**2023**

# marketing measurement
## innovation series

## module 1
### Mapping the future of
### marketing measurement

# advertising effectiveness council

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# This paper is a collaboration of the iab advertising effectiveness council

The IAB Ad Effectiveness Council have collaborated on this whitepaper to help increase understanding across the industry on how to protect the insights that businesses need to grow, along with best practices for assessing the impact of digital advertising into the future.

The IAB Ad Effectiveness Council undertakes various activities to provide guidance to the industry on the best methods to assess the impact of marketing activities along with insight and inspiration to help marketers optimise their digital advertising investment. The Council includes representatives from media owners, data agencies, media agencies, research companies, tech vendors and advertisers.

The contents of this guidance paper are not necessarily reflective of individual company policies, rather it is a collaborative effort of the members of the council to provide greater understanding to the market.

# Contents

# background 1

The greater restrictions and phasing out of device IDs and third-party cookies along with Australia's evolving privacy legislation presents fundamental but positive change for the digital advertising industry. The reduction in media and customer data available is significantly impacting marketing measurement but provides the opportunity to re-think digital marketing and measurement frameworks to support core industry use cases, while balancing consumer privacy.

Across the industry there is evidence that marketers, agencies, media owners and vendors are getting ahead of these changes, learning how to meet consumers' greater expectations for data privacy and, from an advertising effectiveness perspective, adjusting their measurement in response to signal loss. Innovations are occurring across the industry to protect the insights that businesses need to grow, along with best practices for assessing the impact of digital advertising into the future.

The IAB Ad Effectiveness Council's objective with the 'Marketing Measurement Innovation Series' is to highlight that, while measurement is often seen as a challenge, insightful assessment of marketing effectiveness and campaign performance can continue, in a privacy compliant way. The series will highlight real case studies and demonstrate practical examples of how the industry is moving marketing measurement beyond the cookie.

The IAB Ad Effectiveness Council's first guidance to help marketers, ad agencies and media owners find out more about the impending cookie changes and the impact on their digital marketing activities was released in September 2020 in the report Beyond the Cookie: Mapping the Future of Marketing Measurement. This paper focused on providing information on the likely impact on various commonly used marketing effectiveness measurement techniques. It highlighted that some of the marketing effectiveness measurement techniques won't be affected by the cookie retirement, however others would change fundamentally.

This first module of our current innovation series, 'Mapping the future of marketing measurement', provides an overview of the proposed reforms to Australian privacy legislation impacting ad effectiveness measurement along with a recap on the technology changes resulting in the degradation of signals required for some ad effectiveness measurement techniques. The paper also provides perspectives from across the industry on how ad measurement toolkits are being adapted to allow for successful ad assessment into the future.

Look out for these subsequent modules in the 'Marketing Measurement Innovation Series' to be released throughout 2023:

- **First-party data unlocking measurement capabilities**
- **The future of attribution and advances in AI and machine learning**
- **Evolutions in market mix modelling**
- **Importance of continuing test and learn experiments**
- **Developments in ad attention measurement**

# proposed reforms to australian privacy legislation impacting measurement

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## The Privacy Act Review Report

Consumer demand for privacy has led to legislation reform around the world. On 16 February 2023, the Australian Attorney-General publicly released the Privacy Act Review Report. The report contains 116 proposed reforms to the Privacy Act aimed at strengthening the protection of personal information and the control individuals have over their information. The key reforms proposed by the Australian government are outlined in this IAB summary.

The Attorney General's Department has sought feedback to inform the government's response to the Privacy Act Review Report as of 31st March 2023. IAB Australia, provided detailed feedback to the Attorney-General's Department in response to the Privacy Act Review Report on behalf of the digital advertising industry. An executive summary to the IAB submission is provided on the IAB website and the full submission can be downloaded by IAB members. IAB's key concerns are that the proposals in relation to targeting and trading are too broadly scoped and inconsistent with international approaches. The Report's proposals in relation to targeted advertising go beyond addressing the privacy of individuals and propose to regulate the use of data and advertising more generally.

**In the IAB's view**

What is proposed would severely restrict digital advertising and the availability of free content and services online, and would disincentivise privacy by design processes, technologies and practices, which are important to Australia's future as a leading digital economy.

IAB Australia supports the Report's proposed move away from a consent-centric approach to privacy regulation and accepts this means that organisations must take greater responsibility for the management and handling of data. However, the IAB has raised concerns about how the Report proposes to achieve this.

A key recommendation outlined in the IAB's submission is that if a 'fair and reasonable' test is introduced into the Privacy Act, as the Report proposes, that a legitimate interests style provision should also be introduced to ensure the reforms in Australia are consistent (rather than significantly more restrictive) with equivalent jurisdictions overseas such as the EU, UK and Singapore.

The IAB's primary concern in relation to introducing an overarching fair and reasonable test in accordance with proposal 12.1 of The Report, is  that there needs to be certainty for business that uses which are essential for existing business operations will not suddenly fall foul of this new test.

**In the IAB's view**

Uses such as data processing, audience measurement and analytics, advertising and content measurement, advertising integrity and security, market research to generate audience insights, product improvement, frequency capping and innovation, should not be restricted, or considered 'unfair' or 'unreasonable'.

In addition, segmentation of audiences for legitimate business purposes, should fall within the scope of necessary data processing. These uses should be explicitly recognised as acceptable, and the privacy regulatory framework should not require businesses to provide additional notifications to consumers, seek additional consents simply because the way these legitimate activities are undertaken has changed, or make further assessments about fairness or reasonableness, so long as consumers are notified of these purposes at the point of collection.

**The IAB recommends keeping up to date on progress with next steps on privacy reform. Regularly** [check the IAB website for updates.](#)

# Impact on Ad Effectiveness Measurement Techniques

With the imminent retirement of all third-party cookies many marketers and agencies have already begun moves to measurement methodologies with greater consumer privacy. For example we outline the resurgence and evolution in Market Mix Modelling. The movement to using this aggregated modelling technique is due to its durability with both technology and regulatory changes. MMM doesn't require the collection of cookies nor does it require personal information, rather it relies on aggregated data on marketing channels, expenditure, and sales data to run the analysis.

This paper also outlines techniques such as brand lift studies which gather insights from privacy compliant, opt-in consumer research panels. Professional panel companies recruit participants by enabling granular consent to meet regulations. Professional panel companies ensure panelists are real people that are engaged and treated respectfully in accordance with the law to provide information via surveys in exchange for rewards such as prizes and vouchers. High quality panel companies recruit from a range of sources to ensure representation of the population and employ techniques to reduce potential bias in samples.

