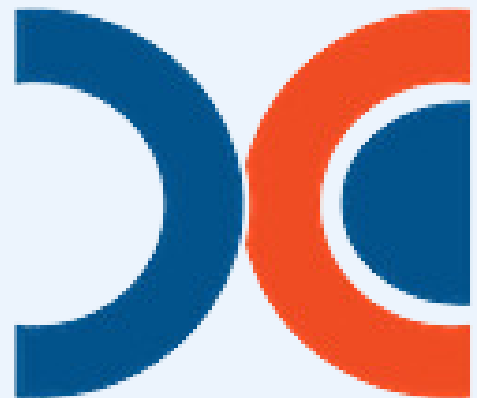


Sweet

Marketing Attribution – Transforming Data into growth

Thursday 15th June 2023



DIRECT COMMERCE
ASSOCIATION




About Me

THE WHITE COMPANY
LONDON

Sweet

Oliver Spark
CEO & Founder of
Sweet Analytics



MULTIYORK

& feather
& black

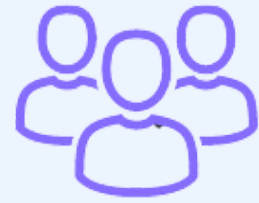
FPE
CAPITAL

Langholm
CAPITAL

TURNER
HARDY
& Co
·A COLOURFUL COLLABORATION·

Converting Data Into Success

Acquire New &
Existing Traffic



Drive Retention



