



*Advancing Making Measurement Make Sense (3MS)*

# Defining and Measuring Digital Ad Engagement in a Cross-Platform World

## **The Fourth Pillar of Making Measurement Make Sense (3MS)**

“Making Measurement Make Sense” is a cross-ecosystem collaboration spearheaded by the ANA, 4A’s, and the IAB. The fourth pillar of the 3MS solution calls for “Brand Performance Metrics,” with the key goal of answering:

- Which elements that are unique to interactive advertising are most important to Brand building?
  - Which social media metrics are most relevant to building Brands online and across platforms?
- How can the plethora of interactivity metrics be defined and understood within the context of building Brands in a cross-platform world?

Advertising Engagement is at the heart of many of the challenges embedded in the fourth pillar of 3MS. In order to advance 3MS, it was critical to address the complexity and lack of industry consensus around the subject of Engagement.

*This whitepaper breaks through the maze of thousands of existing metrics and analytics that are referred to as Engagement and identifies a core group of thirty. The paper formulates a definition of Engagement and integrates mobile and social engagement concepts and metrics.*

Like the rest of the 3MS initiative, the thinking in this paper incorporates both sell and buy side points of view.

## **Acknowledgement**

The IAB thanks the members of the **IAB Executive Working Group on Digital Advertising Engagement**, and the **Advertising Agency Advisory Group**, whose names and companies are listed below. In addition, the IAB thanks our **Making Measurement Make Sense (3MS)** partners, the **Association of National Advertisers (ANA)** and the **American Association of Advertising Agencies (the 4A’s)** for their collaboration in reviewing this paper.

The IAB Executive Working Group and the Agency Advisory Group were led by Betsy Frank, Founder and Principal of Betsy Frank Insights, LLC, a long-time industry executive who has held senior positions in the Research, Media, Advertising, and Communications businesses.

The whitepaper, authored by Betsy Frank, reflects the collective input on how to conceptualize and define digital ad engagement and the resulting core metrics as identified by the groups.

## **Executive Working Group**

The IAB Executive Working Group on Digital Advertising Engagement comprised ten representatives from the Digital and Traditional Media Publishing industry.

Over the course of three months, the group met to discuss and come to consensus on the scope, definitions, and measurement issues associated with the goals as outlined.

The members of the **Executive Working Group** are:

AOL	Tom Kelly
Conde Nast	Scott McDonald
ESPN	Nathalie Bordes
Google	Gunnard Johnson
NBCU	Julie DeTraglia
Share This	Jennifer Hyman
Time Inc.	Rory O'Flynn
Tremor Video	Doron Wesley
Turner	Howard Shimmel
Twitter	Jordan Shlachter

## **Advertising Agency Advisory Group**

Integral to the initiative was a group of Advertising Agency executives with interest and involvement in the opportunities and challenges of defining engagement, and who served as a sounding board at strategic points in the process, culminating with a meeting of publishers and agency executives in mid-January.

Annalect	Adam Gitlin
Annalect	Jed Meyer
Magna Global	Keith Camoosa
MEC Global	Theresa La Montagne
MEC Global	Hilary Kolman
Mediavest	Jeff Chaban
Universal McCann	Elizabeth Firth
Zenith Media	Julian Zilberbrand

## **IAB Contacts**

Sherrill Mane, SVP Research, Analytics, and Measurement

Kristina Sruoginis, Research Director

## **Introduction:**

Before there was digital advertising, there was advertising—in print, on billboards, on the radio, and on TV.

Some of it was good, and some was not; some was effective at influencing consumers, and some was not; and although no one used the word very much, some of it was “engaging,” and some was not. Isn’t that what John Wanamaker meant when he said that “Half the money I spend on advertising is wasted; the trouble is I don’t know which half”? And although Don Draper may never have used the “E-Word” either, isn’t that what he was looking for when he introduced the Carousel projector to a room full of Kodak executives?

In other words, there was advertising Engagement before there was Interactivity.

Today, there is an implicit (or even explicit) interchangeability between “Interaction” and “Engagement,” suggesting that if it isn’t Interactive, it cannot be engaging. Likely because of this, digital ad Engagement is characterized by an overabundance of analytics and metrics and limited consensus on what they mean or how to use them wisely and consistently.

