

CASE STUDY

Analyzing the Incremental Value of Investments Through Marketing Mix Modeling for a Gourmet Food Retailer



Gourmet Food Retail Industry Overview

Over the past few years, the class of foods consumed by the global population has undergone a massive transformation. The growth of the specialty retail segment, urbanization, rise in disposable income, and a surge in economic growth have greatly impacted the gourmet food segment. Such factors have not only catalyzed the growth of the gourmet food retail segment but have accelerated the strategic shift from traditional, low-cost food products to premium upgrades such as French cheese, Swiss chocolates, and exotic fruits and vegetables. Owing to such factors, leading food retail firms have now realized the importance of analyzing and optimizing their marketing investments to ensure they are on the right track. This has also prompted leading players to invest in developing robust marketing mix models to identify the factors affecting the incremental revenue.

Food Retail Industry Challenges

- **Growing Competition from Non-Traditional Food Retailers:** Players in the food retail industry are witnessing growing competition from online and non-traditional food retailers. Also, leading gourmet food retailers have now realized that online food retailers have a more perceptible impact in areas such as store sales, foot traffic, and basket size.
- **Increasing Health Awareness:** Consumers across countries are now focused on improving health and wellness, and as a result, they are increasingly leveraging food to effectively manage and avoid health issues. This has both positively and negatively impacted the gourmet food segment by paving the way for new opportunities as well as challenges. To counter such challenges, food retail companies are focusing on implementing consumer wellness programs, nutrition guidance programs, and retail dieticians.

About the Client

A [food retail industry](#) major, specializing in the gourmet food segment.

Client's Challenge

To analyze the incremental value of investments, the client – a leading food retail industry player – approached Quantzig. The client wanted to devise an appropriate marketing mix modeling strategy that integrates both traditional and digital channels through the effective allocation of marketing budgets.

Also, the gourmet food retailer wanted to leverage Quantzig's vast experience in the food retail industry to their benefit and devise an effective approach to marketing mix modeling to better understand the impact of their marketing campaigns across their business segments.

Business Impact

With the help of Quantzig's [marketing mix modeling solution](#), the gourmet food client was able to calculate the relative ROI of innumerable marketing decisions, which helped them in developing an optimum marketing mix model. The solutions offered also brought about several improvements in their business performance. Marketing mix modeling also helped them quantify the impact of individual marketing activities on several factors including price perception, revenues, and volume.

Marketing Mix Modeling Insights

Marketing mix modeling acts as a powerful tool for gaining breakthrough insights that positively impact business outcomes. If managed well, marketing mix modeling (MMM) can offer a significant competitive advantage to organizations across industries. Also, marketing mix modeling plays a key role in improving revenue and profit margins by offering new predictive insights on marketing campaigns.

Quantzig's marketing mix modeling solutions are aimed at creating a single point of truth, which enables enterprises to work toward a common goal. Also, it is essential to conduct an exhaustive study of successes and failures prior to implementing a new marketing mix model. However, organizations with little or no experience in marketing mix modeling should consider involving analytics experts who can help them successfully navigate through their challenges to devise an appropriate marketing mix model.

Quantzig provides analytics solutions that help optimize marketing decisions. Our market expertise enables organizations to adopt the right strategy to develop a marketing edge that is required to develop winning products, convert traffic into customers, and enhance sales.