Building a Successful Multi-Channel Acquisition Program

Acquire more customers using email, desktop, mobile & social
Consumers are “Always On” & Multi-Channel... Is your acquisition program keeping up?

Looking back, the means to acquire customers in the past -- even just 20 years ago -- seem almost quaint today. Marketers often went heavy on direct mail, guided by models that predicted response and scored prospects based on how likely they were to convert. List brokers touted their numbers and the ability to overlay targeting “selects” for additional fees. Video was just television, and there was a fraction of the options available to buy compared to today. Audio? Just AM and FM. Print still reigned. Planning and execution of campaigns resided within discrete, siloed channels, and understanding the performance of a given campaign could take many months to figure out.

Fast-forward to today. The world for acquisition marketers is dramatically different. Direct mail and print occupy diminished roles in the mix, while digital and mobile have exploded.

The biggest driver of change: “always on” consumers connect with marketing channels across multiple devices and screens throughout their waking hours.

This evolution to being “always on” has forced marketers to jettison the traditional channel-focused approach and orchestrate-acquisition programs that target people across multiple screens and experiences.

For leading marketers, the multi-channel approach to acquiring valuable customers is paying off. The good news: multi-channel customer acquisition is practical and achievable today. This paper will walk you through the necessary steps and must-have requirements so that you can build your own successful multi-channel -- and multi-device -- customer acquisition program.

65% of US smartphone users check their phones within 15 minutes of rising

64% check their phones within 15 minutes of going to bed

87% of millennials always have their smartphone at their side, day and night

Time spent on screens
-- mobile, desktop/laptop, other connected devices, TV -- has increased to nearly 10 hours a day in 2015, up from 7.6 hours a day in 2010
Building a successful multi-channel acquisition program isn’t just a theoretical fantasy. You can do it -- starting today. Here are the key requirements that you and your partners need for your acquisition program to shine:
1. **Set Goals** - Define the goals of your program. Goals should meet the SMART criteria:

- **Specific**
- **Measurable**
- **Achievable**
- **Relevant**
- **Time-Bound**

**Acquire 10% more new**, high-value segment customers in Q2 through cross-screen and cross-device campaigns compared to last year’s period.
2. Profile - Who are the right audiences and customer segments that will drive success for your business?

Your acquisition dollars work the hardest when they are focused on converting prospects with a higher likelihood to become valuable, long-term customers. Using the data and customer intelligence at your disposal and available through partners, develop profiles of your targets. Profile dimensions can include:

- Demographics: age, income, gender, geographic location and others
- Psychographics such as attitudes, values and aspirations
- Behaviors: recency, frequency and monetary value of actions like conversions, purchases, sign-ups, opens, clicks, etc.
- Advanced statistically characteristics such as customer value predictions and likelihood to attrite
3. Target - Once you have defined your audience profiles, you need to reach the people in those profiles.

It’s critically important to remember that high-performing multi-channel acquisition programs hinge on their ability to reach people -- not just “cookies” or other proxies -- across channels and devices. To that end, the first step in targeting is to build records that are based on real people. Start with postal and email address as the keystone of your identity management.

From there, associate desktop cookie and mobile device IDs with your postal and email addresses. This enables you to create multi-channel and multi-device records for execution and analysis. Enrich records with multiple attributes from sources such as data overlays, CRM data, and behavioral data so that you can match as many targetable records as possible to the audience profiles you previously defined.

Case Study
A major automotive brand created a custom audience of in-market auto buyers within a 15-mile radius of specified dealerships. Profiles were enhanced with credit score, household income and auto ownership history attributes.

Action:
The custom audience was messaged with consistent offers and content across email and desktop/mobile display.

Results:
Gross monthly profit from the acquisition program increased 49% with the multi-channel approach.
4. Score - After you have established a base of records to mine for targeting, the next step is to score people based on their likelihood to respond to your campaigns and offers.

Use multiple sources of online and offline activity and data to inform the scoring, tapping into data and modeling partners as needed. Also, scores should incorporate both negative and positive propensities so you can craft strategies on how to treat those very different populations.

<table>
<thead>
<tr>
<th>NEGATIVE BEHAVIORS</th>
<th>POSITIVE BEHAVIORS</th>
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<tbody>
<tr>
<td>Frequent unsubscriber or likely to report an email as spam</td>
<td>“Super user” with many associated digital identities, over-indexes on time spent online and interacting with brands, converts often on offers from similar brands</td>
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HOW TO TREAT
Test campaign with a small subset of this population to minimize reputational or operational risk, and monitor response

HOW TO TREAT
Prioritize these prospects and dedicate more budget to targeting them compared to others... while also being mindful of setting frequency limits to avoid fatigue

With your targets constructed, you can then pass them along to your execution channels -- email, desktop/mobile display, paid social media, video -- to get your message in front of the right people.
5. Scale - The most targeted, relevant and action-inducing campaigns won’t deliver meaningful business outcomes unless they reach enough people.

