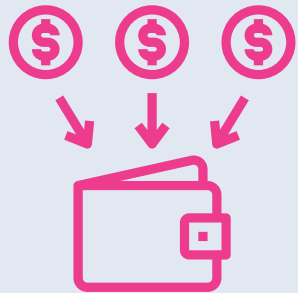

September 13, 2024

Question of the Week:

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

Media buy incentives provided by digital platforms are a common practice which can include pricing discounts, free media and rebate programs



85%

of marketers receive some kind of incentive from their digital campaign partners

Top Incentives Received % of total respondents



Discounts on standard pricing
62%



Free media & impressions
38%



Access to innovative products*
38%



Access to exclusive premium inventory
38%



Campaign assistance**
38%



Educational training programs
21%



Rebate programs / cash payments
15%

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. Q4. Are [you/your clients] incentivized by digital campaign partners in any of the following ways? Base = Total Respondents. *e.g., generative AI tools, etc. **e.g., access to proprietary research, on-site consultation.

Incentives from digital platforms can appeal to marketers and agencies for cost savings but may risk compromising quality and transparency

- ▶ Marketers and agencies have different reasons to push for lower costs including pressure from procurement or KPI directives from clients



69%

of brand marketers and agency professionals do not prioritize brand safety over lower CPMs

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. Q6. What solutions [is your company/are your clients] using to prevent digital ad fraud? Base = Total Respondents.

What are some of the risks that could be unknowingly tied to digital media buy incentives that marketers should be aware of?



Recent reports have raised concerns about practices related to incentives with digital platforms, especially for 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.

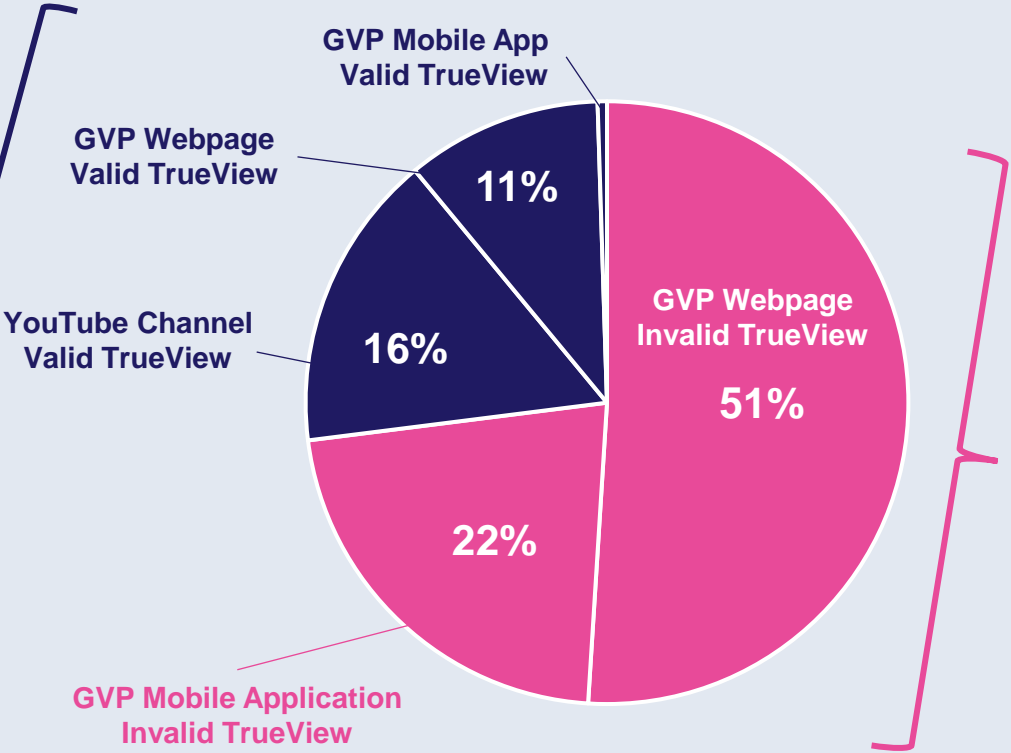
Medium-sized buyers would spend more with Google, "and then the rebates would come and they would typically go back to the agency or go back to the bigger clients," the first buyer said.

Separately, a study by researchers at Adalytics claimed advertisers may be paying premium pricing for non-premium placements on digital platforms

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.

Major digital platforms offer audience network extensions but the lack of transparency around these **websites can cause brand safety concerns**

Audience Networks (aka Audience Extensions)

A way to expand the reach of a digital campaign with a single publisher by using cookies to identify and track user's activity on other websites/apps and then serving ads to the same audiences on those 3rd party websites/apps.

