The Definitive Guide to Mobile Ad Measurement

How today's brands and agencies can measure their non-performance mobile advertising campaigns

If there is one area where brand marketers want to build their confidence, it's in mobile advertising measurement. And who can blame them? In this fast-moving and quickly evolving category, there is no shortage of attribution approaches and metrics, or companies claiming some new campaign measurement methodology, analytics or insight.

It's nearly impossible to distinguish one methodology from another, understand how one company's algorithm is superior to another, and know what's really working when it comes to reaching your prospects and customers.

Through this this comprehensive guide, we peel back the layers of confusion, and help you:

- Understand today's mobile measurement landscape
- Cut through assumptions, claims and presumed "absolutes" about various measurement approaches
- See how campaign metrics inform the consumer path-to-purchase
- Explore how to measure what matters most to the C-suite

Chapter 1

Overview

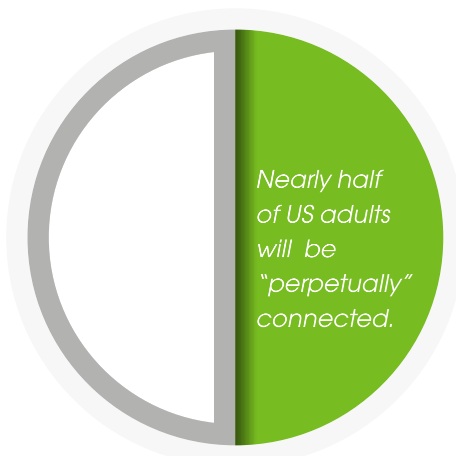
Let's set the stage. Nearly half of all adults in the United States are "perpetually connected." Combine smartphones, tablets and PC use throughout the day, and you begin to see what Forrester Research calls the "always addressable consumer," or those people who own and frequently use multiple devices from multiple locations at all times of the day.

Look at smartphone usage alone. Forrester reports smartphone ownership today surpasses 2 billion devices.[1]

Think about your own day. Do you have your smartphone or tablet next to your bed? Is it the first thing you look at when you wake up?

If so, you're not alone. Nearly half of U.S consumers use their mobile phones as alarm clocks, and almost 80 percent of us reach for our phones within 15 minutes of waking up.[2] Among 18 to 24 year olds, that number goes up to almost 90 percent.

Most of us check our smartphones more than 150 times. Every single day.[3]



Source: Forrester Research, Create Marketing Your Customers Can Use, 2014

Compare media usage from 2010 to 2014 and you'll see a dramatic shift. Mobile minutes have grown seven times from 3.7 percent of media consumption in 2010 to 23.3 percent in 2015.[4] The shift puts mobile usage on par to the time users spend on desktops and laptops.

Clearly, mobile is outpacing other channels in nearly every measure.

1. eMarketer 2013, Smartphone Users and Penetration Worldwide, 2012-2017

2. eMarketer 2013, Time When US Smartphone Users First Reach for Their Phones After Waking Up

3. Kleiner, Perkins, Caufield and Byers. "Internet Trends", 2013

4. eMarketer, Share of Time per Day with Major Media by US Adults, 2011-2015, April 2015

But Media Budgets Haven't Kept Pace

And that's an understatement. In fact, if you align the amount of time spent on a mobile device with advertising spending, marketers would spend $30 billion more on mobile advertising than is projected for 2015.[1]

The question then is, given the changes in how consumers use mobile devices, why aren't marketers embracing mobile advertising at the same rate?

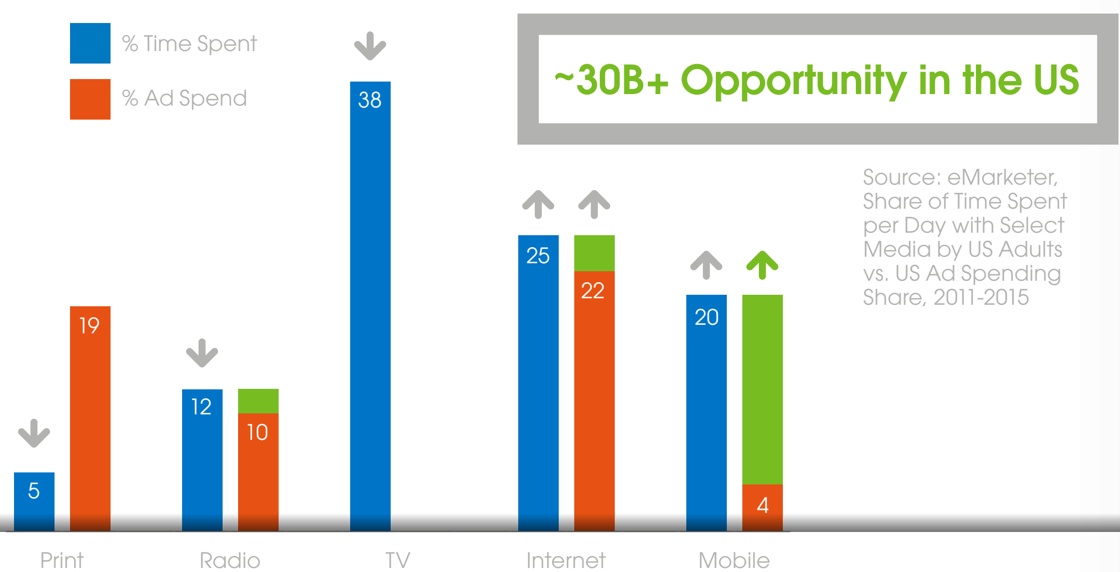
That's what we wanted to know, so we asked marketers this very question.

In June 2014, 4INFO partnered with Acxiom and commissioned a Forrester Consulting study to uncover the reasons for this gap — and
to better understand what it takes for marketers to justify an increased mobile advertising spend.

