



Leading in Local

Phone Calls:

The New Ad Currency of the Smartphone Era

May 2014



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Executive Summary

We're seeing a shift underway in the tech and media worlds: the tighter embrace of phone calls as a lead form for paying advertisers. Clicks and impressions, despite a sexier image and a decade of media adoration, aren't as highly valued by many businesses as a ringing phone.

These are key reasons behind BIA/Kelsey's estimate that \$64.6 billion is spent annually across media on localized ads to generate calls to businesses. BIA/Kelsey data also indicate that 66 percent of small businesses consider phone calls the most valuable form of incoming leads.

As a result, we've seen a movement towards more tangible lead forms such as foot traffic and phone calls. BIA/Kelsey data indicate this is especially true in high-value verticals such as professional services, home services, and any business that typically closes sales over the phone.

This notion of calls as currency has accelerated in the smartphone era, which has fused search with a phone. Calling a business post-engagement is intuitive for mobile users, who possess greater levels of immediacy and commercial intent than their desktop counterparts.

For these reasons and more, BIA/Kelsey predicts an explosion in commercially-oriented call volume to businesses. Mobile search alone will drive 73 billion calls per year by 2018. This blessing and curse means a flood of inbound leads, but also dire need to manage them.

Therefore, businesses that get in front of consumers with the right messaging and calls to action (e.g., mobile click-to-call) can drive high-quality leads and achieve high return on ad spend. Tech and media companies that can help them get there are likewise well positioned.

That translates to an opportunity for any ad tech or local media companies that already sell marketing services. Positioning advertisers to capture high value phone leads more effectively, and see clear ROI from them, will be a huge opportunity in the coming years.

Beyond marketing, managing exploding call volumes will be vital for operational efficiencies. Given that 19 percent of inbound calls are quality leads according to BIA/Kelsey, optimizing those calls (e.g., sending to the best reps) and re-routing the rest will be critical.

This all relates to a renaissance in mobile advertising underway: the art of attribution¹. Calls will be a vital part of all of this; to measure ad effectiveness and optimize campaigns accordingly. The suite will include call tracking and analytics to determine ROI.

These call monetization components continue to develop in many ways, including location targeted ad placements, call recording, keyword tracking, sentiment analysis and identifying “call fraud.” These will be ripe areas for development in the near term.

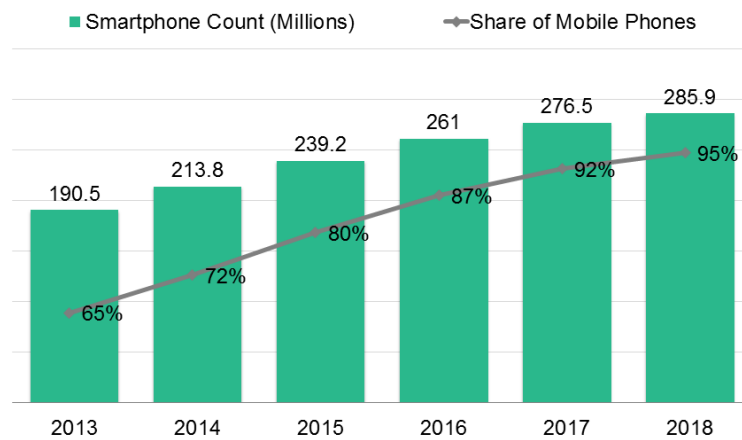
This report examines the gravity of the call monetization opportunity, and what is being done today to capture it. What are best practices? What’s still missing? And where will value be unlocked in the coming months? The phone call is the new click.

¹ See BIA/Kelsey Report: [Attribution: The Next Phase in the Age of Mobile Advertising](#), January 2014

The Age of Smartphones

Over the past half-decade, no other area of tech innovation has captured more interest, investment and airtime than mobile. Since the iPhone’s 2007 introduction, smartphone penetration has catapulted to 72 percent of U.S. mobile subscribers.

Figure 1: BIA/Kelsey Projection: U.S. Smartphone Penetration



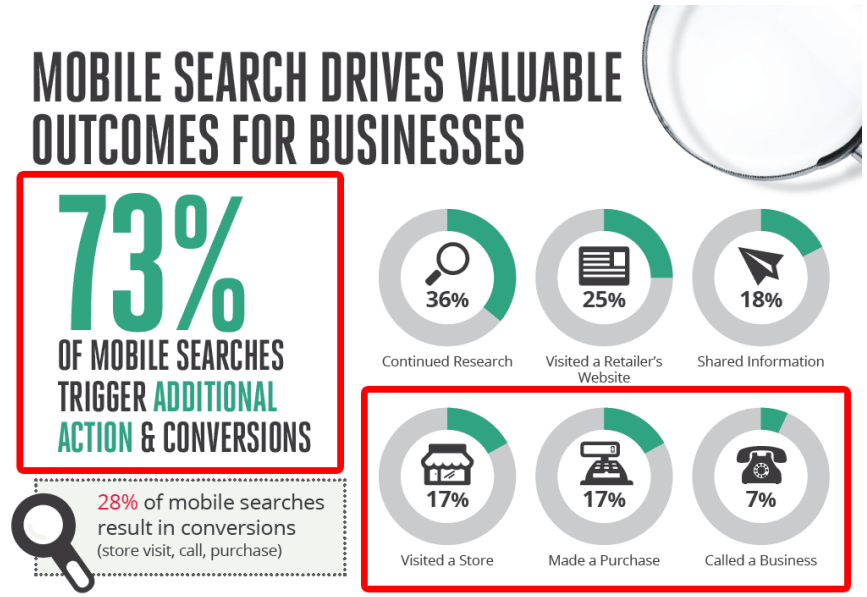
(BIA/Kelsey, 2013)

In this smartphones era, user behavior is evolving in step with the device. Smartphones’ portability and location awareness drive on-the-go use cases. This in turn maps to higher degrees of immediacy and commercial intent than at-home “lean back” desktop computing.

Search engines are a leading venue for mobile user engagement, and BIA/Kelsey’s forecast data show that 25 percent of all search queries are on mobile devices. Further, 50 percent of mobile search queries have “local intent.”

That means that mobile searchers have a high likelihood of wanting something to do, see, eat or buy in their immediate vicinity. By comparison only 20 percent of desktop searches have local intent.

