their computer and navigate to your brand's website to see what YOU have to say about YOUR products. People like conversations they can relate to. People will care about you if, and only if, you help them solve their own problems, provide them with useful information, or entertain them. You now have the opportunity to create content-based marketing strategies, which prompt people to proactively seek and consume your messages.

People will care about you only if you help them solve their problems, provide them with useful information, or entertain them.

PAID, OWNED, AND EARNED MEDIA

Digital media gives you access to a wide variety of channels through which you can communicate with your audience. Of course, you can start by launching big advertising campaigns to get your brand in front of a lot of people online. This is your paid media, which includes any kind of online advertising such as paid search, display and banner ads, or sponsorships. Paid media also gives you the opportunity to attract potential customers to your own territory, namely, your website and extended properties on Twitter, YouTube, Google+, Facebook, Pinterest, and so on. All of these represent your

⁵ Safko, Lon. 2012. "The Social Media Bible: Tactics, Tools, and Strategies for Business Success." Wiley, May 8. <http://amzn.to/13HDSHF>.

owned media. Once people have reached your brand's territory, your owned media, the power is in your hands — you can create the exact experience you want people to have and engage them in ways that are most beneficial to your business and to them.

Once your brand is in front of an audience, people will start talking about you using their own communication channels. This is not new; people usually talk about what they like and what they hate. The great opportunity in front of you now is that you're actually able to listen to and participate in those conversations. You have an abundance of qualitative information at your disposal due to the word of mouth happening online, through social networks, blogs, and third-party websites. All of these conversations are your earned media. Earned media is hard to control, but it does have to be acknowledged, understood, and measured.

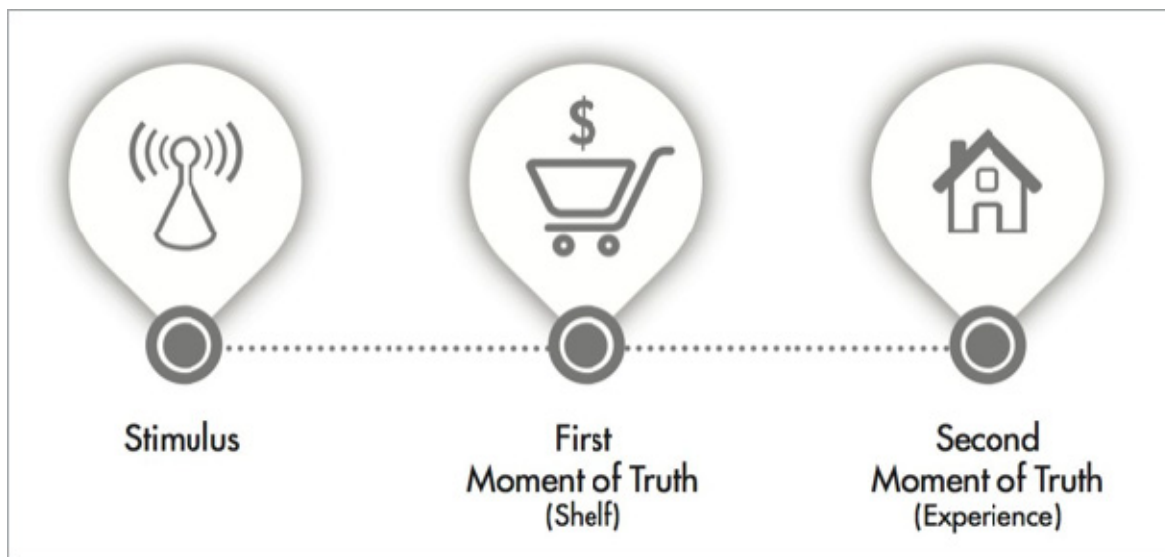
ZERO MOMENT OF TRUTH

Paid, owned, and earned media are particularly crucial when you think about the way the buying decision journey has evolved. Back in 2005, Procter & Gamble coined the term “First Moment of Truth,” commonly called FMOT (“EFF-MOT”), to identify the important moment when a person faces a shelf full of products and must make a purchase decision. The model talks about three points of contact that are key to maintaining that person's brand or product preference in that moment.

A stimulus is needed to jump-start the process. It can come through a TV commercial, a newspaper insert, a mention on a radio show, an online video or banner ad, etc. The consumer then goes to the store to look for the product, say a digital camera. The moment he gets to the electronics store and looks at all of the different brands, he faces the First Moment of Truth. The buying decision he makes will be influenced by his in-store experience; that's why the FMOT is so important. On average, consumers spend seven seconds⁶ in front of the shelf before they decide which brand to buy. It's really important to gain the consumer's attention at this critical moment.

Once the consumer makes his or her choice and buys the selected product, that person will go home to start using it. That moment of experience is called the Second Moment of Truth (SMOT), and it will determine that consumer's brand perception and future buying decisions. A good usage experience will probably make him or her choose the same brand when it comes time to upgrade, and the consumer will also speak positively when participating in discussions with friends.

⁶ Lecinski, Jim. 2011. “Winning the Zero Moment of Truth.” Google, 11 <http://bit.ly/1AxLHUX>.

Figure 1-1: The Traditional Three-step Mental Model

Source: *Winning the Zero Moment Of Truth*, Google, 2011

However, the buying decision journey has radically changed since the advent of digital media. What happens more and more these days is that the stimulus spurs people to start a research process. In that process, consumers will probably find your owned properties and campaigns, but they will also find other people talking about your products through different channels. Think about affiliate sites, blogs, news, and product comparison websites with comments and ratings. Brands have to be present in the consumer's mind prior to the FMOT, either through paid, owned, or earned media, gaining the opportunity to start influencing the purchase decision.

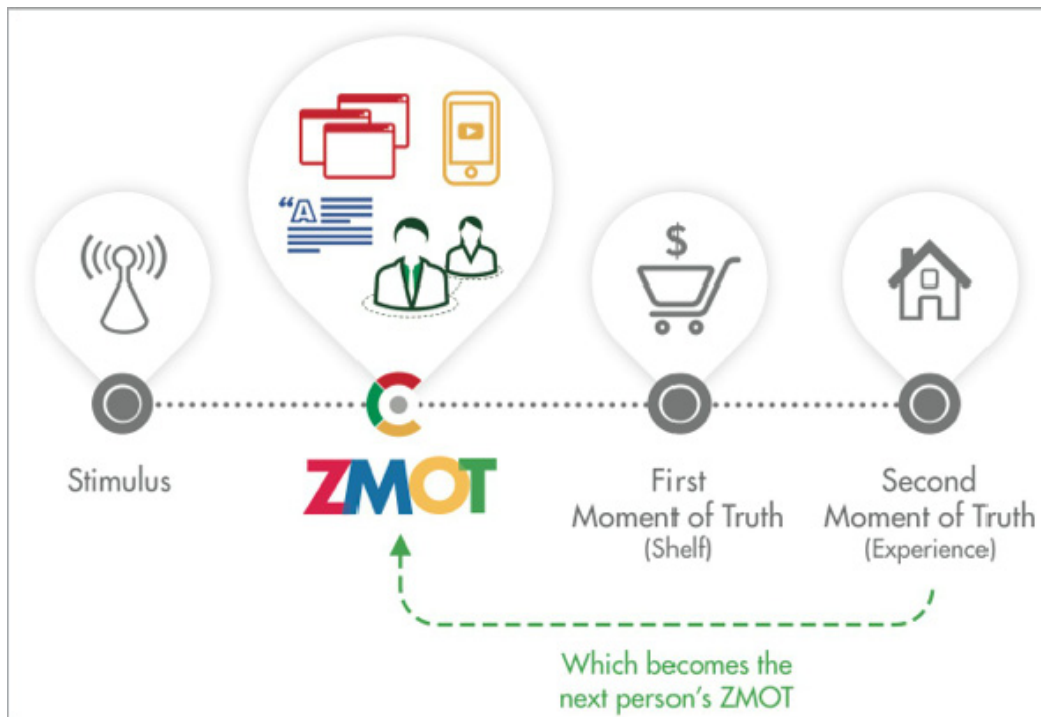
Jim Lecinski, Vice President of Sales for Google, calls this the *Zero Moment of Truth*. In his book, he shares the growing impact that the ZMOT ("ZEE-MOT") has on the buying decision journey. The Zero Moment of Truth Macro Study, published by Google and Shopper Sciences on April 2011, showed that the average shopper used 10.4 sources of information to make a decision in 2011, up from 5.3 sources in 2010.⁷

The other big change that we see in the digital age is that after a person has experienced one product, it is likely that he or she will go online to share his or her experience, either bad or good. And that experience, comment, or rating will remain in the online world for other people to find, thus converting one person's Second Moment of Truth into another person's Zero Moment of Truth. As Dave Reibstein, the William Stewart Woodside Professor at The Wharton School, says:

*"Talking over the hedge is one-to-one.
Digital word of mouth is one-to-millions."*⁸

⁷ Lecinski, Jim. 2011. "Winning the Zero Moment of Truth." Google, 17 <http://bit.ly/1AxLHUX>.

⁸ William Stewart Woodside quoted in Jim Lecinski, "Winning the Zero Moment Of Truth." Google, 2011, 32, <http://bit.ly/1AxLHUX>.

Figure 1-2: The New Mental Model

Source: *Winning the Zero Moment Of Truth*, Google, 2011

You might think that the online research process only works for expensive products with long sales cycles, but we have seen that word of mouth is stronger than ever and that it works for all kinds of products — from cars to cooking ingredients. Actually, recipes made up 1%⁹ of all searches on Google in 2010. Cooks go online to pursue new ideas and get details on ingredients. Today, it is very likely that consumers have already made a decision about what to cook and which ingredients they'll use before they even reach the store.

Digital branding initiatives should acknowledge these facts and include the ZMOT mindset in their strategies by being present in relevant moments for consumers. Branding should be seen more as conversational enterprise and less as message dispatch activity.

Branding should be seen more as conversational enterprise and less as message dispatch activity.

MEASUREMENT

Marketers are slowly embracing digital measurement strategies. eMarketer research shows that up to 94% of marketers in the United States are trying to include some kind of online metrics in their analysis mix.¹⁰ Nonetheless, there is still a strong bias toward the offline measurement mindset. The same research also reveals that up to 61% of marketers still use the exact same offline metrics as the base to measure online branding strategies.

⁹ Lecinski, Jim. 2011. "Winning the Zero Moment Of Truth." Google, 24, <http://bit.ly/1AxLHUX>.

¹⁰ Fisher, Lauren; Hallerman, David; Tang, Tracy. 2012. "Effective Digital Branding Measurement Requires a Mix of Metrics," eMarketer, April 10. <http://bit.ly/Wvyxra>.

Just as we know that traditional media works, we also know that traditional media metrics work in measuring marketing results. In a world of one-way communication media, the most cost-effective way to analyze impact and results is not by measuring the entire universe of people you were able to reach but rather by looking at sample groups and extrapolating results. With this measurement strategy, two metrics are most important: reach and frequency. The more people you can repeatedly send your message to, the more sales you will likely be able to close.

When trying to migrate that measurement mindset to digital media, marketers pay a great deal of attention to the number of unique visitors and page views on the brand's website. The more unique visitors you can get to your website, the greater your reach. Likewise, more page views means visitors are frequently receiving your message (i.e., you're achieving greater frequency).

Although these affirmations are not entirely true, they are a good start. But if you decide to stay at that level, you will miss a lot more (and more interesting) data. It's not that you can measure *everything* in digital media; that is a terrible over-promise. However, there are many more data points to measure in digital media than in traditional media.

Marketing measurement models are able to correlate reach and frequency with sales for traditional media campaigns, but there are still plenty of other things that happen between the moment when someone watches your commercial and the moment when that same person actually buys your product. Luckily, with digital, media you can start looking into that process, which we'll talk about later on.

DEFINING DIGITAL BRANDING SUCCESS

It all comes down to the way you measure success. The metrics you define to monitor how well your strategies are working will completely shape the kind of decisions you make. If you start by creating an intelligent and comprehensive measurement framework, it will focus your decisions and make you create better business strategies. So, how do you define such a framework? First, let's take a look at a couple of practical recommendations.

An intelligent and comprehensive measurement framework will focus your decisions and make you create better business strategies.

THE CRITICAL FEW

Avinash Kaushik, Digital Marketing Evangelist for Google, spread the concept of "The Critical Few"¹¹ that he learned from Steve Bennett, Intuit's CEO at the time Avinash worked there. It refers to the imperative need to forget about the tons of meaningless metrics we have access to, while keeping focus on the few critical metrics for the business. The problem that we face in the 21st century is not the lack of data but its excess. Data production continues to grow exponentially, and it is becoming more and more accessible as it grows. However, more data doesn't mean more intelligence. If you try to measure too much, you will get distracted and lose sight of what's most important. However, if you

¹¹ Kaushik, Avinash. 2007. "Web Metrics Demystified." in *Occam's Razor*, December 11. <http://bit.ly/13Gi3yA>.

focus on a few meaningful metrics, you will be able to stay focused on what matters most for your company more effectively.

The exercise of defining success should produce a set of Key Performance Indicators (KPIs). A KPI is a metric that can tell you whether you are getting closer to achieving your business goals. It's important that you choose only the few critical KPIs — i.e., choose only the metrics that are significant and relevant to your own business objectives and discard all others. Then, based on your KPIs, you will be able to define your targets.

For example, if you define monthly visitors to your website as a KPI, in any given month, you could set a goal of reaching 150,000 visitors (this number is your target). The crucial step here is to define whether monthly visitors are really a KPI for you. The best way to do that is by using the “Line of Sight” mindset.

