

MARKETING EFFECTIVENESS

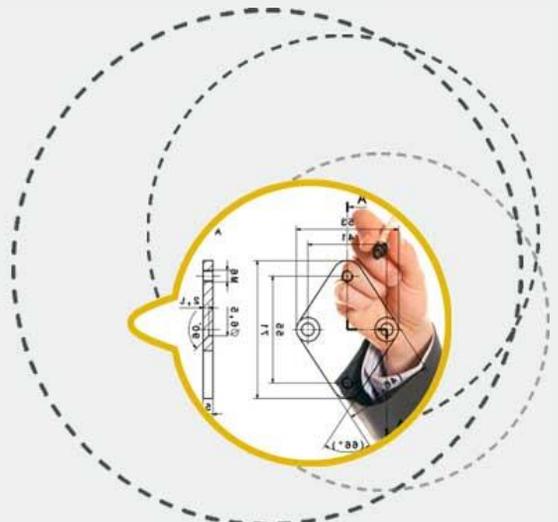
VISION

To increase the profitability of our clients by improving the effectiveness of their marketing expenditures. Our clients will see immediate results of all marketing campaign efforts. They will take swift action to remedy poor performing campaigns or media vendors. Likewise, they will aggressively increase budgets to campaigns and vendors that provide the greatest ROI. This vision will be achieved through the integration of Internet marketing behavioral tracking, traditional traffic source collection methods, CRM information, and detail tracking of marketing costs. As an integrated solution, our clients will have a new level of business intelligence to establish actionable insights.

Current Situation: Background

Companies selling products or services which cannot be purchased via the web (i.e., online merchant services) rely on various marketing channels (e.g., digital ads, print ads, referrals, etc.) to generate quality leads for their product/service. Lead information is often captured via the company's website guest card, an affiliate website guest card, email, or phone call. This information is entered into a CRM system either by manual entry or automatically. Once inside the CRM system, the company's sales force uses the CRM data to convert leads into buyers.

Prospects (i.e., persons visiting the sales center) are often asked how they first heard of the product/service to improve marketing efforts. The prospect's response is stored in the CRM system. Marketing departments use visitor responses to the traffic source question to evaluate the effectiveness of the media channel, vendor used, and campaign message. This information is used to determine future spending and campaign plans.



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Challenges

- Internet marketing is a critical component to all marketing plans and introduces new ways of measuring effectiveness. However, many companies continue to measure their marketing campaign efforts by the traditional method – the prospect's response to the traffic source question. In other words, marketing departments are dependent on what people say (i.e., attitudinal response). All marketing departments know the reliability problems with attitudinal responses – prospect does not remember, selecting the first option on guest card, selecting inactive traffic sources, etc. The attitudinal response becomes even less reliable as the number of potential traffic sources increase with Internet marketing.
- Most companies do not track the ROI of marketing costs. Companies track the marketing expenditures in their accounting system and lead/prospect to buyer conversions in their CRM system. However, since most companies do not link their CRM system to Accounting systems they cannot track the ROI of their expenditures.
- Companies may observe how many leads, prospect, or contracts have originated with a particular traffic source. They may also have an idea of their total marketing costs per prospect and contract. However, most companies cannot provide a true cost effectiveness comparison between vendors (e.g., cost per lead, cost per contract, etc). As a result, companies are challenged with their ability to determine if they are over or under paying for a vendor's service.
- Many companies rely on reports from the source of their digital marketing (i.e., Google PPC, etc.) to measure their lead generation success. There is a direct conflict of interest for the digital marketing service to measure their own success.
- Many companies set goals for the number of contracts, but are they setting goals on the conversions that precede the contract (i.e., website visits, leads, prospects, and bebacks)?
- Companies may hire digital ad agencies to help target a specific demographic. But how does the company know if the ad agency is successful? Are companies able to see the desired demographic converting from the targeted digital source?
- In addition to measuring the number of sales made, companies may also measure a sales reps success by the number of calls made or emails sent. However, are companies measuring the effectiveness of a sales person in converting leads to prospects, or prospects to contracts? Can companies know how many calls were made to Leads, Prospects, or persons already in contract?
- Companies have increased their focus on permission marketing and the use of eblasts to notify leads/prospects of events or specials. The current method of measuring the success of this marketing effort is to determine how many recipients opened or clicked on the eblast. Since the purpose of eblasts are intended to have the recipient call or visit the sales office, a successful eblast needs to measure this visit/call, not whether the eblast was opened.
- Social networks are a growing phenomenon and a new source for marketing products and services. As companies invest resources to market in this new space, they will be in need of a means to measure their marketing success.

