

Are You Executing an *Optimal* Marketing Plan?

Probably not. The complexities of today's dynamic markets leave too many consumer brand owners relying on a combination of intuition and last year's plan, armed only with past experience and an outdated mix deck.

Now more than ever, you need a marketing plan that will deliver top results while accounting for current competitive and environmental factors. To create it, you need answers, as close to real-time as your data streams allow. You need reliable forecasts and "apples-to-apples" evaluation of competing ideas. And you need them across your entire business, today. But where do you begin?

Don't Count on Marketing Mix Studies

Traditional marketing mix studies are often a marketer's first instinct. They have been the backbone of marketing analysis for many years. But for today's world, their inherent limitations can be significant. Mix studies are typically:

- Based on incomplete and "too" old data – Due to the challenge of integrating data across channels (and limitations of data providers to use their own data exclusively), mix studies often simply ignore newer growing outlets, leaving marketers to guess about channel-switching behavior. And the data that is used is many months old by the time results are presented. An assumption that nothing has changed is no longer sound.
- Overly-simplistic - These studies don't fully consider the exploding cannibalization effects across product lines, multiple pricing strategies, or various input cost scenarios. They don't support competitive "war gaming" exercises or provide mathematical optimization across tens of thousands of potential plans.

The bottom line is this: because these studies only provide an incomplete and static snapshot of marketing activity, trade promotions and pricing adjustments, they can't produce the truly balanced investment plan you need today.



Marketing Investment Management

- Continually track marketing and trade investments
- Forecast the financial outcome of any plan
- Optimize any plan to produce better results

Most Marketing Analytics Software Packages Were Not Designed To Deliver Forward Looking Investment Plans

A second thought may be to turn to a reporting solution. Though they may use up-to-date data, analytics tools are often just as incomplete and overly-simplistic as a mix study, and are often worse. And it's very unlikely that their models are current. But the real shortcoming of these systems is that they aren't predictive. They can't be used to evaluate numerous potential plans with accurate forecasts of results under each scenario.

Marketing analytics software packages are designed to deliver individual analyses, many of which are very informative. But the real work of converting the information from all the reports into a positive business outcome falls on the shoulders of the marketer. Since the reports can never show what will happen when multiple marketing activity types are changing simultaneously, the marketing planner has to fill in the gaps with guesswork – not really a best practice.

Understand

Predict

Optimize

M4 Is a Comprehensive Marketing Investment Management Solution

M-Factor M4 seamlessly incorporates all key data – including scanner data from syndicators or direct from the retailer, company shipments, agency, as well as your latest marketing plans and financial costs. This comprehensive foundation allows you to use optimization techniques to balance your profit and revenue across the entire brand portfolio.

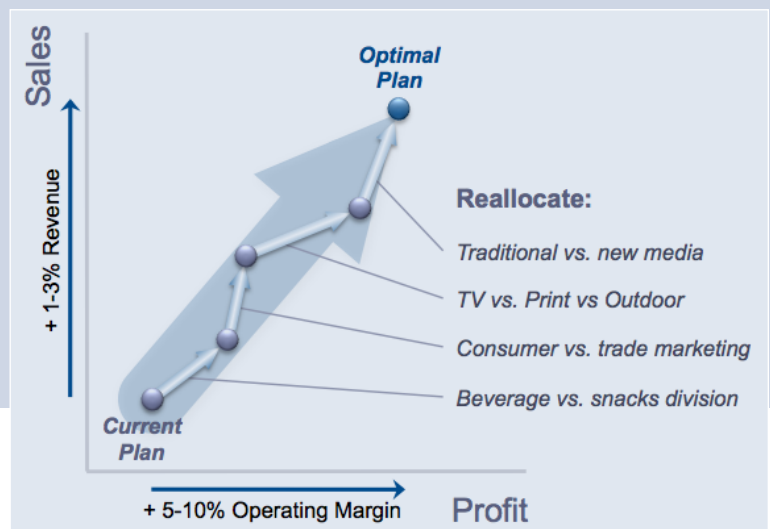
M4 includes:

- **Predictive demand models** – These models accurately reflect the complex interactions involved in real-world marketing spend decisions:
 - traditional vs. new media,
 - media vs. consumer promotion
 - marketing vs. in-store trade promotion.
- **Continuously up-to-date information** – Always reflects the current marketing environment –continuously updated with the most current data and models. So explanations of business results are meaningful, accurate and instantaneous. Because the marketplace changes quickly.
- **Real-time "what-if" scenarios** - Unlimited, real time simulations and optimizations, across the whole portfolio, simultaneously. Evaluate as many plans as you can conceive, including potential competitive response.
- **Comprehensive financial impacts** - A complete activity-based financial model delivers the full range of P&Ls, key performance metrics, and financial impacts needed to make informed marketing spend decisions.
- **Automated Plan Optimizer** – Since it's impossible to manually simulate every potential plan, M4 allows you to enter your business objectives and real-world constraints. It then automatically compares tens of thousands of plans that fit the criteria to uncover potential missed opportunities before you overlook them.

Rather than managing the analysis process and a host of consultants, now you can keep your focus where it will have the greatest impact — on strategy, innovation and optimization of your marketing ROI. Suddenly and finally, the science of marketing planning is at your fingertips.

Marketing Plan Optimization Has Dramatic Benefits

M-Factor's experience shows that the application of a best-in-class marketing optimization solution can have dramatic benefits. A conservative estimate of the potential benefit of an optimized marketing plan relative to a non-optimized marketing plan are **operating margin improvements in the range of 5%-10% and revenue improvement in the range of 1%-3%**.



About M-Factor

M-Factor provides dynamic profit and revenue optimization software services for leading consumer brands. M-Factor's Marketing Investment Management, Trade Spending Effectiveness, and Portfolio Pricing Optimization solutions empower users to continuously analyze and optimize pricing, marketing investments, and trade spend. For more information on M-Factor's solutions, please visit www.m-factor.com.

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