Are Phone Calls an overlooked Resource for Marketers?

Call Tracking in Marketing

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Keywords

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Abstract EN

Nowadays, marketers have a wide range of sophisticated marketing tools at their disposal, giving them insight into their customers, the competition, and the market. However, the number of channels and, as a result, the potential customer touchpoints is constantly growing. As a consequence, customer communication and the associated consumer journey are likewise becoming increasingly complex and confusing. At first glance, this seems less problematic in online marketing because sales and revenue figures can be evaluated using tracking and integrated analysis tools, such as Google Analytics. If, on the other hand, a potential customer contacts the company via landline or cell phone, it is more challenging to attribute it to a specific source. The conversion occurs outside the web and is, therefore, untraceable. Using call tracking, it is thus possible to improve customer interaction and track the customer journey. With the help of a literature review, interviews with industry experts, and a showcase, the various uses, variations, and advantages and disadvantages of call tracking in online and offline marketing are addressed. When companies frequently face customer inquiries over the phone, call tracking can help follow up on these leads. Using call tracking, previously hidden conversions can be assigned; a reliable determination of the "return on investment" of a marketing measure can be determined, budget allocation can be adjusted, and marketing can be further optimized.

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Background

Marketers today have many low-cost or free tools offering insights into their customers, competitors, and the market. Online services in particular contribute significantly to maintaining the competitiveness of companies, enabling automated and real-time communication with the target group via desktop as well as mobile and offline.[1] However, marketing channels and customer touchpoints are constantly growing. As a result, customer communication along the customer journey is becoming increasingly complex and confusing. Gone are the days when a marketing campaign via traditional media, such as print, TV, and radio, was all that was needed to advertise products, and a mailbox and customer hotline were all that it took to respond to customer concerns.[2]

> *The journey a customer takes through on- and offline touchpoints, before making a purchase decision is called customer journey.*[3]

Today's online marketing — in the sense of information marketing — no longer has much in common with classic advertising.[4] All the more surprising, therefore, are the results of the current study on the "Dissemination of digital contact options among SMEs," according to which only half of the German small and medium-sized enterprises (SMEs) surveyed deal with digital interfaces. A quarter of the companies surveyed said they could not reach their customers digitally, and less than ten percent collected and analysed their digital customer contact data, a discrepancy in the use of digital channels showed. In contrast, most companies use them in purchasing, such as online stores, they do not sell any products or services themselves via online channels.[5] The shift from the classic economy to a data-driven economy and the associated effects present companies with new challenges, especially in their dialog with customers.[6]

When it comes to attracting new customers through digital marketing, companies that triumph are those that successfully leverage key inbound marketing channels to gain visibility and leads.[7] Search Engine Optimization (SEO) and marketing specialist Wheelhouse Digital conducted a case study in the U.S. comparing nine companies with different target markets and different marketing investments. This revealed a wide gap between those companies that engage in online marketing and those that do not. Setting up a website and just letting it lie yields

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[1] (Drokina, 2018 p. 124)
[2] (Nitsche, 2021 p. 34)
[3] (Redler, 2021 p. 434)
[4] (Schröer, 2017 p. 125)
[5] (Kleinkes and Hildebrand, 2022 p. 4)
[6] (Nitsche, 2021 p. 31)
[7] (Drokina, 2018 p. 124)

just about what you'd expect: not much. Companies that ran online marketing campaigns had four times more visitors and six times more leads. The favoured marketing channels were Google Ads (search and display), followed by Facebook. In addition, for websites utilizing call tracking, the number of leads is even higher because it considers people calling the number on the website.[8] The SEO expert Otto Hotzy argues:

> *Call tracking is a hidden marketing champion. Few use it, even though it would be so easy, and with it, you can really make very good decisions.*

Figure 1 Active vs. no invest in online marketing (own representation)

As a marketer, you strive to make interactions and conversions as measurable as possible. But what if the ads, landing pages and email campaigns contain phone numbers? The leads that come in by phone then can't be traced back to the source, meaning the triggering marketing action.[9] Without call tracking, the marketing budget and customer inquiries via phone are two separate assets. Call tracking helps bridge the gap between digital activities and offline leads, and allows you to track who is calling, from where, and why.[10]

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[8] (Kane, 2019 p. 53)
[9] (Pagoe, 2021)
[10] (Drokina, 2018 p. 129)

Conversion tracking in online marketing

When planning a marketing campaign, the first question is how to reach your customers; through what ad content, via what advertising media, and at what point in time can a predefined target group be reached as well as the communication goal be achieved, such as a "conversion."[11]

