RIVERS

## Success Stories…

• Tire retailer grew web site traffic 600%; orders into call center grew 300%

• Online furniture store grew revenues 900% within 24 months

• Logistics firm attributed 70% growth to internet sales

• Non-profit increased unique visitors from 600,000 to 3.2M

• Major clothing retailer landed at the top of the Search Engine results pages in <2 months

• Manufacturing client increased sales leads by 1000%

• Distributor client achieved $250,000 in new sales within 2 months

• Industrial manufacturer of arc furnace electronic devices generated $1M in internet sales within first 9 months.

*The best way to find
new customers…
is to simply let them find you!™*

RIVERS

| OFFLINE | → | ROI |
| OFFLINE + ONLINE | → | **5 x ROI** |
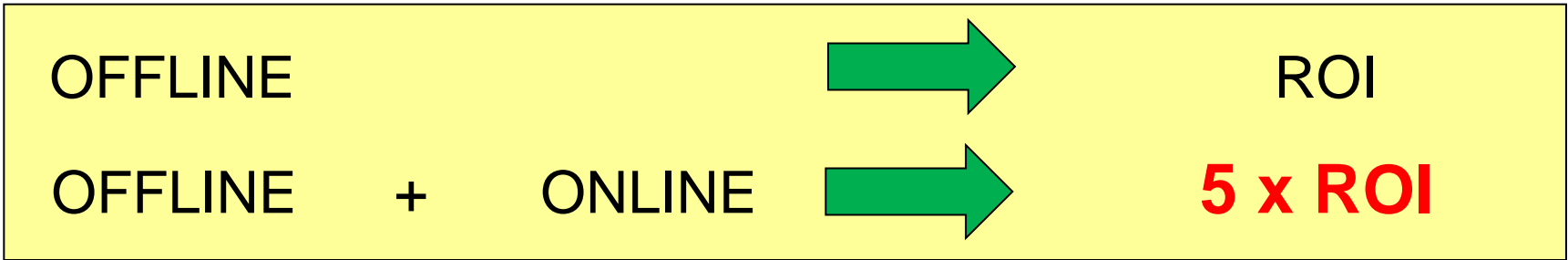
Gross ROI

	Online Program	Offline Program
Total Sales	5,433	480
Program Cost	2P	P
ROI	2,717	480
5.7 times greater ROI for the online program		

Credible Reach Analysis

	Online Program	Offline Program
"Credibility"	51%	59%
Reach	53,579*	5,100
Total "Credible" Reach	27,325	3,009
9.1 times greater "Credible" Reach for the online program		

➢ Word of mouth programs strategically focused on creating online word of mouth offer scalability and better ROI

Note: *Online reach only, does not include offline reach

Community Metrics We Know and Love

- Community users visit 9 times more often than non-community users (McKinsey, 2000)
- Community users remain customers 50% longer than non-community users. (AT&T, 2002)
- 43% of support forums visits are in lieu of opening up a support case. (Cisco, 2004)
- Community users spend 54% more than non-community users (EBay, 2006)
- Cost per interaction in customers support averages $12 via the contact center versus $0.25 via self-service options. (Forrester, 2006)
- Customers report good experiences in forums more than twice as often as they do via calls or mail. (Jupiter, 2006)
- 56% of online community members log in once a day or more (Annenberg, 2007)

The Club Boosted Revenue & Retention

Conversion to Multi-buyers after 2 years

- Goal Club: 80.5%
- Non Goal Club: 23.4%
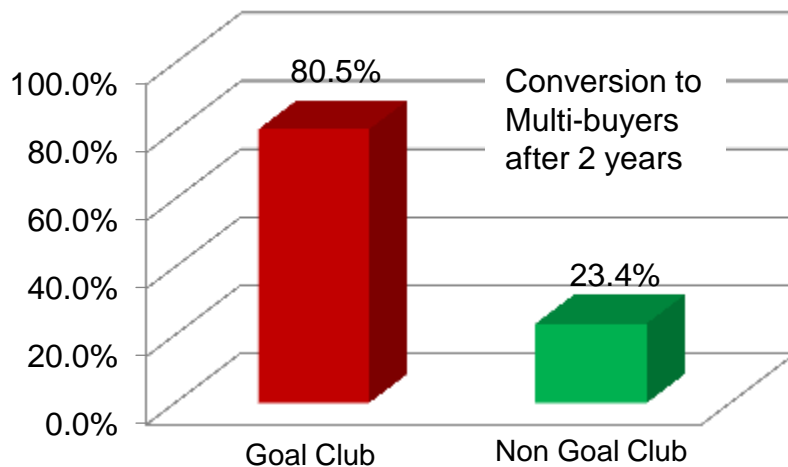
➢ Club members bought 11 times more than non club members.

➢ In two years, 80.5% of club members became multi-buyers.

