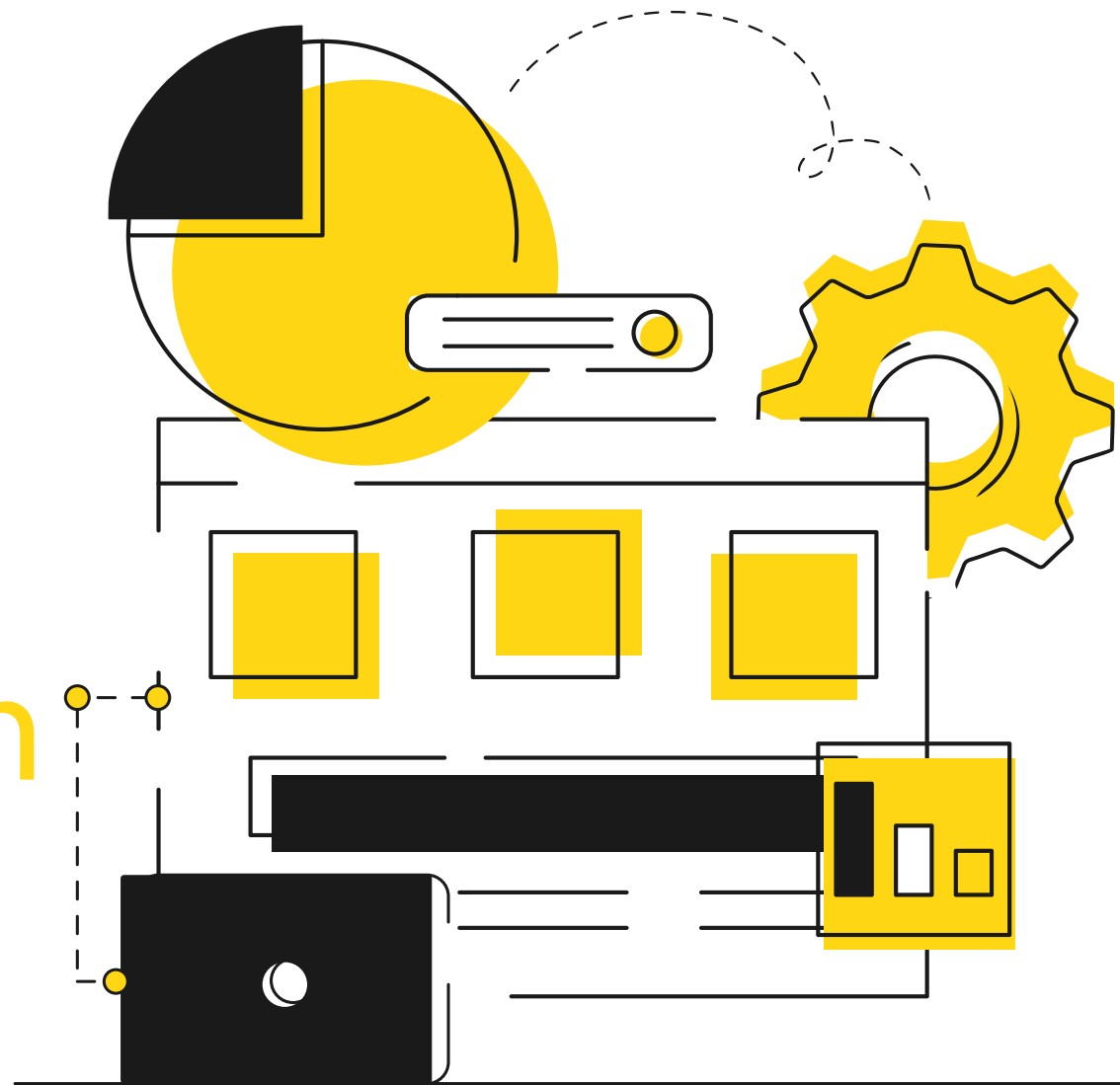
