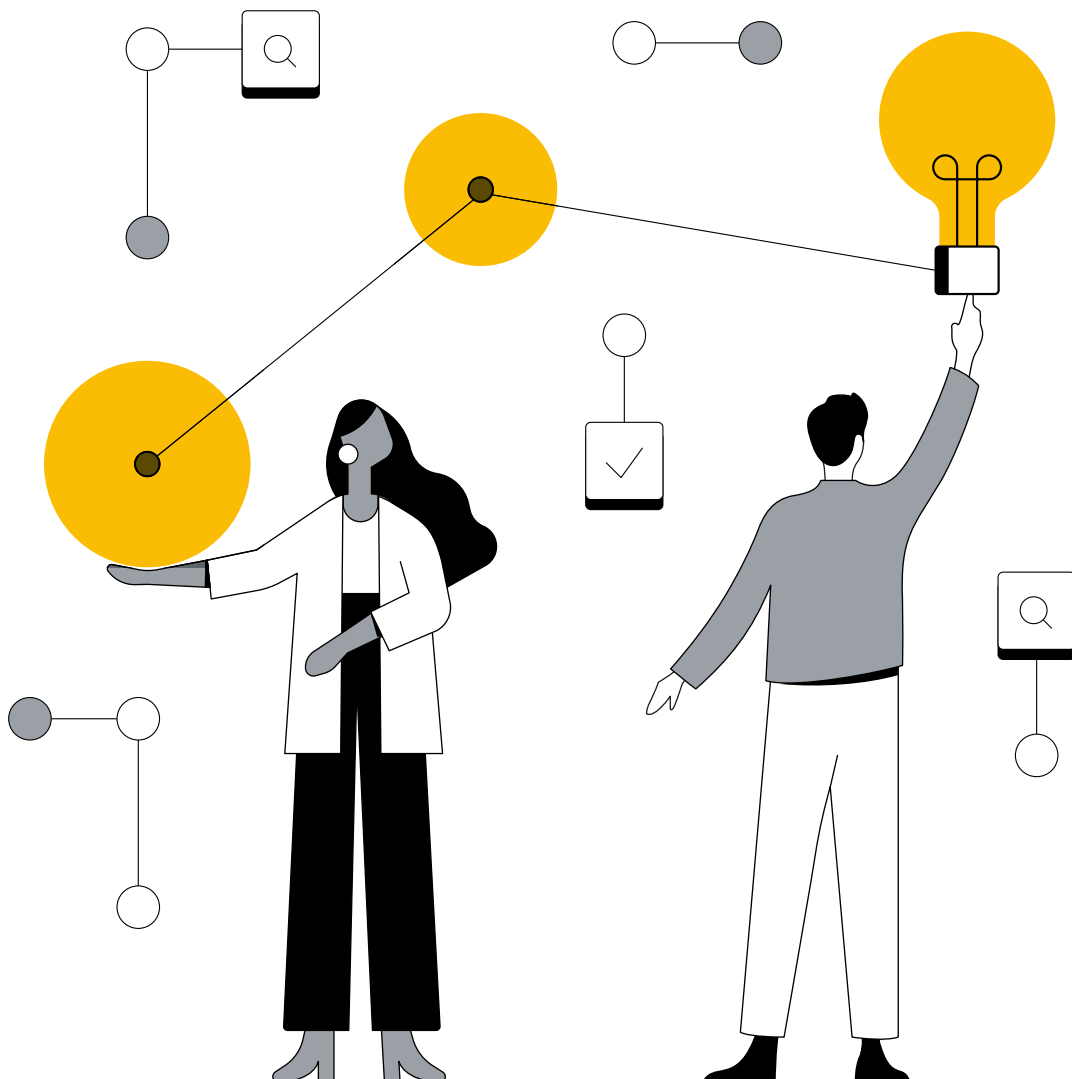


Think with Google

# Modern Brand Measurement

How to report, plan and optimize brand investments



Strong brands deliver superior shareholder returns, providing resilience during times of crisis and delivering a quicker recovery after declines in performance<sup>1</sup>. But while 83% of CEOs believes marketing can be a major driver of growth while half of CFO's have declined marketing proposals since they didn't demonstrate contribution to business outcomes<sup>2</sup>.

