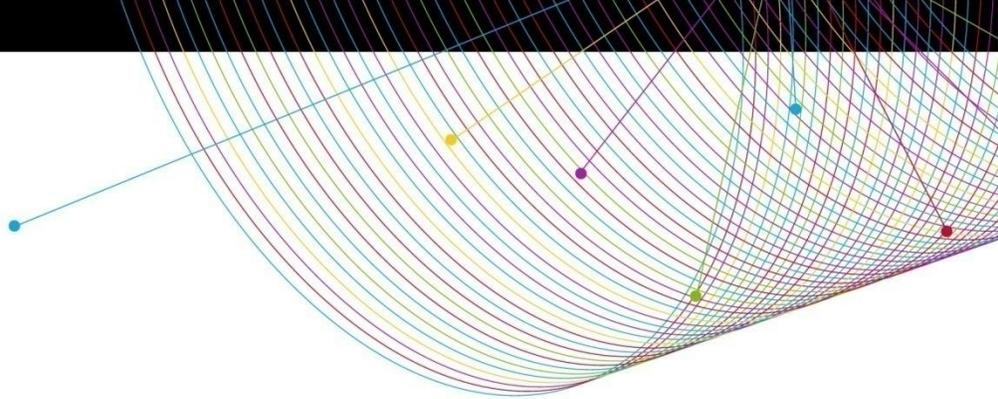# TOP 5 QUESTIONS FROM "THE FUTURE OF MARKETING ROI" WEBINAR

FINDINGS FROM THE DIGITAL MEDIA CONSORTIUM II

QUESTION 1: HOW DO YOU KNOW A PARTICULAR CUSTOMER MADE AN IN-STORE PURCHASE FOR A SPECIFIC PRODUCT?

Nielsen has rigorous cross-retailer frequent shopper data, including UPC-level purchases, for more than 85 million U.S. households. The frequent shopper household IDs are synced with an onboarder (e.g., LiveRamp, Neustar, etc.). The onboarder has a cookie sync with the advertiser's data management platform (DMP). The DMP creates tags for ads that are deployed by an advertiser's media agency. When an ad that has been tagged is delivered, the DMP drops a cookie if its cookie doesn't exist.

QUESTION 2: WHAT IS YOUR RECOMMENDED APPROACH TO ACCOUNTING FOR THE IMPACT OF COMPETITION ON MARKETING ROI?

Today, marketers can best account for competitive effects (e.g., competitive price, trade, distribution and media) by running a marketing mix model using as much first-, second- and third-party data sources available. Third-party data is any supplemental data that you purchase from an outside provider, which is frequently aggregated from multiple sources and can describe the behaviors of various consumer segments. Nielsen offers the most complete and independent source of third-party consumer and media data available (including TV and digital ratings; frequent shopper data; retail credit card sales; behavioral and consumer lifestyle segments; etc.).

QUESTION 3: CAN YOU CLARIFY THE POINT MADE ABOUT WHEN TO USE MARKETING MIX MODELING (MMM) VS. MULTI-TOUCH ATTRIBUTION (MTA)?

Through our recent cross-media studies testing various marketing ROI methodologies during the Digital Media Consortium II (DMC II), we found that MMM is still the best approach today for measuring the ROI of really any marketing tactic where there isn't a sufficient sample size at a household-level (whether that's TV, radio, print, etc.). For addressable marketing that can be onboarded at a household level with reasonable precision (like direct mail, digital display and online video), MTA is the way to go for more granular and stable ROIs. We are actively engaged in increasing our consumer and media data coverage for our clients across 100+ countries.

QUESTION 4: HOW MUCH DID MMM OVER-ESTIMATE ROIS FOR PAID SEARCH?

Our findings for paid search in the DMC II – that MMM delivers higher ROIs due to endogeneity/targeting bias and MTA delivers lower ROIs due to the metric used (i.e., impressions) and onboarding issues – is based on an academic approach of media theory/mathematics, not specifically on synthetic data of real brands. We hope to run specific data tests to share this level of magnitude of over- and under-estimation for paid search in the near future.

QUESTION 5: IF TV IS BEST ADDRESSED WITH MMM AND DIGITAL IS BEST ADDRESSED WITH MTA, HOW DO YOU INTEGRATE THE TWO METHODOLOGIES IN A CONSISTENT AND COMPREHENSIVE MANNER?

If a marketer is looking for granular digital ROIs (i.e., by creative, by site, by platform, by keyword, etc.), we recommend first running a MTA analysis to get those detailed effectiveness levels for digital media. Then, with a patent-pending approach called Intelligent Priors™ (IP), we can help take those results and feed them into a marketing mix model to stabilize digital estimates while still accounting for all other business drivers to get a complete and trusted picture of your marketing effectiveness.
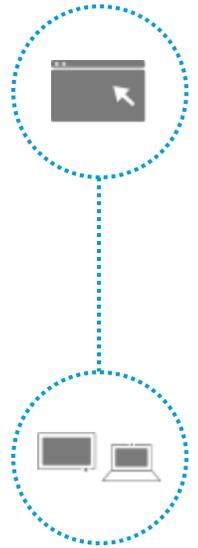
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For more information, contact your Nielsen representative or email MarketingROI@nielsen.com