PLAYBOOKMEDIA

Performance Branding: The Growth Imperative

Bryan Karas

Introduction

Across industries and categories, the world's most successful brands invest in – wait for it – branding.

Let that sink in.

Across the same industries and categories, thousands of digitally native brands trying to gain funding and/or successful exits are heavily indexed in performance marketing.

The sweet spot for ambitious growth brands is somewhere in-between: performance branding, an essential strategic pivot from DR-focused campaigns to full-funnel investment that will enable growth in 2025 and beyond.

While working with hundreds of brands on performance campaigns since our founding in 2017, the Playbook Media team has challenged ourselves and our clients into new systems of measurement and upper-funnel budget investment. The results, with the right set-up and expectations, have been transformative for our clients. Today, we view performance branding as an imperative for brands with ambitious growth goals.

This eBook, which we wrote with supporting data from our friends at Rockerbox, will explain why – and how – to get traction and a huge competitive edge by integrating performance branding into your 2025 growth strategy.

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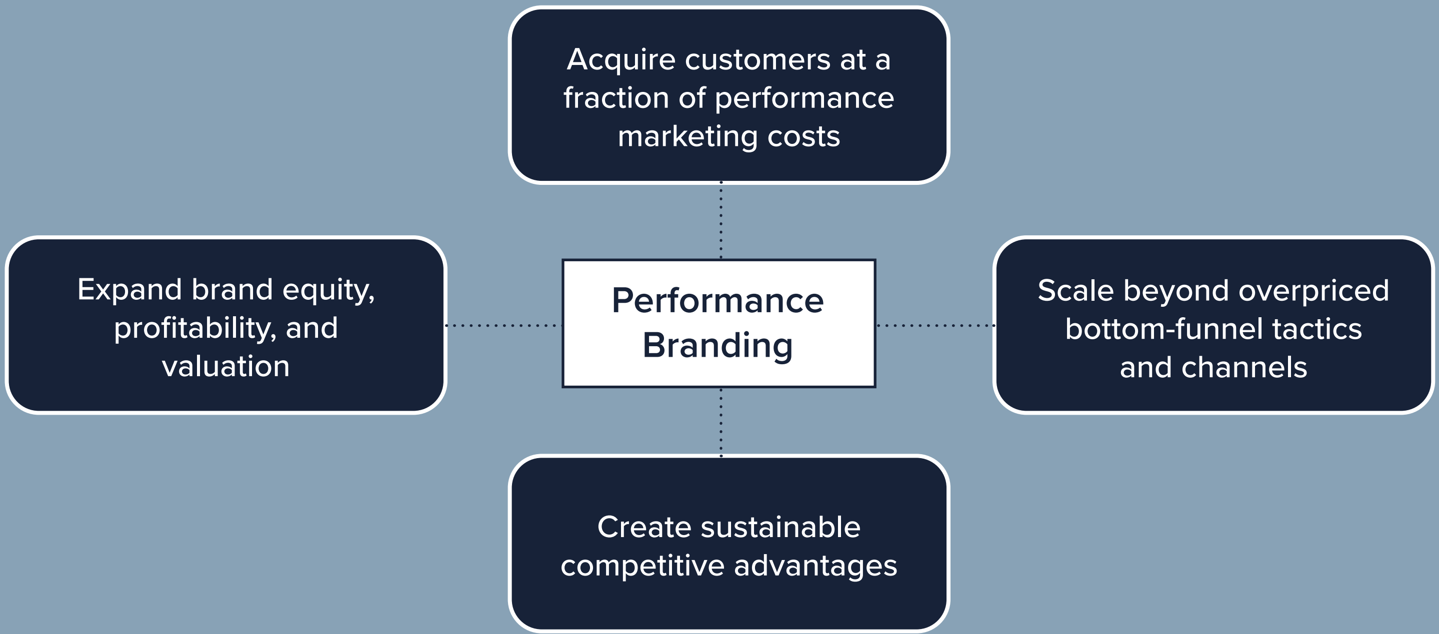
Playbook's Performance Branding Benefits



This eBook,

is our stake in the ground, our argument that performance branding is the most promising path to growth for the hundreds of thousands of companies who are searching for a path to growth and even more so profit. **After reading it, you will:**

- Understand why the "truths" you've swallowed about performance marketing are wrong.
- Learn why classic marketing techniques and skills are as important as they've ever been.
- Recognize the scope of the opportunity in shifting from performance marketing to performance branding.
- Realize that momentum is building for performance branding – which means the time to act is now.
- Learn the crawl/walk/run steps to truly capitalize on the performance branding challenge ahead of you.

