



THE  
CONTENT  
ADVISORY



A TCA SELF-ASSESSMENT TOOL

# Measuring & Valuing Audiences

*Assess, orient, and balance your content marketing strategy to measure the impact that engaged audiences have as a true asset to the business.*

MAY 2020

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A TCA SELF-ASSESSMENT TOOL

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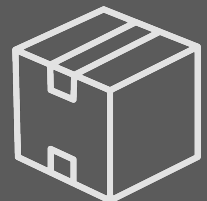
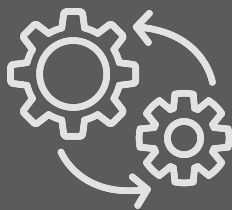
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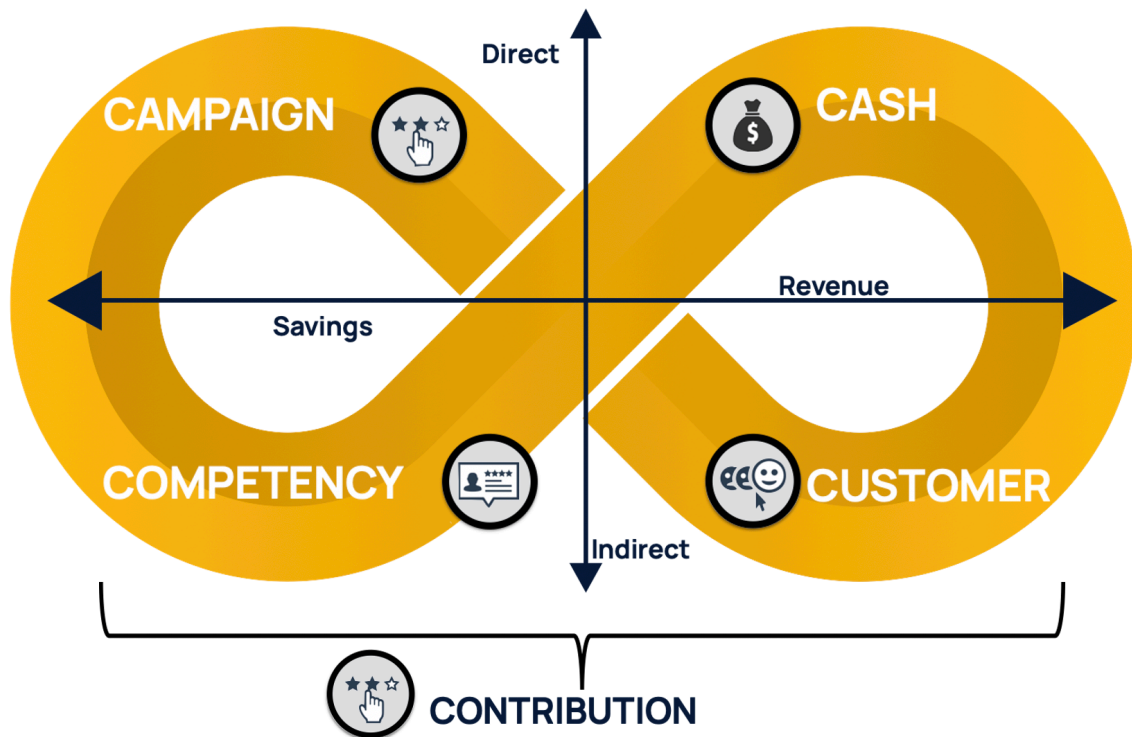
## **A SELF-ASSESSMENT AUDIENCE VALUATION**

A self-assessment where you can review an example goal, and build your own valuation of an audience.



# INTRODUCTION: RETURN ON AUDIENCE A NEW MODEL FOR VALUING CONTENT

TCA has worked with hundreds of brands on their content marketing approach. The successes we've seen are when content marketing is deployed as a *strategic business activity*, that just happens to be performed by marketers. Content Marketing fails when it is used only as a marketing tactic that is a replacement for paid media consumption.



Marketers can remedy this. Yes, content marketing can - and must - be measured in multiple ways to be a viable strategy.

Recognize, however, that the business value is not in creating great content.

***Value lies in the behavior change of the audience affected by the great content.***

Thus the first step to success is to address a question: "what does success of an engaged, subscribed audience look like?" As illustrated in the chart above, we can break this down into what we call the **Five C Investment Goals of Content**. These are: Contribution, Competency, Campaign, Customer, and Cash.