Examples of Audience Networks



Google Video Partners Network

*'Partners are publisher websites and mobile apps where you can show your video ads to viewers **beyond YouTube**'*



Meta Audience Network

*'Extends Meta's people-based advertising **beyond the Facebook app**'*



Pangle (TikTok)

*'Gain access to Pangle's **vast network of mobile apps**'*



LinkedIn Audience Network

*'Delivers ads beyond the LinkedIn feed to members on trusted **third-party apps and sites**'*



Microsoft Audience Network

*'Ad placements are cross-device and include premium sites like MSN, Outlook.com, Microsoft Edge, **and other partners**'*

Source: Google Ads Help, [About Google video partners](#); Meta Business Help Center, [How Meta Audience Network works](#); Pangle, [How to level up your ad campaign on Pangle](#); LinkedIn Help, [LinkedIn Audience Network FAQs](#); Microsoft Advertising Help, [About Microsoft Audience Ads](#). To learn more about terminology and facts around digital advertising, click the link to download ['What Is Digital Ad Fraud'](#)

Audience networks can include several ‘Made for Advertising’ websites, which creates **negative brand associations and wasted ad dollars**

“The most problematic are going to be display ads shown on a variety of third-party websites. All of those individual website owners, **publishers are actually incentivized to engage in fraudulent activity.**”

CMO, Consumer Electronics Category
(Anonymous)

4,500+

projected number of existing
‘Made for Advertising’ Sites*

**\$10B estimated annual
global advertising spend**

Source: VAB / Advertiser Perceptions ‘Marketer Sentiment on Ad Fraud’ Survey, based on in-depth interviews, fielded October 2023. Survey base: Marketer and agency contacts from the Advertiser Perceptions ‘Senior Marketer’ and ‘Streaming Video’ online communities. *ANA (Association of National Advertisers), *Programmatic Media Supply Chain Transparency Study – Complete Report*, December 2023. To learn more about terminology and facts around digital advertising, click the link to download [‘What Is Digital Ad Fraud’](#)

A lack of campaign buy transparency can also mean that **video ads may play in poor environments** which can devalue brands

Examples of video ads running in subpar placements



In a small corner or side of a page



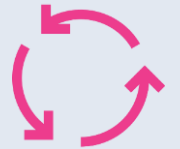
In a fully muted video player



With little to no video content between consecutive ads



'Auto-plays' without any user interaction or initiation



Ad plays continuously on a loop



Multiple video ads playing simultaneously on the same page



The 'skip' button on a video ad is hidden or obscured



Runs out of sight while the audio plays



Ads served "stacked" on top of another ad

A lack of transparency can also lead to **alleged fraudulent advertising activities**, including metric inflation and ad placement misrepresentation

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

Hollywood
REPORTER

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

adexchanger

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

Marketers can protect the integrity of their digital campaign buys by **taking an active role in demanding transparency** across all their media & verification partners

A graphic with a pink and white geometric pattern of triangles. The word "Know" is written in large white letters. To the right, a white play button icon is inside a dark blue triangle pointing right.

Know

Know precisely where your video ad campaign is running and exactly who is watching it.

A graphic with a yellow and white geometric pattern of triangles. The word "Stop" is written in large white letters. To the right, a white play button icon is inside a dark blue triangle pointing right.

Stop

Stop considering any ad video "premium" that lacks a fully transparent ad process.

A graphic with a teal and white geometric pattern of triangles. The word "Insist" is written in large white letters. To the right, a white play button icon is inside a dark blue triangle pointing right.

Insist

Insist on campaign transparency from all your video ad partners.

A graphic with a light blue and white geometric pattern of triangles. The word "Trust" is written in large white letters. To the right, a white play button icon is inside a dark blue triangle pointing right.

Trust

Trust multiscreen TV to always be fully transparent, accurate and accountable.

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

**Buying Premium Video:
A Definitive Checklist**

Key Marketer Takeaways

- ▶ Media buy incentives from digital partners may sometimes favor the platform's goals over the **advertiser's objectives which can affect campaign choices**
- ▶ Lack of campaign transparency with digital partners can lead to ads appearing in poor environments and placements that were unknown to marketers which can impact brand safety
- ▶ Even if they receive incentives like discounts, free media or rebates for their ad investments, marketers should seek full transparency from their media partners to protect against brand safety risks and ensure the campaign is supporting their overall business objectives

Download these **other VAB resources** from our 'Exposed' marketer's guide 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?

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.



To learn what marketers think about advertising transparency, ad fraud and brand safety we conducted independent research



VAB's custom study results are based on responses from **senior brand marketers** and **high-level agency professionals**. These individuals are part of Advertiser Perceptions' Insights Community, a **distinguished panel of industry experts** who are deeply experienced and constantly tuned into the latest trends and developments.

Their keen awareness and understanding of the ever-evolving advertising landscape make them uniquely positioned to identify the industry's most pressing challenges.

- ▶ Part I: in-depth interviews of 5 select respondents
 - ▶ September 26 – October 2, 2023
- ▶ Part II: quantitative survey of 39 respondents
 - ▶ November 10 - 14, 2023

Respondent Qualifications:

- ▶ Senior level decision-makers involved in digital video, CTV and / or linear TV campaigns
- ▶ Mix of category verticals
- ▶ Mix of annual media spend levels
- ▶ Senior job level / title