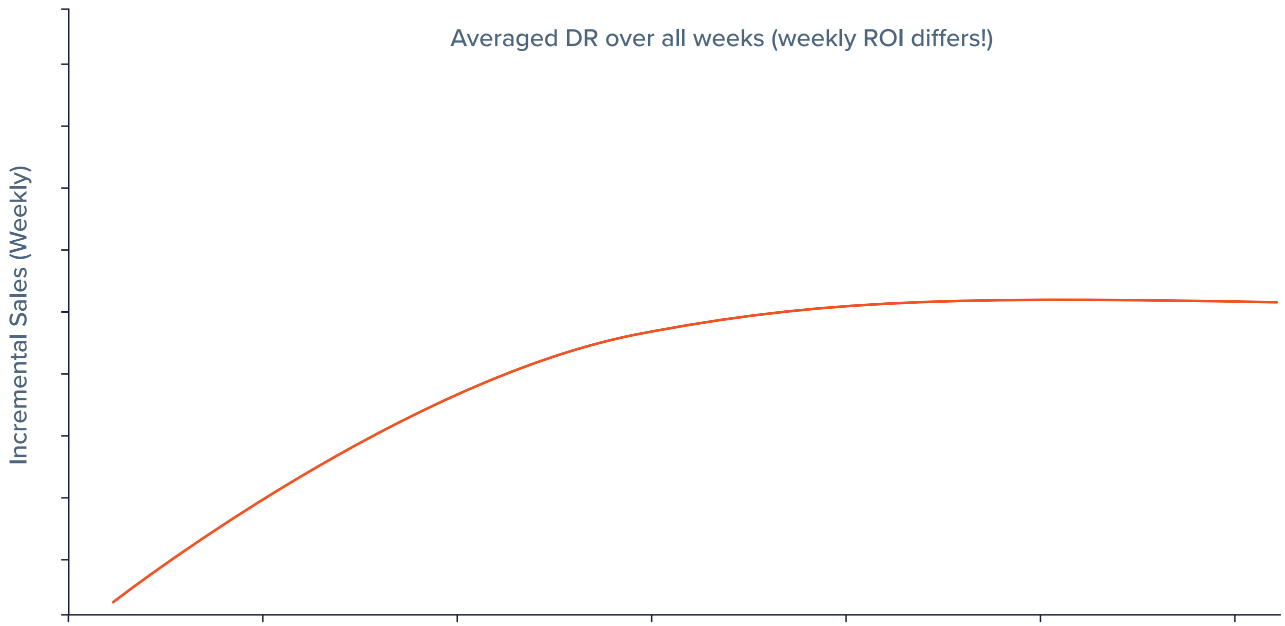
Let's jump right in.

Forget what you think you know about performance marketing

The marketing arena is rife with "best practices" about performance marketing, but there are fundamental truths these best practices overlook.

FIRST:

Marketers are told to buy as much as they possibly can, to spend even on customers barely within their target ROAS. When you do that, you find that people push toward an average acquisition cost – which means that you're acquiring half of your customers at a higher cost than is acceptable. Buying to the break-even average means you're raking in unprofitable customers and means you won't be profitable as a business. (For a deeper dive here, check out this reference on marginal return.)



Diminishing return curves

SECOND:

Expansion with the mindset of following all available leads within your target ROAS means that you're following this logic across channels – and relying on each individual channel's unique attribution. And because that was everyone's default, other channels built their systems to pander to marketers who care about click-based attribution. That means that even the platforms' algorithms have a bias toward click-based attribution.

From my personal experience as a Meta employee who got access to studies across hundreds of advertisers and lift tests, I know there is truly no correlation between clicks and purchases. **What was far more important: exposure over time.**

Knowing all of that – that performance marketing's basis of click-through purchases in artificially short attribution windows is a shaky premise – absorb this: performance marketing is about exposing the right people to the right creative and making it easy for them to buy.

The algorithms and data integrations are effective – to a point. **But marketers need to reframe their thinking to ask these questions:**

- Am I exposing ads to the right people?
- Is my creative strong?
- Am I making transactions easy?
- What's the marginal gain of each dollar spent – and is that enough for me to be profitable?

If you don't keep marginal return in mind, you're simply leaning into the major ad platforms' strategy of spending more to engage customers – and padding the revenue of those platforms:

THIRD:

Google and Meta have taught advertisers to think small. Last-click attribution and 7-day attribution windows (used to “measure” the impact on multi-week purchase decisions) both point to one thing: direct-response marketing is not a fundamentally sound approach on its own.

