



THE TRUST IMPACT

LEVERAGING TRUST
FOR IMPACT

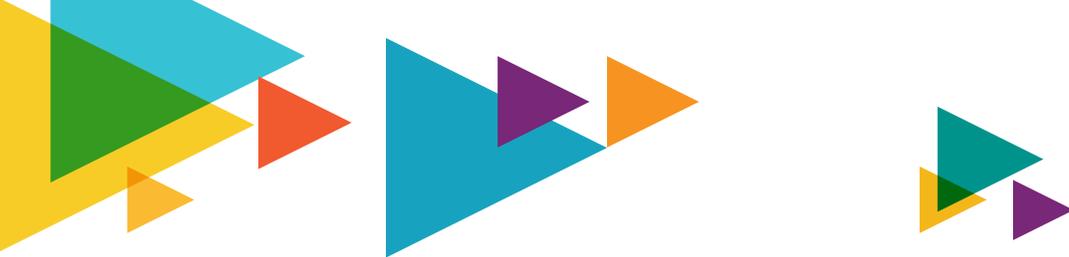
AMAA Media Trust Study 2018



This is the third year of the AMAA's Media Trust Study. We again reached out to the industry, marketers and media agency professionals, to shed light on the level of trust they have in the digital ad trading ecosystem, and what they see as ways to help build that trust.

Higher levels of trust within the digital ecosystem and between trading partners, has benefits for all industry members, so we asked you, those working in the business, what you see as the solution.





#TRUSTMATTERS

Welcome to the Audited Media Association of Australia's Industry Trust Study for 2018

Trust is still a hot topic. It's fair to say the issues the industry faces, in digital ad trading, are not going away – and the knock-on effect is an industry with diminished levels of trust. This year, we have looked at what this means for marketers. The impact of this trust deficit and what the industry considers is holding us back from addressing the issues.

There is clear dissatisfaction with how the industry, as a whole, is dealing with some of its biggest challenges. We see this as the negative side of the Trust Impact - the challenge that marketers face is that the industry risks being caught in a self-perpetuating cycle.

Digital trading issues, and the pursuant negative headlines, mean wasted dollars which in turn can mean either, a tightening of control to bring ad trading in-house or a tightening of spend. Both of these have knock-on effects for an industry built on supporting marketers, focused on finding the most effective channels to invest in, in order to build their brands and deliver business results.

The flip side is we know that there is also a positive Trust Impact, from cohesive implementation of best practice and a robust approach to self-regulation, an all-in approach to addressing the issues we all know are there. Marketers are the ones we are all here to support, we want to build their brands and consumer relationships, sell more products and services, and grow the industry through (hopefully) additional media spend. They are also the key voice in this dynamic. They hold the purse strings and the power to drive change.

There are clear ways forward to support our industry. The message we are hearing from the 400+ marketers and media agency professionals, who participated in the survey, is that they see that we can break the cycle and build industry trust.

This report is for you, to shine a light on where we need to do better and how we can all work together to deliver solutions.

We value your input, feel free to share this study and also to contact us with your thoughts about the Trust Impact, as you experience it, from your side of the industry.

Josanne Ryan

CEO Audited Media Association of Australia
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Who we spoke to ...

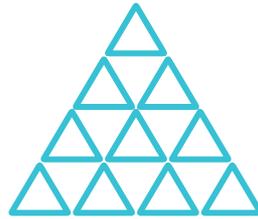
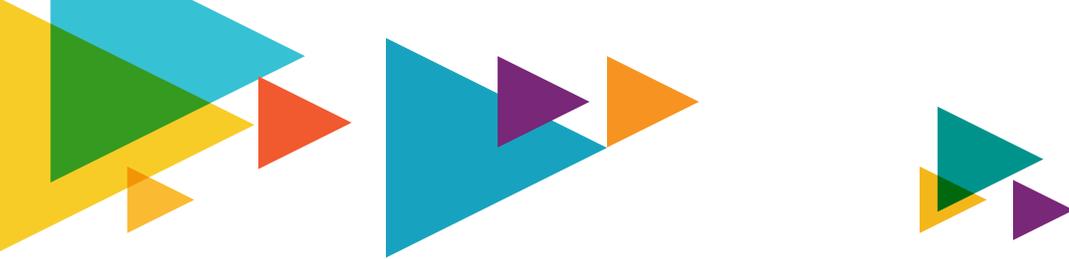
What we did this year: Online survey conducted March-April 2018
407 Marketers and Media Agency Professionals participated with a minimum of 300 answering every question.

Industry Respondents:

- 50/50 mix of Client-side Marketers and Media Agency professionals
- C-level/Senior level (41%) and Middle/Junior level (59%)

Two in three were in digitally focused roles (over half their job involved digital media).

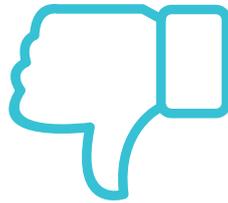
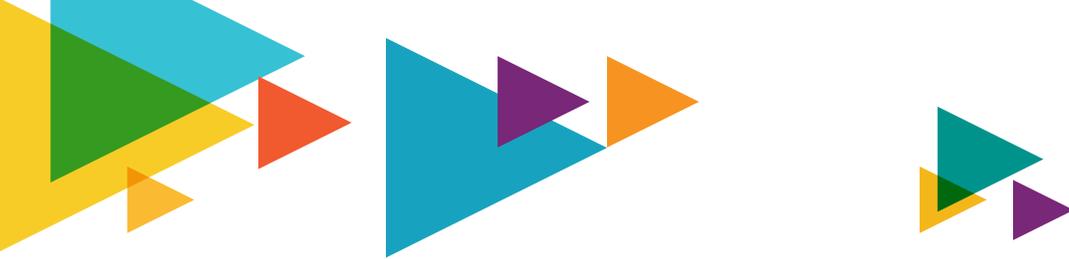
Research conducted and analysed by independent third party research agency The Insights Grill www.insightsgrill.com



Building on past work

Here are the top 5 insights from last year's 'Trust Equation 2017' study:

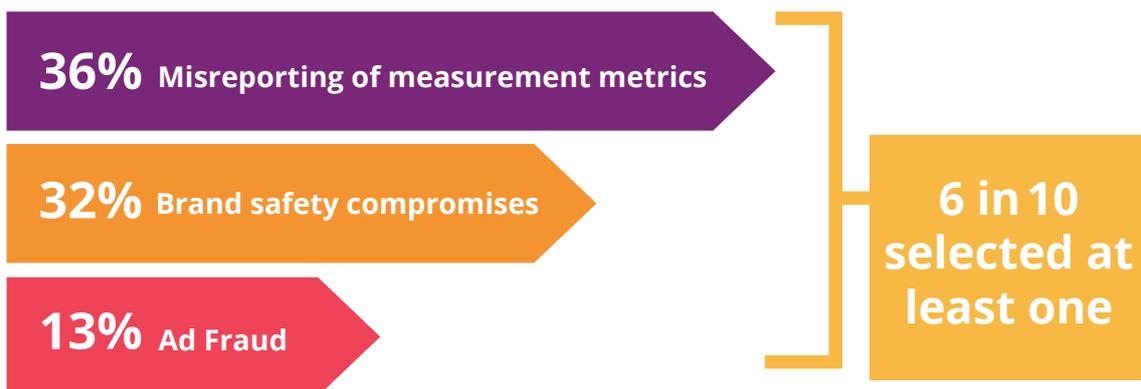
- 1** **Trust = Money 86% Agreed** 'Where there is trust there is more willingness to spend.'
- 2** **Independent verification is at the heart of the trust equation: 8 in 10** agreed: "I prioritise media channels that supply transparent, audited data for my media spend."
- 3** **7 in 10 marketers agree:** "Poor industry transparency will lead to more marketers taking their media buying in-house."
- 4** **Ad Fraud saw the biggest leap as an industry challenge.** Proof of Performance Measurement was still the number one challenge faced, especially among marketers. Agencies were most concerned about viewability and cross-media audience measurement.
- 5** **Trust declined year on year, the need for more scrutiny increased for every major digital channel.** Programmatic was the channel most in need of oversight with 8/10 agency respondents citing this channel. Social media increased the most, by 32% yoy - driven by misreporting.
- 6** **Industry bodies need to drive the solutions:** 72% feel it's up to the AMAA and the other industry groups like IAB, ADMA, MFA and ANAA to lead.

