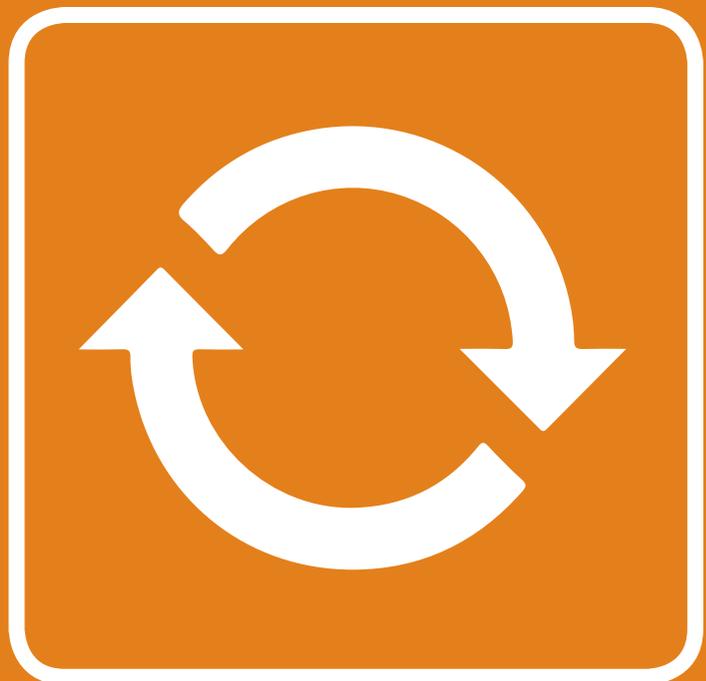


AN INTRODUCTION TO

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# CLOSED-LOOP MARKETING

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“Half the money I spend on advertising is wasted; the trouble is I don't know which half.”

“Half the money I spend on advertising is wasted; the trouble is I don't know which half.” Almost a century after John Wanamaker spoke those words, most online marketers can still feel his pain.

The irony is, today, marketers have the technology they need to “close the loop” between marketing and revenue, but few are actually taking advantage of it. To many, setting up closed-loop reporting has remained too hard and confusing to implement.

Effective marketers, however, should be able to tie every single lead, customer and dollar back to the marketing initiative that created them. This is how marketers can prove their worth, and understand how to more efficiently reach their audience.

It's time that we changed the status quo. Marketers invest a lot of time in their campaigns and are not always sure whether their efforts are paying off. Social media is the classic case: businesses engage in social media conversations without knowing how these interactions can transform into new sales.

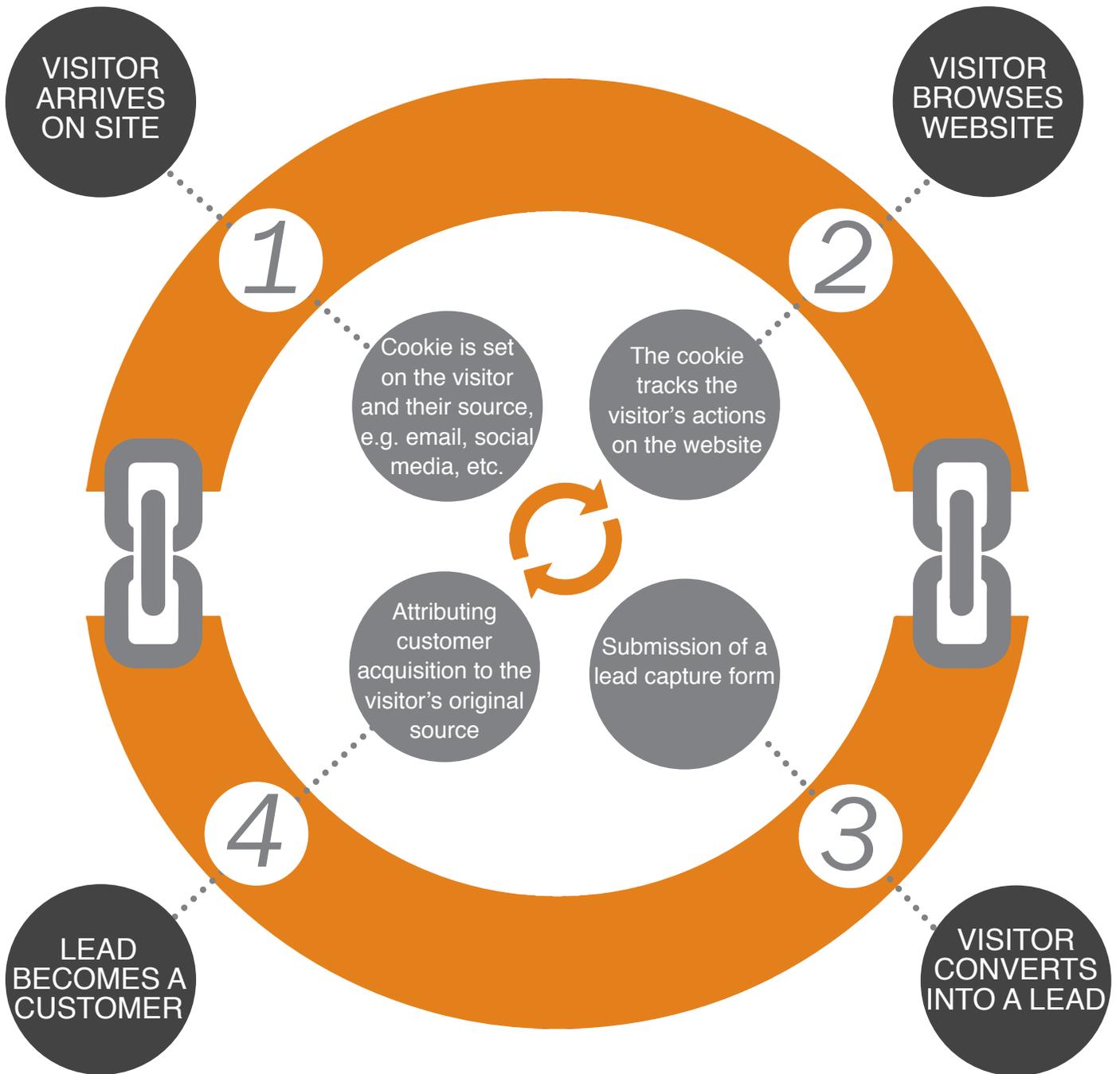
If you are unsure on where you should start to implement successful closed-loop marketing, this is the right ebook for you. We will start by demonstrating the value which comes with closed-loop marketing data. Then, we will walk you through a step-by-step explanation of how closed-loop marketing works and how it can help you become a better marketer. Lastly, we will show you how you can fix your loop if you spot something odd in it.

