



USCMarshall
School of Business

King's Hawaiian Marketing Report

YUE LI, YANG SUN, CHRISTOPHER PAINTON,
ZHECHUAN JIN, JIAYI WANG, XINXUE GU

Business Objective

Identify what times
throughout the year
seem to be the
highest driver of
sales

Which marketing
campaigns returned
the most volume
sales

Determine the
priority order of the
marketing tactics

Business Recommendations

- **TV campaigns** are the **BIGGEST DRIVER** towards volume sales and should continue to be prioritized
- Focus on couple of weeks **PRIOR TO** the holiday seasons
- Limited effects from ad campaigns during the major **SPORTING EVENTS** (Super Bowl)
- **Influencer/Digital** Campaigns appear to have **SIMILAR** effects as **TV** (on a smaller scale)

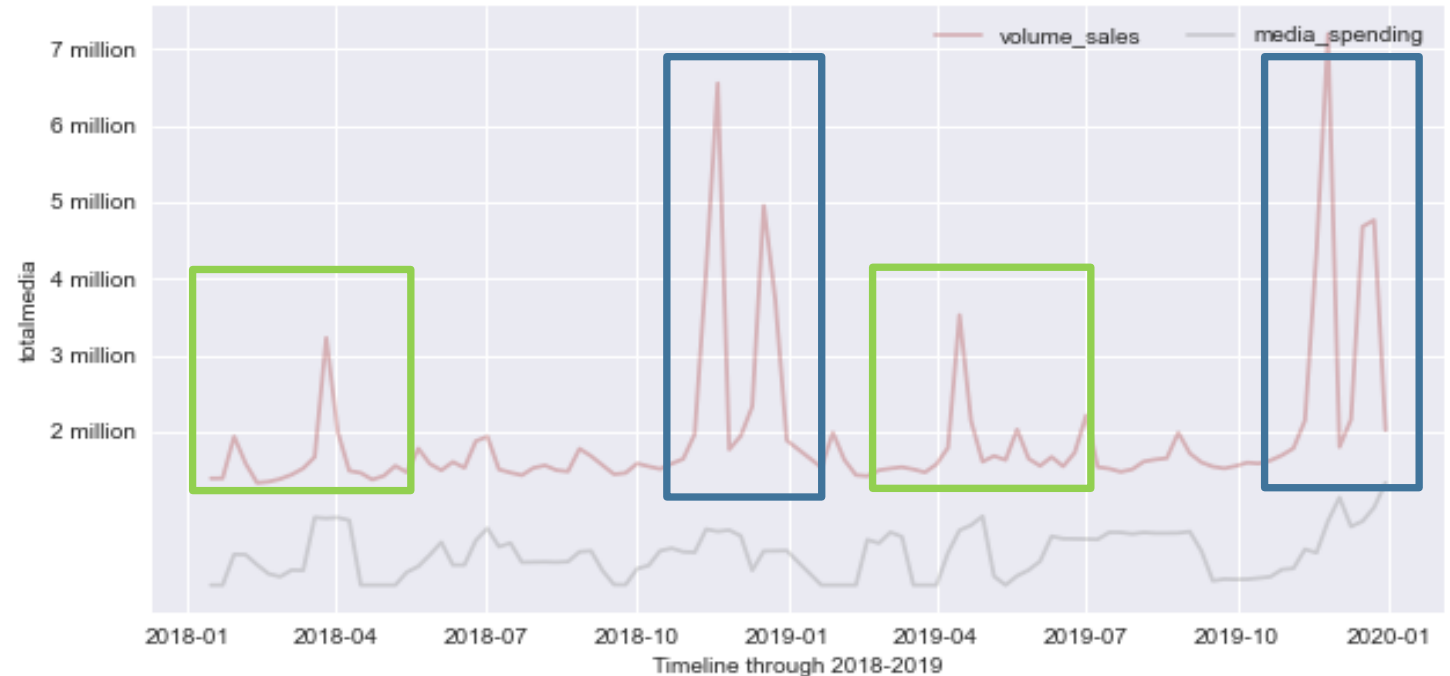


Assumptions Data Used

1. Impact of business is measured by **consumption** (lb).
2. Assuming there are **NO** **major/uncontrollable external impact** (COVID) on business every year.
3. Focused on 2018, 2019, 2020 business data, due to the full scope of the sales data
4. In-store promotions have an effect on the sales, we can't attribute all new sales to marketing campaigns

What **TIMES** throughout the year seems to have the highest driver on volume sales?

- Volume sales **spikes** during **winter season** (November-January)
- Small peak during Spring (probably due to **Easter** holiday campaign.)
- We controlled for other types of merch, tactics, holidays effect.
- *Linear regression model* indicates that during winter season the volume sales will be increased by nearly **50K**.



SECRETARY OF THE
INFLUENCERS/DIGITAL: 1.06
PRINT: 0.39
SPONSORSHIP: 0.27
TV: -0.06
VOD: 0.06

autumn: -15164.47
spring: 27218.39
summer: -61041.62
winter: 48987.69

BASEBALL: -0.46
RADIO: -0.23
R-squared= 0.9717653630511989

Notes: Seasonal coefficients from SLR model

Marketing tactics' effect in each season

Variables	Coefficient (Spring)
BASEBALL	-11.34
PRINT	-0.07
TV	-0.2
VOD	0.99
volume_sales_merch	2.01
volume_sales_price_reduce	-0.33
volume_sales_feature	-0.47
volume_sales_display	-0.4
R-squared	0.9734

