neon NOISE PODCAST

Episode 13: Digging into Marketing Budgets

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WEB DESIGN & INTERNET MARKETING

00:00 Justin Johnson: Hey everybody and welcome to episode 13, lucky number 13, Ken, of the Neon Noise podcast, where we talk about topics that will help you decode marketing and sales. Hey Ken, how is everything with you today?

00:20 Ken Franzen: Things are going great. Thank you, sir. How about yourself?

00:24 Justin Johnson: Things are going fabulous. Something that we haven't talked about or touched on yet, is marketing budgets. And I think a lot of companies that we talk to, they have budgets, a lot of companies don't. So, maybe we can dive in and answer some questions on the topic today. When I think of marketing for my business and budgets, I think of two main resources. What do you think of, Ken?

00:58 Ken Franzen: Two main resources when marketing a business, you have time and/or you have money.

01:06 Justin Johnson: Ding, ding, ding. Ken Franzen is the winner. Time and money. So, really that's it. And there's no easy way around it. There's no little magical marketing pills that we can create a hands-free marketing system, that requires zero time and costs us nothing, right?

01:29 Ken Franzen: We haven't found those yet.

[chuckle]

01:30 Justin Johnson: No man.

01:31 Ken Franzen: When we do find those, believe you me, they will be for sale.

01:34 Justin Johnson: I am going to send you some of those, if I do find them. If anybody else can find them, shoot them our way, because I would love to have one of those. But no, really, you can save a lot of money by doing stuff yourself. If you're like most of us entrepreneurs, time is something that you simply do not have, and it's an extremely valuable resource. I personally have no time. I have what seems like 58 kids, and they require every last little bit of my time on a daily basis.

[laughter]

02:08 Justin Johnson: Ken is kind of in the same boat. So, what it boils down to is, likely, you have to figure out a way to establish a marketing budget, and have some type of a specific plan on how to maximize a return on this budget. So, what I thought about today, we could dive into a couple of different topics on marketing budgets. And specifically those would be, one, how we see a lot of businesses approach marketing. Two, how much money, according to the experts, should we spend on marketing. Three, how you go about creating marketing budget. And four, what you do if you have no money to spend on marketing.

03:04 Justin Johnson: There's quite a few people that we talk to that do not have any money. [chuckle] Ken, what do you see most businesses with how they approach marketing? What have you experienced?

03:19 Ken Franzen: Well, and this I think is an important item to touch on, because budget is so precious. When you establish a budget, and you have... Or you don't have a budget but you end up finding some funds, you have a good month or a good quarter, and you wanna put some money towards marketing. We see the same thing happen over and over again. So let's take a look at an ideal world. In an ideal world, perfect scenario, we live in a vacuum, you would have already had set a marketing budget, and it'd be coupled with a defined marketing plan or strategy.

03:56 Justin Johnson: Okay. That sounds perfect.

03:57 Ken Franzen: Yep, exactly. So far so good. You know exactly what works and what doesn't work.

04:02 Justin Johnson: Right.

04:04 Ken Franzen: You know that if you were to invest, say $500 into a specific campaign, or just invest $500 period, you know what to expect to see in the return for customer sales with a decent amount of accuracy. So you can make some projections there, 'cause you know your numbers.

04:22 Justin Johnson: Right.

04:23 Ken Franzen: And when you notice something doesn't work particularly well...

04:27 Justin Johnson: Change it.

04:28 Ken Franzen: They're under performing, you can change it. But when you find areas that work particularly well, you can increase your investment there. So, that's the ideal world. Now, we don't live in an ideal world.

04:40 Justin Johnson: You make it sound so easy. [chuckle]

04:42 Ken Franzen: If it was only that easy.

04:44 Justin Johnson: Right. [chuckle]

04:46 Ken Franzen: So the fact is most businesses, and if you're listening to this you're saying to yourself, "Well, that's not me. I'm not in the ideal world. That's... "

04:53 Justin Johnson: I don't have a defined marketing budget. [chuckle]

04:57 Ken Franzen: Exactly. They don't. Nor do they have a defined marketing plan or strategy.

