



THE TRUST EQUATION

AAMA Trust Study 2017



In a rapidly changing advertising landscape we asked marketers and media agency professionals to shed light on how trust impacts advertising trading.

The industry provided clear pointers to the current digital industry challenges along with the opportunities for building trust in the advertising trading ecosystem.





TRUST MATTERS

Welcome to the latest Audited Media Association of Australia's Trust Study 2017: The Trust Equation

As the industry's independent accountability body, we monitor the state of the advertising media trading environment – and the past year has certainly given both marketers and media agencies plenty to debate and consider when it comes to how advertising dollars are spent.

Whilst it's great to see digital accountability in the limelight of debate, and issues like brand safety, ad fraud, viewability and transparency take centre stage, it's also indicative of the fact that the industry still has plenty of work ahead to enable marketers to rest easy knowing the issues are all under control.

As a body that has a long history of providing third party verification and governance, we look to provide industry solutions and services that will help address some of these issues. Luckily we have overseas counterparts to learn from – and in this year's study we asked the industry their thoughts on some successful overseas programs to understand how much appetite there is for them here (the answer: a lot).

As you read this report, please use it as a thought-starter to stimulate discussion in your own workplace or with your clients and agency partners. We'd also like to discuss our findings with you and hear your thoughts on the action steps to take, so contact us for a presentation.

Josanne Ryan

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2017

What we did this year:

Online survey conducted 1 February – 7 March 2017

310 Marketers and Media Agency Professionals participated

Even mix of:

- Clients (45%) and Agency (55%)
- C-level/senior level (52%) and middle/junior (48%)

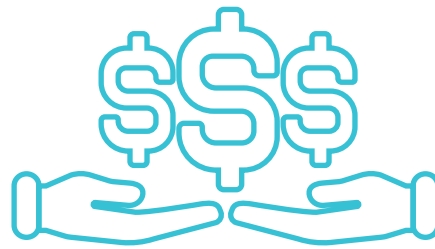
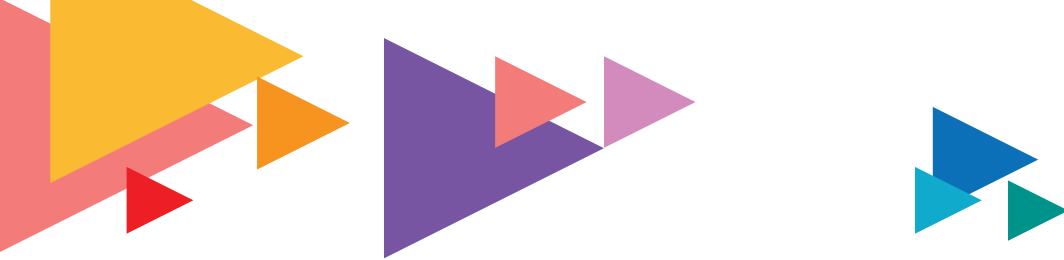
54% were in digitally focused roles (over half their job involved digital media)

Research conducted and analysed by independent third party research agency The Insights Grill www.insightsgrill.com

Building on the past work

In case you missed last year's "Media Channel Trust Report 2016" here are the 4 big headlines:

- 1 Digital is still in its trust infancy:** 72% agree - "The digital trading ecosphere is not as transparent, accountable and trustworthy as it should be."
- 2 Audit Dramatically Increases Trust:** Marketers and Media Agencies place almost twice the trust in channels that are independently audited vs. those that aren't.
- 3 We need Industry Referees:** 76% agree - "A robust and ethical advertising industry needs industry-endorsed standards, third party verification and independent referees."
- 4 Industry bodies need to join forces:** 9 out of 10 agree - "Industry bodies need to work cohesively to support best practice and verification to build industry trust."

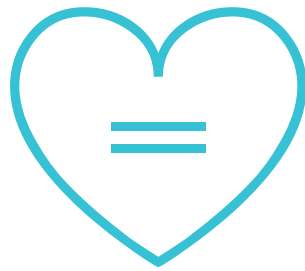
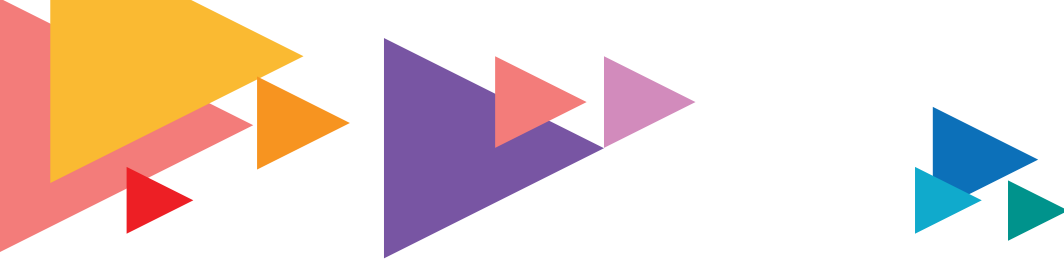


Trust has an economic value

Trust is the invisible thread of influence with regard to media buying decisions. The industry confirmed that advertising trading doesn't run purely on money and analytics - it also runs on trust.