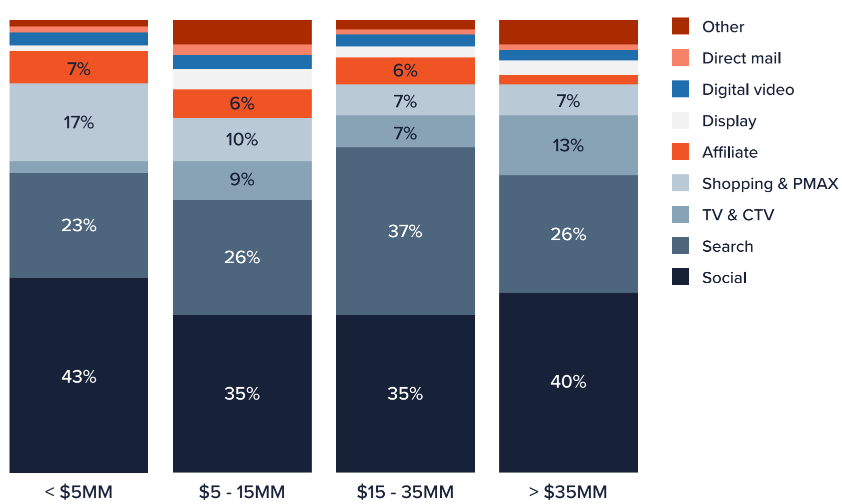
Consider how much time it takes you, as a consumer, to make a decision on big-ticket purchases. You might make occasional impulse buys, but the window between consideration and purchase tends to lengthen as the price tag grows. As for B2B, the act of gathering feedback and buy-in from all shareholders is itself a multi-week process that almost always outstrips in-platform attribution windows. Per Oroinc, by the end of 2021, the B2B purchase cycle had grown to involve more than 10 marketing channels and 6-10 decision makers – both of which have little relation to last-click attribution or short attribution windows.

FOURTH:

Fourth: Google and Meta excel at capturing early adopters and impulse buyers, but they’re only selling you access to a tiny fraction of your market. No matter your vertical, the vast majority of users (with 95% fairly commonly cited, as shown in MarketingScience) are not in market for what you’re selling, which means your bottom-funnel campaigns are ignoring all but a tiny sliver of your potential audience.

Larger brands are less reliant on search and use more upper-funnel channels like TV

Data from Rockerbox shows how bigger-budget brands are more intentional about investing in the upper funnel. Brands spending more than $35MM on media per year invest in TV as their third-largest channel, while smaller brands are much more likely to rely on digital channels such as social, search, and PMax.

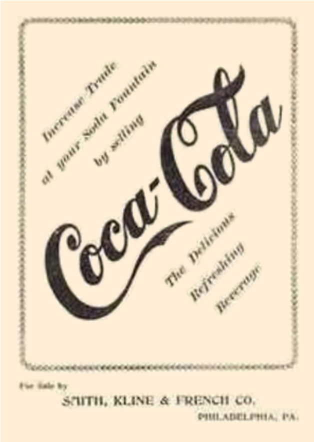


Spend share by annual advertising budget

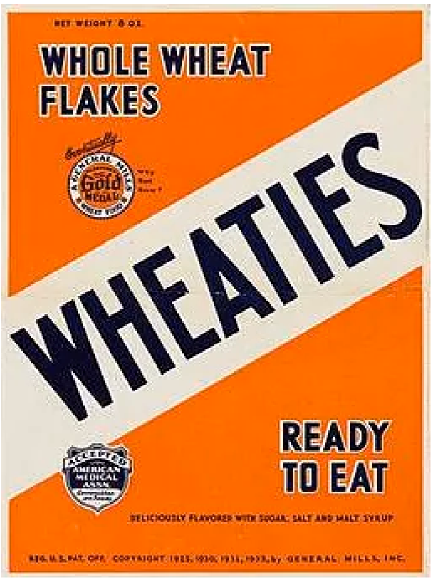
Why classic marketing techniques still matter

In the pre-digital era, which ended with a 1994 AT&T banner ad on HotWired, all marketing was brand marketing. Advertising campaigns ran in newspapers, magazines, and catalogs, in signage around major live events, including sports and entertainment, and on radio and TV.

