

# Modern Measurement in practice with Pandora



Ana Carreira Vidal

Media effectiveness specialist

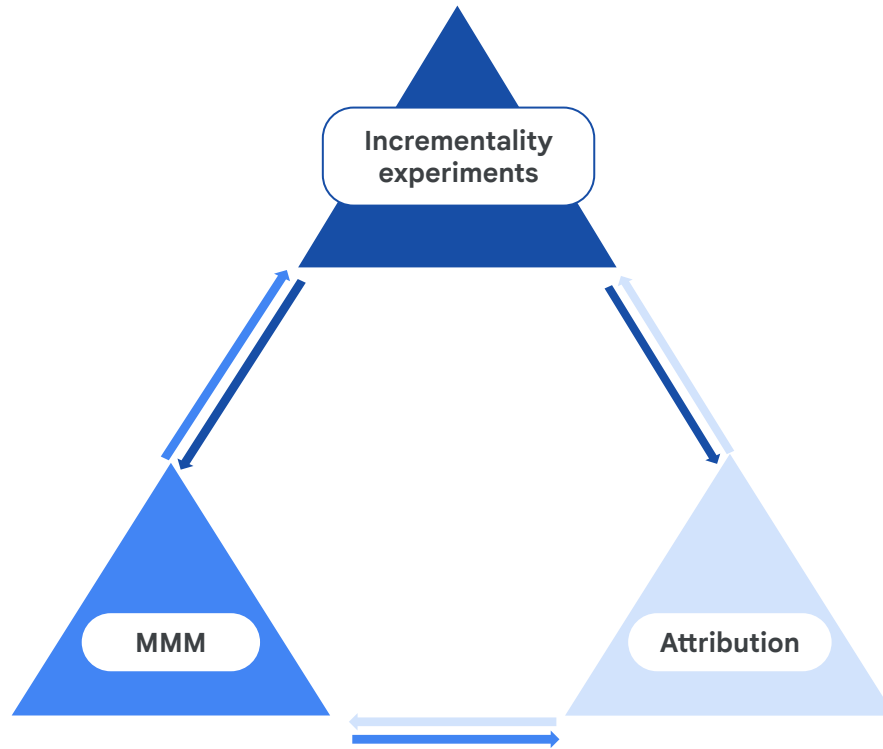


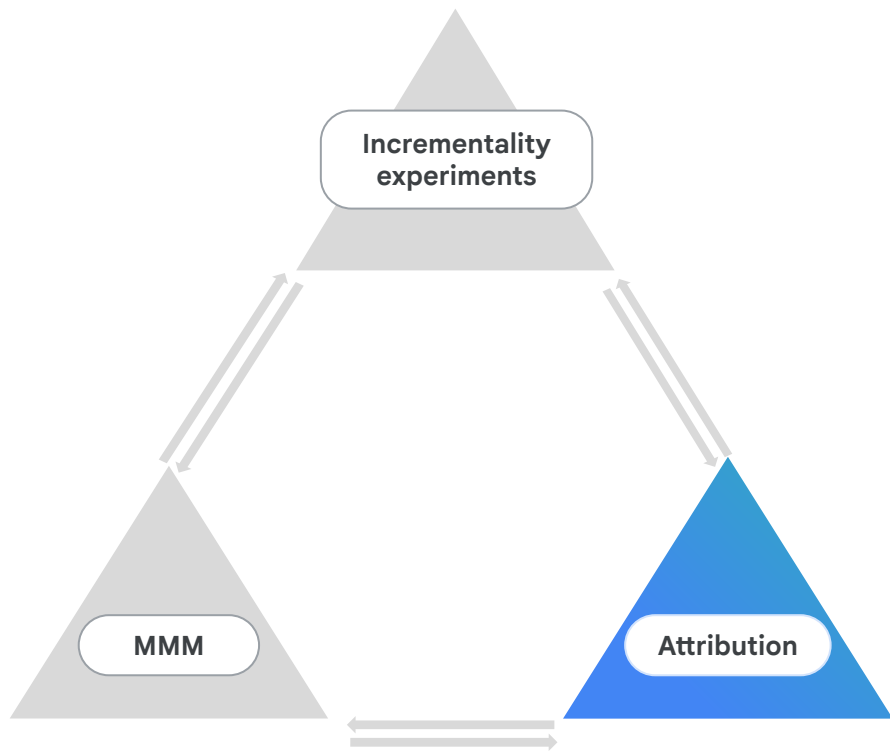
Katharina Hanke

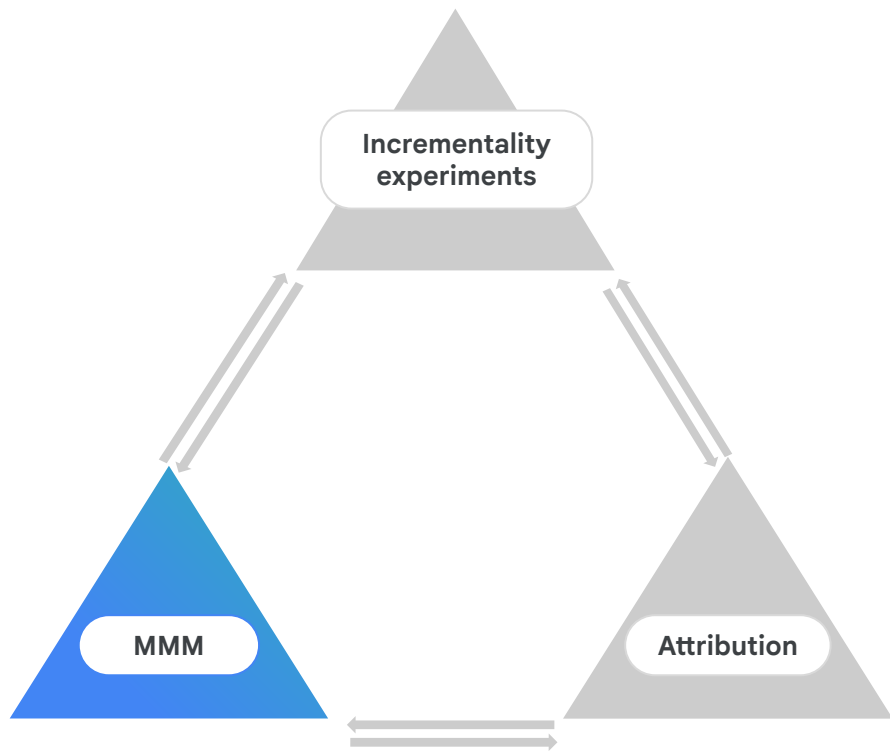
MarTech Product Manager

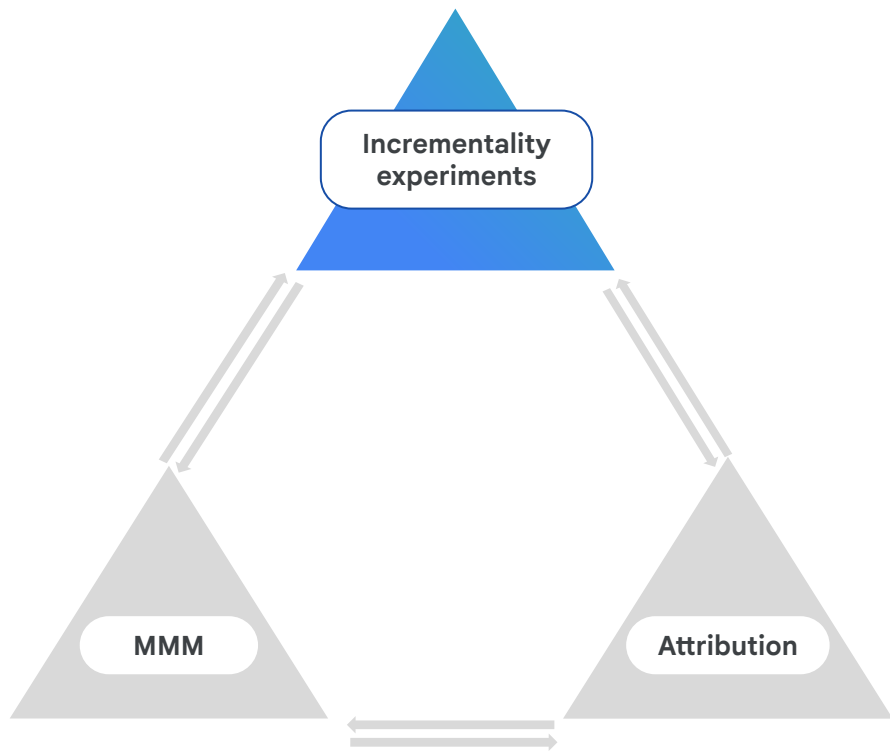


# Modern measurement







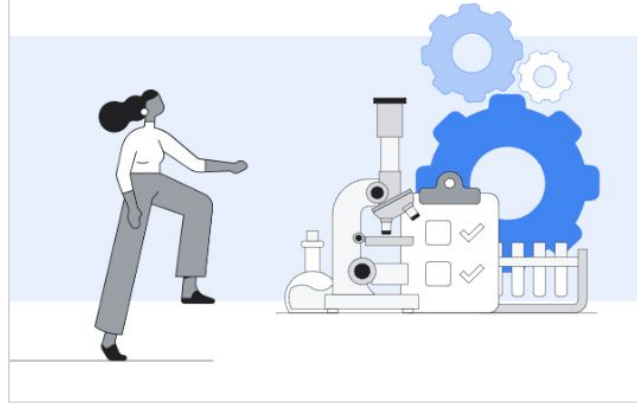


Google

# Modern Measurement Playbook

How to use media effectiveness  
measurement to **make better  
business decisions**

2024 edition



[The Modern Measurement playbook](#)

Google

# Getting started with Modern Measurement



# Meridian

google / meridian

Search: Type to search

Code Issues 18 Pull requests 8 Discussions Actions Projects Security Insights

meridian Watch 51 Fork 0 Star 83

main 13 Branches 12 Tags Go to file Code

lukmaz and The Meridian Authors Update dependencies in pyproject.toml 79e242c · yesterday 291 Commits

.github/workflows	Re-enable tests in pytest-job Action	11 months ago
.vscode	Code update	11 months ago
demo	Update dependencies in pyproject.toml.	yesterday
meridian	Clarify roi docstring as to why aggregate_times=True is r...	5 days ago
