

Want to Get Mixed Media Modeling Right? Start with Your Data!

By John Fix February 26, 2025

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There have been many conversations about Media Mix Modeling (MMM) and audio in the podcast, streaming, and terrestrial radio industries. The headlines appear to be: "Time spent listening to audio suggests that current audio investments are too low" and "Audio does not do well in MMM."

Firms such as Nielsen have summarized audio data shortcomings in MMM in a recent white paper from WARC called, "The best practices for breaking down the barriers behind audio investing," advising on how granular, as-run data,

can be used to describe creative, product, and placement at a weekly level.

I, too, have written about the efficacy of MMM. The common theme is that advertisers and media suppliers have given insufficient attention to the data for audio media, leaving modelers to deal with the meager data that they are given.

Getting the Data Right

The problem with inadequate audio data was documented as early as 2012 by Sequent Partners who found that data historically used in MMM was not granular enough, and that weekly, as-run data, produced better results. These results were revisited five years later by Nielsen who again stressed that data granularity was an opportunity. It is now 2024 and as the articles cited above suggest, audio data used for planning and attribution is an issue.

The solution to the data problem requires a partnership between media suppliers and advertisers so that both sides understand the kind of data needed in MMM and how audio should be delivered. Modelers need descriptions of:

- The right product levels (brand, sub-brand, product line)

- Geography by targeted or relevant geography description (National vs DMA)

- Objectives (awareness, conversion)

- Buy type (direct, indirect/programmatic)

- Medium: podcast, streaming

- Creative or campaign name

This data stream not only supports the advertisers' understanding of media planning & delivery but will lead to better modeling processes and deeper discussions as the conversations about audio in media planning move from

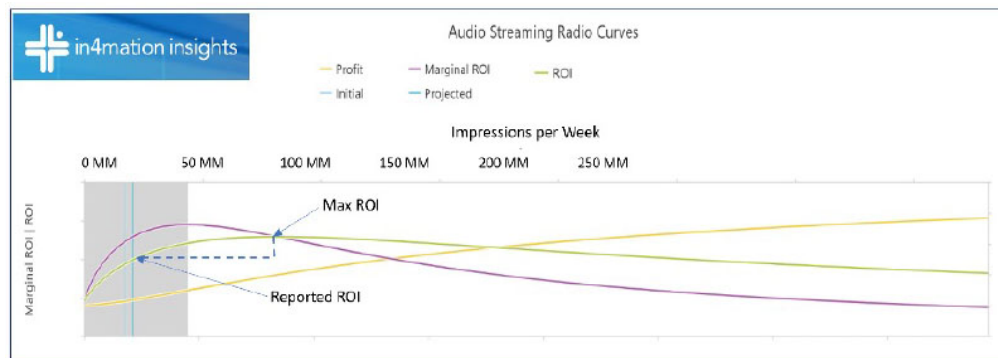
"Should audio be in the media plan?" to "How to optimize the audio in the media plan?"

Getting the Sufficiency Right

The quality of available data to advertisers and modelers has been widely covered in the past but a glossed-over topic is "planning for adequate GRPs," says David Hohman, EVP of and GM of Global Marketing Effectiveness at Nielsen. To adequately plan GRPs, advertisers must have a good understanding of how MMM can represent media performance through response curves.

A response curve is created in the MMM process to show the performance of a given media channel across a span of executions. Typical response curves will have volume response or sales on the y-axis and a measure of delivered impressions on the x-axis. These curves are fundamental in helping advertisers develop plans that align with the level of media needed for optimal results.

The response curve below is an example of an output produced by an MMM.



Response curves are essential for understanding the relationship between marketing spend and return for each relevant media channel. The above curve is a representation of the performance of the audio streaming channel for an advertiser. Here, ROI steadily grows as impressions increase and reaches a maximum value when 50-100 million impressions per week are consistently delivered.

Advertisers can reference this curve to understand where the max ROI occurs. In this case, the advertiser averaged an impression delivery of around 25 million impressions per week during their measured period. This advertiser can see that the reported ROI at 25MM impressions was below the potential maximum ROI that would have occurred if more impressions had been delivered.

Why is this important? Because to the advertiser that is interested in optimizing their streaming investments, this curve highlights the ROI produced by their media plan and offers a clear recommendation and justification for choosing to invest more.

More important is the perspective this provides to the media supplier. Advertisers do not share ROI results with media suppliers. Unfortunately, this understandable practice tends to leave media companies in the dark, especially in the absence of sharing the response curves. Traditionally, an advertiser would share the reported ROI at the average value of weekly impressions. If the ROI was below the acceptable threshold of return for the advertiser, the media supplier would be told the "MMM results indicate that the ROI was insufficient for us to continue investment." End of story.

Only the largest media investments are presented with response curves due to the effort required to produce them. In a perfect world, advertisers and media suppliers would discuss response curves in a way that would produce mutual understanding.

Media suppliers should make the first move to improve the MMM process by providing not only the as-run data described above, but also weekly reach and frequency data for the impressions target. It would benefit the advertiser even more if the reach and frequency curves were available across a healthy range of levels for spending and impression execution.

Understanding how effective reach builds contributes to a better understanding of sales response.

These are the ingredients for producing well-informed response curves.

How to Close the Gap

Agencies, advertisers, and media suppliers have a historical understanding of what levels of impressions typically deliver results. "Best practices" exist within agencies for large media investments that say how many TRPs/week or impressions/week tend to deliver results. This concept is referred to as "sufficiency". Audio advertising, both terrestrial and digital, is understood to be an area of underinvestment. Advertisers that "try" audio tend to make small investments and then wait for attribution to say whether or not the investment met expectations. The discussion of response curves clearly indicates that investments can be too small and suboptimal.

With the help of MMM modelers and MMM results, work is currently being done to provide quantitative guidance on the level of impressions needed to maximize ROI. Looking across the results from many MMM studies, aggregate response curves can be generated for specific audio deliveries (terrestrial, streaming, podcasts) that will indicate levels of investment of the medium's potential and suggest more than suboptimal "test" amounts.

Say Goodbye to "Sorry's"

Edison Research found streaming audio continues to grow, but revenues in the overall streaming market are not increasing due to a lack of accurate representation in MMM tools. Data is undoubtedly a critical component of successful MMM planning, reporting, and media attribution. However, advertisers must understand the underpinnings of MMM to set the expectations of a media channel to an advertiser. Substantial

information is available to help understand "what's possible" for audio data sets. This piece speaks to understanding the underpinnings of MMM to set an expectation for the potential of a media channel to an advertiser. Continuous conversation between the advertiser, provider, and modeler will establish a customary flow of adequate data to inform media planning and a much greater understanding of the MMM process. Ideally, advertisers will buy audio with an understanding of sufficiency so that post-mortems of an MMM will no longer be reduced to "sorry, the ROI was too low to continue investment."

Source

"Want to Get Mixed Media Modeling Right? Start with Your Data!" SiriusXM, 2025.

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John Fix enjoyed a 27-year career at P&G which spanned Engineering, R&D, Market Research, and Marketing, giving him a very well-rounded view of products and branding. Since his recent retirement from P&G, John has opened his consultancy and is working across media and measurement suppliers. At P&G, John was one of the first with a role dedicated to media analytics, from planning to attribution. He had responsibility for the analysis and selection of media measurement applications, creative testing, lift tests, attribution and planning tools. John has presented at various forums including Advanced Research Forum (ARF), AMA, and NAB events and is currently partnering with the IAB and RAB.

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