

A Guide to building a Marketing Measurement Framework

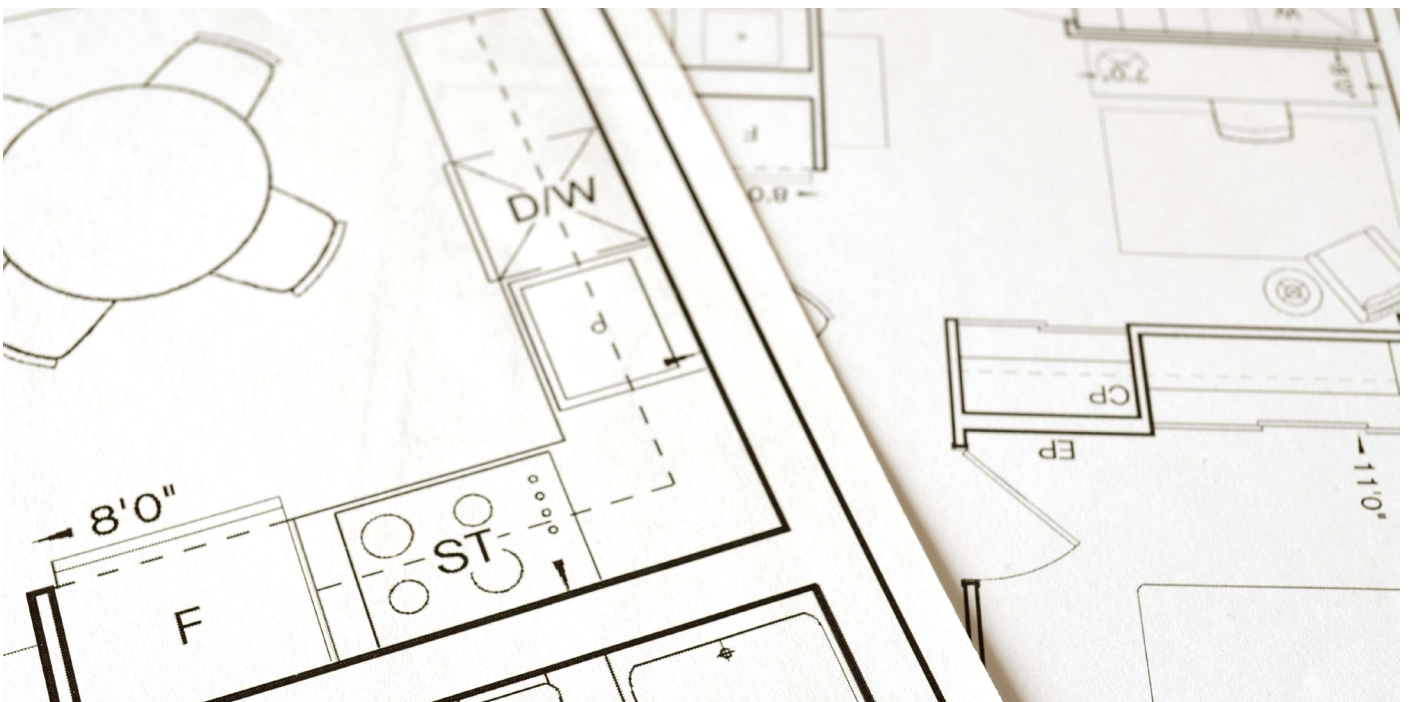
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Executive Summary

In 2024, the marketing ecosystem is shifting constantly - as advertisers are facing increasing pressures across changes from the economy, technology and the shifting regulatory focused climate, it becomes more key than ever to ensure organisations have a solid measurement and evaluation framework, prepared for the ever-shifting climate with AI and privacy.

What has worked well in prior years needs to be continuously challenged to ensure continued growth aligned with key business objectives.

