
Measuring Return from Interactive Advertising

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MASB Summer Board Meeting and Summit

August, 2012

Chicago

Return from Interactive

- Fundamentals still being defined
- Massive amounts of unused data
- Data quality and interpretation debatable
- Lexicon surrounding both transactions and consumer experiences still evolving

3MS: Who Is Involved?



Facilitators:

BAIN & COMPANY

MEDIALINK LLC

Supporters:



- **50 industry executives** served on steering committee and working teams.
- **Over 150 others** across the ecosystem participated.

3MS: What Is It?

- A cross-ecosystem collaboration that will improve planning, buying and measurement of digital media and facilitate cross-platform comparison across ALL media...digital and legacy.

How Will 3MS Accomplish This?

- By changing digital currency, promoting standardization and transparency in measurement used for transactions, and addressing supply-chain issues that hinder best methods for evaluating how interactive ad units contribute to brand building.

Why Did We Embark Upon the Journey?

- Consumers embrace digital media in droves
- Business and transactions lag behind consumers
- Digital media need a consistent, transparent supply chain
- Digital media need to be part of the cross media marketing ecosystem
- Business leaders and functional experts need forums and mechanisms for change management

3MS: The Objectives

- Create the right digital currency and metrics.
- Drive industry consensus around these solutions.
- Identify ongoing standards-setting body.

Five Pillar Solution Based on Five Principles of Measurement

FACILITATE CROSS-PLATFORM COMPARISON

1

Define impression

- Shift from a “served” to a “**viewable**” impression standard

2

Establish audience currency

- Introduce an online **Gross Ratings Point (GRP)** metric, providing **reach** and **frequency** reporting of viewable impressions

3

Standard classification of ad units

- Implement **classification system** and **taxonomy** for banner, rich media and streaming video ads

4

Brand ad performance metrics

- Define **standard** and **transparent** metrics for **view-through** reporting and cumulative **social activity**

5

Brand attitudinal measures

- Establish **standards** and **vendor accreditation** to improve methodology for online brand **attitudinal** studies

3MS: Deliverables

- As currency, adopt digital impressions that can be SEEN (like legacy media) which are viewable and audience-based (like legacy media.)
- Create a transparent ad unit classification system, because all ad units are not created equal.
- Identify interactivity “metrics that matter” for brand marketers to measure digital media’s contribution to brand building.
- Deliver all of the above so digital media measurement becomes comparable and integrated with legacy media.

Marketer Issues & Opportunities

Opportunities:

- Brings greater credibility and confidence in digital metrics.
- Enhances cost effectiveness (ROI) of media spend.
- Supports and facilitates comparison across platforms, which helps to optimize allocations.
- Encourages and allows the use of better creative and inventory for branding.

Issues:

- Full adoption of viewability.
- Solving for iFrames.
- Clearly communicate goal of viewability.

Agency Issues & Opportunities

- Beyond viewable impressions and cross-platform opportunities, 3MS will yield significant agency cost savings via reducing discrepancies and shortening the bill pay cycle.
- Estimated savings: \$50 to 100 million annually.

