

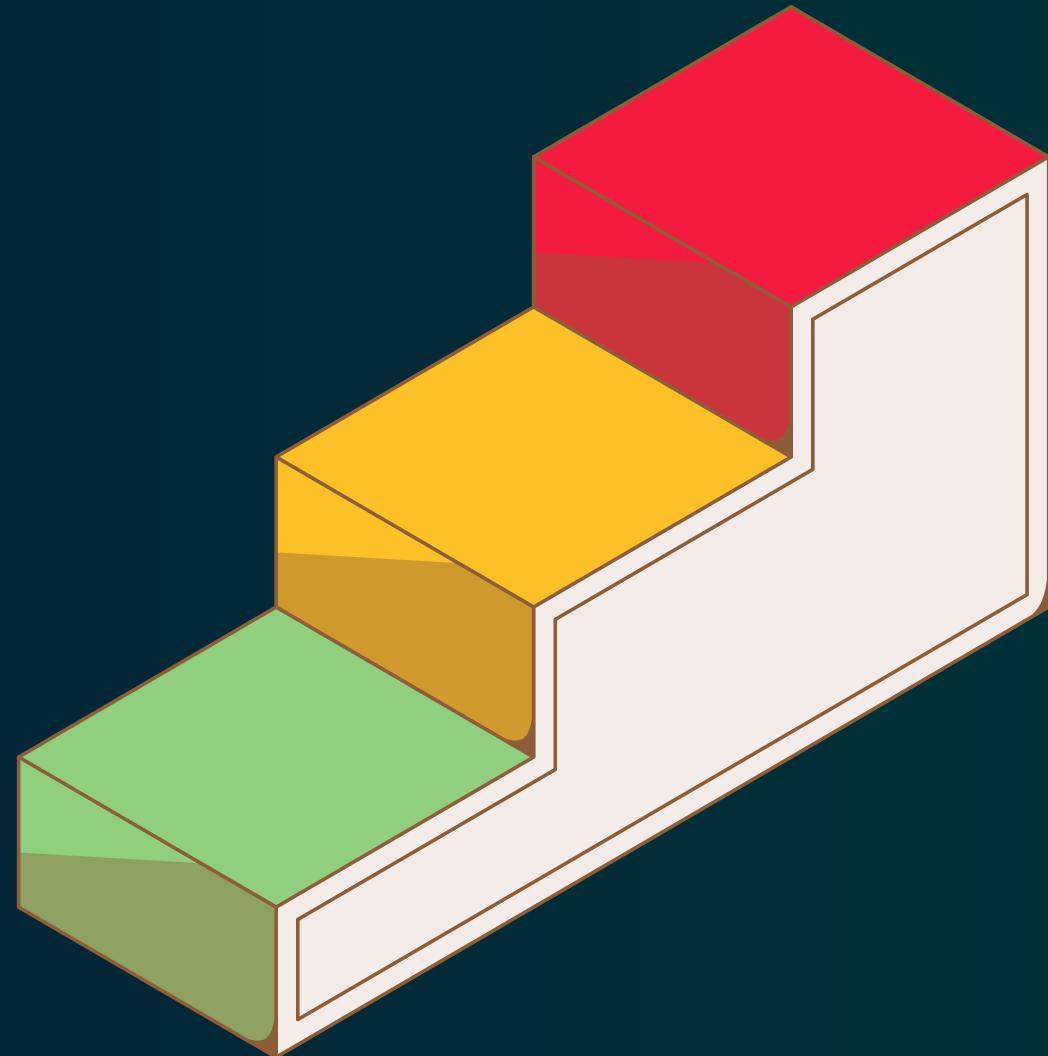
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MARKETING MIX MODELING INSIGHTS

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Agenda

1. Scope and Approach
2. Executive Summary
3. Key Insights :
 - Performance Decomposition
 - Gap Analysis
 - ROI Scorecard
 - Two Deep Dives



