Introduction to Marketing Analytics for Business Owners

Introduction

Marketing is both an art and a science. Creativity helps us tell effective brand stories and create excellent content. That artistic side is the most visible facet of marketing, and it tends to get the most internal attention from businesses. But the scientific side of marketing is just as important, if not moreso. It is through measurement, analysis and experimentation that the creative side of marketing can truly thrive. Effective marketing is driven by the engine of strategy, not by aesthetics alone. Data analysis is the fuel that makes that engine run.

So what do you, the business owner, need to know about marketing analytics? Your marketing team should be responsible for gathering, analyzing and reporting on data about their activities. You, as the person at the top of the hierarchy, need to enthusiastically review these reports—don't just let them sit in your inbox. Have your team present the information to you if you're short on time, but don't ignore analytics! You can use these reports as a key component in job performance assessments, making them a useful tool for you to do your job as well.

This guide is designed to provide an overview of important concepts, data points and tools used in measuring marketing performance. This is not an exhaustive list—analytics are as complicated as they are essential. It took us years to learn everything we know, and condensing that into a useful but digestible format would be impossible. Using this information, you should at least be able to ask for what you need from your marketing team, and look at some important numbers yourself in the future.

Key Concepts

Why is Data Analysis so Important for Marketing?

- **Objective Measurement:** How are you evaluating your marketing program's success? Can you say for sure that you've seen useful return on the investments you've made? Data will give you the information you need to confidently answer those questions.
- **Audience Insight:** With the right tools, dig beyond readily available metrics like follower counts and social media engagement to learn about what motivates your customers. You can also use objective measurements rather than trends or personal preferences to judge which marketing platforms are most worth investing in, and which you may want to stop using.
- **Security:** Taking a careful look under the hood can help your team spot red flags, such as slow website performance or steadily declining social media performance, and address those issues before they become a crisis.
- **Benchmarks & Historical Insight:** Your sales are down this month compared to last, but what about compared to this time last year, or the year before? Analytics reports can provide insight into patterns you may have missed. They give you benchmarks to refer back to use in making an objective evaluation of how things are going.
- **Strategy:** Marketing decisions are often made based on what we see other businesses doing that look good to us. But with reporting, you can actually tell whether your choices paid off in a useful way. Based on that, you can better steer marketing strategy to avoid activities, actions & messages that don't work for your business.
- **Accountability:** Reporting is the mechanism by which trust is earned in the marketing world. Additionally, it provides an important touch point for the marketer and their boss/client so you can discuss big-picture business and stay on the same wavelength. If your team is currently too overworked to report, you should either

lighten their load and require reports, or hire an outside consultant (like us!) to provide consistent reports.

What Does an Effective Analytics Report Look Like?

- **Key Performance Indicators (KPIs):** It's easy for marketers to make their jobs look awfully complex and important by drowning their bosses and clients in data. If you don't know what all that information means, it's pretty hard to interpret such a large number of stats. Rather than reporting on absolutely everything, effective analytics reports will focus on KPIs identified with your help. KPIs should be based on what will actually make the biggest impact for your business based on where you are now. For example, if you're a relatively new business, or you're expanding into new markets, KPIs that measure brand awareness, such as organic search performance, new social media followers & direct website traffic, are quite important. But if you're a well-established business with strong brand awareness numbers, other metrics, like advertising ROI based on sales, will be more important.
    - Ideally, reports will include contextualizing information that helps you understand why KPIs are the way they are. And in the example above, the well-established business will still want to keep an eye on brand awareness data as sudden negative changes can indicate a problem that needs to be addressed.
- **Cadence:** With the abundance of data available to us, it can be tempting to look at the numbers every day. But doing so can lead to hasty decision-making based in emotion rather than strategy. Here's what we recommend:
    - **Monthly:** Every month, you (the business owner) should check in on big-picture numbers like sales totals or leads generated. Unless something is seriously wrong, though, your marketing team shouldn't be making big strategic adjustments based on such a small sample of data.
    - **Quarterly:** One month is too short a period of time to really be able to spot trends and intelligently analyze changes, but three months is just right. In our experience, anything less than a quarter's worth of data can lead to poor

decision-making. Quarterly reports should tell a story about strategy, focusing on KPIs and goals rather than reporting on every single available point of data. Your team should look at everything, but only provide you with the condensed version that lets you know whether they're on target to accomplish what the business needs.

