



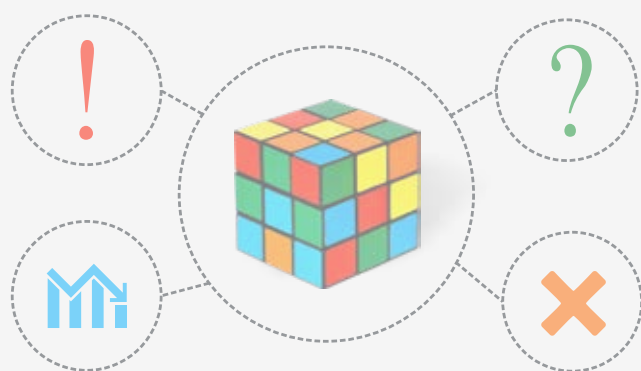
A brand is no longer what we tell the consumer it is - it is what consumers tell each other it is
 – Scott Cook

An American chain of fine dining restaurant achieved
 5.2% more sales with our Analytics expertise & insights

About The Organisation:

Our client is an American chain of casual fine dining restaurant with a Southern US country theme that often represents the "down-home" country cooking style of the 1950s and 1960s. By 2017, our client had opened more than 650 restaurants in 42 states.

Business Problem:



Applying robust data mining and advanced analytical techniques, and taking industry specific and exogenous factors into account, our goals were to answer the following questions:

- What is the impact of Marketing on Sales?
- Which media channel has higher ROI and Effectiveness? Does this vary by Designated Market Areas (DMAs)?
- How does marketing impact vary for General and Hispanic markets?

Our Approach:



Decomposing Sales into Base and Marketing

Using advanced econometric modelling, we statistically linked Marketing investments and Sales to uncover the key drivers of Sales. We decomposed Total Sales into Base Sales and Sales driven by Marketing using various Media channels. Using a Mixed Modeling approach at a DMA level, we estimated the impact of Media channels to evaluate how Marketing effectiveness and ROI vary by Media channels and DMAs. This helped Media executives identify where should they spend their next media dollar. The study revealed that reallocating resources across media channels and DMAs can lift Sales by 5.2% and 1.7% respectively, while keeping the overall spend unchanged.

Impact of exogenous factors - Cultural, Economic, Geographic

The United States is a nation of great diversity. The varying landscapes shape the lives, customs, and spending habits of its people. Additionally, the culturally rich theme of the restaurant is more attuned to South-East region of USA compared to the West. Therefore, we included Seasonal, Geographical, demographic indicators like Unemployment, Household Income, Hispanic population along with exogenous factors like Inflation and Weather. Including these factors not only helped in learning more about these indicators, but created robust models.



Analysing Media impact at DMA level

Hierarchical Mixed modelling helped analyzed the optimal mix of marketing investments at a DMA level. We estimated and calculated ROIs & Effectiveness by DMA to learn that the impact of Media channels varies across DMAs. This analysis revealed that by keeping the spend across Media channels unchanged and reallocating spend only by DMA, there is potential of lifting Sales by 1.7%.



Cross Media impact

We modeled for cross media synergies to understand the impact of interaction between various media channels. Media synergistic effect was captured using multiplicative models to evaluate which media combinations when executed together, produce higher incremental Sales compared to their isolated execution. OOH and Search when executed together lifted Sales by 5.7% compared to their individual impact.

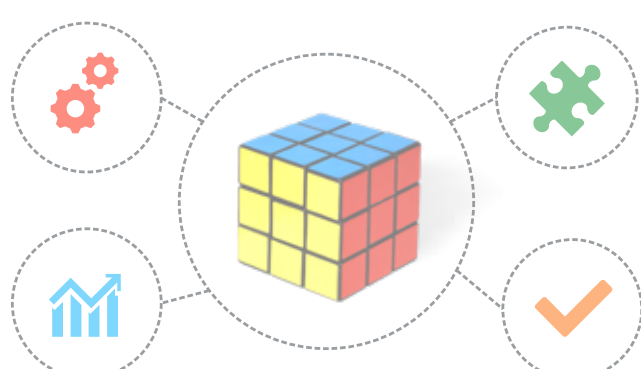


Scenario Planning tool

TEG developed a Scenario planning tool to model budget implications of spending decisions. A Tableau simulator was developed for the media team to simulate "What-If" scenarios by changing spend across media channels to evaluate its impact on Sales.



The TEG Impact:



Using Advanced statistical modeling, we helped Media executives distinguish between the impact of media investments and the effects of general trends in the market or their business. Our insights helped the client understand which levers they should pull to impact Sales. TEG's recommendations helped the client prioritize their spending by Market (DMAs), choose the optimal media mix that aligns short term tactical changes with long run strategy, build spend efficiency by understanding tactic level spend threshold and saturation levels and create effective media messaging that will be most effective at a consumer's decision journey.