Personalized URL Campaign Primer

Creating personalized email and direct mail marketing campaigns that drive response rates up

Cross Media Marketing - Combining Print & Web

ColorPage
marketing and publishing

71 TenBroeck Avenue • Kingston, NY 12401
Sales@ColorPageOnline.com • Fax: (845) 331-1571
845-331-7581 • 800-836-7581

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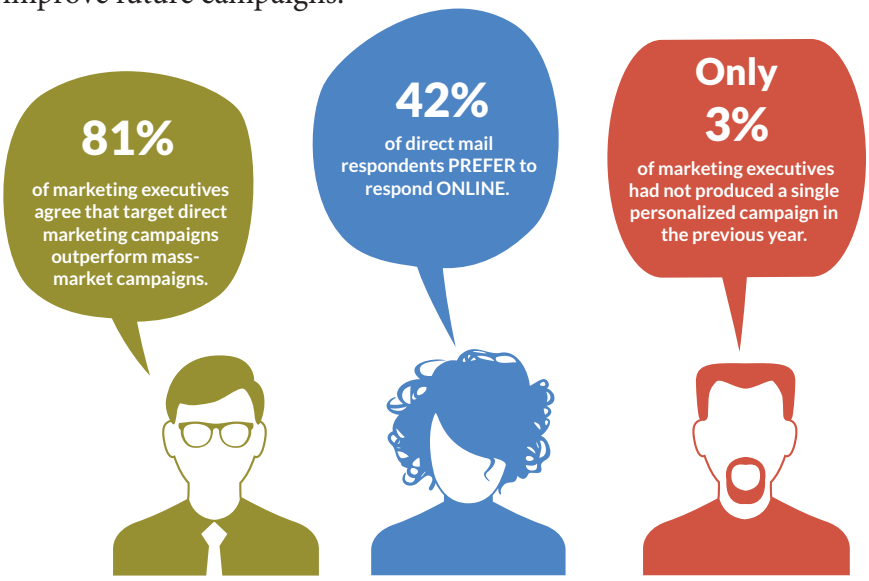
Personalized URL Mini-Site Structure

Most personalized URL solutions have a similar structure. Once on the site, recipients are encouraged to take a short survey (usually three to five questions) that can be answered by pushing radio buttons. Especially for lead generation campaigns, recipients may be offered a response incentive, such as a gift or entrance into a sweepstakes, to motivate them to provide personal or business information.

In some personalized URL campaigns, the responses given on the survey can trigger different messages, images, and offers on the subsequent pages. Information is made available to the marketer in real time so that the effectiveness of the campaign can be tracked, sales leads prioritized, and hot leads acted upon immediately. The information can also be used to update and append customer databases and better target future communications. Sites can range from extremely simple to highly complex. Sites can be built from the ground up; most following the same basic structure, which includes:

- personalized landing page
- survey page
- information or marketing message page
- "thank you" page

As with all Internet applications, once logged in, visitors' movements can be tracked. This means that, in addition to capturing form fields and survey results, marketers can also see information such as which pages respondents view, how long they spend there, and what actions they take while they are there. This becomes valuable information that can be used to improve future campaigns.



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Dispelling Myths About Personalized URLs

1. Personalized URLs and generalized URLs with survey forms are not equivalent. The structure of personalized URLs allows you to do things that generic landing pages, even those with data acquisition forms, cannot. They allow you to fully personalized the entire experience — images, text, and offers — based on information you may already have. If you're looking for a fully personalized, interactive Web experience, you're not going to get it from a generic landing page with a data acquisition form. Technically, generic landing pages can do this, but they have to be built from the ground up to do it, and it's very expensive.

2. Personalized URLs are not a broadcast medium. You're not going to spray 100,000 personalized URLs to an undifferentiated prospect base. Rather, these campaigns are designed to enable marketers to begin a dialog with a well-defined target audience. Often, this audience is their own customer base or a prospect base that mirrors their existing or desired customer profile. By their very nature, these campaigns tend to go to smaller, more targeted audiences with a specific, often long-term customer relationship building goal in mind.

Let's look at two "typical" campaigns in light of these concerns. (Next page)

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• A regional theater wanted to increase its membership base, so it developed an "ideal" patron profile and purchased the a very specific list in a limited geographic region. Next, it asked respondents to log into a personalized URL to provide information on their favorite types of theater productions in exchange for entry into a sweepstakes to win free theater tickets. At the end of the campaign, it had a very pre-qualified list of prospects for future direct mailings, plus email addresses to drive down the cost of future contacts.

