



Audited Media
Association of Australia

10 INSIGHTS ON TRUST IN THE MEDIA INDUSTRY

FROM MARKETERS AND MEDIA AGENCIES

MAY 2016

#TRUSTMATTERS

WHY EXPLORE MEDIA CHANNEL TRUST?



Warren Buffett famously once said:

“Trust is like the air we breath: When it’s present, nobody really notices. When it’s absent, everybody notices.”

Those words certainly resonate for our industry—the world of marketing and media trading. With complexity increasing and change happening so quickly across the landscape, the need to trust our business partners has never been more vital. But trust takes time and the right elements to develop.

After speaking with some of Australia’s top marketers and media agencies, it is clear the pace of innovation and change is surpassing the rate at which trust is being established. Many marketers feel they are ‘flying blind’ in the face of these fast and intense changes. And of course, when the system breaks down and client money is at risk it erodes trust in our industry so that clients (rightfully) begin asking the tougher questions.

Digital ad spend is growing, rapidly surpassing TV spend, with Programmatic trading now encompassing all channels operating digitally—including TV, Outdoor and Radio. The digital ad trading ecosystem is complex and constantly adapting to change in ad tech, and so it would be easy while grappling with this intense rate of change, for some issues to fall below the radar and ‘best practice’ to be purely a catch phrase.

As an industry known for innovation, for seeking and embracing new ideas, we need to ensure we don’t lose sight of the value of trust and what comprises a trusted trading ecosystem, particularly in a disrupted marketplace.

The goal is an industry with greater trust and confidence in media channels, media supply chains, and ad trading practices, along with clients who recognise and value the commitment to best practice by their media and agency partners. An industry that commits to integrity and allows a level of scrutiny in the process.

The good news is our research shows the industry – both marketers and their media agencies – are aligned in viewpoint and, encouragingly, poised to act. The report *10 Insights on Trust in the Media Industry* sheds light on the areas the industry believes most need to be addressed in terms of accountability and it indicates trust levels across a number of media buying metrics: channel, audience and ROI data.

More importantly, it clarifies that the industry, marketers and agencies alike do value collaboration and independent referees to keep everyone aligned. It paves the way for marketers to place greater value in the best practice frameworks adopted by the industry and likewise place greater value on business partners who actively commit to delivering these.

At the AMAA, we believe these are clear indicators that the opportunity exists to build greater trust across the industry even during periods of immense change.

Josanne Ryan
CEO, Audited Media Association of Australia

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RESEARCH METHODOLOGY

Phase 1 // We first conducted 15 qualitative interviews with the managing directors of some of Australia's top Media Agencies, and marketing directors for large national brands (across FMCG, retail, financial services, telecom and government).

Phase 2 // Online survey of 315 client-side Marketers and Media Agency professionals.
The sample provided an even mix of:

Clients 48% / 52% Agency

C-level / Senior 51% / 49% Middle/Junior

6 in 10 in digitally focused roles

Research conducted by independent third party research agency The Insights Grill

Research in field December 2015 to March 2016

EXECUTIVE SUMMARY

10 Insights from Marketers and Media Agencies into Building Trust in Media Trading

- 01** // Due to constant changes to the complex and dynamic ad-trading ecosystem, the industry has indicated trust levels are lagging. Marketers, Media Agencies and media brands all stand to gain by enhancing their trust factor.
- 02** // Ad trading decisions are built on three key layers of data that build trust in media channels:
// Channel data (the channel is safe, transparent and ads verified)
// Audience data (total reach, insights and behaviours) and
// ROI data (the impact is measurable).
Marketers and Media Agencies view this data differently, identifying they often don't see eye-to-eye on which type of data is trusted most and least across media channels. They place differing trust rates according to channel data, audience data and ROI.
- 03** // **Channel Data:** Print and TV are most trusted when it comes to channel data: both Marketers and agencies agree these channels are safe, transparent and verified for their brands.
- 04** // **Audience Data:** Channels that provide frequent, granular data indicating consumer behaviour rate the highest in trust.
- 05** // **ROI:** Digital channels and Programmatic deliver more immediate data with regard to ROI so this improves trust levels but there is still a considerable range of channels that sit above the halfway mark for trust against this benchmark.
- 06** // **Trust takes time** – but there are ways to accelerate it. Independent media metrics are trusted more with independent verification from third parties helping to build trust.
- 07** // **Audited data has nearly twice the trust of unaudited data.** The industry can benefit from embracing independently audited data and best practice verification frameworks – and media brands gain increased trust from independently validated metrics.
- 08** // **Marketers highlighted Proof of Performance Metrics as their key focus** in the next 12 months. Agencies view Cross Media Audience Metrics as a key area to be addressed. Viewability of online digital ad inventory is also a key area of focus for agencies but lower on the radar for Marketers.
- 09** // **The complex digital advertising ecosystem is viewed as the channel most in need of oversight to build more trust.** Programmatic Ad Trading is a focus, particularly for Media Agencies, whereas Marketers want more oversight of Social Media.
- 10** // The industry is poised to tackle the issues with clear alignment around how it's to be done:
a // Media agencies are the industry champions for accountability on behalf of their clients.
b // Industry bodies can play a vital role in driving the collaboration needed to establish agreed standards and best practice frameworks.
c // Independent, non-commercial third party governance and education are needed.

TAKE-OUTS FROM AN INDUSTRY IN THE MIDST OF IMMENSE CHANGE

Our industry can be looked at through three different lenses: **the marketer, media agency and media brand perspectives**. Digital innovation along with the data it delivers is driving fundamental changes across all layers of the industry.

MARKETERS

Many client-side Marketers are building their own digital teams and centres of excellence within the organisation, with the largest players creating their own programmatic ad trading desks. Others, however, are really struggling to understand and take advantage of new opportunities and describe themselves as “flying blind”.

The Take Out:

Data proficiency means marketers are focused on and more capable of demonstrating marketing ROI than ever before. In turn, they are demanding more accountability and measurement of campaign results.

MEDIA AGENCIES

In the past few years we’ve seen a real pivot by Media Agencies as they develop their data capabilities along with their own ad trading desks – they have embraced marketing attribution and econometric modelling on behalf of clients.

The Take Out:

Agencies are taking an expanded role in their clients’ business guiding client up-skilling in digital marketing, delivering strategic insight to customer engagement and constantly evolving services to ensure they retain leadership as the experts in an increasingly complex digital advertising ecosystem.

