



# The CCI Journal

Volume 9, Edition A

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Spring 2004

## Thinking Globally, Acting Locally

By John Stroud (Birch Group) and Cathi O'Sullivan (CCI).

*The first in a series of articles on Global Marketing.*

Thinking globally and acting locally — this phrase sums up the challenges we all face in international business, and it applies as much to channel programs as other areas. Never has it been more critical for businesses to be effective in the global marketplace. But with this initiative come many challenges and issues, the likes of which some companies have not taken the time to investigate as fully as they should.

CCI and one of our partners, the Birch Group, serve clients in over 100 countries around the world, and we have learned a great deal about launching and managing channel sales and marketing programs in more than one country. For example, the Birch Group is based in England and serves clients across Europe, the Far East and Latin America. Dealing with such geographically diverse markets on behalf of clients introduces business challenges — and provides key learnings — that are essential to consider if multi-country or global programs are to be successful.

One of the things that we know with great certainty is that everything starts and ends with communication, be the communication positive or negative. This article discusses the benefits of productive communication in situations where you may be dealing with multiple languages, countries, cultures, economies and/or currencies.



**Being able to contact people.** Everyone is aware of the various time zones they cross as they traverse the U.S. or Europe and the inherent communication challenges therein.

But multi-country or international programs bring with them additional factors, such as differing national public holidays and holiday practices. For example, companies in many countries take long lunch breaks and work into the evening hours whereas in others that is less common. Also, it's not uncommon for some companies in Europe to take all of August off for vacation. These issues need to be considered when looking at, for example, how to offer and manage program support.

**Different languages** present some obvious challenges, but the extent of those challenges is often overlooked. For example, most countries have several dialects or regional versions of the same language. Those who speak European Spanish do not necessarily communicate as well as might be expected to those speaking the Latin American variant of the language, and vice versa. And that's not even mentioning that there are local (Spanish) languages, such as Catalan and Basque to consider. Being aware of and making appropriate accommodations for these subtle yet important language differences is a key to success.

Pan-European programs must be able to provide support in several languages, and as you move into new territories, this challenge multiplies

(“Thinking Globally,” page 2, column 3)

## Measuring ROI: After Execution Comes Measurement

By Cathi O'Sullivan

In the last *CCI Journal* (Winter 2004), we talked about two topics that are critical to marketing program success: Executing well against marketing plans and capturing data points to facilitate ROI analysis. In this article we will follow up by talking about how to measure ROI after the execution of a program.

You may remember that we used the analogy of taking a road trip when describing the steps in the execution phase of a marketing program. Once the program is launched, however, the road trip does not end. Rather, it turns into another phase that can make all future marketing programs more successful. At the end of the road trip is the Land of Measurement.

If the program started with an objective to which all subsequent steps mapped back, the Land of Measurement can be a wonderful place that is easy to navigate and a source of tremendous information. In the

case of channel programs it may mean the opportunity to see where Q1 co-op funds were spent and how the lead pipeline or bottom line were impacted. Regardless, you will gain visibility into the program, the market and the business by capturing, measuring and analyzing key data points.

So how do you go about using the captured data to measure and analyze ROI? First, start with the objective. Let's say that the objective of a co-op program was to increase the number of Product X sales in Q1, and the strategy was that channel partners would send out complementary direct mail pieces to their house lists while your company sent out direct mail to a prospect list. There is a wealth of data points if you have a system by which to capture the data: Number of mail pieces sent and at what cost, number of responses (total number, number from partner mailings and prospect list), number of leads

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## Does Channel Program ROI Seem Out of Your Reach?

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## The way I see it...



Bill Kelly is VP of Sales for CCI and helps companies define objectives, evaluate strategies and implement programs that achieve measurable results.

### Bits and Bytes: Understanding Resellers

Not long ago, the way to become a market leader was to have the right product at the right time. The path to market leadership not only required companies to design and manufacture products more cost effectively and more efficiently, but it also meant developing sophisticated distribution channels. These networks of distributors, resellers, dealers and retailers served an increasingly critical role for manufacturers as they brought products to market.

Times have changed and so has the way that companies gather information to make business-critical decisions. The pace has quickened, and understanding distribution channels – in this example, resellers – is one very important step in the process of staying up to speed in the market.

