

5 Steps to Successful Marketing Measurement

A GUIDE

Measure What Matters

From improvements to technologies and adjustments in privacy laws, the digital media landscape is continuously changing, and marketers need to be prepared. Although marketing strategy and tactics may pivot, measurement will always be the ultimate indicator of success. This is because measurement should indicate impact to the bottom line, giving insight into performance and optimizations for a campaign. Coegi recommends five steps to successful marketing measurement to ensure clear strategy and efficiencies for any marketing campaign.

The 5 Steps:

1. Identify Desired Business Outcomes
2. Determine KPIs that Signal Success
3. Evaluate Incrementality
4. Create a Cycle of Test and Learn
5. Use Data Storytelling for Better Insights



Step 1: Identify Desired Business Outcomes

“The challenge is that there are just too many metrics for most decision-makers to truly understand.”

Ryan Green

VP of Marketing and Innovation at Coegi
Measure What Matters¹

Digital advertising, with its technical jargon and seeming complexity, can be overwhelming. Fortunately, the basis for creating strong digital campaigns is founded in the common business practice of setting objectives and key results (OKRs). OKRs are a framework used to define measurable goals and track their outcomes. They should be a cornerstone for strategic planning for all marketing campaigns because they clearly define what a company is striving for and what milestones they need to reach to achieve their goals.

You can use this planning process to translate business goals into actionable digital strategies with language all stakeholders clearly understand. Failing to align on a measurement framework can be detrimental, leading to prioritization of signals and tactics that do not translate to meaningful growth for your company - which means wasted time and marketing dollars.

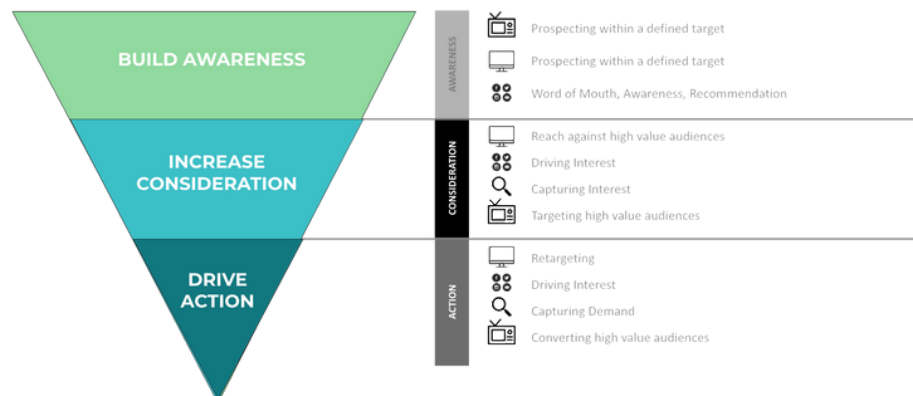


To implement this practice, establish and understand the core business goals defined by key stakeholders. This is the centerpiece of your marketing plan and creates a roadmap for the marketing team and agency partners to clearly understand the brand’s desired trajectory and expectations. From there, teams are empowered to make informed decisions and can begin to build a strategic marketing plan to move the needle for the brand.

Case Study

Understanding Business Goals: Coegi worked with a quick service restaurant (QSR) franchise to help them grow in their highly competitive market. Their core objectives were to gain brand awareness, increase consideration and improve store traffic. We segmented customer pools so the brand could deploy creative with the right messaging and channel strategy for their key audience groups. Historical data allowed us to segment consumers based on their frequency of visitation. Additionally, we layered in geographic data to identify under or over-performing DMAs to adjust messaging and tactics accordingly. In doing so, we impacted their overall business goals of increased share of wallet among loyal customers and boosted brand affinity/awareness among less loyal consumers.

Our strategy team used this framework to determine OKRs and KPIs for our QSR Client



Step 2: Determine the KPIs that Signal Success

“From my perspective, there is no singular KPI that defines success for any digital marketing campaign. Instead, we should build custom measurement frameworks that factor multiple KPIs, incorporating not just media efficiency metrics, but engagement, brand lift, transactional data, and ROAS analysis, to get a better understanding of your digital program as a whole and to get to the heart of success.”

Ryan Green

VP of Marketing and Innovation at Coegi

Once OKRs have been established, you'll need to define and implement systems that capture the results of your efforts. Campaigns must start with meaningful measurement across all stages of the customer journey and across all channels. This means tracking and optimizing against metrics which drive towards core business objectives. These metrics will be your key performance indicators, or KPIs.

