

BRAINFOOD

INNOVATIONS FROM THE CONVERGENCE OF
BUSINESS, MARKETING AND CREATIVE STRATEGIES
WITH LEADING TECHNOLOGY

Real-Time Marketing Performance Metrics

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HIGHLIGHTS



fabcom
integrated strategic marketing

REAL-TIME MARKETING PERFORMANCE METRICS

THE MISSING 98%

"I think I'm wasting half the money I spend on advertising. But I don't know which half."

- John Wanamaker, Department Store Pioneer

It's my all-time favorite marketing quote. We laugh at it, but it's actually worse than it seems—much worse.

We smile smugly when a baseball player is applauded for being a .300 hitter—successful one-third of the time. But in our business, we are regularly willing to accept 2% as a measure of success. While it's possible for a well-planned promotion to make money on a 2% response, clearly it's inefficiency with a huge cost.

Even with a successful 2% return promotion, you have wasted 98% of your resources.

And it doesn't take a genius to see how [ROI](#) can grow exponentially if you could increase the response rate. The shift in paradigms and resulting methodologies and technologies we have discussed in this book make possible the relevancy and timeliness that can increase marketing efficiency with response rates in the double digits. The kind of response rates the big guys get is because the big guys have invested years developing each customer segment. They had the money, the time and, most importantly, the marketing intelligence to develop their channels with conventional wisdom and conventional methodology.

REAL-TIME RESULTS

In order to implement real-time [dynamic](#) workflows, we must be able to measure what we are doing in real

time and make adjustments in real time. I know you just sighed when reading that last line. Most companies are not able to accurately measure the ROI on their marketing initiatives individually, precisely and quickly by the end of the month and now I am advocating real-time constant measurement of marketing?

What is it about [marketing](#)? Every other area of your business provides the accurate metrics you need to manage, plan, make performance improvements and project future results.

In accounting, you can have a CPA firm audit your books to ensure they accurately reflect your company's business activity. We use those metrics to make better decisions about current operations and future goals.

In operations, we account for every single asset and how it was utilized and how that affects the bottom line. We can look at the results of an inventory or fulfillment report for the specific information you need to measure and manage the return on your company's assets.

REAL-TIME ACCOUNTABILITY

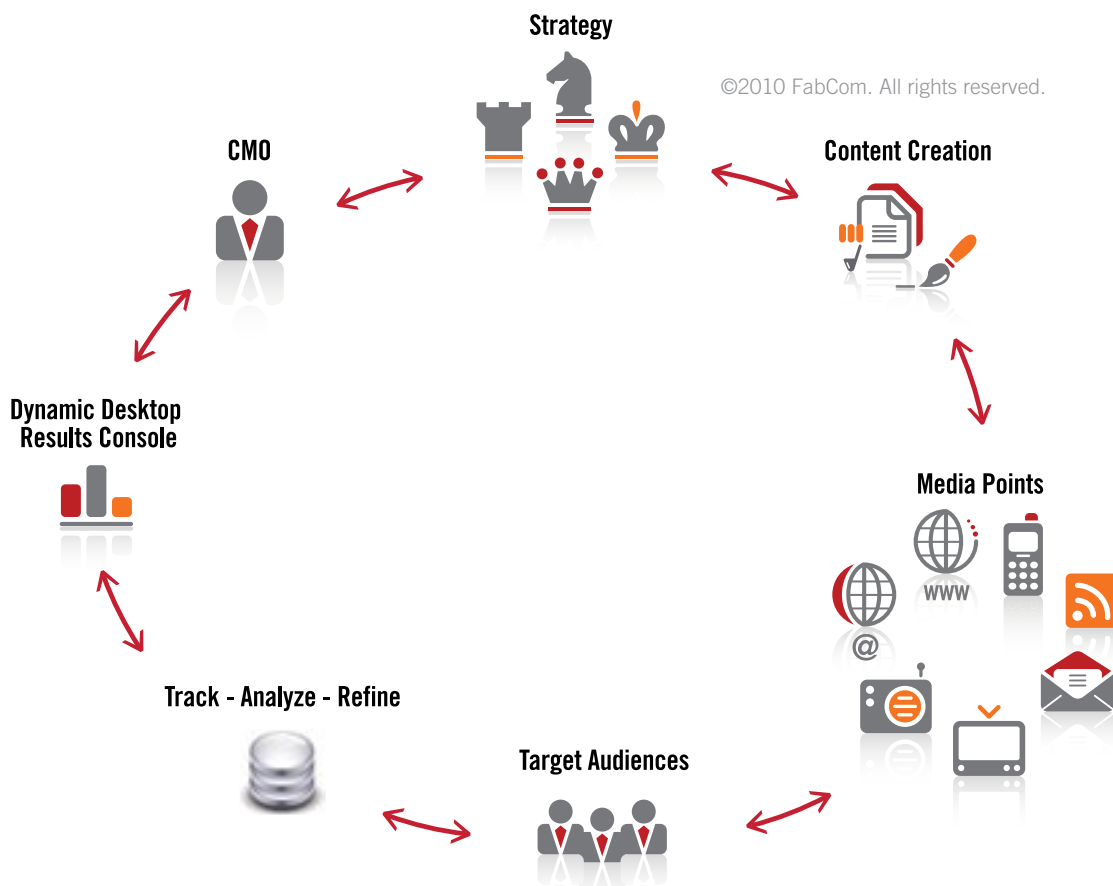
Where is that hard information for executives to make better marketing decisions and growth plans for the future? Where is the accountability for the results and the return on investment of your marketing? I'm not talking about revenue and disconnected click reports. I'm talking about hard numbers, real-time measurement for *each and every component* of your marketing programs, which allow executives to make timely adjustments in real time to ensure the ROI of each specific campaign. I am speaking to the idea that:

