



[Business Builders]

Measurement

Before marketing, decide how to know if it works

by Rachel Gold and Christine Hierlmaier Nelson

A CLIENT was trying to determine if she should spend \$12,000 to attend a national conference. On the surface it looked like a great opportunity for national business development. The conference was well attended (even in this slump), she had few direct competitors attending and she wanted to continue good public relations in this arena.

However, by looking at attendee demographics we determined that half of the attendees were from companies too large for her small company to effectively sell into. Of the remaining, another third were not in the right department. We kept slicing through the data until we could reasonably see that about 10 to 15 percent of attendees could be in her target market.

If the conference got the 2,000 attendees it planned for, that's only 200 to 300 people she could target. She would also have to rely on those people finding her booth in the exhibit hall and presenting a pain that she could address.

Why are some business owners not convinced that marketing has any value? Often, it's because the marketing has failed to show tangible value. Determining marketing strategy by jumping at any opportunity that comes along, what we call spaghetti marketing, is not effective for a firm's reputation or bottom line.

There are many ways to measure marketing effectiveness and return on investment, even for Internet marketing. But measurement and potential return must be considered even before the campaign is launched.

What can you measure?

Besides leads and hard sales data, there's a wealth of information you can measure to see how well your marketing efforts may play out. Here are some of the objectives you can size up:

- Demographics of target audiences for media, tradeshows, sponsorships.
- Increase in media coverage and/or number of brand messages communicated in media stories.
- Increase in Web visitors, Facebook fans or LinkedIn connections.
- Increase in e-mails and calls from the Web site.
- Raised awareness of your firm and its services, or of a practice area or specialty.
- Increased number of positive or branded messages about your firm, expressed online or in person.
- Increase in referrals.
- Cross-selling efforts companywide or by niche.
- Increase in customer retention, satisfaction and use of other services.

By starting with the marketing objective in mind and how you will measure success, it will be easier to choose the most effective medium.

When measuring the return on investment of an online marketing effort, remember to include the cost of all time spent on it by members of your firm. This is often a hidden cost of online projects that seem free at first glance.

While it might be hard to measure the "return" portion of ROI at first, be alert for prospects, referral sources and clients talking about the information they found on your site or blog. If you have an interactive Web site, electronic newsletter, blog, LinkedIn group or other online effort, the comments and dialogue generated are an important ROI measure that will increase the likelihood of referrals, sales and client loyalty.

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Advice for online marketing: "When searching on the Internet, people are very direct, so don't rely on euphemisms or insider jargon for keywords. Include those terms that the public you are trying to reach will use when trying to find the product or service you offer."

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Here are four examples of marketing objective, medium used and opportunities for measurement. Consider how this tactic might support more effective marketing spend and results for you this year.

1. Objective: Bring in more qualified leads.

Medium: Direct mail or e-mail campaign, enhanced LinkedIn networking.

Measurements: Calls from the campaign, click-throughs from e-mails, rise in Web site traffic, number of warm leads.

2. Objective: Raise awareness among clients of other services.

Medium: Web site updates, e-mail campaign to clients, client satisfaction interviews, cross-selling initiatives, internal branding training.

Measurements: High marks on client satisfaction interviews, client requests for more information, increase in Web site traffic, increase in services used by client.

3. Objective: Ensure better Web site conversion (more visitors become clients).

Medium: Web site improvements, landing pages with call to action, microsite for niche service, marketing tactics that drive more traffic to site.

Measurements: Leads through a specific phone number and e-mail, number of requests for information from the site, number of prospects coming from the site and who follows up with them.

4. Objective: Develop strong brand awareness in target markets.

Medium: Targeted event sponsorships, direct mail or e-mail, targeted public relations, microsite, association involvement, advertising, internal branding training.

Measurement: Number of media placements, comments from clients, prospects, referral sources and staff; leads from event and mailings, hits and leads through microsite, increase in clients by product or service.

Measuring online

Many people don't know how to measure results when they venture online, probably because those are younger marketing tactics. But you can tell who's talking about you and whether what they're saying is helpful. Here are a few terms to know:

Conversation index: This is a measure of the number of comments you get per blog post (whether on your blog or as a guest on someone else's blog). An average of one comment per post is good. Less than that and you're at the dangerously low ebb of relevance; more than that and you're probably rising in the blog rankings.

Rankings: Speaking of blog rankings, you can look on blog ranking sites such as Technorati (www.technorati.com) or search for a phrase like "top real estate blogs" to find sites that rank the top blogs in your industry or niche.

Statistics: You can use services such as Google Analytics (www.google.com/analytics/index.html) to determine who's visiting your site, where they're coming from and where they're spending the most time. This is very valuable for determining what you're doing right so you can do more of it.

Reputation and quality: This measure looks at what people say when they talk about you. Rather than counting how often you're mentioned in blogs and industry conversations, this measure counts how often the mention is "on message" about your company's competitive difference.

Influential ideas: If someone in your company coins a new phrase or trend and a few days later you see it repeated or "retweeted" in other influential online conversations, you've just won at this measure.

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