**Digital Advertising Glossary** \*

Ad Blockers – Ad blocking software filters content and blocks ads on a web page that loads on a browser. The software targets ads like pop-ups, banner ads, sticky ads, interstitial ads, or auto-playing videos to allow users surf the web without distractions or interruptions in their browsing experience.

Ad Completion - An ad completion occurs when a video ad plays through to the end.

Ad Exchange - Anad exchangeis a technology platform that facilitates the programmatic buying and selling of media advertising inventory from multiple sources. Prices for the inventory are determined through real-time bidding (RTB).

Ad Fraud - Ad fraud is when a company knowingly serves ads that no one will actually see in order to drive views and revenue. For example, a website can use bots to automatically refresh its pages in order to register a high number of page views and appear more attractive as a source for inventory on programmatic exchanges.

Ad Tags – Ad tags are lines of code in an ad space on a website that specify the location of a file, image, or video so that that content can be found and served in the ad space.

AI – Artificial intelligence (AI) is an area of computer science that emphasizes the creation of intelligent machines that work and react like humans. Some of the activities computers with artificial intelligence are designed for include speech recognition, learning, planning, writing articles, and problem solving,

Algorithm - An algorithm is a step-by-step method of solving a problem and is commonly used for data processing, calculations, and other related computer and mathematical operations. An algorithm is also used to manipulate data in various ways, such as inserting a new data item, searching for a particular item or sorting an item.
Ad Network – An ad network is a company that connects websites with advertising to sell, then aggregates that ad inventory for advertisers to buy, usually on programmatic exchanges. Ad networks are often organized by demographics (women 18-49) or interest (sports).
AMP – Accelerated mobile page project initiated by Google in attempt to standardize the technology that will allow pages, apps, and ads to load faster on smartphones.

AOR – Agency of record is the advertising agency authorized to purchase advertising on behalf of a company with which they have an agency contract. There could be an AOR for planning media or an AOR for buying media.
API - An Application programming interface is a set of routines, protocols, and tools for building software applications. An API expresses a software component in terms of its operations, inputs, outputs, and underlying types.
Ad Server - A company whose software technology distributes ads to websites and then reports on how the ad performed.

Ad Tech - Ad tech, short for advertising technology, refers to all technologies, software, and services used for delivering, controlling, evaluating, and targeting digital ads.

Auction – Buying ads on Google, Facebook, or programmatically based on a real-time bid-and-ask process. There are two prevalent types of auctions: Google features a second-price auction in which the winner of an online auction pays the price the second-place bidder bid plus one cent, and a first-price auction such as in header bidding in which the winner pays the price that was bid.

Audience Extension - Audience extension is a process used in advertising technology that attempts to expand a target audience’s size while ensuring relevancy and maximizing engagement. The extension process takes a known audience segment and catalogs various shared characteristics that can be used to target people who bear similarities and are therefore likely to become customers.

Augmented Reality – Is an enhanced version of reality created by the use of technology to overlay digital information on an image of something being viewed through a device (such as a smartphone camera or screen).

 Behavioral Targeting - Behavioral targeting is a technique used by advertisers and publishers to utilize a user's previous web browsing behavior to customize the types of ads that are served.

Bid Shaving – In March, 2019, Google announced it was switching from a second-price auction model on its exchange and ad server to a first-price auction model. Google will switch its bid models by the end of 2019 in all areas where it does not control the end-to-end buying experience. In a first-price auction, buyers can use bid-shaving algorithms to ensure that they do not overpay.

Blockchain - A blockchain is a distributed database consisting of a ledger of transactions that is shared across a network of computers. The records that networks accept are added to a unique block of data assigned a person, company, or organization. Each block contains a unique code called a hash.

Bot - A software application that runs automated tasks that are usually both simple and structurally repetitive and at a substantially higher frequency than would be possible for a human or group of humans. In 2018 approximately 52 percent of Internet traffic comes from bots.[[1]](#footnote-1)

Bounce Rate – A bounce rate is the percentage of visitors to a website who leave the site without visiting a second page.

Brand Lift - The increase in effectiveness measurements (for example, message recall) between respondents who did not view the ad and those who did.