            - If you're paying for advertising, the quarterly report should provide detailed information about exactly how much was spent where, when and why. It should also provide some sort of ROI analysis based on the ad's objectives and calls to action. How many leads were the ads responsible for, or how many sales were generated? This should be spelled out clearly, and your team should be able to speak clearly and confidently about ad strategy. If you aren't happy with the results, your team should be able to discuss this with you in a way that makes you feel better informed, and they should tell you what they plan to do differently in the future.
    - **Annually:** While quarterly reports are our gold standard for reporting cadence, we consider annual reviews to be highly valuable as well. Quarterly reports allow you to make adjustments throughout the year, but they lack the nuance that a full year of data can provide. Things like seasonality, normal consumer behavior and business changes (e.g., new product launches or retail expansions) are more accurately reflected across 12 months than three. Annual reports should be less detailed than quarterly reports, though, because you may end up reaching redundant conclusions. Instead, focusing on benchmarks for KPIs.
- **Comparisons:** It's easy to say "wow, you gained 5,000 followers this quarter!" and present that as an accomplishment. But what about the previous quarter? Or the previous year? 5,000 may actually be low. Unless you had a specific goal of gaining at least 4,000 followers that month, you can't know whether the 5,000 number actually says things are working well without something to compare it to. Year-over-year and quarter-over-quarter comparisons, with percent change calculations, are essential.

- **Recommended Strategy Adjustments:** An effective report doesn't just show you numbers. It tells a story about what those numbers mean, and how your team plans to use that information. Ideally, they'll be getting your approval before making any major changes, especially if those changes involve spending more money. You should know what your marketing team wants to change, which data supports that change and what their projected outcomes are when that change takes place. Your team should clearly identify new KPIs based on their desired changes, or connect the dots between what they propose and existing KPIs they're already measuring. Future reports should provide insight into whether the recommended adjustments paid off.
- **Negative Numbers:** It's unlikely that a business will only ever experience wins in the marketing realm. Sub-optimal outcomes are inevitable (though they shouldn't be a common occurrence). A campaign will flop. Your followers will lose interest in your content. A competitor will get the upper hand with SEO. When this happens, reporting will provide evidentiary support as you diagnose the issue. Reporting shouldn't shy away from an analysis of what's gone wrong. If your team is only focusing on positive numbers, they may be cherry-picking to avoid casting their work in a negative light.
- **Discussion:** Another reason that quarterly reports are useful is that they are less burdensome for everyone's schedule. Ideally, reports won't just be presented in writing, but will be accompanied by discussion in a face-to-face meeting. You should be able to ask questions and even provide your own interpretation of the facts where relevant. Your team should be able to talk about their findings in a way that makes you feel secure and confident that your marketing program is in good hands.
- **Clarity:** If your team's reports don't leave you feeling empowered and informed, something's wrong. You should understand the information you're presented with. If you don't, that's a failure of the reporting, not of your intelligence or knowledge. If it's all going over your head, speak up! Your team should be happy to explain, and should be able to speak to their work in layman's terms. After all, clarity and the ability to speak to anyone is important in marketing. If your team can't provide plain-English information about their own work, that's a significant red flag.

