ADMA

Association for data-driven marketing & advertising

THE EVOLUTION OF MEASURABILITY

Produced by CMO Australia for ADMA

"THE NUMBER OF TOUCHPOINTS REQUIRED FOR AN AVERAGE CONSUMER IN TODAY'S MARKET TO CONVERT FOR A BRAND HAS FORCED THE ISSUE OF MEASURABILITY."

OVERVIEW

In the confusion and complexity of today's rapidly evolving digital and data-driven landscape, advertisers are demanding more trust and transparency. But viewability alone is not the lightning rod for quantifying accountability, nor is it the key to understanding the effectiveness of advertising.

For brands, marketers and advertisers that are getting ROI right, things aren't as cut and dried as they might appear. As we move into a new era of metrics fuelled by adtech and martech innovation, a fresh ecosystem of measurability is evolving where a number of different variables must come into play.

"The number of touchpoints required for an average consumer in today's market to convert for a brand has forced the issue of measurability," SourceKnowledge CRO and co-founder, Hector Pantazopoulos, says. "Advertisers need to continually engage users to lead them into the sales funnel."

That, in turn, requires marketers to rethink the way they measure success. This whitepaper takes a look at how viewability, content ROI and earned media no longer work in isolation, but are tied into the boarder evolution of engagement. This, in turn, can help brands to prove marketing ROI and business return.

3 FACTORS TRIGGERING THE EVOLUTION OF MEASURABILITY

1 **TRAFFIC SUPPLY HAS QUICKLY BECOME A COMMODITY:** All major sites are using ad servers to help deliver campaigns that have been pooled into the major SSPs. This makes the ability to buy large amounts of traffic off major sources much simpler and more automated, including basic A/B testing of creative.

2 **TECHNOLOGY HAS DEVELOPED THAT ALLOWS THIS TRAFFIC TO BE PURCHASED ON A REAL-TIME BIDDING (RTB) BASIS:** These programmatic buys can also have a data layer applied, making consumer engagement and marketing programs far more efficient. This level of data-based buying has allowed for brands to interact with their consumers on a one-to-one (addressable) basis.

3 **BRANDS HAVE TAKEN CONTROL OF THEIR AD SPEND:** The rise of in-house trading desks and direct bidding are enabling client-side marketers to wrestle control from agencies, who have typically looked at delivering upper funnel activity, rather than the more difficult performance-based metrics brands are interested in. When an advertiser takes control of data and marketing spend, the end result is far more efficient ad buying, which requires a more holistic approach to attribution and measurement. It's the brands forcing the evolution of measurement, and for the better.

– SourceKnowledge CRO and co-founder,
Hector Pantazopoulos

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PART 1: VIEWABILITY

As marketers gain increasing responsibility for engaging, rather than just broadcasting messages to prospective and existing customers, measurability is evolving to a higher level. This requires today’s marketers to move beyond ‘vanity metrics’, such as unique views, impressions and clickthroughs, and towards longer-term engagement metrics that align with business outcomes.

Experts also suggest this is why the raging industry debate around ‘viewability’ as a metric is ultimately, misguided.

There’s no doubt marketers should be questioning ad viewability in the digital sphere. A 2016 report by Integral Ad Science found more than half of Australia’s digital ad inventory remains unviewed based on the definition outlined by the US Media Ratings Council (MRC). This requires at least 50 per cent of the ad pixels to be visible for one continuous second or more.

While the local figures are an improvement on previous years, they remain well behind the rest of the world, including the US (53.6 per cent), UK (57.4 per cent), Germany (61.1 per cent) and France (61.6 per cent). In addition, the IAS report found six out of 10 video ads are also out of view globally.

In response, various solutions are being offered up to market to try and address the issue, from third-party ad verification software platforms to new definitions devised by industry in partnership with media suppliers. All of these are aimed at tackling ad viewability by delivering more transparency (and therefore comfort) to marketers.

But for many in the industry, putting the emphasis on viewability is missing the wider point: That advertising is ultimately about engaging with a real person.

“I’ve been saying for years, viewability as a concept makes sense, since you want people to be able to see your ad,” eZanga’s CEO and co-founder, Rich Kahn, says. “However, is seeing at least 50 per cent of an ad for at least one second really ‘seeing’ an ad?

“You want to make sure the people seeing your ad are real people. Vanity metrics are simply companies coining new terms for metrics and then selling people on why they need their metrics. What advertisers truly should care about is if the person looking at their creative or content is real.

“If they are real, then it’s performance and engagement-style metrics that are important to measure.

“When the user is real, it will ultimately drive higher performance, which is all that really matters to an advertiser. Clients who want true performance are starting to realise this and are starting to demand improved ROI when using these solutions.”

