HubSpot

How to Run an Inbound Marketing Campaign

A framework for running more impactful, measurable campaigns

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Introduction

Let’s Get to Work.

According to **a HubSpot Research survey**, 55% of people no longer trust the companies they buy from as much as they used to.

On top of that, organic search is getting harder and more competitive, social media promotion is becoming less effective, and marketing costs — in general – are increasing.

For marketers, this means the repeatable campaign formula that once existed (and worked) now requires more creativity and more resources to drive results than it did before.

To remain competitive and keep campaign costs at bay, businesses need to start by rethinking the way they approach business growth – and how that approach shapes their campaign efforts.

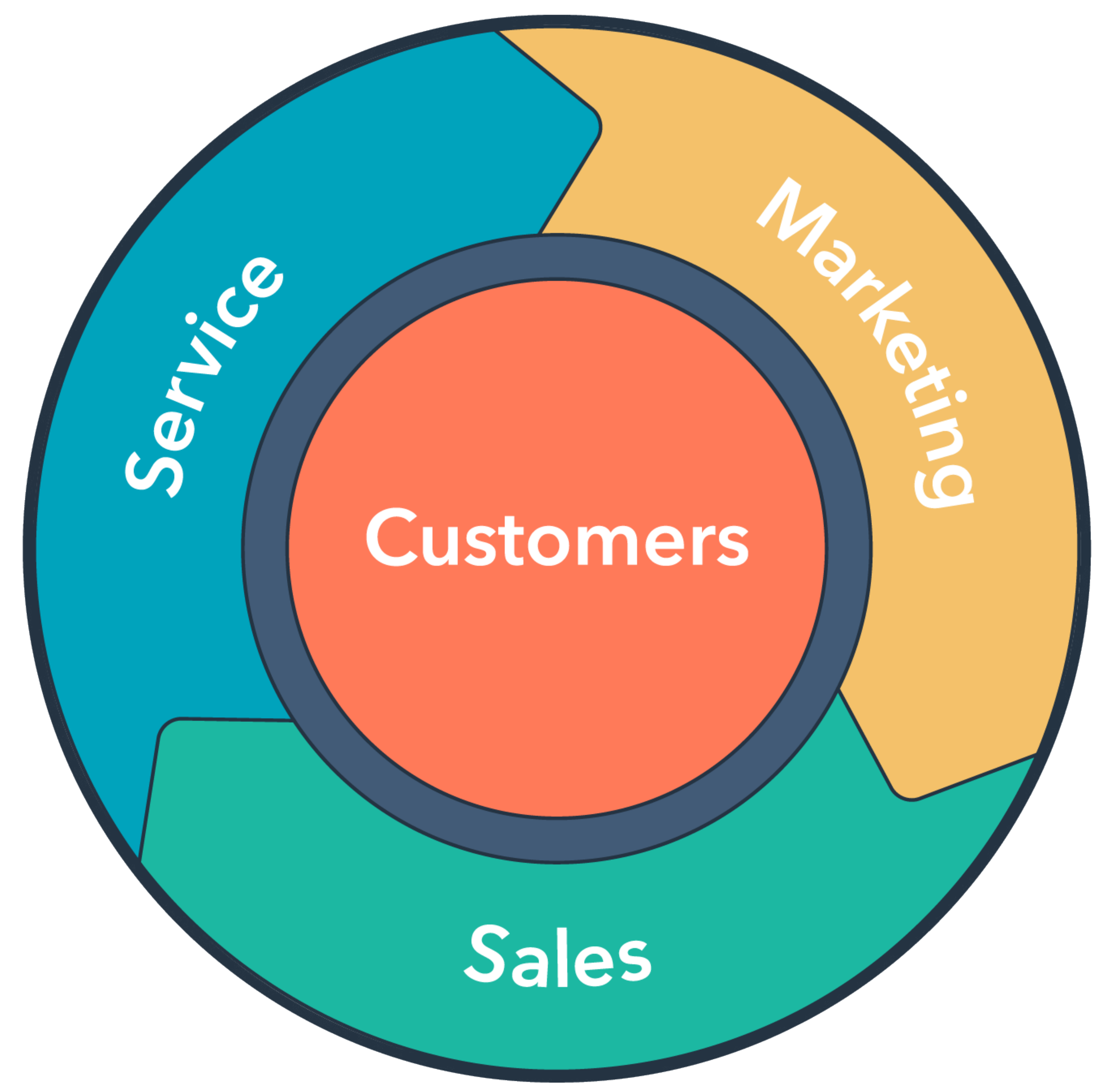
For years, businesses were built around the concept of the funnel – and HubSpot was no exception. Funnel businesses produce customers by attracting a wide audience that is then qualified and nurtured until they buy. Unfortunately, funnel businesses fail to consider how the customers they are producing can help them create new customers – and so on.

At HubSpot, we discovered that if we wanted to keep growing, the funnel wasn’t the way forward — the flywheel model was. And when you think about your business as a flywheel instead of a funnel, you make different decisions and adjust your strategy.

Funnel-to-Flywheel

Then = Funnel
Customers as an afterthought

Now = Flywheel
Customers at the center



In this guide, you'll learn more about the flywheel model as we explore a step-by-step process for running an inbound marketing campaign in today's competitive business landscape.

You'll walk away with a new growth framework, an actionable campaign plan, and a handful of additional free resources designed to help you launch your next campaign with confidence – and see results.

Whether you want to increase leads, accelerate sales, organize your contacts, or better serve your customers, HubSpot has a solution to help you grow.

[Click here to get started with a free demo.]

Do you prefer to learn via video content?

Take HubSpot Academy's Free Inbound Course

Discover the fundamentals of inbound, the inbound methodology and the flywheel and learn how to apply them to your business. The Inbound Certification Course teaches you how to run a successful inbound business, from marketing to sales to services.

