

October, 2010

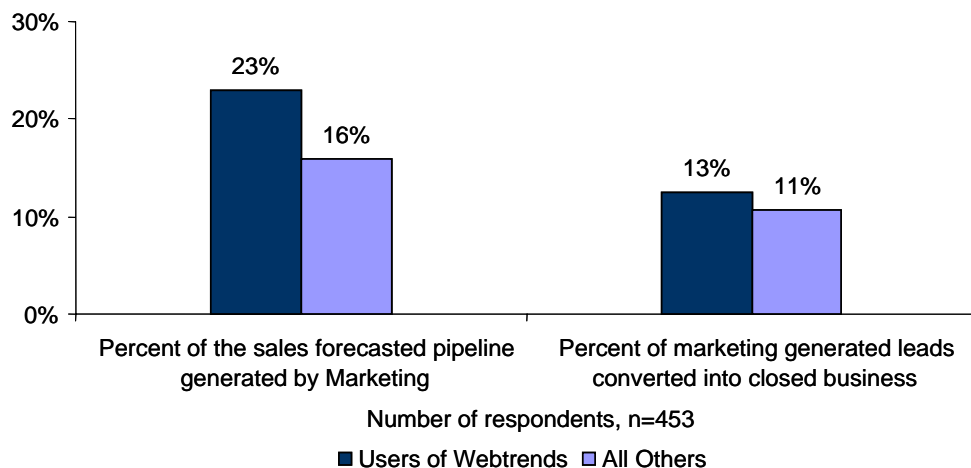
Effective Marketing Delivers Results for Webtrends Customers

Organizations in 2010 remain under economic pressure to accomplish more with less, as companies endeavor to achieve and sustain recessionary profitability through top-line revenue growth. In June and August of 2010, Aberdeen surveyed 453 companies to learn about the primary drivers of their marketing efforts for 2011 and beyond. Forty-three (43) of these respondents indicated Webtrends is their primary marketing automation solution. This Analyst Insight reviews the primary factors driving marketing executive's agendas over the next 12 months and beyond, and highlights the key factors differentiating Webtrends customers from all others surveyed to assess how they are achieving greater results from their marketing programs and solutions.

Business Context

Aberdeen's research findings demonstrate that Webtrends customers are outperforming Industry Average and Laggard companies ("all others") across a number of Key Performance Indicators (KPIs). Specifically, Webtrends customers deliver marketing generated leads to the sales forecasted pipeline at a 44% higher rate than all others (Figure I). With 18% higher returns than all others for marketing generated leads that result in closed business, Webtrends customers outpace Industry Average and Laggard organizations in this key metric.

Figure I: Webtrends Customers - Performance That Matters



Source: Aberdeen Group, September 2010

Analyst Insight

Aberdeen's Insights provide the analyst perspective of the research as drawn from an aggregated view of the research surveys, interviews, and data analysis

Maturity Class Definitions

The following Key Performance Indicators were used to determine the Best-in-Class for the Sales & Marketing Alignment: Collaboration + Cooperation = Peak Performance report:

✓ Year-over-year change in annual revenue

✓ Percent of the sales forecasted pipeline generated by Marketing

Best-in-Class: top 20% of aggregate performance scorers

Industry Average: middle 50% of aggregate performance scorers

Laggards: bottom 30% of aggregate performance scorers

Why are these particular KPI's the most relevant to businesses? Consider what cross-functional business executives reported from around the globe in Aberdeen's August 2010 *Quarterly Business Review*. Of the 1,600+ respondents surveyed, 48% indicated organic revenue growth is their organization's top goal. This affirms that marketing organizations focused on programs that deliver leads to the sales pipeline and producing conversions to closed business are indeed working to achieve the top business goal of driving organic revenue growth.

Business Pressures Driving Performance Needs

When asked to rate the most significant pressure their organizations face, on a scale of 1 to 5 (where "1" equals least significant and "5" equals most significant) for Aberdeen's *Sales & Marketing Alignment: Collaboration + Cooperation = Peak Performance* report, 61% of the participating executives indicated the economic environment is the single greatest pressure (rated a "4" or "5" by respondents) impacting their marketing efforts. This is compounded by the increasingly competitive business landscape cited by 58% of the respondents. In addition to these external pressures, this research shows that marketing organizations of all sizes are struggling with the ongoing business requirement to demonstrate a Return on Marketing Investment (ROMI) while simultaneously having to deliver results with reduced human and financial resources as reported by 56% of the respondents.

