Media Rating
Council, Inc.

3MS Town Hall Meeting:
Viewable In-Browser Video

August 20, 2013

A Brief General Update

- **Goal: Remove advisory by end of 2013**
  - MRC is committed to an orderly transition based on science and fairness

- **Display viewable standards – draft complete**

- **Video viewable standards are in process**
  - Analysis and debate still remains
  - Standard does not cover In-App, Mobile and Connected TVs

- **By the end of 2013**
  - MRC will provide guidance on aligning vendor differences
  - GRP standards for digital and cross media platform measurement will be well underway; work to be done across all media-types

Important Next Step: Studying and Aligning Vendor Results

- Always in the plan…similar to served impression standardization
  - Needed critical mass of accredited vendors
  - Sequentially: (1) accreditation of vendors, (2) evaluate differences, (3) gating for lifting of MRC advisory
- Two step process:
  - Facilitated by IAB; MRC administers
  - Lab, controlled assessment using serving tools
  - Production evaluation
- Work to define and address causes for viewable impression differences between vendors
  - Doesn't mean everyone exactly the same or that innovation cease

Agenda: Viewable Video
(Specific to Browser Based Video Measurement)

- What are we trying to standardize?
    - Back to the basic concepts
    - Display Ads versus Browser Based Video Ads
        - Excludes tablets, in-app, mobile
- Key components of existing draft
- Data (So Far)
- Key points of remaining debate/analysis
- Timeline

The Goal

- **Standardize a viewable impression for browser-based video advertisements**
  - Display requirement of 50% of pixels for one continuous second
  - Basis: 50% established by examining billions of display ads and flow of viewable and non-viewable states
  - Basis: One second was based on research into underlying cognition of physical (display) advertisements which generally show it takes sub-second to one second of continuous time to recognize an advertising message
    - Pilot provided no information to refute this timing

The Goal

- **For browser-based video ads, we are trying to capture a similar moment. Specifically:**
  - The instant before the user makes a decision about whether to view or not view the ad
    - For a video ad, a decision to not view is often realized through user action to X-out or quit the ad or a user decides to stay with a video ad, but really we are talking about before that time.
  - Essentially the ad is noticed, and (ideally) the cognition is "unique"
  - In this context short and long form video should perform the same from a cognition perspective, but things may not be that simple (i.e., auto-play vs not, in-banner vs in-stream)

The Goal

- **Ideally, the flow would be as follows:**
  - 1st The Seller's (Media) Responsibility:
    - Requesting the ad
    - Delivery of the ad in a manner consistent with opportunity to see
    - Start of the ad and unique cognition begins
  - 2nd Our Moment: Record the impression
  - 3rd The Buyer's (Creative) Responsibility:
    - User decisions about viewing the ad or not
    - Any actions taken
    - Duration beyond recording the impression

The Goal

- **Our (MRC) assertion so far:**
  - "Unique cognition" (we've defined this as the instant after cognition but before decision or action about content) requires different time for display versus video ad vehicles
    - Display (including many rich-media executions) presents information up front for cognition with high speed
    - Video develops slightly more over-time

  Video ads require a longer window above that of display (currently stated as 5 seconds for the current draft, but we don't believe as low as 1 second) to achieve unique cognition of information

Key Components of Current DRAFT: Viewable Video Ads

- Specific to Browser Based Video Ads

- A Video Ad that meets the Viewable Impression requirements for Display Ads (i.e., 50% of pixels in view for one continuous second) is considered a "Discernible Video Ad"

- The draft definition of a "Viewable Video Ad" requires that 5 seconds of the ad is played, meeting the 50% pixel requirement.

    - The 5 seconds need not be continuous, nor the 1st 5 seconds of the video ad.

  - Strong user interaction with the ad can result in the ad being counted as viewable, even if it does not meet the time/pixel requirements.

    - These counts should be segregated in reporting.

  - If the pixel threshold is applied to the player rather than the ad within the player, this must be disclosed.

  - Consideration of presence of audio is encouraged, but not required because of current technological issues.

