Demandbase™

eBook

Modern B2B Advertising Measurement

A guide to empower digital B2B marketers with proven best practices to measure advertising efforts and demonstrate stronger ROI.

Table of Contents

Forget What You Know About B2C Advertising Measurement 3

Enter the Era of Advertising Maximization 4

Introducing Efficacy, Amplitude, and Value 5

Efficacy: Setting Your Sights on Quality Over Quantity 6

Sidebar: Any Interaction That's Not Guided by Data is Spam 7

Amplitude: Determine the Level of Influence 8

Value: Beginning of understanding attribution and ROI 9

Ready for a Pop Quiz? 12

Bonus Tip 1: Become an Attribution Wizard 15

Bonus Tip 2: Don't 'Make Your Budget Work' — Make it Work for You 16

Conclusion 17

Forget What You Know About B2C Advertising Measurement

Resist the temptation of consumer advertising KPIs. Those are for short, simple, transactional sales cycles. In B2B, clicks and conversions are nothing more than vanity metrics that don't support the ultimate objective — pipeline and revenue.

B2B advertisers are increasingly coming to the realization that these metrics just aren't right for their digital programs when used as the primary campaign KPI. Let's take a look at two examples, clicks and conversions.

1. **Clicks:** Clicks don't capture campaign impact across a buying group. A single click from a target account may look good at the surface level, but it's a poor leading indicator for an opportunity. Most importantly, it doesn't capture the attention of sales representatives. We also know that B2B buyers usually avoid clicking on ads, which makes clicks a poor metric of B2B advertising success.

   Clicks however can be useful in a narrower sense. For example, tracking relative clickthrough rates (CTRs) across creatives can validate which messages are resonating most. Similar to leads, Iif you must use clicks or CTR as a broader campaign KPI, be sure to restrict credit to qualified clicks — that is, clicks from a target persona.

2. **Conversions/Leads:** In B2B, individuals don't make purchases, buying groups do. Leads capture the actions of individuals, which *may indicate* potential intent signals — or just noise. Holistic engagement across the buying committee tells us so much more, regardless of whether someone ultimately fills out a form. Furthermore, if someone sees your ad and that prompts a visit to and conversion on your site at some point later, you probably won't be able to attribute the lead to the campaign. Therefore, B2B can't rely on leads only to measure advertising success.

   Don't fall into the trap of attributing new leads with a successful advertising campaign. CRM and marketing automation platforms have enough junk leads to go around. Sales have enough false signals that keep their attention away from better opportunities. If you must use leads as a broader campaign KPI, be sure to restrict credit to qualified leads — that is, confirmed members of a buying group within a target account.

In summary, measure metrics that really drive business outcomes in B2B. Read on to learn what they are...

Enter the Era of Advertising Maximization

According to Forrester, traditional digital advertising optimization begins and ends with two flawed premises: that advertising's highest and best use is inviting direct clicks, visits, and conversions, and that optimizing for the ratio of clicks to visits to conversions at the lowest possible cost is the best path to advertising ROI.

"Advertising optimization appears to add value on the surface, but advertising maximization looks beyond clicks and conversions to analyze and delineate the efficacy and value gained while also considering the amplitude for expansion potential."

The significance of B2B advertising spend elevates the pressure to maximize the investment.

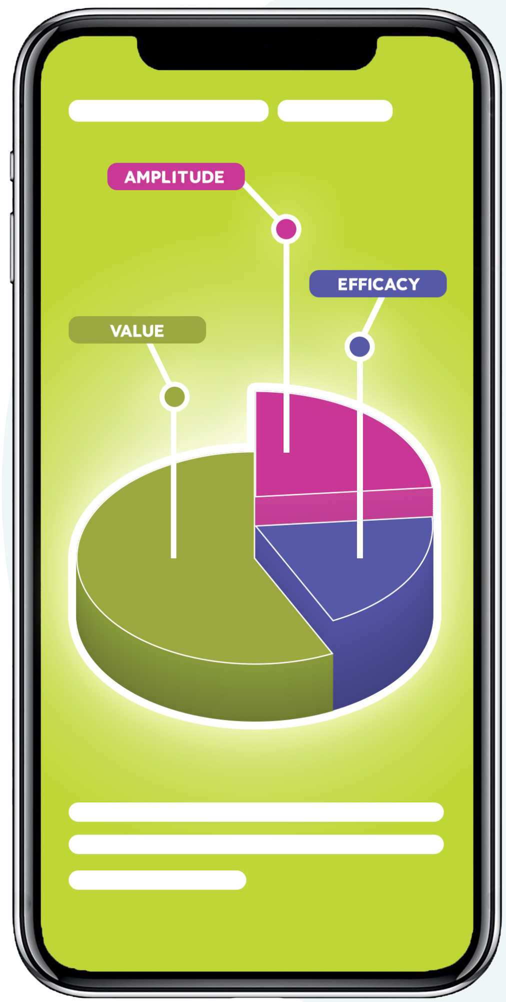
~John Arnold

Source: Rethinking B2B Digital Advertising Optimization, Forrester, February 18, 2022

