

KANTAR

Are we seeing the forest through the trees?

Or how holistic measurement creates a clear path through the marketing maze.



All things digital – a **blessing** or a **curse?**

The rise of digital advertising and performance marketing has provided marketers with real-time, measurable ways to buy, track and optimise media. The ability to steer KPIs around click-through rates, engagement metrics and conversions, resulted in massive budget shifts.

Endorsed by some of the most influential marketing thinkers of the present, the proponents of short-term gathered strength and created a zeitgeist supporting the notion that measuring the direct response of digital media was enough to ensure marketing effectiveness and steer your strategy in the right direction. Efficiency can only improve in that concrete field where metrics and tools are available. Facing intense pressure to deliver results, in an increasingly fragmented media landscape with dangerously volatile economics, marketing professionals have often prioritised short-term activities to defend budgets threatened to be cut.

The shift to online indeed appears to be some sort of a renaissance. Yet, upon closer scrutiny, it brings a lot of issues: an entire industry of bots clicking on ads; lack of consistency in tagging; KPIs measuring session-based metrics; non-linear customer journeys; and the paradox of choice, among others. But most of all, consumer decision-making takes place both online and offline. By quantifying the digital part of the journey, we neither assess the full picture, nor the interaction between the touchpoints, just half the funnel, don't we?

The price of overlooking the long-term effect of brand on your sales is huge. BrandZ, Kantar's longitudinal study conducted over the past 25 years, which covers 21 categories in 54 markets, gives solid evidence of the detrimental consequence of not paying attention to brand building.

In the past ten years, within the three core dimensions of Brand Equity, Meaningfulness shows the steepest drop. It has weakened year-on-year in 13 out of 20 industries: Fashion, Finance, Technology and Automotive are the highlights of this drop. Not surprisingly those categories are among the ones most massively pushing the consumer towards a virtual experience.

Saliency also declined in twelve categories globally, indicating that many brands have become less visible to consumers. Even in building Difference, categories such as Technology, Home Care, Luxury and Leisure have lost part of their shine. Brands which don't incorporate Meaning and Difference into their positioning can improve their top of mind, but most of the time they will amplify a sort of empty Saliency. This may weaken the connection with the consumer, making it easier to be replaced with another brand just a few clicks away. It ultimately puts the business at risk in the long run.

This article highlights a few reasons for this phenomenon and suggests ways to tackle the problem in a constructive manner. As context, we interviewed more than 30 senior professionals across EMEA focusing on marketing effectiveness in their organisations, within and outside of Kantar's client base. They are primarily advertisers from enterprise or smaller enterprise companies, but also media publishers and advertising agencies.

Is excessive focus on performance marketing weakening brands in the long run?

Why do some marketers intentionally look at half of the picture?

Following this one-sided focus, companies struggle to apply more holistic methods to ensure marketing efficiency and effectiveness. That's not only about media budget size and allocation, but the proper work of the advertising gear within a complex marketing engine.

Even though an accurate Marketing Mix Model is the only source that taps on the core commercial drivers, a significant group of marketers are still hesitant to look beyond the lower funnel metrics.

Why is that the case? The arguments against MMM can be summarised as follows:

1

MISAPPREHENSION

The impression that the MMM can serve only higher-level strategic purposes is the main reason why investment in it is frowned upon. A great deal of marketers believe that Marketing Mix Modelling is not able to slice and dice the learnings deeper and that they cannot optimise on publisher, channel, target group or campaign level.

2

COMPANY POLITICS

Marketing teams in a complex organisation depend on a certain degree of consensus. Determining what will be prioritised in a budget requires liaison and substantial empowerment from the steering group. A tension between departments leads to questioning the validity of a measurement system, which makes disrupting the current status quo across business units hard to achieve.

3

DATA SOURCING

Few companies can be properly considered at the vanguard of the data maturity process. In many cases data is not organised or stored under single governance, which makes it challenging to run and update MMM projects in due time. Implementing data governance protocols, aligning stakeholders internally and externally, and building data warehousing are all challenging steps in the process.

Strategy versus tactics: is MMM neglected for being predominantly strategic?

Why do **savvy** marketers include MMM in their toolkit?

