Digital Brand Advertising and Measurement

Report
June 2018

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EXECUTIVE SUMMARY

This year's findings demonstrate that advertisers, agencies, and publishers appreciate the need to align advertising KPIs with growing trends and industry demands; including rising multi-media consumption and ad quality concerns. But, when it comes to accurately assessing the impact ads make, there is still a gap between knowing what the industry should be tracking and putting those metrics into action.

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 brand advertising investment. This is further supported 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. Indeed, online video, a popular format for digital branding campaigns saw growth of 35% according to the IAB Europe AdEx Benchmark 2017 study.

Programmatic advertising has continued strong growth over the past few years and is now an €8.1bn market in Europe. Unsurprisingly the research reveals that ensuring that industry-agreed digital audience and effectiveness studies are available in programmatic trading tools is of high importance.

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 increased trading on 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 priority.

The cross-industry European Viewability Initiative aims to improve the accuracy and consistency of measuring the viewability of delivered impressions (more information on this initiative can be found in section 2).

In terms of digital measurement organisation, the Digital Brand Advertising and Measurement survey reveals 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 2017 survey.

INTRODUCTION

The last two decades of digital advertising have delivered consistent innovation and growth. Indeed, digital advertising has doubled in size in the past 5 years and is now a €48bn market according to the latest IAB Europe AdEx Benchmark study.

With digital now the largest advertising medium in Europe and investments in programmatic advertising increasing, it is key that measurement enables effective learning and understanding to advance the industry. In order to understand stakeholder priorities for digital measurement, IAB Europe's Brand Advertising Committee has undertaken the third Digital Brand Advertising Measurement Priorities survey.

The survey asked about the following areas:

- Defining digital advertising quality, both in terms of impressions and environments
- Insights that enable effective targeting of brand advertising campaigns
- KPIs for determining digital brand advertising success

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.

METHODOLOGY & PARTICIPANTS

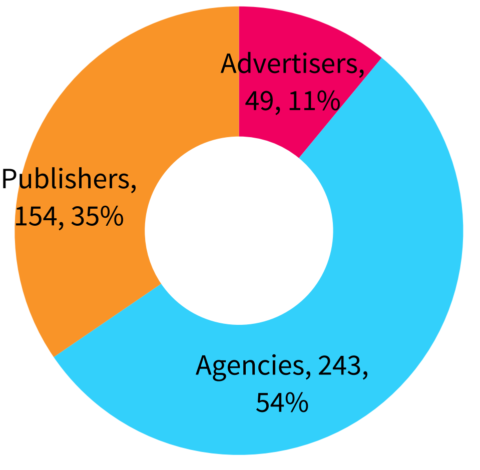
An online survey was used with the help of the national IAB network to ensure a representative sample across European markets. The survey received approximately 650 respondents between February and March 2018.

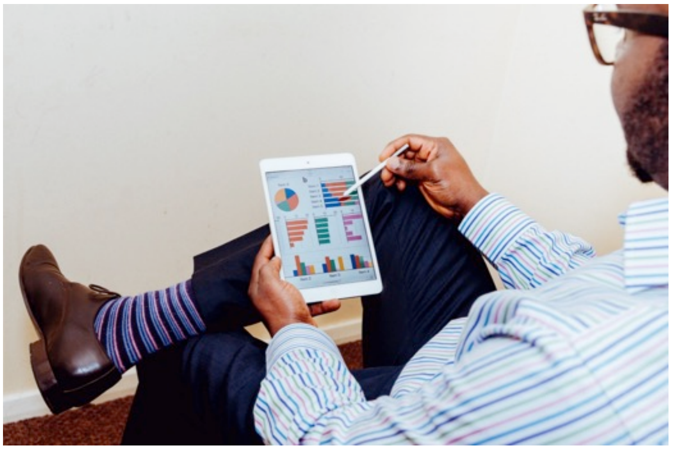
The responses came from advertisers, agencies and publishers in 31 markets and respondents with both pan-European and Global remits.