A 2021 report by the ANA² found that most brand's marketing KPIs are misaligned with their business objectives. Additionally, a study by Nielsen finds that marketers waste between 25% and 50% of their spend because they aren't able to determine the impact on ROI. When they more effectively plan their spend across channels based on their key KPIs, efficiency goes up and waste goes down. If your brand is measuring the wrong signal, optimizations made could be moving you in the wrong direction. This is why we start every strategic plan by building a custom measurement framework for our clients that factors in multiple KPIs.



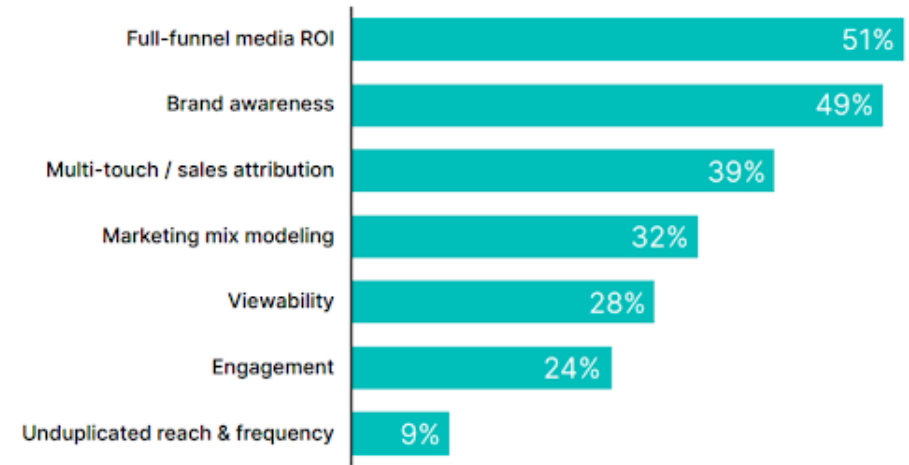
When determining your KPIs and analyzing digital performance, be cautious of media efficiency metrics. They can be effective for evaluating individual campaign performance on an operational level, but often do not ladder up to holistic business objectives. Avoid reliance on these vanity metrics (ie. open rates, impressions) and redirect the focus from solely prioritizing lowest CPM or CPC - not all clicks or impressions are created equal.

What can marketers do instead? Focus on what actually indicates success for your brand. For instance, how does the metric you are tracking impact a business goal such as percentage YoY growth or lift in brand awareness? Is there another more advanced measurement metric we can layer into the mix that will clarify a trend you are seeing? Layering advanced measurement studies on top of traditional media efficiency metrics can often provide much more in depth insights, allowing marketers to better understand if they are making an impact.

Evaluating what metrics signal success is especially crucial now as third-party data scale diminishes and privacy laws become stricter. Marketers will need to creatively implement accurate and insightful measurement frameworks to track success and make informed optimizations.

Lack of confidence in measurement capabilities

Percentages reflect marketers' lack of confidence across various capabilities



Source: Nielsen 2021 Annual Marketing Report

Media Efficiency Metrics:

CTR, CPM, CPC, CPC

Advanced Metrics:

Customer engagement, brand affinity, sales lift, brand lift

Case Study

Determine KPIs: To reach our QSR client's established OKRs, the main KPIs we tracked were foot traffic lift, sales lift and brand lift. The supplementary media metrics used to ladder up to these KPIs included conversion rate, brand affinity, cost per store visit, and CPM. These were key signals to indicate if the brand was moving in the right direction and inform campaign optimizations.



Step 3: Evaluate Incrementality

"All touchpoints contribute to the customer journey, but to identify those for an individual across segments is an unsolvable challenge. Instead of trying to make attribution work, bring all of the data together and figure out directionally which areas to focus on to have a holistic approach."

Sean Cotton

President, Coegi

Knowing which tactics and channels are best at achieving business goals isn't always easy to determine. Just because your reports show stronger media metrics on Facebook does not mean Facebook is the leading driver of results for your brand. A purchase today could have been impacted by an ad served on Reddit last week that was reinforced by an influencer's promo on Instagram yesterday. So how do you know which tactic had the biggest impact on the consumers' final decision to convert? Focus on analyzing incrementality.

