

White Paper:

**The Key to Online Display Advertising
Success: Cross-Platform Ad Analytics
Makes Sense Out of Chaos**



As online display advertising experiences unprecedented growth, how can brands ensure success in this arena where results are difficult to track and measure? We take a look into why Internet display advertising metrics can be so elusive and what to do about it.

The Internet is more accessible and content-rich than ever before thanks to new online technologies and trends. Whether driven by social media connectivity, content diversity or smart phone accessibility, Americans are spending as much time online as watching television¹ — and advertisers are taking notice.

“Some marketers facing increasing keyword costs will eschew paid search for biddable display media — display ads bought through automated auctions — which can be less expensive and more effective than keyword listings. For example, one consumer product goods (CPG) firm’s biddable display buys increased daily order volume by more than 100% at comparable or better cost per acquisition (CPA) than search.”

Shar VanBoskirk

Forrester Research, Inc.
“US Interactive Marketing
Forecast, 2011 To 2016”
August 24, 2011

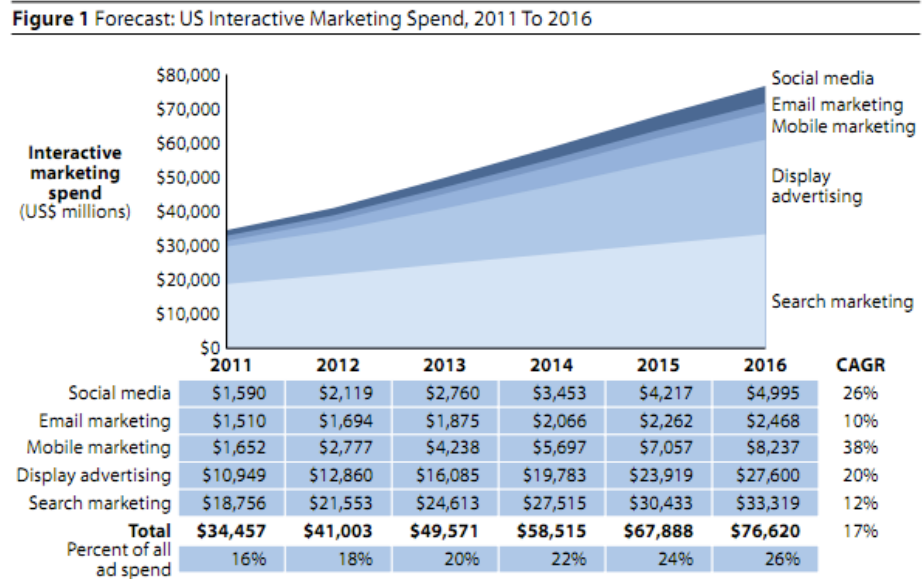
Online display advertising, once overshadowed by search engine advertising, is making a solid, indisputable comeback. In the first half of 2011, the Interactive Advertising Bureau (IAB) saw online display advertising grow to \$5.5 billion – a 27.1 percent increase over the same period in 2010. In the U.S., Internet users viewed a whopping total of 1.1 trillion display ads within the first quarter of 2011 alone.² This growth shows no signs of abating. By 2012, industry research firm eMarketer projects that the total market for display advertising will top \$14.82 billion.³

The explosive growth of online display advertising is offering brands exciting opportunities to reach precisely targeted audiences. However, it has also resulted in a crowded, complex environment that makes it difficult to track online display advertising effectiveness in three key areas:

- Reaching the right audience with the right message at the right time
- Achieving goals such as brand awareness and sales conversions
- Optimizing advertising investments

This complexity will likely only increase as more money flows into online advertising. According to the September 7, 2011 Forrester Report: “US Interactive Marketing Forecast, 2011 To 2016,” by 2016, advertisers will spend as much on interactive marketing as they do on television advertising today. In addition, Forrester projects that investment in search marketing, display advertising, email marketing, mobile marketing, and social media will near \$77 billion and represent 26% of all advertising, as interactive channels gain legitimacy in the marketing mix.⁴ (see Figure 1)

Figure 1.
Forecast: US Interactive Marketing Spend, 2011 To 2016.



