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THE CMO'S CHALLENGE

Revenue Attribution From a Leadership Perspective

REVENUE ATTRIBUTION KEY AS CMOS EMERGE AS CORPORATE LEADERS

Marketing leaders today are increasingly assuming a stronger role in corporate leadership, and now more than ever specifically in relation to revenue generation. In assessing CMOs, CEOs award higher performance ratings than other C-suite executives give to their counterparts in marketing. In fact, their ratings are higher than the CMOs give themselves. This belies previously held beliefs that CEOs lack faith in their CMOs and suggests that they have the ear of their CEOs. Still, even though 83% of CMOs say their company executives view marketing as a vital contributor to business value, most CMOs are also missing valuable opportunities to collaborate with their peers in other departments.

Revenue attribution is that missing link. It matches customer sales and company revenue to specific marketing outputs. For C-suite executives and especially for the CFO, it proves marketing's value and contribution to the company's bottom line. For marketers, it is hard evidence and confirmation of the critical contributions they are making to their company's growth and revenue. Revenue attribution also allows marketers to speak the language of business, which is dollars and revenue. It allows them to extend their reach beyond brand equity and engagement, which are important to marketers but not necessarily to the rest of the company.

In this Insights Report, a follow-up to The Leadership Outlook on Revenue Attribution Survey published in December 2020, we take a dive into an executive perspective on marketing's ability to provide revenue attribution reporting. This Insights Report considers ways to influence key collaborators and provide strategies to help your marketing teams create or improve upon marketing's revenue attribution reporting capabilities.

Without a revenue attribution strategy, marketers will have a difficult time maintaining the level of trust they currently enjoy. Keeping that trust requires a mechanism that enables marketers to quantify value through trusted data and delivering true attribution reporting on marketing's impact.

Accurate and trusted revenue attribution provides marketing, as well as other executive leaders, with the information necessary to improve decision making across the entire organization. It isn't surprising, therefore, that revenue attribution is associated with a revenue lift of between 15% and 18% for those companies that implement it, according to Forrester analyst Tina Moffet.

Despite the fact that the majority of marketers recognize revenue attribution as an imperative, many still do not have a strategy in place. While often viewed as a marketing problem, the lack of a coherent revenue attribution strategy is an organizational deficit that directly affects revenue.

More than ever, the onus is on marketing leaders to provide revenue attribution data, and this requires both leadership and partnership as they lead the charge for change at their organization.

We've made it to the table. Now we have to deliver.

THE LEADERSHIP OUTLOOK ON REVENUE ATTRIBUTION

Marketing leaders face a landscape of shifting priorities, and aligning marketing efforts with revenue is one of the most persistent challenges that marketers face.

The DemandLab and Ascend2 Revenue Attribution Outlook Survey gauged how marketing leaders are addressing this challenge and successfully executing a revenue attribution strategy.

This Insights Report represents the expert opinions of the DemandLab executive leadership team, alongside their recommendations for how marketing leaders should implement a successful revenue attribution strategy and why that should happen now.

How Can Marketers Lead With a Revenue Attribution Strategy?

Understanding how our fellow marketing leaders view revenue attribution can help us anticipate and understand both the challenges and benefits of revenue attribution, particularly as we attempt to convince others to help us implement an attribution strategy.

In addition to providing insights from marketing leaders, this report also provides unique insight into how successful revenue attribution strategies can and should be implemented. There is no question that marketers believe revenue attribution is important–nearly all (95%) of the marketing leaders surveyed believe it is critical to strategic success. Still, 24% have no plan to implement this type of strategy and another 25% are only considering one for sometime in the future. It is worth asking: what exactly is holding CMO's and their teams back?