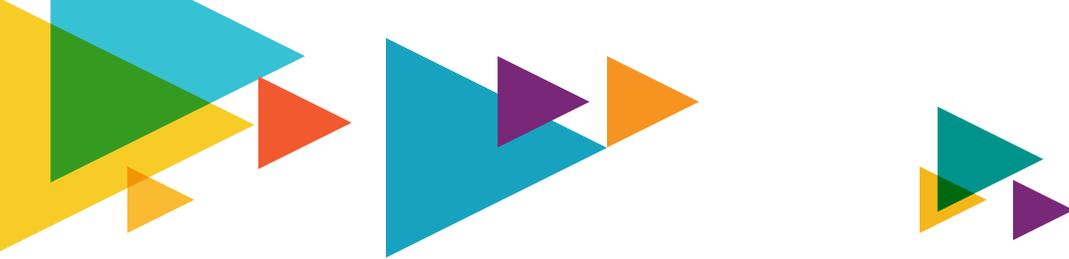


Digital issues: Majority are being impacted

The majority of companies indicated they have experienced a negative digital marketing event. In fact, over 1 in 3 were impacted by misreporting of measurement metrics.

We asked: In the past 12 months, has your business been impacted by any of these issues?





The result? Money down the drain

We asked marketers: What was the impact of experiencing these issues?
Not surprising that the majority say it simply wastes their marketing dollars.

7in10
Marketers

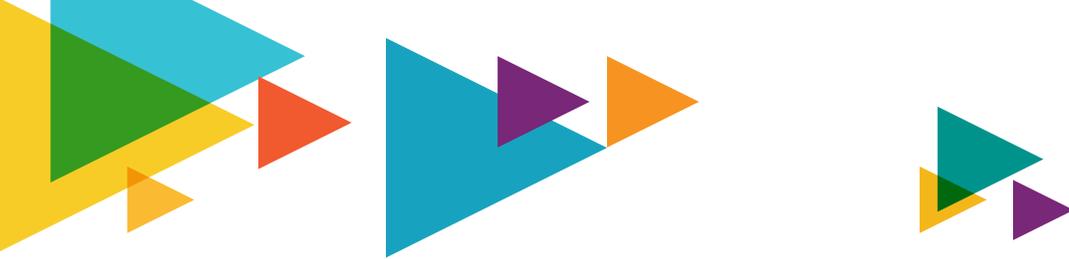
"Wasted ad dollars"

4in10

"Upset CEO/Executives"

3in10

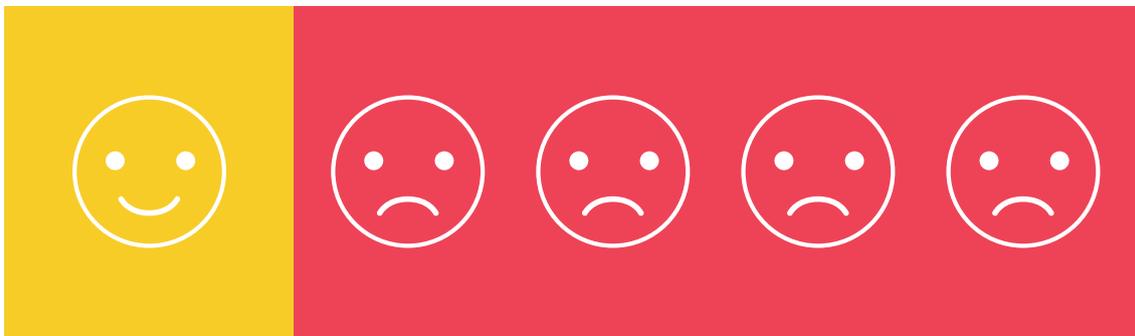
"Loss of brand reputation /
consumer trust"



Satisfied with how issues are addressed? Not very

Not only do marketers feel they are wasting ad dollars, they also feel not enough is being done to fix these problems. For every marketer satisfied with how these issues are being addressed, there are four who are not.

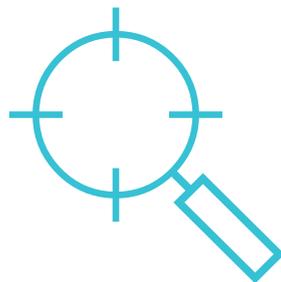
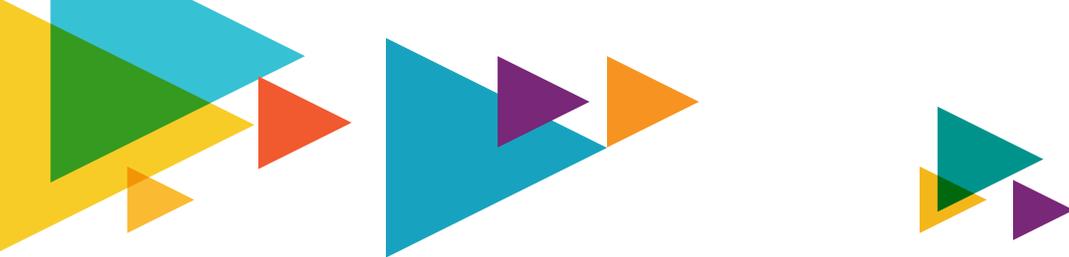
We asked: How satisfied are you with how the most important issues are being addressed by the industry?



Insight: This represents a huge opportunity for our industry. Media agencies, media brands and trading desks will benefit from stepping up to tackle the digital trading issues affecting their clients marketing spend.

Why?

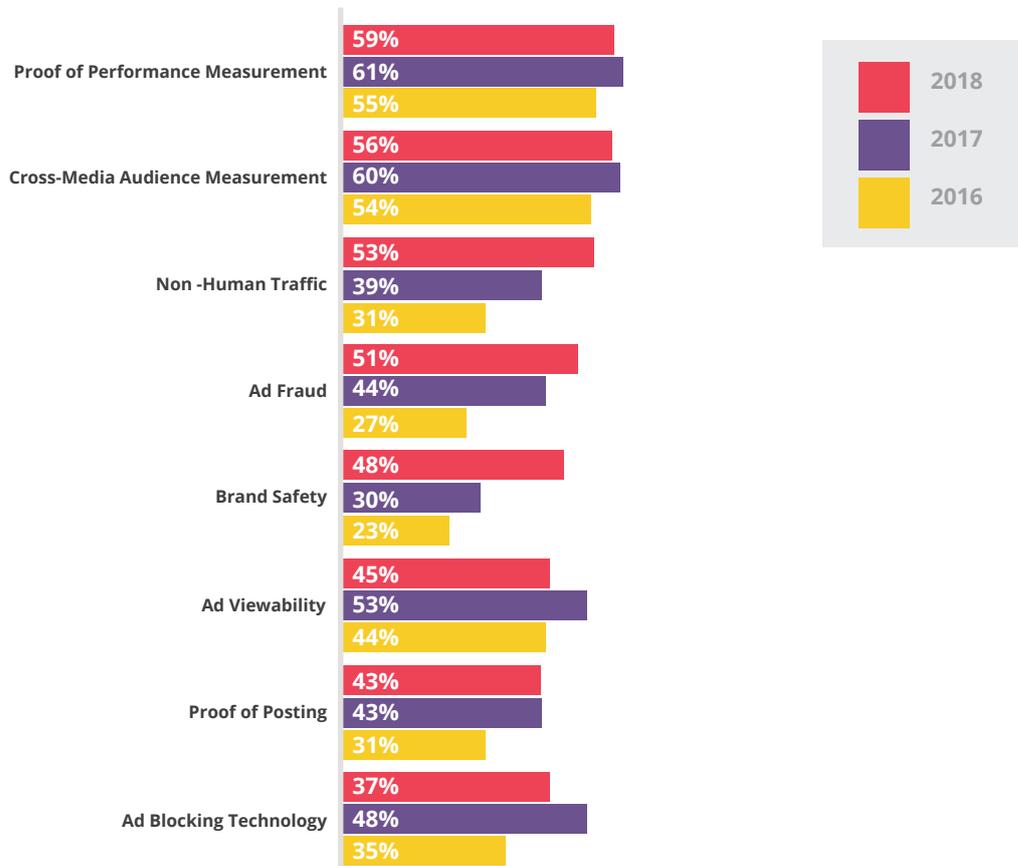
Marketers have told us, repeatedly, that the more they trust the outcome, the more willingness to spend.