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





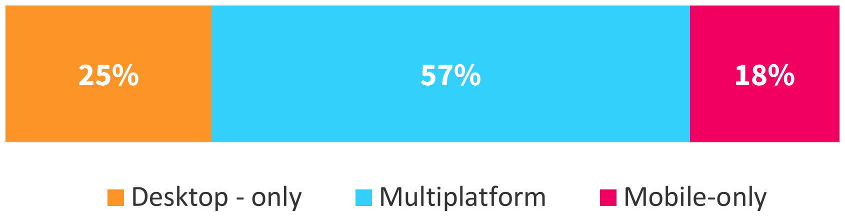
DIGITAL MEASUREMENT PRIORITIES

Cross-media evaluation is the top priority

As of March 2018, on average 57% of the EU5 digital population accesses online content through *both* their mobile devices (phones and tablets) and desktop computers, according to comScore.

FIGURE 2

EU5 digital population segmentation
Source: comScore MMX Multi-Platform, March 2018

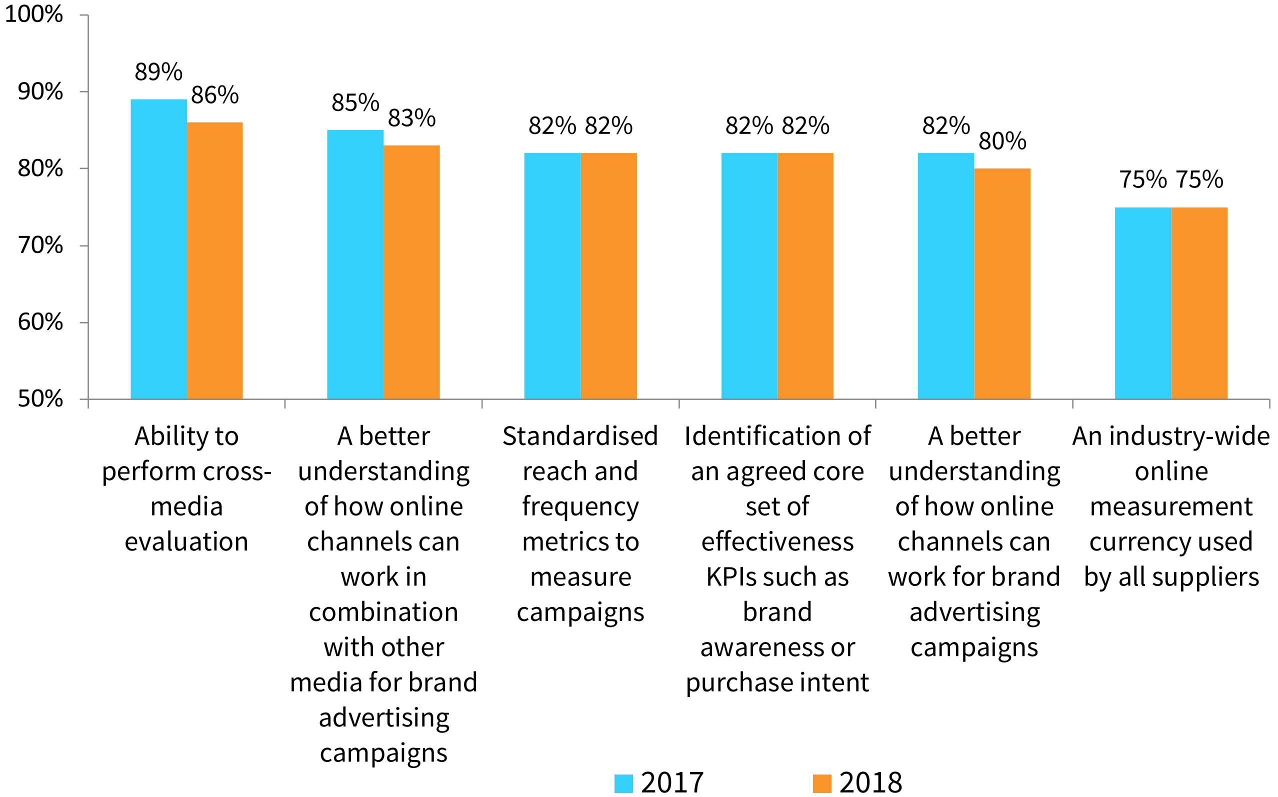


The importance of cross-platform audiences, compounded by the fact that the average consumer owns between three and four devices and regularly switches between them to view content, feeds the necessity to deliver better cross-media evaluation.

As a result, 91% of agencies and 83% of advertisers state that cross-media evaluation is a key priority for driving more brand advertising investment into digital channels. Also, 87% of agencies and 80% of advertisers state that a better understanding of how online channels can work in combination with other media for brand advertising campaigns would attract more investments in digital advertising.

