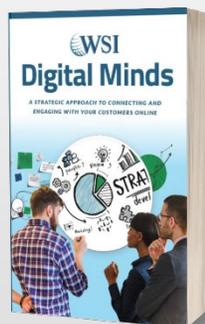




DIGITAL MINDS CHAPTER 12

TRACKING INSIGHTS THAT MATTER

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The following is a chapter from WSI's 3rd book, *Digital Minds: A Strategic Approach to Connecting and Engaging with Your Customers Online*. If you'd like to reach the book in its entirety you can purchase a copy on Amazon.com here:

<https://bit.ly/wsibook3>

It's not always easy to put data to use.

When it comes to making the most of their insights, too many businesses fall into familiar traps that limit the impact of their existing data and stand in the way of them making informed marketing decisions.

There are plenty of ways to do data wrong, but these traps generally fall into three camps:

- Tracking marketing data, but doing it incorrectly.
- Tracking marketing data, but not tracking the right things.
- Not tracking marketing data at all.

If your problem is that you aren't keeping track of relevant insights at all, then you know where you need to start. But how do you make sure that you're measuring the right things and tracking them in the right way? And equally important: how do you turn those insights into action?

Of course, tracking data isn't just about guiding next steps. Marketing is an industry of results — you have to be able to show progress, whether it's to a client or to your company.

And sure, sales are critical, but they're not the only metric that matters, particularly when it comes to succeeding in today's highly-competitive, highly-diversified digital marketplace.

In this chapter, we'll go over all of the basics that you need to know to set your data priorities straight. This includes the building blocks of putting together an insight-driven marketing plan, as well as a range of tools that can make all of this data-diving a whole lot less daunting.

Let's get started.

Defining Business Goals

As we've discussed in the previous chapters, long before you start to dig into any data, you need to define what you're trying to achieve.

The reason for this is twofold:

1. Brainstorming objectives is a great way to start narrowing down the data playing field into manageable pieces.
2. You can't improve your marketing efforts if you don't know what you're trying to grow in the first place.

All businesses have goals above and beyond just coming out in the black each quarter. Marketing is about making money, but it's also about building brand awareness, bolstering brand identity, bringing in new business, and nurturing relationships with existing customers.

As a marketer, you need to fully understand not just the reason your business exists in the first place, but the key initiatives that are driving growth on all fronts. After all: how do you build a roadmap if you don't know where you're trying to end up?

To help you get started, here are three best practices to keep in mind as you work to define the business goals that will, in turn, guide your marketing and data-gathering efforts.

1. Start with Revenue

Okay, we know we said that revenue isn't *everything*, but it is the ocean into which all of your marketing efforts (hopefully) stream. And as such, it's going to be your jumping-off point for setting the rest of your business goals.

Ask yourself: How much money do you need to earn your business through your marketing campaign? Then start to do the math.

Let's say your company wants to do \$1,000,000 in revenue for the year. Pre-campaign you're at \$600,000, and you have \$200,000 in guaranteed sales that will close before the end of the fiscal period. That leaves you with another \$200,000 to earn through inbound marketing.

So what does \$200,000 look like in conversions? If the product you sell costs consumers \$500, then you need to bring in 400 more customers. And if your standard closing rate is 30%, you'll need to generate about 1,350 sales qualified leads.

By starting with revenue, you help put distinct values on other key conversion metrics. It won't help you define all of your goals, but it will help you prioritize your objectives.

2. Aim for Clarity

Avoid setting broad goals like "increase Instagram engagement" or "reach more local buyers." You want to define your goals as precisely as you can, with hard lines that you can measure against.

For example:

- "We want to gain 10,000 more opt-in subscribers for the newsletter" instead of "We want to grow the newsletter email list."
- "We want our homepage to rank in the top three of organic search spots on Google" instead of "We want our homepage to rank higher."
- "We want to have 1,000 new clients sign up for our free demo" instead of "We want more demo sign-ups."

The difference is in intent, but it's also in measurability. In the next section, we'll get into how to turn your well-defined goals into data points that you can track, analyze, and learn from.

3. Be SMART

SMART is an acronym used to help marketers best define their business goals. As you're brainstorming goals, run each one that you come up with through the following test to see if it's actionable and attainable.

