

# Multichannel marketing: creating a competitive advantage in today's complex marketing landscape

For marketing and customer intelligence executives

## Executive summary

Customers are using more channels than ever to access product and services, often switching channels within a single transaction. If you understand how customers are interacting with your company across channels, you can optimize customer touch points, deliver relevant messaging, and help ensure that customers stay with your brand while they're jumping between channels. You can also get a better read on how your campaigns are performing and make sure you're spending your media dollars efficiently.

As the case studies in this report show, companies that are using data-driven, multichannel marketing strategies are seeing dramatic results. For example, USAA increased its return on investment for e-mail campaigns by 12 times, Travelocity saw a 15% lift in conversion, and Dollar Thrifty improved response rates to promotions by 152%.

## Marketers need a cross-channel framework to understand customer behavior

To compete in today's customer-driven marketplace, businesses must engage with customers across multiple channels, including e-mail, search marketing, social and mobile media, call centers, and retail stores, to name a few. The challenge is coordinating these efforts—based on a holistic view of customer behavior—and developing strategies that use the right channels to engage the right audience at the right time.

Marketers are asking themselves questions like:

- Who are our most profitable customers and which channels are they using to research products, make purchases, and resolve support issues?
- We have lots of information about our customers, but it's stored in different places. How can we use it to deliver targeted content and offers?
- I'm running search, display, e-mail, and in-store promotions. How can I see which campaigns are driving revenue and optimize ad spend across channels?

Bringing together data from all online and offline channels is the only way to get a complete picture of how customers are interacting with your company and why they may or may not convert. This process typically requires that organizations break down walls between marketing and information technology (IT) departments to establish an integrated data framework.

A cohesive, multichannel analytics solution lets you view all customer interactions through a single lens and understand the full spectrum of customer engagement with your company. You can then use that understanding to improve the customer experience, create targeted messaging, attribute revenue to specific campaigns, and boost your overall return on marketing investment.

*"The growing number of data sources is making it hard to understand customer behavior."*

Allen Crane  
USAA

## Success depends on knowing which marketing initiatives are delivering the best results

In recent years, the interactive marketing world has become increasingly complex, as marketers have come up with new ways to engage customers—and as customers have taken control of conversations about brands and products. In both the B-to-C and B-to-B arenas, marketers have had to keep up with a host of new technologies.

Marketing analytics and optimization solutions have emerged to help companies understand purchasing habits, reach prospects when and where they want to be reached and establish more meaningful relationships. But as marketers have rushed to create a wide variety of multichannel tactics, they've had a fuzzy view, at best, of the overall effectiveness of each of channel and campaign.

"The growing number of data sources is making it hard to understand customer behavior," says Allen Crane, executive director of research and analytics for USAA. Part of the problem is the sheer volume of data. To further complicate matters, customer information is stored in a multitude of systems with different formats and file structures.

Perhaps the biggest obstacle to effective multichannel marketing is organizational, not technological. In most companies, the marketing department doesn't own customer data. Instead, an IT or business intelligence (BI) organization manages the data generated by marketing campaigns. This lack of control makes it difficult for marketers to create reports that provide meaningful insight into customer behavior.

As a fallback solution, marketers have been using one set of metrics to look at search marketing, another for point-of-sale data, another for e-mail marketing, and still others for banner ads, web traffic, support systems (such as call center and interactive voice response), and social and mobile media. They try to optimize messaging and media budgets within each channel, but throw up their hands at the idea of optimizing across channels.

The way forward requires technologies that integrate data from all channels to give marketers a multidimensional view of customer behavior. It's an effort that involves a radical shift in how marketing and IT departments interact with each other and in how both groups think about customer data.

## Best practices for multichannel marketing

Multichannel marketing is most successful when:

- **The marketing department owns and operates a multichannel analytics platform.** IT managers have enough to do already and, frankly, marketers need to move faster than IT is often capable of moving. What marketers need is a solution that reduces complexity by automatically correlating data from all online and offline channels.
- **The analytics solution provides deep visibility into the conversion funnel.** By using common keys that connect information about a customer across many different systems, a multichannel solution lets marketers compare apples to apples. The right solution makes it easy to link behavior at the top of the funnel—such as a response to an e-mail or paid search campaign—with downstream conversion and retention metrics.
- **Marketers use multichannel data to segment customers based on behavior.** Instead of grouping customers into broad segments based on whatever information is easiest to access, marketers can use relevant demographic and behavioral data to deliver precisely targeted content to customers who are likely to purchase a specific product. This approach is most effective when the analytics solution is integrated with a testing platform that lets marketers quickly adjust their tactics based on live test results.

