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MRC INDUSTRY COMMUNICATION

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VIEWABLE IMPRESSION ADVISORY

The MRC is leading the cross ecosystem movement toward the transition from served to viewable ad impressions for online advertising transactions. Aligned with the Making Measurement Make Sense (3MS) initiative's recommendation, the MRC believes that online advertising impressions, particularly for brand advertising campaigns, should be viewable in order to be more comparable to other media which afford the "Opportunity to See" as the basis of currency.

Several vendors – including ad servers, verification services and third-party syndicated measurers – have developed solutions for determining whether served ads become viewable and to count ads based on viewable parameters. Based on large-scale tests of real advertiser campaigns as detailed within, while capabilities vary, the ability to consistently measure whether impressions are viewable is a challenge that must be overcome by most of the vendors before finalizing a new online advertising currency definition. The number of impressions in a campaign for which viewability cannot be determined is often significant.

The use of projections to measure viewability is not a recommended solution at the present time because the full range of causes of these viewability undetermined impressions has not been sufficiently identified. Simply put, the MRC believes that more work needs to be done to understand the methods that underlie these techniques and the impact of the viewability of undetermined impressions on the ability to project.

Cross domain iFrames are a significant issue and we support the IAB's SafeFrame initiative and any others designed to address this issue that may prove to be viable. The SafeFrame initiative will create a communication protocol that will permit determining the viewability of ads that appear in cross domain iFrames. A solution to the iFrame problem must be an industry priority. While cross domain iFrames are the primary reason viewability cannot always be measured, there are other reasons that need to be addressed as fully as possible. Two possible causes that may be contributing are varying capabilities across the viewable vendors and some instances of viewable decision tags simply not "firing."

Overall, there is a critical need to develop intelligence around unmeasured and non-viewable cases.

MRC recommends that the entire ecosystem continue to test and refine the definitions, thresholds and implementation steps required to transition to a viewable impressions currency for internet media transactions.

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Rich Media Club Exhibit 2018

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Consideration of Current 3MS Proposed Thresholds for Viewability
Pilot results indicate that the current proposed 50% of pixels in view for one second is a reasonable threshold for ***most*** display ads. However, further analyses must be undertaken. It is highly likely that certain ad types, notably larger ads like the IAB Rising Stars, will require special considerations, and the MRC is actively pursuing solutions including proposing viewability criteria for these ads.

Under the reasonable assumption that strong user interaction with ads (for example, clicking on them) indicates viewability, MRC is considering ways to develop and codify language around the interactions and the viewability thresholds.

Video ads, hypothesized to be largely viewable, require separate consideration for appropriate viewability thresholds, particularly around both sight and sound.

INDUSTRY ACTION ITEMS

MRC believes it is premature to transact on viewability in advance of a fuller understanding of the points detailed in the following paragraphs.

MRC strongly advocates that the buying and selling communities educate their members on the basic findings from the large-scale pilot test:

- There is significant variability in vendor capabilities to measure viewability – we encourage buyers and sellers to seek validated viewability solutions (i.e., solutions that have been audited and accredited/certified against applicable industry standards by an independent 3rd party) and ensure they clearly describe what can and cannot be measured.
- Cross domain iFrames pose a large obstacle to measuring viewability. While partial solutions exist and others are under development, no vendor known to MRC today can determine viewability in all cross domain iFrame situations.
- Other causes that result in an inability to measure viewability must be understood by MRC and the Industry in order to finalize measurement and transactional requirements.
- Of paramount importance to changing the currency is achieving consistently higher levels of measurability.

Currencies and standards can change for the better when the planned analyses and solutions are in place. The point of currencies and standards is to improve the supply chain. Moving to a new, as yet not fully measurable currency on a wholesale basis at this juncture could do more harm than good.

MRC has put forth a timeline that calls for additional learnings and analyses to be generated through Q1 2013. Testing of the SafeFrame solution for cross domain iFrames is also scheduled to happen during this time and, last but not least, a new guideline for viewability will be in market for public comment in Q1 2013. Following the viewability guideline public comment

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period, MRC believes it would be wise to conduct a full in-market parallel data test to ensure that all parties have an opportunity to evaluate the old and new datasets prior to adopting viewable impression currency for transactions. MRC also suggests that the Terms and Conditions used for online campaigns be adjusted to account for the introduction of viewable impressions as a currency metric.

The following pages describe the viewable impressions pilot testing in greater detail. We encourage you to read.