On-boarding your own records is an imperative when building populations to target. But growing your customer base requires finding new prospects where no previous relationship or record exists. To do this, leverage partnerships that grant you access to vast numbers of potential new customers with attributes similar to those of your defined audience profiles.

Build lookalike models to identify the best people to target; these models can increase reach by more than 80 percent. To add even more scale, work with your execution partners and identity management systems to target the same individuals both at home, at work and on the go...across screens and devices.

Case Study
A national retailer sought to drive traffic to its local stores in 90+ markets. Lookalike models based on the retailer’s own customers were employed to build prospect segments and scale the program.

Action:
Hyper-local messages with offers customized for each location were deployed to prospects most likely to buy (defined as qualified homeowners within a 10-mile radius of each store location). Campaigns were timed to support weekend sales events for each location, and A/B tests for subject lines helped to maximize response for the email component.

Results:
Point-of-sale data was used to matchback sales to recipients of the campaigns. The targeting of the campaigns and the relevance of the offers helped to generate a robust 14%+ clickthrough rate on emails. Overall, stores with campaign support saw a 50% lift in sales compared to control markets.
6. **Re-target** - Once you reach prospects with a campaign, you may need to re-engage them in order to encourage conversions.

Re-target people that have exhibited a positive behavior such as visiting your site, opting in for information or responding to an ad. The effectiveness of retargeting continues to out perform many other tactics. In fact, click-through rates on retargeted ads can exceed those of typical display ads by a factor of ten.

**Segments to prioritize for retargeting include:**

- **“Hand-raisers”** have asked to receive information or responded to previous ads and offers. Reach back out to hand-raisers across channels and devices to boost ROI.

- Past customers are ripe to become return customers. Give them a second chance to convert by re-engaging them with retargeted ads that feature new products and deals tailored to their historical purchases and likely future needs and wants. Test promotions to determine the level of discounts or deals required to convert the magain.

- High-intent desktop visitors are probably using other devices. Stay top of mind with them by retargeting them across their mobile devices to increase traffic and conversions.
7. Respect Your Customers - Successful marketers treat their customers and prospects with respect and observe privacy best practices. The alternative is simply not sustainable.

Observe these overarching rules:

- Separate personally identifiable information (PII) from anonymous data
- Use hashing techniques to mask email addresses so that they cannot be exposed
- Conduct regular privacy audits led by unbiased experts, and make sure your partners do too
- Maintain a double-opt-in process when obtaining permission to email (ask people to check a box, and then re-confirm by instructing them to click on a link sent to them)
- Be risk averse...thrill seekers don’t last long in acquisition marketing
8. Report & Measure - Overlooking the need to track each aspect of a live campaign is one of the biggest mistakes a marketer can make.

Setup tracking before a campaign launches so you can run adequate in-steam and post-campaign reporting to determine performance and gather learnings for future improvement. This means thinking ahead to understanding how you will track -- and report on -- different units or versions that are presented across screens and devices. For addressable media like email and CRM retargeting in display, reporting must be at the customer-level.

How should you give credit to marketing contacts for driving conversions and revenue (a.k.a. attribution)? There are multiple models and techniques that can be deployed, from basic last-touch to more advanced fractional, multi-touch attribution (MTA). Discuss the benefits and drawback of these approaches with your analysts and statistical experts.

When it comes to attribution, several “must-haves” are now front and center with marketers:

**Offline conversions** -- if they are part of the customer journey -- must be included in attribution analyses. Restricting measurement and attribution to only digital conversions results in skewed insights. Keep in mind that the vast majority of all purchases still happen in the physical world.

**The effect of multi-channel marketing efforts on local business outcomes** (e.g. qualified leads visiting a car dealer, credit-worthy prospects contacting the insurance agent in town, etc.) must also be measured.

**People-based attribution** is more reliable than depending on just cookies or other “soft” identifiers. This means that marketers and their partners need to match conversions and their upstream marketing contacts back to postal addresses and “real” people.
9. Optimize - One huge benefit of setting up your tracking and reporting correctly is that you can generate insights to shed light on what’s working, what’s not working, and why.