05:03 Justin Johnson: Right.

05:04 Ken Franzen: What oftentimes happens is, a business will try a particular strategy based on maybe what they see another business doing, or a pitch they get from the local media rep. Let's say that, we all get those phone calls from someone pretending to be from Google saying they can get us on page one.

[laughter]

05:24 Justin Johnson: I've never gotten those calls.

05:25 Ken Franzen: No, of course not. Maybe it's something they read in a blog post, or a webinar that they attend. These are all really good tactics, that can be used to get your business in front of your buyer persona. But too many times it's done without an overall strategy in place. So the limits of the overall effectiveness of these efforts, it's just not there. And so, these individual tactics are acting independently, where if they were acting in conjunction with other tactics that would compose a total solution, you'd see better results.

06:03 Justin Johnson: So that makes perfect sense, it's kinda like starting some traditional campaign, maybe a TV or radio commercial to promote your business, right?

06:15 Ken Franzen: Sure, there's a perfect example, both of our wives are in the TV industry.

06:19 Justin Johnson: Dude... Okay, I'm gonna stop you right there. I just wanna make a note that Ken is bringing our wives into this, so anything that he says, it's 100% on him.

06:33 Ken Franzen: I'll take all the heat that the girls can deliver. [laughter] So both of our wives are in the TV industry, they're particularly in the sales side of things. So they sell TV commercials to businesses, which is a fantastic tool for getting your business out there in front of a ton of eyeballs. But what happens a lot, you see in the feedback we get from businesses, is they say, "I tried TV." So much time is spent producing an awesome commercial, whether that's a 60-second spot or a 30-second spot, they have production crews that are great, they produce nice quality commercials, they tell the business' story, this call to action, whatever it might be. And they work with the business in identifying what the target demographic is they're shooting for, that buyer persona, and they choose the programming that would best position them in front of that proper demographic or buyer's persona. So this tactic worked awesome 20 years ago.

[chuckle]

07:34 Justin Johnson: I can see where you're going with this.

07:36 Ken Franzen: Before the internet, before smartphones, before we all had all the information at the end of our fingertips, at all points in time. So what could be a better solution here? I would say, "Use that TV commercial," so bringing myself back to maybe a safe zone with the girls.

07:56 Justin Johnson: What about a landing page, or dropping them some place that they can continue to market to them?

08:00 Ken Franzen: That's it, the shelf life of that TV commercial is 30, 60 seconds, it comes it goes. So when we talk about where different consumers are in the buyers journey, if you're saying, "Call us today to get our product and service," if they're that small percentage, the same percentage of people filling out forms on your website, you're not going to connect with them. But however, if you direct them towards call to action, more information, download our guide, learning how to do XYZ, go to this URL, your website forward/guide and have them download that guide as a top of the funnel offer, that's super, super, super handy to continue leveraging that spot that you purchased. So with the bottom of the funnel offer where you're only saying, "Call us today," you're only reaching really that small percentage that's in the decision stage, where as if you were to work in conjunction with the landing page or try to get both those groups of people, get those top of the funnel people watching that TV commercial into an email workflow. Obviously, this works differently, if you're a pizza place advertising, you're not gonna email workflow. You could I guess, but...

09:18 Justin Johnson: Yeah, but it doesn't just... You're not just... This isn't just applying to TV, this is more along the lines of... You're talking about TV, radio, paid search, billboard, everything like that, right?

09:29 Ken Franzen: Yeah, Facebook. This doesn't just apply to traditional media that we sometimes catch ourselves bashing a little bit. [chuckle] Facebook ads, paid search, you name it, an individual tactic that stands alone is not as strong as when you combine two together.

09:43 Justin Johnson: Sure. [09:44] ____ function with something else, yeah.

