

# **Marketing Reporting and ROI**

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## My experience in marketing reporting and ROI



AUTHENTIC BRAND



Qumulo



SPS COMMERCE

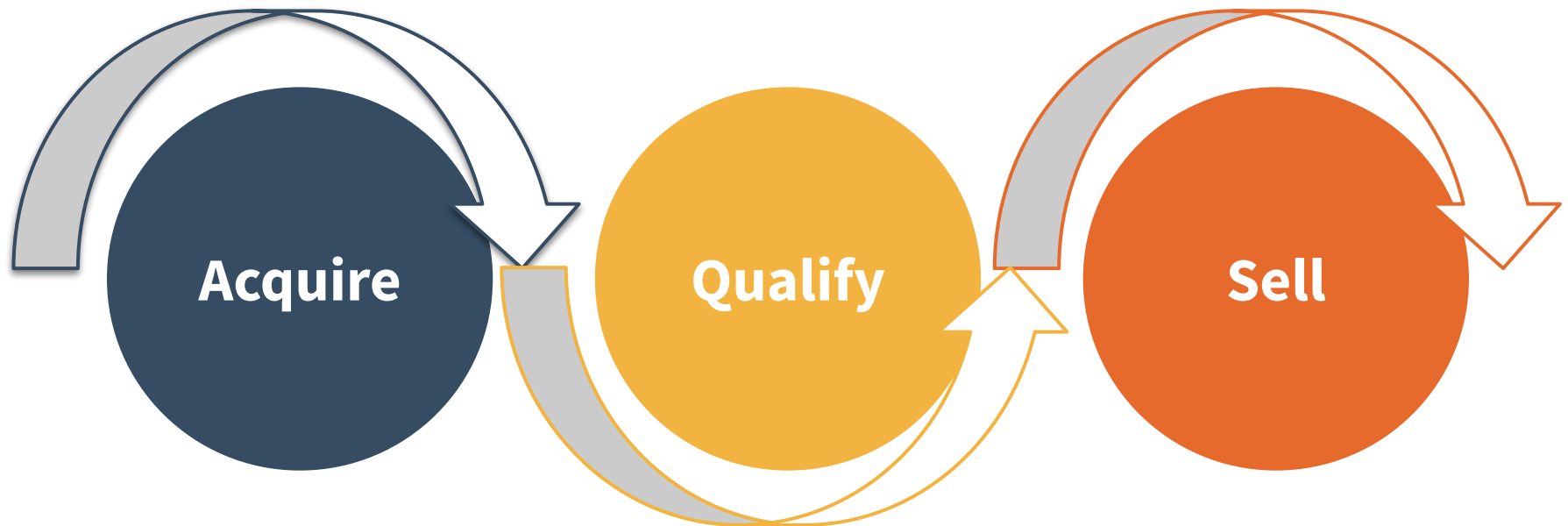
STUDYBLUE

# CEOs and boards care about marketing ROI



*CEOs often describe marketing as a black hole they throw money in. They want to know for every dollar they put into marketing, how many dollars come out the other side.*

## Good ROI reporting involves a journey, across departments



*Marketing and Sales absolutely have to be partners and peers in this journey*

# Marketing and Sales need to be in lock-step on the journey a prospect takes to complete a sale

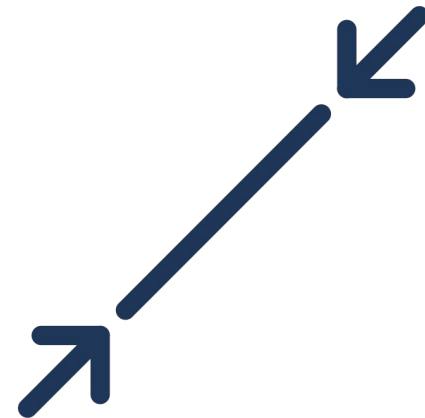
1

**Share definitions of the progression  
(MQL > SAL > SQL)**



2

**Quantify what marketing tactics and  
materials shorten that journey**



# Marketing should spend as much money on technology as sales does

Marketing will need to quantify what that investment does to increase the volume of prospects, sales, and time-to-revenue

Integrating Marketing + Sales technology is essential to ensure a prospect can be tracked from first touch to sale



## CEOs + boards care about “the big three” metrics:



**Time to Close**



**Customer Acquisition  
Cost**



**Customer  
Lifetime Value**

# Time to close



## Time to Close

How long does it take to move a customer through your deal pipeline from a lead to win?

**Note:** *The rate of closure is just as important. How do you improve the volume of sales that close? How do you improve the rate of close - so you get more of the right prospects through to a sale.*



# Customer Acquisition Cost



## **Customer Acquisition Cost**

How much does it cost you to get a new client?

Add all spend on new-business sales and marketing campaigns and staff, then divide that by the number of new deals won in any period.

## **Drive down CAC:**

1. Through word of mouth - happy customers tell their colleagues and friends
2. By presenting a valuable solution to a critical problem
3. With robust data collection to identify what tactics work, at every stage of the buying process

# Customer Lifetime Value



## **Customer Lifetime Value**

What is the revenue or profit from a customer over the lifetime of the engagement?

*Align with Customer Success to identify how to best activate a prospect, and ensure they get the most out of the product so they expand their use, and purchase additional products*

**FOR DISCUSSION**

**How have you worked with sales counterparts to move the big 3 metrics?**



**Time to Close**



**CAC**



**Lifetime Value**

**COME OFF MUTE OR COMMENT IN THE CHAT**

# How do you set your overall sales and marketing budget?

1

**Think of sales and marketing spend in conjunction**

2

**Combined budgets usually float between 10-20% of annual revenue**

3

**Look where you want to be in two years and invest to get there**



A \$10M ARR company planning to grow 20% might spend \$1.5-3M on sales & marketing



A \$10M ARR company planning to grow 50% might spend \$2-5M on sales & marketing

# How do you assess and compare the ROI of different channels or campaigns?



## **Internal Rate of Return (IRR)**

Unlike ROI, IRR measures both the total return AND the time it took to generate that return



## **Demand Generation**

Do you generate more revenue impact with low value, quick to close quick to upsell sales, OR, high value, slow to close and slow to upsell sales?



## **Longer View of Customer Lifecycle**

Your performance data will help you answer how to balance IRR and demand generation to maximize value

# Marketing Maturity is a process of continuous improvement



Data analysis and collaboration across departments is essential to ensure your organization's marketing maturity improves.

***Every week. Every month. Every quarter.***





# Questions