MEDIA BRANDS

(Publishers, Social Platforms, TV/ Radio channels, Outdoor): The business models of most media brands are in the process of digital reinvention—digitalisation of all channels, complex digital ad delivery systems, specialist native/branded content facilities, Social Media platforms changing content consumption patterns and the digital data revolution.

The Take Out:

Media brands are grappling with the fast rate of change and investing heavily in tech to deliver content seamlessly across multiple channels, including social platforms. Investing in data and cross channel audience insights to support ad sales is also imperative. Developing highly engaging digital content that engages consumers and commands the Marketers’ dollar has never been tougher.

There is much at stake, with Marketers and Media Agencies identifying three layers of data they rely on and trust to inform and evaluate media investment:

- 1 // **Channel Data:** Proof that the advertising environment is brand safe, verified and transparent
- 2 // **Audience Data:** Full reach numbers plus insights into attitudes and behaviours
- 3 // **ROI Data:** The ability to measure and track performance of the channel against campaign KPIs

On the next three pages, you’ll be able to see how all the major media channels perform when it comes to trust in these different data sets – from both marketer and agency perspectives.

CHANNEL DATA

TV and Print are the most trusted for their transparency, verification and brand safety.

Thanks to years of ad monitoring, high visibility and measurement, TV and Print have established themselves as the most trusted channels when it comes to being transparent, verified and safe for brands.

Comparing Marketers vs. Media Agency professionals we see Marketers mostly prioritising the more “traditional” media channels of Print and TV, indicating the oversight built across decades with these channels has established trust levels. Marketers rate audited Print as the most trusted channel in terms of being verified, transparent and safe. Media agencies view TV and Print as being the two most trusted channels.

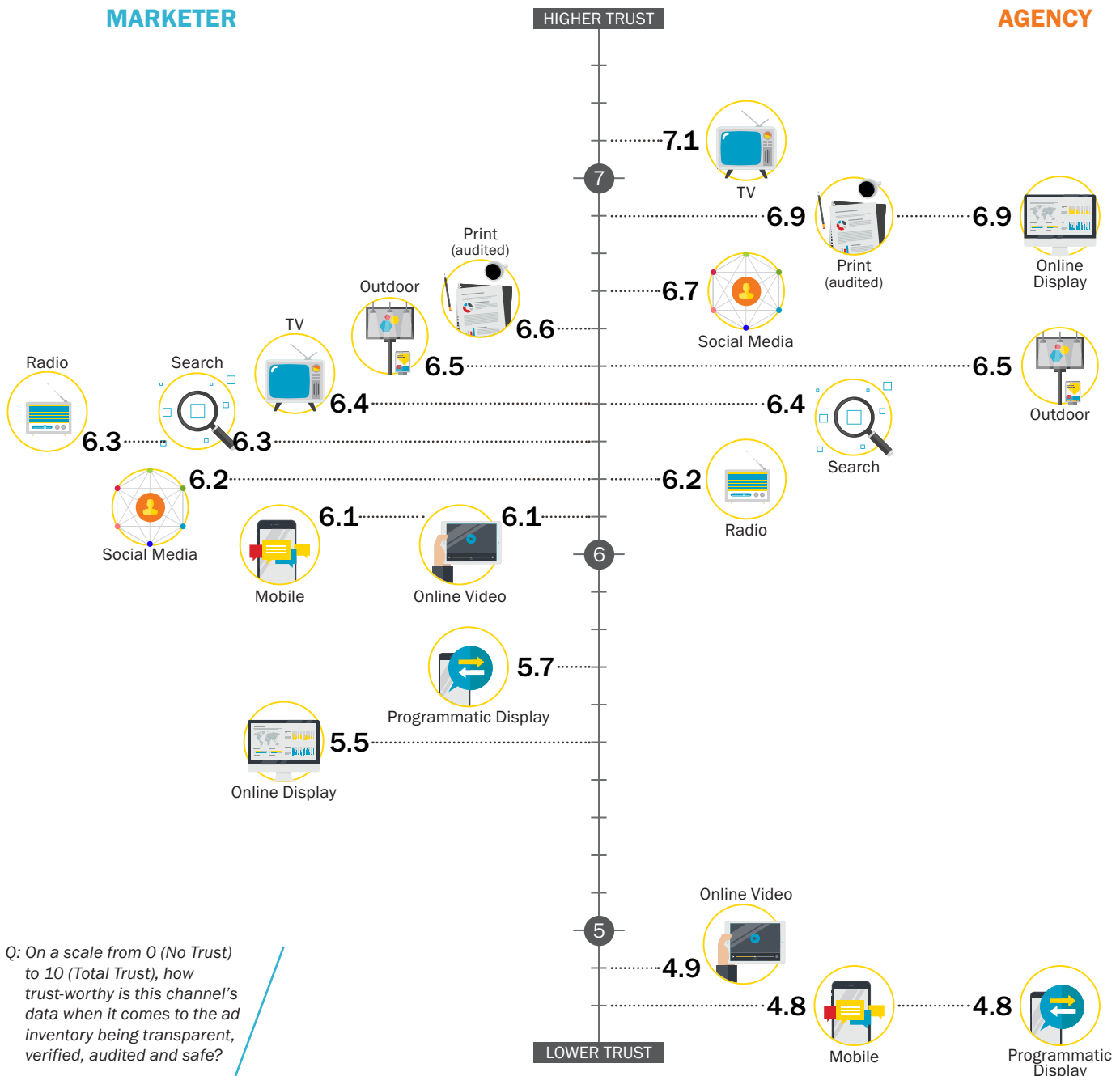
Despite digital being strong in other metrics, Media Agencies gave their lowest average scores across any data type

(channel, audience, ROI) to three digital channels—Online Video, Mobile and Programmatic Display—with these channels scoring less than 5 on a scale of 1–10 in terms of being verified, transparent and safe.

Likewise, Marketers recognise digital channels are not as transparent, verified or safe as the traditional media channels, giving Programmatic and Mobile their lowest trust ratings.

The lack of trust in Online Video, Mobile and Programmatic provides publishers of premium content delivered via private ad exchanges the opportunity to take the high ground when it comes to transacting with trust. Marketers can benefit from access to their quality content with ad campaigns delivered in safer environments than open digital inventory sources.

