CONNECTING THE DOTS
Guidelines for marketers to strengthen measurement frameworks

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The insights in this document are based on in-depth interviews with marketers representing a range of Fortune 500 companies in addition to tech leaders, and global advertising agencies of varied business complexity and marketing sophistication. The conclusions and recommendations have also been reviewed by industry thought leaders with backgrounds in media, publishing and more.

INTRODUCTION

Digital ad spend in the Southeast Asia region is rising, reflecting where consumers are increasingly spending their time – on their PCs and mobiles, always connected and always consuming.

Double-digit growth in digital channels has been forecasted by IAB Singapore's 2017 Ad Spend report with eMarketer on Southeast Asia (including Hong Kong and Taiwan), with mobile to quadruple by 2020.

The long-term question is: how can the digital advertising industry help brands get to a point where marketers are confident about every dollar spent on digital? The answer lies in being better able to understand the relationship between marketing investment and business outcomes.

Marketers have long coveted the ability to clearly connect campaigns and their contribution to marketing and overall business objectives, but it has remained elusive. However as technological capabilities improve, and digital becomes a much larger slice of the marketing mix, that possibility now seems tantalisingly within reach.

Developing this capability has to start with measuring the right behaviours and actions, doing so with the right foundation and framework in place.

As Southeast Asia continues quickly along its digital development path, success will be determined by how well marketers can connect the dots and relate it back to business ambitions.

BACKGROUND AND METHODOLOGY

In 2016, IAB Singapore's Measurement, Standards & Data Committee produced a series of white papers around measurement. These white papers provide thorough guidance on measuring performance in each major area of digital advertising in Southeast Asia: Content Marketing, Mobile Marketing, Social Media and Digital Video.

At the same time, the Committee also observed an emphasis on media metrics in the industry instead of being objective focused and discussion on measurement was typically only at the campaign level.

It was clear that the importance of linking these media metrics to marketing and business objectives needed to be highlighted, and the impetus for a whitepaper as a guide for the industry was born.

The initial approach was to interview a range of brands in different verticals, consisting of those whose measurement frameworks would have been more developed to brands who were just starting out in their digital journey.

Brands involved spanned several industries, from financial services, FMCG to travel and hospitality, and included names such as OCBC, Johnson & Johnson Vision Care and FastJobs, all sharing thoughts on the topic.

Interviews sought to determine awareness of what overall business objectives are and how that relates to marketing and specific campaign objectives. Questions posed during the interview process included:

- What are the measures that are currently being used within the organisation?

- Who is using these metrics? And why (e.g. are there any KPIs set internally or agencies)?

- What metrics work well (i.e. satisfy a specific need)? Which are not-so-good?

- Are different metrics used for different objectives?

- How does digital fit into the overall internal structure of the organisation?

Over the course of several interviews, it became apparent that brands across all verticals continue to face a huge challenge in relating campaign activities and results to marketing and consequently business outcomes.

It was also apparent that there was a gap in available industry literature on the topic – with resources difficult to find, and few that focused on providing best practises. As a result, the Committee wanted to offer a starting point for organisations in the region.

Business objectives

Marketing objectives

Campaign objectives

Missing Link: Feedback loop is incomplete, with understanding of campaign impact on overall business objectives often limited or ignored altogether.

Mapping and understanding the consumer decision-making process, with metrics that matter, will help all stakeholders measure the efficiency and effectiveness of each marketing initiative.

- Sebastien Lepez, Director, IMC APAC, Global Brand Management, Johnson & Johnson Vision Care, Inc.

There is a disparity within the marketing group on what metrics should be used to measure success and how they affect business outcomes. What will help marketers is a measurement framework to provide a starting point on how best to standardise metrics used across campaigns, and identify metrics that are most relevant in driving marketing and business outcomes.

– Mark Foo, Product Manager, FastJobs

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ATTRIBUTION BEYOND SALES: CHALLENGES AND CONSIDERATIONS

Increasingly, organisations are required to have a more granular understanding of the impact of every initiative they invest in, in order to prioritise and optimize spend. This goes beyond just campaigns and incorporates a multitude of influences, which impact overall business performance - from distribution and point-of-sale (POS), pricing to competitive forces and even macro environment conditions.

