MASTER YOUR DIGITAL ADVERTISING SUPPLY CHAIN

Take ownership of the right metrics and drive up to 60% improvement to your ROAS.

ADYAPPER

Digital advertising can be an unwieldy marketing channel for most brands.

The reality is, in pursuit of high-volume audiences, the digital advertising supply chain has grown overly complex, creating opacity to what's driving three of your most important marketing metrics: **sales, cost-per-acquisition, and profitability.** The result is billions of dollars lost by advertisers each year in a black hole of fraud, bot traffic, and unseen ads.

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The good news

You can have a transparent, profitable digital advertising supply chain.

In this guide, we'll show you how.

RECLAIM
60% OF WASTED BUDGETS

By managing to the right metrics, you can reclaim more of wasted budgets while maintaining performance.
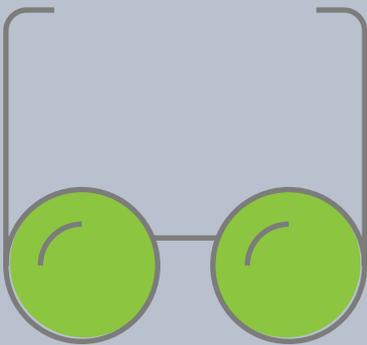
OR

REINVEST **YOUR** SAVINGS

in better performing media for major market advantages.

IN THIS GUIDE YOU'LL LEARN HOW TO:

1

GET GRANULAR

Ads often run in many places that are never reported to advertisers. In some cases, their ads run on hundreds of thousands of websites that partners do not report.

We'll show you the granular reporting and resources required to truly optimize performance.

2

FOCUS on people

NOT JUST IMPRESSIONS

The ad ecosystem focuses on impressions, which encourages players in the ecosystem to favor high volume, low quality, over value. Learn how to shift focus from measuring impressions to measuring people (reach and frequency) to drive value.

3

LEVERAGE ENGAGEMENT

Ad engagement duration can be directly tied to performance. Stop focusing on industry viewability standards and start targeting optimal time in view to significantly increase profits.

THIS IS A GUIDE TO MAKING YOUR DIGITAL ADVERTISING SUPPLY CHAIN PERFORM.

Good supply chain management requires the right insights to manage waste out of your business and increase efficiency and profitability in as many ways as possible. The same is true for digital advertising. However, for most advertisers, more than 60% of their budgets are currently being wasted on non-viewable or non-human impressions.[1,2]

Why? Because they lack the right data to manage their digital ad supply chain effectively.

Believe it or not, viewability is quickly becoming a driver of digital advertising waste. If you are like most digital advertisers, you probably already require your digital advertising campaigns to be viewable. You likely receive reports from your partners that your campaigns are meeting viewability standards. You might require 70% or even 100% of your ads to be "in view" as defined by the Internet Advertising Bureau (IAB).

And, if you are like most digital advertisers, your partners are probably reporting that they're meeting those standards, or that they're working to ensure they will soon.

But current viewability standards don't ensure value for advertisers, they only help us determine whether an ad was seen. In fact, they allow a broken digital ad ecosystem to continue without interruption. The problem? Vendors and publishers are paid by the impression to run advertising campaigns, creating an incentive to favor volume over value.

It's not uncommon to find vast amounts of waste in high-volume, high-viewable ad buys. Viewability standards draw a line—literally—as to whether an ad is seen, but there is no accounting for the quality of the view, the effect it has on conversions, or even if it is seen by real people.

