BRAND HEALTH

ELECTRONICS BRAND BALANCES SHORT- AND LONG-TERM INVESTMENTS FOR INCREASED BRAND HEALTH

An established electronics brand changed their marketing strategy to focus on brand promotion and simultaneously started growing their direct-to-consumer business through their website. They worked with Analytic Partners to find the drivers behind short- and long-term ROI and brand health.

Analytic Partners used an adaptive modelling approach across all available markets, media and metrics to determine the short- and long-term impacts of media on sales.

CHALLENGE

Our electronics client is active in a highly competitive environment and was losing sales to e-commerce competitors. After multiple years of heavy online and product-focused advertising, the company switched to strong, emotional creatives and increased TV investment. Though sales had almost immediately improved afterwards, they were looking for deeper insights into how different media channels influence brand metrics and how this impacts sales in the long term.

SOLUTION

In a first step of the adaptive modelling approach, Analytic Partners created models to assess the relationship between Marketing and Brand Metrics (survey results: Top Of Mind, UATOP3, Consideration) and their effect on Sales.

- Short-term impact of marketing on sales.
- Long-term impact of marketing activities on brand metrics.
- Relationship between brand metrics and sales.

The models were then combined to measure their impact against each other. Together, the sets of metrics formed a unified, holistic overview of marketing activities, which could then be utilized to balance future investment towards short-term efficiency and long-term brand health. Analytic Partners recommended an optimized media spend based on the consumer's relatively long consideration process – from brand building to the actual sale.

RESULTS

The analysis revealed that video formats have the strongest impact on brand metrics. Social media has the strongest short-term ROI but a relatively lower impact on brand metrics than video formats. Display and paid search were under performing in the long term.

By bringing together short- and long-term ROI, Analytic Partners recommended an optimized media spend that led to an opportunity for an additional 20% in profit.

AN OPTIMIZED MEDIA INVESTMENT AT CURRENT BUDGET LEVELS: ADDITIONAL 20% IN PROFIT

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ELECTRONICS RETAILER BALANCES SHORT- AND LONG-TERM ANALYSIS FOR INCREASED BRAND HEALTH

THE DETAILS

ANALYSIS:
Marketing Mix (short-term) vs. Equity Analysis (long-term) both based on the efficiency metric of ROI.

Unified Marketing Mix

Measures the impact of marketing activities on Sales or other target KPI

Goal: Determine the short term return of marketing activities in the forms of ROIs

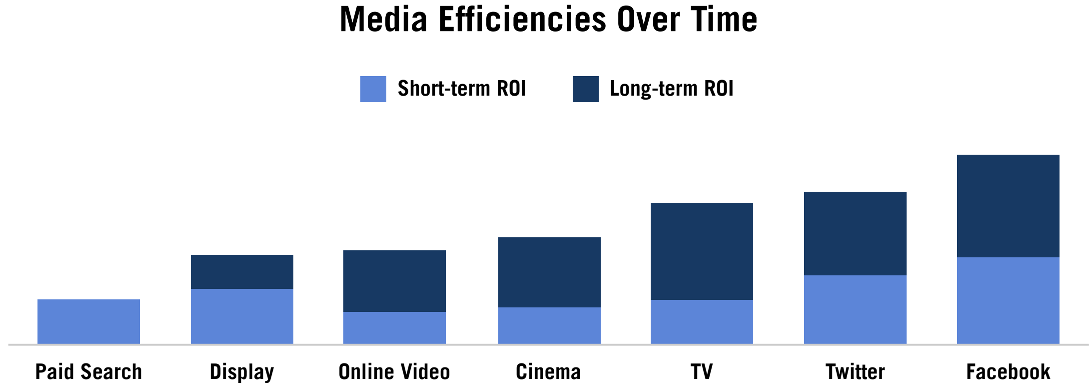
Long Term Equity Analysis

Measures the impact of marketing activities on equity and brand awareness metrics

Goal: Determine the longer-term, brand-building effect of marketing activities based on their contribution to the brand

INSIGHTS:

All media were measured for short- and long-term impacts/ efficiencies on brand metrics. This enabled the generation of long-term ROIs and recommendations taking both impacts into consideration.



RECOMMENDATIONS:

Don't underestimate media investments by only focusing on short-term sales responses, but also determine the longer-term brand building effect - balance investment in line with ROI orientation:

- Start with emotional, brand building formats in TV, online and cinema for long-term ROI.
- Invest in search and display for product promotion to trigger emotions towards the brand when consumers are starting the consideration/buying process.
- Use social media formats to support both stages of process: brand first, product later.

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