First-party data is also highlighted in this series for its increased importance in durable measurement. First-party data is information that is captured with direct consent from customers who interact with your business online or offline.

**In the IAB's view**

With the increasing importance of first-party data for marketing and measurement, its critical marketers understand the legal considerations and obligations when handling and leveraging consumer data.

The Privacy Legislation Amendment (Enforcement and Other Measures) of 2022 significantly increased the maximum penalties that can be applied under the Privacy Act for serious or repeated privacy breaches.

Marketers often don't own the entirety of their data points needed and solutions outlined in this paper may require collaboration across a number of partners and their owned data. There are a number of types of collaboration solutions available and it is a fast-evolving product space. In recent times, the most prominent product within this category has been Data Clean Rooms.

These technologies offer businesses the ability to accelerate safe data collaboration, build customer intelligence, and maximise the value of data without relinquishing control or compromising consumer security and privacy. Any business looking to invest in this space should make the effort to carefully evaluate various factors to ensure data privacy compliance, accurate analysis, and that core requirements are met.

Regulatory compliance is an essential aspect of any data collaboration, and all participating entities must ensure that any data sharing and collaboration adhere to the various and ever-evolving global laws, regulations, and industry standards designed to protect data privacy and security.

The IAB Australia Data Council have recently published the Data Collaboration Platforms Explainer to provide comprehensive definitions and best practices in the realm of compliant data collaboration for the purposes of digital advertising.

# recap on technology changes impacting measurement

<span style="color:maroon">**3**</span>

Key deterministic identifiers such as third-party cookies and IDFAs are becoming increasingly obsolete. On browsers, third-party cookies have already been deprecated on Mozilla's Firefox and Apple's Safari and are due to be phased out on Google's Chrome in 2024. On mobile, Apple's changes to its Identifier for Advertisers (IDFA) have already impacted how apps can monetise services within iOS and highlighted the importance of effectively communicating with people about the essential value exchange that sits at the heart of the free web. Android Advertising IDs (AAIDs) are also set to be phased out by Google.

## Browser interventions continue but with delays

### Chrome:

Google first announced it would end support for third-party cookies in Chrome by 2022, however in July 2022 Google announced a delay in plans to phase out third-party cookies in Chrome until the second half of 2024.

To enable this retirement, a set of proposals called 'The Privacy Sandbox' have been in public development, which includes the collaborative building of new digital advertising tools and APIs, to replace third-party cookies with alternatives that better protect consumer privacy and preserve peoples' access to free content online. The Privacy Sandbox APIs will now launch and be generally available in Chrome in Q3 of 2023 after which the phase out will begin.

**Find out more about the phasing out of 3rd party cookies in Chrome in this** [IAB summary](#)

The Privacy Sandbox on Android and for the Web share a common vision of enhancing user privacy while supporting key business capabilities on mobile and web platforms, respectively. [The privacy sandbox timeline for the web reflects](#) when we expect new privacy-preserving APIs and other technologies to be ready in support of key use cases, so that Chrome can phase out third-party cookies.

A critical part of the Google Privacy Sandbox is the Attribution Reporting API to enable both click-through and view-through conversion attribution measurement without third-party cookies. The IAB strongly encourage members to participate in industry trials and testing for the API. Find out more about the Google Attribution API from the IAB summary.

First click, linear, time decay, and position-based attribution models in Google Ads and Google Analytics 4 are going away (see product notice).  Starting in June 2023, Google will remove the ability to select first click, linear, time decay, and position-based attribution models for conversion actions in Google Ads that do not already use one of these models. Then, starting in September 2023, Google will switch any conversion actions still using these models to data-driven attribution.

### Safari & Firefox:

Third-party cookies are now obsolete within Safari and Firefox. Apple's Safari browser and Firefox have blocked third-party cookies since 2013. Firefox's roll out of Total Cookie Protection confines third-party cookies to the site they were created, preventing measurement practitioners linking up consumer behaviour on multiple sites.

## In app changes continue to provide consumers increased control of their data

In late 2020, iOS 14 was one of the most significant updates in terms of Apple user privacy. Apple rolled out large changes to privacy management in iOS14 that greatly impacted insights, targeting, and attribution. From this update users are now provided the choice to block the IDFA identifier at the app level. Apps are required to ask users for permission to collect and share their data and user can chose to block the sharing of the IDFA (where previously users had to opt-out). Subsequently, Apple has continued to build off these features with the objective of providing users increased control of their data.

Apple's most recent SKANetwork v4.0 for measurement and attribution within iOS and iPadOS lets advertisers measure the success of advertisements by attributing app installations to specific ad campaigns — all while maintaining user privacy. SKANetwork v4.0 also now incorporates Safari, so the ability to attribute web-to-app flows (and future versions will hopefully look to include other browsers).

**Learn more about** SKANetwork

Privacy Sandbox on Android will introduce new technology that operates without cross-app identifiers – including Advertising ID.  The Attribution Reporting API (part of the Google Privacy Sandbox) is designed to provide improved user privacy by removing reliance on cross-party user identifiers, and to support key use cases for attribution and conversion measurement across apps and the web.

# impact of signal changes on the main ad effectiveness measurement techniques

<div style="text-align:right">**4**</div>

## The Advertising Effectiveness Measurement Framework

There are various options available to marketers for understanding the impact of marketing and advertising on brands objectives in the short and long term. A measurement framework outlines how a company measures advertising performance, highlighting the most relevant KPIs, goals and targets.

A measurement framework works by laddering up metrics and methods to business or brand objectives. It can help companies in having a common language to talk about measurement.

The IAB's Advertising Effectiveness Measurement Framework below, simplifies measurement into three key areas; Media, Brand and Sales Effectiveness and aligns the main techniques and metrics for each of the outcomes. Marketers should develop their own marketing measurement framework to ensure metrics are always collected and reported in the context of business objectives and the relationship is understood. It is important to measure what you set out to achieve, be clear on campaign objectives and ensure assessment of success can answer those objectives.

No one metric will provide the full picture of advertising effectiveness, a combination of tried and tested techniques and metrics, are likely to be needed to understand the holistic impact of all advertising investment. For example, delivery metrics demonstrate an agencies media planning success but should be used in combination with effectiveness metrics to show the impact the campaign had on marketing objectives once it reached the intended audience. Some techniques in the framework below are unaffected by the deprecation of signals and will therefore continue with no disruption, however others are highly impacted.

