COACHYU

GOALS & ANALYTICS COURSE

SETTING MEASURABLE AND MEANINGFUL GOALS

GUIDE VERSION
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Switch to **PRESENTATION VERSION**

Dennis Yu
Host of the CoachYu Show

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A Letter from Dennis Yu

We break goals into two different parts. The first half is **your mission**. This is your WHY, or what you want to do with your brand, product, or business. Do you want to teach people how to cook? Sell a product? Write music people will enjoy listening to?

Whatever it is, every brand and company has some mission behind it. Our **mission** at CoachYu is to give jobs to young adults. We give most of our training to students as part of our mission.

For example, someone is trying to sell t-shirts, and their mission is to make people laugh with their t-shirts because they're witty/funny. They sell them on Facebook and the t-shirts cost ten dollars to make so I want to sell a t-shirt with a $5 CPA, a $10 CPM, or, with a video, a $0.02 cost review.

In order for the mission to work, you need the second part, **metrics**. This is where you try to sell a product. When you think of goals, you need to understand what your mission is because this is going to dictate how you create your content further down the line. This is because mission and content tie together.

Goals tie back to your mission and the mission works hand in hand with the metrics. What we're going to go over next is how to decide what your metrics are, what to look for, and especially, if you don't know already, your mission. If you're not sure what your metrics are or what your goals are, we're going to teach you how to get to that point.

Dennis Yu

CEO and Co-founder
CoachYu

Run through our

Goals Course introduction

Intro Video Goals Course (1:56)

Then continue on

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Chapter 1 - Metrics, Analysis, ACtion (#MAA)

Remember the last time you visited the doctor? Perhaps you had a nasty cough, a migraine, or a broken leg.
The physician's approach is consistent, no matter the symptom. It boils down to three stages.

Stage 1. Collecting Vitals
They start by gathering information: checking your heartbeat, your temperature, reading your chart history, asking questions about the pain, collecting blood, and performing x-rays.

Modern medicine, like modern marketing, requires the collection of raw data necessary to perform an accurate diagnosis. We, as digital marketing analytics professionals (phew, a mouthful), must master a series of tools to get the data we need for the next stage.
So what comes next?

Stage 2. Diagnosis
Based off the vitals and other information collected, the doctor makes a diagnosis. He or she may decide your cough is coming from a common cold, strep throat, or bronchitis. Your migraines might be a symptom of recurring headaches or something far worse.

While the patient may have a rough idea of the issue (chest pain, for example), the medical practitioners have the tools and training to determine whether it's heartburn or a heart attack. Thus, an accurate diagnosis requires both tools and training. Having one without the other is insufficient. At this point, the doctor can say "We looked at X (vitals) to determine that Y (analysis) is the issue and therefore, Z (treatment) is the correct set of procedures to heal you." Thus, the logical third stage of our Doctor's Analogy.

Stage 3. Prescription
Based off the diagnosis, the physician will give you a prescription. It could be medicine, surgery, or just "taking it easy" for a day or two. You're trusting in their tools, expertise, and training to take care of you. After all, prescription without diagnosis is malpractice. And as pro-level digital marketing analysts, we must also master a set of tools, gain necessary competence in diagnosis, and then be able to implement the recommendations.

You may hear executives ask for "actionable insights" from their marketing analytics team, which is code for "we want understanding and problem-solving, not just report production."

This is the difference between a highly valuable digital marketing analyst and an average analyst.

Put on your white lab coat and treat yourself like a digital marketing doctor, performing Metrics, Analysis, and Action (MAA), which is the same as Vitals, Diagnosis, and Treatment.
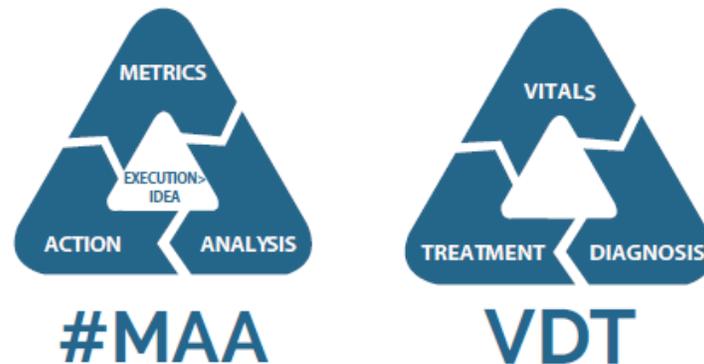
We are operating on the business, treating
In larger companies, you may be part of a separate marketing analytics team.

