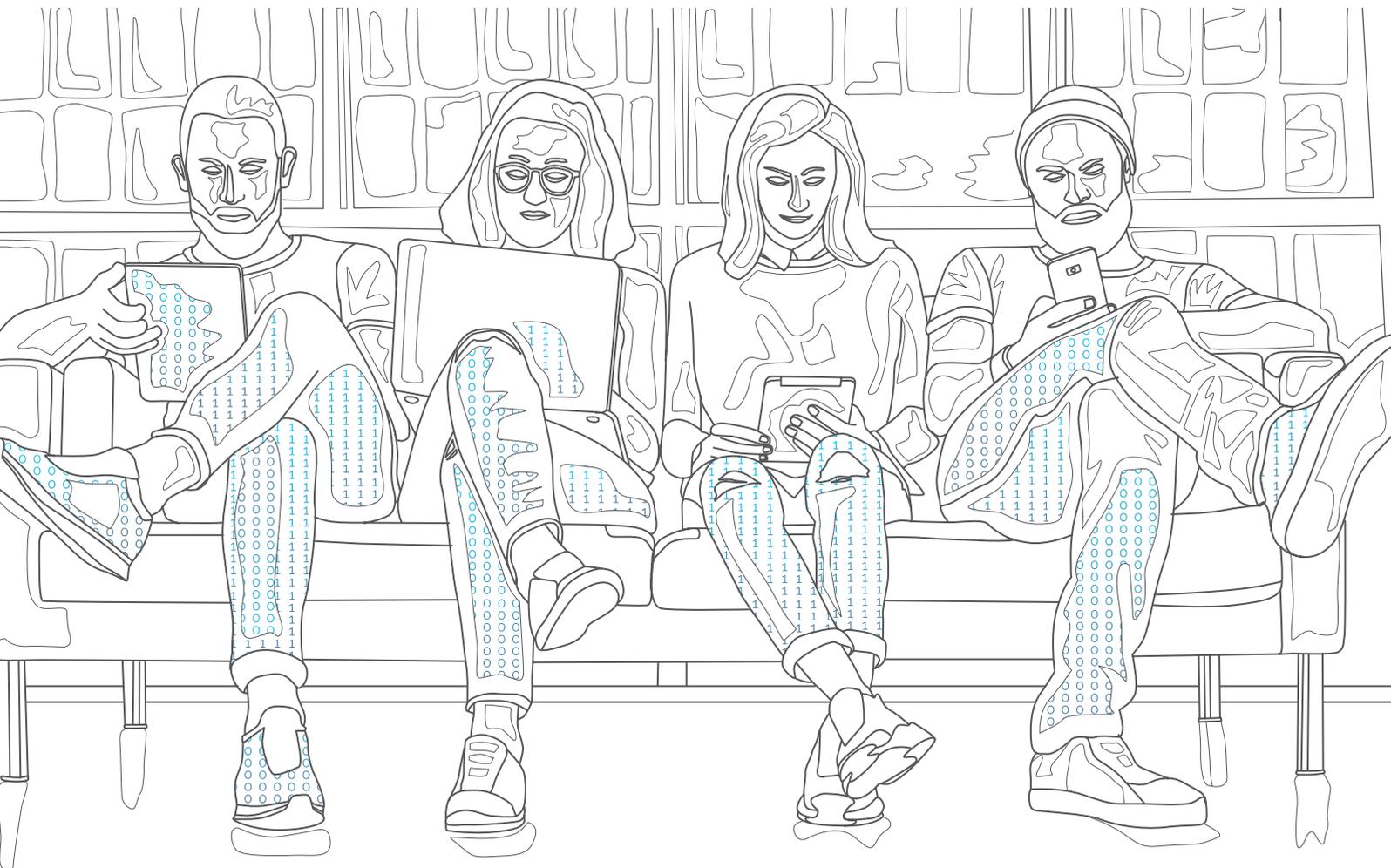


A Matter of Fact

**The need for accountable media
audience data and how to get it**



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A call to action from the IPA and ISBA

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The IPA and ISBA call to action

The IPA and ISBA are joining together to call upon the media industry to demand and provide objective and independent data to underpin the accountability of all media and their respective trading markets.