CHAPTER 1

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# HOW CLOSED-LOOP MARKETING WORKS

# Visualizing Closed-Loop Marketing:



— VISITOR ACTIONS  
— SOFTWARE ACTIONS

VISITOR  
ARRIVES  
ON SITE

1

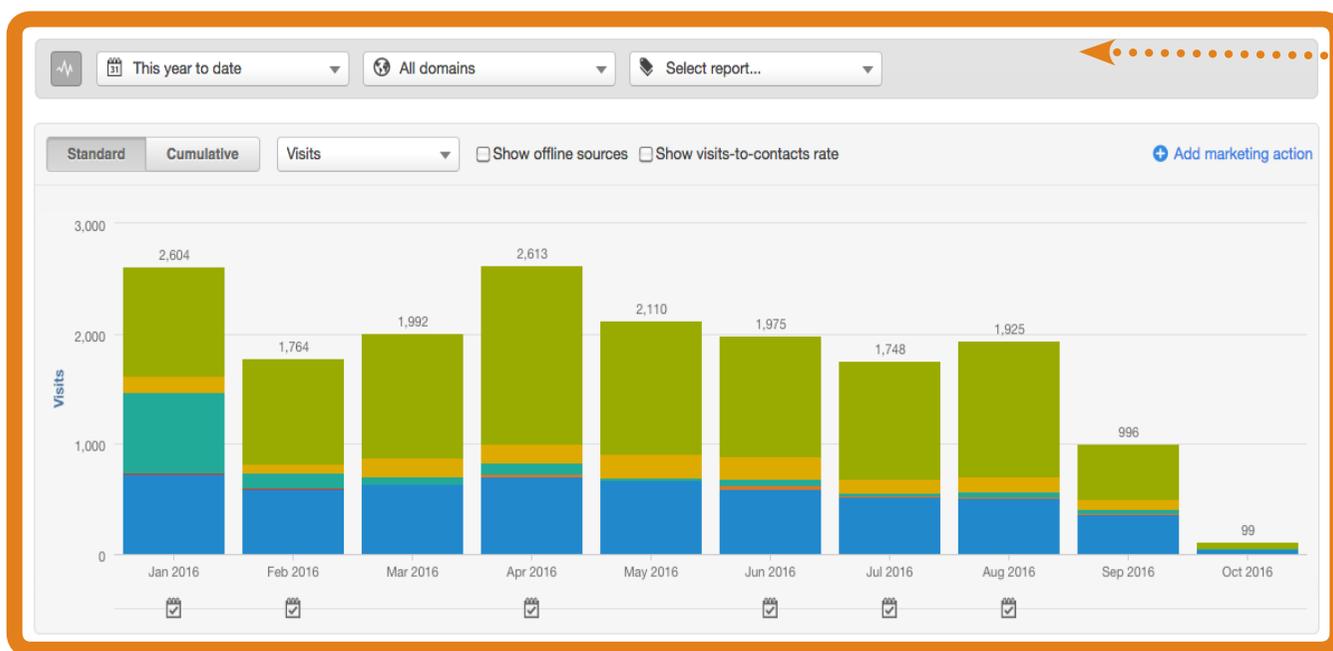
The easiest way to close the loop is to make your website the central hub for all your marketing. Search engines, social media, email marketing, referral links, paid search, even offline campaigns should get filtered to your website. Once someone visits your website, you can cookie them and start tracking their activity.

Cookie is set on the visitor and their source, e.g. email, social media, etc.

 VISITOR ACTIONS  
 SOFTWARE ACTIONS

This is the entry point of your closed-loop system. As the lead progresses through your sales and marketing stages, you'll be able to attribute them back to the proper channel. If they came into your site through a link from a trade show, an email marketing campaign or a search term, for example, you'll be able to trace them back to that original source.

For instance, here is what that data can look like. Below you see a screenshot of traffic by channel. By looking at this data we are able to see trends and compare channels. We know which are our most valuable sources of traffic and can work on optimizing the rest.



The drop down menu enables us to switch this chart for a view of leads and customers by channel.

Most web analytics systems will allow you to track sources of traffic like search term or referring website, but you'll need to go a step further than this in order to make sure that you're accurately assigning your leads to the right marketing initiative.

*You should assign a tracking URL to every marketing campaign that is sending traffic to your website.*



To create a tracking URL, you just need to add a parameter to the end of your website's link that your analytics system can identify and associate with a particular campaign or initiative. This will enable you to more accurately track visitors who otherwise look like they are coming from direct search.

The tracking token is added to the end of a link, allowing your analytics tool to pool a certain group of traffic. Different tools employ different tokens, but here is an example of what a visit from Twitter could look like:

`/?utm_medium=social&utm_source=twitter`

By attaching this to your URL anyone who clicks that link is signaling to your analytics tool that they are coming from Twitter. The same type of tracking tokens apply to different channels, such as email, paid media and referral traffic. Investigate with your marketing or analytics software to make sure you have tracking tokens in place and your data gets assigned to the right categories.

VISITOR  
BROWSES  
WEBSITE

2

As you attract traffic and identify where that traffic is coming from, you need to track the behavior of your visitors. Which pages are they viewing? What is their trajectory of actions? Such intelligence will illustrate a path that can, down the road, help you optimize for faster visitor-to-lead or even visitor-to-customer conversions.

The cookie tracks the visitor's actions on the website

— VISITOR ACTIONS  
— SOFTWARE ACTIONS

This is the trickiest part of closed-loop reporting: making sure that you can connect a visitor's session with their lead information once they convert on a form. Without this piece, you'll have two separate databases, one with anonymous visitor history and one with lead information. As a result, you won't be able to connect those leads back to their respective marketing source.

In order to make this work for you, either do something very technical on the back end of your analytics platform or you start using some software that does this for you. There are a few of companies out there that allow you to do closed-loop reporting. For instance, here is a screenshot of HubSpot's Prospects tool which tracks visitors' activity and provides some actionable next steps, such as social media following.

