



A white paper by **WARC**

# Next wave measurement:

Marketing mix modelling in the age  
of retail media

**WARC**  
AN ASCENTIAL COMPANY

**amazon ads**



# Introduction to this report

Advertising budgets are under increasing scrutiny and rapidly-changing retail conditions are demanding improved solutions for justifying and optimising marketing investments.

A focus on **evidence-based planning and privacy-safe measurement solutions** is driving a return to marketing mix modelling (MMM). The availability of more accurate, timely and relevant 'always-on' data is now being utilised to advance analysis, making MMM state-of-the-art for today's complex media and retail environment.

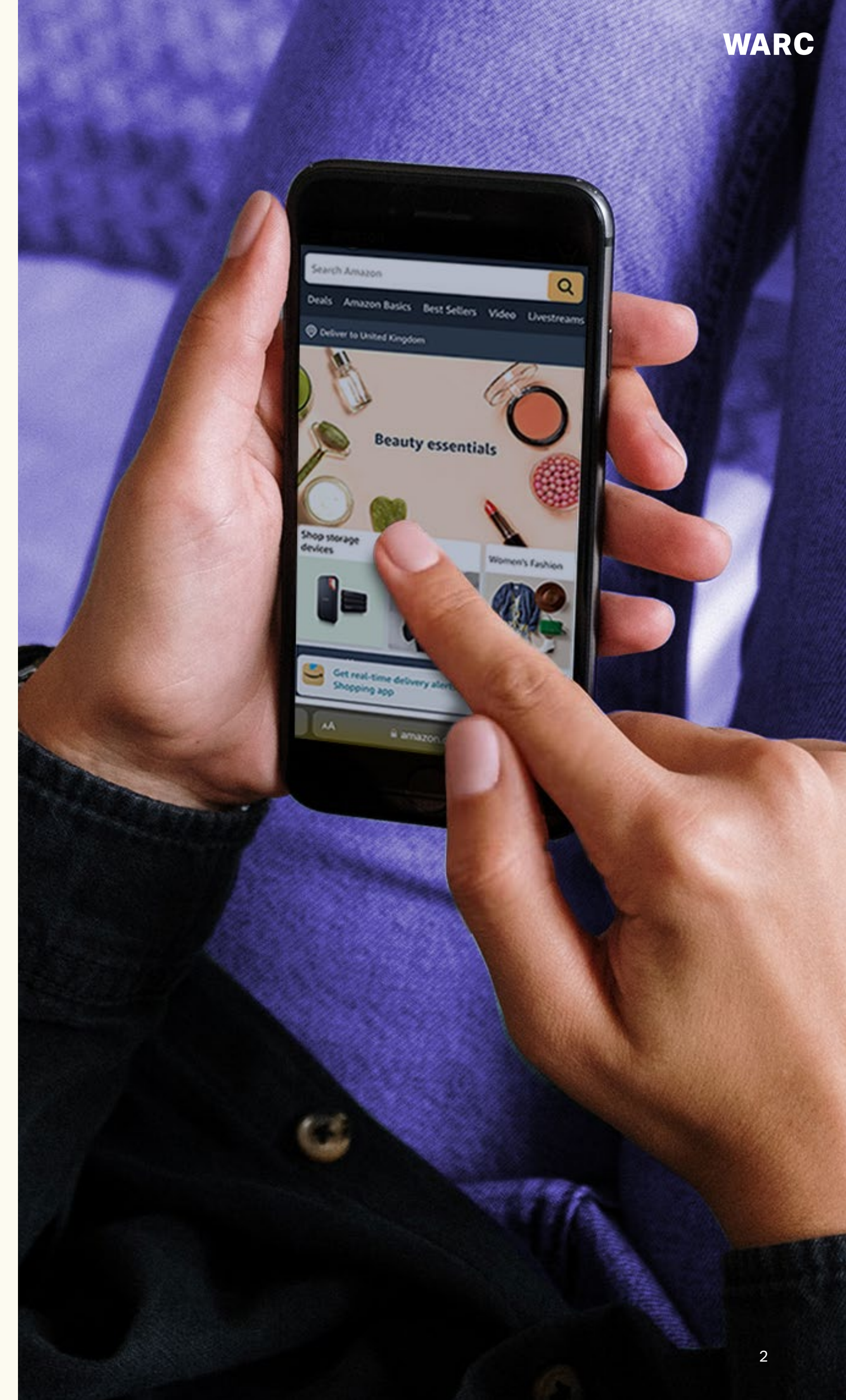
This report will demonstrate the role of MMM in a world where retail media impact and digital dominance continue to expand, and highlight the advances being made in support of greater industry adoption of these advanced analytic solutions.

## This whitepaper is intended for use by

**1. Brand advertisers of all shapes and sizes** looking for best practice in delivering maximum return on investment for their marketing budgets.

**2. Agencies and consultants** collaborating with clients on building best in class plans, optimising budgets to help deliver best ROI across all forms of activities and channels.

**3. Financial analysts, budget managers, research experts and all connected specialist areas** with involvement in optimising the marketing to sales ratio.





# Contents

**Key takeaways:** Why marketing mix modelling matters in the age of retail media 5

**Chapter 1: Measurement in the age of retail media** 6

The growth of retail media and its impact on shopping behaviours 7

Key factors driving complexity in marketing measurement 8

**Industry view:** Growing complexity 9

**Chapter 2: Why MMM matters in the age of retail media** 10

Identifying incremental sales 12

Isolating channel effect 14

Demonstrating online and offline synergies 15

Understanding branding vs. sales activation 16

Prioritising privacy 17

**Chapter 3: Succeeding with MMM in the age of retail media** 18

Old obstacles and new opportunities 19

Spotlight on Amazon’s Data Feed 20

**Case studies:** J&J, Reckitt and L’Oréal 21

**Industry view:** The future value 24

**Getting the most of MMMs: 10 best practices for for marketers** 25

## Industry experts interviewed for this report



**Aleksandar Petkovski**  
Senior Director,  
Marketing Science &  
Digital Analytics  
Johnson & Johnson



**Garth Viegas**  
General Manager  
Analytic Edge



**Moitree Rahman**  
Associate Director,  
Data Activation and  
Measurement Strategy  
Colgate-Palmolive



**Vasileios Kourakis**  
Global Director  
ROI & Media Lead  
L’Oréal

## Foreword from WARC



**Paul Stringer**  
Managing Editor,  
Research & Advisory  
WARC

**The third wave of advertising has arrived.**

**Retail is already the fourth-largest advertising media: ad spend has more than doubled during 2019-2022, overtaking audio, OOH & cinema, publishing and OTT / streaming. By 2025, if the retail media industry follows its current path, it will become more valuable to advertisers than linear TV.**

But as brand and trade budgets continue to pour into retail media, there is an even greater need for evidence and accountability. Many brands currently measure the effectiveness of their spending within retail media environments, but a lack of standardisation of metrics and reporting, across retail platforms and between

online and brick and mortar stores, remains a barrier.

Marketers need to understand the holistic impact of advertising, as well as the synergies between online and offline channels – including retail.

This is where marketing mixed modelling (MMM) has a critical role to play. While MMM is one of a number of measurement techniques available to advertisers, it is the only technique capable of evaluating all media and retail channels and assessing the long-term brand and sales effects of advertising.

The goal of this whitepaper is to educate marketers on the broad benefits of MMM, while taking a closer look at how modelling can now be used to assess retail media performance.

## Foreword from Amazon Ads



**Paul Sturgeon**  
Measurement Lead  
Amazon Ads

**Are you ready for the next wave of digital advertising?**

**The IBM Retail Index estimates that the pandemic accelerated the growth of e-commerce by perhaps 5 years. This rapid change has led to fundamental and ongoing shifts in consumer behaviour. As shopping habits continue to evolve across physical and digital channels, both retailers and marketers face ever greater complexity.**

Of course, with disruption, there's opportunity. The rise of e-commerce has led to the emergence of retail media as a major advertising channel, and there is a need to support marketers to find creative and compelling solutions to prioritise the right media channels to amplify their brand and meet their goals.



**Kristina Ciampi**  
Principal Program Manager,  
Measurement Products  
Amazon Ads

But success requires the right insights and resources to: navigate the complexity; best utilise new media channels / platforms; and optimise the omnichannel impact of their advertising investment. To acquire these insights, it's critical to have the right measurement in place. Brands must measure performance holistically to ensure their dollars work even harder.

In this report, we address how marketing mix modelling can help support key decisions facing marketers and provide measurement across physical and digital channels. There is a huge opportunity for advertisers to evolve legacy MMM practices in order to keep up with the rise in retail media and e-commerce sales; we look at how marketers are adapting MMM to ensure they are ready to successfully ride the next wave of digital advertising.



# Why marketing mix modelling matters in the age of retail media

## Key takeaways

### 1 Measurement in the age of retail media

**The growth of retail media is adding more complexity to marketing.** The right measurement is required to provide more nuanced insights into sales, shopping behaviour, pricing and advertising effectiveness for improved channel planning and execution.

### 2 Why MMM matters in the age of retail media

With the right scope and sufficient depth of signals, MMM can help address the complexity of the current landscape by providing a **holistic view across all media and retail channels without the need to track consumers.**

### 3 Succeeding with MMM in the age of retail media

Leveraging the value of next-gen MMM means following best practice and learning from other brands. Advances such as **modelling retail channels separately and analysing signals from retail media platforms** can help increase the impact of MMM learnings.



