

Think with Google

# A media effectiveness guide for CMOs (and CFOs)



# 1

## First, a few effectiveness fundamentals

### Always start with business objectives

An objective is a clearly defined goal.

**Business objective:** A broad, top-level goal for your company (e.g. increasing revenue, profit margin or volume).

**Marketing campaign objectives:** Campaign goals designed to support your business objectives (e.g. increasing awareness in order to find and secure new customers).

### Differentiate between KPIs and metrics

The terms 'metrics' and 'KPIs' are often used interchangeably because they both refer to quantifiable measurements, but they are not the same thing.

[A KPI \(Key Performance Indicator\)](#) is a measurement of progress towards a specific goal. It's a metric useful for explaining why a campaign succeeded or failed. For example, if you want to beat your personal best on a 100m sprint, what you care about most is your running time: that's your KPI. Everything else – stride length, pace, arm swings rate, etc. – are the metrics that help you pursue your goal.

|                            | Campaign KPIs                                             | Campaign metrics                                                                                                                                          |
|----------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Answer the question</b> | Did I succeed or fail?                                    | Why did I succeed or fail?                                                                                                                                |
| <b>By defining</b>         | Business marketing objectives                             | How marketing objectives will be delivered                                                                                                                |
| <b>How many?</b>           | One objective per campaign                                | Many, if they are relevant                                                                                                                                |
| <b>Example</b>             | To increase T-shirt sales by 10% over the next six months | <ul style="list-style-type: none"><li>• Cost per view</li><li>• Completion rates</li><li>• Engagement rates</li><li>• Ad recall</li><li>• Reach</li></ul> |



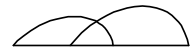
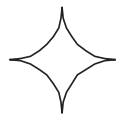
## Set targets and use benchmarks correctly

**Judging a campaign's performance requires setting a target for the KPI.** Target setting is both an art and a science: for mature companies, growth rate is likely to be modest as there is increasingly less room to grow.

However, low single-digit growth for a large brand may translate into more sales than a double-digit growth for a small brand. Therefore, a less established company could reasonably aim for more ambitious growth.

On the other hand, setting targets on a newly tracked KPI may require making a guess the first time around — with history available, past performances can inform targets.

**Benchmarks make it easier to spot if a campaign is underperforming, based on selected metrics.** Benchmarks are averages based on the performance of past campaigns from the brand or from the industry it belongs to.



“With history available, past performances can inform targets.”

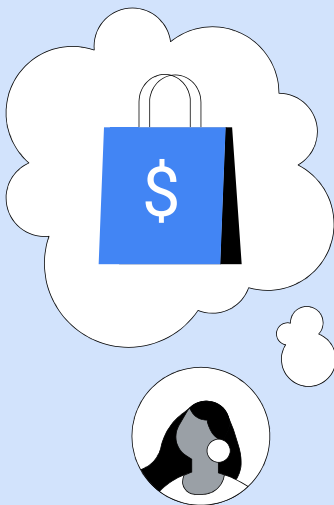


# 2 Customer-centric marketing in focus

## Understand your customer's journey

The core function of marketing is to connect the right people to the right product by providing the right messages at the right time. This boils down to following a potential customer on their purchase journey and communicating the right ideas based on their mindset.

### Awareness



Make sure people **SEE** that your business product or service exists.

Focus on those who match the **desired customer** profile based on their age, gender, interest and behaviours.

### Consideration



Lead people to **THINK** about and/or show interest in your brand.

Focus on those who match the desired customer profile and have shown **some interest** in the advertised product or category.

### Action



Get people to **DO** something, like make a purchase.

Focus on those who have shown a **strong interest** in the advertised brand or product.

### Loyalty



Make people **CARE** enough to purchase more and/or advocate for your business.

Focus on **current customers**.

Consumers' changing preferences and desire for more privacy, regulatory requirements, and internet browsers limiting post-click and post-view tracking have made it more challenging to connect the dots between ad exposure and outcomes. However, modelling can help. With advanced techniques like experiments, marketing mix modelling and attribution, marketers can get a good idea of how ads perform at each stage of the customer journey.

## Balance short and long term

Your marketing strategy can work in one of two ways: driving sales in the short term or securing long-term sales by cultivating prospects who will be prepared to buy in the future.

