

ANA

Applying Attention Metrics in Media & Analytics

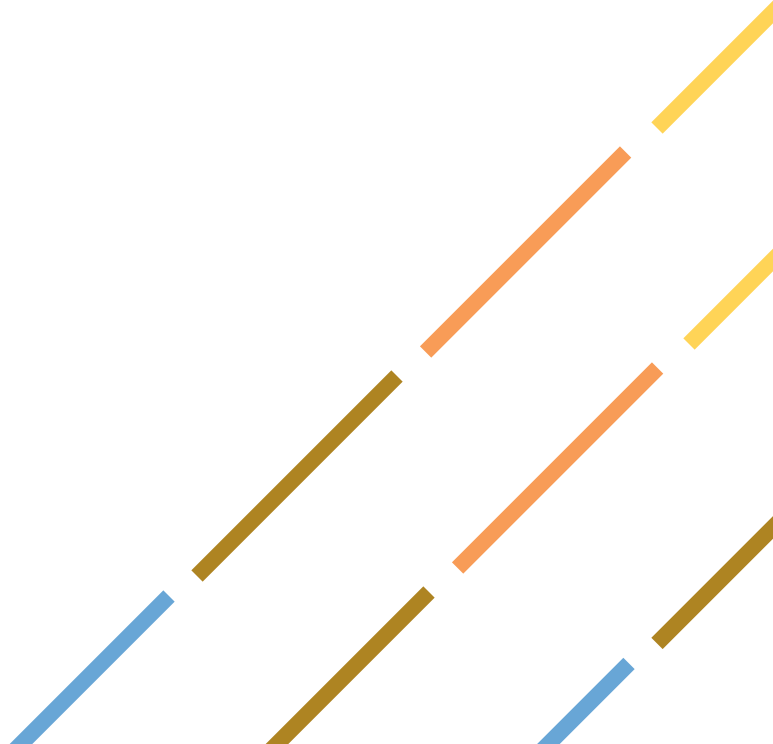
October 30, 2020

Diane deCordova — co-founder Adelaide

Tom Triscari — founder Lemonade Projects



Lemonade Projects



What is a lemon market anyway?

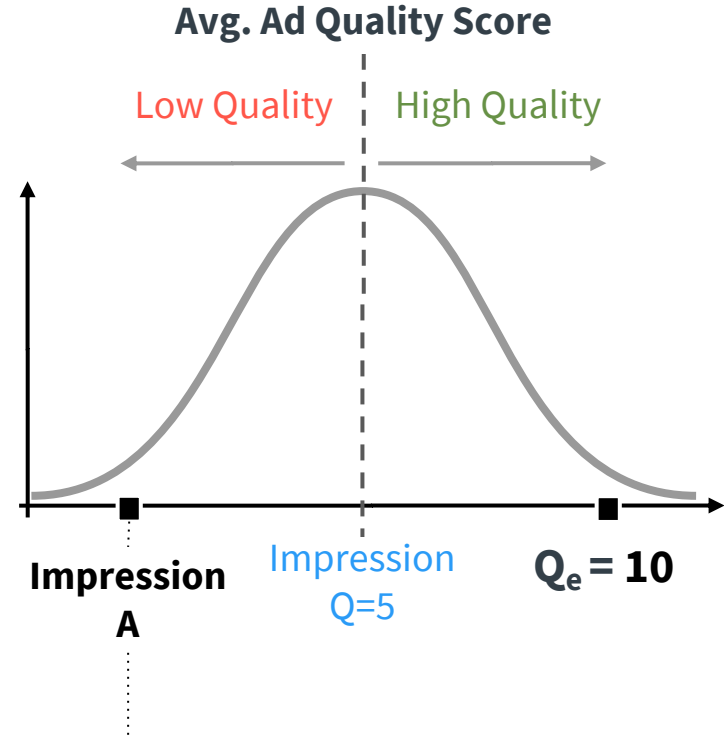
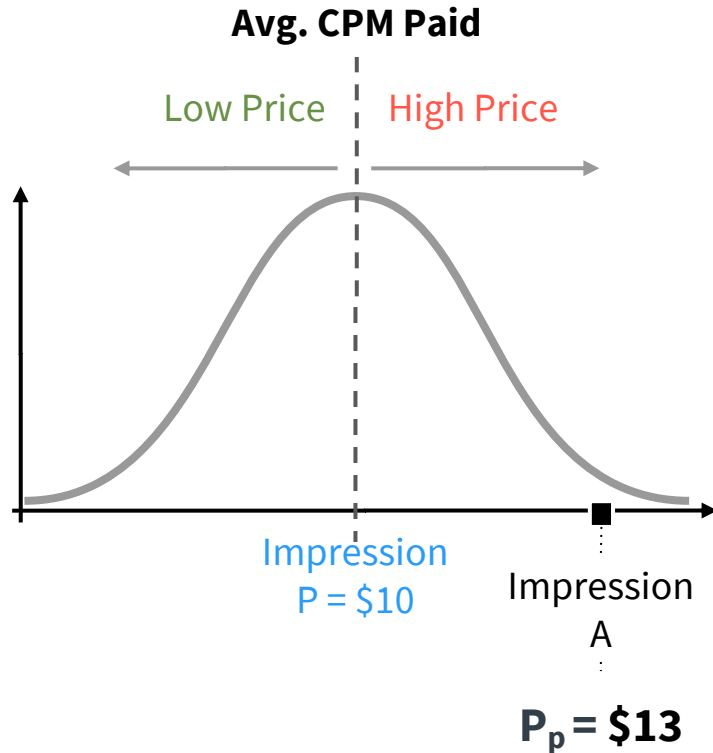