Publisher Issues & Opportunities

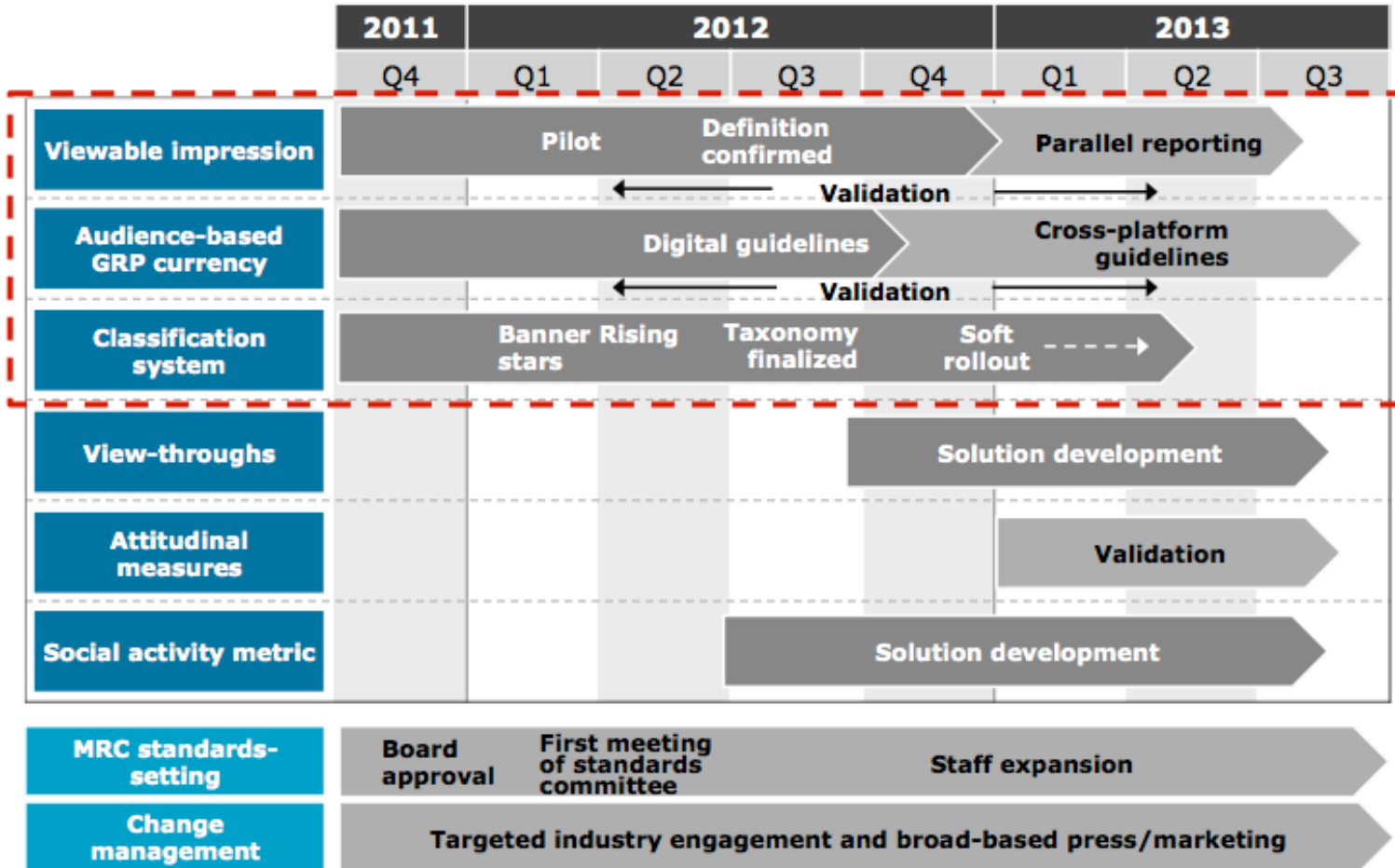
Opportunities:

- Brings greater credibility and confidence in digital metrics.
- Enhances digital media's ability to be part of cross-media brand allocations, not apart from.
- Ensures that brand impact measurement does not understate effects.
- Paves the way for standardizing measurement of the impact of interactivity on brand building.
- Simplifies brand transactions.
- Allows for optimizing and segmenting inventory, enhancing price/value elasticity.

Issues:

- Solving for iFrames
 - Adjusting inventory and revenue forecasts.
 - Implementing necessary changes to site design.
 - Absorbing costs of the first round of change
-

3MS Timeline



3MS: The Future

- MRC is ideally positioned to serve as cross-ecosystem standards-setting body.
 - MRC exists to promote quality measurement.
 - MRC's members represent a wide range of players from across the ecosystem.
 - MRC is extremely well-versed in measurement standards setting, and has structural components in place to facilitate this process.
 - MRC is aligned with concepts promoted by the 3MS initiative.

