



Digital marketing spend optimization

Hair extensions company

Partnered with the client to identify marketing channels driving higher incremental sales by brand to improve top-line growth. Built a forecast model to quantify the impact of marketing spend distribution across channels on future sales, enabling the client to re-allocate spend towards high performing channels.

Hair extensions company needs digital marketing spend optimization

Picture this...

You’re looking to identify marketing channels driving higher incremental sales by brand to improve top-line growth. Built a forecast model to quantify the impact of marketing spend distribution across channels on future sales, re-allocate spend towards high performing channels. You have expanded their footprint through brand acquisition and marketing operations of these brands were run by individual marketing agencies. With marketing operations transitioning to in-house driving a centralized strategy across 13 brands, there was an opportunity to develop effective marketing strategies to driver high sales customized based on each brands’ growth objective

You turn to Accordion.

We partner with your team to identify marketing channels driving higher incremental sales by brand to improve top-line growth. Built a forecast model to quantify the impact of marketing spend distribution across channels on future sales, enabling the client to re-allocate spend towards high performing channels., including:

- 1) Collaborating with the Growth and Digital Marketing teams to understand the key strategic marketing initiatives driving future growth and the performance of existing marketing efforts
- 2) Forecasting 12-month revenue outlook based on marketing, website, and eCommerce levers accounting for historical growth, seasonality, and the future marketing calendar. Additionally, fine-tuned the model by benchmarking forecast performance against actuals to improve forecast accuracy.
- 3) Identifying marketing channels driving higher incremental sales based on the marketing spend. Built an Excel-based forecast model to understand the impact of marketing spend distribution across channels on revenue. This accounts for the historical performance of marketing metrics such as Traffic, Conversion Rate, Cost per Click (CPC), etc., and revenue metrics such as Average Order value.
- 4) Automating the model refresh by connecting the data with the Azure Data Warehouse to assist the client in monthly/quarterly budgeting and provide actionable levers to bridge the gap to top-down financial targets

Your value is enhanced.

- You have optimized allocation of marketing spend into promotions with high ROI and targeted efforts to improve marketing efficiency resulted in 5% YoY decrease in CPM (cost per thousand impressions) and 20 bps increase in conversion rate
- Finetuning the model based on evolving brand dynamics significantly improved the accuracy of the forecast with a mere ~2% error rate

KEY RESULT

- ~5% YoY decrease in CPM
- Built revenue forecast model with a mere ~2% error rate

VALUE LEVERS PULLED

- Marketing spend modelling

Facilitate continuous digital marketing spend optimization for hair extension company

Situation

- Client expanded their footprint through brand acquisition and marketing operations of these brands were run by individual marketing agencies. With marketing operations transitioning to in-house driving a centralized strategy across 13 brands, there was an opportunity to develop effective marketing strategies to driver high sales customized based on each brands' growth objective
- Partnered with the client to identify marketing channels driving higher incremental sales by brand to improve top-line growth. Built a forecast model to quantify the impact of marketing spend distribution across channels on future sales, enabling the client to re-allocate spend towards high performing channels.

