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# Marketing Analytics Playbook

8 Metrics to Effectively Measure Marketing



Optilytics Data specializes in Marketing Analytics and Data Management. With over 100 + metrics in our library we help companies develop concentrated and effective marketing strategies while monitoring an efficient marketing investment. In this playbook, we have collated some of our highly recommended marketing metrics. Content reflects solutions to our clients' most common issues to better improve marketing efforts, garner higher conversions and a positive ROI.

The following is intended to be a guideline to measure the return on investment for your company's marketing efforts. We've also included some companion metrics across a few points that complement the insights. In this playbook we will discuss metrics that cover the following KPIs of business marketing:

Brand Awareness

Marketplace Competition

Conversion

Customer Satisfaction

Engagement

Implementing these KPIs when executing your marketing strategy will ensure a measurable approach to your campaigns, clarity around objectives and increase efficiency in your analytics process.

## 1. Engagement Rate

**Definition:** Measures the interactions your brand is receiving across social media channels.

**How It Helps:** Social media marketing is increasingly becoming a staple in business marketing investments. Among being one of the most measurable forms of marketing, it tells the ultimate story of how your audience feels about your created content. Social media opens the door for consumers and brands to have a one-on-one connection that previous media outlets did not have the technology to provide. With the appropriate research and strategy implemented, Social media can be purchased most efficiently and receive favorable results. In a case study we conducted in July 2017, one of our clients (an e-commerce retail store) utilized social media (Instagram and Facebook) to promote their brand. After our initial marketing strategy session; which allowed the client to map out their marketing goal and investment, we discovered that although their platform choice was advantageous for their audience, the strategy of their brand positioning did not drive brand awareness to their intended audience.

**Business Solution:** Optilytics Data provided our client the strategy for positioning their brand to their target audience and the content to effectively capture the audience and ensure desired engagement. Within 120 days our client saw a 186% increase across their likes and reshares. Additionally, the client saw a 36% increase in customer conversion.

**Bonus Metric: Brand Sentiment** reflects what consumers are saying about your brand. Brand Sentiment is a great companion metric to Engagement Rate because not all comments are positive comments. As brands work towards high engagement rates, they should also focus on ensuring that brand sentiment is favorable. As of late, many businesses have followed the practice of immediately responding to negative reviews on Yelp, Instagram, or other social media platforms. This is to highlight to potential customers that they are aware of unfavorable feedback and in most cases offer discounts, freebies or anyway to provide a positive experience. If you haven't considered this, implement it as its good practice as it could lead to new customers and positive brand sentiment.

## 2. Page Views

- **Definition:** The number of pages that are viewed by visitors.
- **How It Helps:** Similar to Engagement Rate when we discussed created content for your business, page views gives you an idea of which pages are most relevant. This is especially beneficial for businesses who sell multiple products, and want an understanding of their customers' actions and where they naturally gravitate to on your site. In a recent case study, one of our clients (a community bank) wanted to promote products other than their retail banking line. Optilytics Data suggested that we understand the actions of their visitors to get a better view of what the best secondary product would be to promote.
- **Business Solution:** By leveraging Google Analytics, Optilytics Data found that most visits landed within the mortgage plans for the bank. As a result, the bank increased marketing for their mortgage services by offering a limited time promotion in an effort to reach a larger audience and increase conversions.

\*Bonus metric: **Average Time On Page** looks at the average time visitors spend a page. This metric is especially helpful to give a deeper read into your audience. If the average time visitors spend on your blog page is under 27 seconds, but the average read time of each blog is 2 minutes, your blog page is likely not relevant to your audience. This metric compliments page views because if you want to promote a specific product and you're not getting as much attention from audiences on a specific page, this tells you to optimize this page for better results.

## 3. Growth Rate

- **Definition:** Simply put this looks at the rate that your business is growing.
- **How It Helps:** Multiple narratives happen here: 1. A business can get an understanding of how they are growing year over year. 2. The business can compare their growth rate to that of the overall marketplace – it's always good to understand your position in the market. 3. An opportunity to compare your business growth to that of your competitors.
- **Business Solution:** We all want to see business growth. When measuring growth rate there are so many factors to consider and this metric provides an answer to each: It informs the index your business is growing, it allows a view into your business category's growth or decline and it indicates your position in the market compared to competitors. A client favorite is when we illustrate market share in a pie chart and show a year-over-year trend so they can see if they are taking a larger chunk of the market or if they need to heighten performance.

