

# **THE MEDIA RATING COUNCIL'S ROADMAP FOR ENHANCING DIGITAL MEASUREMENT**

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## **Executive Summary**

The paper outlines the background and role of the U. S.-based Media Rating Council (MRC) as an accreditation and standards-setting body on media measurement-related issues, and addresses its efforts to develop a portfolio of digital measurement standards designed to better facilitate advertising commerce for digital and other media. Specifically, the paper details the theoretical underpinnings of the developmental path MRC has followed to date, which also guides its plans for moving forward in its work to create digital measurement standards and promote high quality in digital measurement. The paper also outlines how these principles are manifested in specific MRC measurement initiatives.

## **The MRC, 3MS, and Enhancing the Quality and Comparability of Digital Measurement**

The Media Rating Council (MRC) is a United States-based, not-for-profit media trade association originally established in 1963 to serve an oversight function, on behalf of the buyers and sellers of media advertising in the U. S., focused on evaluating and enhancing the effectiveness of media research products and their methods. Its creation was an industry response to the prospect of Federal government regulation of media research, a concern that grew out of a series of hearings held by the United States House of Representatives that investigated a range of business practices occurring at the time in broadcast media. The MRC (known at the time as the Broadcast Rating Council, or BRC, a result of its initial focus on broadcast television and radio measurement) was designed as an industry self-regulatory mechanism that would provide industry oversight of measurement products, the purveyors of which were private organizations and not licensed by the government (as were the broadcast outlets themselves) or otherwise responsible to outside forces other than those imposed by the workings of the U. S. economic marketplace. As the U. S. Congress ultimately saw responsibility for the impacts of media measurement as falling upon the media industry itself (and particularly the sellers of media advertising time/space), at its urging, the BRC instituted a structure of oversight involving an accreditation function based on measurement standards development, and independent auditing and peer review evaluation of research organizations' products against those standards, to enable the buyers and sellers of media advertising to fulfill this oversight duty, and thereby stave off any threats of direct government intervention.

The BRC eventually evolved to become the MRC, and the organization's role expanded beyond applying its oversight activities to television and radio measurement products to those that measure other media. Particularly in the period since the year 2000, MRC has been on a strong organizational growth curve. The majority of this growth has been a result of MRC's work involving digital measurement products. MRC, at the urging of the American Association of Advertising Agencies (now

known simply as the 4A's), and working in collaboration with the U. S. internet advertising trade association the Interactive Advertising Bureau (IAB), began a process to develop a portfolio of digital-specific measurement guidelines, the first of which was released in 2004 as a set of guidelines for the measurement of display advertisements. In the ensuing years, MRC, in consultation with IAB and the wider industry, wrote additional sets of guidelines for measuring different areas of online advertising, which were branded under and housed by IAB.<sup>1</sup> MRC and IAB also teamed with the Mobile Marketing Association (MMA) to extend guidelines to the measurement of ads in mobile environments, first in 2011 for mobile web ads, and in 2013 for mobile in-application advertising. The creation of digital-specific measurement guidelines, in turn, resulted in new MRC audits of digital measurement products seeking accreditation under these guidelines, which heightened interest on the part of organizations such as media companies, advertising agencies, and product marketers, to become members of MRC in order to better understand and evaluate these audited digital measurement products. Consequently, the number of audits that MRC conducts on an annual basis has grown exponentially, from 13 audits in 2000 to roughly 110 per year in 2015, with approximately 75 of these audits specific to digital measurement products of various types. Likewise, the number of MRC member organizations has nearly tripled, from 56 in 2000 to more than 150 today.

As MRC expanded into oversight of digital measurement, in 2011, a separate initiative concerning digital measurement was launched by the IAB and two other U. S. advertising trade associations, the Association of National Advertisers (ANA), which represents major national advertisers, and the 4A's, the national trade association for U. S. advertising agencies. This jointly sponsored initiative, titled "Making Measurement Make Sense," or 3MS, was officially announced in February 2011,<sup>2</sup> and was designed to identify and promote changes necessary to digital measurement practices to make digital measurement more comparable to measurement in other media types, and to advance the state of digital measurement so it could better inform brand advertisers about the effectiveness of their digital ad expenditures.

