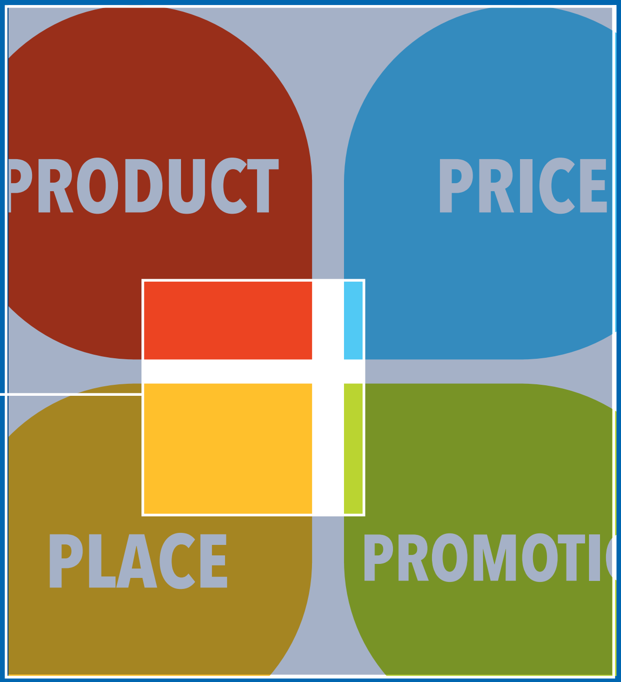


Calculating the ROI of marketing efforts

ROI is King? Calculating the ROI of marketing efforts

As every French speaker will know, the word ‘roi’ means king in English. But as an acronym ‘ROI’ (Return on Investment) is not quite royalty but an important business monitoring tool nonetheless. Figuring out the ROI on marketing and sales efforts helps determine if investments yield profits, and how much payback they give to the organisation. So, if you combine these two words in a sentence, you could say that measuring the ROI is the king of marketing efforts. In fact, some companies pay a king’s ransom for investments in marketing campaigns. Whether it’s print ads, radio, television or online, you need to know if your efforts are profitable. The most common question marketers ask is: “Did this campaign (advert, television spot or online activity) deliver a return on our investment?” If you can answer this question successfully you’ll be able to determine what efforts give you the best return on your money. When it comes to delivering value, knowing the ROI gives you the power of kings.

Let’s start with some good news. Although it can be difficult to calculate a return on investment for marketing efforts, it’s not impossible. Are you ready for the bad news? It’s a highly data-driven process and there are a lot of ways to do it. Each model and method claims to be the ‘perfect’ solution, but in reality, measuring ROI is far from a one-size-fits-all activity. And of course, you’ll need to dig deep and outline exactly what you want to measure in order to be successful.

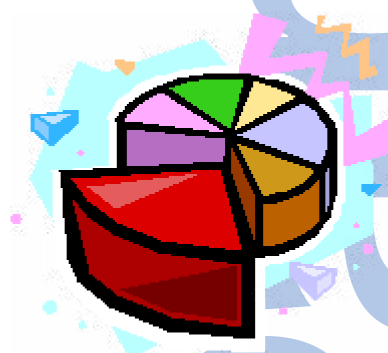
How you determine ROI will vary based on different efforts and the level of detail you want to evaluate. Do you want to know the ROI for your content marketing strategy or your Facebook campaign? Or, do you want to know if the price you pay for television and radio adverts justifies the investment? While experts vary on the ways to calculate ROI, there is overall agreement that it is a necessary task, because otherwise you may be blindly throwing money at campaigns that aren’t providing value. It’s easy to confuse busyness with business. So where do you start?

This Blue Paper looks at how you can successfully calculate a return on investment. Whether you’re looking for the long-term or short-term payback on a marketing investment, this paper will review some of the most widely used ROI tools and methods that can give you king-like powers. Do it correctly, and your ‘gut instinct’ can take a back seat.

What is ROI anyway?

