Unpacked: The evolution of omnichannel measurement for marketers



DIGIDAY | amazon ads

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Throughout the history of advertising, from billboards, newspaper ads, radio and TV to the internet, the principle of marketing has always been reaching and engaging audiences. And that principle remains the same, even as channels, devices and media proliferate.

Each year the number of connected devices per household has increased — now at 22, according to Deloitte. Oftentimes consumers are multitasking: checking their phones while simultaneously watching TV or engaging with their smart speaker, which creates opportunities for advertisers to reach and engage consumers across multiple devices.

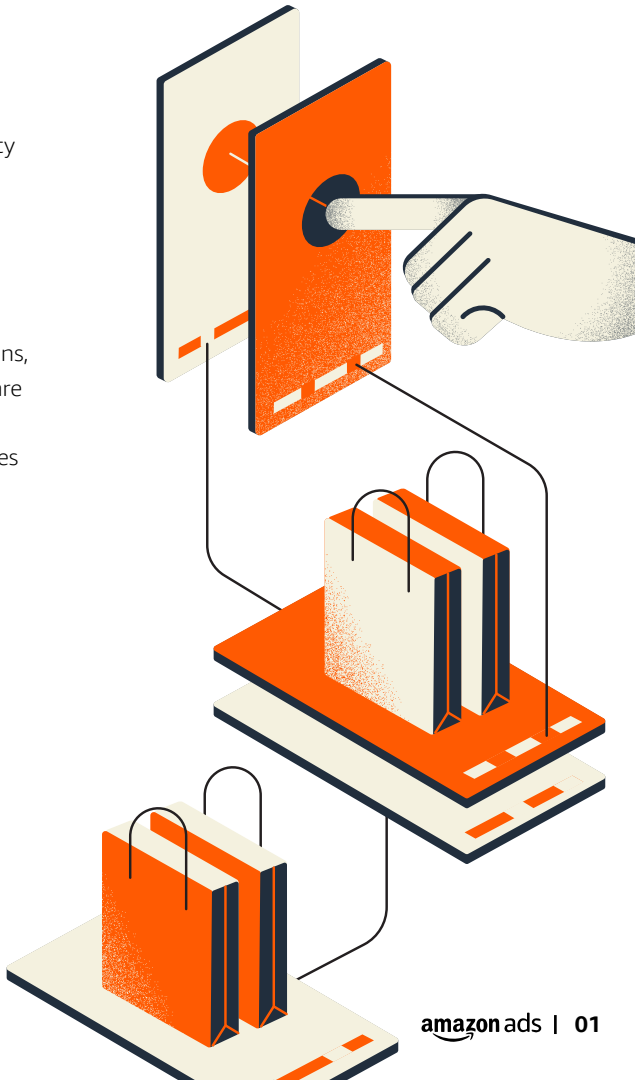
"These shifts mean people are learning about brands and products in different ways and are making purchase decisions in different ways," said Srishti Gupta, director of media measurement at Amazon Ads. "As customer journeys become more complex, measurement also becomes more complex."

Given that landscape, an area of unique challenge for marketers today is omnichannel measurement.

It is, by now, a well-worn truth that good measurement is key to marketing success. Measurement is how marketers are able to prove the impact of their efforts to understand how their work contributes to business and brand growth. It's also core to justifying and growing marketing budgets.

With these developments, effective measurement depends on finding solutions to challenges created by fragmented channels, siloed signals, industry shifts, changes to addressability and more.

In this Unpacked explainer, Digiday and Amazon Ads highlight the challenges marketers are facing when it comes to measurement of omnichannel campaigns, how better measurement approaches are evolving and the steps teams can take to improve their measurement strategies going forward.



What's in this Unpacked guide?

