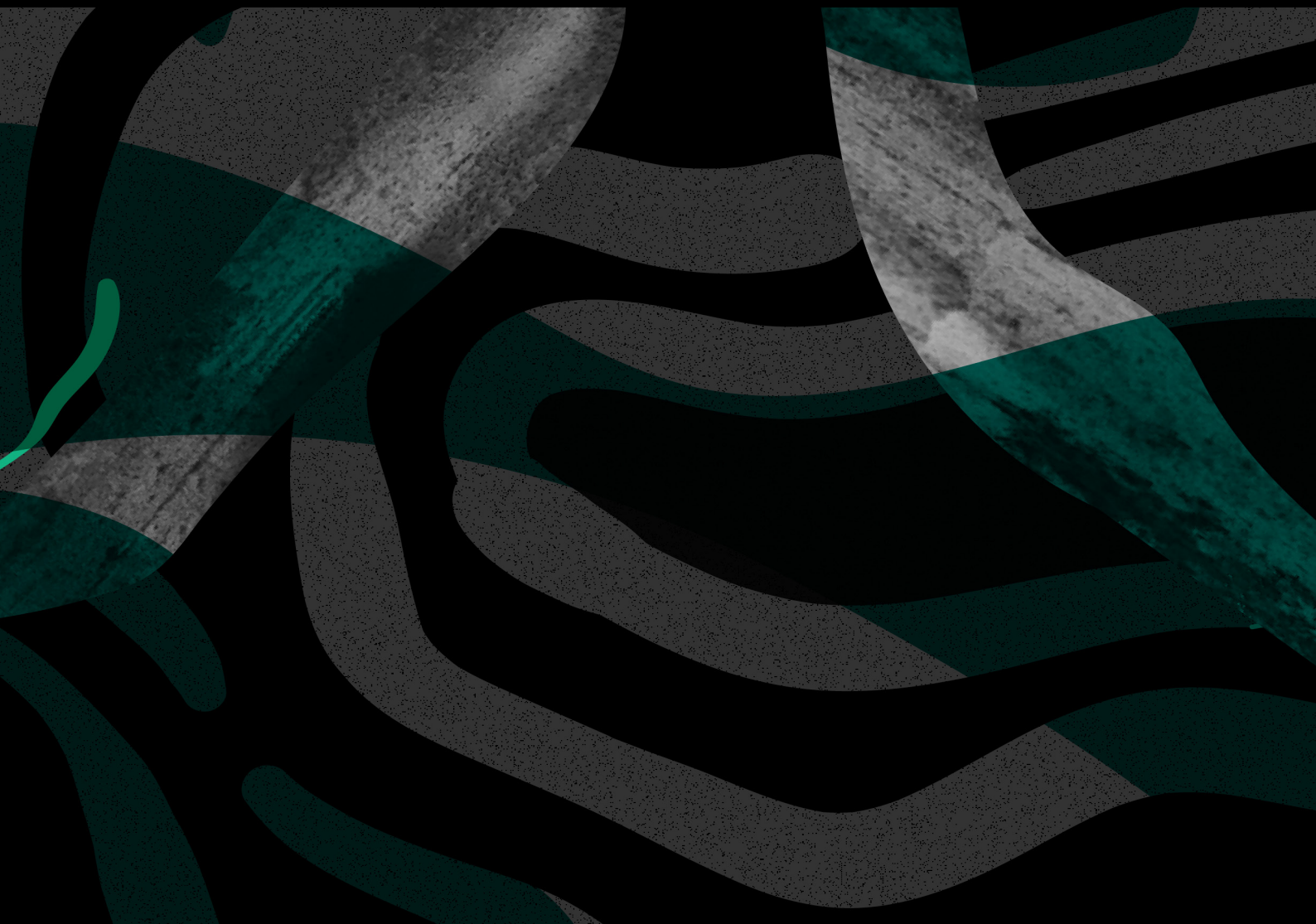


# The Ultimate Guide to Marketing ROI for B2B Executives

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# Why B2B marketing ROI is difficult to measure

Difficulty measuring ROI is the [number one challenge](#) that B2B marketers face. Measurement can be tricky for a number of reasons. It's often hard to know which revenue was impacted by which campaign—this is known as revenue attribution. This is because B2B sales cycles can be long and complex, with multiple touchpoints leading to closed deals.

