

# The essential guide to aligned marketing measurement



# Best practices for measuring results

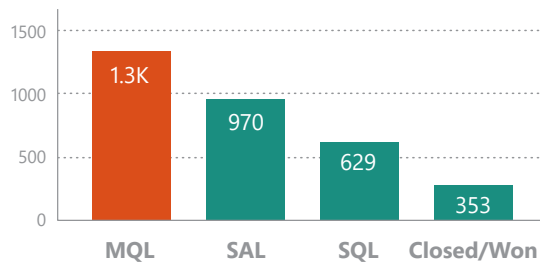
Today's marketers face mounting pressure to prove the contribution of their activities and efforts. Unfortunately, most marketing reports confuse activity with impact, focusing on irrelevant metrics—such as blog comments and social media followers—that ultimately undermine the value of marketing. This misguided reporting is further complicated by attempts to tie these marketing metrics to the metrics reported by other areas of the business, namely sales and product marketing.

The Aligned Measurement framework from SiriusDecisions allows you to create alignment around all three groups.

When marketing, sales and product marketing are aligned around measurement, the organization can move from misleading reports and metrics to valuable ones that deliver accurate performance measures and insights. Read on to learn how to measure the results of your efforts around lead nurturing through the SiriusDecisions Demand Waterfall®.

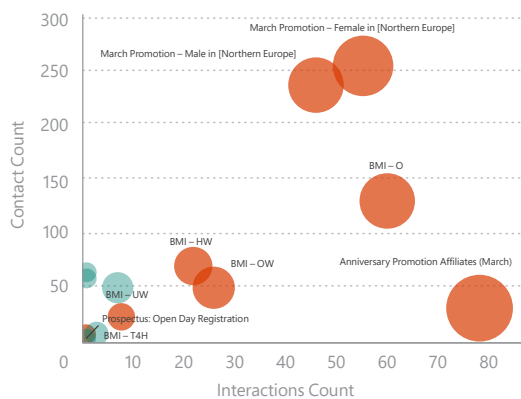
# The aligned measurement framework

## Sales Readiness by Scoring Grade

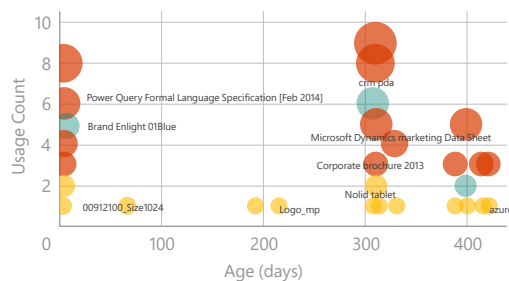


## Lead Per List Segment

See segments with their amount of Leads and Interactions relative to the list size



## Usage by Age (days)



According to SiriusDecisions, the first step toward aligned measurement requires distinguishing between what is done and the results produced:

- What happened?
- How does that compare with what we expected?
- Why did we perform that way?
- What do we need to fix it?

Using the SiriusDecisions Aligned Measurement Framework, marketing, sales and product can measure more effectively, while demonstrating their combined impact. In fact, the framework can improve three areas:

- **Connection.** The framework drives clarity around what is being measured.
- **Perspective.** The framework encourages common definitions for factors associated with metrics, such as industry, lead, and territory.
- **Hierarchy.** The framework accounts for the filters people throughout the organization need to view the metrics that matter to them.

The Aligned Measurement Framework revolves around a five-level hierarchy that organizes measurement reporting so it can be easily consumed by roles at different levels of the organizational hierarchy (see next page).

# The aligned measurement framework

1. The **organizational summary level** summarizes how marketing, sales and product are contributing to the overall business (e.g., growth, revenue, market share).
2. The **program level** shows the impact of marketing, sales and product activities on major programs (e.g., reputation, demand creation, sales enablement).
3. The **functional level** describes the performance of departments within marketing, sales and product. For example, within marketing, you could measure how those responsible for events performed—e.g., how many events they put on and how efficiently they spent their money.
4. The **tactic-type level** measures the performance of all tactics in a particular category—for example, all webinars, emails, handbooks, demos, outbound calls or events. For instance, lunch-and-learns and breakout sessions would be tactic types within events.
5. The **tactic level** measures individual tactics, such as a trade show.

