

Return on Marketing Investment Analysis (ROMI)

Are you sure that your marketing dollars are working as hard as they should be?

Real World Experience

All return on investment analyses are not created equal. ROMI offers a uniquely effective analysis based on :

- Support for the organization in finding collecting and organizing the data required, a critical element of the analysis
- Expertise in applying a wide variety of tools to marketing data
- Proprietary data modeling tools
- Expertise in interpretation across multiple businesses

Developing valuable findings is an iterative process. Marketing data is often soft – interaction between the organization and modelers in interpreting and refining the results is key.

The results can be directional as well as definitive. Judgment illuminated by data can create breakthrough actions and results.

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Overview

A Return on Marketing Investment (ROMI) analysis helps organizations understand the effectiveness of their marketing spending. The ROMI analysis examines business results in relation to each type of marketing activity as well as in relation to external variables (e.g. economic indicators). Using an innovative suite of modeling tools, marketing activities and external variables are examined not only for direct effects on business results, but for positive and negative synergies between activities.

The findings of ROMI analyses can help determine:

- Which marketing activities are most effective? Which ones don't add value?**
- In what areas of marketing are spending levels too high? How should funds be reallocated?**
- What external conditions (e.g. unemployment) affect marketing's ability to generate results?**
- How should incremental funds be allocated?**

Process

Set the Stage

ROMI's begin with clear definitions of the goals and process

- What questions need to be addressed
- What are the likely action steps based on the answers
- Against what results will marketing activities be measured
- What data is required to complete the analysis effectively
- What environmental variables are appropriate for the analysis

Collect and Load the Data into a Database

Collecting and cleaning the data is a shared process.

- The first level is to identify and collect all the data available.
- The second level is to clean and normalize the data to make certain the modeling and conclusions are based on accurate input.

Develop the Analysis

A variety of techniques are utilized to discover relationships in the data.

While general business processes may be similar across organizations, the details are unique.

- Interesting variables and interactions are discovered using TheGMAX™, an evolutionary "genetic" computing tool.
- Findings are explored with more traditional data mining techniques.
- Initial findings are refined in partnership with the organization.
- Models are refined and tested. Latent variables are identified with structural equations modeling (SEM).

Present the Results

Findings and business implications of the analysis are reviewed in detail, usually with several audiences within the organization.

- Goals identified at the beginning are addressed
- Every analysis has "Ah ha" moments, where unexpected results are discovered and examined for implications.