• A software company had grown through acquisition and was concerned that its customers were unaware of the full range of the company's product offerings. To improve its cross-sell opportunities, it created a personalized URL program that brought together all aspects of its business, targeted its existing customers, and used the campaign to educate its existing customers about relevant products. Respondents' answers to the survey triggered the appropriate crosssell products on the subsequent page.

This is where personalized URLs shine. They aren't competitors to forms of mass marketing. They are targeted solutions for achieving specific marketing goals.

Examples of Cross Media Business Rules

It is becoming increasingly common for personalized URL and 1:1 printing software vendors to offer marketers the ability to maintain common business rules across multiple media. Business rules can be as simple as "FullName = FirstName + " " + LastName" or highly complex, such as sets of rules that define the offer to be delivered to a specific customer.

Here is an example of how this might look in a real-life campaign:

```
If((CustomerAge > 40) and (CustomerGender = "female"))
        Then
          Offer = "free cell phone charger"
        Else
          Offer = "free Bluetooth headset"
        Endif
```

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Databases & Personalized URLs

Personalized URL campaigns require some kind of database, even if it's just a mailing list. But one of the factors that has traditionally scared marketers away from any kind of database marketing (personalized URL or otherwise) is the lack of databases.

This is where personalized URLs really shine. Personalized URLs don't require detailed customer databases. They can help create them. With a little marketing savvy, personalized URLs can turn even a basic mailing list into a highly qualified prospect list. This is because each campaign can be used to gather more information that can be appended back into the original database to be used for more precise targeting.

Turning Mailing Lists Into Prospecting Databases

Say the program is for GreenThumb Landscaping. The company rents a list of homeowners within a 20-mile radius, with each homeowner making at least $100,000 per year. It sends out a four-color mailer featuring an outstandingly landscaped yard and inviting recipients to log in to a personalized URL to see if they've won a free landscaping design consultation and $500 worth of landscaping services.

Each recipient's mailer is printed with his or her own unique URL—www.greenthumblandscaping.com/marshagraves or www.greenthumblandscaping.com/bobpearson. When recipients log in, they are greeted by name and asked to take a short survey before finding out if they've won. The survey includes questions to help the landscaper with prospecting, such as whether the homeowner plans to do any landscaping immediately, in the next six months, 12 months, "eventually but we don't know when," or not at all. They might be asked what kind of yard they have (primarily shade, primarily sun, part shade/part sun), what types of plants they prefer, and whether or not they would agree to follow-up contacts from GreenThumb Landscaping.

This gives GreenThumb an extremely well qualified prospecting list and, with knowledge of prospects' landscaping needs, allows the company to refine its marketing efforts and prioritize its leads.

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Relevence, Not Volume

Although the concept of building a database may sound intimidating, the success of a 1:1 campaign is found in the ability to create relevance to the recipient, not the number of variables you have. The level of detail you have to "build" (whether through purchasing, collecting, or refining data) can be relatively low as long as the data you do have is relevant.
If you aren't starting out with an in-house marketing database, you can approach this relevance two ways:

1. Target your prospect base at the outset by purchasing a qualified mailing list.

Marketers who are most successful with personalized URLs start with qualified databases, either reflecting the desired target market or the current customer profile. The more qualified your initial database, the more effective the prospecting will be.

2. On the surveys on the personalized mini-sites, include questions that will help you better understand your prospect's purchasing habits and needs and that can be used for more precise targeting later.

Some companies use the surveys on these personalized websites to generate novelty giveaways, such as personalized tickets to events or personalized "album covers" showing recipients as their favorite rock star. This showcases the marketer's ability to do fancy things with data, but it overlooks the real power of personalized URLs, which is to drive relevant offers.

One marketer, has used its survey page extremely well. In a recent campaign, it asked prospects three key questions:

> 1. Which direct marketing program type reflects your primary interest? (new subscriber acquisition, new customer acquisition, customer retention, CRM, no preference).
>
> 2. Which niche marketing program type reflects your primary interest? (lifestyle marketing, life-event marketing, event marketing, partner marketing, no preference)
>
> 3. I am interested in learning how personalized URLs and landing pages can increase the effectiveness of my direct mail campaigns.

There is a line between information-gathering and scaring or offending your prospects so that they never get past the survey page. That line has to be walked carefully—and that's where good marketing comes in.

Tip: There is one last topic in the database section that deserves mention. It could easily double in the "marketer misperceptions" section, but we will deal with it here.

Personalized URLs are 1:1 printing applications, but unlike other forms of 1:1 printing that generate response by relying on relevance at the outset, they often rely on the power of the creative and the incentive, as well as any demographic or other segmentation, if used. Therefore, personalized URLs often become a gateway to relevance-based personalization rather than requiring it at the outset.

