HighRoad Solutions™

Guidebook:

Goal Setting & Tracking for Marketing Automation

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Investing in a marketing automation platform is, in itself, transformative from an organizational perspective. It's not just a new product. It's an entirely new way of going to market. Getting your entire organization backing the principles of marketing automation is, all too often, a greater challenge than learning the intricacies of the tool itself.

So how do you instill confidence in the tool that you've justified bringing into your organization?

How do you go about culturally infusing your new platform into your organization?

You Demonstrate the Results

But with an entirely new tool underpinned by new go-to-market philosophies, it can be overwhelming setting goals, let alone tracking them. That's why we've created this helpful guidebook to walk you through the steps of not only building your goals but tracking them so that you have an accurate account of your successes, and the intel you need to make informed marketing decisions.

Building your goals

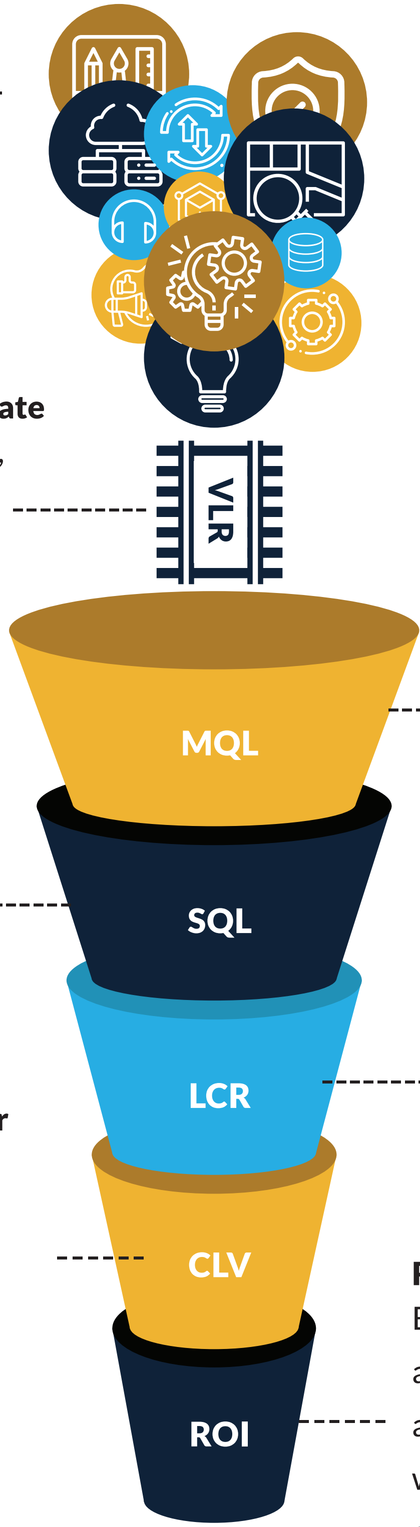
It’s important to note that this guidebook is focused on marketing and sales-enabled campaigns.

Most associations don’t necessarily have dedicated sales teams nurturing leads within the pipeline outside of selling sponsorships and advertising. Still, there’s plenty of opportunity to build channel marketing into your efforts using sales-enabled principles and goals.

For instance, you could run a sales-enabled membership recruitment campaign. Once your leads are qualified, you could set-up your workflow to automatically sends those qualified leads to your chapters, your membership team, or even your volunteers. This, in itself, is a sales-enabled, goal-driven campaign.

With all of this said, if you don’t have a traditional sales team selling your conferences, memberships, certifications, etc., and you don’t leverage your chapters and volunteers as external marketing arms, you can still apply the framework below, with some tweaks.

Anatomy of Inbound Metrics



Visitor Rate
What's your reach?

Visitor-to-lead Rate
Out of your reach, what's the rate you'll get a lead?

Marketing Qualified Lead
Out of the form leads, who's a good persona fit and interested?

Sales Qualified Lead
Who's consistently interested and ready, willing, and able to buy?

Lead-to-Conversion Rate
Out of the leads collected, sales who converts?

Customer/Member Lifetime Value
Those who convert, what revenue do they bring in over time?

Return on investment
Based on revenue assumed over time and campaign expenses, what's your return on investment?