Through advertising, it is possible to build on your brand's familiarity and recognition with customers, and encourage people to choose your products over the competition's. An ad seen today can trigger short-term sales while also ensuring future sales. Numerous studies have shown this long-term impact, such as the [2021 Nielsen Brand Resonance Report](#), which stated that +1 percentage points (ppts) in awareness and consideration yields +1 ppts in sales later on.

**The savviest marketers invest across all stages of the customer journey and measure, at each one, the impact of marketing on the intended outcomes.** While all ads should eventually lead to sales, it is a mistake to use short-term sales to measure the success of campaigns that were designed to create awareness and consideration.

Calculating long-term impact is an iterative process: it will a) look different for different industries, depending on consumer sales cycles; b) differ from how your competitors calculate it, since they might be at a different maturity stage; and c) shift over time, as consumer habits change.



# 3

## Measurement responsibility

### Assign a Marketing Measurement Lead

Measurement is key for smarter media use. Marketers that invest over 10% of their total budget in measurement are [more likely to beat their sales targets](#) by 25% or more.

Furthermore, McKinsey research shows that even though 83% of CEOs see marketing as a growth driver, [45% of CFOs have declined a marketing budget](#) because it didn't demonstrate a clear line to value.

Since measurement is key for proving the value of marketing, it should be one of the responsibilities of the marketing department — and since the CMO has ultimate responsibility for that area, it becomes their responsibility if no one else in particular is assigned that role.

However, in recessionary times, the pressure on the CMO can be high, so to help them focus across all the areas required, we recommend the these three steps:"

1. Assign a measurement lead
2. Centralise all marketing measurement through this person
3. Measure marketing effectiveness based on business outcomes throughout the entire customer journey

### Measurement lead qualifications:

- No PhD in statistics needed — measurement is as much about people as it is about numbers! There are many tools that help a measurement lead do their job.
- Must be relentlessly passionate and curious about the customer journey across all channels and devices.
- Responsible for developing, clarifying, deploying and acting upon a shared KPI framework, which brings all marketing teams together to learn, adopt and rely on it.
- An expert storyteller — a measurement lead should be able to combine learnings from multiple tools, analyses and providers into a narrative about marketing performance that is distributed and shared throughout the entire organisation and used when discussing marketing and media budgets with the CFO and CEO.

## Build your measurement toolkit

### Measuring awareness campaigns

Choose a KPI that best represents your campaign objective

| Tools                   | Metrics                                                                                                                      | What it measures                                          |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| Brand lift surveys      | Awareness                                                                                                                    | Did my brand awareness improve?                           |
| Marketing mix modelling | Short and long-term ROI<br>(Caution: do not use short-term sales ROI for measuring the effectiveness of awareness campaigns) | What is the short and long-term ROI from awareness media? |

If the ideal KPI is not measurable, choose one metric to be your 'Proxy KPI'




| Tools                                                      | Metrics                                      | What it measures                                                                   |
|------------------------------------------------------------|----------------------------------------------|------------------------------------------------------------------------------------|
| Brand lift surveys                                         | Ad recall                                    | Do ad-exposed audiences recall my ad?                                              |
| Active View                                                | Viewable impressions                         | How many times were my ads viewed?                                                 |
| Third Party Verification tools<br>(e.g. IAS, Doubleverify) | % of viewable impressions                    | What share of impressions are in view?                                             |
|                                                            | % of brand safety passed/ failed impressions | What share of impressions did not pass my brand safety standards?                  |
|                                                            | % of fraudulent impressions                  | What share of impressions were fraudulent?                                         |
|                                                            | Video completion rates                       | How much of the video did audiences watch?                                         |
| Reach Metrics                                              | Unique users                                 | How many people saw my ad?                                                         |
|                                                            | Daily views                                  | How many daily views did my ad get?                                                |
|                                                            | Average impression frequency per user        | How many times did a user see my ad?                                               |
| Third Party Reach & Frequency                              | Unique reach                                 | How many people saw my ad?                                                         |
|                                                            | Impressions                                  | How many total views did my ad get?                                                |
|                                                            | Frequency                                    | How many times did a user see my ad?                                               |
| Cross-media reach                                          | Incremental reach                            | How many people were reached exclusively by a given media channel?                 |
| Google Trends                                              | Share of Search                              | What share of all searches in the category is coming from my brand's own searches? |






**Pro tip!** Avoid measuring awareness campaigns based on short-term actions like site visits, search queries or sales — most people who become aware of a brand do not immediately react. Awareness is about creating a memory of the brand in relation to a particular category.