“We invested ‘this much’ in advertising and our return on investment to date is ‘exactly this much.’” I’m talking about placing an ad campaign and knowing in real time what is working and what is not and changing the messaging and tactics before all the dollars invested are lost. We are talking about real-time measurement and subsequent adjustment on the interactivity of each and every element of your marketing campaigns from ad messaging and individual sales results to retail and location-based consumer activity.

Why does marketing always seem a little squishy when you try to pin it down? To begin with, how can you be certain you’re putting the right message in front of the right people at the right time? What’s the difference in response when you use message A versus message B? Or image A versus image B with copy and call to

action C? How do you measure the results? What do you measure? Do you know the ROI of your marketing initiatives—and how to improve it? We, as business leaders, know within a penny the costs versus the ROI in every other area of our company, but not in marketing. I’m talking about having solid metrics, solid insight and solid actionable information on each marketing vehicle, each advertising tactic, each customer interaction and each variable within every campaign. No wonder some company leaders feel just like John Wanamaker did.

And, it’s not the fault of your marketing team. This lack of accountability has always been the nature of the beast that is *marketing and advertising*. You’re dealing with individual human reactions and perceptions.



The dynamic *one to one* workflow continually records responses to each marketing tactic in a database, which is then analyzed, reported, adjusted and fine-tuned. Then, the process begins again.

You're dealing with enterprise systems and processes and personnel designed to run the company overall, not the specific unique task of marketing dynamically in a new myriad of diverging channels. The creative process in marketing is not always a straight line. It can be difficult or next to impossible to define fair and accurate measures of return on investment with the timing and feedback of the traditional marketing processes. It's seemingly a professional craft—part art and part (sometimes, not enough) hard science.

MARKETING TRANSPARENCY

In the other areas within modern business, there is a plan and a system. There are relevant, accurate metrics in place. Because of this, you know what's happening and you can use the information to improve performance and focus resources. In marketing, many times we find it's usually anecdotal evidence such as, "Well, no, we didn't actually sell any more widgets with this ad. But we positively impacted our awareness with our prospects." "And," you might ask, "how do you know that and how do I measure the return on investment of *awareness*?" One of my goals in crystallizing this type of thinking is to relieve the queasiness of the unknown when it comes to marketing and its transparency.

Automated [dynamic segmented marketing](#) and one to one messaging is truly a breakthrough in our capability as marketers to create, distribute, control and measure the return of marketing and advertising campaigns. It's better, more effective marketing, created with less effort and more resonance with your targets and tracked in the same finite, precise manner you expect in every other part of your company.