However, the majority of organisations are focused on the evaluation of individual campaigns in silo and are not always related back to overall business outcomes.

This is because:

- There is a fragmentation of the media landscape and a focus on channel-centric views rather than audience-centric views; for example, social campaigns are evaluated separately to online video campaigns.

- Range of metrics available, for example behavioural metrics are typically free or easy to obtain compared with other metrics that may be necessary to build a more complete picture.

- Not all campaigns immediately drive sales, there is interdependency with other influences that go beyond a campaign, for example competitive activity or pricing.

Yet attribution is the most common topic amongst marketers and media agencies alike. So what can be done?

KNOW YOUR NATURE BEFORE YOU NURTURE

The nature of your business influences what and how things can be measured. The degree of resources and expertise available will also determine the level of complexity and sophistication of the framework that you can develop and implement.

In addition, the intrinsic complexity of your business will determine the difficulty level of creating a framework. An online native company that deals with consumers directly will find it much easier to build an attribution model. In contrast, multi-layered, complex organisations with presence in offline as well as online channels will need degree of sophistication to build a meaningful attribution model.

THE QUESTION OF ATTRIBUTION

There are currently few viable means of measuring the contribution of individual campaign initiatives to overall business objectives. When we interviewed brands for this white paper we found that none of the organisations currently have a measurement framework in place that is able to connect all the dots between their campaigns and business objectives.

The most common way of de-tangling which initiative has what effect is currently through the use of Market Mix Modelling (MMM); a method of statistical analysis.

MMM aims to estimate the impact of various marketing tactics on sales and then forecast the impact of future sets of tactics. It is often used to optimise the advertising mix and promotional tactics with respect to sales revenue or profit.

This is a valuable and insightful approach. However it can be limited in identifying the more nuanced impact of digital initiatives. Not all brands have the luxury of being able to adopt MMM as it is costly, complex and time-consuming to execute, so adoption is limited.

> **It is critical to establish robust digital attribution modelling for brands instead of relying on Last-Event conversions as multiple digital touch points would have also contributed to the business objective (conversion metrics). Savvy brands are already investing in digital attribution and optimisation at scale, with a combination of algorithm-based and rule-based attribution techniques, depending on campaign investment levels and importance of the products in their portfolio.**
>
> – Robin Wong, CEO, FAST Asia Pacific, Mindshare

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VIABLE ALTERNATIVES: ESTABLISHING MEASUREMENT FRAMEWORKS

In the absence of a straightforward way of measuring attribution we need to look for proxies - or surrogate measures that would enable inference of a campaign's impact.

There are three aspects that an organisation needs to build into the measurement framework:
1) Consumer Journey (specific to organisation)
2) Behaviour (media metrics available/required)
3) Attitudinal (brand metrics available/required)

As rule, try to measure the maximum, rather than minimum available. And use independent third party sources wherever possible.

