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WHITE PAPER / **DIGITAL MARKETING MATURITY MODEL (DM3)**

Filling the Standards Gap in Digital Marketing Measurement

INTRODUCTION

2009 may well go down as the year that digital supplants offline media as the driver of corporate and business marketing. One study, by Chief Marketing Officer Council, found that spending on online and Web 2.0 initiatives aimed at demand generation and advertising will exceed traditional media by almost 50 percent this year.

As the pace of this change has increased, effective measurement of digital marketing investments has become more than a best practice. It has become a source of competitive advantage. Analytics vendors have responded with increasingly powerful tools for measuring the growing selection of online marketing channels. Missing has been a way to assess how effectively organizations are using these tools and managing their overall measurement programs. Gartner's Maturity Model for Web Analytics provides a framework for judging the effectiveness of web site analytics, but does not address social media, SEM and other digital marketing measurement channels.

Webtrends Digital Marketing Optimization Team has developed a standardized assessment tool to help fill this gap.

Available in beta, the Digital Marketing Maturity Model (DM3) provides a framework and objective criteria to determine the sophistication of an organization's measurement and analysis skills, staffing and best practices across multiple digital marketing disciplines, from web sites to social media.

The authors hope this model will build consensus about the essential ingredients of effective digital marketing measurement. Your **feedback** is greatly appreciated, as is participation in a related **survey** designed to uncover industry norms and regional norms for digital measurement



Overview of DM3

The continued growth of digital marketing is more than a knee-jerk reaction to the growing audience online. It reflects the desire within many businesses to more precisely target and measure the results of their marketing investments.

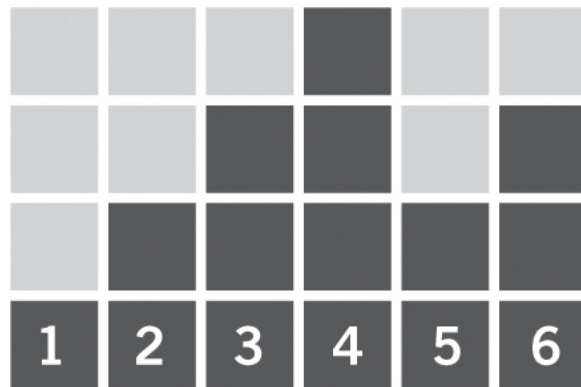
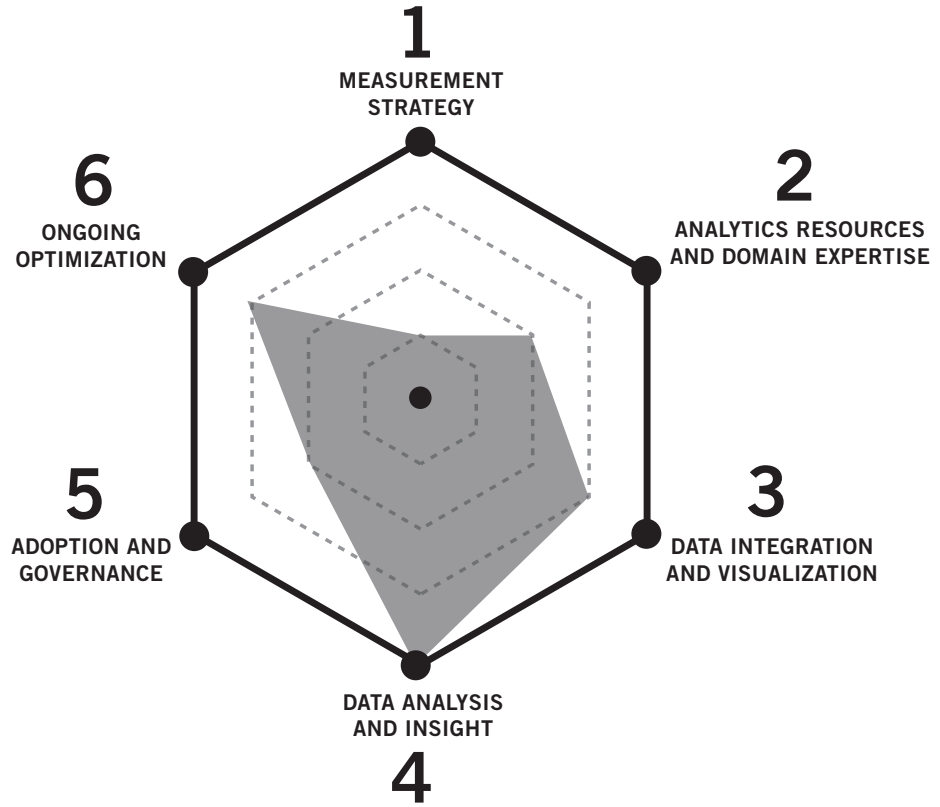
But effective digital marketing measurement is not a plug-and-play task, even with the most sophisticated or automated tools. Significant planning and organizational coordination is necessary to manage the sheer volume of data produced by digital campaigns and, then, put this data to work throughout an organization. In addition, different types of vertical industries use digital marketing in different ways to achieve different business goals. In other words, digital marketing maturity looks different for different types of organizations and is rarely achieved overnight.