Data (so far)

- Data Request (videos containing ads in production):
  - Type of content (long-form, short-form, in banner, etc.)
  - Type of Ad:
    - Length
    - Location within the content video (pre, post, mid, etc.)
    - Location on page
    - Serving method (in-house, third-party)
    - Contained within iframe or not
  - Summarized for each campaign:
    - Percentage viewable using 50% and first frame, first second, 5 seconds, 25% of length, 50% of length, 75% of length, entire video ad, any notable viewing not at the beginning that meets pixel requirement
  - Sort data by common ad creative, campaign and site genre

Data (so far)

- MRC required to de-identify sites, etc.
- Large volume of data (sampled, approx.10 million video executions to analyze in depth, performing fairly homogeneously except as noted):
    - Included premium site, portals, smaller site, mostly ad-network inventory (>500 sites with collected data)
    - Range from 40-55% measurable rate on average
    - Of measured cases, we believe viewable rates are relatively high (75% to 85%), if one considers the 50% and one-second threshold alone and eliminates the 300X250s
        - Handling of inactive windows needs analysis and could reduce these figures in many cases
        - These figures vary by campaign and by type of publisher and by network versus publisher placement

Data (so far)

- Here are some complexities and approximate statistics:
    - Un-measurable Cases: Vast majority (exceeding 80%) were observed in 300X250 sizes (likely in banner) within cross-domain iframes
        - These should be segregated from other viewable video reporting
        - They need Safe-Frame and possibly other measurement criteria
        - Similar to display, measurability is an issue for 300X250s
    - Inactive windows: A high proportion of measurable cases (>50%) were in inactive windows
        - In many cases when a user makes a video "full screen" this reports as being in an inactive window. Processes need to be set up to filter full screen cases from other out-of-focus situations; greatest impact to third parties, not sites with player access.

Data (so far)

- Identifying "our moment:"
  - Fall-offs observed on average (supplied by Open Video Group):
    - Difference between consecutive 1 second viewable and 3 seconds viewable was -12.1%
    - Difference between consecutive 1 second and 5 seconds was -18.8%
    - Difference between consecutive 5 seconds and any 5 seconds was 8.5%

Further work is necessary to isolate-out creative impact by site and serving type (in test and control) to discern our moment. More data would be helpful.

Key Points of Remaining Debate/Analysis
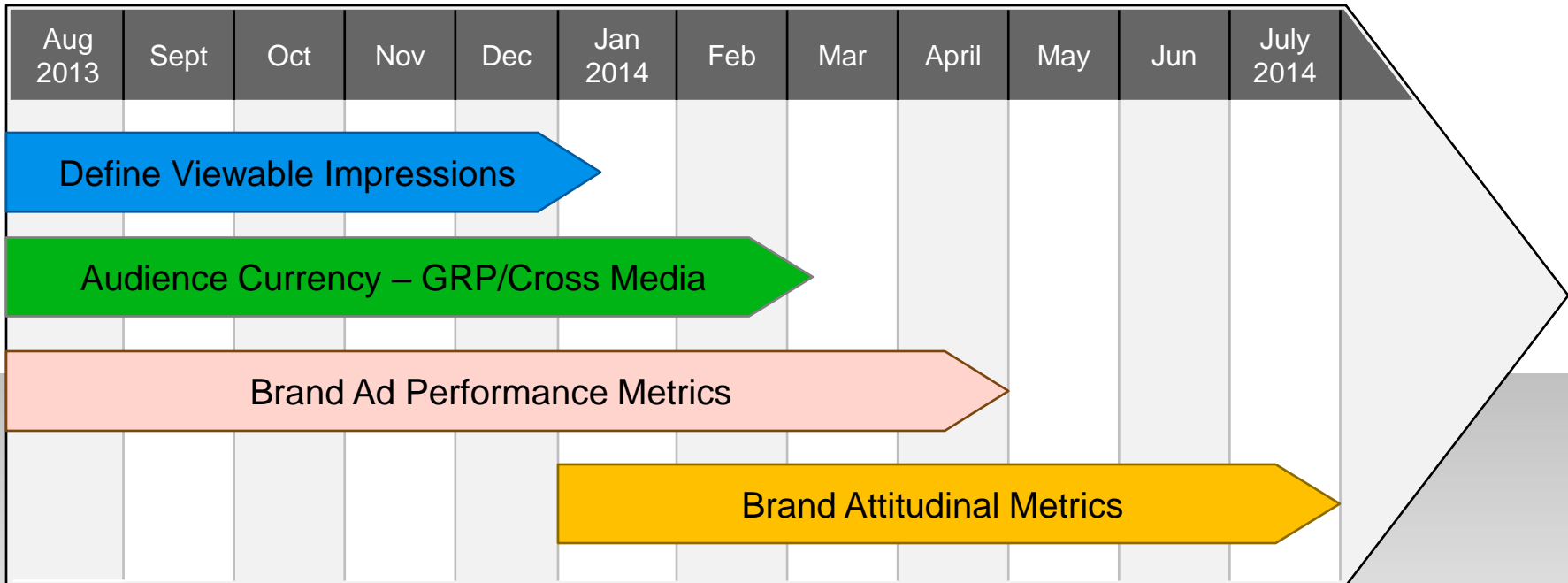
- **Key Issues:**
  - Should impression count be separated from viewable decisions?
  - The shared responsibility of the creative producer and the served environment. Where is that cut-off? Five seconds, etc.
  - Handling of Window Inactive (our view: eliminate non-viewable cases)
  - The importance of cross-media comparability. Making TV better.
  - Non-measurable issues (similar to display – cross-domain iframes in 300X250s)
  - Simplicity versus building custom criteria for various video forms
  - Specific requirements for click-to-play versus auto-play ads
  - Handling discrepancies and updating transactional standards
  - VAST Integration (support for viewable events if VPAID isn't used?)