Source: Online Community Business Forum / May, 2007

Online & Offline Marketing Tactics Comparison in Customer Acquisition & Customer Retention

RIVERS

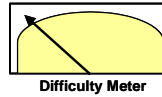| CPM (cost per thousand)	Customer Acquisition			Customer Retention	
	Direct Mail to rented list	Banner advertising	Email to rented list	Direct Mail to in-house list	Email to in-house list
Production	$462	-	-	$462	-
Media	$118	$15	$200	-	-
Delivery	$270	$1	-	$270	$5
Total	$850	$16	$200	$686	$5
Click through rate	-	0.8%	3.5%	-	10%
Purchase Rate	1.2%	2.0%	2.0%	3.9%	2.5%
Cost per sale	$71	$100	$286	$18	$2

➢In Customer Acquisition, although Direct Mail to rented list has the additional product cost, it still has the lowest cost per sale ($71).

➢However, in Customer Retention, Email to in-house list no doubt has the lowest cost per sale ($2).

ROI Based on Acquisition Improvement

Acquire

Evaluating Individual Campaigns

Difficulty Meter

Evaluating Overall Campaign Effectiveness

Difficulty Meter

	Campaign #1	Campaign #2
Cost	$10,000	$10,000
Campaign Type	**Pay per Click**	**Banner**
Response Rate	3.0%	0.5%
Visits	8,500	2,000
Conversion Rate	5.0%	7.0%
# of Customers	425	140
Value/Customer	$50	$50
Value of Campaign	$21,250	$7,000
Campaign ROI	112%	-30%
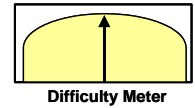
Campaign #3		Optimized Campaign #3	
Amount. Spent	$200,000	Improved Response	0.05%
Impressions	10 Million	Incremental Visits	5,000
Response Rate	0.5%	Incremental $	$30,000
Visits	50,000	Improved Conversion	0.10%
Conversion Rate	2.0%	Incremental Customer	155
# of Customers	1,000	Incremental $/Mo.	$46,500
Value/Customer	$300		
Value of Campaigns	$300,000	Total Campaign $	$376,500
Campaign ROI	50%	New Campaign ROI	88.25%

➢Web Analytics can help a site understand which media resource is more effective.
➢Compared with Banner campaign, Pay per Click campaign has a better ROI, 112%.

➢Channeling the spending to the more effective media resource will improve overall results.
➢Campaign optimization can improve ROI from 50% to 88.25% after campaign tracking analysis.

ROI Based on Conversion Improvement

Improving Conversion Rate

Convert

	Campaign #4
Monthly Visits	100,000
Conversion Rate	3%
Converted Visitors	3000
Value/Convert	$100
Conversion Value	$300,000
Improved Conversion	0.5%
Incremental Mo. Converts	500
Incremental Mo. Value	$50,000
Incremental Value %	16.7% ↑

Conversion Improvement Objective & Methodology

Difficulty Meter
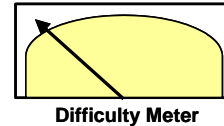
☐ Objective:
  ➢ Find and get back the lost 50% of web sales because visitors can't easily find content.
  ➢ Improve conversion rate from the Benchmark conversion averages (1 - 3%)

☐ Methodology:
  ➢ Website improvements can help improve conversion across the board.
    - Registration or checkout processes
    - Navigation improvements
    - Any scenario of interest

☐ Measurement:
  ➢ Primary means of measurement = Scenario Analysis

➢In the above Campaign #4, website improvements in registration or navigation can help achieve additional 16.7% Value.

ROI Based on Retention Improvement

Retain

Improving Repeat Purchases

	Targeted Campaign #5
Monthly Returning Visits	10,000
Repeat Purchase %	2%
Mo. Repeat Purchasers	200
Value/Repeat Purchase	$50
Value/Repeat Purchases	$10,000
Improved Repeat Purch.	1%
Incremental Repeat $	100
Incremental Mo. Value	$5,000
Incremental Value%	50%

➢ Conducting the campaign on those most profitable customers in the visitor segmentation, the targeted campaign successfully improved the repeat purchase rate and achieved the 50% incremental value.

Retention Improvement Objective & Methodology

Difficulty Meter
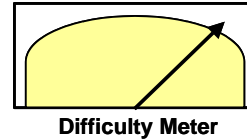
☐ Objective:

➢ Improve the rate of purchase among returning visitors, as it is 5-10 times more expensive to attract a new customer than to retain an existing customer.