FIGURE 3

Digital measurement priorities 2017 vs. 2018 (total respondents)
% of respondents that rated 3 or 4 (where 1 is would not help and 4 is would definitely help)

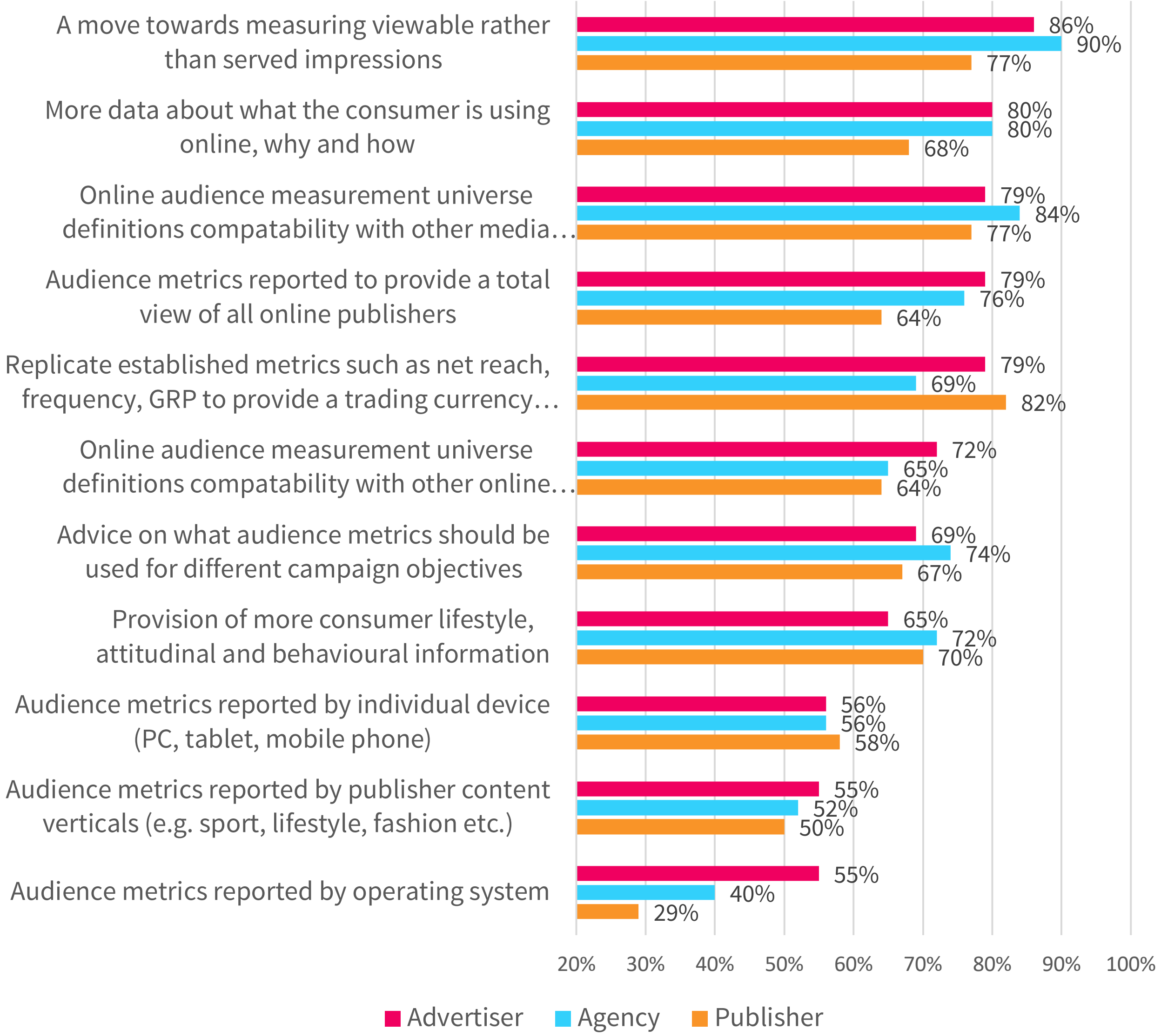


Making cross-media evaluation work requires standardised evaluation metrics in order to make meaningful comparisons, across media and over time. Compared with 2017, in 2018 a greater proportion of respondents identified the compatibility of online audience definitions and demographic segments (such as age, income, etc.) with those used in other media audience measurement as a key aspect to attracting brand advertising to online channels: 79% of advertisers, 84% of agencies, and 77% of publishers did so in 2018, whereas the proportions in 2017 were 74%, 80% and 78%, respectively.

