



## Online Advertising Quick Reference Guide

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### Web Metrics

- **Unique Visitors** – Also referred to as *Unique Users* or just plain *Uniques*. The number of unique people that visit a web site within a given time frame, usually a month (e.g. *Unique Visitors per Month*). This metric is not perfect as most metric systems use cookies (a small, non-personally identifiable file placed on a visitor's computer) to identify unique visitors. Individuals or security programs can either delete cookies from the individual's computers or not accept cookies at all thus making the individual appear as if they are a new unique visitor when they are not.
- **Visits** – Also referred to as *Visitors* or *Sessions*. The number of times people come to a web site within a given time frame, usually a month (e.g. *Visitors per Month*). This is different from *Unique Visitors* because it will count the same person each time if the person visits the site even in the same month. For example, if a person visited the site on the 4<sup>th</sup> and again on the 20<sup>th</sup>, that would be one unique visitor, but two visits. More sites and auditing agencies are beginning to use the visit as the standard unit of "circulation" for web sites.
- **Registered Visitors** – The number of people that have registered to access all or part of a web site. Be cautious of this number; most sites do not re-qualify site registrations the way that magazines re-qualify their circulation. Some sites count the total number of registered visitors that they have had since the beginning of their site which could be several years. It does not necessarily represent the number of people that visit the site each month.
- **Page Views** – The total number of pages of content that have been seen by people visiting a web site within a given time frame, usually a month (e.g. *Page Views per Month*).. For example, if a person visited a site and went to the home page, an article page, and back to the home page, that would be three page views that unique visitor saw during that visit to the web site.
- **Hits** – This is a worthless statistic for publishers and advertisers, however, some sites still tout the number of "hits" they receive to their site since it make them sound bigger than they really are. A hit is a technical term referring to a request to the web server. A web page itself is one hit, the style sheet that defines the fonts and other formatting could be another hit, and each graphical element on the page is another hit. It not uncommon for a single page view to have more than 50 hits to the web server.
- **Spiders** – Also referred to as *Agents* or *Bots*. These are automated programs that scan web sites for various reasons. One example of a spider is the GoogleBot which scans the Web looking for pages to add to the Google search engine. It is critical that metrics systems filter out spiders from all metrics reported to advertisers so they reflect the actions of human visitors only. Otherwise sites can look 2-3 times bigger than they truly are. The Internet Advertising Bureau and the Audit Bureau of Circulation have published an official list of spiders that should be filtered from all metrics at [www.iab.net/standards/spiders/Spiders.asp](http://www.iab.net/standards/spiders/Spiders.asp)

## Email Newsletter Metrics

- **Circulation** – The number of people subscribed to a given newsletter. This is the closest equivalent to magazine circulation.
- **Delivered** – The number of people that actually receive the newsletter. Since people change email addresses all the time, there will always be a small percentage of the total email newsletter circulation that is undeliverable. Good newsletter publishers will always remove those bad email addresses from their circulation on a regular basis.
- **Open Rate** – The percentage of people that open a given newsletter. Open rate is usually tracked by embedding a reference to a small, transparent graphic within an email message. When a reader opens the email, the email calls the graphic from a web server thus identifying that a person has opened the email. Open rate can only be tracked for HTML newsletters. Text-only email newsletter cannot track open rate. Even for HTML newsletters, open rate should be taken with a grain of salt. Many email programs (like Gmail and Outlook) now filter out graphics by default. In addition many cell phones and handheld devices (like the BlackBerry) also filter out graphics from email messages. As a result, open rates may actually be significantly higher than reported by the email metrics system.
- **Total Clicks** – The total number of clicks that an email newsletter receives. Many newsletters have multiple links (one or more ads, editorial links, and subscriber management links). Total clicks adds all of these together. This is not the same as the number of clicks a specific ad may receive in the email newsletter.
- **Total CTR** – The total click through rate of an email newsletter. This is calculated by taking the total clicks on the email newsletter divided by the circulation of the newsletter and expressed as a percentage. For example, if the circulation of an email newsletter was 50,000 and there were 250 clicks on the ad, 1200 clicks on editorial links, and 50 clicks on subscriber management links, the total CTR would be  $(250+1200+50) / 50,000 * 100$  or 3%. This is not the same as the CTR of a specific ad position within the email newsletter. That would be calculated by taking only the number of click on the ad divided by the total circulation. In the example above, that would be  $250 / 50,000 * 100$  or 0.5%.

## Advertising Metrics

- **Impression** – A single view of an ad creative.
- **CPM** – Cost per thousand impressions. Online campaigns are sometimes purchased on a CPM basis which allows the advertiser to specify exactly how many impressions they want to purchase. CPMs also can be calculated for flat rate sponsorships. See *CPM* under Quick Calculations below.
- **CPC** – Cost per click. Some online campaigns can be purchased only on CPC basis where the advertiser only pays if someone actually clicks on the ad. This is most often used in search engines like Google or Yahoo where the ads are text based. CPC is also a way to measure the response portion of an ad campaign (See *CPC* under Quick Calculations below). CPC should not be used as the total measure of a campaign's effectiveness as it does account for the brand impact of the ad that has been proven to be substantial by companies like Dynamic Logic.
- **CTR** – Click through rate expressed as a percentage. See *CPC* under Quick Calculations below for details on how to determine CTR. In general, the higher the CTR, the better the direct response to your ad and the more clicks you will get. CTRs vary widely depending on the size and location of the creative on the page as well as other factors. But the biggest factors that influence CTR are the creative itself and the topic of the creative. If the ad targets a "hot button" for the reader, there is an incentive to click on the ad, and a strong call to action that doesn't animate off the ad, the CTR will be higher.

## Quick Calculations

- **Cost = Impressions / 1000 \* CPM** – For example, the cost of a 20,000 impression campaign at \$35 CPM would be  $20,000 / 1000 * 35$  or \$700.
- **CPM = Cost / Impressions \* 1000** – If a campaign cost \$2500 and the ad was seen 50,000 times, the CPM (cost per thousand impressions) would be  $2500 / 50,000 * 1000$  or \$50.
- **CTR = Clicks / Impressions \* 100** – If a campaign had 50,000 impressions and received 750 clicks, the CTR (click through rate) would be  $750 / 50,000 * 100$  or 0.5%
- **CPC = Cost / Clicks** – If a campaign cost \$1000 and received 250 click the cost per click would be  $1000 / 250$  or \$4.