
January 24, 2025

Question of the Week:

“Why is it important to demand transparency from my media partners?”

12 key reasons why transparency needs to matter for marketers:

The risks associated with opaque ad placements

- ▶ Transparency is a cornerstone for effective marketing campaigns, yet it remains a persistent challenge. Despite industry discussions, the lack of transparency often leaves marketers exposed to risks that can undermine their efforts and investments

1 Significant amount of wasted media spend	2 Brands may appear in poor advertising environments	3 Low-quality ad experiences can negatively impact brand perception	4 Potential for metric inflation and misrepresented ad placements
5 Possibility of paying premium pricing for non-premium placements	6 Misaligned incentives which could lead to poor advertising decisions	7 Brand safety issues including alignment with objectionable content	8 Ad fraud, which accounts for a significant share of digital ad spending
9 Lack of accountability may occur which could lead to a loss of campaign control	10 Appearing alongside misinformation can affect consumer sentiment	11 Fines have been levied for breaking privacy laws and misusing children's data	12 Unknowingly funding organized crime and other illicit activities

By aligning with trusted, transparent media partners, marketers can strengthen their strategies, build trust, and drive long-term success.

Transparency is widely discussed in the industry, but addressing the challenges remains difficult **despite associated risks**



Financial Risk



**Brand Reputational &
Corporate Risk**



Legal Risk



1

Lack of transparency can lead to a significant amount of wasted media spend in many cases

- ▶ Roadblocks are often attributed to differing interpretations of what 'transparency' truly entails or a focus on short-term efficiencies over quality



12/5/2024

The ANA Releases Its Second Transparency Report – Hits The Open Web As 25% Waste

The ANA estimates that the open web programmatic market is about \$88 billion this year – 25% of which is straight-up waste.

Of that wasted \$22 billion, \$10 billion accrues to made-for-advertising websites and \$12 billion represents ad tech margin efficiencies. Which explains recommendations from the ANA like reducing vendors, resetting contracts, establishing direct lines to media sellers and switching to inclusion lists.





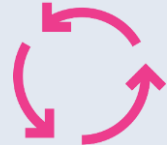




Programmatic media suppliers in particular tend to skate by some brand marketers, according to ANA EVP Bill Duggan. Other channels are well understood or just less complicated, but he said marketers get “embarrassed to ask questions that could make them be perceived as being stupid” when the programmatic pros are explaining themselves.

“Everyone says they are supporters of transparency, until they’re the ones asked to be transparent,” the ANA *Programmatic Media Supply Chain Transparency Report* cites, attributing the quote to a statement overheard at an ANA conference.

2

Lack of transparency can result in brands appearing in poor advertising environments

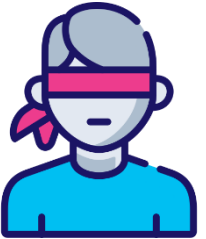
Examples of video ads running in subpar placements

 <p>In a small corner or side of a page</p>	 <p>In a fully muted video player</p>	 <p>With little to no video content between consecutive ads</p>	 <p>'Auto-plays' without any user interaction or initiation</p>	 <p>Ad plays continuously on a loop</p>
 <p>Multiple video ads playing simultaneously on the same page</p>	 <p>The 'skip' button on a video ad is hidden or obscured</p>	 <p>Runs out of sight while the audio plays</p>	 <p>Ads served "stacked" on top of another ad</p>	

3

A low-quality advertising experience, because of a lack of transparency, can **negatively impact consumer perception of a brand**

% of respondents that agree with the following on digital ads



86%

Too many ads on a webpage makes them feel overwhelmed and **more likely to ignore the advertisement**



72%

Annoying or intrusive ad experiences have **negatively affected their perception of a brand**



66%

Annoying or intrusive ad experiences make them **less likely to purchase from that brand in future**

Source: YouGov / Picnic, Ad UX Survey, 2023.

4

Lack of transparency can result in issues like **metric inflation** and **misrepresented ad placements**

EM | EMARKETER

April 2, 2024

Meta inflates ad viewership projections by 400% class-action lawsuit alleges

Search Engine Land

March 29, 2024

Advertisers sue Meta for allegedly inflating ad viewership in \$7 billion lawsuit

The advertisers claim they were unfairly charged inflated premiums to serve ads on Facebook and Instagram.