Measuring incrementality works by testing for different variables. There are several ways to design these tests, but the general concept is the same. First, you establish a performance baseline and then adjust one variable at time to see the overall impact. Unlike touch attribution models, which divide conversion credit across channels based on where the final conversion took place, this method allows you see exactly how much influence an individual channel or tactic had on the final decision to convert, no matter where the conversion took place.

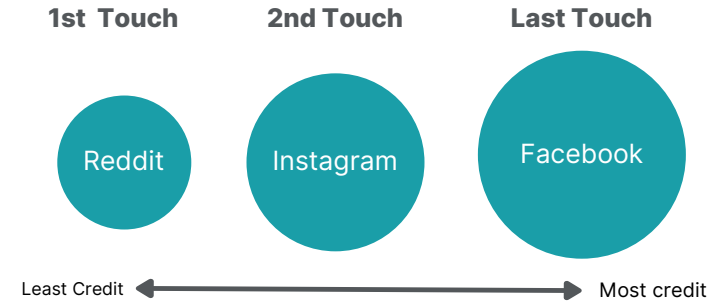


For example, let's return to the above example of conversions on Facebook. What would happen if the user had not seen the ad on Reddit? A test for incrementality would see how conversion numbers changed if that ad exposure was removed from the consumer journey.

The reason touch attribution models are common is that they are relatively simplistic. Conversion on Facebook means Facebook drives conversions. Easy. Testing for incrementality, however, is far more complex, with multiple frameworks and analysis methods available to determine effectiveness. It may be beneficial to partner with an agency or vendor who has experience with designing and implementing tests for incrementality so you know the tests and analyses have been accurately executed and that the resulting insights will help your brand build on these learnings.

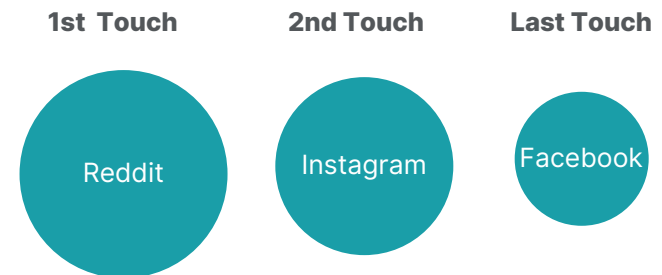
TOUCH ATTRIBUTION

Credit assigned based on time and location of final conversion



INCREMENTALITY

Credit assigned based on which channel had the most impact on final conversions when removed from the equation



Case Study

Incrementality: Our QSR brand started by establishing baseline sales and traffic numbers. This is a key step to undertake prior to launching any major campaign. We were then able to compare the incremental lift due to the advertising. The brand used first party point of sale data to tie online behavior to in-store purchases. D2C brands can capitalize on the benefit of this first-party POS data to clearly identify if their customers were served their ads prior to visiting. This ability to link online and offline actions greatly informs measurement and data insights.



Step 4: Create Test and Learn Cycle

“Sometimes media metrics alone can’t fully answer if marketing is helping achieve business outcomes, which is why Advanced Measurement solutions are often introduced to campaigns to understand incremental impact by analyzing control vs. exposed results as well as offline events.”

Elise Stieferman

Director of Marketing, Coegi

When creating a marketing strategy, it’s critical to start with a hypothesis - just as you would with a scientific experiment. What are you trying to understand from campaign learnings to get even better results for future initiatives? How long will you need to conduct the marketing experiment to reach statistical significance and feel you have sufficient data to adjust your campaign based on the results?

At Coegi, we combine the usage of a measurement strategy and a structured learning agenda to ensure we are optimizing our campaigns toward our clients’ business goals while also creating an environment of continuous improvement. This helps our clients’ to better understand their best customer segments and gain efficiencies that will impact their bottom line. This process positions the marketers as the heroes, not only for their sales teams but also their CFO, as more dollars begin to roll in from marketing’s efforts.

Measurement strategy is built to ensure campaign goals and tactics align with the client’s business goals, whether that is trying to build unaided brand awareness, driving thought leadership, or growing sales numbers offline and/or online.



That means identifying the right channels that can support key KPIs, determining the proper success rate and efficiency metrics, and understanding any supporting metrics that indicate directional success. Sometimes media metrics alone can't fully answer if marketing is helping achieve business outcomes, which is why Advanced Measurement solutions are often introduced to campaigns to understand incremental impact by analyzing control vs. exposed results as well as offline events. If your brand is struggling to understand if your current marketing campaigns are effective, consider seeking out third party measurement partners to help answer those questions.