Take Me to the Course

Chapter 1

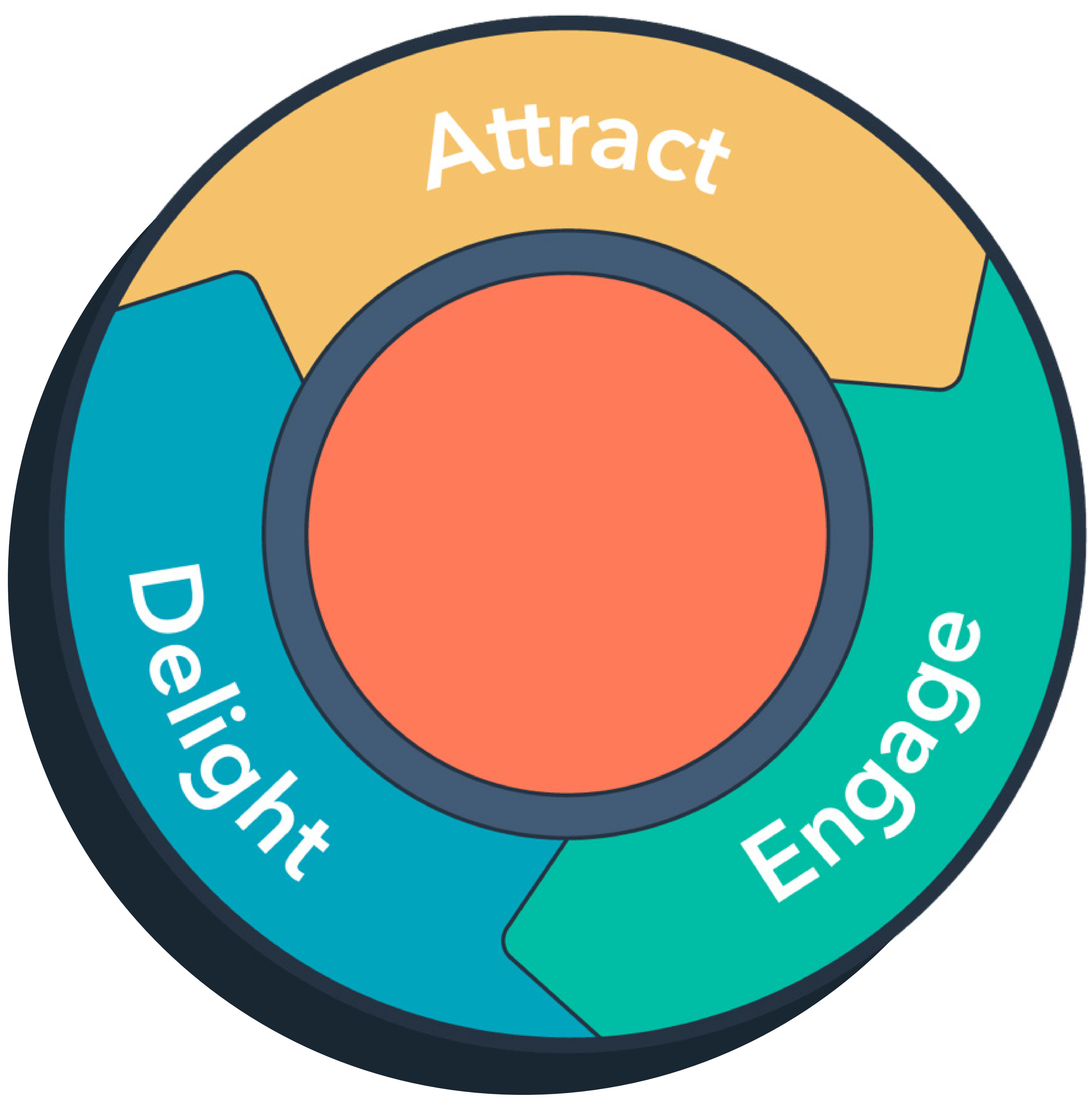
What Is Inbound Marketing?

Chapter 1

What Is Inbound Marketing?

Before we dive into the actionable steps that will help you get your campaign off the ground, let's start with the foundation.

Inbound is a method of attracting, engaging, and delighting people to grow a business that provides value and builds trust. And the flywheel model, which serves as the new framework for your inbound efforts, is built around these three stages:



Attract: Earn your people's attention, don't force it. Attract visitors with useful content and eliminate barriers as they try to learn about your company.

Engage: Open relationships, don't just close deals. Enable buyers to engage with you on their preferred timeline and channels. Tie sales incentives to customer success not just close rate.

Delight: Tie your success to your customers'. Shift resources to be more effectively distributed throughout the entire customer experience.

What is an inbound marketing campaign?

Inbound marketing campaigns are organized, strategic efforts to promote a specific company goal, such as raising awareness of a new product or service, capturing customer feedback, or driving event attendance.

Inbound campaigns often aim to reach consumers in a variety of ways and involve a combination of media, including but not limited to email, social media, online advertising, and video.

At its core, an inbound marketing campaign:

Starts with the customer in mind. An inbound campaign is built to attract, not annoy. It takes every stage of your buyer's journey into account to generate new, interested leads, and turns them into quality leads and happy customers through relevant, compelling content.

Uses integrated tools to connect everything. An inbound campaign uses interconnected tools to weave context about a lead into every channel and every tool. The result is a smooth, personalized experience for buyers, better results for marketers and salespeople.

Works in any situation. Any campaign can be an inbound campaign. Whether you are starting with a webinar, a product launch, or a new list of leads, you can apply the inbound marketing campaign framework to organize and improve your effort.

