

# 10 facts about the value of brand websites

**Laurent Flores**, CRM Metrix, uses research findings to demonstrate how brand websites can add value and strength to consumer relationships

**T**WO YEARS AGO, I wrote in *Admap* (1) about online advertising effectiveness; in this article I will look at brand websites, now that the internet has grown to a point where most advertisers use the web and are looking for evidence of the value of their online investments. I will discuss insights and ideas related to the expansion of brand websites from a standard marketing channel to a launchpad for building profitable, long-term customer relationships. Indeed, little is known about the relationship power of brand websites, and marketers should realise that they provide a unique opportunity to develop profitable relationships with their best customers and prospects. This is supported by data from the CRM Metrix proprietary normative database, which includes over a million data points from research into top brand websites in a variety of industries (including consumer packaged goods, fmcgs and apparel and automotive), in the US and Europe.

So, here are ten facts about brand websites that you need to know and act on, before your competitors do.

## 1 Brand website traffic is about quality not quantity

Most brand websites won't topple Google or a network TV buy anytime soon for number of impressions. However, this does not mean that these sites should not be strategically incorporated into all your marketing initiatives. Why? It is quality over quantity. Specifically, we are talking about the higher-quality traffic that

TABLE 1

### Visit type and brand affinity

Brand affinity	Visit type (%)	
	First time	Repeat visit
Low	17.5	7.0
Medium	60.5	61.7
High	22.0	31.4

Source: CRM Metrix SiteCRM Normative Database

TABLE 2

### Customer experience impact on likelihood to revisit

Likelihood to revisit (%)	Overall satisfaction				
	Very dissatisfied	Dissatisfied	Neutral	Satisfied	Very satisfied
Very unlikely	22.5	2.3	0.8	0.2	0.2
Unlikely	24.6	15.0	4.4	0.7	0.4
Neutral	18.0	28.9	26.9	6.1	2.6
Likely	13.4	32.4	47.6	38.6	16.3
Very likely	21.5	21.4	20.3	54.4	80.5

Source: CRM Metrix SiteCRM Normative Database

brand sites receive from valued customers, versus a standard media buy.

According to our database, 85% of traffic to brand websites consists of medium-to-high-value customers – the customers who buy the most from you, praise your brand to their friends, and are often first to try your new products, or at least are the highest spenders in your category. Contrast that with millions of ad impressions wasted on consumers who are not even in the market for your product, and it becomes evident why it is crucial for advertisers to exploit the most powerful marketing tool they own – the brand website.

Through your website you have the opportunity to deepen relationships with those consumers that generate the majority of your profitable business. Your repeat site visitors are also, most often, members of another lucrative segment – opinion leaders.

By measuring value, rather than just counting hits, visits, visitors or impressions, website managers can become more accountable for their budgets, as they suddenly have the ability to deploy a web-centred marketing approach that represents an accurate way to associate 'company-wide ROI' (cROI) with website development.

## 2 Turning first-timers into repeat visitors is key

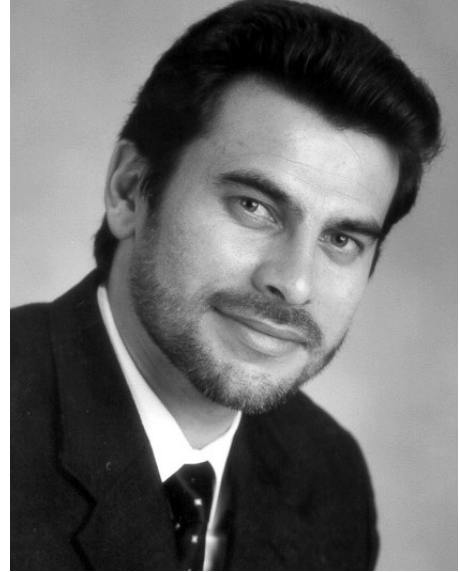
Consider the incremental cost of advertising. Each new exposure has a dollar

figure associated with it. Now consider the incremental cost of exposure to content on a website: practically speaking, there is none. According to our database, customer value increases as site visits increase (as shown in Table 1). Clearly, the ROI associated with encouraging repeat visits (especially from opinion leaders) can have a significant impact on long-term and short-term sales, brand affinity and customer value. Now, how do you keep people coming back to a site?