## Like Organizations, Measurement Requires Hierarchy

Although businesses are drowning in performance data, measurement must be aligned with the organization structure to be meaningful.

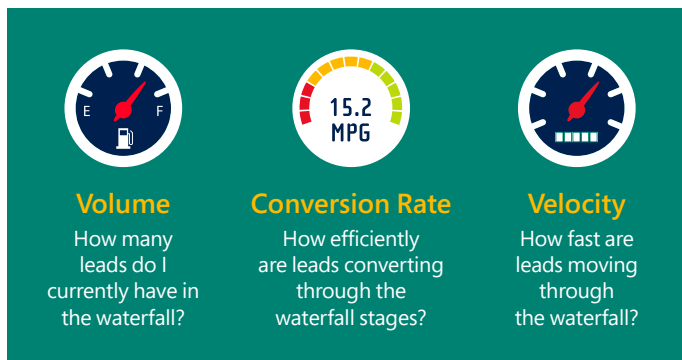


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Most marketing organizations can report on tactics and tactic-type information, and might be able to give function information. However, they often then jump from there to the impact of their contributions. The measurement framework helps connect all these interrelated elements.

# Which metrics matter?

One of the biggest problems in measuring marketing's contribution is to focus on activities or return on marketing investment (ROMI). Metrics help separate activities from output and impact. They also help marketing zero in on the areas that can be tweaked for maximum impact, namely, the following waterfall metrics:



Metrics that are actionable alternatives to ROMI:

- **Activity.** Measurements around activities—such as emails—intended to help you deliver an output.
- **Output.** This metric measures how well you are delivering outputs such as marketing qualified leads or sales qualified leads, and could be a conversion rate.
- **Impact.** Measures against specific business goals, such as revenues.
- **Readiness.** You must have a state of readiness in some cases in order to proceed to the next step, and this metric measures that readiness state. For example, if your database hasn't been cleaned, de-duped, etc., then you won't be ready to send your email campaign. Or, if you want to run a mobile marketing campaign but don't have an SMS database, you're not ready.



## Which metrics matter?

The key is to tie all these metrics together so that all activities and outputs are helping you achieve targeted goals.

### Metric Class: Defining Measurement Units

The first step toward aligned measurement requires distinguishing between what is done and the results produced.

| Class     | Measure  | Description                    |
|-----------|--|--------------------------------|
| Impact    | <ul style="list-style-type: none"> <li>• Revenue</li> <li>• Market Share</li> <li>• Profit</li> </ul>                | Effects against business goals |
| Output    | <ul style="list-style-type: none"> <li>• Inquiries</li> <li>• Proposals</li> <li>• Demo requests</li> </ul>          | Direct results of actions      |
| Activity  | <ul style="list-style-type: none"> <li>• Email sent</li> <li>• Calls made</li> <li>• Requirements written</li> </ul> | Counts of actions taken        |
| Readiness | <ul style="list-style-type: none"> <li>• Database size</li> <li>• SLA compliance</li> <li>• Skills</li> </ul>        | Preparedness to perform        |

Marketers should shift their focus from justifying individual tactics to exploring which

combinations  
and sequences  
of marketing  
touches

are predictive of successful outcomes.

# Examples of metrics in play

Many organizations credit the sales team with driving all the business impact (i.e., revenues); but the reality is that marketing and product also contribute. And by tracking relevant metrics, you can measure the value of that contribution.

