White Paper

Accelerate Your Marketing Through eBrandValue's Sales Model

A method to forecast your sales with eBrandValue's Sales-Leading Metrics

Published September 2020

Motivation: Why?[1]

Brand metrics require a sanity check and they need to prove their accountability. On the one hand, marketing is much more than sales: sales oriented short-term approaches or so-called click-based sales performance metrics cannot capture a brand. Immediate tactical metrics are no match for key branding decisions. On the other hand, legacy approaches are mostly based on surveys (i.e., brand love scores) and they cannot lead. They are discrete and at most able to explain past. Thus, most available methodologies (excluding the ones created by eBrandValue, i.e, [1]) either fall short of understanding the brand impact and/or cannot guide future branding actions.

Seeking answers from the legacy metrics can hardly provide answers [2]. We ask various brands in FMCG categories to provide us with their survey based metrics. These metrics measure awareness, interest, consideration, and use through surveys.[2]

The respective data set is collected monthly over a period of 7 years. We test whether and how these metrics play significant roles on (i) volume sales and (ii) market shares. In the dataset, we have different companies (Company A and B), family of brands (Company A has Family A1 and A2, Company B has Family B1 and B2) and specific brands in these families (family A2 has brands A10, A11, family B1 has brands B10, B11, etc.). Each company, family and brand has top of mind awareness (top of mind), awareness, consideration, trial, repurchase, last one month purchased, loyalty and brand love score metrics. We run all metrics on all brands' volumes and market shares, potentially seeking 9 brands x 8 metrics x 2 dependent variables = 144 different significant results.

Table 1: Significant impacts of survey-based brand metrics on volume and market share

		Volume																	
		Company A		Brand A10		Brand A11		Brand A2		Company B		Brand B10		Brand B11		Brand B12		BrandB2	
Variable	N	coeff	sig	coeff	sig	coeff	sig	coeff	sig	coeff	sig	coeff	sig	coeff	sig	coeff	sig	coeff	sig
Brand Love Score_Company A	7.00	(0.03)	0.00	(0.03)	0.00	(0.02)	0.02	ns	ns	(0.03)	0.00	(0.03)	0.00	(0.05)	0.00	ns	ns	(0.03)	0.01
Brand Love Score_Family B1	7.00	(0.03)	0.00	(0.03)	0.00	(0.02)	0.02	ns	ns	(0.02)	0.00	(0.02)	0.00	(0.04)	0.00	ns	ns	(0.03)	0.00
Repurchase Family B2	4.00	0.00	0.04	ns	ns	0.00	0.05	ns	ns	ns	ns	ns	ns	0.00	0.00	ns	ns	0.00	0.00
Trial CompanyB	3.00	ns	ns	ns	ns	(0.05)	0.03	ns	ns	(0.05)	0.04	ns	ns	ns	ns	(0.05)	0.04	ns	ns
Top of Mind_Family B2	2.00	0.00	0.02	ns	ns	ns	ns	ns	ns	ns	ns	0.00	0.04	ns	ns	ns	ns	ns	ns
Top of Mind_Brand B12	2.00	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	0.00	0.04	0.00	0.05	ns	ns	ns	ns
Top of Mind_Brand B12	2.00	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	0.00	0.05	0.00	0.02	ns	ns	ns	ns
Brand Love Score_Family B2	1.00	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	0.02	0.04	ns	ns	ns	ns	ns	ns
Consideration_BrandB12	1.00	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	(0.02)	0.02	ns	ns	ns	ns	ns	ns
Awareness_Family B1	1.00	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	(0.34)	0.01	ns	ns	ns	ns
Awreness_Brand B10	1.00	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	0.21	0.05
		Market Share																	
		Company A		Brand A10		Brand A11		Brand A2		Company B		Brand B10		Brand B11		Brand B12		BrandB2	
Variable	N	coeff	sig	coeff	sig	coeff	sig	coeff	sig	coeff	sig	coeff	sig	coeff	sig	coeff	sig	coeff	sig
Brand Love Score_Company A	2.00	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	(0.02)	0.00	0.01	0.02	ns	ns
Brand Love Score_Family B1	2.00	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	(0.01)	0.00	0.01	0.01	ns	ns
Repurchase Family B2	1.00	ns	ns	ns	ns	ns	ns	(0.00)	0.02	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns
Trial CompanyB	-	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns
Top of Mind_Family B2	-	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns
Top of Mind_Brand B12	1.00	ns	ns	(0.00)	0.03	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns
Top of Mind_Brand B12	-	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns
Brand Love Score_Family B2	4.00	(0.01)	0.00	ns	ns	(0.01)	0.00	ns	ns	0.00	0.01	0.01	0.00	ns	ns	ns	ns	ns	ns
Consideration_BrandB12	1.00	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	0.01	0.05	ns	ns	ns	ns
Awareness_Family B1	3.00	ns	ns	ns	ns	ns	ns	0.27	0.00	ns	ns	ns	ns	(0.07)	0.03	ns	ns	(0.25)	0.00
Awreness_Brand B10	-	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns

In order to account for time-series nature and seasonality, we run SARIMA (seasonal, auto regressive integrated moving average models) to find the best model fits. Once we have the best fits for every brand, family and company (volume and market share, separately), we include the survey-based metrics as exogenous variables to the models. We try different lags for the survey based metrics. This ensures that the metric's impact for the future is properly accounted for. We provide the metrics that have

[1] When using excerpts, please reference as eBrandValue (2020), "Accelerate Your Marketing Through eBrandValue's Sales Model," September, available at www.ebrandvalue.com/whitepaper/

[2] These surveys are run monthly by global, respected legacy marketing research companies.

significant impacts on volume sales and market shares in Table 1. In Table 1, the column under N present the number of significant results across different brands (rows).