Success \equiv (Traffic x Conversion Rate x LTV) - CAC

Increase
Conversion



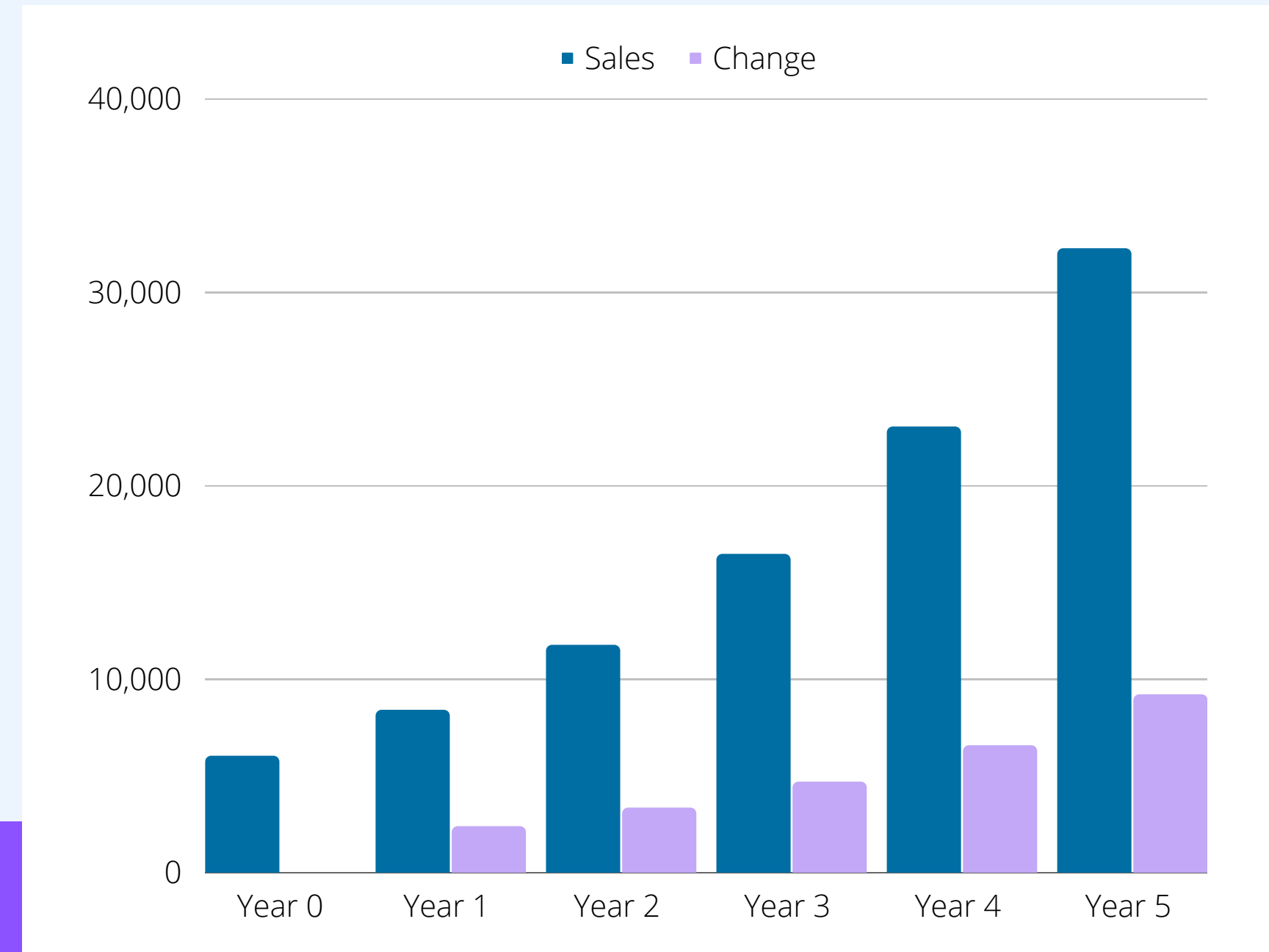
Maximise
Costs



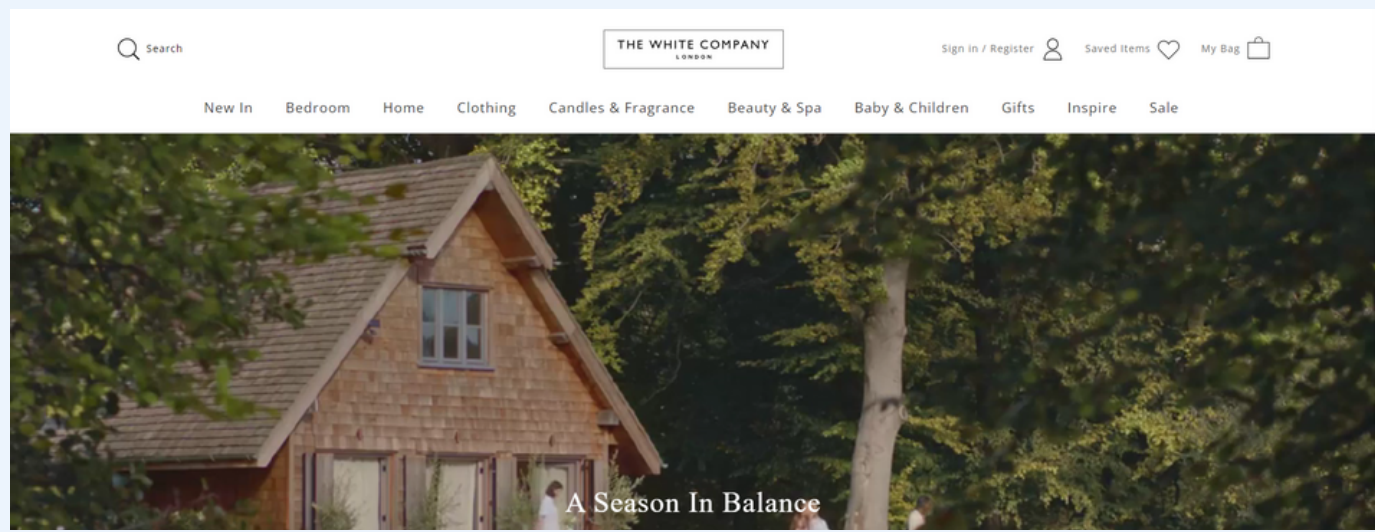
How I Grew The White Company From £6m to £50m

Levers for growth:

Customer Data
Product Strategy
Channel Strategy
International
Brand



THE WHITE COMPANY
LONDON



Customer Data

"For retailers, granular understanding of their customer base could mean the difference between survival and liquidation."

