WebTrends

Marketing Performance Management

THE ESSENTIAL GUIDE FOR WEB-SMART MARKETERS

CONTENT PARTNER

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Foreword

by **GREG DREW,** CEO and President, WebTrends

There's a saying that, "if you can name it, you can tame it." But in today's wild world of marketing, the key to taming the beast isn't to name it: it's to measure it.

There's a direct correlation between measurability and profitability, which is why, in the future of marketing, the web sits squarely at the center. The web can also pull, rather than push, customers to your business. CMOs understand this: over half of executives recently polled indicated that the web will be the hub of their marketing strategy.

Online marketing is growing, and with the web central to offline as well as online activity, accuracy becomes critical. Why? Because we need accurate metrics that measure unique visitors to solve the common problem of double-counting. Unique visitor-based metrics are not only more accurate, they're also the basis for relationship marketing.

You can leverage visitor intent in order to build relationships that turn visitors into customers with a web analytics solution designed to measure and report at the visitor level. Because it's no longer just about web analytics. Web analytics is evolving into Marketing Performance Management (MPM), which focuses on measuring, managing, analyzing and optimizing ROI. It's about building relationships with customers and increasing their lifetime value.

Let's look at the components of MPM, and how you can leverage integrated metrics, consistent Key Performance Indicators (KPIs), and customer relationships across your organization.

The Strong Foundation: Integrated Metrics

The fundamental building block of MPM, integrated metrics let you consistently measure every marketing initiative. It's important to not only have a common language to communicate across your organization, but also to ensure you're comparing apples to apples in order to optimize your marketing spend.

You probably have a lot of campaigns to keep track of: search, email, advertising… the amount of data is dizzying. And media opportunities are exploding, which means the problem will only get worse. If everyone in your organization is measuring marketing campaigns with different systems, valuable insights are lost every day.

Integrated metrics consolidate the performance data driven by multiple channels into a single consistent metrics framework so you can standardize your metrics—and put your trust in them.

The Clear View: Consistent KPIs

More and more organizations are embracing Key Performance Indicators as measurements of the strength of their business. Consistent KPIs mean streamlined operations, increased customer lifetime value, and reduced business costs. However, different teams receive information from different systems that measure campaigns differently, making KPIs inconsistent. You need provides easy-to-understand performance dashboards that make it easy for the whole organization to stay on top of your results.

The Customer Focus: Relationship Marketing

Smart businesses are using the web to target customers more effectively. Until now, web data has been largely aggregated. That's going to change—marketers of tomorrow will deliver on the promise of the right message to the right audience at the right time through the right medium by getting insight into visitor intent, as well as objections, motivations, and preferences.

Sending a one-size-fits-all message doesn't provide the results it once did. In order to create marketing campaigns that resonate, you need to understand the intent of your customers and tailor your message to it. This is a key aspect of relationship marketing—and a powerful benefit of communicating with the web as the hub. Relationship Marketing is about using an enterprise-class data warehouse to capture customer profiles and create unique segments to build targeted campaigns based on their interests.

As you read through this guide, consider how your organization approaches web analytics and Marketing Performance Management. Are you taking advantage of the shift from an indirect to a direct approach? Are you take precise action to continually improve results? Are you integrating your data, using consistent KPIs, and developing strong relationships with your customers? If so, you can measure—and tame—the wild marketing world.

Enjoy the Guide

WebTrends is proud to present the Marketing Performance Management guide with our sponsor, BtoB Magazine, and we share in their mission to help all disciplines of marketers get the information and analysis they need to develop a winning integrated marketing strategy for their companies. We've reached out to experts across the industry and combed through the rich archives on BtoB Magazine to pull together these valuable articles and insights from respected authors.

CMOs, CFOs Work on ROI, Relationships

by **KATE MADDOX,** *BtoB* Magazine

August, 2006

As marketing accountability has risen as a corporate priority, CMOs and CFOs have found themselves working closely together to define marketing objectives, determine investments and prove the value of marketing to the company's bottom line.

It's a big shift from the way things used to be before the downturn and the resulting scrutiny of marketing ROI.

"Historically, relationships were sometimes adversarial between CMOs and CFOs," said Michael Gerard, research director at IDC's CMO advisory research practice. "On the marketing side, you had more of a focus on creativity and brand investment and, on the finance side, you had more of a focus on data, budgets and actual spending. It used to be, 'Here's the money. We know we're wasting half of it—we just don't know which half.' "

That's changed, he said, as a result of the economic downturn and the resulting cuts in marketing staff and budgets, increased regulatory pressures and the emphasis on ROI.

"There is a lot of opportunity out there and a lot of discussion around how to bring [CMOs and CFOs] closer," Gerard said.

While reporting structures and decision-making processes differ from company to company, CMOs and CFOs often work side by side to define and prove marketing effectiveness. "I have a very strong relationship with my CFO," said Martyn Etherington, VP-marketing at Tektronix, a developer of testing and measurement equipment for communications and computer companies.

