

# *Optimizing Outcomes in MEDIA MARKETING*

## Power Up Brand Growth With In-Flight Agility

CMO Council Report

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# KEEPING UP WITH MEDIA IN MOTION

Much is riding on your media marketing and advertising strategy. Driving sales, mostly. Brand loyalty and customer experience, too. CMOs really need to get this right. The problem is that the media landscape has become wildly unpredictable. Digital channels rise and fall with the mercurialness of human behavior. All of this makes achieving campaign desired outcomes elusive.

“Fundamentally, marketing is getting harder for brands to connect with their intended audiences, whether we’re talking about data privacy, cultural issues or the fragmented media landscape,” says Dave Schneider, vice president and CMO at Red Wing Shoe.

Today’s CMO must be incredibly agile in order to successfully navigate this environment. They have to be able to learn quickly and pivot fast when things aren’t going to plan. They need to make smart decisions based on data, not only gut hunches.

Unfortunately, most have a long way to go.

Our study found that 2 in 3 marketing leaders are not very confident in their current media marketing and advertising strategy to effectively produce desired outcomes. They run into budget barriers, lack data science skills, and sometimes are mired in a corporate culture stuck in old ways of thinking about media marketing and advertising.

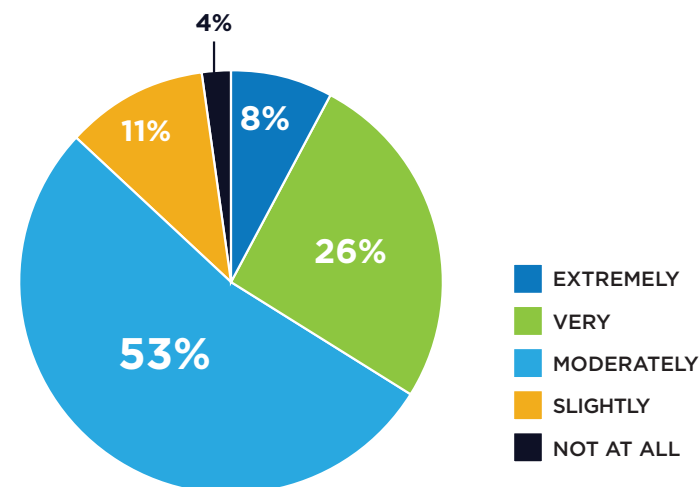
So what are the one-third of marketers who are very confident doing differently? They’re ahead of the game in critical capabilities such as in-flight campaign optimization, accurate and efficient customer targeting, driving consistent campaign results, and more.

The CMO Council and NCSolutions embarked on an extensive study to understand what’s the impact of media marketing and advertising today, where marketers can improve their capabilities, what they should be planning over the next 12 months, and what challenges need to be overcome.

## OUR METHODOLOGY

Our findings are based on a survey of over 160 marketing leaders in North America predominately in consumer packaged goods and retail. Additionally, we conducted in-depth interviews with executives from companies such as Blue Buffalo and Red Wing Shoe.

## HOW CONFIDENT ARE YOU THAT YOUR CURRENT MEDIA MARKETING/ADVERTISING STRATEGY CAN EFFECTIVELY PRODUCE YOUR DESIRED BUSINESS OUTCOMES?



# SECTION 1

## **MEDIA MARKETING**

# IN SEARCH OF SALES

Let's be clear: Media marketing and advertising produces real sales.

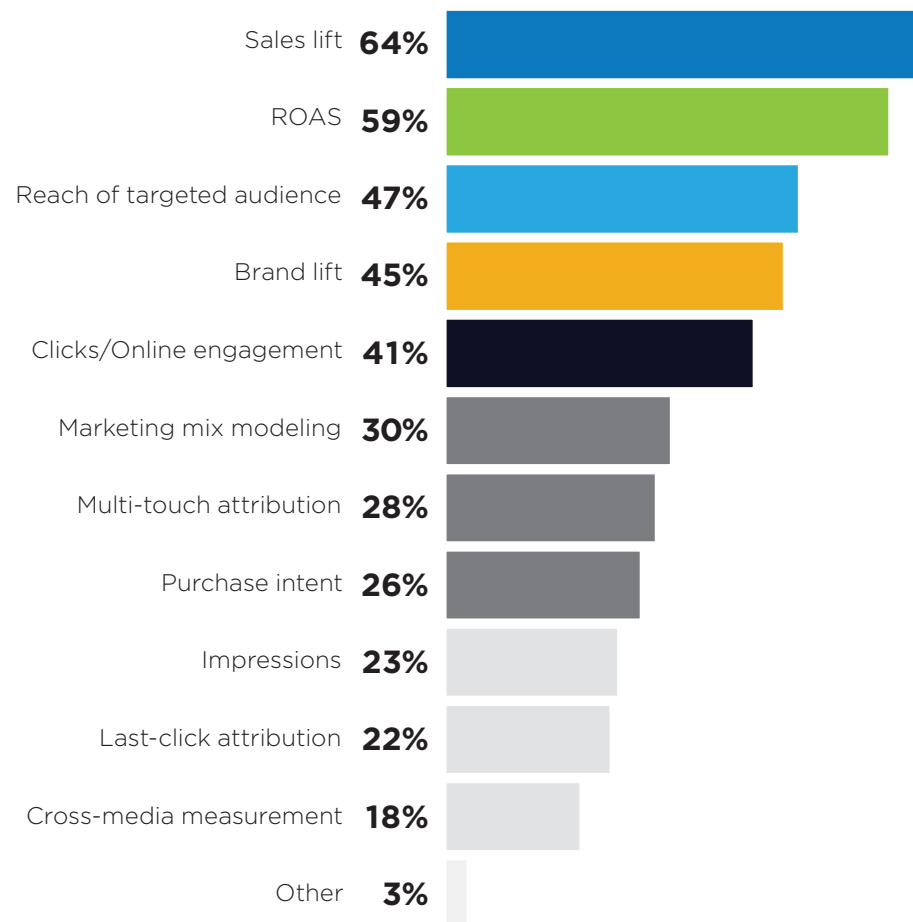
Our study found that sales lift is the number one way marketers measure media marketing and advertising performance. This is followed by return on ad spend (ROAS), reach of targeted audience, and brand lift. When choosing which partner to advertise with, marketers say obtaining a sales lift report is extremely (34%) or very (51%) important.

