in4mation insights

Understanding How Marketing Growth Analytics Can Drive Your Most Strategic Objectives

Marketing Growth Analytics (MGA) is the use of models and optimization to achieve growth targets.

To achieve its goals, MGA must: cover all media and promotion levers, take account of the operational factors that drive the baseline forward, and move at the speed that strategy develops.

Marketing Growth Analytics – Overall Vision

The goal of every commercial brand is to grow. Brands strive to grow their revenues and their profitability, to fuel expansion, increase shareholder value and establish category dominance. They are relentlessly focused on growing brand equity and awareness, expanding their customer base, increasing loyalty and retention, and growing share of wallet at the same time as they seize competitive share of mind. Winning means achieving these goals with the most effective expenditures in marketing — not necessarily the cheapest — but investments that yield the greatest return and help achieve their unique growth goals most efficiently.

At the core of strategies that inform any marketing plans is the deployment of media with the greatest potential to reach the audiences most critical to each company's unique growth goals. Messages delivered to the wrong audience are dollars wasted because they will not convert to any of the metrics for growth essential to the bottom line.

To achieve growth goals, brands must use well-understood and stable properties of media in order to leverage the full range of operational opportunities. They need visibility and a granular lens on the impact of all media investments. That is the purpose of Marketing Growth Analytics.

What Foundations Ensure that Marketing Growth Analytics Work?

Using media to drive Marketing Growth requires an understanding of the operational levers of the company, the competitive nature of their businesses and the overarching goals of the C-Suite. Media partners must understand the nuances of the audiences they must help brands reach and convert, where and when those audiences are most susceptible to messages that resonate, and the behavioral variables that impact the types of media that can support engagement, activation, commitment, retention, loyalty and of course, sales.

Marketing has always required strategies around four key fundamentals: Product, Price, Place and Promotion. At its most basic, effectiveness in any media plan (and the skill and competency of modelers who optimize it), must include sufficient knowledge of a brand partner's business to identify these contextual factors in order to drive marketing plan success.

What is the unrealized potential of the current product line and what do innovations add? Through what service channels does fulfillment take place? Increasingly we see goods and services offered in new venues and for different occasions. Keeping track of the matrix of audiences, needs, places and messages becomes the context for the media plan.

Planning for Growth

Growth has to be planned for and measured. We have to see a movement in sales, early on and longer term. There are some superb data-driven services that specialize in timely tracking of the execution of media plans, especially in digital. These are the pulse of media – and they bind people together in common purpose. But ultimately, those plans must achieve growth in sales. Intermediate metrics cannot be relied on forever. Media optimization partners must provide the "level set" that takes all those various efforts and claims, and finds out which of them drove growth in sales. Moreover – it is not enough for us to oversee a steady state of acceptable ROMIs (Return on Marketing Investment). The job of any analytics partner is to provide insight into why the media is working to drive growth and to boldly stake out wider opportunities for the best performing media.

To maximize the potential of those opportunities – *we have to matrix the media with the operations:* what markets (people, places, times, and needs) are underserved? Which markets can teach us lessons to up our game? What tactics are right for what business purpose?

Traditionally media analytics only looked at a media plan that could be mapped out and evaluated retrospectively, often on an annual or semi-annual basis alone. Yet the fast-moving pace of advertising that includes the dizzying array of digital channels demands a more agile and timely delivery of granular, actionable insights, enabling brands and their media partners the ability to simulate, optimize, and adjust at strategic points throughout the duration of campaigns.

To get growth, you have to iterate as you design for it. Our process asks: if this campaign or channel partner worked well, how can it work better to achieve your growth target? What other jobs can it do? To get growth, you also have to measure it. Although ROAS is the capstone KPI for measuring media performance, it is often the wrong metric for measuring growth as it frequently measures efficiency alone, hiding whether it has come at the price of reduced scale, share, or audience penetration. A focus on ROAS may lead to a simplistic optimization based on reallocation across media channels. To achieve growth, we need to balance efficiency with *effectiveness at scale.*

Why in4mation insights?

At i4i, we don't claim to have invented Marketing Growth Analytics (MGA), but we are pretty sure that we are one of the few agencies putting together the right tools in next generation Marketing Mix Modeling to be able to deliver robust, reliable actionable MGA at scale.

We are the leading "granularity experts" — able to use Hierarchical Bayes (HB) methods to drill down to fine levels of partner, campaign, audience, and other aspects of the media taxonomy. We are in the position to reconcile findings with speed and agility, with weekly or daily updates on execution, and a view of whether those activities are driving growth.

The sheer volume of data points that must be ingested, assessed, weighted, and evaluated means that the algorithms applied to analyze them need to be uniquely structured to ensure they can deliver the desired reliable guidance. And it is the flexibility to move between these overlapping goals that inspires Optimetry™, our growth-oriented planning engine that sits on top of the results of our MMM engagements.

Not all analytics approaches are created equal. Academics have long believed that HB approaches are expressly purposed to address complex challenges like those presented in next generation media modeling and optimization. We are proud to be acknowledged leaders in the application of Bayes, and to claim that as a key differentiator in our consultancy.

As such we are a crucial partner, complementing media and agency stakeholders with a view of how all the pieces of media fit together.

We bring a kind of partnership that gets its arms around the context and purpose of MGA and find ways of doing it fast, helping our client companies use optimized and effective media to grow their businesses.

If marketing is a key asset in your formula to drive strategic growth, we would welcome the opportunity to discuss how our Marketing Growth Analytics practice can help. Contact us today at info@in4ins.com.