



DEBUNKING DIGITAL MYTHS : 7 FACT-BASED POSITIONS

16/10/2017

Content:

| | | |
|--|------|----|
| To summarise : | Page | 2 |
| Myth #1: Fraud costs the advertising market millions of euro | | 3 |
| Myth #2: 50% of impressions are not visible | | 5 |
| Myth #3: Traditional purchasing is a sure thing for the brand, programmatic buying is not | | 7 |
| Myth #4: In digital, 40% of advertisers' advertising investment disappears. Only 60% returns effectively to the publishers | | 11 |
| Myth #5: There are no standards for online video | | 15 |
| Myth #6: Ad blocking is going to 'kill' digital advertising | | 18 |
| Myth# 7: In digital, it is the media that are doing their own measuring | | 21 |

Responsible publisher: François Chaudoir

Writers: Bernard Cools, Stéphanie Radochitzki

The content of this white paper is highly confidential. It may not be used for commercial purposes without prior authorization.

Not an insignificant number of experts are of the opinion that the digital world has shot itself in the foot by claiming that online advertising was broadly measurable (and perhaps too broadly measurable).

Everything began with the measurement of impressions and clicks. We then lived through 20 years of obsession focusing on the click-through rate or CTR: however, on analysis, it was observed that clicks were not predictive of an improvement in the stature of brands, or of an increase in sales of the products in question. Therefore, the wrong performance indicators were used.

1 The arrival of programmatic buying has facilitated a more precise targeting (thanks to the abundance of data and the ease with which it can be processed) and a reduction in the cost of space (programmatic buying has allowed access to a broader inventory). However, this switch to automated purchasing has also given rise to distrust and a lack of understanding: the ecosystem on which it is based is significantly more complex. Moreover, it has multiplied the technological costs and business models in digital advertising.

Recent evolution has seen certain boundaries fade, particularly regarding video: there is now talk of cross-screen planning with the combination of TV advertising and in-stream video, and Facebook trying to promote video, etc. This leads to additional confusion. All the players in this sector do not count the video contacts in the same way and they all think that they have the right method. This cacophony has simply increased confusion and reduced confidence.

It is not surprising that advertisers are troubled. Sometimes, they even feel that they are being abused. This has been a godsend for certain players on the market. For example, there are the audit bureaus which base their business on the doubts of advertisers. In addition, there are other types of players, notably in the technical domain, who have every interest in fanning the flames: *"Bad news sells papers. It also sells market research"*.¹

¹ Byron Sharp "Is there a silver lining to recession?" WARC Online exclusive Sep 2008.

It is time to react, to separate the myths from the facts on the ground. This is the purpose of this white paper.

Therefore, let us review the 7 myths, specifying that it is the Belgian situation that concerns us. Certain truths valid in Belgium do not apply elsewhere:

To summarise:

The 7 myths cited:

- In Belgium, fraud in digital advertising represents a rather minimal ratio of 2 to 3%. Obviously, it needs to be monitored, but it is far from the figures cited on larger markets.
- Approximately 50% of contacts online are in fact not visible, but a 100% visibility is not necessarily possible and it would not be honest if it were to affect only digital advertising.
- Brand safety is the advertising presence in contexts that are not counter-productive, or even harmful, to the brand. This is efficiently managed in different ways, but its definition varies from one advertiser to another.
- Transparency of financial flows: digital advertising has increased the number of intermediaries or technical services in relation to traditional media. Their remuneration impacts financial flows between advertisers and editors, but this remuneration of services is recorded within the framework of space costs that overall are less.
- Contrary to what is claimed, digital video is based on rather precise measurement standards. A consensus is necessary to define the thresholds.
- Ad blocking is progressing, perhaps less radically than is claimed, and preventive measures ("LEAN": Light, Encrypted, Ad choice-based, Non-invasive) from the beginning can reduce the growth of this phenomenon.
- Third party digital measurement is not widespread. Its adoption presupposes a concerted pressure from the Belgian market on the active players.

Myth #1: Fraud costs the advertising market millions of euro

What are we talking about here? Fraud is the practice with intent destined to generate revenues for the persons initiating the fraud. Thus, it passes through contacts or interactions with non humans, the famous bots, algorithms or robots which visit sites and even click on advertising messages. The sole purpose of this activity is the misappropriation of advertising revenue.

This is FALSE. Invalid traffic in Belgium is 2 to 3% maximum in total. It is therefore extremely limited and can perhaps even be considered normal

At Space, we regularly analyse Invalid Traffic data, via the Moat Institute, for the digital campaigns that we manage. Less than 3% of the impressions delivered respond to the notion of IVT, and therefore, 97 to 98% of contacts implemented for the advertisers are indeed human contacts.

This value is totally comparable with the one revealed in the study commissioned by the UBA (Belgian Advertisers' Union) which assessed "*the rate of general online fraud at 2% of all desktop traffic*" during the first two months of 2017 ². Thus, our country has very little exposure to invalid traffic.

Barely exposed, or even not at all, because the rate of 2% can be at least partly considered as "normally residual". There are in fact bots that are exploring internet sites honestly: these are the search engines that index them to accelerate searches by key-words, or the crawlers, such as Nielsen, that analyse the advertising pressure of advertisers³. In brief, this value of 2 to 3% maximum does not present any real problem.

² <http://www.mm.be/news-fr-23095-la-span-class-search-keywords-show-fraud--span-e-en-ligne-s-avere-finalment-tres-marginale-en-belgique>

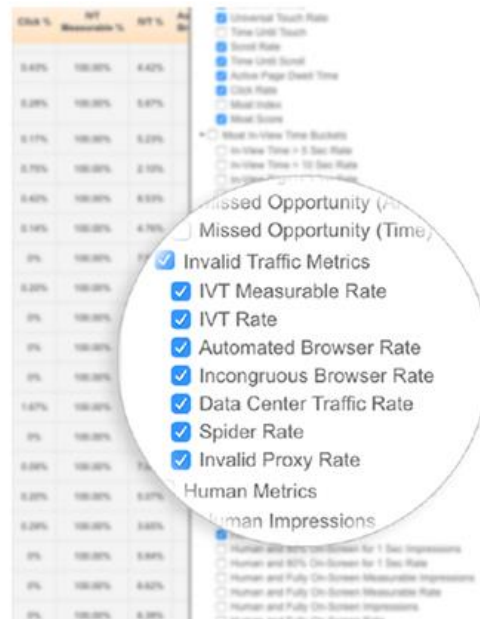
³ <http://www.space.be/comm/files/src//aug2017-mbdjanjun2017-fr.pdf> pp.11-12 in particular.

