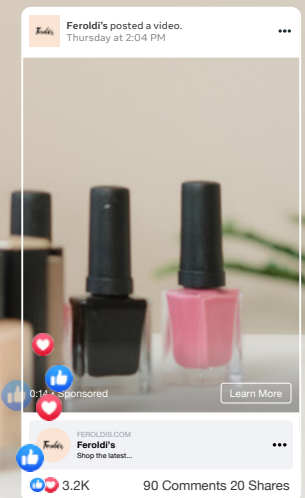


Rethinking Media Mix Effectiveness in the New Digital Landscape





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Introduction

Driving brand performance and impact has never been easy, but businesses today are facing a new reality as they navigate three overarching challenges.



1. An uncertain macroeconomic environment

Though macroeconomic factors including rising inflation and a war in Europe are continuing, the addition of increasing fuel and utility prices as well as volatile interest rates are increasingly stoking consumer uncertainty. In Asia Pacific, as many as 61% of people are already in a recessionary mindset that has them reevaluating their own spending.¹



2. Increasing pressures on profitability and efficiency

With people less inclined to spend and with fewer marketing dollars available, brands now need to find meaningful ways to grow, even as outcomes are expected to be more efficient and cost-effective.



3. Changes in media consumption

The region is estimated to boast more than two billion digital video viewers, and that by 2025, digital video will reach more than 82% of internet users in APAC². As consumer preferences change and media consumption shifts evermore toward streaming services and short-form videos, many marketers are finding that their tried-and-true marketing mixes are no longer performing as strongly as they once did – and this is ushering in a new set of unprecedented challenges.



These shifts have spurred a rethinking of the marketing mix in an increasingly fragmented, competitive and sophisticated media landscape where ads are designed to follow people around. With so many surfaces vying for audience attention, from traditional television and OOH to digital ads found across social platforms, embedded within online videos and presented by online creators, it can be difficult to determine how best to reach a target audience today – and even more challenging to identify a marketing mix that delivers results consistently.

Against a backdrop of monumental shifts, marketers in Asia Pacific have an opportunity – one that requires shifting the marketing mindset to adopt new methods of planning and embracing new innovations as they seek to boost the bottom line, with limited budgets.

1. Nielsen IQ, “Navigating the recessionary mindset: How FMCG can succeed in Asia Pacific” 20 March 2023. <https://nielseniq.com/global/en/insights/education/2023/navigating-the-recessionary-mindset-how-fmcg-can-succeed-in-asia-pacific/>
2. Insider Intelligence, “2 billion people in Asia-Pacific will be digital video viewers by 2022” Sara Lebow, 5 October 2021. <https://www.insiderintelligence.com/content/2-billion-people-asia-pacific-will-digital-video-viewers-by-2022>

