



Marketing Mix Model
RFP Response

Blend Response

January 2026

Blend360.com



Blend: About



Blend Response Team



Dimo Kostopoulos

SVP, Data Science Solutions

Dimo leads strategic deals for Blend, focusing on business development in AI Services & Tech. He drives transformative AI initiatives, delivering innovative solutions that enable clients to unlock growth and achieve measurable business impact.



Joe Foran

VP, Measurement SME

Joe leads our Measurement practice and is also a Data Science delivery lead. Joe has led analytic projects as a client, as a media agency partner and as an analytics consulting partner. Joe focuses on how to align the right analytical solutions to key decision points to deliver timely, actionable insights.



Tom Harder

VP, Global Client Services

Tom leads Global Client Services at Blend, ensuring exceptional delivery and strategic alignment across AI Services & Tech. With a focus on client success, he drives transformative initiatives, fosters strong partnerships, and delivers innovative solutions that maximize business impact and growth.



Lucien van der Hoeven

SVP, Global BD (EMEA)

Seasoned MMM expert with over 30 years of experience helping global retail and CPG companies drive revenue and increase P&L through advanced data driven solutions.

Blend – At a Glance

Built for the Age of AI

Blend drives meaningful impact with the world's largest brands through the integration of AI, data science, technology & people.



1200+

Employees



\$175M

Revenue



77% NPS Score

(4 Year Average)



750+

AI Researchers, Data Scientists & Engineers



Leader

AIM Research
AI/Tech Service Provider



75%+ Revenue

Fortune 1000 Clients



Global

US, India, Uruguay, UK,
Colombia, Canada



Inc. 5000

Fastest Growing every year
in business (6 years)

Our
Capabilities

AI
Consulting

Data
Science

Data
Engineering

Intelligent
Applications

AI-Powered Transformation: From Insights to Impact

value



Understand



Envision



Build



Activate



Optimize

Data Science & Insights

Audience Analytics | Data Visualization & Dashboarding | Experience Analytics | Measurement | Supply Chain | Computer Vision | Gen AI

Data Engineering & Ecosystems

Data Strategy & Architecture | Enterprise Data Systems | Martech Systems | Dev/Mlops | Cloud | Data Governance & Quality

Intelligent Applications

Customer Experience (CX) | Next Best Action | Decisioning Systems | AI Applications

AI Consulting

Art Of The Possible | AI Program Design And Activation | Assessment and Road Mapping | Program Governance | Change Management

Industry/
Domain

Technology, Media
and Telecom

Retail

Healthcare & Life
Sciences

Financial
Services

Travel &
Hospitality

Energy

Product

Customer Experience

Manufacturing & Operations

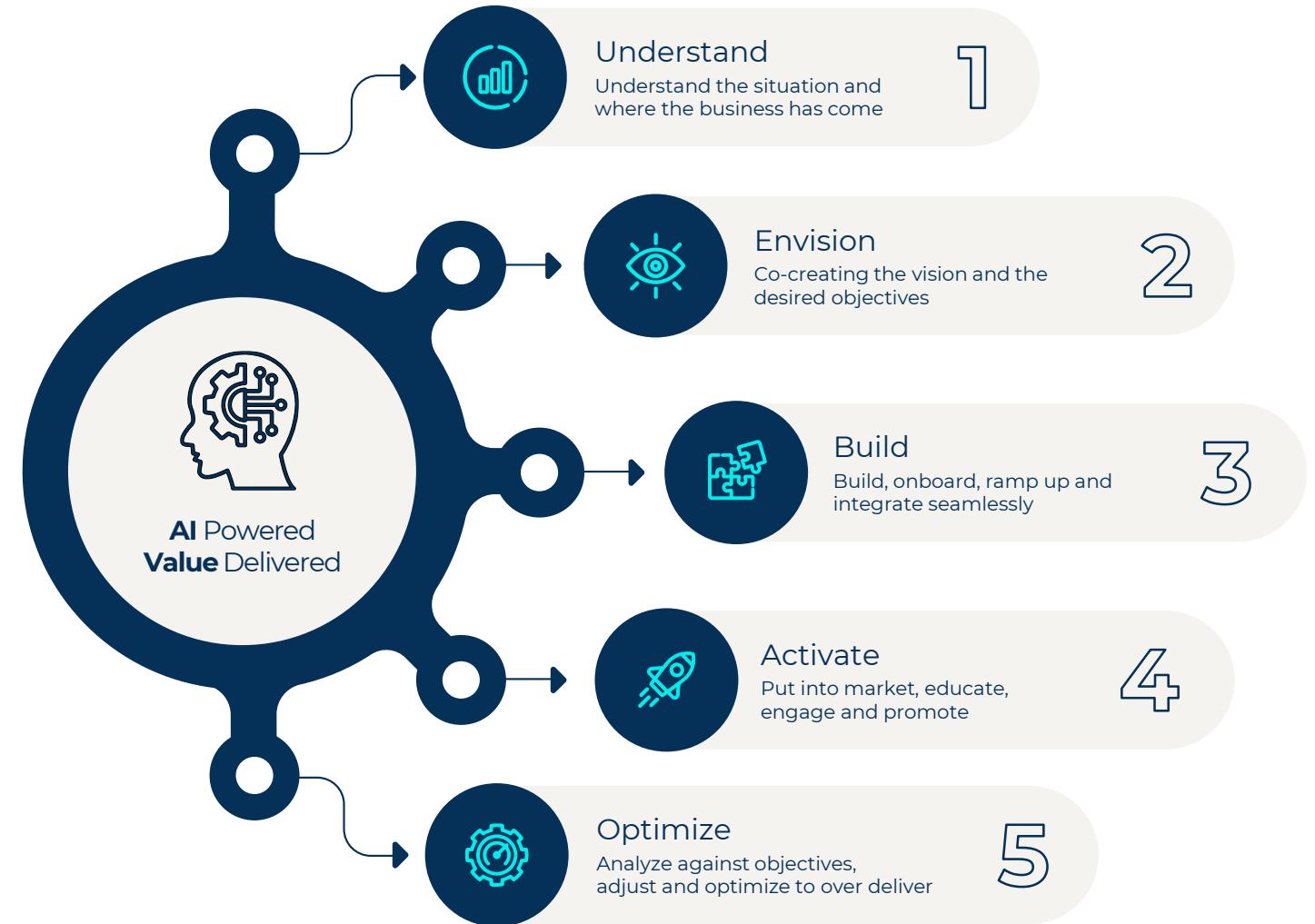
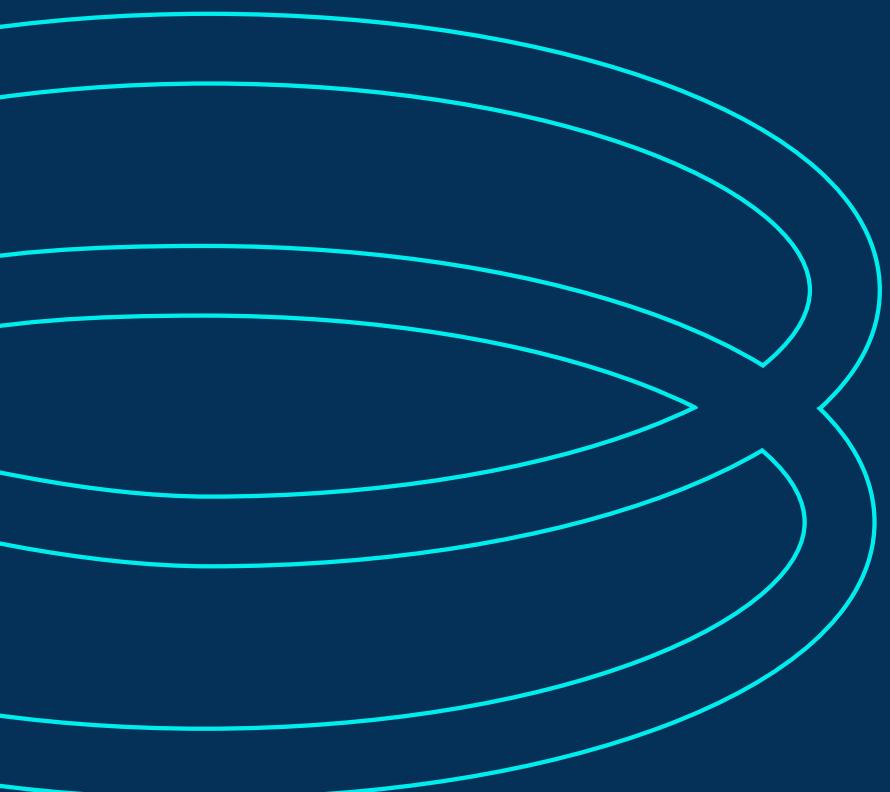
Supply Chain



Our Global Presence



Our Process



Our Clients



NBCUniversal



FERRERO



Why Us



You Own IP

Not a black box that is one size fits all. Our solution is transparent & built on your hardware. NO LOCK IN!



Partnership Model, Creating Actual Impact

Our change management model engages business stakeholders throughout the process. **OUR** results, **OUR** responsibility (not yours)



Custom / Flexible

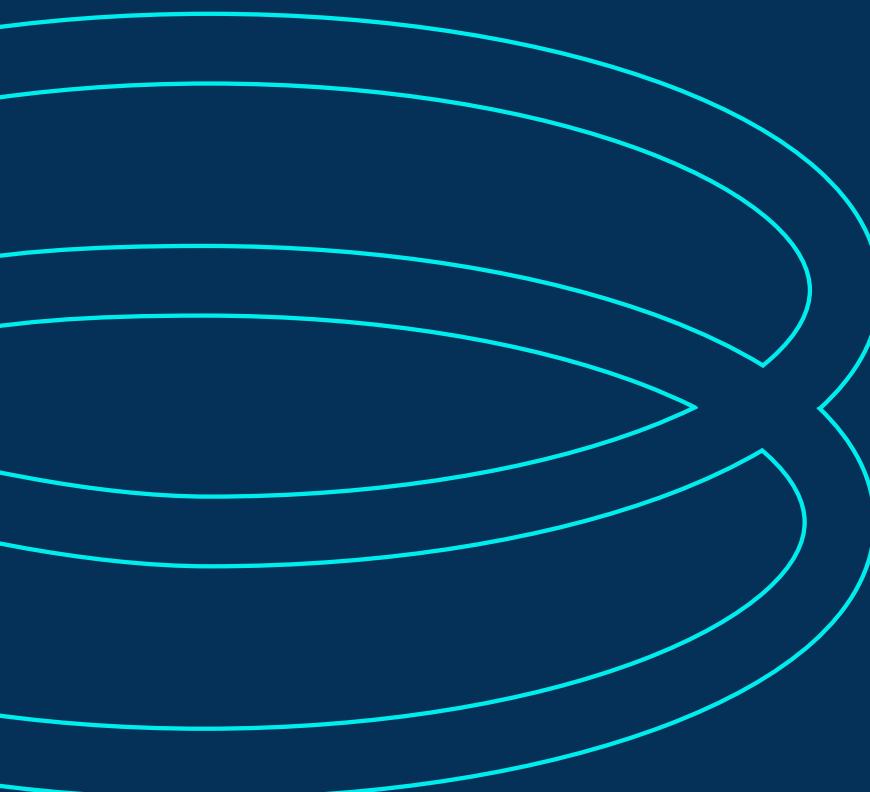
Solution is built for your needs & on your foundational tech stack using our **existing codebase / accelerators / decades of experience**



Globally Scalable and Future Ready

We grow with you; scaling is built into solution for global expansion and AI readiness

Our Understanding of Your Key Requirements



- You are **establishing brands from the ground up** and striving for excellence!
- **Building a capability** for Reynolds American, not a one-time project
- This is a **Journey** - Crawl, Walk, Run –rather than a single initiative
- **A long-term partnership** is required for success
- An engagement model where Blend seamlessly “blends in” **with your teams**
- Jointly implement a **change management** approach
- Work with **on the ground teams** for delivering Insights, Workshops, Best practices, Activation, Value Realization to establish your Reynolds American “ROI DNA” framework
- Start with simple **budget ROI optimization**, with tactics improving returns over time
- Develop **state and region-level** models rather than just national ones—going granular to uncover actionable insights. Build models for **Short and Long-Term** (more difficult).
- In terms of your **Data Strategy**, understand what data you have, what data you need and how to get there. Automate what's needed for now and optimize with AI/Tech once clarity is achieved.

Lessons Learned

1. Start with the end in mind. Analysis must be tied to business decisions

1. Alignment between analytics and business stakeholders' key questions
2. Manage expectations on what is possible

2. Balance Short-Term Sales & Long-Term Value

3. Strong Change Management to gain efficiency and clarity

1. MMM seems to starts as a “project” but needs to turn into a “process”
2. Establish a clear RACI to ensure accountability
3. Create a project plan to illustrate timelines & goals

4. Show Reliable “Numbers”. Add a layer in tech to proactively identify data issues

1. Discrepancies in data
2. Incomplete data
3. Gaps in data

5. Make sure the implemented Solution is Scalable



Key Pillars of Success | Faster and Better = Impact

Business Adoption and Activation

- **Stakeholder Alignment** – Ensuring marketing, commercial finance, and analytics teams trust and use MMM insights for budget allocation.
- **Training & Enablement** – Embedding MMM within Reynolds American's workflow through workshops, scenario planning exercises, and self-service dashboards.
- **Decision-Making and Activation** – Helping teams apply MMM results directly into media planning and investment decisions, ensuring impact beyond reporting. Measure the impact and learn

Data Access & Availability

- **Comprehensive Data Integration** – Ensuring MMM has access to granular, high-frequency marketing spend, sales, and external factor data (economic trends, competitor activity, etc.).
- **Building Data Pipelines** – Solid data ingestion from Reynolds American's existing platforms to support ongoing MMM refreshes.
- **Addressing Data Gaps** – Filling missing data points for media spend, distribution, and brand equity, which are critical for accurate MMM outputs.

Speed to Insights

- **Faster MMM Model Refreshes** – Automating data ingestion and model recalibration to provide near real-time insights rather than static, annual updates.
- **Data-Driven Optimization** – Using modeling to simulate different spending scenarios and recommend optimal spend allocations.
- **Actionable Insights** – Delivering insights in an accessible format to reduce time-to-decision.

Taxonomy

- **Standardized Measurement Framework** – Aligning media & sales to ensure consistency in MMM modeling.
- **Granular Classification** – Structuring data at the right level of detail (e.g., Campaign, brand, DMA/Zip, weekly vs. monthly) to drive more precise ROI measurement.
- **Unified Attribution Approach** – Harmonizing MMM with multi-touch attribution to balance short- and long-term media impact measurement.



Engagement Model



Our Mission: Spend with Precision, Grow with Vision

- Partner with Reynolds American to Improve Marketing Spend Effectiveness (MSE)
 - Increase Sales
 - Maximize ROI
 - Improve Execution
- Using a collaboratively built Marketing Mix Model solution to accurately measure and optimize Media Spend

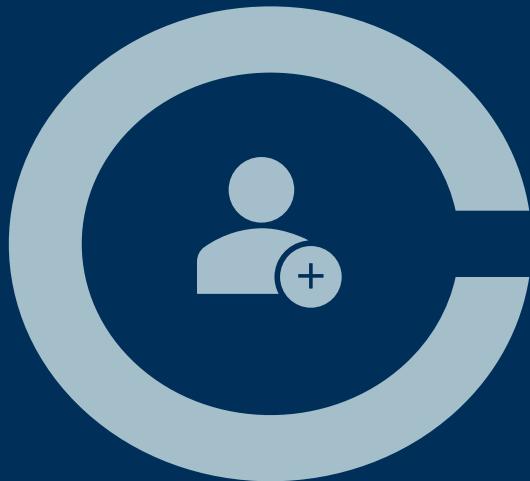
How we'll accomplish this:

- Co-create your Marketing Mix Modeling solution
- Deliver insights via model presentations, quarterly business reviews, Supply Chain / S&OP support
- Provide day-to-day partnership on media insights, training, ad hoc analyses and Simulation / Optimization support
- Conduct continuous improvement for data collection and model development
- Create a Value Realization Office (VRO) to track results and guarantee value



A Solution Which Enables & Drives Decisions

Marketer's have more ways to engage with adult consumers than ever before, which creates the need for tools that are always ready and updated rapidly in time to adjust media tactics on the fly



Align, Integrate & Plan

Interview business users and gain understanding of needs. Leverage Blend's Change Management solution, Value Realization Office (VRO) to ensure business users are part of the process.



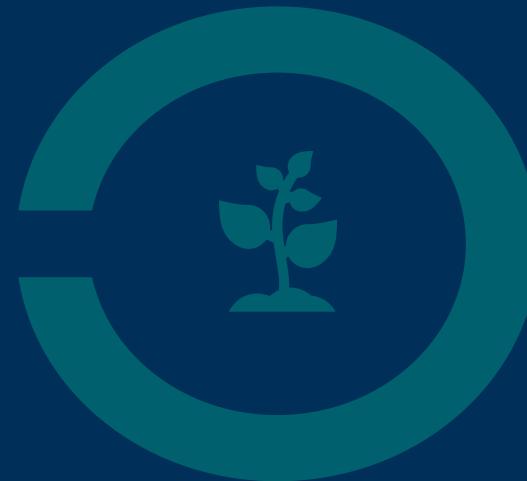
Build & Model

Enhance existing Databricks infrastructure to enable MMM Model build.



Ensure Usage

Leverage VRO to ensure Model adoption and meaningful media activation as well as cost savings.



Future Growth

Use scalable foundation to potentially automate activation back to media or to accommodate additional analytics products within the environment.

Build – Operate – Transfer Engagement Model (BOT)

Gartner.

A contractual relationship in which an organization engages with a service provider to set up, optimize and run an IT or business process service delivery operation with the contractually stipulated intent of transferring the operation to the organization



Vision & Build

- Align on Reynolds requirements
- Agree on blueprint
- Build **mixed** team client/Blend
- Set up infrastructure
- Establish knowledge transfer
- Build and test the system
 - Functionality
 - Processes & People
 - Data & Applications
 - Technology & Infrastructure



Operate

- Manage the organization
- Aligned with Reynolds process and procedures
- Daily systems operations
- End-user support
- Continuous collaboration
- Quality control & monitoring
- Governance of enhancements



Transfer

- Transfer full mature system
 - Ownership & IP
 - Functionality
 - Processes & People (optional)
 - Data & Applications
 - Technology & Infrastructure
- Managed transition plan
- Train Reynolds for skills & expertise
- Seamless DEVOPS handover
- Blend team on standby

Reynolds Advantages

- Quickly start with skilled team
- Skilled team = low DEVL risk
- Expertise = Short time to value
- Knowledge transfer during build

- Reynolds focus on core business
- Assured service levels (SLA)
- Operations risks are for Blend
- Credits are for KHC team

- Flexibility in transfer process
- Full mature system transferred
- No hiccups
- Timing up to you

Begin with the End in Mind

Its All About Adoption

- Building the right measurement capability is only half the equation—ensuring it is **embraced, understood, and acted upon** is what truly drives impact. The most advanced MMM framework is only as powerful as the teams using it.
- Even the most well-crafted strategies and advanced technical implementations can fall short without effective **Change Management**.
- Blend's **VRO (Value Realization Office) Solution** is designed to safeguard and accelerate your strategic investments by focusing on the human element of change—ensuring alignment from leadership to frontline teams.
- For this capability to deliver maximum value, it must be **seamlessly integrated** into Reynolds American's Marketing, Finance, Supply Chain and Analytics teams' workflows.
- Change management ensures that insights drive real-world decision-making and **business outcomes**.



Flexibility is a Core Tenet of Our Engagement

Our plan for modeling on **Velo** and **Grizzly** is just that – a plan.

Knowing that “no plan survives the first engagement”, we fully expect to **adjust along the way to meet the needs of Reynolds American**

We start off with an investment in workshops and alignment to **ensure that our initial plan reflects the best thinking of the business owners**; we’ll adjust that plan as needed along the way, then **measure ourselves on the value delivered** to Reynolds American



Our **holistic approach** for Reynolds American **delivers value early and often**



Align on the North Star and Core Features for MMM solution.

Ingest data, prepare model dataset and report mart

Develop initial Marketing Mix Model

Deliver ROI, Simulation Tool & Reporting Dashboards

Key Activities

- Leadership alignment, discovery sessions with agencies, IT, Databricks, and align on strategies, budgets, etc.
- Workshop – ensuring alignment / focus on media plans, MMM outputs, adoption, process rollout, etc.
- Meet w/ Data teams and establish architecture for ingestion

- Develop ingestion plan
- Conduct ETL
- Solution through roadblocks
- Refine taxonomy as needed
- Create allocation plans (DMA to State mapping)

- Transform media data
- Create test models
- Collaborate on model selection
- Conduct modeling
- Deliver Initial model results
- Conduct sub-modeling & ad hoc analyses

- Calculate Sales and GM ROIs
- Develop response curves
- Build Simulation / Optimization Tool
- Build Reporting Hub
- Develop Equity Model for Long Term ROI calculation

Business Outcomes

- Refine solution roadmap + RACI
- Create data acquisition plan
- Develop templates of initial media reports
- Plan for VRO/ adoption

- Report mart for media reporting
- MMM Model Dataset

- Channel contributions
- Contribution change over time

- Complete view of marketing ROI
- Improved media effectiveness
- Increased sales

Business Alignment – Weeks 0-3



Align on the North Star and Core Features for MMM solution.

- Leadership alignment, discovery sessions with agencies, IT, Databricks, and align on strategies, budgets, etc.
- Workshop – ensuring alignment / focus on media plans, MMM outputs, adoption, process rollout, etc.
- Meet w/ Data teams and establish architecture for ingestion
- Refine solution roadmap + RACI
- Create data acquisition plan
- Develop templates of initial media reports
- Plan for VRO/ adoption

Structured stakeholder interviews to surface real business needs

ALDI Netherlands
Marketing Mix Analysis & Optimization
Business Alignment
Interview Guide

Illustrative

March 2023

Page 1

Business Question	Current Ability to Answer	Future Ability to Answer	Remarks
Key Marketing Mix Project Objectives			
1. How do we better drive traffic, revenue, and profit?			Marketing Mix is one of the six key drivers of revenue and profit. Other key drivers are assortment, pricing, promotions, proximity and brand power. Profit and traffic to address in phase 2.
2. What are the right levels of advertising / marketing investment to maximize sales?			Marketing Mix uses historical marketing investments and business drivers to determine and validate the impact of marketing investments. The objective is to use these insights to improve marketing effectiveness
3. What are the marginal effects on sales by the various media types?			Marketing Mix analysis provides insights in both the average return per media type, and in the incremental/marginal return of an extra Euro spent.
4. To what extent do non-marketing factors, e.g., pricing, competition, seasonality, weather, economy, impact response?			Non marketing factors are all covered on an aggregated level. Pricing and promotions on SKU or product level will show much more "headroom for growth" through individual Pricing and Promo Analytics.
Mix Deep Dive Questions			
1. Effect of additional promotional activity?			We will be able to look at the impact of "brand spots" vs. "action spots" and determining each of their impact on sales. Promo Analytics and Optimization is able to provide in depth answers for individual promotions
2. How do we leverage the best TV spend?			Marketing Mix approach, we look at the impact on total sales. In phase 2, we can dive deeper and model for more granularity and additional KPIs. Now we have GfK penetration data, we will give that a first try.
3. How do our ads affect other media?			We can provide insights in which seasons/weeks advertising works best (short term sales uplift, not brand building). Spend/GRP analytics require a different approach.
4. How do we measure the impact of advertising?			In phase 1 of our Marketing Mix approach, we look at the impact on total sales. In phase 2, we can dive deeper and model for more granularity and additional KPIs. Best practices sharing will give direction now.
5. How has the use of your advertising budget developed over the years?			In phase 2, we can dive deeper and model for more granularity on creatives and additional KPIs. If the data permits in phase 1, we can try for NPO vs RTL TV ads. Best practices sharing will give direction now.
6. What are the best practices for Building Advertising Investment Decisions?			Phase 1 of the MMM will be directional on brand effects on Sales. Once we have more brand tracking history data, we will also be able to more precise on the longer-term impact.
7. What are the best practices for measuring media?			
8. What are the best practices for media planning?			
9. What are the best practices for media optimization?			
10. What are the best practices for media measurement?			
11. What are the best practices for media reporting?			
12. What are the best practices for media strategy?			
13. What are the best practices for media activation?			
14. What are the best practices for media activation?			
15. What are the best practices for media activation?			
16. What are the best practices for media activation?			
17. What are the best practices for media activation?			
18. What are the best practices for media activation?			
19. What are the best practices for media activation?			
20. What are the best practices for media activation?			
21. What are the best practices for media activation?			
22. What are the best practices for media activation?			
23. What are the best practices for media activation?			
24. What are the best practices for media activation?			
25. What are the best practices for media activation?			
26. What are the best practices for media activation?			
27. What are the best practices for media activation?			
28. What are the best practices for media activation?			
29. What are the best practices for media activation?			
30. What are the best practices for media activation?			
31. What are the best practices for media activation?			
32. What are the best practices for media activation?			
33. What are the best practices for media activation?			
34. What are the best practices for media activation?			
35. What are the best practices for media activation?			
36. What are the best practices for media activation?			
37. What are the best practices for media activation?			
38. What are the best practices for media activation?			
39. What are the best practices for media activation?			
40. What are the best practices for media activation?			
41. What are the best practices for media activation?			
42. What are the best practices for media activation?			
43. What are the best practices for media activation?			
44. What are the best practices for media activation?			
45. What are the best practices for media activation?			
46. What are the best practices for media activation?			
47. What are the best practices for media activation?			
48. What are the best practices for media activation?			
49. What are the best practices for media activation?			
50. What are the best practices for media activation?			
51. What are the best practices for media activation?			
52. What are the best practices for media activation?			
53. What are the best practices for media activation?			
54. What are the best practices for media activation?			
55. What are the best practices for media activation?			
56. What are the best practices for media activation?			
57. What are the best practices for media activation?			
58. What are the best practices for media activation?			
59. What are the best practices for media activation?			
60. What are the best practices for media activation?			
61. What are the best practices for media activation?			
62. What are the best practices for media activation?			
63. What are the best practices for media activation?			
64. What are the best practices for media activation?			
65. What are the best practices for media activation?			
66. What are the best practices for media activation?			
67. What are the best practices for media activation?			
68. What are the best practices for media activation?			
69. What are the best practices for media activation?			
70. What are the best practices for media activation?			
71. What are the best practices for media activation?			
72. What are the best practices for media activation?			
73. What are the best practices for media activation?			
74. What are the best practices for media activation?			
75. What are the best practices for media activation?			
76. What are the best practices for media activation?			
77. What are the best practices for media activation?			
78. What are the best practices for media activation?			
79. What are the best practices for media activation?			
80. What are the best practices for media activation?			
81. What are the best practices for media activation?			
82. What are the best practices for media activation?			
83. What are the best practices for media activation?			
84. What are the best practices for media activation?			
85. What are the best practices for media activation?			
86. What are the best practices for media activation?			
87. What are the best practices for media activation?			
88. What are the best practices for media activation?			
89. What are the best practices for media activation?			
90. What are the best practices for media activation?			
91. What are the best practices for media activation?			
92. What are the best practices for media activation?			
93. What are the best practices for media activation?			
94. What are the best practices for media activation?			
95. What are the best practices for media activation?			
96. What are the best practices for media activation?			
97. What are the best practices for media activation?			
98. What are the best practices for media activation?			
99. What are the best practices for media activation?			
100. What are the best practices for media activation?			
101. What are the best practices for media activation?			
102. What are the best practices for media activation?			
103. What are the best practices for media activation?			
104. What are the best practices for media activation?			
105. What are the best practices for media activation?			
106. What are the best practices for media activation?			
107. What are the best practices for media activation?			
108. What are the best practices for media activation?			
109. What are the best practices for media activation?			
110. What are the best practices for media activation?			
111. What are the best practices for media activation?			
112. What are the best practices for media activation?			
113. What are the best practices for media activation?			
114. What are the best practices for media activation?			
115. What are the best practices for media activation?			
116. What are the best practices for media activation?			
117. What are the best practices for media activation?			
118. What are the best practices for media activation?			
119. What are the best practices for media activation?			
120. What are the best practices for media activation?			
121. What are the best practices for media activation?			
122. What are the best practices for media activation?			
123. What are the best practices for media activation?			
124. What are the best practices for media activation?			
125. What are the best practices for media activation?			
126. What are the best practices for media activation?			
127. What are the best practices for media activation?			
128. What are the best practices for media activation?			
129. What are the best practices for media activation?			
130. What are the best practices for media activation?			
131. What are the best practices for media activation?			
132. What are the best practices for media activation?			
133. What are the best practices for media activation?			
134. What are the best practices for media activation?			
135. What are the best practices for media activation?			
136. What are the best practices for media activation?			
137. What are the best practices for media activation?			
138. What are the best practices for media activation?			
139. What are the best practices for media activation?			
140. What are the best practices for media activation?			
141. What are the best practices for media activation?			
142. What are the best practices for media activation?			
143. What are the best practices for media activation?			
144. What are the best practices for media activation?			
145. What are the best practices for media activation?			
146. What are the best practices for media activation?			
147. What are the best practices for media activation?			
148. What are the best practices for media activation?			
149. What are the best practices for media activation?			
150. What are the best practices for media activation?			
151. What are the best practices for media activation?			
152. What are the best practices for media activation?			
153. What are the best practices for media activation?			
154. What are the best practices for media activation?			
155. What are the best practices for media activation?			
156. What are the best practices for media activation?			
157. What are the best practices for media activation?			
158. What are the best practices for media activation?			
159. What are the best practices for media activation?			
160. What are the best practices for media activation?			
161. What are the best practices for media activation?			
162. What are the best practices for media activation?			
163. What are the best practices for media activation?			
164. What are the best practices for media activation?			
165. What are the best practices for media activation?			
166. What are the best practices for media activation?			
167. What are the best practices for media activation?			
168. What are the best practices for media activation?			
169. What are the best practices for media activation?			
170. What are the best practices for media activation?			
171. What are the best practices for media activation?			
172. What are the best practices for media activation?			
173. What are the best practices for media activation?			
174. What are the best practices for media activation?			
175. What are the best practices for media activation?			
176. What are the best practices for media activation?			
177. What are the best practices for media activation?			
178. What are the best practices for media activation?			
179. What are the best practices for media activation?			
180. What are the best practices for media activation?			
181. What are the best practices for media activation?			
182. What are the best practices for media activation?			
183. What are the best practices for media activation?			
184. What are the best practices for media activation?			
185. What are the best practices for media activation?			
186. What are the best practices for media activation?			
187. What are the best practices for media activation?			
188. What are the best practices for media activation?			
189. What are the best practices for media activation?			
190. What are the best practices for media activation?			
191. What are the best practices for media activation?			
192. What are the best practices for media activation?			
193. What are the best practices for media activation?			
194. What are the best practices for media activation?			
195. What are the best practices for media activation?			
196. What are the best practices for media activation?			
197. What are the best practices for media activation?			
198. What are the best practices for media activation?			
199. What are the best practices for media activation?			
200. What are the best practices for media activation?			
201. What are the best practices for media activation?			
202. What are the best practices for media activation?			
203. What are the best practices for media activation?			
204. What are the best practices for media activation?			
205. What are the best practices for media activation?			
206. What are the best practices for media activation?			
207. What are the best practices for media activation?			
208. What are the best practices for media activation?			
209. What are the best practices for media activation?			
210. What are the best practices for media activation?			
211. What are the best practices for media activation?			
212. What are the best practices for media activation?			
213. What are the best practices for media activation?			
214. What are the best practices for media activation?			
215. What are the best practices for media activation?			
216. What are the best practices for media activation?			