Tips to avoid advertising fraud

It is not because this is a limited problem that it is not worthwhile avoiding it. In this regard, there are three specific moments when users can combat invalid traffic.

Before the campaign:

- Define the good indicators: activation campaign should be based on visits to the brand's site. The clicks can be manipulated, but conversions much less so.
- Use partner services that offer verification tools, which facilitate highlighting invalid traffic as from the start of the campaign.



an

be

set-

4

During the campaign: perform a regular follow-up using ad serving or ad verification tools, or even via user panels (ComScore – although it is not clear whether this solution will still exist for Belgium in 2018 – or Nielsen Digital Ad Ratings) which will also provide the possibility of verifying the profile of human users.

After the campaign: the invalid impressions or clicks will systematically be the subject of a contestation and/or compensation negotiated with the media owners in question.

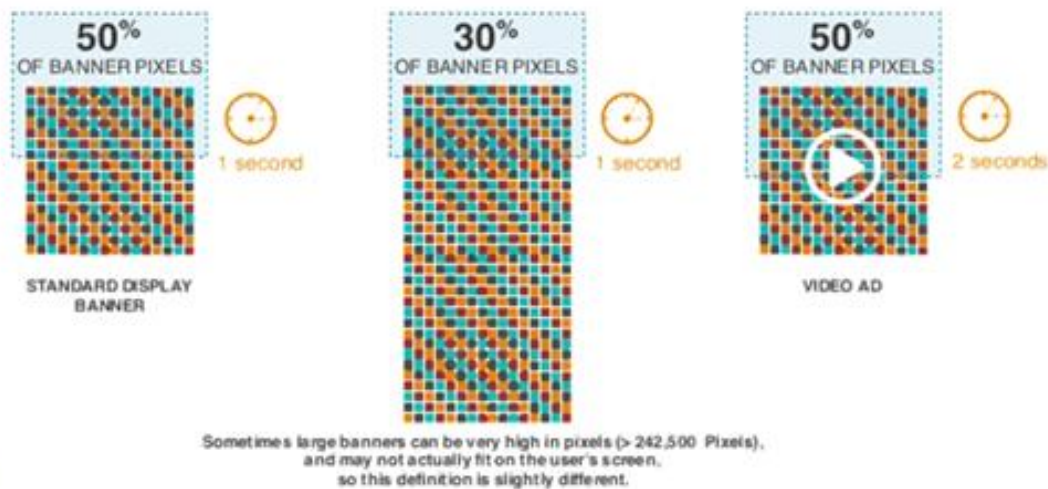
Myth #2: 50% of impressions are not visible

In comparison with other media, digital has the advantage of allowing the analysis of visibility. However, this is only a technical measurement; a technical measurement of contact, however, that is more sophisticated than in any other media.

EXACT. But 100% visibility is not necessarily possible

As a reminder, according to the IAB, a standard message is reputed to be visible when at least 50% of its pixels are visible during at least 1 second. For large size messages, which do not necessarily fit onto the screen, the standard allows for a threshold limited to 30% of its pixels, also visible during at least 1 second. With regard to videos, it is 50% of the pixels on the screen during at least 2 consecutive seconds.

5

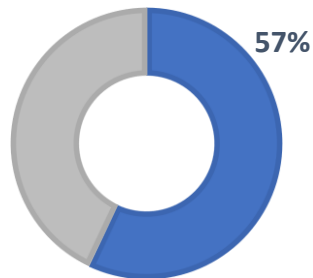


This visibility can be analysed via specialised third party intermediaries such as Moat (Oracle), Integral Ad Science or ComScore (an incomplete list).

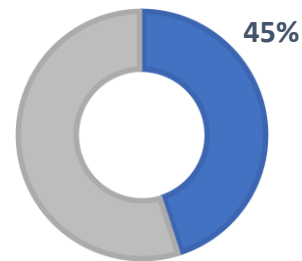
According to Moat, during the second half of 2017, we are at about 50% in Belgium, although it all depends on the format and the platform:

**% Human & viewable
Q2 2017**

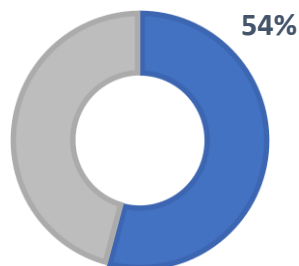
DISPLAY DESKTOP



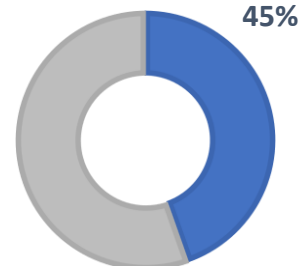
DISPLAY MOBILE



VIDEO DESKTOP



VIDEO MOBILE



6

50%, 1 second, or even 2 seconds: is that sufficient? The American Media Rating Council, an independent body that developed the IAB visibility thresholds, considers that it would be “unreasonable” to aim for 100%. However, it is perfectly possible to come to an understanding on more severe thresholds. A recent study has shown that an exposure time of more than 2 seconds of a video and ratios higher than 50% provide a significant increase in the effectiveness of online advertising messages on sales of the products in question⁴. Obviously, it is also possible that higher standards of visibility would increase the costs of space, as has already been indicated by the first studies on visibility⁵. Yet for visibility, everything is a question of conventions (what is it that the tripartite considers acceptable?) and technical capacity (what is feasible in practice?).

⁴ Karen Nelson-Field & Erica Riebe “The case for a more robust online viewability metric”, *Admap*, September 2017, pp. 10-12.

⁵ Josh Chasin, Anne Hunter, Steve Millman, ComScore “Campaign delivery and viewable impressions: the new normal”, Print & Digital Research Forum, Nice, October 2013

Myth #3: Traditional purchasing is a sure thing for the brand, programmatic buying is not

Brand safety refers to the presence of advertising in contexts that do not cause harm to the brand. By using the correct tools, this is managed somewhat better with programmatic purchasing than by traditional methods.

FALSE: Brand safety is managed, but its definition can vary from one advertiser to another

The example below is caricatured, but it is real. It is an illustration of a particularly painful case of the presence of advertising material that is not brand-safe which has literally been trolled by the Islamic State video that it features⁶.

