Questions and Answers from Presentations and Panels

MORNING: What Should We be Measuring?

Mack Turner, Bank of America: Rethinking Marketing Metrics, Processes and Outcomes in a Digital Age

1. How much progress have you made connecting marketing metrics to financial metrics
   a. We have a database with 10 years of customer satisfaction and marketing metrics that we’ve collected pretty seamlessly. We have the same relationships so we can connect them to different financial outcomes. What we’ve learned is this: we have executives that want to know “you did this ad, where are the 10 million accounts you thought you were going to open? They didn’t open the next day.” With this big database, we can say “it took 18 months” or “it took 24 months” to start seeing the effects. That’s one of the things that I like when I talk about stock and flow models. If you’re able to build in adequate lag times rather than believing you’re going to have an immediate response for a stimulus, you’re in a much better place to prove that there will be a result, but it will take X amount of time. I think there’s a delusional belief about adoption curves – when we tried to model how long it takes something to go from introduction to the first break in the adoption curve, it’s a lot longer than people want to believe it is. We do look at NIBIT, cross-sales ratios, changes in balance levels, and match that to a campaign and a stimulus. Levels of customer satisfaction have proven that if you have this different configuration of media, it does in fact lead to a much higher level of purchase behavior.

2. What does your research show about how many steps in the purchase process are skipped due to use of digital technology?
   a. I’m not sure that a lot of steps are skipped – I think digital is another touchpoint that’s added to the mix. While some people only go through one channel or another, there are also people that go through digital – they get a recommendation from a friend, then fulfill through digital. In my case, they want to try to product – actually going into the branch and meeting the people, making sure they want to serve me. I think people striving for a single metric is not realistic. There are a lot of metrics that, in combination, can explain or predict outcomes, but trying to say “we have to find simplicity” – simplicity isn’t the solution to complexity. Structure is the solution to complexity.

3. What about consumer behavior after opening an account?
a. We spend more time on post-purchase that we do in pre-purchase work, and that might be a mistake. Customer satisfaction afterwards we measure holistically (overall brand experience, different products), but we also measure touchpoint by touchpoint in a pyramid model. We start at each of the touchpoints and use that to explain (rather than replace) the overall holistic perception.

4. Does usage of the website influence the lifetime value of your customers?
   a. Years ago, we had only one variable, and that was convenient locations. It mattered that you were on the right corner when people turned into their neighborhood. Online hasn’t completely passed that, but it has almost become equal in terms of choice. We think that it’s incredibly important. A problem we’re running into is that you only have so much territory, and everyone wants to plant their crop on that one territory. At the end of the day, there has to be a better way to manage that acre of space as opposed to trying to plant everything in one area.

5. Is CLV both an outcome metric and a process-level diagnostic in terms of understanding how specific actions impact change in CLV?
   a. Yes. I live in a world where I see tiny projects coming in with huge ROIs. We have to get beyond the obsession of ROIs. What is the contribution of an individual project to CLV? I don’t worry about what happens after they open up the savings account, and here’s my ROI on my savings account campaign. If you restructure that to look at overall CLV and how things work together instead of just your one program, you can maximize customer value. We have to get out of a product-pushing mindset and into an overall value for the firm.

Frank Cotignola, Kraft: Digital Measurement and Social Media Listening

1. How to leverage a constellation of digital footprints to drive a suite of behaviors at the individual consumer level (e.g. if trying to drive health-related behaviors, goal is to move well beyond what brand to buy, to include what foods to buy, whether to exercise that day or not, whether able to go to work or not, etc.)
   a. A lot of this is done in the same way people try to get to one measurement, by something they can latch on to. For example, the explosion of Type II diabetes – that’s a behavior, let’s have the products focus in. But the problem is, have you chosen the right one? Is it big enough to make sense? The first default is “let’s go ask people.” One of the opportunities is that by listening to what people say, you can learn things that you’d never have known.

