

Multi-channel marketing's positive impact on your ROI.

How an integrated approach to marketing can provide exponential growth.

The new normal of multi-channel marketing

Using advertising, direct mail, phone and e-mail may once have been considered a sufficient approach to multi-channel marketing. With the advent of social media, the explosion of viral video sharing, the newfound ease of online surveying and text messages replacing phone conversations among younger generations, a new era of integration has dawned. In 2013, lead management campaigns integrating four or more channels outperformed single- or dual-channel campaigns by 300 percent.

This white paper explores the different aspects of true multi-channel marketing and sales campaigns for business-to-business organizations. It provides some real-world success stories and how those triumphs impacted ROI.

How the world has changed

A regional vehicle-leasing firm had always done all of their marketing by word-of-mouth and a small number of cold-calls. When prospects were ready to begin doing business with the company, they called a sales rep and typically leased a few vehicles. The principal owner felt strongly that this method was working, "I know we need a new site and to do more marketing, but we will never do business over the web. It will be something nice to show, but we won't get customers that way." One year after re-doing their site and engaging in true multi-channel marketing campaigns, his tune has completely changed because of the results he saw.

Their marketing campaigns included using syndicated content, e-mail campaigns, press releases and launching a new website. Their largest new customers are now coming from the multi-channel marketing efforts and not the phone-only channel. In fact, two of the largest new clients completely bypassed the traditional sales channel until it was time to get serious about contract negotiations. Clearly, the multi-channel approach was a more effective means to get the "ideal" prospects to become clients.

Lead generation ROI by use of lead nurturing

Q: Do you have lead nurturing campaigns in place?



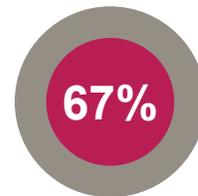
Source: © MarketingSherpa Lead Generation Benchmark Survey Methodology: Field January 2012, N=1,915



78% of CMOs think **custom content** is the future of marketing



97% of marketing **decision-makers** indicated they had seen an improvement in revenue that could be attributed to marketing activities



B2B companies that blog generate **67% more leads** than those that don't

What is multi-channel marketing?

Multi-channel marketing is the development of marketing strategies and creative campaigns that integrate elements of multiple marketing disciplines such as direct mail, advertising, e-mail, telephone, public relations and social media. These channels and vehicles are selected and executed in a coordinated fashion to achieve specific organizational goals.

5 major benefits:

1. A singular / synchronized brand voice & experience
2. A unified value proposition
3. Cost efficiencies generated through creativity & production
4. Opportunities for added value
5. A better ROI

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Marketing spending models

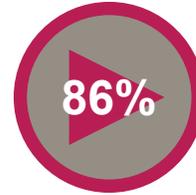
Although setting up a true multi-channel approach is an investment, ROI increases quickly. It is much less expensive to optimize the marketing approach using multiple channels than to use the highest-cost resources for all campaigns and efforts. The examples below illustrate two instances and the impact of a multi-channel approach.

A regional office furniture company was doing all of its marketing via direct mail catalogs and a sales force. New customer acquisition was achieved by hiring more sales staff and printing more catalogs. Increasing staff by 30% and seeing three months of accelerated growth was encouraging, however, the gains started to level off and then decline. It became apparent that the sales staff were becoming less effective as they were only generating 10% more sales for a 30% increase in staff costs. Eight months later, many of the new hires were let go. This traditional approach assumed that more direct mail and more sales staff equals more growth. It worked, but profits eroded and overhead soared until it was unsustainable.

The second example involves a client's business unit that had declining sales in spite of industry and competitor growth. After conducting an in-depth audit of their competitors' marketing practices, the problem was clear. This particular client was not engaged in strategic e-mail marketing, had virtually no thought leadership pieces, was nowhere to be seen on YouTube or LinkedIn, had no blogs and had absolutely no linkage between their sales and marketing efforts.

An eight-month marketing approach transformation led to quite positive results. The first multi-channel campaign consisted of a white paper, a survey, a series of e-mails, a press release and several follow-up calls, all of which complemented and built upon each other. This single campaign yielded as many sales as they had made in the past three-and-a-half months. After the second multi-channel campaign produced similar results, multi-channel campaign design and development became a key part of their sales process.