Furthermore, despite the fact that a preponderance of historical research concludes that Engagement is emotional, as much as or more than rational, it appears that with the growth of digital advertising, Engagement has become synonymous with rational, behavioral interaction.

This is one of the challenges the IAB Executive Working Group on Digital Advertising Engagement was formed to address.

The overall goal of the Executive Working Group was to help move the industry to agree upon tangible, descriptive metrics of Engagement, in order to provide more clarity and confidence in Digital advertising buying and selling:

- To eliminate or minimize confusion around Engagement;
- To open up the optic beyond physical interaction as a surrogate for Engagement;
- To connect digital advertising Engagement with other media.
- To agree upon a core group of current metrics that define and/or measure Engagement;

## **Background: Engagement, Like All Relationships, Requires Work**

Over the past decade, measurement suppliers, advertising sellers and buyers, and industry organizations have attempted to define and measure Engagement, especially as the media landscape became more digital and fragmented, yet more interconnected.

In late 2012, the IAB, working with Radar Research, issued a report entitled “Digital Ad Engagement: An Industry Overview and Reconceptualization,” which outlined the issues, the opportunities, and especially the challenges around defining Engagement consistently.

Critically, the report laid the groundwork for our current Working Group by identifying three major forms of Engagement:

- Cognitive, which maps to changes in Awareness, Interest, and Intent;
- Emotional, or Affective: How did the advertising make the user feel about the brand?
- Physical/Behavioral, or user-initiated interaction.

If 3MS was the baseline, then, the Radar Research White Paper was the jumping off point for the current Executive Working Group.

### **Key questions and issues**

The Executive Working Group debated several important considerations and questions:

- Is there a single definition of Engagement? Or should the definition be different based on type of ad, device, campaign goal, or advertising category?
- Do all digital metrics need to be consistent, or at the very least comparable to other media?
- Do we need benchmarks of comparison?
- How should creative execution be factored in?
- Does Engagement demand (or even assume) a two-way communication, and, if so, would that mean that print and broadcast advertising can by definition never be engaging?
- “The legacy of the click:” Since clicks have existed as a surrogate, will it be challenging or impossible to move the focus away from the purely physical/behavioral?
- How does Social Media get factored in, given the uniquely intimate possibilities of the communication?

We will revisit these questions in our **Conclusions**.

### **Our Approach and Solution**

Asking the difficult questions was important (and, in retrospect, the easy part); the hard part was coming up with the answers, since advertising Engagement has always been a tough nut to crack:

For one thing, it is not a single concept, but a spectrum of interconnected dynamics that will ultimately have a positive impact on the consumer-brand connection.

For another, it assumes active participation, but does not necessarily require an action; it may, in fact, describe a cognitive or emotional connection, in addition to or instead of a physical one.

And although it is assumed to be a pre-requisite to advertising effectiveness, it does not, in and of itself, always result in tangible, immediate effectiveness.

Given these somewhat contradictory realities, our working definition of Ad Engagement is:

**“A spectrum of consumer advertising activities and experiences—cognitive, emotional, and physical—that will have a positive impact on a Brand.”**