Scope

Geography



Total US Business

Modeled KPI



1 Model – Total Sales across all channels

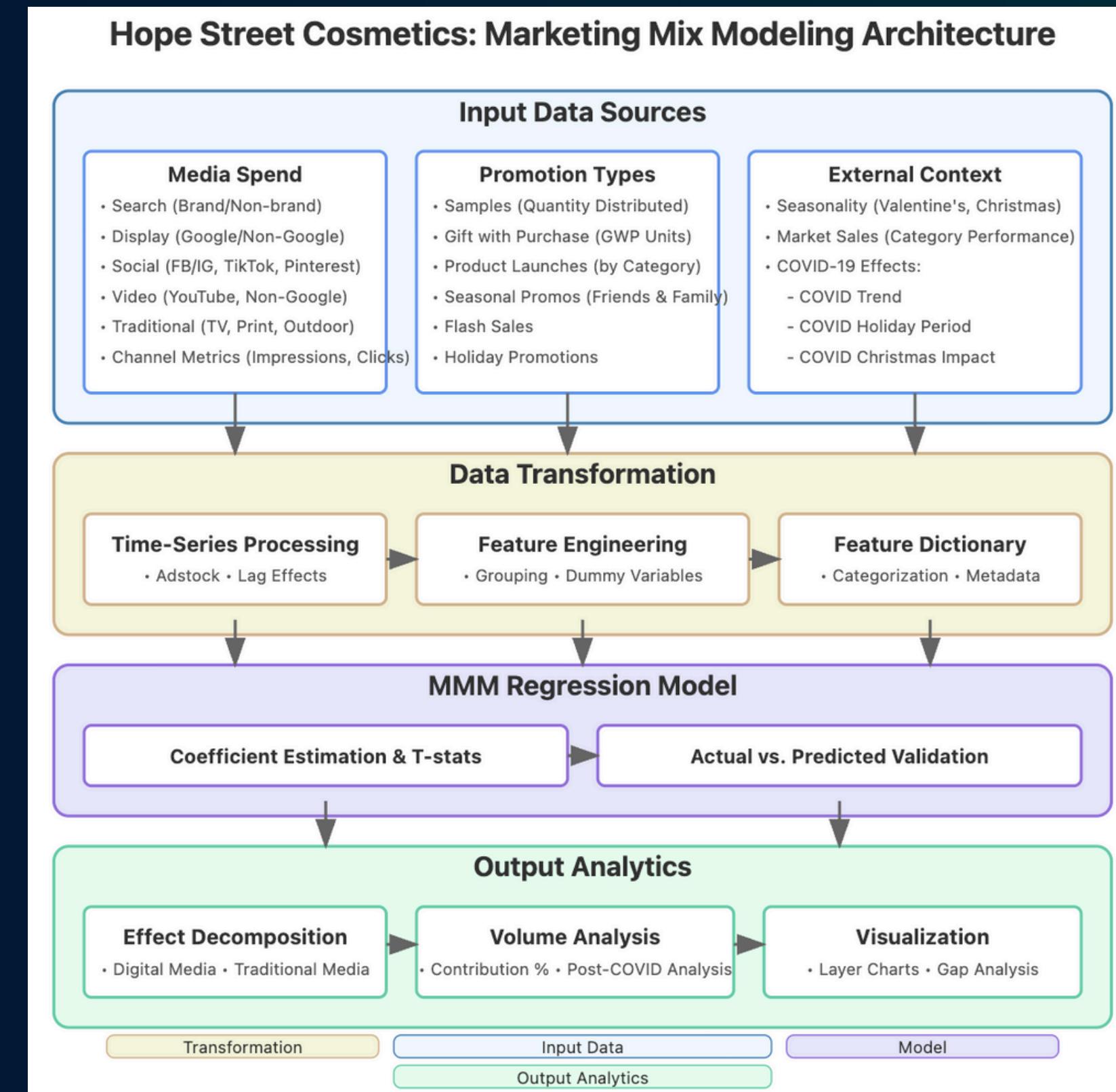
Time Period



2 Calendar Years: January 2019 – December 2020

Weekly granularity (01/07/2019 – 12/28/2020),
Monday week starts

Approach



Ekimetrics.