> *A conversion, first of all, only refers to an achieved goal or an executed action. This can be a purchase, an inquiry, a download or even just the page impression on a specific page.[12]*

Any successful marketing strategy, digital or otherwise, requires a solid foundational concept. With benchmarked goals and a clear idea on the definition of success, marketers can leverage the ability to measure and track customer engagement holistically.[13] A variety of technical variants exist to capture and track user search and produce behaviour. These online marketing measures are summarized under the term *tracking*.[14]

To be able to determine which customers have purchased certain products, or when a customer is lost in the sales funnel, it makes sense to use detailed conversion tracking. Digital markers, such as tracking pixels, can be used to identify and track customer groups. This can also be used to determine the ratio of product purchases to the number of visits (conversion rate (CR) = number of visits/purchases in percent).[15]
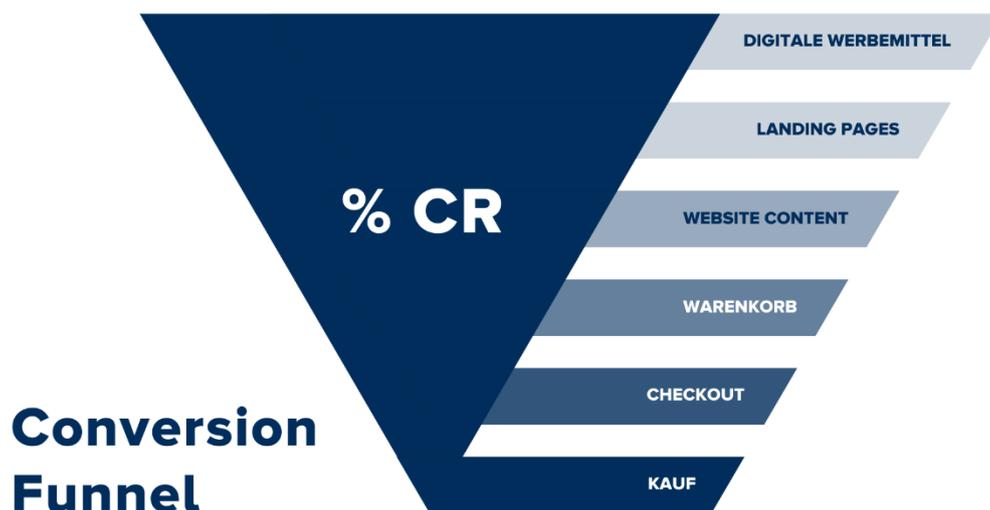

Figure 2 Conversion Funnel (own representation)

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[11] (Redler, 2021 p. 415)
[12] (Schröer, 2017 p. 94)
[13] (Drokina, 2018 p. 125)
[14] (Lindenbeck, 2021 p. 631)
[15] (Hauck, Wild, and Pagel, 2020 p. 375).

Companies have various web analytics systems available to evaluate the data collected while tracking, one of them being Google Analytics.[16] Each transaction is measurable. The product, number, sales, etc. can be recorded. Not only can you see how many transactions have taken place, but also how many conversions and ultimately sales they have generated.[17]

Tracking cookies form the cornerstone for the generation and playout of dynamic advertising in the online paid media sector. However, the introduction of the DSGVO (Datenschutz-grundverordnung), the General Data Protection Regulation and the upcoming ePrivacy Regulation have drastically affected dynamic advertising across the European Union. Firefox by default blocks the storage of tracking cookies since September 2019, and Google has announced that it will discontinue third-party cookies by 2024.[18] This means less data is available for tracking, explains the SEO expert Hotzy:

> *We lose on average thirty to fifty percent, which means you then have to try to scale that up with what little you have, to see the whole pie if possible. [...] Again, call tracking, in particular, is an extremely valuable marketing method because you can track a customer from their very first website visit.*

A conversion represents a critical key metric for the evaluation of marketing campaigns.[19] Conversion optimization, however, can only take place if the value a conversion is known in the first place. In a web store, this can be done relatively quickly. Sales and turnover figures can be measured directly with an integrated analysis program, for example, Google Analytics. If, on the other hand, a visitor makes contact via landline or cell phone, assigning the telephone contact to a specific marketing activity can be challenging.[20] The conversion takes off-site during a phone call and, therefore, cannot be measured.[21] For most salespeople, that's when their customers fall off the metrics radar. Maintaining and improving customer interaction is the job of call tracking.[22]