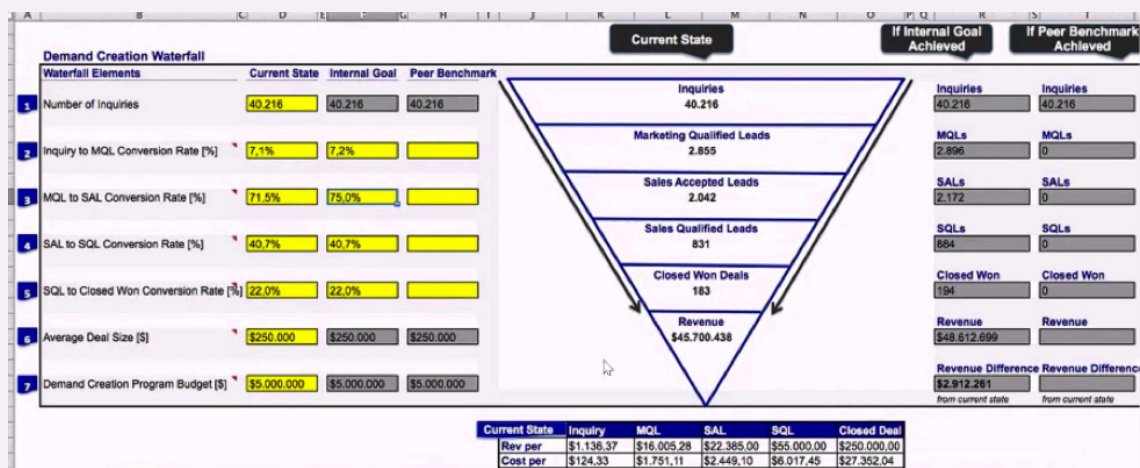
Assume your organization wants to develop personas in order to deliver more relevant information and better engage prospective buyers.

The product group is conducting the necessary research to develop the personas. Activity measures are the amount of research being conducted and the number of personas being researched. Once the product group develops a persona, that's output. Once a certain number of personas are defined, you've hit the state of readiness where those personas can be passed to marketing as the basis for running a series of tactics. If they result in marketing qualified leads (an output), that can trigger sales to write proposals and launch a telemarketing blitz (activities). That can then trigger activities in sales to write proposals and launch a telemarketing blitz. Ultimately, sales qualifies these leads (an output) and

closes some of these deals (that's an impact).

Or perhaps your marketing team is tasked with helping the organization increase revenues by 10% this year. Last year the company generated \$100,000,000 at an average order value of \$500,000. To hit the 10% increase, marketing will run a series of campaigns and programs intended to drive 20,000 inquiries, which it will nurture to deliver 5,000 marketing qualified leads (MQLs) to the sales team. It expects 3% of those to convert to sales qualified leads (SQLs) and will deliver sales enablement tools to help 1.5% of those convert to deals. That would yield 22 deals or \$11,000,000 (impact).

It's a value chain: activity, output, activity, output, activity, output, impact. This value chain helps stabilize what is being measured and recognize that the last two steps in the value chain (i.e., last-touch attribution) aren't the only activities that took place to drive the impact of revenues. It also helps marketing connect the dots from first inquiry all the way to closed deal. In other words, it shows marketing's contribution to pipeline and revenues.

