Meaningful Marketing Measurement 2022

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DMA
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Intelligent Marketing

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/ Introduction

The marketing industry loves rising to a challenge. When the insights from the first iteration of the DMA's Intelligent Marketing Databank were released in the summer of 2021, the nation had two full lockdowns under its belt, yet we were only able to analyse award entry data from the early stage of the pandemic. A year later, the databank has swelled to cover well over a thousand campaigns, offering a unique perspective on both early and late-stage pandemic marketing effectiveness. The diversity of award entries by channel, marketing objective, creative craft and target audience provides a rich source of data by which we can assess both how effectively our campaigns are performing and how effectively we are *measuring* the effectiveness of those campaigns.

In tragically uncertain times given the current economic and geopolitical situation in Europe, it is more important than ever that marketers understand how to drive campaign impact and measure effectiveness. At the same time the industry is confronted with a number of internal challenges which affect all areas of the marketing discipline:

- Is 2022 set to finally become the much-heralded "year of attention" in which media channels get to grips with how much attention audiences directly pay to ads and content?
- Will cross-platform measurement finally receive the much-needed shot-in-the-arm that the ISBA sponsored Project Origin promises to deliver?
- Will the industry reach consensus on a viable and privacy-centric response to the death of third party cookie targeting?

These challenges have differing levels of relevance for brand and performance marketers, but the Intelligent Marketing Databank is unique in its coverage of both disciplines. Approximately half the 1,000+ campaigns have a pure response objective, a quarter have a pure brand objective and the remaining quarter have a dual response and brand objective. The resulting insights means that marketing practitioners can at least understand the effectiveness trends which have the most impact on their day-to-day plans.

This edition of the Meaningful Marketing Measurement looks to build on the key effectiveness principles established in the inaugural report released in 2021, updating the analysis that looks at multi-channel, brand, response, retention and acquisition effectiveness with fresh data points. At the same time, it unearths new topics for discussion with respect to media channel effectiveness and B2B campaign impact, along with the type of effects that can be expected for smaller campaign budgets – where a long-tail of smaller advertisers in the UK currently operate.

Siloed media planning leads to siloed media measurement. As a result, the full picture of marketing effectiveness is distorted, misattributed and, worst case, not acknowledged at all. Ultimately, this leaves marketers with the challenging task of justifying marketing spend with one hand tied behind their backs. The boardroom becomes sceptical and CMOs face increasing amounts of pressure to justify a focus on anything other than the most immediate of short-term returns. To acknowledge the effectiveness of marketing is to acknowledge that to an extent measurement will never be perfect.

However, understanding the deficiencies in measurement models and organising campaign measurement and learnings into coherent organisation-wide measurement frameworks is a crucial step on the path to promoting the role of marketing spend within the business. Without the industry's continued enthusiasm for the DMA Awards, none of this analysis would be possible of course. It is hoped that democratising access to the insights from the Intelligent Marketing Databank through the trends highlighted in this report will continue to help brands grow, while fulfilling the needs of consumers, businesses and society as effectively as possible.

Tim Bond
Director of Content Strategy & Insight at Data & Marketing Association

Ian Gibbs
Founder at Data Stories Consulting

/ Foreword – Salesforce

As marketers, we have to make every moment with our customers and prospects count. A brand's relationship with its customers is built on a collection of moments, which make up our customers' experience with a brand.

Regardless of industry, we know what great customer experience is. The brands behind those experiences are the ones people choose to form lasting relationships with. If a brand fails to meet our expectations, we'll take our business elsewhere. In a digital-first world, that's never been easier.

Turning moments into relationships isn't easy. The data strategy marketers have relied upon for years is broken. In Salesforce's Marketing Intelligence Report, we asked marketers how this has affected them. 90% said that recent data privacy changes have fundamentally changed how they measure performance.

Salesforce is delighted to partner with the DMA on the Meaningful Measurement Marketing report. It's a valuable insight into the challenges marketers face measuring effectiveness, revenue and loyalty.

Customers are interacting across more touchpoints with a brand than ever. Often these touchpoints are running on disconnected legacy systems. Data is siloed and generally inaccessible to marketers.

To survive, brands need to evolve to become "data-first." A data-first strategy centres around zero-and first-party data. This data is critical to get to know your customers.

As relationships aren't static, your data can't be either. Every moment must feel connected, relevant, and human. But that's dependent on a brand's ability to capture and unify data across every touchpoint. Marketers need to harness AI-powered insights to personalise moments, while continually optimising the total customer experience.

This is how marketers will grow relationships and revenue. When a brand focuses on building trusted relationships, moment by moment, loyalty and revenue will follow.

Jonathan Beeston
Product Marketing Director, EMEA, Marketing Cloud at Salesforce

/ Exec Summary

The DMA's Intelligent Marketing Databank provides a unique dual perspective on the discipline of marketing effectiveness. It offers insight not only into how effective our marketing is, but also how effective the *measurement* of our marketing efforts is. With this in mind, there are a number of vital implications for marketers and measurement practitioners alike:

How Marketers Measure:

- **170 effectiveness measures are currently being used by marketers to articulate campaign effectiveness.** Not only does having such a vast array of different marketing measures do little to promote a coherent approach to marketing measurement, but the issue is further compounded by the fact that 40% of these measures relate to campaign delivery and digital vanity measures, not true brand, response or business impact. The issue has not improved between the 2020 and 2021 update to the databank. Marketers should focus on measuring the 59% of metrics that matter.
- **Business impact reporting has declined to cover just 6% of effectiveness measures used in 2021.** The CMO's role is a challenging one that straddles the boardroom and the traditional world of marketing. It is vital to increase focus on business effect reporting, to speak the language of the CEO and demonstrate the impact of marketing on the long-term future of organisations.

What Marketers Measure:

- **Early pandemic effectiveness improvement. Late pandemic effectiveness decline.** After a boost in the early pandemic phase, effectiveness declined by 23% in 2021. Brand performance actually improved year-on-year, but with response effects declining, marketers experienced declining marginal returns by placing too much focus on short-term gains. A balance of brand and response is vital for sustaining growth.
- **Squeezed medium-term activity has an implication for marketing ROI.** Medium-term campaigns running from 4-12 months in duration, were squeezed in 2021. Medium-term is optimum for driving ROI. For those organisations interested in pinning immediate profit to marketing spend, this shift will have had a negative impact on ROI multipliers.

How to Amplify Marketing Effectiveness:

- **A blended approach is best.** Those campaigns focused on a combination of brand building and response, while targeting new and existing customers together, tend to drive more effects overall. However, marketers must beware of the blanket application of marketing "Golden rules," with category and budget size playing a crucial role in influencing effectiveness. The smallest third of marketing budgets (usually assigned to smaller brands or early life-cycle products and services) for example are far more adept at driving response than brand effects and result in the largest ROI figures overall.

- **Industry buzz around multi-channel effects and media attention matter for brand building…but have less of an impact on driving response effects.** Response campaigns are three times as likely as brand campaigns to target existing customers and there are only so many incremental channels that can illicit response from an already saturated customer base. Likewise, many response ads are targeted with driving a short-term sales effect as quickly as possible, negating the requirement for the same amount of ad attention that brand building requires. Again, marketers need to ascertain which planning levers matter most to them when planning campaigns and creating measurement plans, without getting distracted by industry buzz.

/ Approach and Definitions

As with other awards-based effectiveness databases, a lack of standardisation in how award entrants talk about effectiveness requires us to use a methodology that records the number of reported campaign effects – rather than focusing on the specific scale of each individual effect measured. A larger number of effects is equated with greater effectiveness. These effects are specifically taken from the results sections of the DMA Awards entry forms.

Each individual effect has been recorded and grouped into one of four categories (refer to the 'Appendix' section for the full list of recorded effects):

1. **Response Effects:** Effects that direct response and performance marketing campaigns are tasked with (e.g., conversions, acquisitions, sales, bookings, footfall, downloads, CPA efficiencies and response rates).
2. **Brand Effects:** Effects that specifically relate to brand measures, for instance the types of metrics that brand trackers are usually tasked with keeping tabs on (e.g., brand awareness, ad recall, consideration, purchase intent, brand trust, brand perceptions, recommendation, customer satisfaction and NPS)
3. **Business Effects:** Effects related to overall business performance. They are distinct from response effects in that they typically point toward the long-term sustainability of a business (e.g., profit, market share growth, customer penetration, loyalty and shareholder value)
4. **Campaign Delivery Effects:** These measures are essentially media planning campaign inputs (e.g., reach, frequency and impressions) and so-called 'vanity metrics' such as clicks, likes and shares. These ultimately say little about campaign effectiveness, but as they have appeared in the results sections of the DMA award entries, they reveal a great deal about how marketers are currently measuring campaigns

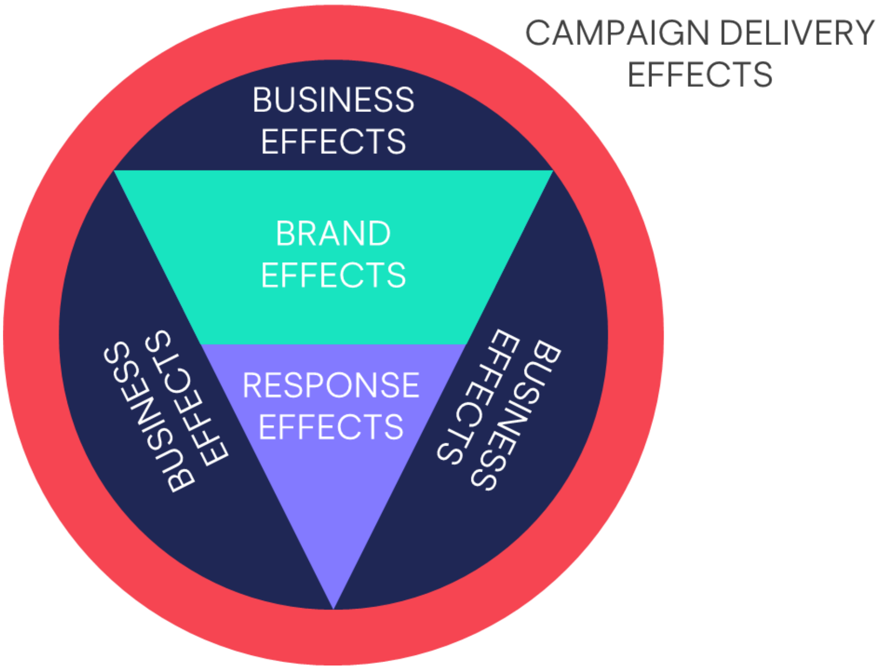
Example Effectiveness Metrics

BUSINESS EFFECTS	BRAND EFFECTS	RESPONSE EFFECTS	CAMPAIGN DELIVERY EFFECTS
• Profit	• Awareness	• Conversions	• Reach
• Sales	• Consideration	• Leads	• Frequency
• Market Share	• Brand Perceptions	• Acquisitions	• Impressions
• Penetration	• Purchase Intent	• Bookings	• Clicks
• Loyalty		• Footfall	• Social engagements
• Price sensitivity			

Every campaign will have some form of delivery metric at its disposal, and most campaigns in theory will be part of an overall strategy to shift the dial on business outcomes. Brand effects and response effects are more specialist in nature. Both relate to distinct stages of the customer journey, and both employ very different strategies to drive a desired outcome.

At various points in this report, these effects will be discussed separately and at other times they will be combined into a measure of the total average number of effects measured per campaign ("Total No. of Effects").

