State of Viewability Transaction 2015

In 2011, the Association of National Advertisers (ANA), the American Association of Advertising Agencies (4A’s) and the Interactive Advertising Bureau (IAB) came together to fix digital measurement, by all accounts the single greatest obstacle to marketer, publisher and agency growth. After $6 million of collective investment by the three associations in Making Measurement Make Sense (3MS), we are on the verge of accomplishing something never before achieved in media: a wholesale change in media currency with the aim of improving results for all parties in a transaction.

We are in the midst of a remarkable transformation, whereby digital media transactions will be based on exposure to individual advertisements, not averages of multiple ads, like TV, or surrogates for exposure like print.

With this document, we aim to set the entire industry on a path toward collaboration and consensus in order to provide the best possible outcomes for the greatest number of participants in the shortest amount of time.

**What Is a Viewable Impression and Why Is It Important?**

In phase one of 3MS, after exhaustive research with all the major players and working teams of leaders from across the ecosystem, it was determined that the single most important need is shifting currency from served impressions to viewable impressions. Digital has always been measured and transacted differently than other media: digital media are the only media that have always been measured ad impression by ad impression.

The shift from a served impression to a viewable impression is yet another step to greater accountability in digital media. Marketers, agencies and publishers determined that guaranteeing the Opportunity to See for all ads made digital even more accountable and also laid the foundation for greater comparability with other media. TV and print, despite their own measurement and accountability issues, are not challenged on Opportunity to See. This comparability paves the way to cross media platform measurement using GRP’s that are based on apples-to-apples counts and to better measurement of ad effectiveness, all of which were determined by the industry to be of paramount importance to brand marketers’ abilities to achieve the best media allocations for their goals.

The industry standard as developed under the leadership of the Media Rating Council (MRC) calls for desktop display ads to be considered viewable if 50% of their pixels are in view for a minimum of one second and for desktop video that standard is 50% for 2 seconds. In addition, the standard stipulates that for larger desktop ad units, 30% of pixels in view for 1 second constitutes a Viewable ad. Custom ad units and important elements of sponsorships are not consistently measurable today. The measurement standard and the technology are still evolving.

**The Road to 100% Viewability**

A core aspiration embraced by all those involved in 3MS is that 100% of traded digital media be viewable as defined by the MRC. While the industry has made great strides in achieving this aspiration,
today and into 2015 significant measurement challenges remain, which the MRC says make the achievement of 100% viewability “unreasonable” for the time being. The limitations of current technology prevent our industry from fully measuring all served impressions. Today, measurement vendors produce campaign level viewability data that publishers observe can vary as widely as 30% to 40%. This magnitude of variance impedes development of benchmarks that are needed to fully understand viewability.

More importantly, this kind of variance flies in the face of historical precedents in media for seller guarantees of audience delivery. For decades, the norm in TV has been that delivery within plus or minus 10% of guarantee is considered whole and does not require any make goods.

Vendors simply cannot measure viewability in 100% of all cases at present. While this will improve over time, it is actually detrimental to the efficacy of a media plan to expect “100% viewable impression” delivery in 2015. This is because only inventory that can be measured by today's tools will be used. Many high impact placements are still not consistently measurable. The inconsistency applies to page takeovers, road blocks and other custom placements. In addition to technical improvements, the industry still needs to codify handling of custom placements in the measurement standard.

“Non-measured impressions should not be assumed to be non-viewable impressions” is the precise guidance from MRC. We must continue to work to innovate and improve measurement as we go forward.

On October 16, 2014 the MRC issued “Viewability Implementation Considerations” and explicitly stated, “The reality is, however, that it is unreasonable for advertisers, agencies and publishers implementing viewable impressions as measurement currency to expect to observe viewable rates of 100%.”

To foster greater collaboration and build trust, we recommend that marketers, agencies and publishers adhere to the following principles.

2015 Transaction Principles

We aspire to the best possible measurement and the highest possible levels of viewability. Following the research and principles outlined by the MRC, the advertising industry should recognize that 2015 is a year of transition: technology and billing systems have to catch up to this massive move to greater accountability in advertising measurement and delivery. To achieve the greatest collective good for the advertising industry as a whole, it is recommended that all marketers, agencies, and publishers recognize the following tenets as we continue on the path to 100% viewability:

1. **All billing should continue to be based on the number of Served Impressions during a campaign** and these should be separated into two categories: Measured and Non-Measured.

2. Given the limitations of current technology, and the publisher observed variances in measurement of 30-40%, it is recommended that in this year of transition, Measured Impressions be held to a 70% viewability threshold.
3. If a campaign does not achieve the 70% viewability threshold for Measured Impressions, publishers will make good with additional Viewable Impressions until the threshold is met. Such a guarantee ensures that all paid measurable ad impressions will be viewable at a threshold that both exceeds the minimum standard and falls within observed variances.

To illustrate how the 70% threshold will work, assume: a campaign delivers 10,000,000 Served Impressions; of those Served Impressions, 8,000,000 were Measurable; of the Measured impressions, 5,000,000 (62.5%) were Viewable. In this case, the publisher would need to deliver 600,000 additional Viewable Impressions to reach the 70% threshold and make good. The agency will be billed for 10,000,000 impressions assuming full make good.

4. All make-goods should be in the form of additional Viewable Impressions, not cash, and should be delivered in a reasonable time frame. Make-good impressions should be both Viewable and generally consistent with inventory that was purchased in the original campaign. Determination of threshold achievement is based on total campaign impressions, not by each line item. In other words, some line items may not achieve threshold, but others can compensate.

5. For large format ads, defined as 242,500 pixels or over, a Viewable Impression is counted if 30% of the pixels of the ad are viewable for a minimum of one continuous second, as noted in the “MRC Viewable Ad Impression Measurement Guidelines.”

6. All transactions between buyers and sellers should use MRC accredited vendors only.

7. A buyer and a seller should agree on a single measurement vendor ahead of time. The industry aspires to variances of no more than 10% between viewability measures provided by different vendors. All stakeholders must avoid costly, labor-intensive, error-prone manual processes of reconciling different sets of viewability numbers, hence the benefits of agreeing on a single vendor.

With the goal of achieving 100% viewability as soon as technically and commercially feasible, the IAB shall revisit the transaction principles established herein at least twice in the year 2015 and shall employ ongoing dialogue and analyses across the market in order to stay abreast of any changes.