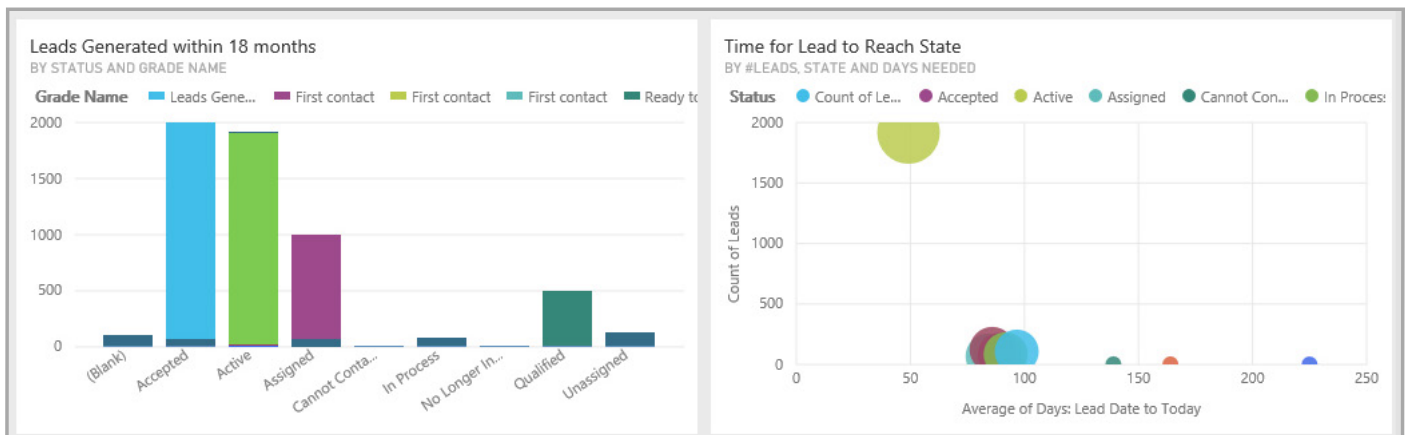




# Measuring campaign performance

To measure marketing's performance, we can evaluate impact/return on spend. The first step is to look at summary data for a campaign: what the campaign has achieved in terms of its objectives. Then look at the performance of the individual programs inside the campaign to see how well they're doing. Next look at the tactics within the individual programs.

Breaking it down along those lines gives you the ability to report on activity-based data that rolls up to the campaign and to impact-based activities, such as contribution to pipeline or shortening of the sales cycle. You can even correlate these tactics to perform regression or touch analysis and determine which of these tactics are more frequently associated with deals. This enables marketing to come up with a rational basis for budget allocation going forward.



Sample dashboard reports

## Stop the Us vs. Them Positioning

Sometimes marketing and sales pit themselves against one another, claiming that they are responsible for demand creation—or conversely, blaming the other for failing to create demand. The true goal is for these functions to align around the common goal of driving the most amount of revenue in the most efficient manner.

# Driving higher impact

As mentioned earlier, marketing can make strategic plans to deliver impact. Here are some of the levers marketing can manipulate for better results.

- **Increase inquiry velocity.** Allocate greater budget to demand generation to drive more inquiries into the waterfall.
- **Accelerate pipeline movement.** Marketing can sequence tactics to move leads through the conversion stages faster.
- **Lower the cost of leads.** Optimize efficiency around generating inquiries for lower lead cost.
- **Drive a higher order value.** Marketing can run campaigns to boost brand perception and reputation, creating a vision of a bigger solution rather than separate products and services. It could also train the sales force to focus on solutions rather than individual products.

