The Financial Institution's Guide to E-Mail Marketing

2007 Edition

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E-Mail Marketing Drives Customer Relationships for Organic Growth

E-mail is the most prevalent way that businesses communicate with their customers today. Yet, when it comes to financial institutions, there's much work to be done in optimizing the marketing power of e-mail.

In fact, in a recent survey by Forrester Research, financial services recently ranked last among six industry sectors evaluated. Some of the reasons for the low rating relate to difficulties customers face when trying to use a financial institution's online registration tool to sign up for or to modify their terms of subscription to an e-newsletter or some other type of periodic e-communication.

These findings were published in a Forrester white paper, "The Best and Worst of Email Marketing in 2006." Results were based on the firm's evaluations of more than 60 e-mail campaigns from the following industry sectors: financial services, consumer goods, business-to-business, travel, retail and media.

Forrester evaluated each campaign against four major criteria: registration, subject lines, message layouts and footers. The firm used this data to create a scorecard to grade best practices. Industries could earn up to 20 points or score as low as -20. Plus-10 was deemed a passing grade Financial services scored the lowest across the six industry sectors with an average score of -2.6.

To improve their e-mail marketing performance, Forrester advises financial institutions to be more customer-centric. During its analysis, the research organization found too many e-mails focused on products. Instead, Forrester suggests, e-communications should be focused on how the financial institution can better meet client needs. Additionally, Forrester encourages all industry sectors to humanize the digital experience by leveraging e-mail as a tool for "customer conversations." Despite the poor ratings, financial service providers and other industry segments are making significant progress in using e-mail marketing more effectively and in achieving measurable results from such e-mail marketing efforts.

The Direct Marketing Association says the ROI index for e-mail is five times higher than any other direct-response marketing vehicle, returning nearly $60 on every dollar invested. This is particularly true in financial services. With customers in short supply and bank products and services highly commoditized, financial institutions must differentiate themselves by creating and communicating value in order to compete.

Solutions-based business intelligence, provided in the form of electronic newsletters, case studies and white papers are well suited to helping each bank client compete in their marketplace. Electronic delivery is also particularly effective in meeting customers' increasing desire for on-demand information.

In a 2004 White Paper, *The Marketing Technology Backbone*, Forrester Research said that traditional advertising's effectiveness has all but vanished. Consumers have grown intolerant of the volume and irrelevance of ads. Mass advertising encourages churn not loyalty, further commoditizing markets.

Chip Bell, consultant and author of several customer experience books, says "Customers are devoted to companies that help them learn and make them smarter." Companies that provide such consultative solutions-oriented business intelligence create a very powerful bond with their clients. Such communications say "I care about your growth."

Engaging Clients to Reduce Churn

Providing consultative advice, industry updates and general education through e-mail cements existing relationships and affords banks the opportunity to cross-market complementary products and services to a satisfied, customer base that is interested in learning how new bank products can help them achieve real-life business solutions. As a result, banks providing these kinds of business intelligence are reducing their customer churn and achieving higher overall growth rates than the industry norm.

Accenture recently published an article on the subject, stating: "Organic growth is the key opportunity for most financial services companies today, and significant growth can still be achieved by developing deeper, more relevant and more profitable relationships with customers."

And Gartner Research has this to say:

> **Today banks focus almost exclusively on organic growth. New customers are five time more expensive to acquire than retaining current customers.**

And, Gartner adds, "Loyal customers spend more on higher margin products and are more likely to refer additional customers."

In survey results reported in November 2004 by CRMGuru, 74% of respondents who said they had stopped using a product or service blamed customer service as a major factor in their decision.

Why do customers leave?
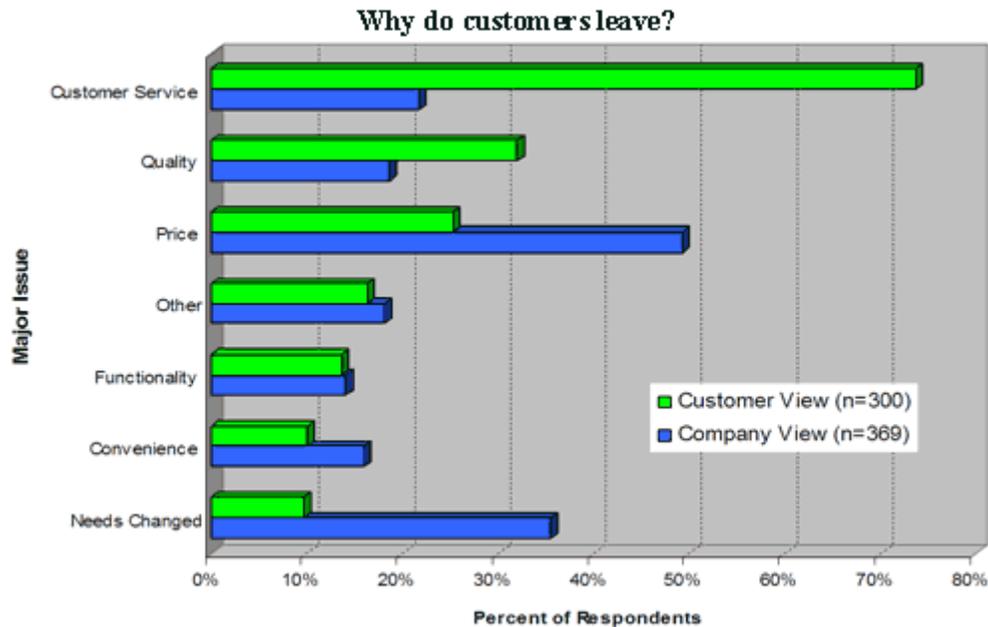
In commercial finance, improving customer service can simply involve increasing the number of meaningful touch points with clients. If these touch points offer clients needed tools and information to help them succeed in their business, you've also reinforced your brand as a business partner. And, the more embedded you become in your client's business process, the more likely the client will be to remain loyal to the partnership.

"Even the very basic act of re-communicating with clients gets you tremendous returns. People do want to be engaged … they want to know that you care, and they want to hear from you," says Michael Lowenstein, co-author of *Customer Winback: How To Recapture Lost Customers—And Keep Them Loyal.*

Further proof of the effectiveness of e-mail can be found in the book *The Loyalty Effect: The Hidden Force Behind Growth, Profits, and Lasting Value*, by Frederick F. Reichheld and Thomas Teal, which reports that customer churn rates decrease dramatically when customers stay connected to the brand. It goes on to report that, on average, as little as a 5% reduction in customer churn can positively impact net profits by as much as 20%. In the banking industry this positive impact has been estimated to be as much as 80%.

	Churn			Profits
All Business	5%	⬇	⬆	20%
Banks	5%			80%

Your customer contact doesn't have to be high tech. An old fashioned phone call or in-person meeting can do wonders for your customer retention rate. In his book, *The Customer Loyalty Solution*, Arthur Middleton Hughes says: "Communication, by phone, e-mail, direct mail or, if need be, in person, can keep a customer on the verge of defection from leaving."

WHAT IMPROVED CUSTOMER RETENTION CAN MEAN TO YOU

Do the following calculation to determine your own institution's potential revenue gain by reducing customer churn: Write down the average annual revenue stream from a typical commercial client. Then multiply that figure over the estimated lifespan of a typical client relationship. That gives you the LTV, or lifetime value, of a customer. Having calculated a customer's LTV, you can begin to see how even the smallest decrease in customer churn can have an enormous impact on your bottom line.

If you are not sure of your average annual revenue stream per client, then consider some numbers calculated using the 2006 Treasury Strategies Benchmarking Database. For middle-market clients (having annual revenues of up to $1 billion), the average annual bank profit on an active account is $5,723. Given that the average lifespan of a commercial relationship is eight years, the LTV of your average middle-market relationship is $45,784.

For large corporations (having annual revenues of more than $1 billion), the average annual bank profit on an active account comes to $63,677. Using the same 8-year average relationship lifespan, the LTV of your average large corporate relationship is $509,416.

When you calculate the potential return on investment of implementing a loyalty-building e-mail marketing program, the cost of not implementing one becomes apparent.

So, while e-mail marketing can be used in many ways, we're primarily going to explore how you can use it to impact organic growth, by building brand loyalty and enhanced profitability from existing client relationships.

In the chapters that follow, we'll also discuss list-building strategies to increase your database of customer e-mails to achieve greater economies of scale. And finally, we'll look at some new technologies that enable you to measure your e-mail programs' success.