Effectiveness Metrics and The Customer Journey

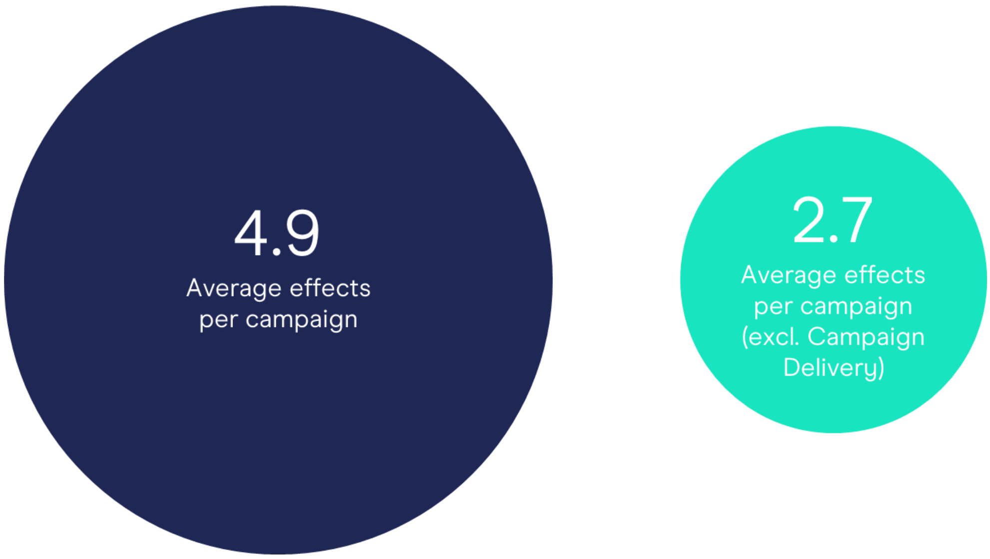


An Update on the Way We Measure

The inaugural Meaningful Marketing Measurement 2021 report established the fundamental **Intelligent Marketing Databank** principle that while brand, response and business effects are useful, if not essential, effectiveness metrics, campaign delivery measures tell us little about marketing impact. Quantifying the number of eyeballs on ads may be vital in the campaign planning phase, while developments around attention measurement looks to add a further planning discipline to the tried and tested metrics of reach and frequency. However, these metrics tell us little about the impact of marketing on an organisation's bottom line.

Including campaign delivery measures in an overall measure of effectiveness distorts the true picture of campaign impact by over 80%. This report therefore only focuses on a definition of effectiveness that includes brand, response and business effects and discounts campaign delivery factors entirely – unless specified).

Number of Effects per Campaign



TOTAL NUMBER OF EFFECTS = AVERAGE NUMBER OF BRAND EFFECTS + AVERAGE NUMBER OF RESPONSE EFFECTS + AVERAGE NUMBER OF BUSINESS EFFECTS

However, before applying this more meaningful measure of effectiveness to the Intelligent Marketing Databank, there is still value in looking at the incidence of campaign delivery metric reporting as a method of assessing how *effectively* marketers are reporting on marketing impact. Of the 170 measures used by DMA award entrants, 41% relate to campaign delivery measures, and 59% to business, brand or response effects. This picture has remained stable between 2017-2020 and 2021, indicating that no significant progress is being made in how we measure campaign impact.

Profile of Effectiveness Measures Identified

While the increased incidence of brand measures (up from 13% in 2017-2020 to 17% in 2021) will be encouraging to brand marketers and above-the-line channels that excel in this space, this improvement seems to have come at the expense of business metric reporting. Response and brand effectiveness is very much the language of the CMO, the former often relating to short-term marketing impact and the latter long-term impact. The language of business effects – share price movements, profit growth and EBITDA, for example, is very much that of the CEO. With CMOs currently facing the lowest tenure in the boardroom in a decade, it is vital that they speak the language of business effects as much as possible. With economic uncertainty continuing to plague the global economy, marketing budgets will continue to be heavily scrutinized. To demonstrate the impact of marketing spend on the measures that shareholders and investors care about the most is vital in ensuring the long-term health of the industry.

Key Implications

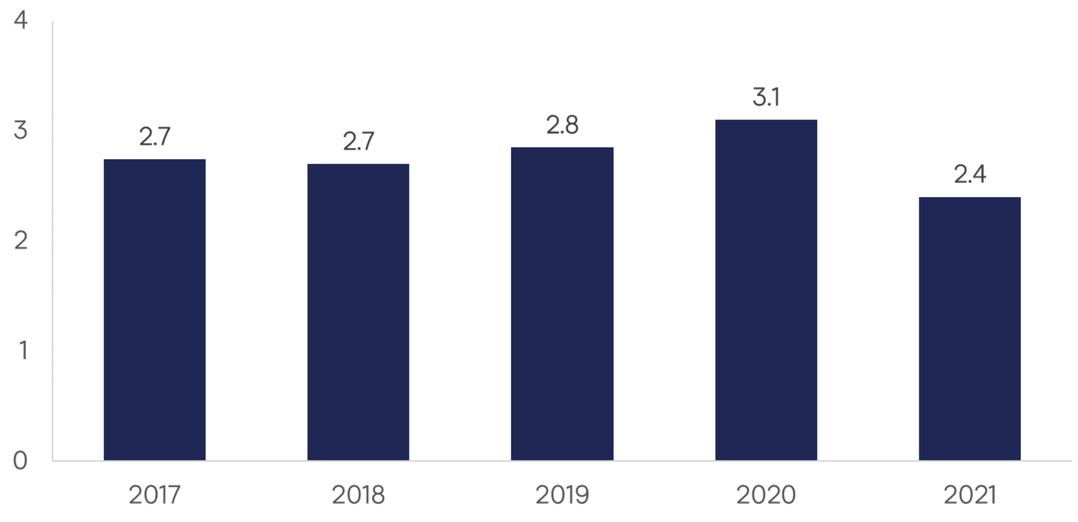
1. 170 effectiveness measures identified
   In an industry challenged by siloed thinking between different marketing disciplines (as identified in the DMA's 2021 Making Measurement Meaningful whitepaper), having such a vast array of different marketing measures will do little to promote a coherent approach to marketing measurement. A focus on the metrics that matter, captured and communicated via consistent measurement frameworks is key to addressing this.
2. 41% of measures relate to campaign delivery, not true brand, response or business impact
   Reach and frequency are essential measures for campaign planning. Clicks, likes and shares are sometimes useful for campaign optimisation. None of these measures tell the business about the impact on sales, brand value or long-term organisational health. Marketers should focus on the 59% of metrics that matter.
3. Business impact reporting has declined to 6% in 2021
   The CMO role is a challenging one that straddles the boardroom and the traditional world of marketing. It is vital to increase focus on business effect reporting, to speak the language of the CEO and demonstrate the impact of marketing on the long-term future of organisations.

Late Pandemic Effectiveness Decline Masks Brand Effectiveness Improvement

The early phase of the pandemic (i.e., the period covered in the Intelligent Marketing Databank's 2020 data) revealed that after three years of consistent marketing performance, a distinct boost in marketing effectiveness was noted. When the short-lived ad recession kicked in during Spring 2020 and ad budgets were squeezed for every penny, marketers learned to do more with less. While some organisations were simply reacting to new market opportunities (driven by an acceleration in online shopping), many were simply fighting for survival as their established routes to market dried up and consumer demand faded. Either way, the average campaign generated 3.1 effects in 2020 – the highest figure recorded since 2017.

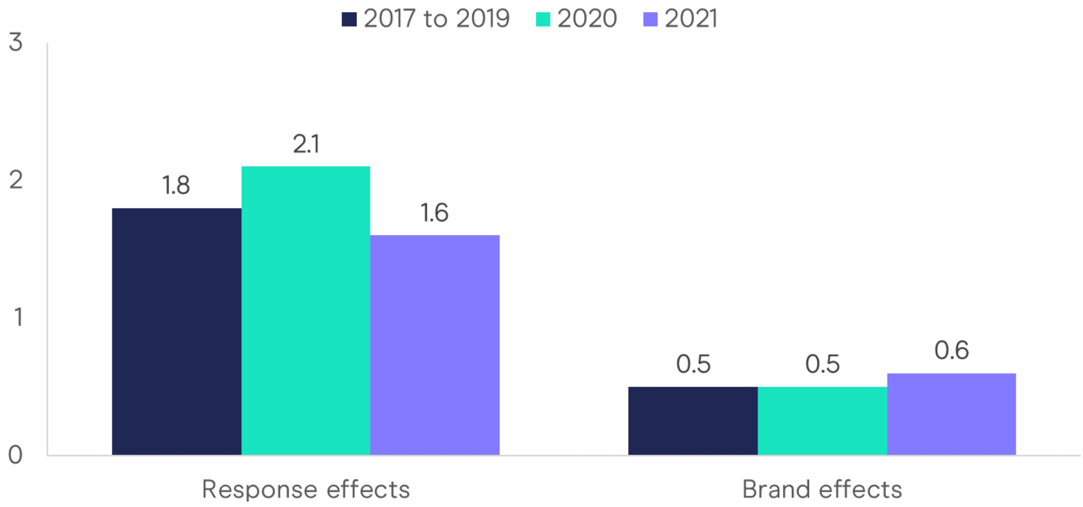
In the late pandemic phase (i.e., the period covered in the Intelligent Marketing Databank's 2021 data) this trend has been reversed. The effectiveness lessons learned in the previous few years seem to have been lost as volume and spend return to the ad market. Year-on-year a 23% decline in effectiveness was noted in 2021 with 2.4 effects being recorded per campaign on average.

Total Number of Effects per Campaign



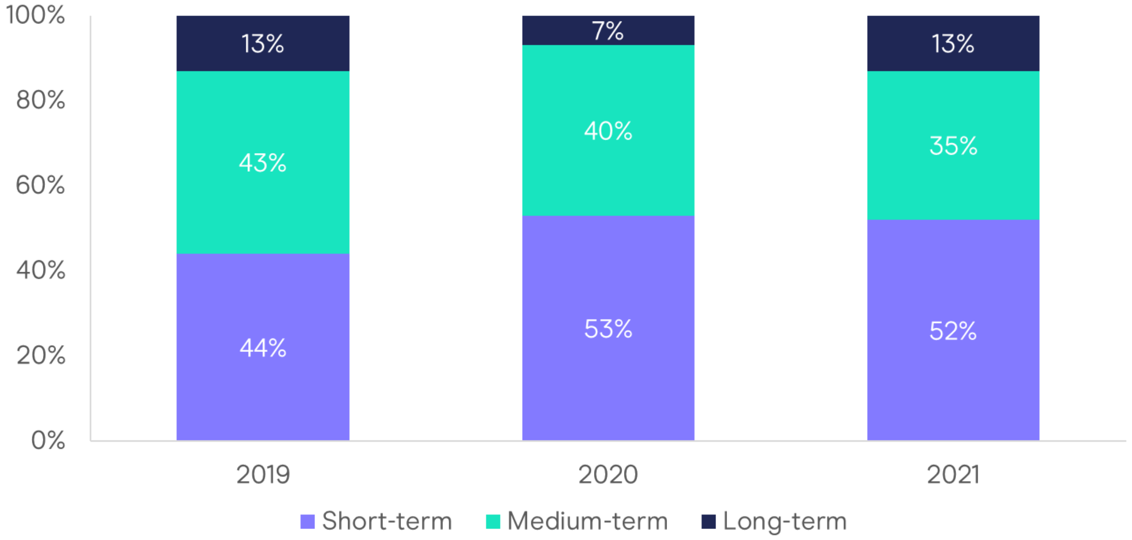
While it is likely that there are cyclical effects at play here that might limit consumer response to marketing stimulus (household budgets are under more pressure than ever with rising inflation and record energy bills playing their part), the Intelligent Marketing Databank reveals some distinct structural trends that have likely played their part in limiting campaign effectiveness. An analysis of the role of response and brand effects shows that masked in this overall effectiveness decline is a marginal improvement in the brand effectiveness of campaigns in 2021 (up from 0.5 to 0.6 brand effects year on year). This position has, however, been outweighed by the decline in response effectiveness over the same period (declining from 2.1 to 1.6 response effects year on year).

