



ADVERTISER TRUST

Navigating the current climate and coming out ahead



Media
Leadership
Series

 **Advertiser
Perceptions®**

Advertiser Perceptions by the Numbers

16

YEARS

of proprietary,
historical data about
“what advertisers think”

65

STUDIES

conducted per year:
syndicated & custom,
quantitative &
qualitative,
U.S. & Global

700

COMPANIES

continuously
measured across
digital, television,
radio, print,
agencies and
ad tech

85

CLIENTS

ranging from
traditional media
to emerging ad tech

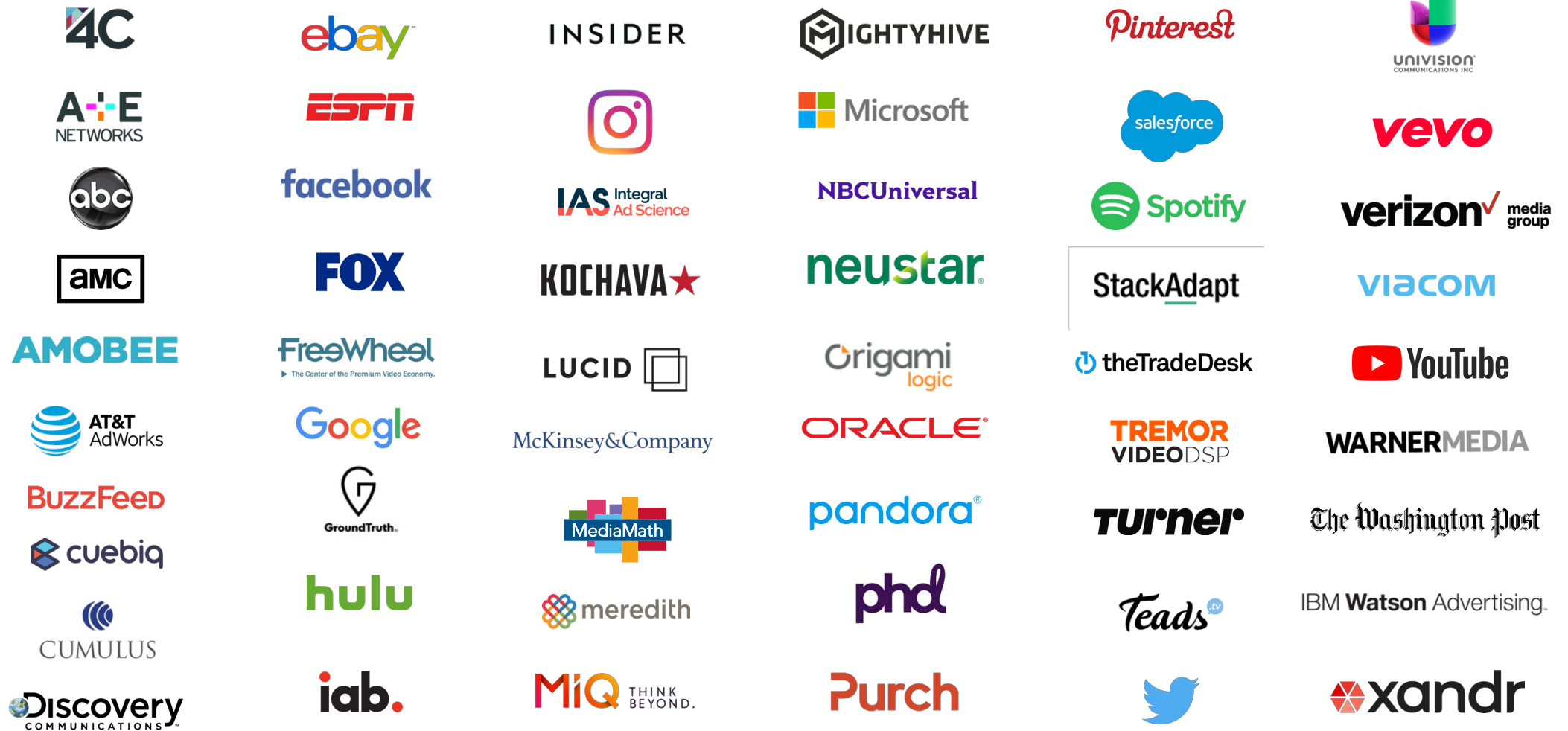
300

PRESENTATIONS

delivered per year,
sparking active
dialogues about
key issues in the
marketplace



Our Clients



Partial list





Today's Hosts



Randy Cohen
Chief Executive Officer
Advertiser Perceptions



Sarah Bolton
Executive Vice President, Business Intelligence
Advertiser Perceptions



