

MARKETING AND DATA MINING IN RFMS

RFMS Webinar Series 2018

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HOW ARE YOU MEASURING SUCCESS?

Your company's advertising budget is crucial to its growth and continued success. However, are you measuring your return on marketing investment (ROMI)? RFMS can help you with tracking the effectiveness of your advertising and with reporting that can assist in directing future advertising spends. RFMS can also help you to identify strategic objectives for more impactful advertising.

Advertising Approaches

1. Brand Awareness
2. Demand Generation Marketing
3. Remarketing
4. Customer Relationships

Brand Awareness

Brand Awareness is the ability of your potential customer to recall your product or service. The goal is to have "top of mind" recall so that your company is the first one that they associate with flooring.

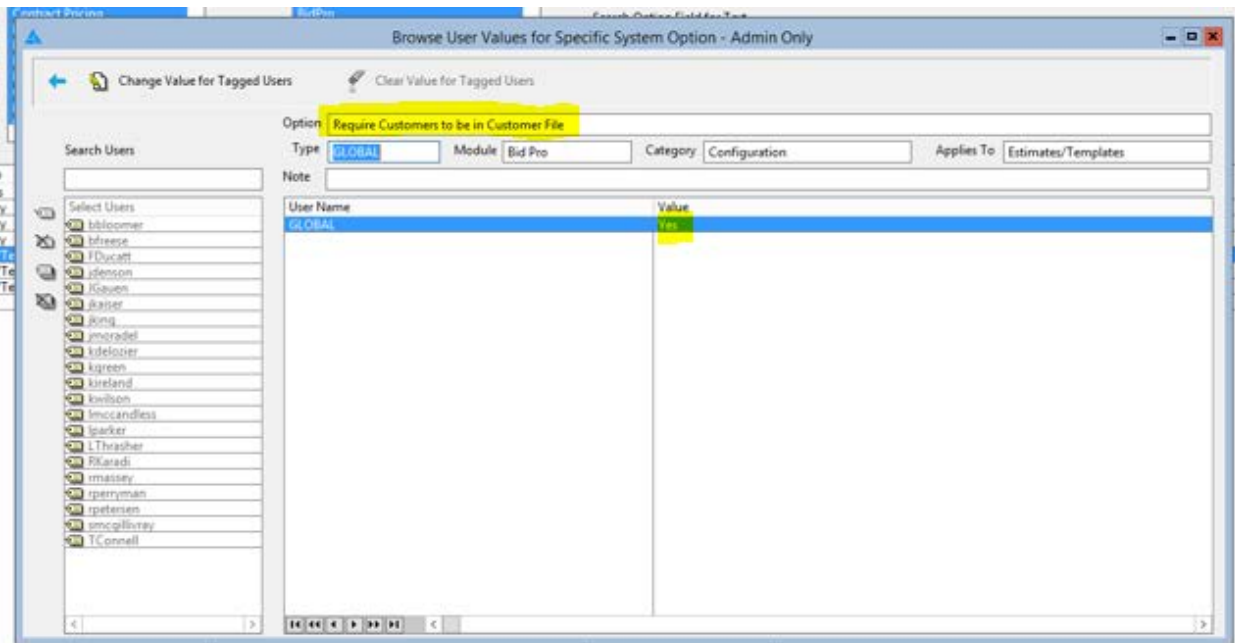
Why does this matter?

Companies with strong Brand Awareness can grow revenue more easily because they are able to command a higher price, produce more sales volume, or both. In this way, Brand Awareness maximizes revenue and profits.

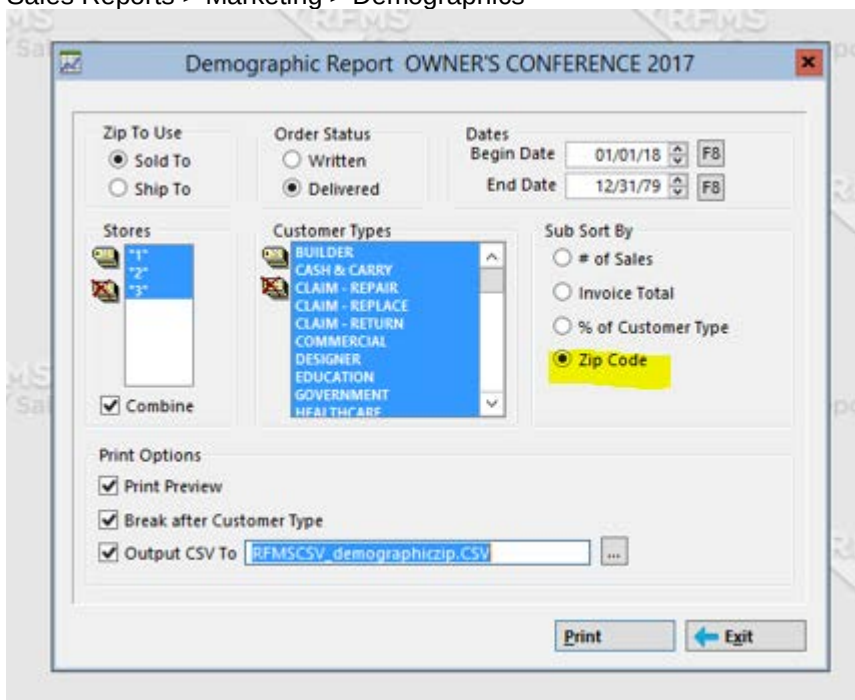
This is key performance indicator (KPI) for your marketing but it is also the most difficult to measure. It is most often measured using surveys and focus groups, which can be outside the budget of small businesses. Technology gives us another way to "reverse engineer" this metric.

