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IAB EUROPE'S RETAIL MEDIA MEASUREMENT STANDARDS

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Introduction

Retailers are in a unique position to directly link ad spend to sales outcomes. This unique promise fuelled the initial growth of Retail Media. For the upward trend to continue brands are asking for more. IAB Europe found that [70% of buyers cited the lack of standards](#) for Retail Media as a barrier to investment and media and attribution measurement were noted as the most important areas to address.

In order to address this challenge, IAB Europe brought together 15 retailers from across the region in a [two-day Workshop](#) to agree on a first set of definitions for industry feedback. These definitions will serve as standard definitions for Retail Media advertising investments. This foundational work will act as the basis of subsequent work streams that will go beyond the basics and anticipate current and future needs.

IAB Europe Standards in the Context of Other Industry Initiatives

IAB Europe recognises the fact that there has already been some progress made on the development of Retail Media metrics definitions in other markets (e.g. IAB US, BVDW in Germany, Alliance Digitale in France and ISBA in the UK), and all of this work has been used as the basis for the development of the Standards for Europe.

It is worth noting that ISBA has developed a [“Responsible Retail Media Framework”](#) for the UK driven by what brands need to invest further in Retail Media. The Framework addresses what is needed ‘Now’, ‘Next’, and in the ‘Future’. In this document, IAB Europe has incorporated most of the elements in the ‘Now’ and ‘Next’ sections, while we keep iterating on the ‘Future’ with brands and retailers across Europe.

The Focus of the Standards

The Standards cover Online Measurement. IAB Europe recognises that Offline Measurement whether In-Store or OOH, is a growing piece of most Digital Retail Media activations and plans on addressing it in future iterations.

The Standards cover the following areas:

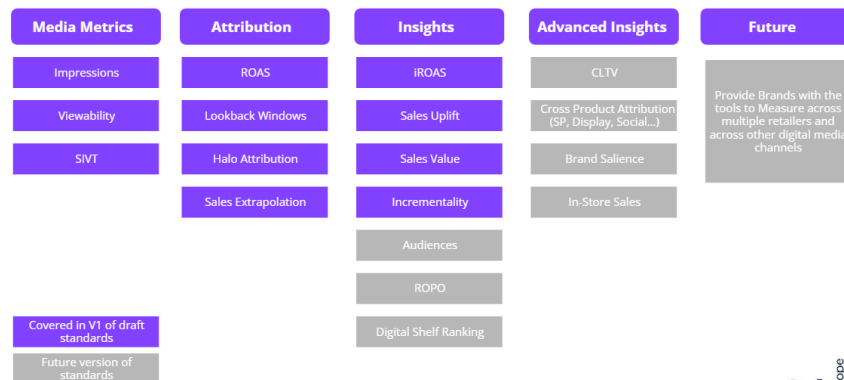
- Media Metrics
- Attribution
- Insights
- Future Considerations

What Metrics Are Covered in These Recommendations?

The diagram below provides an overview of the metrics covered in the following standards document and the areas that are not yet covered.

IAB Europe recognises that a shopper might be exposed to multiple ads on a retailer and has not yet addressed standards around weighted exposure to an ad. Additionally, the lack of interoperability between Retail Media networks, currently, makes it difficult for media buyers to deduplicate investments. In the long run, advertisers will need a way to incorporate sales into their attribution models and run deduplication themselves.

IAB Europe Retail Media Measurement Standards - Metrics Covered



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Section 1 – Media Metrics

1.1 Ad Impression

The IAB/MRC definition of an ad impression refers to an ad that has been successfully delivered to a user's device and has begun to render on the web page or app. This metric, however, does not necessarily mean that the ad was seen by the user. For example, the ad might have been loaded on a part of the web page that the user never scrolled to.

1.2 Click-Through

The IAB / MRC definition of “Click” or “Click-Through” is a user-initiated action on an advertisement, including directing to a Brand, Product, or Cart Page.

