

# **Measuring Marketing ROI:**

**Pipedream or Possibility?** 



### **Marketers' Pain Points**

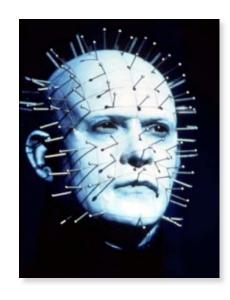
Measuring ROI

Competing for attention at retail

Maintaining customer loyalty

Controlling my brand

Generating leads



Smaller market segments Poor database

Corporate silos

Am I using the right message?

Outdated literature



Ignite Your Growth

Photo: IGN.com







### Marketing Accountability Standards Board



'Return on Marketing Investment is inherently a financial construct. No measure is complete without a link to financial performance.'

'Cash flow is the ultimate metric to which every business activity should be linked, including marketing.'

#### MASB Members:

- •Coca Cola
- •UCLA
- •Visa
- Nielsen
- •DMA
- Columbia

- ConAgra
- U Michigan
- AMA
- Kimberly-Clark
- ANA
- Wharton



### Back in the day ...

TV/Radio Ads

**Outdoor Ads** 

Print Ads

Direct Sales

Packaging

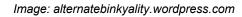
POS

Direct Mail

PR

Trade Shows/Events
Telemarketing







### Gone are the days...

"Gone are the days when marketers could carefully craft messaging ... and broadcast that message through a few channels... to huge portions of their audiences."





## "Is Marketing Dead?



	2009
Media Revenue <sup>1</sup>	<b>-</b> 4.3%
Ad Spending <sup>2</sup>	—12.9%
Marketing Services <sup>3</sup>	— 2.4%
Agency Revenue <sup>4</sup>	<b>- 9.7%</b>
Industry Employment <sup>5</sup>	—11.3%
Online Advertising <sup>6</sup>	<b>- 4.6%</b>

#### **Social Media/Online Advertising:**

- 64% of marketers increased budgets in 2010.
- BUT, 50% don't know how to measure ROI.

Forrester Research, Augie Ray, Sr. Analyst of Social Computing

<sup>1</sup> Advertising Age: Net US media revenue for top 100 media companies

<sup>2</sup> Advertising Age: US Newspapers, radio, TV, magazines, cinema, outdoor, internet

<sup>3</sup> Advertising Age: US Direct mail, telemarketing, sales promotions, PR, events, directories

<sup>4</sup> Advertising Age: 9-month revenue trends reported by WPP, OmniCom, Interpublic, Publicis

<sup>5</sup> Advertising Age: Bureau of Labor Statistics, ZenithOptimedia

<sup>6</sup> Interactive Advertising Bureau, eMarketing

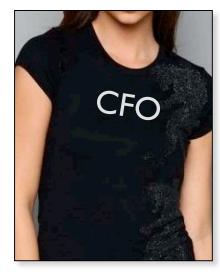
Image: batatease.com



# **Average Tenure in the Boardroom**



<3 years



4 years



6.6 years

Sources: Spencer Stuart AESC BlueSteps Wall Street Journal

Photos: strategyoneinsight.com, eiu.edu



### 'Marketers Developing Survival Instincts'

"More folks are using direct marketing that can be measured and shows a payback...."

CMO

"The next big idea may surface from a more junior employee, a peer, a provider, your agency or even a customer."

"There are new technologies for measuring the business and speaking with a splintered consumer group." "More marketers are embracing analytics and measurable results ... vs. 'consumer awareness and brand affinity'..."

AdvertisingAge.



### Rules for the "New" Marketer



- ✓ Cannot <u>simply</u> focus on **outbound messaging**.
- ✓ Cannot <u>only</u> plan bursts of communication ... but engage in **constant dialog** with consumers.
- ✓ Cannot just build campaigns, but relationships.
- ✓ Cannot <u>merely</u> develop creative messages, but create a **positive customer experience**.