These insights underpin your ability to improve ongoing performance and boost ROI over time. Don’t try to optimize everything at once. The process should be iterative, thoughtful and focus on refining variables that will deliver the most return.

A few rules of thumb for testing, learning and optimizing:

1. Test variable such as campaign and contact timing, frequency, sequencing, and creative (copy, subject lines, calls-to-action)

2. Design creatives for multiple devices and test how they render across major devices

3. Remember to measure effectiveness of campaign variables against segments and audiences too, as people react differently from each other

4. Refresh propensity and other customer models based on recent performance and insights
10. Team Up - No single marketer can do this in a vacuum. Encourage your internal resources—especially IT, customer intelligence / analytics, creative, and marketing operations -- to plan, execute and analyze your program. Fill operational and strategic gaps with external partners.

When you do need help from external partners, **make certain that they are tightly integrated with the overall marketing ecosystem** so that you can leverage their multiple relationships and both broaden and deepen your expertise and capabilities. Categories of partnerships to consider include:

- Audience and data on-boarding for profiling, targeting and analysis (DMPs, safe havens)
- Data overlays to enrich customer intelligence and extend targeting (data providers)
- Measurement and matchback (safe havens, data providers, omnichannel attribution specialists)
- Inventory access from partners like DSPs and ad exchanges to scale programs in multiple channels such as desktop display, mobile display, desktop video, mobile video and social
- Campaign execution (DSPs, retargeters, email service providers)
End Notes

Touluna study, August 2014
Mitek and Zogby Analytics study, June 2014
KPCB, 2015
Bridge Marketing client case studies
Bridge Marketing internal study
Bridge Marketing internal study
Bridge Marketing client case studies
ExactTarget Mobile Behavior Report, 2014
Bridge Marketing internal study
Questions to ask partners:

Marketers can’t get by without the help of partners -- either internal colleagues or external vendors. The proficiency of your partners can make or break your ability to meet your acquisition goals. How can you be sure that your partner resources are best equipped to make you successful? Here’s a set of questions to ask your partners to make sure they can deliver for you today and beyond:

- Do you run national campaigns?
- Do you run hyper-local campaigns to support specific locations and promote geo-specific offers?
- What channels can you support for a given campaign? Email? Display (desktop and mobile)? Video (desktop and mobile)? Paid social media?
- Do you use multiple identity attributes to create profiles and target the right people?
- Can you orchestrate campaigns across channels that target the same people?
- Can you verify that email addresses are deliverable in advance of campaign execution?
- Can you identify email addresses with a high propensity to unsubscribe or mark an email as spam, and do not send to those addresses?
- Can you model a recipient’s likelihood to respond to an offer (propensity)? Positive response? Negative response?
- How are prospect email addresses acquired? What are the sources of the addresses and what is the level of permission obtained?
- How are prospect cookies acquired and maintained?
- How often is the prospect database maintained and cleaned?
- How are physical addresses (postal) tied to email addresses?
- What are the match rates?
- What processes do you use to ensure high deliverability rates and inboxing?
- Can you guarantee that emails will be delivered?
- Do I have to pay for undeliverable emails?
- How are demographic and other attributes tied to email addresses?
- What data overlays are available to enhance targeting?
- If I provide you with a list of postal addresses, can you send emails to those people? Target them via display ads?
- Do you send emails using the advertiser’s IP address or sending domain? Or do you use your own?
- What testing is available?
- What post-campaign reporting is available, and when is it made available?
- Does reporting span multiple channels?
- How do you account for sales attributed to the campaign?
- Can you perform match-back attribution that is based on actual people (using POS or postal data) and not just cookies?
- What primary partners does the vendor work with to execute programs?
Bridge Marketing’s Digital Evolution -
Since founded in 2010, Bridge Marketing has partnered with leading brands and agencies, offering cost-effective data processing and targeted digital marketing solutions.

Bridge began as a pure data services organization, offering modeling and hygiene services for clients’ email databases. Building upon its email data processing, Bridge began deploying email marketing campaigns for its clients. After experiencing significant growth in the email program, Bridge began offering full campaign services, from strategic program development through post-deployment analytics. Its latest product – targeted multi-channel campaigns – addresses the major change in consumer media consumption across screens.

A message from Bridge:
We value variety and versatility because we want to be a company that is human, evolving, accessible and inherently interesting. Our team is at the heart of these values. We have made the commitment to our network that we are going to be first to market with the technologies and systems that solve today’s marketing trends.
For More Information on
Mutichannel Acquisition

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