Most marketing people believe that ROI is one of the best ways to measure marketing effectiveness. According to an IBM survey, 63% of Chief Marketing Officers (CMO) surveyed think ROI will be the primary measurement by 2015. Yet the same survey reported that 56% felt ill-equipped to manage ROI. Other surveys say the same thing, while most companies know that measuring ROI is important they aren't exactly sure how to do it.[1]

A 2012 study from Columbia Business School in USA looked at the struggles marketers face with big data and digital tools as they pertain to calculating ROI. The study, "Marketing ROI in the Era of Big Data"[2] surveyed hundreds of marketing decision makers across multiple industries. One of the key findings was that when it comes to calculating ROI, marketers know they need it, but cannot agree on its meaning and implementation. Specifically, 31% of respondents said that they believe simply measuring the audience you have reached is 'marketing ROI.' In addition, 57% are not basing their marketing budgets on any ROI analysis, and 28% are still basing marketing budgets on gut instincts. The study also revealed that 21% are using financial metrics for 'little' or 'none' of their marketing budget and 7% are spending most, or all, of their marketing budget with 'no metrics' at all. Yet at the same time, 70% of marketers say that their marketing efforts are under greater scrutiny than in the past.[3] According to a report by London based global consulting firm, OC&C strategy consultants, 50 Chief Marketing Officers (CMOs) from across a range of large and small brands said that measuring ROI was second only to personalising the customer experience when reviewing their priorities.[4] Whilst the measuring of marketing ROI is more commonplace these days, the interrelatedness of different marketing channels has become increasingly important and this remains poorly understood.



If you have a few minutes, watch the video "Adapting Marketing Measurement to a Changing World,"[5] on YouTube that discusses how companies should adapt marketing measurements in a changing world. The presenter Dominique

1 Sylvia Jensen. *"4 Ways of Measuring Marketing ROI." Modern Marketing Blog. Web. 8 Feb. 2015.* *http://blog.eloqua.com/measuring-marketing-roi/*

2 *"Marketing ROI in the Era of Big Data." Columbia Business School. Web. 8 Feb. 2015.* *http://www8.gsb.columbia.edu/rtfiles/global%20brands/2012-BRITE-NYAMA-Marketing-ROI-Study.pdf*

3 *"Study Finds Marketers Struggle with the Big Data and Digital Tools of Today." Web. 8 Feb. 2015.* *http://www.prnewswire.com/news-releases/study-finds-marketers-struggle-with-the-big-data-and-digital-tools-of-today-142312475.html*

4 *"Measuring Marketing ROI in the digital age." Consultancy.UK* *http://www.consultancy.uk/news/724/occ-measuring-marketing-roi-in-the-digital-age* *Web. 8 Feb. 2015.* *http://www.prnewswire.com/news-releases/study-finds-marketers-struggof-today-142312475.html* .

5 *"Adapting Marketing Measurement to a Changing World." Marketshare. YouTube. Web. 8 Feb. 2015.* *https://www.youtube.com/watch?v=_mEg6wWFMPM#t=139*

Hanssens is a Professor of Marketing at US University UCLA and a co-founder of MarketShare. Hanssens discusses the role of data models in advanced marketing analytics, including how Marketing Executives must adapt to ROI metrics to gauge and improve marketing effectiveness.

Why is it so hard to determine the ROI for marketing effort?

Before we get to the how-to part of the Blue Paper, we need to understand the challenges in determining the ROI for different marketing channels. If you identify the bottlenecks in advance, you are better equipped to address any challenges and troubleshoot obstacles. Because let's face it, determining an ROI for any marketing effort requires a full understanding of key measures and influencers. You need to know what you're up against before you start.

According to Marketo, a firm that specialises in marketing automation software, some of the key challenges are:

- Knowing when to measure
- Multiple exposures
- Multiple influencers
- Extraneous variables[6]

- First, according to Marketo, timing is everything, especially when it comes to knowing when to measure. The money you invest today will have an uncertain impact at an uncertain point in the future. For example, the tradeshow you held last month may deliver results immediately or in a couple of years. But marketers need to decide where to invest their money today and tomorrow. One of the first things marketers need to identify is when to measure so that it can provide immediate value to the organisation.

- Second, multiple touches are another reason it can be hard to determine the ROI on a particular marketing effort. Marketing wisdom says at least seven exposures are needed in order to convert a cold lead into a sale. Whether or not this is the exact number, the idea conveys an element of truth: Every marketer knows it takes multiple exposures to create a customer. This fact makes it difficult to allocate revenue to any specific marketing medium, and yet, it must be addressed to be successful.