Forrester Research, Augie Ray, Sr. Analyst of Social Computing Image: warriormindcoach.com

# Marketing Evolution Marketers

Email
Search Marketing
Social Networks
Online Advertising
Mobile Marketing
Blogs
QR Codes & Tags





Variable Data/Short-Run Print
Personalized Direct Mail
Personalized URLs
Custom Labels & Packaging
Print on Demand; Web-to-Print
Custom Billboards & POS

Images: archerysupplyshop.com lakesidearchery.com



# **Marketing Evolution Customers**



#### Response Options:

Call Center BRC Retail

Email
Websites
PURLs
Social Networks

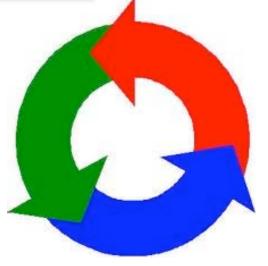


Image: montajeycomercializadorajocool.com



# **Marketing Evolution Customer Service**





Image: hubpages.com

### Marketing Evolution Enterprise





"Everything we do is marketing, from our supply chain to what our CEO says over drinks to how our support teams treat our customers."

Sonia Simone, Chief Marketing Officer, Copyblogger Media



## What are Marketers Measuring?



**Ignite Your Growth** 

### **Measuring Customer Sentiment**

#### A deeper emotional need for:

- •Communal experiences
- Hope
- Anticipation
- Excitement
- Shared memories

"Find the need and create an experience that **resonates** with them emotionally."

John Brody
MLB Marketing Executive



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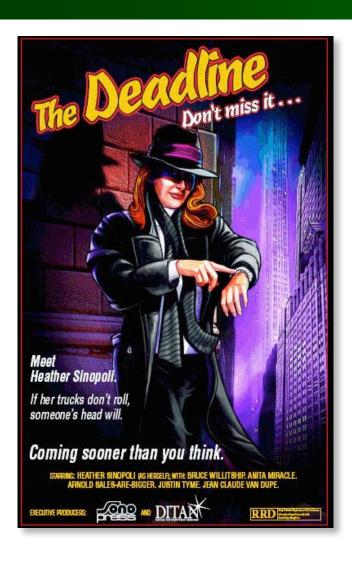
### What are your customers' emotional needs?



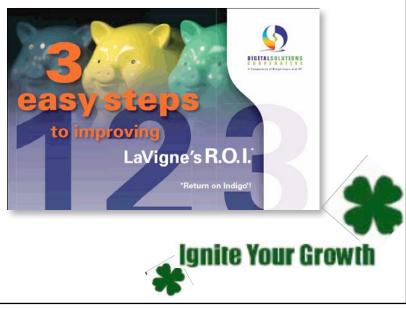


123rf.com basic-counseling-skills.com

### **Case Studies**







### The Deadline

#### Challenge:

Generate sales meeting requests for DVD distributor

**Audience:** CMOs, CFOs, CPOs Movie Studios and Electronic Games Publishers



#### Solution:

- •Movie posters, 100% personalized, mailed in clear plastic tubes
- •Follow-up personalized postcards and telemarketing

#### Results:

- •100% recall among recipients
- •First DMA Echo Award for a personalized digitally-produced campaign.
- •\$2 million order in 1st month
- •\$13 million incremental revenue in 1st year



### Pantone Tattoo Campaign

#### Challenge:

Drive online purchase of color management tool

#### Audience:

Designers, Photographers

#### Solution:

- Personalized jumbo postcards
- •PURLs
- Print ad campaign

#### Results:

- Achieved 120% of its revenue target
- •Upgraded 4,000-customer database





Personalized URL

www.pantone.com/spy2/ErikaPetersson



# **Dscoop "ROI" Campaign**

#### Objective:

Generate membership and convention attendance for a new users group – the Digital Solutions Cooperative (Dscoop)

#### Audience:

- •Owners & users of HP Indigo digital presses
- Dscoop members and non-members
- Partner providers