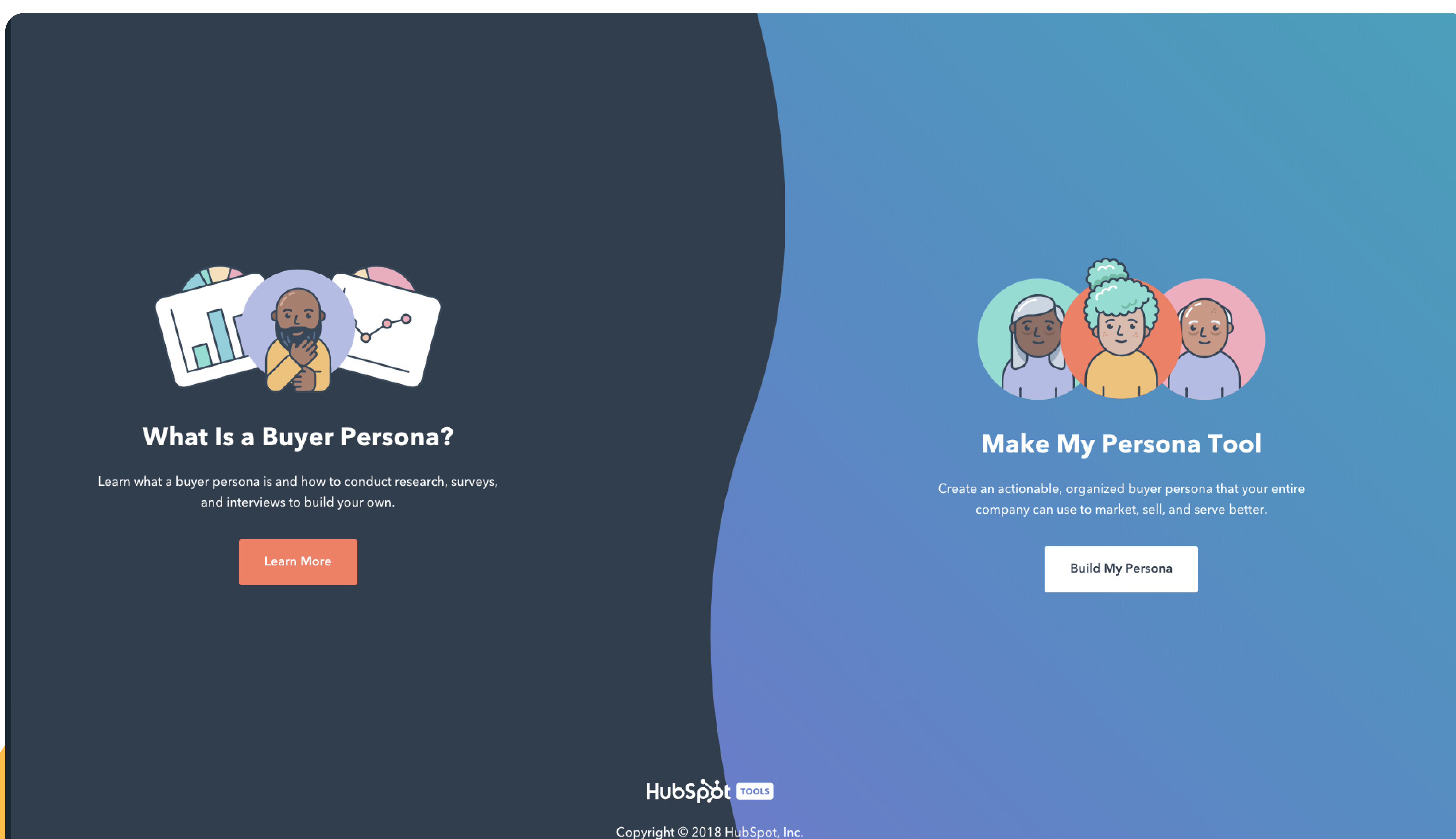
Want to see it in action?

Here's an example of an inbound marketing campaign:

Make My Persona is a free, lead generation tool that our marketing department created to help prospects and customers create and document buyer personas for their companies.

The free tool guides you through strategic questions designed to help you organize and better understand your buyer persona research. Upon completion, you're presented with a fully customizable, shareable persona document highlighting important details about your target audience in exchange for your contact information.

Note that this approach allows us to ensure we're providing up-front value before asking our users for anything in return.



Given that buyer persona creation is a fundamental aspect of marketing, this campaign was designed to attract a warm, qualified audience that is likely to see the value in our all-in-one marketing software. This helps to ensure that any follow up communication — nurturing or sales outreach — is helpful vs. interruptive.

As for promotion, our efforts fit into a paid, earned, and owned model, using consistent creative across different channels to reach people where they want to be reached:

Paid

- Facebook Ads
- Paid Product Hunt Newsletter
- Awwwards.com Submission

Earned

- Link Building
- Upvotes + Shares via Product Hunt
- Updates + Shares via Awwwards
- Social Shares

Owned

- Blog.HubSpot.Com Launch Post
- Social Media Push via HubSpot Channels
- Email Send

Chapter 2

How to Identify a Campaign Persona

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How to Identify a Campaign Persona

With that inbound marketing campaign example fresh in your mind, let's discuss perhaps the most important aspect of your campaign: your audience.

Your campaign personas provide tremendous structure and insight for your content. A detailed buyer persona will help you determine where to focus your time, guide product development, and allow for alignment across the organization.

As a result, you will be able to attract the most valuable visitors, leads, and customers to your business.

Campaign Persona: Sample Sally

BACKGROUND:
- Head of Human Resources
- Worked at the same company for 10 years
- Worked her way up from HR Associate
- Married with 2 children (10 and 8)

DEMOGRAPHICS
- Skews female
- Age 30-45
- Dual HH Income: $140K
- Suburban

IDENTIFIERS:
- Calm demeanor
- Probably has an assistant screening calls
- Asks to receive collateral mailed/ printed

To create marketing personas for your campaign, use the following questions to help put yourself in the shoes of your typical customer and determine your persona's role, goals, challenges, company, and more.