09:45 Ken Franzen: Exactly, I just pick on TV, because our wives are in the biz.

09:48 Justin Johnson: It's easy, right? [chuckle]

09:50 Ken Franzen: And we can find out how long they take before they listen to this episode of the podcast.

[laughter]

09:56 Justin Johnson: I Love it. Good stuff.

09:58 Ken Franzen: But what we hear though, when we go out there and we talk to businesses, they're like, "I tried Facebook ads, it didn't work."

10:03 Justin Johnson: Yeah. But what did you tie that into, was it...

10:07 Ken Franzen: Exactly. What they did...

10:08 Justin Johnson: Usually [10:08] ____ kinda trial.

10:11 Ken Franzen: They one and done, they hit it and quit it type set up, where they tried it for a short period of time, there wasn't much plan and strategy behind it. They didn't drive it through a system or a funnel or anything else. They threw some money at it and they didn't see a return, even though they likely couldn't measure the effectiveness of that return, because they didn't have tools and measurement in place. So you really stop firing shots in the dark from the hip, right?

10:41 Justin Johnson: Yeah.

10:42 Ken Franzen: Create a defined marketing plan or strategy and couple it with a marketing budget, and you'll be amazed how those results can really change.

10:48 Justin Johnson: Good, good, good stuff, love it. So, now that we've talked a little bit about what businesses are doing, let's chat how much money should I spend on my marketing budget? What should I budget?

11:04 Ken Franzen: Well, we've heard that 10% is the average, you should be spending 10% of gross revenue on your marketing. I've heard that number...

11:13 Justin Johnson: I hear that a lot, I get that a lot.

11:14 Ken Franzen: You don't know if that's from the '60s or that's [chuckle] today's stuff, because it's one of those legends, that's the magical number.

11:24 Justin Johnson: What's the number? It's 10%.

11:27 Ken Franzen: Right. So I did some digging around, found a couple resources, I'll drop the links to those in the show notes. But one particular resource I found, it seemed to make a lot of sense. And what they were talking about was, how long you've been in business, should have some dictation of how much you should spend of your gross revenue on marketing. So, if you're a business that's zero to one years, so you're just getting started.

11:54 Justin Johnson: You're getting fresh, you gotta get your brand out there, get your name out there, you gotta do a little bit more probably than somebody that's been in business longer, right?

12:02 Ken Franzen: That's what you'd think, but the recommendation was actually that you wait until you get a year under your belt, because a lot of it's gonna be the hustle in getting the business going.

12:10 Justin Johnson: Yeah, good point.

12:11 Ken Franzen: And ramping up, how much... If you're a startup, and you have to have investors.

12:16 Justin Johnson: Do you have that money? Right.

12:19 Ken Franzen: Then this conversation's different. You're likely, if you have investors, you've obtained those investors because you had this defined marketing plan with a budget and investment. So we're speaking of non-invested startups, or non-funded startups. You're gonna be like we were the first year. You're out there banging doors, and doing networking meetings, and hustling your butt off, not that we don't do that anymore, but you're just doing that primarily, but you have...

12:41 Justin Johnson: You have to do that.

12:42 Ken Franzen: Yes. You don't have a budget, but you also... You have time to do that, you don't have the work yet.

12:48 Justin Johnson: And you don't have 58 kids then, man.

[laughter]

12:51 Ken Franzen: Yeah.

12:51 Justin Johnson: It was a lot easier back then. [laughter]

12:53 Ken Franzen: Justin is speaking truth right there with the 58 kids. So any TV show producers that's watching this and wants the next great reality show, go to the Johnson's house, you'll have a fun filled time with Sam and Justin plus 58, right?

13:08 Justin Johnson: I'm thinking about looking at getting a new bus for the family pretty soon.

13:12 Ken Franzen: Beautiful.

13:12 Justin Johnson: We'll all be able to get around.

