The 5 Myths of Measurement

A playbook for measuring the business impact of your digital campaigns
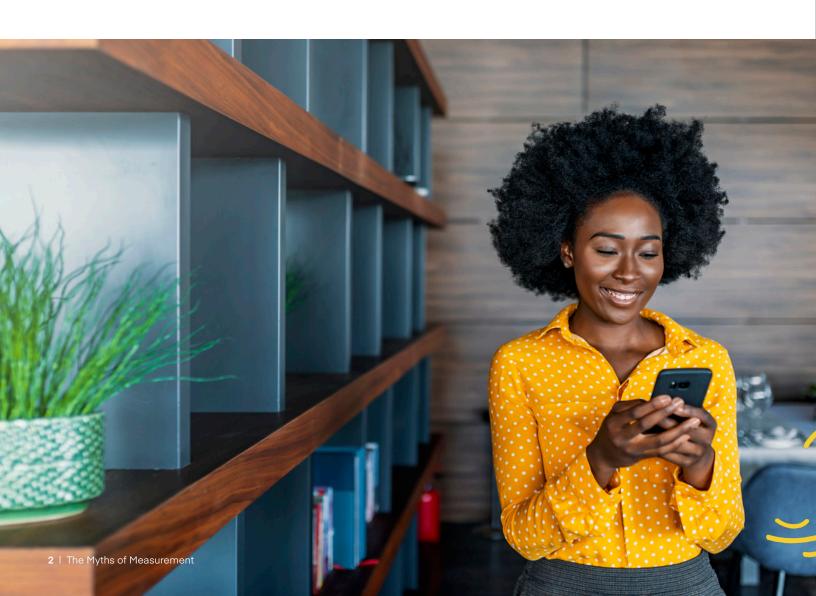

theTradeDesk®

Measuring what matters for growth

Today's marketers face a unique set of challenges. On the front lines of business recovery, they're charged with finding the best ways to reach consumers and bring their companies back to growth. But when it comes to measuring success, many are still relying on outdated strategies that rely too heavily on proxy metrics such as click rates and average CPMs.

The most successful marketers today are the ones who connect their campaigns to real business outcomes. Their measurement plans transcend yesterday's proxy KPIs, using data and technology to provide actionable insights that trace every advertising dollar to growth.

We created this guide to break down some of today's most common measurement myths, helping you identify changes that drive real world business outcomes.

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Understanding the challenges of measurement today

Before we address the myths, first we wanted to highlight a few facts that might explain why they exist to begin with. There are three main challenges marketers face today that may be impeding their ability to measure toward growth.

Key Challenges

Walled gardens and data silos

In order to understand which media and channels are driving results, you need to be able to compare them. As many advertisers know, silos lead to fragmented campaign management and incomplete data sets that impede your team's ability to answer crucial business questions. To achieve a clear picture of campaign results, start with a unified strategy combined with the right technology to link data points and provide clear insights.

Connecting media to ROI

Marketers often struggle to link media campaigns to real-world business outcomes, such as driving revenue and customer retention. Because consumer actions are always changing, established baselines are also being redefined constantly. And finding the right KPIs relies on knowing the business objective you want to achieve and finding actionable KPIs that allow for in-flight optimization. Once you have these cemented, it makes it easier to get the results you're looking for.

Data privacy

Data privacy regulations and Google's decision to deprecate third-party cookies are prompting the industry to update their approach to consumer privacy and advertising measurement. This change, while concerning to many, offers an opportunity to make the internet better and upgrade the future of identity to provide consumers with more control, while preserving the value of relevant advertising for advertisers and publishers.

LEARN HOW we're approaching this balance with Unified ID 2.0.

Myth 1:

Measurement comes at the end of a campaign

For growth-driven marketers, measurement isn't an afterthought. It's the foundation on which campaigns are built — and the key to tying marketing activities to company-wide outcomes. The right campaign analytics will not only show you what a customer did as a result of your campaign, but provide strategic insights into why they did it. But how do you determine the right measurement plan? Here are a few steps to consider:

✛ Set campaign objectives

In order to determine the right measurement for your campaign, start with the business objective you want to influence or the question you're trying to answer. This will help to determine a more strategic media mix.

