Designing & Executing Smarter FSI Campaigns the Big Data Way

Drive Consumer Engagement & Market Share Growth

Phani Nagarjuna

Founder & CEO

14 May, 2014

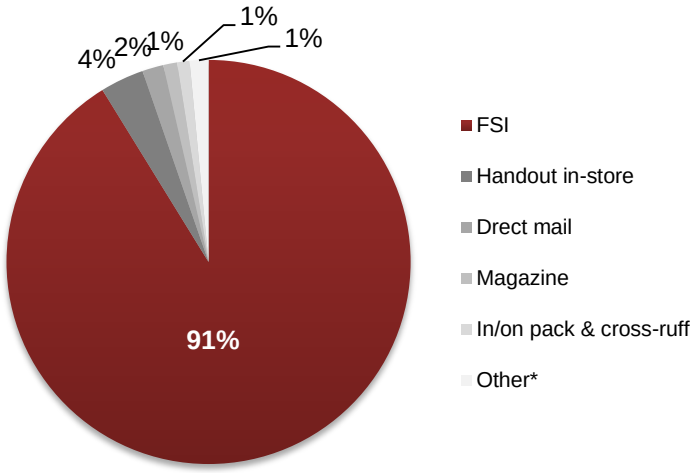
© Nuevora, Inc 2008. All Rights Reserved.

Confidential. Do Not Distribute.

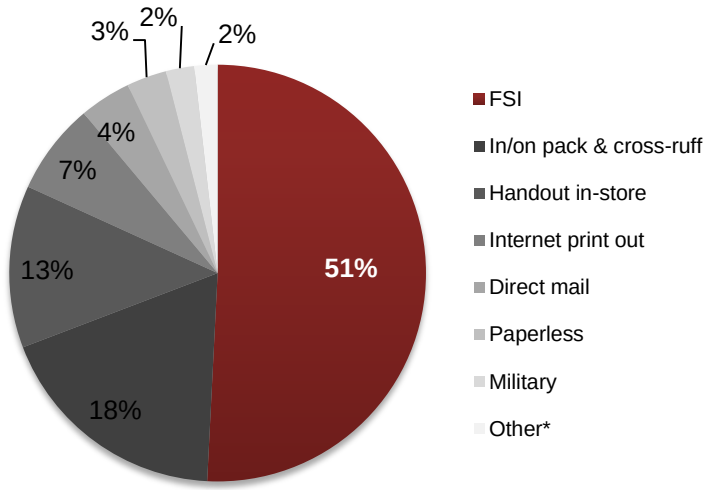
Market Opportunity for FSI Campaign Initiatives

FSI coupons remain one of the most cost-effective advertising methods with **substantially higher redemption rates** than other competing forms of advertising

US CPG Coupon Distribution Volume, by Media (2013)



US CPG Coupon Redemption Volume, by Media (2013)



Kantar Media reported a **4.5% increase in FSI distribution** from 2012-13, with over 287 billion coupons distributed

NCH Marketing Services reported a range of **0.3% - 0.9%** in redemption rates for CPG firms in the first half of 2013

