

BOOK EXCERPT:
DAVID GREENE OF CREATIVE SPARK

NET value

HOW TO PROFIT
AS THE DIGITAL CULTURE
CHANGES YOUR
VALUE PROPOSITION

STEPHEN TURNER &
STAN DEVAUGHN

FOREWORD BY DAVID CARLICK

© 2008 TURNER DEVAUGHN

GET THE COMPLETE BOOK AT:
<http://www.netvaluebook.com/>

EVEN IN A DOWNTURN, ARE YOU DOING AS WELL
AS YOU COULD? FIND OUT HERE:
<http://www.netvaluegap.com/>

THE LINK BETWEEN THE WEB AND CRM APPLICATIONS

Many companies are using content on their web sites to entice prospective customers to download it. In the process, prospects volunteer information that sales people can use as a fresh source of leads. Return visits and log-ins to the site are also tracked in CRM applications. The link between the two is well established and a good way to start the process of integration. This integration requires a team effort of CMO and CIO to assure that the web is used not just to obtain leads, but a source of intelligence and real relationships.

IBM's Institute for Business Value sees an end to advertising as we know it. They believe that "[a]gencies are developing new approaches to put consumers at the center of marketing programs. Niche-focused consumer research panels are increasingly used to test concepts and develop ongoing dialogues with target segments. Efforts to target online influencers or 'magnets' are underway to fuel peer distribution of messages. Micro-versioning delivery concepts are being developed by combining consumer segmentation and analytics with low-cost creative development processes and dynamic ad-serving capabilities."⁴⁷

An expert on banners says that it's no secret that the effectiveness of banner advertising is on the decline. David Greene, founder of San Francisco-based Creative Spark says that "there are many so called 'solutions' for increasing response rates, including customization, increased interactivity, targeted placement/messaging, etc. Yet, none of these are really solutions; they are simply tools for the online marketer to employ in a larger solution. The only true way to increase banner effectiveness is to view/assess their role as part of an interconnected series of actions in the value chain."

He observes the common tendency to measure the effectiveness of a banner by the number of transactions it generates. The problem is that this places the criteria for success on elements of the value chain in which the banner was never involved. It cannot be used as a metric.

This is not to say that banners cannot add more to the value chain than simple volume of clicks. We had a client with an in-depth sales process and found that by

moving the value proposition earlier in the cycle we were able to increase the conversion rates on the landing page. We placed an interactive calculation tool in the banner, and although the click through rate on the banner was significantly decreased, the conversion rate on the landing page multiplied by a factor of 10.”

In this case, the value proposition was central to effective brand marketing, but it also required new thinking about measuring success. A higher click-through rate doesn't necessarily translate into a more effective campaign. Once the right people find a page that is highly relevant to them, they are more likely to buy.

Many companies expect people to complete complex transactions online without enough information. Presenting the value proposition early in the experience of a web site might encourage buyers to feel more comfortable taking the first step. It boils down to knowing what the prospective customers value. The problem is that this is not something that most interactive marketers, graphic designers, copywriters, media buyers, programmers or other service providers are privy to. The CMO must disseminate that knowledge to trusted partners and demand that creative ideas are based on it. It's especially critical to scrutinize ideas based on their ability to tap into and communicate the value that a brand is creating. Many new web applications and service providers have emerged with such innovative ideas that it is easy to get lost in their cleverness, rather than their underlying value proposition.

Even number-one brand Coke has explored alternatives that haven't always worked. *AdWeek* points to various errors Coke has made in weaning itself off traditional advertising and finding the most effective ways to build its brand online: “Coke Zero blog was discovered to be a fake (generated not by consumers, but in-house), while the remake of Coke.com into a YouTube-like site for consumer-generated content (dubbed The Coke Show), launched in July 2006, initially provoked brickbats from outsiders and failed to generate much in the way of submissions or traffic.”⁴⁸

Just because a respected brand does something doesn't mean that you should too. And just because users generate content, doesn't mean that it has any value to your company. If the content from users doesn't generate insights or sales, then it isn't an asset.