### For example

Amongst the media effectiveness techniques, ad verification does not rely on cookies to detect fraud, deliver brand safety or measure viewability and similarly ad attention measurement conducted via ad technology solutions or eye tracking is also minimally impacted by signal changes, whereas measuring reach and frequency across platforms will be more impacted. Amongst the sales effectiveness techniques, multi-touch attribution is significantly impacted, whereas Market Mix Modelling is not.

| | MEDIA EFFECTIVENESS ➢ IMPROVE DELIVERY | BRAND EFFECTIVENESS ➢ IMPACT BRAND | SALES EFFECTIVENESS ➢ INCREASE SALES |
|---|---|---|---|
| **TECHNIQUES** | • Viewability<br>• Ad attention measurement<br>• Media verification<br>• Audience demographic verification<br>• Digital campaign delivery metrics<br>• Cross-media campaign reach & frequency | • Ad recall tracking<br>• Brand-lift<br>• Brand equity measurement | • Market Mix Modelling<br>• Path to conversion<br>• Multi-touch attribution<br>• Sales-lift<br>• Customer lifetime value |
| **MEASUREMENT** | The measurement of audiences reached by marketing communications and the understanding of how efficiently this is achieved. At its core it is the understanding whether valid impressions were served to humans and to what extent those impressions were viewable.<br>There is increasing adoption of attention-based measurement to assess whether a person has seen an ad and for how long. | The measurement of how marketing communications create mental structures (associations, consumer perceptions of brand meaningfulness and uniqueness, etc.) that will pre-dispose potential customers to choose one brand over another (brand building) and how they impact brand recall that may influence choice of products for consumers already in the market (share of mind). | The measurement of how marketing communications affect or influence consumer behaviour in relation to purchasing.<br>1. Long-term effects on brand business growth: impact on sales, profit, market share, penetration, loyalty and price sensitivity<br>2. 2. Short-term activation effects on shoppers: transactional or intermediate direct responses and conversions (like sign-ups, leads, immediate sales online and offline). |
| **METRICS** | • Impressions (viewable, fraudless, brand safe)<br>• Target reach and frequency (deduped across devices if relevant)<br>• Size of demographic audience group<br>• Attention time metrics | • Unaided & aided brand awareness<br>• Ad awareness<br>• Brand favourability<br>• Message association<br>• Purchase intent (brand consideration)<br>• Image attributes<br>• Brand equity | • Long-term - Sales penetration, Customer-lifetime value, Return on profit<br>• Short-term - Uplift in sales conversions and leads attributable to communications activity (MTA), Incrementality / sales/penetration lift / Return on advertising spend (ROAS) |

# Impact of data loss on key measurement techniques

The ongoing reduction in signals and impending privacy regulation will continue to impact on the availability of data that helps marketers activate, measure, and optimise advertising performance.

This *'Marketing Measurement Innovation Series'* focuses on the evolution occurring in the most used marketing and advertising effectiveness measurement techniques. The table below summarises the impact of the degradation of signals on these key measurement techniques:

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| MEASUREMENT TECHNIQUE | DESCRIPTION | LEVEL OF IMPACT OF SIGNAL DEPRECATION | |
|---|---|---|---|
| Viewability, media and audience verification | Viewability, brand safety and ad fraud-free inventory are all important digital quality metrics. Technologies provided by independent third-party verification tools such as MOAT, IAS and DV or inbuilt ad server solutions can provide measurement of these hygiene factors which build trust and confidence in digital advertising and optimise its value. | Low | • no disruption to verification but check with your trusted vendor |
| Delivery and effectiveness from campaign management tools | Digital campaign measurement provides the unique audience, reach, frequency for advertising campaigns by day across digital platforms. Within these campaign measures, marketers and agencies monitor both optimisation metrics and performance indicators, such as sales. | High | • ability to conduct and report on attribution activities, performance of acquisition campaigns, retargeting |
| Digital and cross-media brand lift | Tools used to measure the impact of campaign on brand metrics, most commonly measured via responses to surveys delivered across the life of a campaign. Best practice surveys adopt a control and exposed research design to quantify the difference between those who did and didn't see a campaign. | Medium | • ability to identify exposure to advertising, especially important in establishing the 'control group' of consumers not exposed to a campaign |
| Market Mix Modelling | Predicts how all advertising activity (e.g. TV, print, out of home, online video, social media, and search) translates into incremental sales. Models can also include the impact of factors outside the advertiser's control such as the weather. | Low to Medium | • ability to manage frequency of exposure that provides important context for modelling |
| Multi-touch attribution | Sometimes referred to as mapping the consumer journey or path to conversion, MTA is the process of assigning credit to digital media touchpoints that have contributed to a conversion. | High | • ability to map conversion paths and attribute value across digital media channels |
| Sales or conversion lift | Measured through controlled experiments, is the gold standard of understanding the causality of advertising and the campaigns incremental impact on sales or conversions. | Medium | • ability to track an outcome, e.g. reduced number of digital transactions observed |

# IAB Australia research finds a movement towards using resilient measurement techniques

The IAB regularly conducts "state of the nation" industry surveys amongst advertisers and agencies on their usage and attitudes to the various forms of digital advertising, along with how they are assessing the effectiveness of their digital investments.
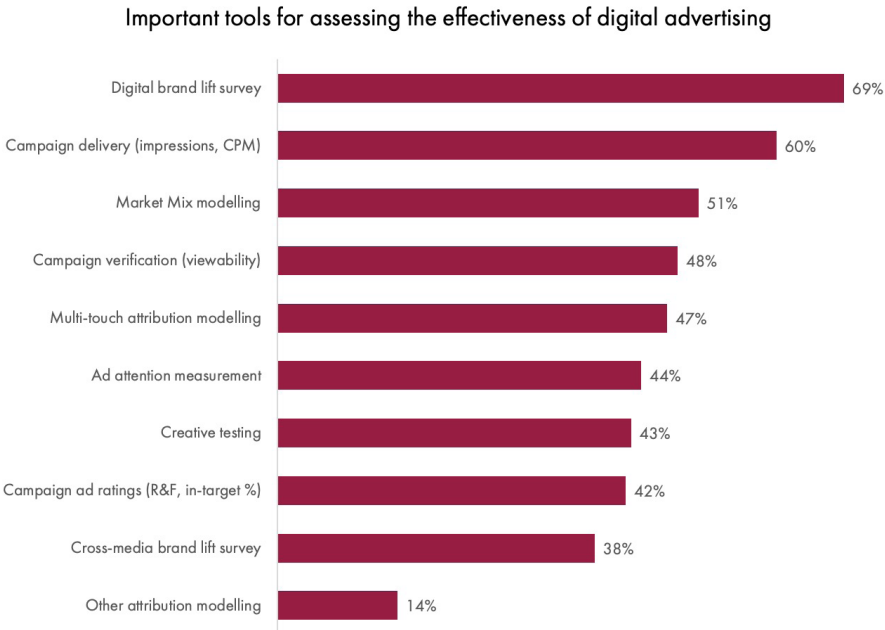
Over the last couple of years, in preparation for the retirement of third-party cookies, IAB industry surveys have shown advertisers and agencies increasing their usage of sustainable measurement techniques (including Brand Lift Studies and Market Mix Modelling) and the use of a greater number of tools.