Best Practice Tip:

Require the customer to be entered in the Customer File
System Options > Admin System Options > Require Customers to be in Customer File > YES



You can get a high overview of your demographics by zip code in the following report:
Sales Reports > Marketing > Demographics

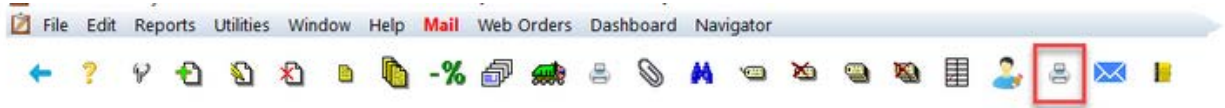


Exercise:

Identify geographical areas in which you would like to have Brand Awareness. Make a list of zip codes or surrounding towns/cities that you expect to have high Brand Awareness.

Download a CSV of your Customers

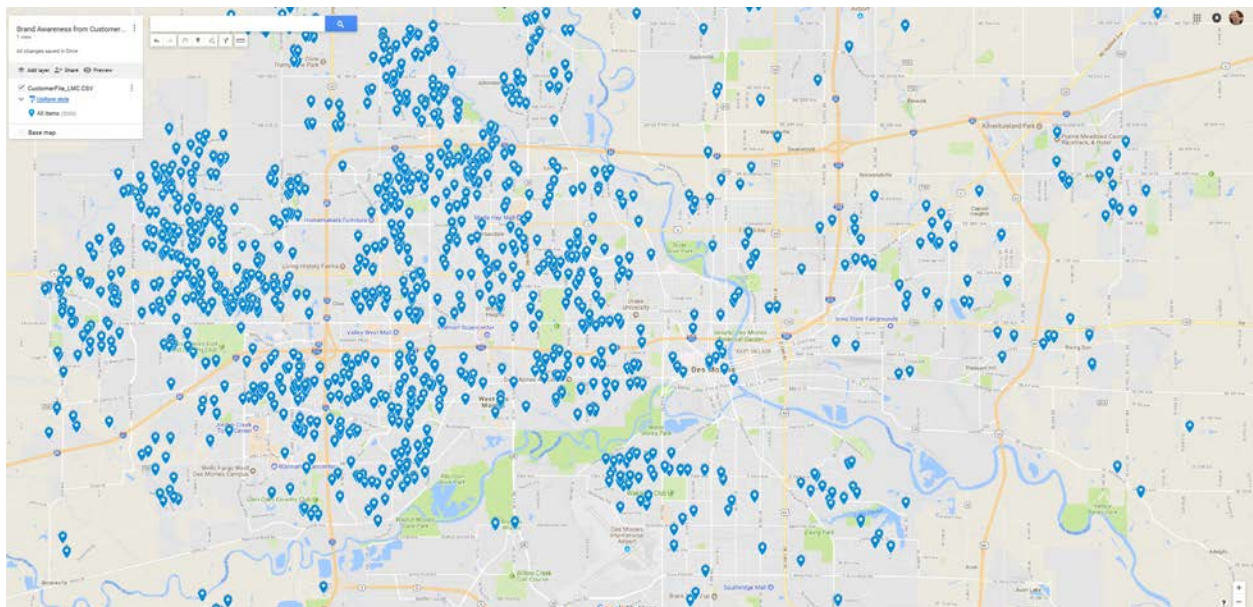
Order Entry > Customers > Customer List Report



Now, let's compare your expected areas of high Brand Awareness to your Customer File.

You can upload up to 2000 customers into Google Maps. In this case, you may want to limit your customer file to a specific date range, such as the last year.

<http://www.google.com/mymaps>



For larger data sets, there are a number of paid services available online, such as mapmycustomers.me. These services offer more sophisticated options such as different color pins by the customer's default store and heat maps.

This is an excellent visual representation of your customer density and will help you to more easily identify the towns or cities in which you may need to increase your Brand Awareness through additional advertising.

