



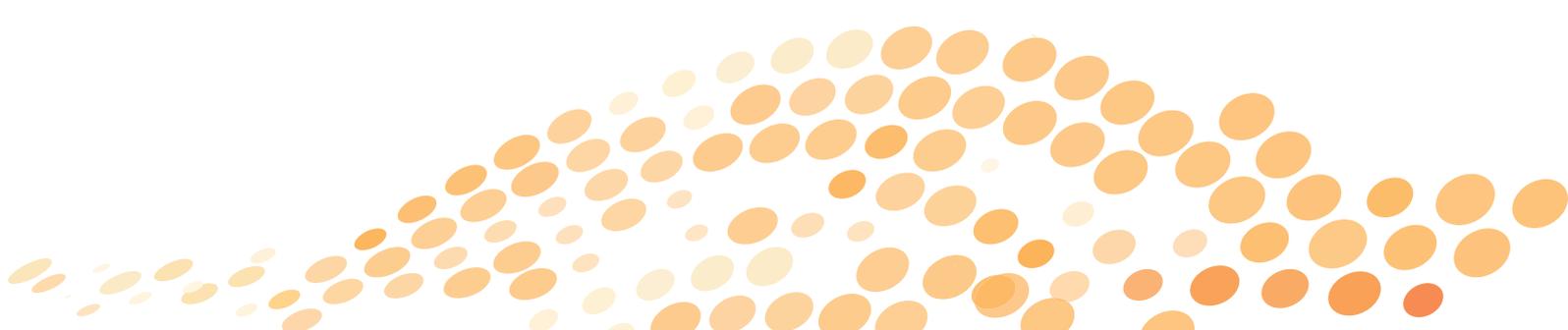
REACH, ENGAGE, ACTIVATE, NURTURE

The REAN analytics framework explained

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Introduction

The purpose of this document is to explain a number of processes that we at Quru follow in order to optimize and improve the work we do for our clients.

The REAN methodology described in this document has been used in hundreds of cases since 2006 on many clients, ranging from huge public companies with tens of thousands of employees to small firms numbering less than 20 people.

In the 18 months since January 2013 Quru has made approximately €50 million in returns for its client base using the methods described. Our goal is to continue until we have made €1 billion, and we believe that while that's hard, it's possible.

While it is impossible to put into a document the years of experience our analysts have, it is possible to outline the tools we use, detail the steps we take and show the processes we've developed across our client base in order to help you in your own work.

We will introduce the thinking behind the REAN model developed in 2006. This is a framework for thinking about how to set goals, develop segments and understand your ecosystem.

Within the framework, there are many tools that can be used for enhancing the customer life cycle, which vary depending on the customer phase. Some of the most important and profitable methodologies, such as Search Engine Optimization, or SEO as it is commonly known, and A/B testing will be discussed in other upcoming Quru white papers.

The document also provides you with a checklist in the end to guide you in your work.

We hope you find the document detailed enough but not too long so as to put you to sleep.

Enjoy (and let us know what you think at info@quru.fi)!

Developing a Reach, Engage, Activate & Nurture (REAN) Model

Before you set goals, objectives, define Key Performance Indicators (KPI's) and start using web analytics, you need to understand what marketing methods you're going to employ and how you're going to effectively plan and measure these activities. We have developed a model to help this process called REAN. It's an acronym that stands for Reach, Engage, Active and Nurture.

The reason we use REAN is because for planning purposes it is important to visualize what, how and why you're measuring. All KPI's and metrics should fall into at least one of the four categories in the framework and all phases of the customer lifecycle in the REAN model should have its own KPI's. The REAN model can also be used for planning purposes across all activities such as data quality control and media planning.

Our definitions of the REAN phases are as follows.

Reach

Reach sources, defining the methods you use to drive traffic to your website or online presence and measuring how people find your brand, product or service.

Engage

Engagement, the click depth and time spent interacting with your online creative elements and processes.

Activate

Activate contains the verb "act". It means the visitor has taken an action on your website, preferably one that you had pre-defined and wanted the visitor to take.

Nurture

Nurture is the way you actively encourage your activated visitors to come back and consume more of your website content.

Every business website is affected by these four factors. All websites need to reach their potential customers, they then need to engage with them, activate them (get them to convert to your goal) and finally you need to nurture them, in other words encourage them to come back. Before planning this you should also consider the goal and objective of the website itself.

