

*New BrainNet study: marketing efficiency boosted by up to 18 per cent*

## **Improved results with dwindling marketing budgets thanks to intelligent marketing procurement**

**Bonn, 28 September 2009 – Dramatic cuts in marketing budgets are a common response among companies facing times of crisis as a quick way of saving costs. In the second quarter of 2009, for instance, the media and advertising research firm Nielsen recorded a reduction of 4.6 per cent in gross advertising investments in Germany for the classical media of TV, print, outdoor advertising and radio commercials. But even with severely reduced budgets, it is possible to boost marketing efficiency – without any compromises in advertising pressure, USP or creativity. This is confirmed by the latest trend study, “*Marketing Procurement – making the marketing budget go further!*” by Supply Chain Management Consultancy BrainNet and the Supply Chain Management Institute (SMI) at the European Business School (EBS). The study asked marketing decision-makers from the advertising industry and bosses of the major media and marketing agencies in Germany for their views.**

Marketing departments can profit significantly from support from the company’s purchasing department, and not just in lean times. As the BrainNet study shows, cross-departmental marketing procurement and media buying management are scoring some remarkable successes. Study participants that actively utilise these practices are also on average increasing the efficiency of their marketing budget by over 10 per cent, and in the best cases even by as much as 18 per cent. In every case, the more intensively linked and more skilled the purchasing department is in marketing issues, the greater the boost to efficiency achieved.

“Creative successes are not a product of coincidence, but instead can be controlled,” says Oliver Grünh, Principal at BrainNet and co-author of the study. “With 20,000 advertising blocks per month with the relevant TV broadcasters and even more placement opportunities on the web, many companies are simply relying on the fact that their media agency will automatically choose the right broadcasting spots and online participations. Our study, however, shows that the most effective media strategies rely on support from media auditors, which provide specific benchmarks for the success of their own campaigns.”

The advantage of media auditors lies partly in their neutrality. On the other hand, they also have highly up-to-date market research intelligence and an accurate knowledge of the market and its conditions at their disposal. As a result, companies are able to realistically

anticipate their budget's potential performance right from the start. Media auditors also help with the implementation of changes in the media strategy as part of the remit of media buying management. For the companies surveyed by BrainNet, the combination of media auditing and media buying management provides an additional efficiency boost: with this strategy, increases in efficiency of an average of 16 per cent are achieved.

### **Using the expertise of the purchasing department**

The results of the study confirm that only a few companies have found a suitable approach for achieving increases in efficiency through other marketing services when media services are stagnating. The most successful marketing departments out of those surveyed primarily rely on cross-departmental collaboration and the bundling of expertise in this context: in cooperation with the purchasing department, they utilise media data and benchmarks for other marketing services, create modular service catalogues and use structured, shared negotiation plans for purchasing and marketing.

Transparency and expertise in negotiating are the key advantages that marketing departments can draw from collaboration with purchasing. This also applies to boosts in efficiency in other, highly complex marketing disciplines such as campaign conception, events, market research, trade fairs or call centre management. Since each of these domains has its own rules and providers, the potential transparency is restricted. In this scenario too, the study results show that marketing procurement on the basis of extensive benchmark databases can create service and condition transparency.

## **About the BrainNet Supply Management Group AG**

BrainNet is one of the leading international brands for supply chain management consultancy. Employing 220 members of staff, BrainNet turns over €30 million globally. BrainNet develops and realizes tailored solutions for more than 80 of the companies listed in the Global Fortune-500 and around 240 fast growing SMEs. For years, BrainNet has had offices in Bonn, Boston, Budapest, Chicago, London, Mumbai, Munich, Shanghai, St. Gallen, Stockholm, Tampa and Wrocław.

The current study, "Hidden Champions of the Consulting Market" by the Scientific Society for Management and Consulting (WGMB) puts BrainNet as the number 1 purchasing consultant in Germany. The company is – together with Roland Berger – also the only consultancy to be listed in the Hidden Champion top 5 ranking in all the supply chain management disciplines (purchasing, internal supply chain & processes and distribution logistics).

Through its close collaboration with the Supply Chain Management Institute (SMI) at the European Business School (EBS), BrainNet offers a totally unique value-creation chain ranging from research and training young talent at leading business schools to implementing consultancy projects and strategic qualification of top managers and supply chain managers.

For more information about BrainNet, please go to [www.brainnet.com](http://www.brainnet.com)

## **BrainNet – people creating connected solutions**

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