

Measuring the Value of Custom Content

Pace Perspectives

By: Andrew Harris
Director of Analytics



..... //

When they want you to buy something they will call you.

When they want you to die for profit they will let you know.

—Wendell Berry

..... //

Measuring Value

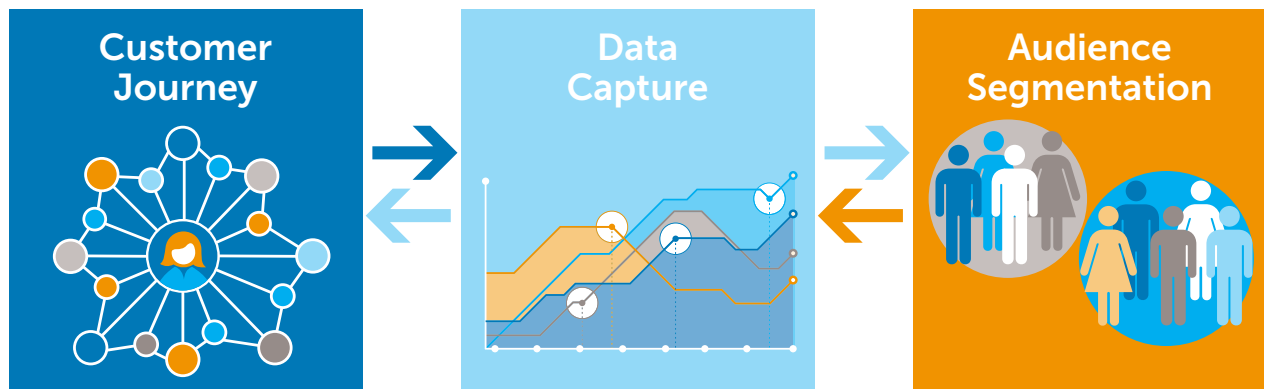
The reputation of marketing has suffered over the past few decades for the simple fact that its primary focus was figuring out clever ways to transfer value rather than create it. Businesses exist to create value by serving their customers, not to simply profit by transferring value from the customer to the business. As Peter Drucker articulated it nearly 60 years ago in *The Practice of Management*, profit is not the primary goal, but rather an essential condition for the company's continued existence. Fortunately, a handful of great businesses are starting to realize that content marketing can help create value, and the best companies are measuring the value to optimize their marketing investments. When thinking about measuring the value of content, it is necessary to move beyond the vanity metrics of impressions and page views to value metrics that can help answer three primary questions.



1. *How is the content adding value?*
2. *How is the content saving costs?*
3. *How is the content making our customers happier?*

Principals of Content Marketing Measurement

Before we dive into answering these questions, we need to establish principles for measuring the value of content marketing. The first principle is understanding the customer journey. For years the primary model for understanding the customer journey was the marketing funnel. While the funnel is still conceptually helpful, by its nature it forces marketers into thinking the customer journey is a linear process. The modern eco-system that brands use to engage with customers is now so complex that the consumer journey is a network of experiences rather than a linear set of touch points. This understanding is critical when thinking about measuring the value of content marketing, because analyzing a network of experiences requires a multi-touch and omni-channel approach to accurately measure the value created by each content experience.



We then move to how we capture the data so that we can measure the value of content along the customer journey. While this may sound like an obvious principle, it is not something marketers have traditionally had to think about, and is often identified after the creative execution has been developed. To obtain meaningful measurement, it is critical that there is an architected plan for capturing, storing, transforming and analyzing data uniformly across all marketing activities. This often requires significant investment in IT infrastructure. Since the network of customer experiences is now so complex, it is imperative that marketers capture each interaction to accurately analyze and understand the impact of the various experiences. Integrating multiple touch points across various online and offline channels will be required to accurately measure the full impact of marketing experiences throughout the customer journey.

From here we can develop meaningful audience segmentation, the final principle needed for measuring the value of content marketing. This principle flows naturally when marketers shift their paradigm of the customer journey from a linear process or funnel to a network of experiences. Within a network there are many combinations of experiences making up the customer journey. For example: There will be a segment of customers that heavily interact with editorial and another segment of users that lack any experiences with editorial content. If these two segments have similar expectations for their experience with editorial content, then we can quantify the impact of the editorial when analyzing the two groups' behaviors. It is precisely through segmentation that we are able to know the role of content in creating value through a customer journey.