Return from Interactive

- Many models exist
- Industry yet to vet them
- Models focus on advertising and marketing ROI to evaluate how well discrete *campaigns* work
- Numerous efforts to test models incorporating more granular data (digital)
- Digital media are still changing
- Consumers are rapidly adopting new devices, platforms, habits

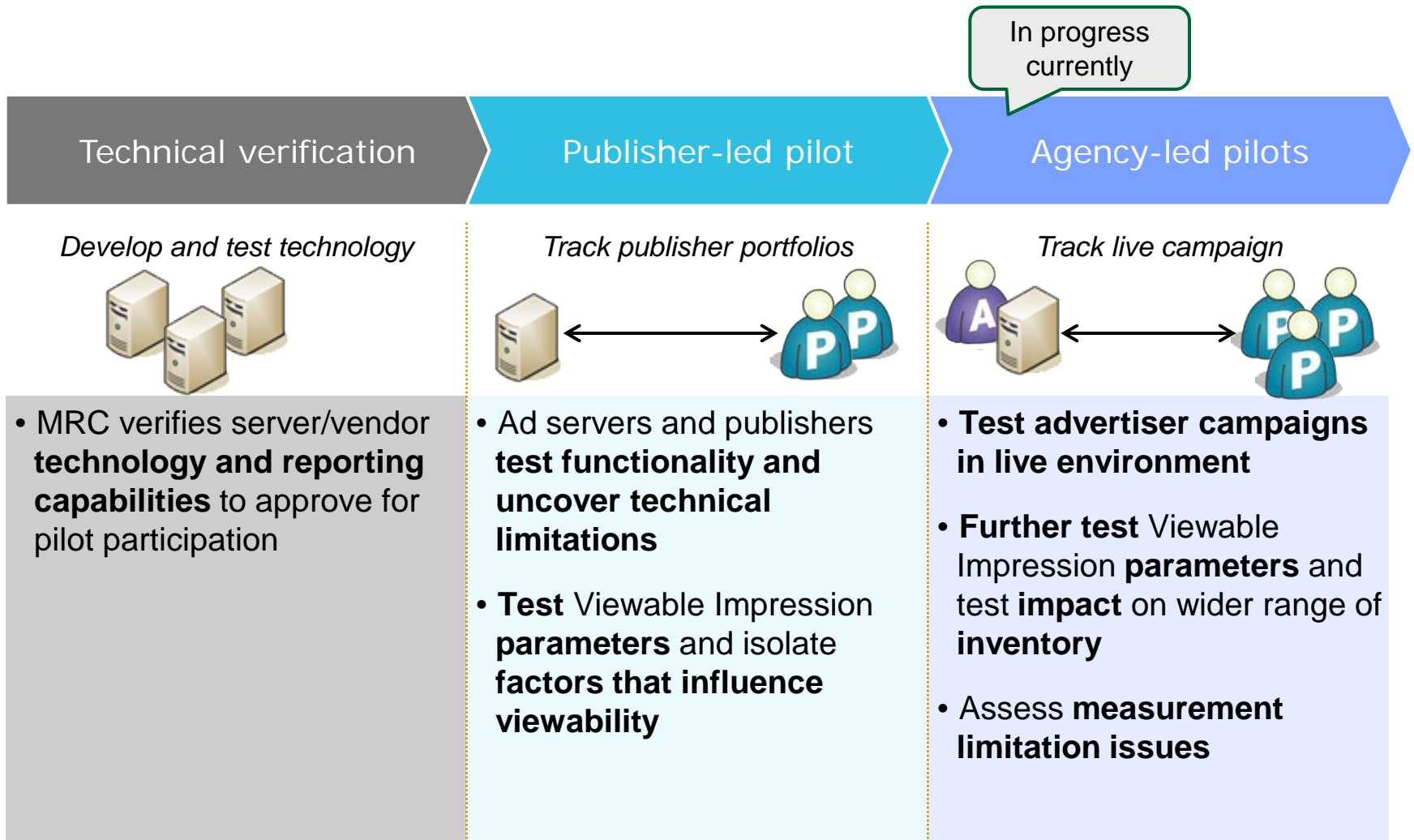


Thank You



APPENDIX
MORE ON 3MS

3MS Viewable Impression pilot efforts are shaping future standards to be issued by the MRC

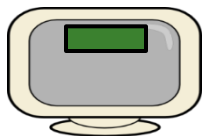


Classification aims to reduce complexity and facilitate comparison of ad inventory

PRELIMINARY – TO BE TESTED AND PILOTED

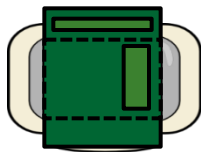
Display classification criteria

Ad size



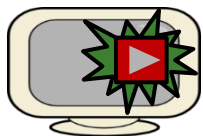
- Small
- Medium
- Large

Ad location



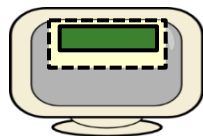
- Below content
- Above content
- To side of content
- In content
- On top of content