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This year macroeconomic pressures have put marketing budgets under closer scrutiny with greater demand for accountability and proving ROI. These pressures along with the impending retirement of third-party cookies, have increased ad agency focus on measurement tools providing campaign delivery and sales performance results

Changes in the usage of measurement techniques has also been driven by the increased focus from marketers and agencies on measuring the impact of advertising across all media, driving the usage of cross-media brand studies and Market Mix Modelling.

New privacy compliant techniques have also emerged and may continue to in the future. In recent years there have been significant developments in new ways of measuring the time that a consumer's gaze is on an ad. Ad attention measurement is an important input in understanding advertising impact. While evidence is emerging on the correlation between higher ad attention and business outcomes, and the potential for ad attention metrics to be used as an indicator for ad effectiveness, we believe it will not replace the need for existing media metrics. Marketers will need to continue to conduct other types of measurement in combination to fully understand the holistic impact of advertising investments.

**Find out more in the** IAB's Ad Attention Measurement Landscape Report.

### Important tools for assessing the effectiveness of digital advertising

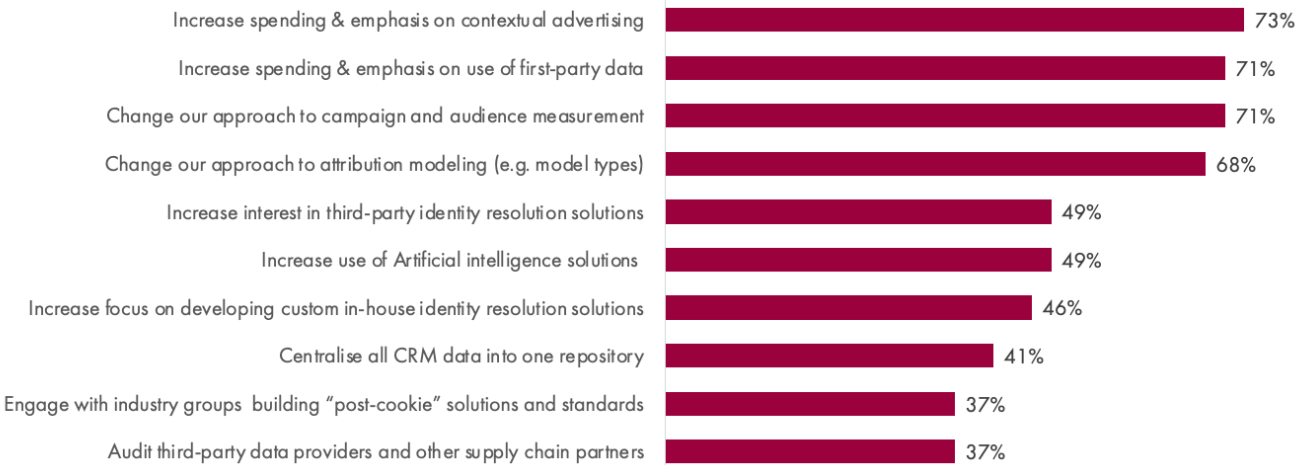| Tool | Percentage |
|------|-----------|
| Digital brand lift survey | 69% |
| Campaign delivery (impressions, CPM) | 60% |
| Market Mix modelling | 51% |
| Campaign verification (viewability) | 48% |
| Multi-touch attribution modelling | 47% |
| Ad attention measurement | 44% |
| Creative testing | 43% |
| Campaign ad ratings (R&F, in-target %) | 42% |
| Cross-media brand lift survey | 38% |
| Other attribution modelling | 14% |

Source; IAB Australia 'The Ad Attention Measurement Landscape' industry survey (n=180 advertising professionals responsible or influence advertising decisions or advertising research/measurement decisions within their company)Q -Which of the following measurement tools are most important to you or your clients for assessing the effectiveness of digital advertising? (select all that apply)

# High confidence across the industry on being prepared for retirement of third-party cookies in 2024

The IAB's recent 'Data State of the Nation' industry survey found that 75% of respondents say they are at least somewhat prepared right now (as at December 2022) for current and impending changes to third-party cookies and identifiers and the impact of privacy legislation changes. The coming changes to third-party cookies and identifiers will increase investments in contextual advertising and first-party data, along with changed approaches to measurement. 71% of advertising decision makers indicated their company is increasing the emphasis on first-party data and 71% also indicated changing their approach to campaign and audience measurement.

### Impact of signal changes on use of data

| | |
|---|---|
| Increase spending & emphasis on contextual advertising | 73% |
| Increase spending & emphasis on use of first-party data | 71% |
| Change our approach to campaign and audience measurement | 71% |
| Change our approach to attribution modeling (e.g. model types) | 68% |
| Increase interest in third-party identity resolution solutions | 49% |
| Increase use of Artificial intelligence solutions | 49% |
| Increase focus on developing custom in-house identity resolution solutions | 46% |
| Centralise all CRM data into one repository | 41% |
| Engage with industry groups building "post-cookie" solutions and standards | 37% |
| Audit third-party data providers and other supply chain partners | 37% |

Source; IAB Australia Data State of the Nation Survey November 2022 n=100 advertising decision makers/influencers. Q - How do you expect the coming changes to third-party cookies and identifiers will affect your company's use of data? (Please select all that apply)

# paths to successful ad measurement into the future

<span style="color:#b0105a">**5**</span>

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The IAB Ad Effectiveness Council offer these areas of guidance to marketers as the ingredients for successful assessment of digital advertising and the innovations emerging that will drive continued successful measurement into the future.