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Breaking it Down into Steps

1 Determine your goal

Your goal is, ultimately, your definition of success. It's a quantifiable conversion that's defined by you. That conversion could be anything from a newsletter sign-up to a paid ad hit, to a transactional exchange like a conference registration. Whatever the equivalent of success is for you will drive the output of your entire campaign.

2 Determine your timeline

Even evergreen campaigns need timeframes so that you know when to measure whether you've achieved success. Once you've determined your goal, identify and document your campaign window. For the purpose of this handbook, this let's use conference registration revenue as our real-world example. Most conference campaigns range anywhere from 6 months give or take a few months depending on the size of the conference, starting with the opening of registration. Let's say our fictitious conference, Getting Goals Conference, runs from:

March 2020 to September 2020

3 Determine your revenue target

Most revenue targets will already be identified based on the budgeted goals for that particular program line. It's obviously up to you and your marketing department whether you want to create stretch goals to exceed your budgeted goal. For the purpose of this effort, let's just stick to your budgeted program line. Your 'Getting Goals Conference' is budgeted to bring in **$10,000 in registration revenue**. For this conference, you can already assume $6,200 given historical perspective and early commitments. That means you need to fill a gap of $3,800 through your inbound marketing efforts.

Target revenue - Assumed revenue = Revenue target

$10,000 - $6,200 = $3,800

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4 Determine conversion value

Now that you know your revenue target, you'll want to identify the average value of your conversion so that you know how many conversions (in this case, registrations) you need to fill that gap. In this instance, the average sale value is $950. This accounts for both member and non-member registrations.

Program category 1 – Program category 2 / 2 = Conversion value

$1,000 (non-member rate) + $900 (member rate) = $1,900 / 2 = $950

5 Determine how many conversions you need

Now that you have the average sales value, you can calculate how many conversions you need in order to hit your target. In this case, how many registrations (at $950 averages sales value) do you need to hit your target of $3,800? You can determine this number simply by dividing the total target ($3,800) by the average sale value ($950). This calculation comes to 4 registrations.

Revenue target / Avg conversion value = # conversions needed

$3,800 / 950 = 4 registrations

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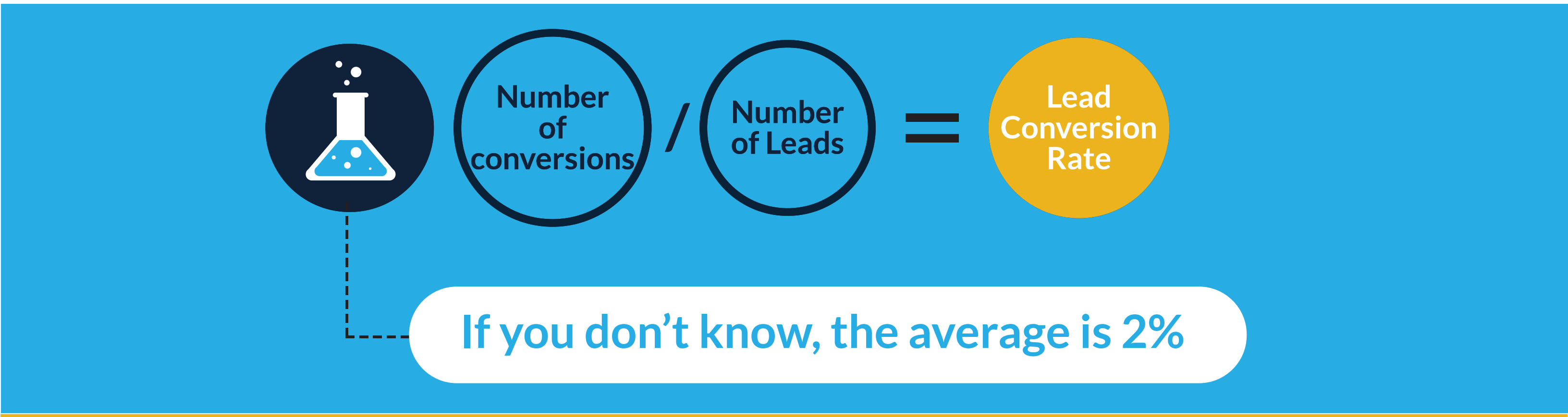
6 Factor in your Lead to Conversion Rate (LCR)

Now that you know that you need 4 registrations in order to bridge the unassumed gap for your budget goal, you need to know your Lead to Conversion Rate (LCR) to determine how many leads you need.

