A WAKE-UP CALL for CMOs

The Unexpected Impact of Call Conversions on Marketing ROI

THE CMO CLUB™
"The World's Best CMO Conversations"™

dialogtech
EXECUTIVE SUMMARY

“Clicks and impressions, despite a sexier image and a decade of media adoration, aren’t as highly valued by many businesses as a ringing phone.”

— Analyst firm BIA/Kelsey

If you haven’t thought much about phone call conversions from your marketing, it’s understandable. Phone calls rarely get the media coverage that online conversions and in-store visits do. Calls can be easy for CMOs to overlook or ignore.

But ignoring call conversions can be a big mistake – one that can have a strong negative impact on marketing ROI. In most industries, phone conversations driven by marketing play an important, and often necessary, role in the customer journey. And marketers that attribute and optimize call conversions from their marketing channels, measure how those calls are converting to customers and revenue, and analyze and improve the caller experience are seeing better returns on their marketing spend.

The CMO Club, in partnership with DialogTech, interviewed seven CMOs and senior marketing leaders from a range of industries to learn the role that phone calls play in their customers’ journey and what they are doing to optimize it. This solution guide explains why calls have become important to marketing ROI and shares the strategies that top-performing marketers are using to improve customer acquisition and loyalty from call conversions.
For many shoppers, nothing beats talking to a real person. Even in today’s digital world, a phone conversation is often the best way for organizations to earn a customer’s business and loyalty. And as digital advertising goes mobile, these conversations are becoming more common—calls to U.S. businesses from smartphones are expected to reach over 160 billion by 2019, a 73% increase from 2015.¹

Marketing Spend Has Gone Mobile

This year for the first time, marketers in the United States will spend more on digital channels than on TV.² By 2020, that gap will widen, with digital surpassing TV by 45%. It’s a powerful testament to the importance of digital advertising in the modern marketing mix.

When businesses talk about digital advertising, that now encompasses mobile in a big way. Mobile ad spending in the U.S. will grow 45% this year, making it 64% of all digital ad spending. By 2019, mobile will represent more than a third of all media ad spending, both online and offline, and will be the biggest line item in most marketing budgets.³

"No question traffic is shifting to mobile, with the vast majority of mobile traffic coming from smartphones."

Alan Gellman, CMO at Esurance

"A year ago, half of our website traffic came via desktop. Now desktop traffic is only 30%, with mobile at 70%. That’s a 20-point shift in 12 months, and it has been led by smartphones."

Paul Koulogeorge, CMO at Goddard School
Mobile Advertising Drives Call Conversions

The growing popularity of smartphones and mobile advertising has changed the way consumers shop and convert online. According to Google, more searches take place on smartphones than any other device, and more than half of all web traffic now comes from mobile. When these smartphone users engage with mobile ads or website content, they often convert by calling.

According to research by analyst firm BIA/Kelsey:

- Search, social, and display advertising will drive over 108 billion call conversions to U.S. businesses in 2016.
- That number will grow to 162 billion calls by 2019.
- Search advertising alone will drive over 40 billion call conversions in the United States this year.
- Calls convert to revenue 10 times more than web leads and will influence over $1 trillion in U.S. commerce this year.

“As the vast majority of mobile traffic is coming from smartphones, calls are an important conversion path. People research our products online, and while many convert in digital channels, quite a number of them convert by phone.”

Alan Gellman, CMO at Esurance

“Calls from the Healthgrades website to our call center convert to appointments and patients at a very high rate. When someone calls, you know they are a qualified consumer.”

Mayur Gupta, Former EVP, Head of Marketing at Healthgrades
Many Purchases Won’t Happen Without a Phone Conversation

Smartphones and mobile advertising are not the only reasons why call conversions are important in marketing. Calls have always been a critical part of the customer journey for industries with expensive, complex, or infrequent purchases. For these businesses, consumers need to talk to a real person to get the answers they need to make a purchasing decision. Industries like automotive, insurance, financial services, travel and hospitality, and home services all rely on phone conversations to acquire customers.