Demand Marketing

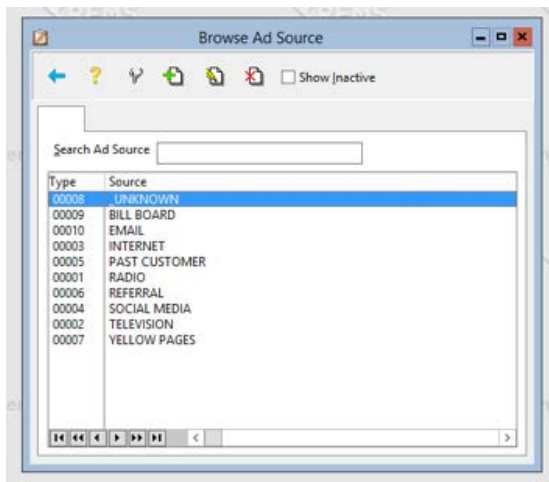
These are the traditional methods used within in the flooring industry of using sales, coupons and events to drive revenue. For most companies, this represents at least 50% of their advertising budget. How do you track and quantify the success of your demand marketing? Recording this data in RFMS orders will allow you to make more informed decisions about the focus of your advertising spend.

Best Practices Tips:

Set up Ad Source

Order Entry > Utilities > Set Up > Ad Source

Your first source should be _UNKNOWN. This will default it to the top of the list. Be clear with salespeople to use this option if they cannot accurately report. Skewed metrics are worse than no metrics! Review your list for clarity and completeness.



You can also REQUIRE the ad source in System Options.

System Options > Admin System Options > Ad Source Required on Orders > New Orders Only

If you are a CMM user, please note that additional reporting is available to you. Be sure to set up your Ad Source and Ad Campaigns. Ad Source should be the broader category and Ad Campaign should be the detailed information. Consult with the training department to fine tune this structure.

Exercise:

Run a Materials Analysis Report by Ad Source

Sales Reports > Materials Analysis

Export to CSV

Materials Analysis - Prints on 8.5 x 14 Paper (Legal)

Sort Order: ☐ Supplier/Style/Color/Qty ☐ Manf/Style ☐ Salesperson/PC/Supplier ☐ Est Del Date/Style ☐ Fiber ☐ Labels By Zip ☒ Ad Source

☐ Customer/PC/Style/Color ☐ Customer/Invoice ☐ Salesperson/Style ☐ Zip/PC (Ship To) ☐ Fiber/Manf ☐ Customer/Job Number ☐ Contract Type

☐ Private Supp/Supplier/Style/Col ☐ PC/Qty ☐ Est Del Date ☐ Zip/Style (Ship To) ☐ Fiber/Supplier ☐ Customer/Billing Grp. ☐ OrderType

☐ Private Supp/Manf/Style/Color ☐ Inventory # ☐ Est Del Date/Customer ☐ Zip/PC (Sold To) ☐ Ship To City ☐ Customer/Invoice/Line Group ☐ ServiceType

☐ Supplier/Style ☐ Salesperson ☐ Est Del Date/PC ☐ Zip/Style (Sold To) ☐ Labels By Name ☐ Product Set

Line Status: ☐ None ☒ Cut ☒ Delivered ☒ Job Costed ☒ On Order ☒ Gen PO ☒ Reserved ☐ Billing ☐ Staged ☐ Uncosted Inventory Only ☐ Requested ☐ In-Transit

Framing Parameters: ☐ None ☒ Cut ☒ Delivered ☒ Job Costed ☒ On Order ☒ Gen PO ☒ Reserved ☐ Billing ☐ Staged ☐ Uncosted Inventory Only ☐ Requested ☐ In-Transit

PC: 01 CARPET 02 VINYL 03 AREA RUGS 04 PAD 05 WALLPAPER 06 CERAMIC 07 WOOD 08 SUNDRIES 09 SURPRISE 10 IN STOCK USE

Sales People: ALISON GASKELL ALISON GASKELL ALISON - COUNTERTOPS ANDY BARKLEY ANDY BARKLEY - BUILDER BOB KOCK BONNIE BLYEU BONNIE BLYEU - BONDS BRENT - COMMERCIAL BRENT - DRENAGER

Customer Types: ALLSTATE BUS EVENT BLOCK PARTY BUILDER C/S CHRISTINPUT CLAIMS REPAIR CLAIMS RETURN COMMERCIAL COSTCO

Stores: 01 02 03 04 05 06 07 08 09 10

Fiber: 100% DIED 100% 100% DIED 100% N ACRYLIC ACRYLIC BLEND AMO/AMQ AMO/MST BAMBOO BLEND BSS/ZEF COTL BLEND

Supplier: F8 Qty From: 0.000 Qty To: 0.000 Customer From: F8 Customer To: F8 Job Number: Sold To State: Ship To State: Billing Group Desc: [...]