Timelines for Digital Initiatives

Digital Initiatives – Timelines
MRC/3MS
August 1, 2013

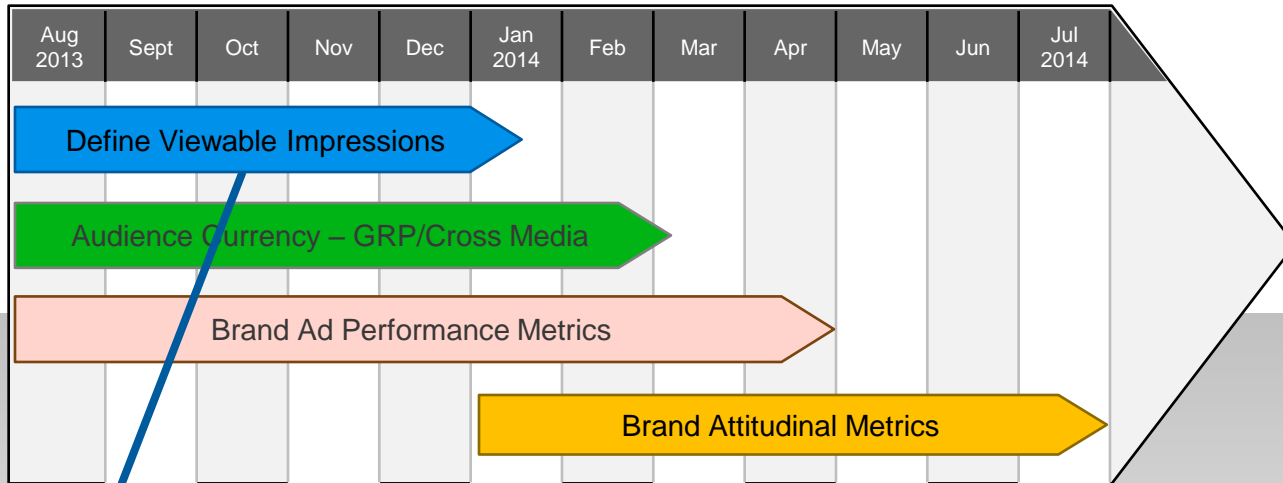| Aug 2013	Sept	Oct	Nov	Dec	Jan 2014	Feb	Mar	April	May	Jun	July 2014
Define Viewable Impressions →											
Audience Currency – GRP/Cross Media →											
Brand Ad Performance Metrics →											
						Brand Attitudinal Metrics →					

MRC is working on several Industry initiatives to improve digital measurement. The following slides explain the high-level tasks and timelines for these initiatives. Further information on these efforts can be obtained from George Ivie or David Gunzerath at MRC.