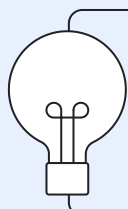
## Measuring consideration campaigns

Choose a KPI that best represents your campaign objective

|  Tools |  Metrics                                     |  What it measures |
|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| <b>Brand lift surveys</b>                                                               | Brand favourability                                                                                                           | Did the impression of my brand improve?                                                             |
|                                                                                         | Consideration                                                                                                                 | Did consideration of my brand improve?                                                              |
|                                                                                         | Purchase intent                                                                                                               | Did purchase intent of my brand improve?                                                            |
| <b>Marketing mix modelling</b>                                                          | Short and long-term ROI (Caution: do not use short-term sales ROI for measuring the effectiveness of consideration campaigns) | What is the short- and the long-term ROI from Consideration media?                                  |
| <b>Micro-conversion tracking on the website</b>                                         | Newsletter sign-ups                                                                                                           | What actions were completed on my website that are known to be leading indicators of sales?         |
|                                                                                         | Pages visited                                                                                                                 |                                                                                                     |
|                                                                                         | Videos played                                                                                                                 |                                                                                                     |
| <b>Micro-conversion tracking on the mobile app</b>                                      | In-app events                                                                                                                 | Did exposed audiences complete an in-app action as a result of media?                               |
|                                                                                         | App downloads                                                                                                                 | Did exposed audiences download my app as a result of media exposure?                                |

If the ideal KPI is not measurable, choose one metric to be your 'Proxy KPI'

|  Tools |  Metrics |  What it measures |
|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| <b>Google Trends</b>                                                                      | Query volume                                                                                | What is the volume of Indexed Google Search Query?                                                    |
|                                                                                           | Share of Search                                                                             | What share of all searches in the category is coming from my brand's own searches?                    |
| <b>Conversion lift</b>                                                                    | Incremental micro-conversions                                                               | How many of my micro-conversions would not have happened if the person didn't see the ad?             |
| <b>Previous/benchmark views</b>                                                           | View-through rate (VTR)                                                                     | What is the volume of conversions from audiences who saw my ad?                                       |
| <b>Previous/benchmark clicks</b>                                                          | Click-through rate (CTR)                                                                    | What is the volume of conversions from audiences who clicked on my ad?                                |






**Pro tip!** Measuring consideration campaigns based on short-term actions, like site visits, search queries or sales, may not be the correct approach for all brands — most people who increase their consideration of a brand, product or service do not immediately react by completing an action on the brand's site. Consideration is about winning hearts and minds.






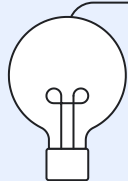
## Measuring action campaigns

Choose a KPI that best represents your campaign objective

|  Tools |  Metrics               |  What it measures |
|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| Intra-channel attribution                                                               | Return on ad spend (ROAS)<br>Return on investment (ROI)<br>Cost per action (CPA)<br>Cost of sales (COS) | What is the relative profitability of media investment by channel?                                  |
| Cross-channel attribution                                                               |                                                                                                         | Did ad-exposed audiences go in store after seeing my ad?                                            |
| Store visits                                                                            |                                                                                                         | How much did my ads sell offline?                                                                   |
| Store sales direct                                                                      |                                                                                                         | What is the relative profitability of media investment by channel?                                  |
| Marketing mix modelling                                                                 |                                                                                                         | Did my ad generate incremental conversions that would not have happened otherwise?                  |
| Conversion lift (user-based)                                                            | Relative lift in conversions, incremental conversions (iCPA, iROAS)                                     | Did my ad generate incremental conversions that would not have happened otherwise?                  |
| Conversion lift (geo-based)                                                             | Relative lift in conversions, incremental conversions (iCPA, iROAS)                                     | Did my ad generate incremental conversions that would not have happened otherwise?                  |