While having campaigns set up to work towards these goals or industry benchmarks is important, it is also important to identify the key questions we can answer to improve upon these results - that's when the learning agenda enters the picture. A learning agenda helps determine which components of a marketing campaign are driving the best outcomes. Perhaps it is trying to better understand your target consumer. The learning agenda could then be something along the lines of "moms 25-40 are an audience with untapped potential." Or maybe you are trying to understand which platform placements drive the most incremental leads. Then the learning agenda could be "my target consumer is more likely to convert on Facebook than they are on Instagram." Even if your hypothesis is incorrect, you are better off than you were before you launched your campaign because now you can make adjustments based on your learnings.

WHAT IS ADVANCED MEASUREMENT?

DEFINITION

Tactics employed to answer advertising questions unaddressable by standard media metrics. The 3 most common approaches to advanced measurement are Brand, Traffic and Sales Lift.

BRAND LIFT

A post or mid-campaign survey to measure incremental brand impact. It helps quantify brand and omni-channel campaign results for KPIs such as brand favorability or ad recall.



TRAFFIC LIFT

A study measuring Brick and Mortar foot traffic that connects awareness and conversion by measuring incremental foot traffic lift due to ad exposure. Mobile location data and impression pixels are often used for measurement.



SALES LIFT

A study measuring SKU-level data for CPG brands by matching offline transactions to digital campaigns. Typically, loyalty program data is used. Results show directional lift of in-store purchase due to advertising.

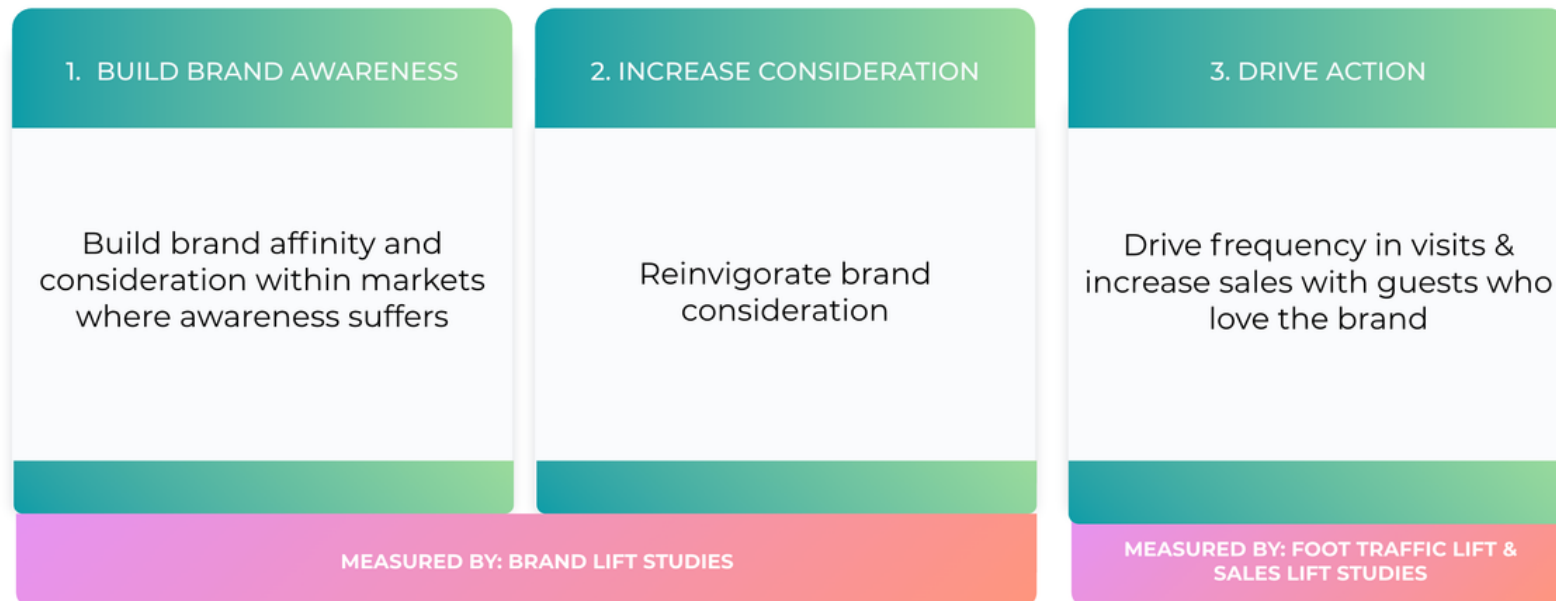


Case Study

Advanced Measurement: Our QSR case study used all three of these tactics to fully understand the directional impact of marketing campaigns on their core goals. They employed a brand lift study to understand brand affinity, loyalty, and awareness. Traffic and sales lift studies uncovered the incremental impact of digital advertising on store traffic, sales volume, and share of wallet among key audience groups. We created a measurement scorecard to track and display our QSR brand's health. This custom scorecard weighted the KPIs with their accompanying data metrics to accurately showcase the campaign's impact on the OKRs.