Bumper Ad – Six-second video ads are sometimes referred to as Bumper Ads.

Byte – A group of binary digits or bits, typically eight, that operate as a single unit. A byte is the smallest unit of a computer memory. A *kilobyte* is 1,024 bytes. A *megabyte* is one thousand kilobytes, or a million bytes. A *gigabyte* is 1,024 megabytes, or a billion bytes. A *terabyte* is 1,024 gigabytes, or a million million bytes. A *petabyte* is 1,024 terabytes. An *exabyte* is 1,024 peatabytes or a billion billion bytes. A *zettabyte* is 1,024 exabytes, or mathematically ($10^{21}$). A *yottabyte* is 1,024 exabytes, or mathematically ($10^{24}$).

Chatbot – A particular type of bot that is used most often by marketers to communicate with and respond to questions from customers, typically in an online or mobile environment.

Click Fraud - Clicks on an ad that are generated falsely, either by humans or artificially by a bot with the intention of creating a click on an ad that causes an advertiser to pay even though the click is not real. Indicators of click fraud are an unusual and sudden spike in clicks from the same IP address.

Connected TV - Connected TV refers to any television set that is connected to the Internet and can access content beyond what is available via the normal offering from a cable provider.

Contextual Targeting - A form of targeted advertising that appears on websites, mobile browsers, or other ad-supported devices. Ads are selected and served by automated systems according the demographic, behavioral, and life-style profile of an online user and based on the content displayed.

Cookie - A cookie is message given to a web browser by a web server. The browser stores the information in a small text file on the browser. The information is then sent back to the server each time the browser requests a page from the server.

CPA – Cost per acquisition is the price paid by an advertiser to a publisher when a user takes an action as a result seeing an ad such as opening an account or purchasing a relatively expensive product or service.

CPC - Cost per click is the price paid by an advertiser to a publisher or platform for a single click on an ad. The vast majority of Google search ads are CPC.

CPCV - Cost per completed view, or the price paid by an advertiser to the publisher once a video has been viewed through completion.

CPE – Cost per engagement. With the CPE bidding strategy impressions are free and advertisers only pay when users actively engage with ads (for example, when they click, watch, roll-over, or take another similar action).

CPI – Cost per install is a pricing method that only charges when an app is downloaded.

CPM – Cost per mille (thousand), or cost-per-thousand impressions. With a CPM pricing method an advertiser pays a set price for every thousand impressions served regardless of any action taken by users. Digital video ads, television, cable, and radio are typically purchased on a CPM basis.

CPP – Cost per (rating) point. Spot and network television are often purchased on a cost-per-point basis, with one rating point equal to one percent of a target population. For example, the CPP of a one rating of women 18-49.

CPV – Cost per view is a pricing method in which advertisers pay for each time their video is played.

CTR – Click through rate is the number of clicks an ad receives divided by the number of impressions an ad has. A CTR of greater than 2 percent is considered very good.

Data Aggregator – A company, similar to a DMP, that aggregates second- and third-party data from various sources and then sells it to marketers typically as a data resource for a programmatic buy.

DMP – A Data management platform is a data warehouse in which first-party, second-party, and third-party data are often combined with data such as cookies (browsing data), IDs, demographic, life-style, and other data. These melded data sets are stored and then used to generate audience segments, which in turn, are used to target specific users with digital ads.

Daypart - Traditionally used for television and radio buying. Dayparts are blocks of time that divides the day into segments (for example, prime time, or 8:00-11:00 p.m. EST and PST, 7:00-10:00 p.m. CST and MST).

Deal ID - A unique piece of code assigned to an automated ad buy, used to match buyers and sellers and based on a variety of criteria negotiated beforehand.

