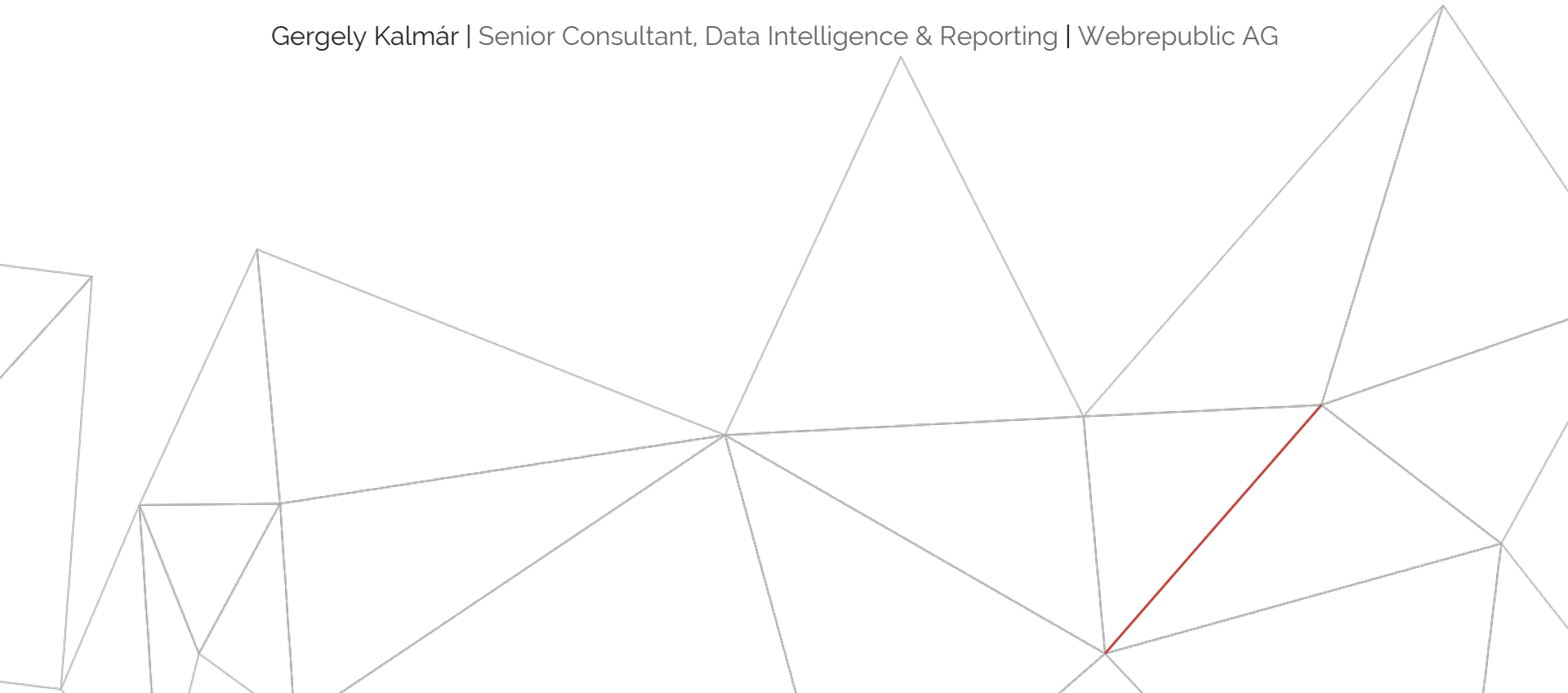


Optimizing the Global Digital Marketing Budget of Victorinox Swiss Army Watch SA

UNICOM Data Analytics Conference, 2nd December 2015, London

Gergely Kalmár | Senior Consultant, Data Intelligence & Reporting | Webrepublic AG



Roadmap

1. Introduction

2. Digital Marketing Budgeting in a Nutshell

3. Predicting Marketing Success

4. Case Study: Victorinox Watches

5. Conclusions

6. Q&A

Webrepublic

- Leading Digital Marketing agency in Switzerland
- Established in 2009
- Owner-managed and independent
- Based in Zurich and Lausanne
- Portfolio of 120+ national and international brands
- Full coverage of digital performance path
- Sparring partner for ambitious organizations
- Own software development team



Performance for leading brands



Digital Marketing Budgeting

(in a Nutshell)

Digital Marketing

User is looking for a new monitor

The image shows a Google search interface for the query "lcd monitor kaufen". The search results are divided into organic and sponsored sections. Organic results include links to microspot.ch, steg-electronics.ch, ricardo.ch, digitec.ch, and mediamarkt.de. Sponsored results include a general ad for "Shop for lcd monitor kaufen on Google" and several product-specific ads for LCD monitors from digitec.ch, Amazon.de, and Conrad.ch. Arrows from the text "User is looking for a new monitor" point to the search bar and the organic results. Arrows from the text "Ads appear" point to the sponsored ad sections.

