



Trends & Insights

The Movement Toward Incrementality

Taking Campaign Measurement to the Next Level

The digital ad space is growing more complex every day, fueled by advancements in technology, changes in consumer buying preferences, and shifts in media consumption. Digital marketers face growing pressure to identify the channels and tactics that generate the most value for a business' bottom line. As a result, marketing efforts, including targeting and measurement techniques, have become more sophisticated in recent years. Marketers of all sizes want to know the true impact of their campaigns and are now rethinking how they can best evaluate them.

The industry is evolving from a conversion performance focus to the more objective measure of incremental lift. Traditional performance metrics like clicks and impressions are losing their luster, but higher-value metrics like revenue and net-profit are difficult to obtain. While traditional metrics only scratch the surface, incrementality goes deeper. What exactly is incrementality and how is it measured?

The Incrementality Mentality

With media budgets growing and advertisers experimenting with different channels and formats, understanding the true impact of your marketing efforts is crucial in making budgeting decisions and justifying scale. Most marketers would (understandably) only want to spend money on channels that drive results and ensure a positive brand experience.

While an increasing share of the industry is looking to move away from last-touch attribution, the majority of marketers still depend on it due to its ease-of-use. While last-touch is a simple way to assign credit, it's not the most accurate. Incrementality strives to identify the causal event of a conversion, allowing businesses to properly allocate budget and reduce wasted ad spend.

Incrementality measures the lift in desired outcome that a specific channel brings in the campaign results above native demand—the increase in leads, sales, and other key performance indicators (KPIs) gained that would not have occurred without certain marketing efforts.

Incrementality isn't about assigning credit to a conversion; it's about identifying the interaction that moves a user from passive to active. Whichever interaction influences an actual outcome is identified as incremental. Incrementality is a way to measure an event that wouldn't have occurred without a specific interaction, such as an ad view, and that resulted in the desired outcome, such as a conversion. By testing different influencing factors, advertisers can gain true insight into the value of their ad dollars.

Incrementality helps answer key questions, including:

- Which ad creative is the key contributor to an advertiser's intended outcome?
- What happens if an advertiser increases or decreases budget on certain publishers?
- Which audience segments had the strongest response to an ad?
- Most importantly: are ads driving actual value, or just claiming credit for an action that would have occurred naturally?

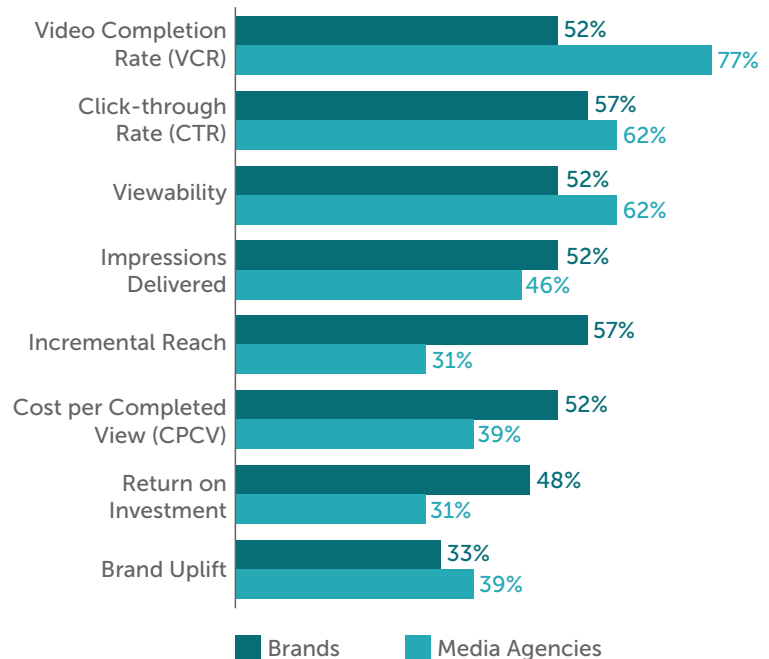
Interested in learning more about incrementality? Let's talk.

