

ONLINE MARKETING BEST PRACTICES

Going Beyond the Email Blast to Promote Rich Customer Engagement Experiences

In today's challenging economic climate, marketing teams are under increasing pressure to maximize return on investment (ROI) while improving customer satisfaction, reducing churn, and ultimately driving revenues. As a result, many companies are trying to adjust marketing approaches and processes. Changes often start with a shift from direct mail and telephone to email as the primary communication channel. However, an increase in email volume alone will not yield the desired results. Too much email can in fact generate a higher incidence of customer opt-outs.

Success requires that marketing teams go beyond the email blast to online marketing. This encompasses two critical components: a real-time, online, bi-directional communication channel for exchanging information, and an online data footprint. The first creates a dialog, and the second provides the foundation for enhanced tracking and analysis of online customer activity. These components put marketing teams in a digital-enabled state, making it possible to promote deeper and richer customer engagement experiences that benefit the business in both the short and long term.

There is no magic formula for successfully transitioning from email blasting to real-time interactions between the marketer and buyers. There are, however, some common elements that characterize today's most successful marketing teams. As a provider of multi-channel campaign management solutions, Aprimo has analyzed B2B, B2C, and B2B2C marketing organizations that leverage the company's online marketing communication modules to improve business performance. This paper presents five best practices culled from global corporations, followed by a case study showing how one customer met its business goals by applying online marketing practices.

Introduce Online Dialogs to Drive Engagements

Online, automated two-way communications allow marketers to build trust and collect customer information that can drive data and customer communication strategies. The marketer can control and individualize the pace of data capture to preserve the delicate balance of need to know and nice to know. Marketers should aim to respond to prospects and customers with the right information at the right time. The resulting dialog also helps marketers more accurately determine the best time to engage in a buying discussion.

Use Tiered Offers To Create a Sense of Urgency

Offers should not be considered "one size fits all." Creatively tailoring an offer can raise its real or perceived value. Online marketing helps marketers move away from a single offer per customer segment to tiers of offers that can be extended on a first-come, first-served basis. This creates a sense of urgency and also helps control the expense and liability associated with the offer. With online marketing applications, customer interactions are tracked and the offer automatically adjusted to the next tier when a marketing-defined threshold has been hit.

Drive Real-Time Messaging with Combined Offline and Online Data

Combine offline segmentation data with real-time online and site visitation behavior to drive messaging and offer relevance and value. Online marketing capabilities enable marketers to collect meaningful, actionable online behavior information (e.g., abandoned shopping cart, product line browsing). This real-time data can be linked with customer value or other segmentations to drive immediate relevant messaging. Offers can therefore be delivered when needed to stimulate a purchase, but not in the case of a customer that needs no incentive.

Flag and Respond to Real-Time Customer Behaviors

Online marketing applications can be used to monitor purchase or transaction cadence, and trigger reminder dialogs when atypical behaviors are detected. Marketers can actively manage and sustain revenues, and reduce the up-and-down and pull-ahead sales situations that are typically associated with product-centric sales promotions. For those marketers who rely exclusively on a sales force (i.e., do not have a direct sales channel), the dialog interaction can be integrated with the lead management process. The right field person can be notified immediately when a customer follow-up is required. In an email blast scenario, the company would lack the ability to influence the desired behavior in real-time. In contrast, online marketing helps the company optimally engage the customer and take advantage of every conversion opportunity.

Actively Manage Customer Satisfaction to Drive Repeat Purchases

Clearly, it's easier to generate repeat purchases among satisfied customers. Successful firms are using a mix of triggered and scheduled satisfaction communication interactions (e.g., post-purchase and quarterly trending, respectively) that enable them to monitor the delicate pulse of customer satisfaction. At the individual level, the level of satisfaction can determine participation in a current campaign or trigger a customer care team to intervene. By actively linking customer satisfaction management (CSM) to marketing activities, companies can raise the overall level of customer satisfaction, improve retention, and optimize campaign performance.

