



April 2010

Document **K3**

ROI CASE STUDY OMNITURE DOLLAR THRIFTY AUTOMOTIVE GROUP

THE BOTTOM LINE

Dollar Thrifty Automotive Group (DTAG) deployed Omniture to create a central data hub to integrate and act on online and offline customer data, improving its ability to track, target, and measure customers' Web activity, and increasing productivity and accuracy.

ROI: 45%

Payback: 2.35 years

Average annual benefit: 1,720,452

THE COMPANY

Dollar Rent A Car was founded in 1965 in Los Angeles, where its executive offices remained until August 1994 when Dollar relocated its world car rental headquarters to Tulsa, Oklahoma. In August 1990, Dollar was acquired by Chrysler, which made it part of its Pentastar Transportation Group, Inc., along with Thrifty Car Rental and Snappy in Tulsa (Snappy sold in 1994), and General Rent A Car. General was closed in January 1993, and non-duplicating car rental locations merged with Dollar. Currently, Dollar Thrifty Automotive Group (DTAG) owns Dollar Rent A Car and Thrifty Car Rental which operate separate car rental business and license independent car rental franchisees to rent vehicles under their brands. DTAG went public in 1997.

THE CHALLENGE

DTAG adopted Omniture SiteCatalyst and SearchCenter a few years ago to help it analyze traffic on its Web site to identify the most profitable paths consumers used to interact with the site, identify where visitors were navigating away from the site, and use that information to control and optimize search results and guide visitors to the right information they need.

Although SiteCatalyst and SearchCenter could be used to dynamically promote the most successful products and content to the top of search lists based on analyzed metrics such as revenue and conversion rates, it couldn't predict or impact Web visitor behavior based on the offline data DTAG analyzed about its customers.

With increasing Web competition and pricing pressures threatening its margins, DTAG wanted a more sophisticated way to integrate online — and offline — data about its customers' activities to perform real-time targeting and promotions based on a fuller view of the customer.

TOPICSBusiness Intelligence &
Analytics

E-commerce

Software as a Service

DTAG also wanted to consolidate its data management and marketing efforts in house so it could have more control of its data. In addition, the company wanted tools that could support targeted marketing without requiring a lot of programming expertise, and that could integrate data for its e-mail provider to achieve a more complete view of the customer.

THE STRATEGY

DTAG looked at a number of vendors but found that few but Omniture could provide all the functionality it wanted. Ultimately, the company selected to extend its investment in Omniture to deploy the Online Marketing Suite including Insight, Test&Target, and Test&Target1:1 for the following reasons:

- DTAG felt the suite had the flexibility to integrate and share information with its reservation and rental systems.
- DTAG knew from its previous experience with Omniture that it had qualified resources that could help it be successful in the implementation.
- Omniture Insight could support both front-end analytics as well as analysis of offline data.
- Test&Target and Test&Target1:1 allowed DTAG to test various content “recipes” across various audiences, and would give insight into personalizing the Web experience based on individual visitors’ behaviors or interests.

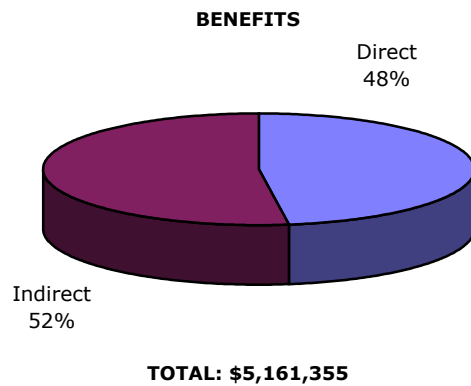
DTAG made the decision in early 2008 and used Omniture’s IT team to review DTAG’s existing data and recommend how to migrate the existing data into Omniture to support DTAG’s business requirements. The new functionality went live in May 2009. Insight serves as the central data hub to integrate online and offline data (such as Web activity and rental kiosk transactions) into one customer profile or groups of profiles. Business rules are mapped to Test&Target and Test&Target1:1 then determine what type of content should be shown to a specific customer. For example:

- Customers with a loyalty card that prefer SUVs are first offered SUV deals if they try to book an online transaction.
- Those renting on government orders are automatically offered their contracted options and rates.
- Those preferring specific partner rewards (such as airline miles or rental rewards) can be targeted for promotions specific to their interests (based on the referring site).