.gitignore	Code update	11 months ago
.pylintrc	code maintenance	2 months ago
CHANGELOG.md	Define constants for channel constraints in the optimizer.	2 weeks ago
CONTRIBUTING.md	Initial commit of Meridian to googlestaging	11 months ago
LICENSE	Initial commit of Meridian to googlestaging	11 months ago
MANIFEST.in	Code update	11 months ago
README.md	Updated a link.	6 months ago
pyproject.toml	Update dependencies in pyproject.toml.	yesterday
setup.py	Remove duplicate copyright headers	11 months ago

**About**

Meridian is an MMM framework that enables advertisers to set up and run their own in-house models.

[developers.google.com/meridian](#)

- Readme
- Apache-2.0 license
- Code of conduct
- Security policy
- Activity
- Custom properties

83 stars  
51 watching  
0 forks

**Releases**

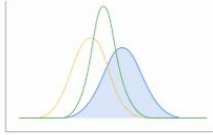
12 tags

**Packages**

No packages published

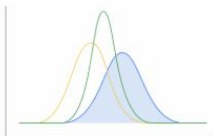


# Democratizing MMM innovation



Improve MMM accuracy  
via **calibration**.

# Democratizing MMM innovation

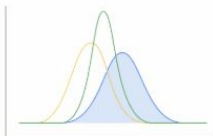


Improve MMM accuracy  
via **calibration**.