## Prospects Monitor which companies are visiting your site - [see tour](#)

Name	Pages Seen	Visitors	Leads	Visiting From	
COMPANY NAME	214	132	1	no referrer 37 minutes ago	  
COMPANY NAME	1	1		linkedin.com 37 minutes ago	  
COMPANY NAME	250+	156	3	no referrer 37 minutes ago	  
COMPANY NAME	250+	154	2	feed: hubspot (hubspot) / feed 37 minutes ago	  
COMPANY NAME	250+	133	2	no referrer 37 minutes ago	  
COMPANY NAME	250+	192	2	no referrer 37 minutes ago	  
COMPANY NAME	250+	136	1	scoop.it 37 minutes ago	  

Submission of a  
lead capture form

In order to monetize the traffic you are getting and send qualified prospects to your sales team, you need to convert visitors into leads. You can make this happen by sending incoming traffic to landing pages which are going to make an information exchange possible and collect more insights from your visitors.

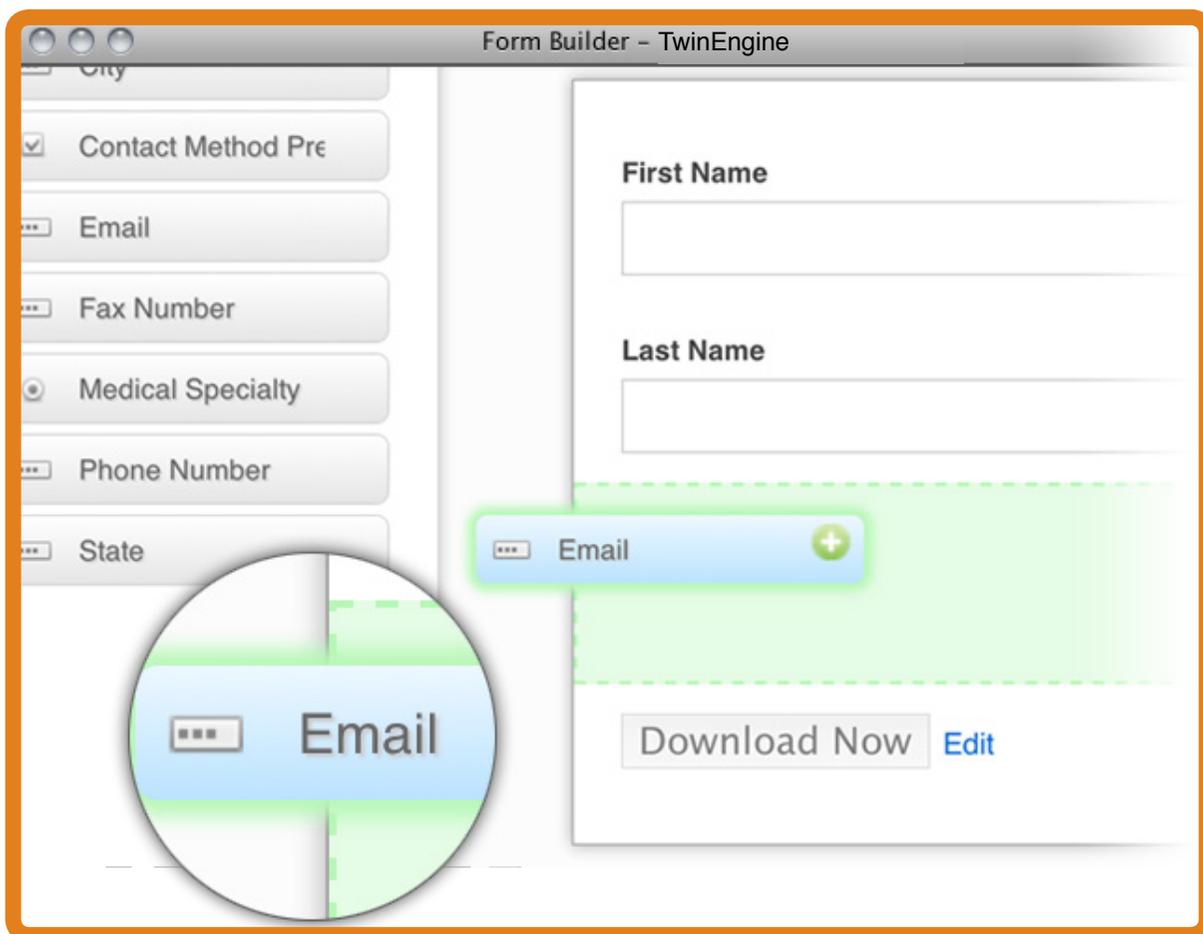
3

VISITOR  
CONVERTS  
TO A LEAD

 VISITOR ACTIONS  
 SOFTWARE ACTIONS

More than just knowing where your visitors are coming from, you'll need to know who they are. This is curtail to closing the loop and being able to associate closed customers back to their entry source.

The way to capture this information is to direct website visitors to a landing page with a submission form (or also known as a lead capture form). Once visitors fill out this from, you'll have whatever contact information you asked them for: name, email, phone number, etc. As a best practice, you should be sending most of your traffic to landing pages and forms so that you can grow your leads database. Learn more about building awesome landing pages in this ebook.



Attributing customer acquisition to the visitor's original source

Now it's time to figure out how these visits transformed into sales. Which one of your marketing channels contributed the most customers? Are there ways you can optimize the process for other sources? Closed-loop marketing enables you to identify the activities that bring in the most (and least) revenue.

4

LEAD BECOMES A CUSTOMER

- VISITOR ACTIONS
- SOFTWARE ACTIONS

Finally, you need to look at all of the leads that your sales team has closed and attribute them back to their original marketing initiative. If you've setup everything in steps one through four, this should be a relatively straightforward process. For most medium-sized business, the easiest way to achieve this is through your Customer Relationship Management (CRM) system. For smaller businesses, you might do this more manually using a spreadsheet.

Here is a screenshot of HubSpot's analytics providing us with insights on customer acquisition from different marketing sources, such as email marketing, social media and referrals.