Value Realization

- Value Realization Framework
- Stakeholder Communication Approach
- Examples



How we approach VRO and Change Management

1. Kick-off with Senior Sponsorship:

We start by securing active senior-level sponsorship to drive visibility, credibility, and momentum. Senior leaders set the tone, reinforcing the importance of change across the organization

2. Align with a Dedicated Change Champion:

We partner closely with a key project lead within your organization who serves as the internal advocate, ensuring alignment between the project and your business priorities.

3. Deep Integration into Business DNA:

We embed the MMM initiative into your company's Value Realization Office (VRO) and leverage established "DNA"—the documented collection of best practices—to guide decisions, track progress, and ensure consistency.

4. Comprehensive Stakeholder Communication:

Transparent, proactive, and consistent communication is essential. We set clear expectations, address concerns promptly, and keep stakeholders informed and engaged through tailored messages and regular touchpoints.

5. Collaborative Workshops & Engagement Sessions:

Through structured workshops, we involve your stakeholders at every critical juncture, building consensus and ownership, ensuring they're empowered to champion the change

6. Empowerment and Capability Transfer:

Our Build-Operate-Transfer (BOT) model intentionally transfers MMM knowledge and ownership gradually to your team, enabling long-term sustainability

7. Continuous Feedback & Value Realization:

We consistently validate and showcase realized value to stakeholders through business-aligned metrics, strengthening internal advocacy for the MMM initiative



Value Realization Framework

Define and track the value from analytics

Define Value

In this phase, the Value team lays the foundation by defining and aligning with all stakeholders what the Value is and how the value in KPIs will be operationalized for this program

Key Steps

Define Value Driver Trees

Build Top Down Business Case

Identify Key Performance Indicators

Commit Value

In this phase, the Value team quantifies the value by developing the bottom-up baselines & targets and a value realization plan by gaining commitment from the stakeholders

Key Steps

Get Bottom Up Commitment

Build Bottom Up Business Case

Build Value Realization Plan

Track Value

In this phase, the Value team builds value realization framework and starts tracking value as per the realization plan

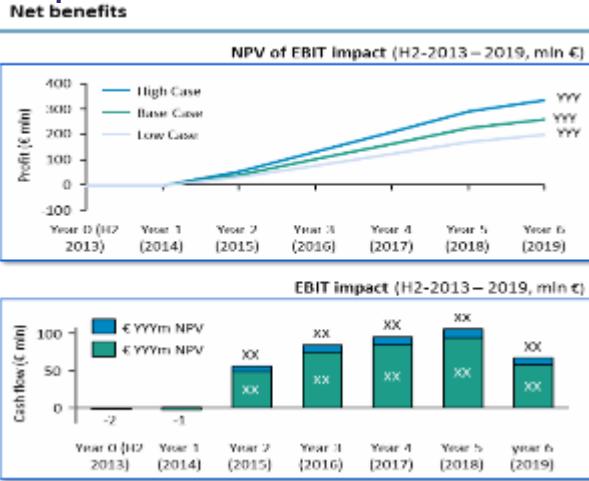
Key Steps

Track and Report

Intervene

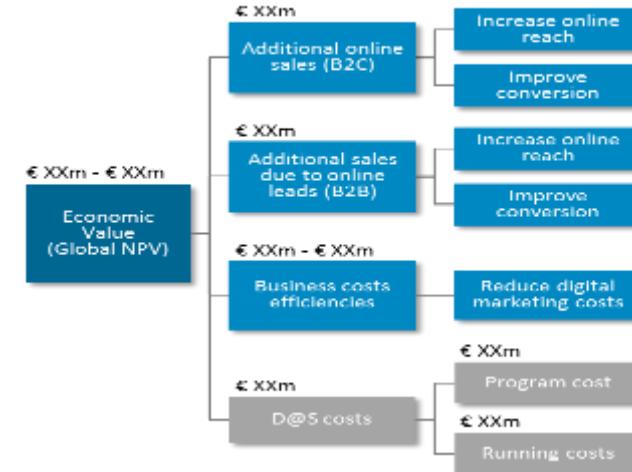
Value realization examples: Sample Value Tree, KPI Description and Business Case

Sample: Business Case



Sample: Value tree

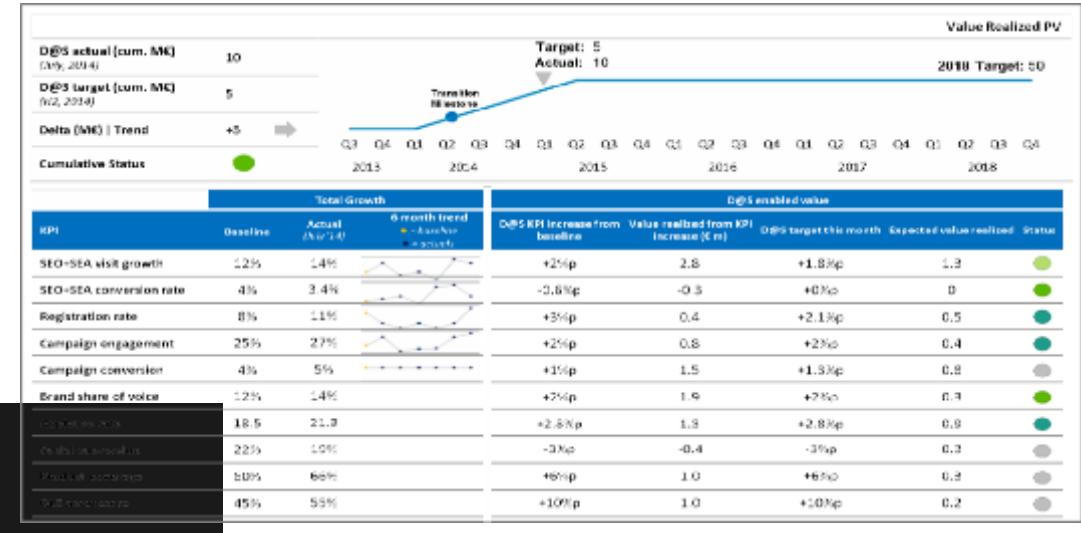
Key value drivers (5 year NPV, rounded)



Sample: KPI Description

ID	KPI	Type	KPI Description
1	Online % of total sales	Lagging	Online % of total sales (as detailed for KPI1)
2	Digital Campaign ROI	Lagging	Digital Campaign Return on Investment
3	Digital Marketing costs	Lagging	Digital Marketing costs as a % of total Marketing costs
4	Search traffic growth	Leading	YoY % Growth of search traffic to Philips BMC pages
5	Registration rate	Leading	% of targeted audience submitting registration form
6	Campaign conversion rate	Leading	% of respondents converted to Marketing qualified leads
7	Social conversion rate	Leading	% of social interactions leading to clicks on links to CPW websites
8	Response time	Leading	Average response time on social media

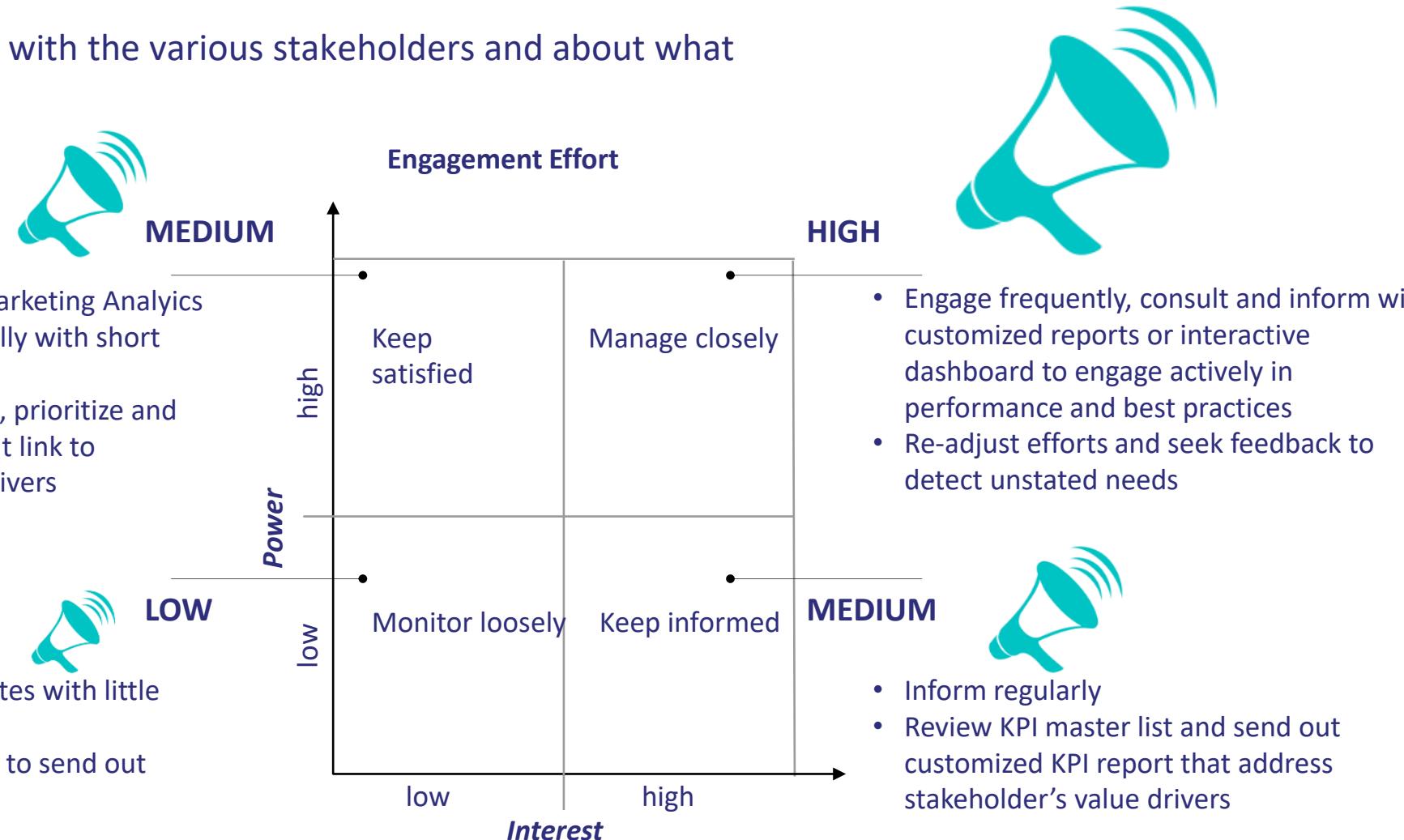
Sample: Value Tracking Report



Typical Stakeholder Communication Approach

Illustrative

How Blend engages with the various stakeholders and about what



Communication Plan Sample

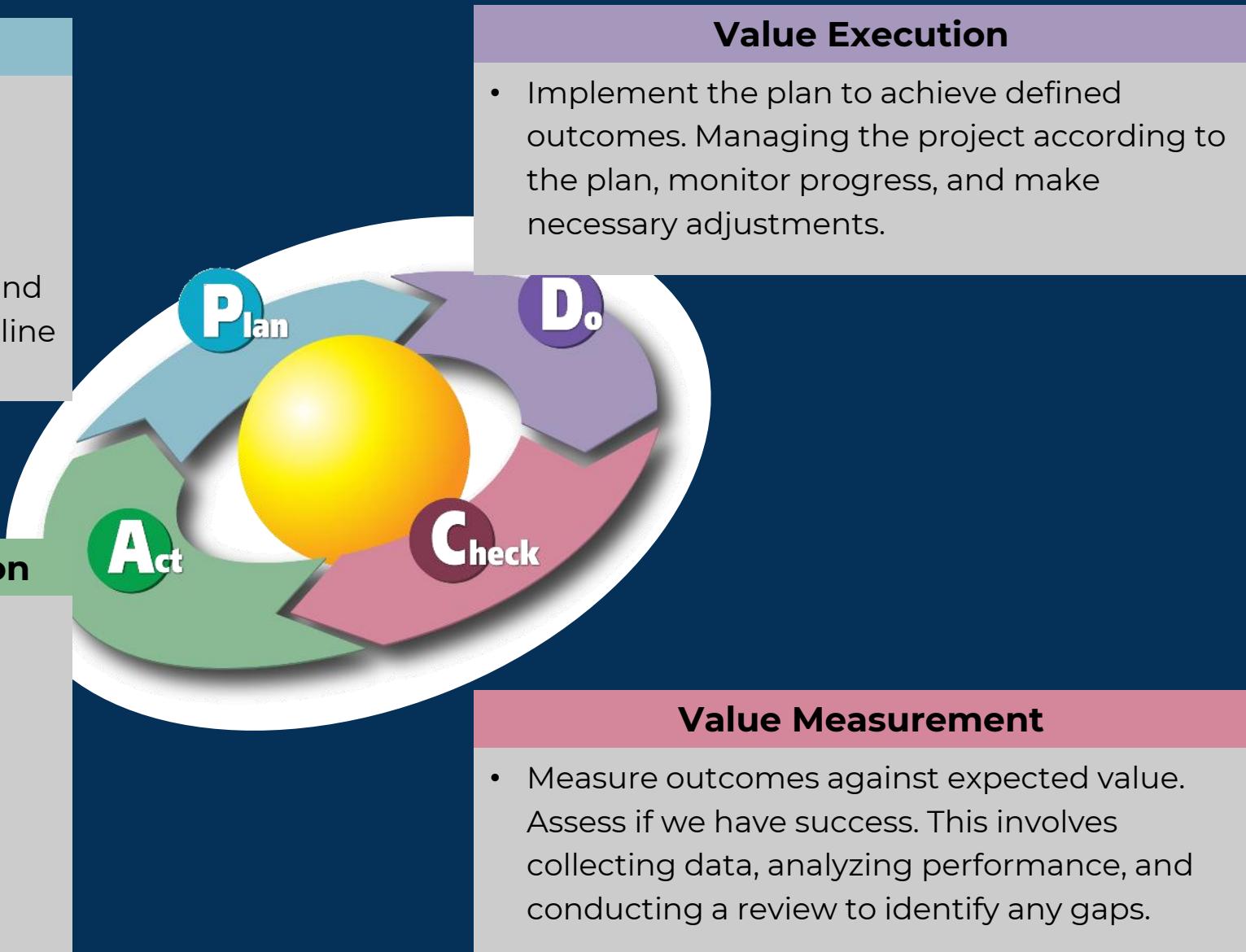
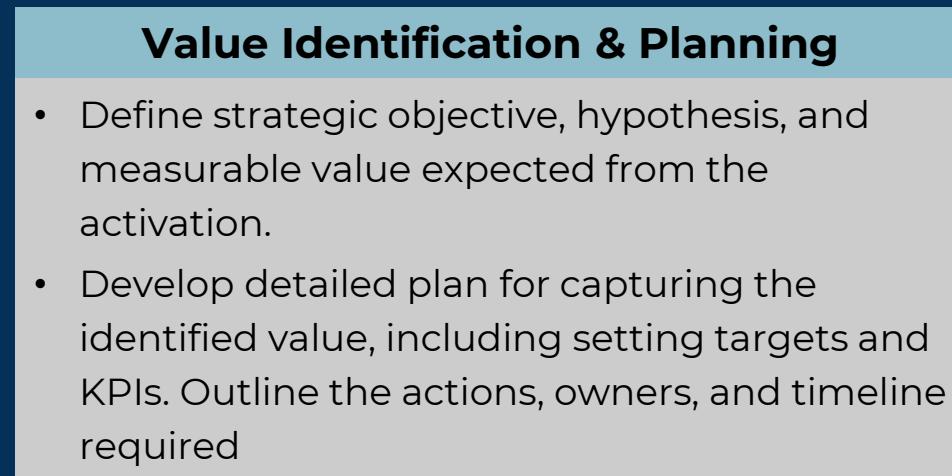
During Project

- Pre-Announcement
- Project Kick-Off and Objectives
- Stakeholder Interviews
- Business Goals Feedback
- Deliverables Planning
- Sample Use Cases

From Project to Process

- Workshop planning & agenda
- Insights communication
- Activation plans
- Success sharing across teams
- BAT DNA sessions
- User group & steering committee

Integration of Decision Making in Business Process



VRO – Visual Example

Illustrative

Engagement Plan

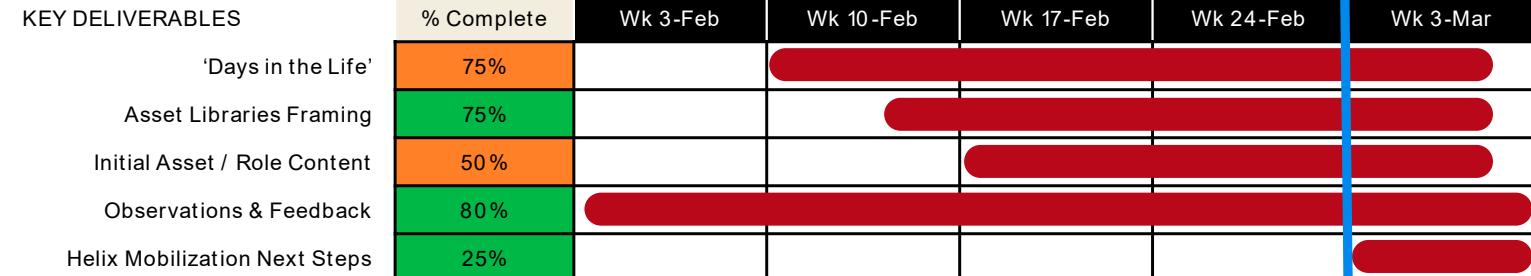
Helix Change & Mobilization

February 2025

Overview:

- Develop 'Day in the Life' process- and people-level framing. From a base process-level, there is agreement between WoW, governance & tooling. From a people-level, we identify change impacts and ensure colleagues know what Helix means for them.
- Support in Asset Library framing and creation of initial content
- Identify next steps for Helix's mobilisation
- Share observations & feedback, as a trusted partner and sounding board, such as plan & org development, rules of engagement, meeting & ceremonies framing, and full adoption requirements.

Example



ACHIEVEMENTS THIS WEEK:

- Developed 4 slide options select from in how we support/activate presenters
- Held a session on the support/activate presenters to agree on preferred template. We agreed on the preferred template, tweaked verbiage, and I forwarded the 4 slide options.
- Made edits to the Playbook template including the station template slide look/feel, allowing for more space to add text
- Held 6 Playbook Station sessions: Portfolio, Props, Reqs, Solution, VMO, Stakeholder
- Agreed on station names and connection points for each Playbook
- Updated station routes and handed the 6 station route maps back to Blend
- Inputted text where relevant for each Playbook based on the MIRO board, Day in the Life videos, and playbook/station working sessions
- Handed over 5 Playbooks for Blend's input: Portfolio, Props, Reqs, Solution, Stakeholder

NEXT GOALS:

- Host follow up session for VMO Stations & Playbook
- Receive playbooks back from Blend to review ahead of any follow-up sessions
- Join playbook/day in the life follow-up sessions and agree on next steps & ownership in finalizing drafts
- Support the finalization of the 6 Playbook V1 Drafts where relevant
- Hand over the Playbooks Assets Tracker (call out tracker as a 'check' to ensure all assets associated to the Playbooks are included in Asset Library)
- Support the finalization of the 6 Day in the Life V1 Drafts where relevant
- Hold next steps session at the end of week Mar-3, including hand off and connecting on Helix Mobilization opportunities

KEY QUESTIONS / DEPENDENCIES:

- We will send selected Playbooks & Days in the Life to shared as Pre-Reads to Blend on Thursday AM (Mar-6) ahead of the Blend Sync.

KEY NOTES:

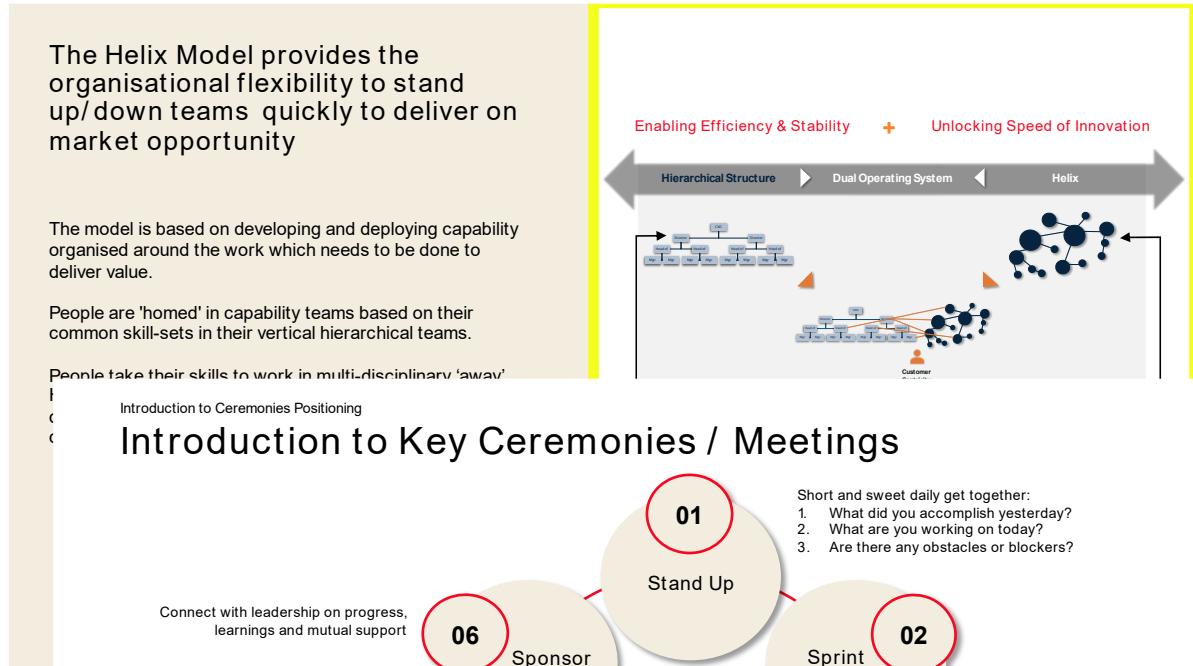
- Project duration has been extended by 1 week (until Mar-7) to support Days in the Life and Playbook draft finalization

KEY:

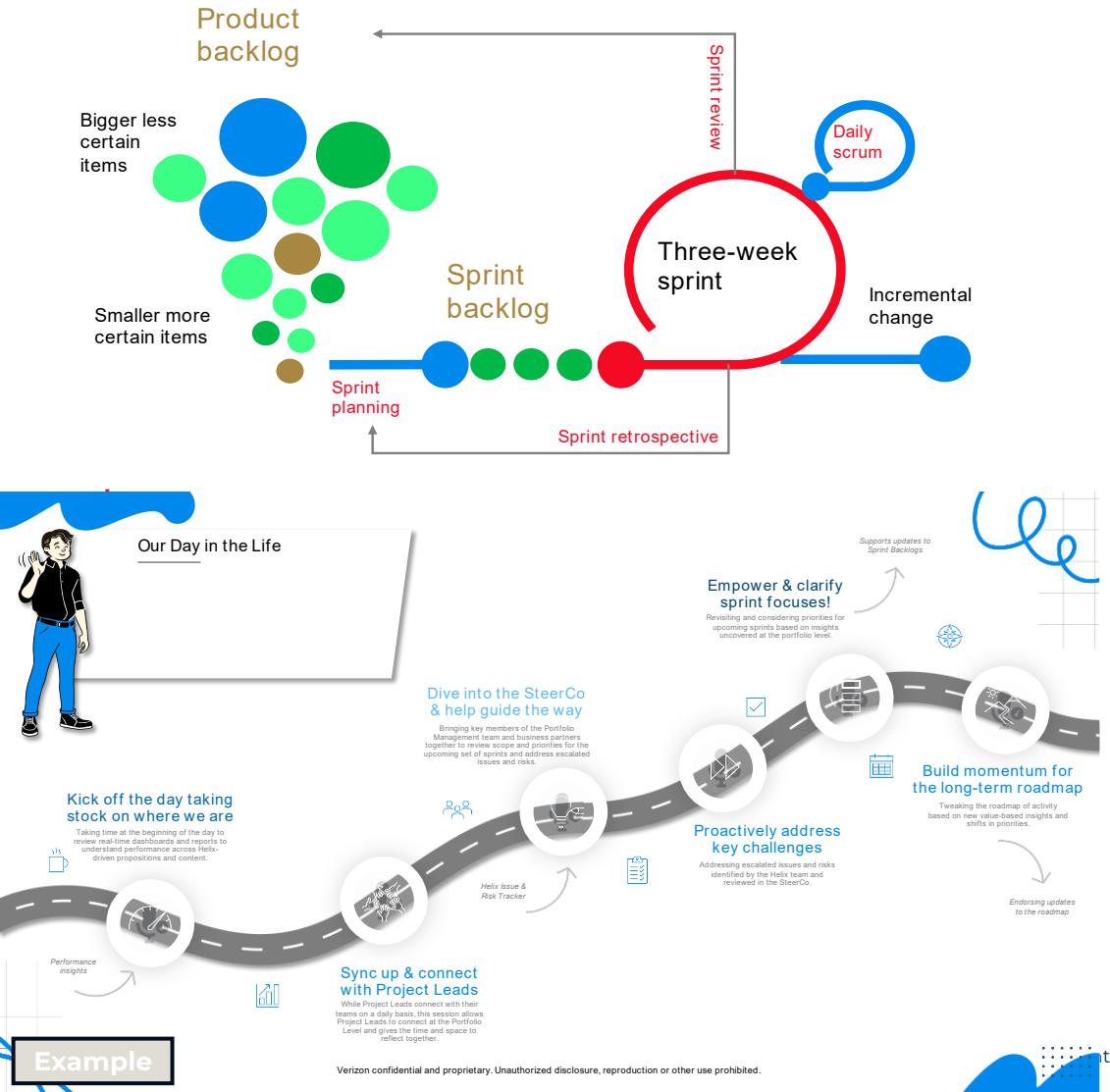
	On track
	Behind plan
	Not yet started
	Plan
	Key Dates

VRO – Visual Examples

Illustrative



Introduction to Ceremonies Positioning
Sprint-based ceremonies inform backlog & sprint management



Data Collection & Integration



Niche Data Requires Bespoke Solutions



Data for each of these can have their own sources, with differing formats and specifications

- OOH & Transit
- OTT / Streaming
- Social
- Audio / Podcast
- Email
- Direct Mail
- PoP / Shopper Marketing
- Circana / Nielsen
- Rewards / App
- Affiliate / Retail Partner
- Brand Equity
- Third Party (economic, weather)

To deliver frequent & rapid insights, **data collection must continue to be standardized, automated and governed effectively**

Blend's Proposal covers ALL of MO for Reynolds American

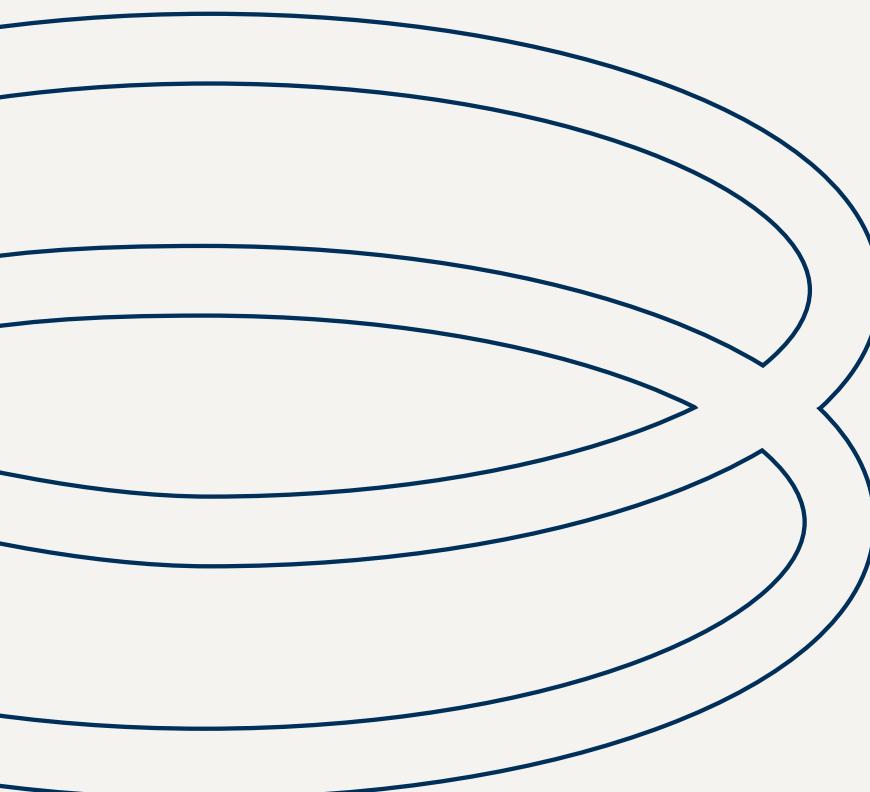


When assembling data for MMM, it's most efficient to simultaneously integrate data across all MO brands, as this significantly reduces incremental cost compared to a sequential brand-by-brand approach. Our data management capability is designed to scale effectively, accommodating multiple brands with ease.

- **Data Discovery & Alignment:** Partner closely with your IT/Engineering team and stakeholders to inventory internal and external datasets, ensuring alignment on key data needs.
- **Centralized Data Hub Creation:** Build a unified MMM data hub in Databricks, integrating diverse data types (structured and unstructured data, pdf, etc.) into standardized, analytics-ready formats.
- **Data Integration & Harmonization:** Ingest external data (market, media, competitor) and internal sources (sales, CRM, promotions), harmonizing them under consistent definitions and taxonomies.
- **Automated Data Pipelines:** Partner with Reynold's engineering teams to set up automated pipelines to regularly refresh data, ensuring timeliness and accuracy for modeling and reporting.
- **Single Source of Truth for Measurement:** Establish governance to maintain the MMM hub as the definitive data source for all measurement, insights, and decision-making activities.

Blend Approach

Three-Phased approach to data collection and integration combines automation, real-time data processing, and a no-copy data strategy to maximize efficiency. Leveraging AWS and Databricks, we ensure scalability, governance, and seamless integration across all relevant data sources.



Solution Overview

- **Expand on Foundation:** Build on existing Databricks and AWS foundation to ensure centralized, consistent data assets for the organization.
- **Automated Data Cleaning & Validation:** Implement machine learning-based anomaly detection and outlier removal.
- **Real-Time Data Syncing:** Enable continuous integration with AWS, Databricks, SAP, and other identified data sources.