Improve upper funnel  
measurement via **Reach  
& Frequency**.

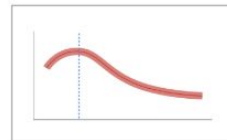
# Democratizing MMM innovation



Improve MMM accuracy  
via **calibration**.



Improve upper funnel  
measurement via **Reach  
& Frequency**.



Improve lower funnel  
measurement via **Google  
Query Volume**.

# Getting started with Meridian

## Data scientists

In-house data science team or a certified partner with Python capabilities.

## Historic data

Complete, accurate and validated historic data for all potential drivers of sales.

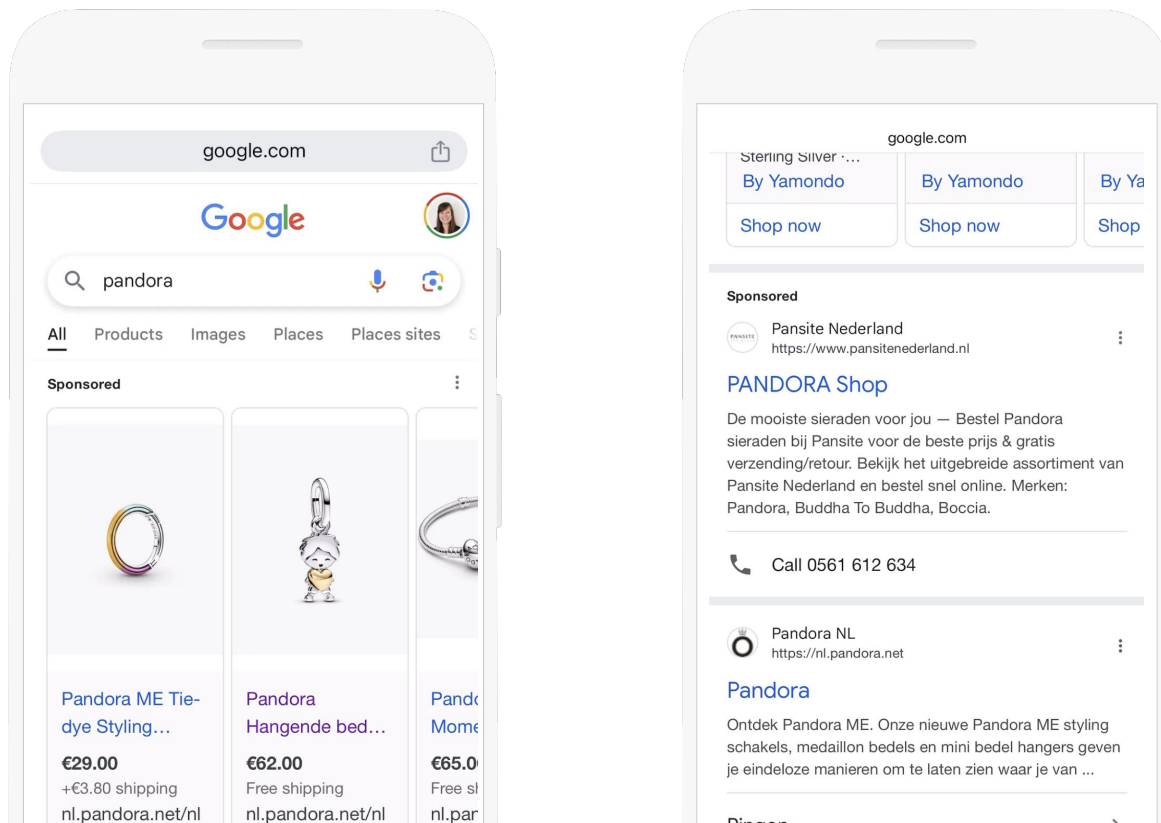
**Pro tip:** Use Google Campaign data from MMM Data Platform.

**Fully external by 2025.**

## C-level sponsorship

MMM is a cross-functional project and requires a shared priority, endorsed by a CMO.

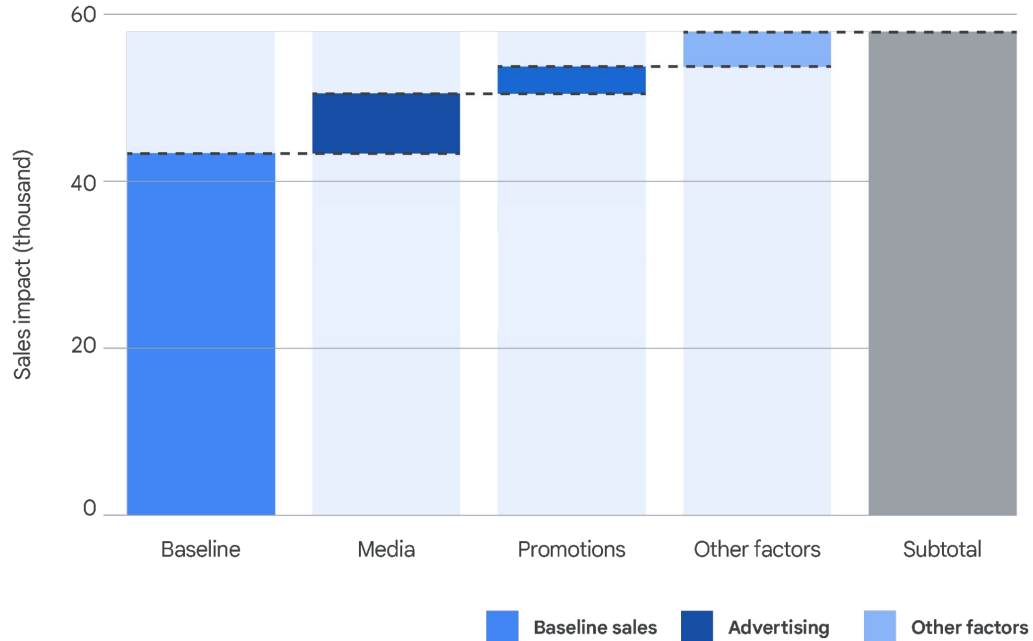
# Incrementality experiments with Conversion Lift



# Understanding results

**5.5%**  
**lift in sales**

# Every company has a **baseline**



Put results into **context**

The logo for iROAS features a stylized 'i' on the left and an 'R' on the right, both rendered in a light blue color with rounded, blocky shapes. The text 'iROAS' is centered between these two shapes in a bold, black, sans-serif font.