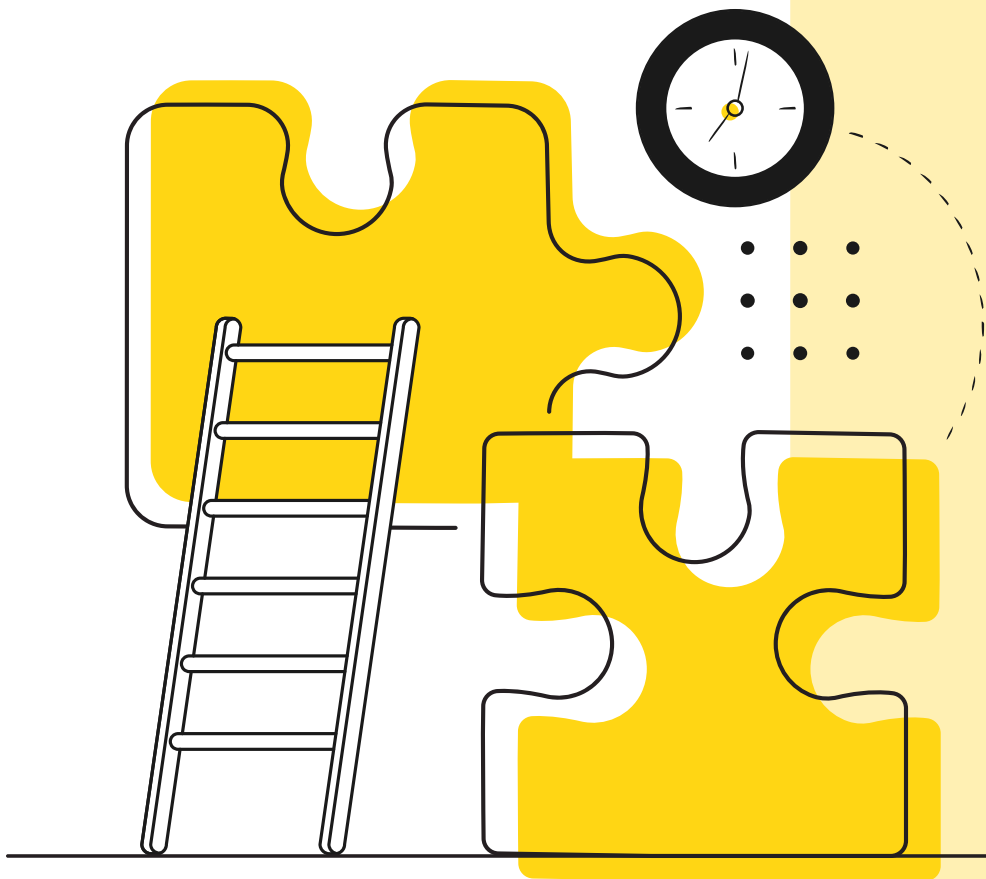