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Digital Initiatives – Define Viewable Impressions

Aug 2013	Sept	Oct	Nov	Dec	Jan 2014	Feb	Mar	Apr	May	Jun	Jul 2014

Define Viewable Impressions

Audience Currency – GRP/Cross Media

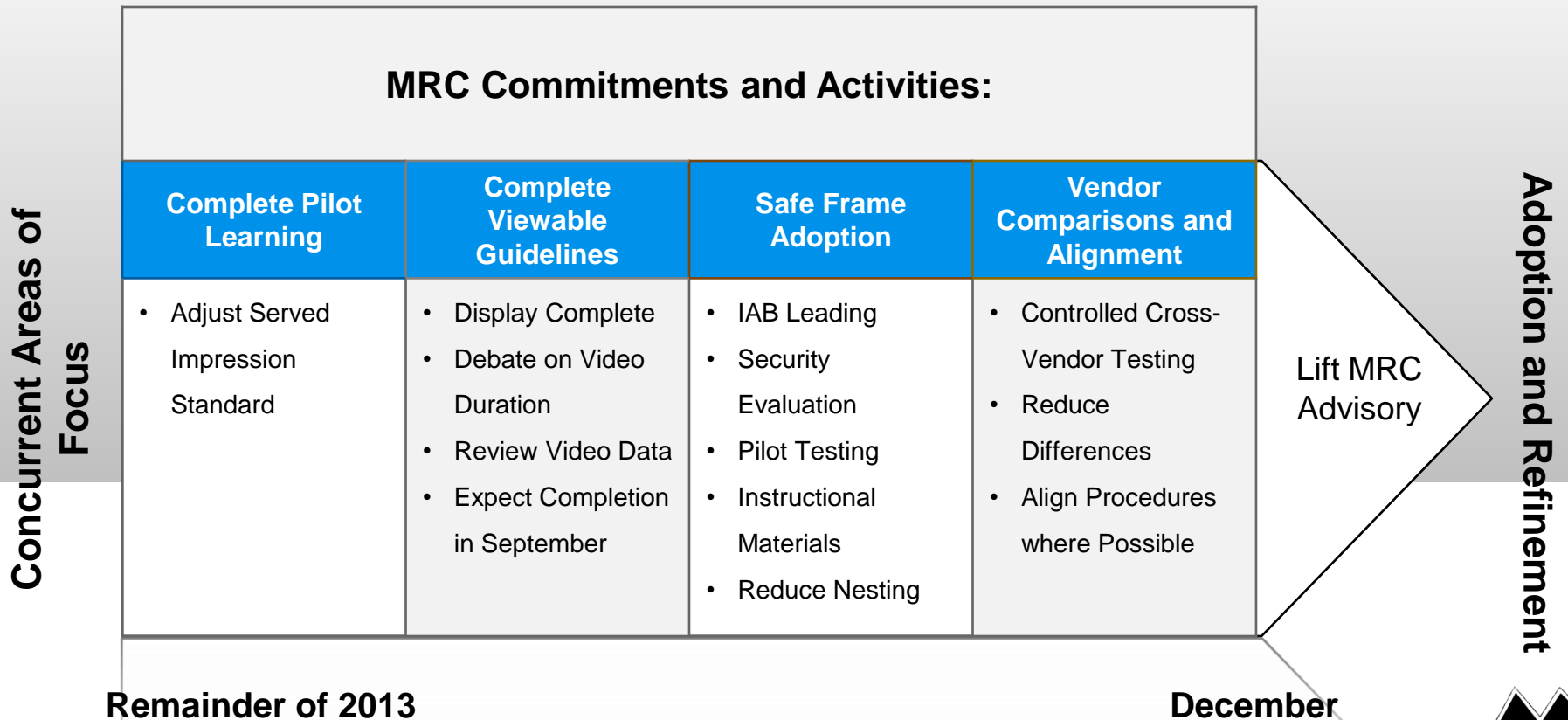Brand Ad Performance Metrics

Brand Attitudinal Metrics

Define Viewable Impression

Shifting from a "served" to "viewable" impression. This project involves four major remaining tasks, as explained on the following slide.

