September 2017

Priorities for Digital Measurement

Report

iab.europe

CONTENT

Executive Summary

The results echo the findings of the first IAB Europe Digital Measurement Priorities Report highlighting that industry-wide solutions are to be found across these areas. The report reveals that there are three key priorities for digital measurement:

1. **Cross-media measurement**
2. **Integration with programmatic tools**
3. **Viewability and brand safety for underpinning quality digital advertising**

Being able to measure cross-media and cross-device is key, both buy and sell-side stakeholders indicate that cross-media evaluation and a better understanding of how digital works in combination with other channels are important to drive more digital investment. In this context and as large advertisers continue to shift their brand advertising money into digital, stakeholders want to be able to measure TV and digital more than any other media combination. This is further enhanced by the fact that the top key performance indicators that stakeholders want to use for digital are those associated with traditional media, e.g. brand awareness and purchase intent.

Programmatic advertising has continued strong growth over the past few years and is now a €5.7bn market. Unsurprisingly the research reveals that real-time data reporting, or at least daily, is a priority as is ensuring that industry-agreed digital audience and effectiveness studies are available in programmatic trading tools.

As per ongoing industry discussions, viewability and brand safety are top of mind when it comes to determining contact or environment quality. All stakeholders agree that a move towards viewable rather than served impressions is important and in terms of contact quality, measuring the length of time an ad is in view, particularly for video, is top. The cross-industry European Viewability Initiative aims to address improving the accuracy and consistency of measuring the viewability of delivered impressions which will be a vital step towards identifying realistic brand exposure levels and will help to make digital advertising more directly comparable with TV where 'opportunity for the consumer to view' or 'opportunity to see' an advertisement is the accepted tenet for brand advertising. The cross-industry initiative has been developed by IAB Europe, EACA and WFA in order to:

1. Raise minimum quality standards in digital advertising measurement for all stakeholders across Europe
2. Enhance the (internet) user experience in the context of changing user expectations
3. Measure digital ad exposure which is deemed a key step towards increasing confidence in digital ad trading
4. Improve confidence in the digital ad environment

For brand safety, 9 in 10 of all stakeholders note this as a priority for determining the quality of the advertising environment.

In terms of digital measurement organisation, the results reveal that Joint Industry Committees (JICs) are the preferred method of audience measurement, effectiveness survey organisation and data monitoring. However, independent verification or audit services have increased in preference for this since the 2014 research.

> "Mothercare Ireland warmly welcomes the research results from IAB Europe, the need for group studies and measurement is a key tool in assisting retailers, publishers and advertisers alike in better understanding the market and where best to focus their attention and budget. We find huge benefits in such collaborative studies and the learnings around their results form a key part of our digital decision making process.
>
> **Ben Ward, Commercial Director, Mothercare Ireland**

Introduction

The last two decades of digital advertising have delivered consistent innovation and growth and it is now a €41.9bn market and the largest advertising medium in Europe.

With digital ad spend now leading TV by over €7bn and investments in programmatic advertising increasing, measurement is high on the industry's agenda. In order to understand stakeholder priorities for digital measurement, IAB Europe's Brand Advertising Committee has undertaken the second Digital Measurement Priorities survey. This report demonstrates how these priorities have shifted since the first survey in 2014.

The survey asked about the following areas:

- Priorities for driving more brand advertising spend into digital channels
- What is important for determining a quality 'contact' or 'environment'
- Cross-media and cross-device priorities
- Priority of key performance indicators
- Organisation of digital audience measurement surveys and effectiveness surveys

For most of the questions, survey participants were asked to rate various options on a scale of 1 to 4, 1 being the least important, 4 being the most important.

The respondents were from some of the largest advertising and media organisations, including but not limited to:

Methodology & Participants

An online survey was used with the help of the national IAB network to ensure a representative sample across European markets. The survey received approximately 700 respondents between March and May 2017.

The responses came from advertisers, agencies and publishers in 31 markets and respondents with both pan-European and Global remits.