Chapter 1

# Measurement in the age of retail media





# The growth of retail media and its impact on shopping behaviours

**The acceleration of digital transformation during the pandemic has led to permanent changes in consumer shopping behaviours.**

Research by Upland BlueVenn suggests that today's 'hybrid consumer' interacts with a brand across 20 media channels, on average. And while touchpoints may vary between individual consumers, the way people make decisions is generally messy – and getting messier as new media channels and ad formats keep being added to the mix.

It is incumbent on marketers to understand the consumer purchase journey. However, just a small minority claim to have a 360-degree view of the customer.

Differing methods and depths of tracking and reporting – and gaps between claimed and actual behaviour – is

leaving marketers with an inaccurate and incoherent view of marketing performance across retail and media channels.

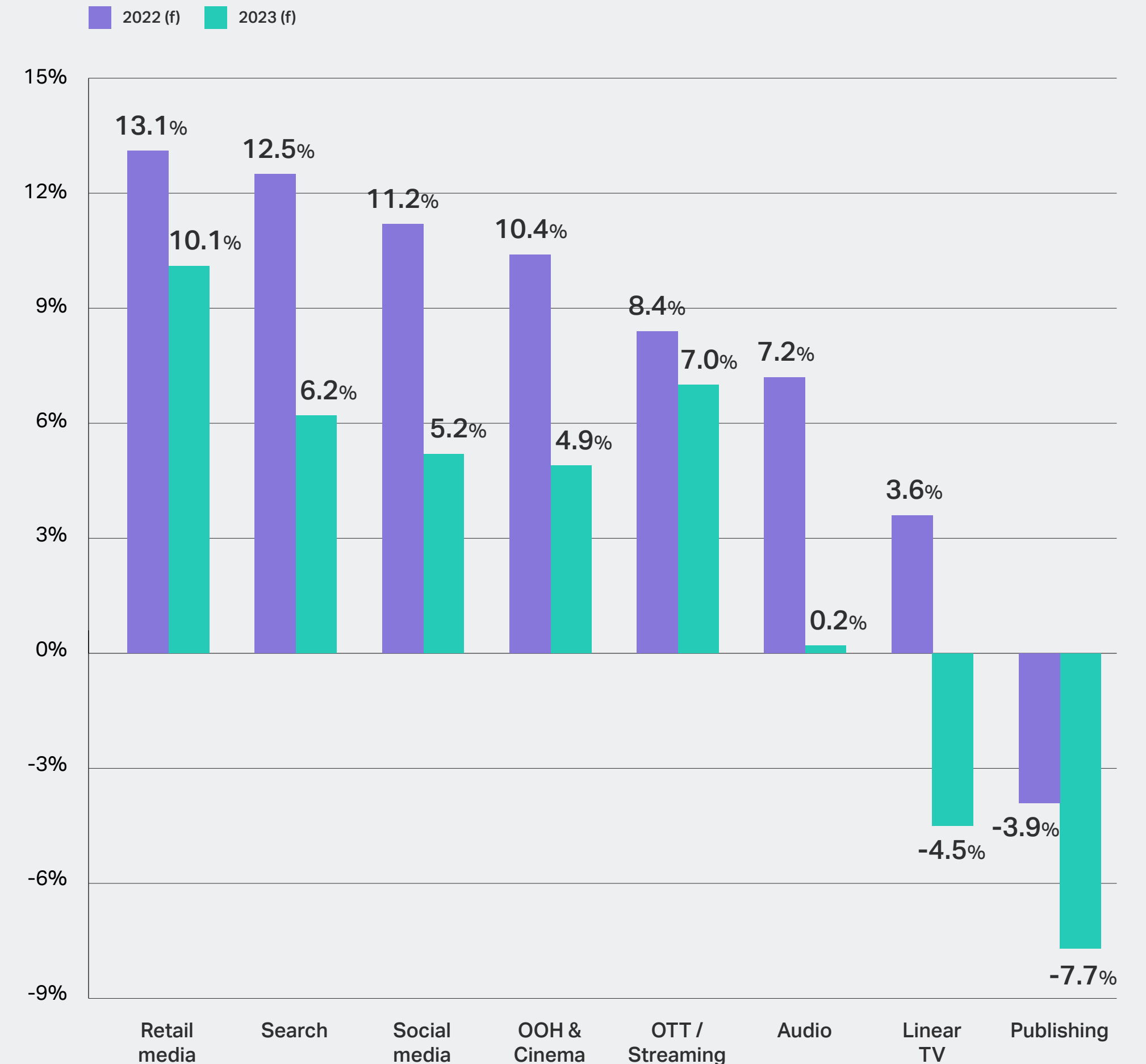
The exponential growth of online retail is exacerbating this problem. More than half (56%) of US marketers are now working with 5+ retail media networks but a lack of standardisation across platforms is a major challenge.

Nonetheless, opportunities exist for marketers to optimise their marketing plans across online and in-store channels to boost overall sales and foster customer loyalty.

**This requires the right measurement solutions – tools and techniques that deliver nuanced insights across retail channels to understand shopping behaviours and the impact of different marketing tactics.**

## Advertising spend by medium globally

%, ranked by growth in 2022/23 (f)



Note: OTT / Streaming includes BVOD, AVOD, and services such as Netflix and YouTube  
 Source: The Big Picture: Retail media, WARC Media Global Data, 2023



# Key factors driving complexity in marketing measurement

## Ongoing media and retail fragmentation

Reaching new audiences is getting more complex and costly. And measuring interactions across an enormous range of touchpoints and now multiple retail channels makes fair comparisons difficult.

**20+**  
**channels**  
are used by  
consumers to interact  
with brands

## Blurring boundaries across and within media & retail channels

Consumers see no distinction between 'online' and 'offline' or 'digital' and 'traditional'. Rather, they move fluidly between offline and online media and retail spaces.

**54%**  
**shoppers**

likely to check out a  
product online and  
later buy it from a  
physical store

## Priority to privacy-first marketing solutions

Steps taken by corporations and marketers to protect consumer data have changed how data can be leveraged for optimising digital marketing. This means channel planning solutions that do not rely on utilising first-party data or tracking methods are becoming more attractive.

**79%**  
**of marketers**  
feel unprepared  
for the end of  
third-party cookies

## Leading to increased adoption of marketing mixed modelling

While MMM is one of a number of measurement techniques available to advertisers, it is the only technique capable of **valuing all media and retail channels** and assessing the **long-and short-term effects** of advertising.

Source 1: Upland BlueVenn, 2021. Source 2: Shopify, Future of Retail, US, 2022. Source 3: e-Marketer Advertiser Perceptions Survey 2023.



## Industry view:

MMMs are helping deal with growing complexity



MMM is really helping us look at the next level, and both **macro and micro channels in each category**. We can pinpoint where things aren't working and which levers we need to pull to optimise them in campaign, in flight, or in scenario planning.

**Moitree Rahman** | Associate Director, Data Activation and Measurement Strategy | Colgate-Palmolive



As media and retail channels continue to fragment, marketers have a range of investment options. However, finding the right investment mix is challenging, especially in a privacy-first world. Market Mix Modelling (MMM) provides marketers with an analytical framework to **optimise and maximise ROI in this increasingly fragmented and privacy-focused world**.

**Garth Viegas** | General Manager | Analytic Edge

We have developed a compliance guideline to ensure best practice modelling and model robustness for in-house or outsourced modelling work... **having a harmonised taxonomy and reporting** is the last part of the equation to keep things simple and easily digestible to a wide non-technical audience, while ensuring consistent benchmarking globally.

**Vasileios Kourakis** | Global Director ROI & Media Lead | L'Oréal



**Accounting for e-commerce with our MMM is one of the most important enhancements** we've done over the years. There are categories like beauty and baby that have high indexing sales online. The measurement wouldn't be that accurate without our models.