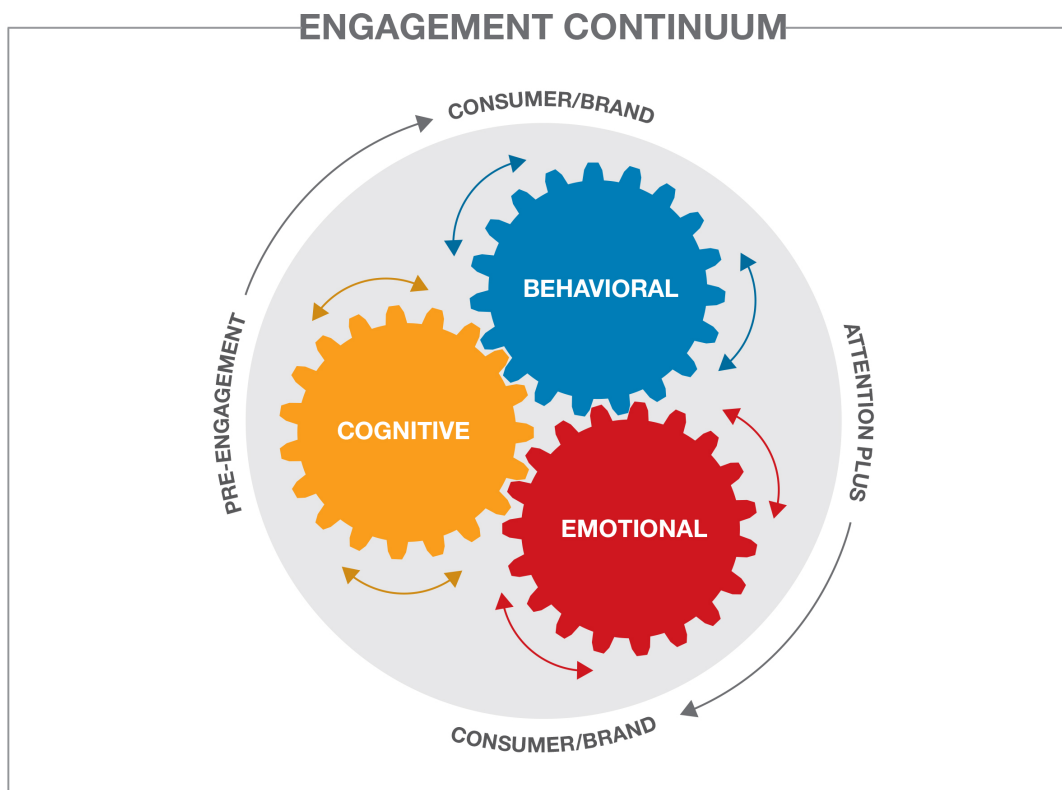
This definition communicates that Engagement is a “push/pull” process:

- The “**push**” is the advertising itself, dependent on both the media platform and, critically, the creative execution and Brand storytelling;
- The “**pull**” is the consumer who is aware of, spending time with, and internalizing that advertising.

We believe that by identifying and using these three types of Engagement metrics for a campaign, an advertiser can begin to bridge the gap between audience measurement and ad Effectiveness.

The Executive Working Group began with a wide ranging discussion of all the metrics currently being used for buying, selling, or evaluating digital advertising. These ranged from the most granular to the most high-level: From the tactical and analytic (time spent; number of interactions; video plays; etc.) to encouraging conversations, and changes in Brand awareness, perception, or consideration.

This led us to the realization that Engagement is not a single “event,” but more of a continuum, or inter-connected gears, as the following schematic illustrates; none of this suggests any value judgment (eg, “Good Engagement” versus “Bad Engagement”), but is our attempt to clarify the signals that create Engagement, overlaid with our original three “buckets” of the Cognitive, Emotional, and Physical.



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### **Proposed Core Metrics of Engagement**

Within this framework of Engagement, we can identify a core group of metrics, with the goal of partnering with the MRC to test and validate definitions and use cases.

Some of these can, and may already be, universally defined, while others are more “custom,” and may never be standardized.

Perhaps illustrative of this is Relevance. On the one hand, it is widely agreed that Relevance is critical to Engagement, but there are two ways of thinking about the concept, both equally valid:

Relevance may reflect the context or content in which an ad is accessed, suggesting that if the consumer has an interest in the content, and has perhaps sought it out, the advertising he or she encounters will be more “Engaging.”

But Relevance may just as easily refer to the consumer who has been identified by the data as in the market for a new car or financial services. In that case, context is less important than making sure the right ad has the opportunity to be seen by the right consumer at the right time. Synovate, in fact, has said that “Brand engagement is driven principally by personal relevance and involvement.”

Similarly, Time is relatively easy to measure comparably and universally, but Millward Brown says “Engagement occurs when consumers devote some mental time and effort to the brand communication.” So even Time becomes a relative concept, needing a benchmark or qualifier.

