

# Three Paths to Measuring Marketing ROI

*Your Options for Confidently  
Measuring ROI using Allocadia*

## Why ROI?

ROI is the single most important measurement a marketer can make.

Sure, it's important to be able to paint a clear picture of the impact of your team's efforts. Doing so will let you cement Marketing's place at the executive table. But the rationale for measuring ROI goes far beyond that.

ROI is the *why* of marketing. When you, the marketer, have confidence in ROI, you become a true business driver — boosting the strength of your team, your company, and your own career.

You'll be able to truly run marketing better.

## The struggle to measure ROI

*Marketing is a profit center, not a cost center.* For as long as marketers have known this, they've struggled to prove it.

Marketing ROI can be nebulous. There's no one-size-fits all ROI measurement, and even once you've decided upon which metrics are most relevant for your business, there's the significant technical challenge of measuring them.

We're here to help.

## Many Rs, One I

No matter how you choose to measure marketing ROI, one thing's certain: you need a clear and complete view of your marketing investment numbers — the *I* in ROI. There are dozens of marketing execution systems out there that claim to help you measure marketing results, but virtually none of them accurately factor in the amount you had to spend to achieve those results.

That's where Allocadia comes in. We provide you with total confidence in the accuracy and completeness of your marketing spend data, and connect that data to the other marketing systems you use.

With that strong foundation, you can choose to measure ROI in the way that fits your organization best — whether it's using Allocadia alone, or in combination with the other tools in your marketing measurement arsenal.

## The 3 Paths to ROI

In this guide, we'll outline three distinct ways that Allocadia customers measure ROI. The method you choose will depend on the data you have at your disposal, where it comes from, and which ROI questions you're seeking to answer.



### ANALYST VIEWPOINT

#### Kathleen Schaub

*Program Vice President, CMO Advisory & Customer Experience*

In her blog post, *B2B ROI: Marketing is Not a Candy Machine*, IDC's Kathleen Schaub warns marketers about the pitfalls of overly simple approaches to marketing ROI. She advocates starting with the "i" (investment data), and then "*investing in a more sophisticated customer creation process model, lots of data, and analytics.*"



# Aggregate ROI

Are we generating results that support our corporate strategies?

Aggregate ROI is the most strategic view of ROI.

Rather than getting “into the weeds” of the effectiveness of specific tactics, Aggregate ROI looks at the broader, strategic picture. For example, you might measure the ROI of your marketing efforts by product line, region, strategic objective, or other higher-order dimensions.

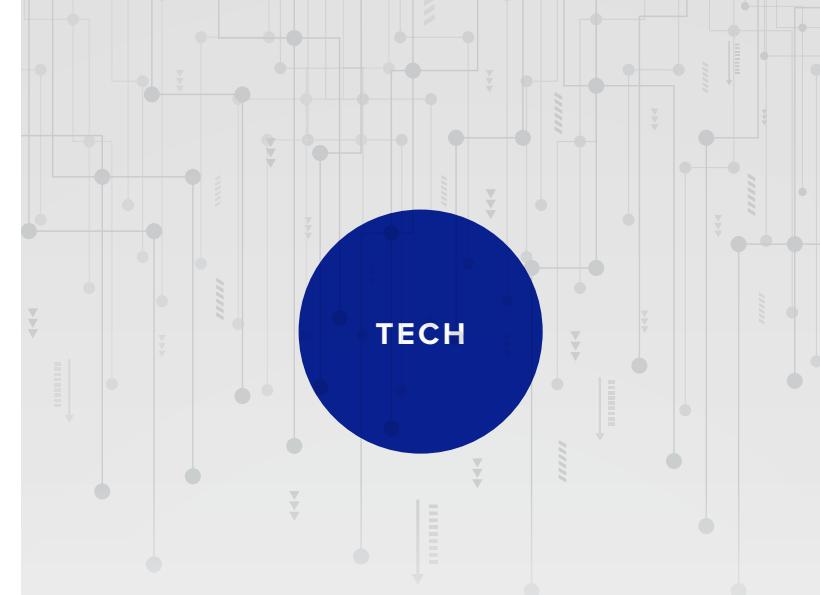
The math here is relatively simple, but like all the other ways to measure marketing ROI, you’ll need to have certainty about the accuracy of your investment data, and the way it’s tagged for the dimensions you want to measure.