George Akerlof

"The Market for Lemons: Quality Uncertainty and the Market Mechanism" (1970).

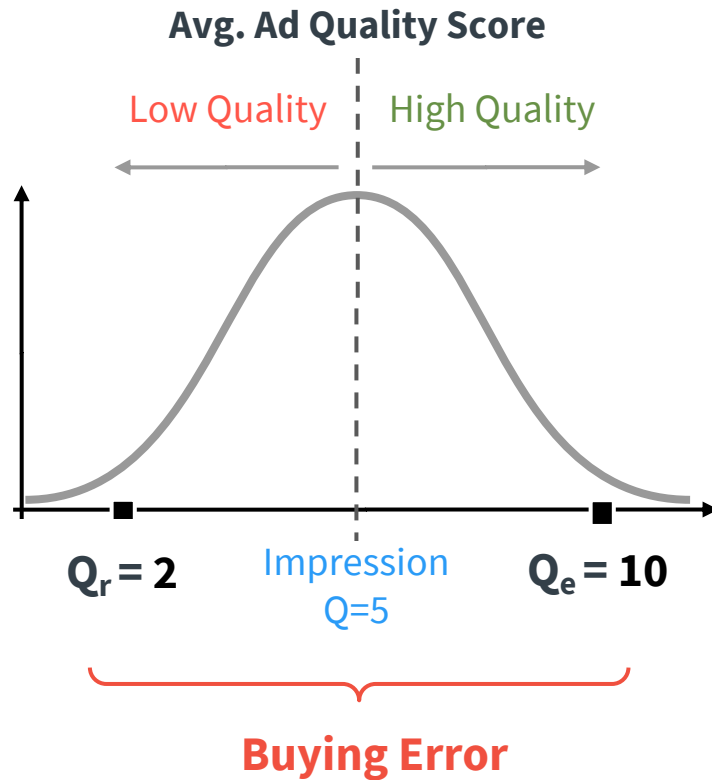
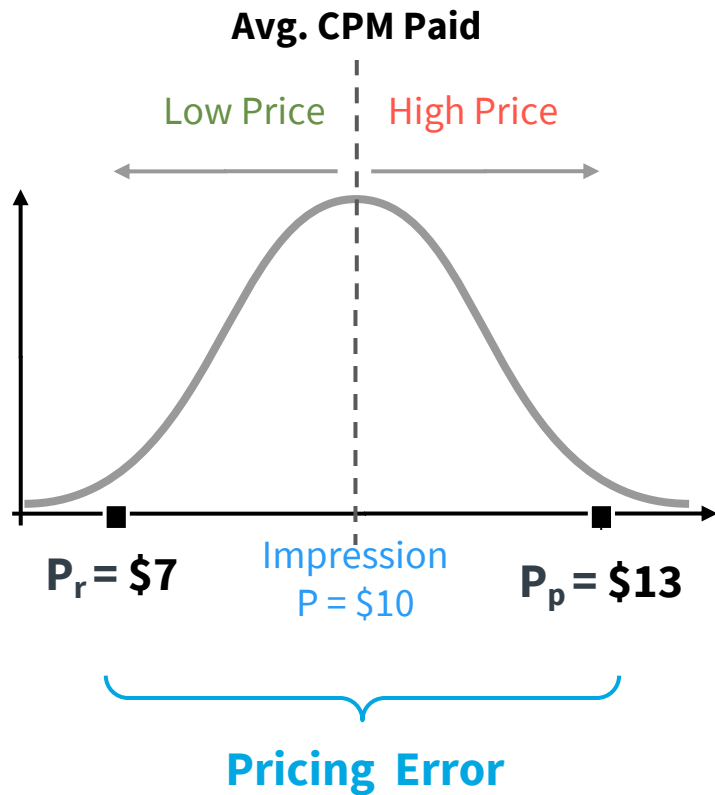
A lemon market is when a buyer has **little or no information** about the quality of good BEFORE buying, but the seller does, and has no incentive to share it.

