



Retail promotion analytics

Skincare and body care brand

Analyzed the impact of various campaigns such as magazines, tabloids, and in-store displays across channels (store and dotcom) within the Ulta ecosystem to guide its marketing strategy. Measured performance through metrics such as sales lift %, ROI, etc., to provide insights into characteristics of best performing promotional campaigns.

Skincare and body care brand needs to enhance its promotional strategies

Picture this...

You're looking to analyze impact of various types of marketing (magazines, tabloids, and in-store displays) across channels (store and dotcom) within the Ulta ecosystem to guide the marketing strategy. Currently, you have no visibility into impact and performance of various promotional campaigns being run within the Ulta ecosystem and there is an opportunity to measure the performance and optimize the marketing and promotional efforts.

You turn to Accordion.

We partner with your team to measure performance through metrics such as Sales Lift %, ROI, etc., to provide insights into characteristics of best performing promotional campaigns, including:

- 1) Designing a baseline sales and campaign attribution methodology to segregate the impact of a single promotional campaign across a broad set of campaigns running close to each other
- 2) Developing a customized sales lift and ROI estimation methodology based on the characteristics of promotional campaigns accounting for seasonality, organic sales growth, parallel promotions etc., during the estimation of sales lift
- 3) Identifying the characteristics of best performing promotional campaigns best suited for various marketing goals such as high ROI, increasing product trial for strategic SKUs, etc., to help identify optimal campaign based on the marketing goals

Your value is enhanced.

- You have identified potential opportunity of ~\$1M increase in annual revenue by designing campaigns, based on marketing goals, enabling superior ROI and sales lift
- You have also optimized ~\$236K annual spend on promotions across online and retail channels by identifying campaigns with negative and low ROI

RETAIL PROMOTION ANALYTICS

KEY RESULT

- ~\$1M increase in annual revenue
- ~\$236K annual spend on promotions optimized

VALUE LEVERS PULLED

- Retail promotion performance
- Price sensitivity analysis

Retail promotion analytics for a skincare and body care brand

Situation

- Client lacked visibility into impact and performance of various promotional campaigns being run within the Ulta ecosystem. There was an opportunity to measure the performance of various types of promotion campaigns to optimize its marketing and promotional efforts.
- Partnered with client to analyze impact of various types of marketing (magazines, tabloids, and in-store displays) across channels (store and dotcom) within the Ulta ecosystem to guide its marketing strategy. Measured performance through metrics such as Sales Lift %, ROI, etc., to provide insights into characteristics of best performing promotional campaigns.

Accordion Value Add

- Designed a baseline sales and campaign attribution methodology to segregate the impact of a single promotional campaign across a broad set of campaigns running close to each other
- Developed a customized sales lift and ROI estimation methodology based on the characteristics of promotional campaigns accounting for seasonality, organic sales growth, parallel promotions etc., during the estimation of Sales Lift
- Identified the characteristics of best performing promotional campaigns best suited for various marketing goals such as high ROI, increasing product trial for strategic SKUs, etc., to help identify optimal campaign based on the marketing goals

Impact

- Identified potential opportunity of ~\$1M increase in annual revenue by designing campaigns, based on marketing goals, enabling superior ROI and Sales Lift
- Optimized ~\$236K annual spend on promotions across online and retail channels by identifying campaigns with negative and low ROI

Methodology/ approach

Categorizing the SKUs based on their promotion calendar to evaluate Sales Lift

Usage of each sales data point			
		Prior Year	
		No Promotion	Promotion
Present Year	No Promotion	Group 1 – Sales lift will provide organic growth without seasonality	Group 2 - Sales lift will give negative impact of removing Promotion
	Promotion	Group 3 – Sales Lift will provide the impact of promotion	Group 4 - Baseline sales for prior year to be established to compute the sales lift of current year promotion