Here, then, are the three groups of **core Engagement metrics that can be comparably defined across the industry: 7 Cognitive; 4 Emotional; and 19 Behavioral.**

### **Core Engagement Metrics**

#### **Cognitive**

<b>Metric</b>	<b>Definition</b>	<b>Measurable Today?</b>
<b>Ad/Campaign Awareness</b>	The extent an ad or campaign is recognized by a potential customer.	Yes, Surveys
<b>Brand Message Recall</b>	The extent which a consumer can remember the key messages of an ad.	Yes, Surveys
<b>Attribute Recall</b>	The extent to which a consumer can remember the Brand attributes communicated in an ad	Yes, Surveys
<b>Change in Message/Attribute Recall and Association</b>	The pre-post delta in measuring to what extent the consumer can remember and associate those advertising messages or attributes with the correct Brand.	Yes, Surveys
<b>Change in Brand Awareness/Familiarity</b>	The pre-post delta in measuring to what extent a Brand is recognized by a potential customer.	Yes, Surveys
<b>Change in Purchase Intent</b>	The pre-post delta in planning or willingness to purchase a Brand in the future	Yes, Surveys
<b>Change in Brand Consideration</b>	The pre-post delta in a Brand's inclusion in a set which a consumer would select from in	Yes, Surveys



## Emotional

Metric	Definition	Measurable Today?
Change in Baseline Brand Perception	The pre-post delta in measuring what the potential customer thinks and feels about the Brand.	Yes, Surveys
Change in Baseline Brand Favorability	The pre-post delta in measuring what the potential customer likes and values about the Brand.	Yes, Surveys
Change in Baseline Brand Loyalty	The pre-post delta in measuring customer loyalty in terms of weight and frequency of usage, and likelihood to switch.	Yes, Surveys
Physiological Response	Extent to which the ad results in changes in respiration, circulation, or other non-conscious physical reactions that correlate with emotion.	Yes, Biometrics

## Behavioral/Physical

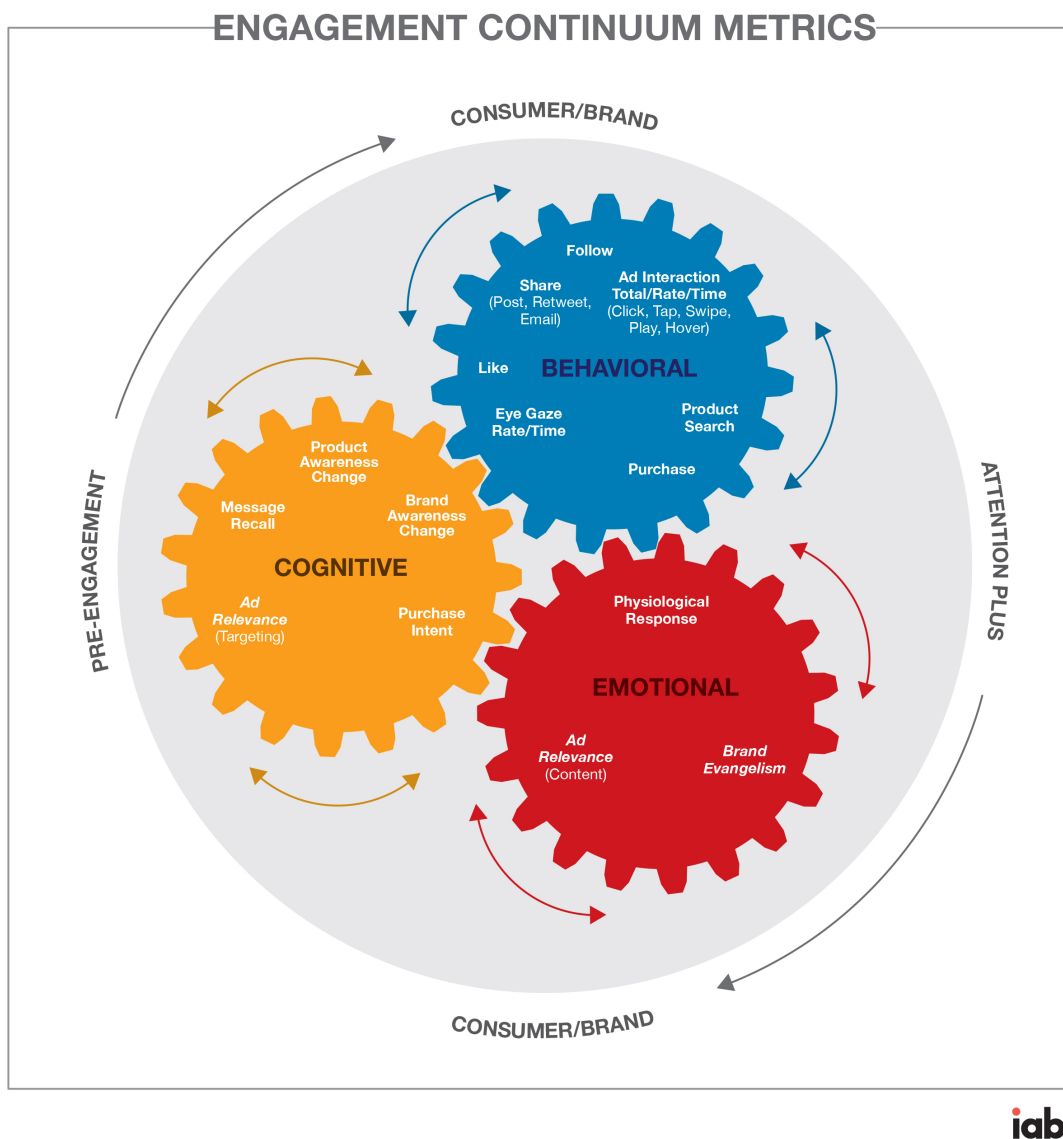
Metric	Definition	Measurable Today?
Gaze Time	Amount of time a user looked at an ad.	Yes, Eye Tracking
Gaze Rate	The percent of users who intentionally looked at an ad, of all those who could have seen it.	Yes, Eye Tracking
Total Interactions*	Total number of times a user “interacted” within an ad (eg., clicks, hovers, taps, swipes, video plays, shares)	Yes, Web Analytics
Interaction Rate	The percent that total represents of possible interactions. OR The percent of users who purposely enter the frame of an ad continuously for at least 0.5 seconds.	Yes, Web Analytics