FIGURE 4

Digital audience measurement priorities by stakeholder

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

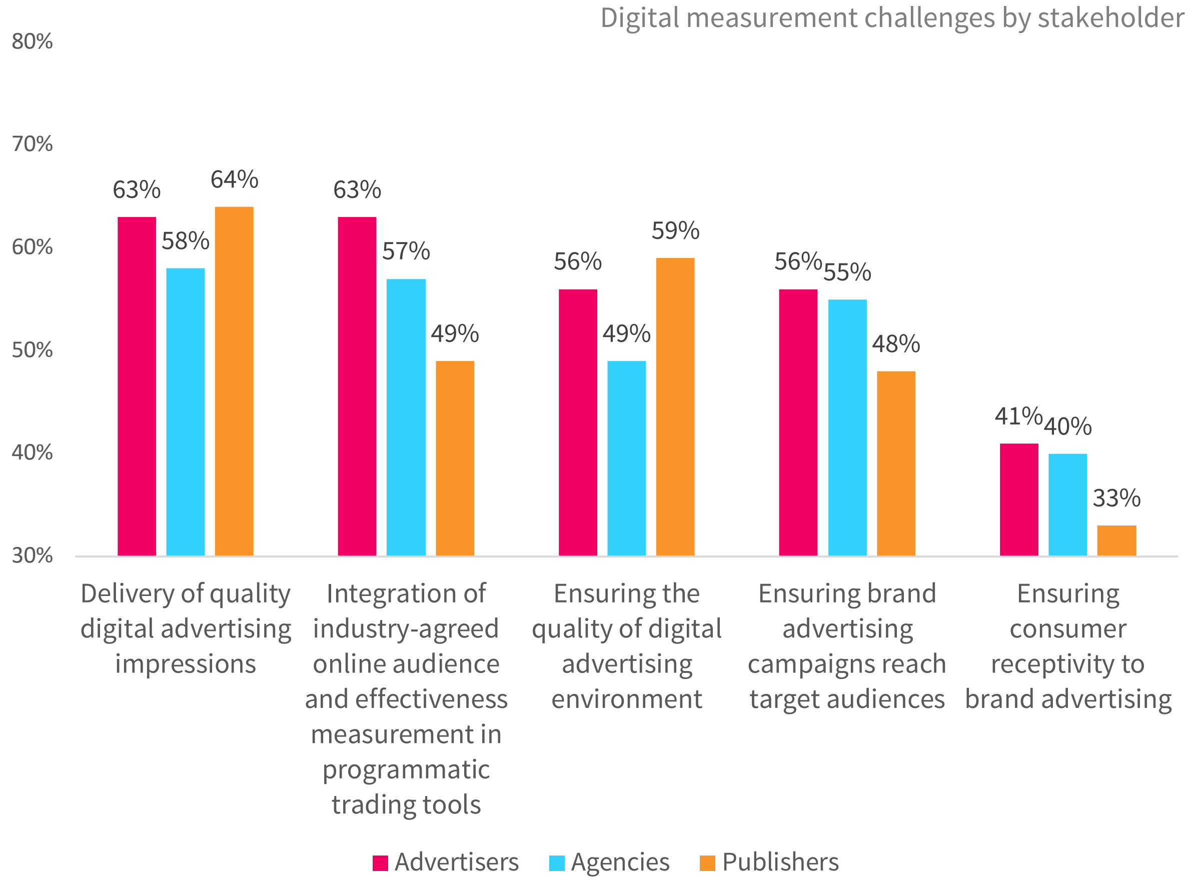


DIGITAL ADVERTISING QUALITY

Delivery dominates digital ad quality considerations

When asked about the challenges the industry currently faces in terms of digital measurement and brand advertising all stakeholders agree that delivering quality digital advertising impressions and ensuring the quality of the digital advertising environment are the top two challenges. Whilst the exact definition of quality can be subjective there is a shared understanding that a ‘high quality’ advertisement will perform better than a ‘poor quality’ ad.

