



AANA DISCUSSION PAPER ON AD VIEWABILITY

INTRODUCTION

This paper has been written to inform marketers about the topic of viewability and to take forward a conversation in the Australian market that encourages the industry to move towards a position by January 2018 where advertisers are only paying for ads that are in view.

Whilst many Australian advertisers have already started trading on viewability, the AANA believes that it is important that the industry moves towards this important target together. The recommended approach is outlined below.

WHAT IS THE CONCEPT OF VIEWABILITY?

The term refers to the opportunity for an ad to be seen by consumers.

Viewability is about ensuring that consumers have the opportunity to see the ad i.e. the ad is loaded on the screen and visible to consumers. If all digital ads were viewable it would provide a level playing field and point of comparison between the performance of different digital media and against other forms of media.

Advertisers pay for press ads that may not be read, or TV commercials that may be skipped and similarly, not all online advertising is seen. However, many online ads served are not viewable, in that there is no opportunity to see the ad, often because it appears below the fold on the webpage, or because it takes too long for the content to be served. Whilst the advertiser is charged for the impression, consumers do not have the opportunity to see it.

It is a very different proposition to concepts such as banner blindness, where ads are served, can be seen, but are ignored by the audience, or provide poor ad-recall.

VIEWABILITY DEFINED

The AANA has accepted the US Media Ratings Council's (MRC) definition of Viewability. The MRC counts an ad as viewable if it meets the following criteria:

Desktop display - 50% of the pixels are in view for a minimum of one second

Desktop video - 50% of the pixels are in view for a minimum of two continuous seconds

Larger desktop ad units - 30% of pixels are in view for one second or more

Mobile display - 50% of the pixels are in view for a minimum of

one second

Mobile Video – 50% of the pixels are in view for two continuous seconds

SETTING STANDARDS

Whilst the AANA acknowledges that these definitions are not ideal for advertisers i.e. advertising creative is not designed to have only 50% in view - we believe they are the right starting point for four reasons:

1. It is important that advertisers globally are able to address the viewability challenge in a consistent manner and, as such, we believe Australian advertisers should adhere to the current globally accepted definitions put forward by the MRC. If every country sets its own definitions, it will be difficult for advertisers to compare viewability in international campaigns.
2. As advertisers adopt this new standard, publishers will need time to adapt and that process will require significant effort in site redesign and optimisation. Starting this transition with the MRC definitions provides publishers with a more achievable viewability goal.
3. Many publishers are already optimising their sites based on these definitions. We see no benefit in disrupting that process by suggesting different definitions.
4. With an agreed standard in place, the Australian digital ecosystem can begin the transition to trading on viewability. We believe this will provide a significant improvement in outcomes for advertisers and the focus should be on moving to trading on viewable impressions, not changing the definitions.

THE SIZE OF THE ISSUE

The bi-annual Media Quality Report, published by Integral Ad Science, analyses billions of ad impressions throughout the world. The report for the first half of 2016 shows that more than half of all ads served in Australia were not viewable, according to the MRC definitions.

Whilst viewability is an issue throughout the world, Australia ranks poorly when compared to other mature advertising markets. Following the MRC/IAB Global criteria, 49.3% of Australian ads are viewable, compared to 53.6% in the US, 57.4% in the UK, 61.1% in Germany and 61.6% in France.

WHAT SHOULD ADVERTISERS BE ASKING FOR?

It is the view of the AANA that advertisers should be expecting their current digital campaigns to have 70% of the ads they buy to be in view with a transition to only paying for ads that are in view by January 2018. If at least 70% of ads in a digital campaign are not in view, the advertiser should seek recompense.

It should be already noted that there are media buying groups in the market that have a position of trading on viewability with any ad not in view, not paid for.

In an ideal world, all ads would be viewable, however the AANA recognises that the Australian market needs to move towards this goal in a phased manner in line with technology developments on the publishers' side. Similarly, the rise of mobile use, for example, is slowing the delivery of some ads and phone screen sizes make it harder to accurately determine what will be in-view as the ad is served.

The issues around improving viewability were addressed in the US by the Association of National Advertisers (ANA), the American Association of Advertising Agencies (4A's) and the Interactive Advertising Bureau (IAB). The bodies came together to establish a set of transaction principles. The paper can be found here <https://www.iab.com/guidelines/state-of-viewability-transaction-2015/>

The AANA is suggesting that the Australian market adopts the approach that the IAB outlined for the US, but with minor variations that take into account the technological advancements in measurement that have since been made.

The proposed principles are:

1. All billing should continue to be based on the number of served impressions during a campaign and these should be separated into two categories: Measured and Non-Measured.
2. It is recommended that in this year of transition, Measured Impressions be held to a 70% viewability rate.
3. If a campaign does not achieve the 70% viewability rate for measured Impressions, publishers will 'make

good' with additional viewable impressions until the rate is met.