The 3MS associations contracted with several leading consulting firms, one of which, Bain and Company, was engaged to conduct an environmental assessment and to provide recommendations for moving the industry forward toward meeting 3MS's stated goals. As part of Bain's investigative processes, it met multiple times with the staff of the MRC in its efforts to enhance its own understanding of the state of digital measurement. Based on these discussions, it became apparent to Bain that 3MS's goals and MRC's goals were highly aligned, and that MRC had an existing structure in place to develop and promote measurement standards designed to improve the quality of measurement available to the media industry, as well as a tested audit and accreditation process that could be leveraged to see such improvements realized. As a result, Bain ultimately recommended, and the 3MS associations agreed, that MRC should be recognized and supported as the organization to provide governance over the measurement initiatives to be created to advance 3MS goals, and to turn 3MS's set

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<sup>1</sup> See [http://www.iab.net/guidelines/compliance\\_programs/list#adcampaignmeasurement](http://www.iab.net/guidelines/compliance_programs/list#adcampaignmeasurement) for a complete listing of measurement guidelines written by MRC in collaboration with the IAB.

<sup>2</sup> Press release, "IAB, ANA & 4A's Join Forces to 'Make Measurement Make Sense'—Leading Trade Groups Take on Top Industry Challenge," February 28, 2011 ([http://www.iab.net/about\\_the\\_iab/recent\\_press\\_releases/press\\_release\\_archive/press\\_release/pr-022811\\_measurement](http://www.iab.net/about_the_iab/recent_press_releases/press_release_archive/press_release/pr-022811_measurement)).

of broad philosophical principles about the future of digital measurement into tangible marketplace realities.<sup>3</sup> These principles, as detailed by 3MS in June 2011,<sup>4</sup> included:

1. Moving digital advertising to a Viewable Impressions standard.
2. Ultimately migrating digital advertising to a currency based on audience impressions rather than gross ad impressions.
3. Creating a transparent ad classification system.
4. Determining interactive “metrics that matter” for brand marketers, meaning metrics through which marketers can better evaluate the contribution of digital advertising to their brand building efforts.
5. Making digital media increasingly comparable and integrated with other media.

With the exception of Principle #3, these 3MS “guiding principles” were very much in alignment with MRC’s planned strategic direction,<sup>5</sup> and MRC committed to work towards their implementations.

### **Core Concepts That Underlie MRC’s Digital Measurement Improvement Strategies**

MRC’s vision for the future of digital measurement is informed by certain core concepts. Foremost among these is that measurement should be focused upon *the exposure of advertisements to people*. While this might seem a rather self-evident principle upon first glance, it encapsulates three extremely important, fundamental ideas that, once accepted, dictate most everything on which the measurement approaches are to be based.

First, the measurement should be of people, not of hardware or devices, nor of applications or browsers. While these latter things may sometimes serve as proxies for human beings in measurement methodologies, they cannot simply be assumed to represent people without convincing evidence that they do indeed serve as a means by which the actions of human beings can be measured. Likewise, the means should exist to detect and exclude in measurements any attempts to mimic human activity through purely mechanized processes that cannot result in the exposure of the ad to a human being.

The second fundamental idea included in the above statement is that advertising should be the primary focus of digital measurements. This is not to say that content apart from ads is ignored; in fact, the measurement of content is extremely important to the sellers of advertising in that it enables analysis and adjustment of content through which to pursue its overall goals. But measurement of non-advertising content is something MRC sees as a secondary pursuit, and, for practical purposes, it has been often done historically (such as in traditional TV measurements) only as a substitute for direct measurements of the ads that the program content surrounds.

<sup>3</sup> For more on 3MS and its relationship with the MRC, see Ivie, G., “The Adoption of Viewable Impressions – Status,” presented at 2013 Print and Digital Research Forum, Nice, France.