**iROAS**



# Run incrementality experiments with Conversion lift

## Impact

Where does your measurement (attribution or MMM) have gaps?

## Availability

Demand Gen and Youtube available in your Google Ads UI (allow listing). All channels through your account team.

Possible to create experiments based on geos or based on users.

## Feasibility

Data permitting. Not all campaigns or channels have enough volume to grant a statistically sound experiment.



A FULL JEWELLERY

BRAND

Presented by Katharina Hanke

PANDORA

# **MOST SEARCHED FOR JEWELLERY BRAND ON GOOGLE IN 2024**

**WITH THE SHARE OF SEARCH REACHING 39%**

**PANDÖRA**

# MODERN MEASUREMENT

PANDORA

# MEASUREMENT | EVALUATE PAST PERFORMANCE, MONITOR PRESENT AND OPTIMIZE FUTURE



## MEASUREMENT

Explain and evaluate past media and business performance through best-in-class measurement framework

## REPORTING

Monitor the present state through thorough and timely reporting

## OPTIMIZATION

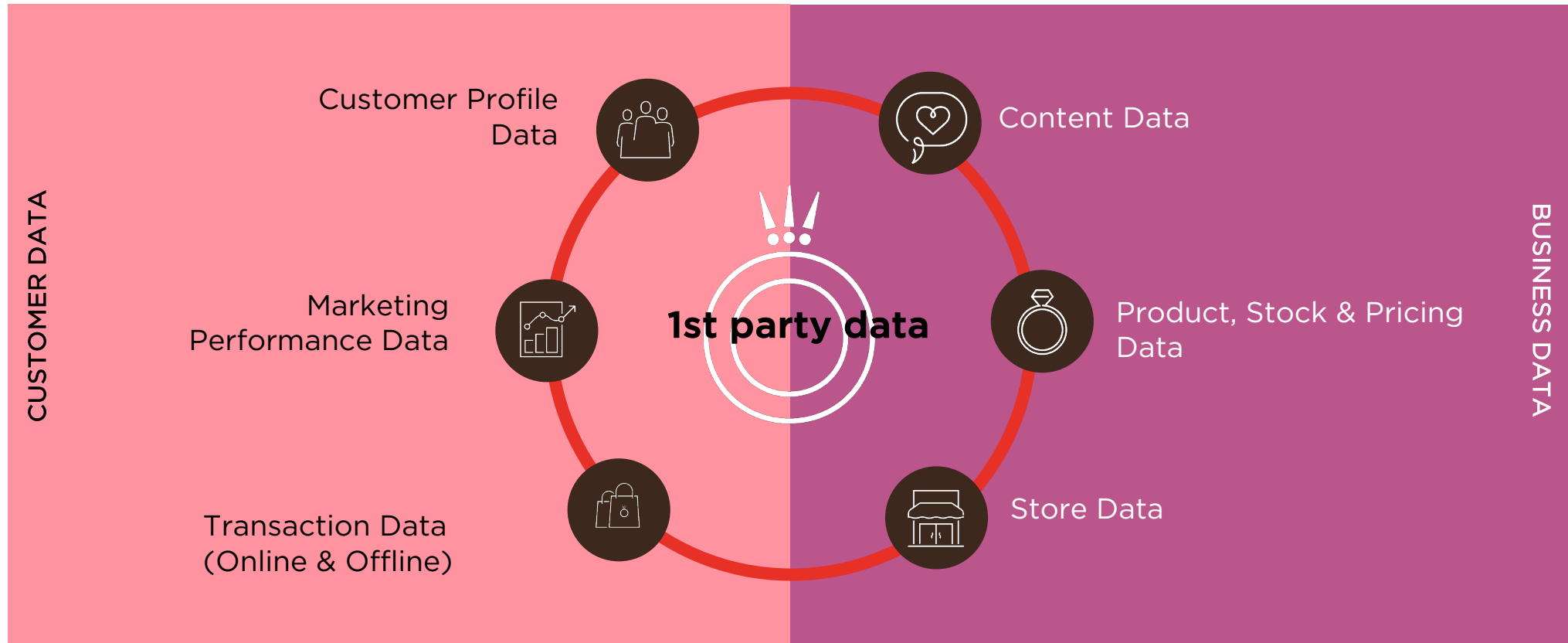
Provide the strongest possible foundation for future planning

**EACH MEASUREMENT TOOL  
HAS ITS OWN PURPOSE**

# MEASUREMENT | EVALUATE PAST PERFORMANCE AND OPTIMIZE FUTURE

Decision	Granular, Automated, Real-time	Weekly & Monthly Optimization	Quarterly & Yearly Planning
Goal	Measurement & Optimization	Attribution & Optimization	Evaluation & Optimized Planning
Measurement Tools	In-Platform	Agile MMM & Incrementality Experiments	Marketing Mix Model
Enabling	<ul style="list-style-type: none"><li>• Measure effectiveness in-platform</li><li>• Attribution of offline and online sales to platform activity</li><li>• Optimize targeting</li></ul>	<ul style="list-style-type: none"><li>• Experiments and agile MMM to understand the true value of ads</li><li>• Ensure, optimized and changing investments are backed by test results.</li></ul>	<ul style="list-style-type: none"><li>• Evaluation of past investment</li><li>• Annual &amp; quarterly planning</li><li>• Scenario simulation and forecasting</li></ul>

