

A Fresh Take

Staying ahead of evolving dynamics in the marketplace and our culture

The Credibility Crisis

How people find trusted news amidst a wave of misinformation





We are in an age of misinformation, particularly in online media.

Why should brands care?

Consumers are increasingly worried about the spread of false information online and they often hold brands responsible for putting ad dollars towards untrustworthy publishers.

Might brands be inadvertently responsible?

Often due to a lack of transparency from digital ad-tech about where ads are running, many brands are inadvertently funneling billions of ad dollars to questionable news sites that profit from publishing fraudulent stories. This poses several risks to those brands.

How can brands mitigate their risk?

Multiscreen TV platforms are credible, trusted news sources in an age of widespread misinformation online and offer professional content in transparent environments.

Consumers are very concerned about misinformation online and they often have a negative response to those brands that advertise alongside that content



Eight out of ten consumers are troubled by the proliferation of unreliable or false information across digital ad-tech platforms

80%

of consumers believe misinformation is a serious issue in digital media



Source: Integral Ad Science, *Advertising in the Age of Misinformation*, 2022. Based on survey of 1,189 U.S. adults in July 2022.

In fact, many consumers report seeing false or misleading news and information regularly online

65%

of respondents are concerned about **what is real** and **what is fake** on the internet when it comes to news

% of U.S. respondents who have seen false or misleading information on the following topics online in the last week



Source: Reuters Institute, *Digital News Report 2023*. Based on global research conducted by YouGov, end of January – beginning of February 2023. Reflects respondents from North America.

Appearing alongside misleading content 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'.

Consumers often even hold brands themselves accountable for the spread of false information across news platforms and expect CEOs to act



71%

of consumers expect CEOs to pull their organization's advertising money out of media platforms and news outlets that do not adequately control the spread of misinformation

Source: Edelman, 2023 Edelman Trust Barometer report. Based on a global survey of 32K+ respondents.

Often due to a lack of transparency from digital ad-tech about ad placements, many brands are inadvertently supporting sites that can put them in financial, reputational and legal risk



Marketers should be aware of, and prepared for, the business ramifications of being associated with objectionable content on questionable platforms

- ▶ Ad dollars can be wasted on untrustworthy digital ad-tech news platforms which can also impact brand credibility and consumer trust



