



A CEO'S GUIDE TO MARKETING TERMINOLOGY

**MAKING SENSE OF MARKETING TERMS THAT
ARE KEY TO DRIVING YOUR BUSINESS'S GROWTH.**



You're ready to put marketing to work to drive revenue growth and take your business to the next level. But when marketing consultants start talking specifics, it can sound like an alphabet soup full of jargon.

This guide can help. It explains many common marketing terms in language designed for non-marketers. We've organized the terms around key topics that CEOs and other senior leaders tell us are important when they're embarking on strategic marketing.

LET'S DIG IN!

FOUNDATIONAL ELEMENTS

BRANDING

Establishing an image of your company in your customer's mind. Your brand includes your logo and any other elements that make up your visual identity, the tone of your marketing, and the personality and attributes it conveys. A brand should convey consistency, so customers always know what to expect from you.

POSITIONING

Aiming to give your company/product/service a distinct position in your customers' minds and in the market. Positioning must be based on your target audience's needs, but it can also distinguish you from competitors. For example, in the auto market one company might position its line of vehicles as family-friendly, another might position its line as adventurous, and another might position its vehicles as the luxury choice.

MESSAGING

What you say to your customers and prospects, at a high level. Messaging typically emphasizes the benefits of using your product/service and why customers should believe in your company. The best messaging is clear, concise, and consistent, and it helps customers understand who you are, what you do, and what value you offer.

VALUE PROPOSITION

A statement that describes why customers should buy from you. A value proposition should clearly define the specific value you'll provide to customers or the benefit they'll gain by using your product/service. For example, Uber's value proposition is to deliver the transportation you need, on demand.





KEY TYPES OF MARKETING

Some types of marketing are conceptual approaches, while others are more tactical in nature. The following aren't mutually exclusive; they often intersect and complement each other.

MODERN MARKETING

A marketing approach that aims to drive a measurable return on investment (ROI), as compared to traditional marketing, which often focuses only on building awareness. Modern marketing typically uses many different channels, including (but not limited to) digital/online channels.

PROFIT CENTER MARKETING

An approach that moves marketing away from being a cost center and instead turns it into a driver of measurable revenue and profitability. Profit center marketing helps move prospects through the natural buying process, providing exactly what they need at each stage in their decision process.

CONTENT MARKETING

Developing written subject matter your customers and prospects want to hear about and sharing that content on different platforms. Those platforms tend to be unpaid, such as your own blog, an industry publication's blog, or a social media channel. Content marketing often focuses on positioning your company as a thought leader or subject matter expert in the minds of buyers, which can engender their trust.

DATA-DRIVEN MARKETING

Marketing that leverages data about customers (such as demographics, preferences, behavior, and website activity) and uses analysis and measurement of a marketing campaign's performance to yield insights and drive strategic decisions. The data may be used to segment customers, or to personalize and optimize marketing approaches and content. Data-driven marketing often tests different types of messaging, creative and tactics simultaneously to optimize marketing strategies in real time.



ACQUISITION MARKETING

Marketing strategies aimed at finding and obtaining new customers for your products/services. Acquisition marketing can encompass a broad spectrum of specific approaches and methodologies, all designed to generate leads and convert those leads into new customers.

RETENTION MARKETING

Marketing strategies aimed at retaining current customers and ensuring they buy from you on a repeat basis. Retention marketing can encompass many different approaches and methodologies, all designed to build loyalty among existing customers and generate ongoing revenue from them.

DIGITAL MARKETING

Any marketing initiatives that happen online, including websites, email marketing, social media marketing, and paid or organic search marketing (defined a little later). As compared to non-digital approaches, digital marketing is often more targeted, more cost-effective, faster to execute, easier to scale, and more conducive to tracking your results and ROI.