Etherington, who joined Tektronix in 2002, said he began a conversation with Senior VP-CFO Colin Slade from day one to determine how to have a successful relationship.

"I asked him a very fundamental question: 'What would it take to get an A on my report card?' " Etherington said. "It all goes back to demonstrating marketing's relevance to the business and what am I contributing to the business in return for the marketing spend."

At Tektronix, decisions about marketing spending are made by an executive committee, of which Etherington and Slade are members.

"We run a very, very tight ship," Etherington said. His team develops a marketing dashboard and sets metrics to gauge performance, including head count to operational dollars, cost per order, leads to opportunities and leads to orders.

He reviews progress against those metrics monthly with his marketing group and quarterly with Slade and the other members of the executive committee.

Last year, IDC awarded Tektronix a CMO Best Practices award for its marketing dashboard development.

Slade said accountability is key to a successful relationship: "Being able to account for marketing spend-but, most importantly, the results generated-and ultimately being able to track a marketing dollar to an order dollar.

"I expect nothing less than accountability and being able to measure and articulate what they are doing to drive business and profitable growth," he added.

Autodesk accountability

Tracey Stout, VP-worldwide marketing at software company Autodesk, also works closely with her CFO, Al Castino, on marketing investment and accountability.

Stout and Castino both joined Autodesk, which makes software to manage corporate digital assets, about three years ago.

"We sat down to define the role of marketing, the reporting structure and how to get our teams closely aligned," Stout said.

Marketing investment decisions are made jointly by Stout and Castino, with reviews from senior executives across the organization.

“We are both very benchmark-oriented,” Stout said, pointing to their development of a marketing dashboard that uses industry benchmarks and best practices.

In working to develop marketing metrics and check progress against them, Stout asked for and received a dedicated person from the finance department, with the title of finance business partner.

“One of the things that finance brings to the table is a real quantitative orientation to looking at marketing, as if it were less of a function and more of a business,” she said.

Stout also has Castino meet with the marketing team every quarter following the earnings release to discuss the marketing context.

“We have a very fluid relationship,” Stout said. “When you have marketing divorced from finance, your priorities and orientation tend to be different.

“More often than not, when finance understands what you’re trying to do from a business point of view, they are in a position to help you achieve those goals and not a barrier.”

At software company Sybase, marketing investment decisions are ultimately made by John Chen, chairman and president-CEO.

“For us, value has to be proven to our CEO, so the CFO doesn’t really have a role,” said Holly Rollo, senior director-corporate marketing at Sybase. However, she added, “We work closely with finance to help us do that. So I would consider them more of a partner than anything else.”

Rollo said she works closely with the controller, meeting at the beginning and end of each quarter to go over actual budgets and make sure the marketing department is on track for the next quarter.

“We look at our contracts with agencies, whether we are getting value out of our relationships with agency and publishing partners, and making sure we are able to show ROI,” she said.

Sybase’s VP-finance also works with the marketing department to track best practices in marketing spending by industry categories, including benchmark research from IDC.

One of the new metrics Sybase is starting to track is inquiries to lead conversion. “We have to show in some kind of meaningful way how we’re contributing to the funnel, and inquiries isn’t it,” Rollo said.

“Corporate marketing has to show how we’re supporting the bottom line.”

Marketers Better Able to Measure ROI:

ANA STUDY SHOWS CONFIDENCE IN QUANTIFYING RESULTS, BUT PROBLEMS PERSIST IN COLLABORATION

by **CAROL KROL,** *BtoB* Magazine

August, 2006

Marketers have substantially improved their ability to measure and act on ROI data, but only just over a third (36%) have coordinated their marketing accountability programs with the finance division or a cross-functional team, according to the third annual ANA Marketing Accountability Survey.

A quarter of those polled described their measurement efforts as “siloed” within the marketing department.

The survey, the results of which were presented at the 2006 ANA Marketing Accountability Forum in New York last month, was produced in conjunction with Marketing Management Analytics (MMA) and the ANA’s marketing accountability task force.

The survey, conducted online and via follow-up phone conversations in April and May, generated responses from 101 senior-level marketers/ANA members.

Cross-functional cooperation is “one of the most important aspects of the [marketing accountability] process,” said John Nardone, exec VP-chief client officer at MMA. “A cooperative relationship with finance is particularly important.”

Marketing consultant Gordon Wade, founding partner of EMM Group, said he sees signs the disconnect between marketing and finance may be diminishing.

“We’re seeing the beginning of change,” he said. “There’s growing collaboration between finance and marketing. Finance is beginning to understand what marketing does.”

MMA said one clear area of improvement is how confident marketers feel about their ability to quantify their contribution to the bottom line. In last year’s survey, when asked if they could measure the sales impact of a 10% cut in marketing spending, only 15.6% of respondents said yes. That response nearly doubled to 30% in this year’s survey.

Fifty-seven percent of respondents said they had established a formal marketing accountability program.

“It’s really taken off in the last year,” said Ed See, COO of MMA. “We see the industry getting to a tipping point.”

Tami Young, ROI marketing director for Microsoft Corp.’s MSN division and a member of the task force, is among the marketers who’ve established a formal marketing accountability program.