Programmatic Lemon Market



If $Q_p = 2$, then $P_r = \$7$

Programmatic Lemon Market



Programmatic Lemon Market



Past Precedent



**2016
AdExchanger**

Andrew Shebbeare

- Founder Essence Digital (WPP)
- LSE Graduate



**2017
AdExchanger**

Nico Neumann

- Professor University Melbourne
- Northwestern MBA

“Credible Mechanisms” 2019

“One view might be that if you give bidders very little information, maybe you can trick them into bidding more.”

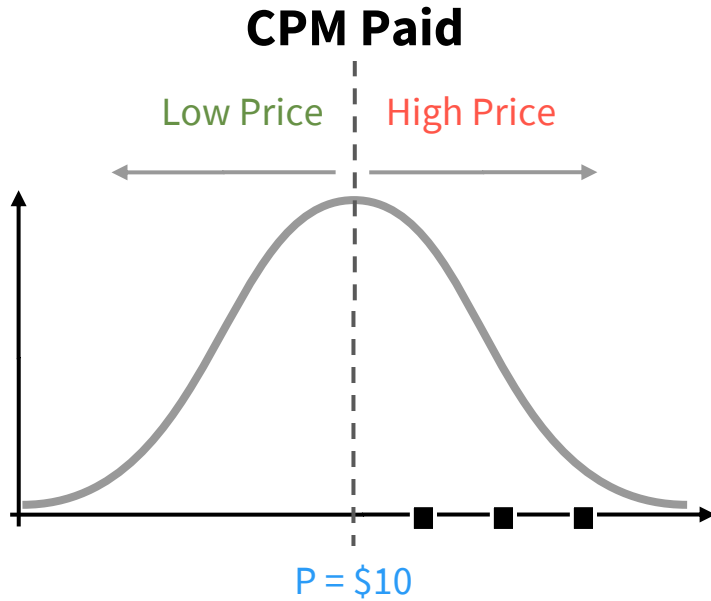


Mohammad Akbarpour
- Stanford Economists



Shengwu Li
- Harvard Economists

Ad Quality Data Is Not Directly Observable



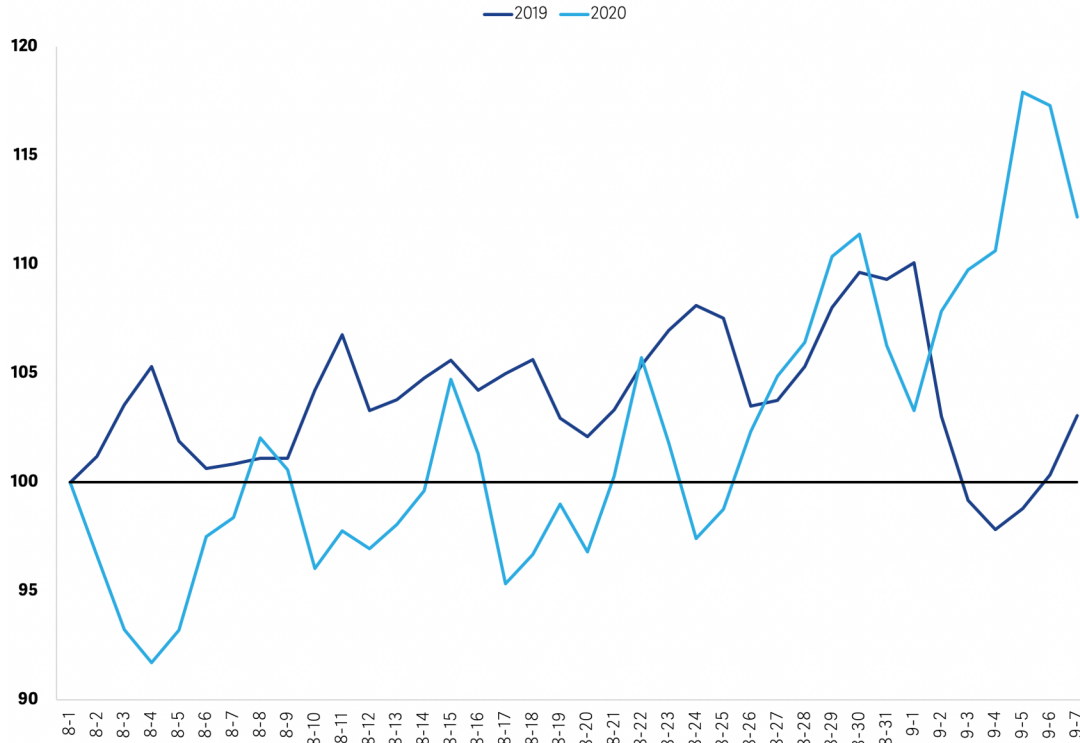
Observable in DSP and SSP



Hard to observe in nature

Pricing Data is observable in DSP or SSP platform (or logs)

CPM (INDEX TO AUG 1)