Diginet – Diginets got their start due to the availability of extra channels when high-definition television came online, and they have grown due to the unexpected rise of so-called cable television cord-cutters and cord-nevers. Instead of subscribing to expensive cable packages, people who abandon their cable subscription pair inexpensive over-the-air antennas with over-the-top streaming subscriptions and get programs from MeTv, This TV, Cozi TV, Bounce, Escape, Grit, and Laff.[[2]](#footnote-2)
DTC – Direct-to-consumer marketing. More and more consumer package goods (CPG) companies are using DTC marketing to sell directly to consumers. Dollar Shave Club and Warby Parker are examples of DTC companies. Also referred to as B2C-D, or business-to-consumer direct marketing.
Display Advertising - A form of non-video online advertising where an advertiser‘s message is shown on a web page, generally set off in a box at the top or bottom or to one side of content of a page
DMA - Designated market areas are defined by Nielsen. DMAs divide the country into different regional markets by population centers that are within approximately a 75-mile radius from television station antennae. For example, the San Francisco Bay Area DMA, which includes towns such as Oakland and San Jose.
DOOH - Digital out-of-home advertising is out-of-home advertising on displays (screens) that reach consumers when they are on the go, such as on the streets, on in commercial locations, or in waiting areas.
DSP - Demand-side platforms consist of automation software that allows advertisers to buy ads across a range of publisher sites through online programmatic exchanges. DSPs facilitate advertisers being able to target and optimize trillions of impressions without having to negotiate in person with hundreds or thousands of media salespeople.

DVR – A Digital video recorder is attached to a cable box and records selected programs for later viewing.

DAI - Dynamic ad insertion expands advertising opportunities by allowing advertisers to serve ads that can be swapped in and out of video-on-demand content depending on the profile of a user.

eCPM - Effective cost per mille (thousand) is calculated by dividing the revenue generated by an ad campaign by the number of ad impressions of that campaign expressed in thousands.

Fill Rate - The ratio of ad requests that are successfully filled on a website or in an app in relation to the total number of ad requests made, expressed in a percentage.

First-party data - Data directly collected by a marketer, typically through e-commerce sites, in retail stores, and on company websites about the actions users take while on that site.

First-Price Auction – When buying programmatically or on an online auction, an advertiser with the highest bid for an impression wins the bid and pays the price it bid.

Flooring Strategies – Publishers often use a flooring strategy to make sure they price the inventory they put up for sale programmatically on an exchange has a minimum price they will accept. Publishers set a floor price on their SSPs (Sell-side platforms.)

Freemium - A freemium product is a simple, bare-bones product that is made available free. The hope is that when consumers try the product, they will like it, and will be willing to pay for a premium model with lots more features.

Frequency - The average number of times an ad is delivered to an average user in a specified time period. For example, weekly frequency or monthly frequency.

Geotargeting - Showing ads to people based on their mobile device’s location, ZIP code information they submit when registering on a site, or GPS coordinates collected by a website.

GRP - Gross rating point is the standard currency that broadcast television has used to plan, purchase, and measure advertising campaigns since the 1950s. GRPs are calculated by adding up the target demographic rating points of each commercial in a TV schedule.

GUI – Graphical user interface is a form of user interface that allows users to interact with electronic devices through graphical icons and visual indicators such as secondary notation, instead of text-based user interfaces, typed command labels, or text navigation.

Hashing - Hashing is an encryption process to secure untampered message transmission on data transactions such as on blockchain. A math formula on the sender’s side generates a unique hash number based on the message, then the hash is encrypted and transmitted along with the message itself. After the data package is received, the receiver generates another hash number and if this matches with the encrypted hash, there is a high probability that the original message has been transmitted intact.

Hashtag – A name or phrase on Twitter preceded by a #. People can follow hashtags and get all the Tweets posted on that hashtag, such as #MeToo.

Header Bidding - Header bidding is a method of buying inventory programmatically by means of an auction conducted by publishers outside of their primary ad server, which allows advertisers to cherry-pick high priority, or premium, impressions. Advertisers will only win impressions in the header auction if their bids are high enough.

Index – An index of users of a product is a percentage that shows how much more or less of a product a group of users use than the average user (100 percent) does. Thus, an index of 137 means that the identified group of users use 37 percent more of the product than the average group of users do. An index of 80 means that the identified group of users use 20 percent less of the product than the average group of users do.

In-Stream - An ad that appears within a piece of content. For example, a pre-roll ad attached to a YouTube video or a Promoted Tweet in a Twitter feed.