MSN drafted research company Millward Brown to help develop a modeling technique using MSN’s marketing data. “I call it regression analysis on steroids,” Young said.

Using that analysis model, MSN was able to predict the outcome of marketing projects to within 2% of the actual revenue generated. “All along we knew we were doing a good job,” Young said. “Now, I could tell them this is what the actual return was on the investment.’ “

Allstate Insurance Co. has implemented a marketing accountability program as well. “Allstate marketing is now able to make apples-to-apples program comparisons,” said Pablo Azar, assistant VP-marketing strategy, measurement and insights.

Marketing programs now compete for funding at Allstate, Azar said. “We’re boxing in the program managers, saying, `You guys have to be focused on what you are bringing into the organization,’ “ he said. Azar added the process has brought about major change at the company. “Now, people are recognizing that we have a very good sense of the numbers,” he said.

The ANA survey also found differences between so-called “capable and confident” marketers-defined as those who said they can both predict the impact of a 10% change in their marketing budget and have senior management’s confidence-and the rest of the survey sample.

From an organizational standpoint, 64% of the “capable and confident” marketers have a cross-functional team involved in marketing measurement; almost 40% reported “full cooperation” between marketing and finance.

“Capable and confident marketers don’t get there by accident,” MMA’s Nardone said. “Their programs are formal and cross-functional in nature, but they also have dedicated budgets with meaningful levels of spending." Nardone said 60% of the "capable and confident" marketers have a dedicated budget for marketing accountability.

"The accountable marketers understand the past, they manage today and they are positioned to exploit the possible," She said.

In the end, senior-level advocates can make or break any effort towards accountability. The survey revealed a disconnect between how senior executives rank the importance of accountability and their involvement in these initiatives. While 65% of respondents said that understanding the sales impact of marketing is important to senior executives, only about a third (32%) indicated there was a senior-level sponsorship of measurement initiatives.

Editor Ellis Booker contributed to this report.

Measurement Calls for More Resources

by **KATE MADDOX,** *BtoB* Magazine
April 2006

While marketing performance measurement is a high priority for marketers, many companies are still not investing heavily in the people, technology and processes necessary to handle the increasing amounts of data and analysis for MPM.

Several recent studies indicate the high priority that marketers are placing on marketing measurement and analytics.

Last week, the Association of National Advertisers released a study that found accountability is the No. 1 priority for senior marketing executives.

In December, the Chief Marketing Officer Council issued a report that found the most urgent development priority of CMOs is to improve their marketing analytics capability.

And in March, consulting firm VisionEdge Marketing released a survey that found while 54% of companies said measuring marketing performance is one of their top three priorities, a whopping 86% said they are dissatisfied with their current state of marketing performance tracking.

One of the problems is staffing for marketing measurement According to a survey by WebTrends, only 9.7% of companies have multiple full-time employees dedicated to web marketing analysis. The rest have a single employee dedicated to analysis, spread it out as a part-time function or outsource it.

Sybase, a database software company, does not have a dedicated staff for measuring marketing performance. Therefore, it has had to come up with creative, cost-effective ways to handle the task.

"I have two things I am required to measure programs on—awareness and lead conversion," said Holly Rollo, director of corporate marketing at Sybase.

"In lieu of having a dedicated person for measuring programs and conducting research, we build in research activities around our campaigns."

Rollo said Sybase works with publishing partners that can bring research and tracking resources to bear in measuring awareness for specific campaigns.

For example, last year Sybase partnered with CIO magazine on a campaign to drive awareness and consideration of Sybase as an enterprise mobility leader.

As part of the partnership, CIO provided creative online execution, guaranteed leads, custom content, event support, reporting and optimization.

Be clear on goals

Rollo said one of the important things in working with a publishing partner on research is to be clear on goals and metrics before the campaign is launched.

"If you're trusting the publisher to structure research in a certain way, such as how are we moving the needle on consideration, you have to customize that set of questions and push them to ask the right questions," she said.

To track lead conversion, Sybase recently installed Salesforce.com software. It is also in the early process of developing marketing dashboards across the organization. "These things are hard to do and they take time," Rollo said.

Michael Gerard, research director of IDC's CMO Advisory Research practice, said technology companies are beginning to invest more in resources for MPM, including people, processes and technology.

"The rise of the marketing operations function is indicative that companies are investing in marketing performance measurement," he said.

According to IDC's "CMO Tech Marketing Benchmark" study released in August, 72% of technology companies have a marketing operations role responsible for measuring marketing performance in place at their organizations.

The study also found that in the next 12 months, 38% of companies plan to deploy marketing measurement processes, 19% plan to deploy MPM systems and 12% plan to expand the marketing operations role or team.

One company that has invested in MPM people, processes and systems is Postini Inc., which provides electronic messaging management for corporations.

"For a company the size of Postini, which is relatively small, it is kind of unusual to have a dedicated marketing measurement function," said Drew Paik, director of marketing operations for the company. His department has four people who are dedicated to measuring marketing performance.