Value of Content

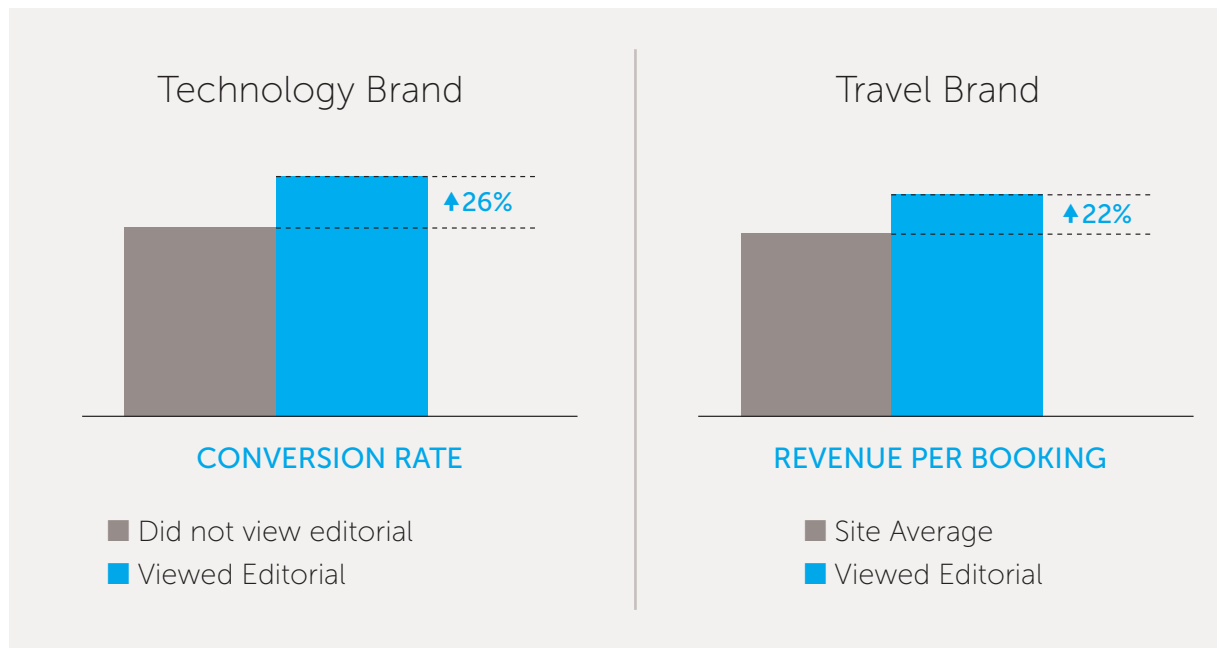
By following these three main principles, Pace has been able to quantify for our clients the role of content within the marketing experiences they invest in for their brands. Some of the most common marketing experiences that we measure for our clients on an ongoing basis include:

- 1. Lift in Key Performance Metrics*
- 2. Omni-channel Attributed Sales*
- 3. Cost Savings*
- 4. Customer Satisfaction*
- 5. Program Optimization*



Lift in Key Performance Metrics

Taking a look at one of Pace's technology brand clients through 2012, we saw a 26% lift in conversion rate when visitors engaged editorial compared to a segment of users who failed to interact with editorial content. Similarly, for one of Pace's travel brands, we were able to measure a 22% lift in revenue per booking when users engaged with editorial versus the brand's site average.



Omni-channel Attributed Sales

While these measures have helped us quantify the incremental value of content to create the full picture, we needed to integrate our data with a broader data warehouse in order to attribute value across multiple customer interactions. By integrating the data of our content marketing programs with our clients' customer data warehouses, Pace has been able to obtain deeper insights into the value created from the content experiences throughout the customer journey. From this level of analysis and insight, we've been able to show how every dollar invested in one of our content programs has returned approximately \$19 toward the company's bottom line.



Cost Savings

Additional insights from this analysis illustrated that there is a very strong link between digital content experiences and offline purchases. Because the data warehouse included offline point of sales data, we were able to track and attribute offline sales that were impacted by digital experiences before purchase. By gaining a more complete understanding of the typical customer's journey, we were able to introduce cost savings by reducing printed sales collateral since the majority of consumers had already researched products before entering stores to make a purchase.