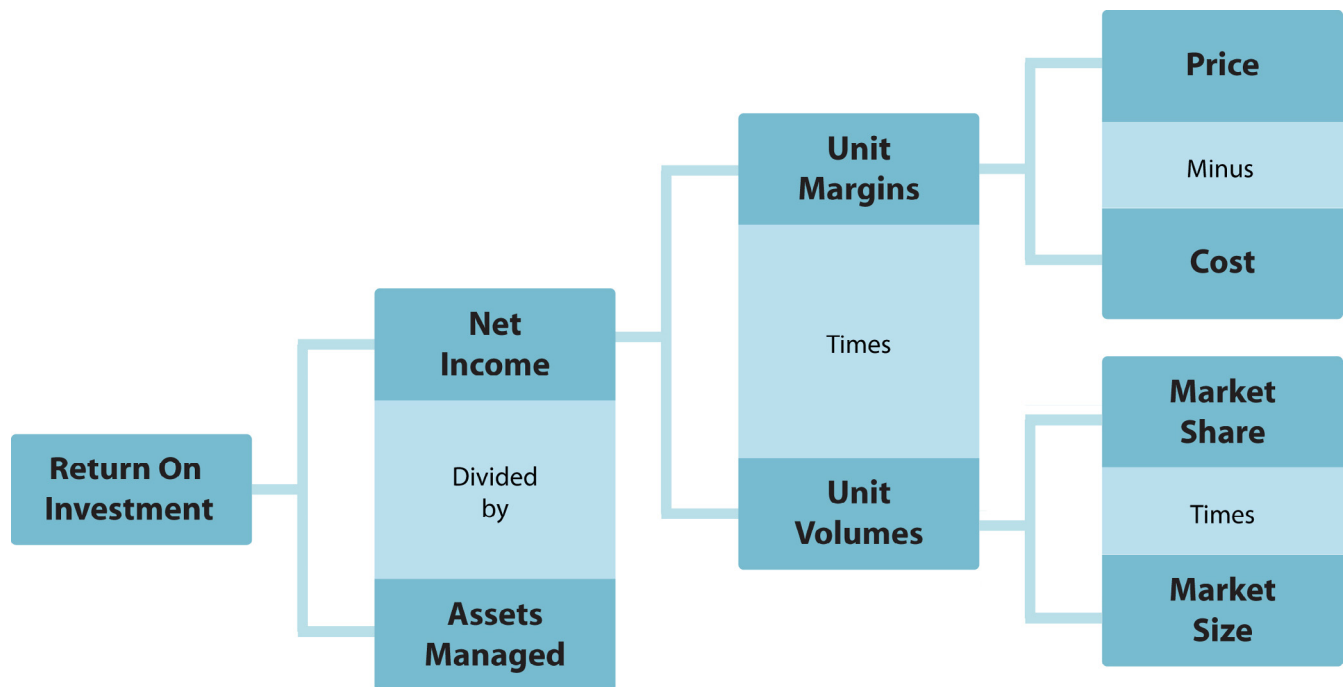
LINE OF SIGHT

As we said, a KPI is a metric that can tell you whether you're getting closer to achieving your business goals. So in order to decide which metrics are KPIs and which are just garbage, you must try to find a line of sight between the metrics and the primary goal of your company. It doesn't matter if you're large or small, B2B or B2C, focused on services or focused on products, the main goal is the same: to increase your net income.

The main goal of all companies is always the same: to increase net income.

From a financial standpoint, in order to improve your net income, you should focus on trying to boost two things: the product units you're selling and the margin you get from selling each unit. The former is determined by the selling price and production cost of your product, while the latter is determined by the size of the market in which you are competing and your share of that market. That concept is explained clearly in the chart by Professor Ken Wong from Queen's School of Business in Ontario, Canada¹²:

¹² Professor Ken Wong quoted in Avinash Kaushik, “Win With Web Metrics: Ensure A Clear Line Of Sight To Net Income!,” in *Occam's Razor*, <http://bit.ly/yP3nOa>.

Figure 1-3: Profit: The ultimate client need

Source: Win With Web Metrics: Ensure A Clear Line Of Sight To Net Income!, Occam's Razor, June 2010.

Branding strategies are designed to influence a target audience, with the goal of driving sales and growing your business's market share. With that in mind, it's critical that you start thinking about your branding strategies not as excuses to fill the Internet with your brand's ads, but rather as processes that should help you sell more.

The line of sight mindset will also help you to deal with vanity metrics more effectively — those aggregate numbers that only make you feel good but that actually have very little impact on your business's bottom line. As a rule of thumb, all the hits — like counters — are considered vanity metrics (e.g., ad impressions, visits, page views, fans, and followers). They might be useful at some point for tactical analysis, but they hardly have a direct impact on your net income by themselves.

CHAPTER 2

MEASURING DIGITAL BRANDING

Regardless of the kind of company you are running or the product you are trying to market, there are four main marketing objectives that you should focus on:

- **Building Awareness**
- **Influencing Consideration**
- **Driving Sales**
- **Growing Loyalty**

As branding campaigns mostly focus on the first two, we'll use them to develop our measurement framework. We'll address the other two later on.

A COMPREHENSIVE FRAMEWORK

A useful framework should help you better understand and measure the success of your digital branding strategies and, ultimately, provide you with a stronger foundation to make sound business decisions. The framework we propose includes:

- (a) The different stages that people traverse in order to get acquainted with your brand, understand your value proposition, and eventually make a choice in your favor, with
- (b) The set of metrics you can use to determine how well you're doing at each stage

Even though we talk about this process as an ordered set of stages, that doesn't mean people will diligently start at the first stage and then go to the second without deviating. As Jim Lecinski says in *Winning the Zero Moment of Truth*, people jump around and move back and forth across our ordered marketing processes, more in an iterative way than in a linear way. We present the process in this way because an ordered set of stages, while they may not depict real ordered behavior, helps to organize thoughts and strategies.

With that said, here are the five stages of the framework:

1. EXPOSE

One of the most important tasks of any branding campaign is to create brand exposure opportunities. You have to let people know that you have a new product or service, that you have improved your offer, or that you have launched a promotion. Branding campaigns could give you access to new audiences, or they could help strengthen your relationship with your current customers.

2. ATTRACT

After sending a message to your audience, your job is to attract them to your brand's territory so that you can continue nurturing your relationship with them. Your brand's territory comprises all of your digital properties: your website, your mobile application, your YouTube channel, your Twitter account, your Google+ and Facebook pages, and so on. This is where the two-way communication strategy begins.

3. ENGAGE

It is important that you make sure that your visitors stay in your brand's territory; however, it's even more important that you create valuable engagements with them in that space. By "engagement," we refer to people interacting with your brand — for example, watching a video, signing up for a newsletter, or commenting on your blog. You also have to make sure they absorb your message and consume your content; otherwise, you are only wasting time and resources.

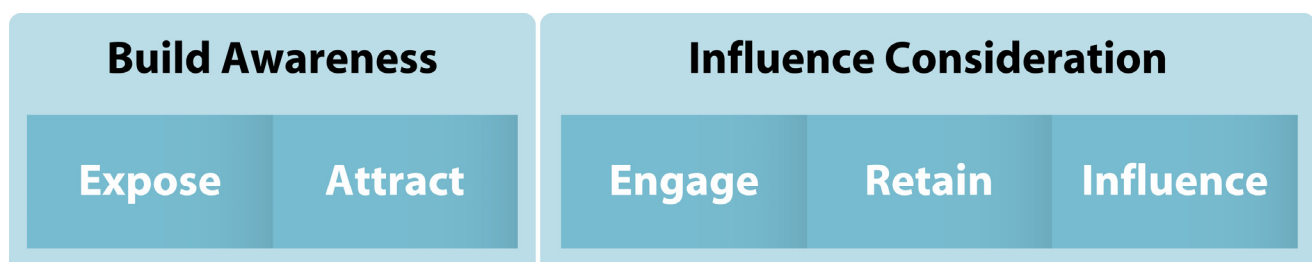
4. RETAIN

Creating valuable engagements with your audience should make people want to come back to your brand's territory to continue interacting with you. You should create a bond with them so you don't have to spend money attracting the same people over and over again. Loyal users within your owned media will enable you to influence them in more of their purchase decisions, and you'll also have the chance to convert them to brand promoters to help you reach new customers.

5. INFLUENCE

In the end, the main objective of any branding campaign is not to produce awareness or engagement, and it's not even to reach millions of people with your ads — rather, it's to produce some kind of *influence*. To influence your target audience's perception, intent, or behavior so that the next time they face a purchase decision, they select your product or service instead of your competitor's. You can succeed in influencing your audience by continually creating positive experiences with your brand.

Figure 2-1: The Five Stages and Their Link to the Broader Marketing Objectives

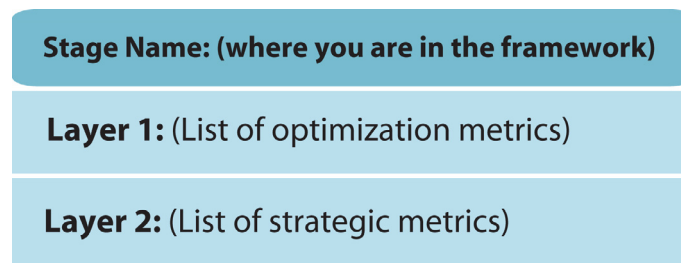


Now that we have the framework in place, the next step is to define tactics to optimize your efforts and — probably the most important thing — to select the metrics (KPIs) that will tell you how you are doing at each stage. There isn't one unique measurement tool that can help you monitor your entire digital presence, so you'll have to extract information from a number of different tools in order to keep track of your success.

We will now elaborate on each of the five stages and provide dashboards to summarize the KPIs that should be monitored for each of them. The dashboards categorize the KPIs in two layers. The first layer focuses on the metrics that are useful for optimization efforts. The second focuses on more strategic metrics, which can tell you how well you are succeeding at each stage.

The dashboard summarizing KPIs for each stage will look like this:

Figure 2-2: Sample KPI Dashboard

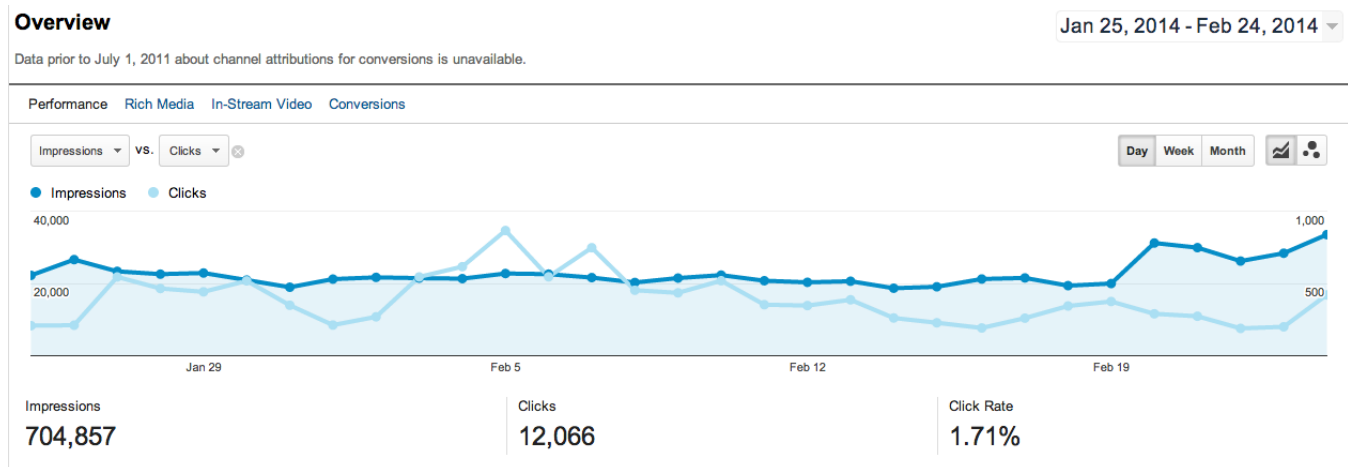


EXPOSE

CAMPAIGN DELIVERY

As with traditional media, the main trigger of your digital strategy will usually be the advertising campaign — the stimulus that people need to start thinking about your brand. After all of the hard work involved in developing innovative campaigns, the execution process is also very important. You want your ads to be seen by as many people in your demographic or psychographic target as possible.

Make sure that your ads are delivered to as many **unique viewers** as you can find within your target audience, but be conscious of the **impression frequency** too. Showing two ads to the same person is usually better than showing just one ad; but at some point, it won't make a difference if you show one more or one fewer ad impression (say 10 or 11). Finding the right frequency cap is the key to minimizing campaign delivery waste. In order to identify the proper frequency cap, look at people's behavior after they are exposed to the ad, and find the number of ad impressions served to your users that result in the greatest number of ad clicks by those users. An ad server, like DoubleClick Campaign Manager, should provide you with both metrics: **unique viewers** and **impression frequency**.

Figure 2-3: DoubleClick Campaign Manager Showing Impressions and Clicks

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Then again, it's not only about advertising. In digital media, brand awareness results from exposure to a brand message across owned, paid, and earned media. This means you can reach viewers not only through ad impressions in paid campaigns but also through organic interactions — for example, watching one of your YouTube videos embedded in any online property (earned media) or looking at your posts in a social media timeline (owned and earned media).

When estimating **unique viewers**, it is important to make an effort to include those people who were exposed to your brand across owned, paid, and earned media, but don't take into account those who clicked on your ad or post just yet; we'll get into that in the next stage. Just be careful, as you could be double-counting users. It's possible that the same user will see your messages more than once through different points of contact. You can use a media consumption study to estimate the percentage of audience overlap across channels. Although **unique viewers** is an estimated metric, the insights you gain will help you optimize your digital strategy to expose your brand message to a greater audience.