Try to answer all of the questions here and then come up with some of your own. Don't be surprised if you discover two or more distinct personas emerging from your research; that's exactly what this exercise is meant to uncover:

ROLE:

- What is your job role? Your job title?
- How is your job measured?
- What is a typical day?
- What skills are required?
- What knowledge and tools do you use?
- Who do you report to? Who reports to you?

GOALS:

- What are you responsible for?
- What does it mean to be successful in your role?

CHALLENGES:

- What are your biggest challenges?
- How do you overcome these challenges?

COMPANY:

- What industry or industries does your company work in?
- What is the size of your company (revenue, employees)?

WATERING HOLES:

- How do you learn about new information for your job?
- What publications or blogs do you read?
- What associations and social networks do you belong to?

PERSONAL BACKGROUND:

- Age
- Family (single, married, children)
- Education

SHOPPING PREFERENCES:

- How do you prefer to interact with vendors (email, phone, in person)?
- Do you use the internet to research vendors or products? If yes, how do you search for information? What types of websites do you use?

Once you have the answers to these questions, you'll want to document your campaign persona(s) to make it easier to reference as you shape your campaign concept and creative.

To get started, we recommend using the Make My Persona tool (mentioned earlier) or our free buyer persona templates below.

Take Me to the Make My Persona Tool

I Want the Buyer Persona Templates

Chapter 3

How to Brainstorm a Great Campaign Idea

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How to Brainstorm a Great Campaign Idea

When it comes time to brainstorm a campaign idea, unleashing your creativity can be easier said than done — especially if you're brainstorming in a group setting.

In order to keep the ideas flowing and have more productive brainstorms, you need to account for different personality types, points of view, and preferred ways of learning. On top of that, you also need to be thinking about your potential customer's pain points, preferred content formats, stage in the buyer's journey, etc.

To help you conduct a better brainstorm session for your next campaign, consider the following tips:

Invite a diverse group of people. Invite new people from other teams to your brainstorms — people with different skill sets and experiences to help get you out of your rut and see things in a new way. It'll give you that great mix of new perspectives and contextual knowledge that'll help you land on ideas that are both original and doable.

Provide context and goals well before the meeting. Offer any pertinent information at least two business days in advance so people have a fighting chance at actually being prepared for the brainstorm. By asking group members to bring a few ideas to the table, you create a launching point for more ideas to surface. To enforce this, you might want to pass around a spreadsheet for collecting ideas prior to the meeting.

Don't be afraid to say "no" to the bad ideas. Squashing bad ideas could lead people to fear speaking up, missing out on good ideas as a result. But if you're giving every idea equal due regardless of merit, then you get off-track real fast and end up down a bad idea rabbit hole.

Provide a place for anonymous submissions. For some people, the "right" format might be an anonymous submission. Provide a place for anonymous idea submission both before and after the meeting. People might have some ideas that they're reticent to bring up in front of the group.

Want more brainstorming advice?
Check out the tips outlined in this quick video.

Chapter 4

How to Set SMART Campaign Goals

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How to Set SMART Campaign Goals

Goals are an essential part of the potential success of your campaign. They provide structure and purpose — and something to work towards. However, nailing down effective goals requires a bit of thought and planning.

Luckily there's a "smart" way to approach goal setting that makes aims to simplify it a bit:

Specific - Your goal should be unambiguous and communicate what is expected, why it is important, who's involved, where it is going to happen and which constraints are in place.
Measurable - Your goal should have concrete criteria for measuring progress and reaching the goal.
Attainable - Your goal should be realistic and possible for your team to reach.
Relevant - Your goal should matter to your business and address a core initiative.
Timely - You should have an expected date that you will reach the goal.

Once you set your goals, don't forget to share them with your larger team to ensure everyone is on the same page about the campaign expectations.

Sharing your goals with your team does a few things for you:

- It helps hold you accountable for the goals you've set.
- It helps with the "attainable" and "realistic" aspects of SMART goals -- an extra set of eyes is a great gut-check on this stuff.
- It opens up the door for people to lend a hand. Who knows? Maybe one of your colleagues is working on a project that could greatly improve your chances of achieving a specific goal.

Use the SMART goal setting template below to establish concrete and achievable goals.

I Want the SMART Goal Template

Chapter 5

How to Create Campaign Content

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How to Create Campaign Content

Creating quality offers is the key to generating quality leads. So when it comes time to actually create the substance of your campaign, you want to make sure you've really thought through the context, format, and positioning.

The good news is, there is no shortage of content types for you to choose from when designing your campaign offer:

- Ebooks
- Guides
- Webinars
- Slideshows
- Kits
- Industry Case Studies
- New Industry Research
- Templates
- Free Tools
- Free Trials
- Product Demos
- Consultations
- Coupons

To narrow your focus, run through the following questions:

1. Is this offer valuable to your target audience?

First and foremost, you should know that you're not going to hit the nail on the head every single time. Getting to know the content topics and formats that actually resonate with your audience requires a little bit of trial and error — and a lot of research.

But there are a few things you can do to set yourself up for success here:

- Know your audience.
- Know your audiences' pain points.
- Know how your audience likes to consume information.
- Know the type of language the resonates with your audience.

2. Does this offer align with your business goals?

Aligning your offer with your audience and your marketing goals in one thing, but what about your business goals? How does the campaign you're crafting fit into the bigger picture?

To ensure you're on the right track here, ask yourself: What is driving the marketing goals for this campaign?

For example, if increased traffic is your marketing campaign goal, ask yourself: How will an increase in website traffic help us grow as a business?

By clearly drawing the lines back to the advancement of your business, you a) eliminate the risk of creating content just for the sake of creating content, and b) ground the value of your efforts in reality.

3. Is this offer targeted to the right person at the right time?

This is where content mapping — the process in which you decide what content is most appropriate for a person to receive at a given time — comes into play.

