

The conundrum of brand building vs performance marketing

Issued by [Advertising Media Forum](#)

11 Oct 2023

Over the past few years, performance marketing has steadily been the rising star of many marketing and media strategies. It's not surprising, as it seems to answer the age-old marketing conundrum... 'Half the money I spend; is wasted, the trouble is I don't know which half' by enabling marketers to measure ROI.



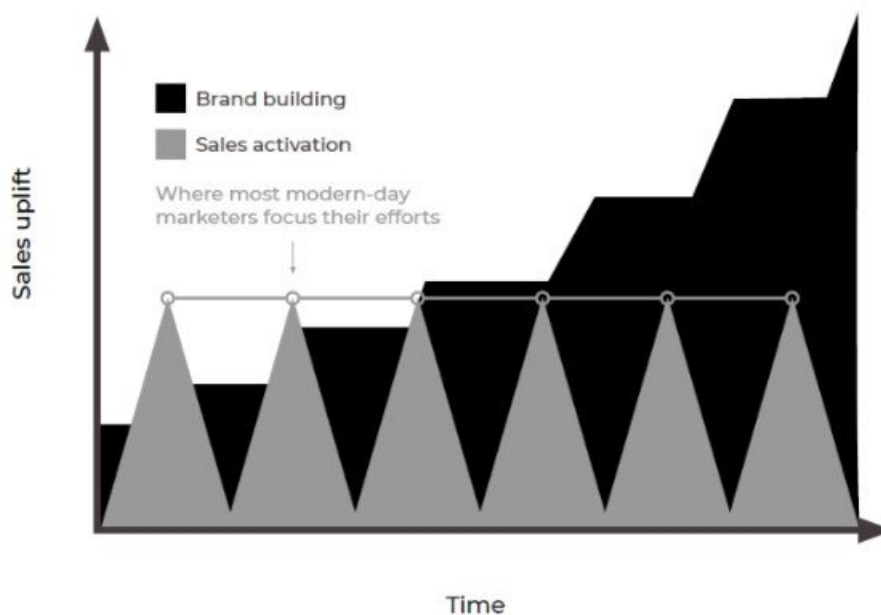
Performance marketing is defined as a results-driven approach to digital marketing, where advertisers pay only when specific actions or outcomes are achieved. These actions can include clicks, leads, sales, or other desired customer behaviors. Performance marketing relies on various channels, such as affiliate marketing, pay-per-click (PPC) advertising, social media advertising, and search engine marketing (SEM).

Brand is losing out to the instant gratification performance marketing can provide, linked to measurable ROI. But, how long can a brand survive on performance marketing alone, without creating awareness, changing perceptions, and building brand love with consumers, that evoke powerful emotions to your brand through creative advertising?

Well, if even the likes of Amazon and Google continue to invest in brand building platforms such as linear television, with Amazon being amongst the US's largest TV advertisers, it becomes obvious that brand and performance marketing shouldn't be pitted against each other, or traded off, there's a need and justification for both. According to the IPA and their effectiveness databank, brand growth is a balancing act.

Brand building:
 Long-term sales growth
 Emotional priming – category
 Broad reach – TV, video etc.
 Delayed results, slow decay
 60% of the budget (B2C)

Sales activation:
 Short-term sales uplift
 Rational timing – buyers
 Targeted – paid search, email etc.
 Immediate results, fast decay
 40% of the budget (B2C)



According to the IPA and their effectiveness Databank, brand growth is a balancing act.
 Reference: Les Binet and Peter Field, The Long and the Short of It

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This balancing act places the onus on marketing and media professionals to find new metrics that effectively measure the impact of brand building on performance marketing as well as performance marketing's contribution to brand building, and how we effectively measure both, striking the balance between quality and quantity/cost of audience.

To ensure long term success, marketers need to set clear goals, by defining what you want to achieve with your brand vs performance strategies, keeping in mind that brand building takes time. Don't abandon your brand building strategies if you don't see immediate results. Furthermore, channel selection and budget allocation should be aligned to the objectives of each strategy. Ultimately, consistency is key. Regardless of the strategy, ensure that your messaging is consistent across all channels. This helps to reinforce your brand identity and makes your performance marketing efforts more effective.

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