Charts, tools, data. These are words thrown around a lot, this book will teach you how you can go from data to solutions. In short, it's a 3-step process that you'll need to repeat over, and over, and over again.

Snapchat or any other channel this 3-step process will be the bread and butter on your path to becoming a digital analytics pro.

    Step 1. Metrics.
    Step 2. Analysis.
    Step 3. Action.
    M.A.A for short.

L2: MAA (Metrics, Analysis, Action): Metrics
Understanding the MAA process will be crucial to mastering digital analytics. This text will walk you through some specific examples as the implementation of MAA is truly the backbone of digital analytics.

Stage 1. Metrics. The first step is to collect and organize all the data. In the world of digital, there are hundreds of data points. For example, even if you spend only $5 on Facebook Advertising, their native
reporting platforms will give you hundreds of different data points/objectives you could look at. Being able to organize data will be key. You'll need to know which data is the most important to look at. For example, you should know what meaningful data is compared to "statistical noise".

Meaningful Data vs. Statistical Noise
Meaningful data is born from two variables: Time and Data Points. Let's discuss timing first. Whenever you're looking over data, you have to choose a time frame. You might look over data from the last week, month, or year. The timeframe you choose will be dependent on the Business Goal you're assisting with. For example, let's say you're tasked with analyzing the performance of an online campaign marketing a book launch for a new Stephen King novel. For this analysis, you'll want to look at the time frame the campaign ran during (of course). In contrast, let's pretend you're tasked to see how well Stephen King's website does at selling books. In this case, you'll want to look at the overall number of visits his site gets and how often this results in a book purchase (among many other things). For this objective, you'll be able to give the strongest analysis by looking at the lifetime time frame of data for the website. Of course, you might compare this to recent months or years, doing month-over-month analysis to spot trends. In general, the more data points you have, the more accurate your analysis and actions will become. Choosing a broad enough time frame also reduces outlier variables that could be affecting the data. Let's go over a few easy examples that show this.

Example 1. You choose a narrow time frame of 1 day to really do some micro-analysis. This would be risky since any one day could be an outlier. Many users might not be on the platforms every single day, or the day might be on a weekend. In general, any given day could too easily be a spike or valley that's not an indication of the true averages. Unless the Business Goal you're trying to solve calls directly for a short time frame, longer windows are better.

Example 2. You're performing analysis on the impact of using video in your marketing strategy. Videos just started running, so you decide to look over data from the past week, July 2nd – 9th. You find that your CPM (cost-per-thousand) is high and conclude you shouldn't be using videos in your marketing strategy. See the problem here? Having a short time frame has, again, accidentally diluted your data sets here. In this example, your time

frame covers a national holiday, the 4th of July. During holidays, many platforms see increases in advertisements and promotions, which lead to overall higher CPM since there is more competition. The 4th of July is a fairly obvious culprit to spot, but there are often many more subtle examples like these that are impacting your data sets. Again, by choosing longer time frames, you'll keep your data sets more pure.

The Dye Analogy
Imagine you have some red dye and one cup of milk. You put one drop of red dye in the cup. What will happen? The whole cup will soon be full of red milk.

But what if you had a gallon of milk? The red drop will still make an impact, but now it will be hardly noticeable. Let's say you get lucky and get your hands on some two-gallon milk jugs! Costco specialty! That milk would remain so pure you could even drink it without a second thought. You see the point we're trying to make? In this example, the dye represents outliers in your data. The more "milk" or "data" you collect, the less the outliers will affect your analysis. You can avoid Statistical Noise by choosing large time frame windows.

I got a fever and the only prescription is more "data".

The second component for meaningful data is the amount of data points you're able to pull in. In general, having a longer time frame will allow for many data points without your sample being diluted. But there are instances where this alone won't be enough.
Example 1. After doing some amazing analysis on Stephen King's website, a new aspiring author hires you to perform some analysis on their website, too! You take the same approach as before: start by looking at a lifetime window. But there's one problem. They're new authors and not well-known. They haven't invested in any online advertising, and their website only has 120 total visitors. In this case, even though you've chosen the widest time frame possible, there simply aren't enough data points for you to have meaningful data. Analysis and Action based off statistical noise is "malpractice".

So, how many data points are necessary for there to be meaningful data? Well, this gets a little more complex. There's no one "number" to use. It ties back to the Business Goal. In general, more is better. You might use 100 as a minimum for bottom-of-funnel metrics (these could include purchases, leads, and website visitors) and 1,000 as a minimum for top and middle of funnel metrics (these could include impressions, engagements, video views, etc.).