Business Objectives of the website

Using REAN allows you to map your business objectives to come up with tactical plans and measure the outcomes.

A good way to look at the website's business objectives is to ask some basic questions:

1. What is the business purpose of the website? Are you trying to save money? Make money? Generate leads? Sell adverts? Sell something else? Provide information (why? how does it drive value to your business?)? If the business purpose is not clearly defined, work on it before you do anything else.
2. Once you've figured that out, then define what you want your visitor to achieve? What's in it for them?
3. Then figure out why you are the best choice over all your competition. What makes you different?
4. Finally figure out what a reasonable target is.

Your goal might be:

Sell Stuff.

Your objective (target) might be:

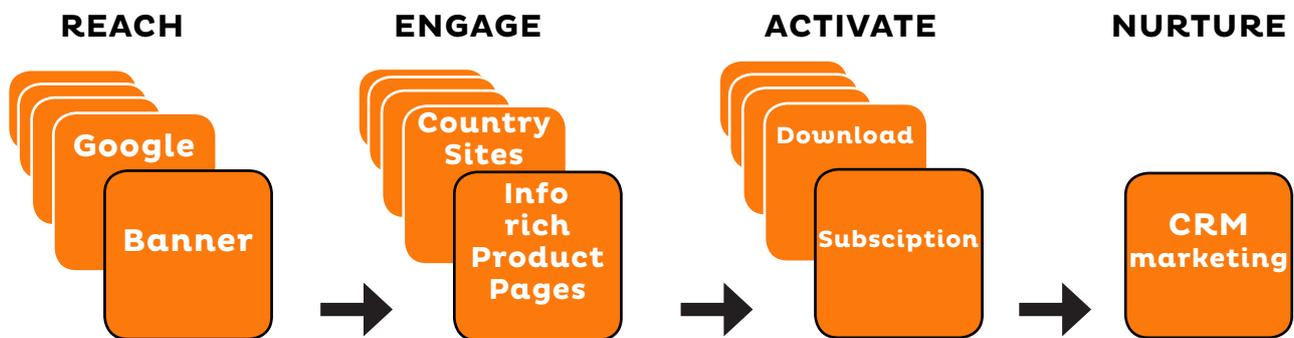
Make \$10,000 per day selling stuff.

Once have defined your goal and targets and also know why your visitors are coming to you over your competition and what they are getting from your site, you are ready to move forward and start mapping out a REAN framework for helping them to do that in the best way.

The Typical REAN Scenario

The diagram below shows an example of a map that lists one way in which visitors might act with a company in a typical scenario, starting from their reach source, through to engagement, activation and then nurture phases.

For instance you could see banners leading to information rich product pages that then help direct your users to subscriptions and lead generation programs. Once you have permission to talk to your users via a subscription service, or they have expressed an interest in your service in some other way, you can contact them again via your CRM marketing or call centers.



Breaking this down

The business objective is typically mapped in the “activate” part of the diagram.

After all, in order to make money you need to drive people to the activate elements such as ‘Spares Sold’. That’s where your business starts getting its target of \$10,000 a day.

Working backwards you see a variety of things you’ll need to do to have people engage with you. They’re going to have to hit various landing pages and info-rich product pages, and then be guided through various processes in order to purchase your product or become a lead.

Then on the left hand side you see all the ways through which they might reach you. The reach options are wide, varied and growing every day.

Finally, flipping over to the right in the diagram, you see ways of nurturing that can be used for contacting the visitors again. These are also very important as we all know that gaining a new customer is much more expensive than re-selling to an old one.

Developing your own REAN model

What you'll need:

1. A mix of stakeholders who are responsible for a particular business activity. We would advise no more than 10 people. It's best with around 7.
2. A workshop facilitator who knows your business and how to run a workshop.
3. A person to compile notes of what happens in the workshop itself.
4. Flip chart/magic markers.
5. Post-it notes (one pile for each person).
6. Internet connection to access the website – preferably on a big screen which everyone can easily see.

Reach Workshop Technique

On one sheet of your flip chart draw two lines. One from the middle of the chart vertically down all the way to the bottom and one horizontally across the middle so that you have four squares on the flipchart. Write Reach in the top left, engage in the top right, activate in the bottom left and nurture in the bottom right.

Next ask your participants to take the post-it notes and write down the top 5 most important reach sources. This should not be a group discussion it should be an individual effort on the part of each actor. It's important that each actor only write **one reach source per post-it note**.