IN THIS REPORT

This insights report examines revenue attribution through:
- Peer benchmarks
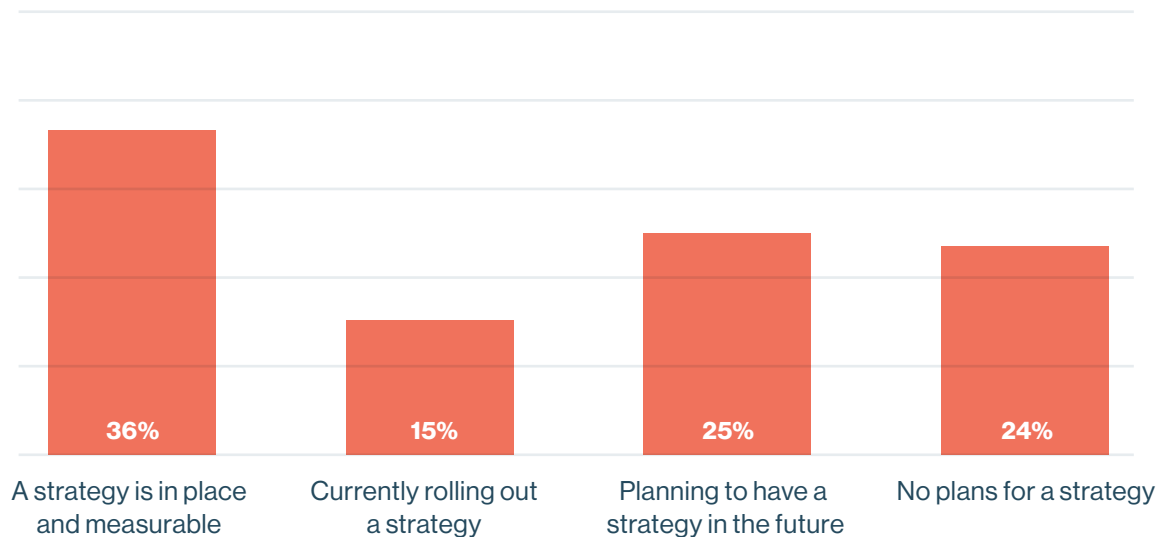- Leadership challenges
- Expert insights

Further Learning

For complementary learning materials, visit the DemandLab Revenue Attribution Resource Center. ▶

CURRENT SITUATION

Few marketers have implemented a revenue attribution strategy.

Just over one-third (36%) of marketing leaders report having an active and measurable strategy to prove marketing ROI using revenue attribution. Another 25% are planning to implement a strategy at an as-yet undefined moment in the future. Nearly one-quarter (24%) of marketing leaders are not prioritizing an attribution strategy at all.

Which best describes your CURRENT SITUATION as it applies to revenue attribution?

A strategy is in place and measurable	Currently rolling out a strategy	Planning to have a strategy in the future	No plans for a strategy
36%	15%	25%	24%

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SHARE THIS! Revenue attribution is integral to organizational success. Marketing leaders know this better than anyone. This is why 76% of marketing leaders already have a strategy in place or are planning to create one. The remaining 24% of leaders who are not moving on revenue attribution risk being left behind. It puts their jobs at risk, and it also endangers their entire department.

The time for evangelizing about revenue attribution is over. Now it is time to act on it. Marketers will have to take the lead. We have to move from aspirational concepts to concrete steps.

To accomplish this, though, we'll have to leverage our newfound role as a trusted company advisor and further integrate our interests with those of other departments, particularly sales and revenue. We will have to demonstrate value, and we will have to eliminate barriers.

Marketers can make small changes to the processes of these other groups and include attribution as part of their daily workflow while avoiding disruptions. The idea is to build on what already exists rather than attempting to impose new processes. Don't try to turn other departments into data entry sources for marketers.

Take a practical and tactical approach and tweak processes that sales, finance and customer engagement, for example, are already using to provide the data necessary for attribution.

Revenue attribution is the next necessary step in staking marketing's place in the revenue machine, but it can't happen unless marketing leaders step up and take on that challenge.

TOP STRATEGIC BENEFITS

Marketers have high expectations of revenue attribution strategies.

When revenue attribution is implemented successfully, the benefits are plenty. Nearly 60% of marketing leaders report that revenue attribution enhances their ability to make better decisions for their organization. Successful attribution bridges the gap between marketing and sales data, resulting in a better alignment of the two functions, according to 44% of marketers in leadership roles. Increased campaign effectiveness, channel effectiveness, and attribution of ROI were also top benefits seen by respondents.

What are the TOP BENEFITS of implementing a revenue attribution strategy?

Benefit	Percentage
Ability to make better decisions	59%
Marketing and sales alignment	44%
Increased campaign effectiveness	38%
Increased channel effectiveness	37%
Attribution of ROI to marketing	29%
Increased marketing budget	22%
Executive buy-in/support	19%

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SHARE THIS! Marketers are coming from a position of leadership when they are focused on making the right decisions, breaking down silos and optimizing their campaigns.

Revenue attribution provides a unique opportunity to examine both lagging and leading indicators because it decreases the lapse between these key indicators and allows for faster decisioning and near real-time execution. Rather than waiting for a campaign to wrap up and performing a post-mortem, marketing can be far more agile. Changes can be made throughout the process, facilitating course corrections and budget shifts into winning channels.

Flexibility is critical to successful marketing. This was a lesson learned by many in 2008 and reinforced in 2020 during the pandemic. It will happen again, and having revenue attribution systems in place positions marketing to be flexible and agile enough to survive and even thrive during these cataclysmic events. Ensuring success requires departments to work together, and this is especially true for sales and marketing as partners in the organization's revenue generation.

