ACHIEVING MARKETING ROI WITH WEBCASTING SOLUTIONS

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EXECUTIVE SUMMARY

There is some good news for marketers today: budgets and staffing are on the rise as the economic recovery continues. However, marketing investment growth has not kept pace with revenue growth and many marketing executives are still working with fewer resources than they had prior to the recession. They simply don’t have enough people or program dollars to achieve lofty marketing and sales goals, and there is increasing pressure to deliver higher ROI.

In order to impact the bottom line for their companies, marketers must leverage the most effective tools to reach audiences throughout all phases of the purchase funnel. Webcasting is a scalable solution that enables marketers to educate prospects, nurture leads, and retain customers without draining valuable staff time and travel budgets.

This white paper outlines how marketing professionals can use webcasting solutions at each stage of the purchase funnel to achieve their organizational goals and maximize marketing ROI. In addition, it serves as a practical guide by highlighting webcasting best practices---from planning to follow through.
INTRODUCTION

According to the 2011 B2B Marketing Outlook report sponsored by Google, 77% of marketers expect budgets to remain stable or grow by an average of 21%. In the IT industry, investments in global marketing are projected to increase by a modest 3.5% this year vs. a projected revenue increase of 6.5%.

Graph 1: Global IT Revenue Growth vs. Marketing Investment Growth
Source: IDC 2011 Tech Marketing Benchmarks Study

Although budgets are clearly rebounding, marketers will face significant challenges supporting sales growth: 41% of B2B marketers are concerned that they don't have enough budget to fund plans and deliver on goals and 39% believe they will not have enough people to execute marketing plans. Given the increasing need to create and execute scalable marketing campaigns for audiences that span multiple continents and time zones, marketers must seek out cost efficient and effective alternatives to traditionally used tactics.
CONVERTING PROSPECTS TO SALES WITH WEBCASTING

Although B2B marketers acknowledge that online initiatives are the most effective for reaching their target audiences, 2/3 of marketing budgets are still being allocated to traditional channels such as industry events/tradeshows, magazine/trade publications, and direct mail.\(^1\) According to the 2011 B2B Marketing Outlook report, 54% of B2B prospects listen to pod/webcasts while only 44% read magazines/trade publications.

Webcasting uses streaming media technology to enable synchronous communication (sharing of data and video content) across geographically dispersed locations over the internet in nearly real-time. Revenue estimates for worldwide enterprise webcasting services are $358 million and are expected to reach $925 million by 2015.\(^2\) Interest in the use of webcasting vs. traditional marketing activities is being fueled by:

- **COST SAVINGS** - 90% of the costs associated with physical events are related to logistics such as travel, equipment, shipping, meeting room rentals and catering.\(^3\) With virtual events, none of these overhead costs are incurred, resulting in a lower cost per lead and higher ROI.

- **WIDER REACH** - webcasts can attract larger and more varied audiences as they can be scheduled to accommodate multiple time zones, attendees can choose to view the live event or watch on-demand, and they are accessible from computers, tablets, and smart phones.

- **INTERACTIVITY** - features such as polls, Q&A, and chat enable a high level of engagement with and information gathering from webcast attendees.

- **MEASURABLE RESULTS** - webcasting solutions provide comprehensive tracking and analytics on pre-event campaign effectiveness, participant engagement levels, and post-event sales impact that enable marketers to optimize marketing tactics and maximize ROI.

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\(^1\) Ibid  
\(^2\) 2011 Wainhouse Research  
\(^3\) The Practicalities of Virtual Events, ON24 2011
IDC estimates that it takes an average of 7.4 months to convert a prospect to a qualified marketing lead, ready for handoff to sales.\textsuperscript{4} Webcasting is a highly versatile and cost effective solution that can be used to engage prospects and customers at all stages of the purchase process. The most common uses for webcasting are: increasing brand awareness, generating leads, and building loyalty.\textsuperscript{5}

### Graph 2: Reasons Why Companies Conduct Webcasts


Outlined in the diagram below are some examples of how webcasting can be used to support marketing activities at each stage of the purchase funnel. Note that the funnel does not end at the purchase phase—62% of B2B marketers agree that customer loyalty has declined since the economic downturn and 87% are investing in customer retention.\textsuperscript{6}

\begin{itemize}
\item Awareness
  - Product launches
  - Analyst days
  - Investor relations
  - Press conferences
\item Consideration
  - Webinars
  - Tradeshows/Events
  - Partner Events
\item Preference
  - Product demos
  - Customer meetings
\item Purchase
  - Training
  - Sales Support
\item Loyalty
  - User group meetings
  - Customer councils
\end{itemize}

\textsuperscript{4} Technology Marketing Benchmark Survey, IDC 2011
\textsuperscript{5} 9 Management Practices for Exceptional Webinars, MarketingProfs Research Insights 2009
\textsuperscript{6} 2011 B2B Marketing Outlook, Google 2011
A survey by Trendline Interactive confirms that webcasting does drive prospects through the purchase funnel from awareness to interest, consideration, and purchase: nearly 85% of attendees took some action as a direct result of attending a virtual event and over 60% took two or more actions.