A good sales lift report doesn't just focus on total sales but incremental sales, too. This is important information because incremental sales give marketers an idea of how sales are growing, not just how much. How does exposure to advertising affect purchasing behavior? Do consumers buy more because of it? Which creative is most impactful? How does ad frequency affect sales?

At a time when marketers need to account for media investments more than ever, these kinds of insights into buyer behavior can help drive sales success over the long-term. Each campaign provides learnings for optimizing your approach and, ultimately, outcomes.

Further, the ability to understand whether a campaign running in a retail media network creates sales lift at other retailers and online stores is also extremely (35%) or very (47%) important. Does a campaign with a retail media network lead to an uplift in sales at another retailer? If so, how much?

## HOW DO YOU MEASURE MEDIA MARKETING/ADVERTISING PERFORMANCE?

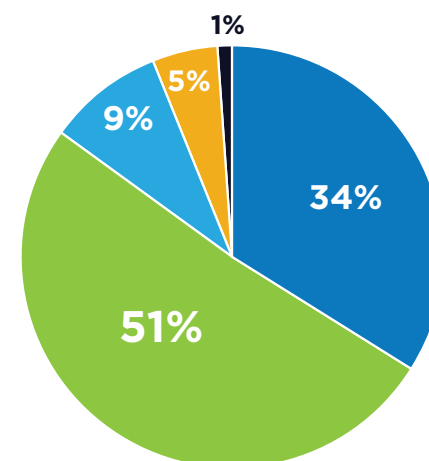


Getting answers to these questions is incredibly valuable. Fortunately, there are solutions out there for testing and learning about a platform's impact without limiting advertising. But even if you limit advertising to, say, only one social media channel in a given market so that you can measure sales lift at other physical and digital retail outlets, the insights alone may be worth it.

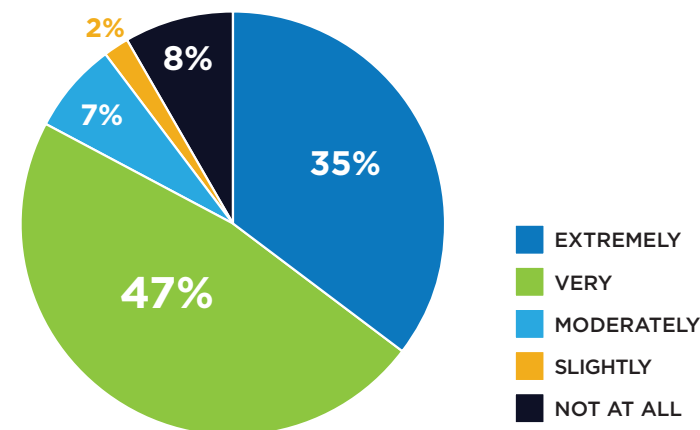
"A robust testing framework is needed — including tools, methodology and culture — to lay the basis for establishing 'ground truth' on channels," says Jason Lin, fractional CMO/CDO/CGO and former chief digital officer at Vital Proteins. "In turn, this helps you answer the question of how expensive is your growth."

**KEY ACTION RECOMMENDED:** CMOs can measure incremental sales lift and seek "ground truth" on channels to better understand cost of growth, which often means working with third-party data providers that have access to transactional data at retail outlets.

**WHEN CHOOSING TO ADVERTISE WITH A PUBLISHER OR RETAIL MEDIA NETWORK, HOW IMPORTANT IS THE ABILITY TO OBTAIN A SALES LIFT REPORT?**



**WHEN USING A RETAIL MEDIA NETWORK FOR ADVERTISING, HOW IMPORTANT IS IT TO UNDERSTAND IF THE CAMPAIGN IS CREATING A SALES LIFT AT OTHER RETAILERS AND ONLINE STORES?**



# WINNING & RETAINING

Winning and retaining customers is in every marketer's DNA.