- In addition to multiple exposures, every marketing effort also has multiple

6 *Jon Miller. "How to Measure the ROI of Your Marketing Programs." Marketo Marketing Best Practices and Thought Leadership. Web. 8 Feb. 2015. http://blog.marketo.com/blog/2013/03/how-to-measure-the-roi-of-your-marketing-programs.html*

influencers that make it difficult to ascertain the exact impact. For example, the average buying committee at a mid-sized company is about six people. In larger companies or with more complex purchases, committees can involve 21 or more influencers. Different marketing programmes affect each individual differently, so it is a challenge to know which programmes are having the most impact.

- Finally, there are a number of extraneous variables that make it difficult to obtain the true ROI of certain efforts. In many cases, external factors can significantly impact programme results. Some of these may be economic trends, the weather, or the quality of the sales team. If revenue increased because the economy improved, does that mean marketers can claim that their programmes delivered better ROI? It's a slippery slope indeed. Yet, knowing the challenges in advance will help your organisation to develop more realistic and actionable ROI models.

Gil Regev, Vice President of Marketing at MassiveImpact, a leader in performance mobile advertising, summarised the challenges in practical terms with the following observation: "The truth is, ROI on marketing is difficult to measure. Media interest can yield immediate success, or it can drive actual business months later, if at all. And when results do come, many factors have to be considered - the forum, the message, the timing, and sometimes even the product gets some credit."[7]

Don Sexton, from the Columbia Business School, agrees. He recently said: "CMOs face a dynamic and challenging environment for marketing today. They will find no simple answers to effectively measuring marketing ROI amidst the growth of big data and new digital marketing tools. Innovative marketing and effective measurement will both be works in progress that require leadership, agility, and constant learning."[8]

Yet despite the difficulties, the fact remains: Measuring ROI is critical, and the challenges and obstacles are not insurmountable. Once you are aware of the parameters that can affect ROI calculations, you can implement ways to account for data discrepancies in order to produce more accurate results.

7 *Gil Regev. "Can Marketing Ever Be Measured By Direct ROI?" CMO. Web. 8 Feb. 2015.* *http://www.cmo.com/content/cmo-com/home/articles/2013/9/3/can_marketing_ever_b.html*

8 *David Rogers and Don Sexton. "Marketing ROI in the Era of Big Data." Columbia Business School. Web. 8 Feb. 2015.* *http://www.iab.net/media/file/2012-BRITE-NYAMA-Marketing-ROI-Study.pdf*

Five steps to help you get started

Some companies choose to outsource the task of measuring marketing ROI. If you have a king's budget, there are many companies that can cull through your corporate data in order to produce an accurate ROI. You could hire companies like Accenture[9] or Marketo[10] to evaluate your ROI and develop quantitative ROI metrics.

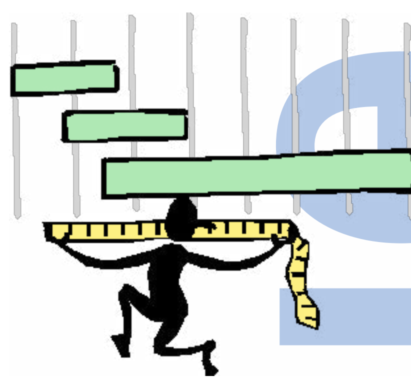
However, many SMEs do not have the funds to outsource ROI calculations. Accordingly, we've identified five key steps that companies can take right now to begin calculating the return on your marketing investment.

Define what marketing ROI means for your organisation

Before you can effectively measure ROI, you must define key performance indictors (KPIs) to measure.

Key Performance Indicators help organisations understand how well they are performing in relation to their strategic goals and objectives. In the broadest sense, a KPI can be defined as providing the most important performance information that enables organisations or their stakeholders to understand whether the organisation is on track or not.[11]

John McTigue, Executive VP of Kuno Creative, one of the world's leading inbound marketing agencies, is a strong advocate for the importance of measuring ROI. In a blog he outlines some of the key metrics that companies might look at to determine the ROI on inbound marketing activities, such as sales revenues, customer acquisition costs and customer lifetime value. [12] HubSpot, which develops software to help companies with inbound marketing, offers a free downloadable calculator[13] to help assess monthly and annual performance and assist with planning.



