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THE ROAD TO VIEWABILITY:

IT'S A NEW ERA OF ACCOUNTABILITY FOR VENDORS,
PUBLISHERS, AND ADVERTISERS.

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EXECUTIVE SUMMARY

Viewability represents a step change in accountability for all members of the online advertising ecosystem. Now that advertisers can verify whether their ads are being seen, publishers continue to work on creating viewable inventory, and media vendors are rushing to create solutions that increase viewability.

In order to understand the state of viewability today, Quantcast ran experiments from August through October 2013 on more than 100 million impressions across 35 campaigns and six exchanges.

This paper will share the findings from these experiments, and cover four steps advertisers can take to incorporate viewability into their campaigns.

WHAT'S INSIDE

- 1 THE STATE OF VIEWABILITY TODAY
- 2 QUANTCAST FINDINGS ON VIEWABILITY
- 4 NEXT STEPS FOR ADVERTISERS
- 5 THE FUTURE OF VIEWABILITY

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THE STATE OF VIEWABILITY TODAY

In 2012, according to various sources, 1.8 trillion display ads were paid for but not seen.¹ Marketers make display buys with the goal of reaching potential customers, but an ad can't have an impact if nobody sees it. The way the industry is set up today, advertisers pay for ads that are served — not necessarily viewed. But a new wave of accountability is hitting the industry, with advertisers starting to demand viewability standards from publishers and ad-serving vendors. Today, the Interactive Advertising Bureau's (IAB) Making Measurement Make Sense (3MS) initiative defines a viewable display impression as an ad where 50 percent or more of an ad loads onto a page and is present for at least one second.²

Incorporating viewability into campaign evaluation and optimization will have a significant long-term effect on digital ad efficacy. Due to technical challenges, early attempts to measure viewability have resulted in large discrepancies in data and low measurability rates. One major cause of non-measurability results from cross-domain iframes. Iframes are used by both publishers and ad vendors to prevent ads or other outside content from interfering with websites — either intentionally or inadvertently. One consequence of how these iframes work, however, is that the frames restrict access to key data required for calculating viewability, leading to large gaps in data collection.

Some strides toward viewability are already being made. The 3MS initiative is rapidly converging on an official viewability standard, certifying third-party viewability measurement vendors, and rallying the industry toward transacting on viewability. In May 2013, the IAB released the first version of its SafeFrame technology, which includes mechanisms to support viewability. With this technology, media vendors, publishers, and advertisers will be able to see if an ad is viewable and for how long. While SafeFrame doesn't yet report on viewability directly, viewability metrics can be derived from the data it provides.

¹ Liodice, Bob. "The Fourth Quarter Countdown to Viewability." IAB.com. IAB, 12 Aug. 2013. Web. 7 Feb 2014.

² "Making Measurement Make Sense and the First of Five Solutions: The Shift to Viewable Impression." measurementnow.net. Making Measurement Make Sense (3MS), n.d. Web. 7 Feb 2014.

QUANTCAST FINDINGS ON VIEWABILITY

Through research and experimentation, Quantcast has learned that incorporating viewability into campaign goals is very much achievable with the right media vendor. Optimizing for viewability will help direct your budget toward high-quality, high-viewability ad placements that influence customers' purchase decisions.

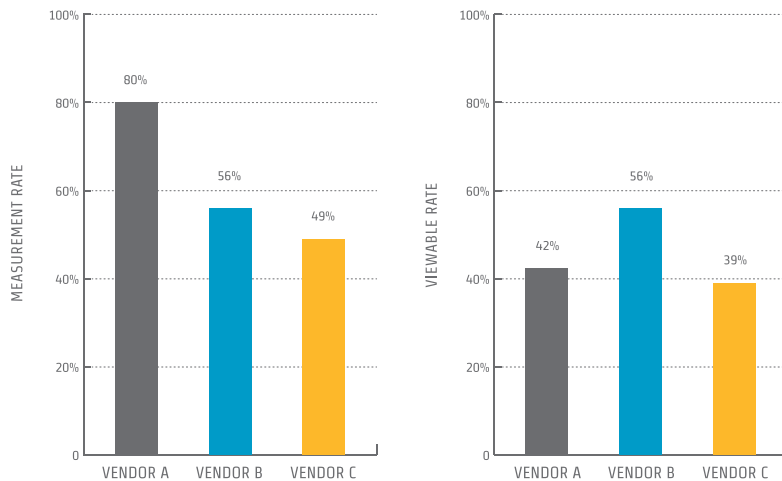
In a number of experiments run from August through October 2013, we tested more than 100 million impressions across 35 campaigns and six exchanges.