Approach: Three Phases

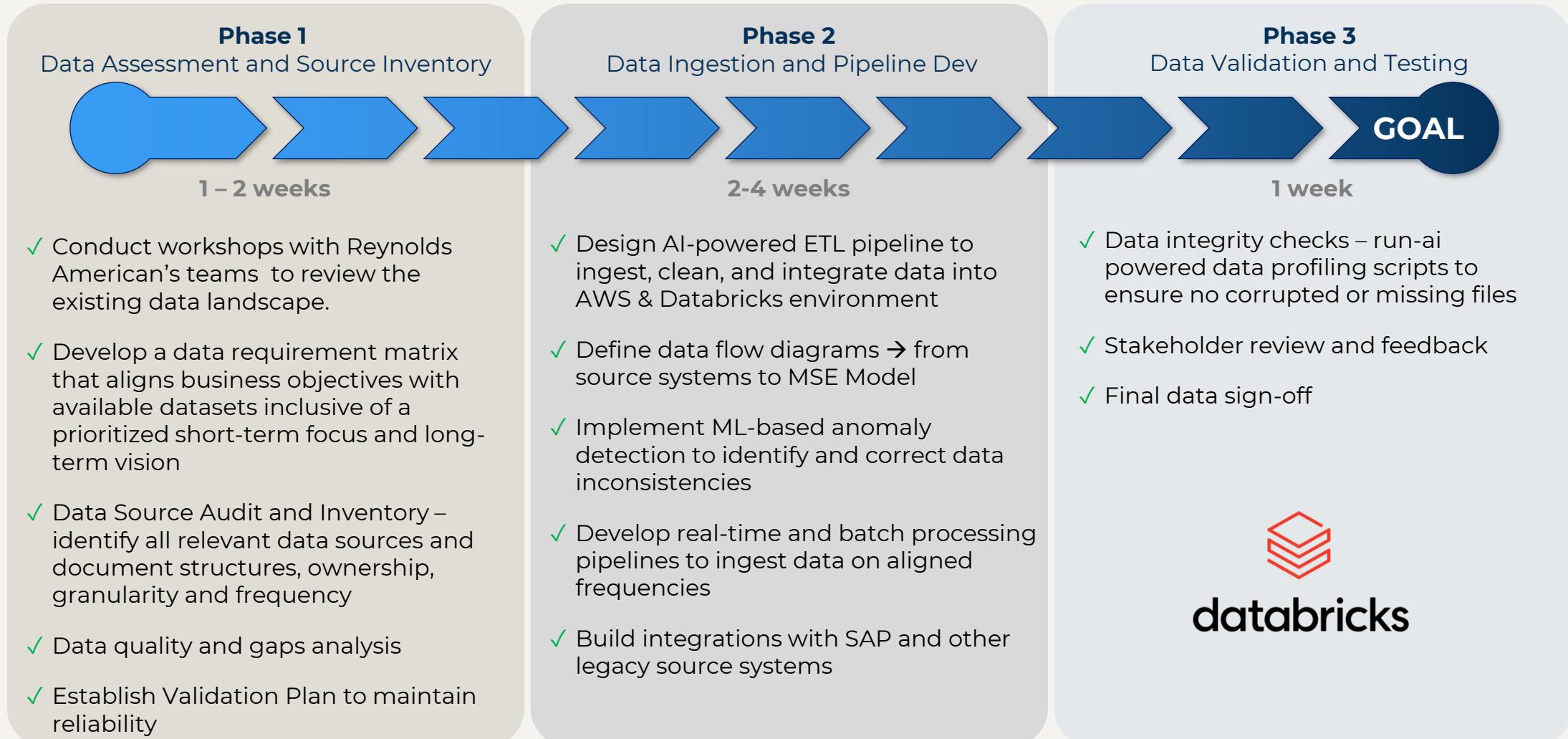
- **Data Assessment and Source Identification**
- **Data Ingestion and Pipeline Development**
- **Data Validation and Testing**

Why This Approach

- **Scalability:** AI-powered automation & continued onboarding onto Lakeflow, reduces manual efforts and ensures real-time updates.
- **Accuracy:** Machine learning models detect inconsistencies, ensuring high data reliability.
- **Speed:** AI-driven ETL pipelines reduce processing time and improve agility.

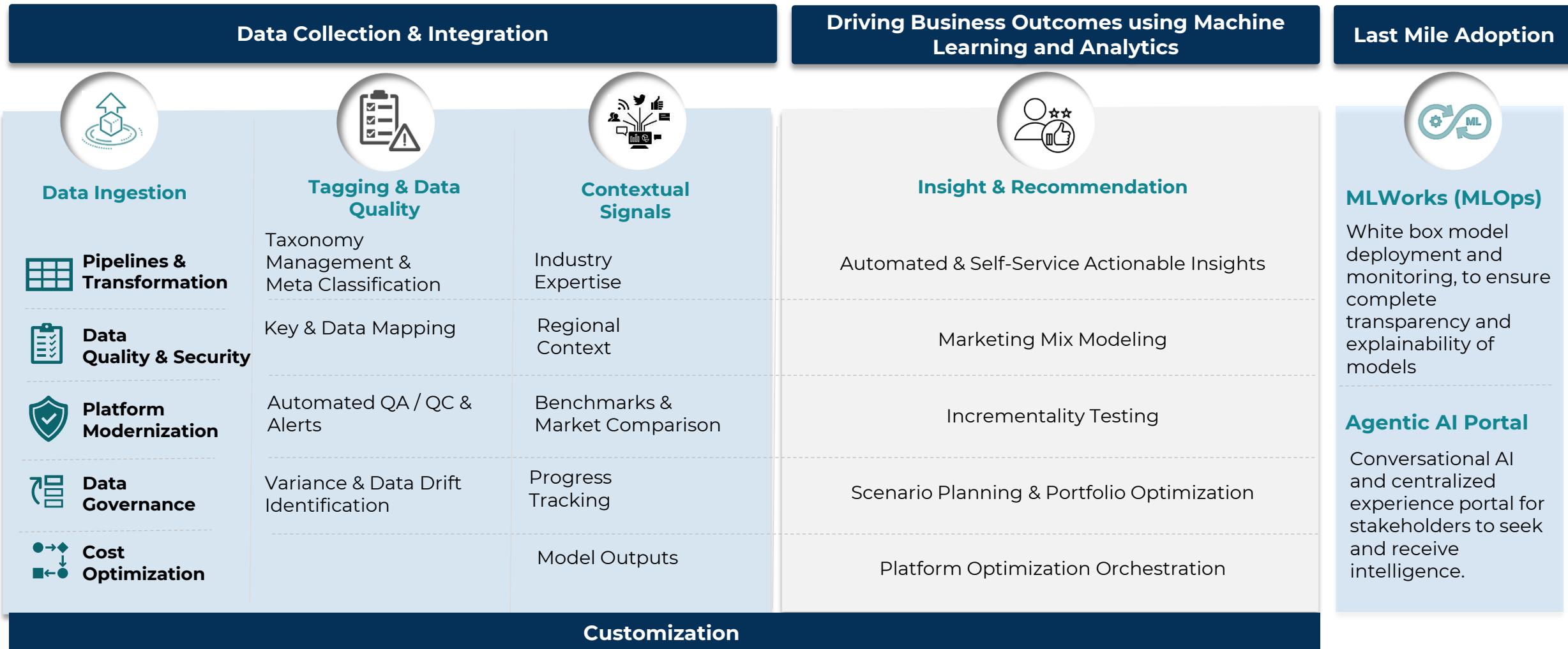
Detailed Plan for Data Collection and Integration

Consolidate and structure Reynolds American's marketing, sales, pricing, and external data sources into a unified data framework that powers the AI-driven Marketing Spend Effectiveness Model (MSE).



databricks

Framework to drive MMM & support future analytic capabilities



Key Differentiators of Our Approach



Foundational Solution Built On Databricks and AWS

- Addresses long-term measurement and insight requirements to ensure scalability and rapid deployment of capabilities over time
- Deep partnerships and expertise to maximize leveraging the tools for value (AWS Premier Partner).
- Leaving data in its native environments reduces data security risks; data will be read into Databricks and modeled there, never leaving RA control



Real-Time & Batch Processing for Agile Decision-Making

- Hybrid data ingestion supports both real-time and historical batch processing ensures the MSE model outputs are always powered by the latest data.
- Expertise to maximize the value of Media, Web, Experience and Performance data



AI Readiness

- Automated API connectivity allows for easy scaling and future expansion.
- Critical 7 Framework to drive to an AI-powered future state rapidly, but without cutting corners



Model Development & ROI Calculation



Reynolds American's complex marketing demands custom analytics

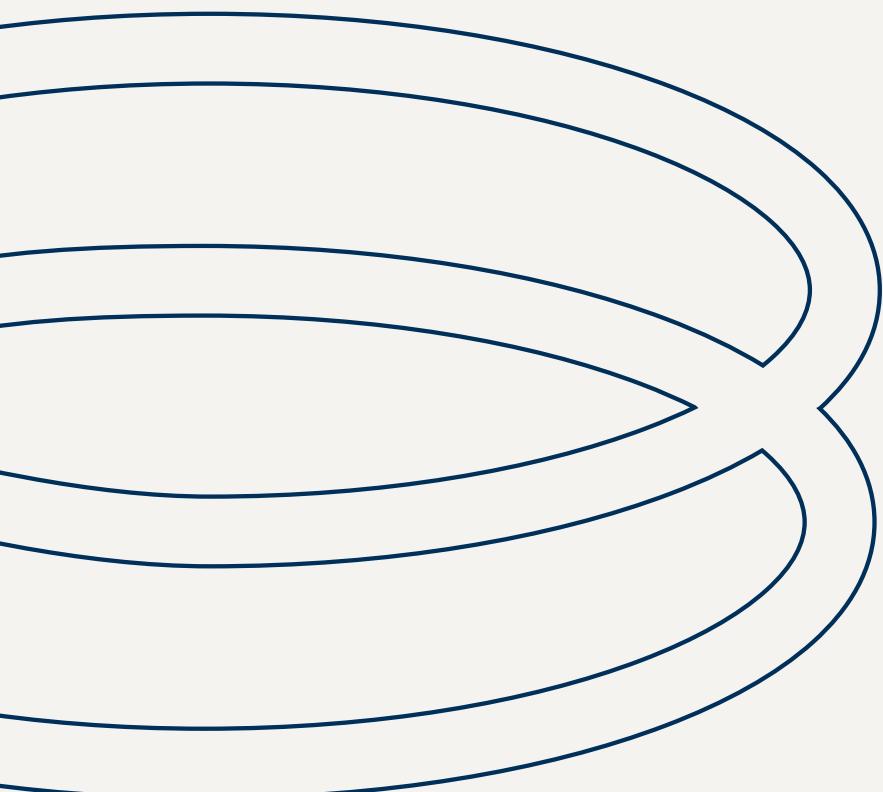


- OOH & Transit
- OTT / Streaming
- Social
- Audio / Podcast
- Email
- Direct Mail
- PoP / Shopper Marketing
- Circana / Nielsen
- Rewards / App
- Affiliate / Retail Partner

Controlling for external factors is important, but the clear priority will be
understanding the breadth of marketing's impact on Velo sales

Blend Approach

Collaborative model selection allows Reynolds American to build capabilities over time as data resources grow. This approach will allow Reynolds to mature data science competencies with an evolution towards AI usage to feed market insights.



Solution Overview

- **Media Effects Estimation:** custom model leverages transformed media data to estimate the short-term impact of media
- **Sub-Channel Modeling for Insights:** granular secondary model to tease out deeper understanding, estimate synergies and drive better media decisions
- **Marketing-focused while controlling for Price, Trade & Environment:** Media cannot be estimated properly without controlling for Price, Trade and environmental impacts (like Inflation, Unemployment and Weather Events).
- **ROI Calculation** is an adjunct to modeling, and will leverage a second model using Brand Equity data to estimate Long Term ROI

Approach: Three Phases

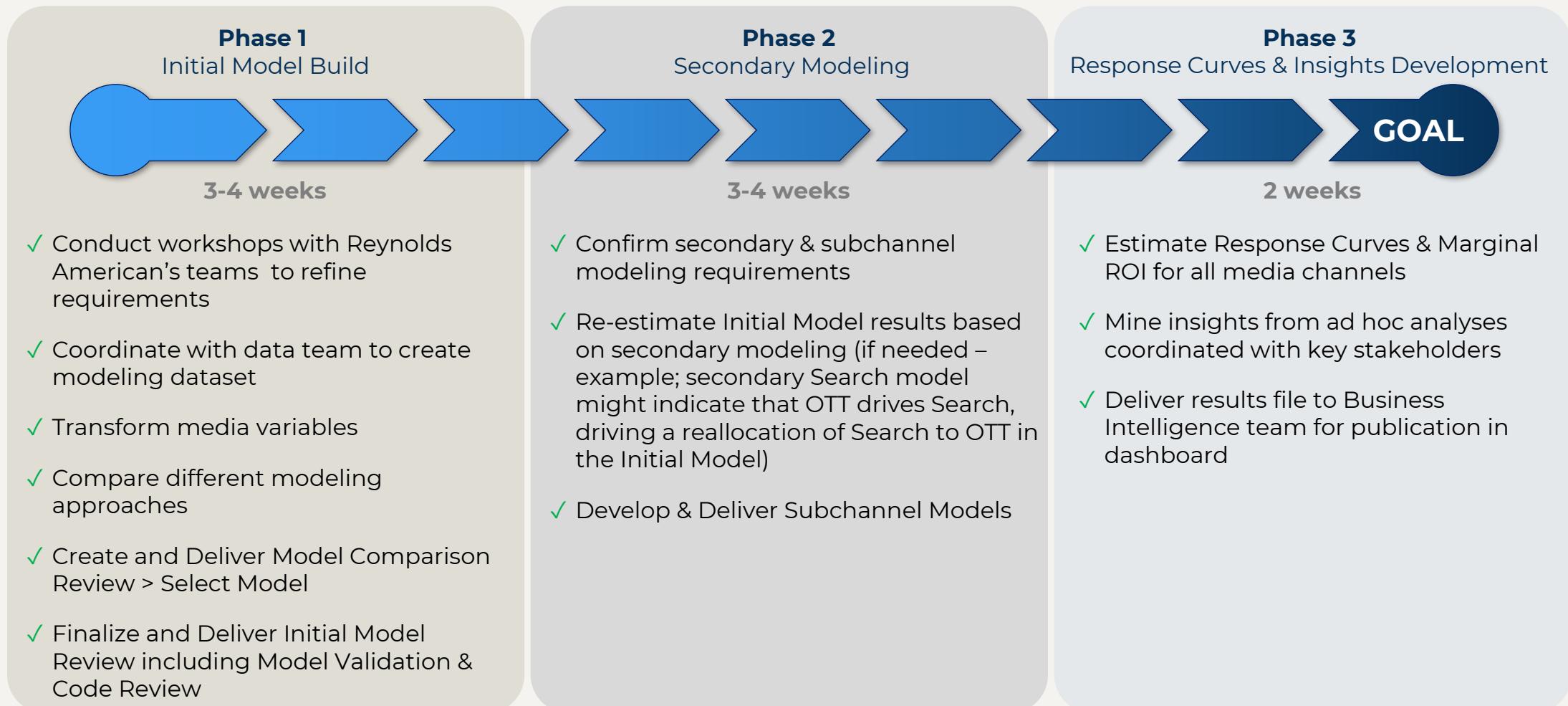
- **Initial Model Development, Selection & Review**
- **Secondary Model Creation**
- **Response Curve Estimation & Insights Generation**

Why This Approach

- **Specificity:** Custom modeling suits Reynold's unique situation, delivering on what you need when you need it
- **Detail:** Model delivers the depth of insights needed to improve marketing effectiveness
- **Speed:** Custom model can seamlessly transition to an automated refresh approach, allowing speed to insights limited only by data update frequency

Detailed Plan for MMM Model Development

Co-create Reynolds American's Marketing Effectiveness Measurement Solution



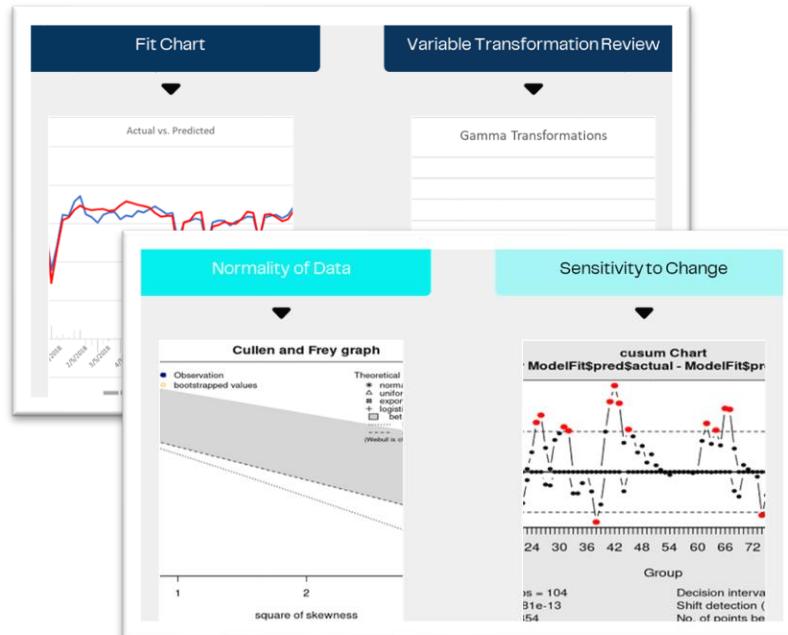
Phase 1 Focuses on Getting the Right Model

Phase 1 Initial Model Build



- ✓ Conduct workshops with BAT's teams to refine requirements
- ✓ Coordinate with data team to create modeling dataset
- ✓ Transform media variables
- ✓ Compare different modeling approaches
- ✓ Create and Deliver Model Comparison Review > Select Model
- ✓ Finalize and Deliver Initial Model Review including Model Validation & Code Review

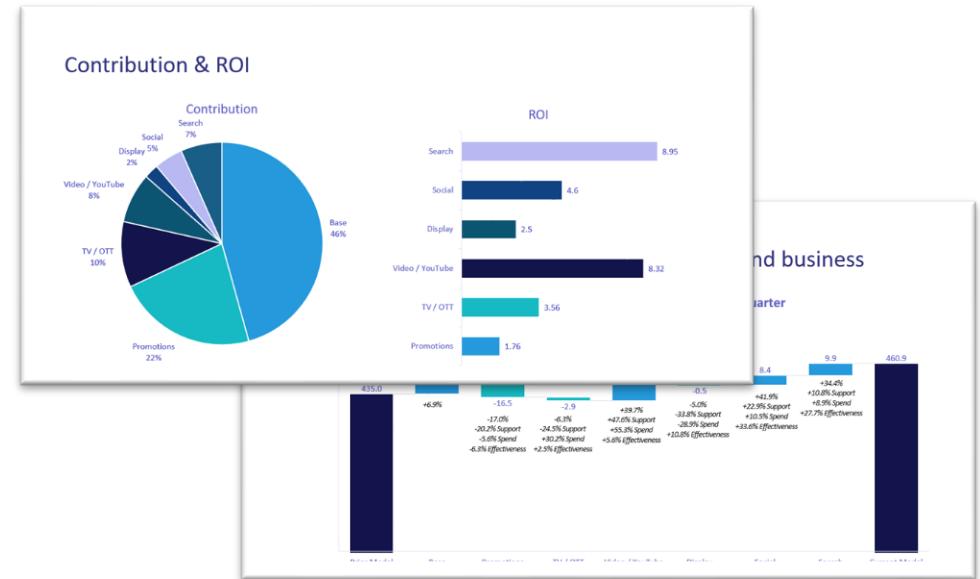
Model Diagnostics



Selected Model Diagnostics

		MAPE (<15%)	R-Sq (>70%)	Max VIF (<10)	Max Variable p value (<0.1)
CCC	Food	5.8%	81.3%	6.4	.01
	Walmart	4.3%	83.7%	5.5	.1
CCPB	Food	6.9%	73.9%	2.4	.001
	Walmart	3.6%	88.6%	3.5	.1

Top Level Results



Equal weight is given to statistical rigor and business judgement; we need rigorous models that drive business decisions



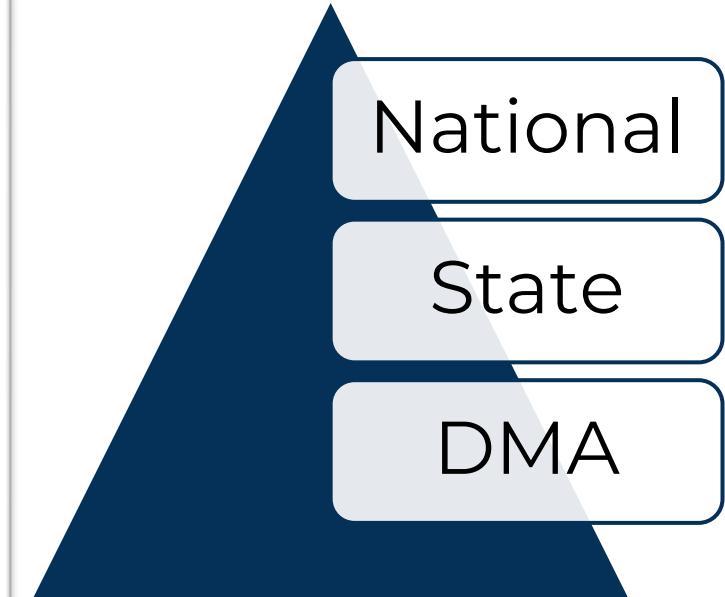
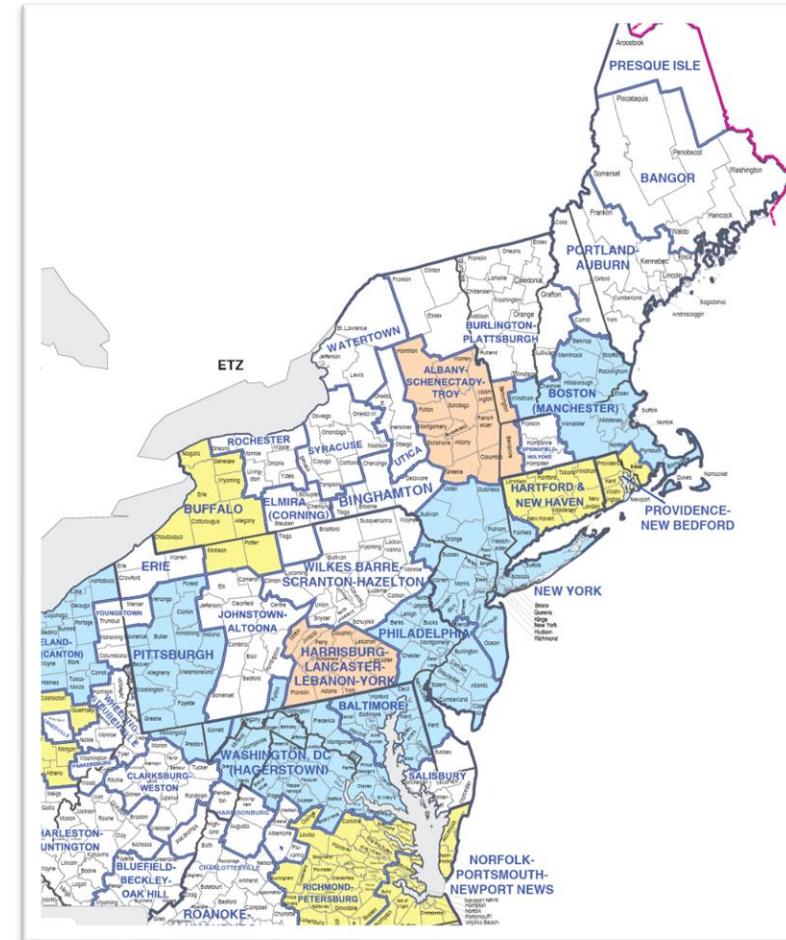
Our Accelerators Mean We Won't Start with a Blank Page



Each Accelerator is linked to Marketing Decisions

Hierarchical Regression – A Common Starting Point for MMM

- DMA is the “common currency” of media data
- Product access and marketing varies by state – using a hierarchy enables measuring differences across these geographies
- Deliberate ETL pays off in the creation of data hierarchies and allocations to deliver on Geographical hierarchy for modeling.
- Media response varies by DMA within State and by State within the overall US



Media Variable Transformations

DECAY



Media that consumers attend to has an effect over time as they recall the ad at decision points

SATURATION



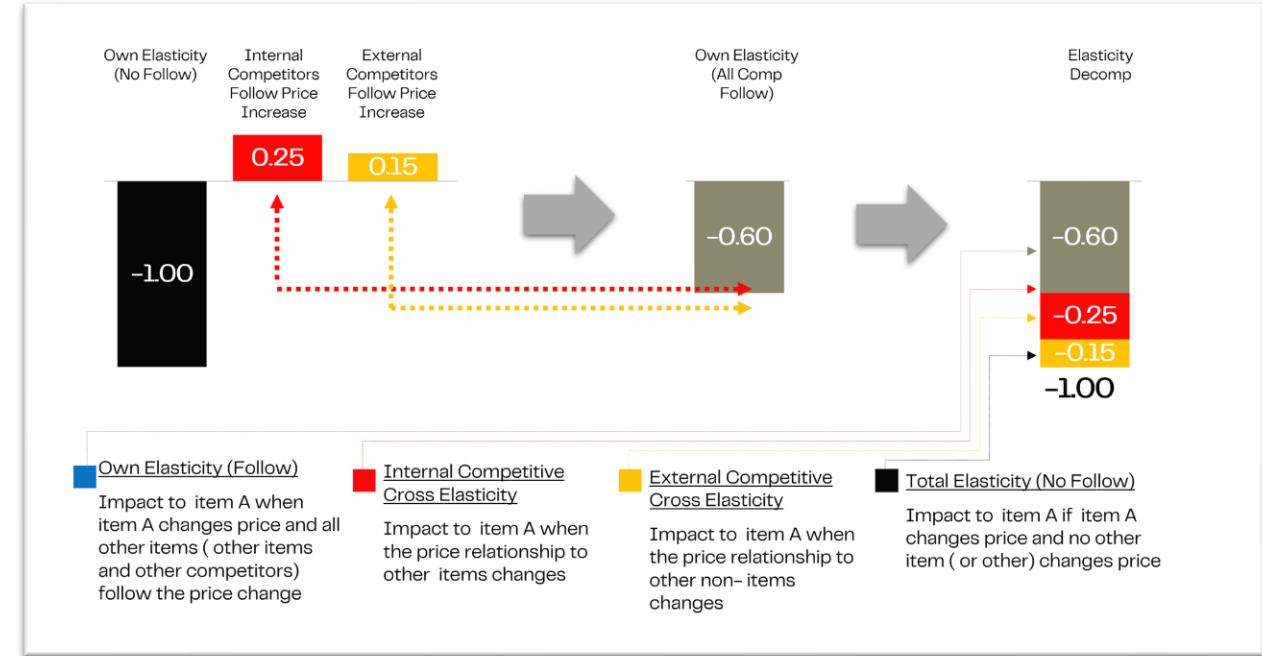
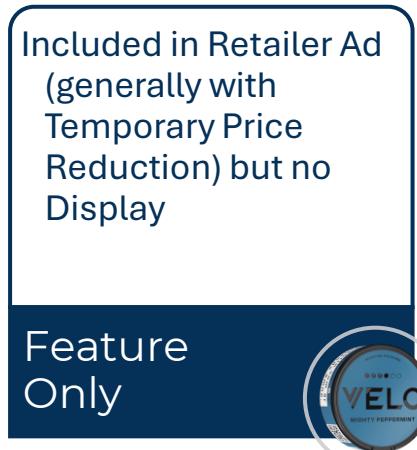
Your first Impression is your most effective; as you add Impressions, you tend to add less Reach and more Frequency, which begins to have diminishing returns

LAG



There can be a delay between seeing an ad and being able to act on it (long purchase cycles, supply chain, appointment availability)

MMM Must Account for Price & Trade



MMM does a great job of controlling for price and trade marketing effects; a **true RGM solution is needed** to estimate competitive cross effects and the impact of price thresholds (modeling all media and price effects in one model becomes over specified and inaccurate)

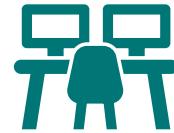
MMM Must Also Account for External Factors



Weather
Events



Inflation



Employment



Consumer
Confidence



Legislation

External factors like those shown here can impact Velo's sales

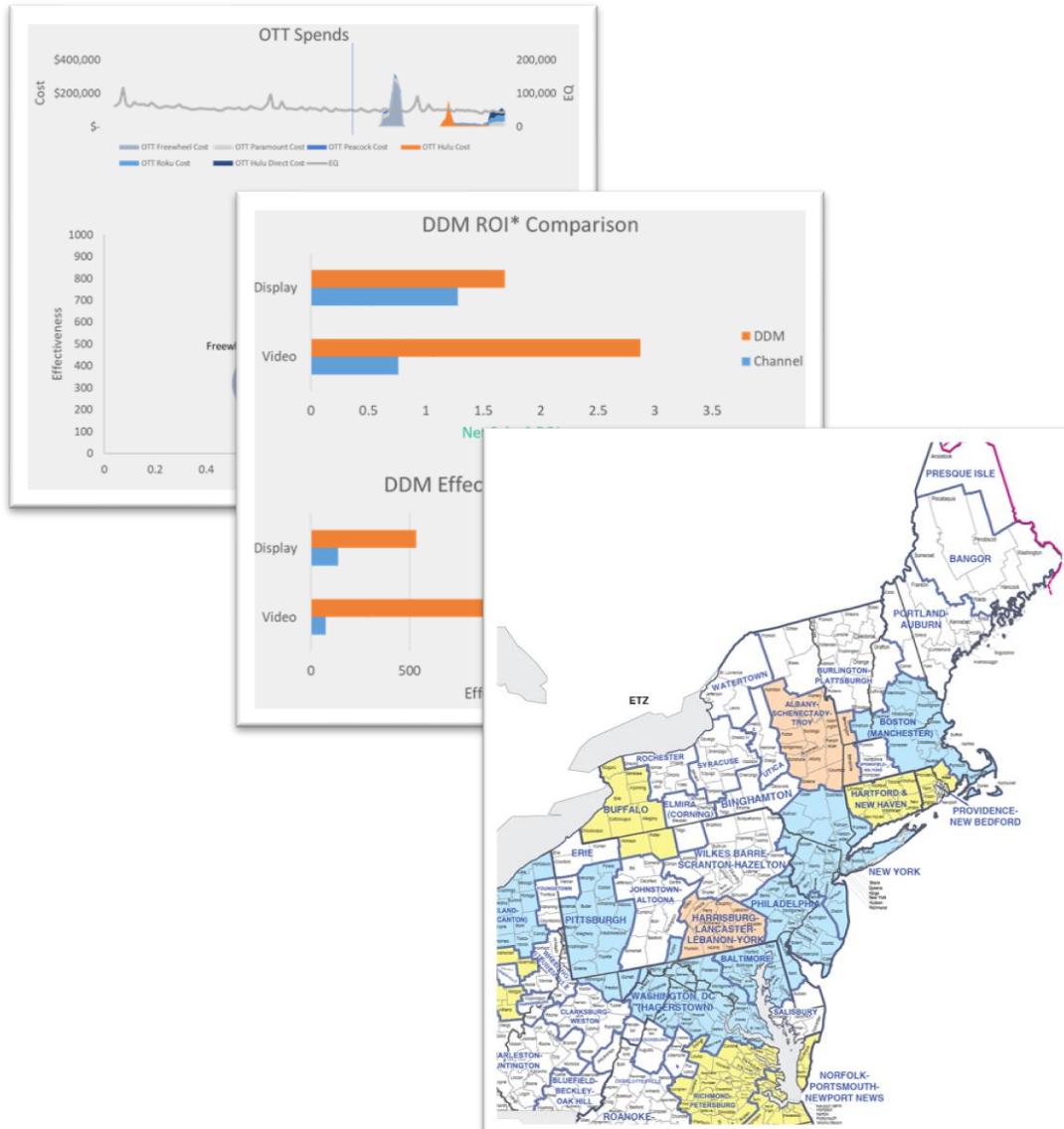
- We have pre-built code to gather this data from open sources at no cost to you.