Set realistic and measurable goals

Once your KPIs are defined and agreed upon, the next step is to establish appropriate metrics. As your organisation gathers data

9 *Accenture. Web. 8 Feb. 2015. http://www.accenture.com/gb-en/Pages/index.aspx*
10 *Marketo. Web. 8 Feb. 2015. http://www.marketo.com/*
11 *Bernard Marr. "What is a Key Performance Indicator?" Web. 8 Feb. 2015. http://www.ap-institute.com/Key%20Performance%20Indicators.html*
12 *John McTigue. "Top 10 Inbound Marketing KPIs – The View From the Top." Web. 8 Feb. 2015. http://www.kunocreative.com/blog/bid/79182/Top-10-Inbound-Marketing-KPIs-The-View-From-the-Top*
13 *ROI Calculator. Hubspot. Web. 8 Feb 2015. http://offers.hubspot.com/partner-program--inbound-marketing-calculator*

over time, adjustments will need to be made. Initial goals may be too aggressive or conservative so it's important to be willing to adjust them accordingly.

In this step, you must also consider establishing guidelines for data presentation. The general rule is to keep things simple. Executives should be able to tell if an objective was met with a quick glance. If using a spreadsheet, consider a simple colour coding system - perhaps green if the goal was met and red if it was missed.

Gather the right data needed

According to a 2012 study from the Columbia Business School 51% of all marketers say that a lack of sharing customer data across their organisation is an obstacle to effectively measuring ROI.[14]

If your data is collected and managed in multiple databases, establish a system for collecting the data needed from each department. First and foremost, work with your sales and IT departments to create a closed-loop process[15] through your marketing automation platform. This integration will provide you with timely feedback from sales on the impact of your various activities in driving revenue.

Monitor goals frequently

Experts suggest that KPIs are monitored on a weekly, if not daily, basis. Companies that wait until the end of the month to evaluate performance will not be successful long term. Noticing things like a decline in leads or sales can identify when you need to put a plan to get back on track.

Use your data to make better decisions

The days of relying on gut instincts are gone; collecting simple data is not going to get you where you need to be. Successful marketers understand the importance of using data to make decisions and justify budget requests to their managers.

Now, let's get technical

When calculating ROI, it's important to define some key metrics. The return on marketing investment (ROMI) is a relatively new metric that looks at the net of marketing spending and divides it by

14 *"Marketing ROI in the Era of Big Data." Columbia Business School. Web. 8 Feb. 2015. http://www8.gsb.columbia.edu/rtfiles/global%20brands/2012-BRITE-NYAMA-Marketing-ROI-Study.pdf*
15 *"How Closed-Loop Marketing Works." Hubspot. Web. 8 Feb. 2015. http://blog.hubspot.com/blog/tabid/6307/bid/32341/How-Closed-Loop-Marketing-Works.aspx*

the marketing spend that is invested or risked. In a 2010 survey of 200 marketing managers, nearly half reported that they find the ROMI metric useful.[16]

Short-term ROMI is a simple index measuring the revenue earned (or market share, contribution margin or other desired outputs) for every £1 of marketing spent. For example, if a company spends £10,000 on a radio advertisement and it delivers £50,000 in incremental revenue, then the ROMI factor is 5.0. If the incremental contribution margin for that £50,000 in revenue is 60%, then the margin ROMI (the incremental margin for £10,000 of marketing spent is £30,000 (= £50,000 x 60%). Of which, the £10,000 spent on direct mail advertising will be subtracted and the difference will be divided by the same £10,000. Every pound expended in radio advertising translates to an additional £2 to the company's bottom line.[17]

Let's get practical: How to calculate short-term ROMI for advertising

Let's take a look at how a company might calculate a short-term ROMI for advertising.