Google lcd monitor kaufen

Web Images Shopping Videos News More Search tools

About 1,270,000 results (0.42 seconds)

Philips LCD Monitor
Ad www.microspot.ch/LCD+Monitor
Der günstigste Shop für Elektronik. LCD Monitor - zum Toppreis!
Beste Kameras & Objektive - Microsoft Surface - iPhone 6s jetzt kaufen

Monitor kaufen bei Steg - steg-electronics.ch
Ad www.steg-electronics.ch/Monitore
Kaufen Sie Monitore im Online Shop. 250'000 Produkte versandkostenfrei!
Gratis Postversand · 17 Filialen schweizweit · Shop in DE/FR/IT
STEG computer & electronics has 342 followers on Google+
Aktuelle Grill Angebote - Marken SSD Festplatten - Unsere Topseller im Shop

LCD Monitor Kaufen - ricardo.ch
Ad www.ricardo.ch/LCD-Monitore
ricardo.ch: der One-Stop-Shop rund um Computer, Zubehör & Monitore.

Monitor - Digital - Bei digitec kaufen
<https://www.digitec.ch/de/s1/producttype/monitor-31> Translate this page
Monitor, Bildschirm, LCD, Display, Flatscreen. Marken: BenQ, Samsung, ASUS, AOC, HP, Philips, Apple, Dell. Ein Monitor ist ein Bildschirm für den Computer, ...

Monitore kaufen | LED-Monitore bei Media Markt
www.mediemarkt.de > Computer & Büro > Monitore Translate this page
Jetzt Monitore günstig kaufen oder im Markt vor Ort entdecken. ... Bildqualität: Full-HD;
Gerätetyp: Monitor; LCD Technologie: A-si TFT, PLS; Bildschirmdiagonale ...

Computer Monitor | Touchscreen | LCD | VGA | TFT | Dell ...
<https://www.ricardo.ch/kaufen/.../monitore/cn39248/> Translate this page
Computer Monitor | Touchscreen | LCD | VGA | TFT | Dell | CRT bei ricardo.ch günstig

Shop for lcd monitor kaufen on Google Sponsored
RC732-DVR 32CH 5.8GHz Diversity LCD Screen Receiver FPV Monitor
CHF148.82 - Tinydeal.com

Weltneuheit im PC-Gaming
Ad www.digitec.ch/asus-gaming-monitor
Der ASUS Gaming-Monitor ist der erste seiner Art. Jetzt zuschlagen!
Riedstrasse 8, Dietikon
044 575 95 00

Amazon - PC LCD Monitor
www.amazon.de/ch
Preisvorteil und Riesen-Auswahl.
Kostenlose Lieferung möglich

TFT Monitor Günstig Kaufen
www.conrad.ch/monitore
Top Auswahl an Marken Monitoren.
Jetzt günstig bei Conrad kaufen!
Alte Dübendorferstrasse 17, Dietlikon

LCD Monitor günstig
www.preisvergleich.ch/Tft-Monitore

Ads appear



Digital Marketing

autoricardo.ch ricardoshops.ch DE FR Hilfe Merkliste Einloggen Mitglied werden

Genau mein Ding. pc lcd monitor LCD / TFT Erweiterte Suche Kaufen Verkaufen My Ricardo

[< Zurück](#) [Alle Kategorien](#) > [Computer & Netzwerk](#) > [Monitore](#) > LCD / TFT - mit all diesen Wörtern "pc lcd monitor"

Kategorien

LCD / TFT (16)

15 Zoll und kleiner (5)

24 Zoll (4)

[5 weitere anzeigen](#)

Preis

von bis

[zurücksetzen](#) [Filtern](#)

Zustand

Lieferung

Kostenloser Versand (4)

Abholung durch Käufer (6)

Verfügbarkeit

Alle (16) [Auktionen \(7\)](#) [Sofort kaufen \(12\)](#) Sortierung (Standard)