Each "C" can be roughly placed along the buyer's journey as an indicator of where value may first be seen.

For example, a **Competency goal** will help businesses become smarter about their target audiences. Audience data may help identify behaviors, or methods the business can use to make the following sales and marketing activities more efficient or effective.

An example of this might be utilizing first-party data to learn which topics are most important to customers. Then, leveraging that data to target offers, or products that better match those interests - thus creating a more efficient funnel. Competency goals are most usually at the beginning of the journey, where the business is just learning about a market, or the audience is becoming aware of the ideas that the company stands for.

A **Campaign goal** is usually most appropriate in the early to mid marketing engagement of the buyer's journey. For these kinds of goals, the marketer will deliver value to the audience in order to multiply the efforts of the more

traditional marketing and advertising efforts.

An example of this is how Content Marketing can deliver an audience that is more organically acquired vs. through paid media efforts. By delivering this audience more efficiently than paid media, the business enjoys the benefit of less expensive acquisition.

Moving along the customer journey, marketers may also have **Customer goals**. These goals are helping the business to create a more valuable customer. Examples of this may be marketers that use content to educate their audience on how to be savvier, or more educated users of their product or service. This, in turn, may convince the customer to purchase accessories, or other services, or to simply become more loyal to the brand that sold them the product.

Then, **Cash goals** are self-described. Businesses can operate content marketing that is so valuable that customers may actually pay for the privilege of consuming it. An example of this are the many technology companies that operate thought leadership customer events.

In some cases, these events are strong enough that customers will actually pay to attend, or other non-competitive companies may pay to sponsor them to reach the same audience.

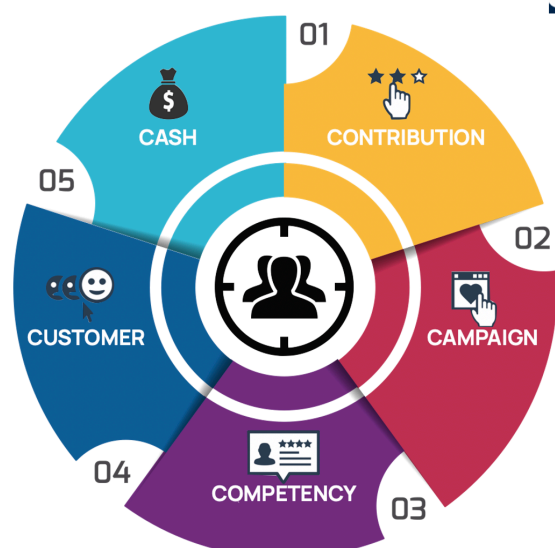
Then, finally, there are **Contribution goals**. These are goals that do not, necessarily, line up to the buyer's journey - but are more internally focused. This is where the Content Marketing team may be merchandising assets into other parts of the enterprise (e.g. Public Relations, Sales, Customer Service etc..) and is simply measured by how the internal audience consumes this content.

***These five categories form the backbone of how we will look at measuring audiences for the various immersive content marketing experiences we are creating.***

The overriding purpose of this framework is to help us model the audience, and place a financial value on the depth and dimension of the content marketing strategy.

## MODELING

Our audience and designing a measurement plan.