#### **Solution:**

Personalized, Integrated, Multi-Channel, **Dynamic** Campaign

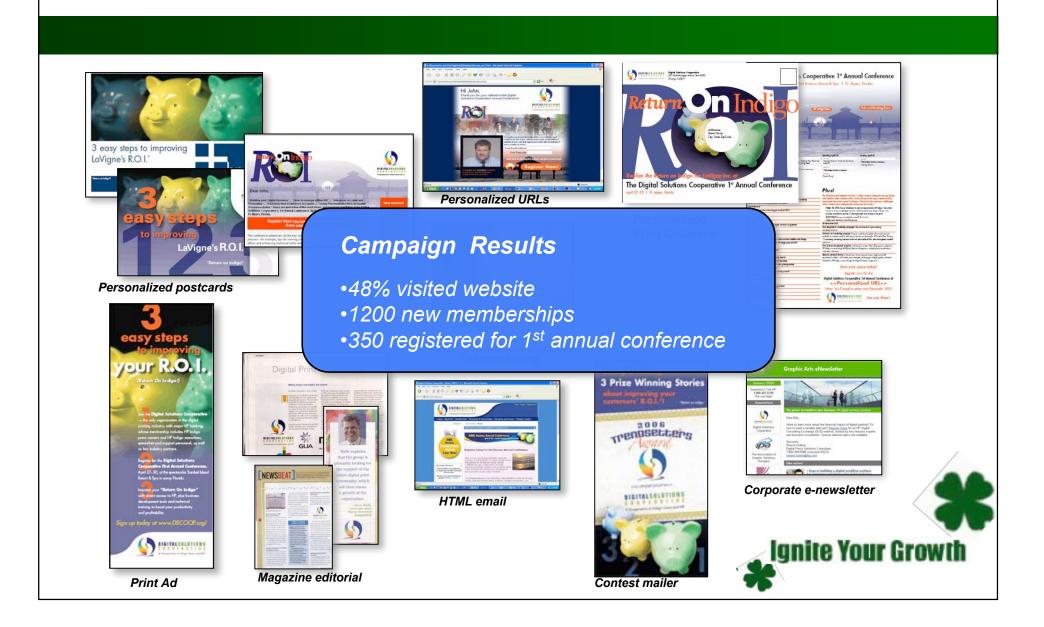




www.JohnSample.MyDscoop.org



### Multi-Channel, Dynamic Data Marketing



### **Digital/Online Marketing Users**











































### Multi-Channel, Integrated Data Marketing



### **Benefit Statements**

Measurable, multi-channel campaigns

High impact labels & packaging at retail

High impact, personalized fulfillment packages

Stronger customer relationships

Higher response lead generation



Relevant, marketsegmented POS and outdoor ads **Database** improvements

Stronger brand equity

Faster, cost-efficient collateral production

Lower environmental impact





# **Measuring Tools**



# **Marketing ROI Calculator**

Item	Total
Mailing List Qty.	5,000
Total Number of Responders (@ 2%)	100
Responders-to-Demo Conversion (@ 20%)	20
Closed Deals (@ 20%)	4
Revenue (@ \$100,000 per deal)	\$400,000
Total Margin (@29%)	\$116,000
Campaign Cost	\$70,000
Total Revenue Generated	\$46,000



# **Marketing ROI Calculator**

Pricing: Creative and Production Services	Quantity (#)	Rate (\$)	Total
Communications Strategy	1	1,000	\$1,000
Creative Brief	1	1,000	\$1,000
Design, art and/or copywriting	1	10,000	\$10,000
Design template creation	1	1,500	\$1,500
List research and acquisition	5000	\$0.50	\$2,500
Data processing/list management	1	500	\$500
PURL design, programming and management	1	3,500	\$3,500
Automatic follow-up email	1	250	\$250
Telemarketing	1	5,000	\$5,000
Printing cost (total)	5000	1	\$5,000
Postage/Freight	5000	0.39	\$1,950
Response analysis and reporting	1	300	\$300
Project management	1	750	\$750
Total Creative and/or Production Services			\$33,250.00

Campaign Data and Metrics	Projected	Actual	Actual
Audience size (#)	5,000	5,000	5,000
Response rate (%)	2	3	4
Responses (#)	100	150	200
Lead-to-sale conversion rate (%)	5	5	5
Revenue per order (\$)	\$50,000	\$50,000	\$50,000
Gross margin per unit sold (\$)	\$25,000	\$25,000	\$25,000
Units sold (#)	5	8	10
Total revenue (\$)	\$125,000	\$187,500	\$250,000
Total revenue minus costs (\$)	\$91,750	\$154,250	\$216,750



