LYNCHPIN

Optimising Digital Marketing Spend

Executive summary

Client:
Top 5 global airline

The challenge:
Identify how to optimise digital marketing spend across channels to drive flight bookings.

The solution:
Lynchpin used our data science and strategic expertise to create a bespoke Attribution model.

The results:
The client now has a data driven approach to marketing spend allocation. Immediate and significant improvements in ROI were seen, such as an uplift of 25% in ROI in the first country the model was implemented in.

- +25% improvements in overall ROI on marketing spend
- +45% improvements in sales volume
- +60% paid search ROI uplift

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The challenge

The same customer is exposed to many pieces of digital marketing.

Develop an attribution model to measure the effectiveness (ROI) of each marketing activity in driving a flight booking.
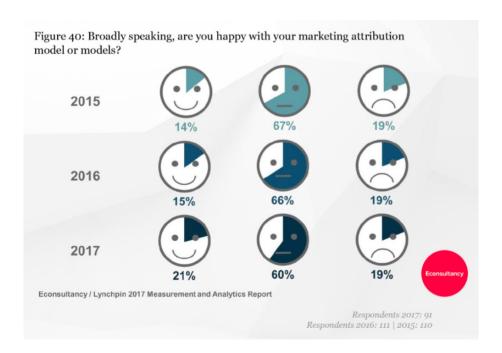
Assess how that attribution model can be used to optimise marketing spend across digital marketing channels.

Manage complex stakeholder relationships to ensure that the Attribution model becomes embedded in business processes

The context

Businesses aren't sure whether attribution models are providing useful insights.

Attribution models are often 'black box' models, that are not based on facts about the business

Figure 40: Broadly speaking, are you happy with your marketing attribution model or models?

Econsultancy / Lynchpin 2017 Measurement and Analytics Report

Respondents 2017: 91
Respondents 2016: 111 | 2015: 110

The solution

Step 1 : Objectives setting

Objectives: Established the key KPIs that the model was expected to improve, as well as constraints/processes/levers surrounding them.

Scope: Agreed on the scope of a first phase model based on score-carding region/brand/segment.

Working Group: Established an Attribution Working Group of key stakeholders (budget holders, channel/marketing managers and relevant executives).

Step 2 : Analysis + Model build + Test

Exploratory: Identified key relationships between variables, marketing activities, marketing spends and the customer journey. Identified top performing journeys and interactions between channels.

Markov model: Built a scalable model that captures channel interactions and performance.

Model Test: Tested the Phase 1 model and delivered immediate improvements in ROI.

Step 3 : Global rollout

Tech-stack: Recommended best technology stack to achieve scalable rollout of the model globally.

Business processes: Made strategic recommendations on best way to embed the model within decision-making.

The results: Improving ROI by 25%

Commercial improvements:

$1,300,000 YOY growth in total monthly revenue

12% saving in total spend (relative to planned spend)

25% improvement in ROI

Strategic improvements:

- **Decision-making:** Attribution model became embedded in decision making processes for allocating marketing spend globally.

- **Offline attribution:** Impact of offline/brand marketing activities now being layered on top of the digital attribution model.

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