Average Number of Response and Brand Effects per Campaign



The world of response or performance marketing has generally become synonymous with a short-term approach to marketing strategy. A focus on driving sales, revenue, acquisitions, web traffic and footfall at the lowest possible cost-per-acquisition can reap huge rewards in the short-term. However, when response becomes the sole focus over a protracted period of time, diminishing returns start to kick in. With many performance marketing techniques and algorithms optimising ad delivery to an increasingly diminishing pool of only the most responsive audiences (in many cases, existing customers rather than new in-market acquisition audiences), response effectiveness starts to decline without a more balanced approach to growth. With this in mind, a drop off in response effects in 2021 after such an improvement in 2020 seems inevitable in hindsight.

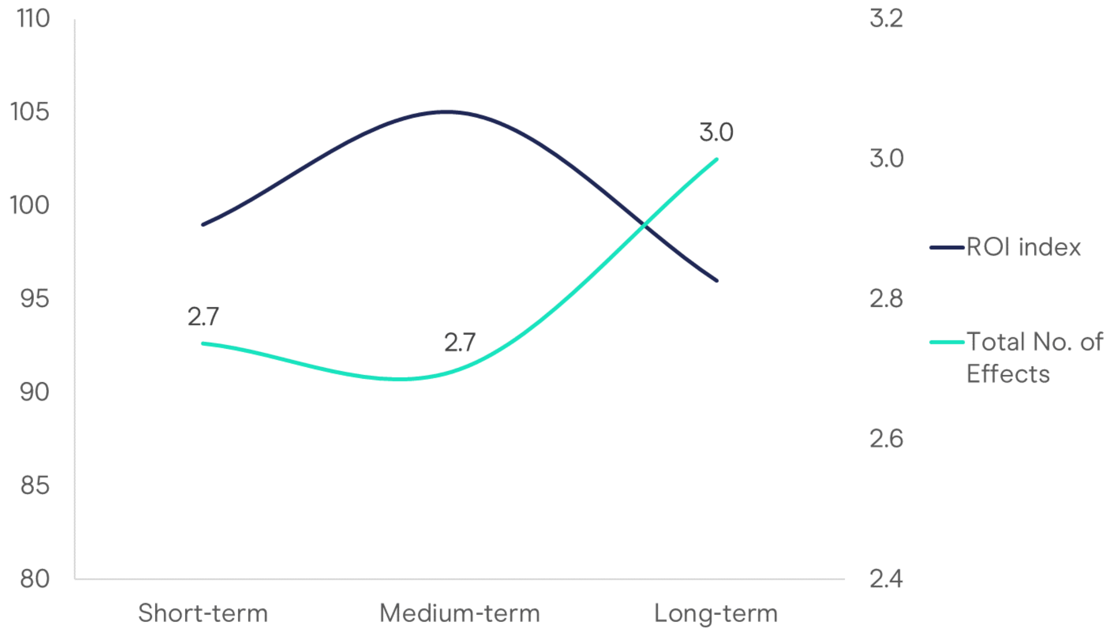
Campaign Duration Profile (% of campaigns)



An analysis of campaign duration sheds further light on the drivers of campaign performance. In the Intelligent Marketing Databank, short-term campaigns are defined as being of up to three months in duration; medium-term campaigns four to twelve months; and long-term campaigns over one year in length. Pre-pandemic data from 2019 reveals that 44% of campaigns were short-term in duration. This leapt up to 53% in 2020 and has broadly stayed at this level in 2021. While a short-term approach provided an initial boost to effectiveness in 2020, clearly these effects have not been sustained. The counterpoint to this trend is that there has been a rebalancing of long-term campaigns in 2021 with the proportion of long-term activity nearly doubling to 13% year on year. While response effects are broadly synonymous with the short-term, brand effects are seen as the route to long-term growth and the shift back towards long-term activity by some advertisers will have driven the marginal improvement in brand effectiveness noted in 2021.

The final consideration when it comes to campaign duration is that with short-term campaigns still accounting for the majority of activity while long-term campaigns have doubled, it is inevitably medium-term campaigns that are being squeezed. As the chart below shows, there is one distinct marketing KPI that performs very well in the medium-term: ROI. While short-term campaigns may not have had the chance to accumulate the optimum number of effects for boosting ROI, and long-term campaigns (while drivers of the largest number of effects overall) may require the sort of investment that reduces ROI multipliers, medium-term campaigns operate in an ROI sweet spot. As always, a balanced diet is key to overall marketing success.

ROI and Effectiveness by Campaign Duration



Award-Winning Case Studies

Read about how Laithwaites drove huge shifts in brand awareness and consideration for its direct-to-consumer wines when the nation was forced into lock-down – taking DMA Awards Gold as a result too. Also, learn how Salesforce picked up the DMA Bronze award in the Performance Marketing category by acquiring over 37,000 new subscribers through bespoke YouTube activity.

Key Implications

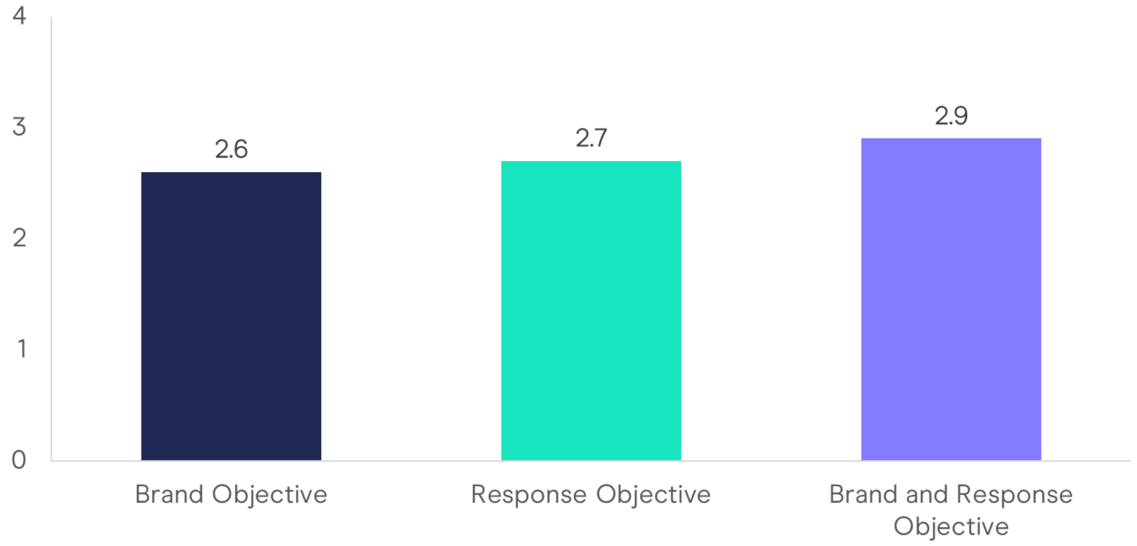
1. Early pandemic effectiveness improvement. Late pandemic effectiveness decline
   After a boost in the early pandemic phase, effectiveness declined by 23% in 2021. Brand performance actually improved year-on-year, but with response effects declining, marketers experienced declining marginal returns by placing too much focus on short-term gains. A balance of brand and response is vital for sustaining growth.
2. Rebalancing budgets to the long-term contributed to brand effectiveness growth
   While over half of campaigns ran in a short-term timeframe, the proportion of long-term campaigns increased from 7% to 13%. Giving campaigns (and the measurement of campaigns) time to accumulate long-term effects (particularly brand effects) is a core pillar of marketing success.
3. Squeezed medium-term activity has an implication for marketing ROI
   Medium-term campaigns running from 4-12 months in duration, were squeezed in 2021. Medium-term is optimum for driving ROI (which, it should be noted, should not be the only metric used to measure marketing effectiveness). For those organisations interested in pinning immediate profit to marketing spend, this shift will have had a negative impact on ROI multipliers.

Acquiring New Customers with a Balance of Response and Brand Activity is the Recipe for Success

Brand vs Response Dynamics

The campaign effectiveness golden rules established in last year's Intelligent Marketing Databank insights hold true a year later with the addition of two hundred campaigns. Balancing short-term and long-term with response vs brand activity has become the mantra of marketing strategists over the course of the last decade. Again, the Intelligent Marketing Databank supports this viewpoint by confirming that those campaigns which have a dual brand and response objective tend to be more effective than those campaigns that focus on one or the other.

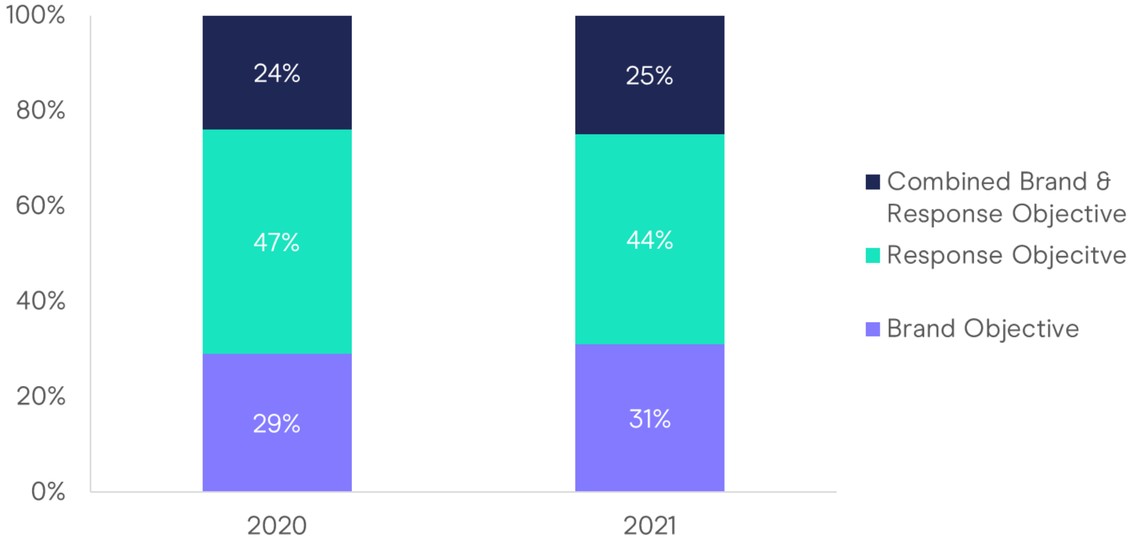
Campaign Effectiveness by Objective (total number of effects)



As covered in the previous section, response campaigns are highly effective tools for stimulating the type of immediate effects that ensure that near-term quarterly targets can be met. Over time, diminishing returns will limit response, however. Brand building, on the other hand, is less concerned with driving immediate effects, but rather contributes to business performance by stimulating future demand. Brand building raises the likelihood that consumers will think of a specific product or service in a given buying situation; it changes how consumers think and feel about brands and aims to create deep routed emotional connections between brand and consumer that limit price elasticity (i.e. the effect that sees demand maintained even when prices increase) and wean consumers off looking for the cheapest possible deal on offer. For some categories where consumers have been conditioned to do exactly that (e.g., mobile phone contracts) the task is harder but on this basis is even more important.

