

## e-Media “Use Case” Optimization

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### Introduction

Today, more and more marketers are realizing that to optimize their e-Media (online advertising) carriage plans, they need to do more than look at an ad unit’s Reach and Frequency. With increasing pressures on marketers to deliver results, soft Brand metrics are simply not enough.

We were recently faced with the challenge of managing a considerable amount of media for a large multinational consumer electronics client. We helped them negotiate a significant portal deal and with it came a series of so-called Brand and Click-Through metrics. Unfortunately, the only two Key Performance Indices (KPIs) available through the portal deal were the Reach/Frequency delivered via the CPM metric, and the Click-Through-Rate (CTR), monitored by the portal itself since it also served the banners. While these two metrics were directionally helpful in optimizing creative treatments and placement in order to meet initial Branding objectives, they ultimately proved insufficient in driving other defined client objectives: Sales; Registrations; and category Education.

For example, we found that some e-Media ad units generated a high CTR, but resulted in no sales. Conversely, ad units that generated poor click-through sometimes resulted in significant sales of our client’s highest margin goods.

With the obvious limitations of the two KPIs negotiated by our client, three things became apparent: we needed a series of Enhanced Metrics that moved us beyond mere CPM and CTR; we needed to institute a better Tracking and Measurement solution so that we could track user behaviors beyond the ad unit (e.g. banner); and, most importantly, leveraging our Tracking and Measurement solution, we needed to look beyond the banner at the entire user experience associated with that banner (i.e. where they went from the ad unit, to the Landing Page, and throughout the destination site), and not just at the banner itself.

**Figure I**  
**Enhanced Metrics**

<b>Metric</b>	<b>Formula</b>	<b>What it means</b>
<b>BRAND</b>		
<i>Brand Awareness</i>		
<b>CPM Uniques</b> (Cost to Reach 1000 unique users)	\$\$\$ / unique users 1000	The efficiency of reaching individuals vs. gross impressions.
<b>Cost per click (CPC) per Creative Unit Size (CPC CUS)</b>	\$\$\$ / number of clicks per creative unit	Does size matter in generating interaction?
<b>Clicks/Frequency per Banner (CFB)/message</b> <i>RR – Response Ratio</i>	Clicks grouped into # of exposures for banner/message per person	Gives a diminishing returns curve of interaction.
<b>Latent Immersion (LI)</b>	Visits/Sales to Websites up to 30 days following ad exposure	Potentially that the ad exposure drove traffic to a Website.
<b>Cost per Landing Page (CPLP)/Pop-Up</b>	\$\$\$ / fully downloaded landing page/PopUp	Gives the efficiency of getting a user to the next level of information.
<i>Brand Immersion</i>		
<b>Time Spent on Page (TSP)/Landing Page-PopUp</b>	Time Left – Time Entered	Level of involvement.
<b>Depth of Pages (DP)</b>	# of Pages into the site once the user clicks.	How qualified was the user? Are they involved?
<b>Depth of Pages by Creative Unit Size (DP CUS)</b>	Average Users Page Depth Grouped into Creative Ad Unit Sizes	Does size matter in generating qualified involvement? Can be linked to measure various sections of the site.
<b>EDUCATION</b>		
<b>Time Spent on Page (TSP)</b>	Time Left – Time Entered	Level of involvement.
<b>Depth of Pages (DP)</b>	# of Pages into the Education section once the user clicks.	How qualified was the user? Are they involved?
<i>Plus Brand Immersion</i>		
<b>Time Spent on Page (TSP)/Landing Page-PopUp</b>	Time Left – Time Entered	Level of involvement.
<b>Depth of Pages (DP)</b>	# of Pages into the site once the user clicks.	How qualified was the user? Are they involved?
<b>Depth of Pages by Creative Unit Size (DP CUS)</b>	Average Users Page Depth Grouped into Creative Ad Unit Sizes	Does size matter in generating qualified involvement? Can be linked to measure various sections of the site.
<b>SALE</b>		
<b>Cost per Sale (CPS)</b>	\$\$\$ / # of completed transactions	Effectively, a return on investment metric indicating the efficacy of the campaign spend that generates tangible sales.
<b>Latent Cost per Sale (LCPS)</b>	\$\$\$ / # of completed transactions up to 30 days following ad exposure	Measuring the efficacy of the campaign spend that generates tangible sales following an ad exposure that didn't generate an immediate sale.
<b>Time Spent on Page (TSP)</b>	Time Left – Time Entered	Level of involvement.
<b>Depth of Pages (DP)</b>	# of Pages into the Sale section once the user clicks.	How qualified was the user? Are they involved?
<i>Plus Brand Immersion</i>		
<b>Time Spent on Page (TSP)/Landing Page-PopUp</b>	Time Left – Time Entered	Level of involvement.
<b>Depth of Pages (DP)</b>	# of Pages into the site once the user clicks.	How qualified was the user? Are they involved?
<b>Depth of Pages by Creative Unit Size (DP CUS)</b>	Average Users Page Depth Grouped into Creative Ad Unit Sizes	Does size matter in generating qualified involvement? Can be linked to measure various sections of the site.