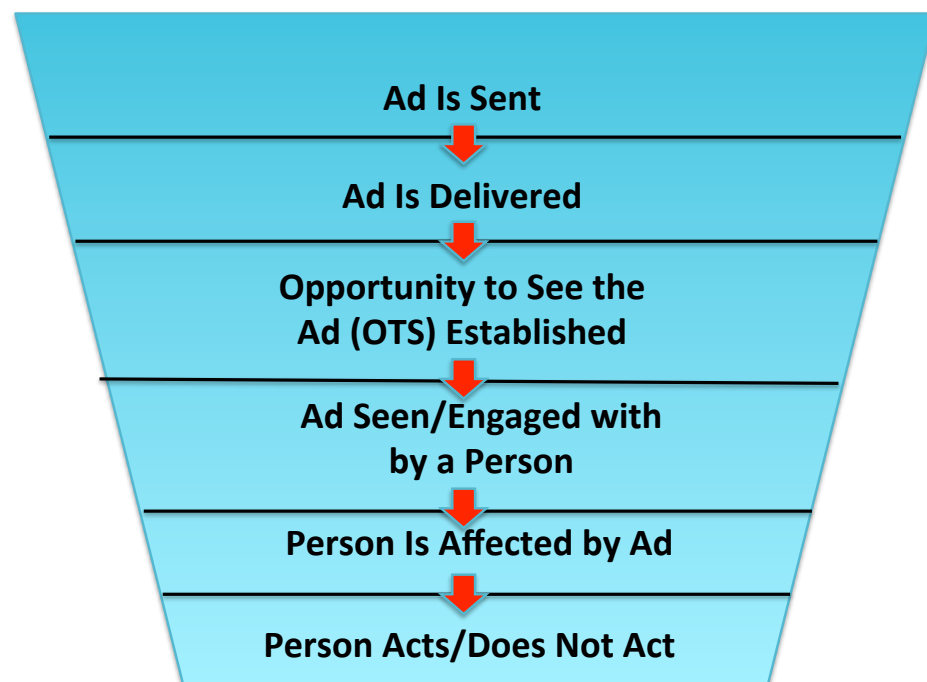
<sup>4</sup> Press release, “Leading Marketers, Agencies and Publishers Agree on Ground-Breaking Guiding Principles of Digital Measurement,” June 13, 2011.

<sup>5</sup> MRC plays no direct role in ad classification matters; rather, these are determined collaboratively directly by the buyers and sellers of ads. Accordingly, IAB assumed the lead role in advancing 3MS’s ad classification-related goals.

MRC initially was formed as a result of concerns about inaccurate or even falsified measurements' impacts on the flow of advertising dollars in U. S. media, as the bulk of U. S. media was and continues to be funded by an advertiser-supported economic model. MRC's organizational focus on the central role of measurement in the media advertising marketplace continues to this day.

The third idea included in the statement is the concept of ad exposure. MRC believes that an advertisement can have little value unless it is exposed to audiences; in other words, that people have had an opportunity to see the ad. In that sense, MRC has never advocated for circulation as a primary measurement metric in situations where it is possible to measure audiences instead, and this philosophy extends to MRC's views on digital measurement.

With the above points in mind, the evolution of digital measurement standards as authored by MRC has followed a clear path to date. The following represents a relatively simple model of the digital advertising process, calling out key mileposts that can serve as effective points at which a measurement can occur:



Following the flow of the diagram, a digital advertisement is sent from an ad server in response to a request from a web browser or application. The ad is then delivered to the requesting source. Once received, the ad is then formatted and rendered to the web page or application; it appears on the screen within the view of the user of the browser or application (i.e., a person); the person recognizes the ad (assuming there is clarity that it is an ad), and cognitively processes the ad's message; and, ultimately, the person may choose to act upon the message (or may choose to not act upon the message). Note those points in the above diagram beyond the establishment of the

opportunity to see are similar to classic “Awareness—Interest—Desire—Action” (AIDA) marketing models and theories of the sequence of the purchase funnel, but the first three points, in contrast, are focused exclusively on the successful delivery of the ad.

At each of the points along this continuum, measurements theoretically can occur, and the process can be disrupted at any point along this path. The measurements taken at each stage will build upon each other in terms of the value they provide to the original creator of the advertising message, as well as to other parties who derive value from the effectiveness of this advertising chain, as the end goal of the ad’s placement is some type of action—either cognitive or behavioral—on the part of the ad’s targeted recipient.

Again, while the above diagram is simplified, it is a useful construct for understanding the pathway for a digital advertising model, as well as a guide for the development of a measurement system that provides the necessary intelligence an advertiser seeks to analyze its digital advertising efforts.

