

VIEWABILITY

MOVING TOWARDS MEANINGFUL MEASUREMENT



**A Thought Piece on Viewability's
Biggest Issues and What We Can
Do to Overcome Them**

Featuring proprietary research conducted
by **FaR Partners** on behalf of **InSkin Media**

INSKIN MEDIA

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Foreword

Viewability measurement, or the assessment of whether a digital ad has had the chance to be seen by a human, has become one of the key topics of industry headlines over the last couple of years, and the advertising industry has seen this issue (together with ad fraud) become a key topic in their conversations with advertisers.

The viewability discussion has come a long way since emerging in the early 2010s. Its rise has been driven by a variety of factors: the industry's desire to make digital more comparable to other media, steadily growing investment in online brand advertising, technological advancements in measurement (to be debated later), and, of course, the topic's heavy promotion by ad validation vendors.

But while the added level of accountability should be a huge opportunity for the industry to grow the digital sector, we are now seeing issues arise which contribute to the sense of confusion and mistrust that we are trying to eliminate.

How did we end up here?

As a major supplier of premium, high-impact, rich-media advertising, InSkin Media believes that it is our responsibility to work collaboratively with our publisher partners and technology vendors, to support our brand clients in developing trust and confidence in the power of digital brand advertising.

This whitepaper aims to provide a comprehensive overview of today's viewability challenges and offers some tangible suggestions to overcome them

As our business has grown over the last 6 years, our clients have always reminded us of the power of creativity in storytelling, and its importance to emotionally engage a consumer. That power is magnetic and something we aim to help them bring to life on the digital screen. Knowing that it's being seen, for significant durations, changing brand perceptions, or driving awareness of a message, is a key goal for InSkin Media and its client base. We aim to challenge the status quo of measurement, bringing it forward into the 21st Century and away from traditional response metrics that are currently the norm.

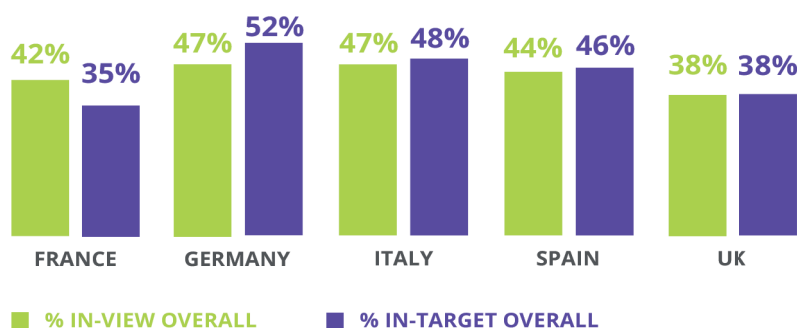
Steve Doyle
CCO InSkin Media



Understanding the Challenges

EUROPEAN CAMPAIGN BENCHMARKS

OVERALL % In-Target and % In-View



According to leading ad validation company comScore¹, 62% of all display ads (desktop) in the UK never have the chance to make an impact. While estimates differ across vendors, there is consensus that programmatically traded inventory generally achieves lower in-view rates than inventory sold directly – which explains why markets with higher programmatic adoption often score lower average viewability rates.²

