

DIGITAL MARKETING GLOSSARY



MARKETING
PLAN. MEASURE. OPTIMIZE.

IMPRESSIONS

Each time your ad is displayed on a webpage, that's counted as an impression. Often, the term is used in the world of paid online ads. Note, "impressions" are a universal term that is used in traditional channels like TV and radio. A CPM (cost-per-thousand-impressions) is one of the metrics used to compare the cost efficiency of channels used in awareness campaigns.

SEARCH IMPRESSION SHARE

Search impression share is your ad's impression share on a search network. According to Google, a search network is "a group of search-related websites where your ads can appear," including Google search results, Google apps such as Maps and Shopping, and on Google search partners' websites. If you're not looking to spend more on your campaign, another way to improve search impression share is to focus on the quality score, target, bid, and conversion rate of your ads. These metrics gauge the effectiveness of your ad and improving them will lead to more engagement.

VIEWABLE IMPRESSIONS

Viewable impression tracking can identify user behaviors that prevent ad viewing, including:

- Ad-blocking software
- Screen resolutions are too small for the ad to appear onscreen.
- Users scroll down before the requested ad has loaded.
- Broken plug-ins prevent content display.
- Mobile incompatibilities such as desktop-only websites.
- Minimized browser windows.
- User movement between different applications.
- Pages loaded in background tabs then never accessed.
- Non-user interference, like malware cloaking ads

CTR (CLICK-THROUGH-RATE)

This is the number of clicks divided by the amount of impressions. This number is the "average".

CPM (COST PER THOUSAND IMPRESSIONS)

This is the cost per thousand impressions served.

CPC (COST PER CLICK)

The cost per click on an ad.

CONVERSION

The "specific action" can be anything from opening an email, to signing up for a demo, to making a purchase.

CONVERSION RATE

Conversion rates are calculated by simply taking the number of conversions and dividing that by the number of total ad interactions that can be tracked to a conversion during the same time period. For example, if you had 50 conversions from 1,000 interactions, your conversion rate would be 5%, since $50 \div 1,000 = 5\%$.

COST/CONVERSION (COST PER LEAD)

The formula for cost for conversion is simple: It is the total cost for generating the traffic divided by the number of conversions. For example, suppose that an ad campaign costs \$100 for 100 views and at the end of the campaign, it yielded five conversions. In that case, the formula is $CPC = \$100/5$ which results in \$20 per conversion.

CAC (COST TO ACQUIRE A CUSTOMER)

Customer acquisition cost (CAC) tells you the average cost of acquiring a customer. You can calculate CAC using this formula: $\text{sales and marketing expenses} \div \text{total number of customers} = \text{CAC}$

CLV (CUSTOMER LIFETIME VALUE)

Customer lifetime value (CLV) tells you the amount of revenue a customer generates for your business. CLV is sometimes referred to as lifetime customer value (LVC). There are a number of different ways to calculate CLV, but here's one of the simplest: $\text{average purchase amount} \times \text{frequency of purchases} \times \text{customer lifespan} = \text{CLV}$

SEM (SEARCH ENGINE MARKETING)

Search engine marketing (SEM) is the process of increasing the amount and quality of traffic to your website using SEO and paid advertisements. In simple terms, $\text{SEO} + \text{paid search results} = \text{SEM}$.

SEO (SEARCH ENGINE OPTIMIZATION)

The process of increasing the amount and quality of traffic to your website from unpaid web search results. The "unpaid" part is important; SEO excludes paid search.

SEO (SEARCH ENGINE OPTIMIZATION)

Search engine results pages are web pages served to users when they search for something online using a search engine, such as Google. The user enters their search query (often using specific terms and phrases known as keywords), upon which the search engine presents them with a SERP.