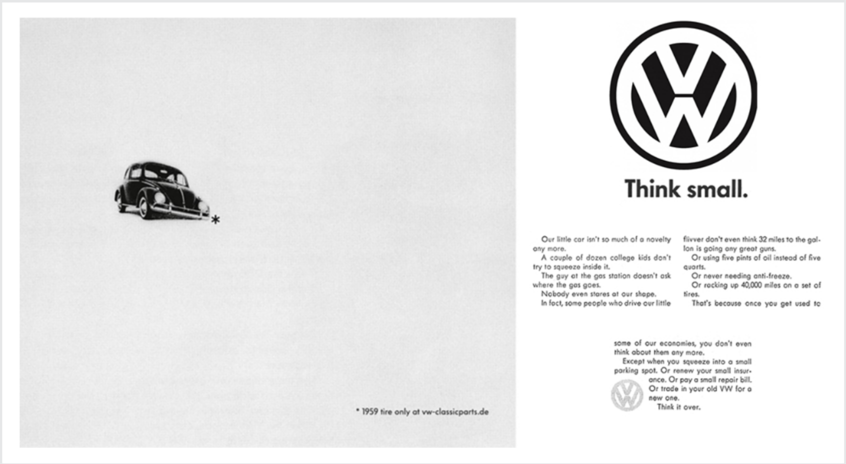
SOME CLASSICS



1892 Coca-Cola newspaper ad (from AdBranch)



1930s Wheaties radio spots



1960s TV "Think Small" VW campaign

"Pardon me - do you have any Grey Poupon?"

Of course, you don't have to go back that far. The 1980s alone had their share of iconic campaigns. Think Joe Camel, the "Where's the Beef?" lady, and the Grey Poupon guy (who, Malcolm Gladwell famously explained, upended the entire mustard industry).

If you're old enough to have seen those when they came out, you still remember the ads – and the brands they represented. They weren't attributable (attribution being the holy grail of performance marketing), but they were effective.

The art of these ads – storytelling, stickiness, affinity – came, in those days, without a huge helping of real-time analytics attached (although Nielsen might argue that). But Fortune 100 and 500 brands, with access to as much data and business intelligence as anyone, have always been the heaviest investors in brand campaigns – which should tell you plenty.

We know that messaging and frequency, delivered to a relevant audience, works. We've always known that. The difference between yesterday's marketing and today's marketing (other than the proliferation and shrinking of mediums) is that today, we have the technology to measure with much more precision how brand campaigns are impacting business. The problem: while the technology is available, most marketers are stuck on the wrong technology, which keeps feeding the overindexing of performance marketing.

The scope of the performance branding opportunity

Performance branding isn't merely effective at reaching audiences beyond the 3% at the bottom of the funnel; it's a key driver of customer loyalty and retention, which is in shorter supply than ever these days. Per Forbes:

- 57% of Gen Z Americans are less loyal to brands now than they were before COVID;
- More than 1 in 3 U.S. customers aren't loyal to brands;
- 77% of Gen Z adults are willing to try new brands.

Building a great brand (more on that in a bit) doesn't have to mean going away from the controllable levers of the big digital platforms, either. Yes, TV, radio, and OOH (out of home) campaigns still work, but brands looking to dip a toe where they can reap more data have plenty of options online. Yet over and over, we see intelligent marketers sticking stubbornly to the bottom of the funnel even in platforms they know and trust – whereas bigger, more successful brands play in the upper-funnel waters.

On average, brands we encounter come to us using a minority of the campaign types, objectives, formats, and targeting options on Meta, Google, YouTube, and CTV.

As you've likely guessed, these campaigns sit largely at the bottom of the funnel, near the purchase event. That means that middle- and upper-funnel campaign types on popular and familiar channels are loaded with cost advantages from lower competition.

Let's look at video alone. Over 90% of users in a recent survey said video boosted both brand awareness and understanding of products and services, and it entices users to spend multiples of time more than they do on other ad types. Yet smart brands are still under-investing in both video creation and in video ad placements. If you think that Reels and Shorts are investments in videos, you're wrong – great videos (on CTV, YouTube, even linear TV) tell great stories, which takes more than an 8-second clip.

Case Study

OhmConnect

Here's a quick study of the impact of putting a few pieces together to run performance branding on digital platforms. We work with **OhmConnect**, founded in 2014, to help members manage their at-home electricity and reward them for smarter energy use. OhmConnect came to us looking to acquire new customers and boost brand awareness **(a perfect set of goals for performance branding campaigns).**

OhmConnect had a history of running direct response ad campaigns on Facebook and Instagram using the conversions objective. Over time, they recognized what every brand in this scenario comes to recognize: these campaigns were providing diminishing returns. We worked with the team to test allocating an incremental budget toward a brand campaign using the reach objective to see if this new strategy could help boost results.

We helped OhmConnect design a two-cell lift test that compared the performance of:

- **Cell 1:** its usual direct response ad campaign using the conversions objective
- **Cell 2:** a brand campaign using the reach objective plus the usual direct response campaign using the conversions objective

All the other campaign elements—such as ad creative, placements and audiences—were the same across cells. We used a combination of video and static creative in the campaign and used Advantage + placement and budget functionality.