In summary, companies have shifted significant resources to Internet marketing (e.g., website improvements, search engine optimization, ad spending, etc) but lack the internal tools and processes to measure the effectiveness of their marketing efforts. Additionally, older technology has limited the ability for companies to track their specific marketing results with the cost for marketing.

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The Product/Service:

The Marketing Expense Control system (MEC) is a marketing Business Intelligence platform which tracks and analyzes marketing campaign, channel, and vendor performance. This is achieved through the integration of Internet marketing behavioral tracking, traditional traffic source collection methods, CRM information, and detail tracking of marketing costs into the MEC data warehouse.

Data Collection

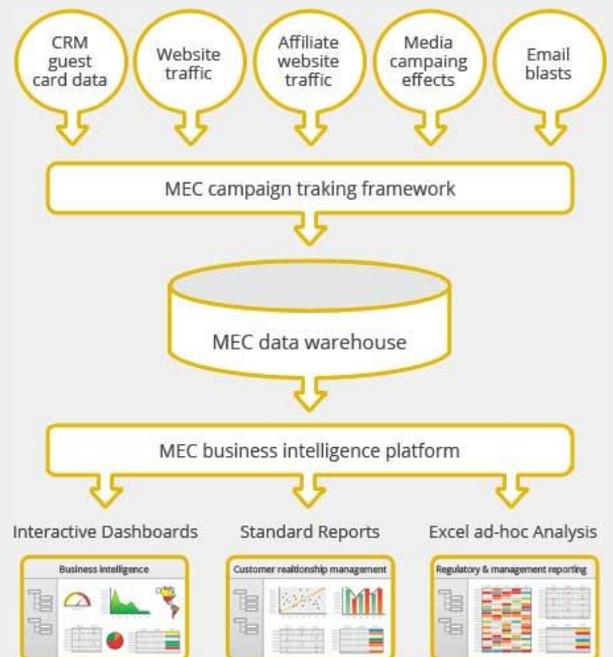
The MEC Consulting services team will work with clients to load the campaign tracking framework which provides the key for data integration. The MEC data warehouse extracts data from the transaction systems (see diagram below), aligns the information using the campaign tracking framework, and establishes the taxonomy for categorizing the results.

MEC Business Intelligence Platform

The business intelligence platform transforms the information in the MEC data warehouse into an Online Analytic Processing (OLAP) engine. This web-based portal uses OLAP to produce Key Performance Indicators (KPI) dashboards, trend analysis, market campaign/channel/vendor effectiveness, marketing cost management, and Excel-based data mining capabilities.

MEC Consulting

As a separate service (may be bundled with product), a service will be provided to perform in-depth analysis of the marketing intelligence to provide actionable insight. This analysis will include in-depth studies of drivers for successful campaigns, research causes for ineffective campaigns, vendor analysis, etc. (Future service will include aggregating data across multiple clients in a vertical industry to perform benchmarking services). Specific services include:



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- Development of a monthly Marketing Analysis Report to include:
 - Executive summary showing actionable insights from the marketing intelligence. This summary will include the results of mining and analyzing the MEC data to look for insights to improve the client's marketing efforts.
 - Actual performance against the goal. This graphical report will show the weekly and monthly performance against the goals for website visits, lead, prospect, bebacks, and contracts. It will also show the year over year trend for seasonal businesses.
 - Vendor Effectiveness. A graphical report showing the marketing channel effectiveness and trend, the top ten performing vendors, cost per conversion for each vendor, and YTD spending against the plan.
 - Demographic Insights. This report will help the clients determine if their marketing efforts are reaching their targeted market by graphically showing the demographics of prospects and buyers.
 - Sales Representative Effectiveness. This graphical report shows the lead and prospect conversion effectiveness, trend, and ranking for each Sales Representative on the client's team.
 - Website usage patterns. A graphical report showing where the website visitors' location, drop-off rates from your site, ... (Need more work here).
 - Pay Per Click and Natural search key word effectiveness. Report on the most popular keyword phrases to find your site in a natural and paid search. Will also make recommendations for improving the client's SEO and pay per click campaign effectiveness.
- Pay Per Click Services:
 - Perform audit on existing Pay Per Click campaigns. The audit will include the analysis of quality scores, CTR, cost per conversions, bounce rates, campaign costs, and how well the ad text matches the keywords in the ad group and website. Using the results of the analysis, our Marketing Analyst will make recommendations to the client to improve their campaign effectiveness.

Manage Client's Pay Per Click Campaigns. This service will create and monitor client campaigns to improve their lead conversion rates.