

the marketing ROI report

return on marketing investment (ROMI) news, views & reviews



January/February 2005

Welcome to the first Marketing ROI Report of 2005!

We recently returned from an interesting conference on "Marketing Accountability." And if there were any lingering doubts that ROMI is now a mainstream marketing issue, they were quickly put to rest just by looking at the list of companies attending. Marketing ROI is top of mind for every CMO. As you would expect, all the large consumer packaged goods companies were present, and several made very interesting presentations. But there were also representatives from every industry – from automotive to publishing – as well as the services sector and a good number of B2B companies.

A theme that came up time and again, both during the formal sessions and in conversations during breaks, was the challenge of getting adequate data. Even those CPG companies, who have access to reams of syndicated data, were still looking for those critical, elusive nuggets. And in many other sectors, good data – indeed, any data – can be much harder to come by. So in this issue, we take a look at where you can find the data and how to value it.

There's a lot happening in the ROMI world. We hope you find this newsletter an interesting contribution to it. Let us know how we're doing: which articles you find most worthwhile, and what other topics you would like us to cover. Reach us at newsletter@demandg.com.

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FEATURE

Data. Data. Read all about it!

You may have more data than you realize.

Improved Return on Marketing Investment (ROMI) has become

in this issue

FEATURE: [Data. Data. Read all about it!](#)

ROMI IN PRACTICE: [Same budget, 10 percent more business](#)

TOOLS AND TECHNIQUES: [Agent-Based Modeling](#)

READING LIGHT: [Get the ROMI Culture!](#)

ROMI ROUNDUP: [Datapoints from the world of Marketing ROI](#)

CALENDAR

reading light

FREE DOWNLOAD

Does your company have the ROMI Culture?



Marketing executives who instill in their teams a ROMI Culture can nurture and grow their brands, maintaining focus on their customers without sacrificing effectiveness. Read the DemandG Report on ROMI Culture and how embracing ROMI principles can benefit you and your organization.



the buzzword for the 00's, but has your organization been able to embrace it? Or have they just been using the old standby - "We don't have the data. We can't afford the data and even if we had the data we wouldn't use it. That's our story and we're sticking to it."

Marketers must not only be able to develop great strategy and creative, but they must be able to prove that they are executing marketing programs that yield the greatest returns. And it can't be done without data.

The future of both small and large brands depends on marketing making the right moves, both strategically and tactically - with the right data. We offer three quick steps to understanding what data you need, how to get it and, once you have got the data, how to value it.

[Click here](#) to read on.

Got a "getting the data" thought you would like to share? Drop us a line at newsletter@demandg.com.

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ROMI IN PRACTICE

Same budget, 10 percent more business Marketing mix modeling gives restaurant chain a big lift



Can the regional franchise group of a national quick-serve restaurant chain improve their marketing mix, even though they have no control over the national advertising spending or flighting?

One group found some quick profit opportunities. Increases in sales of just under 10% are possible when the local activities and TV flighting

are optimized – all without any net change in marketing spend.

A marketing mix model delivered astounding results. It was developed using statistical regression analysis based on time series data for local and national marketing communications activities, promotional activities, new product initiatives, pricing and net changes in restaurant count.

Download the full story as a PDF: [click here](#).

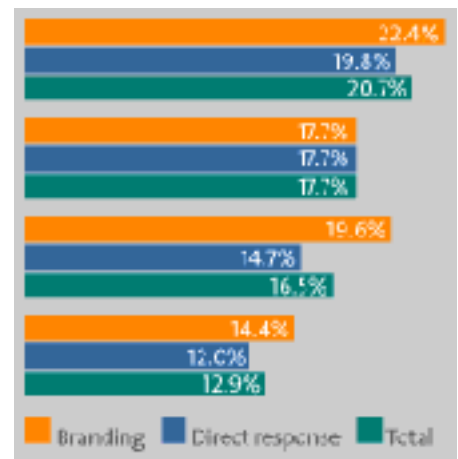
Do you have great results you would like to share?
We'd love to hear about them. Send us email at

romi roundup

Datapoints from the world of Marketing ROI

Brand advertising has been the classic province of CPG marketers for years. Suddenly, online brand advertising is growing, projected to increase by 22.4% in 2005, compared to a 19.8% boost for direct response advertising.

US online ad spending by objective, 2005-2008 (as a percent increase/decrease vs. prior year)



Note: branding includes display ads/banners, rich media/ interstitials, sponsorships, slotting fees; direct response includes paid search, classifieds, e-mail, referrals
Source: eMarketer, November 2004

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TOOLS AND TECHNIQUES

Agent-Based Modeling

Playing games with your marketing... and playing to win.



How would you like to know the impact of consumer to consumer interaction on your marketing? How would you like to know how best to launch a new product?

Agent-based modeling has been around for a number of years but has finally been brought to consumer market modeling by DecisionPower's MarketSim. Use of simulation in business was made

popular by a number of games, such as SimLife™ and SimCity™. Millions of copies were sold. Business executives quickly realized that these games could also be used to do more than just games. With that, the era of Agent-Based Modeling (ABM) was born. Since that time, ABM has been used for supply chain modeling, machine interaction modeling and many other business related fields.

With DecisionPower's MarketSim, market modeling has taken on a whole new look with models being built based on the actions and interactions of virtual customers, virtual competitors and virtual products. Now marketers can watch their markets unfold on their desktops with stunningly close similarity to reality. Product launches can be modeled with stunning accuracy. Competitive price wars can be avoided and social networks can be taken advantage of.

And that's just the tip of the iceberg. For more on DecisionPower's MarketSim, [click here](#).

**February 24th
Los Angeles, CA**
Measuring and Improving Marketing Effectiveness, a One-Day Marketing ROI and Metrics Workshop
[Information and online registration](#)

**March 30th
Atlanta, GA**
Measuring and Improving Marketing Effectiveness, a One-Day Marketing ROI and Metrics Workshop
[Information and online registration](#)

**June 14th at 1:00pm Eastern
Webcast**
Marketing Effectiveness Uncaged
Guy Powell, principal with DemandG speaks on learning how to benchmark and improve your ROMI efforts (and advance your career) all while staying focused on your most important asset – your customer!
[Information and online registration](#)

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