

GLOSSARY FOR KEY DIGITAL METRICS



Cost Per Thousand Impressions (CPM)

- Metric measures cost efficiencies for campaign aimed to garner as much ad exposures to increase opportunity to see.
- It measures the amount of investment required to garner the appropriate amount of exposure to target an audience segment.



Cost Per Click (CPC)

- Metric measures cost efficiencies for campaign aimed to generate post view action, in this case, exclusively ad click throughs.
- It measures the amount of investment required to compel an audience to response to the ad's call-to-action.



Click Through Rate (CTR)

- Metric measures the rate of success between an impression converting to a click. Metric is expressed in percentage.
- It measures the clickability of the ad to understand its quality as well as the manner of its placement and delivery with relative to the target audience.



GLOSSARY FOR KEY DIGITAL METRICS



Cost Per Reach (CPR)

- Metric measures cost efficiencies for campaign aimed to reach as much audiences to drive awareness.
- It measures the amount of investment required to garner the attention of an audience segment.



Cost Per View (CPV)

- Typically a metric used exclusively for video ads only. It measures cost efficiencies for video campaigns aim to reach as much audiences.
- It measures the amount of investment required to compel audience to view a video ad.



Cost Per Land (CPL)

- Metric measures cost efficiencies for campaign aimed to drive audience to visit the intended landing web page upon seeing/clicking an ad.
- It measures the amount of investment required to drive web page visits from an ad.



GLOSSARY FOR KEY DIGITAL METRICS



Cost Per Completed Views (CPCV)

- Metric measures cost efficiencies for video campaign aimed to attract full completion of the video ad.
- It measures the amount of investment required to influence a target segment to view a video ad in its entirety.



Cost Per Engagement (CPE)

- Metric measures cost efficiencies for campaign aimed to generate audience engagement with ad.
- It measures the amount of investment required to compel an audience to react, response and/or interact with an ad.



Cost Per Action (CPA)

- Metric measures cost efficiencies for campaign aimed to generate a predefined action from an audience.
- It measures the amount of investment required to drive an audience to perform a pre-defined action (where action can be defined either in post view or post click stages) .



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Engagement Rate (ER)

- Metric measures the rate of interaction between ad and audience to understand the level of relevance the ad has with the audience.
- It is also used to observe how cost efficiencies may affect the quality of ad delivery.



View Through Rate (VTR)

- Metric measures the number of completed views over the number of initial impressions.
- It is used to understand the level of relevance between video ad with audience to fulfil a completed view, typically in skippable video ads.



Landing Rate (LR)

- Metric measures the rate of a successful visit to a designated landing page, that is initially generated by ad clicks.
- It is used to observe the likelihood of a user continuing their user journey post click to page/site visit.



GOOD-TO-KNOW FORMULAS

- $\text{Impression} / \text{Frequency} = \text{Reach}$
- $\text{Spend} / \text{Reach} = \text{CPR}$
- $\text{Impression} \times \text{CTR} = \text{Click}$
- $\text{Spend} / (\text{Impression}/1000) = \text{CPM}$
- $\text{Spend} / \text{Click} = \text{CPC}$
- $\text{Click} \times \text{Landing Rate} = \text{Land}$
- $\text{Spend} / \text{Land} = \text{CPL}$
- $\text{Impression} \times \text{VTR} = \text{View}$
- $\text{Spend} / \text{View} = \text{CPV}$
- $\text{Reach} \times \text{ER} = \text{Engagement}^*$
- $\text{Spend} / \text{Engagement} = \text{CPE}$
- $\text{'Variable'} \times \text{Conversion Rate} = \text{Action}$
- $\text{Spend} / \text{Action} = \text{CPA}$

*Note: Formula for engagement differs from publishers to publishers. Here, formula is referenced from Facebook's