<b>REGISTRATION</b>		
<b>Cost per Registration (CPR)/ Leads</b>	\$\$\$/# of people who registered for Warranties, Coupons, Contests/ Sweepstakes, Loyalty Programs, etc.	Attractiveness of the offer to the user base.
<b>Cost per Opt-In (CPOI)</b>	\$\$\$/# of people who opted-in to receive more information via e-Messaging (e.g. e-Newsletters or email reminders)	Potential Qualified leads from each site. Gives us efficiency of interested target.
<b>Time Spent on Page (TSP)</b>	Time Left – Time Entered	Level of involvement.
<b>Depth of Pages (DP)</b>	# of Pages into the Registration section once the user clicks.	How qualified was the user? Are they involved?
<i>Plus Brand Immersion</i>		
<b>Time Spent on Page (TSP)/Landing Page-PopUp</b>	Time Left – Time Entered	Level of involvement.
<b>Depth of Pages (DP)</b>	# of Pages into the site once the user clicks.	How qualified was the user? Are they involved?
<b>Depth of Pages by Creative Unit Size (DP CUS)</b>	Average Users Page Depth Grouped into Creative Ad Unit Sizes	Does size matter in generating qualified involvement? Can be linked to measure various sections of the site.

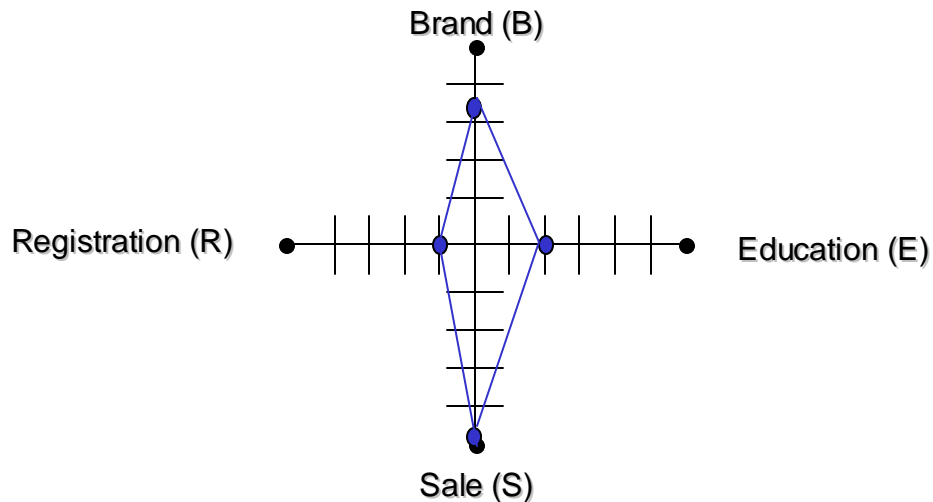
### Defining Objectives

Next, we challenged our client to characterize each online advertising Campaign against the four defined Objectives: Brand, Education, Sale, and Registration. We used this simple chart to help them in their ranking process.