KEY BENEFIT AREAS

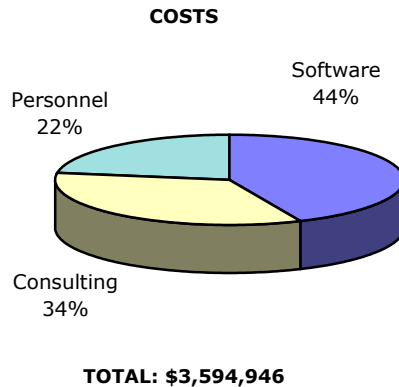
Adopting Omniture enabled DTAG to easily integrate with its existing SiteCatalyst and SearchCenter applications to better track, segment, and target visitors based on preferences, behavior, geographic location, and even company. This provides a more personalized experience and much more sophisticated analysis and reporting for Web site enhancements and the development of custom content. The Omniture Online Marketing Suite enables DTAG to leverage its existing customer data to determine how to increase visibility of specific segments to drive more conversions based on real-time and historical information of who is visiting the site. Key benefits from the solution include:

- Increased productivity. Using the integrated suite enabled DTAG to realize much more sophisticated analysis for decision making on a near real-time basis.
- Reduced services cost and burden. Moving to the suite enabled DTAG to eliminate outside services fees that were being charged for some ad-hoc analysis while improving and integrating its offline and online transaction data.
- Improved customer segmentation and personalization. Better visibility into customer data enabled DTAG to improve its ability to identify customer segments and deliver content specific to those segments.
- Improved promotional effectiveness. The ability to better manage promotions and understand acceptance rates has improved the response rates of DTAG’s promotions.



KEY COST AREAS

Key cost areas for the project included consulting, software, and personnel. The software costs include only license costs for Insight, Test&Target, and Test&Target1:1, as DTAG had already licensed SiteCatalyst and SearchCenter. There was no hardware investment as Omniture was delivered in a software-as-a-service (saas) format. On-the-job training was included in the personnel and consulting costs of the project.



BEST PRACTICES

DTAG relied heavily on Omniture expertise during the deployment to ensure they could follow the best strategy in migrating and integrating their data, which made the deployment smooth and predictable. Ensuring the data was properly configured and the right business rules were in place enables DTAG to focus on ideas and product roadmaps — and not time-consuming manual Web site changes, testing, and optimization.

DTAG also benefited from the additional investment in the Omniture suite because the integrated products helped the company to further reduce costs and increase its ability to target customers for conversion.

CALCULATING THE ROI

Nucleus calculated the costs of software, consulting, and personnel, over a 3-year period to quantify DTAG's total investment in Omniture Insight, Test&Target, and Test&Target1:1.

Direct benefits quantified included the service fees DTAG eliminated. Indirect benefits quantified included the increased productivity of marketing and Web strategy staff associated with the project. Not quantified were the initial costs and benefits associated with its first investment in SiteCatalyst and SiteSearch as those costs and benefits had already happened independently of the current investment.

Not quantified was the net impact of better targeting, segmentation, and promotion to customers, as recent economic conditions and the relatively short duration of the deployment makes reliable data limited.

DETAILED FINANCIAL ANALYSIS

DOLLAR THRIFTY AUTOMOTIVE GROUP

SUMMARY

Project:	Omniture
Annual return on investment (ROI)	45%
Payback period (years)	2.35
Average annual benefit	1,720,452
Average annual total cost of ownership	1,198,315

ANNUAL BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	475,000	978,500	1,007,855
Indirect	0	800,000	900,000	1,000,000
Total Benefits Per Period	0	1,275,000	1,878,500	2,007,855

DEPRECIATED ASSETS	Pre-start	Year 1	Year 2	Year 3
Software	307,807	174,083	499,195	572,561
Hardware	0	0	0	0
Total Per Period	307,807	174,083	499,195	572,561

DEPRECIATION SCHEDULE	Pre-start	Year 1	Year 2	Year 3
Software	0	61,561	96,378	196,217
Hardware	0	0	0	0
Total Per Period	0	61,561	96,378	196,217

EXPENSED COSTS	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Consulting	192,193	454,905	293,202	297,000
Personnel	200,000	200,000	200,000	200,000
Training	0	0	0	0
Other	0	4,000	0	0
Total Per Period	392,193	658,905	493,202	497,000

FINANCIAL ANALYSIS	Pre-start	Year 1	Year 2	Year 3
Net cash flow before taxes	(700,000)	442,013	886,103	938,294
Net cash flow after taxes	(503,904)	164,746	241,643	280,975
Annual ROI - direct and indirect benefits				45%
Annual ROI - direct benefits only				-44%
Net present value (NPV)				6,816
Payback (years)				2.35
Average annual cost of ownership				1,198,315
3-year IRR				16%

FINANCIAL ASSUMPTIONS

All government taxes	50%
Discount rate	15%