BRIDGING THE ONLINE INFORMATION GAP

Are you getting value for money from your online marketing campaigns and how do you know? Asks Andrew Hood of Lynchpin Analytics.

Online is growing up, with financial services arguably leading the field in developing integrated digital marketing strategies. But with the online space becoming evermore competitive, marketing departments are increasingly held back by the lack of quality return on investment information on which to base their marketing spend decisions.

Tracking challenges

Measuring the effectiveness of online marketing is a function that straddles traffic analysis (showing all the interactions that a user makes with a website) and CRM (showing the products and services that they sign up for) to show the mix of marketing activities that drive results.

There is often a gap in terms of clear marketing ROI information:

1. Links between marketing campaigns and subsequent conversions are not present because data is not integrated and/or lacks vital detail (e.g. itemising search engine traffic at an engine and keyword level).
2. Tracking is too simplistic to give the full picture (e.g. it can only tie acquisition back to a single marketing campaign, even though the user has touched upon several during the research-buy cycle).
3. The required data flows to measure campaign effectiveness are not in real time and/or require manual intervention (e.g. referring to multiple systems) and this limits the value of the information because it cannot be quickly and easily acted upon.
4. Results are not presented in a format that is accessible to marketing practitioners themselves and key strategic insights are buried in vast quantities of data spanning different systems and thus never realised.

Marketing analysis operates in the 'fuzzy' space where trends and relative key performance indicators are far more important than reconciling individual transactions – this recognises the practical limitations of cookies in keeping track of individual users, online/offline migration and users switching devices.

For marketers, the gap is that the most valuable information sits right in the middle of this chasm between web analytics and CRM: how to most effectively engage with the target market online to generate leads that mature to fulfillment. This process becomes all the more complex in an environment where consumers research online over extended periods, and touch upon multiple digital campaigns and channels in the process.

Bridging this online information gap means taking the anonymous visit data from the website, breaking it down by the marketing channels and campaigns in force and closely correlating it with the desired outcomes for the business.

Traditionally, getting clear information on the effectiveness of online marketing has required the integration of vast quantities of data and then human intervention to generate reports that make that information accessible to the right people. However, a more effective approach is often to directly collect and store the required high level anonymous information to measure campaign effectiveness so that it can deliver real-time analysis in a dashboard format that is designed specifically for application by marketing personnel. This establishes a tight feedback loop between results and action to maximise return on investment, and provides a fast implementation route to efficient delivery of this information.

Although the data stored is anonymous, customer/order references can be stored with every conversion registered to enable higher level intelligence to be reported. A practical example might be to stamp every online mortgage application with an order reference, and then every quarter the list of mortgage references that have been drawn-down can be extracted from the relevant system and applied to marketing data to uncover the mix of marketing activities that drove successfully fulfilled applications (real acquisitions). Because users interact with multiple campaigns over their research-buy cycle for products like mortgages, having the full picture of all the interactions, as opposed to a single campaign code, is vital to making informed CPA and timing decisions.

From a technical perspective, the advantage of this approach is that it minimises the data flows required to produce key marketing reports – which has technical, privacy and practical benefits. Because the anonymous aggregate information about marketing interactions is isolated, it can interrogate in-depth to deliver strategic marketing insights without ever having access to personally identifiable information or requiring direct interaction with those systems.

CRM systems themselves can typically only tie an application back to the last marketing interaction that drove the form completion or telesales call – “How did you find out about this product?”

But when a visitor has been interacting with online banners, affiliates, email and search, all with their associated marketing costs, over a period of weeks, attributing all the value to the last in the sequence is a dangerous simplification. Whilst a retail business might be able to hide this overlap between marketing channels in a slightly reduced overall margin, with PPC costs of well over £5 per click for mortgages and up to £25 per mortgage application for affiliate kickbacks this isn't viable in the financial services arena.

The advantage of having a full picture of the interactions and reactions between different online marketing campaigns is that the marketing costs can be identified and split across the purchase cycle, and strategies developed that generate awareness, capture interest and drive acquisitions over that cycle can be put in place without losing touch with overall return on investment.

Against a backdrop of flat overall marketing spend, UK online marketing spend grew 66% in 2005 to reach £1.4bn.

Looking ahead, the next generation of multichannel analysis will have to take account of a much bigger information gap – the impact of online on offline and vice versa. When websites generate branch footfall, TV advertising influences search marketing performance and email marketing generates telephone responses, no longer can online and offline be considered as separate entities.

Issues of disconnection are far more profound here. It's very hard to correlate a website visit, phone call and branch visit with a search engine, direct mail and sports sponsorship campaign. But timing analysis can help to bring out cause and effect trends that give vital clues. For example if search traffic spikes around the time of TV advertising the two can be correlated. Whilst econometrics has always looked to try and correlate offline marketing events – partly because direct measurement was so hard – moves to correlate offline and online are relatively recent.

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With consumers becoming more sophisticated, multichannel marketing is here to stay, and understanding the mix of activities that delivers results will be key to financial organisations making effective use of their budgets, offline and online and provides a decision-making platform that should improve return on investment prospects. ◻

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