Q: For each medium, how trustworthy is its channel data?



AUDIENCE DATA

Channels providing more frequent, granular data rank highest for Audience Data trust

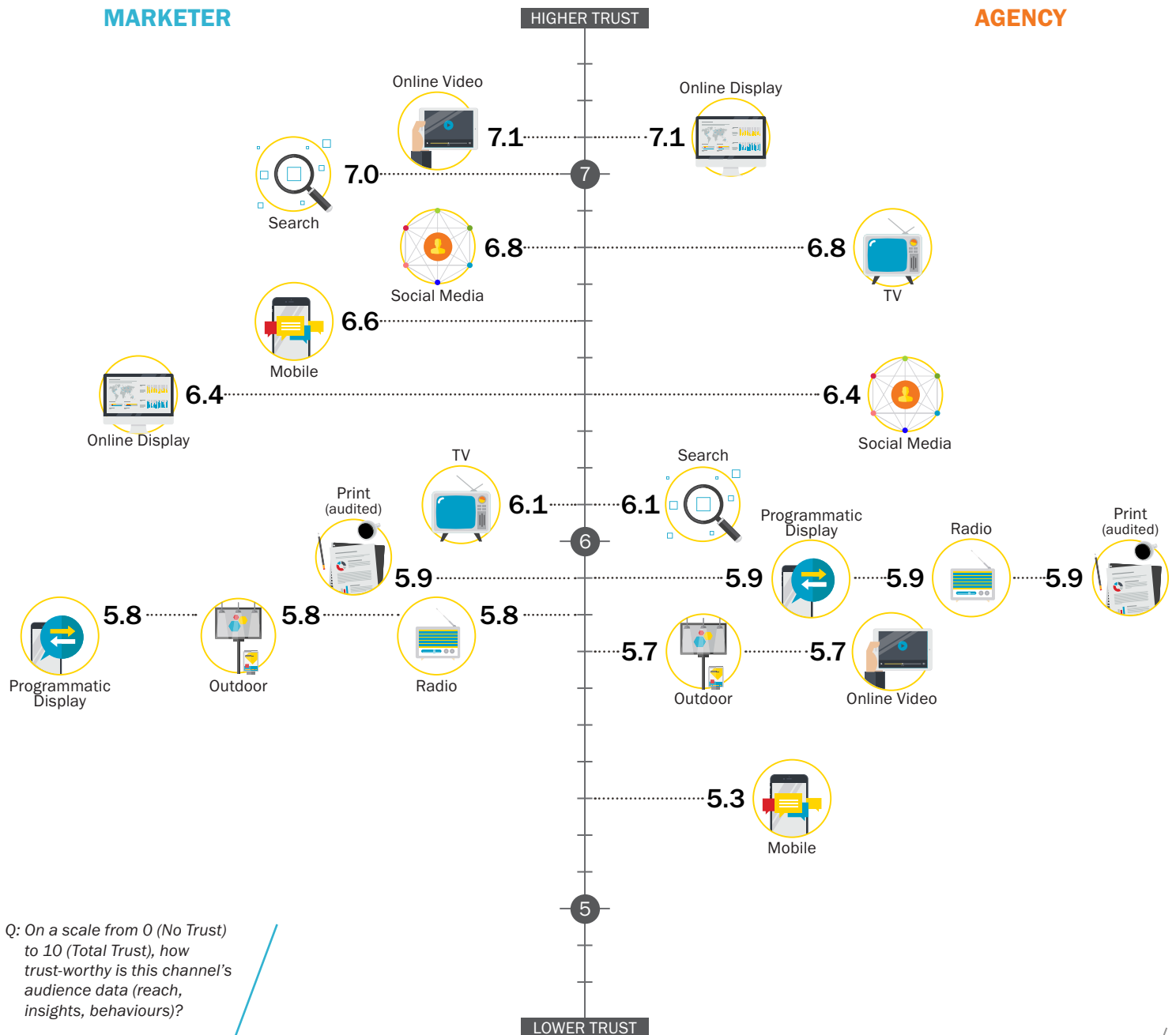
Media channels that provide high frequency, granular data like clicks, views, view-time and keywords searched are the most trusted when it comes to Audience Data. Behavioural insights from digital footprints that reveal exactly what people are doing have a high value, especially to Marketers.

What's interesting here is the stark difference between how Marketers vs. Media Agencies perceive Online Video audience data. Marketers score it above the other main video option, TV, whereas Agencies still put TV near the top, likely due to the industry's focus on TV audience ratings.

Regular Online Display scores higher than Programmatic Display, suggesting both Marketers and Media Agencies are still more comfortable with the audience reporting from traditional ad networks and premium publisher buys.

Social Media also did well given its direct view into the audience's lives through data-rich profiles that allow for better targeting.

Q: For each medium, how trustworthy is its audience data?



PROOF OF PERFORMANCE DATA

Digital channels clearly deliver more in the arena of ROI Data

As we'll see later in this report, better understanding proof of performance is the top priority for Marketers in the next 12 months. But so far, no channel is scoring particularly high for Marketers (none scoring above 7 in 10).

Marketers show a preference for the data digital channels provide which is evidenced by the steep growth in internet advertising set to account for more than 50% of the total Australian advertising market by 2019 and eclipsing spend in traditional FTA TV by more than double*.

There are some differences in how Marketers rate channel ROI data compared to Agencies, with possibly some influence from the channels they are utilising as 'owned' media channels—Online Search, Online Video and Online Display are the top three for Marketers.

Media Agencies do econometric modelling to determine campaign ROI and take a slightly different view,

Q: For each medium, how trustworthy is its ROI data?

MARKETER

considering both types of Online Display (standard premium and programmatic) to be the best at providing clear ROI data—they also provide the opportunity to adjust in real-time for campaign optimisation.