Private Supplier: Order Date From: 08/01/17 F8 Order Date To: 12/31/79 F8 Invoice Date From: 01/01/80 F8 Invoice Date To: 12/31/79 F8 Cut Date From: 01/01/80 F8 Cut Date To: 12/31/79 F8 Del. Date From: 01/01/80 F8 Del. Date To: 12/31/79 F8

Est Del Date From: 01/01/80 F8 Est Del Date To: 12/31/79 F8 Order Total From: 0.00 Order Total To: 0.00 Line Est. Del. Date From: 01/01/80 F8 Line Est. Del. Date To: 12/31/79 F8

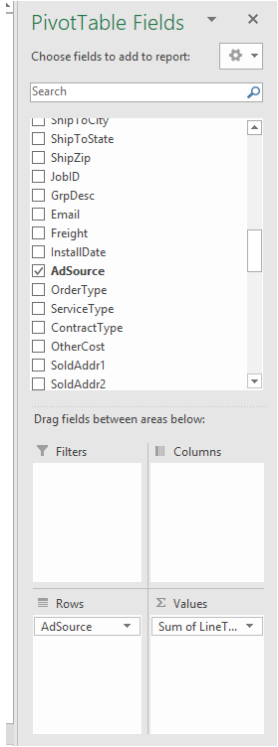
Invoice From: Invoice To: Stock Only: ☐ Define Other Cost: ☐ Freight ☐ Overhead ☐ Load

☒ Output CSV To: MA_byAdSource.CSV

☐ Print Preview Copies: 0 ☐ Print Framing Parameters ☐ Print Summary ☒ Show Cost ☒ Show Profit ☐ Include Claims

Clear Save Load Printer... Print Exit

Open your CSV in Excel and create a pivot table.



Insert > Pivot Table

Choose the first option to select table or range

Click OK

In the Pivot Table Fields, check LineTotal and AdSource

In Row Labels, use the dropdown arrow to show all of the AdSources that are presented in your data. Uncheck No Ad Source and any other labels you do not want included in your data.

Select the Sum of Line Total Column and convert to currency by clicking the dollar sign.

The resulting table will show you the total sales for each ad source as well as a grand total.

	Row Labels	Sum of LineTotal
3	C1 WEB LEAD	\$ 42,014.23
4	CUSTOMER REFERRAL	\$ 605,241.13
5	DIRECT MAIL-BIG BOY	\$ 207,526.12
6	DIRECT MAIL-REGULAR SIZE	\$ 17,092.18
7	INTERNET AD	\$ 16,850.34
8	PRO BIZ	\$ 254,419.99
9	RADIO	\$ 288,981.86
10	TV	\$ 218,675.00
11	WEB LEAD OTHER	\$ 22,861.68
12	Grand Total	\$ 1,673,662.53

We can also look at which type of advertising yields orders with the highest gross profit. To do so, we will use the same Materials Analysis report but handle the data differently.

In Excel, turn on filters for your entire sheet.

Filter on Column AN, Ad Source

Click the Select All button to unselect all sources and then check only one specific Ad Source you want to analyze

Then, filter on Column U ProfitPerc

Uncheck any outliers to provide more consistency in the data, This may include lines with a negative GP or a GP of 100%, for example. You will need to determine the threshold for your data.

Autosum the remaining lines.

Divide the autosum total by the number of filtered lines.

This will result in your average GP for that ad source.

(If desired, you can get more granular data by filtering on Column G, PC, which allows you to include only material or only service based on your product codes.)

Now, let's analyze the ad source data.

For example, Pro Biz and Radio had comparable revenue totals. However, the average GP was higher for Pro Biz. So, we can identify Radio as a preferable method of advertising to increase profitability.

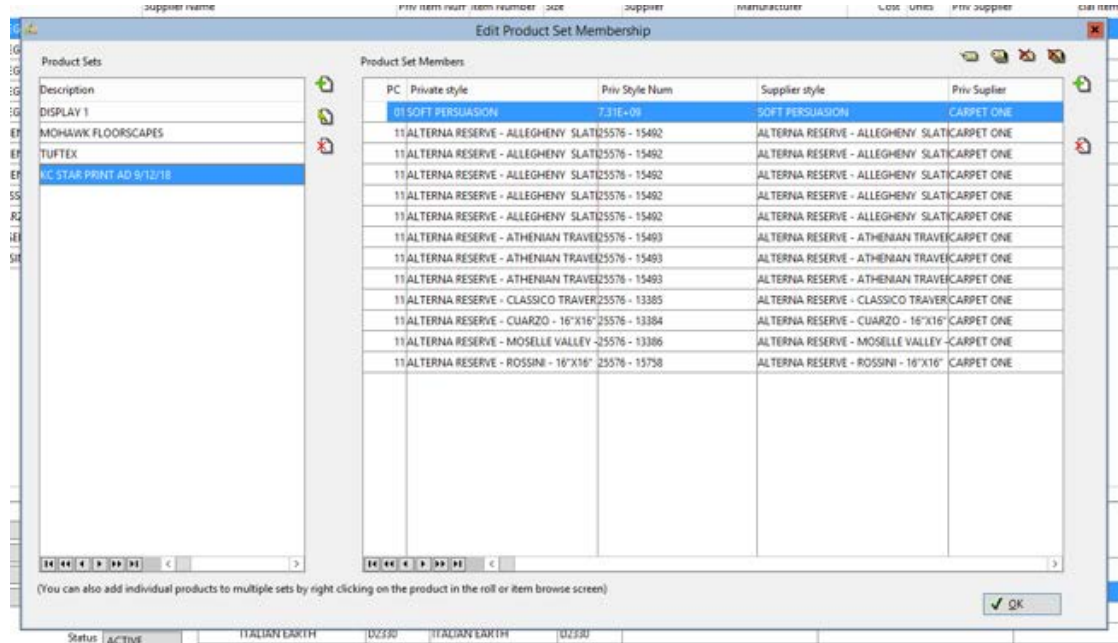
This is useful for general decision making about where to funnel advertising dollars and how to allocate the spend that you have available.