Graph 3: Actions Taken from Virtual Event Attendance
Source: MarketingProfs, Trendline Interactive, ON24 Virtual Event Survey March 2011
BEST PRACTICES FOR WEBCASTING

According to a recent survey conducted by MarketingProfs Research Insights, the most important success factors for webcasting are: dynamic and recognizable speakers, a formal follow up process, and promotion. These findings highlight the fact that preparation, execution, and follow through are equally important to ensuring marketers can meet and/or exceed their goals through webcasting.

The chart below summarizes webcasting best practices that marketers should follow at each stage of the process to maximize registrations, attendance, engagement, and ROI.

Graph 4: What Makes a Webcast Successful

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BEFORE THE **WEBCAST**

The first step to ensuring successful webcasts is to select a technology solution that meets marketing requirements for ease-of-use, engagement, and reliability/security. Important features to look for in a vendor include:

- Customized promotional and reminder emails
- Online registration capabilities
- Real-time polling/survey tools and text based messaging
- Post webcast reports and analysis
- On-demand, post event archive recording
- Webcast production support
- Multiple level

The promotional process for generating registrations should begin at least four weeks in advance of the scheduled webcast date. For regularly scheduled events such as earnings calls, customer forums, or user group meetings, Webcasts can be promoted well in advance via company website listings, blogs, and customer/partner newsletters. A longer lead time should be allocated for testing promotional creative, messages, and lists related to lead generation webcasts. Although dedicated emails to in-house lists generally have the highest response rates, marketers should leverage a variety of promotional channels based on their budget, product/service, and target audience such as partner/channel lists, media lists, newsletter sponsorships, web optimized press releases, social media sites and blogs.
Finally, prior to conducting any webcast it is critical to establish goals in order to measure and optimize campaigns. Although tracking and analyzing results is critical to maximizing marketing ROI, only 61% of those producing webcasts have formally adopted success metrics. The most common measures used to evaluate webcasts are: number of attendees, attendee engagement, and the number of qualified leads. As marketers become savvier about leveraging webcasts at all stages of the purchase funnel, tracking measures such as customer satisfaction, renewal rates, and customer upsell opportunities will become more common.

Graph 5: Success Measures Used for Webcasts

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DURING THE WEBCAST

One of the primary objectives during a webcast is to ensure that attendees are interested and engaged. Having a subject matter expert, well known speaker, or customer involved in the presentation will garner longer participation time and also increase interest in viewing and/or sharing the webcast on-demand at a later date. Content prepared for the webcast should be informative, relevant, topical, and compelling to the target audience. In the case of demand generation webcasts, the content should never be a sales pitch for your company's product/service. At this stage of the purchase funnel, the goal is to educate and generate additional interest.

According to data from ON24, 62% of webcasts include surveys/polls and 89% include Q&A in an event. Polls can be used before, during, and at the end of a webcast to draw attendees in and keep them actively involved, gather information for future content, and obtain feedback on the event. Finally, hosting a Q&A session at the end of a webcast gives marketers an opportunity to address information gaps, reinforce key messages, and expand on topics of interest. Attendees who ask questions are often highly engaged prospects and the type of questions they ask can be used to assess what stage of the purchase cycle they are in. A list of potential questions and responses should be prepared in advanced, including potentially difficult or sensitive issues that may be raised. If there are no questions that come up from the audience, you can use the list of prepared questions to fill the time gap and stimulate additional questions from participants.
AFTER THE **WEBCAST**

After the webcast ends, marketers must take proactive steps to move prospects to the next stage of the purchase funnel. Any requests for additional information or unresolved questions received from attendees should be handled by marketing or assigned to the appropriate resource (e.g. public relations, customer service, product management, sales engineering) for an immediate response. Marketing operations should have a formal process in place for scoring and transferring the qualified leads generated from webcasts to sales for follow up within 72 hours. All other leads should be nurtured by marketing, starting with "thank you" emails to participants and "sorry you couldn't attend" emails to those who registered but didn't attend. Both versions should contain links to the recorded webcast for on-demand viewing or sharing with peers, colleagues and managers. The video recording of the webcast can also be leveraged to maximize marketing ROI by promoting it in other channels such as the company website, email campaigns, e-newsletters, third party sites, social media sites (LinkedIn, Twitter, Facebook, YouTube, etc.), blogs and search engine marketing campaigns.