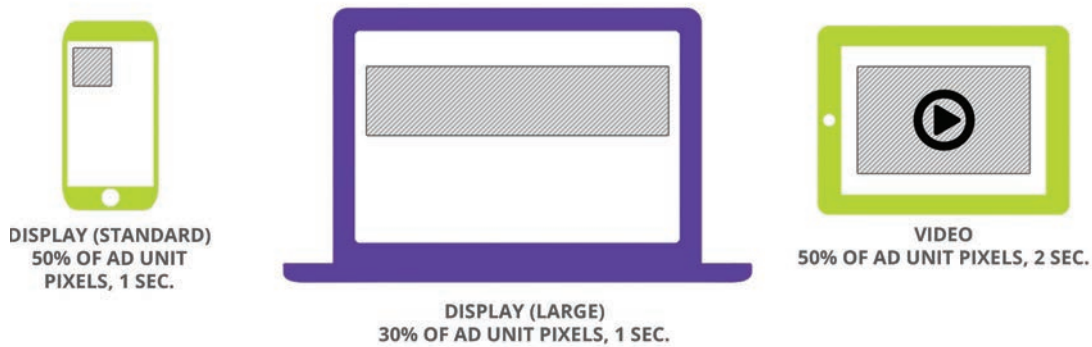
The industry is facing three major viewability challenges: **Inconsistency, Incompleteness and Incongruence**

The definition of the US Media Rating Council (MRC) and the Interactive Advertising Bureau (IAB) state that a standard display ad can be considered “viewable” once 50% of the ad unit’s pixels have been in the user’s active viewport for at least one consecutive second. Slightly different thresholds apply to video ads (50% of pixels, 2 secs) and large display ads over 242,500 pixels (30% of pixels, 1 sec).

¹ comScore, vCE Campaign Benchmarks, Q1 2015 [available at <http://bit.ly/1GOE1iD>; accessed on 10th Nov 2015]

² comScore, 2015 UK Digital Future in Focus [available at <http://bit.ly/1GOBbKw>; accessed on 10th Nov 2015]

IAB VIEWABILITY STANDARDS AT A GLANCE*



*Standards for Display and Video are consistent across devices, based on Interim Mobile Viewability Measurement Guidelines. Same thresholds apply to mobile ads delivery in-browser and in-app.

The reasons for an ad not being (assessed as being) viewable are diverse. Some of the most common scenarios include:

- The ad is not displayed in the user's active viewport due to the ad's positioning on the page (e.g. served "below-the-fold")
- The user leaves the page after the ad request has been made but before the ad loads and renders
- The user's browser window is minimised, preventing the ad to reach the viewability standard's pixel threshold
- Non-human traffic drives up impression counts (ad was never seen by human being)
- The ad was delivered in an invisible iFrame (dimensions width="0", height="0"; fraud)

With viewability measurement described by some as a game-changing new method of validating online ad delivery, it follows that trading advertising inventory on viewable

impressions (vCPM), as opposed to the established served impressions (CPM) model, would be a realistic possibility. Yet this is far from being the case. So why has this standard failed to develop?

Alongside InSkin Media's in-house research on viewability's current issues and possible solutions, we commissioned leading media consultancy FaR Partners to carry out a "Digital Leadership Viewability Survey", to investigate market opinion on this topic through in-depth interviews with senior digital executives (director level and above) in the UK.

The joint research results, presented on the following pages, uncovered three fundamental issues currently challenging the industry's ability to leverage viewability as a progressive KPI for advertisers: inconsistency, incongruence, and incompleteness.

Challenge #1: Inconsistency

“ *Inconsistencies absolutely cause discrepancies... it's very difficult to get true insights when standards are so different.* ”

Associate Director, Top 5 Agency

As the viewability debate has gained pace, more and more measurement solution providers have emerged. 16 different vendors have so far been accredited by the MRC for display viewability measurement, and 12 for video viewability measurement.³ In the UK, the Audit Bureau of Circulation (ABC) has certified 4 display viewability measurers so far.

Survey respondents consider inconsistency of measurement results the industry's single most important obstacle for establishing an effective viewability standard

To assess an ad's opportunity to be seen, vendors use an array of approaches: geometric triangulation, browser optimisa-

tion, a hybrid of both, and data projection for non-measurable placements. While these methods somehow do the job of measuring whether an ad was viewable or not, the differences in methodologies and assessment quality have led to one of viewability's key challenges: inconsistency. The varying assessments of campaigns' viewability rates, which stem from different vendors being used on the two sides of ad trading, have effectively created a "language barrier" between buy- and sell-side, damaging the trust that viewability measurement was supposed to build in the first place.