Frank Papsadore
Executive Vice President, Marketing
Advertiser Perceptions



Trust in Advertising: a big umbrella

Brand Safety



Ad Fraud

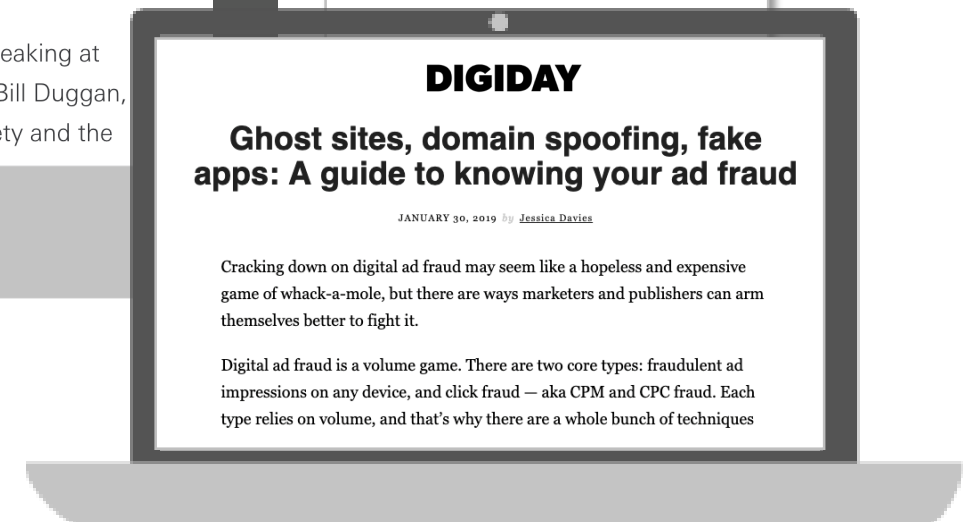
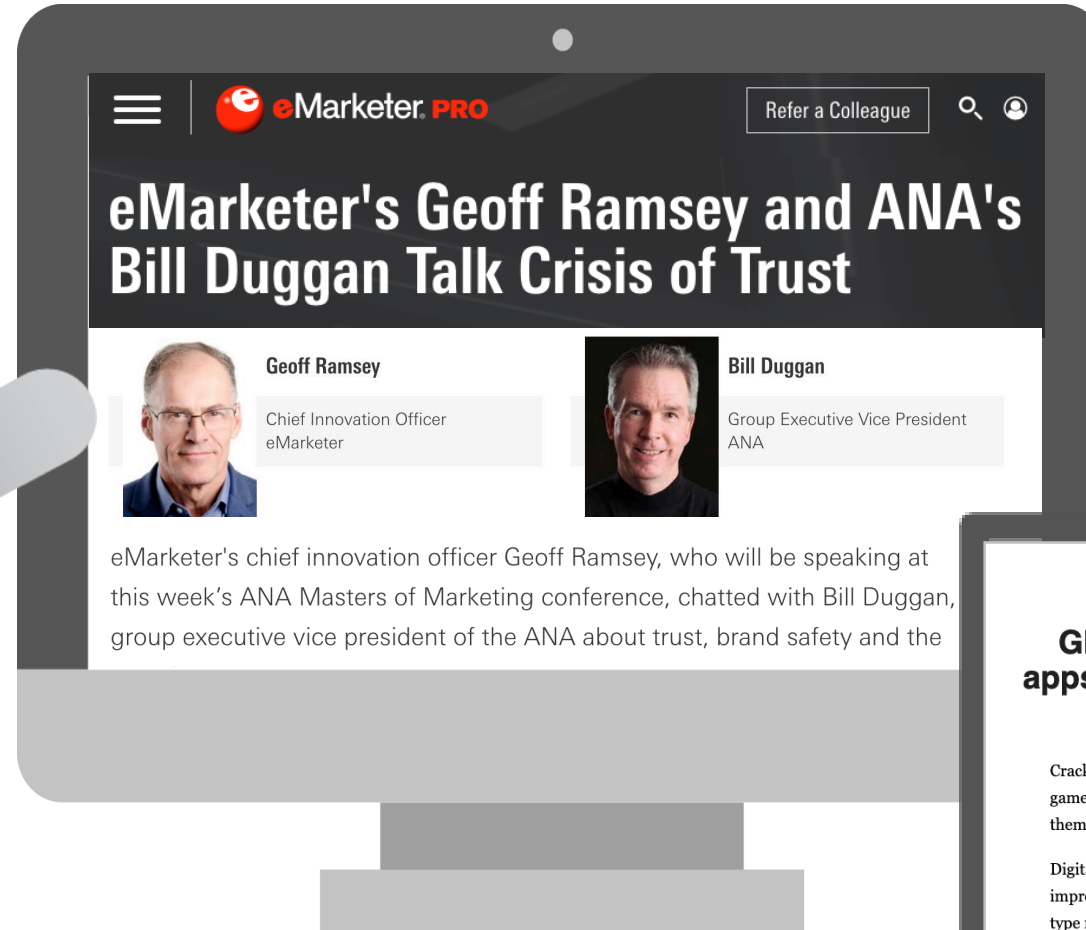


Data Mismanagement





Trust-Related Issues: dominating industry headlines





Trust-Related Issues: top-of-mind for advertisers

What is thwarting programmatic? It's a matter of trust

Most Negative Aspects of Programmatic Ad Buying (Top 10)
Percent of Respondents Ranking 1-3

1	Fraud: Viewability, non-human traffic	↑	37%
2	Brand safety concerns		36%
3	Poor inventory quality		25%
	Pricing transparency and hidden costs	↑	

Brand Safety remains the key challenge causing advertisers to hold back or decrease spending with a media brand

Brand safety	58%
Viewability	49%
Data privacy	48%
Non-human traffic	43%
	42%



Brand Safety and Fraud cited as top challenges with mobile advertising

Percent of Respondents
Ranked 6-7 on a scale of 1-7 (7 meaning Extremely Challenging)

