

Howto Cut Marketing Costs and Improve
Branding Service for your

Channel

Ten Key Decision Factors

A Publication of JGSullivan Interactive





Table of Contents

Introduction

Chapter 1: Ten Key Decision Factors

Chapter 2: Discussion of Decision Factors

Chapter 3: Your Checklist

Summary

Next Steps / Photo Credits



Introduction

Doing more with less

Companies of all shapes and sizes are challenged to do more with less.

Companies that sell their products and services through channels, be they local resellers, dealers, distributors, agents or franchisees have a special challenge.

Their unique challenge is to set and enforce brand guidelines and rules for marketing activities, while allowing and encouraging their channel partners advertise to drive traffic locally.

This can be done by tagging onto national promotions, or helping them to create local promotions that fit with the overall brand message. It's no surprise that many companies start with a purely manual approach to receiving and customizing local channel marketing materials. A part time designer on staff has some extra bandwidth, and with an unknown potential volume of local customization requests this makes sense.

Other firms may likewise tack this workload onto their ad agency scope of work, and pay agency fees to cover it.

As time and volume grows, though many firms face a critical decision.



“Firms face a critical decision:
“Do we continue to hire designers,
add staff or pay agency fees to fulfill
local customization requests, OR do
we automate all this activity with an
online system?”

If this is your situation, this ebook is written for you. This ebook will step you through the key factors in making that decision.



CHAPTER ONE

TEN KEY DECISION FACTORS



Current Situation

A Fork In The Road

Your current situation: Your corporate office receives requests from field reps, agents, dealers, distributors or franchisees to customize marketing materials. These requests may also include requests for assets as well, i.e. product images, brand assets, TV or Radio spots, banner ads, online video, etc. These requests are routed to an in-house design staff or outside agency. Incoming requests are handled by manually creating or adjusting existing artwork and sending it back to the local user to review a proof until it is satisfactory. When the proof is approved it is sent by corporate or ad agency to the publication. If part of the ad is being funded by the local retailer, this process is handled manually in a separate process.

There are ten key factors to consider in this decision-

1. Availability
2. Throughput
3. Speed
4. Consistency of branding
5. Processing of funds
6. Ability to run special programs
7. Cost
8. Effectiveness
9. Tracking and accountability
10. Human resources impact



CHAPTER TWO

DISCUSSION OF TEN KEY DECISION FACTORS



Availability

For Users

Using an online service provides exponentially more availability to your channel partners. Online systems are generally available 24hrs x 7 days x 365 days a year (excluding brief maintenance windows if scheduled). This equals 61,320 hours a year of availability.

A staffing-based solution is available whenever staff is available, which is commonly 1,963 hours or 8am – 5pm Monday through Friday. This is 31 times more access. Certainly staff can work extended hours or overtime hours and weekends, but this extra effort (while appreciated) isn't going to come close to the access and availability of an online system.

For retailers that prefer to create their ads on Saturday or Sunday, the online system is the only real option. We see a consistent percentage of users accessing systems in “off hours” so this is an important factor to consider.



Throughput

For Users



Many businesses have a seasonal burst, where sales are condensed in a short period of time. This could be due to product launches or seasonal promotions, but the effect is the same: many channel partners wanting to get a large volume of ads published in a very short period of time.

We've seen client systems handle 3-5 magnitude spikes during these peak periods. Simultaneous support for multiple users customizing marketing materials is only possible with a large design staff, or an online system.



Speed Of Turn-around

Requests to customize ads can queue one after the other with a design staff, with the last request waiting the longest. It is typical in a manual process for “Proofs” to be created and sent back to the requestor for approval or comments. Obviously this process can take some time; from receipt of the proof, lag time to review, comments back and forth and finally an approval.

Once the approved proof comes back it's submitting to an online or print publication. The whole process can take days or weeks.

Online ad-builder systems provide an instant PDF as a proof, and some provide an onscreen proof as the marketing piece is being built. This not only provides a proof in seconds, but helps the user make instant changes and edits from the visual feedback provided.



Consistency Of Branding

Enforcement and consistency of brand rules are key benefits of an online system. Rules are embedded in the templates and in the process of the system, so marketing output all follow the rules.

This is possible with a staff of designers, but is more challenging to control...especially with strong-willed channel partners making direct requests and asking “why I can’t do this or that”. An online system provides no human error or “judgment call” based upon a user’s influence or instructions.

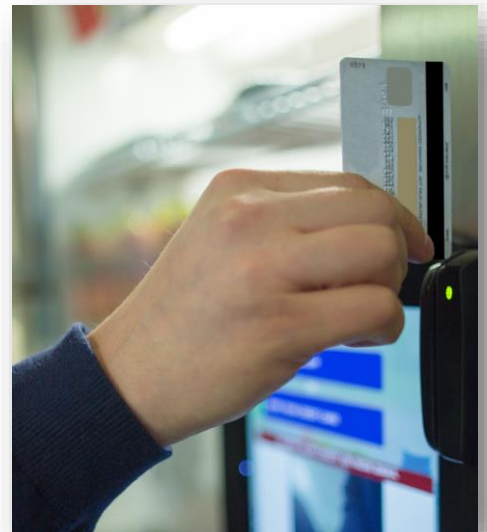
By “baking in” the branding rules into the system, uncomfortable discussions between designer and channel partner are avoided, and it becomes immediately apparent what is allowed.