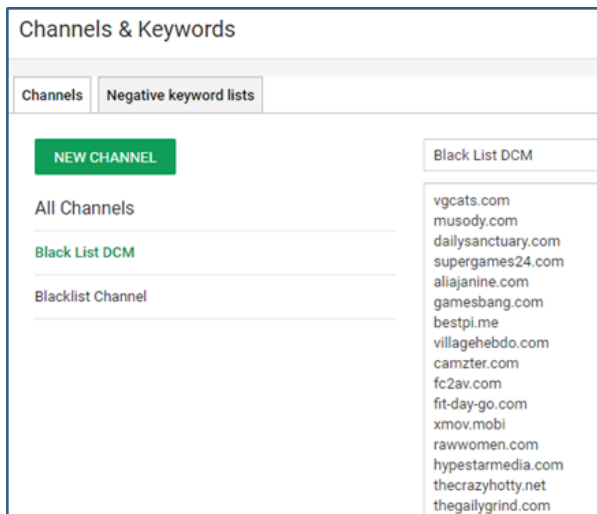
7



According to the IAB, brand safety refers to practises and tools that specifically allow users to avoid a brand's advertising messages appearing in contexts that are potentially harmful for the brand. It defines these categories of problematical content as follows:

- adult content (read 'pornographic');
- linked to facilitation of illegal activities;
- subjects leading to controversy (the occult, religious or society taboos, extreme life styles...);

⁶ Source: "Google stoomt Youtube klaar voor felle concurrentiestrijd", De Tijd, 31/08/2017.



- copyright infringement;
- drugs, alcohol, illegal or controlled substances;
- extreme images or explicit violence;
- incitement to manipulation of measurements;
- incitement to hatred, profanation;
- spyware, malware, making pirated software available ('warez');

- political or religious contexts;
- user generated content (UGC) such as forums, but with no moderators.

8

Attention: certain contexts are universally problematical, such as terrorism, hate speech or violence, but others depend on the advertiser: certain adult content could be appropriate for brands of condoms or sex toys. Traffic accidents are a very problematical context for car brands ... but not necessarily for certain insurance companies!

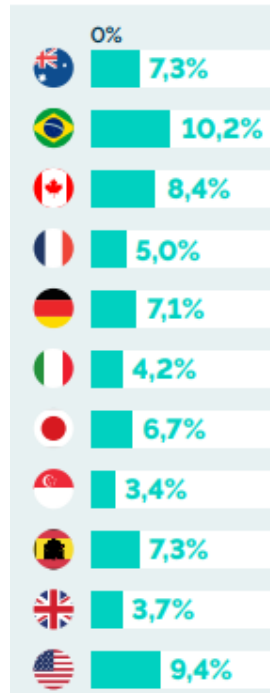
In programmatic buying, the brand safety is managed in different ways:

- "Black list", which states the excluded domains or URLs that can never be used.
- "White list", here the list is positive, with authorised domains or URLs.
- Negative key-words, specifying all the content identifications that must be avoided.
- IAB Europe manages a list of Spiders and Robots, subject to an annual subscription that can be used not only for fraud detection, but also for brand safety ⁷.
- Using third party specialised tools (ComScore, Integral Ad Science, Double Verify, Adloox ...).

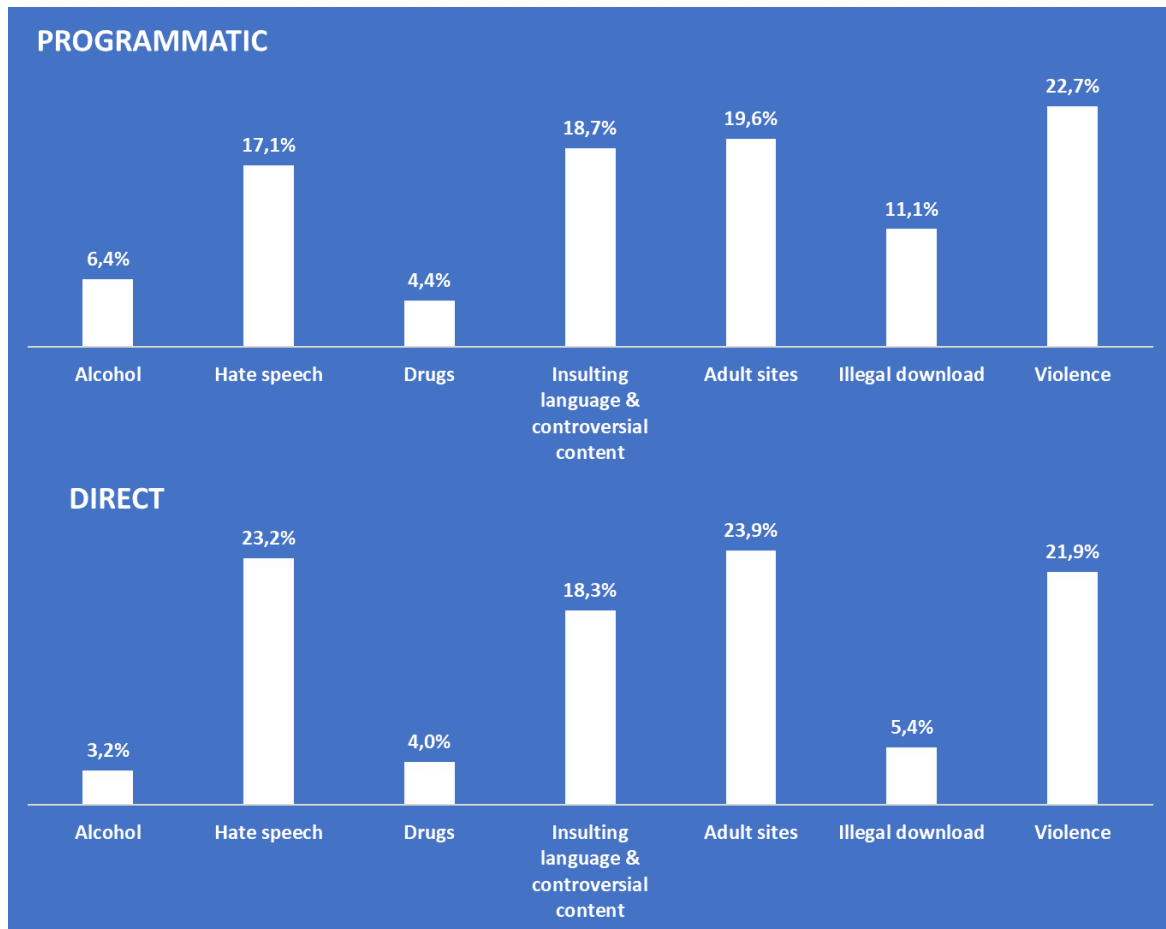
⁷ <https://www.iabeurope.eu/best-practices/international-iababc-spiders-and-bots-list/>

Programmatic vs. classic: which is the most brand-safe?