MARKET IMPACT

Either through traditional or digital media, branding campaigns will have an impact beyond your properties. Branding campaigns make people talk about your brand using their own communication channels (your earned media). Depending on how well your campaign engages your audience, people will talk more or less about your brand. The amount of comments, or **brand buzz**, that flow across digital media will give you an idea of the impact that you are generating with your target audience. Make sure that you look at trends over time; you'll discover peaks and valleys, depending on your branding efforts and maybe even your competitors' efforts too. Your **brand buzz** by itself will help you optimize your branding efforts, but in order to measure your success in the overall market, you

Branding campaigns make people talk about your brand using their own communication channels

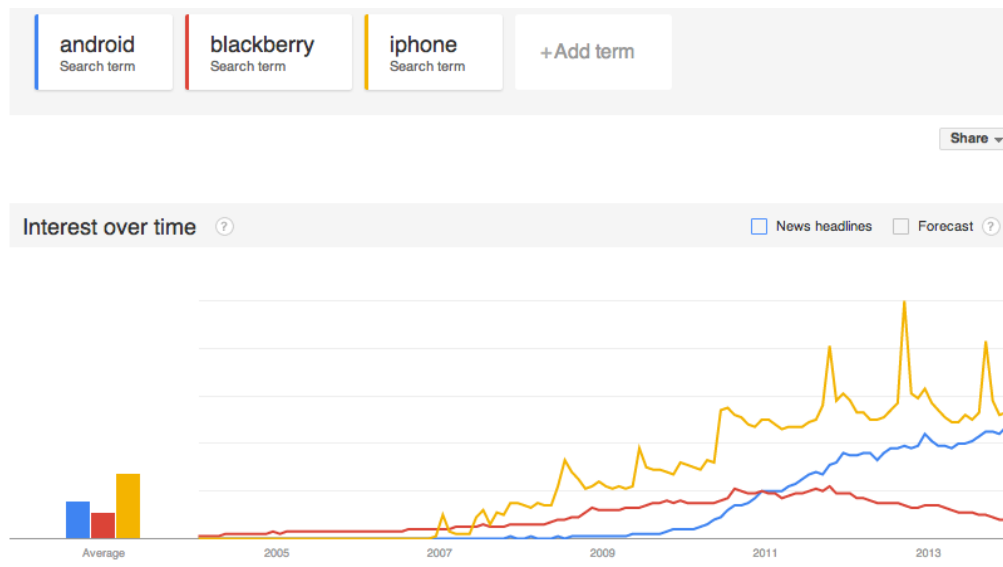
should conduct competitive and market analyses. For example, an increase in your **brand buzz** could be caused merely by an increase in Internet penetration in the market that you are analyzing: more Internet users will produce more comments about everything. And even if your brand buzz is growing, if your competitors' brand buzz is growing faster, you're losing the race to make an impact on the market. A simple competitive analysis can be done by dividing the number of comments your brand received by the total number of comments produced for all of your competitors (in other words, your **share of the conversation** that's happening online). The **share of conversation** is a strategic metric that will allow you to understand whether you are improving your market impact.

Don't pay attention to the tone of the comments just yet. At this point, we only want to know how much people are talking about your brand. You'll have to use some kind of social media analysis tool (like Salesforce Marketing Cloud or some of the existing tools offered at no charge throughout the Internet) in order to get **brand buzz** and conversation metrics.

Successful branding campaigns leave people wanting to know more about you, encouraging related searches. Branding campaigns will produce spikes in your brand terms' search volume, and strong ongoing awareness campaigns will create constant upward trends over time. At this point, it's also important to do a competitive analysis, because, even if your brand's search trends are increasing, your competitors' trends could be rising even faster. You can calculate your brand's **share of search**, which means comparing your brand's search volume with the volume from all of your competitors. Google Trends will be able to provide these data.

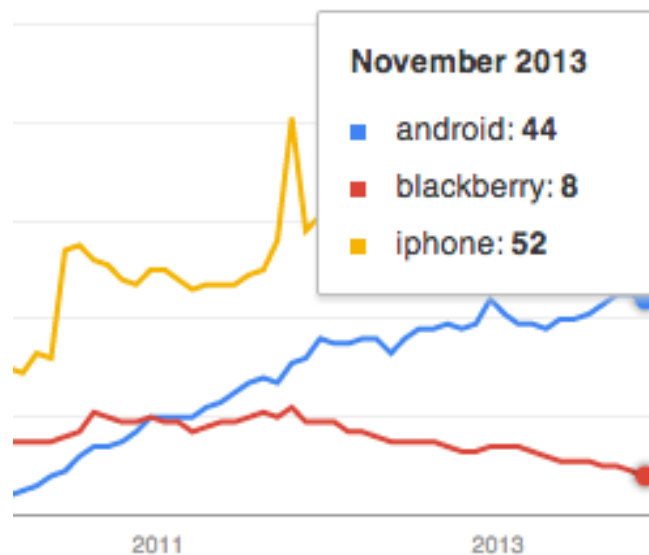
Here's a screenshot of the tool showing global competitive analysis for the brands Android, iPhone, and Blackberry. We see that all three brands show search volume growth, but Android is growing much faster since last year. As you can see, **share of search** is a strategic metric that helps you measure success in a very realistic way.

**Branding
campaigns leave
people wanting
to know more
about you,
encouraging
related searches.**

Figure 2-4: Google Trends Showing Different Keywords Search Volume Trends

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In the example above, the tool gives you the search volume trends for all of the search terms that you selected; you can hover over the chart to get a set of totals for them (as shown below). Notice that you could see a total of 0 if the search term that you are using doesn't have enough search volume for a given period.

Figure 2-5: Google Trends Showing Normalized Search Totals for Each Keyword

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These totals are not actual search counts but normalized data points at any given time. To calculate a **share of search** for Android, you would divide Android's search volume by the total search volume for its category.

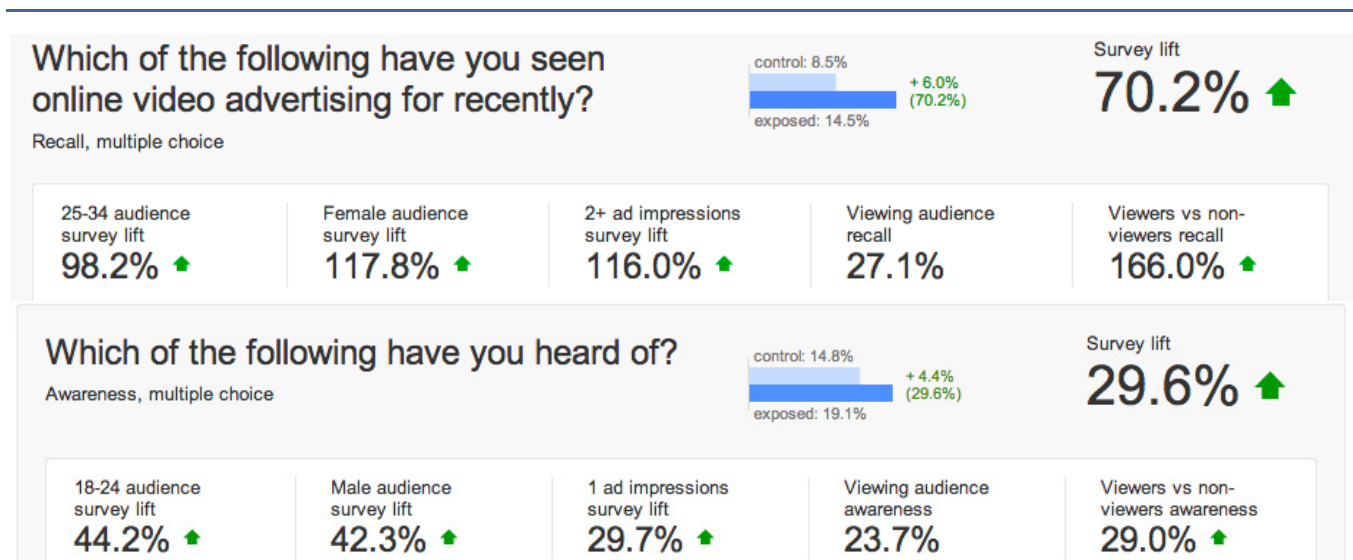
$$\text{Share of search for Android} = \frac{\text{Android's Search Volume}}{\text{Category's Total Search Volume}}$$

This simple but effective metric will help compare your brand with your competitors' brands over time. An effective marketing campaign should increase brand awareness, which should also be reflected by an increase in **share of search**. Just remember to be consistent with the brand terms you choose to compare each time.

BRAND LIFT

As we mentioned earlier, traditional brand metrics should continue to be tracked and, together with the digital metrics we propose in this book, will give a holistic understanding of the impact of your digital marketing strategies. Luckily, there are tools available that can be used to measure brand metrics online. Google Brand Lift or comScore Brand Survey Lift will let you gain insights into **awareness** or **recall** in a very similar way to how you would measure them in the offline world, through surveys.

Figure 2-6: Google Brand Lift Showing Ad Recall Metrics and Brand Awareness Metrics



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POTENTIAL ONLINE AUDIENCE

When you design a marketing campaign, you want to reach the largest number of people within your target audience. You probably know the size of this target audience by looking at demographic figures within your market. The next step would be to discover what percentage of your audience can be found online; that is your online target audience. The total number of people within your target audience who could be reached through digital media is "the size of the prize." Realizing the potential online audience to whom you can have access will help you respond to the frequently asked question: is it worth investing resources in digital strategies?

To estimate the online target audience, you could rely on country-based studies that provide you with the Internet users' profiles. Find the study that works for your market and use it to calculate the size of the online audience for your brand's target.

Here's an example to show one way to calculate the online target audience. Suppose a brand has the following target: women, 18-34, ABC. A population demographic study for the target market indicates that a total of 6.4 million people fit that target profile (the brand's target audience). The next step is to use an online study, like one from eMarketer, which segments Internet users by demographics.

Imagine that from that study, we see that there are 5.4 million Internet users in our hypothetical market who fit our defined profile (women, 18-34, ABC). Therefore, we know that by using digital platforms, we could reach 5.4 million people, which is 84% of the brand's target audience.

The size of the prize is the total number of people within your target audience that could be reached through digital media.

As we mentioned earlier, knowing the number of **unique viewers** across different brand properties will provide good insight into optimizing your digital efforts; but how will you know if you are successfully reaching your potential online target audience? To answer that question, it's valuable to estimate your **online reach**: the percentage of consumers, out of your online target audience, who you've reached through your digital properties. This strategic metric will let you know if your **unique viewers'** base is adequate. To calculate your **online reach**, divide the number of **unique viewers** by the online target audience.

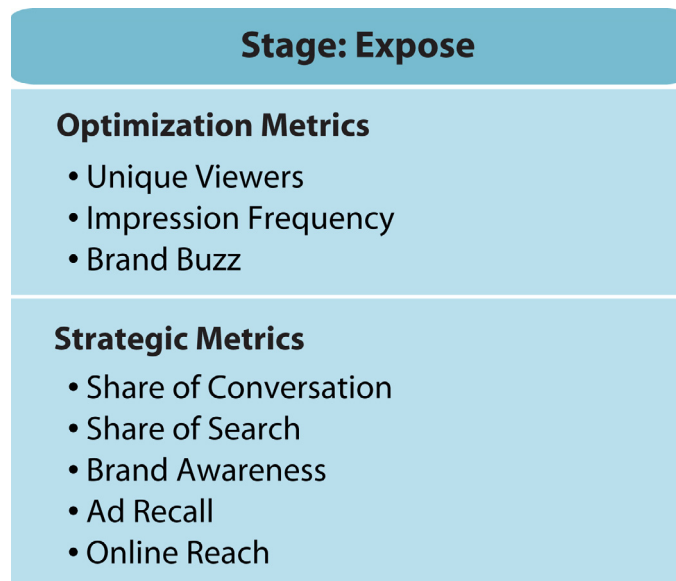
In the example used earlier, we found that the brand's online target audience is 5.4 million. Suppose you estimate the number of unique viewers exposed to your brand's message at 2.7 million. At first glance, reaching 2.7 million unique viewers may look promising; but let's go further and calculate the **online reach** (unique viewers divided by online target audience).

$$\text{Online Reach} = \frac{\text{Campaign's Unique Viewers}}{\text{Online Target Audience}}$$

In this case, 2.7 million divided by 5.4 million yields 50% **online reach**. This means that your digital efforts are only reaching half of your potential audience, and there is substantial opportunity to increase your unique viewer base in order to reach more people.

Here's how it all fits back into the dashboard:

Figure 2-7: Expose Dashboard



ATTRACT

CAMPAIGN OPTIMIZATION

Campaign optimization is mostly performed by looking at click-through rate (**CTR**) and **bounce rate**. In a nutshell, **CTR** (the percentage of clicks out of the total ad impressions served) tells you how enticing your ads are and how effective they are at getting people interested in what you have to offer. On the other hand, **bounce rate** (the percentage of visits from people who visited your website and left, not having further interacted with the site) tells you how enticing your landing page is and whether it's able to continue generating interest in your brand (provided that there is a concrete action that the user has to perform on that page). In other words, your landing page's **bounce rate** tells you if your website was able to keep the promise that your ad made to the visitor.

A common pitfall that we see in this part of the process is that some marketers pay attention only to the average **bounce rate** across their entire site, instead of looking at the landing pages associated with specific ads. Your website's average bounce rate, similar to any other site-wide average value, is not very useful for decision-making. In order to increase the efficiency of your advertising budget, you should focus on the most appropriate data points. Try to have a high **CTR** on your ads and a low **bounce rate** on the landing pages associated with those ads. Pay no attention to the average website bounce rate. You can find the **CTR** metric on your ad server, and the **bounce rate** will be available in any web analytics tool, like Google Analytics.

Figure 2-8: Google Analytics Showing CTR and Bounce Rate

<input type="checkbox"/>	Ad Group ?	Impressions ? ↓	CTR ?	Bounce Rate ?
		8,673,988 % of Total: 100.00% (8,673,988)	0.14% Site Avg: 0.14% (0.00%)	59.41% Site Avg: 59.41% (0.00%)
<input type="checkbox"/>	1. Speakers	1,699,213 (19.59%)	0.08%	70.44%
<input type="checkbox"/>	2. Bags - Generic	1,500,007 (17.29%)	0.11%	66.05%
<input type="checkbox"/>	3. Men's T-Shirts - Generic	994,606 (11.47%)	0.10%	77.84%
<input type="checkbox"/>	4. Notebooks - Brand	631,969 (7.29%)	0.23%	88.40%
<input type="checkbox"/>	5. Toys	623,296 (7.19%)	0.03%	74.68%
<input type="checkbox"/>	6. Pet Accessories - Brand	579,449 (6.68%)	0.21%	94.68%
<input type="checkbox"/>	7. Android Toy - Brand	578,448 (6.67%)	0.30%	89.29%
<input type="checkbox"/>	8. Notebooks - Generic	564,274 (6.51%)	0.22%	89.05%
<input type="checkbox"/>	9. Women's Outerwear - Brand	393,880 (4.54%)	0.25%	83.62%
<input type="checkbox"/>	10. Men's T-Shirts - Brand	363,473 (4.19%)	0.08%	87.68%

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AUDIENCE RECRUITMENT

One of the main goals of any branding campaign is to start relationships with possible customers and to continue nurturing relationships with existing customers. That means that you have to gain access to as many people as you can within your target audience.