**Aleksandar Petkovski** | Senior Director, Marketing Science & Digital Analytics | Johnson & Johnson





Chapter 2

# Why MIMM matters in the age of retail media





# Introduction

## Why MMM matters in the age of retail media

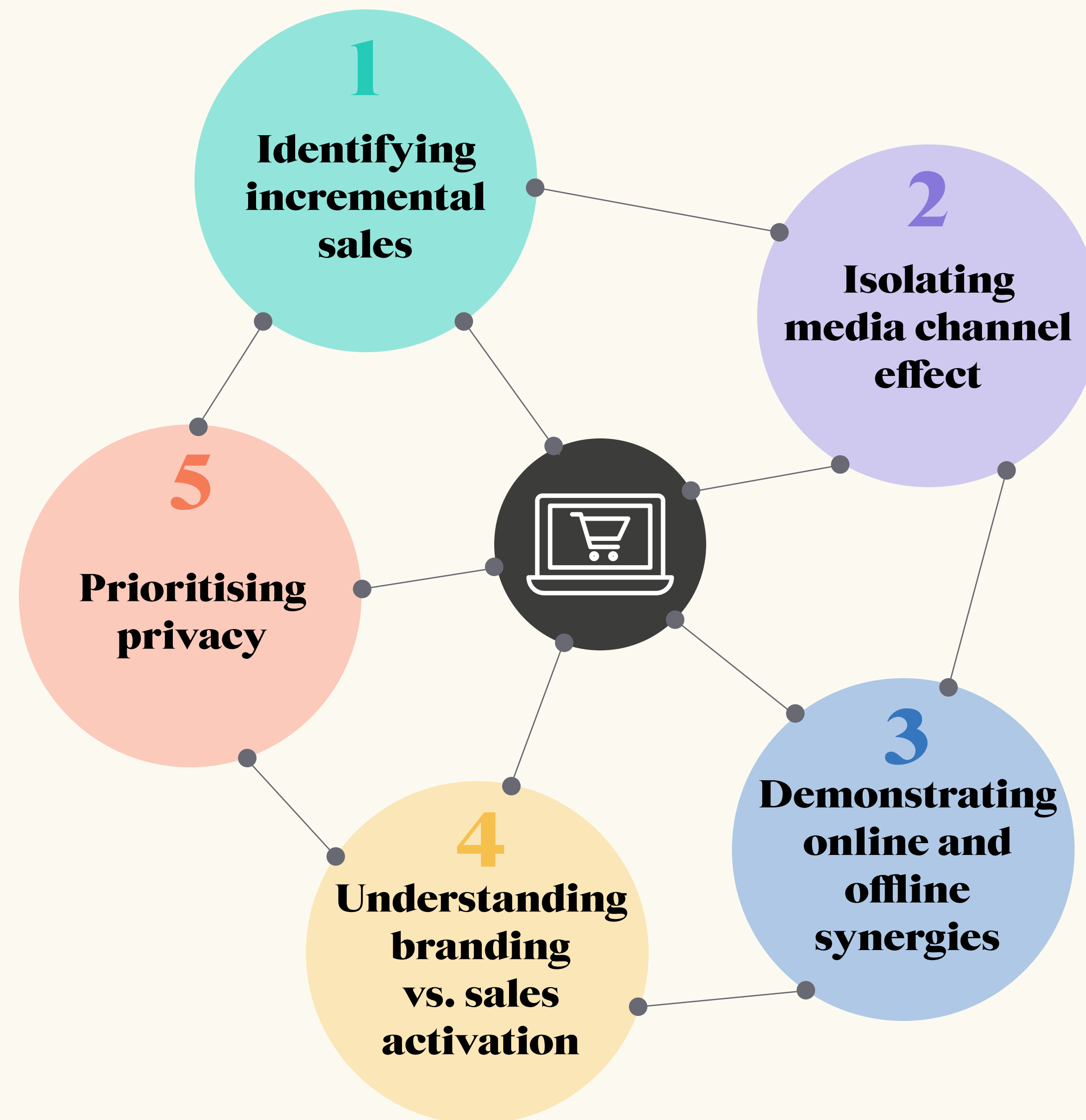
MMM has been used by marketers for many decades but is currently experiencing a renaissance as more data becomes available to connect marketing and retail channel activity.

The techniques and technologies that underpin MMM are evolving. Modelling is less costly and cumbersome than it used to be and advances in technology mean MMM is able to deliver insights at greater speed and with far more granularity than ever before.

Access to broader and deeper signals across all media and retail channels is empowering experts to produce MMMs that have greater impact on marketing plans.

In-store media, with its many static formats and lack of measurement, offered very few opportunities for marketers to optimise. Retail media, on the other hand, is giving more control back to marketers, enabling them to **increase their coverage, optimise their investments and uncover new insights into consumer purchasing behaviour.**

The remainder of this section sets out **five reasons why marketers are finding MMM so valuable**, with a focus on how modelling can be leveraged to analyse retail media environments.





Context & why it matters:

# #1 Identifying incremental sales

Marketing mix models are particularly valued for their ability to separate sales that would have happened anyway from sales driven specifically by marketing – ‘incremental’ sales – a critical input for budget setting and prioritisation.

Understanding incremental sales for specific media and retail channels enables marketers to build an accurate picture of marketing ROI.

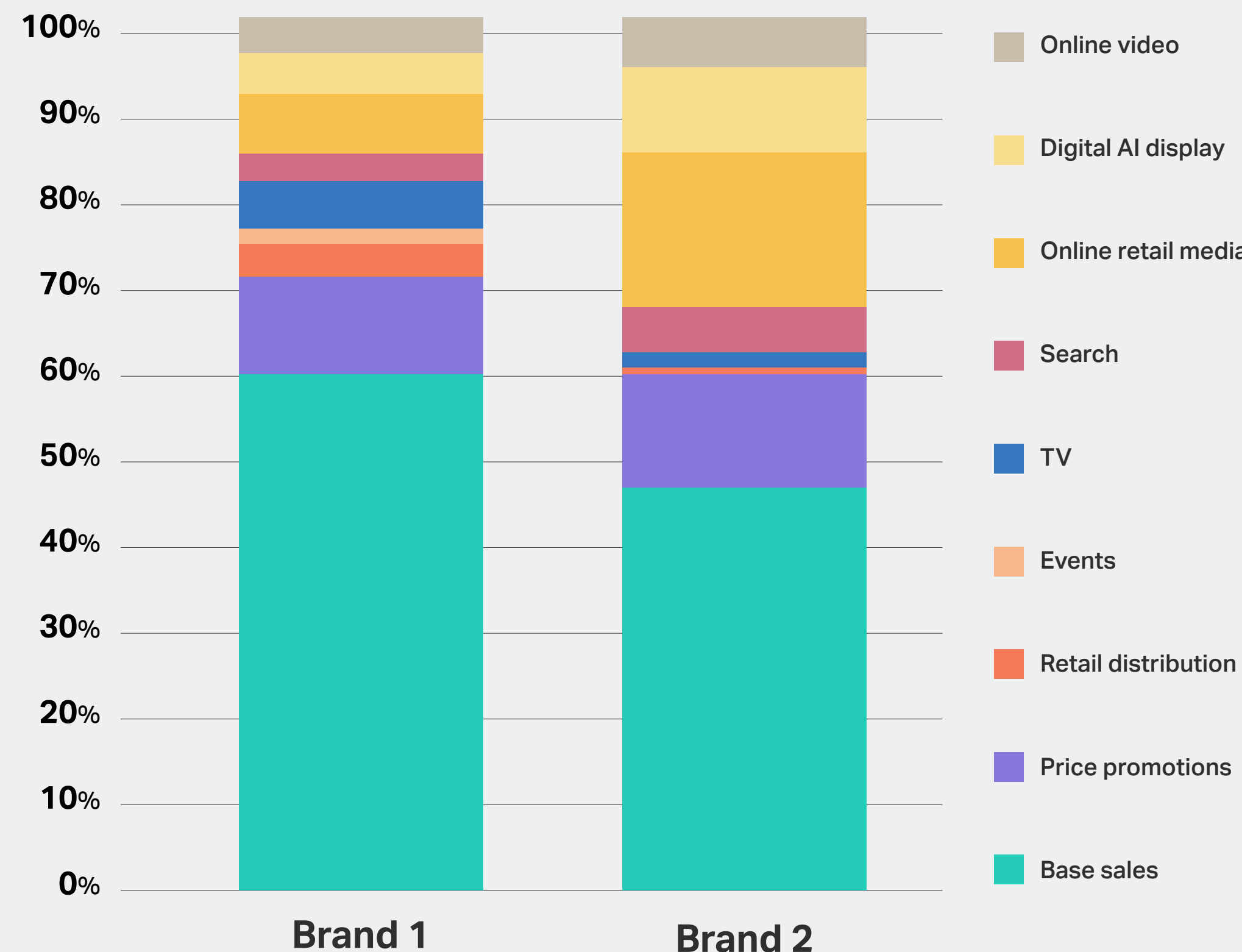
Essentially this helps identify where advertising and promotions are making a tangible financial contribution outside of market and external factors – the ‘net benefit’ of marketing – and subsequently helps marketers budget and prioritise media channel use.

Unearthing the contributing factors to incrementality is crucial in balancing the mix of promotional and brand marketing techniques throughout the year and prioritising media channel

usage and budgeting. For example, while price promotions may boost sales in the short-term, an over-reliance on them may damage long-term profits – an MMM will indicate what types of activities and channels are working to the brand’s advantage.

Time spent analysing these performance drivers will also help indicate how incremental sales may be generated over a longer time frame than an individual campaign. This is because incremental effects can be made over a longer time period, which is particularly relevant for categories with a longer purchase cycle.