As measured by a Meta Performance Branding 3.0 study, OhmConnect's new campaigns produced:

82% higher reach using the conversions and reach objectives together, compared to using the conversions objective alone

51% increase in landing page clicks using the conversions and reach objectives together, compared to using the conversions objective alone

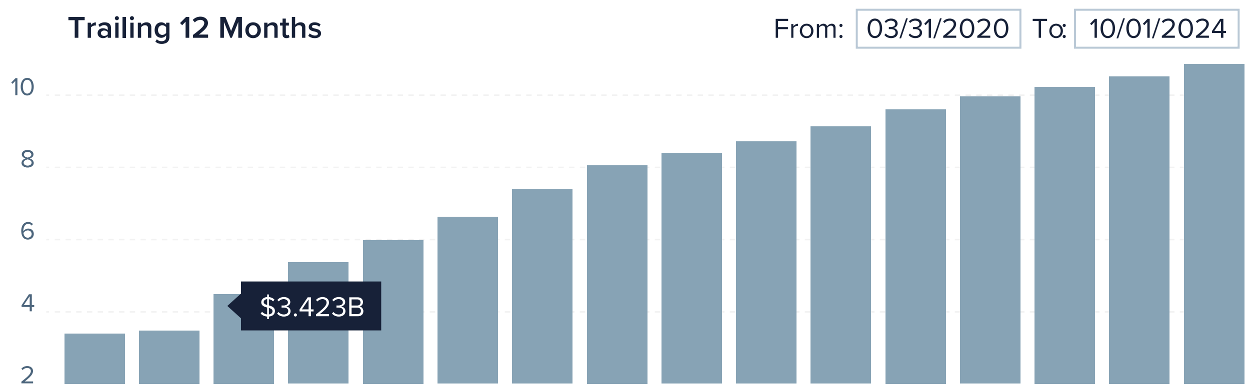
20% lower cost per conversion lift using the conversions and reach objectives together, compared to using the conversions objective alone

Those results were transformative for OhmConnect, both with reaching new audiences and opening the brand team's mind to new campaign types. And that's all due to diversification of campaigns in one digital channel.

The branding renaissance is coming

You may remember a 2023 decision by AirBnB, a digitally native, direct-to-consumer brand, to flip the switch entirely to brand marketing. Even that recently, the decision made headlines.

Fast-forward to Q2 2024, and AirBnb was already seeing the benefits (it's subtle, but over the past few quarters you can see AirBnb's revenue bucking the usual flattening trend from what could have been decreasing marginal returns):



While not every brand has AirBnb's resources, the example is out there – and it has added to the momentum of performance branding.

Today I can say, both anecdotally (from hundreds of conversations the Playbook team has with brands every week) and empirically, marketers are becoming more interested in upper-funnel investments.

We polled roughly 100 marketers attending a Sept. 2024 webinar on collapsing the funnel and moving to performance branding. For the question "how confident are you in your brand investments":

- 23% said they weren't at all confident
- 31% said they're weren't investing in brand
- 46% said they thought it was working but couldn't quantify impact.

Note that all of these brands were attending a webinar meant to lead them in the direction of performance branding. There is, as we have mentioned, a large gap between knowing performance branding is a good idea and knowing how to get traction without risking current results.

Let's pivot to talk about the latter.

A crawl/walk/run approach to get performance branding traction

Let's start this section with a reminder of what great performance branding can do:

- Acquire customers at a fraction of performance marketing costs
- Scale beyond overpriced bottom-funnel tactics and channel
- Create sustainable competitive advantages
- Expand brand equity, profitability, and valuation

What does that come down to, tactically? This list will look very familiar to performance marketers:

- Reach the right audience
- With the right message
- At the right frequency
- Across optimal channels
- At the lowest possible cost

In our experience, very few brands come to us ready to tackle all of those tactics. It starts with the crawl stage, which encompasses reaching the right audience with the right message.

