OnTrack analytics

Measurement That Meets **Marketing**.

ontrackanalytics.co

support@ontrackanalytics.co

847-553-7146

Executive Summary.

Background	OnTrack Analytics was retained to perform 2025 marketing mix modeling and create historical benchmark ROI for comparison to 2026 marketing execution. Brand targets $3 profit ROI and sees potential for greater retail distribution.
Key Takeaway	2025 marketing execution was highly profitable ($1.81 Profit ROI), but 2026 spend levels will reduce efficiency unless base business drivers improve or there are material increases to marketing effectiveness.
Key Insights	• Marketing contributed 24% to brand volume in 2025 at $1.81 Profit ROI • Efficiency declined in 2H due to concentrated Prime Day media flighting • 2026 spend level pushes brand past diminishing returns, reducing projected ROI • Retail distribution expansion, particularly Mass, would multiply marketing efficiency • Flighting and tactical adjustments offer projected ROI upside • Model will favor executed channels until more data can validate higher spend levels
Recommendations	• Prioritize distribution expansion in Mass Retail • Optimize 2026 flighting for consistency and to maximize carryover effects • Scale strong performing, mid-to-upper funnel tactics with marginal ROI headroom • Execute tactical improvements such as refreshing creative (Meta, Viral Nation), tightening targeting (Amazon DSP) & cutting underperformers (Criteo)
Next Steps	• OnTrack Analytics will prepare optimization scenarios following Scenario Planning Discussion • Q1 26 data collection will continue, and team will validate data in early April

Today's Agenda.

- Model Overview
- Looking Back At 2025
- Looking Ahead To 2026
- Scenario Planning Discussion
- Upcoming Timeline

Model Overview

The Parameters Of The Model

OnTrack analytics

$51M In Net Revenue, 58% Margin & $5.4M In Media Spend Were Input Into The Model.

	Model Input	Validated By	Notes
Observation Period	52 Weeks	NA	Analysis included the 52 weeks from 1/5/2025 to 12/28/2025
Shipped Revenue	$51.4M	Finance Client	International shipments excluded due to lack of marketing spend data outside the US
Margin %	58.0%	Finance Client	Contribution Margin adjusted to exclude marketing costs to avoid double-counting in ROI calculations
Media Spend	$5.4M	Marketing Client	One-off influencer execution excluded due to inconsistent or unavailable impression reporting
Media Flighting	Varies	Marketing Client	Most channels did not have consistent flighting activity in 2025
Consumption	3.5M Units	Marketing Client	Consumption data includes Natural Retail, MULO, Amazon & Owned Website (DTC)
Trade Events	4	Marketing Client	Natural Retail (Q1), Prime Days (Q2, Q4) and Black Friday (Q4) events were captured within the model

*Data Validation meeting occurred on 1/27

Several Variables Were Tested, But We Kept Only What Improved Model Results.

Variable Type	Input Variables*
Base	TDPs – Natural TDPs – MULO Category Trend Search Interest Weekly Economic Index Average Price – E-comm Average Price – Retail Promo % ACV – Natural Promo % ACV – MULO Prime Days Black Friday Constant Retention
Marketing	Amazon Sponsored Products Amazon Sponsored Brands Amazon Sponsored Brands Video Google Search Walmart Search Amazon DSP Amazon Display Walmart Display Criteo Google Performance Max Google Shopping Meta Influential Viral Nation YouTube Demand Gen YouTube Deseret Audio Email

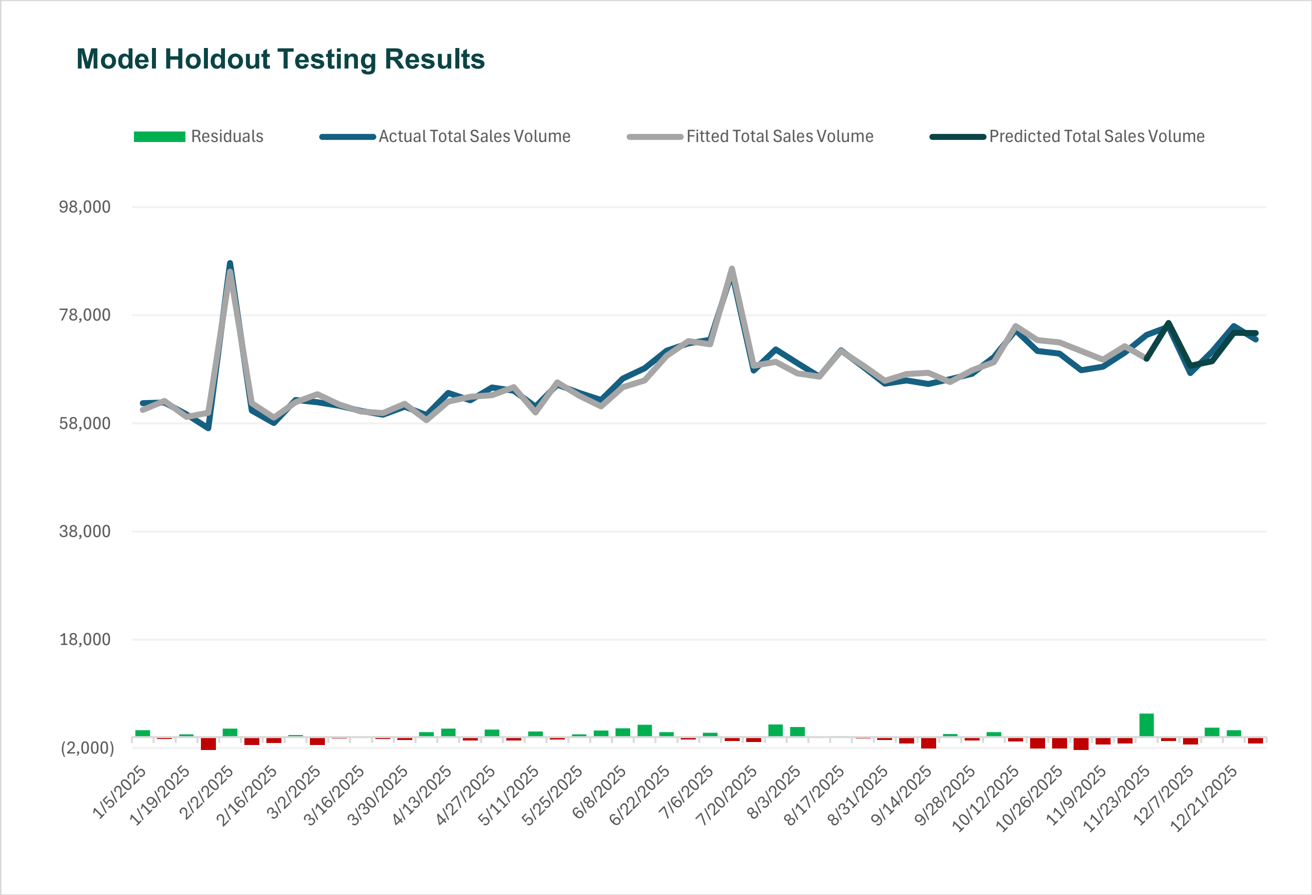
*Grayed out variables were not included in final model due to statistical significance (t-stat), directional elasticity signs or model holdout test performance.

OnTrack analytics

Final Model Selected Had Strong Statistical Markers & Performed Well In Holdout Test.