The DM3 beta provides a framework for assessing and building digital marketing maturity over time in six core areas:

- **Measurement strategy**
- **Analytics resources and domain expertise**
- **Data integration and visualization**
- **Data analysis and insight**
- **Adoption and governance**
- **Ongoing optimization**

There are four levels of maturity within each of these core areas, along with profiles that describe the measurement practices common to each. Still in development are vertical industry norms and comparisons, automated radar charts for mapping and comparing results and self-service guidance to help organizations improve their practices in all six core areas.

The Six Pillars of Digital Media Measurement



1. Measurement Strategy

The first pillar is the most important. Organizations should have a formal measurement strategy in place, and ensure the strategy aligns with their overall business objectives. This helps ensure all digital marketing activities contribute to an organization's bottom line – and demonstrates value of digital measurement to executive management.

SCORE	DESCRIPTION
1	<ul style="list-style-type: none"> • No measurement strategy. No recognition that a measurement strategy is necessary for a successful program.
2	<ul style="list-style-type: none"> • Recognizes value of a unified strategy, but unsure how to create one. • Some groups may have beginnings of a strategy, but it is limited in scope.
3	<ul style="list-style-type: none"> • Advanced groups with the company develop and follow an internal strategy, but there's no alignment among groups. • Strategies do not align with overall company objectives.
4	<ul style="list-style-type: none"> • One shared, unified measurement strategy is used throughout the organization. • Strategy fully aligns with the organization's overall objectives. All digital marketing activities support one or more objectives.

2. Analytics Resources and Domain Expertise

People determine the success of a digital marketing analytics programs: the number of employees dedicated to measurement and analysis, the resources at their disposal and their ability to troubleshoot issues and respond to requests throughout the organization.

Analytics Resources

1	No one within the organization knows how to configure or use measurement tools. Outside assistance is required.
2	One primary administrator spends 10% to 20% of his or her time supporting measurement tools. This administrator : <ul style="list-style-type: none"> • Doesn't know the tools very well and makes frequent mistakes. • Relies heavily on vendor support. • Needs step-by-step instructions for most tasks.
3	One or more administrators spend 50% to 75% of their time supporting measurement tools. They: <ul style="list-style-type: none"> • Know the tools well – infrequently make mistakes. • Use vendor support consistently. • Do not or cannot offer creative workarounds or solutions.
4	One or more administrators dedicate more than 75 % of their time supporting measurement tools. They : <ul style="list-style-type: none"> • Know the tools very well, infrequently makes mistakes. • Offer creative workarounds and solutions.

2. Analytics Resources and Domain Expertise

Domain Expertise

1	No one in-house is dedicated to digital marketing analytics . Outside help is required for analysis and interpretation of data.
2	One employee spends 50% to 90% of his or her time dedicated to digital marketing analytics, and may also handle technical administration. Resources are stretched very thin, and requests are turned around slowly. Outside help is required for special measurement projects.
3	At least one person – not the technical admin – is dedicated to digital marketing analysis. This person has resources to deliver reports and ad hoc requests relatively quickly. Within larger organizations, this person is part of the business intelligence or analytics team.
4	A team of employees – separate from analysts – works with digital marketing data. This team: <ul style="list-style-type: none">• Works with other types of data.• Provides proactive resources to others throughout the organization.• Includes an executive-level champion.

3. Data Integration and Visualization

Effective measurement of digital marketing frequently requires organizations to integrate multiple sources of data to gain a more complete picture of their customers and business. Data integration – the passing of key values between systems – enables organizations to create a more complete picture of their marketing efforts.

Visualization involves the organization, presentation and delivery of digital marketing data to meet the needs of different groups throughout an organization.

Data Integration

1	<ul style="list-style-type: none"> • No integration of data sources. • No in-house technical ability to integrate online data sources. • Limited or no understanding of integration opportunities.
2	<ul style="list-style-type: none"> • The value of data integration is understood. • Limited or no ability to design or configure data integrations. • Possibly doing some very limited integration with tools like Excel.
3	<ul style="list-style-type: none"> • Understands available sources of data, how they can be integrated and their relationship to other sources. • Adept at planning and executing basic integrations using various measurement and data storage/access tools.
4	<ul style="list-style-type: none"> • Data integration plan aligns with measurement strategy and business objectives. • Knowledgeable in-house staff integrate multiple online and offline data sources. • Data from integrations provide critical views into visitor interaction with the brand.