Prerequisites to explore performance branding

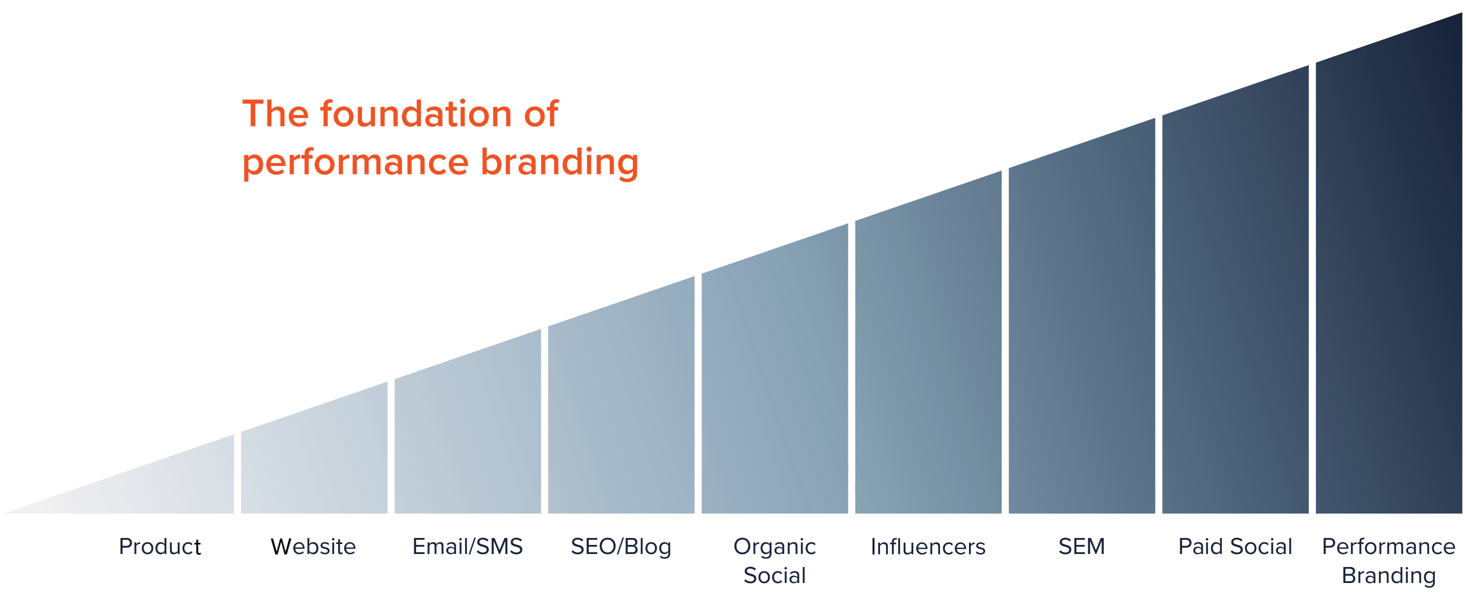
Reaching the right audience depends on understanding who that audience is, which many brands with substantial revenue numbers don't totally grasp. A few questions can help discern your brand's depth of understanding about your highest-value customers:

- What's your average CLTV (customer lifetime value)?
- What are the characteristics of your highest-CLTV customers?
- What makes those customers want to buy your product or service?

Accurate answers to those questions rely on a good CRM setup and accurate tracking across your ad campaigns, including post-purchase or post-lead activity. Without those answers, you're throwing darts at your creative, your branding, and your optimal engagement and acquisition costs.

Reaching that audience with the right message is equally as fundamental to your marketing campaigns, even if you're still squarely focused on the performance part of the equation. The message boils down to your understanding of your brand's positioning – how exactly it makes life better or easier for your best customers. If you can't define your best customers or the specific appeal your brand should convey to them, you have fundamental work to do before spending money on advertising campaigns. Not every brand needs every single piece, but you should have most of them – and strong distribution across organic channels, email, and SMS.

That's just the start of the foundation for great marketing. We lay out the steps like so:



Note that your website and other organic properties, depending on your growth goals (e.g. slow, sustainable growth benefits from SEO and blog content, while fast growth needs should prioritize email and SMS), should be optimized before you invest in paid advertising.

Lock in your bottom-of-funnel performance

Once you're ready to tackle performance marketing campaigns (an important step on the way to performance branding), it's time to establish product-channel fit and build a rigorous creative process that includes strategic testing.

As for the channels, B2C, consumer-focused lead gen, and eCommerce brands will likely start on Google, Meta, Amazon, and perhaps TikTok, given that those channels have the best combination of scale and purchase intent. B2B brands will focus on Google, LinkedIn, and possibly Reddit, which has been quickly adding targeting and placement functionality over the past couple of years.

Whatever your vertical, dialing in the performance part of performance branding likely means maximizing your lower-funnel/direct-response campaigns across your major channels.

For Google, this means applying a campaign structure that helps you cleanly segment and target your audiences, and porting back-end CRM data into the bidding algorithm to teach it more about the right users to target for your campaign goals.

For Meta, this means digesting and incorporating signal data to feed back into the bidding and targeting algorithm; this data comes from a number of sources including your CRM, your existing advertising campaigns across channels, your Shopify and ESP (email service provider) platforms, and any third-party data integrations.

Combining that signal data with solid campaign objectives (at the “walk” stage, those objectives are often mid- or bottom-funnel) and a frequently refreshed supply of creative will get you to a better-than-average performance marketing position if the rest of your fundamentals are in order.

Creative is, of course, a huge piece of this puzzle. A recent Nielsen report featured in MediaPost showed that performance campaigns that feature 5-7 creative assets with a refresh frequency of at least once a week achieve a 1.5x increase in ROAS.