In our study, 8 in 10 marketing leaders say media marketing and advertising is extremely (37%) or very (43%) important in winning customers. Considerably less — although no less impressive — say it's extremely (16%) or very (36%) important in retaining customers.

Of course, a good strategy does both, but there appears to be a lot more emphasis on leveraging advertising to win rather than retain customers. Why? Many marketers have the misconception that media marketing and advertising is simply more effective at winning customers. Yet, we all know that keeping a customer is cheaper than securing a new one.

Often, the most successful campaigns target existing customers. Marketers should aggressively advertise to their proven buyers with inspirational creatives that keep them engaged and loyal. Constantly remind them why they love your brand!

A good media marketing and advertising strategy takes a long view to support the short and long-term health of a brand, not just seeks quick sales. One often used long-term performance metric is customer lifetime value (LTV).

For instance, Blue Buffalo is intent on nurturing loyalty expressed through LTV. Blue Buffalo has a team dedicated to learning about customer buying habits through marketing campaigns. The big idea is to think of each consumer based on their habits, build out a model and attribute value extremes, says Nick James, senior director of consumer

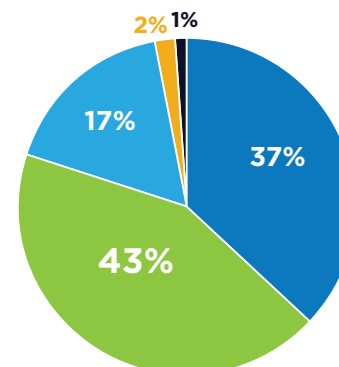
experience and digital products at Blue Buffalo. This will benefit not only marketing but the entire company.

"LTV is a big one for us, and it's new to this organization," James says. "The organization is looking to us to figure out why customers make a purchasing decision and to leverage those learnings across other capabilities of our business."

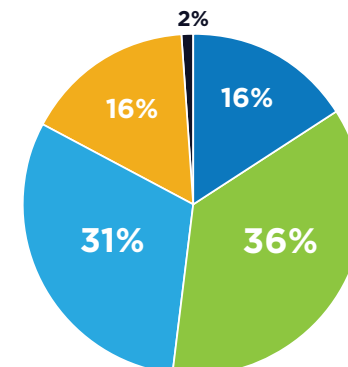
**KEY ACTION RECOMMENDED: CMOs can focus their media marketing and advertising strategies not just on winning new customers but retaining current ones and growing LTV.**

## HOW IMPORTANT IS MEDIA MARKETING/ADVERTISING

### IN WINNING CUSTOMERS?



### IN RETAINING CUSTOMERS?



■ EXTREMELY ■ VERY ■ MODERATELY ■ SLIGHTLY ■ NOT AT ALL

## MAKING AN IMPACT

While incremental sales lift is the holy grail, there are a lot of other ways media marketing and advertising can make an impact. Our study looked at 10 outcomes, ranging from increasing brand loyalty to enhancing the customer experience (CX).

CX jumped out to us because advancements in personalization, as well as the imminent end of cookies, impacts the execution of media marketing and advertising. Personalized CX in advertising can move the needle.

A report from Deloitte Digital found that 69% of consumers say they're more likely to purchase from a brand that personalizes experiences. The challenge is in delivering personalized CX that hits the mark. More than 50% of consumers say personalization tends to feel off-target and doesn't meet their needs, interests or preferences.

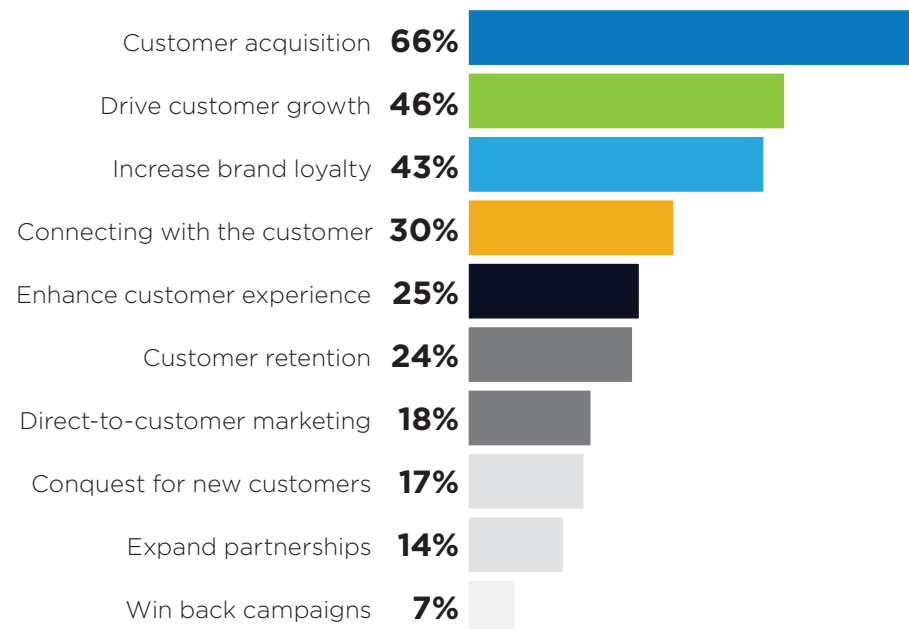
In media marketing and advertising, which ultimately helps consumers discover new products, personalized CX can take many forms. For instance, a consumer who walks into a store might engage with a fun and interactive gaming experience for trying out new products based on their unique, personal preferences. Not only can the advertisement lead to sales, but it also provides marketers with a test-and-learn environment.