©Nuevora, Inc 2008. All Rights Reserved

FSI Key Mandate

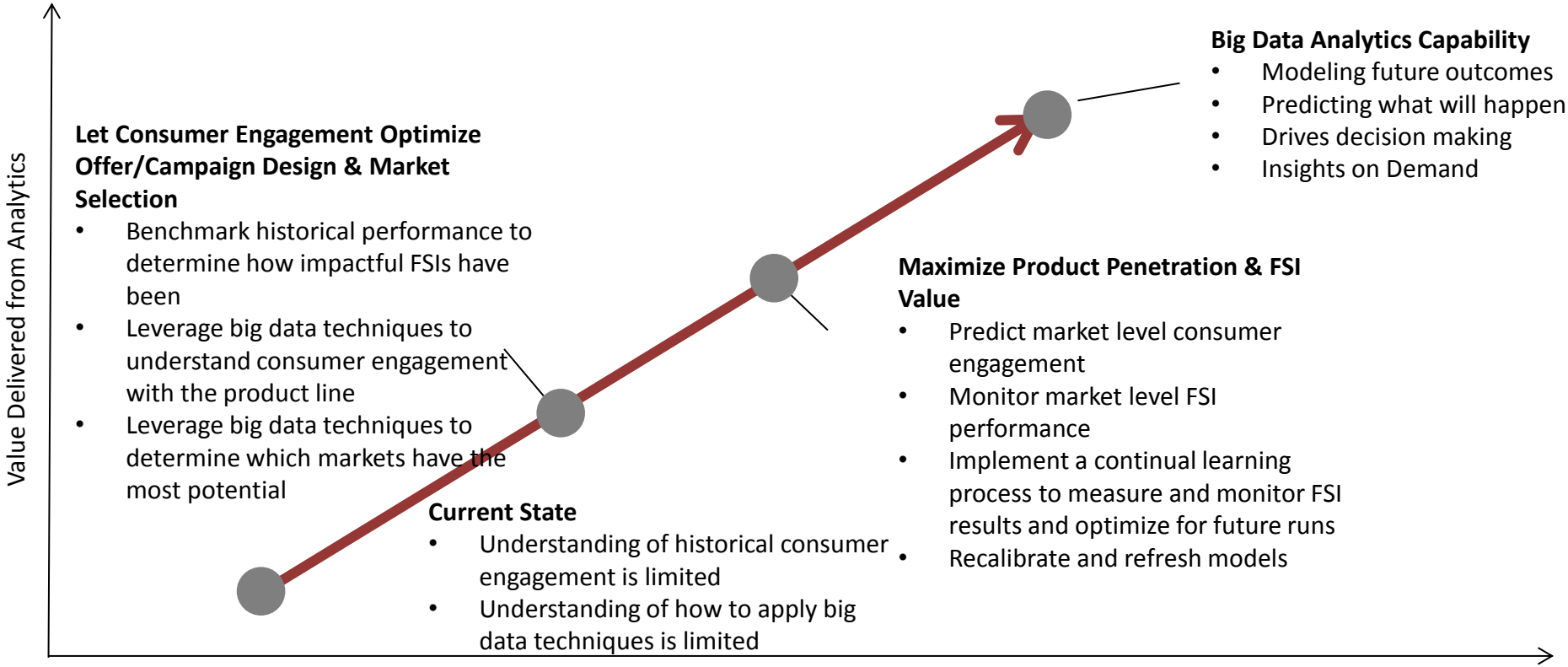
Key Mandate

To boost awareness, trial and incremental volume of the client's new and growing product line

- ✓ Understand Consumer Engagement with the Product – Who, When, How & Why
- ✓ Drive Marketing Innovation leveraging Big Data Analytics focused on Consumer Engagement insights
- ✓ Re-invigorate one marketing channel – FSIs – leveraging Big Data Analytics
- ✓ Deliver Significant ROI from Product Engagement & Marketing Innovation

©Nuevora, Inc 2008. All Rights Reserved

Roadmap for Analytics Driven FSI Strategies & Execution



Foundation of Big Data Analytics Capability

1. Create a holistic picture of the customer and gather all relevant data
2. Focus the organization on the right data
3. Leverage predictive models to drive customer equity and optimize marketing decision making
4. Automate analytics and create continual learning cycle to drive business outcomes

©Nuevora, Inc 2008. All Rights Reserved
Confidential. Do Not Distribute.

Objective - Optimize Offer Design & Market Selection for FSIs

FSI Optimization

- **Leverage diverse data sources** such as historical distribution data, consumer demographic data, consumer consumption data, etc.
- **Identify and target high-potential markets** through nBAAP™ platform and proprietary zip-code level indices
- **Maximize and Optimize FSI/Couponing Circulation** through targeting and selecting markets that will yield the greatest impact on incremental value

1 Phase I: Optimize Offer Design & Market Selection

- Benchmark performance to determine consumer engagement with the product & how impactful FSIs have been in driving that engagement
- Leverage big data techniques to determine which markets have the most potential

