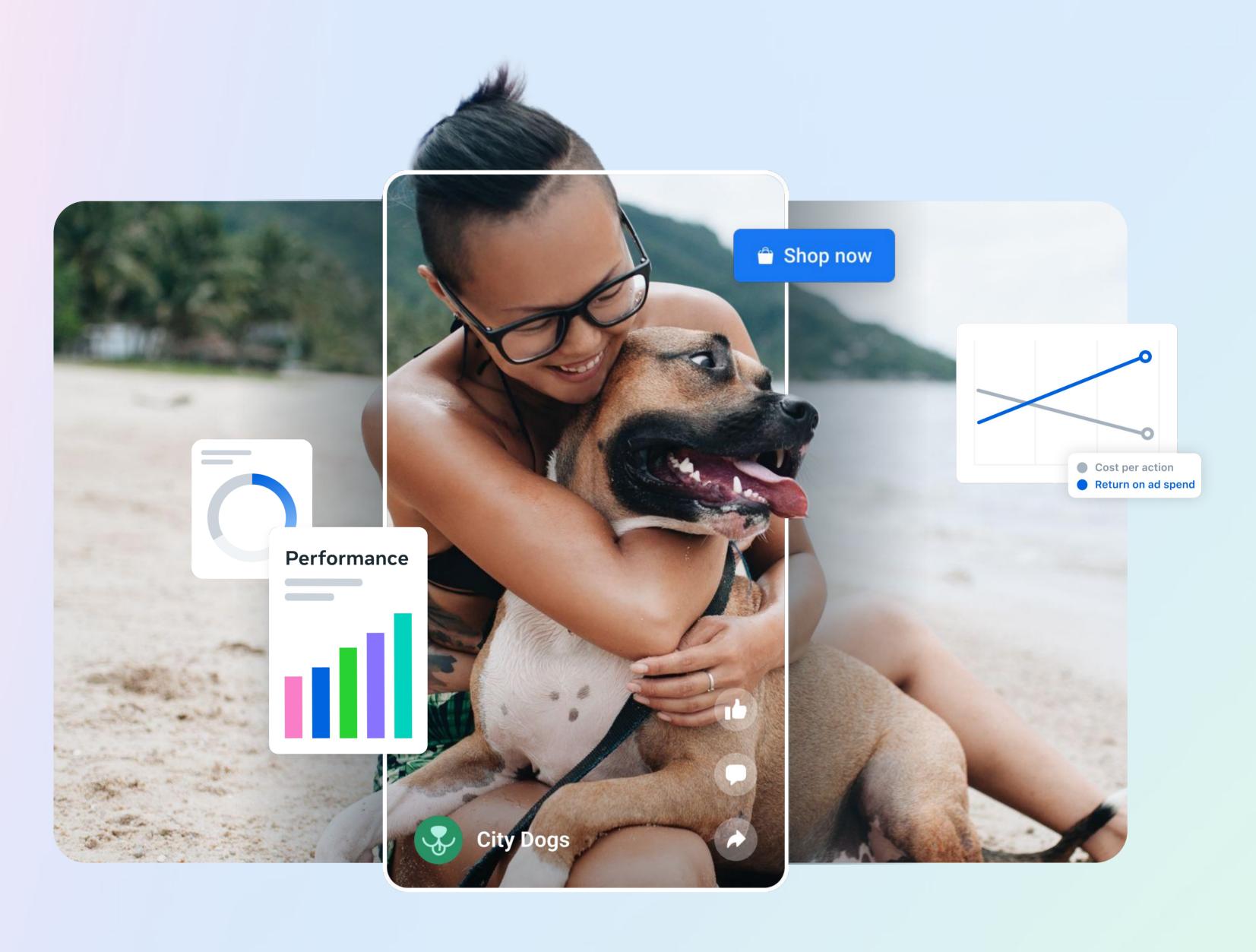
A hybrid approach to measuring incrementality



Every connection is an opportunity. It's Your World.



1

Introduction Measuring for success

In today's media landscape, capturing the full picture of marketing performance can be complex, requiring a nuanced approach to measurement. By moving beyond a single source of truth, such as an attribution model, to a dynamic suite of trusted tools and methods, marketers can create a more reliable framework for evaluating media effectiveness.

But what does this suite look like in practice?
In a previous report from Meta, Measurement
360: An Advanced Way to Think About
Measurement Strategy, we introduced a
framework for creating a strong measurement
strategy with a portfolio of tools. Building on that
foundation, we are now introducing the "Suite of
Truth," a bespoke application of Measurement
360, designed to enhance accuracy and depth.
At the heart of this approach lies incrementality –
the ability to measure the true impact of
marketing efforts. Grounding a suite of truth in
incrementality ensures that each method and
metric is in service of a singular purpose: to drive
actionable insights into incremental performance.



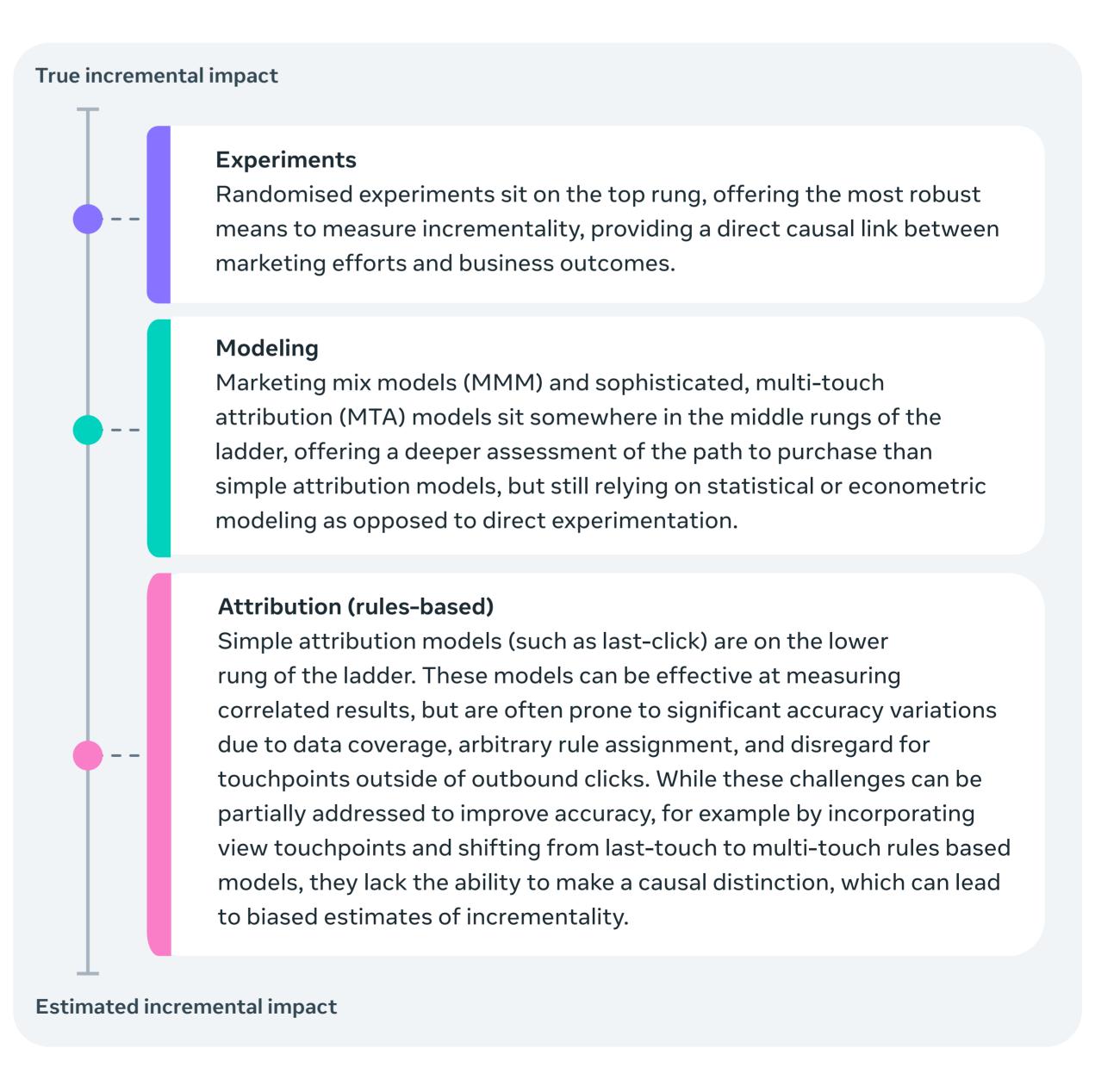
This paper provides a step-by-step guide to building a suite of truth, tailored to the specific jobs-to-be-done in marketing. We'll explore the different tools and methods available, and demonstrate how to anchor them in incrementality. Ultimately, this approach empowers marketers to transform complexity into clarity, driving informed decisions to maximise the impact of their media.

