

# CPG Leader Finds Incremental Revenue Opportunities with Market Mix Modeling

Identifying potential growth drivers & optimizing budget decisions with in-depth data analysis helps drive up portfolio value & ROI.



## Our Client

An American multinational snack conglomerate that serves over 150 countries – needed to understand the complete picture around one of their portfolios. In addition to identifying critical drivers for their ten power brands, the client wanted to:

- Assess the effectiveness and payback periods for media and promotional activities.
- Determine price effectiveness for a major brand.
- Find any portfolio-level optimization opportunities.

To accomplish this, we needed to build a market mix model (MMM) to provide a comprehensive look at their current situation and help them find ways to make for the future.

## Answering What, Why, and How with MMM

Market mix modeling not only helped the company understand how their media and promotional activities were performing, but it also helped them:



Identify the key growth pillar for their portfolio



Create province-level segmentation strategies that drive growth



Use effective budgeting to support their media efforts

The client also used the model to target stores with the highest likelihood of success and enhanced in-store visibility and consumer promotions to promote further growth.

## A Complete View of the Portfolio

To gauge the impact of various drivers on multiple brands, we built a regression-based market mix model using granular data. For portfolio analysis, we used brand-level results and estimated the elasticity of price and distribution for key SKUs across brands.

Thus, the model provided a detailed view of the entire business picture for this unit’s specific portfolio. With data-backed insights, they could now optimize media campaign spending and promotions across the brands. This led to the chance to increase payback at the portfolio level and drive up the portfolio’s value and ROI.



## Data-Driven Decisions Enable Efficient Planning

Thanks to this market mix model, our clients understood what directions they needed to achieve portfolio growth. They also had a clear picture of how to support their actions with appropriate budgeting and planning, allowing them to operate with greater efficiency and precision.