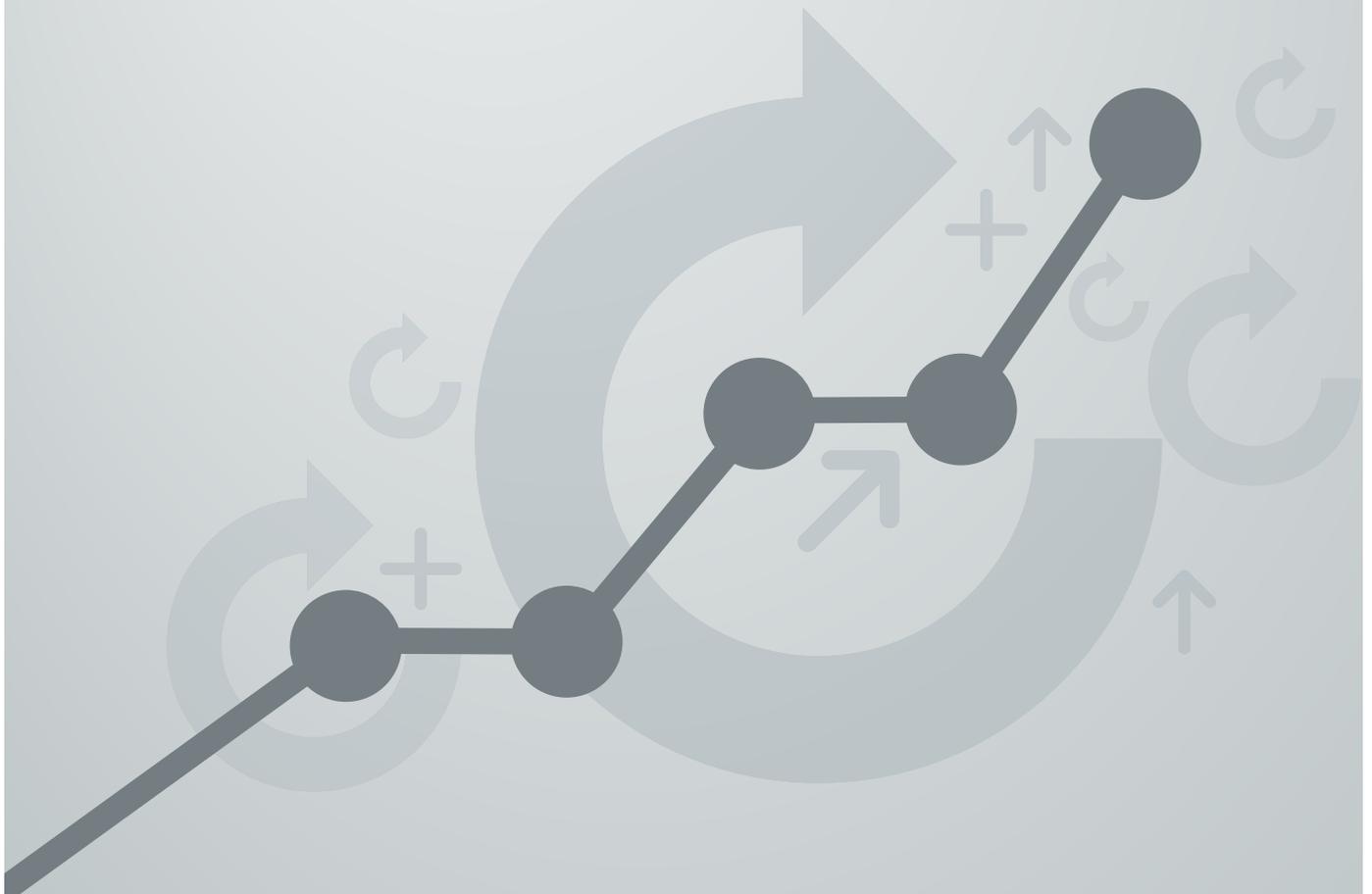


## Case Study: **Closing The Loop**

Connect digital marketing data and offline sales data to get true ROI with this cost-effective approach to Customer Intelligence.



As digital marketing techniques and technologies have evolved, front-end metrics from web analytics tools often fall short in delivering enough high-value insight to drive business decisions. Deriving high-value business insights from disconnected datasets and offline sales processes often requires time-consuming, complex and expensive software implementations.