In this promemoria, we address measurement practices to help you understand **the value of and how to report, plan and optimize your brand marketing investments which we call Modern Brand Measurement.**

## Understanding the value of brand investments

### **STEP 1** Start by defining the KPI that will track your brand performance and set a target:

Your chosen KPI must have a clear link to business outcomes. You can start by using industry research benchmarks (see below) although we encourage you to also find your own ratios between brand KPIs and commercial impact. By understanding the link to business outcomes, you should also set a target for your chosen KPI - setting yourself up for success having brand marketing maximizing its contribution to your business outcomes. Consider correlational analysis, backed up by experiments (and nested MMM's if possible - see page 3) looking at R2, time lag and slope to understand how the prospective KPI translates into your preferred business outcome.

#### Benchmarks of advertisers from different industries and brand equity levels

- Share of Search has 0.83 correlation with market share (Les Binet).
- +1 pts in Awareness / Consideration yields +1 pts in sales and decrease CPA by -1 pts (Nielsen).

### **STEP 2** Decide which measurement tool you want to include in your framework to track your chosen KPI.

We outline 3 options and recommend using at least 1 and 2. Option 3 will only make sense if you have an MMM.

Sources: 1. BCG "Don't cut your marketing spend, rethink it" 2. McKinsey, "Marketing's moment is now...".

## Setting up brand measurement reporting

1

### Actively collected data - Surveys [All stages]

Brand growth requires a shift in consumer behaviour. To measure attitudinal outcomes use surveys in two ways:

#### 3rd Party Brand Trackers:

Continuous survey tracking of attitudinal KPIs measuring long term effects. Conduct an overarching brand measurement survey which is not specific to media/campaigns. Typically an upper funnel metric (awareness/consideration/favorability) is tracked over larger time series with variants in time intervals.

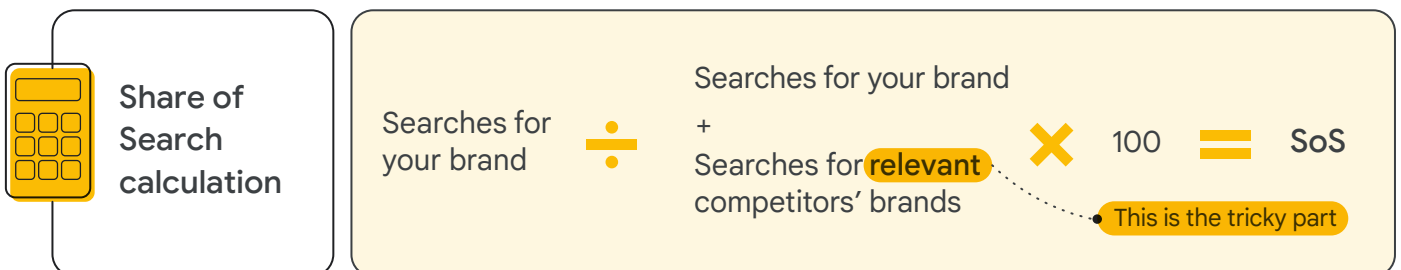
#### Brand lift Studies:

YouTube measurement surveys that identify lift in attitudinal KPIs on a campaign level. Use **Brand Lift surveys** consistently (aka across all eligible campaigns) to understand the baseline performance of your campaigns over time, allowing you to see progress and optimize on those results.

2

### Observed Data - Share of Search (SoS) [All stages]

Share of Search allows you to understand **how your brand is positioned in comparison to its competitors** by calculating the share of active consumer interest that your brand is getting (see formula below). The result will be impacted by brand media investments, but also other factors. The better you understand your competitive landscape, the more relevant SoS will be. Unlike surveys, SoS can be used easily over time and across markets which makes it a great tool to detect trends and patterns.