Source: Index Exchange Newsletter

Advertiser Level

- Platform reports
- Log data
- Bid data

Market Level

- DSP
- SSP
- Adelaide

Log

Advertiser Cost \$1.50

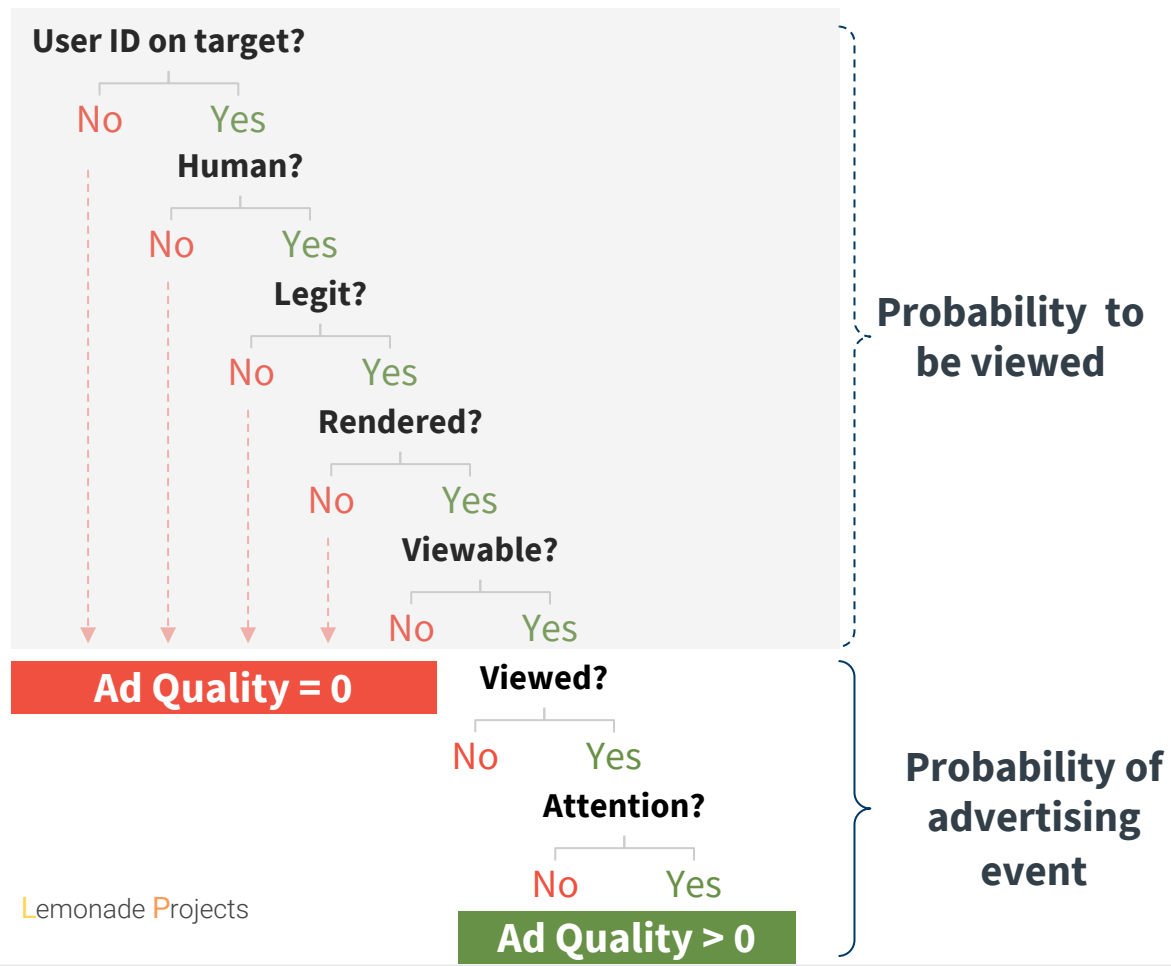
DPS tech fee
Audience data
Service fees