In the following case study, we'll explore how BusinessOnline was able to successfully bridge the gap between digital marketing and offline sales processes to create a closed-loop customer intelligence solution at a reasonable cost. This methodology applies to a wide variety of businesses and digital marketing activities, making it a cost-effective way to integrate true customer-level data into your marketing programs.

The methodology described will ultimately allow for online marketers to view key customer information along with web metrics. This can answer a host of high value questions, such as:

- Where are the opportunities to boost sales conversion as opposed to increasing traffic or lead conversions?
- How do content, channels and user experience affect lead quality and conversion-to-sale?
- How do buyers behave differently from non-buyers across campaigns, channels and your Web site?
  - Which messaging, content, and channels most successfully drive sales?
  - What click paths, devices, and navigation behaviors are most used by buyers?
- Where should I invest my marketing and media dollars to produce the largest ROI, not just traffic or conversions?



## Situation

In the tough economic climate of 2011-12, our client was especially challenged given that their products required customers to evaluate relatively complex features and make a large investment. Compounding this challenge of cautious customers and long sales cycle, our client sells through a network of dealers and had little to no visibility into the sales funnel once leads were passed over to the dealer channel. Furthermore, our client's competitors were catching up with aggressive promotions, discounting, and me-too programs and low-cost import products had begun showing up in discount stores. All of these challenges strengthened the need for a rich and engaging online presence that performed beyond brand awareness, lead capture and traffic generation.

The client had made significant investment in digital marketing for visitor acquisition and lead capture via mature, multi-year SEM programs, digital advertising and email-based nurturing. They had already seen considerable success in driving high volumes of new visitors and converting them to leads. However, as the visitor acquisition programs became more sophisticated, the need for deeper insights from the data generated by numerous online and off-line systems also increased. Ultimately, we helped the client appreciate the need to shift towards understanding lead-to-sale conversion, i.e. to 'close the loop' all the way from initial channel touches to sale (which happens offline at local distribution centers - not an easy problem to solve), to ensure that visitor acquisition strategies and budgets were truly effective.



## Requirements

Our core requirements were fairly straightforward: we needed to be able to track a visitor through their customer journey, record their web site activity via web analytics, and then continue to track that activity through lead capture, sale, and eventually warranty return.

## Key Challenges

It became evident that in order to move forward on a closed-loop, lead-to-sale measurement program, a number of hurdles would need to be overcome. The biggest challenge was fundamental to the client's business: while the client owned the web site, lead management system and digital marketing programs, actual sales were fulfilled via non-exclusive retail dealers, in an offline and mostly disconnected sales process. Bridging this gap would require connecting the disparate systems that powered the web site, lead management, warranty redemption, and point-of-sales. Adding to the challenge, these were largely legacy systems with few well-tested integration points.