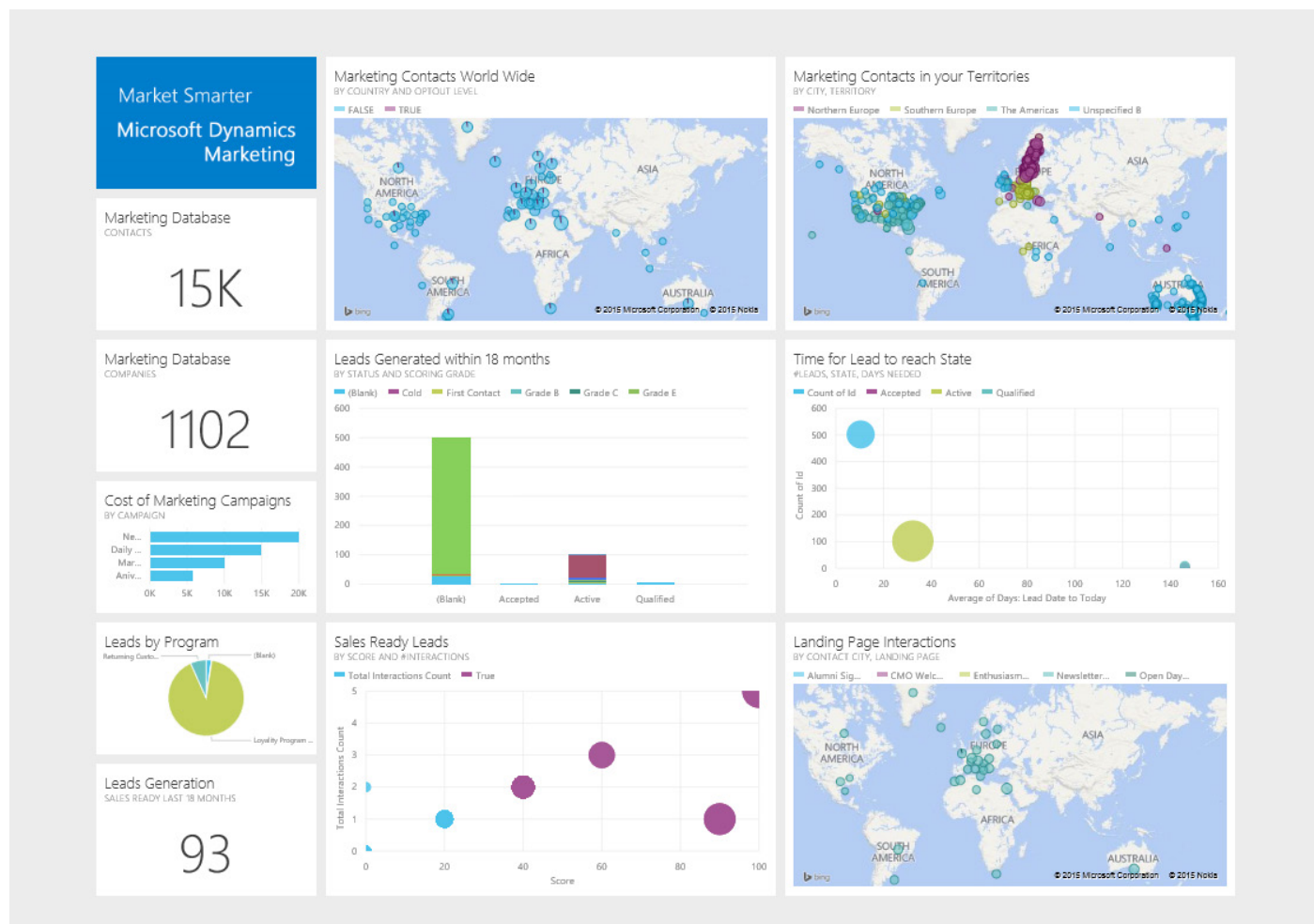
# Putting it all into play with Microsoft Dynamics Marketing

Using Microsoft Dynamics Marketing, you can measure the results of your marketing efforts and detect trends. In turn, you can adjust your marketing plans accordingly while converting your observations into actionable optimizations.

Combine Dynamics Marketing with Microsoft Power BI and you get the tools you need to analyze your data and make informed marketing decisions. Through Power BI, you'll gain access to the right

data modeled into a consumable format. Plus, a pre-configured role-based dashboard that you can customize for your own needs allows you to quickly ramp up your own marketing analytics and serve the needs of those throughout your organization.

Within the Power BI dashboard, you can click and drill-down on any of the visuals to view a more detailed report. And from there, you can further apply filters, drill into more information and gain many more insights and make your data actionable.



# Putting it all into play with Microsoft Dynamics Marketing

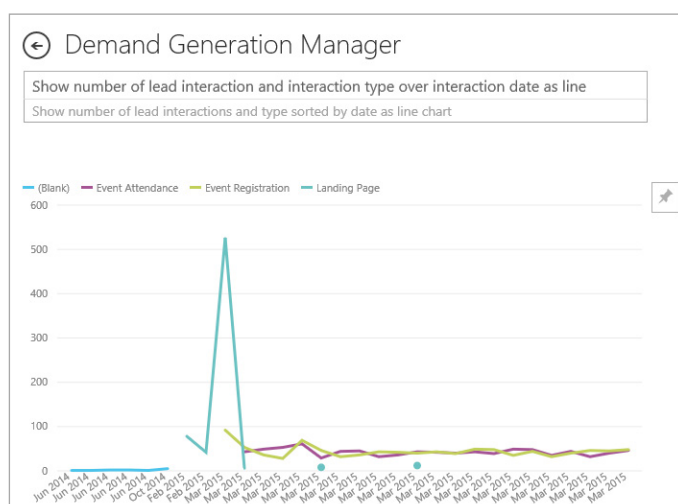
## Easily query your data

You can also use the Power BI Q&A to ask natural language questions as you further explore your data.