The screenshot shows a table titled 'Sources' with columns: LEADS, LEAD TO CUSTOMER, CUSTOMERS, VISIT TO CUSTOMER, and VISITS. A callout circle highlights the 'CUSTOMERS' column, showing the number of customers for each source. The data is as follows:

Sources	LEADS	LEAD TO CUSTOMER	CUSTOMERS	VISIT TO CUSTOMER	VISITS
	1,234	.24%	3	.011%	
	1,333	.15%	2	.0082%	
	951	.21%	2	.0095%	
	1,480	.2%	3	.015%	
	1,230	.081%	1	.0056%	
	1,230	.16%	2	.011%	
	790	.38%	3	.02%	

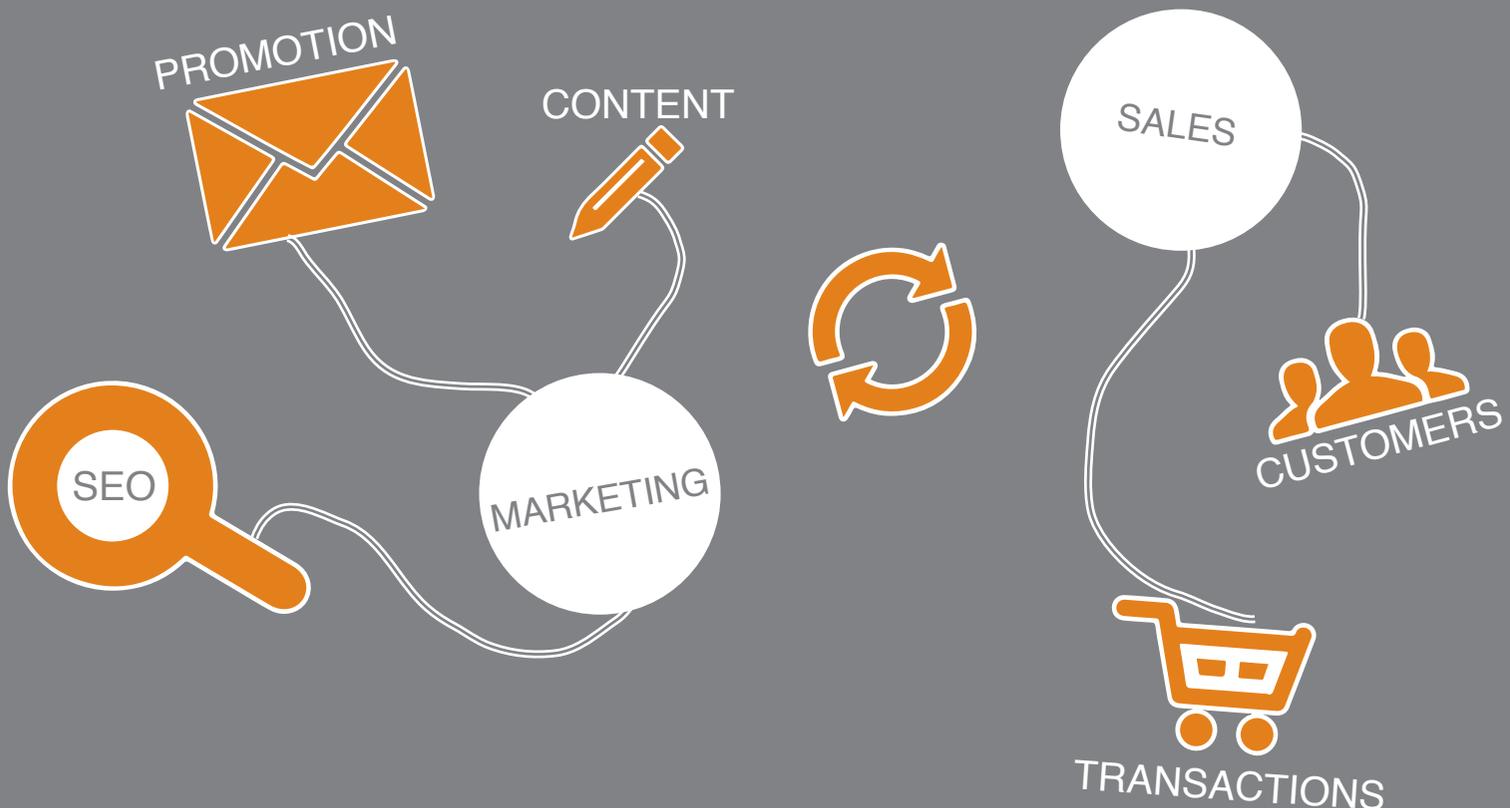
CHAPTER 2

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# WHAT YOU NEED TO SET UP CLOSED-LOOP MARKETING

“ *In order to set up closed-loop marketing you need to map marketing activities to sales.* ”

In order to set up closed-loop marketing you need to map marketing activities to sales. Such an integration requires connecting your marketing software to your customer relationship management (CRM). In other words, you tie the intelligence emerging from your marketing communication with prospective, current and former customers to the intelligence your internal team has built with these same people.



The purpose of a CRM system is to synchronize the activities of your sales, marketing and customer support teams. A CRM platform can support your business in a number of ways ranging from selling and fulfillment to identifying and rewarding loyal customers. SAP, Oracle, Salesforce and SugarCRM are some the most commonly known CRM systems.



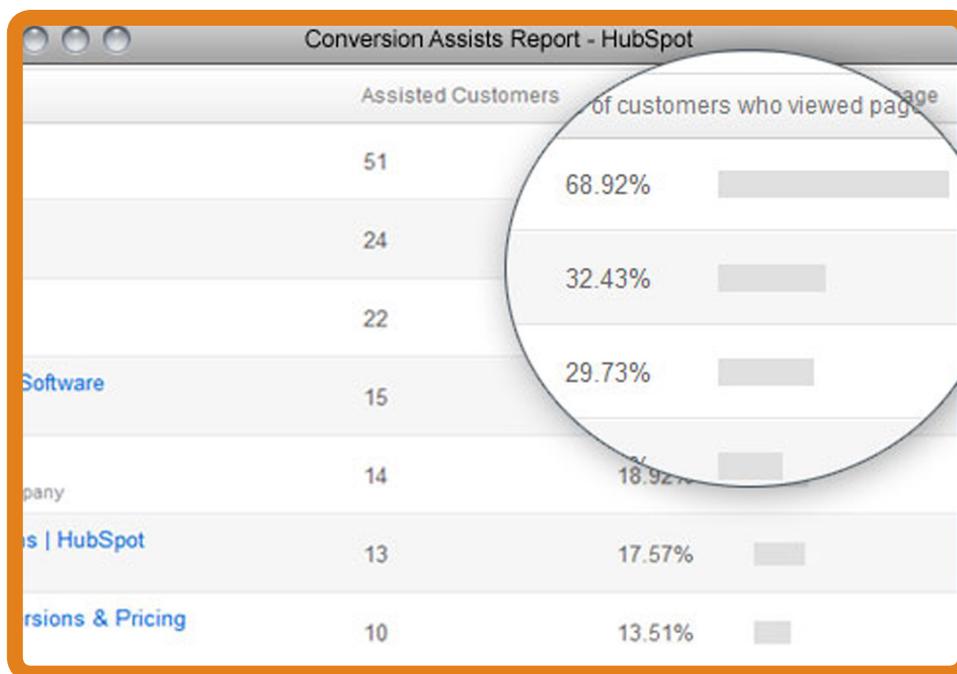
Certain marketing software helps keep record of your marketing data and makes it actionable--by optimizing campaigns, enabling lead conversions and revealing results. The CRM and the marketing software talk to each other through an application programming interface (API).



