TRUST
Navigating the current climate and coming out ahead

ADVERTISER

Media Leadership Series
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

将会Facebook广告生存后的剑桥分析丑闻？

Cambridge

eMarketer's Geoff Ramsey and ANA's Bill Duggan Talk Crisis of Trust

eMarketer's chief innovation officer Geoff Ramsey, who will be speaking at this week's ANA Masters of Marketing conference, chatted with Bill Duggan, group executive vice president of the ANA about trust, brand safety and the

Brand Safety Back In The Headlines; Congress Eyes Collection Of Kids Data

Ghost sites, domain spoofing, fake apps: A guide to knowing your ad fraud

Cracking down on digital ad fraud may seem like a hopeless and expensive game of whack-a-mole, but there are ways marketers and publishers can arm themselves better to fight it.

Digital ad fraud is a volume game. There are two core types: fraudulent ad impressions on any device, and click fraud — aka CPA and CPC fraud. Each type relies on volume, and that's why there are a whole bunch of techniques
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 1-5

1. Fraud: Viewability, non-human traffic: 37%
2. Brand safety concerns: 30%
3. Poor inventory quality: 25%

Brand Safety and Fraud cited as top challenges with mobile advertising

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

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand safety</td>
<td>58%</td>
</tr>
<tr>
<td>Viewability</td>
<td>49%</td>
</tr>
<tr>
<td>Data privacy</td>
<td>40%</td>
</tr>
<tr>
<td>Non-human traffic</td>
<td>43%</td>
</tr>
<tr>
<td>Complexity</td>
<td>42%</td>
</tr>
<tr>
<td>Transparency</td>
<td>39%</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>36%</td>
</tr>
<tr>
<td>Accuracy</td>
<td>34%</td>
</tr>
<tr>
<td>Scale</td>
<td>28%</td>
</tr>
<tr>
<td>User behavior</td>
<td>20%</td>
</tr>
</tbody>
</table>
Trust-Related Issues: affecting consumer behavior

Using my personal data so advertisers can target me is …

- **Not an acceptable tradeoff**: 74%
- **Acceptable tradeoff**: 23%
- **Don’t know**: 3%

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

- Chief Privacy Officer
- Chief Brand Safety Officer
- TAG Compliance Officer
Scales tipping back toward consumers’ rights

Consumers’ rights to share or withhold data online

Ad platforms selling increasingly personalized targeting
TRUST
TIME TO TAKE A DEEPER LOOK
Media decision-makers through a more human lens:
Examining personal vs. professional usage and perceptions

Fielded
March 2019

201 interviews conducted

Respondent Qualification: 100% involved in media brand selection decisions
Notable Correlation between Personal and Professional Use of Platforms

Platforms/sites **Personally** used on a regular basis (last 3 mo.) vs. Companies Currently Using for Paid Advertising (Professional)

<table>
<thead>
<tr>
<th>Platform</th>
<th>Personally Used</th>
<th>Professional Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>79%</td>
<td>81%</td>
</tr>
<tr>
<td>Google</td>
<td>87%</td>
<td>81%</td>
</tr>
<tr>
<td>YouTube</td>
<td>75% 73%</td>
<td></td>
</tr>
<tr>
<td>Instagram</td>
<td>60% 58%</td>
<td></td>
</tr>
<tr>
<td>Twitter</td>
<td>52% 50%</td>
<td></td>
</tr>
<tr>
<td>Yahoo/AOL properties</td>
<td>41% 42%</td>
<td></td>
</tr>
<tr>
<td>Bing</td>
<td>29% 36%</td>
<td></td>
</tr>
<tr>
<td>Snapchat</td>
<td>35% 34%</td>
<td></td>
</tr>
<tr>
<td>Pinterest</td>
<td>31% 30%</td>
<td></td>
</tr>
</tbody>
</table>

March 2019
Sorted in order of Paid Advertising Usage
Advertisers are concerned about negative risks associated with their personal use of platforms.
Percent of advertisers that reported decreased personal social media usage in Q1 2019

36%
Data and privacy concerns among top reasons for decline in personal social media usage – and growing in importance.

Concerns over the security of my personal information:
- October 2018: 34%
- March 2019: 54%

Concerns over how personal data is being used/shared:
- October 2018: 39%
- March 2019: 51%
But **professional** decision-making impact to date has been minimal.

\[\text{“Despite my own curbing of social media usage, it still remains a great way to get client results.”} \]

- 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
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

- Advertisers currently evaluating companies based on Trust-related attributes: 73%
- Will incorporate Trust-related evaluation criteria in next 6 months: 19%
- No plans to consider Trust-related criteria: 8%

Advertisers Perceptions
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

Rishad Tobaccowala
Chief Growth Officer
Publicis Groupe
THE ADVERTISER PERCEPTIONS

TRUST

INDEX
Relative importance of Trust for advertising partners

- Performance/ROAS: 24%
- Ensures brand safety: 18%
- Safeguards user data privacy: 17%
- Embraces transparency: 13%
- Overall reputation of media company: 11%
- Emerging marketing solutions: 11%
- Contributes to a healthy competitive media ecosystem: 7%
Overview of Advertising Trust Index and Advertising Risk Index

<table>
<thead>
<tr>
<th>TRUST INDEX</th>
<th>RISK INDEX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensures brand safety</td>
<td>Unsafe brand adjacency</td>
</tr>
<tr>
<td>Safeguards user data privacy</td>
<td>Violating data usage &amp; privacy guidelines/ regulations</td>
</tr>
<tr>
<td>Embraces transparency</td>
<td>Supporting harmful activity in conflict with our company’s values/principles</td>
</tr>
<tr>
<td>Overall reputation of media company</td>
<td>Damaging brand reputation by association with media/ advertising company</td>
</tr>
<tr>
<td>Contributes to a healthy competitive media ecosystem</td>
<td>Weakening the competitive health of the overall media ecosystem</td>
</tr>
</tbody>
</table>
Media companies have room for improvement for societal leadership

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

- Consider people as potential consumers to generate revenue
  - Average: 0.06

- Consider 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 |
|---|---|---|---|---|
| | Media companies | Positive (6-7/7) | Moderate (3-5/7) | Negative (1-2/7) |
| 52% | 19% | 63% | 18% |
| 46% | 33% | 57% | 10% |
| 41% | 24% | 67% | 8% |
| 34% | 29% | 60% | 10% |
| 34% | 34% | 62% | 4% |
| 33% | 27% | 55% | 18% |
| 31% | 35% | 49% | 16% |
| 19% | 45% | 39% | 16% |
TRUST

WHERE DO WE GO FROM HERE?

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

Randy Cohen
Randy.Cohen@advertiserperceptions.com

Sarah Bolton
Sarah.Bolton@advertiserperceptions.com

Frank Papsadore
Frank.Papsadore@advertiserperceptions.com