Test & Learn: Throughout our QSR client's campaign, we tested various creative, media and audience strategies to gather insights and optimize budget. For example, we tested for optimal video length, performance in different audience interest-based segments, and determining which media metrics aligned best with sales. These learnings helped refine strategic messaging and tactics with an audience-first approach.

Goals and Measurement Strategy for our QSR Client



Step 5: Use Data Storytelling for Better Insights

"Your data may hold tremendous amounts of potential value, but not an ounce of value can be created unless insights are uncovered and translated into actions or business outcomes."

Brent Dykes

Author of 'Effective Data Storytelling'³

Many brands are now taking the right step in collecting vast amounts of consumer data, but are not utilizing that data to its full potential. The measurement framework and test and learn cycle equips brands with the information needed for data storytelling. The value in data lies in the stories it tells about your audiences, your brand performance and your interplay with the external environment.

Start by looking at the underlying narrative running through your data to build a meaningful story arc. A great way to do this is by visualizing the data in a way that allows you to easily identify trends and understand performance relative to goals. Consider layering campaign data with third party data to see a holistic picture and identify outliers or interesting correlations. Looking at the data from a macro lens helps weave the micro data points into a cohesive story that will not only make sense to marketers but also external team members such as the sales team or the executive suite.



We often talk about blending art and science in our marketing strategies – that same concept applies to data analytics. When communicating results to internal stakeholders, qualitative information with direction from quantitative data often speaks volumes for CFOs and board members, but only if you tell the right story.

Layer in context, feeling and understanding – the human emotion and behavior which will amplify the data you've collected. Knowing the audience and tailoring your story to their unique context and point of view will help ensure the information resonates.

Your data story provides an opportunity to connect the dots between various media spend across channels and show how they work together to reach your customer when and where it mattered. If done right, it will also show areas that didn't succeed. Those failures can guide new messaging or creative on particular channels, or the adjustment of certain tactics and spend reallocation.


Additionally, it should highlight any gaps between customer touch points and eventual conversion or retention. Lay out clear actionable steps based on analytic insights to transform digital marketing strategies and take your data learnings to the next level.

Marketers create an infinite cycle of improvement through this data feedback loop. The digital ecosystem is constantly in flux. New platforms, privacy laws, consumer behavior and more, create twists and turns in the media landscape. This process is never perfect, but by using performance marketing data to tell your brand story, you can ensure it is always evolving and being refined. This practice minimizes media waste and allows marketers to make more informed decisions and craft winning strategies.

Case Study

Results: By following this framework, our QSR client increased delivery sales by **32%** in 6 key markets. This was crucial as foot traffic was down 50% due to the Covid-19 pandemic. They also earned **\$5MM** in incremental attributed sales in the second quarter which were tied directly to marketing efforts via POS data. Overall, we were able to meet the core goals of increased visit frequency and share of wallet for the client positioning themselves as a top, emerging brand in the QSR category.





With these five steps for successful marketing measurement, you can become a digital hero and produce clear, measurable results. These steps are crucial to accurately and effectively measure outcomes and progress within digital marketing campaigns because they align data points with overarching business objectives. At Coegi, we utilize these tactics daily, and optimize results for clients with clear and meaningful measurement.

Want to Learn More?

Contact Coegi to schedule a discovery call and learn how to implement these steps for your brand.

General Inquiries:

<https://www.coegipartners.com/contact-us/>

New Business Inquiries:

Elise Stieferman: estieferman@coegipartners.com

Sources

1. <https://www.coegipartners.com/blog/2021/06/03/measure-what-matters/>
2. <https://www.ana.net/miccontent/show/id/rr-2021-media-kpis>
3. <https://www.forbes.com/sites/brentdykes/2016/03/31/data-storytelling-the-essential-data-science-skill-everyone-needs/?sh=21bf8d0952ad>

