



Has the Clickthrough Lost Its Relevance?

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By David L. Smith, May 27, 2008

At a recent conference, there was renewed conversation about the clickthrough. The MRC is very far along on standardization of this metric, yet agencies feel that it is dead from a relevance standpoint. They feel the way this hallowed metric is being used harms the campaigns it is purporting to measure. How can this be true? Read on.

Many agencies are seeing that there is a negative correlation between clickthrough and conversion. This smacks of an "everything we know is wrong" moment. Clickthrough is supposed to be an indicator of success, not the opposite. A logic check says that it is not so. The more enticing a banner ad or piece of keyword/search text is, the greater the number of people who click on it. But a lot of these people might be clicking because of the enticement, not because they are actually interested in the product or service being sold. Voila! The result is bailout and low conversion. If it is boring, fewer people click on the ad. But those that are searching for the solution may click no matter how interesting the copy or graphic is, given that this is the answer they have been seeking. This produces higher conversion than the more interesting ad.

We've written before about the need to measure viewthrough in addition to clickthrough in measuring effectiveness of a banner ad. Viewthroughs generally have higher conversion rates, as consumers have been branded in some form — they come to the site from the URL line, not through a random (and often then bailed-out) click.

But we have a problem. Almost all performance networks optimize on clickthrough, as they cannot see the viewthrough or the back-end conversion. Google gives clickthrough a high priority in its search ranking algorithm, as do most other search engines. They cannot see the end performance, either.

There is a solution that should not be that hard to implement. Let me give some examples. Many banner ads served on networks are served by third-party ad servers (3PAS) on behalf of an agency or client. The third-party ad server reporting for the agency includes back-end performance for clickthroughs and viewthroughs. It also includes conversion and, assuming that the agency inputs cost data, a CPW metric (cost-per-whatever an advertiser is measuring). Why can't the third-party ad server companies (the two biggest of which are owned by Google and Microsoft) create a capability for a contoured reporting function that a network, site or search engine could log on to that only showed their own performance in conversion and CPW? The resulting information could then be used for optimization.

I recognize that there are issues with this. At any point in the campaign, the actions from a clickthrough are apparent yet the future actions of a viewthrough are not. And sites and networks might not optimize on all of the same factors as an agency or advertiser might. But still, this would represent a far better outcome than optimizing on clickthroughs. Also, there is bound to be normal paranoia on the part of advertisers and agencies relative to letting the "fox into the henhouse." But technology could take care of that.

I'm certain that you can find some other things wrong with this proposal. But I am frankly looking forward to the day when an exec from a performance network walks into my office and tells me that they are prepared to optimize on the same things that we do. That's the network which will truly differentiate itself from the other 300 they are competing with.

Death to the clickthrough! Long live conversion and performance!



About the Author

David L. Smith, CEO of Mediasmith, is an internationally known expert in the areas of new media application, media strategy, media planning and metrics, and has a number of awards to his name including an Effie and an ad:tech Individual Achievement award. Trained in the major agency media department environment, he has been in the independent media service field since 1978 when he founded Mediasmith. Smith is a pioneer in the application of computers in media, deployment of interactive advertising and media metrics. His experience ranges from participating in the creation and early usage of the first generation of advertising technology (housekeeping systems, data sources) to the current issues facing the use of metrics in the digital marketplace. He has been at the forefront of new metrics applications, with major involvement on the AAAAs, ARF, OPA and IAB national committees working to establish and refine standards in metrics, business practices and financial issues for interactive advertising. Smith has also contributed his knowledge through articles and interviews in an extensive range of media over the past two decades. He is a regular speaker at Industry events including iMedia, @d:tech, OMMA and others and writes regularly for a number of industry publications and Web sites including iMediaConnection and MediaPost. His advisory board involvement includes OPA, IAB, comScore/Media Metrix, AdEx and a number of start-up private companies. A University of Washington graduate, Smith is married with a seventeen-year-old son; plays guitar; and is a gourmet Chinese cook. You'll find him at the office early most mornings unless he is traveling with his family.

About Mediasmith

Mediasmith is a recognized leader in digital media planning and buying. We specialize in the integration of traditional and digital media, search, emerging technologies. We architect plans across all media, in all markets, in virtually all product categories utilizing the right combination of media options to help our clients grow in the increasingly fractured media environment; from planning and buying, to tracking, optimization, and reporting of ROI on all media efforts. Mediasmith remains dedicated to the evolution and standardization of digital media practices. As committed innovators, we test the latest in metrics and analytics, providing solutions that enable us to act as a catalyst for our clients' media innovations.