

# Getting Started:

Optimizing Your Interactive Media Mix from a Holistic Perspective



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**R** E S P O N S E   **M** E D I A

The concept of “Holistic” communication is one that has been around for some time now in the advertising and marketing community. The premise is that people consume messages (content, entertainment, advertising and otherwise) from multiple places and sources (TV, radio, newspapers, magazines, the web, email, mobile phones, billboards, shopping malls, etc). The sources are growing faster than ever.

Holistic communication understands that consumers are influenced by the combination of all individual channels, and thus, they must be accounted for, measured, and tracked as a mix rather than as individual channels. Although the concept is not rocket science, it has revolutionized the way sophisticated marketers look at their advertising planning and optimization. It has created entire new terms and industries around Marketing Mix Modeling, Attribution Analysis, and Holistic Communication Planning, embraced by both advertisers and agencies alike.

### **The Case for Holistic Interactive Marketing and Optimizing the Interactive Media Mix**

As perspective on interactive marketing develops, marketers continue to seek ways to understand the effectiveness of advertising and marketing campaigns designed to leverage the vast, growing array of interactive tactics and channels. Most advanced marketers test individual interactive tactics today, such as Search Engine Marketing, yet they fail to recognize that their prospects and customers are consuming the Internet (and all things enabled by the Internet) in multiple ways simultaneously. Thus, the same customer who sees the marketer’s message via a search query is also likely to see banner ads, co-registration offers, emails, and social network mentions about the same offer. These multiple impressions

typically provide a lift to the effectiveness of each individual tactic. That we all know.

However, understanding which individual tactics, ads or placements provided what value or lift to the campaign can be dizzying. Understanding the optimal combinations of online tactics and impressions, in which order, is an imperative for today’s marketers and advertisers. There is an urgent need to understand and optimize the online media mix, in itself.

Marketers are challenged to develop the most cost-effective mix of interactive media tactics, even as the number of options continues to expand rapidly. The list below represents a simplified snapshot of 20 distinctly different interactive tactics marketers must consider today:

1. Display Media (banners, etc.)
2. Search Engine Optimization (SEO)
3. Search Engine Marketing (SEM)
4. Email to House Files
5. Email List Rental
6. Email Newsletter Advertising/Sponsorship
7. Co-Registration
8. Online Viral Marketing
9. Sponsored/Integrated Content
10. Content Syndication
11. Affiliate Marketing
12. In-Text Advertising
13. Social Networking
14. RSS
15. Online Video
16. Widgets and Applications
17. Mobile Web
18. SMS/MMS
19. Co-Marketing Partnerships
20. Gaming

By developing processes and technologies that are wrapped around a holistic media mix approach, marketers will be better enabled to:

- Develop the optimal mix of tactics
- Prioritize budget across channels
- Determine the best approach to evaluate, test and quantify tactics
- Understand how the mix of tactics works together
- Attribute the combinations of tactics that best result in desired outcomes
- Determine the optimal spend across the media mix
- Quickly test, learn, adjust, and optimize within the media mix
- Reduce project cycle times

### Key Challenges

Marketers recognize they need more sophisticated ways to measure and optimize their interactive marketing efforts beyond the inherent limits of measuring the performance of single channels. Marketers have used channel-specific tools such as Google Analytics (for search) or Omniture or Coremetrics (for Web analytics) for several years to understand the performance and to attribute value to the right behaviors within individual channels. However, there is a downside to a single-channel focus. Inefficient spending and unrecognized duplication can result if you optimize for the wrong metrics by utilizing online marketing dollars to reach the same people in different places. Saturation can be another undesired consequence. An example is an online education company that uses SEM exclusively for online acquisition, only to discover that they may be achieving volume but their conversion numbers continue to erode.

Some companies limit themselves to familiar tactics or those with which their agency is most comfortable. Others may have tried a new channel once, only to see it fail, e.g. “We launched a Facebook page, and nobody’s coming.”

