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MRC INDUSTRY COMMUNICATION

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UPDATE TO NOVEMBER 2012 VIEWABLE IMPRESSION ADVISORY

As part of its work to advance the viewable impression as a digital advertising currency metric, MRC has been engaged in pilot testing and standards development work for more than a year. Information gained from these activities led us to issue an Industry Communication titled "Viewable Impression Advisory" last November to provide the industry with a status report on the state of viewable impression measurement, and to call out the key obstacles that MRC believed stood in the way of moving to viewable impressions as a currency metric on a widespread basis.

This communication provides an update on the status of these matters, and on the estimated timeline for when MRC believes they will no longer be gating issues standing in the way of the marketplace transacting on viewability on a widespread basis. In summary:

- MRC believes it is still premature at this time to transact on viewability, although much progress has been made on the issues that led us to issue our original Advisory in November 2012.
- An increasing number of viewability vendors have been accredited by MRC, and still more are in process, which is serving to validate their processes and improve disclosure of their varying capabilities.
- Cross domain iFrames continue to present varying degrees of challenge for most viewability measurers. IAB's SafeFrame specification, which was released in March 2013, is expected to help significantly in this regard.
- More is known today about those impediments to viewability measurement apart from cross domain iFrames, and this knowledge is informing the development of viewability measurement standards.
- MRC will administer a reconciliation project later this year that will seek to account for the causes of discrepancies in viewable impression counts among accredited vendors.
- MRC expects to be in a position to lift the Viewable Impression Advisory by year end 2013.

Further details on each of the above are provided in the following sections.

Industry Action Items: Updated

As of today, MRC still believes it is premature to transact on viewability until the issues noted in the original Viewable Impression Advisory are more fully addressed. While much progress has been made over the last six months, as is detailed below, additional work remains.

Duration Media Ex-1039

Duration v. Rich Media Club
IPR2023-00953, 11,443,329
RMC EX2038

The italicized text below is drawn from the "Industry Action Items" section of the November 2012 Viewable Impression Advisory, and is followed by the current status of each issue:

1. *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.*

Variability in vendor capabilities remains, but more and more vendors are seeking (and gaining) accreditation/certification by independent 3rd parties, which is resulting in improved levels of disclosure about their relative capabilities. In the coming days, MRC will make available on its website (www.mediaratingcouncil.org) a brief summary of the viewability measurement capabilities for each vendor accredited by MRC for measurement of viewable display advertising impressions.[1]

2. *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.*

Cross domain iFrames remain an impediment to viewability measurement for many, if not most, viewability measurers. However, measurement approaches do exist that can determine the viewability of ads even in cross domain iFrame situations. In addition, in March, IAB released its SafeFrame 1.0 specification, a communication protocol that, when implemented, will facilitate viewability measurement of advertising that appears within cross domain iFrames. SafeFrame testing will be conducted over the coming months, and publishers and ad servers are considering adoption. Ultimately, the introduction and adoption of SafeFrame is expected to provide a solution to the cross domain iFrame dilemma in many situations.

3. *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.*

Much work has been done since the original Advisory was issued to identify the causes of those situations in which viewability measurement was hindered, apart from the previously known cross domain iFrame situation. This knowledge will be reflected in the forthcoming IAB Viewable Impression Measurement Guidelines document, a draft version of which is expected to be released for public comment shortly, as well as in revisions that are planned for the existing IAB Measurement Guidelines governing the counting of served display impressions. The revisions to this latter document will be centered on tightening the current guidelines for served impression measurement, and is likely to include discouraging "count on decision"-like approaches, which are client-side counting methods acceptable under the current guidelines, but have been shown to be more likely to count served impressions for ads that never actually render on the browser.

[1] The following vendors/products are currently accredited by the MRC for their measurements of viewable display ad impressions: comScore vCE (Validation component), DoubleVerify. Google ActiveView, RealVu, and spider.io.

4. *Of paramount importance to changing the currency is achieving consistently higher levels of measurability.*

As was the case last November, this remains the goal at which the above actions are directed.

Next Steps:

Reconciliation Project
Now that a healthy number of vendors have been accredited for their viewable impression measurements (and more are likely to achieve accreditation in the coming months), MRC intends to embark on a "reconciliation project" that will be designed to identify and isolate the reasons for discrepancies in viewable impression measurements among different vendors. MRC believes this project, similar to one conducted several years ago designed to identify the reasons for differences in served impression counts between publisher and third-party ad servers, will ultimately result in a reduction in discrepancies, and thereby reduce a potential source of friction in the marketplace and smooth the transition to a viewable impression currency. This reconciliation project, which was dependent upon having a significant number of vendors whose viewability measurement capabilities are fully known by MRC, will unfold over the second half of 2013.

Anticipated Timetable
To summarize the current expectations regarding the timetable for lifting MRC's Advisory on viewable impressions:

- We expect a draft viewable impression standards document will be released for public comment within approximately the next month.
- MRC will continue to add to its learnings about non-measured served impressions, and will initiate (and complete) the reconciliation project in the second half of the year.
- MRC will work with IAB to update the existing measurement guidelines for served ad impressions, beginning in Q3 of this year.
- IAB's SafeFrame protocol will be tested throughout the second half of the year.
- Auditing of additional viewable impression measurers will continue throughout the foreseeable future.
- Based on the above, MRC currently expects to lift its Viewable Impression Advisory by year end 2013.

Finally, as was noted in the November 2012 Advisory notice, MRC suggests that the Terms and Conditions used for online campaigns be adjusted to account for the introduction of viewable impressions as a currency.

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 85 research products are audited by the MRC. Additional information about MRC can be found at www.mediaratingcouncil.org.

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