To understand content mapping for inbound marketing campaigns, you first need to understand the buying cycle, which can be broken down into three stages:

Awareness: Leads have either become aware of your product or service, or they have become aware that they have a need that must be fulfilled.

Awareness Content: Ebooks, Kits, Tip Sheets, Checklists, How-To Video, Educational Webinar, etc.

Evaluation: Leads are aware that your product or service could fulfill their need, and they are trying to determine whether you are the best fit.

Evaluation Content: Product Webinars, Case Studies, Samples, FAQs, Data Sheets, Demos, Videos, etc.

Purchase: Leads are ready to make a purchase.

Purchase Content: Free Trials, Live Demos, Consultations, Estimates, Coupons, etc.

Ultimately, the goals of your campaign should align with the stage of the buying cycle that you target, which will then inform your content format. To help you create more targeted content, use the content mapping template below as a guide.

I Want the Content Mapping Template

Chapter 6

How to Design a Conversion Path

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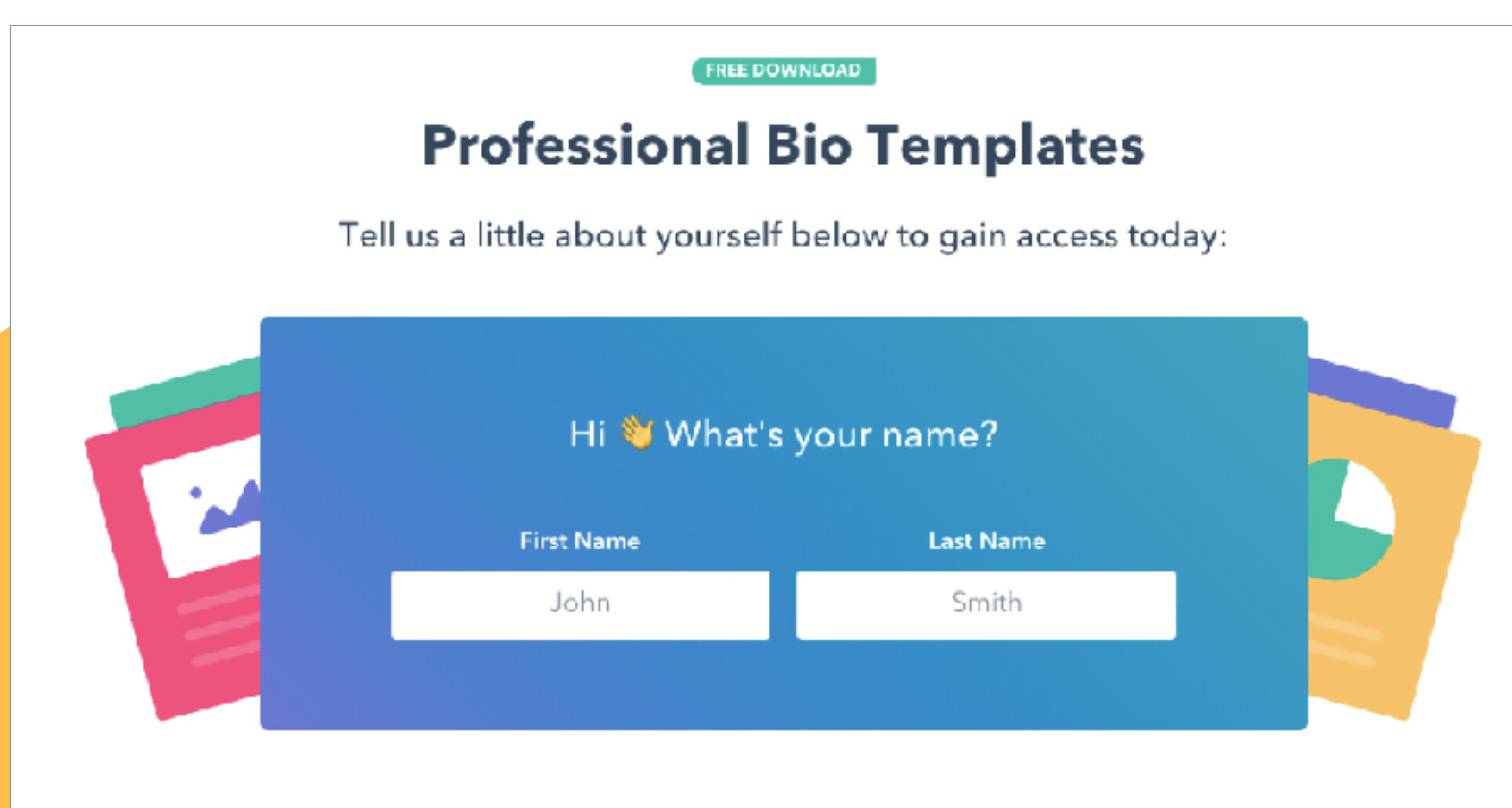
How to Design a Conversion Path

In the world of inbound marketing campaigns, a conversion path often refers to the process by which an anonymous website visitor becomes a known lead — or takes another desired action on your website.

A typical conversion path is comprised of a content offer, call-to-action, landing page, thank-you page, and sometimes a kickback email.

In order to convert into a lead, a visitor sees a content offer of interest to them (that's your remarkable content), clicks on the call-to-action button to access that content, and is then taken to a landing page. On that landing page, the visitor can provide their information on a form or via a bot in exchange for access to the offer itself. Upon submitting that form, the now-lead is taken to a thank-you page where they receive the offer.

While this is a straightforward approach to conversion, it's important to note that it's not the only way. At HubSpot, we're constantly looking for new ways to reduce friction in the conversion path via experimental efforts like our interactive blog lead form. (See below.) This form removes the landing page step in the traditional conversion path by allowing blog



readers to convert on and download a piece of content without ever leaving the post they are reading.

This is a great example of a small step that greatly reduces friction in the flywheel, making it easier (and faster) for visitors to access and recognize the value of our resources.