Strong Capabilities Support Marketing Efforts

A great marketing program is only as good as an organization's ability to support it. Yet many companies fail to have the basic building blocks in place to maximize their efforts. Aberdeen Group's research demonstrates that leveraging certain process and organizational capabilities to support marketing efforts differentiates Webtrends customers from all others:

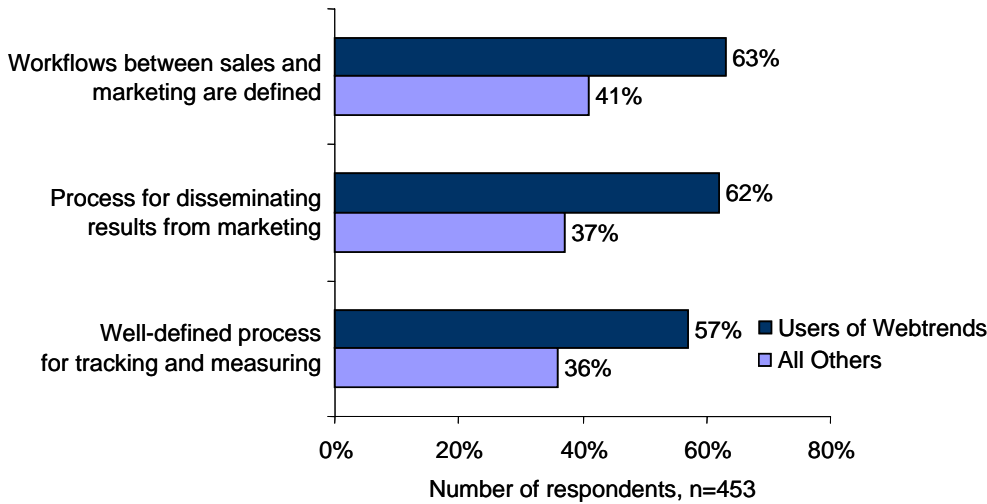
- **Work flows between sales and marketing.** Webtrends clients are 54% more likely than all others to have clearly defined workflows between sales and marketing. This is an essential capability that enables sales and marketing functions to share information rapidly and in an efficient manner. Indeed, marketing's ability to quickly deliver leads to sales once they are captured is crucial in supporting the sales cycle.
- **Processes to disseminate marketing campaign results.** There is little value in producing results if the right people in the organization aren't aware or acting on them. This may seem like common-sense for many organizations but 63% of Industry Average and Laggard organizations fail to have this in place (Figure 2). Sharing marketing campaign results with relevant organizational stakeholders enables better visibility and understanding of a marketing program's impact to the business while clarifying expectations and needs for future programs. Reporting results also

"Life was simpler when we just had to put an address and a stamp on an envelope. The advent of new technologies and pace of change in the business landscape are the biggest challenges we face today in our marketing efforts."

~ Peter Oswald, Director of Marketing, Perma Bound Books

improves institutional knowledge for both sales and marketing by utilizing successful marketing campaigns to deliver more effective campaigns in the future.

Figure 2: Webtrends Customers Excel in Capabilities



Source: Aberdeen Group, September 2010

- **Measuring results.** As the saying goes; "You can't manage what you don't measure!" Aberdeen's research indicates that the primary factor propelling top performing enterprises' to deliver superior KPI results involves building programs that can be measured, combined with capturing and promptly disseminating those results. Companies using Webtrends as their marketing solution are 58% more likely than all others to ensure they are measuring their marketing programs.

"Having timely and accurate insights into which marketing campaigns were successful helps us to eventually optimize our marketing programs based on prospect activity."

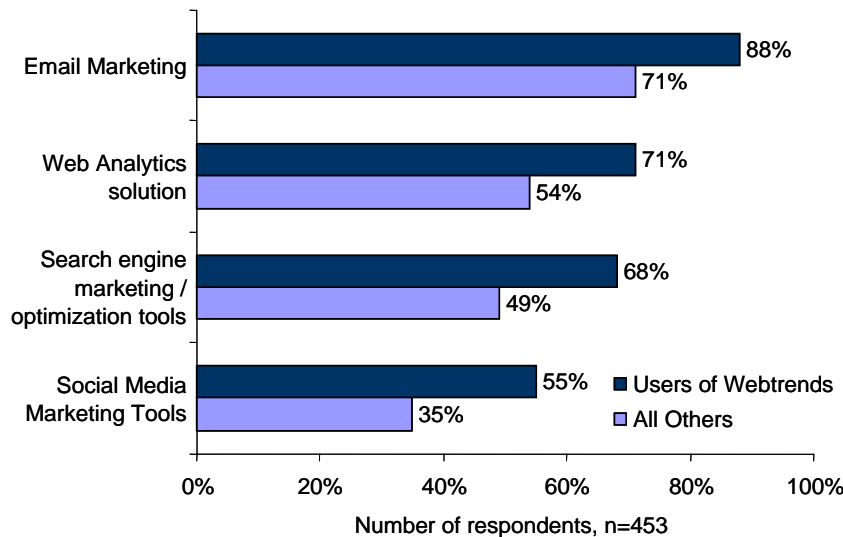
~ Chris Kuelbs, Lead Project Manager, Polaris