The reasons for starting with MMM vary across companies' set of circumstances, challenges, and priorities. The decision to implement Marketing Mix Modelling is typically a result of a combination of these factors and the company's overall goal and vision. Reasons for implementing MMM fall into two main categories:

Strategic endeavours to bring the business further:

BUSINESS NEEDS

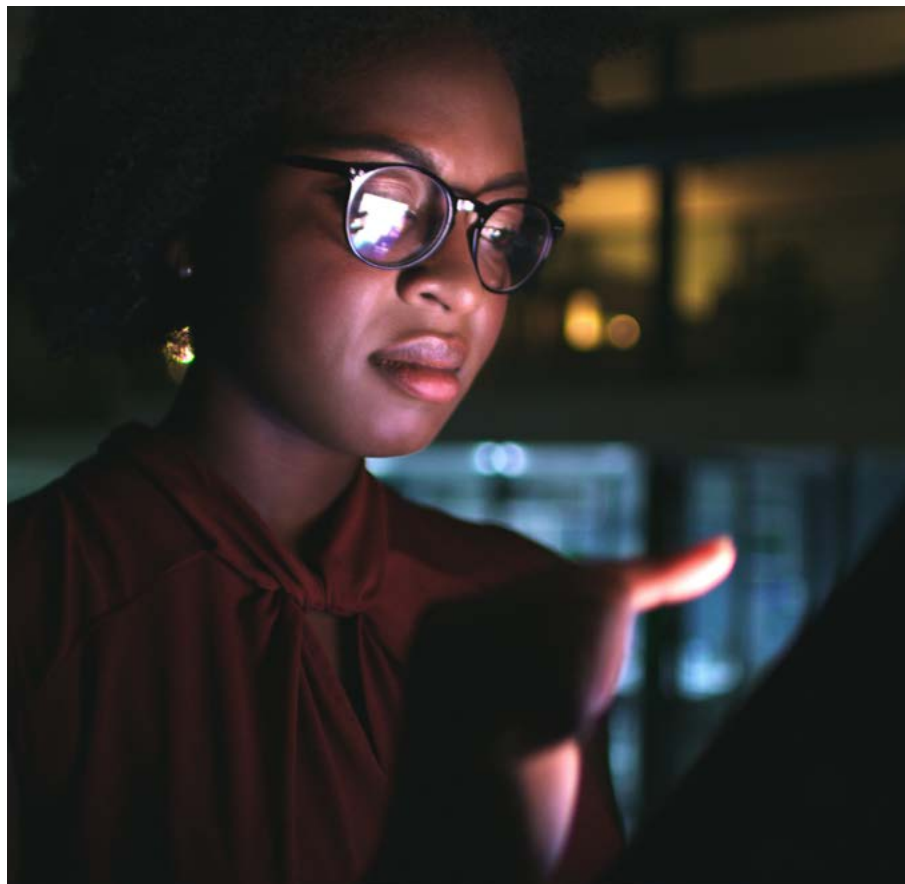
The decision to implement a MMM framework often stems from specific business challenges or needs such as the difficulty in measuring the impact of offline media on sales, grasping the effect of rather special levers like sponsorship, optimising fragmented media inventory, or improving the approach on measuring brand building efforts.

HISTORY WITH ATTRIBUTION MODELS

Marketers who previously tried out MMM, normally stick with a top-down, model-based approach due to their desire for a more holistic and overarching strategy. Companies, where Attribution Models co-exist as part of their optimisation process, do recognise the flaws of last-click attribution, and face another challenge with the upcoming extinction of third-party cookies.

HOLISTIC MEASUREMENT

Quantifying the impact of non-media efforts like promotions, pricing, distribution, creative effectiveness, etc. motivates the majority of marketers to embrace more comprehensive methodologies within the MMM paradigm. These can shed light on pillars that are harder to measure, but whose steering is of utmost importance to the C-suite.



Tactical moves to make daily business more efficient and bring more results spot-on:

BALANCING BRAND VS. PERFORMANCE MARKETING

With standard media planning tools you cannot tell which media channel will work best for increasing the Brand Equity dimension (Meaning, Difference or Salience) that is vital to grow. Without a proper MMM looking both at the short — but also at the long-term — impact of media on sales, it is hard to find the right balance between Brand and Performance marketing.