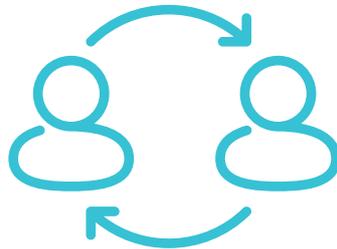
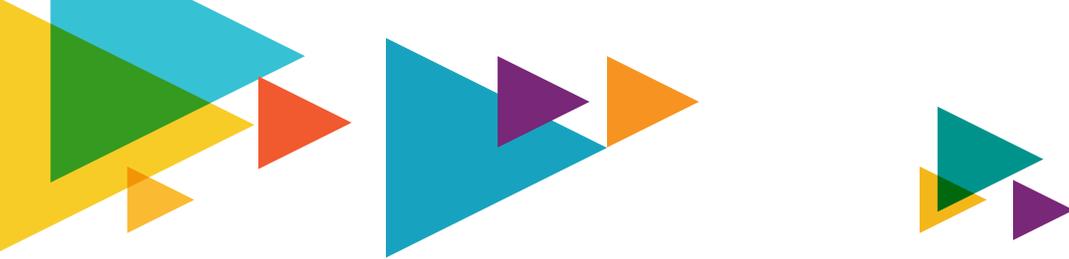


Concern about brand safety and ad fraud/ non-human traffic has increased

Not surprisingly brand safety spiked with the largest increase (+18%yoy)
 The other areas that gained significance are non-human traffic (+14%yoy)
 and ad fraud (+7%) which are now the third and fourth most important issues.
 Combined they account for 79% of the sample in 2018 up from a combined
 58% in 2016. So, we are seeing the issue of invalid traffic gain awareness as an
 important issue for the industry to tackle.

We asked: Please select up to 5 issues that you believe are most important for the industry to tackle in the next 12 months



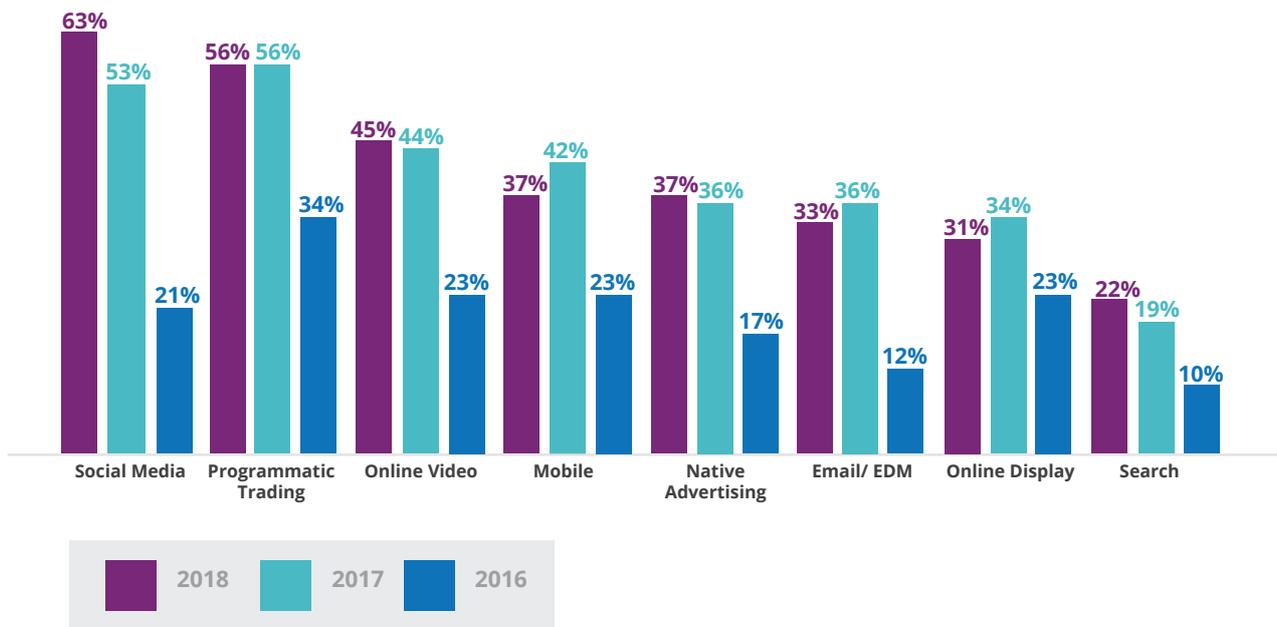


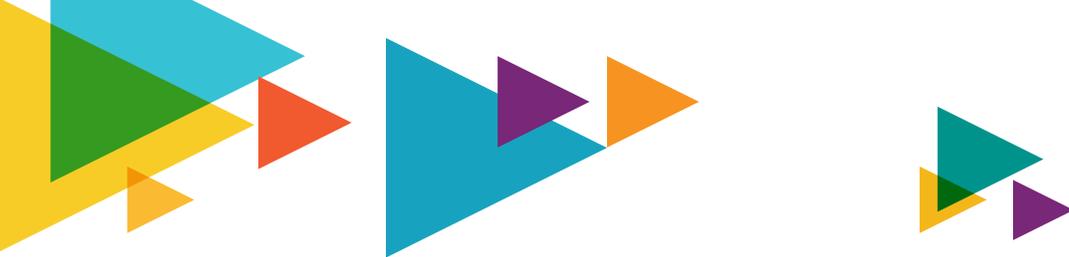
The need for scrutiny is highest for social media and programmatic trading

Social media sees the biggest jump (again)

Social media has now eclipsed programmatic trading as the channel considered most in need of oversight. While most channels maintained the same level of concern, social media, not surprisingly, has now spiked two years running, last year (+32%) and this year (+10%).

We asked: Which, if any, advertising media below need more oversight to ensure adoption of best practices to build more industry trust?



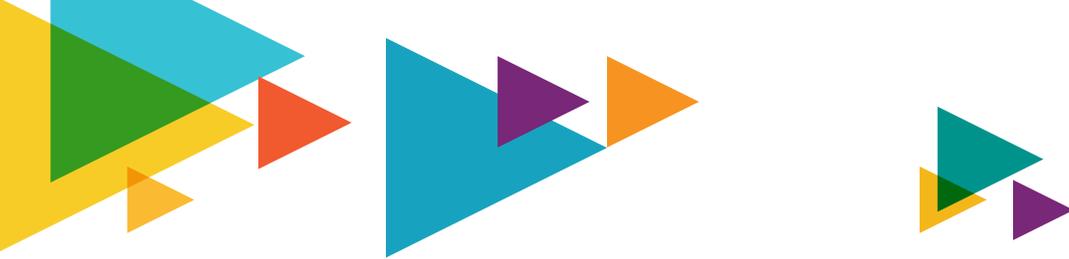


Agencies in particular see the need for oversight of programmatic trading

Marketers and Media Agencies top 3 concerns are the same, just in different order:

	MARKETERS	MEDIA AGENCIES
Social Media	57%	64%
Programmatic Trading	40%	72%
Online Video	41%	51%

Media agencies again this year, show much higher concern about programmatic than clients.



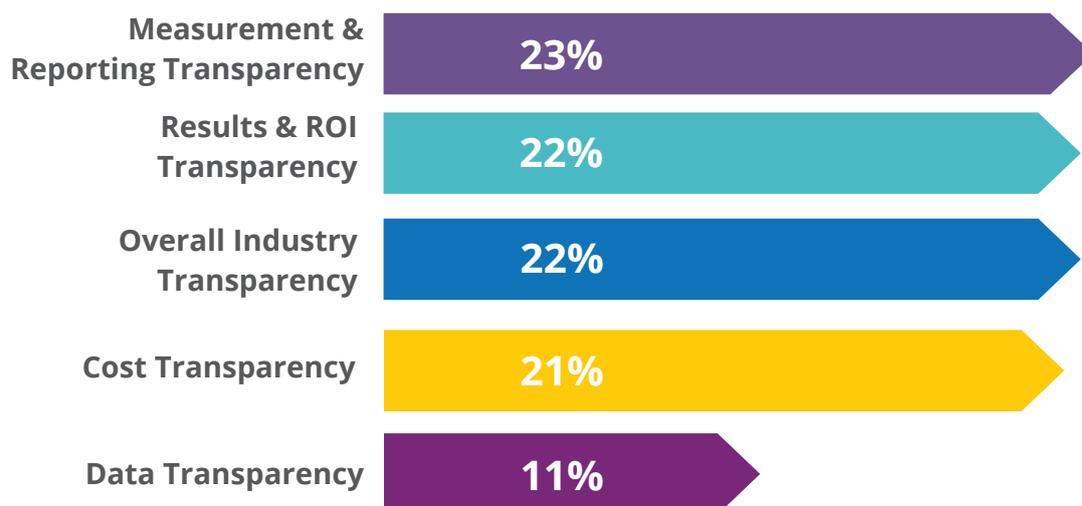
Transparency means many things, it's contextual

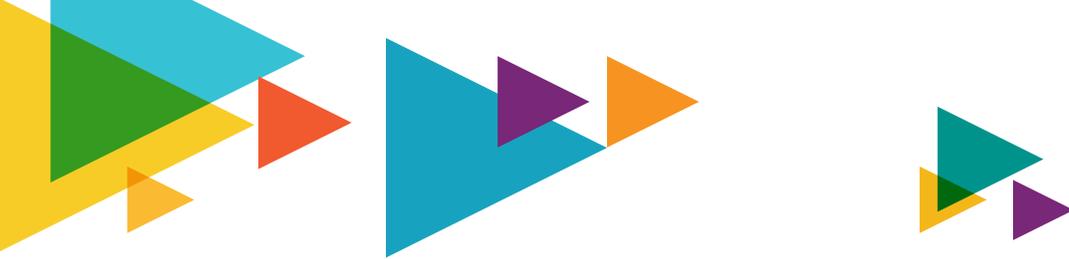
Transparency has become a buzz word in our industry in the last few years. In an industry with many layers and transactions it loses clarity if not given context.

