

where marketing generates revenue

Marketing Effectiveness:

Congenital defect or genetic imperative?

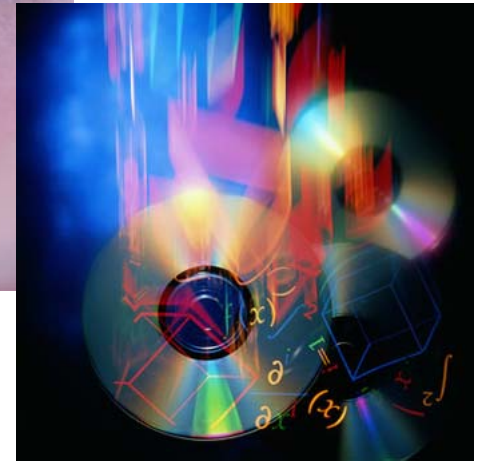
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You are not alone



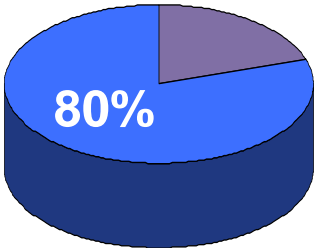
Top beverage producer

Top cosmetics provider

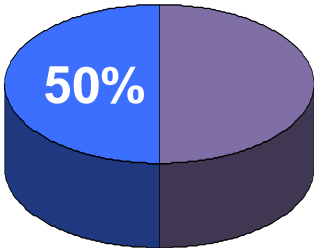
Top software provider

Top PC-Server manufacturer

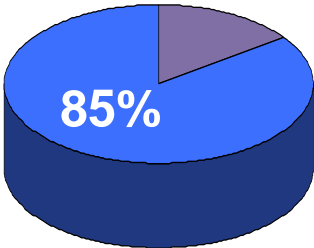
Have we been doing a good job?



New Product Failures



Wasted Advertising



Failed Sales Promotions



The marketing of marketing

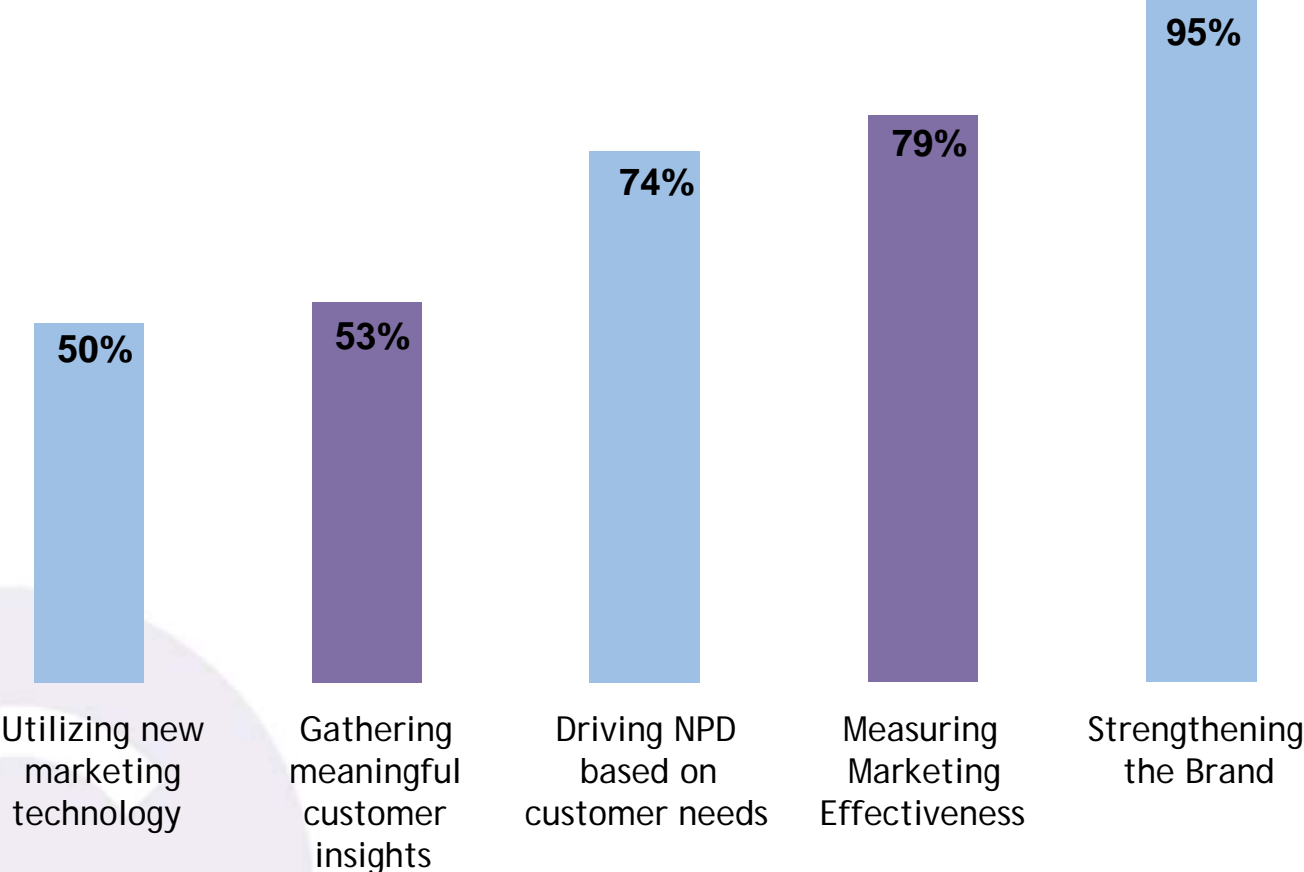
How do you respond when the CEO asks:

“Why should I invest in marketing when I can get better results by investing in something else?”

How do you respond when we need to cut \$1,000,000?



Key CMO concerns



Source: McKinsey & Co.



What's your excuse?

I can't get the data

ROMI is too radical.

We're too risk averse.

We will never get this approved.

ROMI misses the point - the customer

Is this your story and you're sticking to it?

Just because its not easy doesn't mean...

Should we measure revenue, margin or Net Present Value?

How does risk get factored in?

What about trade shows and PR? Brand v. direct advertising?

How do I get retail/POS/Sell-through data?

What about long (12 to 18 month) B2B sales cycles



What is ROMI?

The purpose of
Return on Marketing Investment (ROMI)
is to optimize marketing spend
by building a
Market Model
using valid
Marketing Metrics
for the short and long term



The ROI of ROI

Focusing on marketing ROI and metrics can yield big pay-offs:

Reduce inefficient spend by 10-15%

Re-allocate 30-50% of budget to improved tactics

Improve response rate to advertising by 125%

Reduce marketing process time by 30-40%

Grow top-line by 10-20%

Marketing professionals who focus on marketing metrics and accountability earn up to 20% more than those who don't

Customer-centric ROMI Framework

Marketing effectiveness needs to be customer centric built around a valid ROMI Framework

Marketers need to benchmark their effectiveness against a ROMI Continuum of specific levels and capabilities of measuring marketing ROI

Improvements in Marketing ROI need to be made in small steps with a clear vision of where the company needs to be 1, 3, and 5 years out



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“Testing [and measurement] is at the heart and soul of VistaPrint” - CMO, Janet Holian

Is it in your DNA?

What is the one thing that you will commit to today, in building a ROMI Culture in your company?

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