If a company wanted to determine the ROMI for a particular advertising campaign, for example, a good starting point might be to look at the gross sales margin. Advertisers might look for an increase in gross sales margin, which is simply the increase in sales revenue minus the costs to run the ad campaign (including production costs and purchasing space or airtime). For example, after a £1,000 month-long advertising campaign, a small business with a sales increase of £3,000 has a gross sales margin of £2,000.[18]

As a measurement, ROMI can be calculated mathematically by dividing the gross sales margin with the ad campaign cost. From the previous example, ROMI is calculated by dividing the £1,000 advertising campaign into the £2,000 gross sales margin, giving an ROMI of 200%. That means that for every advertising pound spent, it generated two in new sales. According to the Chief Marketer a website a well-run TV ad campaign should produce between 300 and 500% ROMI.[19]

There are other strategies to track advertising effectiveness. According to Entrepreneur, some ads feature 'loss leaders,' products that are specifically

16 *Return on Marketing Investment." Wikipedia. Web. 8 Feb. 2015. http://en.wikipedia.org/wiki/Return_on_marketing_investment.*

17 *"Return on Marketing Investment." Wikipedia. Web. 8 Feb. 2015. http://en.wikipedia.org/wiki/Return_on_marketing_investment*

18 *Terry Lane. "How to Measure ROI for Television Advertising." Small Business. Houston Chronicle. Web. 8 Feb. 2015. http://smallbusiness.chron.com/measure-roi-television-advertising-67029.html*

19 *Terry Lane. "How to Measure ROI for Television Advertising." Small Business. Houston Chronicle. Web. 8 Feb. 2015. http://smallbusiness.chron.com/measure-roi-television-advertising-67029.html*

underpriced to attract customers.[20] A similar strategy is to advertise a special product available for only a limited time. If sales of the product increase, you know the advert is reaching customers. Also, advertisers can use 'word flags' to mark their ads - distinctive words or phrases designed to resonate with the customers. If your customers are repeating the word flags in your advertisement back to you or your employees, it shows that the ad is working.

Let's get practical: How to measure short-term ROMI of content marketing

What about measuring content marketing? As Johny Rose, Head of Content for idio, a content intelligence platform, argues in the Guardian's digital hub, "We know that content marketing works and we know that content marketing is measurable."[21]

The next step then is to take this knowledge and consolidate it into something approaching a workable ROI calculator."[22] When it comes to figuring out the ROMI of content marketing efforts, a whole new set of metrics will need to be identified.

So how would you measure the ROMI of content marketing?

Mashable's article "How to Measure the ROI of a Content Marketing Strategy,"[23] offers four easy steps that can help companies to determine the payback of content marketing efforts.

1. The first step is to understand what you are measuring. Whereas traditional media companies use readership and advertising revenue as the measurement of success, content marketing relies more on conversions and building brand awareness, which can be an ambiguous metric. Accordingly, you might look at number of subscribers, user signups, sales or other interactions. But the first step is to set a goal, and then track progress from a baseline.

2. The second step is to use proxies to measure initial success. Proxies are items such as Facebook likes, retweets, shares, link backs, comments, time spent on a page, average page views per visitor, followers, # or @mentions, etc. These kinds of proxies present immediate signs

20 *"Three Steps to Effective Sales Promotion." Entrepreneur. Web. 8 Feb. 2015. http://www.entrepreneur.com/article/204860*
21 *Johny Rose. "How to Calculate the ROI of Content Marketing." Web. 8 Feb. 2015. http://www.theguardian.com/media-network-outbrain-partner-zone/content-roi*
22 *Johny Rose. "How to Calculate the ROI of Content Marketing." Web. 8 Feb. 2015. http://www.theguardian.com/media-network-outbrain-partner-zone/content-roi*
23 *"HOW TO: Measure the ROI of a Content Marketing Strategy." Mashable. Web. 8 Feb. 2015. http://mashable.com/2011/07/04/how-to-measure-roi-content-marketing-strategy/*

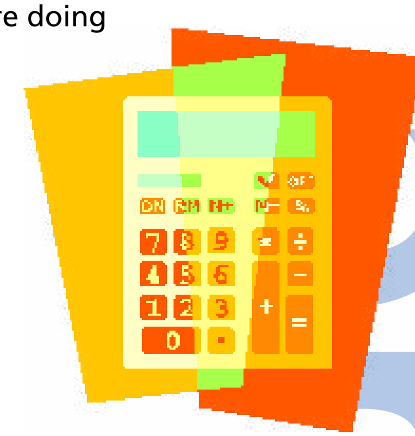
of encouragement. Things like search engine ranking take a while to manifest, but proxies allow you to easily monitor how well your content is resonating and how you're building brand equity.