The digital media marketer's

GUIDE TO Vanity or Vindication

The True Test of Metrics





When bloats and gloats style up as metrics ...

KPIs, ROAS and CPAs, do these terms shine bright in your marketing dashboard as vanity metrics, lacking vindication? Or, do they frustrate you with big black holes for missing pieces, making all your effort going off in vain? For many a question you have – the answer can well be it glitters, so it must be gold. For so long, this has been the best line in con business. We do not suggest Digital Marketing is all that, but you do get the drift, right?

No marketing campaign goes unmeasured, at least, it should not. But then what are you measuring? If you rely on one metric to assess the performance of the entire campaign – the picture at best is partial. How can a stand-alone show stopper take away the credit for the entire collection? Sadly, in some cases we are dazzled and get carried away by the phony show off.

Each metric has its own pride of place in the show. Anything out of character and the entire set up falls apart. The vanity is shredded to bits as reality pokes fun at games social platforms played with marketers for so long.

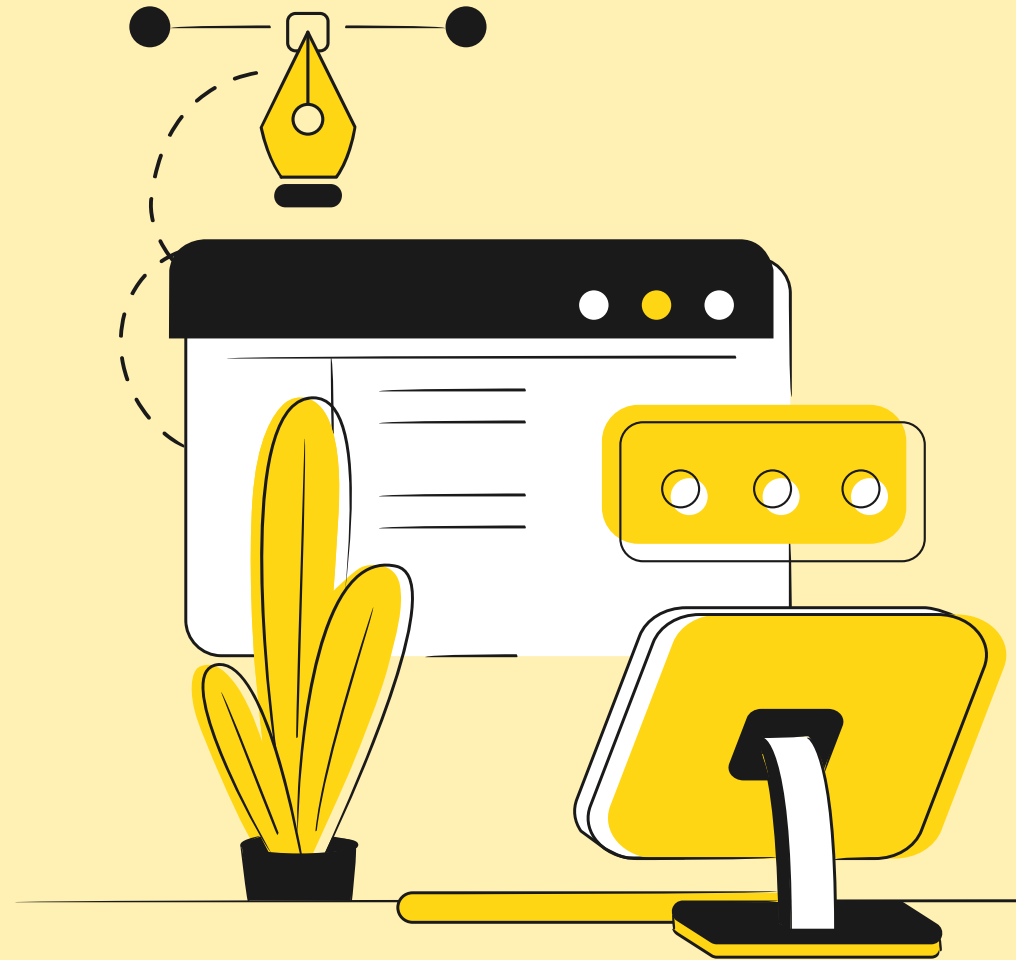
So how do you replace vanity with pride and get vindicated for your efforts

Pulling off a marketing campaign worth its salt is not a trick of a hat or ego boosting orchestrations. Looking for things as they are, discounting the glitter and vain over some home truths and move beyond the stereotypical “metrics” can help, to begin with.

This guide will help you understand where reality ends and vanity begins. You will know how to call off the gold for the fake glitter it carries. In short, you would know which metrics matter, when, why and how to measure them right.

And, you won't be caught in between smoke and mirror ...

By the time you read the last words, you would know who can show you the mirror without malice and with the purest intentions. The smoke will evaporate and you will see your marketing strategies in clearer light. Not to mention, you would know who is your partner in this quest.



DIGITAL WORLD IS A BELIEVER'S HEAVEN, NOT MAKE-BELIVE

A lot is said on the character of digital media. It has its own power system. And the only dynasty that rules this universal empire are the users and consumers in the ecosystem. Reaching out to them is a ritual, a well designed and defined process than ad hoc offerings. You can't light a candle and demand a windfall. Your audience sees through your intent, when you manage to reach them. If you have an offering good enough, there are people looking for them as well, the question is are you able to find them and connect and then understand how they engage and why? Trust the eco-system, trust the audience and don't fall for make believe, feel good metrics that deviate from your path.