2. Over half of all US ad impressions are "digital," if we consider digital set top boxes as digital. And clearly mobile is digital, no?
   a. With digital, people think “I’m just delivering another impression to people that will influence their decision.” I think that interaction of taking information and sharing it. That sort of sharing never existed before, so it baffles me that people can take what’s occurring now in social media and try to stick it into a model that existed 30 years ago. It leads to problems
3. I like goal, strategy, measurement – how often does that occur within your company (as opposed to jumping past goals directly to measurement)? And, how do you fix that?
   a. Not often enough. The conversations you have are “why did you do that exactly? What was the plan?” Unfortunately, about 10%. Right now, the rush to get more fans on Facebook becomes an armed war – my brand has more fans. But without understanding the inherent value.
4. If marketing mix modeling is "stuck", what do you recommend to do about it?
   a. I think a lot of the companies are the problem, because the conversations usually get down to price. I hear “yeah, but we buy this cheap and we can probably scale it.” “Your solution doesn’t scale” means that it’s not cheap enough for them to buy. So, a lot of the innovation in that sense gets stilted because the investment isn’t made. Innovation would flow if the money was there. Here, the reason the innovation hasn’t happened is because people still view digital as a small piece. It’s 10%, 20%; they say “come back to me when it’s 50%.” It’s not going to get funding because of that perception.
5. Why not just assume they are not representative but still highly relevant?
   a. I agree, and I wish more people felt that way about it. There’s a rush to know everything about people, and it undercuts the value of those conversations. Again, there’s still that hold on what people have been doing for the past X number of years. You can have the best solution for measurement, but in terms of getting people to believe you can meet those goals and that it’s important to embrace, people will still default to the sure thing.
6. I buy a ton of toothpaste, laundry detergent, and Mac’n’Cheese, but I have nothing to say about any of it.
   a. I hear that all the time. How do I know people that talk online are really representative? One, I don’t think that’s true. Two, that’s not what I’m concerned with. I’m concerned that you’re sitting there and reading that, regardless of who is writing it. Even if only a few write it, you’re reading it, and it’s the influence that is key.
7. What types of marketing actions have generated more product-related conversations?
   a. It’s something we should test and look into. This is the question to take away from this conference, and one we should explore more.

Randy Bucklin, UCLA; Josh Chasin, comScore; Andy Fisher, Starcom MediaVest Group; Mainak Mazumdar, Nielsen; Jerome Shimizu, InsightExpress: **Panel Discussion – Digital Media Measurement**

1. What should we be measuring? What metrics do we need to be tracking?
   a. Josh: We’ve all heard that the internet is the most measurable medium. A corollary to that is that the internet has the most measures. We need to embrace that rather than see it as a problem. What needs to be measured: We often hear that GRPs are grandfather metrics, that don’t apply to digital. We’ve found it’s important online to disentangle reach vs.
frequency. If you buy 200 points on TV there isn’t much variation – online, you could get a very low reach/high frequency. Average frequency vs. median frequency – the closer they are, the better. When they’re far apart, you have a small number of people soaking up the majority of your ads. Secondly is this: there’s a need to measure the quality of the experience the customer has with the interaction. People are starting to hone in on “viewability” – 30% of ads aired never get seen by people, for being below the fold, didn’t load before the person left the page, etc. Creative is also important – it can be 4x as important as media placement. Lastly, context is important. We have something called ad amplification – the same ad to the same consumer can perform differently based on the environment.

b. Andy: It’s important to make a distinction between measurement and valuation. Digital has measurement and valuation problems, as does traditional. For most things, digital measurement is actually really good – impressions, clicks, etc. I trust digital measurement more than TV. What digital lacks is audience measurement. What I mean is: Who saw a campaign, the construction of the audience, and the ability to look at and forecast reach/frequency for a future campaign. Most traditional media can do that in some way; digital can’t. What is lacking is the pre-buy forecasting in digital. From a valuation perspective (what are things worth, what’s the value of a click, etc.), I’ll save that for the rest of the panel.

c. Mainak: The pole in the tent is GRP. It doesn’t matter how you look at ad marketing, you need to know how many people are exposed to an ad – it’s a basic metric. You talk about impressions, cookies, time spend, etc. These are all distribution – nothing about people, consumers, what they’re thinking. We need to figure out a framework to separate distribution of media and consumer interaction with the distribution platforms.

d. Jerome: Having ad effectiveness measurement is incredibly important. We need to accurately measure the full value of brand advertising. Not just short term ROI, but the long term as well. We’ve made progress, but these are all dependent on accurate audience measurement. Until we get audience measurement accurately, they’re going to suffer. Also, for the first time in 20 years, TV ownership fell. I think that’s an important data point to watch.