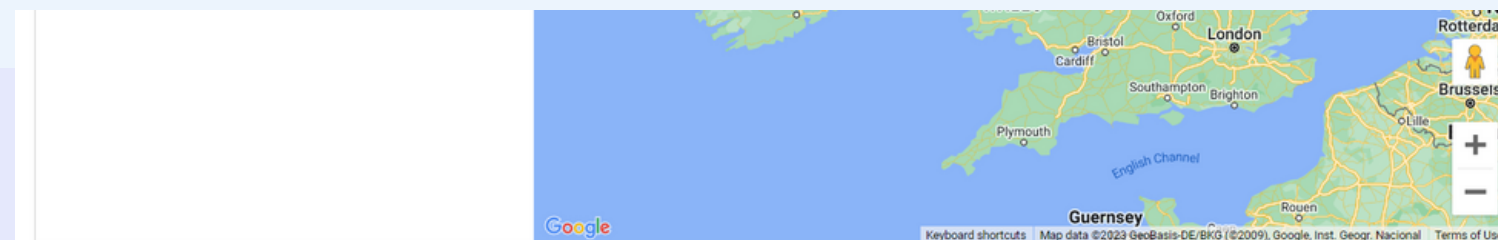
Brand

Channel

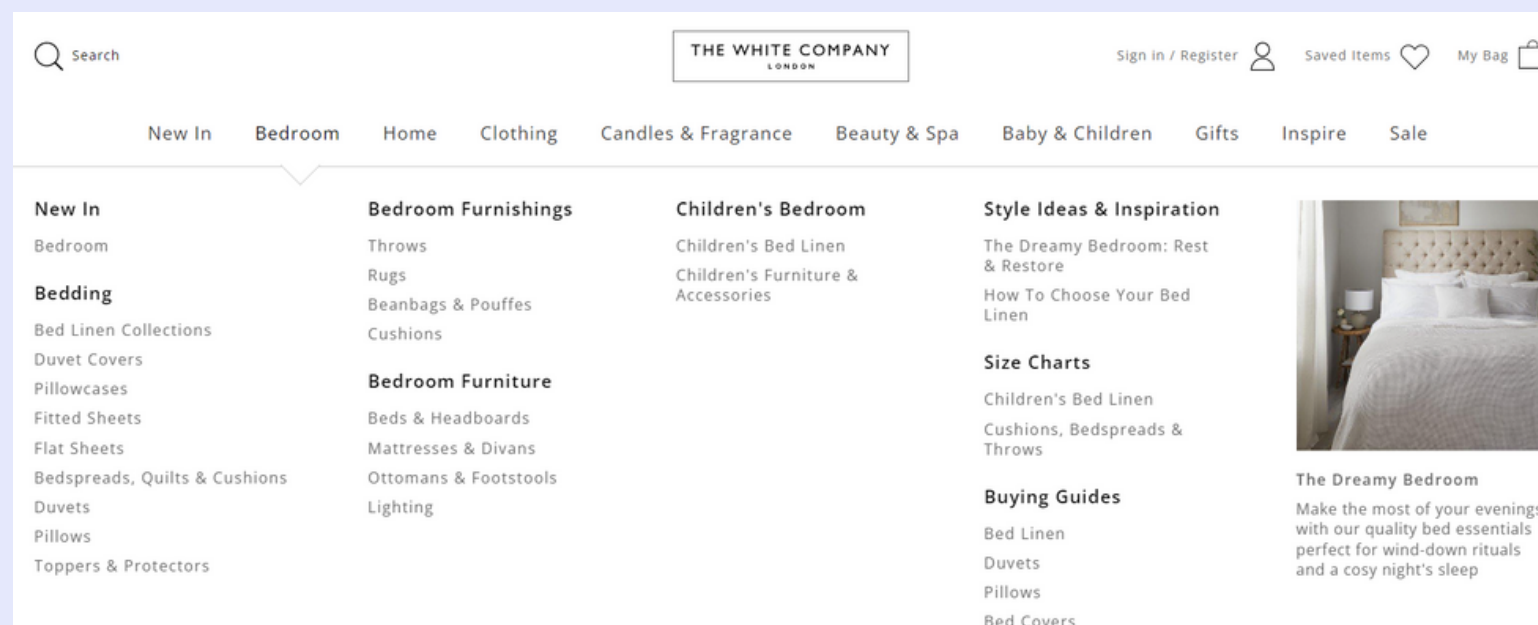
Levers of Growth

International

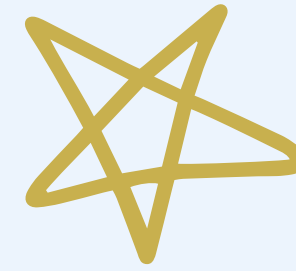
Product



STORE DIRECTORY	
We can be found all over the UK and internationally. Use our handy directory to see your nearest store.	
UK STORES	INTERNATIONAL STORES
<ul style="list-style-type: none"> LONDON <ul style="list-style-type: none"> Bentalls Kingston - London Brent Cross - London Bromley - London Canary Wharf - London Covent Garden - London 	<ul style="list-style-type: none"> IRELAND CHANNEL ISLANDS CLEARANCE STORES