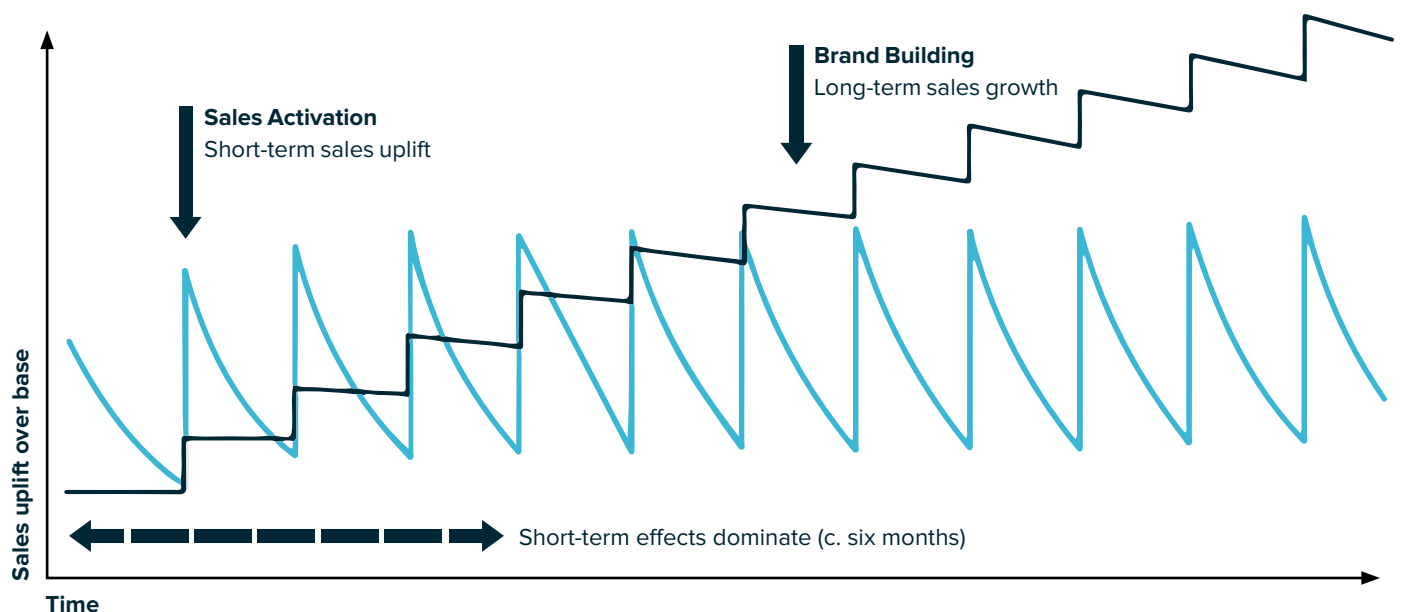


Introduction

Measurement frameworks provide the foundation for evaluating the effectiveness and impact of marketing initiatives.

In an era where data-driven insights drive strategic decision-making, marketers must continue to stay abreast of comprehensive measurement frameworks to optimise marketing spend, refine targeting strategies, and enhance overall return on marketing budget.

A well-designed measurement framework provides a macro level view of your marketing ecosystem, channel and campaign performance and guides strategic decision-making and resource allocation. This white paper outlines essential considerations and practical guidelines for building effective measurement frameworks tailored to modern marketing challenges.



Considerations for Measurement

Considerations for Measurement

Marketers have faced challenges in connecting business outcomes to marketing efforts and the advancements to data privacy within the last few years (and what is yet to come) have made this more complex. Understanding how your marketing mix contributes to your organisation's success and attributing the right value to each touchpoint is key.