### **Executing a Measurement Strategy Following the Roadmap**

As it relates to MRC’s digital measurement standards development strategies, its path becomes clearer when viewed in relation to the various stages of the diagram in the prior section. MRC’s efforts to date have been focused on the first three stages of the diagram (those stages concerned with the successful delivery of the ad), but its long-term plans call for additional elements to be touched to varying extents in future work.

The table below presents MRC’s key digital measurement standards initiatives, and the stage of the model to which they correspond.

| <i>Model Stage</i> | <i>Measure of Success of:</i> | <i>Key Metrics:</i>   | <i>MRC Digital Measurement Initiative(s)</i>  |
|--------------------|-------------------------------|---|---|
| Ad Sent            | Ad Delivery                   | Server-side served ad impressions (response to an ad request)   | None (was state of measurement at the time of MRC’s entrance into digital standards setting)                            |
| Ad Delivered       | Ad Delivery                   | Client-side served ad impressions (confirmation that requested ad was delivered)  | Guidelines for Served Impressions   |
| Opportunity to See | Ad Delivery                   | Viewable Ad Impressions (confirmation that delivered ad appeared on screen);<br>Viewable Ad Impressions by Audience Group | Guidelines for Viewable Impressions (Desktop, Mobile), Invalid Traffic Detection and Filtration, Audience-Based Metrics |
| Ad Seen/Engaged    | Ad Delivery/Ad’s Message      | Engagement measures (user attention, user interactions with the ad)   | Guidelines for Engagement Metrics, Social Media Measurement   |

|                          |              |   |  |
|--------------------------|--------------|---|--|
| Person Affected          | Ad's Message | Ad Effectiveness measures (user perceptions, attitudes) | Ad Effectiveness Research                    |
| Person Acts/Does Not Act | Ad's Message | Behavioral measures (user purchases, other actions)     | No current plans for MRC developed Standards |

As noted in the table above, the first three stages of the model are concerned with measuring the success of the ad's delivery, and these (specifically, the "Ad Delivered" and "Opportunity to See" stages) are the areas which MRC's standards-setting efforts to date have been primarily focused. The below sections explain more fully MRC's actions and planned actions related to each of the areas noted above.

Ad Sent: Digital measurement at this stage represents what is commonly known as "server side counting," where ads are counted merely based on the action taken by an ad server in response to a request to deliver an ad. There is no assurance that the ad reached its intended destination, much less ever resulted in a user being exposed to the ad. Server side counting was widely prevalent throughout the digital advertising ecosystem before MRC initiated its collaborative work with IAB in the early 2000s to develop industry standards for better ad impression counting approaches.

Ad Delivered: Digital measurement at this stage would be considered "client side counting" of ads, meaning that the ad is only counted upon its delivery to the "client user" (i.e., the browser or application).

The concept of client side counting was a key focus of MRC's early digital measurement standards work, as it was widely recognized that counting on the client side, rather than on the server side, would mean the counts would much more closely align with the true count of those ads for which an opportunity to see existed for an end user. Client side counting was facilitated by the use of a beacon or other signal that would be triggered by the browser to which the ad was sent, which communicated back to the ad server/measurer that the ad had, in fact, been received at its intended destination. In that it provided a measurement of the ad at a later stage of the ad delivery process than did server side counting approaches, and thus the counts it provided were by definition closer to the count of those ads that had an opportunity to be seen by a person (a desired goal that was explicitly stated in the original IAB/MRC served impression measurement guidelines), client side counting represented a significant quality improvement in digital measurement techniques. However, it was still limited in that while client side counting methods provided assurance that the ad had been delivered, there was no guarantee about what happened with that ad subsequent to its delivery. Technological limits still inhibited direct insight into those later dispositions of the ad; at the time the served impression guidelines were originally written, the utilization of a client side counting approach to served ads was the best one could do to measure ads at a point closest to the moment of opportunity to see.

Opportunity to See (OTS) the Ad Established: Measurement that occurs at the moment of OTS takes client side counting several critical steps farther. For one, it

assures that the ad has actually rendered,<sup>6</sup> which occurs subsequent to the actual receipt of the ad by the browser or application. And, importantly, it establishes that the ad actually appeared in a portion of the screen that could be visible to an end user, and it did so for a length of time that theoretically would enable a user to see it and to cognitively recognize it as an ad. Thus, the *opportunity* to see the ad exists. Keep in mind this is not a guarantee that the ad was actually seen, only that the opportunity for it to happen was confirmed to have occurred.