Marketers don't need to allow lack of databases to be a barrier to their implementation. On the contrary, personalized URL campaigns can be a highly effective database-development technique that can turn a simple mailing list into a high-value, pre-qualified list.

This requires pulling together all of the elements of a good marketing campaign, including eye-catching creative, a compelling pitch, an appropriate incentive, and then once logged in, strategically developed questions on the survey page.

Evaluating Personalized URL Success

Will personalized URLs be the right solution for any of your marketing campaigns? The answer to this requires careful consideration of ROI and other metrics. Rather than cost per piece or response rate, marketers must look at more telling numbers, such as cost per lead, cost per response, and dollars generated per sale. Let's look at some of the most common metrics for evaluating the success of any 1:1 personalized printing campaign, not just personalized URLs.

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Response rate. Most of the case studies for 1:1 printing, including those for personalized URLs, will discuss response rates. This is an important first gauge of success, since it reflects how favorably recipients viewed the initial marketing message by logging in. It is not an entirely sufficient measure, however, because not every lead will convert into a sale or trigger the desired response, but it is a good first leading indicator.

Conversion rate. This is the percentage of people who not only respond to the campaign, but who follow through and convert to sales. You can have a 38% response rate to a campaign, but if only 6% of those convert to sales, that's only 2.3% of the original list. If, on the other hand, you get a 12% response rate but a 60% conversion rate, that's 7.2% of the original list—nearly four times higher. So the conversion rate is a critical factor in success measurement. The Diji campaign, for example, achieved an overall 2.38% response rate. On the surface, this does not seem that impressive. However, the campaign achieved a 73.9% conversion rate. That's a great return.

Cost per lead. Marketers are used to thinking about print marketing in terms of cost per piece, but a more impactful measure is cost per lead, or how much it cost to get each person to respond. For example, if you print 100,000 mailers and get a 1% response rate (or 1,000 leads), at $.36 per mailer, each lead cost you $36. If, on the other hand, you print 10,000 mailers and get a 12% response rate, at $1.26 per mailer, each lead costs you $10.50. If you are measuring by cost per piece, 1:1 costs more. If you are measuring by cost per lead, it costs one-third less. Whether a personalized URL campaign is more expensive depends entirely on which method of evaluation you use. (See the TAG Marketing example.)

Cost per sale. Not every lead converts to a sale, so if the increased relevance created by 1:1 personalization creates better matches between recipients and the pitch, your conversion rate will often be higher. At 30% conversion, a 1% response rate for static direct mail might end up being .3%. At 50% conversion, a 12% response rate for 1:1 printing might end up being 6.5%. When you take into account, not just the inquiries, but the percentage of respondents who actually convert to sales, the numbers and cost equation can change yet again.

Revenues per sale. Relevance plays a role here, as well. Better-matched products and services and more engaged respondents are more likely to generate higher revenues than static campaigns. If the average sale to a static campaign is $100, it would not be unusual for a 1:1 campaign to average $140 or more. In side-by-side tests, this is born out repeatedly. (See the Backroads example, where respondents to the personalized mailer spent twice as much as the respondents to the static catalog, and the Arizona's Children's Association example, where the average donation increased 168%.) When you combine higher response rates with higher revenues per sale, there is generally an exponential lift in ROI.

Return on Investment. Once you take into consideration all of the relevant costs and revenues, you can calculate the overall ROI. Specific examples of such calculations are more difficult to come by, since few marketers track their costs as well as they track response rates. When they do, however, the ROI for 1:1 printing is often found to be exponentially higher than the lift in response rates. Why? When you take into consideration all of the other metrics, including increasing conversion rates, increasing sales per visit or purchase, and lifetime customer value, even a small lift can translate into huge gains in ROI once everything is factored in.

Lifetime Customer Value. Marketers will often slice and dice databases by the value of the customer, or how much they contribute to the bottom line. This is a figure that can be calculated on a sale-by-sale basis, a monthly basis, a yearly basis, or a lifetime basis. Loyal customers who purchase from a company over and over again have enormous lifetime value (LCV), so the loyalty of the customer gained through any marketing program plays heavily into the cost-benefit equation. LCV is always an important consideration, but especially for 1:1 printing. This is because customers gained through 1:1 printing tend, not just to purchase more, but to be more loyal than those gained through static methods.