Incrementality is the North Star

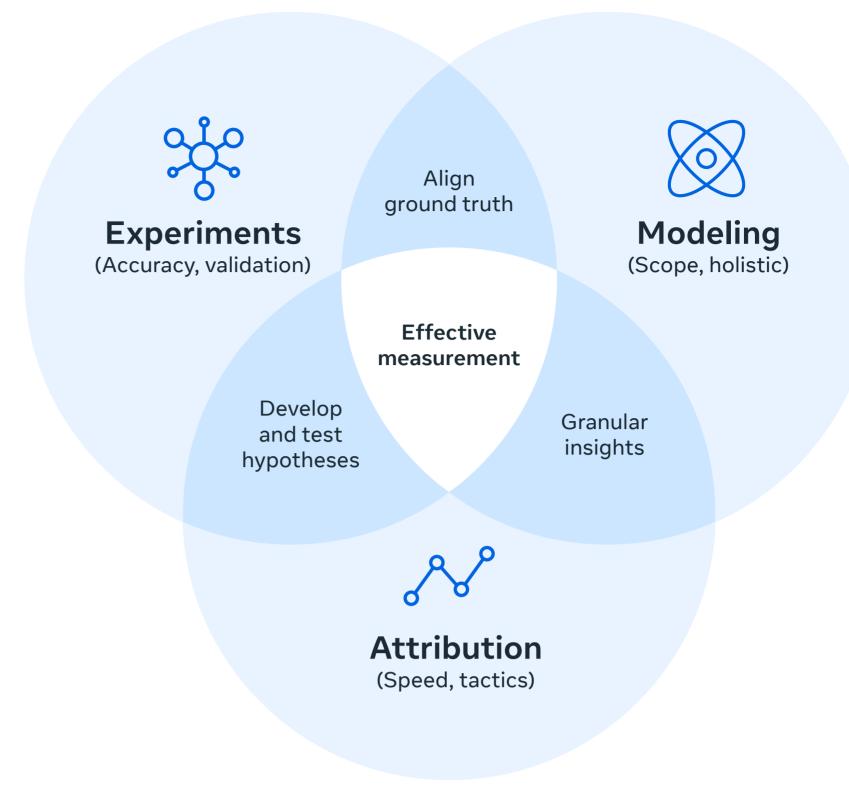
Incrementality—the measure of the additional value generated by marketing investment, beyond what would have happened without it—is the gold standard of measurement. Incrementality provides a direct link between media activities and business outcomes, ensuring advertisers have a clear understanding of the value each channel is driving. By prioritising incrementality, marketers can maximise ROI and create a fair and transparent system that credits each channel and activation with the revenue it generates.

Marketers have access to many solutions that estimate incremental business impact, but the accuracy and reliability of these solutions can vary significantly depending on methods and conditions of use.

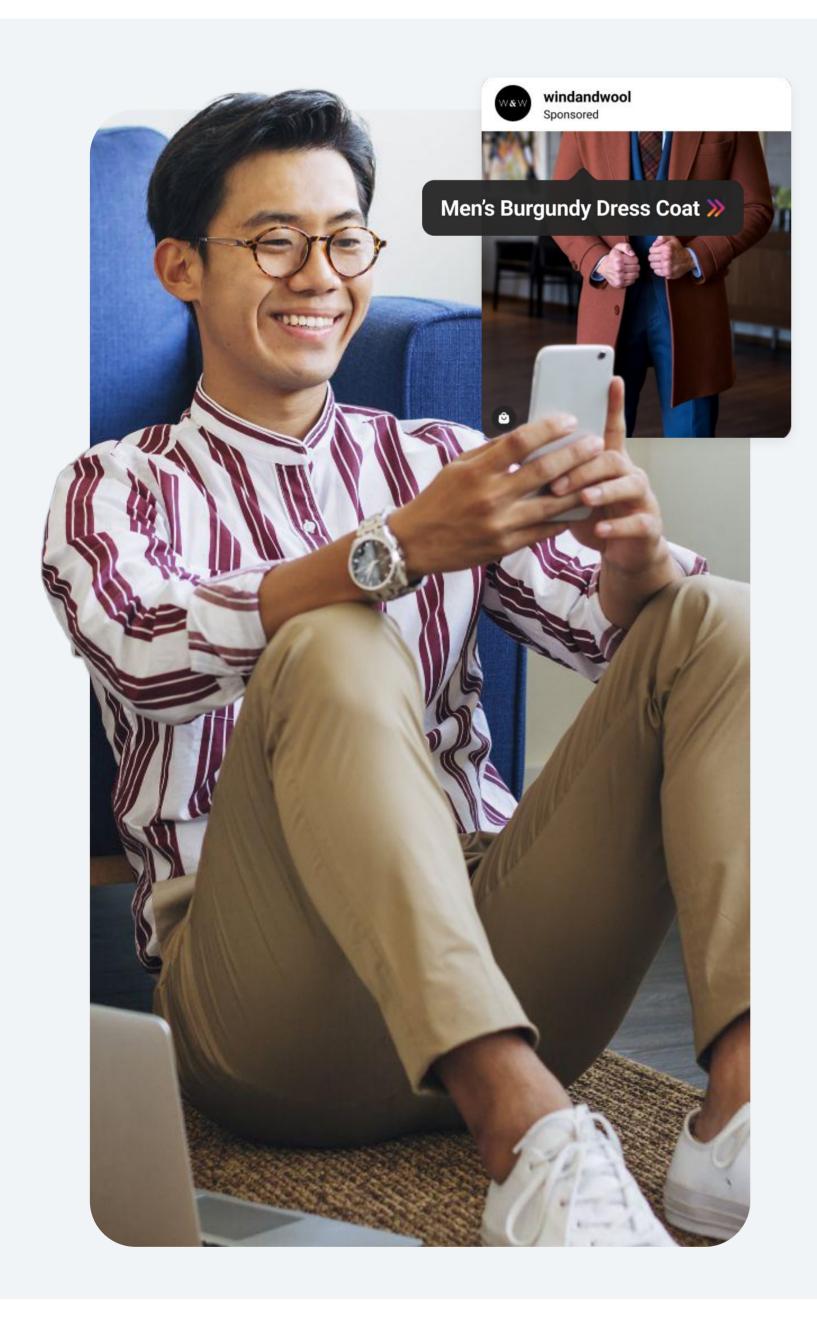
The ladder of incrementality is a helpful paradigm to consider how reliable a method typically is in measuring causality, as techniques get closer to capturing causality as you climb.