"In a small company, marketing measurement is even more important," Paik said. "You are not generating 30,000 leads a month, you are generating a few thousand; and each lead is very valuable."

Postini uses Salesforce.com software for CRM, Eloqua Corp. for demand generation and RingLead Inc. to clean and update its marketing data.

However, Paik said, "We have certain limitations with the tools at hand. Our CRM systems can only do so much, and sometimes we have to combine data from the different systems and make it all make sense."

To handle the data crunch, one group is dedicated to lead generation, another is dedicated to sales and a third makes sure leads get to the right people.

"It's not enough to just have the best technology. Often it is much more important to execute well," Paik said.

Laura Patterson, president-CEO of VisionEdge Marketing, said, "One of the biggest problems [with measurement] is that companies don't have good processes for tracking metrics."

Priority/process gap

According to the VisionEdge survey of 126 marketing executives, there is a gap between what companies identify as marketing priorities and the actual processes in place to track those goals. For example, 71% of companies said a priority this year is increasing share in existing markets, but only 50% have a process in place to track this.

Also, 47% of companies said increasing brand value is a priority, but only 19% have a process to track this; and 39% said increasing share of business with existing customers is a priority, but only 9% have a process to track this goal.

The VisionEdge survey also asked marketers which metrics they are expected to measure and if they have processes in place to track them.

It found that 48% are expected to measure ROI on individual campaigns but don't have a process for doing this, compared with only 9% of companies that are expected to measure ROI on individual campaigns and have a process to do this. The remaining 43% are not expected to measure ROI on campaigns.

Also, 24% of companies are expected to measure awareness and have a process in place to do so, and 24% are expected to measure awareness but don't have a process in place; the remaining 52% are not expected to track awareness.

The survey also found that 72% of companies are not expected to measure the value of the overall customer base, and 76% are not expected to track share of customers' wallet.

"We believe share of wallet is a critical metric for customer lifetime value," Patterson said. "It's surprising how few companies are looking at this."

Web is Key, but Measurement Still Lacking

by KATE MADDOX, *BtoB* Magazine
April 2006

Marketing executives view the web as central to their businesses and are increasing web spending, but most say they still have room for improvement in measuring the performance of web marketing, according to a report from WebTrends.

The report, "2006 WebTrends CMO Web-Smart Report," was based on an online survey of more than 250 marketing executives. Those surveyed were from companies in high-tech, telecommunications, financial services, professional services, media, health care and other industries. More than half of the companies represented were b-to-b marketers.

Most companies will increase spending on web marketing this year, with 35.5% increasing spending 10% to 25%; 26.0% of companies increasing web spending by 25% to 50%; and 21.6% of companies increasing web spending by more than 50%.

No companies in the survey plan to decrease web spending this year as part of their marketing efforts, and 16.9% plan to keep web budgets the same as last year.

More than half (56.6%) of those surveyed said the web is currently the hub of their marketing strategy or will become the hub within the next 12 months.

However, most marketers did not give their companies high marks when it comes to measuring the performance of web marketing.

“They have some [measurement] efforts going on, but it is still a big area for improvement for most of them,” said Jason Palmer, VP-marketing at WebTrends, a technology company for marketing performance measurement.

When marketers were asked, “How would you currently rate your organization’s ability to measure web marketing performance?” 56.4% said they had some metrics but there was still room for improvement; 23.6% said web marketing measurement is currently a weakness and an area that needs a lot of improvement; and 4.9% said marketing is not held accountable for results. Only 15.1% said marketing measurement was a strength at their organization.

Marketing executives were also asked to rank their own knowledge of the latest web marketing trends, strategies and technologies.

On a scale of 1 to 10, with 1 being low knowledge and 10 being expert knowledge, marketing executives gave themselves an average score of 6.3%.

They were also asked to rank their staffs’ collective knowledge of web marketing trends, strategies and technologies. Using the same scale, they gave their staffs an average score of 5.5%.

The survey also looked at staffing resources dedicated to analyzing web marketing performance.

Only 9.7% of companies have multiple full-time employees dedicated to web marketing analysis; 15.7% have a single full-time employee dedicated to analysis; 25.5% said web analysis is the part-time responsibility of a single employee; and 26.4% said it is the part-time responsibility of multiple employees.

Also, 15.7% of companies do not perform any web marketing analysis, and 6.9% outsource analysis to an agency or consultant.

“If indeed web marketing is this important, having it spread among part-time folks or a single person would seem to indicate they are undersourcing this,” Palmer said. “The good news is, companies are planning to invest in training and metrics.”

When asked, “What are you doing to breed an ROI mind-set within your organization and to increase the accountability of the marketing function in 2006?” 49.0% of marketers said they are investing in the training of existing employees.

Also, 46.9% of marketers said they are building metrics into employee performance reviews and compensation; 25.5% said they are hiring dedicated business analysts; and 19.4% said they are hiring an outside agency or consultant to provide analysis or services.