**Insurance**
- 40% of insurance purchases happen over the phone

**Financial Services**
- 68% want to call a bank while researching purchases

**Travel & Hospitality**
- 35% of hotel bookings are from phone calls

**Automotive**
- 25% of auto shoppers first contact dealerships by calling

**Technology**
- 62% want to call businesses to purchase tech services

**Health Care**
- 56% of patients book appointments by calling

**Local**
- 70% want to call businesses to purchase local services

**Retail**
- 51% want to call a store when buying home goods

“It is important for our customer to have someone they can speak with during the purchase process as our products are complicated. Many of our customers want to speak with someone when they are starting their business, creating an estate plan, or securing intellectual property.”

Laura Goldberg, CMO at LegalZoom

“It makes education decisions for your child is very personal – it’s not a quick decision or something made lightly. It’s why phone calls are a frequent part of the customer journey.”

Paul Koulogeorge, CMO at Goddard Schools

“In the mortgage business, very few people go all the way through the application process without some kind of phone contact. That could be an inbound or outbound call, but the majority of our volume is inbound.”

Rich Smith, CMO at ditech Mortgage
Calls Happen Throughout the Customer Journey

While more people prefer to call businesses when they are ready to make a purchase, consumers will call throughout the customer journey across industries. Providing a quality call experience is now an important part of acquiring and retaining customers. It’s why marketing teams at many businesses are taking more responsibility for what happens in the call channel.

Percent of people who find it extremely important to be able to call the business during each phase of the decision-making process

<table>
<thead>
<tr>
<th>Phase</th>
<th>Importance</th>
</tr>
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<tbody>
<tr>
<td>Inspiration</td>
<td>30%</td>
</tr>
<tr>
<td>Research</td>
<td>52%</td>
</tr>
<tr>
<td>Purchase</td>
<td>61%</td>
</tr>
<tr>
<td>Post</td>
<td>40%</td>
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</tbody>
</table>

Customers want to speak with a real person over the phone throughout the customer journey

“Having someone available for customers to speak with at every point of their purchase journey is important. The challenge is to track those interactions, to see where customers convert and to make sure we are nurturing these leads appropriately.”
Laura Goldberg, CMO at LegalZoom

“There is a portion of our consumers who are just more comfortable picking up the phone, and these callers often have high-purchasing intent.”
John Challis, Senior Director of Performance Marketing at LendingTree

“For Expedia, being able to give our hotel clients access over the phone to a marketing support expert is an extremely important function to on-boarding new partners.”
Brian Schwartz, VP Global Partner Marketing at Expedia
THE DANGERS OF IGNORING CALL CONVERSIONS

You Struggle to Prove Marketing ROI

As spending on mobile advertising increases, so does pressure on CMOs to prove ROI. For many marketing organizations, this is a top concern. In a recent survey asking marketing executives about their biggest challenges, the number one answer given was “difficulty in measuring ROI.” If you aren’t connecting call conversions to your marketing, proving your true ROI becomes extremely difficult. Without calls, you could be missing attribution on a large percentage of conversions and customers, and the ROI you report could be off by up to 50% – perhaps more for some industries.

You Risk Losing Customers by Misallocating Budget

Many marketing organizations rely on benchmark data such as CPL (cost per lead) and CPA (cost per acquisition) to determine how best to allocate their budget for optimal return. If these metrics are incomplete or inaccurate due to missing call conversion data, however, marketers believing they are making the right decisions may actually be investing in underperforming activities. You may also be inadvertently reducing or eliminating spend on more lucrative marketing channels, campaigns, and search keywords.

You Can’t Own the Customer Experience

Consumers today expect a quality customer experience, whether they engage with businesses online, in person, or over the phone. Companies failing to provide it will lose customers and revenue to competitors that do. It’s why in a recent survey of 500 CMOs and senior marketing leaders, 86% said they will own the end-to-end customer journey by 2020. If your call channel remains a blind spot, you risk lower lead-to-sale conversion rates and higher customer churn that comes with leaving an important touch point to chance.