Along these lines, Blue Buffalo, a pet food brand, empowered a team to run tests, learn and pivot based on data that shows how a consumer responds to advertisements. It's ok if only 1 in 5 experiments succeeds as long as there are valuable learnings from the other four.

"It's about having the freedom to make strong, bold choices and sharing what you're learning," Blue Buffalo's James says.

**KEY ACTION RECOMMENDED:** Think about how your media marketing and advertising can be personalized and/or interactive. The customer experience with your brand is critical. Use every opportunity as a way to test and better understand consumer buying behavior.

### WHERE CAN MEDIA MARKETING/ADVERTISING MAKE AN IMPACT?





# CONFIDENT VS. NOT-SO-CONFIDENT

Marketing leaders who are very confident in their strategies have good reason. Across the board, they perform better in tactical media marketing capabilities than their not-so-confident counterparts.

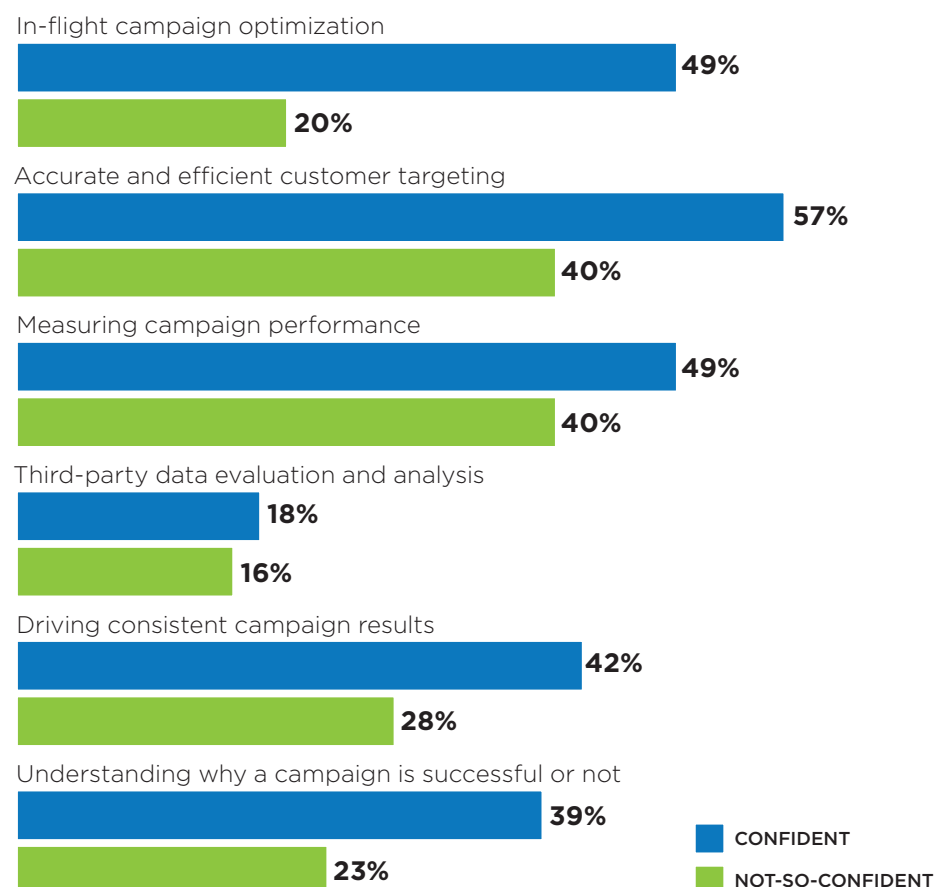
The biggest deltas are in three key areas: in-flight campaign optimization (+29%), accurate and efficient customer targeting (+17%), and understanding why a campaign is successful or not (+16). These capabilities reflect a marketer's agility, understanding of customer data, and ability to learn and improve.

With in-flight optimization, marketers can pivot a campaign to produce better outcomes while it's running. This means being able to acquire and analyze data that shows how a campaign is performing and then acting quickly on those insights. (For more, see "Agility In Flight," pg. 11.)

Accurate and efficient customer targeting is another capability with a big delta. Among confident marketers, 57% say that their performance in this area is high. Only 40% of not-so-confident marketers say the same thing.