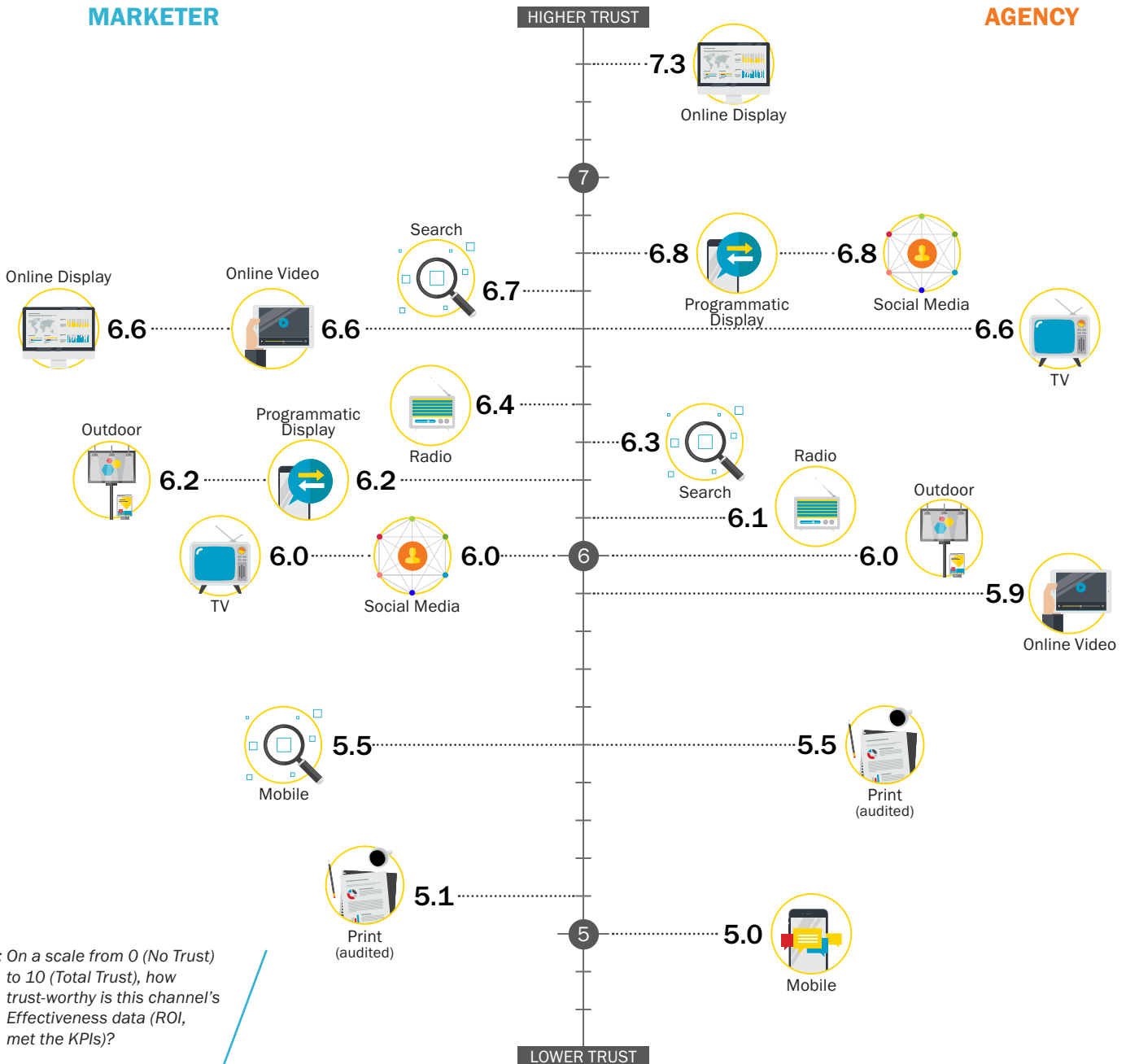
Marketers see ROI data coming from Search as most trusted—likely due to the ability to purchase key words that can be attributed to web traffic, sales leads and conversions.

Media Agencies rate TV as high as Marketers rate Online Video but do not rate Online Video as strongly. Marketers don't view TV ROI data as strongly as Agencies.

It's also worth noting that Social Media, which used to have its efficacy questioned regularly, is now seen as a top trusted ROI data source for Agencies, although Marketers don't rate it as highly.

Mobile and Video data are not yet trusted as highly as Online Display by Agencies at this point.

AGENCY



Q: On a scale from 0 (No Trust) to 10 (Total Trust), how trustworthy is this channel's Effectiveness data (ROI, met the KPIs)?

MEDIA METRICS

Independence, heritage and familiarity increase trust perceptions

A lot of industry dollars, time and debate go into the metrics that serve as the currency for media trading. So we set out to understand how much Marketers and Media Agency professionals trust some of the various media evaluation metrics available.

The metrics we asked about are across different media channels—Digital, Print, TV, Radio and Outdoor and all have different data sources so are not easily compared. They all rated closely between 5 and 7 on the trust scale.

Metrics based on real-world data such as sales and clicks tend to score slightly higher.

The Audit Bureau of Circulations, part of the AMAA, scored highest with Media Agencies and second with Marketers as it is based on independently audited sales data for copies of publications sold.

Google Analytics performed well thanks to being based on actual click data, as well as the likelihood that many Marketers have developed hands-on experience with this data through their owned media digital assets.

“

Trusting industry metrics has become difficult due to the breadth of information offered: varying sources with varying results.”

– Marketer

Note:

Google Analytics // Digital Traffic Data

ABC // Audited Print Sales

Nielsen // Online Ratings

Oztam // TV Audience Measurement

Roy Morgan // Single Source Audience data

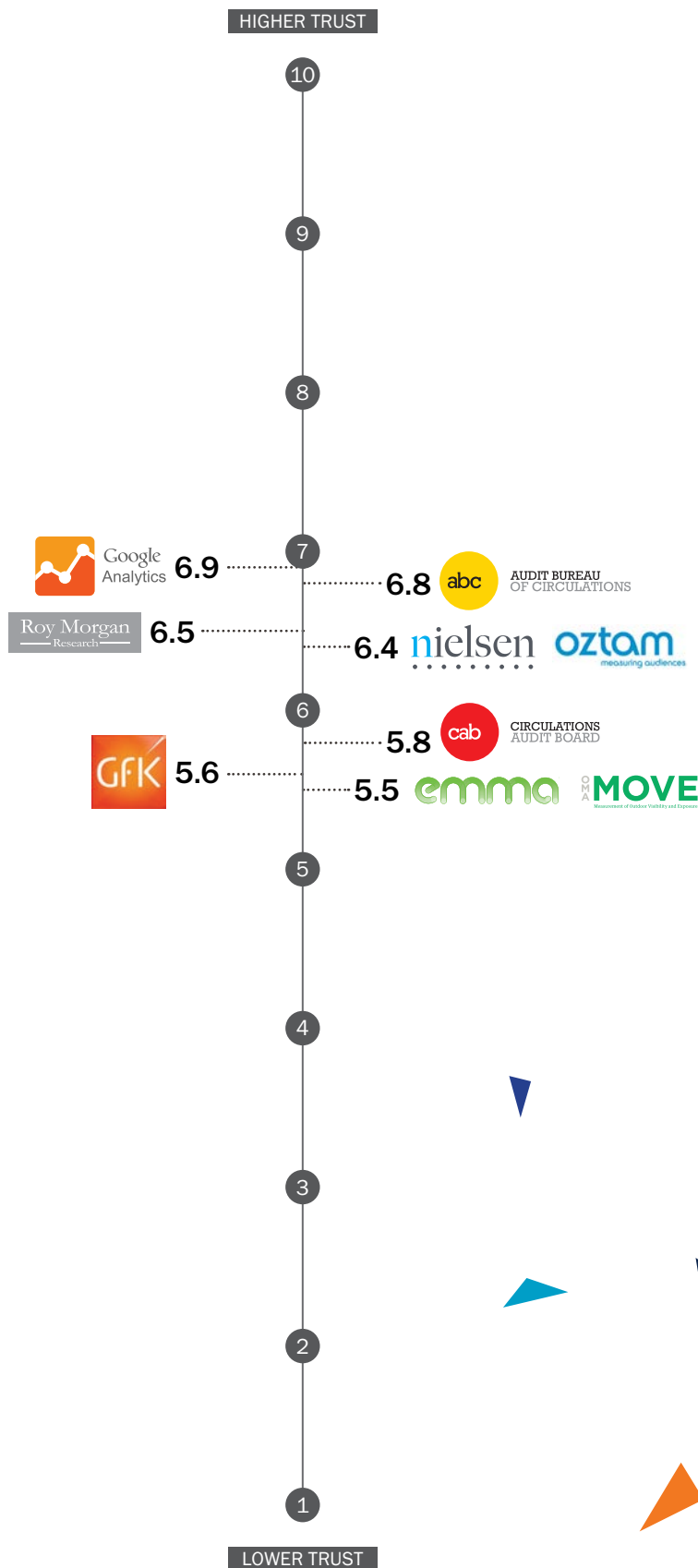
CAB // Circulations Audit Board

GfK // Radio Audience Data

EMMA // Cross Platform Audience Insights

MOVE // Outdoor Audience Measurement

Q: How much do you trust this metric? (among sources they're aware of)



THE VALUE OF INDEPENDENT THIRD PARTY AUDIT OR VERIFICATION

Not all Print brands have their circulation figures audited. We wanted to understand if that impacts the level of trust Marketers and Media Agencies place on those brands. We found a stark difference exists. As an advertising channel, Non-Audited Print brands score less than 4 out of 10 on a trust scale, compared to Audited Print brands which score nearly 7 out of 10.

These results are encouraging for the Audited Media Association of Australia (AMAA). As the only industry-owned, independent audit body that provides circulation data for Print brands, the results confirm our long-held belief that independent audit and third-party verification helps build trust across the industry.

But the results aren't only significant for Print media, they have implications for all channels. Channels suffering from a lack of trust in their data (and most channels do—none scored 10 out of 10), can develop higher trust rankings via independent verification and accreditation from an independent third party.

The AMAA began 80 years ago because Marketers demanded more accountability from the Print channel. When we look at today's trust levels, the impact of decades of a best practice framework, combined with independent auditing, is clear.



INSIGHT: TAKE OUTS

01 // Marketers and Media Agencies don't always see eye-to-eye on trust in media channel data

Trust is the unseen intangible element that can have enormous influence on where Marketers invest, but there are significant variations in trust rates for various channels when Marketers are compared to Agencies.

There may be benefits in Agencies and Marketers understanding why there are discrepancies in trust. What do they know that we don't?

02 // As channels, Print and TV are the most trusted to be verified, transparent and safe for brands

Currently the dollars are moving from traditional channels to digital channels even though a lower level of trust underpins programmatic ad trading. Media Agencies rated programmatic as one of the lowest channels in terms of being verified, transparent and safe.

Publishers of premium digital content have the opportunity to take the high ground when it comes to transacting with trust, as Marketers can benefit from campaigns aligned with quality content, and delivered in safer environments than the wider digital programmatic inventory supply chain.

03 // The thirst for insight into consumer behaviour is driving data evaluation across all channels, with the immediacy of digital data taking the lead in audience and performance


Expect to see further evolution of measurement data with portrayals of consumer behaviour along the entire purchase funnel as media brands move towards more dynamic data evaluation of consumer engagement, purchase behaviours and cross-channel attribution.

04 // Audited media channels excel in trust compared to those that aren't

As we saw when comparing Audited to Non-Audited Print, trust comes from being audited by independent non-commercial industry partners.

The industry would benefit from embracing independent verification and best practice frameworks to ensure long-term confidence and trust building across the media trading industry, especially in digital ad trading.





THE DIGITAL AD-TRADING ECOSYSTEM IS MORE COMPLEX THAN EVER —SO HOW DOES THE INDUSTRY RATE IT WITH REGARD TO TRUST LEVELS?

IN FACT, 72% OF MARKETERS AND MEDIA AGENCIES AGREE THE DIGITAL AD-TRADING ECOSYSTEM IS NOT AS TRANSPARENT, ACCOUNTABLE AND TRUSTWORTHY AS IT SHOULD BE.

We asked Marketers and Media Agencies to share what could be done to build additional trust across the industry.

- // Specifically, what problems do they see as needing to be tackled first?
- // Who is the best to do that?
- // What solutions will enhance trust?

STARK DIFFERENCES BETWEEN WHAT MARKETERS AND MEDIA AGENCIES BELIEVE ARE THE AREAS MOST WARRANTING FOCUS

Across both Marketers and Media Agency professionals, improving industry metrics is the most pressing issue, namely Proof of Performance Metrics (ROI) and Cross-media Audience Metrics. However, when looking at the results through two lenses, we see Marketers prioritise Proof of Performance much higher than Media Agencies. This suggests Media Agencies helping clients better understand ROI are providing a valuable service. We're already seeing this happen as the larger Media Agencies expand their data science teams specialising in econometric and marketing attribution modelling. Expect to see this service become more widespread throughout agencies.

