# Deloitte.
## Digital

# Clarity Amid Complexity

Leverage Data for
Maximum Performance

# Introduction

As economic growth slows and recessions take hold, businesses face an unprecedented need to justify every Euro spent. Over the past two years, Germany's economy has been grappling with persistent recession and inflation, causing significant strain on both consumer and corporate budgets. The latest data from the German Federal Statistics Office reveals an annual inflation rate fluctuating around 4.5% to 5%, while the International Monetary Fund (IMF) has revised Germany's economic forecast downward for both 2023 and 2024 due to continued economic headwinds. Despite a brief uptick in economic output in the early months of 2024, we saw the second quarter contract.

This stagnation is part of a broader trend, as structural challenges—such as decarbonization, digitalization, demographic shifts, and competition from emerging markets—limit Germany's potential for growth and stability.

Amid ongoing uncertainty, marketing budgets are at historic lows as a share of company revenues reflecting a cautious approach in financial strategy. In fact, Gartner's Annual CMO Spend Survey reveals that in 2024 average budgets have fallen by 15%, and specifically Marketing budgets themselves have dropped to 7.7%. Ultimately, this means that CMOs must do more with less, finding new efficiencies to stay competitive. In an increasingly volatile and disruptive business landscape, companies are facing major challenges that are calling their current strategy and operations into question:

In this challenging environment, Chief Marketing Officers (CMOs) must navigate dual pressures: defending their budgets and demonstrating clear returns on marketing investments.

### MEDIA IMPACT

How can I invest my marketing budget in the most effective and efficient way and how can we optimize it?

### BRAND IMPACT

What impact do my creatives have on brand awareness and which visual elements drive campaign performance?

### PRODUCT IMPACT

What impact do the features of my products, compared to competitors, have on business performance?

### COMPETITION IMPACT

How is our brand positioned in a digital environment compared to competitors?

## It's time to turn the challenge into an opportunity

Shrinking budgets present both challenges and opportunities: with strategic, data-driven insights, companies can maximize impact without needing to necessarily increase spending.

It is precisely in this space where advanced analytics can be transformative. When utilized effectively, data-driven solutions are designed to provide precise guidance on where to allocate marketing spend for maximum impact.

This empowers organizations to deploy resources strategically, adapting to the constraints of today's economic environment without sacrificing impact.

## Advanced analytics provides clarity amid complexity

Executives and marketing leaders often lack the insights needed to make fully informed decisions. Our data-driven approach equips organizations with transparency and actionable insights, enabling key decision-makers to segment, structure, and utilize data in ways that drive measurable and sustainable outcomes.

Upon successful completion of our analysis and implementation of our tactical recommendations, we yield tangible results delivered in as little as fours months. We provide organizations with the tools to be more proactive and agile in their responses to current challenges – as well as plan for future opportunities.

Advanced analytics is more than an asset —it is a crucial resource that allows organizations to navigate budget constraints with confidence and precision.

# The Approach

## Measuring marketing impact for more proactive and effective decision making

Now more than ever, marketing must be more efficient and personalized to meet both business goals and customer expectations. However, the full potential of marketing budgets often remains unclear as available data is not fully utilized. By leveraging Deloitte's advanced analytics and modeling techniques supported by Generative AI (GenAI), marketing

budgets can be managed more effectively, leading to an average increase in marketing return on investment (ROI) between 15% and 30%.

Our goal is to help clients achieve the most efficient media mix by accurately measuring the true impact of their media investments and supporting them in making informed strategic decisions. Our comprehensive methodology is tailored to the precise needs and challenges of every client.

## 01 PHASE: DISCOVERY

### UNDERSTANDING YOUR MARKETING CHALLENGES

We begin by thoroughly understanding the client's objectives, challenges, and current marketing performance. This phase is essential as it establishes a clear framework for success by identifying key business goals and pain points. We engage with stakeholders across the organization to ensure that we grasp the full scope of the client's vision, allowing us to tailor our approach and address both immediate needs and long-term goals. Whether it's boosting market share, improving brand visibility, or optimizing customer engagement, this phase helps us define what success looks like and aligns our strategy with our client's overarching business goals.

## 02 PHASE: DATA EXPLORATION

### IDENTIFYING AREAS OF OPPORTUNITY

With a clear understanding of the goals, we deep dive into the data, analyzing historical performance across multiple dimensions. This can include, among other things, evaluating channel performance by brand, product, and geographic region. We combine this with external data, such as market trends and competitive benchmarks, to develop a comprehensive picture of where the client stands. This exploration phase provides a data-rich foundation, allowing us to uncover valuable insights into past performance, customer behaviors, and market dynamics. By identifying patterns and correlations in the data, we can begin to pinpoint areas of opportunity and potential inefficiencies. This robust analysis ensures that the strategies we build are based on a logical and empirical understanding of the client's situation.