CONSUMER JOURNEY AND STAGES OF THE JOURNEY

The principles of the Consumer Journey are well known and a useful model to apply when developing measurement frameworks. There are multiple variations of the customer decision-making process, most typically depicting the following stages:
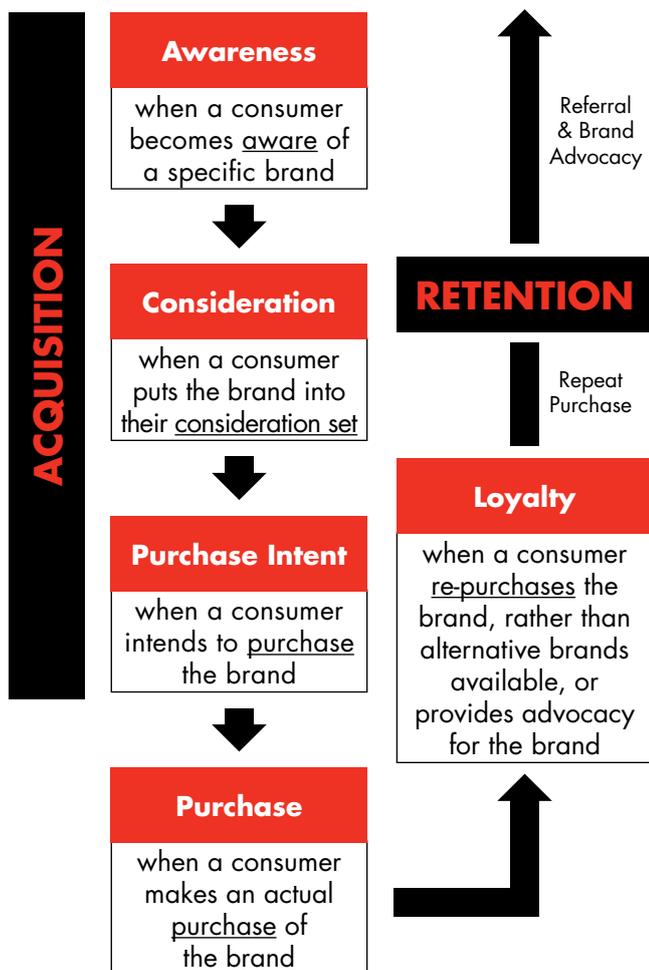
This forms a helpful framework to guide the planning of consumer-centric strategies and in defining campaign objectives and the associated metrics to measure and optimise marketing performance.

It is critical to understand the role of digital broadly, and the role of digital advertising specifically, in the consumer purchase journey for your specific brand at this will guide the relevance of different metrics. For example, an FMCG brand looking to drive awareness will likely have greater emphasis on measuring the impact of ad exposure, rather than driving traffic to a site, compared to an automotive company looking for more test drive signups.

Stages 1-3 focus on Acquisition, and driving business value by delivering sales growth from new customers, while Stage 5 focuses on Retention (Loyalty) and driving sales growth from repeat customers.

While the focus of this paper will be on the Acquisition stages, there is full recognition that digital marketing can make a significant contribution to Retention, and that the two should work together in order to increase marketing performance.

This is increasingly the case given the growth in addressable data – such as behavioural and social indicators that can be garnered from device IDs, desktop cookies and location tracking history – and the ability to link this across advertising and marketing technology platforms. (*NB: This is noted as an area of further exploration*).

ACQUISITION

Awareness
when a consumer becomes <u>aware</u> of a specific brand

Consideration
when a consumer puts the brand into their <u>consideration set</u>

Purchase Intent
when a consumer intends to <u>purchase</u> the brand

Purchase
when a consumer makes an actual <u>purchase</u> of the brand

RETENTION

Referral & Brand Advocacy

Repeat Purchase

Loyalty
when a consumer <u>re-purchases</u> the brand, rather than alternative brands available, or provides advocacy for the brand

Mapping and understanding the consumer decision-making process, with metrics that matter, will help all stakeholders measure the efficiency and effectiveness of each marketing initiative.

- Sebastien Lepez, Director, IMC APAC, Global Brand Management, Johnson & Johnson Vision Care, Inc.

Each stage of the customer journey can be associated with two types of metrics:

1. MEDIA METRICS

Often referred more broadly as campaign metrics, these metrics that can be directly associated with an individual campaign. These are typically more holistic and can be measured on a campaign-by-campaign basis and the focus should be on meaningful behaviour metrics, based on the organisation's objectives and purpose.

2. BRAND METRICS

These metrics measure multiple aspects of a brand such as awareness, consideration, equity and health amongst other indicators. These are typically more holistic and can be measured on per campaign basis as well as periodic and on-going basis (e.g. monthly or quarterly).