S – Specific. Your goals should be clearly defined, and they should be easy to communicate to others. You should be able to explain, in precise terms, what each of your goals are and how they relate to your overall business objectives.

M – Measurable. Your goals should lend themselves well to data analyzation. You should be able to track them in real time, and you should know right away when they've been met or when you've failed to deliver.

A – Achievable. Your goals should be realistic. Don't aim low, but don't let your goals get out of control, either. If your company made \$1,250,000 in revenue last year, for example, don't base your goals around making \$4,250,000 this year. You want your team to feel inspired, not that they have an impossible mountain to climb.

R – Relevant. Your goals should relate to your big-picture intentions. Brand awareness is important, but you should be able to connect most — if not all — of your goals to true sales objectives.

T – Time-Bound. Your goals should have a designated start and end date. Working from a timeline is necessary not just for defining your goals but for measuring them. It will also help you stay consistent with your tracking methods (more on that later).

If a goal doesn't pass the SMART test, try to rework it until it does. If no amount of redefining gets it to where it needs to be, drop it, and focus on the business goals that you know will help move your business forward in clear and concrete ways.

Connecting Business Goals to Data Points

Having goals is pointless if you don't put in place a meaningful way to track them. Tracking data that isn't connected to a business goal is equally futile. Just as you need to put in the work to define what your goals are, you need to determine how you're going to turn those goals into key performance indicators (KPIs) that you can measure for useful insights.

Think of your KPIs like various scores on a leaderboard. To ace the game, you need to meet — or better yet, beat — those scores. And because those KPIs are tied to specific business goals, you have a very real incentive to work hard and excel.

Clear KPIs make it easier to guide your business where it needs to go. Your entire team needs to be able to visualize what success looks like, and it should be easy to tell when you've met them, as well as when you've fallen short.

Establishing Your KPIs

What do you want to measure? Even within each of the business goals you've set out, there may be more than one KPI you can track. Your job is defining what those are and set a benchmark that you can work toward.

To show you how it's done, let's start with something every business likely has as a goal: lead generation.

As previously discussed, your goal should be as narrowly defined as possible. Let's say then that, based on your revenue and growth goals, you're aiming to pull in 800 qualified new leads with your marketing efforts. From there, you'll have a few different ways to measure whether (and how) you get there, all of them providing equally beneficial insights.

- Total number of new qualified leads brought in
- Cost per acquisition of each new lead
- Percent of marketing qualified leads
- Percent of sales qualified leads
- MQL to SQL rate, i.e., how many marketing qualified leads you were able to turn into sales qualified leads
- Conversion medium, i.e., percent of leads that came from your website vs. email marketing vs. social media, and so on

You may choose to measure just one or two of these metrics, or you may decide to measure all of them. You may also have other KPIs related to lead generation that aren't listed here but that provide value to your business.

What Makes a Good Data Point?

Use the same SMART litmus test you used for goals for evaluating each of the KPIs your team comes up with. If your business goals are specific, measurable, achievable, relevant, and time-bound but your KPIs aren't, your insights are going to fall flat.

Beyond these parameters, there are other things to keep in mind when setting your data points. Here are three of the big ones to consider.

They're Formed Directly from Your Goals

It may be interesting to learn what percent of your opt-in email subscribers prefer Pepsi over Coke. But unless you're trying to market one of those sodas to them, it's information you don't need.

Your KPIs should flow straight from your goals. If there's a KPI you want to measure that doesn't, go back and define what goal that particular metric will help you achieve.



They're Not Open to Interpretation

There shouldn't be any question about what you're trying to measure with a KPI. Nor should it be unclear what goal or goals a KPI is designed to support. If you leave wiggle room in the interpretation of your KPI, you reduce its impact.

They Answer a Question

Again, this goes to the point that just because a KPI is interesting doesn't mean that it's relevant. The purpose of marketing analytics is to provide answers to questions that you wouldn't be able to figure out otherwise. Aim for KPIs that are unequivocally useful in the insights they provide you with.

Grouping Metrics for Deeper Insights

You're probably going to notice some overarching groupings in your to-be-measured data points. Leads, which we just went over, is one of the big ones. But it's not the only one.

Divvying up your metrics into various pools is useful because it helps you segment your KPIs. In the earlier KPIs example, each of those bullet-pointed metrics falls into the "lead generation" pool. That makes it easier to see how they work together and where the gaps are in your marketing efforts. It's also useful for benchmarking yourself against competitors in your industry.