Impact of Promotion campaign is computed based on ROI

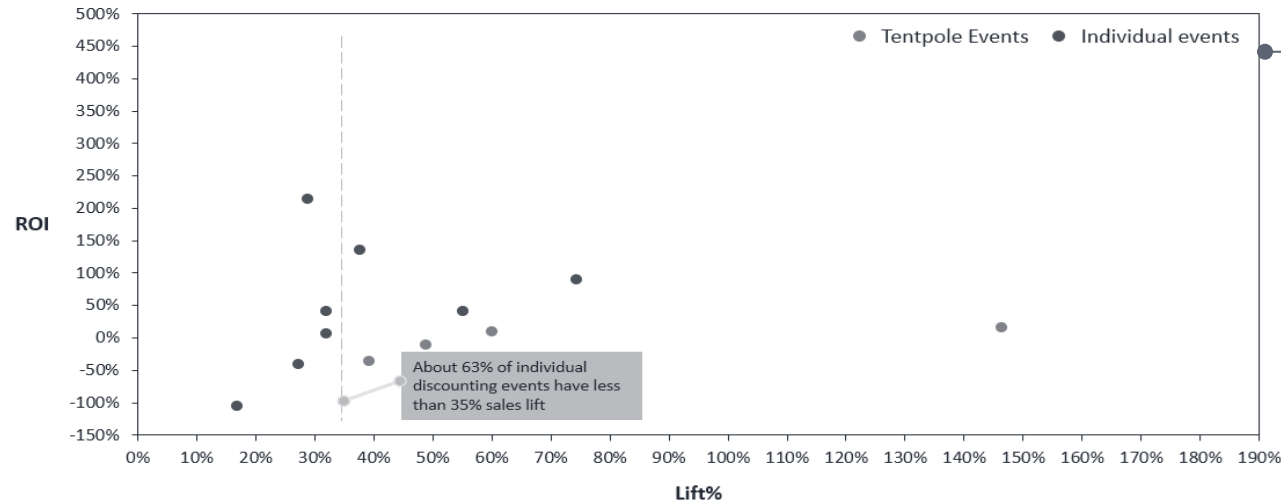
Accounts for seasonality and YoY growth

Accounts for seasonality

Method	Baseline sales	Estimation of Lift (%)	ROI (%)	Assumption
Weekly comparison	Average sales of target SKU(s) in the immediate vicinity of the promotion period (+/- 2 weeks)	(Average sales during promotion period/Baseline sales)-1	(Lift(%)*Baseline Sales*Gross Margin/Promotion Spend)-1	Seasonality is assumed to be negligible during baseline period and target period due to their immediate vicinity in time
Quarterly comparison	Quarterly clean period (no promotion) sales average of target SKU(s)			Seasonal variation is assumed to be relatively low during the same quarter in which the target period lies
Similar SKU comparison	Adjusted average sales of similar SKUs (not on promotion) during the target period			Ratio of sales of target SKU(s) to similar SKUs during simultaneous clean periods is assumed to hold during promotion period
Yearly comparison	Previous year baseline sales during target week(s) adjusted for organic YoY growth			Organic YoY growth is assumed to be the growth in sales YoY when only simultaneous clean periods are considered

Sales lift and ROI estimation

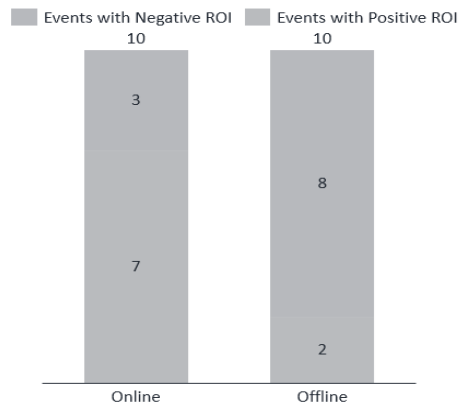
Lift and ROI for Tentpole and Individual events



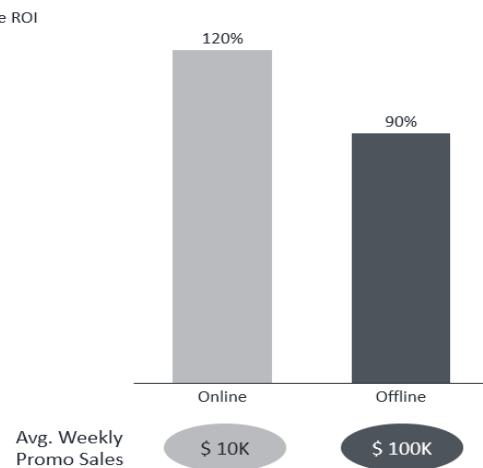
Benchmarked Tentpole events such as Black Friday, Cyber Monday etc. with regular promotional events

Lift and ROI computation across multiple discounting events to identify the type of events with better Lift and ROI