## 03 PHASE: MODELLING

### CUSTOMIZING MODELS TO MAXIMIZE IMPACT

In this critical phase, we apply our techniques to build models that predict and optimize future outcomes. This includes the use of Marketing Mix Modeling (MMM) to measure the impact of various marketing channels on business performance, enabling medium- and long-term forecasting. To do so, this involves simulating factors such as economic conditions, and competitive changes, offering a strategic lens for planning future investments. Additionally, competitive benchmarking allows us to evaluate a client's performance relative to competitors, providing key insights into areas for improvement and growth. The outcome of this phase is a set of detailed, data-backed recommendations that enable us to form a concise and optimized strategy.

## 04 PHASE: STRATEGIC DERIVATION & IMPLEMENTATION

### TRANSLATING DATA INTO ACTION PLANS

With the insights gained from Discovery, Data Exploration, and Modeling, we move into the final phase: Strategic Derivation & Implementation, where we translate data into actionable plans. Using the information we've gathered, we develop targeted strategies that focus on driving the most significant impact. We provide advice on how to optimize the media mix, including avoiding over-saturating channels and identifying the point in time on when to best shift budget from one channel to another. We then work alongside our clients to implement these strategies, adjusting investments as needed to respond to real-time market shifts and new opportunities. Whether adjusting media spend based on changing consumer behaviors or refining campaign tactics in response to performance data, our implementation is agile and responsive, ensuring continuous optimization. Our goal is to maximize ROI and marketing impact, even within challenging budgetary constraints.
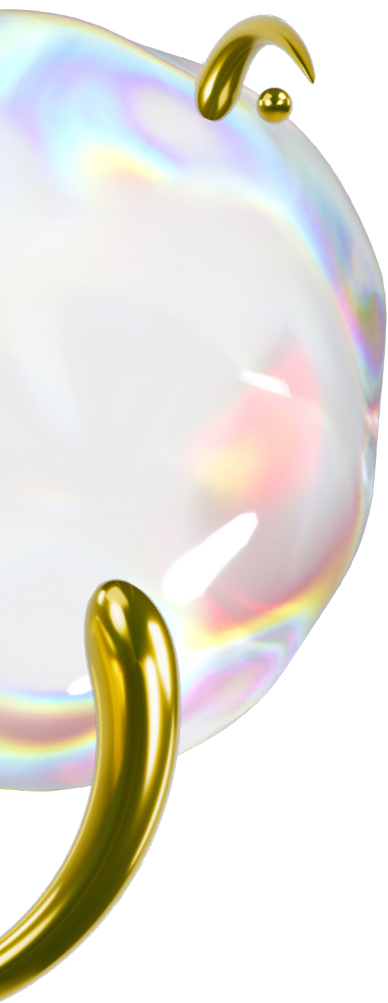
# Our Impact

## Results that matter: turning uncertainty into actionable outcomes

Our clients achieve substantial gains from data-driven analytics, transforming marketing expenditures into optimized investments.

### ENHANCED ROI ACROSS CHANNELS:

We help clients optimize ad spending per channel, brand, product, and business unit, driving efficiency and effectiveness across their marketing mix.

### STRATEGIC FORECASTING AND SCENARIO PLANNING:

We enable clients to anticipate and adapt to market changes, supporting proactive budget adjustments as conditions fluctuate.

### INSIGHTS WITH GENERATIVE AI:

By integrating GenAI tools, we provide recommendations for creative content to maximize reach and engagement, driving better results along the marketing funnel.