3. Thirdly, it's important to measure both primary and secondary conversion indicators. Measuring conversions can be as simple as installing Google Analytics[24] or keeping a spreadsheet of leads or even check marks on a whiteboard. While keeping track of the raw conversion numbers is important, it's also crucial to measure secondary indicators. If you're measuring leads, you might also look at the quality of leads, retention period, lifetime value per lead, the length of the sales cycle, and the number of new customers referred by lead.

4. The final step is perhaps the most difficult: exercise patience. Content strategy for most businesses isn't about instant advertising metrics anymore. As a result, clear ROMI data can take a while to accumulate.

If you want to learn how to determine the ROMI for Facebook efforts Chron.com's article "How to Measure Your Facebook Campaign ROI"[25] outlines a few simple easy to follow steps.

What about long-term ROMI?
The long-term ROMI is a more sophisticated metric that balances marketing and business analytics and is used by many of the world's leading organisations. Think of it this way, while short-term ROMI will give you an idea of how you are doing right now, a long-term ROMI will tell you what to expect in the following months or years. Companies like Hewlett Packard and Procter & Gamble use long-term ROMI to measure the economic (ie. cash-flow derived) benefits created by marketing investments. For many other organisations, this method offers a way to prioritise investments and allocate marketing and other resources on a formalised basis.



There are several ways to calculate a long-term ROMI, in fact, it can make you dizzy trying to determine what long-term metrics will work best for your company. Hubspot published a handy guide "7 Common Marketing Metrics"[26] that explains the maths behind some of the most popular marketing metrics. The article walks you through some of the time-tested

24 *Google Analytics. Web. 8 Feb. 2015. http://www.google.com/analytics/*
25 *"How to Measure your Facebook Campaign ROI." Chron.Com. Web. 8 Feb. 2015. http://smallbusiness.chron.com/measure-facebook-campaign-roi-74491.html*
26 *Ryan Ghods. "A Simple Explanation of the Math Behind 7 Common Marketing Metrics." Hubspot. Web. 8 Feb 2015. http://blog.hubspot.com/marketing/math-behind-common-marketing-metrics*

formulas in the marketing world and is a good place to start. But, as explained by author Ryan Ghods, there are many ways to calculate these formulas. He cautions that "based on your specific business and the industry you operate in, you may want to tweak these formulas to better represent the conclusions you're after."[27]

Brand valuation, for example, is a type of metric that is integrated into long-term ROMI calculations. Brand valuation takes the corporate brand into account when determining ROMI. For example, did you know that 80% of Google's $125 billion market capitalisation is attributed to its brand?[28] That means that the corporate brand plays an important role in future sales and marketing efforts. Companies should be aware of the value of their brand in order to accurately develop a long-term ROMI. Patrick Collings, Brand Architect and Founder of South African based strategy consultancy Sagacite, offers a good overview in his presentation on brand valuation.[29]

Sometimes long-term ROMI models will draw on Customer Lifetime Value (CLV) models to demonstrate the long-term value of incremental customer acquisition or reduced churn rate. The purpose of the customer lifetime value metric is to assess the value of each customer. The CLV calculation process consists of four steps:

1. Forecasting of remaining customer lifetime (in years)
2. Forecasting of future revenues (usually year-by-year), based on an estimation about future product purchases and the likely price
3. Estimated cost of delivering those products
4. Calculation of the net present value of these future amounts[30]

Other, more sophisticated approaches like Marketing Mix Modeling (MMM) include multi-year, long-term ROMI by including CLV and other types of analysis. It's a discipline that is highly effective in combining both short- and long-term calculations to develop a more sophisticated ROMI for marketing efforts.