Processing Of Funds

It's common to have some form of co-op or marketing development funds transfer as payment for services with local marketing.

If this is your situation, your decision making process revolves around how much time it takes as a separate, manual process. Connecting the creation of a brand-compliant ad in the system to the users account to debit is a one-time investment that will provide an ROI based upon the number of transactions and current manual processing cost. Some companies are aiming to take this process to 100% paperless which is a worthy goal.





Special Programs

Ability

What is an Invitation only campaign? These are special offers or special creative campaigns that only a selected number of dealers can access. This might be based upon levels your company designates among channel partners, such as Gold, Silver or Bronze levels, a promotion sign-up, or other criteria.

No matter the method of selection, it remains a challenge to selectively offer campaigns without automation of the process. Selected users see and customize the campaign materials based upon their login to the system. Users that aren't in that group don't see the campaign. It's that simple. Template usage is tracked automatically just like regular templates, with no human error.



Cost



This is a primary factor in the decision, so let's make some assumptions about the two alternatives.

Assuming a \$55,000 designer salary with 20% benefits and standard work hours, the cost per available hour is \$34.00 hour. We're using the 1,963 hours cited in the Availability section.

For the online ad-builder let's assume a \$25,000 deployment cost and \$3,000/month in hosting and licensing, the cost per available hour is .76 cents. Again, we're using the 24/7/365 or 61,320 hours of online availability. It's a huge cost difference in real and hourly terms.

Even if you shut the ad-builder platform off except for the standard 1,936 hours that the FTE designer worked...you would still save 30% in cost for the same coverage (\$24/hour versus \$34/hour).



Effectiveness

A good designer like a good ad-builder helps your channel partners grow their business. This fact is supported by a client study conducted over a two year period. Two groups of users were studied: one “Test” group used the ad-builder to customize marketing programs, the other used other means.

Key findings from the “Test vs. Control” Ad-builder analysis:

- ◆ On average, customers that received a JGSullivan Ad-builder created communication spent **\$55 more per transaction** compared to customers that did not receive the mailing.
- ❖ On average retailers that used the JGSullivan Ad-builder saw a **15% increase in sales** over the control group during the first 90 days following the mailing.
- ◆ On average, retailers that used the JGSullivan Ad-builder system had a **9% year over year increase in total sales** of over the control group.



Tracking And Accountability



Marketers always want to know what creative treatments are most popular, what's hot, what offers are moving. It's equally important to know what's not being used, what isn't popular, what to do less of. If your design staff manually customizes ads for channel partners this requires additional reporting time, which can be time consuming. Good online systems have automatic , on demand reporting showing what was customized, when and by whom with a proof of each ad.

Human Resources

Impact



This consideration isn't something we realized until we spoke with several ad agencies that manually customized ads for clients. What they said surprised us. "Revising and resizing ads for dealers isn't that interesting if you're a designer".

Go figure. Designers actually like to design new and different things...not the monotonous, routine, (frustrating) work of revising and resizing ads, sending proofs, tracking use, etc. For them, this work was better suited to automation than design talent.



Your Checklist

DECISION FACTOR	ADD DESIGN STAFF (Yes/No)	ADD AD-BUILDER (Yes/No)
Availability		
Throughput		
Speed		
Consistency of branding		
Processing of funds		
Ability to run special programs		
Cost		
Effectiveness		
Tracking and accountability		
Human resources impact		



SUMMARY

OF TEN KEY DECISION FACTORS

Although these 10 decision factors are the primary ones clients think about when considering this decision, there certainly can be others based on your industry or unique situation.

While some companies replace an entire design staff with an automated system, others use a combination of services, with a lower level design resource using the ad-builder for dealer requests and helping train and educate dealers at the same time. In this scenario, true custom-designed ads can be done on an exception basis with a higher level design resource, while routing routine customizations to the automated system.

Best of luck in your work to improve marketing service levels while reducing costs. Feel free to let us know if this ebook helped you.

SEE A WEB DEMO AT YOUR CONVENIENCE

See how other companies have solved their local marketing challenges in a free, convenient setting. Click to set a demo time today..

**SET DEMO
TODAY**

Photo Credits:

<http://www.flickr.com/photos/teegardin/5537894072>

<http://www.flickr.com/photos/eole/8710744352/>

<http://www.flickr.com/photos/peddhapati/10031708194>

<http://www.freestockphotos.org/miscellaneous/swiping-card>

<http://creativecommons.org/licenses/by/2.0>

A Publication of JGSullivan Interactive