FIGURE 5

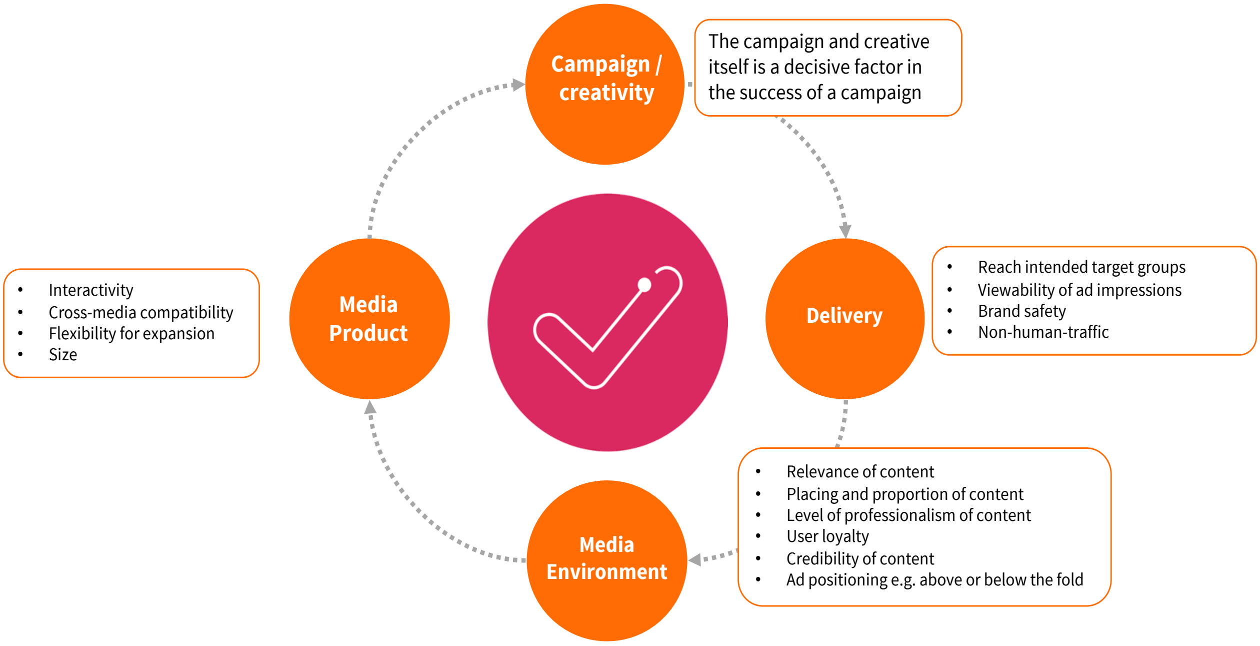


IAB Europe's quality initiative defines four key areas of quality for digital advertising (which are centred around delivering the right message to the right people in the right environment in the right way. Those areas are:

- **Campaign / creativity:** The ad and creative itself is a decisive factor in the success of a campaign.
- **Delivery:** Ensuring the ad reaches the intended target groups in a brand safe environment is viewed by a human.
- **Media environment:** The relevant content, placement, level of professionalism as well as user loyalty of the media environment can all have an impact on the overall quality.
- **Media product:** The media product or ad type can also have an impact, for example the interactivity, flexibility and size.

FIGURE 6

IAB Europe Quality Initiative



Brand safety determines the quality of the environment

Recent ad misplacement issues and rising ad fraud costs have put brand safety and ad verification firmly in the industry spotlight demonstrating that the delivery of advertising is key to ensuring quality. It is no surprise then that 82% of respondents stated that measuring brand safety, fraud and viewability is a key factor for driving brand advertising investment online. Further, the most important criteria for environment quality is ‘brand safety’, with 84% of respondents confirming this, followed by invalid traffic, at 82%. On the other hand, the ‘quality of the non-advertising content’, which correlates with audience affinities, comes in third position, at 78%.

Perhaps surprisingly however, ad blockers, a topic routinely making the headlines, seem to be less of a concern as the lowest scored quality variable. This may be due to the emergence of solutions for ad blockers or industry initiatives that aim to address improving user experiences with ads such as the Coalition for Better Ads.