Dell Ultrasharp 24 Ultra HD 4K Monitor
UP2414Q - Premium Garantie bis 08.01.2017
34 Gebote **CHF 337.00**
Sofort kaufen **CHF 899.00**
[Promo-Angebot](#)
Neu: (Gemäss Beschreibung) CHF 12.00 - Paket A-Post noch 7 Stunden

LCD PC-Monitor acer 19"
LCD Monitor AL 1913 s
1 Gebote **CHF 6.00**
Gebraucht CHF 0.00 - Abholung durch Käufer noch 7 Stunden

Treffer in der Artikelbeschreibung

Sony 19 Zoll Bildschirm Gamer Monitor
Sony 19 Zoll Bildschirm Gamer Monitor mit X-Black Techn.
0 Gebote **CHF 70.00**
Sofort kaufen **CHF 100.00**
Gebraucht CHF 0.00 - Abholung durch Käufer noch 2 Stunden

User looks through the results...



Digital Marketing

User then checks the news...

The screenshot shows the homepage of The New York Times. At the top, there are navigation links for 'SECTIONS' and 'SEARCH', and a 'Digital Sale - Save 60%' banner. The main header features the 'The New York Times' logo, the date 'Sunday, November 29, 2015', and various utility links like 'Today's Paper', 'Video', and weather information. Below the header is a horizontal menu with categories like 'World', 'U.S.', 'Politics', etc. The main content area is dominated by a large advertisement for 'ricardo.ch' (Genau mein Ding.) which displays a grid of various computer monitors and desktop setups. An arrow points from the text 'Ad appears' to the left side of this advertisement.

Ad appears

STATE OF TERROR
ISIS Tightens Grip on a Swath of Libya, Giving It a Fallback



Sunday Review

What the Paris Climate Meeting Must Do

By THE EDITORIAL BOARD
The conference will succeed if it fosters a sense in countries



Digital Marketing

User then checks Facebook...

The screenshot shows a Facebook user profile for Gergely Kalmár. The page layout includes a top navigation bar with the user's name and navigation links. On the left, there is a sidebar with navigation options like 'Edit Profile', 'News Feed', 'Messages', and 'Events'. The main content area displays a status update form with the text 'What's on your mind?' and a 'Post' button. Below this, a large grey box with a document icon and the text 'No posts to show' is centered, with a 'Find Friends' button underneath. On the right side, there are two sponsored advertisements. The first ad is for a Lenovo ThinkPad E450 laptop, priced at €913,29 on Amazon. The second ad is for a ricardo.ch monitor, titled 'Genau mein Ding!' and priced at CHF 3.20. An arrow points from the text 'Ad appears' to the second advertisement.

Ad appears



Digital Marketing Budgeting

The screenshot displays the Facebook Ads Manager interface for a campaign named "book_launch". The top navigation bar includes the user's name "Hámori Zsófia" and the account email "marketing@sofia.hu". The main dashboard shows performance metrics for "Website Clicks" and "Cost per Result" (1.04% Result Rate) from October 25 to November 29. A table below lists three ad sets: "HU Literature and Books", "HU Christmas", and "DE Literature and Books", all with a budget of Fr. 10.00, Fr. 15.00, and Fr. 3.00 respectively. A tooltip is visible over the Fr. 3.00 budget cell, showing a "Daily" budget option.

Ad Set Name	Delivery	Results	Reach	Cost	Budget	Amount ...	Schedule
HU Literature and Books book_launch	Active 1 Approved				Fr.10.00 Daily		Oct 25, 2015 – Ongoing
HU Christmas book_launch	Active 1 Approved				Fr.15.00 Daily		Nov 7, 2015 – Ongoing
DE Literature and Books book_launch	Active 1 Approved				Fr.3.00 Daily		Oct 21, 2015 – Ongoing

Increasing/decreasing spend is literally one click!



Digital Marketing Budgeting

Digital marketing investments can be changed in a matter of seconds, even automatically.

- The **investments** can be **shifted** from less-performing channels/countries to better performing ones
- The overall investment can be adjusted depending on the company's **sales** performance in near real time

Questions:

1. How much performance boost can we expect from our budget optimization efforts?
2. How can we select the optimal budget for our digital marketing channels?

Digital Marketing Budgeting

Problem Definition

The overall number of conversions (or the conversion value if available) needs to be maximized:

$$\frac{dC}{d\mathbf{B}} = \frac{d}{d\mathbf{B}} \sum_i C_i(B_i) = 0$$

$$\sum_i B_i = S$$

where C_i is the number of conversions for channel i , B_i is the budget for channel i and S is the overall digital marketing budget.