2. Executive Summary

Media Performance

Insight

Implications/Recommendation

- **Top Performers Consistently – Search :**
Search delivered strong performance across all periods, with an ROI of 10.5 in 2019 and 8.3 in 2020. During the Covid period (Mar–Jul 2020), ROI held steady at 10.5, highlighting its reliability. Despite a slight post-Covid dip, Search remained a top contributor with over \$11M in annual impact.
- **Social Media's Strong Impact :** Social consistently delivered ROI above 11, with 11.6 in 2019 and 11.3 in 2020. Its effectiveness remained stable through Covid and post-Covid, showing no significant drop. Contribution rose from \$16.3M to \$21.5M, underscoring Social's growing influence on sales.
- **Digital Media Dominance Post-Covid :**
Digital channels (Search, Social, Online Video) led performance, showing superior ROI stability. Their returns remained resilient through market disruption, outperforming traditional channels. Compared to TV and Print, Digital media delivered higher efficiency and stronger sales contribution.

1. Reallocate budget towards high-performing digital channels, especially Search and Social to maximize marginal returns.
2. Consider reducing spending on Print and Display, which consistently underperforms.

Promo Performance

Insight

- **Samples:** Delivering the strongest performance, rising from \$9.9M (64%) in 2019 to \$38.2M (68%) in 2020, making them the dominant promotion type.
- **GWP (Gift with Purchase):** Remaining stable in share at 27%, and its contribution more than tripled from \$4.2M to \$ 15.0 M.
- **Product Launch:** Contributing the least and declined in share, dropping from 9% to 5% despite a modest increase in dollar contribution.

Implications/Recommendation

1. Prioritize investment in Samples, which consistently delivered the highest contribution and accounted for 68% of promotional impact in 2020, demonstrating strong consumer response and ROI.
2. Maintain support for GWP, as its contribution more than tripled YoY, indicating potential scalability with consistent share performance.
3. Consider reevaluating the Product Launch strategy, as its share declined despite increased spend, suggesting a need to optimize execution or redirect budget toward more effective tactics.

Covid Impact

Insight

- The pandemic concludes an estimated \$27.8M in incremental sales, highlighting its significant influence on 2020 performance.
- Despite macroeconomic challenges, total 2020 sales rose to \$641.8M, up from \$189.6M in 2019, indicating resilience and adaptability.

Implications/Recommendation

- 1.Double down on strategies activated during the Covid period, such as digital engagement and adaptable promo formats that showed measurable success.
- 2.Continue monitoring macro and external influences closely, and prepare contingency promotional playbooks for future market disruptions.
- 3.Reinforce successful pandemic-era tactics into long-term planning to safeguard growth and agility in uncertain times.

	Insight	Implications/Recommendation
<i>Other Findings</i>	<ul style="list-style-type: none"> • Macroeconomic factors including category growth, consumer behavior shifts, and market recovery, accounted for the largest single contribution to sales growth from 2019 to 2020, totaling \$346.7M. • This indicates that much of the brand's performance uplift was driven by external tailwinds rather than internal media or promotional levers. • Showcasing the importance of aligning strategy with macro trends to ride growth waves effectively. 	<ol style="list-style-type: none"> 1. Establish a dedicated cross-functional forecasting team that incorporates macroeconomic indicators like employment rates, inflation, and consumer confidence into quarterly sales planning. 2. Use this forecast to proactively adjust promotional intensity and channel mix ahead of major economic or seasonal shifts.