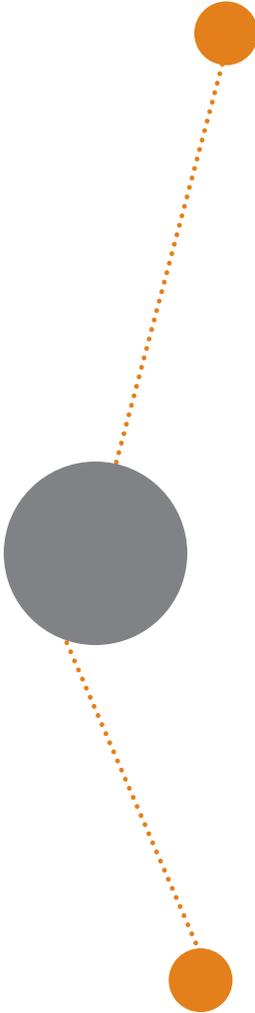
As a sophisticated marketer, you want the two systems to talk to each other. When one of your sales representatives closes a deal, she can mark that sale as “won” in your CRM and that will trigger an update in the marketing software. You will then be able to go backwards and see where this new customer came from originally. What channel brought them to your website? What pages did they view afterward? At what point did they convert into a lead?

Such intelligence will expose conversion assists, pages on your website that your visitors viewed before they converted into leads or customers. Understanding a website’s conversion assists can help marketers identify the most influential pages they own. In doing so, they can learn a lot about why those pages are (or aren’t) effective and apply these insights to improve poorly performing web pages and to enhance other components of their marketing.

Conversion assist are valuable in gaining a 360-degree view of the sales cycle. That is why HubSpot’s software includes a tool called Conversion Assists:







## LEAD NURTURING

As a result of your lead scoring mechanism, you will easily identify leads with low lead grades. Now you can handle them in a more efficient way by sending them to a lead nurturing campaign rather than a sales person. A series of targeted email messages can invite the lead to sign up for a webinar, download an ebook from your landing page, or take some other action that will further engage them in your company.

## CUSTOM LEAD SCORING

You can also customize the way you assign high grades to your leads. For instance, a grade could be boosted if the lead converted multiple times on your website, thus indicating engagement. Or if it represents a desired demographic profile. You could also use the qualifying questions on your lead capture forms to calculate a custom lead score.

## SETTING MONETARY GOALS

Tying your marketing software to your CRM system also allows you to set a campaign goal with a dollar sign on it. Rather than measuring your impact through traffic and leads only, you can focus on the actual customers certain channels and initiatives brought in to your organization. This is especially valuable if you are investing a ton of money and effort in a campaign. Trade shows are a great example of the need for setting monetary goals.

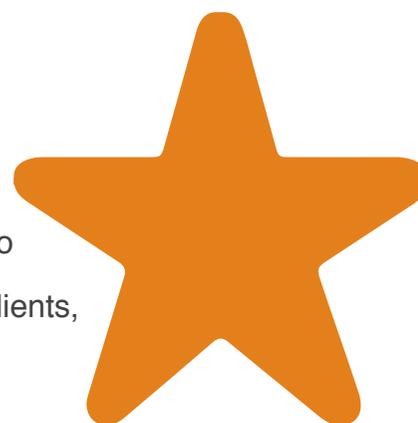
CHAPTER 3

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# **BECOME A BETTER MARKETER BY CLOSING THE LOOP**

“ *Closed-loop marketing enables us to do better marketing.* ”

Closed-loop reporting is one of the most powerful tools that online marketers have at our disposal. Not only does it allow us to demonstrate the work's value to our bosses, organizations and clients, but it also enables us to do better marketing.



Once you understand what marketing activities are generating leads, customers and revenue, you can double down on what's working, and cut out what's not. At the end of the day, marketing is about generating revenue. A good marketing team should be like a money generating machine - you put a dollar in and you get two dollars out (or at least \$1.25).

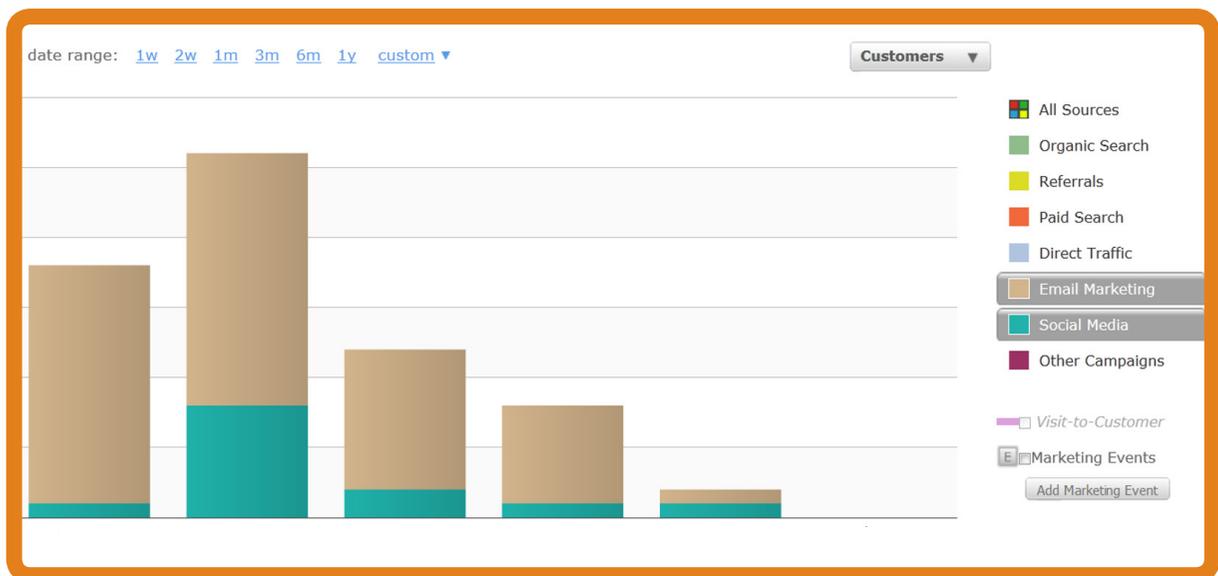
In this section of the ebook we will review a few different ways in which closed-loop reporting helps you attract more high-quality leads and become a smarter marketer.



