



Optimizing multi-channel use in digital marketing campaigns

André Miguel Fonseca Lemos

Dissertation submitted in partial fulfillment of the requirements for the degree of IMSc in
Business Administration at Católica-Lisbon School of Business & Economics

ADVISORS: Ana Isabel Almeida Costa, Fernando Santos Jorge

February 2015

*“Our digital future is about enabling better productivity
and decision making to enjoy a better quality of life.”*

Yacine Baroudi

ABSTRACT

Digital marketing has been gaining importance in the last years. It has become an easier, faster and more accountable way to reach customers than traditional, offline marketing, leading to more effective results and lower campaign costs. In digital marketing, the need to constantly reach large audiences is met by integrating online communication channels, as this increases customer touch points and ad exposures. It becomes thus important to know which channels perform better, individually or in combination with each other and traditional media. This dissertation evaluates the performance of different online advertising channels, including email (old/new formats), display (customary and social media formats) and search engine marketing (SEM), within a single, multi-channel campaign conducted in Portugal in 2014 for a large FMCG brand. First, the effectiveness and efficiency of different channels were statistically compared, and related to international benchmarks. Then, linear regression models were ran to estimate the effect of single and multiple channel use on campaign performance metrics. Results showed that classic email formats performed the best in terms of conversion rates, profit and ROI, whereas social media display ads performed the worst. Meanwhile, the use of SEM and new email formats did not improve campaign performance. It was possible to conclude that pre-defining and aligning campaign goals between agencies and advertisers is the key to optimize multi-channel use in digital marketing, as well as past experience with different channels.

Keywords: Integrated marketing Communication (IMC), multichannel online campaign, Google AdWords, display Ads, Email marketing and online advertising.

SUMÁRIO

Marketing digital vem ganhando importância nos últimos anos. Tornou-se uma maneira mais fácil, mais rápida e mais responsável para atingir os clientes que o marketing offline tradicional, levando a resultados mais eficazes e os custos de campanha inferiores. Em marketing digital, a necessidade de alcançar grandes audiências é cumprida por meio da integração de canais de comunicação on-line, pois isso aumenta os pontos de contacto com o cliente. Torna-se assim importante saber quais os canais que geram melhor desempenho, individualmente ou em combinação. Esta dissertação avalia o desempenho dos diferentes canais de publicidade on-line, incluindo e-mail (velho / novo formatos), display (formatos de media habitual e social) e search engine marketing (SEM), dentro de uma campanha multicanal realizada em Portugal em 2014 para uma grande marca FMCG. Em primeiro lugar, a eficácia e eficiência de diferentes canais foram comparados estatisticamente, e relacionado com benchmarks internacionais. Então, modelos de regressão linear foram feitos para estimar o efeito do uso único e múltiplo de canais, em métricas de desempenho da campanha. Os resultados mostraram que os formatos de e-mail clássicos tiveram o melhor desempenho em termos de taxas de conversão, lucro e ROI, enquanto os anúncios de exibição de media social realizada pelo pior. Enquanto isso, o uso de SEM e novos formatos de e-mail não melhorou o desempenho da campanha. Foi possível concluir que a pré-definição e alinhamento das metas de campanha entre agências e anunciantes é a chave para otimizar o uso de multicanal em marketing digital, bem como a experiência passada com diferentes canais.

Palavras-chave: Comunicação de marketing integrada, campanhas online multicanal, Google AdWords, Email marketing e publicidade online.

ACKNOWLEDGEMENTS

The conclusion of this dissertation means above all the conclusion of the academic climbing to a level of success. It means the last step of a long path. This path was awesome but also had its hard moments which in a way made me stronger, with more knowledge and more confidence in my skills.

This last step, the thesis, was with no doubt the most stressing step. It demanded more organization, self-discipline and hard work from my side and without the help and support I received, it would be almost impossible to accomplish. Help came in different ways. One of the most important ones was the motivation given by my family and friends. Therefore I want to thank my family, in particular Aureliano Lemos, Rosa Lemos and Nuno Lemos. I also would like to thank my friends António Cid, Dorina Lungu, Rafael Santos, Ana Marcelino and Francisco Gomes. Without their help this step would have been much harder.

Moreover, I would like to convey a special thanks to Professors Ana Costa and Fernando Jorge for their patience and incredible support that made the conclusion of this dissertation possible.

At last, a huge thanks to Revshare and all its workers who helped unconditionally, especially Tomás Alves for the patience and practical contribution to the elaboration of this thesis.

TABLE OF CONTENTS

Chapter 1: Introduction	10
1.1 - Background & Problem Statement	10
1.2 - Aim & Scope	12
1.3 - Research Method	12
1.4 - Relevance	13
1.5 - Dissertation Outline	14
Chapter 2: Literature Review	15
2.1 – Online marketing	15
2.2 – Online advertising	16
2.2.1 – Media types	16
2.2.2 – Industry and players	16
2.2.3 – Pricing and metrics	17
2.2.4 – Channels and formats	17
2.2.5 – Synergies and comparisons between different marketing channels	24
2.2.6 – Behavioural targeting and Multichannel Attribution Model	27
2.2.7 – Conclusions and Research Hypothesis	28
Chapter 3: Methodology	30
3.1 - Research approach	30
3.2 – Multichannel online ad campaign	30
3.3 - Data collection	30
3.4 Data analysis	32
Chapter 4: Results and analysis	33
4.1 – Descriptive analysis	33

4.2 – Statistical comparison of means of campaign performance metrics with benchmark values	34
4.3 – Statistical comparison of means of performance metrics across ad formats	35
4.4 – Lead conversion rates, profit and ROI Regressions	37
4.5 – Discussion	39
Chapter 5: Main conclusions and further research	41
5.1 – Research questions	41
5.2 – Managerial implications	42
5.3 - Limitations and further research	43
References	44

TABLE OF FIGURES

Figure 1 – How much of the marketing budget is spent on each channel? The Marketing Sherpa E-commerce Benchmark Study. (n.d.)	10
Figure 2 – Nielsen’s Multi-Touch Attribution approach for integrated digital marketing communications (Nielsen, 2014).	11
Figure 3 – Paid search process mapping, players and purposes (Jansen, 2010).	19
Figure 4 – Example of SERP	20
Figure 5 – Example of Google AdWords Display Ads	21
Figure 6 – Example of Facebook Display Ad	21
Figure 7 – Example of Google display ads shown in g-mail inboxes (Jordan, 2014).	24
Figure 8 – Multichannel Attribution problem (Shao & Li, 2011)	27
Figure 9 – Facebook display ad’s impressions and conversions for the campaign studied.	31

TABLE OF TABLES

Table 1 - Online advertising formats (Thomas, 2011).	18
Table 2 – Periods of campaign activation per ad format and metrics evaluated.	31
Table 3 - Descriptive statistics of each channel’s performance metrics during the campaigning period studied ($n_{\text{email}} = 91$; $n_{\text{GoogleDisplay}}=115$; $n_{\text{GoogleSearch}} =112$; $n_{\text{NewFormatsOfGoogleAdvertising}} = 64$).	33
Table 4 – Benchmark analysis of CTR means worldwide, by industry and Revshare campaigns with $n =91$ (Silverpop, 2012 , Personal Communication, 2014)	34
Table 5 - Benchmark analysis of Email marketing CTR means worldwide, by industry and Revshare campaigns with $n =91$ (Silverpop, 2012 , Personal Communication, 2014)	34
Table 6 - Benchmark analysis of Google AdWords Search CTR means worldwide, and by Revshare campaigns with $n =112$ (Kim, 2014, Personal Communication, 2014)	35
Table 7 - Benchmark analysis of Google AdWords Search CTR medians worldwide, and by Revshare campaigns with $n =112$ (Kim, 2014, Personal Communication, 2014)	35
Table 8 – Comparison of Profit, ROI and CR medians across ad formats	36
Table 9 – Regression results of lead conversion rates with $n=116$	37
Table 10 – Regression results of profit with $n =116$	38
Table 11 – Regression results of ROI with $n=116$	38
Table 12 – Hypothesis validity	40

Chapter 1 – Introduction

1.1 Background & Problem Statement

Digital marketing activities are gaining a great relevance worldwide, at the expense of more traditional forms of marketing. Online advertising, in particular, is a very fast and cost-effective way for brands to create new forms of connection and engagement with potential customers (Danaher & Dagger 2013).

According to recent market research studies (Mediascope, 2012), 97% of Portuguese internet users research online for purchases, 95% use personal or professional social network media, and 100% communicate through email. Of these, 51% state that the internet helps them choose which products and services to acquire. Furthermore, Portuguese internet users spend on average 13.2 hours a week online. This clearly shows the need for brands to pay increasing attention to online consumers. Moreover, 54% of these users agree that brand communication online is crucial (Mediascope, 2012).

Indeed, online advertising has been increasing in relevance since its first appearance in 1994. The introduction of “web 2.0” around 2004 triggered its exponential growth, as it enabled a much easier access to advertising space and online audiences (Evans 2008). Brand managers are becoming more and more aware of this trend, particularly those using digital distribution channels. Hence, they are beginning to adjust their marketing communications strategies to digital channels, by allocating an increasing part of their budget to online advertising, often at the expense of traditional advertising investments (Figure 1).