2. It is likely that there is a substantial fraction of a person’s browsing behavior occurs at work, yet corporate IT departments often will not allow panel tracking. How does this affect exposure measurement and what solutions might exist to address this consideration?

a. Mainak: I think it is challenging. It’s hard to track people’s behavior in the workplace. Having said that, two things: Statistically speaking, it’s easy if we do it right (we aren’t there yet). We need to get the size and volumes right. One way to address that which we ARE doing is looking at the hybrid-tech methods. Integrate server and browser data, it allows you to get volumes. It allows you to build estimates that line up well. The good news is that we have a way to address it, but we definitely aren’t there yet.
b. Josh: There’s a portion of the workforce where you can’t put a monitor on their computer. However, now we can use server data. There’s a debate of cite-centric vs. panel-centric data. The problems with the one are the strengths of the other. For example, we used census data with your panel data. The more of your traffic you get M-F 9-5, the more you might deviate from panel data. This led us to experiment with census of traffic data (regardless of location). We created work/home data separately, and it’s been very effective.

3. I understand that online allows for "richer" metrics than a coarse measure of GRP and, as a result, online isn’t always measured with GRP. But would it be useful to also have a GRP equivalent measure online to compare online vs offline efforts?

a. Andy: I’m a practitioner – I focus on making this world in real life. Yes – it matters! It matters a lot, and there’s some easy ways to do it. The easiest way is to project panelists to the total universe. With all due respect, ComScores and Nielsons are solving the wrong problem – they’re solving “What’s the composition of websites.” In this day and age, the web site has almost nothing to do with the composition of the audience. The website matters a lot less than it did 10 years ago. Advertisers want to know “who will see my ad? How many? How often?” Integrate the audience with the ad server so we don’t have to traffic it twice. So, please, gentleman, do a deal with ad servers so you can do that.

b. Mainak: Campaigns are more important than audience sites. Hopefully soon you’ll be able to run an ad and see GRP, etc. And even compare it to TV, other venues if it’s the same campaign.

c. Andy: Operations has slowed down the internet (from a media standpoint). Getting things like standard ad sizes makes operations easier. Overall however, having to add all these different tags has made things harder over the last decade. There are actually tools to manage all the tags you need.

d. Josh: I’m going to take a step back. Imagine if you spent money in print, but you didn’t know what magazines your ad was going to run in. Once upon a time, that used to happen with websites. Not so much so now. There are exchanges and ad networks where you aren’t thinking about the actual websites, you’re looking at the cookies. Now remember, a cookie is not a person, they aren’t the same thing, but I won’t get into that.

e. Andy: I want to share a really big thought. We don’t have a measurement problem in our industry. The biggest problem is PROCESS. We have a people problem. We don’t have enough good people in our space. Right now I have 85 open spots on my team. Right now, to go into advertising, you need a degree in math or economics; you need to understand the ecosystem; you need to understand computer science; it helps if you can code in multiple languages; and you have to be able to talk to clients. These people basically don’t exist.
f. Mainak: I agree; we need people with very strong backgrounds. Social sciences are still important, though, because at the end of the day, you’re trying to understand people.

g. Andy: The agencies are now competing against Google, the financial sector, Facebook – they all want the same sort of person.

4. How to measure the creative dimension?

a. Josh: Last year we bought ARS, which is a creative testing business. They develop a persuasion score that you can put on creative. We found hard correlations between high persuasion scores and product movement. Basically, you can pretest creative with this measurement and sell more stuff.

b. Andy: A great place to be doing that measurement is in pre-market. But there are also places in the market to optimize your creative while it’s running. For example, looking at the combination of environment.

