



Ad Effectiveness Glossary of Terms

IAB Ad Effectiveness Council
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Introduction

Welcome to the inaugural edition of “The Glossary”, collated by IAB Australia’s Ad Effectiveness Council.

Let me begin by saying how proud I am to be part of this group hailing from such diverse backgrounds, and disciplines, all very much an integral part of the digital advertising Industry.

With digital advertising investment increasing and the number of market leading products growing by the day, it’s important we come to an agreed collective view on the methods and metrics used to evaluate successful digital activity.

This will not only make practitioners accountable for the way they execute digital campaigns, but will also allow us to determine the true effectiveness of digital when compared to other channels.

Common language and terminology is critical.

“The Glossary” stands to be a tool that ensures we all have a common understanding, and alignment, when it comes to digital terminology with a particular focus on reporting and metrics.

This Council will continue to produce work that provides a guide to best practice, and continue to challenge the status quo when it comes to measurement and digital effectiveness. In the future it is hoped that this glossary will serve as a continued reference point, to clarify the conversation and allow us all to make sure we are on the same page.

#HappyReading

Marcus Betschel

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Co-chair, IAB Australia Ad Effectiveness Council**

IAB Australia established the Ad Effectiveness Council in April 2017 to help review and evolve methods to assess the impact of digital advertising. With media environments, ad formats and buying methods continuing to increase, along with new layers of ad tech sometimes the quantity of data and metrics, can make it hard for media buyers to understand the fundamental question of “did it work?”.

This glossary is the Council’s first project and has been put together by people representing 13 different organisations. It is certainly not an exhaustive list and if you feel like something vital has been left off please let us know – the document will be updated regularly. Also it is important to note that the terms listed in this publication include terms that are regularly referenced in the industry – it is not an endorsement on any of these methods or metrics. That step comes next – look out for a best practice guide being put together that will guide the market on what methods should be used and what considerations should be taken when trying to assess the ROI of different types of activity.

Gai Le Roy

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This document has been originally developed by the Interactive Advertising Bureau Australia Ad Effectiveness Council in June 2017.

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Methods & Models

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Algorithmic attribution

Credit is assigned to multiple events along a path to conversion given computer based, algorithmic analysis of the relationship of events relative to all other events along the path to conversion. Generally speaking, the value calculation of any event can take into account the value of any other event, even if that other event did not lead to the desired outcome. Fractional algorithmic credit is usually determined based on linear regression or game theory concept.

Control experiments / Lift test or treatment

An experiment design intended to assess the incremental impact, typically a sales lift, of a campaign. This is typically achieved through creation of an exposed group, who see the advertising, and a similar control group, who do not see the advertising. The impact of the advertising is assessed by comparing the group who saw the ad, to those who did not see the ad. This may be sales, but could also be a brand survey, website visits, or any other measure.

Deterministic approach / Matching

Deterministic matching relies on personally identifiable information (PII) to create a device graph for an individual (eg. Email address, phone number, credit card information). When a person uses multiple devices to log into apps or websites, deterministic data providers can associate those device ID's into a single user device graph and use that information to identify or target that user across multiple screens. Deterministic matching is recognised as the best approach for device graph and user profile creation.

Econometrics modelling

Statistics-based methodology to identify the impact of different marketing and media activities on consumer behaviour. The aim is to create a mathematical 'model' which, in the case of marketing, is able to attribute the contribution of each activity to sales or any other tracked outcome.

Even weighting attribution / Linear

Credit is applied equally across all events and/or channels measured along a path to conversion. Example: Given ten measurable events along a path to conversion, each is assigned 10% credit.

First touch attribution

The event receives 100% of the credit if it was the first event recorded. No other events are assigned credit.

Ghost ads

An experiment methodology developed for real-time bidding (RTB). This works in the same way as a lift test, but rather than not showing an ad, a "ghost impression" is delivered. This controls for the bias that can be introduced with optimisation algorithms built into RTB platforms.

Last click attribution

The click event receives 100% of the credit if it was the last event recorded. No other events are assigned credit.

Last touch attribution

The event receives 100% of the credit if it was the last event recorded. No other events are assigned credit.