Marketers also showed more interest in Proof of Posting—likely driven by the lack of visibility in the digital space, especially in programmatic display: Did my ad appear? Where did it appear? When did it appear? Marketers have always gained confidence in media channels when they saw their ad in print or on TV. Now, that's less clear.

For Agencies, understanding Cross-media Audience Metrics is the number one priority. Understanding reach and unduplicated audiences still remain the Holy Grail. No industry metric has yet managed to create a media profile of consumers across all media touch points. Whoever does so will have the ear of most Media Agencies in Australia.

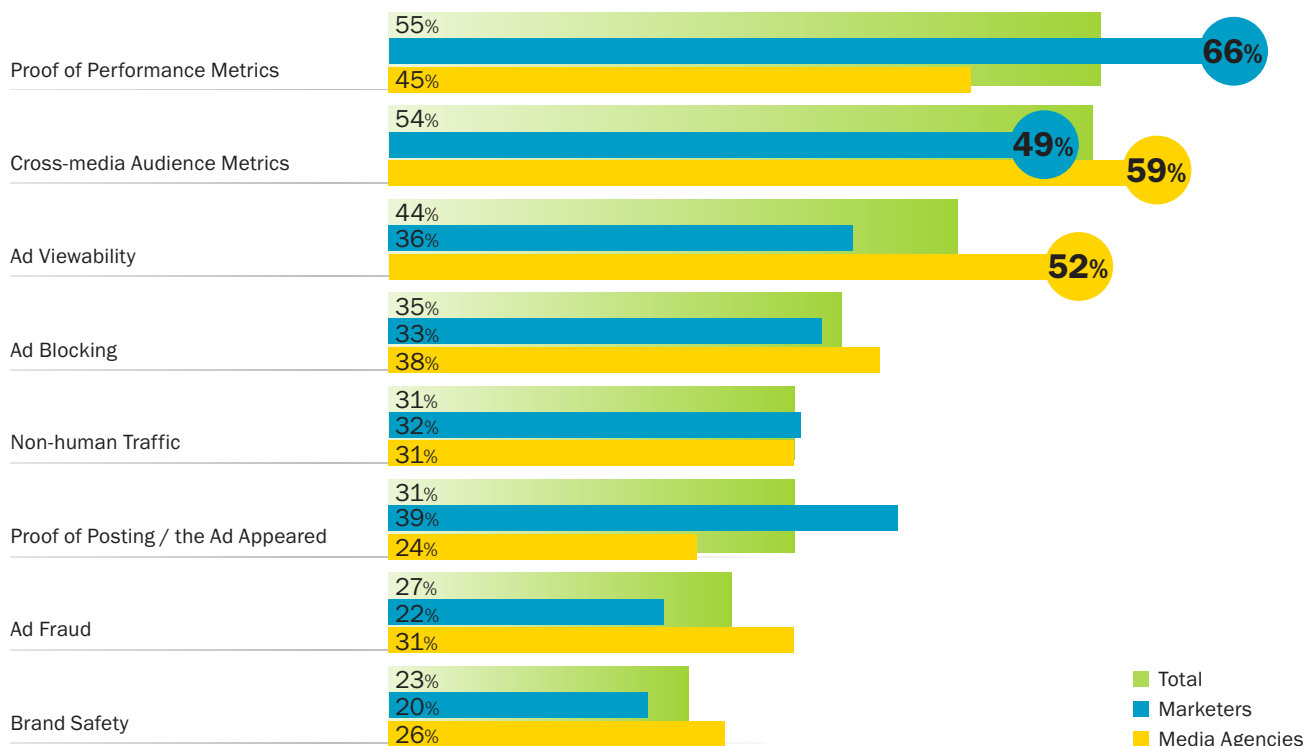
Media Agencies also showed a much higher interest in Ad Viewability: Was the ad able to be seen? Viewability is a key area of accountability for the coming year with agencies starting to link ad trading terms to paying for 'viewable ad impressions', which creates a complex ad trading environment for media providers.

Ad Blocking always gets good headlines and is a top concern for more than a third of the industry and almost 40% of Media Agencies.

Non-Human Traffic and Ad Fraud are currently a concern for 3 in 10, but less of an issue in Australia than internationally where these are rated as significant issues. Still, clients would be smart to learn more about this so they can ensure their ad dollars aren't spent on fraudulent inventory.

Brand Safety is the least concerning, attracting just 1 in 5 responses, with clients having addressed this via built-in black and white lists that have been developed to keep brands off x-rated and illegal sites. Still, many clients talked about having been "burned" before and it's still a concern.

Q: Please select the issues you believe are most important for the industry to tackle in the next 12 months:



WITHOUT A DOUBT, THE INDUSTRY WANTS TO SEE MORE OVERSIGHT AROUND BEST PRACTICE IN DIGITAL ADVERTISING MEDIA

When asked which channels need more oversight to build trust and confidence within the industry, Digital was the clear concern with both Marketers and Media Agencies aligned. All other channels were much less of a concern with newspapers and magazines needing the least amount of oversight.