Digital Priorities vs. Capabilities According to Marketers in N. America, March 2016

<table>
<thead>
<tr>
<th>% of respondents</th>
<th>Priorities</th>
<th>Capabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associating conversion events with marketing</td>
<td>84%</td>
<td>10%</td>
</tr>
<tr>
<td>Tailoring messaging by channel</td>
<td>76%</td>
<td>13%</td>
</tr>
<tr>
<td>Understanding customer behavior over time</td>
<td>75%</td>
<td>12%</td>
</tr>
<tr>
<td>Matching customers across multiple devices</td>
<td>74%</td>
<td>14%</td>
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</table>

“Ultimately, multi-touch attribution has to look across channels to see the true impact of offline and digital campaigns. We are getting smarter by adding calls to the multi-touch attribution picture to see the true impact of offline and digital campaigns.”
Alan Gellman, CMO at Esurance

“Whether a patient converts online or by calling, attributing an appointment or new patient back to our marketing efforts is the backbone of our analytics.”
Mayur Gupta, Former EVP, Head of Marketing at Healthgrades
To succeed with calls, CMOs and senior marketers at top brands are making it easy for consumers to engage in conversation with their businesses over the phone. But they aren’t stopping there – these companies are also capturing and leveraging data on calls, callers, and conversations to improve marketing ROI and providing caller experiences that turn prospects into loyal customers.

1 Make It Easy for Consumers to Call You

The first and most basic strategy marketers are adopting is adding phone numbers to their digital ads, offline campaigns, websites, and mobile apps. Making it easy for consumers to call you is both a fundamental step in increasing marketing ROI and an important part of acquiring and retaining customers who want to talk to you before making buying decisions.

“Click-to-call is very effective for us. It’s a great user experience: you can do a search on your phone for a mortgage and either click the number in the ad or on the mobile landing page and it immediately connects you.”

Rich Smith, CMO at ditech Mortgage

“Our marketing runs the gamut. We do offline TV and radio campaigns that have unique phone numbers, and we do search and display ads that lead to webpages with unique phone numbers.”

John Challis, Senior Director of Performance Marketing at LendingTree

“Our consumer is the millennial mom, and smartphones are her primary way to communicate. We’ve seen click-to-call engagement go up dramatically in the past year – around 200%.”

Paul Koulogeorge, CMO at Goddard Schools
2. Capture Complete Attribution for Every Call Conversion

Perhaps the most important strategy for marketers to adopt is call attribution. It’s critical to capture the same granular level of data for call conversions that your team does for online conversions. This call data is necessary to measure the true CPL, CPA, and ROI of every marketing activity, prove marketing’s full impact on the business, and optimize performance to generate more customers while lowering acquisition costs.

<table>
<thead>
<tr>
<th>Data Marketers Capture at the Time of a Call</th>
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<tbody>
<tr>
<td><strong>The marketing source that drove the call</strong></td>
</tr>
<tr>
<td>For each call, marketers should capture the marketing channel, ad variation, keyword search, email or direct mail, or other marketing source that drove it.</td>
</tr>
<tr>
<td><strong>Who it benefits</strong></td>
</tr>
<tr>
<td>Everyone responsible for driving conversions and analyzing performance, from search and display managers to email marketers and marketing analysts. Call data is necessary for them to prove ROI and make the right budget allocation and campaign optimization decisions.</td>
</tr>
</tbody>
</table>

| **The caller’s path through your website** |
| If a lead visited your site after running a search or engaging with your marketing, you should know that person’s entry page, the content he or she viewed on your site, and the page he or she eventually called from. |
| **Who it benefits** |
| The team in charge of improving website performance, including SEO, website, and e-commerce managers. Knowing what content drives call conversions helps them optimize SEO and the website experience to generate more leads and customers. |

| **Data on the caller** |
| Marketers should also capture who the caller is, their phone number and geographic location, the day and time of the call, their device and browser, and if they are a first-time or repeat caller. |
| **Who it benefits** |
| The same team members who benefit from the marketing source of calls. This data is useful for optimizing both online and offline marketing, but is especially valuable in fine-tuning bidding for channels such as paid search and display. Also, tracking and anticipating peak call times is helpful for properly staffing call centers or business locations to answer calls. |