13:15 Ken Franzen: Awesome. So, if you are beyond that year one, you've kinda gotten your legs underneath you, and you're now established and have work and some budget, excuse me, some revenue, and things along those lines. What the recommended is, somewhere between 12% and 20% of gross revenue?

13:36 Justin Johnson: Really? Okay.

13:40 Ken Franzen: And this is, because you're still growing, you're still new, you need to be a little bit more aggressive on the marketing end. You don't have that word of mouth maybe, that's coming through. You don't have maybe an established brand. You don't have a lot of content built up on your website that's getting you some blog posts that might be Evergreen and Breaking Well, that's giving you that repeat traffic coming through, over and over again. So they recommended 12% to 20% of gross revenue. And then beyond five years, five plus years, what they're saying is anywhere from six to 12, which kinda hits that 10% mark. And so 6% might be for a lean approach, or 12% might be little bit more of an aggressive approach. And we can all say that, those that have been in business for five plus years, different years, you want to grow and sometimes that growth is steady, and even sometimes it's a bit of a rollercoaster ride, from one year's better than the next, and so you make adjustments. But ultimately, you're mindful that the revenue, your gross revenue, a portion of that needs to be or should be devoted towards funding a marketing strategy.

14:55 Justin Johnson: Right. Interesting stuff. The next question that comes to mind, when I'm thinking about marketing. My marketing budget is just... If I'm a new company, or if I'm just figuring out that I wanna start creating this marketing budgets, where do I start? Do I start with goals? Do I start with how much I can spend? What are the first steps?

15:24 Ken Franzen: Well the first step is really, you hit the nail on the head there with goals. You wanna figure out what it is you're trying to do, what you're trying to accomplish, where you're trying to get. If you're looking at saying, "Okay I would like to grow 15% this next year," or "My goals are to increase the value of my current customer base by upselling them."

15:49 Justin Johnson: If their ideal is yearly, or should it be more of a, "Hey I wanna have this set over three months, or six months, or is it beneficial to do it over 12 months?"

16:02 Ken Franzen: That's a great question. And I think that's specific to individual businesses, based on how they're set up. I know that I would look at a business that is non-seasonal, and that has some relatively identifiable spending trends, accounting established. That you can actually look at and you have a budget that you could create and say, "Okay I can predict with some degree of accuracy that I'm going to do 1.2

million in sales this year. And I can devote... Well, I can't devote the 10%, the $120,000, which would be 10,000 grand a month, but what I can devote is, I can devote half of that, I can devote 5,000 a month. So I can hit the 5% mark, and I feel fairly comfortable. Now if you're looking at a seasonal business, let's say it's a lawnscape... Lawnscape, excuse me, landscape... Snowplows...

17:00 Justin Johnson: We have a lot of lawnscapers.

17:01 Ken Franzen: Lawnscapers everywhere. [laughter] And so... It's Friday, man. [laughter] I'm ready for the weekend.

17:11 Justin Johnson: No, I think that what we're gonna do is, if we're gonna do the Friday podcast, from now on we need to have beers while we're doing it.

17:16 Ken Franzen: Hey, I'm down for a podcast cocktail, at any point in time. [laughter] That sounds fantastic. So back to the...

17:22 Justin Johnson: Alright, back to landscapers. Let's get a...

17:24 Ken Franzen: Landscapers, exactly. They're a seasonal business. I know a lot of great landscapers, they plan well. They know that the money they're making during the summer months, and I speak from Toledo, Ohio right now, where Justin's in Orlando, Florida. So our seasonality is a lot different. You pretty much have lawn crews working year round. Where here in the Midwest, the Northern Midwest, they're pretty active, we don't start cutting grass here until April, at the earliest. And so, they're conscious, many of them are conscious that the money they make from April through, when the grass stops growing in, lets say, October, is gotta keep them going November through March. Now, what they often do is they sort them out snow plowing service. And there's lots of great money in snow plowing when and if it snows, but that's something that they cannot control, and it's very weather dependent on both sides. So with a business like that, you might look at... And you also have to consider their consuming habits, what your marketing strategy is? If it's a lot of paid search, Facebook paid ads, newspaper ads, all those things, you're not going to be advertising your lawn care business for outdoor yard maintenance packages in the middle of December.