AdNews

August 20, 2018

Facebook sued for 'misleading' advertisers on potential reach



February 19, 2021

Facebook knew ad metrics were inflated, but ignored the problem to make more money, lawsuit claims

THE WALL STREET JOURNAL.

June 27, 2023

Google Violated Its Standards in Ad Deals, Research Finds

About 80% of Google's video-ad placements on third-party sites violated promised standards, new research shows; Google disputes claims



July 26, 2023

Google Sued by Advertisers for Allegedly Inflating Video Ad Metrics

Forbes

June 28, 2023

Google's Ad Scam Eerily Similar To Facebook's Metric Inflation Scam

EM | EMARKETER

December 15, 2023

Google will face a class-action antitrust lawsuit from small advertisers



November 28, 2023

Adalytics Exposes An Alleged \$10.5 Billion Black Hole In The Google Search Partners Program

ADWEEK

July 11, 2023

Ad Buyers Redirect YouTube Strategies After Report Accuses It of Violating Standards

5

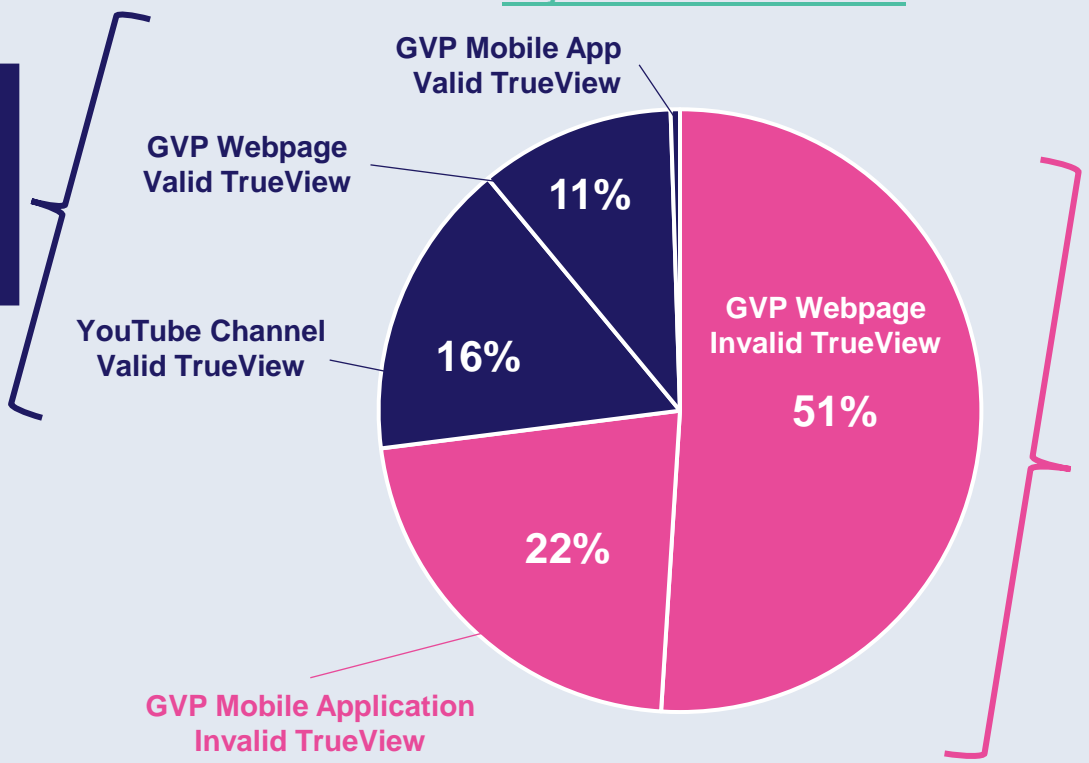
Ad placement misrepresentation may include marketers potentially paying premium pricing for non-premium inventory

▶ A study by Adalytics claimed a significant share of advertisers' spend on Google's ad network went to lower-quality placements

Distribution for YouTube TrueView In-stream Ad Campaign Budget Spend on YouTube vs. Google Video Partner (GVP) Network

Major Infrastructure Brand

Valid Placements
27% of YouTube buy spend were 'valid TrueView, skippable, in-stream video ads'



Invalid Placements
73% of YouTube buy spend was misrepresented as 'valid TrueView, skippable, in-stream video ads' when they were not

Source: Adalytics Research LLC, 'Did Google Mislead Advertisers About TrueView Skippable In-Stream Ads for the Past Three Years?' report, June 2023. Note: after the Adalytics report was released, YouTube changed the name of their 'in-stream ads' format to 'skippable ads' throughout Google Display and Video 360, according to a 'What's New: July 2023' Google Blog Post and reported by Adweek on 8/7/23.