## 3 A quality site experience is vital

Data from both first-time visitors and repeat visitors of brand sites confirm that the number one trigger of site revisits is the quality of site experience, measured by satisfaction: the higher the satisfaction, the higher the willingness to revisit (Table 2).

One of the most important factors of a quality site experience is how content and functionality are presented. Some fmcg brand websites, for example, have done an excellent job of creating targeted experiences that add value and keep visitors coming back. Kraftfoods.com, for example, offers value-added content organised by visitor interest. Seekers of both information and promotions are courted by consumer-centric navigation labels – 'Cooking School: Avocado Basics' and 'Promotions: Enter the Healthy Living 'Countdown to Summer' Sweepstakes!'



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#### 4 You must maintain balance between content value and usability to maximise quality of experience

Our data show that quality of content, and general usability, remain critical to any positive online experience. Although first-time visitors need high-value content to become repeat visitors, it must be delivered within a user-friendly environment (easy to use and navigate, good download speed) to optimise customer experience with the brand and trigger a revisit. You can offer the best content, but if it is delivered in a non-friendly environment it will usually prevent any positive experience or relationship-building.

#### 5 The better the customer experience, the better the brand experience and the power to change customer opinion

At first glance, this may seem obvious. However, considering how new the web is compared to traditional media, we still need to show clearly that the website has a positive impact on consumers' opinion of the brand. Table 3 shows a clear relationship between satisfaction and change in brand opinion. As satisfaction levels increase, consumers feel much better about the brand. We have seen this occur consistently throughout the one-million-plus interviews conducted across brand

websites internationally, for both first-time and repeat visitors.

#### 6 Brand websites have a strong impact on purchase intent and the bottom line

Exposure to a brand's website can have a strong bottom-line impact. On average, purchase intent rises 5% after site exposure. This is true for many leading brands, through comparing a test sample, where purchase intent is measured on site exit, with a control, where purchase intent is collected on entry, among first-time visitors. Further, the better the site experience, the better purchase intent (PI). While this average lift in PI is exciting, we have seen it as high as 60% – or at the low end, even negative, when the site does not provide the expected quality experience.

#### 7 Consumers consider websites the best place for interacting and building relationships with favourite brands

There are many reasons for this. The first is the difference between interruptive and destination-based marketing. Interruptive marketing describes classic radio, TV, outdoor and even online ads that ask consumers to stop what they are doing and listen to and/or read an ad while they are doing something else. Destination-based marketing is driven by the consumer – a consumer visits a website.

Destination marketing allows consumers to seek information on their own schedule, and a brand website provides them with an opportunity to interact with the brand (Table 4).

The ideal solution of course is not to choose between destination marketing or interruptive marketing, but to strike the right balance, while making the most of the advantages of each. This integrated approach produces the most significant results, as explored in point eight.

#### 8 Websites should be central to marketing activity

With the website at the centre of marketing strategy, companies will be able to track marketing effectiveness, increase quality of reach, increase efficiency and develop ongoing conversations with their most profitable customers. This can be accomplished in many ways, including the following.

**Increase quality of reach** Conducting integrated campaigns means exploiting the strengths of each medium. TV's strength is its reach and richness of experience. This can be used to drive consumers to a website where they can interact with the brand through a contest, for example, as part of a larger campaign. Numerous examples of this have been seen in fast food, beverages and fmvcg.

**Build relationships** Consumers buy brands they know and trust. How do you get to know and trust a brand? Offline, it takes years of use and consistently good experiences. The brand website can shorten this process and win over customers from competing brands. Offering value-added newsletters through email, for example, can place the brand in front of consumers on a monthly, weekly or even daily basis. As long as the customer experiences true value from the communication, the effect on sales and brand should be positive. The brand goes from being something consumers only think about periodically when shopping, to a ►

TABLE 3

#### Impact of customer experience on brand opinion change

Brand opinion change (%)	Overall satisfaction		Overall satisfaction		
	Feel a lot worse	Feel worse	No change	Feel better	Feel a lot better
Very dissatisfied	51.7	19.3	0.5	0.2	0.3
Dissatisfied	12.4	37.6	2.0	0.7	0.2
Neutral	7.6	15.4	11.7	8.1	1.7
Satisfied	9.0	18.9	32.8	37.8	12.8
Very satisfied	19.3	8.7	53.0	53.2	85.1

Source: CRM Metrix SiteCRM normative database

trusted, daily source of category information. In much the same way as you become close to a new friend, the web facilitates relationship building through easy information exchange.