To tackle the inconsistency issue, the MRC has been conducting data reconciliation studies over the past two years, with the goal of erasing systematic counting differences between viewability vendors.⁴ However, the MRC's stated goal of closing the measurement gap directly clashes

³ Media Rating Council, Digital Metrics Companies Accredited by MRC (9th October 2015) [available at <http://bit.ly/11K7k9x>; accessed on 10th Nov 2015]

⁴ Media Rating Council, MRC Update on Desktop Viewable Impression Reconciliation Guidance and Reconciliation Checklist (8th July 2015) [available at <http://bit.ly/1GOEWz0>; accessed on 10th Nov 2015]

with the vendors' freedom to deploy their methodology of choice. While narrowing the counting discrepancies is a step in the right direction, the "binary" nature of viewability measurement (an individual ad is either viewable or not) makes it obvious that the existence of any discrepancy is problematic.

This problem is considerable in size. While the industry often observes discrepancies of 5-25% for standard formats, InSkin Media's research has shown that viewability results from different vendors for non-standard ads can vary by up to 80%.⁵

These significant differences have resulted in widespread concern across the industry; survey respondents name inconsistency the industry's single most important obstacle for establishing an effective standards. In the Digital Leadership Viewability Survey, it scored 8.3 out of 10 (10 being the maximum level of importance).



VIEWABILITY RESULTS ON THE SAME CAMPAIGNS CAN VARY BY UP TO 80%

- Vendor 1
- Vendor 2
- Vendor 3
- Vendor 4

⁵ Data based on InSkin Media research conducted with MRC-accredited vendors on non-standard display formats (Jun - Sep 2015)

⁶ FaR Partners, Digital Leadership Viewability Survey

Challenge #2: Incompleteness

“ Guidelines for non-standard formats were not written with Wallpaper in mind, so they do not deliver fully for them. ”

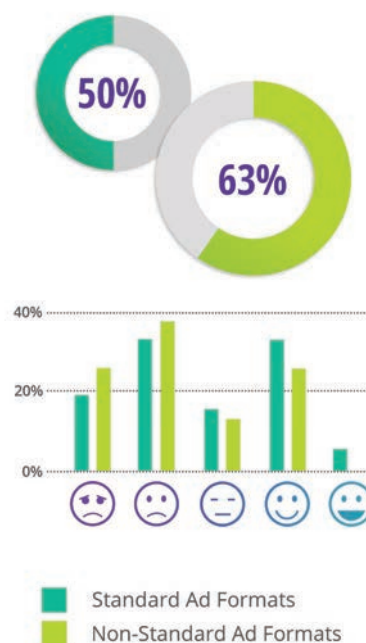
Head of Planning, Publisher

In recent years, major technology limitations of viewability measurement, such as assessing viewability in cross-domain iFrame scenarios, have successfully been overcome. However, the continuous rise of brand advertising investment has directed a stronger focus towards custom ad formats, a (less and less) niche area which has been insufficiently tackled by vendors, and where measurement limitations continue to exist.

The UK's senior digital executives are acutely aware of this issue, with 63% of respondents claiming that the current standards are not suited for accurately evaluating if a custom ad has had the opportunity to be seen.⁷

63% of senior digital execs consider the current standards inadequate for custom formats

PERCENTAGE OF SURVEY RESPONDENTS WHO CONSIDER CURRENT STANDARDS INADEQUATE



⁷ FaR Partners, Digital Leadership Viewability Survey

⁸ IAB / PwC UK Digital Adspend Study – Full Year 2014, [available at <http://bit.ly/1EbOve3>; accessed on 10th Nov 2015]

With online brand investment constantly rising⁸ and custom formats such as rich media skins gaining popularity due to their low intrusion levels and high-impact branding capabilities, the incompleteness of current standards, in the form of non-applicability across all formats, has become a pressing issue.