Also, many B2B marketers struggle to dedicate the time and effort required to calculate ROI. Measuring ROI is itself a significant investment. In resource-constrained environments, practitioners often lack the required support and tools to do their jobs.

Most importantly, even when marketing organizations do invest in adequate ROI measurement, many select the wrong metrics. This means that ROI measures will be skewed from the start. One measurement in particular, lifetime value (LTV), is crucial for generating accurate B2B marketing ROI calculations.

## Why lifetime value is critical when calculating marketing ROI

In the B2B world, the sales cycle is typically much longer compared to what you see in B2C. The conversion often happens months, if not years, after the initial touchpoint. This is why cultivating a relationship with your customers through multiple touchpoints can pay dividends years down the line. You need to take this into account when calculating ROI.

**Lifetime value (LTV) is a way of measuring the return on an ongoing relationship with a customer.** While we can't know the exact course that a buyer's journey will take, we can make predictions about it and incorporate those predictions into our reporting. Metrics like average revenue per user (ARPU) and retention rate allow us to estimate the LTV of a given customer. LTV can help justify B2B marketing efforts whose results are not immediate.

# How to measure marketing ROI

Before you measure your marketing ROI, it's important to step back and connect each marketing initiative to your business goals. Taking the time to set up a proper reporting foundation will save you time, money, and headaches down the line.

## 1. Build a comprehensive reporting foundation

Building a stable foundation is a critical first step to helping grow your ROI capabilities. It's important to note that there's no "one size fits all" approach to building a reporting structure. What it looks like ultimately depends on the maturity of your marketing organization.

Companies earlier in their marketing journey may focus on simply counting the leads directly generated from each campaign. More mature marketing organizations will likely have a multi-touch attribution model tracked by software, which is much more complex and detailed.

To help you decide what your reporting process looks like, you should ask yourself some questions. First, **what are your marketing team's goals?** Your ROI reporting will look different if you are looking to expand into new marketing channels, validate your current methods, or make the case for additional budget. Having clear goals before establishing a foundation is a must.

Second, **are your marketing goals aligned with your revenue goals?** [Research has shown](#) that siloed sales and marketing teams are ineffective. Demand generation works best when the two teams operate with [shared goals](#) and in mutually supportive ways. After all, sales pursues leads generated by marketing, while marketing's efforts are informed by sales' experience.

Third, **do you want to look at campaign- or channel-level results?** *Campaign-level reporting* combines the ROI of multiple channels related to the same initiative into a single report. *Channel-level reporting* consolidates all ROI across a single channel (i.e., email, display, organic), regardless of campaign.

How you set up reporting depends on your established goals. If you are looking to validate a particular time-bound initiative, you should focus on campaign-level ROI. If you need to validate investment in a type of marketing, channel-level ROI is the way to go. Of course, you will probably want to have the flexibility to report on both, depending on your needs.

Fourth, **what time period do you want to look at for attribution?** You may want to set up weekly, monthly, quarterly, or even yearly reporting, depending on the channels you care

about and your business model. For instance, you should strive for quarterly or yearly attribution timeframes if your business has longer, more complex sales cycles.

### Lastly, which attribution model do you want to use?

Attribution models tell marketers which touchpoints in the sales cycle led to revenue, allowing for ROI calculation.

Attribution can be complex, but there are several common models that marketing leaders should know.

- **First Touch** is the simplest, where attribution credit is given to the first touchpoint that a prospect interacts with.
- **Lead Creation** attributes 100% of the credit to the point at which a prospect provides their contact information. Multi-touch models get a bit more complicated.
- A **U-Shaped model** divides credit between first touch and lead creation touchpoints.
- While a **W-Shaped model** also incorporates the moment an opportunity was created.
- The **Full Path model** is the most comprehensive, dividing credit between all the major touchpoints.