Industry Changes

Marketers—facing a looming cookieless future, evolving privacy regulations, fragmented customer data, and the accelerating complexities of identity management—are seeking an alternative approach to evaluating the effectiveness of their campaigns. In response to new privacy rules requiring mobile apps to get explicit user consent to access a device's Identifier for Advertisers (IDFA), **64% of marketing executives plan to invest more in other measurement solutions like incrementality and media mix modeling.**¹ When implemented correctly, incrementality can boost a brand's revenue and help marketers prove their value.

When looking at a media agency's priorities versus those of a brand, agencies skew strongly towards evaluating performance against video completion rate (VCR), whereas brands focus on a broad range of measurement techniques, with a slight preference for click-through rate (CTR) and incremental reach.

Percentage of Respondents Who Prioritize Select Key Performance Indicators (KPIs) for CTV Ad Campaigns



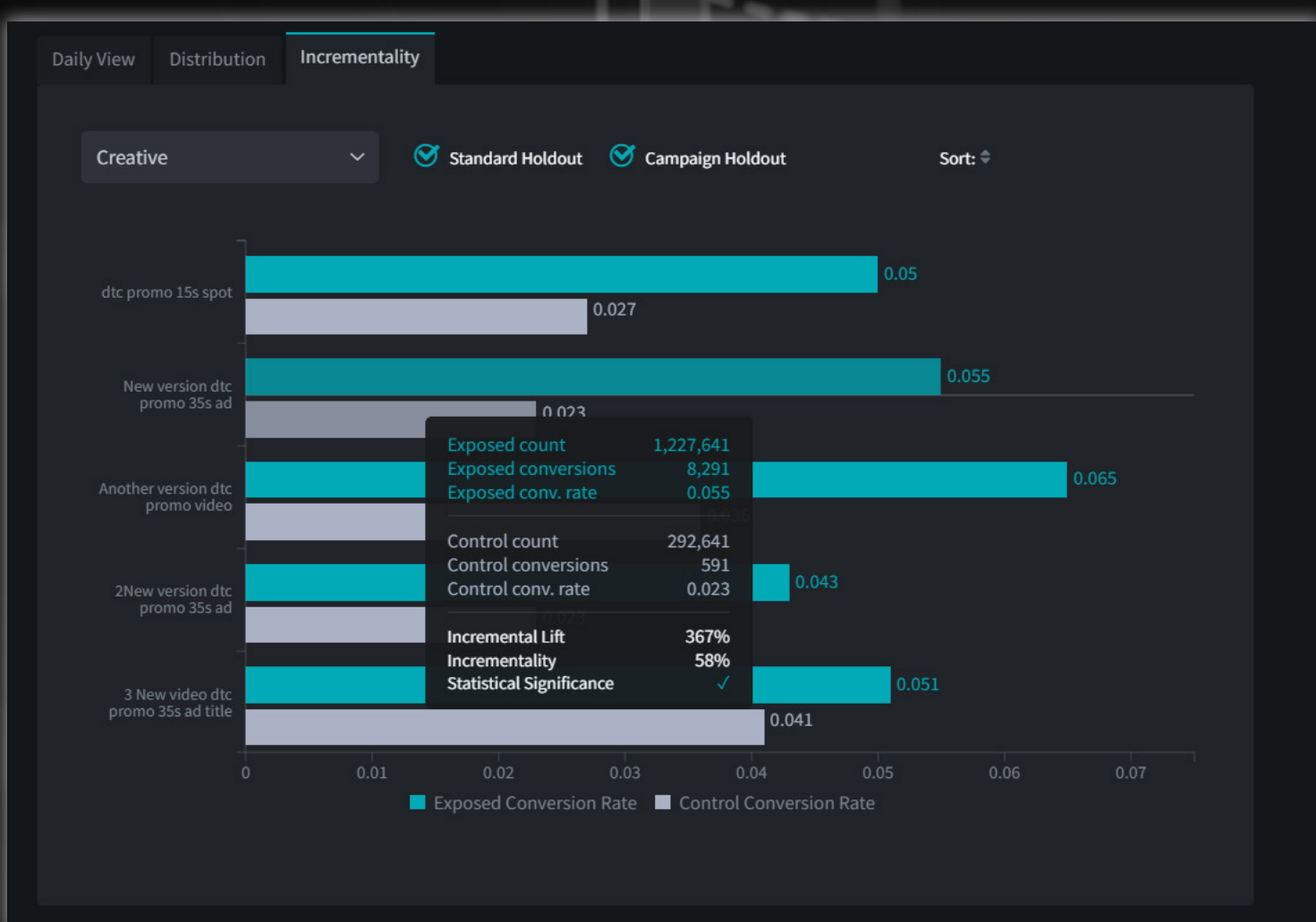
The Digital Remedy Approach: Measuring Actions That Matter