1.3 Viewability for Display and Video Ads

The recommended standard is to report on viewability for on and off-site display ads as well as Video ads against the IAB / MRC standard:

- Display: At least 50% of the ad's pixels must be visible on the user's screen for a minimum of one continuous second
- Video: At least 50% of the ad's pixels must be visible on the screen for a minimum of two continuous seconds

Access the IAB / MRC Viewable Ad Impression Measurement Guidelines [here](#).

1.4 Video Completion Rate

The recommended standard is for retailers to report on Video Completion Rate against the IAB / MRC standard:

- Video completion rate calculates the percentage of video ads that are viewed to completion (i.e., played until the end). The formula is the total number of videos viewed to completion / total number of videos launched.

1.5 Viewability for Sponsored Products Ads

Viewability for sponsored product ads will be addressed in the future as this is typically sold on a CPC basis. It is worth noting that viewability will impact ROAS.

1.6 Sophisticated Invalid Traffic (SIVT)

Quality control, analysis, and filtration are paramount in identifying and addressing invalid activity, across media types. SIVT filtration, in accordance with MRC/IAB guidelines, should be adopted. Outcome measures that don't incorporate SIVT filtration can still be reported but should be properly labelled, reported separately, and include clear disclaimers. If a retailer is not in a position to report on SIVT filtration they should make that clear.

Access the MRC Invalid Traffic and Filtration Detection Guidelines [here](#).

Section 2 – Attribution

2.1 Return on Ad Spend (ROAS)

ROAS indicates the cost effectiveness of a campaign by measuring attributable sales divided by the total ad spend. Sales need to be attributed to a click (to a PDP or an Add to Cart) or viewable ad based on the standards set out in this document, associated with specific SKUs included within the creative or directly determined by the brand partner. Retailers should provide a differentiation between click-based and view-based ROAS in the reporting.

2.2 Lookback Windows

It is recommended that a 30-day post view and post click lookback window is used as standard for endemic on and off-site with retailers also able to provide flexible windows. The 30-day lookback window will serve as the default when accessing a retailer dashboard or pulling a report. However, brands will need flexible windows that fit their product needs and should be offered that flexibility for any set number of days within the default 30 days. For example, an FMCG brand might request 7 days and a consumer electronics brand 30 days.

2.3 Same SKU and Halo Attribution

Same SKU (parent SKU) attribution should be provided for all sponsored product ads. For example, if a shirt was clicked on, all size and colour variations of that shirt should be included in the Same SKU attribution.

Halo attribution can be provided for all formats. The standard definition for Halo is: Same Brand, Same Category (Category as defined by the retailer catalogue).

In future iterations of the standards, brands should be able to determine their own definition of Halo with the retailer in an automated way.

2.4 Sales Extrapolation

Extrapolation can be defined as a set of rules used to estimate the impact of media on non-identified user's behaviours by replicating the media impact on a set of (or all) identified users.

Retailers should disclose the following:

Which metrics the extrapolation is done through. For example, a retailer could assume that sales per impression are the same for non-identified users as identified users.

Section 3 – Insights

3.1 New to Brand/Repeat Shoppers

A shopper who has not purchased any products from specified brands within a defined time frame is “New to Brand”. Inversely, if they have purchased within the below time frames, they can be considered “Repeat Brand Shoppers”. The time frame will vary per product purchase cycle. IAB Europe will aim to standardise product categories in the next version of the standards.

Three timeframes will be adopted and categories will be further defined:

Regularly purchased (e.g. shampoo, banana, diaper, milk..)	0-6 weeks
Semi-Regular purchased (e.g. jeans, mascara, cartridges..)	7-26 weeks
Infrequent (e.g. TVs, vacuum, winter coat, sofa)	27+ weeks

3.2 New to Category/Repeat Shoppers

A shopper who has not purchased any products from specified categories within a defined time frame is “New to Category”. Inversely, if they have purchased within the below time frames, they can be considered “Repeat Category Shoppers”. The time frame will vary per product purchase cycle. IAB Europe will aim to standardise product categories in the next version of the standards.