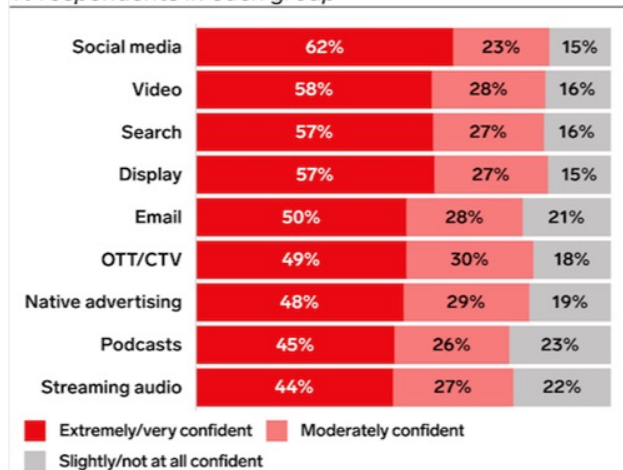
Recent research shows that marketers are finding it hard to demonstrate the full value of marketing and prove its potential to be a major driver of business growth to their CEOs and CFOs, with 71% of marketing executives agreeing on the struggle (Why the CFO is key to proving marketing's business value, Forrester, 2021). The good news is that two-thirds of marketers (61%) expect business to be better in 2024 compared to 2023 (WARC, the Marketer's Toolkit 2023).

On the other hand, understanding performance and evaluating marketing results remains an area where a significant number of marketers feel they could do better, with more than a fifth (22%) employing no form of modelling in their evaluation processes.

This becomes more alarming when considering how most marketers are planning an increase in investment in brand marketing year-over-year, with two-thirds of marketers expecting to increase investment in online video, social media, podcast and mobile - each of which become trickier to understand the value driven.

Fewer Than Two-Thirds of Marketing Professionals Worldwide Have High Confidence in Their ROI Measurement Across Channels

% respondents in each group



Source: Marketing professionals have mixed confidence in their ability to measure ROI, eMarketer, 2023

There are a couple of further areas of consideration:

1. Cookie Deprecation & Privacy

An area we have been following closely at Threepipe is the ever-changing environment with data privacy, with the ever-looming cookie deprecation. The ongoing changes have resulted in many businesses finding it difficult to understand the performance of their advertising across digital platforms. This has resulted in the fundamentals for measurement not just to include appropriate campaign tagging, but also ensuring the use of advanced tracking solutions such as Enhanced Conversion Tracking, Consent Mode and even Server-Side Tracking to mitigate loss of data. However, each of these only helps to patch a small segment of data, which is click driven and where users have consented to tracking.

2. Marketing Effectiveness and the Upper Funnel

The rise of challengers such as TikTok, as well as the increasing research into the effectiveness of upper funnel awareness combined with short term advertising has meant advertisers have an increased need to understand and measure performance of these channels. Many marketers struggle to quantify the business outcomes driven by these channels, since these typically have influence in the conversion path earlier in the customer journey and are not always the channel responsible for a last-click conversion.

3. The Future & Present with AI

2024 alone has seen a number of advancements with AI as we see the climate for marketers' shift. From the recent Google I/O and the shifts towards an AI fuelled search experience, to the rise of AI-supported content across creatives for visual driven platforms. We have been testing AI rigorously and believe the key is to balance the human touch with the efficiencies provided by machine learning. Together with these AI changes comes an ever-increasing importance to be able to track and measure performance in a dynamic content driven world.

In a time where budgets are under scrutiny, demonstrating tangible impact of marketing investments across the channels you deploy is vital. The winning advertisers for this era will be those who use a combination of resources, robust evaluation strategies and a significant focus on driving results that directly impact business objectives.

Frameworks & Approaches

Frameworks & Approaches

A well-defined measurement framework should guide macro marketing decisions and strategic media planning. Measurement frameworks can be simple or advanced, differ in their maturity, and capture varying levels of data.

In the simplest form a measurement framework should gather channel and platform data, providing a clear picture of single channel performance.

At a more advanced level a measurement framework will include a developed Marketing Mix Model and a Multi-Touch Attribution strategy which provides a holistic view of performance across the marketing mix.



Building a Clear Plan

Building a Clear Plan

The first crucial step is ensuring you have prepared your media plan in advance with each marketing channel, and evaluated to ensure it is aligned with your objectives and with your overall budget. Planning doesn't just include your budget, but also the methods of how you measure results so they can be dissected and ultimately tie back to your business goals. Your plan should be strategic in choice of marketing channels, focused on key audiences and the objectives clearly defined - many marketers run the risk of spreading themselves too thin, where budget is limited, and in many cases focusing on a few key areas, which are measured well, can often drive better results.