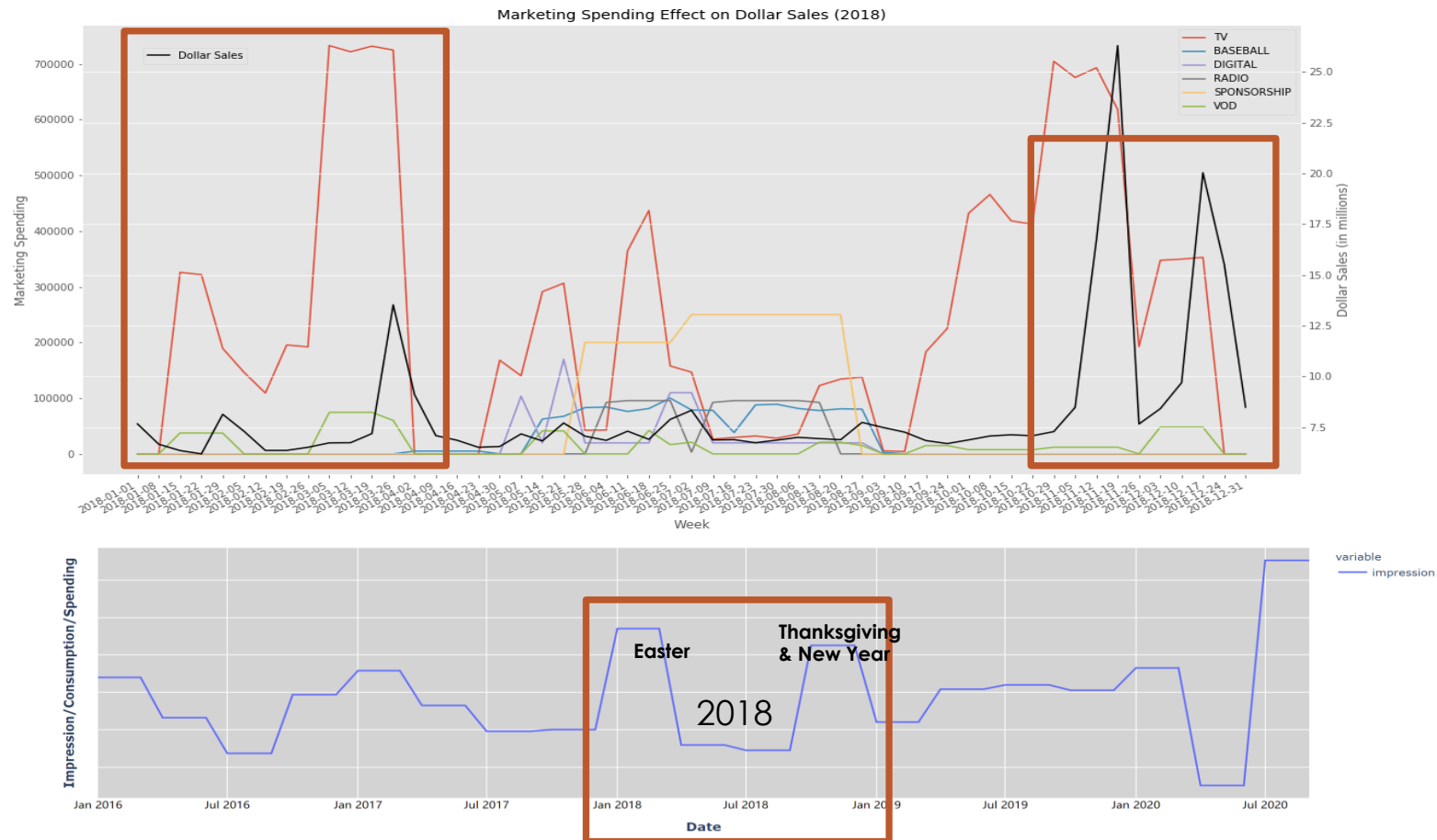
Variables	Coefficient (Summer)
BASEBALL	0.07
RADIO	-0.35
SPONSORSHIP	0.01
TV	0.21
VOD	-0.61
DIGITAL	0.25
SPONSORSHIP	0.33
volume_sales_merch	2.07
volume_sales_price_reduce	-0.54
volume_sales_feature	-0.28
volume_sales_display	-0.16
R-squared	0.9907

Marketing tactics' effect in each season

Variables	Coefficient (Autumn)
BASEBALL	0.56
DIGITAL	1.43
INFLUENCER/DIGITAL	0.59
RADIO	-0.96
SPONSORSHIP	0.24
TV	0.07
VOD	-0.77
volume_sales_merch	0.35
volume_sales_price_reduce	-0.07
volume_sales_feature	0.0
volume_sales_display	1.11
R-squared	0.9916

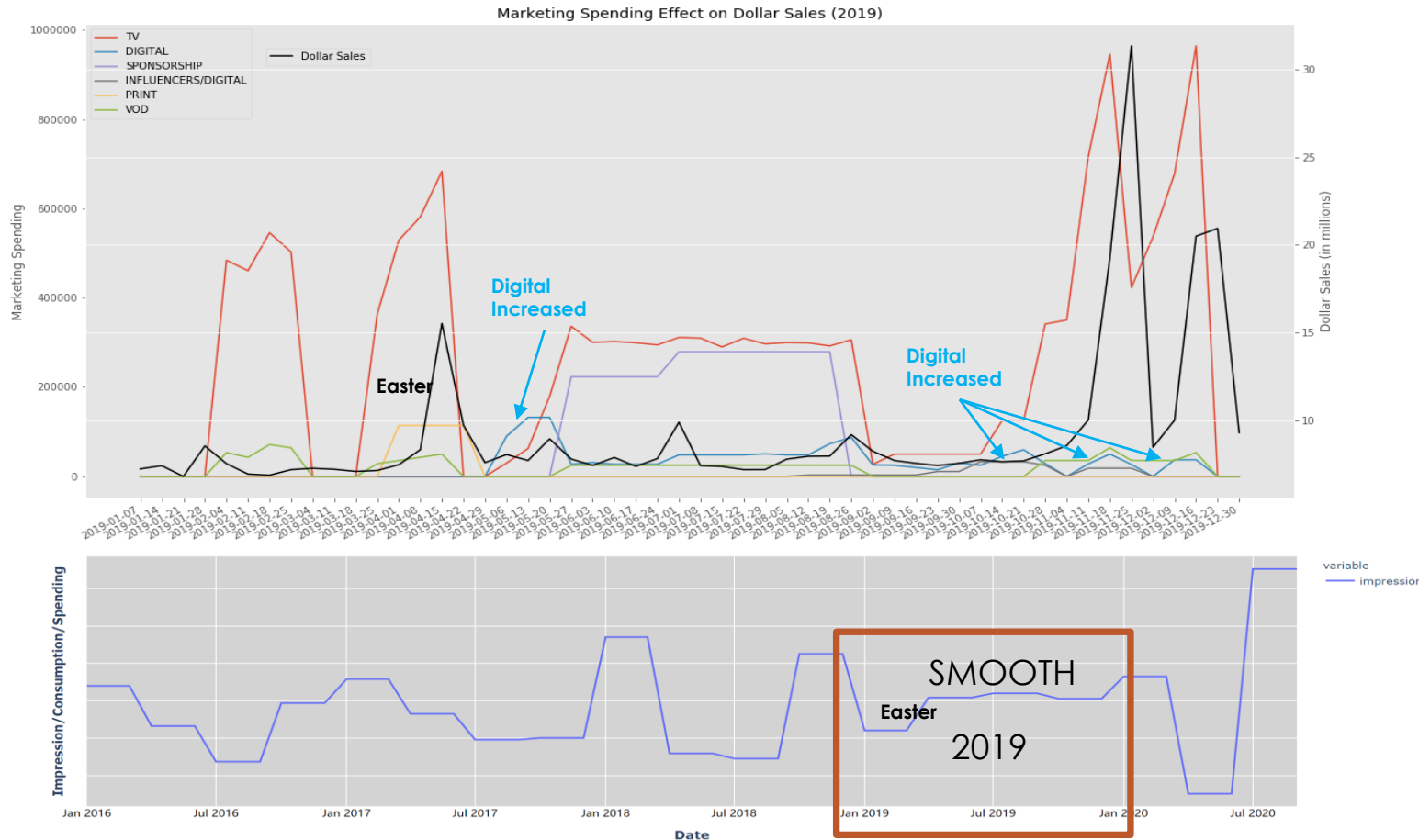
Variables	Coefficient (Winter)
BILLBOARD	0.02
DIGITAL	9.04
INFLUENCER/DIGITAL	-37.6
TV	-0.59
VOD	2.52
volume_sales_merch	2.13
volume_sales_price_reduce	-1.01
volume_sales_feature	-0.09
volume_sales_display	0.02
R-squared	0.9847