	Training Period	Evaluation Period
Period Length	47 weeks	5 weeks
MAPE*	1.69%	1.77%
Prediction v. Actuals %	NA	-0.25%
R^{2}**	94.9%	NA

*Mean Absolute Percentage Error (MAPE) is the difference between the model's forecasted sales and actual sales
**Higher R^2 generally means the model is fitting the shape of the actual data more tightly



OnTrack analytics

Looking Back At 2025

Historical Results

OnTrack analytics

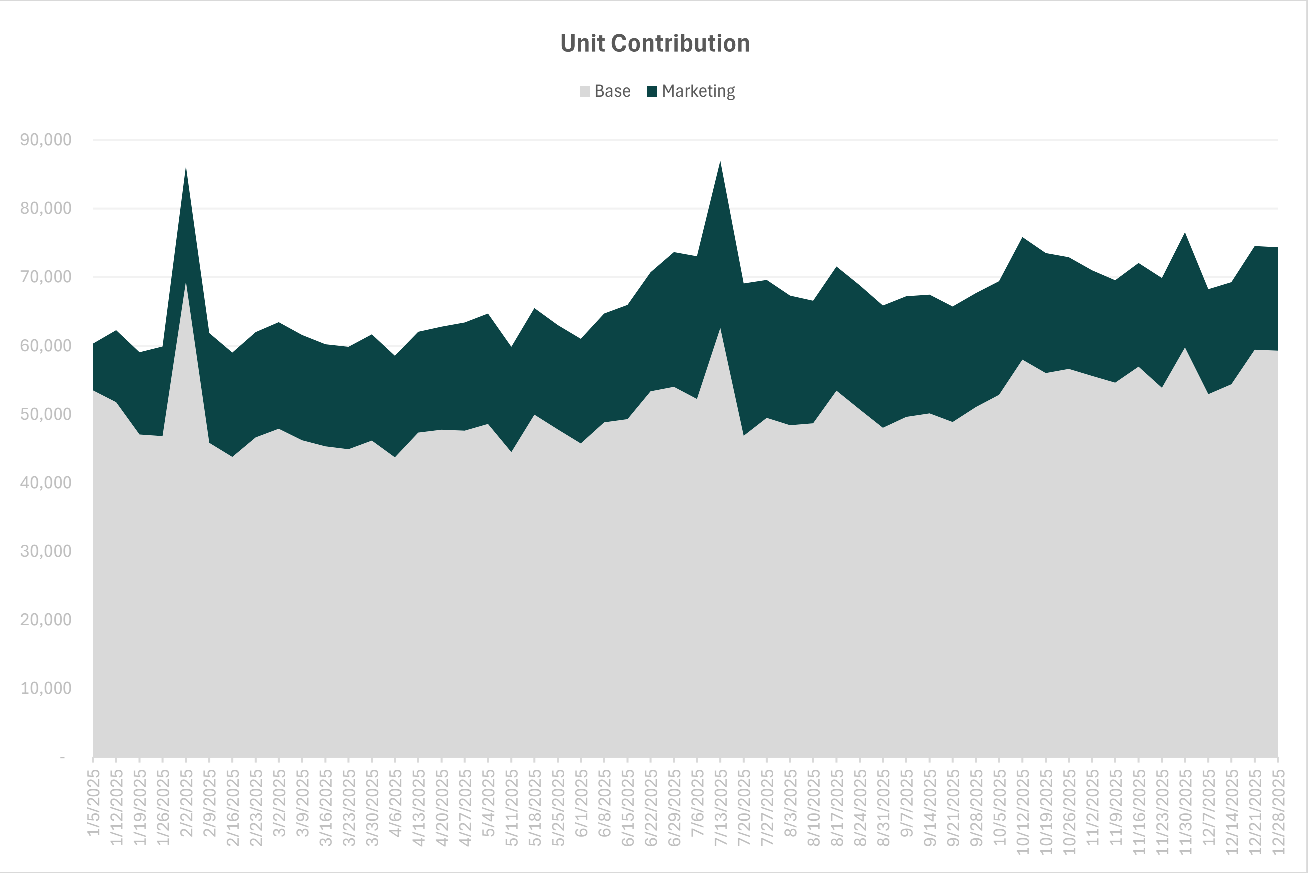
Brand A Had Steady Growth In 2025 With Marketing Accounting For +24% Of Volume.

Marketing Is Impactful Relative To Industry Benchmarks.

24% contribution due to marketing is higher than what we typically see across CPG (8-15%). Event spikes and brand maturity contribute, but it's clear that marketing is playing a meaningful role in driving consumer demand.

Base Volume Grew Materially In 2H Of 2025.

Base volume, demand generated without marketing specifically, showed clear growth in 2H driven by stronger distribution, back-loaded seasonal events and organic consumer pull. A healthy base creates a stronger foundation for future marketing impact.



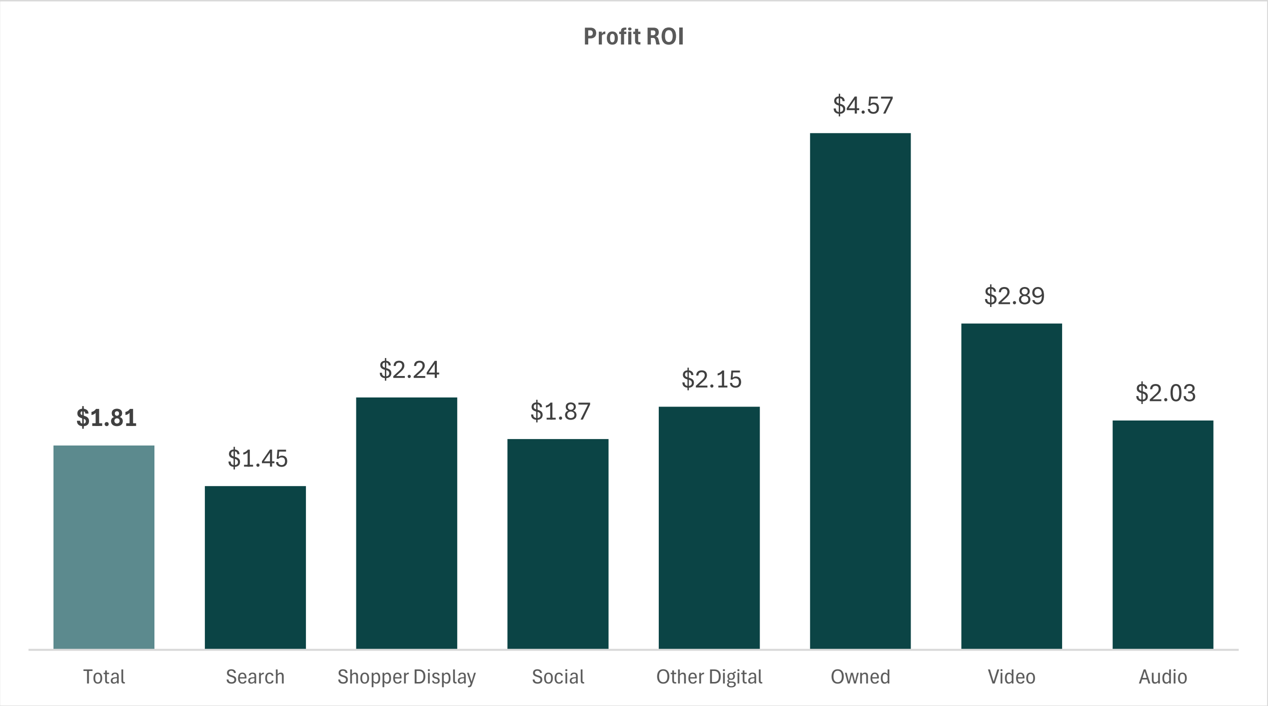
Marketing Spend Was Comfortably Profitable Across All Media Channels.

Shopper Media Was Efficient Despite High Spend Level.

Shopper Display had strong ROI relative to spend reflecting its role as high-intent, low-to-mid-funnel driver. Its strong contribution reinforces the importance of maintaining sufficient support in these channels.

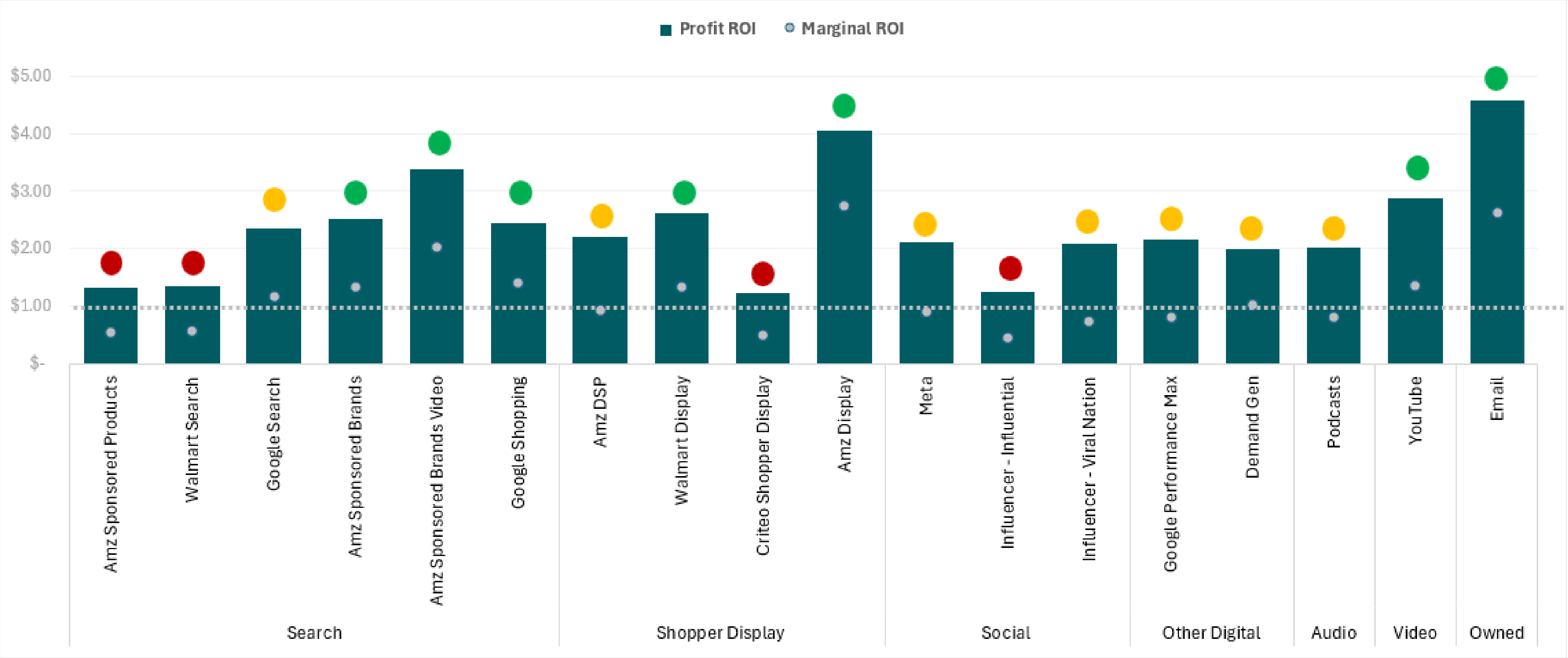
Lower Spend Levels Boosted ROI Of Awareness Tactics.