Phase 2 is Where We Start to Dive into Details

Phase 2 Secondary Modeling



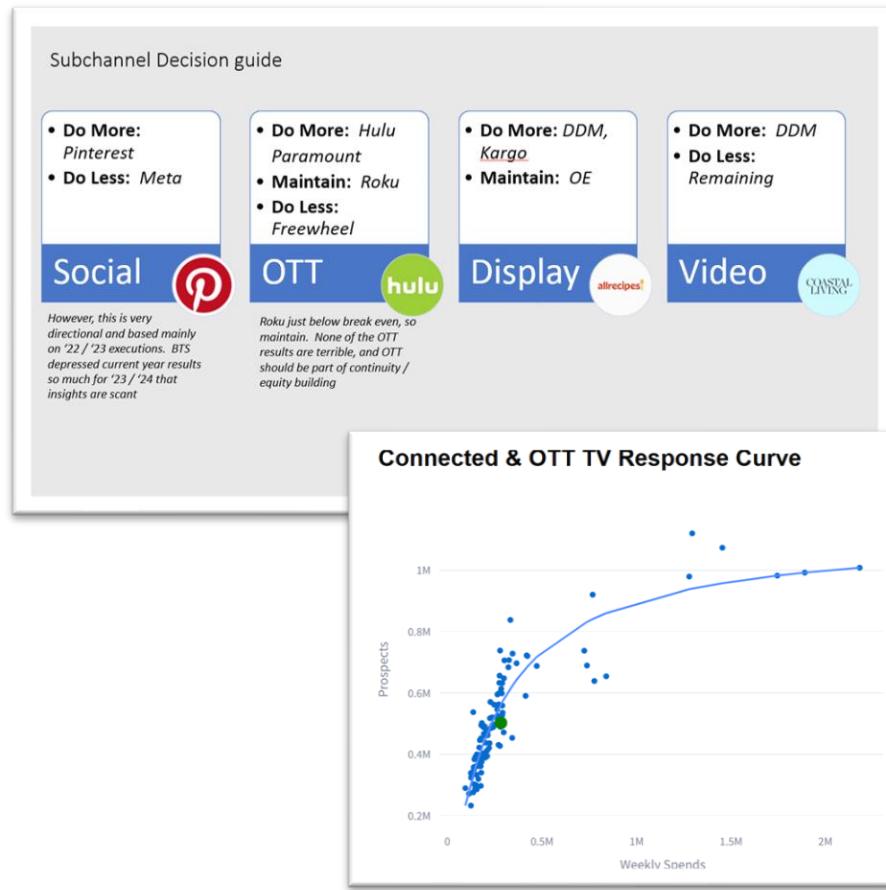
- ✓ Confirm secondary & subchannel modeling requirements
- ✓ Re-estimate Initial Model results based on secondary modeling (if needed – example; secondary Search model might indicate that OTT drives Search, driving a reallocation of Search to OTT in the Initial Model)
- ✓ Develop & Deliver Subchannel Models



This is where we start to drill into details within the data to find insights and actions.

Some of these outcomes will be standardized and delivered via dashboards, but we will also conduct ad hoc analysis as needed

In Phase 3 We Bring it All Together into Actions



Model-driven insights will help guide decisions for media execution.

Response curves yield Channel MROI for actioning in Simulation / Optimization tool.

For the first build, we'll deliver a full review of results; as our engagement continues, we'll find the cadence that aligns to your media spend decision points [ex – your model may eventually refresh each month with new data with reports via dashboard. We could support everyday but also do quarterly reviews in-depth]

ROI Calculation is an Extension of Model Development



Value / Cost = ROI

This is pretty easy math, right?
ROI is just the value that I got
for my spend divided by the
spend.
However, there can be variants
of ROI



Different Flavors of ROI

Retail Sales ROI = \$ Sales /
Cost

GM ROI = Gross Margin \$ / Cost

If sales data can be segmented
then Segment ROIs are
possible

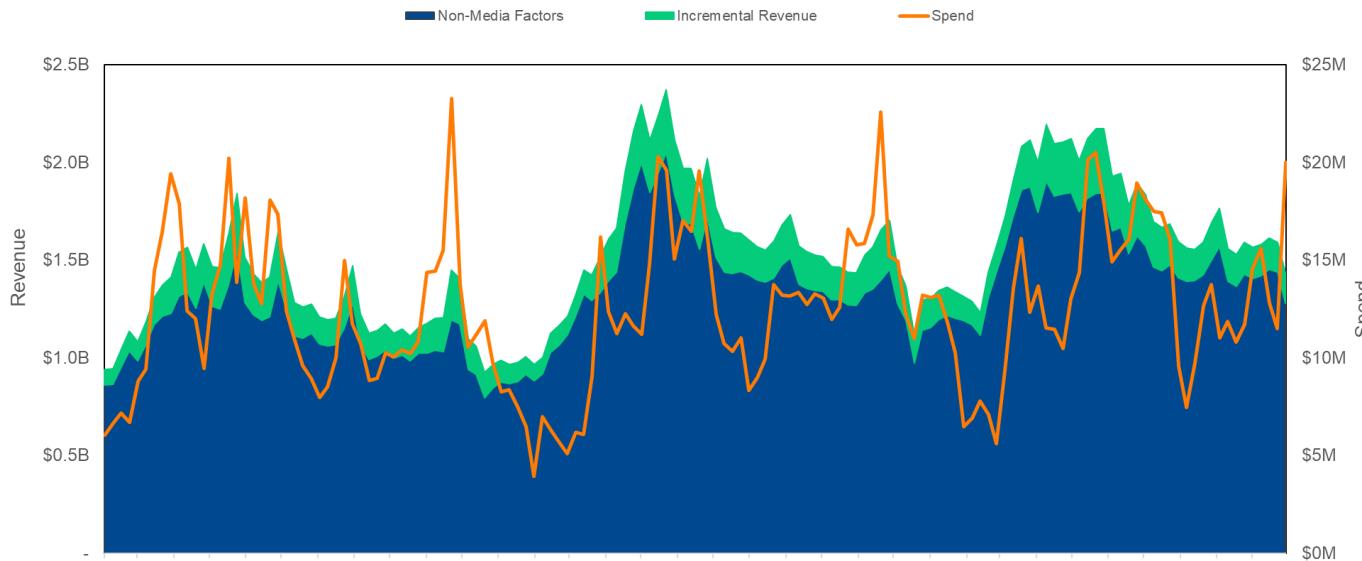


Long Term ROI

Long Term ROI refers to
understanding that media,
especially upper funnel media
like Branded OTT, has a longer-
term brand equity impact.

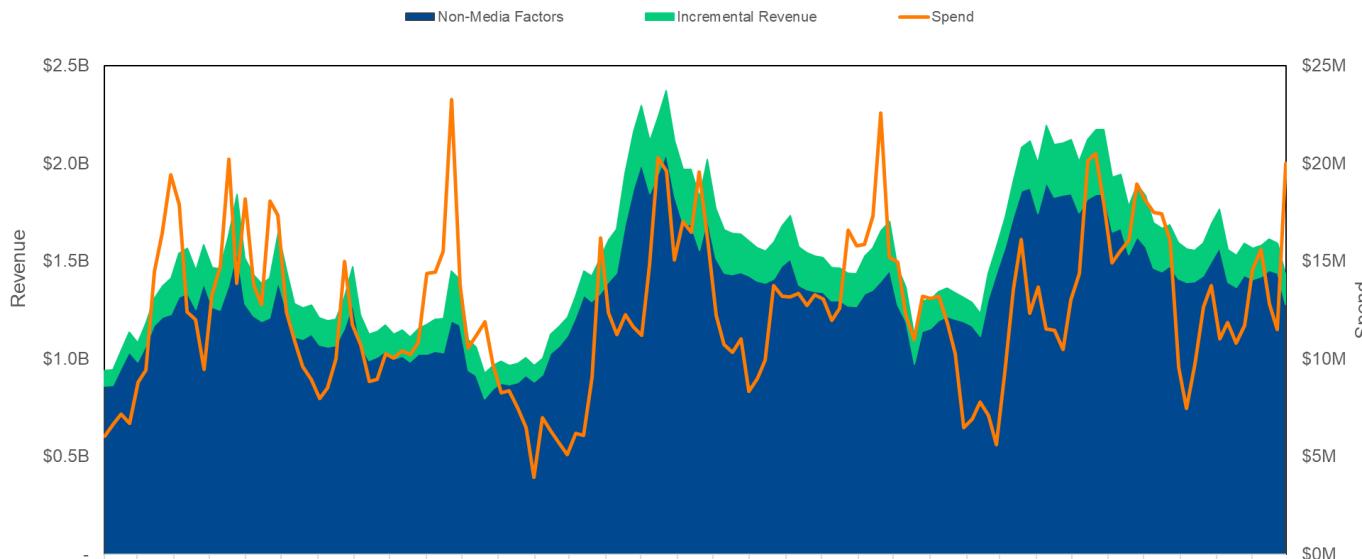
Long Term ROI is far more
directional in nature than the
typical ROI (short-term) that
comes out of MMM

LT ROI Leverages the “Base”



An MMM doesn't attempt to explain 100% of sales; it estimates the portion caused by Media, Price, and Trade. The remaining, unexplained portion is termed the Base, or Non-Media Driven sales. We'll use this to estimate long-term effects

Long-Term Marketing Mix Modeling (MMM)

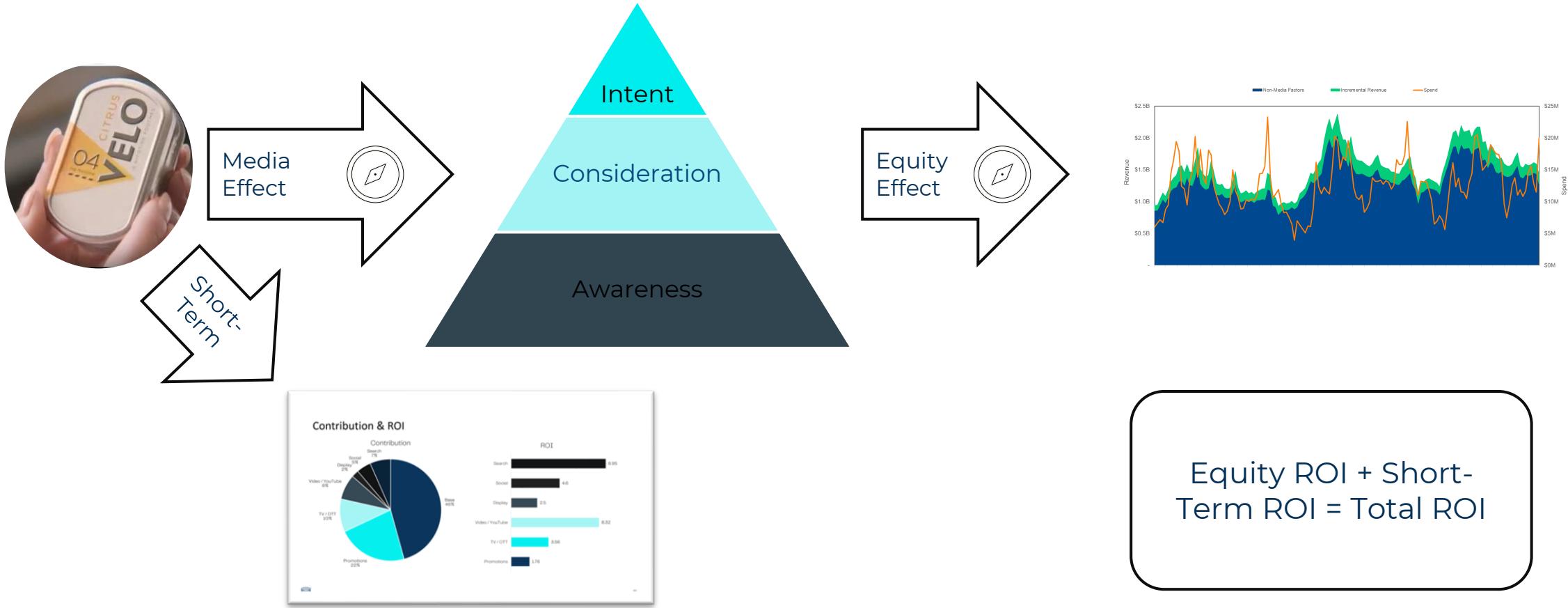


In a typical MMM, media data is decayed anywhere from 4-13 weeks.

When Brands ask, “what’s in ‘non-media’ or Base”, part of answer is always “long-term value of Brand”.

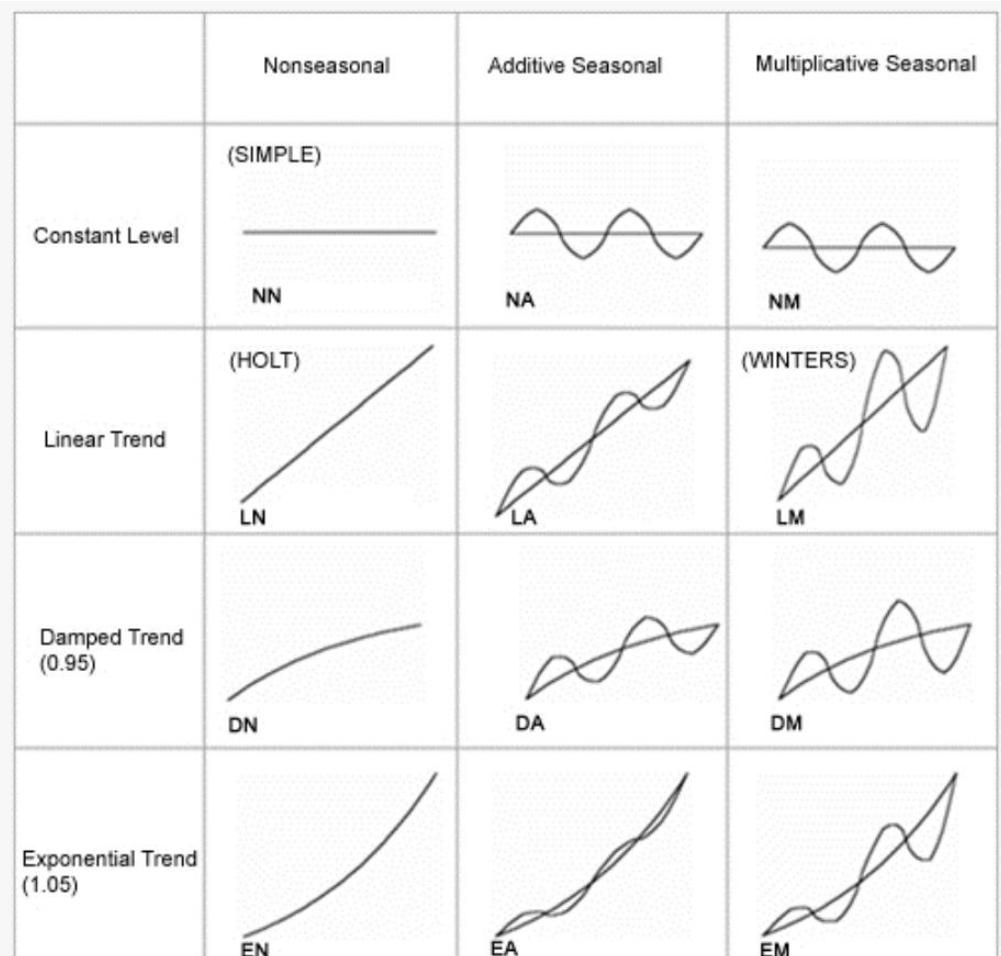
A simple way to estimate this is to test lags of media (3 / 6 / 9 / 12 month) against a 3-5 year baseline from an MMM.

Two-Stage uses Equity Tracking data



Here we layer onto our MMM by first estimating media's impact on Equity data – note statistical rigor has to be relaxed for this due to data sparsity (directional!) We then estimate the Equity impact on our long-term Base to determine how media drove a long-term effect

We propose modeling Grizzly NOW



Given the '24 launch of Grizzly MO, some might argue that it would be better to wait until more observations are available.

We propose starting right away because important terms can be estimated immediately

- Trend will be derivable from the sales data
- Seasonality can be borrowed directly from the Velo model, as category brands will share seasonality
- Grizzly has brand awareness, so this extension into MO isn't the same as a new brand launch

Most importantly, we think it is important to start right away because without a model we'll be guessing; better an 80% solution supporting marketers now than to keep them guessing for months

Model Updates & Refreshes – Blend POV

Definitions

- **Monthly Refresh:**

Each month, fresh data from various sources is loaded into Databricks, where the existing model is applied. This automated process runs a decomposition to update Contribution and ROI insights. It's important to note that the model itself remains unchanged—we are simply applying it to new data. During each update, accuracy checks ensure the model still fits the data; if discrepancies arise, an update may be required. Relationships like Sales-to-Impression ratios remain consistent during a refresh, and New marketing channels cannot be added as part of this process.

- **Model Update:**

This involves re-estimating the model using new data. While the existing code serves as a foundation, transformations can be adjusted to account for changes in consumer response. This is a deliberate and rigorous process, similar to the initial model development. It includes full statistical validation and allows for modifications such as refining sub-model details or introducing new marketing channels. Unlike a simple refresh, key relationships—such as Sales-to-Impression ratios—may change during an Update. To ensure accuracy and precision, a second Data Scientist is assigned for the duration of each update, providing every brand with a dedicated modeling expert.



Model Updates & Refreshes – Blend POV

- **Industry Best-Practice:**
Consumer response to marketing typically does **not** shift dramatically month-to-month; thus, refreshing data monthly and applying existing models is industry best practice.
- **Limited Data for Certain Brands:**
For brands initially lacking sufficient data, we'll perform additional model Updates as needed once more data accumulates, ensuring models accurately capture evolving trends.
- **Testing for Validation:**
We'll design targeted tests to validate model accuracy and stability, informing the optimal frequency of Updates.
- **Anticipated Frequency:**
Based on current insights, we anticipate approximately **3 Updates** will be appropriate within the initial engagement period.
- **Collaborative Decision-making:**
The final refresh schedule will be jointly determined during the Value and Design phase (Blend + Reynolds), ensuring alignment with your business needs.



Key Differentiators of Our Approach

Data Science Expertise

- The data scientists at our competitors know how to run the standard automated code that is given to them to by their company – they don't understand how to build custom models like those needed for Reynolds American
- We're also AI experts, ready to leverage the best of evolving capabilities when RA is ready for them

Joint Model Development Drives Adoption

- Making Marketing & Finance teams part of the solution creates confidence in using the models to make decisions

Flexible Approach can Change in the Future

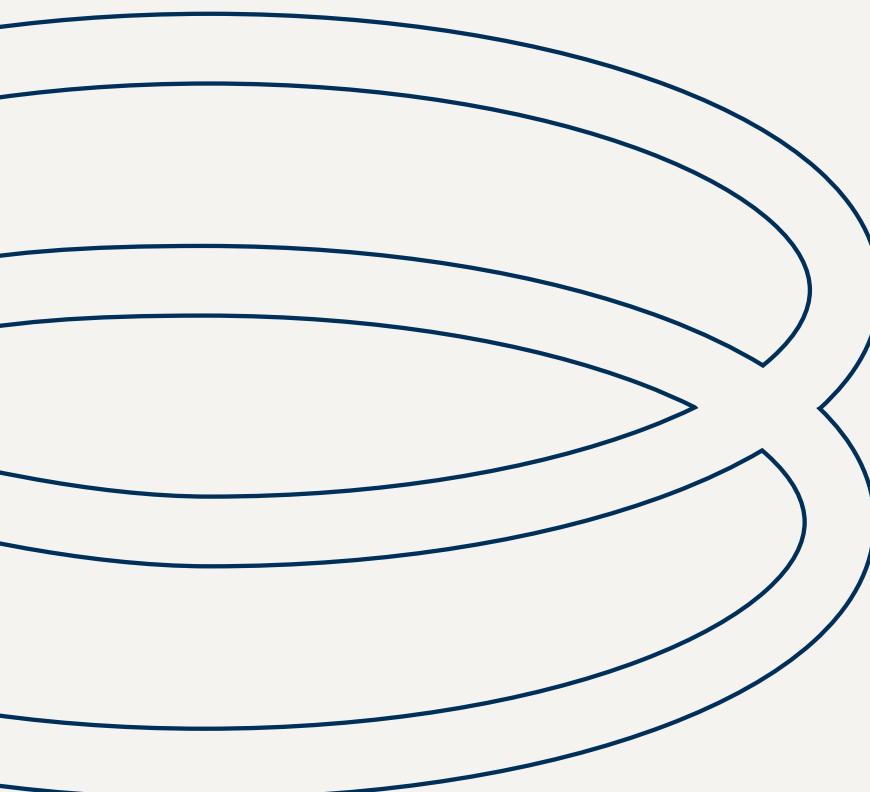
- Implement somebody else's solution and you'll be stuck with the model that gets implemented; our jointly developed solution can be made to adapt or be replaced in the future as the Modern Oral category matures

Resource Optimization, Scenario Analysis & Reporting



Blend Approach

Resource Optimization & Scenario Analysis use the same tool; this tool leverages the forward-looking capabilities created by MMM Response Curves to see the impact of potential future spending scenarios. Optimization algorithms test myriad scenarios to help you pick the best option to maximize the impact of your spend



Solution Overview

- **Response Curve Generation:** Response Curves take the power of your MMM and makes it forward looking
- **Simulations & Scenarios:** Compare the impact of different potential media plans to see which one works best
- **Optimization:** leverage sophisticated algorithms to find the optimal outcome that lies within your budget
- **Operational Reporting:** MMM results and media reporting available to all users

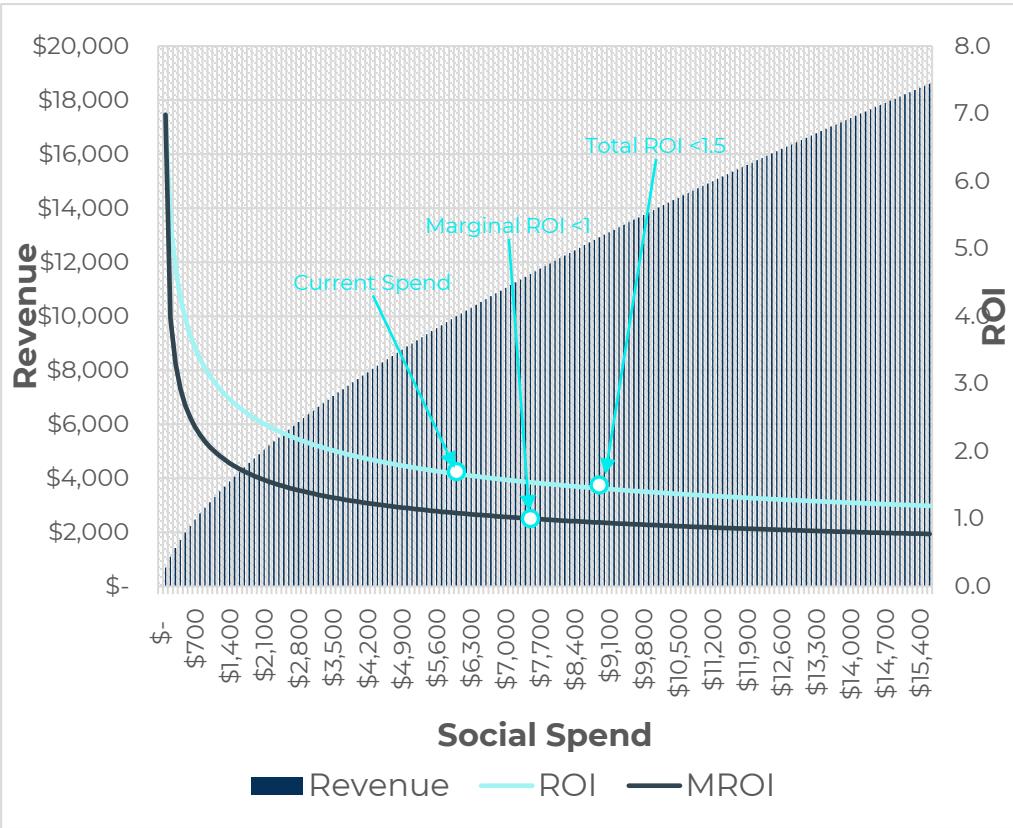
Approach: Three Phases

- **Create Initial version based on user interviews**
- **Place rough draft version in user's hands to test & learn**
- **Rapidly refine and finalize tool**

Why This Approach

- **Requirements Gathering is Hard:** Users struggle to tell you exactly what they want; by putting a tool in their hands to test they can better inform on what they like and what they don't
- **Efficient:** building this way lets you get the tool / reports you need faster and cheaper than gathering requirements, building final versions then having to change order later (at a cost)

MMM Response Curves Feed Simulation



Blend

Scenario Planner

Metrics	Actual	Simulated	Change	Change Percent
Spends	\$318.6M	\$318.6M	\$0	0%
Revenue	\$689.4M	\$689.4M	\$0	0%
ROI	2.16	2.16	0	0.0%

Channel	Spends Input	Spends	Revenue
Display Prospecting	Absolute: \$10.3M Percent Change: 0.00% Spends Change: \$0 Spends Percent: 0%	Actual Spends: \$10.3M Simulated Spends: \$10.3M Revenue: \$21.8M Simulated Revenue: \$21.8M	Actual Revenue: \$21.8M Revenue Change: \$0 Revenue Percent: 0%
Social Prospecting	Absolute: \$16.4M Percent Change: 0.00% Spends Change: \$0 Spends Percent: 0%	Actual Spends: \$16.4M Simulated Spends: \$16.4M Revenue: \$50.2M Simulated Revenue: \$50.2M	Actual Revenue: \$50.2M Revenue Change: \$0 Revenue Percent: 0%
Search Non-brand	Absolute: \$99.7M Percent Change: 0.00% Spends Change: \$0 Spends Percent: 0%	Actual Spends: \$99.7M Simulated Spends: \$99.7M Revenue: \$200.5M Simulated Revenue: \$200.5M	Actual Revenue: \$200.5M Revenue Change: \$0 Revenue Percent: 0%

MMM not only measures past media impact but also models how different spending levels affect each channel. These response curves power the Scenario Planner, enabling media spend simulation and optimization—driving sustained ROI improvements of 10% or more.

Blend Tools Combine Simulation & Optimization

Blend

Logout

Scenario Planner

Select base data for optimisation

Optimise Actual Spends

Metrics	Actual	Simulated	Change	Change Percent					
Spends	\$ 318.6M	\$ 318.6M	Digital Partners Simulated ROI: 1.58 Actual ROI: 1.65	Absolute 27.8M Percent Change 24.47	Spends Input Actual Spends \$ 22.4M Spends Change \$ 5.5M	Spends \$ 27.8M Spends Percent 24%	Revenue \$ 36.9M Revenue Change \$ 43.9M	Revenue \$ 36.9M Revenue Change \$ 43.9M	Optimize
Revenue	\$ 689.4M	\$ 689.4M	Social Retargeting Simulated ROI: 3.78 Actual ROI: 3.7	Absolute 5.4M Percent Change 30.00	Actual Spends \$ 4.1M Spends Change \$ 1.2M	Simulated Spends \$ 5.4M Spends Percent 30%	Actual Revenue \$ 15.3M Revenue Change \$ 20.3M	Simulated Revenue \$ 20.3M Revenue Percent 33%	
ROI	2.16	2.16	Audio Simulated ROI: 1.1 Actual ROI: 1.01	Absolute 12.8M Percent Change -9.35	Actual Spends \$ 14.1M Spends Change \$ -1.3M	Simulated Spends \$ 12.8M Spends Percent -9%	Actual Revenue \$ 14.2M Revenue Change \$ -217.6K	Simulated Revenue \$ 14M Revenue Percent -2%	
			Social Prospecting Simulated ROI: 3.26 Actual ROI: 3.06	Absolute 15.3M Percent Change -6.69	Actual Spends \$ 16.4M Spends Change \$ -1.1M	Simulated Spends \$ 15.3M Spends Percent -7%	Actual Revenue \$ 50.2M Revenue Change \$ -350.7K	Simulated Revenue \$ 49.9M Revenue Percent -1%	

Channel Spends Simulator

Optimize

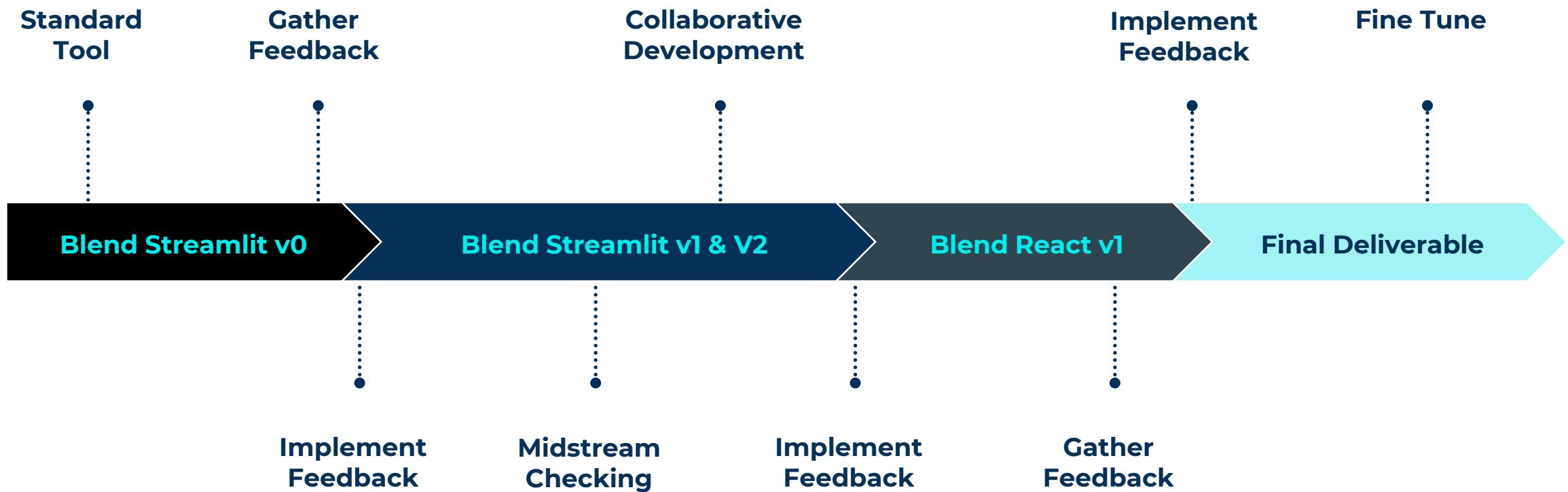
Media Spends

Optimize all Channels



Rapid Prototyping Approach to Sim / Opt

One key challenge to tool implementation is that it is difficult for your users to tell you what they want until they try a tool out. Rather than have you implement a tool only to be hit with change orders to get it right, we propose rapid prototyping around our Streamlit solution to quickly gather user requirements and deliver your final solution in a matter of weeks with no additional cost



MMM Accelerator Contains Pre-built Starter Reports

The image displays three separate screenshots of the Blend360 MMM Accelerator interface, each showing a different type of pre-built report:

- Leadership Report:** This report provides a high-level overview of performance across various dimensions. It includes a KPI Summary section with metrics like Spend (\$633K), Sales (\$283.8K), Conversions (35.3M), Bookings (104.4K), CPM, and CPC. Below this is an MMM Simulator section with fields for Planning Window (Next Month), Baseline Window (Previous Year), Channel Selection (All), Goal (Bookings), and Goal Amount (1000). A bar chart shows current period vs. historical spend.
- MMM Simulator:** This section allows users to run simulations. It has fields for Input Data timeframe (Jan 01, 2023 - Dec 30, 2023), Planning Window (Next Month), Baseline Window (Previous Year), Channel Selection (All), Goal (Bookings), and Goal Amount (1000). It also includes a section for MMM Recommendations with key figures: Overall Spend (\$633.8K), Sales (\$283.8K), Conversions (35.3M), Bookings (104.4K), Clicks (27.3K), and Impressions (30.7K).
- MMM Channel Performance:** This report focuses on channel-specific performance. It includes a "Channel Spend Recommendation by MMM" section with a grid of comparisons between Paid Search, Paid Social, Display, Email, App, and Website channels. Below this are sections for "Total Media Contribution % (All Channels)" (a donut chart) and "Channel Details - All" (a table of KPIs for each channel). The bottom section is titled "Sub-Channel Analysis" with a stacked bar chart showing Sub-Channel % Spend Contribution for Paid Search, Paid Social, Display, Email, App, and Website.

