



Performance Marketing: The rules have changed!

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Reality: The Rules have changed!

- Global Competition
- Customers expect more
- Customers have more choices
- Customers are less brand-loyal
- EVERY business is at risk

And ...

- Change - the only constant

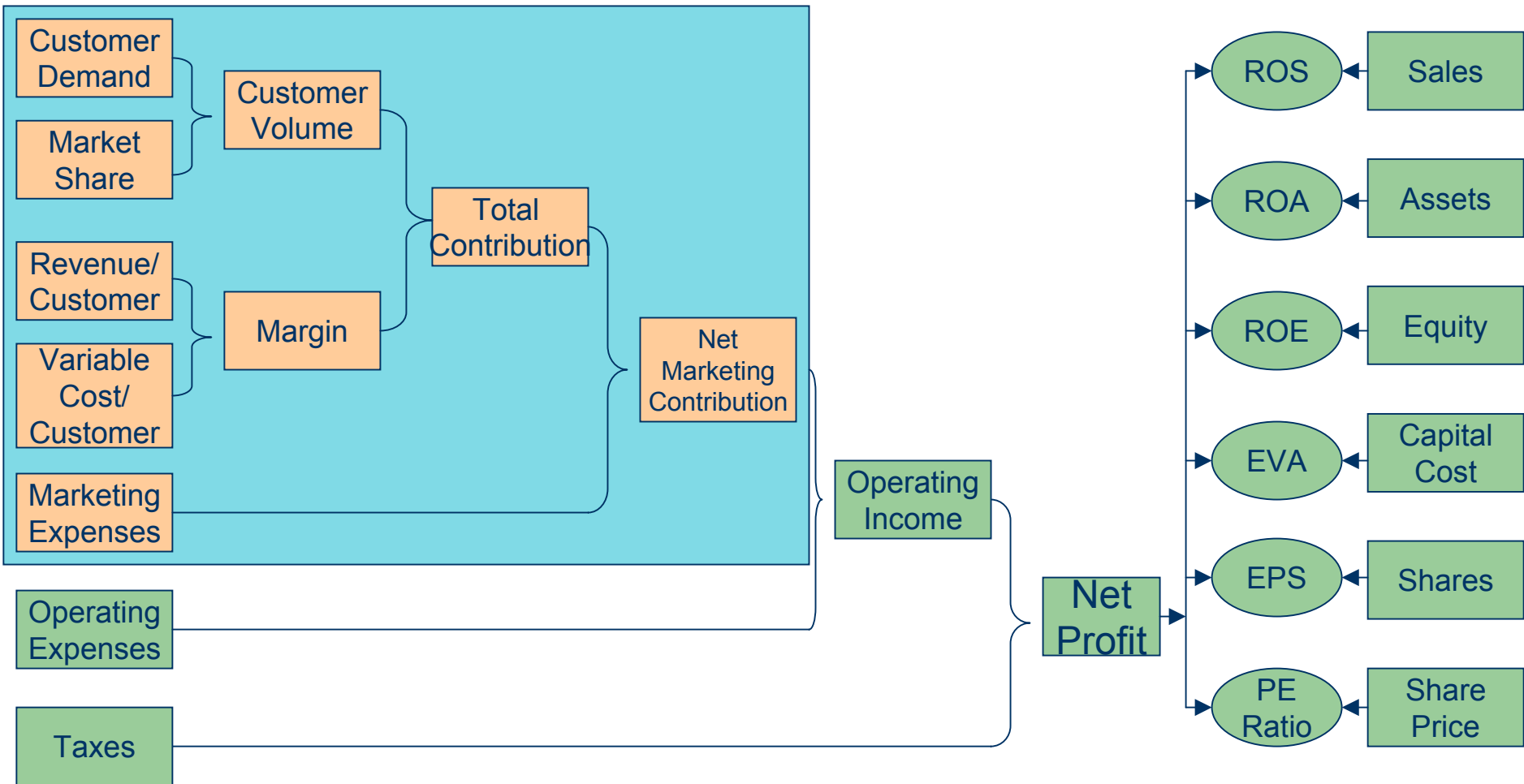
Why Tracking and Measurement Are Vital

- 70% of marketing departments have been restructured in the last 5 years to adapt to the ‘new’ demands on marketing
- 66% of marketers now say that measurement is their top priority
- 73% of big company marketers report having a reliable means of tracking leads to measure the ROI of marketing investments

But ...