Insertion - Actual placement of an advertisement, digital or otherwise, as recorded by an ad server.

Insertion Order (IO) – A purchase order, or contract, between a seller of advertising and a buyer, typically sent via email.

Interactive In-App Pre-Roll - Video ads containing rich media or interactive functionality running in-app on smartphones or tablets. Interstitial ads playing in-app expand to full screen unless viewer exits.

Interactive Pre-Roll - In-stream video ads that play before video content and feature interactive and rich media elements, such as overlays, video galleries, microsites and/or zip code locators.

Interconnect - An interconnect is a sales organization that is created by two or more cable MSOs and MVPDs in a DMA – a market area designated by Nielsen – that aggregates local cable commercial inventory from cooperating video distributors to make it easier to purchase a large swath of the local cable households within a DMA. For example, the San Francisco interconnect includes Direct TV, AT&T U-verse Dish, Comcast, and Altice.

Interstitial Ad – An interstitial is an ad that covers the interface of its host app and is typically displayed at natural transition points in the flow of an app, such as between activities or during the pause between levels in a game.

IPTV – Internet protocol television is television delivered over the Internet via a privately managed network such a FiOS or AT&T U-verse. IPTV is generally of higher quality than Internet-based streaming services such as Netflix, which are delivered directly to a TV set and at times viewers see the spinning circle indicating buffering.

KPI – A Key performance indicator is a measure of how effectively a company is achieving important, predetermined business objectives.

Last Look – A last-look strategy gave preferred buyers and Google itself the privilege that after an online auction was completed, Google itself or one of its preferred advertisers could pay a penny more than an ostensibly winning bid to buy an impression. This practice stopped when Google went to a first-bid auction model on it non-controlled inventory.

Leaderboard – A standard IAB-defined 728x90 ad unit that stretches across the top of a screen.

Linear TV - Live television that is watched as scheduled; stands in contrast to pre-recorded or video on demand (VOD) television.

LUMAscape – Graphic representations of the crowded, complex ecosystems of the ad tech, display, video, and mobile advertising, which can be found at <https://lumapartners.com/content/lumascapes/display-ad-tech-lumascape/>.

Machine Learning - Machine learning is a method of data analysis that automates analytical model building. It is a branch of artificial intelligence based on the idea that systems can learn from data, identify patterns, and make decisions with minimal human intervention.

Makegoods – Makegoods are additional ad impressions which are negotiated in order to make up for a shortfall of impressions delivered versus the commitments agreed upon in an IO.

Medium Rectangle - A standard IAB-defined 300x250 ad unit that typically appears at the top right area of a screen.

Message Recall - A measurement used to evaluate an ad’s effectiveness in driving a viewer’s ability to remember a brand or the message it intended to communicate. Typically measured using a survey methodology.

Mid-Roll – A form of online video ad placement where the ad is played during a break in the middle of the content video.

Mobile Pre-Roll - Video ads running on smartphone or tablet devices where the ad is played before video content begins. Can be in-stream or in-app.

MRC - The Media Rating Council, a body whose mission is to insure that audience measurements by companies such as Nielsen and comScore are valid, reliable, and effective.

MVPD – Multichannel video programming distribution is a service that provides multiple television channels such as a cable or satellite television service like Comcast, DirecTV, DISH, Spectrum, or Cox, which were often formerly known as cable operators or multi-system operators.

Open Exchange - A digital programmatic advertising marketplace for aggregated inventory from multiple partners where buyers can bid programmatically to purchase impressions and that is open to all buyers.

Opt In - Refers to a consumer giving a company permission to send marketing emails or to use data collected from or about the consumer in order to market the company's products and services.

Optimization – Algorithms automatically analyze the performance of different versions of an ad and then only serve the best performing versions. For example, if one version of an ad has a blue background and another has a yellow background, and more people click on the ad with the blue background, the algorithm will henceforth serve only the blue-background ad.

OTT – Over the top refers to content accessed via the Internet without the involvement of a television service provider. OTT includes subscription video on demand (SVOD) services such as Netflix and Hulu.

Page Request - The opportunity for an HTML document to appear in a browser window as a direct result of a user's interaction with a website.