Key Metrics to Monitor



New and Returning Customers



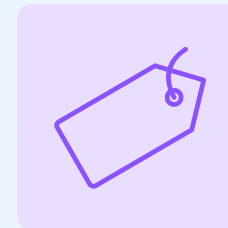
Average Order Value (AOV)



Gross and Net Sales



Average orders per customer (AOC)



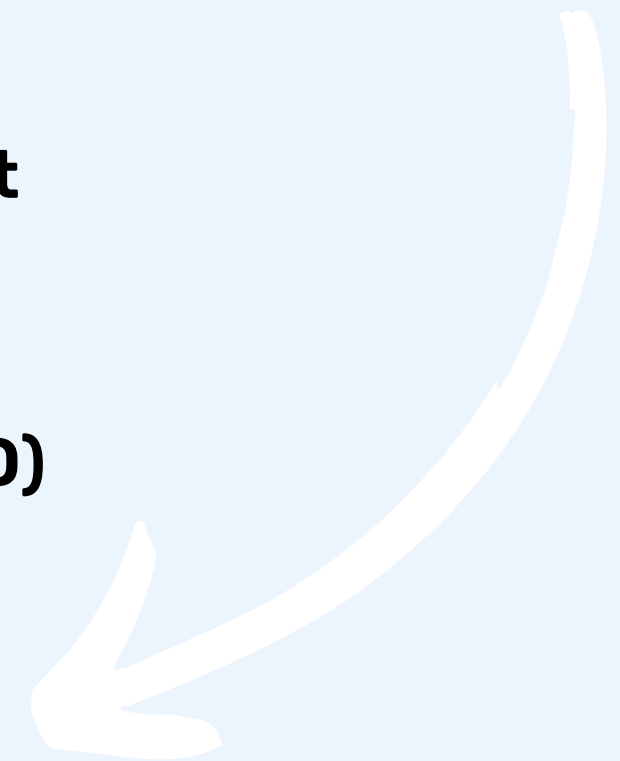
Average Selling Price per unit



Moving Annual Totals and Trends



Average Units per Order (AUO)