If the ideal KPI is not measurable, choose one metric to be your 'Proxy KPI'

|  Tools |  Metrics |  What it measures |
|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| Micro-conversion tracking on the website                                                  | Lead submissions                                                                            | Do prospects become leads as a result of media exposure?                                              |
|                                                                                           | Purchases/transactions                                                                      | How much did my ads sell online?                                                                      |
| Micro-conversion tracking on the mobile app                                               | In-app purchases                                                                            | What volume of in-app purchases did my ad deliver?                                                    |
|                                                                                           | Downloads                                                                                   | Did exposed audiences download my app?                                                                |



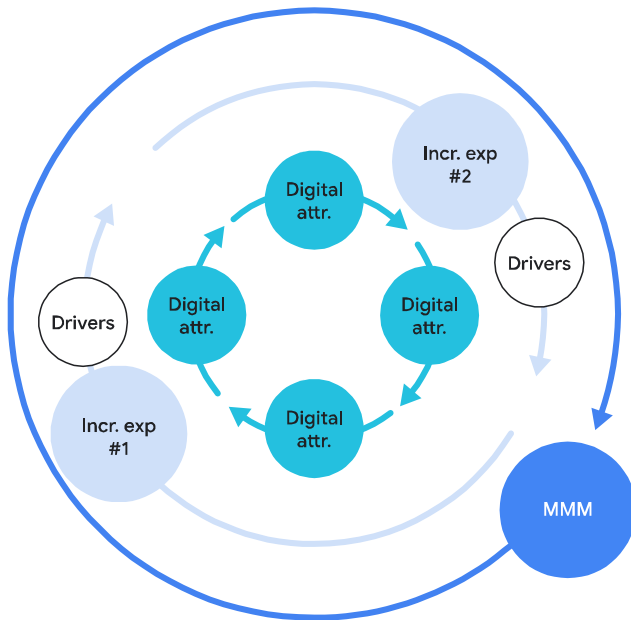
**Pro tip!** Measuring sales impact may require using more than one tool, including offline and online media as well as offline sales channels, to ensure comprehensiveness and granularity (results at the channel, campaign and ad level). For example, it may be necessary to use attribution — to receive ongoing insights into digital campaign performance — while using marketing mix modelling to allocate credit between traditional and digital channels.

Be sure to use a non-last-click attribution (preferably a data-driven attribution) to assess digital campaign performance more fairly.

# 4

## Making your toolkit work together

Balance action and accuracy through a combined approach



### Sample annual testing framework

#### Digital attribution

Continuously optimise your channel performance

#### Incrementality experiments

Validate if your investments are delivering results

#### Marketing mix modelling

Drive strategic decisions around strategic budget allocation

# 1.

**Step 1:** Use data-driven attribution to optimise across channels, leveraging campaign-level results. Be clear about your attribution solutions' blind-spots, i.e. which channels may be underrepresented or may not be included in the scope.

# 2.

**Step 2:** Use studies that isolate a channel's incremental impact to measure the true effect of the underrepresented channels from step 1, ideally by analysing the same outcome as in digital attribution. To capture the effect of upper-funnel campaigns from YouTube (awareness, consideration) use Brand Lift studies, since these campaigns are not designed to drive short-term sales.

# 3.

**Step 3:** Invest in custom MMM, which measures the effects of all media (offline and online) on all sales (offline and online), to make annual budget decisions. Use marginal ROI results to guide investment across channels, and use historic revenue or outcome contributions by channel to get a better view of digital attribution blind spots.