E-mail Marketing Gains Ground with Integration

by **CAROL KROL,** *BtoB* Magazine

April 2006

Integration of e-mail marketing messages with other media channels has become a top priority for b-to-b marketers this year because it has the potential to dramatically increase response rates.

Brian Price, executive director, online marketing at Verizon, said the telecommunications giant is employing an integrated mix of paid search and e-mail marketing in its b-to-b campaigns.

"Verizon uses a combination of search banners and e-mail in their b-to-b international marketing strategy," Price said, adding that the telecommunications company also supplements these online efforts with offline advertising, including direct mail, TV, print and free-standing inserts.

Pitney Bowes said its strategy begins with an idea. "We start with the idea, and then we look at all the ways to deliver it," said Matthew Sawyer, VP-corporate marketing at Pitney Bowes. For example, Pitney Bowes uses e-mail, direct mail and search engine marketing to promote to clients and prospects its Thought Leadership series, which addresses various business topics.

"We put out a 26-page publication through direct mail to some of our top customers and prospects, as well as investors," Sawyer said. "Once we have the content, we then deliver that through other components of the mailstream, like e-newsletters and e-mail marketing. We'll take some of the key articles and use them electronically," he said. That content is also posted at its web site.

Ernst & Young is another marketer that is taking a decidedly integrated approach with its online and e-mail marketing. Its e-mail efforts are integrated with other media, including direct mail, and those in turn are tightly woven into interactive elements on the company's site, said Michelle Lee Puleio, assistant director, national marketing at Ernst & Young.

Both Price and Puleio were panelists at a BtoB's NetMarketing Breakfast in New York.

In one example of e-mail marketing integration, Puleio said promotions for an annual conference it hosts in October for energy executives began much earlier in the year with a "save the date" e-mail to clients and prospects. That was followed up by a rich media e-mail.

"We created these flash movies that we e-mailed them, and the call to action was embedded there," she said. "There was a link built in that brought them to the web site to find out details about the conference." Direct mail invitations, which included a registration form as well as the web address for those who chose to register online, were sent out to reinforce the message.

Shar VanBoskirk, senior analyst at Forrester Research, agreed integration of messaging is a top priority. "This is the year of e-mail integration with other channels, and the companies that can do that successfully will differentiate [themselves] from competitors," she said.

Integrating campaigns successfully requires, among other things, a dogged approach and an open mind to discover what works and what doesn't. Despite the current wisdom that marketing should have a cohesive look and voice across channels, marketers have discovered they need to speak in a different voice to customers depending on where dialogue takes place.

Price said that what works offline does not necessarily work well online. "We found offline creative is sometimes stodgy, and online engagement needs to be fun and engaging," he said. One example he cited was use of the term "small business." Offline, use of the term in marketing materials is "verboten," Price said, because it does not test well. But he said the term works extremely well in Verizon's online marketing.

The move toward e-mail integration with other media channels means measurement must begin to integrate as well.

Chris Baggott, co-founder and CMO of ExactTarget, an e-mail marketing provider, said that among the top trends this year will be marketers' attempt to integrate results from e-mail marketing campaigns with web analytics. That, according to ExactTarget, will give companies a new metric: return on subscriber.

Sawyer said Pitney Bowes has a "dashboard" for all the components of a marketing campaign so that response rates can be measured.

“We do some comparisons of one vehicle versus another, but we’re also looking at performance within each vehicle versus past performance,” Sawyer said. “That’s often a better way to look at it.”

Hewlett-Packard Co. is another marketer with a sophisticated approach to integrated measurement. It uses web site data and e-mail response data, as well as surveys and call center data, to track sales that occur in e-mail as well as those that are influenced by e-mail.

At Ernst & Young, representatives from each marketing discipline meet on a regular basis. “We all sit around the table and talk about what we’ve done, what’s in process and what we’re planning,” Puleio said.

“The results rely on ‘the whole thing,’ ” Puleio said. Otherwise, “it’s like making a cake without putting in the flour.”

Karen J. Bannan contributed to this story.

Problem Solved: Answers to Marketers' Tough Questions

BtoB Magazine

PROBLEM SOLVED:

Problem: Quantifying your site's effectiveness if you don't sell online.

Solution: Get an accurate picture of the role your site plays in your sales cycle, then craft your success metrics around that role.

by Eric Anderson, July 2006

This problem has been a decade in the making: Because the buzz of the web's early days was around online transactions, the tendency has been for web marketers, analytics vendors and other service providers to focus on that most quantifiable of metrics—the sale—while neglecting the more complex role the web plays in sales cycles, particularly in the b-to-b market.

While that tendency is shifting, many b-to-b companies still struggle with how to prioritize and account for web resources that don't produce a measurable sale. For some b-to-b companies, the site's lead generation capability works as an obvious "hard" metric because they can generally quantify what percentage of leads will convert to sales. In these cases, the performance of both online marketing and the site itself can be measured in terms of:

- Lead conversion rate, measured as the ratio of site traffic to captured leads;
- Final cost per lead (CPL) by marketing vehicle (e.g., keywords, banners);
- Reduction in "negative attrition," or user drop-off in the click path to the lead form.