The Rule of Three

Another way to ensure you're collecting enough data points for your analysis is to follow the rule of three. Whatever problem you're trying to solve for, you'll want 3x the data points that are significant to the goal. Here's an example of the rule of three in action. Example 1. You're doing analysis on how well Stephen King's website converts cold traffic. The goal for maintaining profitability is for the site to have at least a 1% conversion rate, meaning at least one out of every hundred people who go to the site (hopefully) buy a book. In this example, you'd want at least 300 site visitors to look at for the data to be meaningful. This is the bare minimum! Again, it can't be stressed enough, more is better!

Assembling Metrics

Later in this text, we'll go over useful tools for assembling metrics. There are many ways to organize your metrics. Some people prefer colorful charts and graphs to make performing analysis easier. In general, though, before you move to Analysis and Action, make sure you're assembling your Metrics first.

L3: Analysis

Now that you have the key metrics prepared, you're ready to look over them and perform some analysis. Analysis is the act of making sense of the metrics. Metrics, as we lightly touched on earlier, are almost always in flux. Analysis also includes knowing which metrics to look at in pairs, groups, or isolation.

Balancing Metrics

In order for you to perform good analysis, you'll need to understand Balancing Metrics. Metrics typically fall into two overarching categories: Quantitative and Qualitative.

Quantitative Metrics

These are metrics associated with volume-- the amount of conversions driven, the number of leads collected, the video views, etc. Every meaningful KPI (Key Performance Indicator) metric will be able to be measured by quantity.

Qualitative Metrics

Qualitative metrics describe how efficiently the quantitative metrics occurred. These could include click-through-rate (CTR), how often someone clicked on a post, or conversion rate, how often a website visitor ended up purchasing something. Qualitative Metrics also include most of your "cost-per" metrics, such as cost-per-click (CPC), cost-per-view (CPV), cost-per-lead, and

cost-per-acquisition. The cost-per metrics are a factor of many variables (such as CPM) but, overall, are able to display how effectively the quantitative metrics occurred. More frequent occurrence should mean lower cost-per metrics. When you're performing analysis, always pair qualitative and quantitative metrics together. Looking at any metric in isolation is almost always a mistake, since you'll be missing context, and your analysis and action will be off path. Here are two examples showing why these metrics must be looked at in pairs.

Example 1. You're looking to find video creatives that are effective in selling e-commerce products. You find one video that has an amazing 25% Conversion Rate (qualitative metric). Based on this alone, you might conclude to increase spend against this video, reuse it in multiple platforms, and create other videos like it! But what about the quantitative metrics? After diving deeper into the data, you notice this video only has one conversion and four clicks. The video just started showing and got a conversion really early on, dramatically impacting the qualitative metrics of the video. By looking at these metrics in pairs, you can now recommend this video needs more data behind it before we can properly perform analysis on its effectiveness at selling e-commerce products.

Example 2. YYou're continuing your analysis of videos that are effective at selling e-commerce products. This time, you're looking specifically at CPA (cost-per-acquisition) when you notice one video has a 10% higher CPA than average. You might initially conclude this video shouldn't run anymore, but when you look at both the quantitative and qualitative metrics in pairs, you notice this video has driven 5x more volume than any other video. It's driving a ton of conversions! Given the volume this video is driving, you're okay paying a slightly higher CPA, since this is expected with an increase in volume. Now, you recommend that this video continues to run. You see the danger of looking at metrics in isolation? Profit is really the only metric that should be viewed in isolation. Every other metric has twin metrics that should be viewed together. Always look at metrics in pairs or groups.

The Big Picture
Just like we want to avoid looking at metrics in isolation, performing good analysis will be dependent on your ability to see the big picture. Often, this requires looking at all channels together, including variables/channels that are outside of your ownership. For example, we ran ads for the Golden State Warriors for five seasons and found that some seasons were easier to sell tickets than others, especially after the Warriors won the championship! The

following year, our ticket sales and merchandise sales significantly improved. Performing good analysis recognizes this improvement wasn't solely a product of the creatives we were using or how we optimized our online spend. This made some impact, but the fact that the Warriors had just won the championship was the main contributor. True analysis shouldn't be based on speculation, but it should take into account the big picture. The way your analysis will be confirmed or rejected is through the last phase we want to discuss in this chapter.

L4: Action
After you've assembled the metrics, made sense of them through analysis (this is happening because X, Y, and Z), the last step is to recommend action. These steps are sequential. You can't go from metrics straight to action, and certainly shouldn't be randomly taking action, making changes, etc. without reviewing the metrics and performing analysis first.

KISS
You've likely heard the acronym KISS.

Keep It Simple Stupid
This certainly applies here. While, sometimes, the path to take is a complex one, often, the solution is much simpler than people suspect.

