

How “household penetration” indicates future growth

DECISION POINT

How can we optimize both revenue and household penetration?

For this packaged food brand, strong household penetration is a leading indicator of future growth, and reinforces brand strength while achieving and growing its primary revenue goals.

“It was a little tricky at the outset,” Keen Customer Success Manager Brandon Crowling explains. “Our approach was to first optimize the ‘must-have’ revenue goal and then create a secondary model that looked at optimizing household penetration.

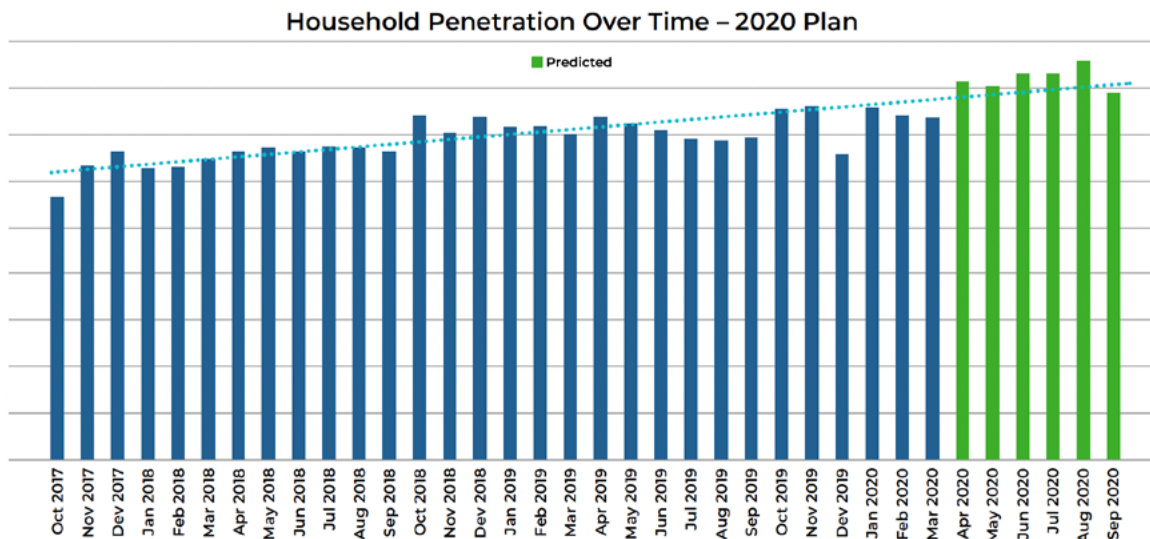
KEEN’S IMPACT

First, the Marketing team used Keen’s models to make a business case that a 50 percent increase in spend would be needed to achieve their revenue target; they were able to show the specific market mix needed to deliver that revenue and they garnered the incremental budget.

Next the team modeled for household penetration. Monthly household penetration data was not new to this team; they’d been receiving it monthly for some time. The challenge was making it actionable for supporting future decisions. Keen’s platform was able to ingest that data and use it to project the future investment needed to achieve the desired 60 percent increase in penetration.

In a happy coincidence the additional investment to reach the revenue goal also put the household penetration goal within reach.

Here’s what Keen’s model showed was possible in terms of scaling penetration with the optimized mix and investment:



NEW DECISION POINT

How do we optimize in response to COVID-19?

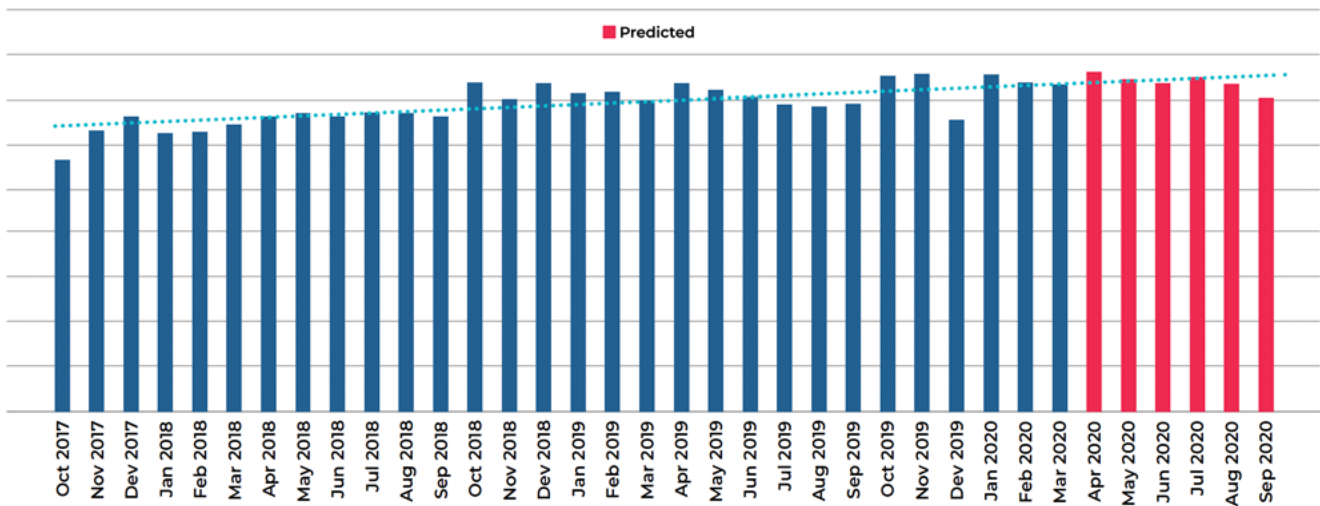
Then COVID-19 happened. Consumers quickly began stockpiling their products, leading to unexpected capacity constraints.

The organization cut marketing’s budget 13 percent, a modest decrease following its recent increase, but in addition made some steep cuts in trade spending.

The high sales and reduced marketing and trade spending obviously improved profits, but threatened to have a neutral to negative impact on household penetration as demand outpaced capacity.

Even so, using Keen to optimize its newly reduced budget, the brand’s COVID marketing mix is expected to cover, if not exceed, this delta and still generate a net positive return for the business.

Household Penetration Over Time – Revised 2020 Plan_COVID



About Keen Decision Systems

Keen Decision Systems is a high-growth SaaS company that helps FORTUNE 500 and other marketing leaders make data-driven decisions, tie them to financial impact, and create long-term value across the board, including for shareholders. Keen’s software lets marketers run scenarios to achieve their growth goals, driving a 41% improvement for clients over the past 52 weeks. Based out of North Carolina’s Research Triangle Park, Keen manages \$2 billion in marketing for major brands under Church & Dwight, Bush Brothers, Suja, Athletic Brewing, and Bumblebee Foods, among others.

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