While the intention of the MRC and IAB viewability guidelines is to assess if an ad had the chance to make an impact, viewability is currently assessed by measuring the pro-

portion of an ad that is visible on the screen in relation to its total size. An analysis conducted by InSkin Media shows that while an ad's creative messaging can be displayed in the user's active viewport, its viewability assessment can lead to two completely different results based on the height of the page. The relevant industry bodies are aware of these issues, and have called for further study⁹ to evaluate appropriate in-view thresholds for large size display formats – a call the industry has to follow.

NON-APPLICABILITY OF VIEWABILITY THRESHOLDS FOR LARGE NON-STANDARD FORMATS



⁹Media Rating Council, Viewable Ad Impression Measurement Guidelines (Desktop) (18th August 2015), [available at <http://bit.ly/1GmivH7>; accessed on 10th Nov 2015]

Challenge #3: Incongruence

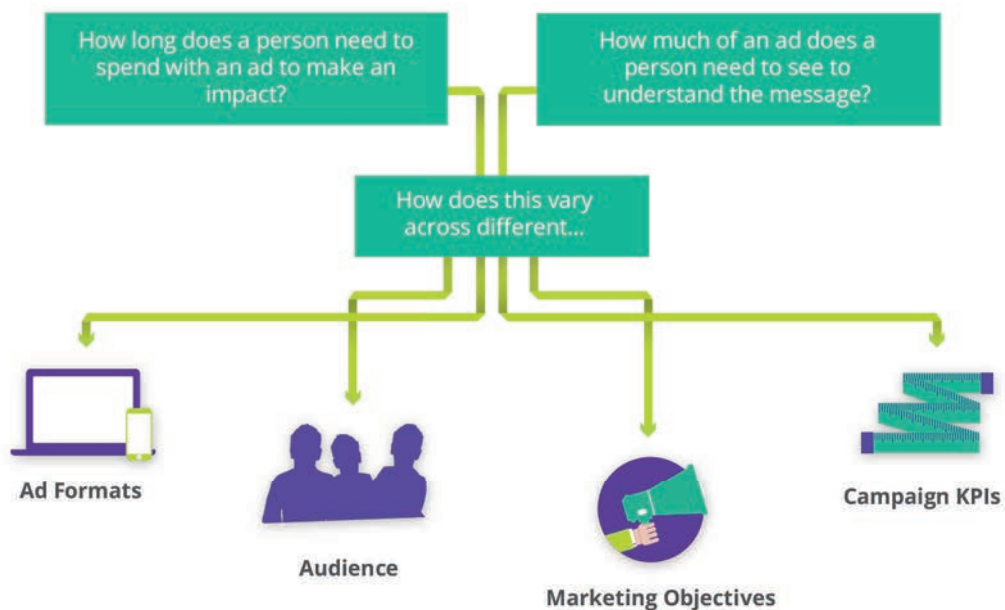
Incongruence refers to the fact that we, as an industry, are misaligned in our perspective of what viewability should encompass. The complexity of the topic has supported the development of multiple different debates regularly, and incorrectly, being treated as one and the same.

The incongruence of debates surrounding viewability has led to confusion in the market

1. The Purpose Debate:

The IAB has outlined that viewability measurement was created to assess an ad's opportunity to be seen. And still, many in the industry have criticised that the standards do not adequately answer the ad effectiveness question, i.e. if an ad has actually made an impact. This is the most common misconception that we encounter; that the standards are somehow a measure of an ad's effectiveness, rather than its opportunity to be seen.

WHAT COUNTS AS VIEWABLE?