While **CTR** and **bounce rate** are useful for budget optimization, they fail to tell us exactly how many people you're getting to visit your website. In an extreme case, from the **CTR** standpoint, 100 people clicking once on your ads will look the same as one person clicking on one ad 100 times. If your branding strategy is focused on nurturing existing relationships with your customers, you'll want to monitor how many **unique visitors** you're getting on your website. If your branding strategy is focused on introducing a new product or service or maybe introducing your brand to a new market, you'll want to put your brand in front of potential new customers. If that's the case, you'll also want to pay attention to the amount of **new visitors** you're acquiring. The metrics for both **unique** and **new visitors** will be available in your Google Analytics reports.

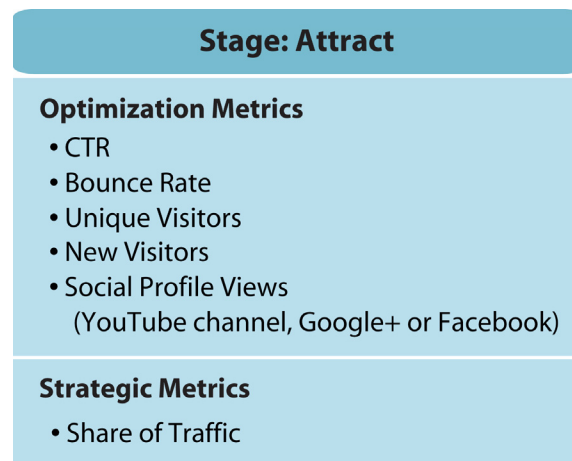
Much like getting people to your website, you can also direct them to your other properties, when relevant. Your brand's YouTube channel is an opportunity to attract new customers, as are your brand's Google+ and Facebook pages. You can monitor the number of **views** on each property to see how many people are visiting each one. Remember that when someone arrives at your brand's territory, you get an unequalled chance to create an experience exactly the way you want.

Nevertheless, the amount of visitors you get to your website is not, by itself, a measure of success at attracting an audience. Your brand lives in a competitive ecosystem where, to measure how well you're attracting an audience, you have to consider external signals as well. For example, if Internet penetration doubles in your market, doubling your visitor count could just be a market growth side effect. Furthermore, if your competitors tripled their visitor volume, doubling your visitor count means that you are actually losing target audience members.

Share of traffic is a strategic metric that will help you gauge whether you are actually succeeding at attracting broader audiences within your ecosystem. You can calculate **share of traffic** similarly to how you calculate share of search, and the result will let compare your brand's site traffic with your competitors'. There are many tools in the market, such as comScore or Compete, which will give you the number of unique visitors to a specific domain over time. Then, just add the total number of visitors to websites in your segment and divide your website's figure by that total.

The important metrics for this stage are:

Figure 2-9: Attract Dashboard



ENGAGE

BRAND SHOWCASE

The more time people spend navigating through your brand's territory, the better. It means that people have your brand in front of their eyes for more time. In general, being able to produce long visits with plenty of interactions is better than having short stays with few interactions; this is usually referred to as "session stickiness." A good way to measure session stickiness and to optimize for brand showcase is by looking at **page views per visit** and **average time on site**, both of which you'll be able to find in Google Analytics. Keep in mind, however, that these metrics fail to indicate whether visitors had a valuable experience on your website. A person navigating across ten pages on your brand's website could be delighted by the content and trying to get as much information as possible; or he or she just might not be able to find what he or she is looking for. These statistics also fail to tell you if your content was read or if your brand's message was consumed. So, while the metrics can be valuable, high **page views** and **average time on**

site figures don't tell the entire story. Remember, in the end, your objective is to create a positive brand experience.

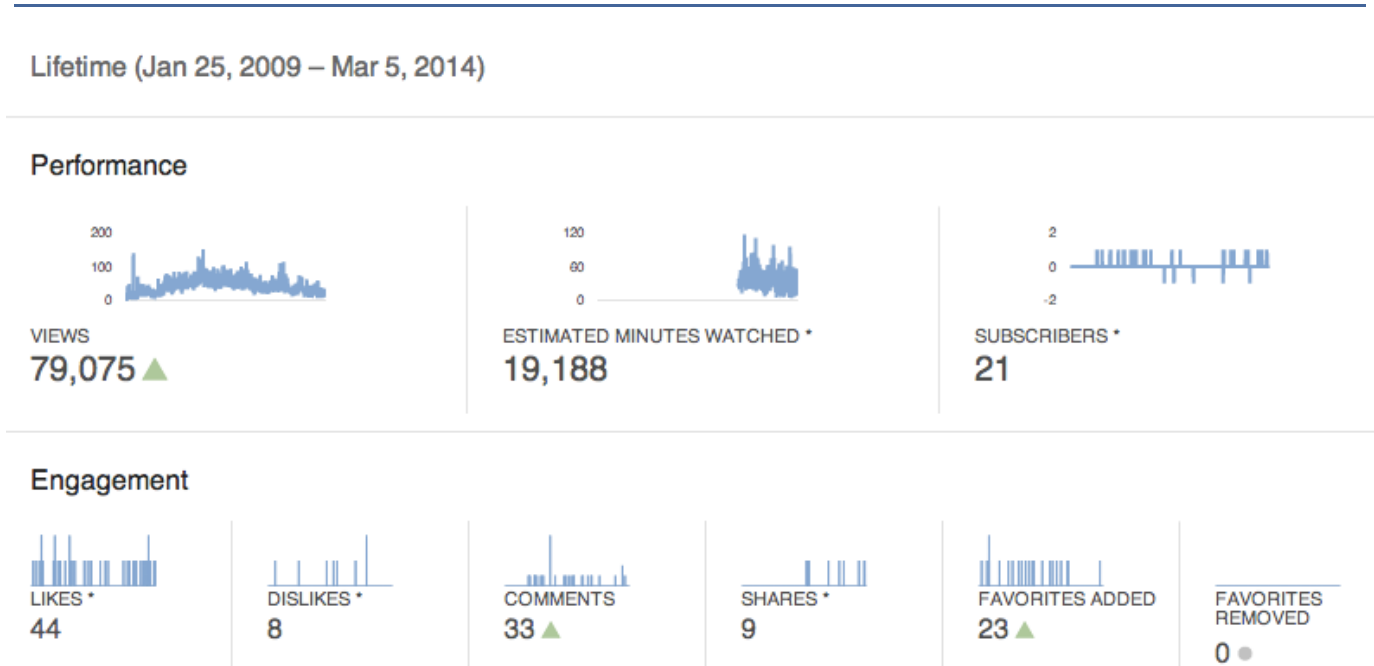
VALUABLE ENGAGEMENTS

The only way to be sure that your content was consumed is by measuring activities that give you that certainty — things like video completions, shares, comments, +1s, likes, and tweets. When people write comments on your posts, you can be sure that your content was viewed and that it produced an opinion so strong that users decided to share it with you and with the rest of the world. The same thing applies to tweets and shares — people only share content that they find valuable enough for their own network to see.

When people write comments on your posts, you can be sure that your content was viewed

Likes and +1s are signals that can tell you what kind of content your audience likes the most, which, in turn, gives you the opportunity to improve your content-creation strategies by producing more engaging and relevant pieces. We call all of these signals **key engagement actions**, which are strategic metrics that can tell you whether you are succeeding at creating valuable engagements. **Key engagement action** metrics should be available in the measurement tool specific to the channel that you're analyzing, such as YouTube Analytics, Facebook Insights, and Ripples for Google+. For your website, you should set up the **key engagement actions** as conversion goals in your Google Analytics account.

Figure 2-10: YouTube Analytics Showing Engagement Metrics



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AUDIENCE PROFILING

If you provide useful, relevant, or entertaining experiences in your owned media, people will likely be open to signing up for a newsletter or possibly to accessing premium content. Leveraging this opportunity to provide useful services in exchange for a user signing up enables you to learn more about your target audience. Learn from their demographics and behaviors and take advantage of their coming to you to ask them more personal questions about their interests and opinions. The number of **sign ups** is a strategic metric that can also be set up as a conversion goal in your Google Analytics account.

Some brands use social media channels, not as a way to push content or promotions but as a way to get to know their audience. They first build a community by providing useful or entertaining information. Then, once there's a high enough volume and engagement level in the community, they plant questions and surveys in a non-intrusive way, keeping the subject relevant for the audience.

PERMISSION MARKETING

People who subscribe to your feeds find your brand valuable enough to stay in touch with; they are giving you permission to talk to them whenever you have something to say. Just remember to honor that permission by creating relevant and valuable engagements. These **subscriptions**, which are also a strategic metric, include RSS feed subscriptions and email newsletter sign-ups, YouTube subscribers, Facebook fans, Google+ followers, and Twitter followers.

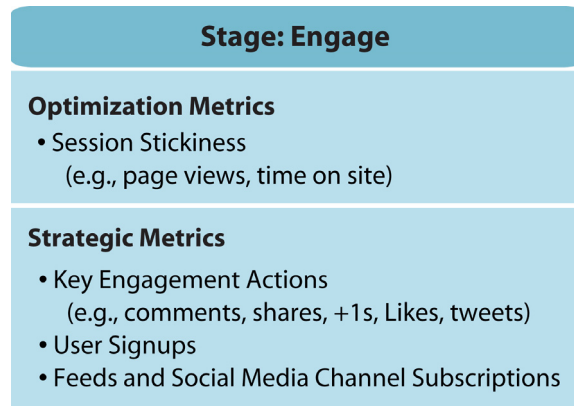
When engaging in social media activities, be mindful of one common pitfall: the race to get tons of fans, followers, and subscribers. Too much importance is often placed on driving a high number of fans, followers, and subscribers. The most important thing is not how many people you have access to, but rather, what you do with those people. As demonstrated in *The Million Follower Fallacy*,¹³ a study by the Max Planck Institute for Software Systems in Germany together with the University of London, UK, and the Federal University of Minas Gerais, Brazil, the size of your network (or indegree as they call it) by itself has no correlation to the degree of influence you have over that network.

The size of your network by itself has no correlation to the degree of influence you have over it.

Your objective is not to increase your follower base. Your objective is to create useful interactions so that people will want to stay in contact with you. The increase in your follower base should happen organically; do not force it buying followers on eBay.

The metrics you should pay attention to in this stage are:

¹³ Cha, Meeyoung; Haddadi, Hamed; Benevenuto, Fabricio; Gummadi, Krishna P. "Measuring User "Influence in Twitter: The Million Follower Fallacy," *Proc. International AAAI Conference on Weblogs and Social Media (ICWSM)*, 2010, <http://bit.ly/XrmLqn>.

Figure 2-11: Engage Dashboard

RETAIN

VISITOR BONDING

One of the expected results of creating valuable engagements with your visitors is that they will want to come back to your properties on their own. Motivating your audience to behave that way is key for long-term sustainability because people coming back on their own can save you acquisition costs. Otherwise, you would have to spend more money to acquire the same people over and over again. Remember that you want to be present and influence all buying decisions, not just the first one. This means that you have to create a long-term relationship with your target audience.

Measuring the number of **returning visitors** is a good starting point to assess the bond that you are creating between your audience and your digital properties. It's a metric that can help you to optimize your loyalty-building efforts.


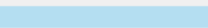


























Figure 2-12: Google Analytics Showing New vs. Returning Visitors

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You can get even more detailed information if you look at how those aggregate numbers are distributed among variables like number of visits or time between each visit. **Frequency** reports show you how many people visited your website and also how many times those people visited. The stronger the bond with your brand and properties, the more times people will return.

Recency of visit will tell you how much time passed between two consecutive visits by the same person. The stronger the bond, the less time there will be between two consecutive visits. The goal is to have high **frequency** and low **recency** figures. **Returning visitors, frequency, and recency** are all available in Google Analytics reports.

Figure 2-13: Google Analytics Showing Frequency Report

Count of Visits	Visits	Pageviews
1	228,877 	619,078 
2	21,954 	77,437 
3	6,481 	28,339 
4	2,981 	13,078 
5	1,715 	7,438 
6	1,104 	5,299 
7	749 	3,696 
8	517 	2,470 
9-14	1,406 	7,254 
15-25	888 	3,757 
26-50	689 	3,139 
51-100	517 	2,745 
101-200	429 	1,341 
201+	225 	1,022 

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An experienced marketer would seek to match **frequency** and **recency** with their product's purchase cycle. If the consumer buys your product every month, you will want him or her to return before the one-month mark in order to influence him or her and retain that person as a loyal consumer. You'll have to determine what the appropriate target for **frequency** and **recency** is in your particular case. In order for these concepts to be useful as KPIs, you should calculate the percentage of visitors who meet your standards. For instance, the percentage of visitors who returned more than three times in one month or the percentage of visitors who returned in less than ten days.

RECURRING ACTIVITY

In the second stage of the framework — Attract — you focused your attention on attracting anonymous, unique visitors to your digital properties. Then in the next stage — Engage — you tried to turn them into signed-up users. In the stage that we are addressing now — Retain — you should focus on creating a

bond, you should motivate your signed-up users to return and continue doing valuable things in your owned media, thus converting them to **active users**.