The Forrester study specifically targeted senior-level decision makers at 100 U.S.-based consumer brands. The marketers Forrester surveyed told us that today, digital spend accounts for one third of their paid advertising. And they are nearly evenly splitting their budgets across desktops and laptops versus smartphones and tablets.

Reflecting that change, their mobile advertising budgets are growing: 93 percent increased their budgets from 2013 to 2014, with 29 percent
of them increasing their spending by more than 50 percent.[2]

% of Time Spent in Media vs. % of Advertising Spending, USA 2013



Source: eMarketer, Share of Time Spent per Day with Select Media by US Adults vs. US Ad Spending Share, 2011-2015

1. eMarketer, Share of Time Spent per Day with Select Media by US Adults vs. US Ad Spending Share, 2011-2015

2. A commissioned study conducted by Forrester Consulting on behalf of 4INFO and Acxiom, May, 2014

We're Not Getting the Metrics that Matter

In justifying this increasing mobile ad spend, survey results show there is a clear disconnect between what would be the most meaningful metrics and the metrics currently in use.

Consider these findings: In-store sales lift and new accounts opened are the top two ways marketers say would help them determine if an ad budget were well spent. But how are they actually measuring mobile advertising outcomes?

Today, marketers are using traditional digital metrics, like taps, click-throughs and website hits, along with downloads and mobile purchases.

This disconnect between what marketers need to justify their ad spend and what they're actually using, leaves these same marketers unable to defend their mobile ad spend.

So, what prevents marketers from getting the metrics they need to adequately justify their ad spend? It turns out that the inability to connect mobile impressions with online and offline data is a huge stumbling block for brands.

With the right metrics, nearly 9 out of 10 would increase mobile ad spending.

Chapter 2

Clearing the Air about Mobile Ad Measurement

The atmosphere around mobile ad measurement is foggy at best.

In this era of Big Data, we have the ability to measure, count, calculate and analyze just about anything. And there's no shortage of companies that claim to measure mobile advertising. The question isn't whether you should measure the effectiveness of your campaigns. The questions really are:

1. What can and should you be measuring?
2. Which metrics are the best indicators of mobile advertising success?
3. Which should you use to justify your ad spend?

Measuring Along the Path to Purchase

Most brands understand today that their relationship with consumers involves numerous touch points, and a path to purchase that can be very complex. And certainly there is no shortage of illustrations to demonstrate this complexity.

Let's just start out with a very basic path to purchase.

When you look at this approach, there are numerous KPIs and metrics that logically align to campaign or brand intent of awareness building, customer engagement and purchase.

Many of these traditional KPIs provide good insights about the various touch points and consumers' progress along the path, including their increasing levels of interest that may eventually lead to purchase.

Start with Awareness

Under Awareness, you have number of impressions, percentage viewed "(which applies to video ads) and, of course, brand lift, where researchers use surveys to gauge pre- and post-brand awareness and perceptions.

Be aware that brand lift shouldn't be confused with sales lift. With brand lift, you are only measuring perceptions, not actions, such as a purchase.

Awareness
Impressions
% Viewed (video)
Brand Lift

Engagement
Clicks / Page Views
Banner Expansion
App Download
Store Visit
Social Likes/Shares
Lead Inquiry

Move to Engagement

Engagement is a newer measurement area for mobile and other channels, indicating how often consumers are on their mobile devices and able to interact with brands.

From an advertising standpoint, there are numerous traditional digital KPIs to consider, such as clicks and page views.

If you are using rich media banner ads that can expand and create interactive experiences without clicking through to a landing page, you are able to track interactions with the banner itself, such as banner expansion.

Marketers promoting an app would likely choose to measure relevant app downloads.

Brick and mortar retailers care a great deal about driving people into the store, so they may want to measure how many mobile consumers search for the nearest store and ultimately how many store visits resulted from a particular ad.

With the explosion of social media, likes and shares have become another key engagement metric for brands. And for higher ticket purchases and B2B marketers, leads and inquiries are a valuable metric worth tracking.

Purchase
Sales Lift
M-Commerce
E-Commerce
New Accounts
Lifetime Value

Get to Purchase

That brings us to ultimate point on our path: Purchase.

Tracking actual sales lift is vital, but don't stop at sales made on a mobile device and desktop/laptop. Keep in mind that while m-commerce and e-commerce are growing significantly, they still combine for only 8 percent of total retail purchases. This pales in comparison to purchases made at brick and mortar stores, where 92 percent of all sales still occur.[1]

So, unless you sell exclusively online, you probably care a great deal about resulting offline purchases, including in-store and via telephone. And for certain types of retailers (i.e., banks), sales likely equates more to "new accounts opened."

Finally, the even more challenging metric to measure is long-term value or lifetime value of a customer.

With so many possible metrics, how do you determine the true effectiveness of a mobile ad campaign?

This is one of the great challenges of analytics and measurement in a world of Big Data — as advances in computing power now make it possible to track all of these and even more.

For marketers, the trick becomes parsing through the terabytes of available data to derive meaningful conclusions and make actionable business decisions.

1. BIA/Kelsey, 2014

Useful or Meaningful Metrics

Making sense of it means first separating the metrics into two buckets: metrics that are useful versus those that are truly meaningful.

What's the difference? Think of it this way: Useful metrics are the metrics that provide insight along the path to purchase and can be used to help tweak and improve campaign performance, while meaningful metrics are the metrics that the CMO and CEO will use to justify mobile ad budgets.

To re-examinee awareness metrics with this new filter, simply start by asking: Will you use these to justify your ad spend, or are they primarily to improve campaign performance?

While awareness is important, few brands today justify ad spend based on awareness metrics alone. Today's ROI-focused CEOs tend to care about awareness only when it translates to actual sales.