    - Frequent use of confusing language is a major problem in the marketing industry. Marketers have a tendency to use acronyms and jargon in a way that's typically confusing for the uninitiated. In some cases, this is by design: if you talk circles around your boss/client, they'll assume you're a genius and leave you alone. This isn't just an ethical issue, though. Jargon introduces significant confusion even among experts. For example, when you hear the word "conversion," you may assume that refers to a sale. But marketers can use the word "conversion" to refer to a user successfully completing any desired action, from clicking on a link to making a purchase. In other instances, the acronym "CPC" can be used to abbreviate both "cost per click" and "cost per conversion," which are two very different things (or not, depending on what is meant by the word "conversion"). Pretty complicated! Your team should be taking care to ensure you understand what they're talking about. Ideally, you won't even have to ask, because they'll understand that you, as a person who isn't a marketing expert, don't know what they know, and they'll include context and definitions where appropriate. Audience empathy is crucial for marketers. If they can't put themselves in your shoes, they're falling at the first hurdle.
    - If you're still unsure after asking, or if you're referring back to old reports and don't remember what a specific term means, these reputable resources will be helpful:
        - Glossary of Marketing Terms (Rutgers University)
        - Marketing Dictionary (Monash University)
        - Marketing Terms You Should Know (HubSpot)
- **Specificity About Time:** The report should tell you exactly what time period is being reported on. Any deviations from that (for example, a quarterly report that includes some data from the current quarter) should be noted clearly with an explanation of why that deviation was appropriate.
- **Source Information:** Your team should tell you which tools they used for which information. The results they show should be replicable. We don't recommend actually going in and trying to replicate those results unless you have a good reason

to be suspicious. Even then, give your team the benefit of the doubt and bring any discrepancies to their attention so they can explain.

Should I Be Concerned If My Marketing Team Can't Tell Me Exactly Where Every Sale Came From?

It may have been possible to do this at one point, though the actual value of chasing down such granular data is highly debatable (we don't recommend it). We know that most consumers need more than one touchpoint (i.e., interaction with or exposure to a brand and its product/service). The process of tracking your customers through those touchpoints, which are often collectively described as a purchase journey, is known as attribution.

Modern privacy measures, both legally mandated and voluntarily enforced by tech giants, have changed the attribution game substantially. Privacy-focused developments like GDPR compliance rules, Apple's app tracking opt-out option and cookie phase-outs all mean we can't reliably track individual users across different touchpoints, especially if they take a long time to go from one touchpoint to the next, or their touchpoints occur on different platforms, channels or devices[1].

For example, a customer might first see a brand awareness ad on Facebook and think it's interesting, but take no action at that point. Then, a couple weeks later, an influencer they follow publishes a sponsored post featuring your product on Instagram. They remember having been interested in the brand awareness ad, so the customer then taps your brand's account tag on that influencer post, scrolls through your Instagram grid and decides to follow you. Finally, two months after seeing the initial ad, they tap on an organic post your account publishes and initiate checkout for a product. They fill in their contact information but get distracted before finally completing the purchase. Because they provided their

[1] Marketing "channels" are roughly defined as the type of media through which marketing messages can be published. Channels are typically defined broadly, such as email, social media, website and web search. Each channel typically consists of individual platforms, such as Instagram, TikTok, Facebook and Pinterest for social media. Channel performance is an important component of attribution.

email address, this customer receives an abandoned cart message 48 hours later and remembers to complete the purchase.

In the analytics, this sale would likely be attributed to email since that's the last platform the user interacted with before making their purchase. But in reality, there were multiple touchpoints (Facebook, Influencer account, brand Instagram account, website, email) in this person's purchase journey. Attribution isn't a straightforward, easy answer. With modern privacy measures, you may not even see data connecting the final purchase to the initial brand awareness ad because they happened so far apart. If you attach all value in your marketing program to attribution alone, you may end up cutting important parts of the purchase journey—determining, for example, that brand awareness ads are useless because Google Analytics tells you only 5% of your sales are attributed to those ads. But if most of your customers' purchase journey starts with a brand awareness ad and grows from there, cutting those might significantly disrupt the overall marketing ecosystem and lead to missed sales opportunities.

