



Client Success Story **Automotive**

DRIVING AUTOMOTIVE SALES THROUGH ANALYTICS

CHALLENGE

A major global automotive brand serving customers in all segments and markets wanted to:

- Show the value of its marketing investments, connect those investments to revenue and dramatically improve accountability.
- Create an analytics-based decision making structure rooted in sound marketing science.
- Increase effectiveness of its annual \$1B+ marketing investment, leading to increased vehicle sales.

In order to address the company's goals, it needed more than just data and analytic insights, it needed to "operationalize" those insights. In short, marketing analytics had to be woven into the decision-making process.

The company already had a good grasp of how functions such as sales forecasting, production planning and manufacturing contributed to business goals. But it did not understand marketing's contribution to consumer perceptions and sales. Existing "piecemeal" type analytics couldn't help much with the strategic or tactical decision making the company needed. What's more, the analytic approaches they were using had no predictive value and were not considered credible.

Senior management wanted a better solution to understand how the company's marketing investments were linked to revenue growth, and to derive greater value from those investments.

“By working with MarketShare, we've gained insight that never existed before and are using it to make major marketing allocation decisions. MarketShare's predictive models have allowed us to develop advanced risk mitigation strategies and recognize new opportunities.”

- Automotive Client Executive



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SOLUTION

The company created a dedicated marketing analytics unit with these key mandates:

- 1) Clearly show marketing's role in driving business outcomes such as revenue growth.
- 2) Do that through a "real world" lens reflecting automotive industry realities such as dealer relationships, dealer incentives and distribution constraints.
- 3) Deploy transparent analytics technology that challenges conventional wisdom and stands up to scientific scrutiny.
- 4) Develop predictive capabilities to help the company decide what to do next.

MarketShare was selected as analytics technology partner to help build these and other capabilities, foster internal adoption and implement a highly-sophisticated marketing analytics application to support decision making. MarketShare DecisionCloud™ helps them understand the consumer journey better, and tradeoffs quickly. As a result, the company can predict with great accuracy what will happen before acting.

RESULTS

The company estimates that the total value of its MarketShare relationship exceeds \$100 million due to efficiency gains, improved sales and risk avoidance. The analytics unit – and MarketShare DecisionCloud – has become part of the company's annual planning process and daily decision making as well. It now runs frequent "what-if" projections to anticipate the results of shifting allocations between online and offline media channels.

Other examples of results include the following:

- MarketShare DecisionCloud apps predicted how additional investment would increase market share for a major segment of the company's auto sales. A subsequent 0.8% share gain in that segment represented \$1 billion in additional revenue.
- MarketShare helped identify how sales targets for a specific nameplate could be reached simply by re-aligning spending in five metro regions.
- MarketShare decision apps showed the company how to increase sales and market share for two vehicle categories in regions where the company had been historically weak, and where two key competitors were dominant.
- Previously, many dealers urged the company to advertise higher-priced trucks over lower-cost cars assuming they'd need to make several car sales to equal the profit from a single truck. But the MarketShare DecisionCloud applications proved that by merely shifting allocations, the company could sell more of both without spending an additional dime.

“By having models as sophisticated and scaled as our business itself, the Marketing Team can now speak to all functions of the organization, including Sr. Management, Finance, and others with a high level of credibility. We are thrilled to be able to quantify our marketing results in ways we never could in the past to drive sales and improve ROI.”

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