# MEASUREMENT FOUNDATION | DATA CAPTURE AND FIRST-PARTY DATA LEVERAGE





# MEASUREMENT | EVALUATE PAST PERFORMANCE AND OPTIMIZE FUTURE

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# IN-PLATFORM MEASUREMENT I LEVERAGING OUR FIRST-PARTY DATA

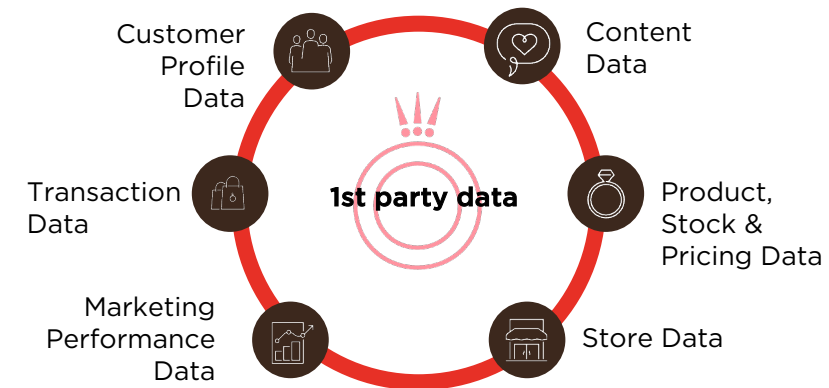
## MEASURE Effectiveness In-Platform

- By linking ad activity to actual purchases or user behaviour, we gain insights into which campaigns drive real business results.

## ATTRIBUTION of Offline and Online Sales to Platform Activity

## OPTIMIZE Targeting

- To reach the most relevant customers, leading to higher engagement and conversion rates



# IN-PLATFORM MEASUREMENT | STORE SALES INTEGRATION INTO MEDIA BIDDING

## GOOGLE STORE SALES MEASUREMENT

OUR BIGGEST REVENUE DRIVER IN PAID MEDIA IN 2023



Logged in  
Google/users click on  
a Google search ad



User visits store and  
provides email/phone  
at purchase (through  
e.g. loyalty program)



Pandora uploads store  
sales data through  
Campaign Manager API



Store Sales matches  
Google logged/in data  
with transaction data from  
Pandora. Total influences  
store sales are attributed  
to Google Search ad clicks  
as Google Ads  
conversions.



### RESULTS 2023

77%

Growth in Google  
Ads revenue

52%

Incremental  
Revenue increase  
in Germany YoY

# MEASUREMENT | EVALUATE PAST PERFORMANCE AND OPTIMIZE FUTURE

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# EXPERIMENTATION | FOR ONGOING OPTIMIZATION

1 **BUILD EXPERIMENT DESIGNS TESTING FOR INCREMENTALITY**

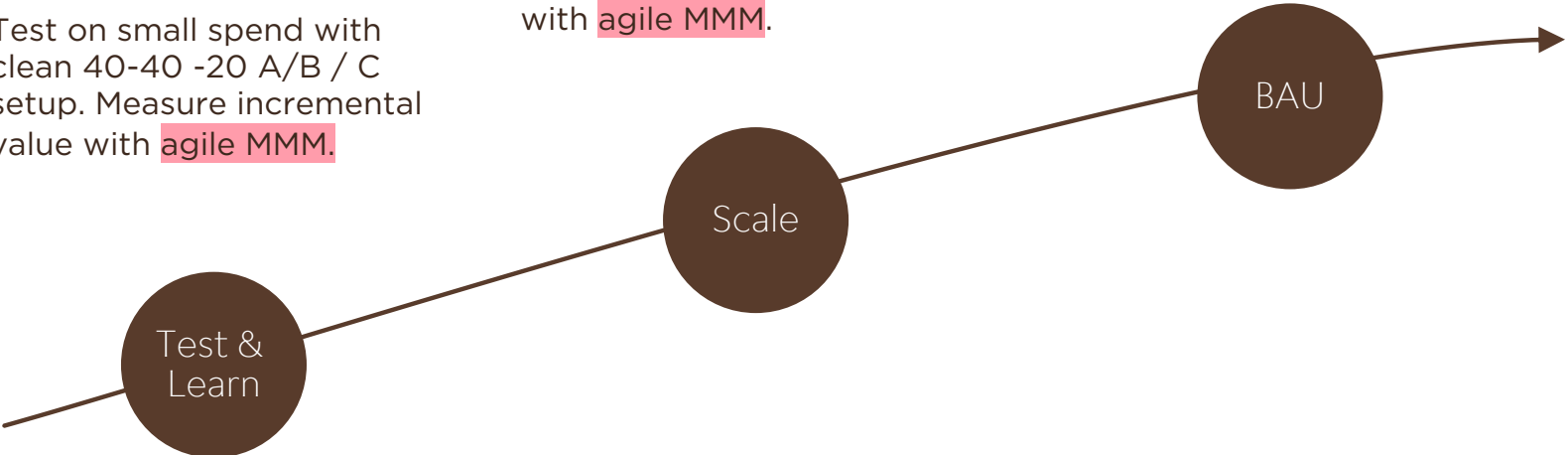
Test on small spend with clean 40-40 -20 A/B / C setup. Measure incremental value with agile MMM.

2 **SCALE SUCCESSFUL USE CASES ACROSS MARKETS**

Once proven incremental value, scale to more markets to drive large scale value while measuring actual impact with agile MMM.

3 **TRACK VALUE AND ARRIVE AT NEW BAU, CONSTANTLY IMPROVING**

After 12 month of measuring value with agile MMM, we move to 'business as usual' with continuous improvement and optimization.



# EXPERIMENTATION | EXECUTING +100 INCREMENTALITY EXPERIMENTS ANNUALLY

Test type	Description	Example
Spend level test	Test channel or overall spend levels to find optimal spend balance	Offline vs. online total spend levels
Creative test	Testing creative formats	Data driven creatives
Feature test	Testing a new feature within a platform	Smart shopping in search test
Targeting test	Testing specific audiences or	LAL RFM audience test
Platform test	Testing one platform against another	Platforms for retargeting in video and display



## HYPOTHESIS

**Example:** Giving a higher value to new customers in Google Ads bidding will improve the incrementality of the investment.