Only through objective and independent measurement can advertisers and agencies feel certain that they are getting what they pay for.

The industry has recently been reminded of the risks of trading without this guarantee. There are promising signs that the walls around the digital platforms are coming down and that the more opaque parts of the digital world are being illuminated. However, there is no room for complacency and there is still a lot of work to do.

The principle of joint industry oversight of the research underpinning media is fundamental to confidence in advertising. There are major challenges ahead for media measurement and the JICs need support and adequate funding to adapt and stay relevant in these rapidly changing media times.

This paper provides a strong call to action for all parts of the industry to continue to defend the vital importance of accountable audience data and to uphold the highest industry standards of research, counting methodologies and independent verification. It lays out the reasons why we need credible data, the perceived barriers to achieving it and the questions that should be asked to obtain it.



Phil Smith
Director General, ISBA



Paul Bainsfair
Director General, IPA

The challenge

The long-term health and prosperity of the media industry is reliant on objectivity and confidence. This can only be maintained if trading data is understood and trusted. Audience data is a cornerstone of the industry; it is fundamental to decision-making and monetary transactions.

Data users are concerned, specifically when it comes to data collection and reporting techniques. These concerns are fuelled by a number of specific issues around the provision of online and proprietary data sets; are these sufficiently objective for advertisers?

Data transparency is challenging in an increasingly connected world where intellectual property is fiercely guarded, speed to market is essential and data privacy is paramount. Media companies should understand the commercial benefits of building a relationship with advertisers based on trust. Proven media metrics are vital in demonstrating the effectiveness of any media channel.

The call to action

The IPA and ISBA are calling on their respective members to uphold the following standards:

1

Ensure the audience data used for trading is based on metrics and methods that comply with agreed and open industry standards.

2

Insist those standards are upheld by independent auditing.

3

Hold proprietary data sets to the same level of accountability as industry-owned trading currencies.

4

Support the principles of the Joint Industry Currency (JIC) model as the best-in-class approach to providing objective and comparable audience data and metrics.

5

Encourage all media owners and platforms to engage with the Joint Industry Currencies (JICs), not to the exclusion of their own data sets, but to enhance their credibility with advertisers.

The need for accountable media data

Advertisers invested £21bn in UK media advertising in 2016.

Effective advertising is an essential driver of business growth. Building brands in the long-term whilst also creating short-term effects is essential to the health of companies. Continuing prosperity is dependent on advertisers making decisions based on open and accountable media audience data as the bedrock for measuring advertising effectiveness.

Media data needs to deliver a trusted assessment of the size and composition of a campaign's audience. This is vital to calculate a campaign's return on investment, whether the objective is driving sales, building brand awareness or any other goals. The need for consistent measurement of media exposure across channels can't be underestimated; advertising campaigns benefit from the multiplier effect, which comes from using a variety of media channels. The latest IPA Effectiveness Awards show that the average number of media channels used in a successful ad campaign is now 14 and continues to grow each year.

Accountability in all walks of life is underpinned by trust and our industry needs credible media audience data. Yet there is a growing level of mistrust, particularly in the provision of online audience data. This is undermining the acceptability of the data that is used to justify both the effectiveness of the UK's investment in advertising and as the basis for transactions between buyers and sellers of media campaigns.

There has been a notable erosion of trust in media data used by online businesses due to a series of avoidable data issues. Doubts about online audience measurement are leading to a crisis of faith. WPP's Sir Martin Sorrell reports that clients are 'wary and suspicious' of online measures.¹

