

Determining the Revenue Impact of Digital Content Marketing



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Revenue Generation Leadership Forum

This report is the result of the shared insights of over 250 senior executives in sales, marketing and operations who participated on a BizDev360.org forum sponsored by Global Technology Sales Solutions and Peter Strohkorb Consulting.

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Our Mission

BizDev360.org is a revenue-generation leadership forum that provides sales and marketing leaders a professional platform to share insights and opinions on key areas that affect revenue generation.

Post-Forum Report



The opinions shared by forum participants in advance, during and after each live forum are collected, analysed and delivered to each participant in the form of an insightful report.

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The Revenue Impact of Digital Content Marketing

We have seen a constant increases in funding into digital marketing yet most struggling to determine its real impact on your revenue.

Everyone seems to agree that the Buyer's journey has changed. Well calibrated digital content marketing backed by powerful business intelligence is powerful tool in the hands of marketing and it is leading the charge to a whole new customer experience.

We have also seen how top of funnel volumes have dramatically increased. Yet the challenge of showing profitability against the spend remains elusive.

Sales recognize the increase in volumes of marketing qualified leads being funneled. However, the value and contribution to the overall revenues generated are being questioned.

Access to information has never been more easily available to potential customers.

Unfortunately, content volumes have exploded, and prospects are being pummeled with more content than they will ever read.



For many, digital content strategy has become a money pit with no clear signs of revenue impact.

It is widely accepted that digital marketing has shifted the balance of responsibility in the buying cycle from sales to marketing.

The New Marketing & Sales Funnel



Marketing



Sales



Operations

“Buyers today have access to most information and prefer to be engaged electronically before having anyone in sales engage them”

“Digital content marketing is a critical part of our overall strategy”

“Our departments have taken the lead on the majority of our addressable market. DM is the backbone”

“We implemented a refined scoring process for our marketing automation that includes marketing taking a lead on prospecting”

“For our green field accounts marketing has taken the lead”

“Our relationship with marketing has not changed when it comes to house accounts. Marketing has taken the lead for other accounts not covered by our sales teams”

“We are advancing more collaborative approaches with marketing”

“Buyers journey has become more dynamic with more informed buyers with very short attention spans. For this reason marketing is better suited to begin the engagement.”

“We have seen a shift in the role marketing plays with prospects including supporting the stages of evaluation which in the past is something exclusively handled by sales”

The Success of Digital Content Marketing for B2C is not directly repeatable for B2B because the buyer’s journey is more complex

Directly attributing revenue from digital marketing efforts has traditionally been a serious challenge for marketing departments.

How has your organization is handled this challenge?



Marketing Leadership

“Working closer with sales and operations we are striving to gain better visibility on the funnel to help us better assess the revenue impact of our efforts generate.”

“Real-time access to the sales funnel is critical. Once we are able to associate recent wins with our efforts the issue is determining what percentage of credit for revenue to allocate to us.”



Sales Leadership

“We have begun working with marketing to determine where their efforts contributed. The tough part is figuring out the monetary value of that impact.”

“We hold regular leadership meetings to go over marketing reports, sales forecasts and results in an effort to tie back marketing’s influence.”



Operations

“We are attributing value to impressions, and MQLs by linking them directly to revenue or closed business.”

“We are working to try to bridge that gap by linking marketing analytics and sales funnel data.”

According to McKinsey and Forrester, most CMOs report that the inability to achieve integrated access to sales funnels is limiting their abilities to show direct line to revenues.

ESTABLISHING THE REVENUE ATTRIBUTION MODEL



The following is one of a set of techniques that Global Technology Sales Solutions deploys to help customers achieve a better line of visibility to revenue for their digital and other marketing investments.

Establishing the Unified Customer View

A process can be devised with automatic reporting and data correlation to enable a good level of revenue impact determination. Waiting for an integration of systems and report programming to automatically give you the visibility you need will prove very time consuming.

While you can work to attain that ultimate goal, the sources of the needed data already exist inside mainly these four systems.

A commitment is needed by all parties to ensure consistent access to the most up to date reports possible through these systems.

The data assets from each of the four sources are needed in order to establish a unified view of the customer situation

Your CRM and Financial Systems provide the data on revenues generated. Your Marketing Automation and Web Analytics provide you the data on marketing activities that touch the accounts. The marketing impressions need to be mapped to their respective accounts.

This report will cover the high-level actions that need to take place to enable revenue impact determination.



