



## What is a KPI?

A KPI is a Key Performance Indicator – it is a metric that indicates whether or not your marketing efforts are achieving the desired business results. In marketing it is usually difficult and expensive to trace all activities back to sales (or the business goal you want to achieve). Instead, we rely on KPIs that allow us to measure the results of our marketing efforts and determine if they are working.

The idea is if I can't directly measure sales or new clients I want to track the things that suggest that I am getting sales or new clients. *For example, people in my target audience reading my blog and signing up for email indicates that I am driving interested people to my site which should lead to sales and clients over time.*

### KPI = Key Performance Indicator

- Select few metrics that indicate success

### Metrics/M Measurement = Analysis + Insights

- Give us additional data, insights and optimization information

## What makes a good KPI?

A strong KPI should:

- Be specific to your success
- Measurable
- Link to business objectives
- Focus on quality and quantity
- Incorporate costs of efficiency

## The 3 Types of KPIs You Need

To really understand if your marketing is effective you'll want to be sure that your KPIs measure quantity, quality and cost. This gives you a full picture of your performance.

### Quantity – How much am I getting?

- The amount of the result that you are generating
- EG: Traffic, traffic growth, clicks, reach, impressions

### Quality – How good is what I'm getting?

- The effectiveness of the result or the quality of the result
- EG: Conversions, time on site, awareness growth

### Cost – How cost effective is it?

- The cost per result or per quality to determine cost effectiveness
  - Based on metrics/KPIs that matter for your business