Source: Forrester Research Interactive Marketing Forecasts, 2011 To 2016 (US)

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Source: Forrester Research, Inc.

Advertisers investing in the growing and increasingly complex online advertising market are often left with unanswered questions and poorly-spent budgets. It's clear that now, more than ever, there is a need for comprehensive, cross-platform analytics technology to increase advertiser confidence in online display advertising and help them make the most of this promising opportunity.

Opportunity Breeds Chaos

Over the past several years, hundreds of new companies have entered the market offering solutions to help advertisers and ad inventory providers reach a growing online audience through display advertising.

There are currently thousands of online publishers and websites selling display advertising inventory directly to brands. There are hundreds of different ad networks and many demand side platforms (DSPs) offering different ways to streamline the ad buying process. There are also countless companies delivering real time bidding (RTB) capabilities, data providers providing enhanced targeting technologies, and yield optimization platforms promising publishers the best price for their inventory.

The sheer number of options and combinations has created an overwhelming problem for display advertisers and agencies — namely, how to measure success in a marketplace in which advertising campaign data is distributed among many different players.

In the search advertising market, Google, Yahoo! and Microsoft make measurement fairly simple because they own the data throughout the entire ad delivery lifecycle. There are many SEM tools available that will provide an integrated view of campaigns across all search providers. But in the display world, it's not that easy. There is currently no seamless way to deliver a unified view into how campaigns are performing across different ad networks, publishers, ad providers, DSPs and other middlemen.

The growing number of players in the display advertising delivery chain has created a lack of transparency for brands. It has become impossible to answer even basic questions about online ad campaigns such as:

- Were the ads I purchased actually served?
- Where did the ads appear?
- Did a real person view the ads?
- Did the ads reach my target audience?
- How can I allocate my budget more effectively?

The inability to accurately measure results and performance is one of the reasons many brands are hesitant to invest more dollars in the display advertising market.

Few Measurement Options Mean Missed Opportunities for Online Display Advertisers

There are a variety of different companies trying to help solve pieces of the puzzle when it comes to display ad campaign measurement. However, none are able to help brands properly measure campaign effectiveness across the entire value chain.

For example, providers that help advertisers measure audience "reach" are typically only telling brands how many pixels are being fired during a display campaign. They aren't telling brands if their ads were viewed by the proper demographic or even if they were actually seen by a real person.

Some ad measurement companies equate "engagement" in display with click through rates (CTRs). While CTRs are a great way to gauge ad performance for direct response marketing campaigns or SEM, clicks on a display ad with no call to action doesn't mean much to an advertiser looking to create brand awareness.

The negative impact of this piecemeal approach to measuring ad campaign success is significant. According to industry statistics, more than 60 percent of advertisers admitted they will not invest more dollars into online display advertising until more comprehensive ways to measure display campaign performance are developed. At a time when Internet use is increasing exponentially, brands are missing a powerful opportunity to reach customers.

Comprehensive Cross-Platform Ad Analytics Cut Through the Chaos

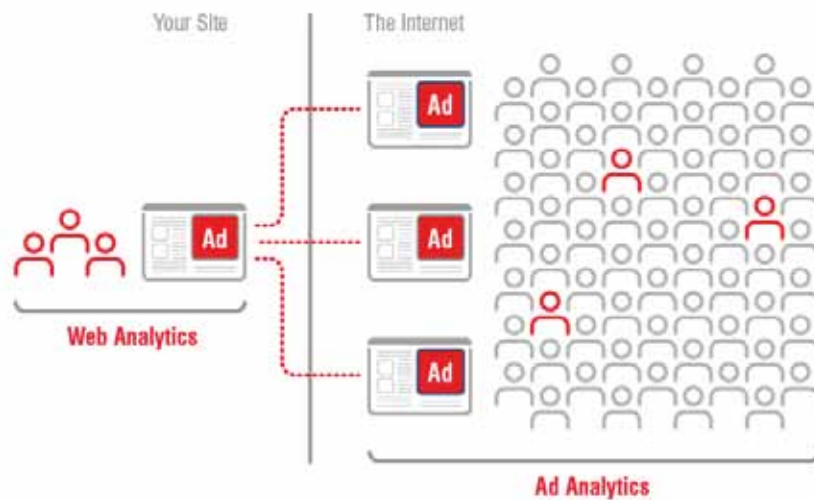
Knowledge is power, and never more so than when trying to make online marketing decisions. For years, online ad campaign analytics have been a pervasive challenge, and a barrier to realizing Internet display advertising's full potential. But now, as the industry realizes the limit of search engine advertising, it's time to focus on solving the display advertising measurement issue.

