

KPIs That Actually Matter

Reading business reality through data — and an introduction to Marketing Mix Modelling

LESSON GOAL

By the end of this module, you will know how to choose and interpret the metrics that truly drive business decisions — instead of drowning in vanity data. You will also understand Marketing Mix Modelling: what it is, when it matters, and how modern marketers use it as a continuous decision engine.

VANITY VS REALITY

DIRECT TRAFFIC

ORGANIC SEARCH

AUDIENCE QUALITY

KPIs BY CHANNEL

INTRO TO MMM

Parts 1-6 · Strategic KPIs

- Why tracking more data produces less insight
- Direct traffic as a brand health signal
- Brand vs generic search — market power vs market opportunity
- Audience quality over traffic volume
- KPIs by channel — what each one really tells you

Part 7 · Marketing Mix Modelling

- What MMM is and what questions it answers
- Core components — marketing variables, external factors, interactions
- Modern MMM tools: Robyn, Lightweight MMM, Meridian
- Limitations, best practices, and when to use it

A metric only matters if it improves decision-making.

Great marketers analyse systems — not isolated vanity numbers

Closing the Loop on Module 4: 4A placed you in the right moment. 4B built your ecosystem. 4C orchestrated your channels. 4D answers the final question: how do you know it actually worked — and how do you make smarter decisions next time?

Vanity Metrics vs Business Reality

Tracking too much and understanding too little is the most common analytics failure

Modern platforms give us endless dashboards, graphs, and reports. But data alone does not equal insight. Many businesses obsess over likes, clicks, impressions, and reach — while ignoring buying intent, customer quality, trust signals, and sustainable profitability.

VANITY METRICS — FEEL GOOD, DECIDE NOTHING

100,000 impressions last month

4,200 new followers on Instagram

3.2% average click-through rate

Video viewed 18,000 times

Website had 12,000 visits

DECISION METRICS — DRIVE REAL ACTION

Cost per qualified lead: 28 EUR (down from 41 EUR)

Direct traffic grew 18% this quarter

Brand search volume up 34% year on year

Remarketing audience: 42,000 high-intent visitors

Customer lifetime value: 3.2x acquisition cost

THE TEST

For every metric you track, ask: **"If this number changes, does it change a business decision?"** If the answer is no — it is a vanity metric, not a KPI.

PART 2 — KPIS MUST MATCH BUSINESS REALITY

Different Business Models Need Different Metrics

Not every business should look at the same KPIs. A local dentist, a SaaS company, an e-commerce store, and a luxury real estate agency have completely different customer journeys, sales cycles, trust requirements, and acquisition costs.

Business Type	Key KPI Focus	Why It Matters Most
Local Service (e.g. dentist)	Calls, booking rate, review volume	Local trust and frictionless action
E-commerce	ROAS, CPA, cart abandonment rate	Margin efficiency and conversion
SaaS / Subscription	CAC, LTV, churn rate, trial-to-paid	Long-term unit economics
High-ticket / Luxury	Lead quality, sales cycle length, brand search	Trust and positioning signal
Content / Brand	Direct traffic, brand search, email list growth	Audience ownership and equity

Your KPIs must reflect your business model, your industry archetype, and your customer's behaviour. Copying another brand's dashboard is one of the most common and costly analytical mistakes in digital marketing.

Direct Traffic, Organic Search & Audience Quality

The three signals most businesses ignore — and most strategists watch closely

PART 3 — DIRECT TRAFFIC = BRAND STRENGTH

The Most Underappreciated Metric in Digital Marketing

Strong Direct Traffic Signals

- Brand recognition — people remember you
- Repeat visits — existing relationships returning
- Trust and familiarity built over time
- Strong Owned Media — email, content, community
- Healthy long-term brand equity

Weak Direct Traffic Signals

- Heavy dependence on paid acquisition
- Low brand awareness — nobody remembers you
- Weak long-term equity building
- Higher future customer acquisition costs
- Vulnerable to platform and algorithm changes

IMPORTANT NUANCE

Low direct traffic is less concerning in highly urgent, low-substitution categories (emergency plumbing, acute medical care). In most other cases, growing direct traffic quarter on quarter is one of the clearest signs of healthy brand building.

PART 4 — ORGANIC SEARCH REVEALS DEMAND STRUCTURE

Brand Search vs Generic Search

Brand Search

"Starford Academy course" / "Nike trainers"

People already know you exist. Signals **awareness, reputation, and trust** — your market power. Growing brand search is direct evidence that marketing and brand building is working.

Generic Search

"digital marketing course" / "running shoes"

People search by problem or category — not by brand. Signals **market opportunity and positioning potential**. These are customers who haven't chosen you yet.

Generic keywords reveal **market demand**. Brand keywords reveal **market power**.

PARTS 5 & 6 — AUDIENCE QUALITY & REMARKETING

10,000 Wrong Visitors Is Just Expensive Noise

Quality Signals to Track

- Engagement depth — pages per session, scroll depth
- Time on site — are they actually reading?

Remarketing Audiences as Assets

- Large, segmented remarketing lists lower future CPA
- Represent accumulated attention and

KPIs by Channel

Each channel has a different job — and must be measured by metrics that match that job

Measuring YouTube by conversion rate and measuring Google Search by watch time are both category errors. Every channel plays a specific role in the customer journey — and must be evaluated by KPIs that reflect that role, not a universal template.