“**When a consumer comes to our site from a digital channel, we automatically assign them a unique phone number based on the source. When they call it gives us attribution data.”**

Rich Smith, CMO at ditech Mortgage

“**We measure which channels drive not only the most calls, but the most customers. That data helps us make marketing optimization decisions.”**

John Challis, Senior Director of Performance Marketing at LendingTree

“**We use call data from campaigns to anticipate peak call volume times and ensure our call center is properly staffed to handle the influx in calls.”**

Rich Smith, CMO at ditech Mortgage
Integrate Call Data With the Tools in Your Marketing Stack

Calls are an important data source marketers are integrating with the tools in their marketing stack. This enables marketers to get a more holistic view of the customer journey and know how to best allocate budget and optimize campaigns to generate the greatest return. It also enables digital marketers responsible for search, social, and display advertising to more accurately target the consumers most likely to call.

Benefits of Including Call Data in Marketing Platforms

**Web Analytics and Optimization**

Marketers include call data in these tools to understand the digital activities generating both online and call conversions. They then use that knowledge to optimize website and digital advertising performance to increase engagement.

**Bid Management**

By adding call data to bid management platforms, these tools are able to calculate the true ROI from search and social media advertising. They are then able to automatically allocate budget to the keywords and campaigns with the best CPL and CPA.

**Multi-Touch Attribution**

Marketers are integrating call data with these tools to map when phone calls occur in the customer journey, assign the right level of credit to each interaction, and make better optimization decisions to drive ROI.

**Marketing Automation**

Marketers are including call data in marketing automation reports and workflows to optimize email targeting and conversion rates, improve lead scoring accuracy, and better capture each contact’s behavior, online and offline.

**DMP and DSP**

Call data belongs in data management platforms (DMPs) to improve customer analytics and decision-making. Call data should also be passed to demand-side platforms (DSP) to target audiences most likely to call with the right digital ads.

**CRM**

Marketers are passing call attribution data to CRMs to measure specific marketing sources and spend that drive calls that convert to leads, opportunities, and revenue. It’s a necessary step to prove marketing’s impact on the business.

"Whether they purchase online or over the phone, we tie policies back to our marketing mix and spend to know what's working using the alphabet soup that is martech: DMP, MTA, CRM, and so on."

Alan Gellman, CMO at Esurance

"We use all of the tools found in a modern marketing stack. They are all interconnected and include call conversion data."

Laura Goldberg, CMO at LegalZoom

"We use geo-fencing to target millennial moms where they socialize and work to get them to engage with us and call. It can be extremely hyper-targeted, down to a specific block or office building."

Paul Koulogeorge, CMO at Goddard Schools
4 Personalize the Caller Experience to Convert More Calls to Sales

To improve conversion rates over the phone, marketers are now taking responsibility for the call channel – whether calls are going to a call center, remote sales agents, or multiple business locations. They are using the call data captured at the time of the call to tailor and optimize the caller experience to win new customers and upsell existing ones.

Three Strategies to Improve the Caller Experience

Route callers optimally to close more sales
When shoppers call, they expect to get assistance and answers right away. It’s important to connect them quickly in conversation with the right agent or business location. To do it, marketers are adding contextual call routing strategies to their marketing campaigns, ads, and websites. They are using intelligence captured on each call – including the marketing source, caller location and history, and day and time of the call – as signals to determine where each caller should be sent.

Prioritize your most valuable callers
Marketers are also using call data to better serve their most valuable callers. For example, some businesses have a priority queue where they place callers they believe have the highest purchasing intent and sales value, ensuring those calls get answered immediately. Some do this based on marketing source – with calls from search ads being the most common leads to get prioritized. But others do it based on a caller’s past history or the web page they called from.