Format capability



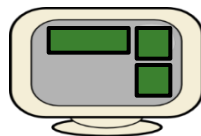
- Image
- Rich Media
- Rich media with video

Movement on page



- Static
- Expandable
- Floating

of messages



- One or more other messages
- No other messages

Video classification criteria

User choice

- Video plays automatically
- Click to start, not mandatory
- Click to start, mandatory
- Click to start, user chooses ad

Ad length



- < or = 15 seconds
- 16-30 seconds
- 30+ seconds

Ad location in content



- Post-roll
- Pre-roll
- Mid-roll

Player size



- Small
- Medium
- Large

Interactivity



- Not capable of interactivity
- Capable of interactivity (e.g. "Like" on Facebook)

Ad Classification and Taxonomy Implementation



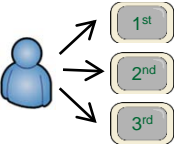


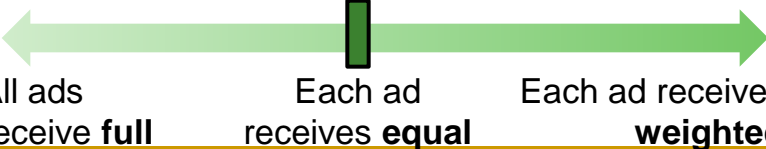
- Finalize **technical specifications**
- Create **consistent ad tag** to carry information
- Issue new **standard insertion order (I/O)**
- Develop **self-certification** program for publishers

3MS prioritized **view-through** as the first standard brand ad performance metric

PRELIMINARY – TO BE TESTED AND PILOTED

Goals of 3MS for Brand ad performance metrics

- 1) Standardize key parameters of this metric (see below)
- 2) Make this metric more transparent and credible by introducing accreditation for the reporting of this metric

Parameter to be defined	Range of options and suggested solutions	Rationale
<p>1) Number of days after ad view that visit to brand site is counted</p> 	<p>3 days and 7 days</p>  <p>1 day 90 days</p>	<ul style="list-style-type: none"> Data indicates that majority of view-throughs occur within 7 days 3 days is analogous to TV's C3 rating system
<p>2) Number of ad views attributed for a view-through</p> 	 <p>Last ad viewed All ads</p>	<ul style="list-style-type: none"> All ads contribute to brand building and a user's decision to eventually go to brand or other target site
<p>3) Percent of view-through attributed to different ad views</p> 	 <p>All ads receive full attribution Each ad receives equal fractional attribution Each ad receives weighted fractional attribution</p>	<ul style="list-style-type: none"> Attribution standards to be further tested

Standardized **social metrics** will be critical and remain under development

Goals of social metric standards

- Establish standards that provide a view of total **relevant/ valuable social activity to assess campaign effectiveness**
- Encourage **accreditation of vendors** providing standard social activity metrics
- Promote **innovation, competition, and improvement** by encouraging vendors to develop and offer metrics above and beyond that defined in standard metrics

Preliminary metric solutions

3MS led process to **prioritize social metrics** based on:

- 1) **Value** and usefulness of metric to advertisers
- 2) **Availability** of credible data



Priority social metrics for standards-setting

- **Volume of high-value social activity/posts** (e.g., reviews, sharings, recommendations, etc)
- **Volume of exposures** to high-value social activity
- **Analysis of positive/negative social media sentiment**

Accreditation and improved methodologies will boost confidence in attitudinal studies

Accredited **attitudinal metrics** vendors will need to **address key requirements**

- Improve **response rates**
- Shift to more accurate and relevant **control groups**
- Reduce use of **statistical weighting** adjustments
- Enhance ability to **compare metrics** with other media
- Pursue **accreditation of vendors and sources of data** via independent industry body

Options for improvements should follow in accordance with **IAB Best Practices**

- a** Improve existing methodology
 - **Improved** user-intercept analysis conducted by 3rd party vendors
- b** Adopt new survey formats
 - **Variations** of current user-intercept analysis
- c** Incorporate demographic and cookie data
 - Surveys delivered to people who have seen an ad (identified via cookies)
- d** Switch to panel based surveys
 - **Surveys delivered to panel members**, with direct tracking of users



Thank You