Three timeframes will be adopted and categories will be further defined:

Regularly purchased (e.g. shampoo, banana, diaper, milk..)	0-6 weeks
Semi-Regular purchased (e.g. jeans, mascara, cartridges..)	7-26 weeks
Infrequent (e.g. TVs, vacuum, winter coat, sofa)	27+ weeks

3.3 Sales Uplift

Sales Uplift determines overall Sales lift for a brand during a set amount of time by undertaking an AB test using an exposed vs non-exposed group. The exact methodology for the AB test will vary by Retailer / Retail Media Network. IAB Europe will explore harmonisation of these methodologies in future versions of the standards.

3.4 iROAS (Incremental ROAS)

iROAS determines the incremental impact of ad spend on sales, by measuring sales lift divided by the total advertising spend. It requires undertaking an AB test using an exposed vs non-exposed group. The exact methodology for the AB testing will vary by Retailer / Retail Media Network. IAB Europe will explore harmonisation of these methodologies in future versions of the standards.

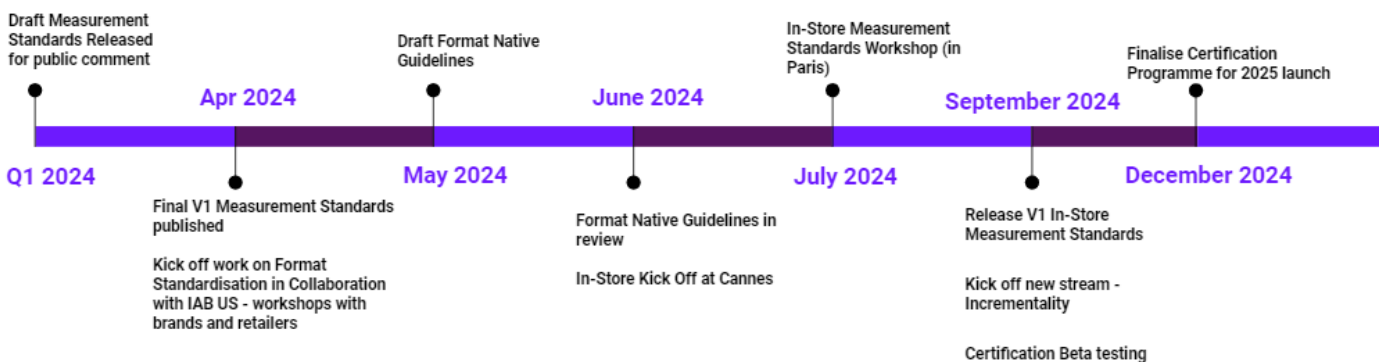
In measuring incrementality retailers can consider deterministic and probabilistic data:

- **Deterministic Data:** requires undertaking an AB test using an exposed vs non-exposed group. This approach requires identifying individual users, often collected through mechanisms such as login data, user IDs, or loyalty program participation
- **Probabilistic Data:** using statistical techniques to predict user behaviour based on available data points. This becomes useful in multi-platform incrementality, where it may not be feasible to track every user action across different platforms deterministically.

It is recommended that probabilistic data is used when deterministic data is insufficient, such as in a multi-platform scenario. The methodologies used should be disclosed: deterministic, probabilistic, or a combination of both.

Section 4 – Future Considerations

Other topics addressed in the Retailer Workshop held in January 2024 include Audience Measurement, Creative Ad Format Standardisation, Product Category Standardisation, Digital Shelf Ranking, and Brand Salience metrics. IAB Europe has developed the following roadmap for standardisation in 2024:



IAB Europe is currently collaborating with IAB US on definitions and measurement standards for in-store (digital) media formats. The draft definitions and standards will be released for public comment in September 2024. We are also working to develop a Retail Media Certification Program in Q4 2024.

Retailers in the workshop all recognised the importance of Third-Party Verification, particularly as this is already standard practice across programmatic advertising, and are open to considering this in the future for on-site advertising investments.


During the Workshop, we also had a knowledge-sharing session around data availability and dashboards. Retailers agreed that data should be available in near real-time where possible. For performance-led products, such as Sponsored Products that should be table stakes. However, for brand awareness campaigns it has not been agreed upon how best to report yet and automation remains a challenge. IAB Europe will continue to work with the industry to help advance this work.

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