**Influence the sales cycle** Buying a car was a much more involved process before the internet. Today, consumers have a myriad of advice-giving sites, in addition to manufacturer sites that can tell you more about a car than the most seasoned showroom salesperson. Considering the increased marketing opportunities that will emerge as broadband becomes more widespread, the brand website will continue its shift to centre stage. Already, as a recent CRM Metrix online poll shows, automobile websites are by far the preferred medium for information search before purchase (64% of answers), whereas TV and magazine/newspaper ads remain second at 43%.

## 9 Brand websites will grow in popularity – start now to begin building relationships with your best customers

This is clearly the beginning of a powerful new trend. Five years on, we may look back at this article and say, 'Of course!' At present, however, smart brands have a great opportunity to begin building customer relationships through their website, which, as we have seen, has strong bottom-line implications. This has further implications for the future, as consumers will only increase their traffic to brand websites, as is clearly shown by Table 5.

## 10 Develop an exchange programme on your website to begin a 'conversation' with your most valuable customer segments

We know that consumers like a website to be a place to interact with their favourite brands. We also know they will increase their traffic to brand websites for this very reason. What can be learned as a result of their visit? Many firms think that traffic-analysis software is the holy grail – but it only provides one of two critical factors in evaluating website effectiveness. Traffic analysis can be thought

TABLE 4

### The brand website is the best relationship marketing platform

Of the following options, which one gives you the best ability to learn and exchange with your favourite brands?	(%)
TV advertising	8.9
Press or magazine advertising	3.6
Online advertising	5.6
Brand websites	54.9
Email	21.6
Advertising you receive in your regular mail	5.3

Source: CRM Metrix Online Poll (US), May 2003

of as 'digital ethnography'. It tells you what people are doing, but not why and what for.

By systematically developing conversations with website visitors with surveys, polls and similar techniques, you are welcoming conversations with your customers on every visit. To the surprise of some marketers, consumers like participating in surveys on brand websites. This makes sense, since 85% of traffic to brand websites consists of medium-to-high-value customers. On average, our clients who conduct website survey programmes see participation rates over 60%. These consumers are prepared to invest time in the brand, or at least in the product category, and want to get value from it. In fact, 89% of website visitors who filled out a survey on a brand website said that they considered it 'a good use of their time' and 'would complete another survey in the future'.

So, customers are willing to provide

their ideas, talk about what they want to buy, give feedback about your competitors and give insights into new product development – even with all this, many major brand sites still aren't using the web to build relationships. This won't be so for long – smart companies will act quickly and take advantage of this window in the market.

### Conclusions

We have seen how important the brand website is as a tool to build relationships with customers. From brand affinity to purchase intent, the website can play a significant role in building and enhancing customer relationships, as opposed to simply being a static marketing tool.

In working with many *Fortune*-class firms we have recognised a surging interest in the role of brand websites. Forrester Research has recently written several reports on the subject, and has even used the CRM Metrix database to confirm its findings that the brand website is one of the most powerful tools available for leading consumer brands to truly customer-centric organisations (2).

Given the results shown here, we encourage you to view the brand website as a 'customer ambassador' that serves as a tireless employee who listens, learns and interacts with customers to improve their relationship with the brand. ■

1. L Flores: *10 things you should know about online advertising*. Admap, April 2001.
2. C Overby: *Build a better CPG web site to boost offline sales*. Forrester Research, August 2003.

TABLE 5

### Brand websites in the future

Looking at the future, would you ...	
► increase the frequency of visits to your favourite brand's website?	75%
► not change the frequency of visits to your favourite brand's website?	25%
► decrease the frequency of visits to your favourite brand's website?	0%

Source: CRM Metrix Online Poll (US), May 2003

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