Based on your analysis of why something is working, broken, or changed, your action might be quite simple.
- Let's incorporate more video into our content strategy.
- Let's increase the budget against these ads that are driving ROI.
- Let's stop running these promotions that are receiving negative feedback.
- Let's add a second CTA button to our landing page to increase conversions.
- Let's split test a shorter video to see if it performs better than our long-form video.

Your recommended actions should typically fall into one of three categories.

1. Fixing something that's broken. If your ads aren't performing well, the website can't convert traffic, the brand has no online presence, etc., the action should try to help fix these problems.
2. Amplifying what's already working. Ideally (hopefully), the business has some items that are working-- some good content, a strong following, profitable ROI, etc. Action steps should also recommend getting more

of what's working. We refer to this is "extracting as much juice from the orange as you can."

3. Testing/Improving anything in the middle. Some variables may be performing acceptably, but not great. You should be recommending action for improvement-- split testing, trying new tools or platforms, etc. The action will help solve the specific problem a business may be having, but your action steps should typically fit one of those three buckets.

Other Materials
Assignment

MAA Practice
Your friend is running a successful ecommerce store selling electronics. Last month, she saw a huge spike in her CPA for her headphones ad campaign, and she has offered to pay you to help her find the problem.

Historically, her campaign has generated the following performance metrics:
- Average CPM - $5
- Average CPC - $0.50
- Average Conversion Rate - 1%
- Average CPA - $50
- Average Monthly Spend - $1,000
- Average Frequency - 2.0/month

As you dive into her account, this is the data you find for the last month. What went wrong?

Campaign Name		CPM (Cost per 1,000 Impressions)	CPC (All)	Clicks (All)	Website Conversions	Cost per Website Conversion
3_headphones_conversions		$10.00	$.50	5,000	50	$100.00

Metrics

CPM	CPC	Clicks	Conversions	CPA	Spend	Frequency

Analysis:
Action:
Answer
Metrics:

CPM	CPC	Clicks	Conversions	CPA	Spend	Frequency
$10.00	$.50	5,000	50	$100	$5,000	10.0

Analysis:

Looking at the data, we see that our CPM has doubled, while Spend and Frequency have increased by a factor of 5x. The increase in monthly spend from around $1,000 to $5,000 is likely too large for the audience, causing our ads to be shown to individuals 10 times and driving our CPM up.

Action:

We have two possible action steps to fix this problem. Decreasing our spend back down to our previous $1,000 levels should bring our CPA back down to the levels we would expect. Alternatively, if we want to hit this level of spending, we can expand our audience. Maybe try lookalike audiences or other similar interest audiences.

Chapter 1 Quiz
Answers Bolded

1. Which of the following metrics is generally considered a qualitative metric?
      a. Clicks
      b. Impressions
      c. CPA
      d. Video Views

2. True or False: As a minimum, you should have 3x as many data points as is significant for your specific goal.

3. Which step in the analytics process is most important to hitting a business goal?
      a. Metrics
      b. Analysis
      c. Action

4. What are the two primary pieces of significant data?
      a. Qualitative Metrics and Quantitative Metrics
      b. Time and Data Points
      c. Time and Qualitative Metrics
      d. Quantitative Metrics and Data Points

5. Select the three categories identified in the chapter that the majority of your action recommendations will fall under.
      a. Fixing something that's broken
      b. Amplifying something that's working
      c. Testing/Improving anything in the middle
      d. Changing your performance indicators

Actual case study within #M.A.A

Here are the actual CPSV (cost per store visit) results for a segment of furniture stores within Ashley HomeStore. The business goal is to drive customers into the stores to buy furniture during tentpole (sale) Periods.

If the analyst doesn't take into account counter-balancing metrics, he or she might conclude that the Fall Home Sale performed far better than the other two campaigns.

> Black Friday in July & Beat the Clock (July 17 – August 13):
> $7.96 cost per store visit
>
> Labor Day: (August 14 – September 10):
> $3.55 cost per store visit
>
> Fall Home Sale (September 11 – 24, 2018):
> $1.72 cost per store visit

What if the Fall Home Sale drove a low CPSV, but those visitors were far less likely to buy? In this case, we might compare yield (revenue per thousand impressions) as a counter-balancing metric.

Or what if the Fall Home Sale drove only 3 store visits, while Black Friday drove 200 store visits? We know that, to get more traffic, we have to bid higher, which increases our CPSV.

So, it may be that whoever ran this campaign bid way too low-- getting an impressive CPSV, but sacrificing profitable traffic. Ashley HomeStore is shooting for a CPSV under $16, so they can afford to profitably bid higher. In this case, we'd want to compare visits as a counter-balancing metric.