- More than half of CMOs and VPs of marketing report that they haven’t been able to line up marketing with the CEO’s goals.

Financial Performance



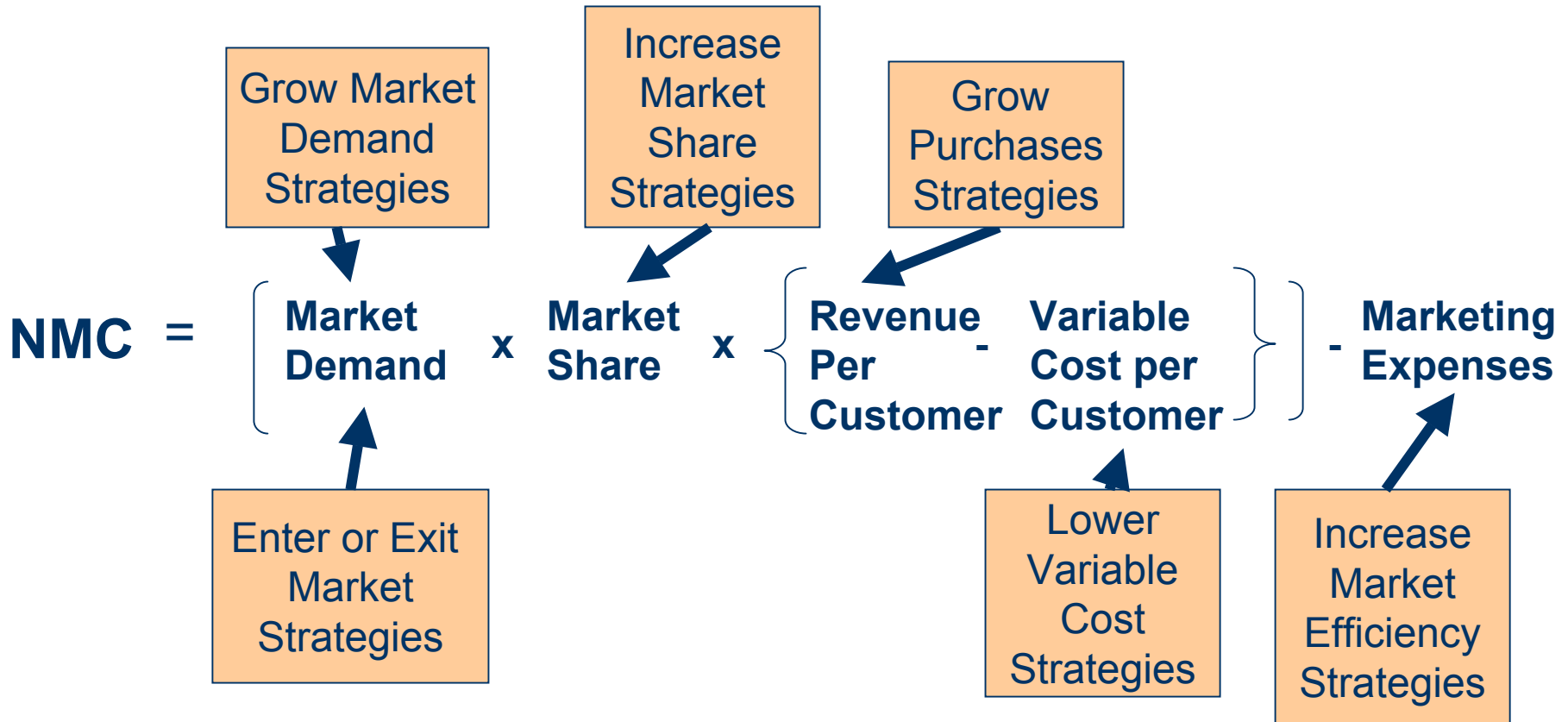
Marketing Profitability: Net Marketing Contribution (NMC)

**Net Profit
(before Taxes) =**

$$\left[\text{Market Demand} \times \text{Market Share} \times \left\{ \text{Revenue Per Customer} - \text{Variable Cost per Customer} \right\} \right] - \text{Marketing Expenses} - \text{Operating Expenses}$$

