

Managing Marketing ROI

August 24 – 26, 2006
Shanghai
English

Letter from Programme Director

In today's intense competition, organisations need to know the return on their marketing investments so that they can make informed decisions to achieve their business objectives. This knowledge-packed programme presents approaches for evaluating the ROI of marketing expenditures and shows how to apply them in specific marketing situations such as pricing, advertising, and branding.

No specific financial skills are required for this programme as we will explore and explain various types of financial analysis during the sessions. However, please be aware that an important part of the programme consists of working through financial analyses. Please be sure to bring a calculator with you.

The programme will focus on systematic methods to evaluate ROI and what is needed to apply these methods. Some organisations will be able to put these techniques into practice immediately. Others will likely need to make efforts to obtain the information necessary to use these techniques.

My background is both in marketing and in quantitative analysis. For many years, I have taught financial analysis to marketing managers and was awarded the Columbia Business School Distinguished Teaching Award for my performance in teaching quantitative subjects. Finance and marketing managers have employed me to help them evaluate the Return on Investment of their marketing efforts. The methods discussed in the programme have been applied and tested in actual business situations.

I have more than thirty years' experience working with numerous companies, including General Electric, Pfizer, AIG, DuPont, IBM, Citibank, and Kodak and have taught in the United States, Asia, Europe, Latin America, and Australia.

I began teaching in China in 1985 and for the last three years have been teaching at CEIBS, both in the Executive MBA Programme and in Executive Education Programmes. Through CEIBS, I have also presented programmes for companies in China such as Roche, Schneider Electric, and Kang Da.

I believe that you will find my considerable experience working with companies and my growing experience in China will allow me to provide you with many approaches you can use to improve the return on your marketing investments.

I will look forward to working with you.

Sincerely,



Donald E. Sexton, Ph.D.
Programme Director

During this very intensive three-day programme, managers examine the components of marketing Return on Investment (ROI) and learn how to measure and manage marketing ROI. A variety of teaching techniques are employed, including lecture, discussions and case workshops.

The lecture and discussions provide a framework for understanding marketing ROI. During these highly interactive sessions, participants learn various finance and marketing techniques and apply them to marketing decisions. Many examples are used to illustrate the finance and marketing analyses and participants can expect to do several financial analyses.

The workshops focus on cases drawn from a variety of industries and decision situations. Participants work in teams to analyse the situations and then present their conclusions to the group for further discussion.

Throughout the programme, participants are encouraged to discuss their own issues in managing marketing ROI with each other and with the Programme Director.

Objective

The objective of the programme is to provide the participants with proven and systematic methods to evaluate the return on investment from marketing decisions concerned with pricing, advertising, sales force, products and services, and branding. Participants learn key finance and marketing skills that enable them to manage the returns on their marketing investments more effectively. They also learn what information is required for their organisations to estimate marketing ROI.

Who Should Attend

Anyone who is involved and interested in managing and evaluating marketing ROI, including general managers, finance managers, marketing managers, product or service managers, brand managers, communications managers, advertising managers, sales managers, pricing managers, managers of new products or new services etc.

Please note: No financial analysis background is required as the necessary finance skills will be developed during the programme by doing many examples. Please bring a calculator.

Programme Benefits

Participants will learn:

- ◆ what is Return on Investment (ROI)
- ◆ what are the components of ROI
- ◆ what can be learned from the income statement
- ◆ how to classify costs for ROI decisions
- ◆ how to determine and use the variable margin rate
- ◆ how pricing decisions affect ROI
- ◆ how to set price to improve ROI
- ◆ how communications generate ROI
- ◆ how to estimate the value of a customer to the organisation
- ◆ how to estimate the communications investment to acquire a customer
- ◆ how to calculate communications ROI
- ◆ how to manage communications ROI
- ◆ how to value a brand
- ◆ how to determine the ROI of brand-building efforts
- ◆ what can be learned from the balance sheet
- ◆ how to analyse cash flow
- ◆ how to use discounted cash flow techniques
- ◆ how to manage the ROI from investments in products and services

Programme Coverage

- ◆ The importance of return on investment
- ◆ Ways to define ROI
- ◆ The income statement
- ◆ Types of costs
- ◆ Contribution accounting
- ◆ Variable margin rate
- ◆ Pricing and ROI
- ◆ Key factors in determining price
- ◆ Evaluating pricing decisions
- ◆ Communications and ROI
- ◆ Determinants of the value of a customer
- ◆ Communications and the process of acquiring customers
- ◆ Evaluating communications decisions
- ◆ Branding and ROI
- ◆ Methods of valuing brands
- ◆ Evaluating branding decisions
- ◆ Products, services, and ROI
- ◆ The balance sheet
- ◆ Cash flow analysis
- ◆ Discounted cash flow techniques
- ◆ Evaluating product and service decisions

