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## **From Performance Media To Media Performance**

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## About the Author



**Chris Novak** is the Chief Data Science & Analytics Officer for Eden Collective. Chris has both a B.S. in Film & Video and a M.S. in Mathematics from Drexel University. This combination is evident in how he approaches his work by finding stories that lie in the data. He is also an experienced marketer with 20+ years of innovating in an environment of constant change while always helping clients evolve. Prior to joining Eden Collective, Chris spent time at IMPAQT, Merkle, and Dentsu where he was able to evolve from building forecasts and bidding algorithms, to utilizing first- and third-party data to truly drive brand experiences. [Linkedin](#)

## From Performance Media to Media Performance



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With the advent of digital marketing, the concept of Performance Media took hold. Marketers for hospitality organizations quickly started to rely on deterministic connections based on cookies to understand exactly who had been exposed to their media and the actions that their guests took after exposure. That approach was able to yield productive results and metrics that could easily be shared within firms, but has this been the optimal approach? Out of millions of impressions that a marketer puts into the world, they typically see barely a tenth of one percent (1 out of 1,000) of those impressions convert into a sale. For example: an independent hotel may have 999 impressions before converting one into a booking confirmation. As each touchpoint is crucial to providing optimal service for guests, why should this tiny sample become so critical in driving media decisions for hospitality and service sectors? Furthermore, marketing costs account for up to 25% of lodging firms' expenses, more than double the typical spend of non-hospitality industries (Spector, 2018). Given the greater amount of

spend on marketing, why do hospitality organizations choose to build costly media procurement strategies off a minute sample that may not give a holistic view of their prospective guests?

Although Performance Media is vital to driving conversions, there is an opportunity to optimize the funnel bandwidth by shifting focus to Media Performance. You may wonder, what are the differences between Performance Media and Media Performance?

Performance Media is limited by a myopic focus on events that can be deterministically tracked, whereas Media Performance is a mindset that allows marketers to widen their lens and examine a holistic view of their investments. Instead of relying on conversion rates from immediate booking confirmations to dictate our media mix, we can look at our ability to reach our audience with relevant messaging. In doing so, we avoid the look-alike optimization trap of failing to identify key opportunities amongst potential guests who have historically had low conversion rates. While focusing on media seems counterintuitive, by only focusing the messaging on top converting segments, Performance Media is limited to conversions of only the best or responsive guests. Media Performance, on the other hand, drives growth as it allows hospitality organizations to spot opportunities outside these top segments and nurture these hard-to-reach segments that may also be less familiar with the specific property or brand.

So how does a hospitality firm conducting business within the B2C (business-to-consumer) space get there? The process of implementing Media Performance is relatively simple and straightforward. First, brands need to start with a Media Scorecard (1) which drives the build of a Measurement Framework (2). The Measurement Framework then forms the foundation of a Test & Learn program (3) which provides improved confidence with media procurement decisions. In this way, converters are no longer used to inform, and thereby limit your entire media strategy, but are rather used as a quantitative barometer of how well your audience strategy is succeeding.

(1) The Media Scorecard starts with financial figures of: *total spend on media in a given period* and *total sales in that period*. Just two basic, high-level metrics. From there the Media Scorecard can be delineated even further into spend by *channel* vs *total sales*. In practical terms, these figures are easily interpretable and can be widely understood across hospitality organizations. For a hotel this could just be a look at the dollars spent per media channel along with the total bookings within the same period. This simplistic view ensures that marketers are looking at a complete picture before narrowing their view through various attribution methodologies.

(2) Building the Measurement Framework is the next step, and it is derived from the Media Scorecard figures. As any industry marketer knows, the key to understanding Media is through focusing on *Reach*, *Impressions*, and *Frequency*. While these metrics guide the process, hospitality firms first need to take into account how these three arching metrics vary in definition by channel, as they will have vastly different meanings. For example, looking between television and digital, there are major differences.

For Television:

- **Reach** is typically derived through panels of roughly 40,000 respondents which are then extrapolated to the larger population.
- **Impressions** typically take up 100% of the screen and are on air for a defined duration (typically 15 or 30 second increments).
- **Frequency** is defined as the number of times an individual has been exposed to media and once again extrapolated through a panel.

For Digital:

- **Reach** is defined by the identity graph of the specific platform. For instance, a website that doesn't require any user authentication may only be identifying an individual based on a cookie while a site that requires authentication might identify based on an email.

- **Impressions** only have to show 50% of the ad for at least 2 seconds. What actually happens in practice may not be consistent or even known to the marketer.
- **Frequency** is defined as the number of recorded impressions divided by the number of individuals reached (again in the specified identity space).

The Measurement Framework is a rubric which allows documentation of these aforementioned Key Performance Indicators (KPIs) and key differences. From there, hospitality firms can determine how to deploy and ultimately measure end targets. For example: an independent hotel can determine the level of reach needed to expand their prospective guest list (e.g. customer database). By expanding the guest list, the hotel has a larger database to pool future in-house initiatives that can minimize marketing expenses while cultivating guests who may never have considered the property before the initial campaign. Similarly, hospitality firms can answer questions about media, such as whether or not the impressions are reaching the target audience, and what frequency might be needed in order to achieve campaign objectives. The key to answering these metrics is the final step in the Media Performance process.

(3) Now that the groundwork has been laid, the final and most important step in Media Performance is to determine which numbers to incorporate into the framework. This can be accomplished through an incremental, and always on, Test & Learn plan. The three key elements to a Test & Learn plan are: Decision to be made, Hypothesis, and Potential Impact. The first question a firm must ask is, "What decision are they trying to make?" These decisions could range from launching a new channel to choosing a frequency at which to deploy media. From there, a hypothesis can be formed based on similar campaigns that have been run in the past or industry benchmarks. With this hypothesis the marketer should calculate the potential impact. Knowing the size of the prize can help prioritize testing. Given the opportunity cost associated with a test either through holdouts or resources needed to perform the test, it is important to scrutinize testing closely. Prior to launching any Test & Learns, marketers should perform rigorous thought experiments to ensure alignment of Decision, Hypothesis, and Impact.

For a hospitality firm, Test & Learn could involve a simple question of: What is the optimal monthly budget for programmatic display? When a marketer has a Media Scorecard built out, they are able to look at past trends of programmatic spend against actual metrics and can choose one to focus on, such as bookings. Variances to the baseline can be evaluated either by hand or through statistical methods. With a Media Scorecard, the marketer can then dive into analyzing the components that might be driving bookings as laid out by the Measurement Framework. This could include a determination of whether the shifts in bookings were driven by reach or frequency. From there, a marketer can set a sustainable plan in action to continually dig into their audiences, tactics, and devices to find the greatest bang for their buck.

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