Using Marketing Mix Modelling technology to measure advertising response

Pilot – proposal

February 2021

Background

Bolt   Ride   Drive   Fleet   Business   Scooters   Food   Cities

Bolt operates in 40 markets and around 200 cities. The main advertising channel is digital, with spending predominantly on Facebook, Google, Snap, Apple Search, TikTok. Referral codes are also used heavily to incentivize first and repeat rides. More recently OOH has been used to drive awareness.

The Bolt team is now looking for a marketing mix modeling tool to **measure and optimize** the impact of the advertising campaigns on user acquisition and engagement (repeated rides).
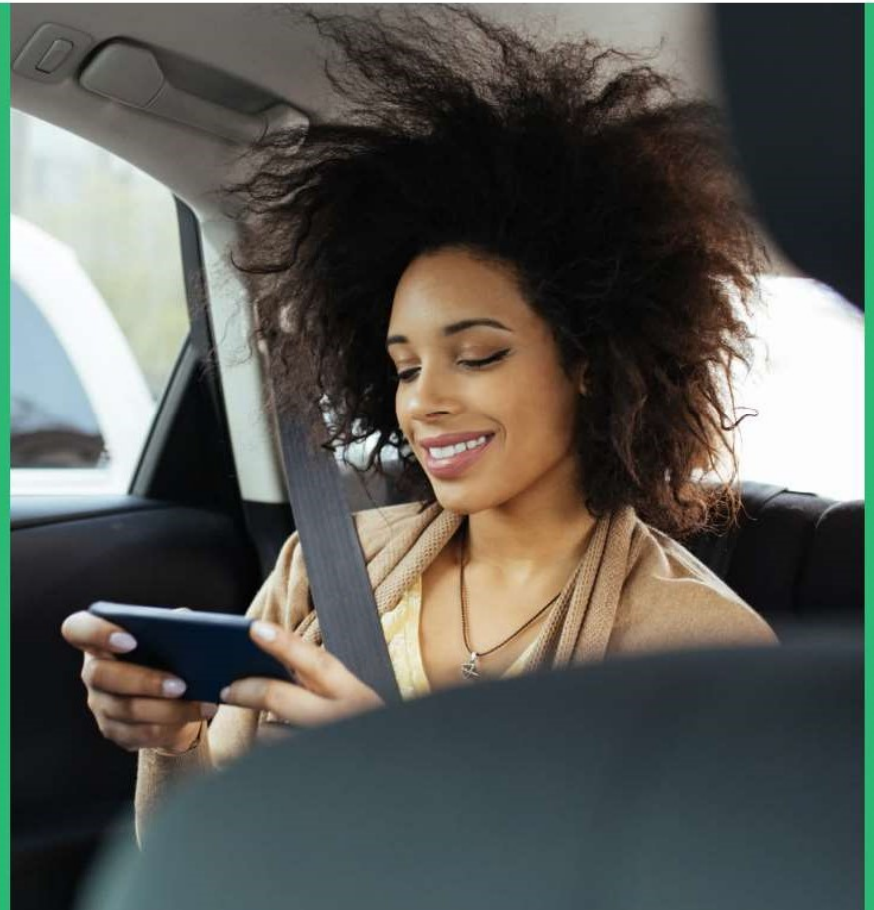
Pilot Objectives

- Validate A.E.'s modelling approach with one model for one KPI for one city

- Evaluate Demand Drivers as a platform for adspend reporting and optimization and DIY modelling functionality

- Evaluate Demand Drivers for potential roll-out across markets/cities

Deliverables

Delivered in the platform

- Technical output results: coefficients, elasticities, response curves, model fit statistics
- Volume contribution from all modelled marketing mix activities executed
- Due-To waterfalls explaining KPI performance drivers
- Return on investment (ROI) by media channel and major campaign where feasible
- Diminishing returns, advertising response curves
- Optimization of advertising spend for maximum return on modelled KPI

