

Adscore Whitepaper Series #1

Introduction into AdScore – Merging Portfolio Management and Lead Scoring to Optimize Paid Media ROI

With digital advertising our ability to measure when and how consumers interact with ads has become easier. This traceability allows us to collect data and analyze parts of the consumer path to purchase. A consumer journey exists whether it's tracked or not.

But tracking users becomes more difficult as for instance with iOS 17 Apple introduced a feature known as Link Tracking Protection (LTP) and Google will stop the use of third-party cookies in Chrome soon. It is also compounded by the emergence of new data privacy regulations. So, many marketers are discovering that the analytics provided by advertising platforms such as Facebook may not always be sufficiently trustworthy.

As consequence, marketers are now challenged to extract insights by relying on platform reporting and unifying data from various sources. But with various sources reporting wildly different results, it's challenging to determine what to trust.

Yet marketers keep investing in these platforms. They reason that Facebook can only see a fraction of the sales, so if Facebook is reporting a 1x return on ad spend (ROAS) then it's probably at least 2x in reality.

Despite obvious challenges in cookie-based conversion tracking, all existing marketing analytics and attribution tools still work the same way - they use website cookies to retrospectively stitch the entire customer journey.

To attribute or not to attribute

Marketing attribution is a crucial concept for every business, as it helps to understand which marketing efforts drive results and which don't. By analyzing attribution data, marketers should be able to make informed budget allocation decisions or creative selections to achieve the highest return on their advertising investments.

It is common to think that marketing attribution is the process of assigning credit from a conversion to the marketing channels and campaigns that led to that conversion. However, the biggest misconception of marketing attribution lies in thinking that a traffic source should receive value from a single conversion it contributed to.

By trying to distribute the value from a single conversion, marketers and analysts become trapped in the idea of tracking customer journeys. They want to know which traffic sources or touchpoints a user interacted with before converting and then distribute the value from this conversion accordingly. However, this approach can only work if they track the full customer journey from the very first touchpoint to the very last for all conversions.

Thus, if the customer journey is not complete or many conversions are missed-out, then this whole approach falls apart. Unfortunately, this is precisely what happens. No matter which attribution model is used, whether it is a simple one-touch model or a sophisticated data-driven model, neither can assign any value to traffic sources they simply can't see.

Advertising platforms such as Google Ads, Facebook Ads, and others are increasingly limited to make optimization on high quality attribution data. New companies have appeared promising to have discovered the holy grail of tracking in a cookieless world. So, marketers track results as best as they can, but unreliable tooling means they end up making gut decisions.

All of this leads to the following conclusions:

Understanding true Cost-per-order, ROAS, Revenue and Conversions at channel, campaign, adset or ad level is no longer possible.

Even the most advanced attribution models will always undervalue opening channels and overvalue closing traffic sources.

For example, you may think that opening channels, such as Facebook, are not efficient enough and you will cut the budget as a result. Most likely, if you do cut budgets, you'll notice a huge drop in sales from direct, organic, retargeting, or brand. That's why most budget allocation decisions right now are not even based on the attribution data, but rather on gut feeling.

As a consequence the mix of analytics and gut feelings makes it hard to make accurate and consistently repeatable budget allocation decisions or ad/creative selections.

Incomplete feedback from paid clicks into ad platforms affects optimization and targeting.

The second huge problem is that all advertising platforms use conversion data as a feedback mechanism for configuration, optimisation and scaling.

When a visit to your site doesn't lead to a conversion within the same cookie - ad platforms don't receive any feedback about the incremental impact of this visit. Recent LTP introduction will hold back fbclid and gclid tracking information making it even harder. This makes media buying less efficient, more expensive and drastically limits the ability to scale.

AdScore approach – Scoring social ads comprehensively.

We at AdScore believe that the best way to measure and optimize digital marketing performance in the cookieless world is to combine the benefits of first-party data and portfolio optimization techniques well established in the stock market. That's why we've developed AdScore - score-based paid media portfolio management.

Marketing measurement platforms record conversions as binary, i.e., a conversion happened, or it did not. However, not all visits are the same. Every non-converting visit to your website has a role to play. Instead of waiting to retrospectively link back a conversion action using cookies, AdScore analyzes the quality of platform and subsequent website/storefront traffic for each ad even if no conversion was observed.

Moreover, AdScore takes a cost performance approach that combines platform performance such as CPM, CTR and CPC as well as website parameters such as cost per pageview, cost per session and cost per add-to-cart for each ad. AdScore then normalizes the platform and website performance to a scale from 0 to 100 being 50 the average. The process of scoring non-conversion touchpoints is well known from B2B sales.

Then, like portfolio management in stocks, AdScore translates the ad performance into a relative performance and compares it against the other ads in the portfolio of the ad account. The score uses a portfolio comparison like the alpha in stock evaluation. Rather than measuring the absolute improvement it measures the amount that the investment has returned in comparison to the other invested assets in the case here ads.

As platforms use auction systems like the stock market, measuring absolute performance such as CPC seems inadequate. As in stock markets, advertising platforms performance's root-causes remain hidden to media buyers. Thus, CPC of 0.4 USD/click can be good or bad

depending on the overall market conditions. But, in any ad portfolio there are ads with high and low CPC. Simply speaking, portfolios that optimize on better performing ads or more precisely delivering on lower cost will be more successful overall.