PII - Personally identifiable information is digital information that can be used, on its own or together with other information, to attribute online activity to a specific individual.

Pixel - A pixel is the smallest unit of a digital image or graphic that can be displayed and represented on a digital display device such as on a smart phone screen. Pixels are combined to form a complete image, video, text, or anything visible on a screen. A pixel is also known as a picture element.

PMP – A Private marketplace in which publishers invite selected buyers to bid on their inventory which gives advertisers more knowledge of and control over the environment in which their ads appear even though it is more expensive than inventory bought in a open exchange.

Pod – A pod is a series of commercials, sometimes as many as eight or nine, grouped together back to back on broadcast and cable television. The first position in the pod is considered to be the most valuable, and many advertisers are willing to pay a premium to get this desired placement.

Post-Roll Ad - A video ad that appears after video content plays.

Pre-Roll Ad - A video ad that appears directly preceding any video content that subsequently plays.

Programmatic Ad Buying - The use of automation software to purchase digital advertising on a digital platform that enables an advertiser to reach the right person, at the right time, in the right place, and at the right price in a real-time auction environment. Programmatic buying allows advertisers to create complex media plans easily by means of automation and to implement, manage, and optimize ad campaigns seamlessly.

Programmatic Direct – A programmatic ad buy done directly between a publisher and advertiser, not through an open ad exchange, and on an invitation-only basis and which gives advertisers access to premium inventory.

Programmatic Guaranteed - Is a programmatic deal negotiated in advance between a publisher and a buyer with a fixed budget amount, guaranteed impressions delivery, and guaranteed CPM pricing.

PTV - Programmatic TV is a technology that enables brands and agencies to buy TV ads programmatically. Television sets must be attached to a cable box and the ads inserted by local systems in local ad breaks.

RTB – Real-time bidding is programmatically buying and selling of digital ad impressions through real-time auctions that happen within milliseconds.

Remarketing - Remarketed ads are a form of digital targeted ads that are served to people who have already visited a website, looked at, or bought a product.

Reward Video – Video ads that give people who view an entire video ad with some kind of reward such as coins or an extra life in a game. Completion and engagement rates on reward videos are extremely high.

Retargeting - Same as remarketing.

RON – Run of network is the scheduling of digital advertising by an ad network that positions ads across the sites it represents at its own discretion.

ROS – Run of site is the scheduling of digital advertising by a website for ads that run places the ads at its discretion, often at a lower cost to an advertiser than purchasing of specific site positions.

Satellite TV - Television from providers such DirecTV that sends encrypted signals by a satellite via radio waves to a set-top box.

Scatter Market – Buying network television advertising in the same quarter that the advertising will run.

Second-Party Data - When a marketer makes its first-party data available to another company which then uses it to target its advertising. For example, a retailer such as CVS makes its data available to P&G so the P&G can target its add more effectively based on purchase behavior.

Second-Price Auction – Google’s bid model for all its products where it controls the end-to-end buying experience, such as on YouTube, Google Search, AdSense for Search and other Google properties. In a second-price auction if an advertiser wins an online bid for an impression with a bid of $10 and the second place bid was $3.00, the advertiser does not pay $7, but pays what the second-place bidder bid plus a penny, or $3.01.

Sell-Through Rate - The percentage of a publisher’s ad inventory that is sold.

Set-Top Box - An electronic device that connects to a television set that provides connectivity to the Internet, game consoles, or cable systems.

Skippable Pre-Roll - In-stream video ads that allow viewers to skip ahead to non-advertisement video content after playing for a few seconds, especially on YouTube.

Skyscraper - A tall, thin online standard IAB-defined160x600 ad unit on the right side of a screen.

SOV - Share of voice is a single brand’s percentage of the total advertising spend in a category over a specified time period. For example, Chevrolet might have a 20 percent SOV of all automotive advertising in the first six months of a year.

SPO – Supply path optimization is a strategy used by programmatic buyers and that helps them grapple with resellers and duplicate auctions. SPO helps programmatic buyers find the best route to getting a fair price for online inventory.

Spot television (or radio) – Spot television or radio means buying on a market-by-market basis. For example, a spot television campaign might include the top-25 markets, or a select group of Northern U.S. markets in two winter months to advertise snow chains for tires.