A common challenge that many marketers face is the question of attribution. What sources receive attribution for the acquisition of the prospect? At what point was the prospect converted to a customer? What actions or behaviors were instrumental in the prospect’s conversion process? This is the area where the lack of industry standards places marketers at a disadvantage, as they must reconcile the inconsistencies of different vendors’ attribution systems, data tags, tracking codes, and calculation methods. Marketers find their resources often bogged down with managing a fragmented discipline; thus, the ultimate goal of gaining a singular view of the customer across all channels can be endangered, if not lost.

The complexity of choice, combined with the intricacy of working with a rapidly shifting field of tactics and vendors creates a compelling imperative to develop the ability to quickly understand and adjust the optimal interactive media mix.

### The Approach

To develop a holistic interactive marketing mix approach that identifies which individual tactics and which combination of tactics are the most effective and work the most efficiently, we recommend the following:

- 1. Analyze goals.** A critical, but often overlooked, anchor point for any campaign that envisions leveraging a mix of interactive media is a clear understanding of the “what” and “why” of the

campaign goals. Analyzing what's worked and what's not worked historically, developing competitive activity insights, an understanding of industry trends, and setting benchmarks and key performance indicators (KPIs) are common components used in the analysis phase. They serve as the foundation for decisions made about which strategies, channels and tactics will be developed to bring to the mix.

**2. Profile audiences.** In order to overlay various tactics with campaign goals and KPIs, marketers need the most complete picture of the audience, or ideal prospect, as possible. Customer models may exist, which qualify the most loyal audience. Behavioral and transaction data from sources like Abacus, iBehavior or Tacoda can be overlaid with current customer data and cookies to identify desired audience behaviors. Such insight can help to match the best customer profile with desired target behaviors.

**3. Rank the media mix.** Create an initial interactive media mix ranking system, using audience profiles and your knowledge of what works best based on your internal data and history. Adding self-reported data from consumer surveys can bring additional weight to the rankings. You can also benefit from insights gleaned from industry reports such as a recent study by The Atlas Institute, an organization that focuses on researching the effectiveness of advertising, that illustrated how search engine marketing, combined with online media placement, resulted in a 22% higher conversion rate compared to search marketing on its own. Map the rankings to the target audience and budget to determine the optimum spend levels for your chosen interactive media mix.

**4. Develop testing strategies.** To leverage the power of a holistic media mix approach, develop tests of chosen tactics, in isolation and in key combinations. Testing will fine-tune your understanding of where your endemic audience can be found, as well as indicate the best ways to leverage insights to audience demographics, psychographics, and behaviors. A hypothetical example is a home improvement retailer with access to performance data on interactive display media, search, and email. Such data quantifies how customers behave on the retailer's web sites, and how customers respond to emails, e.g. a higher response to emails with discount offers than to emails offering general home and gardening tips. The retailer can overlay audience self-reported data and transactional/behavioral data sources to determine the ideal audience profile. The retailer gains a deeper understanding of customer behavior, and how the cross-channel efforts contribute to performance. Testing also provides direction for continual optimizing for the most effective, most cost-efficient media mix throughout the duration of the campaign. Careful planning should go into determining how to track and measure all tactics, and how to assign attribution and value to each tactic or key combination, based on your campaign KPIs. The media mix test scenarios must also be designed to enable scale.

**5. Map the budget and campaign timelines.** The challenge of matching testing scenarios to the typical constraints of budget and timeline is at the heart of the holistic media mix approach. The art of developing the optimal media mix is in understanding how to test online media tactics in combinations, and ultimately balance cost-effectiveness with sufficient volume and targeted reach. Physically mapping the tactics, combination tests, and results will help to simplify the process.

Marketers, who are able to develop, optimize and attribute the most effective, holistic interactive media mix will spend smarter while increasing the success rates of campaigns.

Interested in implementing any of the suggestions in this report? Please call Josh Perlstein at (770) 220-5086 or email [joshp@responsemedia.com](mailto:joshp@responsemedia.com).

### About Response Media

*Headquartered in Atlanta, GA, Response Media is a female-owned, independent, national provider of interactive marketing and media services to clients within the consumer packaged goods, retail, travel, tourism, B2B, and financial industries. The agency provides ideas, insights, design, brand strategy, and customer relationship marketing solutions to the world's leading companies, including Procter & Gamble, Nestle', Disney, Cox Enterprises and ConAgra Foods, Inc.*