We can get even more detailed in determining both the efficacy and profitability of specific ads by using Product Sets.

Best Practice Tip:

Create a product set for your advertising campaign.

Products > Utilities > Product Sets



Exercise:

Run a Materials Analysis Report by Product Set

Sales Reports > Materials Analysis

This will show you the total sales for the products you advertised as well as the profitability of the associated orders.

These can be set up and run on past advertising. Create the Product Set and then run the report for the appropriate date range associated with that advertising campaign.

Additional Tip:

Run a Top Sellers Reports

Sales Reports > Marketing >

Top Sellers Report - Prints On 8.5 x 14 Paper (Legal)

Top Seller By:
☐ Style/Item and Color ☐ Supplier ☐ Collection
☐ Style/Item ☐ Private Supplier ☐ Private Collection
☐ Manufacturer ☒ Product Code

Ranking:
☒ Quantity
☐ Gross Sale
☐ Gross Profit Percent

Date Ranges:
☒ Use Invoice Date ☐ Use Delivery Date
Date From: 01/01/18 FB
Date To: 08/31/18 FB

Parameters:
Number of Top Sellers: 50
Unit Cost From: 0.00
Unit Cost To: 1,000,000.00

Options:
☐ Include Uncut Lines
☐ Group by Salesperson

Filters:
Supplier: FB
Manufacturer: FB
Customer: FB

Stores:
PC: 01 CARPET, 02 VINYL, 03 CARPET PAD, 04 WOOD, 05 TILE, 06 LAMINATES, 07 LUXURY VINYL TILE, 08 CARPET TILES, 09 SUNDRIES-SUPPLIES

Sales People:
ALICE THOMAS, BRIAN FRESE, BRUCE BLOOMER, FAITH DUCATT, HOUSE, JAMIE KAISER, JENNIFER KING, JERRY ROE, JOE MONTANA, JOEY DENSON, KYLE BLOOMER

Customer Types:
BUILDER, CASH & CARRY, CLAIM - REPAIR, CLAIM - REPLACE, CLAIM - RETURN, COMMERCIAL, DESIGNER, EDUCATION, GOVERNMENT, HEALTHCARE, INDUSTRY

Print Options:
☒ Print Preview
☐ Output CSV To: RFMSCSV.CSV

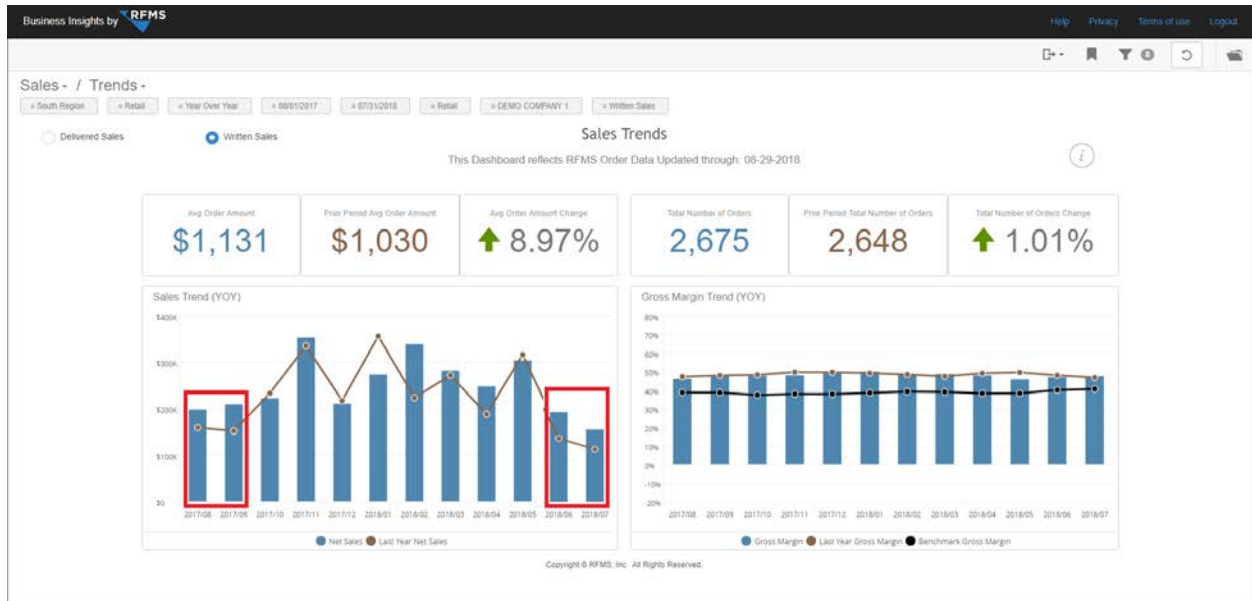
Printer: Adobe PDF (redirected 3)
Print Copies: 1

Print Exit

You can run this report with a variety of criteria, but when you run it by Product Code with a ranking of Quantity, you will easily be able to see where sales volume and gross profit percentage intersects.