Methodology

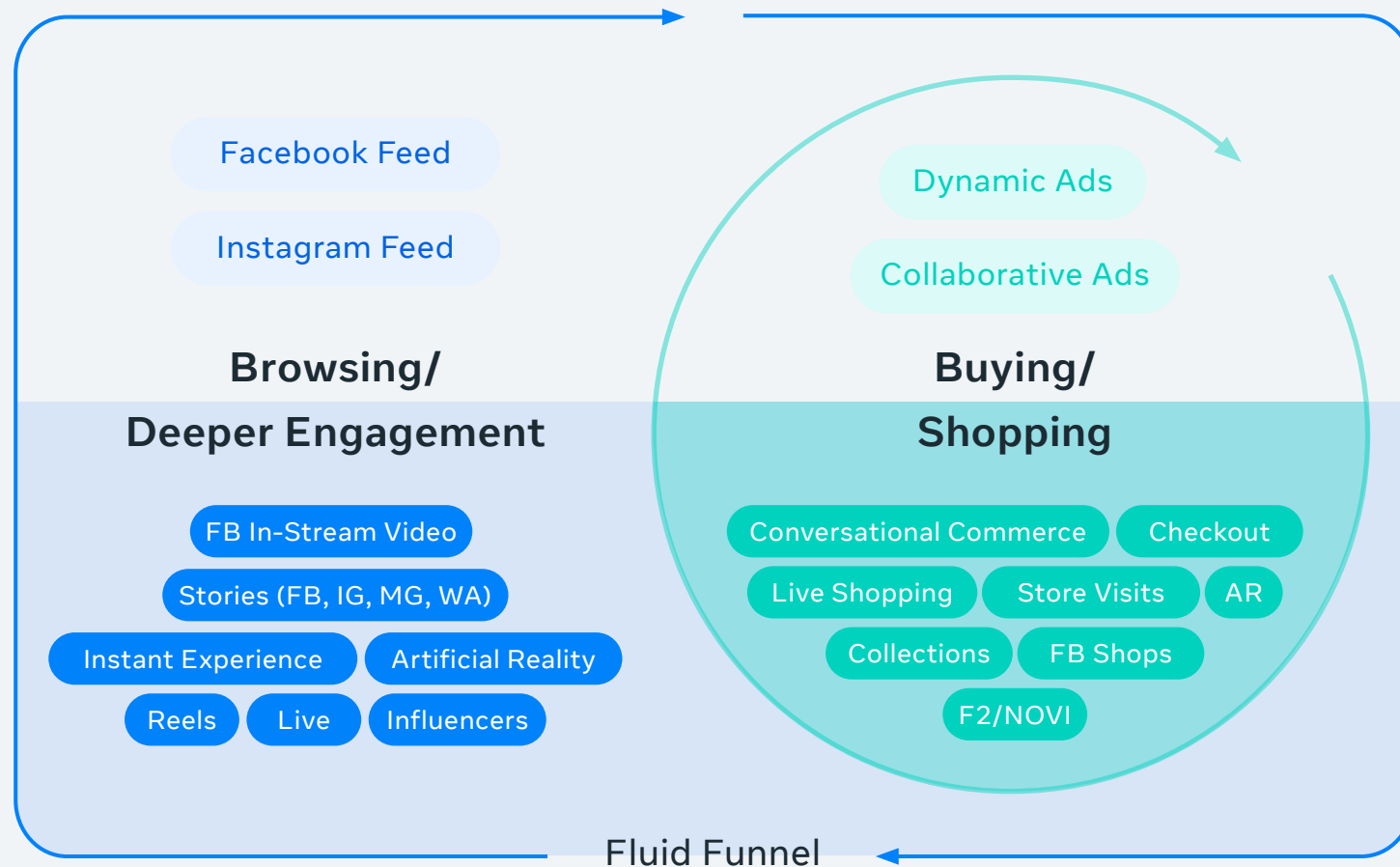
This whitepaper consolidates observations from teams at Meta and is supported by deep research and insights by data analytics specialists including Kantar and Nielsen. It presents brands with new marketing tools, solutions and strategies to consider adding to their marketing mix to not only navigate the recessionary mindset across APAC, but to grow despite it.



The transformative shifts

As more and more people spend more and more time on online platforms, we are entering an era of multiplicity: the holistic effect that arises from experiencing multiple entry points, touchpoints and channels that are optimized by machine learning.

We are in an era of multiplicity.



Related to this, the teams at Meta have observed four specific shifts with profound implications for media planning and buying:



The rise of content creators



The rise of short-form video



The rise of messaging



Driving impact with AI



The rise of content creators

Online influencers and content creators are credited with strong connections between brands and younger consumers, namely Gen Z audiences³. In fact, 68% of Gen Z respondents in a recent survey said they follow creators for inspiration and discovery⁴, with 79% stating that their shopping decisions have been influenced by a creator⁵.

Often, their direct access to people deepens their perceived relatability—creators are people “like us,” “authentic” and “relatable”—individuals rather than corporations. And because of this, they tend to be trusted more than brands. Creators have taken word of mouth—a powerful tool of persuasion— and harnessed it at scale, resulting in a hybrid media channel that combines authenticity with reach.

Given the growing scale and scope of the creator economy, brands must understand how to harness the qualities and skills of creators to meet different business objectives⁶.

3. Meta “Five Gen Z Trends Shaping the Future of Brand Engagement,” August 2022.

4. Ipsos, Retail Future of Shopping’ Study (Meta-commissioned online survey of 2548 Retail shoppers ages 18+, Thailand, March 2022), Top 2 Box

5. Meta “Five Gen Z Trends Shaping the Future of Brand Engagement,” August 2022.

6. Meta, “Brand-building with creator partnerships.”





The rise of short-form video

Today, short-form videos are beginning to drive better performance and are commanding video watch times. Some of this is owed to the pandemic. Consumer familiarity with digital mediums quadrupled as people were forced to interact with friends, family and brands digitally – and especially through messaging. Naturally, media consumption shifted from traditional channels and toward online video. Today, Reels on Meta platforms receive **190 billion views a day globally**, and more than **2 billion Reels are shared globally every day**.⁷