Introducing Efficacy, Amplitude, and Value

Progressive B2B digital marketers have abandoned the world where impressions, clicks, visits, and conversions, and the cost thereof, are the primary focus of optimization. Instead, they are charting a path where **efficacy, amplitude,** and **value** justify continued investment in one channel over another.

We understand this is a big change for some organizations. Although you may have existing reporting processes that are already established internally and existing reporting expectations from budget holders within your organization — It's time to evolve.



Efficacy: Setting Your Sights on Quality Over Quantity

When measuring **efficacy**, the focus is on the *quality* of impressions, clicks, visits, and conversions based on the target audience reached.

Are you reaching the right people at the right accounts with your ads? If you're not, then you are using precious budget on accounts that aren't a good fit and/or haven't demonstrated any buying signals.

Increasing the quantity of impressions, clicks, visits, or conversions only leads to additional waste unless the efficacy or fit of the audience is maximized and maintained.

Instead, use a carefully defined ideal customer profile and determine efficacy by measuring the percentage of impressions, clicks, and conversions associated with the profile or intended audience.

Measuring efficacy:
Advertising efficacy = the percentage of a reached audience that matches the ideal customer profile.

Account-based advertising example:
An advertising campaign reaches 1,000 accounts. 500 of those accounts match the intended audience. The campaign has an efficacy of 50 percent.

People-based advertising example:
An advertising campaign reaches 1,000 people, 500 of which match the personas within the buying group at the right companies. The campaign has an efficacy of 50 percent.

Calculating efficacy is not possible without a technology like Demandbase which can de-anonymize account traffic. You will also need to have a high-level understanding of who your ideal customer profile is. This is represented by your total addressable market or target account list (guidance available on the next page).

Note: *If you're not an existing Demandbase customer, we can provide de-anonymization of your website traffic during the pre-sales process to help with this analysis.*

Sidebar: Any Interaction That's Not Guided by Data is Spam

With the right data, algorithms, and predictive models, you will zero in on the accounts that check all the boxes of your ideal customer profile. This insight empowers your team to focus on the accounts that matter most.

The key to selecting the right accounts lies in the combination of playing with F.I.R.E. together with predictive models.

Criteria	Core Question	Key Activity	Data
Fit	Are we interested in this account? How closely does it match accounts where we've easily created significant revenue?	Define an ideal customer profile (ICP) and prioritize accounts by its qualification score.	Firmographics Technographics
Intent	Are they showing interest in our category or our competitors? Is their interest trending up?	Identify what topics companies are actively consuming across the web and when interest in a topic surges.	Baseline intent Trending intent
Relationship	What's our existing relationship with this account?	Track whether AEs and SDRs are already reaching out to an account and whether there were previous meetings or opportunities. Know if another division is a customer, or if they've purchased a competitor.	Email Meetings Opportunities Technographics
Engagement	How engaged is our company with this account right now?	Monitor which accounts (and personas) visit your website, download your content, attend your events, and so on.	Account activity Engagement minutes

Amplitude: Determine the Level of Influence

The next step is measuring **amplitude**. This measure tells you *how well* your advertising efforts are influencing increased behaviors with the intended audience.

There are many ways organizations define “influence.” One example is using a metric called **account lift**. Lift is typically defined as increases in page views during a campaign compared to a baseline period (which is typically before the campaign). Another example is by measuring the number of accounts engaged. An engaged account could be defined as an account having 3 unique web sessions over a 30-day look-back period.

Tracking amplitude metrics will allow you to assess the current success of an ad campaign. You may even create your own amplitude benchmarks which enables you to know when live campaigns need to be optimized.

Measuring amplitude:
Amplitude = the percentage of the target audience influenced, divided by the percentage of the target audience reached (to make it easy, convert the percentages to decimals first).