Pass data on callers to sales agents before they answer
When calls come in, some businesses pass information on the caller and marketing source that drove the call to their sales agents before they answer. Knowing that a call is coming from a specific marketing campaign, referral source, keyword search, or webpage helps sales agents anticipate a caller’s needs and deliver a more seamless, personalized experience to win the sale.

This strategy also improves marketing-sales alignment, a common source of friction for many companies, in two ways. First, it helps marketers arm their sales agents with information to better handle calls. Second, it provides sales agents with regular proof of how marketing is sending them quality leads.

“When a customer calls, we know who they are and the marketing campaign they are calling from. We pool all information together to start the lead for the loan specialist, so when they start the call they have it available.”
Rich Smith, CMO at ditech Mortgage
Analyze Phone Conversations from Marketing for Actionable Insights

A necessary step in taking ownership of a business’ call channel is monitoring call activity and conversations. That’s why marketers are now analyzing what happens on the calls they generate to call centers, business or franchisee locations, and clients. Analyzing if calls were answered and the content of conversations provides marketers with actionable insights to increase conversion rates and customer acquisition.

The Call Elements Marketers Analyze

**The value of the call**
Knowing if a call was a legitimate sales call and if it converted to an opportunity or revenue helps marketers know which campaigns are driving the most “good” calls.

**What the agent said**
Marketers are analyzing the performance of the agent who takes the call to ensure they are on-brand, using the right scripts, and mentioning the right promotions.

**The call experience**
Marketers are monitoring if calls to each location, agent, or client are being answered, how long callers spend on hold, and call abandon rates.

**What the caller said**
Understanding the words or phrases callers actually use can be an excellent way to optimize for the right SEO and SEM keywords and create more effective marketing messaging.

“We do quality assurance on all calls and analyze conversations to ensure they are on-brand. The insights allow us to consistently improve how we serve our customers.”
Laura Goldberg, CMO at LegalZoom

“There can’t be a wall between marketing and sales. We analyze calls for sophistication, agent matching, messaging. It’s all marketing to us.”
Alan Gellman, CMO at Esurance

“We constantly analyze calls, mine data, and go through conversations to make sure we are best servicing our hotel customers.”
Brian Schwartz, VP Global Partner Marketing at Expedia
Attribution and optimizing the customer experience are now top priorities for CMOs. Smartphones have made both more challenging by driving a large and growing influx of calls into businesses. Now more than ever, shoppers want to talk to a real person, and these offline conversions are creating a blind spot in marketing attribution data that must be eliminated if marketers are to prove and improve ROI. Marketers must also monitor and analyze what’s happening in their call channel to ensure callers are receiving a quality experience that encourages conversion.

This report presented the strategies that CMOs and top marketers are doing now to optimize ROI from calls. And as new voice technologies like virtual assistants and voice search emerge and gain prominence, marketers will continue to upgrade their strategies and technologies to keep pace.

“We are always looking at what’s next, such as using machine learning to analyze the call content to understand sentiments and generate new insights. I think it has huge potential.”

Mayur Gupta, Former EVP, Head of Marketing at Healthgrades
ABOUT THE EXPERTS

Alan Gellman is Chief Marketing Officer at Esurance, where he leads integrated marketing, strategy, and product innovation. Previously, Alan was Senior VP of Digital Marketing at Wells Fargo where he led digital advertising, including display, search engine marketing, mobile and social. Before that he led strategy, research and analytics for Wells Fargo’s Consumer Credit Group. Before joining Wells Fargo, Alan built and led the E-Business division at Blue Shield of California, launching portals for consumers, providers, employers and brokers, and winning both customers and awards in the process. He began his career in consumer packaged goods for such companies as Kraft, Foods and ConAgra.