## AGGREGATE ROI

### WHEN IT'S USEFUL

Aggregate ROI is valuable for:

- **Enterprise marketing organizations.** Marketing leadership will want to compare the spend mix of various business units, regions, etc., and compare them against performance. *"APAC knocked it out of the park this year! What can we learn from their marketing investment mix?"*
- **Companies using analyst frameworks.** The SiriusDecisions Campaign Framework, for example, goes hand-in-hand perfectly with Aggregate ROI. That framework proposes 4 "program families": Reputation, Demand Creation, Sales Enablement, and Market Intelligence. With Aggregate ROI, you can also measure each one's overall effectiveness. *"How much pipeline did we influence from Demand Creation program family?"*
- **When you're just getting started with ROI measurement.** All the other types of ROI measurement we'll describe here have significantly higher requirements for data cleanliness and dependability. If your firm's data just isn't ready for a more granular form of marketing ROI measurement, Aggregate ROI is a great place to start. We often see companies making their first foray into this area by simply measuring their cost to generate one dollar of pipeline.



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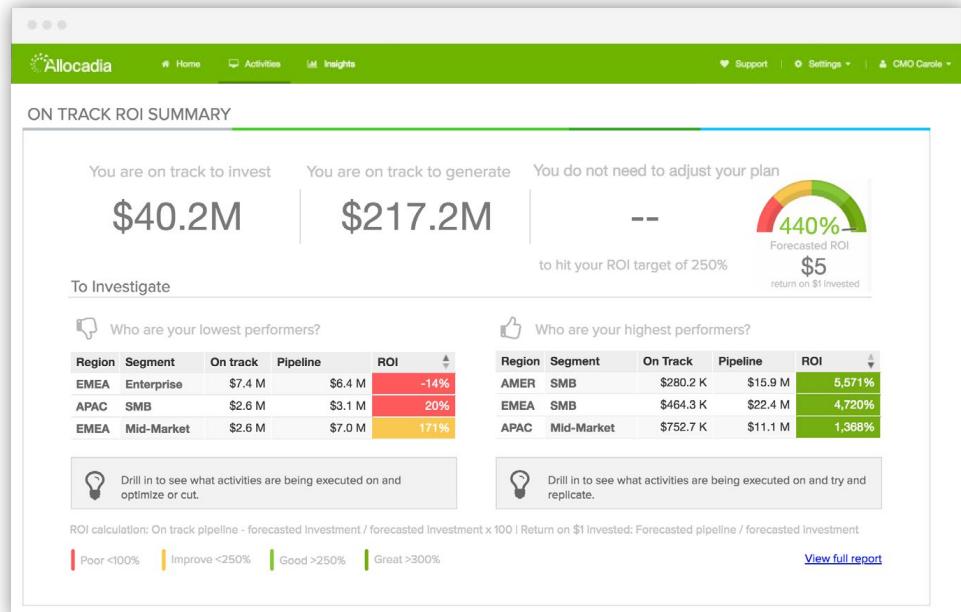
CRM or PoS Systems

Allocadia can measure Aggregate ROI using data from virtually any CRM system or Point of Sale system. Marketing spend managed in Allocadia can easily be sorted and rolled up by any metric or category required.

## AGGREGATE ROI

### EXAMPLE MEASUREMENTS

- ROI by Business Unit
- ROI by Product Line
- ROI by Region
- ROI by Program Family  
(SiriusDecisions Campaign Framework)



Pipeline ROI by region and segment is shown on this Allocadia dashboard.

## CUSTOMER SPOTLIGHT

The marketing organization of the world's largest suppliers of commercial and consumer lighting equipment gets value from Aggregate ROI. For a marketing executive audience, they use Allocadia to create dashboards that show their planned spend for each area of marketing, as well as the total pipeline and revenue for those areas.



*Here's how Helena Lewis, Chief - Marketing Operations and Technology at National Instruments, sees this type of ROI:*

"It's about a shared view of the world — customers, activities, performance management. We have global initiatives, and we have revenue objectives for each one of them. I call this "Return on Objective".