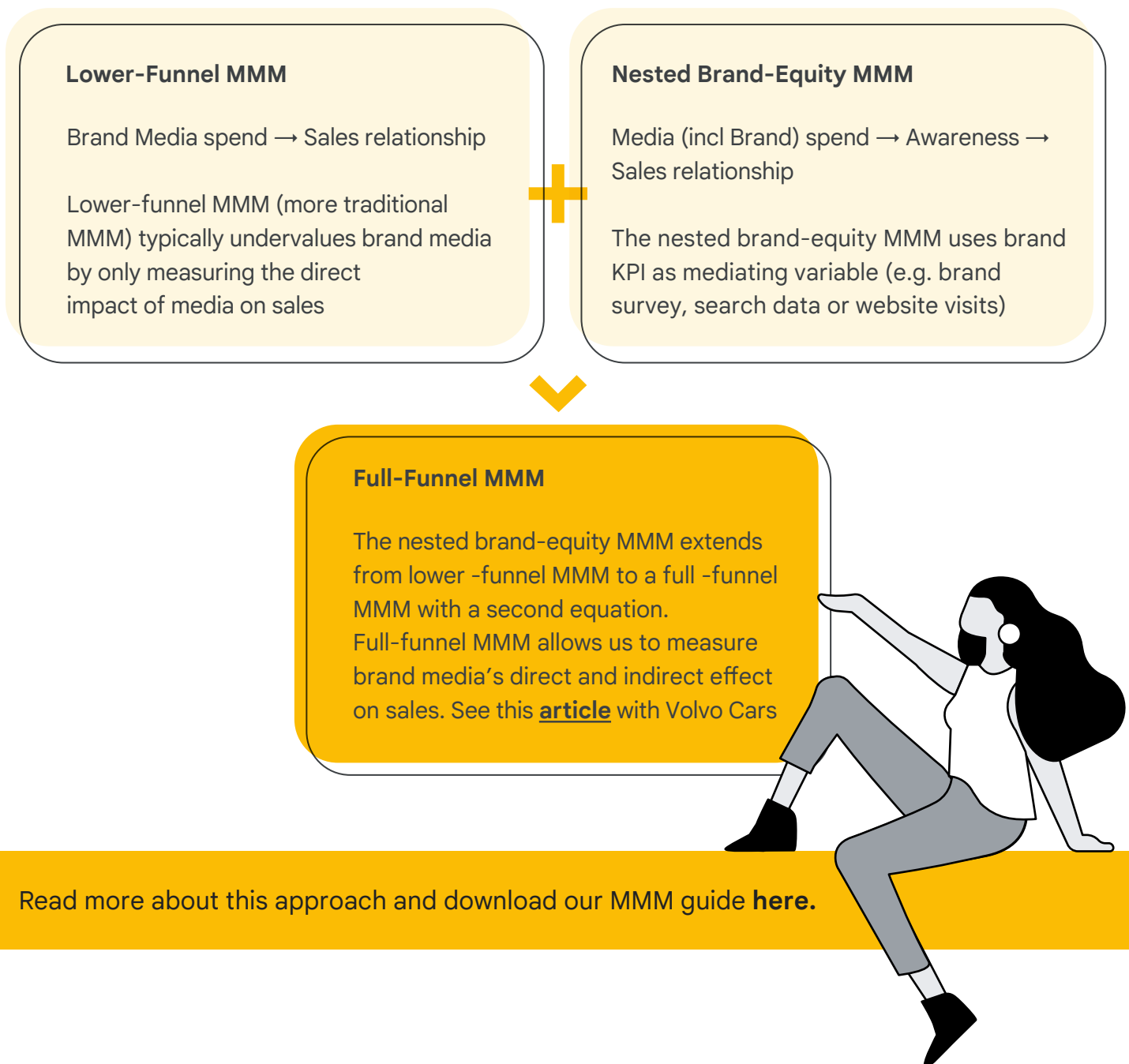


# 3

## Full funnel MMM [Advanced stage]

Traditional MMM is designed to account for short & mid-term impact of the marketing spend on lower funnel KPI. **To estimate long-term impact of brand marketing over the months & even years, you can build a brand equity MMM (nested model) to see how brand media drives the baseline (brand equity & market share).**