Programme Schedule

Day 1	
morning	Welcome and Introduction Marketing Return on Investment <ul style="list-style-type: none"> ◆ Marketing decisions and ROI ◆ Components of ROI ◆ Types of investment ◆ Types of return Profit from Marketing Decisions <ul style="list-style-type: none"> ◆ The income statement ◆ Custodial accounting systems ◆ Classifying costs ◆ Contribution accounting systems ◆ The variable margin rate
afternoon	Managing ROI of Pricing Decisions <ul style="list-style-type: none"> ◆ The six factors that determine price ◆ Costs and pricing ◆ Value and pricing ◆ Maximising ROI: Value/Cost™ Method of Determining Price Workshop: Pricing decisions
Day 2	
morning	Managing ROI of Communications Decisions <ul style="list-style-type: none"> ◆ How communications generates ROI ◆ Value of customer to the organisation ◆ Share of spending ◆ Retention ◆ Time value of money ◆ Return from communications ◆ Communications investment ◆ Maximising ROI: Value/Cost™ Method of Determining Communications Investment
afternoon	Workshop: Advertising and Sales Force Decisions Managing ROI of Brand Decisions <ul style="list-style-type: none"> ◆ How branding generates ROI ◆ The value of a brand ◆ Approaches to brand valuation ◆ Return from a brand ◆ Maximising ROI: Value/Cost™ Method of Managing Brand Equity
Day 3	
morning	Workshop: Brand Decisions Cash Flow from Marketing Decisions <ul style="list-style-type: none"> ◆ The balance sheet ◆ Components of cash flow ◆ Evaluating cash flows ◆ Net present value ◆ Internal rate of return
afternoon	Managing ROI of Product and Service Decisions <ul style="list-style-type: none"> ◆ Cash outflows ◆ Cash inflows ◆ Maximising ROI: Value/Cost™ Method of Evaluating Product Decisions Workshop: Product and Service Decisions Concluding Remarks

* Daily Schedules are subject to change.

Programme Director

Donald Sexton



Visiting Professor, CEIBS
Professor of Marketing, Columbia Business School

EDUCATIONAL BACKGROUND

M.B.A. and Ph.D., University of Chicago

TEACHING/RESEARCH INTERESTS:

For more than thirty-seven years Professor Sexton has been a member of the regular faculty at Columbia University, teaching in the areas of marketing, international business, and operations research, where he received the Distinguished Teaching Award. For several years he served as head of the International Business Division and Director of International Activities with the Business School. At Columbia University, he played an important role in the design and development of the Marketing Management Programme. He has also served as Faculty Director of several other executive programmes, including the Executive Programme in International Management, the International Strategy Programme, and the Programme on Brand Building and Brand Equity Management. He has been a visiting professor at INSEAD for years. His teaching experience also covers CEIBS, the Australian Graduate School of Management, the University of Hawaii, the University of Tehran, Jagiellonian University (Krakow), and the U.S. Business School in Prague.

ACADEMIC PUBLICATIONS:

Professor Sexton focuses his research interests on the design and implementation of marketing and branding strategies, in both domestic and global markets. His articles can be found in such journals as the *Journal of Marketing*, *Journal of Marketing Research*, *Journal of Business*, and *Management Science*. He is currently working on a book on branding and brand equity management.

CORPORATE EXPERIENCE:

Professor Sexton is founder and president of The Arrow Group, Ltd., an organisation that develops and conducts executive seminars and provides consulting services for international business. His clients included General Electric, Citigroup, Texas Instruments, DuPont, Brown-Forman, Kodak, IBM, Pfizer, Kellogg's, Bates Worldwide, Florida Power & Light, BHP, GE Aircraft Engines, Avon, Zeiss, Hershey, BellSouth, Motorola, Eveready, Aramark, Pillsbury, Domino's, MetLife, PerkinElmer, Seagrams, Eastman Chemical, McGraw-Hill, UNICEF, Merck, AT&T, Miller Brewing, AIG, Intuit, GKN, Aventis, Mattel, Hormel, Corning, Dial, Wendy's, Metropolitan Opera, Chase, Shell, and Becton Dickinson.

Venue

The course will be held in CEIBS campus at 699 Hongfeng Road, Pudong, Shanghai.

Admissions Procedures

Applications are reviewed as they arrive. Completed applications must be received four weeks before the start of the programme. Any applications received after that date will be considered on a space-available basis. Please address all applications and enquiries to our customer service team in Shanghai, Beijing and Shenzhen.

Fee

The cost of the programme is US\$2,250, which includes tuition, lunches, stationery and other course materials. The full fee must be paid no later than two weeks before the start of the programme. Reservations made after that date require immediate payment.

Cancellations

If a confirmed booking is cancelled within two weeks of the programme's start, or if the nominee fails to attend the course, we will charge a cancellation fee that amounts to 20 per cent of the fee. If applicants are unable to attend the programme, the transfer to another CEIBS programme can be made only within the same calendar year. When a request for changing candidate(s) for the same programme is made less than two weeks before the start of the programme, the seat(s) will not be guaranteed.

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