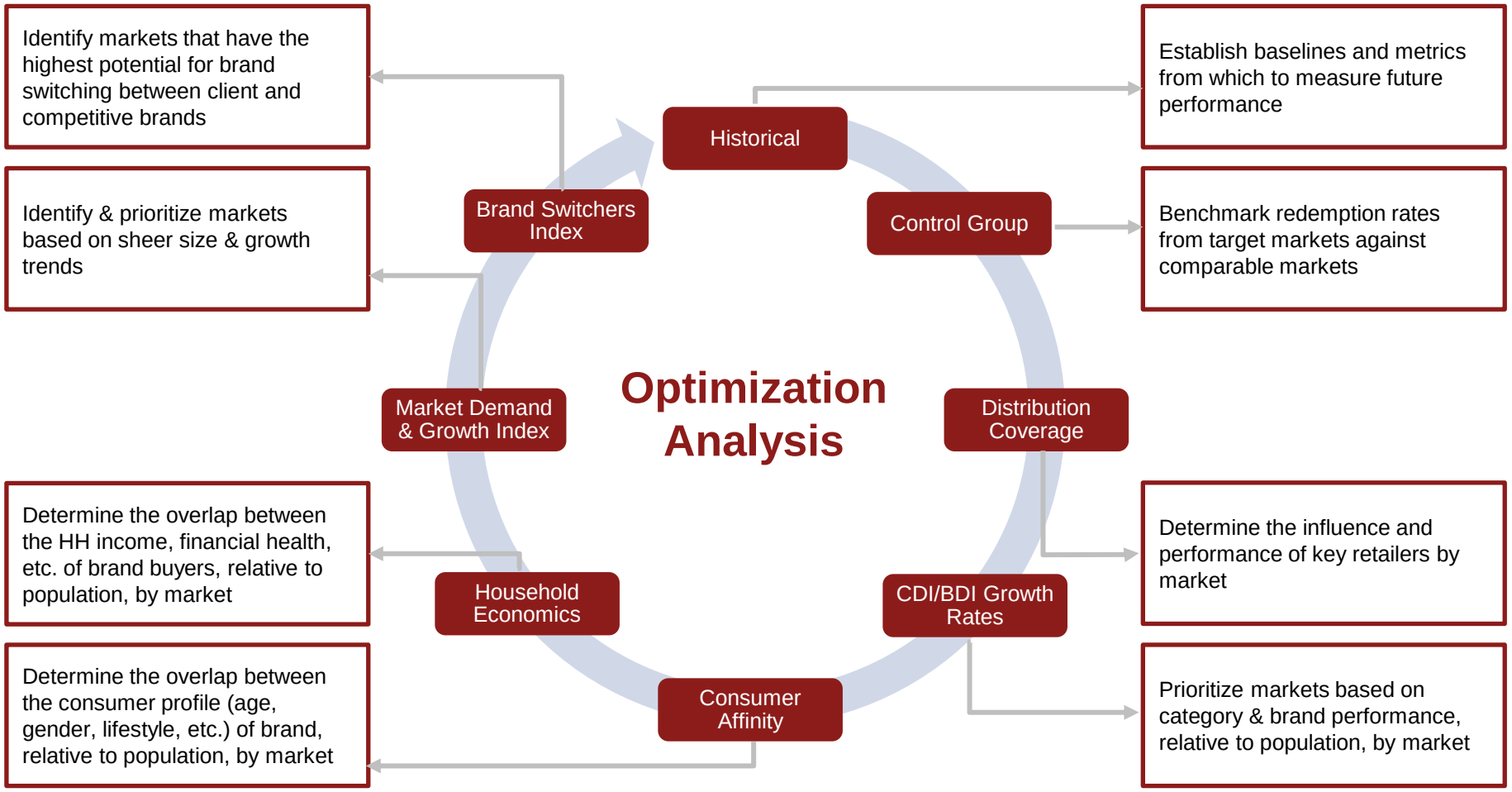
2 Phase II: Maximize FSI Value

- Monitor market level FSI performance
- Implement a continual learning process to measure & monitor results and optimize for future runs
- Recalibrate and refresh models

©Nuevora, Inc 2008. All Rights Reserved

Methodology: Multi-Dimensional Analysis enables Understanding of Optimal Consumer Engagement to Achieve Maximum Marketing Value

Each analysis is weighted according to the goals & objectives of each campaign, to determine the optimal strategy



©Nuevora, Inc 2008. All Rights Reserved

Structured Implementation of Best-Practices Driven Analytics Delivers Continuous Optimization of FSI Campaigns Leading to Enhanced Market Share & Product Profitability

How do we optimize offer design & market selection?

1 Identify the high performing & fully engaged consumer behaviors / markets

- Determines value for each market
- Maps customer profiles to markets
- Determines FSI potential value

Nuevora Proprietary Consumer Demographic Zip-code Level Data
+
Nielsen/Spectra demographics
Nielsen Maps
+
Historical FSI Benchmarks
+
Nielsen Consumption data
FSI/Coupon Redemption Data
Marketing/Campaign info

2 Select target markets based on potential consumer value

Circulation Data
+
Categorization of each market and its potential value

3 Optimized List of Markets for FSI Campaign

Retarget or reduce markets to optimize ROI

Iterate

Run scenarios to determine which markets will yield the best ROI

Scenario
FSI Campaign Details
+
Select Target Markets

Behavioral Data | Contextual Data | Nuevora Data or Analysis

©Nuevora, Inc 2008. All Rights Reserved

Optimize Offer Design & Market Selection

Nuevora's Analytics Framework for CPG/Retail

Uses big data techniques to put historical performance into perspective and leverages it to predict which markets will have the best outcomes

1 Benchmark Historical FSI Performance

Data Sources

- Nielsen Consumption data
- FSI/Coupon Redemption Data
- Marketing/Campaign info

Data Aggregated at market or account level

Big Data Analytics

- nBAAP™ Redemption Analytics
- Nuevora Big Data Platform

Outcomes

- Understand Incremental Impact of various FSI Campaigns & Offers Consumer Engagement via redemption rates
- Determine Characteristics of High Performing Markets & Fully Engaged Consumers
- Benchmark FSI performance in terms of redemption rates

2 Identify High Value Markets

Data Sources

- Nielsen Consumption data
- FSI/Coupon Redemption Data
- Marketing/Campaign info
- ✚
- Nielsen/Spectra demographics
- Nielsen Maps
- ✚
- Nuevora Proprietary Data
- Historical FSI Benchmarks

Data Aggregated at market & county level

Big Data Analytics

- nBAAP™ Market Opportunity Optimizer
- Nuevora Big Data Platform

Outcomes

- Determine Potential Value from Each Market
- Evaluate Different FSI Market Scenarios
- Optimize Market Selection for FSI Campaign

Behavioral Data | Contextual Data | Nuevora Data or Analysis

©Nuevora, Inc 2008. All Rights Reserved

Optimize Offer Design & Market Selection (cont.)

