The RedEye e-Loyalty Ladder

Each visitor to a website is at a different stage in their relationship with the brand than the next visitor, and understanding and using this knowledge is critical in getting the best response and generating the highest ROI from your online marketing spend.

If a web marketing platform can't identify the stage in the sales cycle of each visitor, the website will continue to miss golden opportunities at converting and retaining warm prospects and customers.

By successfully implementing the concept of RedEye's e-Loyalty Ladder, you will be able to identify and correctly categorise your web visitors into a segment, and then communicate a highly targeted dialogue with them. (Computers don't buy/hire/book/bet or bid for your products – people do!)

Even though each website has a different approach and values, this document looks at a generic example which can be applied to most e-commerce websites.

The six stages of the relationship that we will use for this segmented example are:

- Stage 1 – First time and unidentified visitors on the site;
- Stage 2 – Unidentified repeat visitors;
- Stage 3 – Visitors who have registered/ signed up to a newsletter/ got a quote, yet not purchased or booked;
- Stage 4 – Purchased/booked once;
- Stage 5 – Purchased/ booked 2-5 times;
- Stage 6 – Purchased/booked more than 5 times and an advocate of the site.

By using clean and accurate data over a set period of time (possibly a day, week or month depending on typical times between visits and purchases) each visitor can be categorised in a segment to define and quantify your e-Loyalty Ladder. See figure 1.

Figure 1, an example of the e-Loyalty Ladder
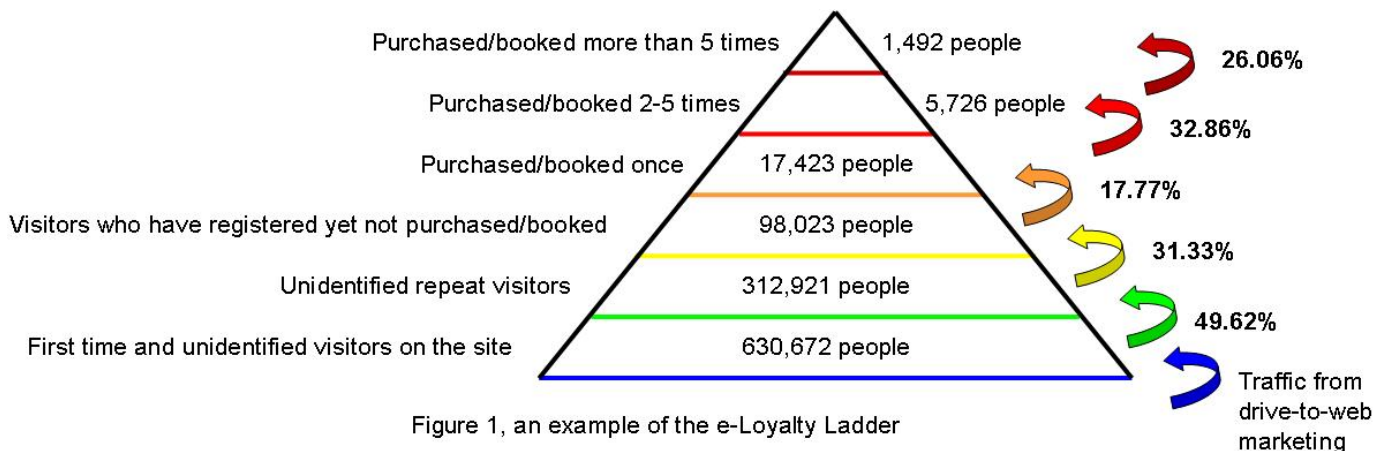
On its own, this sales ladder can identify obvious gaps from which you can deduce areas of your marketing strategy which, if tweaked, will give you the best improvement on your bottom line. Some examples of insight might include:

- If your conversions into stage 5 and 6 are lowest, a more targeted and personalised communication strategy to each person will engage and retain your customers more effectively;

- If not enough people gain entry into stage 4, you are missing the opportunity of engaging your hottest prospects with a personal communication at a time most relevant to each individual prospect;

- If you have a low conversion into stage 3, web and conversion analysis across the web site will identify where you can focus your web development to improve usability and web site conversions;

- If your conversion out of stage 1 is lowest, you need to study and develop your drive to web marketing strategy to improve the quality of visitors being driven to your site;

- If you find all the conversions through the stages at a satisfactory level, then invest your online marketing resource and budgets in more drive to web marketing such as cold email acquisitions, banner advertising, search engine marketing or affiliate marketing.

In order to manage more targeted and personalised communication strategies, you now need to map this e-Loyalty Ladder against the time from the first click into the website to becoming a loyal customer. By taking each segment in turn and analysing the average and maximum length of time it takes people to gain entry into the next segment, you can plot the following graph in Figure 2.