### 15-30% ROI IMPROVEMENTS:

On average, clients experience a 15-30% increase in ROI, highlighting the impact of data-driven strategies across industries.
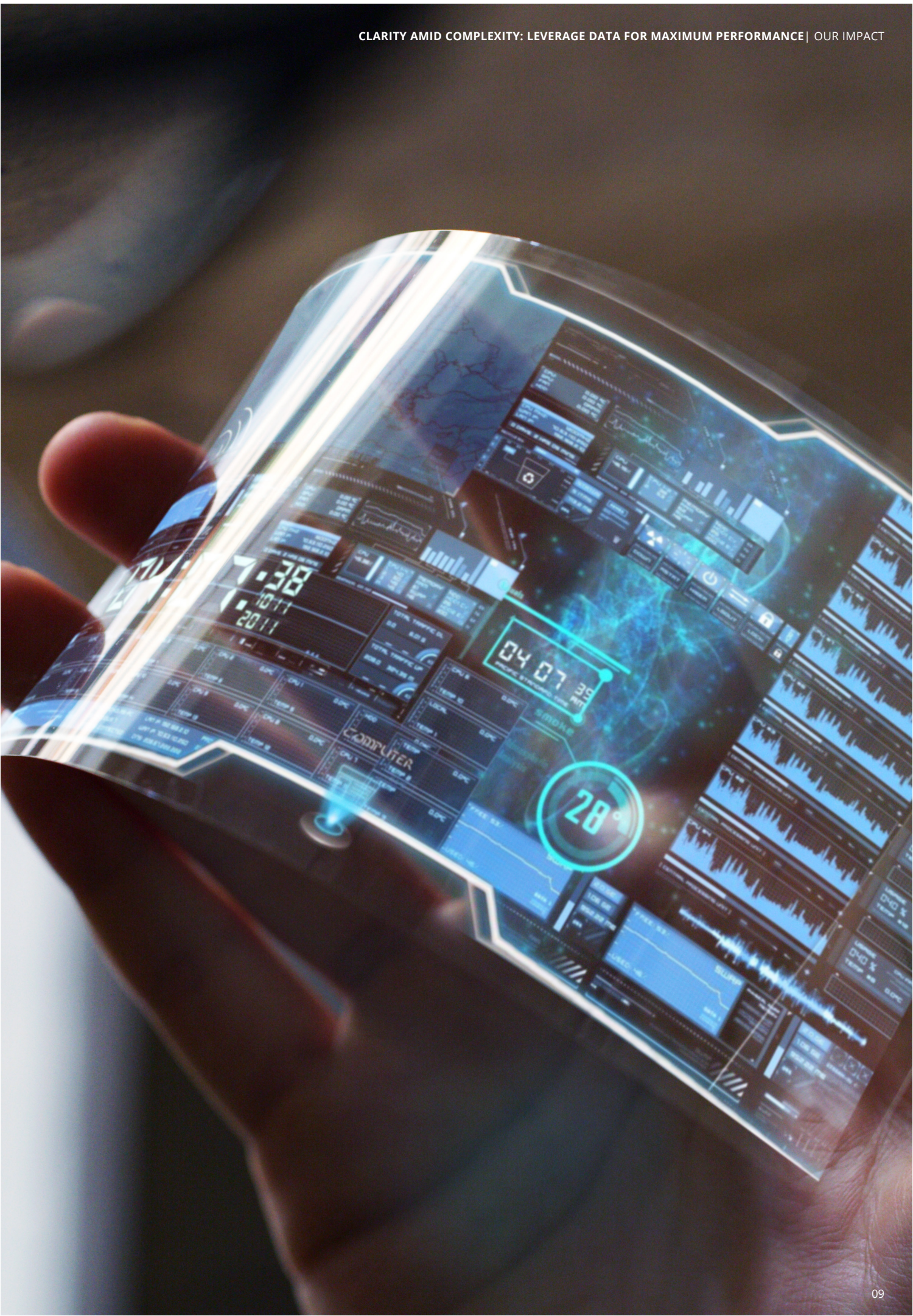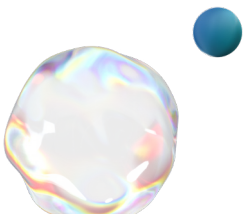
## Our Data-Driven Insights Deliver €2M Growth

In recent years, the luxury industry has faced significant challenges marked by economic uncertainties and shifts in consumer behaviors. After reaching record highs in 2022 the market has slowed considerably due to factors such as inflation, geopolitical changes, and reduced spending in critical regions. Addressing these challenges requires clarity in strategic and data-driven decision-making – particularly when it comes to marketing spend. Data analytics is the key to building a resilient marketing organization with optimized and efficient marketing expenditures.

A leading luxury retailer sought our expertise to elevate their marketing impact and ROI across diverse European markets. With ambitious goals to optimize their marketing mix, they required a trusted partner capable of blending advanced analytics with a nuanced and comprehensive understanding of regional market dynamics.

Deloitte stepped in to provide data-driven solutions, conducting an in-depth Media Efficiency Analysis that examined cross-channel sales performance, media spending, and external factors influencing campaign outcomes. By leveraging two year of historical data, we built a robust machine learning model that identified the most critical touchpoints, delivering actionable insights to refine their marketing strategy.