Transparency comments covered five key areas:

- Measurement and Reporting Transparency – benchmarks, audience data, independent metrics
- Results and ROI Transparency – clarity on where ads appear, wastage and results
- Industry Transparency – an ethical industry approach
- Cost Transparency – fee structures, embedded charges, vested interests
- Data Transparency – targeting, tracking and privacy

Transparency appeared in 40% of all comments:



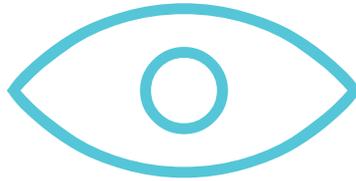
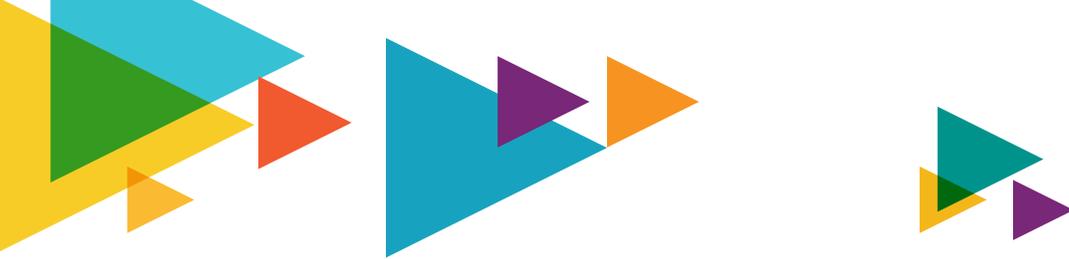


The best way to build trust is....

"In a time of high mistrust in the world's media, politicians, social platforms and data management, it is key for the digital advertising industry to demonstrate transparency and trustworthiness."

- MARKETER



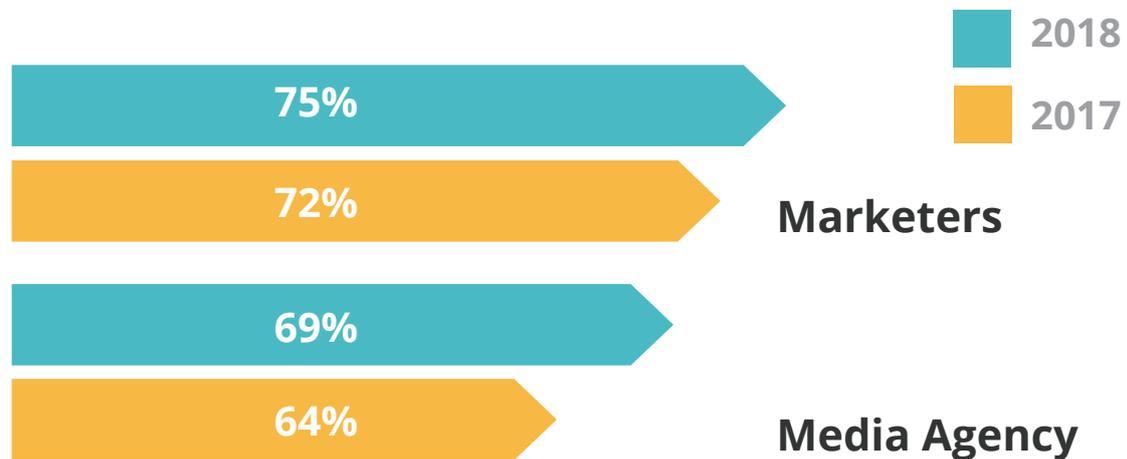


Transparency: It could fundamentally challenge how the industry operates

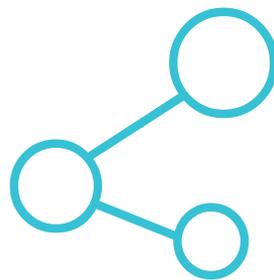
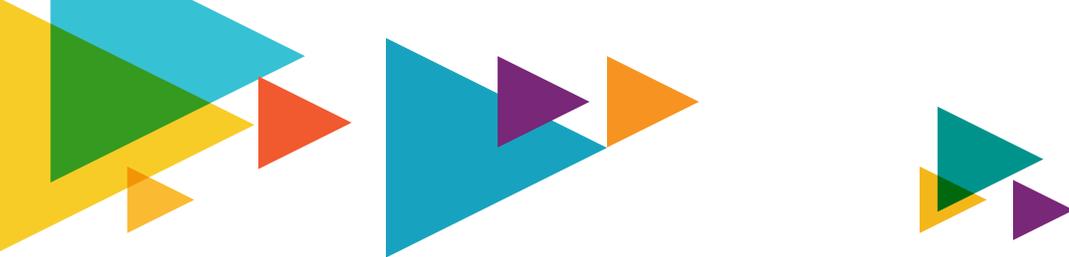
Marketers taking media trading in house is a growing trend overseas, and it's impacting our industry too. Marketers are taking control fundamentally because they want oversight and they lack trust that there is adequate transparency.

We asked: Poor industry transparency will lead to more marketers taking their media buying in-house

% who agree with the statement:



Insight: It's our responsibility, all of us, to address this on our patch, and to work with the industry overall to make the changes needed.

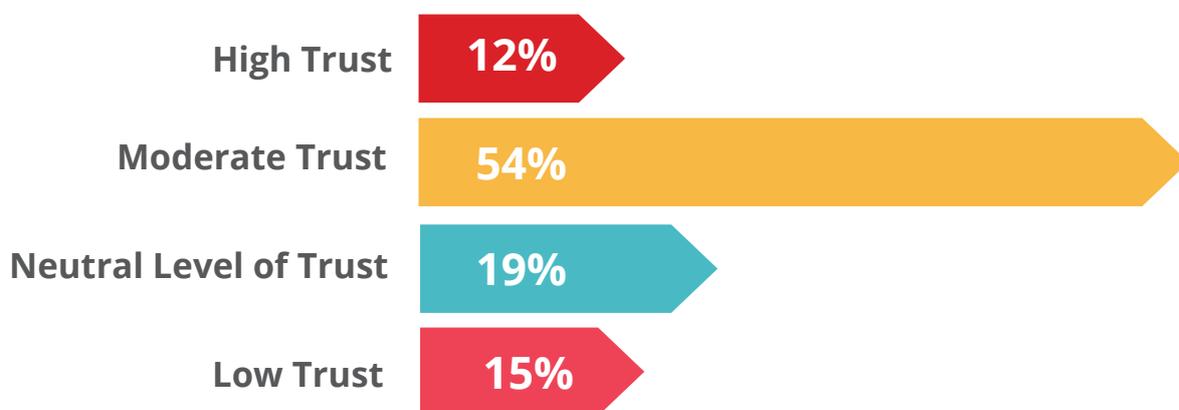


So what does this all mean to trust levels in our digital ad trading ecosystem?

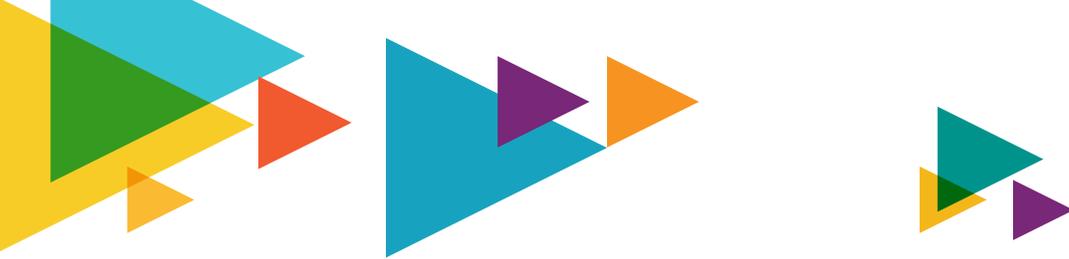
Given these issues and the desire for more oversight, many marketers are unsure how much they trust the digital ecosystem...