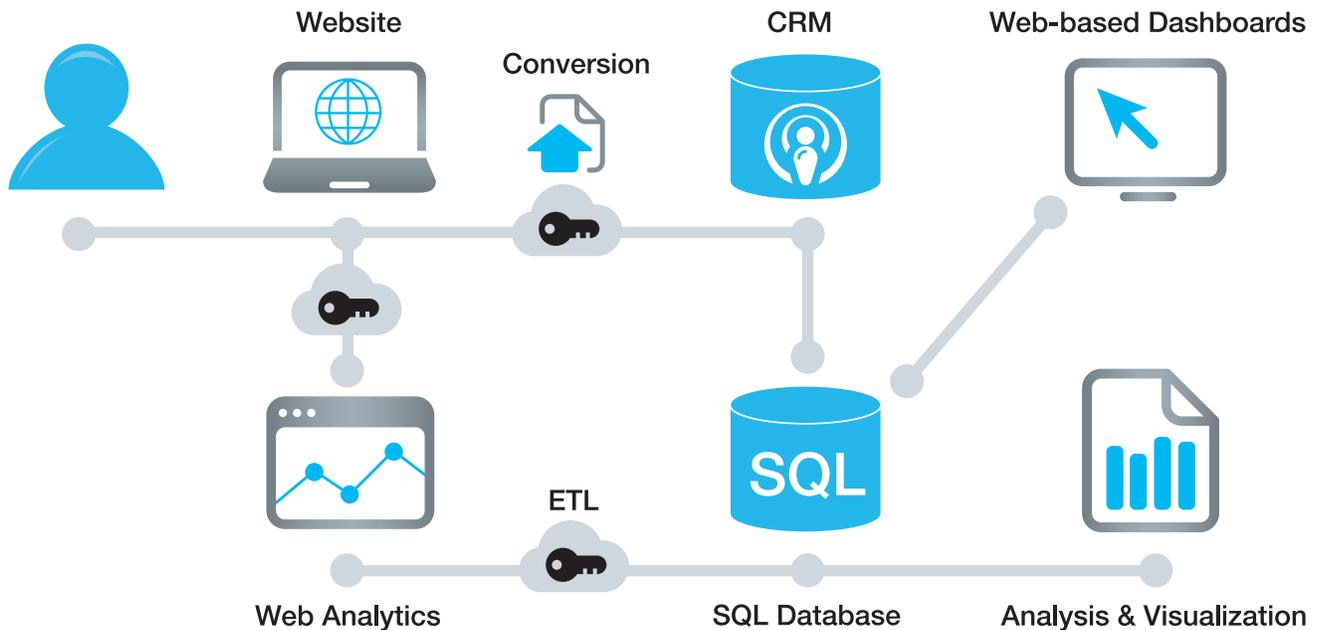
## Implementation

We needed a data warehouse infrastructure to aggregate, correlate, analyze and report on the closed-loop journey. In most cases we would look toward time-tested, vendor-backed solutions to serve as a central repository for web analytics and off-line data. However this solution was not feasible due to costs, complexity, and timing. A simpler, lower-cost solution was needed.

Rather than utilize a single data warehouse system as an integration point and repository of data, we took a hybrid approach by correlating data across multiple systems. By tagging the user with a unique identifier, and ensuring that key was retained across all the systems, we could connect their web activity to offline activity by aggregating this pre-correlated data in an SQL database.

### Customer Intelligence Solution Selected

*This low-cost, low-complexity approach tags the user with a unique identifier that follows the user through all systems and aggregates the data in an SQL database.*

