REVENUE ATTRIBUTION:

How to Measure the Impact of Your Marketing Efforts
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For marketers looking to generate more leads, enhance the customer experience and meet their business goals, it’s never been more important to have a clear view of which marketing campaigns and initiatives are driving revenue. Consider the current landscape: Eighty percent of executives don’t really trust marketing\(^1\). Less than 10 percent of B2B companies have tight alignment between marketing and sales\(^2\). And, most tellingly, top-performing marketers are nearly three times as likely to measure ROI as other marketers\(^3\).

Many marketers are aware of the positives of tracking and attributing revenue. But given time, resource and technological constraints, they’ve struggled to tie marketing activities to revenue. In particular, the siloed nature of B2B sales data and marketing automation systems has made revenue attribution a challenging task. Even when companies have attempted to tie revenue to marketing activities, it’s typically been limited to attributing revenue to the first touch in the buying cycle.

Fortunately, new technological advances are making it easier to get started with revenue attribution and implement multitouch models that more accurately reflect the complete buying cycle. For marketers, this means having more confidence that you’re putting your marketing resources and budget in the right places. And with today’s buyers expecting more relevant, personalized content across more channels than ever, finding new ways to become more efficient and effective has become critical.

Let’s take a look at how you can get your business ready to track revenue, build an attribution model that captures the information that’s important to your company, and use this data to optimize future marketing campaigns and enhance your marketing efforts.

**SECTION 1: Setting the Foundation**

Missing or error-filled data can severely hinder your efforts to accurately attribute revenue. While new technology makes it much easier to capture the information you need to tie marketing interactions to revenue, there are several steps marketers should take to build a strong base from which they can accurately attribute revenue:

1. **Capture both “source” and “offer.”**

   What’s your biggest source of leads? If you answered “our online demo,” you’re ahead of many marketers. But if you have no idea how they found the demo and what content they consumed on the path to conversion, you’re only seeing a small part of the picture.

   To gain deeper revenue insights, you need to look at both
"sources" and "offers." Think of the source as how the prospect came to know about your brand, and the offer being the reason they decided to fill out your form and give you their information:

- **Source examples:** Google, Twitter, third-party ad, etc.
- **Offer examples:** Webinar, white paper, demo, etc.

Why is it important to track both? Because buyers frequently interact with your sources and offers in unexpected ways. For example, a person coming from a Google ad (the source) may download a white paper (the intended offer), but she might also sign up for your newsletter. Or she might return in three days and register for a Webinar, then download some tip sheets a month later. With the right system in place, you’ll be able to keep tabs on all these elements and help determine which sources you should budget for in the future to attract prospects, and which offers seem to get the most people in the door and continuing along the path to purchase.

2. **Set up your system to capture everything.**

Today’s prospects and customers are interacting with you across a range of platforms and channels. Are you prepared to capture these behaviors and use them to understand and communicate with these contacts, then gauge how well your marketing initiatives are working?

Most marketing platforms will track how contacts are interacting with your emails. But what about the thousands of touches that happen on your website each day? To gather this key data, tap the power of Web tracking to capture the pages that your customers are visiting – not just in an aggregate fashion, but also down to the individual.

In many cases, visiting Web pages is just one of many digital steps prospects take on the path to conversion. So, make sure you’re also capturing form submissions, downloads, video plays and custom events such as interactions with an ROI calculator – any behavior that takes place on your site and is indicative of a prospect’s engagement.

It’s also important to track offline interactions. Do you have prospects stopping by your booth at trade shows, for example? If so, make sure you have a system in place to capture these badge scans, information submissions (whether via salespeople or the prospects themselves), SMS to opt-in, and/or whatever other interactions are pertinent to your business.

Once the data is collected, you’ll want to make sure your platform funnels it into a central marketing database where these multidevice, multichannel actions are connected to specific individuals in your database. That way, if a prospect signs up for a Webinar on your website, then opens your confirmation email the next day from his smartphone and checks out your white paper, your system can recognize that it’s the same person.

3. **Integrate your marketing platform and CRM.**

In addition to setting up your system to capture all the marketing activities your prospects are interacting with, you’ll want to pull this information together with your sales or CRM data. Integration between your marketing platform and your CRM (Salesforce, Microsoft Dynamics, NetSuite, etc.) enables critical bidirectional flow of information.