Reach-oriented channels delivered strong profit ROIs, driven by relatively low spend levels and efficient cost structures. These channels remained profitable even at modest investment levels, indicating room for scalable growth.



	Total	Search	Shopper Display	Social	Other Digital	Owned	Video	Audio
Spend	**$5.4M**	$2.7M	$1.5M	$553K	$430K	$33K	$52K	$62K
Unit Contribution	**1.2M**	470K	421K	128K	107K	19K	19K	15K

All Tactics Were Profitable, But Few Had Investment Upside Within Flighting Pattern.



NOTE: Green dot indicates spend could have been scaled further within executed flighting. Red dot indicates tactic beyond saturation.

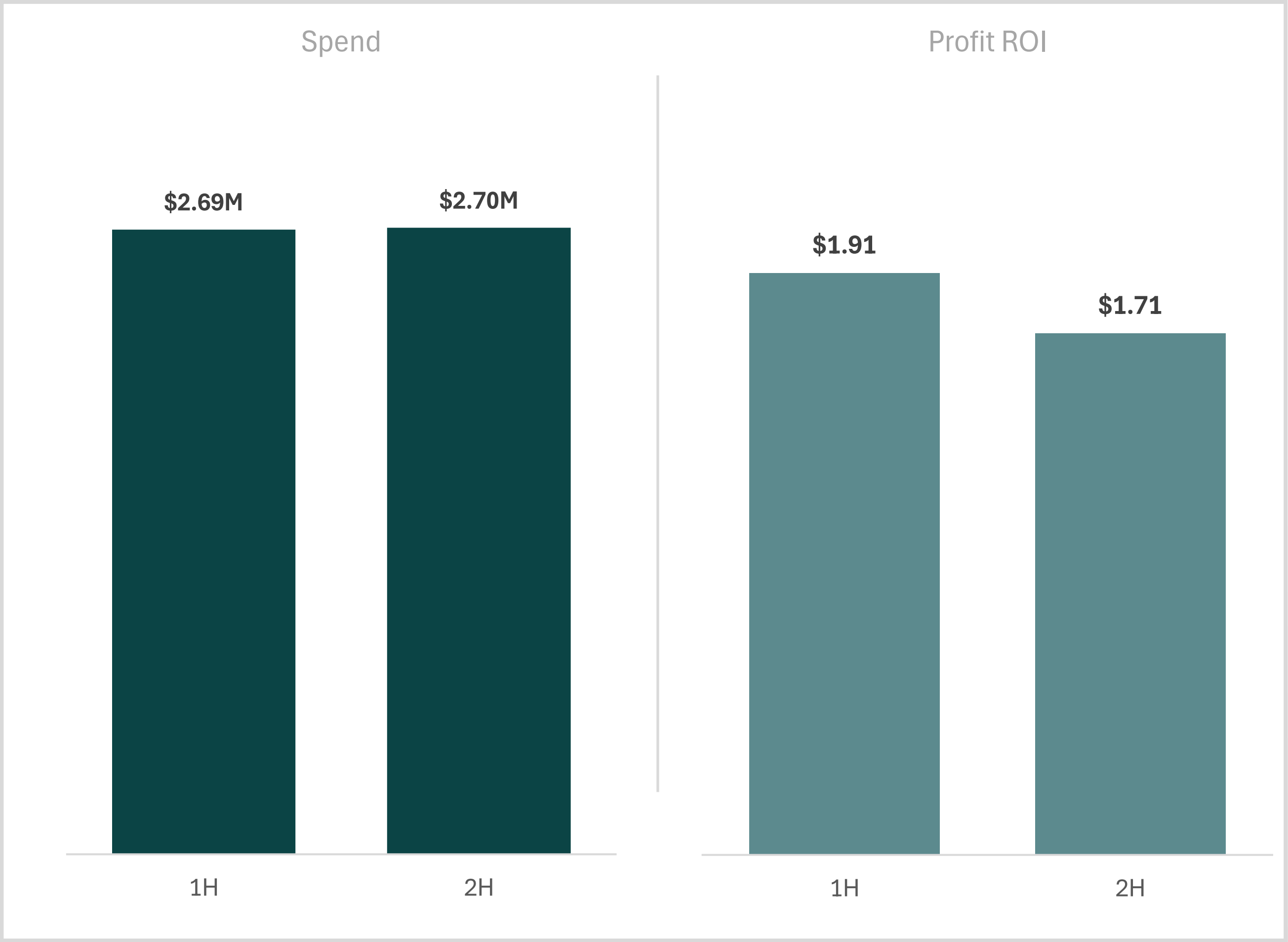
Marketing Efficiency Declined In 2H Due To Mix Shifts & Flighting, Not Spend.

Total Marketing Investment Level Was Neutral Across Halves.

2H spend was within <0.5% of 1H largely due to significant Q3 spending in support of Amazon's July Prime Day. Notably, Q4 saw materially lower investment relative to all other quarters in 2025.

Lower Marginal Return Channels Received More Investment In 2H.

Share of spend shifted towards tactics like Amazon Sponsored Products, Amazon DSP, Influencers & Podcasts which reduced efficiency despite spend staying largely flat