That's a lot of marketers who are underperforming in arguably the most important capability in media marketing and advertising. If marketers get customer segmentation wrong, a campaign is likely doomed before it even begins.

## PERCENT OF CONFIDENT AND NOT-SO-CONFIDENT MARKETERS RATING THEMSELVES AS "HIGH PERFORMING" IN MEDIA MARKETING CAPABILITIES.



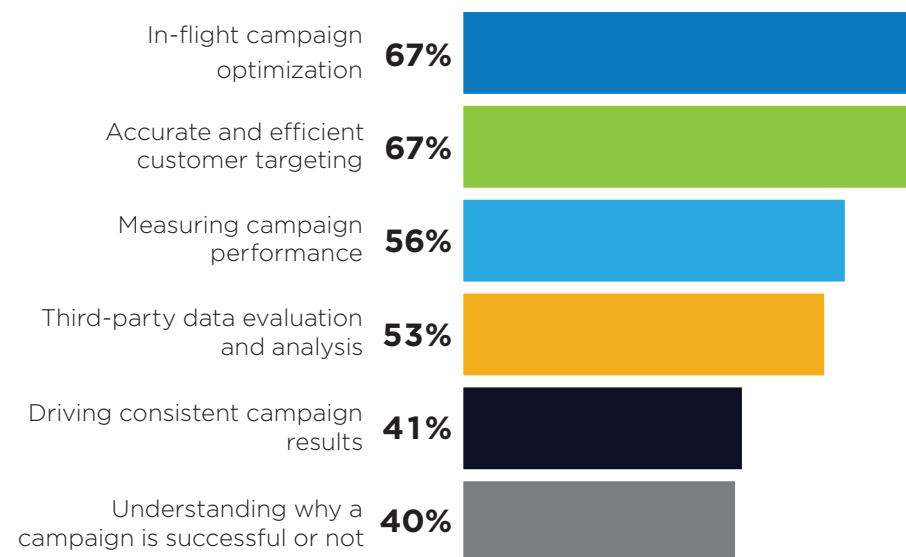
Another capability with a big delta is understanding why a campaign is successful or not. To be fair, most marketers struggle in this area regardless of confidence level. Only 39% of confident marketers and 23% of not-so-confident marketers say they perform this capability well. There's a lot of room for improvement here.

Our findings underscore the difficulty in understanding what makes a campaign successful. Which elements worked? Which ones didn't? What serves as a roadmap for the next campaign to drive more consistent results? Answering these questions takes data, budget and commitment.

Marketers will be busy over the next 12 months trying to get a better handle on what makes a campaign successful.

Specifically, marketers will be working to improve measuring campaign performance and becoming more accurate and efficient at customer targeting — the staples of media marketing and advertising — which will lead to a better understanding of campaigns and, ultimately, more consistent results.

#### WHAT MEDIA MARKETING CAPABILITIES ARE YOU PLANNING TO IMPROVE IN THE NEXT 12 MONTHS?



## AGILITY IN FLIGHT

Being able to optimize in-flight campaigns, a relatively new capability, is important these days given the unpredictable nature of the media landscape. In our survey, 83% of marketers say in-flight optimization is either extremely (40%) or very (43%) important.

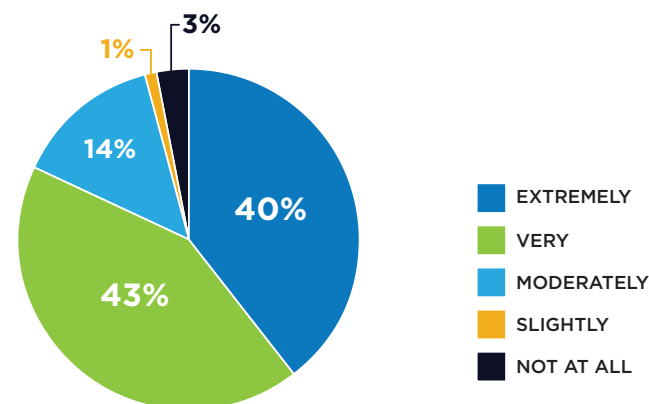
The reason boils down to consumer choices. From YouTube and TikTok to television and websites to Snapchat and Instagram, consumer eyeballs are everywhere. This puts a lot of pressure on marketers to understand media habits, match media against consumer targets, and adjust campaigns quickly based on early returns.

Throw in evolving consumer behavior and inflationary economic times, and it's becoming more difficult to stay on top of changes. Windows of opportunity are fleeting. The old days of appropriating advertising dollars for six-month media buys, letting campaigns run their course, and conducting impact surveys don't make sense today.

"You might run into some turmoil on a social media platform. Is it safe to still be spending dollars on Twitter? You have to be adaptable," Blue Buffalo's James says.

**KEY ACTION RECOMMENDED:** Despite many hurdles, CMOs can consider tackling in-flight campaign optimization to gain a considerable performance advantage and maximize their ad budget.