HERE ARE SOME OF OUR FINDINGS:

1. MEASUREMENT AT SCALE IS NOW POSSIBLE.

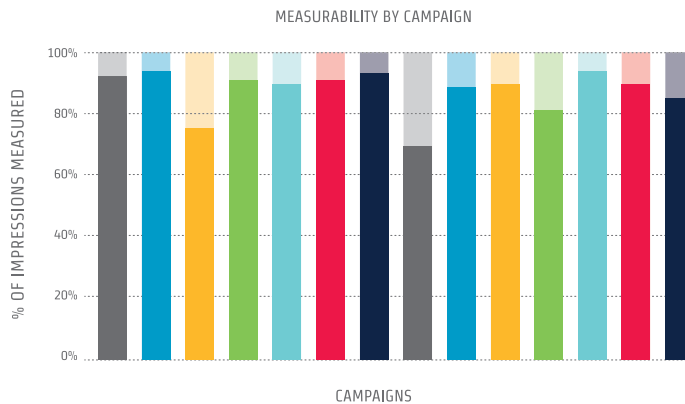
Viewability measurement accuracy is rapidly improving but can still vary, even among leading ad vendors. In our tests, viewability measurement vendors' measurability rates, or the proportion of impressions they are able to evaluate as being in or out of view, varied by up to 30 percent for the same set of impressions. This, in turn, caused variances in reported viewability rates of up to 20 percent.

VARIABILITY IN MEASURABILITY AND VIEWABILITY BY VENDOR PERSISTS



While no viewability measurement vendor can currently achieve 100-percent measurability, choosing a vendor accredited by the Media Rating Council (MRC) can ensure a high level of accuracy. In our experiments, we were able to measure 90 percent of impressions served for viewability by using MRC-accredited measurement vendors.

WE WERE ABLE TO ACHIEVE AS HIGH AS 90% MEASURABILITY USING BEST-OF-BREED VIEWABILITY MEASUREMENT VENDORS



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2. VIEWABILITY IMPACTS THE ENTIRE ADVERTISING ECOSYSTEM.

Viewability involves an ecosystem of media vendors, publishers, and advertisers, and each has a unique role to play in moving advertising accountability forward.

Media vendors need to work with their clients to provide solutions to increase viewability. They also need to work with clients on setting realistic viewability goals that are applied to all ad vendors.

Publishers are increasingly being held accountable for reaching viewability standards and for offering viewable inventory on their sites.

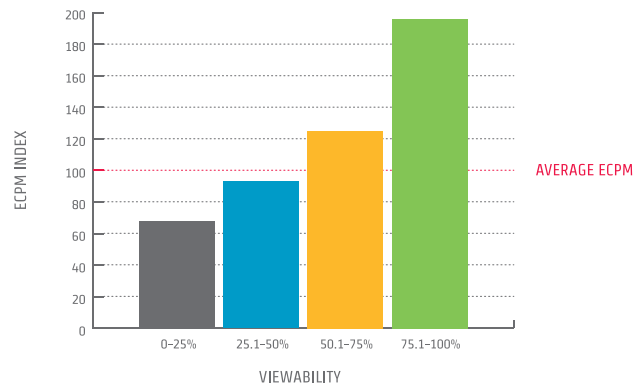
In our tests, higher-viewability sites cleared at CPMs up to 2x above average, suggesting that advertisers are already implicitly pricing placements with higher viewability into their bids. The disparity in CPMs between low- and high-viewability publishers will only increase as viewability develops into an explicit metric that advertisers use to evaluate ad vendors.

As **advertisers** embrace viewability, they can benefit from knowing that their ads are seen, eliminating waste, and increasing campaign accountability and effectiveness. Dollars previously spent on impressions with low viewability can now be redirected to better reach their audience.

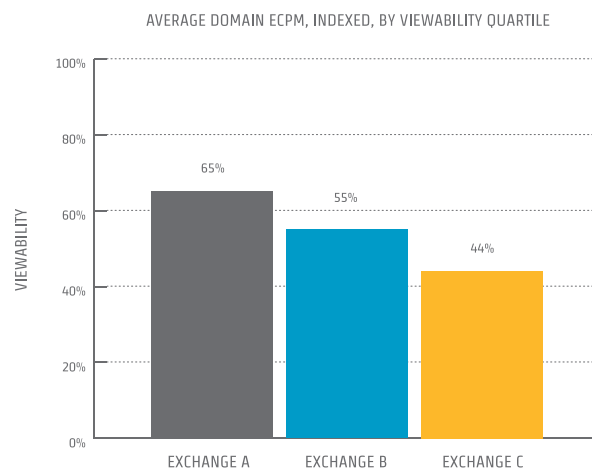
Advertisers also need to be aware of terminology that may be misleading. Publishers often charge a premium for “above-the-fold” (ATF) impressions, as today they have been used as a proxy for viewability. However, being ATF does not guarantee that an impression will be viewable. With one particular exchange in our study, we found that only 44 percent of above-the-fold impressions were actually viewable. This might be surprising, but makes sense in light of the fact that:

1. Some users immediately start scrolling to view content, leaving top ads on screen for less than one second.
2. A significant amount of ATF inventory is self-categorized, leading to inconsistent standards on what constitutes ATF vs. BTF (“below the fold”).