NMC

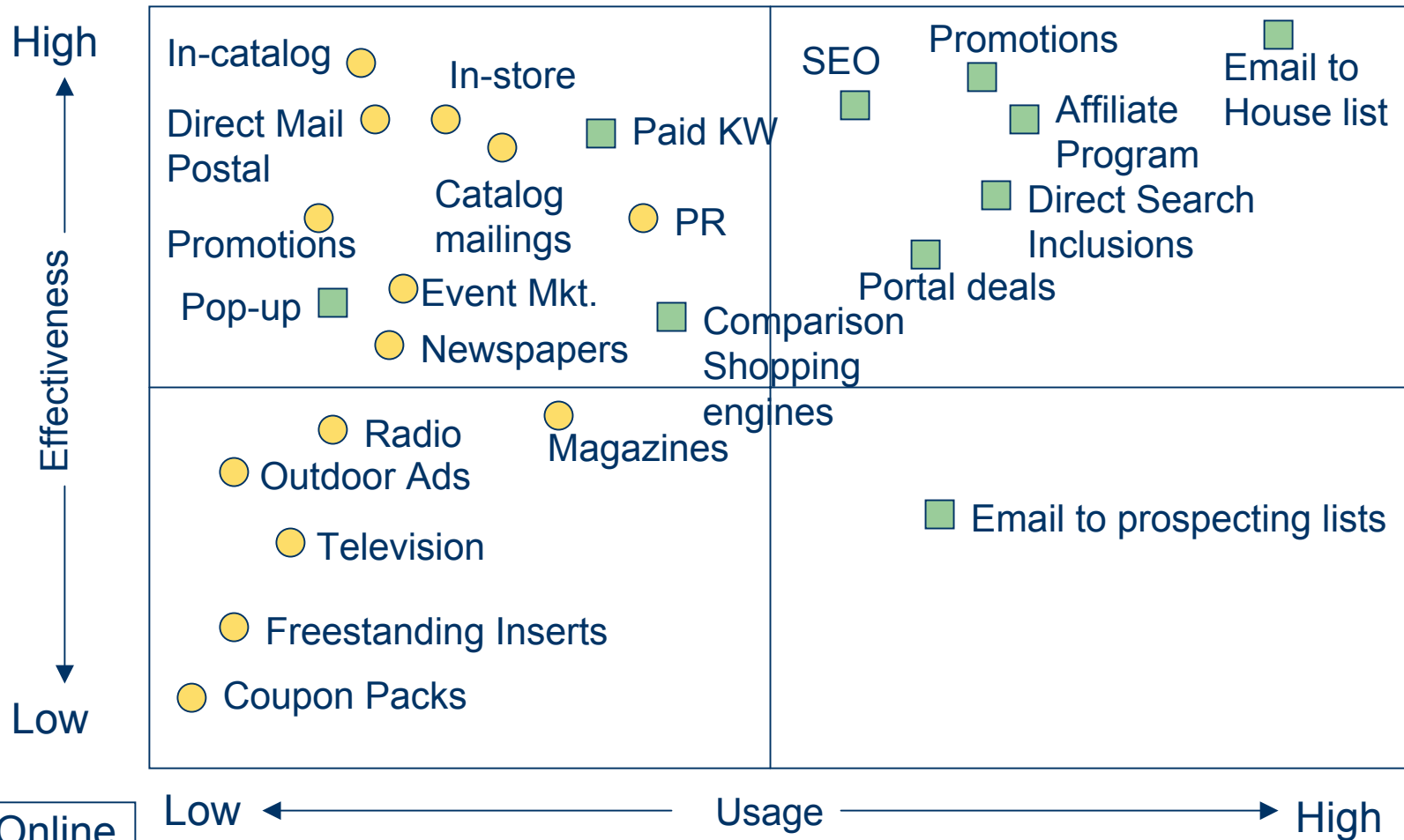
Market-Based Strategies



Metrics

Measurement	Time of Measurement	
	In-Process Metrics	End-Result Metrics
Externally (in-market)	Customer Satisfaction Relative Product Quality Relative Service Quality Intentions to Purchase Product Awareness	Market Share Customer Retention Relative New Product Sales Revenue per Customer Market Growth Rate