## Multichannel marketing is producing dramatic results for customer-focused companies

Several successful companies are already reaping the benefits of integrated, multichannel marketing strategies. These companies have achieved impressive results by implementing a cross-channel analytics solution and aligning their organizations to respond to multichannel marketing opportunities.

## Case study: USAA

USAA, a Fortune 100 company that provides financial services to military families, designed an analytics strategy to track customers' financial and insurance needs throughout their lives, from weddings and first homes to college funds and retirement. "Our customers were already multichannel, but we viewed them as isolated interactions. The key was understanding the differences between good and bad cross-channel experiences," says Allen Crane.

By analyzing customer interactions across channels, USAA found that many customers were switching between channels during a single transaction. For example, customers would start an application online and finish it over the phone or check their account balance online while waiting in the call center queue.

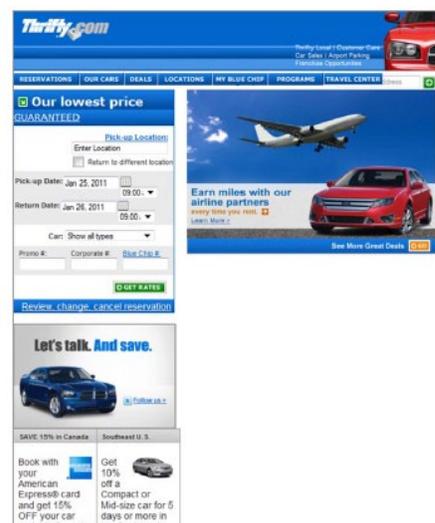
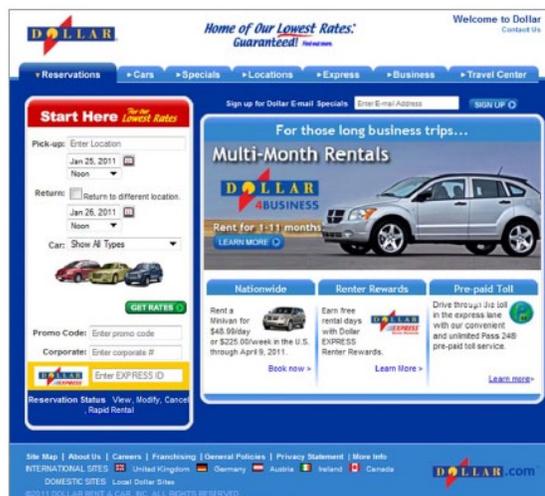
Crane's team noticed that most customers who crossed channels during the application process were moving from the website to the phone, not the other way around. The team also used multichannel data to identify sequences of events that led to positive or negative customer sentiment. Applying these insights, the company optimized the user flow to help customers more efficiently complete transactions in their preferred channel, resulting in higher customer satisfaction and fewer unnecessary phone calls.

USAA is also using multichannel analysis to support marketing efforts based on a customer's life stage and behavior patterns. Crane's team cross-tabulated data on customer satisfaction, demographic attributes, purchase history, and web and phone logs to identify opportunities for highly-targeted trigger campaigns. The return on investment for these campaigns is 12 times that of marketing initiatives that rely on standard audience selection models.

## Case study: Dollar Thrifty

*"We always strive to better understand what content resonates best with our customers and respond to their needs through more personalized interactions. To do that, we need more than just surface-level, disconnected views of customer activities."*

Sandy Martin  
Senior manager, Dollar Thrifty



Dollar Thrifty utilizes a powerful, unified optimization platform for generating realtime reports from a single interface. The solution gathers current data from all the company's sales channels and aggregates it instantly, saving an estimated 20 hours per month in manual analysis.

After Dollar Rent A Car and Thrifty Car Rental merged, it became more difficult than ever for marketers to get a clear picture of customer behavior. With customers renting cars from both Dollar and Thrifty through a variety of channels—a toll-free reservation line, websites, and walk-in rentals, among others—the new company's marketing team was struggling to collect, analyze, and act on customer data.

"We always strive to better understand what content resonates best with our customers and respond to their needs through more personalized interactions," says Sandy Martin, senior manager at Dollar Thrifty. "To do that, we need more than just surface-level, disconnected views of customers' activities."