86% Agree: **"Trust = Money**
When there is trust there is more willingness to spend."





Independent verification is at the heart of the Trust Equation

We know from our previous research that channels with robust oversight have higher trust levels, with audited data almost doubling the media channel trust levels*. This study confirmed that marketers and media buyers prioritise channels that are transparent and verified.

8 in 10 Agree: "I prioritise media channels that supply transparent, audited data for my media spend."

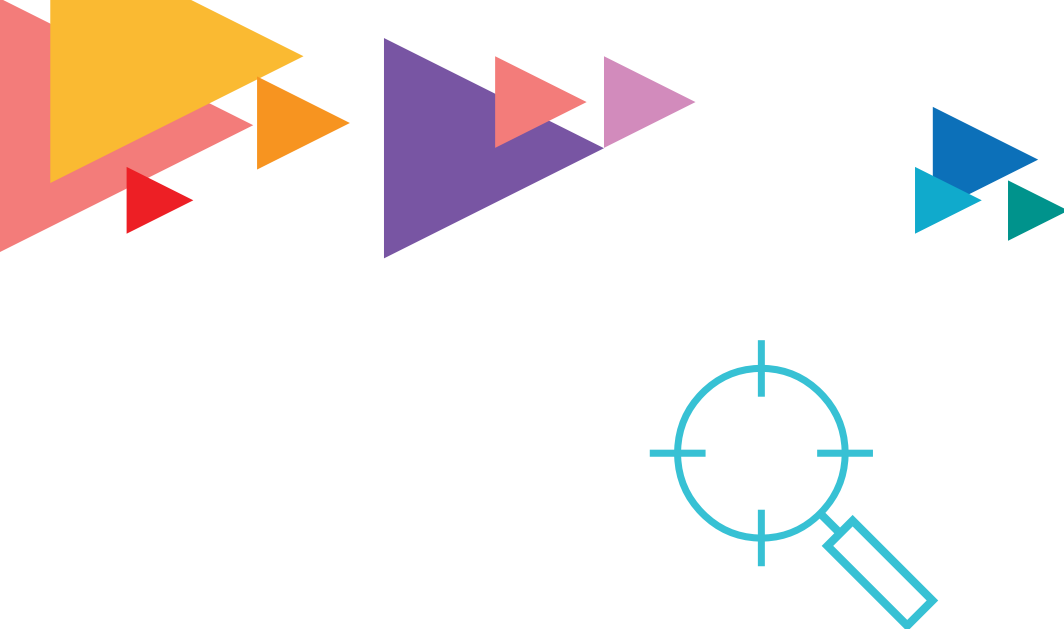
"Lack of independent verification leads to a lack of trust and decline in spend."

- MEDIA AGENCY COMMENT

"Trust and integrity. As marketers we can't trust the analytics we are given and consumers don't trust advertising. This is a serious problem that as a marketer keeps you up at night! Where do I spend my money to reach my audience? And can I trust the results?"

- MARKETER COMMENT

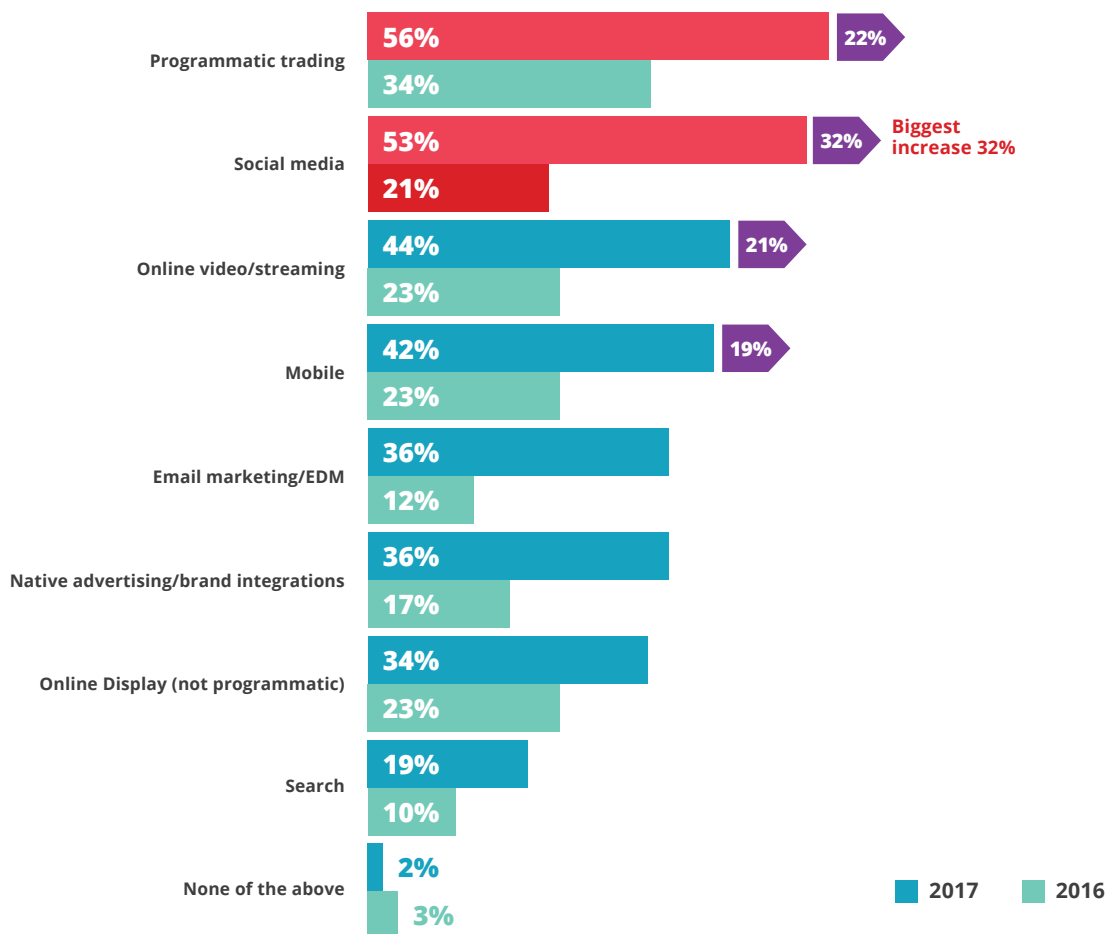
*10 Insights on Trust in the Media Industry, AMAA 2016

