

# Market mix model



## Business Objective

- To quantify the sales impact of various marketing activities and to understand the effectiveness of each of the marketing elements in terms of its contribution to sales-volume.



## Benefit

- The result can be used to simulate marketing scenarios for 'What-if' analysis. The marketing manager can reallocate the marketing budget in different proportions and see the direct impact on sales/volume.



## Expected Outputs

- Understand the effect of each of the promotions on sales and forecast sales.
- Adopt the learnings to adjust marketing tactics and strategies and optimize the marketing plan.

## Data Used

- Sales data
- Above-the-line promotion data
- In store promotion data
- External data

## Design

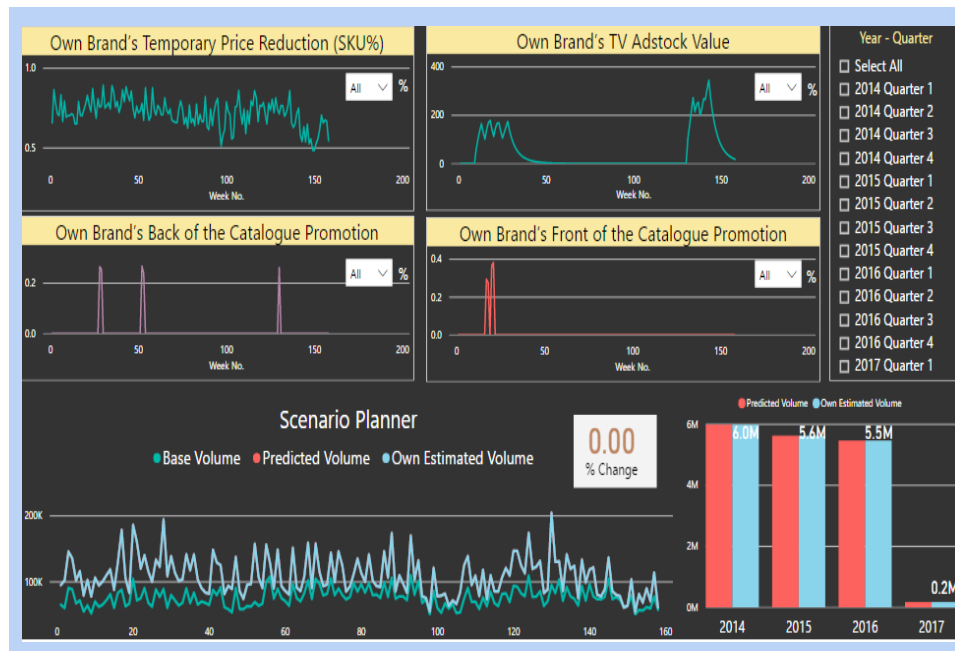
- Building a log linear model for sales prediction.
- Measurement and decomposition of the volume sales in terms of each marketing activity.

## Output

- Key factors for Base Volume and Incremental Volume.
- Sales Volume Decomposition in terms of each marketing element.

## Benefits

- Optimization of marketing budget by identifying the most and least efficient marketing activities.
- Forecast Sales while simulating various scenarios.



Understand the effectiveness of each marketing element in terms of influence on sales.