



Nielsen Insights in Action: Informing Decision-Making Through ROI

Unilever Leverages Nielsen Marketing Mix Analytics to Drive Strategy



Company Unilever

Successfully managing a well-known consumer brand involves making informed decisions to best reach the brand's core consumers:

- Which consumers to focus on?
- How much to invest in advertising and promotion?
- Which campaigns to run in which media outlets?
- How to evaluate campaign performance?

Done well, each of these decisions requires the right mix of dedicated planning, research, flawless execution and measurement. Now, imagine doing that for 25 different brands simultaneously.

That's the challenge facing Unilever, the second largest consumer products (CPG) company in the world. Unilever boasts many of the world's most famous personal care and food brands, including Dove, Axe, Hellmann's, and Lipton. The company invests over a billion dollars each year in marketing and over \$2 billion in trade expenditures annually to reach the 160 million+ consumers worldwide who purchase Unilever products each day. To accurately assess the overall effectiveness of their investment, Unilever turns to Nielsen.

Company Facts

Unilever

- 2009 revenues of nearly \$10 billion, 163,000 people worldwide
- Global market leader in food and personal care products and operates in over 170 countries around the world

The Business Issue

Since 2006, Nielsen has helped conduct a comprehensive marketing mix modeling analysis of Unilever's personal care brands. Unilever awarded Nielsen the marketing return on investment (ROI) work for their food brands in 2009. Today, Nielsen evaluates the overall marketing effectiveness of all 25 of Unilever's brands simultaneously.

With over 25 unique brands, having a consistent, unbiased method of measuring ROI across brands is essential to decision-making and running their business. In addition, the store-level data Nielsen provides helps Unilever identify price thresholds and product gaps to gain a competitive advantage.

"Allocating our marketing and trade budget wisely can make or break an entire year—and a one percent improvement in that spending can contribute tens of millions of dollars to the bottom line," explained Shawn O'Neal, Director of CMI Pricing and Analytics - Americas at Unilever.

Nielsen Insights in Action: Optimize Promotion, Achieve Category Growth

Case Study



The Solution

Nielsen assesses ROI for Unilever by measuring the retail dollars generated per dollar spent on advertising, promotion or trade activities. That allows Unilever to quantify which marketing and promotional campaigns are most effective in driving consumer purchases and which ones miss the mark. To calculate those metrics, Nielsen analyzes calendar-year consumer information using proprietary statistical models. In addition, Nielsen provides a profit-per-dollar-spent calculation using margin information provided by Unilever.

Results of the research are uploaded to Unilever's centralized financial forecasting tools and made accessible to the finance department. Unilever brand teams use the tools to make specific decisions on marketing, promotion and trade investments. On a macro level, the research supports decisions on how much Unilever invests in one brand versus another, which cross-promotional opportunities to pursue, etc.

"With so many brands vying for attention, brand managers must continually justify additional marketing expenditure by first demonstrating the ROI for the business opportunity," said O'Neal. "Nielsen helps us see what's working across our entire portfolio of brands, and we use that information in daily decision-making at the brand level and to make informed trade-offs across the portfolio."

"Nielsen's deep retail and consumer analytical expertise provides us with a foundation to make informed decisions consistently across all of our brands."

--Shawn O'Neal, Director of CMI Pricing and Analytics - Americas

A Win-win Outcome

Today, Nielsen's marketing ROI solutions are an integral component of Unilever's planning process and company culture. Unilever uses Nielsen information and insights to optimize their \$1 billion plus marketing investment on an ongoing basis. Examples of decisions made by Unilever brand teams based on Nielsen's insights include:

- How much to cut or increase advertising or promotion spend
- How to buy and space TV advertising campaigns
- Which campaigns to prioritize within a brand
- Whether to increase or decrease coupon face values
- Whether to continue specific sponsorship relationships or integrations
- Which media to target with advertising

"Unilever relies on the Nielsen's marketing mix modeling work," explained Kathy O'Brien, Vice President of Marketing for Unilever's Personal Care division. "Not only does the Marketing team use the work to build the strongest brand plans, but the rest of the organization uses it to help determine return on marketing investment. Nielsen's marketing mix modeling work provides a helpful guide in making decisions on how to allocate our spend between advertising, promotion and trade. It's also very helpful when determining where to spend the next dollar."

To learn more about how Nielsen can help with your marketing ROI strategies, contact sales.us@nielsen.com or visit www.nielsen.com.