



ROI Checklist

Checklist Overview

To accomplish their quest for higher Online Channel ROI, marketers must increase revenues while lowering or at least controlling costs. This goal has historically been elusive due to the difficulty of developing a cohesive strategy and the inadequacy of traditional CRM, e-mail, and web analytics tools for meeting the challenges of effective Online Channel Management. (For more information about Online Channel Management – why it’s important, challenges marketers face and a roadmap for success – read “The Growing Importance of Online Channel Management,” a whitepaper written by industry analyst Steve Diorio available at <http://www.responsys.com/OCM>.)

The following two sections present a checklist of the critical considerations for marketers who intend to lead the path toward improved Online Channel ROI. First is a list of the strategies and capabilities marketers should have in place. Second is the primary performance metrics impacted by these strategies and capabilities. Finally, for help developing your Online Channel Management strategy and putting the necessary tools in place, or for best practices used by Responsys customers like Continental Airlines, Lands’ End and Wells Fargo, contact Responsys at 800-624-5356.

Checklist for Improving Online Channel ROI

The first step toward improving Online Channel ROI is developing integrated Contact, Profile and Measure strategies. A checklist of critical capabilities is provided under each strategy.

Contact: An effective contact strategy should think beyond traditional outbound e-mail promotions that make up the vast majority of e-mail programs developed to date to include more sophisticated forms of promotion, integration with offline programs and automation of costly offline communications.

√ Profile-based targeting and personalization. Sophisticated targeting of prospects through acquisition campaigns and of customers through cross-sell and up-sell campaigns combined with personalized messages yields dramatic increases in conversion rates over promotional e-mail blasts or more basic targeting.

√ Event-triggered marketing. Marketers that realize they have their customers’ most rapt attention during inbound requests and the transaction cycle can capitalize on this fact by anticipating these events and automating event-triggered communications (either via e-mail or on the website) with far greater response and conversion rates than outbound promotions.



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- √ Integrated multi-media campaigns. Integrated campaigns are essential to maintaining a consistent brand experience across all media used by a customer. Such campaigns will be most effective at reaching all members of a target market regardless of their preferred medium and at driving up sales through both channels. Online testing of offline campaign messages increases effectiveness at reduced research cost.
- √ Viral marketing. Mastering the art of developing relevant, interesting content and engaging creative to inspire recipients to tell a friend, combined with tools that will encourage and measure viral vehicles, will enable marketers to reap the benefits of this lowest acquisition cost form of marketing.
- √ Loyalty programs. Loyalty programs enable creative marketers to cost-effectively influence customer behavior by awarding benefits according to specific actions, but only if they have the right combination of tracking, analytic and communication tools.
- √ Automated lead management, transaction-related communications and service. Companies that can distribute collateral and correspond with customers relative to order and shipping status via e-mail and that can successfully drive customers to purchase and receive service online will significantly reduce their cost to acquire and serve customers.
- √ Customer control of context and frequency. Allowing customers to control the context and the frequency of e-mail communications improves customer satisfaction, reduces e-mail fatigue and ensures retention of opted-in customers.

Profile: To enable the highly targeted, high ROI campaigns referenced above requires detailed information on prospects and customers. Complete profiles of online customers allow marketers to conduct detailed segmentation and analysis to determine the characteristics of their most valuable customers and then target more like them while eliminating wasted marketing spend.

- √ Registration data. The most basic form of an online customer profile is the data captured by companies at the time of registration which typically includes contact information, demographic and preference information.
- √ Third party data. The ability to combine third party demographic, psychographic, preference, purchase behavior and firmographic information is critical to supplementing online databases with information visitors have not provided about themselves.
- √ Web behavior data. The addition of behavioral data from your website enables the company to e-mail a special offer to a prospect who browses a product area but doesn't purchase and provides analysis of events such as the customer who receives an e-mail campaign and does not respond but then returns to the site later to buy.
- √ Campaign response data. Knowledge of the characteristics of one campaign that drove a customer to respond and of that customer's detailed response behavior enables sophisticated marketers to develop more personalized, impactful future campaigns.
- √ E-commerce data. Linking purchase behavior to all other information about a customer is critical to targeting and analysis of lifetime value and purchase behavior by such factors as source and segment.
- √ CRM data. Marketers who leverage existing CRM data for online success will be leaps ahead of the competition as most marketers continue to attempt costly adaptations of CRM systems in hopes of realizing a return on their significant investments.

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Measure: Savvy marketers know the critical importance of being able to calculate campaign effectiveness. With the right set of analysis tools and essential metrics to track, campaign benchmarks can be set, goals exceeded and expectations met.

√ Campaign metrics. Marketers who identify a scorecard for online campaigns, measure to them using leading edge e-mail and web analytics tools, and track and analyze performance over time will continuously see their acquisition and retention costs decrease while responses rise.

√ Website metrics. Identifying critical site performance metrics and implementing systems that not only track web behavior but that track those critical business metrics over time is a must for improving online channel strategy, site architecture, content and commerce capabilities and therefore increasing the financial impact of the channel.

Checklist of Metrics Impacted by Online Channel Management

Increase Revenue:

Increase Number of Customers and Transactions

- √ Increase new contacts and impressions
- √ Increase opt-in rates
- √ Increase open and response rates
- √ Increase conversion rates
- √ Improve sales prospecting, lead capture, and routing effectiveness
- √ Improve re-acquisition of lost customers

Increase Average Customer Lifetime Value

- √ Increase average order value
- √ Increase purchase frequency
- √ Increase up-sell and cross-sell opportunities enterprise wide
- √ Increase offline sales
- √ Attract new customers with “high value” characteristics
- √ Improve customer satisfaction and loyalty

Reduce Cost:

- √ To acquire customers
- √ To retain customers
- √ To communicate with customers
- √ To improve customer loyalty and value
- √ To serve customers



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