Ability to isolate causality is of prime importance, alongside the other dimensions that marketers value – such as speed, interpretability, simplicity, cost and comprehensiveness in measuring cross channel impact. Experiments are not always feasible to run in all scenarios. Each methodology has value and a role to play when employed strategically as part of a wider framework that balances rigor with practicality.



3



Understanding the limitations of last-click attribution

Last-click attribution assigns all credit for a conversion to the final marketing touchpoint, leaving out the contribution of all other channels a consumer may have interacted with prior to converting. As a result, this type of attribution can over-index on bottom-funnel activities like search.

Understanding the limitations of last-click attribution is important. Businesses who make investment decisions based on last-click may not be investing appropriately, as they don't have insight into the full range of channels that are driving value. In fact, 31% of incremental Meta conversions are misallocated to other channels based on non-incremental attribution models.¹

If you are relying on last-click attribution to make investment decisions, a good first step is to move to an attribution model that incorporates additional touchpoints (such as views and additional clicks in the funnel) or exploring statistical methods. Additionally, calibrating that model with more accurate methodologies can help you to understand if adding additional touchpoints aligns with incrementality, or if a larger shift may be needed.

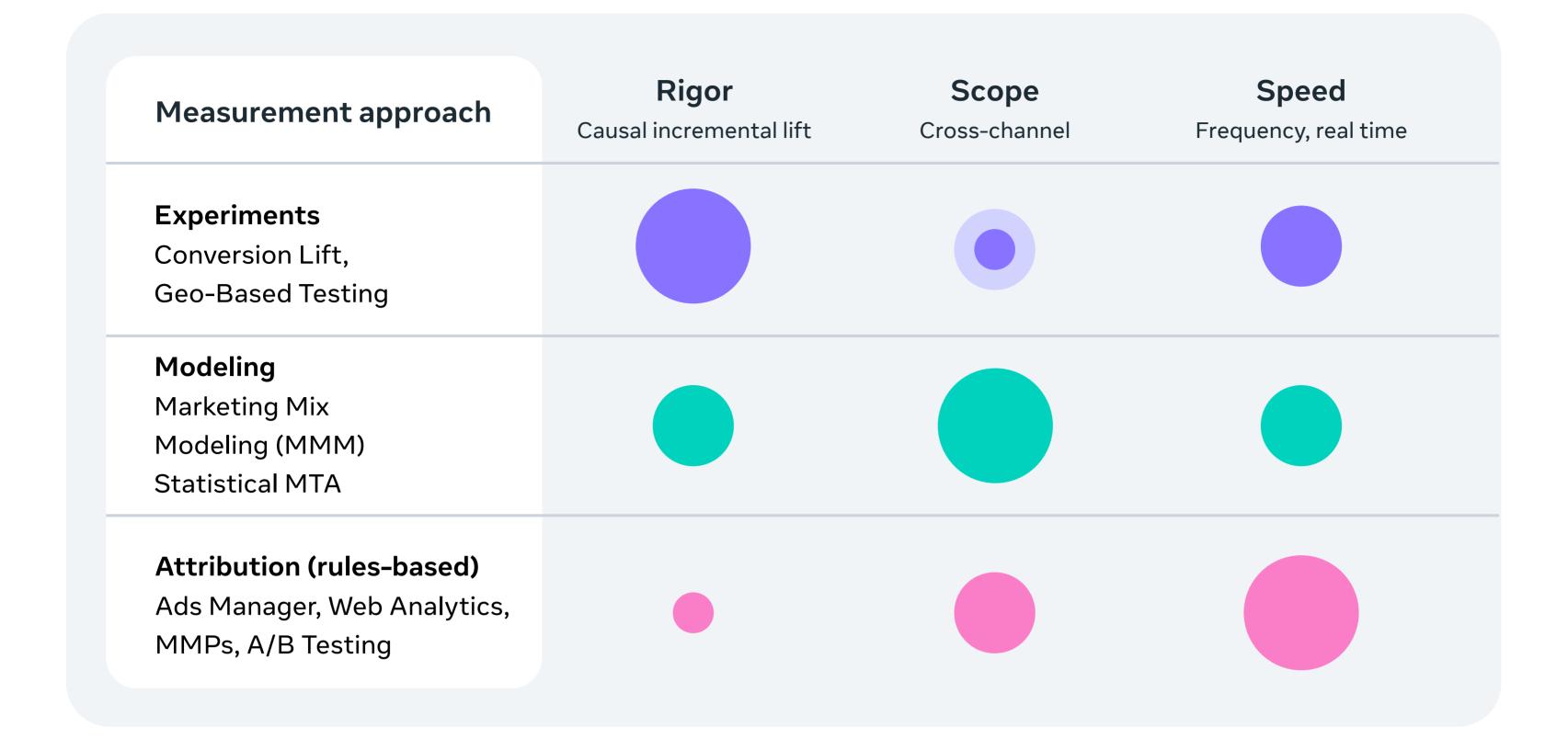
The shift towards hybrid measurement

Given the relative trade-offs that exist, it is unsurprising that recent Kantar research found that, on average, advertisers have 3.8 measurement solutions in their toolkit today.² Marketers value the granularity and simplicity of attribution, the comprehensiveness of marketing mix modelling, and the robust nature of experimentation. By embracing a portfolio of complementary solutions, marketers can:

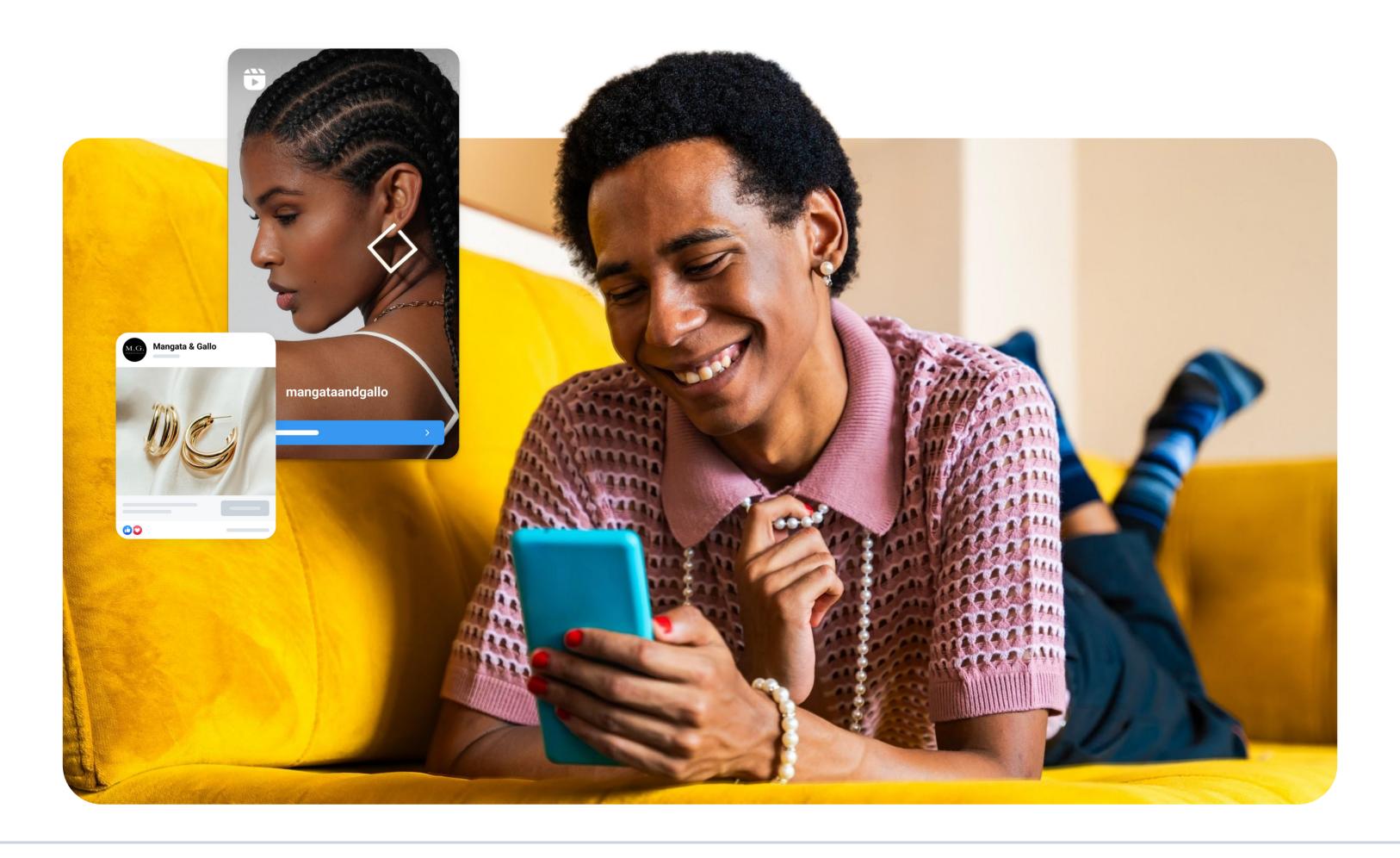


- Leverage the strengths of each solution.
- Mitigate the limitations of individual tools by offsetting them with others.
- Gain a more comprehensive understanding of their marketing efforts, leading to better-informed decision-making and more effective strategies.

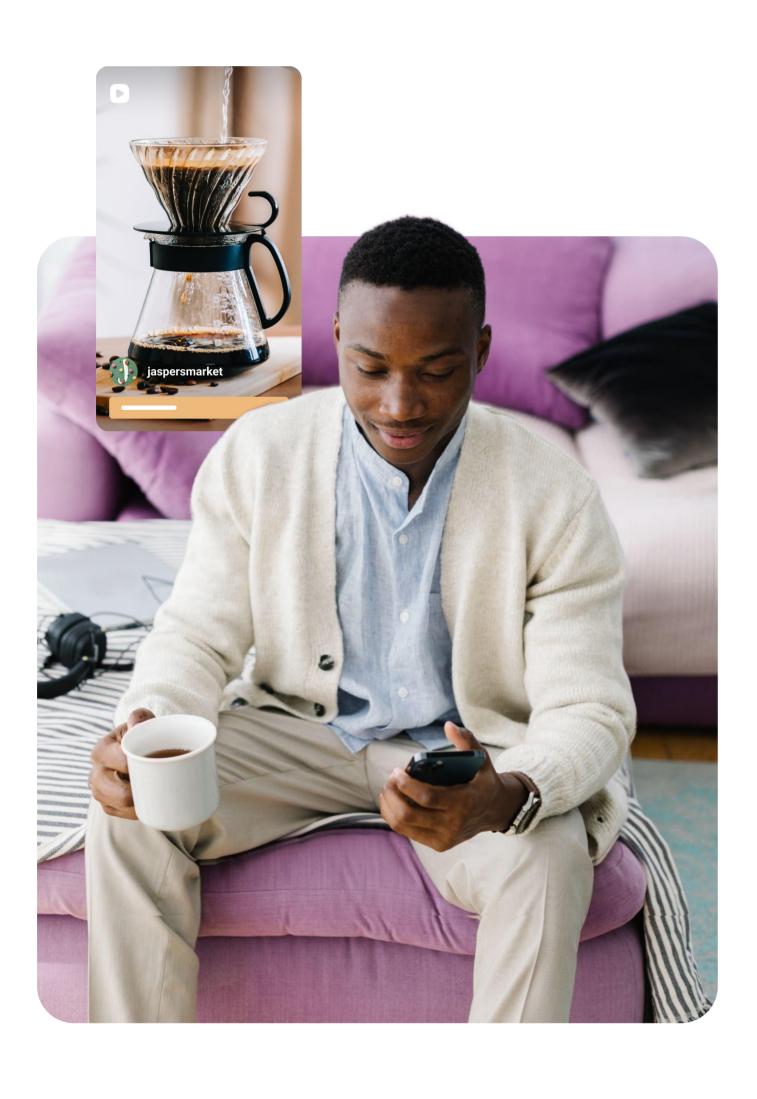
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In recent years, the measurement ecosystem has begun to blur the lines between these methodologies, with many MTA vendors incorporating more econometrics into their models and MMM providers evolving their approach to be more agile, granular and fast. Across the spectrum, experimentation is leveraged to validate and improve these models. Measurement is becoming a blended discipline and there is a broad acknowledgement that good measurement requires us to take the best of each approach in a hybrid fashion.



Building your suite of truth



Marketers have various 'jobs to be done' that can be effectively addressed by the right mix of methods. With an understanding of the relative advantages of each approach, marketers can build out a suite-of-truth that operates as a swiss army knife for measurement.

6

The most common use cases for measurement tend to fall in the following categories:

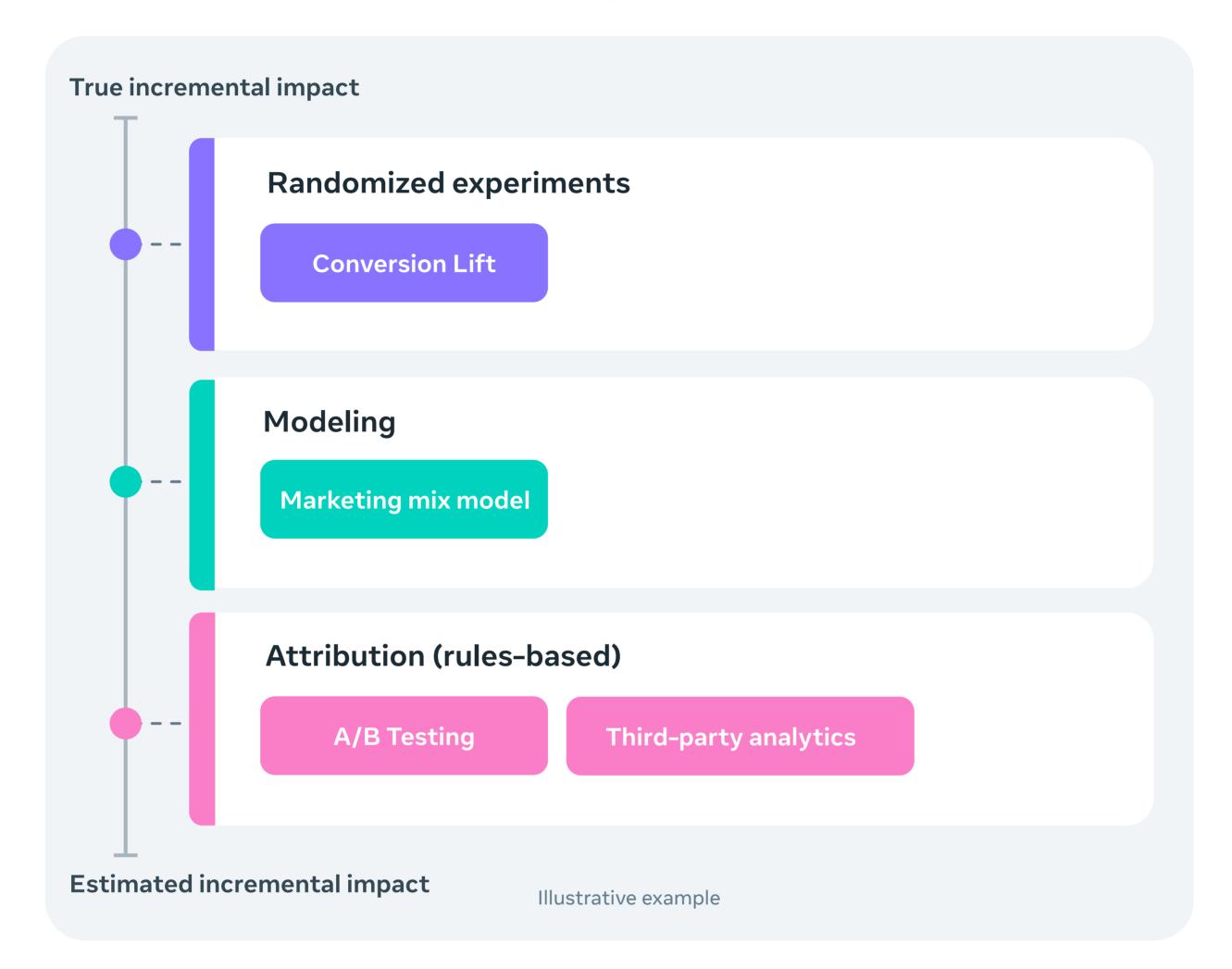
- Cross channel budget allocation
 e.g. TV vs digital, search vs affiliates
 vs social etc.
- In-channel budget allocation
 e.g. brand vs direct response
- Tactical optimisation

 e.g. refining specific campaign
 or creative levers

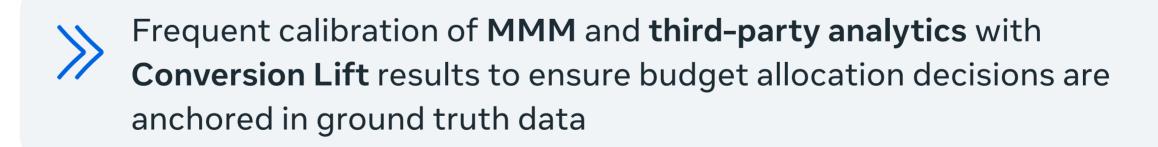
As marketers evaluate the solutions they are relying on today, they should consider how their portfolio can be rounded out to comprehensively tackle their core business questions. Remember, all businesses are unique and the suite-of-truth for one advertiser may look very different to another. Regardless of the combination of measurement solutions that a company adopts to cater to their specific business needs, their framework should anchor on incrementality to maximise the potential for sustained business growth.

Let's say you run an e-commerce fashion website.
What might your suite look like?

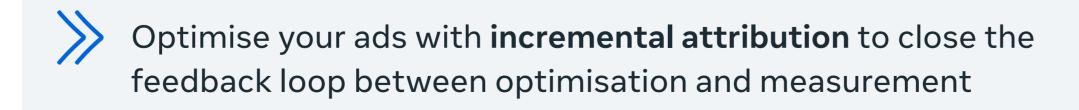
Suite of truth



What does it mean to anchor your framework in incrementality? For this suite, we would recommend:







Challenging the status quo

As marketers build out their suite-of-truth, it's not uncommon for discrepancies to arise due to the distinct methodologies and unique perspectives of different solutions. These discrepancies can stem from variations in data quality, sampling methods, or underlying methodology differences.

Kantar research revealed that

55%

of advertisers have experienced contradicting results across different solutions.⁴

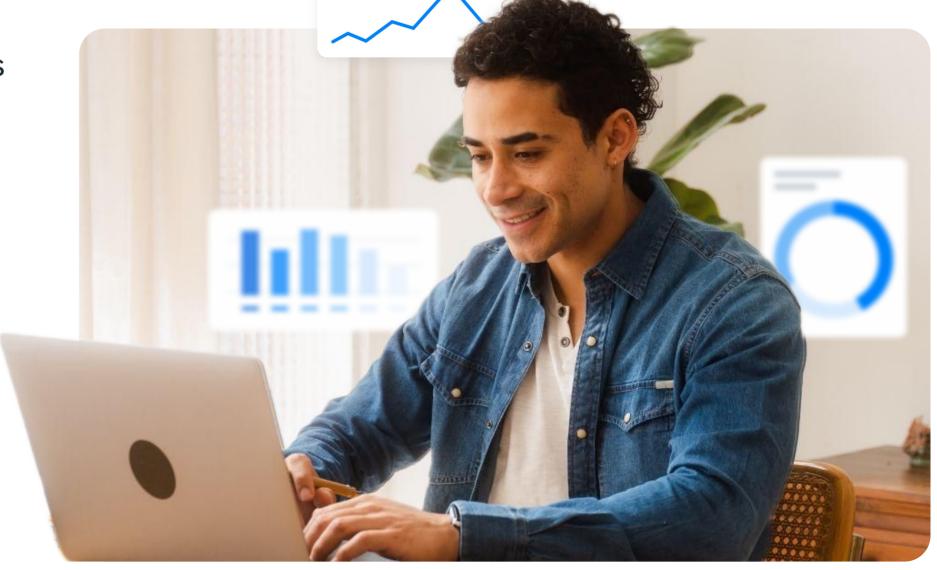
When faced with inconsistencies,

51%

of advertisers tend to default to the solution that holds the most credibility within their organisation.⁴

This has the potential for mixed results – depending on how well that solution can capture causality. The impact of legacy operations and engrained measurement systems cannot be overstated. Blind allegiance to how things have always been done, without evidence to support validity, risks marketers making suboptimal decisions.

As noted in Measurement 360, a review of current measurement practices is a crucial first step in the journey to hybrid measurement. The first port of call is a company's existing "source of truth" – the tool, method and metrics the business has agreed to rely on for important decisions such as cross channel budget allocation. The most common source of truth tends to be some form of attribution or marketing mix model. It is vital to critique the quality of the data and the methodology being used.



To begin, marketers should work on tackling these two aspects:

Improving data quality and coverage

 \Rightarrow

Incorporate as many media touchpoints as possible, and go beyond clicks. It's helpful to remember that conventional click-based attribution was designed for a single-device, search-click-convert era. With the rise of social platforms, recommendation engines, and feed-based content, user behavior has changed dramatically. Today's consumers are influenced by multiple touchpoints, making it challenging to accurately measure the impact of demand-generative channels using clicks alone. Furthermore, research shows that on average Gen Z consumers are twice as likely to make a purchase without clicking on an ad compared to other age groups.⁵

Improving your methodology



In an ideal world, an advertiser's source of truth would measure true incrementality across all dimensions and channels seamlessly. As noted, this is rarely practical or possible. But regardless of where marketers are on their measurement journey, there are steps that can be taken to enhance their methodology and move closer to true incrementality. This might involve transitioning from click-based attribution to capturing all touchpoints, from rules-based attribution to more sophisticated statistical modeling approaches, or by introducing model calibration with experiments. By iteratively refining the methodology underpinning a source of truth, marketers can improve the accuracy and reliability of their measurement framework over time, while minimising disruption to existing workflows.

