

Performance Based Marketing is showing business a real bang for their buck

By Yaron Assabi

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With 2014 well underway, it is an ideal time to look ahead to some of the trends guiding digital marketing in 2014.

According to a report released last year by PwC, the South African Internet advertising market is forecast to generate revenues of R3 - 7 billion in 2017, where mobile is expected to enjoy the fastest growth, with a compound annual growth rate of 37,8%. The question raised next is -will performance based advertising form part of that spend?

Given the current economic state in South Africa, where many businesses have been forced to cut costs, a performance based marketing model, where you only pay for results achieved, will begin to become more appealing for brands that need to provide solid proof that a campaign has achieved its projected ROI.



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Real time measurability

This kind of marketing and advertising consists of various pricing models, such as cost-per-impression, cost-per-click, cost-per-lead and cost-per-download. The key benefits of these models includes real time measurability, which can offer the greatest delivery of all. It's not only about tracking monetary ROI, but also measuring the level of engagement the brand has with the consumer.

Social media plays a key role and should be incorporated into a mobile advertising campaigns. The higher the level of engagement, the stronger return businesses will get on their investments - often measured through advocacy, word of mouth and social sharing.

As an example; last year, Digital Solutions Group (DSG) created a cost per download, augmented reality (AR) application for Manhattan Sweets. The application made use of the first cost per download (CPD) model in South Africa and was a great benchmark of true performance based marketing for the Manhattan brand - where over 4200 downloads were recorded in a period of two and half months.

The AR app was designed to drive customer engagement through a richer, immersive and interactive experience.

The app allows users to scan the Manhattan character on their purchased packet of sweets with their mobile device, and then 'transport' the character and themselves into Manhattan Land and enter a world filled with sweets, games and rewards. In addition, the Facebook page cross promotes the application and drives consumer engagement around the brand.

Performance based marketing

The ability to mix mobile's real-time marketing capabilities with social media push, is ideal and makes digital marketing very powerful. A performance based approach meant the Manhattan campaign's success could be measured in terms of actual user behaviour to download and engage, instead of the mere delivery of the advertising message.

The results speak for themselves and provide a case in point when it comes to performance based marketing that can truly engage with a marketer's target audience through a platform that they are willing to use.

In two and half months there were 4,100 App Downloads and 33,000 Total Online/Mobile Entries.

Years ago, John Wannamaker, founder of Wal-Mart, remarked: *"I know that half of my advertising dollars are wasted, I just don't know which half."*

To ensure that businesses do not fall into this trap, more than ever, they must seek digital agencies and advertising solutions that can use performance based marketing for accurate ROI measurement, which will in the same breathe guarantee an almost risk free investment.

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