1 Identifying the high performing markets

Nuevora Proprietary Consumer Demographic Zip Code Level Data

- *Determines value for each market*

+

Nielsen/Spectra Demographics

Nielsen Maps

- *Maps customer profiles to markets*

+

Historical FSI Benchmarks

- *Determines FSI potential value*

+

Nielsen Consumption Data

Marketing/Campaign Info

2 Select Target Markets based on Potential Reach & Redemption

Circulation Data

+

Categorization of each market and its potential value

3 Optimized List of Markets for FSI Campaign

Categorization of each market and its potential value. Run scenarios to determine which markets will yield the best ROI

Scenario

FSI Campaign Details

+

Select Target Markets

Retarget or reduce markets to increase ROI

©Nuevora, Inc 2008. All Rights Reserved

Impact Potential from Analytics Driven FSI Campaign Strategy - Representative

Potential to drive 400+% in Campaign Payback in addition to increased levels of consumer engagement evidenced by repeat purchases and loyalty

				Analytics Driven Scenario #1 vs. Current State	Incremental Benefits (%)
FSI Campaign Scenario	Product Price	Product Retail Price	$ 6.00	$0	0%
	Targeting	# of Markets	50	-	0%
		Avg. Population per Market	800,000	-	0%
		Targeted Population	50,000,000	-	0%
	Response Analysis	# of Redeemers	300,000	50,000	20%
		Response Rate	0.60%	0.10%	20%
FSI Campaign Costs	Variable Costs	FSI Offer Value	$1.08	$0.00	0%
		# of Redemptions	300,000	50,000	20%
		Total FSI Offer Payout	$ 324,000	$ 54,000	20%
	Fixed Costs	Campaign Cost	$150,000	$0	0%
		Analytics Cost	$ 20,000	$ 20,000	N/A
FSI Campaign Benefits	Revenues	Potential Revenues @ $6	$ 1,800,000	$ 300,000	20%
	Topline Lift	Assumed Incremental %	35%	10%	40%
		Incremental Revenues @ $6	$ 630,000.00	$ 255,000.00	68%
	Incremental Contribution	Assumed Contribution %	50%	0%	0%
		Incremental Contribution @ $6	$ 315,000.00	$ 127,500.00	68%
FSI Campaign Financial Performance	Repeat Performance	Repeat visit %	45%	5%	13%
	Topline Performance	Campaign Payback @ $6	$ 136,000	$ 181,000	402%
		Payback Break Even @ $6	Positive Topline Performance	Positive Topline Performance	Positive Topline
	Contribution Analysis	Campaign Payback @ $6	$ (179,000)	$ 53,500	23%
		Payback Break Even @ $6	1.3 Visit(s)	-1.8 Visit(s)	59%

©Nuevora, Inc 2008, All Rights Reserved

NUEVORA OVERVIEW

© Nuevora, Inc 2008. All Rights Reserved.

Confidential. Do Not Distribute.

Agenda

- Who We Are?
- Methodology & Analytics Platform
- Analytics Solutions Suite
- Representative Case Studies
- Engagement Model
- The Nuevora Advantage

©Nuevora, Inc 2008. All Rights Reserved

Nuevora Delivers Advanced Customer Analytics that Predict & Drive your Desired Outcomes

Nuevora is a leading provider of ***platform-enabled*** advanced customer analytics

We help organizations achieve ***superior business outcomes*** by institutionalizing ***data-driven decisions*** across different levels of operating environments

©Nuevora, Inc 2008. All Rights Reserved

Leveraging Big Data Analytics Requires an Understanding of the Value Drivers for your Chosen Business Process

Finance	Operations	**Marketing**	Technology	Sales
Outcome: **Financial Health**	Outcome: **Efficiency**	Outcome: **Customer Equity**	Outcome: **Innovation**	Outcome: **Top-line Impact**
Responsibilities: Accounting & Costing, CF Management, etc.	Responsibilities: Inventory Management, Logistics & Ops, Procurement, etc.	Responsibilities: Customer Lifecycle Mrktg, Campaign Mgmt,, Media Optimization, etc.	Responsibilities: Strategic Planning, Research & Development, etc.	Responsibilities: Outgoing/ Incoming Calls, CRM, etc.