Use Sales Trends to Plan Marketing Efforts

Look at graph and identify months with lower sales. Plan marketing campaigns to grow revenue in those months.



Benchmarking Your Advertising Spend

Business Insights by RFMS

Profitability - / Income Report -

South Region Retail Year Over Year DEMO COMPANY 1 2017/08 2018/07

Display

- ☐ Sales Income
- ☐ Cost of Sales
- ☒ Operating Expenses
- ☐ Other Income
- ☐ Non-Operating Expenses

Operating Expenses Detail

	Current	Current %	Price Period	Price Period %	Benchmark %
Cost of Personnel					
Officer Salaries Wages Bonuses	\$170,540	2.32 %	\$170,540	2.37 %	1.01 %
Driver or Disbursements	\$0	0.00 %	\$0	0.00 %	0.00 %
Sales Salaries Wages Commissions	\$473,494	6.23 %	\$459,925	6.17 %	9.10 %
All Other Salaries Wages Bonuses	\$368,366	7.71 %	\$398,123	8.03 %	7.78 %
Federal State Payroll Taxes	\$0	0.00 %	\$0	0.00 %	1.42 %
Group Insurance	\$0	0.00 %	\$0	0.00 %	0.87 %
Employee Benefits Plans	\$75,416	0.99 %	\$74,316	1.00 %	0.27 %
	\$1,311,815	17.25 %	\$1,308,964	17.57 %	20.45 %
Occupancy Expenses					
Property Tax	\$53,544	0.70 %	\$53,544	0.72 %	0.15 %
Utilities	\$40,764	0.51 %	\$57,056	0.77 %	0.76 %
Telephony Internet	\$18,260	0.24 %	\$15,791	0.21 %	0.46 %
Building Repairs Maintenance	\$51,552	0.68 %	\$47,474	0.64 %	0.31 %
Rent	\$400,927	5.27 %	\$400,927	5.38 %	5.75 %
Trash Disposal	\$0	0.00 %	\$0	0.00 %	0.57 %
Other Occupancy Expenses	\$104,091	1.38 %	\$82,046	1.10 %	0.15 %
	\$676,039	8.89 %	\$656,839	8.82 %	8.13 %
Sales Expenses					
Advertising & Marketing	\$149,169	1.96 %	\$133,560	1.79 %	4.28 %
Credit Card Fees	\$90,131	1.19 %	\$82,521	1.24 %	0.45 %
Finance Charges	\$0	0.00 %	\$6	0.00 %	0.51 %
Bad Debt Loss	\$5,925	0.08 %	\$21,273	0.29 %	0.36 %
Other Sales Expenses	\$0	0.00 %	\$0	0.00 %	0.29 %
	\$233,374	3.07 %	\$247,360	3.32 %	5.89 %
General Expenses					
Dues & Subscriptions	\$57,114	0.75 %	\$42,488	0.57 %	0.06 %
Licenses & Fees	\$0	0.00 %	\$0	0.00 %	0.04 %

Business Insights

Contact bi@rfms.com for more details.

Where do I Signup?



Sign up!

- ✓ Go to **RFMS.com/BI**
- ✓ Click on the “**Get Started Today**” button and complete the information
- ✓ RFMS will contact you and begin the process*