Delivered outside the platform

- Short summary results deck drawing attention to major findings and recommendations
- Modeling training using Demand Drivers on the pilot Bolt model (depending on chosen option)
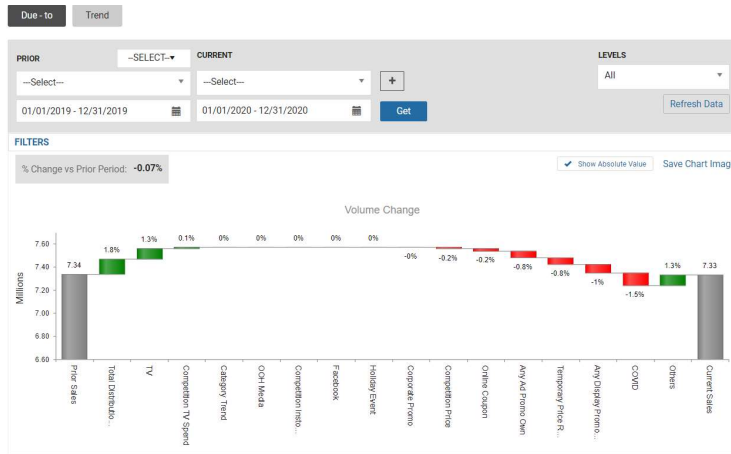
Demand Drivers Platform – reporting and optimization
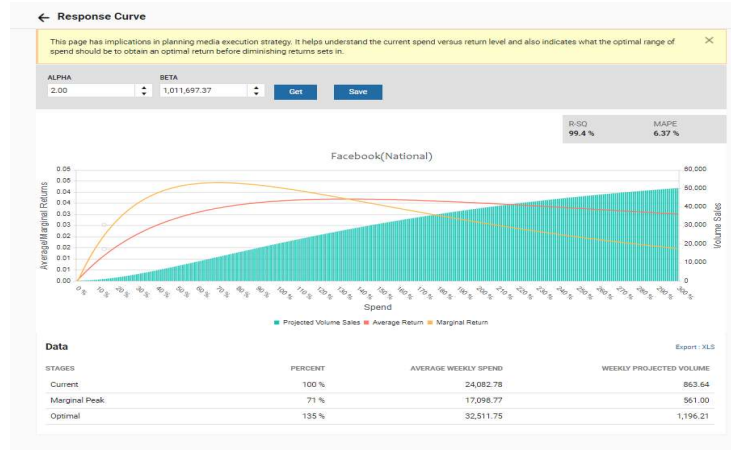
Some of the outputs – not limitative

Link to introduction video: https://vimeo.com/335325292

Performance
Due-To's

Budget
optimization

Response
curves
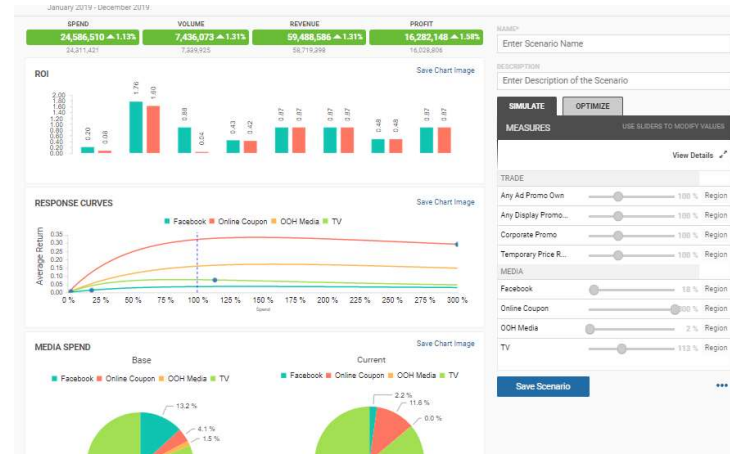
ROI's by media
channel

Model Scope and Deliverables

Item	Details
Geography	City level
Dependent variable	First time activation
Time period	TBC
Project type	MMM
Demand Drivers Platform	Access is included for training, modelling and results visualization and optimization purposes depending on option chosen
Training	Training is included for Options 2-3
Results presentation	One ppt summary deck summarizing the results in the DD Platform

Pilot – 3 Options

Option 1 - all modeling done by AE	Option 2 - all modeling done by AE + basic training	Option 3 - full training and doing 1 model together
1 model done by AE	1 model done by AE	1 model done together
No training	4 x 2 hours modeling training using Demand Drivers on the pilot Bolt model (NO CHARGE)	Training hands-on training Max 40 hours
Demand Drivers <u>access</u> included for the duration of the pilot	Demand Drivers <u>access</u> included for the duration of the pilot	Demand Drivers <u>access</u> included for the duration of the pilot
Model results 6-8 weeks after all data is provided by Bolt	Model results 6-8 weeks after all data is provided by Bolt	Model results 8-10 weeks after all data is provided by Bolt
€18,000	**€18,000**	**€24,000**

Any applicable taxes extra, T&E billed at actuals, Terms & Conditions for platform licence applicable