3. Key Insights

How Media & Promotions Drove Sales Over Time

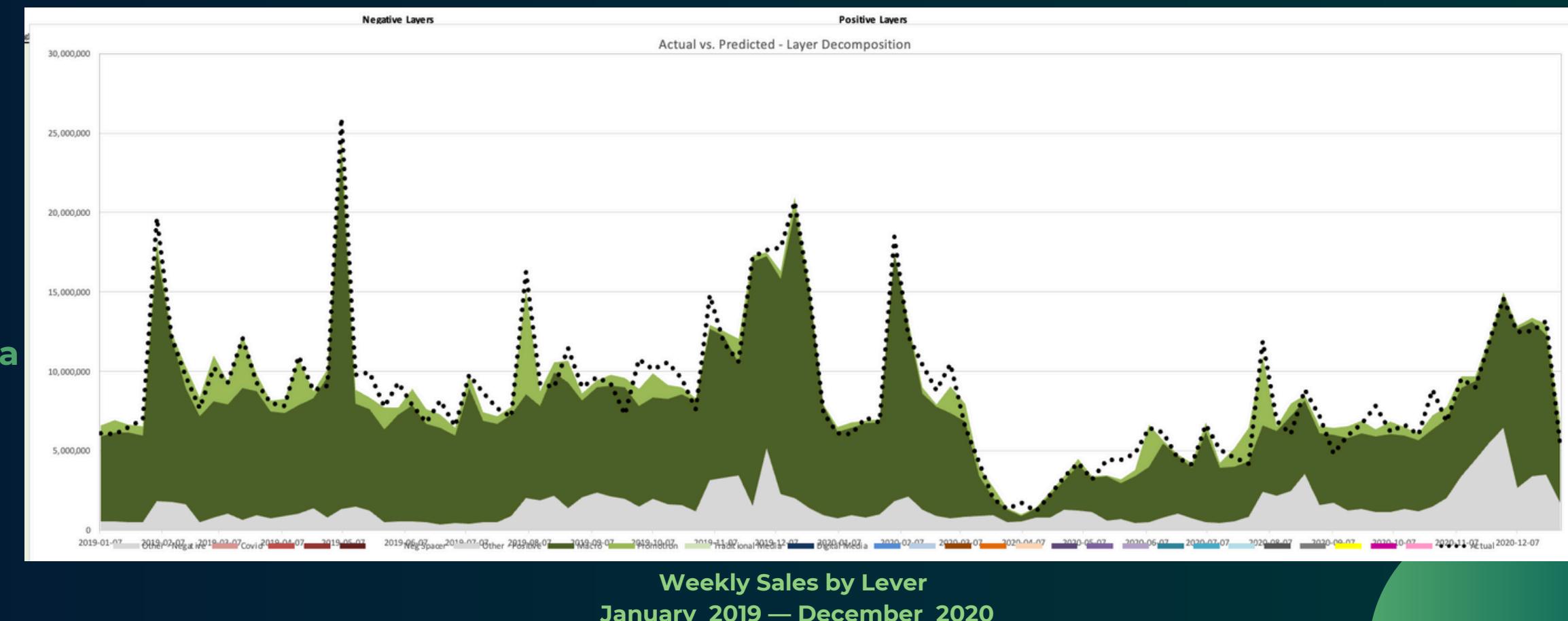
Annual Sales by Lever 2019 vs 2020

	2019		2020	
Group	Contribution	% Contribution	Contribution	% Contribution
Macro	\$420.9 M	78%	\$250.2 M	80%
Promotion	\$51.4 M	10%	\$30.8 M	6%
Media	\$65.4 M	12%	\$75.6 M	14%