Chapter 1:

The E-Newsletter—the Key Driver in E-Mail Marketing

The nature of the e-newsletter, with its informative, solutions-based format is highly conducive to enhancing your institutions' brand as a thought leader and business advisor. Typically, an e-newsletter will also offer the reader choices in content, making the odds of relevancy much greater than most other marketing channels.

When an e-newsletter is first published, the e-mail list of targeted recipients is often culled from client and prospect addresses supplied by bank relationship managers. However, as a newsletter builds a reputation for delivering quality content and consultative value, additional individuals self-subscribe, or "opt in," to receive the publication.

Not only are your targeted markets opting in to receive e-newsletters, but they're opening and clicking through to read them, as well. As shown in the chart on the following page, industry-wide e-newsletters distributed over the past two years by financial services providers averaged open rates of 70%. This statistic is double the 35% average for all types of financial institution e-mail communications during the same period, reports e-marketing research firm DoubleClick. The 70% figure is based on the open rates of more than 80 newsletter editions published by our firm's clients. And research shows that e-newsletters providing a significant consultative value consistently maintain open rates that are double the industry average for all types of financial e-communications.

Let's take a look at some of the specific advantages of the e-newsletter as a primary marketing vehicle:

#1—ENHANCES YOUR BRAND AS A BUSINESS PARTNER

While most other forms of e-marketing are product-centric, newsletters generating high readership and click-through rates are typically customer-centric. That is, they are designed around the interests and needs of the customer. Recent studies suggest that this customer-centric format is preferred by executives. Currently 81% of business executives subscribe to an average of six e-newsletters. Surveys show that they look to these publications to provide timely solutions-oriented business intelligence.

#2—IMPROVES CLIENT RETENTION

We discuss the client retention benefits of e-newsletters in some detail in the Foreword section. The bottom line is that an e-newsletter is a consistent and positive touch-point with clients that helps them make quality business decisions, thus making them more competitive in their marketplace. At the same time, it enhances your institution's brand as a business partner, by

engaging clients with relevant solutions, reminding them of your importance as a trusted advisor. The stronger your image as a trusted advisor, the less likely a customer is to defect

#3—HAS HIGH INDUSTRY READERSHIP

As you can see on the chart that follows, e-mail communications distributed by financial services providers have an average open rate of 70%, compared to 35% for all types of financial institution e-mail communications. These superior e-newsletter readership numbers are corroborated by our own findings. FPS' own experience and research has found that commercial banks distributing consultative e-newsletters—publications providing useful business solutions and marketplace intelligence—are being opened by more than 70% of recipients. Some have open and read rates of more than 80%. Business clients using financial services seem to really appreciate this kind of information.

COMPARING E-MAIL OPEN RATES AND CLICK-THROUGH RATES
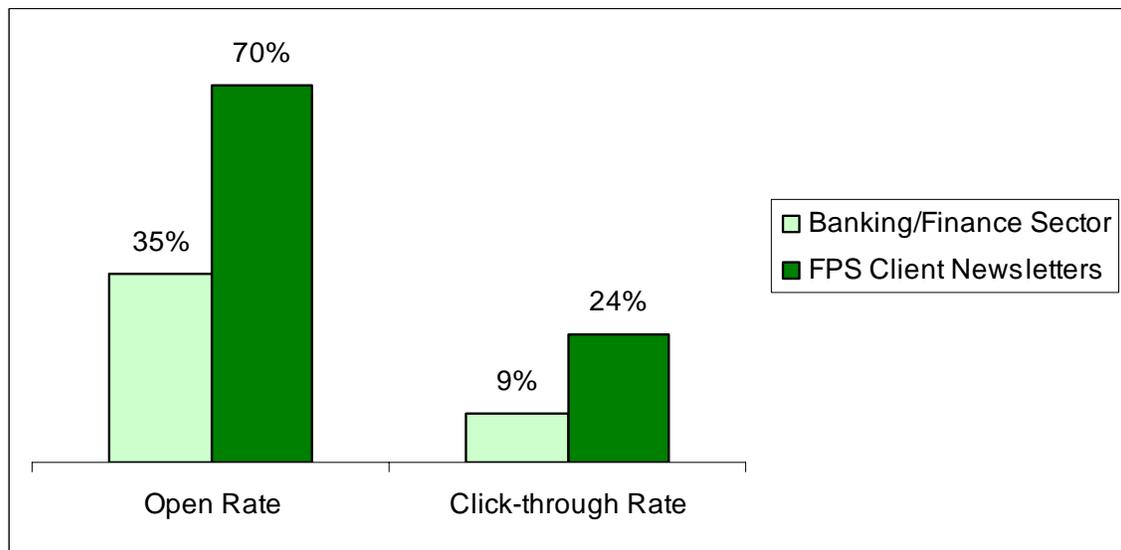
*Email Metrics Marketing Report, MailerMailer 2006. Percentages have been rounded to the nearest whole number.

#4—FACILITATES CROSS-SELLING

This prototype newsletter sample you see on the next page will serve as our primary illustration of how you might use an e-newsletter to optimize retention, cross-selling and to shorten and improve your sales cycles. Let's assume you've broadcast this newsletter to your client list via e-mail. We've purposely packed this newsletter sample with a wide variety of content to illustrate all of the possible components you might choose to include. We've included two main articles from which to choose One article discusses new streamlined back office processes while the other reports on the potential impact of UCP revisions.

On the right we provide on-demand access to previous topics, a white paper, a library of resource information by industry, and a link to your Web site. On the lower left we ask a real-time survey question about what readers would like to see in the next edition.

By providing clients with content variety, you can follow their click stream and, based on their choices, uncover valuable information about them.

Bank clients need to make increasingly complex choices in order to make quality buying decisions. Accordingly, this is an opportunity for a financial institution to deliver consistent thought leadership as a financial partner and trusted advisor. Providing this leadership via e-communications strengthens your bank's bonds with the client, resulting in increased win rates and shorter sales cycles.

And as experts point out, helping your clients succeed by partnering with them to make quality business decisions is the key factor in retention and loyalty. As you help clients cut through the clutter of choices with relevant thought leadership, cross-selling opportunities are optimized.

It seems that CFOs also respond well to this consultative approach. Caroline Smith, Director of Marketing at *CFO* magazine, states: "CFOs are very unlikely to respond to traditional advertising … they appreciate succinct reports and executive level research. Those who can deliver this kind of relevant information, in a concise and direct format, will be the most likely to get the attention of today's CFO."

Because you have taken the time to educate readers about industry issues, your e-newsletter raises your firm's credibility in the marketplace. Because of the goodwill and credibility engendered by your consultative e-newsletter, readers are much more willing to take a face-to-face meeting with your calling officer. And during that meeting, they are much more receptive to what you have to say because of the "aura of expertise" your e-newsletter has created for your organization and its relationship managers.

While your e-newsletter should be primarily consultative and provide marketplace intelligence, you also can provide information about new products and services so long as that information is presented as a "product update" or in case studies highlighting how customers have overcome business challenges.

Research from online marketing experts, Bulldog Solutions supports this theory. In its report, The Evolution of B2B Marketing, Bulldog Solutions states that "Consistent dialogue is most effective when delivered as newsletters, case studies, news articles, competitive information, educational webinars, etc."

The research company goes on to add that at least 20% of leads—and in some cases as many as 80% of leads—will eventually buy when they are nurtured by consistent and relevant dialogue. In contrast cold leads will ultimately generate sales less than 3% of the time.

One of the greatest benefits of e-mail technology is that it has taken the guesswork out of evaluating your ROI. Remember the variety we included in the previous e-newsletter sample? Let's see how we can use sophisticated tracking technology to show exactly how well the information was received and with what result.