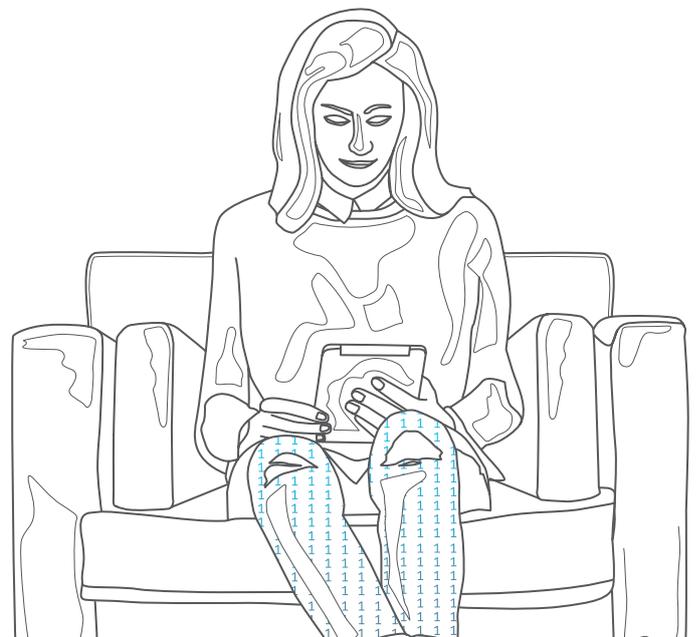
Meanwhile Marc Pritchard, P&G's Chief Brand Officer, delivered a widely reported keynote speech in January 2017:

"I confess that P&G believed the myth that we could be a first mover on all of the latest shiny objects, despite the lack of standards and measurements and verification. We accepted multiple viewability metrics, publisher self-reporting with no verification, outdated agency contracts, and fraud threats – with the somewhat delusional thought that digital is different and that we were getting ahead of the digital curve. We've come to our senses."²

Pritchard also confirmed that by the end of 2017 P&G will be committed to using only data that has been audited by an independent third party.

Online companies are suffering damage to their reputations and run the risk of losing the trust of advertisers in their ability to accurately report their contribution to effective marketing campaigns. Openness and comparability in the metrics used to measure consumer exposure is vital, particularly if these online companies are to successfully move beyond revenue from last-click calls to action and attract lucrative brand-building advertising.

JICs have provided the advertising industry with objective inputs into the calculation of marketing effectiveness for many years; their metrics are derived from independent data-collection methodologies. The JICs are increasingly moving to hybrid measurement systems that combine proven, people-based research techniques with connected online data. It is vital that the industry is reassured about the quality and veracity of any proprietary data that is absorbed into these industry-owned currencies.



Frames of reference

This paper focuses on the media audience data underpinning the whole process of measuring advertising campaigns and their effectiveness.

Put simply, are media owners and online platforms providing relevant and accountable audience data to advertising budget holders during the process of deciding which media channels to use?

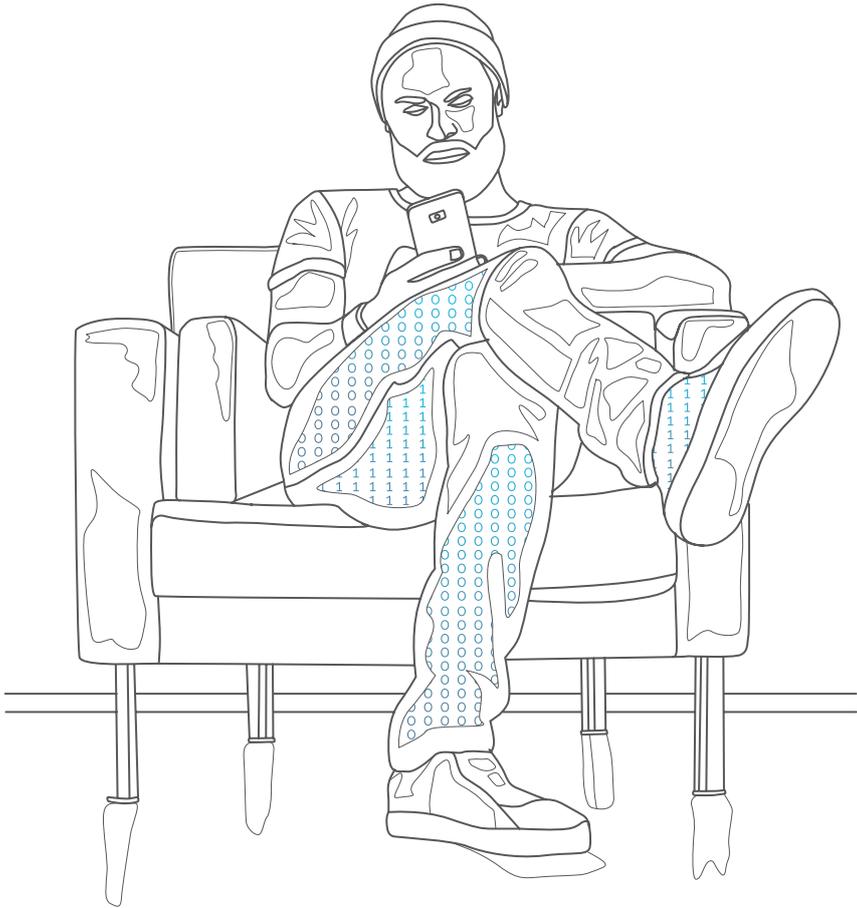
There are two principal forms of data used:

