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MARKETING MADE EASY

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METRICS TO MEASURE MARKETING SUCCESS

When measuring your marketing activity, not all metrics are considered equal. If you focus on the wrong metrics to make strategic decisions, you may slow or even halt the growth of your business. That's not to say that you shouldn't measure "vanity metrics." These are still important indicators to measure marketing performance. But there's a distinction between strategic metrics and indicators across channels, content, and landing pages.

"TRUE NORTH" MARKETING METRICS

True north metrics are considered the most important when measuring your marketing performance. These are the important metrics that inform whether your growth initiatives are contributing to your core business goals.

Most of these might seem obvious to you. But they're well worth mentioning, as it can be easy to get distracted — especially as you experiment with new channels and different forms of content.

- Revenue: Revenue is probably the most critical metric for measuring how well your marketing is performing. Why? Because at the end of the day, a marketing campaign could generate thousands of visits to your website or likes to a Facebook post. But if it's not generating revenue, there's something wrong. Measuring your marketing by revenue gives you a truly objective view on performance. You can justify investment in a particular channel if it's contributing to cash flow and overall growth.
- Customer lifetime value (CLTV): Along with initial revenue, understanding the lifetime value of your customers is also invaluable. When you understand your average CLTV, you can calculate the true return on investment of your marketing efforts.
- Customer acquisition cost (CAC): Tracking your marketing costs is far easier these days, thanks to the shift from "spray and pray advertising" to digital channels. By calculating how much it costs to acquire a customer, you can make better strategic decisions for your marketing.
- Cost per lead (CPL): As well as CAC, it is also important to calculate your cost per lead. Like CAC, this is calculated by dividing the amount spent on a marketing initiative by the number of leads generated. This, along with CAC, is useful for two reasons. First, it will determine if you are generating leads at a sustainable rate. Second, it will allow you to focus on optimizing various stages of the funnel to reduce your cost per lead while increasing conversions.

METRICS FOR AWARENESS

Measuring your results at the awareness stage is critical to understand the reach of your marketing message. It's a good indicator of brand awareness and volume at the very top of the funnel. Here are core metrics and areas of your marketing you should be measuring at this phase:

- Website traffic: How much traffic are you generating to your website on a weekly or monthly basis? By getting a bird's-eye view of the visitors to your website, you'll generate insights on seasonality, trends, and your top-performing channels or content. This data can all be acquired through web-analytics tools, and there are several on the market. Google Analytics is the most well-known, free-and-easy-to-use option.
- Social media reach: The reach of your social media content is a great indicator of your branding efforts. Businesses have two options with social reach efforts: organic and paid. Organic is free and comprised of engaging content that enhances your overall brand image and experience. With organic, it's important to show customers your personality. Best practice is to be transparent while professional, respond to comments, follow hashtags, and be relatable. This is your opportunity to connect with customers and prospects on a human level, which leads to trust and eventually loyalty. Paid, on the other hand, is a chance to extend your reach through targeted ads or campaigns. Use these tools to boost awareness, generate leads, drive traffic to your site, and offer promotions with improved visibility.
- Brand mentions and searches: Seeing how often you're mentioned online is another great way to measure awareness. There are several ways to do this. The easiest (and free of charge) is done with a tool like Google Alerts, which will give you a daily or weekly summary of sites that have mentioned you online.

METRICS FOR RETENTION

With all these metrics on acquisition and conversions, it can be easy to forget about your existing customers. Here are two metrics to measure customer retention, loyalty, and satisfaction. These will help you focus on generating more revenue from customers you've already captured.

- Customer churn: Customer churn is the rate that customers stop buying from or subscribing with you. For subscription-based businesses this is critical, as reducing churn means more predictable revenue.
- Existing customer revenue growth rate: This metric is critical for measuring retention. If existing customers are spending more with you, this means your marketing and sales are successfully encouraging customers to buy from you more frequently. Most importantly, it means your customers truly see the value your products or services deliver. However, if this rate is dropping, it should be a huge red flag that needs immediate attention. Customer revenue and growth must only take into account the revenue generated from existing customers, not new customers.

WRAPPING UP

The marketing metrics laid out in this article will help you direct your marketing efforts and measure overall performance. Remember, it's key to keep an eye on your "true north" goals first and foremost. These indicate how well your marketing campaigns are contributing to your strategic business goals.

Then, measure the core metrics laid out here as indicators for each cog in your growth plan. From awareness to consideration to retention, it's important you understand how each part of your funnel is performing.

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MONTHLY MEGAHIT

Scott Enzor

Each month, we like to feature an advisor that's doing exceptional work. This month we've chosen to feature Scott Enzor, a native of Horry County, South Carolina, who serves the Myrtle Beach area as a financial advisor. Since joining us last year, he has attended a Sales Academy, studied and passed his Series 65 test, began holding webinars, and has taken an active role in learning the Scranton Sales Process. Scott is here to help all his clients with their unique needs related to their retirement. No future is too big or too small. His goal is simply to help create a positive future for all his clients.

Primary Coach Rick Bates had this to say:

We need more advisors like Scott. Sometimes Scott's M.O. is "Ready, shoot, aim!," but I would much rather coach a person like that than one who thinks he or she needs to know everything 100% before being comfortable with going after business. For that, Scott, you are our Monthly Megahit.

Well done, Scott! We're so happy for your recent success and we look forward to many more years of working together!