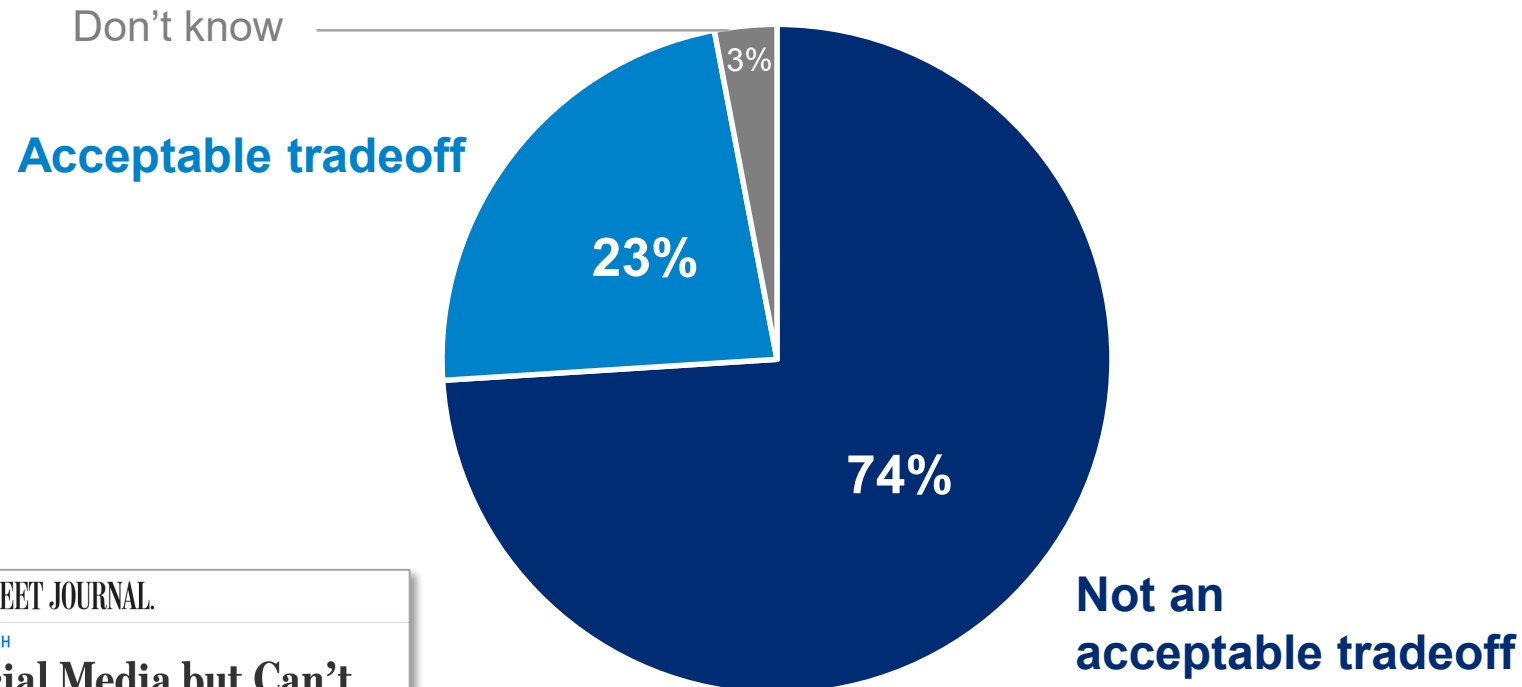
Brand safety	43%
Fraud	38%
Effectiveness of creative on mobile screens	37%
Transparency of placement	36%
Having creative designed for mobile	34%
Attribution	34%
Availability of quality data for targeting on mobile	33%
Scale	30%
User behavior on mobile devices	29%





Trust-Related Issues: affecting consumer behavior

Using my personal data so advertisers can target me is ...



THE WALL STREET JOURNAL.

TECH

Americans Hate Social Media but Can't Give It Up, WSJ/NBC News Poll Finds

Poll finds a majority across the political spectrum also says social media wastes time and spreads falsehoods—even as 70% check in daily