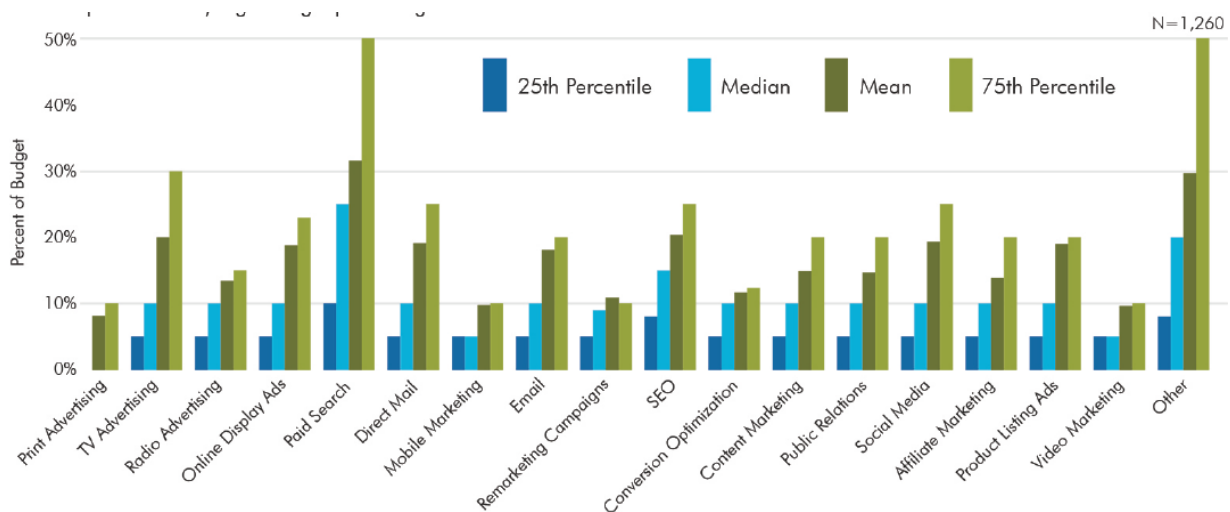


Figure 1 – How much of the marketing budget is spent on each channel? (The Marketing Sherpa E-commerce Benchmark Study. (n.d.)

Following best advertising practices in traditional marketing communications, multiple online channels – e.g. display ads, paid search, social media, email marketing -, should be combined in order to increase the chances of digital campaign success (Thomas, 2011).

Some businesses are already experimenting with new digitally-integrated Marcom strategies, like Kraft Foods. This brand developed a customized Multi-Touch Attribution (MTA) approach with Nielsen’s marketing research experts, an application of which is depicted in Figure 2. This approach is able to tie customers’ digital media exposures to their purchases in brick and mortar stores, thereby successfully circumventing the ROPO (Research Online, Purchase Offline) barrier in the FMCG industry (Newswrite, n.d.).

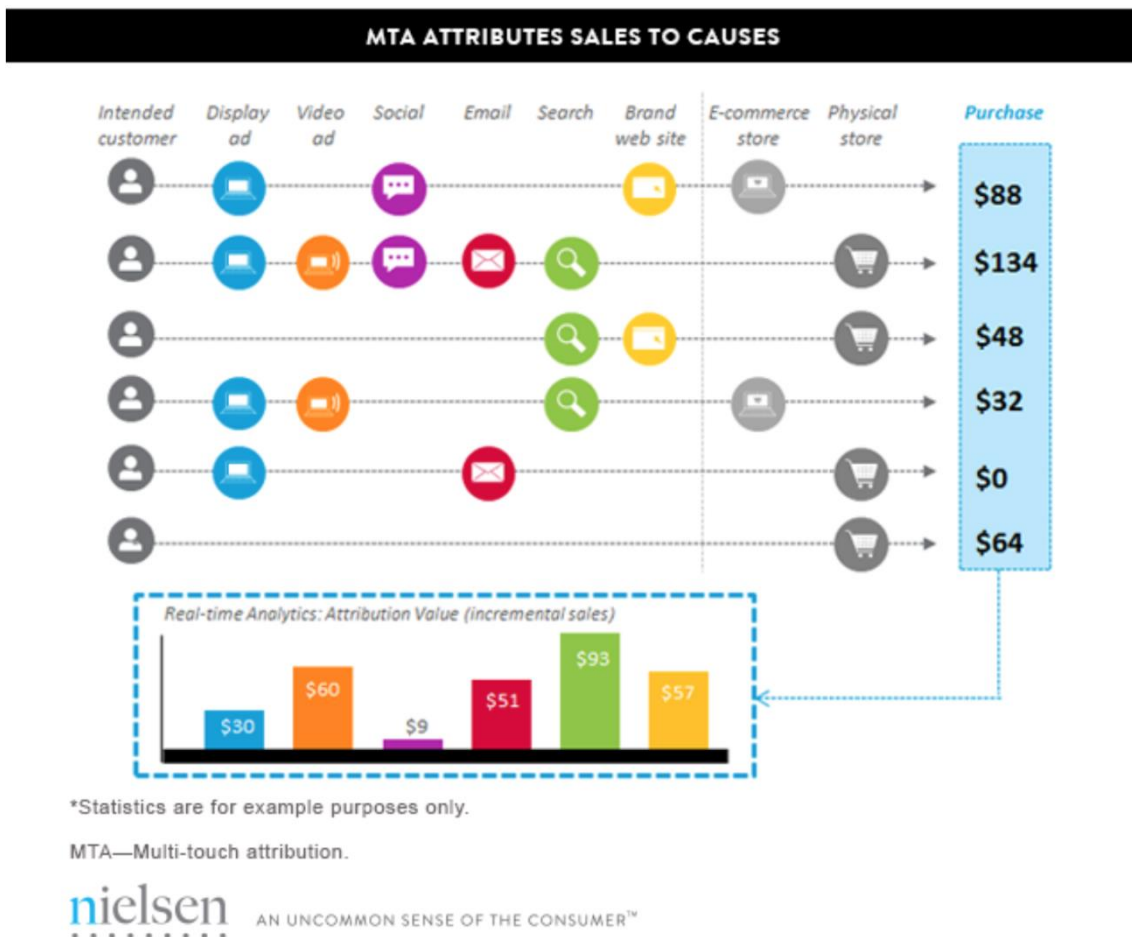


Figure 2 – Nielsen’s Multi-Touch Attribution approach for integrated digital marketing communications (Nielsen, 2014).

1.2 Aim & Scope

The main aim of this dissertation is to study the optimization of digital advertising channel use in the context of promotional campaigns taking place in the FMCG industry. In particular, it seeks to give satisfactory answers to the following research questions:

RQ₁: Which digital advertising channels are currently most commonly employed in the FMCG sector?

RQ₂: Which of these channels generate better campaign results?

RQ₃: How can these channels best be combined to ensure the effectiveness and profitability of digital advertising campaigns?

To achieve the proposed aim, performance data from a multi-channel, digital marketing communication campaign undertaken in Portugal by a FMCG brand with offline sales was statistically analysed. The campaign had a promotional nature and intended to grow and improve customer databases. More specifically, the campaign had the objective of promoting online customer registration by offering brand discount coupons as an incentive. Five different digital advertising formats were employed to this end – Facebook and classic display ads (Google AdWords Display), paid search ads (Google AdWords Search), as well as new (through Gmail accounts) and classic formats of promotional email marketing. This campaign occurred in the second half of 2014 and the months analysed in this study go from July to October of the same year.

This dissertation takes the viewpoint of a digital ad agency, so campaign evaluation focused essentially on performance metrics. Campaign data were collected and analysed under a research collaboration agreement established between Revshare, a Portuguese digital marketing agency, and Católica-Lisbon.

1.3 Research Method

This dissertation employed a descriptive research approach, through the statistical analysis of secondary campaign performance metrics. Data were collected from a FMCG campaign during 4 months (July to October 2014), on a daily basis, resulting in a dataset of 116 days observations. Within this dataset, five online channels were active during different periods of time. Classic email marketing was active 64 days, Google

AdWords paid search ads 112 days, Google AdWords display ads 115 days, new formats of email advertising 64 days and Facebook display ads 8 days.

This dataset was then analysed in two different ways – performance metrics per channel and performance metrics per day. In the first case, a descriptive analysis was conducted comparing ROI, Profit and Conversions between channels. Then, a statistical analysis on the comparison of mean values of performance metrics between channels was conducted. These means and media values were also statistically compared to national and international performance benchmarks. Finally, linear regressions were estimate to determine the impact of the channels (independent variables) on performance metrics Conversions, Profit and ROI (dependent variables). This was done with the aim of understanding the influence of single and multiple channel use on campaign performance.

1.4 Relevance

Companies spend money on online advertising without knowing which return on investment is originated from each channel, as well as the impact of each channel on the performance of others. What concerns promotional advertising campaigns, the objective is to provide information and bait for further purchases (Belch, 2003). In the case of the FMCG promotional campaign analysed, the objective was to know better the customers though their online registrations, as well as generating sales via coupons. This type of campaigns sets an ideal context to study digital channel performance, individually and in combination. By comparing channels, it is possible to identify the ones that have better response rates. Moreover, there might be an optimal combination of investment in different channels in order to generate higher efficacy and efficiency, depending on the objective of the campaign.

