SPIRITS COMPANY GOES BEYOND PORTFOLIO OPTIMIZATION TO DRIVE BUSINESS RESULTS

A spirits company, with a variety of brands within their portfolio, was struggling to balance investments across various lines of business with different targets and seasons. While they had an analytics program in place, the results weren’t actionable or insightful. Analytic Partners stepped in to create a Commercial Excellence Program targeted to their unique industry dynamics.

CHALLENGE
Several brands were stagnant, particularly within on-premise, and the client did not have a clear view of marketing ROIs or how to optimize investments to drive growth. In an industry with unique dynamics, balancing investment between Sales and Marketing teams was a challenge. Moreover, new product launches increased business complexity.

SOLUTION
Analytic Partners worked with the client to create a Commercial Excellence Program turn data into expertise. An adaptive analytic approach was leveraged to understand how marketing efforts impacted consumers along the purchase funnel. By incorporating brand equity / health metrics the team was able to provide a balanced understanding of the impact of marketing investment.

The program went beyond ROI by product/channel to support strategic needs such as:

- Leveraging analytics to understand long-term impacts via WOM
- Identifying what messages resonate
- Uncovering how best to execute and how to win within on-premise
- Revealing competitive insights

RESULTS
Portfolio Management Strategies were created for each brand. Spending reallocation recommendations were leveraged in scenario planning and marketing mix optimization.

Implemented recommendations led to:

- Identification of over $31MM in profit opportunities annually
- Generation of +27% increase in overall marketing ROI in Year One

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INSIGHTS:
Short-term ROI vs Brand Equity - when making marketing decisions, a balance must be struck between ROI and other objectives such as long-term considerations (e.g, Brand Equity).
In case of our client, experiential events had a low short-term ROI, but strong impact on longer term brand equity.

RECOMMENDATIONS:
Analysis uncovered various opportunities for the client and their brands, including:
- Optimizing execution within a tactic, e.g. TV by implementing recommendations to achieve best-in-class copy
- Optimizing local promotions investments by focusing on bar/nightclubs, as they are the most responsive and efficient of all location types
- Donating products to sponsor experiential events and drive strong response and ROI
- Continue to strategically leverage out-of-home during the holidays to increase display support and improve display effectiveness
- Balance promotions and profitable everyday price increases in the off-premise (resulted in a pricing analysis deep-dive)

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