Media Cost \$1.20

Bid

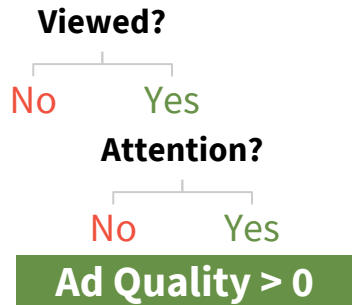
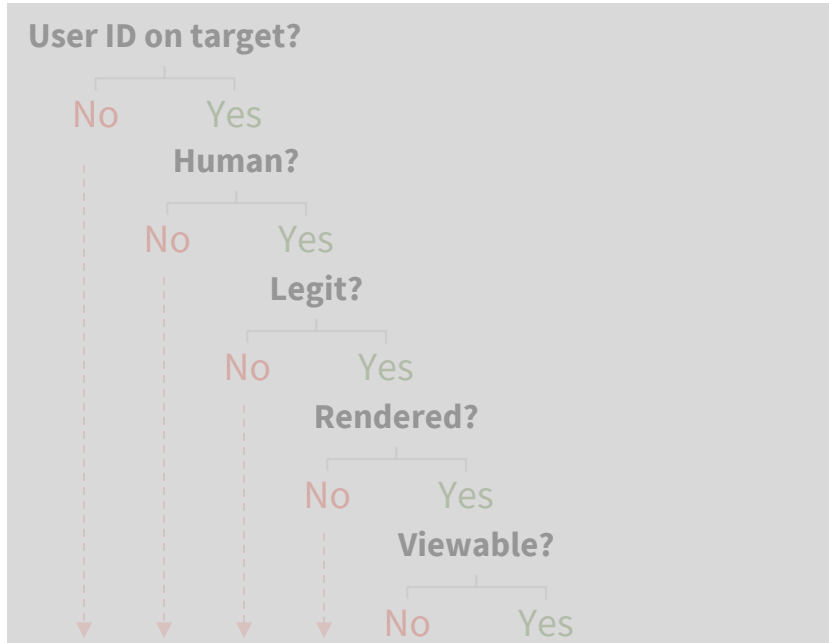
Clearing Price \$1.00

Ad Quality probabilities are hard to observe



Attention Metrics
transcend ad quality probabilities.