## TEST & MEASUREMENT

**Test Type:** Targeting Test  
**Where:** Market X  
**When:** 6 weeks start 1st of April  
**Test Parameters:** Clicks, Revenue, CPC, ROAS  
**Measurement Tool (agile MMM):** Incr. Revenue  
**Budget Requirements:** Double of Shopping Spend  
**Budget Funding:** Local Market

## ESTIMATED IMPACT

**Incrementality** (eg. Increased incrementality in Search investment), estimation with help of agile MMM.



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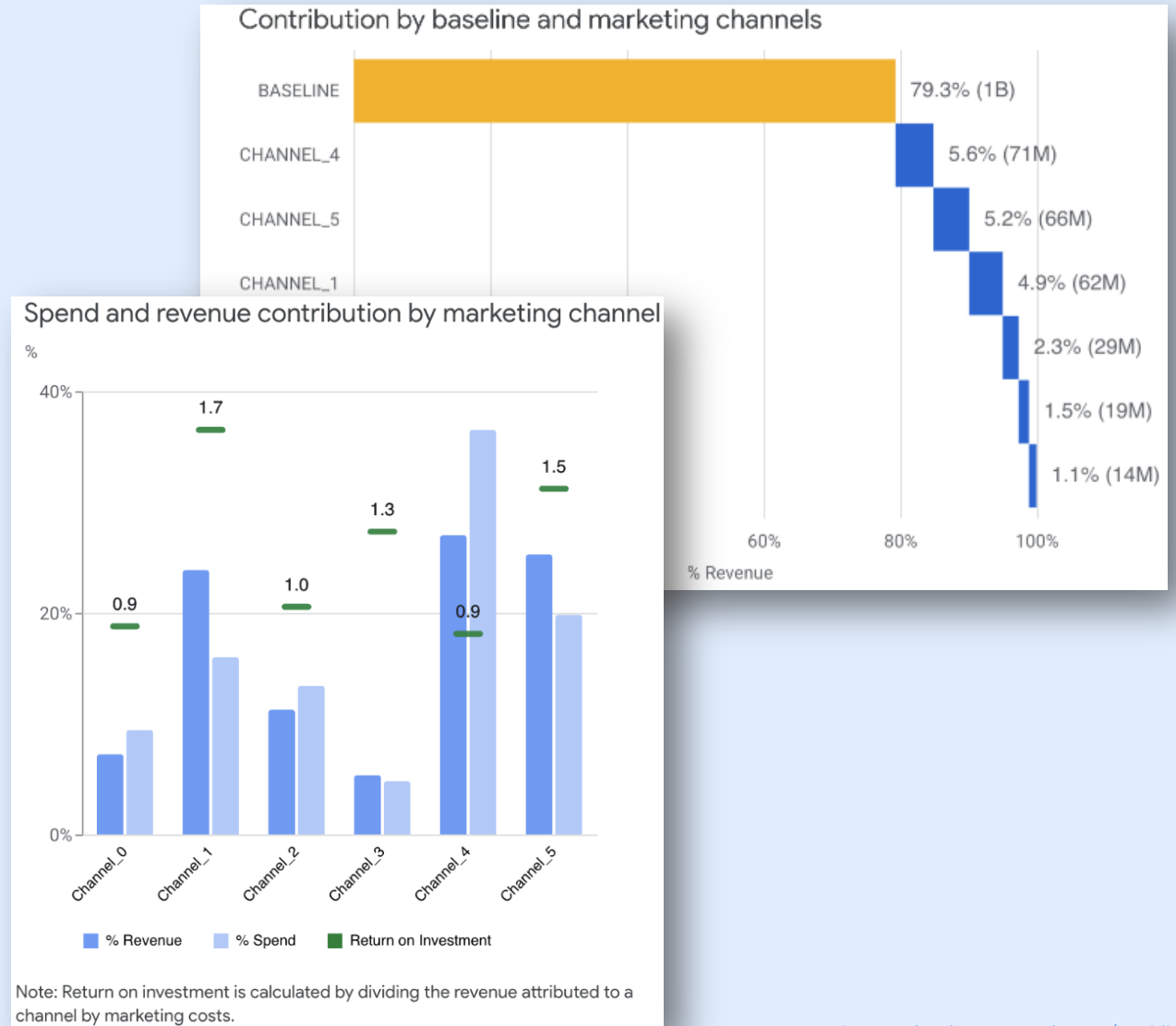


Google's [open-source MMM solution.](#)

# MARKETING MIX MODEL | EVALUATION & OPTIMIZED PLANNING

## RETROSPERSPECTIVE

- How did the marketing channels (Search, Display, Social, TV) drive my revenue?
- What was my return on ad spend (ROAS) per channel?