During the major annual dmexco digital fair last September, the specialist organisation Integral Ad Science (IAS) publicized the rates of problematical contexts that it had measured, unfortunately, they did not include Belgium. In this classification by country, the 'not brand-safe' rates measured in Europe varied from 3.7% to slightly above 7%. For a campaign of 10 million impressions, at an average cost of € 5 per thousand contacts, the ineffective contexts represented a value of € 1,850 to € 3,550, in relation to a total investment of € 50,000.



Another contribution of IAS is a French synoptic of the proportions of problematical contexts observed in France, during the first half of this year, comparing the traditional method, i.e. direct reservation, with programmatic buying. In certain cases, the latter proved to be less problematical than direct buying. Furthermore, this does not demonstrate any systematic bonus in terms of brand safety.



10

And finally: Space teams regularly keep screen captures of 'fails', i.e. unfortunate associations between advertisements and contents. Very few of them can be attributed to programmatic campaigns. We must also not forget those fails that can occur through the presence in the press of brand advertisements appearing in close proximity to an article denigrating the brand or simply problematical for these brands.

But blacklisting remains a human task: it will never be considered 100% free of errors, or the possibility of an error.

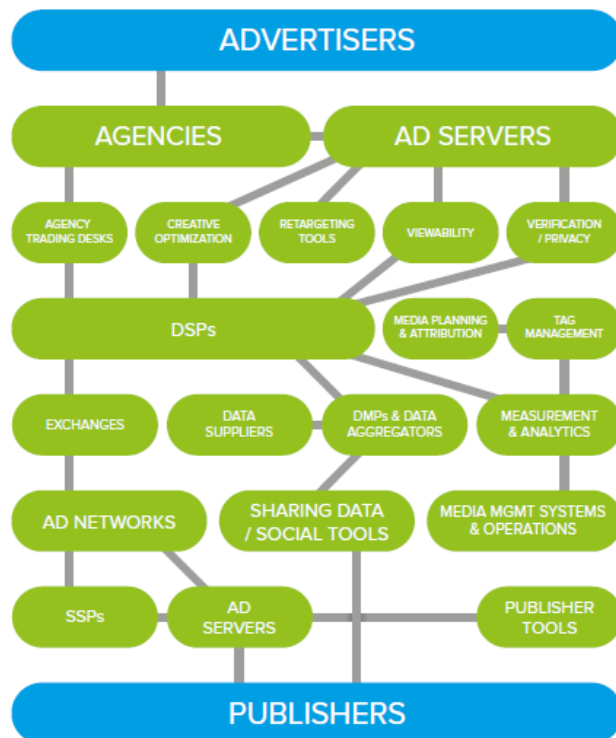
Myth #4: In digital, 40% of advertisers' advertising investment disappears. Only 60% returns effectively to the publishers

When the advertiser, the final client, pays for a digital campaign, especially a programmatic campaign, the publisher, the media, only receives a part of that payment

TRUE OR FALSE? BOTH: part of the budget is used to pay the intermediaries, of which there is a certain number

A complicated digital landscape

In fact, the digital value chain seems rather jam-packed: between the advertiser and the publisher, there are a certain number of intermediaries, notably linked to the overall technical processes inherent in digital advertising:

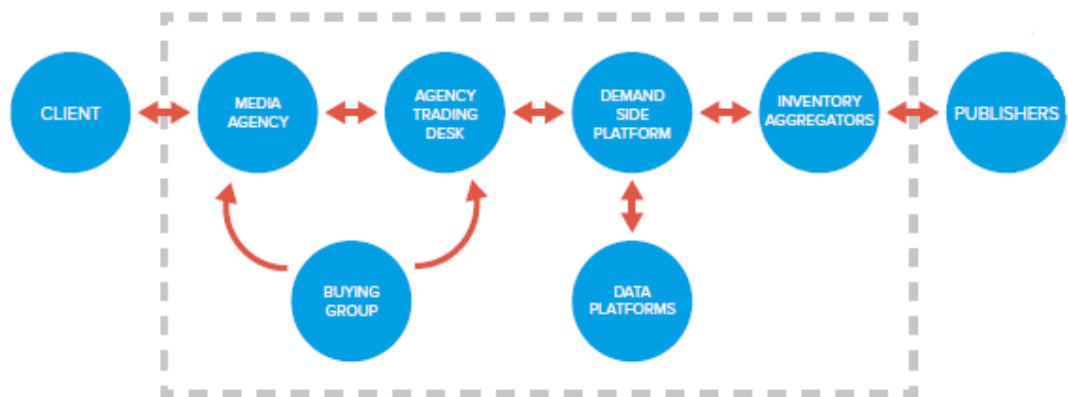


Nevertheless, as is observed by the monitoring organisation Ebiquty, the authors of the two diagrams featured here, the process can also be represented more simply: the media agency calls on a 'trading desk', which is linked to a technical purchasing platform or 'demand side platform', supplied with data in real time by data platforms. The purchase takes place through an aggregator or ad network, which sources material from the publisher's inventory⁸. It should be noted that this process can

⁸ Source of illustrations: <https://www.ebiquty.com/media/186075/media-transparency-a-visual-overview.pdf>. The complexity of the digital ecosystems is also illustrated by McKinsey:

be simplified when the demand side platform is directly linked to the publisher.

that's actually quite simple



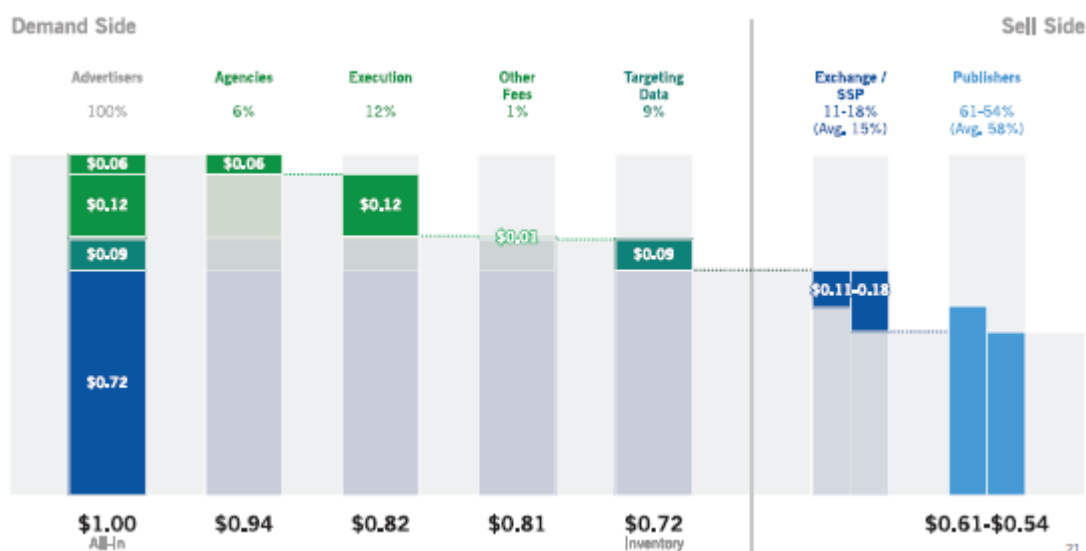
12

Obviously, to supply the various platforms with data efficiently, notably for targeting, or verifying the processes in terms of visibility, fraud or protection of the brand with regard to inappropriate contexts, different interventions are required.