The findings of this dissertation are relevant to both digital marketing agencies and their client advertisers within the FMCG industry. Knowing which advertising channels are, individually or in combination, more efficient and effective in achieving a given campaign goal will enable both players to plan their ad investments better and further optimize the design and execution of their promotional campaigns. In a broader point of view, this study will provide an easier way to understand the influence of each channel on the performance metrics, that is, to understand why some communication channels are more influent than others in different metrics. This will also help to understand

which channels work best to target online consumers in the FMCG industry, enabling more successful campaign of this kind to be conducted in the future.

1.5 Dissertation Outline

Chapter 2 presents the results of a review of extant literature on digital advertising channels, integrated advertising strategies and campaign/channel performance metrics. Based on this, research hypotheses about the effectiveness and efficient of digital ad channel use are formulated for further statistical testing. Chapter 3 describes the methodology employed for the collection, analysis and interpretation of quantitative data enabling the test of research hypotheses, whereas chapter 4 presents and discusses the main statistical results obtained. Finally, chapter 5 highlights the main conclusions and limitations of the present dissertations, derives relevant academic and managerial implications and proposes future research studies.

Chapter 2 - Literature Review

2.1 – Online marketing

Online marketing refers to all activities related to the marketing of services and products carried out on the World Wide Web, with the aim of informing consumers about current brand offers, persuading them to acquire them and establishing long-term customer relationships (Thomas, 2011). Online marketing goes along with the new trends of holistic marketing, in which the “one-to-many” messages and spreading the same communication to everybody has become increasingly less effective, and where originating more sticky and engaging methods of reaching consumers is key (Thomas, 2011). To face the challenges posed by online marketing, brand managers must develop appropriate strategies and deploy the right tactics. To accomplish this, six different marketing capabilities are required (Chaffey, 2010):

1. Build strategies where digital brand goals, customer needs and available resources are well aligned;
2. Identify digital customer data to be acquired and the right ways to acquire it (e.g. search engine marketing, social media networks, viral campaigns, interactive marketing);
3. Pursue opportunities to engage customers online and enhance their brand experience;
4. Select digital pathways for customer development and growth based on performance metrics;
5. Cultivate cross-channel strategies and integrated digital brand development;
6. Manage digital brand presence in different channels, including the resources and infrastructures necessary.

All of the above steps are crucial, but this dissertation focused mainly on capabilities 3, 5 and 6. The reason behind this is that its main goals reside in the optimization of cross channel strategies (capability 5) and the ability to successfully manage multi-channel presence in a consistent way (capability 6). This is best achieved by tracking opportunities to reach and engage prospect customers online (capability 3).

2.2 – Online advertising

Online advertising is considered to be all the advertising supplied via the internet (Evans, 2009). Thus, any kind of marketing message released on the internet world can be considered as online advertising.

2.2.1 Media types

Three major types of online marketing channels or media can be identified – Paid, Owned and Earned (Edelman & Salsberg, 2010). Paid media is the digital equivalent of buying ad space in traditional advertising media, like newspapers or TV. Examples are display ads, promotional You Tube videos or Google Search Ads. Owned media refers to ad space which is already owned by a company, like the corporate website or the official brand social media presences. Earned media refers to promotional space created by customers themselves, like home videos about products and brands, blogs or personal social media content, like comments and reviews. Two additional ad media types – Sold and Hijacked -, are also gaining importance (Edelman & Salsberg, 2010). Sold media refers to companies or individuals selling digital ad space to other entities, like Amazon or some bloggers do. Hijacked media consists on the creation of negative effects by people who want to damage the company with joking videos, ad versions or simple releases of bad or wrong information.

The focus of this dissertation is on paid media, as it refers to an online marketing FMCG campaign conducted by a digital marketing agency for a client advertiser.

2.2.2 Industry and players

Online advertising markets are composed by four main players – advertisers, publishers, ad networks/exchanges and agencies (AdJuggler, n.d.). Advertisers are the most important players, as they are the ones who produce the entire plan of the ads, since its creation until the evaluation of its success. Their role also entails the evaluation of campaign performance metrics, and the budget allocation decisions. Secondly, there are the publishers who provide ad space. Their role can demand some adjustments in the ads, in order to better fit the target audience. Ad networks/exchanges represent the bridge between publishers and advertisers, in order to optimize this relation by supporting advertisers in their demand for available online space. Lastly, there are the agencies that specialize in this market and provide the best ad service possible to the

advertisers. They have an important role in the creation of campaigns, as well as in the choice of the best channels available to optimize campaign success

2.2.3 – Pricing and metrics

As in any marketing management approach, cost efficiency is a big concern and it is fundamental to reach profitability. Online ad campaigns are no exception, so different ad pricing models must be considered (Thomas, 2011). The oldest, and most related to traditional marketing, digital ad pricing model is Cost per Thousand (CPM), in which payment is delivered per thousand of impressions, or customer exposures to the ad. The more recent, and closely related to the development of the paid search ad market, Cost per Click (CPC) model, consists of paying per user click on the online ad displayed. Furthermore, the Cost per Action (CPA) model, closely linked to the development of performance marketing (Thomas, 2011), entails paying only when a pre-agreed user action - sales, registrations or leads – takes place as a result of an ad exposure. Finally, co-registration models imply that ad payment only takes place when users register at multiple websites, whereas sponsorship models entail simply ad space rental in external websites.

Digital ad performance metrics are closely related to ad pricing models. Each metric of interest is defined in view of campaign goal and selected price model (Reynolds, Woods & Baker, 2007). Page impressions happen when someone visits a website where different ads are presented. Ad impressions relate to the visualization of the ad (e.g., a video ad), being a metric of involvement, rather than one of mere brand visibility and recognition, such as page impressions. Click-through-rate (CTR) is defined as the proportion of clicks on an ad to the number of page or ad impressions. Finally, conversion rate (CR) is defined as the proportion of sales, registrations or leads realized at the campaign's landing page to the number of ad clicks or impressions (Reynolds, Woods & Baker, 2007).

This dissertation focused mainly on CTR and CR as performance metrics, as these are standard campaigns metrics which are directly comparable between the channels studied.

2.2.4 – Channels and Formats

Different types of advertising channels and formats can be used within Paid Media, as described in Table 1.

Given the scope of this dissertation, this literature review focused on four main online advertising channels – Paid Search, display, email marketing and email service ads – and their most representative formats.

Table 1 - Online advertising formats (Thomas, 2011).

Formats	Explanation
Vertical search	Helps searchers in a way that they have ads related to their search
Display advertising	Images on websites /banner ads
E-mail marketing	Reaching customers through their email in-box
Viral marketing	Marketing messages spread by customers
New Sites	Websites that allow the placement of ads in other sites related to specific audiences
Blog Marketing	Buying ads directly on specific blogs
Behavioural Advertising	Ads that appear according to each online behaviour
Social media Advertising	Ads on social media spaces
Contextual Advertising	Targeting specific contents on other websites
Affiliate Marketing	Revenue sharing between online advertisers and salespeople

Paid Search

The leader of paid search marketing advertising is Google, through its AdWords business, where advertisers bid on keywords in order for their ads to appear in Google searches (Wordstream, n.d.). Figure 3 depicts the process underlying a Google AdWords' campaign. Paid search refers to the display of paid ads on search engine results' pages (SERPs), which are semantically related by search engines to the keyword searches performed by users (Jansen, 2010). An example of a SERP is depicted in Figure 4.

Google AdWords' campaign management is based on two factors that are crucial to the successful implementation of a search engine marketing (SEM) strategy. Firstly, the bid done on a specific keyword, once an auction will open when different players want the same keywords' setting. Then the quality rate of the ad and landing page will be taken into consideration. The advertiser that reaches the best ratio between these two key success factors wins the best position. Adding to these indicators, the selection of appropriate keywords is also fundamental (Wordstream, n.d.).

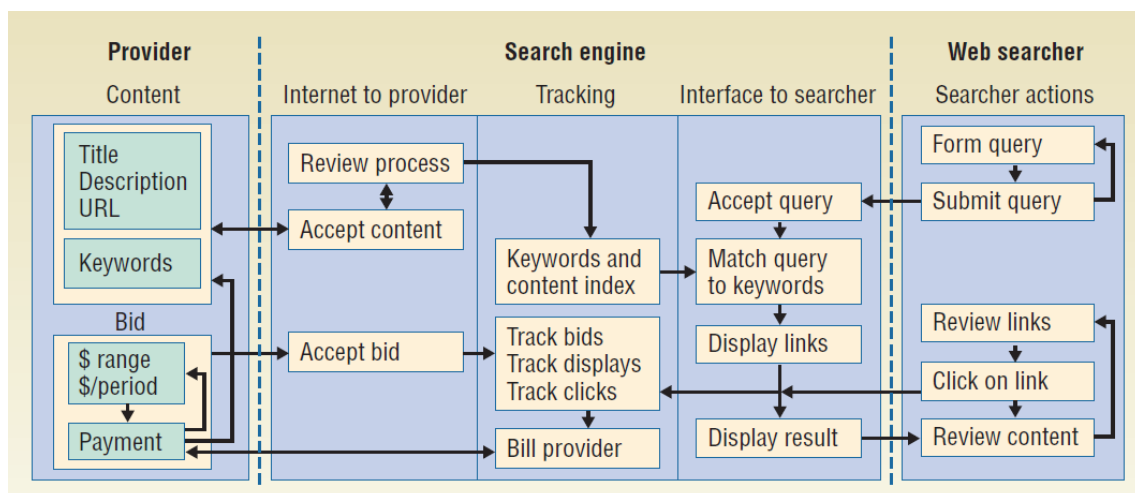


Figure 3 – Paid search process mapping, players and purposes (Jansen, 2010).