Figure 2: Proof Points, Part I

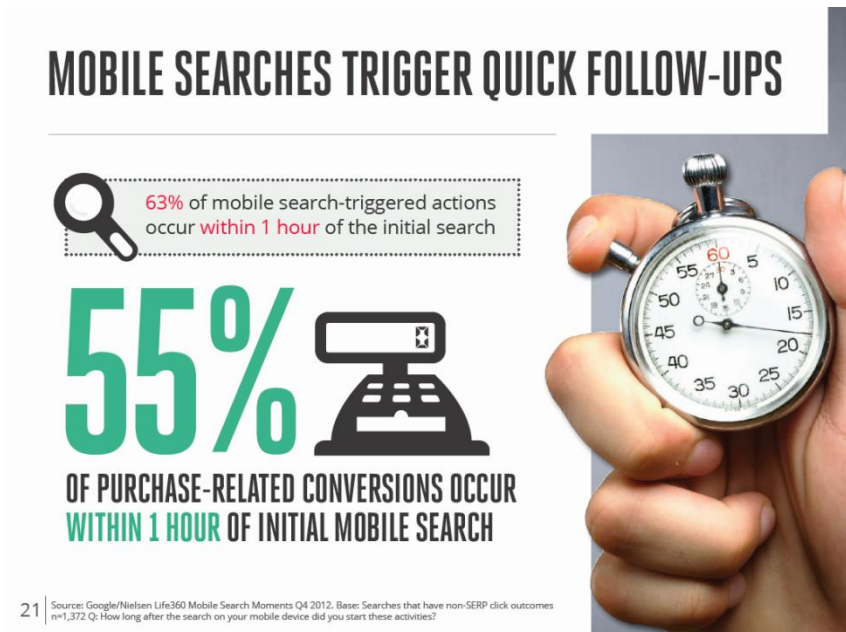


(Google, 2013)

This mobile user intent plays out in various ways: Google reports that 73 percent of mobile searches result in additional actions and conversions. These include things like calling a business, visiting a store or buying something – all very local or proximity-based actions.

Equally interesting is that 53 percent of these conversions occur within an hour of the initial search. This is a clear indicator that mobile users are indeed those coveted high-intent, “lower funnel” consumers.

Figure 3: Proof Points, Part II



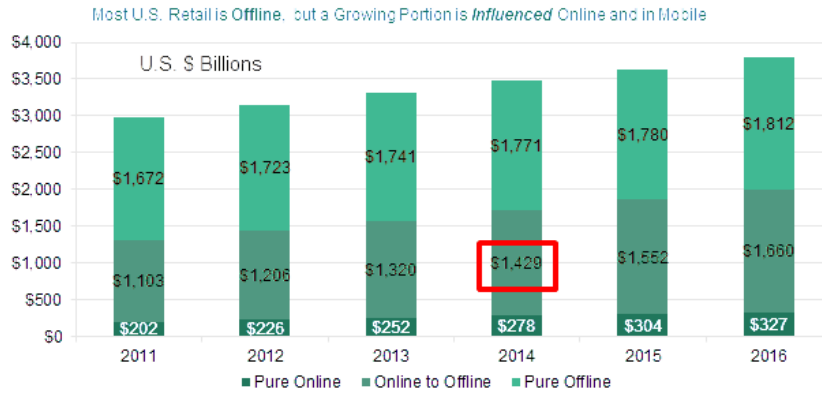
(Google, 2013)

Further in support of mobile's ability to drive commerce is its influence on offline shopping. Despite all the excitement and media attention that e-commerce (e.g., Amazon spending) has generated over the past decade, it only accounts for about 7 percent of U.S. retail spending.

It's often forgotten that the remaining majority occurs offline, and in most cases within 10-15 miles of one's home. Roughly 40 percent of that offline share – to the tune of roughly \$1.4 trillion in the U.S. – is *influenced* by online and mobile activity (search, research, etc.).

Figure 4: Offline to Online

The Influence of Online-to-Offline



(Forrester Research)

Call to Action

So what does all this mean? We know there is a big opportunity to match mobile users’ high purchase intent with appropriate calls to action.

This sounds obvious but isn’t happening on a large scale. Many mobile publishers, developers or advertisers still operate from a desktop mindset by delivering more branding-oriented advertising such as display ads without local calls to action.

However the mobile advertising world is starting to come around, led by innovative ad tech companies outlined below. Due to the mobile device’s high user intent and its ability to capture many inputs and “signals,” ad effectiveness is being measured more than ever.

This has led to the art of *attribution*². Attribution takes many forms, such as tracking whether someone showed up at a store after an ad engagement, or generated a map for driving directions, or called to make an appointment.

The latter is simple yet powerful as smartphone penetration continues to escalate. Not only is there high commercial intent in mobile search but the device itself – where 25 percent of search happens – is coupled with native dialing capabilities (i.e., a phone).

² See BIA/Kelsey Report: [Attribution: The Next Phase in the Age of Mobile Advertising](#), January 2014

Drilling Down on Mobile Calls

Mobile users' high buying intent plus the device's phone functionality will channel a sizeable share of mobile search activity into commercially oriented calls. BIA/Kelsey and Google data showing high call volume from mobile search support this point.

For example, Google reports 70 percent of mobile searchers have used the call button to jump from search result to a phone call, and about half reported doing so "always" or "frequently."

Figure 5: Mobile Search Drives Calls

70%

of mobile searchers have used "the call button"



Frequency of **needing to directly call** a business from the mobile search results.

Always	12%
Frequently	39%
Sometimes	35%
Rarely	12%
Never	2%








(Google, 2013)

The reasons behind mobile search-driven calls reveal high purchase intent and conversion-oriented actions. Google reports the biggest reasons for launching calls from search include making appointments and checking inventory. This varies by vertical.