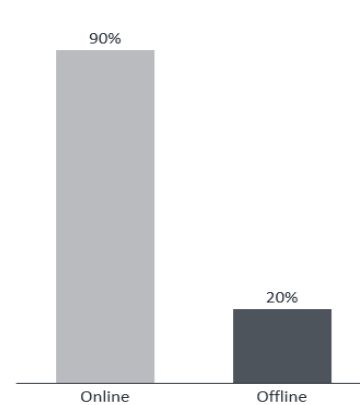
ROI distribution across channels



Cross-channel comparison of Lift

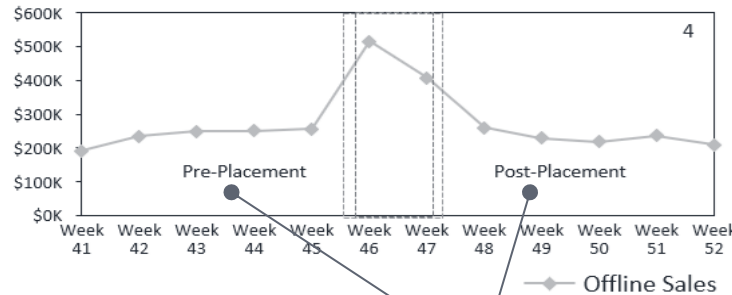
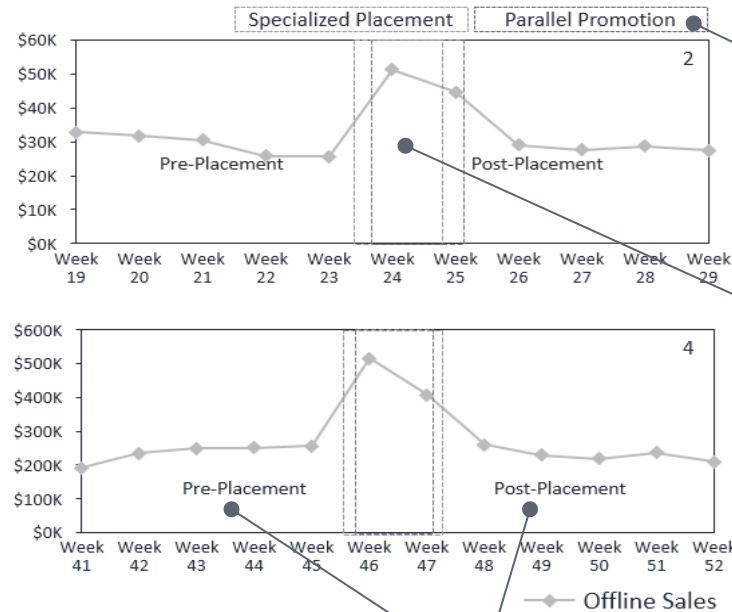
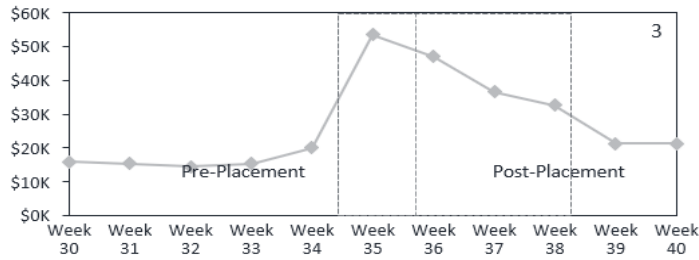
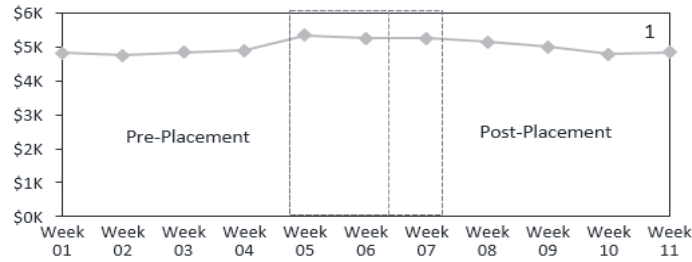


Cross-channel comparison of ROI



Comparison of event performance across offline and online channels

Campaign performance



Other parallel promotions are tracked to identify if the sales lift is due to the promotion of interest or the parallel promotion

Promotion period is analysed to evaluate the sales lift for the corresponding marketing spend to estimate ROI

In addition to the promotion period, post-promotion period is also analysed to evaluate the true impact of the campaigns

Performance of top-selling SKUs during events based on form-factor

ROI positivity for top selling SKUs during events