Types of Response Rates

Going back to the issue of response rates, even this metric requires more dissection than it might seem. With Internet-based applications like personalized URLs, you have to differentiate between different types of response rates, since not all responses are created equal. "Response rates" can be broken down more finely into metrics such as open rates, clickthrough rates, form fill rates, and order conversion rates.

Open rate. If you are sending out your personalized URLs by email, the first basic metric is the open rate. This is the percent of people who open the email in the first place.

Click-through rate. This is the percentage of people who go beyond opening the email to click through the link to the personalized website. Form fill rate. If you are asking respondents to fill out a survey, this is the percentage of people who complete the survey.

Order conversion (or conversion rate). If you are selling products or services, this is the percentage of people who actually order something.

These are very fuzzy terms. Different marketers use different terms, and as with "form fill rate" and "completion rate," there may also be a lot of overlap between them. The point is simply to be aware that there are different ways to calculate response, and in evaluating the success of your campaign, you need to pick the measures that are most appropriate for that campaign.

Other Campaign Metrics

Many of these metrics also can be overly simplistic ways of evaluating success. In most cases, you want to use them primarily as a starting point. This is particularly important when it comes to personalized URL campaigns, since the response rates often are not as dramatic as marketers may hear about other 1:1 campaigns.

In other types of campaigns, marketing firms and 1:1 printers like to tout response rates in the 20%, 30%, and even 40% range. Consequently, when marketers see response rates in the single digits or low teens for their personalized URL applications (which is fairly common), they may be unnecessarily disappointed.

As with all 1:1 campaigns, marketers should be focusing on ROI or on comparisons to static campaigns to determine the value of the personalized URL approach over other marketing methods.

For example, a New York car dealership, wanted to boost traffic for its annual Spring Sale weekend, it turned to personalized URLs. In addition to strategies designed to attract the general public, it used a personalized postcard and an offer to win a free iPod to survey existing customers about their interest in purchasing a new or used car.

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Once respondents logged in, they were asked a variety of questions about their preferences in cars, and the information was forwarded to the sales team for follow-up. Although the response rate may appear to be low (1.68% visiting their personalized URLs and 1.12% completing the online survey), the dealership sold 84 cars that weekend. Seven were sold to people who were verified to have clicked through the personalized URL. Total unit sales were nearly double previous sales records for the prior weekend—40 more cars. Suddenly, that "low" response rate of 1.12% looks pretty good!

This is a powerful example to drive home this critical point. Even "low" response rates can be enormously profitable, depending on the value of the product being sold. This is why it's critical for marketers to look at ROI, not response rate or campaign costs, to evaluate success.

Warnings from Failed Campaigns

One marketer told us his dislike for PURLs and the heat he took when his personalized URL campaign bombed. It was clear that it had expected the personalized URL, itself, to do the heavy lifting. The marketer wanted recipients to fill out four prequalifying questions. As an incentive, it offered a $20 gift card. It sent a personalized postcard with personalized URL, but out of a list of 10,000 names, only 12 people visited their personalized landing page. Those 12 visits, not one resulted in a lead. What happened?

Here is a condensed version of the analysis:
The marketer had his company fall into the age old trap – if I put someone's name in bold letters on a direct mail piece and drive them to personalized landing page, suddenly the response will go through the roof. It has never been like that and never will be. All response in direct marketing is driven by this basic rule:

10%	**Creative**	**10%** depends on the creative elements utilized.
30%	**List**	**30%** of the response is driven by who receives the offer.
30%	**Offer**	**30%** is driven by the value of the offer to the recipient.
30%	**Timing**	**30%** is determined by when you send it (is the customer in the buying window?).

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Conclusions

If you want to maximize your success using PURL campaigns, do the following:

1. Follow the best practices of direct marketing at large, including those for 1:1 (personalized) printing.

2. Take advantage of the unique opportunity that Internet-based applications provide to measure and track your results. Go beyond the "obvious" metrics to dig deeper and really mine the tremendous data resource you now have.

3. Use multiple channels to communicate the message. When possible, use multiple response mechanisms, as well. Not everyone responds the same way to the same media.

4. Commit to personalization for the long term. Tweak, test, and wrap results around to future campaigns to refine your program over time. There are best practices for personalization, but the details of how they are to be implemented are unique to your company, your goals, and your customer base.

Like any other marketing program, personalization—including personalized URLs—is a work in progress. Like any other investment, there is often an initial payback, but its true value is only discovered over time.

Source: Heidi Tolliver-Walker : Marketing Primers, Analysis, and Brandable Content, Marty Thomas: PURL Facts

To schedule a consultation
Frank Campagna, Marketing Consultant
(845) 331-7581 ext. 11
FCampagna@colorpageonline.com