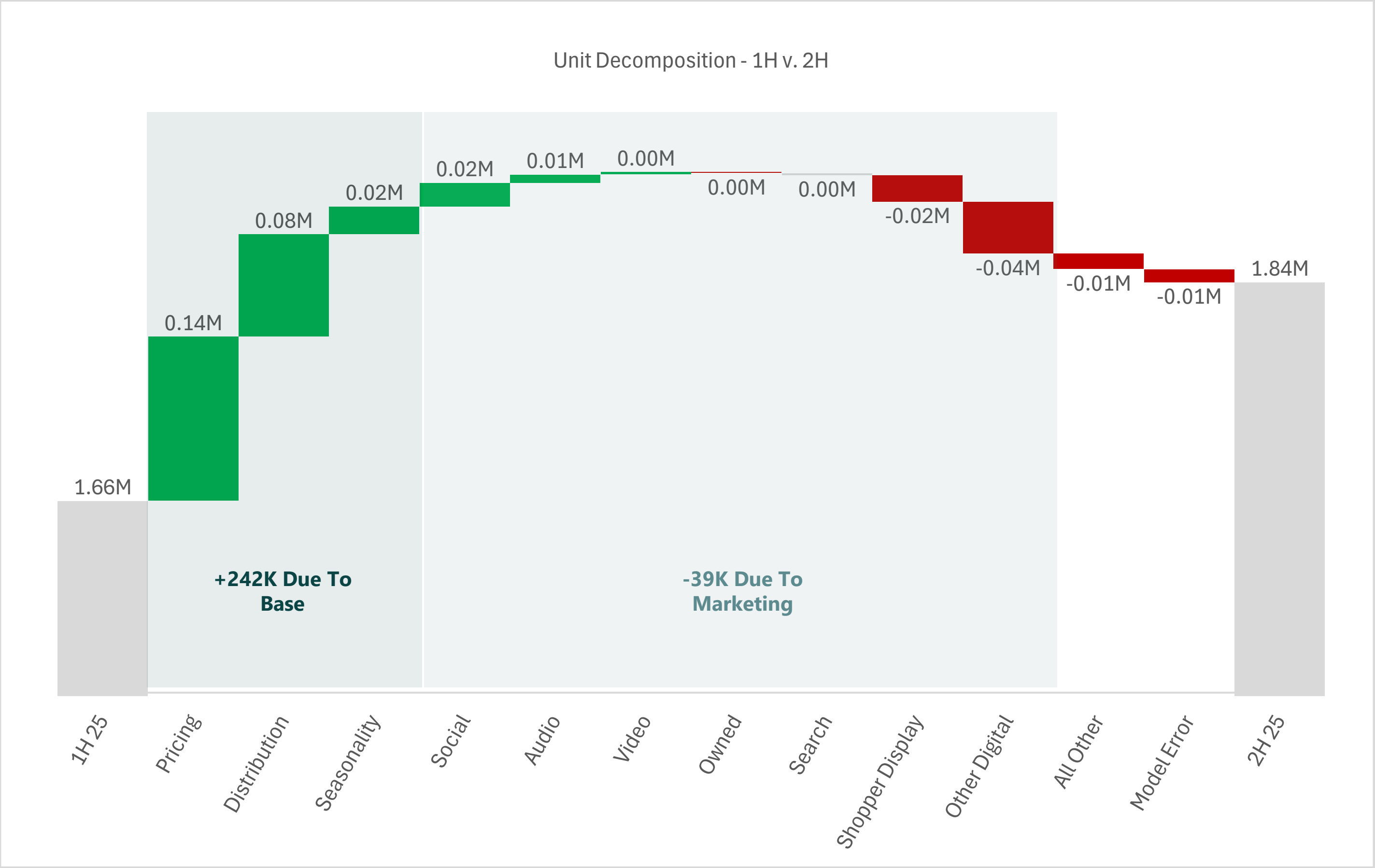
Base Variables Drove 2H Volume Growth More Than Offsetting Declines Due To Media.

Distribution Gains In Natural Retail Drove Significant Volume.

Natural Retail channel saw an 8% increase in TDPs in 2H relative to 1H driving strong growth in back half of the year. Gains were experienced within the Minerals (+9%) and Hydration (+21%) product segments.

Condensed Q3 Media Flighting Decreased 2H Efficiency.

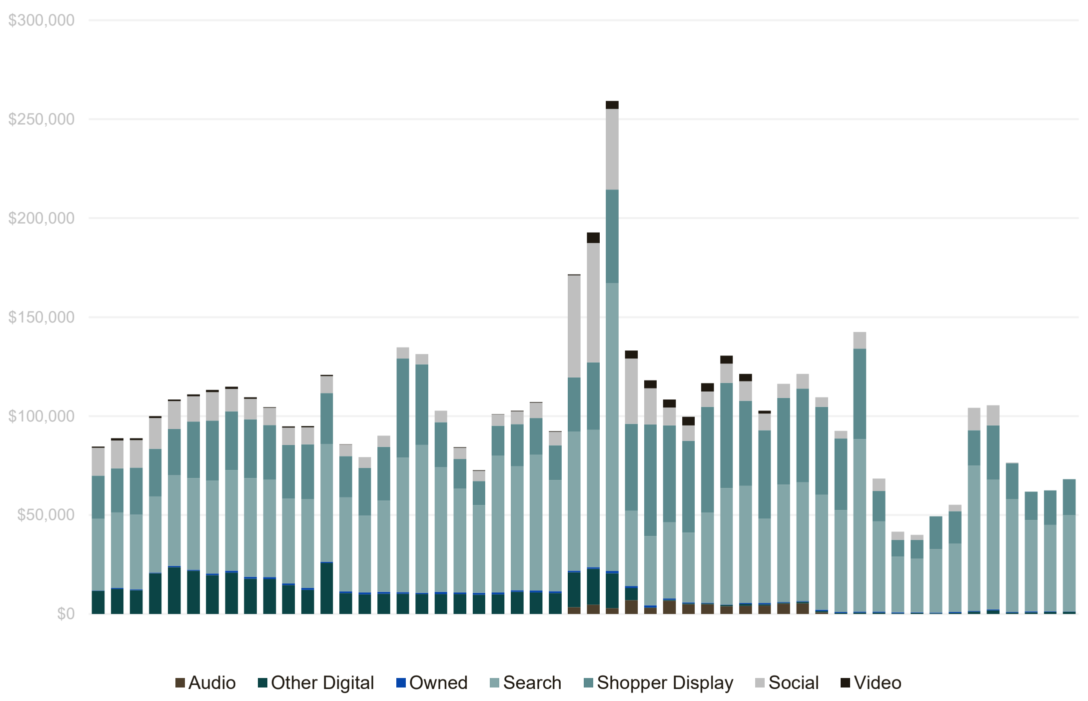
Heavy concentration of spend around July Prime Day resulted in the lowest ROI quarter of the year. Q4 absolute spend level also limited marketing’s ability to convert demand lowering overall 2H efficiency.



Consistent Media Flighting Pattern Offered +30% ROI Upside In 2025.

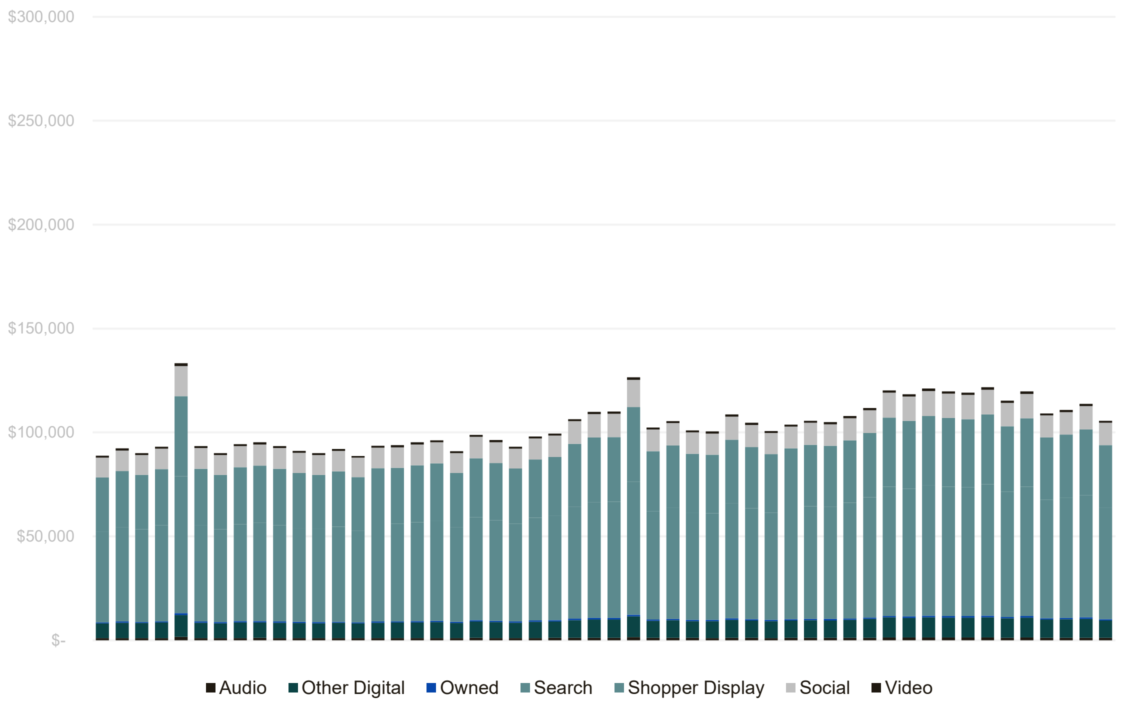
Executed Allocation & Flighting - $1.81 Profit ROI

Media was relatively consistent in 1H, but a disproportionate share of spend was concentrated around Prime Day, driving incremental returns were lower. Q4 spend was materially reduced despite expanded distribution, limiting efficiency.



Optimized Allocation & Flighting - $2.38 Profit ROI

A more balanced flighting pattern would have aligned spend with periods of higher marginal return. Optimization favors late-year investment, where distribution gains occurred, but still supports heavy ups around events.