6

Lack of transparency can create misaligned incentives which could lead to poor ad decisions, especially among small and medium businesses

ADWEEK

8/26/24

Google Sought to Pay Agencies Hundreds of Millions to Sway Media Buys

Antitrust documents detail how Google planned to incentivize agencies in 2018

Arielle Garcia, director of intelligence at industry watchdog Check My Ads, who formerly worked at ad-buying giant UM, described the program as benefitting Google. Garcia has first-hand knowledge of Google's program, she said.

"[Google] tends to recommend things that benefit themselves more so than advertisers," Garcia said.

What makes Google completely different "to another publisher or media vendor that participates in upfront negotiations is that the universe that you can transact through Google's platform is endless," the media auditor source said.

For instance, to fulfill a minimum spend commitment under an incentive program with a TV company, there are a finite number of shows in which agencies can buy airtime. But with Google, much more inventory is on the table, making it more likely brands don't know which exact Google media their agency is buying, the source continued.

ADWEEK

9/3/24

Agencies Continue to Receive Perks From Media Owners That Aren't Disclosed to Clients

Misaligned incentives can lead to wasted media spend

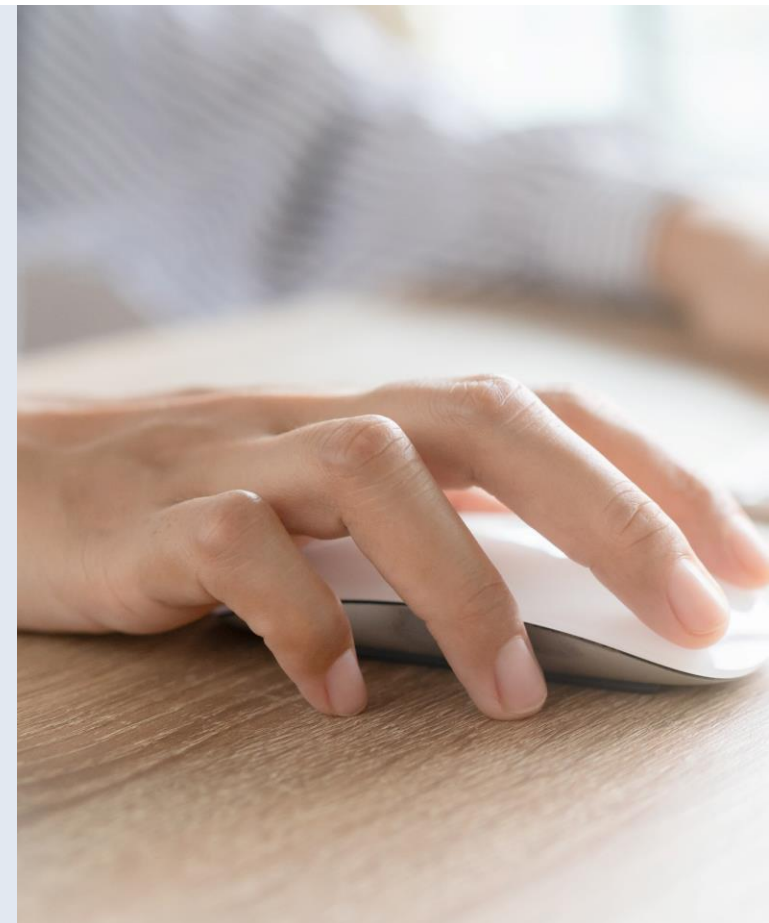
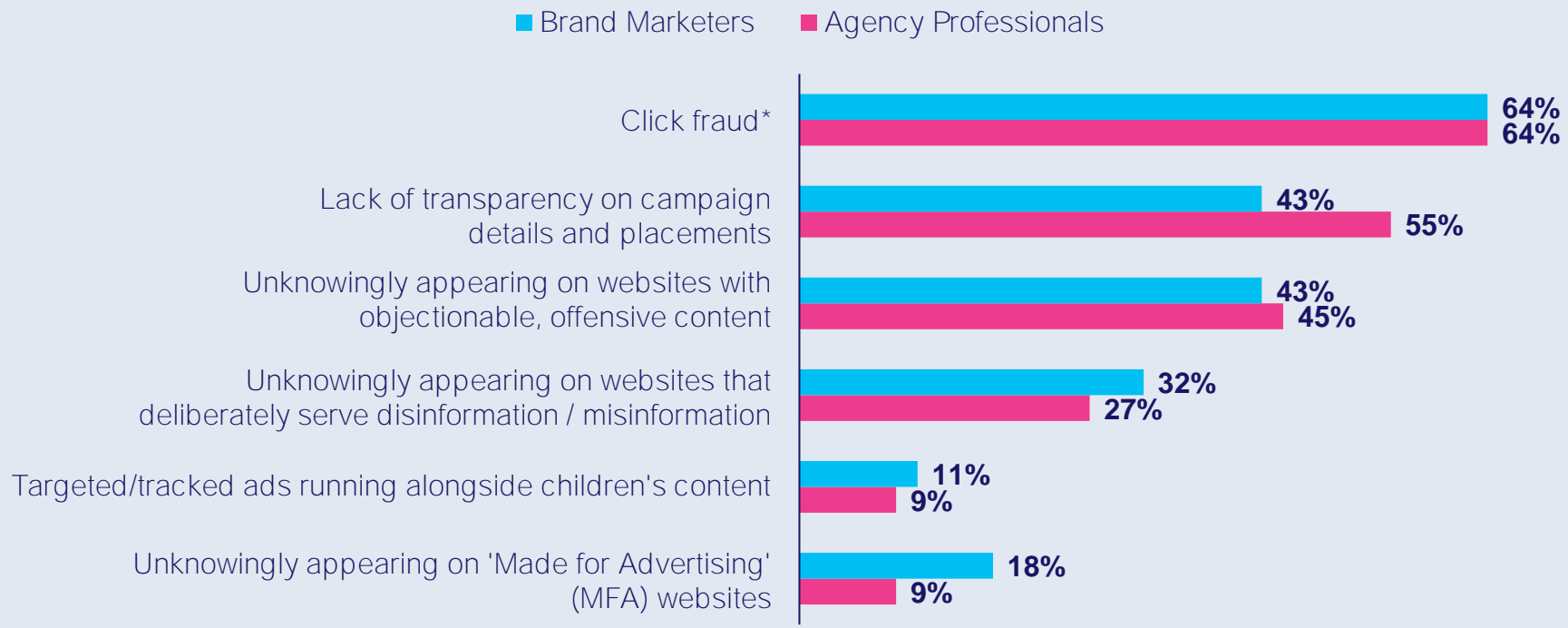
Incentive programs between large media companies and agencies continue to lead to poor advertising decisions and less transparency for smaller clients, 10 sources from agencies, brands, and publishers told ADWEEK.

Small and medium-sized clients were less likely to have stipulations in their contracts with agencies to ensure incentive programs are disclosed, the first buyer source said.

Medium-sized buyers would spend more with Google, "and then the rebates would come and they would typically go back to the agency or go back to the bigger clients," the first buyer said.

7 Lack of transparency can lead to **brand safety issues** like ad fraud and alignment with objectionable content and misinformation

% of respondents who are concerned about the following
For Their Business / Client's Businesses



Source: VAB / Advertiser Perceptions 'Marketer Sentiment on Ad Fraud' Survey, November 2023. Survey base: Marketer and agency contacts from the Advertiser Perceptions 'Senior Marketer' and 'Streaming Video' online communities. Q3A. What are your top 3 concerns surrounding digital ad fraud regarding [your business/your clients' businesses]? Base = Total Respondents. *Click fraud' refers to bots, click farms, etc. that generate fake clicks on an ad or website.