2018 Marketing Campaigns



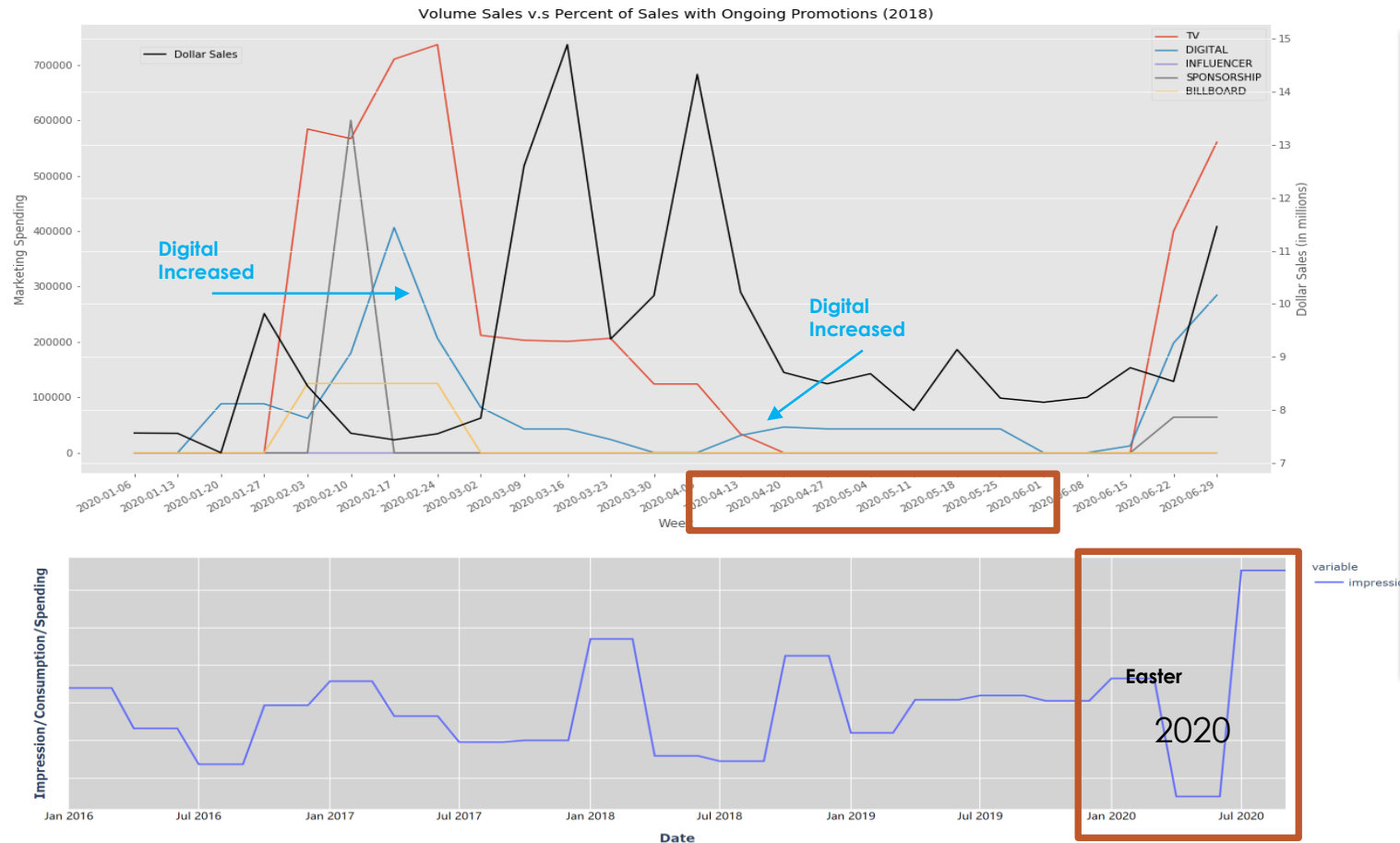
- In **2018**, TV drove the most sales in Thanksgiving & New Year & Easter, because in these periods:
 - TV impression is high
 - Other campaigns weren't quite active

2019 Marketing Campaigns



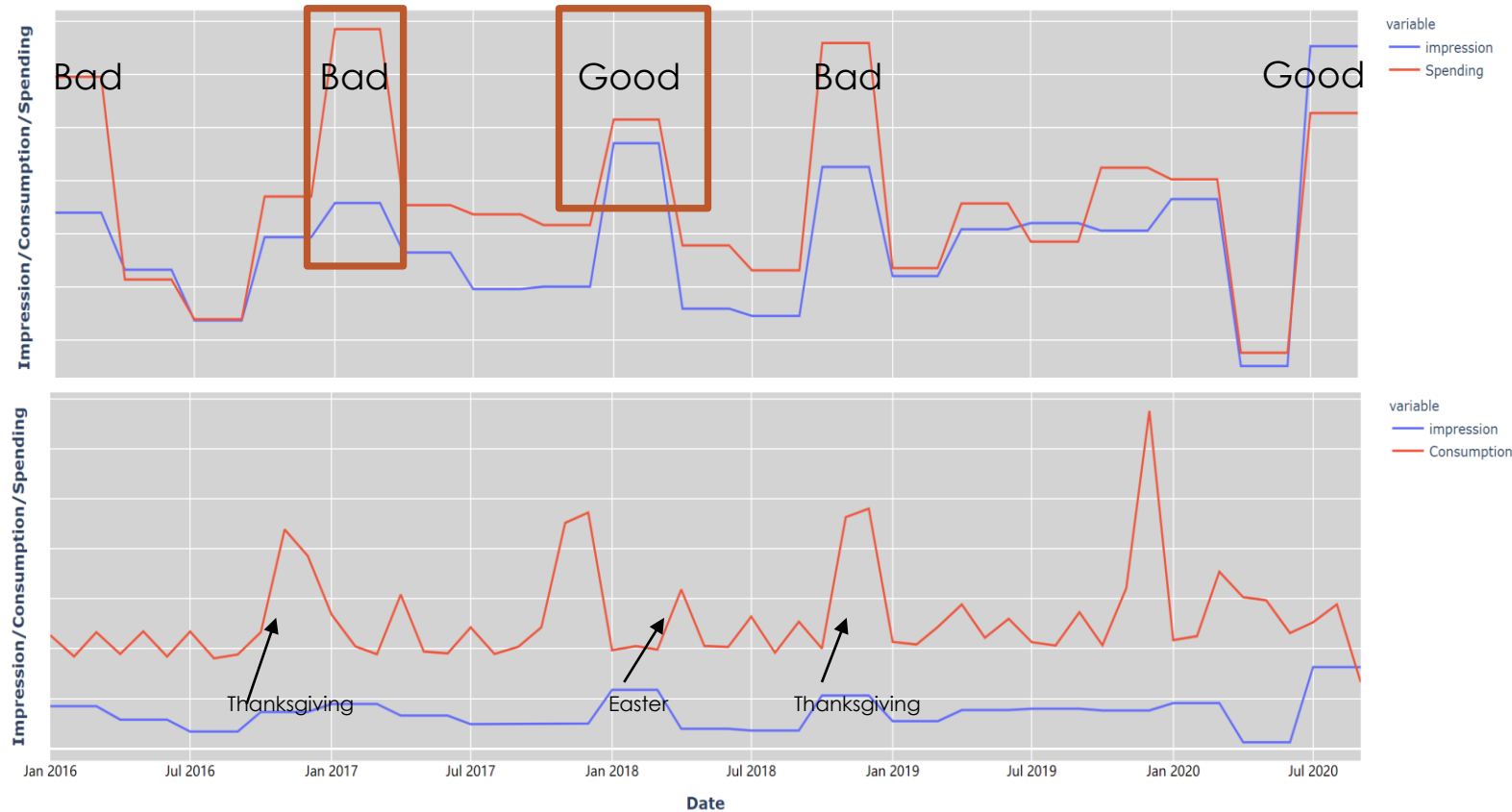
- In **2019**, **TV** and **digital** drove the most sales, because:
 1. TV impression is **smooth** throughout the year (except for an increase in Easter)
 2. Digital spending increased before sales increased

