Performance and marketing analytics

HVAC and Plumbing service provider

Analyzed revenue and margin drivers across different service offerings & created a performance and marketing analytics report resulting in potential increase in revenue of $10M+ by optimizing marketing spends and identifying cross sell opportunities across service offerings.

HVAC and plumbing service provider needs to "unlock" the value levers

Picture this...

You're are looking to formulate an optimal strategy for allocating resources, marketing budgets promotional offers across service offerings. In addition to that, you are looking to analyze revenue drivers across division and marketing channels and understand customer purchase behavior across brands and service offerings.

You turn to Accordion.

We partner with your team to analyze the revenue across different service offerings, develop performance analytics report and integrate division level and marketing channel level revenue drivers, including:

1) Defining the revenue and margin drivers (Price, volume and mix) and analyzing the impact of drivers at service offering, location and aggregated level
2) Analyzing ROI across different marketing channels by setting up first touch attribution model and accurately attributing leads, opportunities, customers, revenue, conversion rates across the various marketing channels/campaigns
3) Analyzing the customer purchase behavior and return rates to define the Lifetime tenure of the customer by acquisition, service offering and acquisition month across brands providing a historical snapshot of customer cohort health
4) Creating contract renewal analysis to understand the customer patterns across service offerings over time

Your value is enhanced.

- You have potential opportunity of $10M+ revenue by optimizing marketing spends across channels to improve overall ROI

- You have identified potential opportunity to cross sell other value-added services to returning customers through customers behavior pattern across service offerings such as HVAC, electrical, plumbing etc.

- You have identified lifetime tenure of customers for each cohort that will aid in designing customer strategy to target and acquire high value customers
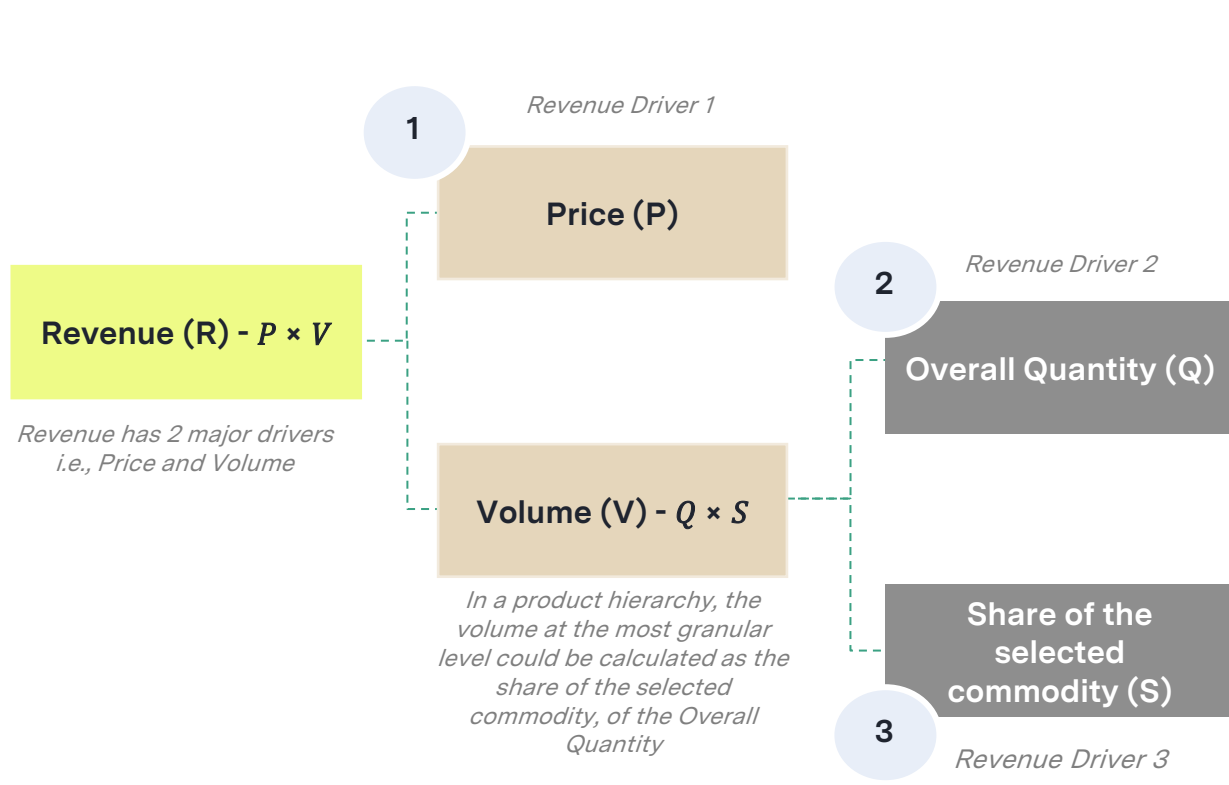
PERFORMANCE AND MARKETING ANALYTICS