Some KPIs may fall into more than one group. Take the conversion medium KPI, which could apply to leads but could also apply to new customer acquisition and website metrics.

Not only will you clarify where you're performing in terms of data analytics, but you'll also impress the higher-ups when it comes to the many practical lessons and insights you can pull from your measurements.

Tracking and Analyzing Meaningful Data

After your goals are defined and then assigned to meaningful data points, your next step is to ensure this data is tracked and analyzed correctly.

The insights you glean aren't *just* about identifying successes and failures in your marketing campaigns. When tracking is implemented properly, it almost always illuminates an undeniable path to improvement. And that provides even more value than just knowing where your faults lie. It's this ability to turn data into actionable steps that truly makes tracking your KPIs so essential.

One big thing to note when it comes to measuring your KPIs: you've got to *keep it consistent*. Consistent tracking and reporting are necessary if you want to find patterns, understand trends, and make recommendations for campaign adjustments.

Consistency is also beneficial for testing purposes. The more relevant, well-defined data points you have, the more experiments you can undertake to tweak your best practices and isolate the issues that may be causing less than optimal outcomes.

Tools for Measuring KPIs

If the idea of doing all this math has your head spinning, you're in luck. There are plenty of simple tools and strategies that you can use to get your business involved in the tracking process without feeling lost or overwhelmed.

The internet offers a wealth of platforms that will measure your KPIs for you. You'll likely want to use more than one tool to get the complete picture. So try to build a suite of data-tracking software that can tell you everything you need to know.

These tools are a good place to start.

Google Analytics

The leader in the data-tracking game. The chances are high that your business is already using Google Analytics in some capacity. And if you're not, you've probably at least heard of it.

With Google Analytics, you can track various conversions related to your website and your sales all in one place.

- Track website visitors and their behaviors
- Track goal completions, such as form submissions and demo requests
- Track movement through all steps of your ecommerce funnel

Google Analytics also provides you with a one-stop-shop for connecting your various campaign efforts, including Google advertising, email marketing, and social media. Compare conversion rates across channels, in particular, who's coming to your website and from where. These metrics matter almost as much as tracking what they do once they get there.

Google Analytics is especially useful for tracking revenue-based metrics. Ideally, you'll be able to take the data provided through the platform and use it to deduce everything from cost-per-click and cost-per-conversion to your overall customer acquisition cost.

Google Ads

If you're investing in pay-per-click advertising through Google, you can link your Google Ads account with Google Analytics to track and measure even more KPIs. These measurements will be specific to your PPC campaign, but you can learn a lot about your overall performance as well.

- Track the ROI of your PPC ads — per ad, and per click
- Track your clickthrough rate
- Track the efficiency of certain keywords and phrases
- Get further insight into the numbers behind your Google Analytics performance metrics

If you're already using both platforms, link them together to maximize your measurement capabilities. And if you're just using Google Ads, get started with Analytics so you can combine the two tools and learn more about what you need to know.

Facebook Ad Manager and Insights

Social media can be tricky to measure. Not all platforms are equal in terms of the built-in analytics tools they offer. With algorithms changing all the time, it's easy to get confused about what's working and what's not.

Fortunately, Facebook's analytics game is strong. If you're using the platform for social conversions, take a deep dive into their Ad Manager and Insights tools, and you'll see that a lot of the tracking work is done for you.

A large part of the utility of Facebook Ad Manager and Insights comes down to segmentation. Instead of merely offering high-level metrics, Facebook allows you to segment your queries and view data on several narrowed down KPIs.

- Track the conversion rates of your ads
- See who's engaging with your brand, how they're engaging, and when they're engaging
- Track benchmark comparisons with your competitors
- Track which parts of your Facebook feed are driving traffic to your site

Use Ad Manager and Insights together for the most data tracking. If you're only using Facebook for organic engagement, you'll still get a lot of information from Insights alone.

Heatmaps

Heatmaps are a functionality of various different tools and should be a part of your tracking strategy. Much like a satellite weather map, heatmaps show you where the action is happening on your webpages and what that action looks like. When used in conjunction with other analytics tools, they help your business flush out a fuller picture of the nuances behind certain KPIs.

