

# Online Acquisition

Quantity, Quality, and the Search for Higher Conversions



Josh Perlstein  
President, Response Media  
770.451.5478  
©Copyright 2008

**R** E S P O N S E **M** E D I A

Online marketers will agree that in today's competitive market consumers have become more discerning and demanding so it is increasingly important that your relationship with a potential customer begins well, early on in the acquisition process.

Lead generation and acquisition are terms often used interchangeably, depending on your point of view. A successful acquisition definition can range from getting an anonymous visitor to your Web site (some might term such visitors as "leads") to capturing an email address so you can begin to develop a dialog toward transactions. If you are marketing a multi-step product like autos cars or real estate, registration may be an acceptable definition of acquisition.

The customer acquisition process can entail obtaining new customers as well as converting existing prospects into new customers. For purposes of this discussion, we will focus primarily on acquisition more as "starting the dialogue" with a prospective customer. Starting the dialog should be considered as the first step toward retaining customers who will make repeat purchases and will also provide opportunities for cross-selling and up-selling, generating further revenue growth.

In this critical stage of starting the dialog with a prospect, the "First impressions make lasting impressions" mantra applies. A poor prospect experience with your ad, web site, forms, fulfillment or at any step in the "getting to know you" stage can turn that prospect off, permanently. Experienced online marketers follow guidelines and best practices made available from industry associations like the Internet Advertising Bureau (IAB) and the Online Lead Generation Association (OLGA).

As the IAB points out, there are key themes that underpin these generally accepted principles of conduct:

- Complete, accessible, and straightforward disclosure of all parties' intent regarding data collection and usage is essential.
- Data should not be brokered or sold without consent (or notice and choice) of all parties involved, including the consumer and the advertiser.
- Both the consumer and the advertiser should be made aware, through clear notices, of all parties involved in data collection and sharing.
- All parties should be educated and aware of current regulations regarding consumer protection and privacy.

In the quest to generate prospect interest in your brand, product, offer and so on, the issue of building TRUST is central to acquiring the quantity and quality of prospects your campaign envisions. Promoting transparency, notice, and choice is critical to a successful and trusted consumer experience, and brings with it challenges to the acquisition process.

### Acquisition Challenges

The acquisition of new customers is a complex task, made all the more so by the explosion of customer segments, products, media vehicles, and distribution channels coupled with intense competition bent on growth. Building an effective and efficient online customer acquisition campaign requires a combination of customer and competitive insight, strategic marketing planning, creative communications, data, technology, and statistical analysis techniques. The Internet hasn't really made the process of building and managing all the moving parts so that they hang together any simpler. It has, however, made it possible to target, to measure success in ROI terms, and to quantify and qualify the path of getting there.

The planning stage of an online acquisition campaign is the ideal time to anticipate and plan for the numerous challenges that lie ahead. A typical online acquisition campaign will evolve in stages, each with attendant challenges:

**1. Campaign development.** From setting goals and strategy to establishing program calendar details, the focus at this stage should be on how to evaluate a campaign from start to finish and improve conversion. Experienced online marketers avoid the “getting the cart before the horse” syndrome by:

a. Understanding and clearly articulating the goals and KPIs of the campaign. Doing so will provide the roadmap for media planners and partners, as well as guide the application of tactical and technical expertise.

b. Capturing campaign goals, budget, success metrics, tactics, schedules, expected outcomes, reporting and analytic deliverables in a single document such as a Project Brief. This living document can be as simple or complex as needed. The challenge is keeping it updated and communicating updates to all members of the campaign team.

**2. Campaign Launch.** The launch phase is where the rubber meets the road. Complex campaigns can involve a variety of various components, from SEM and media buying to implementing promotional, email and affiliate marketing programs. The challenges of “going live” can entail managing relationships with the search and media agencies to ensure all are in lock-step with agreed-upon costs, caps, goals, quality assurance steps, privacy policy disclosures, data transfer requirements, flight schedules and a myriad of details. This is the area where even the most experienced online marketers can stumble. Marketers who rigorously adhere to industry guidelines and best practices are best equipped to deliver a cost-effective acquisition campaign that will drive high quality prospects that convert to loyal customers.