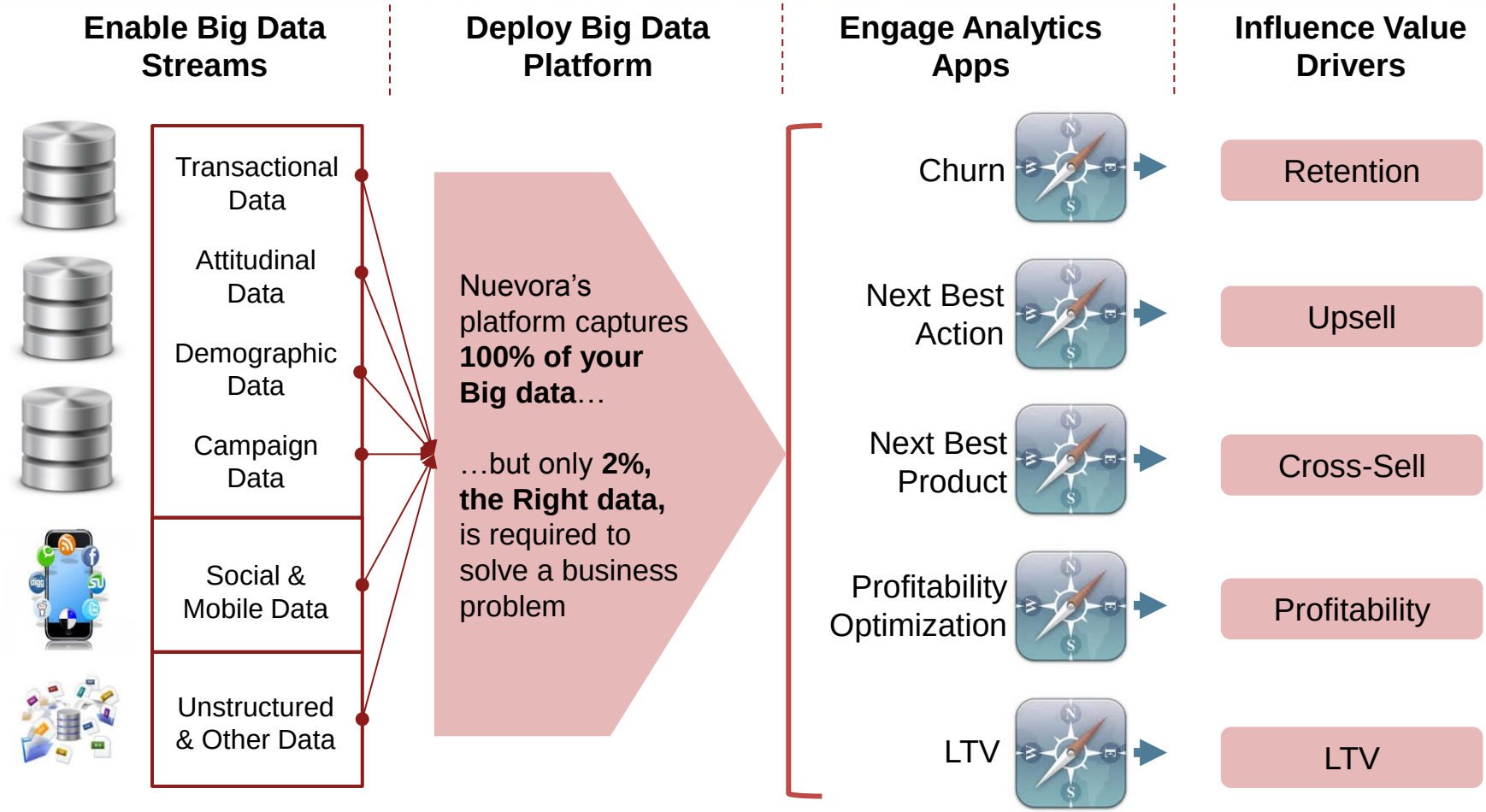
Influence your key value drivers and *maximize* Customer Equity

Acquisition | Retention | Upsell | Cross-Sell | Profitability | LTV

Each division seeks to optimize its own Business Process to achieve an Outcome – the Marketing Process is designed to achieve Customer Equity

©Nuevora, Inc 2008. All Rights Reserved

Nuevora's Philosophy on Leveraging Big Data Analytics Shapes our Platform and how we Engage our Customers