- Track user behavior, including where visitors to your site are scrolling and clicking
- Track how long certain webpage elements hold visitor attention
- Track desktop performance versus mobile performance

Heatmaps can help you answer some of the larger questions related to your KPIs. For example, look for patterns across people who abandoned their carts. Figure out if there's valuable content on your page that visitors aren't seeing, and identify if there are any backend issues that are causing problems.

SEMrush

In addition to serving as a highly sophisticated SEO tool that you can use to optimize all of your written content, SEMrush also offers great competitive tracking across some of your most critical metrics.

- Track data surrounding website traffic
- Track keyword rankings and keyword performance
- Track social media activities
- Track user engagements

Think of SEMrush like a two-for-one tool: you get expert SEO guidance for your marketing content—including blog posts, social media posts, and emails. Plus, you get some cool website and social analytics features as well.

Making Purposeful Changes

As you've gone through this chapter, you may have noticed that tracking the insights that matter is a linear process. Each step builds on the other, meaning that if you err at one stage, you risk missing the mark entirely—often without even realizing it.

To keep you on track, here's a look at the process you'll want to follow to maximize your analytics efforts.

Step One: Define Your Business Goals

Set your goals and make them SMART: specific, measurable, achievable, relevant, and time-bound.

Most of your business goals will probably be closely tied to revenue; specifically, the actions and conversions that either make or break your bottom line. But don't forget to set goals that also help you do better in other ways, even if they're not directly tied to making money. Growing your opt-in subscriber list, getting more engagement on social media, and increasing how many blog posts you publish per month might not grow your revenue in the short term but should eventually lead to more sales.

Step Two: Turn Your Goals into Metrics That You Can Measure

Each goal that you set for your business is going to filter down into one or more KPIs. And these KPIs have to be SMART, too. They also have to be incredibly specific and ironclad in purpose.

For organizational purposes, and to help you more easily track patterns in your metrics, group your KPIs into pools that speak to their utility and subject matter. Many KPIs will fall into more than one of these pools.

Step Three: Track and Analyze Your Data

Here's where it all comes together. Once you've established your goals and your KPIs, you can get to work measuring them and analyzing what you find. Don't feel like you need to do all of the hard work yourself. There are plenty of tools out there that can integrate with your site and help you gather the data you need and turn it into actionable measurements. From there, use your marketing expertise to evaluate where you need to make changes and where you should keep going with a particular strategy.

Equally important as following the process in the right order is following it consistently. This should be easy to do if you set up the backend tools that monitor metrics automatically for you. Be sure to check on them regularly so that you can identify problems at their earliest stages and implement fixes where necessary.

And of course: stick to the process itself, no matter how trivial it may seem. Remember, making the most of your metric insights isn't an easy task. It isn't always intuitive either. However, if you abide by the script and measure the data points that bring the most value to your business, you have the potential to add significant gains in terms of progress, revenue, and marketing efficiency.

TIP: If you want to improve your digital analytics and leverage some of the additional resources we have on this topic, visit www.wsiworld.com/book-resources to access them.

About the Author

Andreas Mueller-Schubert



Andreas' educational background is in Marketing (MBA) and Engineering (MSc.Eng), and he held senior management positions in the internet industry for over 20 years. As General Manager at Microsoft and Siemens, he managed multi \$100M global businesses, executed several acquisitions, and drove innovative IP based solutions to global market leadership. Andreas has always been passionate about internet-driven business model innovations and the new opportunities this creates every day. Analyzing data, understanding the competitive landscape, and creating successful marketing strategies have always been his strength. This has enabled him to deliver well-performing growth plans for his previous employers and now, for his WSI clients.

About WSI

For 25 years, WSI has been providing digital marketing services and comprehensive marketing strategies to businesses of all sizes and across various industries. We are the largest network of digital marketing agencies around the world.

We are a full-service digital marketing agency that helps elevate your online brand, generate more leads and sales, and improve your overall marketing ROI. Our Digital Marketing Consultants use their knowledge and expertise to make a difference for businesses all around the world.

We don't believe in the "one-size-fits-all" approach to digital marketing. Instead, we take the time to understand your organization and customers so we can recommend a strategy based on your individual business needs. When you invest in any of WSI's digital marketing solutions, you'll have some of the top minds in the industry, contributing to your goals and vision.

You have a vision for your business. We can help make it happen. Reach out; we're happy to help.