It's up to you to define what an **active user** is, but generally, an **active user** is a signed-up user who returns in less than seven days (commonly called “seven-day active users”) and who keeps getting involved in key engagement actions (as you defined those actions). So, to get at your **active user** figure, simply calculate the percentage of registered users who consistently execute consecutive key engagement actions within seven days. **Active users** are more valuable than those who return and take no action. This strategic metric is important because your active users will keep your website alive in the long run.

It is your active users who will keep your website alive in the long run.

As we get closer to the bottom-line business objectives, it's becoming clear that the *number* of unique visitors or subscribers isn't a measure of success in and of itself — regardless of what kind of business you're running. It is the *behavior* of those users that defines whether they are valuable and that indicates whether your efforts have been successful.

And so, the proposed metrics for this stage are:

Figure 2-14: Retain Dashboard

Stage: Retain
Optimization Metrics <ul style="list-style-type: none"> • Returning Visitors
Strategic Metrics <ul style="list-style-type: none"> • Frequency • Recency • Active Users

INFLUENCE

CONVERSATION

Creating positive influence often starts by engaging in conversations with your audience. A good way to find out how well your brand is conducting conversations with your audience is to calculate your **response rate** — the percentage of questions and comments people make on your website and social media channels that receive an answer from your team. People like it when brands interact and answer their questions, and from a process standpoint, if your digital strategy includes providing online support, you should also measure the **turnaround time** of that support.

Those two metrics will help you to optimize your day-to-day activities, but neither one will be able to tell you if you are creating a positive experience for your audience. For example, let's say that you

respond to all customer comments and requests within a two-hour time frame (when your stated goal is a four-hour turnaround time); but you're telling every customer that you cannot solve their problems. In this instance, you would close all of the cases in your tech support system with 100% **response rate** and within the agreed upon **turnaround time**, but none of your clients would be happy with you.

CUSTOMER SATISFACTION

Furthermore, you should be able to discover how satisfied your visitors are, even if they didn't ask for or request something. People might visit your website for many different reasons besides requesting help — to search for your address or phone number, to read content, or to buy or register for something.

A broader way to understand customer satisfaction is by measuring **task completion rate**, which is the counterpart of Conversion Rate. While conversion rate measures how many visitors completed one of your business goals, task completion rate measures how many times you satisfied your visitors' needs (in other words, how many times you enabled your customers to complete their goals). Completing your visitors' goals creates positive experiences and ultimately influences your audience.

Conversion rate measures how many visitors completed one of your business goals. Task completion rate measures how many times you satisfied your visitors' needs.

Task completion rate can be measured by implementing an exit survey on your website. You should include at least two questions in this survey:

- Why did you come to our website today?
- Were you able to complete the goal of your visit?

We recommend that you get qualitative information by also asking an open-ended question:

- If you couldn't complete your goal, please tell us why.

Besides the **task completion rate** itself, with this simple exercise, you'll be able to gather two important pieces of qualitative information: your visitors' intent and your visitors' perspective on what isn't working on your website. This crucial information will enable you to start building truly customer-centric strategies.

You can start calculating this strategic qualitative metric today by implementing survey tools like iPerceptions' 4Q on your website (which, by the way, easily links to a Google Analytics account).

WORD OF MOUTH

Another strategic qualitative signal you should monitor in your earned media is **sentiment**. This metric looks at the tone (whether positive, negative, or neutral) that people use when referring to your brand on communication channels outside of your brands' territory. In the first stage of the process — Expose — we talked about brand buzz; that is, the amount of comments that are generated outside of your owned media. Now, looking at the tone of those comments will allow you to check the temperature of that buzz and determine if you are creating positive, negative, or no influence at all.

Sentiment is measured by calculating the ratio of positive to negative comments. You'll know that you're improving your influence level if positive comments increase against negative and neutral comments. You can conduct a sentiment analysis using some of the social media measurement tools available on the market, such as Salesforce Marketing Cloud or some of the existing tools offered at no charge throughout the Internet.

The metrics for this stage are:

Figure 2-15: Influence Dashboard

Stage: Influence
Optimization Metrics <ul style="list-style-type: none">• Response Rate• Turnaround Time
Strategic Metrics <ul style="list-style-type: none">• Task Completion Rate• Sentiment

THE KPI DASHBOARD

We have spent a fair amount of time talking about the framework in detail. We have gone through the specifics of the five stages, and we've showed dashboards with useful metrics to measure each stage. Now, it's time to unveil the big picture. The following dashboard is a visual summary of everything we've discussed so far. On it, you can see how all the stages interact with each other and contribute to reach the goals we set out to accomplish. The dashboard shows the two layers of metrics, and it underscores the importance of using a different metrics language when engaging in different types of decision-making, whether on an optimization or strategic level. Use this dashboard as a visual road map when implementing the framework on your own strategies.

Figure 2-16: The KPI dashboard

Marketing Objective	Build Awareness		Influence Consideration		
	Expose	Attract	Engage	Retain	Influence
Optimization Metrics	<ul style="list-style-type: none"> • Unique Viewers • Impression Frequency • Brand Buzz 	<ul style="list-style-type: none"> • CTR • Bounce Rate • Unique Visitors • Social Profile Views 	<ul style="list-style-type: none"> • Pageviews • Time on Site 	<ul style="list-style-type: none"> • Returning Visitors 	<ul style="list-style-type: none"> • Response Rate • Turnaround Time
Strategic Metrics	<ul style="list-style-type: none"> • Share of Conversation • Share of Search • Brand Awareness • Ad Recall • Online Reach 	<ul style="list-style-type: none"> • Share of Traffic 	<ul style="list-style-type: none"> • Shares • Comments • Video Completions • Sign-ups 	<ul style="list-style-type: none"> • Frequency • Recency • Active Users 	<ul style="list-style-type: none"> • Task Completion Rate • Sentiment

So far, we have addressed the first two marketing objectives: build awareness and influence consideration. In the following chapters, we'll touch on the other two objectives: drive sales and grow loyalty.

CHAPTER 3

DRIVE SALES

As mentioned earlier, the main objective of any company is to generate net income; so no strategy is complete until you can find a link between your marketing initiatives and actual sales, usually referred to as **incremental sales revenue**. Of course, this link will be different depending on the kind of business you operate. In general, there are two kinds of business models to consider when evaluating digital media branding efforts.

THE ONLINE EXCHANGE

The first kind is based on people completing online exchanges. The exchange can be an actual monetary transaction or the acquisition of the lead's contact information. The business goal of eCommerce websites is to exchange products or services for money (think Amazon or Hotels.com), whereas the business goal of lead generation websites is to attract qualified prospects who are open to sharing their personal information in order to acquire products or services at a later time (think Nissan or American Express). The online exchange (or conversion, as it's usually called), whether it's money or information, is the backbone of this business model.

The second business model is not based on online exchanges. In this case, information exchanges can occur, but they are not the backbone of the selling strategy (think P&G or Unilever). When selling shampoo, no monetary transaction is closed online; nor are sales closed by phone based on users' personal information gathered through a website. The actual sale occurs at a later time, once the buyer goes to the supermarket.

BUSINESS MODELS BASED ON ONLINE EXCHANGE

For businesses that acquire leads or sell through digital media, it's important to realize that not everyone is ready to buy at the exact moment you want to sell something to them. People traverse through a decision-making process before they decide to give you their money or personal information.

THE LINK

Through a multi-channel analysis, you can discover all the points of contact involved in leading people to convert on your website. In other words: you can see how your different digital marketing channels work together to help people traverse through the decision-making process. The following report from Google Analytics shows all the different touch points involved in generating conversions on a given website. We call these sequences conversion paths.

Figure 3-1: Google Analytics Showing Conversion Paths Report

	Channel Grouping Path	Conversions
1.	Display Advertising > Paid Search	7,514
2.	Organic Search > Paid Search	5,377
3.	Display Advertising > Organic Search > Direct	3,716
4.	Paid Search > Referral > Direct	3,015
5.	Referral > Direct	2,746
6.	Display Advertising > Display Advertising	2,729
7.	Referral > Paid Search	2,588
8.	Referral > Organic Search	2,557
9.	Organic Search > Organic Search	2,329
10.	Referral > Display Advertising > Direct	1,631

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Each row in this report shows a distinct conversion path as well as the number of conversions generated from each path. The very first touch points appear on the left, followed by the rest of the touch points that complete the given path. The report shows standard buckets used to group different digital marketing initiatives: display advertising, paid and organic search, and referral and direct traffic.

When conducting this kind of analysis, it's common to see display ads and social media communications at the very beginning of the conversion paths. These channels are usually not very effective at closing sales, but they're good at starting and nurturing relationships with a target audience. We call the initial points of contact "assists," because even though they didn't close the sale, their presence was important in the overall sales process.

Figure 3-2: Google Analytics Showing Assisted Conversions Report

	Custom Dimension	Assisted Conversions	↓
1.	Direct	917	
2.	Organic Search	909	
3.	Paid Advertising	859	
4.	Referral	122	
5.	Email	77	
6.	(Other)	49	
7.	Feed	7	
8.	Social Network	4	

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A conversion paths report will show you the various branding initiatives and the number of conversions that were assisted by each channel. But you have to drill even deeper if you want to find the link between branding and the economic value produced by them — sales. It's fairly easy for eCommerce websites to determine that link, since economic value equals the total revenue from the website's sales transactions. But for lead-generation websites, there's one additional calculation needed. You need to know your sales revenue from your online leads; and then you must assess how many leads you need in order to sell a certain amount of product through your offline channels. Once you have both numbers, calculate the ratio (with the sales revenue figure in the numerator). This ratio represents the economic value of getting each lead through your digital channels.

$$\text{Economic Value per lead} = \frac{\text{Sales Revenue from online leads}}{\text{Amount of leads needed to close those sales}}$$

You should set up this ratio as the conversion goal value in Google Analytics, so you can see revenue numbers instead of conversion count (just as you'd see with an eCommerce model). Of course, when looking at a report, this kind of economic value won't represent actual transactions or present time income. Instead, it represents highly probable future transactions and income in the short term. Taking this step will also give you access to the assisted conversion value tied to your marketing efforts, as you see in the following report.

Figure 3-3: Google Analytics Showing Assisted Conversion Value

	Channel Grouping	Assisted Conversions	Assisted Conversion Value
1.	Paid Advertising	5,826	\$2,035.00
2.	Direct	4,624	\$1,357.00
3.	Search	3,182	\$1,104.75
4.	Referral	970	\$539.75
5.	(Other)	2	\$0.00

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BRANDING EFFECTIVENESS

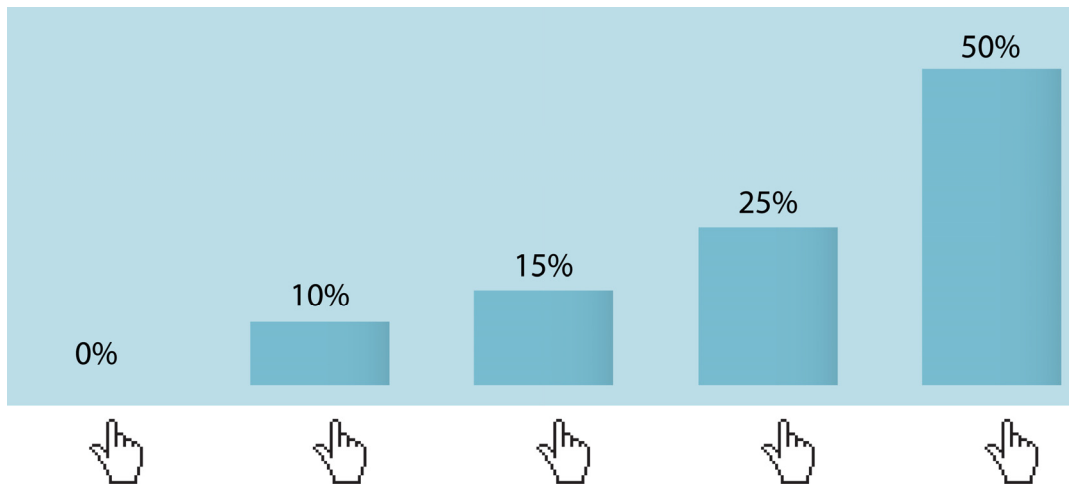
In order to calculate the overall effectiveness of your branding initiatives, you must craft your own attribution model. Attribution modeling is a means of evaluating your different communication channels by distributing the economic value you get from sales or leads across all the different touch points that were involved in that exchange. The following figure shows a simple example in which the economic value is evenly distributed among the five different touch points that were involved in generating \$100 in revenue.

Figure 3-4: The Linear Attribution Model

This is what we call the linear model. It's the simplest of all of the models, and it's a good starting point to get acquainted with the attribution modeling concept.

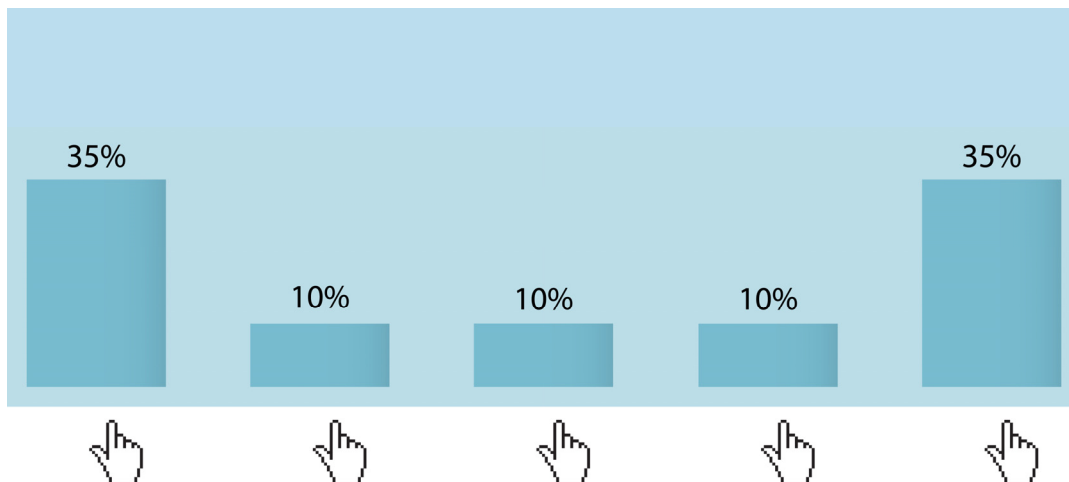
There are many more models you can use, all of which serve different analysis needs. For instance, you can use a time decay model to measure the impact of a weekend promotion. For these limited-time promotions, you'd want to give more credit to the messages and points of contact that happened exactly during the time of the promotion and less credit to the touch points that happened before the promotion. In the following figure, we show a sample time decay model where the very last touch point gets 50% of the credit, and the previous touch points get 25%, 15%, and 10%, respectively.