So each person should have 5 post-it notes at the end. Collect all the notes and group them together in the top left box called Reach.

Where similar ideas appear group them together in a list. This should allow you to see if everyone is on the same page with the most important sources of traffic.

If from your seven participants you get 7 post-it notes saying for instance Google organic search campaigns were very important then this would be one of the top items in your framework on the left hand side.

It will allow you to very quickly determine a top list as derived from your own business people.

Engage Workshop Technique

Your objective when defining engagement is to work out how to segment your website visitors. It should be based on visitor behavior, so it would be good if you have any current statistics that allow you to make an internal benchmark. You could log into your web analytics tool for instance and find out how many pages per visit your visitors view on average. Above average could then be your starting point for an engagement segment.

If you don't have statistics, you need to base the definitions of your engagement segments on common sense and the interactions your visitors will need to do on your site in order to complete one of your business objectives. You could use a combination of this approach, which is generally what we try to do in all engage workshops.

For instance if you have a shopping cart in which you need to complete a five page process before you can buy a product, it is common sense to use a five page session as one of your engagement segments.

Segmentation

If you learn one thing about web analytics from this paper then learning how to do segmentation would probably be the thing where you will gain the most insight. The ability to segment visitors is one of the reasons why web analytics tools can be so useful to your business.

What you need to understand is that the better web analytics tools today can segment (examine different parts of your traffic) based on visitor behavior. This allows you to for instance see what people who have come from a particular reach source have done on your website, compared to what all the visitors have done. It's extremely useful to see which sources of traffic drive "engaged" visitors.

Those visitors that stay more than a few seconds, or move through the steps in your shopping cart, or enter your lead generation process are more valuable to you than visitors that see your page for a few seconds and leave. The idea of segmentation in web analytics tools is to separate the visitors in groups based on behavior you pre-define.

This part of the workshop is an open discussion. What you want to do at a minimum is to define an engagement index, meaning that the index of visitors whose behavior is "engaged" is separated from all the less interesting traffic. From your perspective engagement could be when a visitor has potentially done enough to complete one of your processes. As part of the open discussion in the workshop, list what the processes on your website are (all of them) and how long each one takes to complete.

You could also benchmark the engagement index based on statistics about average page views per visit gleaned from your tool (if you have something already in place) or from raw log figures.

Make sure that once again you write this down on the flipchart in the designated right hand corner.

Activation Workshop Technique

At this stage of the workshop you can go back to the flipchart and do the same trick we discussed with reach and using the post-it notes.

As before, ask your actors to take the post-it notes but this time write down the top 5 most important actions (conversions) that a visitor could take on the website.

Again, it's important that each actor only write one activation per post-it note. After the exercise, each person should have 5 post-it notes, each with one important conversion point. Collect all the notes in the Activation box at bottom left and group them together.

Similar ideas appear should be grouped together in a list. This way you will see which of the conversions seem to be important for many participants. For example, all participants have post-it notes saying that PDF downloads are very important, then this would be one of the top things to look at when designing the KPI's.

Nurture Workshop Technique

Much like the engagement methodology, this is an open discussion. What you're doing is simply writing a list of all the things that are what you consider nurturing your visitor or customer (as we defined it earlier).

Simply write down in the bottom right hand corner of the flip chart all the relevant techniques you have as ways to talk with your activated visitor again. This serves the purpose of helping the rest of the team to stay focused and not repeat things that have already been discussed. It also helps refresh the memory so that nothing is forgotten.

Developing Your Framework

Once you have done the part where you have gathered all the major information about your reach sources, how you'll engage with your audience and segment it, how you'll activate the visitors (based on what's in it for them and what's in it for your business) and finally how you get them to consume more over time, you need to measure your relative success or failure.

This is when you use Key Performance Indicators (KPIs) to determine whether what you're doing works or not. A detailed description of KPIs is out of the scope of this document and the right set of KPI's varies depending on the business, but the following KPIs are relevant to every website we have worked on.

Cost per visit and action

You want to measure the best and worst forms of traffic in terms of cost against your segments. You should compare cost per visit per traffic source to cost per engaged visit, cost per activated visit and cost per nurtured visit. You'll learn a lot more than if you simply measure how much it costs to drive a visitor from each traffic source.

