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The Synergistic Impact of Multi-Objective Buying

Examining the Effect of Simultaneous Ad Strategies on Facebook

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01. Introduction

Where should advertisers put the next media dollar?

Although building long-term brand equity with consumers is key, marketers must also maximize short-term sales. Some advertisers may view these goals as being at odds with each other if it means that they must choose between brand-based objectives like reach or awareness, as opposed to conversion-centric performance objectives, to immediately improve sales.

Mounting research, however, supports that it's possible to improve bottom-line metrics while increasing awareness with a mix of brand buying objectives and performance buying objectives. A Facebook IQ analysis conducted in 2020 showed that both brand objectives and performance objectives can drive incremental sales. Specifically, the work found that while performance buying objectives drive more incremental sales overall, brand objectives are comparable after accounting for the cost of media.

This analysis was conducted using marketing mix modeling (MMM), a technique that utilizes econometric modeling to examine the aggregate sales impact of specific drivers (e.g., price, competitive activity, category trends) and media variables. However, the MMM analysis did not examine how the different buying objectives work together. In other words, are there synergistic effects of running different buying objectives at the same time? Synergistic effects occur when the benefits of running more than one buying objective concurrently drive impact beyond the individual contribution of each buying objective.

Understanding mixed buying objective interactions is important when developing a multi-objective investment strategy that optimizes where the next media dollar goes. So, as a direct follow-up to the earlier analysis, Meta teamed up with Mindshare and Gain Theory to examine the synergistic effects of using multi-objective strategies. The work focused on three questions:

1. How does running different buying objective strategies in tandem impact incremental sales?
2. What happens to efficiency if one objective strategy is removed from a campaign?
3. How do results vary by vertical and placement?

In this paper we'll cover the methodology of the analysis, delve in-depth into the findings and explore what it means for advertisers.

We explored these questions using two different MMM methodologies across seven advertisers spanning six verticals. Facebook campaigns with both static and video assets were examined.

Key findings in this analysis include:

- Buying mixed objectives on Facebook has synergistic effects
- The biggest benefits are seen in a 22% synergistic effect with brand buying objectives and consideration objectives, followed by a 18% synergistic increase between brand objectives and performance buying objectives;
- Removing a brand, consideration, or performance buying objective decreases ROAS by at least 11 percentage points;
- For CPG, brand buying objectives had the strongest synergy at driving additional sales onto consideration and performance campaigns;
- For e-commerce, performance buying objectives had the strongest synergy onto brand and consideration campaigns;
- Static ads are efficient for all buying objectives in CPG and technology, and for e-commerce in the performance buying objective
- Video ads are more efficient for e-commerce brand buying objectives.

"It can be tempting for brands to prioritize performance buying objectives as results may seem immediate and satisfactory. However, brand buying objectives and consideration buying objectives 'widen' the consumer funnel by bringing more people into and through the pipeline. This can ultimately result in a higher volume of consumers with higher propensity to convert by the time they're exposed to performance buying objectives."

Fabio Giraldo, Group Director, Advanced Analytics Lead, Mindshare

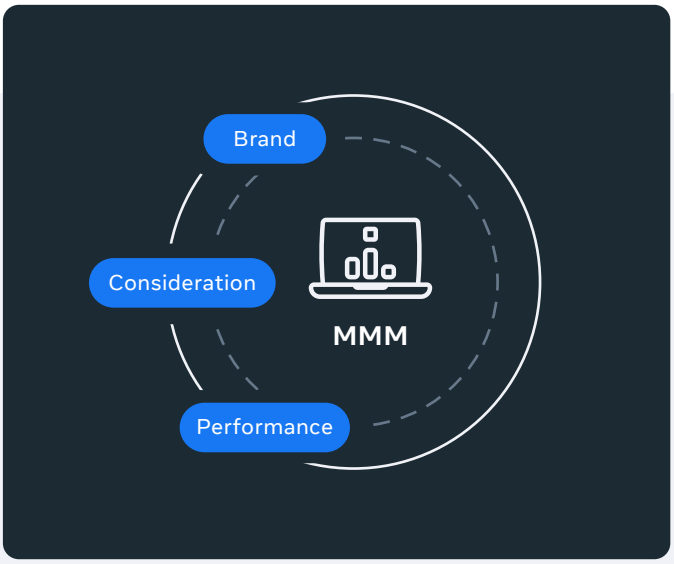
02. Methodology

The analyses relied on marketing mix modeling (MMM) techniques. These are a statistical approach used to understand how different tactics and channels impact sales. They can guide scenario planning exercises and help executives understand how to allocate marketing budgets across channels, business lines and regions. MMM is by no means a new methodology, but we believe it is once again timely as the advertising ecosystem focuses on privacy-friendly, signal-resilient solutions that quantify incremental sales impact and ROI of marketing and non-marketing activities.

