



Digital Marketing: It's Time to Rethink Measurement for Growth

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25 years ago, the key metric for mail-order stores was catalog circulation. More catalogs in more mailboxes = more sales. It made sense then, but if today's department stores—or any retailer—counted print catalogs as their main measure of growth, they'd be missing a huge part of their business.

think with **Google**

Yet, many brands currently find themselves in a very similar situation when it comes to digital: still leaning on legacy desktop marketing metrics in a world that's gone mobile-first. Left unaddressed, this can sabotage growth in even the most forward-looking businesses.

It's not easy to shift digital marketing KPIs and measurement methodologies, but it is possible and (most importantly) invaluable. Because—spoiler alert!—mobile isn't going away. It's the engine of growth for brands in a new world that is:

- **Full of micro-moments.** One [car buyer](#) had 900 digital interactions before she chose her new SUV and drove it off the lot.¹
- **Cross-device.** Over 75% of online adults (18–54) start an activity on one device and then continue or finish it on another.²
- **Cross-channel.** 76% of people who search on their smartphones for something nearby visit a business within a day.³

For example, yesterday my GPS watch broke while out on my run; today I picked up the exact replacement on the way home from work. My quick search this morning told me both that a retailer had it in stock and that the store would be open after work. A normal online cost per acquisition (CPA) of that action wouldn't capture the value I received from learning that the retailer had the right inventory or that I purchased it in store. This mobile-first behavior breaks the validity of our old siloed go-to marketing metrics.

Today's leading brands are driving tremendous growth for their businesses by embracing these new mobile and cross-channel realities. How? By rethinking measurement using a mobile-first lens to focus on three core questions: What matters? What's working? And, what's possible?

What Matters?

It's possible to measure a lot of things very well and yet not measure what really matters for your business.

Marketers who are winning the growth game today don't base their analytics plans on the measuring tools they have. They start with the outcomes their business wants to achieve, then determine the best way to measure for those goals. If there's a mismatch between your goals and your measurement KPIs, it hinders your ability to drive the results you really want.

On the other hand, the right match can be magic. In a [Forrester study](#) commissioned by Google, of survey respondents identified as "sophisticated marketers," 53% stated that they adhere to well-established metrics that tie directly to business objectives—these marketers support organizations that are at least 3X more likely to hit their goals than other marketing organizations.⁴

When [FIAT France](#) launched their new 500X crossover vehicle, they needed to know that their creative campaign would drive the business results they cared about most. Starting with those objectives first—to drive awareness and sales of the 500X model—they evaluated their digital video campaigns based on lift in ad recall, brand awareness, and search interest. With clear alignment between marketing metrics and business objectives, they recognized a 230% increase in search volume for the 500X model and a 200% increase for the FIAT brand. This validation enabled FIAT to invest in their campaign with confidence across all their channels.

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Of course, revising KPIs and changing the ways success is measured isn't easy. Not many marketers feel comfortable walking into a meeting to say, "I think we're tracking the wrong things." And that can be even harder when KPIs are handed down from the senior executives and stakeholders. That's why it's so critical to start with the outcomes you want, so that the whole team can speak to and act to the results you really want to measure.

Consider what matters for your brand:

- **Figure** out the business outcomes you care about
- **Set** the right KPIs to measure those outcomes for today's world
- **Align** your teams to those marketing metrics and outcomes

What's Working?

The second question marketers are revisiting is "What's working?" We all know that consumers interact with us in new ways and with new expectations every day, and that means there will inevitably be gaps in our measurements. If an in-store shopper, for example, uses a mobile phone to research an air conditioner before buying, the store has to find new ways to give credit to mobile for that in-store conversion.

And online-to-offline isn't the only gap we have to cover. There are gaps between devices, sessions, channels, and more. But it's not impossible to bridge these; successful marketers are thinking about new methodologies and estimates, and working with new tools, in order to better understand what's actually working.

[Target](#) is a great example of this. When Target learned that the majority of their customers were starting their shopping experiences on mobile, they had to rethink a few things from the perspective of those mobile-first customers. They started using [store visits](#) data to better measure the

offline impact of their digital marketing.

But beyond better measurement, they amplified the impact of that knowledge and used that data and insight to curate a unified merchandising experience for their customers across all channels—homing in on what actually drove their customers into stores, and what products they expected to buy. As a result, Target's omnichannel shoppers are now their most valuable customers.

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There will be gaps in our measurement, and that's okay. But marketers using new technologies and new estimates to find out what really works are making smarter decisions and driving stronger results.

Consider what's working for your brand:

- **Recognize** that not every marketing dollar can be measured perfectly
- **Use** new tools and solutions to bridge the gaps
- **Try** new estimates, where you don't have an available solution

What's Possible?

Today's marketing leaders are committed to asking, "What's possible with digital?" Rather than just optimizing what they know, they're experimenting and innovating to discover what else will drive results now and in the future.

Because consumers have answers at their fingertips, they're more task-loyal than brand-loyal in their moments of need. That might mean waking

up on a Saturday morning and needing to find a nearby store—fast!—to buy a baseball mitt for an eight-year-old's birthday party. It could mean needing to fix a broken water heater and a flooded basement. Or it may be as simple (yet just as important!) as needing an afternoon coffee between errands. These are perfect moments for brands to serve consumer needs. Yet, if we don't take an entrepreneurial approach to experimentation in order to find the value we can provide to both our customers and brands in these moments, those growth opportunities will never be discovered.

Take PhotoBox, for example. PhotoBox is an online photo and gifting company that lets shoppers use their own photos to design and create prints, photo books, and more. PhotoBox knew that the majority of its shoppers completed their designs and purchases on desktop, preferring the screen space and keyboard it offers. Yet, PhotoBox also saw more and more shoppers begin their shopping journey on mobile. PhotoBox's big question: How much could mobile impact its business goals across all its channels?

This draws out a lot of unknowns—What's the best message? Experience? And so on. But, first they had to know if mobile could really impact their business goals or not—then they could refine the details. So, to test this question, PhotoBox used a controlled geo-experiment to measure an increase in mobile ad presence in select regions with a lift in sales.

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The result surprised them: mobile search ad campaigns drove up to 5X incremental return on investment. There are countless ways to optimize, but to know what's really possible, brands have to first test the bigger questions.

Consider what's possible for your brand:

- **Don't fixate** on efficiency metrics and optimization
- **Look** at digital's holistic contribution to business results
- **Test** the bigger questions

Conclusion

Are you measuring the kind of growth that matters most? Or are you focused on your industry's equivalent of catalog distribution?

Digital has given marketers a flood of new opportunities over the years, and mobile is creating even more. But driving growth in mobile takes more than just a shift in technology. It also takes a shift in mindset: to one that questions old marketing metrics, and focuses instead on new business results. To one that doesn't obsess about small imperfections, but uses big-picture tools and benchmarks to make better decisions. And to one that focuses on unrelenting experimentation in pursuit of new possibilities.

The growth is out there. To find it, make sure you're measuring what counts.

Sources

- 1** Methodology: Google partnered with Luth Research. Luth analyzed the digital activity of its opt-in panel participants. This article details the cross-device clickstream data of one individual named Stacy over a period of three months.
- 2** Google/IPSOS Connect, March 2016, Digital Devices Bridge the Physical World, n=2013 US online respondents 18+
- 3** Google/Purchased Digital Diary: How Consumers Solve Their Needs in the Moment, May 2016, Smartphone users = 1000, Local searches = 634
- 4** A commissioned study conducted by Forrester Consulting on behalf of Google, July 2015.