A Case Study: Transforming Stagnant Accounts into Satisfied Customers

Ingram Micro, Inc. is the world's largest wholesale IT distributor and a leading technology sales, marketing, and logistics company. Since its beginnings in 1979, Ingram Micro has connected technology solution providers with vendors worldwide, identifying markets and technologies that shape the IT industry. The company offers a broad array of solutions and services to some 170,000 resellers by distributing and marketing hundreds of thousands of IT products worldwide from nearly 1,400 suppliers.

THE CHALLENGE

Within its base of 7,500 active reseller customers in the UK, Ingram Micro could not effectively manage profitability due to a lack of marketing communication and reporting infrastructure. In a poll of these resellers, the company discovered dissatisfaction with the amount or quality of information and marketing programs being provided by Ingram Micro. The result was sub-optimal marketplace impact. Ingram Micro became increasingly concerned that its market share and business growth were under threat, but was unable to tailor promotions since it could not easily identify the stagnant resellers.

Ingram Micro determined that these customer relationships were suffering as a result the company's reliance on an outsourced email marketing communications service. The email blasts lacked customer-centric relevance and insight. Ingram Micro summarized its business needs, including:

- > Visibility into the reseller customer base to drive targeted, personalized, and relevant communication programs.
- > A flexible, scalable marketing platform to bring reseller customer relationship management (CRM) in-house as a core competency and competitive advantage.
- > Consistent, actionable, and centralized business performance and marketing reporting.
- > Seamless integration of web site tracking and monitoring and email communications.

THE SOLUTION

Ingram Micro learned how an integrated database could allow marketing to organize and format customer data. They also looked at applications that could enable planning, executing, and measuring online marketing campaigns. Ingram Micro investigated a range of vendors and solutions, and quickly settled on a comprehensive marketing management system from Aprimo.

After implementation, the system immediately improved Ingram Micro's B2B customer communications in terms of relevance, timing, and measurability. The Aprimo solution lets them effectively manage its independent campaigns as well as those that are carried out jointly with partners such as Microsoft, HP, Cisco, and Apple.

The Results

Ingram Micro has gained business agility and increased marketing productivity. The new online marketing platform lets them react quickly to vendor price changes, press releases, and other real-time business events. Targeted, immediate communications with resellers turn announcements into marketplace advantages. The information flows back to Ingram Micro as well, as resellers dialog with the company and share local news.

With the steady growth in online sales and increased customer loyalty, Ingram Micro has met its primary objectives for this project. The company can now nurture its inactive or sporadic reseller customers to increase UK profitability. The Ingram Micro marketing project manager explains, "We have turned twice-a-year purchasers into three-times-a-year purchasers, because Aprimo lets us more precisely target and personalize two-way communications. And, when a customer isn't trading as expected, we can now send a special message – sometimes with a promotion and sometimes with a note asking them to let us know [the reason for the missed transactions]."

The improvements are far reaching considering the high volume of communications. Today, the Ingram Micro marketing team sends out approximately five emails a day (e.g., four one-off, customized, vendor-specific communications and one multi-brand mailing). Each email can reach between several-hundred and 15,000 reseller contacts, making all of the improvements priceless. Powered by Aprimo, Ingram Micro sent out almost eight million emails last year (2008), and enjoyed a healthy average click-through rate of 3%. "The time to market advantage is huge," the marketing project manager concludes. "With Aprimo, we can beat our competitors to the punch."

The company's commercial director adds, "We communicate much more effectively with our customers. And our new targeted, responsive communications are paying off – online sales have increased by 150%."

ABOUT APRIMO

Aprimo is a leading provider of on-demand marketing software solutions that increase the efficiency and effectiveness of marketing organizations. Aprimo software manages online and offline marketing activities, financials, projects and assets, while improving execution of marketing campaigns and events. Aprimo's on-demand applications can work individually to address a specific marketing issue or combine to provide an integrated suite. Aprimo's solutions accelerate the marketing productivity of hundreds of leading companies including Adobe, Bank of America, Cabela's, Ernst & Young, Honda, King Pharmaceutical, Pearson Education Ltd, Time Warner Cable-NY, Wal-Mart, and Warner Bros.

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