Understanding the data gathered from webcasts gives marketers valuable insights they can use to accelerate sales conversions and maximize marketing ROI. According to the ON24 2010 Webcasting Report, the average webcast generates 441 registrations and 50-60% participation. In addition, the average viewing time per webcast is 38 minutes and 15 - 30% of attendees become qualified leads. Best in class webcasting solutions enable marketers to set up a unique tracking code to capture data for each promotional vehicle on the performance metrics that impact ROI:

- Number of landing/registration page visitors
- Number of registrations
- Number of attendees
- Number of qualified marketing leads
- Number of sales opportunities
- Sales revenue generated

Knowing what content and which promotional placements deliver the highest overall registration rates and number of qualified leads enables marketers to focus resources on the best performing elements for future webcasts.
In addition to using the aggregate data from webcasts to track and measure results, marketers can leverage data on behavior and engagement levels on an individual basis, such as:

- Registration source
- Which webcasts they registered for vs. attended
- If they attended, how long they participated
- Responses to surveys questions and polls
- Other content accessed/downloaded during the event

The individualized data gathered from webcasts can be appended to enrich contact records in the company database and score leads for demand generation campaigns. Those who demonstrate interest by attending and engaging in webcasts are likely to be more highly qualified prospects for your product/service.

As with other marketing programs, the ultimate measure of success is ROI. In order to calculate ROI, marketers must track all of the project costs and the gross profits associated with webcasts. Examples of costs include: creative services (copy writing, HTML design, licensed images, etc.), promotional costs (online advertising, search engine marketing, email lists rental, etc.), and production fees (webcasting fees, speaker honorariums, etc.). The table below illustrates how to derive ROI, which is simply gross profit minus marketing expenses divided by marketing expenses:

<table>
<thead>
<tr>
<th>Webcast Metrics</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Webcast Registrations</td>
<td>400</td>
</tr>
<tr>
<td>Number of Webcast Attendees (50% Participation)</td>
<td>(50% x 400) = 200</td>
</tr>
<tr>
<td>Number of Webcast Customers (2.5% Conversion)</td>
<td>(2.5% x 200) = 5</td>
</tr>
<tr>
<td>Gross Profit Per Customer</td>
<td>$3,000</td>
</tr>
<tr>
<td>Gross Profit from Webcast</td>
<td>5 x $3,000 = $15,000</td>
</tr>
<tr>
<td>Webcast Expenses</td>
<td>$3,500</td>
</tr>
<tr>
<td>Webcast ROI</td>
<td>($15,000-$4,000)/$4,000</td>
</tr>
<tr>
<td></td>
<td>= 275%</td>
</tr>
</tbody>
</table>
Finally, prior to conducting any webcast it is critical to establish goals in order to measure and optimize campaigns. Although tracking and analyzing results is critical to maximizing marketing ROI, only 61% of those producing webcasts have formally adopted success metrics. The most common measures used to evaluate webcasts are: number of attendees, attendee engagement, and the number of qualified leads. As marketers become more savvy about leveraging webcasts at all stages of the purchase funnel, tracking measures such as customer satisfaction, renewal rates, and customer upsell opportunities will become more common.

CONCLUSION

Although marketing budgets are rebounding, they are still well below projected increases in revenue growth and have yet to return to funding levels prior to the economic downturn. As a result, many marketers are faced with the daunting challenge of figuring out how to reach more customers and prospects across an increasingly global marketplace with fewer program dollars and headcount than before the recession.

In order to impact the bottom line for their companies, B2B marketing professionals must develop and execute programs for all stages of the purchase process. Traditional marketing tactics such as industry events, tradeshows, and direct mail are costly, time consuming, and limited in their reach. More and more marketers are turning to alternative solutions such as webcasting to accelerate the sales cycle and lower the cost per customer acquisition. Although most marketing organizations are familiar with using webcasting for lead generation, it is a highly versatile and cost effective solution that can also be used to build brands, generate leads, nurture prospects, drive sales, and retain customers.

In order to maximize ROI with webcasting, there are best practices that marketers should follow before, during, and after each event. A critical success factor is selecting a webcasting technology vendor that provides the features and functionality to support marketing requirements. In addition, best in class webcasting vendors offer services and tools that facilitate audience generation, event execution, and follow up.
ABOUT ARKADIN

Founded in 2001, Arkadin is one of the largest and fastest growing Collaboration Service Providers in the world. With a vision rooted in the belief that progress emerges from people’s desire to share, Arkadin offers a complete range of remote audio, web and video conferencing and Unified Communications solutions. The services are delivered in the SaaS model for fast, scalable deployments and a high ROI. Its global network of 51 operating centers in 31 countries has dedicated local-language support teams to service its 37,000 customers. For more information please visit www.arkadin.com.

ABOUT PALMER RESEARCH

Palmer Research designs and executes custom market research studies focused on helping IT decision makers and high tech companies meet their business objectives. Founded in 2001, Palmer Research delivers the data and intelligence clients need to better understand market dynamics, customers, prospects, and partners. The company is located in Los Altos, CA. For more information, call (650) 224-7439 or go to www.palmerresearchgroup.com.

ABOUT DEBRA CHIN

Debra joined Palmer Research in 2006 as Senior Vice President. Her background includes executive level marketing and research positions for companies in the high tech, telecommunications, and consumer packaged goods industries. She holds an MBA from Columbia Business School and a BSE in Economics from the Wharton School of Business.