Let's assume at this point that the newsletter has gone out and we want to see how it was received. The at-a-glance dashboard (below) will show how many read it, how much click-through activity the campaign generated and how many readers engaged with the material enough to be considered "hot prospects."
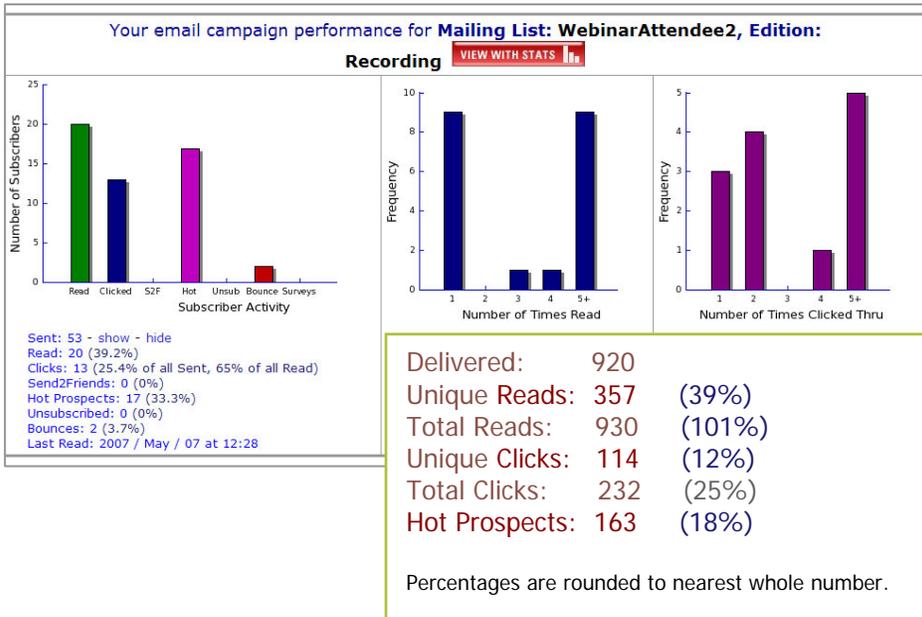
The overview level of the reporting also tells you how many readers clicked through to your Web site and which pages they visited and for how long.

This more detailed reporting identifies the individuals who interacted with your information and which of them are considered "hot prospects" based on the fact that they had a high number of reads, forwards, clicks or all of the above. Then, it will tell you exactly what content these hot prospects sought out. Here's where the ultimate cross-selling opportunities lie. You can see exactly what topics may be keeping your clients and prospects up at night.

Showing [Detail ▼]   [Re-Display Results]

2 Hot Prospects, Required Score = 3

Email	Contact Info	Score	Read/Click Data	Last Sent
ventsi@fpsc.com	Ventsi Petrova LaSalle Cash Solutions 8475014120	18	Sent-1, Read-3 2007/Sep/20 at 10:30 2007/Sep/20 at 10:48 2007/Sep/20 at 10:49 , Click-5http://www.fpsc.com/MarketScope/September07-Story1.htm http://www.fpsc.com/MarketScope/September07-Story1.htm http://www.fpsc.com/CaseStudies/ABN_AMRO.pdf http://www.fpsc.com/Keep_Profitable_Clients_Loyal http://www.fpsc.com/marketscope/June2007.htm#story1	Sent-This edition last sent to on 2007/09/20 at 08:29
chris@fpsc.com	Chris Durkin Fpsc 847.858.9499	12	Sent-1, Read-3 2007/Sep/20 at 10:32 2007/Sep/20 at 10:32 2007/Sep/20 at 10:39 , Click-3http://www.fpsc.com/MarketScope/September07-Story1.htm http://www.fpsc.com/Guide/E-Mail_Marketing.pdf http://www.fpsc.com/resource_library.htm	Sent-This edition last sent to on 2007/09/20 at 08:29

Scoring:
Read = 1 point
Click = 3 points
Send2Friend = 3 points
Survey = 6 points

Set your Hot Prospects threshold (default is 3) in your My Account - Update Account screen.

With this kind of tracking intelligence, plus the ability to personalize the content from each relationship manager to his or her clients, they can see where clients are in the buying cycle and identify cross-selling opportunities. As a result, bank sales representatives can close more sales faster and at a lower cost per sale. We've recently interviewed the sales staff of one newsletter client, asking how sales representatives use the newsletter program in their sales efforts. A frequently recurring comment was that the newsletter "keeps clients connected" by enabling the relationship manager to touch clients between face-to-face sales calls.

Data Tracking Enables A Single View Of The Customer For Both Marketing and Sales

client database

Marketing captures campaign activity, including hot topics and hot prospects.

Action is stored at customer record level, accessible by sales, product and marketing.

Relationship Manager reviews data at the customer level to prepare a more relevant follow up sales call.

Customer patterns begin to emerge, enabling the formation of customer groups and client profiles.

Chapter 2:

List-Building Strategies Using an E-Newsletter

While e-mail marketing continues to gain momentum as the business communication vehicle of choice, one of the biggest challenges marketers continue to face is aggregating a solid database of addresses. So let's begin exploring some of the more successful list-building strategies using e-newsletters. In later chapters we will discuss how to use direct mail, downloads, webinars and daily contact with clients and prospects as list-building strategies.

#1—PASS-ALONG READERSHIP

If you are like most people, you regularly forward to friends or colleagues information you receive via e-mail.

This kind of information-sharing is known in marketing circles as *advocacy marketing* or *viral marketing*. By simply adding a "forward to a colleague" icon to your e-newsletter, industry issue special report or client success story, you can begin to grow your e-mail database. See an example of a "forward to a colleague" link in the *Financial Solutions* newsletter below.

Just how effective is advocacy marketing? Consider the following case study.

A small accounting firm decided to send an e-newsletter to its clients just prior to tax season. The e-newsletter suggested 10 ways to save money on taxes and concluded with an invitation to click on a hotlink to forward the "10 tips" to a colleague. This "forward to a colleague" strategy worked so well that as a result of this single newsletter edition being forwarded again and again, the accounting firm was able to increase its opt-in address list by 400%.

#2—DIRECT MAIL

Postcard mailings can be an effective and economical way to convert your direct mail database into an e-mail database.

As you can see from the example below, we've used the postcard to highlight our e-newsletter topics and entice readers to go online to view full-text versions of each article. Once a reader goes online you can invite them to "opt in" to automatically receive future newsletter editions via e-mail. The same teaser promotions can be used to entice readers to go online to view industry issue special reports or client success stories. It also can be used to promote webinars or other online events as well as in-person contacts such as conference presentations and special events at your conference exhibit.

You also can use communications you already mail to clients to grow your e-mail address list. Include a mention of the availability of your e-newsletter and other online content on invoices, bank statements and product notifications, etc. Look for new and creative ways to get the word out.

#3—REALLY SIMPLE SYNDICATION (RSS)

Many e-mail marketers are now boosting their e-newsletter subscriber base with Really Simple Syndication. RSS is a content-formatting technique that optimizes your newsletter's content to be picked up by what are commonly termed RSS feeds or content aggregators. In simpler terms, RSS is search engine optimization for newsletter content. The content is run through special formatting software, then uploaded into one or more RSS news feeds for keyword optimization.

Syndicating your newsletter can significantly increase your readership and provide another opportunity to grow your opt-in list. For example, a financial executive may go to Google and put in a search for Positive Pay solutions. If you've done an e-newsletter article on Positive Pay and have it on an RSS feed, your article will likely appear in the search results.

Consider the case of the Shipul web marketing company. Ed Shipul, CEO, is enjoying tremendous success in the syndication of the firm's monthly e-newsletter, *Tendenci*. Each edition contains two or three articles advising how to communicate more effectively over the Internet. Though *Tendenci* has only about 250 opt-in subscribers, its articles are read as many as 6,500 times each month by readers who found the newsletter on an RSS feed. Shipul says that while he can't measure the ROI for syndicated readership, the sheer volume of additional exposure RSS provides makes the strategy "a no-brainer."

#4—ENLIST HELP FROM RELATIONSHIP MANAGERS

Take advantage of all of the current touch points your organization has with its customers. If 20 calling representatives provide the e-mail addresses of their 50 best clients, you will have an e-newsletter database of 1,000 names. If you can average 100 addresses from those same 20 bankers, your database will total 2,000 addresses.

#5—CONDUCT A TELEMARKETING CAMPAIGN

In instances where you find there simply are not enough e-mail addresses to work with, you may want to jump-start your list building with a telemarketing campaign. A few years ago we conducted such a campaign for a client who found itself in exactly this situation.

The bank provided a client list consisting of a company name, individual name, phone number and bank relationship manager assigned to the client company. We developed a script and had a professional telemarketer contact each of the 1,000 treasury management services clients on the list. Ultimately we converted the 1,000 original contacts into 500 e-mail addressees willing to receive the bank's new client e-newsletter.

Subsequently, as the first few newsletters were issued, relationship managers were asked to forward them to their best clients and prospects. The forwarded e-newsletter included a request for permission to add the recipient to the publication's subscription list.