### **Marketing ROI Calculator**

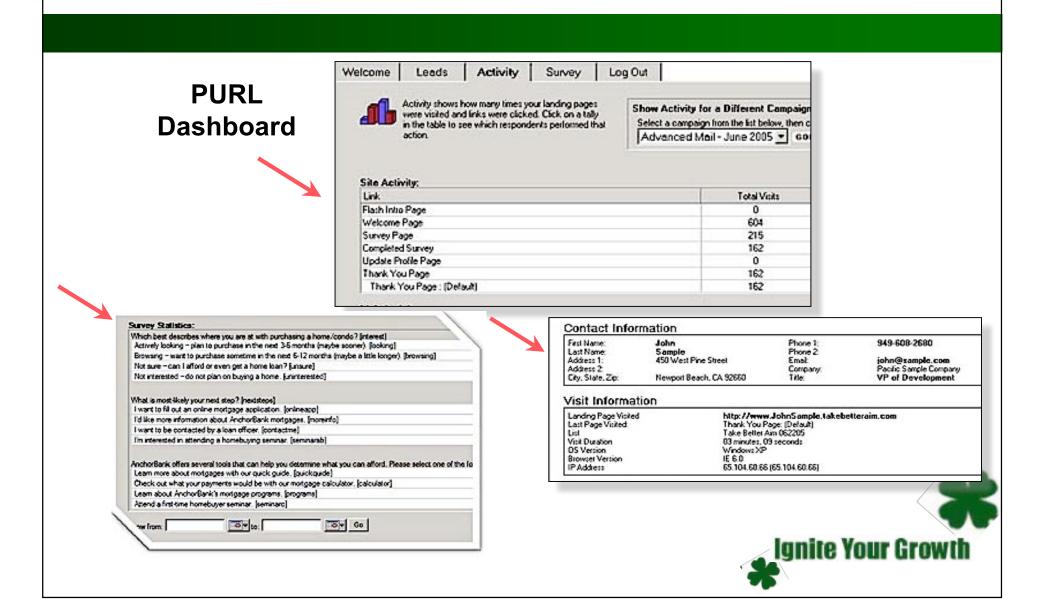
#### But...

- How good is the mail list?
- Are lead conversion rates reliable?
- Is it a lease or a purchase?
- What is the value of the customer over the product's lifetime?