Figure II

Use Case # 1, "Purchase Product" – **Sale**

Tie-in Promotion with Major Motion Picture – Buy New Product Online



### Tracking and Measurement

Today, while some ad serving networks and a few off-the-shelf software packages – Log File Analyzers like Web Trends and Packet Sniffers like Accrue – claim to be able to provide you with good summary reports and some limited analytics, most are server-based solutions and, therefore, inherently inaccurate.

With today's server farm configurations and cross-channel marketing requirements, the only solution capable of providing online retailers with the data integrity required is "tagging" or "beacon" technology. This necessitates tagging all the relevant e-Media ad units (e.g. banners) and Web pages that you wish to cover, and then tracking your targets through them. In essence, the target is fixed with a beacon (a single transparent pixel) that informs you of his or her activity – from wherever they go to whatever they do, all the way through to the shopping cart and beyond. By linking online behaviors with offline sales, you can even track the value of the digital experience in driving traditional retail sales. Simply ask cybernauts to register online for Warranties, Coupons, Sweepstakes or other Loyalty programs in order to close the loop and understand the value of your IP investment in its entirety.

Generally, we leverage an ASP in meeting our Tracking and Measurement needs. These include companies such as Live Technology of Purchase, NY, and Keylime of Carlsbad, CA. The value of the ASP is that their sole function is in gathering up clickstream data into a centralized Datamart. Then you can apply your own (or your agency's) analysts to mine the data and determine where targets are "dropping out" of prescribed Use Cases.

The advantage of this solution is clear. Only tagging enables you to accurately record what the cybernaut has actually seen, and not just what's been served. Furthermore, tags can be leveraged to track any IP-based communication, from Sites to e-Media units, to e-Messaging transmissions (email). They're channel agnostic.

This final characteristic makes tagging particularly attractive when you're trying to integrate the performance of online ad units with Web behaviors. It is a Herculean task to integrate Website tracking data spawned in isolation, to decompose behaviors down to a session level using a server-based solution, and then to integrate that data with the information coming out of some ad serving system. Linking the ad units to the Web clickstream manually is time-consuming and expensive, and due to the limitations of server-side solutions, you can never get a complete and accurate picture.

### **Use Cases**

Given that our Tracking and Measurement solution had empowered us to look beyond the initial banner to the entire clickstream beyond, we began to develop Use Cases for each Campaign.

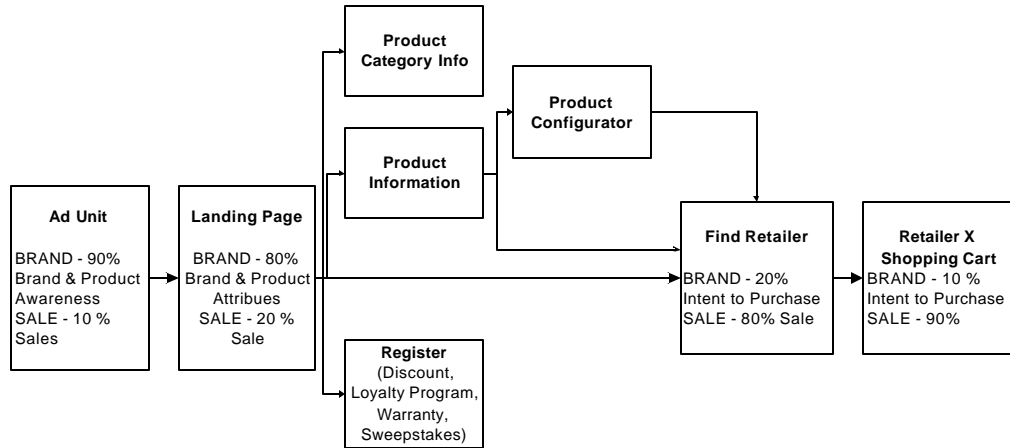
The notion of the Use Case is something borrowed from software (including Web) development. *A Use Case is a defined series of interactions between the user and the system designed to fulfill a specific task such as "Learn about a Product" or "Get a Coupon."*