Figure 6: Mobile Search Drives Calls by Vertical

% who may call a business directly from a search for each task

Check for the business's hours	59%	36%	60%	60%	38%	59%	53%
Schedule an appointment/ make a reservation	47%	48%	57%	73%	44%	28%	40%
Inquire about inventory/ availability/booking information	49%	33%	57%	52%	41%	52%	52%
Inquire about or compare pricing	24%	45%	52%	54%	40%	35%	48%
Inquire about/check for promotions, incentives or deals	37%	35%	40%	41%	43%	33%	44%
Get directions/ location information	42%	28%	42%	46%	38%	35%	41%
Make a purchase over the phone	45%	36%	21%	40%	39%	19%	29%
Inquire about or compare a product	-	41%	43%	51%	32%	28%	40%
Request more information be sent	12%	45%	33%	45%	28%	22%	36%
Put an item on hold	-	-	33%	-	25%	37%	35%

 Restaurant
  Finance
  Auto
  Local
  Travel
  Retail
  Tech

(Google, 2013)

Equally important is the stage of the “purchase funnel” in which calls happen. This can indicate quality (read: high conversion rates) in addition to quantity. Mobile search is generating quality calls based on the relevant purchase stages in which they occur.

Figure 7: The Importance of Calls

% who find it extremely/very important to be able to call the business during each phase of decision-making

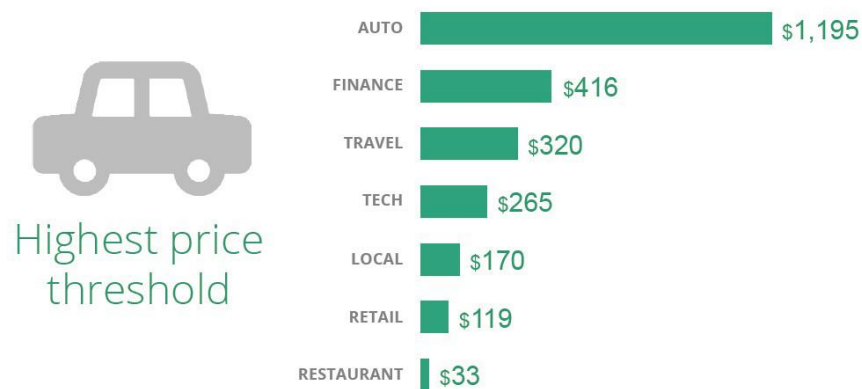


(Google 2013)

We also can quantify conversions in dollars that can be expected from search-driven mobile calls. While this unfolds differently by vertical, we can see how calls command high price points for considered purchases.

Figure 8: Price Threshold for Calls

Mean price point at which one would be more likely to call a business for a purchase/transaction



(Google, 2013)

This indicates not only that call volumes are being driven by smartphone and mobile search growth, but high value transactions hang in the balance.

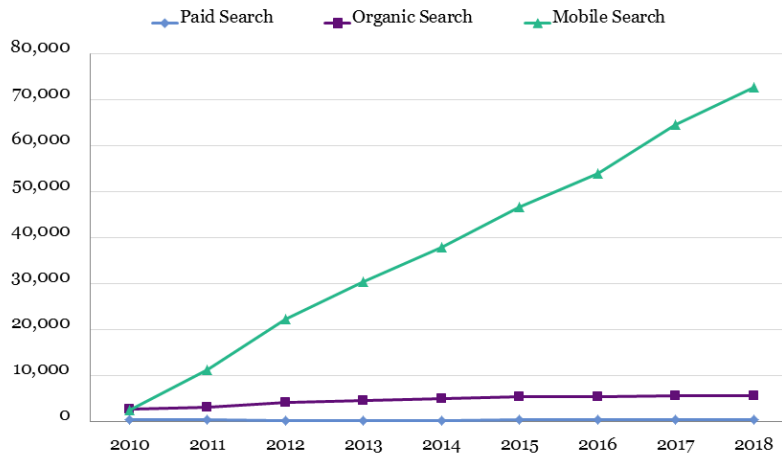
Quantifying the Opportunity: BIA/Kelsey Data

How will these usage trends impact the market opportunity to drive calls to businesses?

BIA/Kelsey expects calls generated from mobile search to reach 73 billion per year by 2018, a 42 percent compound annual growth rate.

Figure 9: Call Volume to Businesses Explodes

Calls Driven to Businesses from Search

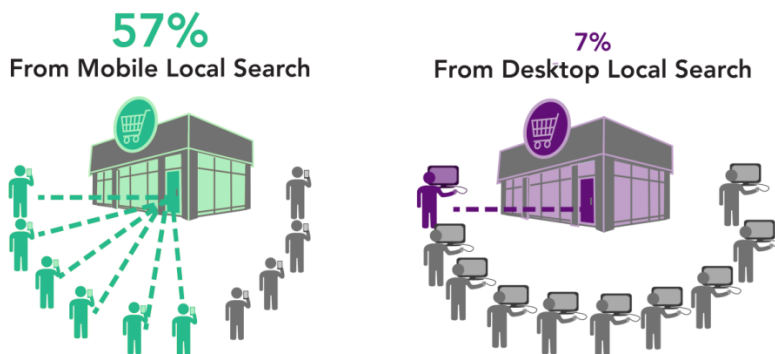


(BIA/Kelsey 2013)

This volume results from mobile local search’s higher conversion rates in driving calls (57 percent) compared to desktop local searches (7 percent). The reasons simply go back to the data in the previous section: Mobile users are more “ready to buy,” and mobile devices make phone calls.

Figure 10: Higher Conversions from Mobile Devices

Call conversions from a mobile device higher than calls from desktop local search



(BIA/Kelsey, 2013)

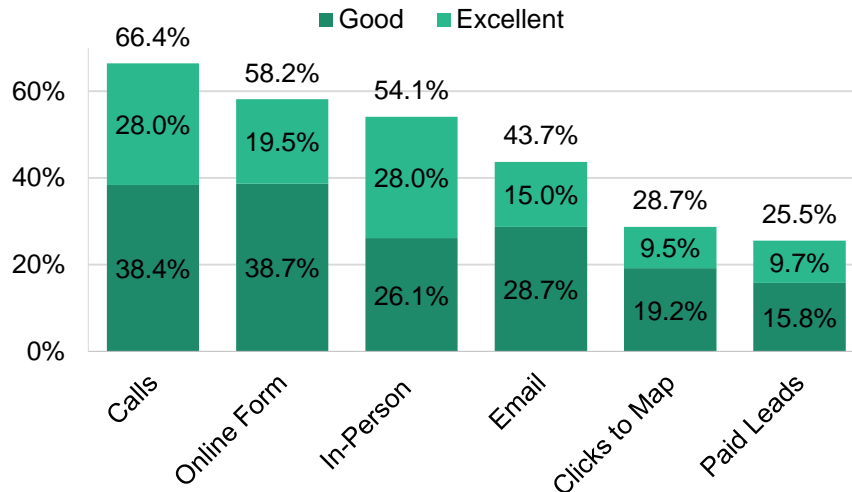
Advertiser Interest Aligns

The smartphone’s tendency to drive phone calls is well aligned with its appeal to businesses. Many businesses – especially small businesses without websites or search marketing campaigns – want the phone to ring. It’s a tangible and manageable lead form.