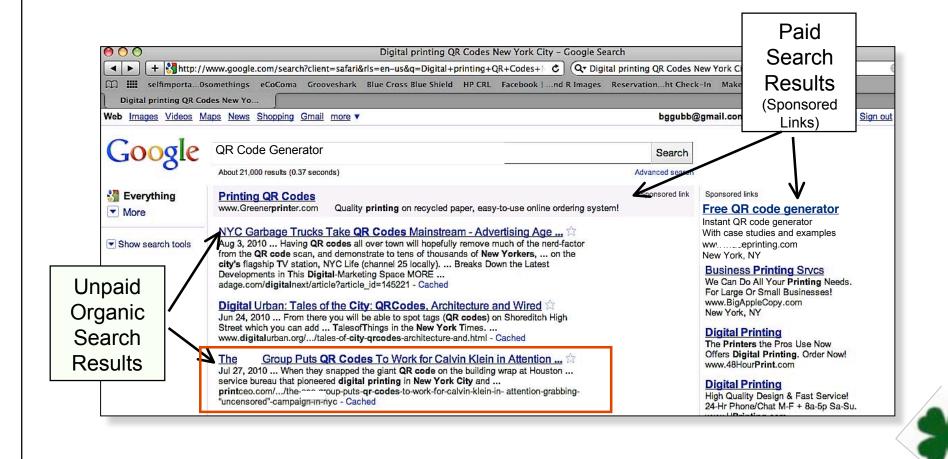
### **Direct Marketing Measurement**



### **Social Media Metrics**

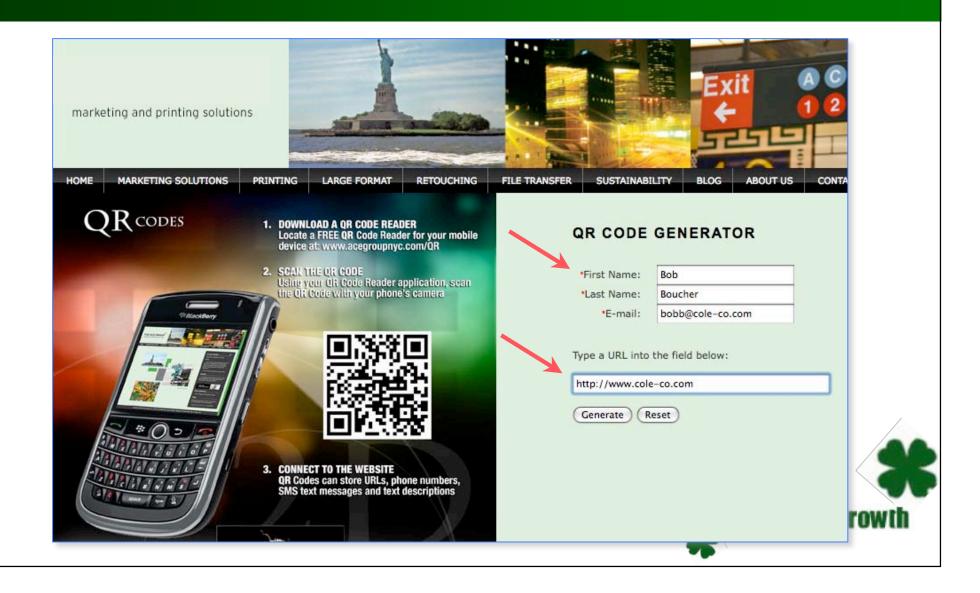


## **Search Engine Marketing**



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## **Search Engine Marketing**



### **Search Engine Marketing Fulfillment**



# Search Engine Marketing Follow-Up

From: John Gagliardi <jgagliardi@asaggupnyc.com>

Date: Monday, June 14, 2010 12:51 PM To: Bob Boucher <bobb@cole-co.com>

Subject: Your QR Code

Bob,

Thank you for using The complimentary QR Code creation platform.

Please feel free to contact with any questions regarding QR Code technology.

Regards,

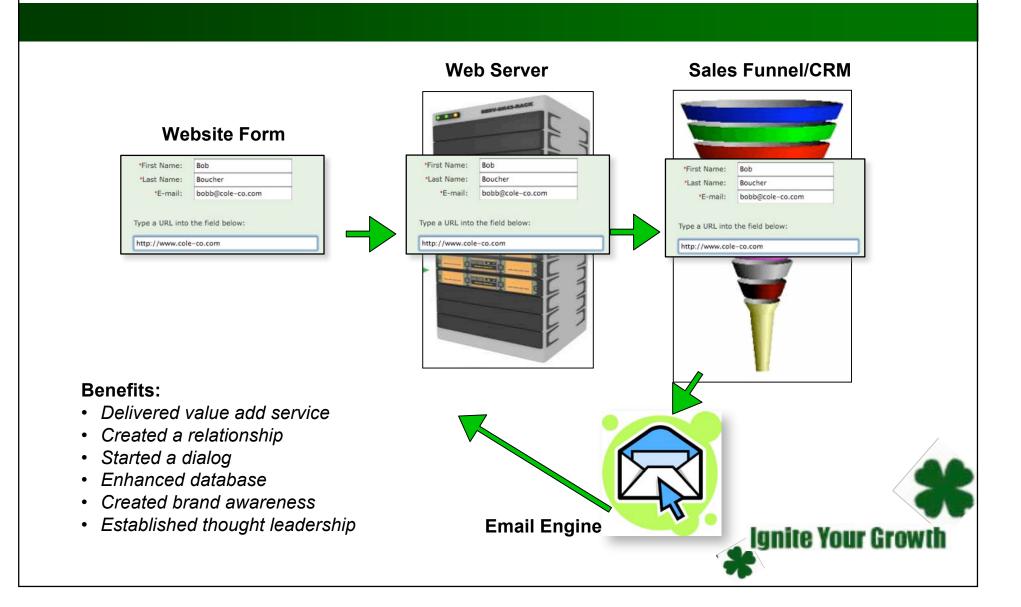
John

--

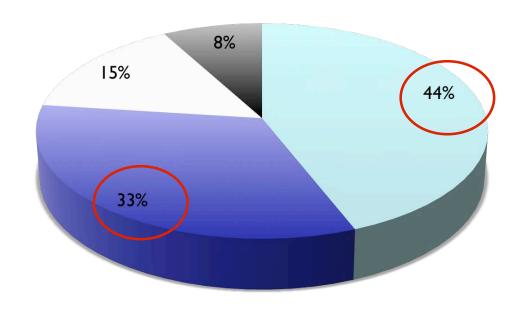
- \* Let's brand the QR Code with logos, colors, and design!
- \* Let's track the results!
- \* Let's make this a successful QR Code campaign!



