

Marketing Measurement Glossary

Intelligent Marketing

DM
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Marketing
Association **A**

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/ Introduction

Measuring marketing's effectiveness is an area of the planning cycle profoundly affected by the volume of data organisations deal with today. If marketers are to measure incremental campaign effects accurately and without bias they must plan, deliver and optimise advertising measurement more effectively using a system everyone understands.

Many marketers continue to measure what they can, rather than what they should. This suggests traditional measurement models lack the subtlety needed in a multichannel world.

Starting with the problem of a lack of consistent industry language around campaign measurement and an unjustified preoccupation with campaign delivery metrics (as highlighted in the [Meaningful Marketing Measurement 2021](#) report), the DMA Media Council have worked together to help brands and agencies establish a common language and understanding of the terms we use when discussing effectiveness.

This glossary and the accompanying [Marketing Measurement Framework](#) are a campaign measurement toolkit, developed by a cross-section of brands, media owners, agencies and other key industry practitioners.

Unified language and measurement frameworks enable organisations to build benchmarks for target setting while testing and learning with their marketing spend, feeding the results back into future campaign plans in an ongoing virtuous circle of effectiveness.

In addition, campaign measurement best practices must be embedded into industry training and development initiatives – ensuring that new starters are conversant in the measurement challenges highlighted, and the solutions available to meet these challenges head on.

If you'd like to join the discussion about meaningful measurement of marketing, find out more about the insights available from the DMA Intelligent Marketing Databank or find out more about the DMA's existing and future work on measurement, do get in touch with the [DMA Councils team](#).

Hattie Whiting

Chair of DMA Media Council

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/ Media Channels

- **Audio:** Adverts listened audibly only (i.e., not visually) that aren't radio. For example, adverts within podcasts, listened to via an app or other device/platform.
- **Direct Mail:** A piece of advertising addressed to an individual and/or with a full postal address. Delivered directly into the home.
- **Display:** Online adverts in a "banner" format, displaying images and text.
- **Door Drops:** Leaflets put through a letterbox, and therefore delivered directly into the home. Generally distributed in three ways: by the post person, with a local newspaper, or by a team of distributors. Generally targeted at postal sector level.
- **Email:** An electronic mail, often personalised to the recipient, containing an advertising message.
- **Inserts:** A piece of advertising material, often in the form of a leaflet, "inserted" into a magazine, newspaper or package.
- **Magazines:** Paid-for advertising or content that appears in magazines (including supplements to newspapers), either in print editions, on websites or within mobile apps.
- **Out-of-Home (OOH):** OOH media is advertising experienced outside of the home, including billboards, bus shelters, screens in shopping malls, as well as on the sides of buses. Where these are digital and/or digitally connected screens, it is often referred to as Digital Out-of-Home (DOOH).
- **Partially Addressed Mail:** Similar to standard 'Direct Mail' but addressed to the "occupant" rather than an individual. Targeted and delivered at a postcode level.
- **Press:** Paid-for advertising or content that appears in national/regional newspapers, either in print editions, on websites or within mobile apps.
- **Radio:** Adverts listened audibly only (i.e., not visually) on the radio, either via a traditional radio, app or other device/platform.
- **Search:** Platforms such as Google and Bing, where the user searches for a question.
- **Social:** Platforms such as Facebook, LinkedIn, Instagram and TikTok, which people use to keep connected with friends and brands.
- **TV:** Adverts delivered with an audio and visual message, either via traditional TV, an app, a catch-up service or other device/platform.

/ Meaningful Measurement Metrics

Over one thousand entries to the [DMA Awards](#) are analysed to create the DMA's Intelligent Marketing Databank, the insights from which are used to create the annual [Making Measurement Meaningful](#) report. Each individual effect has been recorded and grouped into one of four categories (refer to the 'Methodology' section for the full list of recorded effects):

