

Using digital-first KPIs to secure success and support

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The pandemic has radically shifted how consumers both engage with brands and purchase products. This new behaviour has significantly boosted the importance of digital marketing in most organisations. But some marketing leaders are still struggling to apply the correct metrics for measuring their digital performance, limiting their efficacy and the ability to secure the necessary support they need for success.

Leilah Potter, lead digital advertising solutions consultant and Daleen Spence, business unit director, at Incubeta look at digital-first KPIs and how local brands can use them to drive success in an uncertain market.

The importance of digital marketing has never been greater. While the pandemic caused an initial shift in consumer behaviour, these have not reverted over time. For instance, UK consumers are now spending an [extra day](#) a month online compared to what they did in 2020 and a study [commissioned by Visa](#) found that one in four online purchases in the UK is now made as a result of interacting with a social media platform. South Africans consumers have also shifted their buying habits, flocking online with e-commerce sales growing a whopping 66% last year to reach R30 billion.

Companies are responding to these shifts by assigning additional budget to their digital teams. But this is often happening without proper care being taken when it comes to measuring the efficacy of their efforts.

The role of digital KPIs

Digital KPIs help brands measure and track the performance of campaigns or activities. These quantifiable goals help both agency and client determine success based on pre-agreed metrics. The metrics could be anything from Customer Acquisition Cost (CAC), to Customer Lifetime Value (CLV), to the conversion rates of a website's landing page.

Digital KPIs can be equated to a smart watch, which is measuring a host of data points to give a bigger picture of the wearer's health and enabling them to make changes to their lifestyle in order to boost their fitness and performance.

More than a feeling

Digital KPIs must be clear and agreed upon. If the metrics that will define success are not agreed on, and more importantly, aligned with the organisation's business objectives, then the performance of the digital efforts remain a subjective variable that will depend on feelings rather than facts.

To that end, it is vital that KPIs are set and agreed on collaboratively between agencies and clients. An important part of a digital marketing partner's role is to ensure that success is agreed on before work commences and is constantly monitored. Staying agile is key. The whole point is to be able to shift your approach if it is not working.

Not all metrics are created equal and other KPI challenges

The awareness of how important KPIs are is certainly growing, but both local and international companies still struggle with a disconnect between what is important for the business and what is important for the department.

Although digital sits within the marketing function, it is often siloed from the rest of the marketing efforts. This results in everything being open to interpretation. Aligning digital KPIs with what is required more broadly in the company means you can map your success to business-wide metrics and it will give your marketing leaders a stronger voice at the boardroom table.

Another big problem is that many marketing leaders are still obsessed with vanity metrics. Ranking the highest for a keyword search may give you personal satisfaction, but this doesn't necessarily drive conversions and may not be contributing to your business growth in any meaningful way.

A challenge we are seeing at both global and local companies is how often KPIs don't align with the marketing funnel. We see companies asking for sales and leads from the awareness phase of their marketing funnel. This is illogical and can cause immense frustration for the digital team.

We also see far too many brands still doing last click attribution. Painting each channel, activity and consideration phase with the same brush will probably result in you applying budget where you see immediate yield, rather than where it is required for long-term success.

Top tips for digital success

A key success factor in delivering appropriate KPIs is how effectively an organisation makes use of the data at its disposal. Understanding what data you have available and then using it smartly will help brands deliver better, more targeted interventions. The growth of experienced data teams also enables valuable inter-departmental conversations that would ordinarily not happen - breaking down the silos and ensuring better delivery.

Clients often obsess over the big goals. But, just like eating an elephant, we need to take a bite at a time. Using micro conversion points that track a journey through a lifecycle makes a huge difference. In a typical e-commerce play it's not just about how many customers have purchased a product. By collecting small digital metrics like how many customers have gone from viewing the product, through to engaging with the product, and even putting it into their cart, allows you to determine which customers are serious. This allows you to adjust your media schedule and campaigns accordingly, showing your messaging only to those who find it relevant to them.

Finally, we have seen time and again that the effective use of KPIs is the architecture on which companies and agencies build their performance. It's not a report card, but rather the sophisticated, data-driven dashboard that allows digital teams to meaningfully grow their contribution. And most importantly, it allows marketing leaders to justify the support they need to achieve the success that is increasingly being expected of them.

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