8

Ad fraud accounts for a significant share of digital ad spending and almost \$1 out of every \$3 dollars being spent in mobile is fraudulent

% of Global Digital Ad Spend Lost to Ad Fraud
by platform



22%

of digital ad spend



30%

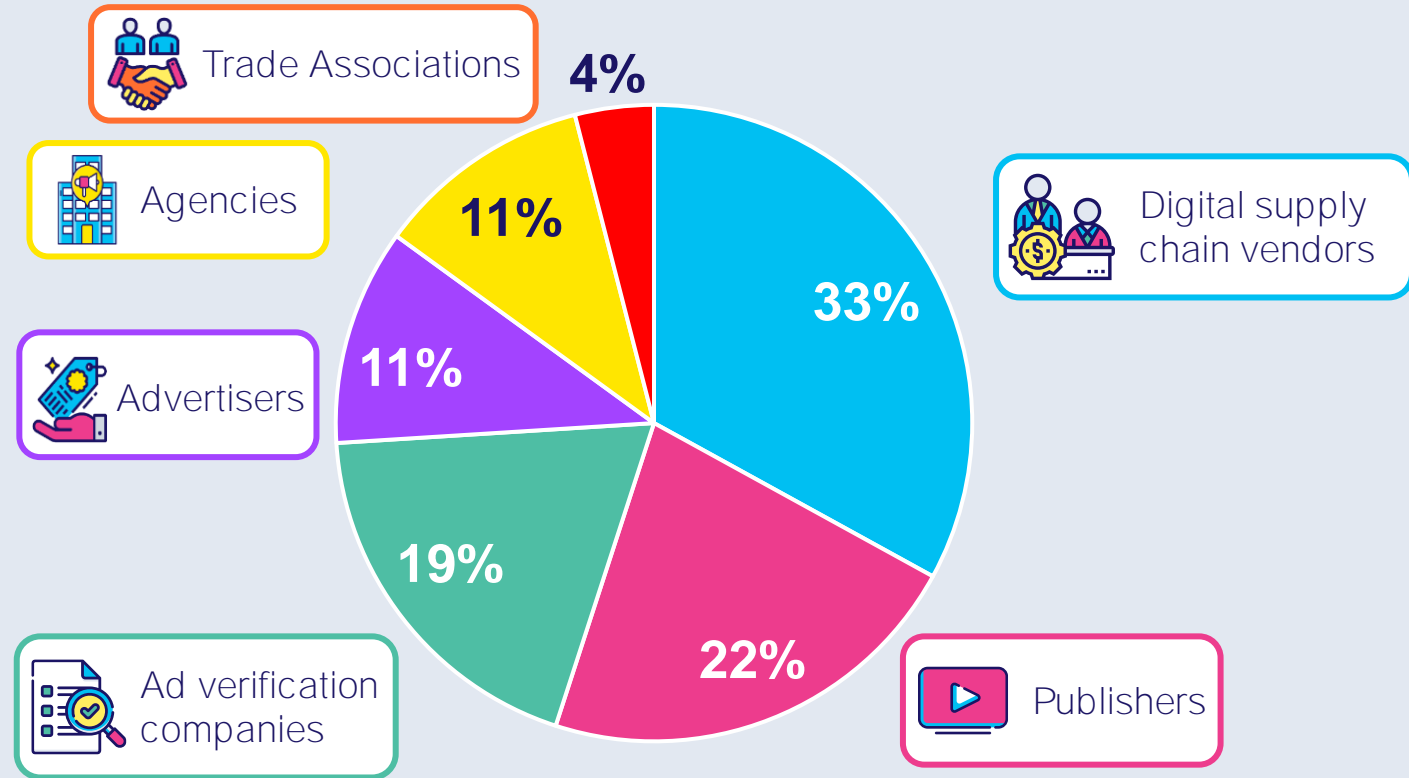
of mobile ad spend

Source: Juniper Research, *Quantifying the Cost of Ad Fraud: 2023-2028*, 9/26/2023. Based on 2023 estimates.

9 There is a need for greater accountability as many marketers often defer to media partners to address ad fraud

% of brand marketer respondents who believe the following are responsible for preventing digital ad fraud

Only 22% hold agencies or advertisers accountable (i.e., those most directly responsible for the brand's business)



Source: VAB / Advertiser Perceptions 'Marketer Sentiment on Ad Fraud' Survey, November 2023. Survey base: Marketer and agency contacts from the Advertiser Perceptions 'Senior Marketer' and 'Streaming Video' online communities. Q10. Please rank the following based on who you believe is most responsible for preventing digital ad fraud? Base = Brand Marketer Respondents.