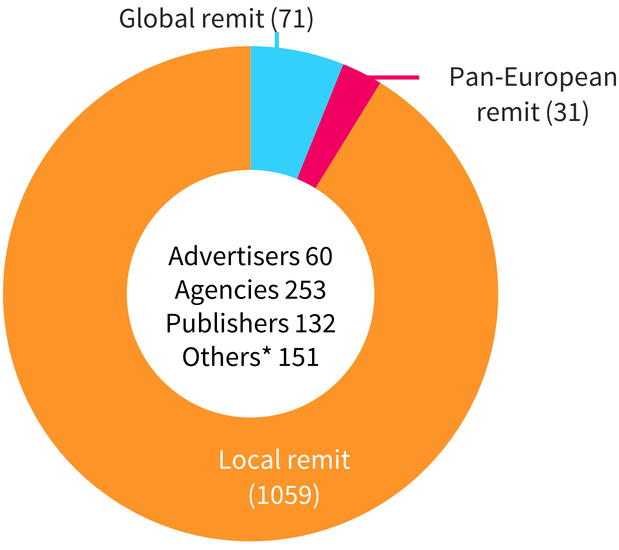
IAB Europe also segmented the markets according to their region:

- **Western Europe**: UK, France, Germany, Belgium, Switzerland, Netherlands, Austria, Ireland
- **Northern Europe**: Norway, Sweden, Denmark, Finland
- **Southern Europe**: Spain, Italy, Portugal, Greece
- **Central and Eastern Europe**: Belarus, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey, Ukraine

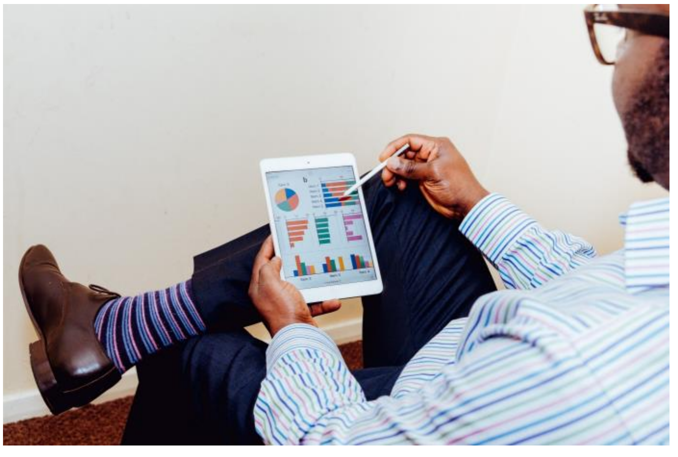
IAB Europe members can access the full data set with region breakouts by contacting Marie-Clare Puffett (contact details at the back of this report).