Last to cart attribution

The the touch point just prior adding products in the cart is rewarded 100% of the credit if it was the last event recorded. No other events are assigned credit.

Marketing Mix Modelling (MMM)

An econometric model that uses historical marketing and sales data in statistical models to measure the impact of marketing on sales. MMM is causal modelling in which attempt to explain or predict market share or sales volume from marketing inputs, while controlling for other sales drivers such as seasonality and the competitive environment.

Multi touch attribution (MTA)

Multiple source attribution is the process of collecting and analysing more than one advertising event contributing to an outcome. This type of measurement is based on the belief that all advertising events that occur within a campaign—across channels, platforms, and formats can have an impact on consumer behaviour when contributing to a desired outcome.

Natural exposure

Measuring ad effectiveness amongst respondents who have been exposed to advertising in a natural rather than artificial setting.

Position based models

Credit across all channels leading to conversion, but percentage is determined by the order of visit. By default, the Position Based model attributes 40% of the credit to the first and the last interaction and the remaining 20% is distributed evenly to all the interactions in the middle.



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Methods & Models

Probabilistic approach / Matching

Probabilistic matching uses aggregation techniques to identify statistically significant correlations between many different anonymous data points eg. Device type, operating system, location data, IP address. Through this process a device graph and/or user profile is created for an individual user across multiple screens.

Rules based attribution

Credit is assigned to multiple events along a path to conversion based on a predetermined set of rules. Examples of rule sets include even weighting, time decay, and u-shaped.

Single event attribution

Single source attribution assigns all credit for a desired outcome to a single event. The most basic but most widely used type of attribution is “last touch” attribution, which gives 100% credit to the last meaningful event before a desired outcome takes place, generally the last ad impression (sometimes called ad view), last click, or last engagement.

Split funnel attribution

Divides the marketing funnel into two parts determined by a consumer’s first website visit. The upper funnel consists of every brand engagement that occurs prior to a consumer’s first site visit. The lower funnel consists of every engagement that occurs after a consumer’s first site visit and ultimately ends in a conversion.

Time decay attribution

Credit is applied to events at increasing or decreasing intervals along a path to conversion. Event values are usually altered based on specific time windows when the events occur. Example: 40% of credit could be given to events within 24 hours of conversion, 30% to events within 1-3 days, 20% to events within 3-7 days, and 10% to events within 7-14 days.

U-shaped / Position-based attribution

Credit is disproportionately applied to events at the beginning and end of a path to conversion. Example: 40% of credit could be given to events occurring in the last day before a desired outcome, 20% to events occurring between days 1-13, and the remaining 40% to events occurring on the first day.



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Measures

Ad awareness / Recall

A measure of advertising effectiveness in which a sample of respondents is exposed to an ad and then at a later point in time is asked if they remember the ad. Ad recall can be on an aided or unaided basis. Aided ad recall is when the respondent is told the name of the brand or category being advertised.

Brand awareness

Brand awareness is the likelihood that consumers recognise the existence and availability of a company's product or service. Creating brand awareness is one of the key steps in promoting a product.

Brand consideration

Percentage of consumers who would consider a brand for a given purchase occasion.

Brand favourability

A measure of relationship change. Do people feel more positive toward a brand after they experience the advertising?

Brand lift

Measuring how effective their communications activities are in changing consumer perceptions on one or more of the primary purchase funnel stages.

Brand metrics

Measurable KPIs associated with branding objectives, such as brand lift, affinity, or favourability.

Decay

The concept that all brand measures decline over time without support from communications.

Engagement

A general term used to classify interaction a consumer has with brand content, whether it be in an ad, on a brand's site, or via a brand's social media profile page.

Frequency threshold

The maximum amount of exposures before diminishing returns kicks in.

Likeability

Measure of how likeable consumers find a company or brand.

Long term sales

Measuring impact on long term revenue. The period of time for this measure differs by type of product and its sales cycle.

Media synergy

The measured effect of multiple channels working together during a campaign, also known as the media multiplier effect i.e.. being exposed to 2+ channels provides incremental impact above what would have been gained from either one individually (1+1=3).