2. The Standards Debate:

The viewability standards, set by MRC and IAB, refer to the duration and pixel thresholds which an ad has to meet to be deemed in-view. While these standards were designed to create common ground and facilitate the buying and selling of viewable impressions, their sufficiency has been questioned. This has led to the introduction of alternative standards by several players on the buy- and sell-side of the debate, which in turn has prevented a universally applicable viewability standard from fully establishing. The Standards Debate revolves around the question: Are the MRC/IAB thresholds appropriate to assess an ad's chance to make an impact?

3. The Trading Debate:

Rather than affecting the industry as a whole, the trading debate is a discussion between an individual seller and buyer. Based on agreed standards, the question focuses on the trading units. Should all inventory be priced based on one flat vCPM? Should time in-view be factored in, and a premium CPH (cost-per-hour) model be adopted?

The industry has been held back by this incongruence of debates, and must understand that these topics need to be addressed separately in order to contribute to a fruitful and progressive viewability discussion.

Embracing the Solutions

It is not surprising to find that elements of each of these challenges have been named in survey respondents' top 3 requirements to improve viewability measurement¹⁰:

TOP REQUIREMENTS TO IMPROVE MEASUREMENT:

- 1 Consistency Across Vendors
- 2 Raise Viewability Thresholds
- 3 Applicability Across Formats

Accordingly, the number and breadth of issues make over 80% of the senior digital executives surveyed by FaR Partners doubt that an industry-wide vCPM model has a future¹¹:

THERE'S A LONG WAY TO GO UNTIL ALL INVENTORY WILL BE TRADED ON VIEWABLE IMPRESSIONS



To facilitate a valuable, progressive and scalable KPI for brand advertisers, we suggest the following action points, derived from our own research and in-depth interviews:

Industry Bodies:

Elicit trust by sharing research methodologies

There is frustration in the industry which stems from the definition of viewability thresholds. MRC and IAB have analysed billions of impressions to come up with the current standards, but a lack of transparency on the research methodologies deployed has created a gulf which has led to alternative standards set by individual agencies (who do not confidently share their methodologies either). Openly sharing the insights gained will help the industry unite behind one set of standards.

Media Sellers:

Build integration intelligence and proactively share insights

Building extensive integration intelligence, i.e. an understanding of how to integrate 3rd-party-tags across vendors and formats to provide accurate viewability measurement, is key for those in the industry who build or serve ad creatives. Media Sellers in particular are responsible for finding and presenting their agency partners and industry bodies with scalable solutions for their custom, non-standard formats.

¹⁰ FaR Partners, Digital Leadership Viewability Survey

¹¹ FaR Partners, Digital Leadership Viewability Survey

Unlike sometimes claimed, there are no formats that are “beyond” viewability. Proactive research and insight sharing is critical to achieving viewability standard applicability across formats.

Media Buyers:

Develop a Plan B and communicate your KPI hierarchy

Commercial considerations, implementation effort, service quality, methodological approaches, compatibility with other ad validation components - there are plenty of factors that influence an agency or advertiser’s decision to choose a preferred viewability vendor. The fact that the accuracy of measurement is never (and can never be) the only driving force can, however, lead to problems, especially when it comes to non-standard formats. The diversity of the digital ad industry has never supported one-size-fits-all solutions. Viewability measurement is no exception, and media agencies need to have a strategy that encompasses more than just one standard measurement solution.

Media buyers can also positively contribute by clearly communicating where viewability and other ad validation components sit within their own internal KPI hierarchy, which could be easily integrated into the briefing process.

The Industry:

Start debating alternative solutions such as open-source

Although highly innovative in nature, the UK’s digital ecosystem is yet to progress large-scale solutions to cope with the challenges posed by inconsistency, incompleteness and incongruence.

For viewability to become more than a reporting metric (namely a fundamental pre-condition for an impression count), one such solution, as supported by leading digital executives¹², could be a universally accepted implementation approach. An open-source solution for display advertising viewability that builds upon the industry-agreed standards that are already in place. The Open VV consortium¹³, initiated by some of the world’s leading video ad tech providers, has shown that such an approach can work, which is really interesting in that particular sector of the market. At InSkin Media, we see no reason why, with the right industry backing, this cannot be replicated for display advertising.

