



**ADVERTISING
EFFECTIVENESS
COUNCIL**

**AD EFFECTIVENESS
GLOSSARY OF TERMS**

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Introduction

Welcome to the 2019 updated edition of “The Glossary”, collated by IAB Australia’s Ad Effectiveness Council.

The Ad Effectiveness Council is pleased to present this glossary of terms and definitions used in the context of digital advertising effectiveness. The glossary was first launched in 2017 and the council have collaborated to review and update with additional terms. The council is made up of representatives from right across our industry including, agencies, media owners, data and research providers and platform suppliers. Our aim is to help the industry identify and refine the best methods to assess the impact of advertising activity.

With digital advertising accounting for over half of Australian advertising expenditure 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 the success of 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 are critical to an agreed view of best practice method. “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 focus on reporting and metrics.

The IAB Advertising Effectiveness Council has also recently released ‘A Guide to Designing Digital Ad Impact Studies’ to provide best practice on measuring digital advertising impact that will add confidence and precision to marketing investment decisions. To learn more, download a copy of the full whitepaper on the IAB website - ‘A Guide to Designing Digital Ad Impact Studies’.

This Council will continue to provide a guide to best practice and challenge the status quo when it comes to measurement and digital effectiveness. We hope 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.

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.



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Information



This document has been originally developed by the Interactive Advertising Bureau Australia Ad Effectiveness Council in June 2019.

ABOUT THE IAB AD EFFECTIVENESS COUNCIL

The IAB Australia Ad Effectiveness Council comprises the following 19 AB member companies:

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Methods & Models

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.

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.

Correlation

A statistical relationship or connection between two or more variables that may or may not be causal

Deterministic approach / Cross Device 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.

Forced exposure

Measuring ad effectiveness amongst respondents who have been exposed in an artificial setting, rather than natural campaign exposure

Geo testing

Mapping online ad spend to offline sales activity across test and control regions/locations.

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.

Hypothesis

A testable prediction about what you expect to happen in your study.

Incrementality

The measure of the true value created by any business strategy determined by isolating and measuring the results it caused, independent of other potential business factors.

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-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.

Last-touch attribution

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

Methods & Models

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.

Probabilistic approach / Cross Device 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.

Significant difference

A statistical test that proves if the results found are strong enough to prove the hypothesis needs to be rejected or fails to be rejected. Variance in confidence levels (a % that reflects the degree of certainty that the true value is included in survey results) changes the strength of the difference needed to be substantial.

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.

Test and control groups

Isolating groups in an experiment who are either exposed to advertising (test) or who have not been exposed to advertising ideally shown a ‘ghost’ ad which presents a relevant competitive baseline (control).

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.

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.

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.

Benchmarks

Aggregated key metrics from past studies that can be used to compare performance of a new study and set targets.

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.

Conversions

A descriptor encompassing a user who is browsing online converting to a paying user, or a user that performs an action of some sort.

Cost-per-acquisition (CPA)

Refers to the overall costs associated with acquiring one user. This can be calculated by dividing total marketing costs by total number of new users.

Cost-per-footfall / store visit

The cost of media to drive one store visit.

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.

Footfall Attribution

Attributing store visits to specific advertising campaigns and/or media investment.

Footfall Uplift

Measuring incremental store visits among exposed audiences vs a non-exposed control.

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

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 (MAIDs)

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.

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.

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.

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 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.

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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