INKBLOT ANALYTICS

Cuttime

NE Brands & Bands

ROI ERROR

ROI Error

OVERVIEW

Motivation:

This one-pager provides a deeper dive into the expected ROI from different brand / artist partnerships. Specifically, these analyses focus on 1) understanding how fit relates to ROI and 2) the degree of precision of our ROI estimates.

Method:

Here was our approach to this analysis:

1. We grouped each artist and brand that consumers considered. Any brand / artist pair that was considered by fewer than 10 consumers was filtered out (to ensure a reasonable sample size).
2. Then, for each brand / artist pair, we calculated the average amount that consumers said they would *additionally* spend (in dollars) on the artist AND on the brand if there were a partnership between them. We also calculated the standard error of these averages (also in dollars). **This gave us, for each brand / artist pair, a range of dollar amounts we might expect consumers to spend on an artist or a brand if they were to work together.**
3. We also ran linear regression models with derived fit as a predictor of ROI (i.e., the % that consumers' spend would increase for an artist or brand if they were to enter a partnership). These plots show the extent to which fit between a brand and artist predicts an increase in ROI.

FINDINGS

Artist Spend / ROI

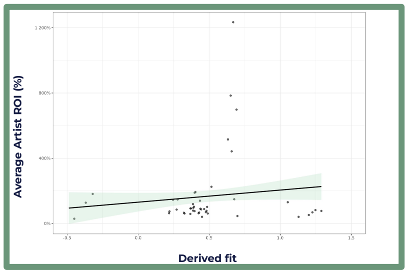
brand	Ariana Grande	Beyoncé	Blake Shelton	Calvin Harris	Drake	Justin Bieber	Kendrick Lamar	SZA
Samsung	$82 ± $28	$184 ± $60	$178 ± $83		$280 ± $138	$154 ± $49	$134 ± $43	$255 ± $181
PlayStation	$249 ± $79	$177 ± $69	$222 ± $147		$230 ± $93	$245 ± $129	$611 ± $369	$389 ± $146
Nike	$141 ± $44	$230 ± $64	$116 ± $62	$187 ± $58	$276 ± $99	$124 ± $30	$171 ± $47	$189 ± $78
Lancôme		$125 ± $79				$108 ± $80		
Gucci						$130 ± $71		
Doritos	$104 ± $46	$49 ± $21	$192 ± $92		$44 ± $19	$89 ± $41	$172 ± $85	
Coca-Cola	$198 ± $48	$230 ± $70	$106 ± $54	$117 ± $34	$296 ± $97	$176 ± $65	$276 ± $82	$488 ± $216
Capital One	$225 ± $65	$200 ± $52	$203 ± $92		$261 ± $129	$149 ± $61	$322 ± $134	

artist

Brand Spend / ROI

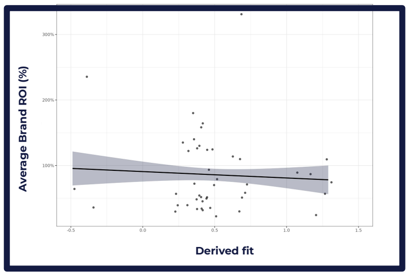
brand	Ariana Grande	Beyoncé	Blake Shelton	Calvin Harris	Drake	Justin Bieber	Kendrick Lamar	SZA
Samsung	$327 ± $101	$322 ± $72	$291 ± $110		$273 ± $104	$214 ± $72	$198 ± $75	$248 ± $103
PlayStation	$194 ± $65	$83 ± $32	$38 ± $25		$125 ± $45	$69 ± $36	$144 ± $44	$188 ± $59
Nike	$95 ± $25	$107 ± $19	$42 ± $11	$82 ± $28	$124 ± $37	$82 ± $23	$78 ± $23	$117 ± $46
Lancôme		$51 ± $34				$66 ± $49		
Gucci						$116 ± $79		
Doritos	$11 ± $4	$13 ± $6	$12 ± $4		$10 ± $6	$11 ± $4	$17 ± $8	
Coca-Cola	$43 ± $14	$37 ± $11	$12 ± $3	$17 ± $5	$48 ± $17	$28 ± $12	$58 ± $23	$89 ± $37
Capital One	$122 ± $52	$151 ± $59	$114 ± $48		$122 ± $56	$351 ± $215	$125 ± $52	

artist

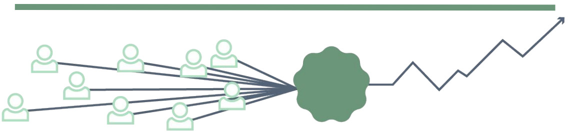


The heatmaps show the **expected additional spend (mean ± SE, in $)** for artists (left) and brands (right) given a partnership between them.

The charts on the bottom **average partnership ROI (%) for** artists (left) and brands (right)**, plotted as a function of derived brand / artist fit.**



KEY TAKEAWAYS



- Standard errors for both artist and brand spend were quite large, suggesting that **our estimates of partnership spend (and ROI) aren't very precise**; a larger sample size would be needed to derive more precise estimates.
- Regression models revealed that there is a modest relationship between derived fit and artist ROI, such that **a greater fit between an artist and brand could predict slightly larger ROI for the artist.**