CEO of creative management platform Thunder, Victor Wong, describes viewability as the first and rather immature stage of measuring digital advertising’s effectiveness. He also suggests viewability doesn’t address other consumer-oriented effort metrics, such as “load time” and “CPU usage”.

“This is where we can gauge how much of an effect the ad experience is having on the consumer experience,” he claims.

» But getting to the heart of advertising's impact on the customer is about much more than that.

"Measuring has now evolved into a cross-channel exercise. We're also seeing a movement away from impression-based measurement to people-based measurement," Wong says. "Rather than just measuring if an impression has been delivered or optimising creative based on a randomised impression served, marketers are demanding we actually base decisions and optimisation efforts on real people."

For MNI Targeted Media director of digital, Brooke Willcox, digital is the medium where everything is trackable. But she agrees this often sees marketers buried in short-term metrics that do not bring true value to or showcase the success of their digital campaigns. She puts viewability in this camp.

"If you get sucked into digging into 'vanity metrics' you are wasting valuable time when you should be focused on more actionable metrics," she claims. "If a metric isn't actionable – and you can apply insights to improve your marketing efforts and ultimately drive the bottom line – why waste your time?"

The good news is change is occurring, and marketers are demanding metrics that align with true business KPIs, ViralGains' CMO, Julie Ginches, says. In turn, she warns agencies need to pay attention and move beyond "meaningless" numbers, such as views, which promote cheap scale rather than end-user engagement.

ADMA IQ managing director, Richard Harris, is another who believes the focus on viewability is one of the potential causes for poor return on marketing investment. Tackling measurability is a problem ADMA's IQ education curriculum has been set up to solve.

"The days are gone where we can say this was a great brand awareness campaign, because we had 15 million eyeballs on it," Harris says. "We can no longer be absolutely certain 15 million eyeballs actually saw something.

"If you've gone and done your planning and got your messaging and creative right and you're out in market, obviously there are some traditional measurements you still want to be tracking. But to simply start the measurement model with 'what's my viewability' is going to create a lot more work than necessary."

The first step has to be defining what the return on marketing investment should look like, Harris says.

"Because getting that ROI you're looking for will most likely involve far more than viewability, which is what marketers really should be considering," he says.

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"ULTIMATELY, CONTENT MARKETING NEEDS TO BE CONSIDERED IN THE CONTEXT OF CUSTOMER LIFETIME ENGAGEMENT AND THE FULL FUNNEL FROM AWARENESS TO CONSIDERATION, CONVERSION, LOYALTY AND ADVOCACY."

PART 2: CONTENT ROI

As marketers look for more engaging ways to attract and sustain the attention of consumers, content has become a cornerstone to success.

It's not surprising, given more and more of the sales cycle is now owned by marketing. With 75 per cent of the buyer's journey, both in B2B and B2C, now done online, brands are investing heavily into not only producing content, but understanding the effectiveness of content marketing itself.

"In that paradigm, where consumers are coming online to do their investigation, you need to make sure your content is in front of them and give them what they need and when they need it and where they need it," Harris comments.

But knowing how to measure content ROI within this increasingly complex ecosystem of channels and interaction touchpoints has left many scratching their heads.

"Once upon a time, we marketed more one-to-one," Intermarkets' managing operating director, Jake Ambrose, says. "We used email, managed our own lists and sent to those lists via weekly or monthly blasts. The end goal was to generate leads that we could then convert into sales. We would also spend tens of thousands of dollars to exhibit at industry conferences, multiple times a year, which mainly got us lots of business cards and maybe a phone call or two to discuss pricing with potential leads.

"Back then, measuring ROI was somewhat simpler and easily attributed to a specific marketing channel."

Today's marketer is having to measure much more, especially as they strive to track social reach, and how their brand is garnering attention through so many forms of content like radio, blogs, podcasts, video and content marketing efforts, Ambrose says.

In response, Intermarkets is focused on measuring how well it's getting that content in front of the audiences it knows can benefit from its scale and services. "Since reach is broader – across different mediums and with everyone using all of these devices – it can be much more difficult to identify the direct return," he admits.

To cope, Ambrose advocates adopting a test and learn approach to see what moves the needle in the right direction. Putting relevant content in front of buyers and potential buyers also means better leveraging word-of-mouth to generate greater brand recognition, which can be incredibly powerful if done right, he says.

"This general awareness helps our marketing team attract innovative partners that will add value to our ad tech stack and ultimately our customers," he adds.

According to ADMA's recent *Content Marketing ROI* whitepaper, produced by the ADMA Content Collaborative in partnership with Edge and Lonergan Research, content marketing is about balancing two aims: A positive value exchange for the consumer, through either entertaining, informative, emotional or reputational content; and driving a positive return on invest for the client organisation. Yet these two aims often have competing or siloed measurement techniques.

