

Chapter 17

Digital Metrics: Getting to the Other 50 Percent

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ABSTRACT

This chapter reviews measures of advertising effectiveness in research and practice from the pre-digital to the digital era. A focus on efficacy and ethics in terms of measurement and consumer privacy issues associated with collecting, monitoring and learning from digital metrics is discussed. Research questions related to persuasion knowledge and digital privacy are posed.

“Half the money I spend on advertising is wasted; the trouble is I don’t know which half.” John Wanamaker, (attributed) U.S. department store merchant (1838–1922)

INTRODUCTION

These famous (or infamous) words are still cited today as marketers try to determine how to reach their desired target audiences with the right message in the right medium at the right time to inspire those consumers to purchase (more of) the marketers’ brands. Media measurement has undergone vast transformation since Wanamaker’s

time. For example, in 1906 radio broadcasters simply asked, “Is anybody out there?” suggesting listeners should write a letter to inform them. More than one hundred years later, planners have access to cross-measurement and fusion media data collecting media habits and linking them to actual buyer behavior (Sass 2007). Yet, one of the most basic research questions—who is the audience -- is still being discussed (Webster, Phalen & Lichty 2006).

Today, marketers want and need to know much more than that, however. With the explosion in media choices, and the desire for consumers to have greater control over their media and ad exposure, marketers are challenged to gain more precise and accurate information, not only on who is the audience, but where they are and how receptive

DOI: 10.4018/978-1-60566-792-8.ch017

they might be to ad messages. *Digital metrics* (audience measurement of digital media) present a great opportunity to collect, gather and use a remarkable amount of audience information. Such information offers advertisers new micro-targeted means of reaching audience members. Yet, with great data also comes great responsibility for the ethical management of that information to protect consumer privacy. In this chapter, we review the transition from old to new metrics, discuss what works today, and what is needed tomorrow in terms of measurement and consumer privacy issues associated with collecting, monitoring and learning from digital metrics.

The IDC Digital Marketplace Model and Forecast predicts that total worldwide Internet advertising will be as much as \$51.1 billion in 2012. Although still a relatively small proportion of overall ad spending, the number is growing faster than all other forms of media. Despite this industry growth, as well as an increasing focus among lawmakers and regulators on behavioral targeting and online advertising, research has yet to fully address these important issues. We provide an overview of the key concepts along with a number of future research questions in the hopes of spurring more attention in this area.

METRICS: ADVERTISING EFFECTIVENESS THEN: THE EYEBALLS (AND EARS) HAVE IT

Measurement of advertising effectiveness—whether digital or not—should conform to advertising objectives (Li & Leckenby 2007). So if the objective of an advertising campaign is to increase brand awareness, then a direct response behavioral metric, such as how many times someone clicked on a banner ad, may not be the most appropriate measure. Indeed, our contemporary thinking about advertising objectives and measurement goes back more than one hundred years. The earliest model of advertising effectiveness, created in 1898 by

Elmo St. Lewis, focused on ‘attention, interest, desire, and action’ (AIDA) (Barry 1987). Subsequent academic models of effectiveness, such as the “hierarchy of effects” model by Lavidge and Steiner (1961), also focused on cognition (thinking), affection (liking) and conation (behavior). Although Ray (1973) found some evidence for the existence of cognition, affection, and conation, there have been critiques of such hierarchical models of advertising effectiveness (see Robertson 1970; Weilbacher 2001). Measures of advertising effectiveness in academic studies have largely followed these hierarchies—including advertising recall or recognition (for cognition), attitude toward the ad and ad liking (for affection) and conation (usually purchase intent).

Real-world metrics of traditional media have also relied on advertising attention and recall, employing active techniques of measurement by asking people questions. For example, in 1923 Dr. Daniel Starch began analyzing print advertisements by interviewing people and asking them whether the ad was “noted” (reader remembers seeing ad), “associated” (reader remembers seeing name of advertiser) and “read most” (reader actually read at least half of the ad). Similarly, for broadcast media, the first ratings service (“Crossley ratings”) telephone interviewed potential radio listeners in the mid-late 1930s asking them to recall their own radio listening during the past 3-6 hours. However, even those early researchers noticed that people did not or could not always remember what they had listened to. This active measurement technique was flawed. In addition, the metric focused on media exposure and not advertising exposure. A competitor at that time, pollster George Gallup, devised a method that concentrated not on recall but on current listenership (“coined telephone coincidental”). Questions focused on what programs audiences were listening to at the time of the call, what station they were tuned to, and the name of the sponsor of the program. Demographic information (age, gender) was also collected. This method was instituted into a syndicated ratings practice

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