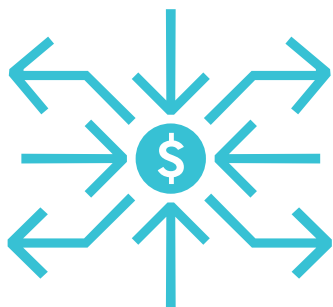


The need for scrutiny has increased for every major digital channel

Comparing year on year shows a significant increase in the amount of oversight the industry believes is needed to increase trust in key digital media.

Q: Which, if any, advertising media below need more oversight to ensure adoption of best practices to build more industry trust?





Social Media and Programmatic need more oversight to build trust

Social media garnered the largest increase (+32%) likely due to:

- a) the over-reporting of numbers by major platforms and;
- b) the establishment of social media as a mainstream advertising channel.

Programmatic increased 22% and has also been a hot topic in the industry. Given the increasing ad dollars being channeled through this digital buying platform it's concerning to see it's still viewed as the channel most in need of oversight to build trust.

Programmatic: media agencies are more aware of issues than marketers

Marketers and media agencies saw eye-to-eye on most issues, however regarding programmatic, 80% of agency respondents (compared to 32% of marketers) indicated a need for more oversight to build industry trust.

Q: Which, if any, advertising media below need more oversight to ensure adoption of best practices to build more industry trust?



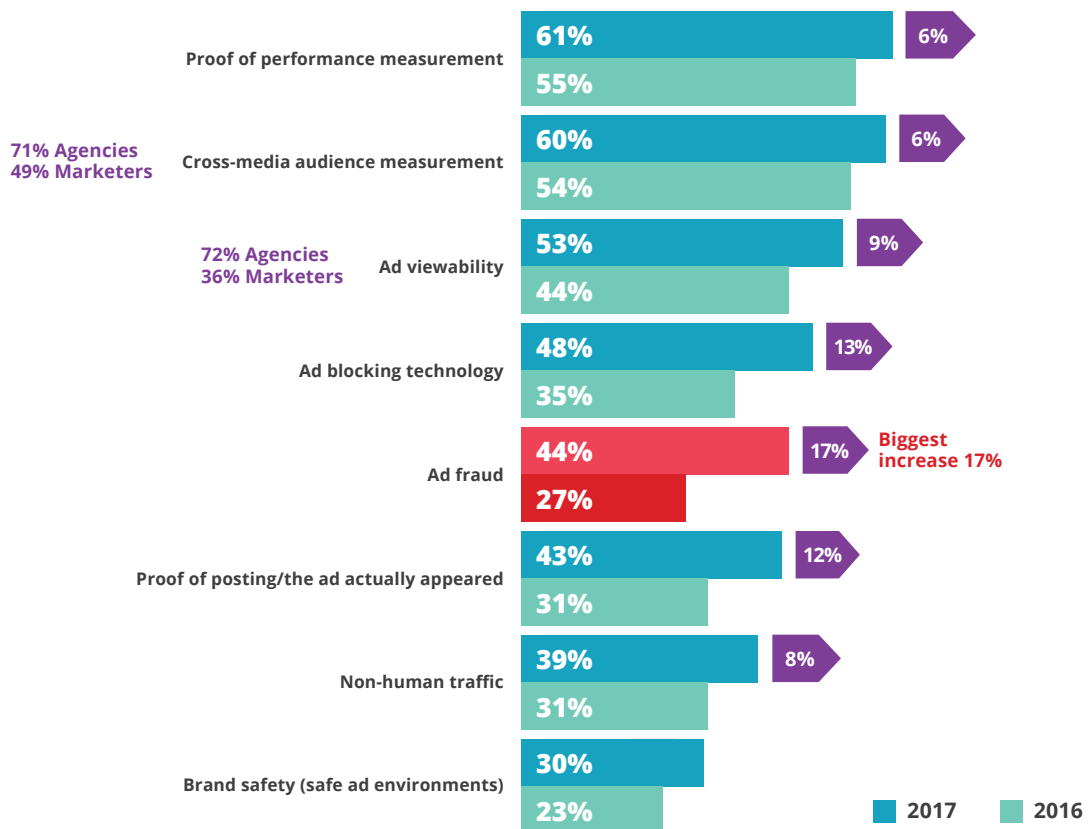
Takeout: Expect Programmatic, Social, Online Video and Mobile to come under more scrutiny by the industry