“We believe that calls are the ultimate outcome,” said Pete Christothoulou, president of call analytics leader Marchex. “Calling is an intuitive behavior for consumers. For businesses these calls provide a source of data that offer critical insights. This is intelligence that companies never had access to in the past.”

This is supported by BIA/Kelsey data that peg incoming phone calls as the lead form businesses value most. The firm’s Local Commerce Monitor™ survey reports 66 percent of SMBs rate phone calls as a good or excellent source of leads – more than any category.

Figure 11: Quality Assessment of Select Lead Sources



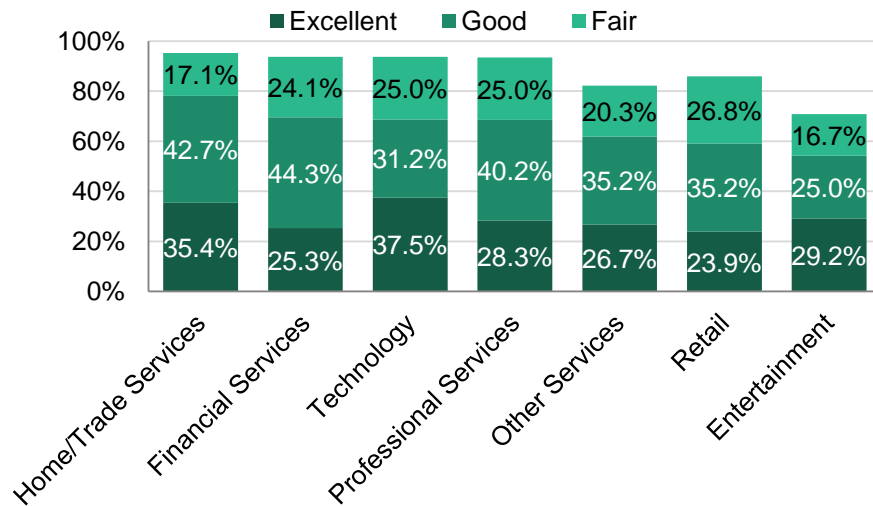
(BIA/Kelsey, 2013)

Drilling down a bit further, it’s clear that this value assessment is highest in categories that close new business over the phone, for example appointment-based services. It’s also notable that businesses’ affinity for calls maps to high-value business categories.

Specifically, calls are rated highest within local verticals such as financial services, home services, and professional services (lawyers, doctors). These categories place a high value on new customer acquisition, underscoring the business opportunity to drive phone leads.

Businesses that have complex or variable products sets tend to assign higher value to calls. These include high value categories like insurance and auto repair, where human contact is often required. Though these are SMB data, the concepts apply to larger companies too.

Figure 12: Quality Assessment of Select Lead Sources: The Vertical Breakdown



(BIA/Kelsey, 2013)

BIA/Kelsey’s conversations with call analytics providers confirm there is evident demand in the marketplace. Telmetrics for example says demand growth for mobile call tracking is showing signs of outpacing the rapid growth of mobile advertising demand overall.

“The number of marketers adopting calls as a cross-media ad performance metric is growing significantly,” said Bill Dinan, president of Telmetrics, “because digital marketers recognize the value of using call analytics as key engagement and conversion indicators.”

A \$65 Billion Market

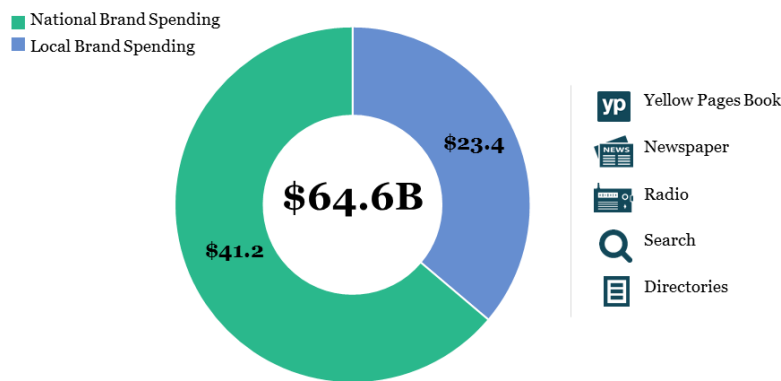
The alignment of user behavior and advertiser interest – each explored in respective sections above – compels opportunities to channel mobile users towards businesses. Call monetization is therefore an area where BIA/Kelsey sees sizeable opportunity and growth.

Specifically, the firm estimates that \$64.6 billion is spent each year on advertising that is placed with the intention of driving phone leads. This includes ads in newspapers, radio, TV, Yellow Pages, and any advertising that’s targeted to reach audiences in specific locales.

These local media will continue to drive the call-based ad market, but its growth will accelerate due to mobile usage growth. Due to all of the factors outlined above, call monetization’s growth will follow that of the natural growth in consumer mobile usage.

Figure 13: Media Spend to Drive Telephone Leads

Advertisers spend billions annually to connect with consumers over the phone



BIA/Kelsey June 2012



2

(BIA/Kelsey, 2013)

“We’ve been advocating the space for about five years,” said Marchex’s Christothoulou. “We’re feeling the benefits now and seeing a lot of interest in demand and supply sides, as well as publishers interested in the ad format.”

Other growth signs are evident: Ifbyphone and Invoca – leaders addressing various aspects of the enterprise call monetization opportunity – each announced large funding rounds in late 2013 (\$20 million series C for Invoca; \$9 million series D for Ifbyphone).

