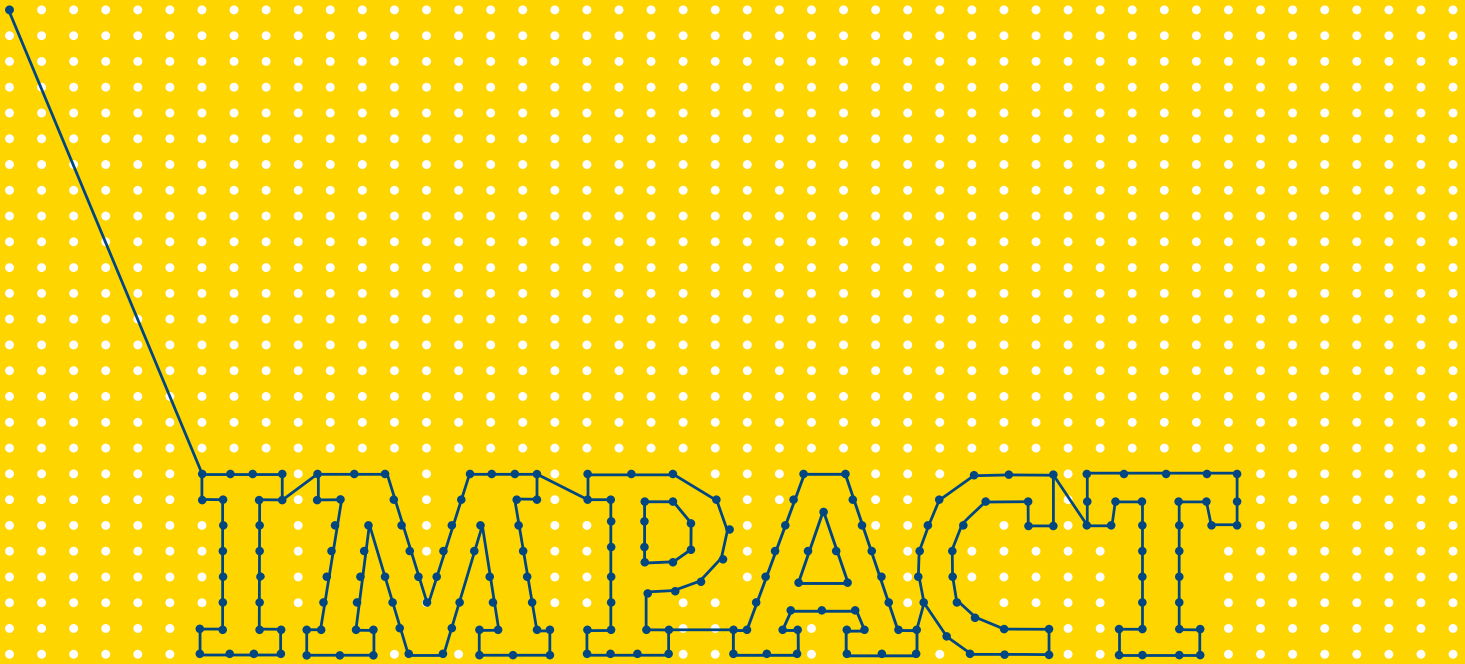
Decide with Confidence

The 7 Secrets of Campaign ROI

June 2011



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Seven ways to make a positive campaign impact with intelligent, joined-up data.

We've known for some time that the data used in a direct marketing campaign has a bigger impact on the results than any other element. But the way in which we should be using data to improve the real effectiveness of campaigns is often misunderstood – or simply badly implemented.

This is not just about where the data comes from but more about who you are targeting and how you are doing it. The reality is that most B2B campaigns are both speculative and tactical rather than being a result of proper analysis or strategic thought.

There are many reasons why this is the case, and there are lots of ready excuses.

- **Not having a credible marketing database**
- **Not having the analytical skills**
- **Not having the analytical tools**
- **Not having the time or the budget**
- **Not knowing how to do it**

But there are often things we can do that can make an enormous difference to the campaign results. We've put together what we see as the 7 secrets to improved campaign ROI through a more intelligent way of using data – because they are unknown to many marketers. You may already be doing them, you may not. But what is certain is that they could make your results look a whole lot better...

Secret #1: Take a long term view

One of the biggest things that undermines campaign success is the tendency to be too tactical with your ROI measurement. In our experience, it's rare to get a positive ROI in the short term when all costs are taken into account. You may have generated 500 leads, but if sales had to follow up each one and only got a conversion rate of 10%, you've used a very expensive resource to make a relatively small business gain.

Many of the costs that go into real ROI are long-term, fixed costs, such as salaries, so ROI should also be viewed through a long-term lens. Just because you buy data in a single chunk doesn't mean that its value should be measured in a correspondingly limited timeframe. Data requires investment, and should be seen as the foundations of a strategy rather than a shortcut that gives you access to your audience.

Secret #2: Know your customer profile

You don't need to be told that it's a good idea to analyse your target audience. Looking at your customer base gives you a feel for who is most likely to buy from you, what they are most likely to buy and how much they could be worth. And most of us know that the market is too big to simply target everyone and too complex to be narrowed down with sweeping statements like "large financial services businesses". But many marketers fall into the trap of analysing in isolation, i.e. without taking broader market information into consideration.