Figure 3-5: The Time Decay Attribution Model



You can also create a customized model that assigns credit based on the touch-point position. This is the position-based attribution model. In the example below, the first and last interactions get more credit (35% each), and the remaining credit is evenly distributed across the middle interactions (which receive 10% each). The rationale for this model is that the very first interaction initiated the relationship with the customer, while the last interaction was the one that actually closed the sale. Those points of contact are considered the most important, while the middle interactions served to keep the relationship and purchase consideration moving forward.

Figure 3-6: Position-based Attribution Model



There are many more complex rules that can be applied to attribution modeling, but they are not the focus of this book. If you are interested in learning more, take a look at the Marketer's Playbook to Master Attribution Modeling by Google.¹⁴

BUSINESS MODELS NOT BASED ON ONLINE EXCHANGE

For business models with which you don't deal with named buyers across the selling process, it's harder to find the link between marketing initiatives and actual sales. But that doesn't mean it's impossible to do. It simply requires different measurement tactics. The following are three different approaches that you can take.

COUPONS

One of the simplest tactics you can use to keep track of online initiatives that trigger offline actions is couponing. You can publish discount or promotional coupons using your digital channels (which is inexpensive to execute), then ask your customers to use the coupons when buying your products, and finally, track redemption through your offline points of contact. This is particularly easy to do if you have a well-established network of brick-and-mortar stores or a telemarketing team to close your sales.

Of course, not everyone will use the coupon when making a purchase, and you'll probably only give coupons to a subset of your website visitors — so you won't be able to fully capture all online-triggered actions. The coupon method is based on analyzing the behavior of a subset of your audience. Just be careful to pick homogeneous samples of your audience each time you run this analysis; that way, you'll be able to compare results over long periods of time.

You can generate different coupon codes for different touch points, like your website, email marketing lists, and YouTube subscriber list. You can also generate unique user coupon codes to keep track of individual behavior. Just choose the segmentation strategy that best fits your information needs.

DIFFERENCE IN DIFFERENCES

Difference in differences (DiD) is an econometrics measurement technique that is commonly used to track the impact of marketing initiatives. It's based on the idea that you can attribute the effect of a special marketing treatment to a particular variable — for example, sales — if you compare the behavior of two groups within your target audience.

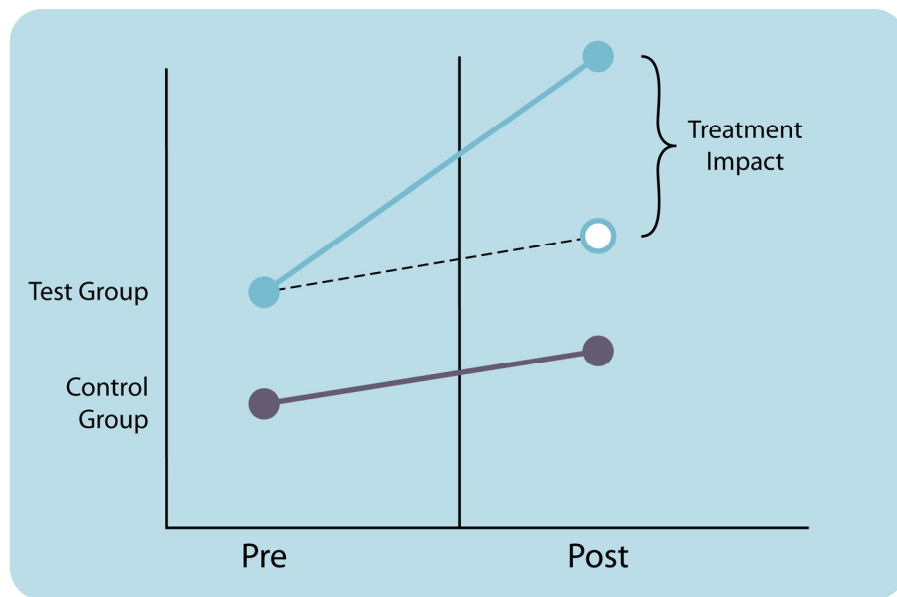
DiD is executed by applying a special treatment only to a test group, while using a control group as a baseline. It's common to define the groups as two different geographic segments (targeting markets that otherwise behave similarly); but you could use any other kind of segmentation as long as both groups remain homogeneous. As a baseline, the control group will help you decipher which behaviors from your test group are a direct result of the special treatment, compared with which behaviors are produced from other factors (such as seasonal trends, impact of other campaigns, or external variables, such as competition or market-wide changes in the economy).

¹⁴ Google, "A Marketer's Playbook to Master Attribution Modeling," *Think Insights*, <http://bit.ly/1z5N4re>.

The experiment is based on at least four points of measure: two points (pre- and post-experiment) for each of the two groups of people. After defining the Test and Control groups, you must define the metric to be analyzed — for example, sales revenue — and measure it for both groups. Then, apply the special treatment to the test group, and afterward, measure both groups again.

You will have four points of measure, as shown in the image below, which will give you the chance to calculate the special treatment's impact on the test group's behavior. Use the control group to calculate the data point that the test group should show, if it had not received the special treatment. Then, measure the difference between the post-experiment control group data point and the post-experiment test group data point.

Figure 3-7: Four Points of Measure



All other factors being equal, you can credit the difference to the special treatment you provided to the test group. You should, of course, make sure that the difference is statistically significant compared with average standard deviations. While we don't have space for a full explanation of DiD here, we recommend that you learn more about it before trying to implement it. Look for econometrics academic texts to learn more about it.

MARKETING MIX MODELING

Marketing mix modeling is another approach to measure the impact of marketing initiatives on sales. It uses statistical analysis tools, such as multivariate regression, to determine the sales impact of individual media channels (like TV, radio, and print), and it can also be used to measure digital initiatives. Consumer packaged goods companies were the first to start using this methodology to track effectiveness, efficiency, and return on investment (ROI).

Marketing mix modeling uses an historic data series to establish a relationship between various marketing activities and sales through a linear or non-linear equation. That equation becomes a model

through which you can also run hypothetical scenarios and create sales forecasts. Learnings obtained from applying the model can then be used to optimize marketing strategies.

This methodology is far more complex than the other measurement tactics we've mentioned, and it is not the purpose of this text to explain it in detail. We recommend that you learn more about all of these methodologies in order to choose the best one for your business.

CHAPTER 4

GROW LOYALTY

While retaining visitors in your digital properties and stimulating valuable behavior are important components of the success of your digital strategies, your ultimate goal is to create and nurture a relationship between your audience and your brand as a whole.

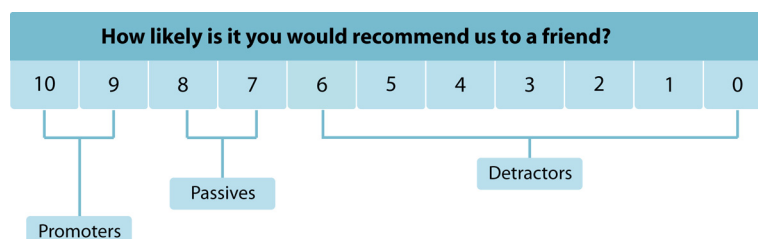
Interactions through your digital channels should produce positive experiences and a sense of loyalty toward your brand. That sense of loyalty is what will prompt people to choose your brand instead of your competitors' brand when it comes time to buy. Customer loyalty ensures sustainable and organic growth.

Customer loyalty ensures sustainable and organic growth.

NET PROMOTER SCORE

Calculating your **Net Promoter score** (NPS), a metric developed by Fred Reichheld, Bain & Company and Satmetrix, can help you to understand how well your brand is creating that sense of loyalty with your audience. The score is calculated by asking this simple question: "How likely is it that you would recommend us to a friend?" People respond on a zero-to-ten point rating scale categorized as follows:

Figure 4-1: Net Promoter score — a simple calculation



Source: *Introducing: The Net Promoter System*, Bain & Company, December 2011.

People responding with a nine or ten are categorized as promoters, loyal enthusiasts who keep buying and recommending your brand to their networks, thus fueling growth. People responding with a seven or eight are passives; these people are satisfied but unenthusiastic customers who are vulnerable to competitive offerings. All other responses are classified as detractors, unhappy customers who can damage your brand and impede growth through negative word of mouth.

To calculate **NPS**, take the percentage of customers who are promoters and subtract the percentage of detractors:

Figure 4-2: Net Promoter score — a simple calculation

$$\% \text{ Promoters} - \% \text{ Detractors} = \text{Net Promoter Score}$$

Source: Introducing: The Net Promoter System, Bain & Company, December 2011.

In order to obtain completely actionable information, you should ask one more open-ended question: “Why?” It is by asking this question that you will get qualitative information about what people like and don’t like about your brand; and it will also provide the insights you need to take action.

After asking these two questions, it is also important to ask about the specific interaction that just occurred between the user and your digital channel. Let’s say you have a recipes website to promote your products as ingredients for tasty dishes. Let’s also assume that on this website, people can read, upload, and rate recipes. You could decide to execute the survey right after people rate a specific recipe. In that case, the survey should look like this:

1. How likely is it that you would recommend our brand to a friend? (0 to 10 answer)
2. Why? (open-ended answer)
3. How likely is it that you would recommend our recipes website to a friend? (0 to 10 answer)
4. Why? (open-ended answer)

By executing the survey in this manner, you can calculate the **NPS** for your brand and also for the specific digital channel. You may have additional options, as well. If your website requires users to sign up to gain access to premium content, you could link survey responses to demographics. You could execute the survey online, while the person is still visiting your website; or you could send it via email, after the person is done with their interaction. The important thing is to ask people to respond immediately following an important touch point.

Not every touch point is worth measuring, and it would be very expensive and intrusive to measure many of them. You will have to discover which touch points are important to you in order to create the brand experience you want, and which touch points are important to your visitors in terms of their own expectations about your brand.

NET PROMOTER SYSTEM

Learning and improving is even more important than actually measuring the **NPS**. That's why Bain & Company talks about the entire Net Promoter System and not only the score. If you are going to measure this score, it's important that you implement a system around it in order to make it truly useful. Among other things, you should define your objective. Your goal may be to generate promoters through differentiated brand experiences, or maybe, it's to avoid detractors on routine interactions.

In order to completely close the loop, you should define which individuals within your organization are going to receive the customer feedback data and empower those people to take action from that information. The general rule is that the employee most responsible for the customer's experience under discussion should receive the feedback and act — whether it's a service representative, sales manager, engineer or product manager. Depending on the kind of feedback, closing the loop might also involve getting back to your customers so you can resolve their problems.

CORRELATION ANALYSES

Now let's stop for a moment and analyze things from a higher-level standpoint. We already discussed the fact that companies share a common goal regardless of their business model — to generate profit. And the common problem each company faces is to find a way to attribute profitability to their marketing strategies.

BRAND EXPOSURE

The common correlation methodologies that we've discussed have a simple goal: to discover the impact that a specific marketing treatment has on sales.

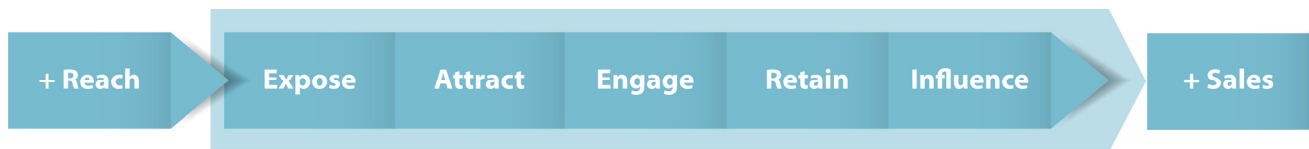
Figure 4-3: Marketing Impact on Sales



After calculating the impact, provided the impact was positive, you will want to apply that same treatment to as many people as you can within your target audience. This is what traditional branding marketers do. They calculate reach --> sales correlation for each of the marketing treatments they experiment with and then optimize their budgets based on those results. Increasing reach of high-impact treatments will most likely drive sales.

Figure 4-4: Increased Reach Drives Sales

Now, instead of talking about generic marketing treatments, let's integrate our framework into the formula. It would then read like this: the more people you get into your digital branding strategy, the more sales you will likely be able to close.

Figure 4-5: Marketing Treatment as a Digital Branding Strategy

This new formula gives you the opportunity to find correlations using all the metrics we've discussed in the framework. Imagine that you realize there is a stronger correlation between share of search and sales than between reach and sales. You will probably shape your digital branding initiatives in a different way based on that discovery.

Metrics from the first two stages (expose and attract) are mostly focused on brand exposure. Correlation analysis using these metrics will give you good insight into the input that you're feeding your digital branding strategy, and it will help you answer the question: how much brand exposure is needed to drive sales transactions?

Figure 4-6: Brand Exposure Analysis

BRAND EXPERIENCE

Let's now take a different approach. As you could see in the figures above, there's a long road between reach and sales. With the new framework integrated into the "treatment" part of the formula, you can surface metrics that are closer to the end of the process. For instance, you can calculate the impact that your digital branding strategy has on NPS:

Figure 4-7: Branding Impact on Loyalty

To go all the way and calculate the impact your digital branding strategy has on your business' bottom-line, you can then correlate NPS with a metric like customer lifetime value. Why not sales? Because sales revenue is a transactional metric, and NPS measures the relationships you create with your customers (customer loyalty). So it makes more sense to correlate NPS to a relationship-focused economic metric like **customer lifetime value**.