FIGURE 1

Breakdown of participants



** Includes ad networks, trading desks, measurement suppliers and industry associations*



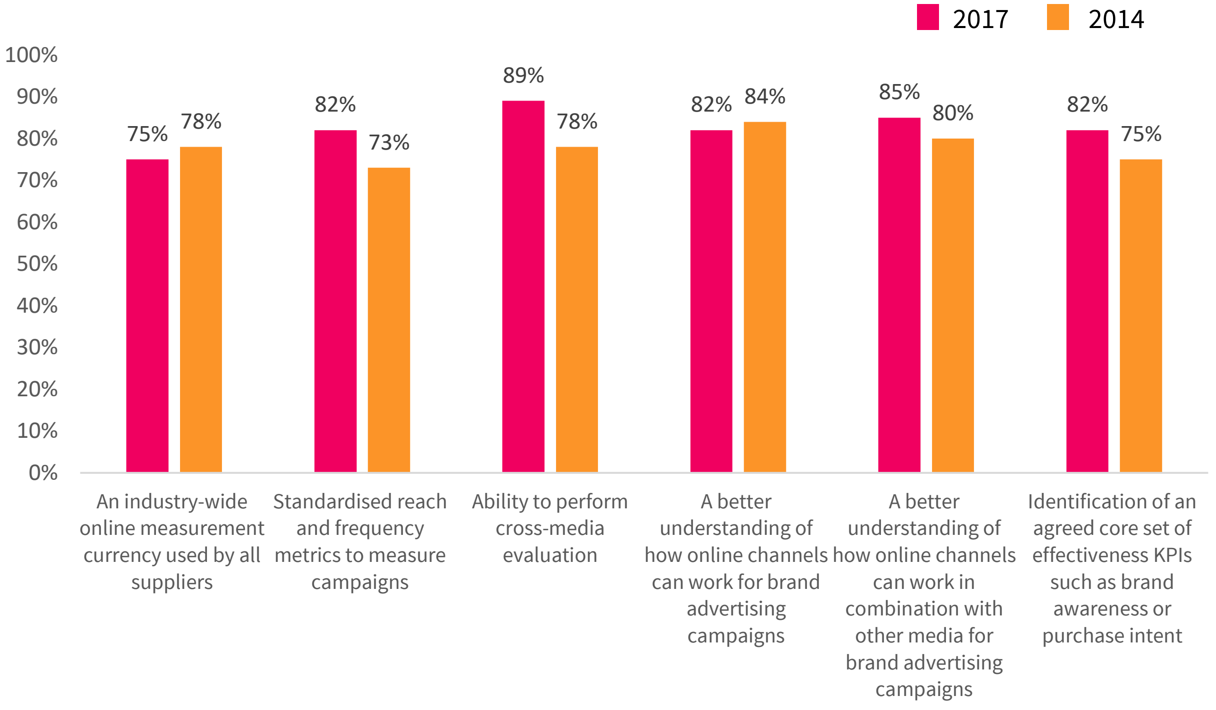
Measurement Priorities

The survey demonstrates the priorities that, if addressed, would help attract more brand advertising investment to digital channels; it is clear that cross-media is a key priority for all stakeholders. 90% want to the ability to perform cross-media evaluation and 85% state that a better understanding of how digital channels can work in combination with other media for brand advertising campaigns will help drive investment. Cross-media is of particular importance to advertisers with nearly 100% rating the aforementioned points as the most important for driving brand spend. Another priority for advertisers is the identification of an agreed core set of effectiveness KPIs such as brand awareness or purchase intent for digital measurement purposes.

FIGURE 2

Digital measurement priorities 2017 vs. 2014 (total respondents)

% of respondents that rated 3 or 4 (where 1 is would not help and 4 is would definitely help)