### **Search Marketing Lead Capture**



## **Pay-Per-Click Advertising**



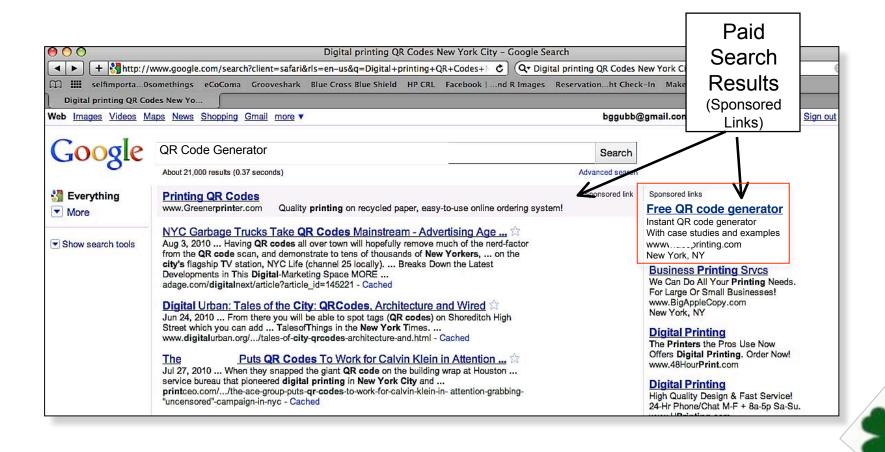
- PPC is a proven ROI tool; invest liberally
- PPC is a promising ROI tool; invest conservatively
- Value of PPC is unknown; invest minimally
- PPC not on the radar

77% increased budget in PPC in 2010



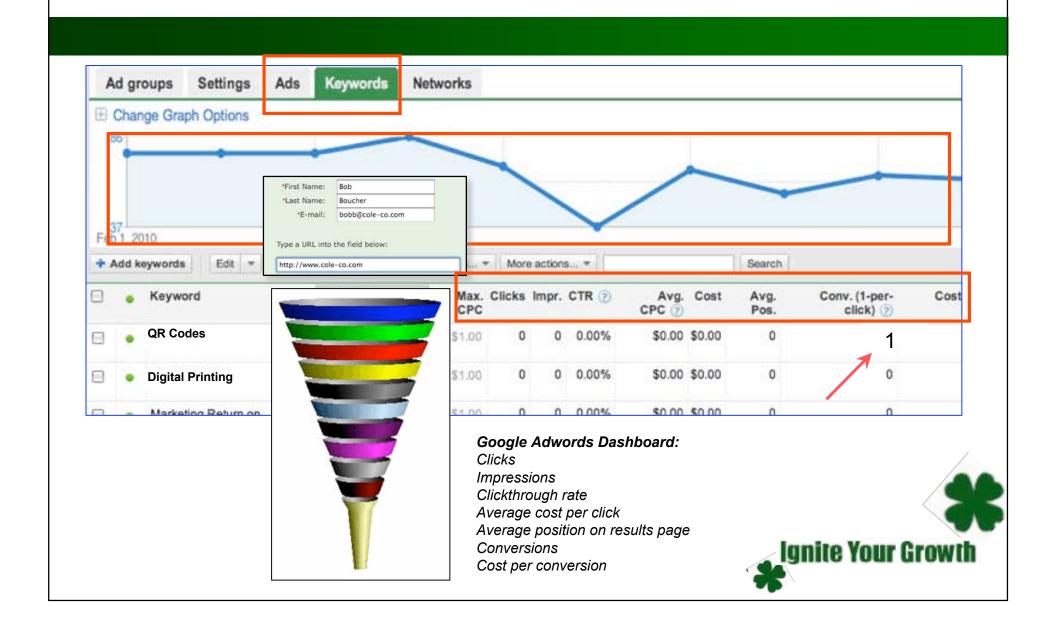
### Pay-Per-Click Advertising

(aka: PPC, Keyword Advertising)