Key Insights

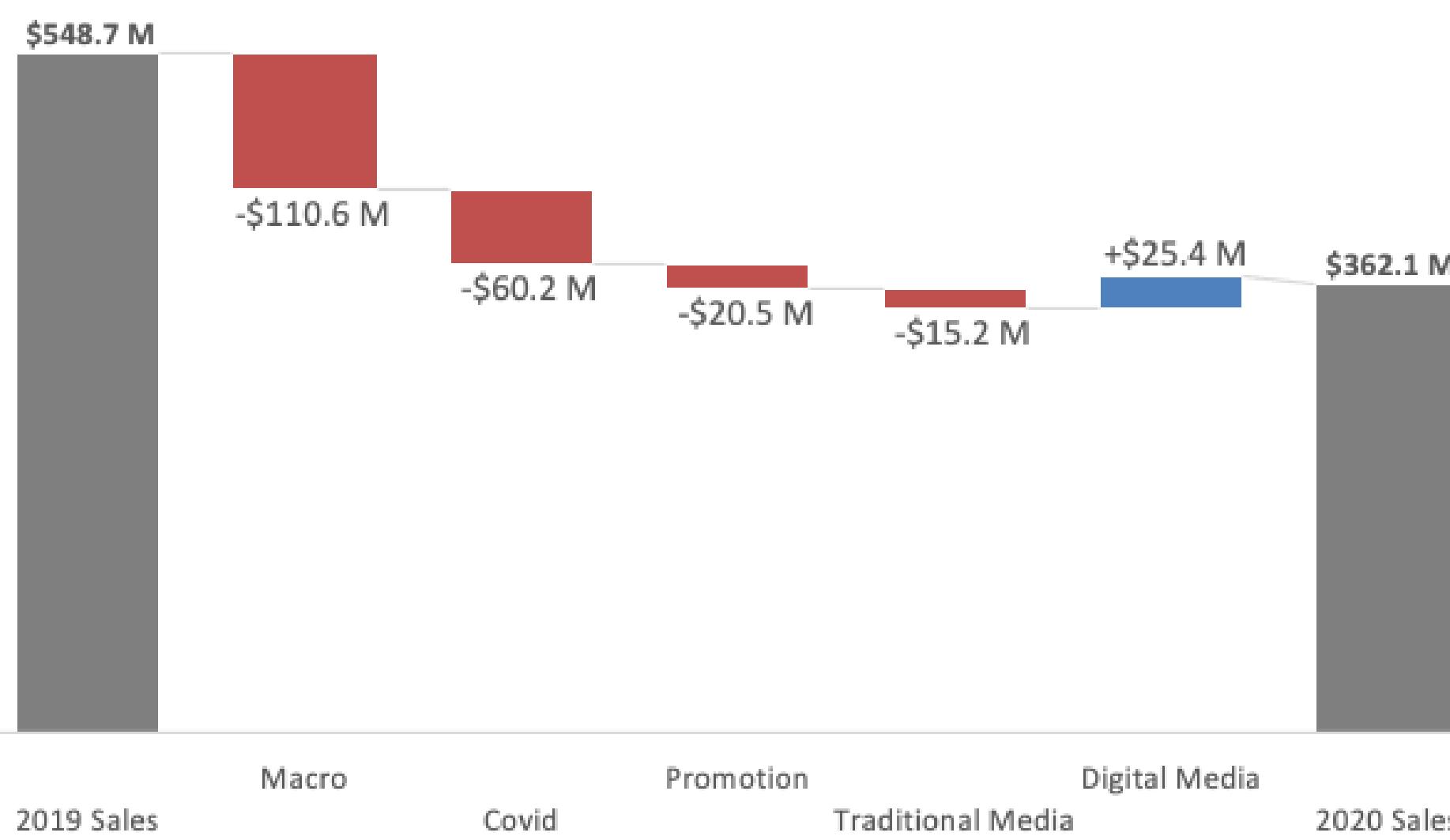
- **Baseline (macro) drivers increased from 78% in 2019 to 80% in 2020, reinforcing the brand's strong organic pull and dependable customer base.**
 - **Media contributions rose from 12% in 2019 to 14% in 2020, suggesting incremental investment in paid media is starting to deliver returns, albeit modestly.**

- **Promotion-driven sales dropped from 10% to 6%, signaling a strategic retreat from discounting — likely in favor of margin protection and long-term brand value.**
 - **Takeaway: The brand's strong baseline gives it stability. With media growing and promotions declining, now's the time to focus on what media really works.**