Some tools are better than others



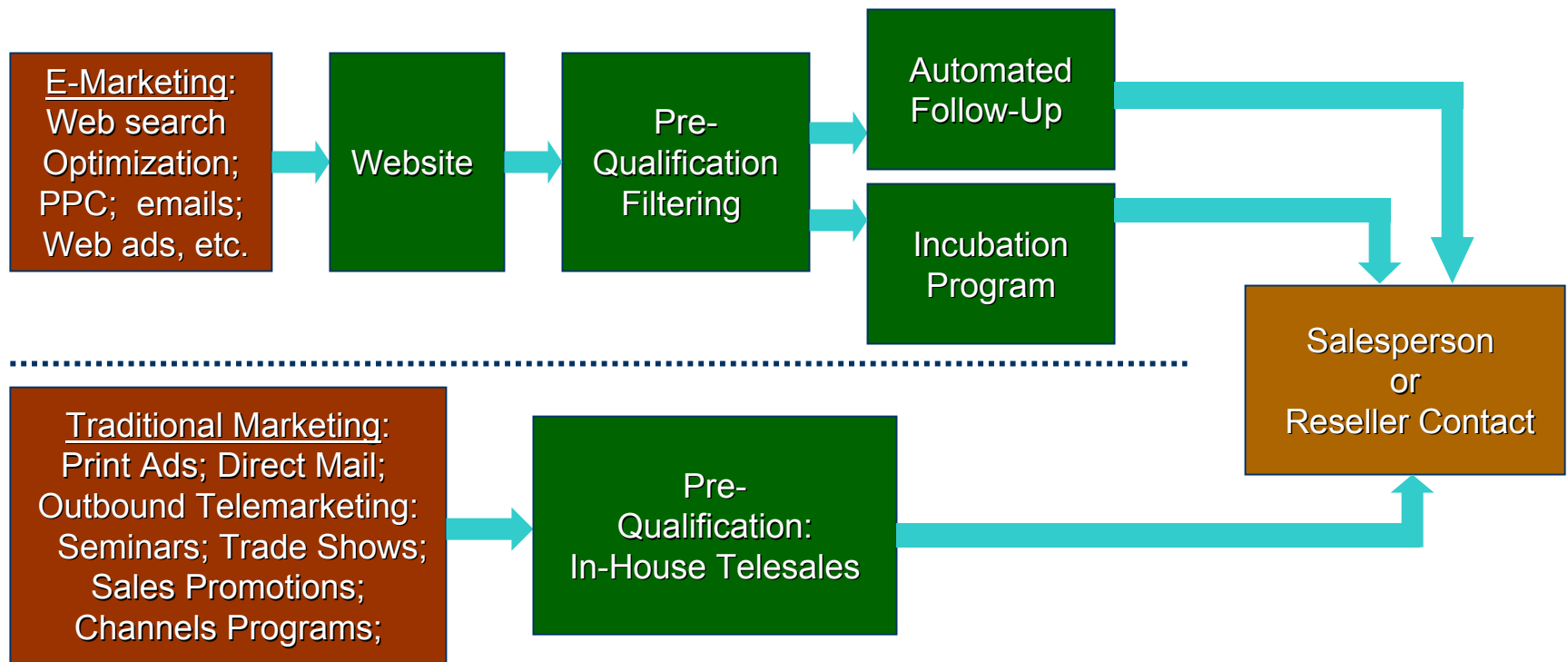
Online
 Offline

Marketing Portfolio Issues

- **Cost vs. “Reach” of various marketing tactics**
- **Choosing the right tool for the task**
- **Combining off-line and on-line marketing to increase effectiveness and decrease costs**
- **Aligning with CEOs Goals**
- **Leveraging the NMC to optimize marketing strategies**

Integrating Your Web Lead Generation & Qualification Efforts with your Traditional Marketing

Your website should not be an independent, parallel marketing system.