Effective planning starts with analysis of your customers, but a customer profile is not a true profile unless it's relative. Historic sales data may tell you, for example, that a certain vertical sector makes up a large part of your business. But what if you already sell to 90% of the market? Your data may suggest that you're pretty good at selling into that sector, but think twice about leaping to conclusions. It's going to be hard to justify the effort and expense involved in clearing out the last 10%. Customer analysis needs more than just a marketer's shrewd eye. The use of analytical tools and access to a broader universe of data against which to compare your own will give you a true idea of the value of each kind of customer.

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Secret #3: Segment your market (by size, by value, by inclination)

ROI clearly depends on both the cost and the return – and in most businesses the potential value varies more than the cost of acquisition. It makes sense therefore to invest more where the return is greater – and not to over-invest where the return will never justify the investment.

Segmentation analysis shows us that the full ROI picture is in truth made up of many smaller ROIs, and you will achieve a more accurate resolution if you can make finer judgements on the probable ROI of each mini segment. But to go down to pixel-level segmentation would be equally wrong. Clearly, the law of diminishing returns applies: over-segmenting is going to remove economies of scale and give you a campaign that is impossible to manage. But, on the other hand, it's easier than ever to have emails and web pages cheaply and instantly customised to accommodate different buyer messages. There's no longer any excuse for not catering to the needs of significantly different segments – your job is not only to segment, but also to work out the overall degree of segmentation that will yield the best results.

Secret #4: Get your database right

Lists can seem like a short-term fix but they rarely pay – a database is an asset and all assets need investment. It isn't simply a number of names, addresses and contact details. It is a record of everything providing insight at every step capturing valuable insight every step of the way.

It is also worth giving thought to the way in which you populate your database, using the most appropriate methods for the different types of data. You may, for example, buy company data from one source and personal data from another. Similarly, telemarketing may be used to gather information on high-value contacts such as buyers and C-level influencers, but it is unlikely to be a cost-effective way of finding all levels of prospect data.

Secret #5: Plan a number of steps from contact to conversion – for each segment

While marketers are often aware of the need to segment, it is rare that the same principles apply to campaign mechanics, yet the success of a campaign can stand or fall on such factors. Valuable segments, for example, might be passed immediately through to sales, requiring less work (fewer touchpoints) on the part of the prospect, whilst greater levels of automation are more appropriate for lower-value, higher-volume contacts.

Secret #6: Track and learn from every action

As we've already noted, a good database improves with age if it's seen as a strategic tool, and not as a series of lists. The same applies to the learnings we can take from each campaign. Everything you do has an impact; understanding that impact and how it relates to previous experience turns a dumb process into a learning process.

Secret #7: Project the return rather than waiting for proof

If you've implemented all the steps above, you'll have not just a clearer idea of real ROI, but you'll have it much faster. Better segmentation – by total, long-term value – will enable you to attach a value to a given type of response to the campaign. So instead of waiting for the business to run through the sales funnel and counting the impact of the campaign to the bottom line sometime next year, you can see it within months. And of course, having accurate results earlier means that you're better placed to react more quickly to that success.

Stating the obvious

If you've reached the end of this list and found nothing new, you shouldn't be surprised. The aim was to list the best practice advice points that are most frequently overlooked by marketers. You should already know most of these, but it's a reasonable bet that the vast majority of marketers fail to implement one or more of these points in every campaign.

There are often good reasons – of convenience, of timing, of resources – that hold us back from doing things properly, and therefore maximising the return on each campaign. But as digital customisation techniques improve, as better analytics tools become available, and as it becomes easier and cheaper to access high-quality data, we really should be looking to get it right every time. If you're looking back on campaigns that could have been done a little better, you may find that you're running out of excuses...

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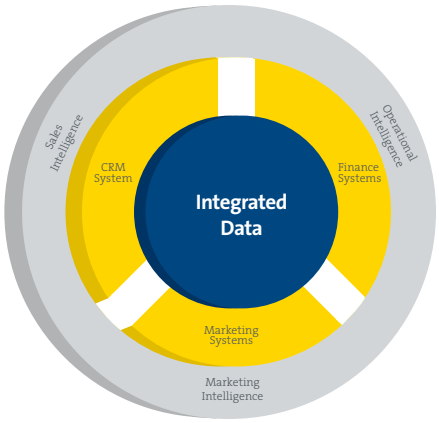
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Moving towards the data-driven business

We've talked you through the 7 secrets but what underpins it all is the way that marketers are becoming more sophisticated and demanding in the way they use data, the concept of the "data-driven business" is fast becoming a reality.

Forward-looking companies aspire to make all customer data accessible to all parts of the organisation, giving decision makers of all levels an accurate and multi-dimensional perspective of customers and prospects. This compound view enables them to decide with confidence how they should approach, manage and invest in each prospect or customer based on the best possible business intelligence at all times. This is what we mean by the idea of the data-driven business – as depicted below.

THE DATA-DRIVEN BUSINESS



D&B is active in this debate and is producing regular blogs and whitepapers on the subject. If you would like to know more, please contact us on **01628 492299** or visit **http://salesmarketing.dnb.co.uk**.

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