1. 56.1% of impressions are not seen, per The Importance of Being Seen, Google.
2. 11% of display ad impressions classified as bot fraud, per The Bot Baseline, ANA & WhiteOps.
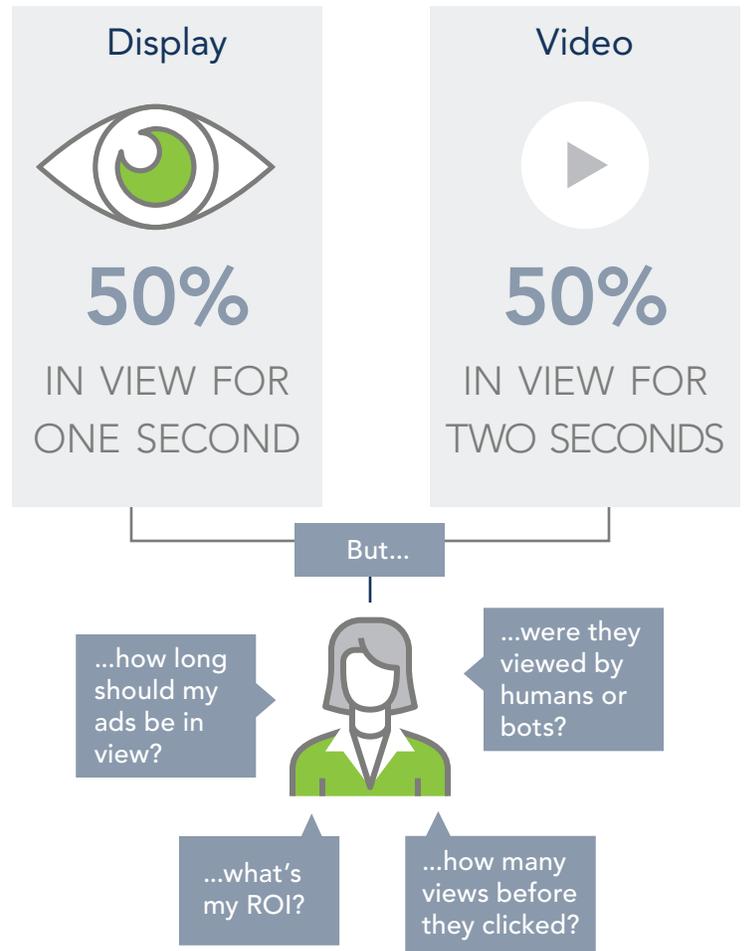
Believe it or not, viewability is quickly becoming a driver of digital advertising waste.

The continued focus on volume over value creates three fundamental problems for performance focused advertisers:

- Viewability reports are "rolled up" to hide a wide variety of undesirable ad placements from advertisers.

- Viewability standards focus on impressions when they should focus on people.

- Metrics focus on generic averages and percentages rather than unique advertiser value drivers.

As a result, advertisers continue to spend money on low quality ad placements that might technically be "seen," but have little positive impact on return on ad spend (ROAS).

IAB / MRC Viewability Standards

Display	Video
50%	50%
IN VIEW FOR ONE SECOND	IN VIEW FOR TWO SECONDS

But...

...how long should my ads be in view?

...were they viewed by humans or bots?

...what's my ROI?

...how many views before they clicked?

Advertisers break this cycle and quickly gain significant market advantages when they:

1 GET MORE GRANULAR INSIGHTS

2 FOCUS ON USERS RATHER THAN IMPRESSIONS

3 MOVE FROM "IN VIEW" METRICS TO VIEWABILITY ENGAGEMENT METRICS

More viewable may not be more valuable.

A look beneath viewable rate (vRate) reveals deeper metrics that could be driving conversions, like number of unique viewable users reached (vReach®), average time in view, and viewable frequency (vFrequency®).

	WHAT YOU SEE			WHAT YOU DON'T SEE		
	Typical Report			Missing		
	vRate	Conversion Rate	Click-Through Rate	vReach %	Seconds in View	vFrequency
Publisher A	68%	**0.007%**	**0.09%**	???	???	???
Publisher B	68%	**0.05%** ^ 7.1x	**0.21%** ^ 2.3x	???	???	???

The two publishers above have identical, better-than-average vRates, but show very different outcomes. Publisher B outperforms Publisher A in conversion and click-through rates. To understand why, you have to look at deeper metrics not often found in high-level reporting.