CUSTOMER LIFETIME VALUE (LTV) + CUSTOMER ACQUISITION COST (CAC) = GROWTH

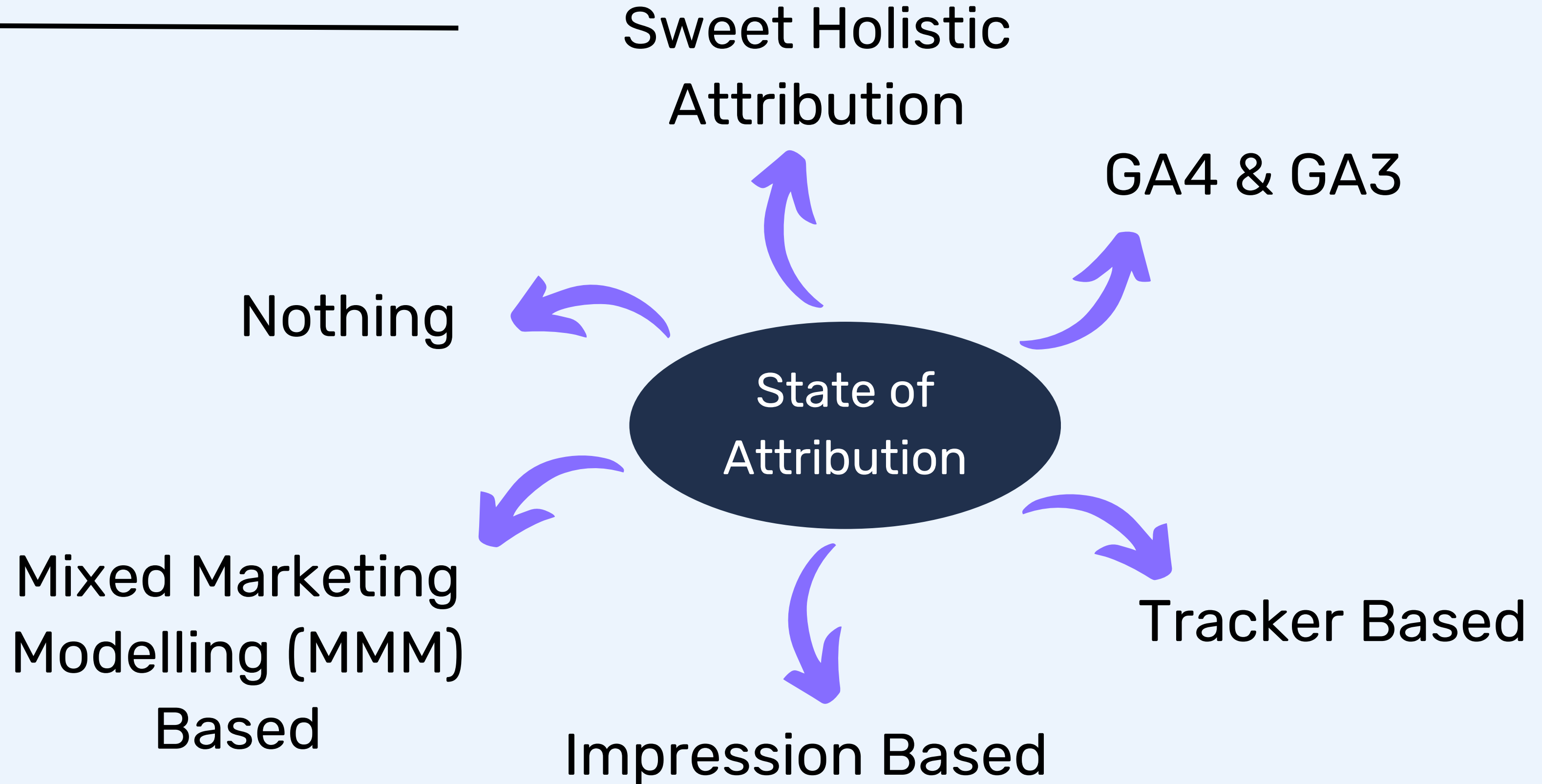
The Basics of Attribution

Marketing Attribution refers to the process of identifying and assigning value to marketing touchpoints that contribute to a delivered outcome, such as a conversion or sale.