High Performance Supported by Technology Enablers

Recognizing the value that core competencies deliver in driving improved marketing results provides part of the ingredients for strong performance. Understanding the use and deployment of technology is an equally important part of the equation. The following describes the inherent value of technology enablers that Webtrends customers have adopted to enhance their performance:

- **Email solutions that personalize content.** Considering the scarce financial and human resources available for marketers, email marketing is a key enabling technology supporting the pursuit of increased return on investment. Personalization solutions that enable content to be developed based on individual needs and preferences is crucial in engaging customers with relevant marketing messages. As illustrated by Figure 3, Webtrends customers have 24% greater adoption of email personalization technology compared to all others.

Figure 3: Technology Enablers for Greater Performance



Source: Aberdeen Group, September 2010

"You have to use supporting technologies. They are crucial to effectively monitor and manage your marketing and sales efforts."

~ Marketing Manager, Mid-size Chemicals Company in the U.S.

- Web analytics solutions.** While conventional wisdom may acknowledge that data from the online channel provides a cost-effective method to understand the wants and needs of customers and prospects, businesses continue to be challenged to derive actionable information from this medium. As companies work to integrate their online platform to deliver quantifiable results, web analytics becomes a key source for data. Using this technology, companies determine which products or services are being considered and use this information to tailor content delivery, direct future marketing campaigns and drive sales follow up activities with the right product or service at the right time. Webtrends customers are 31% more likely to adopt this technology in order to drive real action from their data, compared to all others (71% vs. 54%).
- Search engine marketing/optimization tools.** To support an organization's online marketing strategy, online search results are used to promote specific products, services, and websites. Associating the current search results with activities of multiple prior visitations and search requests allows companies to refine and improve the accuracy of future activities for greater ability to cross-sell, and generate customized offers. Sixty-eight percent (68%) of Webtrends customers deploy this technology to enhance marketing effectiveness, compared to 49% of all others.
- Leverage social media.** Having the organizational focus and discipline to dedicate resources to leverage the rapidly expanding role of the social media channel through dedicated technology solutions that can't be overlooked. Webtrends clients are 57%

Benefits of Social Media Marketing Tools/Solutions

Aberdeen's October 2009 benchmark report, *The ROI on Social Media Marketing*, reflects impressive findings on average year-over-year performance gains of companies using social media marketing tools, compared to non-users;

- ✓ 5% average year-over-year improvement in customer profitability, compared to 2% improvement by non-users
- ✓ 4% average year-over-year improvement in Return on Marketing Investments (ROMI), compared to 1% improvement by non-users
- ✓ 3% average year-over-year improvement in likelihood to recommend (net promoter score, online promoter score), compared to 1% improvement by non-users

more likely than all others to have dedicated resources for support and managing of their social media activities.

It is important to put this data into context and investigate how these capabilities apply to a real company's performance. Polaris illustrates how technology solutions have helped them build the capabilities necessary to support business needs and expand revenue growth.

Case in Point - How Polaris "Gets There"

Polaris is an international leader in the manufacturing of All-Terrain Vehicles (ATV), side by sides, snow mobiles, and Victory Motorcycles. The \$1.6 billion dollar company headquartered in Medina, MN was struggling with providing the visibility and information from the web - one of its most crucial marketing channels - to improve program effectiveness and raise lead quality. A corporate mandate was established to develop an on line consumer relationship that "pulled" a prospect into their 'purchase funnel.' Polaris needed to understand the visitor demographics, content consumption, buying habits and on line behavior of its prospects across multiple products, brands, and web sites. "We virtually had no insight into what drives our prospects, it was like being part of the internet 'stone-age' from a web perspective," says Chris Kuelbs, Lead Project Manager at Polaris. The goal was set: develop a comprehensive profile of online visitors in order to deliver applicable, scalable personalized content in real time.