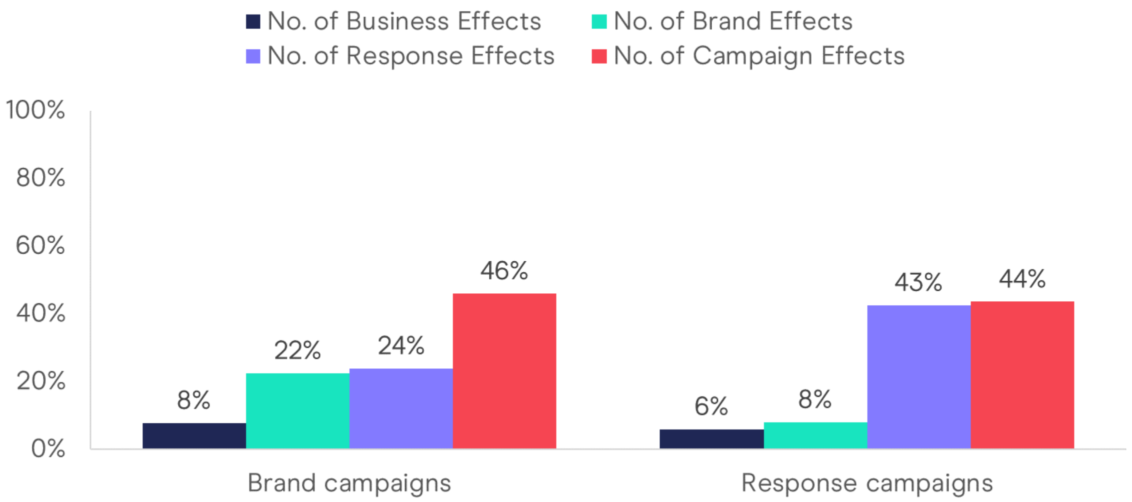
With the late pandemic phase seeing the world open up to a greater extent than in the earlier pre-vaccine phase, ad budgets and marketing optimism have returned. In line with this, marketers have allowed themselves to consider the strength of brand building again. In line with this, the proportion of campaigns with a sole brand objective has increased from 29% to 31% between 2020 and 2021 and the proportion with a dual brand and response objective has increased from 24% to 25%.

Campaign Objective Profile (% of campaigns)



With a renewed focus on the strengths of a balanced approach to engaging with consumers, the need to get measurement right so that the full range of effects can be captured and optimised for future campaigns becomes all the more important. It continues to be of concern, therefore, that only 22% of the effects used to measure brand campaigns relate to brand measures and that 46% relate to the campaign delivery metrics that tell us nothing of true impact. While response campaigns are relatively robust in terms of using the metrics that matter (43% of their effects relating to response metrics), a focus on campaign delivery outcomes is still likely holding the true performance of the discipline back. Without full visibility on effectiveness, how can performance truly be optimised?

Effects Recorded by Campaign Type in 2021 (% of effects)



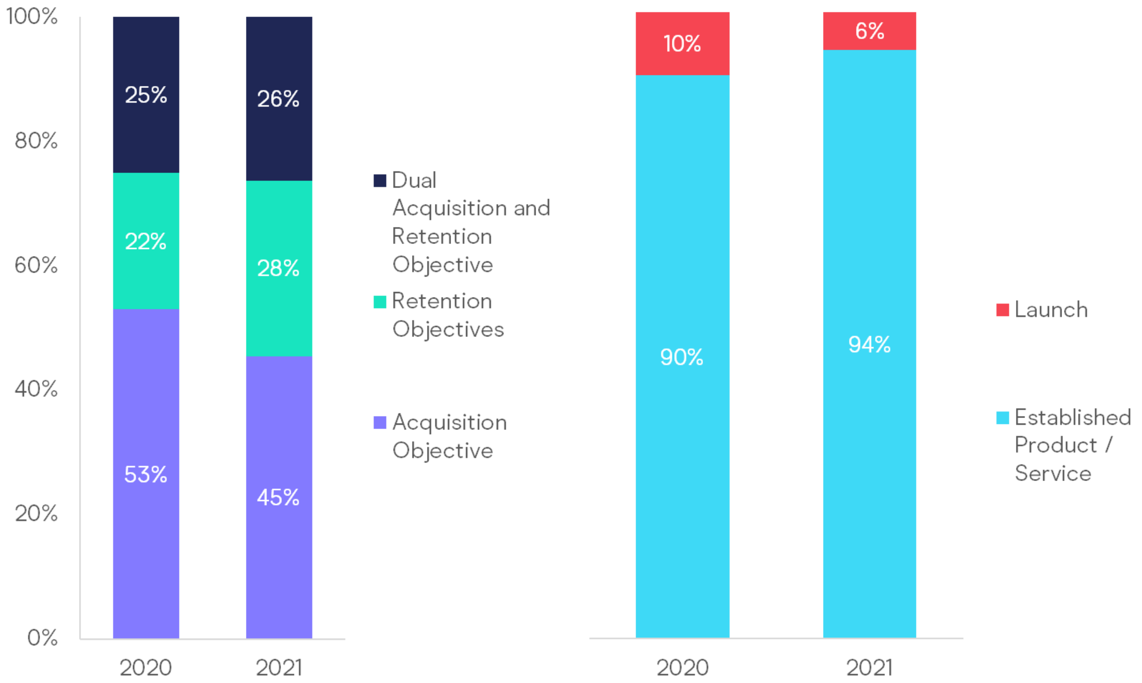
Award-Winning Case Studies

Learn how PayPal won Gold at the DMA awards by driving both incremental transactions and brand consideration in an otherwise difficult Christmas trading period.

Retention vs Acquisition Dynamics

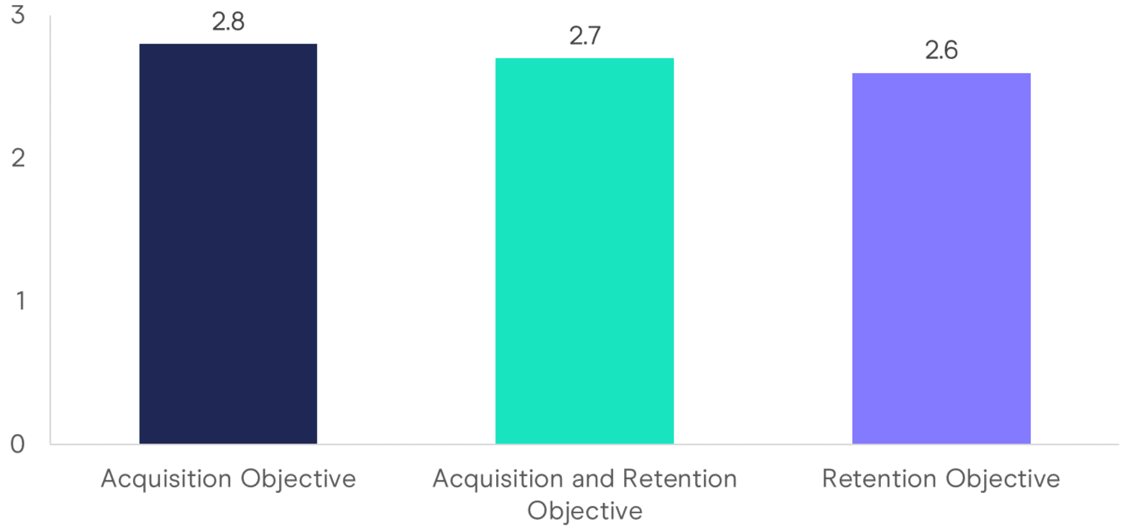
A balanced approach to audience targeting is also necessary to maximise marketing success. A distinct decline in the targeting of new customers and consumers was noted between 2020 and 2021, with a shift instead to pure retention based campaigns or campaigns with a dual existing and new customer target. With fewer launch campaigns taking place as the pandemic progressed (declining from 10% to 6% of campaigns year on year), it is in part understandable why pure acquisition-based campaigns are on the decline. However, at the same time, there is clearly an opportunity for more brands to look outside of their own CRM systems and reap the rewards of increased customer penetration.

Campaign Objective Profile (% of campaigns)



Overall, a focus on talking solely to your existing customers is likely to generate marginally fewer campaign effects than introducing some element of customer acquisition. It is a central pillar of Byron Sharp's work on How Brands Grow and the Intelligent Marketing Databank reveals new evidence to support this thinking.

Campaign Effectiveness by Targeting Objective (total number of effects)



Award-Winning Case Studies

Learn how Samsung doubled the number of mobile customers who own a smartwatch, while providing a significant boost to brand consideration during the launch of the Galaxy Watch3. Also, read about how Lexus and Digitas used a combination of personalised email and direct mail to win a silver in the DMA Best Customer Loyalty or Retention Programme Category.

Key Implications

1. Renewed focus on brand building in 2021
   A blend of direct response and brand objectives drives the largest number of effects overall. This goes beyond simply blending short and long-term activity. Brand effects can be driven in the short-term and response effects can be recorded in the long-term.
2. Marketers need to up their game at measuring brand campaigns
   22% of the effects recorded for brand campaigns are brand effects while 43% of the effects recorded for response campaigns are response effects. Brand effects are often more complex and costly to measure, but investing the time and resources in doing so will provide the insight to reap the long-term rewards of brand spend.
3. A reduced focus on customer acquisition and new product launches in 2021
   Despite the reduced focus, it should be noted that the majority of campaigns still have some sort of customer acquisition objective and that acquisition campaigns tend to record the largest number of effects overall. This is not to say that loyalty strategies should be ignored, but as always, a balanced and blended approach to audience targeting and reach is essential.

/ Channel Impact in the Age of Attention

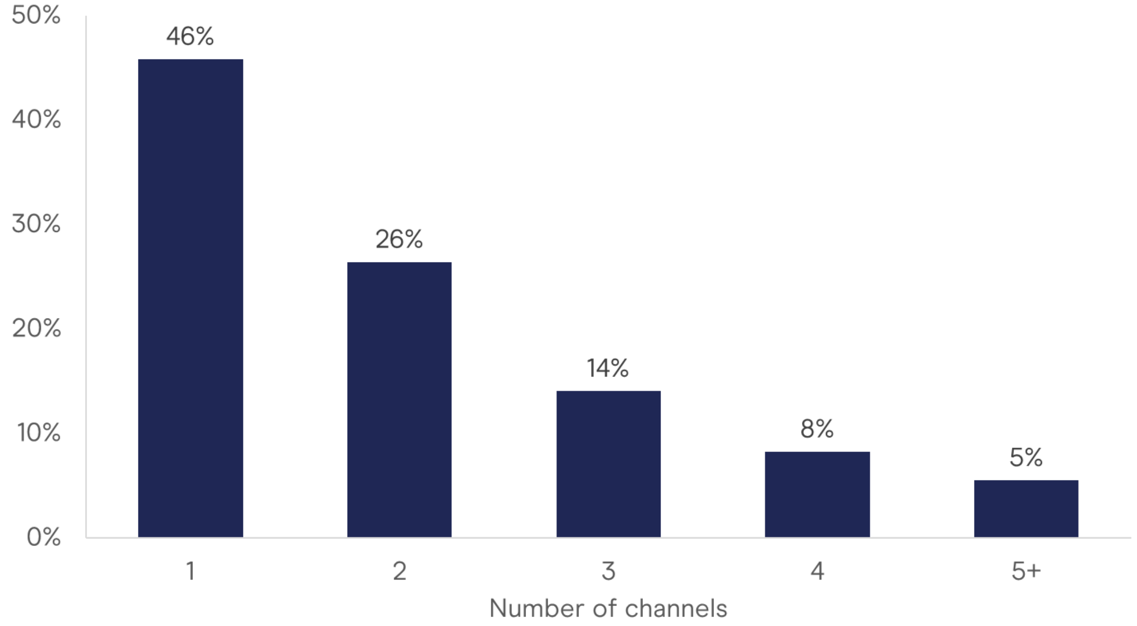
The discipline of data-driven media planning was once a relatively straightforward space. Brand campaigns were planned on reach and frequency, ensuring that the relevant target audience was covered as efficiently as possible with the desired exposure to drive impact. Response campaigns are of course concerned with reaching the right audience, but delivery is dictated by acquisition and performance-based goals rather than traditional media planning metrics. With the number of media channels proliferating and consumer eyeballs increasingly fragmented across channels that do not speak to each other from a measurement point of view, there is a sense that traditional planning metrics only tell part of the story.