Channel	Primary KPI Focus	What It Really Tells You
Google Search	Conversion rate & Impression Share	Intent capture efficiency — are you winning the moments that matter?
Meta / TikTok Ads	Cost per acquisition + Audience quality	Awareness and emotional reach — how efficiently are you filling the top of the funnel?
YouTube	Watch time + View-through rate	Trust and consideration — are people spending time with your brand story?
Email	Open rate + Click rate + Retention	Relationship strength — are your subscribers engaged or just a number?
SEO / Organic	Brand vs Generic search growth	Long-term demand and authority — are you building market power over time?
Remarketing	Conversion efficiency + Audience growth	Remarketing potential — are you building a high-value audience asset?

THE FRAMEWORK

Assign each channel a role (Awareness / Consideration / Conversion / Retention). Then choose KPIs that measure how well it performs that role — not whether it performs a different role it was never designed for.

THE KPI HEALTH CHECK

Are Your Metrics Connected to Business Outcomes?

Disconnect Warning Signs

- Reporting on reach but not on quality
- Celebrating engagement without tracking conversions
- Measuring the same KPI across all channels
- Monthly reports with no decisions attached

Strategic KPI Checklist

- Each channel has its own primary KPI
- KPIs are pre-agreed before campaign launch
- At least one KPI connects to revenue
- KPIs reviewed and adapted monthly

The Analyst Mindset

- Ask "so what?" after every metric
- Look for trends, not single data points
- Compare performance across time periods
- Analyse systems — not isolated numbers

MY NOTES

Understanding MMM

From annual consulting report to continuous decision engine — the evolution of budget intelligence

What is Marketing Mix Modelling?

MMM is a statistical analysis technique that quantifies the contribution of different marketing activities to business outcomes — while accounting for external factors like seasonality, competitor activity, and economic conditions. It answers the questions that attribution models cannot.

THE 4 QUESTIONS MMM ANSWERS

That Attribution Models Cannot

How much did each channel contribute?

Google vs Instagram vs Email vs TV vs Organic — quantified contribution to actual sales

What is the ROI of each channel?

Real return per euro spent — including long-term brand-building effects, not just last-click

What if we shift 10,000 EUR from Meta to YouTube?

Scenario planning — simulate budget reallocation and model expected impact before spending

What is the optimal budget allocation?

Which mix of channels maximises return given current market conditions and diminishing returns curves

CORE COMPONENTS OF MMM

What the Model Measures

1. Marketing Variables

- Paid: Google, Meta, YouTube, TikTok
- Owned: Email, SEO, content
- Offline: TV, radio, OOH, events
- Promotions and pricing

2. External Factors

- Seasonality and holidays
- Economic conditions
- Competitor activity
- Baseline sales — without marketing

3. Interaction Effects

- Channel synergies (TV + Search)
- Adstock — carry-over effects
- Saturation curves — diminishing returns
- Long-term vs short-term brand effects

Modern MMM (2024-2026): Bayesian hierarchical models. Machine learning approaches. Open-source tools: **Meta Robyn, Google Lightweight MMM, Google Meridian.** Incorporates incrementality experiments and geo-lift tests. Quarterly or monthly model updates — not once a year. The best modern marketers don't treat MMM as a report. They use it as a **continuous decision engine.**

Limitations, When to Use & Key Takeaways

MMM is powerful — and has real constraints worth understanding before investing in it

MMM LIMITATIONS & CHALLENGES

Honest Assessment of the Methodology

Limitation	Description
Correlation vs Causation	Traditional MMM can confuse correlation with true causal impact — Bayesian methods reduce but don't eliminate this
Data Quality	Garbage in, garbage out — unreliable input data produces unreliable models
Long Sales Cycles	Hard to apply to B2B or high-consideration purchases where time between exposure and conversion is months
Privacy Changes	iOS 14.5+, cookie deprecation, and platform tracking restrictions reduce signal accuracy
Black Box Risk	Some models are hard to interpret — outputs need to be explained to non-technical stakeholders

Use MMM When You:

- Spend 50k+ EUR per month on marketing
- Are running multiple channels simultaneously
- Need data-driven budget allocation decisions
- Need to justify marketing spend to leadership or boards

May Not Need Full MMM If You:

- Are early-stage or very small budget
- Rely primarily on one or two channels
- Have very short, simple customer journeys
- Don't yet have sufficient historical data

MODULE 4D — CORE LESSONS

- * A metric only matters if it improves a real business decision — everything else is noise
- * Direct traffic is a powerful, underappreciated signal of brand health and long-term equity
- * Brand search reveals market power. Generic search reveals market opportunity.
- * Audience quality and traffic quality almost always matter more than volume
- * Each channel must be measured by KPIs that match its role — not a universal template
- * MMM answers the budget allocation questions that attribution models cannot — it is a decision engine, not a report
- * Great marketers analyse systems, not isolated numbers — and adapt continuously based on what they find

Practical Exercise

- 1 Review your current analytics dashboard and list your top 5 tracked metrics
- 2 Mark each as vanity metric vs decision-making metric
- 3 Define 3-5 truly strategic KPIs that match your business model and archetype
- 4 Check your Direct Traffic trend for the last 12 months — is it growing?

PART A -- MY VANITY vs DECISION AUDIT

Metrics I currently track (list all)

Which are VANITY? (cross them out / explain)

My 3-5 TRUE strategic KPIs for this business

PART B -- MY CHANNEL KPI PLAN

Channel	Primary KPI I Will Track	Current Performance	Action to Improve
Google Search			
Meta / TikTok Ads			
YouTube			
Email			
SEO / Organic			
Remarketing			

PART C -- MY BRAND HEALTH SIGNALS

Direct Traffic -- current trend & target

Brand vs Generic Search -- current ratio & trend

Remarketing Audience -- size, quality, growth rate

PART D -- MMM READINESS CHECK

Do I need MMM now? (budget level, channel mix, data maturity)

First step toward better measurement I will take in 30 days

Analyse systems. Not isolated numbers.

A metric only matters if it improves a decision.