4INFO

Five Questions to Ask Your Mobile Ad Provider

After reading this report, you'll understand why the answers to these five questions will give your mobile campaign the greatest chance of success:

- Who sees my ad?
- What match key do you use for targeting and measurement?
- Why do you think your match logic is accurate?
- Where will my ad be seen?
- How will you measure?

Five questions to ask your mobile ad platform provider

Mobile advertising poses many challenges when it comes to effective targeting, delivery and measurement, which makes choosing the right ad platform or solution for your advertising campaign confusing and difficult.

You have options and lots of them. Getting beneath the hype and promises to understand what really is possible is a challenge for even the most sophisticated marketers and media planners. So, how do you make sure you choose wisely to get the results you need?

When it comes to selecting the right mobile advertising provider or technology platform for your next campaign, start by asking any vendor you're considering these five critical questions — a simple twist of the classic 5-W's:

Knowing who is a critical first step. Without it, you aren't able to target precisely, know whether your ad was actually seen, or deliver the measurement/metrics your organization expects.

Question 1:
Who sees my ad?

As basic as this seems, the marketplace tends to overlook the importance of "who" when it comes to the three critical areas of mobile ad targeting, delivery and measurement.

A significant number of mobile ad platforms take a location-first approach, believing the power of mobile is strictly in where advertisers should target based on geographic profiles or proximity to a particular store location. But if your campaign measurement uses location as a proxy for who actually sees your ad, you really won't know who sees your message. All you know is that a person was in a specific location at a given point in time.

Knowing "who" means having an ability to first identify the right target — based on dependable information from proven third-party household purchase information, loyalty or your own customer (CRM) data.

This data can then be matched to mobile device data for precise audience targeting and ad delivery.

The next step is to know whether someone actually saw an ad or not, and then assessing how this relates to campaign measurement. Clarify with your vendor that they are able to know specifically on which devices your ad is seen — on all types of mobile devices (smartphones, tablets and eReaders). Then ask if they can associate the device to a specific household or individual, or if they can only tell you they are targeting "segments" to which the recipient belongs.

Why is it a problem if the vendor doesn't actually know which people were exposed to an ad and which were not? As you'll read below, by not knowing who saw your ad, you end up with significant gaps in both targeting and measurement — leaving you to relying on inferred outcomes and campaign results.

Question 2:
What match key do you use for targeting and measurement?

A match key is a common link or identifier needed for connecting target audiences to campaigns. Marketers often use match keys such as email address, wi-fi MAC address, IP address or home address — with the most common among these being email and home address. Here are some considerations for both:

• The average person uses six different email addresses. These are used for varying purposes (personal, work, subscriptions, etc.), with differing frequency, and they tend to change often — every 1 to 3 years.

• Most people only have one home address and it changes less frequently — on average only once every seven years. While households can have multiple inhabitants, home addresses are generally viewed as a more stable match key.

The stability and more reliable nature of a home address match key plays out further when you consider using critical third-party data (i.e., past purchase data, demographics, etc.) necessary for targeting and measurement. These data are always tied to households via home address, so any e-mail addresses must be reverse appended to home addresses.

The fact that people have so many different e-mail addresses results in extremely poor match rates — typically less than 10%. This prevents running precisely targeted campaigns at an acceptable scale for most national brands. The small scale also prevents measurement from being performed after the campaign, because there simply is not enough data to compile adequate test and control groups.

Question 3:
Why should I trust that who you say you are reaching is really who you are reaching?

Accurate match logic is critical to reaching the right person on the right device and providing you confidence in your mobile advertising, as well as enabling cross-channel (multiple screen) campaigns. Multiscreen campaigns depend on the accuracy of the match logic to ensure you are reaching the same folks on mobile devices and desktops/laptops.

Don't just assume an algorithm works. To ensure your provider can demonstrate this accuracy — and that their approach scales to the size and scope of your campaign(s) — ask what validation of their logic and algorithms are done to ensure they are making an accurate match. Ask specifically about the technology they use to match consumers across screens and how they validate the accuracy of that match.

Some providers openly acknowledge that they don't know exactly who they are reaching, and that they're simply targeting and delivering to defined segments or people in a particular location at a particular time. Is that sufficient for your campaign, especially when precise targeting based on past purchase data is possible? And are you comfortable not measuring campaign success based on incremental sales lift, which is impossible to do if you don't know precisely who you are reaching with your ad?

Most established vendors have had enough time to validate their targeting. So, look for solid verification of targeting accuracy, preferably by third-parties vs. the vendor itself. This ensures you the CPM you pay for precision targeting is worth the likely premium that comes with higher quality results.

Question 4:
Where will my ad be seen?

Location targeting, as mentioned above, often tends to be the focus for mobile ad campaigns. But if you broaden your understanding of where your audience is — to include various touch points on the path-to-purchase — you quickly recognize additional opportunities for where your ad can be targeted and delivered.