## MMM identifies base sales and net contribution of retail activities and media channels



Source: Client confidential MMM scenario, US, 2023



Retail spotlight:

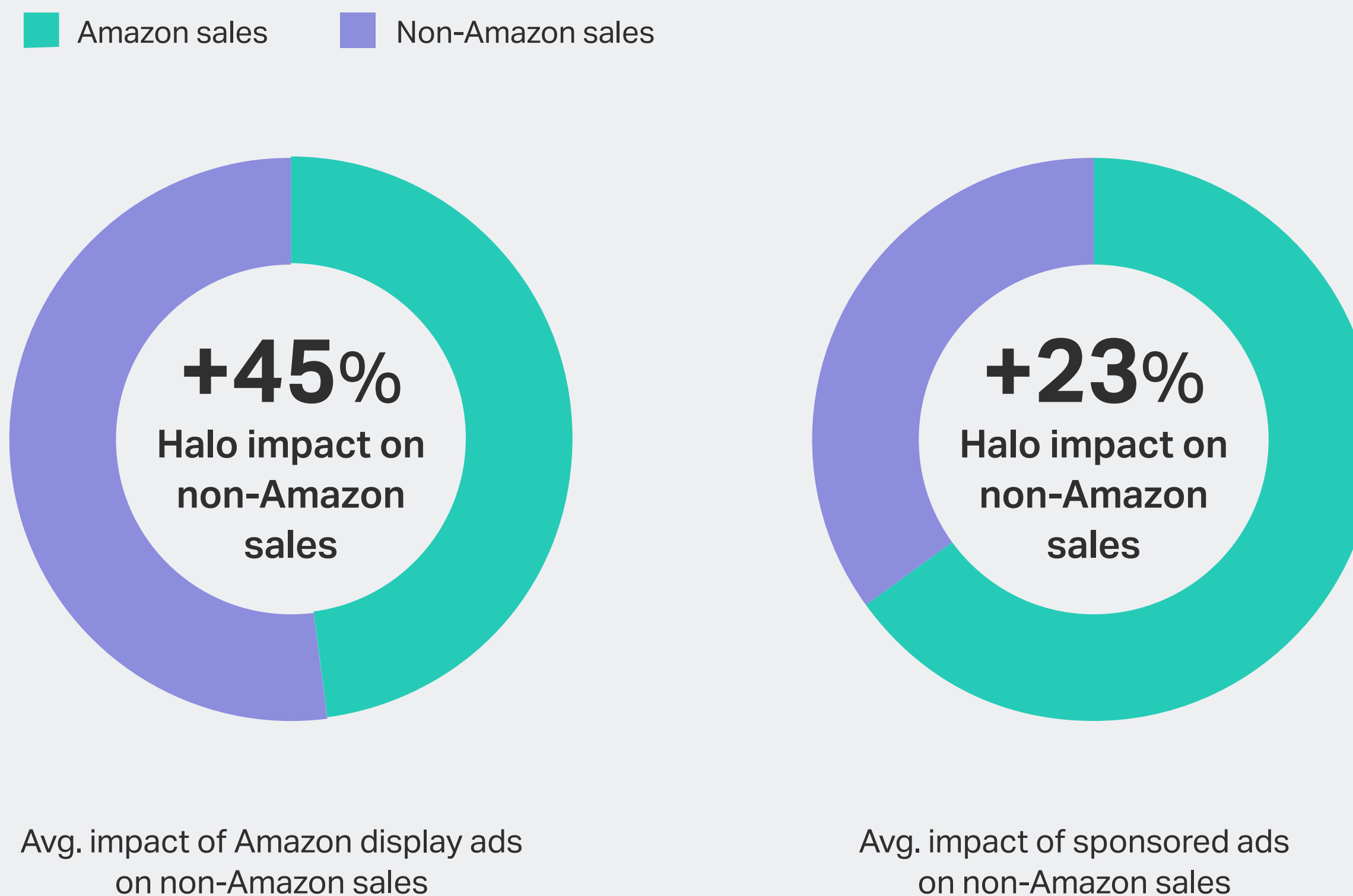
# #1 Identifying incremental sales

By separating online and offline retail platform contribution through modelling, marketers can understand where incremental sales are being generated.

Digital retail platforms offer brands the opportunity to reach a broad audience and micro-target campaigns based on factors such as consumer profile, geography, timeslot and promotional tactics.

With improved data inputs, MMM can also deliver granular insights about which specific elements are generating incremental revenue, including the effects of competitive activity and how shorter or lower-budget activities are performing.

## MMMs can help identify the impact of channel activity on driving incremental sales within different retail channels



Source: Analytic Partners ROI Genome, Global, 2023



Context & why it matters:

## #2 Isolating channel effect

Leveraging knowledge from incremental sales analysis, MMM helps identify the individual contributions of each channel utilised by a brand, taking into account category dynamics and external market factors.

Understanding the cost efficiency and effectiveness of each media channel is a basic requirement to make informed decisions about budget allocation. MMM is the preferred method to isolate channel effect as it harmonises a wealth of data to perform a like-for-like analysis of all marketing channels.

The most common metric used to evaluate media channels is ROI on sales, but other indicators such as impact on brand health and profit contribution are also widely used. Based on channel effect analysis, advertisers may reallocate spend to higher performing channels, balanced by the relative cost of investing in one media channel over another. Marketers can also keep a close eye on how channel sales contribution behaves at differing budget levels, and how diminishing returns and competitive pressure affect their own performance.

### Retail spotlight:

Digital retail is gaining a larger share of ad budgets due to its ability to reach new audiences without requiring a physical presence and because it offers improved insights and new techniques to convert customers.

According to a recent study by the ANA, **74%** of brands have dedicated budgets for digital retail media through RMNs, with **52%** seeing them as a valuable marketing tool. As digital retail media offers many ad formats and promotional opportunities, brands need to be able to leverage the right level of data to separate out the distinct elements used. Some platforms, such as Amazon and Alibaba, are improving their reporting to support such advanced MMM techniques.

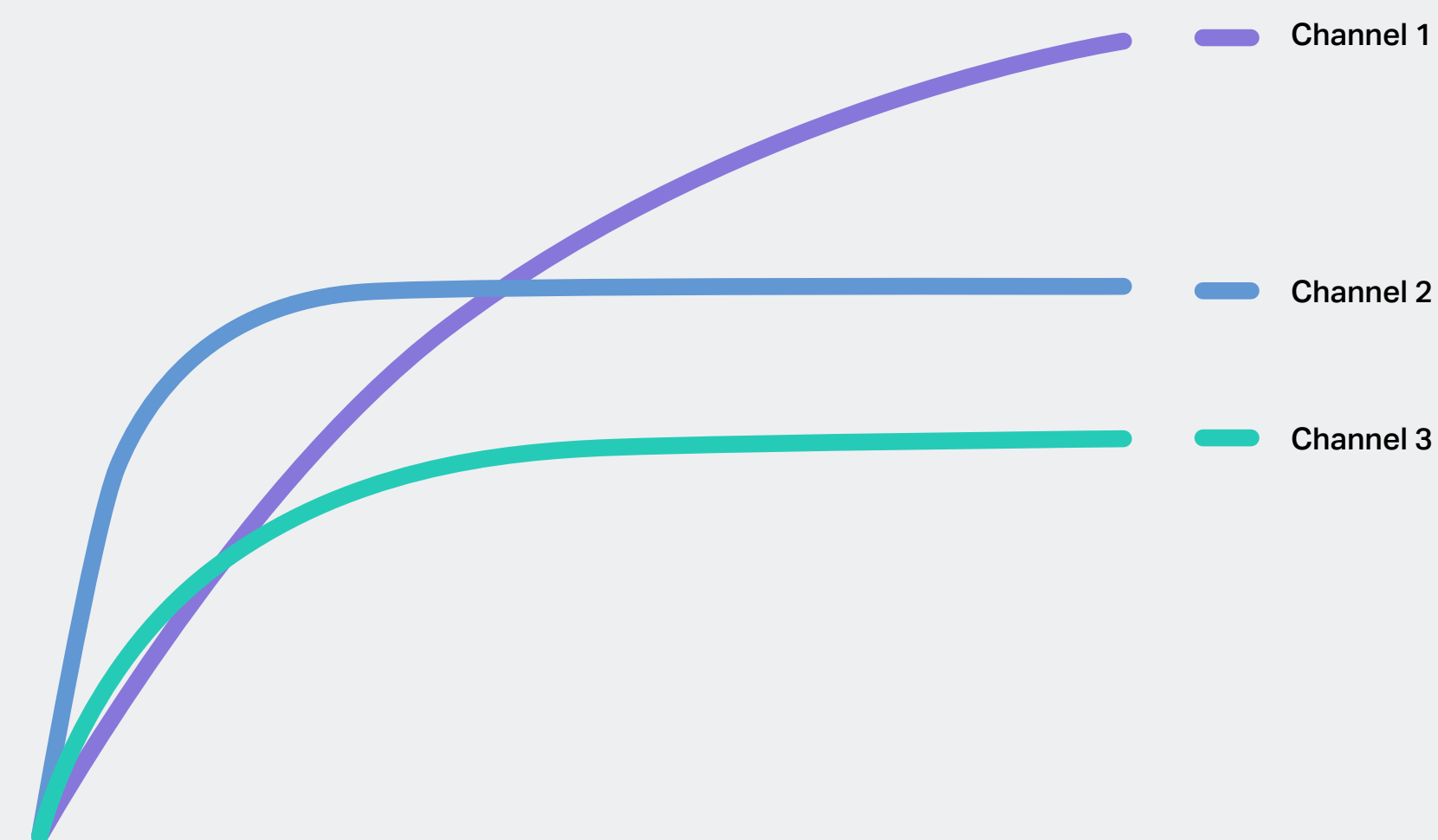
## Isolating channel effect reveals diminishing returns which informs channel thresholds and / or optimum budget level

Sales uplift level dependent on:

- Size of market
- Product accessibility
- Brand size

Diminishing returns dependent on:

- Scale of ad channels
- Creative messaging



Source: Hypothetical MMM scenario based on real-life outputs, WARC, 2023



Context & why it matters:

# #3 Demonstrating online and offline synergies

Media and retail channels drive impact on their own but also share synergies with one another. MMM is able to reveal these relationships and help marketers understand the effectiveness of multi-channel campaigns.