✛ Set KPIs that mirror those objectives

If the campaign objective is sales lift, for example, your KPI would be online and offline purchase metrics. If the objective is understanding how each channel contributes to conversion, then focus on attribution. We recommend narrowing your KPIs to a few key metrics.

✛ Establish the right data inputs and tools

Your measurement will only be as successful as your campaign setup. Here are a few considerations you should be thinking about from the outset:

- Place all necessary pixels and tags to make sure your website or app are set up to track conversions.

- Make sure you are securely sharing your site, app, or CRM data with your media buying platform so that you're set up to optimize for real-world business results.

- Do you need to employ a measurement vendor? For example, if you want to measure store visits, you may want to utilize a partner such as Foursquare.

- Take steps to unify first-party data so you get a better understanding of the customer journey and lifetime value.

- Comprehensive data from every channel will improve the granularity and coverage of data across channels.

Niagara Water boosts sales with a measurement-first strategy

Client
Niagara Water

Method
Online to Offline

Niagara Water, a national bottled water company, partnered with platform operator Evolution Media Group (on behalf of The Woo Agency) and The Trade Desk to find a better way to measure the sales impact of their digital campaign within key stores co-marketed within their ads. The brand combined precise audience targeting across mobile, CTV, and desktop with two unique measurement offerings — Oracle Data Cloud and Foursquare (previously Factual). As a result, Niagara successfully measured in-store visits, purchases, and new buyer sales.

The results exceeded the company's expectations.

42%	267K	80K
increase in same-store sales of Niagara Products	store visits	purchases, with nearly 30% attributed to previous buyers of competing brands

Read the full case study

Myth 2:

Proxy metrics are KPIs

Most CMOs today are focused on tying campaigns to business growth — and the answer they're looking for isn't measured in impressions viewed and clicks. With digital, it's easy to fall into the trap of measuring what's easy, instead of finding a metric that tells you what you really want to know. While proxy metrics can be good guardrails, and can help to fill in data gaps, it's important to understand how they should be used and if there's a better alternative.

Here are a few examples of common proxy metrics, the real-world indicators they're often attempting to measure, as well as some alternatives that may better align with your goals:

Metric	What it measures	Commonly a proxy for	Considerations	Alternatives to consider
Click-through rate (CTR)	The ratio of clicks to impressions for your ad	Purchase intent	The average CTR is less than two percent. That means by optimizing to this metric, you risk skewing your media plan based on the actions of fewer than two percent of the people who saw your ad.[1]	• Online/offline sales • Conversions • Site/store visits • Onsite or in-app actions (e.g., form completes) • App downloads **READ OUR BLOG, "Four Tips for Going Beyond Clicks,"** for more ideas.
Viewability	Whether your ad has had the opportunity to be seen	Brand awareness	No one should pay for ads that can't be seen. But by focusing too narrowly on viewability as a performance KPI you may compromise targeted reach, brand safety, and conversions.	• Brand-lift studies • Real-time brand impact surveys • Inferred brand impact
Impressions	How many times your ad has been shown	Reach	Reach means a number of unique people, but with impressions you could be measuring multiple views by the same user.	• Unique individual and household reach • On-target percentage • Frequency

Home Chef uses Conversion Lift to prove causal conversions

Client
Home Chef

Method
Converision Lift

Zeroing in on the right signals is key to understanding — and proving — the value of your investment. In a recent campaign, the digital marketing team at Home Chef, a national meal kit delivery service, partnered with The Trade Desk to launch a conversion lift test designed to show the causal impact their advertising campaign had on driving subscription signups. The campaign targeted warm leads on desktop and mobile devices, using cross-device attribution to measure and optimize the full path to conversion.

At the end of the test, the Home Chef team was able to prove that their campaign strategy was in fact driving causal conversions. They also uncovered that mobile ads were more impactful in driving conversions than desktop ads.