Your Lead to Conversion Rate is the number of leads you've collected to date divided by the number of times your leads have converted. Since this is a baseline metric you may not already have as an organization, you can start with the standard Lead to Conversion Rate for associations which is 2%. Using 2% as your LCR, you would take 4 registrations and divide that by .02 bringing your total to 200 leads, defined by those who fill out a form.

This means, over the 6-month campaign window, you need 33 leads per month to fill out a form. This will help you start to shape your campaign in terms of effort and spend. But, you can quantify this even further by leveraging your website statistics. I'll talk about that a bit further in this guide.

If you're not running a sales-enabled campaign, and you don't know your Lead to Conversion Rate, you'll want to factor in a more than 2% qualifying cushion so that you're accurately meeting your goals. Once you start seeing trends on what leads are converting, you can use that as your LCR number moving forward. The calculation would look something like this:



4 / .02 = 200 leads

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7 Working in a smarketing framework

If you are leveraging a membership team, a regional chapter, or even a volunteer recruitment committee to close conversions, you'll want to use the below framework from this point forward.

Calculating marketing qualified leads (MQL)

Now that you know you need 200 leads to bridge the gap to hit your target, you'll want to build in different qualifying methods so that you're focused on the leads that are most likely to hit your pipeline and, inevitably, convert. Essentially, this means you need more than just the 200 leads and you want to make sure that you account for this cushion in a systematic way.

In order to determine how many MQLs you'll need, you need to know your typical MQL rate (the average rate that you move a general lead to a Marketing Qualified Lead). If you don't know this percentage rate, you can once apply 25% as your standard. This being the case, you'll want to divide your MQL rate by your lead total of 200.

Number of MQLs / Number of Leads = MQL Conversion Rate

Number of leads X MQL Conversion Rate = Total number of MQLs

If you don't know, the average is 25%

200 X .25 = 50 MQLs

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Calculating sales qualified leads (SQL)

Now that you know how many MQLs you need, you then need to focus on the second layer in your qualification process, which is also a shared metric between your Marketing and your Sales team — your Sales Qualified Lead (SQL). The Sales Qualified Lead is critical criteria to weed out the unengaged or unfit and focus on the most likely lead to convert.

To get to this number, you need to know your typical SQL rate (the average rate that you move a lead to an SQL). If you don't know this percentage rate, you can once again apply 10% as your standard. This being the case, you'll want to multiply your SQL of 50 by 10%.

Number of SQLs / Number of MQLs = SQL Conversion Rate

Number of MQLs X SQL Conversion Rate = Total number of SQLs needed

If you don't know, the average is 10%

50 / .10 = 5

So now you're at the point where you know you need 200 general leads in order to hit your target of 4 registrations. Once you spread that number across your campaign window of 6 months, you know you need to bring in 33 leads a month to stay on track.

You should now be in a position to set up your reporting dashboard and allocate the right marketing spend to reach that number. So how do you go about that?

8 Determine your Visitor-to-Lead Rate (VLR)

Now that you know that you need 200 leads to fill out a form in order to hit your desired target, you need to figure out how much web traffic you need in order to get those form fills (leads). You do this by dividing the number of desired leads (200) by your Visitor-to-Lead Rate. The formula for determining what your VLR rate looks like this:

If you don't know your visitor-to-lead rate, the average rate in the US is 5% so let's start with that number. By dividing 200 leads by .05, you can see that you need more than 4,000 visitors to the website. Spread that across your campaign timeline of 6 months, and you're looking at bringing in 667 website visits a month in order to get to your 200-lead mark.

Based on this number, you can determine what website and marketing activity you need to increase in order to reach this number of visitors over the duration of the campaign. Of course, if you have even more specifics about your month-by-month visitor activity (i.e. March activity brings in 5,000 a month while August activity brings in 1,000 a month), you can factor that into your planning for more accurate reporting.

Total form fills (leads) / Total visitors = Visitor to Lead Rate

If you don't know, the average is 5%

200 / .05 = 4,000 visitors

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Mapping your campaign to your goal

Now that you've estimated that you need 4,000 website visits over the course of 6 months in order to reach your goal, you can start building out your marketing spend and effort. For instance, if you have baseline info on how many leads you've brought in from previous campaigns, you can certainly start with that as a benchmark.