### HOW IMPORTANT IS OPTIMIZING MEDIA AND AUDIENCE FOR AN IN-FLIGHT CAMPAIGN?



### WHAT GETS IN THE WAY OF OPTIMIZING IN-FLIGHT CAMPAIGNS?



Lacking the  
right data  
inputs



Lacking  
expertise and  
resources



DSP/media  
partner/publisher  
doesn't provide  
the tools

## BUDGET & BARRIERS

Marketers cite a lack of budget as the top barrier holding back media marketing and advertising from realizing its full potential. This is followed by a lack of data science and analytical talent.

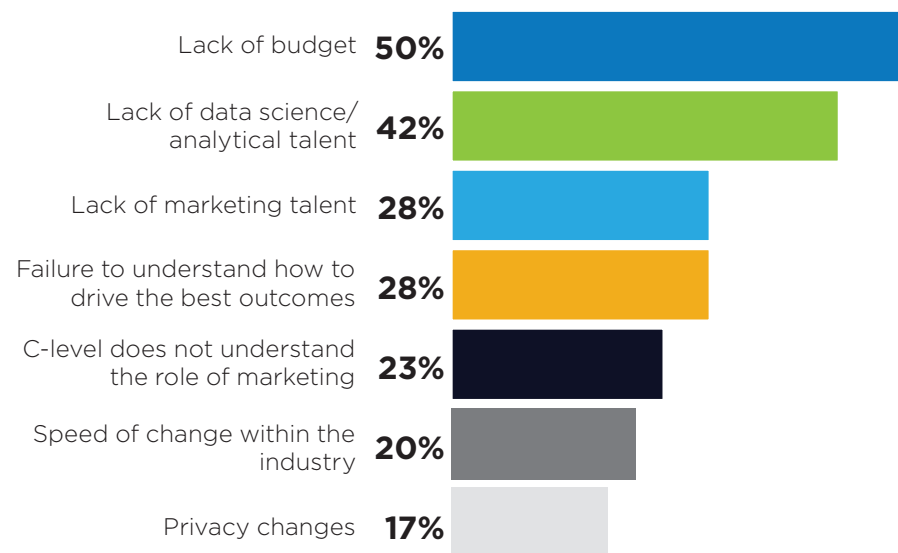
The problem with budgets, or lack thereof, often traces back to corporate culture — that is, how a company views media marketing and advertising. Is it an investment or an expense? The answer to this makes all the difference in budget allocation.

If a company sees marketing as an investment, it will invest dollars to build capabilities and learn about customers and their buying behavior. If a company sees this as an expense, it might reduce spending in one channel and buy three minutes more of advertising in another — a kind of zero-sum game.

Further, privacy changes have also accelerated the shift in media dollars from analog channels to trackable, digital ones. Our study shows media budgets decreasing in linear television, programmatic display and radio while increasing in online video, social media and search.

Another media marketing and advertising show stopper is a lack of data science and analytical talent. As marketers take more of their data capabilities in-house and away from agencies, the data science talent gap becomes more glaring. (For more, see “Data Clean Room,” pg. 13.)

### WHAT IS HOLDING YOUR MEDIA MARKETING/ADVERTISING BACK FROM REALIZING ITS FULL POTENTIAL?



### ARE YOU PLANNING ON INCREASING OR DECREASING YOUR MEDIA BUDGET FOR THE FOLLOWING CHANNELS?

#### TOP 3 INCREASING



Online video 65%



Social media 64%



Search 59%

#### TOP 3 DECREASING



Linear TV 20%



Programmatic display 16%



Radio 12%

# DATA CLEAN ROOM

While not many marketers have a data clean room today — only 1 in 5 — more are on the way. In our survey, 24% of marketing leaders say a data clean room is in the works.

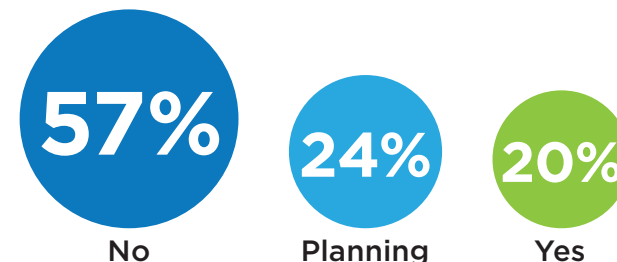
A data clean room provides a host of benefits in media marketing and advertising. Chief among them, in-depth analytics and the ability to have more access to analytics. This, of course, can lead to optimization and better outcomes.

Most importantly, a data clean room allows marketers to enter into second-party data relationships. For example, a credit card company and an airline can leverage each other's data and engage in co-marketing tactics. This is only possible because the data clean room is an anonymized and secure environment that complies with privacy regulations.

