

Course 5 - Dcode Master Class

Maximizing ROI on Paid Marketing Channels

By Casey Stanton

Founder of CMOx, the Fractional CMO
Company

Maximizing ROI on Paid Marketing Channels

01

Why Optimize Channel Mix for Revenue ROI

Understand the channels for attracting and converting

02

Paradigm Shift in Measuring the Marketing KPIs

Discover the KPIs you need to measure to have control of your results

03

Challenges in Analyzing Performance Data

Attribution, data silos, data integration, gestation times & more

04

The Marketing Performance Blueprint

The ideal channel mix for B2B, B2C and marketing agencies

Presenter: Casey Stanton



**Founder at CMO Exponential,
The Fractional CMO Company**

- The leading expert in fractional chief marketing officer strategy to grow 7 and 8 figure companies
- Expert on the evolving landscape of marketing strategy, digital marketing, sales and remote teams
- Always looking for a win-win outcome for entrepreneurs and their team members
- Former Tulane University Professor of Marketing
- Michigan State alumni
- Spend my weekends with my wife, son and dog exploring Philadelphia





Topic #1:

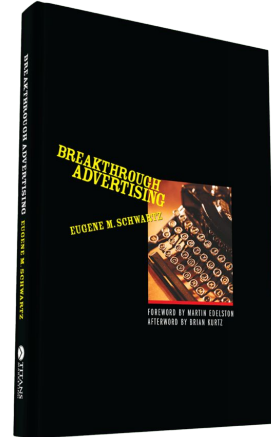
Why Optimize Channel Mix for Revenue ROI?

Why Optimize Channel Mix for Revenue ROI?

There are unique marketing channels for the different stages of the customer journey.

In Eugene Schwartz's pivotal marketing book "Breakthrough Advertising", he suggests there are 5 stages of "awareness":

1. Unaware
2. Problem aware
3. Solution aware
4. Product aware
5. Most aware



Why Optimize Channel Mix for Revenue ROI?

The marketing channels you choose are dependent on the level of awareness your prospect has.

Therefore, what channels must you use to satisfy the following stages of a prospect/customer?

Stage 1: Find the prospect

Stage 2: Attract the prospect

Stage 3: Convert the prospect to a customer

Stage 4: Grow the lifetime value of your customer with your company

Why Optimize Channel Mix for Revenue ROI?

Stage 1: Find the Prospect

- Who are they?
- What is their intent?

This is Top of Funnel (TOFU) marketing.

Why Optimize Channel Mix for Revenue ROI?

Stage 2: Attract the Prospect

- What problems can you solve for them?
- How can you show your expertise? (case studies, testimonials, social proof)
- What can you give the prospect to build trust?

This is Top of Funnel (TOFU) and Middle of Funnel (MOFU) marketing.

Why Optimize Channel Mix for Revenue ROI?

Stage 3: Convert the Prospect to a Customer

- What is the easiest thing they can buy from you?
- How can marketing support your sales process?
- Sell with continuity wherever possible

Case study: Amazon Prime

This is Bottom of Funnel (BOFU) marketing.

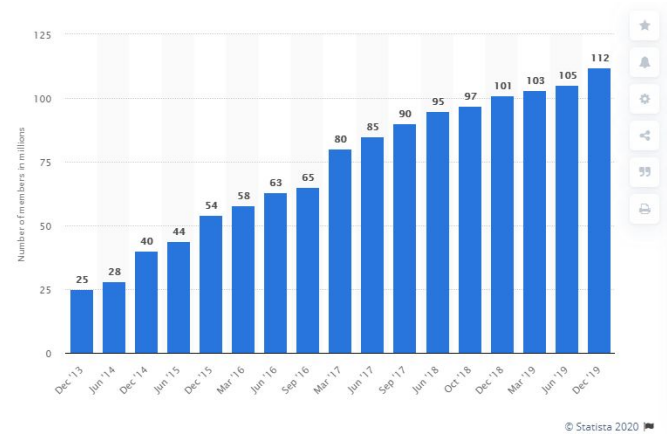
Why Optimize Channel Mix for Revenue ROI?

Stage 4: Grow the Lifetime Value of your Customers

- Sell with continuity wherever possible
- Account-based marketing
- Have a product ascension

This is Bottom of Funnel (BOFU) marketing.

Amazon Prime customers (in millions)



Topic #2:

The Paradigm Shift in Measuring Marketing KPIs

Which Marketing KPIs should you be focused on?

If you don't know these seven marketing KPIs, you do not fully understand your marketing efficacy.

1. Lifetime Value of a Customer (LTV)
2. Cost per Sale (CPS)
3. Cost per Lead (CPL)
4. Return on Ad Spend (ROAS)
5. MQL Last 30 Days
6. Sales Last 30 Days
7. Time to Sale (TTS)

Which Marketing KPIs should you be focused on?