Looking Ahead To 2026

Strategic Recommendations

OnTrack analytics

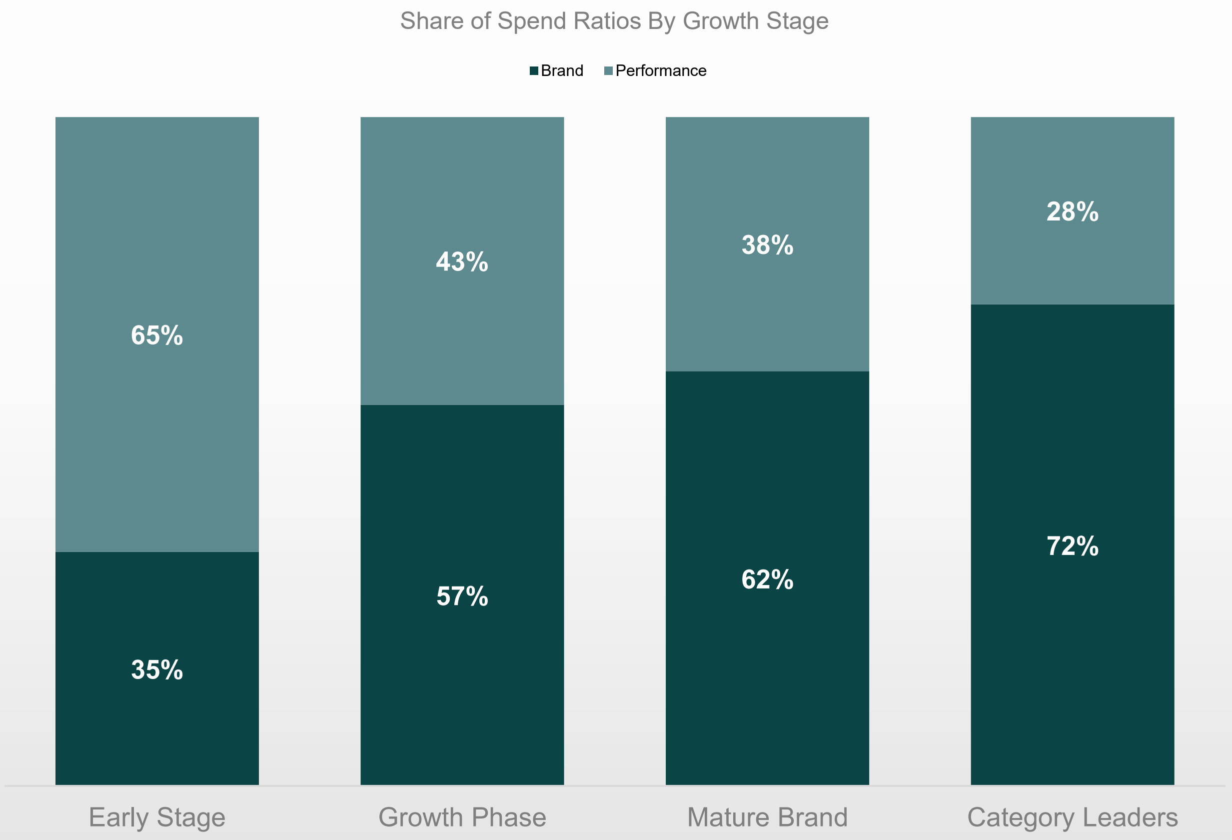
Advertising Research Supports Investing In Brand Advertising At All Stages Of Growth.

2026 Strategy Has Spend More Aligned To Recommended Ratios.

The 2026 plan's significant increase in brand advertising is strategically sound for long-term growth. While this mix shift may temporarily reduce short-term ROI metrics, it builds the foundation for sustained market share gains and reduced reliance on promotional tactics.

Lower Funnel Spend Commanded ~80% Of Spend In 2025.

Brand-centric channels like Social & Video received little funding in 2025. This historical execution pattern naturally limits our model's ability to project returns on significantly increased brand investment, creating conservative recommendations.



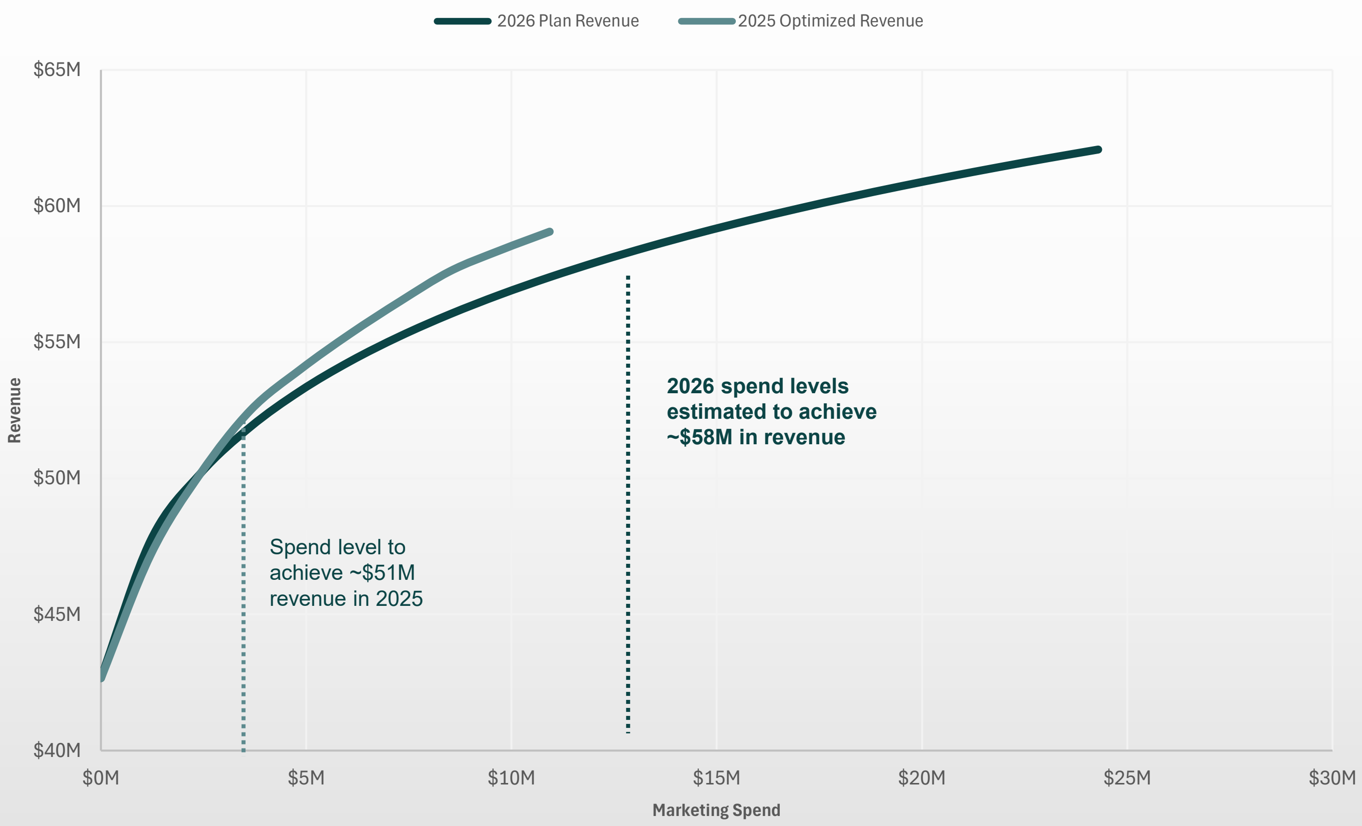
2026 Spend Will Drive Revenue Due To Year-Over-Year Increase Alone.

2025 Revenue Could Have Been Achieved At Lower Spend Levels.

With optimized flighting and channel spend allocation, marketing would have been more efficient while achieving a similar total revenue figure at lower overall spend.

Planned 2026 Spend Levels Will Naturally Generate More Top-Line.

Even without efficiency improvements, the brand’s larger scale and increased spend means 2026 investment is estimated to deliver more revenue than 2025.