MRC operationalized the concept of OTS in digital advertising through its *Viewable Ad Impression Measurement Guidelines*, which were originally issued in mid-2014.<sup>7</sup> The ability to determine the “viewability” of digital ads was a result of technological breakthroughs that occurred over the prior five years. An organization called RealVu developed a system whereby it could measure the percentage of pixels of digital display ads that were in the viewable portion of a browser window, and accumulate the time for which those ads appeared, and presented this system to the MRC for its review in 2009-2010. Other organizations with similar measurement systems followed soon thereafter. Concurrently, the 3MS initiative was ongoing, and MRC staff and the 3MS principals and their consultant were meeting frequently to discuss the current state of digital measurement, and opportunities that existed to improve it. As a result, the concept of viewability, and the potential it represented to allow for a measurement based on OTS, rather than reliance on a measurement of served ads utilizing a client side counting approach, that, at best, would approximate (and necessarily overstate) the number of those digital ads for which OTS occurred, became a centerpiece of plans for improving both the quality of digital measurement, and to serve as a foundation for making digital measurement more directly comparable with measurements of other media types (in particular, electronic-based U. S. television measurement) in which OTS is largely a given. Thus, the move to a viewable impression standard became the first target goal for 3MS when it issued its “Five Principles for Digital Measurement.”

MRC began to develop industry standards for viewable impression measurement in 2012, and conducted research to understand the current state of the industry and its readiness to transition to a currency based on viewable impressions rather than served impressions, involving extensive investigation and testing. Much of this testing was focused on establishing when the moment of OTS occurs with different formats of digital advertising, and developing general thresholds for what should constitute a “viewable impression” with this intelligence in mind. The guidelines as issued by MRC in 2014 established definitions for viewable impressions for display ads (a minimum of 50% of the ad’s pixels must be in view for a minimum of one continuous second)<sup>8</sup> and digital video ads (a minimum of 50% of the ad’s pixels must be in view

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<sup>6</sup> MRC’s more recent research on viewability led to the understanding that in today’s online environment, certain allowable methods for client-side served ad impression measurement (specifically, what are called “Count on Decision” approaches) no longer provide a high degree of assurance that the ad will render to a user’s screen. As part of a larger process designed to revise existing digital measurement guidelines, MRC plans to work with IAB to update the Served Ad Impression Guidelines later in 2015 to reflect this knowledge, and to tighten the allowable methods for served ad impression counting.

<sup>7</sup> The *MRC Viewable Impression Measurement Guidelines* were updated in August 2015, and can be found at [http://www.mediaratingcouncil.org/081815%20Viewable%20Ad%20Impression%20Guideline\\_v2.0\\_Final.pdf](http://www.mediaratingcouncil.org/081815%20Viewable%20Ad%20Impression%20Guideline_v2.0_Final.pdf).

<sup>8</sup> MRC’s 2012 pilot testing revealed that ads that met the 50% of pixels/one second threshold were 100% in view in approximately 80% of the cases. It is reasonable to expect this percentage to be even higher today with the industry’s greater focus on optimizing site design and other variables for viewability.

for a minimum of two continuous seconds), as well as a series of related metrics that are required to be reported with viewable impression measurements.<sup>9</sup>