While it’s important to be constantly innovating and rethinking your approach to conversion, we’ll walk you through the basics below to give you a clear path forward for now.

Call-to-Action Creation

A call-to-action (CTA) is an image or line of text that prompts your visitors, leads, and customers to take action. It is, quite literally, a “call” to take an “action.”

When creating a call-to-action to support your campaign conversion path, consider the following:

Use actionable language. When you’re designing CTAs, effective copy all boils down to using action-oriented, second-person verbs. Use verbs like “discover, unearth, find” instead of ones like “be smarter.”

Align CTA copy with landing page copy. When you’re creating CTA copy, you also want to make sure your CTA copy and your landing page copy align. The name of the thing you are promoting — whether it’s a free ebook, whitepaper, template, guide, crash course, or presentation — should align with the name of it on the landing page.

Create a highly contrasting design. Calls-to-action shouldn’t blend in with the rest of your website design. While fonts and colors should align with your style guide, the way you combine these elements should make the design pop from the rest of the page.

Personalize CTAs for different segments of your audience. Create more context by tailoring CTAs to appear differently for specific audiences. For example, your visitors can see one thing, your leads can see another, and your customers can see something else altogether. (Note: This type of personalization will require marketing automation software.)

Landing Page Creation

While having a landing page in place is a necessary step in the creation of an inbound marketing campaign, your landing page needs to do more than just exist. To drive results, you need to design a page that is intentional and action-oriented.

To help you get started, here are seven landing page best practices to guide your efforts:

Limit navigation. Limit the number of exits from your landing page so that your visitors are focused on filling out your form. A key part of this is to hide your website navigation elements on landing pages.

Deliver value. When designing your landing pages, get straight to the point. People came to the page for a reason, so make sure you address that reason clearly and succinctly by highlighting the value of what you're offering and how it addresses their needs, interests, or problems.

Optimize the form. You want to make it as easy as possible for a website visitor to become a lead, but if your form is too short, then those many more leads might be much lower quality. The solution? Find the perfect length for your needs by conducting a few A/B tests. Leverage contrast. Using complementary and contrasting colors is a great way to call a visitor's attention to exactly where you want it.

Incorporate social proof. Consider embedding tweets from users who have downloaded your content and said complimentary things about it, or ask if you can quote someone who sent a nice follow up email.

Thank-You Page Creation

The second stop on the conversion path is the thank-you page, or the page where your visitors will actually access the offer. Much like the landing page, the thank-you page should be intentionally designed to deliver the offer and encourage more engagement with your business.

Here are a few takeaways to consider when putting together your campaign thank-you page:

Start with a confirmation. Let your visitors know that their submission went through and that you're thankful for their interest.

Explain how to access the offer. Be really clear about how the offer can be accessed, whether that means download instructions, a link to bookmark, etc.

Provide a secondary offer or piece of content. While you have their attention, introduce an offer designed to further qualify the lead -- like a demo, coupon code, or consultation.

Reintroduce your navigation. While you want to hide the main nav on your landing page to keep visitors focused on the conversion point, reintroducing the nav on the thank you page provides visitors with more to explore.

Kickback Email Creation

Let's recap. At this point, your visitor has visited a landing page promoting your campaign offering and submitted their contact information via a form. Then, they were directed to a thank-you page where they got their hands on the actual offer and were presented with a secondary piece of content.

Now there's only one thing left to do to complete the conversion: send the kickback email. A kickback email is typically triggered via marketing automation after a visitor submits a form on your website. The purpose of this email is to deliver a link to the content they requested so they can access it at any time via their inbox.

As you can tell, the goal is to keep these emails simple. To help you get a handle on what this should look like, reference these best practices:

Serve up the goods. Again, the purpose of this email is to deliver the content offer so the recipient doesn't have to go searching for the PDF file every time they want to access the resource. Keep it simple by providing them with the offer straightaway.

Add social sharing. Encourage those that have already downloaded your offer to share it with their network by providing social sharing buttons at the end of your email.

Introduce a secondary call-to-action. Don't be afraid of optimizing your kickback emails to encourage secondary conversions, when appropriate. This can be done by including calls-to-action for high-value marketing offers that will move your leads further along in the sales cycle, such as a consultation with your sales team or a free trial of your product.

To help you master each of these conversion path milestones, we recommend leveraging the additional content below.

I Want the Landing Page Optimization Guide

I Want the Website Page Lookbook

I Want the Call-to-Action Templates

Chapter 7

How to Prepare for Launch & Promo

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How to Prepare for Launch & Promo

Now that the mechanics of your campaign are in place, it's time to share it with the world. But before you go ahead and set it live, there are a few more boxes to check.

Before You Launch...

Before you start pushing traffic to your campaign, it's always a good idea to go through the process yourself to make sure that everything is working the way it should be. A campaign has a lot of moving pieces, and it's easy to forget or overlook the small details.

You may even want to have a few other folks in your company convert on your landing page and kick the tires of your campaign too as an added assurance that everything is working properly.

Once you've completed your testing, you're ready to set the campaign live and start spreading the word.

After You Launch...

Social Media

Posting on social media is probably something you're already doing — but below are a few strategic ways you can leverage your social media accounts to promote your campaign:

Create a Snapchat or Instagram Story introducing your campaign. If possible, incorporate an element of engagement to get your audience participating and sharing.

Change your cover photo to be branded for the piece of content you just launched. This increases brand awareness of the campaign.

Pin a tweet to the top of your page that has a link to the landing page and an image with the same branding as the cover photo.

Create a hashtag for the campaign. This allows you to monitor conversations around the content and answer any questions specific to the content.

Join a group and start a discussion. Pose a discussion question related to your content campaign in a relevant group on LinkedIn — but don't post your content. Check back in a few days, and if the campaign adds value to the discussion that follows, then introduce it.

Your Website

Lots of people overlook how they can optimize their website to promote new offers and campaigns — but it's most likely one of your biggest marketing assets.