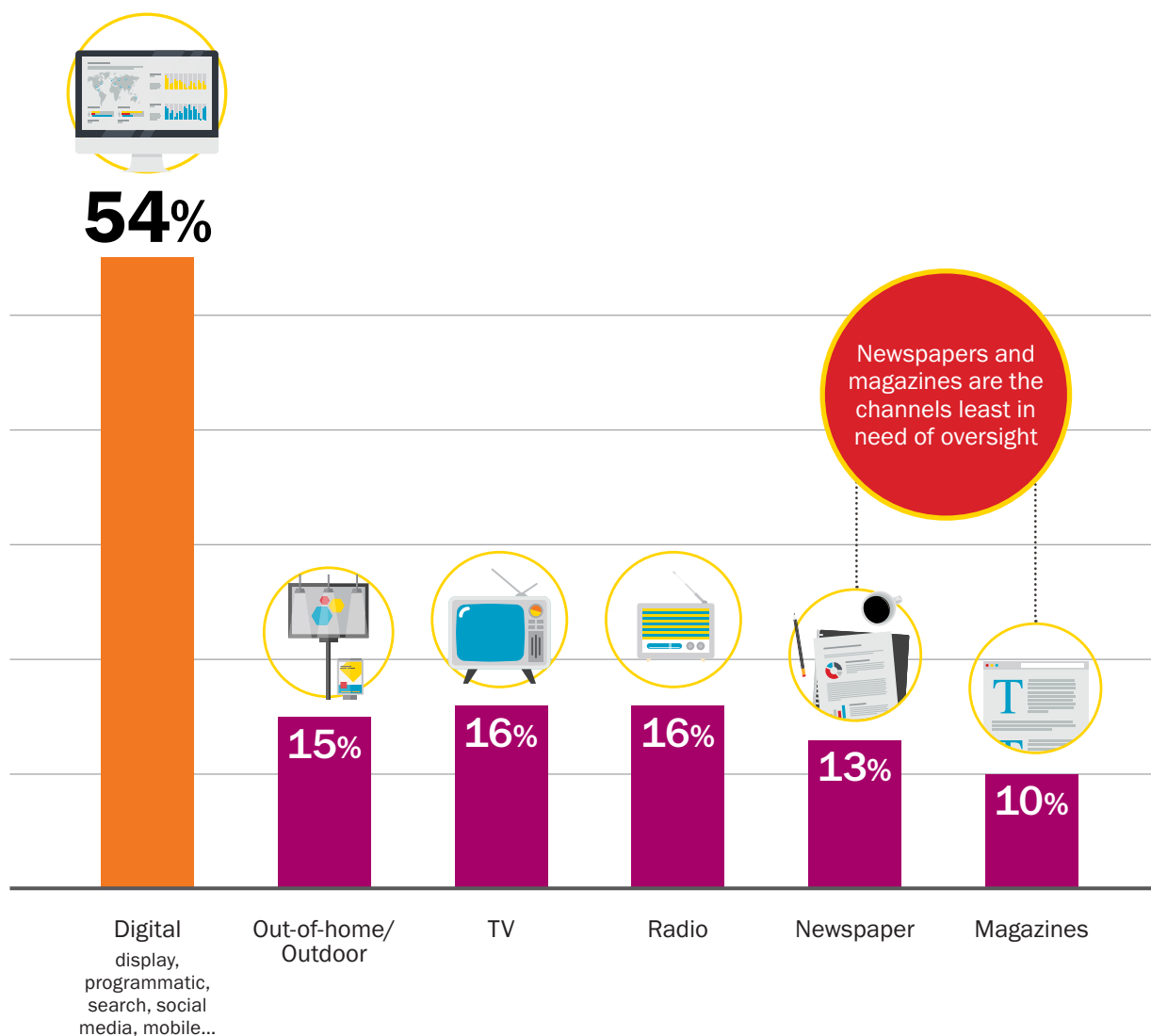
This is a clear challenge given the continued rapid shift of advertising dollars from traditional trusted channels to the less trusted digital ecosystem.

Internet advertising is forecast to account for more than 50% of the total Australian advertising market by 2019 reaching \$8.2 billion, compared to \$3.8 billion for free-to-air TV, \$1.5 billion for newspapers, and \$1.3 billion for Radio. Internet advertising is expected to be the fastest-growing sector, increasing at a compound annual rate of 13% out to 2019.*

72% agree

“The digital trading ecosystem is not as transparent, accountable and trustworthy as it should be.”

Q: Which, if any, of the advertising media below do you think needs more oversight to ensure adoption of best practices to build trust and confidence within the industry?



“ With more media moving towards Programmatic, that increases the risk for fraudulent activity. We must, as an industry, stand up to it and demand more accountable practices on behalf of our clients ”

– Media Agency

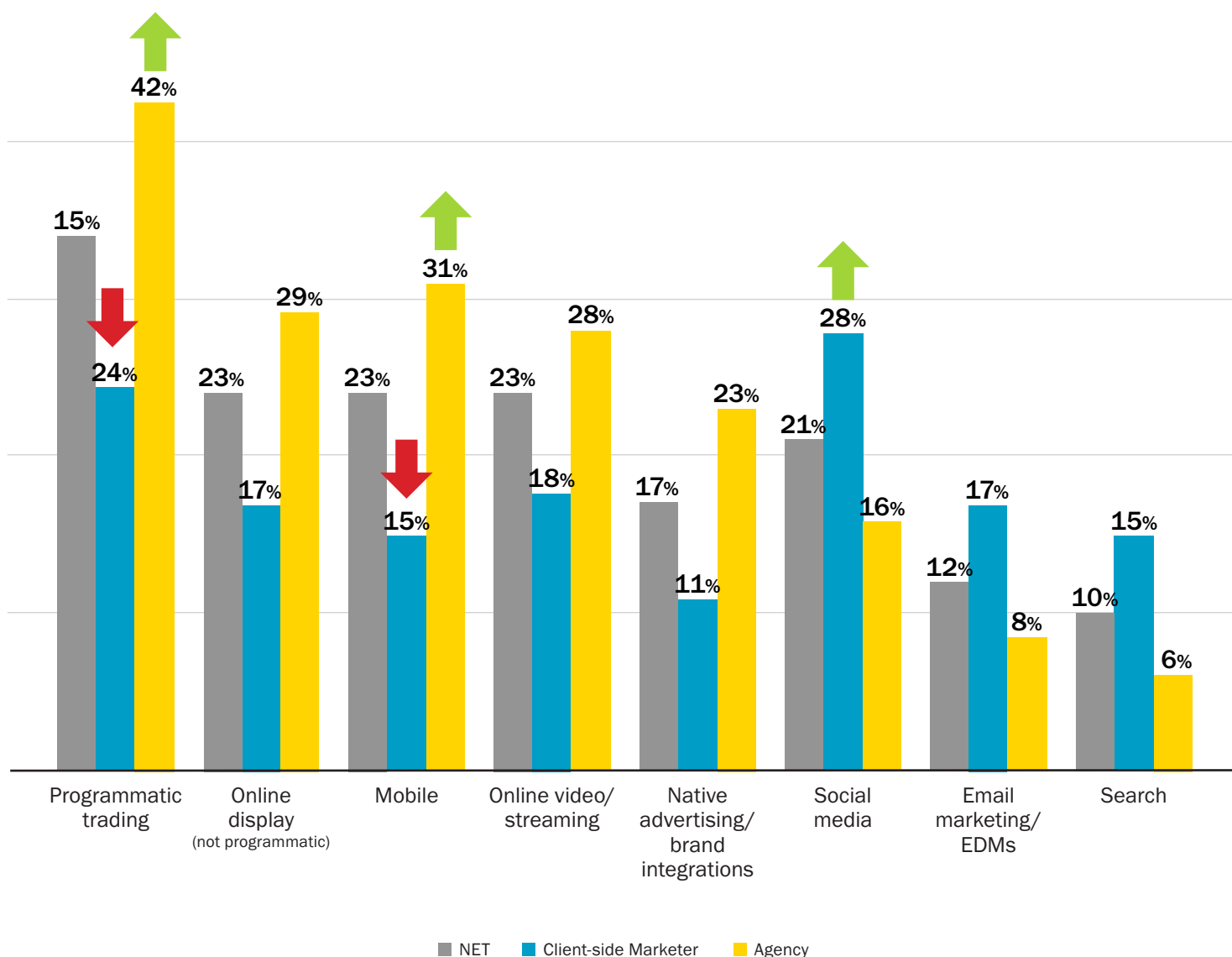
Knowing 'digital' is very broad, we asked those who selected digital to tell us which aspects in particular need oversight to ensure people are playing by the rules. Here we began to see some differences between Marketers and Media Agencies.