When we asked marketers to rate their trust levels a small proportion, only 12%, feel a high level of trust.

We asked: If you had to rate the level of trust you have in the digital advertising trading ecosystem, how would you rate it?

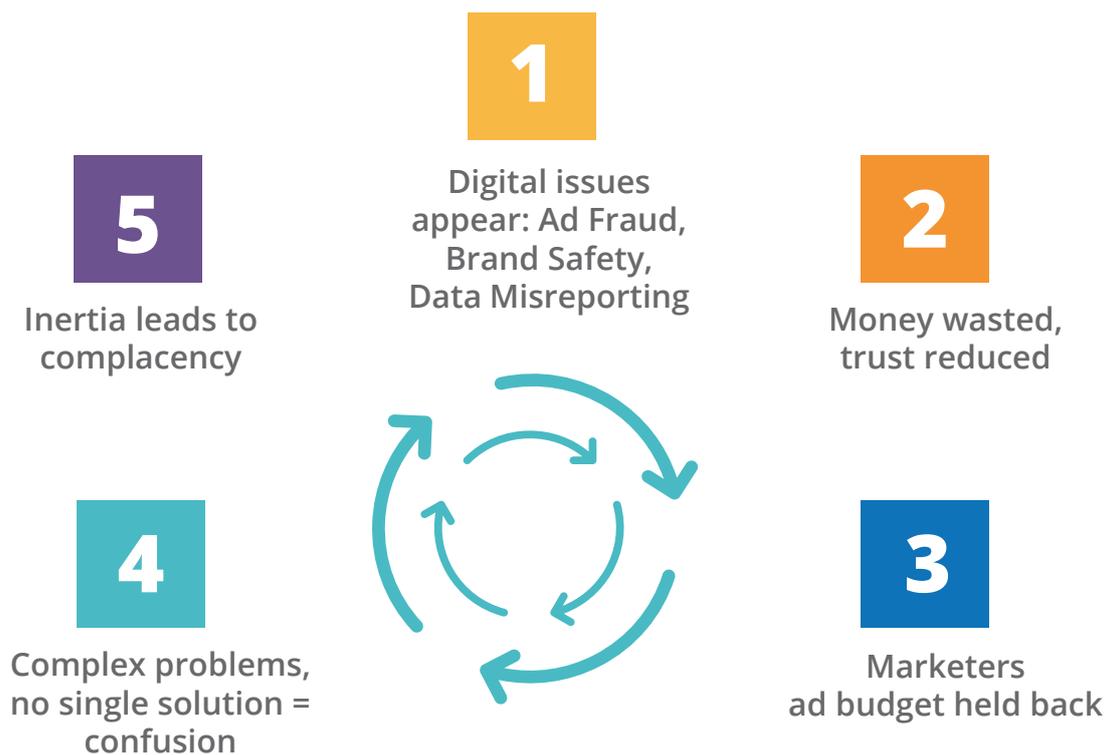


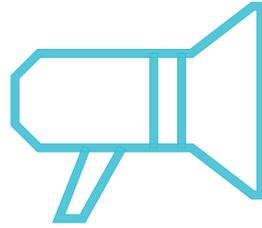
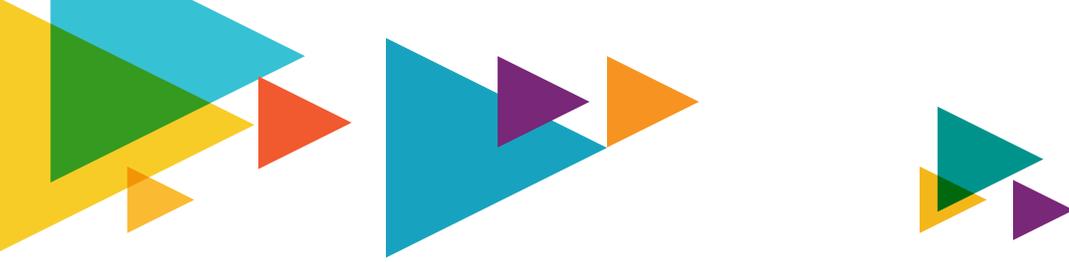
Insight: If trust means more money flows into the digital ecosystem it is in our own best interest to build industry trust.



Trust Deficit: We are in a self-perpetuating cycle...

We know that if there is trust clients feel more willingness to spend, the reverse is true with a lack of trust.



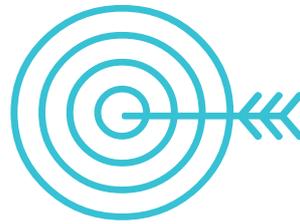
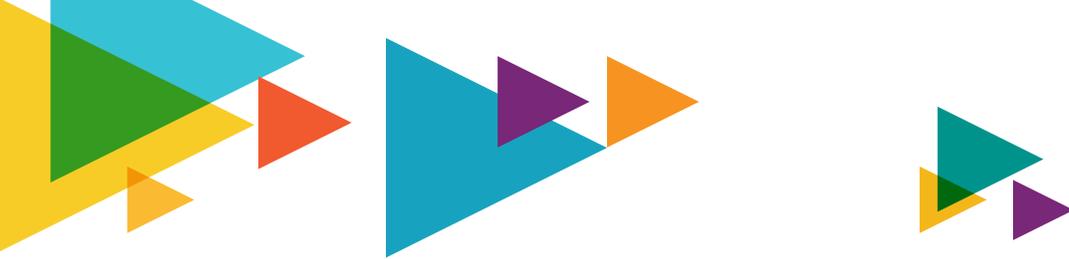


The best way to build trust is....

"We need more education for marketers, shared industry benchmarks, address activities that are fraudulent. Paying more money to commercial auditors is NOT the answer. The industry should self-audit."

- MARKETER





The Trust Impact:

A lack of trust means clients' feel the need to gain oversight with third party checking, through external commercial auditing of their agencies.

The trust level can determine the audit remit.

Whilst both parties see a role for cost efficiency benchmarking, agencies can see the audits as a sign of a trust deficit.

External Commercial Auditing:	MARKETERS	MEDIA AGENCIES
		
"It's an essential exercise to evaluate the efficiency of media spend allocation"	68%	55%
"Implies a lack of client faith in its agency to operate efficiently and effectively"	36%	57%



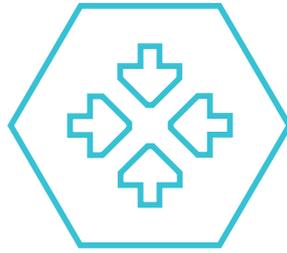
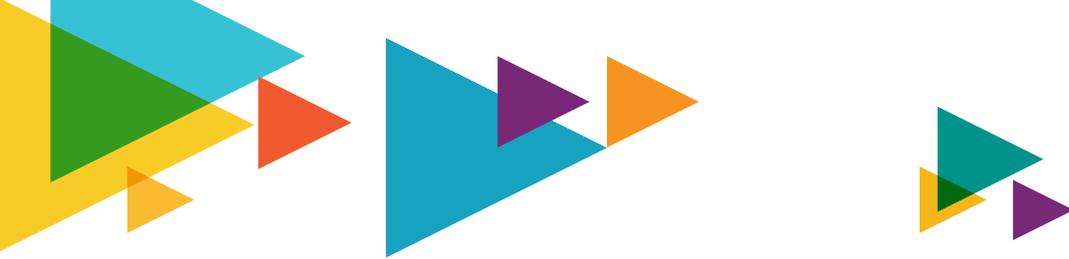
What can we learn from global solutions?

Overseas industry-wide frameworks in place like TAG, USA and JICWEBS, UK that certify digital ad trading entities to best practice and are working to reduce ad fraud, piracy profiteering and brand safety compromises.