Here are a few things you can do to take advantage of that:

Create a CTA on your homepage or log-in screen. Your homepage is likely the highest trafficked page on your site, so take advantage of this high volume of viewers.

Create a content library to house all of your resources. Note: a content library is a page on your site dedicated to the content and campaigns you create.

Leverage related pages within your site. Include a link to the offer to download on product pages or thank-you pages that align with the topic.

Blogging

Blogging drives traffic to your landing pages and website better than any other tool. Why? Each time you blog, you give Google and other search engines one more opportunity to find you. Each blog posts gives you the opportunity to rank for more and more keywords and grow your reach.

If you want to use your blog as a promotion channel for your campaign, here are a few ideas:

Write 3-5+ piece of blog content related to your campaign. Within the blog post, link to the landing page for people to download. It's best to write posts that target a high-traffic keyword, so you can attract organic visitors that are new to your business.

Create a CTA at the bottom of each blog post that links to the offer — but don't stop there. Experiment with slide-in CTAs, anchor text CTAs, and more to provide visitors with multiple conversion points.

Guest blog on related sites to increase awareness. Not only are you reaching a new audience, you are also increasing the number of inbound links to your content.

Encourage social sharing of blog posts as well with built-in social share buttons and tweetable quotes.

Organic Search

Optimizing your content to be found on search engines can be very beneficial to your business.

Here are few things to try:

Increase traffic from search engines by optimizing your page for the keywords you want to rank for. This doesn't mean you should be keyword stuffing your landing pages — just make sure your page title, landing page copy, and URL follow these rules for search engine optimization.

Create a topic cluster with your campaign landing page serving as the pillar page. The topic cluster model, at its core, is a way of organizing a site's content pages using a cleaner and more deliberate site architecture.

Optimize your landing page or promotional blog articles for Google's featured snippet to increase traction on SERPs. A Featured Snippet is shown in some search engine results pages (SERPs), usually when a question-based query is being searched for. The snippet displays content from within one of the pages ranking on page one that directly answers the question searched for on the SERP.

Email

Emailing segments of your current database will not only increase their engagement with your company, it will also generate new leads through the sharing power of your database. Here are a few tips for using email to promote your campaign:

Email segments of your own database about the content. In your email, encourage people to share the offer with their friends and colleagues. To make it easy, use social sharing buttons, and simply ask them to forward it along to friends who might be interested. To make the sharing button visually appealing, make it large and an eye-catching color.

Include a lazy tweet in emails, so that all people need to do is click once to share the tweet with their networks.

Leverage your network. Reach out directly to some friends and influencers in your industry, and ask them to share the content with their audience if they found it valuable. To make it easier for them, have lazy tweets or email copy ready for them to use.

Paid

Facebook Ads. Make your ads very targeted to ensure your money is spent in the most efficient way. You can also use Facebook's Lookalike Audiences to promote content people similar to your fans.

Instagram Ads. In addition to an Instagram marketing strategy, campaign ads on Instagram can be used to complement your ongoing content posting schedule.

LinkedIn Sponsored Content. Sponsored Content can be used to help surface relevant content for quality prospects in your target business-to-business market.

Internal Promotion

The reach of the employees within your company may be larger than you think. Capitalize on this, and make it easy for your employees to share your new lead gen content, too.

Send an internal email after the content is live. Include a brief explanation, link to the landing page and thank-you page, supply them with lazy tweets to use, and ask them to share the content with their audience on any social media platform.

Ask executives to send a special, personalized message to their audience (if it is relevant).

For more help with campaign promotion, we recommend checking out the free resources below.

I Want the Content Promotion Kit

I Want the Go-to-Market Kit

Chapter 8

How to Measure & Report on Results

Chapter 8

How to Measure & Report on Results

You did it. You launched an inbound marketing campaign. But that doesn't mean it's time to pack it in quite yet.

In fact, it's not until after the campaign launches that a lot of the really interesting work comes into play. But when it comes to measuring and reporting on your campaign results, it's easy to feel overwhelmed.

After all, there are tons of metrics that you can report on — visits to your website, conversions, leads from different channels, and more. The key to getting started here is to revisit your campaign goals, and start by zooming in on the metrics tied directly to them.

Metrics You Might Report On...

Simple Marketing Metrics:

- **Visits** - the number of times users have reached your site from an external source.
- **Conversion rate of visits-to-contacts.**
- **Contacts** - the number of new contacts generated, during the given time frame.
- **Conversion rate of contacts-to-customers.**
- **Customers** - the number of customers whose first conversion occurred during the given time frame.

More Advanced Marketing Metrics:

Customer Acquisition Cost (CAC)

This is your total Sales and Marketing cost: Add up all the program or advertising spend, plus salaries, plus commissions and bonuses, plus overhead within a given time period. Then, divide it by the number of new customers in that same time period.

For instance, if you spent $300,000 on Sales and Marketing in a month and added 30 customers that month, then your CAC is $10,000.

Marketing Percentage of Customer Acquisition Cost (M%-CAC)

We compute the marketing portion of CAC and call it M-CAC, and then compute that as a percentage of the overall CAC. The M%-CAC is interesting to watch over time, and any change signals that something has changed in either your strategy or your effectiveness.

For instance, an increase either means that

1) you are spending too much on marketing,
2) sales costs are lower because they missed quota, or
3) you are trying to raise sales productivity by spending more on marketing, and providing more and higher-quality leads to Sales.

For a company that does mostly outside sales with a long and complicated sales cycle, M%-CAC might be only 10-20%. For companies that have an inside sales team and a less complicated sales process, M%-CAC might be more like 20-50%. And for companies that have a low cost and simpler sales cycle where sales are somewhat humanless, the M%-CAC might be more like 60-90%.