Dollar Thrifty adopted a multichannel analytics solution that allows the marketing team to form a comprehensive profile of each customer and build meaningful audience segments. Martin and her colleagues are now able to create targeted campaigns based on such factors as purchase history, purchase origins, and online behavior—which web pages customers visit, how often they visit and where they go next—as well as in-store transactions and other activities.

"We can combine customer transactional data from the last three years with real-time data from every channel—online or offline—to generate a variety of highly detailed reports that give us a crystal clear picture of where customers are coming from, what they're buying, and why they're converting," Martin says. This data-driven approach helped Dollar Thrifty improve conversion, increase response rates to promotions by 152%, and optimize advertising spend—resulting in savings of \$1.7 million a year.

## Case study: Travelocity

The screenshot displays the Travelocity website's search and promotional interface. At the top, the Travelocity logo is visible, followed by navigation tabs for Home, Vacation Packages, Flights (highlighted with a 'NO FEES' badge), Hotels, Cars/Rail, and Cruises. Below the navigation, there are three main sections:

- Search Filters:** A section titled 'Find Vacation Packages for Less' with radio buttons for 'Flight + Hotel', 'Flight + Hotel + Car', and 'Hotel + Car'. It includes fields for 'From' and 'To', departure and return dates (mm/dd/yyyy), time of day (Morning/Evening), and traveler information (Adults, Children, Seniors, Rooms).
- Promotional Banner:** A large banner for 'SAVE 30% ON SPRING VACATIONS' with a 'SALE ENDS 1/31' and 'it's GO time' call to action, featuring a couple in a tropical setting.
- Destination Offers:** A grid titled 'Find the best rates in top destinations:' listing various locations with starting prices: All-inclusive (\$484), Hawaii (\$711), Europe (\$377), Las Vegas (\$214), Florida (\$340), Caribbean (\$443), San Francisco (\$319), Ski (\$384), New York (\$299), Mexico (\$651), Orlando (\$303), and Beach (\$316).

Additional sections include 'Save up to \$525 Book Flight + Hotel Together', 'Vacation Spotlight' for Family Vacations, and 'Featured Vacations' for Argentina and Gay and Lesbian deals.

Travelocity takes advantage of critical insights into site traffic that help marketers optimize customer experiences at several checkpoints throughout the purchase process. By delivering content with improved relevancy, Travelocity experienced incremental conversions by up to 15%.

A leader in the travel services industry, Travelocity needed a deeper understanding of customer interactions with its website in order to continue to grow its business. The company also wanted to better understand the effectiveness of different customer acquisition vehicles such as e-mail promotions, offsite display ads, social networking channels, and search engine marketing.

By implementing a multichannel analytics solution, the company gleaned critical insight into how customers were using the Travelocity.com site. The marketing team analyzed each pathway by product, acquisition channel, search attributes, and other variables to identify opportunities to improve the customer experience and deliver targeted messaging. They created detailed audience segments and ran iterative tests to optimize site content and promotional tactics.

"Ultimately, we were able to make more intelligent site decisions, giving users better product options and more seamless, relevant experiences," says Shankar Mishra, director of vacation packages for Travelocity North America.

Using an integrated multichannel analytics and testing platform, the company achieved a 15% increase in conversion and recouped its technology investment in just nine months. Like Dollar Thrifty, Travelocity also used cross-channel data to analyze campaign results and allocate media budget more efficiently, leading to a higher overall return on marketing investment.

## Recommendations

Once you've decided to pursue a multichannel marketing strategy, the first steps depend on several factors, including your existing business intelligence infrastructure, available budget, and business goals. Remember to build organizational support within and across the marketing and IT departments at each stage of the technology selection and implementation process.

If you want to improve customer satisfaction and resolve more support issues within low-cost channels, you might begin—as USAA's Allen Crane suggests—by identifying all multichannel customer flows. Find out which products and touch points are driving cross-channel behaviors. For example, are customers calling for support after viewing specific pages on your website? Pick two behaviors you want to address and make them part of your strategy.

Whatever your goals, you'll be more successful if you focus on only two or three business issues at a time, testing and optimizing as you go. Then tackle additional questions and opportunities as resources permit. Remember that multichannel marketing is as much an organizational journey as it is a technology-driven endeavor. Be sure to communicate your progress and lessons learned to a broad group of stakeholders. "Share results and give credit often," says Crane.

### For more information

Adobe Online Marketing Suite:

[www.omniture.com](http://www.omniture.com)

Adobe Insight—Multichannel  
Analytics Solution

[www.omniture.com/en/products/  
multichannel\\_analytics](http://www.omniture.com/en/products/multichannel_analytics)



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