



When ROI Isn't Enough

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Digital has much more to offer than just the ability to track ROI. It's time to think about the big picture and consider a new metric -- return on engagement.

The real difference between digital media and traditional media is tracking capability. While the traditional media world provides us with the worthwhile measures of audience accumulation, effective reach and the GRP, it does not deliver a true ROI trackable to the point of purchase. This isn't the case in digital. With digital media we can track everything from the impression to the click, the home page conversion through the sales funnel, right down to the purchase. Digital is the true ROI medium.

But with this great advantage comes a great caveat: Much of digital media finds itself relegated to the world of direct response. Campaigns tend to be designed not to offer a chance for media to speak to the consumer, rather campaigns are designed for the end goal of the sale and not much else. Nothing illustrates this more than the network phenomenon.

The great network rebirth of 2006-2007 shows a great example of how digital campaigns have been banished to the world of DR. Most of these networks were created for the sole purpose of providing efficient cost per sale. Blind networks are designed without regard for advancing a message to an audience, but to blanket bomb people into purchasing. To this end, media buying stops being about honing into a strategic target, instead buying becomes a practice of cancelling, renewing and kicking black boxes.

With this in mind, a lot of other properties have accepted ROI as the role of the internet and have made ROI their focus, a good example being the Web Video Committee for ROI. Though a noble cause, properties are pigeon-holing themselves into keeping the DR mantra/ROI mentality.

As a digital media planner with an eye for emerging media, this pigeon-holing of digital media is a travesty. The practice of planning, buying, and selling like this ignores the most basic tenets and capabilities the digital technology world offers marketers. The biggest of these tenets is the promise of engagement.

Before the industry took everything that lived online and labeled it "digital," the industry called it interactive. To its core meaning, online and emerging digital technology is meant to be interacted with and as such, engaged with.

With this in mind, digital media advertising does not just offer statistics on purchases, but also offers engagement statistics on rich media interaction rates, video initiations, percentage video views, total interaction time, widget shares, message board posts, send to friends, and so on... The list of trackable engagement metrics with the digital message goes on as long as a media analyst is willing to splice data. Digital media offers the kind of engagement metrics that a TV buyer could only dream of.



But what does this talk of engagement mean for marketers? Essentially, unlike a one-off DR purchase conversion, engagement is about building a relationship between a brand and a

consumer in order to fulfill goals of purchase intent and brand loyalty. Given that, the combination of purchase intent and brand loyalty leads to the marketing phenomenon of repeat purchase and renewal. Hence, while the end game for DR will always be the single purchase, the end game for engagement will be creating lifetime value.

If positioned and planned correctly, digital media can be about promoting messaging engagement to create a lifetime value greater than what a simple digital DR network buy could ever provide.

To this end, digital marketers should not just consider ROI but should also consider ROE -- return on engagement. Through the current set of statistical engagement tracking, media teams can figure out how to get the most engagement possible out of media dollars to provide the greatest chance of creating lifetime value, an optimization a marketer would never receive out of TV or digital DR.

With ROE top of mind, digital media planners can focus on creating sticky programs meant to keep users interested and engaged, providing brand positioning and promoting brand loyalty for the advertiser. The focus on ROE would take full advantage of all of the interactive emerging technologies that only the digital field can provide. And with that, ROE would allow for the long term growth of digital advertising and would allow digital to escape the ROI and DR pigeon-hole. Think about that next time you sign your insertion order.

About the Author

John Padua, Media Planner at Mediasmith, creates dynamic and innovative media plans based around client parameters, positioning, strategies and objectives. He is experienced in both B-to-B and B-to-C in running branding, direct response, demand generation, and viral campaigns. He also specializes in the research, strategy, planning, and execution of campaigns involving emerging media technologies. John's current client work includes SEGA of America and NetApp. John is also a graduate of the University of California Berkeley and enjoys golf and Team Fortress 2 in his spare time.

About Mediasmith

Mediasmith is a recognized leader in digital media planning and buying. We specialize in the integration of traditional and digital media, search, emerging technologies. We architect plans across all media, in all markets, in virtually all product categories utilizing the right combination of media options to help our clients grow in the increasingly fractured media environment; from planning and buying, to tracking, optimization, and reporting of ROI on all media efforts. Mediasmith remains dedicated to the evolution and standardization of digital media practices. As committed innovators, we test the latest in metrics and analytics, providing solutions that enable us to act as a catalyst for our clients' media innovations.