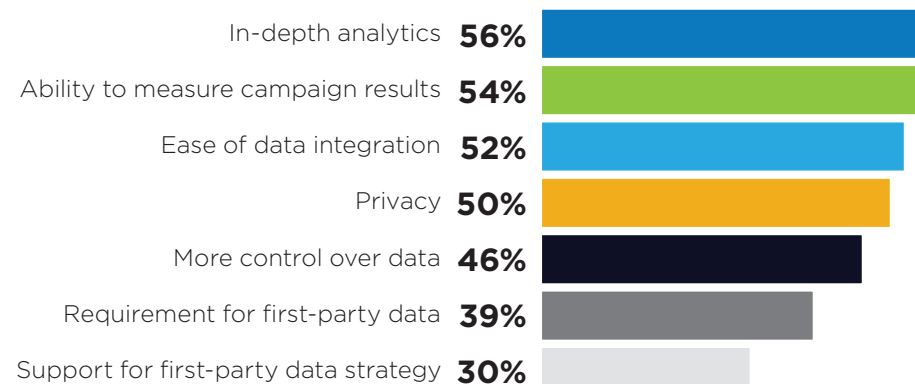
By running overlap analysis and looking at drivers such as loyalty, marketers can build out complex data sets and models for hyper-targeting. Consumer packaged goods companies, for instance, can look for commonalities among buyers across multiple brands to improve advertising and messaging. For the right brand, a data clean room makes a lot of sense.

Nevertheless, the majority of companies (57%) neither have a data clean room nor plan to build one. That's because standing up a data clean room is hard. It takes a lot of resources and the right people: partnership experts who can forge deals with third-party data providers, and data science experts who can evaluate data, understand data clean room structures and run models.

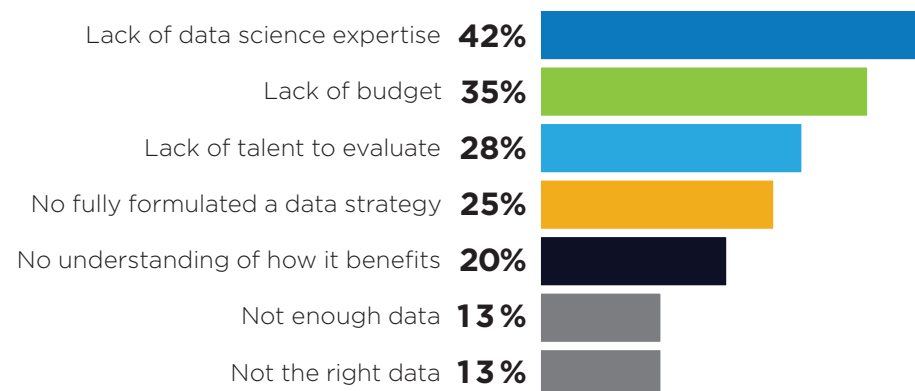
## DO YOU HAVE A DATA CLEAN ROOM?



## WHAT DRIVES YOUR DATA CLEAN ROOM STRATEGY?



## WHAT PREVENTS YOU FROM ESTABLISHING A DATA CLEAN ROOM?



# SECTION 2

## **MARKETERS WEIGH IN**



## DEIRDRE MCFARLAND

SVP of Marketing  
NCSolutions

Industry: Advertising &  
Marketing, Business Services



## EXPERT COMMENTARY

It may sound cliché, but it's true: Today's business environment is challenging. Consider all the macroeconomic issues currently at play. There's a tripledemic underway, and consumers and businesses are facing record inflation and economic uncertainty.

At an industry level, we're witnessing a rise in retail media networks, more demand for cleanrooms, and changes in consumer privacy regulations. At the same time, marketing leaders understand constant change and evolution simply come with the territory. After all, what time period is not challenging for a marketer?

By nature, we tend to be harsh critics of our own marketing. I know because I live it every day. Imagine my bar: I lead marketing for a marketing/advertising effectiveness company! I'm not one to be complacent. Like other marketers, I live in a state of readiness. In marketing, you have to anticipate change and be somewhat comfortable with not knowing what lies ahead.

This sentiment is reflected in the findings outlined in this report, a collaboration between CMO Council and NCSolutions. In this survey of marketing leaders, we learned they resoundingly say they do not feel confident in their ability to drive desired outcomes through media, marketing and advertising efforts. They report a desire to improve their marketing impact in the coming year, yet cited several obstacles to campaign success. These included a lack of budget, lack of data

science talent, lack of tools, and failure to understand why campaigns are successful.

A vibrant partner ecosystem already offers help for many of these obstacles. NCSolutions, for example, provides marketers with insights into how their advertising is working. We're able to give them more confidence in their ability to drive outcomes from their campaigns.

Brands can seek partners to run more efficient campaigns with targeting and optimization solutions. Detailed campaign performance reports from trusted providers can show what aspects of a campaign worked best. Data sets can be found in ready-to-use formats that are truly insight-ready and reduce some reliance on data scientists.

All of this goes back to the state of readiness we all seek to achieve. It includes having the right tools, the right partners, the right talent, and the right data. It involves adapting an agile, test-and-learn approach to marketing and advertising.

Yes, there are a lot of barriers in today's marketplace. Marketers are challenged by macroeconomic issues and factors like better understanding the value of retail media networks, how to stand up a clean room, and consumer privacy. But tomorrow, there will be a new set of challenges. The best advice I've been given is: Don't go at it alone. Working with partners can bridge the gap.