SSP – A supply-side platform is software used by publishers to sell advertising programmatically. SSPs also assist publishers evaluate, price, and manage their ad inventory in order to maximize revenue.

Standard Pre-Roll - In-stream video ads that play before video content plays.

Target Audience - The intended audience for an ad, usually defined in terms of specific demographics (age and gender) and psychographics (interests, lifestyles), and online behaviors.

Tech Tax – Tech tax refers to the additional costs marketers pay to middlemen such as trading desks, DSPs, DMPs, ad exchanges, and second- and third-party data for buying ads programmatically. Some estimates indicate that of $100 spent on a programmatic buy that only $50 or less winds up with an online publisher; the other $50 is the tech tax, or the cost of executing the buy and purchasing data for targeting the ads.

Third-Party Ad Server - Independent companies that utilize software platforms that serve digital ads and manage, store, track, and analyze the data for online advertising campaigns.

Third-Party Data - Information that an established data company collects indirectly or aggregates from others and then sells to ad buyers.

Trading Desk - A trading desk is a dedicated team of people within an agency or client organization that executes programmatic media buying.

UDID – Is a line of code that identifies a unique user or device that is assigned to that device or user and that lasts until the device is reset or the account is deleted.

Upfront Market – Buying television advertising in May in programs that will run the following fall. In return for making commitments five months before programming airs, advertisers receive discounts from what they would pay in the Scatter Market and guaranteed ratings and CPMs.

VAST – A Video ad-serving template is a universally used XML code tag used for serving ads to digital video players.

vCPM – A viewable CPM is cost-per-thousand for viewable ads served. The calculation for vCPM is CPM divided by a viewability rate.

Viewability - Viewability is a metric that addresses an ad's opportunity to be seen by a viewer.

Viewable Completion - When a video is viewable at the end of ad play.

Viewable Impression - As defined by the Media Ratings Council, a viewable video impression is one where 50 percent of a video player’s pixels are in view in an active browser tab for any two consecutive seconds.

Virtual Reality – A computer-generated simulation of a three-dimensional image or environment that can be interacted with in a seemingly real or physical way by a person using special electronic equipment, such as a helmet with a screen inside or gloves fitted with sensors.

Voice Assistant – A voice assistant is an AI-driven system consisting of software that recognize voice commands and responds. Amazon’s Alexa and Apple’s Siri are examples of voice assistants.

VTR - View-through rate is a measurement of how many people saw an ad and eventually visited the website advertised in the ad.

Widget - A widget is an element of a graphical user interface (GUI) that displays information or provides a specific way for a user to interact with the [operating system](https://whatis.techtarget.com/definition/operating-system-OS) or an [application](https://searchsoftwarequality.techtarget.com/definition/application). Widgets include icons, pull-down menus, buttons, selection boxes, progress indicators, on-off checkmarks, scroll bars, windows, window edges (that let you resize the window), toggle buttons, form, and many other devices for displaying information and for inviting, accepting, and responding to user actions.

Yield - The percentage of clicks versus impressions on an ad within a specific page. Also called referred to as ad click rate.

Yield Management - Yield management is AI-type software, often included in a publisher’s SSP, that assists a publisher identify, manage, package, and price ad inventory in order to maximize revenue based on current demand for that inventory.

Zapping – The practice of changing television channels by means of a remote control device to avoid commercial interruptions.

Zipping – Fast-forwarding through commercials during the playback of programs on a DVR device.

\* This glossary has been expanded on and adapted from Tube Mogul’s “Ad Glossary.” Retrieved from <https://www.tubemogul.com/glossary/>.

1. Fisher, Sarah. “Most Internet Traffic Comes From Bots.” Retrieved from <https://www.axios.com/most-internet-traffic-comes-from-bots-fake-news-31f25b93-eedf-4abb-b7cf-7656d9263272.html> [↑](#footnote-ref-1)
2. Albiniak, Page. 2018. TV Technology. Retrieved from <https://www.tvtechnology.com/news/diginets-come-of-age> [↑](#footnote-ref-2)