The goal is not to modify the existing Lower-Funnel MMM but to run an additional Nested Brand-Equity model in parallel to measure the long term brand effects. Combining both models will give you a Full-Funnel MMM that will be able to capture the full value of media in the short and the long term.



Read more about this approach and download our MMM guide [here](#).

## Planning brand investments to deliver on business outcomes

Once you have established which brand KPIs and tools you want to use, you can start using the results that you obtain for the planning phase. That way you can make sure that your portfolio is working both for brand and performance KPIs. We present you with 3 options, some recommended for any advertiser regardless of their maturity stage and one for advanced advertisers.



### Plan towards brand KPIs outcomes [All stages]



#### Define optimal budget mix:

Decide on the overall Brand vs Performance marketing portfolio investments. You will have to combine the results from your media effectiveness performance measurement tools together with the results that you obtained from SoS, Brand Lift surveys, and other Brand KPIs measurement tools. As a starting point, you can use industry recommendations (e.g.:  $\pm 60\%$  Brand,  $\pm 40\%$  Performance<sup>1</sup>) and adjust later on based on your own insights.

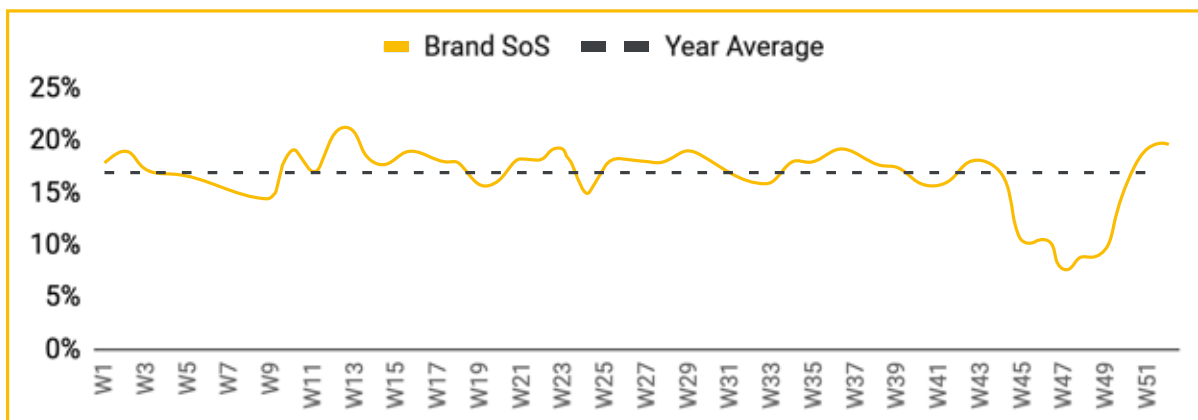



#### Use the insights from SoS to plan key investment moments for your brand:

SoS will provide you with a yearly trend that can help put your brand investments into context with peers and seasonality. You can use those insights to adjust budgets through the year.



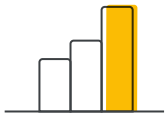
Example: The SoS plot below would indicate that there is a decrease in brand strength in Q4. During planning phase, you could consider increasing brand investments to be more competitive during that period.



 **Connect your baseline brand performance to your growth target to set budgets.** Using the baseline for your brand (either based on Share of Search or your survey brand tracker), you can calculate the needed investments to reach your goal. This approach allows you to go from traditional reach planning to also consider the effectiveness of your media activation. This is a three-step process:



**Calculate the target needed to achieve success:** based on your understanding of how the brand KPIs interact with your commercial metrics. For example, you ran a correlation analysis and found out that to reach a goal of +3% in sales, you need to lift awareness by 5% in a specific high intent demographic.



