

# HOW TO MAKE MARKETING DECISION FUTURE PROOF

## *NEW POSSIBILITIES OF AUTOMATED INSIGHTS GENERATION AND FORESIGHTS CREATION*



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# Heineken did not know the best budget allocation across brands

## Heineken

Increase availability and become more aspirational



## Zipfer

Credentials and brand message

PREMIUM®



## Gösser

More interacting and engaging



# Heineken re-allocated marketing & sales budgets across the brand portfolio, and gained more understanding of the business impacts

## Approach

- Explore business impact of a range of brand portfolio strategies and budget allocations
- Create improved brand year plans:
  - Budgets
  - Media investment
  - Promotional support
- Project steps:
  - Issues- & project definition (1/2 day)
  - Data sources assessment (1/2 day)
  - Data management (1 month)
  - Modelling alignment (1 week)
  - Simulations (1 week)

## Impact

- Profit & loss impact:
  - *Revenue +4%*
  - *Volume + 3,3 %*
  - *Gross Profit: +4%*
- Faster portfolio planning process
- Improved budget allocations
- Better insights in marketing effectiveness
- Increased awareness about data management

# Heineken integrated several data sources to execute interacting marketing simulations

## Data sources

### Scanning Data Nielsen:

Price  
Distribution  
% in Promotion

### Internal Data :

Sales by Channel  
Consumer promotions by Channel  
Customer promotions by channel  
Events  
Sponsoring

### Media:

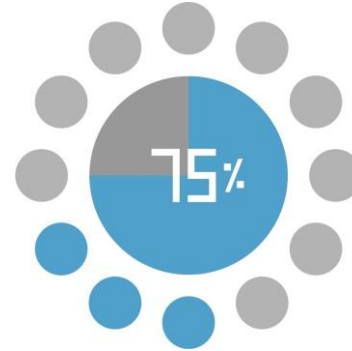
GRP's per brand + absolute TV-expenses  
Radio expenses  
Print expenses  
Outdoor expenses

## Analysis

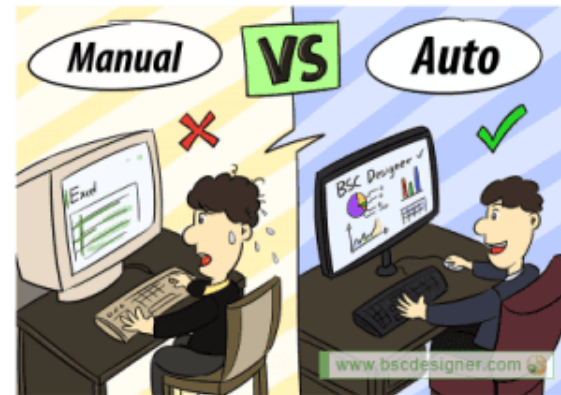
- Consumer promotion by channel
- Customer promotion by channel
- Media by channel
- Other marketing expenses

# Main bottlenecks Marketing Mix Modelling

Data handling still 75% of the total time and fee



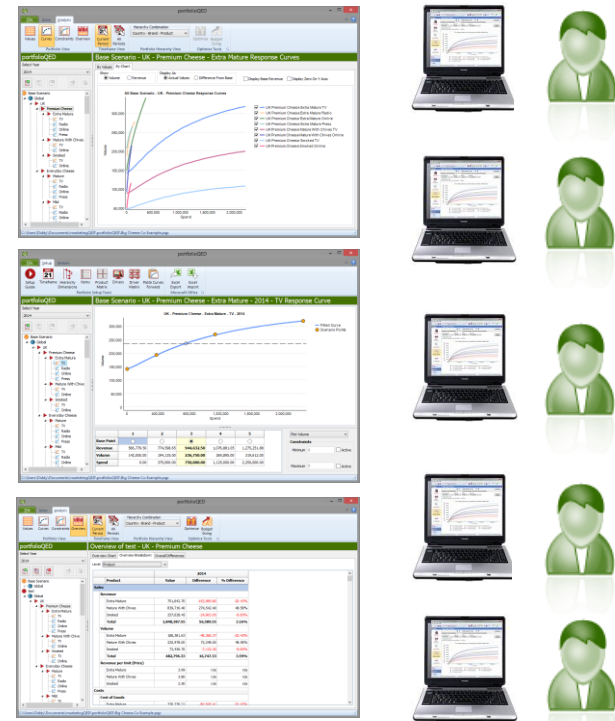
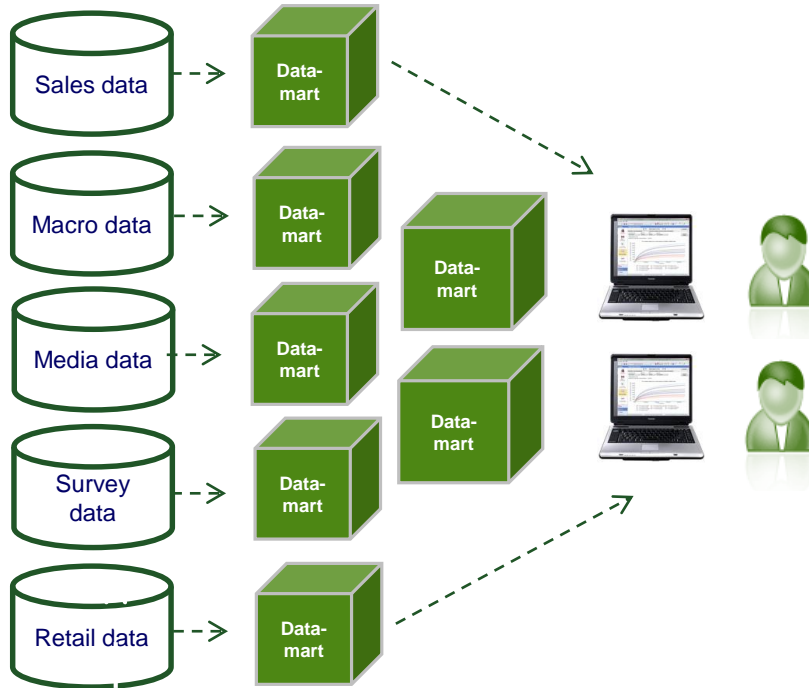
Marketing mix modeling very much a manual task