This ecosystem must be paid for: this is what Ebiquty calls the 'tech tax': indeed, the technical and commercial intermediaries take their mark-up. In the table below, indicative levels are given from a study carried out in the United States and Canada covering 445 campaigns. The flow illustrated by the study⁹ ends up at a level close to 60% of the initial invoice 'in the publisher's pocket', bearing in mind that the publisher also has to pay for the services linked to their SSP (Supply Side Platforms). These services can absorb from 11 to 18% (this part of the study is an estimate).

<http://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/how-to-get-the-most-from-your-agency-relationships-in-2017?cid=other-eml-alt-mip-mck-oth-1702>.

⁹ Source: "Programmatic: seeing through the financial fog. An In-Market Analysis of Programmatic Media at the Transaction Level". May 2017.



13

Other estimates place the publisher's final share at $\pm 60\%$ of the initial amount, taking into account the following ratios: payment for data: 9%, DSP technical costs: 8%, ad serving costs: 5%, brand safety: 2%, management fees applied to the aforementioned items: 13%. Thus, 63% remains for the 'media inventory'.¹⁰

In traditional media too, the sales houses and media agencies are remunerated

What is not new is that the trading activity – selling and buying space – has always presupposed a (fair) remuneration for the intermediaries involved in the transaction. In this case, the media agency and the production department – the media's commercial intermediary – can take a mark-up that will also impact the 100% of the advertiser's invoice tending to result in a lower proportion. It is, however, true that in offline media, the number of intermediaries involved is limited. It is also true that if we start from the price paid by the advertiser in offline media and then we deduct all the mark-ups from it, such as agency and sales houses commissions, a ratio close to 60% of net revenue for the media is not unrealistic.

What is new with digital is that it has been observed that the entire value chain has become more complex, specialist skills have become indispensable, notably in ad tech, and the technological services linked to

¹⁰ Source: "Where does your programmatic spend go?": <http://marketingland.com/programmatic-spend-go-211559>.

implementation, targeting and control of campaigns. **Digital involves** (and is interwoven with) **a vast number of skills and technical input that were completely unknown in the offline world.** It is obvious that a less sophisticated value chain would 'deduct' less in its implementation. However, in today's world, it appears difficult to base the presence of a brand on one single type of skills, or to skip over certain technical verifications, for example in terms of brand safety, unless we allow the online media to control itself.

Tips to ensure maximum transparency

Digital, especially when it is carried out in an automated way (programmatic) therefore comprises a particular value chain. In order for this to be transparent, there are three simple recommendations for the advertiser undertaking a digital advertising campaign:

- Make sure that the different interventions included in the demand side of the campaign are clearly explained, this means everything involved in the management of the purchase, including the technology.
- Request an estimate for the campaign that gives details of all the technical costs involved. This series of extras can increase the cost per thousand facial contacts of the campaign and increase the complexity of the pre-campaign documents (a 'bundled cost' is always easier), but it is also the guarantee of a verifiable transparency. By the way, this is how we work at Space.
- After the campaign, request an explanation of the added value (=the gain achieved) of each of the technical 'layers'.

In short, transparency is possible.

In the end, it is not a question of the 'vanishing' of mark-ups in digital, but the **remuneration for a series of specific services**, which is worthwhile to know. Moreover, the strong competition on the digital market, as well as the increase in inventories, have had a downwards pressure on the cost of space. To summarize, even with the addition of the technical costs, it is likely that the price paid by the advertiser has not fundamentally increased, for an identical level of campaign, thanks to the decrease in the 'media space' part of the overall invoice.

Myth #5: There are no standards for online video

Online video can be measured. Indeed, more so than any other media; hence, the possibility of defining standards with regard to visibility and 'completion' (proportion viewed).

FALSE: Measurements do exist. There must simply be agreement on the thresholds

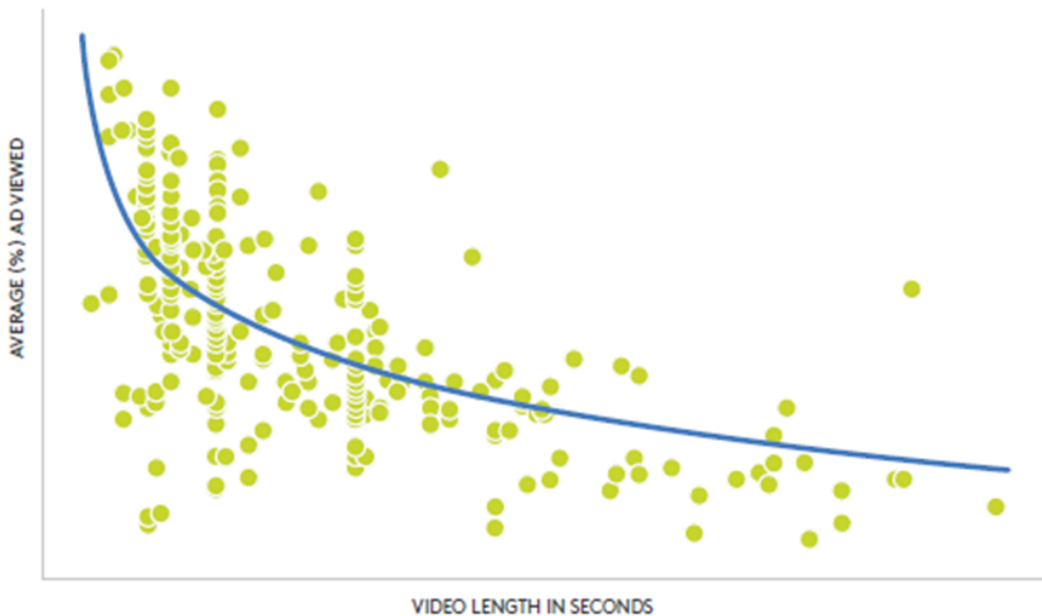
With regard to online video, it should be recalled that one year ago, Space launched the 'Cost per Effective View' that precisely defines an overall reference for online video ¹¹.