Planners must now consider more intricate planning decisions when their media is placed across an array of different channels and platforms each with its own measurement systems in place; while at the same time they must consider that we're in the age of maximum digital distraction, so capturing consumer attention is more important than ever. However, in all of the enthusiasm for finding new ways of doing things, we must be careful as practitioners not to create one-size-fits-all recommendations that fail to acknowledge the different roles of brand and response advertising.

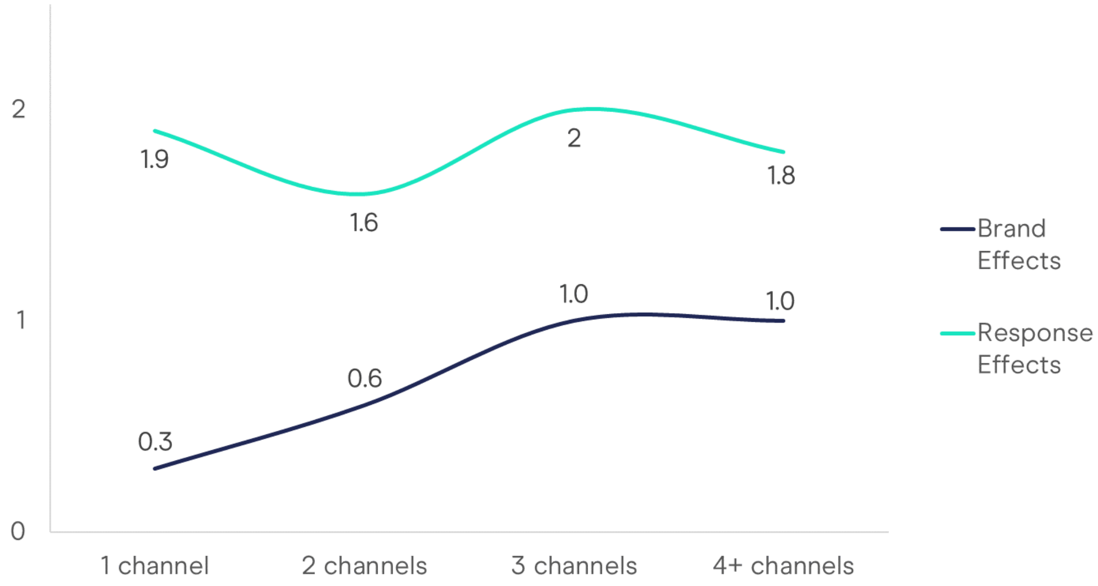
Does Multi-Channel Really Matter?

Just over half of the campaigns covered in the Intelligent Marketing Databank are multi-channel campaigns, while 46% are running across a single channel. 13% of campaigns are running across four or more channels. While different channels allow planners to target different audiences by time of day, media context and other unique channel-specific factors, is multi-channel right for everyone?

Number of Channels Employed by Campaign



Brand and Response Effects by Number of Channels (average number of effects)



The short answer, is of course, "It depends." Brand effects are accumulated as more channels are added to the media schedule. While there is likely a frequency effect at play, the role that different media play in priming audiences in different contexts and at different times of day, result in a combined effect that is more likely to shift the dial on brand metrics like awareness, consideration and brand perceptions.

For response campaigns, the pattern is less clear. Simply accumulating channels seems to have no discernible impact on the average number of effects generated. Response campaigns are almost three times more likely than brand campaigns to target existing customers. There are only so many ways that a business can talk to the same person (email, advertising mail, SMS most commonly) and expect to illicit increasing amounts of response from the same person. Brand campaigns work differently, however. They seek to embed messages, perceptions, and suggested behaviour changes that benefit from a reminder across multiple channels.

Award-Winning Case Studies

Learn how Mondelez UK and Digitas used a combination of VOD, display, digital out of home and social to shift the dial on ad recall, brand consideration and range of brand perceptions – picking up a gold for the best integrated campaign at the DMA awards.

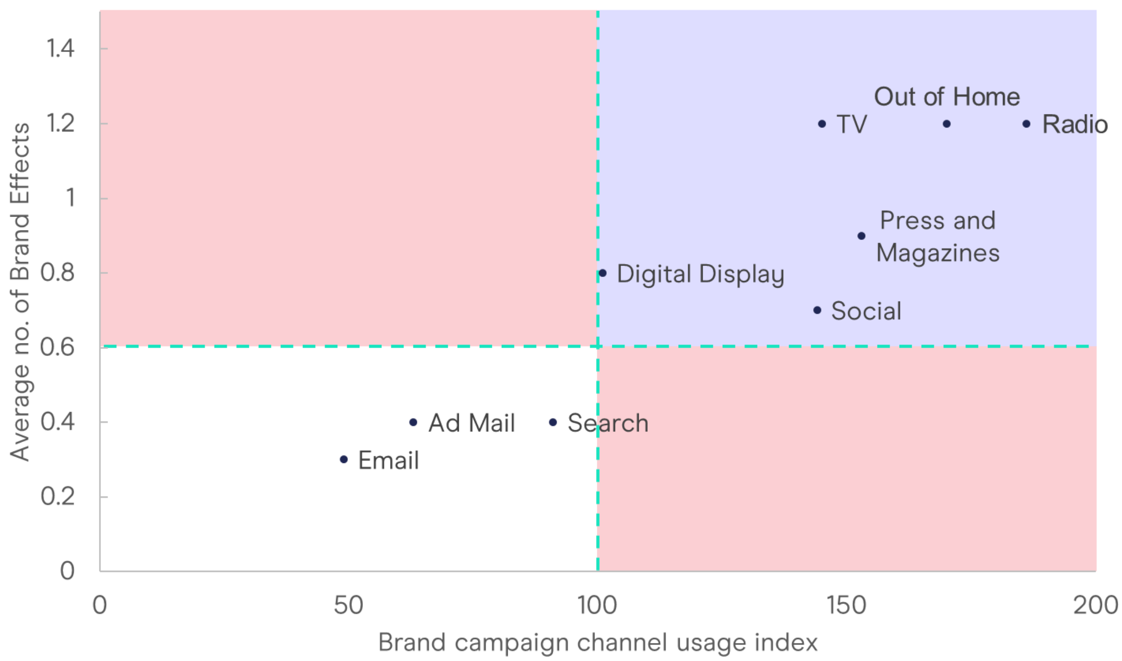
Channel Selection and Effectiveness

In terms of which channels are most likely to drive impact in brand or response campaigns (multi-channel or otherwise), the Intelligent Marketing Databank can be used to both quantify effectiveness by channel while also giving a read on how likely that channel is to appear on schedule according to campaign strategy. In the chart below, the channel usage index is plotted on the horizontal axis where an index of 100 represents the average campaign. It should be noted the media channels plotted on the chart do not necessarily refer to solus use of that channel, but rather campaigns in which we know that the channel in question has specifically been involved.

TV, Radio, Out-of-Home, Press and Magazine, and Social channels all over-index for their usage in brand campaigns. At the same time, they all report above-average brand effects. Broadly this justifies their inclusion in brand campaign plans and at least gives a sense that brand campaign planners are putting their budgets in the right place. Email, Ad Mail and Search all under-index for brand campaign usage, and quite rightly as they all report below-average brand effects.

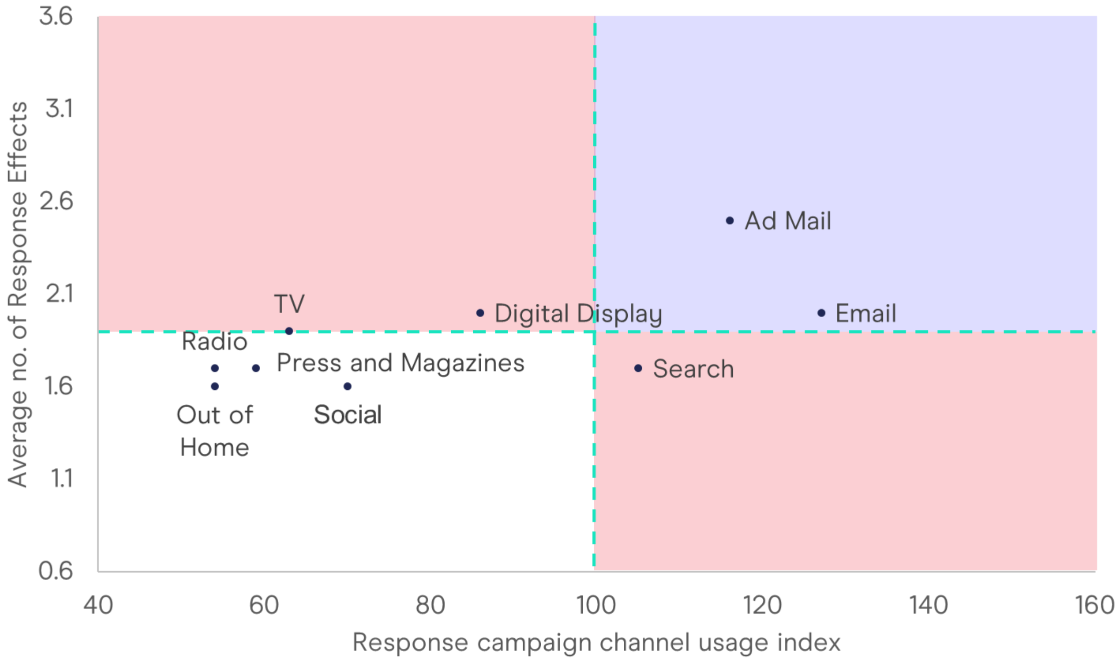
Digital Display on the other hand is the one channel that could argue for greater inclusion in brand campaign plans – it drives more brand effects than campaigns which include Social, for example, yet is marginally less likely than average to be deployed in brand campaigns. This is particularly true where premium display is concerned (i.e., display running on quality content, news and publisher websites rather than on functional or utility-based websites) which typically drive three times the number of brand effects than average.

Brand Effects vs Usage of Channels in Brand Campaigns



The same chart for response campaigns perhaps unsurprisingly presents a reversal of this picture, the channels most likely to be used for response campaigns shifting to the top right. In general response campaign planners would be justified in their inclusion of Ad Mail (i.e., direct mail and door drops) and Email on the schedule with both over-indexing for media usage and effectiveness. Ad Mail is proven to be the most effective channel at driving a response, prompting 2.3 response effects per campaign on average.

Response Effects vs Usage of Channels in Response Campaigns



Award-Winning Case Studies

A DMA Gold-winning example from Land Rover in the mail category and the Bronze awarded "Who Gives a Crap about Door drops?" campaign are both examples of how offline channels have driven a large amount of immediate returns. In the Email channel, Formula 1 and Ogilvy provide a useful case study on the profit than can be driven by existing customers through CRM channels.