So, awareness remains an important step toward purchase, and awareness-related metrics are useful, but not truly meaningful.

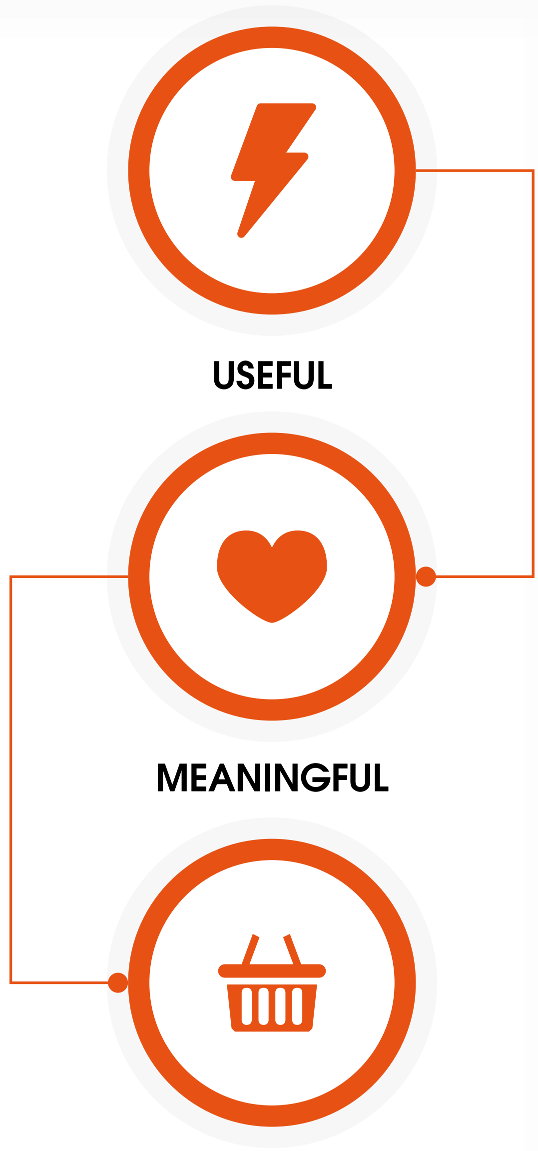
Within engagement, ask yourself if you'll use clicks, page views, banner interactions or app downloads to justify a mobile ad budget. For most brands, the likely answer is no.

When it comes to store visits, there are many brands that rely heavily on this data to validate the effectiveness of ad campaigns.

Many agencies also favor store visits above actual in-store sales. Why? Because they only influence the advertising, which they believe can only convince someone to visit a store. And once someone is in-store, many other factors (shopper experience, merchandising, product availability, etc.) affect or determine actual purchase.

The real challenge with store visits is accounting for anomalies to or correlations with actual sales. Brands and agencies often show that an ad campaign drove thousands of people into a store, while at the same time in-store sales (total, basket, SKU, etc.) actually declined.

In these situations, the same question remains: Would you be encouraged to increase your ad budget? In the end, store visits are a strong indicator of campaign performance, but those visits are still only a step along the path-to-purchase.



A Detailed Comparison of Useful and Meaningful Metrics

As shown in this chart, several of the traditional key performance indicators provide good insights along the path-to-purchase. And while these can be helpful for campaign evaluation, marketers should also be aware of the short-comings – especially as they look to justify their ad spend.

Taps and click-through rates are a good measure of initial consumer interest, awareness or engagement. Visits to a brand's website, along with the length of time spent on that site, indicate even more intense interest.

Within mobile marketing, app downloads can demonstrate another level of commitment to learning more about a product or service, as does preference or awareness derived from brand lift surveys and studies.

KPIs	Pros	Cons
Taps / Click-Through Rate	Guages interest in the product offer. Good measure of ad's ability to capture attention.	"Fat Fingers" may create taps that don't reflect actual interest. Without purchase data, does not enable ROI calculation.
Rich Media Engagement	Watching a video may indicate that the audience is receptive to a sales pitch.	Doesn't account for consumers who expect entertainment vs. marketing videos.
Downloads	Consumer interest is high. They want to learn more.	Initial interest does not always lead to ongoing engagement of purchase.
Site Visits	Indicates desire to learn more. Important milestone on path to purchase.	Doesn't indicate if the site provides the right information to stimulate a purchase. "Fat Fingers" may lead to accidental site visits.
Sotre Traffic	Leads to increased purchase opportunities.	Doesn't always lead to sales of a specific product or increased basket size.
Brand Lift	Surveys individual consumers to measure brand awareness, message recall and sentiment.	Very difficult to get survey respondents on mobile. Questionalble value of the data returned.

Looking at More Meaningful Metrics

Top-line metrics and direct indicators of purchase are the meaningful metrics marketers say they need to justify mobile ad spend. Yet, the perceived inability to connect mobile impressions with online and offline purchase data is often their biggest stumbling block.

Marketers have become adept at targeting consumers in the digital world and measuring their digital conversions. In fact, some marketers today question whether it makes sense to have mobile advertising if the advertiser doesn't have a good mobile website or app for tracking conversions.