Pilot – Timeline Overview

	Project Specification	Data Collection	Modeling	Insights Delivery	Simulation & Planning
Activities	• Confirm Project Specs: Scope, Data, Timing • Project Kick-off Meeting with multi-function stakeholders to align on business questions and discuss data requirements	• Collect all data needed to address key questions • Cleanse, Quality Control, and Resolve data issues • Validate Data with internal stakeholders	• Load data into Demand Drivers platform • Run Models • Model Review Meeting with Insights & Analytics stakeholders	• Create Final Presentation • Deliver presentation to key stakeholders	• Support for Simulation and Planning modules in Demand Drivers Platform
Outputs	• Project Specifications	• Stakeholder-approved data review deck	• Statistics/Metrics • 80% Complete presentation	• Summary presentation	• Budget optimization scenarios
Timing	Approx. 1 Week	Approx. 3-4 weeks	Approx. 2-3 weeks	Approx. 2 weeks	Approx. 1 Week

Total Timeline: Approximately 6-10 weeks

Post – Pilot Investment

Demand Drivers License Fee Post-Pilot

€30,000 licence fee per user per year for full Demand Drivers WITH modelling module

€10,000 licence fee per user per year for Demand Drivers WITHOUT modelling module

- Up to 50hrs of consulting and user support included with each new licence (not included with licence renewal)
- Additional consulting & user support can be purchased in blocks of 50 hours at €60/hr
- Price per model done entirely (fully serviced) by A.E on platform Euro 12k – 18K
- Volume rebates applicable for more than 3 licenses
- Licence fee includes technical support and software upgrades
- Platform Migration to Client cloud, if needed (one-time fee) - €5,000
- Platform & Data Hosting charges (if hosted on Analytic Edge cloud) – Billed at actuals
- Platform customization (optional) - €60/hr
- ETL and data management fee for Always-on MMM to be priced separately depending on scope

Any applicable taxes extra, T&E billed at actuals, Terms & Conditions for platform license applicable

Appendix

About Analytic Edge

✓ ANALYTIC EDGE provides **technology-enabled** analytics solutions in marketing & sales effectiveness

✓ Our mission is to leverage technology to provide **scalable, cost-efficient and real-time marketing insights**

✓ Analytics delivery operations in India with a team of **75+ data scientists and technology resources**

✓ **Global footprint** through our own offices and channel partners which enables us to provide local client service & insights delivery support

Mexico
USA
Switzerland
South Korea
China
Japan
UAE
India
Singapore
Indonesia
Brazil
Argentina
Australia

Analytic Edge presence

Clients & Strategic Partners

Our Solution: Productized Marketing Mix Modeling

Analytic Edge Demand Drivers™ is a cloud-based, automated platform that **enables continuous marketing effectiveness measurement** and allows brands to **run predictive marketing analytics in-house**, with the cost, scale and speed advantages they need.

Automated

Transparent

Do-It-Yourself

Demand Drivers™

Always-on

Cost-Efficient

Scalable

Salient Features

1   **Adaptive DIY.** Allows clients to run analytics in-house as and when needed. Provides easy scalability. Avoids need to share strategic or confidential customer data with third parties.

2   **Always-On.** Continuous marketing measurement delivers real-time insights for better marketing spend optimization.

3   **Speed, Scale & Cost-Effectiveness.** Drops MMM update cycle from a month to under 1 week. Allows clients to cover entire marketing budget with consistent integrated approach and without high costs.

4   **Transparent.** Non 'black box' approach satisfies technical validators and shows methodological flexibility to meet individual client expectations.

Use Case: Always-on MMM using Demand Drivers

Business Challenge

- This multinational beverage company's Marketing Mix Modeling program did not have a streamlined process in place for timely refresh of data.

- They did not have any tools for ongoing "due-to" analysis, business planning simulations and model updates to support near real-time marketing effectiveness insights.

Solution Delivered

We deployed an integrated "Process + People + Technology" solution:

- Automated data ingestion process for ongoing data uploads
- Implemented an efficient model update process in Demand Drivers
- Developed a Planning Platform for ongoing 'due-to' and business planning simulations
- Provided a dedicated on-site resource for project management support

Impact

- Sales diagnosis (due-to) reports for senior management were generated within 2 business days of quarter close (vs. 2-3 weeks)

- Frequent model updates ensured insights are real-time & relevant

- Planning Platform was rolled out as the global tool for ongoing due-to and business planning simulations to enable adoption of MMM-driven insights across more markets

Use Case: DIY MMM using Demand Drivers

Business Issue

- Client wanted to scale the application of MMM across their portfolio in multiple markets. They were seeking:
  - Speed, scale and cost-efficiency in MMMs
  - Transparency in methodology
  - User-friendly interface that enables them to apply MMM insights for decision making

Our Solution

- Deployed the Demand Drivers platform as DIY solution in a pilot program
- Provided hands-on training on all modules of Demand Drivers, particularly the Modeling module. The training was provided on one end-to-end MMM project in one market.

Outcome

- The designated client analysts presented the results of the MMM and feedback on the platform to their Leadership team
- The pilot was deemed a success and the Client has secured multiple licenses of Demand Drivers to scale MMM cost-efficiently