For the 'completion rate', i.e. the proportion seen of a video advertisement, the length of time is obviously crucial. As is shown by Millward Brown (below), a short message stands more chance of being viewed in its entirety than a long spot: "*It becomes increasingly difficult to retain your audience beyond 90 seconds, and there is a strong retention bias towards shorter ads.*" ¹².

15

¹¹ <http://www.space.be/comm/files/src/whitepaper-cpev-fr.pdf>. As a reminder, "the effective view" is determined by the completion rate, visibility, the possibility of targeting, protection with regard to ad fraud by bots, accessibility of inventory, and the qualitative bonus offered by local publishers.

¹² http://www.millwardbrown.com/docs/default-source/insight-documents/articles-and-reports/kantar-millward-brown_link-for-video.pdf?utm_source=Complete+list+all+contacts&utm_campaign=66f92a47f7-



Source: Kantar Millward Brown (Digital Link)

In terms of completion, there are two schools of thought:

- One which claims that 50% of the total time is enough to consider that the video has been 'seen'. Moreover, this is the threshold taken into account for television: a spot is considered 'seen' when a target individual has seen at least half of the total time in seconds.
- The other school prefers 100% completion. This attitude is severe at two levels: it increases the pressure on digital advertising which is nevertheless considerably more measurable than 'legacy media' (traditional media), and it is very demanding for long messages, which have much less chance of reaching the 100% threshold than spots that last only a few seconds.

Context also has an influence. For example, below are recent statistics (2017) on videos broadcast on Facebook and YouTube. The former is clearly less suitable for communication by video.

Youtube statistics via Datorama ¹³

| Month ▲ | CPM | CPV (1000 Yt views) | CPV (1000 50% viewed) | CPV (1000 fully viewed) | Video Views Rate (YT definition) | Video Completions 50% Rate | Video Fully Played Rate |
|--------------|---------------|---------------------|-----------------------|-------------------------|----------------------------------|----------------------------|-------------------------|
| Jan 2017 | € 7,86 | € 26 | € 16 | € 28 | 30,22% | 48,94% | 28,28% |
| Feb 2017 | € 6,67 | € 24 | € 15 | € 25 | 27,74% | 44,38% | 26,17% |
| Mar 2017 | € 7,08 | € 24 | € 16 | € 27 | 28,96% | 44,12% | 26,08% |
| Apr 2017 | € 6,95 | € 20 | € 13 | € 18 | 34,87% | 55,43% | 39,25% |
| May 2017 | € 6,88 | € 20 | € 12 | € 18 | 35,21% | 57,66% | 38,88% |
| Jun 2017 | € 6,81 | € 21 | € 11 | € 19 | 31,76% | 59,27% | 35,69% |
| Jul 2017 | € 6,04 | € 22 | € 12 | € 18 | 27,05% | 50,63% | 34,24% |
| Aug 2017 | € 6,83 | € 22 | € 12 | € 17 | 30,99% | 56,11% | 39,32% |
| Sep 2017 | € 6,83 | € 22 | € 11 | € 18 | 31,35% | 60,86% | 37,60% |
| Total | € 6,91 | € 22 | € 13 | € 21 | 31,28% | 52,28% | 33,56% |

Facebook statistics via Datorama

| Month ▲ | CPM | CPV (1000 views 3 secs) | CPV (1000 50% viewed) | CPV (1000 fully viewed) | Video Views Rate (3 sec) | Video Completions 50% Rate | Video Fully Played Rate |
|--------------|---------------|-------------------------|-----------------------|-------------------------|--------------------------|----------------------------|-------------------------|
| Jan 2017 | € 1,95 | € 18 | € 36 | € 73 | 10,93% | 5,39% | 2,67% |
| Feb 2017 | € 2,26 | € 19 | € 33 | € 63 | 11,90% | 6,93% | 3,61% |
| Mar 2017 | € 3,10 | € 23 | € 84 | € 153 | 13,52% | 3,67% | 2,03% |
| Apr 2017 | € 2,94 | € 18 | € 41 | € 70 | 16,55% | 7,17% | 4,22% |
| May 2017 | € 4,38 | € 28 | € 55 | € 99 | 15,43% | 7,89% | 4,42% |
| Jun 2017 | € 2,96 | € 24 | € 41 | € 75 | 12,26% | 7,25% | 3,92% |
| Jul 2017 | € 3,86 | € 20 | € 41 | € 84 | 19,37% | 9,33% | 4,62% |
| Aug 2017 | € 2,48 | € 15 | € 53 | € 104 | 16,42% | 4,64% | 2,39% |
| Sep 2017 | € 3,65 | € 29 | € 91 | € 148 | 12,65% | 4,01% | 2,46% |
| Total | € 2,74 | € 22 | € 45 | € 85 | 13,63% | 6,12% | 3,25% |

17

¹³ "YT definition": vision during 30" or complete viewing in the case of a message lasting less than 30" or interaction with the message (which in all cases is considered as a sign of complete viewing).

Myth #6: Ad blocking is going to 'kill' digital advertising

This is perhaps somewhat late in the day, but in view of the increasing power of ad blockers, those declared and especially measured, several initiatives have been developed. This is thanks to the IAB, where they are known by the acronym "LEAN", as well as the voluminous work of the Coalition for Better Ads: the digital advertising world is reacting and regulating its practices!

TRUE if there is no adequate reaction

This is perhaps somewhat late in the day, but in view of the increasing power of ad blockers, those declared and especially measured, several initiatives have been developed. This is thanks to the IAB, where they are known by the acronym "LEAN", as well as the voluminous work of the Coalition for Better Ads: the digital advertising world is reacting and regulating its practices!

Declarative vs. measured

The growth figures are impressive: at the end of 2016, the rate of progress in the use of ad blockers was 30% compared with the previous year. With regard to the growth of ad blockers on mobile devices, this was even more, their number being higher than that of devices installed on computers ¹⁴.

And this continues: according to Digimeter 2016, 39% of Flemish respondents questioned said that they had used an ad blocker during the year ¹⁵. Thus, we are well above the 27% assessed in our own study on the topic carried out in 2015 ¹⁶.

As for Kantar Media, they announced a 20% use of ad blockers (and even 54% when including individuals who said that they 'sometimes' used an ad blocker) among connected adults in 5 big countries¹⁷.

¹⁴ PageFair "The state of the blocked Web. 2017 global adblock report."

<https://pagefair.com/downloads/2017/01/PageFair-2017-Adblock-Report.pdf>.