In practice, this means we should focus on looking more at macro-level performance than worrying about attribution for every sale. It's true that some of the steps of the purchase journey don't represent a great amount of value on their own—we often refer to things like Instagram followers as a vanity metric because a million followers might look good on its face, but doesn't mean much if none of those followers actually take the actions you want them to take. This is why robust, well-analyzed reports are so important. Touching on every channel and seeing how things progress logically can give you important insight into what's working. In other words, don't miss the forest for the trees.

My Team Made Strategic Recommendations That Make Sense Based on the Numbers, But My Gut Tells Me Something Else. Should I Override Their Strategy?

Ultimately, you're the boss. But before making a decision, you may first want to explore why your gut is telling you to ignore your team's evidence and expertise. In our experience, this sort of resistance is usually a result of anxiety and a lack of tolerance for risk.

That anxiety is completely understandable, and it may well be that your business doesn't have much wiggle room for risk tolerance at this very moment. But good marketing requires experimentation and openness to trying new things. Organizations that fail to innovate and adapt to market changes usually get left behind. That's as true in marketing as it is in any other area of business. So you may not feel 100% comfortable with everything your marketing team does. But your discomfort doesn't necessarily mean that what's being suggested is wrong. Remember—they're artist/scientists. That's a pretty innovative combination. You didn't hire them to be boring and follow the status quo. You also didn't hire them to take wild risks, either, but reporting is a way to control those risks with accountability.

Our advice would be to take time to digest if you're feeling uneasy about what your team suggests. Don't reject it outright. Give yourself time to feel more comfortable about the situation. Review their logic and evidence. Ask questions about what they plan to do if their strategy doesn't work out—how they'll know it isn't working, and what their next steps will be. Make sure they have clear KPIs defined to measure success for this strategy, and that the tools you already have can reliably measure for that data. You may even put a time limit on their experiment, depending on what it is. For example, if they want to change your traditional holiday-season email strategy, you can say that they have until December 10th to match or better numbers from last year. If they don't meet that deadline, you'll go back to using last year's strategy.

Data is objective, but the way it's interpreted is subject to some variability based on who looks at it. There's no denying that. But if you trust your team to steer your marketing program, and they've shown you with analytics reports in the past that they know what they're doing, you should try to let them innovate, even if you'd make a different decision in their shoes. The only exception to that is if their conclusions seem incorrect based on the numbers, or you feel they've cherry-picked data. Then you should raise those concerns immediately and listen to your team's explanation.

Analytics Tools

Data is big business, with some of the biggest companies in the world (Google, Meta/Facebook) investing significant resources into analytics platforms for their users, often at no additional cost. Each analytics tool has its own limitations and focus, which means it's typically necessary to use multiple tools to get a full picture of what's going on with your marketing. In most cases, these tools collect only digital information, but some tools may also provide some insight into things like how many people called your business or got directions to your physical location.

Your marketing team should be knowledgeable enough to tell you which analytics platforms your business should use. However, there are some things for you to be aware of so you can ensure your team is looking in the right places. Here's an overview of what some of the most common tools are based on the marketing channels you use.

Free Marketing Analytics Tools Every Business Should Use

Google Analytics 4

A free tool, Google Analytics 4, also known as GA4, provides powerful insight into how users interact with your website. You will need to connect Google Analytics 4 to your website for it to work, and it's only accessible with a login.

Depending on how it's set up, it can provide a wide range of data points, including how often website users take specific actions (e.g., scrolling down a page, clicking a button or adding a product to their cart). In its most basic form, GA4 can tell you a lot about the people who visit your website, including demographic information, how they heard about you, how long they spent on your site and what pages they visited while they were there.

The data in GA4 doesn't provide detailed insight into how your audience responds to marketing messaging on platforms other than your website. For example, it won't tell you how many people engaged with a post on Instagram. But it can give you an idea of how effective your social media accounts are at driving traffic to (and, if relevant, conversions on) your website.

One thing to be careful of: if your team frequently visits your own website for reference or to check on changes, that traffic will get counted in GA4.

Websites aren't the most important communication tool for some businesses, but it's still a good idea to use GA4. It's free, and it can allow you to get a general feel for your audience's interest in your brand.