In recent years, there has been an influx of innovation in the OTT/streaming space. As the industry continuously evolves, so do our capabilities. When Digital Remedy launched our Flip OTT solution in 2019, the ability to track conversions on one device driven by impressions on a separate device was a new and novel concept. Today, attribution has become the standard and is now expected from media partners.



We believe that attribution is a means to an end—a stepping stone to a reliable medium that truly works and delivers the results and positive ROI that advertisers and agencies seek. **Attribution is no longer enough. Advertisers are looking for more. There is a new barometer for measuring campaign success.** That's why our team is bringing incrementality to OTT.

Flip was developed to provide answers to any question that a sophisticated, data-driven advertiser could possibly have—via personalized recommendations, multi-methodology attribution, best-in-class optimization, and in-depth campaign insights. Incrementality solves the important question: of everyone who converted, how many converted because of an OTT exposure?

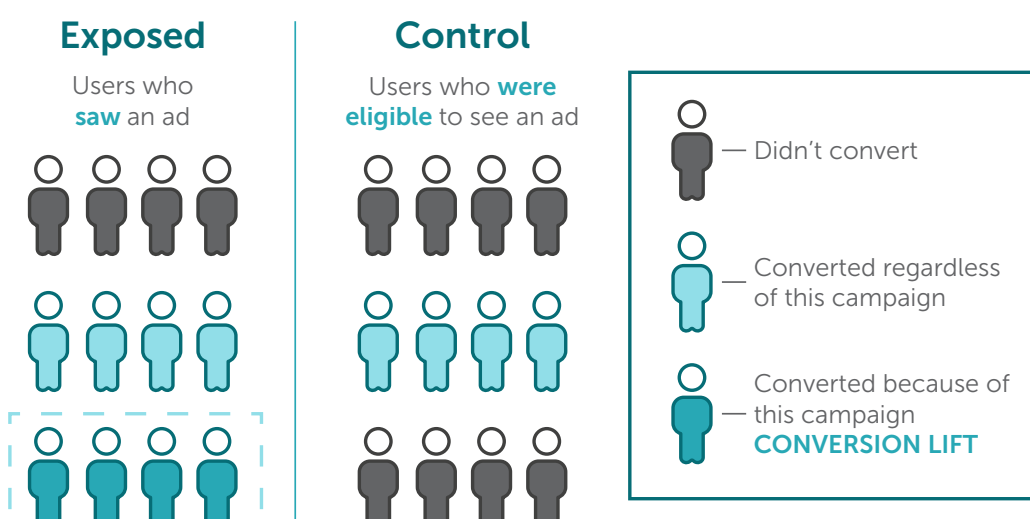


Learn More About Flip

How Does It Work?

We create holdout groups that mimic exposed groups' behaviors and demographics exactly. We're then able to measure which variables have the truest impact on your bottom line in the consumer pathway to purchase—isolating the impact of your media, even if your brand's digital advertising presence extends beyond OTT. By comparing conversion rates of exposed groups and holdout groups across variables like creatives, publishers, and audiences, we're able to see how much more likely someone is to convert when exposed to a certain type of media, or a certain campaign variable. By leveraging this incrementality methodology, advertisers are able to move budget accordingly based on these answers and maximize ROI. Flip provides greater insights which drive more results and ensures stronger performance.

We have exciting platform updates and feature releases in the pipeline for this quarter that we cannot wait to share. Be among the first to be notified when these updates hit the market by ensuring you are on our Flip distribution list.



Can't wait for updates? Speak to our team today!

Source:

1. eMarketer, 11/30/2020, Audience targeting expected to take biggest hit from IDFA changes



Find out more at digitalremedy.com