The creation of an industry standard for measuring viewable impressions clearly serves to advance the quality of digital measurement by presenting a demonstrable improvement in quantifying those ads for which an opportunity to see existed than did the previous currency measurement method based on client side measured served ads. That alone is a compelling reason for industry adoption. But in the longer term, in MRC's view, an even more important reason for the adoption of viewable impressions as a primary measurement by digital advertising buyers and sellers is that it establishes a core measurement of ad impressions that is more directly comparable with that of other media where OTS is also already integrated. Until the time when viewable impression measurement became feasible, digital ad measurement remained at a disadvantage in comparison to a medium like television, which has certain inherent measurement mechanisms that allow for verification that an ad/commercial message was, in fact, delivered. Also, it is atypical for a television ad, which is fully on screen in most instances, to need to compete with other forms of content vying for viewer attention on the screen at the same time, something that occurs frequently in digital media forms. With the advent of a digital measurement that also integrates OTS, digital providers have the opportunity to create and provide audience-based measurements that not only enhance the ability to understand the demographics or other characteristics of the people to whom the ad was delivered, but these measures also can be more directly compared with and/or combined with television audience measurements, as well as those of other media measurements into which OTS is built. While some digital measurers provided audience-based metrics, such as Gross Rating Point (GRP) estimates, prior to the establishment of viewable impressions, these metrics were of limited utility to data users if they included instances where OTS had not occurred, and therefore direct comparisons to or combinations with television ad impressions were, at best, of limited value. Similarly, such estimates that were not inclusive of the OTS premise could misinform advertisers seeking to understand the return on investment (ROI) of their digital or cross-media ad campaigns, for an ROI analysis properly should consider the return based on those to whom the ad message has been exposed. The use of viewable impression-based measurements corrects for these deficiencies, and provides a basis upon which other data may be leveraged to attribute audience characteristics to viewable ad impressions in a manner that allows for richer analysis of digital advertising and the audiences it reaches,<sup>10</sup> and opens the door to realizing the ability to consider advertising across media platforms in more informed and appropriate ways.

For the reasons noted above, it was essential to MRC's digital measurement standards roadmap that viewable impressions be established prior to the creation of standards for audience-based digital metrics. Over the last several years, the state of viewable impression measurement has advanced significantly. For instance, MRC's pilot testing in 2012 showed that an extremely important quality metric, a measurer's ability to fully measure ad campaigns for viewability, varied greatly because of

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<sup>9</sup> For more information on some of the testing and other events that preceded the issuance of the *MRC Viewable Impression Measurement Guidelines*, see Ivie, G., "The Adoption of Viewable Impressions – Status," paper presented at 2013 Print and Digital Research Forum, Nice, France.

<sup>10</sup> For a discussion of hybrid measurement approaches and other methods that might contribute to such multi-source data sets, see Gunzerath, D., "Current Trends in U. S. Media Measurement Methods," *International Journal on Media Management*, v. 14, issue 2, Summer 2012 (pp. 99-106).



measurement technology limitations that existed at the time, particularly when it came to certain challenging environments in which many online ads appeared. These obstacles have been largely overcome since then, as evidenced by the significant improvement seen in viewability vendors' "measured rates," which is the percentage of served impressions for which a decision concerning the ad's viewability can be made. Measured rates of MRC-accredited viewability providers today is typically no lower than the 85-95%+ range, whereas in 2012 pilot testing, measured rates for campaigns often fell well below 50%.

Now that the pre-requisite of viewable impressions is firmly in place, MRC has begun in earnest to develop new guidelines for audience-based metrics that consider a viewable impression as a minimum foundational requirement for inclusion in the calculation of an audience-based metric, such as a GRP. Key areas to be addressed in these forthcoming audience metrics standards, which are expected to be issued in 2016, will be methods used to attribute audience characteristics to digital viewable ad impressions, and de-duplication of the audience reach of ads, both within and, ultimately, across platforms.

One other MRC standards development effort that is critical to fully addressing the requirements for high quality measurement at the OTS stage is related to providing high assurance that the ad, once successfully delivered and in view on the device, actually has an opportunity to be seen by a human being who is present at the end of this delivery chain. In 2014, MRC initiated an effort to modernize and strengthen all existing measurement guidelines to better detect and filter for invalid and non-human traffic. The finalization of these new guidelines, which were issued for a public comment period on June 30, 2015, will greatly enhance the requirements for filtering impression counts (as well as other ad-related user activity metrics) for ads that may have been delivered but had no opportunity to be seen by a human because they were requested by a robot, spider, or other invalid agent (including perpetrators of fraudulent ad requests), rather than representing legitimate user online activity.<sup>11</sup> Adoption of these guidelines will provide additional assurances to advertisers that the digital measurements on which they rely for decision-making includes only legitimate activity, and will also represent measurements that can be more easily compared with those of other media types in which the perils of non-human actions inflating their measurements are less likely to apply.