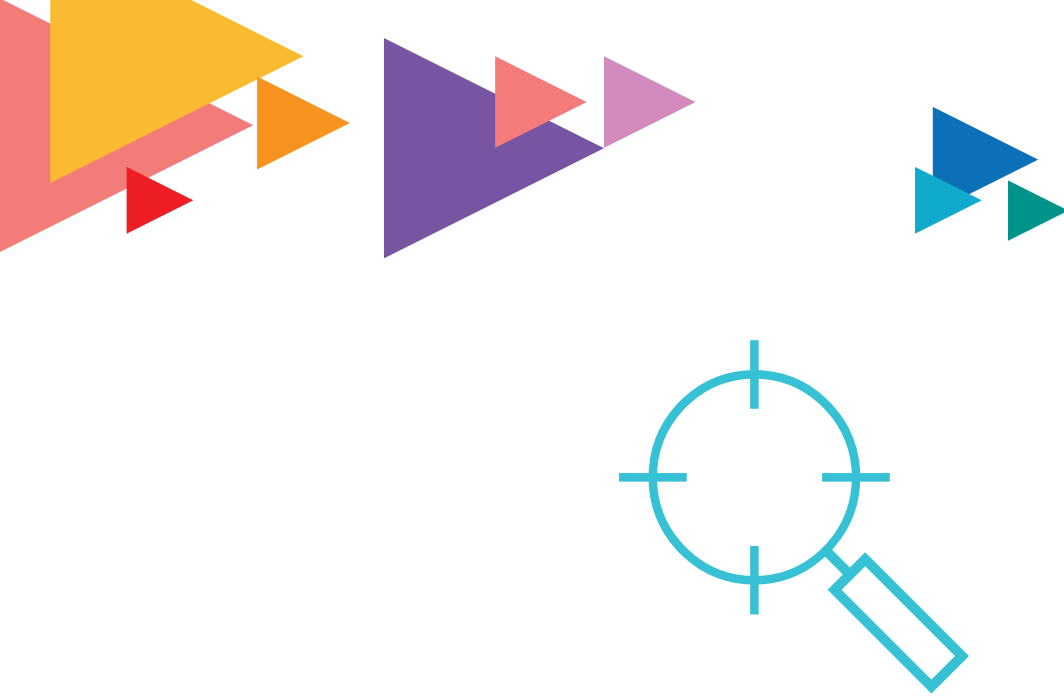


Concern about Ad Fraud increased more than any other industry challenge

The sharp increase in awareness of ad fraud shows it's a growing issue that the industry needs to address. Ad blocking also rose by double percentage points – as did “proof of posting” that the ad actually appeared, likely driven by the continued move towards programmatic ad trading.

Q: Please select up to 5 issues that you believe are most important for the industry to tackle in the next 12 months.



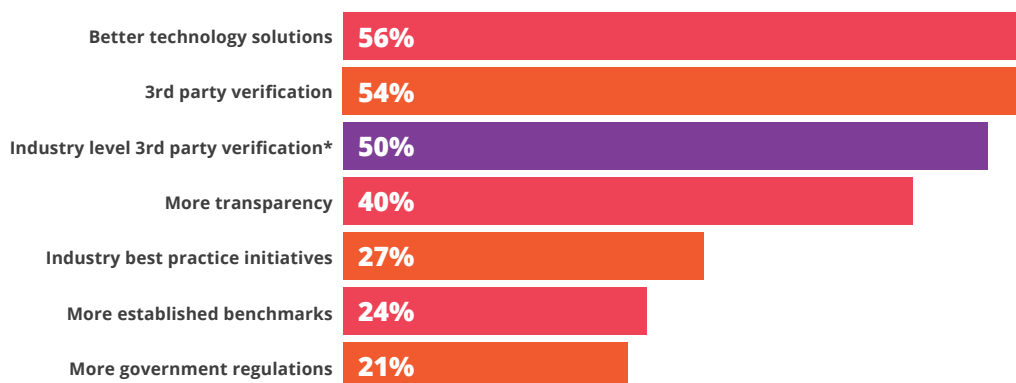


Tackling Ad Fraud is not only about tech

In fighting ad fraud, technology is essential, as is the human talent driving the tech tools. An effective industry solution needs to ensure that all elements are meeting best practice standards.