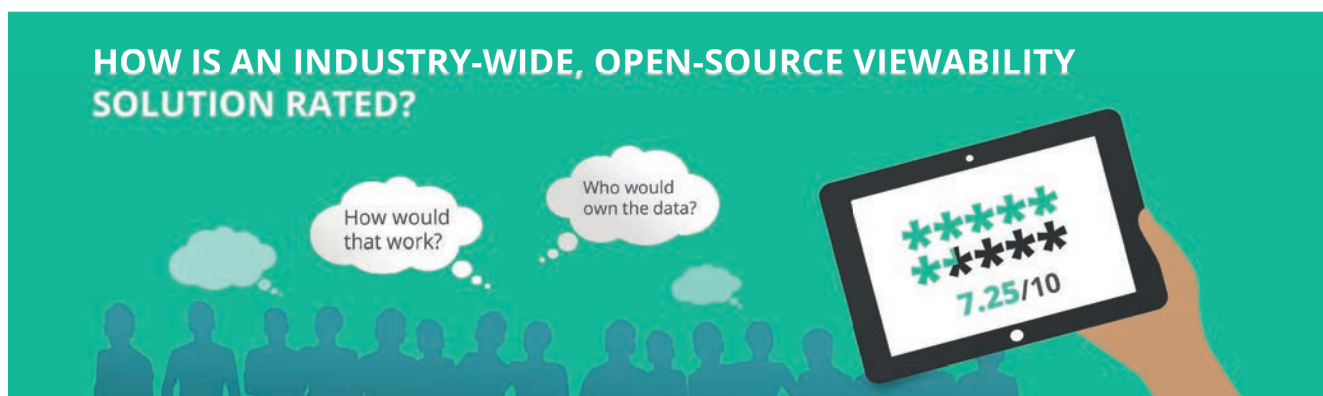
An open-source viewability solution would surely not be the end of the ad validation economy. In fact, most vendors offer add-on validation services that are as important as viewability, but haven’t reached its level of maturity yet. Think of brand safety, audience verification, invalid traffic detection, and more. These pieces of intelligence could be plugged into the open display viewability technology, and remain strong business propositions.

¹² FaR Partners, Digital Leadership Viewability Survey

¹³ Open Video Viewability Consortium, [available at <http://bit.ly/1MyJRqg>; accessed on 10th Nov 2015]

“ To have one consistent [standard] for everybody would be extremely useful as long as the majority of publishers and agencies are signed into it. That type of open-source solution should have happened a long time ago. When you deal with traditional advertisers like my clients there needs to be a consistency in the way you talk about things, which is why they favour press and TV. All the differences in digital confuse them. ”

Digital Strategy Director, Top 5 Agency



The Future of Viewability

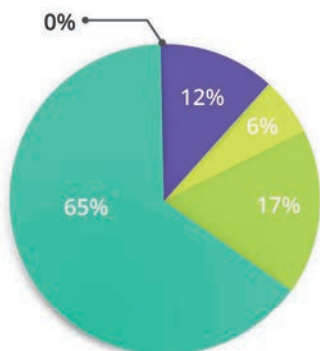
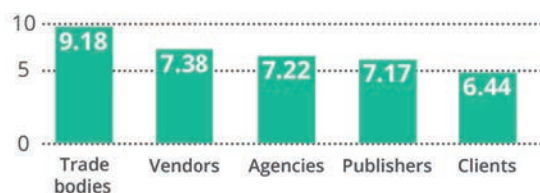
“ Combining different metrics into an aggregated score gives a richer idea of viewability, which is an approach that we favour. ”

Head of Planning, Publisher

Viewability measurement has come a long way, and is a prime example for one of the digital economy’s key value propositions: accountability. To fully unfold viewability’s potential as a key ingredient of digital ad trading, all market participants must

engage in the ongoing debates and understand what they mean for their own business. Survey respondents agree that viewability is a crucial stepping stone on the path to engagement, and that driving the debate forward is not the sole responsibility of one party, but rather a joint industry effort.