# Attribution-based ROI

Which specific tactics were most cost-effective at generating pipeline and revenue?

Attribution-based ROI takes marketing attribution one step further.

Marketing attribution tools are ideal for measuring which specific marketing campaigns brought prospects into your funnel, nurtured them, and ultimately converted them, but they don't provide an accurate view into the cost of those campaigns.

Attribution-based ROI fills that gap, comparing the specific activities that brought you results and their underlying marketing investment. Looking to pinpoint the most cost-effective channels for customer acquisition? Attribution-based ROI is the measurement for you.

Allocadia enables Attribution-based ROI on its own or with a third-party attribution modeling solution.

## ATTRIBUTION-BASED ROI

# Attribution-based ROI with Allocadia + Salesforce

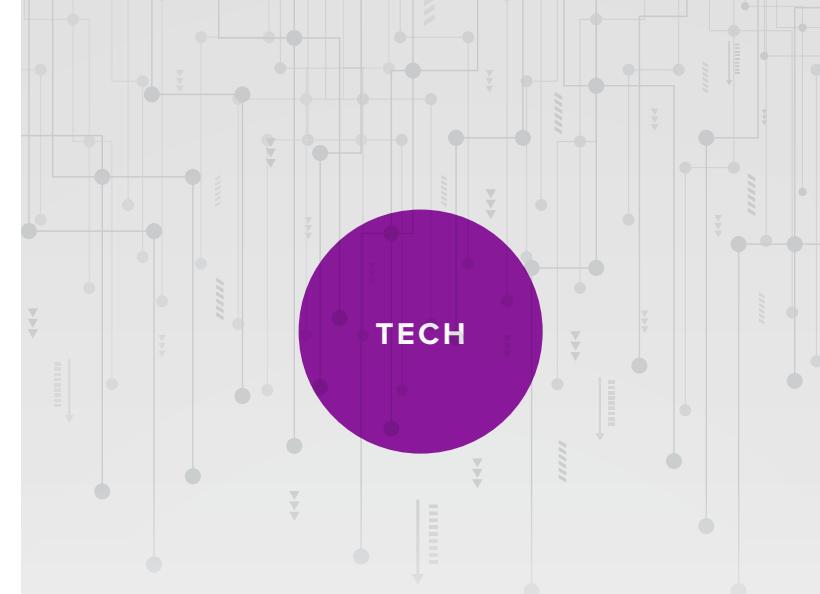
Allocadia provides a built-in marketing attribution solution that works with Salesforce CRM.

We merge the investment data from your budgets and plans (housed in Allocadia) with campaign and opportunity data from Salesforce. Using either first touch, multi-touch or equal-weighted attribution models, Allocadia does the math on these datasets and blends them into intuitive, easy-to-read dashboards.

## WHEN IT'S USEFUL

Attribution-based ROI with Allocadia + Salesforce is appropriate for:

- **Teams just getting started with attribution.** If your organization is just starting out with attribution, or if the attribution models listed above meet the needs of your business, this solution will be appropriate.
- **Teams looking for cost-per metrics:** If you're looking for metrics such as cost per lead, per MQL, per SAL, per opportunity, etc., this is the measurement for you.
- **Those looking for a single technology to measure ROI:** Firms looking to keep a leaner marketing technology stack will enjoy the fact that Allocadia gets you started on marketing attribution and ROI measurement while also solving planning and spend management.