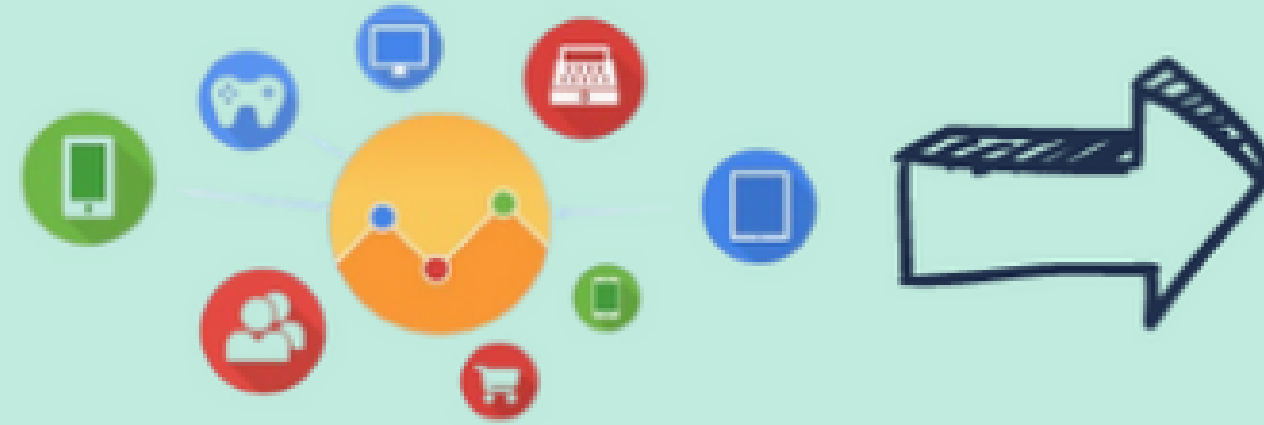
***Art, Science... or
Nonsense?***



State of Attribution

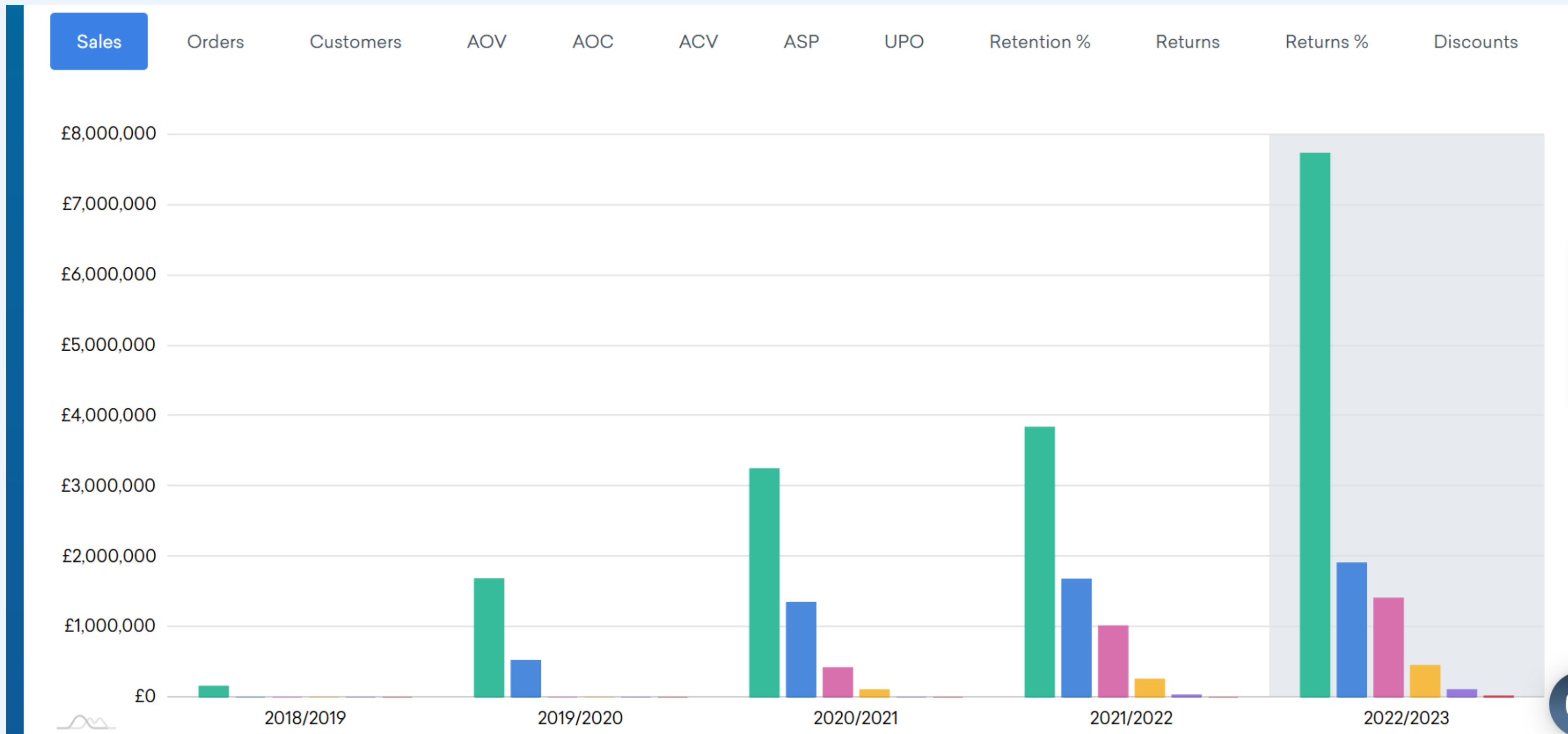


Google
Universal Analytics



- The most significant difference between GA3 and GA4 is the way a sale is attributed to channels, in other words, marketing attribution.
- GA4 offers its own default data driven model to achieve this, a Google black box methodology, that gives a multi-touch view of sales.
- The data driven model is a significant step forward as GA3 was limited by its single default attribution model based on 'last non direct click'. This view only offered a single view of customer, giving credit to the last channel click previous to any direct click. In the complex world of multi-channel marketing this was far from ideal!