When it comes to reaching a desired audience, short-form video is a solid investment. Data from a Nielsen report evaluating the impact of Reels on marketing campaigns compared to other video formats found that short-form videos are 76% more effective in terms of share of impressions compared to long-form videos – campaigns featuring Reels delivered 20% higher effectiveness compared to campaigns with other video formats.⁹

7. Meta Q1 2023 earnings call

8. GWI MAT Q2 2022, Nielsen IQ, June 2022, Ecommerce Emarketer July 2022, Statistamedia consumption, June 2022. BMRI's Intel Pack; Deloitte Risk Privacy report, 2022.

9. Nielsen and Meta, "APAC Syndicated MMM Study," 2022.

82%

of media consumed will be video

52%

will be short-form video⁸





The rise of messaging

Across industries globally, one billion people message businesses every week.¹⁰ Nowhere is this more apparent than in APAC where messaging has become critical to the consumer journey, with an average of 65% adoption rate across markets¹¹, signaling the huge transformative potential for businesses to meet people where they are.



1 in 3 people chat with a business at least once a week¹²



70% of respondents in a recent survey said they feel more connected with business they can message¹³



52% of Gen Z respondents agreed that Instagram helps them build relationships with brands¹⁴

Today, people are inclined to connect with businesses in the same way they connect with creators and their personal networks. As people scroll through apps or browse different platforms and discover a product or service from a brand that interests them, they move from an observational “outer circle” to a more interactive “inner circle,” where they engage with the business. As a result, brands are increasingly seeking messaging solutions that help them not only have conversations with customers, but improve consideration, boost purchases and stay connected.

10. Meta, “Conversations” event internal data; May 2022.

11. “Better conversations are built together: Discover Business Messaging with Meta,” 2022.

12. Note: Consumers: n = 4396 (cover only BM Users); overall data across 7 markets in APAC. “BCG & Meta Survey on Consumers and Businesses Behavior on Business Messaging (2022)” Q21 (Consumers): For each category, please specify how frequently you engage with sellers/businesses via chat within the past 6 months pre-pandemic. Q22 (Consumers): For each category, please specify how often you engaged with businesses/businesses via chat, within the past 6 months (compared to pre-pandemic)

13. Meta, “Conversations” event internal data; May 2022.

14. Ipsos Global Media Study. (Meta-commissioned online study of 3,261 people age 13-64; internet population; monthly mobile internet users, monthly video viewers, and monthly messaging app users in TH, Dec 2021-Jan 2022)



“As both the marketing landscape and consumer behaviors continue to evolve, it’s exciting to see how people are interacting with brands. At Meta, we’ve taken a keen interest in the rise in messaging, the shifting preference toward shorter-form video content on digital platforms and the greater adoption of powerful machine-learning capabilities, and worked to create solutions that help clients reach and engage their customers both quickly and meaningfully.”

TAWANA MURPHY BURNETT
Director, Global Category & Client APAC, Meta



Deliver impact with AI

These shifts in consumer preferences have far-reaching implications for marketers across verticals and industries – and they are happening alongside a larger shift that is impacting the way businesses and customers connect and how online platforms serve them: the rise of multiplicity, which is driving the efficacy of AI. As machine learning becomes more sophisticated, it powers AI solutions, helping businesses better connect with customers.

Many technology companies, including Meta, have invested billions in research and development to build AI tools and solutions that help brands save time and improve results across a spectrum of marketing processes.

Indeed, advances in AI are already bearing fruit – delivering better personalized ads and better-performing campaigns while using less data. Since applying AI more broadly, advertisers using Meta platforms saw over 20% more conversions and higher returns on ad spend.

15. AI Business, “Zuckerberg: AI is key business driver for Meta’s future,” 2 August 2022.

16. Meta “Powering Up Performance Through ‘Meta Advantage’ Automation Ad Suite,” Goksu Nebol-Perlman, 22 March 2022.

A recent survey showed that

77%

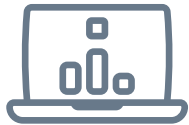
of advertisers that tested Meta’s Advantage solutions saved several working hours while using them.¹⁶



Restructure for effectiveness

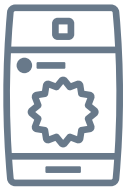
AI has opened up entirely new possibilities, and is **powering a shift to outcome-based planning rather than audience-centric planning**. By embracing AI solutions and outcome-based planning, brands and marketers can make the most of their budgets with more efficiency, while also saving time and productivity.