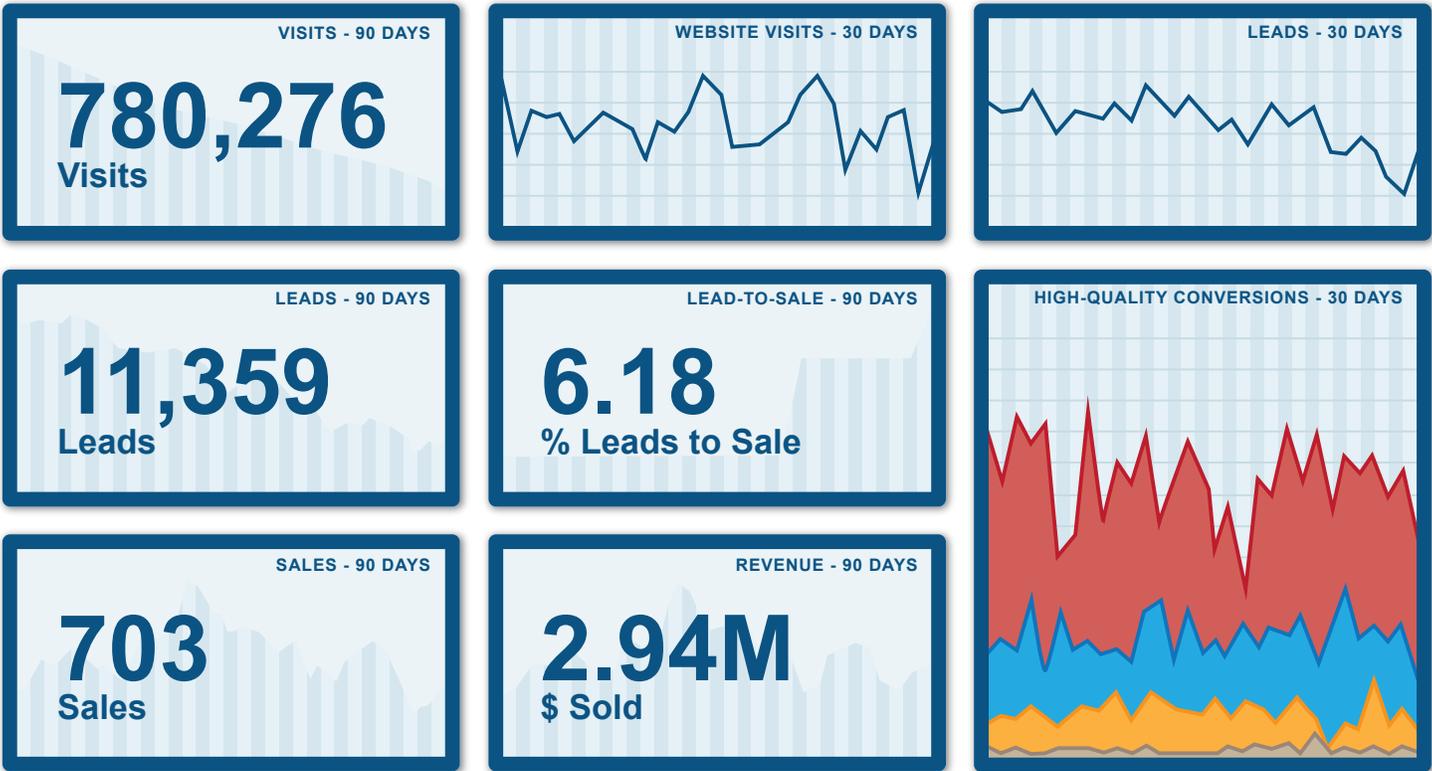


### Implementation required a few key steps.

1. First, we wrote some Javascript code to set a cookie from the client's web site and pass it as a custom variable to Google Analytics. This ensured that the unique customer key was generated on the customer's first visit, and then passed with every click, event, and goal completion that GA captured. It also ensured that the customer key was consistently retained in the user's browser across sessions.
2. Next, we passed the customer key to the client's lead management system. That system had a web service API for lead form submissions, so we worked with the vendor to identify an appropriate field to store the customer key.
3. Finally, we modified our reports and data extracts to automatically load an SQL database with web analytics and lead data. Since leads were eventually converted to sales in the lead management system via a separate offline process, we now had all the data we needed to perform a closed-loop analysis.

This solution had a few key benefits. Most importantly, it had low implementation costs and low complexity. No expensive servers or configurations were needed and no modifications to infrastructure were necessary. The toughest part was coordinating with the lead management system vendor to nail down the appropriate fields for our data extracts and web services. It's important to note a key limitation to the approach: because the system relies on what is essentially a transaction, it is not possible to go back in time and view historical data. Only data captured after implementation of the customer key can be used in the system. This is not a big issue in high-traffic, high-transaction-volume scenarios, but can cause challenges when traffic, sales and lead volume is low, as time needs to elapse to create a big enough sample set.

