Case Study: Maximising ROI on Marketing Campaigns

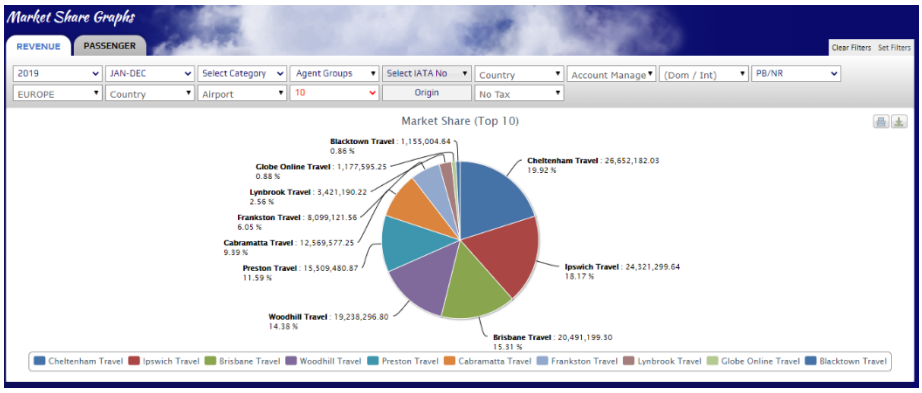
Summary:
The marketing team of a large regional carrier leveraged daily sales and forward revenue insights to effectively measure the ROI on each and every Marketing Campaign.

The Problem:

Sunil the Marketing Manager of a large regional carrier was recalling the famous quote by John Wanamaker, founder of the first department stores in the United States where he said, “Half the money I spend on marketing is wasted; the trouble is I don’t know which half.” The challenge he was facing was that some of the campaigns for which he had clear outcomes defined were only being analysed a few days or weeks after the campaign ended making course correction during the campaign a moot point. For other campaigns that he and his team ran in different markets they had no clear idea whether those were effective or not. How then to get a clearer picture on what their ROI was on each campaign when it was running rather than looking at results after the event?

The Solution:

Sunil was referred to Airline Metrics by one of his industry compatriots and he found that was the ideal solution to implement for the challenges they were facing. As a first step, they could analyse historic and current data to not just look at their top O&Ds by market but also drill down into details like which fares and RBDs were being sold when. In addition, they could also track which channel was contributing how much to each campaign. All this could be accessed within minutes as the system had not just dashboards and graphs available out of the box, but also drill down reports at ticket and coupon level so Sunil’s team did not need to process any data or build spreadsheets or data models. The reports were also updated daily with sales from every market globally which meant they could measure the success or otherwise of each campaign as it was ongoing. This allowed the team to start tweaking messages and implementation of campaigns not performing to the level they wanted whilst in the midst of such campaigns and not having to wait for the results after it ended.



The Result:

Accurate ROI measurement allowed the budgets to be allocated in a totally different manner to before. Higher incentives were provided to direct channels like travel agents who were selling higher yielding fares, but other incentives were withdrawn where the minimum number was not achieved. These varied from a shopping voucher per ticket sold to cash incentives on reaching certain forward revenue targets. Analysis provided clear guidance that in most markets the Pareto principle applied where 80% of revenue was coming in from 20% of the agents. This made it very easy to have a targeted approach to incentives instead of a scatter gun one. It also meant that the direct channel was leveraged much more because savings on incentives were directed towards those marketing campaigns where lower yields from website sales were being achieved by spending more on advertising in specific markets. All this led to a clear visibility in the ROI achievement of every marketing campaign and as more campaigns were launched under this methodology, results fed back were discussed to improve effectiveness of future campaigns. The initial trial was so successful that Airline Metrics was rolled out to the entire marketing and sales team at the airline within three months.