As Meta works with clients and agencies to shift toward outcome-based planning, some significant findings have emerged.



INSIGHT 1

Digital as a viable, long-term brand-building channel



INSIGHT 2

Digital formats are over-indexing vs. traditional channels on brand outcomes



INSIGHT 3

Digital platforms have the potential to drive premiumization

“Meta’s AI-powered solutions not only save brands time and resources by making it easier and faster to set up ad campaigns, but help them reach and engage their audience more effectively and more efficiently. By shifting to an outcome-based approach to planning, brands can choose campaign optimization options in line with their business goals, and make the most of their time and budgets.”

TAWANA MURPHY BURNETT
Director, Global Category & Client APAC, Meta



Insight 1

Digital as a viable, long-term, brand-building channel

Marketers often cut back on brand-building spend during recessionary periods. Staying the course, however, offers greater rewards, especially in the long-term.

If anything, there is a case to be made for spending more on digital platforms, with brands that increase spending experiencing a 17% rise in incremental sales.¹⁷ Much of this can be attributed to consumer attitudes, and although it is customary for shoppers to cut their spending to focus on necessities – even price-conscious consumers are willing to pay 14% more for brands they are familiar with and perceive to be worth the higher price.¹⁸ This demonstrates the value of brand equity – a brand characteristic defined as being meaningful, different and salient.

“Our research shows that brands diverting marketing funds to digital platforms have reaped rich rewards, including a 14% increase in total media return on ad spend. Brands have the potential to take long-term profitability to new heights by investing in more formats and ad solutions that digital platforms have to offer.”¹⁹

ABHINAV MAHESHWARI
VP, Marketing Effectiveness APAC, Nielsen

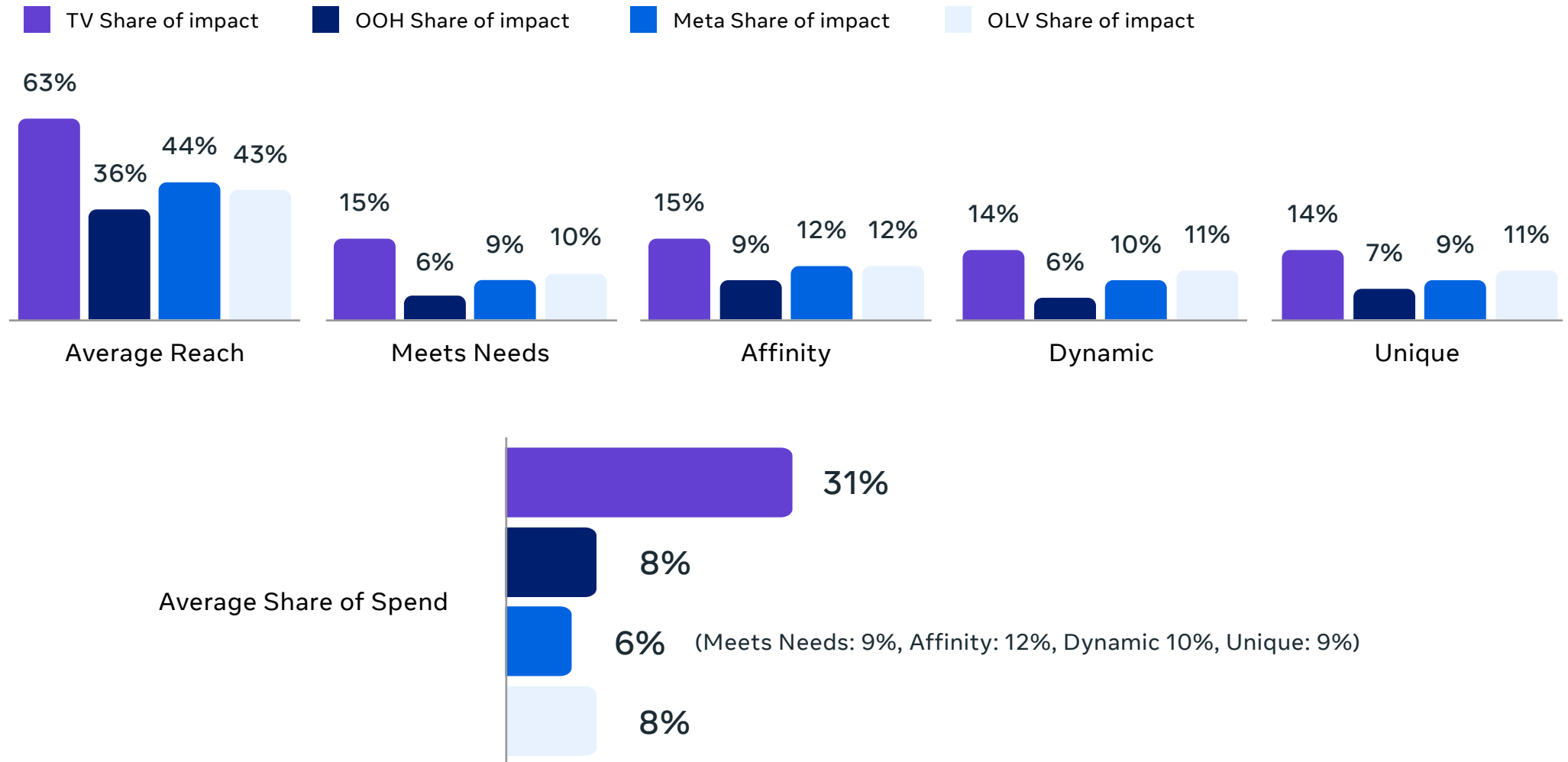
17. Analytics Partners, “Marketers who cut spend risk losing 15% of their revenue during a recession,” 2 August 2022. 2. Performance of 3211 purchase optimized Meta advertisers in the US from Sep 2019 to Oct 2020.