TRUST

THE BIG PUSH BACK





Corporate leaders have put a stake in the ground





Taskforces and dedicated roles focused on solutions



Industry Task Forces

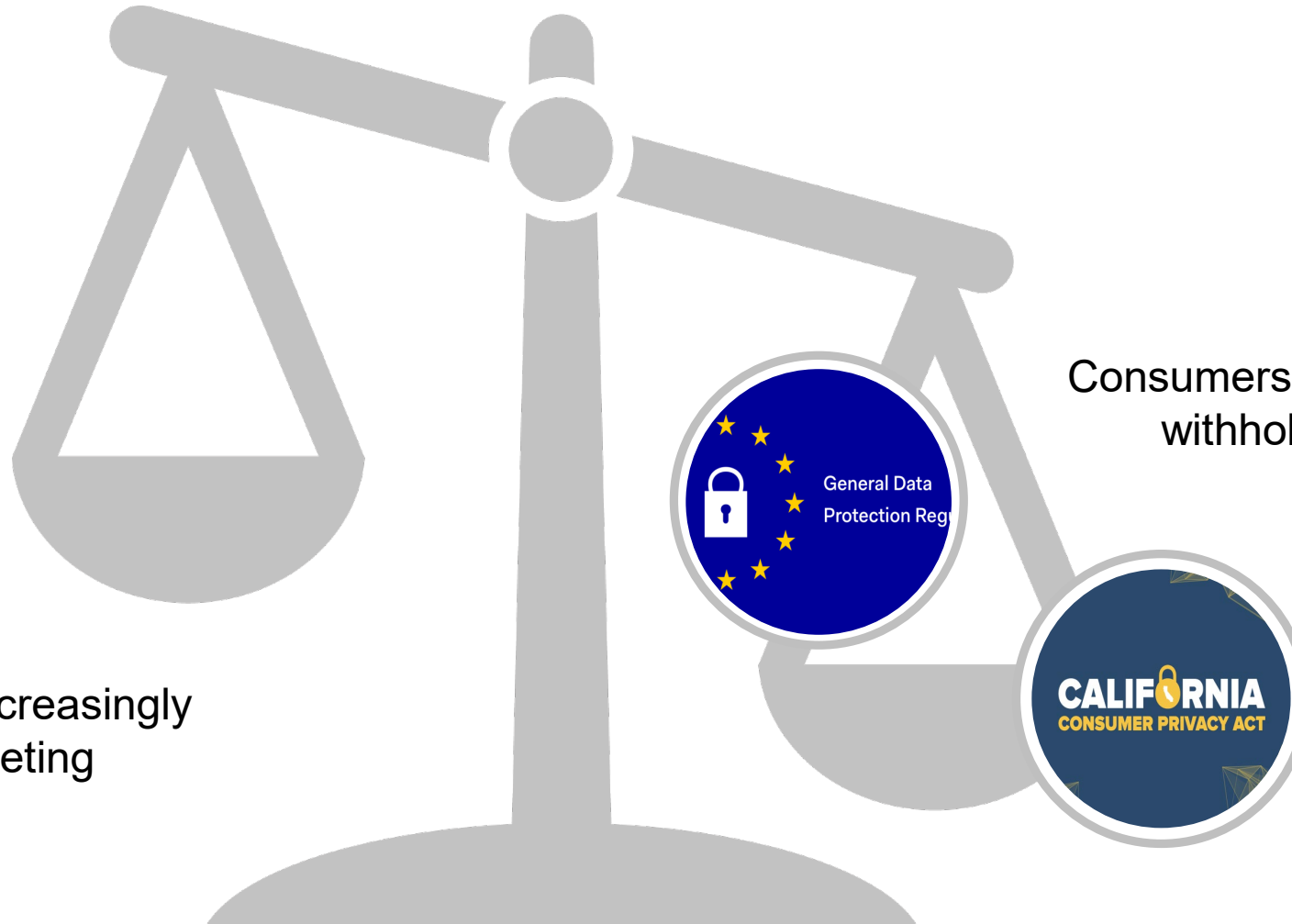


New Organizational Roles



Scales tipping back toward consumers' rights

Ad platforms selling increasingly
personalized targeting



Consumers' rights to share or
withhold data online



TRUST

TIME TO TAKE A DEEPER LOOK



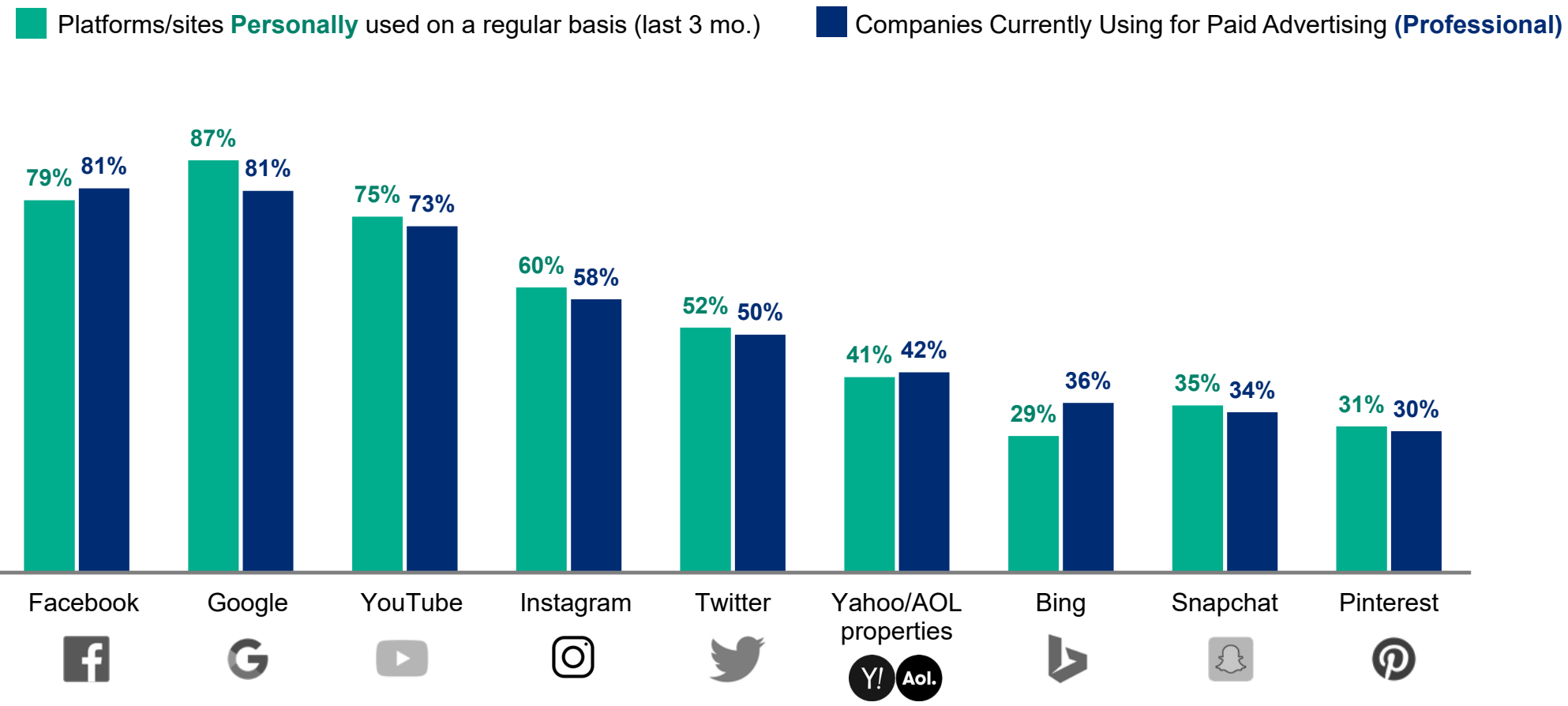


Media decision-makers through a more human lens: Examining personal vs. professional usage and perceptions