INTERNAL ALIGNMENT AND STAKEHOLDERS' BUY-IN

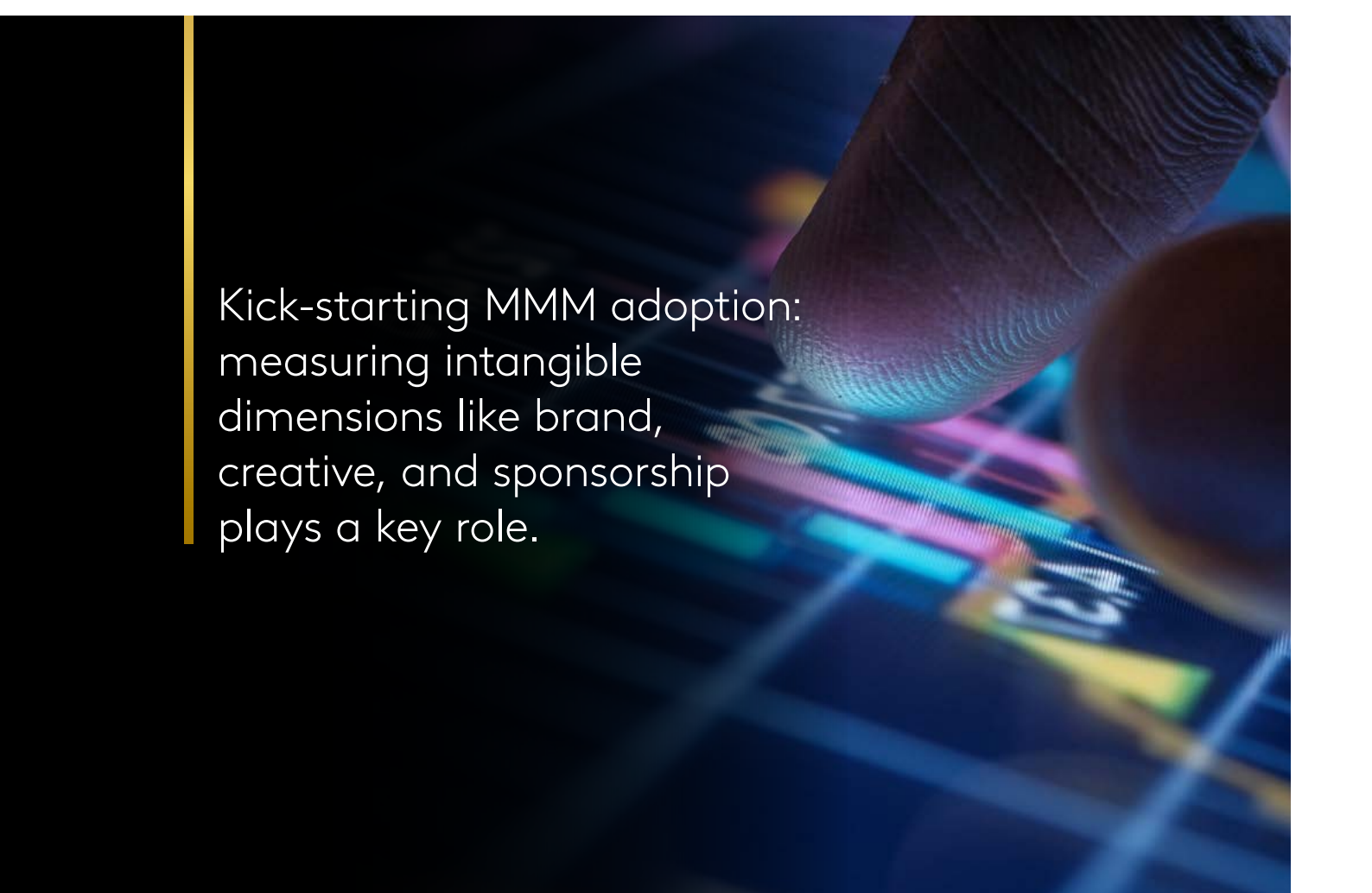
MMM connects the dots of different sources of insights and indicators bringing one source of truth to the marketing agenda. Aligning stakeholders, within and outside of the company, is a decisive factor in the decision-making chain.

INDUSTRY TRENDS

External influences, such as industry benchmarks or success stories from competitors, play a role in the decision to deploy MMM. It is seen as a best practice in the industry and a must for those wanting to stay on top of the wave.

DATA AVAILABILITY

Companies with access to comprehensive and reliable data are more inclined to go with MMM. Having a mature data infrastructure and the ability to gather and treat data from various sources is crucial.



Kick-starting MMM adoption: measuring intangible dimensions like brand, creative, and sponsorship plays a key role.

What are the **options** on the MMM menu?

Should a company be interested in taking advantage of MMM insights, there are three main options for implementing it: building capabilities in-house; using the services of a media agency or the expertise of an analytics consultancy. Kantar's "Media Reactions 2022" revealed that marketers first and foremost trust their in-house teams and analytics agencies. Media agencies are far behind.

Nonetheless, each of those has its pronounced pros and cons and is suitable for companies in different stages of their development and management. Here we offer a short overview of the arguments "for" and "against."

MEDIA AGENCY


Starting from the nearest in proximity for most companies' option, delegating MMM-type work to their media agency is a logical step. It is convenient on multiple levels due to data and tools accessibility, known stakeholders, dynamics in the companies and shorter communication lines. Price is an additional advantage of media agency's service, together with pre-existent clarity on the business context and consistency in the language spoken.

The raised disadvantages include questions around validity and reliability due to potential conflict of interests. Often the applied methodologies lack sophistication. Namely, long-term impact of brand on sales is not measured, but awareness is pushed into some short-term modelling or external and other relevant factors are not embedded in the models. All this leads to a decreased level of credibility and inability of marketers to leverage the work internally. Finally, media-agency-led MMMs tend to be built as a back-mirror tool, often updated only on an annual basis.