	WHAT YOU SEE			WHAT YOU DON'T SEE		
	Typical Report			Missing		
	vRate	Conversion Rate	Click-Through Rate	vReach %	Seconds in View	vFrequency
Publisher A	68%	**0.007%**	**0.09%**	70%	7	1.83
Publisher B	68%	**0.05%** ^ 7.1x	**0.21%** ^ 2.3x	**78%** ^ 11%	**8.4%** ^ 20%	**4.02%** ^ 220%

Looking at the same buy in greater depth, Publisher B shows a higher vReach percentage (unique viewable users versus total unique users), more time in view, and a higher frequency in view. This means more unique users saw the ads more often, for longer—driving more click-through and conversions!

GAIN CONTROL WITH GRANULARITY

In most cases, digital advertisers receive viewability reports that indicate where their ads were shown, but there are some major problems that tend to plague these reports.

1 **Most viewability activity revolves around one or two misleading metrics:**

- Average Viewability Rate
- Average Time in View

AVERAGES:

hide problems at the margins of a multi-site media buy

empower publishers to mix good and bad quality inventory

% IN VIEW

does not account for being seen by real people

does not account for performance

2 **Almost all viewability reporting does not fully reveal the domains ads ran on.** Many go undetected, hidden, or can be removed to mask poor performance. This can mean the difference between whether you know your ads ran on 1,000 sites or 100,000 (or more). **So why is most reporting so opaque?**

REASON 1:
VOLUME-DRIVEN COMPENSATION

With an ecosystem that gets paid for high volume, low value impressions, many DSPs, publishers, and networks have built a business that favors scale over performance. Advertisers want to ensure that their ads are running on acceptable websites and they might even have a white list in place.

However, advertisers also pressure partners to spend their entire budget and achieve scale, which works against limitations like white lists.

The result? Partners must achieve the impossible; achieving scale while being too limited to do so. Because partners are compensated by volume, they find ways around white lists, which leads to ad placements on thousands of websites that never get reported.

CONFLICTS OF INTEREST

Viewability vendor relationships extend across the ad tech ecosystem, from agencies, through trading desks, networks, and servers. Publishers are often the party that is responsible for paying a viewability vendor for a campaign. As a result, viewability vendors are not always agnostic third parties that sit between the advertiser and publisher. Instead, they have an incentive to leave out any information that might compromise a partner publisher's ability to deliver a campaign in full.

EXAMPLE

DSP REPORT		DSP REPORT WITH ADDED GRANULARITY	
www.popular-news-site.com	**-3X ROAS**	**www.popular-news-site.com**	**-3X**
		• www.popular-news-site.com	4X
		• www.tipsforgrandparents.com	-3X
		• www2.popular-news-site-plus.com	-9X
www.styleandfashiontips.com	**6X ROAS**	**www.styleandfashiontips.com**	**6X**
		• www.styleandfashiontips.com	4X
		• www.ladies-style-daily.com	16X
		• www.tipsforgrandparents.com	-2X
www.superhealthsite.com	**-4X ROAS**	**www.superhealthsite.com**	**-4X**
		• www.superhealthsite.com	-10X
		• www.letstalkabouthealth.com	5X
		• www2.superhealth-site.com	4X
		• www.dating-tonight.com	-12X
		• www.fantastic-recipes-list.com	-7X

Often, campaign reports roll up impressions into domains they were purchased on, masking impressions redirected elsewhere.

In side-by-side measurement of client campaigns, we've seen as much as 90% of websites on a buy go unreported in vendor-provided viewability reports.

FOCUS ON PEOPLE, NOT IMPRESSIONS

Just because the viewability standards recommended by the IAB focus on impressions doesn't mean that an advertiser should focus on impressions.

Focusing only on viewable impressions often ensures that advertisers will continue to spend their media budgets on high-volume inventory with an underachieving ROI—regardless of how high the vRate is. The "scale" that is achieved with an impression-based media buy is not an indicator of the actual number of people that saw an ad or how many times they saw it, but rather just the number of times an ad loaded on a page.

With the right metrics, you should know whether an ad is viewed by a person, and that it is viewed the right number of times to drive a conversion.

By definition, the IAB standard for viewability does nothing to qualify either of these outcomes. That's because impressions aren't people— they're served instances of an ad.