Search engine advertising makes sense for brands that want to reach their consumers when these are looking for some offer already. A search ad should hence appear to consumers that are looking for some specific product or topic online, in order to be relevant.

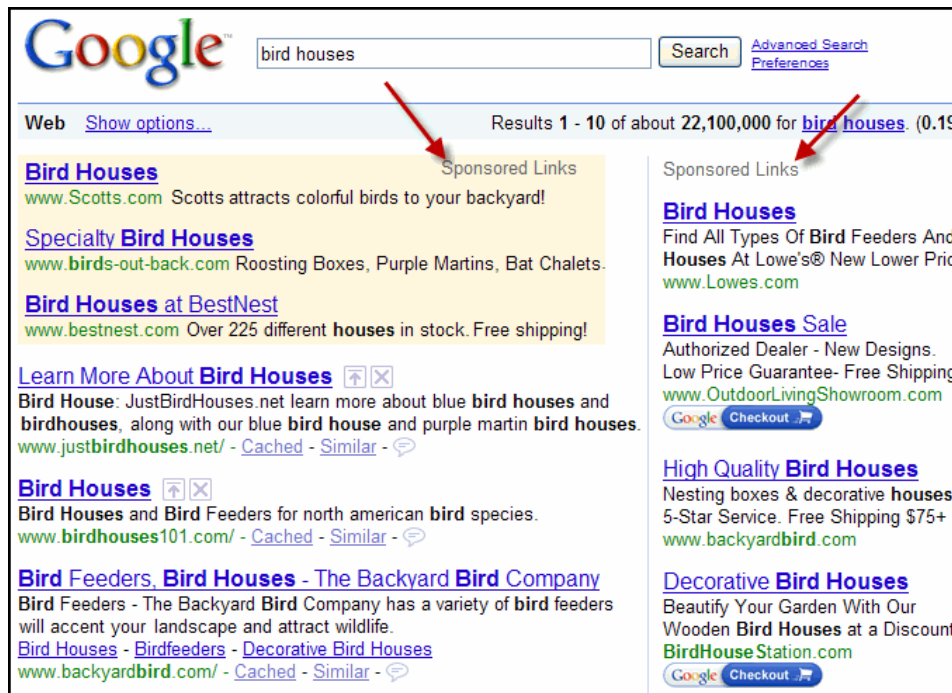


Figure 4 – Example of a SERP.

Display ads

Display ads consist in several forms of visual ads located on websites. They are a way of monetizing traffic, being a source of revenue to the host website. Their main purpose is to generate traffic to the advertiser website, aiming brand awareness and increased sales. Usually they are implemented as images/animated images or text (Johnston, 2013).

This format came up as consequence of emerging online users leading companies to adapt to the digital ad phenomenon. There are three main layouts with different dimensions where display ads can be inserted: leader board, medium rectangle and wide skyscraper. In addition to this usual ad units, there are some modern approaches, where the user is interrupted by the display ad instead of the simply appearance next to the content of the website. For example, before some videos on YouTube, a short pre-roll ad is played (Johnston, 2013).

Every ad placed in any Google web property, such as YouTube, as well as in a network covering more than two million websites, relates to Google Display ads. An example of a Google AdWords display is presented in Figure 5. This format has as its primary

objective to generate brand awareness or product awareness, being in the first steps of the customers' online journeys.

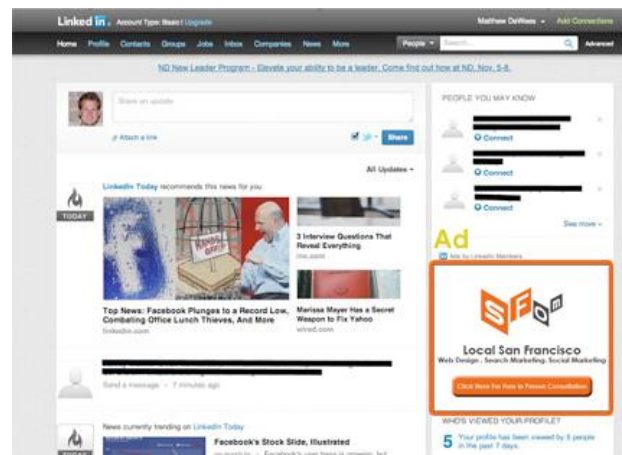


Figure 5 – An example of Google AdWords' display ads.

According to an industry report (Marketing & Report, 2011), 92% of the companies that use social networked media to display their ads make use of Facebook pages. Facebook display ad campaigns consist thus in the purchase of ad space in Facebook pages. In this way, advertisers are able to target their audiences by segments, based on variables like age and location, narrowing specific contents of the ads to appear on the Facebook social media platform (Facebook IPO, 2012). This is an advantage compared to search engine ads, as these only target customers based on their keyword searches. An example of Facebook display ad is presented in Figure 6.



Figure 6 – Example of a Facebook display ad.

Google and Facebook display ads operate under both classic (CPM) and performance-based (CPC) advertising price models.

Email marketing

Email marketing can be divided into 5 categories, according to the marketing goal to be achieved (Kilans, 2011):

- **Educational emails** are used in order to answer a question or provide the solution to a problem.
- **Informational emails** are based in short announcements only with essential information, which do not request too much effort from the recipient.
- **Lead nurturing emails** are usually richer in content and try to get the recipient to take action in the company's website.
- **Newsletter emails** are usually sent once per month and include pieces of published content.
- **Promotional emails** try to make the recipient to take an immediate action toward a product, a service, an event or a special deal.

This dissertation analyses a promotional campaign conducted, among other formats, by sending promotional emails to online users. Promotional emails have become one of the most powerful tools to reach a diversified range of potential customers. At the same time, emails allow for a high degree of targeting and customization of ad campaigns, at a very low cost (Thomas, 2011). The key success factors behind this ad format are thus not only the quickness and reduced cost, but also the personalization it allows (Thomas, 2011).

Customer relationship management implies that companies must be able to compile and maintain large databases of customer contacts, past behaviour and other relevant information, in order to segment the market, build customer profiles and better target future offers and campaigns. A large part of this database information can be collected from email communications between clients and the company. Alternatively, this can be acquired through specialized companies, which have their core business grounded in database building (Thomas, 2011).

Email marketing campaign performance is very dependent on three separate user responses: opening a promotional email message, engaging with its content and taking the required action. Promotional email marketing can be hence divided into permission

and non-permission-based strategies. Permission-based strategies focus on customer interactions and the establishment of relationships (Godin, 1999) and take three different aspects into account:

- Have customers gave permission to be sent personalized emails?
- To what extent should these emails be customized based on available customer information?
- How relevant must the marketing message contained in the email be to each customer?

Non-permission-based strategies refer mainly to multiple email sending's to addresses contained in databases, which were not voluntarily supplied by customers. Filters and anti-spam software render such strategies highly useless (Chittenden, 2003).

There are several advantages is using email as an advertising channel. Firstly, it allows to establish communications with individual customers, introduce offers and lay the grounds for further transactions and exchanges. Secondly, firms can greatly reduce sales time and ad costs. Brands can now notify customers of new products and services in an easier way, as well as push them to offline stores. Finally, emails allow fast and easy feedback from customers about offers and campaigns (Salehi, 2012).

Email Marketing Service Ads

Email marketing is one of the most dominant formats in the internet (Thomas, 2011). However, Google had, until recently, no presence in the email marketing world. In order to enter this market, it has now implemented a way to reach customer's attention while managing their email accounts.

Google's new ad format consists of ads that appear in the g-mail box directly. It works as a mix of a display and email ad, being posted directly on the main frame of the g-mail inbox and not in any email that one receives. In this new way of advertising, it is possible to have a much more segmented target including email address, subject line, job and product category. Figure 7 presents an example of this new ad format.

In the case of Babel, a platform for language learning, the usage of this advertising format was a success. They state that this was a an effective method to make conversions by customers that had their first contact with the company. Adding, they

also imply that this is a good way to engage with customers that are informed and interested in their business product (Con, 2013).

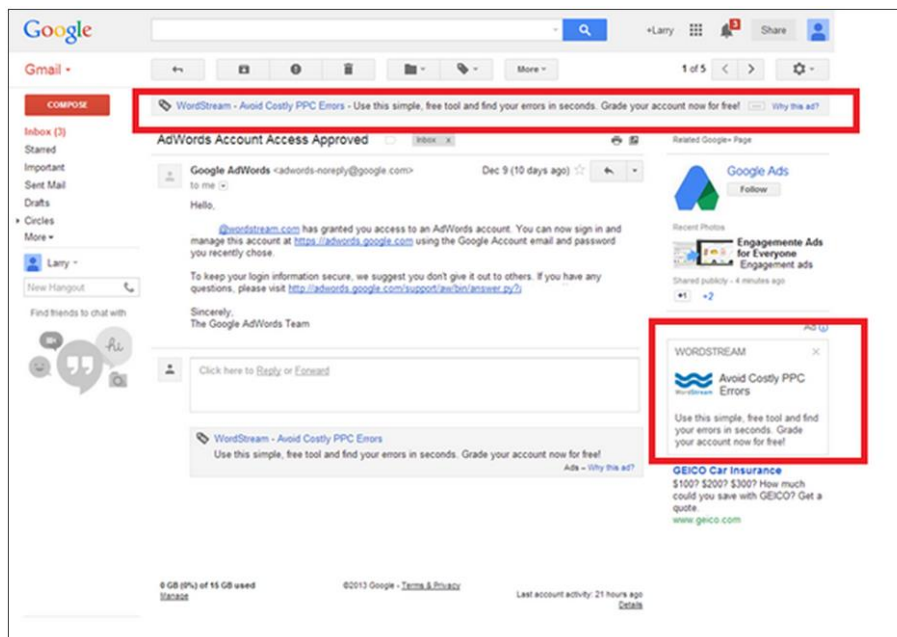


Figure 7 – Example of Google display ads shown in g-mail inboxes (Jordan, 2014).