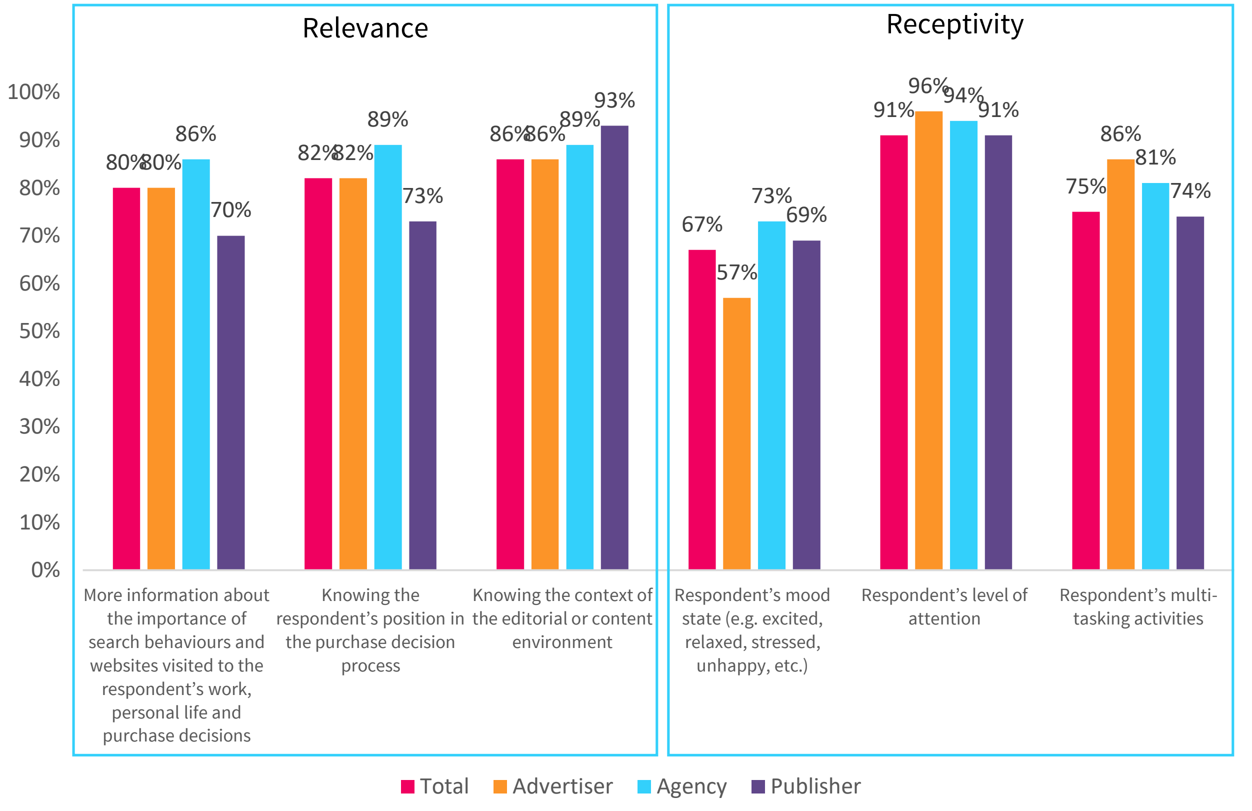
The survey reveals that the majority of stakeholders want to see a move towards measuring viewable rather than served impressions. this has increased in importance since the last survey; 81% in 2017 vs. 75% in 2014 and has driven the move towards viewability standards and certifications. Stakeholders are also looking for metrics that are compatible with those used for other media such as reach, frequency and GRPs. Indeed, audience survey compatibility across media is more important than audience survey compatibility across markets.

The survey shows a slight difference in opinion in terms of priorities for delivering brand advertising in context; the buy-side is more concerned with knowing the respondent's position in the purchase decision process whereas the sell-side thinks the context of the editorial or content is most important. For receptivity, stakeholders are more aligned and all state that the respondent's level of attention is key to this.

FIGURE 3

Priorities for delivering brand advertising in context

% of respondents that rated 3 or 4 (where 1 is would not help and 4 is would definitely help)



For data reporting the majority, 85%, of stakeholders want to see ad impression and reach data for key audiences updated at least daily, and half want real-time data.

Digital Advertising Quality

The survey asked about priorities to determine the quality of a ‘contact’ and the quality of the environment. For contact quality stakeholders want to know about audience reach and whether it was in-target; almost 90% of stakeholders ranked measuring the audience reach as the highest priority, closely followed by the in-target verification of the contact.

Viewability is also a priority here, particularly measuring the length of time that an ad is in view. Advertisers are particularly interested in viewability levels for in-stream video ads.

As per recent industry discussions, brand safety and invalid traffic are key to determining the quality of the advertising environment. Brand safety has increased in importance by over 20% since the last survey. A similar story prevails in a recent WFA survey which found that brand safety was a top priority for 35 multi-national advertisers and this had in fact escalated for 70% of these companies over the past 12 months.

Measuring the number of ad blockers is not such a high priority for ad environment quality.