For example, if you want to understand the source of leads over a period of time, you might say:

“Show number of leads and interaction type between October 1, 2014 and March 1, 2015”

The answer will be given in the form of a chart as shown. You can then pin this visual to your dashboard if you want to keep monitoring it.



### Marketing Database

- Count of marketing companies
- Number of Marketing Companies
- Number of Client Companies
- Count of contacts over update date
- Count of marketing contacts over update date as line
- Show Number of Marketing contacts by belongs to company
- Number of Marketing contacts by Parent Company Name,
- Show parent company and number of contacts
- Show parent company and number of Marketing contacts
- Show number of contacts per territory as column

### Campaign management

- Show campaigns and number of leads
- Show number of campaigns and status
- Show number of active campaigns
- Show number of active campaigns by end date
- Show number of interactions by program

### Segmentation

- Show name of marketing lists sorted by Contact count
- Show name of active marketing lists sorted by Contact count
- Show name of marketing lists sorted by number of lead interactions
- show lead scoring model, grade name, number of leads as clustered bar
- show lead scoring model, grade name, number of leads as stacked column

### Lead creation over time

- Show leads with date is in this week
- Show leads with date is in last week
- Show number of leads with date is last week
- Show number of leads per date last week
- Show number of leads per date this year
- Show number of leads per date last year
- Show leads with date is 10 days ago
- Show number of leads with date is 10 days ago
- Show number of leads with date since 10 days ago
- Show leads with date is today
- Show number of lead with date is today
- Show leads with date is tomorrow -> Empty

### Scoring

- Show lead scoring models and their sales ready score
- Show lead scoring model, grade name, number of leads
- Show scoring model, count of leads, count of interactions, score as scatter