2020 Marketing Campaigns



- In **2020**, **TV** and **digital** drove the most sales, because:
 - TV** impression increased before sales increased
 - Digital** spending increased before sales increased

TV Impression and Spending Effect



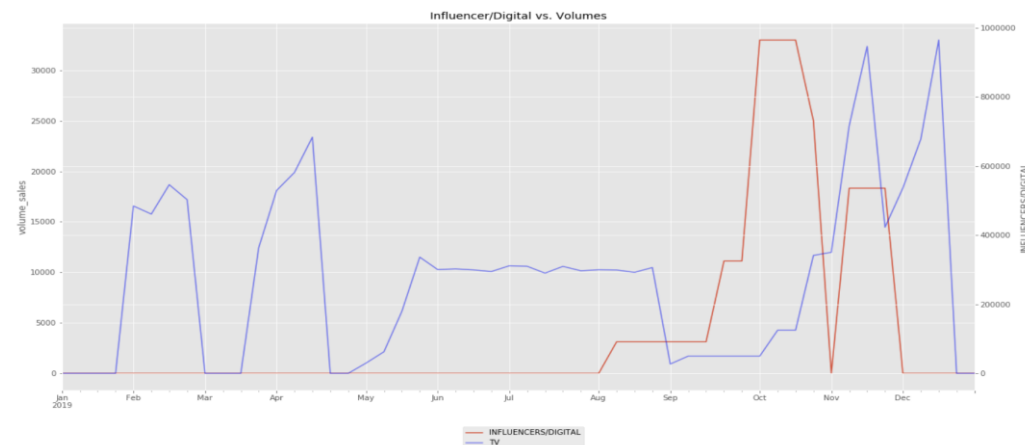
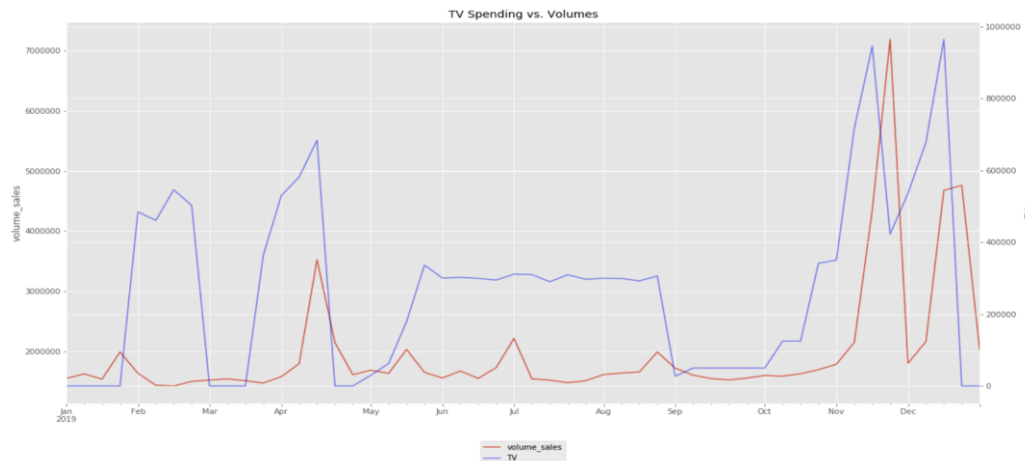
Notes: Spending and Impression are by quarter, consumption is by month

- TV spending **lines up with** TV impression during most periods.
- Focus on the **'Popular' TV channels**: less spending leads to more impression (Good ones on the plot)

Wrap-up:

- **Before 2019**, TV returned the most volume sales
- **After 2019**, TV and digital drove together

Priority of Each Marketing Tactics



- **TV** was invested at the end of the year and we see couple spikes of volumes **after couple weeks of TV investment**.
- We controlled for other types of merch, media, and season.
- **Influencer/Digital** was invested at the end of the year and followed by a spike of sales volumes.

Notes: Assuming each marketing program will take into effect after two weeks of implementing it.

Marketing Tactics' in holiday and non-holiday time

Variables	Coefficient (Non-holiday)	(Coefficient) Holiday
chicken_meal_deal	-0.01	-0.02
sec_deli	0.1	0.03
sec_bakery	-0.03	-0.02
sec_center	0.01	-0.01
retail_cover	-0.03	-0.02
BASEBALL	0.02	0.03
BILLBOARD	0	0
DIGITAL	0	-0.01
RADIO	-0.03	-0.02
SPONSORSHIP	0.01	-0.02
TV	-0.03	0
VOD	0.01	0
volume_sales_price_reduce	0.19	0.05
volume_sales_feature	-0.09	-0.17
volume_sales_display	0.7	0.85

MARKETING TACTICS WORK IN BOTH !

- **Sec_deli** tends to have positive relationship with volume sales, no matter during holiday seasons or non-holiday seasons,
- Media spending in **Baseball** contributes to sales positively regardless of holiday or non-holiday.
- **Price reduce** works in both time but tends to be more effective in non-holiday time.
- **Display** appears to have the stronger positive relationship with sales volume among all the variables.

Findings: Strategy- Holiday VS Non-Holiday

Variables	Coefficient (Non-holiday)	(Coefficient) Holiday
chicken_meal_deal	-0.01	-0.02
sec_deli	0.1	0.03
sec_bakery	-0.03	-0.02
sec_center	0.01	-0.01
retail_cover	-0.03	-0.02
BASEBALL	0.02	0.03
BILLBOARD	0	0
DIGITAL	0	-0.01
RADIO	-0.03	-0.02
SPONSORSHIP	0.01	-0.02
TV	-0.03	0
VOD	0.01	0
volume_sales_price_reduce	0.19	0.05
volume_sales_feature	-0.09	-0.17
volume_sales_display	0.7	0.85

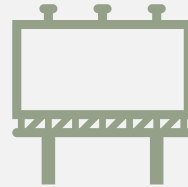
WORKS IN NON-HOLIDAY

- **Sec_center** appears to be effective during non-holiday season.
- **Sponsorship and VOD** tends to be more useful during non-holiday season
- **Price reduce** are more effective during non-holiday whereas sales display are more effective tactics during holiday period.