ESTABLISHING THE REVENUE ATTRIBUTION MODEL

What must happen first to enable a revenue attribution model to work? The following are steps that should be taken to set the stage for a fair evaluation of digital marketing's impact on sales. This same exercise applies for all other marketing investments.

Account Segmentation critical for revenue alignment.



Marketing's interaction with accounts should vary depending on the customer segment. In other words, what marketing does with named accounts where sales are directly involved is different than with target accounts or SMB accounts where direct sales representation is minimal.

Every organization handles customer segmentation differently. We recommend segmentation based on potential business volume.

Establishing the **Revenue Threshold** refers to the revenue volume that must be attained for an account to gain direct sales representation.

In other words, how much business must an account consistently provide in order to justify a dedicated head count being assigned to them.

Every organization determines that number differently based on many factors including their average costs associated with retaining sales & account management talent.



ESTABLISHING THE REVENUE ATTRIBUTION MODEL

You next need to **establish a point system** that gives marketing a way to assess the level of credit that can be given for revenues.

Sales management would need to formally agree to these figures. With this in hand marketing can lay an uncontested claim to revenue success.



Nothing signifies confidence in your resolve than showing the true costs associated with your marketing activities beyond the obvious.

Costs associated with the engagement of opportunities across all channels is a good way to illustrate a commitment to showing not only revenues but absolute profitability.

These costs include labor costs for engagement of leads and operational costs involved in processing and storing data .



ESTABLISHING THE REVENUE ATTRIBUTION MODEL

What has to happen first to enable this?

Step1 Account Segmentation

Segment customers based on revenue potential and sales ownership (House, target accounts, SMB)

Step2 Revenue Threshold

Establish revenue threshold of each target account for when sales assumes ownership

Step3 Establish Point system

Point system for each marketing impression to determine what percentage of the revenue gets accredited.

Step4 Derive True Cost Metrics

Understand the true costs metrics of each marketing activity beyond production and distribution

Step5 KPIs for Revenue

Define metrics or KPIs critical to revenue determination

ESTABLISHING THE REVENUE ATTRIBUTON MODEL

The following provides a listing of the most common marketing metrics in use today.

Key Performance Indicators for Calculating Marketing ROI

Average Cost Per Lead (CPL)	Funnel Conversion Rates
Customer Acquisition Cost (CAC)	Marketing Qualified Leads (MQL)
Marketing % of CAC	Sales Qualified Leads (SQL)
Time Recoup CAC	Average Time Of Conversion
Customer Lifetime Value CLV/LTV	Customer engagement
CAC - LTV relation	Cost Per Click (CPC or PPC)
Retention Rate	Attrition/Churn Rate

The impact of these KPIs is dramatically increased when they are backed by revenue figures applying the revenue attribution model.

ESTABLISHING THE REVENUE ATTRIBUTION MODEL

Example from an enterprise organization.

The following is an example of the model for an enterprise organization that targets a wide addressable customer market.

No new threshold is needed for named accounts because they should have already met the threshold and are directly managed by sales. SMB by its purest sense can never attain the threshold even if they provided you their entire available spend.

Customer Segment	Revenue Threshold
House/Named Accounts	Over \$50 Million
Target Accounts for Penetration (TAP)	\$50 Million
SMB	Not applicable

The Revenue Threshold is most applicable for those accounts that we refer to as Target Accounts for Penetration or TAP accounts. These are mostly comprised of accounts that can become named/house accounts if they provide their fair share of business to the point of the threshold.

These TAP Accounts prove to be the prized targets of marketing that require the highest levels of marketing sophistication and advanced Account Based Marketing strategies possible to successfully penetrate and expand business relationships.

In this example you can see that we set the Revenue Threshold for the TAP Account at \$50 Million. Again, every organization will have their own thresholds when the primary ownership of engagement responsibility shifts from marketing to sales. After the threshold is reached marketing takes on a more supportive role within the account as they would with other named/house accounts.

ESTABLISHING THE REVENUE ATTRIBUTION MODEL

The maximum weighted marketing contribution value is a negotiated rate between marketing and sales that allots to marketing the maximum percentage of credit that can be attributed for revenue generated by a sales win.

Named or House accounts tend to have the smallest weighted contribution value because it is assumed that sales because of their embedded relationship with these house accounts will hold the stronger position of influence on revenue.