Reach and viewability determine the quality of a contact

For the purposes of this report, a ‘contact’ can be defined as an individual intended to be reached with an ad. It is interesting to note that 88% of respondents chose the ‘number of contacts reached by the campaign’ as an important criteria to define contact quality. In comparison, more sophisticated metrics such as geo-verification of the contact, or in-target verification of the contact ranked lower; only 68% thought that geo-verification mattered, and 78% did for in-target verification. Measuring the length of time an ad has been viewed is deemed almost as important as reach for video advertising. The cross-industry European Viewability Initiative aims to improve the accuracy and consistency of viewability measurement, a vital step towards identifying realistic brand exposure levels. This 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 initiative has been developed by IAB Europe, EACA and WFA in order to:

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

FIGURE 7

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
Environment quality				
Measuring the proportion of a video ad that is in view	76%	75%	81%	76%
Measuring the length of time a video ad is in view	84%	82%	91%	80%
Measuring whether a video ad has been viewed as originally served or in full screen	56%	65%	59%	41%
Measuring the proportion of an in-page display ad that is in view	74%	75%	75%	71%
Measuring the length of time an in-page display ad is in view	74%	71%	78%	69%
Measuring the average time spent on a web page	64%	64%	68%	56%
Measuring the number of contacts reached by the campaign	88%	83%	89%	82%
Geo-verification of the contact	68%	57%	75%	64%
In-target verification of the contact	78%	75%	84%	67%
Environment quality				
Measuring how ‘brand safe’ the environment is	84%	78%	85%	84%
Measuring the degree of ad clutter on the environment	78%	82%	82%	71%
Measuring the levels of invalid traffic (IVT) on the environment	82%	79%	82%	78%
Measuring the number of ad blockers on the environment	69%	75%	78%	58%
The quality of the non-advertising content	78%	89%	80%	70%

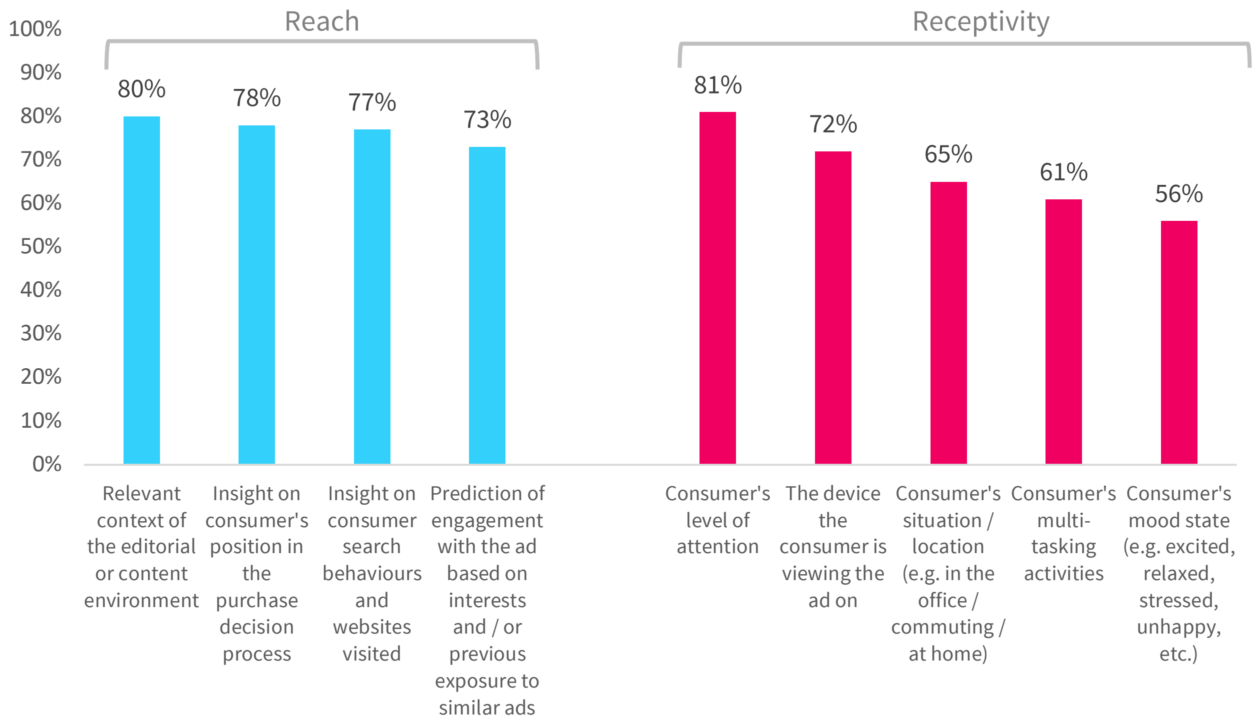
Context and 'level of attention' important for effective targeting

The context of the editorial or content environment is considered by around 80% of all stakeholders to be the most important factor to ensure that brand advertising campaigns reach the target consumer. Coincident indicators such as 'insight on consumer's position in the purchase decision process' and 'insight on consumer search behaviours and websites visited' performed almost equally well. Surprisingly however, predictive indicators such as the 'prediction of engagement with the ad based on interests and / or previous exposure to similar ads' did not generate as much interest as the other variables.