## Understand the impact

It's important for marketers to understand how technology and regulatory changes impact their measurement and have a plan for evolving the measurement framework.

## Seize the opportunity to rebuild measurement

Seize this time to re-evaluate how ad measurement is done and move closer to proven and resilient techniques for evaluating the success of multi-channel campaigns. Experiment and validate emerging techniques that are not reliant on third-party cookies.

## Renew emphasis on techniques using opt-in privacy compliant panels

Industry changes have put renewed focus on the formation of opt-in privacy compliant pools of consumer panellists. Large scale, opt-in panels are at the heart of digital audience measurement, understanding human attention and conducting brand lift studies.

## Increase adoption of first-party data solutions

Quality first-party data has become increasingly important, giving rise to the better collection and use of marketers own first-party data and partnerships that leverage people-based planning and measurement. Unlocking the potential of first-party data depends on how well a company can integrate its data sources and link them to marketing activities.

## Develop deep partnerships

Marketers are developing deeper partnerships and direct integrations of data sets across the industry between agencies, technology providers, media owners and trusted sources of quality first party data. Data collaboration platforms offer businesses the ability to accelerate safe data collaboration, build customer intelligence, and maximise the value of data without relinquishing control or compromising consumer security & privacy.

## Look to new technologies, AI and machine learning

For marketers with larger and more accurate data sets, advancements in AI and machine learning can offer an advantage. It's time to define how to use AI to build better ad experiences, help buyers and publishers find audiences, offer recommendations on how to improve performance and create better ads. Cloud based platform solutions driven by powerful machine learning are enabling the development of Market Mix Modelling tools by unlocking more granular optimisation and faster delivery.

## Continue experimentation

The Brand Lift test and control study has been relatively resilient to changes. Marketers are also using experiments as a means of calibration to ensure models better reflect reality, provide greater granularity of insights and reduce uncertainty inherent in complex models.

## Explore open-source options

Open-source privacy compliant measurement solutions are available in the market for techniques such as geographic based sales lift experiments and Market Mix Modelling. Businesses with the right skill sets, using these open-source resources can achieve successful measurement using data collected and analysed themselves.

## Understand consumer behaviour in key moments of the customer journey

Marketers are viewing the customer journey in moments, rather than a continuous view. The moments-based approach analyses activity at key stages of the customer journey, placing value on environments that can best observe and describe behaviours at those moments.

## Build data literacy skills and privacy knowledge

With the evolving and new methodologies available and increasing in popularity for marketers, education and a focus on data literacy remains paramount for businesses to succeed.

All participating parties must ensure that any data collection, storage, uses, sharing and collaboration adhere to the various and ever-evolving global laws, regulations, and industry standards designed to protect data privacy and security.

## Create unified measurement systems, there's no silver bullet

No one metric or measurement tool will provide the full picture of advertising effectiveness, a combination of tried and tested techniques is likely to be needed. To be successful, you'll need to use a blended approach to measuring media impact across channels, combining multiple measurement systems at varying degrees of aggregation to enable the most holistic and actionable measurement.

# industry perspectives on how the ad effectiveness measurement toolkit is being adapted <span style="color:#9e1b50">6</span>

Members of the IAB Ad Effectiveness Council have provided their perspectives on how marketers are adjusting their measurement frameworks for continued successful measurement of ad impact.

## Industry changes provide an opportunity for marketers to re-evaluate how measurement is done and move closer to a trusted source of truth



### Matt Farrugia | Co-Founder & COO Mutinex

Up until now, the marketing effectiveness toolkit has been disjointed - spread across multiple platforms, spreadsheets and measurement datasets. The current deployment could be described as imperfect, but functional given the data sets available for evaluation. For this reason, we believe that the context driving measurement challenges (cookie deprecation, proposed changes to privacy law, proliferation of channels) gives marketers a great opportunity to re-evaluate how measurement is done and start to futureproof.

This is not to say that traditional modes of measurement were incorrect, but it can be difficult to craft a complete story about marketing effectiveness based on different methodologies and datasets coming together. Historically, data collection and ingestion into measurement tools has been difficult, slow and frustrating. The proliferation of data points as audiences have migrated to digital channels has made the task of managing marketing data herculean for even the best equipped teams. On top of this, each tool is valued by marketers for specific reasons (coverage, timeliness, incrementality etc.).

But if you reviewed any given marketing measurement set up at any major company, it's more than likely that you'd find each tool was implemented at a different time, in a slightly haphazard manner. The combination of these two factors results in major data gaps and poor visibility of results. As an example, traditional marketing mix models are most commonly used in the planning stage to determine an optimal channel mix, marketers will then shift to in-platform specific reporting or Multi-touch Attribution for mid-flight optimizations to get a more granular view of consumer journeys.

### In Mutinex's view

The result of historic measurement efforts is a numbers salad from which it's hard to build confidence in marketing insights.

With privacy restrictions looming and marketing attribution signals degrading, the weaknesses of some measurement tools are becoming too large to ignore. Multi-touch attribution models (MTA) are a prime example. MTA models have been valuable for their ability to aggregate actual consumer journeys and provide granular optimisations. However, they are now unable to gain visibility into the "true" consumer journey due to privacy changes. They increasingly rely on advanced modelling to make up for data loss. On the flip side, some tools have started to move to the forefront of marketing effectiveness because they are resilient in the face of privacy legislation, like Market Mix Modelling.

### In Mutinex's view

Advancements in data science and computing power have resolved some of the common complaints of MMM, like timeliness and granularity.

With all of these changes, it is clear that we are reaching an inflection point in marketing effectiveness. We can no longer rely on a combination of imperfect tools (some of which depend on rapidly degrading data sets). We will need to move closer to building a trusted source of truth that can not only act as a reference point at each stage of the marketing journey (planning vs testing vs optimisations.), but also model off a comprehensive dataset of signals/testing results to understand campaign health and ultimately, brand health. The good news is that technology is on our side. Cloud based platform solutions driven by powerful machine learning are enabling the development of MMM tools that will revolutionise the way we measure marketing performance.