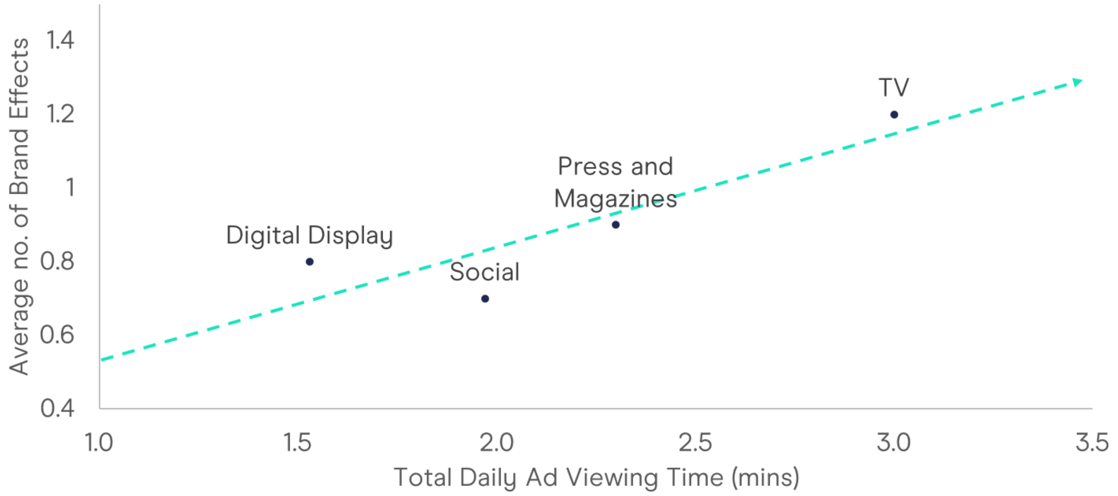
Does Attention Really Matter?

2022 is set to be a defining year for the measurement of media and advertising attention. The focus on the concept of user/audience/reader attention as a media planning variable has accelerated with the formation of the attention council, the publication of "To ESOV and beyond" and news that the major media agency networks are now planning to trade based on attention-based currencies.

Attention has become the third variable, alongside reach and frequency, that planners are increasingly giving careful consideration to. The field of attention measurement acknowledges that not all impressions are equal within channels, but particularly between different media channels and platforms. This is particularly the case when an "In-view" metric of attention is employed – i.e., one which quantifies whether someone is directly looking at an ad, rather than whether that ad simply appears on screen or within the media in the periphery.

So, does attention really matter when it comes to shifting the dial on campaign effectiveness? The chart below maps attention as measured by Ebiquity and Lumen against channel specific brand effectiveness scores from the Intelligent Marketing Databank. Attention data is currently only available across a limited number of channels hence the limited number of variables on display, but even within this smaller data set a linear pattern emerges that highlights the importance of attention in brand campaign planning. TV accounts for the largest amount of daily ad viewing time and at the same time, campaigns which include TV are the most effective at driving brand impact. Press and magazines are also high performers, while the digital channels for ad attention (given the huge amount of ad clutter online) are the lowest brand performers on this chart. Simply put when it comes to brand campaign planning, getting people to directly view your ads for longer really matters.

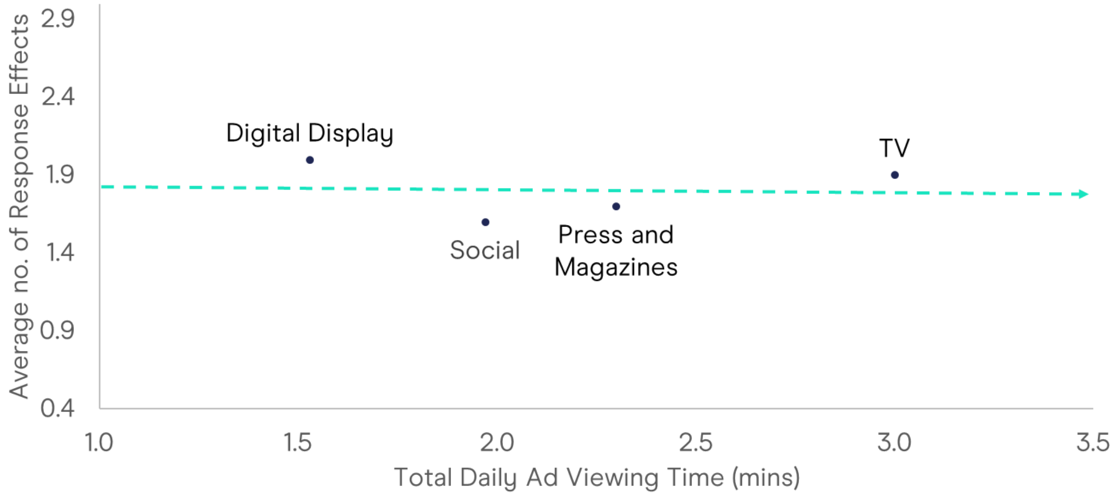
Brand Effects vs Ad Attention



Source (Ad Viewing data): Ebiquity – The Challenge of Attention. Note: Combined average created for press and magazine ad viewing time. Digital Display used as proxy for Functional Internet in Ebiquity report

For response campaigns, the pattern is less clear (although it should be noted that we don't currently have attention data for the top-performing response channels: Ad Mail, Email and Search), with no direct linear pattern observable. Campaigns that include digital display, for example, drive as many response effects as campaigns that include TV, yet they command half the amount of ad attention. With response campaigns tasked with the simple job of eliciting a sale or action as quickly as possible, without the need for subtlety or complex messaging that seeks to create deep emotional connections (of the sort that brand campaigns do), there is evidence that attention matters less in performance marketing. It's worth noting that this is different from saying response ads don't need to be noticed – clearly having an eye-catching ad matters – but rather that prolonged exposure of the type brand campaigns need may not be necessary for driving a short-term response.

Response Effects vs Ad Attention



Source (Ad Viewing data): Ebiquity – The Challenge of Attention. Note: Combined average created for press and magazine ad viewing time. Digital Display used as proxy for Functional Internet in Ebiquity report

Key Implications

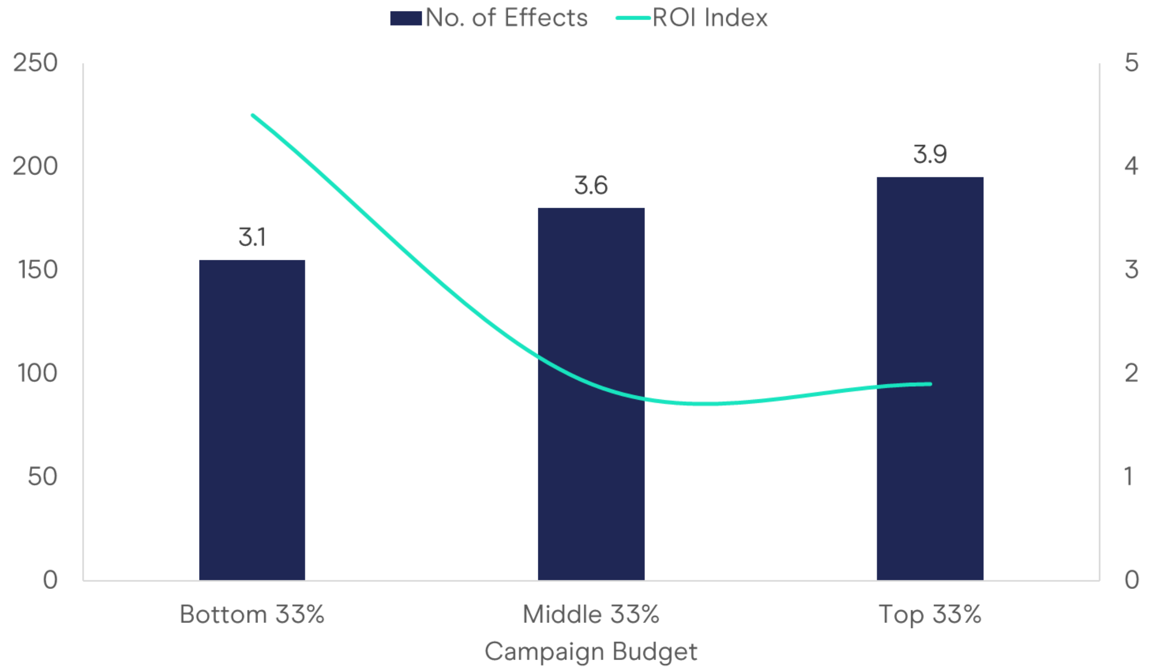
1. **Multi-channel strategies matter more for brand building than performance marketing**
   46% of campaigns in the Intelligent Marketing Databank are running across a single channel. 13% of campaigns are running across four or more channels. Brand effects tend to build as more channels appear on the media plan, although the same linear pattern is not clear for response campaigns. A well-executed performance campaign executed across just one or two channels may be all that's needed to drive response.
2. **Marketers generally place their brand and response spend in the most effective channels**
   The most effective brand channels (TV, Out of Home, Radio and Press & Magazines) are the most likely to appear in brand campaign schedules and the most effective response channels (Ad Mail and Email) are the most likely to appear in response campaigns, which implies that marketers are generally well versed in the strengths of the main media channels. Digital display could be given greater consideration in brand building campaigns, however, where its strengths are often under-appreciated.
3. **Attention matters more for brand building than performance marketing**
   Attention is set to become the third variable alongside reach and frequency by which campaigns are planned. In the world of brand marketing, there is evidence that attention does indeed have value as an intermediary effect on the path to true effectiveness. For response campaigns, the value of ad attention is less clear.

/ How Small Brands Grow

The importance of acquisition based targets (as opposed to solely focusing on customer retention) in driving effectiveness was highlighted in the second section of this report. However, it is not without justification that organisations with smaller campaign budgets complain that pure acquisition-based goals are a luxury they cannot always afford, and it is often true that without the media costs it is sometimes cheaper to talk to your current audience than chase down a new one.

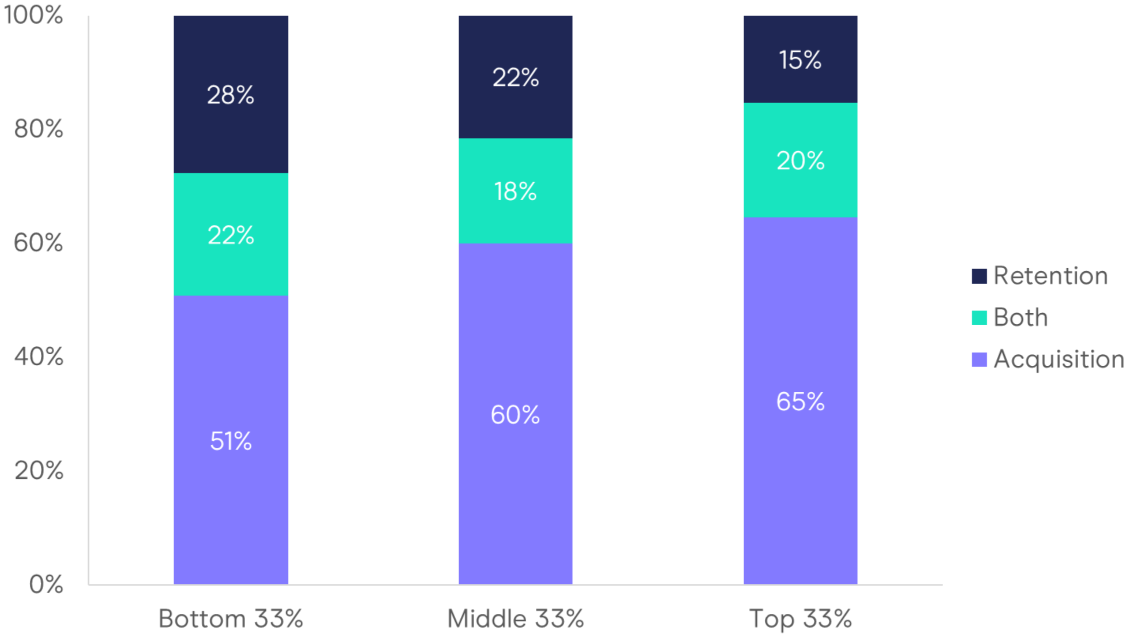
Smaller budgets drive the largest returns on average. Roughly a fifth of campaigns in the Intelligent Marketing Databank have campaign spend levels recorded. Splitting campaign spend into three terciles reveals that while the larger campaigns are able to generate the greatest number of effects overall, larger return on investment (ROI) multipliers tend to be the preserve of smaller budgets. While this is in part a matter of simple statistics with smaller campaigns able to generate larger returns from lower baselines it is worth considering what sets smaller advertisers apart from their larger peers.

