

FORMULA FOR RETURN ON MARKETING INVESTMENT

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It doesn't need to be complicated!

$$\begin{aligned}
 & \text{quantum mechanics} \qquad \text{spacetime} \quad \text{gravity} \\
 & \leftarrow \text{-----} \leftarrow \text{-----} \leftarrow \text{-----} \\
 W = & \int_{k < \Lambda} [Dg][DA][D\psi][D\Phi] \exp \left\{ i \int d^4x \sqrt{-g} \left[\frac{m_p^2}{2} R \right. \right. \\
 & \left. \left. - \frac{1}{4} F_{\mu\nu}^a F^{a\mu\nu} + i \bar{\psi}^i \gamma^\mu D_\mu \psi^i + \left(\bar{\psi}_L^i V_{ij} \Phi \psi_R^j + \text{h.c.} \right) - |D_\mu \Phi|^2 - V(\Phi) \right] \right\} \\
 & \leftarrow \text{-----} \leftarrow \text{-----} \leftarrow \text{-----} \\
 & \text{other forces} \qquad \text{matter} \qquad \text{Higgs}
 \end{aligned}$$

It's much simpler than that

Return = # of customers affected x uplift per customer - full costs

An example

- **“We’d like to replace our email system so that we can carry out personalised nurturing more effectively”**
- # of leads/contacts emailed per year = 100,000
- **“Uplift” calculation:**
 - 1% of leads eventually close
 - 2% improvement in engagement from new tech
 - ATV of £10,000
- So, if all went according to plan, we’d close 1,020 deals instead of 1,000 = £200,000 uplift.

An example cont.

- Full cost of the new system:
 - £50,000 license costs per year
 - £200,000 of employee time getting the system in place
- So, year 1 return is:
 - $£200,000 - £250,000 = -£50,000$

A key point here is that this is an *improvement* to an existing system, rather than a step change

Putting in new marketing
technology is very disruptive.
Make sure it's worth it before
you begin

GET IN TOUCH

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