Figure 2, Map your e-Loyalty Ladder against time
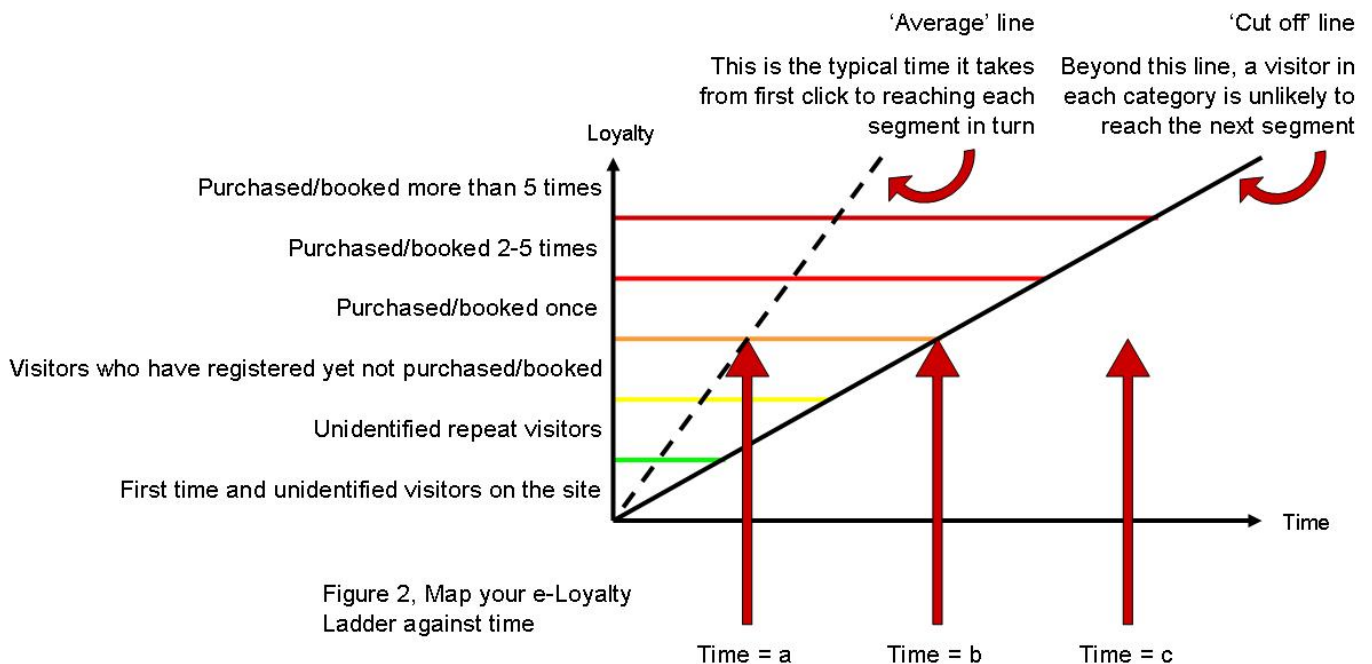
In Figure 2, the 'Average' and 'Cut off' lines are drawn straight for ease of the illustration.

Focusing specifically on people in stage 3 of their relationship with the web site, this graph shows how relevant and timely communications can make a great difference in converting the prospect into their first purchase.

Once someone has registered their interest – such as getting a quote for an insurance policy, or opening an account to purchase or bet – they are yet to be a customer but have identified them self as a very 'hot' prospect in need of fully thought-out CRM.

Therefore as time goes through points a, b and c, rather than send them the latest newsletter unrelated to their interest, send a personalised message in an attempt to get their first purchase.

- At time = a, the data shows the visitor is still very likely to return to the site to make the first purchase without 'extra' incentive, so the creative does not need any free delivery or discount offers – perhaps just a reminder about the service of products they were looking at.

- At time = b, a stronger sell is needed (such as free delivery) as the prospect is at the final teetering stage of making their decision to buy with you.

- At time = c, you have lost the prospect, and should consider different strategies for communication. If the prospect was looking for an annual insurance policy, it is likely that they have made their purchase with a competitor, and you should hold your communication till their renewal will be up. If they were looking to buy from a retail environment, interest in the specific product may have dropped, and it is at this point they could join your regular newsletter strategy.

To reiterate, this is a very generic example, and much further analysis of the web site's products and services, data sources and offline communication strategy should be considered in utilising the e-Loyalty Ladder and targeted and timely communications.

A Word on Data

Once you have clean and accurate data about each visitor to your web site and the technology and expertise to identify your e-Loyalty Ladder, the focus for your online marketing will be made clear with a fantastic platform to measure your successes.

However, there are many ways of capturing online data, each with their own issue on accuracy - therefore you should refer to The RedEye Report available free from RedEye. It was the first study in the industry into the inaccuracies of different data capture methodologies and still holds true today.

A Couple of Case Studies

The AA has found excellent success using RedEye and the e-Loyalty Ladder concept. By sending a timely and personalised email to every person who has taken a quote for motor insurance yet not purchased it, they have increased the conversion to buy the policy by 78%.

William Hill continues to grow through advanced use of the e-Loyalty Ladder, and a single email campaign, which is automatically sent to the hottest prospects every day accounts for 1.2% of all their initial deposits.

Please contact RedEye if you want to see these case studies or The RedEye Report in full.

What Now?

If you would like a free consultation with RedEye about how you can develop this advanced marketing strategy across your web site to get the best response and generate the most ROI from your online marketing spend contact Bertie Stevenson on 0845 095 1114, or email us at support@redeye.com