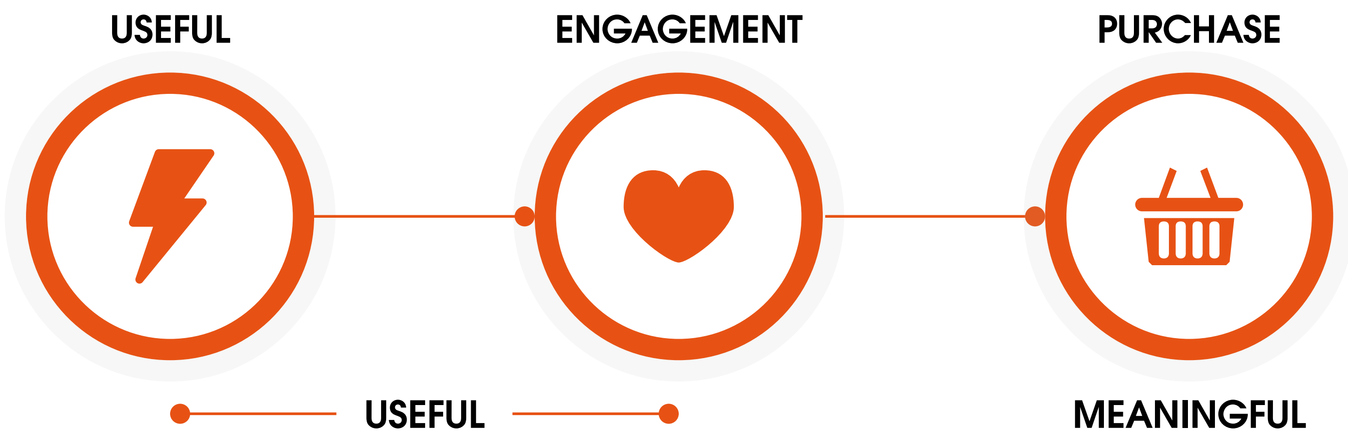
Remember, even with m-commerce and e-commerce growing at record rates, they still only account for 6 percent of all purchases made today. The rest—a whopping 94 percent of purchases— are still made in brick-and-mortar stores. So unless you are an online-only merchant or app maker, you probably care a lot about connecting your digital audience and activity to offline purchases at the cash register.

KPIs	Pros	Cons
Mobile Purchases	Direct measure of ad effectiveness.	Only valid for mobile commerce, products that can be bought directly from mobile device. Ignores purchases made at retail.
Online Purchases	Limited measure of ad effectiveness beyond mobile.	Only valid for e-commerce, products that can be purchased online. Ignores purchases made at retail.
Financial Services Transactions	Credit applications and insurance quotes are a direct measure of ad effectiveness.	Only relevant to financial sector.
Total Sales Lift	Direct measure of ad effectiveness beyone mobile. Enables maketers to calculate return on ad spend (ROAS).	Requires retail and online purchase data from exposed targets and non-exposed control group.
Return on Ad Spend	Allows direct comparison and attribution to other measured media such as online display, direct response TV, direct mail, email, couponing etc.	Requires detailed exposure and sales lift data and mobile campaign costs.

Not surprisingly, top-line metrics and direct indicators of purchase are the meaningful metrics marketers need and want to justify their mobile ad spend.

How you go about connecting transactions (offline and online) with mobile advertising to determine an effective return on your advertising investment is the next challenge addressed in Chapter 3.

In the graphic below, you'll see where today's mobile ad platforms and providers align. Do your best to understand what these vendors are offering, and whether the measurement they offer falls into the bucket of useful metrics for campaign optimization, or the meaningful metrics you need to definitively demonstrate campaign success and to justify your overall ad spend.



Brand Lift

AdInsights®
(Insight Express)

ADimension®
(Research Now)

Vizu Ad Catalyst™
(Vizu)

Ad Delivery Validation

Nielsen Online

Campaign Ratings™

Essentials™ or vCE®
(ComScore)

Store Visits

Place Vist Rate™
(PlaceIQ)

Foot Traffic Index
(Verve)

Location Graph™
(JWire/Ninth Decimal)

In-Store Traffic Lift
(xAd)

Insights
(Placed)

Retail Targeting™
(Sense Networks/YP)

In-Store Movement Tracking

iBeacon
(Apple)

Euclid Esperss
(Euclid)

Shopper Activity Maps
(BetaNext)

Nomi Mobile
(Nomi)

Attribution Models / Systems

Adometry Attribute™
(Adometry)

Attribution
(Converto)

True Attribution®
(VisualIQ)

Pixel Fire
(c3Metrics)

Multi-Touch Attribution
(Nielsen)

Store & Basket Level Sales

Register Ring Rate
(Millenial/JumpTap)

Neustar®
AKClosedLoop
(Neustar)

Nielsen Buyer Insights
(Nielsen)

Total Sales Lift
(at SKU or UPC level)
4INFO
Facebook
AOL
Yahoo
DLX ROI™
(Datalogix)

Chapter 3

Measuring Sales Lift

As elusive as it seems to connect your mobile ads to actual purchase decisions, the reality is that you can do it today, and you can effectively justify your ad spend.

To accomplish this, you'll want to rely on meaningful metrics to calculate whether you saw a positive or negative ad "return." This is usually expressed as a "Return on Ad Spend" or "ROAS."

How Do You Measure ROAS?

The formula shown below for using sales lift to measure Return on Ad Spend is pretty straightforward.

As an example of the formula, a 382% ROAS means that for every dollar you spent on media, you generated $3.82 in incremental sales lift.

How you go about determining sales lift is a bit more complicated.

It is important to understand that people who saw your mobile ad, as well as people who did not see your ad, will make purchases. So you need to be able to compare the sales resulting from those who were exposed to the mobile advertising with the sales of those who weren't exposed.

This provides the true incremental sales lift you enjoyed as a result of the advertising.

While this basic approach isn't new to most marketers, applying it effectively and accurately to mobile advertising is new and requires additional insight, data and ability to connect these seemingly disparate digital and offline areas.

Start with Who

The simple fact is it's only possible to measure incremental sales lift after the fact if you can tell who was influenced by an ad and who was not. And to determine who was influenced, you first need to consider how you're targeting your mobile ads.

Accurate targeting in mobile has proven to be one of most challenging problems, because what works in online display—using cookies to link a PC or laptop to a person—doesn't work in mobile. So everyone involved in mobile ad targeting has had to develop their own method of targeting.

