

Glossary: Digital Marketing Terminology

A

A/B testing	Try out two different versions of something to see which performs better, often comparing a new version to one that you’ve already been using. For example, you might run two different versions of an ad to see which one drives more conversions. Whichever one does, you’ll probably want to use that one going forward.
Advertising cost of sales (ACoS)	How much money you spend on advertising for each dollar of revenue you earn.

B

Bottom of funnel (BOFU)	At the very bottom of marketing funnel, BOF (abbreviated) or BOFU. These are the people who are ready to buy — all you have to do is convince them to take action. You want to retarget these users with marketing that directly encourages them to buy, such as a promotion.
Brand awareness	How familiar people are with your company. When you market to users at the top of the funnel, you’re usually trying to increase brand awareness.

C

Click-through rate (CTR)	The percentage of people who, after seeing your marketing content, actually click on it.
Content marketing	A strategy where you create content on your website to help users learn about topics related to your industry or your business. That content could include things like blog posts , infographics , and videos . The goal is to use it to draw people to your website and move them through the marketing funnel so they become your customers.
Conversion	Whenever someone completes an action that you wanted them to complete. Often, that means buying something. But signing up for your email list or trying a product demo could also count as a conversion.
Conversion rate (CVR)	The percentage of people who take a desired action from your marketing campaigns, like making a purchase or calling you.
Cost per lead (CPL)	The amount that you pay for each lead you earn.
Customer lifetime value (CLV)	How much monetary value you can expect a customer to bring to your business over their lifetime.

D

Digital marketing	Where you promote your business through any sort of digital channel, like a website, an online ad, a search engine, or social media.
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E

Email marketing	A strategy where you send out mass emails to promote your business and your content. You don’t just send emails to anyone — you let people sign up for your e-newsletter on your site, and then you send the emails to those people.
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K

Key performance indicator (KPI)	A metric that helps you see how effective your marketing is. A lot of the metrics we just discussed are KPIs, like cost per lead and ROAS . Those numbers give you a sense of how successful your campaigns are.
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L

Lead	Someone you have a name and contact of in your database, but hasn’t actually decided to buy from you yet. Someone might become a lead by signing up for your emails, downloading a guide, or trying out a free product demo. There are two basic types of lead. <ul style="list-style-type: none">• Marketing-qualified lead: someone who you have contact info for but they are not ready to dive into a demo or even consider purchasing your product or service.• Sales-qualified lead: a higher qualified lead who is primed to purchase and is ready for a demo or phone call or to talk business.
Lead generation	A type of marketing designed to turn people into leads.

M

Marketing funnel	A visualization of the way people become customers. Picture a funnel, wide at the top and narrow at the bottom. At the top of the funnel, you have a lot of prospects who are just getting to know you. Eventually, some of those prospects move to the bottom of the funnel and become customers.
Marketing technology	Marketing technology, or martech, is pretty much just what it sounds like. It’s technology that helps you streamline and enhance your marketing. That could include things like email automation software, personalization software, or tools that store and organize customer information, like a CRM.
Middle of funnel (MOFU)	A middle-of-funnel user (often abbreviated to MOF and MOFU) is someone in the middle of your marketing funnel. They’ve gotten to know your business a little bit, and they’re kind of starting to think about buying, but they’re still not ready to become a customer yet. This is a great trust building phase where you can establish thought leadership with these users and expand your relationship with them so that when they are ready to buy they will choose you.

O

Objectives and key results (OKRs)	These are specific goals you set for your marketing campaigns, along with the metrics you plan on using to measure them.
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P

Pay-per-click advertising (PPC)	Where you run paid ads online and pay for each click on these ads (hence the name pay-per-click). Sometimes those ads are on third-party websites, and sometimes they’re at the top of Google search results.
Programmatic advertising	A form of advertising where you use automated tools to help you buy or sell advertising space. There are tools that will match up advertisers and publishers and help them make deals on ad inventory. It’s a great way to help you advertise on third-party websites.

R

Return on ad spend (ROAS)	How much money you earn for your investment in paid advertising.
Return on investment (ROI)	A metric for evaluating how much value you get for what you spend on your marketing. Marketing costs money, and ROI helps you see if you’re earning back the money you spent with a decent-sized profit.

S

Search engine optimization (SEO)	A strategy where you try to get your website ranking in Google search results. The goal is for people to find your site when they search for stuff related to your industry. Then they visit your website to learn more, and they end up getting interested in what you sell.
Social media marketing	Where you promote your business and engage with your audience on social media. You can create an account for your business and post content there. You can also run social media ads to get in front of your target audience, even if they don’t follow you.

T

Top of funnel (TOFU)	A cold audience that doesn’t know you yet and the goal of the campaign is to introduce these people to your brand, product or service. They’re most likely not ready to buy yet.
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W

Web design and development	Building and maintaining your website. Since all your other marketing leads to your website, it’s important that your site is helpful to users and pleasant to look at. Web design focuses more on the way your site looks and feels. Development is more focused on how your website functions, although it can overlap with design in several areas.
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