Laura Goldberg has served as LegalZoom’s Chief Marketing Officer since 2014. Before LegalZoom, Laura spent almost 15 years working on product and marketing for ecommerce companies. She was VP of Product at ScoreBig, General Manager of NFL Online, and COO of Napster, one of the first digital music streaming services. She earned a B.S. in Industrial Management with honors from Carnegie Mellon University and an M.B.A. from Harvard Business School. Laura is on the board of directors of Homeless Healthcare Los Angeles.

Rich Smith is the Chief Marketing Officer of ditech Mortgage, leading marketing, branding, and communications for one of the nation’s premier mortgage lenders. He has a 20-year history of building profitable campaigns for top-tier brands in the financial services, insurance, and consumer financial products industries, specializing in digital marketing, direct marketing, branding, cross-selling, business strategy, and product development.

Paul Koulogeorge is responsible for leading marketing strategy and developing innovative advertising plans to communicate the brand promise of The Goddard School to potential franchisees and the families of potential enrollees nationwide. Before joining GSI, Paul worked with DFC Global Corp. in various roles for nine years, most recently as the Vice President of Global Marketing. Paul developed DFC’s first global marketing strategy and coordinated its implementation across 10 countries which grew revenue, lowered costs and increased new customer acquisition. Paul was also instrumental in developing an omni-channel marketing strategy that included the launch of DFC’s first website and mobile app, which allowed consumers to purchase financial products over the internet. Previously, Paul served as Vice President of Marketing for EB Games as well as Director of Marketing for The Coca-Cola Company.
Mayur Gupta is VP Marketing and Growth Development with Spotify. Formerly, he was the EVP Head of Marketing at Healthgrades, where he headed up the vision, strategy, and activation of one of the largest digital marketplace platforms in healthcare; delivering seamless Omni-Channel Experiences and always-on patient engagement that drive better health outcomes and maximizes lifetime value for hospitals. Prior to HealthGrades, Mayur was the Chief Marketing Technologist at Kimberly Clark, responsible for the vision, strategy, and development of all digital and ecommerce capabilities across KC’s global iconic brands.

Brian Schwartz manages the teams at Expedia responsible for brand, e-mail, social, and trade marketing, marketing operations, industry relations, and an internal creative agency for Expedia’s Lodging Partner Services. Brian and his team are charged with enhancing relationships between Expedia and its 307,000 hotel partners in more than 70 countries worldwide. Prior to Expedia, Brian spent five years at DreamWorks Animation overseeing marketing partnerships, licensing, consumer products, and retail marketing in various regions and territories across the world.

As a seasoned and experienced senior level business leader, John has provided guidance in all three facets of the lead generation industry: sales, purchasing, and generation. He entered the industry as one of the first sales professionals for LowerMyBills and parlayed that success into efforts to help grow early-stage and high-growth companies in the mortgage lead generation space after LMB’s purchase by Experian. Subsequently he moved to the other side of the business and managed the marketing efforts for a large, national lender. And now John runs one of the major marketing channels for the industry leader in mortgage lead generation, LendingTree.
CMO Club is the world’s most engaged and inspired community of Senior Marketing Executives who help each other solve their biggest challenges, within a candid, trusted, and sharing environment. Collaboration fueled by inspiring events and within the members only Digital Solutions Clubhouse raises the standard for what is required to be a successful Chief Marketing Officer. With more than 800 members and a no vendor selling policy, The CMO Club is the go-to center for today’s Senior Marketer for peer-based personal and career success support. For more details on membership or becoming a thought leadership partner, please visit: www.thecmoclub.com.

DialogTech provides the only platform for end-to-end call attribution and conversion essential for data-driven marketers. DialogTech’s platform solves one of the most pressing challenges in today’s mobile-first world by eliminating the black hole inbound calls create in understanding true marketing performance. As marketers face mounting pressure to drive not only leads but revenue, DialogTech’s platform empowers marketers with the call attribution data and conversation analytics insights needed to confidently invest in campaigns that drive sales. It also provides the in-call optimization technology necessary for marketers to personalize the caller experience to convert more callers to customers. For more information, please visit www.dialogtech.com.

Sources
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