- Survey-research data is gathered from a representative sample or cross-section of the market. Relevant activity can be measured passively, with meters or software, or via respondent recall. Typically, this data is balanced and weighted to represent the market
- Big Data in a media context is detailed media-usage data sourced directly from servers, ISPs, mobile networks and user databases. These data sets can be based on very large opt-in samples, managed selected samples, or derived from the whole universe, i.e. a census count

Both these forms of data should be produced by systems that are accountable to advertisers and agencies. An imperative for accountability is the need for transparency and objectivity. This allows different data sources to be used confidently in media planning and trading, either independently or in combination with each other.

- This paper's use of the word '**transparency**' focuses on the need for clarity in the collection and presentation of data used to make decisions in the buying and selling of media. Media owners and online platforms should demonstrate clearly how data has been collected and verified, and that definitions of media behaviour employed are consistent and proven.
- '**Objectivity**' refers to the degree to which the data has been produced in an impartial and unbiased way. This can be achieved through a JIC in which interested parties, on both the buying and selling side, oversee the data. Yet objectivity is not limited to the JIC system; it can also be achieved through independent appraisal and verification of proprietary data sets, or the use of an impartial, syndicated research-agency service.

Some online companies define transparency as meaning the degree to which a media channel can be determined to have delivered a return on investment. This paper's reference point is that this is proof of marketing effectiveness. It is in the interests of media owners and online platforms to demonstrate how they have provided the inputs that generate outcomes.



The basis of trust

The catalyst for this paper is a series of issues with online data sets that have served to undermine industry credibility with advertisers.

Today's situation is naturally influenced by where we've come from and the internet business has continuously adjusted its approach to metrics. These adjustments have been necessary as internet businesses have accepted that being able to measure every single click is not a panacea.

The adjustments have also been necessary because of the challenge of measuring what people, not devices, are doing. Associated with this is the need for clear reporting of meaningful metrics which can provide trusted inputs to the calculation of effectiveness.

The shared data currency

The industry norm for the provision of audience data for trading has been the shared industry currency, typically overseen by a JIC, which collectively represents media owners, agencies and advertisers. The JIC commissions and maintains a system that produces data which is trusted as a proven trading currency.

This system has naturally evolved as the media industry grew and the JIC model has created a platform of trust and confidence, which has helped the industry thrive. History shows that the JIC model is a natural direction of travel for a maturing medium; confidence in a media sector grows as it adopts a shared data currency.

In this way, advertisers have reassurance regarding the quality of the data being used to plan and trade media. A vital part of that trust is built upon meaningful metrics based on common units of audience. This creates an undisputed method of measurement and a basis for trading: a common currency.

Some argue that the shared currency model is losing relevance. They make the case that it is superseded by new ways of trading in which online platforms trade directly with advertisers using proprietary data. It is also claimed that adtech systems, such as programmatic trading and real-time bidding, circumvent the concept of a shared industry trading currency.

There are many benefits to the shared currency approach which need to be restated.