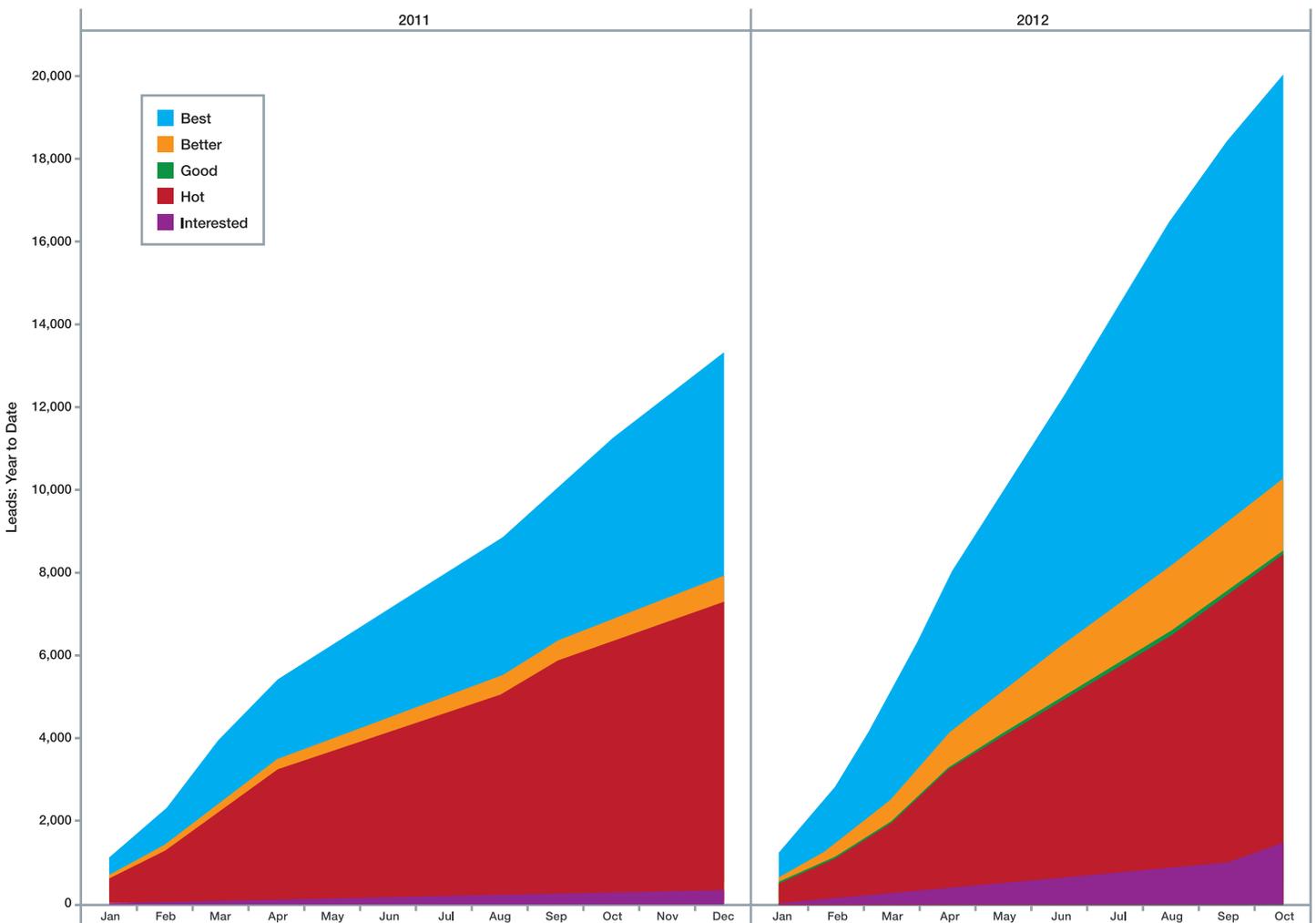
- 4. As a final step, we pushed some of the key findings from this data to our real-time dashboard system. This unlocked key sales and marketing data from complex and hard-to-read spreadsheets and made it easy to view by anyone, anytime. By delivering this data passively, we were able to focus on our next and most important step, mining the data for insights.



Real-time dashboards pull your key performance indicators out of the mire of data allowing easy access for all stakeholders.

## Analysis and Insights

With our databases loaded with correlated sales and web analytics data, we could now mine the data for insights. Using Tableau for analysis and visualization, we started by creating segments which allowed us to separate customer data ('buyers') from non-customer ('browsers'). Understanding buyer vs. browser behavior within the Customer Journey would become the lens in which we'd identify opportunities and prioritize recommendations and optimizations.