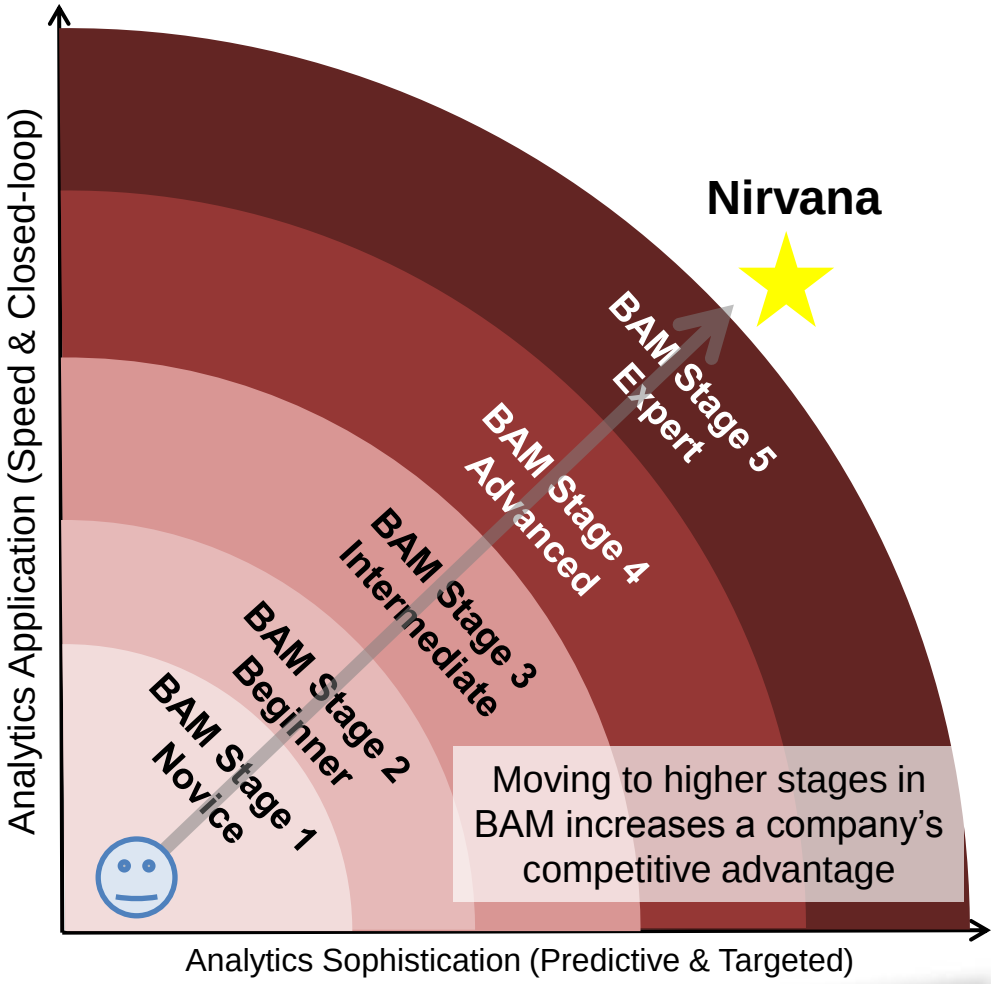
Nuevora's nBAAP™ platform has the ability to Enable 100% of your Big Data, Understand & Extract the relevant data from your Big Data Streams, and Engage solution-specific Apps

©Nuevora, Inc 2008. All Rights Reserved
Confidential. Do Not Distribute.

Nuevora's Comprehensive Big Data & Analytics Maturity (nBAM™) Framework for Achieving Sustainable Competitive Advantage

Understanding three fundamental questions determines a company's BAM…

1. How comprehensively do we understand our brands/consumers?
2. How confident are we that our marketing strategies and tactics are the best way to drive value?
3. How effectively does our organization understand the impact changes in consumer preferences & loyalty, market landscape, and the economic environment have on our current course?



©Nuevora, Inc 2008. All Rights Reserved
Confidential. Do Not Distribute.

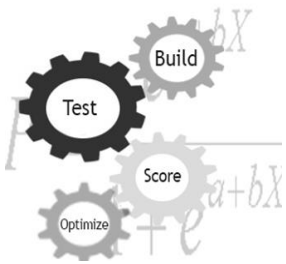
Nuevora's nBAAP™ Platform Utilizes 4 Powerful Engines to Enable Dynamic & Integrated Delivery of Actionable Insights

Big Data Processing Engine

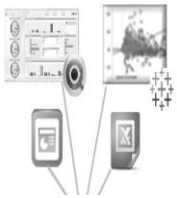
Data Consolidation

Data Processing

Analytics & Modeling Engine



Integrated Visualization Engine



Reports & Dashboards

Re-Calibration & Optimization Engine

Big Data Analytics Apps Engine

nBAAP™ Media Mix & Attribution Model	nBAAP™ FSI Optimization Model
nBAAP™ Market Segmentation Model	nBAAP™ Customer Segmentation Model
nBAAP™ Next Best Action Model	nBAAP™ Customer Lifetime Value Model
nBAAP™ Customer/Program Affinity Model	nBAAP™ Multi-channel Optimization Model

Our platform offers a powerful BD Processing Engine, a unique set of pre-built apps within our Analytics Engine, and an integrated Visualization Engine for delivery of your insights

©Nuevora, Inc 2008. All Rights Reserved
Confidential. Do Not Distribute.

Our Marketing Solutions Work Together to Maximize Customer Equity Across your Entire Business

Customer Acquisition Growth

- Analyze & model customer behavior
- Optimize campaign strategy
- Optimize media spend & media mix
- Identify profitable segments & market spaces

Customer Retention Growth

- Identify revenue & customer leakages
- Identify top & bottom line drivers
- Profile & predict churn
- Identify cross/up-sell opportunities
- Predict purchase patterns

Customer Value Growth

- Model purchase behavior
- Predict product & offer affinities
- Predict migrations & profiles
- Understand stickiness drivers
- Maximize profitability & improve LTV