# A CASE STUDY OF HOW IT WORKS

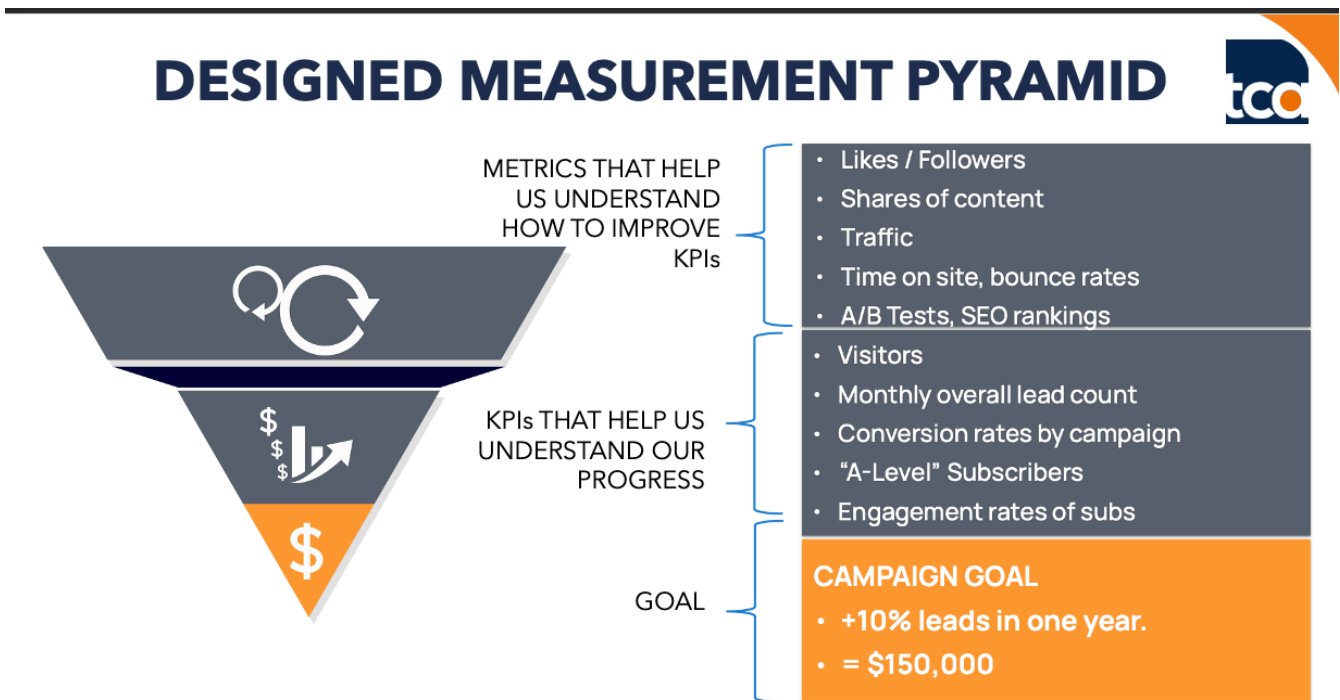
We evaluated the audience of a B2B software company. This B2B company sells a technology solution to marketers in other companies. Over the last two and a half years, they have built an audience of just over 8,500 subscribers. Their owned media property is an online resource center of white papers and research, coupled with a blog and a subscription-based email newsletter.

Our goal was to use our Audience Measurement framework to assess the current and future value of their audience given some assumptions on audience growth. This company's resource center and blog sit squarely in the middle of the engagement journey, so our first priority was to look at opportunities for Competency and Campaign focused goals. For simplicity, we'll only highlight one of the goals we eventually chose.

## GOAL #1: Campaign Goal - Be The Source of 10% Of All Inbound Leads

### STEP 1: Build a Measurement Pyramid

The first step was to design how we would measure our success toward meeting this goal with the audience we are gathering as subscribers. We did this by first determining the value of the goal in real dollars. This was easy as the company tracks CPL (Cost-Per-Lead). And they know that each inbound lead from other efforts has an average cost of \$150. They also know that they generate 10,000 leads each year. So - that means to meet the goal, the Content Marketing Program would generate 1,000 leads. Anything below \$150 per lead would be a profitable content marketing effort. The measurement pyramid then looked like this:



### STEP 2: Map Goals Based on Current and Future Growth

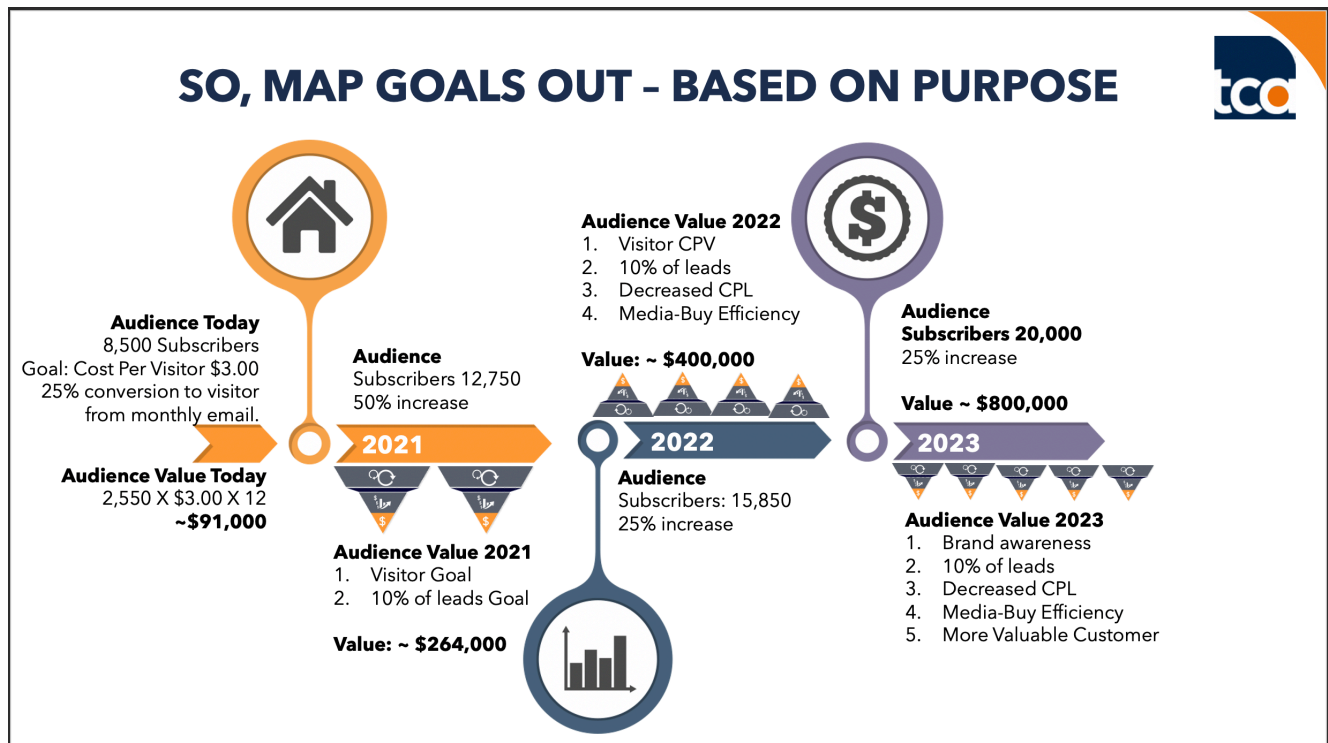
The value of audiences grow exponentially. The reason is because as they become larger over time, they both more deeply support initial goals, as well as support additional goals.

So, the next step is to then map as many goals as we can (we eventually came to two current, and three additional goals) over time. This is then when you can assess, and estimate the present and future potential value of your audience.

To plot the other goals, we first repeated Steps 1 and 2. Now, some of them may be able to be achieved right away. Others may require that we have a larger audience before they become achievable or meaningful to the business.

But, once we identified those goals, and the estimate of real dollars they represented, we plotted them based on our efforts to either forecast them (e.g. what we know today and a prediction of when they might come to pass), or backcast them (e.g. based on our investment model, identifying when this goal needs to be true in order to manage a viable strategy).

As we plotted out the goals, the map ended up looking a little like this:



Now, to be clear, there are many assumptions built into these numbers. When doing this we had to ask ourselves hard questions such as:

- What might we spend to actually attract new visitors/subscribers?
- Will the audience continue to convert at the same levels?
- What will the net growth be, as we will almost certainly have churn as well.
- Etc..

A good part of this exercise is deciding how accurate your forecast needs to be. Generally speaking, you will find that your net present value will obviously be more accurate than your forecast because you are tracking real numbers. That brings us to the final step.

### STEP 3: Forecast Future Value & Profitability

The last step is to look out over time and plot both the expenses of content creation and the management and growth of the audience, with the value timeline. This will provide you with both an overarching success goal to communicate, as well as "phases" that you can begin to map out.

You have now, truly, built the business case for building one of the most valuable assets the company will manage: an audience.

# TAKE A SELF ASSESSMENT

We have built this assessment to help you with an example of how you might develop your own goals, measurement pyramid and timeline of success. To keep this manageable - the assessment uses one of the most standard Campaign goals - organic traffic as the example. However, the process itself is fairly similar for any monetizable goal that you may determine as a good fit for your business.

## STEP 1: Build Our Measurement Pyramid

**Goal:** Generate a <number> of organic visits per month to our Website sales pages in order to deliver \$x of value to the business.

**QUESTION #1** - How many organic visitors per month do you want/need to achieve your goal? Place your answer in the green box below.