18. Brands on Meta — Kantar Report on How & Why of Long Term, 2023.

19. Nielsen, “Maximizing the impact of Meta Video ads in the Short term & Long term: Study Landscape,” 2023.

Importantly, digital channels are able to achieve this at a lower cost than traditional mediums, an insight that is great for a brand's bottom line, especially in tough economic times. Research by Kantar found that, on average, Meta is 3.2X times more cost effective in delivering equity impact compared to television.²⁰ Despite accounting for the lowest average share of spend (6%), Meta contributed to the second highest reach (44%) after television.²¹

Average share of spend vs. average share on equity metrics





Insight 2

Digital formats are over-indexing vs. traditional channels on brand outcomes

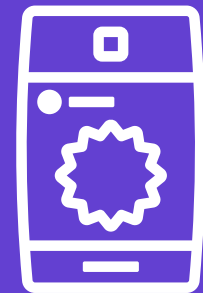
There is still the traditional belief that TV is the best way to achieve brand building, while digital platforms are best suited for a complimentary role in driving incremental reach.

However, when examining actual results, brands that used an optimal mix of channels combining traditional and digital yielded 2.6X better results, according to research by Nielsen.²²

Brands that used an optimal mix of channels combining traditional and digital yielded

2.6x

better results



Brands that combine and Reels and Advantage+ solutions are seeing

20%

more sales²³

24%

higher return on ad spend²⁴

36%

higher reach²⁵

What's more, Meta emerged as the most efficient channel across all elements of the marketing mix, which included the likes of television, as well as other traditional and digital channels — despite accounting for a smaller portion of the investment share.²⁶

This suggests that brands stand to benefit from pouring a greater amount of their marketing dollars into high-return, high-yield digital platforms, in the hopes of earning better brand results.

23. Nielsen custom MMM meta-analysis commissioned by Meta, "Global CPG Execution Best Practices To Maximize Meta Performance, Nielsen Metrics That Matter", 119 CPG brands, 2019-2021.

*These are results from the meta-analysis of a series of 12 split tests run by the Data Science team within GBG Marketing Science in the ECommerce and Disruptors verticals across NA from April'21 to June'22 Adding Reels to BAU and adhering to 6+ placements proven to boost reach, sales impact and overall ROAS

24. Nielsen custom MMM meta-analysis commissioned by Meta, "Global CPG Execution Best Practices To Maximize Meta Performance, Nielsen Metrics That Matter", 119 CPG brands, 2019-2021.