Custom content provides additional cost savings through increasing consumers' ability to easily self-service for product or service support needs. Businesses and consumers both win when customers can easily find answers to their question without having to call a customer support line.

Beyond hard cost savings, content syndication is another opportunity to realize cost savings through efficient use of content across multiple channels. By utilizing the same asset and repurposing across the appropriate channels, whether digital, social or print, organizations can realize cost efficiencies that quickly add up as well as unifying the messaging across multiple channels.



Customer Satisfaction

In addition to driving sales to produce a positive ROI and realizing cost savings through syndication, content programs create value through making customers happier. The modern consumer is inundated with a deluge of promotional messaging and advertisements. Marketers are now increasingly developing messages with the intent of creating conversations and dialogue with customers through content marketing. This content must be in line with their interests and the value proposition of the product in order to add value to consumer lives. While this is a softer measure of value creation, it is critical in retaining customers and will ultimately drive a higher lifetime value for each customer.

To gauge customer satisfaction, it is necessary to ask their opinions with carefully crafted surveys and to gather responses from a representative sample of consumers. This allows us to immediately gain quality insights into the perceived value of the content program. Survey data should be captured so that it can also be integrated with a data warehouse. Having survey data integrated with purchase behavior creates the opportunity to quantify the value of a highly satisfied customer with their lifetime value. It is through this level of analysis that content programs are able to more fully quantify the value they create through increased customer satisfaction.

.....



Program Optimization

Beyond purely measuring and quantifying the value created through content programs, this data can also lead to insights that optimize program efficiency. To get from data to actionable insights, organizations need to have processes to provide the various stakeholders access to appropriate and digestible data. To paraphrase David Ogilvy, most people use analytics the way a drunk uses a lamppost – for support rather than illumination. While there is need to have data analytics to support and justify every marketing activity, all marketing efforts are limited in driving organizational objectives without excellent creative execution. Excellent creative execution should be a mix of art and analytics. Understanding and analyzing attributes of creative can help illuminate understanding of what attributes - have the most influence on the customer behavior and action.

An example of one attribute we measure here at Pace is length of an editorial piece. By looking at how assets of different lengths perform, we're able to inform editors about an ideal length for an editorial asset. With this insight, our editors can focus on crafting content that resonates more successfully with consumers.

..... //

Most people use analytics the way a drunk uses a
lamppost – for support rather than illumination.

—David Ogilvy

..... //

Conclusion

All business activities should focus on creating value, and content marketing is no exception. The influence of content is measurable against a variety of value metrics, and establishing this measurement system critical to ensuring that content is adding value throughout the customer journey. Through understanding the consumer journey as a network of experiences, capturing the appropriate data throughout the journey, and segmenting the audience, we're able to accurately quantify the value of content. The end results are profitable for businesses and show added value to the consumer. Beyond measuring ROI and engagement, deeper analysis of the content provides opportunities for continuous refinement and optimization to ensure that consumers find the value in the editorial product, and that programs are as efficient and as profitable as possible for brands and organizations.



About the Author

Andrew Harris Director of Analytics

As an analyst, Andrew drives into mountains of our clients' data to uncover meaningful and actionable insights. He started developing his analytical skills at Georgia Tech where he studied Management and Economics. After graduation he cultivated his desire for continuous improvement at Coca-Cola as a business systems analyst working on process improvement initiatives. Seeing the growth in online marketing and convinced that data will provide the key insights needed to help companies grow, Andrew started building his web analytics skills at Capstrat and then McKinney. Before joining Pace, Andrew worked for clients such as Nationwide, Sherwin-Williams, CenturyLink, and Lenovo.

About Pace

Pace is North America's leading independent content agency, specializing in multichannel branded content solutions that fuel loyalty, CRM, marketing, digital and social programs for many of the world's largest brands. We have a staff of more than 300 professionals that are located in five offices across the U.S. – Greensboro, NC, New York, NY, Dallas, TX, San Antonio, TX and Rogers, AR. We help our clients navigate the complex marketing landscape to develop programs that suit their needs to deliver targeted outcomes. In 2013 Pace was named Content Agency of the Year by the Content Marketing Institute.

Contact:

Emily Wright

emily.wright@paceco.com

336.383.5783