Facebook was the focus of the research, as campaigns on the platform can touch all buying objectives. For the purpose of these analyses, objective groupings (brand, consideration or performance) were determined by the buying objective used in setting up the campaign. While this may have resulted in some level of creative similarity across positions (e.g., reusing DR creative for a reach optimized campaign) or creative variability within positions, it is one of the best ways to determine the goal of the campaign.

Some examples of buying objectives in each bucket include:

- Brand: Reach, awareness
- Consideration: Video views, post engagement
- Performance: Retargeting, conversions (sales, add to cart, etc.)



Once the campaigns were bucketed for analyses, each partner applied their own proprietary methodology to the MMM data. Both Mindshare and Gain Theory have a substantial catalog of historical MMM results, allowing them to use their existing bodies of work to develop robust and anonymized cross-client analyses. In this case, they used their own historical data to identify clients who had a mix of buying objectives, then constructed models to tease out the synergistic impacts of concurrent campaigns.

Mindshare built upon their existing models using Synapse, a proprietary tool capable of running iterative model permutations and scenarios, to identify synergistic effects in a subset of variables—in this case, the buying objective groupings. Gain Theory leveraged multiplicative modeling and Integrated Marketing Response, a proprietary technique to determine the impact of running different buying objective combinations on driving incremental sales, generating results at the category level.

Once the analyses were complete, Meta collaborated with Mindshare and Gain Theory to bring together the results, discover joint insights and craft high-level takeaways.

Cross-vertical results[1]

In its cross-vertical work, Mindshare examined buying objective synergies. That is, the analysis combined the synergistic effects from two buying objectives to understand how they increase overall effectiveness and efficiency concurrently. These combined synergy effects should be read as: "The increase in overall effectiveness by running a campaign of both buying objectives at the same time."

> "Synergy analysis is best run on top of traditional MMM in order to get a full picture of media performance and to enhance scenario planning."
>
> Daria Zarubina, Director, Strategy and Analytics, Mindshare

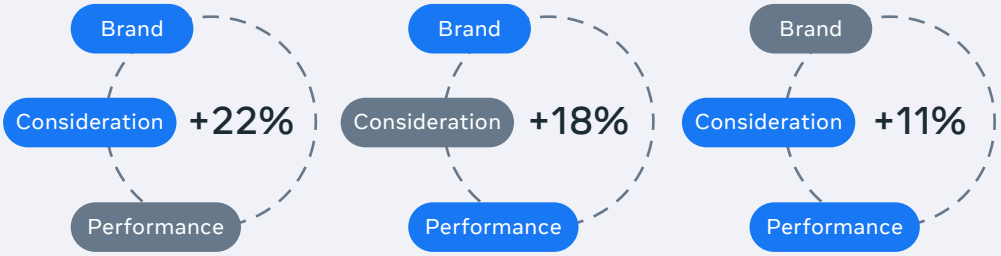
The synergy analysis aggregated 2.1 billion historical Facebook impressions between 2018 and 2020 across the automotive, manufacturing, QSR and e-commerce verticals. Brand buying objectives comprised just over one-third of the data, performance buying objectives comprised about half the data, and the remaining campaigns had consideration buying objectives.

1. "Examining the Effect of Simultaneous Ad Strategies on Facebook" by Mindshare (Meta-commissioned MMM analyses of US adults), Jan 2018–Dec 2020 (accessed Oct 2021).

Results indicated that all buying objectives on Facebook have a synergistic effect on one another. The largest synergistic improvement was a 22% increase in effectiveness for brand and consideration buying objective when compared to a model without multiple buying objectives. This was followed by a 18% synergistic increase between brand buying objectives and performance buying objectives and an 11% increase between consideration buying objectives and performance buying objectives.

