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Why view-through is a key component of campaign ROI

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Can you remember the last time you filled out the order form in the middle of a catalog, mailed it in and awaited your package? Me neither.

But I bet you can remember receiving that catalog, mulling over the pictures, perhaps going online and seeing what else was available and ultimately buying that way.

You may not buy that day, or even that week, but at some point in the future, that piece of advertising just might affect your propensity to purchase in the future. And that, my friends, is called a view-through.

To define the concept precisely, a view-through conversion (VTR) is one that comes from a consumer exposed to at least one display advertising impression, who has then converted with a certain number of days customarily 30 from the date of her last impression.

In our catalog example, filling out the order form is akin to a conversion-from-click.

As we have already reviewed, nobody really does it (see previous column). But view-through is different. It happens all the time. Offline, it is what drives the omnipresent television advertising.

Companies bank on the latent effects their media has on influencing future consumer behavior. And online, this concept is what justifies high CPMs, as buys based on clicks or CTCs in online display rarely pay out you need VTR.

What can view-through do?

It can be a little scary, pegging the success of advertising on conversions not traceable via a click. So why do it? There are clear advantages for both the supply and demand sides of the ecosystem:

Create a baseline for ROI justification

View-through enables advertisers to track consumer behavior by tying two data points across time at the unique consumer level: exposure to display advertising and conversion activity.

Because this timeline is based on the unique ID level, you are also able to observe something else: the behavior of consumers not exposed to advertising. That is, you can create a control group.

A control group is the key to understanding exactly how much more consumer activity your media is driving.

Think about it: if you observe that a group of messaged consumers have a 2 percent conversion rate from unique, how do you know that is any good unless you know that without advertising, that same consumer base converts at a rate of 1 percent?

Without this baseline, you lack the key to understanding how much more activity your display advertising drives.

In our example, consumers are now twice as likely to convert after having been exposed to advertising as those who have not. Control groups, through the dynamic use of VTR, create the key to truly digging into ROI.

Expand reach by increasing audience size

Mobile networks currently optimize based on click-through rate. They remove sites to increase CTR, which most times end up negatively affecting revenue.

With VTR, however, conversion rates of populations generally remain the same as your audience size increases.

If you are buying inventory on The New York Times, and then you decide to also purchase inventory on ESPN, the conversion rate will hold steady. That is, the game changes from one of conversions to one of reach.

More consumers equal more conversions. Advertisers expand their media buying due to the increase in revenue when looking at activity at the unique level, and publishers and networks enjoy that same increase in fill rate.

Employ greater flexibility in testing

In general, because we are measuring latent influence on consumer behavior, the number of view-through conversions tends to be significantly higher than those from click. Ratios tend to average at about 20:1 VTR:CTC.

Because advertisers enjoy such a high number of conversions, they have much more flexibility in testing various display advertising initiatives, including segmentation, vertical targeting and creative treatments.

VTR means greater available sample size, which in turn leads to an increase in opportunities to test and great confidence in results.

VIEW-THROUGH THAT CONCEPT of latent purchase influence is what drives offline advertising, and is alive and kicking in online display. Unfortunately, it is not widely used in the mobile space.

Oddly enough, the industry has every tool at its disposal to allow it to thrive, including ad servers that enable consumers to be sequestered in control groups and the ability to follow consumer behavior across time.

The question remains, why people do not recognize it in mobile?

View-through is a key component to understanding the true ROI of a campaign and defining a baseline against which all activity should be measured. It enables both the supply and demand sides to increase revenue by messaging more consumers.

Indeed, view-through is the next step in our progression in mobile's evolution of its own behavior.

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