MEDIA INNOVATION AND MEASUREMENT STANDARDIZATION

Prepared for: ACA Executive Forums
September 26th and 27th, 2018

Media Rating Council, Inc.

The Media Rating Council: Who We Are

- MRC was created as a Non-Profit Industry Association in the early 1960s called the “Broadcast Rating Council”
- Charged with responsibility for Administering a Voluntary Process for Measurement Services to Apply for MRC’s Accreditation
- More than 100 Audits/Year are Conducted by Independent CPA Firms Retained by MRC
- MRC Staff and MRC Members provide oversight to process
- More than 150 organizations, representing a extremely wide range of constituencies in the media buy/sell ecosystem, are MRC members

MRC Mission Statement

- To secure for the media industry and related users audience measurement services that are Valid, Reliable, and Effective
- We do this by:
  - Setting Standards; and
  - Administering Audits to Verify Compliance with Standards.

Accredited by Media Rating Council®

MRC Background and Dual Approach

Standards Serve as Audit Assessment Criteria



Audits Inform the Maintenance and Updating of Standards

Putting Innovation in Today's Context

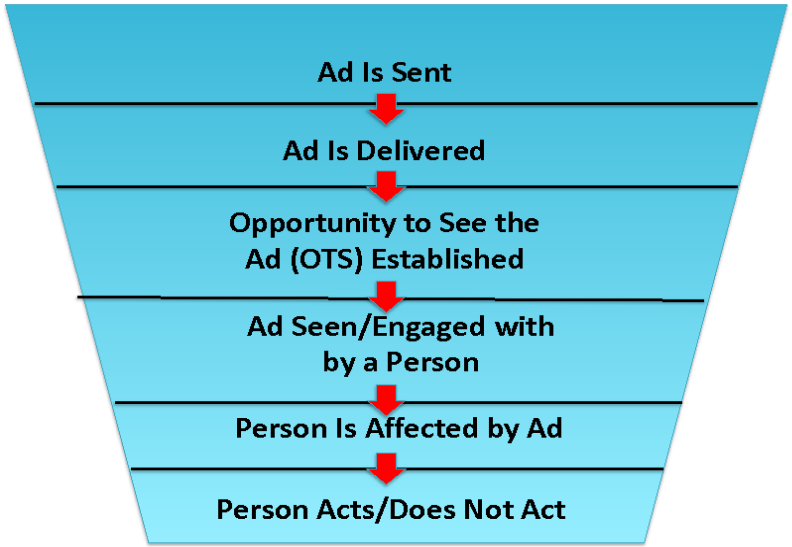
Our Measurement Orientation

- Measurement of Exposure versus Outcomes
- Direct to Brand Metrics/Information Exchange
- Mass Data, Individualized Targeting
  - Larger Data Sets – RPD, Tagging, Location, Digital Platforms, etc.
  - Audience Assignment Processes and Resolution
  - Targeting Methods
  - Data Sources and Quality
  - Deduplication Methods

Technical and Consumer

- Linear to Time Shifted to VOD to OTT
- Mobile Everything
- Consumer Choice; Competition for Attention
  - Clutter & Ad Blocking: Server-side Ad Insertion, Native, Placement, LEAN, etc.
- AI and Machine Learning
  - Content level Brand Safety
  - Algorithmic Processing
- Voice Technology
- Blockchain
- GDPR
  - Targeting and IVT Implications

“Home Base” – Focus on the Basics



Stages 1 through 3 of the model are focused on the success of the ad’s delivery

Stages 4 through 6 are focused primarily on the success of the ad’s message (similar to traditional AIDA marketing models)

Innovation generally fits into one of these areas; differential impacts and meanings should be considered

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Recent Guidance Produced by MRC

Improvements to Digital Ad Measurement:

- ***Ad Viewability Measurement Guidelines***
  - Desktop (2014; updated 2015)
  - Mobile (2016)
- ***Invalid Traffic (IVT) Detection and Filtration Guidelines (2015)***
  - + Ongoing Enhancements to IVT Guidance:
    - Front-End Filtration Guidance (2017)
    - Use of the Term "Human" in IVT Labeling (2017)
    - Filtration of Invalid Data Center Traffic (2017)
    - Use of Sampling Methods for IVT Detection (2017)
    - Mobile In-Application Sophisticated IVT (2017)
- ***Location-Based Advertising Measurement Guidelines (2017)***
- ***Guidelines for the Conduct of Ad Verification (2012)***
  - Enhanced Brand Safety Ad Verification Guidelines (in public comment, 2018)
- ***Ad Measurement Guidelines Enhancements***
  - Display Ad Impressions (2017)
  - Mobile Web Ad Impressions (2017)
  - Mobile In-Application Ad Impressions (2017)
  - Video Ad Impressions (2018)
  - Clicks (in draft, 2018)

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Improved Measurement of Audiences:

- ***Advanced Audience Measurement Standards:***
  - Digital Audience Measurement Standards (2017)
  - Cross-Media Video Audience Measurement Standards (in draft, 2018)
  - Digital Place-Based Audience Measurement Standards
    - Phase 1 completed, 2017
    - Phase 2 in draft, 2018

Other Standards Improvement Efforts:

- ***Areas Addressed or In Process:***
  - Multichannel Video Data Capture, Accumulation and Processing Guidelines (2012)
  - Social Media Measurement Guidelines (2015)
  - Agency Media Auditing Guidelines (in draft, 2018)

Audit Implications

- Desktop Viewable Impressions – 28 Applicants; 16 Accredited
- Mobile Viewable Impressions – 14 Applicants; 9 Accredited
- SIVT – 16 Applicants; 9 Accredited
- In-App SIVT – 7 Applicants; 2 Accredited
- Location – 6 Applicants; 1 Accredited
- Digital Audience – 3 Applicants; 3 Accredited
- Large Digital Platforms – 4 Applicants; All In-Process
- Brand Safety – 6 Applicants; 3 Accredited (ad verification std. only)

Annual Update Audits are Required.

How Do We Avoid Obsolete Standards?

- Strike a Balance Between Being Prescriptive and Focusing on Measurement Goals
  - IVT – Moving to Stronger Requirements for In-App Filtration; Sourced Traffic
- Allow Space for Innovation
- Insert Aspirational Goals
  - e.g., Podcasting Measurement on Client Side, Full Measurement of Audio State, etc.
- Update

Issue – Measurement Consistency Implications

Examples of “Managed” Innovation Areas

- Linear TV, VOD, OTT, In-App and Streaming Video
  - Increasing Focus on Granularity and Consistency
- Digital Ad Serving
  - Counting as Late as Possible; Evolving in Newer Contexts
- Viewable Impressions
  - Measured Rate Protection
  - Innovation -- Flash Timing Method, Intersection Observer API, RequestAnimationFrame API, and HTML5 Cross-Communication
- SIVT
  - Moving with the ”Bad Guys”
- RPD
  - Difficulty Cleaning and Adjusting Data; Disclosures

Thank You!

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Large Digital Enterprises

Focus: Enable Third-Party Measurement; Audit/Validate End-to-End Process

Metrics/Functions: Standard Viewable Impressions, SIVT Filtration, Audience Measurement and Brand Safety

- Enterprises Committed and In-Process for Viewability:
  - Facebook and Instagram, Google YouTube, SNAP, Twitter
  - Various stages for other metrics/functions, but generally committed
- Enterprises In Discussions:
  - Amazon, LinkedIn, Pinterest, Walmart

Illustrative Data Flow



Client devices

Event signals

Digital Enterprise

Data event logs

Data processed and aggregated – May include certain IVT flagging processes and third-party inputs

API (event-level data)

Third-party reporting vendors

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