Basically, the ad appears in a small box on the right of an opened email, usually with the company name and a brief text. Upon clicking, any content the advertiser wants is shown in a youtube video (GmbH & Babbel, 2013). Once users click on the ad, it turns into a full screen ad, engaging them in some shareable experience (Con, 2013).

This new format has been yielding an average CTR of 11% worldwide (Jordan, 2014) and gaining great importance in the online advertising industry. It also provides Google with an easy way of gaining ad audiences, as lots of people use g-mail inboxes. Its use in the promotion of an online platform for language learning was reportedly a success (GmbH & Babbel, 2013). It seems to be thus an effective method to achieve conversions from customers that have their first contact with the company through them. But it also appears to be a good way to engage with customers that are already informed and interested about the offer (Con, 2013).

2.2.5 – Synergies and comparisons between different marketing channels

Although online channels have their advantages, synergies can be created between the use of different online and offline channels (Reynar, Philips, & Heumann, 2010). It is logic that if someone sees an ad on television or listens to some ad on the radio, he or

she wants to check online channels, in order to get some promotion or simply to get more knowledge about a product or a service (Ilfeld & Winer, 2002).

The allocation of budget to different multimedia actions will depend on the type of product or service, the strategies and investments already installed by the firm. In order to create a marketing module of online channels in which they should invest, marketers should take into consideration all the objectives, the analytics involved, the online channels involvement and design validation structures in which they can optimize all the strategy in background (Reynar et al., 2010).

The costs supported by advertisers regarding online channels have been increasing substantially, due to the fact that the traditional channels are becoming more expensive (Chao, 2012). Apart from cost ratios, there are other types of synergies between channels. It becomes thus crucial for companies to understand not only the impact of offline on online channels and vice versa, but also the impact of different usage of online and offline channels on their own.

It was discovered that the cross-effect between channels (online vs offline) only works in one way (Dinner, Heerde, & Neslin, 2012). This means that there is a positive influence of the online channels in the offline ones, but the opposite is not significant. In the same study, it was also possible to understand that there is a big influence of effects between channels within groups (online and offline). Although this finding is only applicable to the online channels when considering the search, this is not verified in the display (Dinner, Heerde, & Neslin, 2012).

Several studies highlight the potential synergies between the usages of different advertising media (McKensie, 2003) (Wakolbinger, Denk, & Oberecker, 2009). This is due to the fact that this is a way to force people to have more contact with the brand and in different formats, by getting different stimulus with the same objective (Putrevu & Lord, 2003). Moreover, this is a simple way to get improvements in the brand awareness and recognition via memory performance (Edell & Keller, 1999). A recent study uncovered that impressions, marketing expenditures, television and exposure to display ads have a great influence in the way the brands are searched for online (Laroche, Kiani, Economakis, & Richard, 2014). This study also revealed that radio ads, for example, do not impact ads launched in other media. However, the most important finding of this study was that it shows how synergies between channels evolve with time. Namely, it uncovered that such synergies are not sustained over time and it is only a question of instant boom, that takes more or less 3 weeks, and then fades away.

There is a large number of channels in which marketers can invest and sometimes they do not know how to allocate resources and communication through them, thus, 7 dimensions should be incorporated (Mulhern, 2009):

- the evolution of online channels is more than entertainment and information spreading;
- the idea of replacing online for traditional media and not from a complementary point of view
- the creation of databases and networking communication to enable effectiveness
- the creation of processes to go along with the changes in consumer behaviour
- the creation of owned mediate experiences not to be controlled by media companies
- the alignment of the strategies in multimedia practices and finally,
- the combination of the promotional and organizational/non commercial information to endorse transparency and trust.

Although these findings are interesting, the question remains as to whether multichannel customers are really more valuable than single-channel ones. This was investigated in a recent study, where it was found that multichannel customers are indeed more valuable (Kushwaha & Shankar, 2013). The same study also found that:

- Customers of hedonic products are more into multichannel shopping than those seeking for utilitarian ones. They want to establish relations with the products and have more information.
- Customers of low risk categories prefer traditional channels. These low risk customers are the ones who spend lots of money.
- Consumers of electronics/utilitarian products are the ones who spend more money through online channels.
- Consumers of high risk utilitarian goods are the ones who spend more money than any others and they have the potential to become a great group to target through online channels.

The usage of different channels becomes a crucial technique to target different audiences as well as to enhance channels between themselves.

2.2.6 –Behavioural targeting and Multichannel Attribution Model

Behavior Targeting (BT) is an automatic system that decides the sort of information that should be directed to a certain user, according with historically similar user profiles (Jaworska & Sydow, 2008). The main goal of this technique is to improve the performance of ad services systems, trying to select the more relevant information, in order to match it to users' preferences. Information selection criteria is based on the relation between users' web activity and previous behaviors. At the end, the goal is to optimize the contact with users according with their presumed interests (Jaworska & Sydow, 2008).

The building of users' profiles requires the analyses of previous user databases and the establishment of standard behaviours, as well as the identification of identical choices, in order to estimate the likelihood of users' future actions and decisions. Independent users that click on the some ad will be more similar than users who click on different ones (Yan et al., 2009). CTR can hence be improved 670% by applying segmentation based on BT. Using short term user behavior is better than long term user behavior (Yan et al., 2009).

As already explained, the usage of an integrated marketing strategy with multichannel campaigns is key to reaching different potential customers. Thus, the customers are advertised by different channels with the consequence of different contribution of the contacts to the conversion. In order to optimize and better analyze the online campaigns, it is necessary to understand the contribution of each contact point to the customers' final decisions. This issue of how to interpret each channel impact on the response of the user is named an attribution problem, as it is presented in Figure 8 (Shao & Li, 2011).

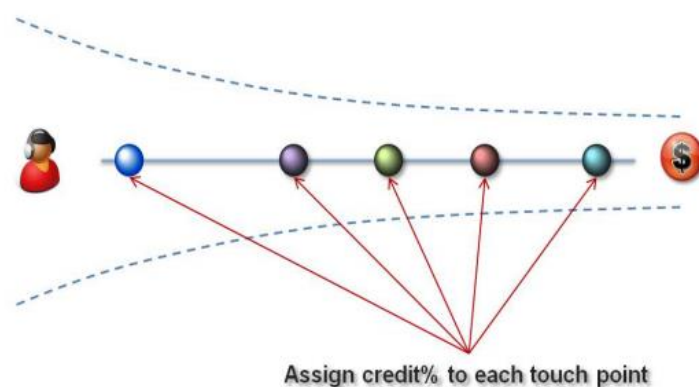


Figure 8 – Multichannel attribution problem (Shao & Li, 2011).

In the past, and in order to attribute the credit to a touch point, last-touch attribution (LTA) models were considered. This consists in crediting the last touch point as being 100% responsible for the user's response. Here, the influence of previous ad exposures is totally disregarded, which makes no sense when analysing accurately the optimized multichannel strategy. In alternative, the multichannel attribution model (MTA) gives credit to all the touch points processed in the customer path. MTA can be based on giving (Shao & Li, 2011):

- The same credit to all touch points as they are used in the online customer journey;
- Different credits to touch points, depending on the temporal contact;
- Different credits to touch points, depending on the statistical influence of them on campaign performance.

2.2.7 – Conclusions and research hypotheses

This demands a marketing strategy aligned with the sticky and holistic view, and so representative of today's world. The advertising is going along with this trend by trying to reach the customer in a more accurate and precise way, in order to gain more customers than in the past.

Due to these newer, faster and cheaper technological approaches, new strategies are being put in place. The channels mostly used are Paid Search, Email and Display Ads. The combination of different ad formats is the basis for synergy creation between these channels. Because of this, the online process is not easy to understand and simplify. It is thus important to understand better why certain online ad format combinations are more profitable, why certain online channels are more efficient and more precise, and which is the prime combination regarding promotional online campaigns.

In order to best reach these goals, performance evaluation criteria and campaign metrics and need to be implemented and analysed, such as:

- **Monetary efficacy** – Stands for getting the highest campaign revenues at the lowest cost possible (the associated metric is campaign profit).
- **Technical efficacy** – Stands for getting the best ad conversion rates possible. Conversions rates are defined as the ratio between total conversions and total clicks on a specific ad and are expressed as percentages.

- **Efficiency** – Represents the highest Return on Invest possible. ROI is defined as the ratio between the profit and the ad investment made (or campaign cost).

Regarding the strengths of the promotional emails, it can be concluded that its very low costs represent a competitive advantage regarding other online ad channels (Thomas, 2011). This variable has hence a direct influence on campaign profits and ROI. Other relevant factor to improve email campaign performance is the level of segmentation of the recipients and the targeting of messages. With better segmentation and targeting, it is possible to reduce costs, improve accuracy and increase revenues. Moreover, Revshare is specialized in Email marketing, so it is normal that this development along the years result on a better performance of this channel.