Sales Decline Drivers & COVID Impact: 2019–2020 Gap Analysis

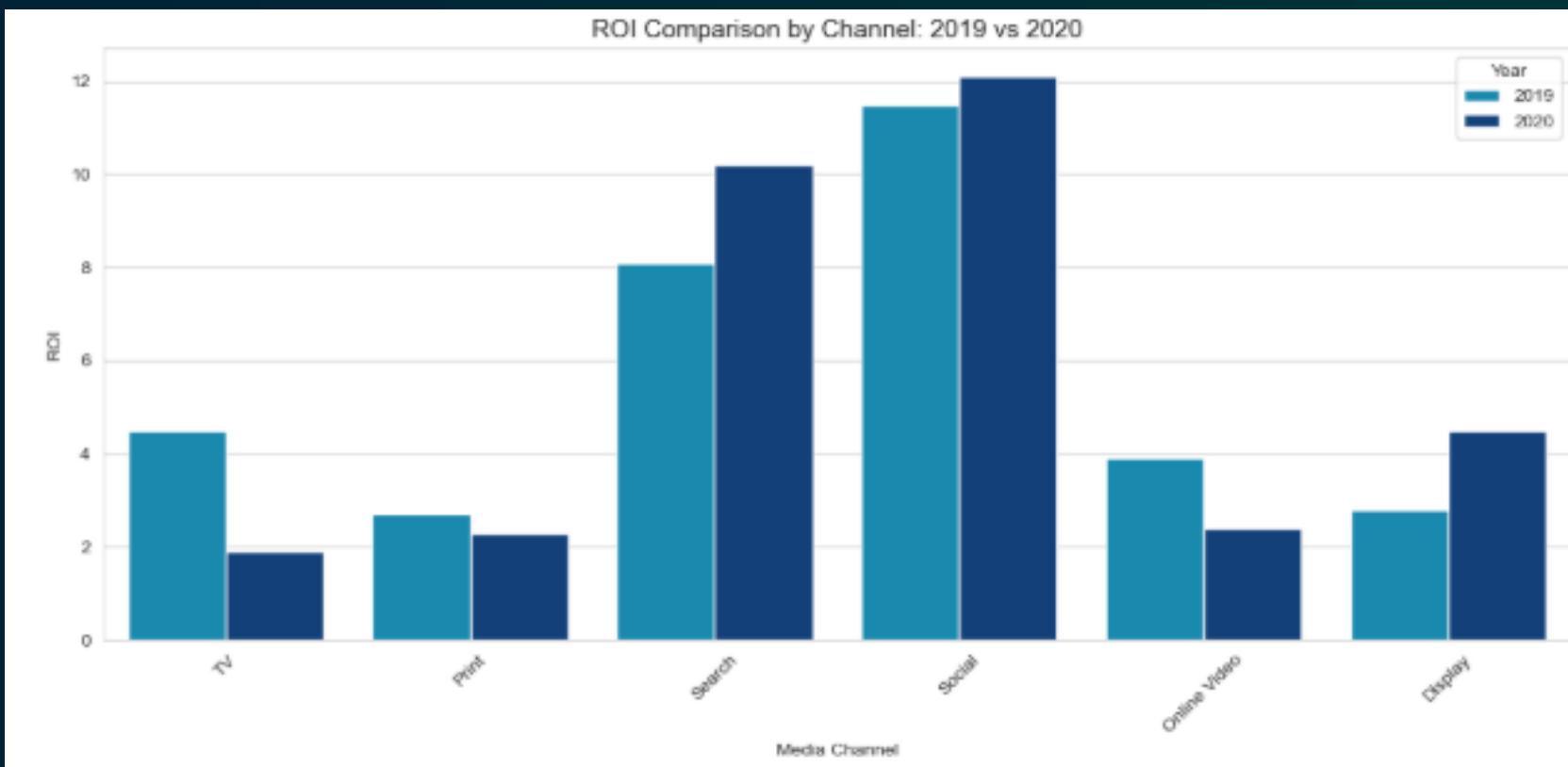
Source of Sales Change
2019 vs. 2020



- Sales fell from \$548.7M in 2019 to \$362.1M in 2020 — a \$186.6M drop (-34%)
- This decline was mostly driven by external factors:
 - Macro trends and COVID-related disruptions together accounted for \$170.8M of the loss
- COVID alone contributed to a \$60.2M decline in sales
- When we consider indirect effects, such as shifts in the economy and media performance, pandemic-driven factors explain over 90% of the total loss
- Digital Media stood out as a bright spot:
 - With just \$4M in added investment, it delivered \$25M in contribution, proving to be a high-ROI growth lever