Email bi@rfms.com to request a demo



* Requires RFMS v17.99 or above

Additional Information on Advertising Spend

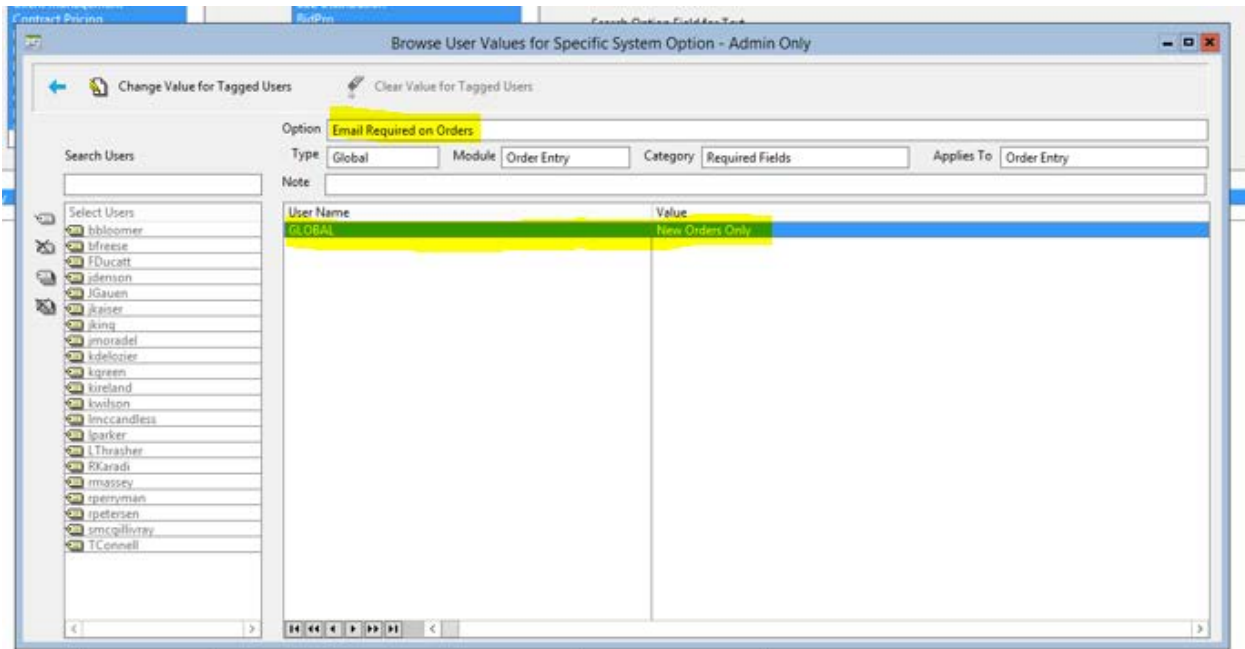
Remarketing

Email is your least expensive form of customer remarketing.

Best Practice Tip:

Require customer email address

System Options > Admin System Options > Email Required on Orders > New Orders Only



You should have a pre-sales funnel of optimal, scheduled email contact from your sales people to increase your conversion rate. This funnel can easily be set up in Client Management. Contact the training department for more details.

In addition to personal contact from the sales person, you can use the email addresses to remarket directly to unconverted prospects.

Exercise

Order Entry > Sales Reports > Quote Information Report

Specify Quotes Not Exported, Customer Name, Include Marketing Information

Then, output to CSV

Quote Information Report

Report On: ☒ Quotes Not Exported ☐ Exported Only ☐ Both Reports

Date Range: Start Date: 01/01/18 End Date: 08/31/18

Sort Order: ☐ Customer Type / Invoice Number ☐ Invoice Number ☐ Job Num/TB / Invoice Number ☐ Salesperson / Invoice Number ☐ Salesperson / Customer Type ☐ Salesperson / Job Num/TB ☐ Days To Conversion ☒ Customer Name / Invoice Number

Stores: 1 2 3

Customer Types: BUILDER CASH & CARRY CLAIM - REPAIR CLAIM - RETURN COMMERCIAL DESIGNER EDUCATION GOVERNMENT HEALTHCARE HOSPITALITY INSTALLER MULTI-FAMILY REALTOR RETAIL

Sales People: ALICE THOMAS BRIAN FREEZE BRUCE BLOOMER FAITH DUCATT HOUSE JANET KAISER JENNIFER KING JERRY RICE JOE MONTANA JOEY DENSON KERRI BELLAND KIM DELOZIER LISA PARKER RAHUL KARADI RJ PETERSEN RUBY MASSEY STEVE MARTIN

Filter By Converted Days (Exported Only): ☐ 0 - 7 ☐ 8 - 14 ☐ 15 - 21 ☐ 22 - 30 ☐ 31 - 60 ☐ 61 - 90 ☐ 91 - 120 ☐ 120 >

Print Options: ☐ Page break on sort changes ☒ Include Marketing information ☐ Print Summary Only ☒ Print Preview ☐ Print greenbar ☒ Output CSV To: andless\Downloads\Unconverted_exported.C*

** Report parameters apply to the primary quotes only. Related quotes are not included in report totals. **

Print Exit

Open your CSV and clean it up to just include the name and email address. The minimum number for Facebook is 100 email addresses.

You can then push advertising to those Prospects on Facebook to increase your sales conversions.

<https://www.facebook.com/adsmanager/>

From the menu, select Audiences

Plan	Create & Manage	Measure & Report	Assets
Audience Insights	Business Manager	<u>Ads Reporting</u>	<u>Audiences</u>
Creative Hub	Ads Manager	Test and Learn	Images
	Page Posts	Analytics	Catalogs
	App Dashboard	Events Manager	Business Locations
	App Ads Helper	Pixels	Block Lists
	Automated Rules	Offline Events	
		App Events	
		Custom Conversions	
		Partner Integrations	

Create audience > Custom Audience > Customer File > Add customers from your own file or paste data

Create a Custom Audience

1

2

3

4

Add Customer List

Edit Data Mapping

Hashed Upload & Creation

Next Steps

Prepare a file with your customer data

Read best practices for preparing your customer data

Identifiers you can use (15)

Email

Phone Number

Mobile Advertiser ID

First Name

Last Name

ZIP/Postal Code

City

State/Province

Country

Date of Birth

Year of Birth

Gender

Age

Facebook App User ID

Facebook Page User ID

Original Data Source

Select the origin of this upload

Add a new file (CSV or TXT)

Download file template

Drag and drop your file here or

Upload File

Copy and paste

By clicking Next, you agree to the Facebook Custom Audiences Terms.