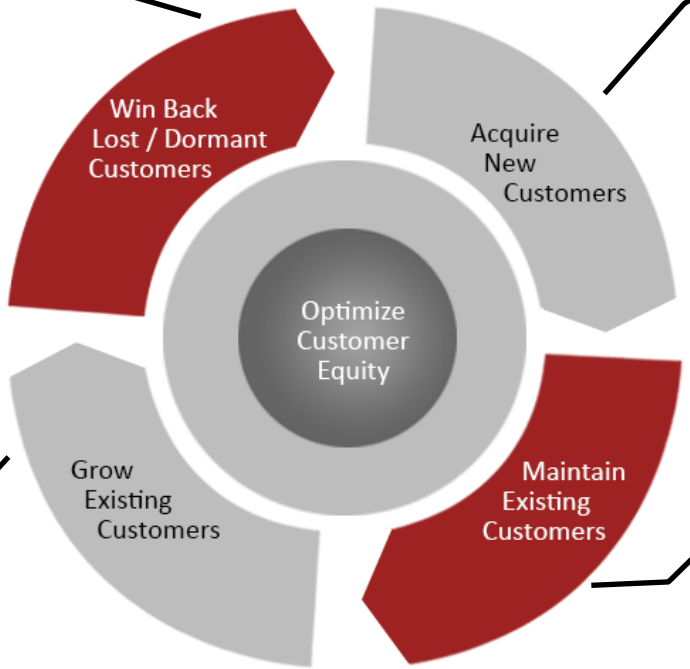
Nuevora's comprehensive and fully-connected Apps suite gives you the opportunity to extend the value of analytics across your organization

©Nuevora, Inc 2008, All Rights Reserved

Analytics Driven Smart Customer Lifecycle Management Solution Suite

- nBAAP™ Win-back Model
- nBAAP™ Opportunity Potential Model
- nBAAP™ Lost Customer Scoring & Prioritization Model
- nBAAP™ NBA Model
- nBAAP™ Program Optimization Model
- nBAAP™ Win-back Winner Model

- nBAAP™ NBA Model
- nBAAP™ Cross-sell Model
- nBAAP™ Up-sell Model
- nBAAP™ Customer Vertical Model
- nBAAP™ Multi-channel Optimization Model
- nBAAP™ Churn-Tactic Optimization Model
- nBAAP™ Opportunity Potential Model
- nBAAP™ Customer Profitability Model
- nBAAP™ Customer Lifetime Value Model
- nBAAP™ Prioritization & Scoring Model (Lead Mgmt)
- nBAAP™ Customer/Program Affinity Model



- nBAAP™ FSI Optimization Model
- nBAAP™ Cart Abandonment Model
- nBAAP™ Media Mix & Attribution Model
- nBAAP™ Propensity to Adopt Model
- nBAAP™ Market Segmentation
- nBAAP™ Lead Quality Model
- nBAAP™ Prospect Segmentation (v^2m) Model
- nBAAP™ Customer Matching Segmentation
- nBAAP™ Prospect Prioritization Model
- nBAAP™ Prospect Multi-Channel Model
- nBAAP™ Prospect Vertical Model (customized v^2m segmentation)
- nBAAP™ Acquisition Campaign Optimization Model
- nBAAP™ Lead Funnel (Conversion) Analytics

- nBAAP™ Customer Segmentation (v^2m) Model
- nBAAP™ Retention Optimization Model
- nBAAP™ Customer Attrition Model
- nBAAP™ Program Optimization Model
- nBAAP™ Predictive Program Profiling
- nBAAP™ Program Benchmarking
- nBAAP™ Campaign Optimization Model

Aggregate Level

Segment-Specific

Vertical-Specific

Region/Geo-Specific

Continual Recalibration

©Nuevora, Inc 2008. All Rights Reserved

Case Study Summaries

Client	Problem/Objective	Nuevora Solution	Results
Top multi-channel Books Retailer	Improve targeting & enhance revenue uplift from eBook products to existing customers	Enable nBAAP™ Cross Sell & nBAAP™ Opportunity Potential Solutions	Identified high-propensity customer micro-segments for improved cross sell and zip-code level opportunity potential quantification from prospects
Top Entertainment Retailer	Measure the effectiveness of email/direct mail campaigns	Implement nBAAP™ Campaign Optimizer	Optimized campaign design, measurement methodology and quantified true impact based on revenue uplift & profitability flow through
Top Multichannel Sports Retailer	Optimize media (TV/Radio) spend across different markets & time periods to maximize incremental sales	Implement nBAAP™ Media-Mix Optimizer at the regional level	Quantified the impact of TV spend on sales/traffic and provided actionable insights into predicting incremental revenues after including regional factors and all media and promotion activity
Top Multichannel Sports Retailer	Effectively target customers for direct mail campaigns	Implement nBAAP™ Campaign Optimizer with customized customer targeting methodology	Improved campaign ROI and revenue uplift by identifying & targeting high value and responsive customers more precisely and effectively
Top Off-price Department Store Chain	Understand the impact of in-store and merchandise characteristics on sales & customer loyalty	Implement nBAAP™ Share-of-Impact Solution	Fine-tuned client's focus investments into the right areas of merchandizing and in-store characteristics resulting in enhanced sales & customer loyalty (repeat visits & spend)
Top Consumer Goods Manufacturer	Improve the efficiency and effectiveness of FSI/Coupon program	Implement nBAAP™ Market Selection Optimizer	Identified appropriate markets, leveraging big data capabilities and consumer dynamics, that maximized efficiency and incremental redemption of client brand
Leading Manufacturer of smart eye glasses	Grow revenues through optimized list of ECP (SMBs) prospects nationally	Enable nBAAP™ Prospect Data Consolidation, Prioritization & Scoring Solutions	Streamlined marketing and sales initiatives by identifying key prospects with high propensity-to-sell scores and high potential value

