

ADVANCING DIGITAL AD STANDARDS AND “WALLED GARDEN” UPDATE

**Market Research Council
December 15, 2017**



Agenda

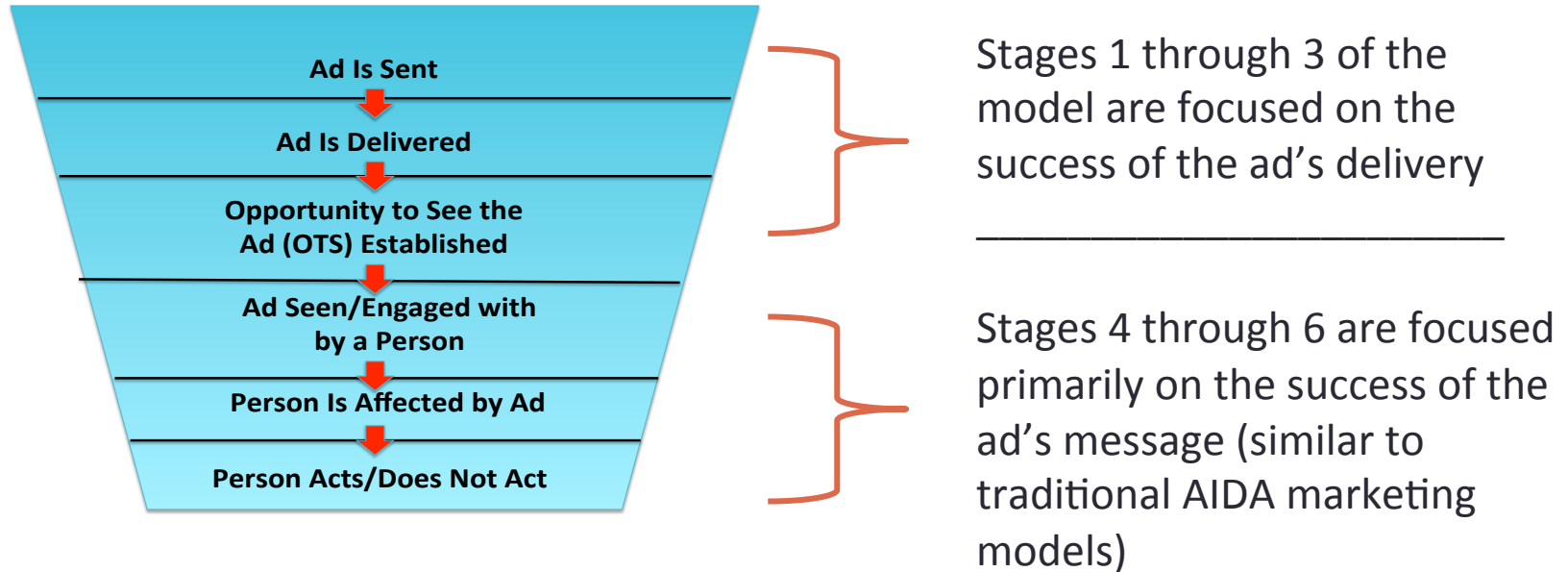
1. **MRC Background**
2. **Advancing Standards – 3MS Year in Review**
3. **Our Status with the Large Digital Enterprises (a.k.a. “Walled Gardens”)**
4. **Time Permitting – What’s Next for MRC:**
 - **Brand Safety**
 - **Programmatic**
 - **Data Sources**

The Media Rating Council: Background

- Formed at Request of US Congress in the Early 1960s
 - Established CPA Structure
 - Railroad Release
- MRC Areas of Focus
 - Setting Measurement Standards
 - Managing Change and Fostering Quality
 - Accrediting Products that Comply with Standards
 - Addressing New and Diverse Accreditation Demands
 - Educating Members on Best Practices
 - A Growing Level of International Influence

3MS Year in Review

A Model of the Digital Advertising Process



MRC's Initial Efforts with Have Centered on Creating Digital Measurement Metrics that More Effectively Measure The Delivery of an Ad to a Person.