Marketing's interest in aligning itself more closely with sales is reflective of an increased focus on corporate leadership and company growth. According to a report by Aberdeen Group, aligning sales and marketing enhances profit, allowing companies to generate 32% more revenue, retain 36% more customers, and achieve 38% higher win rates. Four years later, a 2020 LinkedIn survey reported that 87% of sales and marketing leaders agreed that collaboration between these departments enabled critical business growth.

**So why are we still talking about it?**

Despite a shared interest in building revenue, departmental alignment is a struggle for many companies. Revenue attribution will serve to drive alignment, but marketing will have to do the heavy lifting. Sales has no skin in that game. They are compensated for sales and not for doing data entry on behalf of marketing. So, marketing leaders have to adapt revenue attribution into sales as a process while causing as little disruption as possible to the sales team. That means bringing something to the table, providing a benefit to sales, and making it impossible for them not to want to participate.

STRATEGIC SUCCESS

Marketers view revenue attribution as critical, but many lack a strategy.

Does attributing revenue to marketing activities help marketing leaders achieve important objectives? The overwhelming majority of marketing leaders say yes. Of those surveyed, 95% are seeing success from an implemented revenue attribution strategy and nearly one-third (31%) describe this success as best-in-class.

How do you rate the SUCCESS of a revenue attribution strategy at achieving important objectives?

5%
Unsuccessful

31%
Very successful
(best-in-class)

64%
Somewhat successful
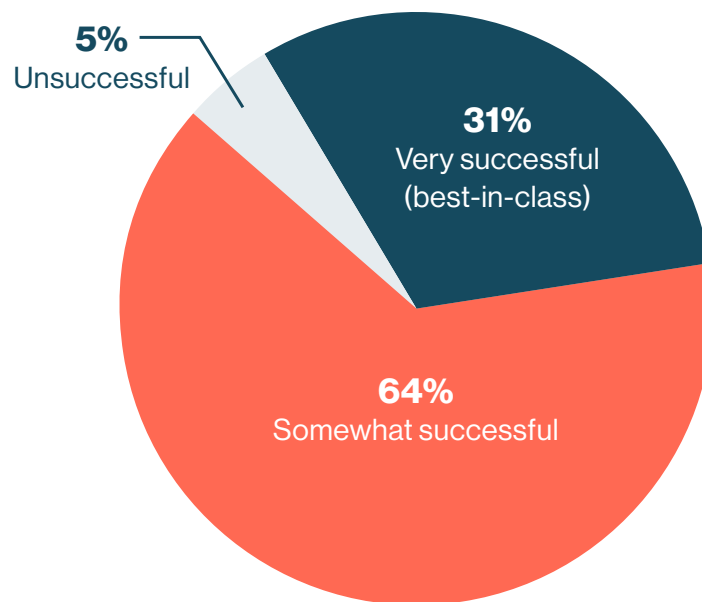
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SHARE THIS! The real question here isn't whether marketing leaders believe they are best in class, but whether their CEO and CFO believe it. To make sure that happens, and to get the cross-departmental buy-in to make it happen, marketing has to put its own house in order first.

Even though 95% of marketing leaders believe that attribution is critical to strategic success, 24% have no plan to implement it. This suggests that for many, marketing attribution is simply a vague, aspirational goal, and that needs to change.