Examples of these metrics by stage:

Consumer Journey	Awareness	Consideration	Purchase Intent	Purchase	Loyalty
Advanced Sales Attribution	Advanced modelling to identify inter-relationships across campaigns and other influences driving business impact. (MMM, highly complex)				
Brand	Unaided Awareness uplift %	Consideration uplift %, favourability uplift %	Overall Brand Purchase Intent %, Brand Purchase Intent Uplift %	Claimed purchase / consumption uplift	NPS, Increasing Frequency
Media	In-target Reach - % (not volume)	Dwell time, Interaction Rate or 'Time on Site'	Cart Start % or Leads	Conversions and CPA	Repurchase Rate %, Customer Lifetime Value

Note: Media metrics have been covered previously and extensive literature is available through IAB Singapore while Advanced Sales Attribution is not explored in detail in this paper due to its complexities.

BRAND MEASUREMENT: DISTINGUISHING THE METRICS

To persuade advertisers to increase spending in the digital space the ad community should continuously provide tools to prove effectiveness in driving the performance of both hard conversion rates and brand metrics.

These measures are critical in sharpening a marketer's understanding of the campaigns launched and their relevance to the overall brand performance. Standard attributes like awareness, attitudes, beliefs, brand affinity and consumer consideration to buy should be included in measurement studies after each campaign.

This allows marketers to understand the effectiveness of the campaigns on a tactical basis. On a more fundamental level, it also helps the formation of a long-term view of how the tactics may have affected the brand's image positively or otherwise.

With tools like the classic Brand Health Tracker and the more recent time-bound Brand Lift Measure being available, marketers and agencies can now have access to a more comprehensive set of results, as well as a more immediate view of their brands' purchase funnel and consumer perception.

For example, if your goal is to increase brand awareness then the use of behavioural measures such as impressions, views and reach will be important. These measures can be obtained during and after the campaigns from data management ad server and tracking platforms.

If you need to understand how the ads have affected spontaneous or aided brand awareness via brand-linked memories and recognition of the campaign, a Brand Lift Survey can help achieve this by asking standard campaign effectiveness questions against the objective of driving short-term sales, where the focus would be on conversions, site or store visits and short-term purchase intent.

Digital measurement is not yet an established science, which results in more importance being given to lower funnel metrics – such as leads and sales. Having said that, with an increasing awareness that digital does drive upper-funnel metrics such as awareness/consideration, there is urgent need for better tools and metrics, along with an universal acceptance of what these metrics should be.

– Cedric Dias,
Head, Digital Marketing,
Group Marketing, Global Consumer
Financial Services, OCBC Bank

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BRAND LIFT SURVEY VERSUS BRAND HEALTH TRACKER: DISTINCTIONS IN ROLES AND DIMENSIONS

	Brand Lift Survey	**Brand Health Tracker**
What does it measure?	Impact from particular campaign	Overall brand performance
	Controlled / Exposed	Impact of all marketing initiatives over a longer period of time
Dynamism	One point in time	Over time /progression
Platform	Digital platforms mainly (If offline evaluation is needed, we may apply 'opportunity-to-see' metric to combine with digital real-time measurement)	Platform agnostic
Format	Top lines on brand attributes	In-depth analysis on brand performance (usage & image)
Method	Tagging (recommended) + survey	Survey
Evaluation	vs. specific campaign messages	vs. brand's KPIs
Frequency	One-off or by waves	Longitudinal / on-going
Addressing under-delivery	Re-evaluate campaign main message, evaluate optimal frequency of delivery, ad formats, creative option	Re-evaluate the suitability of brand image and advertising strategy / relevance to brand. Does it add or take away from brand?
Subject	Own brand	Own brand and competitors
Key metrics	Awareness, favourability, purchase intent, creative assessment, engagement	Awareness, usage, favourability, purchase intent, recommendation, brand attributes for KPIs
		Brand power, brand equity, brand perceptions

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CHOOSE WISELY:
GOLDEN RULES FOR SELECTING MEASUREMENT METRICS

1 ALIGN YOUR METRICS TO YOUR CAMPAIGN OBJECTIVES

The first step is to understand your company's overall business objectives and the contribution of marketing to these goals. Be clear on both short-term goals and priorities for the long-term and then identify how you will measure digital's contribution to these objectives.

You should establish one objective and its associated metrics before setting up your digital tracking to measure and optimise these metrics. Defining only one objective is recommended, with a maximum of two, to avoid unnecessary complexities and minimising potential complications.

