OPINION

Now is the time for marketers to seize back control. Here's how they do it

In this two part opinion piece, TrinityP3's Stephen Wright argues CMOs need to wrestle back control of key aspects of their media spend and that doing so will produce better outcomes for all parts of the media ecosystem.

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by STEPHEN WRIGHT

You'd have been forgiven for thinking John Wanamaker's famous declaration about not knowing which half of his marketing is wasted should have been quickly solved by the digital era of marketing.

Yet many marketers TrinityP3 speaks to still worry about the effectiveness of a significant portion of their media spend. The difference is now they're not as brave as Wanamaker was in 1919 when he made the statement. Indeed some marketers now live with constant FOFO – the fear of finding out. Lest they look incompetent or worse…

It shouldn't be this way but getting out of the situation requires marketers to take some key steps and be willing to seize back control.

We all see the quickening of change in the media marketplace. It is more dynamic than ever before. There is greater opportunity for marketers who are brave but at the same time as the options grow an increased capacity to get things wrong.

As the marketplace evolves, clients and brands are slowly ceding control to media agencies with the 'black box' of tools increasingly determining the selection and use of media activities.

In turn these agencies have been ceding control to large media owners, often global tech platforms, through a growing matrix of ever increasing deals at an agency and group level.

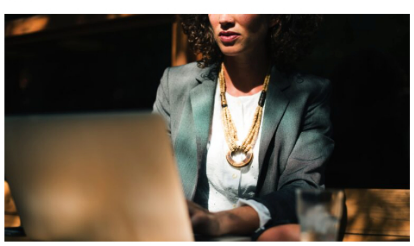
We are reliably informed that some of the deals with tech giants are now for over a billion dollars. We're not talking the local 'small bikkies' of millions or tens of millions but rather structured deals for huge sums that provide additional commission and incentives to agencies on a national, regional or even global basis.

These deals have the potential in the long term to undermine marketer trust and confidence in agencies. Yet to date we haven't seen that – rather we've seen the rise of Principal Based Media Trading, which as I noted a few weeks ago, for many brands is now key to agency remuneration and funding.

It should be obvious to all parts of the ecosystem that a growing interdependence between agencies and media owners doesn't necessarily work in the best interests of clients.

And that heavily discounted inventory often comes with diminished quality control. It also requires pre agreed spend commitments that have the potential to impact objectivity and the quality of advice let alone a brand's ability to chase short term needs or other market opportunities.

The reality is, for more than a decade, marketers have been ceding control and visibility.



In a world where marketers are increasingly tasked with meeting aggressive sales targets their need to understand what works and why has never been greater. They need to know the percentage that isn't working efficiently – but in ceding control their visibility has often never been poorer.

However, more than 100 years after Wanamaker's declaration, Market Mix Modelling and increasingly sophisticated AI might finally be providing concrete answers and direction over the full 100% of spend.

But it requires CMOs to seize back control to ensure the value achieved through marketing activities is optimised across the whole spend. It means no more blind reliance on the black boxes and questioning the real value of the 'non-transparent' discounted deal, even if doing so leads to a slightly higher price in the short term.

Now to be clear, Market Mix Modelling isn't a complete solution in its own right but rather the catalyst for restoring control to marketers. It embraces all elements of the marketing mix to identify those that work best individually and in combination with others.

Across time it provides a mechanism for continual improvements in the efficiency and effectiveness of marketing plans. Many brands with whom our clients work have used it to significant advantage.

It looks at the sales support provided by the brand halo and provides learning on the all important balance between brand and retail effect.

Most importantly, or frighteningly depending where you sit, it wrests back control for marketers as a cross check on the recommendations from the agency 'blackbox of tools' by linking directly with hard business metrics.

The selection and usage of all media activities are validated against business metrics rather than audience based media metrics.

It allows marketers to compare the sales contribution of the large digital players not just within digital and non digital media but against the full armoury of tools available to the marketer – point of sale, price promotions, sponsorships etc.

And it provides marketers with the capacity to forecast sales and push back with fully informed calculations of the impact on sales of any proposed budget cut. It provides greater control internally as well as externally.

If chosen well, independent market mix models will sit outside of the agency and answer first and foremost to the client.The results, their interpretation and changes to media usage are agreed collaboratively between client and agency.

For some marketers it might seem too good to be true, so where's the catch? Is there a catch?

Tomorrow in part two we'll look at the full package of activities around market mix modelling marketers need to adopt to realise its value and how its inclusion positively impacts both media agencies and media owners.

Stephen Wright is global media business Director of TrinityP3.

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