TREDENCE

Success Stories →

Unified Marketing Platform & Market Mix Modeling (MMM)

#BeyondPossible

Unified Marketing Platform

Problem Overview

Client - A major US retailer needed a one stop solution for daily marketing ROI readouts that covered targeting, measurement & optimization needs

Business Impact numbers

5 Pts
Improvement in online shopper conversion

9%
reduction in cost (CPC, CMC, CPI)

High level approach/ business output

- ***Discover*** *– Finalize the data elements inventory*
- ***Define*** *– Map data elements to best source and define data quality metrics*
- ***CDP Design and Build*** *–*
  - ❑ *Catalog and deploy data definitions in the data lake*
  - ❑ *Iteratively evaluate the data model against analytics use cases to identify gaps in entities and data elements*
- ***Build propensity models*** *– Develop rich customer persona, product recommendation engine & conversation triggers*
- ***Sustain*** *– Strong governance supported by dictionary*

Added Value

Faster response times

One analytics work bench

Integrated customer analytics framework

Real time updates

End to end omnichannel visibility

Test and learn platform

Niche target segments

Data standardization

Dynamic adaptation to change in consumer trends

Persona based customized recos

Differentiators

Customer Cosmos

Test and Learn Platform

ML Works

MARKET MIX MODELLING

A custom solution to obtain better promotional ROI through optimized promotion spend on BASE, TRADE, MEDIA & SPONSORSHIP

CLIENT
A leading brewing company

PROBLEM
To calculate the ROI for Sponsorship spends for 21 different markets

SOLUTION
Develop and refresh Machine Learning (ML) models to calculate the return on investment on various sponsorship marketing investments across different geographical locations

ML MODEL
Built an ML driven model to evaluate impact of promotional spends

SCALABILITY
Develop a scalable solution to accommodate and understand the trade, media and sponsorship spends effectiveness across different brands and regions

~Quantify short-term **impact** from each component of **sponsorship** and calculate their ROI and help market leaders to **plan better for next season** based on current findings

~ Moving spends from Traditional Media to Digital Media for one of the market **decreased Paid Media spend by 30% and increased its ROI by 4%**

Market Mix Modelling 2.0

Problem Overview

Client – a CPG giant in brewing industry looked for a solution to calculate ROI for different sponsorship spends and thus focus on the high ROI plans to create effective marketing plan for next fiscal across multiple products and markets

Added Value

Optimize paid media spends

Targeted audience across channels

Higher lift for marketing promotions

Reduction in tail spends

*For Sample Markets

Potential Business Impact*
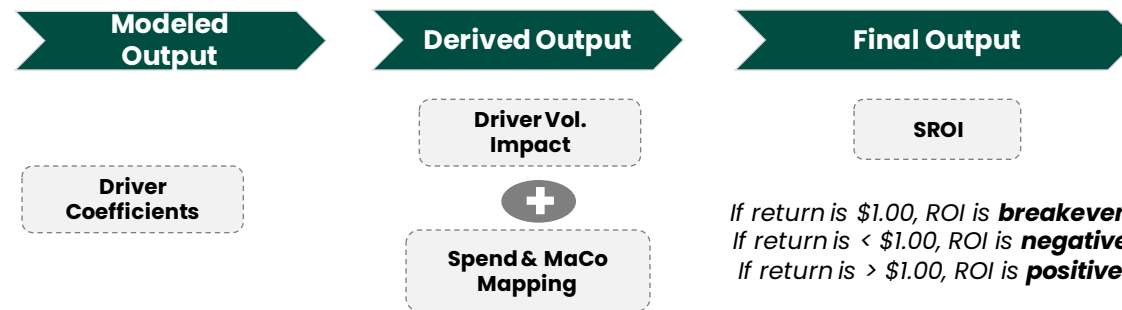
~30%
Reduction in paid media spend

~4%
Improvement in ROI

High level approach/ business output

- **ML model** – *Built a scalable ML driven model to evaluate impact of promotional spends. Model captures every possible driver of sales, by separating base from incremental sales and statistically attributes lift to each driver – Trade, Media and Sponsorship*

Base	Trade	Media	Sponsorship
• Seasonality • Competitor activity • Macro events • Holidays / events	*Merchandising – TPR, display - in-store promotions*	*Offline and online media executed on non-sponsor campaigns*	*Sales that occurred due to sponsorship marketing*

- **Quantify** *short-term impact from each component of sponsorship and calculate their ROI and help market leaders to plan better for next season based on current findings*

Modeled Output → **Derived Output** → **Final Output**

Driver Coefficients

Driver Vol. Impact **+** Spend & MaCo Mapping

SROI

*If return is $1.00, ROI is **breakeven***
*If return is < $1.00, ROI is **negative***
*If return is > $1.00, ROI is **positive***

Tredence helped a leading CPG enterprise measure, plan and optimize their marketing spend effectiveness

BACKGROUND

- Fortune 500 CPG enterprise has marketing activities across multiple channels
- Previous model lacked responsiveness due to manual data updates and unoptimized workflows
- Previous measurement solution was a black box and lacked full funnel visibility (channels such as Display, TV although were driving upper funnel traction appeared to be ineffective)

Automated data pipeline and two-tier model allows **weekly model refresh** and **end user trigger model refresh.**

Incorporated Multiple Vector Autoregression Models to **address performance across full funnel**

Created **optimization algorithms** and **simulation tools** to translate performance of metrics and create marketing scenarios

Over 8%
marketing budget saved;

Consistently exceeded ROI goals since 2018