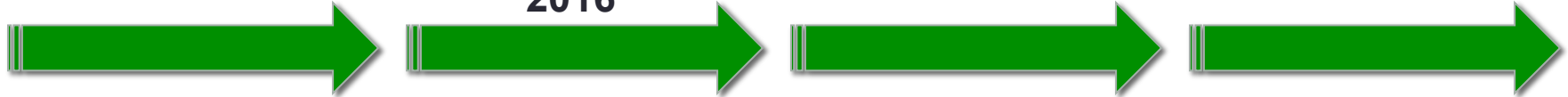
The MRC/3MS Digital Measurement Evolutionary Path

Prior to
June 2014

Our Work
through
December
2016

Current Efforts

Where We're
Going Next



Currency
Based on Served
Impressions

Increasing use of
Viewable Impressions for
both Desktop and Mobile,
Improving Filtration for
Invalid Traffic

Digital and Cross-Media
Metrics Based on Viewable
impressions filtered for
IVT, with Duration, with
Targeted Audience
Characteristics

“Value of Advertising”
Measures: Selected
Engagement Metrics, Ad
Effectiveness, ROI
Calculations

MRC Guideline Efforts:

Served Impression
Guideline (**2004**);
Clicks, Rich Media,
RIA, Served Video
Impressions, Audience
Reach, Served Mobile
Web, In-App (**Various
Through 2013**)

Desktop Viewable
Impression Guideline (**2014**,
**v2.0 2015 Post Vendor
Reconciliations**); IVT
Detection and Filtration
(**2015**); Mobile Viewable
Impression Guideline (**2016**)

Digital and Cross-Media
Audience Metrics, Data
Attribution and De-
Duplication (**In-
Process**); Modernization
of Existing Guidelines
(**In-Process**)

Social Media Measurement
(**2015**); Location Based
Metrics (**2017**); Others
Planned

Summary of Recent 3MS Actions

- 1. Mobile Viewable Impression Standard**
 - Issued about two years ago; auditing/accrediting vendors (7 currently accredited; mobile web)
- 2. IVT Detection and Filtration Guidance**
 - Auditing/accrediting SIVT vendors (8 currently accredited); making a difference
 - Utilized by industry, e.g., TAG, IVT vendors
 - Additional guidance on sampling, front-end filtration, data center traffic and in-app released
- 3. Digital Audience Measurement Standard (recently finalized); Cross-Media Audience (recently initiated project)**
- 4. Modernizing Old Guidelines**
 - Big item – movement to render; All the impression standards modernized – now reissued
 - Clicks, Ad Verification – in-process
- 5. Engagement Metrics Standards (recently initiated project)**
- 6. Immersed in Sorting Out the Large Digital Enterprises, Seeking Compliant Third-Party Measurement**

Deeper Dive – Audience Currency and Cross-Media

Digital Audience Based Measurement

- Two Phases (some aspects concurrent):
 - Digital Audience (finalized December 2017)
 - Cross-Media Audience (In-process late 2017 and through 2018)
- Key parts of the Digital Audience Standards were created to be consistent with intended Cross-Media requirements

Digital Audience Based Measurement

- Objective: Provide a framework for measuring and reporting audiences for digital ads that are:
 - Viewable
 - Filtered for invalid activity (SIVT)
 - Attributed to an audience (or in target)
 - Delineated with duration; Later stages with duration weighting (for video in cross-media)
 - Comparable/able to be deduplicated across media types.
- Key metrics – audience assigned
 - Viewable Impressions (net of SIVT)
 - Reach and Frequency
 - GRP

Digital Audience Current State and Future Direction (Cont'd)

- Duration weighting (*most controversial area*):
 - Cross-media video requires duration weighting (viewable duration/length)
 - Example 1: 5 seconds viewing a 10 second video = $5/10$ or $1/2$ DWVI
 - Example 2: 1 second viewing a 10 second video does not contribute to audience (below viewability standard).
 - Viewable duration reporting is required for digital video
 - Duration measurement for digital ads should be based on at least second-level time granularity (although crediting can be on less granular levels such as minute level as long as cross-media combinations include the same crediting basis)
 - Digital display audience measurement does not require duration weighting

Digital Audience Based Measurement

- Other Key Items:
 - Measurements should be segregated by the various advertisement types or events included in the campaign (placement)
 - Measurement organizations are encouraged to separately report Viewable time that is also audible and (later) to consider this in duration weighting; cross-media audience combinations require the same audible criteria
 - Digital audience assignment should only be done at the unique device or, more preferably, unique user level
 - Panel sources should be congruent with the MRC Minimum Standards

Key Work Areas for Cross-Media Standards

- Aligning exposure measurements
 - Ad and Content segregation (a need for more content focus in digital and more ad focus in traditional media)
 - Individual vs. Household Granularity
 - Further consideration of duration weighting:
 - Study of exposure effectiveness and when an ad exposure fully contributes to audience across different media; value vs. time
 - Cleaning transactional data sets, RPD, etc.
 - Cleaning data sets for audience characteristic attribution