Start with practical actions. Does marketing have a line item in its budget for attribution efforts? If the answer is no, then it isn't being taken seriously. Marketing attribution efforts require resources. That means technologies, data and trained personnel. It could mean partners with the expertise your team lacks. Attribution won't happen without these.
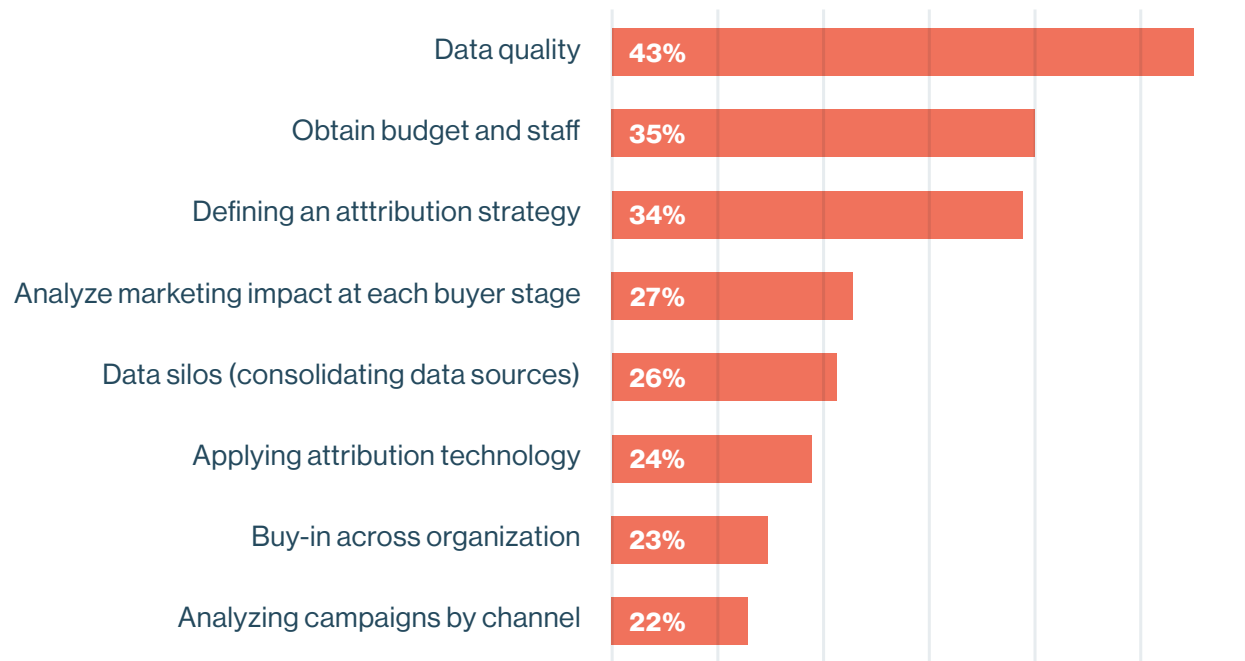
For those with no immediate plans or who are still in early phases, start small and simple and find ways to weave attribution into existing marketing initiatives. Determine what should be measured for your business. Start with an easier proof of concept and build on each success.

BARRIERS TO SUCCESS

Marketers face barriers, but they also hold the solutions.

Claiming ownership of generated revenue comes with challenges. Marketing leaders report that data quality issues (43%) and budgetary constraints (35%) are major barriers to the success of revenue attribution. Analyzing the impact of marketing efforts at different stages of the buyer journey is also a challenge faced by 34% of those in leadership roles.

What are the greatest BARRIERS TO SUCCESS for revenue attribution?

Barrier	Percentage
Data quality	43%
Obtain budget and staff	35%
Defining an atttribution strategy	34%
Analyze marketing impact at each buyer stage	27%
Data silos (consolidating data sources)	26%
Applying attribution technology	24%
Buy-in across organization	23%
Analyzing campaigns by channel	22%

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SHARE THIS! High quality, clean data is critical to clarity in revenue attribution, allowing marketers to draw clear links between marketing efforts, sales and revenue. Clean data is error-free and relevant and usually drawn from both marketing and sales sources. However, a precise definition for data quality is specific to a company's processes and goals.

Start with creating a standard for data quality, and make it a definition that can be employed across your systems to assess your data quality. Focus on the data needed to inform decisions, and consider focusing on targeted data points that really matter, as it can be necessary but overwhelming to tackle too many multiple data points. This will also help with the second constraint: budgeting.

Barriers related to budgeting are unlikely to disappear anytime soon. While CMOs remain bullish about their company's investments in marketing technology, they remain under pressure to reduce spending on staffing and related costs.

SHARE THIS! For marketing leaders, this means focusing on capabilities in staffing and training where deficits exist. Automation is one of the few solutions, if not the only one, that can create efficiencies to allow retasking attribution efforts to the budgetary and staffing barriers faced by many marketing leaders, freeing up staff for other tasks. Leaders need to accept that they can't do everything,and instead, pick the appropriate business question to align everything behind.
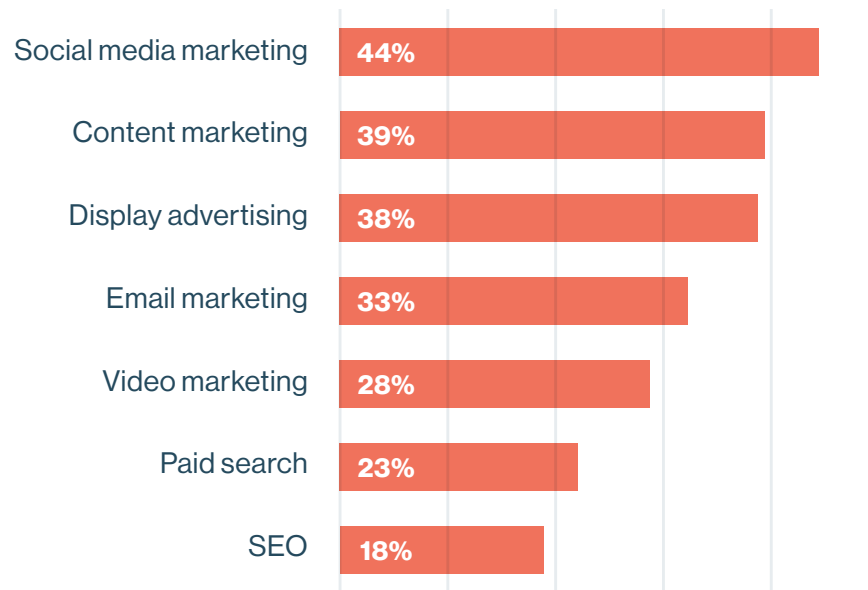
It's important to recognize when things are beyond the skill set of the existing staff. Analyzing marketing data is not a traditional marketing skill, for example. Marketing leaders should consider software, solutions and agency partners or individuals with the expertise needed to fill in these gaps.

