## **Incrementality & Measuring A Campaign's True Impact**

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How do you know your campaign has been successful and made a significant impact on your business? Understanding the true impact or "incrementality" of your campaigns is essential for driving growth and making your media spend work harder for you.

While metrics like impressions, clicks, and conversions are important, they don't always tell the whole story. To accurately assess a campaign's effectiveness, businesses must look beyond traditional performance indicators and consider the concept of incrementality.

# What is Incrementality?

Incrementality refers to the additional value generated by a marketing campaign that would not have occurred without it. In other words, it measures the true effect of your marketing efforts on sales or other desired outcomes. For instance, if a campaign claims to have generated 1,000 sales, incrementality helps determine how many of those sales can be directly attributed to the campaign itself, rather than other factors like organic traffic or existing customer relationships.

Incrementality and first-party data retargeting (https://flowplatform.com/flow-data/) are closely linked, especially when measuring the true effectiveness of retargeting campaigns. First-party data is crucial because it allows for precise audience segmentation and personalisation, which can directly affect the incremental value of retargeting efforts. With the right data, you can exclude "natural" buyers (buyers likely to buy without marketing), target high-intent users, and improve personalisation.

### Incrementality in Marketing is crucial for several reasons:

#### **Budget Allocation**

Knowing the true impact of your campaigns enables more informed budget allocation. If you can determine which campaigns are truly driving incremental sales, you can invest more in those areas while reducing spend on less effective initiatives.

### **Clear ROI Assessment**

Incrementality helps clarify the return on investment (ROI) for your campaigns. A clear ROI involves defining the investment (media spend, creative costs, etc), and the return (direct sales, new customers, upsells or cross-sells) By isolating the incremental effects of your advertising efforts, you can present a clearer picture of their financial contribution.

#### **ROI Formula**

ROI = Net Profit x 100

**Total Investment** 

### **Performance Optimisation**

Incrementality in marketing provides insights into what works and what doesn't. By analysing these metrics, you can optimise your campaigns for better performance, improving your overall marketing strategy. The strategies and best practices for performance optimisation are mentioned below.

### **4 Ways To Measure Incrementality**

### 1. A/B Testing

A/B testing is a straightforward way to measure incrementality. By dividing your audience into two groups—one that sees the campaign (the test group) and one that doesn't (the control group)—you can directly compare the performance between the two. Any significant differences in behaviour, such as conversion rates or purchase amounts, can be attributed to the campaign.

#### 2. Control Audience Test

In this approach, a subset of your audience is completely excluded from the campaign, while the rest participate. This method allows for a more controlled environment to measure the incremental impact by comparing results from the subset group against those who were exposed to the campaign. This could be seen as adding or renting (https://content.flowliving.com/calculator/) a first-party data audience (https://flowplatform.com/flow-data/) into your campaign to segment based on relevant criteria such as buying behaviour, demographics or purchase history directly from a website.

#### 3. Attribution Models

Attribution models help determine which marketing efforts contribute to sales and how much. This framework determines how credit for conversions (such as sales, sign-ups, or any desired customer action) is assigned to different marketing touchpoints along the customer journey. While traditional last-click models assign all credit to the final touchpoint before a conversion, multi-touch attribution considers all interactions a consumer has with your brand. This approach can provide a more comprehensive view of how various campaigns work together to drive sales.

#### 4. Customer Reviews

Sometimes, the best insights come directly from the customers themselves. Reviews can help gather qualitative data about how consumers perceive your brand (and other brands) when it comes to the decision-making process. By asking questions about their interactions with your marketing materials, you can gain valuable insights into the incremental effects of your campaigns. Additionally, using an audience in your campaign that is actively looking for your product or service can drive conversions due to the direct contact with your desired audience. This can again be implemented with first-party data from for example, a review platform (https://flowplatform.com/2024/07/26/turning-customer-reviews-into-revenue-flow-partners-with-hellopeter/) that shows buyers browsing history and intent.

### **Beyond Clicks And Conversions**

True campaign impact isn't just about clicks and conversions. Focusing on incrementality gives marketers a clearer view of effectiveness and ROI, enabling smarter budget allocation and sharper strategy optimisation. Contact Flow today (https://flowplatform.com/flow-data/) to unlock smarter insights and drive results.

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