Not only can interactive, online tactics be measured precisely for response and return on investment, so can any traditional media campaign elements, simply

by adding an interactive funnel component or [dynamic tags](#), barcodes and a pen full of offline tactics to connect your offline marketing to your online funnels. This new methodology generates specific, accurate response and real-time result metrics, as well as a large volume of other highly qualified data about your prospects and customers. You get not only accurate, target-initiated data, but the system also provides and responds to triggers, constantly moving sales forward and fine-tuning the results and return on investment of your entire marketing operation.

The volume and quality of data provided by the system means, as an agency CEO, I do not have to tap dance around questions from clients about return on investment and what-have-you-done-for-me-lately? This methodology and the embedded tracking that the dynamic application of this methodology provides customers specific, tactical-level results in real time. At our firm, based on the way we have deployed the methodology, we provide those results right to our customers' desktops in real time through their browser. In addition, we are also testing phone applications that our customers can use to tap into their entire annual marketing activity from their iPhones.

REAL-TIME RESPONSE/ACTIVITY METRICS ON YOUR DESKTOP

Because this is an integrated end-to-end workflow system collecting and utilizing data, we are able to see audience responses and activity, analyze it and present it for review and fine-tuning in straightforward report formats in real time. You no longer have to wait and wonder about how to measure the ROI of a campaign or any individual tactic. The audience activity relative to marketing communications is reported right on your computer desktop.

In addition, online and offline tactics can have a broad range of trigger and measurement devices built into them as they are created.

The marketing console that reports results in real time is part of our integrated [dynamic marketing](#) system. The marketing strategy generates individual tactics to reach target audiences through a variety of media points and platforms. Responses to the tactics are recorded in a database, analyzed, reported and fine-tuned as results dictate, then the loop begins again.

The Marketing Console reports all the data that is available on the integrated segmented marketing server for any and all specific campaigns, as well as data that is tracked by the cross-media interactive elements. This combined data is then analyzed and refined, to be presented in a graphical way to the marketer, by using an Internet browser. The Marketing Console closes the loop for the marketer and adds a large volume of valuable, actionable information for decision-makers.

MARKETING CONSOLE: Make or Break Business Intelligence in Real Time

These days, marketing is in the moment. There's an ideal time to touch your prospects and customers and you either hit it or you don't. But with so much siloed activity, analytics and e-commerce to sort through, by the time you've figured out what's really going on, the moment may well have passed.

Unfortunately, most business intelligence arrives too late to optimize your marketing. Sure it's great to know at the end of the quarter which online initiatives hit your benchmarks and which did not. But how much more useful would it have been to know that weeks earlier? Not only because you could have reallocated assets to more effective efforts, but because you could have recalibrated a given campaign to impact the segments you'd planned on influencing.

To address this essential need of [Neuromarketology™](#) for current, accessible business intelligence, we developed a Marketing Console that gives our clients the data they need to measure efficacy in real time. Is it working?

This is a simple enough question, and the right methodology should enable you to answer it. Not just at the end of the quarter, but at the end of the day.

In fact, we went so far as to make our Marketing Console available to our clients as an iPhone app. Because in our new marketing paradigm, business intelligence has to be that readily available.

RAPID CAMPAIGN TESTING/ AUGMENTATION

Another advantage of the end-to-end dynamic marketing automation system is the ability to quickly test, measure and fine-tune campaign tactics for best response and [ROI](#). In the case of an online campaign to a group of defined prospects with similar profiles, you can literally send different sets of graphics and messages to three small but statistically valid test audiences at 9:00 a.m. and monitor responses to those.

Then, try a fourth version at 2:00 p.m., based on the analysis of responses to the first three, determine which graphics and message combinations and placement options produced the best results, and send that winner out to the full audience after analysis and refinement. This type of rapid-response fine-tuning can also be automated to work in real time and would be impossible with conventional technology and conventional methodology that tries to connect disparate systems and suppliers and can only do so at great cost or great time delay. This rapid-test capability has a dramatic impact on increasing ROI from marketing tactics and campaigns.

FABCOM IS A FULL-SERVICE STRATEGIC MARKETING AND ADVERTISING AGENCY

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*Amortized for media billings as calculated in the Phoenix Business Journal Book of Lists.