In 2024 and beyond, the key consideration in the planning process is to consider the long-term and the short term objectives. The method for relying on last-non-direct clicks for digital marketing are becoming increasingly challenging for marketers to rely upon, and with the ever-complex journey of brand building impacting performance it becomes even more important to factor this into your planning.

Understanding and quantifying the value of your marketing across funnel (both upper funnel brand campaigns and lower funnel conversions) is one of the most challenging measurement initiatives for any brand. But it's critical for your business's long-term health and viability, as illustrated by "The Long and Short of It" research from Binet & Field.

One consideration for your planning is the ability to understand the holistic marketing funnel and how each touchpoint drives towards your ultimate objective. For some businesses, investing the time and resources towards solutions such as Marketing Mix Modelling (MMM) can prove a meaningful route to allow easier isolation and understanding of each channel's value. For others, a lighter touch approach such as multi-touch attribution analysis and hold-out studies can prove more effective to understand trending impact the funnel has on performance.

Digesting Results and Tweaking for Success

Digesting Results and Tweaking for Success

Practising a data-driven culture where evidence-based decision-making is prioritised can lead your organisation to sustainable growth, but missing on identifying the right information that can better inform your strategy or planning can be risky, when marketers choose the wrong tactic based on flawed measurement, businesses lose out on an average cost-per-action improvement of 64% (Marketing measurement for a privacy first world, Accenture, 2021). Companies should strive towards a mature data strategy as many still lack the skills or resources in their teams with 76% of companies recognising, they are not yet mature in this field (Organizations see the need to advance maturity of data strategy and analytics, Forrester & Kantar, 2022).

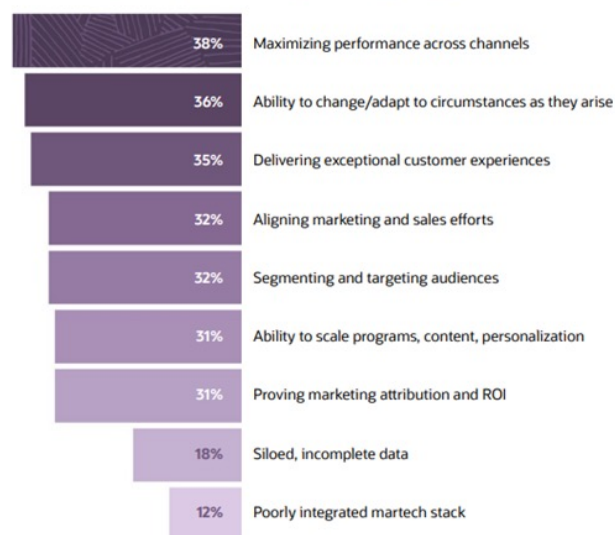
Together with a built-for-success plan, along with your measurement methods, comes fine-tuning to maximise your budget's output. The modern approach to evaluating your marketing comes with fine-tuning across your choice of evaluation criteria and the insights on the performance of your marketing channels. If your budgets frequently shift (we typically recommend dynamic budgets to adapt quickly), you want your team and partners to be able to immediately act when trends emerge, rather than waiting to identify trends.

In many cases a long term MMM solution can prove valuable, however, to be reactive there are several measurement techniques which can be actively employed to bridge this gap. These are illustrated below and align closely with the marketing maturity of your organisation. The organisations in the best position are those with an integrated measurement framework with multiple approaches.