Not all "lift" is equal

Mobile ad providers often use the word "lift" when describing some KPIs. 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. But not all lift is created equally. Marketers should ask questions to further define what sort of lift they're measuring to determine its value in gauging the success of the campaign.

Three general methods for mobile audience targeting:

LOCATION: Some ad platforms will use location as a proxy for "who." They look at where a particular device has been seen over time and/or where a device is at a specific time and place and what's near that spot. They then use this to target.

As examples, you can reach people who are within a mile of a Target store, or reach people who appear to be parents because they frequently visit the grocery store, a daycare and Babies R Us.

ACTIVITY: Ad platforms using activity will help you reach specific segments based on what apps and sites people use. Examples include sports fans using the ESPN app. women who are on Glamour's app or site, parents who are using apps or sites for ideas on how to decorate kids' rooms.

LINK: The most-desired ideal method is matching a device to a user or household. Why? If you can link the device to someone, then you can also link it to all of the data available on that household, including demographics and purchase data.

From a measurement standpoint, the first two don't allow you to distinguish between exposed and unexposed. They may tell you the location of a device or the segment or category the person belongs to (i.e., sports fan), but they give you no way to distinguish whether the device belongs to John Smith and that he actually saw the ad, or whether that the device belongs to Mary Jones and she didn't see the ad.

It is impossible to measure ROAS based on incremental sales lift if the targeting doesn't use a method that ties the device to a person or household and then have the ability to link impressions to the person or household via the device.

It is critically important that you understand clearly what targeting methodology is being used and whether the provider can identify the person or households exposed versus those not exposed to the mobile ads.

Use the Right Match Key for Effective 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 each:

Email: 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.

Household: Most people only have one home address and it changes less frequently — on average only once every 7 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 percent. This prevents running precisely targeted campaigns and achieve the kind of reach needed for most national brand campaigns. The small scale also prevents measurement from being performed after the campaign, because there simply is not enough data to compile statistically reliable test and control groups.

Getting the Sales Data You Need

One of the biggest challenges in determining sales lift is getting the actual sales data to tie to people exposed to your advertising.

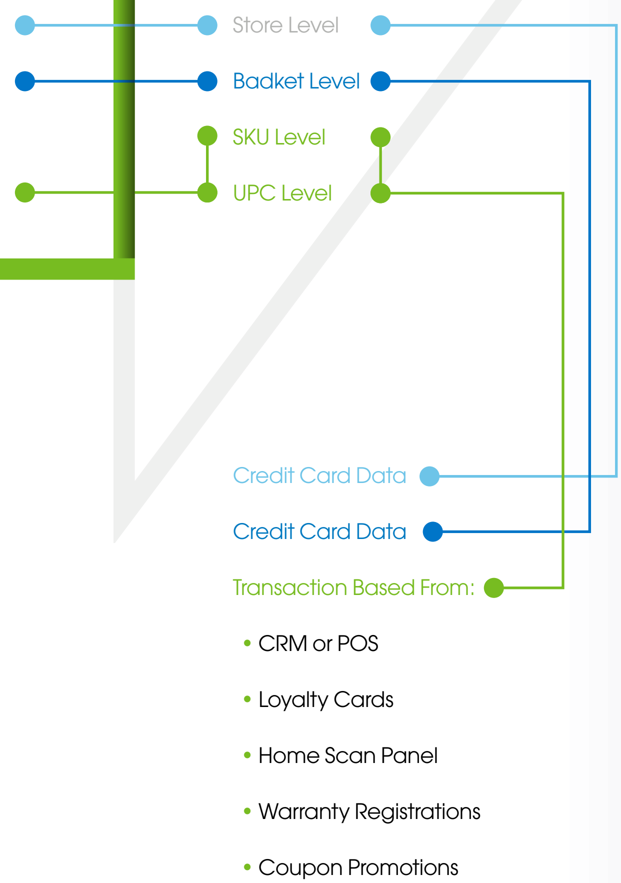
Start by understanding the levels of sales data available for measurement. Once you have that information, you can determine the relevant sources of that data, and then determine the levels that matter to your brand.

For example, if you're measuring at the store level, you can determine that Customer X visited a grocery store three times.

At the basket level, you can determine that Customer X spent $100 in frozen foods.

At the SKU level, you know that Customer X spent $10 on Lean Cuisine.

Finally, at the UPC level, you can determine that Customer X spent $2.50 on Lean Cuisine pasta with meat sauce.



The level of data available to you is influenced by who you are and how you sell. For example, some retailers may be fine getting down to just the store or basket level. But if you are the manufacturer of a product, you'll likely want to drill further down to SKU or UPC level.

SOURCE DATA IN SEVERAL WAYS

Sourcing the data can be relatively easy for retailers, since they simply have to tap into their own Point of Sale (POS) data and link it back to ad impressions.

If you work for an agency and your clients don't readily give you access to this type of sales data, try asking for it. They probably have it or have access to it, and likely have an independent third party, like Acxiom, Experian or Epsilon, you can work with to match impressions to sales data.

But what if you sell your products through many different retailers? At the store level, you can source credit card data available through companies that work with the card-clearing houses and banks. And that same data can be used to get to the basket level.

Sourcing at the SKU level is harder, since credit card data typically show a store or, at best, a department within a store. You might see this on your own credit card statement if it shows a department store purchase for electronics, but doesn't show the specific item you purchased.

To get to the SKU level, you either have to have access the CRM or POS data, or you have to look for other methods, like loyalty cards, home scan panels or warranty registrations. In some industries, such as consumer packaged goods, there are companies that aggregate these data from multiple retailers, giving you a single source for industry-wide data.

As you work from store level to UPC level, obviously the precision and accuracy of data will increase, and attribution becomes more complex.