Without dictating commercial protocols, industry self-regulation can work by:

- Educating the industry on best practice
- Embedding best practice into the ecosystem
- Independent validation to certify trusted partners
- Addressing issues holistically to support the industry
- Delivering measurable impacts

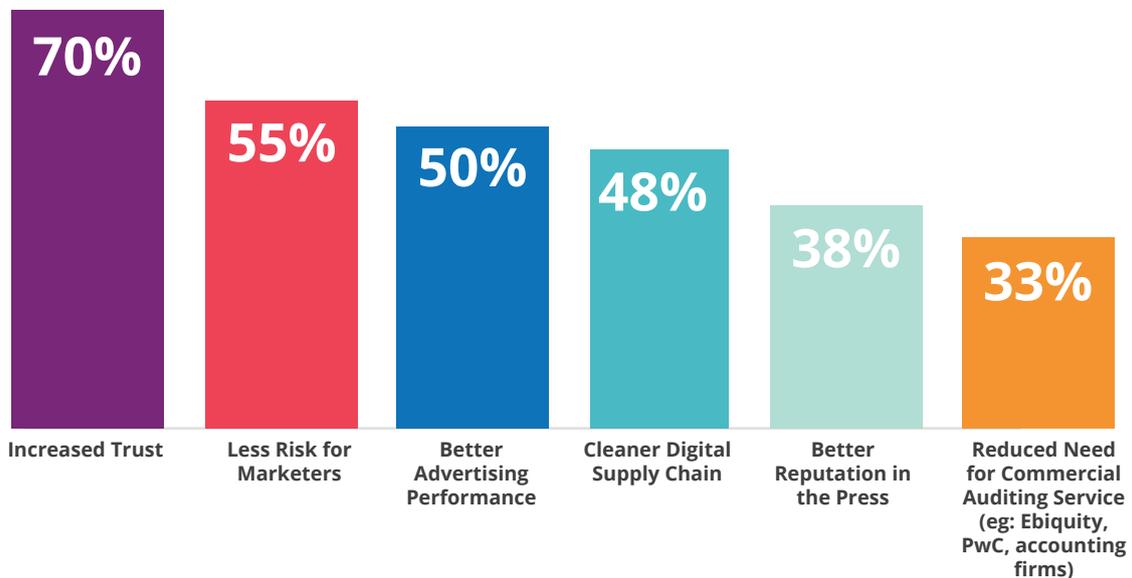


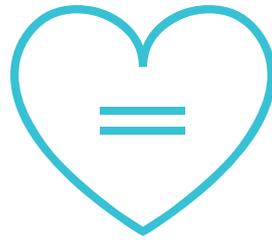
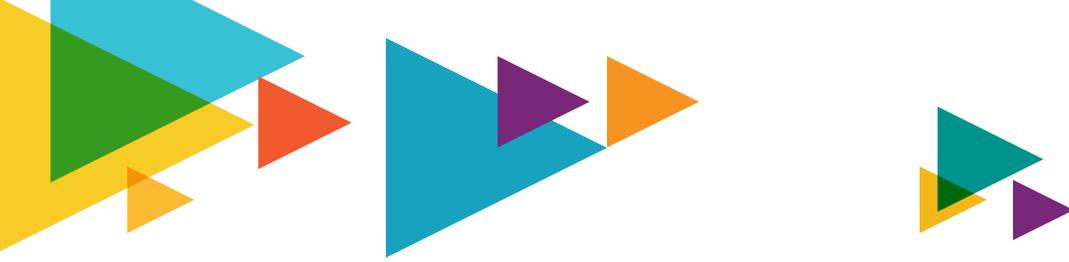


The Trust Impact: What would be the impact of more robust industry self regulation?

1. Increased trust
2. Less risk
3. Better advertising results

We asked: If the industry had more robust self-regulation with digital trading partners certified for best practice, what do you think the benefits would be?



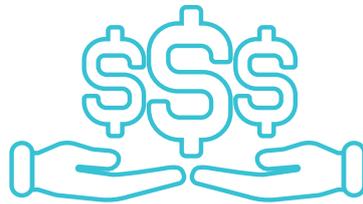
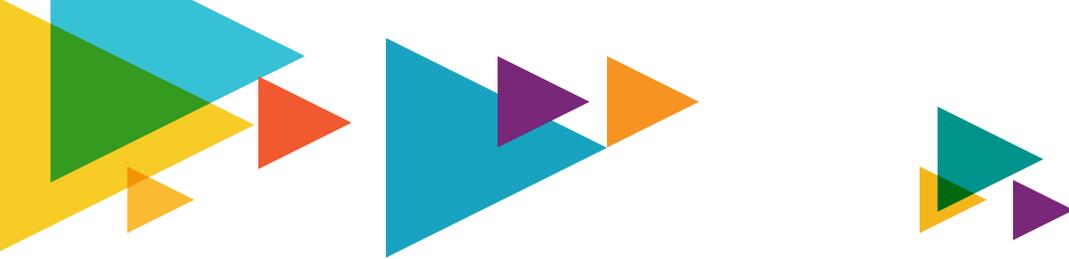


The best way to build trust is....

"As a collective, we need further understanding of the issue and use existing knowledge and models from overseas to progressively put these parameters in place. "

- MARKETER





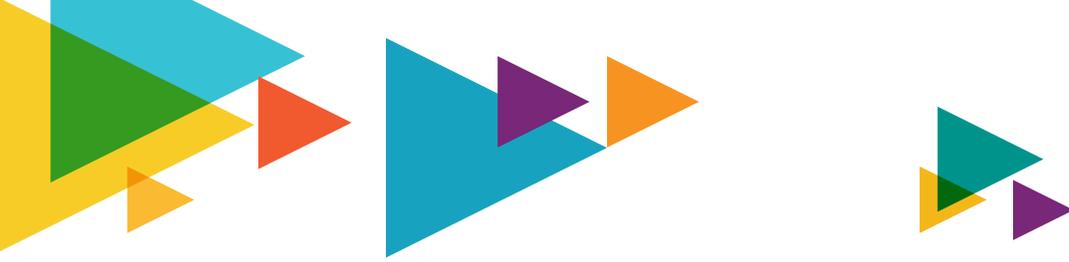
**Marketers say more robust governance
= More spend.**

**“I would be able to secure
more budget.”**

- MARKETER

**“You would see more
investment from me.”**

- MARKETER

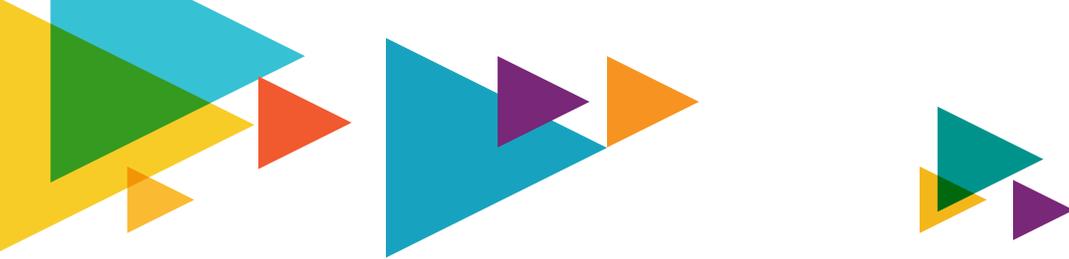


The best way to build trust is....

"We need transparency, auditing and certification by an independent third-party. Place it as a major agenda item and get serious industry conversation going to take unequivocal accountability for the integrity, ethics and monitoring."

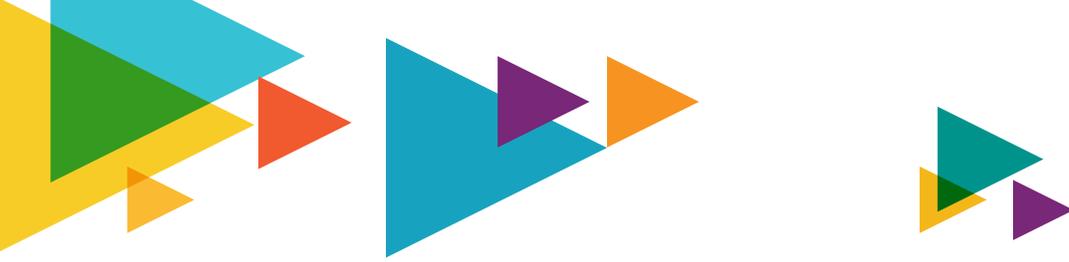
- MARKETER





The Trust Impact: Independent Oversight Builds Trust



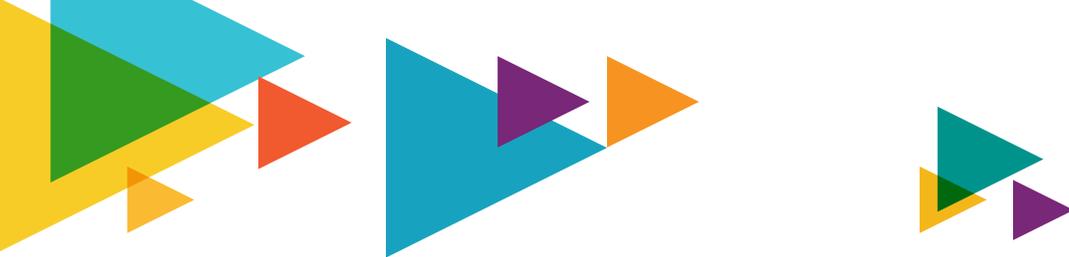


The best way to build trust is....