In view of the above, the following research hypotheses are put forward:

- H_1 – Email Marketing has higher values of efficiency and efficacy then other channels
- H_{2a} – All the channels are statistical significant in the explanation of Conversion rates
- H_{2b} - All the channels are statistical significant in the explanation of Profit
- H_{2c} - All the channels are statistical significant in the explanation of ROI.

These hypotheses were tested on secondary performance data from a multi-channel campaign, conducted by Revshare for a client advertised from the FMCG industry in 2014.

Chapter 3 – Methodology

3.1 Research approach

There are four types of research approaches (Blumberg, 2011). Firstly, the exploratory one that tries to answer questions such as who, where, what, when, and so on. Its main objective is to elaborate some kind of profile to describe and conceptualize a group, which can be events, people or even problems. Secondly, descriptive research can be seen as one step further than the exploratory one. It tries to answer questions of why and how something occurred based on the variables that the first approach only described. In these studies, it is normal to build and elaborate on hypotheses, with the aim of explaining why some events happen. These studies are also called correlational, as they investigate relationships between variables.

In this dissertation, a descriptive research approach was undertaken, by analysing the correlational effects of online ad channel use on campaign performance metrics. These will also have some predictive power, as they will help manage and optimize channel use in future campaigns.

3.2 Multichannel online ad campaign

This campaign took place in the second half of 2014. It was the first campaign in which Revshare used five different online ad formats to spread a B2C marketing message. This was a FMCG promotional campaign, with the objective of making potential customers register in the brand website. By providing discount coupons an incentive, this promotional campaign tries not only to generate sales but also to get insights on their consumers. Message and ad design were kept constant across formats, as much as technically possible. The ads across the different online channels only differ due to the formats that unable the ads to be exactly equivalent. In terms of message, it is the same across channels.

3.3 Data collection

Campaign CTR, Lead Conversion Rates (LCR) and cost data were collected on a daily basis through Revshare's own performance monitoring software, for a period of 4 months between July and October 2014. A preliminary inspection of these data showed that the Facebook ad display format had been terminated in just 8 days, since it failed to

produce conversions, as shown in Figure 9. In view of this, metrics pertaining to this format were not compiled or further analysed.

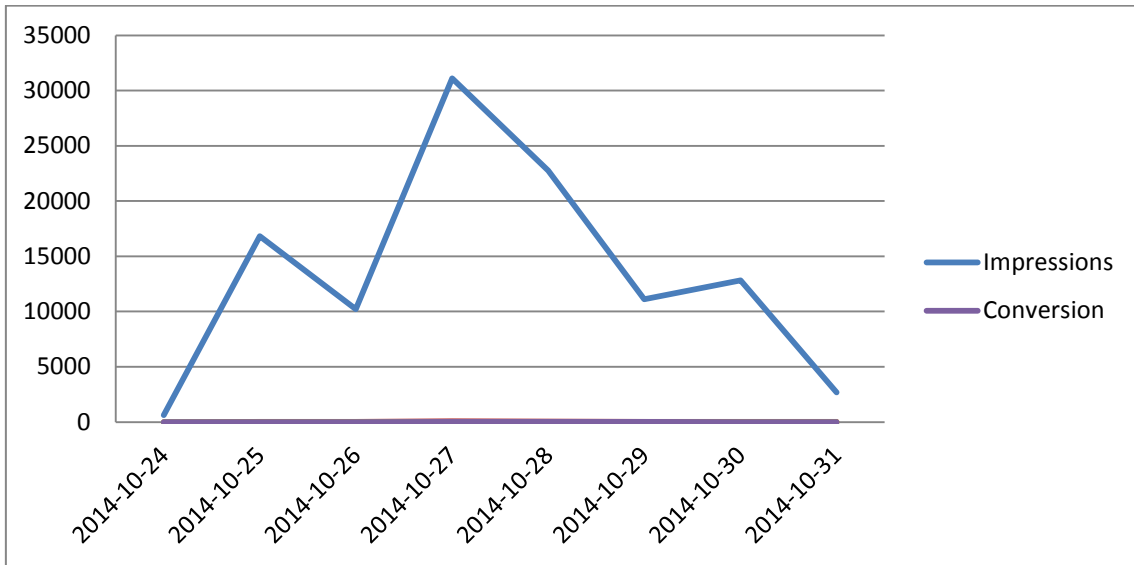


Figure 9 – Facebook display ad’s impressions and conversions for the campaign studied.

Data collected for the remaining formats indicates that the campaign was ran through multiple channels in most of the days analysed, as depicted in Table 2.

Table 2 – Periods of campaign activation per ad format and metrics evaluated.

Combined days	New formats of Google Ad.	Google AdWords search	Google AdWords display	Email marketing	Variables collected
New formats of Google Ad.	64	-	-	-	CTR, conversions, profit, costs and ROI
Google AdWords search	62	112	-	-	
Google AdWords display	62	112	115	-	
Email marketing	61	90	90	91	

3.4 Data analysis

Descriptive statistical analyses and comparisons with benchmark performance metrics (based on national and international ad industry reports (Silverpop, 2012, Kim, 2014) as well as on Revshare's past campaign data (Personal Communication, 2014)) were conducted on a panel campaign metrics' dataset, where data was organized by channel and days were repeated according to the number of channels active. Student's t-tests and Kruskal-Wallis tests were used to compare mean differences in performance metrics across channels and with benchmark values. Another, cross-sectional dataset was compiled for the multivariate regression analysis, in which performance metrics were totalled and active channels appeared as dummies.

The dependent variables were LCR (lead conversions/clicks * 100), campaign profit (revenues minus costs) and ROI (ratio between profit and costs). The regression models estimated were of the form:

$$Y = \beta_1 + \beta_2 \text{Google AdWords Search} + \beta_3 \text{Google AdWords Display} + \beta_4 \text{New formats of Google advertising}$$

Where:

- Y represents the dependent variable that will vary in Conversions, Profit and ROI
- β_1 represents the value of the dependent variable when only email marketing is present in the equation, i.e., when all the other channels are equal to 0.
- β_2 , β_3 and β_4 represent the variance impact in the dependent variable of each channel when everything else is held constant.

Chapter 4: Results and Analysis

4.1 – Descriptive analysis

As it is possible to see in Table 3, Email marketing was the communication channel that presents the best results in the 3 metrics analysed. This was due to the fact that Email marketing is a channel much more developed than the others, due to its longer use by Revshare. The implementation of this channel has been improved over the years. The New Formats of Google Advertising is the one with lower results, due to its novelty and lack of penetration in the market. Some of the standard deviations obtained were higher than the average values, due to the non-normalized distributions of the variables analysed. Nevertheless, it is possible to assume the application of the central limit theory henceforth due to the high number of observations available for statistical analysis.

Table 3 - Descriptive statistics of each channel's performance metrics during the campaigning period studied ($n_{\text{email}} = 91$; $n_{\text{GoogleDisplay}}=115$; $n_{\text{GoogleSearch}}=112$; $n_{\text{NewFormatsOfGoogleAdvertising}} = 64$).

	Variables	Minimum	Maximum	Mean	Std. Deviation
Email Marketing	Conversion rate	5,41	1970,83	53,73	203,33
	Profit	1	330	54,41	61,81
	ROI	0	87,52	1,72	9,13
Google AdWords Search	Conversion rate	1,26	21,82	10,04	4,33
	Profit	-26,26	16,23	1,47	7,09
	ROI	-0,868	1,42	0,07	0,43
Google AdWords Display	Conversion rate	0	100	10,82	10,17
	Profit	-20,39	20,34	1,15	5,49
	ROI	-1	5,63	0,71	1,28
New Formats of Google advertising	Conversion rate	0	9,58	5,36	1,99
	Profit	-17,4	22,3	1,04	8,45
	ROI	-1	0,34	0,02	0,18

4.2 – Statistical comparison of means of campaign performance metrics with benchmark values

Benchmark values are depicted in Table 4, along with the results of the one-sample t-test statistics calculated to assess the significance of differences between mean benchmark and campaign CTR values.

Table 4 – Benchmark analysis of CTR means worldwide, by industry and Revshare campaigns with n =91 (Silverpop, 2012 , Personal Communication, 2014)

Benchmark tested	CTR test value	N	Campaign mean	T	Sig.(0,05)
Worldwide	3,6	91	12,53	17,14	,00
Industry	2,3	91	12,53	19,64	,00
Revshare	7	91	12,53	10,61	,00

Considering that the null hypothesis is when the means are equal, with 95% of confidence it is possible to reject the null hypothesis. The means are different and in this case this campaign with respect to email marketing has better results than the average worldwide, Europe, industry and Revshare campaigns. This, due to the fact that means are unequal and this campaign presents an average CTR of 12,53% compared to 3,6%, 2,3% and 7 % of CTR worldwide, industry and Revshare campaigns, respectively. In order to test if the results are the same through non-parametric tests, the medians were compared. The results obtained comparing the means are verified comparing the medians, as it is possible to see in table 5.

Table 5 - Benchmark analysis of Email marketing CTR means worldwide, by industry and Revshare campaigns with n =91 (Silverpop, 2012 , Personal Communication, 2014)

Benchmark tested	CTR test value	N	Campaign median	Sig. (0,05)
Worldwide	3,6	91	12,19	,00
Industry	2,3	91	12,19	,00
Revshare	7	91	12,19	,00

Concerning Google AdWords and comparing the CTR of this campaign to the worldwide one that represents 5%, it is possible to say that this campaign is below the average either worldwide or Revshare campaigns.