For many companies, though, lead capture doesn't tell the whole story. In highly specialized fields such as industrial engineering, for instance, the site may play a "quick hit" role for prospects initially vetting possible vendors, then provide long-term information and support during an extended sales cycle that involves multiple levels of decision-makers. Suffice it to say, that role can be tough to quantify. But marketers that fail to do so risk undervaluing the site in some area or overspending in others.

Our approach is often to use customer surveys combined with click-stream data to fully map the site's role in the sales cycle. We look for things like:

- What titles in the organization are visiting the site?
- How often and at what points in the sales cycle are they visiting?
- What sections are they visiting and for what purpose?
- What "proof points" or other info can the site provide to influence their decision?

Once we have answers to these questions, quantifying the site's role is easy: We can look at site visitation, increased usage of site resources that influence purchase, and "pre- and post-" brand impression or purchase intent data gleaned through surveys.

PROBLEM SOLVED:

Problem: Generating online leads and tracking them to offline sales.

Solution: There are many available solutions today that allow marketers to correlate online leads to offline sales.

by Erik Harbison, July 2006

One such method is reconciling submitted online lead forms-marked with dynamically generated unique code (a sequence of random numbers or letters)-with offline sales channels for fulfillment. Whatever the follow-up method, be it e-mail or phone, each online lead's unique code should remain intact. Should the lead convert, the unique code can be easily associated with its original source.

Depending on how you measure online marketing, you should be able to tie this unique code back to the particular keyword and referring source (such as search engine, banner, partner site link) that generated the lead. This also allows you to optimize your marketing initiatives to determine your most cost-effective lead channels.

Seamless communication and collaboration between various CRM channels can be challenging when dealing with unique coding.

However, existing processes will require minimal change. As long as the unique code can be assigned to and follow each lead, you should be able to increase your confidence level of the value of an online lead.

This isn't the only method of correlating online leads to offline sales. Other methods include establishing unique phone numbers, unique printable coupons or rebates, or online surveys. There are, however, challenges to consider with each. For example, unique phone numbers require trained call center agents to ask the right questions to determine which engine generated the lead. With coupons, you are asking people to take an extra step in printing the coupon. And with online surveys, the challenge is obtaining an adequate volume and providing appropriate incentives to get people to take the time to complete surveys.

So, depending on your business and online marketing goals, each of these methods may have different appeal.

PROBLEM SOLVED:

Problem: Getting started using web analytics to improve my e-mail marketing.

Solution: Optimizing the integration between your e-mail marketing and web analytics platforms enables you to more efficiently target and trigger e-mail campaigns based on web site clickstream data.

by Elaine O'Gorman, April 2006

The best approach is simply to start small.

Lay the groundwork necessary to implement a single e-mail marketing tactic. Launch your campaign, prove the ROI and then move on to the next. By integrating as you go, the task becomes much more manageable.

Some tactics you can try that combine e-mail marketing with web analytics data include:

For shopping cart or web-form abandonment, send customers an e-mail encouraging them to complete their transaction; consider offering an incentive to get them to do so.

Send customers a message based on what pages, categories, products or services they browse on your site.

Renew relationships with customers who have returned to your site after an extended absence by sending an e-mail message based on their last purchase or most recent page views.

If you're ready to get started, check with your e-mail service provider to see whether it already has a working relationship in place with your web analytics vendor to make your integration tasks easier. And start small, one tactic at a time. Do this, and you could take your e-mail marketing to new levels of success.

PROBLEM SOLVED:

Problem: Tracking and optimizing search engine marketing leads when there's a long lag time between when someone clicks and when the monetary transaction occurs.

Solution: This is a very common problem, especially for b-to-b advertisers, because purchases rarely transpire quickly when the buyer is purchasing on behalf of a business. Effectively optimizing a paid search campaign requires conversion data that can be tied to a particular keyword. The more data, the better your optimization will be. There isn't any way to get around that basic truth.

by Mark Organ, February 2006

Therefore, one good solution to this problem is to find, or even create, an intermediate step. This is common in the business-to-consumer world of consumer finance, in which many sites collect lead forms for mortgages or other big-ticket items that have long conversion lag times. It isn't realistic for someone to conduct a search, click an ad and refinance a $250,000 home all in the same session or even in the same month.

When there is a long stretch of time between the initial click and the final transaction, it is difficult—though not impossible—to link the two events together reliably. Moreover, it may not even make sense to do so. There are so many steps and so many other variables at play (such as the relative abilities of the salespeople responding to the forms) that the driving forces behind which leads convert and which don't may ultimately have little to do with when a user clicked or what keyword was queried. It does, however, make sense to optimize to the leads created by the site, because they are much more common-with more data-and they are related to sales in a predictable way.

Once you figure out the conversion rate from a submitted lead form to an eventual purchase, you can assume this rate across your campaign and back into a value for a lead. For example, if one out of every 10 leads converts to a purchase and you're willing to spend $1,000 to get a purchase, then you can afford to pay $100 on average for each lead.