- Advertising budget holders can plan and trade advertising based on one set of agreed figures. This facilitates a value judgement of different media options, while also removing the need to evaluate the relative merits of different data sets, which may produce different results.
- A judgement on marketing effectiveness is easier when the inputs on media exposure are consistent. Multiple conflicting audience estimates spread confusion and limit understanding; a shared data currency provides clarity that delivers better insight into campaign effectiveness.
- JICs measure what people are doing, so they can track individuals' media exposure over time. This is essential for evaluating reach and frequency across platforms and for the attribution of demographics to data sourced from the devices that are used to consume media.
- Media owners can monitor their performance in the context of the market as a whole and know that when they are looking at competitor performance they are making valid comparisons. This comparability enhances the ability to demonstrate relative value.

The shared media currency model should be seen as an advanced state of evolution for media owners. It is a model that has been arrived at as media sectors have matured; this approach to accountable media data would have to be invented if it did not already exist.

Yet this doesn't mean JICs should be the only source of understanding about media consumption.

Standards and auditing

There is a significant role to be played by proprietary data sets. This could be as inputs into trading currencies or as real-time direct feeds into programmatic or automated trading systems.

All data providers should commit to the principles of industry standards to maintain confidence in these data sets. Media owners and online platforms should allow objective auditing and verification in a way that is similar to the process followed by the JICs. These standards demonstrate that data sets are fit for purpose and should, where possible, stretch across media sectors.

JICWEBS (Joint Industry Committee for Web Standards) has been established to set industry agreed good-practice principles for online ad trading. It is focussed on business-critical issues such as viewability, antifraud, brand safety and technical measurement issues for online video and ad measurement. ABC delivers industry-agreed census metrics for media brands with associated certification (through audit) for the media industry. These standards are important

because they reassure data users that they can make valid comparisons between data sets that follow ABC standards.

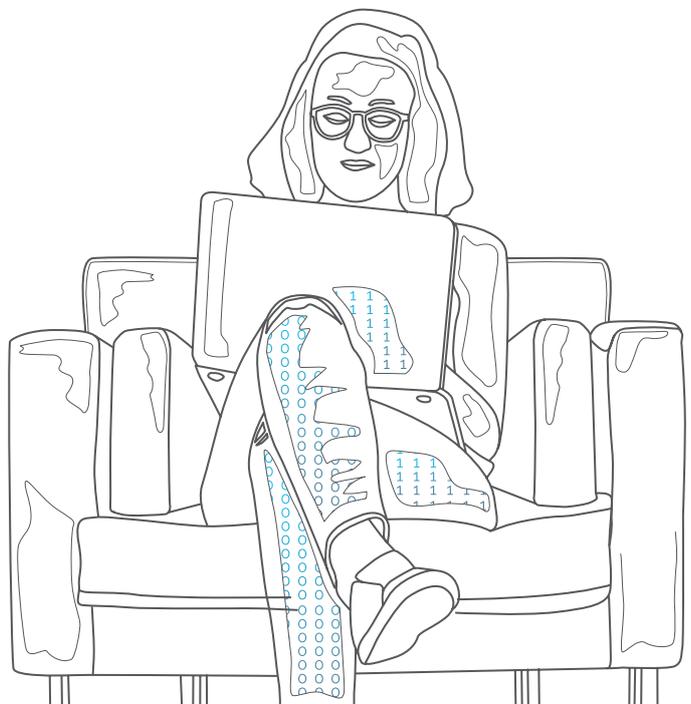
These online standards are being adopted by media owners whose roots are in more established sectors, for example, newsbrands and television companies. JICWEBS has also ratified online AV and ad metrics that are comparable to established offline media metrics. In some instances, these have been proposed by JICs, such as BARB, who are extending their scope to measure both online and offline media consumption.

Some of the recent online data issues came about, despite attempts to follow industry standards, because the data suppliers had not ensured that independent auditing was performed to check that the standards had been correctly applied. This underscores the importance of regular auditing by independent third parties.

