

KEY TAKEAWAYS

-20%

lower marketing investment
than in previous years

49%

mitigated revenue risk from
reduced spend through
optimization

+38%

higher incremental marketing-
campaign contributed revenue

Neustar's Marketing Mix Modeling solution brought together diverse media data into a single view, **generating a past-and-future performance model to guide spend and optimization efforts.**

Striking bottom-line results: a positive ROIC and a 38-percent boost in incremental marketing-influenced revenue, compared to similar campaigns in previous years, in spite of a 20-percent reduction in spend.

SAS

How Neustar MMM Helped Transform SAS – Scandinavian Airlines into a High-Flying Analytics Powerhouse

The Challenge

SAS, Scandinavia's biggest airline, found itself faced with a corporate mandate: cut marketing costs by 20 percent to increase brand profitability. Problem was, it had very little insight into marketing's effect on revenue and brand-related KPIs to inform where to cut or how reallocate funds. To better understand which media and non-media investments delivered the most incremental marketing-influenced revenue and ROI, SAS engaged Neustar to help.

The Neustar Solution

Neustar partnered with SAS to get its proprietary Marketing Mix Modeling (MMM) solution up and running. Neustar MMM employs regression models that measure the impact of advertising by media channels, non-media marketing activities (such as price, inventory, customer satisfaction, activities by competitors, economic factors, and more on sales), and other KPIs in a single analytic framework.

The Neustar MMM platform served as the central repository for SAS's own granular data, including offline and online media investments, pricing, PR efforts, competitive intelligence, brand tracking, and available seat kilometers, which Neustar enhanced with a trove of rich third-party data. Those addressable and non-addressable signals then were combined into one holistic and unified model.

ROADMAP FOR THE FUTURE

“Thanks to Neustar, what started as a cost-saving exercise has now become the heart of our transformation to a modern, customer-value focused organization, driven by data and analytics ... Neustar MMM has enabled us to decrease costs, while mitigating any risk to the business, and thus increase our return on marketing investment (ROMI) by helping us identify and evaluate the addressable and non-addressable impact of our marketing strategies across campaigns and channels.”

– Didrik Fjeldstad

Scandinavian Airlines’
Vice President of Brand
and Marketing

Neustar helped SAS conduct simulations that estimated the sales impact of a variety of campaign budget allocations and other factors. Additionally, the Neustar platform generated a guided optimization analysis, from which SAS was able to influence the airline’s media budget allocations across channels and venues.

By using the intuitive Neustar MMM interface, SAS can now conduct quarterly budgeting and media planning based around the impact of specific media investments on its total revenues and brand-related KPIs.

The Outcome

- Neustar helped SAS create a positive return on invested capital (ROIC), creating allocations that mitigated 49 percent of potential revenue risk due to cost savings programs.
- SAS is now able to make smarter budgeting and planning decisions guided by its ability to better understand and manage resource allocation and optimization.
- With media and creative partner reporting and intelligence now centralized, SAS has more efficient workflows and greater transparency across departments.
- SAS boosted its incremental marketing-contributed revenue by 38 percent, even with budgets down by 20 percent, thanks to Neustar’s planning optimization tool.

Why Neustar?

- Centralized reporting and intelligence from media and creative partners
- Holistic view of marketing performance against multichannel media investment and strategy
- Granular insight into marketing’s contribution to revenue
- Easy-to-use platform that puts marketers in the driver’s seat, helping them to evaluate and optimize future marketing investments to drive better outcomes
- Increased effectiveness of cross-channel programs

For more information, visit

home.neustar/customer-analytics