If you don't have that baseline info., you'll want to focus on your reach. If you know that only 2% of non-members come to your website, and that your prospect database is only 10% clean (the rest is outdated and has decayed), and that the majority of your revenue goal is composed of non-members, you'll probably want to diversify your channels so that you're casting a wider net—one that goes beyond your member constituents.

Extending your reach

You may want to consider extending your reach through paid advertising, identified social media groups, and/or reciprocal agreements with other organizations, websites, or newsletters.

Ultimately, if you have a gauge on your market share, and you know the combination of channels needed in order to penetrate it, you'll get a clearer view of how to develop a strategy focused on obtaining your leads.

Managing your campaign to goal

Knowing how many you leads you need will help you forecast your success rate, and even adjust tactics, as you move through your campaign. For instance, you may have enough intel on buying patterns that you can identify what months you're going to get an influx of leads (i.e. you typically get more leads and registrations during the month that early bird closes). However, if you don't have optics into these buying patterns, you can simply spread your lead goals evenly across your campaign window so that you're able to forecast where you may come in at the end.

Assuming you don't have baseline info on your buying windows, and you've simply spread your leads across your buying window, you'll start to see where you need to amplify efforts. If you find that you're tracking at 500 leads per month (remember…your general lead goal was 200), you'll know that you're more than likely to exceed your goal. If you find yourself tracking under that amount, you know that you need to amplify and/or adjust your tactics.

Of course, all of this isn't a perfect science. The point in the end is to start tracking behaviors and content consumption through baseline metrics. Once you have those fundamental KPIs in place, every campaign moving forward will be perpetual in nature. As such, your metrics will get more and more precise and valuable, and your successes will follow suit.

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Determining ROI

1

Attribute leads to your campaign

The first step you'll want to take is to accurately attribute your leads to your campaign so that you're crediting your marketing efforts. You can do so using the goal tracking mechanisms outlined in the above 'Tracking conversions for attribution' section.

For the purpose of this effort, let's say you can directly attribute 10 conversions as a result of your campaign.

2

Determine average sales price

From here, you'll want to identify your average sales value for your 10 conversions. Just going back to your conference campaign, you've already that the average sales value for one conference registration is $950. This being the case, you'll want to multiple the number of attributable conversions by your average sales value.

10 x $950 = $9,500 in total revenue

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3 Determine expenses

Now that you know how much total revenue you've brought in from your campaign, it's time to calculate the expenses associated with that campaign.

Total expenses could include:

- Paid advertising
- Any design-related work (i.e. landing pages, email templates, etc.)
- Staff-related work (if you're working with an outside vendor)

4 Determine your ROI

Let's say in this scenario, you've taken out $1,000 in paid advertising and you've paid an external design firm to create your landing page and email template, to the tune of about $500. Total related expenses would be $1,500.

From there, you simply need to subtract your total expenses from your total revenue to determine your total return on investment.

$9,500 - $1,500 = $8,000

5 ROI & Member (Or Customer) Lifetime Value

When it comes to associations, drawing ROI based on a customer's time spent with that organization is a best practice. Customer Lifetime Value (CLV) or Member Lifetime Value (MLV) is a measurement of the total expected revenue from a customer or member over their entire relationship with that particular organization.

For associations, this translates to the total expected revenue (membership renewal, conference registrations, certifications, eLearning programs, etc.) from one member over the course of his/her membership span.

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For organizations with more diversified revenue models (not banked entirely on conference and membership dues revenue), they may choose to track by customer rather than member.

For the purpose of this effort, I'm going to use member as the key relationship metric. On average, members stay with organizations anywhere from 2-3 years but this can fluctuate based on the member and the organization. Knowing this rate is critical to identifying true ROI for your conversions. In cases where you don't know this baseline metric, you can use the 2-3 year mark as your benchmark number.

Stepping away from the conference registration example, let's focus on a membership recruitment campaign. Let's say we're running a recruitment campaign with a 4-month reporting window. That means, even if it's an evergreen campaign, you're going to stop and analyze your marketing efforts at the 3-month mark.

After 3 months, you convert and attribute 10 net new members as a result of that campaign. The average member value is $500. If you were identifying your total revenue attributable to your campaign, you would simply multiply your total number of converted members by the average member value.

10 x $500 = $5,000

But this number will only get you so far. Once you've been able to identify the conversions tied to your particular campaign, and you assign the appropriate price tag associated with obtaining those net new members, you want to calculate the expected revenue as a result of that earned net new member. This metric is your Customer Lifetime Value (CLV) or, in the association sphere, Member Lifetime Value (MLV).