Table 1 reveals that only 11 metrics (out of 72 metrics) have significant results either on volume or market share. Out of potentialy 144 significant results (72 each for market share and volume), we have 45 significant results. What is more troubling is that, other than a handful of results, the significant correlations have opposite signs and/or metrics' impacts are not as expected for the respective brands. (We conjecture that the opposite signs can at best represent lagging impacts). We cannot see how brand managers can rely on these legacy metrics with a peace of mind.

What & How?

At the heart of eBrandValue's approach lies novel brand metrics such as mindshare and brand affinity. Calculating these metrics require an in-depth analysis of (i) the brand, its (ii) competitors and (iii) product category. Together, these metrics provide a true picture of the demand both in the selective sense (e.g., which brand to pick?) and the primary sense (e.g., which category is the most appropriate for the needs?).

Next, we put eBrandValue metrics to test and see how valuable impact they generate in predicting volume sales. The results show that there are significant out of sample improvements. The results are presented in Table 2.

Table 2: eBrandValue metrics over all other (legacy) brand metrics on volume sales

		eBrandValue Metrics	All Others	Improvements	Improvement (%)
Brand B10	-LL	374.22	284.52	89.70	32%
	AICC	619.84	556.16	63.68	11%
	BIC	595.51	541.29	54.22	10%
Brand B11	-LL	366.43	276.30	90.13	33%
	AICC	639.35	539.71	99.64	18%
	BIC	606.15	524.85	81.30	15%
Brand B12	-LL	297.14	268.69	28.45	11%
	AICC	517.43	377.80	139.63	37%
	BIC	495.76	409.79	85.97	21%
Brand B2	-LL	347.18	302.95	44.23	15%
	AICC	643.48	599.66	43.82	7%
	BIC	611.34	592.03	19.31	3%
Brand A10	-LL	350.22	263.44	86.78	33%
	AICC	601.68	518.46	83.22	16%
	BIC	569.35	508.37	60.98	12%
Brand A11	-LL	304.11	273.58	30.53	11%
	AICC	570.60	540.92	29.69	5%
	BIC	542.68	533.29	9.39	2%
Brand A2	-LL	303.92	290.70	13.22	5%
	AICC	563.80	556.47	7.33	1%
	BIC	533.55	530.52	3.03	1%

The % improvements become even more dramatic when we look at the market shares. To better explain the improvements, we present the market share predictions without eBrandValue metrics for one of the major brands, Brand B10 in Figure 1A. Figure 1B represents the contribution of eBrandValue metrics on market share predictions.

Figure 1A results in a sum of squared errors of 6.28×10^{-4}, where as Figure 1B results in 5.56×10^{-4}, the difference is 7.2×10^{-5} or an 11% improvement. What is more interesting is that the predicted ups and downs can be linked to specific contents and strategies.

Linking contents with market shares opens a revolutionary path. It enables a very rich analysis potential. For example, one can associate trends and contents with meaningful ROIs. Identifying brand memes and their market share impacts enable sales generating brand equity and value proposition definitions [3].

Figure 1: Differenced market shares monthly plot for observed and predicted (Brand B10).

Figure 1A: Legacy Metrics

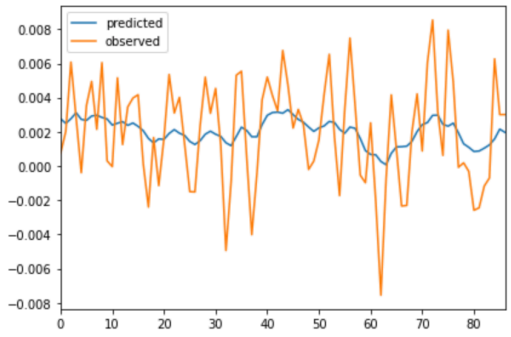
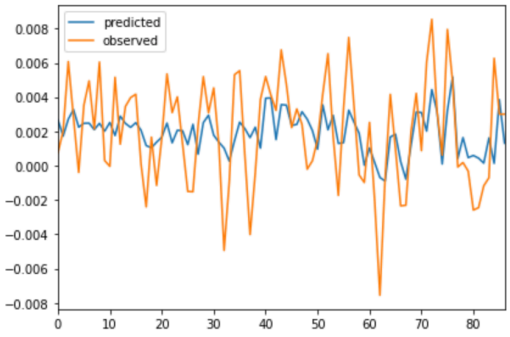


Figure 1B: eBrandValue Metrics



Sources

[1] eBrandValue (2020), "Accelerate Your Marketing Through eBrandValue's Brand-Health Framework," August, available at www.ebrandvalue.com/whitepaper/

[2] https://www.ebrandvalue.com/en/blog/why-traditional-marketing-mix-model-dead-and-how-ebrandvalue-helps/

[3] eBrandValue (2014), "Accelerate Your Marketing Through Meme-Based Netnographic Segmentation," September, available at www.ebrandvalue.com/whitepaper/

About eBrandValue

eBrandValue launched in 2012 with the mission of synthesize social data to help brands bridge the gap between social sentiment and the real-world marketing and sales strategies that govern them. Founders Tolga and Ayse Akçura bring over forty years of marketing and sales insights gathered from positions at some of the world's most prestigious firms and institutions. The Akçuras are backed by a robust team of PhDs, developers, and analysts that sift through many terrabytes of data to ensure the value of their client's brands keeps rising.

Contact us today to increase the value of your brand with eBrandValue. Visit our website at www.ebrandvalue.com.