Marketing Science
Case Study

The Challenge

After several years of close partnership, Frito-Lay North America (FLNA) and Facebook embarked on a joint project to evolve how the snack food giant approaches advertising on the Facebook platform. According to FLNA's bi-annual marketing mix modeling (MMM), Facebook had dropped to the bottom of the company's list of digital partners in terms of relative return on investment (ROI). Because MMM helps to inform how FLNA spends its marketing budget, improving performance was imperative to justifying continued investment in Facebook channels. For this reason, Facebook set out to partner with FLNA's internal media team and agency of record, OMD, to deploy a more proactive approach to forecasting performance on the Facebook platform—a significant departure from the previous reactionary mindset that was bound to long MMM lead times for diagnosing media and creative opportunities.

The Opportunity

Confident that the adoption of advertising and creative best practices would dramatically boost FLNA's performance in the platform, Facebook created an advertising scorecard in collaboration with the FLNA media team and OMD. By grading ads based on a number of consistent media and creative metrics, Facebook was able to track improvements prior to FLNA's MMM process, ultimately demonstrating that adherence to best practices result in better ROI. Consequently, FLNA's brand teams, creative, and media agency partners adopted the system, helping Facebook skyrocket from worst to best performing digital media platform as measured from an ROI standpoint via MMM—all in under a year!

The Results

In less than a year, Facebook became FLNA's top performing digital partner, delivering the highest ROI of any tactic measured in MMM over this time period

Drove 42% improvement in media efficiency

Boosted creative effectiveness by 17%

How They Did It

Switching from a reactive to proactive approach

Rather than waiting six months to diagnose ad performance, Facebook, the FLNA media team, and OMD created quarterly advertising scorecards to foster proactive discussions ahead of the company's biannual MMM delivery. This approach provides early guidance on expected ROI, as well as allows for adjustments to be made to campaign execution based on data-driven media and creative best practices. After one year using this approach, FLNA saw a 42% improvement in media efficiency and a 17% improvement in creative effectiveness.

Scoring ad performance & changing behavior across the board

The ad performance scorecards developed jointly by Facebook, the FLNA media team, and OMD feature a quantifiable point system. All campaigns and associated ads are ranked against several foundational media and creative metrics that are proven to maximize efficiency and effectiveness. Metrics include reach and frequency sufficiency, cost efficiency drivers (buying type and objective, automatic placements, and cost per thousand impressions) and mobile-first creative executions (early branding, framing, and designing for "sound off"). Based on improved scores across these metrics, Facebook was able to accurately anticipate an improvement in ROI—and drive adoption of the scorecard system across all of FLNA's creative and media partners.

"Facebook is an invaluable partner and can always be relied upon to deliver creative solutions to help us navigate complex business challenges. The innovation of the ad performance scorecard is the perfect example of this thought leadership; it's an agile, lightweight process that has elevated performance without hindering brand creativity."

James Clarke, Sr. Director of Media, Analytics, and CRM at Frito-Lay North America

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