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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 was able to take hold. Marketers for hospitality organizations relied 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 a 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. This minute sample becomes more critical in the hospitality and service sectors as each touchpoint is crucial to providing optimal service for guests by allowing organizations to build stronger connections. Furthermore, marketing costs capture roughly up to 25% of lodging firms' expenses, more than double the typical spend of non-hospitality industries (Spector, 2018). Given this, 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 clientele base?

While Performance Media is vital to driving conversions, the opportunity exists 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 only on events that can be deterministically tracked, while Media Performance is a mindset that allows marketers to widen their lens and examine a holistic view of their investments longitudinally. 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 this seems counterintuitive, by only focusing the target 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 longitudinal 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? At a high level, 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 in 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 starting by looking at a complete picture before narrowing their view through various attribution methodologies.

(2) Building the Measurement Framework is the next step which 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 40K 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 is 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 that allows documentation of these aforementioned 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 in order 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. Likewise, hospitality firms can work towards answering the questions of: are the impressions reaching the target audience, and what frequency is needed in order to achieve campaign objectives? The key to answering these metrics is accomplished by taking the final step in the Media Performance process.

(3) Now that the groundwork has been laid, the final and most important step is to determine which numbers to incorporate into the framework. This can be accomplished through an incremental and always-on Test & Learn plan. The key elements to a Test & Learn plan are: Decision to be made, Hypothesis, and Potential Impact. The first question a firm has to ask is, "What decision are they trying to make?" These decisions could range from launching a new channel to deciding at which frequency to deploy. From there, a hypothesis can be formed either 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 required to perform the test, it's very important to scrutinize testing closely. Prior to launching any Test & Learns, rigorous thought experiments should be done to ensure alignment of Decision, Hypothesis, and Impact.

For a hospitality firm, this could involve a simple question: What's the optimal monthly budget for programmatic display? By having a Media Scorecard built out, they are already 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. From the Media Scorecard, the marketer can then dive into analyzing the components that might have an effect on 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 the audiences, tactics, and devices to find where the greatest bang for their buck may be coming from.

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