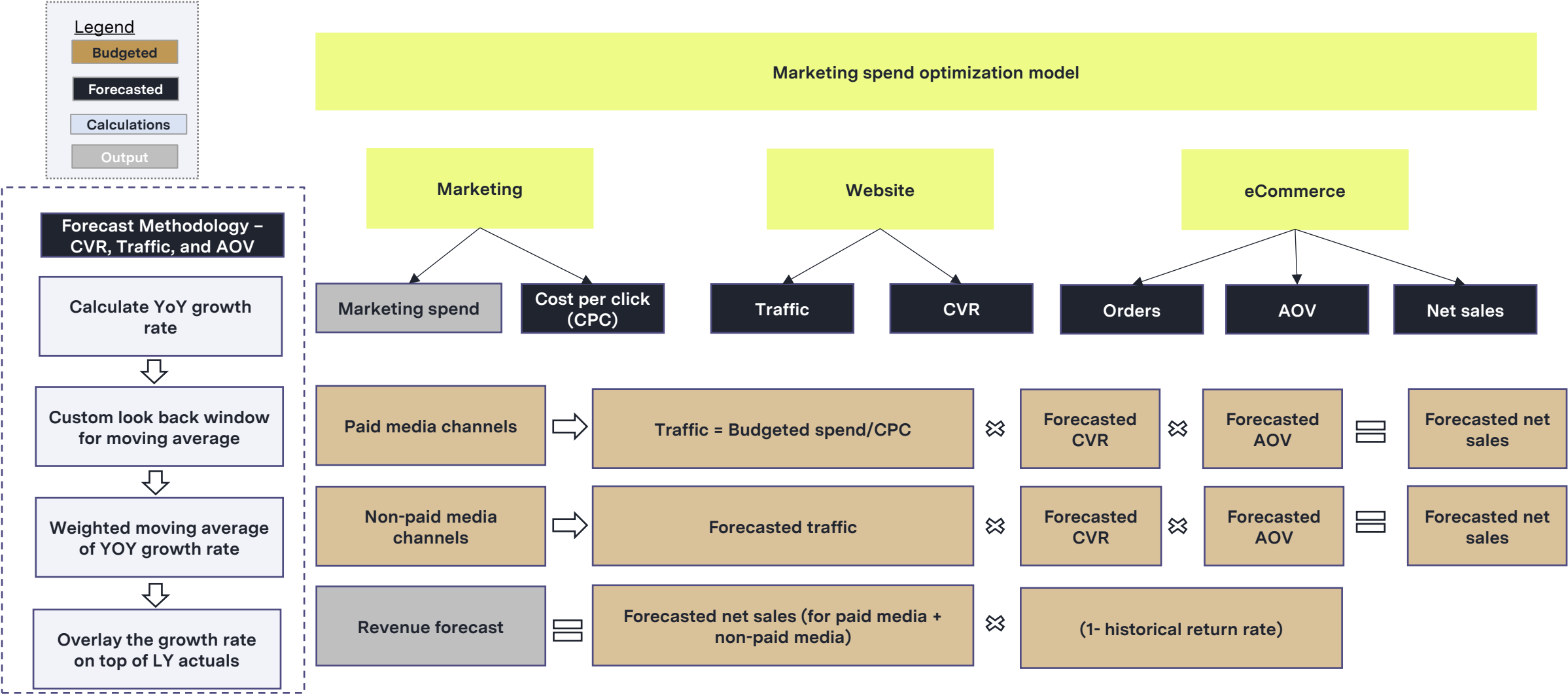
Accordion Value Add

- Collaborated with the Growth and Digital Marketing teams to understand the key strategic marketing initiatives driving future growth and the performance of existing marketing efforts
- Forecasted 12-month revenue outlook based on marketing, website, and eCommerce levers accounting for historical growth, seasonality, and the future marketing calendar. Additionally, fine-tuned the model by benchmarking forecast performance against actuals to improve forecast accuracy.
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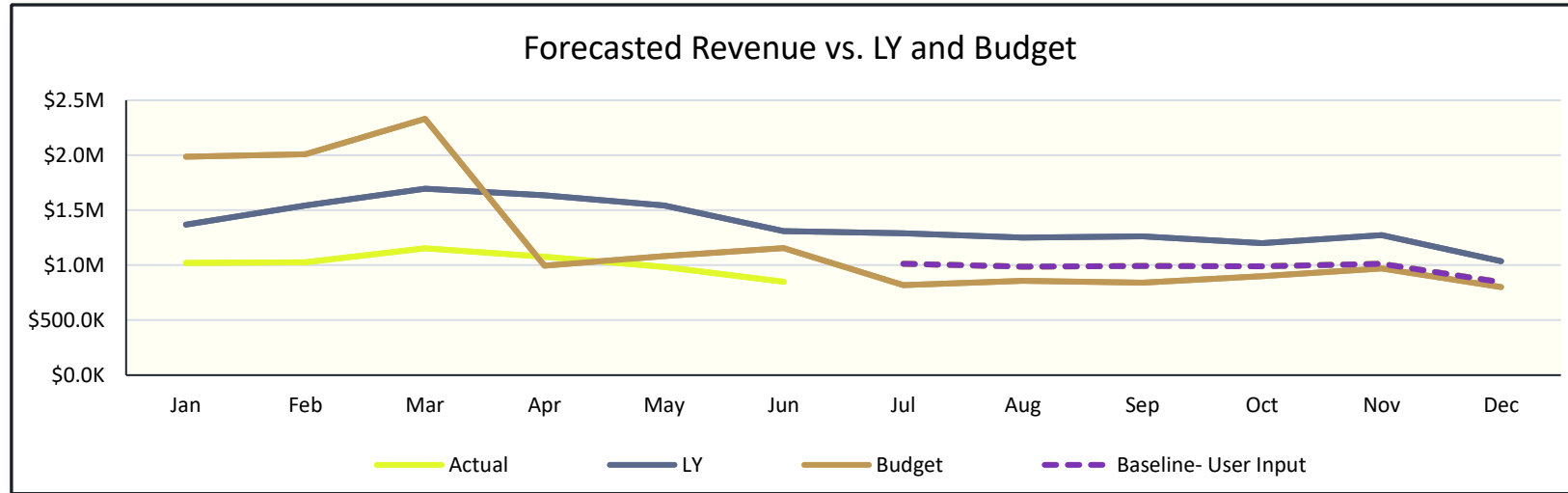
Impact

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Methodology/ Approach



Forecasted monthly revenue based on marketing spend distribution



Actual vs. Forecast vs. Budget Performance

Monthly revenue forecast based on the marketing spend distribution

Forecast/Scenario		Actuals for Brand						Forecast for Brand						Year	
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Forecast	Total
Revenue	Revenue	\$1,226,081	\$1,231,324	\$1,384,294	\$1,292,140	\$1,179,924	\$1,019,259	\$1,215,139	\$1,183,043	\$1,190,251	\$1,186,431	\$1,213,133	\$1,013,934	\$5,786,793	\$14,334,955