19:00 Ken Franzen: You might be advertising snow plowing if it's snowy, but you really aren't trying to capture that interest, 'cause the interest isn't out there. So to answer your question, I think it depends on the type of business that you're in. I think that what we often times do is, if we get into the act of rollercoaster marketing, where we say, "Oh crap, we need leads. It's kinda dead around here. I need to get some leads generated to close some sales... "

[chuckle]

19:29 Justin Johnson: Shouldn't be doing that, right?

19:29 Ken Franzen: "To be busy." And then what happens is, you do a lot of marketing efforts, you get really busy, and then you stop...

19:35 Justin Johnson: Then you don't need it anymore?

19:36 Ken Franzen: Then you stop doing the marketing, because you don't need it anymore.

19:38 Justin Johnson: I don't want any leads anymore.

19:39 Ken Franzen: Sure.

19:40 Justin Johnson: Let's put them on pause.

19:40 Ken Franzen: And then all of a sudden, you get through that batch of work, and then you're right back to, "It's dead around here again." So the year round budget helps alleviate that rollercoaster. You had a constant flow of leads, and it helps you have some predictability to everything.

19:57 Justin Johnson: Awesome. Alright, so that covers goals, right? Determine our goals. How about identifying how much I should spend?

20:08 Ken Franzen: Yeah, we kinda covered that briefly in the last topic of how much should you spend? Can you do the 10%? Can you do the 6%? Can you do the 5%?

20:18 Justin Johnson: I'm talking about if I don't have anything at all to start off.

20:23 Ken Franzen: If you don't have anything, a budget at all to start off with, this is a common question we get a lot. What do you do if you're in a situation where you need more traffic, you need more leads to grow your business, but you just don't have the monetary resources to do so? The real question I think you ask is, what happens if you don't come up with the marketing budget?

20:48 Justin Johnson: Good point.

20:49 Ken Franzen: Each new customer that you bring in your business, should have some sort of marketing acquisition cost. How much you are willing to pay to bring a new customer to the door? Now, if you don't, start thinking that way a little bit. And if your margins are super tight, see what you can do about either raising your rates a little bit, which often times is easier than everyone thinks it is, or cutting costs. But in other words...

21:16 Justin Johnson: Is there a way to... Is there a formula or anything that I could use to try to help figure that out?

21:23 Ken Franzen: Yeah, yeah. So let's just say... Think about this for a quick second, how much money would you pay me today... So if I said Bob's Lawn Care Service, and I said, "Hey Bob, if I walked up to your front door of your office, knocked on and opened it up, and I had another person with me." And I said, "Jim here wants to buy landscaping services." How much money would you give me? What if I had five Jims, right?

21:52 Justin Johnson: Five Jims, okay. So...

21:55 Ken Franzen: Whatever that number...

21:56 Justin Johnson: Depends on what they're buying, I guess.

21:58 Ken Franzen: Exactly. So, for the sake of argument, let's just say that this number, and I know that for landscaping I think the margins are a little bit better than $200, but let's just say that this is $1000 is the value of those five customers.

22:13 Justin Johnson: Okay, cool.

22:14 Ken Franzen: So that's...

[overlapping conversation]

22:17 Ken Franzen: Yeah.

22:18 Justin Johnson: I would probably give you, I don't know, maybe 100 bucks, 150 bucks, if I'm nice.

22:27 Ken Franzen: If you're nice? If you're generous? Alright. [laughter] Perfect. Awesome. Thank you so much for the generosity. So I'm gonna use $200 just so we can do round numbers in my brain, 'cause I think we established it's Friday and I had a cocktail, so $200 per customer. You work the math backwards. So what we're trying to do is say, "Alright, for starts, how much is a new customer worth to our business?" We've established that, $200. So, going backwards, use your close rate. How many leads does it take you to close one customer? So if it takes you... If you need five leads to close one customer, you're close rate is 10%. So, in this case, to get five customers you would need 50 leads. Alright. So this means, overall, that you would be spending about $20 per lead.

