

HOW TO TAKE A STRATEGIC APPROACH TO MARKETING AND TRADE SPENDING



One of Keen's perishable-product clients turned to MIDA to help the organization take a broad strategic assessment of its trade and marketing investments.

As with many consumer products companies, trade represented a considerable commitment--\$65 to \$75 million annually--yet it was difficult to gauge its effectiveness. And also like many companies, tension existed between trade and marketing on the balance between these investment levels.



Over two years, the team reduced trade by a total of **\$62 million** to increase net income by **\$58 million**.

A Data-Driven Approach to Assessment

Trade is a cost of doing business that delivers many benefits beyond financial contribution, but adopting a data-driven methodology to understanding and weighing them relative to the overall investment has been difficult..

That's why this business decided to model both its trade and marketing using Keen's MIDA platform. The models showed that trade was, in fact, highly unprofitable. MIDA also provided guidance about how to reduce trade to reach a profitable threshold.

A Test and Prove Approach to Change

The client used Keen's insights to create an incremental, test-and-prove strategy that was mindful of the sensitive legacy perspectives regarding tactics.

This allowed them to garner executive buy-in as they implemented change. Their measured approach to change delivered far more value than sustaining the status quo.

A Unifying Win for the Business

Over two years, the team reduced trade by a total of \$62 million.

Revenue decreased by \$4 million, but net income grew by \$58 million.

Further, the team found that using Keen to bring objective insights to the process alleviated internal turf battles and empowered them to take a more unified, data-driven approach to evaluate the strategy to drive business growth..