Table 6 - Benchmark analysis of Google AdWords Search CTR means worldwide, and by Revshare campaigns with n =112 (Kim, 2014, Personal Communication, 2014)

Benchmark tested	CTR test value	N	Campaign Mean	Sig.(0,05)
Worldwide	5	112	,2	,00
Revshare	1,15	112	,2	,00

In terms of Revshare campaigns in Google AdWords the average value is 1.15% for CTR. Once again it is lower than the average and we can assume that the means are unequal by rejecting the null hypothesis with 95% of confidence.

In order to test if the results are the same in non-parametric tests, the medians were compared. The results are the same for the variables assuming different medians from the ones in benchmark analysis as it is possible to see in table 7.

Table 7 - Benchmark analysis of Google AdWords Search CTR medians worldwide, and by Revshare campaigns with n =112 (Kim, 2014, Personal Communication, 2014)

Benchmark tested	CTR test value	N	Campaign A Median	Sig.(0,05)
Worldwide	5	112	,19	,00
Revshare	1,15	112	,19	,00

4.3 - Statistical comparison of means of performance metrics across ad formats

The null hypotheses, stating that the means of campaign performance metrics were equal across the 4 ad formats studied, was rejected ($p < .0001$) by a Welch's test. A Kruskal-Wallis test subsequently performed to investigate the statistical significance of mean differences in performance metrics across pairs of ad formats showed the results presented in Table 8.

Table 8 – Comparison of Profit, ROI and CR medians across ad formats

	Combinations of channels	Sig. (0,05)	Equality of means
Profit	1*2	0	≠
	1*3	0	≠
	1*4	0	≠
	2*3	0,615	=
	2*4	0,565	=
	3*4	0,83	=
ROI	1*2	0	≠
	1*3	0,411	=
	1*4	0	≠
	2*3	0,001	≠
	2*4	0,177	=
	3*4	0,003	≠
Conversion Rate	1*2	0	≠
	1*3	0	≠
	1*4	0	≠
	2*3	0,804	=
	2*4	0	≠
	3*4	0	≠

1. Email marketing
2. Google AdWords Search
3. Google AdWords Display
4. New Formats of Google Advertising

4.4 – Lead conversion rates, Profit and ROI Regressions

Beginning with the lead conversion rates, the results of the regression are presented in Table 9.

Table 9 – Regression results of lead conversion rates with n=116

Model with n=116	Adjusted R square	F	Sig.(0,05)
1	0,59	59,92	0,00

Model with n = 116	Unstandardized Betas	t	Sig.(0,05)
(Constant)	10,94	3,39	0,00
Google Search	-4,77	-1,58	0,00
Email Marketing	17,45	11,42	0,00
New formats	-12,48	-9,88	0,11

As shown in Table 9, the model explains 59% of the variance of conversion rates.

The regression equation is as follows:

Conversion rate = 10,94 – 4,77*Google AdWords Search + 17,45*Email Marketing - 12,48*New formats of Google Advertising

With the introduction of Google AdWords Search in *ceteris paribus*, conversion rate will decrease in 4,77. Also with a negative impact, the introduction of New formats of Google Advertising, which influences in – 12,48. The introduction of Email Marketing influences the dependent variable positively in 17,45 with everything else constant. All these evolutions of the conversion rates are based on the performance of Google AdWords Display in the conversion rate variable. Important to notice that the independent variable New formats of Google Advertising is not statistically significant to the explanation of conversion rates.

Now, the study will continue to the analysis of the other efficacy, now related to money, represented by Profit.

Table 10 – Regression results of profit with n =116

Model with n=116	Adjusted R square	F	Sig.(0,05)
1	0,26	14,42	0,00

Model with n = 116	Unstandardized Betas	t	Sig.(0,05)
(Constant)	71,48	2,42	0,02
New formats	-0,27	0,00	0,98
Google Search	-80,84	-2,92	0,00
Email Marketing	67,06	0,45	0,00

As it is possible to see in table 10, the model explains 26% of the variance of conversions.

The regression equation is:

$$\text{Profit} = 71,481 - 80,838 * \text{Google AdWords Search} - 0,269 * \text{New formats of Google advertising} + 67,056 * \text{Email Marketing}$$

Adding the New formats of Google Advertising with everything else constant, profit will decrease in 0,269. With the Introduction of Google AdWords Search in ceteris paribus, profit will decrease in 80,838. With the introduction of Email marketing, profit will increase in 67,056. All these evolutions of the conversions are based on the performance of Google AdWords Display in the conversions variable. Important to notice that the independent variable New formats of Google Advertising is not statistically significant to the explanation of profit.

At last, the regression on the ROI in order to understand the efficiency of the channels.

Table 11 – Regression results of ROI with n=116

Model with n=116	Adjusted R square	F	Sig.(0,05)
1	0,30	17,19	,00

Model with n = 116	Unstandardized Betas	t	Sig.
(Constant)	-0,16	-0,61	,55
New formats	0,04	0,42	,67
Google Search	-0,24	-0,94	,35
Email Marketing	0,74	5,83	,00

As it is possible to see in table 11, the model explains 30% of the variance of conversions.

The regression equation is:

$$\text{ROI} = - 0,16 - 0,24 * \text{Google AdWords Search} + 0,04 * \text{New formats of Google advertising} + 0,74 * \text{Email Marketing}$$

Adding the New formats of Google Advertising with everything else constant, ROI will increase 0,04. With the introduction of Google AdWords Search in *ceteris paribus*, ROI will decrease in 0,24. With the introduction of Email marketing, ROI will increase in 0,74. All these evolutions of the conversions are based on the performance of Email marketing in the conversions variables. Important to notice that the only the independent variable Email marketing is statistically significant to the explanation of ROI.

4.5 - Discussion

Google AdWords Search presented in this campaign a lower performance in terms of CTR than the average of the Revshare's campaigns and the worldwide average. This, maybe due to the fact that this is a campaign in packaged goods and there is a possibility that people interested in this type of campaigns do not search them on Google.

In the analysed campaign, Google AdWords Display represents the channel with higher ROI. This means that by the results of this singular campaign of packaged goods it is the channel to be chosen when the aim is to achieve efficiency by the marketing agency. New formats of Google advertising emerge here as a new channel still in development that even though it is a novelty, it presents higher average conversions than either Google AdWords Search or the Display one.

Email marketing appears to be the one with the higher Click-through-rate, achieving in this campaign better results than the worldwide and Europe average, Revshare's campaigns and by industry .It is also the channel with higher average for Conversions and Profit representing this way the best channel to use, when the main objective is to achieve efficacy of the results to the brand's company and monetary efficacy to the marketing agency.

Regarding the explanation of Conversion rates, Profit and ROI in an integrated marketing approach, (i.e., a multi-channel campaign as whole), the presence of different channels explain the variables. New formats of Google advertising affects is not statistically significant in any of the explanations of the dependent variable. Google AdWords Search affects Profit and Conversion rates, however in this case in a negative way. Email Marketing affects all the dependent variables in a positive way.

Seen all of this, H_1 is supported but not H_2 .

Table 12 – Hypothesis validity

Hypothesis	Description	Outcome
H_1	Email Marketing has higher values of efficiency and efficacy then the other channels	Valid
H_{2a}	All the channels are statistical significant in the explanation of Conversion rates	Non-valid
H_{2b}	All the channels are statistical significant in the explanation of Profit	Non-valid
H_{2c}	All the channels are statistical significant in the explanation of ROI	Non-valid

H_2 is not valid due to the fact that some channel presence such as Google AdWords Search is not statistically significant to the explanation of any of the dependent variables.

Chapter 5 – Main conclusions and further research

The marketing world has changed with the online field being in the equation. A revolution in the way companies communicate and expose their clients to new and different stimulus. Different online communication channels emerged and continue to emerge every year, performing better results and techniques used in the field. From the usage of different communication channels in this field and different results depending on the usage of each channel emerged the questions of “how about combining channels”, how about explaining performances by the different inclusion of channels”.

Thus, the aim of this study is to understand the most used online communication channels, the differences in performance between them and the impact of multichannel campaigns in performance metrics of efficiency, monetary efficacy and technical efficacy. The dissertation started with the perception that email marketing was the best online communication channel when used separately and all the channels would vary their averages due to the difference in the technique. This suspicion revealed to be wrong since for example comparing the profit of Google AdWords Search and Google AdWords Display, the average values are equal in this campaign.

Furthermore depending on the objective of the campaign, the optimized combination of these channels varies. Even though independently channels have their own performance, when combined they can lose significance in a maximized solution.

But, in order to achieve more accurately the objective of this dissertation, the questions formulated in the beginning are answered individually. In each research questions, the main conclusions are presented as well as the hypothesis explanations concerning each question.

5.1 – Research questions

RQ₁: Which digital advertising channels are currently most commonly employed in the FMCG sector?

After revising most of the literature on these online campaigns and metrics field, five channels were discovered either by their novelty usage as the case of New formats of Google Advertising or by their massive use as in the cases of Facebook display ads, Google AdWords Search, Google AdWords Display and Email marketing.

RQ₂: Which of these channels generate better campaign results?