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VIEWABLE IMPRESSION AGENCY PILOT TESTING SUMMARY

BACKGROUND

In spring 2012, MRC, with the support of the entire ecosystem as represented by the member companies of the ANA, 4A's, and IAB, and the Board of Directors of the MRC, took on the leadership of efforts to transition digital display advertising to a viewable impression transactional currency. The proposed criteria or standard for viewability, recommended by the industry leaders who participated in Making Measurement Make Sense (3MS), is at least 50% of pixels in view for a minimum of one second.

The 3MS initiative envisions viewable impressions as the foundational element in the development of transparent and consistent metrics for display advertising. The intention of the 3MS initiative is to define metrics that work for brand advertisers and permit facile cross platform media planning, buying and evaluation. In addition, the 3MS leadership supports the expansion of the MRC into the foremost standards development institution for all media.

TESTING VIEWABILITY WITH REAL ADVERTISER FLIGHTS

MRC oversaw pilot tests of viewable impressions using real advertiser campaigns in live production environments that ran during May and June 2012. In total, twenty-two campaigns representing more than three billion served impressions[1] were examined. Seventeen advertisers and twelve agencies were involved. The ad campaigns ran in a variety of environments and deployed inventory purchased both directly from publishers as well as from network sales channels. The only requirement that was imposed across all the campaigns, regardless of agency, advertiser brand or target audience, was that the agency ad servers used to serve the pilot campaigns be MRC accredited.

In addition, five viewability measurement vendors participated in the pilot tests. Each vendor was required to demonstrate in advance of its participation in the pilot its ability to measure or not measure viewability under seventeen different scenarios as defined by the MRC.

PURPOSE OF VIEWABILITY PILOTS

The pilot test of actual, live brand campaigns using agency ad servers had three primary objectives:

- Estimate the impact of imposing a viewable criterion on impression counting for display ads;
- Provide a basis for evaluating the efficacy of the proposed minimum of 50% pixels in view for a minimum of one second and determine if the proposed thresholds should be adjusted in a final viewable impression standard;
- Discover any other relevant issues that might be important in developing an industry standard for the viewable impression.

[1] Served impressions are the current industry standard, used for the selling and buying of digital display.

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PILOT RESULTS

Key findings that have broad implications for the recommended industry action items in this document include:

- Viewable rates for the live campaigns in the test showed tremendous variability, ranging from a high of 78.6% to a low of 7.8%. **Viewable rates are calculated off of a base of impressions that could be measured for viewability**.
- The ability to measure whether impressions are viewable or not is still extremely variable. The test campaigns showed a range of 0% to 77% of **served impressions that were measured for viewability.**
- Cross domain iFrames present a challenge to measuring viewability because they can obscure the capacity to determine whether or not an ad impression is viewable. Cross domain iFrames have an important function in protecting content and protecting undisclosed data collection from occurring on a publisher's site.
- Cross domain iFrames were the reason behind 3/4 of the unmeasured impressions in network placements in the pilot, and more than 1/3 of the unmeasured impressions in publisher placements.
- Overall measured impression rates across all pilot campaigns were 27% for publisher placements, and 19% across ad network placements.
- Viewable rates varied by ad sizes within placement types (network/publisher). Rates ranged from 12.6% to 63.7% for the most popular ad sizes deployed by the advertisers in the pilot test. Most popular was determined by the number of impressions served.
- Viewable rates observed in the pilot testing for the largest and smallest advertising units, as well as certain rich media executions, showed that the MRC needs to consider appending additional viewable parameters or otherwise altering parameters in certain special advertising circumstances. This is being studied and will be proposed to the Industry in the written viewable impression guideline.

We welcome questions.

About MRC

The Media Rating Council is a non-profit industry association established in 1964 comprised of leading television, radio, print and internet companies, as well as advertisers, advertising agencies and trade associations, whose goal is to ensure measurement services that are valid, reliable and effective. Measurement services desiring MRC accreditation are required to disclose to their customers all methodological aspects of their service; comply with the MRC *Minimum Standards for Media Rating Research* as well as other applicable industry measurement guidelines; and submit to MRC-designed audits to authenticate and illuminate their procedures. In addition, the MRC membership actively pursues research issues they consider priorities in an effort to improve the quality of research in the marketplace. Currently approximately 80 research products are audited by the MRC. Additional information about MRC can be found at www.mediaratingcouncil.org.

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