Key Work Areas for Cross-Media Standards

- Audience measurement
 - Content Identifiers, Encoding/Meta-Data to track users across platforms and media
 - RPD Data Collection, Quality/Transparency
 - Sources Known (DEPs; potential for upstream auditing and standards)
- User assignment and data adjustment
 - Quality of Data – Age, Accuracy, Dynamics, Extent Ascribed
 - De-Duplication Processes

Key Work Areas for Cross-Media Standards

- Basis for projection, where used
- Empirical support for techniques selected
- Data combination and commingled reporting practices
- General reporting requirements
- Areas omitted from Digital Audience intended for Cross-Media:
 - Display and print combinations as well as audio
 - Digital content metrics
 - Setting standards for the processing of RPD audience estimates (advance the earlier work of MRC *Multi-Channel Digital Video Data Capture, Accumulation and Processing Guidelines* issued 6/2012)

Other MRC/3MS Projects

- **Location Based Metrics**
 - Timing: Finalized
 - Rationale: Part of the “Value of Advertising” Initiative, to better define components around the advertising transaction that add to the value of the impression.
 - High-Level Contents:
 - Definitions
 - Measurement Parameters
 - Covers Transparency of Method and Performance of Device Location and Place Information
 - Snapshot versus Behavioral Analyses Over Time
 - Use of Static Device Information
 - Use of Other Data – Social Media, etc.
 - Attribution to People
 - Disclosures

Other MRC/3MS Projects

- **Engagement Metrics for Marketers, Sales Lift, ROI**
 - Timing: Initiated in late 2017; expected completion by mid 2019
 - Rationale: Establish metrics to reliably determine the “value of advertising” and determine whether individual ad creative and campaigns have anticipated impact on consumers, sales, ROI
 - High-Level Contents:
 - Definitions
 - Establish “Core Metrics” for Measurement of Engagement
 - Measurement Parameters – Segregated by Metric
 - Compilation of Guidance on Process and Controls
 - Disclosures

Large Digital Enterprise Specifics

Increased Transparency for “Walled Gardens”

- ANA and P&G calls to action have helped push these organizations to make various levels of commitment to third party verification
- Many of the major Walled Garden organizations have initiated contact with MRC (some were in contact with MRC prior to ANA call to action)

“Walled Gardens” Audit Statuses

<u>Service</u>	<u>Status of Auditing</u>	<u>Anticipated Timing</u>
Google YouTube	Audit of 3rd Party Integrated Measurements Currently Underway; Brand Safety Processes Also to be Examined Across Google Platforms.	Q4 for first audits; Other Google Platforms, including DCM, DFP and AdWords have certain metrics accredited today.
Facebook/Instagram	Audits of Served Impression Measurement; 3 rd Party Viewability Integration Currently Underway; Audit Planned for Video Viewability Buying Option.	Q3 for Served Impression audit; End of Q4 for 3rd Party Integrations; 2018 for Video Viewability.
Twitter	Committed to Audit; In Pre-Evaluation. Inclusive of Internal Metrics and Data Supplied to Third-Parties.	TBD
Snapchat	In Discussions.	TBD
Amazon	In Discussions	TBD
LinkedIn	In Discussions	TBD
Pinterest	In Discussions	TBD
Foursquare	Somewhat different category; has expressed interest in beginning audit process.	TBD

Walled Garden Approach and Focus

- Primary focus is on third-party integrations and validation of API-based data passed to third-parties
- Secondary focus on internal measurement of monetized metrics
- Push to include IVT, Audience and Brand Safety

Consistent, Standard and Modernized Metrics

- Consistent metrics between internal and third party measurement; **focus on minimizing discrepancies**
- Metrics should be standard industry accepted metrics for viewability, audience, IVT and brand safety; **avoid relying on custom criteria; enable de-duplication between platforms**
- Walled Gardens will be encouraged to adopt and monetize modernized measurement guidance such as SIVT as well as future state of audience (duration weighted), cross-media, engagement and brand effectiveness guidance

Thank You!