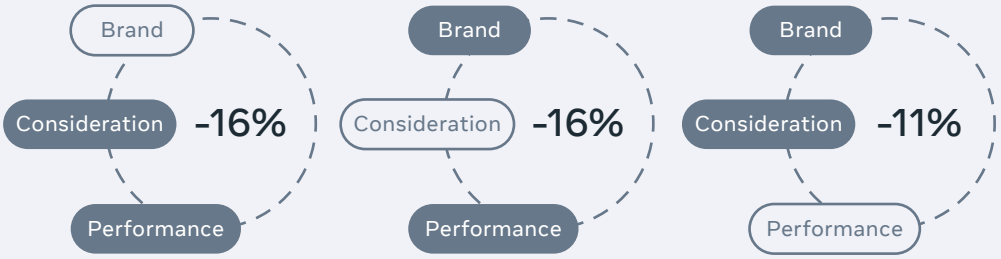
Mindshare then analyzed the opportunity cost associated with removing one buying objective from a campaign. The analysis found that removing any buying objective decreases ROAS, with the opportunity cost increasing with greater reach: ROAS decreased by 11 points when performance buying objective media was removed and 16 points when consideration buying objective and brand buying objective media were removed.

Incremental gains in effectiveness when running multiple buying objectives



These findings highlight how advertisers can drive increased campaign effectiveness by running brand buying objective media together with consideration and performance buying objective media.

Change in ROAS when removing a category of objectives



These findings showcase how campaign efficiency can be compromised when advertisers do not develop a buying objective-focused media strategy.

Vertical-level results[2]

In its work, Gain Theory looked at the augmented one-way synergistic effect of a campaign from one buying objective on a simultaneous campaign from another buying objective. In other words, the goal was to understand the impact of running different buying objectives on driving incremental sales at the vertical level.

The results were broken out into three verticals:

CPG brand
30 campaigns across
10 products were modeled

E-commerce
10 campaigns across
4 products were modeled

Technology
11 campaigns across
1 product were modeled.

Additionally, the results were broken out by placement (static or video).* Importantly, imbalances across placement levels did not affect the results. For example, some verticals saw greater synergies coming out of the static ads consideration buying objective despite higher support behind video, suggesting the difference in results is driven by vertical characteristics rather than support level.

The vertical-level learnings reinforced the major learning from the cross-vertical analysis: Buying objectives consistently drive greater sales and higher ROAS.

When looking at the tables that follow, they should read as: “The increased effectiveness that a campaign from the left-hand objective category drove in a campaign from the top-row objective category.” These numbers differ, because a brand buying objective may, for instance, benefit less from a consideration buying objective than the consideration buying objective benefits from having a concurrent brand buying objective.

2. “Examining the Effect of Simultaneous Ad Strategies on Facebook” by Gain Theory (Meta-commissioned MMM analyses of US adults), Jan 2019–Jan 2020 (accessed Oct 2021).

* Although we separated static and video placements for the purpose of this analysis, advertisers often buy these placements to run in tandem. We would expect synergies to exist between running static and video ads concurrently, similar to what we are seeing in this analysis. This could be a subject for future analysis.

CPG results

For CPG, brand buying objectives had the strongest synergy at driving additional sales onto consideration and performance buying objectives, at 16.5% and 12% respectively. The opportunity cost of removing one buying objective decreased ROAS by 18 percentage points on average.

SALES TO

	Brand buying objective	Consideration buying objective	Performance buying objective
Brand buying objective	X	16.5%	12.0%
Consideration buying objective	4.3%	X	4.9%
Performance buying objective	7.1%	11.2%	X

ROAS COMPARISON

	ROAS	ROAS Minus Synergy
Brand buying objective	100	89
Consideration buying objective	100	72
Performance buying objective	100	83

Within CPG, the placement analysis found that static ads in this study tend to be more effective and efficient compared with video ads at driving synergistic sales between all buying objectives. While a bit surprising, this result likely reflects the ubiquity of the CPG products included in this analysis, as customers who consistently purchase these types of items may have less need for the brand education typically driven by video ads.