Digital Marketing Budgeting

Problem Definition

The overall number of conversions (or the conversion value if available) needs to be maximized:

Assumption:
all marketing
channels are
independent

$$\frac{dC}{d\mathbf{B}} = \frac{d}{d\mathbf{B}} \sum_i C_i(B_i) = 0$$
$$\sum_i B_i = S$$

We need a **model** to **predict** the number of conversions for a given budget for each marketing channel

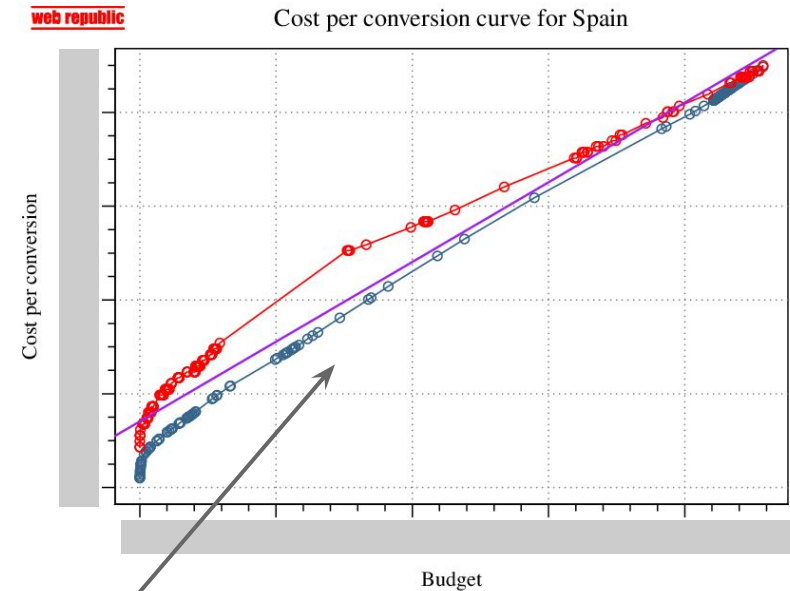
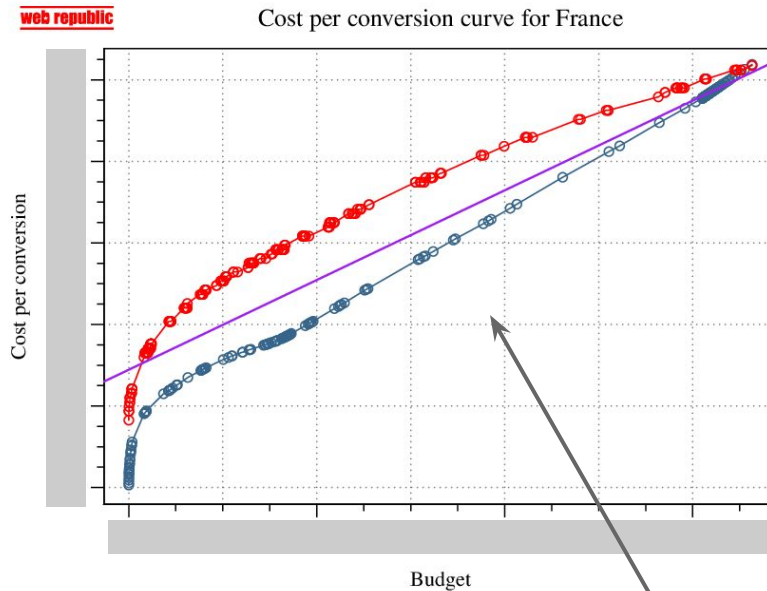
where C_i is the number of conversions for channel i , B_i is the budget for channel i and S is the overall digital marketing budget.