10

Appearing alongside misinformation can unfavorably influence consumer sentiment and have a drastic negative impact on brands



73%

of consumers agree that they would feel unfavorably towards brands that have been associated with misinformation*



65%

of consumers say that they are likely to stop buying from a brand that advertises next to misinformation**

Source: Integral Ad Science, *Advertising in the Age of Misinformation*, 2022. Based on survey of 1,189 U.S. adults in July 2022. *Reflects respondents who answered 'agree' or 'strongly agree'. **Reflects respondents who answered 'likely' or 'very likely'.

11

Lack of transparency has led to digital platforms and brands being fined for breaking data privacy laws and misusing data from children

Instagram

\$402MM

in EU for allegedly mishandling children's data

TikTok

\$367MM

fine by Irish Data Protection Commission for allegedly mishandling children's data

Google

\$155MM

in settlements over location tracking

Twitter (now 'X')

\$150MM

fine for allegedly breaking privacy promises

Epic Games ('Fortnite')

\$520MM

to settle charges of children's privacy violations and deceptive practices

Microsoft

\$20MM

for collecting and retaining personal information from children

British Airways

£20MM

over breached data, some of which was shared with Google and Facebook

TikTok

\$16MM

UK fine for misusing children's data

BetterHelp

\$8MM

to online therapy users for alleged data misuse, including sharing metadata with Facebook and Google

GoodRx

\$2MM

for sharing user's health data with Google and Facebook

■ Fines Related to Mishandling of Children's Data

■ Fines Related to Data Leaks / Breaches

12

Lack of transparency in digital advertising has also caused brands to unknowingly fund organized crime and other illicit activities



Organized Crime Gangs Earn Big Bucks in Shift to Fraud

Gangs around the globe fuel billion-dollar underground economy April 20, 2022



First search result leads to malware: crooks now paying for ads

November 15, 2023



Feds seize 17 web domains used by North Korean tech workers in fraud scheme

October 19, 2023



How a Chinese malware gang defrauded Facebook users of \$4 million

SilentFade group utilized a Windows trojan, browser injections, clever scripting, and a Facebook platform bug to buy and post ads on behalf of hacked users.

October 1, 2020



Millions of hacked Android and iOS phones are being used to run a massive ad fraud campaign

October 10, 2023



'Biggest Ad Fraud Ever': Hackers Make \$5M A Day By Faking 300M Video Views

November 10, 2021



White Ops Blows The Lid Off A \$1 Billion-Plus Russian Botnet

December 20, 2016



Google continued to serve ads on Russia-linked and other websites after they were placed on US sanctions list, a report finds

April 20, 2022



YouTube ads found on extremist content channels, reigniting company's brand safety issues

April 20, 2018



Sponsored Ad Fraud: Mystery Box Scams Flood Social Media

February 29, 2024



Russian Cybercriminal Sentenced to 10 Years in Prison for Digital Advertising Fraud Scheme

November 10, 2021



Digital (Money Laundering, Tax Evading, Terrorist Funding) Advertising

January 1, 2021

True transparency ensures full visibility into ad placements and the quality of data used to inform and measure campaign success

▶ Transparency refers to the amount of information shared throughout the campaign lifecycle, enabling clear communication between the sell-side and the buy-side.

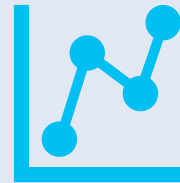
Marketers should demand complete transparency on...



The full lifecycle of all video ad units within your campaign by media partner



All calculations of video ad impressions by media partner



The granular details of exact ad placements, by type and inventory source, across each media partner



The composition of ad placement types and inventory sources in audience metrics such as reach calculations by media partner



Have media partners bring in a truly independent third party to provide transparency on a now-permanent basis

True verification

Also, the [FreeWheel Council for Premium Video](#) and [VAB](#) have partnered to advocate for the value of premium standards. [Click below to download and learn more!](#)

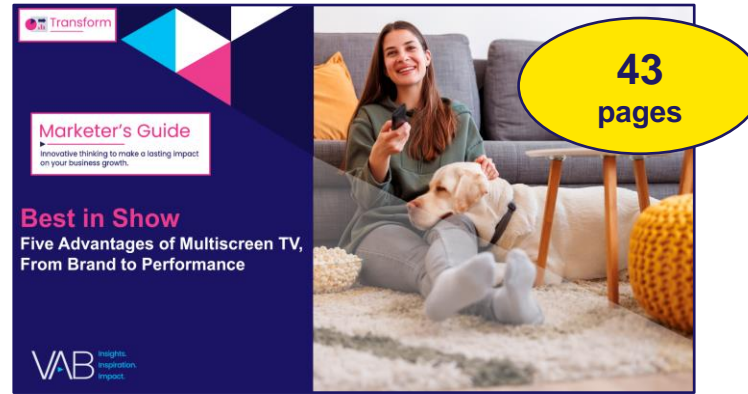
[Buying Premium Video: A Definitive Checklist](#)

