Impact of Media Spendings on Sales Performance

ANALYZING THE EFFICIENCY OF TV, RADIO, AND SOCIAL MEDIA INVESTMENTS

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INTRODUCTION

This report provides analyzed insights into how different media spendings affect the sales of a company, aiming to guide future marketing strategies. The focus lies on investments in TV, Radio, and Social Media, with the purpose to identify the most fruitful advertising medium. The findings will assist the marketing team in allocating resources more effectively to maximize sales.

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OVERVIEW OF ATTRIBUTES AND THEIR IMPACT ON SALES

Impact of Different Media on Sales
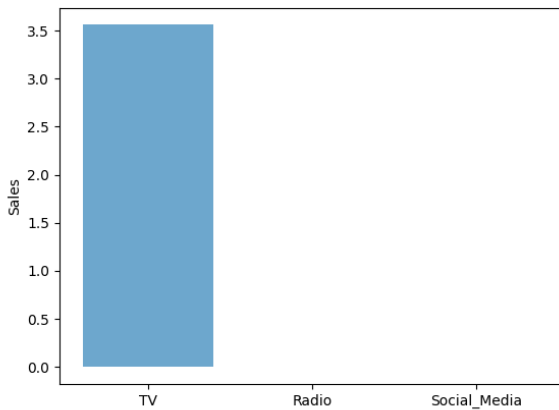
TV: 3.560 (Significant positive impact on sales, suggesting that investments in TV advertising lead to a substantial increase in sales.)

Radio: 0.001 (Negligible negative impact, indicating that Radio spending does not significantly alter sales volumes.)

Social Media: 0.003 (Slight positive impact, hinting that Social Media can moderately enhance sales.)

Visual Insights
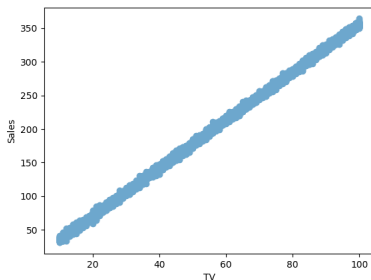
The chart clearly depicts a strong, positive linear relationship between TV advertising spending and sales, indicating that increases in TV spending correlate strongly with increases in sales.
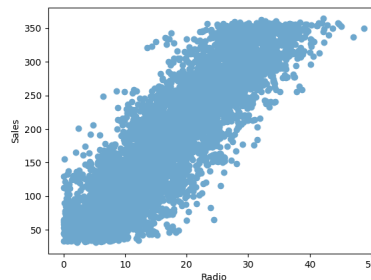
The scatter plot shows a very dispersed set of data points for Radio spending against sales, indicating a weak or no apparent relationship between Radio advertising spending and sales.
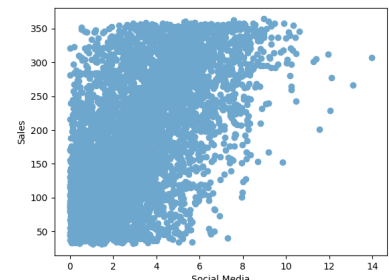
This scatter plot shows a wide dispersion of points without a clear trend, suggesting a weak relationship between Social Media spending and sales.

Model Performance Indicators

- **R2: 0.999** (Highly accurate model performance, explaining the variance in sales through media spendings.)
- **MAE: 2.381** (Average error of the model is quite low, indicating precise sales predictions.)
- **MSE: 8.648** (Indicates good model reliability in predicting sales.)
- **RMSE: 2.941** (Root Mean Squared Error, showing small deviation in the sales predictions.)

AI WARNING

This document contains content that has been generated by an artificial intelligence model. While the information presented is based on data-driven analysis, it is important to exercise caution and critical thinking when interpreting the results. Human oversight and expert judgment are essential to ensure the accuracy and relevance of the insights provided.