FIGURE 4

Priorities for digital advertising quality

% of respondents that rated 3 or 4 (where 1 is would not help and 4 is would definitely help)

	Total	Advertiser	Agency	Publisher
Contact Quality				
Measuring the number of contacts reached by the campaign	87%	97%	87%	91%
In-target verification of the contact	86%	90%	90%	76%
Measuring the length of time an in-stream **video** ad is in view	84%	87%	84%	82%
Measuring the length of time an in-page **display** ad is in view	79%	81%	76%	80%
Measuring the proportion of an in-stream **video** ad that is in view	76%	70%	77%	77%
Measuring the proportion of an in-page **display** ad that is in view	72%	78%	70%	74%
Geo-verification of the contact	68%	81%	76%	58%
Measuring the average time spent on a web page	64%	61%	69%	72%
Measuring whether an in-stream **video** ad has been viewed as originally served or in full screen	54%	58%	55%	49%
Environment Quality				
Measuring how ‘brand safe’ the environment is	86%	90%	86%	90%
Measuring the levels of invalid traffic (IVT) on the environment	86%	97%	62%	82%
Measuring the degree of ad clutter on the environment	80%	93%	60%	83%
Measuring the number of ad blockers on the environment	70%	84%	61%	67%

Cross-Media Measurement

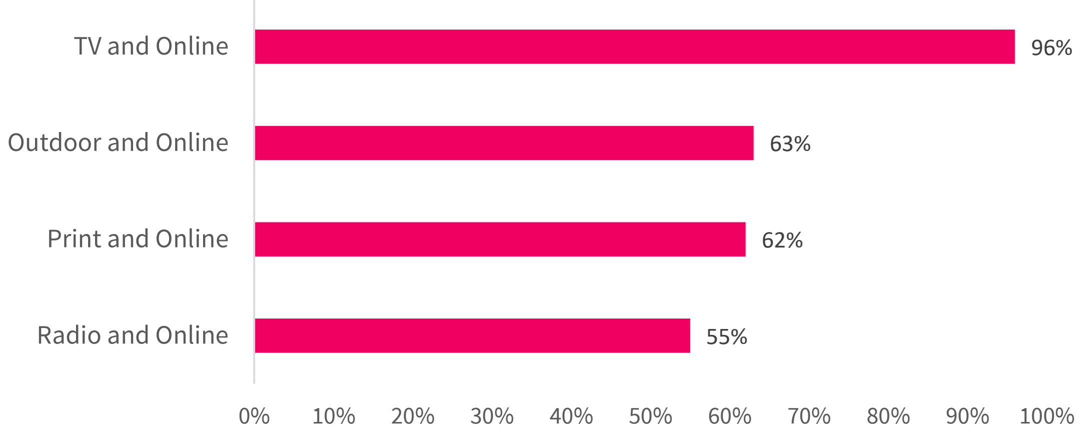
As highlighted in section 3 of this report, cross-media measurement is a key priority to digital measurement. This section provides further insight into the combinations which are perceived to be important.

It is clear that compatibility between digital measurement and TV measurement is a must for the industry with almost all stakeholders ranking this as the most important combination, this has not changed since the last survey in 2014. Interestingly outdoor and online is the combination that has increased the most in importance, this is likely due to outdoor media moving to digital screens and an increase in outdoor and digital campaigns.

FIGURE 5

Cross-media measurement priorities (total respondents)

% of respondents that rated 3 or 4 (where 1 is would not help and 4 is would definitely help)