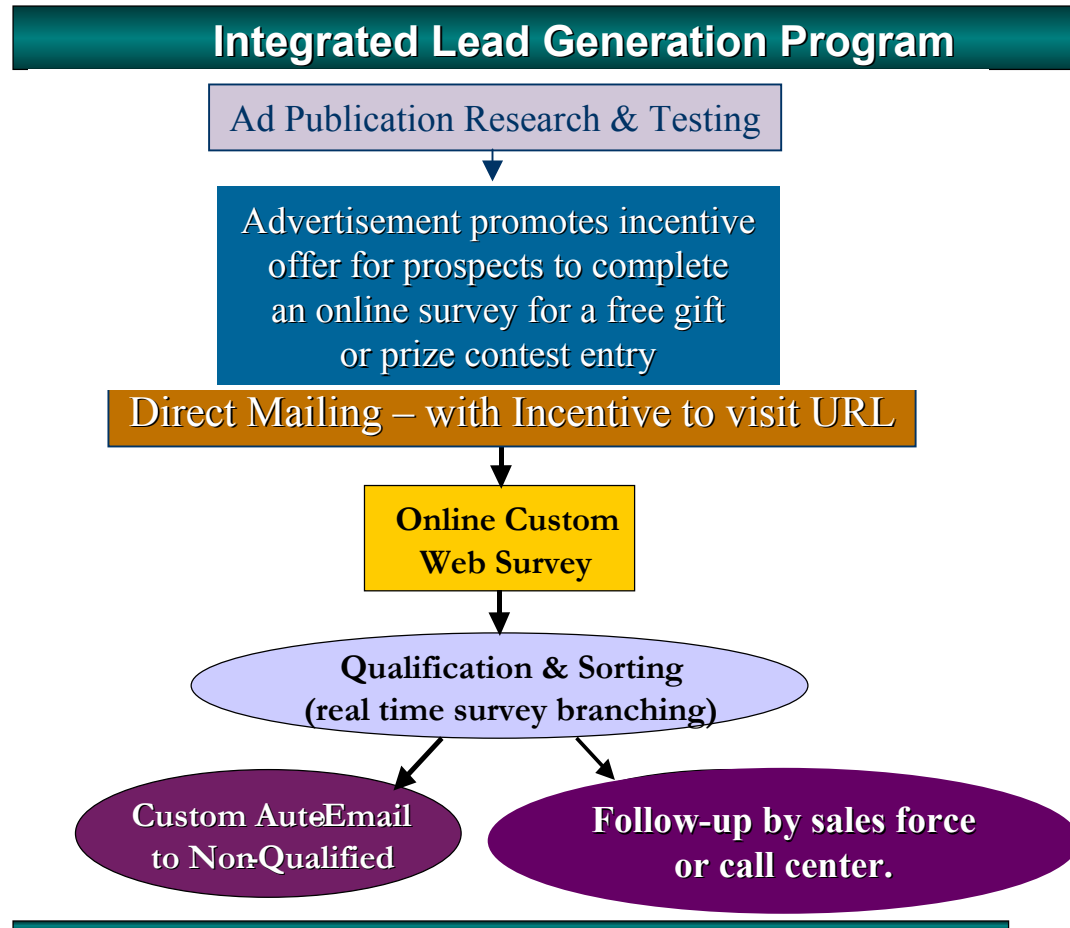


Print Advertising

- Expensive: \$1500 to \$30K+ for each insertion
- Concept-to-launch timeframe can vary widely by publication
- Difficult to change and update easily
- Generally used for awareness generation, but often not a very cost-effective lead generation tool
- Works best: for general awareness – but requires commitment to repeated insertions; For lead generation, works best with very specific offers when advertising in highly-targeted, well-suited publications
- Augments other tactical campaign efforts (but you pay for this privilege)