"Increase the education of clients on digital advertising practices so they can understand the challenges that come with implementing and reporting. This will open up dialogue and minimise the us vs them narrative, where mistrust is misdirected rather than addressing the bigger picture, and establishing industry-wide frameworks with criteria for addressing issues."

- MARKETER

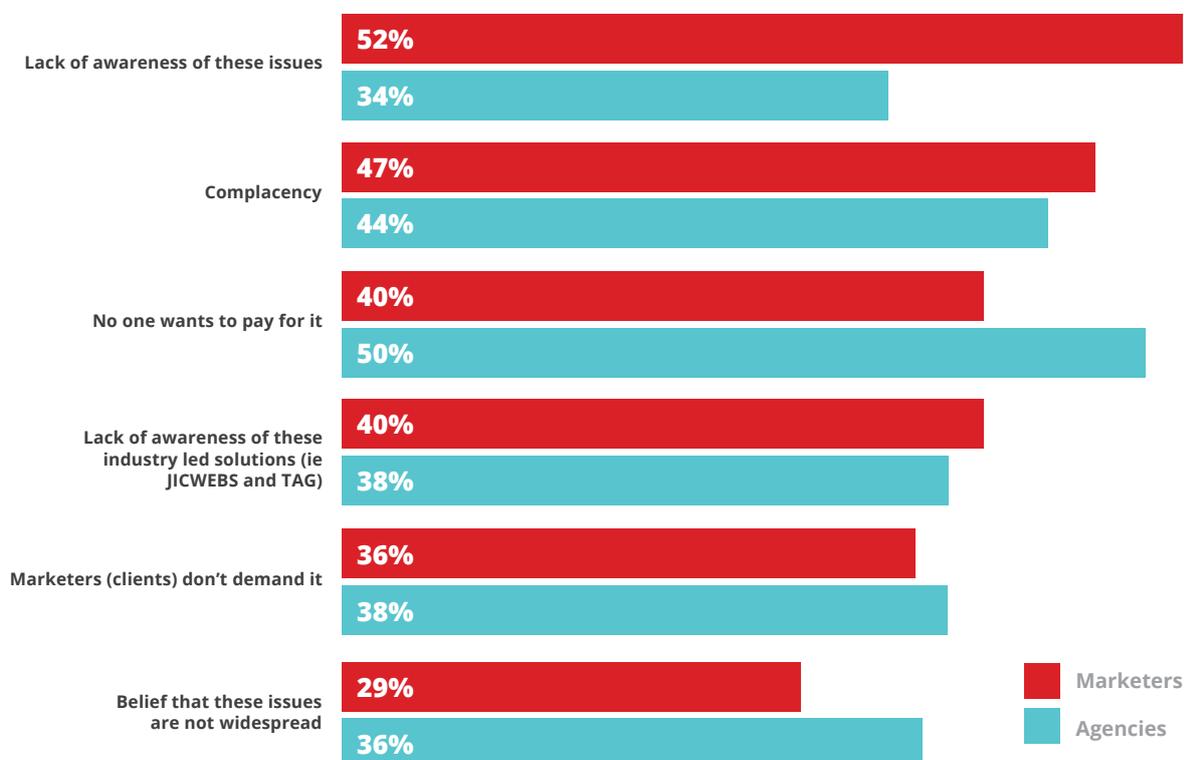


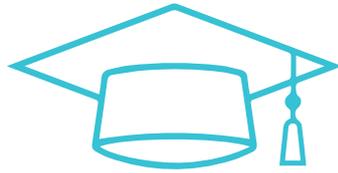
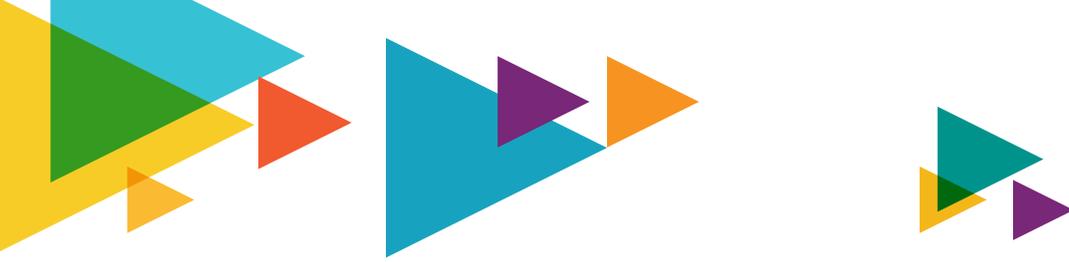


What's Holding Australia Back?

There are clear differences between Marketers and Agencies for why our industry has been slower to move in industry frameworks. Marketers consider awareness to be the key factor, both marketers and agencies sense complacency, with agencies indicating no-one wants to pay.

We asked: Overseas, industry frameworks that certify digital ad trading entities to best practice are reducing ad fraud, brand safety compromises, and ad revenue leakage to pirate sites. Why do you think our industry in Australia has been slower to move in this direction?



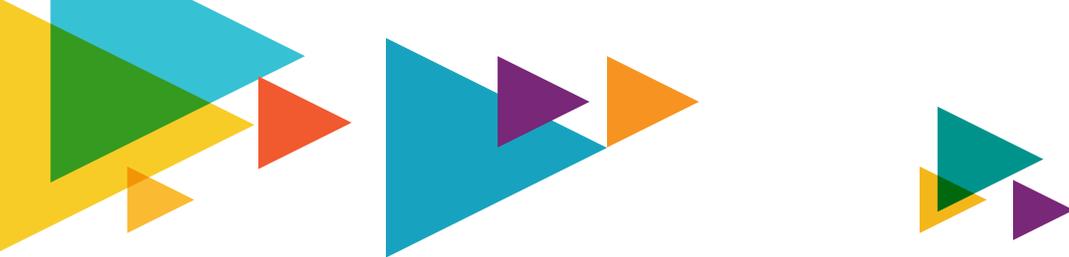


The best way to build trust is....

"I think it starts with marketer education - if clients don't know what the issues are or what they should be looking for, how do we begin to remedy the problem?"