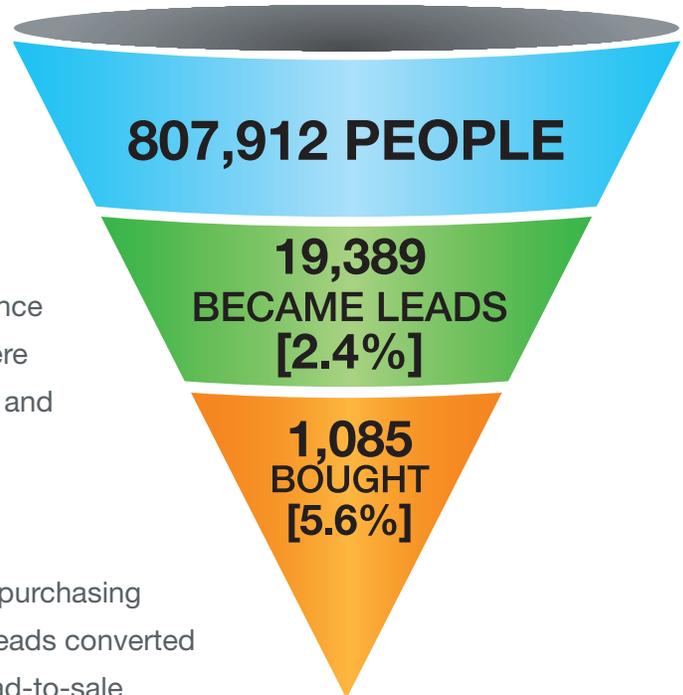


## Conversion to Sale

Immediately and for the first time, the client was able to see some of their fundamental sales operations metrics, like the lead-to-sales conversion rate. To their surprise, the sales conversion rate was much higher than they had ever anticipated. This meant that lead-to-sale nurturing was now a much more important component of the mix than initially thought. This highlighted the importance of lead nurturing to ensure that prospective customers were repeatedly engaged and given reason to return to the site and the dealer, and ultimately to buy.

## ROI on Affiliate Leads

We were also quickly able to understand effectiveness of purchasing affiliate leads. We discovered that while low-cost, these leads converted to sale at a very low rate, and were not included in any lead-to-sale nurturing. While ROI percentages on these leads looked good on the surface, they were a source of low-quality, ultimately disqualified leads.



## ROI on Search and Social

Since our client was heavily invested in PPC advertising, we also investigated the ROI of the ad spend and agency fees. By setting an average order value (AOV) for products sold, we were able to immediately see revenue generated from PPC and prove a 300% ROI (net of media and agency fees). We were also able to identify the sales conversion rates of individual landing pages, conversion forms, and even keywords. Search was clearly a high-performing channel, with 65% of buyers having touched organic or paid search at some point in the customer journey. Conversely social media had a much lesser impact, with only a few percent of buyers having touched the client's social presence. This presented an opportunity to test driving more awareness and engagement via Facebook advertising, which would provide a high volume of impressions at a low cost.

## Content Strategy

Our next area of investigation was to understand which content was truly engaging buyers. We were able to quickly see that buyers spent 50% more time on site and engaged with 2x the number of pages as browsers. Digging further, we discovered that buyers engaged with a 'how to buy' page much more heavily than browsers did. By examining click paths from the web analytics data and mouse activity via ClickTale, we were able to identify some simple and effective optimizations to improve engagement with this page and ultimately drive users to convert.