¹⁵ IMEC. Digimeter 2016. Measuring digital media trends in Flanders, p. 168. Available via <https://www.imec-int.com/digimeter>. Penetration in the Flemish population aged at least 15.

¹⁶ http://www.space.be/comm/files/src/oct2015-adblock-fr_1.pdf. Penetration in the Belgian online population aged at least 18.

¹⁷ Kantar Media. "DIMENSION. Communication Planning in a Disrupted World." 2017, p. 9 & 17. Study carried out in the USA, Brazil, China, United Kingdom and France.

That then is the result for declarative: IMEC prudently commented in the Digimeter report that “approximately 4 Flemish people out of 10 have used an application or plug-in at least once at a given moment during the past year”, however, this is not a claim that 39% of individuals actually use such a device.

As for Kantar Media, the declarative research into the subject shows the extent to which people like advertisement avoidance techniques, but this does not necessarily mean that they will use them. A person may state that he/she uses ad blockers, given that he/she has several devices connected to the internet, but only one or two are actually equipped to reject advertising. The value added of declarative sources resides more in the analysis of profiles of users and/or sympathisers and the study of their motivation. It can be misleading with regard to the actual use of ad blockers.

19

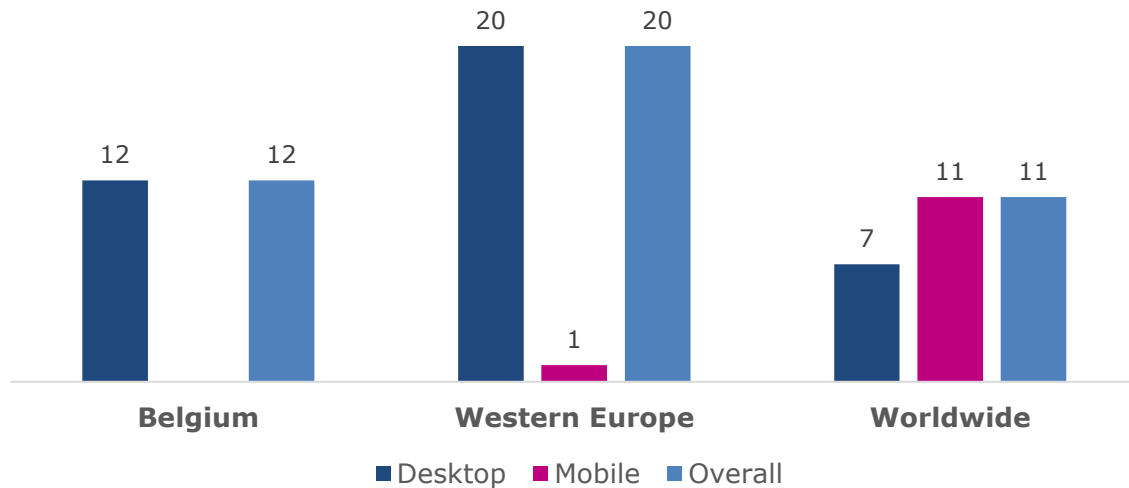
PageFair did not measure individuals but rather the volume of utilisation of Web pages. Without any profile indication, they limited themselves to setting out geographical zones and types of devices. The latest measured data available ¹⁸ provided by PageFair is reassuring. With regard to the use of ad blockers on PCs, Belgium registers 12% ‘per capita online’, a level that is considerably lower than the percentage for Europe, which is one of the world’s regions where the use of ad blockers is the most widespread ¹⁹. There are no data on the penetration of ad blockers on mobile phones, but in neighbouring countries where such data are available, the level is at 1% or 2%. The PageFair data on Belgium is probably underestimated because Belgian publishers cited a ratio of 15% of their pages being viewed by browsers with ad blockers in 2016, with a likely growth in 2017.

¹⁸ PageFair. “The state of the blocked Web. 2017 global adblock report.”

<https://pagefair.com/downloads/2017/01/PageFair-2017-Adblock-Report.pdf>.

¹⁹ However, it is likely that the Belgian data have not been updated since 2016, and therefore the usage proportion cited by PageFair for Belgium could be underestimated.

Ad blockers usage in % end 2016 (PageFair 2017 Adblock Report)



20

Naturally, announcements relating to the growth of the ad blocking phenomenon in mobile telephones must be interpreted in the light of the currently rather weak penetration: to go from 1% to 3% is an enormous growth rate, but it remains weak in absolute terms!

Ad blocking is not a fatality, but we absolutely need to adapt to it

In short, at the present time, the use of ad blockers measured in actual internet traffic seems to be much less than what has been declared. Nevertheless, there is a strong chance that this usage will increase, today's declarations could well be anticipating tomorrow's situation; which is even more likely as young surfers are generally quicker to adopt ad blockers.

All is not lost, as long as the sector reacts in the right way. This is the goal of the LEAN principles (Light, Encrypted, and Ad choice-based, Non-invasive) which affect the message design, the free choice given to surfers (notably the possibility of skipping messages) and the targeting of internet messages ²⁰. In concrete terms, we can refer to the broad studies carried out by the Coalition for Better Ads which show in great detail what is accepted and what is rejected by consumers on their PCs and mobiles ²¹.

Systematically favouring those formats considered to be non-

²⁰ <http://www.iab.com/news/lean>

²¹ <https://www.betterads.org/standards>

problematical is an elegant way of combating the phenomenon. For the rest, Google Chrome will soon be configured to block formats reputed to be intrusive, thereby strictly adhering to the recommendations from the Coalition for Better Ads ²².

Myth# 7: In digital, it is the media that are doing their own measuring

Where one discusses third party measurement in relation to the figures supplied by the actual entities being measured

This is TRUE in part and we have to work on it

At the present time, and especially in Belgium, certain online media are the only ones able to provide complete information on their audiences, as well as with regard to their advertising activities. This situation would be unthinkable for the traditional media. The entire market must endeavour to change this situation.

The majority of the major media actually rely on external data sources to market their advertising space. Thus in Belgium, the CIM authenticates the distribution of the press media and studies the audiences, while calling upon outside partners, whereas Nielsen measures the advertising pressure. In brief, **it is the third party external entities in relation to the publishers who provide a major part of the information** on which the selling and purchasing of advertising space is based. It is extremely rare that a media entity actually carries out its own measurements.