#### 4. Referral Traffic:

- **Definition:** The measure of finding the source of how each visitor found your business.
- **How It Helps:** One of our most recommended metrics for e-commerce businesses (as well as a client favorite), this tells the story of where customers found you. In a case study from August 2016, our client (insurance company) ran advertisements on TV, Radio, Billboards and Online. Although a three-year company budget reduced yearly marketing spend, our client found they were spending more in marketing each year.
- **Business Solution:** Optilytics Data suggested targeted campaigns that allow the client to understand where each visitor originated – the client ran TV commercials with 1-800 numbers, a radio ad that directed them to use a specific URL when entering the website and a billboard which gave them a separate URL when entering the website. From this, we found that TV ads sent much more traffic to the business. We were able to advise our client to reduce investments in radio and billboards as this didn't work well for their audience, which was primarily Adults age 65+. As a result, overall marketing budgets were reduced by 12% within the first year and 10% the next year.

#### 5. Cost Per Order:

- **Definition:** Measures the amount of dollars invested into a digital campaign and the number of orders associated with the investment.
- **How It Helps:** This is the ultimate measure of balancing quality and quantity. There's one question you're answering here: is your business receiving the return on your marketing investment? We have a cosmetics client that only advertises on social media – primarily Instagram, Twitter and Facebook. We worked with their marketing team to begin content marketing campaigns – we didn't invest any money initially because we wanted to test the market and understand the followers they received. Once we measured their audience's actions who visited the site and the referral channel, we notice much more leads from Instagram. We began posting boosted posts on their Instagram page while keeping a minimal investment in their Facebook advertising.
- **Business Solution:** Optilytics Data strategy here was to ensure that our client invested their dollars in the areas which they were most likely to receive a higher conversion. There are two solutions you're enabling: 1. Mitigate dollars in order to ensure an efficient marketing strategy 2. Place the heavier share of your marketing investment where orders/conversions have a higher potential.

## 6. Conversion Rate:

- **Definition:** Measures the number of visitors and the number of conversions you receive. (conversion is the action your company is looking to achieve such as sales or traffic to your website from an e-mail or digital campaign).
- **How It Helps:** The goal here is to make sure that your visitors actually convert. As we spoke above brand awareness is great – you want your audience to know you exist but you also want to ensure that they purchase your product as well.
- **Business Solution:** This key metric provides you an understanding of whether your brands intended audience is buying the product your company is pushing. Among the many metrics we discuss above, conversion rate is best paired with two metrics. 1. Engagement Rate, people liking and commenting (most important here would be Brand Sentiment and how does your audience feel about you) and 2. Growth Rate. Tying all these metrics together tells a great narrative of your following (potential customers), the demand for your product (Growth Rate), if people are buying your product and how they feel about its benefits (Brand Sentiment). If all of these metrics are negative, prepare for a lower conversion. If they are higher, expect a higher conversion and continuously pay attention so you can optimize over time.

## 7. Net Promoter Score:

- **Definition:** A scale that measures the customer's likeliness to refer your business (Customer Satisfaction).
- **How It Helps:** Businesses want customers and for that customer base to continue to grow overtime. One of the best forms of marketing is word a mouth; consumers tend to trust other consumers reviews more than the word of the company. A great customer experience and a great product equals customer satisfaction. As social media is at the fingertips of most consumers it is imperative that businesses ensure customer satisfaction.
- **Business Solution:** Let's discuss two ways to ensure customer satisfaction. 1. At the end of a sale ask the customer if they had a great experience shopping with your business. If the answer is yes, point them to the Net Promoter Score and ask them their willingness to recommend your company. If not, customers enjoy a personalized experience; send them an e-mail with a discounted or free item. After the customer receives their item, send them an e-mail asking them how they are enjoying their product. Consider having them review your product/service or take a picture and send it your business social media page. This is a way to capture the hearts and minds of potential customers.

## 8. Customer Retention Rate:

- **Definition:** Measures the number of returning customers and their actions (conversions).
- **How It Helps:** Successful businesses live off of a loyal, converting customer base. This helps gauge customer behavior and estimate potential revenue based on previous buying behavior. In a recent case study our client (a luxury apparel brand) wanted to ensure they were giving their loyal customers a rewarding experience. Optilytics Data suggested providing customers upon a purchase, a loyalty identification number. This loyalty ID number would be entered in each time a returning customer makes a purchase. Also, this would allow the customer to retrieve rewards points leading towards discounts and other customer appreciation offers.
- **Business Solution:** Our client was able to successfully track their returning customers and had a better understanding of some customer favorite items which led to conversions to new clientele with similar tastes. Additionally, as consumers enjoy a personalized experience it further increased their loyal customer base.



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Contact Optilytics Data to learn how to best track these metrics or for help with building your analytics program to support your marketing strategy today.

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