5. Is Andy saying that the destination site is irrelevant? How can that be? People are in different mindsets when they view different sites. That clearly has to impact how an ad is received.

a. Andy: I’m saying that the geodemos of the site aren’t necessarily relevant to the geodemos of what runs on the site. We as an industry have swung too far towards trying to buy audience, and we’ve lost the audience within the context of the buy itself. In the exchange space, we inject data into cookies then bid on cookies, there’s arbitration, media runs. What’s happened is that we’ve gotten away from what the context of a site it – CNN.com vs. efishingrodshopper.com is very different. The measurement of the site itself has become decoupled from the media. We have to reforge that coupling.

b. Josh: Think of a website as a vertical thing. When you buy, you end up buying a crazy horizontal slice across all of those verticals, and you may not even know.

c. Andy: Let’s do an example. Oprah.com is 90% female, and you want to buy ad space. Are you getting 90% female? Maybe not. How? Well, let’s say Oprah sells off all of its known female impressions, then sells stuff off to exchanges. In the exchanges they pick off more women. Maybe 60% or 90% are men in that portion that you’re buying. What’s happening is that the people making the money control the infrastructure – for example, Google.

6. The discussion on creativity was bothersome. What is creativity? How can we measure it without knowing what it is? In geek speak, the measure needs construct validity!

a. Josh: So, creative is the part in the advertising business where they make the actual ads. The copywriters and art directors. In digital, the algorithm-slingers have taken control of the process. We’re so obsesses/enamored with delivery of cookies and impressions, encoded with demographics, that we aren’t concerned with “what am I trying to say to my customers.” We spend 90% on efficient delivery and not enough on “once it’s there, how well is it saying what we want it to say?” Ideally you want to test
multiple instances and test which ones resonate. Once you’ve determined which one seems to perform the best, then you start worrying about delivery. If you skip that step, you’re wasting energy.

Robert Birge, KAYAK: **Online to Offline Marketing**
1. You began by saying that display ads "suck" but you ended by saying that you quite like them. Please explain. Seems like a contradiction.
   a. I think there’s potential in display ads – I love them vs. search
2. Are you concerned with privacy?
   a. Yes. Of course.
3. What has been your approach to leveraging social media at Kayak?
   a. It’s dangerous to say anything other than “the most important thing is social media.” But it’s not! Last I checked, there’s a great deal of media consumption going on. Show me a good case of someone turning social media into a marketing channel that actually affects their sales. There’s a company called TripAdvisor which integrates with Facebook, but I don’t see any material impact on their business from that. Of the 10 things in my list that are the most important, social media isn’t one of them.
4. How do you decide to move into other channels and how much $?
   a. We test our display in a number of ways. We test creative, we run control ads, and we run experiments. We also run some of the different techniques to see if people recognize ads (in the same way you’d look at television).
5. Have you had success measuring your mobile campaigns and app adoption?
   a. The growth of mobile is definitely worth discussion. We haven’t had a great deal of success using the current mobile ad media to drive direct downloads. We do bits of it to play around. We haven’t found many good tactics. It doesn’t seem to work for direct response. It might work for mass awareness (like a movie premier), but not for us. What seems to work well is Apple. When Apple puts us in a Mac commercial, we skyrocket.
6. If you could change one thing about mobile advertising to improve its utility for Kayak, what would that be?
   a. We have 7 million unique downloads and a high growth of query volume on mobile. We’re looking at how to monetize that traffic. Right now, our app is free and is the most popular travel search app. When we put advertising in, we were finding great CPMs, great interaction. But when you model out how much is there, we found that it wasn’t very exciting, so we took those ads out. We think the ads (at least until someone comes up with a better idea) just get in the way of our experience.
7. Can you buy apple promotion?
   a. We ask every month, and Apple just won’t go there. Unfortunately.
8. Can you define your competitive differentiators?
   a. Our strategy is three things. We want to have a better travel search experience online, we want to be the highest ROI to travel advertisers in terms of delivering conversions, we also make sure we don’t take price. In terms of how we deliver a better product, the simplest form is that people
who use online travel, they go search 20 websites. We do that for them – we let them compare hundreds of travel sites at once. We want to make it as fast as possible, accurate, and have great UI.