©Nuevora, Inc 2008. All Rights Reserved

Case Study Summaries (cont.)

Client	Problem/Objective	Nuevora Solution	Results
Leading Grocery Retailer	Improve Ad effectiveness and enhance market basket values	Enable nBAAP™ Ad Effectiveness and Product Affinity Solutions	Improved Weekly Ad Campaigns across departments and categories
Leading Simulation Software Provider	Develop prioritized prospect lists for its SMB market segment	Enable nBAAP™ Prospect Prioritization Solution	Improved prospect targeting and optimized the right sales pitch / proposals
Top Enterprise Software Solutions Provider	Quantify vertical opportunity potential & define vertical-specific GTM strategies	Enable nBAAP™ Opportunity Potential modeling solution	Delivered analytics-driven prioritization framework for verticals based on whitespace opportunity, product-affinity, and employee/revenue size, etc.
Leading provider of technology solutions to Banking sector	Provide insights into the adoption of different banking channels by consumers	Enable nBAAP™ Channel Path & Preference Solutions	Quantified the preference for various banking channels across consumer segments & transaction types. Blueprinted consumer paths to banking enabling effective marketing & product innovation
Top P&C Insurance Provider	Understand the impact of several media spend activities including competitors' on quote volumes	Implement nBAAP™ Attribution-Modeling Solution	Enabled our client to analyze multiple what-if scenarios across multiple variables to determine what course of action would result in the greatest positive results
Top Enterprise Software Solutions Provider	Grow revenues from existing customers through optimized campaigns	Enable nBAAP™ Cross-sell and Up-sell modeling solutions	Identified significant incremental revenues in product-specific opportunities leading to optimized campaign targeting and revenue capture
Leading on-demand Software Solutions Provider	Reduce high-levels of lapses/churn in SMB segment for the client's online meetings product	Enable nBAAP™ Churn Analytics Solution	Reduced 3-month & 6-month customer churn by defining tailored retention efforts on the most probable churners
Niche Software Solutions Provider for the Foreclosure Market	Effectively predict bid values, auction duration and outcomes	Customize nBAAP™ for predicting several business outcomes	Enabled informed decisions based on predicted auction outcome, opening and winning bid values

©Nuevora, Inc 2008. All Rights Reserved

Engagement Model: Managed Services-Driven Delivery Provides Flexibility and Scale to Customers

3 types of engagements tailored to meet specific customer needs…

Consulting Model

- Extended Analytics Team Model
- "Ground up" or "Add on" Capability Building
- Analytics Strategy & Road Map; Projects with defined scope

Hybrid Model

- Analytics "Center of Excellence (COE)" Model
- Combination of Consulting and BPaaS Models
- Delivery of continuous analytics leading to a sustainable competitive advantage for organizations

BPaaS Model

- Pre-Built Analytic Models / Solutions for specific business problems
- Delivered as a Service
- Apps-based business process optimization

Nuevora's Hybrid Model allows it to take advantage of the best of both worlds and deliver sustainable competitive advantage

©Nuevora, Inc 2008. All Rights Reserved

Nuevora's Competitive Advantage over People-driven Business Models

FEATURE	ADVANTAGE	METRICS
Scale	▪ 3x – 5x inherent scale vs. a conventional people-driven model, with a non-linear price to scale	▪ Flexibility to provide 20% - 40% reduction in pricing in addition to decreased cost to scale
Speed	▪ 2x – 6x faster turnaround times from data-to-insight	▪ Depending on analytics (type), Nuevora's model can deliver insights in as short as 48 hours once the data is assimilated
Reliability	▪ Consistent and reliable solutions	▪ Solutions driven by pre-built analytics provides reliability and consistency in results
Close-Loop Updates	▪ Continual Insights	▪ Every business is dynamic and customers require insights based on the latest data; Nuevora's platform enables continually updated insights based on closed-loop recalibrations

©Nuevora, Inc 2008. All Rights Reserved

THANK YOU

Ready to Learn How Much Value You Can Unlock From Your FSI Strategies?

Contact Us
@

Phani Nagarjuna
phani.nagarjuna@nuevora.com
+1 (925) 967 2001
www.nuevora.com

© Nuevora, Inc 2008. All Rights Reserved.

Confidential. Do Not Distribute.