We take the same approach to Dashboards as we do with Simulation & Optimization. We have pre-built versions that we can deploy into whatever BI software you use, then we'll customize them to suit the needs of your global team (or build new ones if that's better for Reynolds)



MMM Accelerator

Key Differentiators of Our Approach



Built to suit your needs

- Reports & tools built specifically for Reynolds have a better chance of being adopted, so we create tools that your team will design with us
- This approach also saves you the expense of change fees that others charge when you want to change their cookie-cutter tools



Platform Flexible

- Our flexible approach allows us to embed reporting in the BI platform of your choice



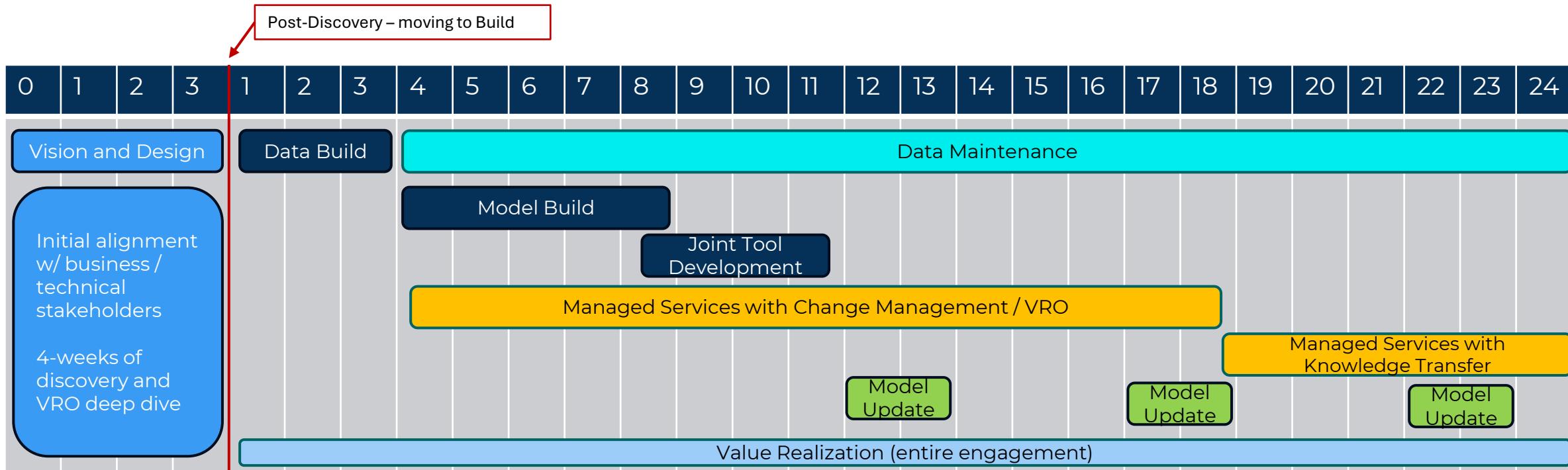
Globally scalable, immediately available

- Response curves for other countries will be essentially the same calculation method, so the Sim / Opt tool can be used for all countries
- The same goes for dashboards, which can also support operational reporting of media data

Two-Year Commercial Details



Two Year Timeline – Velo & Grizzly MMM

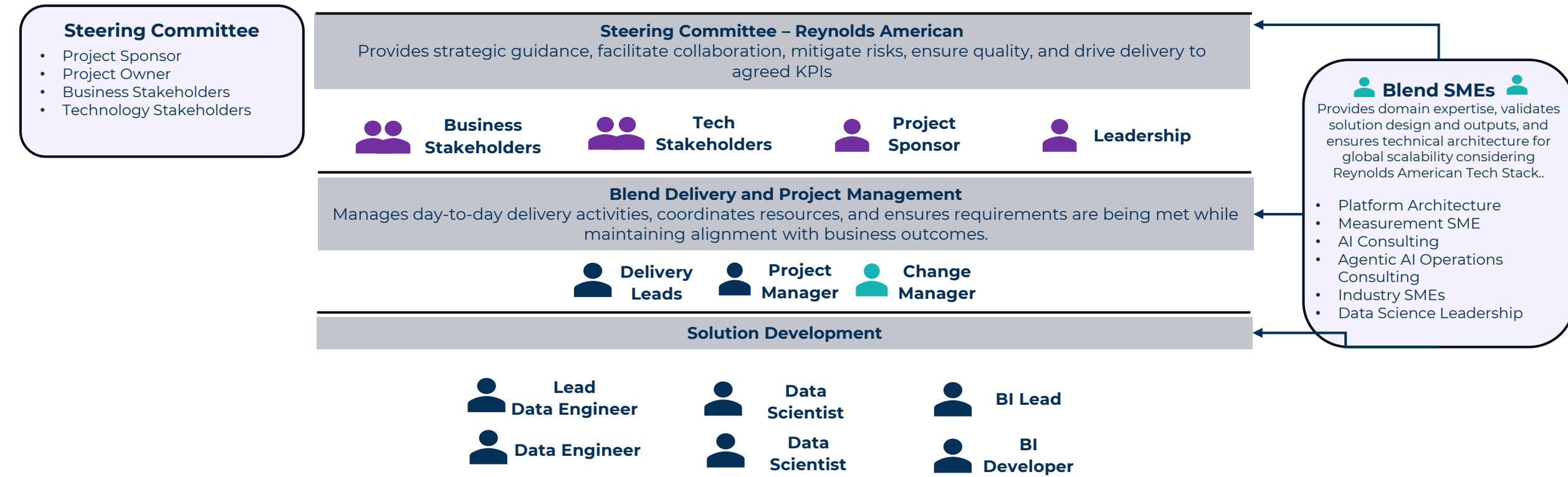


- 4-week Vision and Design (free of charge) – deep discovery aligning to business, IT, and all Reynolds stakeholders to define value realization, priorities, etc.
- Initial Build Pricing is Deliverable-based
- Maintenance / Updates / Managed Services via Retainer
- Maintenance includes conducting Model Refreshes (applying existing model to updated data) each month and delivering via Dashboards
- Model Updates cover complete model re-estimation for both Velo and Grizzly
- Per RA guidance, services taper in final 6 months reflecting transfer to RA ownership

Blend Team Structure – Initial Build

Key

- Reynolds American
- Blend
- Blend Non-Billable



Commercial Model – Initial Build

Phase	Estimated Timeline	Total Cost
Holistic Program View	16 – 20 Weeks	\$572,300
Vision & Design (Business Alignment)	4 Weeks	\$0
Data Collection & Integration	4 – 6 Weeks	\$102,000
Model Development	7 – 9 Weeks	\$194,000
ROI Calculation	3 – 4 Weeks	\$90,000
Resource Optimization	3 – 4 Weeks (in parallel)	\$63,000
Scenario Analysis		
Reporting and Insights	3 – 4 Weeks (in parallel)	\$135,000

Blend Investment

Blend proposes the following investments to ensure program success

1. Cost-Free 4-week discovery and planning phase - \$150,000
2. Cost-Free VRO (change management consultant) - \$75,000
3. Annual access to Blend SME Platform – see slide 52 for specific consultant types - \$100,000
4. Portion of fees at risk – Blend is willing to put a % of fees at risk subject to delivery excellence



Commercial Model – Ongoing

Managed Services	Details	Total Cost
<ul style="list-style-type: none">• Data Pipeline Management• Model Enhancements• Reporting Tooling Management• VRO Support Services• Model Refreshes• BOT Capability Services	<ul style="list-style-type: none">• Conduct Training• Support Simulation & Optimization• Run Ad Hoc Analysis• Deliver QBR• Support Model Updates• Model Refreshes (x3 total)	\$45k/month Months 7-18** \$38/month Months 19-24**
		\$ 783,000 (18 months)

MSE Ongoing Engagement - Structure

Blend proposes a hands-on managed-service POD for ongoing program maintenance and enhancements. Our pricing shows this team available for 18 months after the initial build phase is completed.

- **Months 7-18:** x4-5 Resource Team (Data Science, Data Engineer, Project Lead, Change Management)
- **Months 19-24:** x2.5 Resource Team (Data Science, Data Engineer, Project Lead)
 - Project Lead, moves to part-time allocation focused on transitioning program to Reynolds FTE's
- Cost inclusive of Model Refreshes (x3 over 18-month period of ongoing managed service)

***Months 8-24 are an estimated timeline – timeline will flex based on Reynold's business tempo / needs*

***Blend will follow Reynold's business tempo and be flexible for when program is transferred to Reynold's ownership*

Blend Investment Option

- Blend agrees to save 5% of the total spend (build + managed service) as an **Investment Fund** that can be used for future projects (additional measurement, automation, AI, etc.)



Blend Discounts and Investments

Initial Build Discounts

- \$17,700 -- Initial Build 3% Discount (reverse auction)
- \$130,000 -- Discovery Period Discount
- \$75,000 -- VRO / Change Management Resource at 0 cost

TOTAL DISCOUNTS - **\$222,700**

Investment Fund

- \$68,000 -- 5% of TOTAL Program Contract Value for New / Additional Projects



Summary of the 5% Investment Fund Offering:

Demonstrates Blend's commitment to value creation and fostering long-term client partnerships

- Blend allocates **5% of the total project budget as an investment fund** to clients, reserved for additional value beyond the agreed scope.
- It acts as a **retainer for unanticipated needs or opportunities** that may arise during the project lifecycle.
- Clients can use the fund for "**free work" on overlooked features or business requirements** not captured in their RFP.
- Enables **cost-efficient innovation**, kickstarting mini-projects (MVPs) that align with the client's growth and experimentation goals.
- Ensuring it is used exclusively for **impactful initiatives**; it cannot be redeemed as cash.
- Encourages **flexible collaboration** by addressing evolving business needs or introducing creative advancements to the project.

Examples of how other clients used these funds:

- **Developing an MVP for a New Marketing “Campaign” Tracker:** Building a lightweight tool to track and measure an innovative pilot campaign's performance in real-time.
- **Enhancing User Experience:** Refining user interface (UI) elements of a digital product to improve engagement and accessibility based on client feedback post-launch.
- **Custom Data Visualization Dashboards:** Adding tailored dashboards for stakeholders to extract deeper insights from data already captured by the system.
- **Geo-Specific Strategy Adjustments:** Adjusting features or strategies for market-specific needs (e.g., adapting marketing tactics for a key regional demographic).
- **Integration with Emerging Technologies:** Testing the integration of cutting-edge technologies like AI in a limited-use scenario to evaluate future potential.
- **Enhance the Knowledge Hub:** Developing a central repository for training materials, guides, or FAQs to support internal or external users of the solution.
- **Refinement of Predictive Models:** Improving the accuracy of predictive analytics based on real-world usage of the deployed MMM solution.
- **Localization Efforts:** Supporting the adaptation of models, campaigns, or platforms for new geographies or languages as the client expands.
- **Interactive Workshops on Innovation Use Cases:** Organizing sessions to help the client explore creative applications for MMM insights in adjacent or untapped areas.
- **AI Readiness and POC’s:** AI consulting workshops to identify readiness and prioritize POC's

Why Us



You Own IP

Not a black box that is one size fits all. Our solution is transparent & built on your hardware. NO LOCK IN!



Partnership Model, Creating Actual Impact

Our change management model engages business stakeholders throughout the process. **OUR** results, **OUR** responsibility (not yours)



Custom / Flexible

Solution is built for your needs & on your foundational tech stack using our existing codebase / accelerators / decades of experience

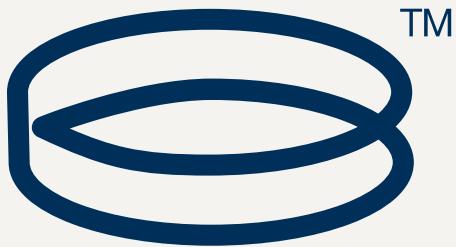


Globally Scalable and Future Ready

We grow with you; scaling is built into solution for global expansion and AI readiness



Thank



you

Appendices

Sample Deliverables

Lessons Learned

Data Collection & Integration

Model Development & ROI
Calculation

Appendix: Sample Deliverables



Sample MMM deliverable

Base and Incremental

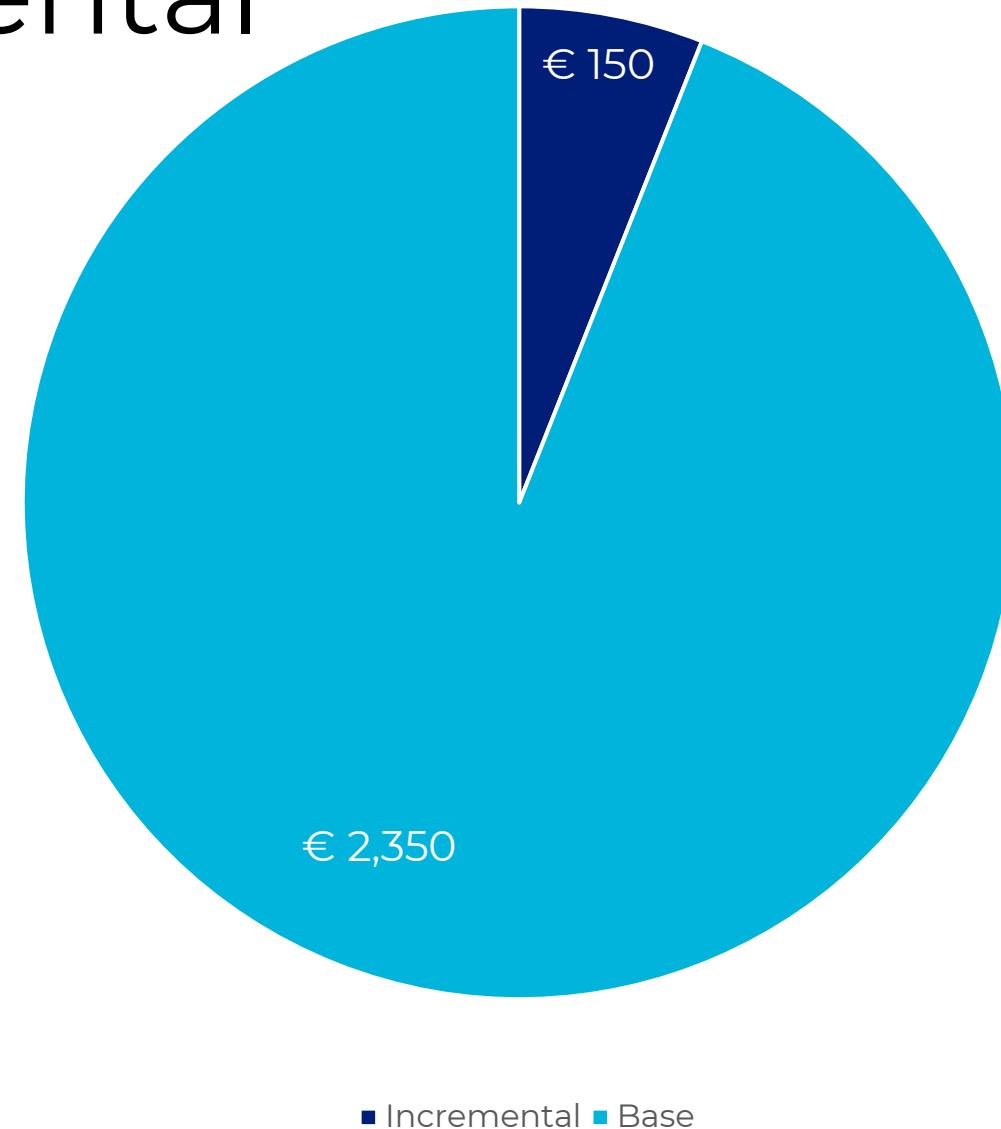
Base Sales

The sales that would have occurred without any Marketing

Marketing Contribution

The **incremental** revenue from Marketing activities:

- Spend level
- Media mix
- Promotions
- Pricing
- Etc.

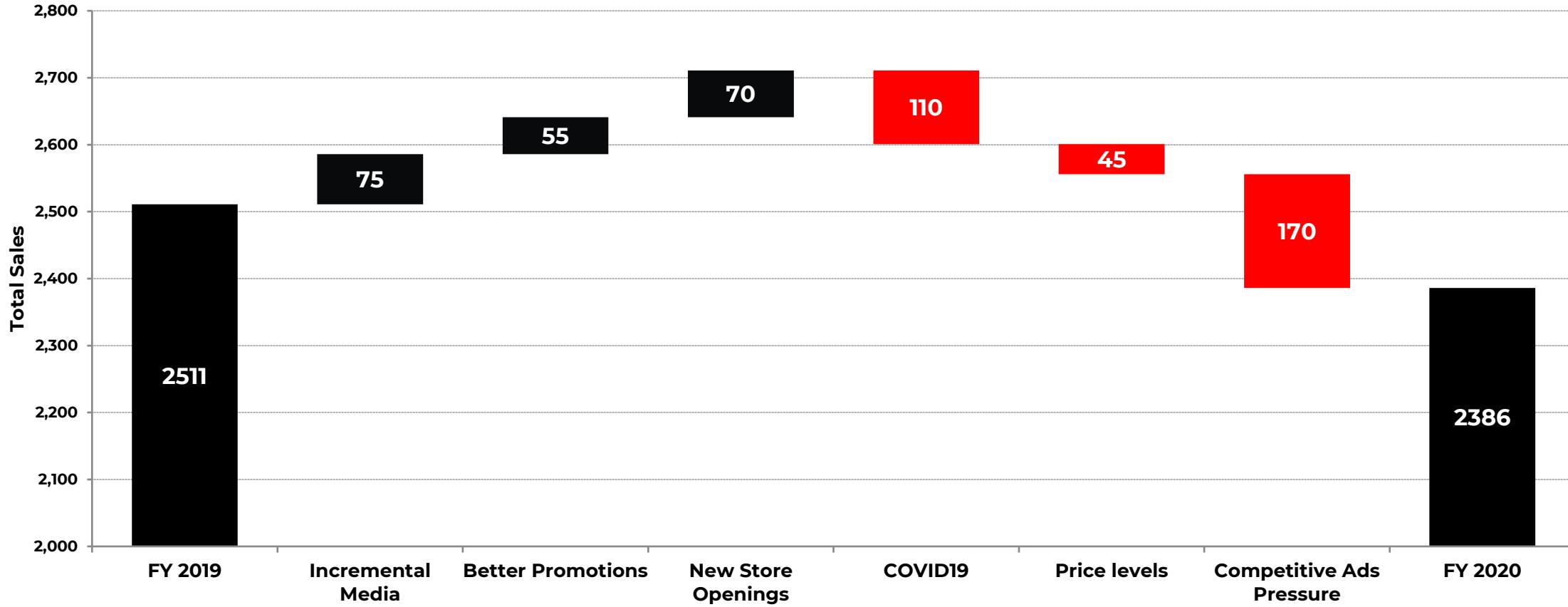


Sample MMM deliverable

Illustrative

Drivers of Change in YoY Total Sales

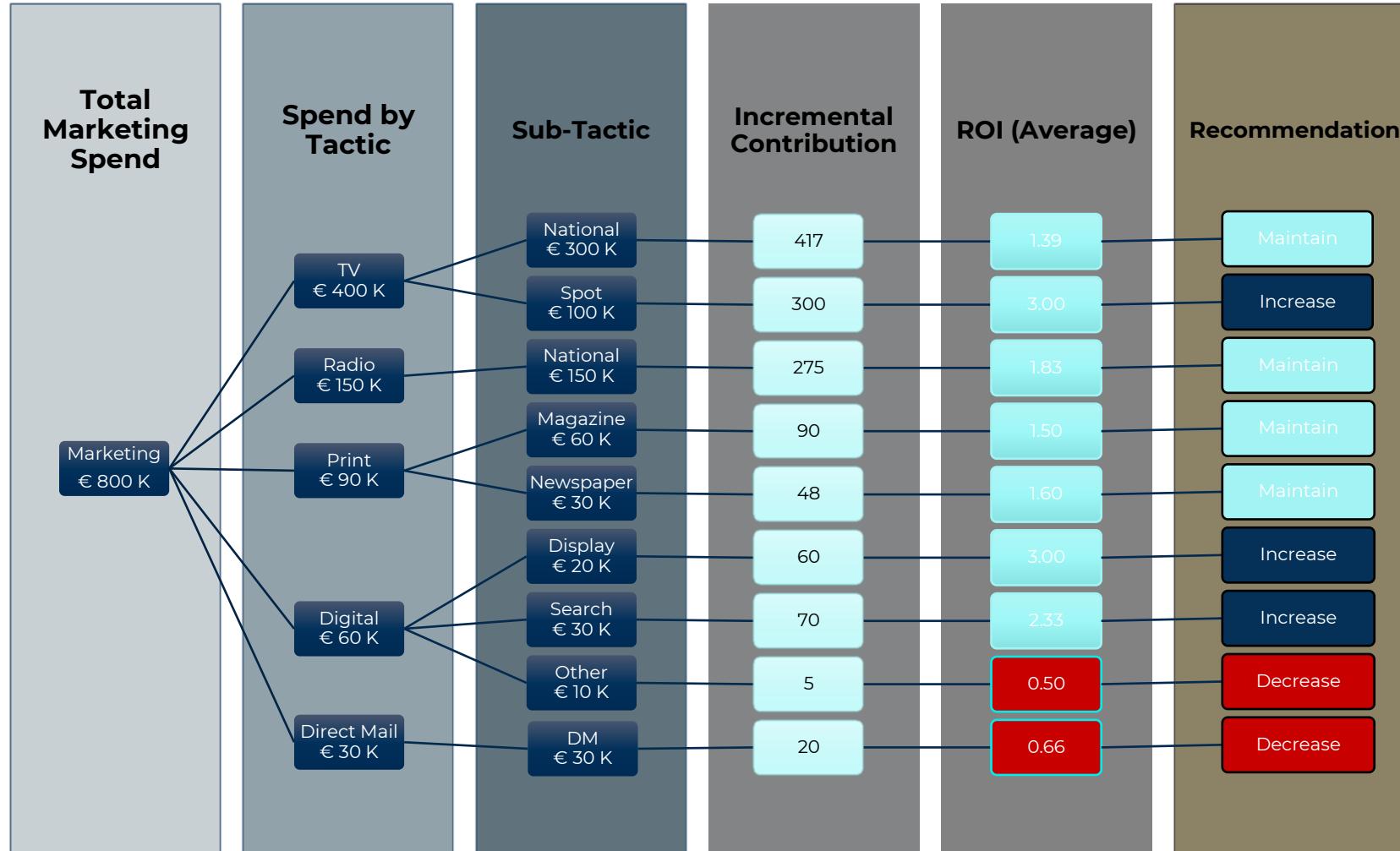
Drivers of Change in Total Sales
FY2019 to FY2020



Sample MMM deliverable:

Illustrative

Hierarchical Performance Review

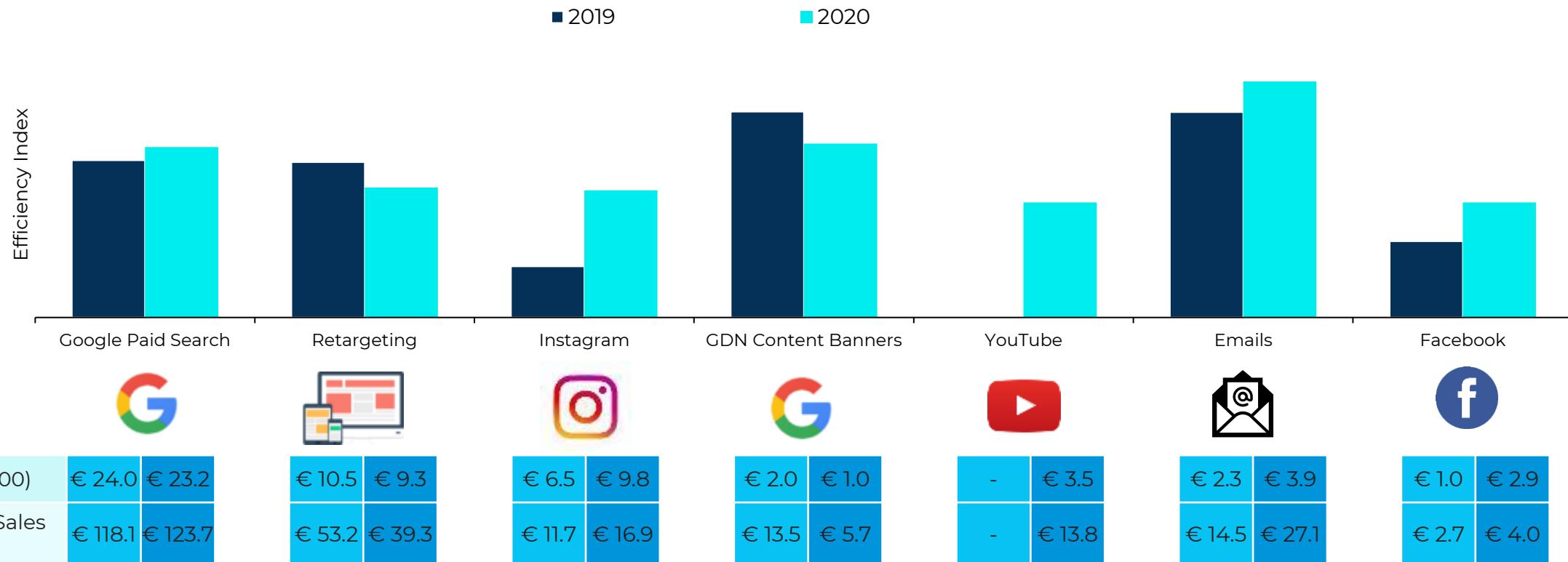


Illustrative

Sample MMM deliverable:

Deep dive ROI by Digital Channel

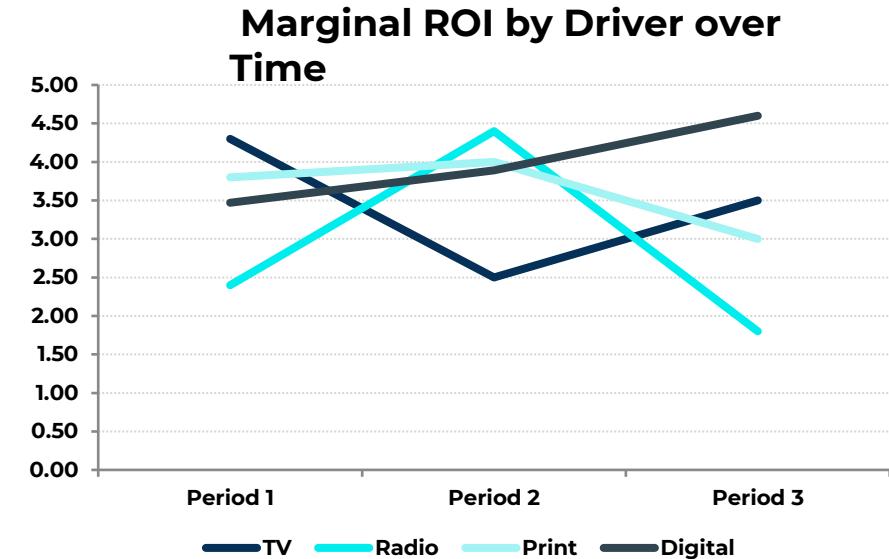
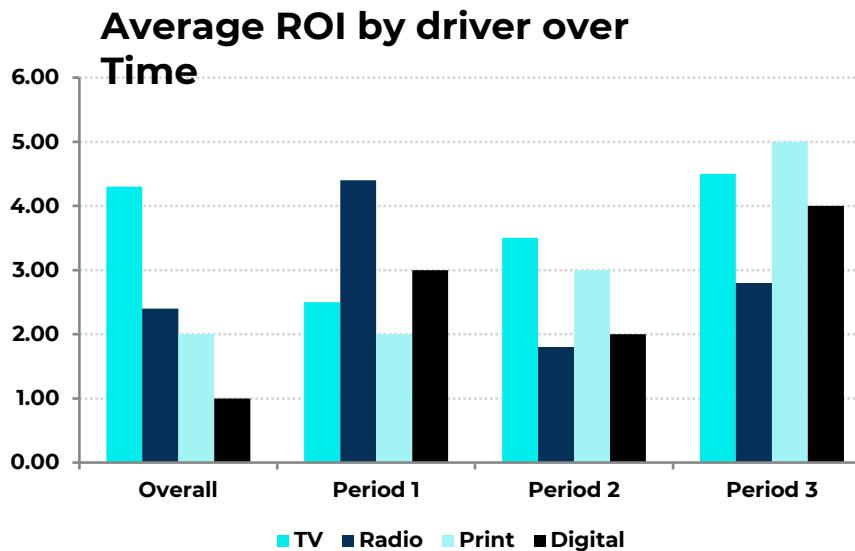
Total Response by Digital Tactic