The bank's marketing team encouraged sales staff members to continue this process with each of their new clients, citing the numerous benefits of raising the bank's brand awareness and shortening the sales cycle. As a result of these collaborative and consistent efforts, the bank's e-newsletter broadcast database has now grown to more than 10,000 addresses.

Chapter 3:

List-Building Strategies Using Trade Shows

Another opportunity to gather e-mail addresses is at trade shows. Display and hand out at your exhibit hard copies of industry issue special reports, client success stories and e-newsletters that showcase what you're offering online. See below for samples of an industry issue special report and an e-newsletter.

Also provide a simple registration form to subscribe. A check box that says "subscribe me" will suffice. See below for a registration form our firm uses at conferences to obtain e-mail address opt-ins to receive our *MarketScope* e-newsletter. *MarketScope* provides monthly e-marketing insights that help keep financial services marketing and sales professionals at the top of their game.

Chapter 4:

List-Building Strategies Using Your Web Site

Making special reports, also known as white papers, available for download from your Web site is an excellent way to build your e-mail address list. And there's a high probability that a visitor interested in your reports and case studies may also be interested in subscribing to your e-newsletter. See below for an example of how your commercial banking home page can include an industry issue special report as an enticement to obtain a visitor's e-mail address.

Pass-along readership for industry issue special reports and client success stories tends to be high as well. ServiceWare reports that 69% of prospects who download your special report will likely pass it on to colleagues while 36% will pass it on to a direct supervisor.

A great way to re-purpose newsletters, special reports, recorded webinars and case studies is to organize your archived content into a subject-indexed resource library on your Web site.

Following is an example of how you might structure such a library. Notice that the information is catalogued by industry, by business process, and by type of content (special reports, case studies, etc.). This parsing of information makes it easy for clients to focus on topics of high interest to them. It also makes it a powerful marketing resource that your firm's calling officers can research to identify and forward to customers content that is directly responsive to client inquiries.

A Resource Library is a user-friendly way to disseminate your information. And it provides value in a variety of ways. Because of its customer-centric approach to organizing content, it is perceived by clients as a valuable customer service. At the same time, it provides two powerful marketing benefits for your firm. First, when combined with a registration page, it becomes another e-mail address gathering tool. And, second, by tracking which content is clicked on most often, you collect valuable market research. Some organizations send out e-postcards containing links to their resource library content specifically to collect such market research.

SUBSCRIPTION MANAGEMENT PAGE

In addition to a multi-topic newsletter, or a resource library, you may also want to create an online subscription management page, commonly called a "preference center," to offer readers choices in content. Below is an example of what a preference center could look like.

As we stated earlier, being able to control the types of information they receive is perceived by recipients as a valuable customer service. And good customer service is key to customer retention.

Offering readers control over content, as afforded by the above preference center, is also a powerful sales and marketing analysis tool. When you create a variety of e-marketing tools—preference centers, newsletters, industry issue special reports and resource libraries—you not only build your opt-in list, but you begin to accumulate actionable customer behavior data.

YOUR 'CONTACT US' PAGE

Take advantage of the Web site traffic on your "Contact Us" page. Those who take the time to contact you may be some of your hottest prospects, so try to take advantage of that window of opportunity by asking them to provide e-mail addresses and subscribe to your e-newsletters as well as other e-communications. Below is the contact form we developed for our company's Web site.

Chapter 5:

An Overview of Search Engine Marketing (SEM)

Search Engine Marketing (SEM), or search engine optimization (SEO), is a good way to build traffic on your Web site, which in turn affords more opportunities to gain subscribers to your opt-in content.

In a speech at a recent American Business Media conference, Geoff Ramsay, CEO of B2B e-marketing company eMarketer, said: "Search engine marketing currently takes up more than 40% of the B2B online advertising pie, and that it is expected to grow by more than 20% this year."

What's driving this trend? One of the more attractive aspects of search engine marketing is that, like permission based e-mail marketing, it is customer initiated. And customer-initiated marketing messages consistently outperform messages that are advertiser-initiated. What's more, SEM doesn't have to get through spam filters or opt-in registrations to reach a receptive audience.

SEM can be divided into two categories: paid search and organic search. Our focus will be on organic searches and how you can best position your marketing messages to appear in them.

What is an organic search? This is when a search engine pulls up content that closely matches a keyword or phrase search based on its *relevancy* rather than its *paid ranking*. According to Ramsay, "62% of B2B users of search engines click first on the natural search results rather than paid search listings." So marketers who take steps to optimize the "searchability" of their messages have a particular opportunity to drive traffic to their trusted, industry-specific content.

We recently interviewed Simeon Sneor, Managing Director of multimedia company Paradigm Productions (www.paradigm-il.com), about how financial service marketers might best optimize their Web site's content for competitive placement in search rankings. He offered these tips:

> ➢ Make sure important keyword phrases are on your homepage as well as in your page titles and headings. The deeper important content is buried within your Web site, the longer it will take a search engine to locate it and pull it into its database.

> ➢ Try to make the most important phrases actual text links to landing pages. For example, if *Treasury Services* is a key phrase that you want to target, it would help to incorporate the phrase into the title of that link as well as in the name of all relevant landing pages.

➢ Search engines can take up to six weeks to fully index, so while it's good to update content, make sure to stick with your initial keyword strategy.

➢ If you are not achieving the results desired, go through the process again and modify keyword phrases and locations. For example, it might be wise to change the link name "Online Banking" to "Online Banking Services" or "Bank Online" in addition to mixing up the content in headers, titles and body copy.

➢ Most marketers prefer to outsource this ongoing process to their IT professionals. Delegating the task can be the most time- and cost-effective strategy in the long run, as these professionals are typically much better equipped to keep up with the ever-changing search engine algorithms and will consistently monitor your rankings.

Chapter 6:

Ensuring Optimal Delivery Through Best Practices

Now that we've discussed the various ways you can build your e-mail database, we'd like to cover ways to ensure your e-mail messages reach their intended audience. Here are a few e-mail housekeeping reminders to optimize your messages for deliverability.

"OPT-IN" ETIQUETTE

It's best if your e-mail subscribers have volunteered their e-mail address for the expressed purpose of receiving the messages you send them. One way to ensure that readers have voluntarily opted in is to seek a "double opt-in." To accomplish this, send new subscribers a confirmation e-mail with a welcome message, plus the option to unsubscribe should they change their mind or realize they've subscribed in error.

Also note that the CAN-SPAM Act of 2003 requires you to include an unsubscribe option on all e-mail communications.

MAINTAIN A 'CLEAN' E-MAIL LIST

The life span of your average e-mail address is about three years. Internet Service Providers (ISPs) often recycle old addresses to new users or add them to "spam trap" filters. If you send a message that is filtered out by such a "trap," all future messages that you send to anyone using that ISP may be intercepted as spam before the intended recipient sees them.

One way to counteract losing subscribers who may change their e-mail address is to designate an area within your e-mail message for subscribers to easily update their profile.

Your tracking software also should advise you of any "hard bounces" or permanently undeliverable addresses. You need to remove or update hard bounces on a regular basis. If you do not, the high rate of hard bounces will trigger some ISPs—as an anti-spam strategy—to begin blocking all messages from you. Your IT department can remove the hard bounce addresses, or you can outsource the job to an e-mail address update service.

If your organization does frequent or high-volume e-mail campaigns, you may wish to get a seal of approval from some of the more popular ISPs indicating that you are compliant with anti-spam legislation. The granting of such approval status is called "white-listing." It's also helpful to request that your subscribers add you to their e-mail address book. Or, you may choose to contract with an e-mail delivery service company, as they specialize in getting past common filters and blocks.

Chapter 7:

How E-Mail Drives Other Customer Retention Initiatives

While e-mail stands on its own merit as a customer retention and loyalty tool, it also can work as a key driver in the success of other client retention initiatives.

WEBINARS

Any discussion about customer retention, brand loyalty and share of wallet in e-mail marketing would be incomplete without examining the Web seminar or webinar. Webinars have much in common with e-newsletters in that webinars are also designed to enhance your brand as a thought leader and business partner.

The following e-mail from *Bulldog Solutions* serves double duty by combining a multi-topic newsletter with a webinar invitation.

The webinar is becoming increasingly popular in the B2B sector. A recent survey revealed that 60% of all B2B companies are currently incorporating webinars into their marketing mix. According to Interactive Media Strategies, 71% of companies use webinars to evaluate suppliers and more than 93% rate webinars as valuable or extremely valuable in the vendor evaluation process. In addition, the survey found, close to 90% of webinar attendees pass the information along to colleagues.