“Historically we’ve been selling to early adopters that find us,” said Ifbyphone’s Shapiro. “That worked well, reaching 4,000 organizations and hundreds of thousands of customer end points. With funding we’ll deploy a sales force to push the message.”

Telmetrics also recently reported 160 percent year over year increase in the number of online local search call programs it monitored in 2013. These are all signs of call monetization’s momentum, and the opportunity to capture a piece of its growth.

How that will happen is the key question. And the answer lies in the developing forms of call monetization at many points along its value chain. This opens up the art of pay-per-call, tracking, routing, management and a growing suite of functions we’ll explore next.

Call Monetization: The Main Course

So far we've detailed the massive market opportunity in driving calls to businesses, and introduced terms like "call monetization" and "call based ad market." But what exactly do we mean by call monetization, and what comprises the call based ad market?

"Click to call" – and its monetization structure "pay-per call" – is the most common association with call monetization. Google's work in this area has driven the phrase into the mainstream consciousness (as can happen when Google enters new areas).

Other local media and ad players are innovating in different ways to drive calls to local advertisers, including xAd and YP. More broadly, the interest and excitement around phone leads is even compelling companies like Twitter into the space.

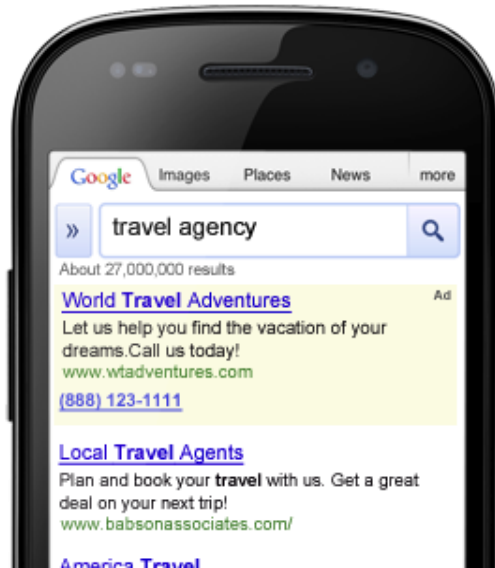
Specifically, Twitter is testing a click to call button with a few of its brand advertisers. Using its expandable card-based format for multimedia within promoted Tweets, these call buttons will show up in similar fashion to "click to subscribe" buttons seen previously.

There are other components meanwhile developing to unlock value in call monetization, such as call tracking and analytics. There's predictive modeling to determine caller intent and route calls accordingly – for instance to an automated system versus a live person.

These are all important and growing areas we'll detail in the sections below. It's important to see how they come together in a "whole is greater than the sum of its parts" manner. As these areas develop, they are fusing together in more holistic ways.

Pay-per-Call

Pay-per-call has existed for years in traditional media such as newspapers and Yellow Pages. Dedicated metered numbers track and attribute calls back to a given ad campaign, or even a given placement within a campaign. Advertisers can often be charged per call.

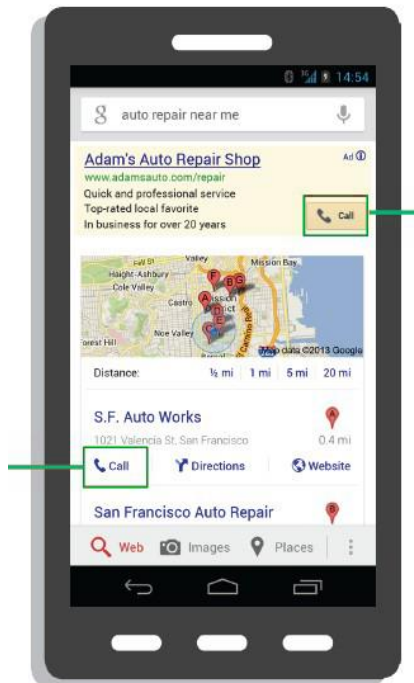
Figure 14: Pay-Per-Call Example

Today, call tracking not only measures calls, but “call quality” based on variables like call source, keyword spotting and other factors described in the following section on call analytics. At more basic levels, call frequency and duration can be proxies for quality.

Pay-per-call has evolved in step with digital media like search. As noted earlier, search’s high-intent use case aligns with the consumer need to make phone calls to qualify purchase decisions. Search also supports and co-exists with calls as a “lower funnel” user activity.

During search marketing’s tenure on the desktop, conducting calls was cumbersome for users given that the PC and the phone are physically separated. Beyond the tech savvy minority using Skype, there was little direct connection between search results and calls.

The smartphone has since come along to fuse the search device to the calling device for an intuitive handoff between the two activities. Hardware aside, the high intent nature of mobile searchers explored above drives higher quality billable leads to businesses.

Figure 15: Calls to Action Example

This has all created an environment ripe for mobile pay per call. Phone numbers in search results and local apps like Yelp and YP mobile are hyperlinked to launch phone calls. Many of these apps have responded in turn by charging advertisers for calls driven from the app.

This can happen on per-call basis, usually powered by companies like Marchex (which runs YP's call network) or Telmetrics that work with publishers and advertisers. It can also be positioned as an incentive to buy into a premium subscription-based ad package that's proposed to drive higher call volumes.

Currently, many online marketing and presence products (websites, social media, local listings, and email marketing) employ the latter. Call monetization in these cases happens in more of an indirect way through subscription service. Yelp is one example.

In either case, several models developing to monetize calls show high value leads resulting from these calls within mobile search, app usage, and overall mobile engagement.

Google Blazes a Path

Google is a key proponent of mobile pay-per-call. It has pushed the medium heavily within its AdWords paid search platform. This recently evolved with the Enhanced Campaign platform that includes better tools for bidding on calls, among other things.

With Enhanced Campaigns, advertisers can set conditions and adjust bids based on where and when they want the phone to ring. For example, a need for calls during business hours or from within a service area can govern ad placements that comply with those variables.

For multi-location businesses, Google can automatically show the number for the closest location to a mobile searcher. That can better serve the user while also giving more authenticity to the ad (presence of a local phone number instead of a 1-800 number).

This has resulted in higher performing ads: Google reports 8 percent more clicks on ads that contain such local phone numbers. And just like clicks on ads, calls are monetized by Google depending on the demand-driven bids placed by advertisers for certain keywords.