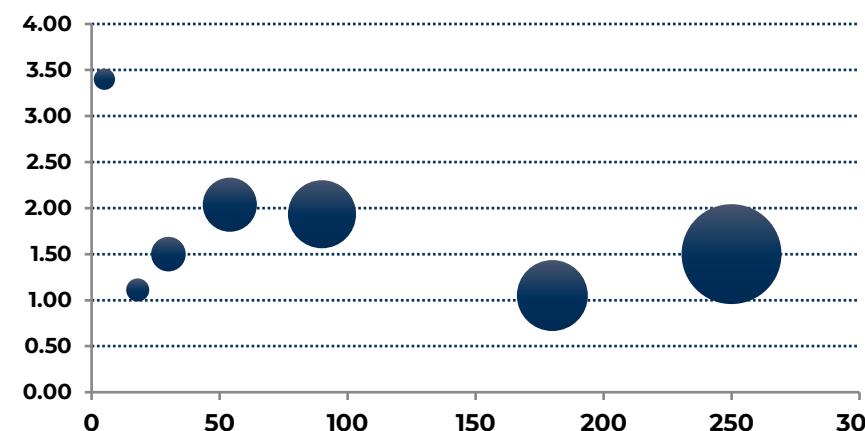
Illustrative

Sample MMM deliverable

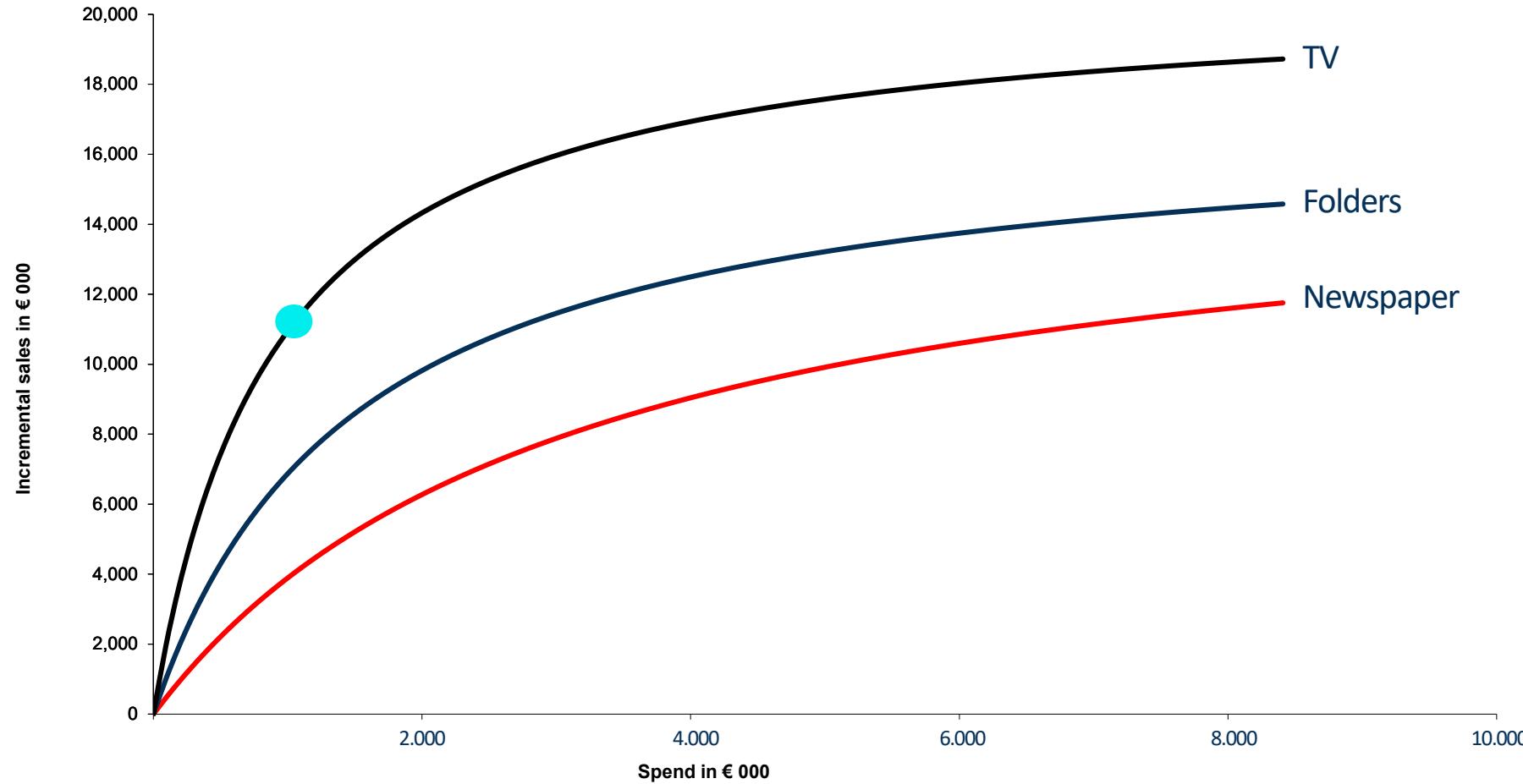
Average ROI Summary



ROI by Spend/Contribution



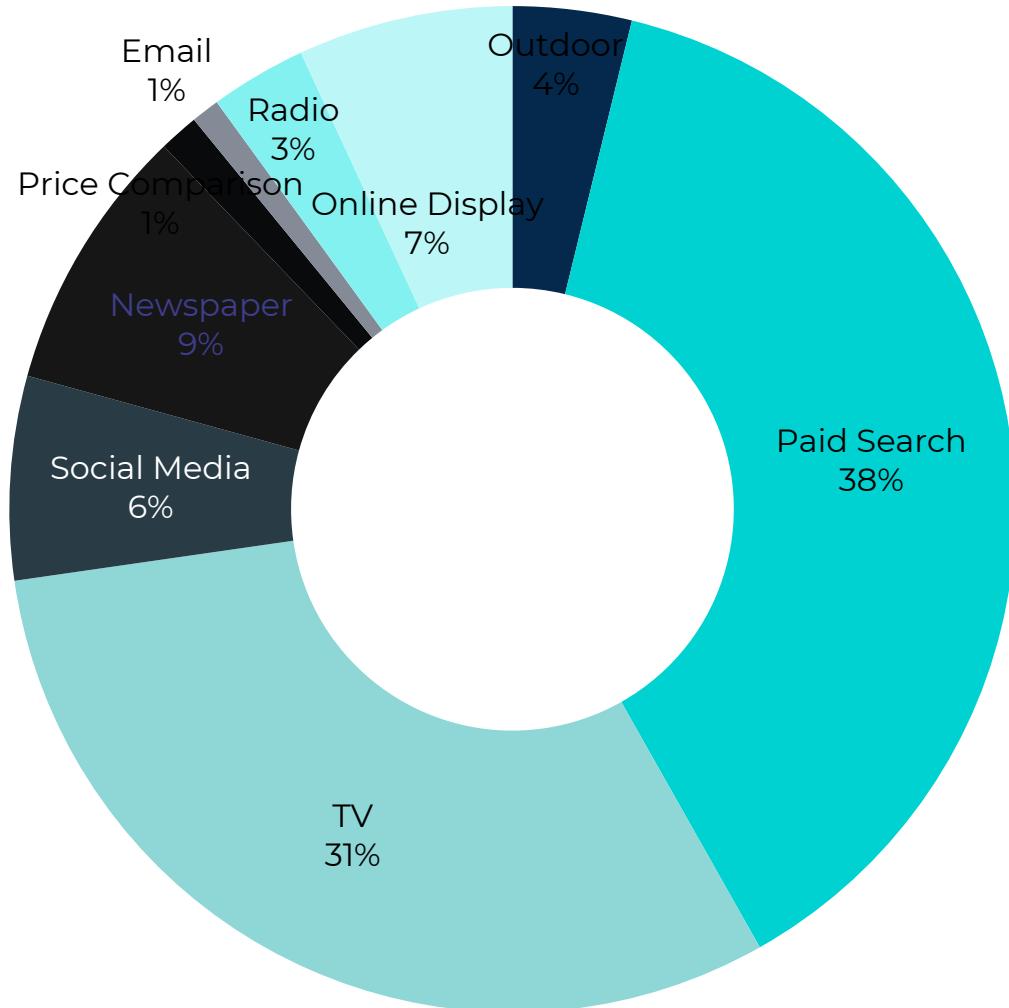
Response Curves



Sample MMM deliverable

Illustrative

2021 Media Spend Scenario: € 8 MM Optimized



Marketing channel	Optimised Spend	Δ from Base Spend
Outdoor	€ 305,450	30%
Paid Search	€ 3.040,000	-13%
TV	€ 2.472,730	-1%
Social Media	€ 523,640	30%
Newspaper	€ 683,640	13%
Price Comparison	€ 101,820	30%
Email	€ 72,730	21%
Radio	€ 247,270	30%
Online Display	€ 552,730	
Total	€ 8.000,000	

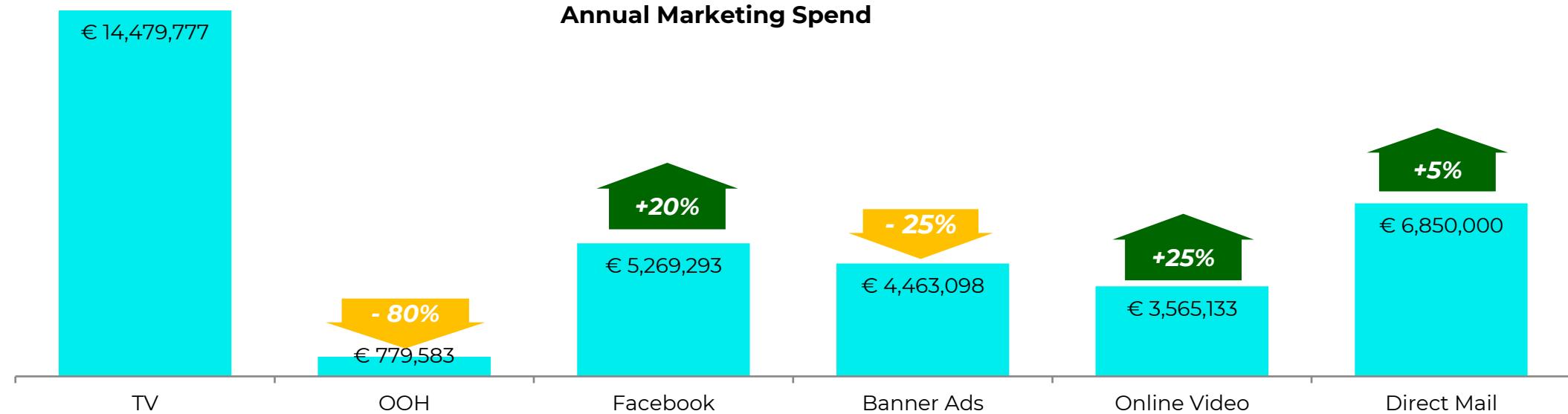
Sample MMM deliverable

Average and Marginal ROI

Media Channel	Qty	Cost	Contribution	Average ROI	Marginal ROI	Recommendation	
TV	339	92.4	<div style="width: 8.9%; background-color: #00AEEF;"></div>	8.9%	<div style="width: 2.50%; background-color: #00AEEF;"></div> € 2.50	<div style="width: 1.44%; background-color: #00AEEF;"></div> € 1.44	Increase spend, shorter ads, higher frequency
Radio	550	17.1	<div style="width: 8.2%; background-color: #00AEEF;"></div>	8.2%	<div style="width: 1.95%; background-color: #00AEEF;"></div> € 1.95	<div style="width: 1.29%; background-color: #00AEEF;"></div> € 1.29	Increase spend, Align frequency with TV
Print	75	15.3	<div style="width: 6.5%; background-color: #00AEEF;"></div>	6.5%	<div style="width: 1.34%; background-color: #00AEEF;"></div> € 1.34	<div style="width: 0.98%; background-color: #C85145;"></div> € 0.98	Maintain spend, align messaging with TV ads
Digital	273	28.9	<div style="width: 3.0%; background-color: #00AEEF;"></div>	3.0%	<div style="width: 1.11%; background-color: #00AEEF;"></div> € 1.11	<div style="width: 0.87%; background-color: #C85145;"></div> € 0.87	Maintain spend, message focus to promo
OOH	50	2.2		1.0%	<div style="width: 0.32%; background-color: #00AEEF;"></div> € 0.32	<div style="width: 0.12%; background-color: #C85145;"></div> € 0.12	Decrease spend

Sample MMM deliverable:

Expert based recommendations to optimize scenarios



ROI Potential	0%	-80%	+20%	-25%	+25%	+15%
Key Insights and Recommendations	Maintain current investment; Consider using 15 sec versions of high scoring TV ads	OOH recollection for food is generally low. Consider reallocating investment to better performing media like Facebook	Explore opportunities to increase overall investment; Focus on Modern Time savers profiles	Banner ads mainly generate indirect effects for food retail; consider scaling back overall spend	Increase overall spend, in particular behind Social and Online Video; Reuse TV copy but be aware of shorter attention span	Increase DM investment Consider implementing a more consumer needs based strategy; prioritize mail with focus on Organic food

Retailer A to evaluate both short and

Short Term Profit Analysis - Sales

Objective:

Understand “baseline sales” and the incremental impact of Marketing activities on Retailer A sales

Deliverables:

Baseline sales, Marketing lift, impact on sales, Marketing ROI, impact of other factors like economy, competition etc.
Optimization scenarios.

Business application:

Significantly improve the **short-term** effects of Marketing on Retailer A sales and P&L

Long Term Equity Analysis – Brand

Objective:

Understand the longer-term impact of Marketing activities on the Retailer A brand

Deliverables:

Brand impact and long-term ROI of Marketing investments.
Optimization scenarios.

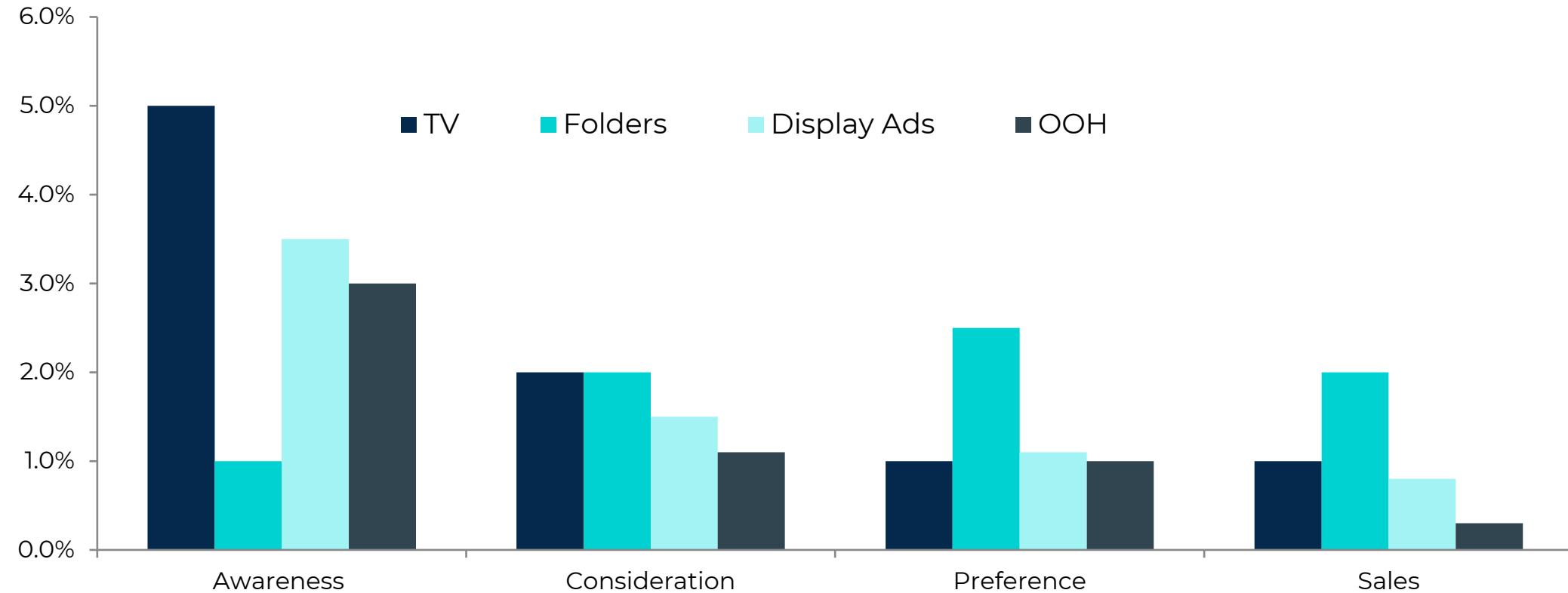
Business application:

Improve the brand building process and quantify the **long-term** effects of Marketing on the Retailer A brand

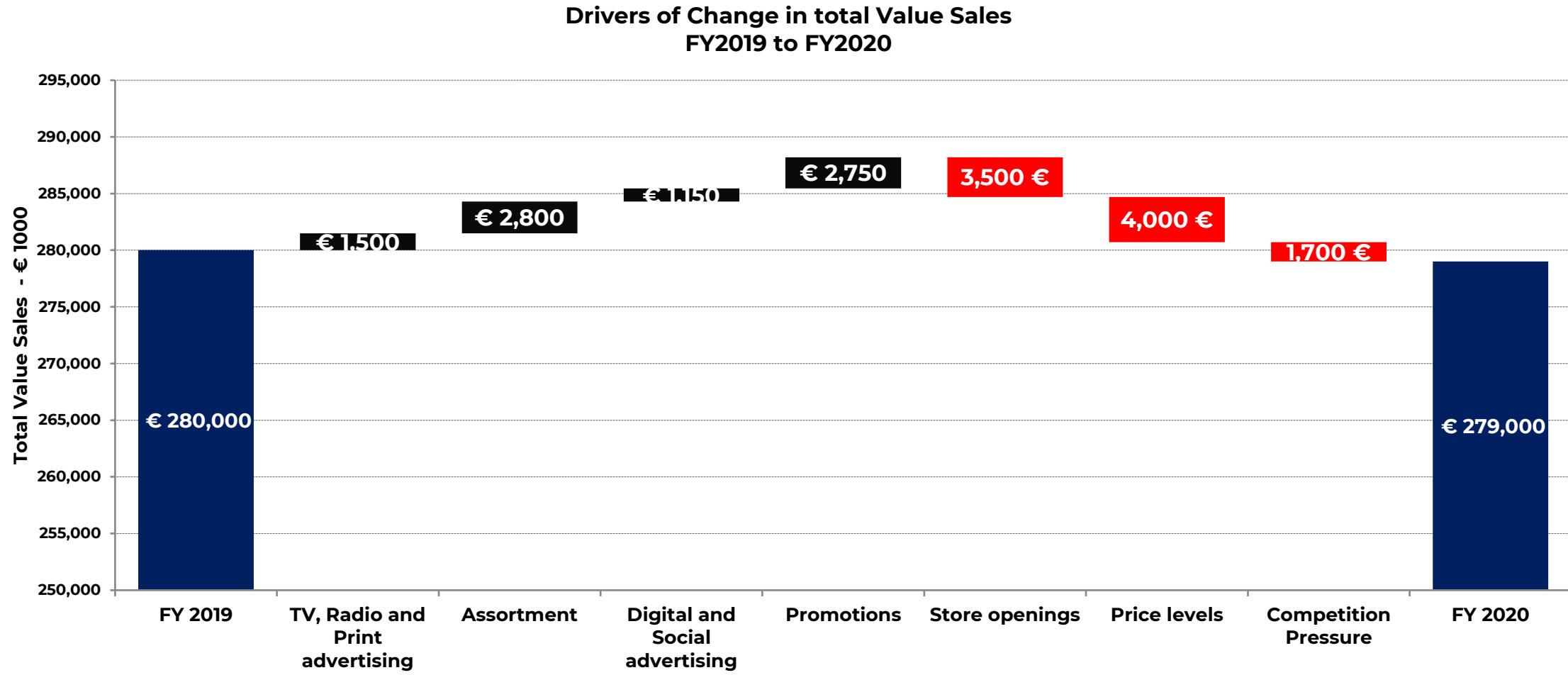
**Both sets of analysis are used to balance short-term sales effects
and long-term brand health for existing and new customers**

Brand effects of Marketing efforts

- In the situation below, TV & Display ads have the largest impact on brand awareness. Folders is most effective at driving the final conversion.



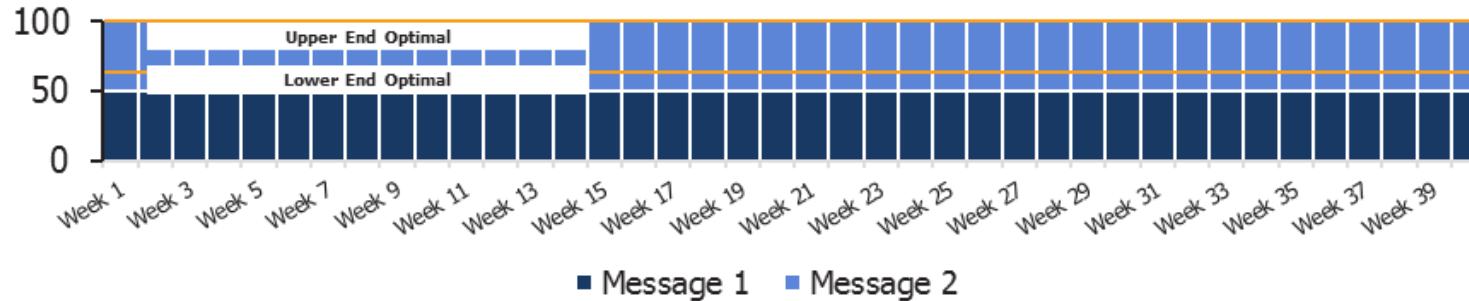
Global Sales Drivers YoY total Global Volume Sales



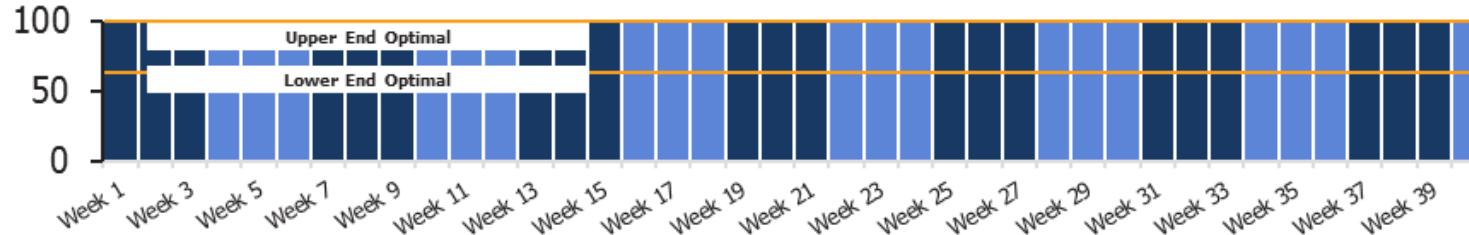
Pulsing vs. Stacked Flighting of Multiple Copies

Harder to reach the
Upper End Optimal
on their own

Case Study: Stacked Flighting of 2 Messages



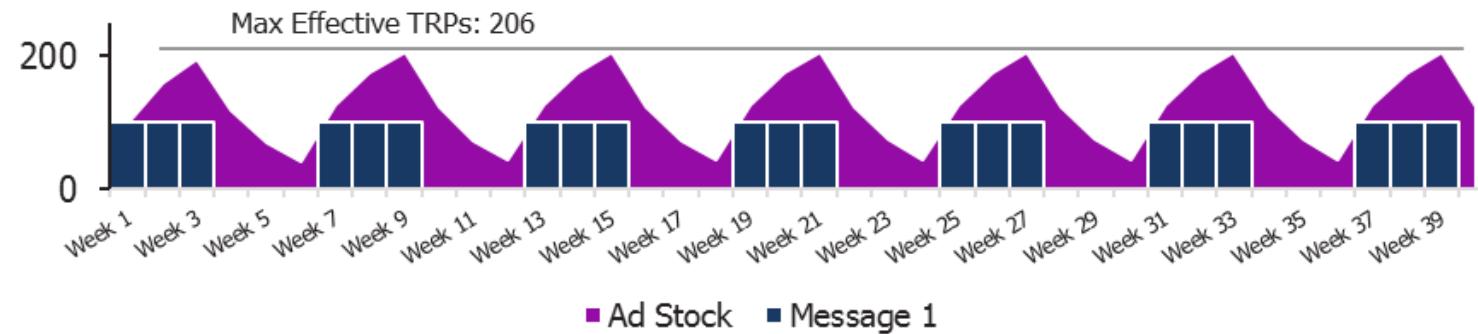
Case Study: Pulsed Flighting of 2 Messages



Flighting Pattern	Continuous Flighting	Pulsing Flighting
Vol Index	1.00	1.05
Cost Index	1.00	1.00
ROI Index	1.00	1.05

Pulsing Strategies for Multiple Copies reaches higher GRP levels

Ad Stock Impact of 3 Weeks on Air in a Pulse Scenario



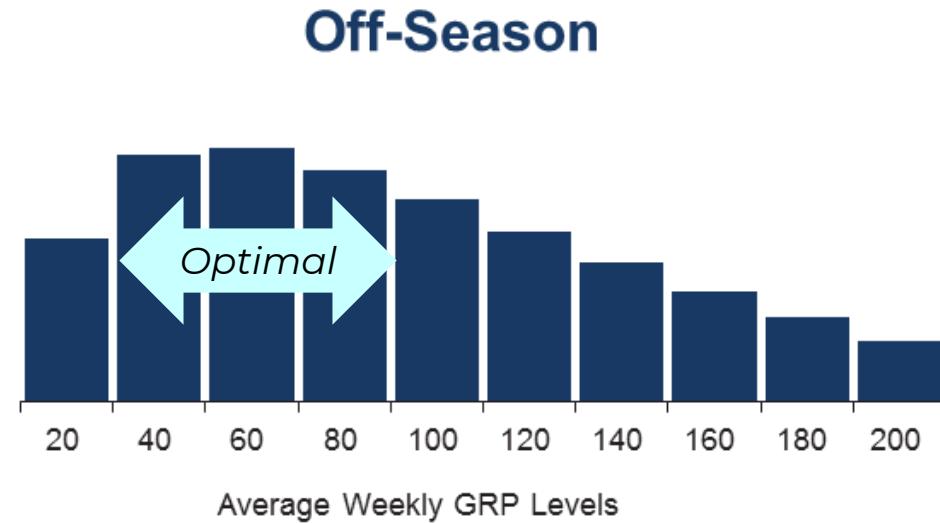
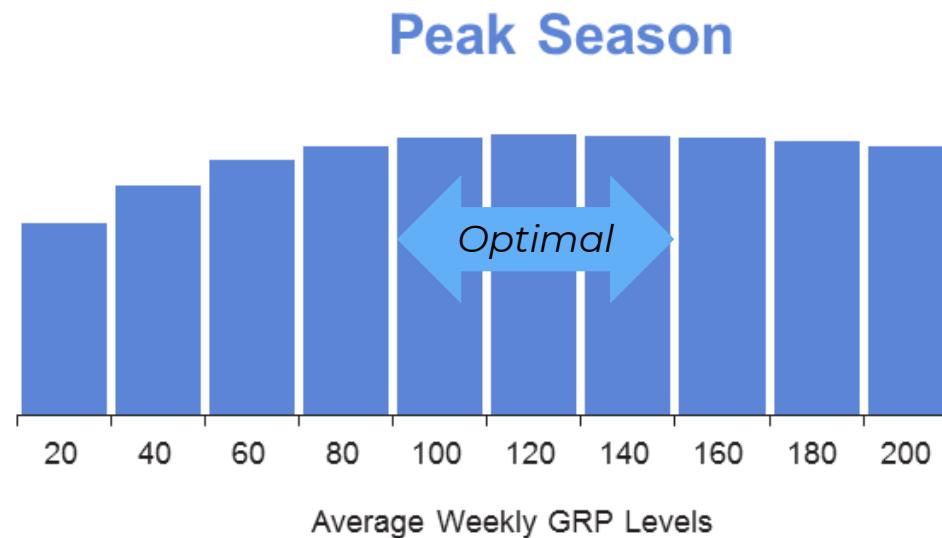
Ad Stock Impact of 1 Week on Air in a Pulse Scenario



Diminishing returns usually at lower weekly levels in off-season

Illustrative

Sample Case Study: TV ROI at different weekly GRP levels



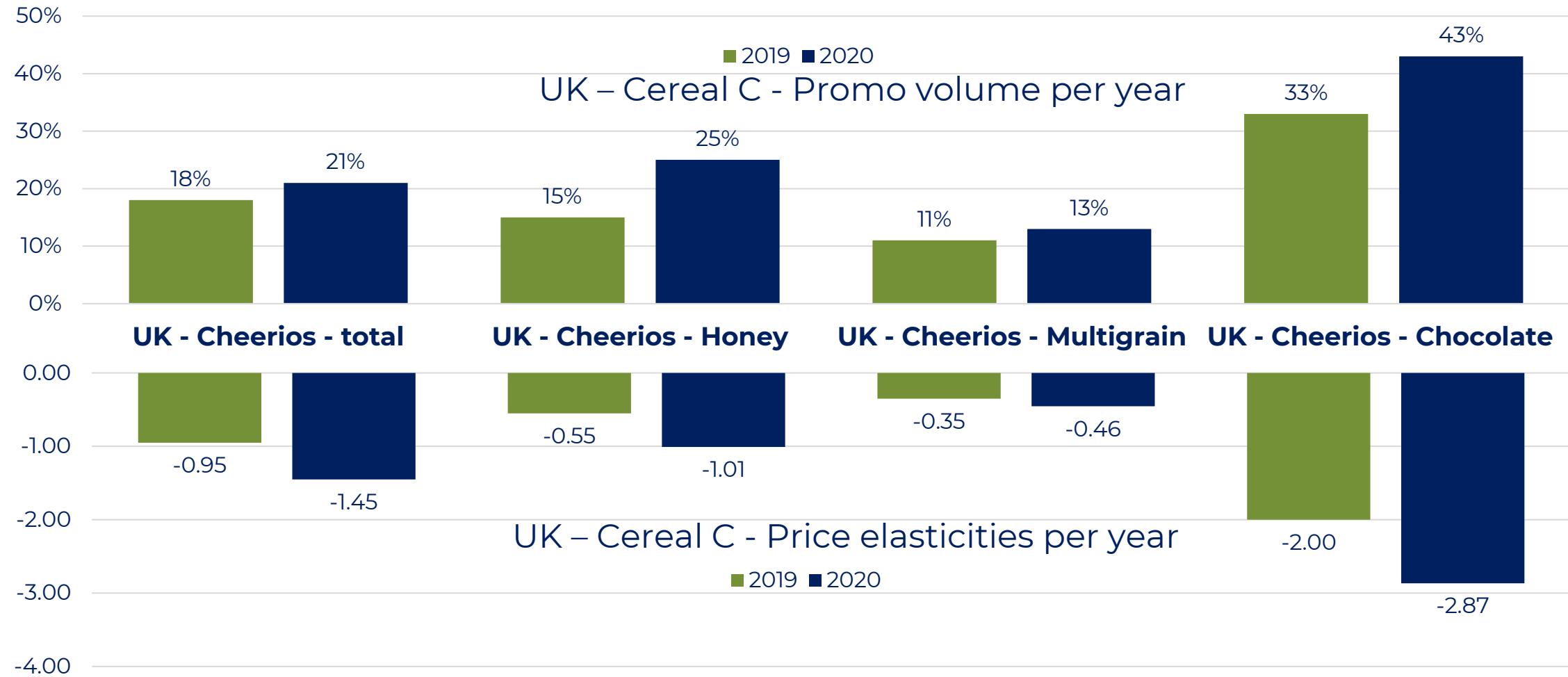
Degree of ROI Impact, on Average

High Impact	Moderate Impact	Relatively Low Impact
<ul style="list-style-type: none">▪ Ad quality (link test)<ul style="list-style-type: none">– Branding/Persuasion– Halo impacts– Tailored to platform▪ Timing/Seasonality (creating peaks)▪ Maintenance level	<ul style="list-style-type: none">▪ Campaign length▪ Multiple messaging▪ Multiple touchpoints▪ Buy type<ul style="list-style-type: none">– Reach vs. Freq, Targeting, etc.	<ul style="list-style-type: none">▪ Ad length▪ Sequencing of messaging