" We've long believed in the importance of incrementality testing to prove the value of our digital investment. The Trade Desk's Conversion Lift gives us the confidence and the data to show the best way for us to drive measurable return on ad spend. "

- Kyle McNulty,
Manager of Programmatic, Home Chef

12.4%
lift in sign-ups for the service

1.2x
Return on ad spend

Read the full case study

Product spotlight
Actionable brand lift measurement

The first few weeks of a campaign are critical for assessing what's working and what's not when measuring the response to your ads. Yet when it comes to brand awareness and consideration, actionable measurement is hard to come by. Luckily there are new solutions that put brand impact KPIs at the forefront of decision-making by surfacing real-time insights to help you optimize your campaigns.

Lucid Measurement

Through our custom integration with Lucid, marketers will be able to activate and track Lucid Impact Measurement directly within our user interface. By using this integration, you can easily survey people who have seen your ads, measure a range of actionable brand lift KPIs, and optimize media performance in real-time.

LEARN MORE

Inferred Brand Intent

Our proprietary solution uses platform-wide insights to help you better understand how customers research your brand. Inferred Brand Impact measures your audiences' browsing behavior before and after ad exposure, and lets you make mid-funnel optimizations in response. The result? Higher performance as customers move down the funnel.

An entertainment advertiser found that users reached with Inferred Brand Impact were **20X more likely** to purchase movie tickets.

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Myth 3:

You can't optimize online campaigns to offline actions in real time

For some verticals, like CPG and Auto, campaign success has always been firmly established in the offline transaction. But digital has become an increasingly important touchpoint in the consumer journey. This dichotomy has caused many marketers to rely on proxy metrics to optimize campaigns in-flight, and employ more meaningful incremental sales measurement tools — such as marketing mix modeling — post-campaign.

Fortunately, there are new solutions that help marketers confidently optimize campaigns to offline business outcomes. Let's explore how using a demand side platform with an integrated marketplace of vetted, independent data and measurement partners can open the door to actionable real-world insights.

Auto Sales

Through our partnership with Urban Science, our automotive clients are now able to measure the impact of digital advertising on automotive sales based on data collected directly from automakers. Rather than a post-campaign report weeks after the end of the campaign, automotive advertisers can move budgets between channels and strategies throughout the campaign, based on what's driving sales.

LEARN MORE

CPG Purchases

By partnering with companies such as NCSolutions, IRI, Ibotta, or Oracle Data Cloud, CPG brands can now make in-flight adjustments to campaigns based on in-store purchase data. This not only helps performance, but also allows brands to gain a better understanding of the causal impact digital efforts have on tangible business outcomes.

Read our interview with Carl Spaulding, EVP of Strategy at NCSolutions to LEARN MORE.

Store Visits

Another way to bridge the online-to-offline divide is by using high-quality geo-location partners such as Foursquare and NinthDecimal to integrate in-store visits into your campaign performance metrics.

CASE STUDY

Netsertive boosts in-store visits to local auto dealerships

Client
Netsertive

Method
Foursquare

The Netsertive team wanted to help its luxury automotive client track in-store visits to local dealerships. By tapping into Foursquare (previously Factual), Netsertive targeted key audiences with interactive ads that seamlessly localized messaging based on whichever dealership was closest to them. The two-month campaign exceeded the client's expectations and uncovered key behavior insights, including visitation patterns for website and in-store visits.

The campaign drove:

22K
dealership visits

485K
visits to local dealership

Read the full case study

Building on the power of your data

We all know first-party data is king, but vetted second- and third-party data can help you go beyond what you know and can be a source of powerful purchase and sales data. Plus, it comes from many sources that don't rely on cookies. But is it consistent and sourced in an ethical way?

Our platform gives you access to a marketplace of verified, high-quality data from the best brands across the industry. This allows you to build on your data and tie your campaigns to meaningful results.

Myth 4:

Connected TV can't be measured effectively

Connected TV (CTV) is in more homes than ever before, presenting new opportunities for you to reach nearly 200 million people viewing premium content.[2] Excitement for CTV is high, but it's important to keep in mind how it's measured:

Incremental Reach

With CTV, you can access reach and frequency reporting, including insights from linear television exposure. By using Automated Content Recognition (ACR) data or Nielsen CTV Analytics, you can find out who's watching your ads at both a household and viewer level.