### What Do You Know About Your Resellers?

Gathering reseller information has become common practice as companies strive to understand their distribution channels. Many companies have found that this data, while valuable, may be difficult to access. Often, organizations do not – and worse yet, cannot – make the best decision because they are unable to access the right data. And just as often, decisions are made based on data that is faulty, untrustworthy or outdated.

At the core of reseller profiling is understanding their business, their characteristics and the markets they serve. Using this as a basis, further data can be captured to arm companies with information about the way their products are marketed and sold to end-users (e.g., consumers). This information is essential in understanding which resellers most effectively serve target markets as well as which warrant continued investment in programs such as co-op advertising, MDF, co-marketing, etc.

### Progressive Profiling

Trade promotion and incentive programs present companies with countless opportunities to gather reseller information related to geographies, organizational size, revenue levels, products/solutions supported, training/certificates achieved, markets served and contact information beyond the owner or principal. Left unchecked, this information often becomes obsolete.

To insure the integrity and accuracy of reseller data, I propose utilizing **progressive profiling**, a method that propagates a profile across programs and continuously builds upon the data captured. In this manner additional information is collected during each interaction with program participants from the owner/principal and other executives to sales representatives and field service engineers. Each interaction is an opportunity to augment the profile. This process extends the lifespan of profile information and reduces the need for extensive profiling every time a new promotional or incentive program is run. ☞

### “Thinking Globally”

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and costs can escalate. Several companies we know have tried the “Let them all speak English” approach, and this is nearly always less effective than communicating in the local language. Planning ahead and “acting locally” can save a company a great deal of pain and money in the long run, not to mention what it does for relationships with vendors, partner and customers.

Even if there are native speakers on both ends of your support telephone line, knowing the **culturally correct terminology** is important as well. Culturally correct terminology is more than knowing whether or not to refer to someone as “señora” or “señorita,” it extends into knowing which language to use in a business setting in a specific culture. For example, terminology such as the use of *Mobili* for mobile telephone is not appropriate for business conversation in Italy, where *Cellulari* is the preferred term.

**Face-to-face contact** can also bring about some challenges that should be identified and managed in advance. For instance, American and English people have differing views on where the 1<sup>st</sup> or ground floor of a building is. Cultures exist where issues of numerology (the concept of unlucky numbers like no 13<sup>th</sup> floor in buildings, international date formats and dots instead of commas used to define thousands) and Feng Shui (it is considered unlucky to have one’s back face a doorway) must also be considered, especially since not doing so can be interpreted as rude.

And when you do meet someone face-to-face, the local etiquette associated with the meeting must be carefully observed. It’s essential to know and observe local customs so that your business relationship starts off on a positive and productive note. ☞

### “Measuring ROI”

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generated, number of sales (by units or by revenue dollars), etc.

Each of these data points can then be used as the focal point for ROI measurement. It’s easy to determine the cost per piece of mail sent, response rates, cost per lead, marketing cost per unit sold and your total profit, for example.

Now, what was your objective? It was to increase the number of Product X sales in Q1. If you know your baseline, then you can easily determine if you exceeded your objective and by how much. Or, if the numbers are low, it may be possible to determine where the program went wrong depending on the measurable data points that you built into it.

One useful data point that can be easily added into a channel program is a tracking mechanism like a “priority code” on a mail piece. If you offer marketing templates to your channel partners, make sure to use at least one unique tracking code per template and encourage your channel partners to add a complementary tracking mechanism to each piece (i.e., a response code that is unique to each audience segment). The more precise the tracking mechanisms, the more you and your partners will know where the marketing has either fallen short or exceeded expectations. And the better off everyone will be to make appropriate adjustments in the next campaign.

Equally educational but less cost-effective is the journey to the Land of Measurement without an objective. The lack of a clear and measurable objective leads to equally unclear subsequent steps that have nothing to which they can map back. Programs that lack an objective run the risk of confusing the audience, experiencing decreasing ROI (because costs are generally increased and response or adoption rates decline) and ultimately miss the objective they may have hoped to attain. Companies will certainly learn what not to do next time, but those are the kinds of analytics I think we’d all like to see less often. ☞

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