Effectiveness by Campaign Spend



While pure acquisition campaigns are the most common target for smaller campaigns, they are much less likely to only be targeting new customers compared to larger campaigns (51% have an acquisition target vs 65% for the largest third of campaigns). Smaller budgets are also almost twice as likely to be focused on existing customers (28% vs 15% for the largest advertisers). While it is of course impossible for an organisation to sustain itself without at some point acquiring new customers, for smaller brands a much more equal importance is placed on retention vs acquisition. Unlike a larger brand which may have already saturated and upsold to their existing customers with as many product and service offerings as possible, smaller brands may not have hit this ceiling yet, hence their greater likelihood to talk to their own customers with their campaigns.

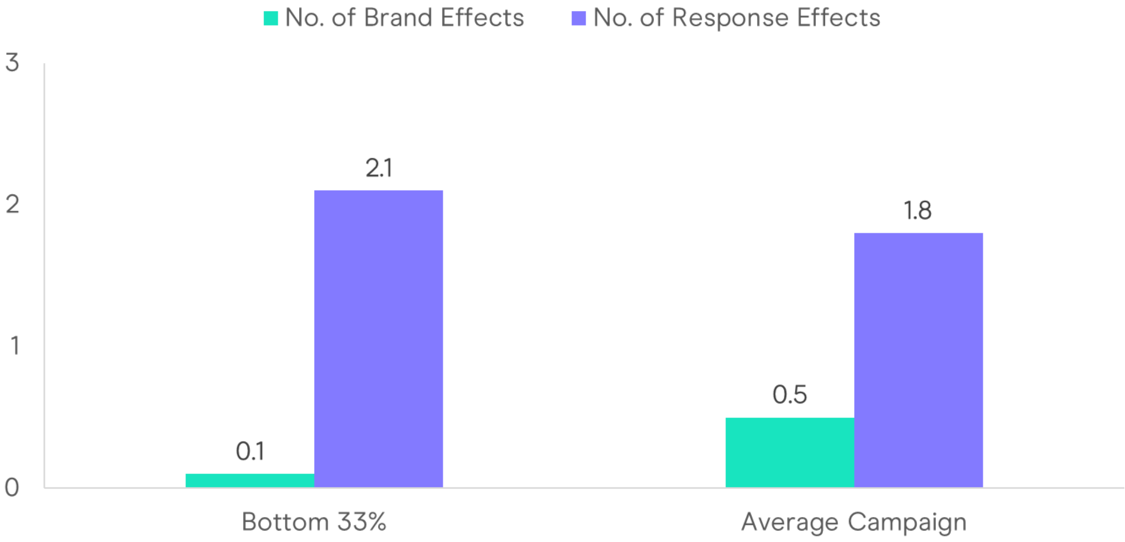
Campaign Objective Profile by Budget Size (% of campaigns)



Smaller Advertisers Focus on Driving Response

Smaller budgets are more likely to be deployed to drive response than shift brand metrics. The smallest third of campaigns drive 0.3 more response effects than the average campaign, and 0.4 fewer brand effects. It is a natural part of a product, service or brand lifecycle that demand must initially be stimulated as cost-effectively as possible, and in a short-term timeframe too to sustain cash flow. When brands grow and budgets expand, branding becomes both more affordable and also a necessity in an effort to stimulate future demand and expand mental availability for products and services.

Brand vs Response Effects for Smaller Budgets



In terms of media channel selection, it is unsurprising therefore that smaller budgets are more likely to be deployed against those channels which are known drivers of effective response.

While Digital, Email, Social and Ad Mail appear most commonly in smaller campaign plans, it is the use of Email and Ad Mail where smaller budgets really differentiate themselves from the norm. They are 40% more likely than average to use Email and 48% more likely to use Admail – i.e., the top two response channels in terms of effectiveness.

Usage of Channel for Lowest 33% of Campaign Budgets

Index vs Average Campaign		
100	Digital	74%
140	Email	40%
89	Social	34%
148	Ad Mail	28%
103	Search	11%
53	Digital Display	11%
47	Press and Magazine	6%
43	Out of Home	5%
43	Radio & Audio	3%
23	TV	3%

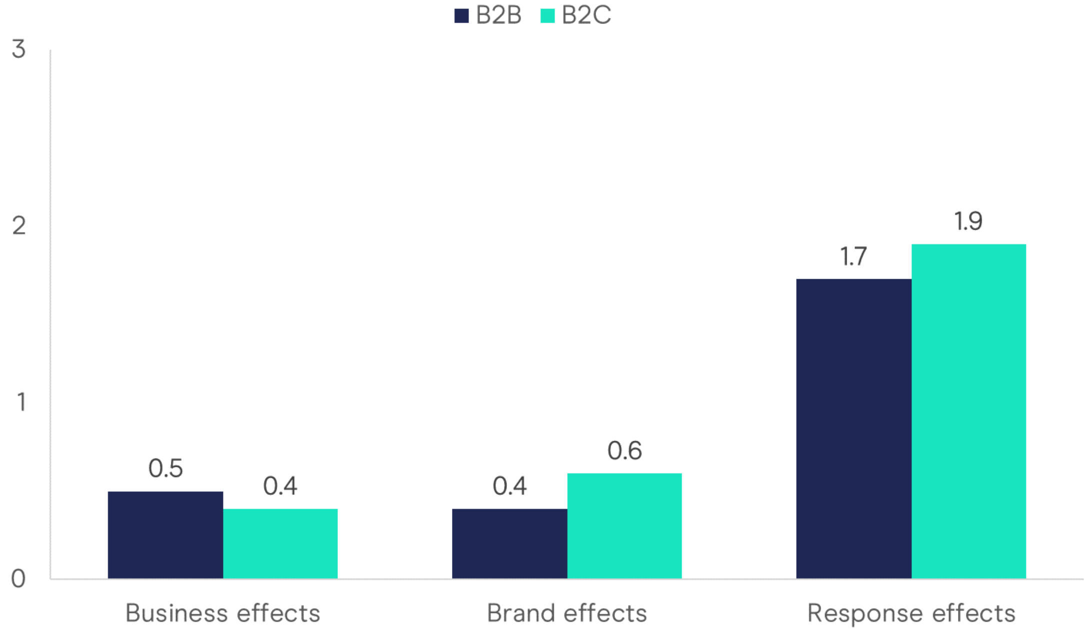
Key Implications

1. The smallest marketing budgets can deliver the highest ROI
   While the largest campaigns have the resources to drive the greatest number of effects overall, effectiveness is not out of reach for smaller budgets. ROI is highest for the lowest 33% of campaign budgets and while it is not the only marketing metric that businesses should focus on, it is at least a useful tool for smaller brands to convince the boardroom to unlock further marketing budget.
2. Smaller campaigns are less focused on customer acquisition than the average campaign
   While half of small campaigns are focused on customer acquisition, this is well behind the 65% reported by larger campaigns. While it may be tempting to focus on talking to the most loyal customers, small brands should regularly evaluate how they are balancing retention vs acquisition spend.
3. Smaller campaigns are more focused on driving response than brand building
   Brand building is inevitably regarded as a long-term and costly investment. Without reaping the rewards of more immediate short-term response, it is unlikely that smaller businesses will ever be able to invest in brand marketing.

/ B2B Effectiveness

16% of the campaigns covered in the Intelligent Marketing Databank's 1,057 strong database are B2B. Broadly they behave as B2C campaigns do in that they are far more likely to drive a response effect than a brand or business effect. Where they differ from B2C is in which area of effectiveness their true strengths lie. B2B campaigns tend to result in fewer response and brand effects than B2C campaigns, but drive marginally more business effects. Business effects speak to the long-term financial sustainability of an organisation and their focus for B2B campaigns is perhaps an inevitability of marketers who are simply dealing with the vocabulary of "business" on a day to day basis through their campaigns.

Average Number of Effects per Campaign



The top effects reported by B2B campaigns are detailed in the table below. The generation and conversion of leads are one point of differentiation in terms of response effects generated. The download metric that appears so often relates to the access to B2B whitepapers that are often a staple of B2B content marketing. In terms of ensuring their long-term financial sustainability, B2B advertisers are focused on using their campaigns to grow market share and position, and increase their earnings and profitability while raising levels of brand value.

Award-Winning Case Studies

The DMA B2B Gold-winning campaign from Toolstation is an example of one such piece of activity that drove a host of profitability and loyalty based metrics.

Effects Reported for B2B vs B2C Campaigns

Top Overall Effects Reported

B2B Campaigns	B2C Campaigns
Revenue Growth	Revenue Growth
Leads	Sign-ups / uses
Downloads	Unit Sales
Brand Awareness	CPA Reduction
Lead Conversions	Brand Awareness

Top Business Effects Reported

B2B Campaigns	B2C Campaigns
Market Share	Profitability
Profitability	Market Share
Market Position	Long Term Customer Retention
EBITDA	Customer Penetration
Brand Value	Market Position

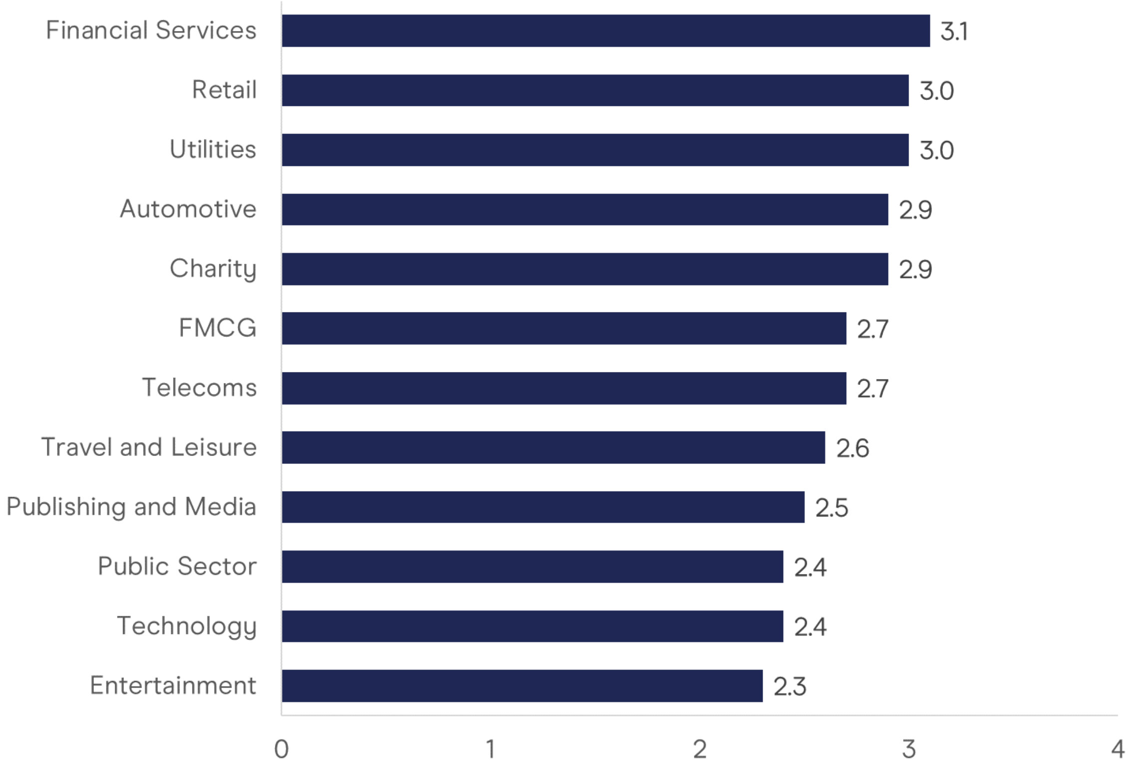
Key Implications

1. B2B campaigns drive more business effects that B2C campaigns
   The number of business effects reported has been in decline in 2021, yet at the same time B2B marketers have proven themselves more able than their B2C counterparts in bridging the effectiveness language gap between the marketing team and the boardroom. Pinning marketing spend to profit growth, market share, EBITDA and brand value is vital for getting organisational buy-in to marketing strategy.
2. B2B campaigns have to work harder to drive response and brand outcomes
   Marginally fewer brand and response effects are recorded per campaign for B2B vs B2C campaigns. When setting targets, appropriate benchmarks should be used and expectations around B2B impact managed accordingly. Business respondents may also be consumers, but context is everything when delivering marketing messages.
3. The fundamentals of marketing effectiveness are as relevant for B2B as they are B2C
   Despite the differences highlighted above, most B2B findings in the Intelligent Marketing Databank mirror those for B2C campaigns. The fundamentals of marketing best practice around multi-channel, brand vs response, and retention vs acquisition are all essential to B2B marketing success.

