



Taguchi for Marketers

The Process

If you have been thinking about an advertising campaign using a specific medium you probably have an idea of what you are trying to achieve—some kind of response that is quantifiable.

White Associates will sit down and discuss the specific elements of your advertisement. We will ask you probing questions about the artwork, proposition, national incentive, pricing, type of products and services included, etc., all elements in the communication. From our discussion we will build a list of factors that you have agreed are important to your advertising campaigns success. We will then test these factors in several communications formats...actually conduct the campaign while testing your factors for importance to the campaigns success.

We then will evaluate the results of each communication "test/experiment" for results achieved...like, response, retail traffic, number of calls, coupons redeemed, sweepstakes entered. We evaluate each factors using multivariate analysis and determine which communications achieved the best results. We then prepare a ranked report of each elements importance to the success of the communication.

From this point you now have a template that allows you to tell your creative team what to include in future communications and which elements have the most relevance to the success of future communications.

Product:

Proprietary technology (innovative mathematical formula) that has been designed specifically for marketing and media optimization applications with proven results.

Objective:

Significantly raise the response rate for advertising campaigns.

Description:

The Taguchi Method can take a project with thousands, even millions of combinations of variables and quickly reduce it to a couple dozen simple experiments that can be run simultaneously and will determine the cheapest way to achieve a goal. Instead of considering one variable at a time, Taguchi is able to test many variables at once, which is why the number of tests can be so small. Taguchi not only shows the right way to do something, it also tells you what the cost in dollars will be of doing it the wrong way.

Implications of this Process:

This technology has the potential to revolutionize advertising, especially online. The reason for this is the ease at which testing can be done. Copywriting decisions are reduced to a simple matrix of assumptions that can be tested in a matter of days or weeks, resulting in dramatically improved response and more intelligence about customers and their preferences. More than 2000 combinations of variables can be tested with just 12 versions of an advertisement.

Pay Per Click Advertising brings new implications to the table. The only way to shut out competitors is if the cost of clicks is too high – you need to be able to outbid them. The only way to do this is to have a higher sales conversion rate than your competitors.

For offline media such as **newspaper and magazine**, the cost savings are even more staggering. Instead of placing ads and “hoping” that it will work. Smaller test ads can be designed, placed, optimized and validated before major roll out.

Finally, for **direct mail**, which has its foundation in testing – everything including copy, layout and list can be optimized and validated completely, easily and quickly to ensure profitable results.

For all media channels, the winners will be those who optimize their campaigns with WhiteAssociates/Nutek - before launching their campaigns!