Online auditing conducted by ABC ensures that non-human traffic is excluded from data and addresses issues such as viewability and click fraud.

Standards and auditing are two sides of the same coin. Even before the advent of online media, newspaper and magazine circulation figures have been audited by ABC in the UK for many decades; this system has been extended to encompass online verification.

Equally, standards are a feature of all walks of life, whether it is knowing that your chosen plumber is on the Gas Safe Register or, more implicitly, knowing the Food Standards Agency has inspected the restaurant you are eating in. Standards minimise risk and make life easier; someone has checked this so you don't have to. Insisting the data you use for trading has been audited is no different. Using unaudited data could waste millions of pounds in misplaced advertising.



New sources of data

In the pre-internet era, measuring media exposure meant recruiting representative samples of consumers and recording their media activity, actively or passively. No other reliable sources of information about media consumer behaviour existed, except for circulation and distribution data for publications.

The online revolution has changed all that.

Media companies and platforms have access to granular data that shows the number of devices and, in some cases, the number of people who are exposed to editorial and advertising content. This proprietary data is often collected at census level and in real time; it can be used to attract advertisers and demonstrate effect.

It is argued that these data sets offer high quality evidence, both in terms of detailed observations and the link to outcomes, such as the last click or the sale. It is also claimed that these data are not estimates but the 'truth'; what actually happened as opposed to an estimate of it.

Yet accountability is not just about the level of detail being provided; it is about the accuracy of the data. Big Data can have as many issues as survey-research data in terms of biases, limitations and plain simple errors.

The survey-research industry dealt with this issue by adopting an open and collaborative approach. People know how the data is derived and are free to make suggestions to improve it; the ingredients are printed on the side of the tin.

Online data is moving in this direction, although it is not a quick process given intellectual property issues and commercial sensitivities. Equally, new data sources need to offer more than evidence of the short-term impact of activity to be truly accountable; they need to be open about the way in which the data is collected and what it represents.

The components of accountability

Clear and consistent definitions

A key element of accountability is how a media contact is defined: what do the metrics actually represent and how does this compare to other opportunities?

Clarity around metrics allows advertisers to make informed decisions based on valid comparisons. It would be unreasonable to expect all media to use exactly the same definitions. That is certainly not the case, with TV defined by minutes viewed, listening by reach, and reading by recency. However, those definitions of exposure are very clearly explained and allow buyers of advertising to make informed decisions.

The challenge with online media data is that they are often defined in a different way, even though the activities mirror offline media behaviour, such as viewing, listening and reading. One such difference is the persistence level required for someone to be classified as a viewer or reader.

This would be less of an issue if online metrics weren't compared with established offline metrics, yet they are.

"Toby Byrne, Fox Network Group president of ad sales, told a similar story at the upfronts last week when he compared a Fox World Series broadcast that had 14 million viewers with a YouTube video with 14 million views. Calculated by TV's audience metric, said Byrne, this would actually be an audience of 1,620 people. Conversely, if Fox used digital calculations, its World Series broadcast would have an audience of 6.8 billion, nearing the world's total population."³

USA Today, 22 May 2016

“We’d rather spend time working on better advertising than debating the viewability standard with another publisher or agency. Time is up – we will no longer tolerate the ridiculous complexity of different viewability standards.”⁴

Marc Pritchard, P&G

Clarity of the definition of metrics benefits the industry as a whole; it allows valid direct comparisons which can inform better decision-making. Among other things, this frees up time for higher-value activities, such as creating and delivering effective advertising messages.

Open methodologies

Advertisers continuously make decisions about the allocation of billions of pounds of advertising. They need to have faith in the accuracy of the data they are using to guide and evaluate the success of their choices.

The JIC model means the methods used to gather and process the data are open to all. Technical documentation is available on all the JIC websites and advertisers typically have representation on the technical committees that oversee the data collection and production.

This benefits the advertisers as they have reassurance that the data is fit for purpose and it benefits the media owners, since openness and collaboration builds trust. These underlying principles can be applied to proprietary research.



Overcoming the barriers

There are perceived barriers to greater accountability.