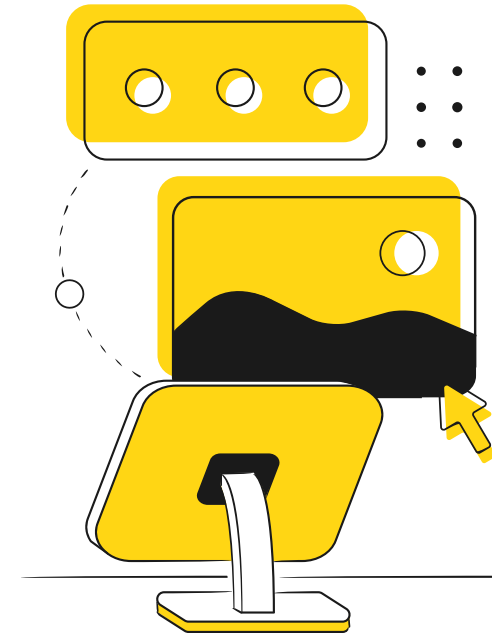
You won't second guess your campaigns or hope for deliverance and divine intervention. You would want to know whether that print ad really bring people into your store? Did that TV spot really drive conversions?

And, this desire to win over people to join in or partake in an action was primal in human nature. Promotion (self or otherwise) is almost inbuilt.

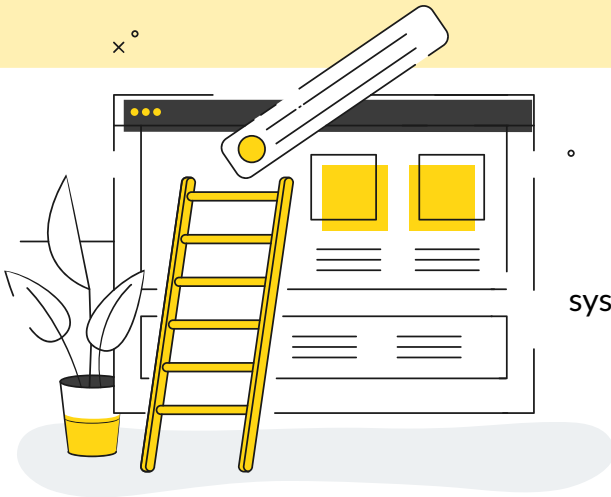
While advertising have been around since 2000 BC in Egypt (no joking), the modern-day marketing machine goes back to the mass adoption of the World Wide Web (#tbt) in the 1990s. Since the proliferation of the internet, digital media is the new norm—and with it has come a slew of measurement opportunities that range from extremely vague to hyper-specific. Coupled with software and analytics, we've moved away from the "spray and pray" method of marketing to homing in on specific metrics in real time.

Digital media allows us not only to see what people are consuming, but also when and how much. We can understand people: what they're buying, what they're browsing and what they do along an increasingly fragmented path to purchase. We can quantify that we've reached the right people and prove it using ROI. Consumers are no longer amorphous swaths of demographics— thanks to identity resolution, they're individual people.

So how did we get from the stone age of papyrus scrolls to digital campaigns that can be personalized at scale?



DIGITAL MEDIA'S HALL of FAME



1969

UNIX, a new operating system, is developed, which becomes the forerunner of the open-source

1989

The University of Melbourne establishes the first internet connection.

1993

The world wide web acquires a place of significance; Mosaic Browser is released.

2000

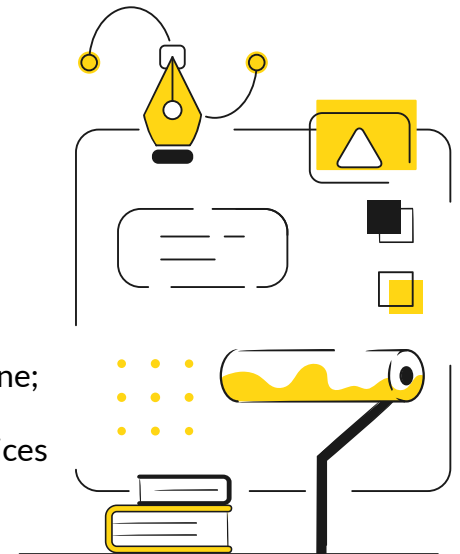
More than 50% of adults are online; Telstra Bigpond is the first ISP provider to introduce ADSL services to consumers.

