**IBM PartnerWorld**
Co-Marketing: Developing Skills Series, Number 4

# Closed-loop campaign and response management

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Today's marketing campaigns are more complex because most campaigns use multiple media and run over a longer period of time. As a result, tracking and understanding campaign performance becomes critical to the success of ongoing marketing – in justifying past marketing investments, and optimizing future investments. While you are ultimately the final decision-maker on how to run your campaigns, we believe that closed-loop campaign management practices can help IBM Business Partners get to market faster, increase the leverage of marketing expenditures, and close more leads more profitably.

For example, when planning a campaign and projecting response and conversion rates, it would be useful to know how similar campaigns have fared in the past. This knowledge can be used to project the return on investment (ROI) from a campaign, and compare that to other alternative campaigns. Without a system to track and store campaign results (even if this system is manual), and feed these back into planning, campaigns become "one-off's" with no longer-term value to the business. A system that addresses this need is a closed-loop system.

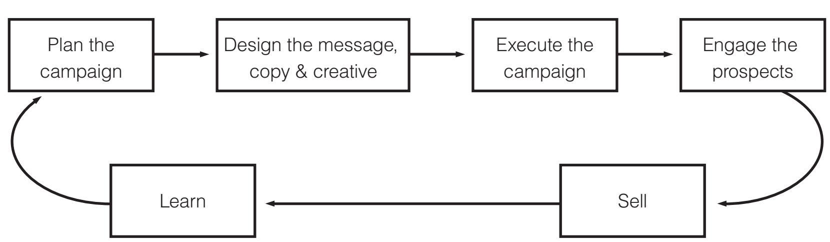
The following will address three specific areas related to a closed-loop campaign management system. First, where does learning and measurement fit into the sequence of events around a campaign? Second, what must one measure, and over what period of time? Third, how does this knowledge feed back into planning future marketing activity?

### What is a closed-loop system?

All marketing campaigns can be, and need to be, tracked so that:

- ***campaign performance can be understood and evaluated***
- ***marketing investments can be justified***
- ***future marketing investments can be managed***

Here is a simple way to look at the sequence of events around managing a campaign:



Obviously, learning is something that occurs continuously, but it is prudent to allocate both dollars and time to understanding how a campaign performed relative to objectives and expectations, and to file this knowledge away for future use. We have a "closed loop" when the learning from a campaign is fed back into planning for future campaign activities on a regular basis. In contrast, an "open loop" occurs when there is no systematized way to track campaign performance, or to use the knowledge gained in planning activities.

#### What to measure, and when?

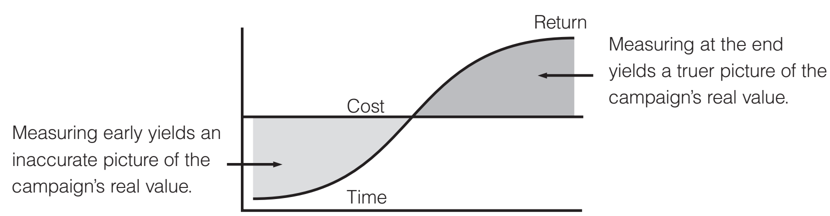
The main objective of measurement is to understand at a fairly detailed level what worked and what did not. Most marketing activities are measurable at least at the aggregate level, if not at the individual level.

- ***Mass-market campaigns such as TV or Print advertising are intended more to generate awareness, so the appropriate metric would be awareness gains among the intended audiences compared to previous levels, or compared to other similar audiences that were not exposed to the advertising.***
- ***More targeted tactics, such as Direct Response advertising, can be measured by the quantity of responses, leads or qualified leads generated.***
- ***One-to-one marketing tactics, such as Direct Mail or e-mail can be measured at the individual level, with such metrics as response and conversion rates.***

For all such categories of tactics, the most important factor is being able to link the tactics with consumer response, but this is often the hardest thing to do. For instance, Direct Mail pieces can have Customer ID Numbers imprinted on them, so that response can be tracked at any point of re-contact, such as a call center. E-mails can be tagged with a Customer ID as well, and custom web addresses can be created to track campaign-specific responses. Web banners and pop-ups can be measured by click-through rates. But it is hard to know the impact at an individual level of a TV or billboard advertisement, even though the ad may have had significant impact on the consumer's decision to respond.

Another important factor in tracking responses is that prospects are exposed to multiple marketing messages in any given period. Plus, a campaign can have a lingering or residual impact over time. Resolving multiple campaign influences to determine which one had a greater impact is difficult, but imperative. The way around this is to ask the customers at every inbound interaction which marketing influence was the dominant factor in their decision to call/click. For instance, call center consultants have to be instructed and trained to ask every inbound caller which marketing stimulus he/she is responding to. Towards the end of the sales cycle, lost-sales analysis can help identify the key reasons buyers bought, and non-buyers did not.

Lastly, tracking needs to be conducted consistently over an extended period of time. For e-mail campaigns, responses usually dry up within a couple of weeks.




But campaigns using Direct Mail can have lagged responses over a couple of months. If a campaign has several phases, with mass-market advertising followed by more targeted communications, the impact can last over many months. Therefore, it is always prudent to track a campaign over a longer rather than a shorter period, with the actual length of time dependent on the kinds of tactics being deployed.

#### Closing the loop — feeding the results back

There are two major aspects to closing the loop: the first is to pool the learning obtained from all the tracking that was done; the second is to apply this accumulated learning in planning the next round of activities.