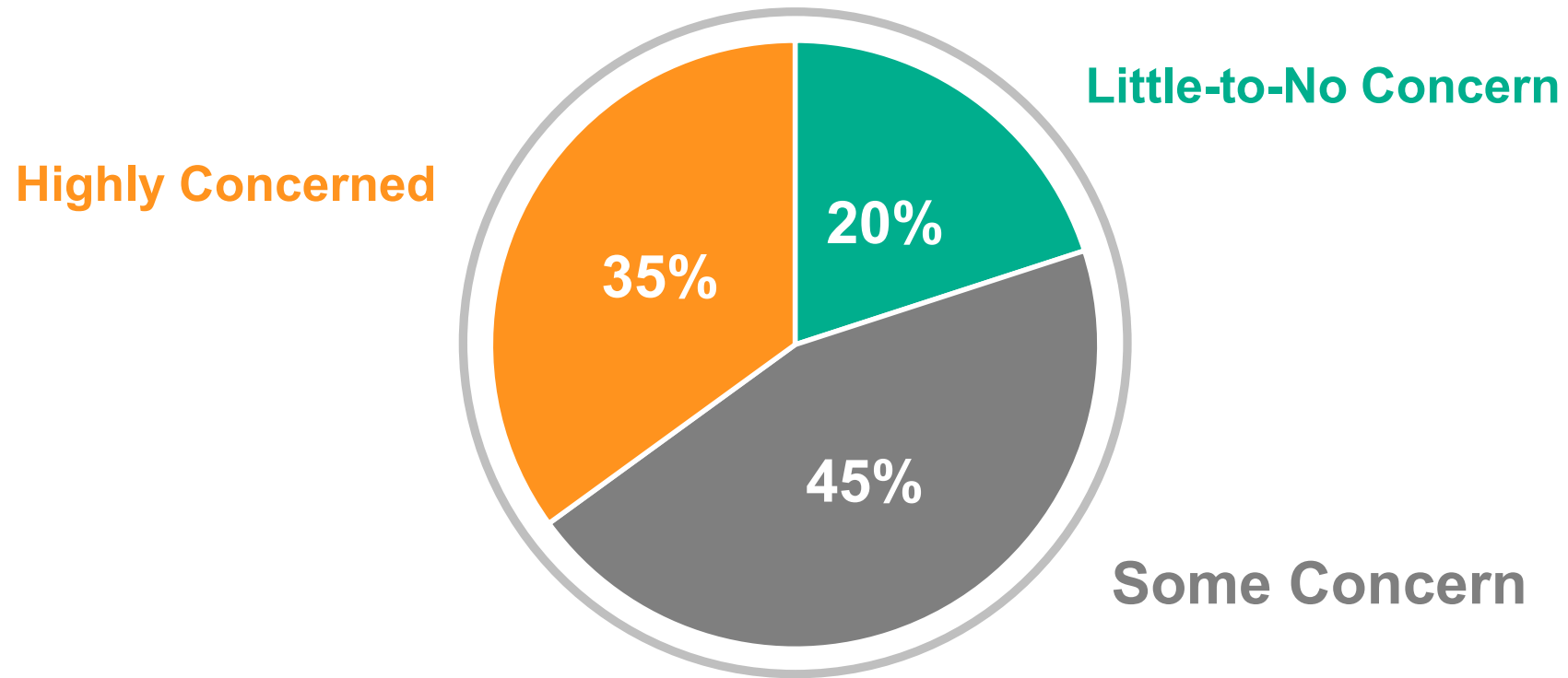


Notable Correlation between Personal and Professional Use of platforms





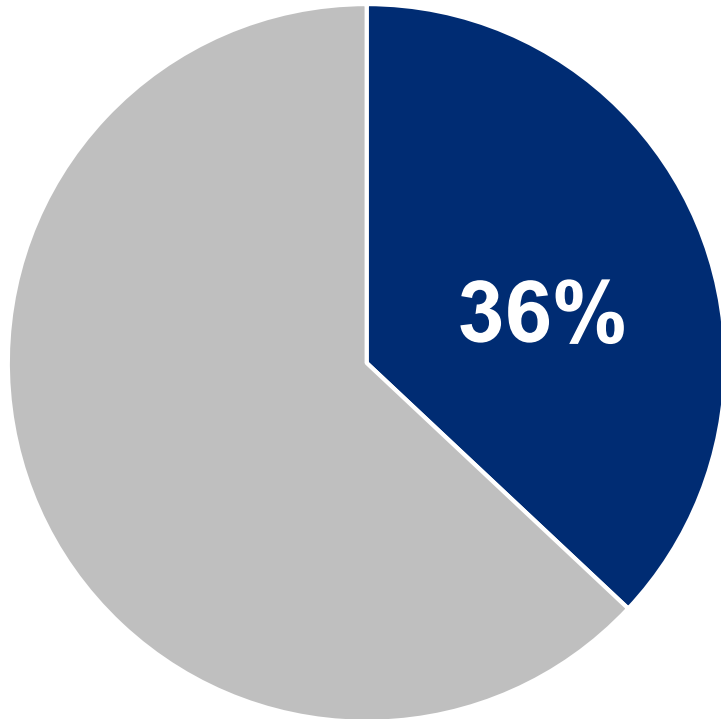
Advertisers are concerned about negative risks associated with their **personal** use of platforms



Average Level of Concern with Negative Risks associated with Personally Using Platforms/Companies (across all brands measured)