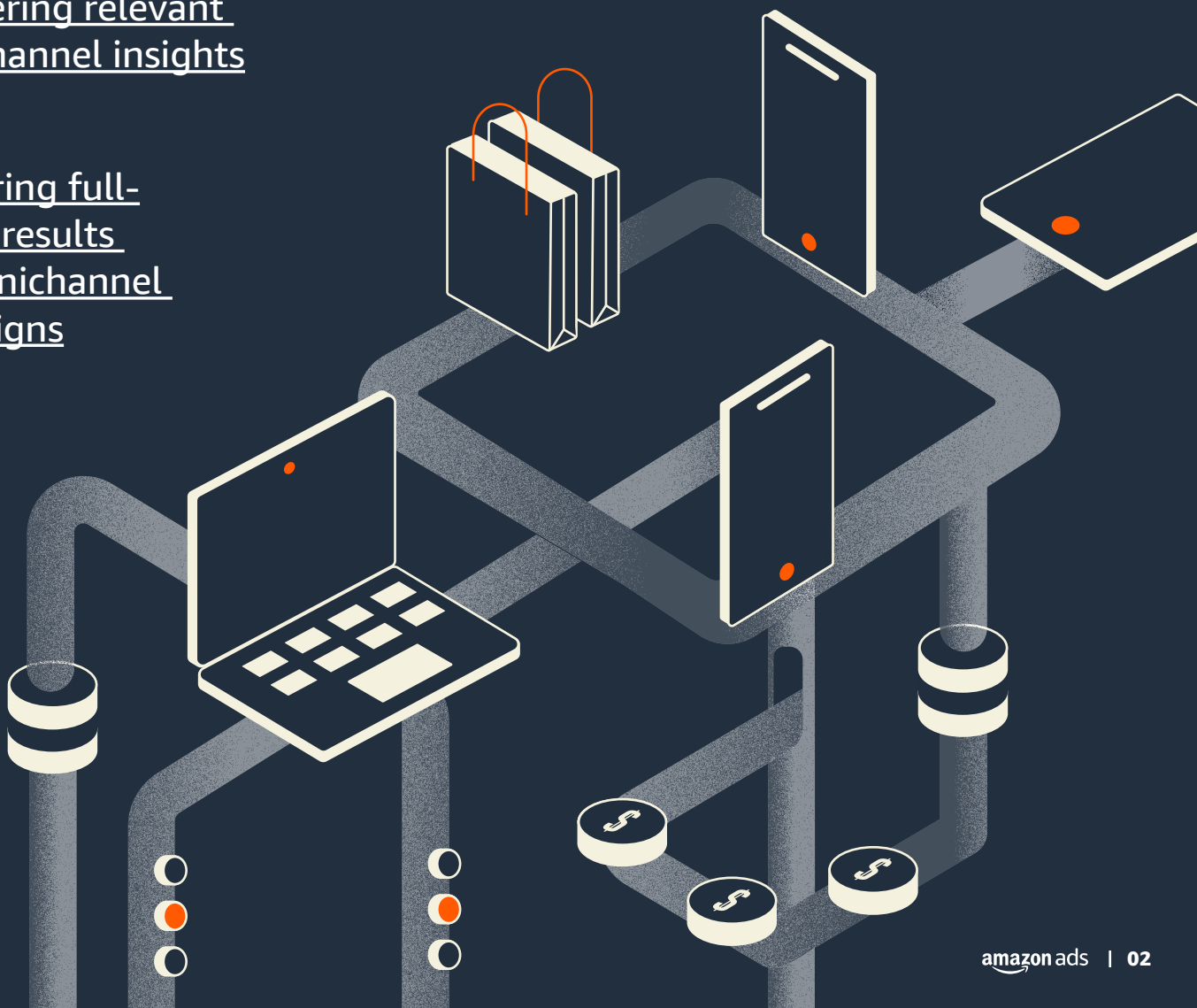
How to measure across channels in a fragmented media landscape

How measurement informs omnichannel campaign strategy

Approaches to identifying strong technology partners

Steps for unifying signals and discovering relevant omnichannel insights

Measuring full-funnel results for omnichannel campaigns



With so many changes in addressability, how will my team be able to achieve cross-channel, comprehensive measurement?

Advertising identifiers are on the way out. As the industry grapples with this shift, marketers will need to find new ways to reach relevant audiences — and to effectively measure ROI.

That challenge is made more complex by media fragmentation. Channels, devices and formats are multiplying and evolving — meaning that consumer attention is spread across an increasing variety of outlets. Going forward, good marketing must be "omnichannel," or inclusive of the many different channels that consumers engage with — including online, offline and hybrid environments. And, if marketing efforts span lots of different channels, so must measurement.

"Because none of these channels exist in a vacuum, it's harder to understand what the full impact of a channel is because one channel will also contribute to actions that are taken elsewhere," said Gupta at Amazon Ads. "For example, according to IRI, online media influences 77% of retail decisions, but 90% of CPG purchases are still made in a physical store, so you can see the intersection of different channels right there."