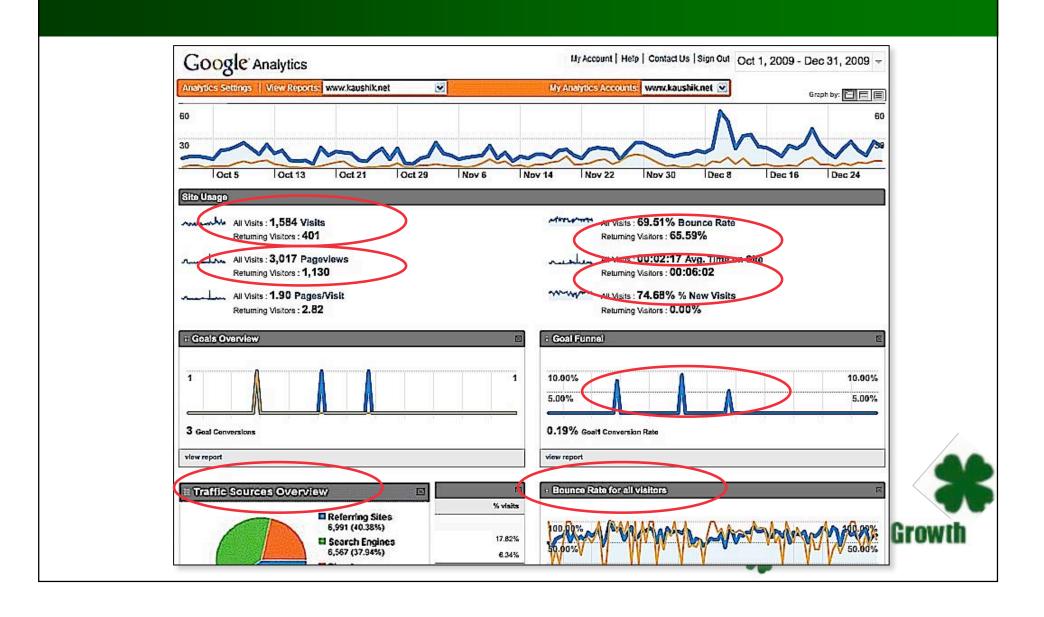




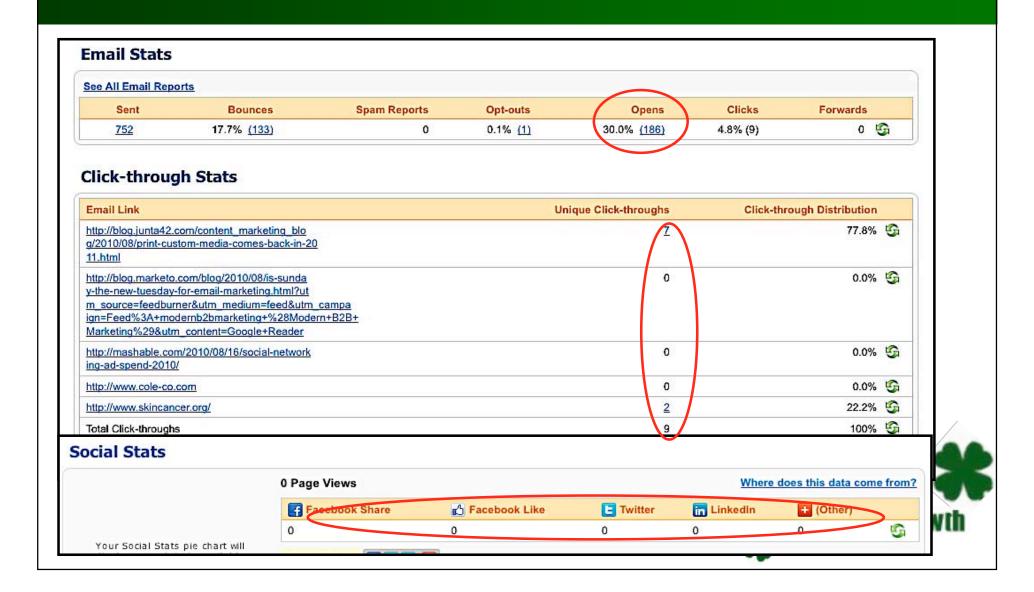
## **Measuring PPC Ad Performance**



## **Measuring Web Activity**



## **Measuring Email Effectiveness**



### ROI: It's not only about the sale.









### Thanks!





# Social Media The Good. The Bad. And the Gross.





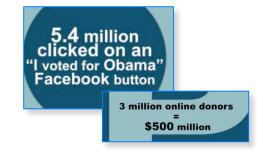
















# Social Media The Good. The Bad. And the Gross.















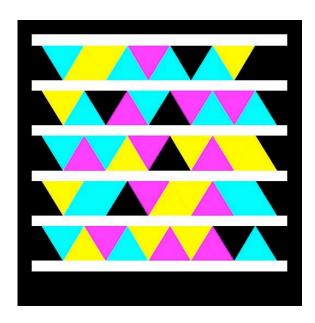


Facebook Makes Security Changes as Privacy Controversy Swirls



### **QR (Quick Response) Codes and Microsoft Tags**











#### QR Code campaign for new Coke Teas (Japan)







#### **QR** Code campaign for Calvin Klein jeans











# **Augmented Reality**







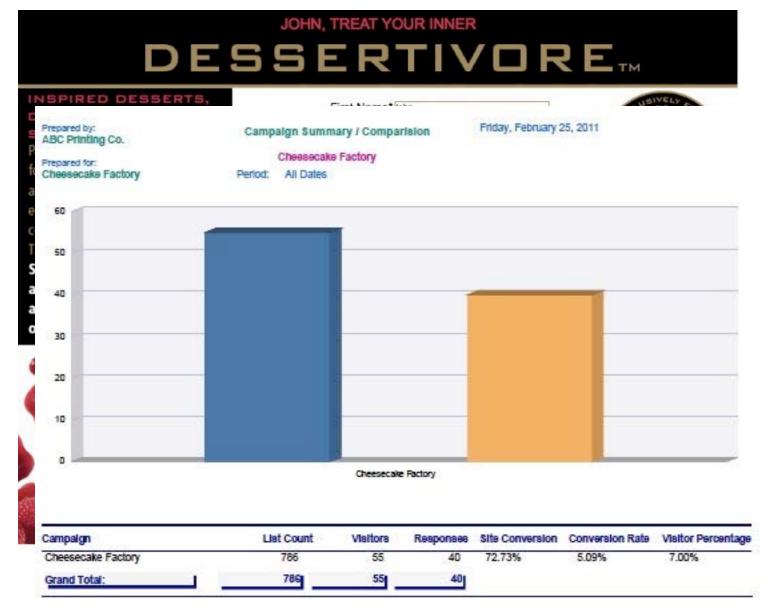


## What's your client relationship score?

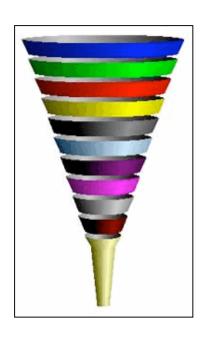
- ✓ How strong is the client's **trust** in your professional competence?
- ✓ Are you perceived as a **thought leader**, a strategic contributor to your customer's business?
- ✓ Do you have **inner circle access** a seat at the table for strategic and operational discussions?
- ✓ How openly does the client **share** proprietary or sensitive information?
- ✓ Is the client always **loyal** when purchasing your services?

- ✓ Is your customer an advocate for you within the company?
- ✓ What is the breadth & depth of relationships in the company?
- ✓ Do you provide your entire range of services?
- ✓ What's your "Share of Wallet" for that particular client?
- ✓ Can you show **financial benefits** increased revenues, reduced risk or volatility, or lowered costs?





# Stages in the B-to-B funnel



- 1. Online lead (registration form completed)
- 2. Validated lead
- 3. Phone call-ready lead
- 4. Phone-validated lead
- 5. Sales-team-ready
- 6. Sales-team-validated
- 7. Active (i.e. forecasted lead)
- 8. Sale/Customer

Note: 22% of B2B firms surveyed don't have a well-defined sales funnel at all.

Marketing Sherpa