CHANNEL ANALYSIS

Channel analysis is complex but integral to effective attribution strategy.

The ability to show which marketing campaigns and channels are contributing to moving a customer toward making a purchase is integral to an effective attribution strategy, but marketing channels are inherently difficult to analyze. Social media marketing and content marketing are considered to be the most challenging to analyze, according to 44% and 39% of marketing leaders, respectively.

Which digital channels are most DIFFICULT TO ANALYZE for attributing marketing results to sales revenue?

Channel	
Social media marketing	44%
Content marketing	39%
Display advertising	38%
Email marketing	33%
Video marketing	28%
Paid search	23%
SEO	18%

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There are many forms of attribution, and you have to settle on one.

SHARE THIS! Begin with an approach in which you ask and answer the right question and then apply that question to each channel. Understand exactly what it is you want to know about each channel. Are you looking for visitors to turn into prospects, or are you looking to turn prospects into something that sales can use? First-touch attribution will look very different from last-touch for each channel. Putting it all together will not be easy. Ultimately you'll need to bring in profitability. Recognize that there isn't going to be a simple single answer – mapping the marketing mix is what will deliver attribution results. Be prepared for the complexity, though; if it were easy, it would already be done.

Channel analysis is an intentional strategy, rooted in the design of marketing campaigns. For example, with social media marketing, implementing UTM tracking parameters is a good place to start.

All of this requires an investment, so it comes back once again to a realignment of resources. What is the purpose of investing in any of these channels, if they aren't properly tracked?

Building the processes to analyze your marketing channels will require resources that some teams may lack. There are potential gains in reallocating just 10% of the budget in each channel to revenue attribution efforts. With the insights into working and where to invest marketing dollars to increase returns, teams will improve performance overall. Do less execution in each channel in order to add better attribution tracking. It makes little sense to keep doing more without an understanding of what is providing the best results.

SALES AND MARKETING FRICTION

By harmonizing data, marketers can help break down silos.

Sharing data between marketing and sales results in a better customer experience and more aligned goal sets for both teams, and a majority of marketing leaders agree on this. Nearly two-thirds (65%) reported that a successful revenue attribution strategy helps to alleviate friction between marketing and sales teams and can help with sales team buy-in.

An effective revenue attribution program helps to eliminate friction between SALES AND MARKETING teams:

Strongly agree	Agree	Neutral	Disagree	Strongly disagree
21%	44%	29%	5%	1%
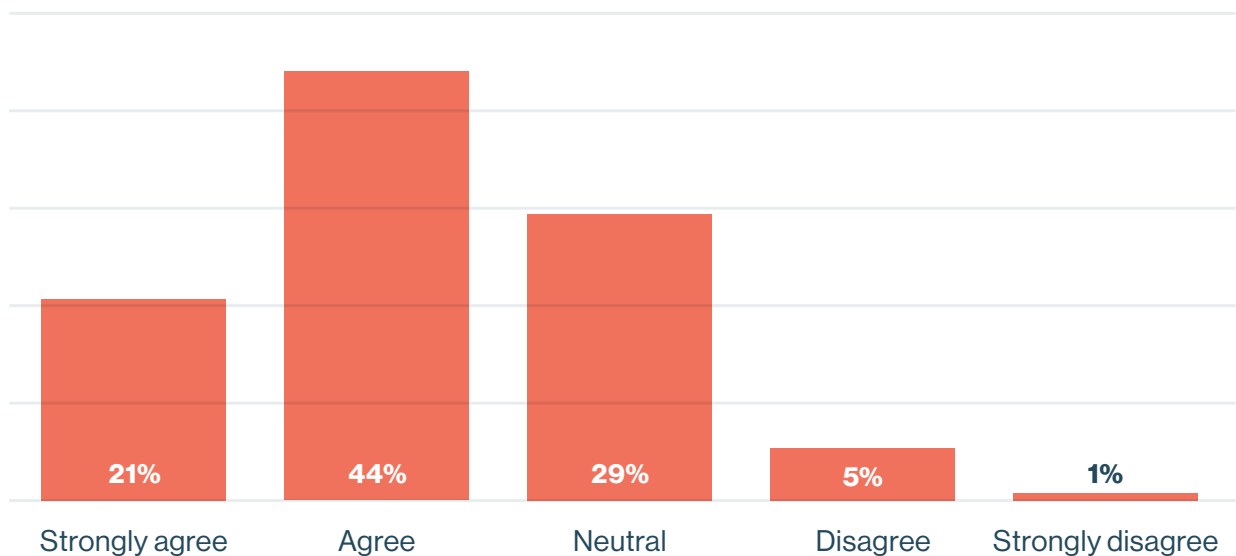
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SHARE THIS! An effective revenue attribution strategy can improve internal relationships as marketing demonstrates how it is supporting sales and contributing to company revenue and growth. To accomplish this, however, marketing leaders must work to harmonize datasets while simultaneously proving value.