E-MAIL MARKETING

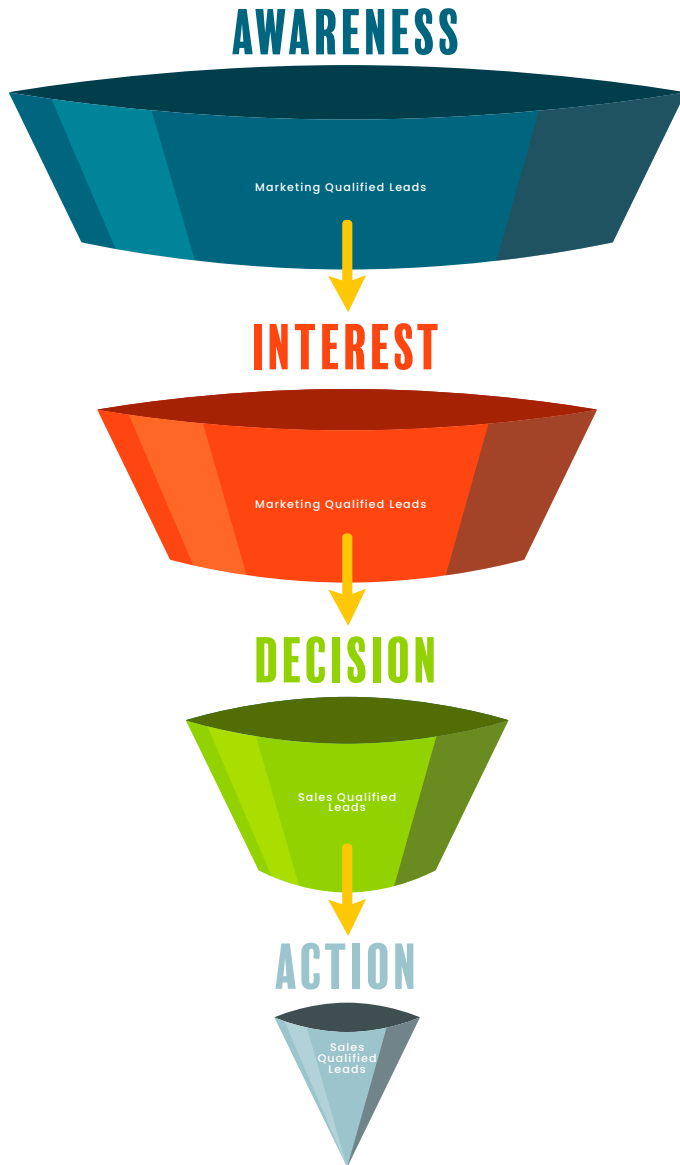
Using e-mail to interact with a defined group of prospects and move them to take a specific action. E-mail marketing can take many forms – from e-mails blasted to a distribution list you buy (and may not know much about) to e-newsletters and other content targeted to people who've expressed interest in hearing from you. It tends to have a high ROI; in one eMarketer study, the median email marketing ROI was 122%.



MOVING FROM LEADS TO BUYERS

LEAD

A prospective customer who may have interest in your product/service.
There are various types of leads:



MARKETING QUALIFIED LEAD

A prospect who shows some degree of interest by taking an action (e.g., clicking on an ad). In the B2B (business-to-business) world, MQLs usually need more information or nurturing before they'll buy.

SALES ACCEPTED LEAD

A lead that's received by marketing and reviewed by sales, and both groups have deemed it to be a viable prospect that's worth pursuing. Marketing and sales may apply different criteria when determining whether the lead should be accepted.

SALES QUALIFIED LEAD

A lead that's ready to be contacted by a sales rep and in good position to buy. The criteria used in qualifying a lead at this point can vary, but often they include the person's decision-making authority or budget authority, along with factors like company size and industry.

SALES QUALIFIED OPPORTUNITY

A lead that the sales team has further qualified and is now ready for a proposal or scope of work. (It's common to measure your hit ratio as this stage: How many opportunities do you win vs. lose?)

LEAD NURTURING

Understanding where your lead is in the buying process and attempting to move them further down the revenue funnel (defined below). The goal of nurturing is to move a prospect from the point of being a cold lead to eventually converting to a buyer. Lead nurturing involves identifying what the next best action should be for a lead at every step and encouraging them to take that next action.

LEAD SCORING

A method for ranking leads based on the likelihood they'll become customers. The scoring model might use criteria like the business's size, industry, and location, but it also considers any action the prospect has taken. For example, opening an email might be worth 1 point while downloading a white paper might be worth 5 points. Lead scoring helps you prioritize and focus your resources on the most qualified leads.

REVENUE FUNNEL

The cycle a lead progresses through as part of the natural buying process – from the time they become aware of your company/product/service to the time they make a purchase. The process is depicted as a funnel because there are many more leads at the top than at the bottom. The revenue funnel has three key stages (defined next), and your marketing needs to support moving a lead through each of them.

TOP OF THE FUNNEL (TOFU)

Where buyers begin their journey – first becoming aware of your offering, then expressing interest. A blog post promoted on LinkedIn is an example of a top of the funnel tactic to build awareness. If a buyer reads the post and expresses interest (e.g., by clicking on a link to your website), your marketing should nurture that interest (e.g., sending targeted emails).

MIDDLE OF THE FUNNEL (MOFU)

The stage of the buying journey when prospects consider your product/service and show an intent to purchase. During this stage buyers need content to help them through the consideration process, so webinars and case studies are often used here.