**Financial
Risk**



**Brand
Reputational
& Corporate
Risk**

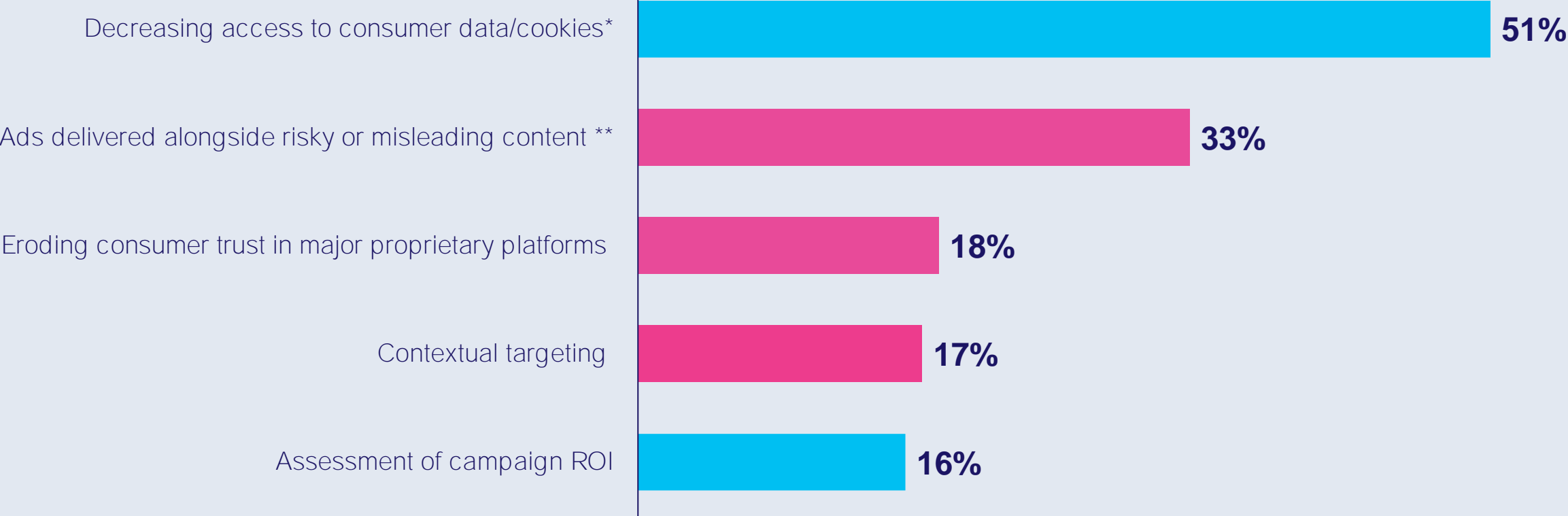


**Legal
Risk**

Marketers acknowledge that trust and transparency are among the major challenges with their digital media activity

Which of the Following will be Major Digital Media Challenges for your Organization?

% of respondents, rank 1-5



Source: Integral Ad Science, *Industry Pulse*, 2023. *Includes high rates of consumers opting out of in-app data, data privacy legislation, deprecation of third-party cookies; **Includes ads delivered alongside risky content, advertising adjacent to fake news and misinformation.

Advertisers are spending an estimated \$2.6B annually on digital ad-tech platforms that openly publish news-related misinformation

- ▶ Ad dollars have inadvertently been funding false health information, anti-vaccine myths, election claims and more



\$2.6B

estimated global ad spend on misinformation websites each year

Source: NewsGuard and Comscore, *Special Report: Top brands are sending \$2.6 billion to misinformation websites each year*, August 2021.

This translates to nearly half of every ad dollar spent on news websites, mainly digital ad-tech platforms, going to fraudulent sources



For every \$2.16 spent on news websites in the U.S., \$1 is spent on misinformation

Source: NewsGuard and Comscore, *Special Report: Top brands are sending \$2.6 billion to misinformation websites each year*, August 2021.

Pervasive issues across digital ad-tech platforms put advertisers at risk of appearing next to false AI-generated news, propaganda and conspiracies

► Being associated with erroneous news stories can impact brand perception and wrongly insert brands into polarizing issues

Disinformation & Propaganda from Foreign Governments

ADWEEK
Verified Accounts on X Spread 74% of Wartime Misinformation
October 19, 2023

AP
Twitter changes stake Russian, Chinese propaganda surge
April 24, 2023

AXIOS
China's state media buys Meta ads pushing Russia's line on war
March 9, 2022

Socio-Political Conspiracies / Issues

The Drum
Misinformation is causing brands to accidentally take public stances on abortion
July 5, 2022

The Guardian
Nike and Amazon among brands advertising on Covid conspiracy sites
September 18, 2021

AXIOS
Exclusive: Over 1,000 brands ran ads alongside election misinformation
January 14, 2021

Falsified AI-Generated News

ad exchanger
Marketers Beware: AI Will Accelerate Online Misinformation This Election Cycle
August 29, 2023

MARKETING DIVE
Ads from 141 top brands appear on unreliable AI-generated sites
June 28, 2023

CNN
These 'news anchors' are created by AI and they're spreading misinformation in Venezuela
March 30, 2023

Risk to advertisers is likely to grow as digital ad-tech platforms like Meta cut back efforts to stem misinformation