The majority of stakeholders agree that the consumer's level of attention has an impact on their receptivity to brand advertising significantly more than other measures such as the location and situation i.e. (office, commuting, second-screening).

FIGURE 8

Priorities for reach and consumer receptivity to digital brand advertising campaigns (total respondents)



KEY PERFORMANCE INDICATORS

Mismatch between vision and reality

When it comes to assessing the impact of digital advertising, there is a gap between *what KPIs the industry should be using and those actually being used.* For example, metrics related to ad impact, such as purchase intent (88%), sales (79%), and uplift in direct site visits (77%) are ranked highly as important measures. Yet figures for deployment of these KPIs are far lower, with all measured by less than half of stakeholders. Indeed, even viewability is presently measured by just 48% of agencies, advertisers, and publishers.

If brands want to stand out against competitors, ads must leave a positive and lasting impression; particularly as consumers' preferences to avoid trawling through endless retail options mean 90% of purchase decisions are now made via subconscious shortcuts. Therefore, it is no surprise that brand awareness is not only cited as a vital KPI for 88% of stakeholders, but also already used by more than two thirds. On average, 64% of stakeholders currently measure brand awareness and, among advertisers and agencies, adoption is even higher at 78% and 74% respectively.

Delivery metrics rank higher than segmentation metrics

The data also demonstrates that the industry is more focused on delivery metrics such as viewability rather than segmentation metrics such as type of device, publisher content verticals or consumer lifestyle data. Indeed, when asked about what aspect of audience measurement would boost digital advertising investments, most (84%) stakeholders chose 'measuring viewability rather than served impressions', making it the single most important answer - a three percentage points *increase* compared to 2017 (see figure 4).

On the other hand, segmentation metrics that allow fine-grained targeting did not have the same consensus: only 51% of respondents thought that audience metrics by publisher content verticals (such as sport, lifestyle or fashion) would prompt greater investment in digital advertising - a nine percentage point *decrease* compared to the previous year.

Enhancing measurability and transparency in programmatic trading

Half of European display ad revenue is now traded programmatically and has continued to experience strong growth. It is no surprise then, that 90% of advertisers, 88% of agencies, and 85% of publishers concur on the significance of industry agreed online audience and effectiveness studies to be available in programmatic trading tools alongside measurement and trading data.

The impact of the GDPR and the need to clearly identify the roles of all the players in data management processes will influence the need for more measurement data to be available in programmatic trading tools in the coming months.

FIGURE 9

KPIs that stakeholders would like to use and KPIs they are currently using

	KPIs - vision			KPIs - reality		
	Advertiser	**Agency**	**Publisher**	**Advertiser**	**Agency**	**Publisher**
Advertising recall	81%	80%	71%	48%	47%	35%
Brand awareness	89%	90%	86%	78%	74%	51%
Brand familiarity	82%	72%	71%	37%	19%	18%
Brand affinity	81%	76%	72%	26%	31%	23%
Purchase intent	78%	92%	87%	44%	52%	31%
Likelihood to recommend	63%	78%	70%	22%	21%	14%
Becoming a fan or follower	52%	51%	41%	19%	26%	13%
Social reaction to the ad (e.g. likes, shares and comments)	59%	54%	45%	33%	46%	21%
Interaction with the ad (egg, swipe, click, expand)	82%	69%	60%	19%	47%	34%
Synergies of multi-screening	56%	71%	44%	11%	12%	10%
Uplift in direct site visits	78%	85%	72%	37%	43%	23%
Uplift in search behaviours	82%	82%	56%	15%	37%	11%
Level of viewability	85%	82%	72%	30%	58%	52%
Completion rates	77%	82%	65%	37%	55%	54%
Targeting accuracy	82%	84%	76%	22%	41%	42%
Cost per mile (CPM)	52%	63%	61%	63%	72%	76%
Cost per completed view	70%	79%	62%	37%	60%	42%
Volume of impressions delivered	52%	69%	64%	48%	62%	55%
Level of brand safe, non- fraudulent impressions	59%	84%	84%	19%	38%	34%
Sales KPIs	78%	86%	66%	52%	59%	44%
Reach and frequency	82%	86%	83%	63%	79%	63%

ORGANISATION OF DIGITAL MEASUREMENT

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 40% of advertisers want to see effectiveness and KPI studies organised via independent audit verification or services.