Dashboards



VOLUME SALES + MARKETING
SPENDING (2018-2020)



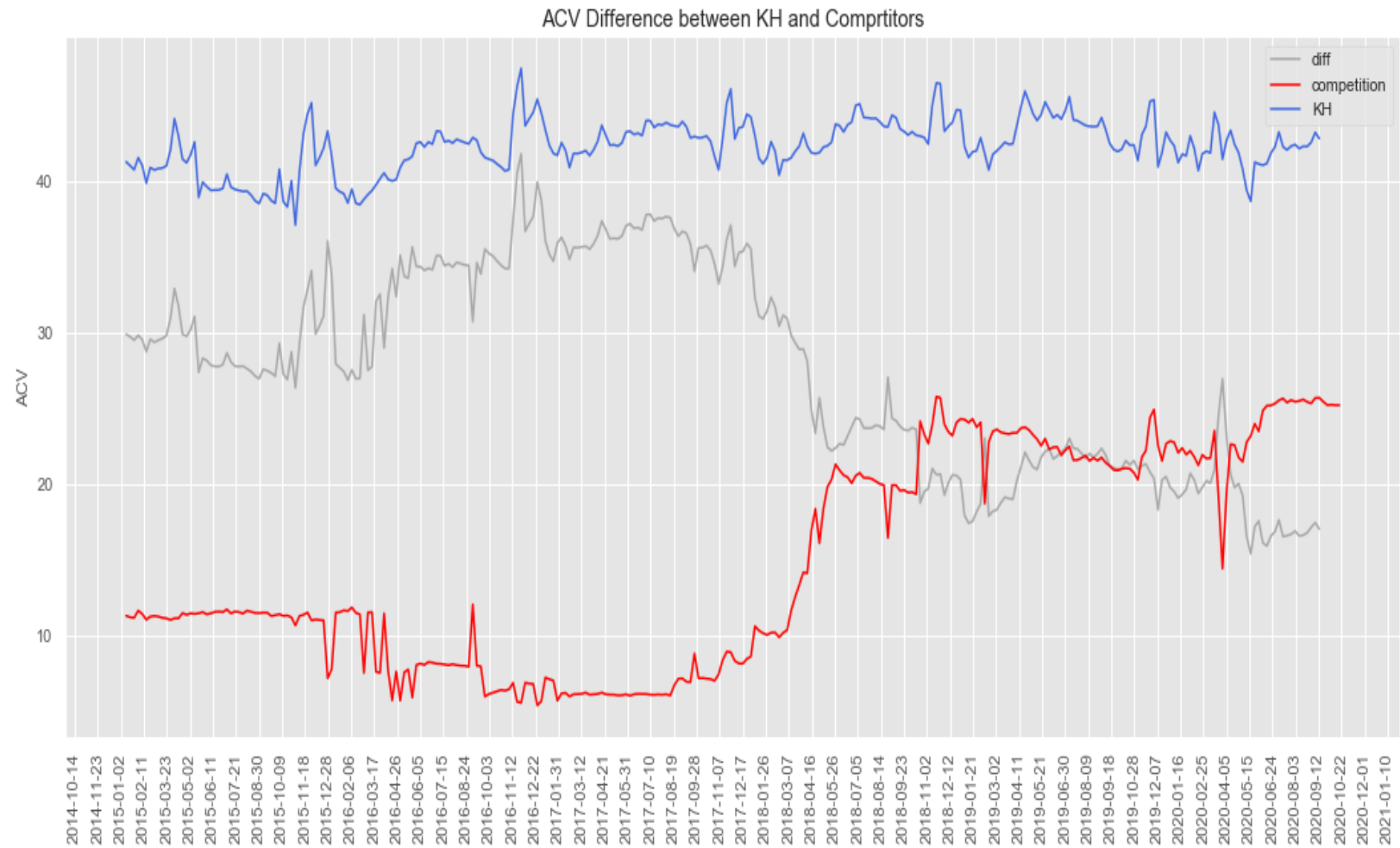
MARKETING TACTICS AND
MEDIA SPENDING BY YEAR
(2016-2020)



CONSUMPTION DATA + TV
IMPRESSIONS

Future studies

- The overall ACV of KH is **smooth** and remain around the same level.
- Competitors' ACV **boosted dramatically** at the first half of 2018.
- **Effect of COVID:** declines did not happen at the same time period, and competitors recovered quickly and even performed better.



Conclusion

Based on the analysis, our recommendations are:

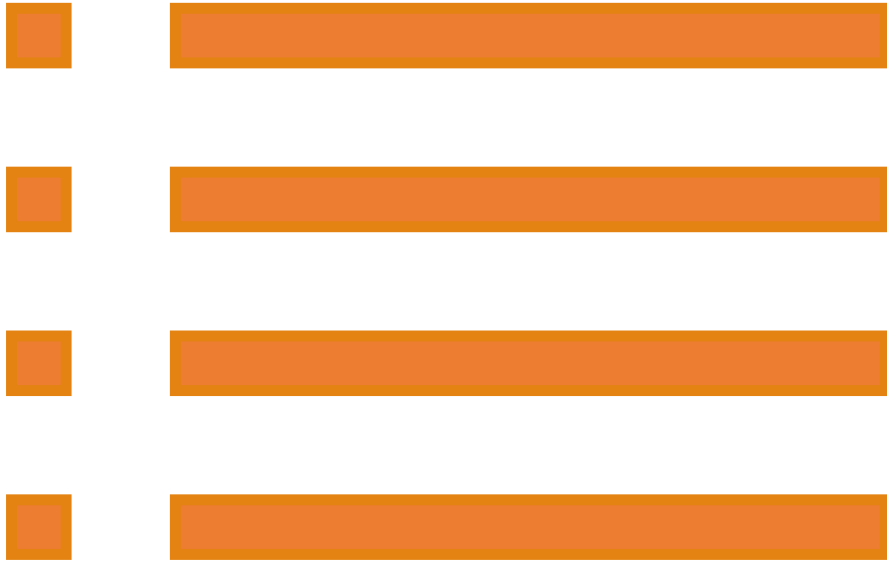
- Continue to **prioritize** TV  marketing campaigns
- Start the marketing campaigns couple of weeks **ahead of** Holiday 
Seasons
- Decrease Ad Campaigns during major sporting  events since they had limited effects
- Invest **more** on Influencer/Digital  Campaigns for their boosting effects on volume sales
- Emphasize on different marketing tactics on non-holiday seasons