<b>Interaction Time</b>	The average amount of time users spend with an ad.	Yes, Web Analytics
<b>Clicks*</b>	The number of users who clicked on an ad.	Yes, Web Analytics
<b>Click-Through Rate*</b>	The number of clicks on an ad divided by the number of times the ad was served.	Yes, Web Analytics
<b>Taps</b>	The number of users who tapped on a mobile ad.	Yes, Web Analytics
<b>Swipes</b>	The number of users who swiped an ad.	Yes, Web Analytics
<b>Total Video Starts, Pauses, Stops, Completes</b>	The number of times a user played a video, and how.	Yes, Web Analytics
<b>Video Completion Viewthrough Rate</b>	Percentage of times a Video ad was viewed to completion, of total times it was served.	Yes, Web Analytics
<b>Display Viewthrough**</b>	Number of Brand site visits that could have been influenced by display media within a particular look-back window.	Yes, Web Analytics
<b>Searched for more information</b>	After seeing an ad, number of users who visited the Brand's web site.	Yes, Web Analytics
<b>Offline Word of Mouth</b>	After seeing an ad, number of users who had an offline conversation about the Brand.	Social Listening
<b>Social: Read a Brand Post/ Viewed a Brand Video</b>	Number of users who read/saw a Brand Post/Paid Brand Ad/Brand Video on a Social Media site.	Social Analytics
<b>"Liked" a Brand Post/Video</b>	Number of users who then "Liked" the Brand Post/Video.	Social Analytics
<b>"Followed" a Brand***</b>	Number of users who then "Followed" the Brand.	Social Analytics
<b>Shared a Brand Post/Video***</b>	Number of readers who shared the Brand Post/Video with someone else.	Social Analytics
<b>Recommended a Brand***</b>	Number of sharers who also recommended the Brand.	Social Analytics

\*Clicks remain an important signal in digital advertising that an interaction or Engagement has taken place; however, as we make clear throughout this White Paper, clicks are not the only indication of Engagement, nor the "best" indication of Engagement, nor appropriate in every use case.

\*\*Some, but not all, ad platforms are able to measure post-click attribution/post impression tracking (that is, if a user visits the advertiser web site during a defined "look-back window.")

\*\*\*These Physical Behaviors are also signals of Emotional Engagement; see our final conclusion for further discussion.



If Engagement is a continuum, it must begin with a baseline; we refer to this as “Pre-Engagement.”