**QUESTION #2** - What is your current CPV (cost-per-visitor) for getting people to your website sales pages now? This would be an average of your SEM spend, advertising, PR etc... Place your answer in the orange box below.

**QUESTION #3** - What is your expectation for the percentage of those visitors that will subscribe to receive your email newsletter, or more content from you? Place your answer in the red box below.

With these three questions answered, you now have the basis for a current evaluation, and can begin to assemble all the KPIs and metrics (as part of your measurement pyramid) you'll need to measure your progress toward this goal. **And you can move to Step 2.**



Q1.  
How many organic  
visitors per month do  
you need?

Q2.  
What is your current  
CPV (cost-per-visitor)  
to your site?

Q3.  
What percentage will  
subscribe to receive  
more content?

Q4.  
What is the expected  
growth rate of  
subscribers?

Q5.  
What percentage of  
subscribers will  
become leads?

## STEP 2: Map Goals Based On Current And Future Growth

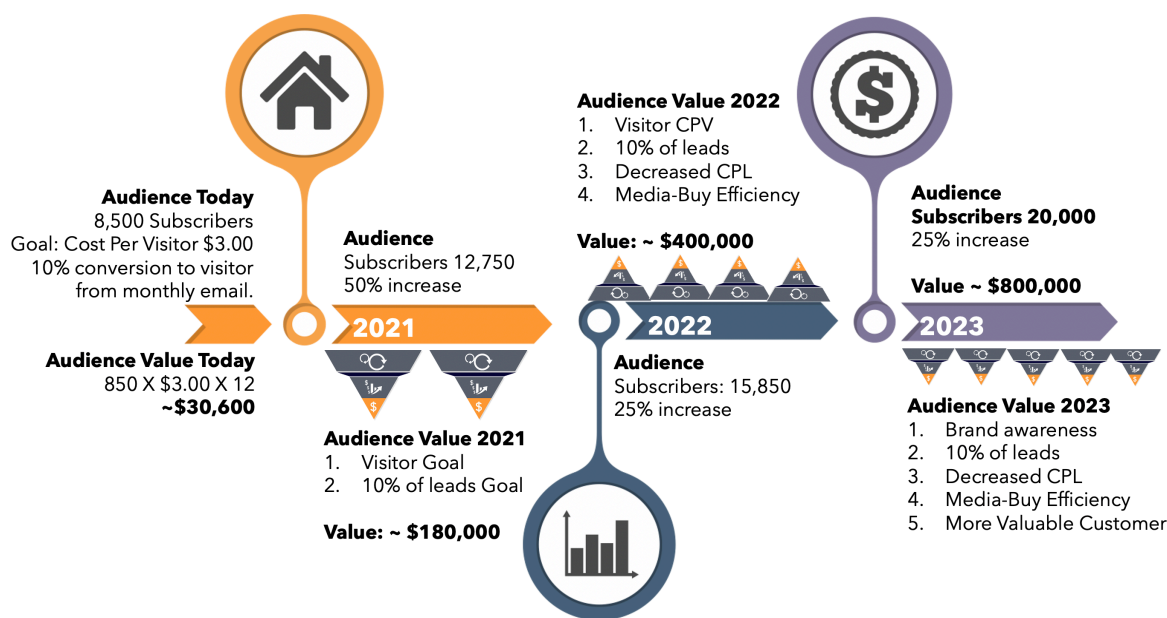
You now have the basis for a current evaluation of your audience value, for your organic goal, as well as a way to measure for the ongoing value of that goal. By looking at the data of the subscribers you are receiving, you can now ascertain some additional value. As you examine the subscriber data, you can look to see if they are more (or less) valuable than visitors you receive from other methods (e.g. paid media, trade shows etc...). Then, to complete the exercise, you can answer two additional questions. that can help to establish an increasing future value of the audience.

**QUESTION #4** - What is the expected growth rate of subscribers over one year (or longer if you desire)? Place your answer in the blue box on the previous page.

**QUESTION #5** - What percentage of those subscribers do you expect to evolve into leads over time? Place your answer in the gray box on the previous page..

And with those questions answered, **you can move to Step 3.**

### SO, MAP GOALS OUT - BASED ON PURPOSE



## STEP 3: Forecast Future Costs And Profitability

The final step is to examine your answers and begin to plot audience values (perhaps in context with your costs) over time as shown in the example timeline on the following page.