2007

Telstra launches the first consumer smartphone-Nokia N95

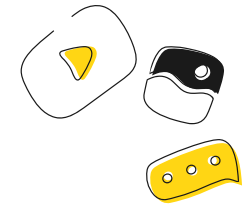
2014

Spending on print newspaper circulation reduces by 52% while digital newspaper advertising steadily grows, according to PWC Australia.



2015

Over **50%** of people become active social media users.



2017

Amount spent on mobile advertising reaches **AUS \$ 3.1 billion**.

2018

Digital ad market occupies **53.7%** (**\$ 4.3 billion**) of the total advertising revenue of **\$8.5 billion**.

2020

Online shopping increases by **57%**.

2021

A big uptick in brands' spending on ads occurs, with social media platforms receiving a significant portion of the advertising budget, in certain areas, according to PathMatics; the video advertising industry recorded a **48%** growth.

2020

People spend **51%** of their screen time watching ads; online shopping increases by **74.7%**; **27%** of adult internet users purchase through mobile social networks.



YOU MAY BE WONDERING: WHICH METRICS ARE FLUFF?

We reviewed the industry's favorite metrics for measuring digital media campaigns. Then we measured (ha!) them in key categories—with some surprising results.



RELIABILITY

How well a metric stands up against potential fraud and inflation



INDIVIDUAL CONTRIBUTION

How robust a metric is on its own



SCALE

How easily a metric can be implemented across platforms, mediums and campaigns



ACCESSIBILITY

How easy a metric is to use and interpret on its own without a sophisticated tech stack



TRANSPARENCY

How insightful a metric is on its own

Impressions

Reliability 1/5



Scale 5/5



Individual Contribution 2/5



Accessibility 5/5



Transparency 2/5



Strengths

Great for measuring distribution metrics, widely used

Weaknesses

Vague, not outcome based

Works well for

CPG

FSI

Healthcare

Restaurants

Retail

Travel

WHAT IT MEASURES

How often your ad is shown on someone's screen within a publisher's network. You can break this out into overall impressions (how many times an ad was viewed in aggregate, including people who saw it more than once) or unique impressions (how many unique individuals saw it).

WHY

Now, before you flay us, let's consider the facts. Impressions do give you a hardline insight into some basic info: Was your ad delivered? From that perspective, a view isn't a bad metric.

But impressions alone aren't very effective—even if they're unique. To make them actually measure what you want them to, they should be combined with other metrics like reach and viewability. That's when they really start to fill in the missing pieces of a larger story.

You also need to consider impression fraud. Studies estimate that less than 60% of internet traffic is driven by actual human beings. It's easy to get a ton of impressions if fake accounts or bots are driving those numbers up.

If you're only looking at impressions, it can inflate your marketing prowess. Would you be happy getting 1 million impressions if:

- Only 60 people from that group converted?
- 80% of those people aren't in your target audience?
- 40% of those impressions are duplicates from the same person?

The flip side of that is intent. Perhaps conversions aren't your goal. Perhaps your campaign is purely for brand awareness. Still, impressions on their own aren't a great metric for understanding if you're reaching people or not.

No Fluff: Epsilon CORE ID ties each impression to a known individual in the real world, so you're not over-frequencing or overspending, and you're finding people on the right device.

Viewability

WHAT IT MEASURES

If your ad is viewable by potential customers. This means at least 50% of the ad is visible on the screen for at least one second on display, and at least 50% is visible for at least two seconds on video. For large display ads (242,500 pixels or more) it's counted as viewable if 30% of the area is visible for at least one second.

WHY

As the adtech industry changes, one thing is constant: Viewability is an effective measure of an ad's value. Publishers and demand side platforms (DSPs) have done a lot to optimize ads specifically for this metric. A 2020 report from Integral Ad Science shows global desktop display viewability improved from 69.2% in 2019 to 71.9% in 2020, thanks to better technology and higher standards.

Viewability is super reliable—but its interpretation can trip people up. It's not telling you any details about performance—just that your ad is being seen.

A good viewability benchmark is 70% or higher because viewability isn't always black and white. The quality of an ad's placement can vary depending on the site or platform. Was the ad served on a site with longform content, where bottom-of-the-fold ads are more attractive? If you have high viewability but terrible conversions, what does that tell you?