To ensure advertisers can effectively measure the impact of ads across Meta technologies on business outcomes, Meta collaborates with a diverse range of Multi-Touch Attribution (MTA) partners. Furthermore, Meta is actively expanding its partnerships with additional attribution vendors and analytical platforms this year. This expansion aims to provide a more accurate representation of user interactions by incorporating a broader spectrum of touchpoints in third-party attribution measurement and reporting for advertisers. This comprehensive approach enables advertisers to better understand campaign performance and user engagement on social platforms.

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In addition to the initial audit of the current measurement system, there are a number of core competencies that, when effectively integrated as part of ongoing business operations, can ensure marketers reap the benefits of transitioning from their single source of truth to a bespoke suite-of-truth centered on incrementality. These are:



1. Calibration

2. Regular experimentation

3. Measurement informed ad delivery



On the next few pages we'll share guidance on how to incorporate these into your measurement approach, alongside a case study illustrating the value each of these methods have generated for marketers in real life.



Core competenciesCalibration

Calibration refers to the process of adjusting and refining measurement models, algorithms, or systems to ensure they accurately reflect real-world outcomes. This involves comparing predicted results with actual results, identifying discrepancies, and making adjustments to improve the accuracy and reliability of marketing metrics.

53%

of advertisers leverage calibration as a means to reconcile contradictory results.⁶

In essence, calibration helps marketers improve model accuracy via alignment with causal effects, enhance decision-making and optimise marketing performance.

There are a number of applications of calibration that can augment and improve your measurement framework:

Calibration of attribution

A meta analysis of calibration tests conducted on ads across Meta technologies showed that at the median advertisers undervalue Meta by 31% (meaning 31% of total incremental conversions caused by Meta are misattributed to other channels) when using rules-based attribution models, as compared with incrementality. A multiplier of at least 1.45X was required to calibrate the results of the models to the true value driven by Meta⁷. An attribution calibration test (comparing Conversion Lift results to that of your attribution model) is thus a useful starting point when auditing the status quo or source of truth.

Calibration of MMM

There are a few approaches that advertisers can take to validate or calibrate their MMM with experiments, depending on their objectives and data availability. Calibrating "qualitatively" by confirming that experiments and MMM results are directionally similar, is relatively straightforward which can help increase the confidence in model outcomes. More advanced and sophisticated approaches include using studies to choose between different candidate models, or incorporating experiment results into the model by setting or constraining channel coefficients using incremental estimates.

Calibration via bid strategy

A common practice with direct response focused marketers is to tailor ad bids to the expected incremental lifetime value of the channel or cohort in question; e.g., branded vs. non-branded search, or social prospecting vs. social retargeting.

When undertaking a calibration exercise it is advised to run multiple tests to allow a pattern to emerge – as opposed to taking action on a single study. Furthermore, it is recommended to run experiments across all channels where possible, to ensure all media is being evaluated through a consistent lens. By calibrating their measurement system, marketers can implement multipliers to proportionally increase the accuracy of campaign effectiveness reporting.

Case study



Company

Founded in 2007, Product Madness is Aristocrat Leisure Limited's (ASX: ALL) market-leading free-to-play social casino business, with a roster of hit titles such as Lightning Link™ Casino Slots and Cashman Casino™ Las Vegas Slots. It has studios across the globe and entertains millions of players around the world every day.

Challenge

Like many app advertisers, Product Madness faced challenges in accurately measuring marketing effectiveness. Due to changes in privacy regulations and policies, data availability for digital advertisers has shifted, requiring app advertisers to adjust their measurement strategies to continue driving performance.

Product Madness wanted to understand if its marketing campaigns on Meta were driving the desired results. Additionally, the mobile games company aimed to quantify the gap between results from its current attribution model and the true value of its advertisements. The end goal was to build a measurement infrastructure that provides an accurate and holistic view of performance.

Solution

Product Madness partnered with the Marketing Science team at Meta to run Conversion Lift tests across its suite of game titles. Conversion Lift is a solution from Meta that allows businesses to compare conversions between two groups: a test group that has seen an ad and a control group that has not. These types of randomized experiments enable businesses like Product Madness to discern outcomes directly influenced by a campaign, distinguishing them from conversions that would have occurred independently.

Product Madness opted to run 10 single-cell Conversion Lift studies each quarter, across both iOS and Android ads across Meta technologies. The campaigns included in the studies were optimized for return on ad spend (ROAS) and purchase conversions, leveraging both value optimization and conversion optimization ad delivery solutions from Meta.

With the results of the studies, Product Madness was able to compare incremental performance to attributed impact, ultimately identifying a multiplier it could use to calibrate its attribution model. This process can be repeated periodically to maintain accuracy, helping Product Madness close the gaps in its understanding of campaign performance.

Impact

With Conversion Lift, Product Madness was able to drive improvements in performance reporting accuracy across campaigns for five game titles, including:

3X

improvement in reporting accuracy for Android campaigns⁸ 5X

improvement in reporting accuracy for iOS campaigns⁸



With Conversion Lift from Meta, we were able to validate our hypothesis that calibrating our attribution model could deliver a view of true campaign performance. This work has helped us to expand our measurement toolkit for improved accuracy and confidence in our results on Meta."

Stefana Pesko

Head of Socials at Product Madness



Core competencies

Regular experimentation

Developing proof points via regular experimentation alongside day-to-day modeling enhancements can enrich the suite of truth with incrementality-driven insights. Conduct experiments as frequently as possible across as many channels as possible.

Experiments are particularly effective for single channel evaluations and in-channel optimisation. It is important to maintain discipline with a structured learning agenda, iterating and optimising by testing performance levers and acting on your findings to drive tangible results. Experiments require a certain scale and duration, so it's important that they are set up for success and leveraged appropriately to get a good return on investment.

We continue to invest in our flagship incrementality measurement solution, Conversion Lift, to enable all advertisers to better understand the conversions we believe are caused by ads on Meta. For example, Conversion Lift can now be powered by an expanded set of data sources, including the Conversions API (recommended), Meta Pixel, and App Events API. And we've made Conversion Lift available for self-serve for all qualified advertisers in Experiments. Conversion Lift can be leveraged for holistic media evaluation, or for comparing strategies against each other.

Advertisers can use different incrementality tools at different budgeting touchpoints to maximise efficiency:

- When setting cross-publisher budgets (typically quarterly), we recommend advertisers use single-cell Conversion Lift tests to calibrate their model to ensure they're investing in the most incremental publishers.
- When trying new campaign strategies across Meta technologies, we recommend advertisers use multi-cell Conversion Lift tests to validate performance.
- In real time, we recommend advertisers use incremental attribution, our new incrementality reporting in Ads Manager for in-channel optimisation decisions (detailed in section eight).

Businesses that conduct 15 or more experiments annually achieve

30%

higher ad performance compared to those that run no experiments.⁹

Case study



Company

Founded in 2014 in the UK, Huel is a lifestyle brand that offers a range of convenient and affordable foods—including meals, snacks, and beverages—that are vegan, lactose-free and contain 26 essential vitamins and minerals. Over the past few years, the company has rapidly expanded into new markets worldwide.

