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WiseGuys Marketing Analysis Software

Winner, 2006 NCDM Database Excellence award

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Pricing

Jan 2008

A Winner!

Since 2003, Desktop Marketing Solutions (DMSI) has created database marketing success stories with our clients using our WiseGuys Marketing Software. In Dec, 2006, these efforts gained national attention. At the NCDM (National Center for Database Marketing) conference in Orlando, WiseGuys was recognized for a Database Excellence award in the category of Analytics and Modeling Applications. We are proud that the success of WiseGuys with our clients has been given this recognition – and as a prospective client, you can look forward to achieving even greater success from WiseGuys in the future.

Product Overview

As a marketing professional, you may have asked the following: Why can't Marketing staff have dedicated software tools –on your own PC– just as Accounting and other disciplines do? WiseGuys™ is designed to be used by Direct Marketers. It provides a set of software tools for you to analyze your customer base inside and out. For retention of existing customers, WiseGuys uses RFM analysis (Recency, Frequency, & Monetary Value) to select a highly targeted audience for your mailings. If acquisition of new customers is your priority, WiseGuys calculates the Lifetime Value (LTV) of your customer base – to establish how much you should be spending on your acquisition promotions. Additionally, WiseGuys provides Response Analysis – so you can measure the effectiveness of each promotional campaign.

Best of all, WiseGuys is designed to be inexpensive, easy to use, and targeted. Inexpensive because it is written in MS Access, a low cost but powerful relational database program. Access provides a mainstream solution that can be used on a Direct Marketer's desktop. Easy to use because WiseGuys requires a bare minimum of data entry: instead, it links directly to your existing order entry database. No need to export, import, or re-key data continuously. Finally, WiseGuys provides a targeted solution through the use of data filters. These filters eliminate the "noise level" of unwanted or outlying data found in most databases. You won't be averaging apples and oranges together any longer.

How WiseGuys uniquely enables RFM

WiseGuys takes the theory of RFM and extends it with point and click efficiency, to provide the only practical solution available for Direct Marketers anywhere! Here are some of the unique RFM features built into WiseGuys™:

Precise Calculations – WiseGuys uses dependent variables, whereby scoring for frequency is based on the Recency Score (and scoring for monetary value is dependent on both Recency Score and Frequency Score). This is the area where most of the misunderstanding with RFM originates. Think of the sorting process as a major sort on Recency, then a minor sort on Frequency within Recency score, and finally another minor sort on Monetary Value within Recency Score and Frequency score. The result is a matrix of 100 “cells” (5 x 5 x 4) that have roughly the same number of customers in each cell. This is a more precise approach than simply sorting values independently. It is preferred by statisticians for doing response testing, and other analysis.

Selection Filters – WiseGuys uses as “Control Panel” to filter the raw data for each customer in your database to reduce the noise level. In this way your analysis and promotions are targeted at precisely the audience you intend. The Control Panel shows 5 tabs representing 5 selection filters; you can click the parameters of your customer data on or off in each filter. These tabs are described below:

Customer Type tab: A list of your primary customer types is shown. Click only the customer types that you want included in your selections (such as wholesale versus retail).

Product Class tab: Click only the product classes that you want included in your RFM selections (e.g. ignore orders for a catalog, or free promotional items).

Source Code tab: Click only the source codes for orders that you want included in your selections (e.g. ignore point of sale customers).

Sales Territory tab: Click only the sales territories for customers that you want included in your selections (e.g. geographical areas).

Division Code tab: Click only the division codes for customers or orders that you want included in selections (e.g. include retail division but not wholesale).

How WiseGuys uniquely enables Lifetime Value Analysis

WiseGuys currently calculates LTV in a number of valuable ways.

Filtering – as described in the RFM section above, you can apply the Selection filters to include in, or screen out, customer records from LTV analysis. The same 5 filters apply: by customer type, by product classification, by source code, by division, and by sales territory, with a check box in each for “Include in LTV”. This is extremely helpful, for example, when you are targeting either retail or wholesale customers, but you don’t want their values averaged together.

“Selection Filters prevent averaging apples and oranges together”

Actual LTV – WiseGuys calculates the “actual” (not forecasted) LTV for each customer. Actual LTV is calculated from:

Actual customer spending (by year)

Less cost of goods sold (from your order table)

Less Customer acquisition cost. You can key an acquisition \$ value for each customer original source code, or customer type (but not both). See section D.2. below for more details.

Less annual marketing cost (e.g. retention expense). Again, you can key a \$ value for each customer type.



Frequently Asked Questions

Q: What does WiseGuys do that other marketing software does not?