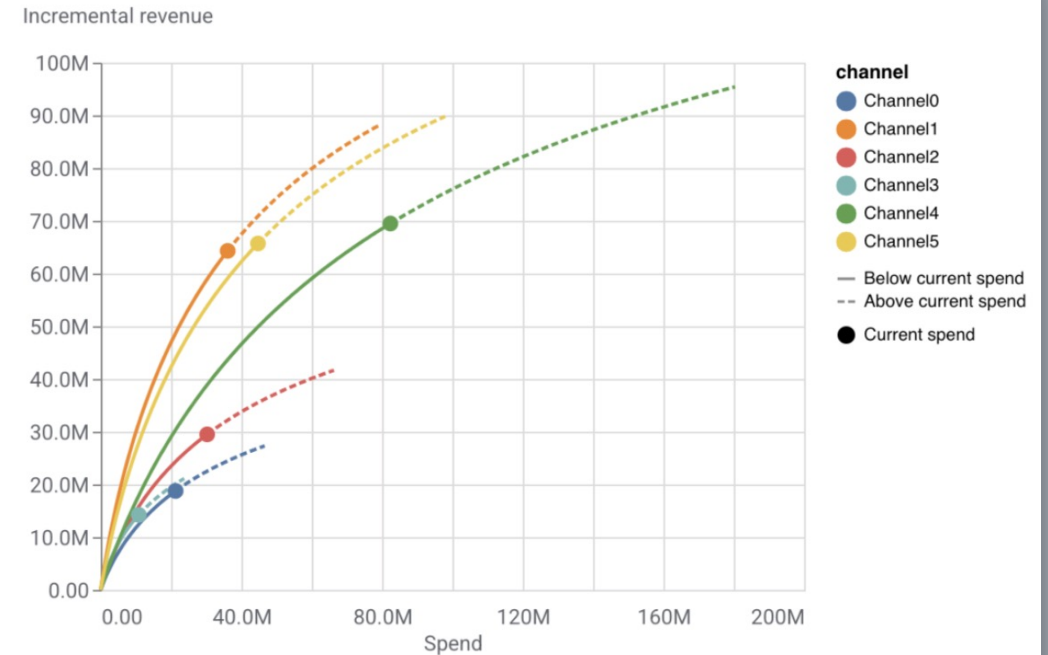
Source: [developers.google.com/meridian](https://developers.google.com/meridian).

# MARKETING MIX MODEL | EVALUATION & OPTIMIZED PLANNING

## FORECASTING

- How will my upcoming revenue per channel look like with same spend?
- What is the correlation between marketing activities and business results?

Response curves by marketing channel (top 6)



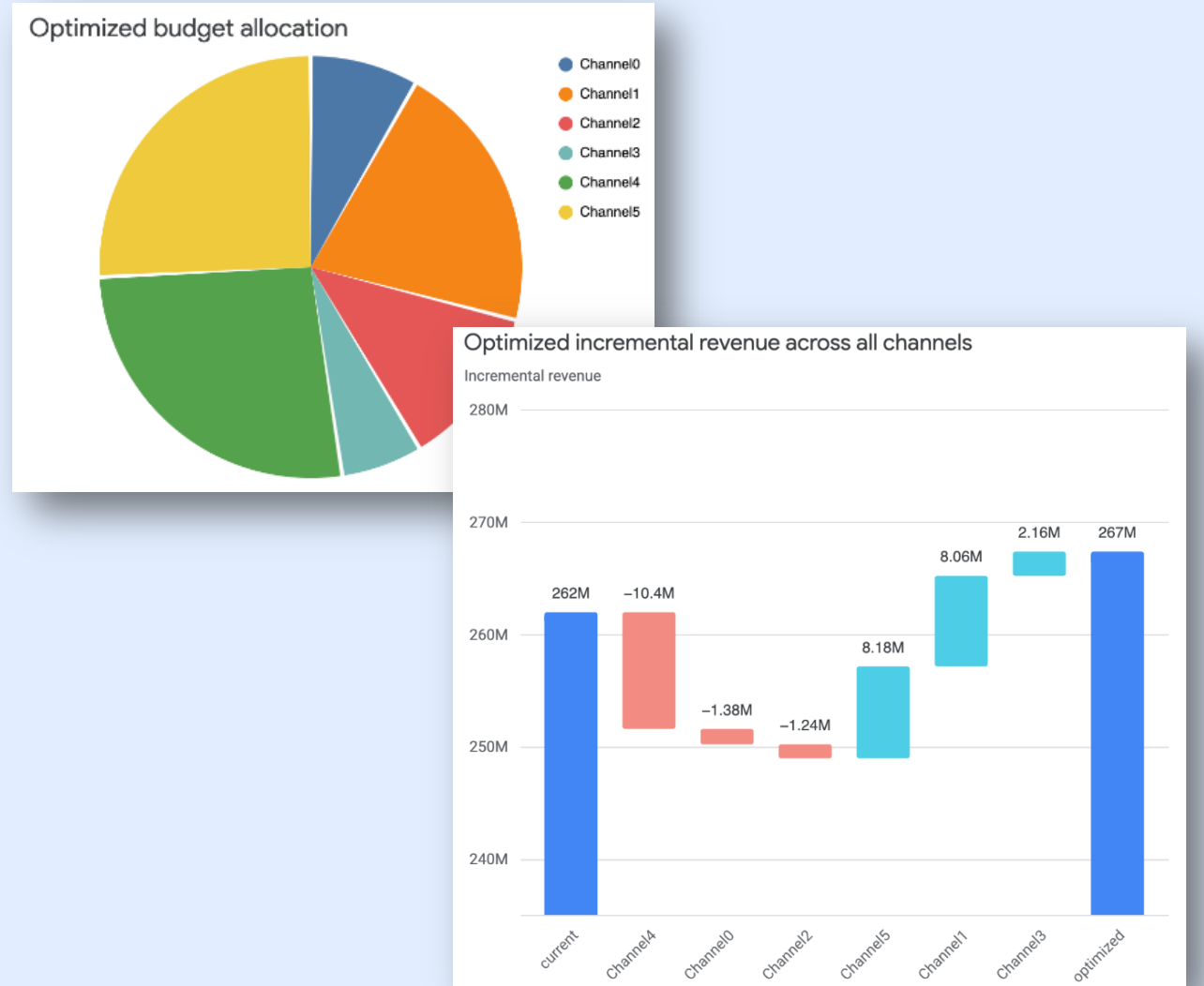
Note: The response curves are constructed based on the historical flying pattern and present the cumulative incremental revenue from the total media spend over the selected time period.

Source: [developers.google.com/meridian](https://developers.google.com/meridian).