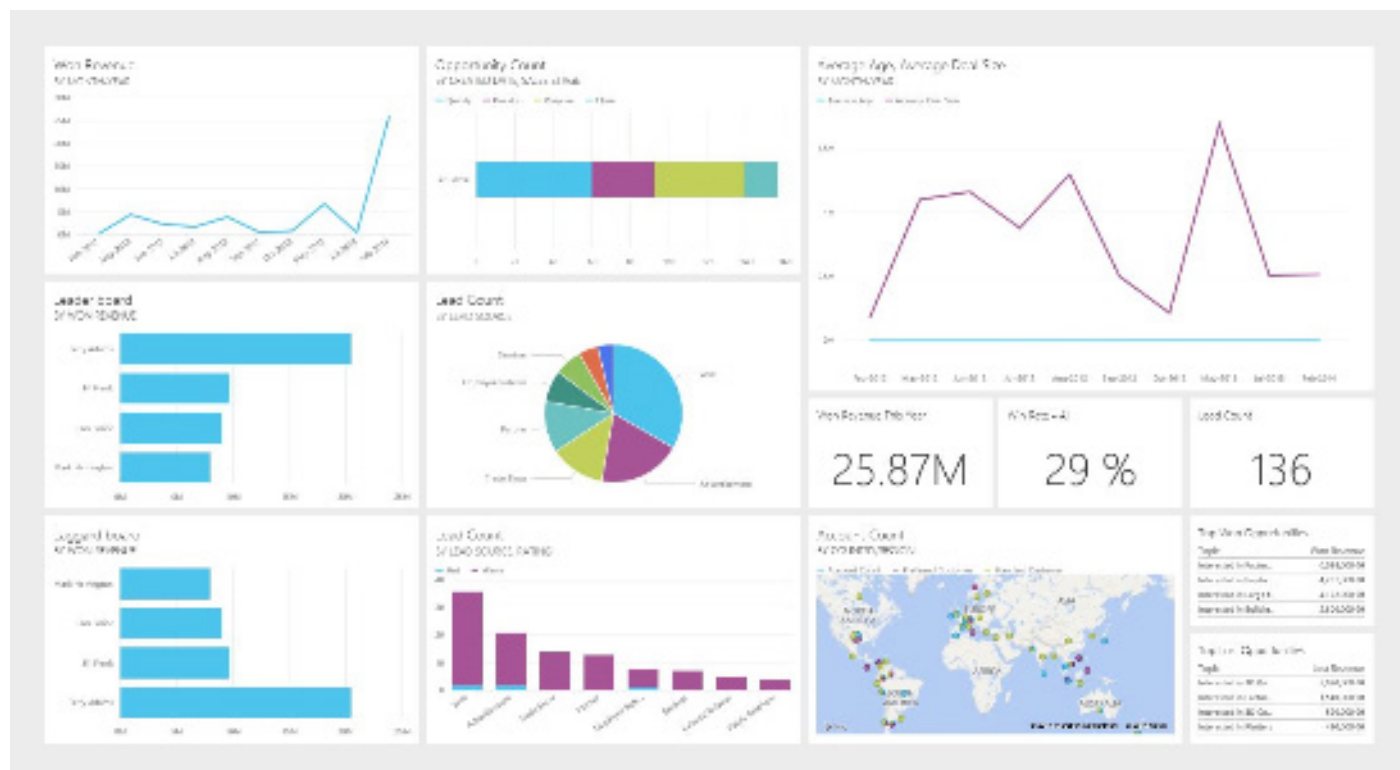
### Marketing Activities

- Show landing page and number of leads
- Show landing pages and number of leads and lead status
- Show landing pages, number of lead status as treemap
- Show landing pages, number of leads as treemap
- Show count of lead interaction by interaction type
- Show number of lead interaction and interaction type over interaction date as line

Examples of natural language queries Power BI can answer for you

# Putting it all into play with Microsoft Dynamics Marketing

You can also pin data from other datasets to your dashboard. For example, if your sales team uses Microsoft Dynamics CRM to manage opportunities and accounts, you can build a dashboard on data from multiple sources showing both marketing analytics and measure end-to-end performance across marketing and sales activities.