## NICK JAMES

Senior Director, Consumer Experience & Digital Products

Blue Buffalo Co.

Industry: CPG



## EXECUTIVE PERSPECTIVE

Blue Buffalo's Nick James, senior director of consumer experience and digital products, sees the bigger picture in the bustling media marketing and advertising scene.

James understands the value of customer lifetime value (LTV) over return on ad spend (ROAS) and media marketing mix (MMM), which focus on immediate impressions instead of actions that make a long-term impact. Most importantly, he understands the importance of learning.

"The organization is looking to us to figure out why customers make a purchasing decision and to leverage those learnings across other capabilities of our business," James says.

Such a focus on learning and improving prevents Blue Buffalo from falling into the trap of appropriating advertising dollars for six month media buys and letting campaigns run their course. The spend is based on the MMM from last year, while impact analysis from a postmortem consumer survey happens further down the line. Unfortunately, many brands continue to lock themselves in this way.

"It's like you're 18 months to two years away from reality," James says. "There's not a lot of flexibility, and then you might run into some turmoil on a social

media platform. Is it safe to still be spending dollars on Twitter? You have to be adaptable."

That's why James created a team to run multiple tests, learn and pivot based on data that shows how consumers are responding to media marketing and advertising. It's ok if only 1 in 5 experiments succeeds, James says, as long as there are valuable learnings from the other four.

"It's about having the freedom to make strong, bold choices and sharing what you're learning," James says.

All of which keeps Blue Buffalo's eye on the long view. "LTV is a big one for us, and it's new to this organization," James says. "We can think of each consumer based on their habits and start to build out a model and attribute value extremes."

*"The organization is looking to us to figure out why customers make a purchasing decision and to leverage those learnings across other capabilities of our business."*





## DAVE SCHNEIDER

Vice President, CMO  
Red Wing Shoe Co.

Industry: Retail/CPG



## EXECUTIVE PERSPECTIVE

At Red Wing Shoe Co., makers of top-of-the-line footwear, media marketing and advertising is about reaching the right customers over the right channels. This means being good at customer segmenting (i.e., identifying the right customers) and reaching them where they're consuming media (i.e., identifying the right channels) with compelling storytelling (i.e., identifying the right message).

It was a whole lot easier back then than it is now, despite the availability of more data. In the old days, there were only a handful of advertising channels, such as newspapers, television, radio, etc. With digital and social media, media channels have become increasingly fragmented, volatile and complex, in terms of media buying. Case-in-point: Should you be advertising on Twitter right now?

"Fundamentally, marketing is getting harder for brands to connect with their intended audiences, whether we're talking about data privacy, cultural issues or the fragmented media landscape," says Dave Schneider, vice president and CMO at Red Wing Shoe Company. "Like all marketers, we're finding reach and engagement metrics are declining across all social media networks when we fail to fully address all three variables — customer, channel, content."

Marketers need to be fast and agile in today's topsy-turvy media landscape. Think: in-flight campaign optimization, that is, the ability to gain data-driven

insights into ongoing campaigns and pivot in midstream. Also, today's campaigns tend to be short and fast and full of learnings.

"We're constantly learning, tweaking and optimizing," Schneider says. "And there is little doubt that the best content wins. The best stories are compelling, relevant and valuable to the segment expressed in the right channel."

Accurate and efficient customer segmentation is another tenet of the modern marketer. This depends on multiple data sources — psychographic data, purchase data, intent data, etc. — to build a more complete picture. The goal is to corral all these various data sets into a single, discernible one in order to identify the highest performing customer segment. Then marketers can perform lookalike modeling to inform advertising decisions that will appeal to the right consumers.

"It's a challenge connecting it all together at the end of the day," Schneider says. "But it's important to be focused on both the overt behaviors and implied motivations of the audience you're seeking to connect, engage and influence."

*"Fundamentally, marketing is getting harder for brands to connect with their intended audiences, whether we're talking about data privacy, cultural issues or the fragmented media landscape."*

# SPONSORS & PARTNERS



The Chief Marketing Officer (CMO) Council is the only global network of executives specifically dedicated to high-level knowledge exchange, thought leadership and personal relationship building among senior corporate marketing leaders and brand decision-makers across a wide range of global industries. The CMO Council's 16,000-plus members control approximately \$1 trillion in aggregated annual marketing expenditures and run complex, distributed marketing and sales operations worldwide. In total, the CMO Council and its strategic interest communities include more than 65,000 global executives in more than 110 countries covering multiple industries, segments and markets. For more information, visit [www.cmocouncil.org](http://www.cmocouncil.org).



NCSolutions makes advertising work better. Our unrivaled data resources powered by leading providers combine with scientific rigor and leading-edge technology to empower the consumer packaged goods ecosystem to create and deliver more effective advertising. With NCS's proven approach, brands achieve continuous optimization everywhere ads appear through purchase-based audience targeting and sales measurement solutions that have impacted billions in media spend for our customers. NCS is a joint venture company with Nielsen as the majority owner. For more information visit <https://ncsolutions.com/>