HOW WEBINARS ARE BEING USED

% of B2B companies that currently incorporate webinars in their marketing mix	**60%**
% of companies that use webinars to evaluate suppliers	**71%**
% of people who rate Webinars as valuable or extremely valuable in the evaluation process	**93%**
% of people who pass along to colleagues the information received from webinars	**90%**
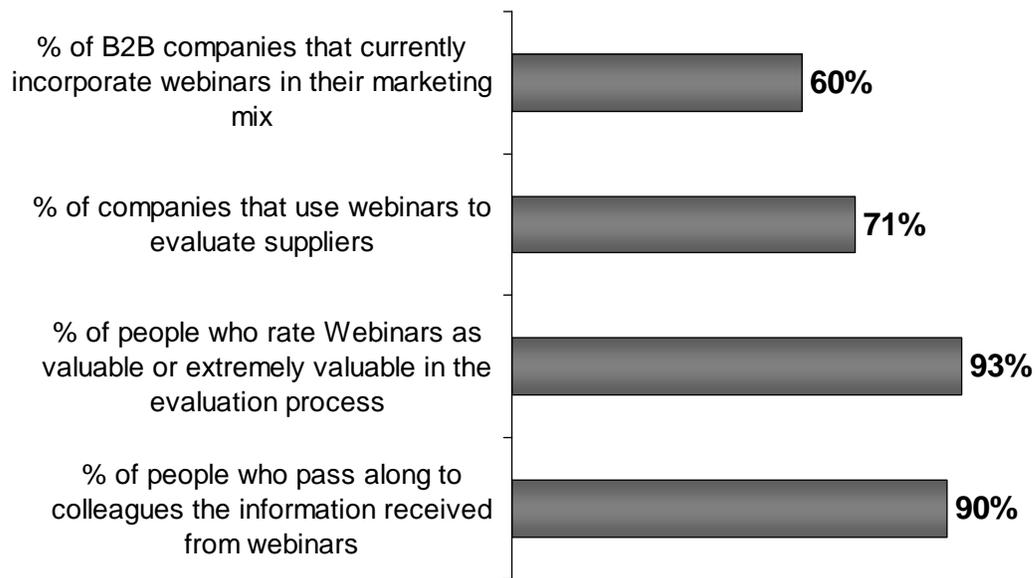
A webinar is typically structured to facilitate the learning process inherent in many of the more complex business issues today. This can be particularly true in the world of finance, where financial tools, products and services are continuously evolving. E-mail is the driver that provides the numerous touch points with clients before, during and after these events.

PRE-EVENT E-MAIL PROMOTION

You can send e-mail invitations and e-newsletters to your client and prospect e-mail database to promote your event well in advance. I'm sure most of you have received these e-mail invitations, or e-vites, for webinars on many occasions. Following is a sample of an e-mail invitation we have used in the past.

Mark Your Calendars

Learn how to strengthen customer relationships and brand loyalty using new techniques in e-mail marketing.

Join Financial Publishing Services at this year's Windy City Summit for an educational presentation titled

The Financial Institution's Guide to E-Mail Marketing

Find out why e-mail marketing has become "the number one business enabler in B2B marketing," according to Forrester Research.

We'll examine the latest e-mail marketing techniques for turning prospects and clients into brand advocates.

Topics Include:

- List-building using e-mail newsletters, online libraries, webinars and subscription management pages
- Optimizing cross-selling opportunities through content preference centers and data tracking
- Combining CRM, e-mail solutions and reporting to measure ROI

Financial Publishing Services

Plus, we'll share the latest e-mail marketing statistics from leading experts like ExactTarget, DoubleClick, MarketingSherpa and eROI.

Featured Presenters:

Vince DiPaolo
President
Financial Publishing Services

Chris Durkin
Director of Marketing
Financial Publishing Services

Jacques Shalo from ExactTarget will also be presenting.

Attendees will receive a complimentary copy of our E-Mail Marketing Handbook for Financial Services Providers. **Do not miss this opportunity.**

The 20th Annual
Windy City Summit
Hilton Chicago
Thursday, May 25
11:15 a.m. to 12:05 p.m

These e-mail invitations link to a Web page also known as a "landing page" that is devoted exclusively to highlighting the features and benefits of attending your event. Once prospective attendees have registered for the event, you also can send out e-mail event reminders and confirmations. You also will want to include an electronic forwarding device so recipients can invite others to attend.

During your event, e-mail enables you to conduct real-time surveys of attendees, the results of which you can share with attendees or save for your own market research. And the real-time chat in the form of the Q&A at your program's end is a great way to interact in a meaningful way with clients and prospects at a time when their interest is at its peak.

When the event ends, e-mail provides an easy way to thank attendees, offer transcripts of the presentation, or an invitation to download a related white paper or report—all of which are perceived as a customer service. In the following example from a recent banking webinar, attendees were e-mailed an offer to view the recorded version of the presentation in exchange for providing some profile data. Plus, by sending additional post-information via a sophisticated e-mail platform like eROI or ExactTarget, you can see who responded to your post-mailing and respond accordingly.

Following is another post-webinar e-mail promotion. This one from SAP and Accenture contains a "thank you" for attending, a recorded version of the event as well as a forwarding link.

ARCHIVING YOUR EVENT

Recording and archiving your webinar dramatically increases the exposure and shelf life of the event. In fact, a survey by Bitpipe, Inc. revealed that 80% of B2B respondents preferred to choose *when* they watch a webcast versus viewing it live at a set date and time.

While e-mail is an effective tool for promoting webinars, it is an equally effective marketing strategy for driving traffic to your trade show exhibit. The Center for Exhibition Industry Research (CEIR) recently published statistics that underscore the positive impact of good pre-show promotion. CEIR noted that *B2B attendees typically plan their trade show time well in advance*. In a recent survey, 76% said they use pre-show information to determine how they will spend their conference time. This statistic makes clear the competitive advantages of capturing your prospective attendees' interest as soon as possible.

Another CEIR study done by Deloitte & Touche found that exhibitors who invested in pre-show advertising and promotions saw their "attraction efficiency" rise 46%. Attraction efficiency is a combined calculation of both quantity and quality of audiences corporations were able to attract to their exhibits. And exhibitors who did pre-conference promotion were able to convert 50% more booth visitors to "hot leads" than were companies that did not pre-promote.

And e-mail is just as important in post-show promotions. Ruth P. Stevens www.ruthstevens.com, an e-marketing consultant and author of Trade Show and Event Marketing, says "e-mail is the most efficient means for post-show follow up communications." Personalized "thank you" notes, invitations to subscribe to your newsletter, and show-related press releases will make good use of the e-mail addresses you've collected during the event.

Chapter 8:

Increase relevance with segmentation

In its report, *The ROI of E-Mail Relevance*, <u>JupiterResearch</u> found that when marketers managed customer data to deliver varied email messages to specific customer interest groups, net profits of a marketing initiative were, on average, 18 times greater than for mailings with a one-size-fits-all message.

<u>MarketingSherpa</u> concurs in its survey of B2B marketers. It found that mailings sent to segmented customer lists generated open rates and click-through rates more than double those of more generic mailings.

Interestingly, despite these statistics, in a 2005 survey, <u>JupiterResearch</u> found that less than 11% of marketers are currently segmenting their client databases to better respond to the interests of individual customers.

Customer Relationship Management (CRM) system integration might be the answer. <u>Forrester Research</u> found that CRM software can be a key component in aggregating and disseminating the kind of refined data that enables you to effectively segment clients by interests and expressed needs. In its 2005 report, *Top Marketing Technologies*, Forrester said CRM software has emerged as the primary business enabler and that e-mail is the core enabling technology.

In 2004, Martin Lippert, CIO of Royal Bank of Canada, was interviewed by *CMO* magazine about the tremendous success the bank has been having segmenting customers and marketing to these segments. RBC has been using customer segmentation as a primary strategy in its marketing efforts since 1996, making the bank a pioneer of this up-and-coming marketing strategy.

RBC is one of only a handful of organizations that segment customers based on customer needs. The vast majority of banks segment customers by categories serving the bank's own needs. RBC strives to create a win-win scenario where the bank's goal is to "target customers with product and service offerings that precisely match their needs," says Shauneen Bruder, head of client and marketing strategy for RBC Financial Group. "Customers get what they want and subsequently buy more; (meanwhile, the bank) wastes less money and increases sales and profits."