BOTTOM OF THE FUNNEL (BOFU)

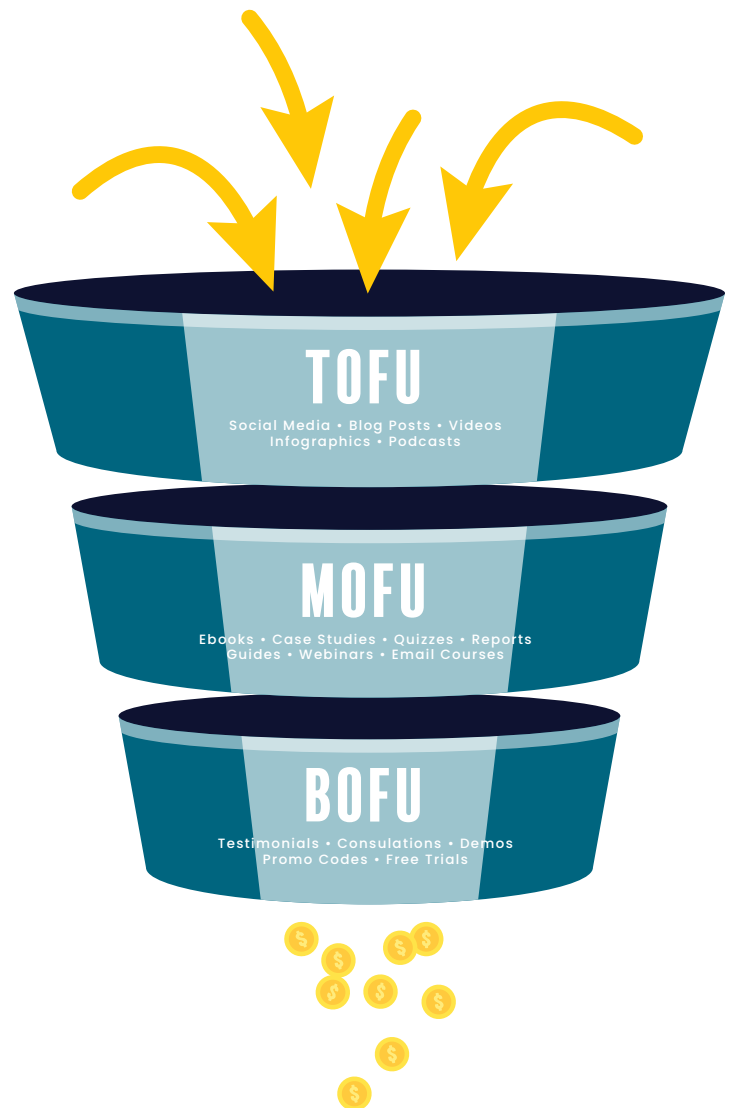
The final stage of the buying journey, which include evaluating your offering and making a purchase. Product demos, free trials, and more detailed content are often used in this phase. This is also the point when the sales team becomes more engaged with the lead.

MARKETING WORKFLOWS

A defined set of steps you want your leads to progress through as they interact with your company and move through the revenue funnel. At every step of the workflow, branching logic determines what happens next. For example, a lead fills out a form on your website, then receives an email offering access to a white paper. Those who download the white paper get an email linking to a blog post with more details on the same topic; those who don't download the paper get an entirely different message.

CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

CRM systems track all the touchpoints you have with a lead or a current customer and which touchpoints are working best. Popular CRM systems include Hubspot (often used by smaller companies) and Salesforce (more suitable for large organizations).





TRACKING AND MEASURING YOUR MARKETING

CUSTOMER ACQUISITION COST (CAC)

The amount of your marketing budget it takes to acquire a customer. The CAC you're willing to spend will depend on how much value (in dollars) your business can derive from that customer (known as their customer lifetime value, defined next).

CUSTOMER LIFETIME VALUE (CLV)

The amount of dollar value a customer represents to your business. Customer value can be measured in short-term figures (year-one value), but it's usually expressed as the value over the customer's entire lifecycle. The higher the CLV, the more you're probably willing to spend to acquire that customer.

COST PER LEAD

The amount of the marketing budget spent to acquire a lead. Very simply, it's the cost of a specific marketing tactic divided by the number of leads it generates. If you spend \$2,000 to run an online ad and you get 20 leads as a result, the cost per lead is \$100. Cost per lead is one of several ways to measure the cost-effectiveness of your marketing (which should always be viewed holistically).

CONVERSION

When a lead takes any type of action in response to marketing—for example, filling out a contact form, contacting the company by phone or e-mail, downloading content, or making a purchase.