- 1. Response Effects:** Effects that direct response and performance marketing campaigns are tasked with (e.g., conversions, acquisitions, sales, bookings, footfall, downloads, CPA efficiencies and response rates).
- 2. Brand Effects:** Effects that specifically relate to brand measures, for instance the types of metrics that brand trackers are usually tasked with keeping tabs on (e.g., brand awareness, ad recall, consideration, purchase intent, brand trust, brand perceptions, recommendation, customer satisfaction and NPS)
- 3. Business Effects:** Effects related to overall business performance. They are distinct from response effects in that they typically point toward the long-term sustainability of a business (e.g., profit, market share growth, customer penetration, loyalty and shareholder value)
- 4. Campaign Delivery Effects:** These measures are essentially media planning campaign inputs (e.g., reach, frequency and impressions) and so-called 'vanity metrics' such as clicks, likes and shares. These ultimately say little about campaign effectiveness, but as they have appeared in the results sections of the DMA award entries, they reveal a great deal about how marketers are currently measuring campaigns

Example Effectiveness Metrics

BUSINESS EFFECTS	BRAND EFFECTS	RESPONSE EFFECTS	CAMPAIGN DELIVERY EFFECTS
<ul style="list-style-type: none"> • Profit • Sales • Market Share • Penetration • Loyalty • Price sensitivity 	<ul style="list-style-type: none"> • Awareness • Consideration • Brand Perceptions • Purchase Intent 	<ul style="list-style-type: none"> • Conversions • Leads • Acquisitions • Bookings • Footfall 	<ul style="list-style-type: none"> • Reach • Frequency • Impressions • Clicks • Social engagements

The inaugural [Meaningful Marketing Measurement 2021 report](#) established the fundamental **Intelligent Marketing Databank** principle that while brand, response and business effects are useful, if not essential, effectiveness metrics, campaign delivery measures tell us little about marketing impact. Quantifying the number of eyeballs on ads may be vital in the campaign planning phase, while developments around attention measurement looks to add a further

planning discipline to the tried and tested metrics of reach and frequency. However, these metrics tell us little about the impact of marketing on an organisation's bottom line.

Including campaign delivery measures in an overall measure of effectiveness distorts the true picture of campaign impact by over 80%. This glossary, therefore, focuses on defining the metrics of meaningful marketing measurement – namely those brand, response and business effects. However, we have also helped to define what these campaign delivery metrics are as well, to aid marketers in identifying the measures that aren't a true reflection of their work's effectiveness.

/ Business Measures

- **Average Lifetime Value:** A calculation of the ATV multiplied by the average time a consumer remains an active purchaser of an advertiser.
- **Average Order Value:** A calculation of the average spend per customer during a campaign, business period or year.
- **Customer Penetration:** How much a product or service is being used by customers compared to the total estimated market for that product or service.
- **EBIT (Earnings Before Interest and Taxes):** A company's net income before income tax expense and interest expenses are deducted.
- **EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation):** Is a measure of a company's profitability of the operating business only.
- **Long Term Customer Retention/Loyalty:** A measure of how well a company is able to keep consumers. Importance of this can alter depending on sector, FMCG is very different to financial services for instance.
- **Long Term Revenue:** Typically, the 6-month to 3-year view of income generated by marketing and other business decisions.
- **Market Position:** The relative position of a brand or business in relation to its competitor set.
- **Market Share/Share of Market (SOM):** A business or brands share of value sales in a particular category. Can be expressed at a global or local market level and an indicator of relative performance of a business when analysed over time.
- **Message Recall:** The likelihood for a consumer to remember a brands advertising message or claim. Can be impacted by marketing spend and quality of creative.
- **Policy Change:** Alteration of governmental decision/policy/positioning
- **Price/Cost Elasticity:** Where demand hasn't reduced by same amount as price.
- **Profit:** The difference between the value gained minus the cost of producing, marketing and operations.
- **Profitability:** The degree to which a business is able to operate to yield a profit.
- **ROI – Return on Investment:** A measure of the ratio between income generated and the amount spent on advertising, typically expressed as a percentage. Also referred to as ROMI – Return on Monthly Investment, where the ratio is measured on a monthly basis.
- **Shareholder Value:** The value delivered to the shareholders of a business (equity owners) due to management's ability to increase sales, earnings, and free cash flow, which leads to an increase return on investment for the shareholders.