Digital Initiatives – Define Viewable Impressions

Concurrent Areas of Focus

MRC Commitments and Activities:

Complete Pilot Learning	Complete Viewable Guidelines	Safe Frame Adoption	Vendor Comparisons and Alignment
• Adjust Served Impression Standard	• Display Complete • Debate on Video Duration • Review Video Data • Expect Completion in September	• IAB Leading • Security Evaluation • Pilot Testing • Instructional Materials • Reduce Nesting	• Controlled Cross-Vendor Testing • Reduce Differences • Align Procedures where Possible

Lift MRC Advisory

Adoption and Refinement

Remainder of 2013

December

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Digital Initiatives – Audience Currency

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Define Viewable Impressions

Audience Currency – GRP/Cross Media

Brand Ad Performance Metrics

Brand Attitudinal Metrics
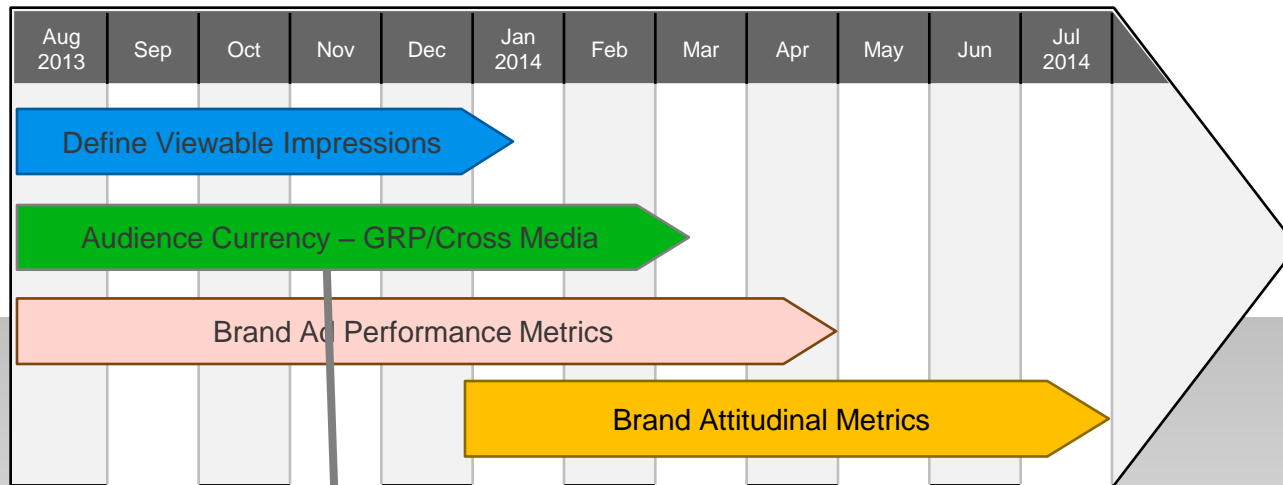
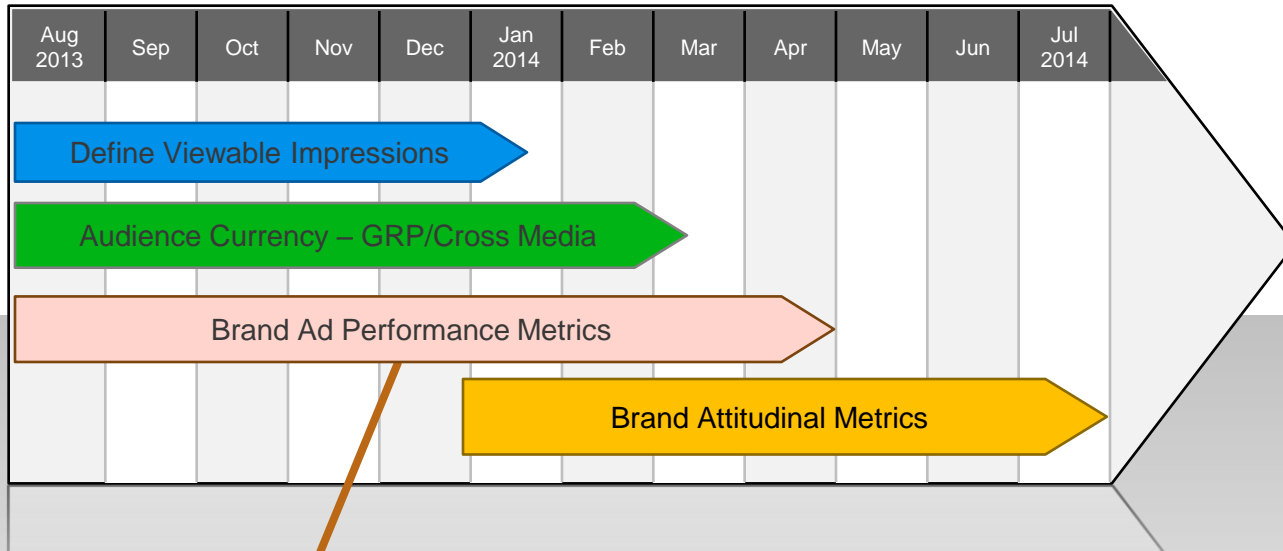## Audience Currency – GRP/Cross Media