For example, there are ways to align marketing and sales platforms such as Marketo with CRMs such as Salesforce, so that sales gets better quality leads in the handoff from marketing, as well as a quicker and higher volume of deal flow. With this data alignment, marketing is better able to fine-tune its process to drive these two outcomes.
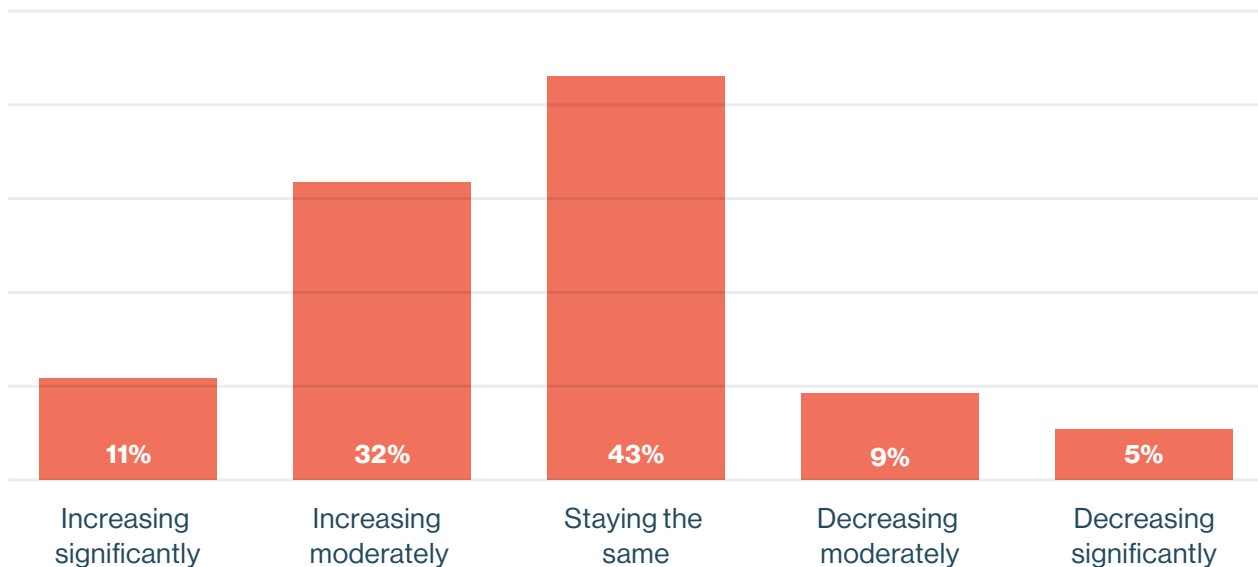
Sales and marketing are two parts of a revenue generation mechanism. Revenue attribution makes this symbiotic relationship clear to everyone.

BUDGET TRENDS

Innovation will be critical for marketers regardless of budget size.

Recent reports suggest that marketers expect their budgets to decrease in the year ahead, but they also expect a less significant decline when it comes to attribution. In fact, 86% of marketing leaders expect their attribution budgets to stay the same or increase. However, optimization and evaluation of underperforming resources will be critical for the 57% of marketing leaders who report that budgets dedicated to attribution will remain unchanged or decrease in the year ahead.

How is the DEDICATED BUDGET for revenue attribution changing in the year ahead?

Increasing significantly	Increasing moderately	Staying the same	Decreasing moderately	Decreasing significantly
11%	32%	43%	9%	5%

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As this survey was distributed long after the pandemic and its economic impact, the fact that 43% of marketers are enjoying increased budgets related to attribution and only 14% are experiencing a decrease is excellent news!

SHARE THIS! Optimization will be essential for those whose budgets are decreasing or remaining stagnant. This means creating innovations that ensure that you are getting the most of the resources you have. Automation can help, for example, by freeing people up for more high-value marketing tasks. Revenue attribution is also critical to optimization, as it ensures that resources are allocated to the channels and activities with the highest return.