Illustrative

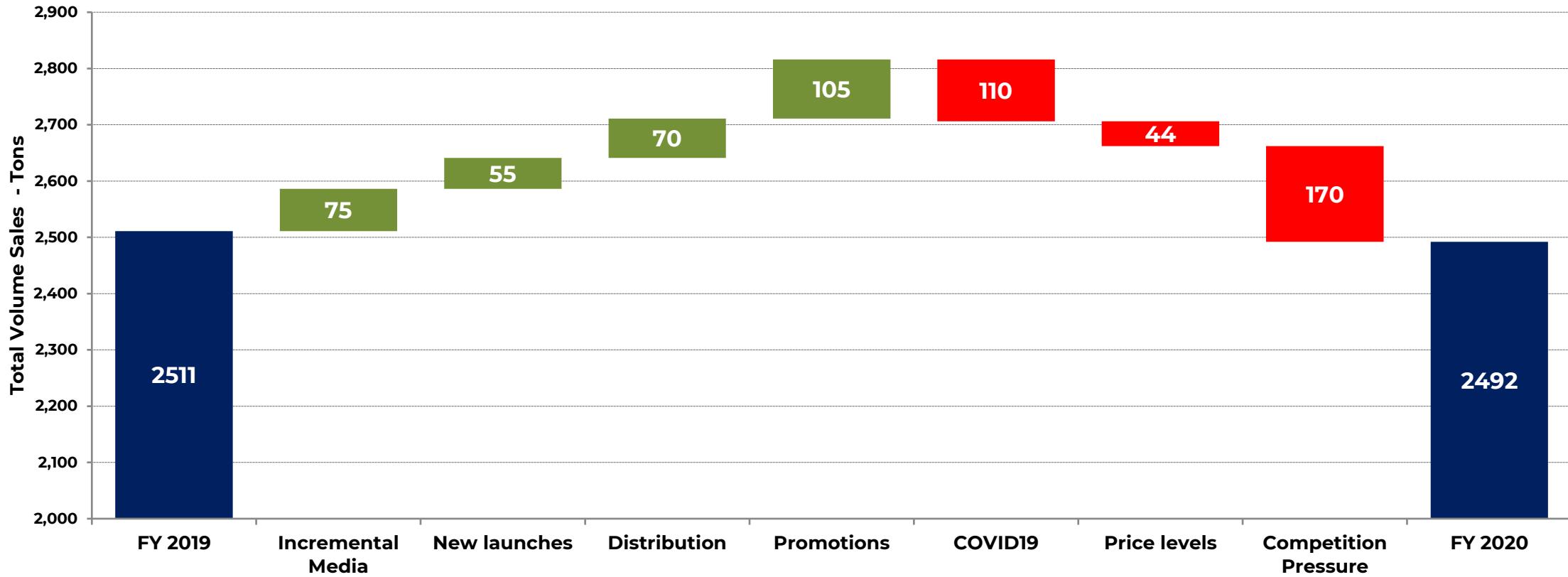
Sample price elasticity decline driven by too high promo pressure

Increased trade promo pressure has negative effect on price elasticities



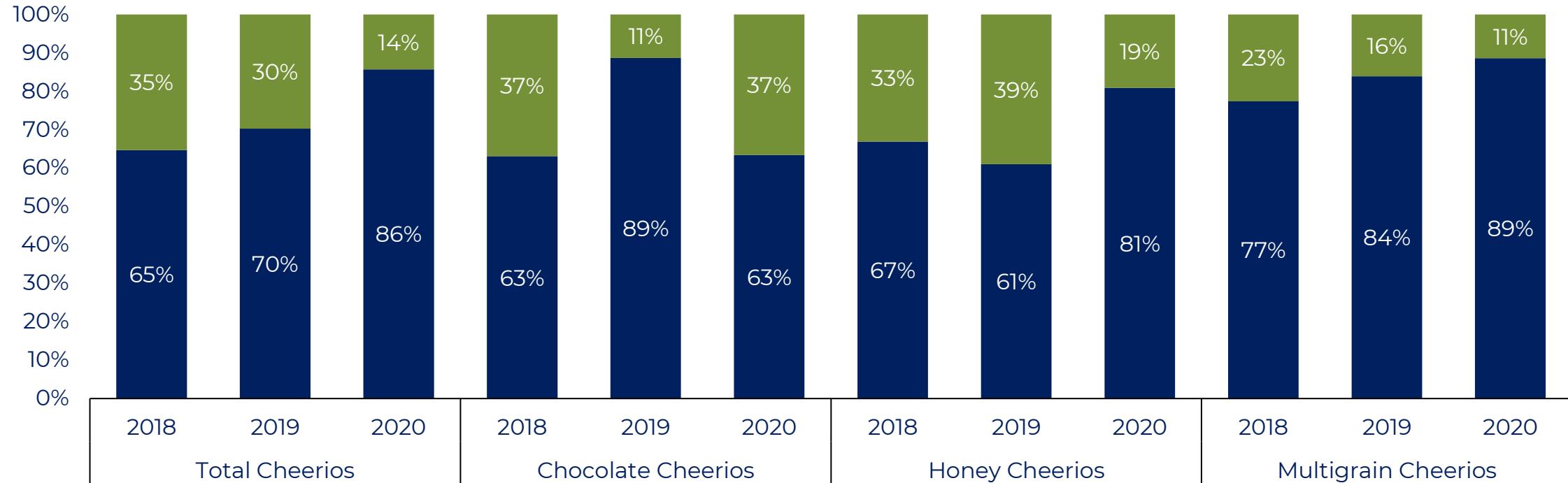
Drivers of Change in YoY total Volume Sales

Drivers of Change in total Volume Sales
UK - Cereal C - FY2019 to FY2020



Base and Incremental Volume Decomposition

UK - Cereal C - Base and Incremental Volume Decomposition



Total Volume	6.65	6.27	5.58	3.33	2.52	3.60	1.94	2.31	1.84	1.16	0.91	1.14
Change YoY	-	-6%	-11%	-	-24%	43%	-	19%	-20%	-	-22%	26%

Promotions damaging brand price elasticity. Fix with media and distribution.

UK – All SKUs

What?

Health vs. competition

- There is a clear UK trend for health, more fibers, less sugar
- The combination of healthy introductions, increased distribution and extra media support drove most of the UK YoY sales growth
- Promotions are the second biggest driver of YoY volume sales
- Price increases killed part of the growth achieved by the new introductions
- The whole market suffered from COVID19
- Competition fought back heavily with media and promotions

So what?

Promotions and price cliffs

- Price promotions on older SKUs had a negative impact on the price sensitivity for the full brand.
- Media support for the new introductions had a moderate positive effect on overall brand strength and price elasticities.
- Reduced media spend on existing SKUs and increased trade has damaged elasticities over time
- Price cliffs for existing SKUs are real and ignored too often.

Now what?

Innovations and media support

- Fix overall brand price sensitivity by building the brand through healthy innovations and increased media support.
- Try leveraging innovations to drive further distribution improvement.
- Don't do any price promotions on healthy new introductions.
- Use less price promotions and more feature and display to drive volume for existing SKUs.
- Be extra careful with price increases for existing SKUs. Only increase when SKU elasticity allows for it.

Appendix: Lessons Learned



Lessons Learned

- 1. Start with the end in mind.** Analysis must be **tied to business decisions**
 1. Alignment between analytics and business stakeholders' key questions
 2. Manage expectations on what is possible
- 2. Balance** Short-Term Sales & Long-Term Value
- 3. Strong Change Management** to gain efficiency and clarity
 1. MMM seems to starts as a “project” but needs to turn into a “process”
 2. Establish a clear RACI to ensure accountability
 3. Create a project plan to illustrate timelines & goals
- 4. Show Reliable “Numbers”.** Add a layer in tech to **proactively identify data issues**
 1. Discrepancies in data
 2. Incomplete data
 3. Gaps in data
5. Make sure the implemented **Solution is Scalable**

Lesson Learned | Focus on Key Questions

Manage Stakeholder Expectations by Aligning Analytics to Business Needs

Business Question	Current Ability to Answer	Future Ability to Answer	Remarks
Key Marketing Mix Project Objectives			
1. How do we better drive traffic, revenue, and profit?			Marketing Mix is one of the six key drivers of revenue and profit. Other key drivers are assortment, pricing, promotions, proximity and brand power. Profit and traffic to address in phase 2.
2. What are the right levels of advertising / marketing investment to maximize sales?			Marketing Mix uses historical marketing investments and business drivers to determine and validate the impact of marketing investments. The objective is to use these insights to improve marketing effectiveness
3. What are the marginal effects on sales by the various media types?			Marketing Mix analysis provides insights in both the average return per media type, and in the incremental/marginal return of an extra Euro spent.
4. To what extent do non-marketing factors, e.g., pricing, competition, seasonality, weather, economy, impact response?			Non marketing factors are all covered on an aggregated level. Pricing and promotions on SKU or product level will show much more "headroom for growth" through individual Pricing and Promo Analytics.
Marketing Mix Deep Dive Questions			
5. Do "brand spots" only drive ToM or do they also drive (promo) sales?			We will be able to look at the impact of "brand spots" vs. "action spots" and determine each of their impact on sales. Promo Analytics and Optimization is able to provide in depth answers for individual promotions
6. What is the impact of the flyer on sales? How can we scale it down without hurting sales?			We will provide directional feedback on the effect of the flyers on sales in phase 1. Because the flyer is "always on", we can see the impact of additional messaging and pages. Category detail assessment can provide deeper insights.
7. What is the impact of advertising on KPIs like Penetration, Shopping frequency, Basket size, Shopper type, Region, etc.?			In phase 1 of our Marketing Mix approach, we look at the impact on total sales. In phase 2, we can dive deeper and model for more granularity and additional KPIs. Now we have GfK penetration data, we will give that a first try.
8. Can we balance the TV spend over the year, less during Easter and Xmas, have a relatively higher GRP level rest of the year?			We can provide insights in which seasons/weeks advertising works best (short term sales uplift, not brand building). Spend/GRP analytics require a different approach. We will share best practices to give ALDI some direction.
9. What is the best timing and order for advertising (morning, evening, DoW, seasonality)?			In phase 1 of our Marketing Mix approach, we look at the impact on total sales. In phase 2, we can dive deeper and model for more granularity and additional KPIs. Best practices sharing will give direction now.
10. Which creative messages have which effects on key KPIs? Do I need 15s or 30s spots, what add-ons and tag-ons?			In phase 2, we can dive deeper and model for more granularity on creatives and additional KPIs. If the data permits in phase 1, we can try for NPO vs RTL TV ads. Best practices sharing will give direction now.
11. What is the longer-term impact of our various brand KPIs on the various sales related KPIs (penetration, sales)			Phase 1 of the MMM will be directional on brand effects on Sales. Once we have more brand tracking history data, we will also be able to more precise on the longer-term impact.



Lesson Learned | Unlock Brand Growth with Key Insights

Focus on key growth business drivers, market/brand/SKU levels. National, POS data

Key business questions to answer

What drives our volume & value?

- Market level
- Brand level
- SKU level

What was the impact of our marketing tactics?

- Baseline (history - brand equity)
- Distribution
- Pricing
- Promotion
- Advertising
- New SKU's / Assortment

What was the impact of the competition / market?

- How did competition do?

Which are our key drivers of growth?

- How well do these drivers work?
- How healthy are we on these drivers?
- How did they develop over time (2019/2020/2021)?

What growth scenarios to target for

- What is our sales forecast if we change nothing?
- Where should we focus to realize sales growth?

Key analysis to deliver (delivered via dashboards)

Source of volume change

- Market level
- Brand level
- SKU level

Elasticities for key drivers

- Distribution elasticities
- Pricing elasticities
- Promotion elasticities
- Advertising elasticities
- New SKU's / Assortment elasticities

Competition, Market, Economy & other impact

- Optional competition brand/SKU modeling

Market driver development and benchmarks

- Benchmark against market standards
- Benchmark against growth objectives
- Elasticity developments YoY and cross compared

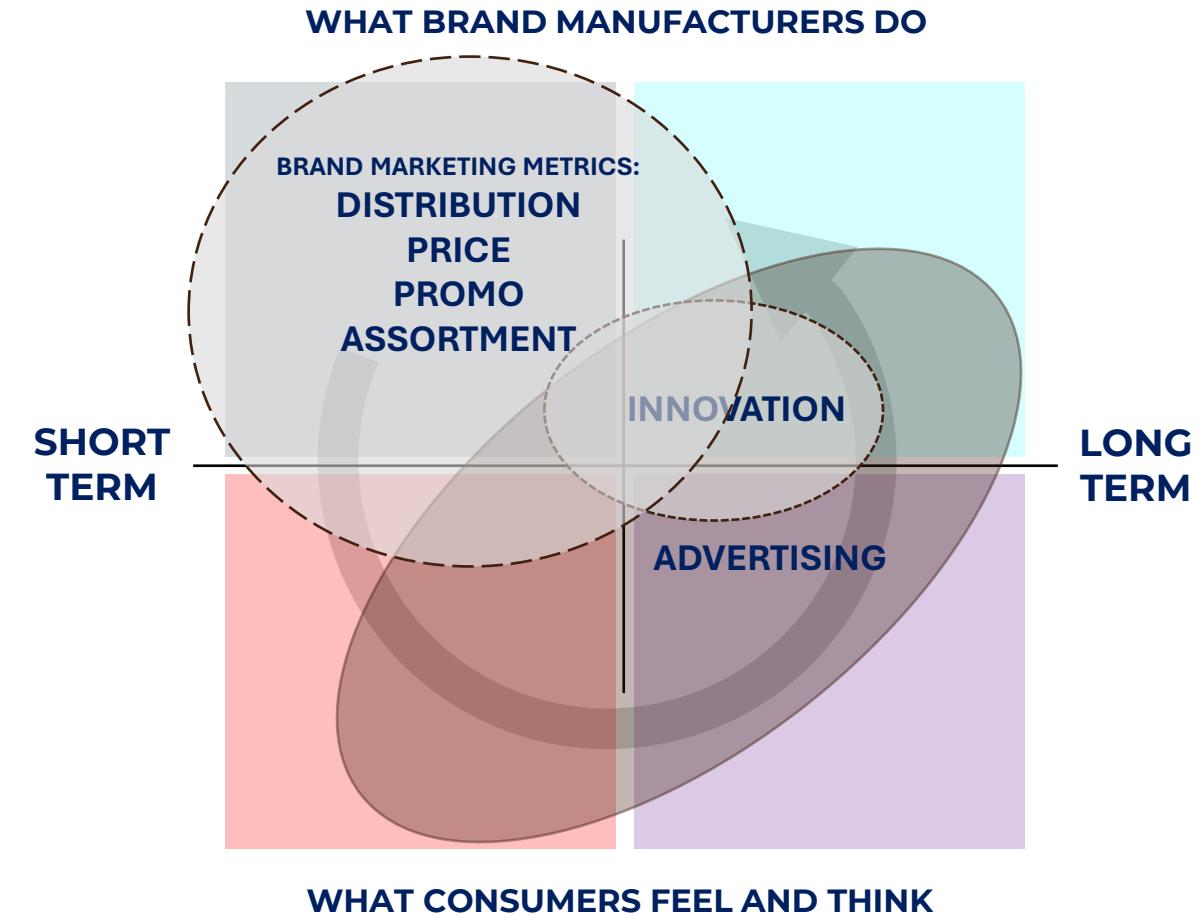
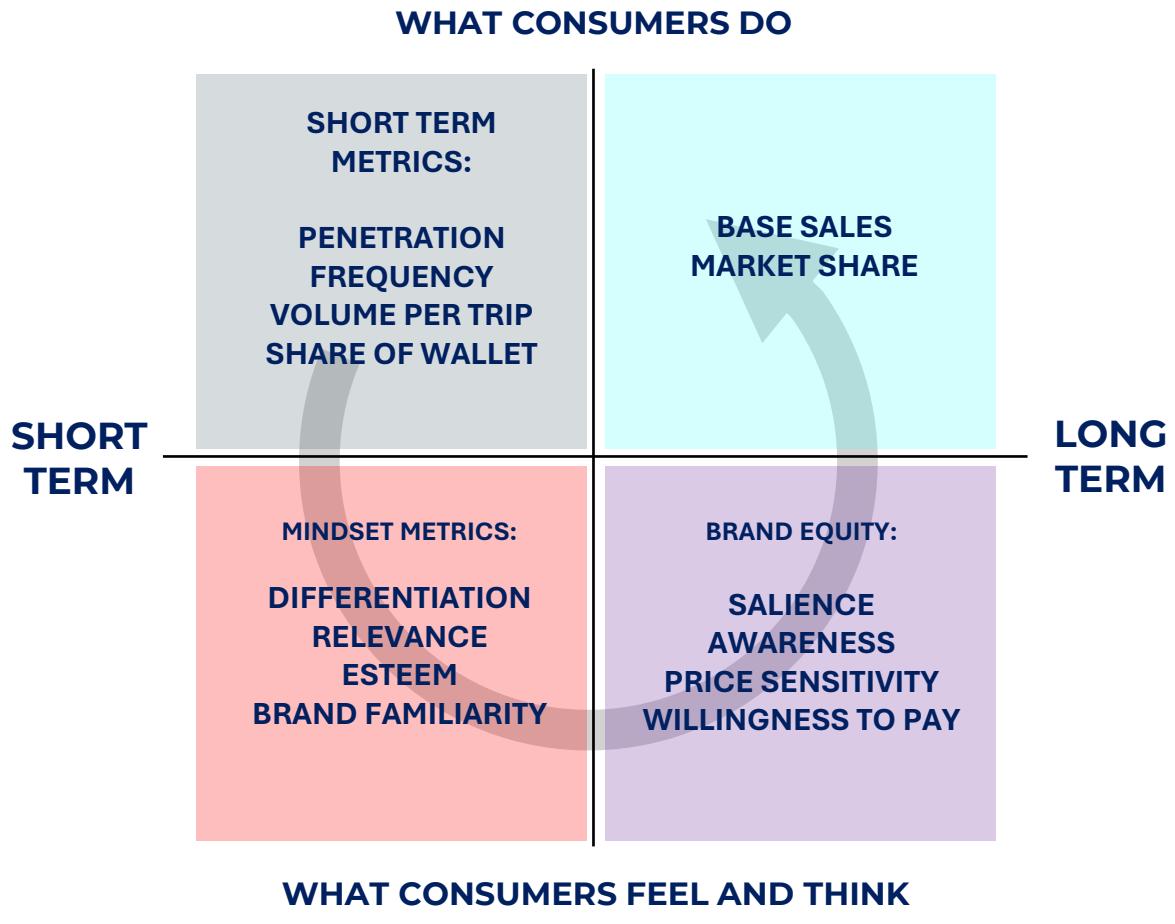
Sales forecast and scenario planning

- Sales forecast ceteris paribus
- Scenarios based on market and brand situation

Insights to actions

Lesson Learned | Balance Short & Long-Term Value

Create Relationship Between What Consumers Do & Driving Brand Change



* The right driver mix varies by market and brand maturity

Short-Term Growth (Left Side of the Graphs):

- Driven by consumer actions (penetration, purchase frequency, volume per trip, share of wallet).
- Brand growth is impacted by immediate marketing levers like distribution, price, promotions, and assortment.

Long-Term Growth (Right Side of the Graphs):

- Brand growth depends on consumer perception and brand equity—salience, awareness, price sensitivity, and willingness to pay.
- Advertising and innovation drive long-term differentiation and premiumization

Lesson Learned | Establish a Clear RACI

Blended Team with Clear Roles and Responsibilities to Achieve Predictive Analytics at Scale

CPW - Blend360 IBD Analytics at Scale Project			ROLES	Dimo	Tony	John	Dimo +1 917 774	Lucien +31 6 5066	Loes	Jeannette +31 6 2629	Peter +31 6 2498	Charles	MMM team	Prem	Blend360 BI team	Tony	John	Stephen	Steward	Dirk	Simon	Jung Sun	William	Marketing team	
				A	A	A	A	R	S	S	R	S	S	Prem	Blend360 BI team	Tony	John	Stephen	Steward	Dirk	Simon	Jung Sun	William	Marketing team	
Deliverable or Task			Timing	Status	Sponsors		Blend360 Project Team						CPW Project Team		Local Market Team										
Project Management																									
A	Overall project management	March			A			R									S								
A	Project team kick-off	March	Done		A			R		S	S					S	S								
D	Maintain detailed project plan	March	Done		A					R							S								
D	Maintain RACI	March	Done		A			R								C									
D	Sign off deliverables	June			A											R	S			I					
Alignment on Business Goals																									
A	Stakeholder kick-off	March	Done		A			S	R		S	S				S	S				S	I	I	I	I
A	Align with key stakeholders	March	Done		A			R			S						S				C	C	C	C	C
A	Summarize business requirements	March	Done		A			R		S	S					S				C					
D	Key Business questions to answer	March	Done		A			I	R	S	S	S	I			I	S			I	I	I	I	I	I
Data Automation																									
A	Identify key data required and respective data owners	March	Done		A			S		S	R	S				S	S	S	S						
A	Collect the data relevant for the analysis	March	Done		A					S	R				S		S	S	S		S	S	S		S
A	Prepare the data relevant for the analysis	April	Progress		A				S	R					S		S	S	S		C	C	C		C
A	Review and document the data quality	April	Progress		A				S	S	R	C	S			S	S	S	S						
D	Data scheme, an overview of relevant data for the MMM project	April	Done		A			I	S	S	R					I	I	I	I						
D	Clean & aligned data, ready for processing in the business modeling ph	April	Progress		A				S	S	R	C				S	S	S	S						
D	Data dictionary, the data model used and documentation for each data so	April	Started		A				S	S						I	R	S	S						
D	Automated data collection process	April			A				S	S						I	R	S	S						
A	Coaching on data assessment phase	April	Progress		A				R	S	S					S	S	S	S						
Business Modeling																									
A	Develop and refine the sales and brand models	April			A			S	S	R	S	S			S		S	S							
A	Technical review of the models	April			A			S		S	R	S				S	S	S	S						
A	1st business validation review of the models	May			A			S	S	S	R	S				S	S	S	S		C	C	C	C	C
D	Validated models, both technical and business validation	May			A			I	S	R						I		S	S						

Engage Stakeholders for Smarter Decisions

We work with stakeholders and users to refine key business challenges ("What") and develop data-driven solutions ("How") to enhance marketing effectiveness.

This **structured approach** ensures that stakeholder engagement leads to actionable insights, driving smarter decision-making and improved market performance.

"What" - - Key Business Questions to Address

- Which markets require improved marketing tactics?
- Why is brand revenue underperforming in certain markets? Identifying the root causes of revenue decline.
- Where are we seeing market share declines, and why? Understanding competitive shifts and consumer behavior.

"How" – Approach to Solving These Challenges

- Benchmarking drivers across markets and brands to assess performance.
- Analyzing how drivers evolve over time to predict future trends.
- Comparing sales decomposition against competitors to pinpoint turnaround areas.
- Identifying early warning indicators to proactively address market shifts.
- Recalibrating marketing tactics by aligning strategies with key growth drivers.

Data recommendations - Discrepancies in Data

Data Challenges

1. UK: Percent Volume on Deal Promo & Percent Unit on Deal Promo
 1. 853 cell values are above 100%.
 2. 1,259 cells for non-Deal Promo variables are negative.
2. GRP Data Construction Issue
 1. A problem was detected in GRP data construction, which was explained to the client.
3. Missing Media Spend and GRP Data in the UK, Germany, and Mexico
 1. Some months have media spend data but no GRP data, and vice versa.

Workarounds and solutions

- The number of suspicious cells is small, and the client has agreed to accept this low-level data issue while improvements are made
- There is no workaround for the GRP data issue; it will not be used for Sponsorship TV modeling until resolved.
- Media spend data requires perfection from the media agency. Some cases lack media spend, while others lack GRP. Work will proceed with available data since media is only a supporting variable.

Example | Addressing Data Gaps: Challenges & Solutions

Data Challenges

- Aggregation Issues – Non-additive metrics like penetration and distribution are only available at the SKU level in the Reynolds data warehouse, with no higher aggregated levels.
- Missing Nielsen UK Sales Data – Sales data for the 2nd half of July 2024 is unavailable in the database, affecting analysis completeness.

Workarounds and solutions

- Enhancing Data Aggregation – Introducing brand-level aggregation using the highest SKU value (MAX) as a representative measure, reducing errors and improving dataset usability.
- Adjusting Analysis Scope – Proceeding with analysis for the UK up to June 2024, while continuing full analysis for Mexico, Germany, and Japan where data is available.

Objectives:

- Improve data reliability for accurate modeling and insights.
- Minimize gaps in analysis, ensuring business continuity despite missing data.
- Support better forecasting & decision-making, reducing risks from incomplete datasets.

Example | Incomplete Data: Challenges & Workarounds

Data Challenges

1. Missing Competitor Media Spend Data – Lack of access to competitor media spend limits benchmarking and modeling accuracy.
2. Gaps in UK Retail Data – Data for Convenience (exc. Maj M & Major Multiples) is missing for 2017-2018, affecting historical trend analysis.
3. Inconsistent SKU-Level Descriptions – SKU descriptions are not standardized across four countries, making it difficult to roll up data to higher levels like brand or category.

Workarounds and solutions

- Competitive Data Request – No immediate workaround; a request for top-line competitive media spend data has been submitted to enhance modeling.
- Revised UK Channel Analysis – UK retail analysis will be conducted using data from 2018wk05 onwards, in consultation with stakeholders.
- Alternative Data Roll-Up Approach – Since brand-level data is unavailable, we will use the MAX value of SKUs within a brand as a proxy for aggregation.

Objectives:

- Minimize data inconsistencies that could skew model accuracy.
- Ensure decision-making continuity, even with partial data availability.
- Improve reporting granularity, allowing for better category and brand-level insights.

Pilot markets and brand grids – Finding the sweet spot

UK	Potential # of models	34
Shredded Wheat	4	
Shreddies	5	
Cereal C	6	
GoFree	4	
Nesquik 3 + bar 1	4	
Cur.Cinnamon 2 + bar 1	3	
Cookie Crisp	1	
Golden Grahams	1	
Lion	2	
NAT Bears	2	
Box Bowls	1	
Golden Nuggets	1	

Best data levels

Turkey	Potential # of models	25
Nesquik 5 + bars 1	6	
Nesfit 9 + bars 7	10	
Lion	1	
Cereal C	1	
Muesli	2	
Lifita	1	
Chokella	1	
Corn flakes 2 + bars 2	3	

Middle data levels

Brazil	Potential # of models	11
Nescau	3	
Crunch	1	
Nesfit	3	
Moca	1	
Cereal C	1	
Snow flakes	1	
Corn flakes	1	

Basic data levels

Proposed Approach:

We want to test and scale:

- Data automation
- Model accuracy
- Model reusability within markets
- Model reusability across markets
- Automated model updates

Select the most relevant brands/SKUs for the pilot: E.g.

- Top brand for each market
 - Top 2 SKUs for that brand
 - All other SKUs for that brand
- 2nd brand for that market
- All other brands for that market

Global Scalability | Building for Today, Expanding for Tomorrow

US – Build For Now, with a Vision for the Future

- Develop a Scalable Data Integration Platform on Databricks and AWS
- Create a Repeatable Model Accelerator for global deployment, reducing market-specific build timelines
- Implement Standardized ROI, Scenario Analysis, and Insights Tools for consistent decision-making

Expanding Globally, with Speed & Precision

- Accelerate Data Ingestion & Transformation for seamless global adoption
- Streamline Model Build & Deployment using the US Accelerator as a foundation
- Leverage Pre-Built Scenario Analysis & Insights Tools to enhance data-driven decision-making worldwide

Benefits and Outcomes

Business Impact

- Accelerated insight delivery (12 weeks → near real-time)
- Extended insight delivery (one-off -> always-on)
- Increased data volume and quality for benchmarking
- Expanded market reach through scalable solution
- New revenue streams through data products

Operational Excellence

- Reduced manual work in data processing and visualization
- Enhanced data consistency and quality
- More time spent on analysing data, not just preparing it
- Increased field team engagement and adoption

Unlocking Additional Value: High-Impact Solutions for Growth

Deliverable	Details	Expected benefits
Business driver deep dives	Media mix, pricing, promotion, distribution, innovation, assortment and brand all interact in a highly competitive playfield. For each of these business drivers, Blend360 offers plug-in more in-depth analysis to further help optimize for growth.	In depth plug-in analytics, consistent with top level growth drivers Cost efficient deep dives that build on the existing models and data sources
Pull valuable external data	To feed the key driver models with socio-demographic and economic data, we will build API's and connector to local market "free to use" data sources, like GDP, weather, consumer confidence, produce confidence, population, category spend, etc.	A constant flow of valuable "environmental" data that needs to be used in many standardized and ad-hoc analysis. Significantly save time and money on manual collection.
Analytics sandbox	Together with the data automation process, where we create an analytics data staging environment, we will also create an analytics sandbox on Azure, that can be used for quickly answering ad-hoc business questions.	Foundation for analytics sandbox environment. Quickly answer non-standard business questions without disrupting production environment.
Model update automation	Models need coefficient updates after certain time or events. Instead of updating after X months, we build an automated procedure to check the models, automatically update the coefficients, validate and flag when manual update is needed.	Always up-to-date models. Significantly save on time and money to manually update models.
Driver benchmarks	As part of the discovery phase, we propose to build a meta-analysis benchmark system for CPW's Cereal and Bars category that allows for constant benchmarking of driver values across markets, brands and SKUs	Meta-analysis foundation Quickly check if a driver is good, average or in bad shape Globally accelerated learning curves
Early warning system	By comparing key driver characteristic over years and against the driver benchmarks, CPW will be able to flag "early warnings" like dropping prices, distribution alerts, addiction to promo-pressure, inefficient media spend etc.	Identify potential issues in an early stage. Correct market, brand or SKU challenges in a significantly more cost-efficient manner.
Decision science & value realization	The real value for any analysis is in how well the business can quickly make the right decisions based on the analysis and drive value for CPW by implementing the desired actions. Decision science and Value Realization provide the framework.	Foundation for more decision ready analysis Increased business value from analytics

Successful MMM projects have in common:

Typical Key Success Factors



Top management

buy-in and commitment



Holistic approach

account for all business drivers



Stakeholder alignment

agree on goals and feasibility



Start simple

prove short term success first



CPG & Retail expertise

apply broad CPG & food retail knowledge



Bespoke solution

proven approach but bespoke execution



Art & Science

blend business acumen & data science



Full transparency

data, models and outcomes



Change management

organizational adoption program



Value realization

track reco's & effects, activate

Appendix: Data Collection & Integration

VRO Value Levers

Research shows that:

70% of transformation projects fail to achieve their goals, largely due to employee resistance and lack of management support.