Telmetrics' Dinan likewise reports that local numbers lead to higher performance. This happens to the tune of up to a 4X lift over ads and search listings that have 800 numbers. This is yet another sign that localized content can resonate with mobile searchers.

Figure 16: The Impact of Call Extensions

8%

Increase in ad click-through rate
when call extensions are enabled

(Google, 2013)

Call Tracking and Analytics

Call tracking is a vital component of pay-per-call and broader SMB marketing platforms. The craft has evolved over the past decade as providers have improved measurement of qualitative aspects of incoming phone leads, including things like call duration and a growing list of identifiers.

Call analytics providers believe this is an opportune area to drive value and monetize inbound leads. But there is also considerable room for growth in both the technological evolution of analytics platforms, and advertiser adoption of these tools.

“While mobile growth is helping fuel the increased interest in calls,” said Telmetrics’ Bill Dinan, “marketers and local search advertising providers can do more to harness the full value that call measurement technology can deliver.”

Call tracking happens through the developing field of call analytics, and is driven by two main factors:

1. **Attribution:** Identifying where quality calls happened so advertisers can be billed accordingly and be educated on ROI metrics for their call campaigns. This can support ongoing campaign effectiveness and optimization, especially in mobile.
2. **Call Routing:** Analyzing incoming calls in order to optimally route them. This can utilize data such as the call source or other attributes to predictively model where calls should be routed within an organization to optimize resources and effectiveness.

Attribution

In the age of big data, advertisers of all sizes expect to have a clearer sense of advertising ROI. Call analytics are helping achieve this goal as the technology advances further down the path toward precisely determining call quality.

Many of the companies cited thus far are focused on call analytics, as well as others not yet mentioned such as LogMyCalls and CallFire. CallFire tells BIA/Kelsey it sees notable demand growth among advertisers to mine data from call recordings to clarify ROI.

“There’s great potential for sentiment analysis, which will come from companies going beyond simply providing raw data and [instead] acting as data analysts,” said Komnieve Singh, President and Co-Founder of CallFire.

“Determining the exact combinations of words and emotions that result in a sale is the ultimate goal in big data analytics and the companies that do so will be the winners over the next few years.”

This is especially true when it comes to national brands that field high call volumes and need to measure high levels of detail. Marchex for example has moved beyond basic tracking metrics such as frequency and duration to provide real time data visualization of phone calls.

Marchex's CallDNA platform analyzes calls in real time and in turn reports the value of these calls in an intuitive color coded way. It can pick up variables such as the caller's voice, versus the business's voice, and other important factors in determining call quality.

Figure 17: Call Analytics Dashboard



(Marchex)

“Up until this point, people have associated long-lasting calls with high-quality calls. But that’s like equating a long line at a store with happy customers,” Ziad Ismail, SVP of Product & Engineering at Marchex told BIA/Kelsey.

“Call DNA goes beyond the insufficient metric of call duration. It lets advertisers understand what is happening on phone calls at scale, so they know exactly what’s working well with their process and what isn’t.”

A caller’s gender can help determine if ads are reaching target demographics. Other attributes such as duration, hold time, voice inflection and a litany of factors can map to prototypes that have been established for quality calls within specific business categories.

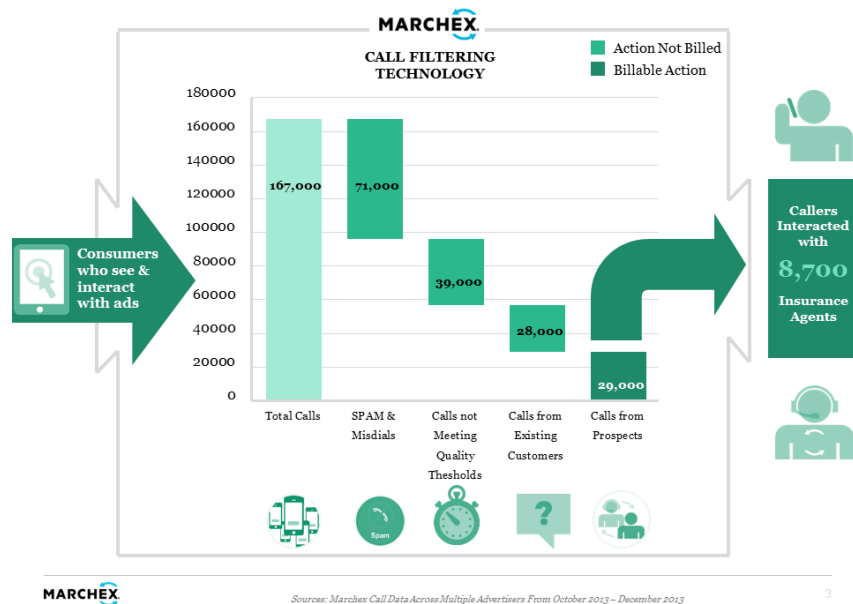
Once a given business defines these quality metrics with the help of a provider like Marchex and others that provide call tracking services, the platform can sniff for those desired criteria. Businesses can then be billed only for calls that meet those standards.

For example, from a pool of roughly 167,000 calls to one client, Marchex disqualified 71,000 misdials and spam calls. Another 39,000 calls didn’t meet pre-defined quality thresholds,

and 28,000 were from existing customers. The remaining 28,000 quality calls were billed to the business.

Call spam includes things like telemarketers. Telmetrics has reported that it blocks 22 million spam calls per month in North America. This results in part from telemarketers shifting their targets from consumers to businesses, due to “do not call” regulations.

Figure 18: Call Filtering



(Marchex, 2014)

Besides using call tracking to clarify ROI for advertisers, it can also be used to improve and optimize marketing strategies that led to those calls. In other words, attributing conversions to ad campaigns can help advertisers optimize and iterate ad tactics on an ongoing basis.

In search marketing for example, purchases or appointments made over the phone can be tracked back to individual search campaigns. That includes things such as keywords, ad groups, geographic targeting and other search marketing variables in a given campaign.

And on an ongoing basis, the intelligence gathered from call analytics can enable predictive modeling to route future incoming calls in optimal ways for a given organization. This brings us to the next key component of the call monetization picture: call routing.