IN-HOUSE EXECUTION

Bringing MMM work in-house is quite a commitment. It requires substantial budget, infrastructure and even build-up of manpower. For big enterprises, which can financially afford it, creating the capabilities internally to run models and provide the consulting can pay off. It gives the prospect of scaling up to cover a larger part of the business, and ultimately reach higher speed in delivering insights with a more frequent cadence, while maintaining data ownership. Evangelists of this modality also value the flexibility that an internal team has in incorporating variables that are often specific to the organisation.

Building such an analytics powerhouse calls for substantial investment in a data science and consulting team, data warehouse and overall infrastructure, plus building a reputation internally. It is a long haul, which demands internal alignment, C-suite-level support and commitment of an experienced effectiveness team. Frequently, at least during the set-up, teams are built prioritising a data science skill set but lacking insights capacity or vice-versa. Excelling at everything at once and building functioning capabilities does not happen overnight.



The implementation dilemma:
is the MMM a luxury or a
DIY discipline?

ANALYTICS AGENCY

To quote one of the interviewees: *"It is a luxury to work with an analytics provider"*. First and foremost, the level of consulting is perceived as a great asset as well as the impartial view. That has to do with wide expertise and knowledge about a plethora of categories, plus possession of industry benchmarks and norms. Analytics agencies gather 1st party data and have dedicated focus areas, which is an added value. Application of best-in-class methods and usage of cutting-edge technology are also valued.

One of the drawbacks of working with a third party insights provider is that it takes time to set up the programme as well as to onboard, get to know the stakeholders and the specific business context. Price is another concern, especially in the context of the inability to accommodate all business units with the desired cadence. Moreover, the stricter rules when it comes to a solid methodology applied and the data itself remain a point. Dependent on the size of the agency, local expertise can be seen a plus or the lack of it as a big minus.

How can you “nail it” on the marketing effectiveness scene today?

The main takeaways from our experience and conversations with senior marketers is that much has been said and done in terms of setting up an efficient framework for measuring and optimising marketing spends. In theory it is all clear, yet the practical implementation shows different results. The lack of a precise and wide understanding regarding the parameters of a truly unified marketing measurement and optimisation still stands. Kantar’s input about how to ensure thorough coverage of any need related to marketing budget setting:

The term ‘Unified’ not only translates into adding more variables in numerous granularities in contrast to the digital-only perspective but it actually does the following:

- Treats the whole marketing environment in its complexity, from the strategic elements such as the balance between brand building and performance, to the control over media territories, which enables appropriate optimisation.
- Reallocates, on a tactical level, budgets across different publishers, formats and target audiences to enable further optimisation, similar to what is provided by attribution models but in a holistic manner.
- Provides more than just a broad perspective: it offers a comprehensive and multidimensional approach to budget allocation, resulting in increased efficiency and effectiveness. By striking the right balance between brand building and performance efforts, unified marketing allows driving higher volumes. It maximises ROI by leveraging all ad assets to their optimal level.

Unified is not only looking into all the variables available, but bridging strategy to tactics to provide a comprehensive and actionable perspective.

The ways to do that rely on two core aspects: powerful modelling techniques that ensure granularity and flexibility and the ultimate solution to the accuracy problem. Even though highly accurate models are quite an achievable undertaking, as the market evolves, accuracy drops significantly across the year as new players, media, price levels and disruptive factors strike.

The resolution to this problem involves implementing an intelligent system of models that undergo continuous updates and refinements, typically on a monthly or quarterly basis. This system adapts to evolving market patterns and offers fresh perspectives. It not only evaluates your media plan but suggests a better alternative.

For more information visit our landing page [Understand your Unified Marketing Measurement and Optimisation \(UMMO\) with Kantar.](#)

Authors



Inna Ivanova-Genova
Analytics Business Consultant
Kantar, Netherlands
inna.ivanova-genova@kantar.com



Mauro Fusco
Global Brand and Media Analytics Lead
Kantar, EMEA
mauro.fusco@kantar.com

What was once considered the holy grail of marketing is now highly achievable through automated data collection and applying artificial intelligence. This enables the blending of new data threads with existing models at a large scale in a cost-effective manner. Marketers have the tools to assess their most recent campaigns and continuously optimise the next ones holistically. That keeps the brand in focus while empowering marketing to foster a sustainable future and driving business growth.

Kantar is the world's leading marketing data and analytics business and an indispensable brand partner to the world's top companies. We combine the most meaningful attitudinal and behavioural data with deep expertise and advanced analytics to uncover how people think and act. We help clients understand what has happened and why and how to shape the marketing strategies that shape their future.