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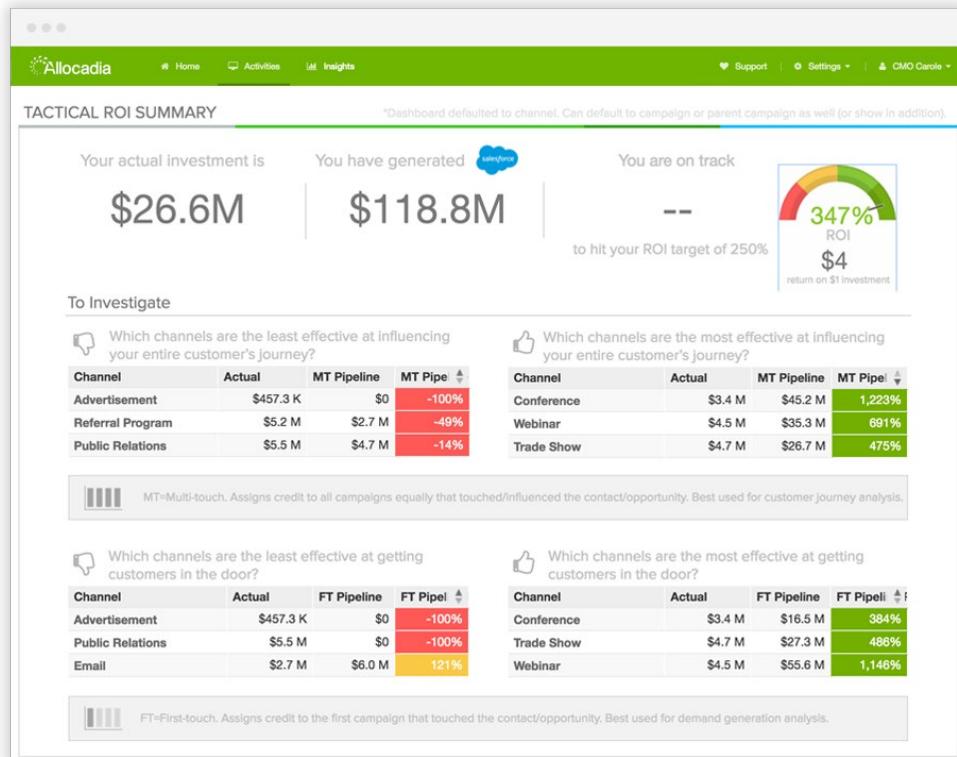


For Salesforce customers, Allocadia is all you need to measure Attribution-based ROI using starter attribution models.