IN YOUR VIEW WHICH BODY IS MOST RESPONSIBLE FOR DRIVING A STANDARD FORWARD (SCALE 1 - 10)?



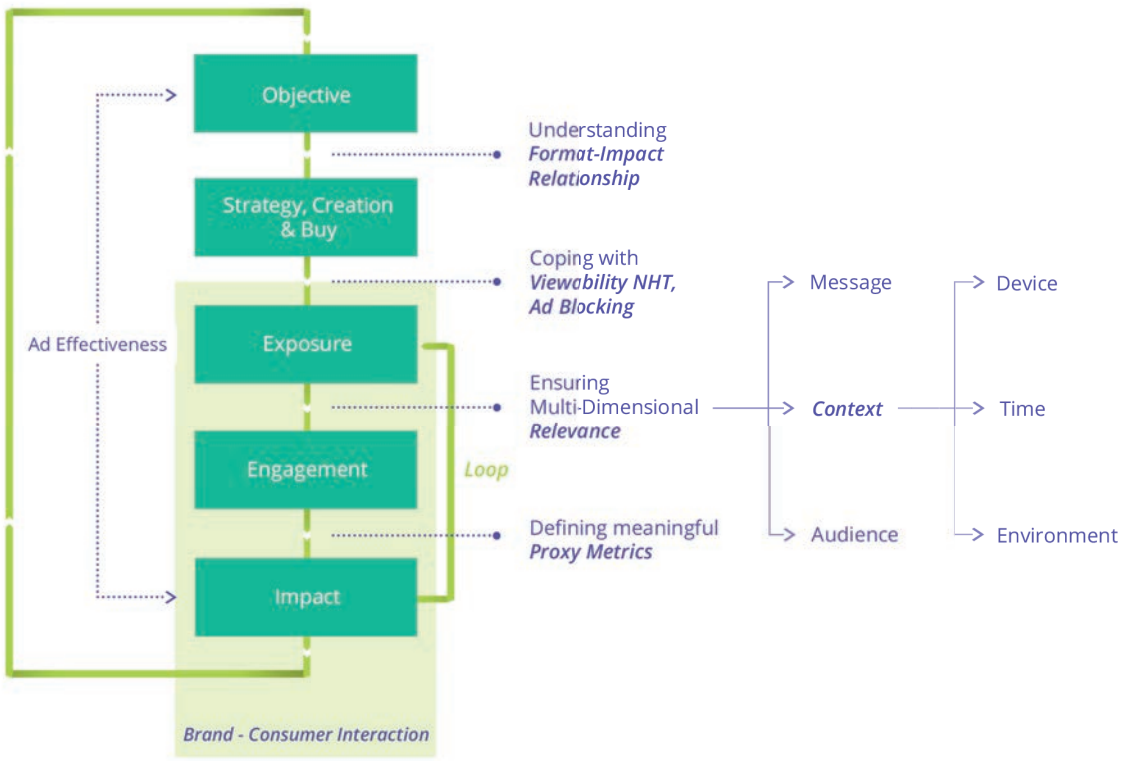
VIEWABILITY IS CRUCIAL, BUT MERELY A PREREQUISITE FOR AN AD’S CHANCE TO ENGAGE...

- Completely Disagree
- Somewhat Disagree
- Completely Agree
- Neither Agree nor Disagree
- Somewhat Agree

In our experience to date, too little attention has been given to post-exposure milestones on the branding path – from engagement (behavioural, cognitive, and emotional), to

measurable ad impact. Continuing research in order to gain and share insights is essential for this industry to fulfil its potential.

MOVING THE DEBATE BEYOND VIEWABILITY



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