The Growth Model



Marketing Cost Metrics

Cost to Sales Reports

Net / Gross sales: **Gross sales** | Tax: **With Tax**

Metric	Current Value	Change	Previous Value
ROAS	20.93	-44%	37.67
Marketing costs	5%	67%	3%
CAC	£8.69	75%	£4.97
CPO	£3.74	103%	£1.84

ROAS: Return on advertising spend is calculated by dividing gross sales by total marketing costs in the reporting period. ROAS measures the efficiency of your total marketing spend.

Marketing costs: Marketing cost % is calculated by dividing total marketing costs by gross sales for the reporting period. Measures cost efficiency as a % of sales.

CAC: Customer acquisition cost is calculated by dividing the total marketing cost by the total number of new customers in the reporting period. CAC measures the efficiency of acquiring new customers.

CPO: Cost per order is calculated by dividing the total marketing cost by the total number of orders in the reporting period. CPO measures the efficiency to drive new and existing customer orders.

Help

The Margin Calculator

Margin Calculator

The Margin Calculator is your key tool to calculate the Return on Advertising Spend (ROAS) that is required to deliver the profitability for your business. Use the ROAS input box below to model your required ROAS; and then set this as your daily goal in the Drop by Drop report - your daily ROAS monitoring tool.



In the sections below you need to add inputs in order to model your profitability. Key inputs such as AOV, CLV and Returns rate are automatically populated from Sweet; but can be adjusted and refreshed - . Tax rates, margin % and costs need to be added using your best guess - don't get too hung up on precision - you can always play with sensitivities later.

Watch our strategy video and don't leave low hanging fruit on the table!

ROAS

Add your target ROAS here and this will allow you to model your gross profit margin (£ and %) based on the AOV of a customer's first order (top box) and CLV (bottom box).

Profit Overview

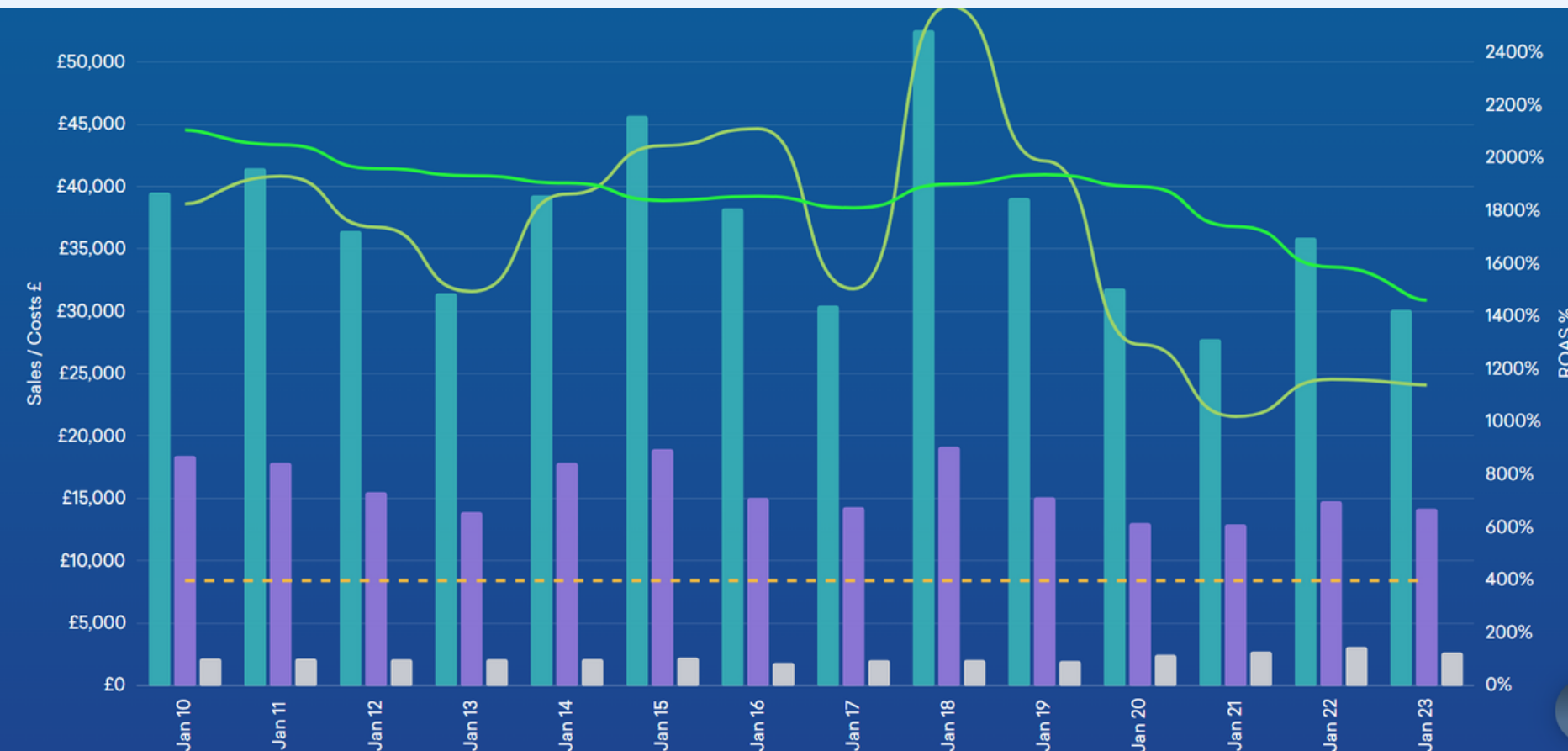
First Order Gross Profit Margin %	29.20%
First Order Gross Profit (£)	£34.99
Gross Profit Margin Per Customer	143.90%
Gross CLV Profit Margin	£172.63