FIGURE 10

Digital audience measurement survey organisation (total respondents)

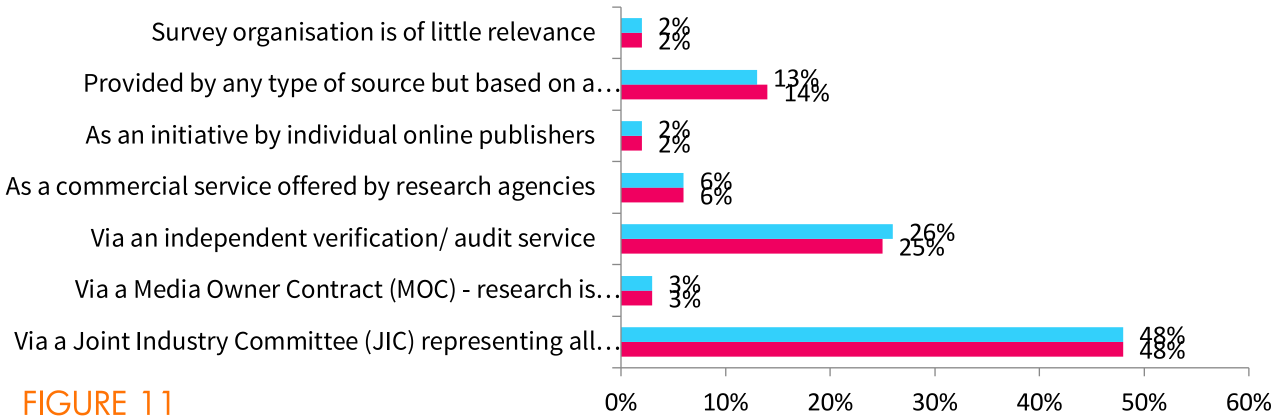
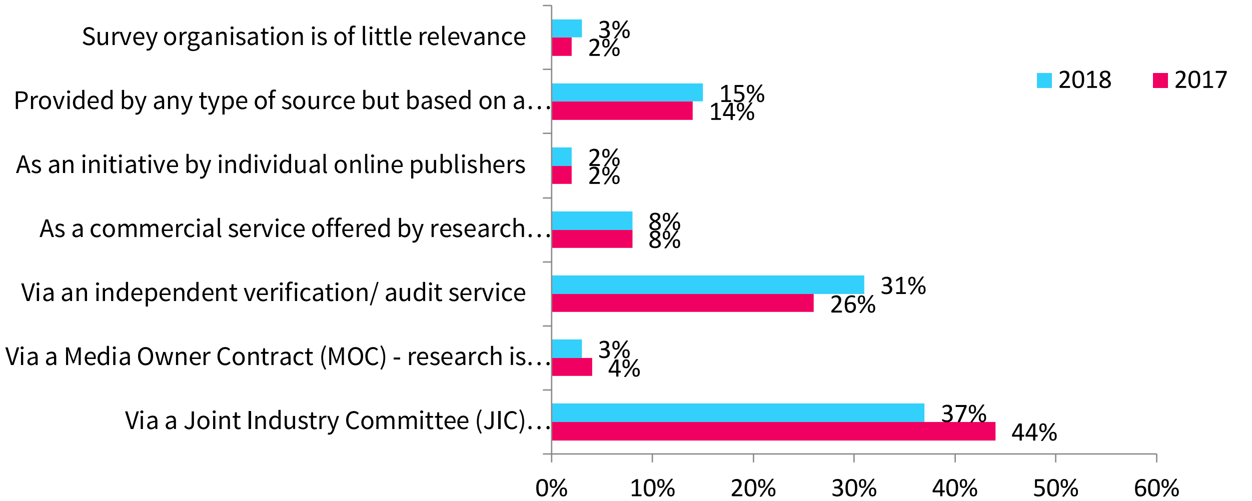


FIGURE 11

Digital effectiveness survey organisation (total respondents)



WITH THANKS

IAB Europe would like to thank the following contributors who helped draft the report:

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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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