Ad Quality probabilities are hard to observe

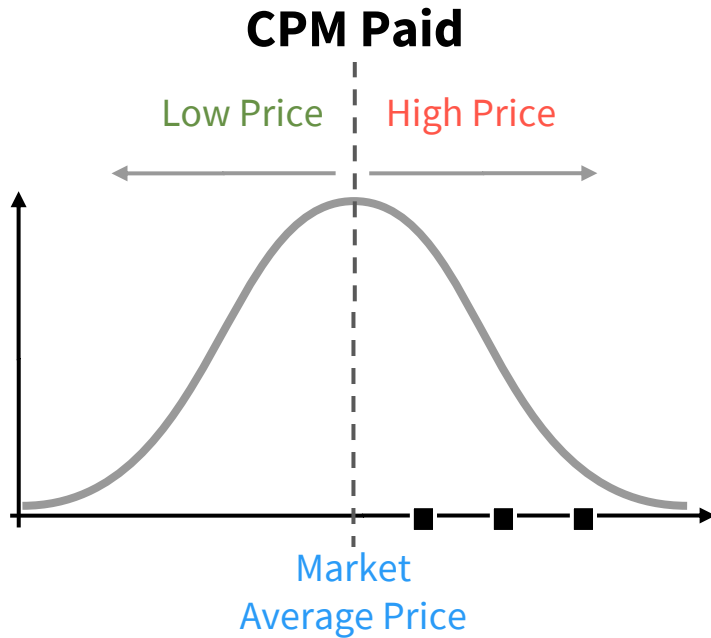


Incremental Lift

If you buy **and price** ad quality correctly, then the chances of ads capturing consumer **attention** $> 0\%$.

If you capture consumer attention, then the chances of gaining **incremental lift** > 0

Lemon Market Analysis with **Attention Metrics**

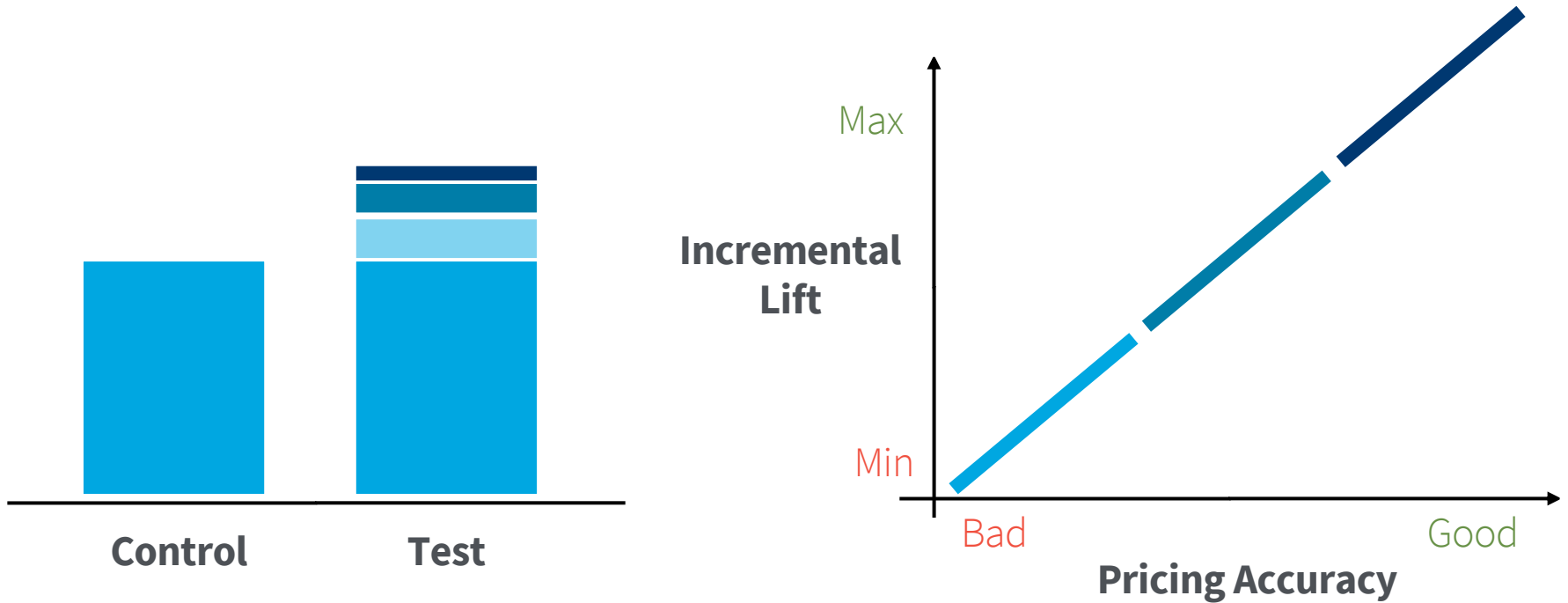


Observable in DSP and SSP



Observable

Lemon markets analysis → short-cut to incrementality



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Q&A

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