Comprehensive measurement, then, isn't just about measuring individual channels but also understanding the interaction of those channels — how one channel influences another.

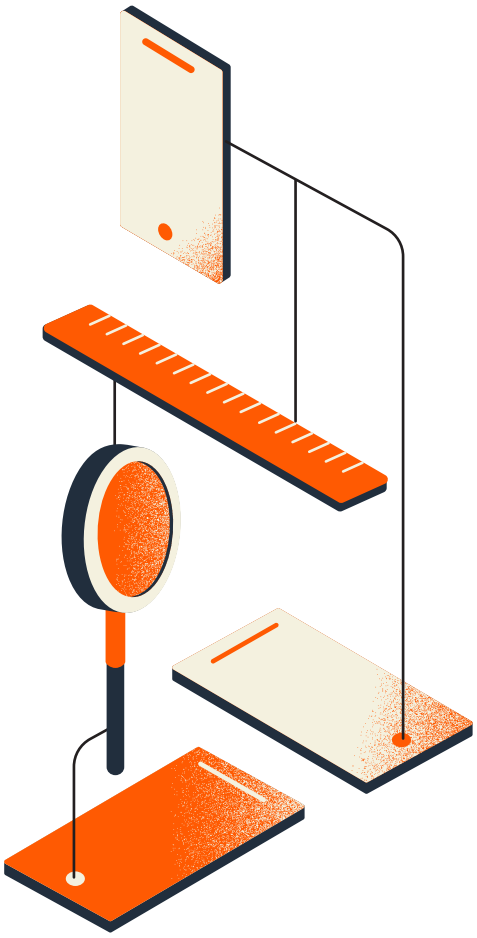
"To be able to do that requires two fundamental things," Gupta said, "the capture of high-quality signals across the fullest possible range of customer touchpoints, and bringing those signals together to holistically measure and discover insights."

Given the influence of online media on offline sales, marketers need to have that view of online and offline shopping activity. Therefore, gathering and unifying anonymized and pseudonymized signals across channels gives advertisers a view of total performance of their campaigns across both online and offline channels.

> **[Comprehensive measurement] requires two fundamental things: the capture of high-quality signals across the fullest possible range of customer touchpoints, and bringing those signals together to holistically measure and discover insights.**

- Srishti Gupta, director of media measurement, Amazon Ads

What steps can my marketing team take to best bring together and analyze these various signals?



Media fragmentation, privacy guidelines and ad identifier restrictions have all resulted in silos because separate channels provide their own reporting and it isn't easy to connect or bridge signals that are gathered elsewhere.

To gain a more complete picture of how the overall marketing strategy works and to draw useful insights, teams must integrate signals across siloed channels.

"Modern marketing is complex, and ad technology is the way in which modern marketers gather and synthesize signals from many different channels and touchpoints," said Keerat Sharma, director of Amazon Marketing Cloud at Amazon Ads.

"For example, Amazon Marketing Cloud helps advertisers integrate signals from Amazon Ads events as well as signals that they've acquired on their own," Sharma continued. "This helps with gaining a comprehensive view of all of your signals in one place. And, it helps ensure your measurement is non-duplicative and privacy-safe, with everything operating on a cloud-based, secure environment in Amazon Web Services. This allows you to utilize a variety of services already available in AWS to automate your analysis and actions."

Because each business is different, the KPIs that matter to each are also different. Baseline metrics are just that — a place to start — but relevant measurement is all about bringing these signals together.

"With custom analytics, businesses define for themselves what metrics matter, and then you can capture those metrics and, of course, activate changes as you see fit," said Sharma. "We let advertisers define and run customized queries that generate aggregated reports that are bespoke to them and the metrics that make sense for them, so you can use our solution to, for example, break down reporting by a geography that's customized to how you view a country's different states or distribution."

By bringing these signals together, advertisers can better measure the incremental impact of their efforts.

"Wherever we can, we focus on incremental sales rather than just doing a simple conversion rate of impressions to conversions," said Pete Burton, vice president director of decision sciences at Publicis. "I think it really does depend on the vertical and on the day-to-day availability, but understanding incremental sales is really important."

OK, but what about measuring impact across the marketing funnel? How can we better understand how brand marketing impacts performance marketing?

