James Diamond

James Diamond, Integral Ad Science Managing Director for Australia & New Zealand, believes in an ad funded Internet. Ads are important for consumers, businesses, economies and society, and that's why they are the perfect solution for funding the internet, but it needs a clean up.

The media supply chain has been called 'murky at best and fraudulent at worst'. How did some of these recent brand safety issues happen?
There is no single issue that has led to problems within our digital media supply chain, nor is there one solution. Some of the main challenges are that demand exploded with no cap on supply, advertisers started rewarding the wrong behaviours, and some players in the digital media ecosystem started behaving badly.

Advertisers are chasing an audience and there is no way to control the content your audience consumes. As a result, ads can end up on pages that are not appropriate for that brand.

The important thing to remember is that this is a fixable problem. In just the last 24 hrs, IAS blocked over 90mil ads from showing up on questionable or unsavoury content so it is possible for brands to still target their ads to a specific audience while also mitigating the risk of showing up on inappropriate content.

Is there really no cap on supply?
For a marketplace to operate correctly, you need demand/supply equilibrium. In digital we have not had that. Supply has been infinite. Publishers can add ad spots to websites to create more supply, and as a result we now have some web pages with five, 10, even 15 ads. Or a publisher can buy traffic to meet demand but is it real human traffic that represents an opportunity for an advertiser to connect with a potential buyer or is it bot traffic? While this behaviour doesn't happen all the time, it exists because advertisers have been happy to chase an audience. When supply outstrips demand, prices fall and publishers are really feeling that issue right now.

Viewability and fraud detection are an important part of creating the cap on supply because while it's easy to create more ads, it's hard to create more viewable ads. Half of all ads never come into view and so they never have the opportunity to be seen by a consumer, yet advertisers are paying for them. If the industry starts to trade on viewable ads, the ad spots that never come into view would disappear and supply would drop by 50%. Assuming demand stays the same, that will put upward pressure on price and CPMs would go up.

The same goes for fraud. If it's detected that an ad is being served to a bot rather than a person, it should not be monetised. Removing all of this fake traffic from the marketplace would reduce supply but advertisers could be more confident they are paying for an ad that had the opportunity to be seen by a real person.

Media quality metrics such as viewability, fraud, ad clutter, and brand safety scores can help address these challenges by providing quality indicators to advertisers so marketers have a better picture of their media buys. Broader adoption of media quality metrics in trading agreements and IOs would go along way to fixing the current problems.

How can marketers get to grips with this?
We need advertisers to ask the right questions and be prepared to change how they measure success. Advertisers need to realise that that incentives drive behaviour and they can stop this negative trend by changing the incentive structure.

The right time to be asking the tough questions is during the pitch and contracting phase. The AANA media agency contract is a great template and it helps ensure the right questions are asked at the right time.

Clients should also invest in learning how issues like viewability impact more important metrics like brand awareness, consideration, purchase intent, reach and frequency, and sales velocity. Viewability, fraud, brand safety, and clutter are not end goals, rather levers a marketer can pull to ensure they're impacting their consumers and meeting business objectives. **A**