## FOCUS ON THE RIGHT CHANNELS & OFFERS

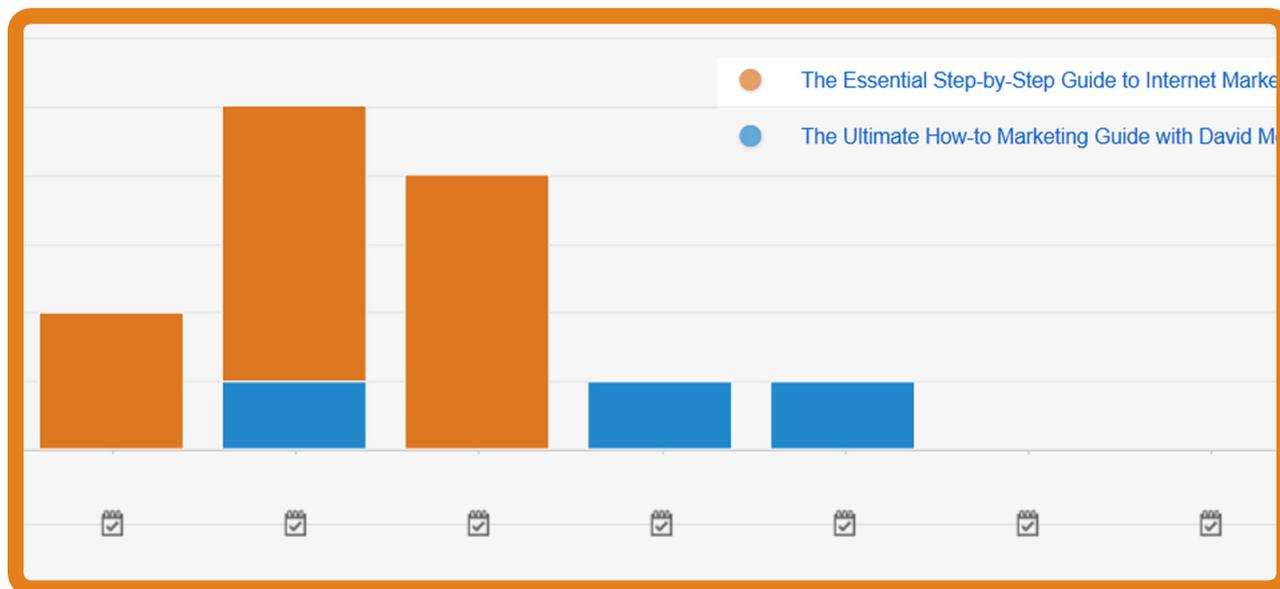
Closed-loop marketing directs your attention to the most powerful conversion events and channels. By looking at the sources and offers that traditionally brought in new customers for your organization, you will be able to identify the behavior you need to engage in to qualify leads and push them down the sales funnel.

For instance, by looking at HubSpot's Sources we are able to compare the efficiency of different channels in respect to customer acquisition. In the screenshot below we are comparing the number of sales from social media marketing to the number of sales from email marketing. It becomes clear that email marketing has a higher lead-to-customer rate than social media. This insight can then help us take action: nurture the social media leads with targeted email messages.



The same type of intelligence will direct you to the content you can use to build your lead nurturing communication. You can compare the efficiency of different offers in respect to customer acquisition. In the screenshot below we have used HubSpot's Landing Page Dashboard to compare the performance of two ebooks in bringing up new customers. This information will help us decide which of these ebooks to use as a call-to-action when we are trying to push a lead down the sales funnel.

#### NEW CUSTOMERS:



#### DELIVER CLEARER RESULTS TO YOUR BOSS

The data you can gather thanks to closed-loop marketing will also help you build your authority and support the decisions you make in front of your boss. It shows that your strategy is driven by evidence and doesn't rely on abstract theories or assumptions. That will also help you build powerful marketing presentations for company-wide meetings or when jumping in comarketing partnerships.



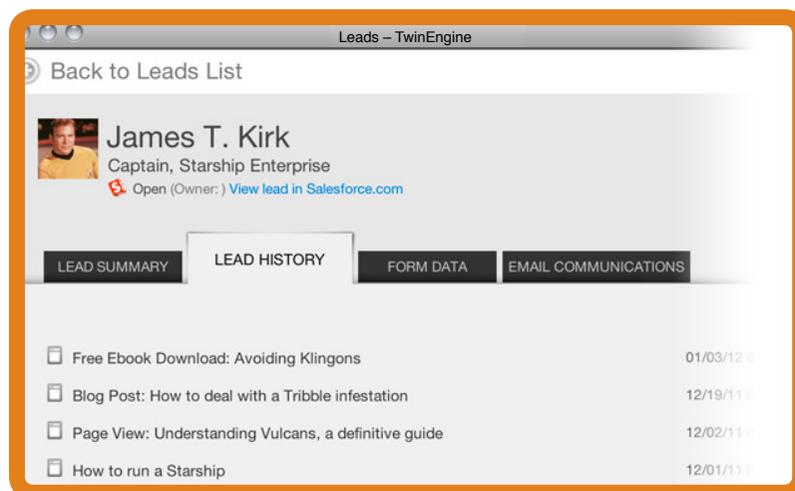
## GAIN INSIGHTS ABOUT YOUR TARGET AUDIENCE

By gaining a 360-degree view of your sales cycle—looking at an user’s first visit to your website, browsing through their activities and identifying their last conversion event—you collect insights about the ideal prospect. This information can help you build a target persona.