Ultimately, if you have a gauge on your market share, and you know the combination of channels needed in order to penetrate it, you'll get a clearer view of how to develop a strategy focused on obtaining your leads.

6 Determine Member Lifetime Value (MLV)

Member Lifetime Value is critical component of your marketing ROI because it demonstrates the full picture of what you can expect from your earned member. Think of it as projecting your member's transactional experience with your organization.

Going back to the membership recruitment campaign, if you've successfully attributed 10 memberships as a result of your 3-month campaign window, you can apply the following calculation to get to your Member Lifetime Value:

Here's how you get to these numbers:

Calculate average order value: Calculate this number by dividing your organization's total revenue over the course of one year by the number of purchases over the course of a year.

› For example, $500,000 / 500 purchases = $1,000 average order value

Calculate average purchase frequency rate: Calculate this number by dividing the number of purchases by the number of unique customers or members who made purchases during that year.

› For example, 500 purchases / 250 customers or members = 2

Calculate member value: Calculate this number by multiplying the average purchase value by the average purchase frequency rate.

› For example, $1,000 x 2 = $2,000

Calculate average member lifespan: Calculate this number by averaging the number of years a member or customer continues purchasing from your company.

› For example, 3 years

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Calculate MLV: Now that you know the expected revenue for one net new member over the course of 1 year, you can multiply that by the average number of years a member would stay with your organization.

7 Calculating ROI Based on MLV

Now that you know that, for one net new member, you can expect $10,000, you can calculate your ROI based on the number of net new members you've attributed to this campaign and your expected MLV revenue. Remember, from our example, we were able to attribute 10 net new member conversions to this campaign. So, the calculation would look like this:

$10,000 x 10 = $100,000

Now, you know the total attributable revenue for your 4-month membership recruitment campaign, you'll want to determine your expenses. Let's say your total expenses for this campaign are isolated to paid advertising:

Calculate Total Expenses

- LinkedIn Paid Advertising = $500
- Google Paid Advertising = $750
- Design of content asset = $250
- Reciprocal Association Advertising = $0

= $1,500 in total expenses

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Now that you have the total expenses associated with your member recruitment campaign, you can subtract that from your Total Revenue based on Member Lifetime Value.

$100,000 - $1,500 = $98,650

So, you can see, reporting out on ROI for MLV (or CLV) versus reporting out solely on ROI is a more realistic way to look at the true value one lead, and ultimately one conversion, can bring to your organization.

Calculating ROI based on Member Lifetime Value is the truest representation of your marketing wins.

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Collecting baseline metrics as your goal

By now, you know that having baseline metrics is important. Identifying patterns and benchmark data that you can iterate on as you launch campaign after campaign is fundamental to goal setting. And key to tracking conversions.

Still, not all campaigns are designed with conversion metrics in mind. Some campaigns are built with explicit intent to simply establish baseline metrics. Insight-based campaigns like this still work off a goal but tend to have zero conversion value. While a transaction may come about as a result of the campaign, the goal of the campaign is primarily to collect information. In this sense, the insights collected from the campaign are your currency.

Defining insight-based goals is less about calculations and more about isolating what you want to learn. For every campaign, you'll want to focus in on the information you want to collect so that you're getting clear and intended reporting. The following are insight categories you'll want to choose from depending on what you're looking to get out of your campaign:

Marketing Campaign Insights

1. Persona-based

- Validate your persona assumptions
- Round out what you know about your audiences
- Refine your content mapping

2. Content-based

- Validate your content strategy assumptions
- Test what content works with what audiences
- Determine what marketing content and/or programmatic content resonate the most

3. Channel-based

- Map channels to audiences
- Refine channels (i.e. identify specific LinkedIn groups to be leveraged)
- Test paid advertising

Measuring success is an ongoing process of learning and refining based on your goal.

Remember that you can issue campaigns for the sole purpose of collecting baseline metrics. However, collecting insights overall it an iterative process. There's no defined start or stop to the process. For every campaign you launch, you're inherently collecting intel to help further refine your marketing, and in some cases, your programming.

Tracking your goals

Tracking your goal is one of the biggest challenges in the association industry. With so many tracking options out there, it's difficult to set protocol or, in some cases, even have the confidence in the numbers you're tracking.