Just as web analytics help companies measure website traffic and SEM analytics tools help search advertisers track and measure PPC performance, a unified ad analytics approach can effectively measure display advertising campaign performance.

It's unlikely that one company or provider will control all the touch points in the display advertising industry as they do in the search world. That's why it's crucial that any approach to display ad measurement has the ability to aggregate information from a wide range of platforms, providers, sites and sources.

Figure 2.

Unlike web analytics that can be easily captured from a few sources, online ad analytics must pull data from hundreds of platforms, sources and sites.

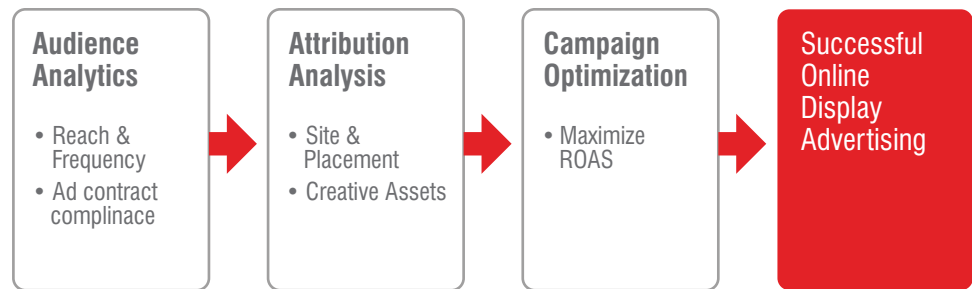


Ad analytics can take the on-site capabilities of a web analytics system and put them to work measuring views and interactions across multiple sites and platforms where you have an online advertising presence. The resulting breadth and depth of knowledge will offer the guidance necessary to drive a successful display advertising campaign. Armed with this valuable data, advertisers and agencies can identify and remove invalid and low quality impressions from campaigns, as well as optimize ad performance to improve campaign efficiencies and overall return on advertising spending. It can be an extremely powerful tool in cutting through the clutter and honing in on success.

Putting it All Together: A Comprehensive, Yet Precise, Three-Tiered Measurement Approach

A comprehensive approach to ad analytics must go further than pulling information from multiple sources. An ad analytics system must also be able to collect the right kind of data and then intelligently interpret it to form the basis of wise advertising placement and creative decisions. A successful campaign involves many different factors including ad placement compliance, audience analytics, attribution analysis, invalid user and fraud detection, reach and frequency, and campaign optimization.

Figure 3. Online display advertising analytics must take into consideration several different factors to measure and guide an effective campaign.

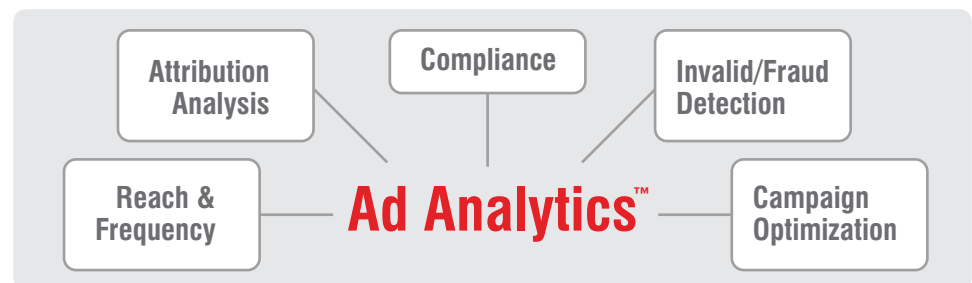


Navigating through the information collected about these many different ad performance factors can be another challenge. So how can advertisers set up an ad analytics and measurement system that offers insight and clarity rather than adding confusion and uncertainty?