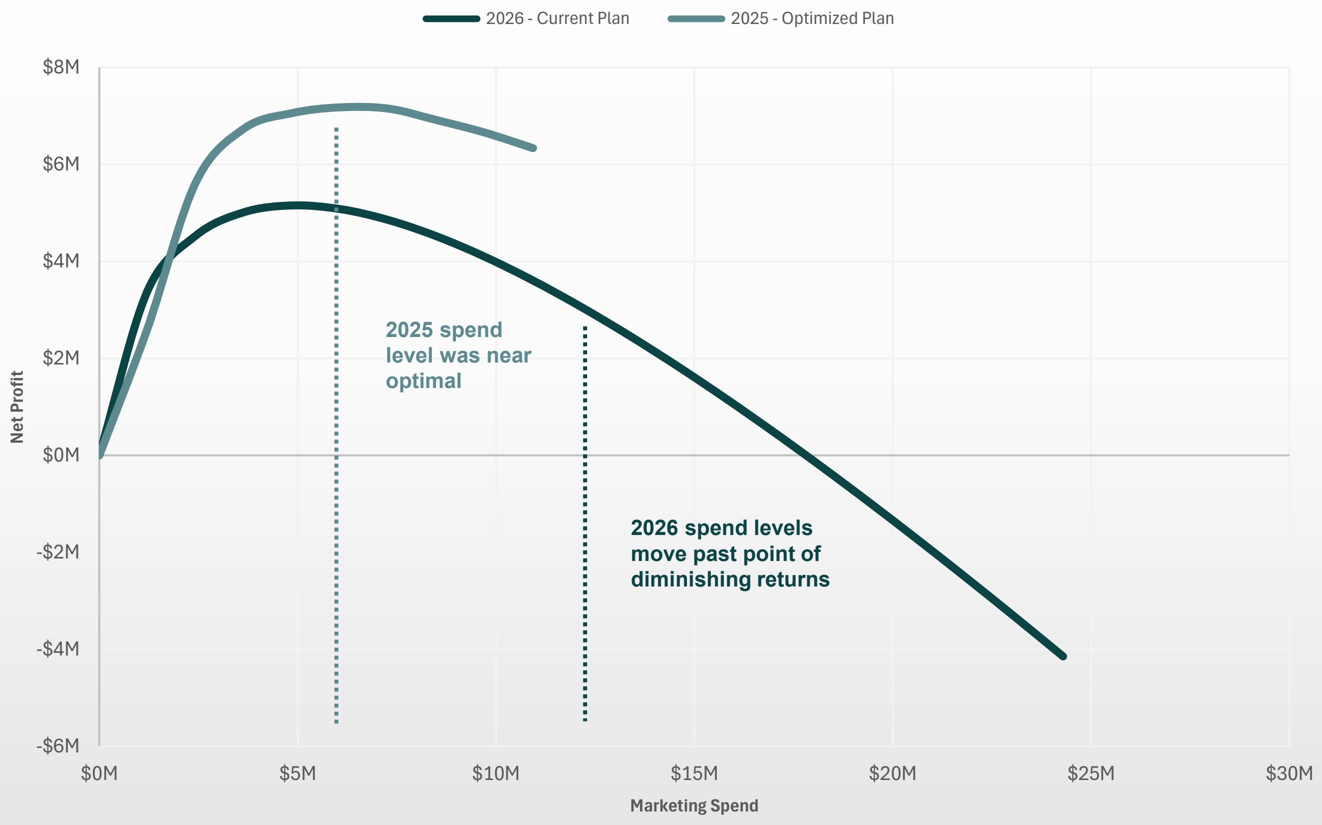
2026 Spend Will Drive Revenue Due To Year-Over-Year Increase Alone.

2026 Spend Levels Move The Brand Beyond The CPG Efficiency Sweet Spot.

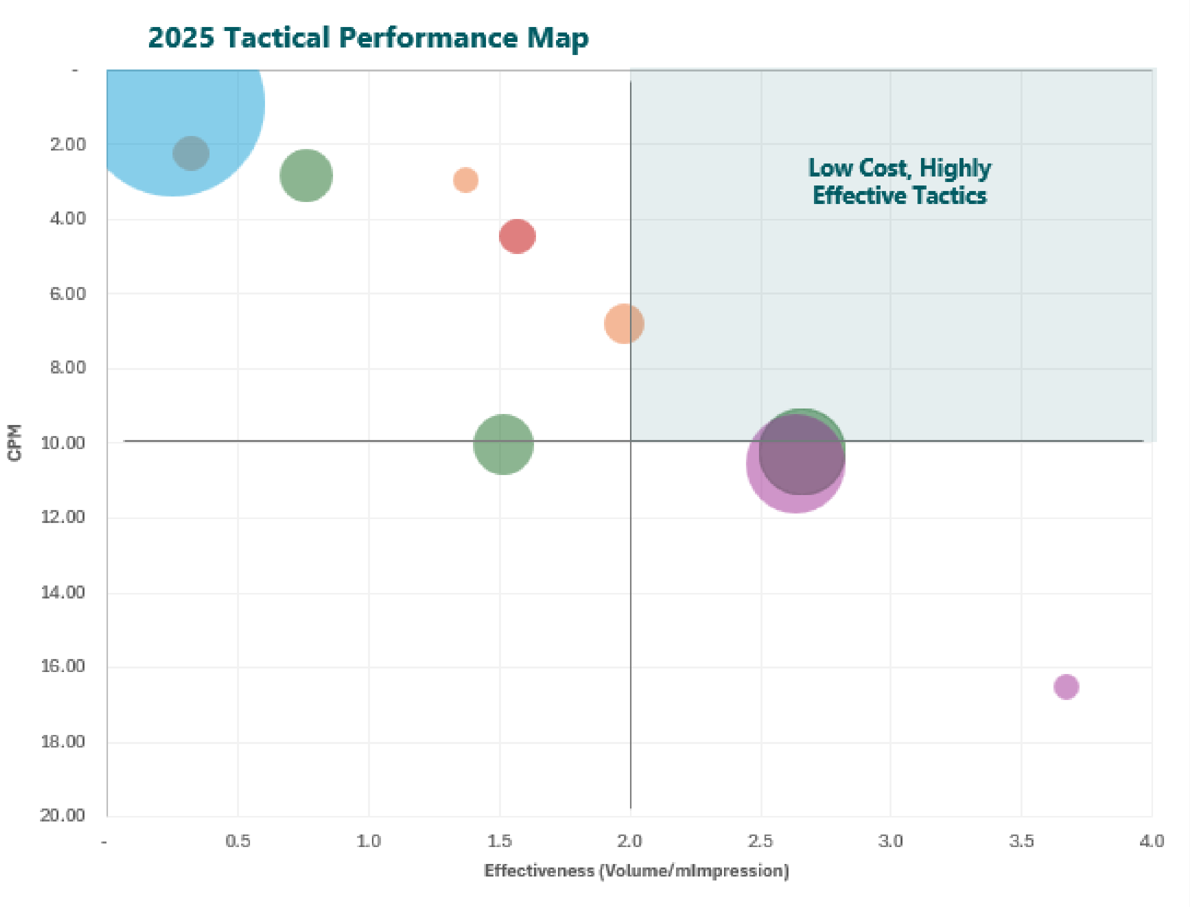
Most CPG brands find maximum profitability spending between 8-12% of net sales. Growth brands or new-to-market innovation can support spending at 20-30% of net sales.

Incremental Spend Estimated To Deliver Less Net Profit Than 2025.

2025 spend was near the profit-maximization point while 2026 spend levels push the brand further down the curve, reducing marginal profitability.