**So we shouldn't mourn the death of the cookie.**

**Instead we should seize this opportunity to reduce complexity and bring the marketing measurement conversation back to what really matters - which half of my marketing spend am I wasting?**

# Industry perspectives on how the ad effectiveness measurement toolkit is being adapted

## The role of good measurement has always been focused on asking the right questions and reducing uncertainty.



**Rory Dolan |** Marketing Science AUNZ & JP TikTok

In the words of French philosopher Claude Levis-Strauss, "The scientist is not a person who gives the right answers, [but] is one who asks the right questions". The tools, techniques and data available to measurement practitioners and advertisers have changed substantially over the years; from beginnings in traditional market mix modelling and early copy testing in direct mail, through to lift studies and user level optimization and attribution, and ultimately into a new world of advanced Market Mix Modelling, machine learning, Geo Testing and creative analysis.

### In TikTok's view

However, the role of good measurement has always been focused on asking the right questions and reducing uncertainty.

Uncertainty is inherent across all measurement and in the complex post cookie advertising world this uncertainty is increasing. However, we are seeing the beginning of a convergence in measurement approaches for advertisers across the spend spectrum as efforts increase to reduce this uncertainty in a cost-effective manner, whilst answering the question that matters: 'how effective is my advertising spend'.

From a 'top-down' perspective, market mix models have seen a resurgence, due to their ability to provide both a broad view of marketing measurement that is privacy compliant and their ability to provide action orientated insights. This emergence is in part due to the convergence of these traditional time series approaches with more modern machine based and statistical techniques, along with an updated application of more long-standing dimensions such as 'Geo-level' modelling.

This convergence has led to faster delivery, with reduced data dependency and the ability to tailor the modelling to answer more nuanced questions such as creative quality.

### In TikTok's view

A key point of convergence from a 'top -down' perspective is the use of A/B testing as a means of calibration. This approach ensures these models better reflect the reality that is being measured, whilst also providing a strong step towards an integrated measurement framework by providing the ability to run casual testing that is integrated into the broader measurement framework of an advertisers, thereby substantially reducing the uncertainty inherent in complex mix models.

Whilst the degradation of cookies has had a substantial impact on 'bottom-up' user level measurement, that has in turn driven novel developments across the advertiser industry. A low cost and highly accessible example here is 'Zero Party Attribution', otherwise known as 'Post Purchase Surveying' (PPS). Whilst the loss of cookie has meant the loss of the full picture conversion path, we have observed a substantial growth, especially in the retail and e-commerce space, in the use of PPS as a means to identify the start of a conversion path, in combination with traditional last touch measurement. This point of convergence provides a strong, low cost, more holistic measurement framework that reduces uncertainty and provides the ability to optimise budgets towards both the point of discovery (demand generation) and the point of conversion (demand exploitation).

**The core elements and their convergence will be explored further throughout this series. However, whilst assessing and building your own measurement framework, keep in mind these 2 questions:**

1.   **Are we asking the right questions when building and executing measurement?**

2.   **How is my approach reducing uncertainty, and how can I further reduce it?**

# Industry perspectives on how the ad effectiveness measurement toolkit is being adapted

## The trusty Brand Lift test and control study continues as an industry staple with a reshaping of method to counter blind

### Allan Breiland | Senior Director Kantar

Signal reduction and data privacy hasn't (yet) changed the fundamental frameworks in brand effectiveness measurement, however there has been a necessary evolution of the methods employed.

On one hand we see a bit of a renaissance of aggregate data modelled approaches, which have advanced in both breadth and depth and are not reliant on cookie tracking. Holistic media mix models are giving insight into media impact on both brand and sales, and the incorporation of AI has unlocked more granular optimisation previously only available via test and control studies.

**In Kantar's view**

Another evolution we are in the midst of, is a reshaping of the method of conducting a long-standing industry staple: The trusty Brand Lift test and control study.

Continual introductions of privacy legislation around the world and ever-increasing blind spots in ad exposure have necessitated the formation of an opt-in privacy compliant pool of consumer panellists and a blended approach to determining digital advertising exposure. Whilst this approach isn't exactly new [Kantar have been building this capability over the last several years], it is of increasing interest to publishers and advertisers to ensure consistency of measurement across touchpoints as well as quality of measurement.

**In Kantar's view**

Direct integrations between publishers and consumer panels enable a step forward beyond the cookie in deduplicated audience, measurement consistency, and better coverage of inventory.

This said, there are still gaps with this approach. To supplement these gaps, probabilistic methods and analytics are being applied to provide balanced, cross platform measurement.

Direct Integration also affords opportunities to link brand effectiveness data to other 1st party sources such as shopper behaviour - providing richer insights on brand, sales and customer typology. And wrapped around all of these advancements is a hyper-vigilance of the data supply chain, which adds layers of additional resource and knowledge.

It's encouraging to see brand effectiveness increasingly moving to recognise there is no single 'truth' of exposure, having increased transparency for our survey respondents, and assurance of responsible data collection and management: The cookieless measurement future may be a little more complicated, but it's worth the effort.

# Industry perspectives on how the ad effectiveness measurement toolkit is being adapted

**Best practice cases use first party data and match identifiers across device to combine deterministic data and additional modelled lenses to ensure tracked data is validated and statistically significant.**

### **Vanessa Adams |** VP Media Measurement APAC Cint

Evolving a new mindset is important. Successful measurement with data from a qualified, unique matched audience at scale that uses a robust method to demonstrate effectiveness, can be possible for a future focused industry. The current toolkit for most seems to be what fits best, considering reduced connected data and the cost to compile usable insights, as we move further beyond cookie reliant data.

To define measurement on an individual user's media exposure or activity in a digital driven ecosystem is not easy. Leveraging technology or automation for data collection, delivering results, and turning insights around fast enough can often still be very problematic. The most successful cases are those which build and drive successful test and learn approaches across targeted audiences and non-cookie reliant techniques. These can provide best practice guidance for frameworks.

#### In Cint's view
The common norm being used in frameworks, and one that is seen as a best way to measure, is with media mix, single channel uses of first party data and match identifiers across device that combines deterministic data and additional algorithmic or modelled filtered lenses to ensure tracked data is validated, and statistically significant.

We see the approach on CTV, Audio, Podcast and DOOH where data signals and data identifying points need help to validate unique opportunities to effectively draw measured insights, even with reduced volume of data.

Taking a further step, new and effective defining metrics including Attention Intelligence, Behavioural, Omni-Channel, Geo-Targeting, Linear-Connected Device, Attribution, to name a few, are all being adopted, adapted, and reimagined as data points to add value, and rightly so. It's with collaboration and transparency between partners to deliver and illustrate insightful metrics from data sets that are providing key insights as use case experimentation and case studies.