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[16] (Kreutzer et al. 2019, p. 44)
[17] (Schröer, 2017 p. 105)
[18] (Mühlenhoff and Rudloff, 2021 p. 512)
[19] (Schröer, 2017 p. 106)
[20] (Schröer, 2017 p. 94-95)
[21] (Ruesch, 2021)
[22] (Telmetrics, 2019)

What is call tracking and why it may be important for your business

If a business receives customer calls, it may be time to start tracking those leads and analysing the resulting data. This ultimately helps make the best marketing and sales decisions for the company as they get to know their customers and prospects better. Especially when phone calls are a vital part of the marketing plan, it can be challenging to find a way to track and analyse this data. This is where call tracking enters the picture.[23] To gain better insight into the function and benefits of call tracking from a provider perspective, interviews were conducted with Christian Anton Banhans, CEO of Multiconnect GmbH, and Otto Hotzy, SEO expert at Leypold & Partner.

Call tracking provides companies with a complete picture of the customer's actions, analyses the efficiency of advertising channels, and evaluates the quality of the call centre.[24] In particular, if phone calls are essential to the business, conversion tracking can be used to understand exactly how effective an advertising medium is and the touchpoints through which a customer comes in.[25]
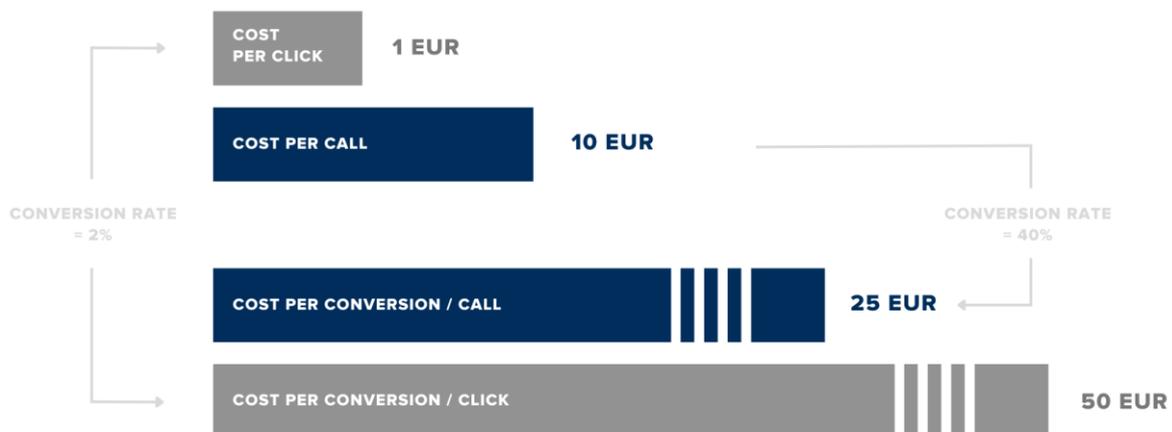

Figure 3 Effective cost per call vs. cost per click (Multiconnect, 2022)

Generally speaking, the SEO expert Hotzy says:

> *Anywhere there is a phone number, you can use call tracking effectively. That means it doesn't even have to be software, we also have clients where we use call tracking on product folders.*

Two different types of call tracking can be used, either static or dynamic.

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[23] (Agrawal, 2018)
[24] (Torosyan and Khan, 2021 p. 143)
[25] (Google, 2022)

With static call tracking, a specific telephone number reserved for each marketing measure, flyer, advertisement, website, or banner is assigned. This means each end customer is shown the same number on a website, for example. If a specific number is used, the call can be traced through this specific number to its source, i.e. the website, an ad, or a search query on Google.[26] Other offline media can also be included. Suppose a company advertises products or services via traditional media channels such as magazines, newspapers, direct mail, TV, or radio. In that case, a dedicated call number can be assigned to each media channel. Between ten and one hundred call numbers are usually required for campaign-related call tracking, depending on how detailed the campaign and the different media channels to be evaluated are.[27] By using media-specific phone numbers for each measure, incoming calls can be assigned to the respective source. This data can be used to record the telephone response to marketing measures so that it can be determined how many interactions and conversions the respective action triggered.[28]
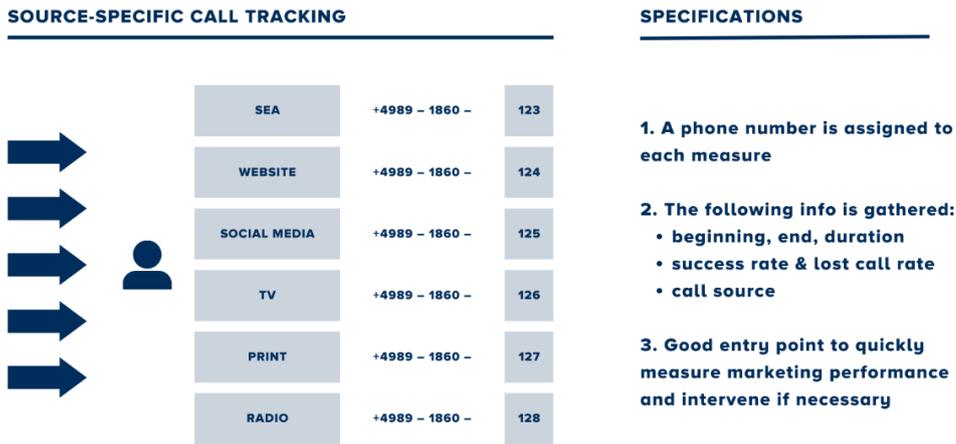