And, adds Martha Rogers, co-author of the book *Return on Customer*, "the more you're able to do for the customer, the more likely she is to pay attention to the next offer."

Larry Selden, co-author of *Angel Customers and Demon Customers*, says the goal of segmentation is to put customers in homogeneous groups defined by common needs and wants that you can act on with a common solution.

Since beginning this segmentation marketing model in 1996, RBC has refined and expanded its approach to include more than 80 customer models in its data warehouse. The impact of refined segmentation and customer-centric content has paid off handsomely for RBC. Here are the bank's 2004 results, according to Lippert:

- 250% increase in net income per client for RBC before taxes.
- 45% decrease in non-retention.

Says Lippert, "It costs RBC a projected five to 10 times as much to acquire a new customer as it does to hold onto an existing one … a reduction in the defection rate adds significantly to the institution's overall P&L." In addition, by focusing its operations on addressing customer needs, RBC has grown its market capitalization (in both personal and commercial divisions) to close to $50 billion today from $18 billion six years ago.

Despite there being so much to gain from integrating CRM and e-mail systems to create actionable customer segmentation, reaching this goal remains a challenge for most financial institutions. Tower Group analyst Jerry Silva says "while many financial services companies are working to centralize customer data, few have achieved that goal."

During a recent webinar, attending bankers were asked, "To what degree are your CRM and customer profitability solutions integrated?" Only 8% responded that they were fully integrated, though most said they did plan to integrate the two systems.

CRM software uses customer-attribute fields, which correlate to the fields in your outgoing e-mail messages. In addition to name, company and e-mail address, these attributes might include job title, industry sector, number of employees, etc. The attributes then become filters that enable targeted messages to be sent to segmented lists. The filters can combine any number of attributes that have been collected in the CRM database, including the corresponding calling officer for that customer.

For example, you might want to send an e-newsletter on procurement card services to financial managers at larger corporations. Meanwhile, you might send an e-newsletter reporting on trade services and foreign exchange issues to corporations your CRM system identifies as having substantial international sales.

Chapter 9:

Combining CRM, E-Mail and Performance Metrics

We've discussed how detailed customer data can be generated by CRM software, and how this enables relevant data to be delivered via e-mail marketing. But as you've seen, with today's technology, we can go beyond that to determine how our e-mail campaigns performed.

Integrating CRM, analytics and e-mail marketing enables marketers to segment and target follow-up communications based on the actions of a group of recipients. It also enables them to set key performance indicators (KPIs) and determine the success of an e-mail based on data obtained from an analytics solution or metrics available in the e-mail solution.

This combination enables you to develop a more intimate relationship with your customers. When your customers feel like you know what interests them, they tend to feel more confident in making a purchase from you.

With the integration of CRM, e-mail marketing and analytics, you can begin to build customer profiles that will provide predictive analysis, which in turn enables price bundling and other service combinations that make your profitable customers more loyal.

PULLING IT ALL TOGETHER

Having the combination of CRM, e-mail marketing and metrics/analytics allows you to engage in targeted follow-up messages that are designed to further move the recipient through the purchase cycle for the product. This integration also enables you to set goals for marketing campaigns and develop actionable reports to assess the success or failure of the current activity. Most of all, you'll see improvements to your bottom line as a result of keeping profitable customers loyal.

E-mail marketing is clearly becoming more effective and popular. If you are not currently taking advantage of all that e-mail marketing has to offer, you may want to begin building the infrastructure to do so now.

HOW FPS CAN HELP

Financial Publishing Services is uniquely equipped to help you get a turnkey email marketing system up and running more easily than you may think. . Our professional financial services writers will help to fill the content pipeline for your client communications, while our team of e-mail marketing experts work with you to create and deliver your message as well as track the results.

In response to the feedback we've been receiving about how to get such a system up and running, we've put together an online workshop that showcases next-generation options in content format, e-mail gathering techniques, lead-generation, retention and cross-selling.

Most of all, the online workshops provide a private, online environment for you and your colleagues to kick-start your marketing strategy sessions for next year. You name the time and the date, invite your colleagues. After meeting online with us for an hour or so, you'll come away with some interesting ideas and inspiration that will help crystallize your thinking as you plan for 2008.

You are probably wondering why we are offering all this valuable marketplace intelligence at no cost or obligation to you or your bank. We do it in the hope that when you're ready to build your own e-mail marketing system, you'll ask us to help. Just send us an e-mail to info@fpsc.com, or give us a call at 847-501-4120 to arrange your session

Please visit our Web site at www.fpsc.com to view an online workshop sample, client roster and samples of our work.

WebTrends MarketingLab™

You bring the art, we'll deliver the science.

Redefine Your Marketing

Is there a single phrase that defines the ability to test, measure, and optimize your marketing results and build strong customer relationships? There is now: the new WebTrends Marketing Lab. In the fast-changing new world of marketing, the web is the key to success, and WebTrends Marketing Lab can help you prove and improve your marketing results.

WebTrends has created this handy guide to commonly used web marketing terminology to help you understand the terms and acronyms used in marketing performance management, relationship marketing and web analytics. This glossary is also available on webtrends.com, along with a wealth of educational guides, industry news, reports and webcasts.

WebTrends®

A

Abandonment: When a visitor exits or leaves a conversion process on a website and does not return later in the session. See also conversion funnel.

Accuracy: The ability of a measurement to match the actual value of the quantity being measured. Accuracy is the foundation upon which your marketing analytics should be built. If you can't trust that your data is accurate, you can't make confident decisions. In statistical terms, accuracy is the width of the confidence interval for a desired confidence level. See also: unique visitors.

Acknowledgement Page: A page displayed after a visitor completes an action or transaction. For example, a thank-you or a receipt page. An Acknowledgement Pages is often important in Scenario Analysis, where it is an indicator of a completed scenario.

Acquisition: The process of attracting visitors to your site.

ACT: After-Click Tracking is the recording the activity path of a visitor to a site after they have clicked on an email link.

Actionable Data: Information that allows you to make a decision or can be made use of in any way. See also forward-looking metrics.

Ad: A link that takes a visitor to a web site when clicked on—usually graphic or text. See also banner ad.

Ad Click: A click on an advertisement on a web site that takes users to another site. See also ad view.

Ad Hoc Query: A non-standard inquiry posed as the need arises. See also query.

Ad View: A web page that presents an ad. There may be more than one ad on an ad view. Once visitors have viewed an ad, they can click on it.

Affiliate Marketing: A method of promoting web businesses in which an affiliate is rewarded for providing customers. Compensation could be made based on a value for visits, subscriptions, leads, sales, and so on. See also PPC.

Aggregate Data: A summary of collected information which groups data together without record-level statistics.

Analytics: See web analytics

API: Application Programming Interface is a system that a computer or application supplies to users in order to allow requests for service to be made of it by other computer programs. For example, an API might describe how to draw icons or windows using a library that has been created for that purpose.

ASP: Active Server Pages are a set of software components that run on a web server and let developers build dynamic web pages.

Attrition: The erosion of your customer base over time. The opposite of customer retention.

Authentication: The technique by which access to Internet or intranet resources requires the user to enter a username and password as identification.

Average Lifetime Value: The average of the lifetime values of all the visitors during the reporting period, where each visitor's lifetime value is the total monetary value of a visitor's past orders since visitor tracking began.

B

Bandwidth: Measure, in kilobytes of data transferred, of the traffic on a site.

Banner Ad: An advertisement embedded on a web page usually intended to drive traffic to a different website by linking to the advertiser's site. The Interactive Advertising Bureau (IAB) has created a standard set of banner ad sizes (Medium Rectangle, Rectangle, Leaderboard, Wide Skyscraper) into a set of guidelines called the Universal Ad Package).

Benchmark: A standard by which something can be measured or judged. For example, WebTrends Analytics 8 helps you benchmark your Key Performance Indicators to ensure everyone in your organization is measuring performance against the same goals.

Bot: See robot.

Bounce: See bounce rate and email bounce

Bounce Rate: The percentage of entrances on a web page that result in an immediate exit from the web site.

Browser: A program used to locate and view HTML documents via the Internet. (Microsoft Internet Explorer for example.)

Business Intelligence: Business intelligence refers to a category of software and tools designed to gather, store, analyze, and deliver data in a user-friendly format to help organizations make more informed business decisions. Software types include dashboarding, data mining, data warehouses, and other information systems.