Each channel, separately, has its own average performance metrics. Email marketing is the one that presents better results in terms of conversion rates, profit and ROI to marketing agencies. Channels as New formats of Google Advertising do not present high values but can be explained by its novelty and its development at an early stage. The correspondent hypothesis to this research question comes up valid(H_1).

RQ₃: How can these channels best be combined to ensure the effectiveness and profitability of digital advertising campaigns??

In order to have an accurate and optimized mix of channels it is crucial to define up front the main objective that one is supposed to reach. If the objective is efficiency, based on this study, the Email marketing should be the only channel to be used. For the monetary efficacy to Email marketing, Google AdWords display should be added to optimize it. In terms of technical efficacy, concerning conversion rates, Email marketing, based on this campaign, should be used, once more, along with Google AdWords display. The Google AdWords Search has always a negative influence in the dependent variables without considering which objective it is supposed to reach.

5.2 – Managerial implications

The conclusions of this dissertation have important implications for the way agencies should manage the campaigns launched. On one hand, it is important to define beforehand the objective of the campaign. Depending on this objective, the advertising agencies have now, a guide to know on which day, which channels influenced positively or negatively each targeted performance. They are able to understand that Google AdWords Search does not represent a good impact in the performance of any objective and that the implementation of the New formats of Google Advertising is a good investment for the new online communication era due to its novelty. They also know at this point that the usage of different channels or combinations results in better performances depending on what is supposed to reach. If the objective is conversions or profit, this efficacy is reached through the usage of email marketing combined with Google AdWords Display. On the other hand if the objective is to have the highest ROI possible, the Email marketing should be used by it-self.

5.3 - Limitations and further research

This study is based on a singular FMCG brand campaign, ran by Revshare during 4 months in 2014. Due to its limited length in terms of campaigns, years and industries it is not applicable to every kind of online campaign. Another limitation is the fact that only one campaign was analysed in a singular agency and in Portugal. Further research should take into consideration the diversity of agencies, industries and a higher number of multichannel campaigns in different countries, in order to gain more generalizable findings about online advertising optimization.

The factors of interaction between channels should have been clarified in the regression in order to study the specific synergies of the channels in the campaign performance.

This study is also limited to the design of the advertising ads in the different channels. In this case the ads were equivalent between channels and the graphic design was not controlled. Further research should take this into consideration. Moreover, the integration of online and offline marketing strategies, should also be topic of future research, in order to test influences and synergies between them. At last, this dissertation is done through the perspective of the online marketing agency. The same study should be replicated in different perspectives as for example the brand one. Analysing how the different objectives of the campaign should be optimized and maximized not only in terms of channel usage but also to what amount.

References

- "About Advertising on Facebook | Facebook." Facebook. N.p., n.d. Web. 10 Oct. 2014. <https://www.facebook.com/advertising?campaign_id=197860797614&placement=broad&creative=47513380212&keyword=facebook+advertising&extra_1=2edec0e8-93d4-9da9-5331-00006ddad991>.
- AdJuggler. (n.d.). Guide to Online Advertising.
- Barger, V. A., & Labrecque, L. I. (2012). An Integrated Marketing Communications Perspective on Social Media Metrics.
- Belch, G. E. B. & M. A. (2003). *No Title*.
- Chaffey, D. (2010). Applying organisational capability models to assess the maturity of digital-marketing governance. *Journal of Marketing Management*, 26(3-4), 187–196. doi:10.1080/02672571003612192
- Chao, C. (2012). BALANCING TRADITIONAL MEDIA AND ONLINE, 5(1), 12–25.
- Chittenden, L. (2003). An evaluation of e-mail marketing, 11, 203–217.
- Con, G. (2013). Gmail Sponsored Promotions : A New Platform Ideal for Travel Advertisers.
- Danaher, P. J., & Dagger, T. S. (2013). Comparing the relative effectiveness of advertising channels: A case study of a multimedia blitz campaign. *Journal of Marketing Research*, 50(4), 517-534.
- Davis, H. (2006). Search engine optimization. " O'Reilly Media, Inc.".
- Dinner, I. M., Heerde, H. J. Van, & Neslin, S. (2012). Driving Online and Offline Sales : The Cross-Channel Effects of Digital Versus Traditional Advertising.
- Edell, J. A., & Keller, K. L. (1999). Analyzing media interactions: The effects of coordinated TV-print advertising campaigns. Cambridge, Mass: Marketing Science Institute.
- Edelman, D., & Salsberg, B. (2010). Beyond paid media : Marketing ' s new vocabulary, 1–8.
- Evans, D. S. (2008). The economics of the online advertising industry. *Review of network economics*, 7(3).
- Evans, D. S. (2009). The online advertising industry: Economics, Evolution, and Privacy.

- Facebook IPO: Can Facebook Beat the Google Display Network in Online Advertising? (2012, January 1). Retrieved December 30, 2014, from <http://www.wordstream.com/articles/facebook-vs-google-display-network>
- Fenez, M., & Leader, G. (2011). The collaborative future : reshaping for consumer relevance and engagement, (September).
- Gmbh, L. N., & Babel, A. (2013). Babel uses Gmail Sponsored Promotions to engage users and promote their cross- platform language learning system.
- Godin, S. (1999). *Permission marketing: Turning strangers into friends and friends into customers*. Simon and Schuster.
- Ilfeld, J. S., & Winer, R. S. (2002). Generating Web Site Traffic : An Empirical Analysis of Web Site Visitation Behavior, (May 2001).
- Jansen, B. J. (2010). Paid Search, 88–90.
- Jaworska, J., & Sydow, M. (2008). Behavioural Targeting in On-Line Advertising : An Empirical Study, 62–76.
- Johnston, M. (2013, June 6). What Is Display Advertising? Retrieved December 30, 2014, from <http://monetizepros.com/blog/2013/what-is-display-advertising/>
- Jordan, J. (2014, January 3). Gmail Advertising Showdown: Gmail Sponsored Promotions vs. Managed Placements. Retrieved December 30, 2014, from <http://www.wordstream.com/blog/ws/2014/01/03/gmail-advertising-sponsored-placements>
- Kilans, M. (2011, May 3). 5 Types of Emails You Need to be Sending. Retrieved December 30, 2014, from <http://blog.hubspot.com/customers/bid/109611/5-Types-of-Emails-You-Need-to-be-Sending>
- Kim, L. (2014, February 11). Going Unicorn Hunting: The Secrets Behind Ads with 3x the Average CTR. Retrieved December 30, 2014, from <http://www.wordstream.com/blog/ws/2014/02/11/average-click-through-rate>
- Kushwaha, T., & Shankar, V. (2013). Are Multichannel Customers Really More Valuable ? The Moderating Role of Product Category Characteristics, 77(July), 67–85.
- Laroche, M., Kiani, I., Economakis, N., & Richard, M.-O. (2014). Effects of Multi-Channel Marketing on Consumers' Online Search Behavior: The Power of Multiple Points of Connection. *Journal of Advertising Research*, 53(4), 431. doi:10.2501/JAR-53-4-431-443
- Marketing, S. M., & Report, I. (2011). How Marketers Are Using Social Media to Grow Their Businesses, (April).

- McKensie, M. (2003). The New Marketing Campaign Combining E-mail, Print Effectively.pdf.
- Mediascope. (2012). Portugal Launch Presentation.
- Mulhern, F. (2009). Integrated marketing communications: From media channels to digital connectivity. *Journal of Marketing Communications*, 15(2-3), 85–101. doi:10.1080/13527260902757506
- Newswire . (2014, June 24). Retrieved December 30, 2014, from <http://www.nielsen.com/us/en/insights/news/2014/real-returns-what-matters-most-in-digital-advertising.html>
- Peppard, J. O. E., & Butler, P. (1998). Consumer Purchasing on the Internet : Processes and Prospects.
- Putrevu, S., & Lord, K. R. (2003). Processing Internet Communications: A Motivation, Opportunity and Ability Framework. *Journal of Current Issues & Research in Advertising*, 25(1), 45–59. doi:10.1080/10641734.2003.10505140
- Reynar, A., Philips, J., & Heumann, S. (2010). New Technologies Drive CPG Media Mix Optimization. *Journal of Advertising Research*, 50(4), 416. doi:10.2501/S0021849910091567
- Reynolds, R. A., Woods, R., & Baker, J. D. (Eds.). (2007). Handbook of research on electronic surveys and measurements. IGI Global.
- Salehi, M. (2012). Dissimilarity of E-marketing VS traditional marketing, 2(1), 510–515.
- Shao, X., & Li, L. (2011). Data-driven multi-touch attribution models. *Proceedings of the 17th ACM SIGKDD International Conference on Knowledge Discovery and Data Mining - KDD '11*, 258. doi:10.1145/2020408.2020453
- Silverpop. (2012). 2013 EMAIL MARKETING METRICS BENCHMARK STUDY : An Analysis of Messages Sent Q1-Q4 , 2012, 1–13.
- Smith, P., & Zook, Z. (2011). *Marketing Communications*.
- The MarketingSherpa E-commerce Benchmark Study. (n.d.). Retrieved September 25, 2014.
- Thomas, L. (2011). Online Marketing. In L. Thomas (Ed.), .
- Wordstream. (n.d.). what-is-google-adwords.
- Yan, J., Liu, N., Wang, G., Zhang, W., Jiang, Y., & Chen, Z. (2009). How much can behavioral targeting help online advertising? *Proceedings of the 18th International Conference on World Wide Web - WWW '09*, 261. doi:10.1145/1526709.1526745