PLACEMENT ANALYSIS

	Ad Type	Sales (indexed)	ROAS (indexed)
Brand buying objective	Static	159	151
	Video	90	82
Consideration buying objective	Static	-	-
	Video	100	100
Performance buying objective	Static	113	114
	Video	68	67

E-commerce results

For e-commerce, performance buying objective ads had the strongest synergy onto brand buying objectives and consideration buying objectives.

The fact that e-commerce brands typically invest most heavily in performance buying objectives versus brand buying objectives or consideration buying objectives may partially explain this result. If impression levels were similar, the ability to aid one another in driving sales between brand buying objectives and consideration buying objectives might be higher. Further testing would be needed to confirm this.

SALES TO

	Brand buying objective	Consideration buying objective	Performance buying objective
Brand buying objective	X	7.1%	6.2%
Consideration buying objective	10.9%	X	8.0%
Performance buying objective	15.7%	13.4%	X

ROAS COMPARISON

	ROAS	ROAS Minus Synergy
Brand buying objective	100	73
Consideration buying objective	100	80
Performance buying objective	100	86

The placement analysis found for e-commerce video tends to be more effective and efficient than static within brand buying objective while static is more effective and efficient within performance buying objective. These results support the idea that video ads enrich product awareness and education driven by the brand buying objective in e-commerce, while static ads are beneficial in reminding customers who are often retargeted in the performance buying objective.

PLACEMENT ANALYSIS

	Ad Type	Sales (indexed)	ROAS (indexed)
Brand buying objective	Static	50	82
	Video	103	101
Consideration buying objective	Static	200	56
	Video	91	119
Performance buying objective	Static	116	117
	Video	50	49

Technology results

Within technology, performance was the only buying objective category driving double digit sales impact onto the other buying objectives. The ROAS results mirror these findings, with little to no change compared to the opportunity cost of running performance buying objective independently.

SALES TO

	Brand buying objective	Consideration buying objective	Performance buying objective
Brand buying objective	X	1.6%	0.8%
Consideration buying objective	1.4%	X	0.7%
Performance buying objective	20.8%	22.2%	X

ROAS COMPARISON

	ROAS	ROAS Minus Synergy
Brand buying objective	100	78
Consideration buying objective	100	76
Performance buying objective	100	98

The placement analysis found that although video placements tend to be much more effective than static in the consideration buying objective for technology advertisers, its higher CPM results in a similar ROAS.

PLACEMENT ANALYSIS

	Ad Type	Sales (indexed)	ROAS (indexed)
Brand buying objective	Static	199	369
	Video	98	97
Consideration buying objective	Static	100	100
	Video	199	98
Performance buying objective	Static	101	105
	Video	75	44

03. Conclusion

The different analytical methods reached the same overarching conclusion:
Buying objectives have a synergistic impact on one another and together can drive more sales more efficiently.

Other key takeaways for advertisers include:

Overall, brand objectives tend to have a stronger impact on consideration objective campaigns than on performance objective campaigns, indicating the value of driving prospective customers through each buying objective versus jumping straight from brand to performance objectives.

The nuances of the synergies among different buying objectives vary from vertical to vertical. For example, performance buying objectives tend to show the strongest synergies with other buying objectives in e-commerce (possibly driven by spend), while performance buying objectives are the only strong synergy for tech.

There are also nuances depending on placement type. For example, in this study static ads tend to be more effective across buying objectives for CPG and for performance buying objectives in e-commerce, and video ads tend to be more effective for brand buying objectives in e-commerce and consideration buying objectives in technology.

Differences in campaign strategies, price point, and brand equity—among a slew of other factors—all impact how a customer interacts with a campaign and, therefore, the synergy between each buying objective. Given that, the results of these analyses should be used as a framework, rather than viewed as definitive results applicable to all cases. Talk to your modeling partner about developing a synergistic model for your individual brand, as this can deliver more specific recommendations.

Ultimately, this work hopefully spurs advertisers to think about how synergies can amplify each buying objective and how embracing a buying objective strategy when strategizing future campaign executions can boost effectiveness and efficiency.

"When faced with budgetary constraints, support behind one buying objective may often be diminished. Leverage these learnings to support a multi-objective approach, in lieu of focusing on a singular buying objective. This can deliver greater value than originally assumed."

Anibal Dams, Global CPG Lead, Gain Theory

Meta