# MARKETING MIX MODEL | EVALUATION & OPTIMIZED PLANNING

## SCENARIO SIMULATION & PLANNING

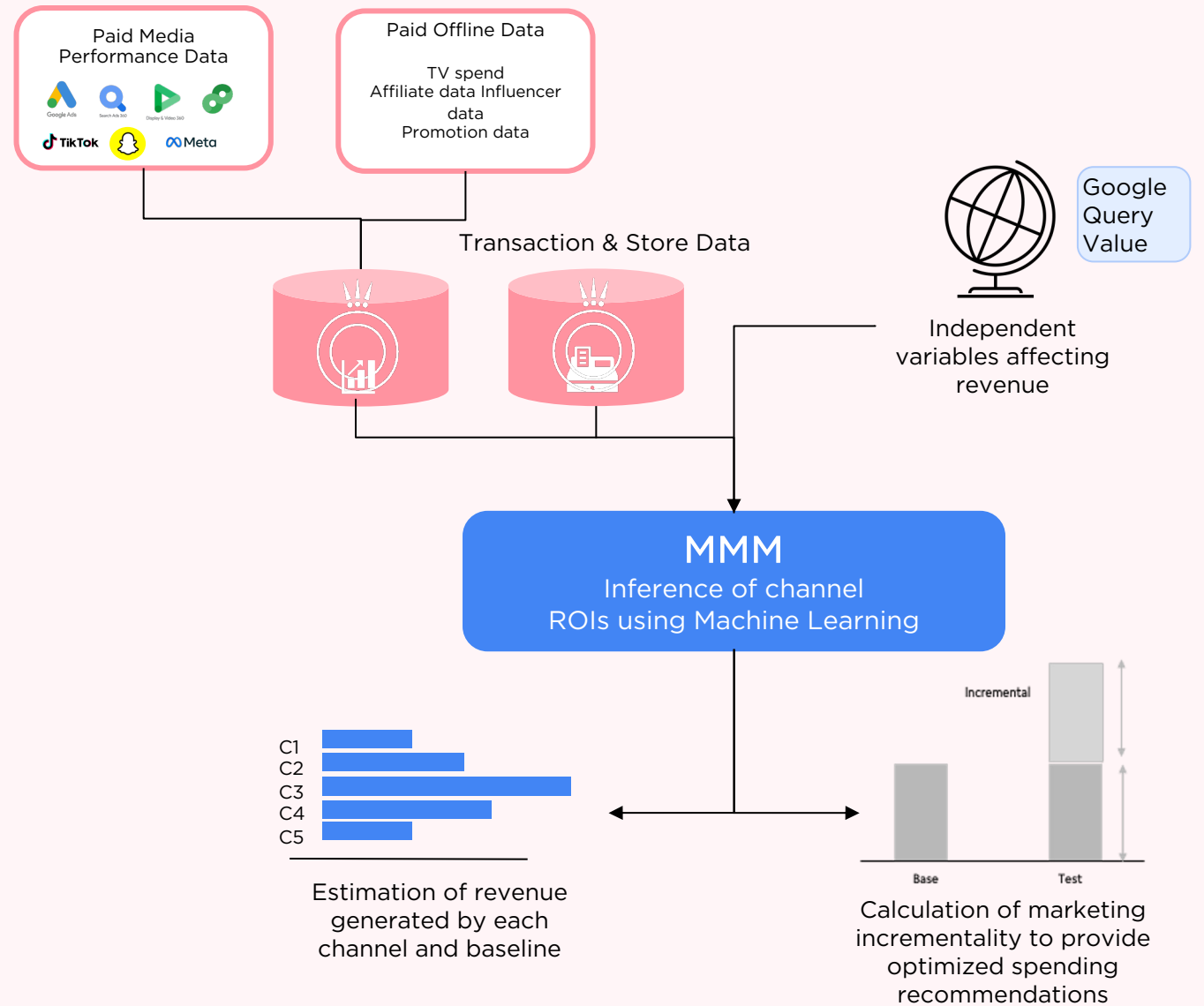
- How can I optimize my budget allocation for the highest possible Return on Investment?
- How will my revenue change with optimized budget allocation?



Source: [developers.google.com/meridian](https://developers.google.com/meridian).

# LAUNCHING MERIDIAN: HOW WE MADE IT A SUCCESS

# HIGH DATA QUALITY AS A FOUNDATION FOR A POWERFUL MARKETING MIX MODEL



# MARKETING MIX MODEL | KEY LEARNINGS

FROM MERIDIAN ROLL-OUT

## HIGH INPUT DATA QUALITY

Input data must be **cleaned, validated, and structured** data with a **standardized** format across all channels. This will increase the reliability of the results and decrease biases.

## REASONABLE DATA QUANTITY

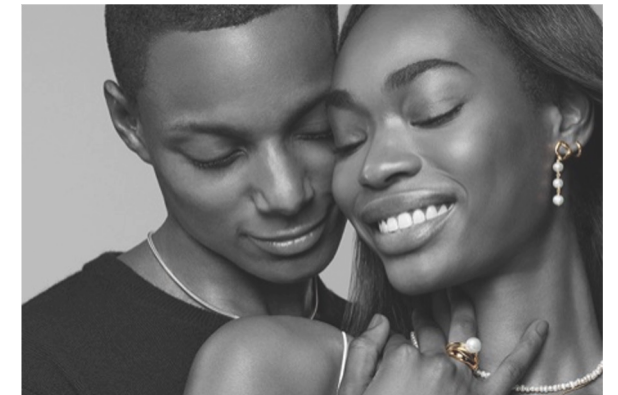
Frequently updated data and **3 years of historical** data across all channels (paid, offline, sales). Data from **min. 4 different** paid channels.

## CROSS FUNCTIONAL PROJECT TEAM

**Data Scientist, Data Engineer and Media Planner** working in close collaboration. Especially the media planners need to invest their time in validating the models output.

## CUSTOMAZIBLE MODEL AND EASY TO SCALE

Working in your **own database**, with your own data at hand was highly beneficial. When all data collected, it can be **easily scaled** to other markets.









THANK YOU

PANDORA