We have provided some questions for you to consider that may help you plot the values for this particular goal, and others that may begin to evolve as your audience grows.



# HOW DID YOU DO?

## SOME QUESTIONS TO ASK

As you begin to plot out your timeline, utilize both what you know (the data you have) and the assumptions you are making to begin to map both your current and potential future value. Here are some examples to get you started:

**Immediate Audience Value:** If you take your monthly organic visitors per month and multiply it by the CPV (cost-per-visitor), you have an initial gross value of the audience. If you want to get sophisticated, you can then look at the cost of SEO or other efforts, and measure the delta between paid and organic. For example, 1,000 organic visitors per month, multiplied by a \$3.00 CPV equals a \$3,000/mo value (money you wouldn't otherwise have to spend). If you're spending \$1,000 a month on SEO to your publication, you're still achieving a \$2,000/mo value.

**Short Term Increased Audience Value:** Examine the data from your "organic subscribers" once you've reached a reasonable number. Compare this to other methods such as paid acquisition, trade shows etc... Are you getting a more qualified, or less qualified subscriber than average? This can give you insight to forecast either more conservative or aggressive additional goals. For example, if you have 1,000 visitors per month, and the 10% of those converting to subscribers are all valid potential customers, then in three months you will have 300 subscribers to examine for insight.

**Mid Term Increased Audience Value:** Look at your forecasted growth rate of subscribers over time. How will you achieve that? Will you increase organic traffic to increase number of subscribers? Or, will you increase your conversion percentage? For example, if your one year growth rate of subscribers is 20%, and you currently have 1,000 visitors per month, and a 10% subscription rate, then you will have 1,440 subscribers at the end of year one. But does that mean you:

- a) Have 1,440 visitors per month and are converting them at the same rate (10%)?  
or...
- b) You now have increased the conversion rate for your 1,000 visitors per month from 10% to 12%?  
or...
- c) Both!

If, after examining those numbers, you believe you can do both of those things, you might plot that by the end of year one that you will have 1,440 visitors per month (and a \$4,320 value per month) and a 12% conversion rate - and so you are now adding 172 subscribers on a monthly basis.

And perhaps you will now feel confident (as you are adding 172 subscribers per month) to add a second goal to your timeline.

**Long Term Increased Value.** With all of these numbers in mind, examine Question 5, and perhaps it may be time to add your second goal - and forecast how many of those 172 subscribers per month will turn into "leads". So, repeating the action in the first value above, you can simply take your conversion rate of subscribers into a real number, then multiply by the current CPL (cost-per-lead). Again, you can become more sophisticated by looking at the actual value (after costs). If 5% of them turn into leads, then that's 8 new leads per month. If your CPL is \$150, then that's \$1,200/mo of gross value added to your first goal of visitors.

Then, of course you can add additional goals as you wish.

The critical thing is that we are not measuring the content - we are measuring the audience value. That, in turn, helps us develop the value of the content. If the content doesn't help us achieve a valuable audience, then the content isn't performing well.

## ABOUT TCA: THE CONTENT ADVISORY

We are a content-obsessed research, consulting, and advisory company. Our goal is to blend the art and science of intelligent content strategy, to help today's modern business communicators scale and measure their efforts.

Mastering an intelligent content strategy is not simply a creative, governance, or technological shift. It is both emotional and logical. It requires creativity and data. An intelligent content strategy evolves the way business teams create, collaborate, and collect insight on every communication.

We are TCA: The Content Advisory. We can help you balance your content strategy.

## ABOUT OUR SPONSOR: Contentstack

Contentstack is the hub powering omnichannel content, digital experiences, and personalized customer journeys. It is the industry leader in the headless content management systems (CMS) category. Marquee customers include Berlitz, Chase, Cisco, Ellie Mae, Express, Holiday Inn, Miami HEAT, Morningstar, Pella, Riot Games, rue21, Sephora, Shell, The Spectator, and Walmart. Contentstack sits at the heart of an award-winning Digital Experience Platform (DXP) and is the exclusive API-first CMS for the SAP Cloud. More information at [www.contentstack.com](http://www.contentstack.com)

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Contact Us And We'll Be Happy To Have a Free 30 Minute Discussion About Your Content Operations

[Info@contentadvisory.net](mailto:Info@contentadvisory.net)

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