Research has shown that advertising on multiple media channels drives higher reach and incremental ROI compared to advertising on just one platform.

This is because of the synergies that exist between different channels. Television, for example, is known to have an impact on search, with TV advertising driving an uptick in direct, organic and branded searches.

A recent study by Analytic Partners highlighted how online ads within the Amazon ecosystem could drive sales through other retail channels, demonstrating the relationship that clearly exists between online and offline channels and activities.

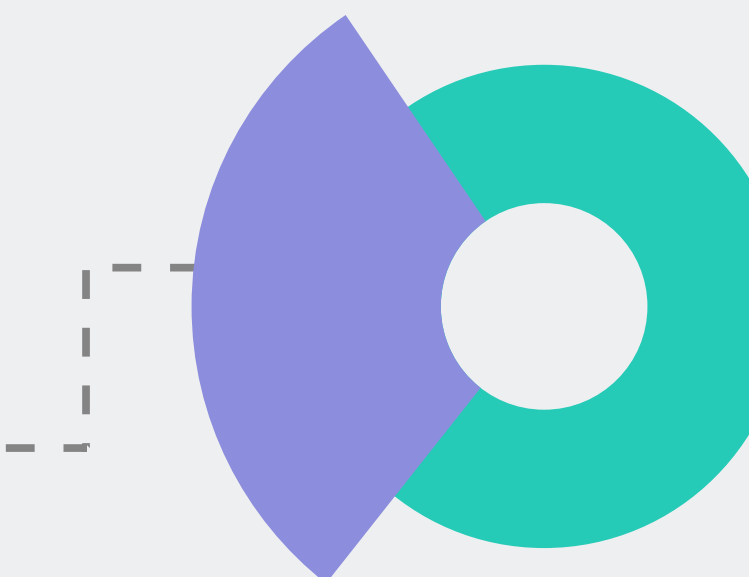
### Retail spotlight:

MMM can help marketers understand how effectively different channels drive in-store versus online traffic/sales. For example, nearly two-thirds (**61%**) of US shoppers start their product searches on Amazon, even if they end up purchasing elsewhere.

Advanced MMM techniques allow marketers to understand these 'hybrid' shopper journeys and the synergies between retail media and other channels.

## Channel synergy drives results

The synergistic impact of using multiple marketing channels can increase advertising's impact and efficiency by **35%**



## Omnichannel media impact is quantifiable across media channels

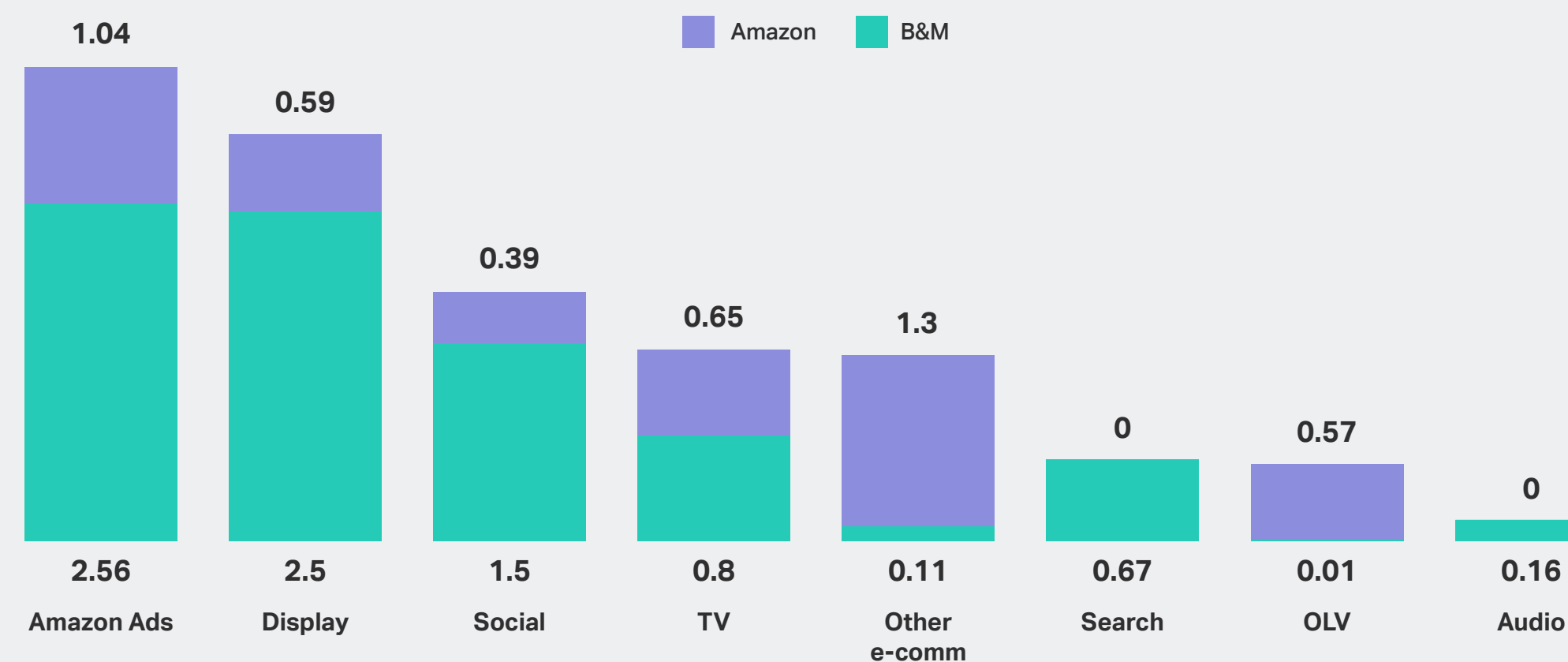


Chart 1 Source: The Marketer's Guide to Survive (even Thrive) in 2023, ROI Genome  
 Chart 2 Source: Client MMM scenario by Nielsen, US, 2023



Context & why it matters:

# #4 Understanding branding vs. sales activation

Many businesses focus on only measuring short-term effects. Marketing mix modelling can help by revealing the distinct contribution between brand building and sales activating strategies for the short and long term.

Marketers have traditionally classified advertising as either focused on short-term sales activation or long-term brand awareness building. Successful brands require investment in both types of advertising, with MMM helping to reveal the optimal balance required between both sets of activities.

While marketers often make the assumption that digital channels are only useful in driving short-term sales effects, research has shown that both online and offline channels are capable of driving long- and short-term ROI.

As Les Binet has argued: **"It's not the medium as such, it's the way you use it"**.

### Retail spotlight:

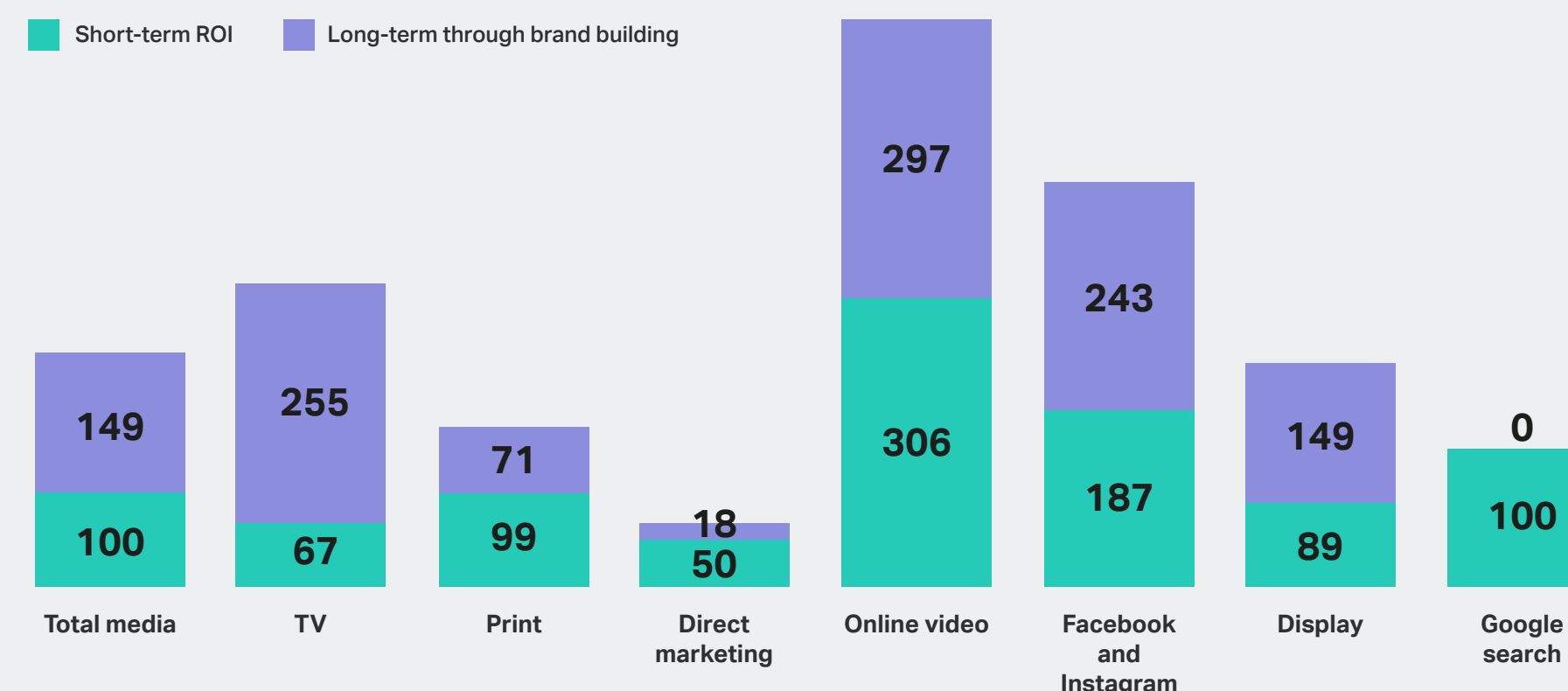
Retail media is predominantly viewed as a lower-funnel channel focused on driving

shopper engagement rather than offering a space to build brands – **75%** of respondents to the ANA's recent study of retail media claimed the most important deliverable of retail media networks was lower funnel conversions.

