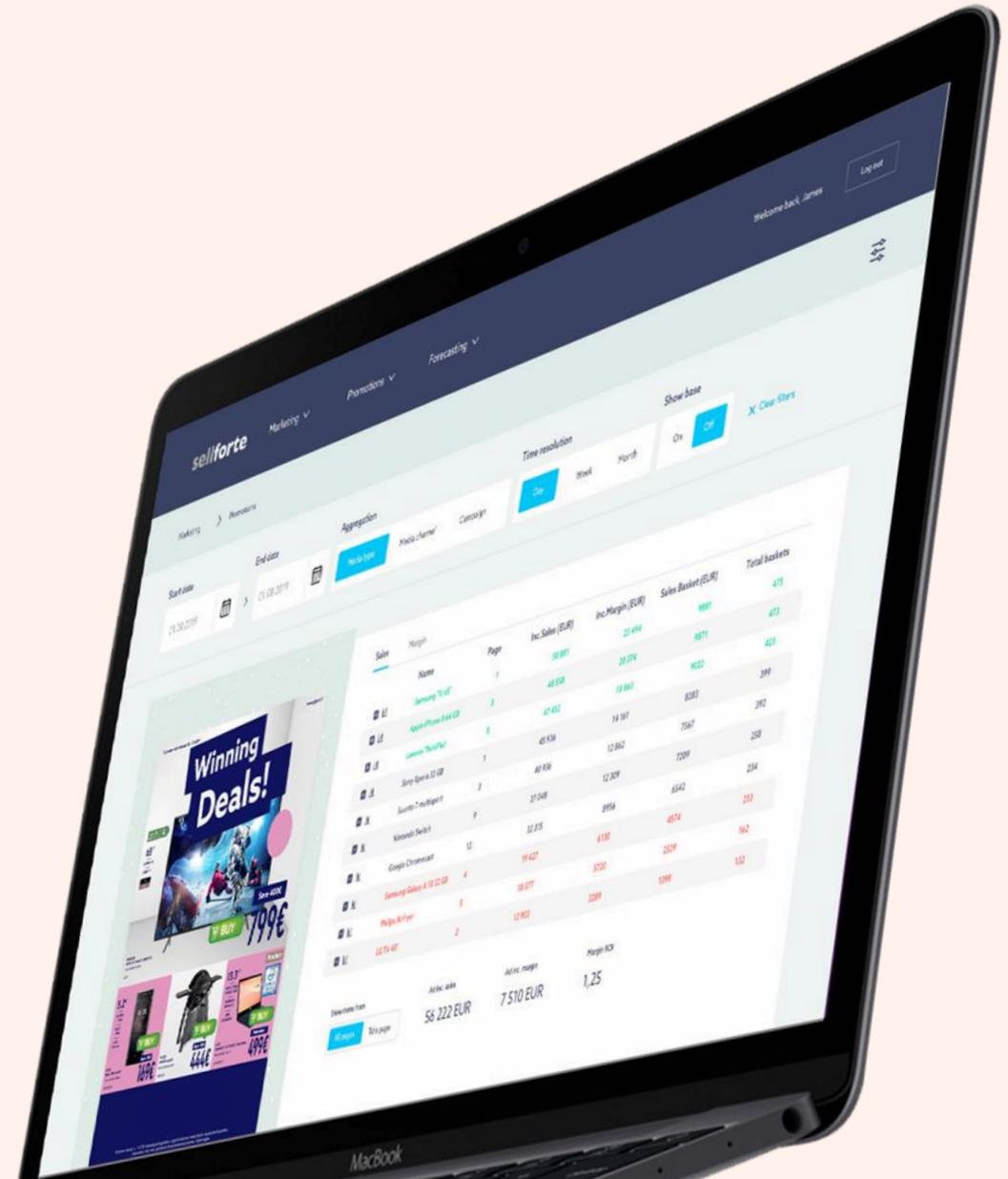


# sellforte

## Get Started with Marketing Mix Modeling

### Step 1. Data



# How to increase your sales and margin using Marketing Mix Modeling

→ The key to becoming (and remaining) relevant is to get the correct marketing mix. Your marketing mix, in case you wanted a reminder, is the cross-section between product, place, price and promotion.

→ Marketing Mix Modeling (MMM) is like baking a cake – you can mess up really bad by using the wrong ingredients. How to do it the right way? Let's start with the data.



# What data do I need for MMM and where to get it from?

## Sales / Transaction data

**Why do you need this data?** Item-location-day level sales data enables the model to plot when and where sales have happened on granular level enough for linking the changes with **Marketing & External Data inputs**.