	Forecast Revenue	\$2,383,607	\$2,410,433	\$2,797,371	\$1,195,157	\$1,299,375	\$1,387,806	\$983,609	\$1,030,257	\$1,007,548	\$1,080,645	\$1,164,027	\$961,221	\$5,243,698	\$17,701,055
	vs. Budget	-49%	-49%	-51%	8%	-9%	-27%	24%	15%	18%	10%	4%	5%	10%	-19%
	LY	\$1,643,413	\$1,852,285	\$2,034,324	\$1,961,153	\$1,852,564	\$1,572,832	\$1,548,258	\$1,501,389	\$1,516,074	\$1,441,284	\$1,527,896	\$1,243,475	\$7,230,119	\$19,694,949
	vs. LY	-25%	-34%	-32%	-34%	-36%	-35%	-22%	-21%	-21%	-18%	-21%	-18%	-20%	-27%
Marketing Spend	Paid Social	\$98,700	\$90,625	\$114,620	\$121,849	\$119,408	\$84,395	\$97,819	\$122,445	\$87,602	\$95,508	\$117,189	\$90,950	\$519,075	\$1,186,934
	vs. LY	6%	-2%	5%	-9%	1%	-4%	-24%	-30%	7%	-18%	5%	-12%	-23%	-28%
	Paid Search	\$172,019	\$192,579	\$222,871	\$184,259	\$189,968	\$147,691	\$184,458	\$160,539	\$175,205	\$163,728	\$153,461	\$158,579	\$851,816	\$1,846,342
	vs. LY	4%	-10%	-25%	2%	-14%	-22%	-8%	-26%	-19%	-27%	9%	-1%	-11%	-23%
	% Paid Social	36%	32%	34%	40%	39%	36%	35%	43%	33%	37%	43%	36%	38%	39%
	% Paid Search	64%	68%	66%	60%	61%	64%	65%	57%	67%	63%	57%	64%	62%	61%