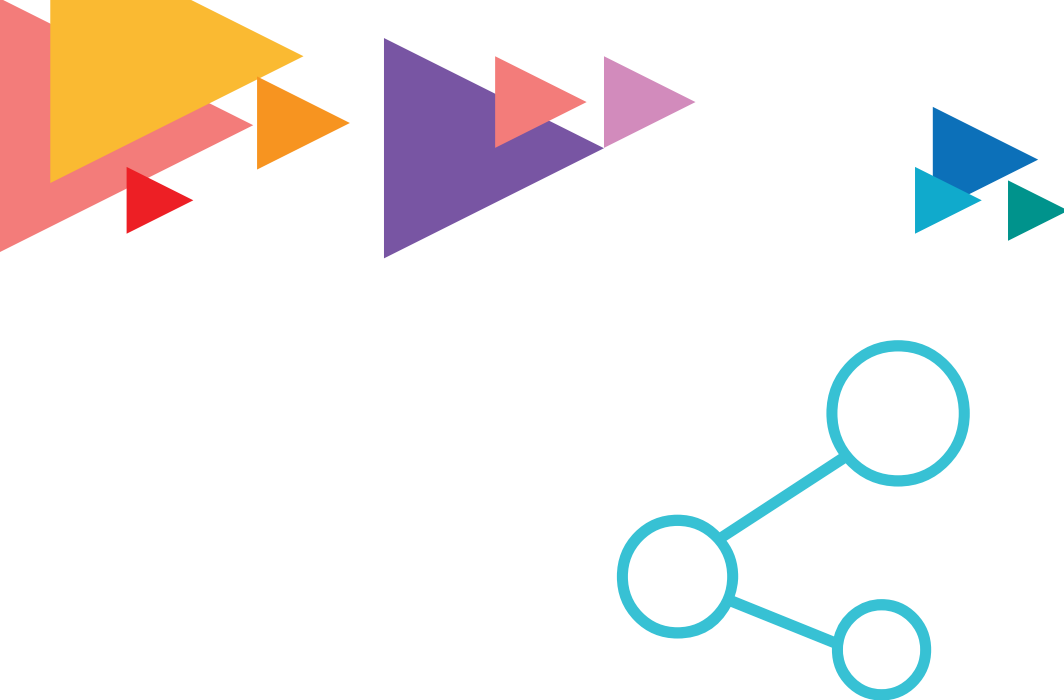
A blend of industry level 3rd party verification and best practice initiatives combined with tech, is needed to ensure the industry isn't just "marking its own homework."

Q: How do you think Ad Fraud / Non-Human Traffic should be addressed? (multi-choice allowed)



"The increase in non-human traffic and the growing reluctance of the industry to admit gaps in the technological platforms (buying and reporting) is going to become a greater issue for all marketers, at all levels, across every industry." - MARKETER

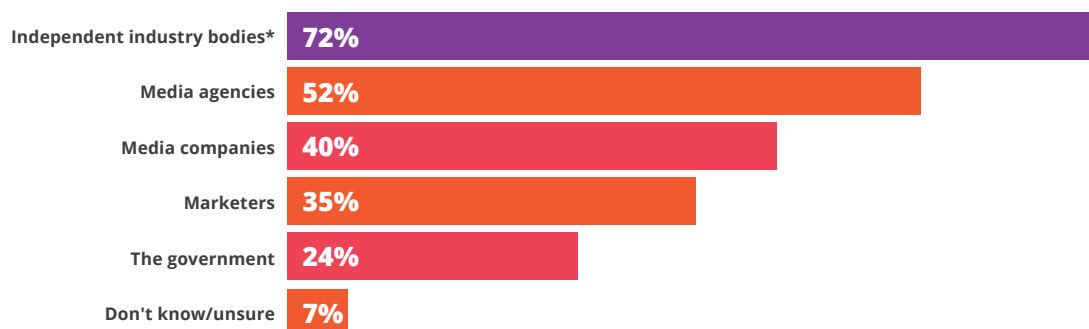
*By industry bodies



Industry bodies need to drive the solutions - it's an industry issue

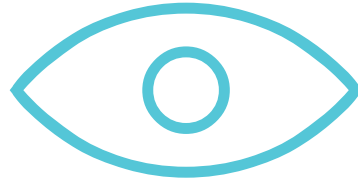
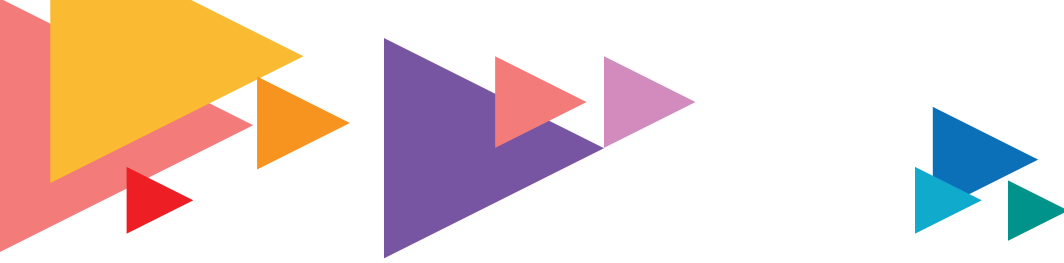
Industry-wide consistency is needed to address these issues which is why marketers and media agencies see independent industry bodies being best suited to address the issue of ad fraud.