Here are a few key questions to ask about campaign performance:

- ***Did it reach the intended target?***
- ***Did it achieve its intended purpose — be it awareness generation or lead generation?***
- ***What was the conversion of responses into qualified leads and into opportunities and sales closures?***
- ***What was the cost per response, qualified lead, opportunity and sale?***
- ***What was the return on the investment (ROI)?***
- ***How do these metrics compare with previous campaigns, and to budgets and expectations?***

In these days of sophisticated Customer Relationship Management (CRM) and Sales Force Automation (SFA) systems, it is quite often possible to generate detailed reports on campaign performance, and even store these reports in a central repository (such as the CRM system) for future reference. But many companies are not fully enabled to this level of sophistication across all divisions or sales teams, and most likely not all media. In such situations, tracking reports come from a variety of sources, such as call center manifests, sales persons' desktops or rolodexes, etc. The task of pooling all this into a comprehensive report requires skilled analytic and/or technical resources. This is an important task, as without it, there will be no real learning, and no real evaluation of what worked. Ease of tracking is one key benefit of using the IBM PartnerWorld® Co-Marketing offerings and response management tool, since closed-loop management is at the heart of successful execution. This process covers:

- ***Assigning tactic codes to each marketing activity***
- ***Collecting responses at a central clearinghouse***
- ***Distributing prospect data to the Business Partner as Opportunity Identifier and Owner***
- ***Assigning prospects to response owners for follow-up, tracking, and closure***
- ***Reporting high-level results to IBM, including the number of marketplace touches, response rates, and indicating status as sale/no sale/pending summary data only***

Once the data needed is pooled and analyzed, it is important to distill the key insights from these reports and create recommendations into the next round of planning. When planning and budgeting activity takes place, the resource allocation should be in proportion to the historically measured effectiveness of similar campaigns, and to the business need for this campaign given the current market situation.

If this historical knowledge does not exist, it is not too late to start accumulating this knowledge – one can start by testing a variety of candidate campaign ideas. If the testing method is valid, the knowledge that often takes years to acquire can be reasonably approached/imputed in a relatively short span of time, for a far lesser investment of marketing dollars.

### Conclusion

In summary, a closed-loop campaign management system will help marketers understand the value of their marketing dollars, and to find the right places to invest these dollars in the future. Specifically, this system ties into the way marketing campaign tactics are chosen, and the way ROI is calculated and judged. These topics are addressed in other papers in the IBM PartnerWorld Co-Marketing Developing Skills Series.

**Highlights**

***Titles of interest in this series:***

1. ***Target audience planner***
2. ***Measuring your return on investment (ROI)***
3. ***How to choose the right tactics***
4. ***Closed-loop campaign and response management***

*Key take-away's*

- ***When planning a campaign, look to past results to project returns (ROI projection), and optimize investments (tactic planning)***
- ***Ensure that there is a system to track responses and feed back learning from the campaign***
- ***Track all responses and all customer interactions, making an effort to ask the customer for feedback — on what drove response or purchase***
- ***Isolate the critical insights from campaign results, and store these in an easily accessible place, while archiving more detailed campaign reports***

**How IBM can help you**

PartnerWorld Co-Marketing response management services enable Business Partners to better manage their opportunities. By utilizing any number of response management related offerings, Business Partners can:

- ***Assign opportunities to different members of BP teams to balance workloads***
- ***Track tactic success***
- ***Help protect sensitive customer and prospect data***
- ***Gain convenient access and integration through a Web-based, closed-loop, secure tool***

Additional response management services include:

- ***BP training and planning***
- ***Call-to-action flows to 3rd party clearing house (Web; 1/800; Call Center; BRC; Fax)***
- ***Response delivery to BP via e-mail and secure Web-site access***
- ***Reports to IBM include number of targets, response rate, and sale/no sale/pending summary data only***
- ***Optional outbound telemarketing services***

For more information, go to **ibm.com**/partnerworld. Select "Marketing & Sales" to learn more about Co-Marketing programs. Select "PartnerWorld University" for additional information and tools to improve your marketing skills.

**Closed-loop campaign and response management**
Addendum

Campaign Name: ______________________________

Start Date: ______________________ End Date: ______________________

Anticipated Tactics: ______________________________

**Key Questions**

- ***Are all response channels (i.e., call-center, BRC, Web, Fax, e-mail, etc.) trackable? Can each channel correctly identify the source of incoming leads (is each channel trained and does each have a tracking plan?), and correctly identify and report on total leads?***
- ***If not, are there alternative means of tracking these channels? And can these means be deployed at short notice?***
- ***Have you prepared resources for report-generation? (These reports have to be ongoing during the course of the campaign as well as at the end of the campaign.)***
- ***Have you set aside time and resources for pooling and analyzing results from reports?***
- ***Have you tagged all reports with campaign details so that the report can be pulled up at a later time with no loss of information?***
- ***Have you planned for a feedback (campaign learning review) session with your team to go over campaign results once they are available?***
- ***When is the next such campaign planned for after this one?***
- ***Will you have reports and recommendations from this campaign available for the planning of this next campaign?***
- ***If not, how do you plan to make response and conversion projections for the next campaign?***

Here is a simple table that will help you address gaps in tracking leads across response channels. For each response channel, enter the total number of responses projected, and how the projection was arrived at. Also enter how actual responses are to be tracked – whether through online reports or periodic printouts of manifests, etc.

| Response Channel | Projected Response | Actuals | How Tracked? |
|---|---|---|---|
| In-bound call center | | | |
| Business Reply Card (BRC) | | | |
| Email | | | |
| Web Forms | | | |
| Calls to Sales Rep. | | | |
| Total | | | |

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3200 Windy Hill Road
Maildrop WG16C
Atlanta, Georgia 30339

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