Intellectual Property

Online companies can view the principles of accountability as contrary to the commercial realities and cultural habits of the brave new connected world.

The valuation of online platforms, in most cases, takes significant account of the impact that their unique proposition has on their ability to generate significant revenues in the future. Platforms jealously guard their 'secret sauce' behind a wall of intellectual property rights and litigation. There's a consequent tension with the openness required for full accountability and the transparent way in which JICs achieve this.

Yet transparency does not require online platforms to go 'naked in public'. Data users can be reassured that independent experts, whether it be JICs or auditors, have appraised proprietary data sets on their behalf. Equally, it is important that an audit process has industry credibility to ensure objective and comparable results.

Consumer privacy

Consumer privacy issues naturally come into play as data becomes ever more connected, expanding the ability to track individual media behaviour at a granular level. All media companies are rightly cautious when it comes to the release of data that might infringe user privacy; online social media platforms are particularly anxious about this.

Yet how different are the privacy requirements of online businesses? Other media businesses that deliver innovative advertising solutions have taken significant steps to be compliant with data protection and privacy legislation. For example, information about homes that subscribe to satellite TV is used for advanced ad targeting. This has been developed in a way that maintains a proprietary data set, for trading purposes, in parallel with the delivery of transparency through a JIC, for planning purposes.

Conclusion

The advertising industry has reached a crossroads with regard to media audience data.

The opportunities for using connected data are exciting, although a perceived lack of openness is undermining trust. Media audience data is used to justify the effectiveness of the £21bn spent each year on advertising campaigns, but perceptions of 'lack of transparency' are in danger of undermining trust in the industry as a whole. The trading system cannot cope with alternative facts.

Rebuilding trust requires greater focus on the delivery of accountable media audience data. As we advocate fuller accountability, we recognise the barriers that need to be overcome. Change cannot happen overnight, but those who do not learn from history are condemned to repeat it.

So how do we ensure a brighter future? Put simply, advertising budget holders should seek reassurance about the data being used to make buying decisions. They should ask the following questions, regardless of whether data is from a shared industry currency or a data set which belongs to a media owner or online platform.

- Who gathers the data?
- How is it gathered?
- How is it processed?
- What quality-control processes are used?
- What universe does it represent?
- How is media exposure defined?
- Do those definitions comply with agreed industry standards and guidelines?
- Has the data been independently audited?

This doesn't mean data users have to become experts in such matters. A combination of the JIC system and independent auditing of proprietary data can provide reassurance that those questions have been answered.

Media businesses that compete for advertising revenue shouldn't shy away from the JIC model, which provides a bedrock for measuring advertising effectiveness. This shared industry currency model has emerged as the media

industry has matured; JICs have a proven track record in striking a balance between commercial sensitivities and the need for transparent accountability.

This is why the IPA and ISBA are calling on their members and the wider industry to:

- hold proprietary data sets to the same level of accountability as the core trading currencies; and
- ensure that the data you are using have proven metrics and methodologies which comply with industry standards as verified by independent auditing to these standards.

The media industry is vibrant and innovative. There are exciting opportunities in all media sectors, but excitement about new opportunities shouldn't get in the way of accountability. The money at risk is now at such a scale that transparency in audience data is a must-have, not a desirable.

Advertisers deserve to know that their media budgets are allocated and evaluated based on media audience data, which is produced to the high quality, industry-agreed standards they have become accustomed to. The UK advertising industry has a great heritage in this regard, and by using JICs in relation to online data, we can build upon this heritage as media further diversifies and evolves.

End Notes

1. <https://www.ft.com/content/f9da727c-6207-11e5-9846-de406ccb37f2>
2. <http://www.campaignlive.co.uk/article/procter-gamble-chief-issues-powerful-mediatransparencyrallying-cry/>
3. <http://www.usatoday.com/story/money/columnist/wolff/2016/05/22/wolff-tv-takes-subprimedigitalvideo/84657694/>
4. <http://www.campaignlive.co.uk/article/procter-gamble-chief-issues-powerful-mediatransparencyrallying-cry/>



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