Reliability 5/5

Scale 4/5

Individual Contribution 4/5

Accessibility 3/5

Transparency 2/5

Strengths

Good measure of media attributes, applicable across industries

Weaknesses

Can be easily manipulated on its own

Works well for

CPG

FSI

Healthcare

Restaurants

Retail

Travel



Reliability 3/5



Scale 3/5



Individual Contribution 2/5



Accessibility 5/5



Transparency 2/5



Strengths

Widely used, easy to understand

Weaknesses

Not outcome based, easily misinterpreted

Works well for

CPG

FSI

Healthcare

Restaurants

Retail

Travel

WHAT IT MEASURES

Determines how many people were shown your ads. Coupled with frequency metrics, reach can also tell you how many people were shown your ads more than once over a certain period of time.

WHY

To clarify: reach is different from impressions. Reach is typically calculated by how many touchpoints (including multiple touchpoints by the same people) your ad received. Impressions measure how many times your ad was on the screen.

On its own, reach is a really small part of a larger story. It needs to be balanced out with frequency. For instance, high reach for an ad means that a lot of people are seeing it. But if you have low conversions, it's not such a good number.

High reach and impressions may signal solid performance—unless many people see your ad several times without doing anything. And reach does absolutely nothing for you if you're not finding people in your target audience.

At the end of the day, reach provides guidance. For more granularity, measure unique reach. It uses identity resolution to determine exactly how many people have seen your ad and weeds out instances of people seeing it multiple times.

Identity resolution also helps you reach the right people. If you're reaching people who don't care--and therefore won't convert--they don't matter to your bottom line. You want real people who are ready to buy right now.

No Fluff: Epsilon's CORE ID's full-service activation through our Digital Media Solutions enables us to consistently reach consumers. We make more than 1 billion ad server model updates every five minutes—or 12 billion updates every hour and 288 billion updates every day.

WHAT IT MEASURES

When someone physically clicks on your ad. Typically it groups all clicks together, regardless of the action the user takes.

WHY

Hear us out. Some of us live and die by the click. And if we're being completely transparent, we measure clicks, too. But on its own, the click doesn't tell a full story. Why? Because you have no way of knowing whether a click is intentional, whether there are outside factors contributing to an increase in clicks (hello, bots!) or whether a click actually leads to an outcome.

In the most basic of terms, a click is a measurable action—which is good! But clicks aren't correlated with outcomes, which isn't great. And, on average, people who click are less valuable customers than non-clickers.

If a prospect clicks on an ad and converts on your website, how does it compare to a loyal customer who clicks through from an app but doesn't convert? Those clicks can't be compared because they're not the same. If you're only looking at click measurement, you're wasting your time.

The click shines when it's paired with metrics that tell you a more robust story about the people clicking and their relationship with your brand.

No Fluff: Epsilon's performance-based measurement evaluates online and offline transactions—meaning we can measure the click and beyond.

Ad clicks.

Reliability 1/5

Scale 5/5

Individual Contribution 1/5

Accessibility 5/5

Transparency 2/5

Strengths

Very accessible, widely used

Weaknesses

Easily manipulated, not outcome based

Works well for

CPG

FSI

Healthcare

Restaurants

Retail

Travel

Actions

Reliability 4/5



Scale 3/5



Individual Contribution 4/5



Accessibility 3/5



Transparency 3/5



Strengths

Measures actionable outcome, works well for a variety of measurement

Weaknesses

Narrow in scope without greater context

Works well for

CPG

FSI

Healthcare

Restaurants

Retail

Travel

WHAT IT MEASURES

When someone acts on an event, such as downloading your app, signing up for your loyalty program, requesting a consultation or subscribing to your newsletter.

WHY

Remember when we said that on their own, clicks are kinda bulls**t? This metric can be paired with them to make clicks strong.

Actions give you the ability to see not only what people are clicking on, but why they're interacting with your content—whatever that may be. They're a small but good peek into your customers' minds.

Actions set the stage for your marketing measurement. Actions (should) equal a desired outcome—or a step on the way to a desired outcome. If you know what your customers do when they go to your website or open your email, you can compare that against other metrics. Is there any correlation between actions and bounce rate, for example? What about time on page?

I know it sounds like we're beating a dead horse, but again—this is a metric that gets stronger when you pair it with others. Understanding actions can help you see a full picture of efficiency. When you unlock that, you start uncovering a bigger story, making actions a great baseline metric.

