

# Digital Marketing Measurement Fundamentals Strong, Tactical Implementation Lagging

As digital continues to supplant offline media as the driver of corporate and business marketing, organizations seeking competitive advantage will need to do more than employ marketing measurement tools. Monitoring and optimization of overall digital marketing measurement programs – including measurement skills of employees and corporate strategy – will become increasingly important.

Given the historic absence of a standardized assessment model, however, different factions within organizations may find themselves at odds about what, exactly, constitutes successful digital measurement.

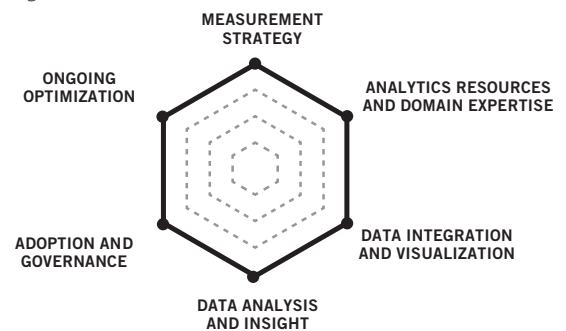
Earlier this year, the Webtrends Marketing Optimization Team released the **Digital Marketing Maturity Model (DM3)**, the industry's first standardized framework to determine an organization's measurement skills, strategy and infrastructure across multiple digital marketing disciplines, from web sites to social media.

This paper outlines the results from the first four months of companies completing the DM3 assessment survey. Preliminary trends demonstrate geographic and industry-specific strengths and weaknesses. Broader findings show a strong awareness of the importance of digital measurement programs and dedicated resources for maintaining these programs. But many organizations are struggling to analyze measurement results and implement programs, as well as extend measurement throughout their organizations and establish strong governance.

## THE SIX CORE AREAS OF THE DM3 FRAMEWORK

The model provides a framework and objective criteria for assessing and building digital marketing maturity over time in the following areas:

- **Measurement Strategy**
- **Analytics Resources and Domain Expertise**
- **Data Integration and Visualization**
- **Data Analysis and Insight**
- **Adoption and Governance**
- **Ongoing Optimization**



Within each of these core areas, there are four levels of maturity, along with profiles that describe the measurement practices common to each. A complete description of the framework is available on the Webtrends web site.

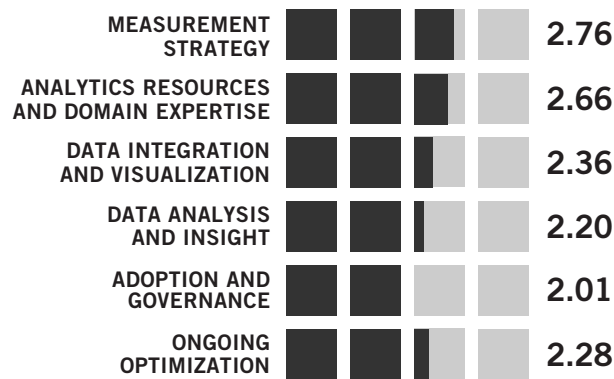
## Summary of Results

More than 160 companies worldwide have taken the DM3 assessment since its release in June 2009. The results are still preliminary, but significant patterns are already emerging.

As expected, levels of maturity within the core areas vary by industry and by region. Financial services companies, for example, report higher levels of maturity in the Ongoing Optimization category than technology companies. Companies in the United States are less mature than the United Kingdom for the categories of Data Integration and Data Visualization. These results are still too preliminary to extrapolate generalizations about industry norms.

Far more compelling are the broad trends and patterns:

### AVERAGE SCORES



	Measurement Strategy	Analytics Resources	Domain Expertise	Data Integration	Data Visualization	Website Analysis	Marketing Analysis	Social Media Analysis	Adoption	Governance	Ongoing Optimization
LOW TO MIDDLE MATURITY (1-2)	30.2%	32.5%	53.8%	57.4%	53.8%	60.4%	64.5%	74.6%	72.2%	74.6%	55%
MIDDLE TO HIGH MATURITY (3-4)	69.8%	67.5%	46.2%	42.6%	46.2%	39.6%	35.5%	25.4%	27.8%	25.4%	45%

- Measurement Strategy and Analytics Resources.** More than two thirds of respondents had strong scores in Measurement Strategy and Analytics Resources, which are the two most fundamental pillars of a successful digital measurement program. Companies have more trouble when it comes to actually implementing a program and putting the data to work in meaningful ways. Roughly half of participants received high marks in the areas of Domain Expertise, Data Integration and Data Visualization.
- Web Site Marketing and Marketing Analysis.** Companies are even less confident in their ability to analyze and interpret the data from their measurement programs. More than half of respondents received low scores for Web Site and Marketing Analysis, and nearly three quarters scored low on Social Media Analysis.
- Enterprise Adoption/Governance.** Achieving Enterprise-wide adoption of measurement and establishing governance standards also posed significant challenges, with almost three quarters of participants scoring at the low end of the maturity spectrum for Adoption and Governance.
- Ongoing Optimization.** Companies fared slightly better, but are still relatively weak in Ongoing Optimization, the final pillar of a successful digital measurement program. Just over half of participants received low scores in this area.

## Implications

The DM3 results hold significant implications both inside and outside the digital marketing industry. High scores in Measurement Strategy and Analytics Resources demonstrate that companies, as a whole, understand the importance of having a digital measurement program and devoting resources to maintaining it. But there is a great deal of confusion when it comes to the tactical challenges of actually implementing, managing and optimizing a successful program.

For organizations seeking to increase their digital maturity, simply using measurement tools is not enough. Extensive planning, coordination and enterprise-wide adoption, usually with the help of third-party consultants, are necessary to manage an effective digital measurement program. Everyone in the organization must understand and participate in the program, and decisions must be driven by data as opposed to intuition. Often this means making significant, lasting changes to the prevailing corporate culture that may be met with resistance, which is why few companies achieve higher levels of digital maturity without third-party assistance.

For the vendors of digital marketing tools that serve these organizations, a substantial paradigm shift is essential. Just as it's not enough to use measurement tools, it's not enough to sell them, either. Vendors must be genuinely committed to their clients' long-term success. Digital maturity is an ongoing process, not a static benchmark, and requires significant investments of time and expertise. Rather than selling simple units of a commodity, the most successful vendors will establish ongoing relationships with their clients as trusted partners and consultants, thereby becoming as indispensable as the measurement tools themselves.

In short, the DM3 results suggest that as measurement tools grow more sophisticated and organizations more digitally mature, the most successful vendors won't be the ones who sell the most tools. They will be the ones with the most successful clients.

### **ABOUT WEBTRENDS MARKETING OPTIMIZATION TEAM**

The Digital Marketing Optimization Team helps Webtrends clients realize the full potential of their online marketing investments – on their web sites and through search engine marketing, email and social media. Team members create measurement strategies and provide ongoing guidance based on deep understanding of the customer's business objectives. The DMO serves as a strategic partner for major businesses and brands, including Microsoft, Coca Cola, Disney, State Farm Insurance, Dell and Hilton.

### **ABOUT WEBTRENDS**

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