Challenge

Huel's marketing team manages a global budget and is constantly seeking opportunities to optimize its spend. Traditionally, the brand had exclusively focused on lower-funnel advertising, which had driven strong results. However, as it pursued more ambitious global targets, Huel wanted to ensure its actions would turbo-charge growth across markets. Huel already had a strong marketing measurement strategy, which included conducting experiments and working with measurement provider Fospha.

An analysis by Fospha identified Meta as a high-performing channel, but performance was experiencing diminishing returns. Through additional analysis of audience reach and average frequency, Huel saw that its lower funnel-only approach was saturating its audience in mature markets. Based on these insights, Huel decided to partner with Meta to evaluate fresh strategies that could fuel growth.

Solution

The teams began with validating Huel's hypothesis: Huel ran Conversion Lift studies to measure the incremental sales impact of ads across Meta technologies. These studies showed diminishing marginal returns and confirmed that lower-funnel ads had indeed reached saturation with audiences in mature markets.

These insights kickstarted the second phase of the learning journey: The teams began asking questions such as "Where is the best place to put the next \$1 of ad spend?" and "What happens if we take \$1 away?" This way, Huel could determine the rate of return for marginal increases in investment, a metric known as marginal return.

Historically, Huel had optimized its spend across Meta technologies towards people likely to purchase—which had led it to focus on business-as-usual strategies rather than new strategies to boost growth. The teams now expanded that approach and looked to the margins, testing campaigns that maximized reach on key new audiences. They also used Brand Lift studies to investigate the impact of adding brand awareness campaigns alongside lower-funnel efforts.

Impact

By establishing the marginal return of spend, Huel was able to manage its global portfolio more effectively. Testing and learning showed that by maximizing reach on key new audiences Huel could reach more potential customers at a lower cost—ultimately driving more incremental purchases with a much better marginal return than business-as-usual tactics. And the brand lift studies identified a lot of "headroom" in awareness, meaning there was potential for the company to find new customers with upper-funnel campaigns. The work also showed that Meta was a cost-effective option for driving that awareness.

Armed with these insights, Huel incorporated brand awareness efforts into its marketing strategy and adopted several new campaign strategies. This helped it to achieve:

increase in marginal return¹⁰ 11.8M

more incremental people reached¹⁰

average increase in brand favorability¹⁰



Incremental performance has always been a key focus for Huel. By taking that a step further and looking at marginal returns, we found new ways to diversify our marketing strategies that have resulted in better returns and more reach. To effectively measure our retail store partnerships, we've adopted a multi-faceted approach. By combining experiments, MMM, and attribution, we gain a comprehensive understanding of our performance."

Ben Bokaie

Performance Marketing Director at Huel





Core competencies

Measurement informed ad delivery

As marketers iteratively improve their measurement and work to refine their suite-of-truth, there's an additional opportunity to take measurement to the next level. Specifically, they can directly influence ad delivery systems, empowering these machine learning algorithms to make data-driven decisions that align with the results that matter most.

In today's era of automation, it's more crucial than ever to ensure that AI-enabled platforms are working in harmony with business objectives. By integrating inputs from the advertiser's measurement framework to guide Meta ad systems - such as what KPIs they goal on, and how they attribute results across channels, the full potential of Meta ads can be unlocked.

This can be achieved in different ways, depending on an advertiser's current measurement approach. Incrementality is the gold standard of fair measurement, but the journey to incrementality can be long and complex. At Meta, we're committed to driving the best possible performance for advertisers at every step, guided by their individual measures of success:

Incremental attribution



Uses machine learning models trained on Conversion Lift data to optimise ad delivery for incremental conversions. This means that the system focuses on conversions that would not have occurred without the ad.



Advertisers using incremental attribution saw an average

46%

lift in performance when their campaigns optimised for incremental conversions.¹¹

Advertisers can select incremental attribution as an attribution setting when creating or editing campaigns directly within Ads Manager, and can compare incremental attribution results with other attribution windows to get a comprehensive view of ad performance.

Custom attribution



Advertisers that share click-level attribution information can now test a new feature to share the value they assign to different touchpoints in the consumer journey, and optimise for the outcomes as measured in their analytics tools. For example an advertiser may assign more credit to Meta for a conversion where Meta was the first click in the user's cross publisher journey before a purchase. With custom attribution ads, we can incorporate this attribution insight into our optimisation, focusing on finding more people who are likely to discover the advertiser's products on Meta first.