Predicting Marketing Success



Predicting Marketing Success

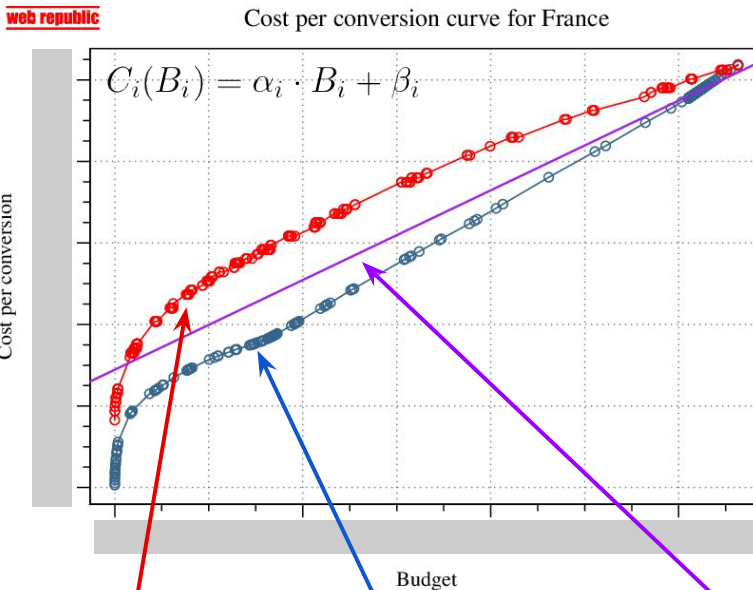
The core problem to solve is finding the relationship between the marketing budget and the number of conversions for a given marketing channel.



An example of a possible model for **Google AdWords**

Predicting Marketing Success

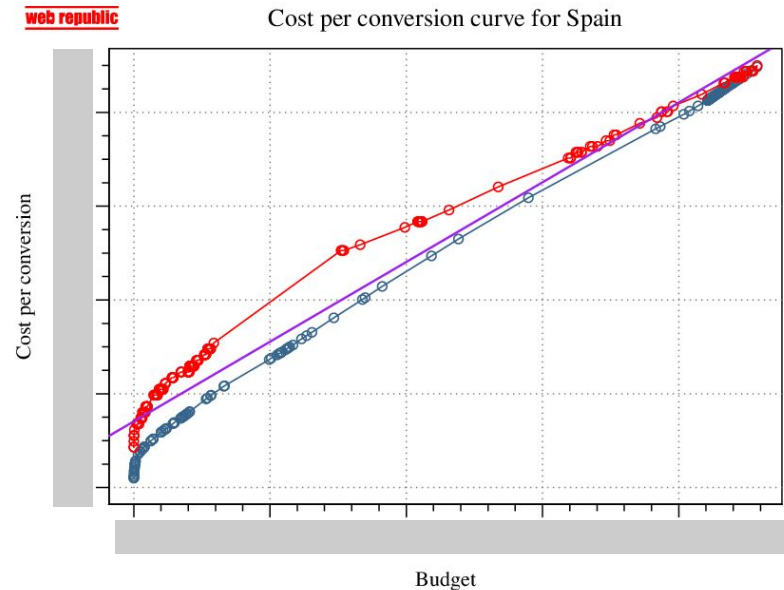
The core problem to solve is finding the relationship between the marketing budget and the number of conversions for a given marketing channel.



A pessimistic estimation

An optimistic estimation

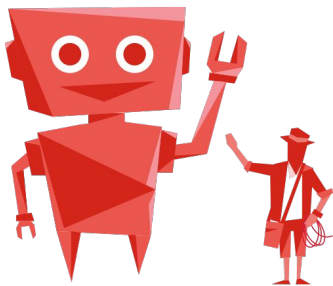
A linear model will probably suffice



Predicting Marketing Success

Marketing budget optimization steps:

1. Build precise **models** for predicting the conversions for all channels/countries for any spend.
2. Run multidimensional **maximization** routines to find the optimal investment for all channels/countries.
3. Validate your model by assessing the **accuracy** of your predictions for all involved channels/countries.



Case Study: Victorinox Watches





VICTORINOX

Case Study: Victorinox Watches

In 1884, the Swiss pioneer Karl Elsener founded his cutler's business. A few years later, he paved the way for an unparalleled company history by developing the legendary «Original Swiss Army Knife».

Today, Victorinox produces and sells unique, high quality products worldwide which are of practical use in differing areas of life: Swiss Army Knives, Cutlery, **Watches**, Travel Gear, Apparel and Fragrances.