Not only does this help eliminate duplication of records, but it enables you to combine email, Web, social activity, etc. with your sales pipeline and revenue data, allowing you to tie these sets of information together and giving you the framework you’ll need to connect marketing activities to sales.
For example, let’s say you’re employing the “first touch” single attribution model and a new lead searches Google and finds your website through a search ad. Then, he views your online demonstration and becomes a hot lead for your sales team. The sales team qualifies the lead, and six weeks later sales closes the deal. In this example, the lead source, Google AdWords, would get credit for generating the opportunity.

While preferable to not attributing revenue at all, the single-attribution model has limitations, placing disproportionate emphasis on lead generation (in the case of the first-touch model) while ignoring the factors that influence a sale. Given today’s complex, multitouch buying cycle, marketers should be cautious when drawing conclusions based solely on a single-attribution revenue model.

As an added bonus, this integration will provide sales with visibility into a lead’s interactions with marketing content – and vice-versa. In many cases, this transparency enhances sales and marketing alignment by enabling salespeople to have more informed conversations with prospects.

SECTION 2: Creating Your Revenue Attribution Model

Do you want to attribute revenue to the first campaign a customer interacted with, the last campaign that customer touched, or divide revenue equally across all marketing activities with which a customer interacts? Let’s take a look at some options, examining the pros and cons of each along with examples.

1 Single attribution

This model is typically used by marketers who are just getting started with revenue tracking. As the name suggested, it means that you attribute closed revenue to a single marketing tactic, program or campaign. Marketers using this method typically attribute the revenue to the first marketing touch (original lead source) or the last marketing touch before the opportunity was created.

2 Multitouch attribution

In a multitouch attribution model, revenue credit is given to each marketing activity that may have touched a given closed deal. For example, if during a six-week sales cycle, a prospect visited your booth at a trade show, signed up for a Webinar, watched a video on your website and downloaded your white paper, each of those marketing activities would share the revenue.

The exact distribution of attribution share is something that varies from company to company. Some organizations split credit evenly among all touches, while others weight activities differently based on factors such as timing, investment, sequence, etc. Here are examples of five of the most popular models:

- **Even-split model**: Revenue is attributed equally for every touch.

3 Tips for Getting Started with Revenue Attribution

View the video >>>

- **Visited booth at trade show**: 25%
- **Signed up for Webinar**: 25%
- **Watched a video on website**: 25%
- **Downloaded white paper**: 25%
• **Time-decay model:** More weight is given for interactions that occur closer to conversion.

• **Interaction-based model:** More weight is placed on touches that indicate deeper engagement.

• **Position-based model:** Greater emphasis is placed on specific touches in the cycle, typically the first and last touches.

• **Title-based model:** Greater emphasis is placed on touches from higher-level executives than others.

When deciding which model to employ, it’s generally best to start simple and distribute attribution evenly as a launching point. While this approach does run the risk of overvaluing low-impact touches, it eliminates the chance of building a flawed model based on erroneous assumptions. Once you’re able to analyze influence and revenue during the course of three months (or more), you can change the weighting as necessary at that point.

You might also consider employing a combination of models to get different insights. For example, you could use a “first touch” and an “even-split” model in conjunction with one another to provide insights on both lead generation and lead nurture.

One final factor to consider is whether you want to set an “expiration date” that eliminates touches that took place far in the past. These interactions can potentially skew your data. For example, if a customer read your email 10 months ago,

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### Revenue Attribution Success Story: NetProspex

NetProspex, a data management solution that helps marketers reduce costs associated with bad data and realize greater value from their current marketing database, wanted to track revenue influence more accurately. Previous efforts to attribute revenue to marketing efforts were plagued by lead source fields being mislabeled and the associated opportunities not being attributed to marketing. As a result, providing data to sales regarding marketing’s contribution to closed revenue had proven challenging for NetProspex.

Within two months of using Silverpop’s Revenue Analytics app, NetProspex had already gained a better understanding of which of its efforts were leading to revenue and had begun shifting focus toward several areas as a result. “Revenue Analytics provides a whole different level of insights than what we get from Salesforce alone,” says Lauren Brubaker, demand generation manager, NetProspex. “The Cohort Reports, for example, provide results over time that reveal whether our campaigns are becoming more or less effective throughout the year. Based on this data, we can better gauge how long our initiatives should run.”
reconnects six months later and then goes on to make a purchase, should that long-ago email receive revenue credit for helping to influence that purchase? Maybe it should and maybe it shouldn’t – the answer will depend on your sales model and length of sales cycle.

