



UNDERSTANDING ROI IN MARKETING

By: Edie Reinhardt, Principal of RDT Content Marketing LLC

Successful businesses recognize that marketing is an investment. Whether you are looking to grow or just want to maintain your revenue, marketing is essential. However, many companies have trouble understanding their ROI because rarely is there a straight line connecting a given marketing expense and added revenue.

There are many factors that go into how a business attracts and retains customers. Particularly in the B2B world, there are operational, sales and customer service issues that also play a part in what business closes. In addition, marketing is a long-term strategy where the effect of lots of activities builds up over time. Marketing is often focused on helping businesses raise their visibility with new prospects and stay top of mind with existing contacts so that over time that will drive revenue. This value can be hard to measure in direct dollars. However, you still need a way to measure results and understand whether and how you are helping your business.

The first step in determining ROI is to define your goals. Only then can you decide what metrics will help gauge how well your efforts are working. You want to look for continual progress toward achieving your long-term goals even if you can't directly tie revenue to your marketing in the short-term. Establishing metrics also helps you revise and hone your marketing to improve results.

Some of the more common metrics for measuring the impact of marketing include:

- Website/blog traffic. This includes number of page views, unique and repeat visitors, where traffic is coming from, time spent on the site and other metrics.
- Organic search engine ranking. Where do you show up when people are searching relevant terms?
- Social media interest. Is the business gaining followers on its social media channels? Is the company's content being shared, liked and commented on?

- Email open rates, click-throughs, downloads. These demonstrate people have viewed your email and in some cases, took further action to engage with you.

- Inbound links to your site. Third-parties like your website content and are referring people to you.

- Registrations for your newsletters, webinars, events, white papers, etc. These are great leads for follow up.

- Quality and quantity of leads generated. Both of these metrics are important.

- Feedback from clients, prospects, potential employees and media. Even a little of this is significant since most people don't take the time to give such feedback.

- Improved client retention and referrals. You want to use marketing to constantly stay top-of-mind with your contacts.

- New business closed. Again this is rarely a direct path, but it's important to look at how marketing played a role in generating and/or nurturing the lead.

Remember that with any marketing strategy, results won't be seen immediately. Marketing relies on consistency over the long-term, but you can still make valid assumptions about what is working and what is not based on your metrics. So don't be afraid to commit to marketing your business.

Edie Reinhardt, Principal of RDT Content Marketing LLC, specializes in helping professional services firms and B2B companies leverage content marketing.