*These are results from the meta-analysis of a series of 12 split tests run by the Data Science team within GBG Marketing Science in the ECommerce and Disruptors verticals across NA from April'21 to June'22 Adding Reels to BAU and adhering to 6+ placements proven to boost reach, sales impact and overall ROAS

25. Effectiveness defined as number of incremental people influenced per unit of spend. Source: Meta internal data; Analysis of 1,702 Meta brand lift studies conducted between Jan 2020 and Jun 2021 in EMEA in the Consumer Packaged Goods vertical. Figures only reported for cohorts with sufficient sample size. The results are still significant when controlling for confounding variables.

26. Nielsen and Meta: APAC Syndicated MMM Study, February 2023.



Reels are driving brand and ecommerce outcomes

A major opportunity for brands in rethinking their current marketing mix is to experiment with and adopt new marketing solutions and formats that can help to reach an increasingly digital-first audience across multiple platforms.

A recent survey by Nielsen showed that 73% of people in Thailand said that the combined use of Facebook and Instagram helps them learn more about a brand and have a dialogue with them.²⁷

27. Ipsos Global Media Study. (Meta-commissioned online study of 3,261 people age 13-64; internet population; monthly mobile internet users, monthly video viewers, and monthly messaging app users in TH, Dec 2021-Jan 2022)

South Korean pilates education platform [iipamaster](#) achieved

87% higher click-through rate

22% increase in completed registrations

27% increase in purchases

when it added Reels as to its usual marketing mix.



Digital platforms have the potential to drive premiumization

As digital platforms and machine learning capabilities continue to evolve, marketers are able to achieve broader reach – including customers with higher incomes. Further, these technologies are becoming more efficient at influencing people to take actions – whether it’s visiting a website, adding a product to their cart or making a purchase.

Because of this, digital platforms are increasingly becoming prime channels for brands to use to drive portfolio premiumization.²⁸

2.1x more sales generated long-term by Meta

2% more shoppers

56% higher volumes

18% higher prices, compared to overall media mix²⁹

~25% more high-income and premium shoppers reached by Meta ads, compared to overall media mix³⁰



The path forward: How brands can succeed

With marketing budgets being squeezed as businesses focus on efficiency and profitability, it is critical that marketers revisit their marketing mixes, campaigns and placements. Taking the insights about the efficacy of digital platforms and emerging formats into consideration, here are a few suggestions on how to begin rethinking your marketing strategy.



Shake up your media mix

Typical media mixes often weigh heavily on TV, and many brands still consider television to be the foundation of their marketing strategy – especially when it comes to supporting core growth. However, as audiences move away from television, it’s critical to begin investing more heavily in digital platforms.

As a best practice, include reach and frequency buying in your digital campaign setup, especially for top-performing channels.



Shift to AI-powered, outcome-based planning

By embracing AI solutions and outcome-based planning, brands and marketers can make the most of their budgets with more efficiency, while also saving time and productivity.



Boost campaign performance by raising the floor

To get the most out of campaigns, it is critical to adhere to a digital platform’s best practices. It may seem obvious, but not everyone does! At Meta, clients are encouraged to adopt the **Brilliant Basics**, best practices for campaign planning and buying help brands achieve sales impact and efficiency, as measured by return on ad spend and ROI.



Master growing formats to remove the ceiling

Staying on top of emerging trends, platforms and surfaces is imperative for marketing success today, especially since digital natives who are quick to adopt and adapt technology are often now part of target audiences.

By adopting growing formats, brands can supercharge campaigns. For instance, teams at Meta have learned that when marketers add Reels to their campaigns, they experience boosts in incremental reach across audiences, especially when pairing the short-form video with AI-powered solutions.



With the rapid rise of business messaging across APAC, many brands are seeking messaging solutions that help them not only have conversations with customers, but improve consideration, boost purchases and stay connected using first-party data. To this end, Meta introduced lead generation in Messenger, which is often a lighter-weight entrypoint that can solve for a range of use cases.

Conclusion

Though today's marketing landscape is increasingly sophisticated, fragmented and competitive, there is room for growth for those open to embracing digital-first approaches and strategies. By shifting to outcome-based planning and applying new insights into audience behavior, digital platforms and AI solutions, brands can begin making strides in not just updating their marketing strategy to be more relevant, but ensuring that marketing performance is efficient and effective.

After marketers take a critical look at the performance of their current media mix and rethink their marketing strategies so that they include both proven and emerging digital technologies, brands can be well on their way to establishing stronger brand equity, driving campaign performance and delivering sustainable, long-term growth – efficiently, effectively, and profitably.