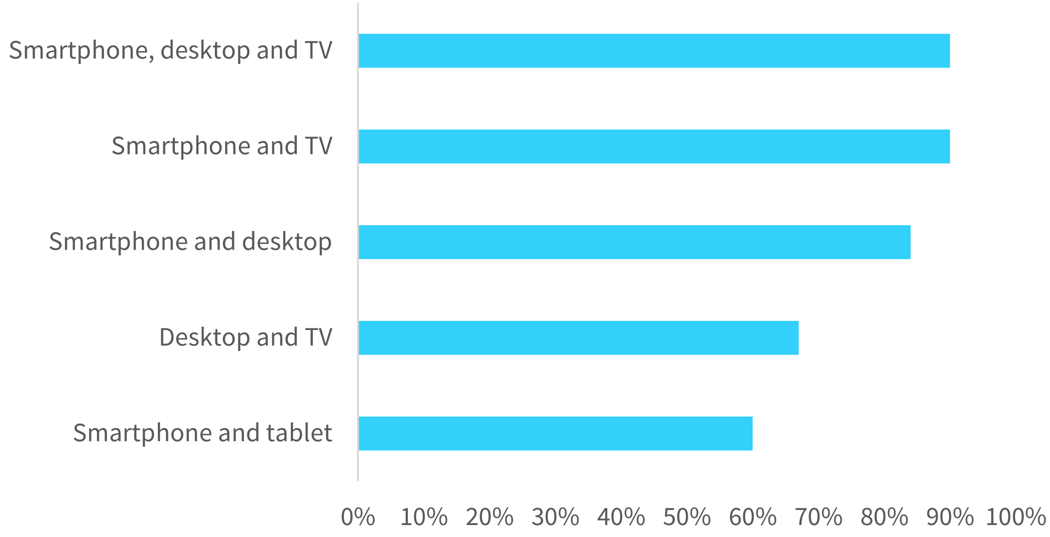
> GroupM welcomes IAB Europe's research which validates the need for ongoing industry focus on digital measurement and, in particular, full alignment and integration of independent measurement across all digital advertising technology and platforms.
>
> **Bethan Crockett, Digital Risk Director, GroupM**

TV is also key when it comes to compatibility across devices with smartphone and TV compatibility being more important that smartphone and desktop. Ideally stakeholders want to see compatibility across all devices – smartphone, desktop and TV.

FIGURE 6

Cross-device priorities (total respondents)

% of respondents that rated 3 or 4 (where 1 is would not help and 4 is would definitely help)



> The IAB Europe research shows that we need to better understand, evaluate and present the real impact of 'Total Video'. In order to unlock the vast potential of the 'Total Video' ecosystem for advertisers, the key tasks for our industry will be to enhance understanding of the effects of combining TV and digital video, to find smart ways of using data in digital purchasing processes and to realise that quality matters in digital as much as in any other media.

Daniel Bischoff, Marketing Director, RTL AdConnect

Key Performance Indicators

In terms of key performance indicators for digital advertising, brand awareness, purchase intent and uplift in direct site visits come out on top. For the buy-side brand awareness is of particular importance with 100% of advertisers and 93% of agencies ranking this as the most important KPI.

FIGURE 7

Importance of key performance indicators

	Total	Advertiser	Agency	Publisher
Brand awareness	90%	**100%**	**93%**	87%
Purchase intent	87%	93%	90%	75%
Uplift in direct site visits	87%	96%	89%	79%
Uplift in search behaviours	83%	93%	88%	74%
Likelihood to recommend	81%	83%	85%	82%
Advertising recall	80%	79%	83%	81%
Brand affinity	80%	89%	82%	81%
Individuals' interactions with content or ads	76%	83%	80%	72%
Synergies of multi-screening	74%	79%	78%	69%
Brand familiarity	71%	82%	72%	71%
Click on advertisement	69%	93%	72%	60%
Social media shares	63%	69%	73%	56%
Becoming a fan or follower	61%	76%	61%	52%
Touch screen metrics such as pinch, swipe, expand	46%	55%	48%	45%
Social media likes	46%	59%	52%	40%
Roll-over or mouse-over advertisement	36%	35%	36%	38%

Digital Measurement Organisation

The industry has a preference for digital audience and effectiveness and KPI surveys to be organised via Joint Industry Committees (JICs). Whilst this is the general consensus, there are some differences between buy and sell-side, more than 30% of the buy-side favour data quality being monitored via independent audit verification or services whereas more than two thirds of publishers favour JICs. This is likely due to the fact that advertisers and agencies have employed independent verification services for validating metrics such as viewability and brand safety. In fact, a recent WFA survey demonstrates that 88% of 35 multi-national advertisers are working with a third party verification partner for viewability tracking.

More than 90% of stakeholders state that is it important for industry-agreed digital audience and effectiveness studies to be available in programmatic trading tools alongside measurement and trading data.