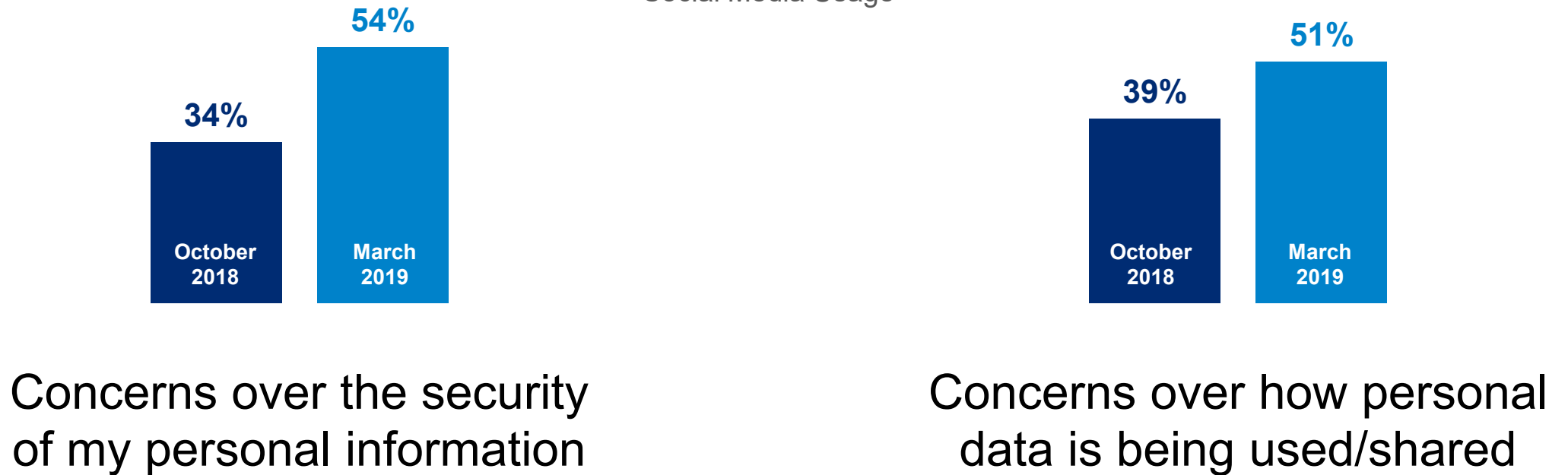
Percent of advertisers that reported decreased **personal**
social media usage in Q1 2019





Data and privacy concerns among top reasons for decline in **personal** social media usage – *and growing in importance*

Reasons for Declining
Social Media Usage





But **professional** decision-making impact to date has been minimal

Despite my own curbing of social media usage, it still remains a great way to get client results.

- Agency VP



Begging the question:

Are advertisers operating in a state of Cognitive Dissonance?

72% of advertisers hold divergent perceptions
personally vs. **professionally**
of one or more of the media brands they use

57% of large ad platforms' advertisers
(who are also personal users of that brand)
have either expressed misgivings about **personal** usage risks
and/or **decreased personal usage** of those same brands

*on average

 **Advertiser Perceptions™**



Another case in point: they are of 2 minds about mobile device tracking

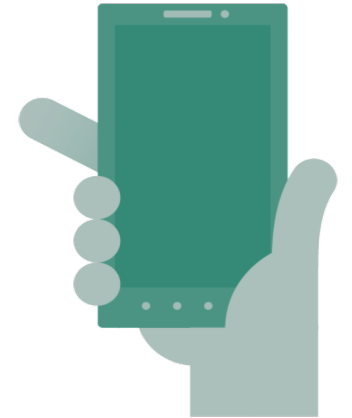


43%

of advertisers are
“very concerned”
about privacy issues related to
tracking users via their mobile device IDs

40%

of advertisers think that it is
“extremely important”
to be able to track users
via their mobile device ID



*Personally I want to protect my PII. Professionally, I want
to use as much information for targeting as possible*



- Agency Director



How do advertisers reconcile that dissonance?

What Advertisers Say: **Professional** decision-making is all about Audience Data and Ad Results... *not* **personal** preferences

Reasons for **Maintaining/Increasing Spending** with brands (Professionally) while **Decreasing Personal Use** &/or Concerns over Handling Data Privacy

1. I keep **personal** and **professional** decision-making completely separate
2. [BRAND] hits advertising goals, which is the primary consideration in evaluating media partners

“

Results will drive the train, and preferences will have to take a back seat.

- Marketer Manager

”