C

Campaign Creative: "Creative" describes the characteristics of a marketing activity, such as color, size and messaging—for example, the design of a "Buy Now" button or the wording of a banner.

Client: The browser used by a web site visitor.

Client Error: An error that occurs because of an invalid request by the visitor's browser. See also return code.

CNAME: A Canonical NAME record makes one domain name an alias of another.

Conversion: An action that signifies a completion of a specified activity. For many sites, a user converts if they buy a product, sing up for a newsletter, or download a file. The conversion rate is the percentage of visitors who do convert. Cookie deletion can have an impact on your conversion rate because if a cookie is being systematically deleted, repeat visitor rates will be under-counted and new visitor rates will be over-counted, thus skewing the conversion rate metric by which you analyze your site's overall effectiveness.

Conversion Funnel: The series of steps that move a visitor towards a specified conversion event, such as an order or registration signup. See also abandonment.

Convert: See conversion.

Cookie: A text file that transmits information to a data collection facility via a 1x1 pixel GIF image request and includes a tracking ID that is used to identify returning visitors. Contrary to some industry speculation, cookies can not be used for malicious use such as privacy tapping. See also first and third-party cookies.

CPG: Consumer Packaged Goods

Crawler: See spider.

CTR: Click Through Rate. A click through rate is the rate at which visitors "click through" from one website page or property to the next. A good indication of an ad's effectiveness.

Customer Segment: A powerful aspect of relationship marketing in which you target sub-section or group of customers who share a specific trait or set of behaviors. See also demographics and psychographics.

D

Dashboard: A web analytics dashboard provides all of your critical metrics in one place to help you understand the health or performance of your business.

Data Warehouse: is a logical collection of information gathered from many different operational databases used to create business intelligence that supports business analysis activities and decision-making tasks, primarily, a record of an enterprise's past transactional and operational information, stored in a database designed to favor efficient data analysis and reporting.

Demographics: The physical characteristics of human populations and segments of populations, often used to identify consumer markets. Demographics can include information such as age, gender, marital status, education, and geographic location. See also psychographics.

DNS: A Domain Name System is an Internet addressing scheme that uses a group of names that are listed with dots (.) between them. See also domain.

Domain: An area in the Internet specified by a URL address. The top-level domain is at the end after the dot and the second-level domain comes before it, and shows where in the top-level domain the address can be found. For example in www.webtrends.com, ".com" is the top-level domain and "webtrends" is the second level domain.

Domain Name: The text name that corresponds to a numeric IP address of a computer connected to the Internet.

E

E-commerce: The act of selling goods and services online via a standalone site or through an online auction center.

Email bounce: The number of e-mails that were sent but never reach the intended receiver.

Entry page: The first viewed page on a visitor's path through a site.

Exit page: The last page viewed on a visitor's path through a site.

F

Filters: A means of narrowing the scope of a report or view by specifying ranges or types of data to include or exclude.

First party cookie: For most business models, first-party cookies are regarded as the most reliable method to measure visitor activity. Whereas a third-party cookie is usually set by an analytics vendor, (an entity with whom the user does not have a relationship), a first-party cookie is set by the business, an organization with whom the Web site visitor has specifically chosen to do business. Because of this relationship, first-party cookies are deemed more secure by the user. Also see cookies.

Form: An HTML page which passes variables back to the server. These pages are used to gather information from users. Also referred to as scripts.

Forward-looking metrics: Metrics that are indicators of future performance. For example an increase in traffic is a good indicator of down-stream conversion performance.

Frequency: The number of times a visitor has visited a site during a reporting period. Average Frequency is the average of frequencies of all the visitors during the reporting period. Frequency is a retention metric and is part of RFM (recency, frequency, monetary) analysis. See also recency and latency.

FTP: File Transfer Protocol is a standard method of sending files between computers over the Internet.

Funnel: See conversion funnel.

G

GIF: A Graphics Interchange Format is a bitmap format for images with up to 256 distinct colors. Commonly used on the web for animated banner ads.

GRP: Gross Rating Point is the percentage of the target audience reached by an ad.

H

Hit: Any request from a file or a web-server. A single page likely contains multiple hits as multiple image and text files are downloaded from the web-server.

Home Page: The main page of a web site. The home page provides visitors with an overview and links to the rest of the site

Home Page URL: The local path or Internet URL to the default page of the web site for which WebTrends reports will be generated.

HTML: HyperText Markup Language is a means of communicating text (and information about that text) that's designed to display pages with hypertext (links) and other information in a web browser.

HTTP: Hyper Text Transfer Protocol is a standard method of transferring data between a web server and a web browser.

I

IAB: Interactive Advertising Bureau (http://www.iab.net)

Impression: The display of an online advertisement (usually a banner ad) to a web site visitor.

Internet: The Internet is the publicly accessible global system of interconnected computer networks that transmit data via a standardized Internet Protocol. See also World Wide Web.

IP: Internet Protocol is a standard used for communicating data.

IP Address: Internet Protocol address is used to identify a computer connected to the Internet.

J

JavaScript tag: See page tag.

JPEG: A Joint Photographic Experts Group file format is a commonly used file type for photographic images, especially on the web.

K

Keyword: Terms entered into search fields of web search engines. See also organic search and PPC.

KPI: Key Performance Indicators. Key Performance Indicators are typically kept in dashboards and provide customers with an understanding of how the site is performing.

L

Latency: The average number of days between visits for a given visitor during a reporting period. For example, those who visit on average every seven days. See also recency and frequency.

Link: On a web page, text or an image that has been coded to take a browser from one page to another or from one site to another.

Log File: A file created by a web or proxy server which contains all of the access information regarding the activity on that server. This kind of tracking is available from WebTrends solutions as well as page tagging.

LTV: Long-Term Value or Lifetime Value. Lifetime Value is a metric used to describe the value a specific customer has over the life of their relationship with you.

M

Marketing Performance Measurement (MPM): Marketing Performance Management drives stronger customer relationships and higher lifetime value, based on a framework of established goals, consistent metrics, constant optimization across the entire marketing organization and across every customer touch point.

Marketing Warehouse: See data warehouse.

Metrics: Metrics are a system of parameters or ways of quantitative assessment of a process that is to be measured, along with the processes to carry out such measurement. Metrics define what is to be measured.

N

N-dimensional: Unlimited dimensions.

Navigation: The act of moving from location to location within a web site, or between web sites, accomplished by clicking on links. Navigation can also refer to the overall structure of the links on the site, comprising the paths available to the visitor.

Non-referrals: Visitors who arrive at a site by typing a domain into an address bar, using a bookmark, or clicking on an emailed URL. See also referrals.

O

OCR: Organic Click Rate. See also PPC.

ODBC Driver: Open DataBase Connectivity (ODBC) is a standard access method for databases created by the SQL Access group. ODBC makes it possible to access data from any application no matter what kind of database management system it has. ODBC does this via a database driver between an application and the system.

On-demand service: WebTrends Marketing Lab is available as both an on-demand service and a software solution. WebTrends' on-demand infrastructure provides redundant data collection, multiple co-located data centers and an advanced staging environment for quality control to ensure secure, always-available data.

Opt-in: This permission-based email communication requires customers to verify the opt-in method before their e-mail addresses can be used to communicate with them.

Organic Search: A type of search in which web users find sites via unpaid search engine listings, as opposed to using the pay per click advertisement listings displayed among the search results.

P

Page: A document provided by the server, including HTML, scripts, and text files. Images, sound files and video are not considered pages. Documents are defined by the system administrator, but generally include all static content, such as complete html pages. Dynamic pages are created with variables and do not exist anywhere in a static form. Forms are scripted pages which get information from a visitor that gets passed back to the server.

Page tag: A piece of JavaScript code embedded on a web page and executed by the browser when the page is viewed. See also log files.

Page view: is generally defined as a request to load a single page of a website. On the web, a page request would result from a web surfer clicking on a link on another page that points to the page in question. See also hit.

Parameters: These are located in the URL immediately after a question mark and followed by an equal sign and a return value, known as name=value.

Path: A path is the click pattern a visitor uses as they traverse through multiple pages.

PEF: Personal Experience Factor is the customer's interaction with your website, advertising, or brand.

Performance Indicators: See KPIs.

PIE: Persistent Identification Element is a type of tag that is attached a user's browser, providing a unique ID similar to traditional cookie coding.