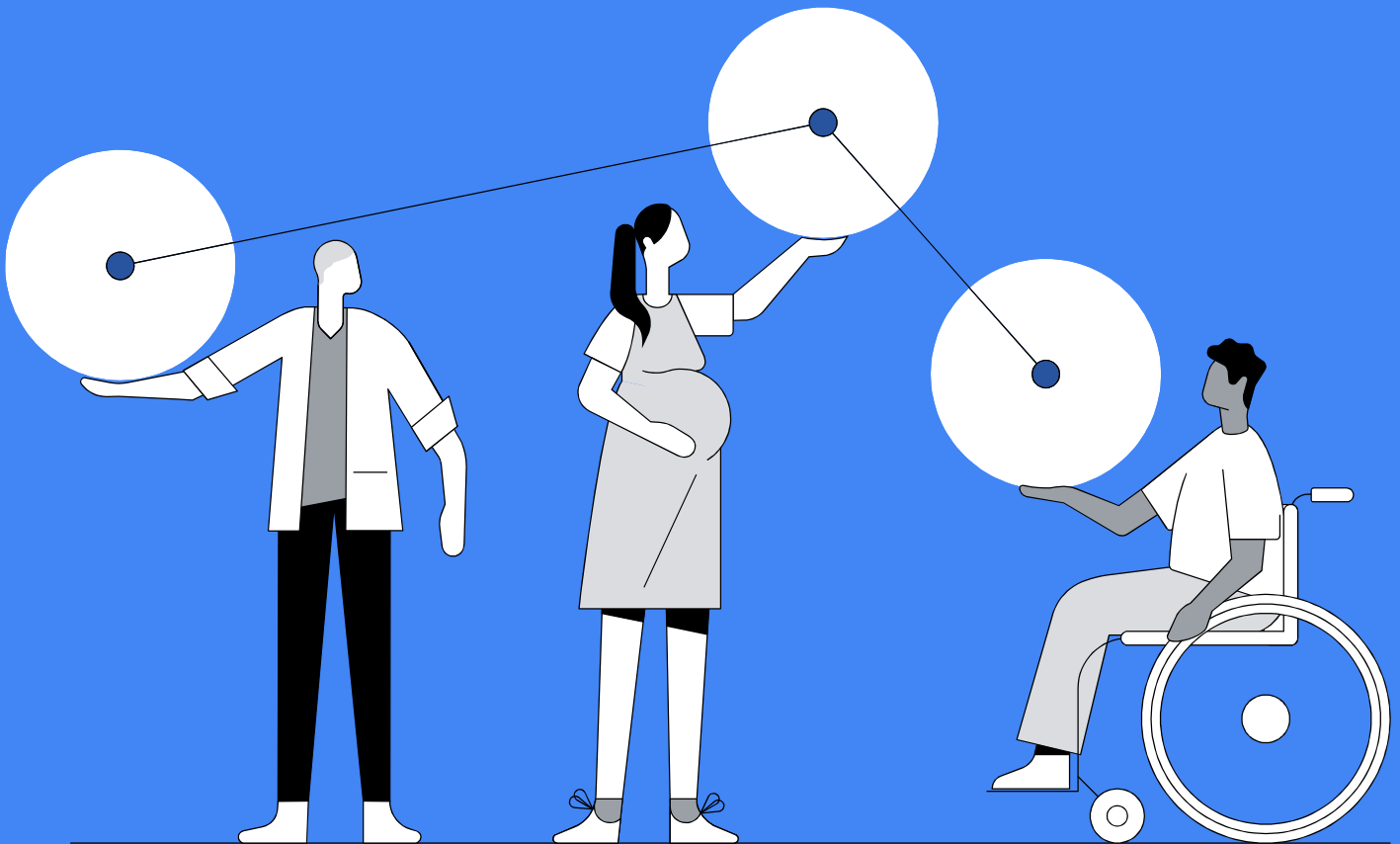
# 4.

**Step 4:** Repeat steps 1-3.

# 5

## Democratise data via dashboard

Build a data-driven culture by making KPIs accessible to all



### 1.

- Use data visualisation packages such as Data Studio to aggregate KPIs in one view and demonstrate marketing impact on business.
- Start each week by examining how your marketing campaigns' KPIs are performing.
- Share progress on KPIs across the entire organisation and bring data to all meetings.

### 2.

- Instead of asking team members “what do you think?”, ask “what does data suggest we do?”

### 3.

- Aim for better, not perfect: embrace margins of error and statistics to drive reliability.
- Adopt a test-and-learn mindset and encourage sharing learnings from errors.

# 6

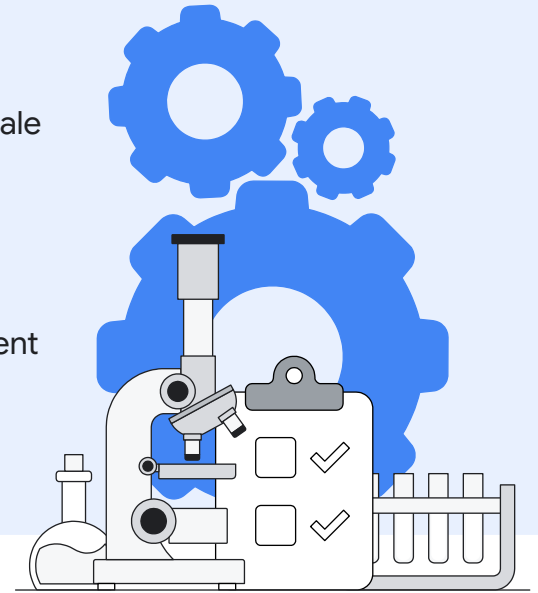
## Build a culture of continuous learning

### Adopt a test-and-learn mindset

**What is a test?** A procedure intended to establish the quality, performance or reliability of something, especially before it's widely used.