**In Cint's view**

The humble Brand Lift Study as an example can deliver scale, speed and flexibility for advertisers and marketers to help make informed media and data-based decisions by itself, or in a mixed measurement objective.

At Cint, future-focused technological capabilities and partnerships are important drivers of toolkit frameworks that produce quality measurement, data solutions, and insights.

**Marketers can adapt to measure, prove the value of media, and demonstrate effectiveness by considering**

**Privacy Awareness and Emerging regulations**

Consented data, quality standards, and how they impact the consumer and the marketer's insights.

**Fast Tech and Deliverables**

Find partners with scale, or match with advertising technology and consumer data in real-time or linked to in-flight optimization data to drive to desired outcomes.

**Be Efficient & Cost Effective**

Find ways to automate data flows. **Hint:** it doesn't have to be advanced AI. Simple collaboration, opted integrations between platforms and with partners can reduce time, and cost.

**Mind the Gap**

Understand the fill in, non-data reliant gaps for which metrics that advertisers are often keen to prove effective, improve uplift, define impact, or prove measurability.

# Industry perspectives on how the ad effectiveness measurement toolkit is being adapted

## Reduced cross-environment data continuity has led to a 'moments-based' approach of observing behaviours at key stages of the customer journey.

**Dave Goodfellow |** Head of Measurement, Australia, Japan, New Zealand **Pinterest**

### In Pintrest's view

The single largest shift in digital ads measurement frameworks and toolkits has been marketers' increased adoption of first-party (1P) measurement solutions.

This move has seen marketers able to better adapt to measuring with comparatively lower total signal volume and reduced cross-environment data continuity (e.g. conversions, site visits, customer segmentation). Ultimately, this has also become a catalyst for better data quality and more empathetic approaches to data collection and Ads Measurement.

Reduced total signal volume happened as tracking and measurement became limited beyond owned and operated environments, with the wind down of third-party (3P) cookies. To counter signal loss, many brands began building or enhancing their 1P audience data strategies in recent years.

### In Pintrest's view

Similarly, marketers have placed increased value on trusted partners with quality 1P audience assets, such as retail media networks' consumer purchasing data or Pinterest's audience trends data based on on-platform activity, content and interests.

Working with less overall data compared to 3P cookie days has been challenging for many marketers, and forced critical discussions about what data is most useful, why and how it should be used. This in turn has changed many of the measurement approaches and models used by marketers - some for better, some for worse. Media Mix Modelling has arguably seen the largest increase in

adoption and proved effective for many advertisers, due to its flexibility and lower reliance on identified data. Meanwhile, as multi-touch attribution methods became less feasible without 3P cookie data, many advertisers adopted single-click / last click attribution modelling - which severely limits the view of the customer journey and value of different touchpoints.

While volume of data is an important part of effective measurement, changes to continuity of data is perhaps why marketers may have seen the greatest differences in results across their media investments. 3P cookies enabled marketers to create a continuous individual record of a user's activity by consolidating behavioural data (e.g. sites visited, types of content viewed, actions performed, device info, location and declared data like preferences) between multiple parties by synchronising cookies.

**In Pintrest's view** ───────────────────────────────────

With behavioural data now fragmented by environment, marketers primarily view the customer journey in moments, rather than a continuous view.

The moments-based approach measures activity at key stages of the customer journey, placing value on environments that can best observe and describe behaviours at those moments (e.g. considering ingredients to buy for a new dinner recipe, taking up a bank's offer to finance a home renovation). There are also various initiatives designed to unify IDs and data between different environments and produce a new continuous view, but it's unclear how effective these will prove.

As the measurement toolkit has evolved beyond the cookie, it's clear that adapting takes time. Skill sets and new sustainable and effective ways of working need to continually be developed, and we must continue to collaborate as an industry to achieve that.

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# Industry perspectives on how the ad effectiveness measurement toolkit is being adapted

## The shift to alternative measurement methods requires solid tech and high data literacy skills.

**Jonathan Henshaw |** Head of Product & Innovation Ryvalmedia

While many see the depreciation of third-party cookies on Chrome as being the 'line in the sand' moment for the change in ad measurement, there is no doubting that marketing effectiveness and measurement is already seeing fragmentation. While measurement in media and brand effectiveness have remained relatively unaffected so far, what we are seeing is an impact to how sales are attributed. Technology changes across iOS, Safari & Firefox have dramatically decreased the number of signals available to marketers and further depreciation combined with proposed changes to privacy laws are only going to impact marketing effectiveness further.

**In Ryvalmedia's view**

Overall, the IAB's Advertising Effectiveness Measurement Framework from which we operate isn't changing, however, there is a shift to different methodologies within the framework which requires new skills for every marketer's toolkit.

The reduction in signals means we are being required to move away from methodologies such as Multi-Touch Attribution (MTA). MTA can no longer be seen as a high-quality reflection of the user journey as it no longer has access to all touchpoints. Instead, it has simply become the model of what can be seen in the consumer journey, not the model of the real consumer journey. We only need to look at Google's recent announcement around removing MTA models to see the fruition of this.

With the reduction in signals, we are now seeing the rise of alternative methods which include unified 1st party ID's, Market Mix Modelling as well as privacy compliant conversion tracking. These methodologies are all vastly different in comparison to one another and rely on a strong tech and data understanding to be implemented.

**In Ryvalmedia's view** ———————————————————————

With all these alternative methodologies available and increasing in popularity for marketers, education and a focus on data literacy remains paramount for businesses to succeed.

According to Arktic Fox's 2023 Digital & Marketing In Focus Report, only 35% of leaders agree with the statement that data literacy is strong within their marketing teams, and this highlights a large gap in the industry which needs to be bridged. With less signals in play, we are now operating in a new landscape where sales effectiveness and measurement can no longer be fully outsourced to major platforms. While these platforms will remain a staple for most advertisers, measuring the effectiveness of advertising dollars is moving back into the responsibility of the marketer which requires education and training on alternative methodologies.
To combat the challenges posed by cookie deprecation and the impact on multi-touch attribution models, businesses and marketing teams must seek deeper partnerships with agency and technology providers. Collaboration needs to occur further upstream, and value exchanges must go beyond standard services.

**In Ryvalmedia's view** ———————————————————————

Partnerships need to involve areas such as data leadership, consultancy, and training to provide businesses with the tools and knowledge they need to navigate the new landscape successfully.