KEY RESULT

- $10M+ potential revenue

VALUE LEVERS PULLED

- PVM analysis
- Customer cohort analysis
- Attribution analysis

Approach for PVM analysis to determine revenue drivers

- **Impact of Price:** Assuming the overall volume sales and volume shares remain constant, the change in overall revenues due to the change in commodity prices from time A to time B

- **Impact of Volume:** Assuming the commodity prices and volume shares remain constant, the change in overall revenue due to the change in volume sales from time A to time B

- **Impact of Product Mix:** Assuming the commodity prices and overall volume sales remain constant, the change in the overall revenues due to the change in volume shares from time A to time B

Revenue Driver 1

1

Price (P)

Revenue (R) - $P \times V$

Revenue has 2 major drivers i.e., Price and Volume

Revenue Driver 2

2

Overall Quantity (Q)

Volume (V) - $Q \times S$

In a product hierarchy, the volume at the most granular level could be calculated as the share of the selected commodity, of the Overall Quantity

Share of the selected commodity (S)

3

Revenue Driver 3

$$\Delta R_{AB} = Q_A \times S_A \times (P_B - P_A) + P_B \times S_A \times (Q_B - Q_A) + P_B \times Q_B \times (S_B - S_A)$$
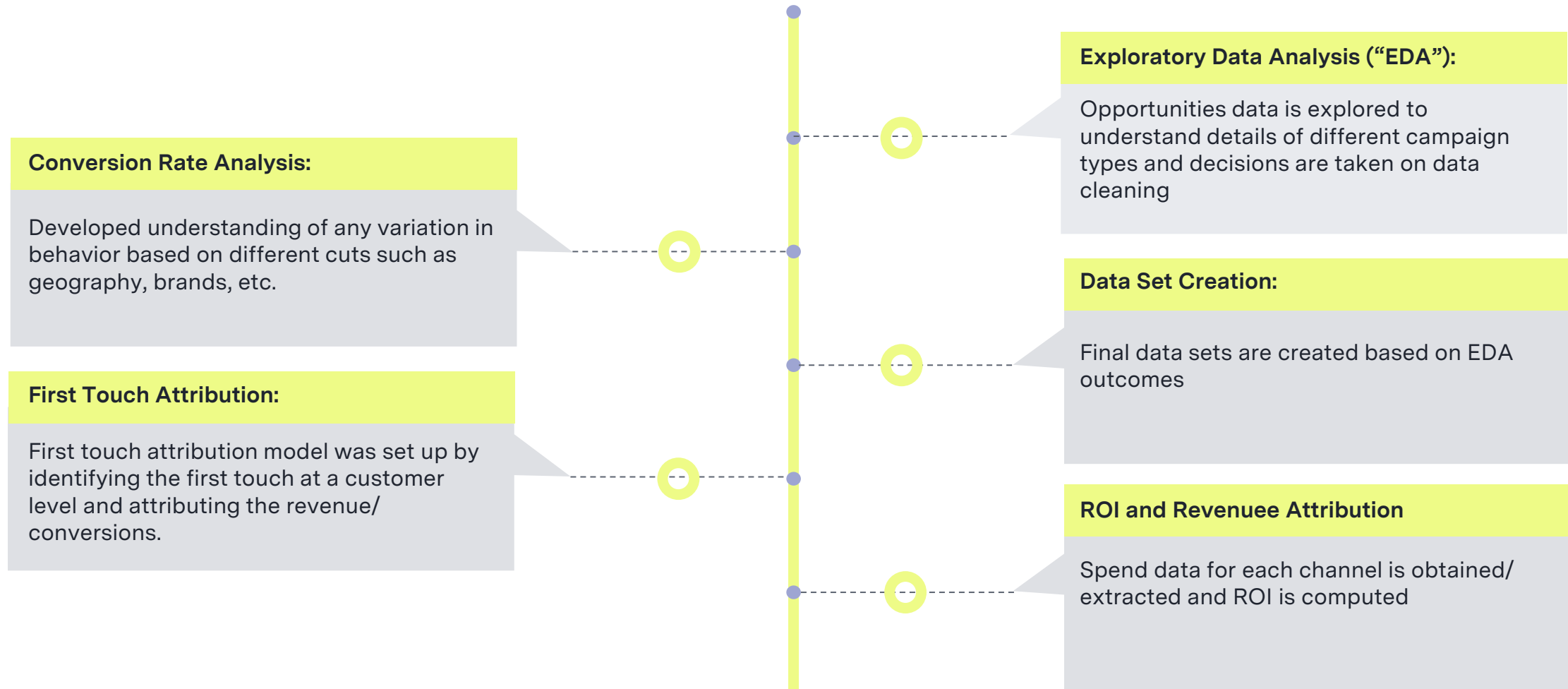
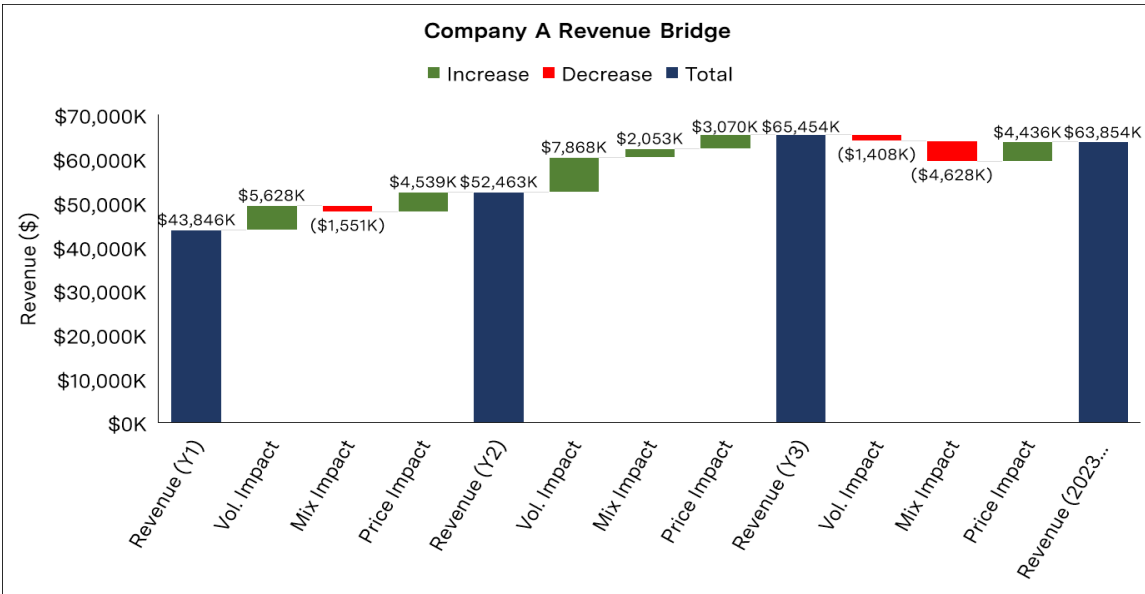Impact of Price   Impact of Volume   Impact of Product Mix

- $R_{A,B}$ – Revenue at time A and time B

- $P_{A,B}$ – Price at time A and time B

- $V_{A,B}$ – Volume Sales at time A and time B

- $Q_{A,B}$ – Overall Quantity at time A and time B

- $S_{A,B}$ – Volume share of a commodity at time A and time B

Approach for Marketing attribution analysis

Exploratory Data Analysis ("EDA"):

Opportunities data is explored to understand details of different campaign types and decisions are taken on data cleaning

Conversion Rate Analysis:

Developed understanding of any variation in behavior based on different cuts such as geography, brands, etc.

Data Set Creation:

Final data sets are created based on EDA outcomes

First Touch Attribution:

First touch attribution model was set up by identifying the first touch at a customer level and attributing the revenue/ conversions.