Download these other VAB resources to understand more about the importance of transparency, brand safety and quality within ad campaigns



41 pages

The Power of Premium Video
What It Means for Multiscreen TV and Why It Matters to Marketers



43 pages

Best in Show
Five Advantages of Multiscreen TV, From Brand to Performance



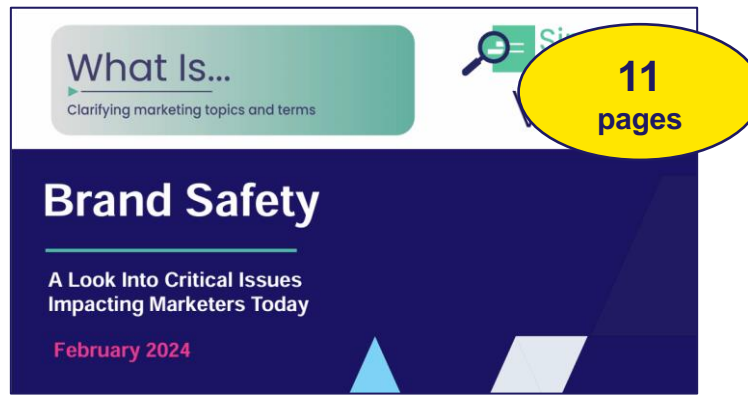
28 pages

The Consumer Connection
Understanding the Effect of Quality Across Media Platforms



24 pages

The Credibility Crisis
How People Find Trusted News Amidst a Wave of Misinformation



11 pages

What is Brand Safety?
A Look Into Critical Issues Impacting Marketers Today



49 pages

Hidden Costs
Three Critical Business Ramifications of Digital Ad Fraud

Download our full 'Exposed' marketer's guide and 'snackable' FAQs to understand marketers' views on transparency and brand safety in media

Full **51-page custom survey** of marketers and agency professionals on the **common misconceptions** and **misunderstandings** around **transparency**, **ad fraud** and **brand safety**



Marketer's Guide
Innovative thinking to make a lasting impact on your business growth.

Exposed
5 Inconvenient Truths We Learned From Marketers

Click to Download

VAB insights. reputation. impact.

Other 'Exposed' Marketer FAQs



Marketer FAQs

Who is responsible for monitoring ad fraud within my campaign?

VAB insights. reputation. impact.

Who is responsible for monitoring ad fraud within my campaign?



Marketer FAQs

How can I effectively address ad fraud within my campaign?

VAB insights. reputation. impact.

How can I effectively address ad fraud within my campaign?



Marketer FAQs

Will prioritizing cost over quality impact my ad campaign outcomes?

VAB insights. reputation. impact.

Will prioritizing cost over quality impact my ad campaign outcomes?



Marketer FAQs

What are the misconceptions about ad fraud across media platforms?

VAB insights. reputation. impact.

What are the misconceptions about ad fraud across media platforms?



Marketer FAQs

Does ad fraud pose any risks beyond affecting my campaign metrics?

VAB insights. reputation. impact.

Does ad fraud pose any risks beyond affecting my campaign metrics?



September 13, 2024

Question of the Week:

"Are there potential risks associated with incentives provided by digital platforms?"

VAB insights. reputation. impact.

Are there potential risks associated with incentives provided by digital platforms?

About VAB

VAB plays a dual role in the video advertising industry. We are leading the change to bring about a more innovative and transparent marketplace. We also provide the insights and thought leadership that enables marketers to develop business-driving marketing strategies.

Drawing on our marketing expertise, we **simplify** the complexities in our industry and **discover** new insights that **transform** the way marketers look at their media strategy.



We are committed to your business growth and proud to offer VAB members, brand marketers and agencies **complimentary access** to our continuously-growing Insights library. **Get immediate access** at theVAB.com.