SECTION 3: ANALYZING THE DATA AND OPTIMIZING YOUR CAMPAIGNS

Once reporting data starts pouring in, some marketers fall victim to the dreaded “paralysis of analysis” syndrome, overwhelmed by the volume of information and uncertain how to make sense of it. Fortunately, with modern reporting tools it’s much easier to extrapolate the data you need to analyze your marketing efforts. Here are a few strategies and best practices to keep in mind when you’re diving in:

1 Look at a wide range of metrics.
   If you want to optimize your campaigns to the fullest based on your reporting and analytics tools, you’ll want to look at both “process” metrics and “output” metrics.

   Process metrics measure activity on email messages. Examples include opens, clicks, unsubscribes and spam complaints. These are important measurements that help drive improvements in areas such as creative, deliverability and list hygiene.

   Most marketers who look at metrics focus on this area of reporting. But if you want to fully optimize your program, you’ll also have to look at output metrics, such as leads generated, cost savings, order size and, most importantly, revenue. These metrics measure how well your marketing campaign delivered against your individual company’s business goals.

2 Be patient.
   Once you implement revenue tracking within your marketing department and start seeing results, the typical response will be to optimize immediately. Don’t. Make sure you have a full data set before making major changes to your marketing calendar.

   How do you determine whether you’ve pulled enough data to begin drawing conclusions? For starters, look to see if your campaigns and activities have had enough people interact with them and run long enough to ensure that you can properly measure how effective they are within your business’ buying cycle. In addition, consider waiting until you have data on multiple types of marketing activities (campaigns, mailings, events, etc.) so you can compare and evaluate them against each other.

3 Use the learnings to tweak your future campaigns.
   All this revenue data won’t do you much good if you don’t put it to use. Naturally, you’ll want to consider increasing the types of activities that are performing well and decreasing or ceasing the ones that aren’t. To do so effectively, look for connections and patterns between your marketing efforts and closed deals:

   • Which website traffic sources actually create customers?
   • What emails are most effective in influencing sales?
   • Which Web pages most frequently lead a prospect to conversion? Least frequently?
   • Are there offers that seem to generate the most initial leads? Or ones that are frequently the last touch before a conversion?
   • What marketing assets seem to be most effective at nurturing a prospect through the buying cycle? Conversely, where do leads seem to get stuck?

   Remember to revisit and compare reports to see what campaigns are trending up or down over time. Just because a tactic was effective in generating revenue a year ago doesn’t mean it’s still working today.
For example, if you can say $1.5 million in revenue can be attributed to video viewings on your website, which represents a 75 percent increase from the year before, it will probably be a lot easier to garner more funds for higher-quality video production gear for the coming year. Bottom line? You may be surprised what happens when you share your data and goals along with your marketing budget requests – your budget will grow and you’ll get to experiment more.

Look beyond the initial purchase. Historically, measuring marketing’s contribution to revenue has focused on converting a contact from prospect to customer. And it’s true that achieving the high growth rates key to building a business depends heavily on new sales.

But savvy marketers also understand that it’s more efficient to retain and upsell existing customers than solicit new ones. So, make sure you’re not stopping your revenue attribution and optimization efforts when a prospect signs on the dotted line. Instead, measure marketing’s influence on repeat purchases, upsells and renewals – and adjust accordingly.

Use data to make the case for bigger budget and resources.

Only 43 percent of CMOs use ROI to justify their marketing budgets. Yet talking about opens and clicks is unlikely to generate much excitement from the executive suite. Discussing revenue and cost savings, on the other hand, should get their attention.

Getting the Sales Team Involved

Repeated studies have found that sales and marketing alignment is key to organizational success. And few things marketing can do have more potential to win sales’ affection than revealing what revenue resulted from marketing efforts. If you can say, “Our Google search campaign generated $ABC in revenue, while our Twitter Lead Gen Cards tallied $XYZ in revenue,” it will help sales understand how the projects you’re working on tie to their success.

Here are three quick tips for getting the sales team more involved and invested in your revenue attribution efforts:

1) Find a front-line champion to help spread the word. Target people on the sales team who already embrace marketing. They might be salespeople who ask for events in their territories, or reps who give feedback on campaigns. If they’ve had direct benefit from a marketing effort helping them close a sale, they’ll be more likely to promote your new initiative.

2) Invite sales to the conversation. Ask salespeople for feedback on your marketing efforts – what do they think is working, and what isn’t working with their customers? Since survey and focus groups are impractical after every campaign, sales feedback can be valuable in filling in gaps and helping you tweak future efforts.