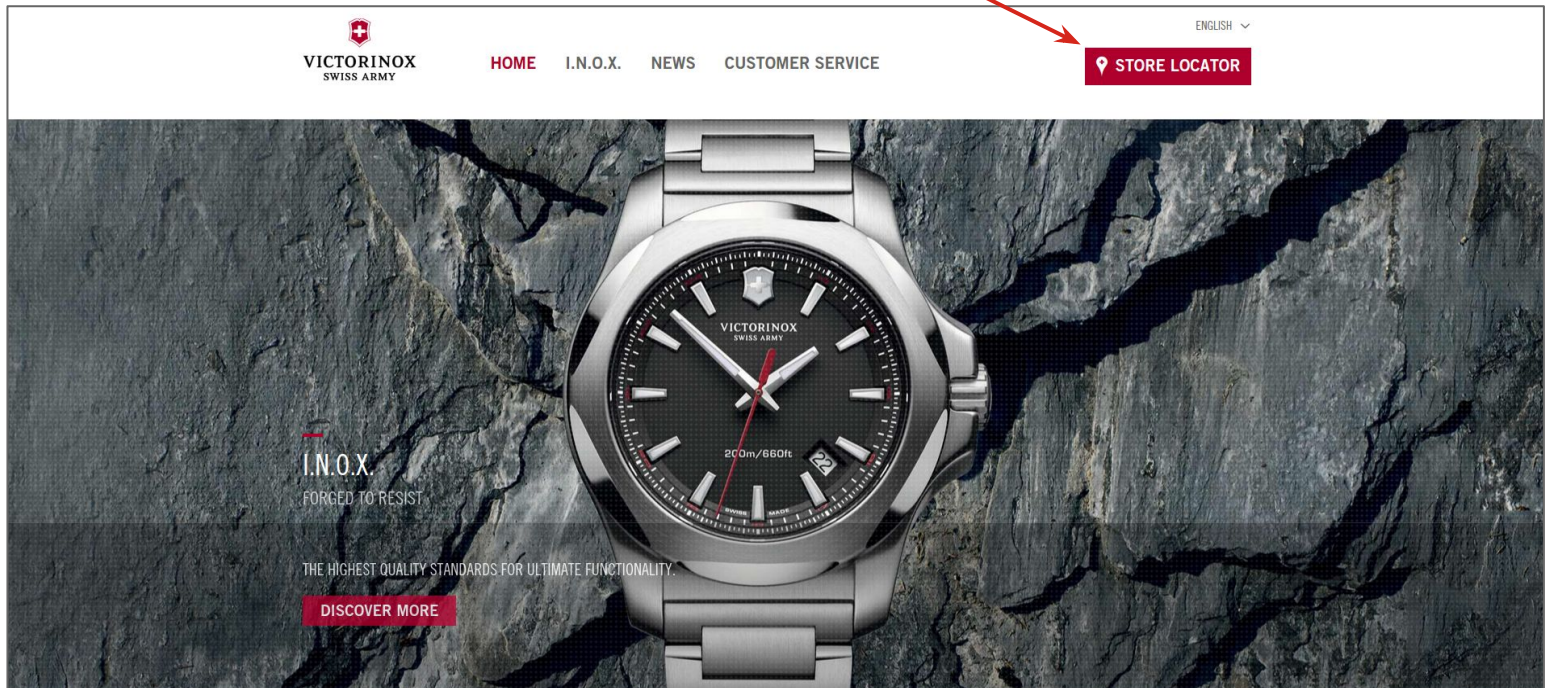


VICTORINOX

Case Study: Victorinox Watches

Ongoing campaigns in **33** markets, **13** languages, **9** online channels.

One goal: driving as much store visits as possible.






VICTORINOX

Case Study: Victorinox Watches


Challenge: How to allocate budget for >120 individual initiatives to achieve the highest number of conversions?

Shop for buy inox watch on Google Sponsored



Victorinox Swiss Army Watch I.N.O.X.
CHF495.00 - Coutellerie du Petit-Chêne & Heidi...

Victorinox Swiss Army Watch I.N.O.X. Ad www.victorinoxwatches.com/INOX




Victorinox Swiss Army Watch I.N.O.X.
CHF445.00 - Coutellerie du Petit-Chêne & Heidi...

I.N.O.X. - Der Härtefall - victorinoxwatches.com

Offizieller Victorinox Online-Shop. Jetzt Verkaufsstellen finden!
Schweizer Qualität · I.N.O.X. - Hart im Nehmen
Chrono Classic 1/100 - Victorinox Kundenservice - Die

YouTube Visit victorinoxwatches.com Skip Ad



VICTORINOX SWISS ARMY


I.N.O.X. [FORGED TO RESIST]

JETZT ENTDECKEN

Victorinox Swiss Army Sponsored

Ab sofort erhältlich: Die neue I.N.O.X Uhr mit einem der widerstandsfähigsten Stahlarmbänder, das jemals entwickelt wurde. Erfahre mehr!