Later on, YouTube videos were introduced as an additional advertising and sales element. The first video, of the five part series, generated so many sales during a typically low sale time of the year that employees had to cancel planned down time and inventory activities to keep up with the influx of orders and increased call volume. That first video release generated enough revenue in three weeks to cover the development cost of all five videos.



Videos on landing pages increase conversion by 86%

“Nobody uses the website”

Scores of companies still have outdated sites, don't value digital marketing and are stuck in an older marketing model. Some notable responses from past Apexx customers illustrate this mentality (the same clients would respond quite differently today):

- “Nobody uses the website anyway.”
- “All our prospects use the phone and not the web and not much e-mail either.”
- “All that marketing stuff is a waste of time, we don't get new customers that way.”
- “It's just information people read, we can't sell that way.”
- “It's not like someone would stop buying from us just because of our website or because we don't have videos.”

What these clients learned is that companies that only engage in one channel, such as the phone, tend to get only customers who prefer that channel. To get new customers, especially younger ones, it is imperative to communicate through the channels they prefer. If your customer wants e-mail, why spend more on phone calls?



\$135 Billion

In 2014, marketing teams will spend \$135 Billion on new digital marketing collateral.

Source: © MarketingSherpa Lead Generation Benchmark Survey Methodology: Field January 2012, N=1,915

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The traditional marketer vs. the multi-channel marketer

The following example attempts to illustrate how costs vary by medium/channel. It is intended to represent the costs of developing and implementing as well as the cost of salaries. The activities at the bottom of the triangle are more custom and are less scalable.

The traditional marketer

The traditional marketer uses only a few methods of contact and very rarely, if ever, uses them in rapid succession or in any integrated fashion.

The multi-channel marketer

The multi-channel marketer will use multiple contacts for each campaign to boost ROI by an average of 300%—a result not communicated in the model below. The multi-channel marketer will work to optimize the marketing mix to have an appropriate spend based upon the account sales opportunity size. This means that after marketing optimization, even though the overall spend has actually decreased, the customers or prospects will state that they feel like the company is spending more marketing dollars on them.

Many organizations do not look at fully-loaded costs and thus vastly underestimate the true costs associated with marketing and sales activities. Cost per lead (CPL) is what the acquisition cost for a new qualified lead might be. This is helpful to know as often times organizations over-invest or under-invest in lead acquisition without realizing that it is occurring.

Expense break-down of various multi-channel marketing tactics



Multi-channel marketing tips:

- Never meet face-to-face if a phone call will suffice
- There is a positive multiplier effect when multi-channel marketing tactics are used properly
- Customers and prospects should be contacted in the manner they prefer
- Contact is key to success
- Frequency variation is important and over-communication has a high risk of inducing fatigue

Note: The costs and activities listed above are for illustration only. Costs and activities can vary greatly from organization to organization. Also, the size of marketing cells can have a dramatic impact on cost as some activities such as e-mail and video will be lowered by scale and other activities, such as face-to-face sales calls, do not receive the same economies of scale.

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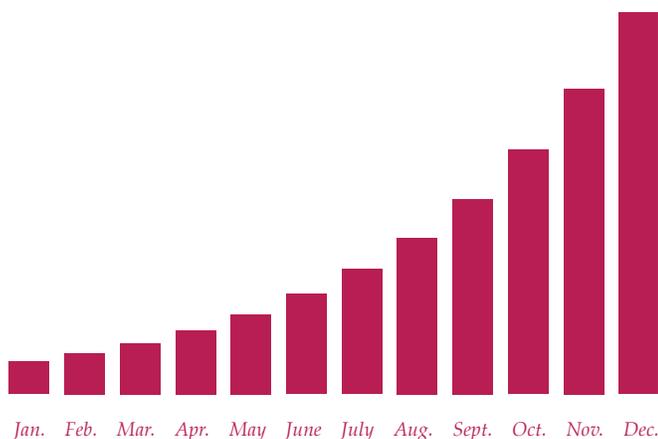
Market trends

So far, this only tells part of the story. While almost all paradigms are oversimplifications, three trends related to marketing and sales are prevalent in organizations.