On the consumer side, for example, it's all about engagement, but on the corporate side, it's about return on investment.

The problem with current measurement systems around content is that they're again often driven by superficial and standalone metrics, such as reach, engagement, shareability, cost per click or cost per lead. These don't paint the full picture unless you also understand things like conversion, sentiment and spend.

To cross the chasm and to ensure content is aligned with specific goals, the report advises marketers map out multiple customer journeys, create KPIs for every stage of those journeys, and track each customer touchpoint.

Ultimately, content marketing needs to be considered in the context of customer lifetime engagement and the full funnel from awareness to consideration, conversion, loyalty and advocacy.

"Having more of the buyer's journey owned by marketers has effectively meant we now need to measure marketing effectiveness in terms of revenue," Harris says.

"And because we can track so much of the customer journey online, and measure the effectiveness of campaigns in channels, marketers are held accountable to much more of a revenue number than they were in the past."

PART 3:
EARNED MEDIA AND MULTI-CHANNEL ATTRIBUTION

Understanding the impact of earned media is equally about tying activities into the wider customer engagement context.

According to Digital Next's brand manager, Nathan Elly, brands must ensure their presence and share of voice across earned media can successfully build the consumer's confidence while they are considering their purchasing action.

"Gone are the days where buying was primarily influenced and driven by owned and paid media," he says. "Today, earned media is at the forefront of marketing, and to gain a competitive advantage, marketers must shift their engagement approach into sixth gear to win over customers, influencers and advocates. Any brand that does not include earned media as a part of their strategy is losing competitiveness against brands that do."

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According to ADMA's Harris, one key way to overcome the challenge of measuring the impact of earned media and activity across channels is by removing channel silos within the marketing function itself. He points out many brands still have marketing teams based around brochures or particular earned media campaigns, rather than uniting those point-based interactions through measurement driven by overall revenue contribution.

Harris also says the issues of viewability, brand safety and ad fraud come back to whether marketers are willing to continue to spend money on campaigns that are not really achieving their goals. One way ADMA works to ensure marketers don't miss the market is by harnessing multi-channel attribution models.

"A lot of businesses are still focusing on the last click, because it's easy, it's directly attributable, but it doesn't account for the amount of advertising that goes on," Harris says.

"You could be spending quite a lot on display advertising, and while the clickthrough rate is very low, that doesn't mean to say it's not effective. It could be driving in-store sales, for example. Yet if someone sees a special offer on a new car at work but only searches on Google when they're at home, search gets the last click.

"So multi-channel attribution is really something all organisations should be looking at. Because if you don't know how much each channel is contributing, you can't make the right decisions downstream."

Another concept marketers continue to struggle to get their heads around is 'incremental', Harris says, adding too many organisations still don't do this very well.

"By looking at downstream contribution for each channel, and then looking at how each channel uniquely contributes to your earnings, you have a more effective way of measuring what your marketers should be doing and how they are doing it," he says. "I think deciding on your marketing strategy based on incremental uplift is absolutely a growing trend."

WHAT MULTI-TOUCH ATTRIBUTION IS ALL ABOUT

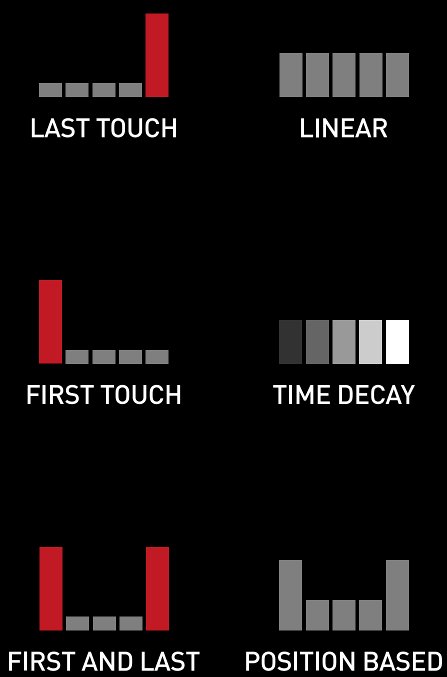
Affinity managing director, LUKE BROWN, gives a top-line view of how to approach multi-touch attribution

Most marketers today are using what's called last touch attribution. But there are a range of other methods on offer:

FIRST TOUCH
The first touch gets all the credit
FIRST AND LAST TOUCH
The first and last touch get all the credit
LINEAR
Every touch gets the same credit
TIME DECAY
The most recent touch gets more credit
POSITION BASED
Which can be ordered in any sequence

Additionally, custom models can be developed.