Q: Who should be driving the industry to address Ad Fraud/Non-Human Traffic? (multi-choice allowed)



“The biggest threat I see is that the industry continues to turn a blind eye to the murky digital supply chain. Brands need transparency and the industry needs to clean up its act to build trust.” - MARKETER

*AMAA, IAB, MFA, ADMA, AANA

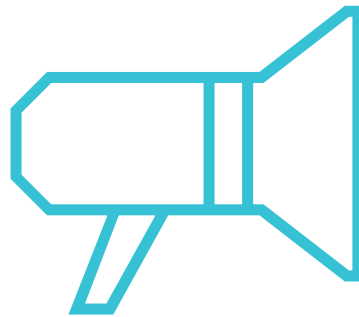
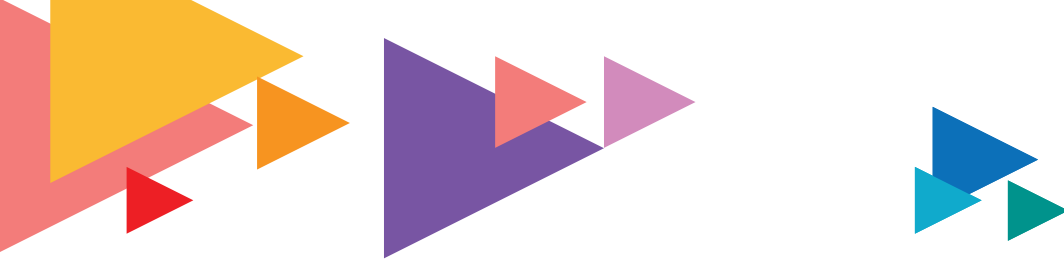


One view on the greatest threat to the advertising media industry is...

"Complacency. The industry is not coming together to find agreed metrics and measurement to verify performance and delivery. It has to be across client, media owners, agencies and industry bodies."

- MEDIA AGENCY





It's up to marketers to lead

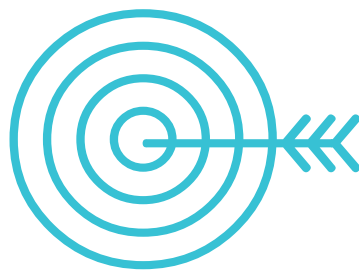
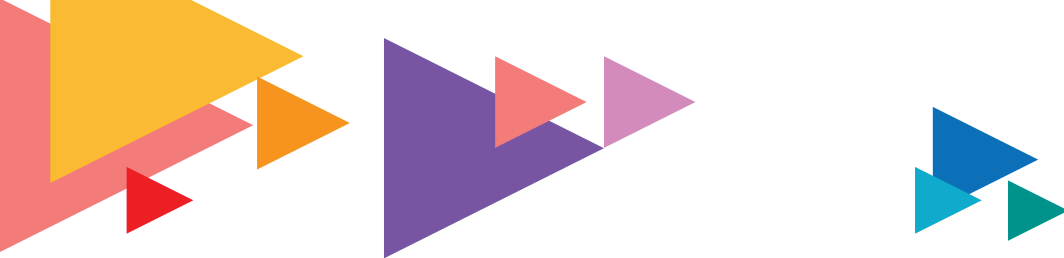
"The time for talking is over. The time for action is now for all of us to step up and elevate media transparency so we can drive a clean and productive media supply chain."

- MARC PRITCHARD, CHIEF BRAND OFFICER, P&G

**75%
Agree:**

"The issues the industry faces in transparency and accountability will only get fixed if marketers push for it."





Industry governance frameworks build trust

There are already numerous overseas industry certifications building trust in advertising media.

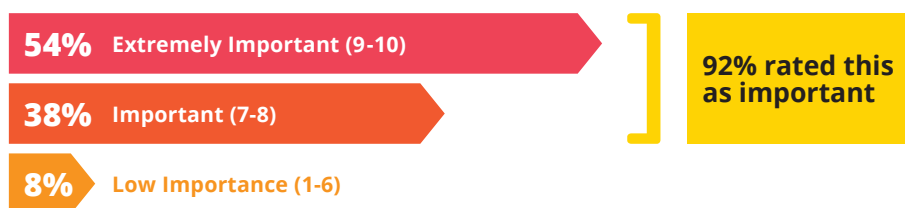
We asked marketers and media agencies how important they feel it is that similar programs are brought to Australia.

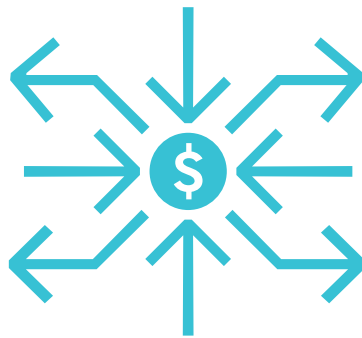


So what solutions are on the table?

1. Digital Ad Inventory Certified At Source

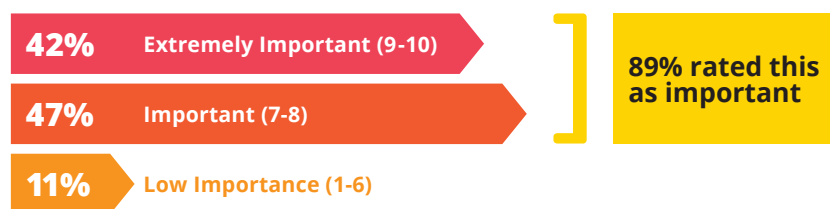
The solution: Digital publishers and ad inventory suppliers have their digital inventory certified for levels of malicious bots, spiders and non-human traffic against industry benchmarks.