Those pieces are all essential for establishing performance, which is a big piece of performance branding. You might be reaching the right audience (or at least a small subset of it) with the right message, but to run great performance branding campaigns, you must also determine the right frequency, the best holistic channel mix (including the mix of campaigns within your current channels – remember that we’ve helped clients transform their results simply by diversifying one channel’s campaign types), and the lowest possible costs you can incur to engage and convert a broader range of users.

Ultimately, even the tightest performance marketing campaigns will realize they’re encountering diminishing returns and a struggle to lower CACs to the point of achieving scale.

When you hit that point, you’re ready to...

Spread your growth wings with performance branding

Serious runners know the importance of fueling up before a big race. The corollary for brands entering the run stage of performance branding is that it takes budget (fuel) to explore a new way of advertising. That's where we'll start.

The good news for just about every marketer who has over-indexed on performance campaigns is that there is plenty of budget they're currently spending that can be more efficiently allocated elsewhere – in other words, performance branding doesn't necessarily require more money, just a more intelligent approach to spending it – which requires buy-in from marketing and company leaders.

We use a number of testing models to identify spend that we can reallocate in upper-funnel campaigns.

Incrementality testing

An incrementality test is a method used to measure the causal impact of a specific intervention, campaign, or change in strategy on an outcome. The main goal is to determine whether the observed results (like increased sales or engagement) can be directly attributed to the intervention rather than other factors.

Key Elements of Incrementality Testing:

1. **Control Group:** A group that does not receive the intervention, used as a baseline for comparison. Could be on geo or other holdout variables.
2. **Test Group:** A group that receives the intervention or treatment.
3. **Randomization:** Participants or subjects are randomly assigned to either the test or control group to reduce bias.
4. **Measurement:** The outcomes of both groups are measured over a specific period to assess differences.
5. **Analysis:** Statistical methods are applied to analyze the data, helping to isolate the effect of the intervention from other variables.

By understanding the true impact of interventions, businesses can make more informed decisions about resource allocation and strategy development. We use several approaches, including geo lift testing and conversion lift testing.

Media Mix Modeling (MMM)

- **Scope:** Focuses on the overall impact of various marketing channels on business outcomes (like sales) over a longer time frame.
- **Data Sources:** Utilizes aggregate data, often from external sources (e.g., sales data, economic indicators, historical marketing spend).
- **Modeling Approach:** Typically employs statistical methods (like regression analysis) to estimate how different media investments contribute to sales or other metrics.
- **Use Cases:** Helps in long-term planning and budgeting, understanding how different channels work together, and making strategic decisions about media allocation.

Multi-Touch Attribution (MTA)

- **Scope:** Focuses on the consumer journey, analyzing how multiple touchpoints contribute to a conversion in a shorter time frame.
- **Data Sources:** Relies on user-level data from digital channels (like website interactions, email clicks, and social media engagement).
- **Modeling Approach:** Uses algorithms to assign credit to different touchpoints based on their contribution to a conversion (e.g., last-click, first-click, linear, or algorithmic models).
- **Use Cases:** Helps in optimizing individual campaigns, understanding customer behavior, and refining targeting strategies.

Note that you can use a native tool (Meta's Robyn) for MMM initiatives, but we prefer the third-party objectivity of partners like Rockerbox for MMM and MTA analyses.

Any one of these tests will show you where you can cut budget and see little to no impact on your revenue – which means you'll have money to reinvest in upper-funnel campaigns. From there, you'll need to a) identify which channels to test; b) build a big store of high-quality creative to use in those campaigns.

Identify new channels to test

As mentioned, you can dip a toe in new channels to test simply by diversifying campaigns within your existing channels to establish proof of concept (Meta is especially helpful for this, since their Brand Lift studies can give you hard data on the impact of your brand campaigns on reach and CPA). That said, we're bullish on expanding into upper-funnel channels that reach your desired audience – specifically, YouTube, TikTok and CTV (and sometimes even programmatic display!).

Conduct a brand lift study

A brand lift test measures the impact of an advertising campaign on consumer perceptions, awareness, and overall brand sentiment. It typically involves comparing a group exposed to the ad with a control group that hasn't seen it. Note that you can run these in net-new channels or expand into branding campaigns in your current channels. Here's how it generally works:

1. **Define Objectives:** Determine what you want to measure—brand awareness, ad recall, purchase intent, etc.
2. **Select Audience:** Identify the target audience for the campaign and ensure a representative sample for both the exposed and control groups.
3. **Run the Campaign:** Launch the advertising campaign, ensuring that only the exposed group sees the ads.
4. **Survey Design:** Create surveys to assess brand perceptions. Questions can focus on awareness, favorability, and likelihood to purchase.
5. **Data Collection:** After the campaign has run for a set period, collect survey responses from both groups.
6. **Analyze Results:** Compare the responses from the exposed group to the control group to measure any significant differences in metrics.
7. **Interpret Findings:** Assess the lift in brand metrics and use these insights to refine future marketing strategies.