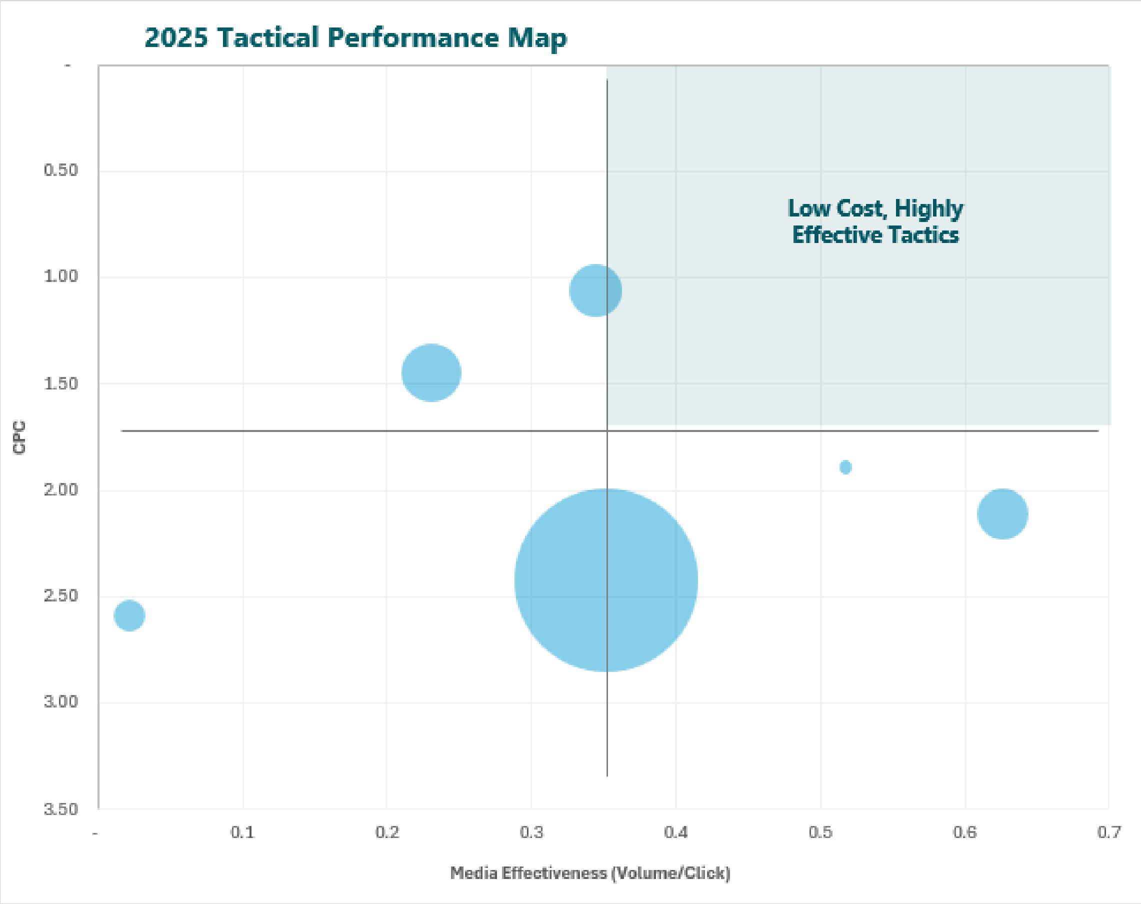


Tactical Adjustments Would Help Maximize Efficiency In 2026 Mid-Funnel Execution.



Tactic	2025 Spend	2025 CPM	2026 Tactical Recommendation
Amazon DSP	$1.4M	$0.91	Tighten targeting
Meta	$286K	$10.24	Loosen targeting, test new creative
Influential	$150K	$10.02	Test higher spend levels
Viral Nation	$116K	$2.82	Test more premium partners
Walmart Display	$66K	$6.82	Loosen targeting
Criteo Display	$52K	$2.24	Cut
Amazon Display	$27K	$2.94	Test higher spend level, tighten targeting
YouTube	$53K	$4.45	Tighten targeting, test premium partners/placements
Pmax	$402K	$10.53	Loosen targeting to reduce cost
Demand Gen	$27K	$16.50	Test higher spend levels

Keyword Adjustments Could Be Tested To Improve 2026 Search Execution.

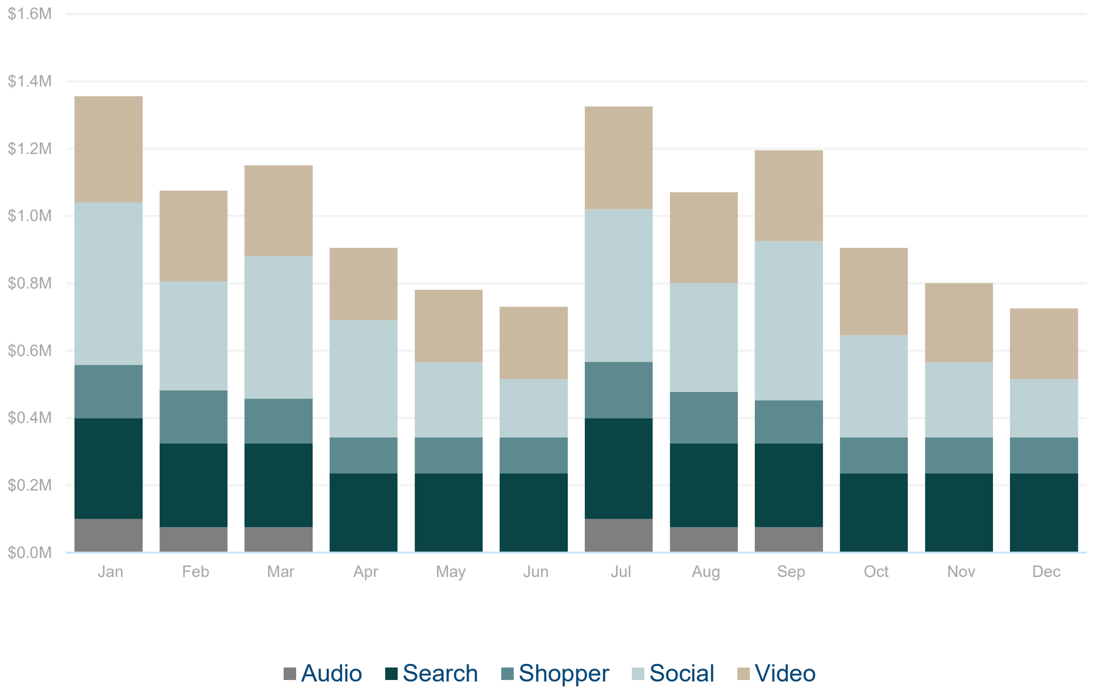


Tactic	2025 Spend	2025 CPC	2026 Tactical Recommendation
Amz Sponsored Products	$2.1M	$2.42	Expand keywords, optimize bids for top keywords
Walmart Search	$216K	$1.45	Reduce keywords, test higher spend level
Google Search	$177K	$1.06	Reduce keywords, test higher spend level
Amz Sponsored Brands	$168K	$2.11	Expand keywords
Amz Sponsored Brands Video	$62K	$2.59	Expand keywords, consider cutting
Google Shopping	$12K	$1.89	Consider cutting

Model's Initial Optimization Output Prefers Consistent Flighting & Known Performers.

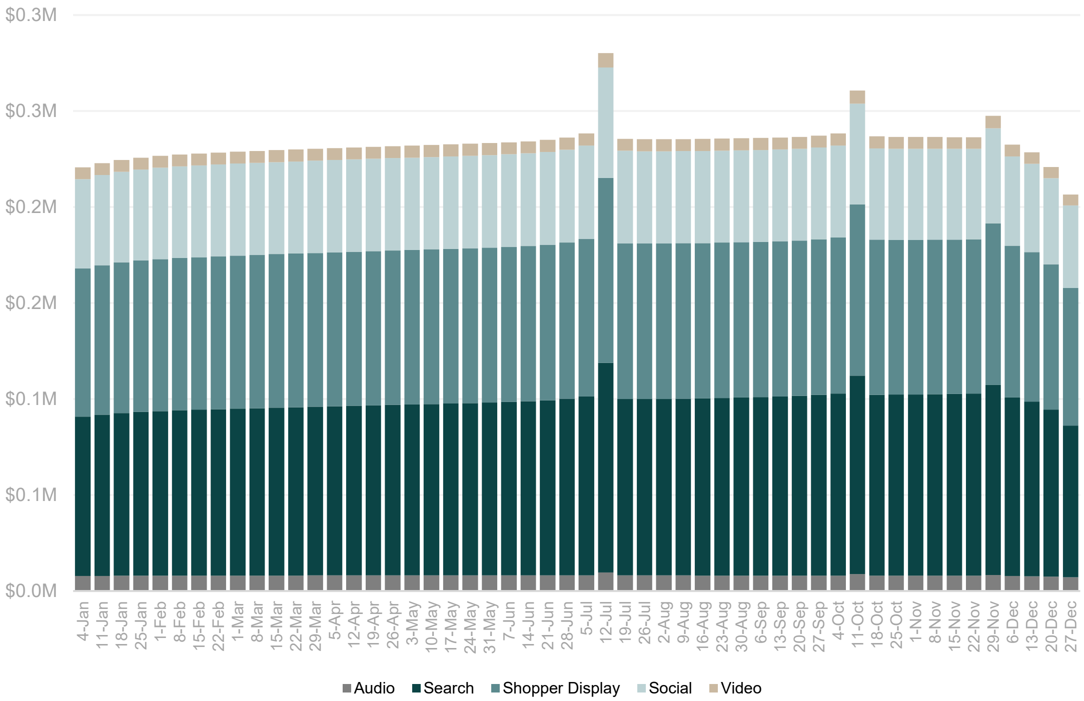
Current Allocation & Flighting - ~$1.24 Profit ROI*

Planned 2026 budget significantly increases Video & Social investment while decreasing Shopper spend. Mix shifts and flighting pattern reduces ROI YoY and limits ability to capitalize on distribution gains.



Optimized Allocation & Flighting - ~$1.42 Profit ROI

Optimization maintains event support and distributes spend consistently throughout the year. Model's reliance on 2025 execution favors lower spend on Video ($0.3M) & Social ($2.5M) until more data validates higher investment levels.



OnTrack analytics

Understanding 2026 Plan Constraints Helps Us Build More Useful Scenarios.