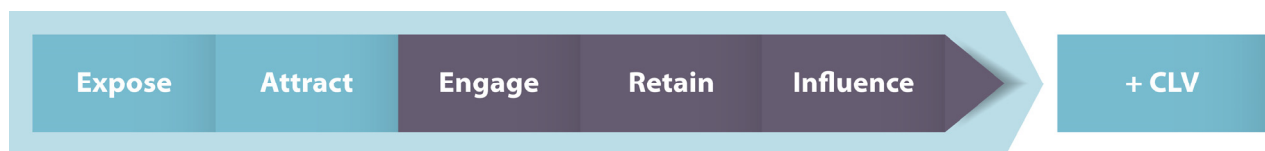
Figure 4-8: Relationship-focused Metrics



Lifetime value helps you measure all of the benefits (like cash flows and referrals) you'll get from your customers during the time they remain active customers. You can learn more about how to calculate lifetime value on the Net Promoter System website, and you can learn how to correlate NPS with lifetime value by reading Bain & Company's paper *The economics of loyalty*.

Metrics from the last three stages (engage, retain, and influence) are mostly focused on the brand experience that you are creating. Correlation analysis using these metrics will let you measure the outcome of your digital branding strategy by helping you to answer the question: how much does a positive digital brand experience fuel long-term profitability?

Figure 4-9: Brand Experience Analysis



THE ECONOMICS OF LOYALTY

Besides giving you information about loyalty, **NPS** also gives you insight into the word of mouth being triggered by your branding initiatives. According to Bain & Company, promoters account for more than 80% of referrals for most businesses, and detractors account for more than 80% of the negative word of mouth.¹⁵

¹⁵ Markey, Rob; Reichheld, Fred. 2012. "Loyalty Insights. The economics of loyalty," *Bain & Company*, March 23. <http://bit.ly/VHTVZ9>.

Customer loyalty is key in the digital world. Loyal online customers, just like offline ones, are more profitable than one-time shoppers. It has been proven that companies with high NPS are more likely to retain their customers longer, grow their customers' spending, earn more referrals for the brand, and ultimately have higher growth rates.¹⁶ If you want to dig deeper into **NPS**, please look at the Net Promoter System website and read the book: The Ultimate Question 2.0¹⁷ by Fred Reichheld and Rob Markey.

Companies with high NPS are more likely to retain their customers longer, grow their customers' spending and earn more referrals for the brand.

¹⁶ Markey, Rob; Reichheld, Fred. 2012. "Loyalty Insights. The economics of loyalty," *Bain & Company*, March 23. <http://bit.ly/VHTVZ9>.

¹⁷ Reichheld, Fred; Markey, Rob. "The Ultimate Question 2.0," *Harvard Business Review Press*, <http://bit.ly/WL1sCs>.

CHAPTER 5

PROCESS IMPLEMENTATION

INFORMATION DEPLOYMENT

Part of the process of selecting the right information to monitor is finding the right people within your business to share that information with. In the same way that it would be useless to have a CEO monitoring your website's bounce rate, sending high-level information to people who are optimizing campaigns on a day-to-day basis is equally ineffective.

Your optimization metrics should be in the hands of the people who are operating your day-to-day activities. You may have several agencies taking care of your websites and campaigns; if that's the case, they are the ones who should focus on the optimization metrics layer. A digital manager, instead of focusing on optimization, should pay attention to the strategic metrics layer. These metrics are the ones that will help that person to focus on digital initiatives more effectively (remember: only your strategic metrics can tell you if you are reaching your objectives).

Finally, when the time comes for you to have to stand before the board of directors, you should bring only high-level business results. We recommend you focus on three metrics, which can describe your digital branding strategy outcomes from a high level:

1. Online reach as the input to the process
2. Incremental sales revenue as a quantitative outcome of the process
3. Loyalty (NPS) as a qualitative outcome of the process

Figure 5-1: Digital Branding Strategy Outline

ANALYSIS LIFE CYCLE

All of this is not a one-time effort. In order to produce increasingly better results, you should integrate KPI measurement into your day-to-day tasks. Keeping an up-to-date scorecard will show you the impact of all of your campaigns and communication strategies, as well as the trends you're producing. This scorecard will give you a personalized benchmark and will help you set challenging yet realistic targets. We recommend you start by focusing on the strategic layer, as it is the backbone of this framework. We also recommend you include metrics from the four high-level marketing objectives: Building Awareness, Influencing Consideration, Driving Sales, and Growing Loyalty.

Figure 5-2: Example of the Strategic Metrics Scorecard

Marketing Objectives		Goal	KPI	Target	Value
Build Awareness	Expose	Communicate with target audience	Share of conversation	50%	37%
			Share of search	40%	18.2%
			online reach	95%	94%
	Attract	Acquire qualified traffic	Unique visitors (for context)	15,000,000	10,837,189
			New visitors	20%	42.63%
Influence Consideration	Engage	Create valuable engagements for visitors	Share of traffic	80%	63%
			Comments	400	453
			Shares	30%	13%
	Retain	Increase visitor loyalty	Signed up users	80,000	60,000
			Frequency	60%	44.16%
			Recency	17%	14.62%
	Influence	Satisfy visitors' needs	Active users	80%	57.26%
			Task completion	60%	45%
Drive Sales		Trigger additional sales	Sentiment	5:4	5:1
			Incremental sales Revenue	1.5M	1.32M
Grow Loyalty		Improve brand loyalty			
			Net Promoter Score	8	6

The time periods over which you decide to run this analysis will depend on your own ability to change and adapt your strategies. If you can only deploy changes to your website once every six months, it does not make much sense to track metrics on a daily basis. If you're able, syncing both your launch and measurement processes on frequent cycles will be most beneficial.

With that said, not all metrics should be optimized with the same frequency. Here are our suggestions for each type of metric:

OPTIMIZATION METRICS

Webmasters, digital agencies, or the community managers in charge of generating brand content should review optimization metrics each week to make sure that they are maximizing online efforts. This includes going over the marketing campaigns to maximize ROI, analyzing web analytics information to optimize the website's content, and engaging users across social networks.

STRATEGIC METRICS

These metrics should be monitored by whomever is in charge of the digital strategy — usually a digital manager. A monthly review of these KPIs should be enough to understand if the digital marketing strategy is meeting business objectives. The monthly scorecard will help you monitor which KPIs have changed, analyze the trends in metrics, and improve the most important ones.

BUSINESS LEVEL RESULTS

Higher-level metrics (like online reach, incremental sales revenue, and NPS) are normally reviewed by executive-level members of the organization. When reviewed quarterly, these metrics will provide guidance to business owners as to how many people they are reaching with their digital efforts and whether they are generating positive impact on the business' bottom-line.

ACTION!

The result of the analysis process should be action. Testing and optimization tasks should be triggered based on the information you see on the scorecard. This is perhaps the most important activity of all — if you don't have the intention to change and adapt your business strategies, the time and effort you put into measurement will be wasted. In fact, you might as well not monitor anything at all. On the flip side, kicking off a decision-making process based on the valuable information you gain by applying this measurement framework should give you a strong competitive advantage.

One of the roadblocks you must overcome in initiating this process is the fear of failure. Avinash Kaushik, Digital Marketing Evangelist for Google, brilliantly summarizes on a blog post the benefit of failing fast¹⁸:

*"I believe that God created the Internet so we could fail faster.
In the offline world, it is very expensive to experiment and test, the cost of failure is very high. As a result, we don't take risks. We keep doing what we think
"works," until the day we go bankrupt.*

¹⁸ Kaushik, Avinash. "This I Believe: A Manifesto for Web Marketers & Analysts." *Occam's Razor*. <http://bit.ly/VI2hzV>.

The web changes that.

You can take dramatic risks, at very low costs and learn big. Your website is nothing but a machine built to make you smart by taking lots of risks.

Why should you tolerate ideas getting killed on conference room tables or by your HiPPOs¹⁹?

Why accept opinions when you can convert them into hypotheses and get them validated for cheap and quickly?

Why not let your customers actively be a part of helping you create customer experiences that deliver value to them AND to you?

The cost of taking risks on the web is low. You can try an idea. As soon as it is live, data starts following it. If the idea is a total loser then kill it fast, does not have to cost you a ton of money. What is more likely is that you will find winners that you had never imagined.

Give it a try. Fail faster."

Avinash repeatedly talks about the HiPPO, referring to the fact that business decisions are made based on the Highest Paid Person's Opinion, rather than on data or on your customer's opinion. But you now face the opportunity to do the right thing for the right reason. And, the right thing might not be what your boss says, it might not even be what you think — the right thing is what gets you closer to your business objectives. Now you can use data to find it.

Of course, you have to find a way to incorporate failure in a safe way. Measured risks give you the opportunity to learn from your audience, from your strategies, and from your own product or service. Whether you want to test new advertising strategies, new media channels, or a new creative, be sure to never break the basic brand promises you've made to your customers.

KAIZEN MARKETING

Neither the KPI dashboard nor the scorecard will improve your business by itself; you need to implement a process for how you want to use these tools to improve your marketing efforts. According to MarketingSherpa, research shows that 66% of marketers want to act on data to improve marketing performance,²⁰ yet, few marketers take advantage of all the digital metrics that could reveal key information about how to optimize their campaigns and better achieve their goals. Defining such a process to leverage these metrics will help you take action to continually improve your digital branding strategies.

¹⁹ HiPPO is an acronym for Highest Paid Person's Opinion, quoted in Avinash Kaushik. 2014. "Seven Steps to Creating a Data Driven Decision Making Culture" in *Occam's Razor*. <http://bit.ly/1fBGql2>.

²⁰ 2013. "Marketing Research Chart: Top analytics objectives for 2013," *MarketingSherpa*, February 19. <http://bit.ly/19AXEj7>.

We look to the field of operations for inspiration, which is known for its rigorous processes and measurement. Within operations, the idea of ongoing improvement is referred to as *kaizen*. Kaizen is a philosophy of continual improvement or “change for the better.”²¹ Smaller changes to a process, even if they seem trivial, can collectively lead to bigger improvements in the end product. The practice of kaizen typically refers to improving some type of business process, such as a production line. For example, in car manufacturing, there is a production line with different steps that employees follow to produce cars as the final output. Each of these steps can gradually be adjusted to improve the overall process, and subsequently, improve the end product. Although the car itself is not adjusted, it is the collective changes to the process that enable an end product that is well manufactured. The decisions about which adjustments to make are based on quantitative measurements related to each step. It is the feedback loop of using those measurements to determine the changes to the process that results in continual improvement.

As a marketer, you can leverage this idea of kaizen and apply a quantitative feedback loop to your brand strategies to improve your marketing effectiveness. Specifically, kaizen marketing is the process of driving stronger performance and efficiency by making gradual adjustments to your marketing strategies based on the quantitative feedback from the measurements of different elements of your marketing efforts. The key difference is that while kaizen in operations focuses on improvements to the process, kaizen marketing focuses on improvements to the output (a marketing campaign, or its elements) directly. Each element of a marketing campaign — media type, creative, placements — can be changed based on quantitative measurements to improve the overall campaign, which can then be used to improve your overall branding strategies. Ideally, you would make changes during a campaign to share the best message with the right target audience to eliminate waste and improve your effectiveness. The longer you run a campaign, the more you can learn and improve performance. Over time, once you understand what drives your success in reaching your marketing objectives, the changes you make to individual campaigns can be applied to future brand marketing strategies.

The actual steps of kaizen marketing are simple and based on previous models of process improvement. In the 1920s, Walter Shewhart, an American physicist and engineer, developed a process of quality improvement — a cycle of Plan, See, and Do.²² This cycle was modified by W. Edwards Deming into the new Deming cycle — Plan, Do, Check, and Act.²³ The planning stage is used to design a business process to address a specific problem, which is then implemented in the “Do” stage. The results are then measured and checked to determine whether the solution worked. The last stage of “Act” brings the model full circle by integrating past data into future operations; before planning again, we learn the solutions that worked and those that didn’t.²⁴ This cycle is believed to lead to continual improvement through smaller tests, which can be integrated into the quality process moving forward.

Kaizen marketing follows this cycle to drive continual improvements in your marketing effectiveness. Remember that it’s not about making changes to the process, but rather making changes to the elements of your campaigns, which translate into overall improvements for your brand strategy. For example, marketers begin with a plan for a campaign that outlines the marketing objective, the target

²¹ 2013. “Kaizen,” *Wikipedia*, February 19. <http://bit.ly/1ax11CG>.

²² 2013. “The Deming Cycle PDSA (PDCA cycle),” *Valuebasedmanagement.net*, February 21. <http://bit.ly/LhliF1>.

²³ 2010. “Get Control with Plan - Do - Check - Act,” *Eliminate The Muda!*, <http://bit.ly/1dZvASg>.

²⁴ Arveson, Paul. 1998. “The Deming Cycle.” *Balanced Scorecard Institute*, <http://bit.ly/1dg5Q37>.

audience, and the key messages that they want to convey through a creative idea at a specific time. An agency may also be involved in the planning of media types, placements, creative development, and more. Next, this plan is implemented (the “Do” stage) and is considered the marketing campaign. Most brand marketers like to collect data to measure and “check” how well their campaign is doing. It’s the final stage of “Act” that is often overlooked although it is critical in kaizen marketing. Marketers who act by making changes to their campaigns based on the metrics they have checked will be able to deliver more effectively against their marketing objective.

Content development is a specific opportunity to use the kaizen marketing idea to drive improvements across your marketing efforts. Although creative is one element of a marketing campaign, there are many other content needs that are not directly related to a specific campaign. Most elements of a branding strategy can be grounded in content: in-store promotions, websites, blogs, videos, contests, event sponsorships, and more. For example, if you are a food manufacturer and you maintain a recipe website, this content is not usually flighted, but rather developed against an ongoing or Always-On content strategy. Using kaizen marketing, you could influence this content strategy based on performance feedback of specific recipes. This alone could drive improved engagement on your website, but you could take it further by applying your changes to other marketing strategies. Why not integrate the best performing recipe into a contest for your target audience? With kaizen marketing you can use the feedback from your marketing elements to make incremental changes to a specific campaign and to your broader branding strategies.