Value optimisation

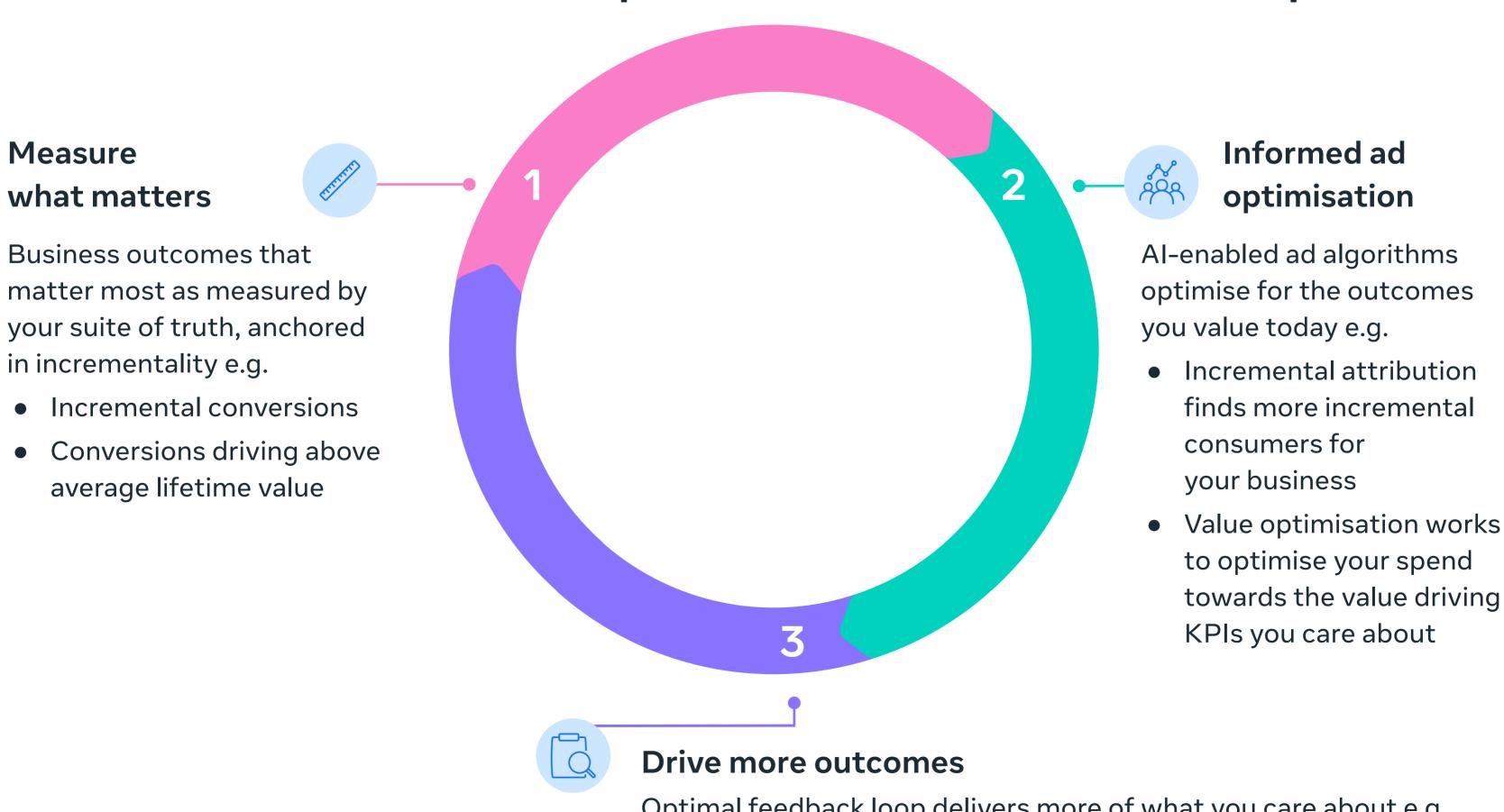


Businesses can share what KPIs or goals they care about such as revenue, profit or even standard or custom events to guide Meta ad systems to deliver outcomes that maximise those KPIs. This allows advertisers to focus on generating the most valuable conversions, instead of prioritising volume of conversions. For example, if a business is hoping to drive purchases, using ROAS value optimisation would mean that they are weighing two purchases at \$100 as more valuable than, say 4 purchases at \$20 each.

By leveraging these tools and integrating them within a broader measurement framework, marketers can align both their measurement and optimisation approach to their core business goals, creating a powerful feedback loop that drives continuous improvement and drives advertising performance.

Align objectives for success

Measurement: optimisation feedback loop



Optimal feedback loop delivers more of what you care about e.g.

More incrementality, higher average lifetime value

Case study



Company

Headquartered in New York, makeup brand Laura Geller is known for its iconic baked make-up tailored for women over 40. The brand is part of the AS Beauty portfolio, which focuses on developing woman-founded beauty brands across the globe.

Challenge

Laura Geller has long been a proponent of incrementality-based measurement, using Conversion Lift experiments to prove that ads across Meta technologies are driving outcomes which wouldn't have occurred otherwise. The next phase of the brand's measurement journey was to optimize its ads toward incremental users on Meta; in other words, prioritize reaching customers who are more likely to convert in response to the ads. But the company lacked a way to do that, relying instead on click-based optimization as a proxy.

Impact

Through a Conversion Lift study, Laura Geller was able to quantify the value of a new incremental attribution setting in Meta Ads Manager. The study showed:

The top performing cell, which was optimized using incremental attribution, had a:

71%

lower incremental cost-per-acquisition (CPA) than the business-as-usual cell¹²

3.3X

higher incremental return on ad spend (ROAS) than the business-as-usual cell with a **99.6%** winning score¹²

Solution

Laura Geller decided to leverage a new attribution setting in Ads Manager that both optimizes for—and reports on—incremental conversions. Called incremental attribution, the setting uses best-in-class repository of Meta Conversion lift data to power machine learning models that drive more incremental outcomes for performance advertisers.

To test the effectiveness of incremental attribution, Laura Geller designed a three-cell Conversion Lift experiment. One cell of the study optimized for the brand's business-as-usual click-based attribution, while the other cells optimized for variants leveraging incremental attribution.



Incremental attribution drove significant value for Laura Geller, allowing us to directly optimize our ads toward incremental conversions in a cost-effective way. We've since scaled nearly all of our campaigns to using incremental attribution as the primary optimization lever."

Scott Kramer

Growth Marketing at AS Beauty

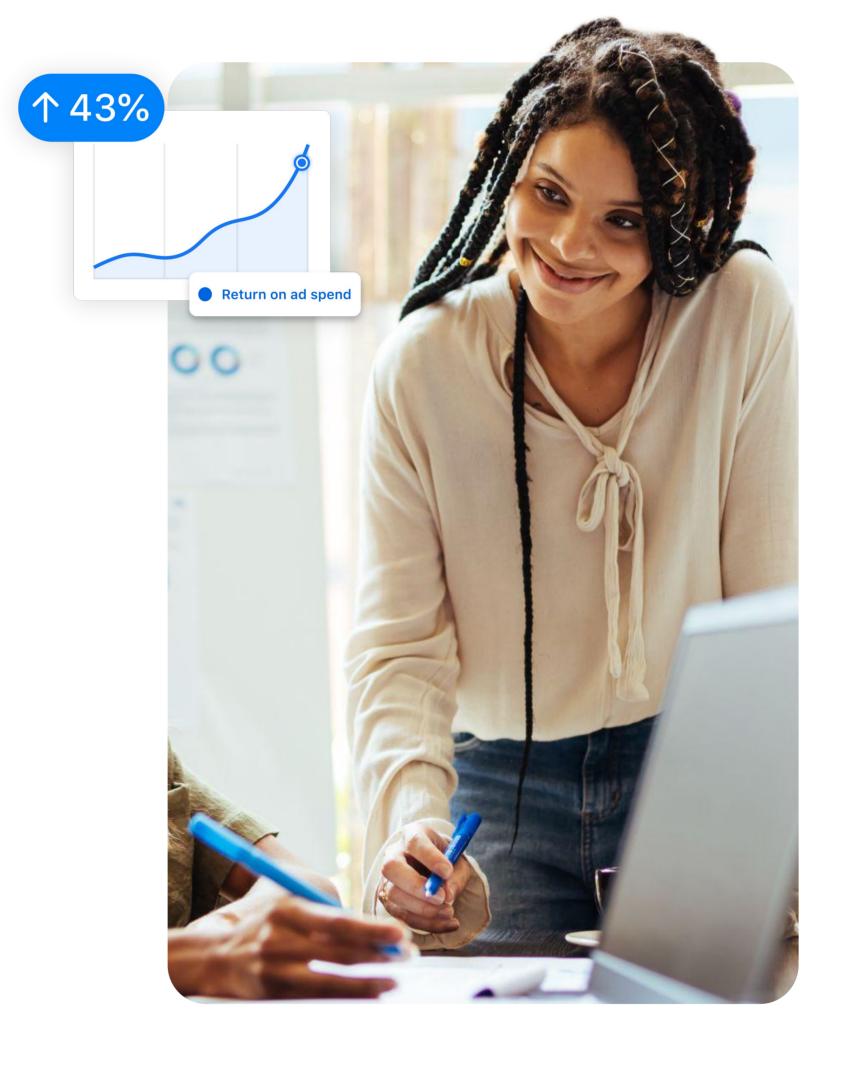


Conclusion

Embracing a new era of hybrid measurement

Measurement is an ongoing process, but with incrementality as the north star, advertisers can take steps today to iteratively improve their approach over time. By calibrating existing models, conducting regular experimentation, and closing the feedback loop between optimisation and measurement, marketers can ensure their strategies are aligned with driving real-world outcomes.

As the marketing landscape continues to evolve, embracing a suite-of-truth can paint a more complete picture of media effectiveness. As discussed in our prior paper on Operationalising Measurement 360: Modernising Organisation Operating Models, measurement teams need to be deeply embedded in the business to support the organisation as it navigates these shifting industry conditions.



This is a worthwhile investment, because measurement is a revenue driver, not a cost center. By adopting these practices, marketers can transform their measurement frameworks into powerful engines of insight and growth, paving the way for more effective and impactful marketing.

Every connection is an opportunity. It's Your World.