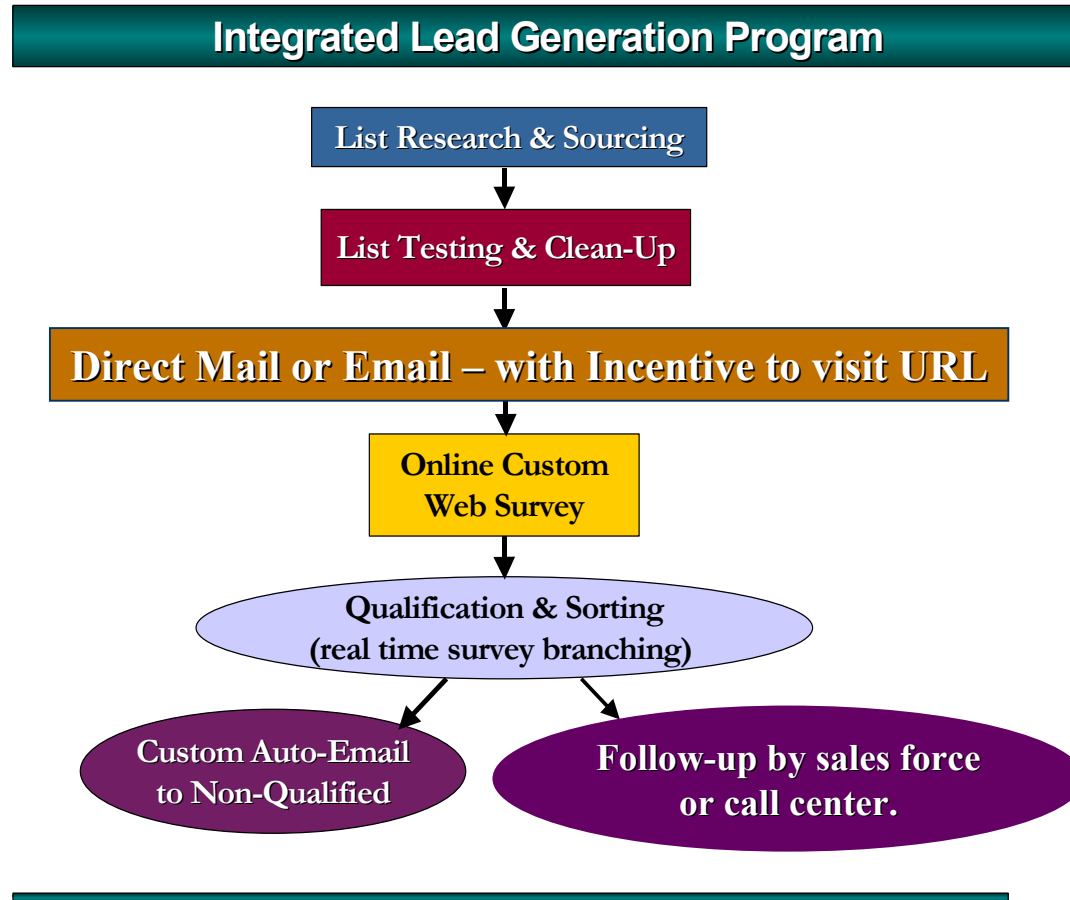
Integrating Print Advertising with Web Marketing



Direct Mail

- Can be relatively inexpensive
 - postcard campaign: \$0.95 - \$1.75 per contact
 - custom mailer campaign: \$8.00 - \$15.00+ per contact
- Typical campaign concept-to-launch timeframe: 1-3 months
- Digital printing allows personalized or customized campaigns
- Low typical response rate: 0.5% to 3%
- The list source is EVERYTHING.
- Works best: audience acquisition, special offers and discounts/coupons; installed base campaigns, follow-up campaigns; augmentation to other campaigns (ex: telemarketing)