Daily Drop by Drop Report

In this detailed table on Drop by Drop ROAS, you can use multiple dimensions to extract data. You are able to filter out specific cost streams and display data by days - Drop by Drop strategy goal is to provide insights for dynamic marketing decisions.

🟢 indicates days with reached ROAS Target ⚠️ indicates day with the lowest ROAS (only if ROAS Target unreached)

Period	Sales		Marketing Cost	ROAS			
	Total Sales	First Time Customer Sales	Total Marketing Cost	ROAS Total Sales	ROAS Total Sales RA	ROAS First Time Customer Sales	ROAS First Time Customer Sales RA
Jan 23	£30,113	£14,172	£2,640	1,141% 🟢	1,463%	537% 🟢	611%
Jan 22	£35,911	£14,774	£3,089	1,163% 🟢	1,589%	478% 🟢	648%
Jan 21	£27,772	£12,924	£2,717	1,022% 🟢	1,743%	476% 🟢	712%
Jan 20	£31,837	£13,024	£2,460	1,294% 🟢	1,894%	529% 🟢	775%
Jan 19	£39,086	£15,090	£1,963	1,991% 🟢	1,939%	769% 🟢	800%
Jan 18	£52,560	£19,135	£2,039	2,578% 🟢	1,903%	938% 🟢	796%
Jan 17	£30,461	£14,295	£2,023	1,506% 🟢	1,813%	707% 🟢	781%





The key questions to ask yourself:

- ✓ Do you know how many new customers you need to deliver your growth target?
- ✓ Do you have a model that supports your revenue forecasts based on customer metrics?
- ✓ Do you know every week whether you are on the right track to hit your goals?
- ✓ Do you know how much it costs to recruit a customer and if so does your marketing budget align?
- ✓ Do you know the life time value of your customers?
- ✓ Do you know your target ROAS and do you monitor it every day?
- ✓ Do you optimise your ROAS for growth?
- ✓ Do you obsess about marketing attribution without having the fundamentals in place?

Remember: $CLV - CAC = \text{Target ROAS} = \text{GROWTH}$



THANK YOU!

Please connect with me on LinkedIn
using the QR code below:



For more information visit www.sweetanalytics.com
or contact a member of our team support@sweetanalytics.com

Sweet