23:22 Justin Johnson: Not bad.

23:23 Ken Franzen: Not bad. I think that's fairly doable.

23:26 Justin Johnson: Yeah.

23:27 Ken Franzen: In some industries it might be more, but those industries I think that that customer value is much higher.

23:32 Justin Johnson: So, what are some ideas and ways to get those leads for less than $20?

23:41 Ken Franzen: Well, that's when the strategy comes into play. What can we do to generate this $20 leads? Can we launch a paid search campaign? Or lets say the average cost per click is $4, and we can convert 20% of those clicks, that would give us a $20 lead. So, that's how you would go about creating a budget out of nothing. And the math, the reason why I presented that mathematical equation, is to get the thinking about that customer, that marketing acquisition cost for each customer. Because then you start looking it as an investment and you start working backwards and quickly identifying how to assign a value to the lead, what activities and you break it down. Now, as I mentioned before, you can invest time, or you can invest money. If you have the time to go out and work networking events, trade shows...

24:40 Justin Johnson: Do it.

24:41 Ken Franzen: You can make connections on LinkedIn.

24:42 Justin Johnson: Should do it?

24:43 Ken Franzen: Yeah, go for it, it's worth it. Even if you have money to market and you have that time, say you have a well established, well oiled machine and we have one person near devoted to, or five people devoted to sales and that's what they're gonna do, do it, because that's low hanging fruit.

25:00 Justin Johnson: Yeah.

25:00 Ken Franzen: But if you don't have the time to do that, then you're really gonna have to do whatever is necessary to find these monetary resources that you can invest into a marketing plan. So, when push comes to shove really, it's amazing where we can find ways to cut expenses or create funds for marketing budget and often times you look at just simply stopping the marketing activities that you're currently doing, that aren't working. Or maybe you're... It might be that Yellow Page campaign that you're really terrified about cutting the cord with, [laughter] and saying, "Oh my gosh, I've had this... These have been my ads for 15 years, and they're not as preforming as well as they used to, but I wanna keep them because having seniority."

25:42 Justin Johnson: How do you measure that though?

25:45 Ken Franzen: Well, they've got... Some ads have call tracking numbers, and others it's just your internal measurements of, "Hey how did you hear about this?" But my little secret insight on the Yellow Pages is...

26:00 Justin Johnson: You got something against Yellow Pages and TV, I don't know what it is.

[laughter]

26:05 Ken Franzen: No, there's nothing personal...

26:08 Justin Johnson: It's Yellow Pages, 'cause you used to work there.

26:11 Ken Franzen: Yeah, I used to work at Yellow Pages.

26:12 Justin Johnson: It's TV, because our wives are tied to it, right?

26:15 Ken Franzen: I guess, it's probably [26:16] ____ pop up more...

26:16 Justin Johnson: I don't know, man. [chuckle] There's something there.

26:19 Ken Franzen: And it's more debatable items than anything personally against them.

26:22 Justin Johnson: If you talk to Ken, he's cutting your TV, and he's cutting your Yellow Pages.

[laughter]

26:29 Justin Johnson: That's where he's taking that marketing budget and applying it to us, right?

26:34 Ken Franzen: That's highly likely, yes.

[laughter]

26:36 Ken Franzen: But, my theory on the Yellow Pages is this. I think that over the years... I don't think, I know over the years the books are getting smaller and smaller. They ripped out the White Pages and I have a sneaky theory, I can't... I haven't had a client that would really let me pull the trigger on this, but I think that that book from five years ago that's bigger, that has more of the ads in there, that book's being held on to, those that still like to let their fingers do the walking, those that still use theirs, a big group out there that still does use the Yellow Pages, they're hanging on to those older books and your ads aren't in any of that older books. So when the new ones come and they're these mini versions with less options and everything else, people are like, "Ahh, put that one in the trash, I got the big dog over there."