Example 1:
Your campaign objective is to drive awareness. You should select only awareness-related metrics, such as In-Target Reach % and Brand Awareness Uplift %.

Example 2:
Your campaign objective is to drive online sales. You should select only purchase-related metrics, such as online sales purchase intent uplift.

2 IF YOUR CAMPAIGN OBJECTIVE IS SALES, MEASURE AS CLOSELY AS POSSIBLE TO THE ACTUAL POINT OF CONVERSION

Tracking sales, particularly offline sales, can sometimes be difficult. If this is the case, understand your consumer journey, map out the data assets available and then measure as far down the funnel as possible. To achieve measurability you may need to trade-off some accuracy. Again, optimise towards the lowest point at which you are able to track.

Example 1:
For an auto manufacturer with a campaign objective of driving sales, consider measuring campaign success on the basis of users successfully completing a "Test Drive Request" form. In this case, optimise your campaign towards successful form completion.

Example 2:
For a B2B marketer with a campaign objective of driving new client acquisition, considering measuring campaign success on the basis of users successfully downloading a white paper or completing a "Contact Request" form. And in this case, optimise your campaign towards successful white paper downloads or form completion.

3 AVOID METRICS THAT DO NOT CAPTURE IMPACT MEANINGFULLY

Whilst the industry is flooded with digital behaviour metrics that are freely available, for example CTR, always question what the information represents and how it relates to your business or the impact you're trying measure.

Example 1:
In the previous examples provided, where the objective is either awareness or sales, CTR would not be a relevant metric, as it doesn't directly link to the campaign KPI.

Example 2:
When it comes to measuring awareness, consider both brand metrics and behavioural metrics to provide a holistic view of the campaign performance. Use page views per session or duration time to measure engagement of a digital campaign as opposed to CTR. Implement Brand Uplift surveys to capture impact on brand metrics, especially for new product launches.

4 HAVE A CONSISTENT SOURCE OF DATA WHERE YOU CAN BENCHMARK YOURSELF AGAINST AND IMPROVE ON IT.

By consistently using the same metrics from the same source, you can start developing internal benchmarks to compare your performance over time.

Example 1:
You will be able to assess the impact of advertising campaigns and see how it is changing over time by using the same awareness and consideration metrics for both brand and media. Should results improve or worsen, you can then deep-dive into the media touch-points and communication messages to discern why. It's equally important to keep the consistency for brand health trackers (long-term) and brand lift surveys (one-off).

Example 2:
To assess performance of your acquisition or sales campaigns, consistently use the same metric such as cost conversion/sales. This way you can monitor the result of optimisation efforts more tangibly, for example A/B testing to know which creative and/or tactic drives lower cost per acquisition.

5 WHERE POSSIBLE, USE INDEPENDENT THIRD-PARTY VENDORS

Independent 3rd party measurement is imperative to for a holistic, transparent and objective understanding of how a brand's digital investment is performing. Without it your media partners are "grading their own homework" which can potentially compromise the outcome. This is particularly important when it comes to viewability, in-target reach, brand tracking, and conversion measurement.

Example 1:
Independent measures for ad verifications such a viewability, invalid traffic and brand safety include comScore, Integral Ad Science and Moat. For Audience and Brand measurements such as in-target reach, brand awareness or purchase intent, you can consider comScore, Nielsen and Millward Brown.

6 ADVERTISERS SHOULD WORK WITH THEIR AGENCY PARTNERS TO ENSURE FULL ALIGNMENT TO GOALS

Advertisers should seek input and advice from their agency partners and ensure clear understanding of business, marketing and campaigns objectives. This will help ensure all parties are working with a shared sense of purpose and aligned goals.

Example 1:
If the objective of your campaign is to drive awareness and the defined campaign KPI is In-Target Reach %, then the internal marketing team and all partners should be aligned to this. The agency team will in turn be optimising the campaign towards this. CTR or other metrics may be of general interest, and it may be possible to glean insights from them, however they would not be used to evaluate the performance of the campaign.