Platform: The operating system (such as Microsoft Windows) used by a visitor to the site.

POA: Point of Action is the location of a conversion event.
POC: Percentage of Completion or Proof of Concept
PPC: Pay Per Click or paid search uses search keywords that cost a certain amount for each customer click on that term in order to get to your site. See also organic search.
Protocol: An established method of exchanging data over the Internet.
Psychographics: Data used to build customer segments based on attitudes, values, beliefs and opinions as opposed to the factual characteristics. See also demographics.

Q

Query: A question or inquiry used to find answers about certain metrics.
Query Parameter: An individual piece of a query string consisting of a parameter name and a value for the parameter.

R

Reach: The size of the audience reading, viewing, hearing, or interacting with a message in a given period of time. Reach can be understood as either an absolute number, or a fraction of a population.
Rear-view mirror metrics: Metrics that measure what has occurred. For example campaign response metrics are such metrics that tell you how a campaign performed.
Recency: The number of days since a visitor's most recent visit during a reporting period. See also frequency.
Referrals: The location that visitors come from, particularly the sites, search engines or directories. See also non-referrals.
Relationship Marketing: Relationship marketing is a type of marketing that traces its roots to direct response marketing. It emphasizes building long-term relationships with customers rather than individual transactions. It requires understanding customer needs as they go through life cycles of interacting and purchasing from organizations, and requires that marketers accurately determine customer intent in order to provide them the right message at the right time.
Return Code: The return status of the request which specifies whether the transfer was successful and why.

Possible "Success" codes are:
  200 = Success: OK
  201 = Success: Created
  202 = Success: Accepted
  203 = Success: Partial Information
  204 = Success: No Response
  300 = Success: Redirected
  301 = Success: Moved
  302 = Success: Found
  303 = Success: New Method
  304 = Success: Not Modified

Possible "Failed" codes are:
  400 = Failed: Bad Request
  401 = Failed: Unauthorized
  402 = Failed: Payment Required
  403 = Failed: Forbidden
  404 = Failed: Not Found
  500 = Failed: Internal Error
  501 = Failed: Not Implemented
  502 = Failed: Overloaded Temporarily
  503 = Failed: Gateway Timeout

RFM Analysis: Recency, Frequency, Monetary analysis.
ROMI: Return on Marketing Investment
ROAS: Return on Advertising Spending
Robot: An automated process that performs mundane, repeatable tasks to provide information. Search engine robots or bots provide such functions, cataloging the internet for searchers to find information.
ROI: Return on Investment
RSS: Really Simple Syndication. (Note: WebTrends offers an RSS feed for its Resource Center. The feed includes headline summaries from the resource center and WebResults, and links back to WebTrends.com for the full article.)

S

Sampling: In statistics, the selection of individual observations intended to yield knowledge about a population, especially for the purposes of statistical inference.
Scenario Analysis: A report showing the amount of activity at each step of a defined scenario, plus conversion rates for each transition from step to step as well as for the whole process. Examples of scenarios are check-out, registration, or application sequences.

Script: See JavaScript.
Search Engine: A search engine is a program that helps you find information on the web.
Segment: A grouping of customers, defined by website activity or other data, which can be used to target them effectively.
SEM: Search Engine Marketing, a way to increase the visibility of a web site in search engine results.
SEO: Search Engine Optimization, a way to improve rankings for relevant keywords in search results.
Server: A computer that hosts information available to anyone accessing the Internet.
Server Error: A fault occurring at the computer hosting information. See also return code.
Session: A session is a record of one visitor browsing through a site.
Sessionization: This is the process for creating a session. Sessionization methods are ways in which you can define a session. Web Analytics solutions have multiple sessionization methods such as cookies, IP Address, IP+ Agent and so on. These methods tell the web analytics system how they should count a series of page requests from the same individual or browsing machine.
SKU: Stock Keeping Units
SmartSource: A trademarked technology from WebTrends. SmartSouce Data Management offers an alternative to traditional web server log file analysis, collecting information directly from the visitor's browser (the client) rather than from server log files, improving data accuracy.
SmartView: WebTrends SmartView is an easy-to-use visual overlay of web metrics displayed right on a web page, which you can use to analyze page performance, providing insight into page conversion, path analysis, and overall web page statistics such as unique visitor counts.
Spider: An automated software program that gathers pages from the web, typically used by search engines to index pages.
Suffix: The last part of a domain that can be used to identify the type of organization or location of a web site.

T

Tag: See page tag.
Third-party cookie: Hosted web analytics services track visitor behavior by inserting a small piece of tracking code onto each page of a site. Because the cookie is served by an analytics vendor rather than your own site, the cookie is considered third-party.
Traffic: On the web, traffic refers to the amount of data sent and received by visitors to a website.

U

User: The end-user of a product or device. For example an end user of the WebTrends Marketing Lab can be defined as a "user."
UNIX: is a computer operating system originally developed in the 1960s and 1970s by a group of AT&T Bell Labs employees including Ken Thompson, Dennis Ritchie, and Douglas McIlroy.
URL: A Uniform Resource Locator is a means of identifying an exact location on the Internet.
User Agent: Fields in an extended web server log file identifying the browser and platform used by a visitor.
User Session: A period of activity (all hits) for one user of a web site. A unique user is determined by the IP address or cookie. By default a user session is terminated when a user is inactive for more than 30 minutes. See also visit.
Unique Visitors: Unique visitors (UV) refers to a measure captured by some web analytics solutions that track the interaction a single user has with a website over time.

V

Visitor: Similar to unique visitor, visitor refers to an individual that visits a website. A visitor or unique visitor can have multiple visits.
Visit: A visit is an interaction a visitor or unique visitor has with a website over a specified period of time or activity. In most cases, if a visitor has left a site or has not executed a click within 30 minutes, the visit session will terminate.
VOD: Video on Demand

W

W3C: World Wide Web Consortium develops interoperable technologies (specifications, guidelines, software, and tools) to lead the Web to its full potential.
Warehouse: See data warehouse.

Web Analytics: The measurement of data as it relates to an Internet site, including the behavior of visitors, the amount of traffic, the conversion rates, web server performance, user experience, and other information in order to understand and proof of results and continually improve the results of a site towards a set of objectives.

WebResults: The free monthly newsletter from WebTrends packed with valuable information like upcoming events, industry news and more.

Website: A website is a collection of web pages, on particular domain name or sub-domain on the World Wide Web on the Internet. Usually it is made up of a set of web pages created using HTML and accessible via HTTP.

What if: A type of analysis that allows an end-user to pose hypothetical situations against their data to model or predict outcomes.

WIN Partner: The WebTrends Insight Network is a select group of leading interactive agencies, marketing consultants and web analytics experts worldwide that work with customers to maximize the success of their online initiatives through the use of WebTrends solutions.

WML: Website META Language, a free, extensible off-line HTML generation toolkit for UNIX, distributed under the GNU General Public License (GPL v2).

World Wide Web: Also called the web, this is a global information space which people can communicate via computers connected to the Internet. Some people use "internet" and "the web" interchangeably, even though the web is a service that operates over the internet.

X

XML: Extensible Markup Language is a World Wide Web Consortium (W3C)-recommended general-purpose markup language for creating special-purpose markup languages, capable of describing many different kinds of data.

Y

YoY: Year over Year, the comparison of a statistic (like revenue) from one year to the next.
YSM: Yahoo! Search Marketing

Z

Zero Latency: Latency is a time delay between the moment something is started, and the moment one of the effects of that event begins. When there is no time lapse between the thing and the effect, it's called zero latency. In analytics, this term is used to describe instantaneous receipt of data and the ability to analyze and act on that data.

Zero-page Visit: A visit that includes no page views, possible if a visit consisted of at least one request for a non-page file (such as a graphic) but no page files (such as .htm, .asp, or .cfm.)

About WebTrends
As the acknowledged global web analytics market leader for more than 12 years, WebTrends is leading the way in Marketing Performance Management. With an uncompromising focus on delivering the most accurate and actionable metrics, WebTrends enables thousands of web-smart organizations to improve campaign performance, web site conversion, and customer relationships. More than half of the Fortune and Global 500 rely on WebTrends as their trusted standard for award-winning technology, consulting services and industry expertise across the broadest range of vertical markets. Through software and on-demand options and a full range of data collection methods, WebTrends is unmatched in its ability to meet any analysis objective with accuracy, privacy and security best practices.
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