Call Routing: Helping SMBs Manage

Much of the same technology that goes into analyzing calls and determining quality can also be used to route those calls optimally. In other words the ability to pre-determine call quality in some cases can save valuable time as a function of where it's routed.

This brings the discussion beyond just marketing to operational efficiencies like productivity and sales close rates. This has led to converging functionality for operational and marketing platforms for enterprises a la Salesforce.

And like CRM systems, this usually plays out as hosted cloud based platforms that manage routing and other functions. Invoca is a company addressing this opportunity along with others that include Ifbyphone, which sees the product suite as four legs of a stool.

"Tracking the call is not enough," said Ifbyphone CEO Shapiro. "You need tools to route that call to the optimal party to close a sale; and a third set of tools to manage the call once it's routed. The last leg is outbound customer notification. If you're running a business engaging customers by phone, we think you need all four."

Enterprise call routing can include integrated voice response systems (IVR) that pre-qualify caller intent. It can also be more sophisticated predictive modeling that ingests data such as where calls come from, or if they've called before (existing customer, "bad" customer, etc.).

Customer Service

This predictive modeling is important because accurately routing calls can boost customer satisfaction by avoiding needless bouncing around to various individuals or departments. Customer service is a vastly underrated form of marketing and reputation management.

And the art of real time call analytics to more accurately discern meaning and route calls accordingly is further compelled by mobile. There, a growing volume of calls have blocked caller IDs, which was otherwise a go-to method for identifying past callers/customers.

Emerging forms of call tracking and call routing can include things like location targeting. In some cases, this is the same technology that powers location based ad targeting. Knowing a caller's location joins the many attributes by which to assign value and route calls.

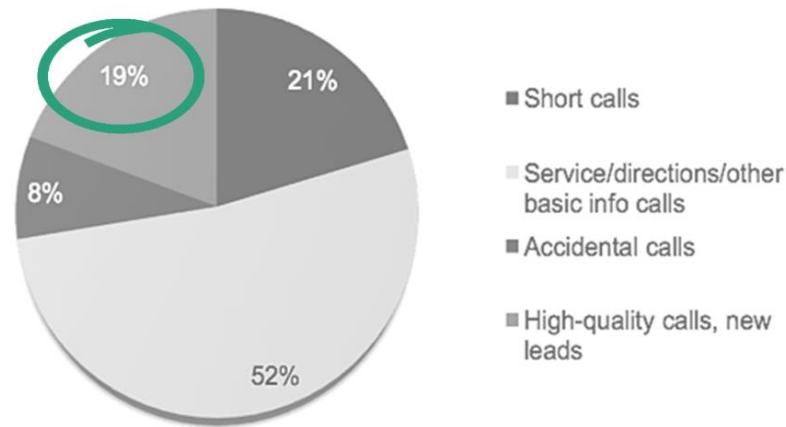
Marchex SVP John Busby gives the example of how a rental car agency can use location data to improve the consumer experience. When it knows the consumer is at the airport, a phone menu can lead with contextually relevant things like shuttle or upgrade information.

Opportunity Cost

The benefits of call routing carry over into operational and marketing aspects of a given business. Incoming warm leads for example can be routed to the best person to close a sale. Routing can also alleviate one of the biggest pain points for businesses of all sizes: opportunity cost.

For many business sectors, time is money. SMBs for example are often time-starved with their proprietors wearing many hats. Spending time on sub-optimal tasks like giving directions can negatively impact productivity or time otherwise spent generating revenue.

This notion is based on BIA/Kelsey data that peg the share of incoming high quality calls to be 19 percent. This translates to an imperative to capture that 19 percent and not waste time on the rest – especially given projected call volume increases discussed earlier.

Figure 19: The Call Mix to Businesses

(BIA/Kelsey, 2013)

Another way to look at this is to compare it with other forms of marketing. Though calls offer advantages over clicks, the opportunity cost of fielding low-quality calls is much larger.

There is very little incremental resource drain to accepting more clicks, while bad telephone calls by comparison are a tax on a business' resources.

Examples of "bad" calls include solicitations, job seekers, mundane questions like directions and hours, service requests and misdials. Bad calls waste time, and fortunes are made by those who find new ways to save people time.

For these reasons we'll continue to see the call analytics field develop better ways to find, route and promote high-quality calls. This is the heart of the call tracking opportunity.

Call Fraud: The New Click Fraud

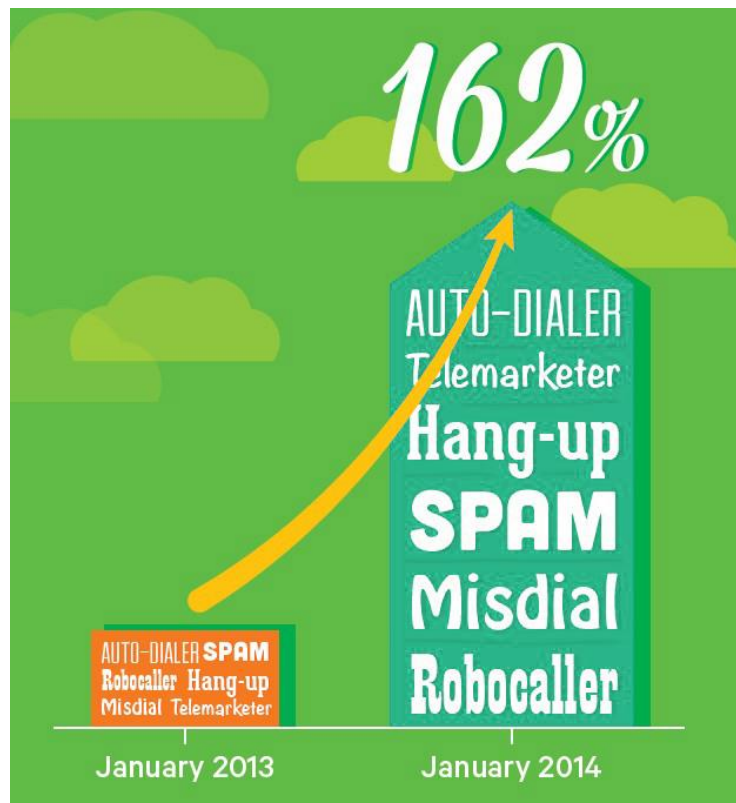
Call tracking and analytics are also being applied to combat call fraud. In the same family as "call spam" (telemarketers, robo calls, etc.) this involves masked voices that keep a business on the line for 30 seconds or more.