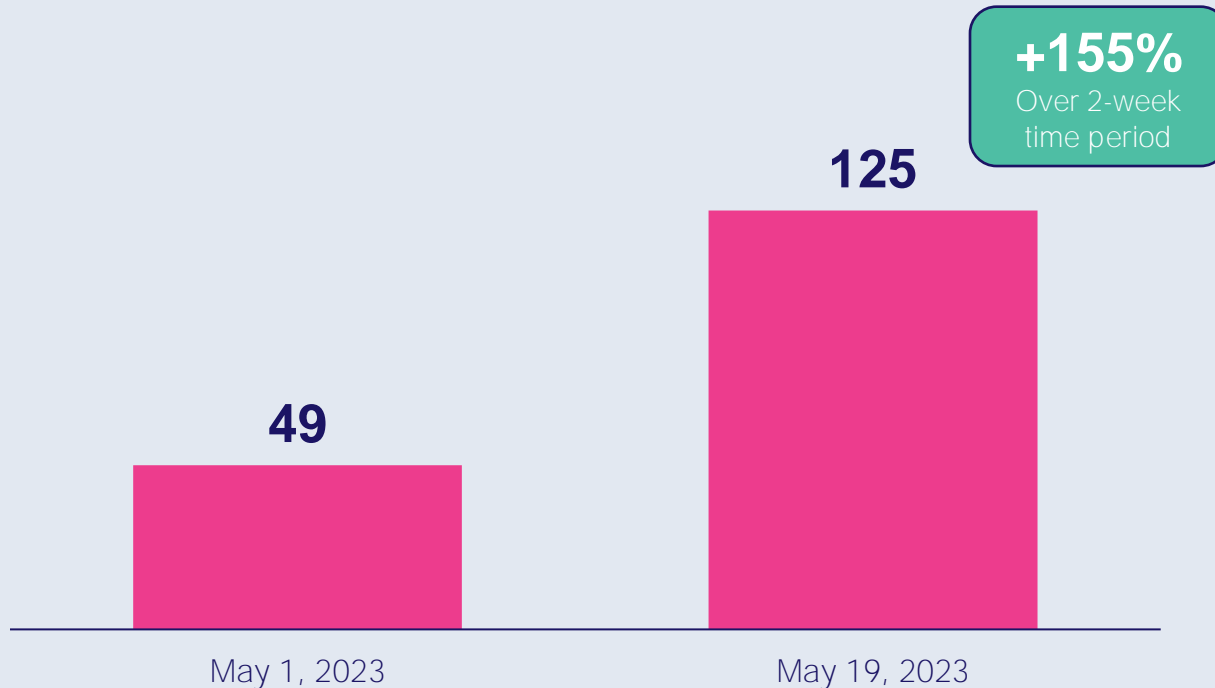
“What was **once promoted as part of an essential component** of Meta’s role in helping secure democracy, election integrity and a healthy information ecosystem, appears now to have **been expendable.**”

Jim Friedlich, Executive Director, Lenfest Institute for Journalism
Washington Post, *Following Elon Musk’s Lead, Big Tech is Surrendering to Disinformation* (8/25/23)

These issues are further compounded by the rapid growth of AI-generated news sites with stories that can contain errors and fabricated information

- ▶ These 'digital-native' sites are often created by organizations or individuals looking to make money from advertising.

AI-Generated News / Information Sites



“News consumers trust news sources less and less in part because of **how hard it has become** to tell a generally reliable source from a generally unreliable source.

This new wave of **AI-created sites will only make it harder for consumers to know** who is feeding them the news, further reducing trust.”

- Steven Brill, Co-CEO, NewsGuard

Source: NewsGuard Press Release, *NewsGuard Now Identifies 125 News and Information Websites Generated by AI, Develops Framework for Defining 'Unreliable AI-Generated News' and Information Sources*, 5/19/2023.

Multiscreen TV is the place that people turn to for reliable and trustworthy global, national and local news coverage



Most adults who prioritize staying informed on today's issues get their news from TV platforms



70%

of A18+ agree it is important to keep up-to-date with news and current affairs



65%

of U.S. adults get their news from TV

Source: VAB analysis of MRI-Simmons 2023 Spring USA Study, A18+. Pew Research Center, survey of U.S. adults conducted July 18 – August 21, 2022. Reflects respondents who answered 'sometimes' or 'often'.

Multiscreen TV is the top trusted source for news updates and serves as most adults' 'go-to' for the latest information



**TV is the #1 trusted source
for news among adults
(63% agree)**



**TV is the #1 source for adults to
stay informed / up-to-date
(56% agree)**

Source: VAB analysis of MRI-Simmons Q2 2023 Trending Topics Study, A18+. Reflects respondents who said they trust TV / streaming news as a source for financial news, science news, political news or local news. VAB analysis of MRI-Simmons 2023 Spring USA Study, A18+.

Audiences turn to both local and national TV news daily to stay on top of the latest stories

% of U.S. adults who watch news daily on their TV set



62%

Local News

Examples:



55%

National News

Examples:



Source: Spectrum News / Morning Consult study via Charter Communications press release, *Spectrum News/Morning Consult Poll Finds 83% of Americans Trust Local News*, 8/25/2022.

