

No Silver Bullet: Cross-Media Complementarity

Prior research on advertising media mixes has mostly focused on pairwise cross-media elasticities or budget optimization within single campaigns. However, given the increasingly large number of media channels available to marketers, in practice media mixes tend to employ complex combinations of channels where marketers seek to take advantage of complementarities among many (i.e., more than pairs) channels. This research departs from prior media mix research by exploring complex complementarities between channels via analysis of clusters of channels of all sizes. Clusters have three useful properties: they account for the non-random selection process of channels into campaigns, they capture pairwise and higher-order interactions between channels, and they allow for meaningful interpretation of combinations. This paper empirically describes the most common media channel clusters and estimates their effectiveness on a battery of common brand-related campaign performance metrics using a dataset of 1,105 advertising campaigns from around the world. This analysis shows that there is not a single "best" campaign media mix that generates dominant performance across performance metrics. Media channels themselves are not fungible, requiring more careful construction of goal-specific media plans. This analysis calls into question the division between traditional and digital channels, highlighting their combinatorial advantages, and further describes the contribution of undervalued media channels.