Pressure is increasing for 'third party'

That is the case for the traditional media. As for digital, while the CIM covers a part of the Belgian internet market, major players such as Google (including YouTube) and Facebook rely on a closed data ecosystem. Meanwhile, the pressure is increasing almost everywhere. Thus, during the summer of 2017, the Institute of Practitioners in Advertising – the association of advertising agencies in the United Kingdom – addressed an open letter: *"We are calling upon Facebook and YouTube to meet standards of independent industry-owned audience measurement such*

²² "Google Chrome Will Automatically Block Annoying Ads", Advertising Age, 01/06/2017. <http://adage.com/article/digital/official-google-chrome-ad-blocker/309238/>.

that cross platform video audience measurement can be achieved”²³.

This is just one example. Given the growing power of digital advertising in advertisers’ media mix, it is becoming increasingly more important to refer investments to independent metrics. This is all the more true, given that Facebook and Google/YouTube have shown that their own measurements were not free of errors (video consumption times, which were overestimated by Facebook²⁴) or approximations.

Third party measurement exists ... in ‘ad centric’. As for the rest, it is a question of market pressure

As explained by France’s CESP (Centre d’Etudes des Supports de Publicité – research centre for advertising support –) there are three categories of measurements in digital²⁵:

- ‘site centric’ measures the frequentation of sites and/or applications. In Belgium, the site-centric third party approach is carried out by CIM²⁶, but it is limited to a perimeter of local publishers (currently ± 150). Site centric is a counting method that is rather basic and resembles the authentication of distribution in the press.

- ‘user centric’ is concerned with audiences and profiled individuals (for whom their gender and age are known, as a minimum). Generally, in order to establish these audiences, a panel of respondents is used and their behaviour is extrapolated to the whole population. The user centric approach constitutes the most useful resource for online media-planning. In Belgium, this approach has never been completed because, on the one hand, CIM measures a perimeter of Belgian publishers on virtually all the platforms, while, on the other hand, ComScore reports on all the online

²³ [http://www.campaignlive.co.uk/article/ipa-google-facebook-not-moving-fast-enough-tackle-ad-problems/1441916?bulletin=campaign_media_bulletin&utm_medium=EMAIL&utm_campaign=eNews%20Bulletin&utm_source=20170815&utm_content=Campaign%20Media%20\(10\)::www_campaignlive_co_uk_ar_2&email_hash](http://www.campaignlive.co.uk/article/ipa-google-facebook-not-moving-fast-enough-tackle-ad-problems/1441916?bulletin=campaign_media_bulletin&utm_medium=EMAIL&utm_campaign=eNews%20Bulletin&utm_source=20170815&utm_content=Campaign%20Media%20(10)::www_campaignlive_co_uk_ar_2&email_hash)

²⁴ A recent example: Facebook statistics for the United States mentioned a number of members in the 18-24 age group that was 32% higher than the number of individuals in that age group listed in the country: “Facebook bereikt meer jongeren dan er jongeren zijn”, De Tijd, 07/09/2017.

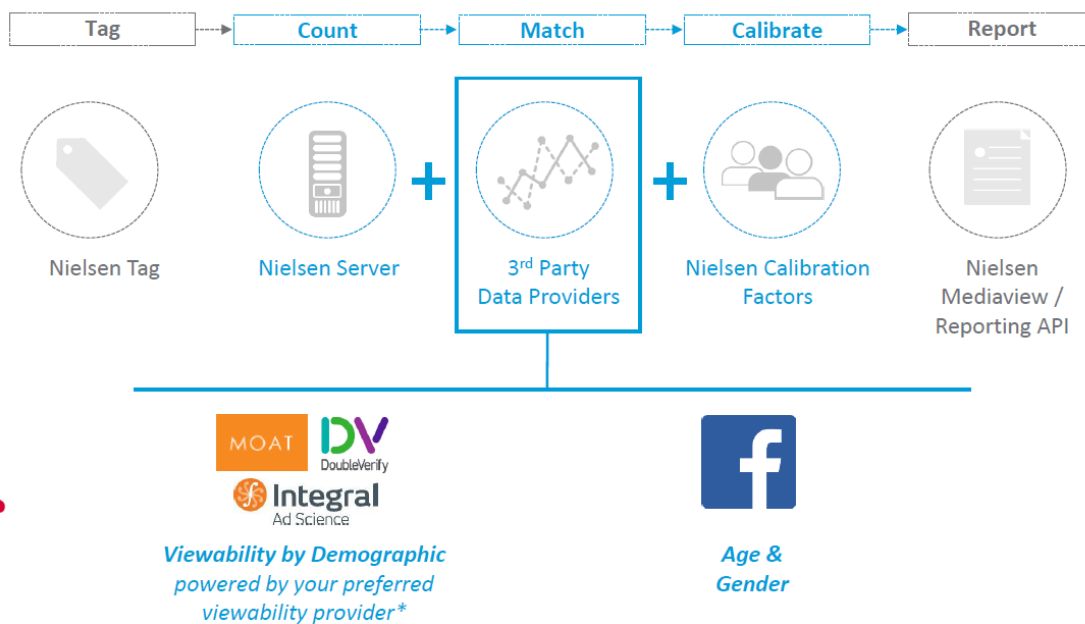
²⁵ http://www.cesp.org/newsletter/15/CESP_Forum-Audience-N15_07-2017.html.

²⁶ Available via <http://ola.cim.be/>

market (including foreign sites), but only on the PC interfaces, excluding mobile: and ComScore will cease its activities in Belgium as from 2018.

- finally, there is 'ad centric'²⁷. "This measurement is established by using a tag or an SDK (software development kit) and is based on data recorded at the level of the campaign": the ad centric metric thus audits a digital campaign, preferably covering all its aspects; including targeting (did the campaign reach those individuals who constituted the target of the advertiser's message?). In Belgium, solutions exist at this level, or they are in the process of being implemented, such as Digital Ad Ratings from Nielsen (diagram below), or the solutions proposed by Gemius, already active within the scope of CIM measurement, which provide a complete overview of the contacts achieved by a campaign, including on Google and Facebook.

23



²⁷ These three measurements respond to three different types of questions: 1. For site centric: "What is the gross volume of frequentation of the supports that I envisage for my campaign?"; 2. For user centric: "What types of consumers am I expecting with my digital campaign and how am I going to reach them?"; 3. For ad centric: "Does my campaign, as it unfolds, satisfy the goals expressed, notably in terms of consumer profiles?"

Debunking 7 digital myths

The major task to be achieved at the level of the Belgian market is the setting up of a complete user centric measurement, including all the players and all the platforms. For this, market pressure must be applied to online players. This kind of measurement exists in other countries; there is therefore no reason why it should not be possible in Belgium.

Furthermore, at the beginning of this year, Nielsen set up a third-party measurement system for online investments. The system is still imperfect but one can but hope that this tool will improve over time.