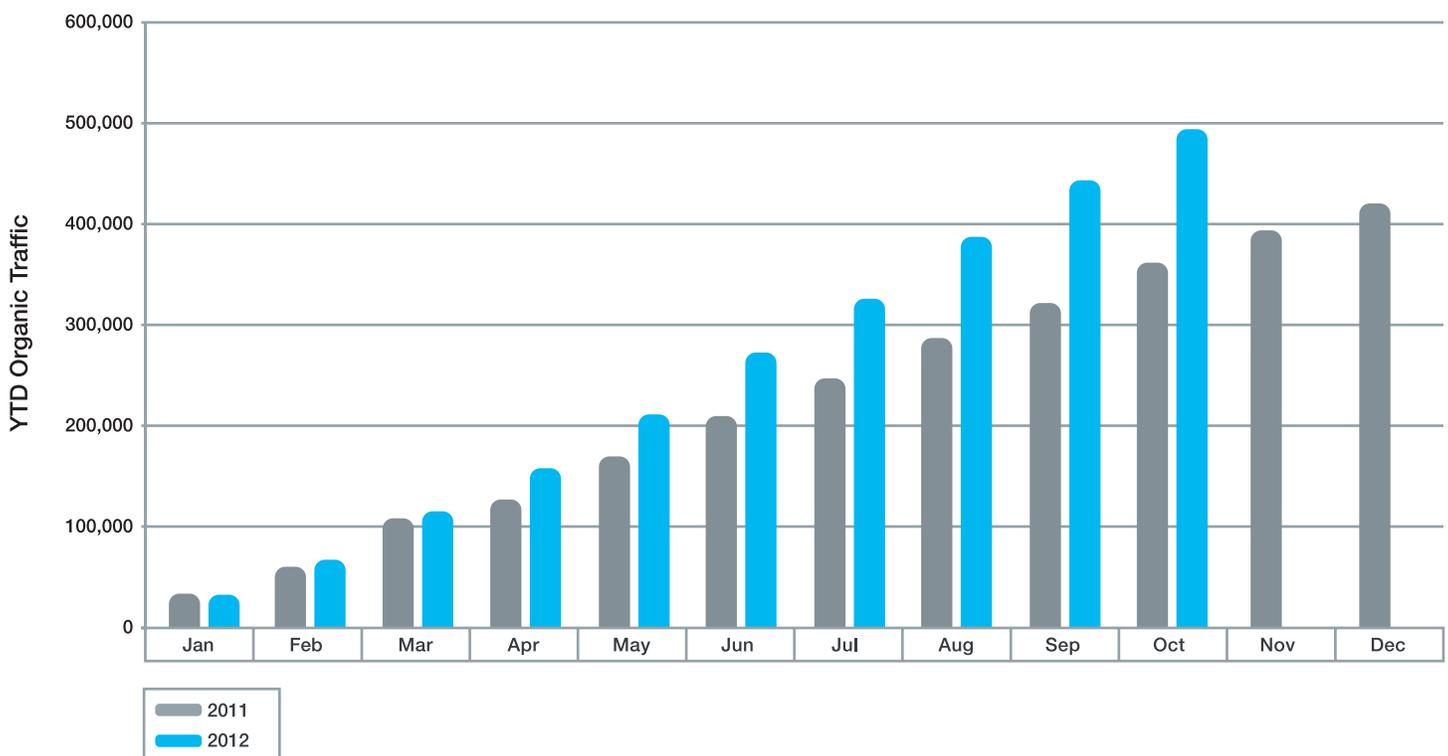
Content also proved to be an area where we were not only able to identify opportunities to boost lead-to-sale conversion, but also understand engagement behavior earlier in the customer journey. We found that over 25% of buyers engaged with a design tool that was geared towards buyers in the investigation phase of their journey. Despite few direct calls-to-action, and low direct conversion-to-sale rates for this tool, the fact that it was so highly touched by buyers as well as browsers meant this was an important tool to retain and invest in.

## Results Summary and Highlights

Ultimately, the closed-loop analytics implementation was a success on a number of levels. It allowed for a much richer and more nuanced understanding of customer behavior throughout their journey from initial investigation to sale. It also allowed us to mine the data for true opportunities that lead to higher sales rather than focusing on only analysis of web data.