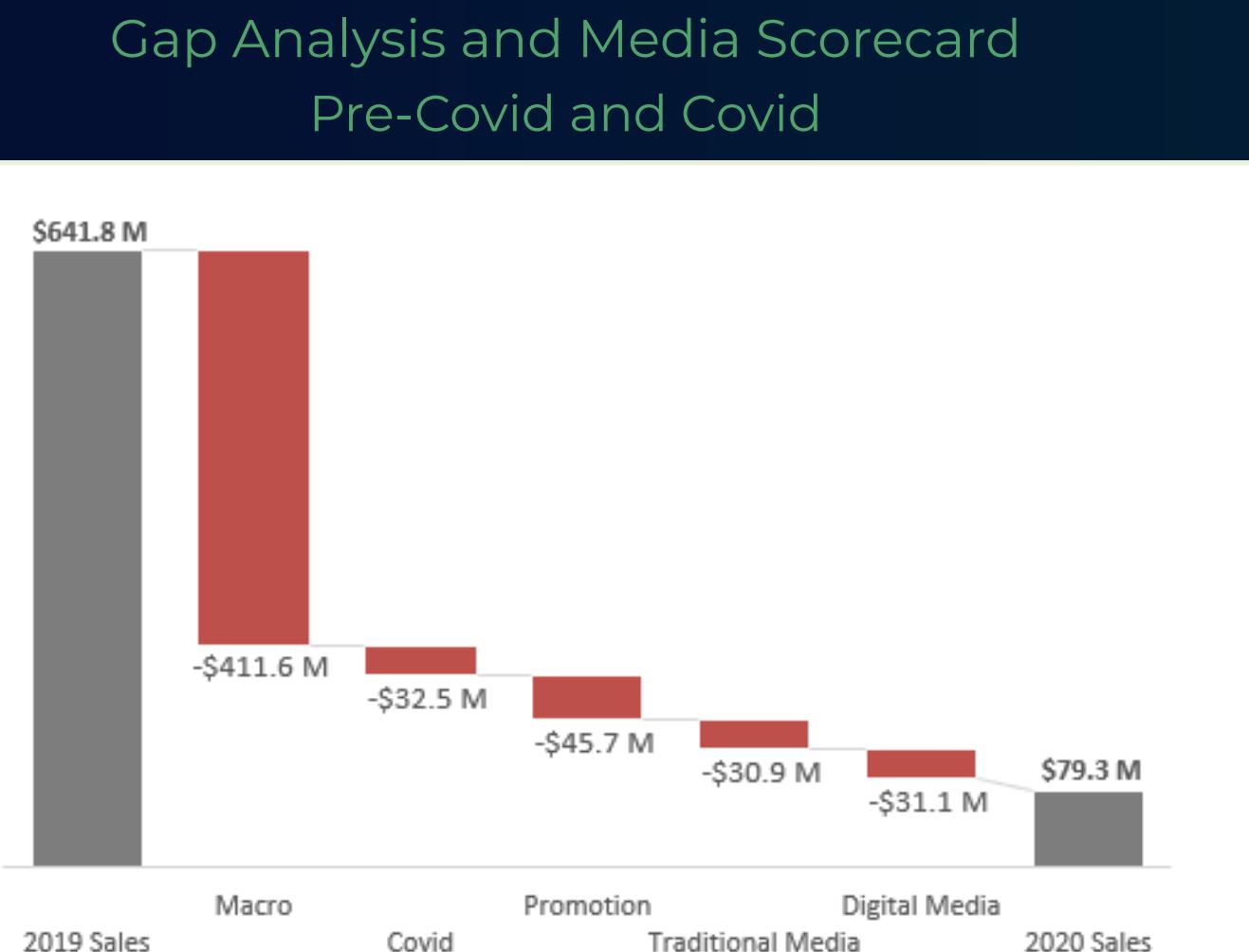
ROI Score Card Analysis

- Search and Social consistently achieved the highest ROI, both staying above 10 across 2019 and 2020, while keeping spend levels relatively moderate — indicating exceptional cost efficiency.
- TV and Print absorbed substantial budgets but delivered low ROI in both years, suggesting these traditional channels may no longer justify their investment levels without stronger returns or contribution in other levels of the marketing funnel.
- Outdoor saw a dramatic turnaround in 2020, jumping from zero recorded ROI in 2019 to a staggering 36.4 — this anomaly warrants closer review to verify whether it reflects real campaign performance or outlier measurement.
- Online Video's ROI declined in 2020 despite higher spend, pointing to possible saturation or suboptimal targeting, and raising questions about marginal returns on increased investment.
- Display showed notable improvement, with ROI climbing from 2.8 in 2019 to 4.5 in 2020, indicating that optimization efforts or media strategy adjustments have begun paying off.