27:25 Justin Johnson: It's only 10% of what the big dog is, right?

27:29 Ken Franzen: Exactly, right.

27:30 Justin Johnson: That's funny.

27:31 Ken Franzen: My thought, a little side note here, I think that, that 2011 phone book that you have sitting there, that your ad is in, has a better shelf life than the ads that you're about to advertise in.

27:43 Justin Johnson: You don't have to, everybody's using the giant book from '11. That's a good point.

27:48 Ken Franzen: Right, exactly. I just opened up the Pandora's Box and all the Yellow Page people out there to start bashing.

27:53 Justin Johnson: We're gonna get all kinds of phone calls, sorry guys. Sorry Yellow Pages.

27:58 Ken Franzen: That would be awesome, it'd be fun to talk about. So, that second step of creating a marketing budget is really identifying how much money you can devote towards the marketing. Once you have that number, the next step is... Then the third step, developing a strategy that's in line with these marketing goals and budgets. What's your game plan? Are you trying to get more traffic to your website and you need to get in front of new eyeballs? Then you can do that TV campaign with a landing page. Do Facebook ads, you invest heavily in content creation, do link building, up your SCO game. If you want to increase the value of your current customers then you go hard and heavy in creating some new products that you could sell to your customers, communicate with those customers, maybe with an email marketing program or some funnels there that you could really... Some drip campaigns that you could really get this new ideas or maybe some research and finding out what your current customer base is, and you do some surveying and things along those lines. So, whatever those goals are, you look at some different tactics individually that can work together in the form of a strategy and you develop that strategy.

29:13 Justin Johnson: Okay, I got my goals, I got my budget, I've got my ideas, I've got my strategy, when do I start to actually go about putting that in place?

29:24 Ken Franzen: That's just a uniform of that strategy. Whatever your overall marketing plan strategy call's for, if it's a seasonal business and you hit those months that you want to hit. If it's gonna be a very similar, even approach, month after month, then you begin that right away. One thing I can't stress enough, is measure results. Put yourself in a position where you can measure how effective everything is working. And don't rely on the customer telling you where they found you.

30:03 Justin Johnson: Interesting.

30:05 Ken Franzen: So, we have a lot of times where there might be... I don't say, "Don't do this," but you're relying on a customer to recall, and they might've seen your three different spots, they might have seen your TV ad, hit your website, and then got an email from you.

[overlapping conversation]

30:20 Justin Johnson: But they only tell you about the TV commercial or whatever it is, right?

30:26 Ken Franzen: It's likely gonna be whatever is the last point in contact that really set that trigger, but it takes away from the value of the TV commercial. So if you're like, "Oh, I got your email," then you're like, "Oh man, TV's not working," what do you mean? TV's working well, because that's how you got them into your universe. So how do you measure television? That's a tough one, right?

30:46 Justin Johnson: Yeah.

30:47 Ken Franzen: I would put a unique URL in your TV ad, and then you can look at the traffic of the landing page.

30:50 Justin Johnson: Yeah. [30:52] ____ going to that particular page, yeah good point.

30:56 Ken Franzen: Exactly. And if you're advertising on several different stations, use a unique URL for each station, so that you could then understand that.

31:06 Justin Johnson: Well and that's gonna allow you to make adjustments and everything moving forward for the campaign too, right?

31:14 Ken Franzen: Exactly and that would be the last step. You look at your metrics and say okay, "Well, what's working great, what's over performing, what's under performing? And obviously take funds from the things that you can clearly identify are under performing, and put those towards the things that are performing well." So creating a marketing budget really formulates... Those are the general steps. Obviously, we'd get into a lot more detail with... Each of those steps has a lot of added detail, but in general.