A super low CPSV is good, but we must also balance that by:
- **Quantity**-- how many store visits? If we run only against re-marketing campaigns, we can drive $2 CPSV all day, but only a few dozen. At scale and at the top of the funnel, the CPSV will be higher, as it takes more touches to convert a cold touch to a qualified visit.
- **Quality**-- break down the CPSV into the diagnostic factors of Relevance Score, CPC, and engagement rate. Long-term, we care about driving high positive feedback with low negative feedback. Overly "sales"-like creative might be more effective in the short term to drive sales (especially around tentpoles) but will hurt our brand long-term.
- **ROI**-- evaluate the ROAS of these campaigns, too, grouped into what stage of the #ACC funnel they are.

Net-net-- we must balance CPSV against other factors, or else it's not apples-to-apples. And there's no getting around having a strong funnel with strong sequential content for long-term performance.

How strong are the creatives they're using and how well are they building relationships in those sequences?

Chapter 2: Understanding Attribution

Learning Objective:
Help students understand the basic ideas of attribution and how to work with data from multiple digital channels. Introduces omni-channel marketing and lift testing.

Key Diagrams/Resources:
- Attribution Course: Set of videos for understanding Attribution
- Article: Why You Are Calculating Your Conversion Incorrectly
- Facebook Blueprint: Understanding Multi-Touch Attribution

Attribution is the assigning of credit for a business goal. For example, when Facebook began running ads back in 2007, they created the Facebook Pixel to track users' interactions on the website. This way, if a user added something to their online shopping cart, viewed a certain page, or purchased something, the pixel would track it. The Facebook pixel tracks 6 standard events. While some sources are unknown (or what Google Analytics calls Direct None), each of these events gets credited back to a touch point that drove the event. If a purchase happens, a page is visited, or an email address is given, Facebook or Google (or any tracking) will try and credit this event back to a piece of content. This chapter will cover the 6 Phases of Attribution. The majority of marketers live in a Last Click phase (which is the first of the 6 phases), but we'll discuss how you can move past a Last Click model to a full Multi-Touch Attribution Model through the implementation of these 6 phases.

Phase 1: Last Click

Research shows that the average consumer needs seven interactions with a brand before they'll purchase something. For many companies, the "purchase" is their ultimate business goal. Just about everyone is trying to sell a product or service. There are other goals along the way, like collecting email addresses, driving traffic to the website, etc. The way the Last Click model works is it attributes the credit of a purchase to the last ad (or piece of

content) that the user clicked on or viewed prior to purchasing. In theory, this seems logical enough; but in practice, it presents problems. This causes marketers and business owners to allocate their time and money mostly to the bottom of their marketing funnel. After all, these are the ads that are driving the sales. But in so doing, they neglect the previous touches that may have "warmed" the customer up or been crucial in their customer journey. In the previous chapter, we discussed how MAA works-- how you can make sense of all the metrics, numbers, and charts to produce strong points of analysis and actionable takeaways. In order for your analysis skills to be accurate, you'll want to understand how attribution works before looking at large sets of data. Here are a few real-life examples of how many folks go amiss from the deception of Last Click.

Example #1. In 2016, our agency began running the online marketing for one of the biggest online mattress stores. The client wanted to achieve a 3x ROAS by having a $300 average CPA. A $1,000 mattress is a fairly high priced item, especially when you're selling it online and consumers don't have the chance to "test it out" in a store. So this meant we had multiple touch points. We noticed we had some videos we were running to cold acquisition audiences that performed really well. They had good CPM, CPV, and View-Through Rate (AKA bigger retargeting audiences). The client had shut them off, though, because they had a poor CPA of $1,000. We had to teach them about attribution. True, these ads had a poor CPA above our goal, but this was not a one-touch DR product. They were giving us a great first touch that would lead to a very profitable blended CPA. After turning these ads back on, we saw overall performance increase.

Example #2. In 2017, we got access to a beta tool called "Advanced Measurement" from Facebook. It tied all your channels together to measure results via a person-based model as opposed to channel-based. We implemented this for a major household entertainment company. We found that the average customer journey across all channels was 11 touches. 11 interactions to go from a first-touch all the way down to a purchase. Knowing that only our 11th touch was receiving the credit for purchase, we shifted our budget more towards the top and middle of the funnel.

By focusing our spend and creatives more on the first 10 touches, our overall blended CPA dropped drastically, even though we were only spending ½ as much on conversion ads as we were before. Remember that, while from a data perspective, a Last Click model will give all the credit to just one ad, good

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