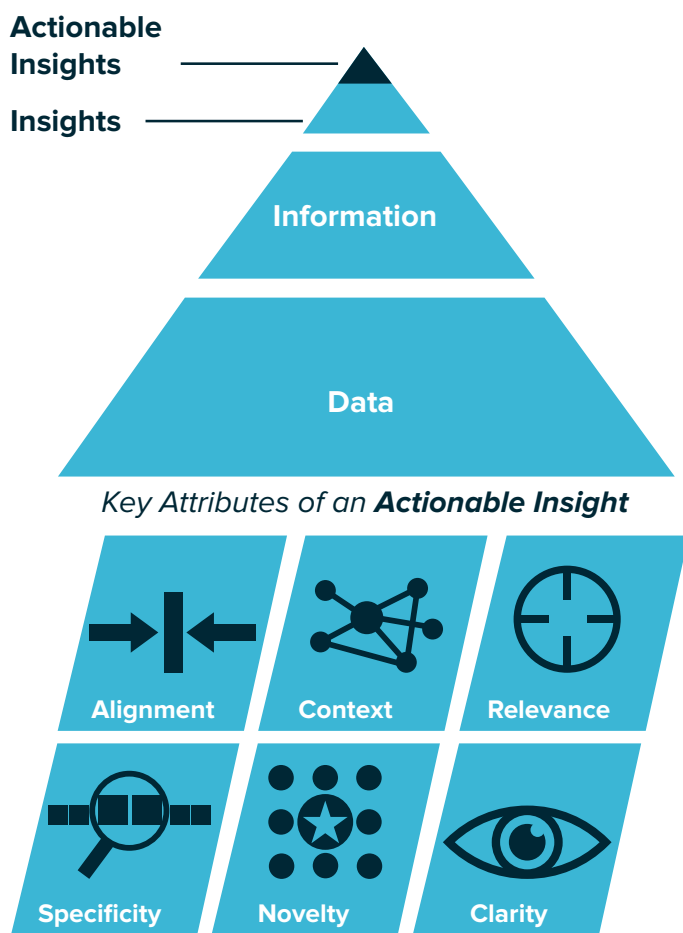
	Measurement	Objective	Metrics	Frequency
Lower Funnel Media Channels & Platforms	GA, Platform Conversion Pixel	Understand platform and individual channel performance	Impressions / Clicks Conversions CPA/ROAS Profitability	Daily / Weekly
Brand Measurement & Incrementality	Lift Studies, Geolocation Hold-Outs	Understand the impact of Upper-Funnel channels	Incremental uplift (Clicks / Conversions / ROAS) Ad Recall / Favorability / Purchase Intent	Monthly / Quarterly
Credit Allocation & Multi-Touch Attribution	Cross-Channel	Track touch points and channels across the conversion path and implement a MTA model	Impressions / Clicks Conversions CPA/ROAS	Daily / Weekly
Full Funnel Marketing Mix Modelling	Cross-Channel or first party data	Macro level view of marketing ecosystem and a developed MMM model	ROI LTV Incrementality	Long term analysis (typically 1 year+) or more frequently through light-touch automated MMM

With over 3 in 10 marketers finding it hard to prove marketing attribution and ROI together with maximising performance across channels (not a big surprise as half of companies buy their media across 11 or more platforms - The Future of Commerce Needs a New Media Approach, Criteo, 2022) having a measurement framework is the first step to gather a comprehensive view of their efforts, however, to be valuable, an effective measurement framework needs to provide insights that are meaningful and actionable for your business. This is mostly due to the large amounts of data available that can feel overwhelming without the right framework and the difficulty to connect analytics to action (only 29% of firms think they are being actually successful on that - Actionable Insights: The Missing Link Between Data And Business Value, Forbes, 2016).

What are your top marketing challenges right now?



Source: Oracle, Marketing trends 2022



Conclusion

Conclusion

Despite the initial appearances, the measurement of your marketing doesn't need to be complex, with the right planning and resources it can become clearer. It all relies on improving your decision-making by using data and ensuring your marketing channels are working towards a common goal. The winning brands through 2024 and beyond will be those that lean into the fundamentals together with an integrated strategy.

At Threepipe Reply we support you collaboratively, defining and growing your marketing strategy to realise your goals. With the help of our Marketing Maturity audit, you can unravel where your next steps lie to give you the best chance of success.



Measurement Spotlight

Measurement Spotlight

Case Study: Developing a Measurement Framework for Lifestyle Brand

Challenge

We developed a measurement framework that moved beyond a single attribution view to a benchmarked best indicator, which would outline how to attribute value to each media channel and a holistic view on performance.