There are a few simple steps that advertisers can take to move from impression-based reporting to people-based reporting.
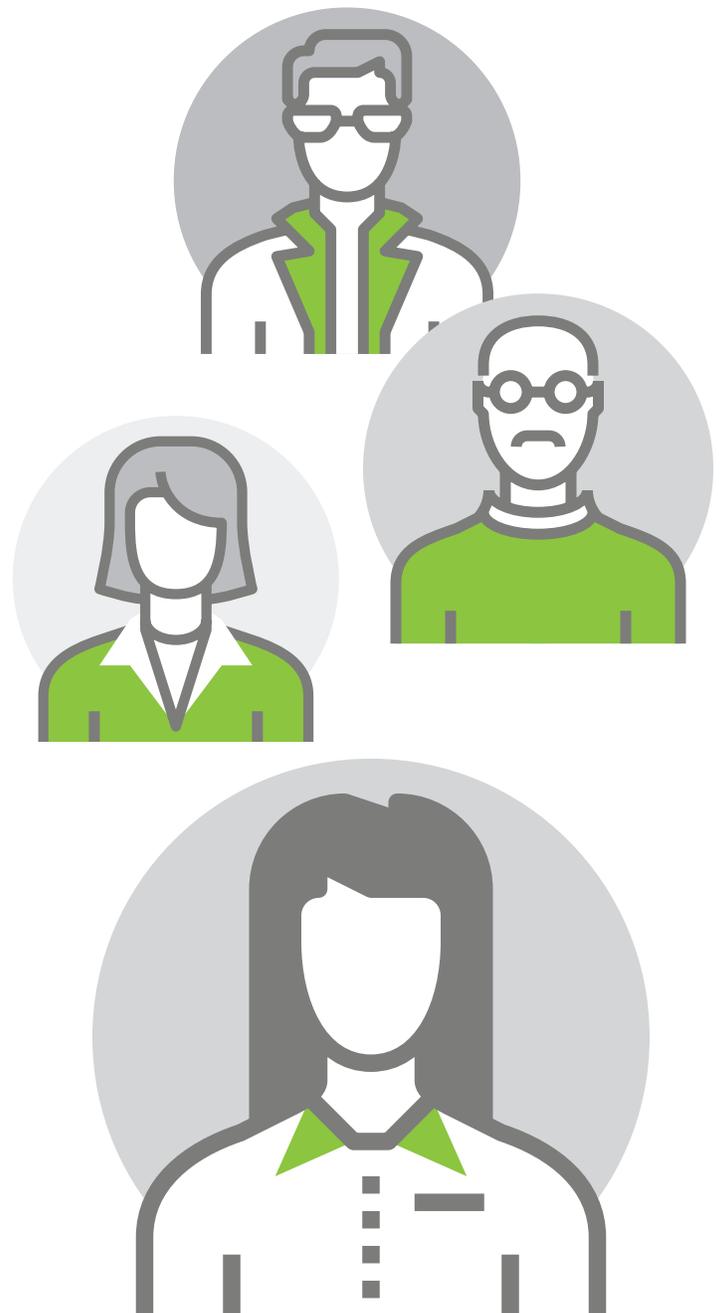
Find a viewability partner.

1

The right partner is one who is truly agnostic and who profits regardless of the volume of their media spend in order to counteract these problems. By pushing responsibility for viewability down to parties in the ecosystem who have opposing incentives, advertisers compromise their ability to effectively improve their campaign performance.

An objective viewability vendor will provide detailed reporting that enables an advertiser to:

- See and manage individual publishers, placements, and ad units represented by a vendor such as a DSP or network

- Manage individual publisher viewability in detail rather than having to cut entire publishers from a media buy

- Provide performance data along with "in view" data, including conversion contribution—not just last click attribution

- Access bid flow transaction data in real time to see where ads are purchased and where they actually run