WHAT'S THE BENEFIT OF UPC OVER SKU?

SKU levels alone leave you without some crucial information. You miss specific buyers, due to the challenges detailed above. Those same challenges may cause an understatement of specific product level ROAS. And you can't efficiently evolve the consumer to new products on behalf of a brand manager.

UPCs were created for companies to extract richer data details, enable more accurate targeting and measurement, and also reveal more about individual shopper preferences.

Clearly, the most specific data are also the most effective.

Chapter 4

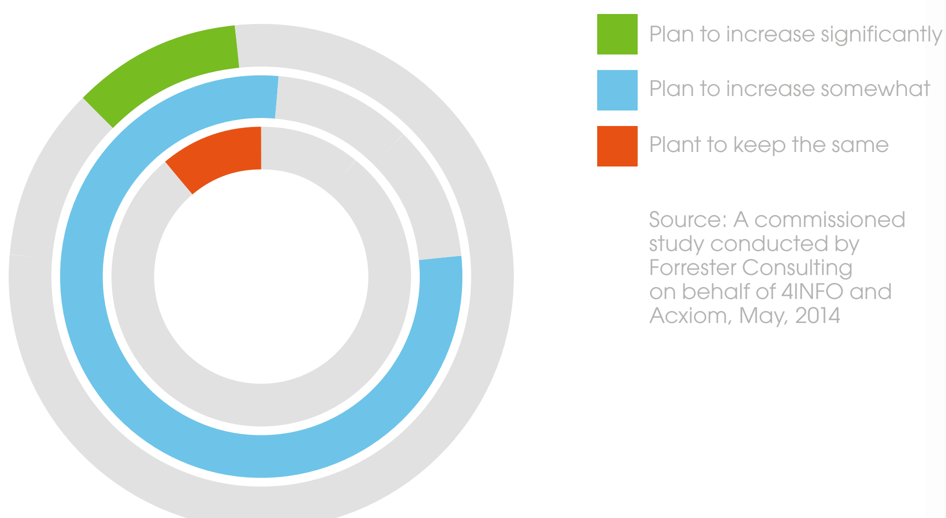
Mobile Measurement Unleashes Cross-Channel Success

In our research, marketers told us they're just getting started with cross-channel advertising. Roughly half said they're executing just a few of their campaigns as cross-channel campaigns. And nearly a fourth are in a talking or planning stage and have not yet executed any cross-channel campaigns.

But that's about to change.

Fully 9 out of 10 plan to increase their cross-channel campaigns, reflecting the fact that consumers continuously and effortlessly cross screens throughout their day. So, marketers know it's imperative to begin thinking and executing from a cross-channel approach in their digital marketing.

Q15 Do you plan to increase or decrease the number of cross-channel advertising campaigns you execute in 2014?



Source: A commissioned study conducted by Forrester Consulting on behalf of 4INFO and Acxiom, May, 2014

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The Biggest Barriers to Running More Cross-Channel Campaigns

Marketers also told us the top two challenges of cross-channel advertising are the inability to accurately target the same user across channels, and the difficulty attributing the value of an impression to the ultimate purchase/action. Specific issues include the lack of accurate reporting tools, lack of consistent reporting methods or metrics, and limited cookies and device IDs.

Herein lies the big problem. Online marketing has established methods for targeting and measuring advertising, thanks to the universal standard of cookies. Mobile doesn't have that advantage, and that creates tremendous problems tracking the same user across devices.

These challenges naturally erode the confidence of marketers in being able to attribute the ROI from their cross-channel advertising campaigns. Only 13 percent of marketers said they were "very confident" in making that attribution.

Marketers have become adept at targeting consumers in the digital world and measuring their digital conversions. In fact, some marketers today question whether it makes sense to do mobile advertising if the advertiser doesn't have a good mobile website or app for tracking conversions.

But the reality, as noted earlier, with e-commerce and m-commerce growing at record rates, they still only account for 6 percent of all purchases made today. The rest—a whopping 94 percent of purchases—are still made in brick-and-mortar stores. So unless you are an online-only merchant or app maker, you probably care a lot about connecting your digital audience and activity to offline purchases at the cash register. And that's not easy, is it?

Connecting mobile impressions to in-store sales to calculate a meaningful ROAS really is the Achilles heel of mobile advertising.

Q19 If you could solve for these (cross-channel advertising) challenges, would you run more cross-channel advertising campaigns?

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The Impact of Solving the Attribution Problem

All of this brings us to the Holy Grail of cross-channel campaigns.

In our survey, marketers overwhelmingly said solving the mobile measurement challenge would affect not only their mobile spend, but would also impact their cross-channel advertising campaigns.

We asked: If you had the capability to fully measure all metrics and ROI indicators for all channels, would you change your online/digital advertising budget distribution between computer (desktop, laptop) and mobile (smartphone, tablet)? Eight in 10 marketers said they would shift those dollars from desktop to mobile.

In fact, fully two thirds of their digital budgets would go toward mobile, versus the half currently allocated there.

And about 10 percent of ad spend would shift from offline to online. With the ability to measure across all channels, marketers would now have the confidence to shift dollars from offline media, including TV, print, outdoor and radio, to digital channels, mirroring media consumption shifts by consumers.

Not only does solving the mobile measurement challenge unlock more mobile dollars, but marketers clearly told Forrester that solving those challenges would result in more cross-channel advertising campaigns.

So there you have it. The key to cross-channel advertising nirvana is first solving the mobile attribution problem. When you plug that hole, marketers become more confident in transitioning their advertising to the same cross-screen approach that consumers are taking to their media consumption today.