Whether a campaign is about driving conversions at a lower-funnel stage or generating awareness at an upper-funnel level, the same principles of omnichannel marketing and measurement apply. Certainly, Gupta at Amazon Ads approaches strategy comprehensively — without separating it into upper-funnel or conversion stages.

"When we think about holistic measurement, it's not just about conversions or about the purchase stages; it also means getting insights into the broader customer journey, including how different channels impact awareness and consideration," Gupta said. "That's where good upper- and mid-funnel measurement becomes really important because marketing efforts at these stages are where you build long-term demand for your products and services. As the customer decision journey becomes more complex, this takes on added importance. Full-funnel measurement is an important facet of cross-channel measurement, encompassing key marketing objectives like reach and frequency, awareness and brand lift, consideration and engagement."

With Amazon Ads, advertisers have access to campaign metrics across every stage of the funnel, including off-Amazon impact through brand reach studies conducted with third-party research providers such as Nielsen and Kantar.

By bringing together upper- and lower-funnel metrics, advertisers can better measure incremental impact and drive greater efficiency. According to a 2020 McKinsey study, companies report marketing efficiency gains of up to 30% and incremental top-line growth of up to 10% without increasing the marketing budget when they have a clearer understanding of consumer preferences and behavior at the early stages of their buying journey.

So, how do all these improvements help measurement inform my team's omnichannel campaign strategy?

With good measurement, marketers can connect the dots between what's working and what isn't to optimize and improve campaigns mid-flight and continually adjust and advance omnichannel strategies.

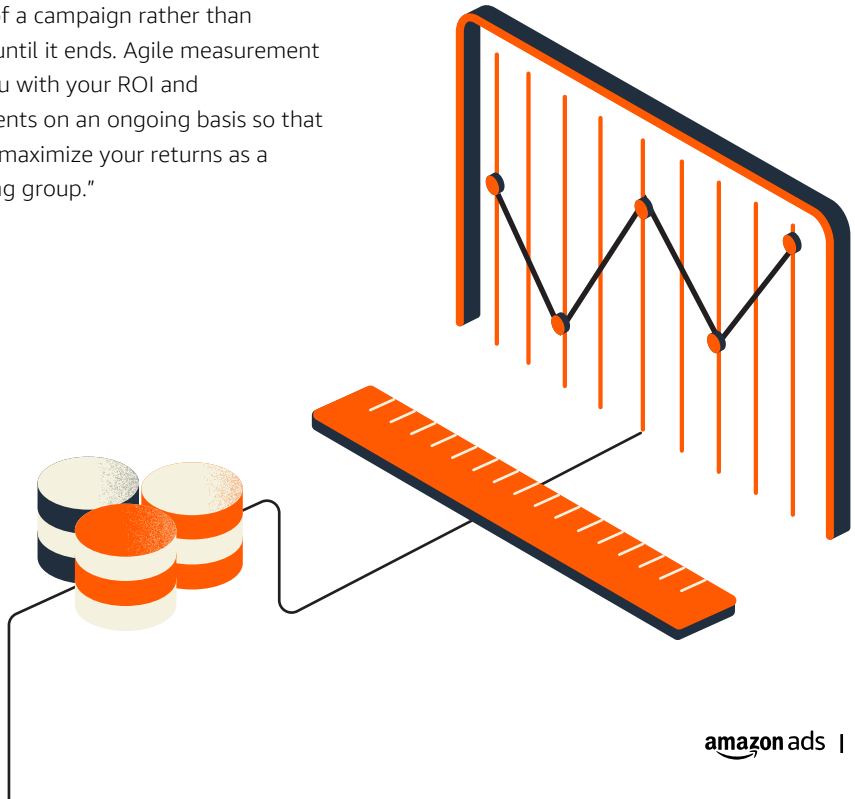
Using insights to inform marketing plans, however, requires work up-front. Marketers should ask themselves questions such as what they're trying to achieve for a campaign and then work to craft hypotheses to determine what they should measure, such as brand lift or conversions.

"Approaching campaigns with a measurement-first mentality is crucial," said Burton at Publicis. "Design and set out with hypotheses and questions that you're trying to answer through your measurement, as opposed to trying to figure everything out on the back end. Starting there will allow you to then understand and ask the right questions of vendors and understand how those integrations are working to ensure that you're going to maximize your ability to measure."