Campaigns	Placements	Sites	Total Impressions	vRate	Reach	vReach %	CTR	vCTR	View Time
ZZ_Fall15	P92888_ZZZ_...	www.website1.com	1,4 ,076	50%	413,019	43%	0.02%	0.03%	7.54
ZZZ_Thxgv	P2	ebsite	,447	54%	439,149		0		
ZZ_Fall15		te3.com	1,197,110	40%	238,422			0.02%	5.57
ZZZ_Thxgv		te4.com	918,274	14%	216,383			0.03%	6.45
ZZZ_Thxgv	P2ZB	website3.com	862,280	62%	172,456			0.07%	9.21
ZZZ_Thxgv	P2ZB9P_ZZZ_...	www.website2.com	950,969	57%	237,742	52%	0.15%	0.27%	8.58
ZZ_Fall15	P31000_ZZZ_...	www.website5.com	688,825	9%	172,206	70%	0.00%	0.03%	6.34

CAMPAIGNS, ALL DOMAINS, PLACEMENTS

vREACH®, vCTR, VIEW TIME
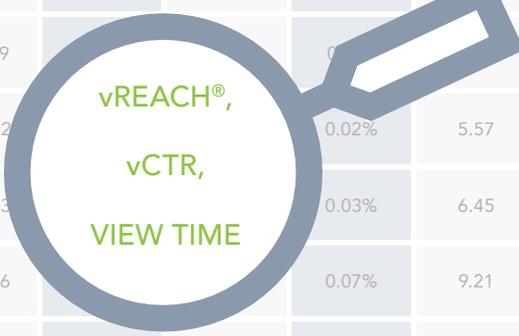
2

Start with reach then move to viewable reach (vReach®)

On traditional media such as television and print, reach is defined by the number of unique individuals who saw an ad. Unfortunately, this important concept is not the focus online. While technical limitations might have stopped advertisers from focusing on reach and frequency in the past, with today's advanced tracking and analytics, reach metrics are easily accessible to advertisers.

Advertisers should ideally define reach as the total number of individuals across publishers, devices, and browsers, but any move toward reach is a net positive. Once an advertiser has established a reach or "unique" number, they can then apply viewability to that number to get viewable reach, or "vReach®." Advertisers can then see, not just what number of impressions were viewable, but how many people saw their ads.

	Impressions	vReach (Unique Users Viewed)	vReach %	vFrequency	Estimated Cost (per Thousand Users)	% of Media Spend
Publisher A	63,148,635	3,402,131	**5%**	**18.6**	**$93**	**51%**
Publisher B	25,221,536	2,516,014	10%	10	$50	20%
Publisher C	24,943,214	3,643,834	15%	6.8	$34	20%
Publisher D	9,356,126	1,386,653	15%	6.7	$34	8%
Publisher E	75,511	396,667	45%	2.2	$11	1%

By identifying viewable reach (vReach), you discover just how many individuals (users) have seen your ad, giving you a better indication of media value. In this example, 50% of a media buy is **reaching only 5%** of the individual users that viewed the ad. That suggests overfrequency and waste.

3

Add in frequency, then move to viewable frequency

As advertisers shift their measurements from impressions to people, frequency becomes just as important as reach. For frequency, like with viewability, ranges should always be looked at, not just averages. A few very high frequency placements can skew an average and mean that most ads were seen by bots and that most real people only saw an ad once or twice rather than the ideal 4, 5, or 6 times.

FREQUENCY CAN HELP ADVERTISERS:

Eliminate bots and other fraudulent high-frequency activity like ad stacking
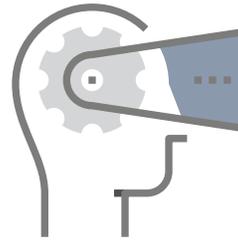
Ensure that a higher number of people see the right frequency of ads

Once advertisers are comfortable with their frequency metrics, they can add in viewable frequency—or vFrequency®—in order to de-terine how many times an ad was seen by each unique user.

DRIVE CONVERSION THROUGH ENGAGEMENT

The premise of viewability is a good one—your ads should be seen! However, the current viewability standards provide guidelines that do not ensure that they are seen for the right amount of time. Every different ad message has its own optimal duration or engagement time. Current viewability standards require an ad to be "in view" for one or two seconds, but these are industry definitions designed to set market value. While a consumer might register a brand name or logo in that time, a display or video ad's message is rarely consumed in full in one or two seconds.