Persuasion

Measured as the ability of an ad (or medium) to change brand preference.

Purchase intent

The likelihood that a consumer will buy a particular product .

Reach

Audience reach is a synonym for cumulative audience and refers to the number or proportion of different people reached at least once by a specified number of advertisements.

Recommendation

How likely consumers are to recommend a brand to others.

Short term sales

Measuring impact on short term revenue. The period of time for this measure differs by type of product and its sales cycle.

Wastage

The number of media exposures delivered above the frequency threshold. Also includes the amount of times that an ad is delivered to an audience who is not relevant for a particular offer. (E.g. People who do not and will not have access to a service that are seeing adverts for that particular service, or lower socio-economic groups with little disposable income who are seeing adverts for luxury items.)

Inputs

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1st party data

A “first party” is an entity that collects information from or about users and is the owner or controller of the website or service with which the user interacts directly.

2nd party data

A first party that sells or shares data to a non-affiliated website or service. Most rules around data ownership, use and control are governed only in relation to first and third-party definitions, the reason to distinguish a second party from either a first or third party has fallen out of favour, since in relation to data collection it is treated as a first-party and in relation to data sharing it is treated as a third-party.

3rd party data

Is an entity that collects information from or about users from a non-affiliate’s website or service. Third-parties, such as data aggregators and ad networks, often create data products that span collection from websites and stores not owned or controlled by a single entity.

Advertising ID

A user resettable ID assigned by the device or operating environment for use as an advertising marker. The key difference between a Device ID and an Advertising ID is that Advertising IDs can be reset by the user at any time. Examples include Apple’s IDFA and Android’s AAID.

Cookie

A cookie is a small text file and associated alphanumeric identifier generated by a website or a website partner (advertisers, data management platforms, etc.). Cookies are stored on a visitor’s browser upon arrival at a particular destination, and Cookie IDs are passed along within ad requests. They are most frequently used to determine desktop or laptop associations. Cookies can generally be read only by the assigning service.

Device ID

A device-generated identifier set and/or made available by the device’s operating system. Users usually cannot control or change a device-generated identifier. Examples include MAC address and UDID.

Device graphing / Mapping

Attempts to assemble an individual consumer’s device graph, largely based on the likelihood that seemingly disparate devices are being used by the same individual.

In-target

Percentage or number of people within an advertiser’s target audience reached by a campaign.

IP Address

The numerical address assigned to each computer

on the internet so that its location and activities can be distinguished from those of other computers. IP address generally refers to the IPv4 addresses, a 32 bit value represented as 4 blocks of 8 bit values separated by periods. This will look like #.##.##.## with each number ranging from 0 through 255.

Location data

Data used to report a device’s location and as well as the ability to understand which places reside at physical locations on a map. Data types can include: GPS data, wi-fi/beacon data, carrier data and IP address. (More info on location data can be found in the IAB Australia [Mobile Data Location Handbook](#).)

Lower funnel

The lower part of the marketing funnel converts leads into opportunities and sales.

Opportunity to see (OTS)

Term used to quantify how many times an average person in the target audience will be exposed to the advertisements over the duration of the campaign.

Personally Identifiable Information (PII)

Any information used or intended to be used to identify a particular individual, including name, address, telephone number, email address, financial account number, and government-issued identifier.

Single source

Data that is derived from one source. Collects data from an individual or household within a specific time period. Often used to collect data on both media exposure and purchase behaviour.

Statistical ID

An identifier derived and assigned by an algorithm to determine a device or user based on the values or a combination of standard attributes made available by the device. This analysis is largely dependent upon device information passed in HTTP headers of ad requests, namely device type, operating system, user-agent, fonts, and IP address. Some attributes can change over time due to device changes or updates.

Upper funnel

Upper part of the marketing funnel serves to spread awareness, educate prospects, and cultivate brand favourability for a product or service.

Viewability

An ad impression contained in the viewable space of the browser window, on an in-focus browser tab, based on pre-established criteria such as the percent of ad pixels within the viewable space and the length of time the ad is in the viewable space of the browser.



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