Ad is Seen/Engaged by Recipient: For transactional purposes, measurement that occurs at the moment of OTS is critical, for it is at or very near to that point where there is a shift in the level of responsibility held by the seller and buyer, respectively, for reaching the ultimate goal of the ad. Until this point, the seller of the medium in which the ad is delivered bears almost all responsibility for the success of ad delivery, but after this point, responsibility for the ad's success shifts much more to the advertiser, the creator of the ad's message. While the seller still bears some responsibility beyond the moment of OTS (for instance, minimizing ad clutter and providing an appropriate context in which the ad appears are two areas where the seller typically bears additional responsibilities in the transaction covenant), by

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<sup>11</sup> The public comment draft of MRC's *Invalid Traffic Detection and Filtration Guidelines Addendum* can be found at [http://www.mediaratingcouncil.org/GI063015\\_IVT%20Addendum%20Draft%205.0%20\(Public%20Comment\).pdf](http://www.mediaratingcouncil.org/GI063015_IVT%20Addendum%20Draft%205.0%20(Public%20Comment).pdf).

providing OTS, the seller has fulfilled its primary obligation to the buyer. It is only at this point that the content of the advertisement itself can be consumed by an end user, and the nature of that content also can play a key role—and is often the overriding factor—in the ultimate effectiveness of an ad in how well it can encourage user engagement, message cognition, and behavioral action.

In a sense, everything that happens in the ad serving and delivery process up to this point concerns providing for an opportunity for an ad to be effective; starting here and moving beyond, achieving effectiveness is largely dependent on the advertisement itself. Of course, in addition to the ad's content, the ad's placement by the seller can contribute to its effectiveness. In fact, it is to the seller's competitive benefit to enhance the value of its ad placements in relation to the placements of other sellers by making efforts to contribute to the ad's likelihood of success after OTS is achieved. But that said, the importance of a measurement that can quantify a user's engagement with an ad really goes more to the relative value of the ad or ad placement than it does to providing a baseline measurement to facilitate transacting that quantifies whether the seller of ad space/time has fulfilled its fundamental obligation of delivery of the OTS moment for a targeted audience to a buyer of that ad space/time.

In fact, one of the greatest challenges to adoption of viewable impressions by the marketplace to date has been a misunderstanding of this fundamental fact, and considering currency based on viewable impressions as solely an end in itself. As noted earlier, MRC considers viewable impression measurement to represent a substantial improvement over client-side served impression measurement (the primary digital advertising currency metric in place prior to the creation of viewable impression measurement standards) in the way in which impressions are counted, but even more importantly, it lays a foundation for other measurement improvements that have implications not only within digital media, but across media types because of their facilitation of cross platform analytics. Certainly, a digital video advertisement that is in view for two seconds is highly challenged to effectively impart a brand's message, but that is not the purpose of a viewable impression. Viewable impressions serve as a foundation upon which other metrics that can more appropriately gauge engagement with the ad, and, ultimately, the ad's effectiveness, can be built, and can be done so in a way that can be comparable with similar measurements in other media. It is at this later stage of MRC's digital standards development efforts that it will address these issues, which go more to measurement of the success of the ad's messaging, rather than measurement of the success of the ad's delivery, which has been MRC's primary focus to date.

3MS's Principle #4, determining "interactive metrics that matter," is centered on the creation of measurements to ascertain user engagement with ads. Engagement itself pre-supposes the ads have actually been seen. Standards development for such metrics is on a coming phase of MRC's digital roadmap,<sup>12</sup> and IAB began the work necessary to develop standards for such measures through its 2014 issuance of the whitepaper, "Defining and Measuring Digital Ad Engagement in a Cross-Platform World."<sup>13</sup> This whitepaper identified 30 core engagement metrics that can be

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<sup>12</sup> A related effort to develop standards for social media measurement, which is largely focused on how users interact with advertising in social media settings, is already well underway, and a draft version to be circulated for public comment is nearing completion at the time of this writing.

<sup>13</sup> Available at [http://www.iab.net/media/file/Ad\\_Engagement\\_Spectrum2014\\_FINAL2-5-2014-EB.PDF](http://www.iab.net/media/file/Ad_Engagement_Spectrum2014_FINAL2-5-2014-EB.PDF)

comparably defined across the industry. It is anticipated the work done to develop this list will serve as an advanced starting point for the development of measurement standards aimed at capturing commonly accepted measures of engagement with digital ads that can be equally applied to measures of engagement with ads delivered via other media types.