Why would they do that? So that businesses get charged for that call under pay-per-call platforms that charge advertisers for calls of a certain duration. Perpetrated by “black hat” marketing agencies, this is parallel to what developed in the search world as click fraud.

The seldom-discussed problem is all too real and is growing rapidly. In fact, Marchex reported last month that small businesses lose a half a billion dollars annually to call fraud. The company also says that call fraud has grown 162 percent in the past year.

The best way to combat call fraud is with call analytics – identifying fraudulent calls along with all of the other “bad” calls weeded out before charging advertisers. This will be an important branch of call tracking and analytics as call monetization itself grows.

Figure 20: Growth in Call Fraud



(Marchex, 2014)

Who Owns Call Monetization? The Organizational View

An important question that arises from all of the above is who is the call monetization, tracking, and analytics platform buyer? It's important because anyone playing in this space should know their addressable market, and because it's fundamentally changing.

In the SMB world, the answer is a bit less complex because the buyer and decision maker for adopting call monetization is generally the proprietor or their main marketing manager. The latter could be a dedicated person, a hybrid role or cousin Timmy.

For larger enterprises, it's a much more nuanced discussion that brings to bear many macro trends in organizational behavior and enterprise software dynamics. The IT department has traditionally presided over platform adoption, which raises some barriers.

But more recently, cloud based enterprise platforms that can be hosted and managed in a SaaS architecture have democratized powerful platforms throughout the enterprise. So we see marketing departments and CMOs increasingly gain control of what used to be the CIO's budget.

In fact Gartner predicts the CMO will have a larger technology budget than the CIO by 2017.

“What we're seeing is that control is being placed in the hands of business line managers outside of IT,” said Steve Griffiths, VP of marketing and product strategy, Ifbyphone. “The benefits of cloud and SaaS enable marketing and sales and support teams to operate autonomously with call monetization.”

But the newfound empowerment for marketing is also a double edged sword. With autonomy comes accountability. This is a plus for platform providers because greater ROI scrutiny placed on marketing means a need for top notch tracking and analytics.

The reason for mentioning all this: It applies directly to the adoption and implementation of call monetization, tracking, analytics and management platforms. For one, freedom from IT makes the buying cycle less mired in approvals – good news for call monetization players.

“It’s one thing to do that with a hosted software platform, but whenever you involve telephony as well, that’s something that’s always been deeply rooted in IT,” Griffiths said. “So it’s exciting to see companies disrupting that whole paradigm and just putting control in the hands of the marketer.”

Before getting carried away, we need to acknowledge that some aspects of these platforms remain under IT control. For example, those more related to customer service than marketing. IVR systems for example can still be in the hands of IT.

However there is a growing shift in the enterprise world to unite naturally related marketing and customer service functions. This shift will continue, as well as an overall convergence of marketing related functions into call management and monetization platforms.

Platforms like Salesforce that have taken over operational and customer relationship functions for example are making their way to call monetization. It has natural ties to calls.

Invoca’s Salesforce app for example gives a clearer view of individual customers’ paths to purchase. It generates unique numbers that can be placed into ad campaigns and tracked for campaign effectiveness and more importantly, direct revenue attribution.

This is a smart move for these players, not only because of Salesforce’s penetration and installed base, but also due to the natural ties between customer relationship management and inbound telephone marketing. We’re expecting more such convergence in the near term.

“This puts what was once controlled by IT into the agile hands of the marketer,” said Invoca CMO Eric Holmen. “Marketing can then have complete accountability and control of ROI.”

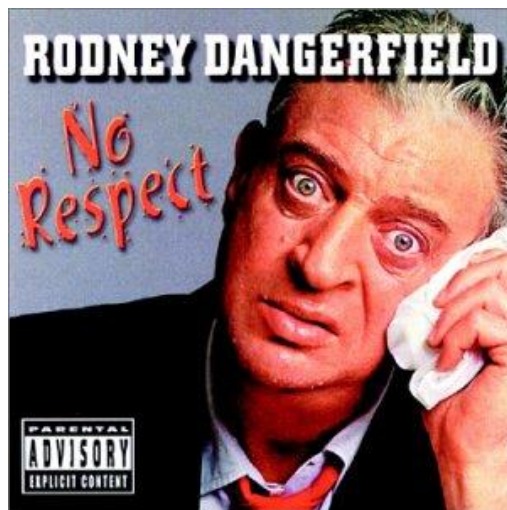
Final Thoughts: The Human Connector

Call volumes are ratcheting up by virtue of macro trends in mobile usage. And businesses want calls. So consumer-business voice connections are going to explode either way. The question is how can they be driven, tracked, analyzed and most of all monetized?

Meanwhile, phone calls are gaining newfound respect. Ifbyphone's Shapiro thinks it's about time. "We've looked at calls for a while as the Rodney Dangerfield of the technology world," he says.

We're still early in the evolution of monetizing incoming phone leads. And it will be a major force in the multi-headed beast that we all call "local." This includes large national enterprises and SMBs, both of which have the opportunity to capture localized commerce.

"At the highest level, people are seeing communication and platform shifts," said Marchex's Pete Christothoulou. "As a result, businesses need to reimagine and rethink how they connect with customers and drive performance. Calls are the human connector."



About the Author



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Michael Boland is Senior Analyst and VP of Content for [BIA/Kelsey](#), covering online and mobile media.

Mike is a frequent [speaker](#) at top industry conferences such as BIA/Kelsey events, Search Engine Strategies, ad:tech, and WHERE 2.0. He has [authored](#) in-depth reports on the changing local media landscape including online video, social networking and mobile.

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Before BIA/Kelsey, Mike was editor of Innovation World's *Tech Alert*, a monthly journal of emerging tech companies. Previously he was a San Francisco-based freelance writer for business and technology magazines, such as *Red Herring*, *Business 2.0*, and *Mobile Magazine*. Mike began his career in business analysis and journalism as a staff reporter for *Forbes* magazine, where he covered tech and media.