9. Are you doing location-based mobile strategy?
   a. It’s occurred to us – we’ve built in location-based functionality, but we haven’t done anything with it.

10. There’s a joke in the industry that Orbitz is in the business of data arbitrage, and they also sell tickets.
    a. When Kayak was being built, they had to buy traffic. Then we get into arbitrage tactics. We got to enough scale were we got out of that stuff. When you start doing, you have to start selling a LOT of stuff. People are trying to sell you 50 different things when you just want a ticket. We do sell BlueChai data. We sell it to them and they use it for retargeting.

11. I’d like to ask about the interaction between television and display. We have a lot of discussion about the measurement of each, but the key is the interaction. Have you looked at that?
    a. It’s well known that search gets a lift when you use television ads. We’ve had experiments to run display. Actually, broadcasters on digital publishing are very hard to work with. When it comes down to it, I don’t want to spend time there.

12. What do mean when you talk about mobile advertising?
    a. We’re mostly focused on ads, we also focus on mobile web.

**AFTERNOON: Cross-Media Measurement and Implementation**

Kalyan Raman, Kellogg School of Management: **Media Consumption and Cross Media Synergies**

1. Someone brought up that one of the first cuts to a budget during a recession is marketing/advertising – is there a way to "restructure" the budget to increase effectiveness so it isn't seen as disposable?
   a. We know that in a recession, first thing to get cut is the marketing budget. One answer is that the current methods of budgeting almost beg for such a thing to happen. A lot of firms are making ad decisions on an ad hoc basis. % of sales role is suboptimal, and yet the majority of companies use those roles. As we move to a more scientific way of budgeting, to a more model-based approach, we can help to rectify this problem.

2. You say media effectiveness varies over time – how long is that timeline? Do you have a way to measure that effectiveness, and can that measure keep up with the changes?
   a. In a paper I just wrote, we were looking at the changing effectiveness over the product life cycle. Measurement is based upon time series, traditional metrics. We assume that all the parameters are functions of time. There's no theoretical basis to find a functional form – we just try different functional forms until they fit; that's how we measure it.

3. How much of the variation over time is due to diminishing returns, short- and long-term?
a. Diminishing returns are always there. The traditional approach assumes that the shape of diminishing returns is the same all the time. And when you allow the effectiveness to change, you allow D.R. where the shape changes over time. There are two issues – you always have D.R. whether the effectiveness changes over time or not.

4. In your new model, do marketers retain ANY power to influence media consumption?
   a. We’re living in a world where we’re losing that power. One option is to make the promotions/ads more targeted. Therefore, what is needed is greater consumer insights. We need people that can use both left and right brain.

5. How would you incorporate consumer engagement into market response models where we usually only use dollars spent on the media?
   a. My colleague Ed Malthouse has done quite a bit with media engagement at Kellogg. They use the traditional measurements – factor analysis. When you look at media spending, you’re looking at econometrics and time series.

6. Can you provide more detail around the Sales Force vs. Advertising Effectiveness chart? It looks like a spike in ad effectiveness over time and SF burn out.
   a. Our explanation is that, at least in pharma, detailing tends to be an important point. Advertising just creates awareness. After that, it’s hard to see what effect advertising has, and SF becomes more important. Remember, our data is just for a pharma product.