Integrating Direct Mail & Email with Web Marketing



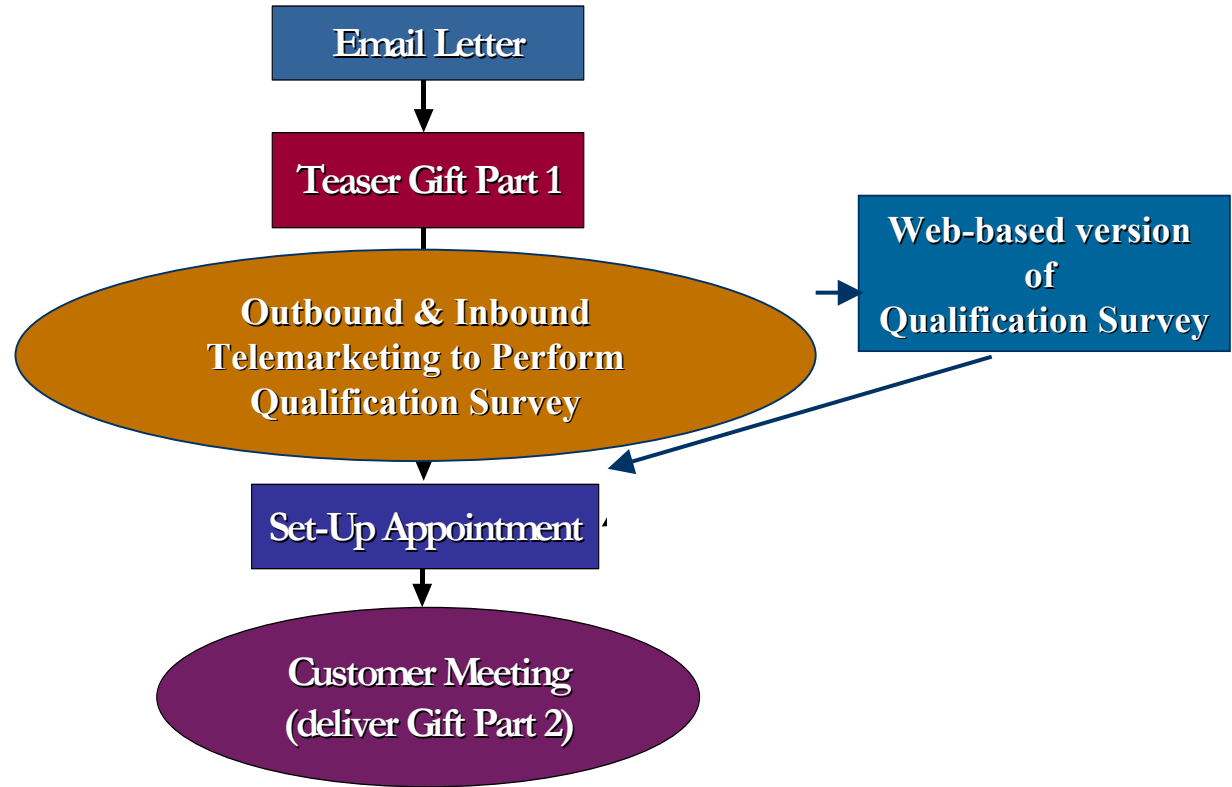
Telemarketing



- Can be expensive: \$4.00 to \$24.00 per contact attempted
- Very effective: typical reach rates: 10% - 40% or higher
- Concept-to-launch timeframe: 2-4 weeks
- Very flexible – allows adjustments in almost real time
- Works particularly well for complex or technical sales discussions
- Generates excellent market research data as a by-product of attempt to qualify opportunities
- The list source is EVERYTHING.

Integrating Telemarketing with Web Marketing

Executive Customer Reach Program



Sales Calls



- Very expensive: \$250 - \$375 per sales visit
- Very effective if prospects carefully screened & qualified through other marketing efforts first
- Immediate response time and flexibility (but resource restricted)
- Works best for consultative sales especially for complex and/or high-margin products and services

Integrating Sales Calls with Web Marketing

- Use web-based presentations to augment your own sales presentation
- Adds audio-visual components to enhance your presentation
- Supports your sales call energy level and breaks up the “one-voice” syndrome
- Allows you to collect sales qualification data for immediate analysis
- Use online web assessment tools (on your site) to assist consultative selling – especially for complex products or services
- Perform direct competitive comparisons to block competition





Seminars

- Expensive: \$50 - \$300+ per attendee
- Concept-to-launch timeframe: 3-4 months min. (6-8 months for larger, complex events)
- Highly effective due to captive audience and inherent qualification process
- Works best: for current customers or pre-qualified prospects (those already engaged in your sales cycle); complex products or services; when focused on “hot topics” finely tuned for the target audience; Effective for use in overcoming powerful sales objections.
- Excellent for accelerating the sales cycle
- Allows more direct discussion of competitive differentiation

Integrating Seminars with Web Marketing



- Web casts – independent or simultaneous with live event
- Electronic invitations: Registration sites: Attendee surveys:



- Web based attendee surveys and focus groups
- Web based lead follow-up

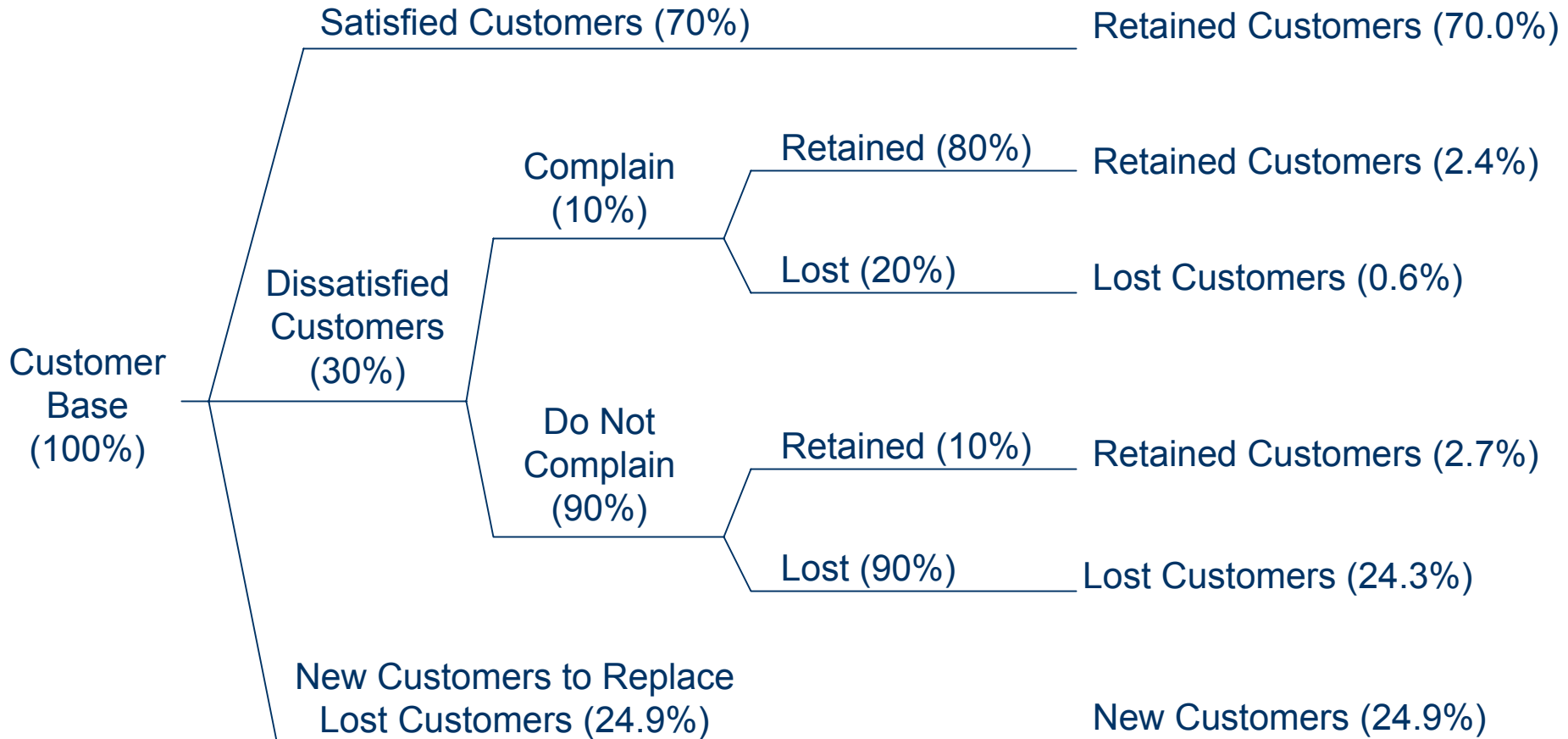
Trade Shows

- Expensive: \$50-100 per square foot cost
- Concept-to-launch timeframe: 1-2 months min.
(3-6 months for larger trade show exhibits)
- Very effective for face-to-face prospect meetings
- Immediate burst of semi-qualified leads (as many as hundreds per day)
- Works best: for launch of new business/new products; complex consultative sales; solutions requiring hands-on demonstrations; where attendees are highly correlative to your target market(s).
- Difficult to capture attention away from much larger competitors
- Difficult to measure ROI without proper lead tracking process

Integrating Trade Shows with Web Marketing

- Replace paper lead collection process or simple badge scanners with more sophisticated, better targeted web-based in-booth survey
- Automated branching allows seamless follow-up questions based on answers provided
- Attendee receives customized email response immediately with the most appropriate offers and sales information
- Survey works 24-hours a day for you – not just during exhibit hours
- Access lead survey data in real time from anywhere in the world.

Bottom Line: Customer Retention



Customer Retention 75.1%

CEO View: Impact of the Marketing Strategies and Tactics

$$\text{Market Productivity} = \frac{\text{Net Marketing Contribution}}{\text{Marketing Budget}}$$

This will become a standard marketing metric as companies demand better returns.

Summary

- Marketing can align with the CEO goals and can show the net market contribution for the company
- Integration of offline and online marketing allows better measurement and tracking
- Marketing should be managed as a portfolio of tools targeted at specific customer-need segments