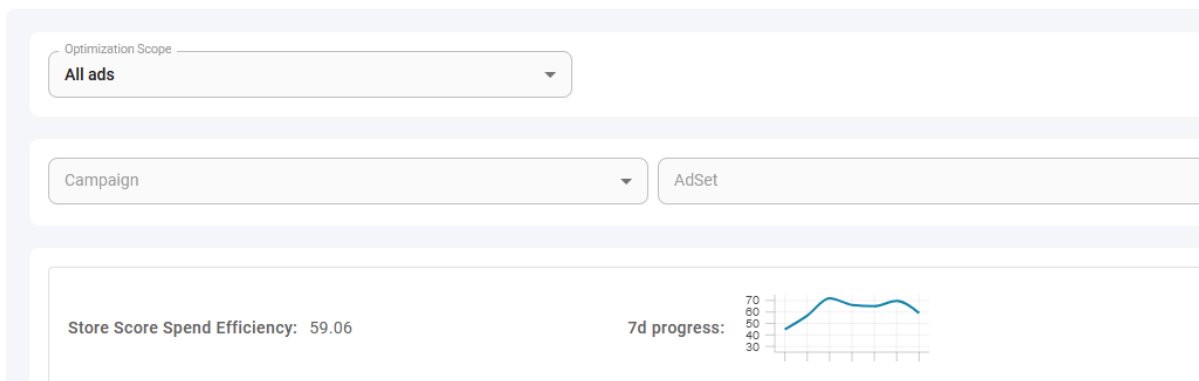
This guarantees that each ad gets the value it deserves in the portfolio even if the real conversion happens from another ad, channel, click, etc. Thus, marketers can now see of how all their ads are performing, even if a purchase did not occur during that visit or cookie at all. This makes media buying far more efficient and better manageable.

Managing ads and budget with scores

AdScore currently makes three proposition to optimize ads and adsets. The focus is on Facebook with Google Ads in preparation. Google Analytics 4 is used as website data source for performance measurements and defines a pre-requisite for applying AdScore:

Value Proposition 1: Overall state of health of the ad account performance

With score spend efficiency the entire account is evaluated on the individual ad, but also on the weight that is defined by the associated spend that the ad consumes. This provides you a quick evaluation how your overall advertisement performs. You will recognize performance trends such as fatigue easily.



Value Proposition 2: Detailed analysis of each ad with recommendation algorithm supporting a standardized management for each ad and adset within the overall portfolio. This allows you to identify ads that consume budget, but do not perform.

The screenshot shows a detailed table of ad performance metrics. The table includes columns for Ad, Ad Score, Ad Score 7d Average, Recommendation, 7days Progress, Ad Spend, Impressions, Clicks, CTR, CPC, and Page Views. The Ad Score column is color-coded: red for low scores (e.g., 6.5, 18.5) and green for high scores (e.g., 60.9, 51.3). The Recommendation column provides specific advice like 'Switch-Off' or 'Keep Running'.

Ad	Ad Score	Ad Score 7d Average	Recommendation	7days Progress	Ad Spend	Impressions	Clicks	CTR	CPC	Page Views
DEMO_STORE.FB.51752052	6.5	8.6	Switch-Off	[Chart]	179	25,727	112	0.44	1.6	183
DEMO_STORE.FB.99658052	18.5	11.9	Switch-Off	[Chart]	145.81	143,689	258	0.18	0.57	182
DEMO_STORE.FB.66989052	60.9	55.4	Keep Running	[Chart]	109.67	15,431	236	1.53	0.46	506
DEMO_STORE.FB.25744052	28.4	32.7	Keep Running	[Chart]	98.5	9,401	76	0.81	1.3	177
DEMO_STORE.FB.91611052	51.3	54.8	Keep Running	[Chart]	92.86	12,874	162	1.26	0.57	300
DEMO_STORE.FB.R3124062	27.6	40.4	Keep Running	[Chart]	84	6,966	190	1.09	0.7	214

Value Proposition 3: Analysis of the current budget efficiency as Adset Budget Optimization (ABO) or Campaign Budget Optimization (CBO) with spend recommendation algorithm. With this proposition budget re-allocation between ad sets and campaigns is made easy. Furthermore, budgeting is made comparable as it is based on the underlying budget adjusted ad performance.

Campaign name	AdSet Name	Daily Budget	Budget Key	Recommended Budget	Score Spend Efficiency	Ad Name	Ad Score	Ad Spend
DEMO_STORE.FB.120207250								
DEMO_STORE.FB.120207250	DEMO_STORE.FB.12...	300	ABO	316	62.54			
DEMO_STORE.FB.120202991								
DEMO_STORE.FB.120202991	DEMO_STORE.FB.12...	80	ABO	349	69.04			
DEMO_STORE.FB.120206879								
DEMO_STORE.FB.120206879	DEMO_STORE.FB.12...	450	ABO	192	37.95			

With this in mind you may wish to replace or augment your existent methodology by a new approach to be successful in a cookieless world. AdScore also helps to reduce time to make day-to-day performance marketing decisions. A more consistent ads management can be achieved with this approach and the provided recommendations easily.

Like any innovative technology, adopting AdScore paid media portfolio management calls for a step-change in legacy mindset and a certain degree of organizational self-awareness. If you are a DTC e-commerce brand and attribution sceptic, let's get in touch (customer@myadscore.com) or sign-up (www.app.myadscore.com) and check the demo-store with real data. When connecting your FB and GA4 accounts, you could see a full score analytics within 30 minutes at best.