**Where do you get this data?** Obtainable from your company's ERP, Data warehouse or CRM.

	Minimum	Decent	Superior
Time Frequency	Weekly	Daily	Minute
Location	Total	Store chain or city	Store
Product	Category-Brand	SKU	SKU
Time Range	2 years	> 2 years	> 3 years

# What data do I need for MMM and where to get it from?

## (Tactical) Marketing Communications data

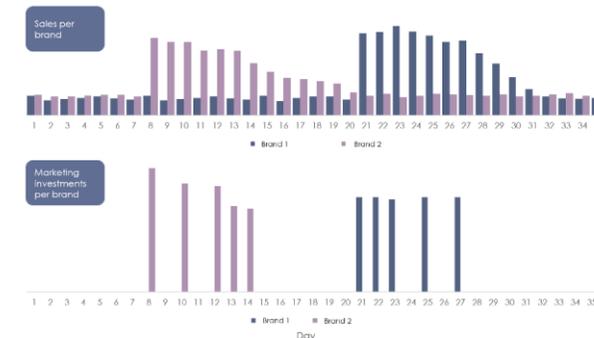
**Why do you need this detailed data?** Categorizing the campaigns and media investments helps gaining more insights based on the analysis.

**Where do you get this data?** The answer depends on the amount of media channels and whether you're cooperating with a media agency. As a rule of thumb:

- Online media data can be pulled with APIs
- Offline media data comes from media agency. If you're not using an agency, the media seller should be able to provide the metrics or you already have them in in-houses systems or Excels
- Own media and trade marketing data metrics come from internal systems

Item/campaign	Media Group 1	Media Group 2	Media	Media metric	Investment
Brand A	TV	Commercial channels	Channel 3	TRP	xx €
Products B-G	Social Media	Facebook	Facebook Display	Impressions, clicks	xx €
Family matters - brand campaign	Own media	Newsletter	Brand newsletter	Reach	Free?

	Offline media data	Online media data	Own media	Trade marketing (FCMG/CPG sector)
<i>Example channels</i>	TV, print, radio, OOH	Google, Instagram, Online display and video	Email, sms, newsletter	Retailer campaigns, store placement
<i>Data source</i>	Media agency (e.g. a cloud-based system)	Google/Facebook (through API)	Internal marketing department	Internal reporting system
<i>Media metrics</i>	TRP, GRP, OTS, gross spend	Impressions, clicks	Number of people reached (distribution)	Floor priority, number of stores



# What data do I need for MMM and where to get it from?

## External data sources (optional / secret ingredient)

The third dataset is an optional one. **It's the *secret ingredient***. Like in all masterpieces, your model needs something that makes the other ingredients pop.

The trick is, nobody else knows better than you what this secret ingredient might be

Data type	Where you could get it	Why it matters
Weather data	Open weather data services	Weather affects mood, holiday planning and pretty much everything
Business KPIs (Traffic, NPS, ...)	Google Analytics, Data warehouse, management presentation	The business KPIs are there for a reason. Might be worthwhile to include them to the model
Macroeconomics	Government statistics	Increase in shopping power and overall consumption might explain growth in sales
Demographics	Government statistics	Changes in the demographics could mean your target audiences are growing/diminishing
Competitor prices & campaigns	Internal benchmarking/monitoring	The price comparison might be high within your industry. Aggressive campaigning will show in your results as well
Competitor media investments	Kantar TNS	Higher or lower media activity on the competitor side might explain why your media ROI is in motion

**How do I input these into my model?** This depends a lot on the model. Just make sure that you have a way of connecting the different datasets (sales data, marketing data, external data). For example, time series models often take one datapoint per date, while dependent (sales) and independent variables (promotions, marketing, external) are included as columns.

# Why Continuous Marketing Mix Modeling is so important

## The traditional approach

- The traditional approach to Marketing Mix Modeling (as well as to other modeling projects) is to launch a project every now and then to evaluate the effectiveness of marketing.
- It's a bit like checking the map every morning on a very long road trip. The undertaking lasts maybe weeks or months as stakeholders scramble to gather data from a variety of systems and formats.
- In between checkups you get a gut feeling that you're not on the right route anymore, but it's really difficult to change the course without hard data to back up your call. So you play it safe and wait for the next results to prove you right...

## The continuous approach

- Continuous approach in MMM brings a host of benefits by enabling continuous testing and thus improvement.
- Especially the emergence of digital marketing has made marketing more susceptible to experiments.
- There is no reason why the experimental mentality should not be adopted for the whole marketing mix. Besides pushing boundaries with online marketing, digitalization has made the constant integration of offline marketing data more feasible than ever, even if the number of marketing channels keeps increasing.

Hopefully you get your data in order. In case you need any help or are interested of learning more, we are here for you.

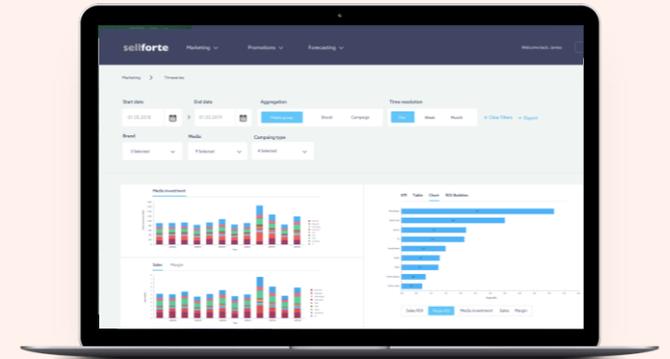


Paul Aprikari  
CCO

Curious to learn more?

Sellforte brings clarity and transparency to opaque business decisions

- > [Free Trial](#)
- > [Case studies](#)
- > [Solutions by Industry](#)



**sellforte**