

Objective:

To reduce marketing expenditure by 20% without compromising business sales.

One of the most important aspects of a successful business is marketing your products or services. Without marketing budget, it is difficult to acquire new customers.

Although, marketing is most critical to any business, one has to be careful about overspending on marketing. If marketing expenditure is not attributing to your sales, you are wasting your hard earned money. It is very difficult to find balance between marketing and being frugal.

Client:

Medium sized online travel agency with huge marketing expenditure on various marketing channels.

Considering very high competition in travel space from expedia, booking.com, kayak etc and many other OTAs and meta search organisations, client is heavily dependent on marketing budget for bringing sales leads to the business. In order to increase overall revenue, client has increased the marketing budget spend from \$40K to \$53K, but revenue just increased from \$1 million to \$1.2 million. Client wanted to reduce increased marketing expenditure without compromising the increased sales.

Approach:

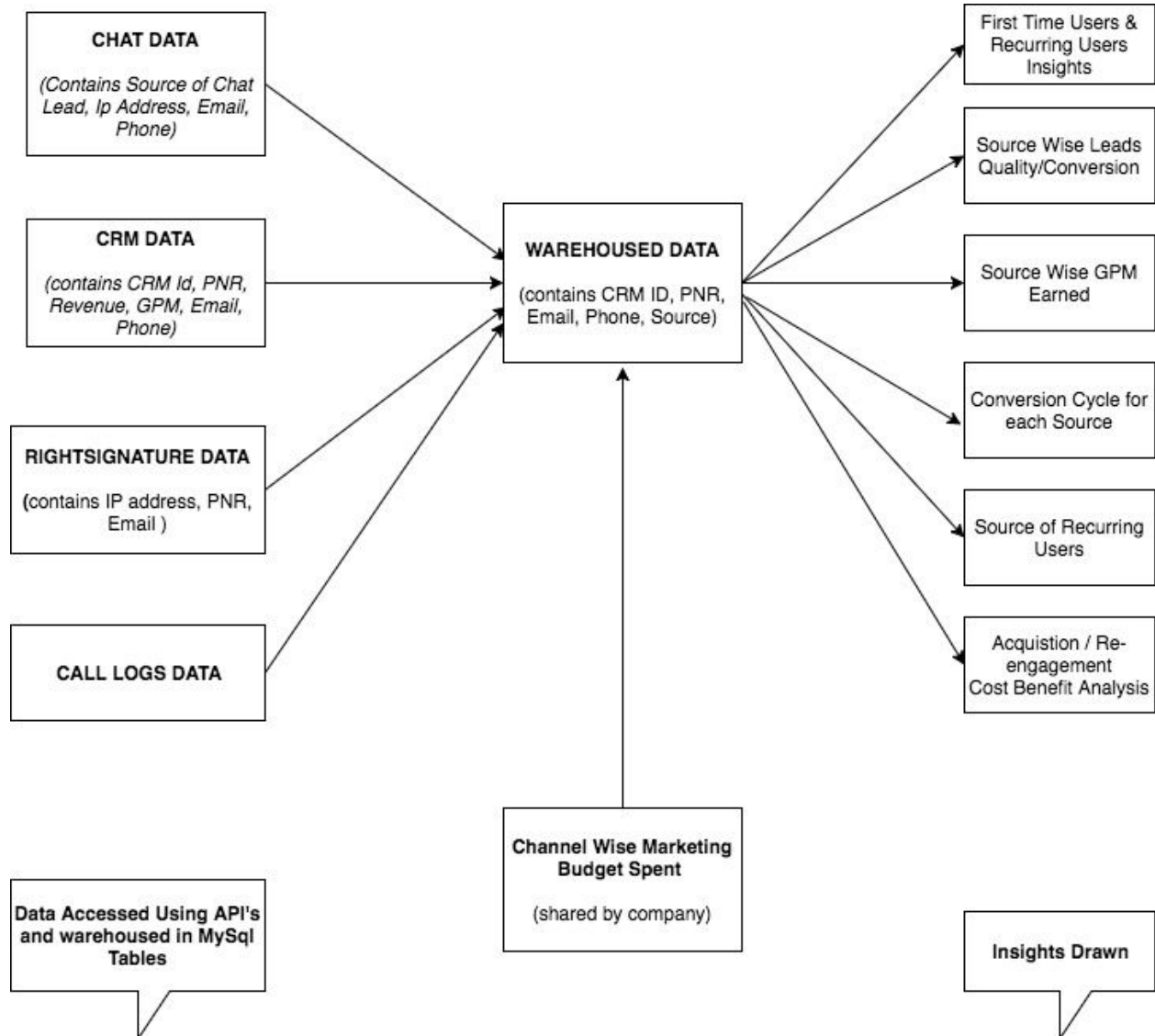
To reduce marketing budget on channels with high junk leads or low quality leads and shift marketing budget to quality leads channels.