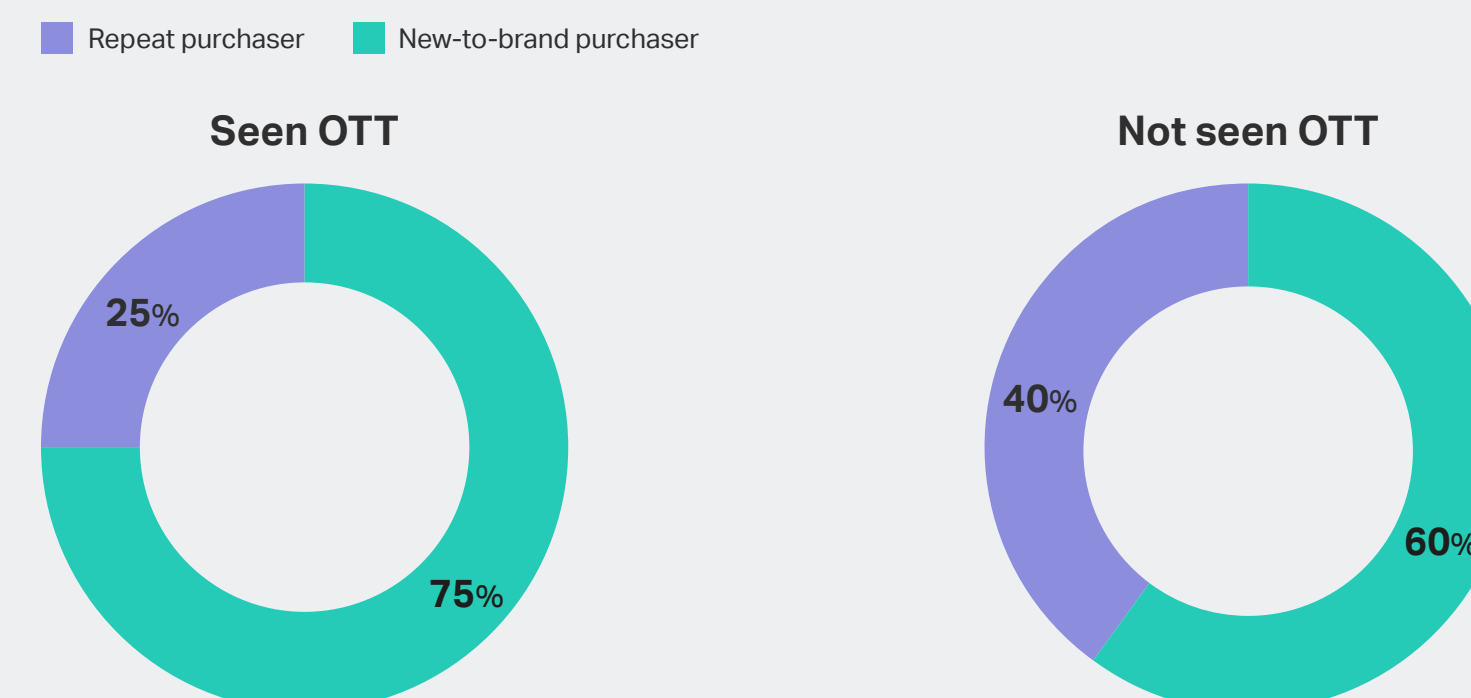
However, as retail media matures, new ad formats are emerging within platforms that are capable of driving upper-funnel, as well as lower-funnel objectives. In a study by WARC and Perpetua, data demonstrated that by expanding access to video formats across their ad network (including FreeVee and Twitch), Amazon was able to deliver both branding objectives and deliver retail engagement within their own ecosystem by recruiting new purchasers with video ads.

## Long-term sales effect accumulate over time

Retail and Telco: Total ROI, indexed ROI, direct and indirect through brand building



## Branded ads across e-commerce networks delivered new users



Purchasers: Defined as unique users who purchased

Chart 1 Source: The short and long impact of advertising, Nordics, Analysis by Nepa in 2022

Chart 2 Source: Unlocking insights from the entire shopper journey with Amazon Marketing Cloud, Global, 2022



Context & why it matters:

# #5 Prioritising privacy

MMM is described as a **'privacy-first'** measurement technique because it uses aggregated rather than individual-level data to examine marketing effects.

MMMs use harmonised data sets from various media channels, formats, and retail ecosystems, enabling marketers to compare all channels without requiring sensitive private information. With privacy being a top concern for brands, a privacy-safe solution like MMM is reassuring for marketers.

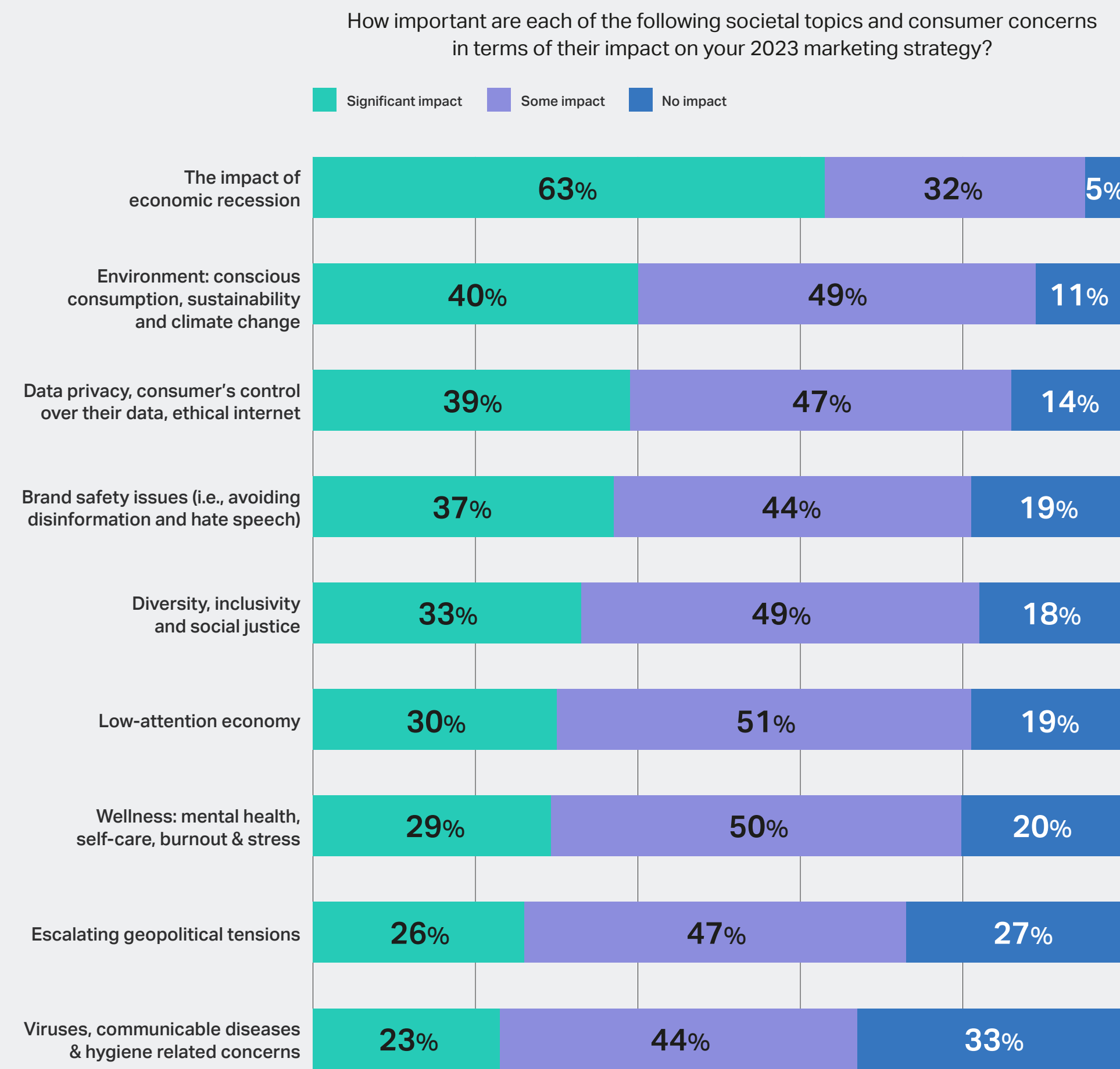
### Retail spotlight:

Digital retailers securely hold valuable user data, which can benefit advertisers seeking to leverage their first-party data for deeper analysis, but this requires safety protocols in line with data privacy rules.