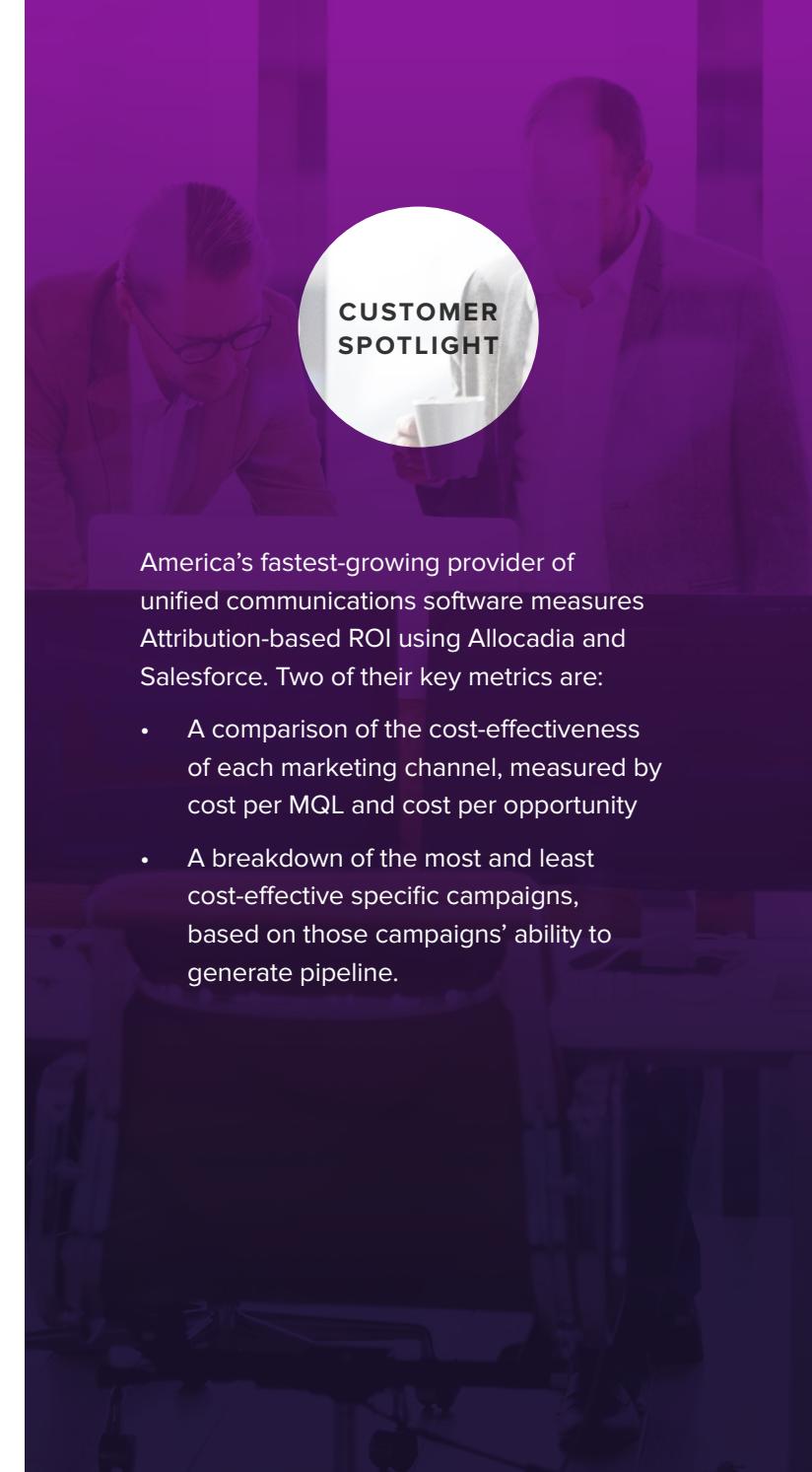
## ATTRIBUTION-BASED ROI

### EXAMPLE MEASUREMENTS

- ROI by Campaign
- ROI by Channel
- ROI by Activity



In this Allocadia dashboard, ROI by activity is shown using equal-weight multi-touch and first-touch attribution models.



## ATTRIBUTION-BASED ROI

# Attribution-based ROI with Allocadia + Third-Party Attribution Modeling

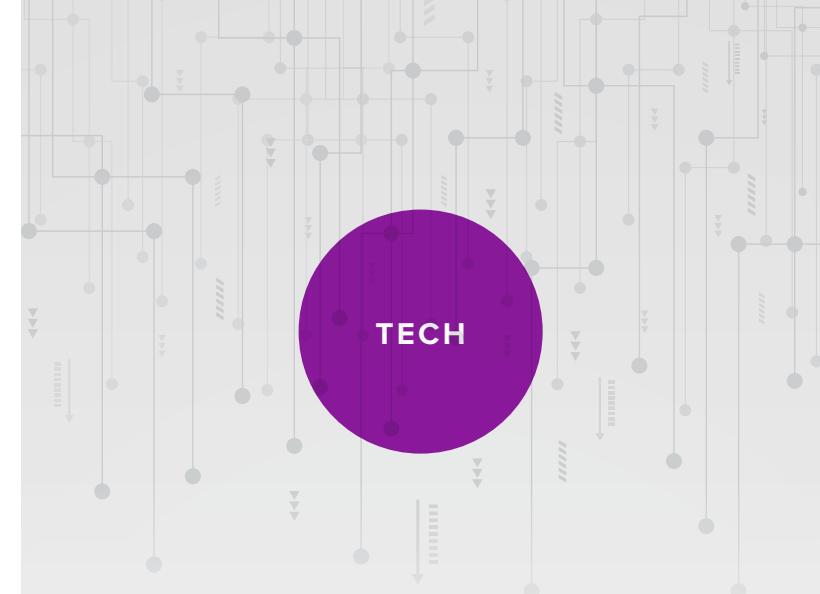
Allocadia is the perfect complement to marketing attribution technologies such as Bizable, Brightfunnel, Full Circle Insights, and others. They make it possible to measure marketing success using a wide variety of advanced attribution models, such as w-shaped or time-decay attribution.

When you combine those insights with the marketing investment data from Allocadia, you get Attribution-based ROI. In addition to measuring how effective each program and activity was at generating leads, pipeline, and revenue, you can now measure how cost-effective they were. That's the kind of insight that truly helps marketers make strategic decisions about where to invest money and time.