Ratio of Customer Lifetime Value to CAC (LTV:CAC)

For companies that have a recurring revenue stream from their customers — or even any way for customers to make a repeat purchase — you need to estimate the current value of a customer and compare that to what you spent to acquire that new customer.

To compute the LTV, you need to take the revenue the customer pays you in a period, subtract out the gross margin, and then divide by the estimated churn percentage (cancellation rate) for that customer. So, for a type of customer who pays you $100,000 per year where your gross margin on the revenue is 70%, and that customer type is predicted to cancel at a rate of 16% per year, then the LTV is $437,500.

Now, once you have the LTV and the CAC, you compute the ratio of the two. If it cost you $100,000 to acquire this customer with an LTV of $437,500, then your LTV:CAC is 4.4 to 1. For growing SaaS companies, most investors and board members want this ratio to be greater than 3X — because a higher ratio means your sales and marketing teams have a higher ROI.

Higher is not always better, though. When the ratio is too high, you might want to spend more on Sales and Marketing to grow faster, because you are restraining your growth by under-spending, and making life easy for your competition.

Time to Payback CAC

This is the number of months it takes you to earn back the CAC you spent to get a new customer. You take the CAC and divide by margin-adjusted revenue per month for the average new customer you just signed up, and the resulting number is the number of months to payback.

In industries where customers pay one time up-front, this metric is less relevant, because the upfront payment should be greater than the CAC — otherwise, you're losing money on every customer. On the other hand, in industries where customers pay a monthly or annual fee (as is the case for many SaaS companies like HubSpot), you usually want the payback time to be under 12 months, meaning that you become “profitable” on a new customer in under a year, and after that, you start making money.

Marketing-Originated Customer Percentage

This ratio shows what percentage of your new business is driven by marketing efforts. To compute it, take all of the new customers you signed up in a period, and look at what percentage of them started with a lead that the marketing team generated. This is much, much easier to do when you have a closed-loop marketing analytics system, but you can do it manually — just know it will be time-consuming.

What we like about this metric is that it directly shows what portion of the overall customer acquisition originated in Marketing, and it is often higher than what you might think. In our experience, this number varies widely from company to company. For companies with an outside sales team supported by an inside sales team with cold callers, this percentage might be pretty small, perhaps 20-40%. But for a company with an inside sales team that is supported by a lot of lead generation from Marketing, it might be as high as 40-80%.

Note: You can also compute this percentage using revenue instead customers, depending on how you prefer to look at your business.

Marketing Influenced Customer Percentage

This number is similar to the Marketing Originated Customer Percentage, but it adds in all the new customers in cases where Marketing touched and nurtured the lead at any point during the sales process, not only by originating the lead.

For instance, if a salesperson found a lead, but then the lead attended a marketing event and then later closed, that new customer was influenced by Marketing. This number is obviously higher than the “Originated” percentage, and for most companies, we think this number should be between 50% and 99%.

Channels You Might Report On...

Channels Breakdown:

- **Organic search** - visits from search engines
- **Referrals** - visits from other websites
- **Social media** - visits from social media sites
- **Email marketing** - visits from email campaigns
- **Paid search** - visits from pay-per-click ads
- **Paid socia**l - visits from paid social ads campaigns
- **Direct traffic** - visits from users reaching your site by directly typing in a URL
- **Other campaigns** - an additional source that can be used for custom reporting when you implement tracking URLs
- **Offline source** - contacts and customers who originated outside of your website (manually added, imported, via API)

Channel Effectiveness Metrics:

Month-to-Date (MTD) Goal Per Channel

How closely are you measuring the growth and progress of each of channel? For example, are you on a mission to scale social media as a lead generation channel? Or maybe email marketing? Let's say you set a goal to generate 100 leads via social media in March. By using your handy leads per business day metric, you can set daily goals to help you there. This is a numerical-only version of the waterfall chart above, but it could also easily be graphed to help you have a visual representation.

This metric is also a great tool to incentivize, say, your blog team to hit a lead goal for their own channel. Now it's easier for them to do it, because they can actively track their daily progress.

Close Rate Per Channel

Every marketer should understand what channels work best for their business from a customer acquisition standpoint. Maybe SEO is your best volume-producing lead generation channel for your business, and social media is one of your smallest.

Regardless of lead volume, it's possible that social is driving more customers for your business. How, you might wonder? Perhaps the close rate of leads generated via social media is significantly higher than leads generated via SEO ... so much so that SEO's volume isn't enough to make up the difference. That high close rate is also a very strong indicator of the quality of those leads coming from that channel. In other words, do more on that channel! It's your sweet spot.

Paid vs. Organic Lead Percentage

Lots of marketers group their channel analysis into larger buckets -- for example, "paid" and "organic" might be separated for analysis. The paid bucket is any marketing that you spend money on (aside from employee time), like social advertising, sponsored newsletters, etc. Organic is the opposite; it's all leads that you generate without cost other than your team's time. Blogging, SEO, social media, and email marketing fall into that bucket.

So if you're a marketing director using both of these "types" of lead generation, you probably want to keep a close watch on how much of your leads are coming from one bucket over the other.

You might also set a goal to decrease paid channels as a lead source over time. Measure what percentage of your leads come from each bucket to get a sense for how your organic efforts are working for you, and if you are scaling to reduce your dependency on advertising.

For more help quantifiying your campaign performance, we recommend leveraging the resources below.

I Want the Reporting Templates

Conclusion

Inbound campaigns are an impressive feat once you have all channels firing toward the same end goal.

While this playbook walked through an effort to generate leads interested in a particular focus area, you could replicate this campaign for a product launch, major event registration, or other time-bound goal.

The trick is, keep your campaigns focused and powerful. And at the conclusion of your campaign, don't forget to report and reflect on the totality of your work to inform how you might adapt the inbound framework to produce even better results for your next campaign.

Whether you want to increase leads, accelerate sales, organize your contacts, or better serve your customers, HubSpot has a solution to help you grow.

Click here to get started with a free demo.