The YMCA and Kelly Scott Madison (KSM) were able to achieve this using The Trade Desk and Nielsen CTV Analytics.

LEARN MORE

The Objective
Extend reach and awareness of the YMCA among millennials and Gen Z audiences using premium CTV content, such as The People's Choice Awards
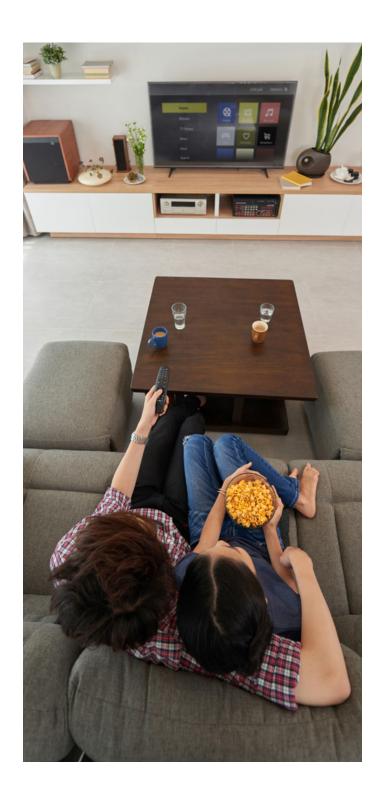
The Measurement
Nielsen CTV Analytics: on-target percentage (OTP) measurement and over-the-top (OTT) reach

The Results

1MM incremental unique users who were not exposed to the same advertiser's ads on linear TV

89% incremental reach for adults 18–34 through CTV

5.6x higher OTP for CTV ads compared to linear TV for adults

Product spotlight
ACR data

Did you know that by 2021, 61 million households in the US will have a smart TV? That's over 120 million smart TV users.[3] With this increasing adoption comes a new type of data — ACR — which collects viewership info from the smart TV itself. The viewer opts in during the TV setup, providing advertisers with a valuable data source to inform their buys.

ACR data is unique because, unlike panel-based methods, it's automatically collected, leaving little room for human error. We partner with multiple providers to receive ACR data on millions of opted-in smart TVs to help you find your incremental CTV audience.

ACR data opens up a range of possibilities for advertisers, such as targeting an audience that has been underexposed to your ad on linear TV. It can also help marketers determine incremental reach and connect ad spend to business goals, like driving in-store traffic.

Online-to-Offline Actions

Want to know the effect your CTV campaign is having on offline actions, like store visits? With CTV measurement providers, you can connect your campaigns to in-store visits.

To see how this can be done let's look at the approach Meineke, an auto repair service provider, and its agency Rise Interactive took on a recent campaign.

To see the full story, GO HERE.

The Objective
1. Compare CTV and linear performance
2. Drive store visits
3. Measure on-target reach using CTV's premium live NFL and NHL inventory

The Measurement
1. Capitalize measurement for in-store visits
2. Nielsen On-Target Percentage (OTP) measurement

The Results

48k store visits, a 5% conversion rate

46% higher OTP for adults 25-54 on CTV vs linear

180% higher OTP for adults 18-34 on CTV vs linear

Conversion Lift

Our Conversion Lift solution lets you see the causal impact of your CTV ads on a consumer's actions — like purchases, website visits, and appointment scheduling

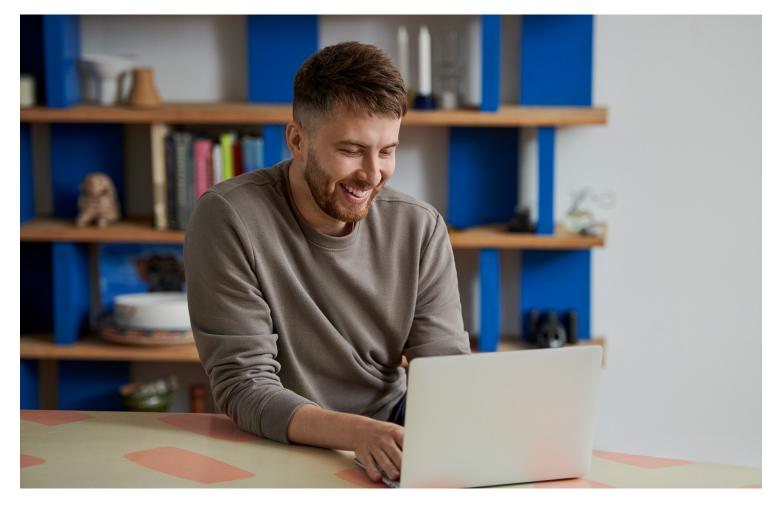For more on how to best activate CTV within your campaigns, CHECK OUT our CTV playbook.