Personas are fictional representations of your ideal customers, based on real data about customer demographics and online behavior, along with educated speculation about their personal histories, motivations, and concerns.



Analyzing the path that prospects take on the journey to becoming a customer is a great way to get insights about the needs and challenges of your target audience. If you use a marketing platform like HubSpot, you can see which search terms brought prospects to your site, how long they stayed on your site, which pieces of content they viewed, and which forms they’ve filled out. Such lead intelligence will help you make better decisions when identifying the characteristics of your ideal customers and ways to nurture your new prospects.





## SHORTEN YOUR SALES CYCLE

By learning more about your leads and targeting them with smarter communication, you decrease the amount of time that it takes them to convert into customers. If a prospect with specific characteristics (e.g., a B2B company, with 100 employees, located in Northern America) follows a certain trajectory of actions to turn into a customer, then you can take that path and apply it to a larger segment of that demographic profile.



As an example, let's explore the lead intelligence of a company that became a HubSpot customer.

Inbound Marketing Software   Product Versions & Pricing	12/16/11 06:51 AM
Download Now: 101 Marketing Quotes	12/04/11 02:03 PM
Free eBook: 101 Marketing Quotes by Industry Thought Leaders	12/04/11 02:02 PM
Free eBook: 101 Marketing Quotes by Industry Thought Leaders	12/04/11 02:00 PM

We see that initially the prospect became interested in our ebook “101 Awesome Marketing Quotes.” A few days after they downloaded that ebook and converted into a lead, they visited HubSpot’s pricing page. That behavior, combined with the customer’s demographics data, could dictate our behavior-based communications with similar type of companies. In other words, we can encourage new leads of this type to visit our pricing page and get some information on HubSpot’s plans.

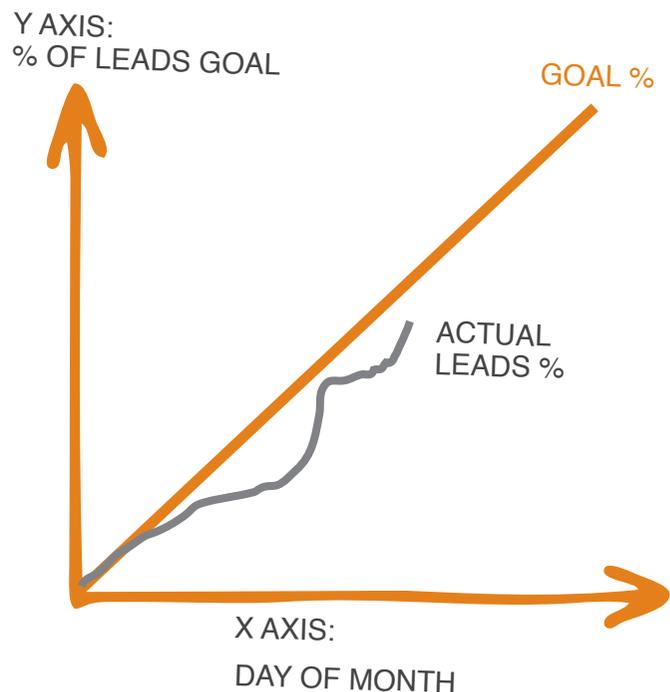


## SET THE RIGHT GOALS AND EXPECTATIONS

By knowing *precisely* what your visitor-to-lead and lead-to-customer conversion rates have been historically, you can set the right goals and expectations in the future. To ensure that you are moving in the right direction, you can also compare your current performance to last month's and create a daily or a monthly leads waterfall.

Wondering how to build a daily leads waterfall graph? First, set a goal for the total number of leads. It might be a month or a quarter, but start with your sales goals and your conversion rates. For instance, if 5% of your leads become customers and you need 7 new customers next month, then you need 140 leads next month to hit your goal.

Then, take the total number of leads (in this case, 140), divide by the number of sales reps you have and the number of days in the month to identify a goal for the number of leads you need to provide each sales rep with each day. Now you just have to create the daily leads waterfall graph, with the x-axis representing the day of the month, and the y-axis - the percentage of the leads goal you have attained.



If you are using the HubSpot software, you're in luck! Your HubSpot dashboard will create this graph for you automatically using either a custom goal that you can set, the last month, the month a year ago, or a 3-month average as the goal you track against.



## KEEP YOUR COST PER LEAD LOW

As we already mentioned, closed-loop gives you insights on your most powerful inbound marketing offers and enables you to set realistic goals for both marketing and sales. These two factors are key in determining how you are going to spend your marketing budget and they dictate where your marketing dollars will go into.

For instance, if you were looking to host a trade show, you can easily decide on the type of offer you are going to promote at the event. You have already identified what content helps you convert more leads into customers, now you just have to think of a creative way to present it in front of your audience.

Similarly, you can do paid advertising efficiently. Just take the ideal lead demographic information that you discovered thanks to connecting your marketing software to your CRM, combine that with your best performing offers, and you will be sure to attract some new sales without wasting money.



