

No Margin for Errors

Three Local Marketing Mistakes That Are Costing Your Company Money

How Much Are Location-Based Marketing Mistakes Costing You?

A successful local marketing program for a national advertiser depends upon a solid foundation of 1) accurate and complete location data, 2) cost-effective coverage across major search engines and social media sites, and 3) authoritative, optimized landing pages for every location. If you're busy managing email promotions, digital ad spend and pay-per-click campaigns, it's easy to lose sight of these three location-based marketing imperatives. Unfortunately, this will inevitably cause your downstream marketing programs to suffer and deliver subpar results. The following three scenarios illustrate the negative impact that even small omissions and mistakes can have on the success of your marketing activities.

#1 Throwing Good Money After Bad Data

Situation

A large U.S. bank, with 1,880 branches across the country, collects an average of \$597 in annual revenue for every active personal checking account. The bank has a goal to grow revenue by boosting the number of accounts. To generate checking account demand, the bank is spending \$350,000 annually on online advertising. The bank's director of consumer marketing reports that this is currently yielding a return on investment (ROI) of 21 percent, based on the bank's average cost-per-click, click-thru-rate, conversions and average revenue per account.

Issue

The bank's branch location data is managed in a different department, and unbeknownst to the marketing director, the data is riddled with errors: 8 percent of locations have inaccuracies like omitted phone numbers, incorrect branch hours or inexact addresses. This is a major issue, as many consumers will go elsewhere if online location data is incorrect or missing. For example, a September 2013 study by Google and Ipsos¹ found that 47 percent of mobile searchers are more likely to explore other brands if a business does not have a phone number associated with its search results.

Example

Financial Services

Company	U.S. Based Bank with 1,800 Branches
Issue	Inaccurate & Incomplete Location Data
Impact	-7% Effect on ROI from Existing Online Ad Spend

1. The Role of Click to Call in the Path to Purchase, September 2013, Google and Ipsos

Impact

When the marketing director discovers the errors, she realizes that a portion of the ad spend is being wasted when people click through the promotions but then find missing or erroneous data and go elsewhere. The marketing director estimates that the bank's conversions are 4 percent lower due to the data inaccuracies and omissions – decreasing the program's ROI by 7 percent.

Solution

The marketing director researches ways to first correct existing location errors, and then keep the data up-to-date. She finds a location marketing platform that enables more efficient and accurate data management. She works with the other department to leverage this SaaS technology, and they improve their data accuracy and completeness to 99 percent — capturing the lost conversions they would otherwise miss out on, and boosting the program's ROI to 28 percent.

#2 Spending Too Much for Too Little Coverage

Situation

A national grocery store chain with 3,300 locations has a long history of working with a listings syndicator to publish its location data across online directories. The brand's goal is to win local searches, drive in-store visits, and ultimately capture an average of \$27.30 in revenue per shopper visit. The chain's current syndicator publishes location data to a network of over 50 publishers at a cost of \$110 per location, per year.

Issue

Recently, the company has experienced pricing pressure from a competitor that has entered many of its major markets. As a result, the brand is looking for ways to lower marketing and operating costs in order to offset the impact that lower pricing has had on its revenue. The head of marketing is reviewing every expenditure, including the \$363,000 line item for location data syndication. She asks her online marketing manager to find more cost-effective options and determine the effect a new syndication method would have on marketing ROI.

Impact

The marketing manager finds an alternate syndication platform that focuses on delivering location data to the top six online search and social sites at a fraction of the \$363,000 cost. He is concerned about the effect that a smaller publisher network will have on the ROI, and initiates a study to measure the impact. What he finds is that the top six sites actually account for the vast majority of the traffic within the larger network of 50 publishers. So, by covering the most critical and trafficked sites at a significantly lower cost, this approach actually boosts the program's overall ROI. The grocery store brand has had an ROI of 29 percent with its current syndicator, while the new provider would provide an ROI of 647 percent — over 20 times better! While the current syndicator had a larger publisher network, the additional sites generated only 20 percent of the total visitors and were not highly trafficked enough to yield profitable search conversions.

Example

Retail Services

Company	Grocery Store Brand with 3,300 Stores
Issue	High Costs for Location Data Syndication
Impact	618% Lower ROI by Using Current Listing Syndication Provider

Solution

The marketing manager recommends switching to a more affordable and efficient listings syndication platform that will cover a majority of directory traffic at a fraction of the cost. This new syndication strategy is implemented successfully — lowering marketing expenses and increasing ROI dramatically.

#3 Losing the Battle for Search

Situation

Consider a quick-serve Mexican restaurant chain with 1,500 locations and an average order value of \$9.00. The chain would like to improve its web and mobile presence and has hired a new vice president of marketing with significant online marketing experience.

Issue

As the vice president of marketing begins to analyze the chain's search engine marketing efforts, she finds poor search engine placement for nonbranded terms (like "burrito" or "quick Mexican food" plus a city or ZIP): no appearances on the first two pages of search results for most local searches. With branded terms (like the name of the restaurant with a city or ZIP), several of the top spots are being won by directories, and when diners click through to those pages they see not only the restaurant's information but also competitors' offers. For the top results that the brand does capture, the links go only to the brand's home page rather than a unique landing page for the specific location.

Impact

The vice president of marketing knows that work is needed to improve the restaurant's web presence by launching unique landing pages for every one of its 1,500 locations — and she knows that the pages must have rich and engaging content like location-specific offers, third-party reviews, videos, and correct hours, directions, and phone numbers. She also realizes that these pages must be optimized for search engines. She is confident that with such changes the restaurant will improve its search engine placement and also take back clicks from directories that frequently feature competitors' offers on their search landing pages. She estimates the chain will capture an extra 180,000 search impressions per month, leading to almost 21,000 more online and in-restaurant orders — resulting in a monthly revenue increase of \$187,208 and an ROI of 135 percent.

Solution

The vice president of marketing knows that using internal resources to build optimized landing pages is costly and time consuming, so she builds a business case to license a SaaS-based local marketing platform that automates the creation of unique landing pages for every location, with enriched, search-optimized content. The executive team gives approval to proceed, enabling the company to improve its local marketing foundation and achieve a 135 percent return on its investment.

Example

Restaurant

Company	Quick-Serve Mexican Restaurant with 1,500 Locations
Issue	Lack of Location-Specific Landing Pages and Poor Search Engine Placement
Impact	\$2.2M in Missed Revenue

How Much Could You Boost Your Marketing ROI By Optimizing Location-Based Marketing?

Do any of these scenarios sound familiar to you? If so, every day that you wait to make changes costs your company significant dollars. But don't give up hope — data accuracy can improve, listing syndication can be more affordable, and authoritative landing pages for every one of your many locations is possible. And you don't have to do it with multiple spreadsheets, massive internal IT projects or hours of manual labor. Instead you can look to a hosted, location-based marketing platform to automate data management, listings syndication, and landing page creation. See how much local-marketing mistakes are costing your company — [contact Ignite](#) to schedule a personalized ROI assessment.

For More Information

Please contact us at success@ignitetechnology.com or visit www.ignitetechnology.com.