Account lift example:
An advertising audience includes 1,000 accounts. If 400 accounts were lifted (40% or .40) and 800 were reached during the campaign (80% or .80), the amplitude in this case would be 50% or .50 (.40 divided by .80). This means that for every 2 accounts reached during the campaign, 1 of them will be considered lifted.

Account engagement example:
An advertising audience includes 1,000 accounts. If 300 accounts were considered engaged (30% or .30) and 900 were reached during the campaign (90% or .9), the amplitude in this case would be 33% or .33 (.30 divided by .90). This means that for every 3 accounts reached during the campaign, 1 of them will be considered engaged.

Value: Beginning of understanding attribution and ROI

Now let's bring it all together with **value** metrics.

When measuring value, the focus is on understanding performance and how it impacts pipeline and revenue. **This is where you begin to understand campaign attribution and ROI.**

In order to assess campaign attribution and ROI, you need to look at a specific campaign outcome and understand the value of it.

The outcome(s) could be a variety of things for B2B organizations, including but not limited to:

- Account lift
- Account engagement
- Qualified responses (e.g. form fills)
- Event registrations
- Trial sign-ups
- Closed deals

The monetary value you associate to a lifted account, towards a qualified lead conversion, or other other ad metric requires a sound methodology. For example, let's review a simple analysis on how you would gather the monetary value of a single qualified lead from a form conversion with an ad campaign.

Value: Beginning of understanding attribution and ROI

Sample: Monetary Value of a Qualified Lead

Company Details (provided by you):

- Qualified Lead to Opportunity Conversion Rate: 1%
- Opportunity to Closed Won Rate: 30%
- Average Deal Size: $100,000

Using the above data, we can determine that the value of a single qualified lead is **$3,000**. We calculate this by following these steps:

1 X .10 (your organization's Qualified Lead to Opportunity Conversion Rate) = **.01**
(# of qualified leads that turn into opportunities)

.01 X .3 (your organization's Opportunity to Closed Won Rate) = **.003**
(# of qualified leads that turn into closed won revenue)

.003 X $100,000 (your organization's average deal size) = **$300**
(amount of influenced revenue)

After calculating the value of advertising outcomes, you may now understand the value of each campaign in totality (and thus, the ROI). In summary, you will compare the outcome value(s) to the total cost of your advertising campaign(s).

Value: Beginning of understanding attribution and ROI

This method of measurement provides a more accurate representation of both attribution and ROI.

Uncovering the campaign value shows credible influence on pipeline and revenue, which is what CMO and CROs care about. This is what justifies continued budget allocation for digital marketing tactics — ***not*** reporting on the cost of the CPM or the number of impressions you were able to serve.

Note: *Non-click measurements, like lift and interacted/engaged, demonstrate significant value. Lift shows that target accounts are spending more time on the website, have visits from numerous members of the buying committee, and are going deeper into the content. This is an indicator that buyers are being influenced by ads, even if they aren't clicking directly on the ads themselves.*

With all the definitions and explanations out of the way, let's put the theory into practice with a test on the next page.

Measuring campaign value and ROI:
Value = the value of the outcome minus the cost associated with the campaign.

Qualified lead conversions:
On a $100,000 advertising campaign, there were a total of 500 qualified lead conversions. If the average value of a qualified lead conversion is $300, then the total value of the outcome would be $150,000 minus ($100,000), e.g, the incremental value added is $50,000.

Account lift example:
On a $100,000 advertising campaign, 500 out of 1000 accounts are considered "lifted." If each lifted account has a monetary value of $1,000, then the total value of the outcome would be $500,000 minus the cost of the campaign ($100,000), or $400,000.

Ready for a Pop Quiz?

Question:
Which advertising campaign, A or B, "performed better" or demonstrates a "higher ROI"? (hint: it's not as obvious as it may seem)

	Campaign A	Campaign B
Budget	$100,000	$100,000
Cost Per Thousand Impressions (CPM)	$10.00	$13.33
Total Impressions	3,333,333	2,500,000
Click-through rate	.05 percent	.04 percent
Total Clicks/Visits	166,667	100,000
Cost per click/visit	$.60	$1.00
Lifted accounts	30 percent	30 percent
# of converted leads	1,500	1,200

Answer:
At first glance, it appears Campaign 'A' performed better and had a higher ROI right? The reality is that there's insufficient information to determine either. If I asked which campaign had a higher CTR, cheaper CPM, or which had the most amount of converted leads, there is enough information to answer. Ultimately, to determine which performed better and which campaign should be duplicated in the future, the analysis is missing amplitude and value metrics.

Ready for a Pop Quiz?