Bounce rates

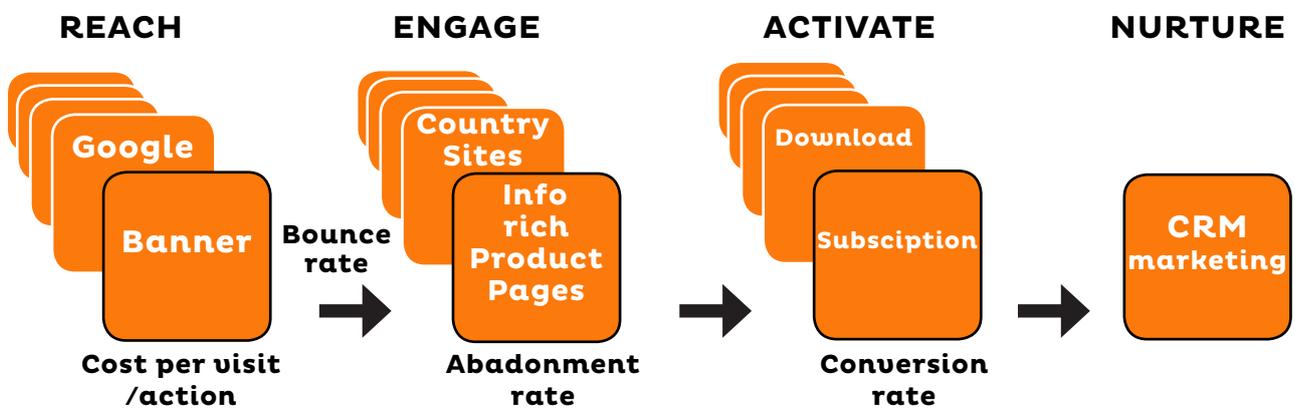
Measure the amount of visitors that do nothing when they arrive at your site as a percentage of all visitors. In many cases, the higher this ratio the less relevant your website is. You should measure this across all traffic sources to your top landing pages and try to eliminate poor performing pages by doing testing and improving the copy, the processes and the calls to action.

Abandonment rates

Measure the amount of people who abandon one of your processes. This is particularly important when you have a shopping funnel. Determine the worst parts of your process (again across traffic sources and engagement segments) and test/optimize them to increase the likelihood of sales/leads or whatever your desired outcome.

Conversion rates

Measure the amount of people per traffic source that convert. The last click is not necessarily the first time the visitor interacted with you so this figure does not tell the whole story, but it is a good starting point. You'll find that measurements for different traffic sources show different conversion rates. Different segments will also have different conversion rates.



REAN Checklist

- You understand the difference between reach, engage, activate and nurture.
- You have set a business goal and target.
- You know what's in it for your website visitor to come to your website.
- You know what's in it for you.
- You have the people you need assembled to develop your framework.
- You've defined the most important reach sources.
- You've defined engagement segments and processes your visitors need to go through.
- You've defined your most important conversions.
- You've defined all the ways you can get your visitors returning and consuming more.
- You've mapped your framework out into a visualization like shown in this document.
- You've defined the KPIs you need to measure how successful you are.
- You have defined your segments. Segment, segment, segment!

Now you have a framework in place for measuring and developing your online services. The next steps would be finding the right tools for improving your performance in each of the REAN stages. This means for example SEO and A/B testing. These will topics of upcoming Quru white papers.

Stay tuned!

About Quru

We have one goal: To make our clients a billion

Think of us as digital detectives. We forensically examine every clue to enable you to save or make more returns on your advertising spend. Everyone using the Internet leaves a digital fingerprint or a trail. We help you understand what the trails mean, what your customers are looking for and guide you about what you need to change and why. To do that we help you in 3 areas:

Analytics

The heart of good analytics is great metrics and data. We are the quality control team for your web presence. We define the metrics for your business, measure the value of your site and create the dashboards you need. We follow campaign quality, manage tagging and handle your reports. You can concentrate on planning.

Optimization

Getting visitors to your site is just the starting point. Our goal is to make people stay, come back, engage and activate. We optimize the whole user experience from the first landing page to a conversion. The tools are A/B tests, split tests, Multivariate Testing (MVT), surveys and usability audits.

Marketing

The times of just measuring cost per click (CPC) are over. Traffic on your website is not worth a cent if it does not bring you business you can measure. You need to move from tracking only the last click to measuring the whole customer life cycle. Value per acquisition or VPA is the new metric for marketing.

We would love to hear your feedback and answer your questions about the REAN model or anything that relates to analytics, conversion optimization or digital marketing: