Case Study

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joined RedEye in 2001, initially to run the new William Hill account. He has a background in retail planning and forecasting and a degree in business mathematics. Garry has been responsible for giving many of RedEye's clients valuable insight on their websites and is now the senior account director at RedEye and responsible for many high profile accounts, including the AA, Asda and William Hill.

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William Hill boosts online customer acquisition using e-CRM programme

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Abstract

Of all registrants at williamhill.co.uk, historically one in two people did not become an active better. A new automated and event-driven e-mail application from RedEye was implemented to deliver bespoke e-mail campaigns for William Hill. This enabled the bookmaker to communicate in a more timely, relevant and personalised manner with its prospects — in a bid to encourage a greater number to become active (betting) customers.

The consumer e-mail campaign has enabled William Hill to acquire betting customers for 59 per cent less cost than the bookmaker's previous acceptable average and has generated significant additional revenues for the business.

The background: The William Hill organisation

Online gambling is one of the internet's undisputed success stories. In 2002 the value of online bets reached \$6.5bn worldwide, and by the end of 2004 that figure will have grown considerably.

Founded in 1934, William Hill is one of the best-known names in the UK betting industry. The bookmaker has a nationwide network of nearly 1,600 shops, making it the second largest operator in the UK by number of shops. William Hill processes an average of over 889,000 betting slips per day in its shops, on the phone and over the internet. The company employs over 9,000 people and has a yearly turnover in excess of US\$2.5bn.

William Hill launched its website back in 1996, and is rightly seen as a pioneer in online gambling services. In 2002 alone, its customers placed nearly 24 million bets online, making it the UK's most successful online service that year. The internet has emerged as a hugely profitable distribution channel for the bookmaker, to the extent that the company now offers its online service in eight different languages and 11 currencies.

'The internet is particularly significant as it enables us to offer new products — such as poker or arcade games — as well as the more traditional sports betting opportunities,' says Peter Nolan, group marketing director at William Hill.

Although it was very quick off the mark in recognising the potential of the online medium, William Hill had to overcome some tough customer

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acquisition hurdles along the way. Traditionally, the company used a mixture of conventional and new media campaigns to attract punters to its website. This marketing activity always proved very successful in attracting visitors to the website and encouraging them to register.

The challenge: Increasing uptake

But over time it became clear that as many as half of these registered customers were not going on to pay in a deposit and become active betters. William Hill needed to devise a marketing programme aimed at converting these so-called 'warm prospects' into active betting customers, and it was at this point that the bookmaker engaged e-CRM agency RedEye to help develop a solution.

'We needed to convert all the traffic into betting,' said Nolan. 'Given the size of our business, we knew that even a small percentage increase in our customer conversion rate would equate to significant additional revenue.'

The solution: A targeted e-mail programme

As a specialist in analysing web user experience and developing e-mail marketing programmes, RedEye's first task was to establish why registered users were not betting.

'William Hill suspected that the lengthy registration process might be putting off potential betters,' said Jonathan Kay, chief operating officer at RedEye. 'It also felt that people were registering and then forgetting about it, perhaps due to an absence of sustained and targeted communication immediately after the registration.'

RedEye devised an e-mail programme aimed at eliminating these issues and activating non-betters. New registrants at williamhill.co.uk were put randomly into one of four test cells.

Those in cells one to three were sent follow-up e-mails containing a mixture of creative and service-led messages. People in the first cell were sent e-mails featuring a sport- or event-led creative message. Cell two received messages reminding them that they had yet to deposit any funds and asking if they had experienced service problems or if their card issuer refused gambling transactions. The third cell was sent a range of offer-led e-mails.

Meanwhile the fourth cell received no further communication after registration, enabling the success of the follow-up e-mails in generating deposits to be measured against a control.

E-mails combining a mixture of creative and service-led messages generated the best response, while the overall response rate (ie deposit or bet) to the e-mails was an impressive 5.4 per cent. Most importantly, recipients in the three e-mail cells were five times more likely to convert into active betting customers than people in the control cell.

So far, the additional revenue generated by the e-mail campaign runs well into seven figures. The campaign has enabled William Hill to acquire betting customers for 59 per cent less cost than the bookmaker's previous acceptable average.

William Hill's Peter Nolan commented:

Converting the prospects

Controlled testing

‘RedEye has allowed us to run targeted e-mail marketing campaigns in the quickest and most effective way possible. The automated e-mail tool has enabled us to communicate with a very important segment of potential customers, and we have seen tangible ROI.’

The future: More e-mail

The campaign to activate registrants is only the beginning of William Hill’s e-mail marketing plans, however. RedEye’s Kay explains, ‘The initial campaign was very much a stepping-stone for the introduction of automated communications on a broader scale. The next phase involves sending personalised e-mails based on a customers’ past activity on the site.’

Personalised future

Today, William Hill is running event-led and personalised e-mail campaigns based on customers’ behavioural as well as transactional data. William Hill’s Nolan explains: ‘Because of the low cost of e-mail delivery, it is worth our while to segment our online users more than we would with other direct media.’ Betters are sent e-mails based on their past behaviour and around sporting events known to interest them. Although it is too soon for concrete response rates to be published, William Hill is very encouraged by customer responses to the personalised e-mails and expects the new approach to generate significant additional revenue.

As things stand today, William Hill’s online Sportsbook has over 500,000 registered accounts, including over 175,000 ‘active’ customers, and the Casino has over 240,000 registered accounts, with over 50,000 ‘active’. Since launch, these online services have attracted customers from over 150 countries.

Conclusion

William Hill now ranks among the UK’s most successful and profitable online businesses, thanks partly to its forward-thinking approach to e-mail marketing. The bookmaker’s customer communications are timely, relevant and personalised to the user — a blueprint for any business seeking to harness the full potential of the internet.