The attribution model you choose can profoundly impact your ROI calculations, making it important to set it up right from the start based on your specific business needs. While there is no right or wrong choice, the attribution model you choose should be based on your specific strategy and campaign objectives. Today, the most common type of attribution model for B2B enterprises is one that provides multi-touch attribution, which gives credit to each piece of content or channel a prospect interacts with on their journey to the final conversion.

**"At Conductor, we rely on a multi-touch attribution model. By being able to report on every step in the customer journey, we're able to get specific insights on which content, campaigns, and website pages are impacting that journey—providing the data needed to maximize ROI by investing in the efforts that drive customers further down the funnel."**

– Ellie von Reyn,  
Director of Demand Generation at Conductor

Multi-touch attribution models are more prevalent as a result of the [shift to digital transformation](#). Marketers and leaders want to better understand a customer's entire buying journey vs. just the first or last step they took in that journey.

# Paid vs. unpaid: How to measure ROI without an associated cost

Not all ROI calculations are created equal. **Paid channels** like **PPC**, display ads, and retargeting have clear costs and returns associated with them, making ROI easier to measure using the above formula. Meanwhile, so-called “unpaid” channels like organic marketing do not always have a directly associated line item. How can you measure the ROI from such channels?

To verify you are properly calculating ROI for your unpaid channels, you need to ensure that you are holistically looking at your marketing investment in said channels. Your investment includes hard costs like agency or contractor expenses and technology but should also incorporate your team’s time investment. You could do so by using the sum of the annual salaries of your SEO/content marketing teams, combined with your total spend on marketing technology.

Even though ROI for unpaid channels is not as obvious as it is for paid channels, it is still possible to measure. Taking these initial steps to determine your overall investments in organic can help ensure that you and your teams are aligned on goals and how you plan to measure ROI before embarking on any new organic marketing initiatives. It’s worth noting that using this comprehensive approach to ROI for your unpaid channels should also be leveraged for reporting on your paid channels in order ensure you are capturing your true marketing cost.

## SEO ROI: Is it possible to measure?

SEO strategies tend to fall into three buckets: net new content creation, technical SEO, and on-page optimizations. Calculating ROI from these efforts **is indeed possible**, but you may have to expand what you’re measuring. Here are the steps you should take to measure SEO ROI:

1. Determine your business objectives
2. Connect each task to a specific objective
3. Draw a correlation between task and objective using metrics

Traditional metrics like conversions may not be the best way to measure returns from SEO investments. While SEO is a demand generation channel, direct revenue is not the only benefit it provides. SEO is also an effective brand awareness

strategy. When you show up first in SERP, you beat out your competitors and increase the recognition of your brand with users—showing the intangible value of SEO that you can’t always directly attribute. As a result, calculating SEO ROI the same way you calculate ROI from a demand gen channel provides one look at its impact, but not the full picture.

To get a more complete picture of overall ROI, you could measure the total number of developer help tickets received and completed, or website analytics like time spent on page or total number of sessions per visit compared to previous time periods when SEO investments were sparse or nonexistent. Establishing these types of metrics helps to account for the ROI of **technical SEO** fixes, like improving page load speed which drive more searchers to your content. Identifying these metrics is key before embarking on a new SEO initiative so you can properly measure your success.

Measuring **ROI for content creation** is a bit different. You’ll need to consider the lifetime value of your content, as discussed earlier. Quality content nurtures leads early in the purchase funnel by providing value for potential customers. Each piece of content continues to deliver results year after year, making it more of a compound investment than a one-time boost like PPC. In order to capture content marketing ROI, you should consider metrics like search rankings and site authority, which can be seen as indirect measures of lead generation.

## Best practice for measuring SEO ROI

When measuring SEO ROI, you cannot think in silos.

**Technical and content SEO investments build off each other—they must be made together in order to see an impact.** Technical SEO changes alone won’t work if you don’t have quality content. Similarly, quality content can only go so far if Google struggles to read your site. Investing in both technical site health and net new content creation at the same time is necessary to see success.