Deep Dive #1- Shifting Promotion Strategies and Media from Covid to Pre-Covid

- Digital channels like Social and Search achieved the highest ROI during Covid (15.4 and 8.8), indicating that while overall contribution fell, certain media remained highly efficient under pressure
- GWP (Gift With Purchase) promotions accounted for 24% of all promotions in 2020, slightly down from 27% in 2019, and their contribution also dropped sharply from \$15.0M to \$2.5M—highlighting a significant decline in effectiveness.



Group	Covid (3/16/2020 - 7/27/2020)		
	Spend	Contribution	ROI
TV	\$0.4 M	\$0.9 M	2.0
Print	\$0.8 M	\$1.5 M	1.8
Outdoor	-	-	-
Search	\$0.3 M	\$2.8 M	8.8
Social	\$0.4 M	\$5.6 M	15.4
Online Video	\$0.6 M	\$2.0 M	3.2
Display	\$0.2 M	\$1.2 M	6.6

Promotions Deep Dive

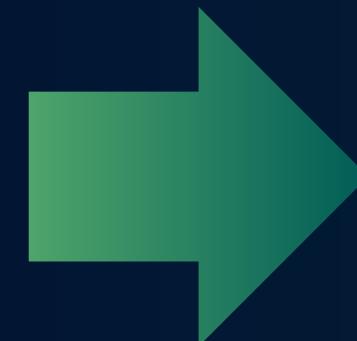
Group	2019		2020	
	Contribution	% Share of Promotions	Contribution	% Share of Promotions
Product Launch	\$2.9 M	5%	\$1.3 M	13%
GWP	\$15.0 M	27%	\$2.5 M	24%
Samples	\$38.2 M	68%	\$6.6 M	63%

Deep Dive #2- Optimizing Media Spend Channel- ROI Before vs After Covid

- Digital media spend rose sharply post-Covid (from \$5.2M to \$6.8M), and while ROI dropped slightly (from 6.8 to 6.2), it remained the most efficient channel group overall.
- Traditional media spend declined (from \$8.2M to \$3.2M), and ROI also fell (from 3.6 to 2.8), reflecting reduced performance and efficiency.
- TV and Online Video showed the weakest ROIs post-Covid (1.5 and 2.1), suggesting limited return on investment and potential for reallocation of spend.

Group	2019			2020		
	Spend	Contribution	ROI	Spend	Contribution	ROI
Traditional Media	\$8.2 M	\$30.0 M	3.6	\$3.2 M	\$9.1 M	2.8
Digital Media	\$5.2 M	\$35.4 M	6.8	\$6.8 M	\$42.0 M	6.2

2019 and Post-Covid
Media Scorecard
2019 and Post Covid



Group	2019			2020		
	Spend	Contribution	ROI	Spend	Contribution	ROI
TV	\$4.2 M	\$18.8 M	4.5	\$2.5 M	\$3.8 M	1.5
Print	\$4.1 M	\$11.2 M	2.7	\$0.6 M	\$1.4 M	2.4
Outdoor	-	-	-	\$0.1 M	\$3.8 M	36.4
Search	\$1.1 M	\$9.1 M	8.1	\$1.4 M	\$15.1 M	10.5
Social	\$1.5 M	\$17.4 M	11.5	\$1.4 M	\$16.3 M	11.6
Online Video	\$1.5 M	\$6.0 M	3.9	\$2.9 M	\$6.1 M	2.1
Display	\$1.0 M	\$2.9 M	2.8	\$1.0 M	\$4.4 M	4.2

Thank You. For Attention

Any Questions ?