7. How do you eliminate noise and breakthrough the shield of consumer defense?
   How do you determine when t=50 and switch from sales force to advertising?
   a. I wish I knew the answer to breaking through the noise and clutter – that’s the million dollar question. We need deeper consumer insights and targeting. How we determine when t=50 is by using optimization and metrics to find the switch point, when one overtakes the other in terms of effectiveness

Charles Thomas, USAA; Drew Talbott, Acxiom: **USAA Case Study**

1. Can you comment on the impact of budget size recommendations versus budget reallocation recommendations? Politically, the latter is always an easier sell.
   a. Charles: I think the first thing: there was a lack of belief in the effectiveness in marketing in terms of driving performance. We were coming out of a largely word-of-mouth growth into saying “now you need to spend more to get even better performance.” The MMO process and attribution performance process is really helping to do that. Until recently, the CFO would say “Hmmm, I want to spend X dollars.” We were focused on reaching our goals using that budget. The attribution process is showing an integrated approach and looking at things on a bottoms-up, individual member basis. Looking at the budget, saying “it’s going to take a minimum of three times to get someone to respond, and that’s why the spend needs to be X dollars.”
2. Do you link the MMO to CLV in order to avoid a short-term ROI only focus?
   a. Drew: The answer is yes – the way we do it is this. Because CLV is an
      insensitive metric (doesn’t change with each ad), it’s something that
      changes over time. If what you’re doing is setting that as a benchmark,
      what it does is allow you to focus less on silo-specific objectives. The
      particular campaign ROIs are still in effect. If you have to pick one as a
      trump card, some people pick CLV, but on a judgmental basis. We don’t
      have a set go-to answer.
   b. Charles: Along those lines, individual-member profitability is less important
      to us. We will have to underwrite an enlisted 18-year old with low credit,
      and we will do that, because that’s our mission. We take that into account
      with how we underwrite and serve our membership. Therefore, CLV is
      important, but it’s not a fundamental driver.

3. I just wanted to ask – are there KPIs that are associated with that underwriting?
   a. Charles: We have a set of indicators set around how well we’ve facilitated
      their security. Metrics around savings, products across our portfolio, how
      well we’ve improved their credit score. Remember, the mix is very different
      now – we went from officers to officers, enlisted, and even veterans. That
      security set of metrics is largely around how much we believe we are
      enhancing their security.

4. How do you integrate the testing results if they are in conflict with the normative
   implications of the modeling?
   a. Drew: If there’s a test-and-learn that has to do with campaign
      improvement, you can usually say empirical data wins with respect to the
      model. Where it gets dicey is things like market tests, things that are more
      far-reaching.
   b. Charles: We really started at ground zero, so they didn’t believe our
      models to begin with. We had to build all this from scratch and get
      acceptance along the way.

5. Were media cross-effect positive (synergy) or negative (substitutes)? Would you
   extrapolate these insights to other contexts?
   a. Drew: I’ve seen negative effects elsewhere, but not here. For example,
      does direct response synergize with online/TV? It’s almost always yes. But
      I have seen negative interaction effects before.

6. What was your biggest challenge in that transition, and how do you ensure that
   you can deal with media innovations?
   a. Charles: I would say the biggest challenge was getting the rest of the
      enterprise to believe that we knew what we were doing. A lot of people
      there were legacy, they started off in the mailroom. We brought in lots of
      folks that had done it before and actually *show* them. It took us a year
      and a half to get adoption, because we had to actually walk through our
      model with all the naysayers. 9 times out of the 10, the CMO will say no to
      a budget.
   b. Drew: How do you we innovate when Facebook comes along? There are
      some companies that aren’t on the leading edge of technology. We’re
      innovative in some things – like being able to take a picture of your check
with your iPhone to deposit it. But in terms of marketing, we get letters from people saying “why are you even advertising?” We don’t mind being laggards a little bit because, at the end of the day, it’s their money.

7. Did you really say most of your members weren’t aware of most of your products, in spite of sending each of them 58 direct mail pieces per year??
   a. Charles: Well, who reads their direct mail? Case closed. Lots of people can receive a piece every month for years but have no awareness. Should we keep doing that, or use that money to buy leads or go a different direction? Maybe then it will trickle down.