3) Share revenue data regularly. Get together with sales frequently and show them the results of marketing investments. Monthly or weekly updates are fantastic, but at least you should be sharing these figures on a quarterly basis. Remember to include data on campaigns that are falling short — sales is on the hook for lost opportunities, so accepting responsibility for marketing’s role in missed revenue will help build solidarity and lead to helpful discussions about what you might try differently next time.
SECTION 4: INSIDE SILVERPOP’S REVENUE ATTRIBUTION APPROACH

As Director of Marketing Communications, Dave Kart works with Director of Marketing Operations Talibah Mbonisi on overseeing Silverpop’s revenue attribution system. In this Q&A, he discusses how Silverpop goes about creating and updating its revenue attribution approach, as well as what the future holds for Silverpop in this area.

1) Why did Silverpop decide to rethink the way it approaches revenue attribution?

Like other B2B marketing organizations, we struggled to understand the impact of our marketing activities on revenue. We had a deep understanding of which programs were driving the most leads at the top of the funnel, but once leads got passed to sales, we had limited visibility.

We used our CRM’s campaign reporting capabilities, but that required a lot of back-end manipulation and data filtering to get the results. While this method gave some insight into what was working and what wasn’t, it was a painful process and still didn’t quite give us the full picture. We wanted to be able to see, at any point in time, what marketing activities were having the greatest impact at each stage of the sales cycle.

2) How does Silverpop approach revenue attribution today?

We currently evaluate marketing activities against the following criteria: 1) how much pipeline and revenue did the activities generate (source), and 2) how much pipeline and revenue did the activities influence. This approach gives us insight into not only the original source that brought in the lead, but also each marketing activity that touched the opportunity throughout the sales cycle.

By using Revenue Analytics, we’re now quickly able to access this information and see not only campaign activity, but also the impact of things like emails, form submissions, downloads and even referral sources. Having access to this data allows us to make more informed decisions about marketing spend and also frees up our time to focus on more strategic initiatives.

3) Who was involved in the process?

The process involved a cross-functional team from marketing, sales and finance. It was important to get buy-in from our partners in sales because ultimately they are responsible for closing deals and making sure that data for each opportunity gets captured correctly. Finance also played an important role because one of the initiative’s goals was to utilize the new revenue attribution data to drive marketing investment and budget decisions.
4) What surprises and insights has Silverpop discovered so far as a result of tracking revenue in a broader, more in-depth fashion?

Gaining greater insight into the effectiveness of our marketing efforts brought several interesting items to light. Things we thought we knew based on gut feeling or anecdotal feedback proved to be wrong. Certain events and activities that performed well from a pure lead-quantity standpoint turned out to be poor revenue drivers. We saw the opposite happen in many cases as well — there were several events with poor lead numbers but high conversion rates when it came to opportunity creation and closed revenue. It reiterated the importance of making decisions based on the right metrics.

Having the data to back up our efforts also gave us an opportunity to invest even more in programs that began as experiments. One example was a highly targeted direct mail campaign that we rolled out in 2012. We started by running a small pilot program in which 400 carefully selected contacts received an offer for an Amazon Kindle in exchange for an on-site meeting with a Silverpop sales representative. The result was a response rate of more than 20 percent and a 10x return on investment — meaning for every dollar we spent on the program, we saw $10 in revenue. As a result of being able to show the revenue impact, we were able to expand this program in 2013.

5) What advice would you give to other organizations looking to gain more insight into revenue attribution?

Start simple. There may be more sophisticated revenue attribution models that you can implement, but remember that with sophistication comes complexity. If you’re just beginning to capture this data and report on attribution, start with the data you can capture without much change to your existing processes. Once you’ve established a foundation and shown the value of knowing the impact of marketing investments, you can increase the sophistication and accuracy. At the end, for us and other marketing organizations it’s about making better decisions and getting more efficient.
SECTION 5: CONCLUSION

Should you put more money into search, or experiment with a social media initiative? Is that two-minute video on your website more likely to influence a sale than your 20-page white paper? And is that nurture campaign as effective as it was six months ago?

With the right technology, you can answer these questions and many more revenue-related queries with more confidence than ever. By setting up your system to capture every interaction from first touch point to conversion – and through to repeat sales – you can start gaining insights into how your marketing efforts are impacting revenue.

