# What is a Benchmark?

A benchmark is a way to understand if your digital marketing is performing well relative to a set standard or benchmark. For example, you may have an open rate on your email of 10% - is this good? Should you be satisfied? What does good look like in digital marketing?

Benchmarking answers this question. It tells us if we are hitting an objective standard with our results. You may use a benchmark to evaluate your KPI performance or for other metrics that you evaluate.

**KPI = Key Performance Indicator**
- Select few metrics that indicate success

**Metrics/Measurement = Analysis + Insights**
- Give us additional data, insights and optimization information

**Benchmark = Is our KPI or Measurement Acceptable?**
- Provides context to the numbers and allows us to evaluate success

# Setting a Strong Benchmark - IAP

While it can be tempting to set a benchmark based only on industry averages (for example aiming for a click-through-rate that matches industry standards) it is important to keep in mind that based on your unique business, marketing objectives and investment you may see valid differences.

- **I**mprovement
  - Look for improvement over time
- **A**verages
  - Industry standards
    - WATCHOUT: These are averages and may not be representative of your industry or approach.
  - Internal Benchmarks - other brands/businesses
  - External Benchmarks — agency partners
- **P**lan
  - Realistic based on your plan + investment

# What Makes a Good Benchmark?

Realistic

Improvement vs. history

Represents real success

Linked to your investment