

# Promotional vs. Advertising Spending

## The Client Challenge

Our client, a fortune 500 Company in consumer durables, wanted to increase knowledge on relationships between communication channels and customer preference as part of its purchase funnel analyses. They wanted to evaluate the comparative effectiveness of the advertisement channel as opposed to the promotion channel and thus optimize budget allocation.

## The GemSeek Approach

Our team summarized primary research data results, internal reporting sources and financial outcomes and synchronized all data sources (research results, A&P spending, financial results etc.) in single integrated database.

Based on a linear regression model, our team conducted comprehensive statistical selection of best drivers, models and significance levels across different product groups, regions and customer segments.

## The Deliverables

Our Client received an elaborate report with key insights on level of dependency between Preference, individual channels (A&P) and their cumulative effect. Since the analysis was done by product groups and geographical regions the client was able to observe differences in customer preference, taking into account the magnitude of each channel.