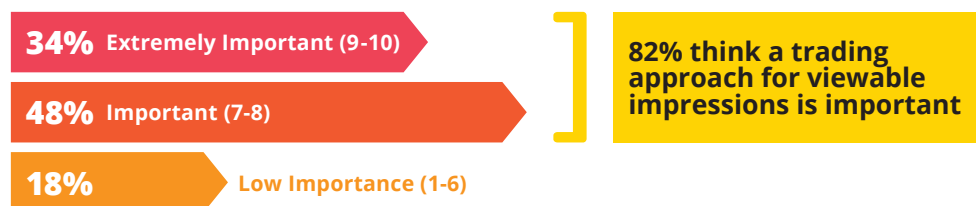
2. Programmatic Desks Certified for Best Practice

The solution: Programmatic desks and ad exchanges are certified by a 3rd party independent industry body as meeting industry standards addressing brand safety and ad fraud.

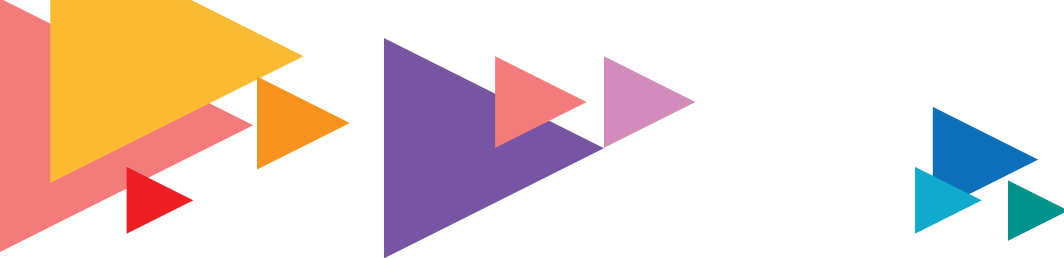


3. Verified Industry Framework and Benchmarks for Viewable Impressions

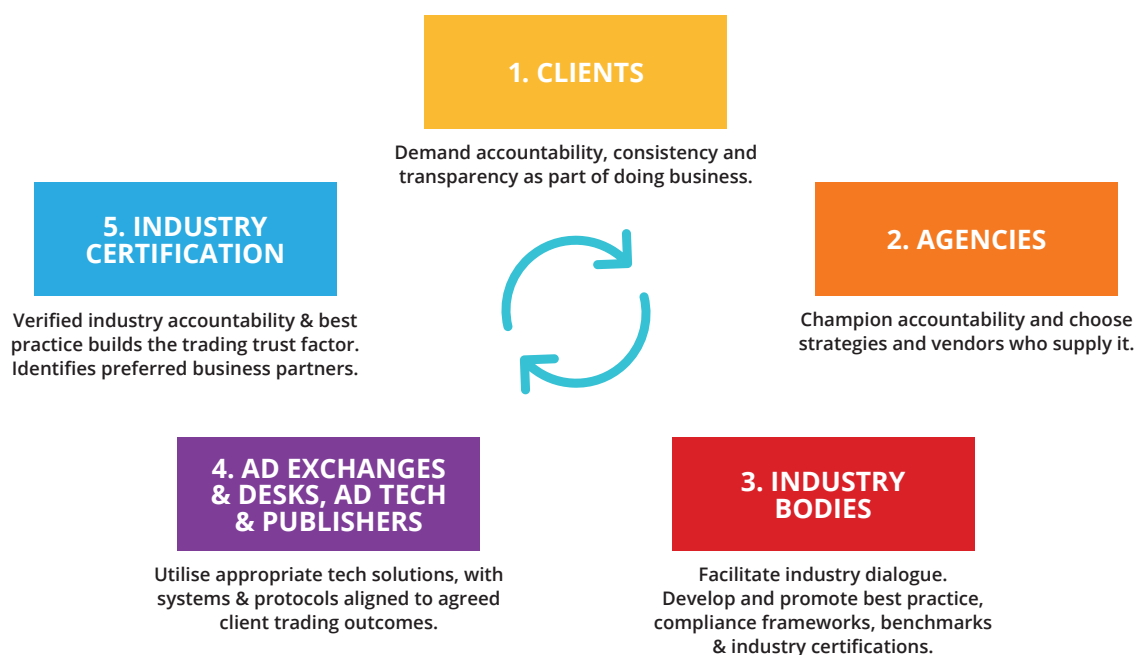
The solution: An industry agreed framework for how agencies manage the trading approach for viewable impressions is established and verified as meeting industry benchmarks.



59% also indicated that more consistent viewability measurement is needed.