Thank You

YANG SUN, CHRISTOPHER PAINTON, YUE LI, ZHECHUAN JIN, JIAYI WANG, SUE XINXUE GU

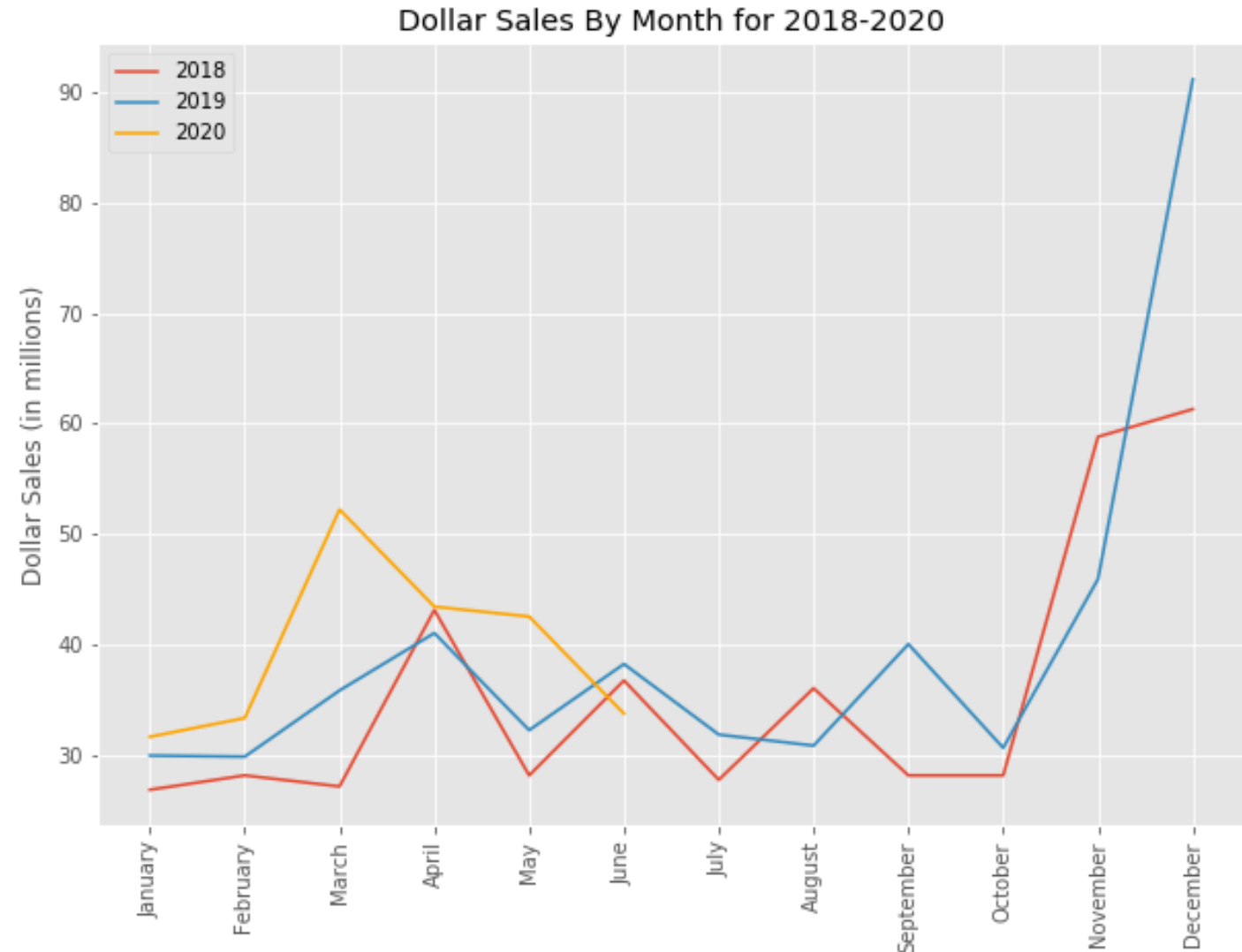
NOVEMBER 2020



Appendix

General Trends

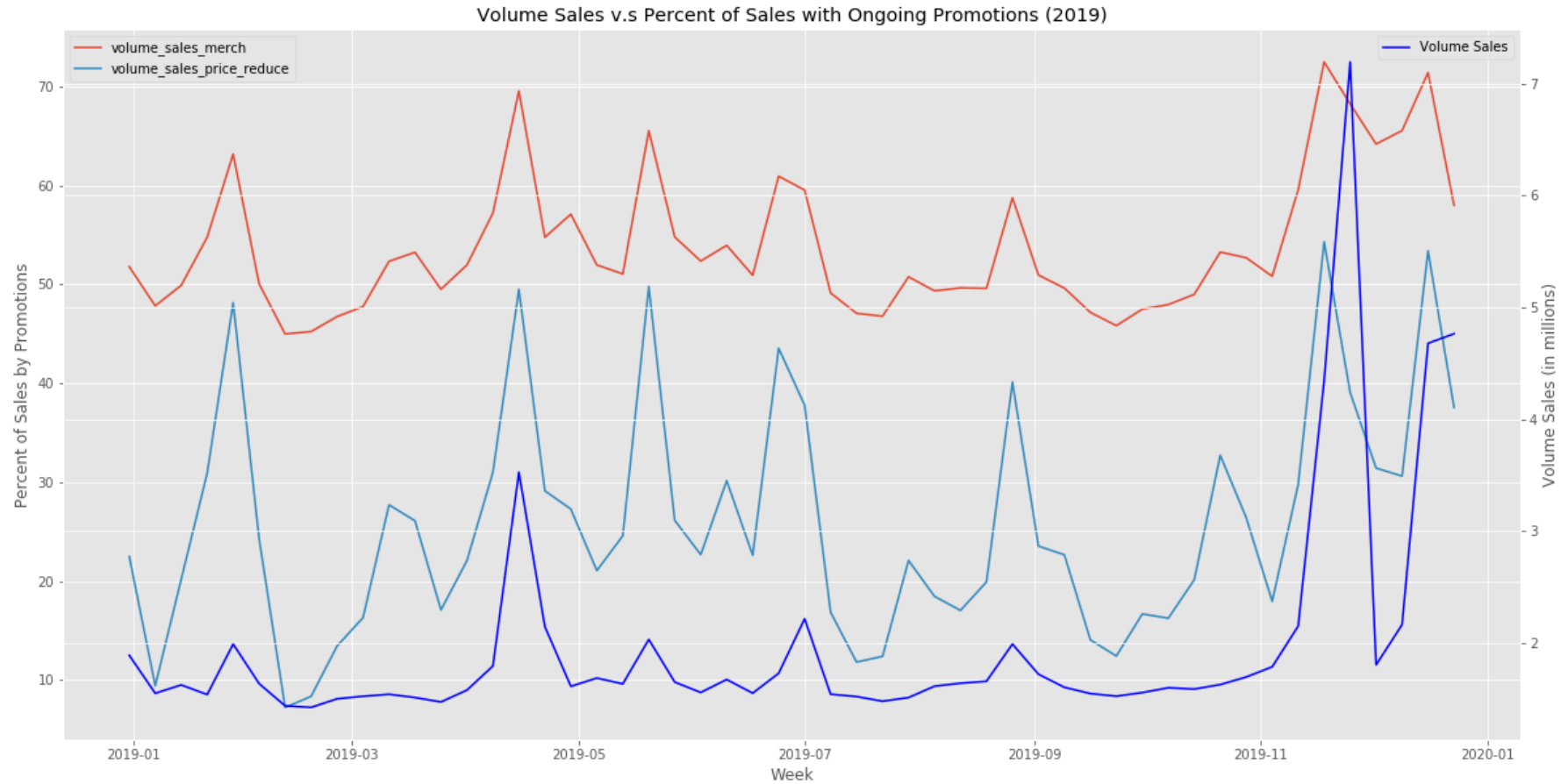
- **11%** increase in sales from 2018 to 2019
- **20%** increase in sales from 2019 to 2020 (YTD June)
- Sales **spike** during Holiday Seasons: **April** (Easter), **November** (Thanksgiving), **December** (Christmas/ New Year's)
- **Spike** in **March** of 2020 (likely COVID-19), however an underperformance for June 2020