As such, data clean rooms and collaborations with retail platforms can aid in improved targeting and insights within digital media, but optimising budgets across all channels without more data context has remained a challenge.

However, now advanced retail platforms are offering constantly-updated data streams with sufficient granularity for actionable insights. This enables MMMs to assess the impact of large and small ad buys across e-commerce channels and beyond, without violating privacy rules.

## Marketers are highly aware of and concerned about issues surrounding privacy



Source: The Marketer's Toolkit, Global Study by WARC, 2023



Chapter 3

# Succeeding with MMM in the age of retail media





# Old obstacles and new opportunities with MMM

## Barriers to implementation

Three common barriers for adding MMM into a brand's business planning process are cost, complexity and accessibility.

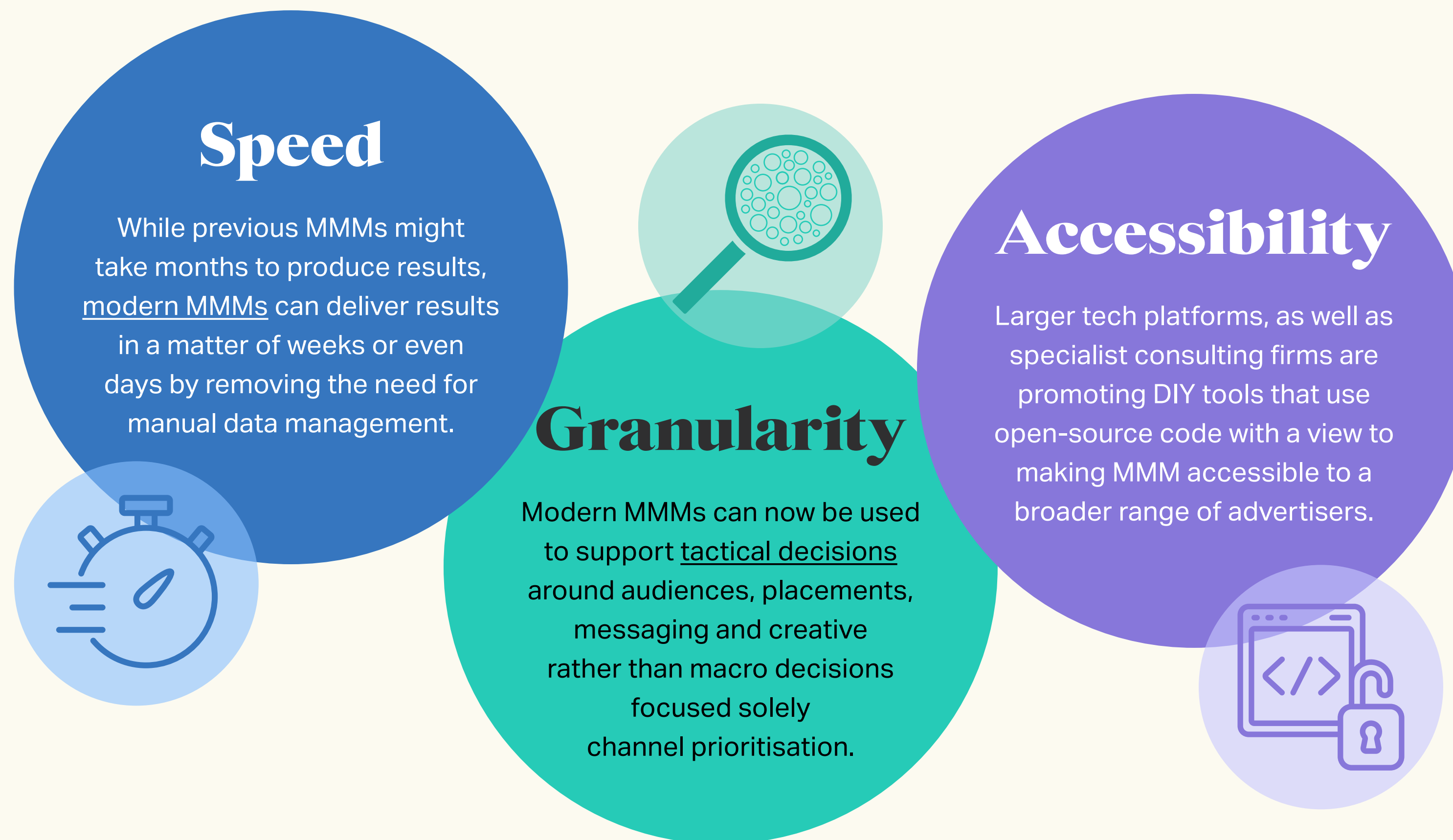
The need for specialist internal resources or a reliable external partner and data that would be useful, accurate and sufficient to deliver insights, has influenced many marketers to find alternative, but less comprehensive, options.

## The growth of next-gen solutions

In today's modern marketing world, there is an expectation for up-to-date insights and flexible solutions, and MMMs have finally become more accessible, helping deliver more detailed analysis in a more cost-effective and timely manner.

Platforms like Proof and Sapience offer self-service tools, and a broader workforce trained in statistics and modelling is available, although there are still workforce challenges for employers competing for the best staff.

MMM are also now able to produce detailed analysis by individual sales channel rather than an aggregated view, helping brands improve their retail partner and retail media strategies.



**The remainder of this section focuses on advertisers that are succeeding with next-gen MMM solutions along with tips for marketers on getting the most out of their MMMs.**



Retail spotlight:

# Improved data feeds and automated report creation will transform MMM brand analysis in the right context

**Improved availability and accessibility to modelling inputs – via automated and real-time feeds – provides the potential to revolutionise MMM.**

While APIs delivering digital data are widely used for a range of analytics, they often lack actual sales, shopping behaviour, pricing, and promotional data. This can limit the ability to create a bigger picture of online consumer behaviour and beyond. However, streamed data feeds now exist that are providing granular time-series data allowing for a more comprehensive analysis of the effects of both large and small ad buys.


Amazon's MMM feed provides access to modelling inputs which enable insight into the effectiveness of advertising campaigns on Amazon and beyond. Brands can leverage a huge volume of signals that allow them to conduct advanced analytics and determine the impact of the Amazon Ads portfolio – including sponsored products, display and video ads – and the rest of the marketing plan upon sales and revenue, with all inputs delivered in a modelling-friendly format.

The feed's main advantage, on top of access to three years of data – is providing granular information on sales and ad formats around products, categories and regions, enabling marketers to optimise campaigns and identify the highest ROI channels and tactics. Additionally, tracking performance over time provides a better understanding of evolving advertising strategies, leading to increased sales, revenue

and long-term brand health. Deep dives into key events or consumer groups, for example, will also deliver specific action points for maximising ROI from campaigns and promotions.

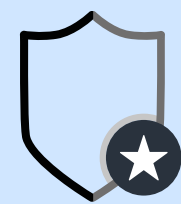
As a result, MMMs are no longer just a big-picture tool for big brands – all brands can benefit from improved insights from modern techniques available through better data utility and application, for budgets big or small.

**amazon ads**




**Meticulous**

Our insight isn't attainable elsewhere. We have proprietary knowledge about shopping journeys across multiple channels and ad interactions.



**Efficient**

Get reliable, relevant, and easy to use insights that were designed to help you make decisions faster.



**Empowered**

Consistently optimise your outcomes by making easy updates to your channel mix. Make confident decisions with our intelligent insights.

Source: Amazon Ads launch self-service marketing mix model (MMM)



Case study:

# J&J: Double digit growth with always-on data flows



## Strategy:

- J&J have developed an extremely customised approach to their business based on a semi-closed loop methodology where all models are talking to each other. This allows for a predictive capability with in-flowing data running simulations.
- **Data is the fuel.** Access to always-on data and **to have e-commerce sales as part of the programme was one of the most important advancements.**
- Access to **Amazon's Data Feed** and **collaboration with Amazon's partner team** helped build an understanding of what drives value through a process of constant refinement and optimisation.