27 *Ryan Ghods."A Simple Explanation of the Math Behind 7 Common Marketing Metrics." Web. 8 Feb. 2015. http://blog.hubspot.com/marketing/math-behind-common-marketing-metrics*

28 *Patrick Collings. "Measuring Brand Value." Web. 8 Feb. 2015. http://www.slideshare.net/pjcollings/measuring-brand-value-patrick-collings?qid=59c246de-e9ca-4030-8571-3a564a6ee118&v=default&b=&from_search=1 .*

29 *Patrick Collings. "Measuring Brand Value." Web. 8 Feb. 2015. http://www.slideshare.net/pjcollings/measuring-brand-value-patrick-collings?qid=59c246de-e9ca-4030-8571-3a564a6ee118&v=default&b=&from_search=1*

30 *"Customer Lifetime Value." Wikipedia. Web. 8 Feb. 2015. http://en.wikipedia.org/wiki/Customer_lifetime_value.*

Let's take a look at the MMM discipline in greater detail.

Marketing Mix Modeling

Marketing Mix Modeling (MMM)[31] has become a widely accepted methodology. In the last 10 years, many fast-moving consumer goods companies have adopted MMM techniques with great success. Global multi-nationals like Proctor & Gamble, Kraft, Coca-Cola, and Pepsi use MMM as a key part of marketing planning. A number of specialist firms now provide MMM services to companies of all sizes, which has also increased its popularity. If you'd like to become an expert on MMM, download Marketo's comprehensive guide "The Definitive Guide to Marketing Metrics and Marketing Analytics."[32]

As noted by McKinsey & Company, MMM analytics must include industry knowledge, brand-building impact estimates, and provide transparent assumptions that are delivered in a way that makes sense to the business user. This can be a challenge because the very nature of MMM is data-driven and highly technical, yet it is also extremely effective in identifying long-term payback for marketing investments.[33]

So what is it? Marketing Mix Modeling is an analytical approach that uses historic information, such as syndicated point-of-sale data and a company's internal data, to quantify the sales impact of various marketing activities. Mathematically, this is done by establishing a simultaneous relation of various marketing activities with the sales, in the form of a linear or a non-linear equation, through the statistical technique of regression. MMM defines the effectiveness of each of the marketing elements in terms of its contribution to sales-volume effectiveness (volume generated by each unit of effort), efficiency (sales volume generated divided by cost) and ROI. These findings are then adopted to adjust marketing tactics and strategies, optimise the marketing plan and also to forecast sales while simulating various scenarios.[34]

Marketing Mix Modeling measures the potential value of all marketing inputs and identifies marketing investments that are most likely to produce long-term revenue growth.

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31 Marketing Mix Modeling. Wikipedia. Web. 8 Feb 2015. http://en.wikipedia.org/wiki/Marketing_mix_modeling
32 "The Definitive Guide to Marketing Metrics and Marketing Analytics." Marketo. Web. 8 Feb 2015. http://www.marketo.com/definitive-guides/marketing-metrics-and-marketing-analytics/
33 "Marketing Return on Investment." McKinsey & Company Web. 8 Feb. 2015. http://www.mckinsey.com/client_service/marketing_and_sales/expertise/marketing_return_on_investment .
34 "Marketing Mix Modeling." Wikipedia. Wikimedia Foundation, 21 Nov. 2013. Web. 8 Feb. 2015. http://en.wikipedia.org/wiki/Marketing_mix_modeling .

When done correctly, MMM can provide the following insights:

- Contribution by marketing activity
- ROMI by marketing activity
- Effectiveness of marketing activity
- Optimal distribution of spends
- Findings on how to execute each activity better

By now you might have reached the conclusion that MMM is only for the serious and dedicated marketers. If you want to adopt this model, you'll need to learn more and perhaps seek advice from a third party. Online McKinsey & Company outline a five-step approach[35] to MMM implementation that can help you become familiar with the process.

Finally

Not everyone believes that calculating the ROI for marketing efforts is the holy grail of measures and it's true that measuring the ROI may not be the definitive metric that tells you how successful you are in your marketing efforts. However, it is a good benchmark that can help you to see whether or not your efforts are indeed providing value. And, certainly measuring something is far better than nothing at all!

35 *"Marketing Return on Investment. Our five-step approach." McKinsey & Company. Web. 8 Feb. 2015.* http://www.mckinsey.com/client_service/marketing_and_sales/expertise/marketing_return_on_investment