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Rate your Marketing/Advertising and Business Development Department(s)?

Does your company's management get Daily, Weekly, Monthly (etc.) periodic reports by campaign?

If yes, are they being analyzed immediately so that your marketing plan is being revised on a regular basis for optimum efficiency?

Do you know the answers to Global Questions such as:

- What does it cost to acquire each new customer?
- What is your overall cost of acquisition per lead?
- What is your overall cost of acquisition per sale?
- Does your company calculate marketing ROI?

Marketing/Advertising Campaign Specific Questions you should know:

1. What is your individual campaign cost of acquisition per lead
2. What is your individual campaign cost of acquisition per sale?

- Which campaigns are a success
- Which campaigns are a failure
- Which campaigns need adjustments



Synopsis

Time to get the answers?

How does a company insure success in its marketing and advertising? Since one of the largest expenses that most companies face (next to payroll) is marketing, advertising & the often labor intensive side of business development; how can efficiencies be gained, while costs are reduced with generating similar or greater results? When can you say for sure that a marketing and advertising campaign is a great success?

A true marketing professional knows that there is no such thing as a guaranteed result when launching a new marketing campaign. There are too many factors that play into the final result. Certainly, any creative person that understands marketing and advertising can design a basic campaign, and will have successes. And with equal certainty, a highly experienced marketing executive can make well educated decisions and launch a campaign that will achieve very little results.


Consequently, in order to have long term continued success, all marketing requires a successful tracking methodology in order to garner effectiveness, and as a tool to report results to senior management.

The process generally begins with a marketing and business development plan that is well thought out from the beginning, yet is written for flexibility as market conditions change. The plan is generally built either on historical data, on test campaigns from educated hypotheses, or in the best case - on both. Historical data, assuming market conditions remain stable, should be a good way to determine a demographic profile which will result in immediate success. Test marketing will conclude in a reasonable assumption that successful marketing can be rolled out with similar results.

Assumptions being what they are, however, do not always prove true in the end. Historical data may prove dated, and does not take into consideration changes in product or business, or changes in consumer perception (an S.U.V. will need a different marketing strategy as the price of oil catches up to the local station; Real Estate marketing has changed dramatically in just a few months as values and inventory reversed, and market research regarding a new wood burning tool will have dramatically different results than when it was tested decades ago). Even a campaign that tested well, still does not insure success. Market conditions may have changed for any number of reasons, such as pricing that is no longer competitive, etc. Too often marketing professionals continue campaigns that were successful, but are no longer generating a logical ROI.

Although most marketing and advertising professionals wish to showcase their immediate successes, most do not lean as they should on daily, weekly & monthly reports on every marketing campaign. Even in the rare cases of the savvy individual that does look at data analytically, it is my experience that they generally focus on longer term reporting, based on many assumptions because the infrastructure for true reporting was never well devised. Although their long term reports are still essential, the only way to know for sure if current marketing is effective is to analytically look at results in the very short term.

A planned campaign for 2 months may have to be discontinued in 2 weeks if it is not performing or cannot be modified, and a year long campaign that was effective quarter one, may no longer be effective by quarter two.



So the logical question is: Why wouldn't every diligent marketing person rely on reporting of each of their campaigns?

First, there is some complexity in tracking certain types of marketing. And most organizations do not initially create a methodology to capture results. In direct marketing venues that include call centers, results are more easily tracked. For example, multiple 800 numbers can be used and every call is counted. Retail advertising, on the other hand, has to have a completely different set of capture rules. You may have to track based on a percentage of verbal responses, by a specific product that was advertised; by a coupon which is coded, or by gross sales numbers in specific areas. More creative methods must be determined at the beginning of each campaign. Some campaigns may need a more assumptive approach regardless of the desire to avoid it.

In the end, however, across virtually every type of business, the bottom line is still the same; cost of acquisition per prospect/client, return on investment (ROI), and the lifetime value of each customer, as well as key individual industry analytics.

How can an organization use technology to solve this problem?

The ultimate goal for the purposes of this discussion is to determine how best technology can support a professional marketing executive with determining the answers to those factors:

- What is your cost of acquisition per lead, per sale?
- What is the cost to acquire a new customer?
- What is your ROI?

And additionally, to assist in the day to day functions required to design and monitor campaigns:

1. What tools can you use that will hold data used for direct marketing campaigns, and allow for re-marketing based on certain demographic and geographic queries relevant to the market.
2. Determine which Marketing campaign is working and which is not.
 - a. of the working campaigns, which is working the best and why?
 - b. Which Website URL works best
 - c. Which call centers are most effective
 - d. Which Sales reps perform the best, and which are burning leads?
 - e. And many more...
3. If possible, to have a tool which cross references the direct marketing data, against sales, to determine which customers are the most valuable, as well as which campaigns have the best ROI.

Certainly, this can get complicated and you should consider this a synopsis at best. Yet, the best systems are the ones that are effective, though simple to manage.

For more information, or assistance in enhancing your marketing program with increased efficiencies, please visit: www.ThinkStatistics.com!

Direct Marketing Example - BluePrint for Statistical Tracking