## Outcome:

- J&J categories index very highly in e-commerce (e.g. beauty, baby care) and they now have **90% coverage in being able to measure online sales.**
- **They run 300 models across 17 brands.** Adding to the number of data variables in their models has allowed for a high frequency of updates and more intelligent recommendations.
- Partnering with Amazon to identify and execute optimisations has led to **double digit growth across the portfolio for all of the mega brands.**

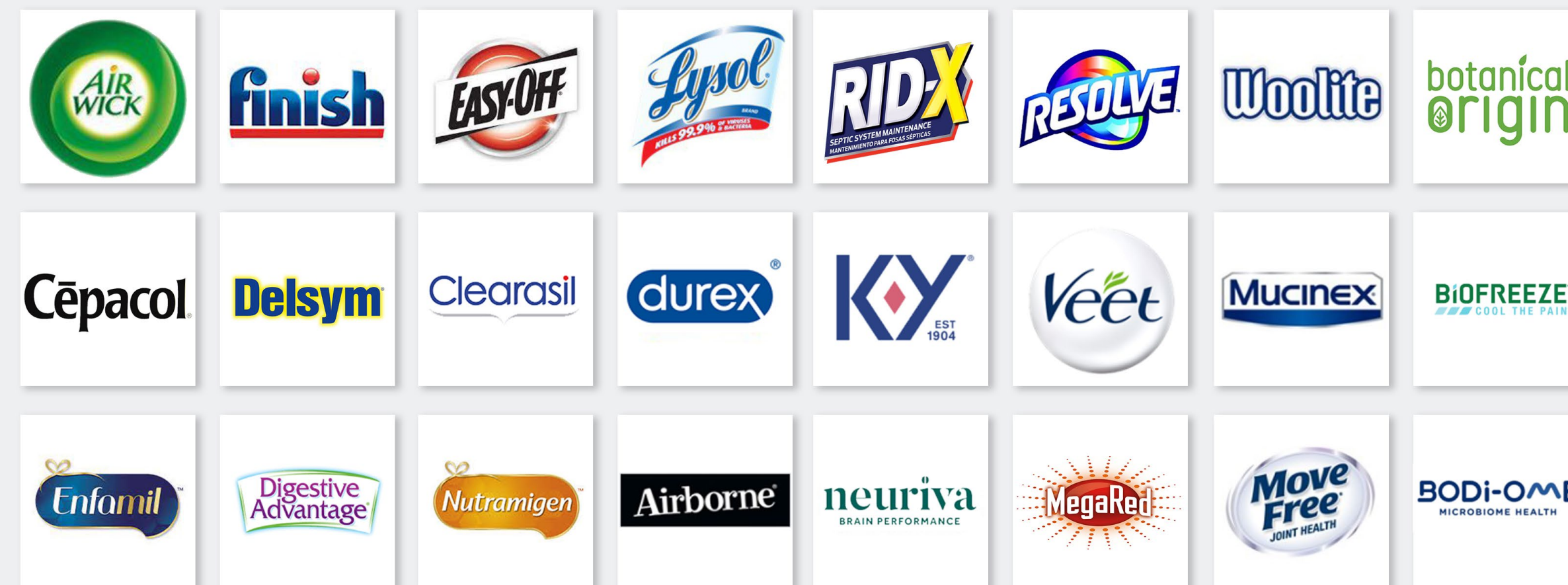
## Key takeaways:

- The more your business indexes to online sales the more important it is to **include e-commerce sales within MMMs.**
- Investing in the right people and finding the right partners **drives value.**
- **Back and forth information flow** has enabled J&J to be more intelligent about recommendations.



Case study:

# Reckitt: Democratising data



## Strategy:

- Reckitt needed to find a way to **make decisions about its future marketing investment across brands and markets, as well as within brand-market units**, while using existing MMM, augmenting it with benchmarks and altering consumer demand and media supply assumptions.
- Reckitt used a bespoke version of an existing tool to establish an always-on marketing decision-making platform allowing clients to view their marketing ROI, plan for future scenarios and optimise their marketing investment.

## Outcome:

- **Global net revenue increased by 14% = £46M** of net revenue delivered for no increase in media budget.
- Every unit that used the platform saw at least a **10% increase in net revenue through implementing the recommendations**.

## Key takeaways:

- **Democratise data** so that everyone in the organisation can make informed decisions at all levels – across markets, channels and within each business unit.
- **Look towards platform access that is available at all times** empowering agile decisions and boosting the productivity of their media.
- Embrace adoption by emphasising that it is **not a case of tools vs. humans**.



Case study:

# L'Oréal: Increased granularity, deeper insights



## Strategy:

Building reliable and timely models consists of **four key stages**.

- 1. Scoping.** The most important stage. Clarity on the key questions from the beginning, helps structure the models to answer those questions effectively.
- 2. Holistic data collection and automation.** More granular and higher frequency data delivers better insights faster.
- 3. Modelling sales by PPG / SKU.** It is important to develop compliance guidelines to ensure best practice modelling and model robustness for in-house or outsourced modelling work.
- 4. Harmonised taxonomy and reporting.** Keeps things simple and easily digestible to a wide non-technical audience, while ensuring consistent benchmarking globally.

## Outcome:

- Since initiating the partnership with Amazon, our models have become more robust, our insights richer and our mix is working harder with deep dives delivering deeper context for improved planning.
- Accessing Amazon media data at campaign level (Reach, Frequency, Sponsored Brands vs. Products, Branded vs. Generic etc.) enables us to derive granular insights for further campaign execution optimisation.

## Key takeaways:

- **Publisher support is important** to drive the push for greater data granularity, deeper insights and innovation.
- **Access to pricing and promotion data** improves the model robustness.
- **Direct access to the Amazon** sales, media and promotional data by ASIN and by region **speeds up the data collection process**.



## Industry view:

The future value of improved MMMs



**More granular and higher frequency data delivers better insights and more robust outputs.**

Nowadays the complexity of the touchpoint landscape requires more data collection as new touchpoints have emerged such as Virtual try Ons, Ratings and Reviews, etc. and as the majority of time is spent on data collection, the more automation the faster the delivery.

**Vasileios Kourakis** | Global Director ROI & Media Lead | L'Oréal



The collaboration works in a domino effect: **the higher the coverage, the more accurate the models.** The more accurate the models, the better the recommendations, and the higher the impact. I can't stress enough how important it is to have online sales and e-commerce models as part of the marketing mix programme.

**Aleksandar Petkovski** | Senior Director, Marketing Science & Digital Analytics | Johnson & Johnson

Brands would benefit from more real-time optimisation. Our partners are working toward making MMM **more compatible with the velocity and variety of digital data and how digital works**, so I'm looking forward to that.

**Moitree Rahman** | Associate Director, Data Activation and Measurement Strategy | Colgate-Palmolive



To ensure that MMMs are well embedded and leveraged, we need to reframe the MMM. The first M in a MMM is marketing, and hence, consequently, people think MMM is related to the marketing department exclusively. In actuality, the MMM helps the business understand the impact of marketing, sales, and external factors (e.g. economic conditions, competitive activity), that come together to drive the business. **The MMM framework needs to enable a dialogue among departments.**

**Garth Viegas** | General Manager | Analytic Edge





# Getting the most out of MMMs: 10 Best practices for marketers

## 1 Get your scope right.

Work on the critical business challenges and questions you need answering from all your media and retail channels, pricing dynamics and competitive understanding.

1

## 2 Set your parameters early.

Defining a start date to a week, currency conversions etc. may seem minor, but these may greatly impact the analysis and findings.

2

## 3 Gather inputs that aren't revealed in structured data

– e.g. campaign start dates, competitive product info, change in creative style. This will be beneficial for analysis.

3

## 4 Challenge your retail partners

to deliver detailed data in an agreed standardised format with the maximum level of granularity possible.

4

## 5 Sign off / approve the data

with all key stakeholders before the initial model is built. Models lose internal credibility when data is challenged.

5

## 6 Expand your data perspectives.

MMMs can incorporate many data types, meaning you can include brand health tracking, customer feedback scores like NPS, share of shelf and any external data, like weather and CPI, that may be relevant.

6

## 7 Review early outputs.

All models need interpreting and marketers can drill down into specific areas where the data indicates there is more to reveal. Initial analysis may help unearth a trend that needs further exploration.

7

## 8 Don't expect radical results.

MMMs may not lead you to drastic changes in your channel mix. Purposeful, even small, amendments to channel utilisation will be much more valuable in the long term.

8

## 9 Keep it going.

MMMs work best when they build knowledge over time. This may mean a regular bespoke study once per year, or a quarterly refresh using timely data feeds. The payback will be obvious.

9

## 10 Trust the process.

Time and again MMMs have been of significant value to world leading and nascent brands. Rely on your expert team and collaborate on continual brand improvement.

10



## Who we are

**At WARC, our purpose is to save the world from ineffective marketing by putting evidence at the heart of every marketing decision.**

We believe that effective marketing is based on facts and not opinions.

Since 1985, we've brought confidence to marketing decisions through the most trusted research, case studies, best practice, data and inspiration.



Today, we help 75,000+ marketers across 100+ countries. Our clients include the world's leading brands, advertising and media agencies, media owners, research companies and universities – including the top-five largest agency groups and top-five largest advertisers in the world.

Learn more about WARC Advisory [here](#).

For more information on bespoke advisory projects, contact [katie.sterling@warc.com](mailto:katie.sterling@warc.com) and [alexis.gresh@warc.com](mailto:alexis.gresh@warc.com).

## About Amazon Ads

Amazon Ads helps brands design ad experiences that delight customers and deliver business impact.

With innovative ad technology powered by first-party shopping, streaming and browsing signals, advertisers can reach audiences across Amazon and non-Amazon channels; create meaningful engagement through display, streaming TV, audio and other media; and measure overall effectiveness of their full-funnel campaigns.

## Our Offices

### London

33 Kingsway  
London WC2B 6UF  
United Kingdom

[enquiries@warc.com](mailto:enquiries@warc.com)

### New York

55 W 46th St, 27th Floor,  
New York, NY10036  
United States

[americas@warc.com](mailto:americas@warc.com)

### Singapore

WeWork,  
71 Robinson Road,  
Singapore 068895

[asiapacific@warc.com](mailto:asiapacific@warc.com)

### Shanghai

Unit 05-08, 31/F Garden Square,  
968 West Beijing Road, Jing'an District,  
Shanghai 200052, China

[nihaochina@warc.com](mailto:nihaochina@warc.com)