Lifetime Value of a Customer (LTV)

Formula:

$$LTV(\$) = \text{Margin} (\$) * (\text{Retention Rate} (\%) \div ([1 + \text{Discount Rate} (\%)] - \text{Retention Rate} (\%)))$$

Formula without discounting:

$$LTV(\$) = \text{Margin} (\$) * (\text{Retention Rate} (\%))$$

- Be conservative
- LTV will be used to calculate the Acceptable Cost per Sale

Which Marketing KPIs should you be focused on?

Cost per Lead (CPL)

Formula:

$$\mathbf{CPL} (\$) = (\text{Sponsorship fee} + \text{marketing collateral} + \text{flights/meals/per diem}) \div \text{Leads} (\#)$$

- Include all ancillary costs
- Create similar calculations for digital-only sales

Which Marketing KPIs should you be focused on?

Return on Ad Spend (ROAS)

Formula:

ROAS = Revenue from marketing campaign ÷ Cost of marketing campaign

- ROAS shows where your marketing team should spend their time and effort
- Make sure you're seeing magnitude along with ROAS as some campaigns have high ROAS but are "small" campaigns without the ability to scale

Which Marketing KPIs should you be focused on?

Cost per Sale (CPS)

Formula:

CPS (\$) = (Marketing spend (\$) + ad technician fee (\$) + overhead (\$)) ÷ Total Sales

- By adding in overhead (including marketing vendors), you'll get a real CPS
- What is your CPS versus your Acceptable CPS as defined by your LTV?

Which Marketing KPIs should you be focused on?

Marketing Qualified Leads in the last 30 Days (MQL Running 30)

In order to have successful sales forecasting, you need to have visibility in your sales pipeline. But in order to know how your sales pipeline will be behaving in the next 30 days, you need to have your pulse on the lead volume and quality.

The quantity of leads which meet a specific quality is the most important. If you're receiving hundreds of new leads each week, but the leads are unable to afford your service, they shouldn't be considered "qualified."

Which Marketing KPIs should you be focused on?

Sales Last 30 Days

No matter if you're selling a product or service, you need to know your sales volume. Just as it's important to look at the past 30 days' lead volume, the same is true for sales volume.

This report can be broken into Last 7 Days report as well, for you to have a timelier grasp on the sales success and lead pipeline.

Which Marketing KPIs should you be focused on?

Time to Sale (TTS)

This is an easily forgotten metric, but one that must be tracked in order to be improved.

It is said that most leads take 8 to 10 touch points (emails, calls, demos) before they close into a sale. For some of our companies, it can take 18+ months and dozens of touchpoints! If you're not tracking the time it takes for a lead to be closed, you're missing out on a major opportunity to optimize your marketing and sales funnels.

A few CRMs can help calculate this data, but if you lack the reporting of technical prowess, it's easy to run a VLOOKUP in Excel that measures the time between a lead being logged in your system to when a purchase event happens. Find the time between those events, remove the outliers, and find your median.

Once measured, I'm sure you'll have a few creative ideas on how to reduce the Time to Sale. Test your ideas and let the data tell you if your hypothesis is correct. Take the kaizen approach to improving the TTS 1% every month (or every week, if you have the capacity).

Topic #3:

Challenges in Analyzing Performance Data

The 5 Challenges in Analyzing Performance Data

Challenge #1: Proper attribution

Challenge #2: Data silos + data integration

Challenge #3: Data accuracy (statistical significance)

Challenge #4: Data not telling an emotional story

Challenge #5: Long gestations

Topic #4:

The Marketing Performance Blueprint

The Marketing Performance Blueprint

Let's discuss the ideal marketing channel mix for:

1. B2B
2. B2C
3. Marketing Agencies

The Marketing Performance Blueprint

The Ideal Marketing Channel Mix for B2B:

- Identify targets
- Inbound (content marketing, SEO, PR, Google Search ads, PROOF [case studies], webinars)
- Outbound (LinkedIn, cold email, cold call, value-add emails, webinars)

Case Study: Telemedicine company masters outbound

The Marketing Performance Blueprint

The Ideal Marketing Channel Mix for B2C:

- Identify targets
- Inbound (content marketing, SEO, contests)
- Outbound (Paid ads [FB/IG, Google Search, Display + YouTube, native ads, micro influencers], reviews)

Case study: Beverage company drives sales through Facebook Ads

The Marketing Performance Blueprint

The Ideal Marketing Channel Mix for Marketing Agencies:

- Identify targets
- Inbound (content marketing, SEO, PR)
- Outbound (LinkedIn, cold email, cold call, value-add emails, Facebook Ads, Google Search Ads)

Case Study: Dental Service Organization hires a dental marketing company

THANK YOU

Casey Stanton – CMOx.co
Twitter: @CaseyStanton
[LinkedIn.com/in/CaseyStanton](https://www.linkedin.com/in/CaseyStanton)