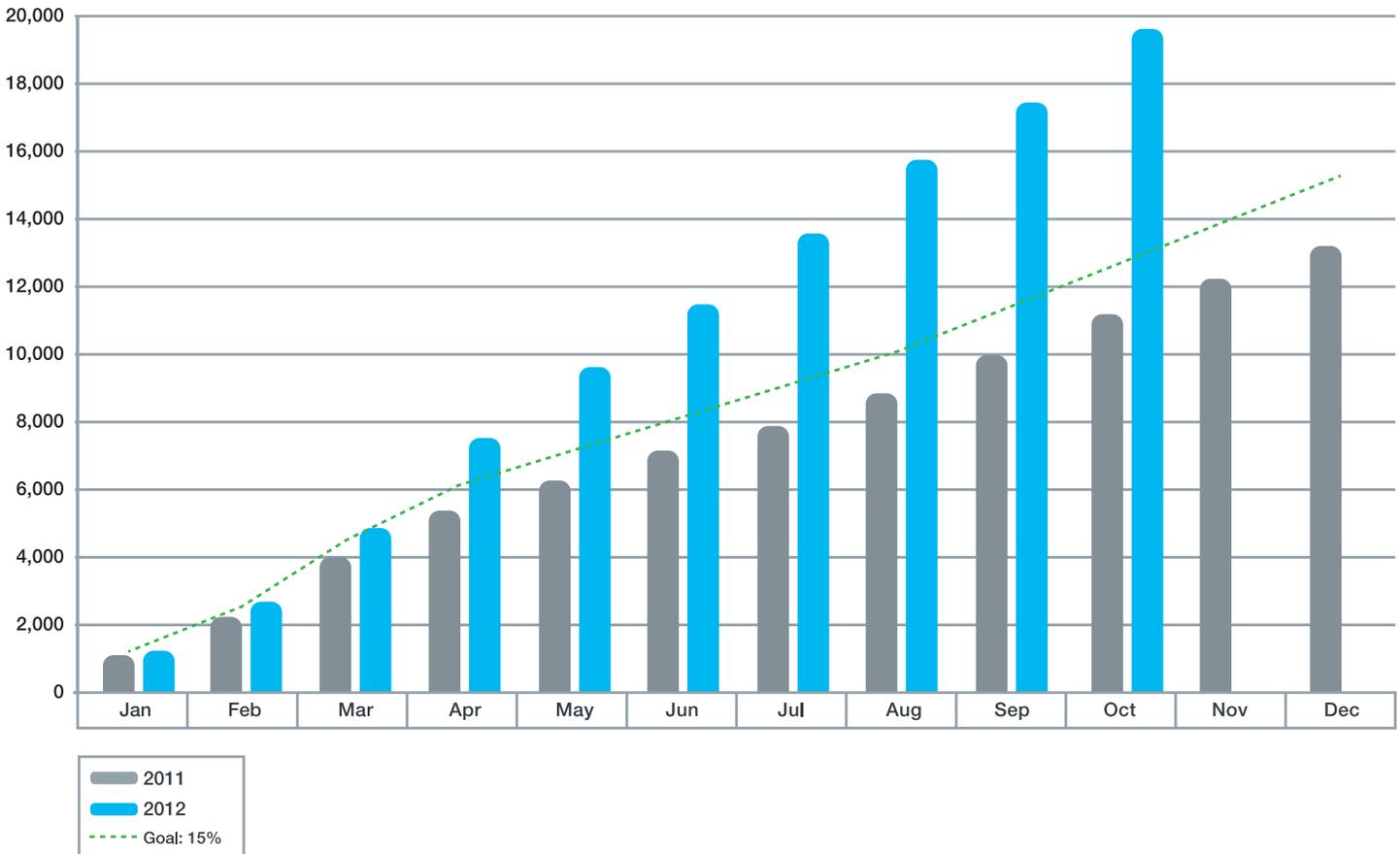
In month-one and two, we saw a dramatic increase in key metrics and gained valuable customer insights:

### Organic traffic increased by 36% YOY in 2012.



### High Quality Leads Exceeded Goal by 52%

- High-quality leads exceeded goal by +52% YOY YTD.
- Total Leads increased 6.9% YOY.



### Examples of Customer Insights

- Lead and Buyer data shows a strong correlation between the Pricing form and the Where to Buy.
- Where to Buy in combination with any form increases Lead To Sale % significantly.
- Leads and Buyer web engagement show completely independent customer journeys.

### High Quality lead forms vs. Low Quality lead forms

With the insight into consumer data we were able to identify two unique conversion paths for leads sets. Our leads are broken into two categories: High Quality and Low Quality. Through lead-to-sale data, we were able to conclude that the site experience for these two types of leads are completely unique from one another, they do not interact or engage with the same content onsite. Only 8% of users engage with both a High Quality and Low Quality form throughout their buying process. This allowed us to create unique content and personalize the experience based on the user path and interests.



## Executive Summary

We all know Closing The Loop between marketing and sales is not a walk in the park. But, as we've shown here, it does not need to be hugely expensive either. If your budget prohibits you from going with a full-fledged vendor-backed software solution, you can still correlate data across unconnected systems with the customer key solution we've described above. You'll sacrifice some flexibility, but this solution has reasonable implementation costs and low complexity, making it quite achievable for nearly every digital Marketer.

### About BusinessOnline

BusinessOnline is a performance-driven digital marketing agency and our data-driven approach sets us apart. We glean valuable insights from large sets of multi-source data and then use these insights to:

**Drive more qualified traffic + Convert that traffic to leads + Shorten the Sales cycle + Increase revenue**

We tie Marketing activities to revenue. This enables us to maximize ROI by conducting deep optimization and focusing budget on what's working across all digital activities:

**SEO, Paid Search, Display, Social Media, Email, UX, Marketing Automation, etc.**

Ultimately, we deeply understand your customers. This allows us to align your marketing programs with your customers' needs and thereby create the best opportunity for you to be found and engaged. BusinessOnline is headquartered in San Diego and was awarded "Interactive Agency of the Year" for 2011 from BtoB Magazine.

To learn more, visit [www.businessol.com](http://www.businessol.com).