Actions:

- Initial thoughts supplied on standard

- IAB EITF needs expanding to include additional conventional media participants

- MRC currently writing draft #1

Considerations:

- Timeline is contingent on reaching consensus with Industry participants

Digital Initiatives – Brand Ad Performance Metrics

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Define Viewable Impressions

Audience Currency – GRP/Cross Media

Brand Ad Performance Metrics

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Brand Ad Performance Metrics
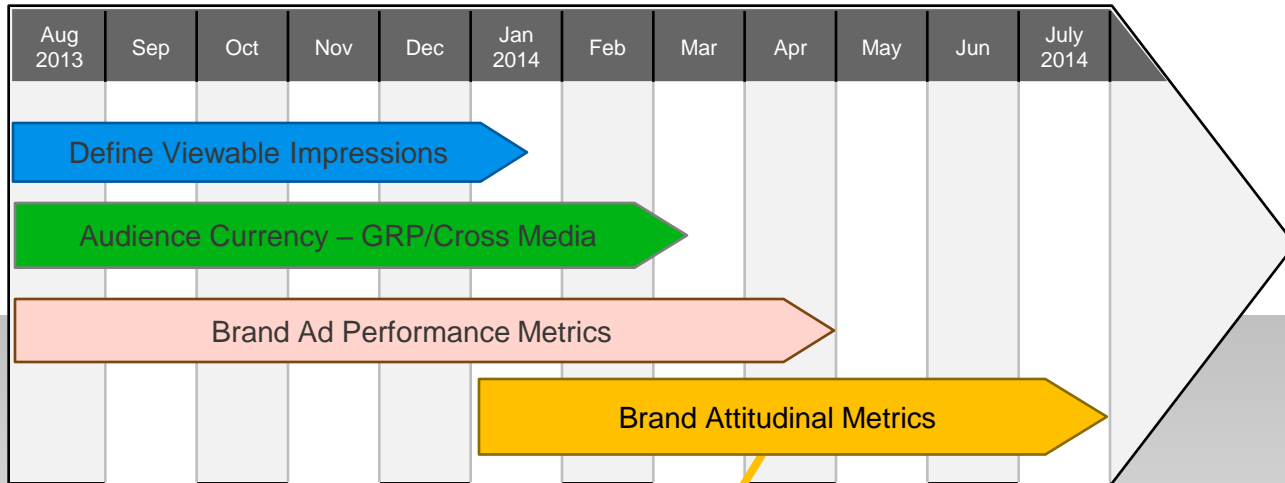**Actions**:

- Discussions with buyers, sellers and vendors about view through measurement
  - MRC to verify perspectives and write standards
- Currently working on third draft of social media guidelines
  - IAB/WOMMA vetting group needs to expand

Considerations:

- Timeline is contingent on reaching consensus with Industry participants

Digital Initiatives – Brand Attitudinal Metrics

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Define Viewable Impressions

Audience Currency – GRP/Cross Media

Brand Ad Performance Metrics

Brand Attitudinal Metrics

Brand Attitudinal Metrics

- No new standards necessary – MRC standards up to the task
- One vendor pre-audited (Vizu), acquired by Nielsen and preparing for audit
  - Seeking further audit submissions
  - Needs Industry encouragement

Ongoing Activities

Media Rating Council, Inc.

- **Communication and Education**
  - Town Hall Meetings
  - Meetings with constituents of 4As, ANA, IAB
  - MRC Member Discussions
  - Press, Materials, etc.

- **Auditing and Accrediting Viewable Vendors**
  - Using Best-Available Guidance; Vendors Commit to Adopt Industry Standards as Developed
    - Accredited for Viewable Display: comScore vCE Validation, DoubleVerify, Google Active View, RealVu, spider.io
    - Tremor VideoHub Accredited for Average Video Viewability Percentage
    - Many Other Vendors In-Process

Thank You!

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