FIGURE 8

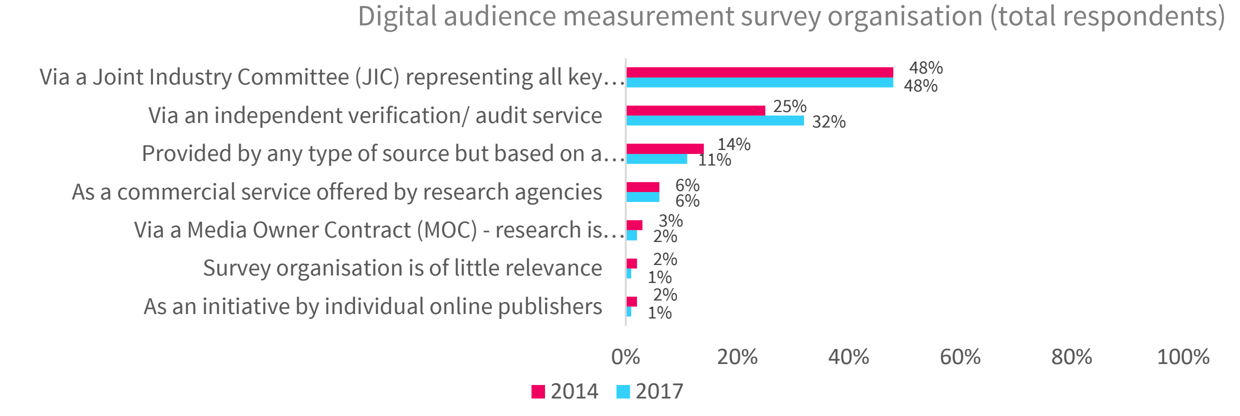
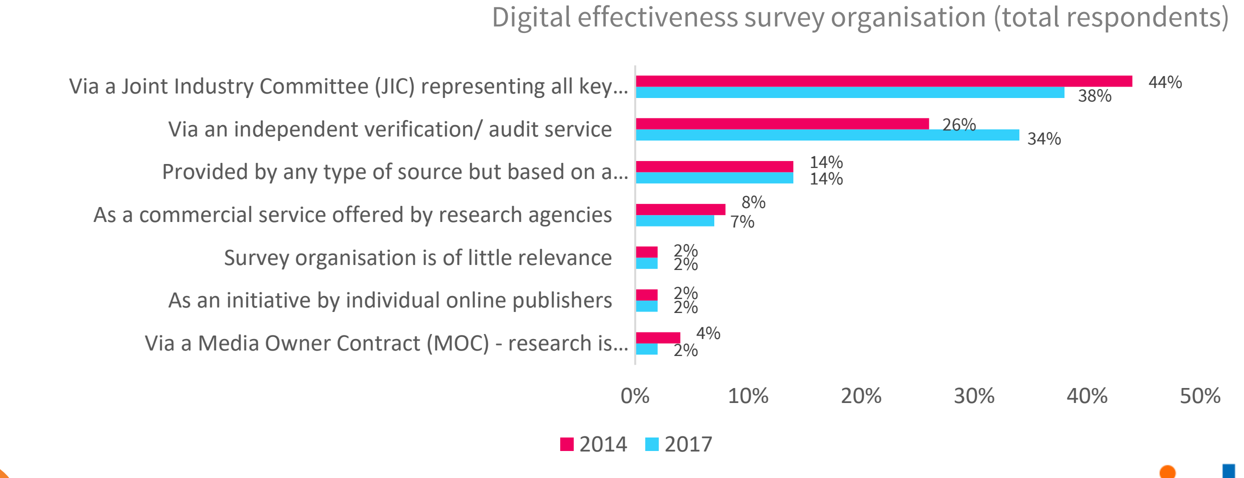


FIGURE 9



ABOUT IAB Europe

IAB Europe **is the leading European-level industry association** for the digital advertising ecosystem. Its mission is to promote the development of this innovative sector and ensure its sustainability by shaping the regulatory environment, demonstrating the value digital advertising brings to Europe's economy, to consumers and to the market, and developing and facilitating the uptake of harmonised business practices that take account of changing user expectations and enable digital brand advertising to scale in Europe.

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