This approach can help organizations build long-term partnerships that focus on driving growth and optimizing their marketing efforts while prioritizing customer privacy and data protection.

# Industry perspectives on how the ad effectiveness measurement toolkit is being adapted

## Zero- data, contextual intelligence solutions enable safe digital engagement with youth audiences at Totally Awesome.

**James Sawyer |** Managing Director
TotallyAwesome

TotallyAwesome is a youth-first specialist marketing and media platform focused on connecting brands with Gen Z and Gen Alpha in a safe, relevant and effective way. Our company was set up with the founding principle of using zero data for marketing to a youth audience.  It can be challenging for brands and agencies to effectively reach a youth audience in a safe manner while adhering to strict data privacy regulations.

**In TotallyAwesome's view**

The youth advertising space is governed by specific legislation that ensures that no personal identifiable information (PII) data or device IDs can be captured.

All media targeting must be done via contextual placements.
At TotallyAwesome, we help brands and agencies navigate this ecosystem through our 'zero- data', contextual intelligence solutions that enable safe digital engagement with Gen Z and Gen Alpha. A data-less, zero personal data approach will become more important and relevant in readiness of the proposed change to the Australian Privacy Act due in 2023.

The proposal recommends zero data collection under the age of 18. With zero data, we had to develop alternative solutions to signals-driven attribution models. These alternative solutions include:

**Survey based attribution**

Pre and post surveys among the target audience measuring uplift across the marketing funnel from awareness, brand lift studies, to purchase and loyalty. Clients receive more qualitative based insights as opposed to just the "last-click/last-view" attribution models.

## Effectiveness measurement

Measuring actions within (and after) the campaign period versus a non-exposed environment or test group such as split by metro /markets/ states where we can 'control' the exposure. We measure anything from retail sales uplift, search intent to action, website visits, or even foot fall data.

## Contextual Ad Effectiveness

Measuring ad performance within a specific environment versus industry/ audience/ vertical averages. This allows advertisers to see efficiency gains when placing ads not only against the right audience but within a relevant context and importantly on the right channels. This can be done with performance data (which is anonymous and will still be available in the future) or with focus groups to get in-depth qualitative insights. All standard media KPIs are measured including CPMs, Views, Clicks, etc.

These solutions used in a cookieless and data free environment ensure performance and measurement of campaigns is not compromised. To the contrary, the tools enhance performance and provide better ways to measure the effectiveness of campaigns.

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# Glossary of main measurement techniques

### Attribution

Attribution the process of connecting an ad event to a consumer action; or, more broadly, the process of connecting any consumer touchpoint a brand provides to a desired response. An attribution methodology is the set of rules by which the value of each event is determined. Here are some example valuation rule sets:

### Single Event Attribution

Credit is assigned to a single event along a path to conversion.

For Example:

- First Touch
  The event receives 100% of the credit if it was the first event recorded. **No other events are assigned credit.**

- Last Touch
  The event receives 100% of the credit if it was the last event recorded. **No other events are assigned credit.**

### Multi-touch attribution (MTA)

Multiple source attribution is the process of collecting and analysing more than one advertising event contributing to an outcome. This type of measurement is based on the belief that all advertising events that occur within a campaign (across channels, platforms, and formats) can have an impact on consumer behaviour when contributing to a desired outcome, i.e. a path to conversion. MTA has been the best practice attribution methodology, however the technique is heavily reliant on third-party cookies and identifiers to know when the same person sees campaign messaging across different devices and channels.

## Ad attention measurement

There are various methods available in market to measure ad attention using either technology-based solutions employing ad tagging or eye-tracking cameras with a panel of respondents, or a combination of these techniques are being developed to quantify eyes on ads and the degree of attentiveness.

## Brand Equity

Brand Equity is the commercial value derived from consumer perception of a brand name of a particular product or service including consumer awareness, attitudes, perceptions of value and loyalty which drives business benefits such as increased market share and sales. there are multiple methods that can be used to measure brand equity through brand tracking efforts.

## Brand Lift Study

A brand lift study is a controlled experiment using a brand survey executed to test and control groups to measure the incremental effect of communications activities in changing consumer perceptions on one or more of the primary purchase funnel stages (such as brand awareness, brand consideration, brand perception etc).

## Controlled Experiments / Lift test

An experiment design intended to assess the incremental impact, typically a sales or brand lift (or other metric), of a campaign. This is typically achieved through creation of an exposed group, who see the advertising, and a similar control group, who do not see the advertising. The impact of the advertising is assessed by comparing the group who saw the ad, to those who did not see the ad. Geo testing is an experiment mapping ad spend to sales activity across test and control regions/locations.

## Customer lifetime value

Customer lifetime value is a measure of how valuable a customer is to your business, not just on a purchase-by-purchase basis but across the entire customer relationship. There are various formulas that can be used to calculate customer lifetime value using data points such as customer revenue, duration of customer relationship, costs of acquiring and servicing the customer.

## Marketing Mix Modelling (MMM)

An econometric model that uses historical marketing and sales data in statistical models to measure the impact of marketing on sales. MMM is causal modelling which attempt to explain or predict market share or sales volume from marketing inputs, while controlling for other sales drivers such as seasonality and the competitive environment.

## Sales lift

A sales lift study is a controlled experiment to measure incremental effect of communications activities on sales volume. A commonly used example is geo testing which maps ad investment to sales activity across test and control regions/locations.

**Verification services**

Provided by independent companies that offer advertisers the ability to ensure that their ads are appearing in the correct environment checking if the ads displayed meet the criteria set out in the campaign settings for brand safety, ad fraud and viewability.

**Viewability**

An ad impression contained in the viewable space of the browser window, on an in-focus browser tab, based on pre-established criteria.  The IAB and Media Rating Council (MRC) standard definition of ad viewability is at least 50% of an ad must be in view for a minimum of one second for display ads or two seconds for video ads.

# appendix  IAB Australia Further Resources  **7**

**1st Party Data Handbook**

**Ad Attention Measurement Landscape Report**

**Advertising Effectiveness Fundamentals Training Program**

**Beyond the Cookie: Mapping the Future of Marketing Measurement**

**Data Collaboration Platforms Explainer**

**Data State of the Nation**

**Industry Case Study Library**

**The Digital Brand Effect: How Digital Advertising Is Building Brands and Delivering Long-Term Brand Impact**