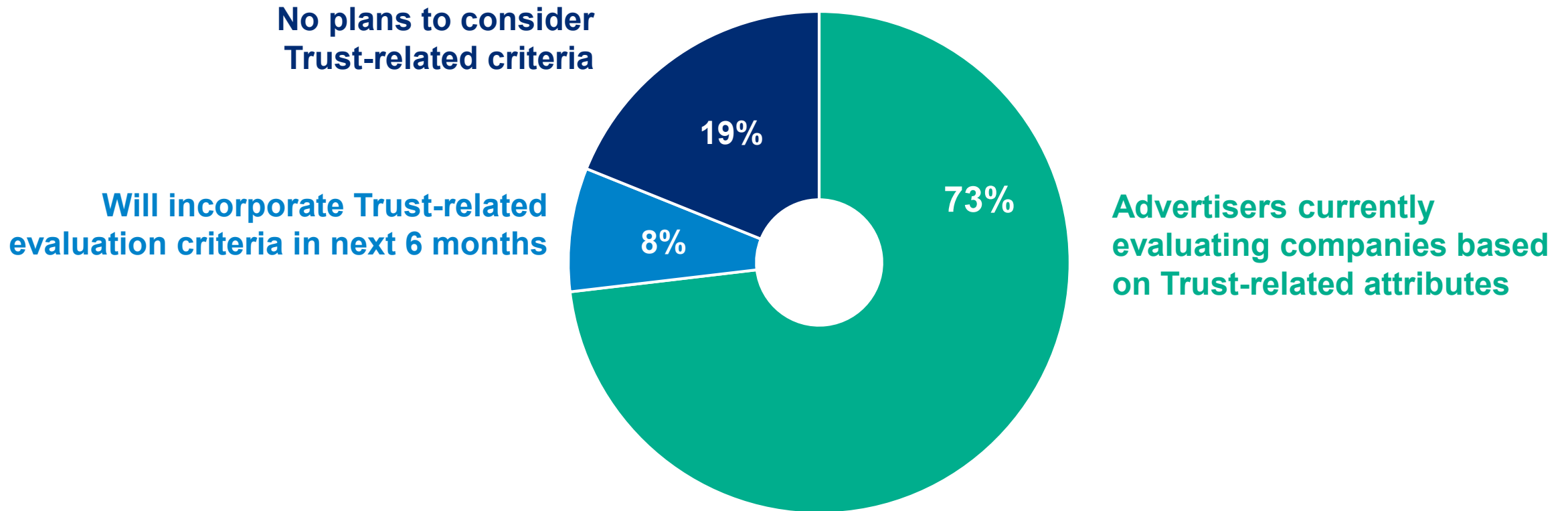


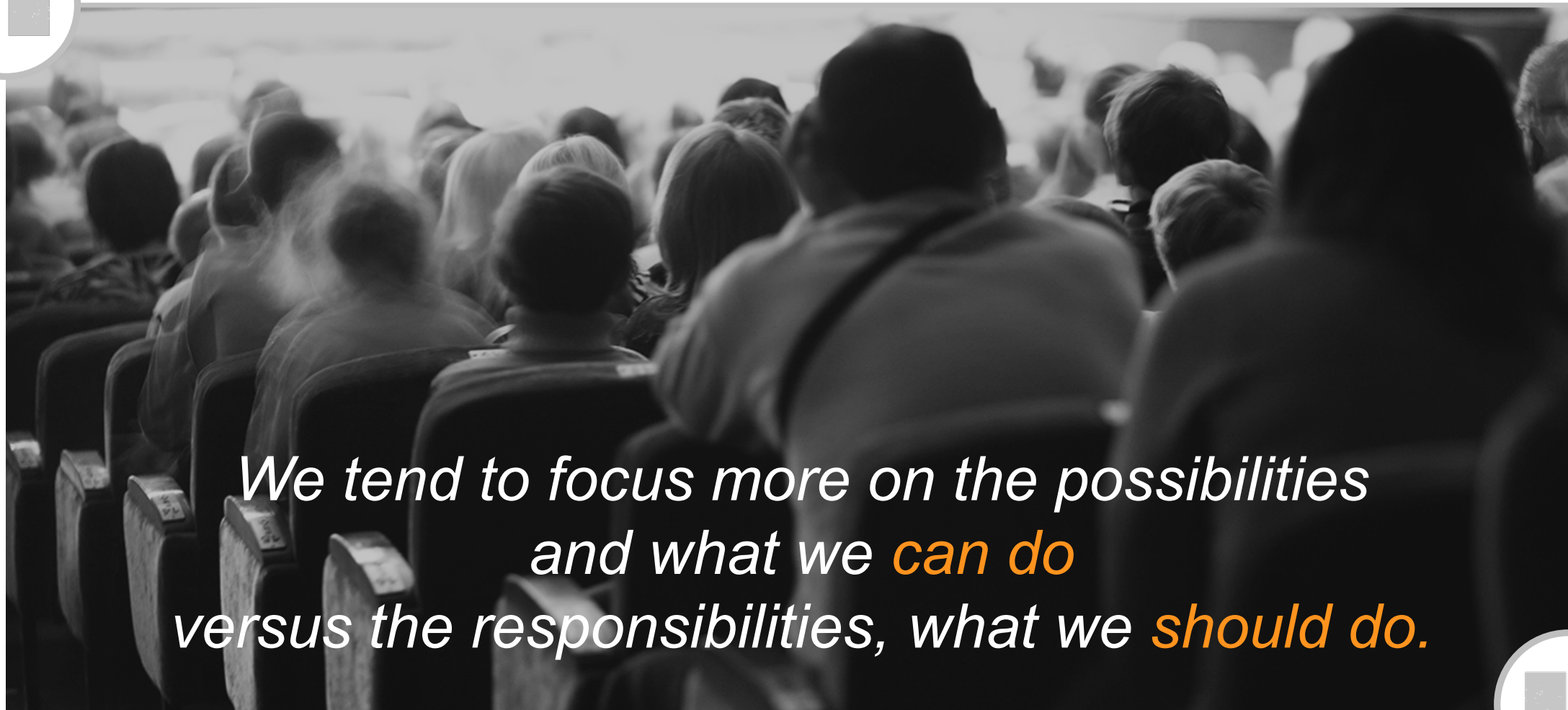
So that's their story, and they're sticking to it.

... but will they continue to?



Importance of trust-related attributes in advertising investment decisions

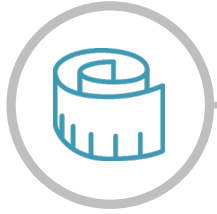




*We tend to focus more on the possibilities
and what we **can do**
versus the responsibilities, what we **should do**.*



Rik Vanderkooi
IAB Chairman & Corp. VP of Microsoft Advertising
at IAB Annual Leadership Meeting
February 2019