# How to measure marketing ROI continued

## 2. Clean up your data

Inaccurate data is the Achilles heel of ROI attribution. If you don't have clean data, you will struggle to attribute conversions (or any metric) to specific campaigns.

A common place to start is by cleaning up your web analytics setup. You need to be able to easily tell what brought someone to your site and what got them to convert. To do this, you'll want to ensure that your [UTM parameters](#) give accurate data about site visitors and then set up reporting for key conversion channels.

Another common data fix is to clarify the timeframe of each touchpoint for your campaigns. You need to ensure that your time periods are reported consistently within and across campaigns. Differing methodologies, or even sloppy reporting, could be hindering your ability to forecast ROI accurately.

## 3. Determine costs

How are you thinking about the costs of your marketing efforts? As mentioned, certain types of marketing campaigns have clear associated spend, but thinking more broadly can uncover hidden costs. For example, what are you spending on measurement/reporting technology? The salaries of your marketing team? Freelance writers to create content? Graphic designers? What about your sales team that follows up on leads?

Depending on your business objectives, you may not want to include every single one of these line items as a marketing expense. But increasing the scope of what counts as a cost can be essential for understanding the true scope and performance of your investments.

## 4. Leverage the right technology

Having the right technology to measure revenue attribution is key. If your tech is inadequate or set up incorrectly, attribution turns into a fragmented, manual process that eats up your team's time. Manual reporting fails to provide real-time insights that allow you to pivot if something isn't producing results. It's also difficult to scale as your organization grows. Automated ROI attribution is crucial. Some of the best enterprise B2B attribution technologies include:

- [Adobe Marketo Measure](#) (formerly Bizible)
- [HubSpot Marketing Analytics](#)
- [Ruler Analytics](#)
- [Branch](#)

This is when you should lean on your marketing or revenue operations team to get their recommendation on which technology provides the reporting and attribution functionality you're looking for.



## FAQs on marketing ROI

Measuring ROI will never be perfect. The real world is complicated, and the buyer's journey is more multifaceted than ever. But ROI is still tremendously helpful in making informed decisions about your spend and communicating the results clearly to fellow executives. If you calculate that the ROI for one channel is three times higher than that of another, then you may want to increase investment in the high-performing channel. You could also consider investigating the underperforming channel to identify the cause. Strategic marketing decisions are most effective when informed by ROI.

### How should you be measuring your marketing ROI?

How you measure marketing ROI depends on your business objectives and organizational maturity. Generally speaking, you should choose a revenue attribution model that reflects the buying habits of your target customers. Then, set up reporting to guarantee that you can take action on insights gleaned from ROI calculations.

### How is SEO ROI calculated?

SEO ROI is calculated the same way as any marketing ROI: by dividing your profit from the channel by your total spend on the channel. What makes calculating SEO ROI different is that it is a long-term investment that yields long-term results and provides more value to your brand than conversions alone.

For example, you only measure a paid media campaign for the short timeframe it runs for. Whereas with a piece of evergreen content like an eBook, the asset will likely remain "live" and drive results for years. It continues to perform long after the initial investment is made. Additionally, organic marketing and SEO yield other top-of-funnel benefits that aren't captured by conversions or revenue—like brand awareness—but are still valuable.

### How long does it take to see ROI from SEO?

The common talk track around SEO is that it's a "long game" based on the assumption that it takes a significant amount of time to see results. However, you can actually begin to see traffic and conversions on an optimized asset you publish fairly quickly. So the time it takes you to measure that asset or optimization's revenue impact—the time it takes for deals to close generated from the touchpoints where users interact with that content—depends on the length of your sales cycle.

### How do you measure ROI on a website?

You can measure ROI on a website by dividing the profit from marketing activities by the total spend on those activities.

# Conclusion

Marketing ROI is crucial yet often misunderstood. By taking these steps into account, you can select the metrics that align with your business goals, then set up robust reporting in order to optimize your spend. [Talk to the experts](#) at Conductor to learn how an enterprise SEO platform helps maximize your organic marketing ROI.

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