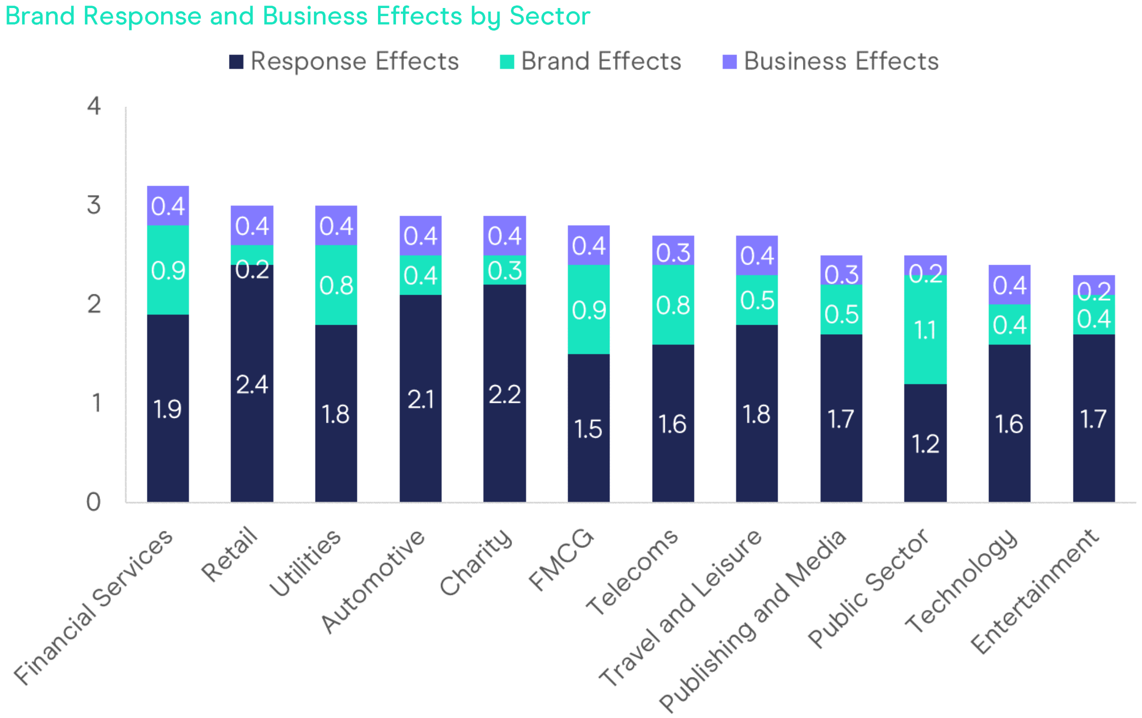
An Update on Effectiveness by Sector

An analysis of the effectiveness of different industry sectors gives advertisers a sense of the type of benchmarks they should be looking to peg the success of their campaigns against when measuring impact using the same method as the Intelligent Marketing Databank. Financial Services brands have enjoyed a successful year, jumping up the rankings to first place, while FMCG brands are the highest climbers, moving up to sixth.

Total Number of Effects by Sector



Financial Services brands have been particularly successful at generating brand effects in 2021, and in line with that have placed a lot of effort into customer acquisition over the last year (as a case in point, this DMA Gold-winning campaign from PayPal and RAPP drove a dramatic turnaround in brand consideration and preference among digital natives last year). Similarly, FMCG brands have moved up the rankings due to a renewed focus on brand building, highlighting where the overall brand improvement noted in the first section of this report is coming from.



Key Implications

1. **Consider sector benchmarks when creating campaign KPIs**
   There is a range of effectiveness between the lowest performing sector (Entertainment with 2.3 effects) and the best performing (Financial Service with 3.1 effects) that it is important to acknowledge when setting campaign KPIs. While this difference may be as much down to consumer receptivity and market-specific factors as it is true ad effectiveness, it is important to get as sector-specific as possible when creating campaign targets.
2. **The brand vs response opportunity by sector**
   Some sectors are clearly better at driving brand impact (e.g., FMCG, Telecoms and Financial Services) and some are better at driving response (e.g., Retail and Charity). Brands must decide whether the lack of one or other of these strategies in their sector is an opportunity that can be taken advantage of in terms of future marketing strategy, or is it rather a lesson in what does and doesn't work in different industries when talking to consumers.
3. **A third of sectors are below average in business effect reporting**
   Telecoms, Entertainment, Publishing and Public Sector campaigns tend to report less than 0.4 business effects per campaign. Public sector aside, these sectors are potentially most at risk of creating a disconnect between the marketing team and the board room unless they can demonstrate the impact of marketing on the future sustainability of the business more effectively.

/ Methodology

Over one thousand entries to the DMA Awards have been condensed into a database of 852 unique marketing campaigns. Some data is derived from the self-declared information provided in the award entries themselves, while additional tags have been created to add further depth to the databank.

Pre-existing campaign information:

- Entry year
- Agency name
- Client name
- Award categories
- Judges scores
- Campaign duration
- ROI (for 247 campaigns only)
- Campaign budget (for 178 campaigns only)
- Open text fields related to the campaign brief, strategy, solution, creative thinking, results and supporting data.

Additional campaign information added during databank build:

- Agency type
- Advertiser category
- Advertiser size
- Industry sector
- Launch or established product/service campaign
- Retention of acquisition objective (or both combined)
- Brand or response objective (or both combined)
- B2B or B2C
- Media channels used
- Type of campaign effect (see further detail below)
- Average number of effects (see further detail below)

Complete list of effectiveness measures identified.

Campaign Delivery Measures:

- Ad Block Rates
- Brand Safety
- Buzz Score
- Call centre volume
- Campaign Reach
- Clicks
- CPC
- CPC reduction
- CPE
- CPM
- CPV
- CRM Rev contribution
- CTO
- CTO growth
- CTR
- CTR growth
- Digital Contribution
- Digital Impressions
- Digital Traffic/Views
- Digital Traffic/Views Growth
- DM CPC
- Domain Authority Dwell Time
- Dwell time growth
- Earned Media/PR Impressions

- Earned Media Mentions
- Earned Media Value
- Email CTR
- Email Open Rate
- Email Open Rate Growth
- Email Volume
- Engagement Increase
- Engagement Rate
- Engagements
- Frequency
- Interest Lift
- Live Event Traffic
- Mail open rate
- Mail Volumes
- OOH Impressions
- Opt-in rates
- Opt-out rate
- Organic Social Impressions
- Organic Social Reach
- People trained
- Press Impressions
- Production Costs
- Radio /Audio Impressions/Reach
- Reach Growth
- Referrals
- RPE
- Sales team growth
- Search Growth
- Searches
- SEO Ranking
- Site traffic retention
- Social Engagements
- Social Reach/Impressions
- Social Reach Growth
- SOV
- Spend Efficiencies
- Target Audience Reach
- Total Impressions
- TV Impacts
- Video View/Plays
- View Through Rate
- Viewability
- VOD Impacts
- Webinar views

Response Measures:

- Account logins/updates
- ARPU
- ARPU increase
- ATV
- Average Order Value
- Average Order Value Increase
- Bookings Growth
- Brochure Request Growth
- Churn Reduction
- Complaint/Claims Reduction
- Complaint reduction
- Conversion Rate
- Conversion rate growth
- CPA/Cost Per Lead/Cost of Sale
- CPA Reduction
- Customer/New Customer Growth
- Customer Reactivation rate
- DM AOV
- DM Revenue Contribution
- DM ROAS
- Door Drop Revenue Contribution
- Download growth
- Downloads
- email ROAS
- Enquiries
- Enquiries/Leads Growth Footfall
- Footfall Frequency
- Footfall Increase
- Frequency of purchase
- Lead/Sales Conversion

- Leads
- Leads/Pipeline value
- Leads contribution growth
- Mail Response Growth
- Mail response rate
- New Customer Acquisitions
- New Customer contributions
- Online Sales Increase
- PPC ROAS
- Referral increase
- Response per GRP
- Response Rate
- Response Rate Growth
- Responses
- Retention Rate
- Retention Rate Increase
- Revenue generated
- Revenue Increase
- Revenue per page
- ROAS
- ROAS Growth
- Sell out rate
- Shopper base
- Sign-up/member growth
- Sign-ups/uses/members
- Transactions per email
- Unit sales
- Unit sales growth
- Voucher/reward redemption rate

Brand Measures:

- Ad Recall
- Behaviour Change
- Brand Awareness
- Brand Familiarity
- Brand Favourability
- Brand Health
- Brand Interest
- Brand Perceptions
- Brand Persuasion/Consideration
- Brand Relevance
- Brand Trust
- Cost per brand lift
- Creative Interest/Understanding
- Creative pre-test results
- Customer Satisfaction
- Message Recall
- NPS
- NPS Growth
- Positive Sentiment
- Purchase Intent
- Recommendation Likelihood
- Word of Mouth

Business Measures:

- Average Lifetime Value
- Brand Value
- Brand Value Growth
- Customer Penetration
- EBIT
- EBITDA
- Long-term Customer Retention/Loyalty
- Long-term Revenue
- LTV Growth
- Market position
- Market Share Growth
- Policy Change
- Profit
- Profitability Growth
- ROI
- Shareholder value growth

/ About the DMA

The Data & Marketing Association (DMA) comprises the DMA, Institute of Data & Marketing (IDM) and DMA Talent.

We seek to guide and inspire industry leaders; to advance careers; and to nurture the next generation of aspiring marketers.

We champion the way things should done, through a rich fusion of technology, diverse talent, creativity, insight – underpinned by our customer-focused principles.

We set the standards marketers must meet in order to thrive, representing over 1,000 members drawn from the UK's data and marketing landscape.

By working responsibly, sustainably and creatively, together we will drive the data and marketing industry forward to meet the needs of people today and tomorrow.

www.dma.org.uk

/ About Salesforce

Salesforce, the global CRM leader, empowers companies of every size and industry to digitally transform and create a 360° view of their customers.

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