Audience name

Name your audience

50

Show description

Cancel

Back

Next

Once you've set up the image and collateral information, you will be able run an ad for these users.

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The same technique can be applied to Google AdWords in Audiences
<https://adwords.google.com>
Tools > Shared Library > Audience Manager

Use the blue plus to add a new audience

The screenshot shows the 'Create Audience' form in Google AdWords Audience Manager. At the top, there is a field for 'Audience name'. Below this, the 'List members' section has a dropdown menu set to 'Upload Emails, Phones, and/or Mailing Addresses'. The 'Upload data' section provides instructions on creating a Customer Match audience list and offers two options: 'Upload plain text data (unhashed)' and 'Upload hashed data'. Each option includes a brief explanation and a link to 'formatting guidelines'. Below these options are buttons for 'Email', 'Phone', 'First Name', 'Last Name', 'Country', and 'Zip'. At the bottom, there are fields for 'Membership duration' (set to 'No expiration') and 'Description' (with the placeholder 'Add an audience description (optional)'). A disclaimer at the bottom states: 'Your use of remarketing lists must comply with the Personalized advertising policy and the Google EU user consent policy.' At the very bottom are two buttons: 'UPLOAD AND CREATE LIST' (in blue) and 'CANCEL'.

Audience name

List members

Select the type of customer data you'd like to create an audience with

Upload Emails, Phones, and/or Mailing Addresses

Upload data

To create a Customer Match audience list, [use a template](#), or create your own CSV file with customer data using a combination of the required column headers below

Email Phone First Name Last Name Country Zip

☐ Upload plain text data (unhashed)

The private customer data in your file (Email, Phone, First Name, and Last Name) will be hashed on your computer using the SHA256 algorithm before sending it to Google's servers. Country and Zip data won't be hashed.

Follow the [formatting guidelines](#) to ensure a successful upload

☐ Upload hashed data

If you choose to upload hashed data, pre-format your file using the guidelines below and only hash private customer data (Email, Phone, First Name, and Last Name). Country and Zip data shouldn't be hashed.

Follow the [formatting guidelines](#) to ensure a successful upload

Membership duration No expiration

Description Add an audience description (optional)

Your use of remarketing lists must comply with the [Personalized advertising policy](#) and the [Google EU user consent policy](#).

UPLOAD AND CREATE LIST CANCEL

This method can be used in a variety of ways using the email addresses from your RFMS database. For example, you could target specific segments of your business by exporting just the email addresses of builders and customize an ad to them. The possibilities are endless!

Customer Relationships

Engagement and follow up with your customers has been proven to increase the Customer Lifetime Value (CLTV). Reducing churn rate in your customer base can directly translate into improved sales and profitability. Due to the long lifecycle of flooring, this impact will have an extended time horizon.

A post-sales funnel maintains customer engagement and encourages repeat business and referrals.

If you are CMM user, you can automate your customer follow up, but we can also do a simplified version of this within order entry. Filter on a variety of criteria and send an email directly from RFMS. CMM users, can also set up templates for these follow up emails.

The screenshot shows the 'Find Orders' window in the RFMS software. It is a complex form with multiple sections for data entry. The 'Send To' section on the left includes fields for customer contact information and delivery options. The 'Ship To' section on the right includes fields for shipping information and delivery dates. The bottom of the window features buttons for 'Clear', 'Save', 'Load', and 'Create as Static List'. A 'Stores' list is visible on the right side of the window.

Examples:

- Send floor cleaner coupon six months after job closes
- Send email at 1 year anniversary of installation
- Send email at 3 year anniversary to encourage repeat business

Reward your best customers!

Sales Reports > Marketing > Top Customers

Top Customer Report

Date From: 01/01/80 FB Date To: 12/31/79 FB Top: 50

Rank By:
☐ Invoice Count
☒ Net Sales
☐ Net Profit Percent

Sub Sort By:
☒ None
☐ Salesperson
☐ Customer Type

Stores: [List of stores]

Sales People: [List of salespeople: ADDIE FRANKS, ARNI HADAL, BRIAN FRIESE, BRUCE BLOOMER, CHRIS TAYOR, CLARENCE FORTUNE, DAVE DUMOUIN, DAVID KILBOURN, DAVID QUINN, DEBBIE, DONNA, DONNA - ZERO, FAITH DUCATT, FRED LOVE]

Customer Types: [List of customer types: AMERICAN EXPRESS, APARTMENT, AVCO, BUILDER, CASH, CHECK, CHURCH, CITY FINANCE, COMMERCIAL, DISCOVER, HOME DEPOT, LOWES, MASTERCARD, NORWEST]

☐ Combine

Print Options:
☐ Print Preview
☐ Output CSV To: RFMSCSV.CSV
☐ Break after Store

Print Exit

This is useful for planning special events or loyalty programs.