Assessing marketing effectiveness

Benefits of this approach

- Stands in addition to a marketing mix or attribution model

- You will understand the incremental impact to revenue

- More confidence in ability to replicate results

- Controls for

  - Inherent trend within company's revenue line

  - Industry / competitive changes on revenue line

  - Seasonality

- Can be coupled with trackers to further understand underlying movement

SCOTCH GAME

Basic structure

	Test period	Control period	Net change
Test group	A -1%	B 5%	(B-A) +6%
Control group	C 2%	D 6%	(D-C) +4%
Net change			**+2%**

- This can be represented even more powerfully with a line chart so you can see if there is a build/decline happening with a period over period view

Determining groups

Illustrative—%'s are expressed as change in revenue

	Test period	Control period	Net change
Test group	-1%	5%	+6%
Control group	2%	6%	+4%
Net change			**+2%**

- Control does not receive the "benefit" of the program
- Groups are meaningful in size and matched in terms of key factors
- Representative of larger group

Determining periods

Illustrative—%'s are expressed as change in revenue

	Test period	Control period	Net change
Test group	-1%	5%	+6%
Control group	2%	6%	+4%
Net change			**+2%**

- Long enough to understand if there is any positive or negative impact to purchase frequency
- Ideally outside of periods that might make reads harder

Approach limitations

- Program has to be powerful enough to impact the revenue line

- Requires patience to let a portion of the company not receive the planned benefit

- Requires large enough base in terms of test and control

SCOTCH GAME