Common barriers for many marketers to make changes to their campaigns are that they either are not able to get feedback on performance until after a campaign ends, or they are not measuring the right metrics. Earlier, we mentioned several reasons why digital marketing is different from traditional marketing; there are also characteristics of digital marketing that make it easier to implement kaizen marketing. For example, with online campaigns, you can get immediate feedback so that you can optimize in real-time. This is particularly helpful if you are looking to reach the constantly connected consumer with an Always-On branding strategy. You can make changes along the way and continually improve performance without needing to turn “off” and risk missing moments that matter. The optimization metrics we discuss in this book are available on an ongoing basis throughout a campaign, so you can easily monitor and adjust campaign elements to impact those metrics. Additionally, there are many more metrics we can measure with digital, including behavioral measures — something we cannot always get from traditional media.

Now that we’ve explained how kaizen marketing can be used to improve your marketing, and more specifically, how digital campaigns are best suited for this process, let’s look at specific steps you would take. You’ll notice that our scorecard can be used as part of the kaizen marketing process to drive both short-term improvements within each campaign, as well as long-term improvements across multiple campaigns within an Always-On strategy.

We propose you follow this path:

1. PLAN

As with any marketing campaign, you’ll want to identify your objective, target audience, key messages, and creative concept. Based on the marketing objective you selected, use our scorecard to determine the appropriate metrics and KPIs that you will want to measure for your media plan. Work on defining

your targets, which can be based on previous performance or industry benchmarks. Remember that these targets should be achievable, realistic, and defined within a fixed time period. It might be difficult to set realistic targets the first time around, mostly because you're not quite sure about the challenges you'll face and what you're capable of doing. Again, don't worry too much about this; you'll start to fine tune your expectations after a couple of iterations.

2. DO

Launch your digital campaign based on your media plan. This will be a starting point so the elements of your digital media campaign — placement, creative, targeting — may not necessarily be performing optimally.

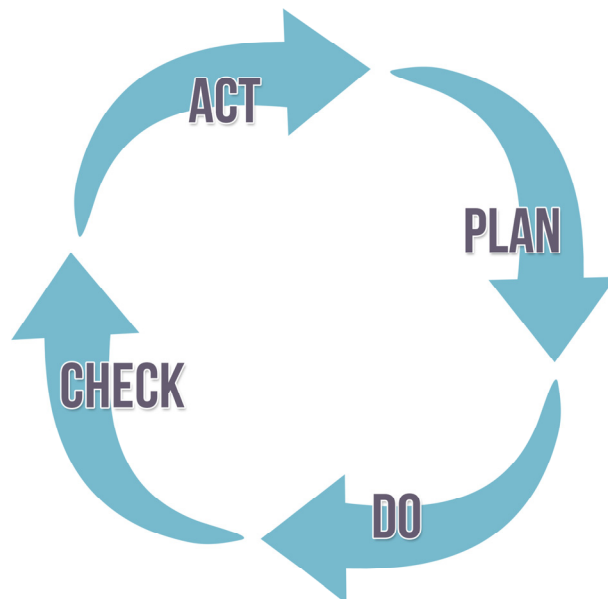
3. CHECK

Determine whether the elements of your campaign were successful. Fill in the scorecard for the first time with measurements from your campaign. Remember to only measure the metrics that are related to your marketing objective. Then, assess your outcome metrics against your targets. If you already reached a target, set a new one based on your performance — this will be your benchmark. You will be trying to beat previous performance and get increasingly better results. For those targets you didn't reach, you'll need to determine a strategy for improvement.

4. ACT

Use the data you measured to make strategic changes to the elements of your campaign that are closely related to the KPI. Within a digital campaign, you can adjust the media placement, the creative or the targeting, and in a content production strategy, you can adapt the content to those subjects that resonate better with your audience. Remember that in the digital world, you can react fast, so don't worry about making mistakes. If you are able to measure results quickly, you will be able to improve, optimize, or stop any of the strategies you decide to experiment with.

Figure 5-3: The Deming Cycle



SHORT-TERM IMPROVEMENTS

With the right metrics in the hands of the right person, you can follow this process to make optimizations within each marketing campaign or across a longer “Always-On” strategy. You may notice that some changes are ineffective, while others drive much higher performance. Follow the trends of your metrics to see which KPIs are improving and which aren’t, and make adjustments each time. By the end of each cycle of the process, you will have reached a point where the elements of your campaign are performing stronger than when you started, leading to stronger performance overall.

To take advantage of the continual improvement cycle of kaizen marketing, brand marketers should consider lengthening their campaign windows to allow for adjustments. Each cycle is a learning process, so the longer the campaign, the more opportunities for learning and improvement there will be. Each incremental improvement can lead to performance gains in the short term. It’s also important to remember to use the learnings from this campaign when you are planning your next one.

LONG-TERM IMPROVEMENTS

Many marketers tend to only focus on making in-campaign adjustments and forget that the data can also be used for future campaigns. Which optimizations ended up being most efficient? Every time you run a campaign, the key lessons learned from optimizations should be summarized in a post-campaign report. A brand’s own performance over time can be much more meaningful than general industry benchmarks and can help shape subsequent campaign goals, driving ongoing long-term improvement.

For those savvy marketers looking to be Always-On for their constantly connected consumer, they will see even more benefits (both short-term and long-term) from continual measurement and optimization. By implementing changes on an ongoing basis, they won’t have to wait for the next campaign to improve their marketing and will likely reach more consumers over the long run with a stronger message.

FINAL THOUGHTS

Digital media has brought innumerable changes to our lives. It has shifted the way we behave toward, connect with, and access information. It has tangible benefits for businesses, and it's cost-effective, accountable, and efficient for many different business models.

Fortunately, business models based on direct-response marketing have been quick to recognize the benefits that digital media strategies can bring to their bottom line. Now, marketers working on digital branding initiatives also have an opportunity to start looking at their marketing efforts as a structured process with a set of measurable goals and an impact on the bottom line, just like direct-response marketers.

A successful digital branding strategy relies on a series of actions that begin by building awareness, creating a positive influence, and ultimately, increasing sales, long-term profits and loyalty within a target audience.

Adopting a well-structured framework, like the one we shared in this book, should help you organize your thoughts and strategies. We encourage you to try it out and implement it within your business. It doesn't matter if your company is large or small — experiment with the framework and adapt it to suit your needs. Use certain metrics, and add, remove, or replace others. Create your own version, the one that serves you best.

The framework should also facilitate the flow of communication within your organization and establish a common ground with external entities like your agencies (if you're an advertiser) or with your clients (if you're an agency).

By applying this framework, our hope is that you'll be able to make more strategic use of all of your digital resources and, of course, be more successful as a company.

Remember to share your experience, comments, and questions with us using the hashtag #DigitalBranding or discussing on our site: www.digitalmetricsplaybook.com/discussion

APPENDIX A

TEMPLATES

THE KPI DASHBOARD

Marketing Objective	Build Awareness		Influence Consideration		
	Expose	Attract	Engage	Retain	Influence
Optimization Metrics	<ul style="list-style-type: none">• Unique Viewers• Impression Frequency• Brand Buzz	<ul style="list-style-type: none">• CTR• Bounce Rate• Unique Visitors• Social Profile Views	<ul style="list-style-type: none">• Pageviews• Time on Site	<ul style="list-style-type: none">• Returning Visitors	<ul style="list-style-type: none">• Response Rate• Turnaround Time
Strategic Metrics	<ul style="list-style-type: none">• Share of Conversation• Share of Search• Brand Awareness• Ad Recall• Online Reach	<ul style="list-style-type: none">• Share of Traffic	<ul style="list-style-type: none">• Shares• Comments• Video Completions• Sign-ups	<ul style="list-style-type: none">• Frequency• Recency• Active Users	<ul style="list-style-type: none">• Task Completion Rate• Sentiment

Get a copy of the templates: <http://bit.ly/13mp7m4>



THE KPI SCORECARD

Marketing Objectives		Goal	KPI	Target	Value
Build Awareness	Expose	Communicate with target audience			
	Attract	Acquire qualified traffic			
Influence Consideration	Engage	Create valuable engagements for visitors			
	Retain	Increase visitor loyalty			
	Influence	Satisfy visitors' needs			
Drive Sales		Trigger additional sales			
Grow Loyalty		Improve brand loyalty			

Get a copy of the templates: <http://bit.ly/13mp7m4>



APPENDIX B

METRICS GLOSSARY

Average Time on Site

The average length of user visits on your site. Visit length is calculated as the difference between the first and last pageview timestamp of each visit. This means that the actual time spent on the last page doesn't get calculated, only the time spent on previous pages. And visits with just one pageview will get assigned zero time on site because there is no following pageview timestamp with which to make the calculation.

Brand Buzz

The volume of mentions about your product or brand that are being published outside of your properties, e.g., blogs, social media channels.

Bounce Rate

The percentage of visits to your website from people who didn't interact again with the website (past the first pageview). It doesn't have to do with time spent on that particular page, but rather, to the number of interactions. In other words, a bounce gets counted for every single pageview visit.

$$\text{Bounce Rate} = \frac{\text{Single page view visits}}{\text{Total number of visits}}$$

Conversion Goal

Conversion is the generic name that is given to any kind of interaction between a visitor and a digital property that adds value to the business. There are macro conversions, which represent concrete actions, like an eCommerce transaction or a form completion that provides you with qualified lead information. And there are also micro conversions, which are more subtle actions that still provide some kind of value, like getting people to write a comment or share a piece of your content through their social networks.

Conversion Rate

The percentage of conversions generated by your visitors in a given time period.

$$\text{Conversion Rate} = \frac{\text{Conversions}}{\text{Total number of visits}}$$

CTR (Click Through Rate)

The percentage of clicks an ad gets out of the total times that the same ad was displayed.

$$\text{CTR} = \frac{\text{Clicks}}{\text{Ad Impressions}}$$

Fans, Followers, Subscribers

The amount of people who subscribe to your social channels like YouTube, Twitter, Google+, Facebook, etc.

Frequency

The amount of repeated visits to your website from a single visitor. Loyal visitors usually come back several times, whereas non-loyal visitors come just once or a few times. This metric is usually represented as a distribution where you can see how many visitors came just once, how many came two times, how many came three time, and so on.

Frequency Cap

A restriction of the number of times an ad should be shown to the same person.

Impression Frequency

The number of ad impressions shown to the same person.

New Visitors

The amount of visitors that landed on your website for the first time.

Online Reach

The percentage of people reached through paid and owned media out of your entire online target audience. To estimate the online target, use your brand's audience demographic information to figure out the number of people from that segment present in the online world.

$$\text{Online Reach} = \frac{\text{Unique Viewers}}{\text{Total Online Audience}}$$

Pageviews

The number of pages a visitor sees as she navigates through your website within a given time period.

Pageviews per Visit

The average number of pages that are displayed for all visits to your website in a given time period.

$$\text{Pageviews per Visit} = \frac{\text{Pageviews}}{\text{Total Number of visits}}$$

Recency

The time lapse between two successive visits of the same visitor. This metric is usually represented as a distribution where you can see how many times visitors returned after one day, how many times they returned after two days, how many times they returned after three days, and so on.

Response Rate

The percentage of time you reply to your clients out of the total communications received from them in any given time period. Communications can refer to a question, a complaint, a request or a generic comment.

$$\text{Response Rate} = \frac{\text{Replies}}{\text{Total comments received}}$$

Returning Visitors

Visitors who come back to the website at least one more time after their first visit.

Session stickiness

The amount of time (or page views) spent on a given digital property, whether a website, social profile, or mobile app.

Share of Search

The percentage of searches your brand receives out of the total searches in your category. You should include searches of your brand plus all of your competitors in order to calculate the total number of searches for your category. You won't be able to get the actual number of searches, but by using tools like Google Trends, you can get a normalized number, which is just as useful to calculate percentages.

$$\text{Share of Search} = \frac{\text{Brand searches}}{\text{Total searches in your category}}$$

Share of Traffic

The percentage of visits (or unique visitors) your website gets out of the total visits to all websites in your category. You should include visits to your website plus all of your competitors' websites in order to calculate the total number of visits for your category.

$$\text{Share of Traffics} = \frac{\text{Visits your website}}{\text{Total visits all websites in your category}}$$

Share of Conversation

The number of comments about your brand that are published outside of your properties, out of the total published comments about all brands in your category.

$$\text{Share of Conversation} = \frac{\text{Comments about your brand}}{\text{Total comments about all brands in your category}}$$

Task Completion Rate

The percentage of people who were able to complete their own goals while visiting your website.

Turn Around Time

The amount of time it takes for you to respond to communications started by you clients. Communications can refer to a question, a complaint, a request, or a generic comment.

Unique Viewers

The number of unique people who saw your brand online. It can be people looking at your ads or at your social media posts.

Unique Visitors

The amount of people who came to your website in a given time period. If someone comes to your website on a daily basis, he or she will only count once during the time range you are looking at. The most common method of counting visitors is through cookies, so the strict definition of unique visitors is the number of different browsers (cookies) that access your website in a given time period.

Video Completions

The number of video playbacks that have been fully played from the beginning to the end.

Visits

The amount of times people came to your website in a given time period. If someone comes to your website on a daily basis, each time will count as a single visit. At the end of the month, in this example, that particular person would have added 30 visits to the count.

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From his base office in Mexico City, he led the Google Analytics Certified Partners Network throughout the region and served as editor of *Central de Conversiones* (the official blog in Spanish for all of Google's measurement tools). To further support the cause of digital analytics, he also assumed the role of Country Manager in Mexico for the Digital Analytics Association.

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Michelle began her career at Momentum Worldwide, a traditional marketing agency, but soon recognized the growing importance of digital. Expanding to a strategy and analytics role at Digitas, a digital marketing agency, she worked with traditional brands that were evolving to embrace digital branding.

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