

Branding vs. Direct Response

As the two main advertising strategies, branding and direct response are designed to communicate with consumers at different points in the purchase funnel. Whereas branding is an upper funnel strategy intended to raise awareness, recall, favorability, and consideration, direct response advertising is a lower funnel strategy designed to drive a particular action.

The Internet's distinct ability to accurately track, measure, and improve campaign response in real time makes it possible to achieve a level of granularity, segmentation, and dynamic audience targeting not seen in traditional offline media. Given the potential to more directly drive revenue over the Internet, marketers have overwhelmingly voted in favor of direct response over branding campaigns online. One only need witness the rise of Google and the overall search industry as prime evidence.

But what about branding? Why have marketers been so hesitant and reluctant to engage in brand campaigns? How can they apply the web's distinct advantages to drive a traditionally offline media strategy? It's easier than most people think.

If it can be tracked, it can be measured. If it can be measured, it can be improved.

For online direct response campaigns, marketers improve ROI by first tracking, measuring, and analyzing successful direct responses (a click, a purchase, a newsletter registration, etc.) to determine the data makeup of the different responding customer segments. Next, they optimize the campaign by removing underperforming creative/placements. In more sophisticated next generation platforms, identifying responder segments in real time makes it possible to dynamically serve targeted messages in order to maximize successful responses.

While a branding campaign will almost certainly differ in its creative concept, copy, and placement, the same tracking, measurement, analysis, and improvement methodology can be used to maximize the campaign's success.

As an example, let's say Marketer A runs an online branding campaign with success being defined as lift over control in *post-impression (or view through)* opt-in email registrations. Limiting the measure of success to those who register on a post-impression (PI) basis eliminates direct responders (i.e. those who clicked the ad) and helps to refine the value of the branding impact. Let's narrow the criteria for that segment by also eliminating:

- Those who had already been registered and/or had already been to Marketer A's site in the past.
- Those who Marketer A had not seen and who performed a PI registration, *but* came to the site directly from a search engine, affiliate marketing partner, etc.
- Those who saw an ad within the past three days – this implies they may have *intended* to click when shown the ad, but for some reason did not, and therefore, their registration could be due less to branding awareness/recall than to direct response, intended or otherwise.



For those in this segment who then register for the email, there is a strong case to be made for the impact and value of the branding awareness, recall, intent, and consideration which led to their response.

As stated above for direct response campaigns, next generation platforms consisting of sophisticated algorithms and/or statistical modeling capabilities then offer the marketer the ability to improve or optimize their brand campaigns by identifying those email responder segments in real time, then dynamically serving the same messages to replicate the successful branding response.

While there will be a certain percentage of users who regularly clear their cookies (and therefore, appear prime for targeting yet may already possess brand awareness), testing additional constraints like frequency caps and time lag can isolate the impact of this subset. In addition, testing other branding success metrics (i.e. unique visits per thousand impressions) and employing more traditional qualitative measurements (i.e. brand surveys) across campaigns can help drive more effective and cost-efficient media buys and thus, a higher overall brand campaign ROI.

Conclusion

As the online channel grows and more budgets are dedicated to interactive media, the capability *now* exists for marketers to achieve their branding objectives online. Doing so will complement direct response campaigns and offer marketers a comprehensive, measurable, and optimizable online communication strategy.

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