RPI
VERSUS
RFM

The Difference Between Real-Time and Near-Time Marketing

As marketers, we've come to depend on RFM — recency, frequency, and monetary value — as a factor in creating personalized engagements with customers. But while RFM can help you deliver personalized experiences, it rarely delivers on the increasingly critical promise of real-time marketing. RFM only provides marketers with a partial slice of the customer view. It only tells a portion of the story. At Evergage, we look beyond RFM and apply a different formula — RPI, or Relationship, Persona, and Intent. Together, these identifiers offer you a more immediately actionable view of the customer.

/ THE **MISCONCEPTION** OF RFM

While many marketers talk about recency, frequency, and monetary value as a formula for **ACHIEVING REAL-TIME MARKETING**, that simply isn't the case.

RFM analysis is an effective way to determine who your best customers are – how recently a customer has purchased, how often the customer purchases, and how much the customer spends. These are certainly important factors in your marketing strategy, in that they enable you to target the best customers in your database with highly personalized campaigns designed to influence your best customers to purchase more, and more often.

RFM helps lead customers back more frequently. But in-session, RFM does little to help close the deal. Moreover, while RFM is an excellent approach for targeting your best customers offline, it does little to help you engage them onsite and it has no way of helping you engage your new customers in a meaningful way. For new customers, you cannot rely on the recency, frequency, and monetary value of purchases because there are none to analyze. But you can rely on what's happening in session, right now. For existing customers, current and historical session behavior is as important as RFM, and it is what is needed to respond in real-time, which is the most relevant time.

/ RPI: A FORMULA FOR **REAL-TIME SUCCESS**

Real-time marketing begins with understanding a different formula – RPI, or **RELATIONSHIP, PERSONA, AND INTENT**.

RPI is based on what you understand about the customer in a given moment; for example, while they are in session on your website. This combines everything you know about them historically with what they are doing in this session. Let's take a closer look at the formula.

● **RELATIONSHIP**

Real-time marketing begins with understanding the relationship. Is she a first-time or frequent visitor to my website? Is she a visitor but a non-buyer? Has she recently made her first purchase? Has she made frequent purchases on my site? Whether employing an RFM or RPI approach, these relationship levels are important factors in understanding how to market to a customer.

● **PERSONA**

You've probably heard the term persona before, as a way to profile or categorize the customer type. Every customer has a persona. To a retailer, the customer's persona may be that of a frequent purchaser, a gift-giver, or a casual shopper. To an airline company, the customer's persona may be that of a domestic vacationer or a first-class business traveler. The customer's persona can be different in one session versus another session.

● **INTENT**

This is the most critical factor in real-time marketing, especially when your customer is in-session on your website. Relationship and persona tell us who, but intent can tell us what, when, and even how – essential components of real-time marketing.

The most practical way to understand the RPI approach to real-time marketing is to look at some actual applications.

evergage

Our first example is Bob, a husband who just bought a charm bracelet for his wife for Christmas. **BOB IS A FIRST-TIME BUYER** with our company, an online jewelry store.

With real-time marketing enabled by RPI data, you can make Bob an attractive offer based on his in-session activity - click here to save 20% - before Bob goes off and explores products on other sites.

Bob's persona is a gift-giver. Although we have his email address and he has opted in to receive offers, it's unlikely he will respond until the next holiday. Fast-forward to February, two weeks before Valentine's Day. Bob is visiting our site again. We may only have seconds to drive an action, and here's what we know:

● **RELATIONSHIP**

Bob is a previous purchaser, and has bought the charm bracelet already.

● **PERSONA**

Bob is a gift-giver, a male buying feminine jewelry for Valentine's Day.

● **INTENT**

Bob is shopping for a gift he needs to purchase now, he has looked across categories of items and has returned to the site throughout the day.

With that in mind, our site responds by making Bob a special offer: "*Welcome back, Bob! Click here to save 20% on bracelet charms for Valentine's Day.*"

The value of an RPI approach to real-time marketing is also evident with new customers visiting an ecommerce site.

- If a new customer is on your website and demonstrating intent to buy within a particular category (by spending significant time in a particular category), you can highlight a top-selling item in that category or offer him a discount in that category.
- If a new customer demonstrates intent to buy soon by returning a second time in less than a day to view the same item, you can engage them with testimonials regarding that item or invite them to ask questions of a customer service agent.
- If a new customer is browsing your site and crossing multiple categories, thus making intent difficult to decipher, you can attempt to capture his email address, offer a coupon for next visit, or engage him in a survey.

/ RPI IN **TRAVEL**

Let's revisit Bob, the Persona from our retail case example. In addition to being a thoughtful husband, **BOB IS ALSO A SOFTWARE EXECUTIVE WHO TRAVELS FREQUENTLY FOR WORK** to Las Vegas.

Studying Google Analytics data allows you to design highly effective Evergage campaigns that address This time, however, he is not planning a business trip. Instead he is planning a romantic getaway for himself and his wife, and is researching the website of his favorite Vegas resort for deals.

Although Bob may have stayed at your resort several times, the RFM data is for the profile of Bob the businessman, not Bob the vacation planner. In this case, RPI data becomes very important to meeting Bob's needs in real time. Once Bob visits your site, you begin to understand his needs based on RPI:

Using the principles of RPI, a static room page for the Palms Resort Casino has been transformed to provide a message tailored to Bob's real-time actions, prompting him to book a room in the next 24 hours.
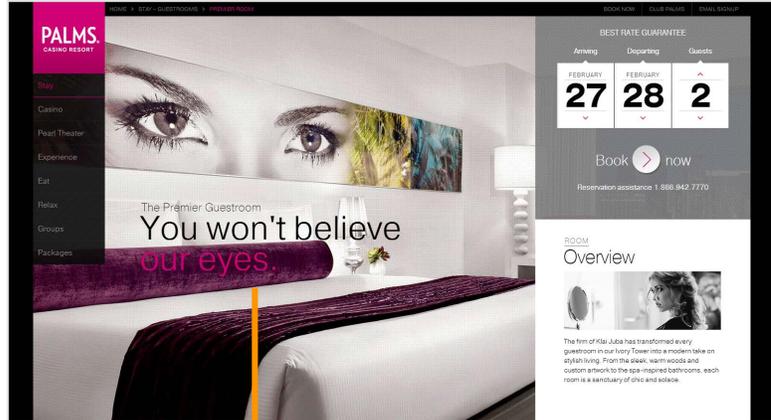
● **RELATIONSHIP**

Bob has visited your site previously, and did book a vacation three years ago.

● **PERSONA**

Bob is a vacation planner, researching packages and looking at next month's events.

● **INTENT**

Bob has checked availability twice in the last two hours, the second time for a suite.

Relying solely on RFM, it can take multiple bookings and trips for a system to learn how to target Bob effectively in real time. In Bob's case, it would take time for the RFM data in Bob's business-traveler profile to be rationalized with his recent vacation planning activity. But with real-time marketing enabled by RPI data, you can make Bob an aggressive offer based on his in-session activity – 10% off the suite if he books in the next 24 hours – before Bob can get a better offer from another online site.

evergage

/ RPI IN **B2B**

Let's visit Bob one more time for our B2B case example. **BOB IS AN EXECUTIVE AT A SOFTWARE FIRM AND IS RESPONSIBLE FOR WEBSITE DEVELOPMENT**.

A large part of Bob's job is researching new technology that can bolster his firm's development capabilities and help them provide a better site experience for their Fortune 500 clients. Your company just happens to offer products that fit the needs of Bob's clients, and so he visits your site pursuing his research efforts.

Once Bob visits your site, you begin to understand his business interests based on RPI:

RPI is uniquely successful in software-as-a-service. By understanding your users and addressing inferred concerns proactively with real-time offers, you can impact the long-term success of your relationship.

● **RELATIONSHIP**

Bob is familiar with your products, and has downloaded information previously.
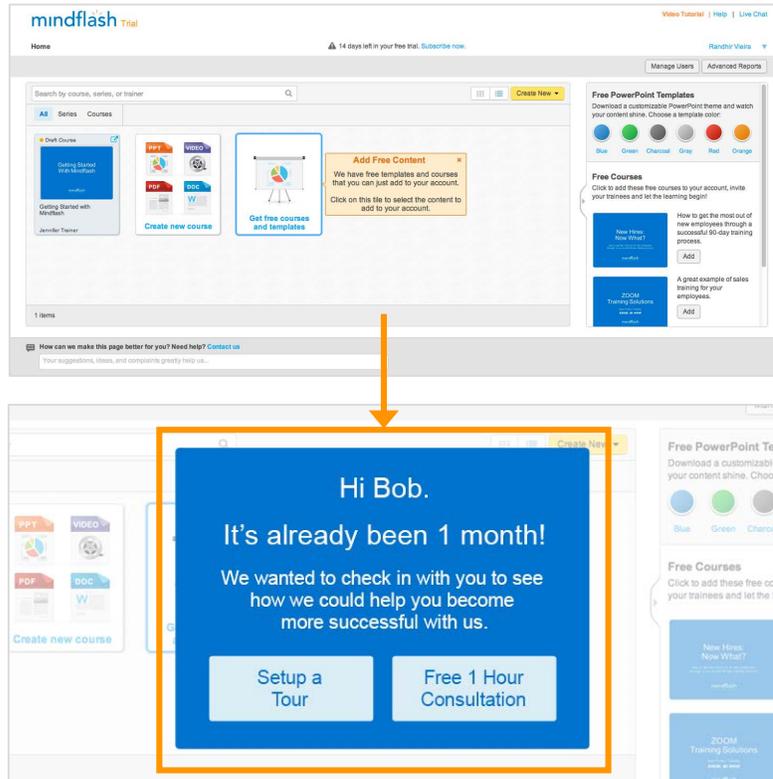
● **PERSONA**

Bob is researching website development, as determined by his in-session navigation.

● **INTENT**

Bob has clicked twice to learn about secure development solutions, but has not requested information or a sales contact.

The key is to turn your website into your very best salesperson – exchanging information, sharing thought leadership, engaging sales and prospects, and more. For example, in-session you are able to identify that Bob represents website development at a software firm based on

where he chooses to navigate your site. In the past, Bob has downloaded a white paper on development best practices, but this time he is perusing a white paper on security.
After a few minutes, Bob appears to be preparing to leave your site. But you now know your relationship with Bob (previous visitor who has downloaded information, and his persona (website development leader, and his intent (researching security). You have an opportunity to engage him in real time.

Before Bob can leave your site, a message surfaces that engages him with an offer of a free white paper on security. Since Bob is researching solutions and has downloaded white papers in the past, there is high probability that he is interested in downloading another resource. Furthermore, upon completing the download registration, Bob is also invited to opt in to your monthly newsletter. He opts in, which now adds Bob to your mailing list, a critical step in successful B2B relationship building.

evergage

/ WHAT **REAL-TIME MARKETING** IS ALL ABOUT

Evergage understands what it really means to deliver real-time marketing. The next time someone mentions RFM, remind him or her that although RFM is an effective approach to applying relevance in outbound marketing, RPI (Relationship, Persona, Intent) is the only formula that delivers real-time marketing. It's also the most effective for improving conversion rates – increased customer engagement, better context through conversation, and more time on-site and in your store.

The proof is in how consistently Evergage delivers these results for our clients:

- Six-times increase in customer acquisition
- Real-time onsite triggers that fire in 200ms and can be set up in minutes
- Double-digit increases in web conversion rates
- Significant improvement in engagement
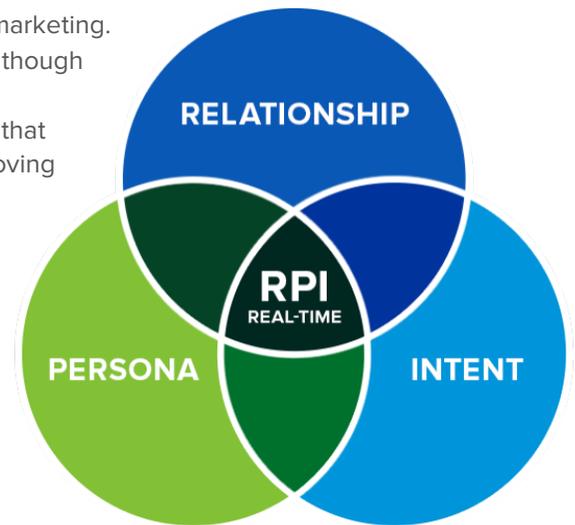
Evergage provides you with an edge: to make each page more relevant, more tailored with every click, and more engaging to the consumer when it matters the most. Find out for yourself why real-time relevant marketing matters. Contact Evergage to receive case examples and a demo of our solution, and ask about opportunities to test-drive Evergage.

Learn How You Can Market in Real-Time with Evergage.
Contact your Evergage sales representative today or call 888-310-0589
for a quick demo or simply to learn more.