If your site has an action the user can take immediately online that is predictably related to sales, use that as your "conversion metric" for your campaign. If your site lacks such a feature, find a way to create such a form. In addition to being a great way to measure the effectiveness of paid search, it's also a great way to build an e-mail database of qualified prospects for your product.

PROBLEM SOLVED:

Problem: Using your web site to target different constituencies of your audience—in other words "narrowcasting" within a "broadcast" medium.

Solution: The Internet created a level playing field for businesses of differing shapes and sizes, but it also leveled communications. Direct customers, VARs and investors often get served up the same web site; someone with a long-standing relationship lands on the same pages as does some stranger who Googled his way to you. But people aren't looking to be homogenized; their interests and needs are specific, and, if they have a relationship with you, they'd like it to be acknowledged. And you're looking to advance relationships-to move people along the continuum that goes from awareness to comprehension to participation to commitment and finally to loyalty.

by Ben Perry, February 2006

What to do? Here are a few suggestions:

Understand who your different constituents are and what they seek.

When planning the navigation of your site, think in terms of “tours”—a customer might want to go to this page, then this one; an investor would have a different tour.

Consider a subnavigation that lets visitors self-identify: “I am an investor, VAR, etc.,” or identify their relationship: “I’m a first-time visitor” or “I’m a long-standing customer.” You can then set up “bridge pages” on your site that pull together what might be of most interest to these different visitors.

Write for visitors who have differing levels of familiarity with your company. Someone who has awareness of your enterprise but little comprehension needs an overview. A visitor who’s knowledgeable and loyal is looking for much more specific information—and to feel that his or her past decisions have been the right ones.

Employ best print-based typographic practices: Set up information with clear hierarchies of heads and subheads so that pages can be scanned quickly.

If you find that you really can’t reconcile the needs of different constituents and acknowledge and support different relationships, maybe you need separate sites, or password-protected areas for partners, VARs and maybe even a “frequent flier lounge” for valued customers.

PROBLEM SOLVED:

Problem: Segmenting prospects within your e-mail marketing campaigns, but still not getting the desired response rates.

Solution: Many marketers struggling to increase e-mail response rates compound problems by continuing to market to the wrong segments with the wrong message. One cause of this is a sole focus on static contact data, such as a title, geographic location or company, as the basis for list segmentation, instead of more relevant information like a contact’s prior response or activity. Considering the difficulty often associated with obtaining activity data from previous campaigns, this narrow focus is not surprising. Today, however, things are getting easier with the integration of e-mail marketing and web site analytics, forms engines and other marketing software tools.

by Roger Sametz, February 2006

In order to test response-based e-mail marketing, segment your database according to the level of response obtained from prior campaigns. Those prospects who have submitted a web form can make up the basis of an "active" prospect list. Those who have clicked through prior e-mails can be considered "interested." Those who have never responded to a prior campaign can be grouped as "cold." Then align your e-mail content to more aggressively court active versus cold prospects. For example, offer customers that have visited product pages a personalized product demonstration. Interested prospects can be offered customer case studies and testimonials, while cold prospects can receive thought leadership offers such as white papers that help educate and build interest. Using response-based marketing, marketers can generate better returns on their campaigns by matching prospect interest with custom offers.

E-mail Marketing Secrets and Lies: Conversion Rates

by KAREN J. BANNAN, *BtoB* Magazine

June 2006

E-mail marketing experts often say that it's not the click-throughs or open statistics that matter so much as your conversion rate, which translates into revenue. Janine Popick, CEO of VerticalResponse, and Morgan Stewart, director of strategic services for ExactTarget, let us in on one secret and one lie about conversion—that Holy Grail of e-mail marketing.

Secret: Because b-to-b products and services can have long sales cycles, you can boost conversion rates by giving customers a taste of what you're offering. By offering potential customers a limited-use trial, you can help them get comfortable with your product and create good will for your company, Popick said. The key is to make sure you don't screw it up by betraying that trust, she said.

"A lot of companies ask for a credit card and, in fine print, tell customers they won't charge them until 30 days after the trial begins. This is one of the simplest ways to lose a customer forever," Popick said. "When you offer something free, make sure it's really free."

Also, make sure that you follow up during the course of that trial so you can provide any help and actually close the sale.

Lie: More is always better. If you have two campaigns, one yielding a 1% conversion rate and the other topping the 2% conversion rate, which one performed better? If you said the one that had a 2% rate, you might be wrong, Stewart said.

"The conversion rate alone is not enough information," he said. "If the campaign converting 1% has an average order value [AOV] of $300, while the campaign with a 2% conversion rate has a $100 AOV, then the campaign converting at 1% provided a better return than the one with a 2% conversion rate. You really have to maximize the average order value."

This may mean offering custom-packaged orders that may have a higher price point—and a lower conversion rate—but provide more bang for your customer's buck, and more revenue for you once a conversion does take place.

Another tip: Don't misrepresent what conversion really means. Conversion for a free e-mail newsletter may be when someone signs up for it, but for conversion on a solicitation e-mail, the only thing that counts from a statistical value is the actual purchase.