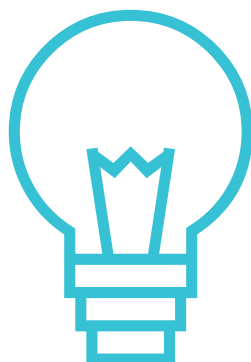
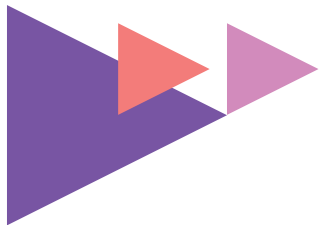


Greater collaboration will benefit the industry



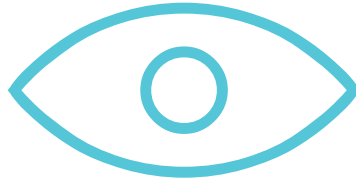
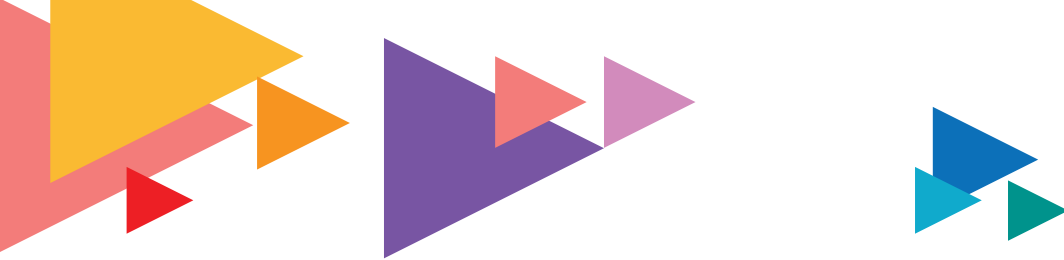
Industry trust building looks like this:

1. Marketers lead the change
2. Media agencies champion accountability
3. Industry bodies work together to determine industry approach to best practice, compliance frameworks, benchmarks and industry certifications
4. Ad tech, ad exchanges, agencies and publishers meet industry benchmarks and gain trust



To recap

INSIGHT:	WHAT THIS MEANS TO THE INDUSTRY:
<p>1. Trust = Money</p>	<p>Trust lets money flow more freely The industry will benefit from addressing issues of transparency and accountability to build greater trust</p>
<p>2. Marketers must demand change</p>	<p>Cross industry action is needed with marketers, media agencies and media channels coming together to address key issues</p>
<p>3. Programmatic needs to build trust</p>	<p>Programmatic needs to shore up its trust credentials to live up to its potential</p>
<p>4. USA and UK ad markets are leading the way with best practice initiatives that build trust</p>	<p>Our market sees value in industry led accountability - it's time to work together to build the solution</p>



Transparency builds trust

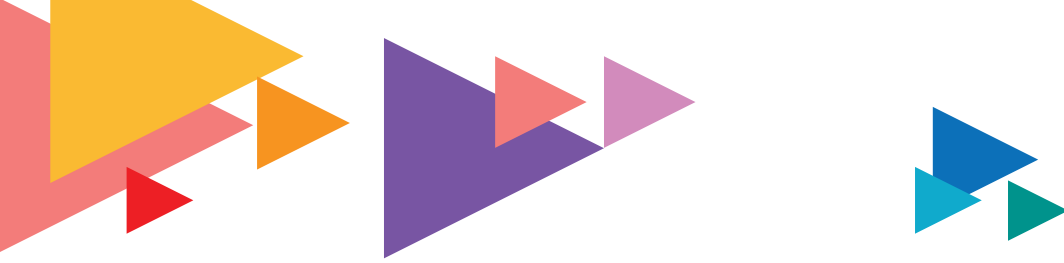
The need for transparency has become the catch cry of the industry, not without reason. Transparent and accountable ad trading practices can raise the trust quotient and provide a risk minimisation factor for marketers, agencies and media partners.

7 in 10
MARKETERS
Agree:

"Poor industry transparency will lead to more marketers taking their media buying in-house".

"Transparency and legitimacy of digital media is one of the biggest concerns at the moment. As much as digital has become integral in today's media landscape, the trust in digital has been shaken due to greater understanding of ad fraud, false reporting, and undisclosed costs/fees." - MARKETER

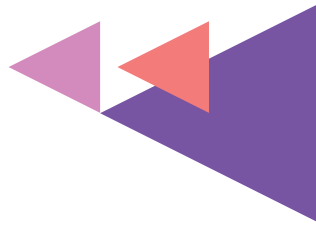
"The biggest threat to the industry is trust from advertisers. As the technology is constantly changing at a faster pace it gets more and more difficult for advertisers to understand what they are buying and how it is measured. This could lead to them moving more and more in house or becoming much more conservative." - MEDIA AGENCY



A final thought...

"If marketers lose faith in the advertising media industry they will quickly seek out alternatives, or set up their own digital media platforms. Given the rate of technological disruption and innovation already occurring in marketing, this type of 'do it yourself option' is a real possibility. The advertising media industry is on notice, and the clock is ticking." - Market Researcher





#TRUST MATTERS

Trust is the invisible thread of influence with regard to media buying decisions.

The AMAA is committed to working with the marketers, agencies and media partners to advance trust, accountability and best practice across the advertising trading ecosystem.

FOR MORE INFORMATION CONTACT:

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