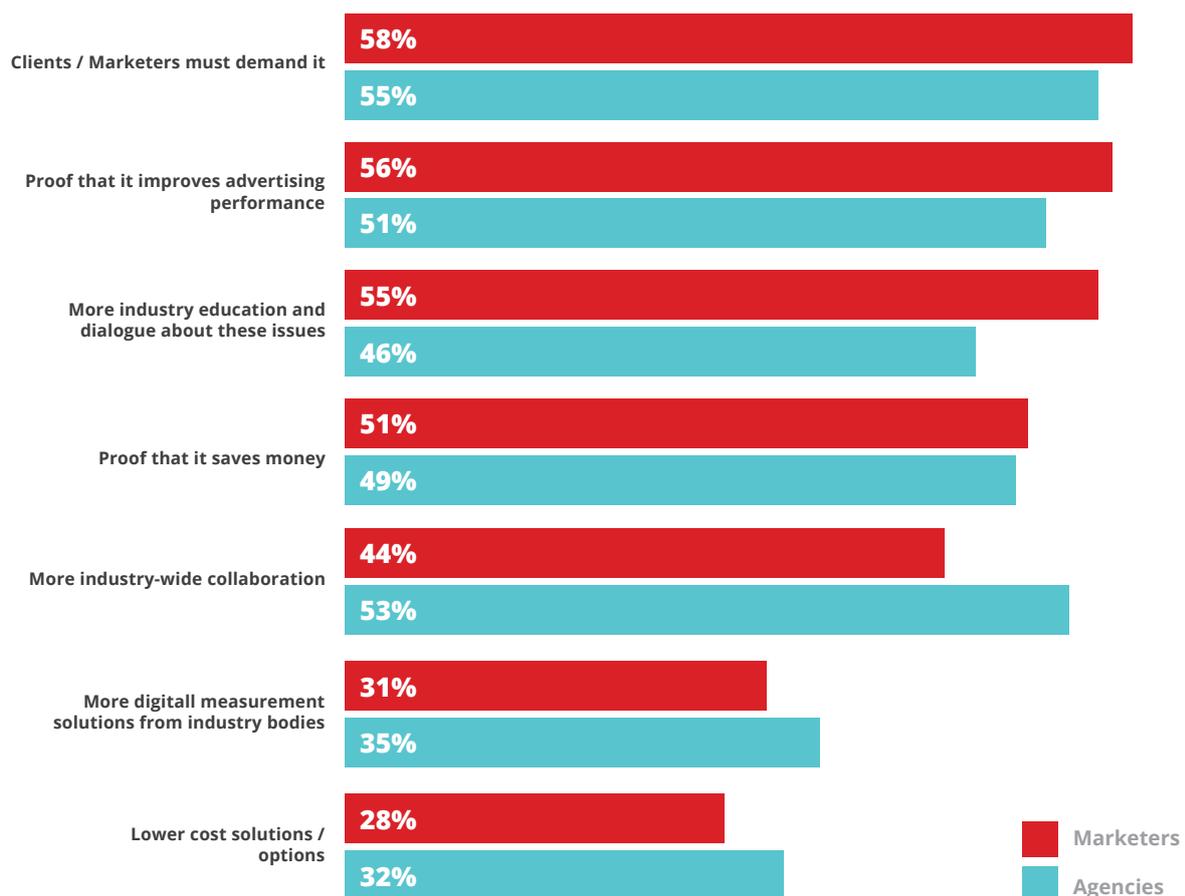
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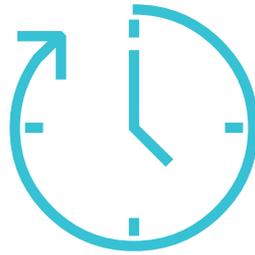
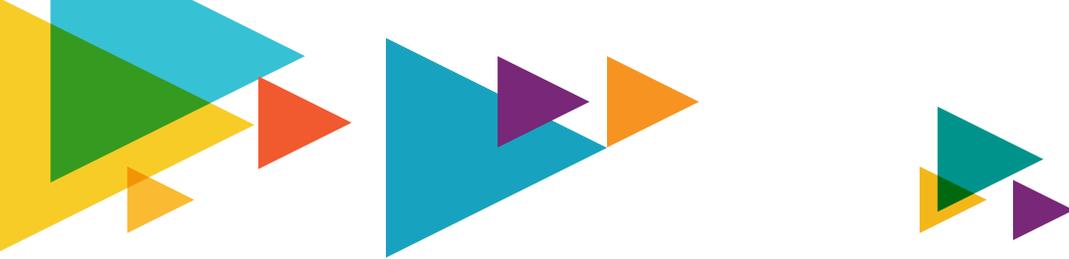




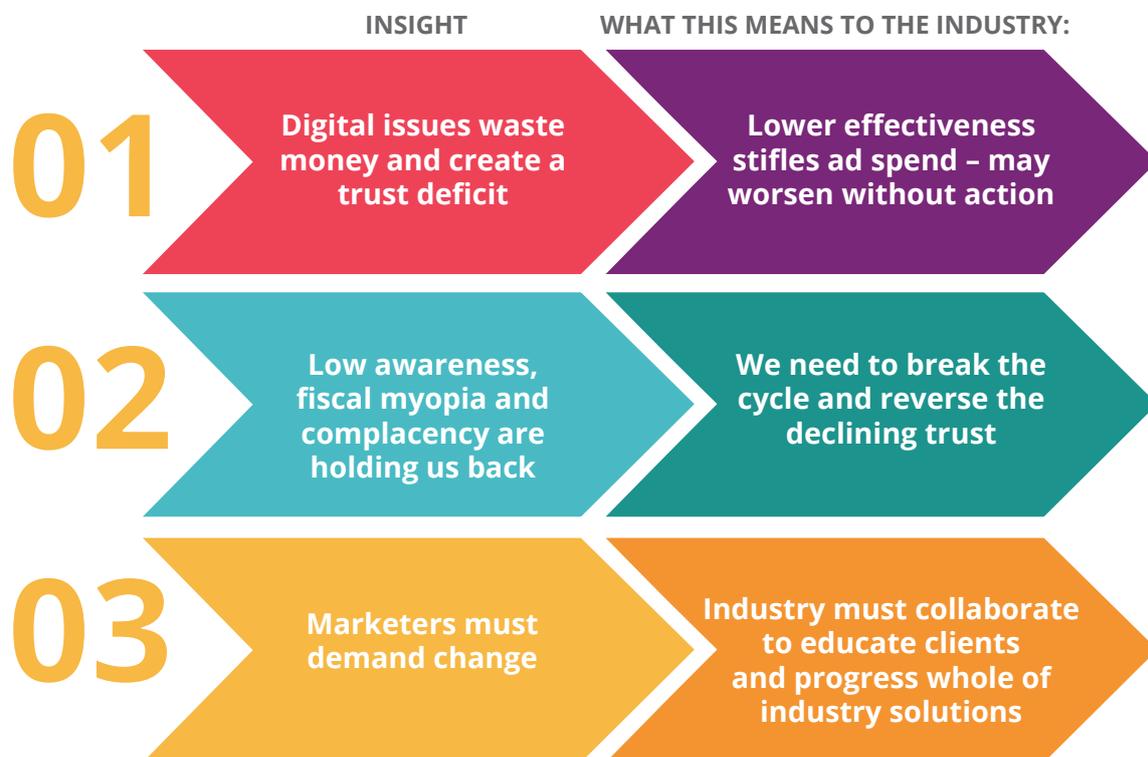
Marketers: It starts with YOU.

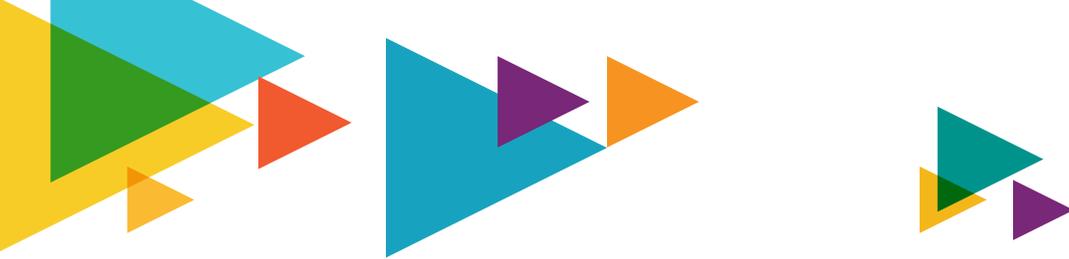
We asked: What will it take to motivate the industry to take more action to collectively address the issues facing the digital advertising trading ecosystem?





It's time to pull together to drive change



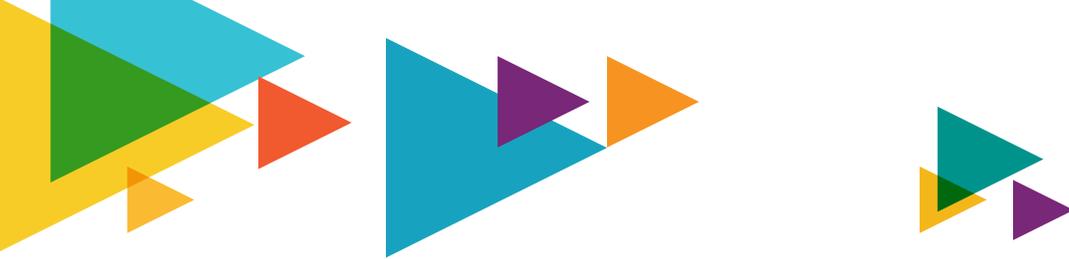


Trust: Everyone plays a part...

Next steps: 3 things you can do to build industry trust

MARKETER	AGENCY
<p>1. Educate yourself and your teams on the issues identified in this report</p>	<p>1. Educate your clients and teams on the issues identified in this report</p>
<p>2. Ask your media agency and media trading partners how they are tackling the issues that can lead to wasted ad dollars and the industry trust deficit</p>	<p>2. Demonstrate that you know the value of trust in the ad trading process and what you are doing to address the issues for clients and the industry</p>
<p>3. Be an agent of change. Work with the AMAA and your agency in supporting industry initiatives and frameworks that can help address the issues and build trust</p>	<p>3. Work with the AMAA and other industry bodies to embed industry best-practice, along with independent validation and certification, into the digital ecosystem</p>

We value your input. Reach out to us to discuss this study and/or the solutions the AMAA is working on to build more trust in the digital trading ecosphere.



#TRUST MATTERS

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

The AMAA is committed to working with marketers, agencies and media partners to advance trust, accountability and best-practice across the advertising trading ecosystem.

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