Myth 5:

Attribution is only about the last touch

Many marketers mistakenly think that conversions are best measured by attribution, often using first- or last-touch metrics to determine the success of a channel or publisher. In reality, the greatest value of attribution is determining the relative contribution each channel or combination of channels has on driving conversion. Most solutions focus on only a certain channel, such as TV or a mobile app, making a complete view of the customer journey challenging.

To make matters worse, platforms such as Google and Facebook offer their own attribution systems, which makes it hard to get a centralized view of all data.

Compare this to attribution from an objective platform like The Trade Desk, which integrates with a marketplace of third-party measurement and attribution partners. We can provide a more holistic view of the entire cross-channel journey, so you can compare channels and find the best media mix to make the most of your spend. Here are some concepts to consider when choosing your approach.

Single-touch vs. cross-channel attribution

While single-touch attribution models can be useful in determining which touchpoints are better at closing conversions, they often oversimplify the customer journey and risk overstating the impact a specific channel or publisher has on conversions. It may take more work at the outset of your campaign, but setting yourself up to perform cross-channel or multi-touch attribution will pay off in the end, providing a more comprehensive view that can help shape ongoing strategy.

This approach worked for an audio service provider that wanted to understand which channels contributed to subscription sign-ups. Using our turnkey marketplace of integrated measurement providers, they easily found the right attribution partners for their cross-device campaign. With this knowledge they were able to maximize their ad spend on the right channels to drive success.

Here is what they found out:

21%	**3x**
saw an ad on mobile before switching to PC to convert	higher conversion rate for people who saw ads on mobile and tablet vs mobile and PC

Lookback windows

A lookback window is the period of time after an ad is clicked or viewed within which an action — like an install or purchase — can be attributed to the ad. Attribution thrives in its ability to provide actionable insights that allow you to optimize spend, so it's common for marketers to want to judge attribution on a very short lookback window. But by doing that, you risk judging your media spend too quickly.

Recently, a political advertiser who was using a one-day lookback came to us confused, wondering why they weren't achieving the results they wanted. By simply switching their lookback to a more standard seven-day window, they were able to optimize against more meaningful insights, and tripled the impact of their campaign.

Key takeaways

As businesses continue to shift their focus to recovery and growth, marketers have a unique opportunity to gain market share and turn new customer behaviors into measurable business outcomes. That starts with rethinking traditional measurement metrics and focusing their media strategy on using the right technology to provide actionable consumer insights and digital-first customer engagement across the customer journey.

The Trade Desk is here to help.

+ **Break down the silos.** Understand measurement across your organizations, and use that to create long-term goals (e.g., lifetime value) and short-term objectives (e.g., channel attribution).

+ **Make measurement actionable.** Choose a demand side platform with a marketplace of objective measurement partners and vetted solutions to surface actionable insights across your campaign lifecycle.

+ **Plan your measurement strategy early.** The key to tying marketing activities to business outcomes is an actionable measurement plan set at the outset of your campaign.

+ **Align KPIs with campaign objectives.** Just because you can measure it, doesn't mean it should be a KPI. Choose KPIs that are actionable and demonstrate real-world impact — less is more.

+ **Bridge the online and offline divide.** Innovative measurement partners can help you get the data you need to optimize digital campaigns to real-world actions.

+ **CTV measurement is within your reach.** The right partner can help you develop a clear measurement strategy in this fast-growing channel.

+ **Take a holistic approach.** The right demand side platform will help you compare the effectiveness of your media across every channel.