Method:**A) Data warehousing:**

To understand marketing attribution for client, we need to bring data points from all data sources to one place i.e data warehousing. AWS server has been set up for client to save all data points in one place. Data sources include

1. Zopim chat data (API)
2. Right Signature data (data points fetched from pdf attachments received in mail)
3. Sales data from CRM
4. Marketing expenditure data from various sources
5. Call logs data

For more details, refer to below Image.

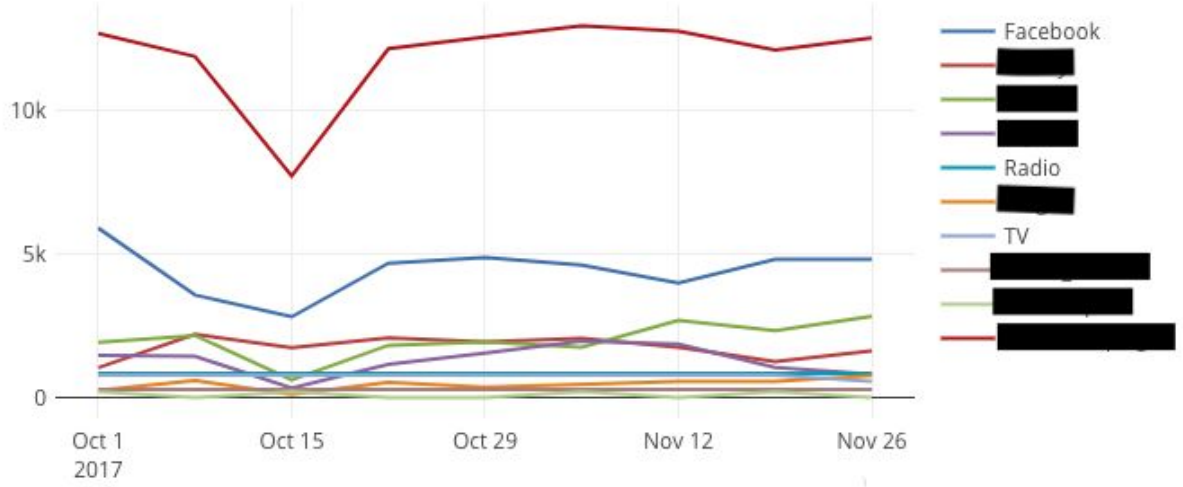


WAREHOUSING AND DATA EXTRACTION ENGINE

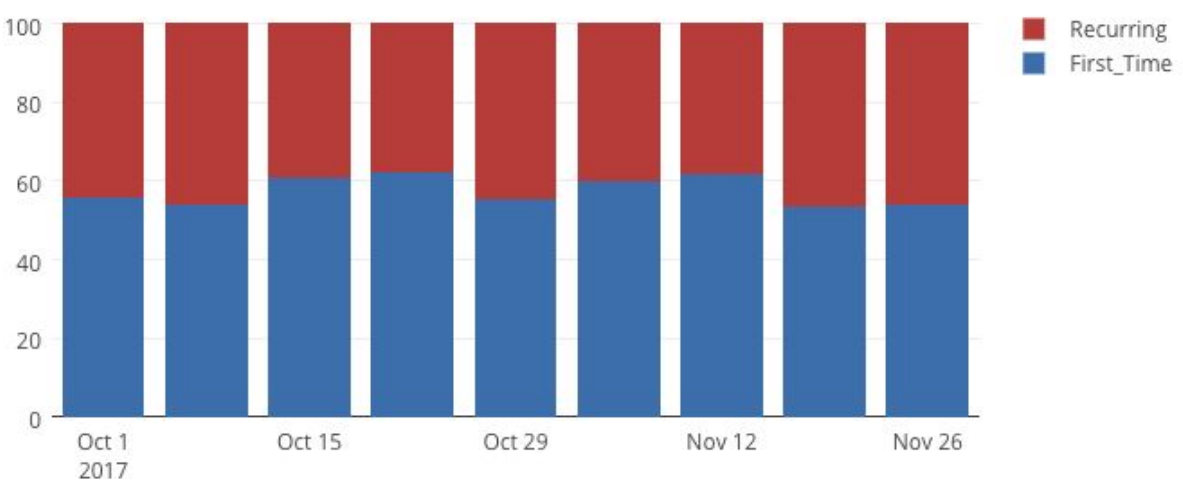
B) Data Exploration & Visualization:

The datasets, which have been fetched in the form of structured tables in central warehouse, have been explored to know the data trends, correlations, anomalies etc using various visualization techniques. We used "Mirror" for all the visualization and data trendz purpose.