This isn't a comprehensive list of tests; some platforms (remember the OhmConnect example combining brand and conversion lift) have different combinations you can test, and for bigger budgets, Nielsen is the gold standard of running pure brand lift tests in specific geographies. The right partner will help you structure and execute tests with varying levels of complexity that will return invaluable learnings about your investments.

Double down on creative

The tests described above will provide direction (and budget) for your branding campaigns, but the rubber truly meets the road with great creative. From logos to videos to Super Bowl commercials to billboards to powerful influencer campaigns, creative is what will actually leave an impression on your audience – and it's almost impossible to build too big a supply to use.

Let's go back to the Nielsen study that shows that performance campaigns benefit from utilizing 5-7 creative assets with a refresh frequency of at least once a week, leading to a 1.5x increase in ROAS, while brand campaigns that employ more than three creative assets, refreshed twice a week, receive a 2.7x increase in brand association. Importantly, this is true across media – fresh, engaging creative is a huge asset to performance branding and building audience affinity no matter where it appears.

In our experience, SMBs and high-growth brands don't have in-house resources to build the breadth and depth of creative that they need to effectively supply their performance branding campaigns. A slew of AI video production and editing tools (available both in platform and through third parties, like Adobe Premier and Capcut to help with editing and transcriptions) may help brands close the quantity gap, but partnering with agencies who can ideate and produce high-quality creative at scale has proven to be a great investment.

Playbook's creative team is versed at all kinds of creative production and placements, with a proprietary approach to building, executing, and optimizing testing structures to bring the most impactful ideas and themes to the fore in client accounts.

Influencers

Influencer marketing is a relatively new phrase for a very old marketing initiative – for centuries, businesses have used spokespeople with cultural clout to lend credibility and appeal to their products. Today's media is far more advanced than a Wheaties box, of course; advertisers can use sophisticated digital levers to target specific audiences, with bidding that respects performance goals.

Influencers are an extremely effective shortcut to finding and engaging new audiences; they're one of the most powerful levers we have in our performance branding arsenal because they combine controllability, social proof, and scale. The ability to find and recruit the right influencers for your brand and products isn't to be underestimated; agencies with built-in networks and a track record of successful influencer campaigns are a great place to start if you're interested in adding influencer marketing to your arsenal. Playbook has local, LA-based access to an enviable portfolio of influencer talent – and the studio facilities to bring influencer creative (and highly engaged new audiences) to life.

Wrapping up

You'll notice we didn't spend a lot of time on campaign optimization; that's because the levers of digital media are always changing. The tenets of performance branding, however – advanced measurement, great creative, and the hidden power of increasing your reach and customer affinity – are here to stay. Whether you choose to embrace them will be the difference in surviving and achieving transformative growth for your brand.

If you're ready to take the first step toward smarter, more sustainable marketing growth through performance branding campaigns, reach out and start a conversation with Playbook Media.

About the Author

Playbook Media CEO Bryan Karas was a founding member of Facebook's Disruptors team, where he learned the breadth of growth challenges faced by early-stage companies. This, combined with his experience growing enterprise brands at QuinStreet and Marin Software, fueled his mission to create an agency that did things differently and spared no resources to drive growth for intelligent, ambitious brands. Along with founding Playbook in 2017, Bryan founded GrowTal, a marketing talent marketplace, to help brands source exactly the right people to drive their growth forward.

Bryan lives with his family in Carlsbad, CA. Connect with him on LinkedIn and check out bryankaras.com to learn more about his approach to bringing great ideas out of the dark with effective marketing strategies.

PLAYBOOKMEDIA

About Playbook Media

Playbook Media is a growth consultancy that works with brands to empower great ideas by diagnosing and solving their obstacles to transformative growth. From advanced analytics to differentiated creative to industry-best channel execution, Playbook has helped grow a range of clients, including HelloFresh, NCSA, and OhmConnect, across a wide swath of sizes and industries.

rockerbox

About Rockerbox

Rockerbox is a marketing analytics leader that provides a unified marketing measurement platform that combines Multi-Touch Attribution (MTA), Marketing Mix Modeling (MMM), and Incrementality. Based in New York City, Rockerbox centralizes advertising data across all media channels to help marketers solve their core challenges—accurately attributing conversions, optimizing media investments, and driving growth.

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