A: Smarter targeted mailings and reports. By design, most systems collect and store customer data for operational (not marketing) processing. For instance, most other systems do contact management, invoicing, credit card processing, and may do inventory control. WiseGuys picks up where they leave off - it links to their data and performs the enhanced Marketing Analysis that they lack. This includes RFM analysis, Lifetime Value Analysis, and Lapsed Customer reports.

Q: What is important about the Householding feature of WiseGuys™?

A: True visibility of aggregate customer sales. Again, most systems collect and store customer data at the individual (contact) level. WiseGuys displays this data as well, but also “households” or consolidates the individual customer data into an organizational record. This is very valuable in a B-B environment – so that a marketer can see a roll-up of the aggregate sales activity for all the contacts in an organization.

Q: What is the importance of the WiseGuys MatchBack Response Analysis feature?

A: Response Analysis – the ability to precisely measure promotional campaign effectiveness – is the single largest unmet need for marketers. WiseGuys tracks all outgoing mailings (including batch email), and then does a “matchback” of orders against mailing records, to calculate response. In this way, marketers can evaluate the following:

Which campaigns pay for themselves, and which do not.

Which segments of your mailings respond the best.

What is the staying power (“legs”) of your mailings after the mail date.

Q: What was the most popular feature WiseGuys in 2007?

A: The CrossSell module – we expect this to be the most popular function in WiseGuys. CrossSell is an optional add-on module that performs specialized analysis using product purchase information. The primary function is known as Market Basket Analysis (MBA). You can also think of MBA as “Marketing By Amazon” – since they made it famous. This rare capability is not available in off-the-shelf report writer packages. It allows you to analyze product pairs: i.e. which product purchases correlate with others. For example, if a customer buys product X, what is the most likely other product he will purchase. But that is just the beginning. CrossSell goes beyond marketing analytics to marketing operational tactics. It will create a batch of customer “reminder emails” that provide a gentle reminder to customers who bought X but have not yet bought Y.

Q: How does WiseGuys CrossSell work?

A: CrossSell is an Access based module that performs the following:

1. Computes the percentage of time that two products are purchased together, and creates a Product Pair table. A new feature is that both products need not be purchased in the same order. CrossSell uses a "Product Pair Window" to establish whether a cross selling event really occurred. In your example, a customer who purchased a baseball bat within 30 days of buying a baseball could be considered a Product Pair. If they purchased ice skates 6 months after they bought the baseball, this would not be a Product Pair.

2. Optionally, CrossSell can launch an email to each customer who bought a baseball, but failed to buy the bat. The email is gently worded:

"We've noticed that customers who have purchased ITEM 123 BASEBALL also purchased ITEM 456 BASEBALL BAT For this reason, we are sending this reminder to let you know this item(s) is available in our inventory. You can order at a savings of XX% by following the link to www.SportingGoodsUSA/Reminder1206 ."

Q: What is the WiseGuys "Count Wizard" feature?

A: The RFM Count Wizard allows you to output a selected mail count that matches a budgeted count that your desire. For instance, you may want exactly 90,000 customer names: WiseGuys selects the highest scoring 90,000 records based on their RFM scores. To select the highest scoring records, WiseGuys uses "weights" pre-assigned to each RFM score. Weights can be adjusted to fit your specific business model.

Alternatively, you can use the "Nth Select Wizard" to select a random group of 90,000 names from your database. Nth Select is valuable for testing. WiseGuys allows you to "hold back" a random group of customers from a mailing. In this way, you can test whether the held back group responds as well as your mailed selections.

Q: How does the WiseGuys RFM module save marketing dollars?

A: Printing and postages savings from precision targeting of promotions. Direct Marketers work hard to generate as many orders as possible from targeting a limited, highly selective number of contacts (usually through direct mail, e-mail or telemarketing). WiseGuys RFM module helps save time and money by scoring each customer and selecting just the right target audience that will achieve maximum return. By avoiding mailings to low scoring customers, WiseGuys can help avoid a great deal of wasted time, printing and postage expense.

Q: Are there other ways WiseGuys can save marketing dollars?

A: Yes, through Lifetime Value analysis (LTV). Lifetime Value analysis is the measure of customer loyalty, and will tell you how much you can afford to spend on acquiring a new customer to yield a lifetime of return. We all speak about the importance of building relationships and repeat customers – yet it is truly amazing how any marketing organization can live without this valuable tool. WiseGuys currently calculates actual Lifetime Value for MOM users, based on customer purchases. It will include a calculation for Forecasted LTV in a future release.