No Fluff: Epsilon Digital Media Solutions offers full measurement of all actions your marketing drives, both online and offline, and delivers your messages to the right customers ready to take action now.



Cost per acquisition

WHAT IT MEASURES

The cost divided by the number of actions.

WHY

Cost per acquisition (sometimes called cost per action) is a pretty solid metric. What makes it particularly strong is that it measures action against outcome, unlike some of the metrics earlier in this guide.

CPA specifically measures not just conversions, but other actions that customers can take—such as buying a product, downloading a document or signing up for something. This is also a great KPI because you can benchmark against yourself. Quality over quantity, baby.

So why is it not the apex of all metrics? Great question. A chainsaw is a powerful tool, but if you don't know how to use it, you can cut your hand off (among other things). CPA only measures one thing at a time. For a good index, you'll need to look at several metrics on their own and all together.

For example, your acquisition CPA should be measured differently than your loyalty CPA because those actions have different values. Acquiring a new customer is a monetary gain, but retaining a loyalty program member isn't.

The secret sauce is figuring out your threshold for success. How much is a certain action worth to your business? That way, campaigns that are floundering get the chop before they get out of hand. (Get it? Like the chainsaw? Never mind.)

No Fluff: Epsilon's people-based measurement gives you a true CPA—not a modeled cost. So you know when you've acquired new customers, not just when you think you have.

Reliability 3/5



Scale 3/5



Individual Contribution 4/5



Accessibility 3/5



Transparency 4/5



Strengths

Reliable and directly tied to specific outcomes, usable across campaigns

Weaknesses

Requires nuance for interpretation

Works well for

CPG

FSI

Healthcare

Restaurants

Retail

Travel

Return on ad spend

Reliability 5/5



Scale 4/5



Individual Contribution 5/5



Accessibility 3/5



Transparency 4/5



Strengths

Strong metric on its own, tells complete story holistically

Weaknesses

For deeper interpretation, can require intricate tech stack

Works well for

CPG

FSI

Healthcare

Restaurants

Retail

Travel

WHAT IT MEASURES

The amount of revenue earned for every dollar spent on advertising—specifically, digital advertising.

WHY

Return on ad spend (ROAS) is pretty clear: It's the revenue your ads generate, vs. the cost of running them. This is one of the most critical measurements for digital media.

ROAS allows you to see all the people you delivered an ad to, which of those people subsequently made a purchase and how much was spent on the media to do so. It's a simple, yet effective, metric.

Another great thing about ROAS: It's granular in nature, but can also tell you a much bigger story. If you want to look at overall ROAS for a campaign, you can! But if you want to look at ROAS over time, you can do that, too! You can break out ROAS to measure specific costs of a campaign (such as affiliate costs, for example), and you can also look at your incremental ROAS (see the next page).

We love a versatile metric.

WHAT IT MEASURES

Performance indicators in a specific campaign, specifically to measure your marketing efforts against your total revenue. Take incremental revenue and divide it by the overall cost and you get iROAS. The higher the incremental ROAS, the more effective your campaign is.

WHY

If you aren't using incremental ROAS, you ain't doing measurement right.

The key difference between this and regular old return on investment (ROI) is that incrementality looks at an individual campaign's effectiveness, allowing for specific adjustment and target spending. Out of all the metrics, this is one that allows you to make an informed decision all on its own.

Incremental ROAS helps you see the "what." This demystifies where and when to allocate ad spend.

The explanation as to why incremental ROAS is so great should be pretty clear. These are great data points that drive better accuracy. As accuracy increases, overall campaigns thrive from project to project, and you can eventually create a holistic marketing strategy that's built from fact, not feeling.

No Fluff: Epsilon's CORE ID matches to real people and measures in real time, allowing us to truly know the incremental impact to your campaign.