	Objective	Optimization Timing	Total Media Spend	Tactic Spend Constraints	Flighting Constraints
Description	Is the brand priority to maximize overall profits, revenue or optimize a fixed budget?	Do you want to understand how to optimize the next quarter, 2H or full year?	Are there spending scenarios you want to see outside of the existing planned spend?	Which tactics are flexible v. protected? Where are you comfortable reducing spend?	Are there fixed timing requirements for any tactics?
Existing Plan Forecast	None	Q1 As Planned, Q2-Q4 Optimized	$12.8M	TBD	TBD
Scenario 1	Maximize Profit	Q1 As Planned, Q2-Q4 Optimized	$10M	TBD	TBD
Scenario 2	Maximize Revenue	Q1 As Planned, Q2-Q4 Optimized	$15M	TBD	TBD
Scenario 3	Optimize Total Budget	Q1 As Planned, Q2-Q4 Optimized	$12.8M	TBD	TBD

Ready to get OnTrack? **Contact Us**.

ontrackanalytics.co

support@ontrackanalytics.co

847-553-7146

Appendix

Additional Methodology Detail

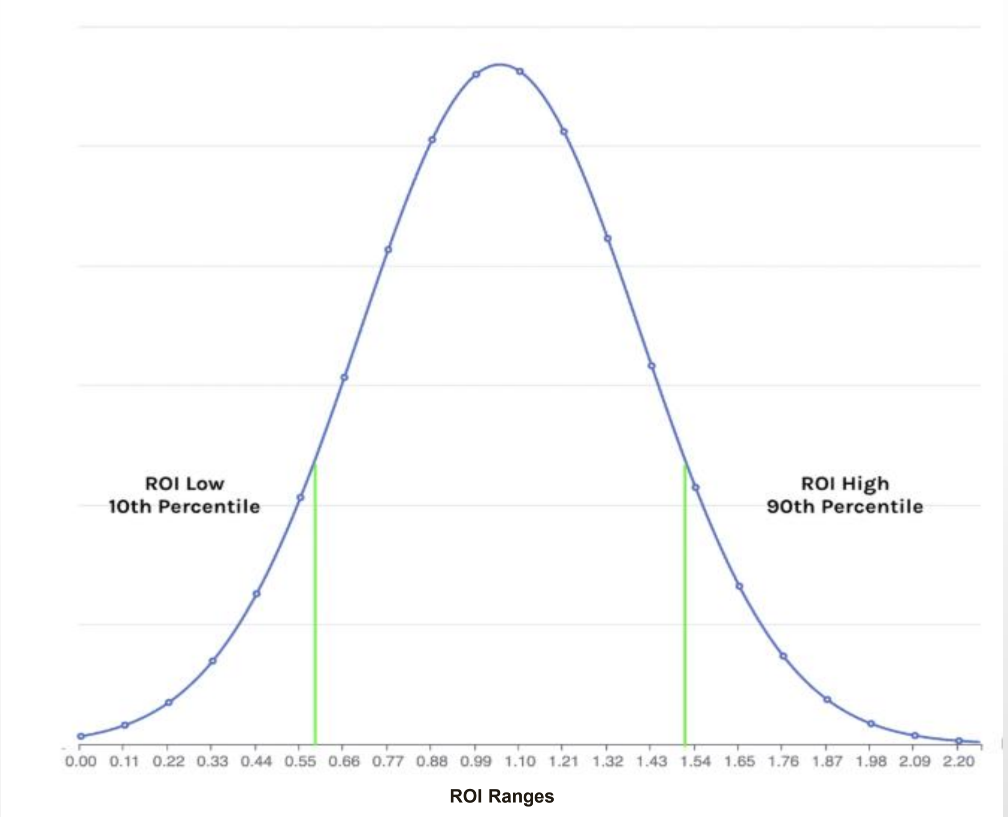
Bayesian Methodology Grounds ROI & Media Transformations To Observed Priors.

Incremental ROI Priors

Our modeling platform* applies structured Bayesian priors to ROI based on historical patterns across thousands of modeled scenarios. These priors constrain estimates to ranges based on real observational data while still allowing client data to drive results.

Media Transformation Priors

Media dynamics are modeled using multi-timescale ad stock structures. The software guides decay rates using tactic-level priors, avoiding the need for manual tuning or guesswork.



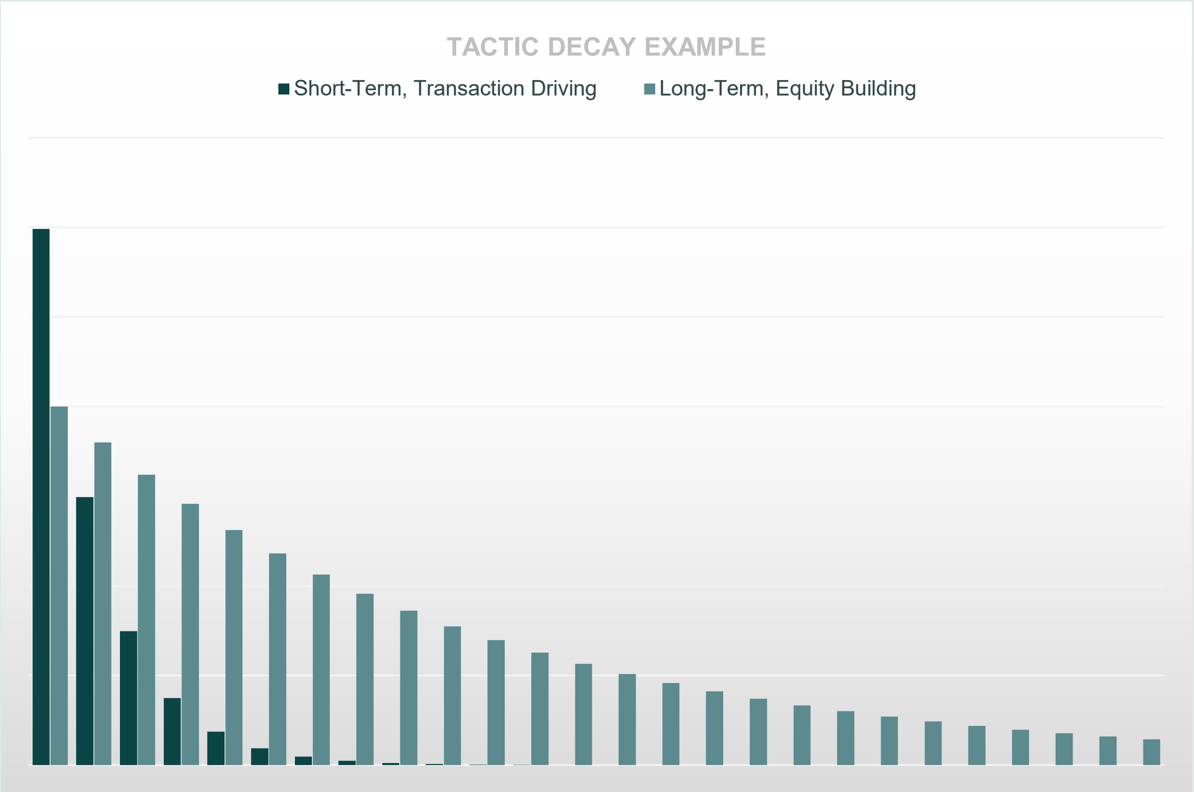
Transformation Priors Reflect Media's Immediate & Long-Term Effects.

Short-Term, Transaction Driving.

Tactics can be classified as short-term tactics or designed to influence outcomes immediately. Priors assume response is concentrated around the period of investment, decaying more quickly once spend is removed.

Long-Term, Equity Building.

Tactics classified as long-term influence outcomes over longer horizons, building effects that accumulate gradually and persist beyond the immediate spend window, resulting in slower decay.



Platform Enables Modeling Estimation, But Expertise Governs Variables & Coefficients.

Variable Selection.

Variables are deliberately selected to reflect known business drivers and media mechanics, rather than including all available data. This prevents noise, redundancy and spurious attribution.

Coefficient Expectations.

Coefficient behavior is reviewed against directional and magnitude expectations informed by context & experience. Modeling platform can produce implausible signs or exaggerated effects making human judgement critical.

MODEL ESTIMATION STATISTICS EXAMPLE

Variable	Elasticity Estimate	Standard Error
Baseline	11.0967	0.0196
Distribution – Natural	1.0282	0.4529
Amazon DSP	0.0409	0.0064
Meta	0.0096	0.0047
Economic	(0.1298)	0.1217
Distribution – xAOC	(0.1983)	0.3555
Average Price	(1.1749)	0.7840