There were three different tracking solutions, each measuring different channels and platforms. Meta platform data was used to track impressions and clicks from paid social, Flashtalking was used to measure impressions on display and Google Analytics and Flashtalking were used to measure clicks across all channels.

Isolated measurement solutions meant that there was no single source of truth to evaluate media performance effectively. Our priority was to develop and implement a measurement framework which consolidated these systems and provided a holistic view.

Approach

There were four key issues to mitigate:

- 1. Cross device measurement** - tracking the user journey across multiple devices for accurate sales attribution.
- 2. Deduplication of Sales** - no single platform has enough visibility for true cross-channel deduplication.
- 3. Safari ITP** - blocking all third-party tracking cookies.
- 4. Total number of tracked conversions** - under-reported sales data, using CRM data we were able to measure the discrepancy within each platform.

We used CRM sales data, Facebook attribution, Flashtalking and Google Analytics to assess historical data and apply individual modifiers across each channel and market to give the final measurement framework output.

Results

The measurement framework provided a solution for understanding the influence of paid media channels across the customer journey, and how an uplift in one channel would positively impact customer acquisition.



Case Study: Connecting Paid Social and Paid Search for a Fashion Retailer

Challenge

A well known fashion retailer had limited data to understand the impact of brand awareness activity on paid social and future search impressions. Using the weekly measurement reporting framework we couldn't draw any meaningful insights or conclusions on the correlation of these channels.

Approach

Our data science team conducted analysis over a set timeframe to find correlations between the two channels. Using data from various sources – impressions, reach and advertising spend on paid social by Brand vs Direct Response, Google Search Trends data and Paid Search impressions, alongside performance metrics from Google Analytics.

We tested for relationships between these metrics, and tested different time lags to see which produced the strongest correlations.

Execution

Our findings suggested that a two-month time lag that produced the strongest correlation and examples of models that were shared with the goodness of fit of each were:

- Correlation between Brand Reach metric and future Google Search Trends index (42%)
- Correlation between Brand Reach metric and future Paid Search impressions (29%)
- Correlation between Brand Awareness Spend and future GA revenue (18%)
- Correlation between Total Social Reach and future Google Search Trends index (25%)

The model also suggested the baseline value for the dependent variable, and how much activity, such as reach or spend was required to increment the dependent variable.

Results

The range of data we had allowed us to test various models, which all suggested that there was the desired correlation. The monthly granularity and long-term dataset (18+ months of data) was enough for us to test various time lags between variables.

Finally, having collected a range of data initially allowed us to estimate going forward how much Brand Awareness activity would be needed to drive future sales.

Attributing Sales to County Location for the ECB Vitality Blast T20 Tournament

Challenge

ECB T20 Vitality Blast is made up of 18 counties, all selling tickets for cricket matches at their own county ground. The overall advertising spend is segmented across each county and an additional top-up budget is given to select individual counties. ECB were interested in understanding the relationship between advertising spend in each county, ticket sales and the customer journey. When a customer clicks on a digital ad and purchases a ticket, the sale is attributed to the ad that was clicked on rather than to the county that the ticket was bought for. As an example, a customer may click on an advert for Surrey, but navigate through the site (or onto a different county site) and purchase a ticket for Hampshire. This would classify the sale for Surrey but should in fact reflect a ticket sale for Hampshire.

Approach

In order to solve this, we ensured that all paid media activity (search, social and programmatic) was ad served through

Flashtalking, so it could be used as a single source of data and to deduplicate ticket purchases to avoid over-reporting sales. A key part in the tracking setup was to pass a parameter using the county or ground name, so that it was possible to correlate the ticket purchase directly to the actual county location. We developed a custom application, called the Ground Performance App, that collected this information and reorganised the data, so that sales could be attributed to the correct county/ground.

Results

We were able to report sales attributed to the relevant channel and ad that was clicked on as well as the sales re-attributed by county location. The re-attribution of sales allowed us to manage budgets more effectively for counties according to demand, and also highlighted where additional marketing investment was required to boost ticket sales.

