

How much media budget is too much?

Contact us for advice

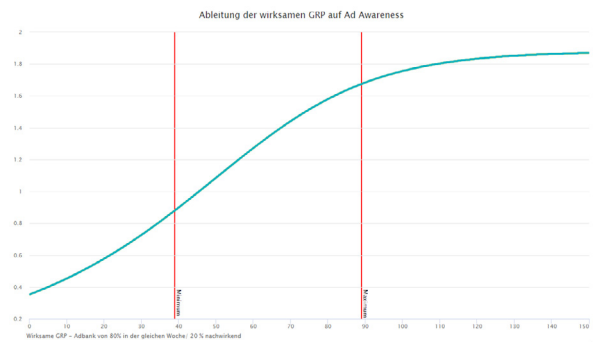
hello@mercurymediatechnology.com

Summary

Defining the issue

When marketing teams plan their annual media strategy, they define their targets based on the available budget. Sometimes it can be tricky to determine how much you should spend on each media channel in an increasingly complex ecosystem of platforms, publishers and channels to make sure you leverage at the right level.

Example: A major drink manufacturer wants to identify the optimal level of TV spend in order to maintain its shelf turnover. The analysis shows that the TV reach as a strong influence on sales volume uplift on the target group. In our example, applying that reach to the sales modeling structure made it possible to define a point of optimal TV activity that would maintain current turnover levels. At the same time, the manufacturer was able to shift its remaining budget to focus on further media tests and unleash other pockets of business growth through other channels.



What is the best approach?

1. Determine the most effective influential factor on your targets in the media of your choice
2. Simulate predictive scenarios of the cost per extra target
3. Illustrate the point at which the ideal spend threshold vs. the established targets is reached
4. Define the margin of confidence to confirm budget brackets

When to use it?

- This is the ideal solution for cross-channel investment optimization to help you identify the most relevant media mix for your business targets
- Perfect for associating a fixed business target (e.g. sales) with the necessary budget level in one or more media channels at a short-term level
- Helps structure campaign performance monitoring vs. predicted results for responding to media efficiencies

What is important to note?

- For product launch: requires qualitative industry data with an equivalent product range
- Requires historical media data that can be correlated with granular sales figures to build initial scenarios
- The bigger the change in strategy, the less precision can be expected from the analysis