3. Data Integration and Visualization

Data Visualization

1	<ul style="list-style-type: none"> • Vendor interfaces and standard reports are the primary delivery methods. • No custom dashboards or reports are used, only standard views.
2	<ul style="list-style-type: none"> • Minimal consideration is given to visualization and delivery. Vendor interfaces are the primary delivery method. • Limited use of dashboards and reports configured within vendor systems. • No (or few) emailed or scheduled reports.
3	<ul style="list-style-type: none"> • Reporting requirements are based on KPIs of stakeholder groups. • KPI data is manually added into a consistent report format delivered in Word or PowerPoint. • Vendor interface supplements other delivery methods. • Custom dashboards and reports are used within vendor solutions. • Reports are often emailed or scheduled.
4	<ul style="list-style-type: none"> • Specific work has been done around visualization and delivery of data. • KPIs and detailed data from multiple sources are automatically integrated in Excel or custom web applications and delivered as an interactive scorecard to key stakeholders. • Vendor interface supplements other delivery methods, which are used only by analysts. • Custom dashboards and custom reports are used extensively within vendor solutions. • Formal processes for emailed and scheduled reports in place. • Automated custom reports and dashboards used within measurement tools.

4. Data Analysis and Insight

Data analysis skills are essential to turn web-based data into the understanding organizations need to optimize their web sites and drive smarter marketing and business decisions. However, different types of data require different types of analysis skills.

Site Performance Analysis

1	<ul style="list-style-type: none"> • A single source of data is used, usually metrics such as hits, page views and visits are used to assess site performance. • Data has inaccuracies due to tagging or other technical issues.
2	<ul style="list-style-type: none"> • Metrics/views such as page performance (Top-10, Entries, Exits, Abandons, Duration), Unique Visitors are used. • One or two data sources are used, but not integrated. • Data for the most part is accurate, but infrequent data issues take a few days to a week or more to address.
3	<ul style="list-style-type: none"> • KPIs align to business objectives, and are relatively standard for your industry. • Engagement- and conversion-related metrics (Views/Visit, Visit Duration, conversion rate) are used. • Next-page path analysis is performed. • More than one data source is used, and the data between systems is sometimes integrated • Data is very accurate, and any issues are resolved within a few days.
4	<ul style="list-style-type: none"> • A visitor-centric approach to measurement uncovers the interactions that individuals have across a brand. • Metrics from various data sources are combined to create custom KPIs that are directly related to the business (i.e. cost per site visit, support pacing vs. call center, etc.). • Multiple data sources are used, and truly integrated. • Data is highly accurate. Issues are uncovered automatically and fixed in less than one business day.

4. Data Analysis and Insight

Online Marketing Analysis

1	<ul style="list-style-type: none"> • Not doing online marketing or not tracking it, except possibly online search.
2	<ul style="list-style-type: none"> • Online marketing is assessed separate from web analytics. • Some programs are tagged but not consistently • No formal process for creating, using, or managing campaign IDs. • No tracking of online search or differentiation between paid and organic search
3	<ul style="list-style-type: none"> • Online marketing is assessed separate from web analytics, but teams readily communicate and share information. • Most digital media programs are tagged and basic activity is tracked in the web analytics application. • Formal processes are in place for creating, using and managing campaign IDs, but not used consistently. • Basic tracking of engines and and keyword/phrases. Differentiate between paid and organic search.
4	<ul style="list-style-type: none"> • Skilled analysts integrate multiple data sources and continuously optimize all digital programs. • All digital advertising is tagged with campaign IDs. Custom drilldown reports and event tracking by campaign ID are set up. • Campaign IDs are managed in a database and are described in multiple fields. • Paid and organic search data is used in custom reports. Organic data is used to optimize landing pages.

4. Data Analysis and Insight

Social Media and Competitive Analysis

1	<ul style="list-style-type: none"> • No understanding of social media, its importance or how it can be used. • No benchmarking against industry competitors.
2	<ul style="list-style-type: none"> • Limited understanding of social media, limited manual analysis of available data. • Limited benchmarking against competition (i.e. compete.com).
3	<ul style="list-style-type: none"> • Good understanding of social media and how it can be used to the organization's benefit. • Manual analysis of social media data and limited participation in community and discussion. • Benchmarking against competition is done consistently, using available data.
4	<ul style="list-style-type: none"> • Social media plan is followed consistently. • Fully participates in community discussion and available via all popular forums. • Specific tools are configured to provide alerts and reports on social media activity. • Benchmarking against competition across a number of critical areas on a consistent basis.