## WHEN IT'S USEFUL

Attribution-based ROI with Allocadia + External Attribution Tools is ideal for:

- **Companies who've already invested in marketing attribution tools**, or those who need to measure ROI according to advanced or custom models.



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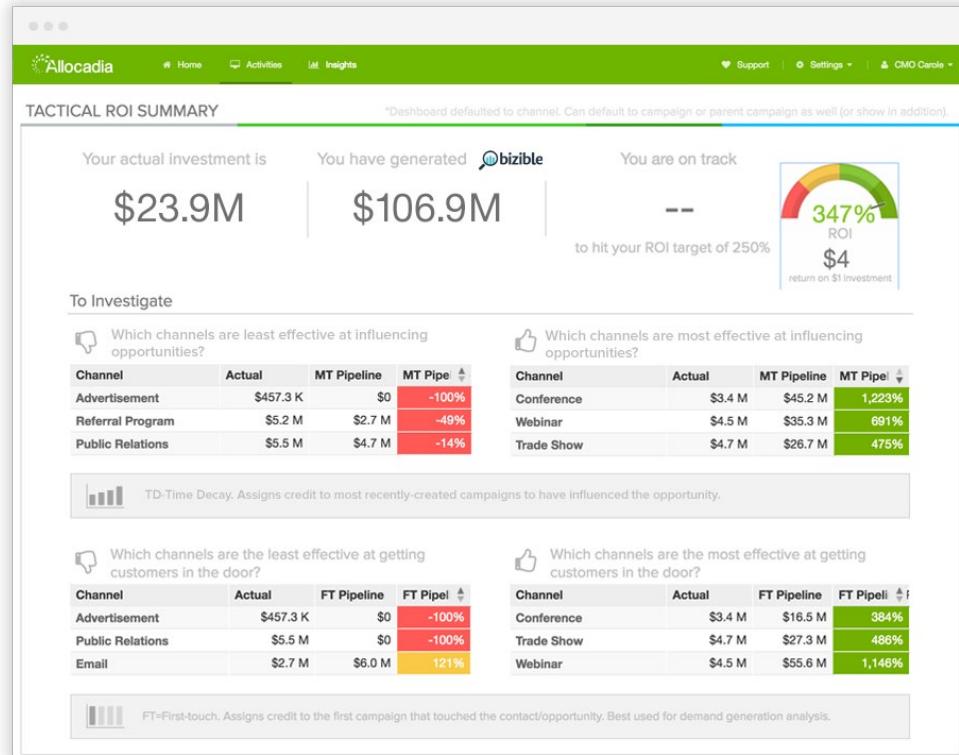
 **Full Circle  
INSIGHTS®**

Allocadia can work alongside any third-party attribution modeling solution, including but not limited to the ones shown above.

## ATTRIBUTION-BASED ROI

### EXAMPLE MEASUREMENTS

- ROI by Campaign
- ROI by Channel
- ROI by Activity



In this Allocadia dashboard, Bizable data is used to enable ROI measurement using one of the more advanced attribution models, time-decay attribution.

### CUSTOMER SPOTLIGHT

A California-based publicly-traded big data software company measures Attribution-based ROI using Allocadia and BrightFunnel.

They've set up Allocadia's marketing spend data to be synchronized with Salesforce, so that the cost of each campaign is also housed in Salesforce. This way, when marketers go to examine the effectiveness of their various marketing tactics using Brightfunnel, they also get a view of the true ROI of each of those tactics.

### DIFFERENT ROI MEASUREMENTS FOR DIFFERENT PURPOSES

We recommend that marketers use both Aggregate ROI and Attribution-based ROI, depending on the audience. Aggregate ROI is typically a measurement of high relevance to the VP- and C-level, whereas Attribution-based ROI is most often used by those with a more tactical role.



## Custom ROI (Data Modeling)

How can we answer multiple ROI questions across business units and geographies and at different viewpoints from top down to bottom up?

For global marketing organizations, off-the-shelf tools often aren't enough. Their complex datasets require advanced data science tools and techniques.