The company also has an expansive global dealer distribution network that had significant expectations. Sales leads not only needed to be delivered with a prospect's demographic and product interest data but also needed to capture the necessary lead information to automate the qualification and scoring process based on visitation and interaction before a lead was dispersed to the partner channel. However, the demands didn't end there. Marketing wanted to be able to track every campaign, and individual visit to specific programs to ensure closed loop evaluation and ROI. This means that the solution must integrate with the company's CRM system as well. "Given the extensive list of requirements, I thought we might end up having to build a custom solution," Kuelbs said.

After a thorough evaluation process of the leading vendors, Polaris selected Webtrends as its solution provider. After implementing the solution, Polaris' online experience started firing on all cylinders. Every marketing campaign, whether directly, through an online link or through, a search was identified with a unique identifying ID which was combined with a second ID specific to the person and visit to Polaris' web site. Polaris gained the visibility to track campaign results from capture to close, qualifying and scoring leads based on activity and content consumption, and the data to analyze each marketing campaign against virtually any geographic, demographic, or product criteria.

By deploying this new marketing solution, Polaris not only managed to establish critical insight into prospect behavior to drive more effective marketing efforts but also achieved better lead conversion rates by

"We virtually had no insight into what drives our prospects, it was like being part of the internet 'stone-age' from a web perspective."

~ Chris Kuelbs, Lead Project
Manager, Polaris

qualifying and scoring leads to improve dealer selling efforts. Ultimately this provided a sharp increase across several KPIs. "Our new solution helped us to improve our annual corporate revenue, Marketing's contribution to sales forecasted pipeline, and lead conversion rates."

Key Takeaways

While most organizations struggle with pressures dictated by the economic downturn, lack of marketing resources, or the need to demonstrate a return from marketing campaigns, improving annual revenue through organic growth is the top goal for most organizations. Aberdeen's research shows that despite these pressures, best performing companies, including Webtrends customers, are able to demonstrate clear value from their marketing campaigns. While Webtrends customers aren't doing everything - such as providing key stakeholders with ready access to marketing campaign strategy / business plan information - they are generating consistently greater activity for their sales channel and driving overall business growth through higher lead conversion rates. In order to excel in this challenging environment, Aberdeen's research demonstrates that organizations must focus on the key capabilities, and technology enablers that have helped Webtrends customers to succeed. For more information on this or other research topics, please visit www.aberdeen.com

"For us success is closely associated with having the right materials in place at the right time, nurturing existing customers, and being able to explain the value of what we do. Marketing is crucial in providing necessary information for sales reps to approach the market, and hold effective conversations."

~ Peter Oswald, Director of Marketing, Perma Bound Books

Related Research

[The 2011 Marketer's Agenda: Accessing and Understanding Customer Experience Data Is Life or Death](#); July 2010

[Customer Analytics Leveraging Customer Data to Fulfill the One-to-One Marketing Imperative](#); December 2009

[Offer Optimization: Using Customer Analytics to Improve Marketing Performance](#); October 2009

[Data Driven Marketing: October 2009 Web Analytics: Actionable Insights for Unlocking the Hidden Potential of Online Data](#); September 2009

[The ROI on Social Media Marketing: Why it Pays to Drive Word of Mouth](#); February 2009

Author:s Omer Minkara, Research Associate, Customer Management Technologies (omer.minkara@aberdeen.com)

Chris Houpis, Senior Research Analyst, Marketing Strategy and Effectiveness (chris.houpis@aberdeen.com)

Since 1988, Aberdeen's research has been helping corporations worldwide become Best-in-Class. Having benchmarked the performance of more than 644,000 companies, Aberdeen is uniquely positioned to provide organizations with the facts that matter — the facts that enable companies to get ahead and drive results. That's why our research is relied on by more than 2.2 million readers in over 40 countries, 90% of the Fortune 1,000, and 93% of the Technology 500.

As a Harte-Hanks Company, Aberdeen plays a key role of putting content in context for the global direct and targeted marketing company. Aberdeen's analytical and independent view of the "customer optimization" process of Harte-Hanks (Information – Opportunity – Insight – Engagement – Interaction) extends the client value and accentuates the strategic role Harte-Hanks brings to the market. For additional information, visit Aberdeen <http://www.aberdeen.com> or call (617) 723-7890, or to learn more about Harte-Hanks, call (800) 456-9748 or go to <http://www.harte-hanks.com>

This document is the result of primary research performed by Aberdeen Group. Aberdeen Group's methodologies provide for objective fact-based research and represent the best analysis available at the time of publication. Unless otherwise noted, the entire contents of this publication are copyrighted by Aberdeen Group, Inc. and may not be reproduced, distributed, archived, or transmitted in any form or by any means without prior written consent by Aberdeen Group, Inc. 010110a