8. It sounds like a nice marketing science approach. Can you talk about how upper management responds to these things?
   a. Charles: We’re quite fiscally conservative, so when we say “here’s $20 million back,” it gets your attention. We can bring in real data and distill it to show how it’s working. We do a pretty significant test-and-learn process. If you’re going to lose, lose fast and lose small. When we took a more holistic approach, we created a fifth strategic priority – developed strategic analytics. We bring facts, not conjecture, and actually partner with them instead of being auditors.

9. I wanted to follow up on measurement metrics. What is the specific nature of the variables that entered your model? What issues did you have to deal with?
   a. Drew: The main issue is deciding what you’re going to count as an impression. This isn’t a novel concept. There’s a lot of art as well as science in making those kinds of decisions. Issues were that we didn’t have ways to measure the data since we weren’t fact based. We had to learn to capture the data so that we could analyze it.

10. So you mentioned that it was impression based, but lots of media is click based.
    a. Drew: For us right now, it’s a 1:1 ratio. We’re adding in other things as we go, but initially, we said that any eyeball that we can get is an impression. If we got somebody to be a hand raiser, we count that as an impression.

11. You mentioned enterprise segmentation. How were you able to do that?
    a. Charles: There are a couple different types of segmentation at USAA. First is eligibility – officer, enlisted, family. The second is more of a CLV approach, which we’re getting better at. When you have a mission that everyone should be embraced equally, what we don’t want to do is have differential levels of customer care. We build all kinds of classification models to score every member. Again, it took more than a year to get adoption, but we finally showed them the value of differentiation.

E. Craig Stacey, NYU Stern; Rex Briggs, Marketing Evolution; Anindya Ghose, NYU Stern; Jon Gibs, Nielsen; Bill Havlena, Dynamic Logic; Carl Mela, Duke University:
Panel Discussion – Cross Media Effectiveness Measurement
1. What is TV nowadays with all the new devices?
a. Carl: This is such new material; nobody has perfect answers on it. The canonical example is the Old Spice Man campaign. The ad first aired during the Super bowl – without that, it never would have taken off. Shortly after, the ad went viral online, and it was backed up with a social media campaign. People could tweet questions to the old spice guy and he could answer them with videos. The result was a DOUBLING of body wash sales in 2010. This is a prime example of a synergistic campaign. During the Oscars, there were 10,000 tweets per minute relating to the Oscars. This means that phones, computer, iPads, they’re being used WHILE watching television. The second point to raise is convergence. What the “screen” is anymore is blurring. The average eyeball time on TV is 5x more than the internet, and much less fragmented, if you believe Nielsen. But the distinctions have blurred – you can watch TV online, browse while you watch, etc. I think we should focus on three things in measurement – one is the screens themselves. Get data from mobile, TVs, internet, and link this with purchase data. Two is, what are the advertisements people see?

2. I saw a statistic the other day that said that nearly 90% of TV viewers at times were using mobile devices during commercial breaks. How do you change strategies to deal with this?
   a. Carl: In some countries, like England, DVR penetration is nearly 100%. eReaders and iPads are growing quickly as well. As people recognize these trends, we need to figure out how to interject ourselves in the multi-screen campaign. If they’re now surfing during commercial breaks, cover that media as well.

3. Should we have audience and effectiveness as different silos? Maybe they should be coming together?
   a. Jon: We live in a swarm of data, and there’s data from multiple channels. One of the ways of integrating the buying and planning process is to actually think about how we being audience measurement and ad effectiveness together. Right now, they live disparately. Everything starts with people – you’re trying to change their minds and impact how they behave. With ROI, we always talk about new purchases, total dollars, etc. We haven’t driven back to “this many people changed their minds, this many people feel differently.” In our mind, what we can start doing is building effectiveness. Co-usage of screens, for example – one of the questions we get a lot: if someone is using a phone while they watch TV, what is it doing? How does it affect their absorption? The #1 thing that’s done is social when people watch TV – using Facebook, Twitter, etc. It’s social rather than technological. The technology is the way to do it, but the focus is on social. People used to sit in a room together and watch TV. Now its co-viewership with people that live across the country.