Remaining agile in campaign creation is key, which also applies to measurement. It's important to approach everything with measurement in mind and to be ready to adjust as needed.

"Without measurement, you don't have actionable insights and you don't have a way to continually improve," said Sharma, "and in an omnichannel world, effective measurement helps advertisers understand which channels are working for them and how they may be better together.

"For example, Amazon Ads works with third parties on a solution called Marketing Mix Modeling, which analyzes past trends to identify channel mix optimizations that can work well for you," he continued. "Being agile in your measurement allows you to optimize your campaign tactics on an ongoing basis so you can see results in the middle of a campaign rather than waiting until it ends. Agile measurement helps you with your ROI and adjustments on an ongoing basis so that you can maximize your returns as a marketing group."



This sounds like a lot for some teams to handle. How can I find the right partner to bring all these pieces together?

Effective measurement in an omnichannel world can seem overwhelming — gathering signals from across a range of online and offline touchpoints, integrating them and capturing metrics across every stage of the funnel is no small task.

And as Sharma mentioned, marketing now relies on more signals from more channels than ever before. Given that reality, marketing teams depend on advertising technology partners to realize the opportunities of omnichannel strategies.

When looking for an ad tech partner, five essential characteristics come into play:

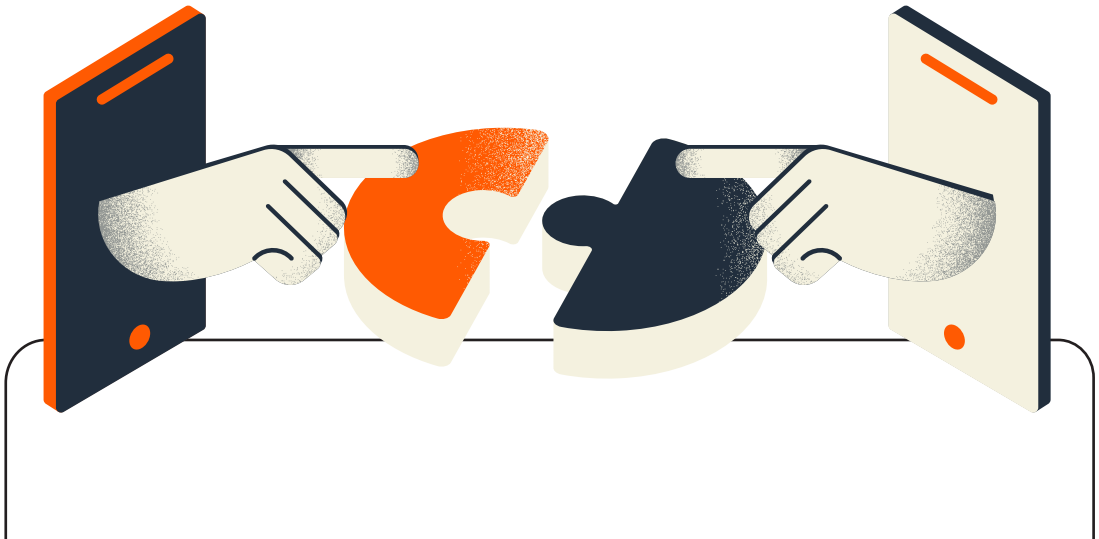
- **Reliable:** High-quality signals are foundational to how marketers measure and drive change. Marketers need results that are anchored in a strong methodology with industry standards and best practices, as well as transparency, so they can have insight into the methodology to provide confidence in the results.

- **Actionable:** A technology partner should be able to respond in the moment to opportunities when looking at metrics. They should provide reporting before, during and after the campaign so the team can use the reporting to drive positive change.

- **Unifiable:** In a complex and fragmented media landscape, it's essential to be able to bring together disparate and diverse signals, but it's also important to be able to interpret those signals and convert them into metrics and insights.

- **Scalable:** A technology partner should provide a breadth and depth of reporting that comes from a volume of high-quality signals proving their ability to scale. The more high-quality signals, the more trustworthy insights and the greater the marketing team's ability to measure the impact of their efforts.

- **Durable:** Advertisers must future-proof their strategies against ad identifier changes and the likelihood that the industry will continue to shift and iterate. So, a good tech partner should be innovative in their product development, building marketing solutions that will be relevant well into the future.



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