The unaccountability of online advertising: an inconvenient truth

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Online advertising has often been cited as the most accountable and most measurable media on the market. Indeed, it was widely thought that the birth of the World Wide Web would bring with it a revolution in trackability and targeting, ensuring that advertisers could be totally secure in the knowledge that their content was reaching its target audience for a fraction of the cost of traditional means.

Alas, the rapid proliferation of the CPM buying model, still dominant today, immediately placed undue weight on the importance and necessity of measuring performance by volume of impressions and thus CPM. Swept up in the supposed accountability of online advertising, many brands, marketers and industry experts did not have the wherewithal to question the validity of this system of measurement.

The uncomfortable reality is that, according to the Interactive Advertising Bureau's definition, an impression is nothing more than "a measurement of responses from a web server to a page request from the user browser". In other words, there is absolutely no guarantee an impression has been seen by a user, or even had the opportunity to be seen in the first place. Indeed, comScore have estimated that astonishingly, around 54% of display ads bought in 2013 were not viewable. Likewise, according to Vindico, 57% of digital video ads suffered the same fate.[1]

When this troubling 'invisibility issue' is compounded with a high margin of technical error in measurement systems (some estimate as high as 15%), a high degree of non-human traffic (maybe as great as 60%), and a good measure of malicious fraud, the problem of online unaccountability becomes all the more serious.[2]

Why then has this buying model for online advertising reigned supreme for so long? The fact is that admitting the truth – that the way in which online performance is measured is neither accurate nor meaningful – is wholly inconvenient for the majority of parties involved. Should fraudulent impressions be discounted through a new viewability-based metric, media costs would increase while performance decreased; a bad result for publishers, exchanges, buying platforms and agencies alike. And though clients may have a sneaking suspicion that the 6 million impressions generated on a single display ad may be slightly exaggerated, the appeal of "shinier objects" like social media have now taken the spotlight, casting fraudulent practices into the shadows.[3]

But all may not be lost. In a collaborative venture towards greater transparency and accountability, the IAB, Media Rating Council (MRC) and VivaKi of Publicis Groupe, have been working together to establish a new standard of viewability for the online ad industry. In an attempt to bring online accountability in line with traditional media, the standard would allow advertisers to purchase only ads that could actually be seen by users, which, according to the associated guidelines, means that 50% of a display ad must be seen for one second. For video, this is increased to two seconds.[4]

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[1] Vivaki, 'Making Digital Count', *Advertising Age,* March 24, 2014, p.22.
[2] Adcontrarian, 'Chicanery is rampant in online advertising', *Campaign,* 7th March 2014, p.21.
[3] Kantrowitz, A., 'Fraud is Rampant in the Digital Ad World', *Advertising Age,* March 24, 2014, p.28.
[4] Vivaki, 'Making Viewability a Collaborative Effort', *Advertising Age,* March 24, 2014, p. 24.

Of course, these new standards will have repercussions for both agencies and publishers, some of which may not be very welcome. Indeed, if ‘viewability’ becomes the new currency for online ad buying, many publishers will have to reassess the fundamental structure of their webpages in order to meet brand advertisers’ new, elevated expectations.

But before we raise a glass to toast the potential end of online fraud and unaccountability, a word of caution is due. Even with a more accountable, more reliable measurement system in place, value-for-money can be by no means guaranteed. Given the exponential growth in agency digital wholesaling via DSPs and trading desks, advertisers must still be wary of the agency’s ability to generate extensive margins, perhaps as high as 20-50% from their investment. The woeful lack of transparency evident in media agency contracts on this subject has aggravated and continues to aggravate some more experienced advertisers, while bewildering those with less insight into the darker depths of the media industry.

As with many things, challenging the status quo is the best check and balance against outdated and fraud-laden practices. The onus is therefore on independent bodies, auditors and advertisers in particular to ask more probing questions of their media agency partners, in order to provoke a concrete change in the measurability and transparency of this increasingly dominant new media.