Incremental ROAS

Reliability 5/5

Scale 4/5

Individual Contribution 5/5

Accessibility 3/5

Transparency 5/5

Strengths

Incredibly strong, what the CFO wants to know

Weaknesses

Not widely used, not every brand has tech stack to manage

Works well for

CPG

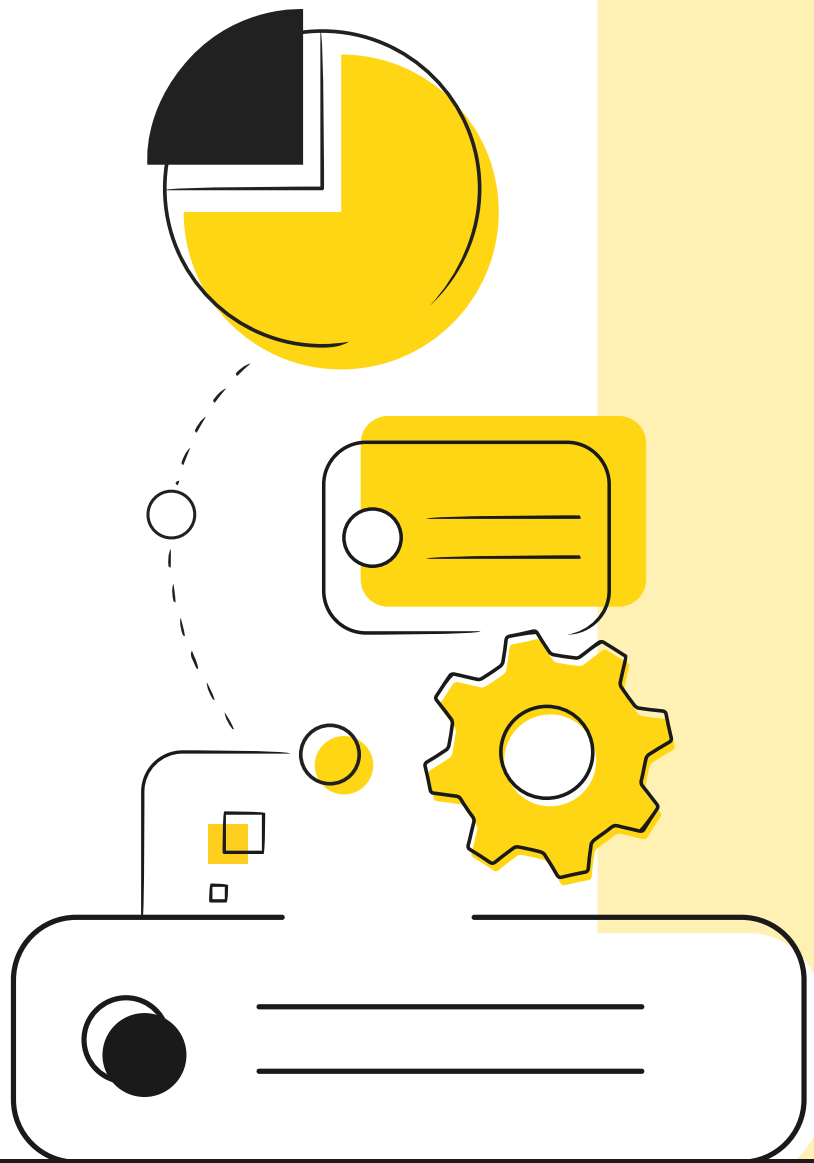
FSI

Healthcare

Restaurants

Retail

Travel



RECOMMENDATIONS

DESIRED OUTCOME

While some metrics are better than others, it really boils down to what you're trying to do. Once you decide where you're headed, you can decide which measurement philosophy best suits you. Conversion, while great, isn't always the ultimate end goal. Maybe you have a new product you just want people to know about. If that's the case, high impressions or ad clicks can be a great benchmark to start with. If you're looking for more granular information, it might be time to dig a little deeper.

A lot of this you won't be able to do on your own. Technology and expertise are essential to building robust measurement. Understanding what's working and what's not—and allocating ad dollars accordingly—requires you to know your customers, activate digital strategies to reach them and measure the impact of your efforts.

Without it, you risk wasting your money on ad campaigns and missing out on opportunities by not delivering results.

ARE YOU LOOKING FOR A BETTER DIGITAL MEDIA PARTNER?

At Epsilon, measurement is everything. We provide full transparency into every outcome that we deliver—online and offline—at the individual level. And as the first MRC-accredited partner for correlated outcomes, you'll have the ultimate confidence in our measurement accuracy. Let Epsilon help you maximize your digital media performance today.

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