# Scanmar software enables the analysis of brand activation strategies and scenario's



# Modeling and scenario creation connects seemles to all datapoints



# Demo of AI aided marketing mix modeling | genetic algorithm

This 45 seconds video shows

1. Breeding of the best fitted model
2. Per minute more than 25.000 new model breeds
3. More than 30 model generations



# Search For A Model

Define Dependent Define Modeling Timeframe

Select Dependent  
Unit Sales  
Select Equalizing P  
None



Define Independent  
Independents To Be Ignored (0)

Independents To Be Considered (28)

- Display % ACV Dist
- Feature % ACV Dist
- Feature & Display % ACV Dist
- Base Price
- Promoted Price
- Competitor A PSI Circulation
- Competitor B PSI Circulation
- Radio Spend (National)
- Online A Spend (National)
- Radio B Spend (National)

**Confirm**

Re-running the Evolution process will clear the current Evolution Model results.

Are you sure you want to continue?

- April
- May
- June
- July
- August
- September
- October
- November
- December

Search Evolution Criteria

Population: 400 Mutation Rate (%): 10

Include Current Manual Model In Population

Search Completion Criteria

User Terminated

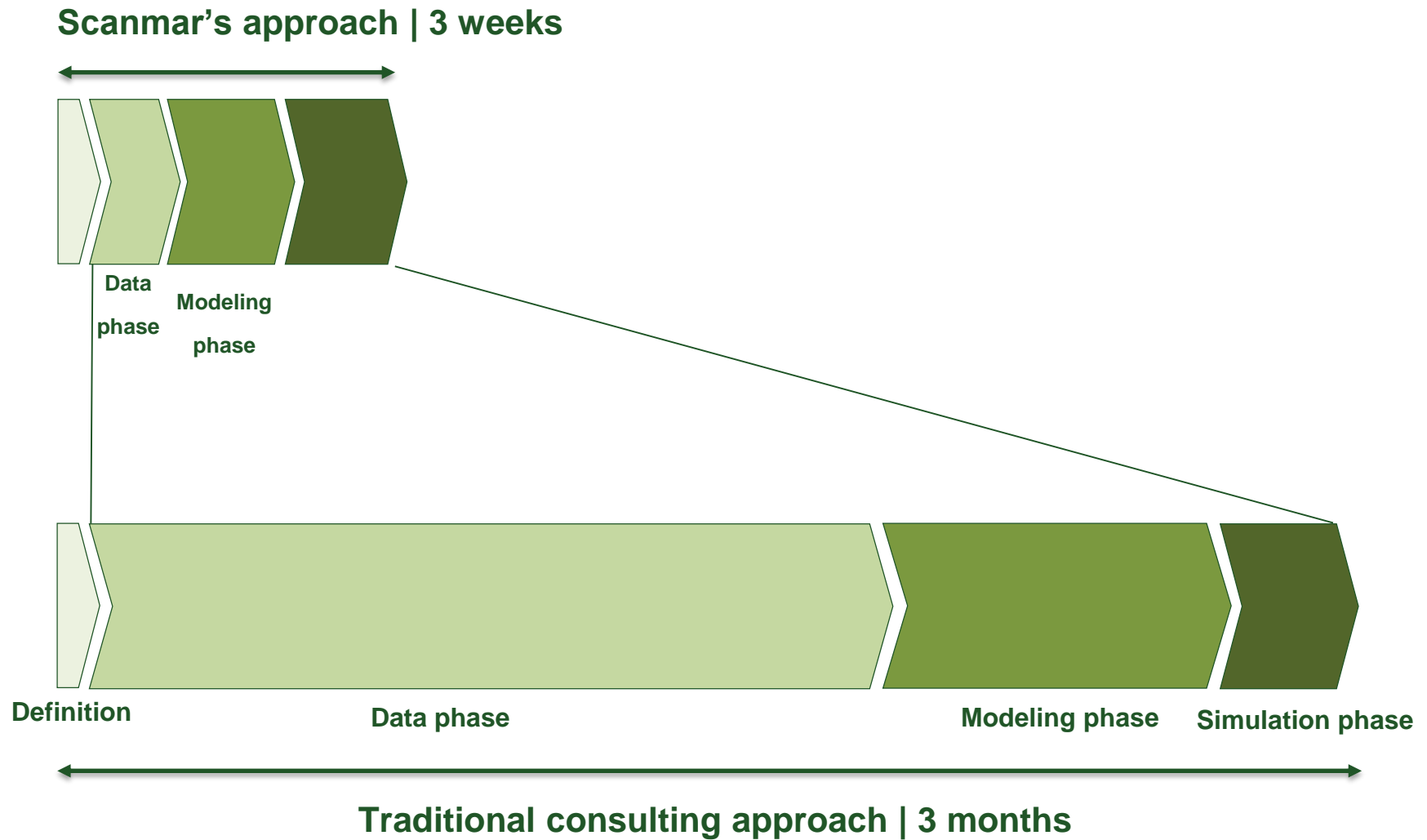
Terminate The Search Manually

Pin Independent Unpin Independent Unfit All

Define D  
Model by  
Market  
Include (

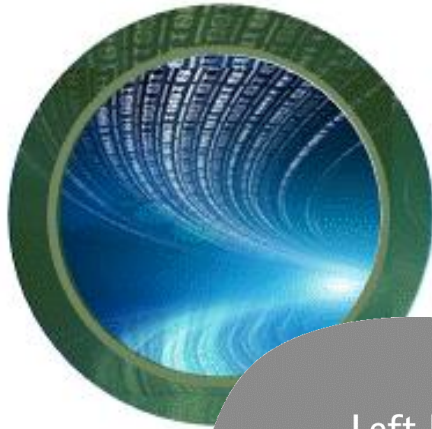
- Ohio
- Illinois
- Texas
- North
- Virginia
- New
- Florida
- California
- Washington
- Arizona

# These new technologies speed up timelines from 3 months to 3 weeks

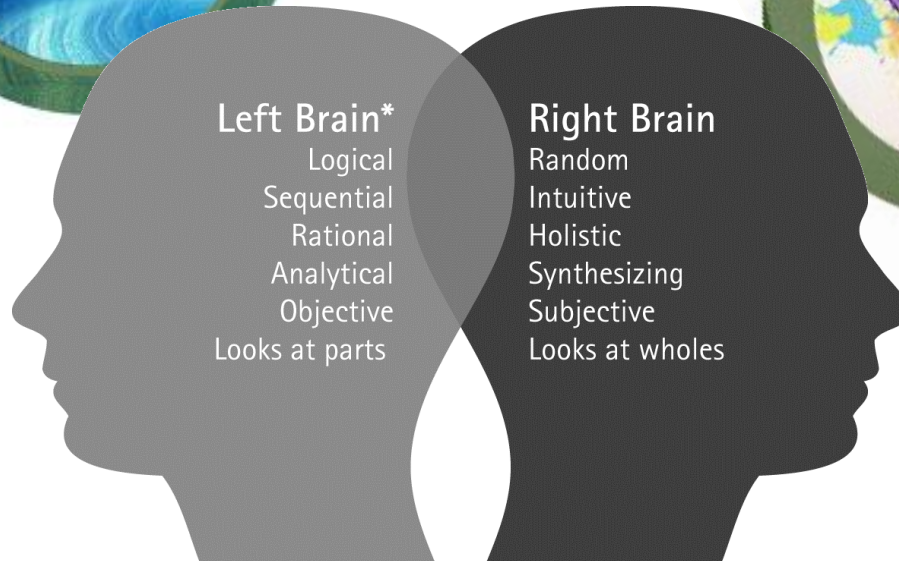


# This approach creates time for creative and strategic decision making

**Increased speed  
and accuracy of  
data and insights**



**More emphasis on  
creative ideas and  
strategic thinking**



# Demo of automated brand portfolio budget allocation

The 1 minute video shows

1. Optimization of 50 mln marketing investments
2. Brand portfolio in UK, Germany and France
3. Marketing mix | media scenario analysis

marketing



EFFECTIVENESS TECHNOLOGY

## Impact | conclusions

- Artificial Intelligence support the decision making process
- Much more time for strategic and creative thinking
- Better and consistent data quality and faster analytics in one go
- Tangible € 18.000.000,- business impact