Figure 4 Flow of static call tracking (Multiconnect, 2022)

Subsequently, an evaluation can be carried out according to channels such as Google Analytics.[29] The advantage of static call tracking lies primarily in its straightforward implementation. An overview of the number of incoming calls can determine the costs and benefits of an advertising measure or campaign. Furthermore, it is possible to see at what time of day most calls are received. This is also the best time to place the advertisements. A main disadvantage of static

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[26] (Ministrator, 2019)
[27] (Multiconnect, 2019)
[28] (Pagoe, 2021)
[29] (Multiconnect, 2019)

call tracking is that insights only go beyond measuring the conversion frequency per tracked metric. In addition, it is not possible to break down incoming calls by specific keywords.[30]

With dynamic or customer-related call tracking, an individual call number is dynamically played out for each web session. An incoming call is recorded as part of a customer journey. A customer's call can thus be traced along a chain of events. This makes it possible to trace which keyword a customer used to reach the website, which pages they visited, what information they clicked through, and from which page they finally made their call. In addition to the performance of a campaign, knowledge about the call page can provide information about challenges in the buyer journey and help optimize pages (e.g. high number of callers due to technical difficulties in the checkout process). Further down the line, it can be determined whether a call led to a purchase or an order was placed. To establish the link between the web session and the call, the browser session is assigned a unique client ID and call number. To link both, the website must communicate with the phone system of a tracking service provider, for which a JavaScript code is embedded directly below the Google tracking code.[31]

In addition to the integration of JavaScript, a call number block is required, which means that the main call number with associated extensions is used. With a "block of hundreds," the main number + 4989 - 1860 - XX would have an extension, which are realized by the two end digits.[32] Finally, when this number is called, the call's data and the client ID can be sent to Google Analytics after the call. As a result, Google Analytics establishes a link to the customer journey via the client ID.[33]
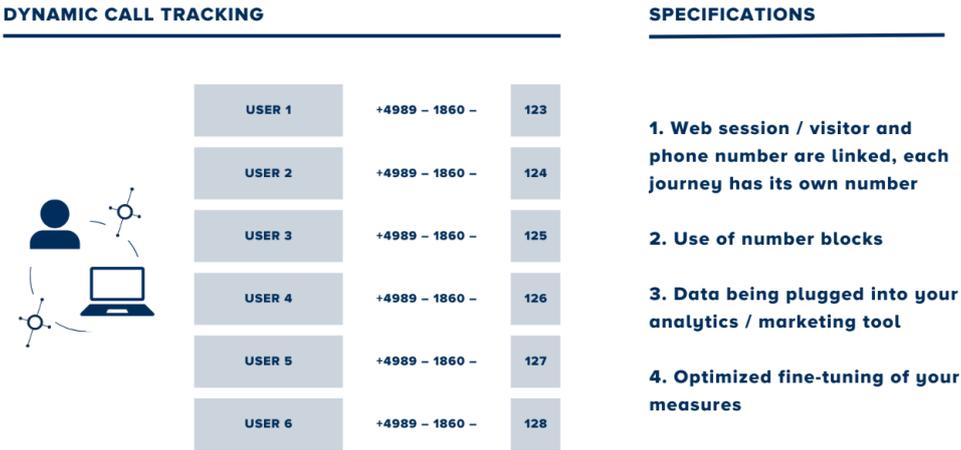

Figure 5 Flow of dynamic call tracking (Multiconnect, 2022)

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[30] (Ruesch, 2021)
[31] (Multiconnect, 2019)
[32] (Ministrator, 2019)
[33] (Multiconnect, 2019)

Dynamic call tracking offers the highest accuracy with the lowest data loss. However, disadvantages must also be considered. If multiple blocks and hundreds of numbers are required for each keyword or banner, it will correspondingly be more expensive. In addition, the implementation involves development and support efforts to get this solution up and running and maintain it.[34]