RETURN ON AD SPEND (ROAS)

The amount of revenue you generate from an ad as compared to the amount it costs you to develop and run the ad. Ad spend includes everything required to make the ad possible: consulting services, ad development costs, and the cost of the ad space.

THE WORLD OF GOOGLE

KEYWORD RANKINGS

How high your website ranks on Google and other search engines based on certain keywords that buyers use when they conduct an online search. The better your keyword rankings, the more qualified leads you'll attract to your website.

ORGANIC SEARCH

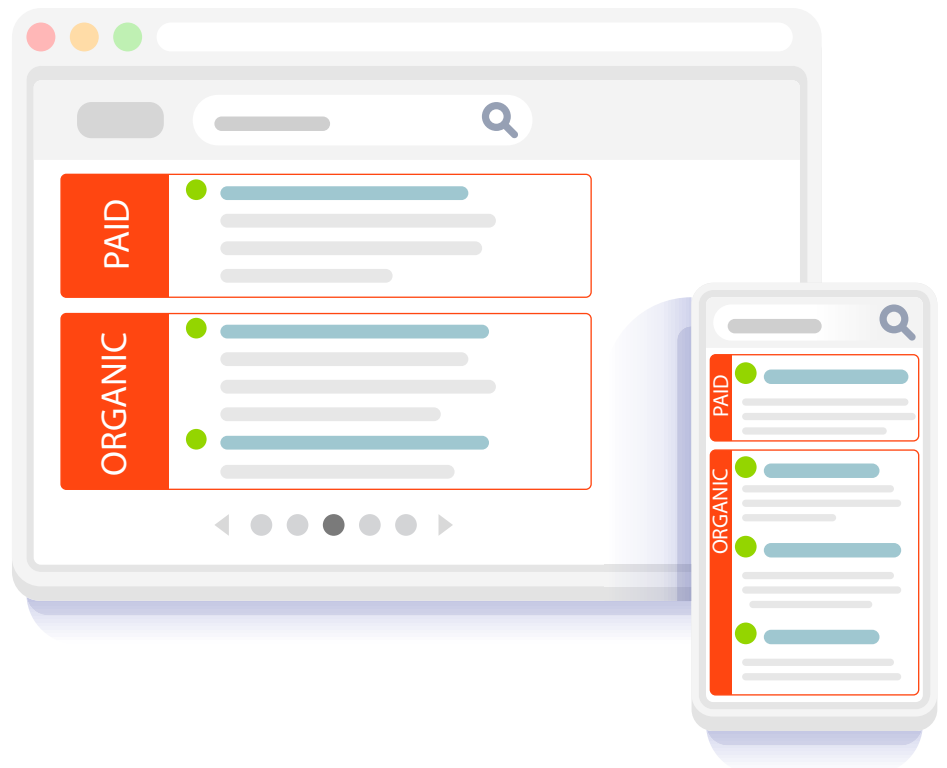
Traffic to your website that originates when a prospect does a search on Google or another search engine. When a buyer enters keyword(s) into a search engine, algorithms determine the best content to display in return. So using the optimal keywords for your product/service/company will improve your organic search results. It's a long-term strategy that's often used in tandem with paid search (defined next).

PAID SEARCH

Traffic to your website that originates from search rankings you pay for on Google or another search engine. B2B companies that are embarking on strategic marketing for the first time often use paid search in the short term to gain visibility fast, then dial it back as their organic search results improve over time.

LONGTAIL KEYWORD

A three-or-four-word phrase that is very specific to what a buyer is looking for or what your company is selling. A longtail keyword phrase usually brings in very highly qualified leads that are more likely to turn into sales.



SEARCH ENGINE OPTIMIZATION (SEO)

Optimizing your website so it ranks higher in Google and other search engine results. SEO is an umbrella term for optimizing the many factors that affect your search ranking, such as your website's content, underlying technology, and the speed at which your website loads. SEO is all about results: A higher ranking means more organic (unpaid) traffic, more qualified leads, and more leads that turn into sales.

ABOUT YOUR WEBSITE...

WEBSITE

Often the first chance to have a meaningful interaction with buyers, and typically the place where they learn the most about your company/product/service. Your website must be easy to use, quick to load, and easy to view on digital devices. And it should support generating leads by including some content that is gated (requiring leads to input their contact information before they receive the content).

RESPONSIVE DESIGN

An approach to website design that ensures every page automatically displays well on different devices and screen sizes. Whether your buyers view your website on a phone, tablet, or desktop computer, and no matter what browser they use, responsive design makes sure every page displays correctly. (Since Google looks at your mobile site first when deciding what order to display search results, responsive design is a must!)



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TO DRIVING YOUR REVENUE GROWTH.

**READY TO FIND OUT HOW?
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