Recipient is Affected by Ad/Ad Message: For an advertiser, it is not simply a matter of reaching a targeted consumer with an ad. This is merely a means to an end, and this desired end begins at this stage, when the ad itself exerts some kind of effect upon its recipient. Whether the ad is memorable, or its message is positively received, or it inspires some action on the part of the consumer are all possible outcomes or effects. In digital advertising, there is wide use of so-called “ad effectiveness studies,” which seek to measure the effects that digital ads have on those people who have been exposed to them. In a sense, these studies are often really just a form of recall-based survey research, facilitated by digital technologies. However, there is general agreement throughout the digital advertising ecosystem that there is much room for improvement in the rigor and true “effectiveness” of ad effectiveness studies themselves. This area, too, is one that is on MRC’s roadmap. MRC believes that bringing industry accepted levels of rigor and more standardized approaches to the defining and execution of research in this area will greatly improve the overall state of the art in understanding digital ad effectiveness, in concert with 3MS’s principles. While MRC’s own *MRC Minimum Standards for Media Rating Research*<sup>14</sup> provide a solid existing framework for evaluation of the quality and effectiveness of such digital ad effectiveness research products, a framework that can be applied to such products today, MRC is also open to developing guidelines that are more specific to these digitally based products as deemed necessary in the future. But because the *MRC Minimum Standards* are already in place, and have served well as the basis for assessments of other survey research products for many years, MRC believes this area can be addressed immediately if the providers of the more prominent digital ad effectiveness research products in the market today will choose to enter the voluntary MRC audit and accreditation process.

Recipient Chooses to Act or Not Act on Ad Message: Finally, this stage addresses measurement of the behavioral outcomes of a successful ad message delivery. Purchase funnel attribution has been a subject of considerable study and discussion in the academic and professional marketing literature for many years. It is possible, and perhaps likely, that measurement at this stage may be most effectively accomplished in customized, rather than industry standardized ways, in that the desired goals of ads can be highly variable depending upon the advertiser, its product, and the purpose for the ad. In addition, the data available through which to measure success at this stage may be highly proprietary to the advertiser. In short, this is not an area that is currently on the MRC future standards development roadmap. The purpose of industry standards is to facilitate understanding and transacting on an industry wide basis; here, understandings may be highly individualized to an advertiser and the circumstances around its ads, and therefore an effort to standardize measurement may not carry the same value as it does at other stages of the model. However, greater standardization of measurement at those earlier stages, each of which MRC is addressing, can facilitate the ability to more completely and accurately evaluate

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<sup>14</sup> See <http://www.mediaratingcouncil.org/MRC%20Standards.htm>.

advertising's impact at this behavioral assessment stage. So while advertisers today may make ROI judgments concerning their ad expenditures versus demonstrated results, as they have since the dawn of advertising, their abilities to do so will become more precise, as will their abilities to intelligently refine the components that go into the execution of their advertising strategies, once the measurements at the prior stages have been improved. Achieving this end state is a key MRC long-term goal.

### **Note on Other Planned MRC Digital Initiatives**

In addition to those measurement standards initiatives noted previously, MRC also plans to address a number of other related issues, most of which are planned for within the next two years. These include certain mobile measurement-specific issues (with mobile viewability measurement foremost among these, and already in process); strengthening the requirements for client-side counted served ad impressions, to provide greater assurances these ads actually render to the screen; addressing native advertising in digital settings; issuing guidance for the measurement of social media activity; more fully addressing consumers' use of ad blockers in digital measurements; and aligning metrics in other media to digital once sufficient progress has been made on the digital roadmap spelled out herein.

### **Conclusion**

MRC has been executing its strategies for enhancing digital measurement with a focus to date on progressively establishing industry standards to allow for more precise and useful measures of the delivery of digital ads to people. This has involved setting standards that will enable the industry to move from measurements based on served ads to those on which evidence that an opportunity to see the ad exists. MRC will build upon this foundational element moving forward, as it sets and promotes standards for removing invalid traffic from measurements, and for attributing audience characteristics and de-duplicating reach for digital ad impressions, including how those impressions intersect with those of the same ad across other media vehicles. Moving forward, MRC plans to more fully address those measures that are focused less on the success of the ad's delivery, and more on the success of the ad's message. Upon completion of these processes, MRC envisions a greatly improved digital ad measurement landscape that is conducive to enhancing the understanding of the efficiency and effectiveness of digital advertising, both independently and in combination with advertising placed in other media channels.