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Deloitte Analytics

Marketing Return on Investment - Advanced Analytics

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Visualize your Marketing Return on Investment

Redefining the Marketing ROI

The digital revolution and social media are creating more data than ever before. Big data have a disruptive potential in every sector and in every industry, but the value of data depends on its use.

Today, marketers spend their advertising budget in a variety of channels, including television, radio, email, social networks and search engines.

The wide variety in the menu of marketing channels renders the process of allocating the advertising budget an extremely intricate decision-making job, due to the intrinsic differences among media types and the audience they are targeting.

As a consequence, marketers face tough decisions on a daily basis. Examples include:

- Should we invest in more traditional channels like television and radio, or focus on web marketing?

- Should we diversify our marketing spending in several media types, or concentrate our efforts in a restricted number of channels?

- Which channels are the most effective in attracting the attention of potential customers?

- Are there any channels that are overvalued or undervalued?

Today, big data generated by sale processes can highlight the correlations between advertising campaigns and customer reactions, thanks to the synergy between advanced analytics techniques and industry expertise.

While in the past advertisers had to make a guess about the efficiency of their marketing actions, today's technology allows us to visualize a continuous feedback from customers and carry out an informed, evidence-based and data-driven decision making process.

The Target of MROI Analytics

MROI analytics aims at recognizing patterns in the customer behaviour, based on correlations in big data, in order to optimize the allocation of the marketing budget, helping advertisers to reach a goal in terms of sales, revenues, number of customers or similar.

Technology and innovation have allowed data analysts to capture the value inside big data, thanks to state-of-the-art algorithms and visualization tools, in order to provide insights and recommendations to business decision makers.

Historic data can be aggregated by year, week, month or day, in order to assess the performance of past marketing actions in terms of sales, customer engagement etc. Beyond evaluating the effectiveness of past actions, MROI advanced analytics aims at helping businesses to make predictions for the future, in order to optimize the marketing budget allocation.

The Challenges in MROI Analytics

Assessing the performance of past marketing actions is a formidable task, because of the entanglement of a number of concurring factors.
In order to correctly analyze historical data, the following indicators must be taken into account:

- *Seasonality:* Are there any privileged periods for sales? Do we observe peaks or drops in the number of sales at regular time intervals? Are sales higher in winter or summer? Or during the last week of each month? Or even on particular days of the week?

- **Market Trends:** Beyond oscillations due to seasonality and other factors, let us zoom out for a minute and observe the whole picture: is the market growing, stationary or declining in the long term? Are there any economic, political or technological trends affecting our results?

- **Marketing Actions:** This is the core of our MROI analysis: once we have taken out unavoidable trends due to seasonality, economic factors etc., what is the real impact of our marketing campaigns? Are advertising actions relevant to the sales performance?

- **Age of the product:** What is the impact of the launch of a new product in the customer behavior? Do customers lose interest in a product as it gets older?

- **Pricing:** What is the correlation between the pricing of a product and the response of the audience to marketing actions? Can we improve the effectiveness of advertising campaigns by fine-tuning the marketing actions according to the potential customer band?

Deloitte Predictive MROI Analytics

Advanced Analytics requires a whole set of capabilities, relevant experience in the field and industry expertise. Some key aspects include:

- data collection
- data management and transformation
- data quality
- data integration
- KPIs definition and calculation
- mathematical modelling
- performance monitoring
- reporting skills

These techniques allow business users to visualize clear, structured and organized information, capturing the true value of big data through analytical models, from the exploration of historical data to forecasting future trends.

In order to deploy the MROI analysis and the predictive model to forecast sales, Deloitte Analytics activities include the following planning phases:

- Understanding the requirements of the business

- Sharing knowledge between Deloitte Analytics expertise and business know-how of industry insiders
- Data collection and data availability
- Definition of the Return on Investment (target variable)
- Definition of KPIs and assessment of their predictive power
- Sharing the activity on KPIs with business user
- Forecasting the target variable depending on KPIs
- Testing and sharing outcomes
- Dashboard, monitoring and predictive tool

The ultimate target of the MROI analysis is to build a predictive tool to forecast the customer reactions to the marketing campaigns, making use of advanced mathematical models and big data.
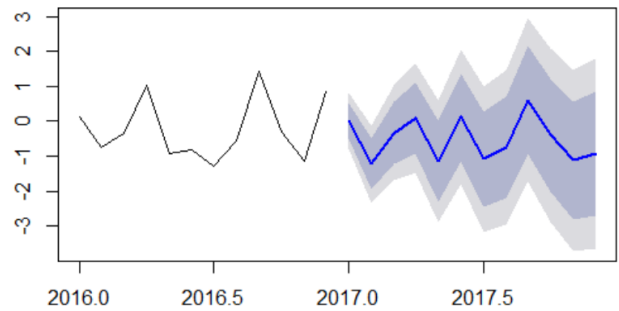
Deloitte Analytics and tools for developing and reporting MROI

Deloitte Analytics has a vast knowledge of technical tools for data management, data modelling and reporting in MROI activities.

In details, Deloitte Analytics has a deep expertise in the following data management tools for managing the data architecture platform on which MROI solution is built:

Regarding the information discovery layer, we have strong competencies for the main dashboard and reporting solutions in the market.

Why Deloitte Analytics

Like other companies, we can help our clients capture, manage and analyse internal and external data.

But only **_Deloitte Analytics_** has the deep industry expertise, advanced analytics capability, and understanding of decision-makers' roles to maximize its value – turning everyday information into useful and actionable insights.

Deloitte Analytics can help clients addressing complex business issues that can be defined by business outcomes and not just technology requirements

Additionally, Analytics can provide services and solutions tailored to the specific market segment your enterprise belongs to:

- **Financial Services**
- **Consumer & Industrial Products**
- **Energy & Resources**
- **Technology Media & Telecommunications**
- **Public Sector**

The Deloitte Difference:
Exceptional People and Powerful Assets

Deloitte helps our clients address these issues through the people and offerings of its Deloitte Analytics practice. Our national team of over 100 professionals has proven experience in structuring, managing, and delivering Enterprise Information Management strategies and implementation services. Through the collective experience of local practice and leveraging assets and best practices of our global WW Deloitte Analytics team, we have serve our customers with a broad array of toolkits, accelerators, models, leading-edge practices, diagnostics, and governance approaches to accelerate and improve the quality of EIM projects and ensure a focus on value creation.

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