To illustrate how the 70% threshold will work, assume a campaign delivers 10,000,000 served impressions; of those served impressions, 8,000,000 were measurable; of the measured impressions, 5,000,000 (62.5%) were viewable. In this case, the publisher would need to deliver 600,000 additional viewable impressions to reach the 70% threshold and make good. The agency will be billed for 10,000,000 impressions assuming full make good.

4. All make-good should be in the form of additional viewable impressions, not cash, and should be delivered in a reasonable time frame. Make-good impressions should be both viewable and generally consistent with inventory that was purchased in the original campaign. Determination of threshold achievement is based on total campaign impressions, not by each line item. In other words, some line items may not achieve threshold, but others can compensate.

5. For large format ads, defined as 242,500 pixels or over, a viewable impression is counted if 30% of the pixels of the ad are viewable for a minimum of one continuous second, as noted in the "MRC Viewable Ad impression measurement guidelines".

6. All transactions between buyers and sellers should use MRC accredited vendors only.

7. A buyer and a seller should agree on a single measurement vendor ahead of time. All stakeholders must avoid costly, labour-intensive, error-prone manual processes of reconciling different sets of viewability numbers, hence the benefits of agreeing on a single vendor.

In addition, the AANA has the following recommendations for Australian advertisers:

1. All invalid traffic, such as non-human traffic, must be excluded from the viewability results. For an ad to be considered viewable, real people must have the opportunity to see it. As such, the AANA suggests all transactions between buyers and sellers should use a vendor that is MRC-accredited for detecting General and Sophisticated invalid traffic so the measurement vendor can automatically exclude all invalid traffic from the viewability calculation.
2. When a buyer and a seller agree on a single measurement vendor, the vendor should provide a discrepancy free viewability report to the buyer and seller. This will ensure that they are both working to the same numbers and that any improvements the seller makes to viewability are reflected in the buyer's reporting.
3. The measurement of viewability should be based on measuring the ad itself once it has loaded and not the

container, whenever possible, to ensure accurate results.

It should be noted that when a publisher provides additional impressions as a make-good, the advertiser is likely to incur additional ad serving costs. For this reason, every effort should be made to hit the viewability goal with the least number of impressions. Advertisers should ensure that their agency is equipped with the appropriate technology to monitor viewability levels throughout the campaign and make the required optimisations to ensure ad serving fees are not unnecessarily inflated.

WHERE TO FROM HERE

The AANA acknowledges that each member will be at a different stage in this journey, each with different levels of resources available internally to address the challenge. As such, each advertiser will need to decide what is the right approach for their business. What follows is some general guidance:

1. Advertisers should be requesting viewability reports from their agencies that show the rate of viewability their digital campaigns are achieving.
2. Compare the levels of viewability on your current campaigns, then work with your agency or publishing partners to plot the course towards achieving 70% as soon as possible. This plan should include adding viewability metrics to your trading agreements, insertion orders and/or using viewability-targeting solutions for programmatic buying.
3. Communicate to publishers (or ensure that your agency is communicating to publishers) your intention to use viewability as a KPI for campaigns, indicating which measurement-vendor you will be using and the minimum level of viewability you are asking for. It is very important that this is communicated upfront so publishers can plan accordingly.
4. Regularly monitor the performance and meet with your agency and publishing partners to discuss the viewability levels achieved and optimise accordingly. Do not wait for the end of your campaign for this review - performance levels are more likely to be met if viewability is monitored throughout the campaign. This approach will ensure that publisher 'make-good' is kept to a minimum, is provided in a timely manner, and that your ad serving costs are contained.
5. Engage with your agency and publisher partners to ensure that by January 2018 you are only paying for ads that are in view.
6. The AANA will continue to review the research as to how the definition of viewability (as defined by the MRC) should evolve i.e. The % of ad pixels required to be on screen for what length of time to be considered as a viewable ad.

You can expect that publishers will charge a higher CPM for high levels of viewability but, as demand for viewable impressions increases we believe that publishers will make the necessary site design changes to ensure that there is adequate supply of viewable impressions available, without incurring additional operational costs.

Ad viewability was identified as a key issue for AANA members represented on the Media Reference Group. Their ambition is for Australian marketers to have a clear understanding of what is driving outcomes in digital campaigns and, as such, to provide Australian marketers with an overview of the issue and guidance on how to move the market towards only paying for ads that are in view, thereby maximising marketing budgets, eliminating waste and capturing the full potential that digital media has to offer.

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Westpac: Toby Dewar, Head of Media & Agency Management

OPEN FOR CONSULTATION

The AANA invites all interested parties to join the conversation on the viewability standard in Australia and we will be working with the IAB and MFA through the AANA/MFA Media Forum on this important issue. Any submissions should be sent to: ceo@aana.com.au.