Customer Segment	Maximum Weighted Marketing Contribution
House/Named Accounts	10%
Target Accounts for Penetration (TAP)	30%
SMB	40%

With SMB accounts, direct sales representation is minimal or none existent. For many organizations, the channels pick up the bulk of the SMB engagement responsibilities. Because of this fact, marketing should enjoy the largest value of credit for revenues generated with the SBM customer segment. This of course can be further tempered by segmenting the SMB accounts by pre-existing levels of relationships.

The TAP accounts are the customer segment that need the most careful evaluations and tend to be the most challenging to get agreement between sales and marketing as to what the maximum weighted percentage should be. Marketing needs to stand firm on gaining a healthy maximum weighted contribution value when they deploy a sophisticated ABM strategy. 30% is what we suggest for our customers to strive for.

ESTABLISHING THE REVENUE ATTRIBUTION MODEL

As I mentioned earlier the weighted marketing contribution matrix is a negotiated table that assigns credit to marketing for every marketing activity directly associated with a revenue item.

Weighted Marketing Contribution Matrix

Marketing Activity	House/Named Account (10% max)	Target Accounts (30% max)	SMB (40% max)
External Paid Content	0.1	0.1	0.2
External Organic Content	0.1	0.1	0.2
Internal content.com	0.15	0.15	0.25
Event Attendance	1.0	1.5	2.0
Tele-sales SQL (BANT)	NA	2.0	2.5

The one area within the chart you will notice first is that under the named or house accounts tele-sales is listed as not applicable.



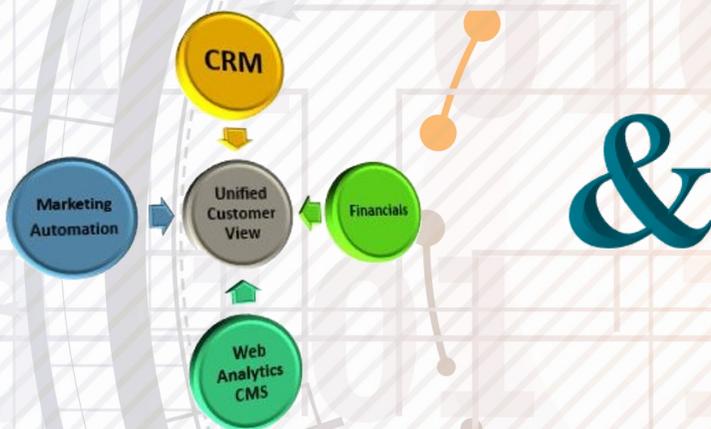
We believe no third-party or tele-sales organization should be engaging named accounts with the exception of pre-approved activities by the sales account management team.

Some organization may choose to assign a value here. If that is the case, we recommend a value near to 1.0 maximum.

ESTABLISHING THE REVENUE ATTRIBUTON MODEL

The remaining steps in the process involve an exercise that includes both extraction of the data from your marketing automation systems such as Eloqua or Marketo and then from CRMs like Salesforce.com and the mapping of the data along the revenue attribution matrix guidelines.

Unified Customer View



Weighted Marketing Contribution Matrix

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With the **Revenue Attribution Model** in place along with your **unified customer view**, you can lay claim to revenues against marketing spend.



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Our commitment is to help you successfully penetrate & expand business relationships with key target accounts that have yet to give their fair share of business.

People - We source & leverage the highest caliber of industry experienced sales executives

Process -Our DNA Demand Generation™ the most effective ABM account penetration & expansion process

Technology - We leverage leading edge predictive analytics & intelligence, CRM capabilities in the industry

We empower those who wish to challenge the status quo to achieve greater success.

DNA Demand Generation™.

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Peter Strohkorb is the Founder and CEO of Peter Strohkorb Consulting International, he is all about "Making Your Business A Customer Magnet".

Peter has developed several proven methodologies and programs to deliver exceptional sales acceleration results to businesses of all sizes and in a wide range of vertical markets.

In Peter's previous career he held executive sales and marketing positions for over 15 years in corporates such as Canon, Sony, 3M and CSC. His international work has culminated in a highly rated Amazon book published in 13 countries called the OneTEAM Method which describes why and how sales and marketing initiatives need to focus on the business customers, not on their products and services.

Since the publication of the book Peter has become a highly sought after international speaker at conferences and corporate events. He is an acclaimed sales and marketing consultant and advisor and an experienced executive mentor. Peter's vision emanating from his book is a world where sales and marketing collaborate to attract more of the right customers.

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