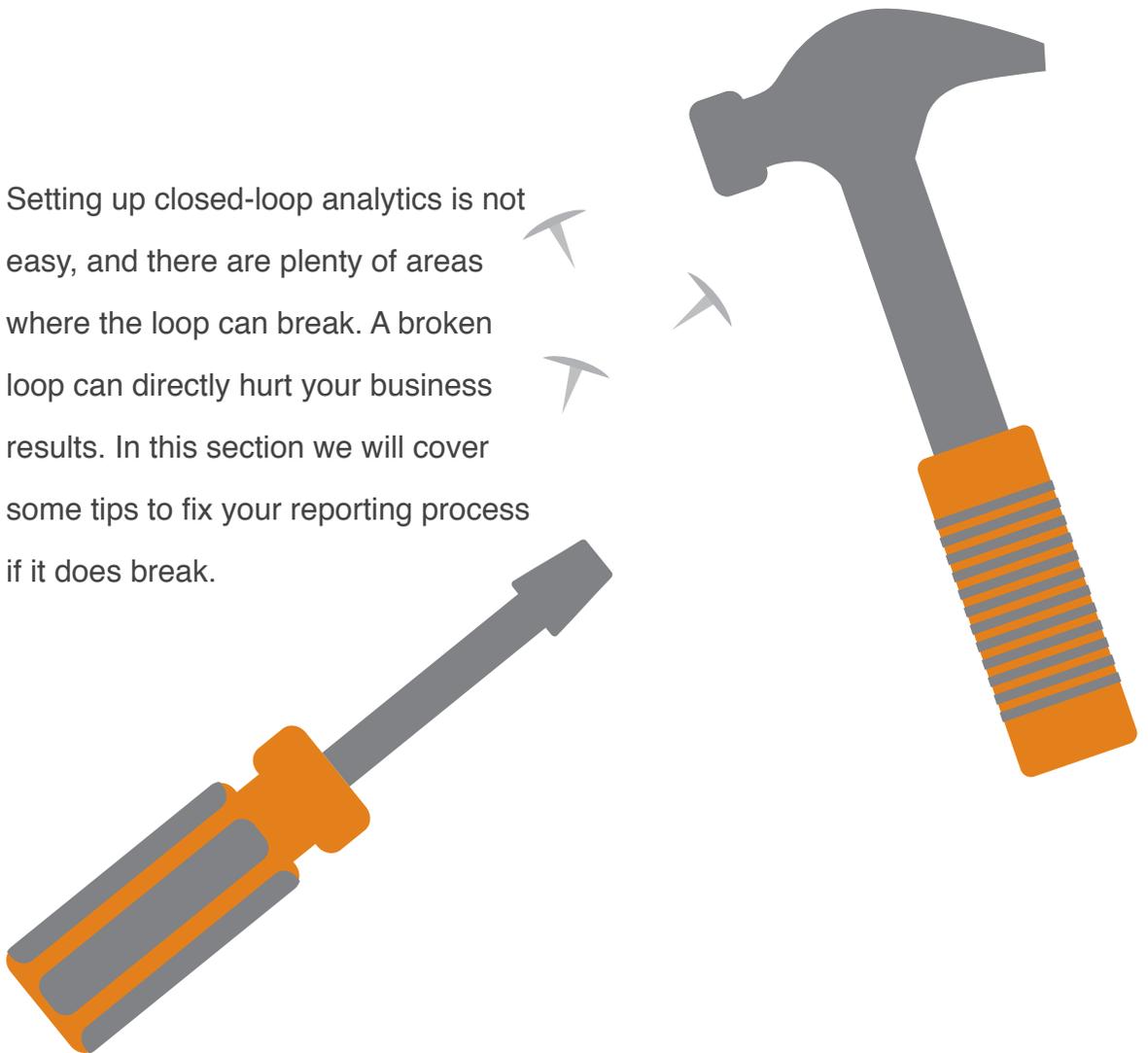
CHAPTER 4

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# HOW TO FIX A BROKEN LOOP

“ *There are plenty of areas where the loop can break.* ”

Setting up closed-loop analytics is not easy, and there are plenty of areas where the loop can break. A broken loop can directly hurt your business results. In this section we will cover some tips to fix your reporting process if it does break.





## SET TRACKING CODE ON EVERY WEBSITE PAGE AND ON SUBDOMAINS

If any of your pages are missing tracking code, then you'll break the loop. The same goes for all of your subdomains. As we already mentioned in chapter one, a tracking token is the parameter you add to the end of your link in order for your analytics to associate it with a particular campaign. If you have a subdomain like `blog.yoursite.com`, then you should add the same tracking code to that subdomain in order to track the entry point of your blog readers and the content they have viewed on your blog.



## CREATE TRACKING URLs FOR ADS, EMAILS AND OFFLINE EVENTS

Yes, this is a huge PITA, but it's worth it. Get in the habit of creating these URLs for any marketing event or campaign. That will allow you to look at clean results and gain an accurate picture of how your channels and campaigns perform.

For instance, you don't want to confuse your paid initiative with your email marketing campaign, do you? Or count social media traffic as direct traffic, thus not realizing that you can invest more in certain marketing efforts that yield good results.





## ASSOCIATING A VISITOR'S ONLINE SESSION WITH THEIR LEAD INFORMATION

After a visitor first lands on your website and before they fill out a landing page, there is a key period of browsing you need to be aware of. This is the place where most marketers stumble because it's technically difficult. To solve for this problem, you'll need to find an integrated system that does this for you. HubSpot's marketing software, for instance, enables you to view your leads' relevant social media information and past browsing history.



## ENSURING YOUR SALES TEAM IS PROPERLY CLOSING LEADS

All the work that you've done to properly track visitors will go to waste unless you can get your sales team on the same page. Come up with a system that both you and your sales team can agree upon, and make sure it's easy for them to close business in a way that will close the loop.



Once you've agreed on terminology, use common terms to develop a service-level agreement (SLA) between sales and marketing. An SLA is a contract between the two groups that sets expectations for the quantity and quality of leads that marketing will deliver to sales, and outlines the steps sales reps will take to follow-up on those leads. If you are interested in learning more about sales and marketing alignment, check out this HubSpot ebook.



## NOT NURTURING YOUR LOW GRADED LEADS

If you haven't set up lead nurturing to follow up with your low graded leads, you haven't necessarily broken the loop, but are certainly missing out on an opportunity that can make your process much more efficient. Shorten your buying cycle and provide your most engaged leads to your sales team using some type of behavior-based communication that allows your organization to stay top of mind for contacts.



**CONCLUSION**

“*Closed-loop marketing cuts through the widespread vagueness of marketing myths & assumptions.*”

Closed-loop reporting is one of the most sophisticated steps of successful inbound marketing. Getting it right is an eye-opening experience that reveals both strengths and weaknesses, and cuts through the widespread vagueness of marketing myths and assumptions. By reading this ebook you have taken the blindfolds off.

Now you are aware of the fundamentals of closed-loop marketing: how it works and what you need to set it up. What is more, you know about the tremendous growth potential you, as a marketer, have by closing the sales and marketing loop. Now go ahead and put this newly gained knowledge to practice!

# ABOUT US

TwinEngine is an award-winning, strategic marketing and creative agency that provides organizations with a way of managing their brand to help them stand out, take off and stay on course.

For over 25 years of success, Winnie Brignac Hart and Lorrie Brignac Lee have been leveraging their twin talents (left brain/right brain thinking) and consulting with companies to help them grow their businesses by delivering strategic and creative solutions to reach their destinations.

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TwinEngine is a certified HubSpot partner. To learn more about HubSpot, check them out at [HubSpot.com](http://HubSpot.com).