Marketing leaders should consider adopting the role of customer champion and moving toward Marketing-Led Customer Experience (MLCX). MLCX focuses responsibility for the customer experience journey with marketing as the customer champion rather than fragmenting that responsibility across departments. The result is consistent company alignment with customer needs and expectations, leading to higher customer conversions, loyalty, lifetime value, and evangelism. Owning the customer journey allows marketers to optimize the customer experience and revenue for their companies.

RESOURCE ALLOCATION

Marketers need partners who understand attribution and their business.

Implementing and optimizing a revenue attribution strategy involves aggregating data across multiple channels, departments, and platforms that connect marketing dollars spent to performance and revenue generated. More than two-thirds of marketing leaders (68%) agree that this highly technical and strategic process requires outsourced expertise and attribution specialists.

Which best describes the most effective RESOURCES USED to execute a revenue attribution strategy?

10%
Outsourced
to an expert

32%
In-house
resources only

58%
Combination of in-house
and outsourced resources
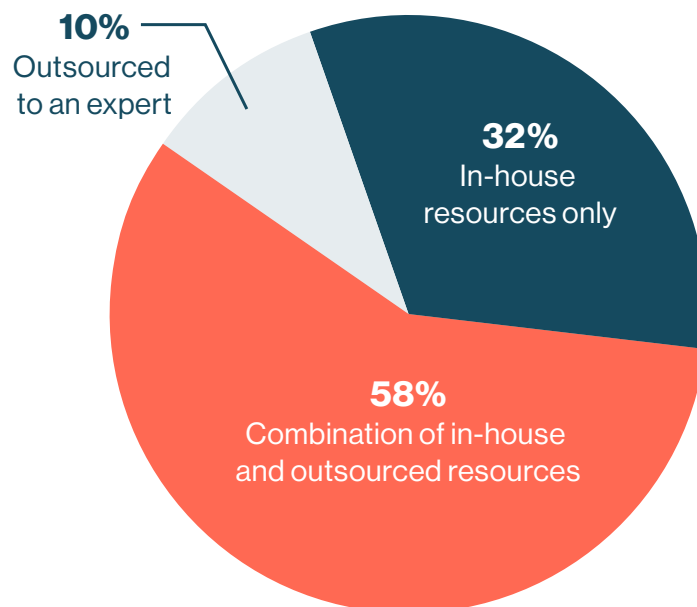
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SHARE THIS! If outsourced expertise is critical to a revenue attribution strategy, and 68% of marketing leaders believe it is, employing the right expert is even more critical. Companies investing in external support should look for an agency partner that has worked with the tools they already use and can accommodate existing processes. This will reduce disruption to existing teams and business processes.

They should also be flexible and not prescriptive. Every company is different and has a unique way of operating. Marketing departments need a partner who understands that.

It's always a good idea to ask potential partners if they have proprietary approaches, solutions or software that help their clients be successful with their revenue attribution.
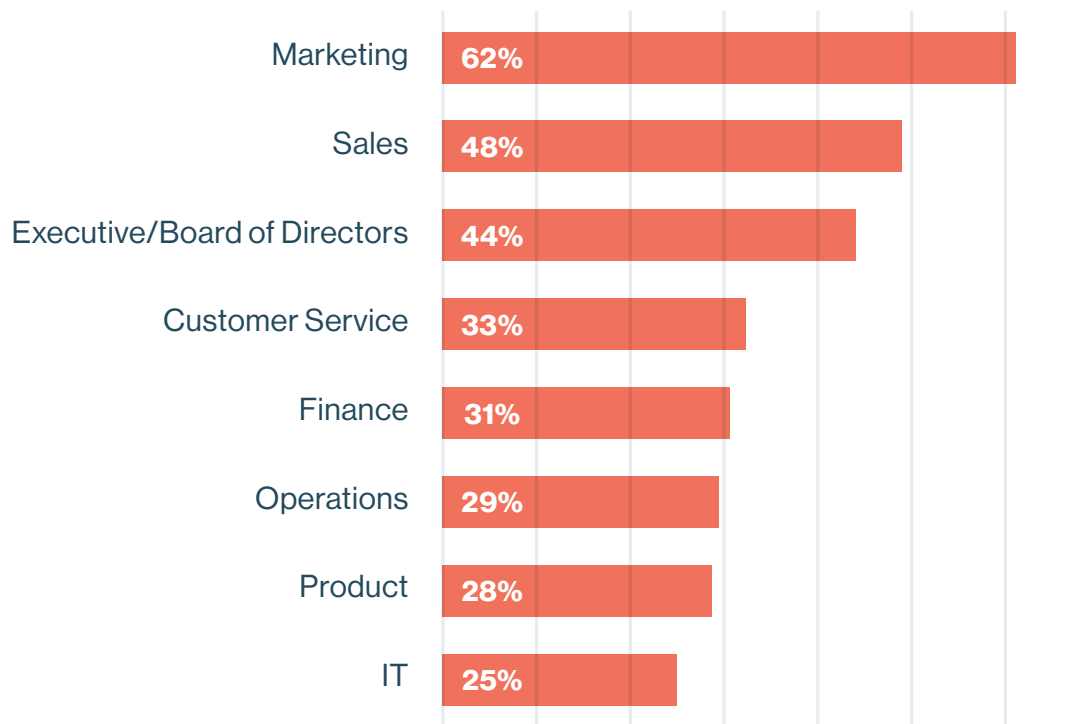
Before you approach a consulting company or any other partner, put some energy into ensuring that you have allocated budget to begin the change management process. Would your team or company benefit from a feasibility study before getting started? A feasibility study helps you identify and manage any preconceived notions or internal pressures. It also allows you to understand the scope of what you are trying to achieve and what you don't yet know. The bottom line: Do your homework.