A three-tiered approach helps turn a mountain of data into actionable information. It can help ensure all of the elements in your advertising campaign are working synergistically toward reaching your audience and increasing sales.

Figure 4. Three-tiered approach to analyzing, developing, and improving a successful online display advertising campaign.

1. **Compliance and Audience Analytics** – Ensuring all impressions you’ve purchased are actually delivered and reaching Internet users in your target audience
2. **Attribution Analysis** – Detailed insights about the elements in your campaign that are driving conversions and quantifying cross-channel impact
3. **Campaign Optimization** – Actionable steps to improve Return on Advertising Spend (ROAS)



Compliance and Audience Analytics™

There is more to compliance than simply identifying ads served adjacent to inappropriate content. Compliance includes many broader aspects of audience verification. Audience Analytics, also called audience targeting, allows advertisers and agencies to ensure that display media campaigns are reaching the people they were intended to reach and also the frequency at which viewers are being exposed to a message.

Audience Analytics reports should include:

- Invalid impression reports by campaign, site and individual placements
- Budget reallocation reports that can help repurpose budget wasted on invalid impressions
- Geo reports by campaign and site
- Reach and frequency reports by geography, demographic, and day part

Figure 5.
Example of an audience compliance report showing reach, placement, geography, and demographics for display campaigns



Attribution Analysis

As part of a holistic view of audience verification and campaign optimization, a meaningful analytics program should also have a method of determining campaign success at the site, placement and creative level. Ideally ad analytics leverage machine learning and predictive modeling techniques to identify the sites, placements and creative assets that contribute to conversion activities. Moreover, the methodology should be capable of weighting them dynamically based on their overall impact in driving sales.

Figure 6.
Example of an attribution analysis report that shows how campaigns are performing compared with a baseline performance index as well as the cost per conversion and credit for conversions.

Rank	Campaign	Agency Attribution Index	Cost per Conversion	% of Total Conversions	Impressions	Attributed Conversions	Total Cost	CPE
1	2011 DR ID1 15-301 A1910001P	1.14	\$39.21	1.00%	96,809,379	16,833.3	\$176,837.69	219.894
9	2011 BR 345 J01P00 A19100002	1.28	\$70.41	2.67%	162,275,849	3,118.4	\$498,728.14	117.828
18	2011 BR 231 Q1 A1910000E	1.17	\$177.29	1.04%	86,869,942	1,264.3	\$24,722.39	249.228
19	2011 BR 166 15-1211 A19100001	0.87	\$11.22	0.48%	44,323,154	626.2	\$6,843.78	19.269
7	2011 DR Sidame Sponsorship 15-1211 A1910001P	2.58	\$67.48	1.48%	27,274,820	1,721.5	\$167,767.89	97.522
21	2011 BR C78 ESR18 1-12-11 A19100005	1.14	\$229.62	0.89%	25,424,378	82.0	\$193,875.82	38.874
22	2011 BR AA Q30 15-121 A191	1.65	\$234.29	0.34%	28,243,289	100.7	\$22,737.87	19.064

Audience Analytics reports should include:

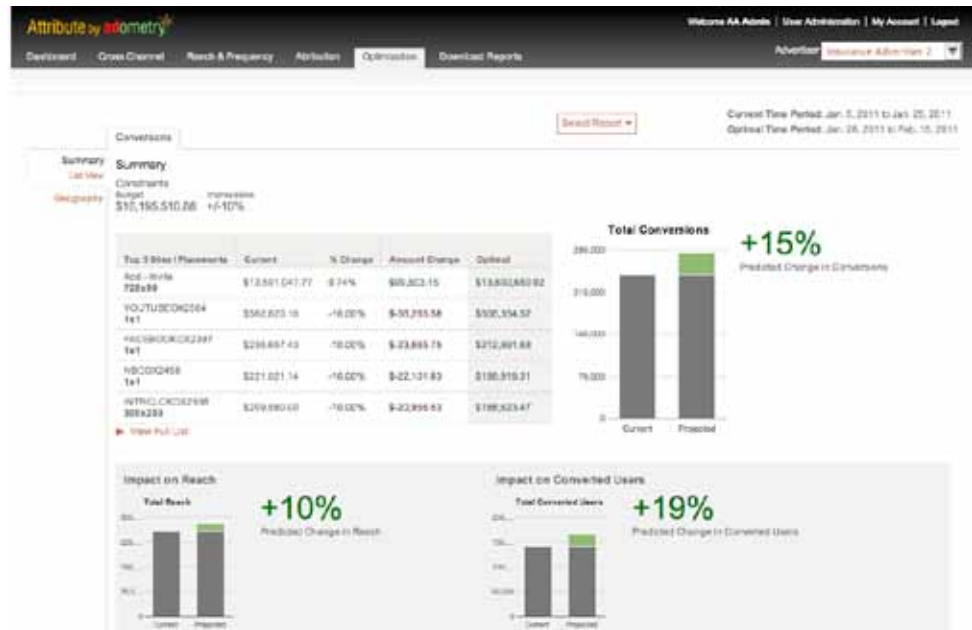
- Conversion path sequence reports that allow marketers to see the most and least common paths to conversion
- Attribution weight reports that allow marketers to measure media plan performance by attribution weight and allocate media spend accordingly
- Cross-channel attribution reports that allow marketers to see the impact their display media campaigns have on their search media buys

Ad analytics attribution reports should be designed to help marketers gain insight into their conversion path and how each media channel drives users from initial brand awareness and consideration to a conversion or purchase event.

Campaign Optimization

When used together, ad analytics compliance and attribution reports provide advertisers and agencies with actionable insights to improve campaign performance. Compliance reports can be used to reduce impression waste and improve overall campaign effectiveness while attribution reports provide marketers with the means to remove ads from low performing sites, placements and media channels and focus on the campaign elements that move users into the awareness, consideration and conversion cycle.

Figure 7.
Example of effective campaign optimization report with actionable data in key areas.



With ad analytics, marketers can effectively navigate through the dizzying array of publishers, ad networks, ad exchanges and data providers to focus their time, money and effort on the channels best suited to their business goals.

Seizing the Opportunity While Maintaining Control of Your Budget

Through its holistic approach to online display ad campaign measurement and analysis, a well-planned, well-executed ad analytics program can help reduce wasted advertising dollars by up to 25 percent. The right information interpreted and presented in the right way can go a long way toward minimizing invalid impressions, verifying ad delivery, and eliminating the data middlemen advertisers currently rely on.

In addition, campaign performance can be greatly improved by identifying and re-targeting campaigns to the best audiences across all channels. Not only can this help advertisers feel comfortable focusing more of their budget on display advertising opportunities, it can also improve the return on display advertising spend by 30-to-50 percent.

As more and more people spend more hours online, the potential for advertisers to reach highly targeted audiences is expected to only increase. Advertisers who are able to measure online ad campaign results and adjust programs based on real data will be far ahead of their competitors, and that's a winning prospect on many levels.

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 2. http://www.iab.net/about_the_iab/recent_press_releases/press_release_archive/press_release/pr-092811
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 4. "US Interactive Marketing Forecast, 2011 To 2016" Forrester Research, Inc., August 24, 2011
Updated: September 7, 2011

About Adometry

Adometry, formerly Click Forensics, Inc., provides scoring, auditing, verification, and attribution metrics to optimize results for online advertisers, agencies, publishers, and ad networks. Tracking billions of impressions in real-time, reporting on where they appeared, for how long, and to what effect; the Adometry mission is to bring greater levels of transparency and accountability to the online advertising industry. Headquartered in Austin, Texas, Adometry is privately held and backed by Sierra Ventures, Austin Ventures, Shasta Ventures and Stanford University. For more information visit www.adometry.com.

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