5. Adoption and Governance

Digital marketing data has little value unless rules are in place to ensure its consistency and quality over time – and that it gets to the right people at the right time throughout an organization. Role-based training is essential to ensure people who need to use data know how to. Governance provides defined processes for managing various aspects of digital marketing programs, including change management, security and data consistency.

Adoption

1	<ul style="list-style-type: none"> • Measurement tools are used only by few people. • Data is not shared across the organization.
2	<ul style="list-style-type: none"> • Measurement tools are used by several people, but there are groups who should be using the data who are not.
3	<ul style="list-style-type: none"> • Measurement tools are used by everyone in the organization who has a need for it. • A central analytics group (or person) distributes data to most key stakeholders. • Digital marketing data is used inconsistently to make business decisions within non-executive levels of the organization.
4	<ul style="list-style-type: none"> • Measurement tools are consistently used both by a central analytics group and individuals within every key stakeholder group. In smaller companies, tools may be used only by a central group or individuals within every stakeholder group. • Data is shared across all levels of the organization. • Digital marketing data is used pervasively to make business decisions at the highest levels of the organization.

5. Adoption and Governance

Governance

1	<ul style="list-style-type: none">• No governance or processes are used in the digital marketing measurement program.
2	<ul style="list-style-type: none">• The need for governance is understood, but few if any processes and procedures are implemented or consistently followed.
3	<ul style="list-style-type: none">• Governance guides some basic activities, such as management of campaign activities or requesting logins or changes to measurement tools
4	<ul style="list-style-type: none">• Governance is used pervasively to guide tag changes, tool configuration management, user levels and data quality audits, etc.

6. Ongoing Optimization

Ongoing optimization ensures the data measurement processes that organizations put in place are consistently applied over time. This includes using digital marketing data to identify optimization opportunities and test different iterations of site/ad content. Mature optimization should span all digital marketing channels, from web sites to paid search, and include automated A/B testing of multiple marketing updates prior to implementation.

1	<ul style="list-style-type: none"> • Data is used to measure the current status of digital marketing activities, but not to guide optimization.
2	<ul style="list-style-type: none"> • Decisions are based on perceived need. Data is used to validate decisions.
3	<ul style="list-style-type: none"> • Data is consistently used to manually address performance issues identified by analytics. • Most forms of digital marketing, but not all are regularly optimized. • Thresholds have been setup to uncover web site issues, based on important KPI s, along with triage instructions for how to troubleshoot issues. • Data is delivered in a timely manner so it can guide ongoing optimization.
4	<ul style="list-style-type: none"> • An automated optimization engine uses historical and real- time data to dynamically serve site content to individuals. • Data is sometimes shared with partners that run other parts of the digital marketing program. • All forms of digital marketing are optimized, including digital advertising, paid search, SEO and web site assets. • Data is delivered in a timely manner so it can guide ongoing optimization. • A/B/Multivariate testing is regularly performed before data-driven changes are made to marketing.



How to Use DM3

DM3 provides a general framework for assessing the maturity of an organization's digital marketing measurement programs. The developers of the model recommend that several people from within an organization – each from different departments – complete the assessment to get a more accurate picture of measurement capabilities and resources. Frequently, people in different departments have different perspectives on the effectiveness of measurement-related training, support and other vital capabilities.

The four levels within each of the pillars provide detailed benchmarks that organizations must meet to reach a higher level of maturity. Organizations need to determine the level that is appropriate for them based on their business goals and the likely return if they make the investments necessary to step up to a higher level. It may not be practical or necessary for some organizations to attain the highest level of maturity in each of the pillars.

To help organizations make these determinations, Webtrends is conducting an online [survey](#) to develop digital measurement norms for different vertical industries, in different countries and other categories. As with the model, the results of this survey will be made available at no charge. Those who complete the survey can also receive their maturity score from Webtrends.

Next Steps

As the beta designation implies, the Digital Marketing Maturity Model is a work in progress. As the lead developer of the model, Webtrends is actively seeking feedback on this proposed industry standard. Development also continues on additional elements of the model, including maturity norms for different industries, self-service assessments tools and radar graphics for organizations to compare their scores to others.

The need for a standardized framework for assessing digital marketing measurement programs is great, and will continue to grow as organizations shift more and more of their marketing resources to digital channels. Only with objective standards and guidance can organizations be assured that they are receiving the value they expect from not their digital marketing, as well as their investments in analytics and measurement.

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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