



# On The Right Track

Ideas for capturing more response sources on B-to-B Campaigns

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The most basic form of response tracking requires direct marketers to determine which promotions generate the most sales, orders or enquiries for lead generation. Tracking activity to the promotion that generated it has always been a challenge, especially for B-to-B marketers. The number and complexity of those challenges keeps increasing, but the payback is becoming even more attractive as the latest postage increase makes B-to-B print materials more costly. Fortunately, there are many options B-to-B marketers can use to gain insight into how different promotions perform.

## **A Complex Process**

Business buyers range from purchasing agents at extremely large technical companies who place orders everyday on behalf of engineers and scientists, to moms who order stationery and forms from their small, home-based businesses. What's more we also employ an impressive array of channels to reach prospects and customers, including direct mail, catalogues, e-mail, the web, in-person sales calls, stores and kiosks, trade shows, and advertisements in technical journals.

With the extensive use of web and e-mail, response tracking has become more difficult. If a customer visits your website, but orders from your catalogue, to what medium should you credit the order?

Unlike consumer product purchases, business product purchases often are group-buying decision, especially for high priced or technical products. People from different departments and levels often need to approve of the buying decision, so the person placing an order may not be the same person you initially contacted. Some businesses may even reorder for internal inventory or a SKU number printed on a product in the warehouse. They may not have a catalogue or e-mail in hand.

These are some of the complications of one-stop sales. However, many business products require a two- or three-step sale. In a multi-step sale, a prospective buyer is obtained through lead generation; if he or she qualifies as a potential lead, then a promotion is sent out to the individual based on that classification. In this case, the B-to-B direct marketer needs to track the response of enquiries as well as orders, and the conversion of these enquiries (or leads) into buyers.

To make this situation even more interesting, turnover at U.S. companies has never been higher.



## Simple tracking Solutions

The most common and, perhaps, simplest method of tracking response is to use a special key code and ask buyers or enquirers for the code when they call. Often, an incentive is given to encourage the reporting of the code. Wily buyers and sales people soon learn that these special codes result in rewards so order tracking can become skewed.

You can also give your products slightly different item numbers to track an order back to a specific promotion. For example, a widget may be item #ABC123 in a supplement catalogue, but item #ABD133 in the master catalogue.

A similar technique uses toll-free telephone numbers to track orders. In this scenario, you advertise one number in the catalogue and a different number on the web. While it's still possible to see an item in the catalogue, look it up on the website and then order using the telephone number on the website, toll-free numbers still have some value, as they point toward the promotion use for the order.

Recently, many B-to-B direct marketers have developed numerous, complicated e-commerce promotions, and it's becoming even more difficult to distinguish which promotion is most effective. Al Contarino, president of web consulting firm The Click Pro's, explains that a common method for tracking e-response is to create a specific landing page in each promotion. "Make it available for a set period of time. Advertise this landing page in each promotion and correlate the resulting business from the specific landing page," he advises.



## Matchbacks and Allocations

One of the most popular and effective ways to track orders back to the promotions that generated them is the use of matchbacks. Matchbacks can be as simple as matching the buyers' names back to the names of the people mailed. This process originally was developed to help direct marketers determine which lists performed best.

These simple matchbacks required only that a direct marketer supply the person doing the matchback with the names and transactions of those purchasing in a specific period of time, as well as the names and addresses mailed and the circulation plan. Even today, direct marketers who mail infrequently and in small quantities can use this simple matchback process.

Early matchback attempted to match the purchaser's name with the occurrence of the name appearing most recently on a promotion. Today, that process has been broadened to include fractional allocation. So, if you've sent four promotions to an individual and you get an order for \$400, you can tell the person doing the matchback how much of the \$400 to allocate to each of the four promotions. You might choose to do this based on the percentage the channel plays in your company's overall sales and order curve.

Look at your history and see how many sales each channel contributes to your overall revenue. You can use this percentage to weigh the importance of that channel when deciding how to credit an order. Also, you can look at how many orders and sales you typically get week by week following a promotion.

That weekly activity, usually in the shape of a bell curve, is your order curve for that promotion. Different promotions behave differently and create different order curves. For example, you may need up to 6 months to get the expected response to a printed mail piece, but you only may need a few weeks to get the expected response from an e-mail.

Laura Wojtalik, director of product management at Abacus, a cooperative database and data service provider that helps B-to-B direct marketers use matchbacks to assess multichannel performance, gives an example of how fractional allocation works, using a weighted, rules-based process to match each transaction to one or more open campaigns across channels:

"Suppose that company XYZ sent two catalogues to a customer, both with open order curves, and also sent an e-mail offering a discount on a certain product. Additionally, that e-mail was sent more recently and its order curve is still open," Wojtalik explains.



## **Matchbacks and Allocations (continued)**

If a customer clicks on the e-mail and purchases the specific product advertised, the e-mail may possibly 65 percent out of 100 percent (credit for) the order, with the most recent catalogue receiving 30 percent and the older catalogue receiving 5 percent.

But if the same customer came in through the branded search and purchased a product from the last catalogue, the weights may be shifted around entirely ,” she says.



## Tracking Behaviour

Sometimes B-to-B marketers choose not to focus on tracking how a promotion performs, but instead choose to focus on how customers who have been contacted through a special strategy behave. One of the most common tools to measure the incremental value of a promotion is to create a “hold out” group that doesn’t get the promotion and compare its purchasing behaviour with that of a group that received the promotion.

Direct marketing consultant George Woodward describes how he used this method to obtain important information about his master catalogue: “We were trying to get our hands around the effect of a big Buyer’s Guide to mid level customers knowing that the source code on the orders were not completely indicative of the source of the order and hence the success of that book,” he explains. “So over a 6 month period, we gave one group of customers six books including the Buyer’s Guide, and another group 6 books with the Buyer’s Guide being replaced by a much smaller book.

“as it turned out, giving the mid-level customers the much more expensive Buyer’s Guide was not giving us an increase in orders, tracked at the customer level, sufficient to justify the increase in marketing spending.” This same technique also can be applied to determine the value of different promotions or even the frequency of promotional contact.

In short no matter what option you choose, there never has been a more compelling time to test these methods to more accurately track B-to-B response.