You’ll also be gaining an edge on much of the competition, as nearly 60 percent of B2B marketing organizations have no revenue tracking or a single attribution model in place. Make no mistake, the impact of measuring revenue can be huge across the board – happier salespeople, happier executives, happier prospects and happier customers. And with 58 percent of highly effective marketers using marketing ROI to justify marketing spend versus 34 percent of their peers, measuring marketing’s effect on revenue also makes for a more successful marketing team.

Footnotes
1-Fournaise Marketing Group, 2012 Global Marketing Effective Program, July ’12
4-NYAMA, “Marketing ROI in the Era of Big Data” March ’12
6-Lenskold Group, “Increasing Your Marketing’s Effectiveness Using Metrics,” April ’12

TWEET THIS!
Reading Silverpop’s “Revenue Attribution: How to Measure the Impact of Your Marketing Efforts”
SECTION 6: GETTING STARTED WITH REVENUE ATTRIBUTION WORKSHEET

1) List all the sources through which people come to know about your business (e.g. Google, Twitter, third-party ads, etc.):
________________________________________
________________________________________
________________________________________
________________________________________
________________________________________
________________________________________
________________________________________
________________________________________

2) List all the types of offers you use to encourage prospects to interact with you and share their information (e.g. white papers, Webinars, demos, etc.):
________________________________________
________________________________________
________________________________________
________________________________________
________________________________________

3) Have you enabled Web tracking on your website? ____ Yes ____ No
   • If no, work with IT and marketing technology provider to implement Web tracking
   • If yes, are you capturing all the following Web interactions (check if yes)?
     _____ Form submissions
     _____ Page views
     _____ Downloads (white papers, case studies, etc.)
     _____ Video and multimedia plays
     _____ Custom events and interactions unique to your company
   • Work with IT and marketing technology provider to capture Web behaviors for any unchecked items.

4) Do you have a system in place for capturing “offline” and/or on-site interactions? ____ Yes ____ No
   • If no, list the on-site interactions you might want to capture:
     _____ Salesperson scanning prospect badge
     _____ Salesperson typing name into POS software
     _____ Prospect entering information via tablet app or other system
     _____ Prospect “checking in” via Foursquare or Facebook
     _____ Prospect sending SMS to opt in or receive content
   • Work with IT and marketing technology solution to capture these interactions

5) Do you currently have an integration between your digital marketing platform and your CRM solution? _____ Yes _____ No
   • If no, work with IT and your respective providers to integrate these sets of data
6) Look back at your answers to #1 and #2. Do you now have systems in place to capture all these interactions and attribute revenue to them when applicable? _____ Yes _____ No
   • If no, work with IT and your digital marketing provider to set up the necessary integrations to capture this data

7) What type of revenue attribution model do you want to implement (please see p. 5 for insights on selecting the best model for you)? _____ Single touch _____ Multitouch
   • If single touch, which touch do you want to track?
     - _____ First _____ Last
   • If multitouch, please see #8

8) What type of multitouch model do you want to use?
   a) Even-split model
   b) Time-decay model
      • How will you attribute revenue, based on a four-touch cycle?
        Touch 1: _____ Touch 2: _____
        Touch 3: _____ Touch 4: _____
   c) Position-based model
      • How will you attribute revenue, based on a four-touch cycle?
        Touch 1: _____ Touch 2: _____
        Touch 3: _____ Touch 4: _____
   d) Interaction-based model
      • Which touches will you give more weight to (e.g. Webinars, demos, etc.), and how much more weight than the average touch will you give them (e.g. 1.5X, 2X, etc.)?
        Interaction 1 _________________________ Additional weighting ________________
        Interaction 2 _________________________ Additional weighting ________________
        Interaction 3 _________________________ Additional weighting ________________
        Interaction 4 _________________________ Additional weighting ________________
        Interaction 5 _________________________ Additional weighting ________________
   e) Title-based model
      • Which titles will you give more weight to (e.g. CMO, Vice President, etc.), and how much more weight than the average contact will you give them (e.g. 1.5X, 2X, etc.)?
        Title 1 ______________________________ Additional weighting ________________
        Title 2 ______________________________ Additional weighting ________________
        Title 3 ______________________________ Additional weighting ________________
        Title 4 ______________________________ Additional weighting ________________
        Title 5 ______________________________ Additional weighting ________________

Congratulations, you’re ready to start measuring the impact of marketing on revenue! Once your data starts accumulating, refer to the “Analyzing the Data and Optimizing Your Campaigns” section on p. 7 for strategies on how to use your revenue attribution data to your advantage.