With a broader consideration, where your ad is seen becomes a question of not just physical location/geography, but also for the variety of applications, outlets, publications and channels where your ad could be seen.

Consumers today engage in numerous activities, using various channels, devices, information and influences as they move to purchase. This cross-channel or multiscreen behavior creates additional challenges for vendors using location-based mobile advertising — as they have to assume a great deal about people based only on proximity and likely miss opportunities to reach them in more relevant ways. So, don't let vendors convince you they can infer buyer readiness based solely on where someone is at any given point in time. They need to demonstrate an understanding of today's consumer, and they must help you work effectively across channels.

The emergence of social channels and the intersection to mobile advertising is another area often given heavy weighting along the path-to-purchase by both brands and their agencies.

All too often though, marketers will "check the box" on mobile advertising by turning to a single publisher approach – typically Facebook — instead of evaluating other, more effective solutions. And for these brands, their question is simply why would I even consider anything but Facebook when it comes to mobile advertising?

While social channels can be an important part of your mix, keep in mind only 25 percent of all time spent on a mobile device is spent using social media versus apps, mobile web, etc. Too much reliance on social channels leaves you missing large percentages of your potential audience during large portions of the day – because they're simply not using social media all the time.

Keep in mind, too, your users' expectations. If someone downloads a free app or game, that person is probably expecting to see an ad and more willing to watch it to get to the free game. But on social media, user expectations are different, and people tend to complain about advertisements taking too much space, interfering with their experience, and "native" ads that are often indistinguishable from the content they wish to see.

Reaching people in the most relevant ways, means your ad needs to be seen when and where it makes sense for them. This likely means you need more than a single publisher to reach your target throughout the day, and at a variety of touch points along their path-to-purchase.

To ensure a complete mobile ad buy with adequate reach and frequency, you also want to ensure your buy includes provider(s) that cover all operating systems (iOS, Android, etc.) and supports thousands of apps. Be sure you ask questions about operating systems and types of apps supported before you make your final selection.

Question 5:
How will you measure campaign success?

There is no shortage of channel attribution approaches and metrics, or companies claiming some new campaign measurement methodology and insight. Many mobile ad vendors today offer campaign analytics, insights and may even talk about lift in trial, conversion, brand-level preference or store visits — augmenting traditional metrics like clicks, taps and page views.

And while these are all useful metrics for campaign optimization, they aren't the meaningful metrics you need to definitively demonstrate campaign success and to justify your overall ad spend.

In the end, only one metric matters when justifying media investment — and that's sales.

As simple and intuitive as this seems, connecting mobile advertising to actual sales has proven elusive for many marketers and their brands. And yet connecting the dots has actually been right in front of them.

So, how is it possible? By using sales lift measurement, you can determine your actual offline, online and mobile commerce sales results at the product SKU level – showing what those people exposed to an ad actually purchased versus those who were not exposed to the same ad.

To do this effectively and for multiple screens (including smartphones, tablets, eReaders, desktop and laptop computers) requires satisfactory answers to questions 1- 4 first. It also requires tying actual offline and online transaction data (POS, 3rd party credit card, etc.) to exposure to an ad — and doing it at scale, not just through small samplings or market trials.

These sales lift results are then compared to your ad campaign cost to yield a simple but powerful Return on Ad Spend (ROAS) metric.

The sales lift measurement also determines which channels were most effective at driving purchases, helping you solve attribution questions.

So, ask your vendor if they enable sales lift measurement — if they make it possible to measure the difference in lift from those who are exposed to your mobile ad versus those who are not, and if they can show a true ROAS metric.

And consider carefully what vendor you rely on to provide the sales lift measurement. Trusting the same vendor that you purchase the campaign from to do their own sales lift measurement can result in bias or lack of transparency in how results were computed.

Sales lift measurement is best conducted by trusted third-party data analytics or attribution specialist with expertise in calculating return on ad spend. Most brands feel more comfortable sharing sales data with such a company than they will sharing that with an ad vendor or even their ad agency.

These providers not only add credibility to the measurement process and actual outcomes, but are also very experienced in helping you structure your campaigns up front for measurement with actual transaction data.

Several well-established companies are versed in sales lift measurement for mobile, including Nielsen Catalina Solutions and Acxiom.

Knowing who is a critical first step. Without it, you aren't able to target precisely, know whether your ad was actually seen, or deliver the measurement/ metrics your organization expects.

Conclusion:

Generally, the companies offering mobile advertising solutions are well-versed in various industry technologies and approaches, and understand the nuances of mobile. Your goal is to find the most solid, defensible mobile ad targeting, delivery and measurement solution possible.

And while vendors and their approaches may seem fairly equal — similar processes, results, technologies, etc. — as you peel back the layers, finding the right vendor for your product can often become extremely confusing, often resulting in more questions than answers.

So, start by asking the right questions. Be careful of accepting answers at face value, and never accept aggregate data when you're looking for targeted solutions and real results.

If you still have questions or need guidance, contact 4INFO at 800.206.8818.