New paradigms for measuring brand and business success



*viewing people
not just as consumers
but as citizens first*

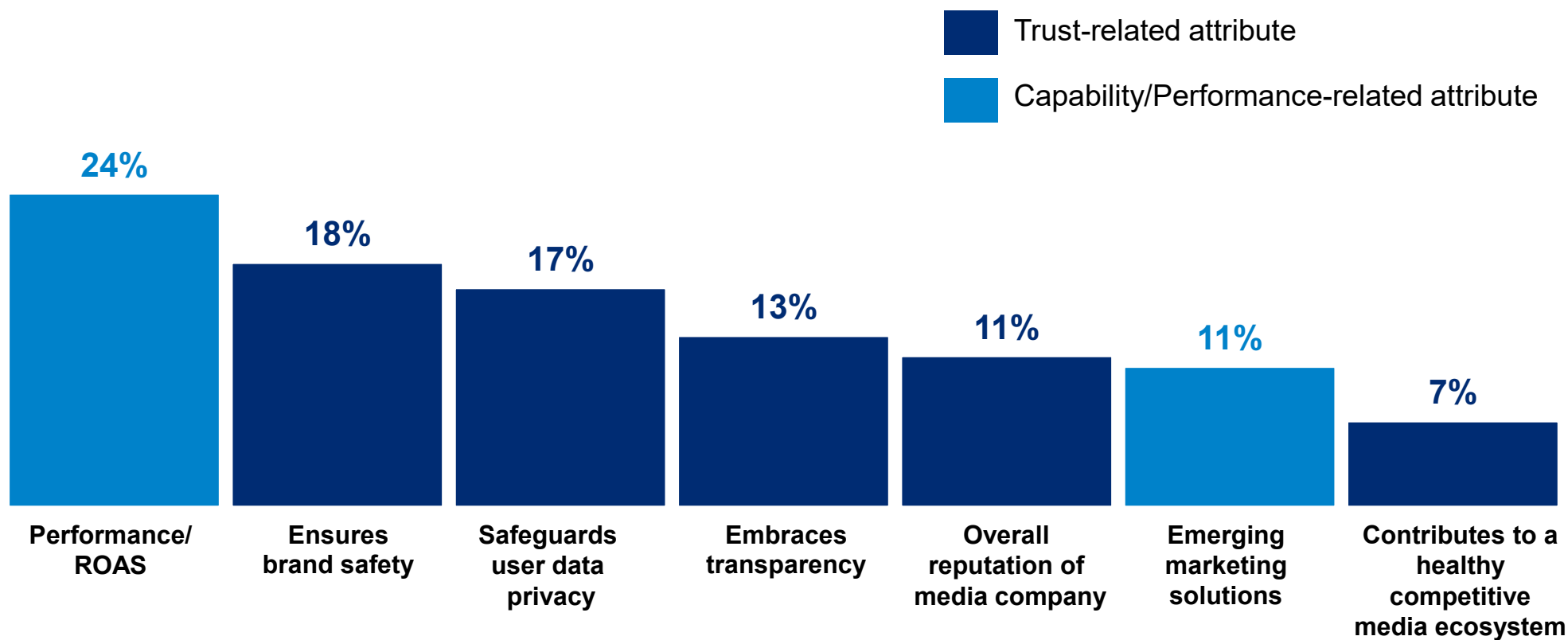


THE ADVERTISER PERCEPTIONS **TRUST** INDEX





Relative importance of Trust for advertising partners





Overview of Advertising Trust Index and Advertising Risk Index

TRUST INDEX



Ensures
brand safety



Safeguards
user data privacy



Embraces
transparency



Overall reputation
of media company



Contributes to a
healthy competitive
media ecosystem

RISK INDEX



Unsafe brand
adjacency



Violating data usage
& privacy guidelines/
regulations



Supporting harmful
activity in conflict with
our company's
values/principles



Damaging brand
reputation by
association with media/
advertising company



Weakening the
competitive health of
the overall media
ecosystem



Media companies have room for improvement for societal leadership

Average Rating of Media/Advertising Companies
along Spectrum of Agreement with Statement

Average
0.06



Considers people as
potential consumers to
generate revenue

Considers people as
citizens and human
beings first

Average
1.05



Has a negative
impact on society

Has a positive
impact on society



A ROADMAP FOR IMPROVING ADVERTISER

TRUST

IN YOUR BRAND



Top Ways Media Companies Should be ...



Securing Brand Safety and Adjacency for Advertisers

1. Enable third-party verification tools
2. More human oversight/monitoring of content adjacency to ads
3. Lean into premium, professionally produced content
4. More direct buying via private marketplaces



Fighting Ad Fraud (Invalid Traffic)

1. Enable third-party verification tools
2. More human oversight/monitoring of content adjacency to ads
3. Lean into AI/Machine Learning to detect patterns of ad fraud

Top Ways Media Companies Should be ...



Safeguarding Consumer Data Privacy

1. More transparency to users about data collection/use
2. Improve data security/encryption technology to shore up vulnerabilities
3. Enable opt-in to personalized targeting/other data monetization
4. More conservative policies for sharing/selling of user data
5. Corporate alignment with privacy principles of GDPR



Most Important Thing Media Companies Can do to Safeguard Consumer Privacy While Offering Advanced Targeting Capabilities

*Hire the **BEST** people to handle this issue.
Be accountable as a whole company.*

- Agency Director

*Provide strict guidelines and policies on how
they collect, share, and use data.
**There is a lot of ambiguity on how our partners
are transacting on 1P and 3P data.***

- Agency Director





Advertisers think Media Companies bear the most responsibility, but have the most room for improvement

Most Responsible for Ensuring Consumer Data Privacy Is Reasonably Protected in the Context of Highly Personalized Targeting

How well [category] balancing consumer data privacy with highly targeted advertising

■ Positive (6-7/7) ■ Moderate (3-5/7) ■ Negative (1-2/7)

52%	Media companies	19%	63%	18%
46%	Data providers	33%	57%	10%
41%	Advertisers/Marketers	24%	67%	8%
34%	Ad tech providers	29%	60%	10%
34%	Industry governing bodies (IAB, ANA, DMA, AAAA, etc.)	34%	62%	4%
33%	Government regulators (FTC, FCC, etc.)	27%	55%	18%
31%	Internet Service Providers	35%	49%	16%
19%	Congress and/or state legislatures	45%	39%	16%



TRUST

WHERE DO WE GO FROM HERE?

- 1) Ongoing focus
- 2) Valuing Trust as a KPI
- 3) Continuing the conversation





Q&A





Thank you

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