

## Nepa Case Study

Nepa's participation in Facebook's Marketing Mix Modelling partnership and inclusion of long-term brand effects creates €140 000 improvement opportunity for leading international FMCG brand.

### Problem

In 2018, a top international FMCG company was experiencing decreasing sales and brand equity due to loss of mid-priced products in the marketplace, growing private label products and more intensive promotion.

The manufacturer tasked NEPA to find the optimum media mix to be the catalyst in turning around the downward trend. NEPA supported the brand by answering the following questions using our Marketing Optimization Suite and more specifically our Marketing Mix Modelling tools.

1. How efficient are different media in generating short term sales vs. long term brand effects?
2. How does communication affect sales compared to brand?
3. What is the optimal media communication strategy?
4. What is the optimal level of total media investment?
5. What is the optimal media mix?

### Solution

To support the brand and its challenges, NEPA conducted a marketing mix project with focusing on short-term effects as well as long-term effects of media.

*"Working together with Facebook enables us an easy analysis, speeding up the project process for us as well as having access to detailed media execution resulting into both smoother and improved delivery for the client."* – Nepa

NEPA determined the short-term contribution of media for the brand to be 4%. However, with decreasing investment levels and increasing promotion share the media contribution decreases over time. The media contribution is mainly driven by TV, Display & Programmatic. Despite having a lower investment, Facebook overperformed in regard to contribution to sales. The relevance of media investments for brand building was found to be even high-

er, 10% of brand awareness is driven by media investments. TV still has the highest contribution share, which is not surprising given the investment share of >50%. Facebook shows a medium contribution to brand awareness for a relatively low investment followed by Instagram with lowest investment share and contribution.

In order to drive sales in the short-term and long-term, our simulations showed that media investments should shift to Facebook and Instagram, using budget from Radio, Print, Google search and Display & Programmatic.

*"We had an MMM performed for our FMCG brand which gave valuable insights into which media will best help us maximize ROI in terms of balancing short-term sales vs long-term brand building. It also gave us deeper insights into what role Facebook plays in our overall marketing mix"* – Client

### Results

We showed the client that by simply optimizing the media mix they could raise media sales +12% without any additional costs. The estimated impact of this new

optimized marketing mix was worth +140 000 EUR, plus the added benefits of brand value contributing to long-term sales.