



## Marketing & Digital Marketing

Increasing effectiveness, reducing cost

*Marketing, and particularly Digital Marketing, is a hugely specialist procurement category.*

*Dexter GBS has experienced and hard to come by experts in this area. We have provided sourcing expertise in Marketing and Digital Marketing in the UK, US, and in Europe with a focus on Germany, Benelux, France, Spain, and Italy. This paper talks about some of the key areas we have experience in and gives examples of focal areas and achievements.*



### Printed Marketing Materials

Saving up to  
**53%**

**The challenge:** Dexter's clients spend significant amounts on printed marketing materials, from flyers and brochures to large in store/branch window prints. Spend is often spread across several suppliers and not always well coordinated and management of this area requires significant internal resource.

**The approach:** Dexter renegotiates in life contracts or, where possible, go to market and focus on both print consolidators (who have large volume deals with professional printer companies and manage print as an outsourced activity saving on costly internal resource as well) as well as end service providers, to find the best solution both from a cost and quality perspective.

**The results:** Even for in life contracts, on average, we achieve 8-12% savings. With tender sourcing, speed sourcing and out of contract activities, savings vary from 20% to over 50%. For Reiss, we shaved 22%, for one of our other customers, a 53% saving was achieved on a budgeted spend of just 575k GBP, saving them over £300k annually. This customer had the added benefit of the new provider producing significantly better- quality digital print than their previous supplier.



### Online Search

Saving up to  
**50%**

**The challenge:** Most companies who spend on digital marketing have a contract for a search services provider which is typically geared on % of ad spend independent on branded or generic search. Our customers ask us to review these contracts to either reduce spend or to get more value for their budget or a combination of both.

**The approach:** We negotiate either in contract or we take to market for competitive bid, where we split generic search and brand search. Brand search, whilst important, is easier (the customer is already looking for the brand) and thus can be more competitively priced. In general, we agree a smaller percentage of pay for ad spend for branded, and for generic search we shape agreements based on generated revenue through the search (search companies have tools to properly track this) which drives search providers to do a better job as this will return a better income for them, or percentage of ad spend if this is customer preference. Generic search is more difficult, so rewards are bigger but well worth it as these searches bring new customers to the table. Rewards are based purely on revenue or a mix of revenue and new customer value.

**The results:** For in contract negotiations results typically vary from 12-50%, for proper market exercises if not in contract results vary from 17%-50%. These results are typically industry agnostic.

We saved Reiss, in contract, 50% on their branded search agency cost and through conversion of generic search from percentage of ad spend to revenue search we saved Reiss 32% on spend with a better guarantee of generic revenue due to the commercial concept of paying based on revenue generated.



## Affiliate Marketing

Saving up to  
**55%**

**The challenge:** Affiliate marketing is a powerful tool in digital marketing using influencers and digital media to drive traffic to websites through content publishing. Affiliate agencies charge up to 35% of marketing spend to manage this. Dexter is engaged to reduce costs and increase efficiency of spend

**The approach:** Companies will generally set the affiliate marketing rewards; we advise them on good percentages to use and suggest ways to save marketing spend such as vouchers and discounts for affiliates depending on the target group. We use our knowledge of the market to reduce agency fees and structure either as a percentage of ad spend or award based on revenue. This is typically based on agency (some do revenue-based models, some don't) and customer preference. We ensure the chosen agency has solid capabilities in the region for best return on ad/affiliate spend investment. For companies with well trained staff in this space we advise to manage internally with specific software which cuts out the 'middleman' altogether.

**The results:** Results vary depending on whether we are in-contract or go out to market. We achieve savings of between 10-55%. With two of our customers, one of which was Reiss, US affiliate spend was halved and Europe reduced by 30% (AWIN tends to be more commercially competitive). Dexter also generate tenancy and affiliate payment reductions and motivates companies to look at alternative rewards for affiliates (like product vouchers). This category is industry agnostic and results are similar for different industries and largely depending on quality of existing deal, and ad/tenancy spend.



## DXMS

Saving up to  
**30%**

**The challenge:** The next challenge, once customers are routed onto a website, is to convert them into buying customers. Investing in DXMS and related technology/software help increase conversion. Your website needs to be as intuitive as possible, and when customers are searching the DXMS system, PIM (product information management) and on-site search function must work seamlessly together to allow customers to find what they want. The system should also suggest other products (if you buy this, have you thought about....). Dexter is engaged to help source the required suite of tools (or part of these) and to find and negotiate SI's who can provide end-to-end implementation to increase conversion and to ensure competitive cost in both the solution and SI.

**The approach:** Once the client has made their decision to invest and an indicative budget is set, Dexter help with requirement mapping and source the overarching DXMS technology (for example Adobe) as well as the SI who will implement the solution and provide support with fringe products which are to be integrated. Based on the requirement mapping the system can be implemented and the additional products required sourced and secured. We use our market knowledge to apply competitive tendering and negotiate deals to achieve the very best price and solution for our clients.

**The results:** Results and costs vary between customers, driven by requirements, budget and preference for certain partners. At one of our customers, we supported the full trajectory and sourced the DXMS software and implementation, PIM software and implementation and website search. Whilst being engaged after the selection and 'competitive pricing' for the DXMS software had already been agreed, we were able to further negotiate and achieved an additional 18% cost reduction annually saving. The SI, a gold partner, was selected in a competitive tender and we achieved a 27% on their rates compared to their initial quotation. Search was sourced competitively with a reduction of 22% from initial offering and a 30% reduction from an average bidding starting point. PIM software and SI generated a 25% reduction. All costs were well into budget and in the end the project was delivered with over 20% of budget to spare and invest elsewhere. From an operational result perspective, the experience for customers was transformed; a much more intuitive website generated a huge increase of conversion we were told several months later.