Success rates for software development and process change projects hover near 30%, making change a daunting task for any organization.

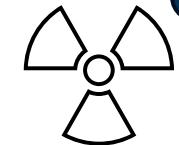
Well-positioned VRO can **ensure project success** and continued business with existing clients

1 Speed to Value



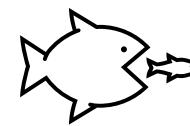
Ensure faster adoption of strategies, products, and processes defined by Blend teams. Clients see ROI sooner by reducing resistance and avoiding operational disruption, paving the way for the next deal.

2 Risk Mitigation



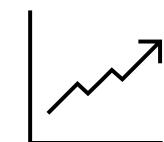
Reduces the likelihood of rework and failed implementations by proactively identifying resistance and misalignment in initiatives.

3 Competitive Advantage



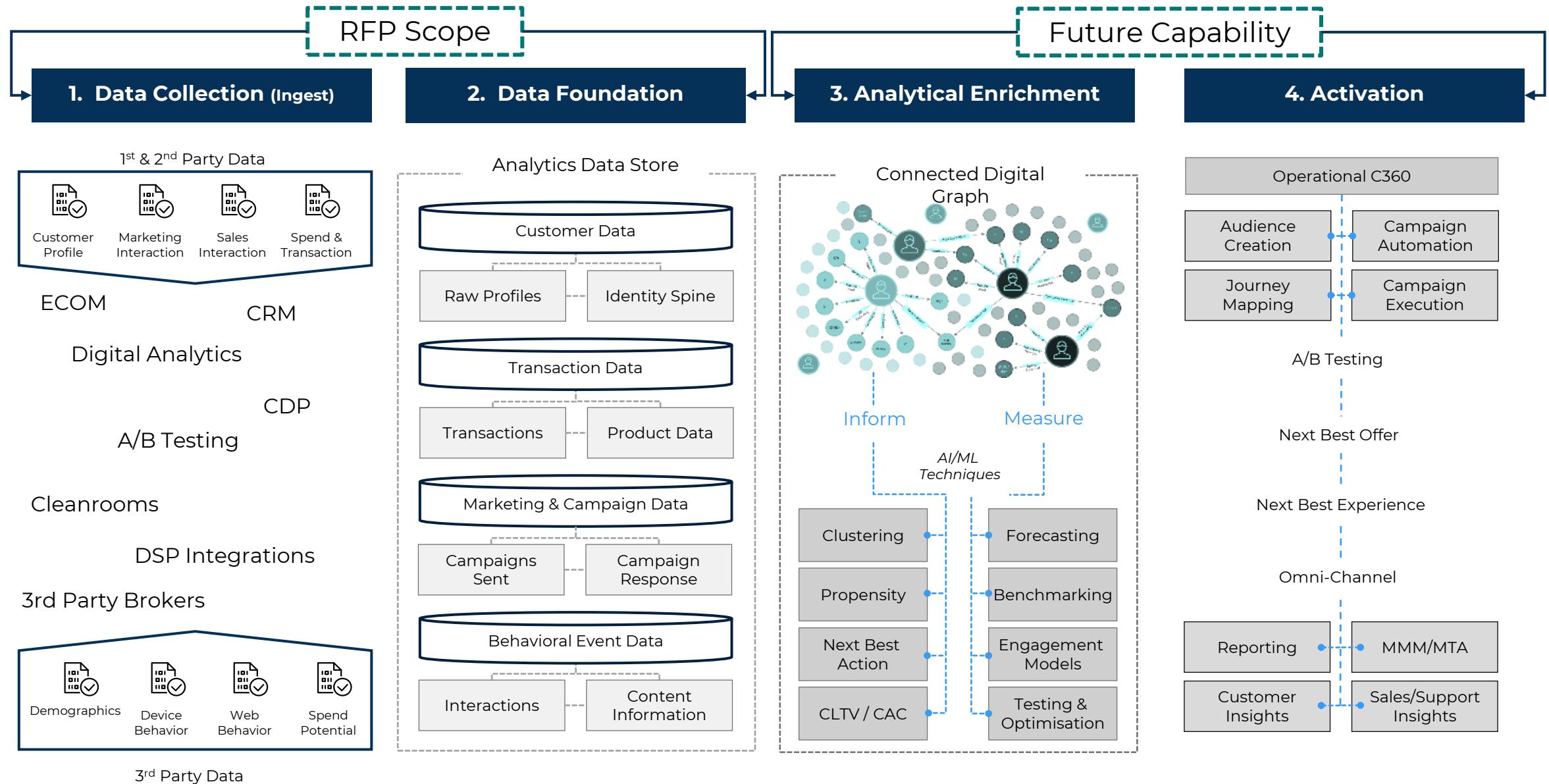
Instilling change-readiness in an organization builds its ability to embrace and execute change efficiently, turning transformation into a core strength.

4 Adoption and Operational Efficiency

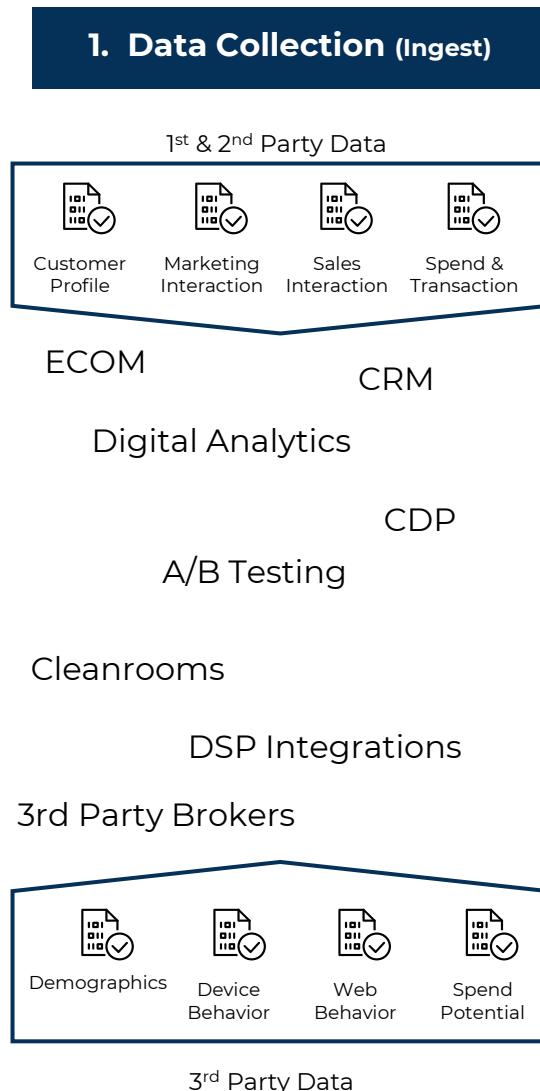


Creating a clear case for change aligns users on the *why*, reducing resistance and accelerating adoption. Faster adoption and smoother transitions drive sustained efficiency and maximize ROI.

Our Experience Matters: 4 Key Elements To Scalable Success



1. Data Collection



***Getting data ingested is easy,
getting the right data is hard.***

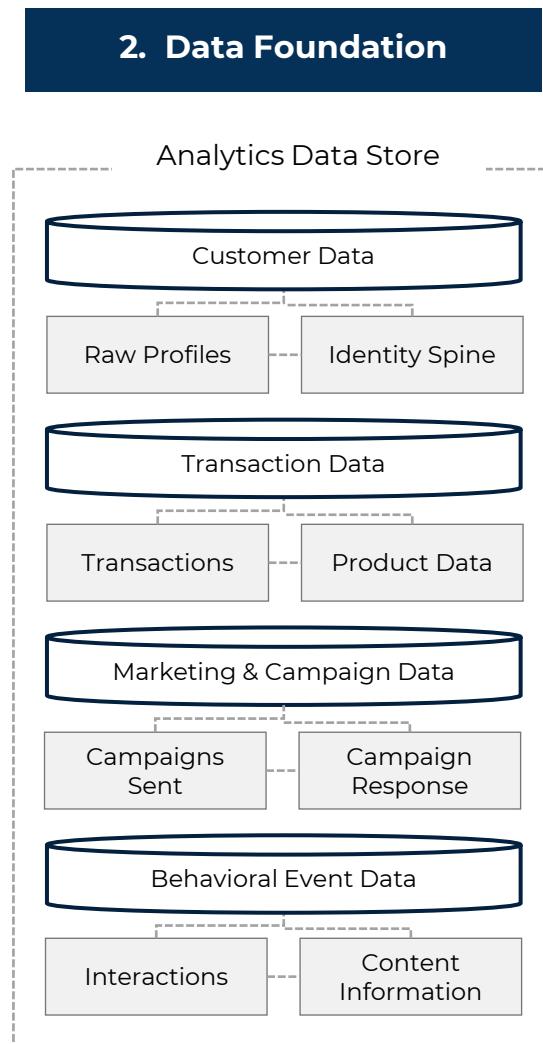
Combine All Pieces of the Puzzle

Approach is data agnostic. Ingest data from Analytical Models, Paid Media, Site Analytics, CRM. Our goal is to onboard all data pertinent to use cases.

Unified Data Solution

Centralize data on your existing AWS & Databricks foundation. No need to invest in additional products or services. Goal is to unify all analytics solutions in one environment.

2. Data Foundations



Only flexible data foundations will be ready for your current AND future data.

Foundation for Growth

Our approach centralizing & unifying data maintains flexibility for future data sources & analytic solutions.

Maximizing Value from Data Sets

By aggregating data at multiple levels, a broad range of data can work together. Aligning data models to use cases allows us to maximize the opportunities.

Quality Built In

Our accelerators ensure high quality data to establish integrity; data QA processes are built into the core solution.

Taxonomy and Classification

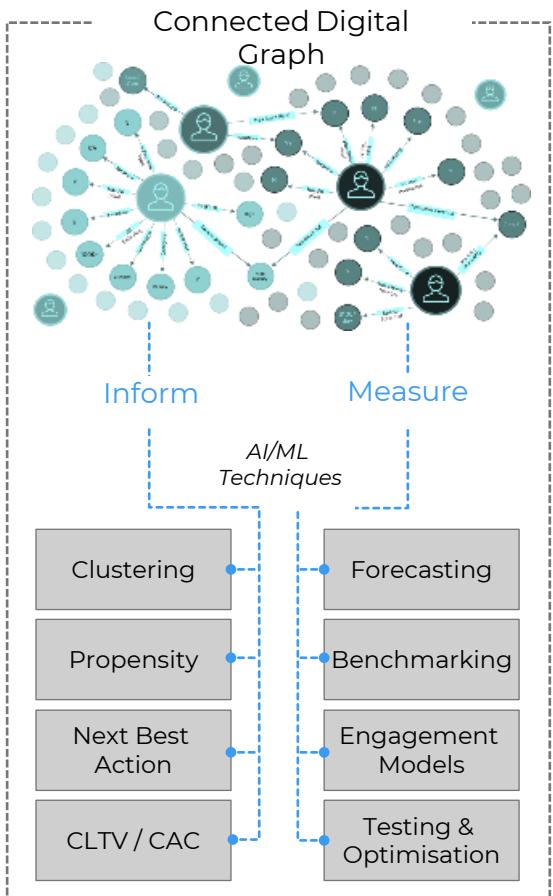
A strong foundation of a mature taxonomy structure and consistent classification ensure accuracy of modeling & future scalability of solutions. This contextual data is critical to support the readout of the MMM.

IMAGE ASSETS	TRACKING URLs	CAMPAIGNS	PLACEMENTS	ADS
Path	CID/UTM	Campaign ID	Placement ID	Ad ID
Asset ID	Campaign ID	Campaign Name	Placement Name	Ad Name
Asset Title	Campaign Name			
Asset Description	Placement ID			
Asset Type	Placement Name			
	Ad ID			
	Ad Name			
	Asset ID			
	Asset Title			
	Asset Type			



3. Analytical Enrichment

3. Analytical Enrichment



Measurement is more complicated than ever; a robust toolkit is necessary.

Environment for Growth

A strong unified foundation in enriched data, gives us the opportunity to centralize additional analytical solutions using Blend's framework.

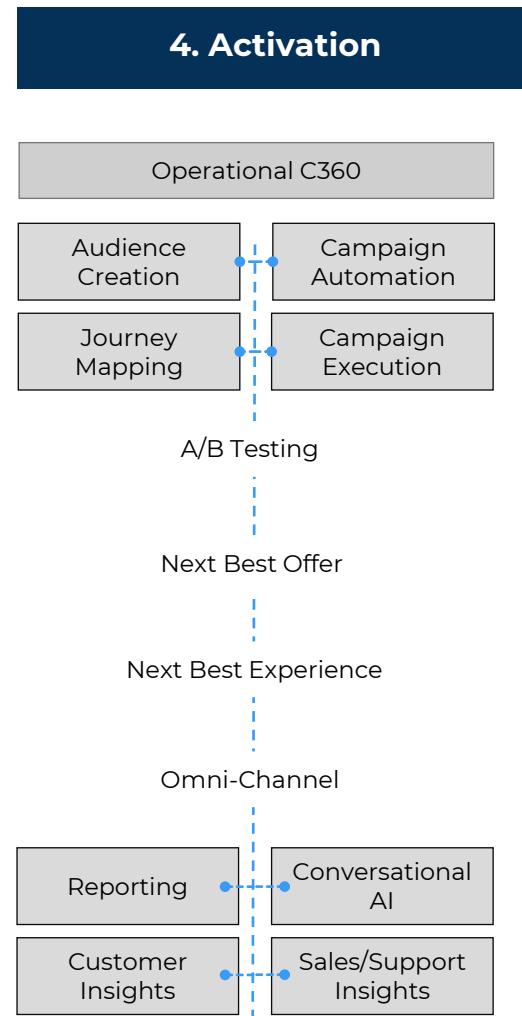
Analytics to Drive Deeper Insights

We leverage state-of-the-art techniques such as predictive models and LLMs to customer data, unlocking deeper insights and enhanced decision-making.

Calibrated Measurement

As part of the enrichment process it is critical to calibrate outputs with feedback loops to learnings from testing & studies.

4. Activation and Insights



Analytics without Action is meaningless.

AI Enabled Analytics for All

Centralized environment & AI powered conversational interface democratizes learnings directly to business users, not just analysts & technical resources.

Highly Targeted Activation

By bringing in all data & analytical assets into the same environment, media activation can be lean & highly tailored based on all the organization's intelligence.

Appendix: Model Development & ROI Calculation



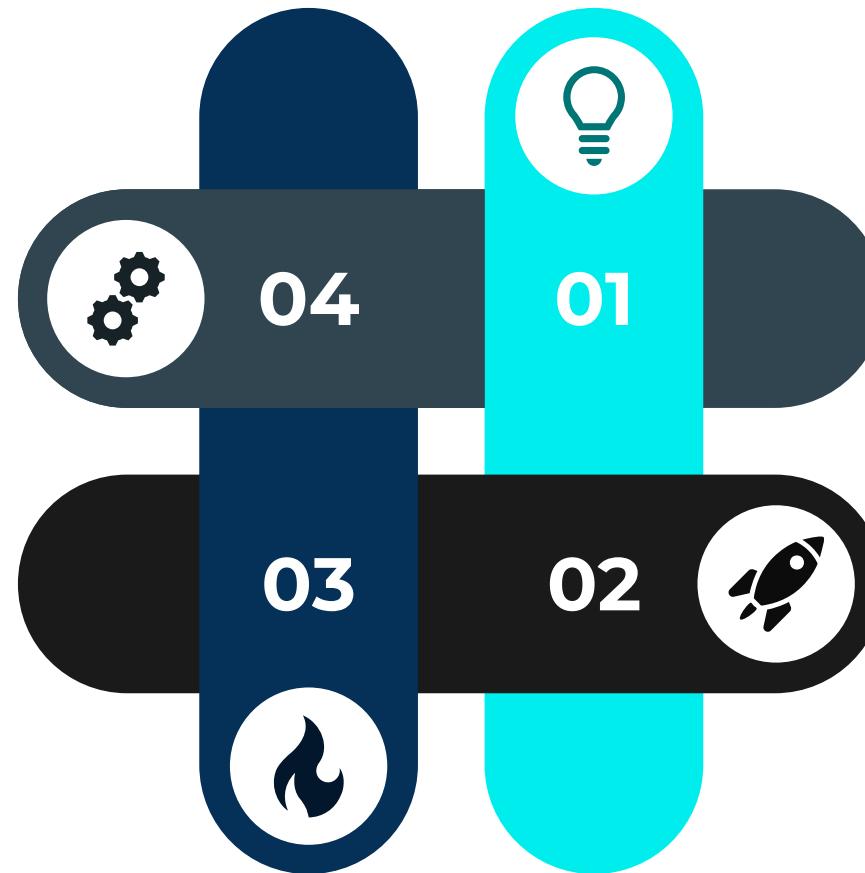
Three factors drive model selection

Methodology

What approaches can deliver the necessary insights with the right detail and rigor at the right time with the data available?

Data

What data is available, at what granularity and periodicity? How does this align to decision points?



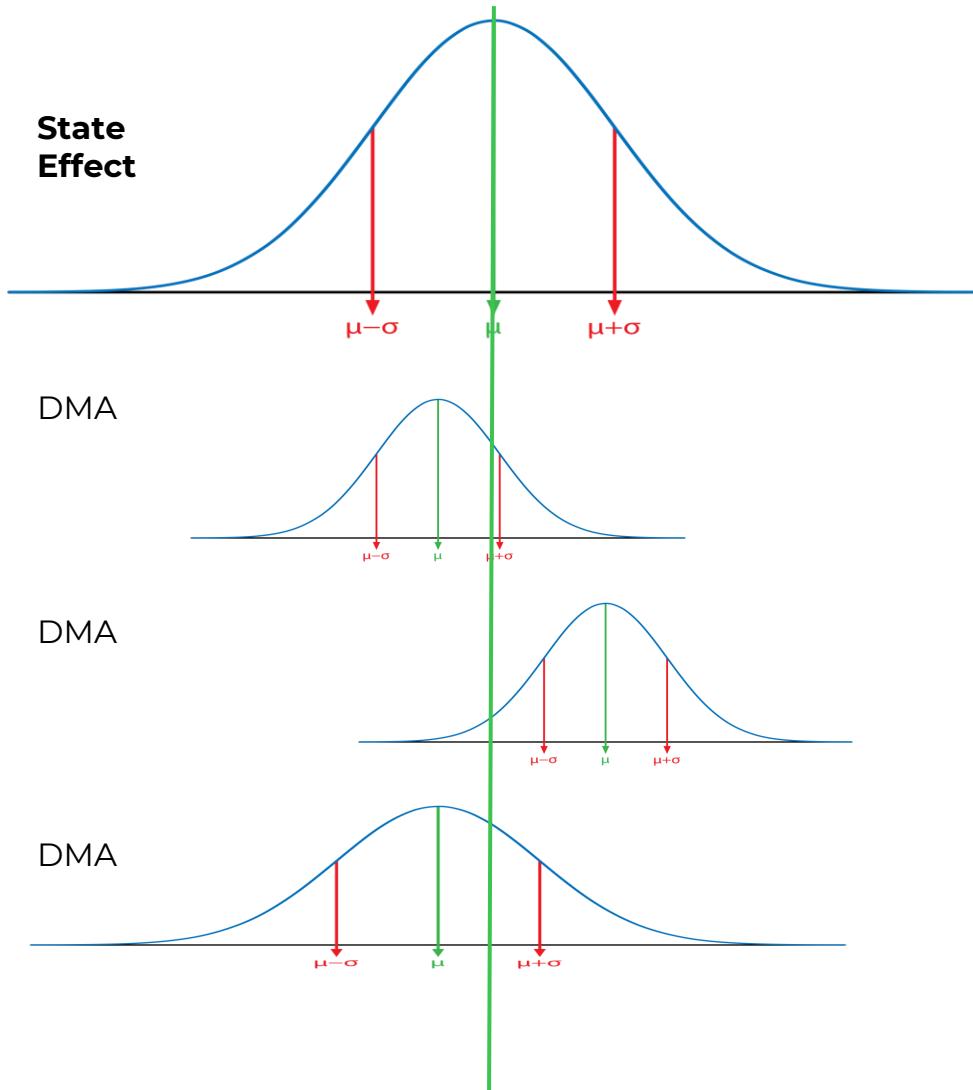
Insights

What Insights are required to drive decisions by Brand and Finance?

Timing

When do these insights need to be delivered (when are decision points)? How often do insights need to be revisited?

Fixed and Random Effects



In a model that allows for Random Effects (Intercept and/or Slope) what we are doing is leveraging all observations to make a robust estimate of our effect. The model allows each component DMA to have it's own response, which then builds up the State level effect. This is powerful; instead of have 5,200 observations (50 states x 104 weeks) our model will have over 21,840 observations (210 DMA x 104 weeks plus DMA / State overlaps)

For Reynolds American, we would look at DMA-within-State differences to create an estimate of State level effects; State effects would create the Total US estimate

MMM Methodology and Forms Vary by Business Situation

Methodologies

- Ordinary Least Squares
- Hierarchical Regression
- Bayesian Regression
- VARx
- Unobserved Components Model
- Multi-model Approaches
(ex – Facebook Robyn Model)

Model Forms

Additive

$$y = \beta_0 + \beta_1 X_1 + \dots + \epsilon$$

Multiplicative

$$y = \beta_0 \times \beta_1 X_1 \times \dots + \epsilon$$

Log-Log / Log-Linear

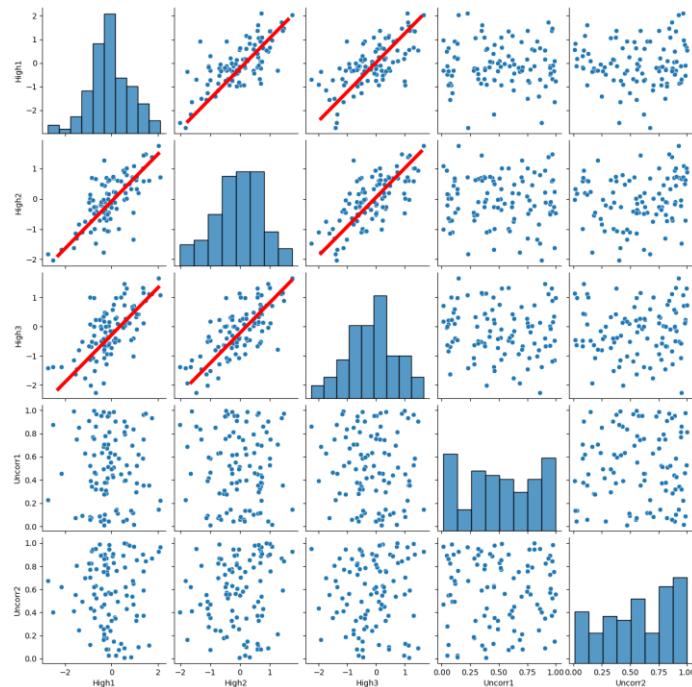
$$\log(\text{Sales}) = \beta_0 + \beta_1 \log(\text{Pricing}) + \beta_2 \log(\text{Distribution}) + \beta_3(\text{Media}) + \beta_4(\text{Discounts}) + \beta_5(\text{Seasonality}) + \beta_6(\text{Promotions}) + \dots$$

$$\text{Sales} = \exp (\beta_0 + \beta_1 \log(\text{Pricing}) + \beta_2 \log(\text{Distribution}) + \beta_3(\text{Media}) + \beta_4(\text{Discounts}) + \beta_5(\text{Seasonality}) + \beta_6(\text{Promotions}) + \dots)$$

ROI v ROAS, Channels v Campaigns

What's the difference between ROI and ROAS?

- Typically, ROAS or Return on Ad Spend, is used in media platforms that measure campaign effectiveness for specific campaigns served via that platform.
- ROAS tends to denote that the view is limited to what is available in that platform and not inclusive of all the effects that an MMM will measure



Why aren't Campaigns in MMM? Why only Channels?

- The short answer is that MMM **can** measure high-level campaigns if they are discrete (broad ones that run for a set duration)
- Generally our clients run several different campaigns at once; if we tried to measure that level of granularity the model would fail due to **multicollinearity**. When this happens the model cannot estimate which variable drove a given outcome because they have the same pattern. We aggregate data up to avoid this challenge, making other tools like Attribution better for campaign results



STAT 462 | Applied Regression Analysis

“Multicollinearity exists when two or more of the predictors in a regression model are moderately or highly correlated with one another. Unfortunately, when it exists, it can wreak havoc on our analysis and thereby limit the research conclusions we can draw. “

Rule of Thumb LT ROI = 1.8x ST ROI

IRI Extends Branding Study, Backs Role of TV Ads

July 10 2007

Retail information giant Information Resources, Inc. (IRI) is to extend its major syndicated study of brand drivers, the Long-Term Drivers Consortium, into a second phase. Results from the first phase provide good news for TV advertising, as does a separate GroupM study released this week.

IRI's Phase II study, to begin late this summer, will use brand information from a consortium of national FMCG manufacturers to quantify the importance of TV advertising, in-store promotion, distribution and brand variety on the short- and long-term health of brands and the overall FMCG industry. Consortium participants will receive an in-depth analysis of the long-term drivers of their own brands plus comparisons with the FMCG industry overall.

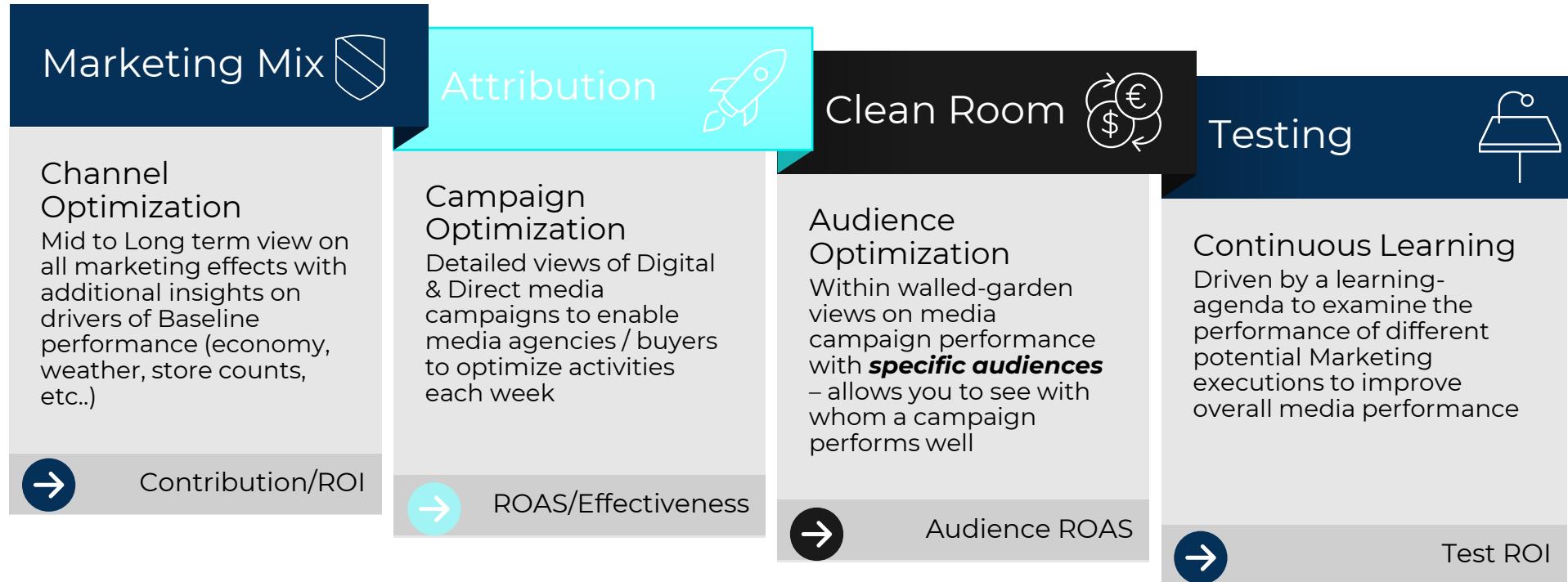
IRI Global Services President Sunil (Sunny) Garga says current metrics for brand evaluation are too much focused on the short-term. 'The pressure to produce positive financial returns in the current quarter often ignores the long-term viability of the brand. It may take years to create a strong and prosperous brand...' Garga describes the role of the Consortium as 'brand reforestation'.

Two CPG studies by IRI (now Circana) in the past two decades estimated long-term media effects, especially upper funnel. Both came up with roughly the same 1.8x estimate.

In the past five years we've seen these numbers validated in pharma, home-improvement and in non-profit.

The IRI study also mentions price elasticity, which is another area where you can test the effects of changes in price / value perception and willingness to trade up as you change messaging.

Marketing Spend Effectiveness Toolbox



Our Understanding

Marketing Decisions & Alignment to Sam's Club MMM Vision

Decisions the MMM will Support

- **Budget Allocation Across Channels & Platforms**
Understand where marketing spend is truly driving incremental GMV and membership growth.
- **Incrementality Beyond Platform Reporting**
Establish a single, enterprise view of marketing impact across channels and tactics.
- **Trade-Offs Between Growth & Efficiency**
Evaluate short-term performance versus longer-term member acquisition and value.
- **Quarterly & Annual Planning Decisions**
Support scenario-based planning and forecasting aligned to Sam's planning cycles.

Alignment to Sam's MMM Vision and RFP Requirements

- **Transparent, White-Box MMM**
Statistically sound modeling with clear documentation, assumptions, and interpretability.
- **Built Within Sam's Analytics Environment**
Developed and operated in Sam's GCP ecosystem with full internal ownership.
- **Executive-Ready Reporting & Scenario Planning**
Outputs designed for leadership decision-making, not just analysis.
- **Designed for Ongoing Use & Refresh**
A durable capability that can be refreshed, extended, and scaled over time.