- In the Cognitive area, we have placed Baseline awareness for an existing Brand, ad, or campaign and Baseline Brand name recognition or familiarity. Viewable Impressions, Reach, and visits are audience/exposure metrics, similarly establishing the baseline.
- Within Emotional, we have placed Baseline Brand perception and Brand favorability.
- In the Physical or Behavioral, we placed reading a Brand post on a Social Network.

We then envisioned a transition stage, the beginnings of the consumer-brand connection:

- Cognitively, this would include awareness for a new Brand, ad, or campaign, and recall of key messages or attributes of an ad.
- In the Physical or Behavioral, we would place “Liking” a Brand post.

At the other end of the spectrum, signaling that Engagement has occurred, is “Attention Plus.”

- Indications that there has been Cognitive Engagement would include positive change in message and attribute association; change in Brand recognition or familiarity; and change in purchase consideration.
- Emotional Engagement may manifest itself in positive change in Brand perception, favorability, and loyalty; Physiological changes, measured through Biometrics, would also signal Emotional Engagement.
- The Physical or Behavioral indications would include any measures of Eye Tracking (Gaze Time and Rate), total number of interactions (including, but not limited to, clicks, hovers, taps, and swipes), time spent interacting, and video activity; searching for more information on a Brand; Liking, Following, or Recommending a Brand or Sharing a post on Social Media, or any offline conversation after seeing an ad. Social Sharing would likely also qualify as an Emotional signal, since it implies Brand Evangelism and personal reputation.

Moving our understanding forward to the “next frontier” of Engagement will require continued research to demonstrate the transition from Pre-Engagement to Attention Plus, and how these measures link to changing the Brand perception for the consumer.

## **Conclusions**

Digital advertising may not “own” Engagement, but it provides enormous opportunities to build Brands through Engagement—Cognitive\_ and Emotional as well as Behavioral. Given the interactivity, it also provides the opportunity to measure, and to demonstrate the power of that critical Consumer-Brand connection.

Our conclusions, based on the original questions posed earlier are:

- We may be successful in simplifying this extremely complex issue, but there is no “one size fits all,” and no single approach. We have proposed the definitions of core metrics so that they can be standardized, while recognizing that neither all of them together nor any alone can be complete solutions for every ad campaign. There may be metrics that are important in different circumstances, depending upon the type of ad (banner, rich media, video, Branding, Transactional, DR), device (mobile will need additional or alternative metrics beyond the Behavioral group included in this paper),

campaign goals, whether the metric is being used as a trading currency or for comparative evaluation, and whether the Brand is an existing or new one.

- It is critical for core metrics of Digital Advertising Engagement to be comparable to other media. While Digital currently offers a greater ability to measure certain types of Engagement, ultimately, and given the growth of multi-platform campaigns, these metrics should tie back to offline media as appropriate, without sacrificing the best of digital measurement. For example, Digital Video will need a metric consistent with television, to allow for the most actionable comparison of value.
- The industry will need benchmarks of performance, creating yet another reason to seek consensus on core metrics and definitions. Without this alignment, each buying and selling entity will create its own database of benchmarks, which will increase rather than diminish marketplace confusion.
- If the role of the publisher is to deliver the audience, and the role of the marketer is to tell the story, Engagement is driven as much or more by the creative execution as by the media platform. Therefore, we would envision a new partnership between creative agencies, media agencies, and publishers toward a shared goal of Engagement.
- Despite the “legacy of the click,” Digital advertising Engagement encompasses more than physical interaction. While actions such as clicks or video plays must not be discounted, not every ad requires or demands a physical action. Furthermore, historical and contemporary research make clear that Engagement beyond the physical, while more challenging to measure today, is critical to fully understand the extent of the consumer-brand connection.
- Social Media is more than a single form of Engagement. Simply reading a branded post may represent Pre-Engagement Awareness; “Liking” that post may indicate a form of Approval; but “Following” creates a consumer touch point, and “Sharing,” with its implied endorsement, evangelism, and one’s reputation at stake, is currently the most powerful form of Social Media Engagement.

The IAB, along with the ANA and the 4A’s will continue to support the MRC’s efforts to develop standard definitions for the metrics the industry identifies as core.

While this represents the current point in time, we must remain flexible to a changing landscape, evolving measurement capabilities, and new marketplace opportunities to build Brands.