Google Search Console

Again, this tool from Google is free to set up. It will provide insight into how your business measures up in organic search (i.e., the results on a Google search page that don't have the word "Ad" or "Advertisement" attached) via the Google search engine. You will need to connect Google Search Console to your website for it to work, and it's only accessible with a login.

Search Console gives a wide range of performance information about how your website works in relation to web search. It also provides profound insight into the exact search queries people use when Google lists your site as a search result. With this information, you can see how your website stacks up against the competition in terms of where it shows up on search results pages. The search queries themselves can also tell you an important story about consumer interest, common problems or pain points and what draws people to your business and more with this tool. You can use that information for your content strategy.

If you're concerned about SEO—which you probably should be unless your business is 100% referral-based and you intend to keep it that way—you should use Google Search Console. You can use time-based comparison features to It will give you a huge amount of valuable information that can steer your marketing program in effective new directions.

Google Lighthouse

This browser extension provides insight into the technical health of individual webpages. Anyone can use it on any webpage—you do not need to connect it to your website or create a login.

You can run an audit via Lighthouse and see ratings for how well that page stacks up in key areas like Performance, Accessibility, Best Practices, and SEO. Some of this information will be pretty technical, but overall, seeing that your Accessibility score is low, for example, is an indicator that the people who manage your website might have some blind spots.

Google Business Profile

If you want to show up on Google Maps and have control over the information that comes up when people search Google for your business by name, you should have a Google Business Profile set up. On the surface, this tool isn't about analytics. It's more about visibility and communicating basic information to your audience. But using the Performance feature will give you useful insight into your Google Business Profile, including how many people get in touch with your business (call you directly from the profile), get directions to your business, visit your website and more. You can compare data month-over-month within a six-month window, allowing you to measure your online visibility in another way.

Other Data Sources & How to Use Them

Multi-Channel Data

Google Analytics is an example of a multi-channel data source because it will attribute user behavior to different channels in your marketing mix (e.g., X% of website traffic came from organic search, X% came from social media, X% came from email, etc.). Ultimately, Google Analytics' focus is on user interaction with the website. Most multi-channel data sources have a similar focus. One of the most common types of multi-channel analytics tools in marketing comes in the form of social media management software.

These programs, such as Metricool, Hootsuite and Sprout Social, provide a robust suite of tools because they "connect" directly to your social media accounts. That way, they can collect a lot of user data—often data the social media platforms themselves don't even bother to offer—while also giving you a single place to control all of your different social accounts. The extent to which this will be useful for your team may vary based on what they're doing. If they're only posting to one or two different platforms, they may not need much help with publication, but having the data still will be useful.

When it comes to social media data, remember: simply having followers isn't enough. Followers can be bought. Getting likes is nice, but that doesn't mean much, either, if that brand loyalty doesn't follow you or result in revenue-generating action. So make sure your team gives you data that actually provides insight that can be built into strategy. What do those Instagram followers do when you post about a new product? Do they click through to your website and purchase, or send the post to friends? Do they browse your Instagram Shop? Look for activity that indicates a purchase journey. Using multiple analytics sources will help you paint that complete picture.

Platform-Specific Data

Most marketing platforms will offer their own data analytics tools. For example, if you use Instagram with a business account, you can get insights into individual posts. Meta Business Suite provides insights into Facebook post performance, among other things, including advertising performance stats when you run ads on Facebook and/or Instagram. Email publication platforms will give you information like open rate, clickthrough rate and more essential information to guide marketing strategy. It's a good idea to look at this data in addition to multi-channel tools like Google Analytics because different platforms might use different attribution models.

An attribution model is a way of assigning "credit" for user activity to the platforms that are part of the purchase journey (or other conversion process). Some attribution models give all the "credit" to the "last click," or the last channel used before the desired action was taken. But, as we explain above, assigning full credit to one marketing channel doesn't tell the whole story—it can miss out on important touchpoints. Make sure you and your team understand attribution models and look at data from different angles to get a robust picture of what's going on.