Fortunately, marketing automation is built to integrate and track all channels in a singular yet malleable way. Roughly translated—it's intelligent enough to track the entire journey. The challenge often then comes down to execution.

Three ways to measure

- **Measure by engagement**

  Track by likeliness to convert for a specific campaign or for all campaigns.

- **Measure by value of conversion**

  Attributing actual conversion whether registration, membership application, product form, etc.

- **Measure by return**

  Determine ROI based on total conversion value and/or a customer's (i.e. member's) lifespan.

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Ways to track and measure your journey

Engagement Measurement Tools

Most marketing automation platforms will have the following functionality to measure engagement:

Lead Scoring

Assess your user's ongoing, comprehensive engagement with your organization. This is typically captured in a point system whereby you're defining the lead scoring principles based on content consumption and behaviorally-based activities.

Lifecycle Stage (also known as Life-of-the-Lead)

Assess your user's readiness to buy or act on a particular campaign, program, or product. These metrics include Marketing Qualified Leads and Sales Qualified Leads, etc. Once again, you're defining the actions taken to move your users from once Lifecycle Stage to the next within your campaign

Predefined Platform Engagement Thresholds

These are tiers built within the marketing automation platform itself that identifies when a contact is continuously unengaged according to pre-set system criteria. Often this measurement is used by the platform provider's compliance team to regulate proper use of the platform. Misuse of the platform can ultimately lead to damaged sending reputations. See more about ways to preserve your sending reputation.

Conversion Measurement Tools

Most marketing automation platforms will have the following functionality to measure conversions. In some cases, the functionality is dependent on the data integration between the

UTM Codes

Measures the success of your campaign. Did they hit a page with a specific tracking code. For instance, if they hit your registration confirmation page.

Cart or Conversion Capture

Once a user enters your cart, you can send reminders and track and final conversion.

Synced Views

If your data is integrated, you can set-up views (i.e. living lists like registration lists) that you include in your workflows so that you're automatically identifying conversions.

Campaign Builders and Trackers

Built in campaign builders within your marketing automation platform so that every interaction is measured. Typically, you'll be given the option to identify what touchpoint should be considered as the procuring cause for conversion (i.e. first touch, last touch, multiple touches).

Return Measurement Tools

Most marketing automation platforms will have the following functionality to identify either the value or the value of the lead, or both so that you're able to directly attribute the overall value

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Analyzing & Reporting on Results

Once you've worked with the key stakeholders to build your mutual goals, and you've set-up your dashboard so that you have standardized reporting throughout your campaign, you'll want to make sure you have routine touchpoints for reporting. We, at HighRoad, recommend the following recurring meetings:

Weekly basis - Internally check your campaign so that, from a marketing perspective, you're constantly keeping a pulse on your marketing efforts and making adjustments as needed.

Monthly basis - Reporting out to your program managers at high level. This is a high-level overview where you're reviewing:

- Where your numbers are to date compared to where they should be
- What intel you're getting so far (i.e. this content is resonating more than this content)
- What adjustments (if any) are being made to bridge the gap between goal and reality

As your campaign gets further down the line and you're not seeing incremental changes, you may need to start justifying a goal adjustment. The trends and patterns in your marketing efforts should help you do this.

Quarterly basis - for event-specific reporting, your event timeline will already dictate your wrap-up analysis. For more evergreen budget lines like membership, certifications, etc., you may need to build in quarterly touchpoints where you can stop, assess your numbers and your efforts, and apply your learnings to the next campaign window.

Smarketing Reporting

If you're leveraging a smarketing model whereby you're working with your sales team to close leads, you'll want to develop a Standard Operating Procedure (SOP) around closed-loop reporting. This is standard meeting where you'll open discuss the quality and the status of your leads. Specifically, it's where both the marketing and the sales team will commit to answer the following questions on a routine basis:

- Are our leads a fit?
- Are our leads actionable?
- Does our content support the journey?
- Are our metrics effective?
- Which of our campaigns gets more traction?
- What barriers are we hitting with prospects?

While there are a number of reports that will help guide the conversation, here are a handful of staple reports to consider in support of these conversations:

- Daily leads waterfall graph comparison against your goal for the month.
- Categorize your new leads by status and quality.
- Monthly campaign attribution and content reports.
- Lead follow-up reports.

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