Q: How does WiseGuys help retain B-B customers?

A: WiseGuys promotes B-B customer loyalty by finding "lapsed customers". It prompts you for a date beyond which an organization is considered "lapsed". For instance, if you key 01/01/2001, WiseGuys will return all organization records with no orders since that date. Note that it considers all individuals at the org location when it makes this determination.

Q: What is new for WiseGuys in 2008?

A: The eWise version of WiseGuys. eWise is a database marketing analysis tool , specifically designed for small-to-mid-size e-marketers moving into multi-channel marketing. eWise leverages the core technology of our award-winning WiseGuys database marketing software. It provides e-marketers with the advantage of a robust system for measuring multi-channel marketing campaigns, without the rigor involved in using most traditional database marketing solutions.

Why e-marketers are embracing multi-channel marketing?

The online playing field has reached a plateau for e-commerce companies. What used to be a thriving niche business is now more difficult, due to two principal reasons: a significant drop in natural search rankings and a sharp increase in Pay-per-Click (PPC) competition. This level playing field has forced traditional e-commerce companies to embrace a multi-channel approach.

Q: How much setup is required for WiseGuys?

A: For the Mail Order Manager (MOM) version of WiseGuys, very little. WiseGuys links to 4 existing MOM tables (preferably backups). This can be setup in less than a day.

For other systems, WiseGuys can be configured to link to virtually any relational database in a matter of days or weeks, not months.

Q: Can't a good Report Writer like R & R or Crystal Reports accomplish the same functions?

A: No, for a number of important reasons. The biggest reason is that Report Writers typically are "read-only", and unable to pre-process and store data. Data modeling experts will tell you that pre-processing is up to 80% of the entire effort of an analysis project.

Q: What do you mean by "pre-processing"?

A: Here are the types of pre-processing that WiseGuys provides:

- Automatic householding – linking individual customers and prospects into a consolidated organization view.

- Automatic segmenting of customers into quintiles. Quintiles represent the marketing use of the 80-20 rule: where 20% of your customers generate 80% of your sales.

- Automatic assignment of RFM (Recency, Frequency, & Monetary Value) scores for each customer in your database.

Q: How is WiseGuys sold?

A: Licenses for WiseGuys are sold in 4 sizes: eWise, MOM version, Standard and SQL version. All versions require Microsoft Access (Access not included in purchase). See below for license details for each version.



WiseGuys Marketing Software Pricing: Jan, 2008

Why so low?

WiseGuys provides world class functionality on your desktop that very few competitors can match. Yet WiseGuys is priced much lower than competitive enterprise applications. Our pricing is low because we are eager to provide you with a total solution – not just software. In other words, once your software is installed, and you are comfortable with it's features, you will want to take advantage of our in-depth direct marketing consulting services. Most of our clients do! For instance, we can help you interpret the information from WiseGuys reports – and help maximize your direct marketing results.

WiseGuys can be installed in a matter of days, and in a few short weeks, you will be realizing hands on tangible benefits. Select a version below that meets your needs – then contact our offices immediately to begin seeing results.

Pricing Summary

	eWise version	MOM version	Standard version	SQL version
User Profile	eMailers with Postal Mailings less than 50,000 per year	Mail Order Manager users	Postal mailings greater than 50,000 per year	MS SQL server installations with Postal mailings greater than 1 million per year
License fee	\$1,990	\$2,990	\$3,990	\$7,990
Installation fee	No charge	No charge	Variable charge based on Client's source database. DMSI will provide a free estimate	Variable charge based on Client's source database. DMSI will provide a free estimate
Technical Support	Free first year. 20% of license fee annually thereafter	Free first year. 20% of license fee annually thereafter	Free first year. 20% of license fee annually thereafter	Free first year. 20% of license fee annually thereafter
WiseGuys Version Upgrades	Free first year. 20% of license fee annually thereafter	Free first year. 20% of license fee annually thereafter	Free first year. 20% of license fee annually thereafter	Free first year. 20% of license fee annually thereafter
Version comparison	Standard features: 1. RFM Analysis 2. Matchback Analysis 3. Customer LTV calculations 4. Automated Deduping & Householdin g 5. Amazon-style Cross-sell analysis	Standard features plus postal functionality ... 6. Breakeven Reporting 7. Multiple Regression Statistical Response Reporting 8. Interface with AccuZip for NCOA	Standard features plus postal functionality ... 6. Breakeven Reporting 7. Multiple Regression Statistical Response Reporting 8. Interface with AccuZip for NCOA	Standard features, postal functionality plus... 9. Large file capacity