**Quantifying the ambition in consumer numbers:** Using public demographic statistics you can estimate how many actual incremental consumers needs to be made aware of your brand to reach the 5 pts increase in your goal.



**Calculate the investment:** Based on your Brand Lift studies you can use the **cost per lifted** user metric to estimate the needed investment to reach your goal. The more brand lift studies you have conducted, the more robust your metrics will be. However you should keep in mind that past performance does not guarantee future results.

## 2

### Use the insights from your Full Funnel MMM for planning [Advanced stage]

In addition to the practices described above, if you have a Full Funnel MMM, you are best positioned to use its insights for planning. You can also explore the budget shift recommendations from the model (see Chapter 4 for considerations on using MMM's budget shift recommendations).

## Optimizing brand investments to increase effectiveness

Optimizing towards brand outcomes, similar to performance outcomes, will be a cyclical process that should be captured within your test & learn program (see page 11 in **this guide**). Testing should go hand in hand with the implementation of best practices, which will accelerate the achievement of your brand objectives.

### When building your test & learn program, keep these best practices in mind (ordered by share of effect<sup>1</sup>):



**Creatives** are responsible for nearly half of the average sales effect, and this percentage increases to nearly 60% in digital marketing. Our **ABCD** guidelines can help you boost your long-term brand contribution by 17%, as well as your short-term sales by 30%<sup>2</sup>.

**Media Tactics** account for about 36% of the effectiveness of a campaign. We've found that running ads 3+ times a week instead of once, targeting intent signals instead of demographics alone, and mixing long and short formats instead of using only one, increases the effect of a campaign between 1.5 and 2 times<sup>3</sup>.

**Brand:** Your brand associations and relevancy account for 15% of the total effect of a campaign. To create a strong brand, you need to consistently evoke an emotional response, a need to belong, and aspirations that only your brand can fulfill<sup>4</sup>. You also need to use distinctive assets that will make your brand stand out from the competition.

All industries and advertisers are unique, so it's crucial to customize your advertising strategy to suit your specific needs. As you enhance the baseline performance of your brand, you'll find that achieving the next percentage point of improvement will be significantly more challenging. The above-mentioned best practices are an excellent starting point for most advertisers, but you may need to adapt them based on your specific circumstances.

Each campaign presents an opportunity to A/B test various creatives and media tactics. With a robust test & learn approach, you can collect yearly insights from your experiments and run meta-analyses on those that provide even stronger evidence to questions such as "what unites the best-performing campaigns?" or "did the creative adjustments increase favorability over time?" With all of these insights at hand, you can develop your own best practices for your business and ensure the most effective use of your media.

Sources: 1. Nielsen, "When it comes to advertising effectiveness, what is key?" 2017 | 2. Kantar, "Validating Google's ABCD framework", 2021 | 3. Google Brand Lift Survey - Internal meta studies 2017-2020 | 4. Kantar, Brand equity guide, 2022

## How to get started

This guide has presented ways of connecting brand investments to business outcomes, so that advertisers have a way to continuously track effectiveness, enabling a rigorous way to plan for achieving growth ambitions with brand marketing and optimize investments in order to yield higher efficiency. Here's what you should do next:

1

**Assign an owner** to create accountability. This person should orchestrate all the efforts outlined in this guide, making sure progress is made and build rapport of this exercise within your organization.

2

**Assemble a cross functional team** making this work requires a complex and diverse skill set and last but not least, manpower to execute. Analytics, Creative, Media and Finance are 4 common departments involved.

3

**Start** measure and evaluate the expected outcome of your next campaign. Learning by doing is always helpful when venturing into new grounds.

4

**Adopt a test and learn mindset;** you will never understand the full effect of all aspects of your brand marketing, but you can be less wrong. A curious but structured approach will help you make smarter marketing decisions every day.