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Time Permitting – What's Next for MRC:

- Brand Safety**
- Programmatic**
- Data Sources**

Current Status and Capabilities of MRC Accredited Vendors

- IAB standards focus mostly on page, site or domain level verification; IAB in process of updating taxonomy (including mobile) and MMTF/MRC plans to update the guidelines beginning in 2017
- Currently Accredited Ad Verification Vendors:
 - comScore vCE-V: Desktop and Mobile Web: Alerting and Blocking at Domain & Page Level (Content, Keyword)
 - DoubleVerify: Desktop, Mobile Web & Mobile App: Alerting and Blocking at Page & Site Level (Content, Keyword, Page Attribute)
 - Integral Ad Science: Desktop and Mobile Web Blocking at URL level (Brand Safety)
- All accredited vendors use some form of internal or third party crawler to ingest page-level metadata and use taxonomies to categorize sites
- Google is not currently audited or accredited for ad verification

Needs and Challenges of Current Landscape

- Google YouTube incidents have driven industry focus on Brand Safety:
 - This is a concern for other sites that involve user generated content (UGC; Walled Gardens)
 - Page level Brand Safety techniques may not be adequate; UGC unique challenge
- Publisher needs to participate in or facilitate content level verification:
 - Processes in place to vet content before posting should be enhanced and leveraged
 - Third-party verification of Walled Garden content should be a primary focus
- Time, volume and UGC video present challenges:
 - The need to vet and post content timely conflicts with the need to properly vet
 - Volume of content necessitates some form of automation, may lead to margin of error
 - A robust set of risk-based criteria likely need to be present to drive focused human intervention for UGC video content

MRC's Programmatic "List"

- **Verification of Programmatic/Automatic Processes**
 - External Auditing/Accreditation Processes – Nonexistent
 - Programmatic and RTB Processes are Taking Place outside of Traditionally Validated Third-Party Environments
- **Transparency – Critical**
 - Necessary for all levels – Publishers, Ad Exchanges, DSPs, Trading Desks, Agencies and Advertisers
 - Fees, Net CPMs, Bidding and Execution Parameters, Un-cleared Bids, Inventory Sources, Performance of Selected Sites (viewability, IVT, brand safety), Specific Landing Page Information, etc.

Data Sources – Existing Guidance in the Digital Audience Measurement Standard

The Digital Audience Measurement Standard (Draft) requires high-level disclosures and data-related activities as follows:

- Data Source and changes to source (timely disclosed)
- Completeness and coverage of the data source
- Accuracy information based on periodically updated empirical support
- Testing and quality control of data transfer from DEP source
- Assessments of any adjustments, if any, that need to be made to the integrated source data
- Processes for on-boarding and terminating data sources as well as disclosing these types of changes to service customers
- Privacy considerations

More Specifically focused on Disclosures:

The sources of assignment data as well as data sets involved in data integration processes should be disclosed to measurement service customers in the description of methodology. Changes to these assignment/integration sources should be reflected in customer disclosures on a timely basis. Relevant information to include in methodological disclosures of this type include the following:

- *Data-Source Organizations*
- *Description of Data Being Used:*
 - *Approximate age*
 - *Descriptions of Methods of Collection of Significant Data Fields (e.g., registration or directly gathered, collected from other third-parties)*
- *Known Population Exclusions from Data Sets Used*
 - *Magnitude of Exclusions, Where Known*
- *Size of Applicable Data Sets in Terms of Relevant Attribute (Households, Persons, Media Devices, Activity Records, etc.), where permissible*
 - *Nature of Data Overlaps or Commonalities Between Relevant Data Sets where permissible*

More Specifically focused on Disclosures:

(Disclosures Continued)

- *General Description of the Assignment or Integration Methodology*
 - *A Description of Empirical Support for Methods Chosen; Frequency of Validation Procedures Employed with Latest Validation Results Summarized*
- *Frequency of Execution of the Assignment or Integration Processes*
- *Key Linking Data Elements or Integration Dependencies*
 - *Common Definitions of Linking Data Elements – Definitions should be Sufficiently Comparable and Preferable Identical*
 - *Extent of Ascription Applied to Data Elements, Pre-Assignment or Integration*
 - *Extent of Modeling or Other Inferences Made to Data Fields*
- *Key Assignment or Integration Performance Indicators*
- *Ultimately Reported Data Elements, by Source Data Set*
- *Extent of External Auditing or Verification Processes Employed*

Industry Collaboration

- Several industry groups are working on the idea of data disclosures and quality
- MRC has requested collaboration with these groups and is actively considering how we can consider this input in our standards development processes

Validation

- **Beyond disclosure, the VALIDATION of data sources and the integration methods for enrichment data are both highly critical**
- MRC is working on testing approaches and validation requirements for “accuracy” of data sources to support our conclusions about future accreditation activities
 - Attribute Density
 - “Receiving Inspection” Approach
- MRC already has experience with validation of integration/enrichment methods