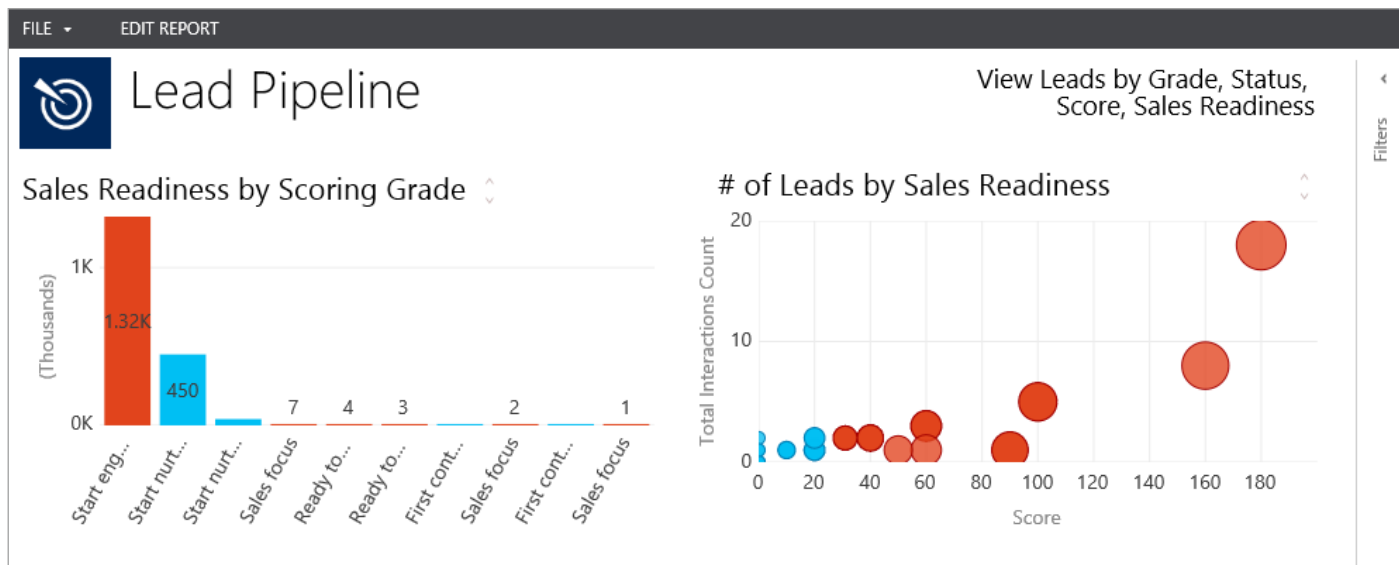
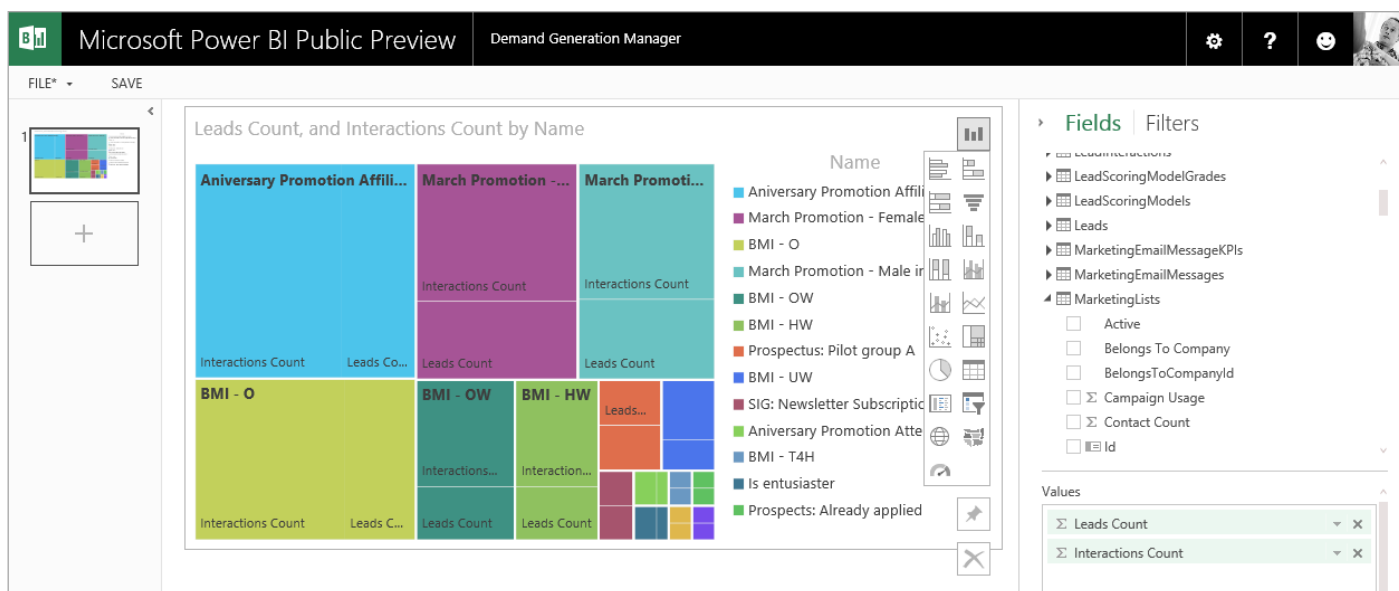


# Putting it all into play with Microsoft Dynamics Marketing

## Create your own reports

Different marketing teams could be interested in exploring a different set of data than others. If the out-of-box dashboard and reports don't provide

all the insights you need, you can easily and quickly create your own reports.



# Reach out to learn more.



[www.microsoft.com/dynamics](http://www.microsoft.com/dynamics)

Talk to a Microsoft representative  
(United States and Canada).

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