By understanding the interconnectivity of the e-Media and Site experiences, we were able to create a new generation of Use Cases designed to deliver against the prescribed Campaign Objectives. Each Use Case has a singular User purpose; i.e. Buy this product – *Sale*. We developed at least one Use Case under each of the Objectives to which the client had ascribed a score. However, since Brand is a component part of the other three Objectives (Sale, Registration and Education), and since it does not represent an actual User need or purpose, we integrated the Brand Objective under the three other Objectives.

Figure III  
 Use Case # 1, "Purchase Product"  
 Linking the Campaign to Objectives, and the Objectives to Define Metrics

Campaign	Entertainment Tie-In and Product Sale Online			
Objective Ranking	Brand	Education	Sale	Registration
Use Case # 1	3.25	2	5	1
Required Metric(s) to validate Objective	<u>Awareness</u> <u>Brand &amp; Product</u> <ul style="list-style-type: none"> <li>• CPM (Uniques)</li> <li>• CPC</li> <li>• CPC CUS (by Creative Unit Size)</li> <li>• CFB (Clicks/Frequency Banner)</li> <li>• LI (Latent Immersion)</li> <li>• CPLP (Cost-Per-Landing Page)</li> </ul> <u>Immersion</u> <u>Brand &amp; Product Attributes</u> <ul style="list-style-type: none"> <li>• TSP (Time Spent on Page)</li> <li>• DP (Depth-of-Pages)</li> <li>• DP CUS (by Creative Unit Size)</li> </ul>	<u>Education</u> <ul style="list-style-type: none"> <li>• TSP</li> <li>• DP</li> </ul> <u>Brand Immersion</u> <u>Brand &amp; Product Attributes</u> <ul style="list-style-type: none"> <li>• TSP</li> <li>• DP</li> <li>• DP CUS</li> </ul>	<u>Sale</u> <ul style="list-style-type: none"> <li>• CPS (Cost-Per-Sale)</li> <li>• LCPS (Latent Cost-Per-Sale)</li> </ul> <u>Intent to Buy</u> <ul style="list-style-type: none"> <li>• TSP</li> <li>• DP</li> <li>• DP CUS</li> </ul> <u>Brand Immersion</u> <u>Brand &amp; Product Attributes</u> <ul style="list-style-type: none"> <li>• TSP</li> <li>• DP</li> <li>• DP CUS</li> </ul>	<u>Registration</u> <ul style="list-style-type: none"> <li>• CPR (Cost-Per-Registration)</li> <li>• CPOI (Cost-Per-Opt-In)</li> <li>• TSP</li> <li>• DP</li> </ul> <u>Brand Immersion</u> <u>Brand &amp; Product Attributes</u> <ul style="list-style-type: none"> <li>• TSP</li> <li>• DP</li> <li>• DP CUS</li> </ul>

Figure IV:  
 Use Case #1: Make a Purchase (Sales)  
 Navigation Map



By flavoring or characterizing each page or page element against the four defined Objectives, we can now begin to correlate traffic through these pages with said Objectives. For example, if Branding is our dominant objective, we can see exactly how many cybernauts traffic Branding-flavored screens. Conversely, if Sales is the

dominant objective, we can see how many cybernauts are traversing Sales-flavored screens.

Now the optimization potential of this model becomes apparent. By observing normal traffic through the site, and then by running a test with a defined Use Case, you can benchmark the success of your existing online advertising efforts. Further, you can begin to deconstruct common problems and begin to understand general behaviors. The Enhanced Metrics listed above should give you the feedback you require to see what's wrong with your Use Cases, and why your targets aren't traversing the Optimal Site Path. Once you've optimized the Use Cases appropriately, run the second phase of the test and see the improvement. Now you can truly optimize against a defined index and quantify your success against all of your prescribed Objectives.

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