Question:

Which advertising campaign, A or B, demonstrates higher ROI?

	Campaign A	Campaign B
Budget	$1,000,000	$1,000,000
Cost Per Thousand Impressions (CPM)	$30	$40
Total Impressions	33,333,333	25,000,000
Impression Efficacy	60 percent	90 percent
Target Audience Impressions	20,000,000	22,500,000
Total Clicks	2,000,000	2,250,000
Click Efficacy	45 percent	90 percent
Target Audience Clicks	900,000	2,025,000
Target Accounts Reached	60 percent	50 percent
Account Lift Percentage	30 percent	50 percent

Ready for a Pop Quiz?

Account Lift Efficacy	25 percent	50 percent
Percentage of Target Audience Influenced	10 percent	25 percent
Percentage of Target Audience Reached	30 percent	30 percent
Influence Amplitude	25 percent	83 percent
Avg. Value Per Account Lifted	$3000	$3000
Total Value of Target Audience Lead Conversions	$1,400,100	$2,142,000
Overall Cost of Advertising	- $1,000,000	- $1,000,000
Incremental Value Added	$400,100	$1,142,000

Answer:
Despite having a more expensive CPM, a lower number of impressions, and even a lower target account reach, **Campaign 'B' delivers more value**. Why?

Click/Visit Efficacy and Account Lift Efficacy percentages are much stronger in Campaign 'B'. Amplitude in Campaign 'B' also demonstrates that it is more effective at influencing its target audience than Campaign 'A', while the Incremental Value Added in Campaign 'B' proved that the advertising spend delivered significant value back to the business.

Let's talk through some additional tips to fully modernize your advertising measurement practices.

Bonus Tip 1: Become an Advertising Measurement Wizard

Even the best copy and creative can underperform if budgets and ads aren't targeted strategically. How do you combat this? Keep your eye on the prize. Here are the proven measurement best practices B2B marketers lean on:

1. **B2B marketing today is about constant iteration.**

   Build optimization cycles into all your campaigns to improve results (by creating those personal amplitude benchmarks!). Tie campaign success to real business outcomes like opportunity pipeline and sales revenue to answer this one question: how do all revenue teams contribute to the business bottom line?

2. **Demonstrate short-term and long-term impact.**

   The B2B sales cycle is significantly longer than a monthly or quarterly ad campaign. While we preach the virtues of always-on campaigns, you'll want to develop both long-term KPIs that measure the impact on the business (e.g. pipeline and revenue influence), as well as short-term KPIs that serve as a proxy for the long-term goals to demonstrate short-term progress (e.g. increases in conversions to higher stages and decreases in velocity between stages).

3. **Isolate the campaign's impact.**

   Measuring influence is an art, not a science. It's not enough to track what happens within an account during the campaign timeframe, and it's rare that ads are the only marketing touching an account. In order to properly evaluate a campaign's performance, zero in on measurement that shows incrementality, whether by comparing to a baseline period or to a control group of accounts.

Bonus Tip 2: Don't Just 'Make Your Budget Work' — Make it Work for You

Budget is a finite resource, especially with marketing budgets being under the microscope of current economic conditions (this eBook was written in Q4, 2022). Ensure your advertising budget is aligned to your accounts to maximize spend and spread sufficient budget across all accounts.

Pro Tips:

The right B2B advertising solution:

At a base level, it understands the concept of accounts. Among other things, these solutions prevent one large account from using all of your spend and impressions.

Optimize spending within accounts:

Utilize bid prioritization for known contacts, key personas, and high-intent individuals while also tapping into real-time updates to track the freshest intent signals.

Optimize spending across accounts:

Be sure to load balance to avoid over-spending on large companies that have multiple people from a buying group conducting research on your website. Smart B2B advertising tools have recognition at the account level and will shift budget toward accounts requiring more nurture.

In summary

It’s time to stop relying on surface level campaign metrics alone — they don’t answer important business impact questions.
Instead, tap into robust account-based insights using a combination of **efficacy** and **amplitude** (which is maximized by picking the right advertising technology vendor and channel), along with proper **value** analysis by attaching campaign performance to pipeline and revenue.

To deliver real business results quarter over quarter, perform this analysis across an array of channels and keep up with the breakneck speed of martech innovation.

Don’t launch campaigns in isolation and don’t measure their success in isolation. B2B advertising is often a long game. And to win, you must create and cultivate the highest quality of measurement processes. Trust us, your organization will thank you for it.

Ready to learn more about how we can help? We’re here to answer all of your questions.

Demandbase