INVENTORY WITH HIGHER THAN 75% VIEWABILITY CAN BE UP TO 2X AS EXPENSIVE AS THE AVERAGE



THE ABOVE-THE-FOLD SIGNALS USED TODAY ARE A POOR PROXY FOR VIEWABILITY — ONLY 44% IN-VIEW FOR ONE EXCHANGE



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NEXT STEPS FOR ADVERTISERS

As an advertiser, there are a few steps you can take right now to get ready for the new era of viewability.

1. PARTNER WITH MEDIA AND VIEWABILITY MEASUREMENT VENDORS TO BETTER UNDERSTAND VIEWABILITY.

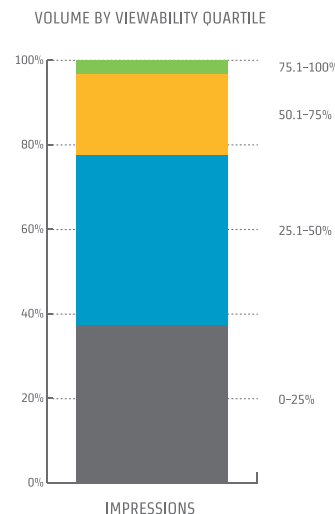
Work with all of your media vendors to optimize toward mutually agreed upon viewability goals. Viewability measurement vendors, those providing reports on campaign viewability, should be able to measure viewability with greater accuracy.

2. DETERMINE AN APPROACH THAT WORKS FOR YOUR BUSINESS.

There are several ways advertisers and media vendors can work together on viewability today. Regardless of which method you choose, you should hold all media vendors to the same standards.

- **Viewability goals:** The media vendor agrees to optimize the advertiser's campaign toward a mutually agreed upon viewability percentage.
- **Viewability guarantees:** The media vendor contractually guarantees a mutually agreed upon viewability percentage. Both parties agree on guidelines for measurement and a method for resolving discrepancies.
- **Viewable CPM (vCPM):** A buyer only pays for viewable impressions on a CPM basis. This buying method relies on viewability measurement vendors being able to provide accurate measurement for each impression served and may not be widely available until viewability measurement vendors increase their measurement rates to near 100 percent.

LIMITED INVENTORY AVAILABILITY ABOVE 75% VIEWABILITY



3. SET REALISTIC CAMPAIGN GOALS.

It is difficult to achieve greater than 75 percent viewability with RTB ads due to the limited amount of inventory at or above that level of viewability. Ad viewability also depends on user behavior. Users can be quick to scroll or click away, creating a natural limit to what viewability goals are achievable at scale. It is a good idea to work with your media vendors to select viewability goals that suit your campaign.

4. SET HIGH STANDARDS FOR VIEWABILITY MEASUREMENT.

As a baseline, advertisers should choose to work with MRC-accredited viewability measurement vendors. When advertisers agree to work only with these accredited viewability measurement vendors, they push all measurement vendors to meet the same standard in reporting.

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THE FUTURE OF VIEWABILITY

While the concept of viewability has existed for a few years, it is just now coming into the forefront of online advertising discussions.



In the future, viewable impressions will be the standard for brand campaigns as ad server integration ramps up. Media vendors and publishers will be pushed to adopt viewability standards in order to remain competitive, and advertisers will reap the benefits of increased accountability and efficiency. Brand advertisers will increase transactions based on online gross rating points (GRP) next year, and viewability will be baked into these metrics. Performance advertisers will begin connecting viewability and attribution, helping them understand for the first time which of their ads were most effective in contributing to conversions, and which ads were not seen at all.

We're now in a period of flux, where viewability and measurability levels vary, and where standards are being created, but have not yet been widely adopted or enforced. One thing is clear, however: viewability will have a significant long-term effect on digital ad efficacy and accountability for all parties involved in online advertising — media vendors, publishers, and advertisers.

TO LEARN MORE ABOUT QUANTCAST'S DISPLAY ADVERTISING SOLUTIONS,
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