At Affinity, we typically use the approach outlined here with our clients as we consider not just ads but all communications as part of the process. This means literally every touchpoint with your customers and prospects, including advertising, search, email, social, native content and consumption of specific site content, is factored in the path to purchase.



This is important because there are micro-goals or events needed in order to get a conversion. Unfortunately, people are too often blinded by focusing only on what drives the conversion and don't look at what's important in the total conversion path. Yet there could be a sequence of touches and channels that yield the best conversions that are just not being considered.

Let's use the example of one of our B2B lead generation focused clients. Using a multi-touch attribution model, we found advertising didn't deliver many lead conversions but it did deliver the most whitepaper downloads. In addition, 87 per cent of all the leads undertook this action typically three days prior to becoming a lead.

A final note: You must consider ad viewability in multi-touch attribution. If your model allows for post-view conversions, you need to remove non-viewable ads, otherwise it will cloud effectiveness of the channels that matter. It enables you to discover which channels provide value and which are just cookie stuffing.

MARKETING KPIS THAT CAN REALLY MOVE THE NEEDLE

ENGAGEMENT:

Can be measured in multiple ways, but is a great tool to measure if you have captured the user's attention. If your audience is engaged, there is a higher chance of them becoming a lead. The two common ways of measuring engagement is through rich media interaction (ie: video views) but more commonly through clicks.

Rich media interaction is a conscious decision by the end user to learn more about the advertiser. Great overall creative engagement, with a low amount of clicks, indicates that you need to consider different visuals and/or creative messaging. High amounts of clicks are reflective of the quality of your creative messaging. If you have a large number of clicks but it stops there – no conversions – then the problem lies at offer or website content.

REACH:

This traditional marketing metric has been around the longest, but it's still an important metric to monitor. The easiest way to measure reach is by how many impressions you receive against your marketing dollars. Viewability plays a factor here but without a unified system of record for viewability that captures all executions, such as display, mobile and video, it is not an even playing field. Beyond that, even if an impression is 'in-view' it doesn't mean someone actually looked at it or even noticed it, it just means they had a chance to.

TRACKING NUMBER OF ACQUIRED CUSTOMERS:

The strongest way to measure ROI is through tracking the number of acquired customers. Some marketing strategies should solely focus on awareness by educating and inspiring interest, but there will always come a time where you ultimately need them to convert. If you've truly found the right people and have kept them engaged, they'll be interested in buying your product or service (if they haven't already). Here you want to see what digital marketing strategies drove both the highest and lowest conversions. This shows you where to focus more time and it shows you where your best leads are coming from.

PURCHASE FUNNEL ANALYSIS:

To ensure you are getting the best ROI, you need to measure how many users are moving down the purchase funnel. You may have great site traffic but are these users inquiring about your product or service and really a lead? If you are not generating leads, then you either have the wrong digital strategy in place or your messaging is not engaging to the end user. In addition, you can garner valuable insight by identifying common demographics or digital behaviours of people inquiring about your brand.

– MNI Targeted Media director of digital, Brooke Willcox

CONCLUSION: A NEW ERA OF MEASURABILITY

As we move into a new era of adtech and martech metrics, the new ecosystem of measurability is not just evolving, it's lurching forward.

With an explosion in martech, marketers at all levels of an organisation have access to a wide variety of tools to help assess marketing effectiveness and the individuals levers that led to specific actions, Digital Remedy's executive VP of marketing and client services, Tiffany Coletti Kaiser, says. Harnessing new methods of measurability is particularly important as brand marketers move into the ecosystem and take direct control of their ad spend.

"Clients and senior management have come to expect some form of attribution modelling and this expectation will only continue to grow," she says.

But given the rapid innovation occurring across the technology spectrum, and the continued explosion of channels thanks to connected devices through the Internet of Things, it's also clear that 'measurability' will continue to change, Kaiser says.

"We are even seeing platform metrics changing algorithms to acknowledge what content facilitates as the best engagement," she says. "As clients demand more visibility and understanding of performance shifts, the competitive landscape will continue to innovate as well."

The Association for Data-driven Marketing and Advertising (ADMA) is the principal industry body for data-driven marketing and advertising. ADMA is also the ultimate authority and go-to resource for effective and creative data-driven marketing across all channels and platforms, providing insight, ideas and innovation for today's marketing industry.

ADMA

REGISTERED OFFICE:
ASSOCIATION FOR DATA-DRIVEN
MARKETING AND ADVERTISING

ACN 002 909 800
ABN 34 002 909 800

SA LEVEL 6,
50 CARRINGTON ST
SYDNEY NSW 2000
PA GPO BOX 3895
SYDNEY NSW 2001

T +61 2 9277 5400
F +61 2 9277 5410

E CONTACT@ADMA.COM.AU
W ADMA.COM.AU