- 1. Organizations that are not investing in digital media in a significant way.** These are the organizations that have outdated or poorly designed websites; and do not utilize e-mail, digital white papers or case studies as marketing tools. They do not view LinkedIn or YouTube as significant marketing and sales tools and do not employ sense-and-respond marketing, such as electronic or telephone surveys. Many of these organizations are struggling because they can't find new customers and are seeing a lot of their existing customers either leave or go out of business. All of these businesses are at risk of becoming extinct because of their lack of investment in digital media.
- 2. Organizations that dabble in all the areas, but do not integrate their efforts.** These are the organizations that hire IT firms to do their marketing and sales websites. They "dabble" in many of the pieces of multi-channel marketing, but do not look at their marketing or sales strategy holistically. They see some results, but find it difficult to replicate success because they have no plan. They tend to over-invest in random tactics and lack the discipline to execute the follow-through. These organizations are typically growing slowly or have stagnated.
- 3. Organizations that develop and use strategic and tactical multi-channel plans.** They think about how each piece impacts the others and there is real intent behind each campaign. They effectively segment, target and deliver communications that are meaningful and desired. These are the organizations that ask their customers and prospects what they want: cases, white papers or video training; and then deliver. They also measure their ROI for entire campaigns and their individual parts. Their sales staff has input into the marketing department and understands the impact and importance of the campaigns. Often seeking outside help for innovation and inspiration, these are the organizations that are growing.

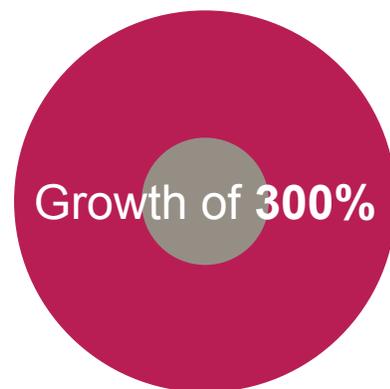
Apex case study #1

*A multi-channel strategy and integrated sales team model resulted in **double digit sales growth month over month** for a multi-billion dollar B2B distributor.*



Apex case study #2

Multi-channel marketing campaigns generated **greater sales in one month** than the prior three months of combined sales, a **300% growth** over single channel marketing results.*



**the multi-channel marketing campaign consisted of case studies, e-mail campaigns, landing pages, white papers, press releases, surveys and calling campaigns*

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Multi-channel marketing campaign best practices

- 1. Get the input of sales, both inside and outside, to ensure they understand the campaign and can be prepared to do follow-ups if necessary.**
- 2. Integrate the campaigns from their inception under an explicit strategic plan and use your website as the hub.**
- 3. Use 4 or more channels or vehicles when possible. Some of the most cost-effective are:**
 - *E-mail campaigns*
 - *Online surveys*
 - *Press-releases / PR*
 - *Direct mail*
 - *LinkedIn presence*
 - *Videos*
- 4. Make the campaigns multi-stage with different approaches and messaging for follow-up over a longer duration of time.**
- 5. Stagger the release of the campaign's parts to ensure maximum lift. "Dropping" everything at one time will lead to a big burst of activity followed by a rapid decline.**
- 6. Expect the maximum amount of interest early in the campaign life, but do not give up too soon. People get sick, take vacations, get busy and generally cannot be expected to be on your time clock.**
- 7. Learn from each campaign and look at the data, comments and feedback to continue to improve.**

To be truly successful, each campaign and set of prospects need to have a clear strategic and tactical plan. Do not underestimate the value of mapping out each contact. The largest spending should be reserved for the most desirable prospects or customers.

Moving forward, there will always be new or emerging communication channels. Not too long ago, social media was new. Now, social media is not only understood, but expected. Viral videos are culturally pervasive due to this fact. It takes a seasoned marketer, who understands that all these channels have value by themselves, but are best handled as pieces of a true multi-channel marketing and sales campaign.

Apexx Group LLC has a rich history of marketing and sales strategic planning, tactical design and successful implementation. To learn more about how Apexx can help you to develop multi-channel campaigns, optimize your marketing mix, or find out the most profitable way to increase your sales, call us at **414-316-2730**. We are willing to invest in a conversation to understand how we might help achieve your growth objective.

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