As the system of record for marketing spend, Allocadia is a critical data source for measuring ROI. You can easily extract the data you need using our robust API into any external database or software — there are no limitations here. Your data science team can then put it to work alongside all the other relevant marketing data, whether that's in a business intelligence platform or in a custom modelling and analysis tool.

## CUSTOM ROI (DATA MODELING)

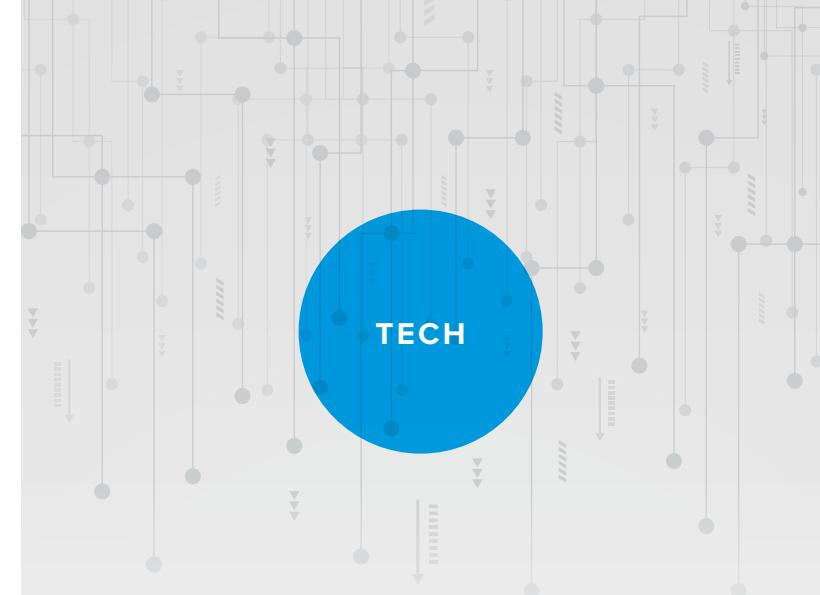
### WHEN IT'S USEFUL

Custom ROI is well-suited for:

- **Enterprises wanting full control and transparency over their data and their attribution model.** These companies have complex needs; off-the-shelf solutions may not meet requirements. Companies at this scale typically have an in-house data analysis team and a business intelligence (BI) suite of tools.
- **Companies wanting to understand their investments and their results against a more complex backdrop** combining data from other parts of the operation, such as weather data, point of sale data, etc.

### EXAMPLE MEASUREMENTS

The measurements possible with Custom ROI are as varied as the organizations measuring them! The sky's the limit here — any measurement relevant to the business can be achieved using Custom ROI.



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Marketing spend data from Allocadia can easily be exported via API to be analyzed alongside your organization's other data sources in any business intelligence tool.

## CUSTOMER SPOTLIGHT

Another Allocadia customer, a cloud content management and file sharing service for businesses, uses Allocadia as one of many data sources for ROI analysis using business intelligence platform Tableau.

The company started its ROI measurement journey using a third-party attribution modeling vendor, but then discovered that the volume, complexity of their data, as well as the custom attribution models they wanted to use, meant that a custom approach would be best.

They now use Allocadia's API to export marketing investment data into their data warehouse. Tableau is used for visualizing and reporting of their highly-customized approach to marketing ROI.

## Summing Up

As we've shown in this guide, there are multiple paths forward towards effective measurement of Marketing ROI. The path your company selects will depend on your perspective on ROI, the size, scope and nature of your business, and the maturity of your processes and tools.

Each path to ROI measurement has one thing in common, however. No matter how you measure ROI, a strong command of the "I", your marketing investment data, is critical. Best-in-class marketing organizations are cognizant of the complexity of their investment data and how Allocadia gives marketers this confidence. With it, you can confidentially calculate ROI in whichever way fits your organization best.

## Let's Talk ROI!

Interested in finding out more about how Allocadia can help you get started in measuring ROI? Let's get in touch.

We've helped some of the world's leading marketing organizations confidently measure marketing ROI, and we can do it for yours, too. Contact us today for a complimentary workshop designed to help you get started on the right path to ROI measurement.

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