At a total sample level, Programmatic Trading is the top concern, with more than 1 in 3 wanting additional oversight for it. However, this is largely driven by Media Agencies, of which more than 4 in 10 want more oversight, significantly higher than Marketers. Agencies also showed a significantly higher level of concern than Marketers on the topic of mobile, with almost 1 in 3 agencies wanting more oversight, about twice that of Marketers.

Marketers feel Social Media is the area of digital in most need of oversight, almost 3 in 10. They also showed more concern than Media Agencies around Email and Search. Overall, Marketers tended to demonstrate lower numbers on this question, suggesting they simply don't spend as much time concerned with this as Media Agencies do.

It's clear that Media Agencies spending client dollars and constantly assessing media channels are simply more exposed to what's happening in digital than Marketers, and hence more aware of where the issues lie.

Q: Which aspects of digital do you think need more oversight to ensure all players are playing by the rules?



ACCOUNTABILITY BUILDS TRUST

With the hot-button issues identified, and the levels of trust across media channels established, we asked our participants what should be done to build industry trust.

#01 Accountability matters

76% agree

“A robust and ethical advertising and media industry needs industry-endorsed standards, third party verification and independent referees to ensure everyone plays by the rules.”

The industry clearly appreciates that trust is built through working with reliable and credible business partners, who play by the rules, and are not driven exclusively by self-interest.

Trust components between business partners have been mapped out as forming a Trust Equation*:

$$\text{Trust} = \frac{\text{Credibility} + \text{Reliability} + \text{Intimacy}}{\text{Self-Interest}}$$

What's striking to us is the self-interest factor in the equation, and how the larger it is, the more it will erode trust.

The industry recognises that greater trust will be built by ensuring standards are not only agreed to, but actively endorsed and committed to, with independent industry referees to validate and support this.

#02 Agencies are the industry leaders in accountability

87% agree

“Media Agencies need to continue to be the champions for media accountability on behalf of their clients”

The industry is aware of the need for agencies to take responsibility, on behalf of their clients, in evolving industry best practice to ensure accountability across the advertising trading ecosystem, and most importantly the complex digital market.

By supporting accountability Agencies can benefit from greater trust across the industry trading ecosystem, and their client business partnerships.

“Media Agencies need to critically question and review stats and data presented to the client. With ad fraud and bots, there will be increased pressure from clients to ensure agencies and publishers are held accountable for the information they provide.”

Marketer –

#03 Industry bodies need to support and align the industry

91% agree

“ Industry bodies need to work cohesively to support best practice and verification to build trust in industry ”

Marketers and Media Agencies want a collaborative approach. They also value the independent viewpoint and validation that the non-commercial industry bodies can provide.

#04 Transparency builds trust

We put a few ideas before participants to understand how to build industry trust:

Q: Which do you think would best increase industry trust and accountability?

45%

More third-party verification by non-commercial entities like industry bodies

32%

More education, awareness and training around trust and accountability

30%

More third-party verification (by commercial entities)

Clearly the industry values verification by non-commercial entities. Traditional media channels provide pointers as to how trust levels are built.

Print has much higher levels of trust seen in audited Print in comparison to non audited Print and that despite the high value placed on digital metrics and data, Print is still viewed as the most trusted, safe and verified channel for advertising by Marketers. Publishers have been at the forefront of delivering

verified data, delivering accountability and transparency to build trust in their channel with ad trading partners.

Digital channels showed the largest variations between Marketers and Agencies in terms of trust rankings with Programmatic showing low levels of trust in terms of being safe. This points to more work to do in aligning industry standards and best practice frameworks involving verification and accreditation to advance the trust levels in the industry.

“ We need more third party verification. Metrics and results can be too easily manipulated ”

– Media Agency

“ We need education on the client side so they are as digitally savvy as the agencies and publishers. This will help adoption of new technologies to work towards making everything 100% measurable, and help all parties work together to achieve the accountability desired. ”

Media Agency –



**Audited Media
Association of Australia**

#TrustMatters

Trust is the invisible thread of influence with regard
to media buying decisions.

The AMAA is committed to working with the Marketers, Agencies
and Media Partners to advance trust, accountability and best practice
across the advertising trading ecosystem.

The AMAA is part of a world wide alliance of Media Audit Bodies,
the International Federation of Audit Bureaux, that is working towards
establishing best practice and verification frameworks to provide
trusted data and address ad trading issues including digital brand
safety, ad fraud and ad viewability.

Disclaimer:

Data scores within this report are indications of trust in the media evaluation data sources used for advertising trading purposes, and are not indicators of trust in the overall channel.

They are purely indicators of how the Marketers and Media Agency professionals surveyed view the data supplied by channels. This is in no way related to the trust consumers may place in the various media channels.

The Audited Media Association of Australia is the independent industry body providing best practice and verification solutions that empower advertisers, agencies and their media partners to transact with greater trust and confidence.

For more information contact:

The Audited Media Association of Australia
63 York St
Sydney, NSW 2010

Email // info@auditedmedia.org.au
Phone // +61 2 9954 9800
www.auditedmedia.org.au