/ Brand Measures

- **Ad Recall:** Is calculated by dividing the total value of all transactions by the number of transactions or sales.
- **Behaviour Change:** The observed change in consumers actions as a result of communications or other actions.
- **Brand Awareness:** The extent to which consumers are familiar with the qualities or image of a particular brand of goods or services.
- **Brand Familiarity:** A unidimensional construct that is directly related to the amount of time that has been spent processing information about the brand.
- **Brand Favourability:** A measure of relationship change. Do people feel more positive toward a brand after they experience the advertising?
- **Brand Health:** Can be defined as a measure of how well a company or brand delivers on certain attributes of a product or service that it promises its customers, especially how those attributes are perceived by customers in terms of quality and delight.
- **Brand Interest:** The level of interest or intrigue the consumer has in the brand and the level of curiosity s/he has to inquire or learn more about the brand.
- **Brand Perceptions:** What customers believe a product or service represents, not what the company owning the brand says it does.
- **Brand Persuasion/Consideration:** A measure of memorability that links more closely to future purchase likelihood from a consumer. Academically seen as correlating more directly to brand success than awareness.
- **Brand Relevance:** Attempts to measure the influence the brand has on the customers' buying decision.
- **Brand Trust:** The willingness of the average consumer to rely on the ability of the brand to perform its stated function.
- **Brand Value:** The monetary worth of your brand, if you were to sell it.
- **Cost per Brand Lift:** Brand lift is typically measured using a consumer survey to an exposed and control group – with the lift being a measure of the increase in brand metrics from the exposed group. Cost per relates to the media cost divided by the percentage point increase in brand lift.
- **Creative Interest/Understanding:** A measure of how well a creative message resonates with and provides clarity for a consumer about a brand's product or service.
- **Customer Satisfaction:** Is defined as a measurement that determines how happy customers are with a company's products, services, and capabilities.
- **Net Promoter Score (NPS):** The score attributed to how likely a brand is to be recommended. Normally achieved by subtracting negative scores against positive.
- **Positive/Negative Sentiment:** Qualitative analysis, typically online and in social spaces that measures the language used around a brand or business to determine an overall view of its actions.
- **Purchase Intent:** The claimed likelihood of a consumer to consider purchasing a product or brand next time they are in market for that given product category.
- **Recommendation Likelihood:** The claimed likelihood of a consumer to proactively recommend a brand or business to one of their contacts.
- **Word of Mouth:** Coming from consumer surveys asking people what they're talking about, social listening, or positive/negative sentiment.

/ Response Measures

- **Account Logins/Updates:** Volume of individuals who have either logged into and/or updated their account details.
- **Average Transaction Value (ATV):** A calculation of the ATV multiplied by the average time a consumer remains an active purchaser of an advertiser.
- **Average Order Value:** Similar measure to ATV.
- **Average Revenue Per User:** Similar measure to ALV above.
- **Complaints/Claims:** Volume of complaints or claims received.
- **CPA/Cost Per Lead/Cost of Sale:** The cost of the advertising activity divided by the number of leads/sales.
- **Customer/New Customer:** A measure to separate repeat business from existing customers and new customers.
- **Customer Reactivation rate:** A measure to “wake up” or “win back” dormant and disengaged customers. Calculated by dividing advertising cost by the number of lapsed customers only.
- **Enquiries/Leads:** A measure of the number of leads or enquiries the advertising has generated.
- **Footfall:** A measure of the traffic into a specific location, either a retail store or business.
- **Frequency of purchase:** The number of times that a customer makes a purchase in a given period of time.
- **Lead/Sales Conversion:** Typically expressed as a percentage, the ratio of leads which are converted into a sale.
- **Leads/Responses:** An expression of interest in the product by a consumer via a call to action, e.g., Website URL.
- **Response Rate:** The number of consumers reacting to advertising in a defined manner, typically expressed as a percentage.
- **Retention Rate:** The volume of current customers who have stayed with the business year on year – who are retained as customers. Typically expressed as a percentage.
- **Revenue/Sales Value:** Value of sales generated.
- **Return On Ad Spend (ROAS):** Revenue rather than profit – channel specific –not taking into account costs for example. As distinct from ROI.
- **Sales:** Volume sold.
- **Sell Out Rate:** Pace of sale – number of units sold over the number of units received.
- **Voucher/Reward Redemption Rate:** Volume of vouchers or rewards which have been issued to customers or in response to a promotion or competition, which have been returned to the business and claimed by a customer.

