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WiseGuys™ Marketing Analysis Software Tools

Product Overview, Frequently Asked Questions and Pricing
March 2004

Product Overview

As a marketing professional, you may have asked the following: Why can't Marketing staff have their own dedicated software tools –on their 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 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.

Filtering - WiseGuys™ filters 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. WiseGuys™ employs 3 “Noise” filters for you to click on or off your customer data in three important ways:

- Click off customer types that you don't want included in your calculations (such as one-time customers with huge purchases, or wholesale versus retail).
- Click off product orders that you want to exclude from the RFM calculations (e.g. orders for a catalog, free promotional items, etc.)
- Click off source codes for orders that you want to exclude from your marketing analysis (e.g. point of sale customers).

“Don't ignore Melinda Gates”

Site RFM Calculations – for B-B marketing, WiseGuys™ goes beyond RFM scoring for each contact individual. It calculates RFM scores for the customer site itself – known as “Site RFM”. This metric evaluates the account as a whole – and may show that what appeared to be multiple small customers are indeed parts of a large customer at the same location! For instance, Melinda Gates from Microsoft may order only once, and will appear to be a small customer of yours (as displayed by Individual RFM scoring). Thus she could be ignored by your marketing staff as a “small fish”. But WiseGuys™ will group her order with Bill Gate's purchases into a Site RFM score, and show that Microsoft is indeed a very large customer of yours. This will insure your marketing staff gives Melinda Gates the royal treatment with your next promotion.

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 3 Noise filters to screen out customer records from LTV analysis. The same 3 filters apply: by customer type, by product classification, or by source code, with a check box in each for “Include in LTV”. Again, this is extremely helpful when you are targeting either retail or wholesale customers, but you don't want their values averaged together.

“Noise Filters prevent averaging apples and oranges together”

Actual LTV – WiseGuys™ calculates the “actual” (not forecasted) LTV for each customer. Actual LTV is based on

- Actual customer spending (by year)
- Less cost of goods sold (from your order table)
- Less Customer acquisition cost (you can key a value for each customer source code)

Frequently Asked Questions

Q: What does WiseGuys™ do that Mail Order Manager (MOM) and other marketing software do not?

A: Smarter targeted mailings and reports. By design, most systems (including MOM) 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. The 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: Top down organizational visibility from 35,000 feet. Again, most systems (including MOM) collect and store customer data at the individual (contact) level. The WiseGuys™ display 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™ Response Analysis feature?

A: Response Analysis – the ability to precisely measure promotional campaign effectiveness – is the single largest unmet need for marketers. WiseGuys™ tracks the number of outgoing mailings, and then does a “matchback” of orders against the mailings, to calculate response. In this way, marketers can evaluate which campaigns are paying for themselves, and which are not.

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 the WiseGuys™ “Count Wizard” feature used?

A: The Count Wizard allows you to output a selected mail count that matches a budgeted count that you 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.

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

A: 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). The 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 The 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: How much setup is required for the WiseGuys™?

A: For the MOM version of WiseGuys™, very little. The WiseGuys™ link to 4 existing MOM tables (preferably backups). This can be setup (with or without help from DMSI) 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: How is WiseGuys™ sold?

A: Licenses for WiseGuys™ are sold in 3 flavors: Enterprise version, MOM version, and MySQL version. All modules run on Microsoft Access (Access not included in purchase). See next page for license details for each version.

Q: Can I test drive WiseGuys™?

A: Yes, the WiseGuys™ RFM module is available for a 60 day Free trial – just contact DMSI at (703) 941-8109, or Info@DesktopMarketingInc.com



3 WiseGuys™ Pricing and License Options

1. MOM (Mail Order Manager) version licenses:

WiseGuys™ RFM and LTV Modules

- Access 2000 or higher platform (Access software not included)
- Links to tables from Mail Order Manager application
- Multi-user license for WiseGuys™ RFM & LTV modules: \$1,595
- Installation fee: no charge

Technical Support (all modules):

- Free Technical Support for the first year
- 20% of license price annually thereafter

2. Enterprise version licenses:

WiseGuys™ RFM Module:

- Access 2000 or higher platform (Access software not included)
- Multi-user license: \$1995
- Installation fee: this fee is determined by the complexity of your specific order entry database – contact us for a complete estimate.

The approx. price is \$3,000 - \$5,000.

WiseGuys™ Lifetime Value (LTV) Module Option:

- Multi-user license: \$595 (must already have RFM module)

Technical Support (all modules):

- Free Technical Support for the first year
- 20% of license price annually thereafter

3. MySQL version licenses:

- Access 2000 or higher platform (Access software not included)
- MySQL available from MySQL.com (not included)
- Multi-user license: \$1995
- Installation fee: this fee is determined by the complexity of your specific order entry database – contact us for a complete estimate. Price range: \$3,000 \$5,000.

WiseGuys™ Lifetime Value (LTV) Module Option:

- Multi-user license: \$995 (must already have RFM module)

Technical Support (all modules):

- Free Technical Support for the first year
- 20% of license price annually thereafter

Pricing Summary

	MOM version	Enterprise version	MySQL version
RFM Module	\$1595	\$1995	\$2995
Installation fee	No charge	Variable charge based on Client's source database	Variable charge based on Client's source database
Lifetime Value (LTV) Module	Included	\$595	\$995
Technical Support	Free first year 20% of license thereafter	Free first year 20% of license thereafter	Free first year 20% of license thereafter