Average Dollar Sales By Holiday

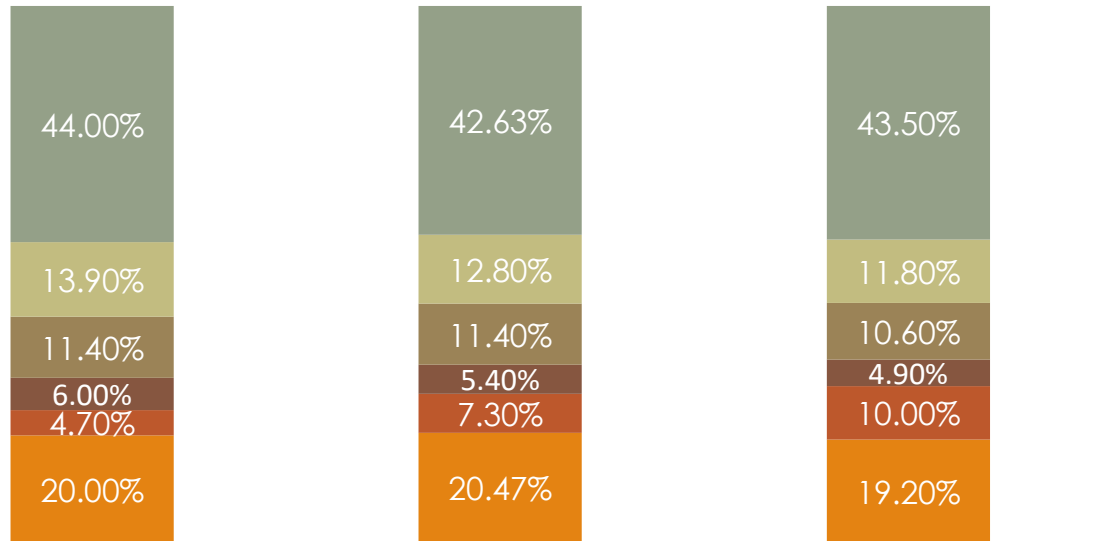
Holiday	2018	2019	2020
Thanksgiving	\$18,610	\$21,203	N/A
Christmas/NY	\$14,850	\$16,034	N/A
Easter Week	\$10,515	\$10,335	\$11,027
July 4th	\$9,060	\$9,485	\$10,506
Halloween	\$8,459	\$8,771	N/A
Labor Day	\$8,365	\$8,946	N/A
Memorial Week	\$8,158	\$8,872	\$8,437
None	\$7,883	\$8,280	\$9,383

* Average Based on Retail locations

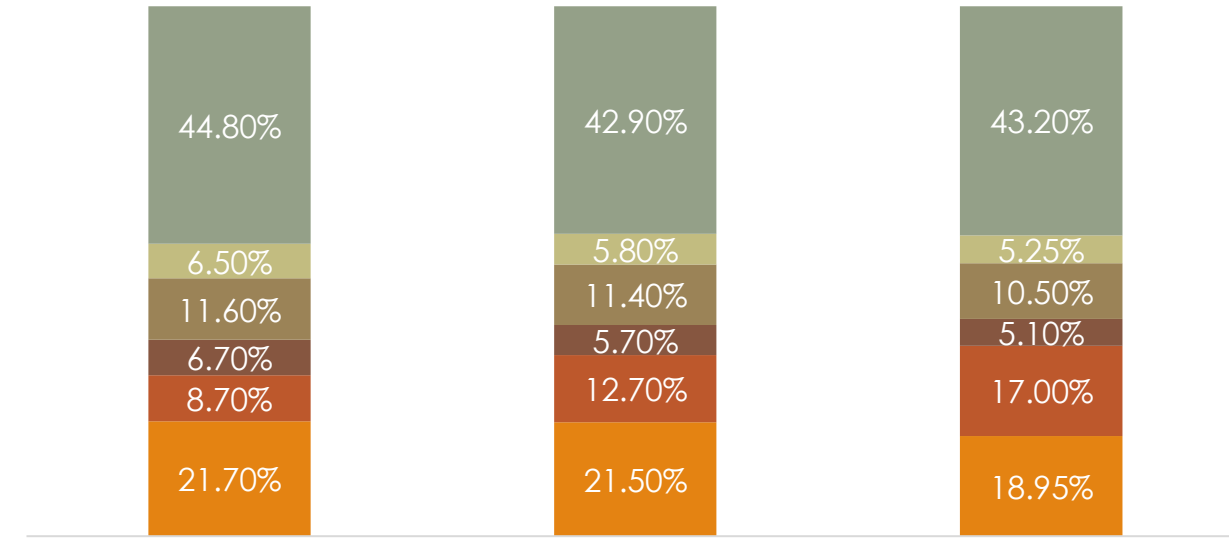


Volume Sales with Ongoing Promotions

Percentage of Volume Sales (2018-2020)



Percentage of Revenue (2018-2020)