## Our impact is transformative

Through our tailored optimization strategies, the client achieved a forecasted revenue increase of over €2 million. We provided transparency into the highest-performing marketing channels, empowering them to focus resources where they mattered most. Additionally, we guided the reallocation of their media mix, boosting both efficiency and effectiveness while ensuring alignment with their strategic objectives. This collaborative effort not only enhanced ROI but positioned the client for sustained success in a competitive market.

These results underscore our ability to turn even the toughest challenges into opportunities for our clients to drive sustainable, long-term growth.

# Conclusion

## When budgets are stretched thin, it's time to get creative

In unpredictable times, navigating uncertainty can be challenging. Despite this instability, organizations must deliver precise and effective budgets to keep the business on track to meet its targets. Organizations deserve a partner who works with them collaboratively to not simply address the uncertainty but proactively anticipate and evolve to meet the changes.

The Deloitte Digital Creative Consultancy lives at the intersection between consulting and creativity uniting interdisciplinary teams – strategists, creatives, and leading tech experts – to devise breakthrough solutions for superior impact.

As your trusted partner, we work at eye level, at your side, to answer every question, solve each problem and turn ambition into reality.

### 15+ YEARS OF CROSS-INDUSTRY ANALYTICS EXPERTISE:
Our teams bring significant experience across sectors, ensuring that our analytics solutions are both innovative and rooted in industry-specific knowledge.

### STRATEGIC, LONG-TERM ALLIANCES:
At Deloitte, strategic alliances are not just partnerships, they are integral to our innovation strategy. Through collaborations with global partners, we develop transformative solutions that help our clients position themselves for success in the digital economy.

### TOGETHER, ONE TEAM:
Our co-creation model fosters collaboration across divisions and functions, bringing together diverse expertise to deliver highly tailored solutions that align perfectly with each client's unique needs and goals.

### GLOBAL NETWORK AND INDEPENDENT CREDIBILITY:
As part of a globally recognized network, we leverage insights from a diverse range of markets while providing clients with independent, unbiased analytics.

### PROJECT-SPECIFIC PARTNERSHIPS:
We create customized partnerships for specific challenges. These alliances allow us to respond flexibly to individual project requirements and integrate seamlessly into existing client teams. At Deloitte, co-creation promotes cross-divisional and cross-functional collaboration.

Are you ready to bring clarity to complexity? Our team of experts is ready to work with you to leverage your data to maximize your marketing success.

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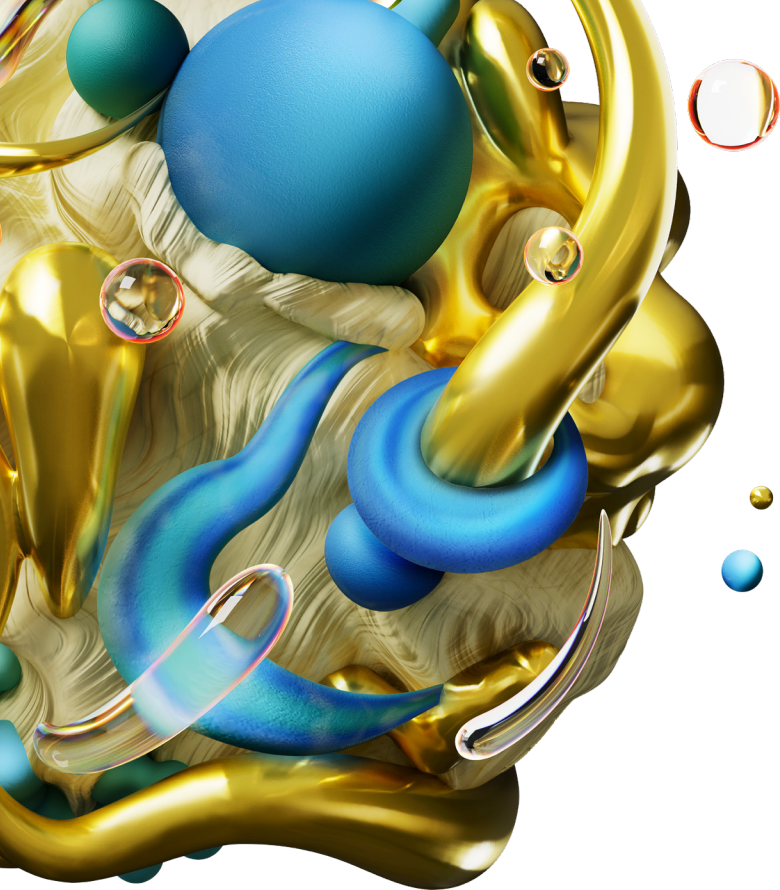
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