☐ Methodology:

➢ Primary means that Web Analytics add value

= Visitor Segmentation

- Isolate behavior of returning visitors & most valuable visitors to determine how behavior varies from other segments

- Proactively target the most lucrative segments

ROI Based on Content Sites Optimization

Content

Content Sites – Value of Increasing Inventory

	Campaign #6
Monthly Visits	1,000,000
Pages Viewed/Visit	10
Total Pages Viewed	10,000,000
Value/1000 Pages Viewed	$20
Value of Visits	$200,000
PV/Visit Improvement	10%
Incremental Pages Viewed	100,000
Monthly Incremental Value	$20,000

➤ Optimizing the content can help achieve high page views and long visit duration.
➤ Content optimization can improve PV/Visit by 10%, which means $20,000 has been saved.

Content Optimization Objective & Methodology

Difficulty Meter
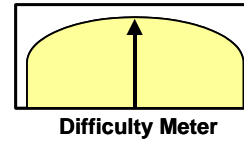
☐ Objective:
  ➤ Increase Page Views per Visitor
  ➤ Increase Visit Duration
  ➤ Measure Most Popular Content

☐ Methodology:
  ➤ Increase available inventory (revenue opportunity)
    - Increase first-time visits (acquisition)
    - Increase visits per visitor (retention)
    - Increase length of visit (page views or visit duration)

☐ Measurement:
  ➤ Measurement on increasing the length of visit, Key Term – Cost per Thousand Impressions (CPM)
    - The price of advertising impressions on the site, measured per thousand impressions
   - Industry average CPM = $20

Commerce

Commerce – Improving Revenue per Order

	Campaign #7
Monthly Visits	1,000,000
Conversion Rate%	1%
Converted Customers	10,000
Revenue/Order	$50
Total Revenue	$500,000
Rev/Order Improvement	10% ↑
Incremental Rev/Order	$5.00
Monthly Incremental Value	$50,000

➤ Improving Revenue pre Order needs to do automatic web mining and provide customized cross-sell or up-sell offer, when customers browse the website or purchase.

➤ Commerce Site optimization can improve Rev/Order Improvement by 10%, which means $50,000 additional value has been earned.

Commerce Optimization Objective & Methodology

Difficulty Meter
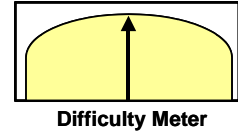
☐ Objective:
  ➤ Increase Total Orders by increasing conversion rates
  ➤ Improve Revenue per Order (cross-sell/up-sell)

☐ Methodology:
  ➤ Direct Marketing Segmentation
  ➤ Direct Marketing Loyalty Program
  ➤ Direct Marketing Response Model
  ➤ Direct Marketing Cross-sell Model

☐ Measurement:
  ➤ Measurement on Segmentation, Loyalty Program, Response Model and Cross-sell Model have been addressed in Direct Marketing ROI.

RIVERS

register now

Lead Generation

Lead Generation Sites – Improving Conversion

	Campaign #8
Monthly Leads	3,000
Close Rate	10%
Sales/Month	300
Value/Order	$50
Total Value of Leads	$15,000
Close Rate Improv.	2% ↑
Incremental Orders	60
Monthly Incremental Value	$3,000

➢ Improving Conversion from leads to sales needs to understand customer needs and conduct targeted campaign.
➢ Targeted Campaign can achieve additional lead close rate by 2%, which means $3,000 additional value has been earned.

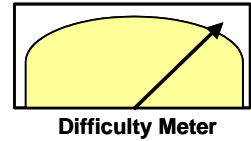## Registration Optimization Objective & Methodology

Difficulty Meter
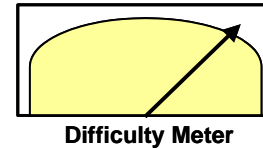
☐ Objective:
  ➢ Improve the number of leads generated
  ➢ Improve the quality of leads generated
  ➢ Lower Costs to Acquire Leads

☐ Methodology:
  ➢ Improvement the conversion for lead generation sites

☐ Measurement:
  ➢ Our calculation focuses on improving close rates on leads through targeted marketing

RIVERS

Self-Service Sites – Reducing Costs

Self Service

	Campaign #9
Monthly Call Center Calls	10,000
Average Cost/Call	$25
Monthly Call Center Cost	$250,000
Reduction in CC Calls	5.0%
Fewer Calls/Month	500
Monthly Savings	$12,500

> Decreasing Support Inquiries and Visit length to reduce cost without compromising customer satisfaction needs to improve online resolution rate.
> Self-service optimization can reduce 5% call center calls to save $12,500.

Self-Service Optimization Objective & Methodology

Difficulty Meter

☐ Objective:
  ➢ Decrease Support Inquiries
  ➢ Decrease Visit Length
  ➢ Reducing costs of serving customers without compromising customer satisfaction

☐ Methodology:
  ➢ Improving online resolution rates to decrease call center volumes
  ➢ Determine the right online resolution through marketing research

☐ Measurement:
  ➢ Primary measurement means: Scenario Analysis