Local news is valued by many Americans because it is trustworthy, provides useful information and can positively impact their community



83%

Find local news coverage on TV to be **most trustworthy**



77%

Feel local news provides people with **important info about their community & critical national news**



72%

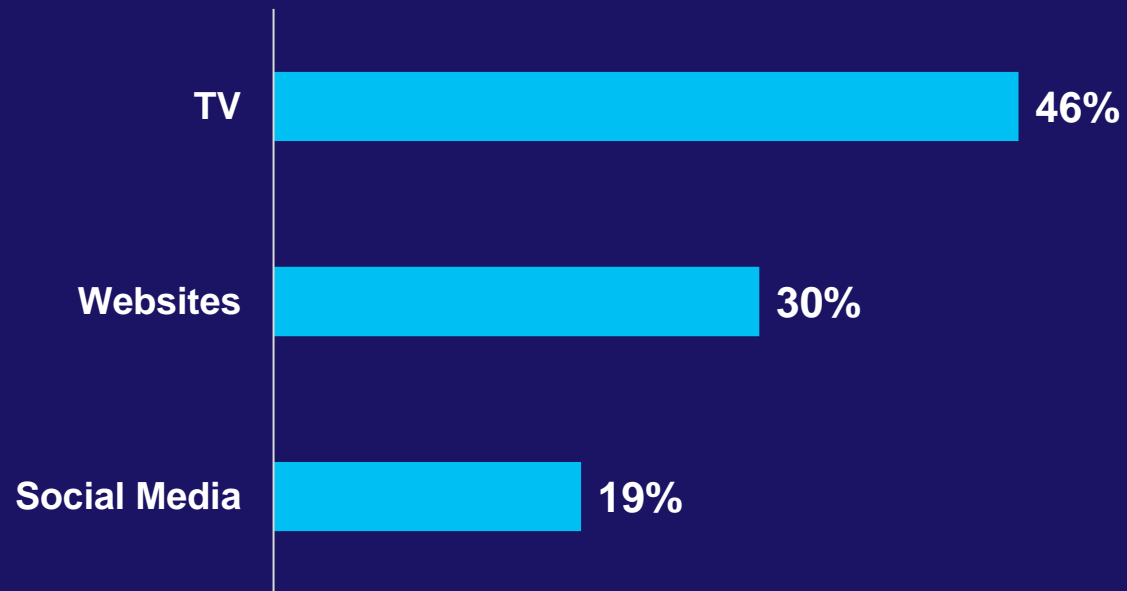
Agree local news helps **enact positive change in their local community**

Source: Spectrum News / Morning Consult study via Charter Communications press release, *Spectrum News/Morning Consult Poll Finds 83% of Americans Trust Local News*, 8/25/2022.

A platform's trustworthiness extends to its advertising environment as well which enables brands to create authentic connections with viewers

Types of Advertising U.S. Adults Find Trustworthy

% of respondents



U.S. adults are more likely to find ads on TV trustworthy vs. ads on digital platforms

2.5x

More Likely
to trust ads on TV
vs. ads on social media

1.5x

More Likely
to trust ads on TV
vs. ads on websites

Source: YouGov, *Global Study: Which Types of Ads Do People Trust?*, commissioned by Campaign, 2/5/2021. Note: Ages 18+ who selected very/somewhat trustworthy.

Key Marketer Takeaways

- ▶ The spread of false information across digital ad-tech news platforms is a pervasive issue that is eroding consumer trust and compromising the reputations of brands that may be unintentionally appearing alongside risky content
- ▶ News can be a highly engaging genre to connect with consumers because Americans want to be in the know, and they rely on and trust national and local TV news sources above all other media to provide accurate information on their community and beyond
- ▶ In an ecosystem teeming with misinformation, brands should prioritize multiscreen TV news platforms which serve professional content to real, engaged viewers and avoid unnecessary financial and reputational risks associated with questionable, non-transparent platforms

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A Look Into Critical Issues Impacting Marketers Today



What is the Digital Video Supply Chain?
Understanding the Path of Digital Ad Investments



VAB Investigation
Did YouTube allow for targeted campaigns to be served on "Made for Kids" channels?



The Truth About CTV Ad Fraud
Clarifying Confusion in the Marketplace About Multiscreen TV



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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.



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