Source: A commissioned study conducted by Forrester Consulting on behalf of 4INFO and Acxiom, May, 2014

Chapter 5

Get Past the Hype by Asking the Right Questions

For many marketers, mobile advertising seems like the Wild Wild West — with companies of all sizes, backgrounds and abilities competing to bring new measurement methods to market, and claiming that their newest catchy brand name is absolutely, positively the best methodology available.

It's not easy getting beneath the hype and promises to understand what really is possible, and which ad platform or solution is your best choice for measuring mobile ad effectiveness.

We've created a six-question test you can use to get beneath the surface of what vendors are saying or claiming, to really understand what you're getting.

Questions You Should Ask Your Mobile Ad Platform Provider:

1. Who Sees My Ad?

Remember that in the ROAS formula, you have to compare sales from those exposed to a mobile ad to those not exposed.

But, if the ad platform is targeting based on device location, or is only able to tell you the segment targeted, you won't be able to compare sales between the test and control groups. This makes it impossible to measure sales lift.

If the company can't tell you who saw the ad, then at best they will be able to give you a useful metric, but not a meaningful measure of success. It's that simple.

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.

2. What Match Key do you use for targeting & measurement?

Remember that to calculate sales lift, you must be able to link a mobile user to sales transaction data. And to do this, a match key is required.

If the provider doesn't have a match key that can accurately link purchase data to a mobile user, you won't be able to calculate ROAS. Thus, this measurement method could be categorized as useful, but not meaningful.

The two most common match keys are e-mail address and home address.

But there are challenges with using email addresses, and they often don't accurately match at a scale (millions of devices, addresses, etc.) to work in most cases.

So, if the provider is relying on e-mail addresses to match mobile users to sales data, you'll want to make sure they are able to match enough transactions to impressions to get an accurate read of ROAS.

Know that this kind of match can be done, but for many providers, this is a problem area when it comes to doing it at the scale most brands require.

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 generating a positive ROAS from your mobile campaign, as well as enabling cross-channel (multiple screen) campaigns.

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

Unfortunately, no standards exist yet for the mobile advertising industry when it comes to targeting. And providers are using a variety of methods that often come down to their own algorithms.

Don't assume that just because a provider says they have an algorithm to solve this problem that it actually 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.

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.

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

4. Where will my ad be seen?

Location targeting 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 expands to include the variety of applications, outlets, publications and channels where your ad could be seen.

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.

5. How will you measure campaign success?

As this guide details, 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.

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.

6. Will your platform deliver one-to-one marketing at the scale my campaigns require?

The industry is buzzing with claims and comparisons about the number of devices, users, people, ad requests, mobile uniques, data match or location accuracy, etc. while also claiming an ability to connect offline and online data.

These numbers are often used to demonstrate platform scale, which is critical to ensuring enough of your audience segment can be effectively targeted, ads actually delivered and then accurately measured. But, numbers alone don't tell the entire story. Dig a little deeper into claims of scale to know whether the platform or vendor you're considering:

- Has large enough audience reach that national, precisely targeted campaigns demand. This means they can show and demonstrate the true number of individuals or house holds they have mapped devices to — look for at least 150 million individuals or 70 million households to ensure proper reach.
- Maps devices to individuals or households using either known registration data to tie a device to an individual, or deterministic methods that employ clustering techniques with many data points over numerous days to tie a device to the individual. Be careful of providers leveraging using probabilistic, single data point approaches, (i.e. last time the device was seen combined with IP address) which are often much less accurate.
- Offers highly-accurate matching to other data sources, including linking to first-party CRM data, past-purchase data, third-party data providers (Acxiom, Experian, etc.) and mobile data points. You should expect match rates of 65 to 90+ percent.
- Operates across all operating systems, tens of thousands of apps, mobile web and desktop.
- Has the proven experience measuring large, national campaign ROAS based on actual online and in-store sales lift, not just through samplings in select locations or store visits.

Spend a little more time on these areas, and you'll have the confidence to know if you're able to measure offline and online sales at scale, and without limitations.

Scale is critical to ensuring your audience segment can be effectively targeted, ads delivered and accurately measured.

Campaign size needed for measurement

Based on analysis from more than 150 national mobile ad campaigns using past purchase data for targeting, brands need a minimum of 2 million households in their target to achieve the scale required for typical 8 to 12 week national brand campaigns. So, unless your brand penetration level is greater than 30% of all U.S. households, you should start with mobile devices mapped to a minimum of 70 million households.

Industry Measurement Approaches in Use Today

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.

Within each stage of the purchase path, today's measurement solutions generally fit within one of seven categories:

1. Brand Lift - Shows the level of interactions with a brand as a result of an ad campaign. Increased interactions are often inferred as positive shift in brand awareness or perception.
2. Ad Delivery Validation – Provides real-time or post-campaign validation data on the accuracy of digital display ad delivery. Mobile marketers gain a view into campaign delivery and a third-party verified assessment of ad-exposed audiences.
3. Store Visits - Metrics showing the number of people visiting an offline or online store as a direct result of a digital campaign. Typically, determining store visits requires some combination of technologies, consumer panels, sampling and extrapolated or inferred data.
4. In-store Movement Tracking – Uses some combination of in-store technologies like Wifi signals and beacons to show consumer behavior and movement within a physical store location. Tracking data may be combined with or compared to purchase data to infer engagement metrics.
5. Attribution Models/Systems - Provide some understanding of what combination of events influence individuals to engage in a desired behavior, typically referred to as a conversion. Today's solutions use combinations of algorithmic or probabilistic attribution to assign conversion credit across all touch points / channels preceding the conversion to then determine where credit is due.
6. Store & Basket-Level Sales - Used to determine actual offline, online and mobile commerce sales results – at store or total basket level – resulting from an individual advertising campaign. Sales lift is derived by comparing what those people exposed to an ad actually purchased versus what people who were not exposed to the same ad actually purchased.
7. Total Sales Lift - Similar to number 6 above, determines actual offline, online and mobile commerce sales results resulting from an individual advertising campaign, but at the more specific product SKU or UPC level.