Multiconnect is one of the leading telecommunications service providers in the German-speaking region offering call tracking solutions, among other things. By introducing call tracking, a company gains the opportunity to optimize its marketing far more than was previously the case or to incorporate new, specific functions. According to Banhans:

> *If a company relies on a call tracking provider, then it suddenly has a virtual phone number sitting in front of the company phone number, which allows for a variety of other game variations*

Aside from holistically tracking of the customer journey and the assignment of leads, the use of a call tracking solution also enables precise adjustments, which often cannot be implemented ad hoc within the company. By cooperating with a call tracking provider, marketing gains complete control over the telephone numbers, for example, to store dynamic opening hours or to carry out re-routing. This means that the customer journey, which is entirely under control on the website, can also be implemented and controlled on the phone.

Industry comparison

PROVIDER	JUNK CALL PROTECTION	MOBILE NETWORK TRACKING	GOOGLE ADS CONNECTION	NO SETUP FEES	COSTS
MULTICONNECT	☑	☑	☑	☑	FROM 59 EUR
MATELSO			☑		FROM 72 EUR
CORAZON	☑			☑	FROM 69 EUR
PLACETEL	☑			☑	FROM 99 EUR

Figure 6 Industry comparison (own representation)

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[34] (Ruesch, 2021)

Showcase *Sleep Help Clinics**[35]

The *Sleep Help Clinics* are private specialist clinics in the field of psychiatry, psychosomatics, and psychotherapy in Germany. They support patients in mental and psychological crises and treat people with various mental health conditions. A marketing company carried out the advertising. However, the customer contact was utterly non-transparent. They could determine who was calling them, whether the call was answered as a result, or whether a call-back was requested. This resulted in a high number of lost or misrouted calls. In addition, health insurance patients who did not belong to the target group of private patients or self-pay patients were also called in. Since click costs in the healthcare sector are sometimes in the triple-digit range, resulting in high marketing costs that need measurable success. By introducing call tracking, the marketing managers could prove for the first time how many leads they were generating and that the doctors supposed to take the calls were often unavailable. The next step was to improve the situation by introducing a routing wheel. Calls to the doctors were distributed according to a schedule, and a waiting area and a voice mailbox were installed so that customer requests could be called back, which had previously not been the case. Furthermore, marketing campaigns could be sharpened in terms of content, and target group could be addressed more specifically. By screening out unwanted callers and increasing call acceptance by the right contact person or specialist department through targeted routing and call back management, the conversion rate of calls was increased dramatically, explains Banhans:

> *By introducing call tracking, they discovered a weakness in their own company and eliminated it. Whereas before they introduced call tracking, they were losing nine out of ten calls, now they are only losing two. That's an incredible increase in the conversion rate.*

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[35] *Name changed by author

Conclusion

Efficient content delivery across digital marketing channels, combined with cross-channel tracking, can ensure digital visibility and traceability of marketing efforts and contribute to business success.[36] If a company receives more frequent customer inquiries over the phone, call tracking can help trace those leads and make better marketing and sales decisions.[37] Phone contact is especially relevant if phone calls are a primary goal and significant time and money is invested in marketing.[38] However, it is important to remember that end-customer-related call tracking can only be implemented if the company has already evaluated customer-related data by means of web analysis, has experience in this regard or receives support from a service provider.[39] Before deciding on one of the different call tracking variants, it should first be evaluated what data is needed and what benefit is to be derived from it. Subsequently, the various options can be weighed against their respective advantages, disadvantages and associated costs.[40] According to SEO expert Hotzy, static call tracking is to be favoured, especially for first time use:

> *In many cases, classic static call tracking is the simpler, more manageable, especially for beginners to track different channels. For this, 100 extensions are enough. For advanced use with dynamic call tracking, you usually need more extensions. That's where you should clarify what you want to check in the first place with the online marketing expert, and then find the appropriate solution for that.*

Call tracking enables to uncover previously hidden conversions and dive deeper into a lead's customer journey. This provides insight into key touchpoints, through ads, marketing channels, campaigns, mails, keywords, and landing pages convert best. Based on the complete and reliable determination of the "return on investment", budget allocation decisions can be adjusted, and marketing can be optimized.[41]

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[36] (Hauck, Wild, and Pagel, (2020 p. 378)
[37] (Agrawal, 2018)
[38] (Schröer, 2017 p. 95)
[39] (Multiconnect, 2019)
[40] (Ruesch, 2021)
[41] (Pagoe, 2021)

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