7 BUILD UP PARTNERSHIPS

Work with other companies in your ecosystem to allow, and get access to, more granular data. This requires balancing the value gained from data sharing and internal privacy concerns.

Example 1:
Clearly articulate the mutual benefit and explain clearly how the data will be used and steps taken to ensure privacy of the data received. Companies in the ecosystem do not always fully appreciate or understand how sharing their data with another company will be beneficial to their own organisations.

8 TAKE A STAGED APPROACH DEPENDING ON YOUR COMPANY'S MATURITY

Your organisation is unlikely to go from CTR to MMM in one go, so plan for incremental progressions. This way, lessons learnt, with small wins along the journey can bolster on-going and future initiatives.

Example 1:
If you currently only measure clicks or landing on the website you can add a specific action or objective to the click to understand it's value; for example, an e-trial or voucher download, and then close the loop by tracking offline redemption.

Example 2:
If you currently use brand studies or surveys to measure awareness and recall, link those results (e.g. Purchase Intent) to the clicks to your fulfilment page or offline redemption. This enables the process for building the data set for adopting attribution modelling as a next step.

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PHASES OF MEASUREMENT MATURITY

Marketers should strive toward a single customer view and full access to their data to integrate multiple work-streams. They should also be open to sharing data access to intermediaries and Agencies, for a unified view, when developing and implementing a measurement framework.

Change doesn't happen overnight and progress should be marked in stages when moving toward the objective of higher measurement sophistication.

The following are the typical stages of measurement framework development and implementation:
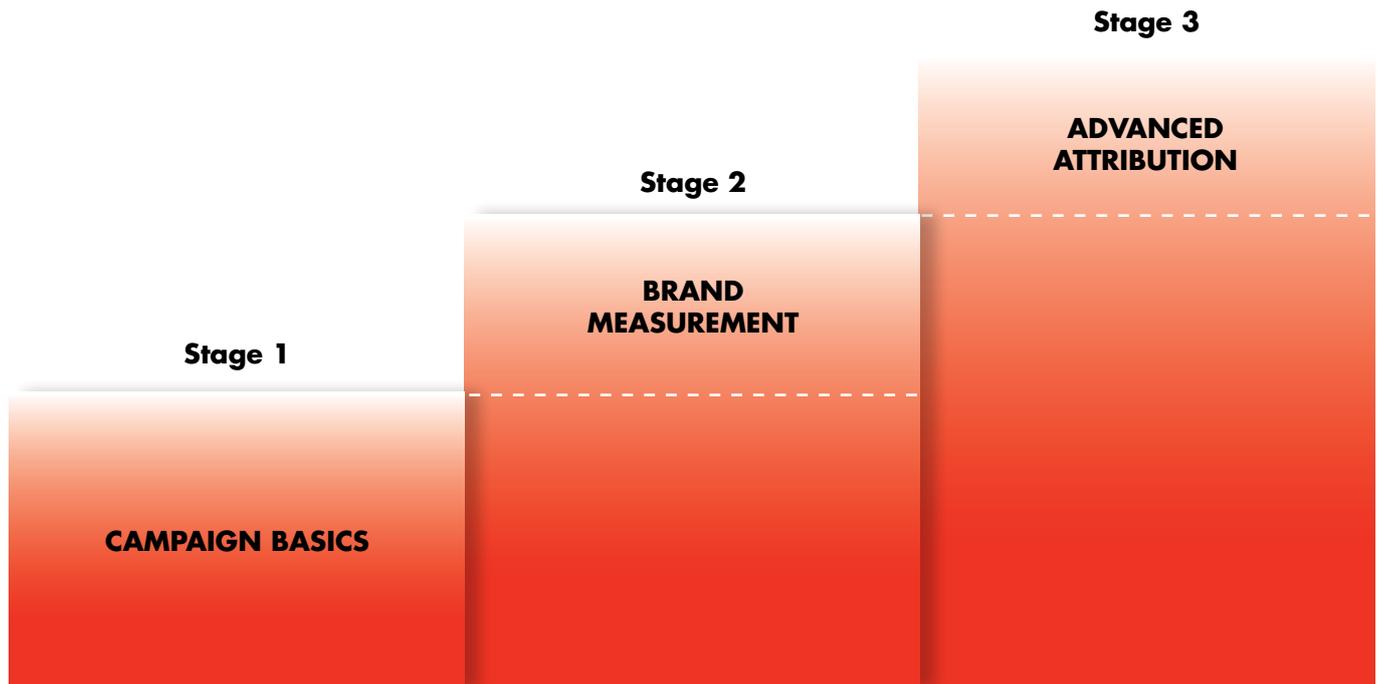
Stepping stones: Organisational stages of measurement sophistication