See translation



I.N.O.X mit Stahlarmband

Nach der blauen, schwarzen, grünen und roten I.N.O.X Version gibt es nun auch die I.N.O.X mit Stahlarmband.

WWW.VICTORINOXWATCHES.COM Learn More

301 Likes 18 Comments 22 Shares

Like Comment Share





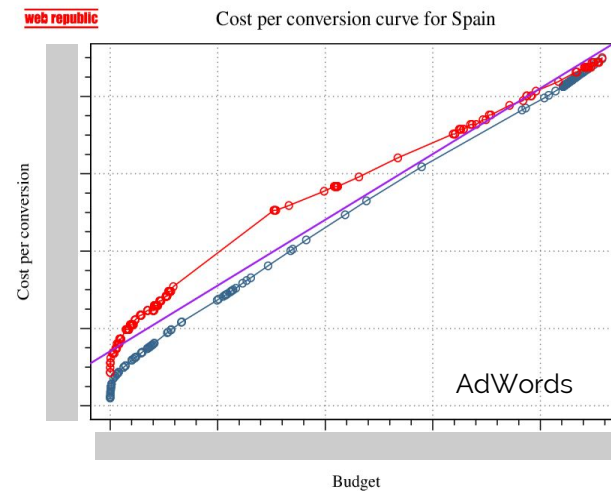
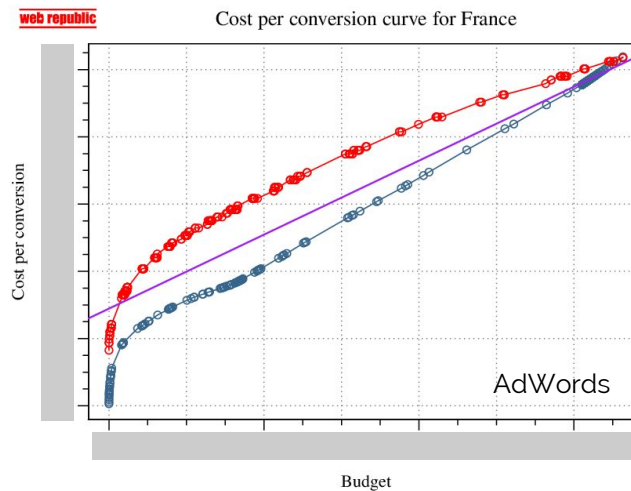
VICTORINOX

Case Study: Victorinox Watches

We have built and calibrated a model involving all 33 markets and all the relevant marketing channels.

We have predicted the impact of two different scenarios:

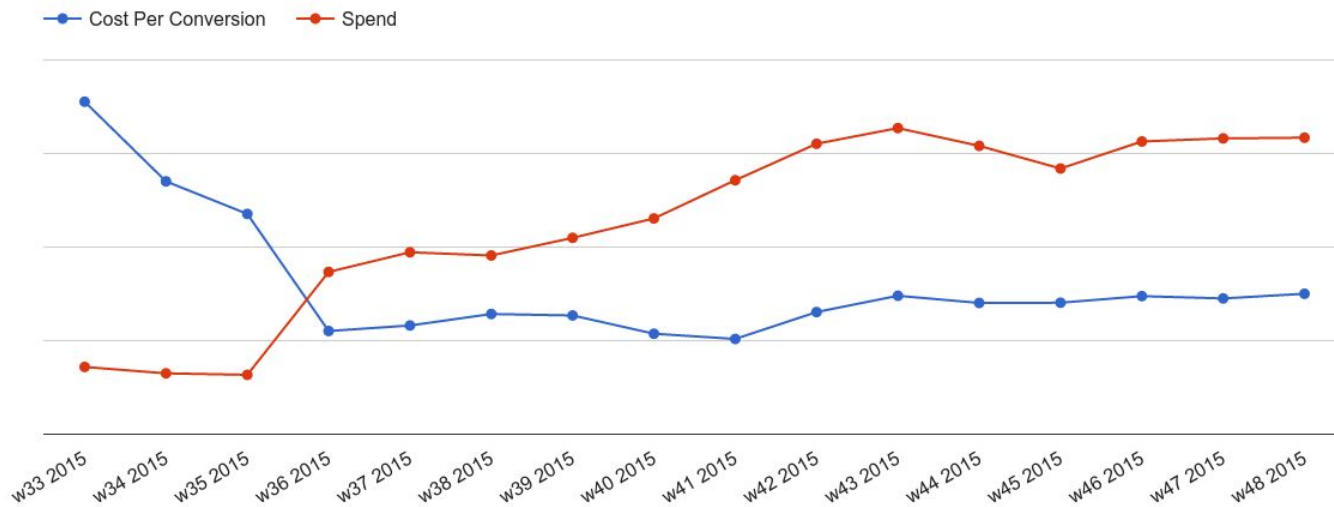
1. Budget shifts between different countries.
2. Budget shifts between different channels.



