



Optimize Attribution 3.0

Methodology Advancements

CONTENTS

- Overview
 - Attribution 3.0 Methodology Advancements
 - Legal Notifications
-

OVERVIEW

In July 2022, Claritas released the 3rd generation of its attribution methodology, introducing several key advancements to the solution. This document provides an overview of the changes and the added value to our business.

ATTRIBUTION 3.0 METHODOLOGY ADVANCEMENTS

Several generations of our attribution product have been released, dating back to 2017. Each introduced key developments that strengthened our competitive stance among other measurement vendors.

The first generation began with the acquisition of several companies, from which we adopted multiple identity graphs and a basic measurement product suite. Our main areas of focus were integrating the identity graphs, launching last-touch attribution, and incubating measurement for podcast advertising. The second introduced projections, weighting and addressed the growing suppression of data due to consumer privacy legislation. The third, which released in July 2022, launched a reengineered attribution engine, discounts consumers' developing brand preference, refined our data quality process, introduced algorithmic multi-touch attribution, and leverages the second generation Claritas Identity Graph. The following paragraphs further define the enhancements made in the third generation attribution release.

Reengineered Attribution

The attribution engine has been given an overhaul, focusing on how media and consumer activity are resolved and linked together. This includes a reconstruction of click-based attribution, which requires a separate method for click-only partners (like those in the search and social channels) and impression-enabled partners. We've emphasized the highest quality data whenever available. The result is a set of independent attribution processes that do not compete with, but rather complement, one another.

The value of this enhancement is improved data signals and the ability to combine data from disparate sources, both external and internal.

Discounted Brand Preference

After an ad has influenced a consumer to engage with an advertised brand, they may develop a preference towards that brand, commonly referred to as brand loyalty or brand preference. While the ad exposure may have directly prompted that initial engagement, and while subsequent engagements may not have occurred if the first was not prompted, at some point the consumer continues to engage simply because of their preference toward the brand. Claritas' third-generation attribution discounts this effect by looking at the sequence and timing of all measurable media and consumer activities.

The value of this enhancement is a more accurate reflection of the ad-driven behavior associated with a household. The net impact is a discounted impact associated with the ad exposure, which is reflected in a lower count of attributable conversions.

Additional Data Quality Assurances

Consumer privacy legislation has made data collection more challenging as more categories of information are suppressed. The impact has been a degradation in quality of several identifiers used in attribution. Significant resources have been invested in two areas to address this: data quality assurances, and the Claritas identity graph (covered below). Using validated behavioral activity, Claritas has added processes that help define a decision-making unit. This has increased the accuracy of the probabilistic and IP-only matches.

Note: while Claritas has added improvements to the non-household-verified IP matches, it is recommended these still not be used outside of directional insights.

The value of this enhancement is added assurances that the consumer or household that is exposed to an ad is the same consumer or household associated with a brand conversion. The result is fewer probabilistic and IP-only matches due to the added scrutiny and requirements for defining these decision-making units.

Algorithmic Multi-Touch Attribution

Previous versions of Claritas' attribution product focused on last-touch attribution. While this method is effective at differentiating the relative impact of across a set of ad placements, creatives, channels, and campaigns, there are some challenges associated with it – primarily in cases where household frequency varies significantly across these campaign dimensions. Algorithmic multi-touch attribution (MTA) addresses this by taking into consideration all measurable marketing touchpoints that precede a conversion event.

The value of this enhancement is improved accuracy when reporting ad performance at levels more detailed than the topline view, especially when frequency of exposure is not consistent. Take for example direct mail, which often has a frequency value of 1, and digital display, which often

exposes consumers several times a week. Algorithmic MTA addresses the challenge presented by the differences in execution observed between the two channels.

Claritas Identity Graph 2.0

The next generation of Claritas' identity graph is being released in conjunction with the attribution enhancements. Several critical investments have been made, including a stronger emphasis on verified IP addresses as a foundation to our graph, additional corroborating sources and internal truth sets, and the addition of email as a connective node.

The value of Claritas' next generation identity graph is substantial because of the importance of identity resolution in attribution: First, the signals that define a Claritas household are stronger, making cross-environment attribution more accurate. Second, a significant increase in IP resolution means a commensurate improvement to the resolution of media activity. And finally, more Claritas households have an associated residential address, meaning more activity can be contextualized with Claritas PRIZM® Premier, demographics, and other audience data; and more campaigns will be feasible for incremental lift analysis.

LEGAL NOTIFICATIONS

PRIZM is a registered trademark of Claritas, LLC. Other company names and product names are trademarks or registered trademarks of their respective companies and are hereby acknowledged.

This documentation contains proprietary information of Claritas. Publication, disclosure, copying, or distribution of this document or any of its contents is prohibited, unless consent has been obtained from Claritas.

Some of the data in this document is for illustrative purposes only and may not contain or reflect the actual data and/or information provided by Claritas to its clients.