"Some people look at conversion as the percentage of opens," he said. "Others gauge conversion on people putting stuff in a shopping cart. You have to be very clear and explicit."

Technologies to Watch

HERE ARE SOME GOOD BETS WHEN DECIDING WHAT TO INVEST IN FOR THE SUCCESSFUL FUTURE OF YOUR COMPANY

by **ERIC BUTTERMAN,** *BtoB* Magazine

June 2006

Marketing used to be simple—sort of. You had TV, radio and print, and if the message was strong enough, customers would follow. Fast-forward to today, to a world with a dizzying diversity of media channels and technologies. The following are our picks of the top technologies to watch and how best to take advantage of them.

Behavioral targeting

With the amount of time spent developing e-mail ads, you can't afford to have most of your customers not clicking them. But with behavioral targeting, many observers said that won't be a problem. By focusing on creating a specific ad strategy for those who click often and changing the strategy for those who don't click at all, behavioral targeting is being positioned as advertising multitasking for the IT generation.

Whether using companies such as ValueClick or Tacoda, Bill Herr, managing director of sales lead development at CMP, said behavioral targeting is about making sure individuals feel special because they're starting to grow weary of general e-mail blasts. "When you can see which particular customers went for certain case studies or white papers, then you could create a Webinar for them and advertise to them," he said. "There's no need to blast everyone with a Webinar that has nothing to do with their interests. It will just make them ignore you when you come up with something they'd be more interested in."

An August 2005 study by Tacoda found an increase of more than 300% for ad impressions in a three-month period for its online advertising network. Despite this encouraging sign, a JupiterResearch study revealed behavioral targeting was used by just 7% of advertisers polled. Still, with 13% saying they would incorporate it by the end of 2006, behavioral targeting could be sitting in your in-box right now.

Syndication tools

While there are endless numbers of blogs being used for content syndication, few are deployed effectively as marketing platforms. The number of blogs and RSS (really simple syndication) may be burgeoning, but they could do more, said Alec Dann, senior VP-Internet publishing at PostNewsweek Tech Media. "We haven't seen the advertisers asking to sign on with a specific blog just yet," Dann said. "We have to continue to improve the content and have people accept [blogs] as part of their daily lives."

Selling RSS has been a part of Dann's daily life for a while, but he's only now starting to see advertiser interest. "When I started on RSS 18 months ago, I knew it would take time," he said, revealing that he recently sold his first RSS ad campaign.

Regarding the future of blogs, Dann predicted improved advertising support. "I know [ALM] has had great success doing ads on their blog and that's because people are offering expert opinions on legal issues," he said. Publishers will also need to roll out tools, especially ones that help readers connect, he said. "For example, The Washington Post had done a good job of putting up a Technorati API (application programming interface)—you can always see comments on a blog entry with their setup."

The future, life-changing event for RSS will occur when the RSS reader—an application that automatically accesses subscribed RSS "feeds"— becomes a part of every browser. "When the average person can set it up in a browser easily, then we'll really see what RSS is capable of," Dann said.

Video

If a picture is worth a thousand words, how much is streaming video worth? Two things are certain: The cost of shooting video has fallen and the quality has risen sharply.

"We've been using video to tape live events and for testimonial comments to show readers how beneficial our events can be," said Judy Baldwin, marketing director at Stamats Business Media. "I came from the video industry where a video production could cost $60,000 for a 20-minute training video; [it] can now be done for less than $10,000."

But Baldwin said publishers should avoid skimping on camera angles. “You can’t just have one camera up on a tripod all the time because it’s like watching paint dry,” she said. “Have extra cameras up to show audience reaction to a presentation, so you can feel the emotion of an event.” She also recommended throwing in extra visuals into the video.

The good news, Baldwin said, is that one doesn’t need a video guru to get gorgeous results. “I recommend outsourcing if you’re a smaller publisher,” she said, adding it is fairly easy to find effective video production houses capable of a fast turnaround. “With a strong vision, the final product can be posted to your site in under 10 days,” she said.

Lead management

“Marketers need to be savvy enough to go from the simple `give me an address for a lead’ to now realizing the contrast between getting a name and knowing what that information actually means,” said Matthew Yorke, VP-corporate sales for International Data Group. Tracking visitors properly is the key to increasing the value of those leads. “It’s much more important to thread that lead through various content than to just have the name and address,” he said. “A name alone could be worth $20, but a name brought through a sophisticated content system with a good exposure to [applicable] brands means that name is further along in the buying cycle. A name like that could be worth $85.”

Publishers also need to define upfront what advertisers require. “Lead management” is a broad term, Yorke said, and so media companies have to work with their advertising partners to define lead metrics, goals and tiers.

“Also, successful programs don’t just use one format as a crutch,” he said. “They mix it up with different media for leads and engagement.”

ADDITIONAL RESOURCES

As the worldwide leader in web analytics, leading the way into Marketing Performance Management, WebTrends offers a full range of educational resources to help ensure your long-term success. Be sure to check them out at webtrends.com

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