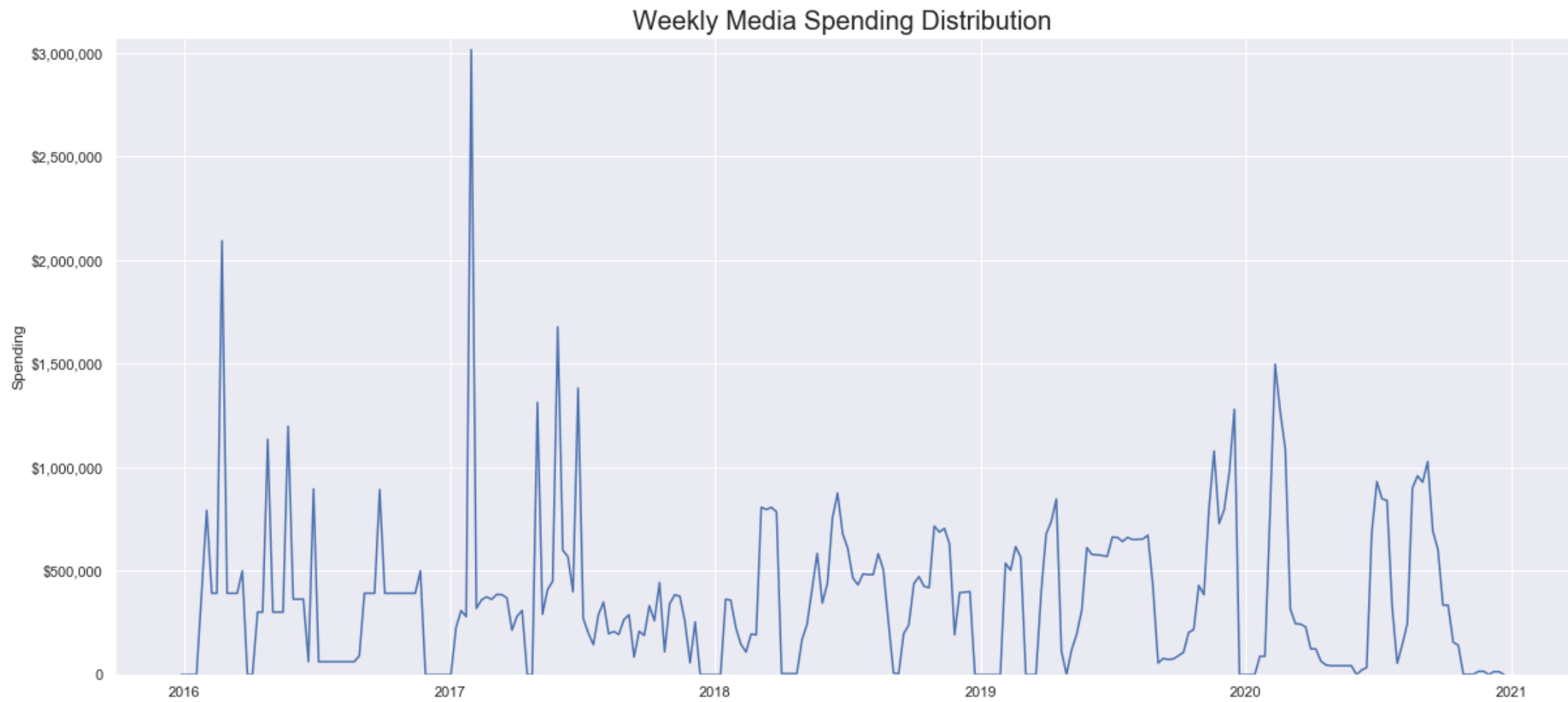


■ Other
 ■ 24 CT Original
 ■ Mini Sub
 ■ 12 CT Butter
 ■ 4 CT Original
 ■ 12 CT Original



■ Other
 ■ 24 CT Original
 ■ Mini Sub
 ■ 12 CT Butter
 ■ 4 CT Original
 ■ 12 CT Original

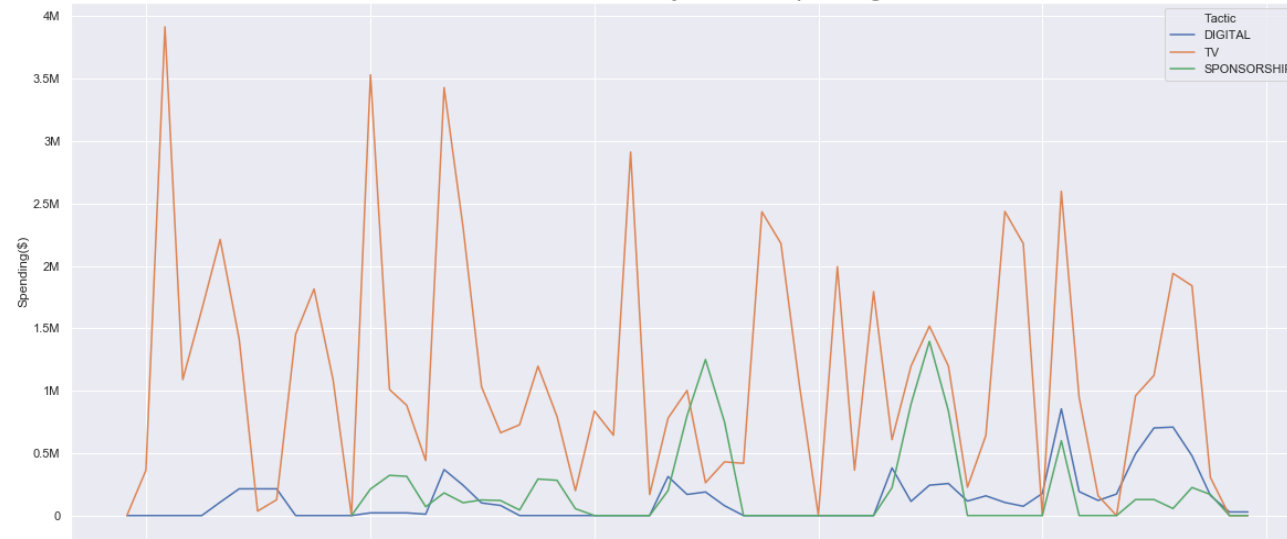
Best Selling Products and their Effect on Revenue



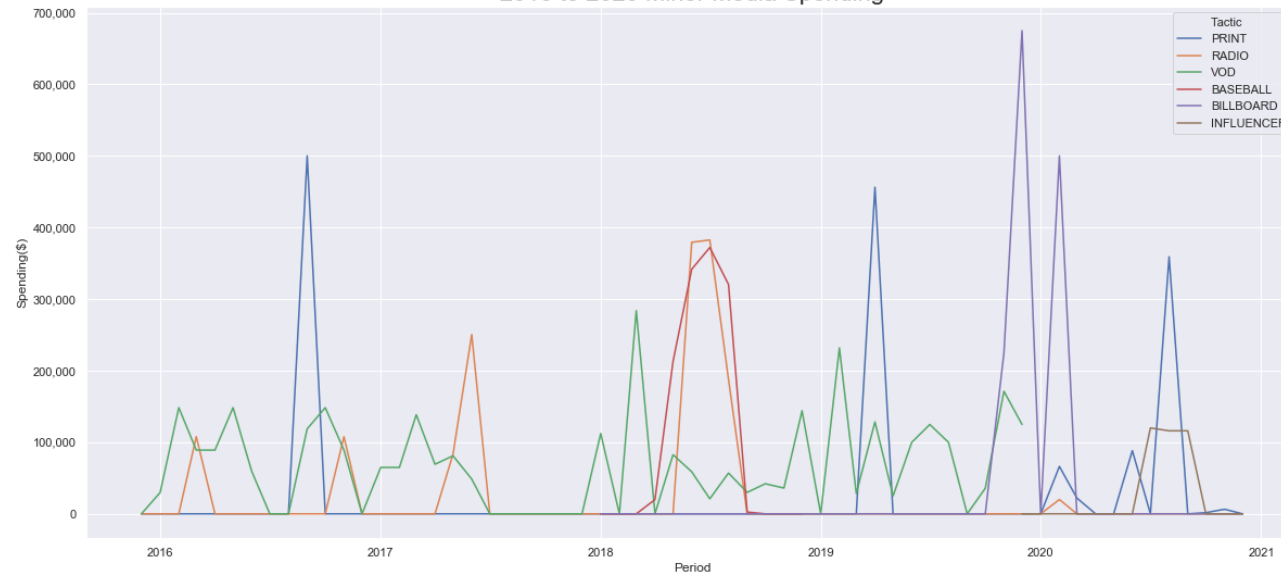
Weekly Media Spending Distribution:

Spikes can be found during Superbowl campaign, Easter, Summer seasons, Thanksgiving and other holiday seasons.

2016 to 2020 Major Media Spending



2016 to 2020 Minor Media Spending



Media Spending on TV, Digital and Sponsorship are **significantly higher** than other tactics.