The **test-and-learn** process measures the effects of small-scale changes in order to answer key questions. **Brands that test-and-learn achieve a 25-70% higher ROI\*.**

The **test-and-learn program** process has a defined learning agenda, a pipeline of hypotheses to test, a suite of measurement solutions to apply to each hypothesis and a set group of stakeholders who make business decisions based on the outcomes of the test.



### Example of how test-and-learn works

#### January

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#### October

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#### August

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#### September

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#### October

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#### November

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#### December

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**1** Test: Performance Max

**2** Measurement: ROI in MMM

**3** Action: Scale or improve and re-test



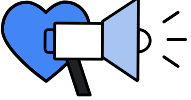
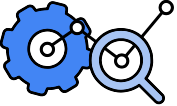
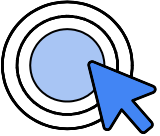
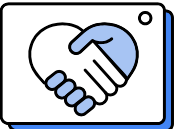
**Pro tip!** Test-and-learn processes can work with a number of different measurement solutions. Savvy marketers use a toolkit that enables them to choose an appropriate measurement tool for each type of question.

\*Source: Analytic Partners, ROIgenome Intelligence Report, The Advertising Revolution, 2021



# Measurement workbook

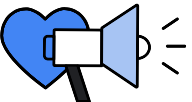
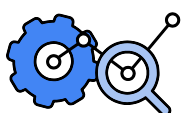

How does media help fulfil your marketing objectives at each stage of the customer journey? How should success be measured?

|                                                                                                             | What do we expect audiences to <b>think, feel, or do</b> after seeing the ad? | How should we <b>measure</b> the outcome? | Which <b>tools</b> should we use? | Which media metrics can help <b>optimise campaigns</b> or add insights? |
|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------|-----------------------------------|-------------------------------------------------------------------------|
|                                                                                                             | Objectives                                                                    | KPIs                                      | Tools                             | Metrics                                                                 |
| <br><b>Awareness</b>       |                                                                               |                                           |                                   |                                                                         |
| <br><b>Consideration</b> |                                                                               |                                           |                                   |                                                                         |
| <br><b>Action</b>        |                                                                               |                                           |                                   |                                                                         |
| <br><b>Loyalty</b>       |                                                                               |                                           |                                   |                                                                         |

# 8

## Measurement workbook example

How does media help fulfil your marketing objectives at each stage of the customer journey? How should success be measured?

|                                                                                                                 | What do we expect audiences to <b>think, feel, or do</b> after seeing the ad? | How should we <b>measure</b> the outcome? | Which <b>tools</b> should we use?                                                      | Which media metrics can help <b>optimise campaigns</b> or add insights?                             |
|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
|                                                                                                                 | <b>Objectives</b>                                                             | <b>KPIs</b>                               | <b>Tools</b>                                                                           | <b>Metrics</b>                                                                                      |
|  <p><b>Awareness</b></p>       | To improve how much a well-known brand is liked                               | Brand favourability                       | Brand lift study                                                                       | <ul style="list-style-type: none"> <li>• Ad recall</li> <li>• Reach</li> <li>• Frequency</li> </ul> |
|  <p><b>Consideration</b></p> | To get people to want to buy the brand                                        | Purchase intent                           | Brand lift study                                                                       | Brand query growth<br>Video completion rates<br>CPM/CPV                                             |
|  <p><b>Action</b></p>        | To maximise revenue by maintaining required profitability                     | ROI                                       | MMM for ROI measurement,<br>Cross-channel attribution for digital channel optimisation | Micro-conversions                                                                                   |
|  <p><b>Loyalty</b></p>       | To make existing customers repeat purchases                                   | Life-Time Value                           | Internal analysis                                                                      | Churn rate<br>NPS<br>Product review<br>Social sentiment                                             |