CROSS-DEPARTMENT INVOLVEMENT

Marketing leaders have to appreciate the needs of other business units.

Identifying marketing's contribution to the bottom line involves multiple business units within any organization. Beyond marketing (62%) and sales teams (48%), marketers in leadership roles consider the involvement of the executive team, customer service functions, and the finance department to be critical to executing a revenue attribution strategy.

Which departments have CRITICAL INVOLVEMENT in executing a revenue attribution strategy?

Department	Percentage
Marketing	62%
Sales	48%
Executive/Board of Directors	44%
Customer Service	33%
Finance	31%
Operations	29%
Product	28%
IT	25%

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SHARE THIS! Marketing attribution requires the participation of several departments as well as support from the executive team. To get these people on board, marketing leaders need to remember that they are asking for change and that change is rarely easy. It is often avoided, in fact, because unless people are experiencing a problem, they are inherently reluctant to change. There are ways to make it a win for these other departments.

Make that initial ask small, even trivial, and give them a reason to want to help. It helps if marketing leaders understand what it is that makes other leaders tick. The CEO is looking for revenue growth to support company growth. The COO wants to foster better customer onboarding and engagement, while the CFO tends to be focused on ROI and budgets. Sales is looking for better quality leads and increased conversions.

Take the time to look at your attribution strategy from the perspective of these stakeholders. Then identify and communicate exactly what is in it for each of them. Make it easy for them to help, and embrace the changes you are requesting.

> It's surprising that the contribution of IT is considered to be the least important of any department toward revenue attribution. Marketing needs to partner with IT for all the technical skills marketing lacks: change management, technology assessment, and project management, to name a few.
>
> - Eric Hollebone

IT'S TIME TO ACT ON REVENUE ATTRIBUTION

With the ear of CEOs and a finger on the pulse of customer experience, marketers are uniquely placed to deliver on revenue expectations for their organizations. But to do this, a revenue attribution strategy is critical.

It just makes sense. Revenue attribution ties the activities of your department and others directly to the revenue they produce, proving the value of your department and your leadership.

There are significant challenges that you'll have to overcome, not the least of which is getting other departments to help out with your attribution efforts. But again, marketing is the right department to facilitate this kind of alignment. To make this happen, though, marketing has to become a true blend of art and science. It has to become data-driven and data-aware and generate its own insights and analysis in terms the organization measures: revenue.

Most managers know that nothing happens unless you put energy behind it. Revenue attribution will require energy and resources, but why put resources into social media or any other channel if you can't track it?

You have seen the stats and read the research. Now is the time for action.

NEXT STEPS TOWARD REVENUE ATTRIBUTION

It is telling that, while the majority of marketing leaders recognize the impact of revenue attribution, nearly half have yet to roll it out within their organization. Clearly, there is a need for more actionable information and practical resources aimed at helping marketers plan and implement an attribution strategy.

The peer benchmarks and expert insights provided in this report are intended to provide some much-needed context and clarity for marketers who need to keep pace with their peers and accelerate their plans to implement attribution strategies.

For further learning and implementation resources, including tools, templates, webinars, and more, please visit the DemandLab Revenue Attribution Resource Center. ▶

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We create marketing-led customer experiences. Through connected platforms, mastered data, and aligned content, we build marketing engines that deliver business insights, customer engagement and revenue growth for B2B enterprises. By orchestrating and optimizing technology, data, and content, we empower marketing teams to re-envision the journey through the eyes of the customer and transform the organization's revenue potential. Learn more at demandlab.com.

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