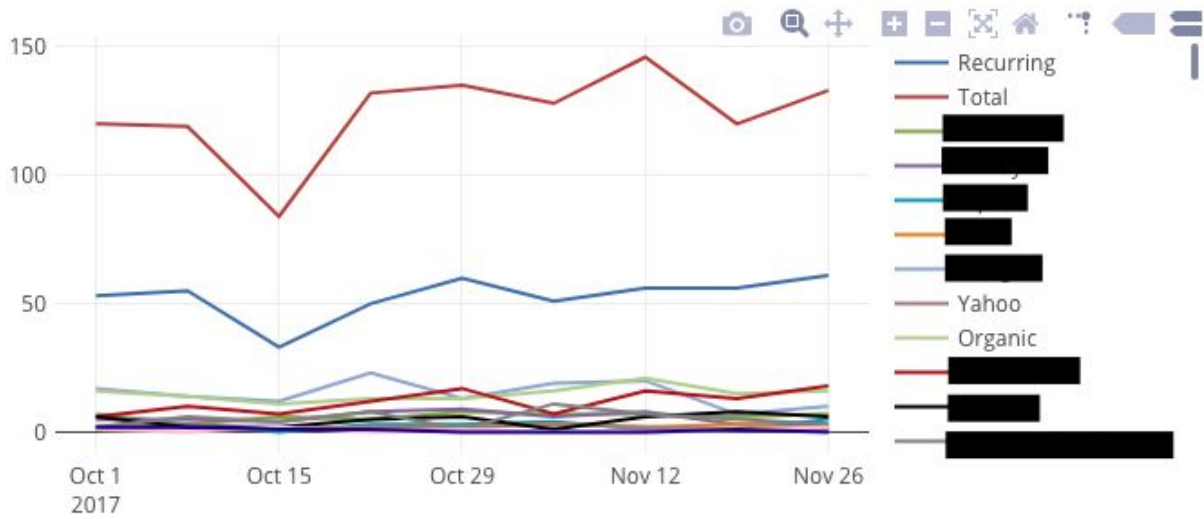
Marketing Input Cost



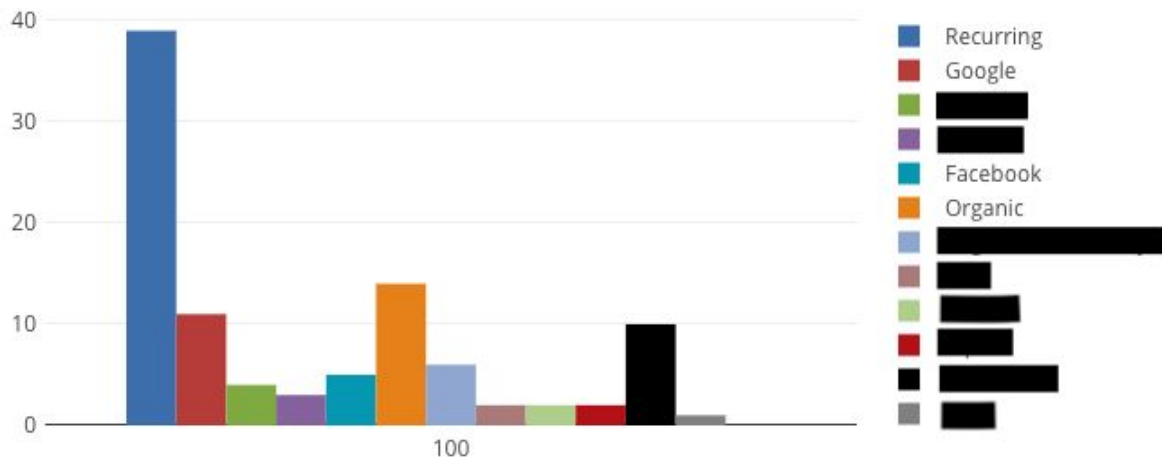
Source Wise Leads - First Time and Recurring Users



Source Wise Leads



Avg Source Wise GPM (%age)



C) KPIs selection:

Helped client to figure out the KPI's in order to optimize the marketing budget between different marketing channels.

Following KPIs were monitored and shared with client:-

1. Channel wise GPM Earned Per Dollar Spent.
2. Lead Conversion Quality for each channel.
3. Conversion cycle for each channel.
4. Acquisition Vs Re-engagement Cost.

D) Actions Taken:

- 1) Client was able to target right set of customers (First Time/Recurring Customers) with right channel and optimized cost by selecting acquisition v/s re-engagement strategy.
- 2) *High Performance and Low Performance Channels were shared with client and on the basis of this, channel cost optimisation decision was taken.*
- 3) Channel conversion cycle / Adstock Rate helped to get desired result in expected time.

Result:

Monthly marketing budget reduced to \$37K from earlier monthly budget of \$53K (30% drop) with a small revenue reduction from \$1.2 million to \$1.15 million.