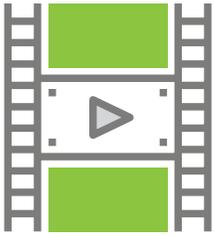## ADVERTISERS MUST OPTIMIZE FOR "TIME IN VIEW"

Not just a minimum time in view standard, or an average, but the optimal time in view. You need to understand time in view per user—across multiple exposures, over a period of time—to identify which publishers and ads are working for you. A good viewability vendor can provide engagement metrics that are tied to conversions in order to determine the optimal time in view.

SUPPORT CONVERSION CONTRIBUTIONS OVER LAST SERVED (VIEW THROUGH) AND LAST CLICK ATTRIBUTION

Sometimes, especially with retargeting, a user will see an ad a dozen times or more before actually clicking on it. In many of these cases, the impression clicked wasn't the impression that really sold the user—just the most recent impression before the click conversion.

With access to viewability data, advertisers can compare how long a unique user actually viewed each instance of an ad along a path to conversion. With this data, your viewability vendor can help you invest in more of the placements driving the most engagement with the user.

VIDEO ADVERTISING SHOULD BE COMPLETED "IN VIEW"

Not only does "time in view" help advertisers optimize their conversion rate, it can also ensure that they increase the branding value of their campaigns. Many video advertisements, for example, might not be viewed past the first few seconds but are reported as "completed" because the video continued playing out of view.

Advertisers should specify that they require that a video be in view for a specific minimum duration that works for the advertiser, not just the 2-second IAB standard.

Domains	Impressions	VCR / vVCR	Plays Completed	1st Quartile	3rd Quartile
Publisher A	15,688	Video Completion Rate	88%	95%	90%
		Viewed Video Completion Rate	6%	13%	7%
Publisher B	23,377	Video Completion Rate	88%	92%	89%
		Viewed Video Completion Rate	8%	15%	11%
Publisher C	**83,276**	Video Completion Rate	**88%**	**95%**	**90%**
		Viewed Video Completion Rate	**3%**	**5%**	**4%**

The video ad impression you paid for may have played to the end, but was it in view? By layering vRate over duration view (Quartiles), you know just how many videos played through while in view. In this example, Publisher C shows 88% of videos played through completion, but only 3% of those plays were completed in view.

THE RIGHT VIEWABILITY METRICS DRIVE PROFITABILITY

Advertisers have the right tools to ensure that viewability increases their profitability, but they will have to take steps on their own to enforce a new set of behaviors with their partners.
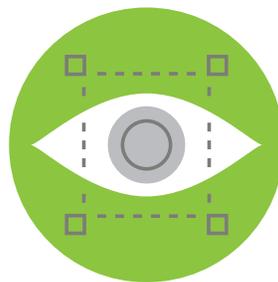
The current viewability standards require minimal standards of actual business performance (high CPA, poor ROI) of the ad ecosystem and enable publishers and vendors to continue to drive impression volume rather than business value for advertisers. Advertisers will find that their ad performance—in the form of conversions, cost effectiveness, and return on ad spend—increase significantly once they focus on:

GRANULARITY

Work with an independent viewability company to ensure you're optimizing to granular and full reporting.

Drill down below average metrics to optimize more effectively.

PEOPLE

Favor viewable reach metrics over viewable impression metrics to understand how many people saw your ad.

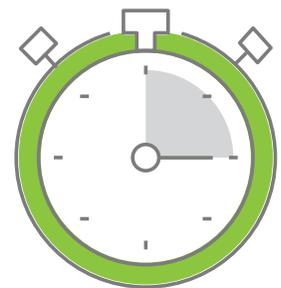Layer on viewable frequency metrics to make sure people saw your ad the right number of times.

DURATION

Switch from minimum viewability metrics to optimal time in view metrics.

Ensure that all ad types in-cluding video are seen long enough to drive value.

Questions? Contact us!

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