Case Study: Victorinox Watches

Analysis Results and Reality

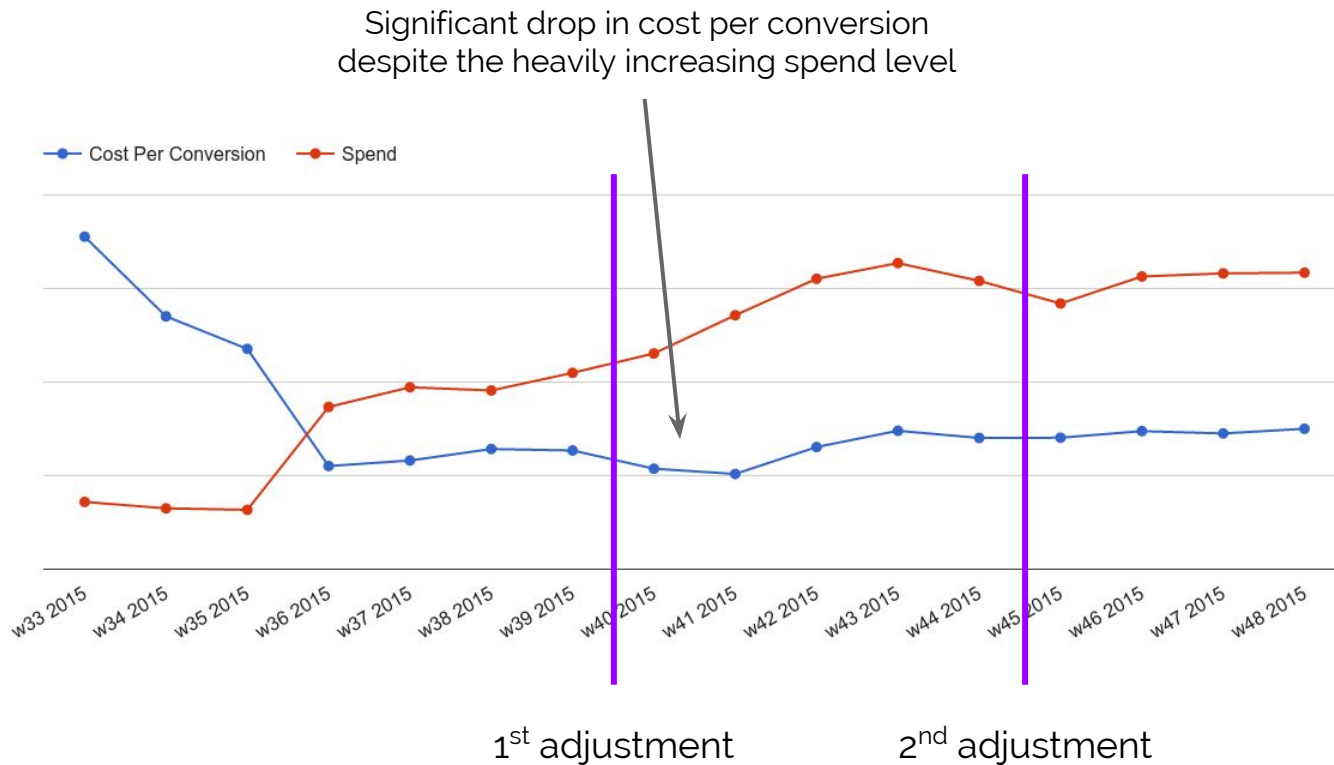
By optimizing the allocated budgets between the channels we've managed to keep the cost per conversion low.



Case Study: Victorinox Watches

Analysis Results and Reality

By optimizing the allocated budgets between the channels we've managed to keep the cost per conversion low.



Conclusions



Conclusions

In the digital world marketing budgets must be adjusted on a **regular basis**.

By using **predictive analytics** techniques one can find the optimal investment levels.

It has been proven that this approach has tremendous **business value** and can lead to significant performance improvements.

**Thank you for your
attention.**