STAGE 1: CAMPAIGN BASICS

Organisations at this early stage should focus on doing the basics better. This means critical evaluation of each campaign metric they currently collect against the consumer journey. The goal is to ensure focus, clarity and consistency of measures, with the notion that less is more – drilling down to the one or two that really matter.

STAGE 2: BRAND MEASUREMENT

An addition to Campaign Basics, this more advanced stage integrates brand (attitudinal) metrics to measure not just what the consumer does online but how that influences their overall perception and behaviour. Integration of media and brand frameworks requires greater collaboration and better internal alignment to properly deploy.

STAGE 3: ADVANCED ATTRIBUTION

This is the most complex approach typically tailor made to a specific business. This will require substantial investment and high degree of collaboration internally and externally.

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FROM DESCRIPTIVE TO PRESCRIPTIVE

Marketers seeking to better understand the impact of their initiatives will find their efforts becoming the front lines the larger business mission. Via better measurement and attribution models they will be tasked with leveraging the potential of data and analytics to gain a competitive edge in the marketplace.

But the first and crucial requirement is the establishment of a measurement framework to guide the collection of data. From there, the execution of actionable insights garnered from its analysis, and ultimately automation of the process can be achieved.

With today's digital tools and solutions, you can conceivably measure everything and anything if you really wanted to. The real trick is figuring out what really matters before the counting and correlations begin.

	Descriptive	Diagnostic	Predictive	Prescriptive
Collection	Data from owned website(s)	Data from paid and earned web + outbound marketing systems	Data from enterprise master customer record	Data from relevant owned offline and 3rd party sources
Analysis	Understand average website visits	Understand detailed segments with higher conversion rates; KBO focused	Confidently predict outcomes of proposed customer interactions	Prescriptively correlate outcomes with interactions
Execution	Regularly reviewing website traffic reports	Using audience segment profiles to inform advertising and offers	Offer/placement strategies based on statistical probabilities	Proactively prescribe interactions to drive conversions
Automation	Individual users set up their own automated reports	Stakeholders receive trend data, basic notifications and alerts	Significant real-time alerts with probable causal factors included	Dynamically respond to anomalies in real-time
Action	Some people get some data and sometimes do something	Recommendations communicate state of business & inform existing marketing processes	Analytics trigger recommended actions in marketing systems	Dynamically trigger responsive actions in connected systems
Attribution	Reporting on static website visit attribution; simple weighting	Recommendations for action made based on attribution; simple weighting	Dynamic marketing attribution & recommendations; custom weighting	Dynamic, pattern discovery that shapes attribution models & recommendations
Strategy	Insufficient FTE's; low + skill level; low influence; no training	Minimum FTE's; medium skill level; medium influence; exec sponsorship; training program	Minimum+ FTE's; high skill level; medium+ influence	Minimum+ FTE's; high skill level; high influence

SOURCE: Adobe

FURTHER READING FROM IAB SINGAPORE:

- Digital Video in South-East Asia: A guideline of all key terms you need to get started on programmatic video.

- Social Measurement & Standards in South-East Asia: This paper outlines a target measurement framework that assists in demonstrating the clearest picture of marketing ROI.

- Measuring Mobile Marketing ROI: An in depth on two metrics marketers care about most: reach and engagement.

- Content Marketing Measurement Guide: A look at the best practice for the effective measuring of Content Marketing.

- Digital Ad Spend in Southeast Asia, Hong Kong and Taiwan: IAB Singapore report released in 2017 in partnership with eMarketer

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