/ Appendix – Campaign Delivery Metrics

- **Ad Block Rates:** Percentage number of internet users who block ads by installing software on their devices.
- **Buzz Score:** Buzz scores are determined by subtracting the percentage of respondents who have heard something negative (via advertising, the news, or word-of-mouth) about the brand in the past 2 weeks from the percentage who have heard something positive. Also relates to Buzz monitoring which may use other sources of data to assess how much a brand is being talked about online, positively or negatively.
- **Call Centre Volume:** Measure of how many calls are coming into a contact centre related to a specific campaign. A specific call code or number might be used on the advert's creative to track this.
- **Reach:** The total number of people who have seen or been exposed to your ad or content.
- **Clicks:** Refer to a user clicking on an ad in an interactive format/digital media.
- **Cost per Click:** Paid advertising term where an advertiser pays a specified cost to a publisher for every click on ad.
- **Cost per Enquiry:** Relationship between the amount spent for promotions and advertising and the actual amount of enquiries made.
- **Cost per Thousand/Cost per Mille (CPT/CPM):** Marketing term used to denote the price of 1,000 advertising impressions on a specific web page or website.
- **Cost per View:** The price an advertiser pays for every instance that their video ad gets played. The advertiser and/or media owner will specify what % or seconds played of the ad constitutes a view.
- **Click to Open Rate (CTO):** The percentage of people who open an email campaign and also click on a link within that email campaign.
- **Click Through Rate:** The number of clicks that your ad receives divided by the number of times your ad is shown as a percentage.
- **Impressions/Volume:** The number of times your content/link/marketing is seen by consumers.
- **Domain Authority:** A search engine ranking score that predicts how likely a website is to rank in search engine results (SERPs).
- **Dwell Time:** Length of time someone spends on a website or specific webpage/article.
- **Earned Media Mentions:** Any mentions of a brand that are outside their owned or paid channels.
- **Earned Media Value (EMV):** Measures the industry assumed value of the total Earned Media Mentions.
- **Open Rate:** An email marketing metric that measures the percentage rate at which emails from a specific campaign or specified email creative are opened by recipients.
- **Engagement Rate:** Used to assess the average number of interactions your advert or content receives per impression.

- **Frequency:** Average number of times a single person is exposed to a specific advert or marketing message.

- **Mail Volumes:** Volume of parcels and letters delivered within a campaign.
- **Opt-in Rate:** Percentage of total audience taking a positive action in order to subscribe to a marketing service, for example a newsletter list.
- **Opt-out Rate:** Percentage of total audience taking a positive action in order to opt out of a subscription or mailing list.
- **Referrals:** Number of times existing customers introduce their family, friends and contacts to become new customers.
- **Revenue per Email (RPE):** Total revenue generated divided by the number of email addresses.
- **Searches:** Number of consumer searches via search engines like Bing and Google.
- **Share of Searches:** A calculation that looks at search volume for a product, brand or business in relation to its competitor set. Considered as a more effective way to consider SoM/SoV in a digital world.
- **SEO Ranking:** Refers to a website's position in the organic search engine results page.
- **Share of Voice:** Share of voice measures the percentage of media spending by a specific brand compared to the total media expenditure for all brands in that category or in that specific media channel.
- **Video Views:** A view is counted when a video starts playing in users' feeds and pay require viewers to watch a specified % of the ad to count as a view.
- **View Through Rate:** View Through Rate (VTR) is the number of completed views of a skippable ad over the number of initial ad impressions.
- **Viewability:** Ad viewability is a % measure of how visible ads are on a website or mobile app are to users.

/ Appendix – Other Industry Glossaries

- [Adweek Glossary](#)
- [Barb Glossary](#) (Thinkbox)
- [DOOH Glossary](#) (IAB UK)

/ About the DMA

The Data & Marketing Association (DMA) comprises the DMA, Institute of Data & Marketing (IDM) and DMA Talent.

We seek to guide and inspire industry leaders; to advance careers; and to nurture the next generation of aspiring marketers.

We champion the way things should be done, through a rich fusion of technology, diverse talent, creativity, insight – underpinned by our customer-focused principles.

We set the standards marketers must meet in order to thrive, representing over 1,000 members drawn from the UK's data and marketing landscape.

By working responsibly, sustainably and creatively, together we will drive the data and marketing industry forward to meet the needs of people today and tomorrow.

www.dma.org.uk

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