ROI and Revenuee Attribution

Spend data for each channel is obtained/ extracted and ROI is computed

Revenue and margin drivers – Revenue, volume and mix

Company A Revenue Bridge

Impact of Price, Volume and Mix to identify the driver of revenue increase

Company A Gross Margin Bridge
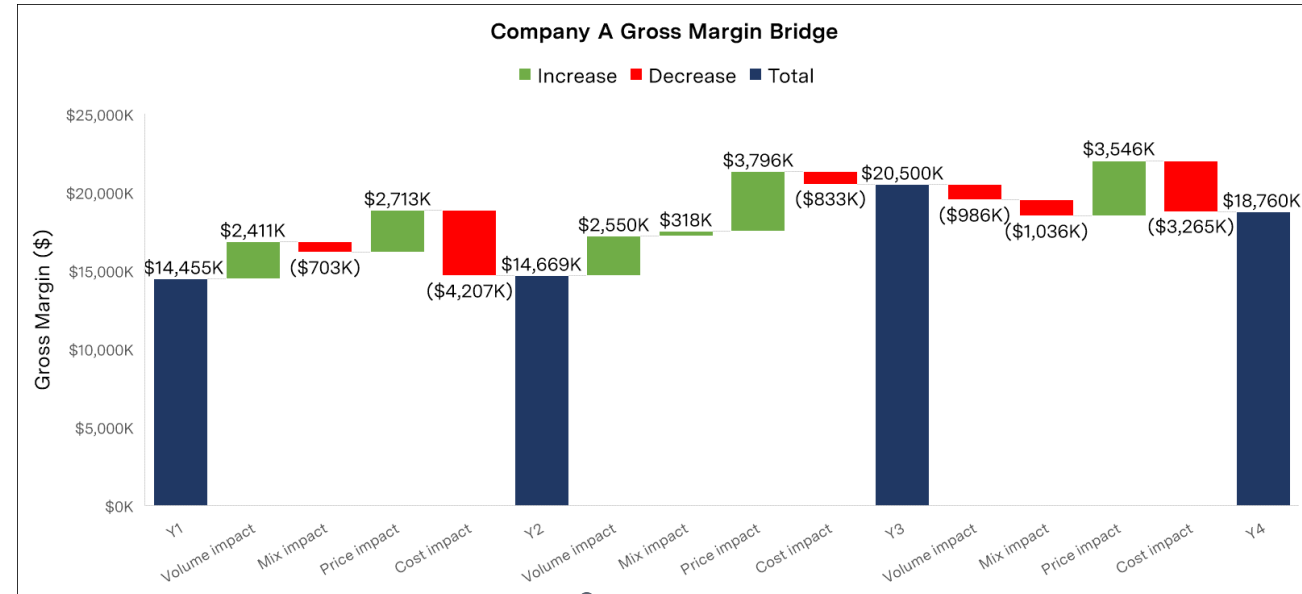
Impact of Price, Volume, Cost and Mix to identify the driver of gross margin increase

Customer cohort analysis and repeat/retention rate

Acquisition Quarter	# of Customers acquired	3	6	9	12	15	18	21	24	27	30	33	36	39	42
Period A	2,630	22%	29%	34%	38%	41%	42%	44%	45%	46%	47%	48%	48%	49%	49%
Period B	3,848	27%	32%	36%	40%	43%	44%	45%	47%	48%	49%	50%	51%	51%	
Period C	4,705	23%	28%	33%	38%	41%	42%	43%	45%	46%	47%	47%	48%		
Period D	3,070	23%	29%	35%	39%	41%	42%	44%	45%	46%	47%	48%			
Period E	3,231	26%	32%	35%	39%	41%	42%	43%	44%	45%	46%				
Period F	4,298	31%	35%	38%	43%	45%	46%	47%	48%	49%					
Period G	3,933	23%	29%	33%	38%	40%	41%	42%	45%						
Period H	2,656	24%	30%	36%	39%	41%	43%	44%							
Period I	2,896	26%	32%	37%	40%	42%	44%								
Period J	4,586	25%	30%	34%	38%	41%									
Period K	4,155	24%	29%	33%	38%										
Period L	3,583	22%	27%	31%											
Period M	3,119	22%	27%												
Period N	4,189	26%													
Overall	50,899	25%	30%	34%	39%	41%	43%	44%	46%	47%	47%	48%	49%	50%	49%

Customer repeat rate over months for acquisition cohort

Customer repeat rate by months since acquisition

Cumulative Repeat rate (%) since acquisition