4. Have you found that when people are considering different media can be different, and how does that affect cross-media implementation?
   a. Anindya: We had a panel of about 1,000 people looking at usage of mobile vs. PC usage. The question that the companies asked was “what
are the fundamental differences?” One is the screen size, the other is location. Can we quantify how much they matter? On a mobile device, the top 5 links in a search matter much more because of the screen size. We found they matter about 30% more. Location matters, too, but it matters within context. For example: we looked at data that involved mobile-based coupons. If you’re a user and you walk past Starbucks and get a coupon for a half-off Frap, you’re more likely to use it if it’s 2pm than 8pm. But if you’re walking past a bar, it’s the opposite effect. By the way, this is “mobile” meaning smartphones. We took this data last year, so we don’t have iPad data as of yet – it would be interesting to study that.

5. What are challenges of being able to use what they’ve learned?
   a. Bill: The pressure is to make immediate decisions. We look at a cross media campaign, and different media are working at different times. While it may make sense to optimize in the short term in digital, the impact of a medium like magazines might be much slower. Looking at things in real time across media can create sub-optimal results, by adjusting things too quickly. As Josh said, creative is a huge part, so maybe do creative testing rather than optimizing in-field when your message is still sinking in.

6. With all these sources of information, it becomes a challenge to marketing mix modeling. How do you put in all these variables?
   a. Craig: I do think there are problems with Marketing Mix Modeling. One problem is that people have tried to make it real time and automated, and that hasn’t kept up with changes in the media landscape. Digital isn’t a driver in a single-equation mix model. I can see a TV or print ad, then go to the website or search Google or talk about it on Facebook. There’s been a lot of great academic research in the past 15 years that people in the industry AREN’T leveraging. When I left academia and when to Coca-Cola, all people cared about were short term effects. Nobody would put a lag-dependent variable into a model in industry.

7. What’s the magic wish? What one thing do you wish could be done?
   a. Jon: Understanding the relationship between paid, earned and owned. The ability to understand not just how to measure them, but the interactivity between them. We have to think about media in terms of receivers as well as speakers in terms of social media.
   b. Anindya: I’m excited about mobile. One of the questions we’ve had is the case of social contagion using these newer devices. If I look to mine massive social network data, I have to ask myself: are these causal or just correlations? If I find that person X is buying object 1 and so is person Y, is that a consequence of influence or just similar people? I think that’s a very important question to answer.
   c. Bill: The future is to be able to pull together data from multiple sources. The ability to get set top box data along with online and survey and frequent shopper, etc. At the individual level, tie all those pieces together.

8. There are algorithms and advances in math which can personalize browsing experiences.
a. Craig: Back when I was at IRI, we found out how to leverage store-level data using elasticity. We could then aggregate the results up from there. You could use the same techniques with individual data and then use it at a segment level.
9. Is the answer to put the consumer in control?
   a. Carl: I’m a huge fan of customization and I think the math is there. We can do it pretty well. Collecting individual footprints as people browse gives us a lot of good data, and we should match exposure to that. One problem was early collaborative systems. TiVo had a collaborative system and one guy’s TiVo decided he was gay. He tried to psych them out by watching violent shows, and got recommendation for the military channel. But recently, we’ve seen substantial lifts through customization. The internet is different because it’s interactive and fully customizable.
10. Should we now talk about people experiences rather than media? Should we scrap “cross media” implementation?
   a. Bill: It depends on the perspective.
   b. Carl: If I think about how I used to be able to do media buy on TV, I had media based upon viewership based on demographics. With set top box data, you get much more data – past ad exposure, past viewing preferences. I think that’s the direction a pricing model could move. Companies could team with Nielsen – if people that watch X show are 4x more likely to buy ketchup, that’s something Hunts would like to know!
   c. Jon: It’s also about internet-enabled television – that’s the answer you’d get from Netflix or Hulu.
11. Why has interactive TV been slow to adopt?
   a. Carl: It’s everything. People have been forecasting mobile payment for YEARS. We’re just now seeing Google start to test that. People see stuff, but it always takes time to appear. It’s because of network externalities. Once you get enough of an economic incentive, it’ll happen.