When is a conversion not a conversion?

A Conversion is…

… when a sale is actually made. That's been true in marketing for generations, and it's consistent with how CEOs and CFO's—the people ultimately approving advertising budgets—think of conversions.

A Conversion is not…

…a store visit. While store visits are an early indicator of campaign effectiveness, and can provide insight along the path-to-purchase, the fact that an ad may have driven a consumer into the store isn't considered a conversion in traditional marketing terms. Foot traffic without sales lift won't justify an ad budget, and in the case of grocery and drug stores, it is inaccurate to correlate visits to purchase of a specific product.

While it may be more convenient to simply measure store visits during the duration of a campaign, it's most important to measure what matters, and not simply measure what is easy.

Mobile Advertising Glossary of Terms

Confused by mobile advertising jargon or definitions offered by vendors? Below is a quick list of common industry terms and acronyms. For more insights and resources, you can also turn to reputable independent organizations and associations like the Mobile Marketing Association or the Digital Advertising Alliance.

Targeting Terms:

Geo-Targeting
Common marketing approach of defining a target audience within a particular geographic area. Used extensively in both online and mobile advertising, geo-targeting typically leverages location based on country, region/state, city, metro code/zip code, organization, IP address, ISP or other criteria to then offer more relevant content.

Geo-Aware Targeting
Sometimes referred to as location-aware targeting. This broad industry term refers to any number of strategies that attempt to tie a mobile user's brand interest or purchase intent to a geographic location, based on common purchase behaviors observed at that location. Geo-aware targeting is used widely in mobile advertising due to the "always on" nature of mobile devices and the ability to target at the most relevant points along the path-to-purchase.

Geo-Fencing
An evolved form of geo-targeting where marketers select a location or point of interest (e.g., store, airport, stadium) and establish a perimeter or "fence" around that location – based on defined distance of feet, yards or miles – to then target devices within that perimeter.

Household ID
A type of match key derived from a physical address. The ID is used as a common identifier for an individual consumer using multiple devices (smartphone, tablet or PC), and is considered a more stable targeting approach when compared to other identifiers such as email address, IP address or cookies, due to more stable nature of a home address.

Hyperlocal
Designed to reach highly relevant target audiences at a specific time and place. Hyperlocal is typically some form of geo-targeting combined with more advanced audience segmentation such as pre-defined audience segments, third-party targeting or CRM data. The term is often used by different vendors to mean different things.

IP Address
Internet Protocol is the address assigned to an internet-connected device. IP addresses can be used for targeting across channels/devices. It is not considered precise or accurate in mobile advertising.

Indoor Positioning System (IPS)
The category of devices and technologies used to identify and track consumers inside a store or other building. Considered somewhat accurate for reaching very narrowly targeted audiences with mobile ads, though scale and privacy are concerns.

Match Key
A common link or identifier needed for connecting target audiences to devices, multi-channel campaigns and measurements. 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.

Store Trading Area Targeting
Still more precise form of geo-targeting that relies on predefined trading areas for stores, using criteria like drive-time to a particular location.

Measurement Terms:

App Download
Useful metric shows actual number of times a mobile application was downloaded by members of a specified target audience resulting directly from the ad campaign.

Brand Lift
Useful metric can show the level of interactions with a brand as a result of an ad campaign. Increased interactions are often inferred as positive shift in brand awareness or perception.

Click Through Rate (CTR)
Useful digital campaign metric shows the percentage of ads clicked on, when divided by the total number of impressions served.

Cost Per Click (CPC)
Useful digital campaign metric and pricing model, derived by dividing the cost of a digital campaign by the total number of ads clicked or tapped in response.

Cost Per Thousand (CPM)
Useful digital campaign metric and pricing shows the dollar cost for every one thousand impressions served.

Cost Per Visit (CPV)
Useful campaign metric helps show expense side of increasing store (offline) and/or site (online) visits. The ways of calculating total, incremental or direct visits as a result of mobile and digital campaigns varies widely within the industry.

Cost Per Acquisition (CPA) / Cost Per Conversion (CPC)
Useful campaign metric showing the campaign cost associated with acquiring each new customer or converting from one sales stage to another.

Register Ring Rate
Useful campaign metric showing online and/or offline (in store) transaction rates associated with a campaign. Typically compares the total number of transactions (register rings) that occur during a campaign to those occurring before or after the campaign. It does not necessarily show actual sale amounts at the basket or SKU level, or sales tied to consumers who saw/received an ad.

Return on Ad Spend (ROAS)
Meaningful metric used to determine campaign results by showing either a positive or negative return on campaign expense. ROAS is determined by dividing the return (actual sales or sales lift) by the ad campaign cost (media buy). Results are typically shown as a percentage, ratio (i.e., 3:1) or multiplier (i.e., 3x). ROAS can also be calculated to determine which channels are most effective at driving purchases — helping answer attribution questions.

Sales Lift
Meaningful metric used to determine actual offline, online and mobile commerce sales results – at the product SKU level and/or total basket level – resulting from an individual advertising campaign. Sales lift is derived by comparing what those people exposed to an ad actually purchased versus what people who were not exposed to the same ad actually purchased.

Store Visits
Useful metric that shows the number of people visiting an offline or online store as a direct result of a digital campaign. Typically uses some combination of technologies, consumer panels, sampling and extrapolated/inferred data to determine store visits.

Store Visit Lift (SVL)
Useful metric that shows comparative changes/ levels of offline store foot traffic, resulting from an individual ad campaign. Doesn't necessarily equate to actual purchase, and typically uses some combination of technologies, consumer panels, sampling and extrapolated/inferred data to compare store visit impact from the campaign.

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