**3. Campaign Optimization.** It is important to be able to quickly roll out changes to the campaign and test them. The challenge is to leverage optimization tools, reports, and dashboards to help you to quickly act on insight and ideas and test multiple possible solutions to determine which ideas work best with your different audiences.

### 4. Reporting, Analysis and Next Steps.

Tracking click streams and getting data on what prospects are doing and thinking is just the beginning of analysis. You need to put some basics in place to put the data to work and change your business. Have you defined, agreed upon, documented, and shared the overall campaign goals? Beyond the generic stats and pre-canned reports, you need to ensure you are able to get the accurate data you need. Combining behavioral data with competitive data, social media data, customer data, transactional data, etc., will give you a richer view of your prospects. To be successful, get the right data about the right things into the hands of those who will act on the data so they can make smarter decisions. This must happen quickly and be performed on an ongoing basis.

We see companies struggle with each of these areas every day. These factors are fundamental in terms of determining how to develop, launch, manage, and evaluate a campaign from start to finish.

### The Search for Higher Conversions

The search for higher conversions begins with defining “conversion”. Conversion does not have to equal a sale. It can be the downloading of a document or application, the act of submitting information to generate leads, a request for information, or the act of navigating from a general to a more specific web page.

We often see clients who focus on the part of the conversion process that seems to be causing the most problems. Conversion optimization will likely differ for different activities, e.g. if the focus falls on transactions versus, say, registration for a free trial. There are a variety of tools and services to assess the user experience and to help determine the challenges to conversion. The goal is to understand which factors that affect conversion can be influenced. Often the plan of action will be determined by limits on time and other resources. Some changes (like changing the web site navigation scheme) may take more time to execute. In this instance, short-term, tactical approaches can be tested, such as building a microsite or developing landing pages for specific offers.

In the search for higher conversions, applying a mix of targeting approaches, including demographic, geographic, psychographic, contextual, and behavioral, ensures that you are presenting your offer to the right consumer at the right time. You win because you find customers who want to be marketed to, and customers win because they get to request exactly what they want, and choose from whom they receive it. But, you have to be careful to get it right. We offer the following recommendations to help ensure you are running a responsible, successful online acquisition campaign:

- Determine your target customer acquisition costs and threshold for positive ROI.
- Select vendors that apply best practices concerning disclosure, transparency, consumer experience and data collection, who will do pay for performance contracts, and are trusted by leading brands.
- Use targeting: Geographic, Demographic, Contextual and Behavioral, the latter of which is most effective.
- Use multiple channels, including vertical websites, microsites, emails, etc.
- Make sure you get the “right” customers.
- Give to get. Provide value.
- Make sure you’re collecting the “right” customer data.
- Ensure that you allocate resources (human and financial) to optimize the campaign after its launch.
- Put the proper analytics in place to access data in real time.
- Analyze your results (don’t just collect data). Understand how reporting can apply relevance to the conversion funnel.
- Compare your costs and returns across digital delivery modes, such as search (paid and organic), e-mail, advertising, and Web site.
- Immediately begin a dialogue with your prospects.

In spite of its challenges, online acquisition continues to deliver as one of the most effective practices for marketers today. Understanding the potential challenges of developing and managing a successful online acquisition campaign will help you to ask smarter questions in the planning stages. Ensuring that the campaign KPIs are aligned with overall marketing and business strategies and adhering to best practices will lead to a higher volume of quality leads and conversions from your online acquisition efforts.

Interested in implementing any of the suggestions in this report? Let a Response Media representative explain how to create similar initiatives for your company. Please call Josh Perlstein at (770) 220-5086 or visit [www.responsemedia.com](http://www.responsemedia.com).

## About Response Media

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

*Headquartered in Atlanta, GA, Response Media is a female-owned, independent, national provider of interactive marketing and media services to clients within the consumer packaged goods, retail, travel, tourism, B2B, and financial industries. The agency provides ideas, insights, design, brand strategy, and customer relationship marketing solutions to the world’s leading companies, including Procter & Gamble, Nestle’, Disney, Cox Enterprises and ConAgra Foods, Inc.*