Viewability, Fraud & Non Human Traffic FAQ

There has been lots of talk recently about Ad Fraud, non-Human Traffic, and "viewability."   The goal of this document is to provide some background and perspective on these issues and to set forth ABC's approach and policy.

The lines between fraud, non-human traffic, and viewability can be blurry and it is important to understand the differences. We see the distinctions as follows:

- *Fraud* is when an advertiser pays for an impression that they think was delivered pursuant to the terms of their deal, and in fact it was not. There are many kinds of ad fraud. Fraud can occur when impressions are delivered to machines rather than people. This is sometimes called *non-human traffic.*

- Fraud can also occur when impressions are delivered to people but in ways that make it impossible for the ads to be seen. For example in a 1x1 pixel video player not visible to the human eye.

- *Viewability* is a measure of assurance that an ad <u>can be seen</u>. Viewability is not a measure of fraud. An ad can be put at the bottom of the page. It can be properly served to a user. There is no fraud. But if the user doesn't scroll down to the bottom, the ad is not viewable. Viewability is all about the ad having an opportunity to be seen.

What is the viewability standard, and why has there been so much focus on it?

Developing a "viewability standard" for digital media was aimed at making the medium more accountable. Especially over the past 5 years, "bad actors" in the digital space have created a large amount of inventory that has questionable and in some cases, no real value. In addition, by clarifying definitions around what constitutes a viewable digital ad impression, the standard aims to create the basis for cross platform comparisons.

While there are a number of elements to the overall viewability standard issued by the MRC, the core principles include:

- Ensuring impressions that are "counted" are in the viewable portion of a user's screen (specifically 50% of the ad's pixels must be in the viewable screen to be counted)

- Establishing a minimum duration count for ads (1 second for display ads and 2 seconds for video ads) to ensure the user has an "opportunity to see" advertising messages.

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Is it really that simple?

Unfortunately no. There are many different vendor-based technical solutions (over a dozen) that all attempt to measure display viewability consistent with the MRC standard. Testing has revealed significant differences from vendor to vendor, all of whom are presumably measuring the same thing, with additional variability between vendors in what they can and cannot measure.

Video is even more complicated. Current implementations of the MRC video viewability standard only work for in-player browser based video.   This leaves a large amount of the marketplace unmeasured. For ABC, in app video and connected TV's represent an increasing majority of our video inventory, and some of our most valuable viewers (younger, more affluent, lighter TV viewers).   And in addition to these gaps in measurement, there is again variance from vendor to vendor, all of whom are measuring the same thing.

What happens with video views that a vendor cannot determine are viewable?

Unfortunately this also varies from vendor to vendor. The MRC standard initially established that app-based inventory should be treated as fully viewable. However, in an "interim guidance" issued on May 4, 2015, they seemed to reverse this conclusion and said they now believe that not all mobile in-app ads should be treated as viewable.   Unfortunately they didn't offer any guidance on how then to handle unmeasured, in app, video ads, and further acknowledged that no vendor had yet been accredited for mobile impression measurement. This leaves the state of affairs very unclear. Various vendors have taken different approaches in their tools and some treat in app video advertising as "unmeasureable," and therefore not viewable. We believe this mistakenly equates some of the most valuable inventory in the marketplace with some of the least.

Because of the way our apps are designed all in app video advertising should be treated as viewable. While the MRC seems to feel that there are possibilities for unviewable in app video in the marketplace, we do not see any chance of that with ABC's apps.

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Is completion rate part of the MRC viewability standard?

No. For video, according to the MRC standard, an impression is deemed viewable if 50% of the pixels are on screen for 2 seconds. Completion rates are driven by how engaging the creative is to the viewer, among a host of other variables out of the control of the publisher/media seller.

How does viewability interact with demographic measurement services?

Proper measurement would require both variables to be considered together, at the impression level – however today, they aren't. Demographic guarantees are typically supported by measurement services like ComScore vCE, and Nielsen OCR which do not measure every platform today. For platforms not covered by vCE or OCR, ABC and advertisers have agreed to apply the audience composition for the demo for those impressions that are measured by OCR or vCE to <u>all</u> the impressions delivered for a campaign.

Today, viewability is generally measured by a different group of service providers. While both ComScore and Nielsen have plans to measure viewability combined with demographics, neither has an MRC accredited product in market.

Because viewability measures are done against all of the impressions served in a campaign, not just those in a particular demo segment, it would be incorrect to apply total impressions viewability metric to in-demo impressions. If there are variations in viewability from the demo vs overall, those differences will not, and cannot be captured. For example, if young adult's behavior with digital media results in higher viewability rates than older adult's and an advertiser purchases that young demo, the publisher will not get the benefit of that higher viewability rate, as the viewability service is measuring overall behavior, not the behavior of only those in the target demo.

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Does ABC support viewability standards?

 Yes.   ABC supports the current MRC viewability standard.

How will ABC implement Viewability?

ABC will implement the MRC certified vendor Moat, to measure viewability for our inventory. We are open to guaranteeing deals based on viewability as measured by Moat. There will be no charge to advertisers for the Moat service, and we will make campaign level data available to advertisers when viewability is a billable metric.

Will ABC implement other Viewability vendors?

Yes, over time. However, in order to accurately pace campaigns against viewablity, we must implement an automated solution. This requires a viewability vendor to be integrated with ABC's ad server, Freewheel. At the outset, only Moat will be integrated, but we will integrate other MRC accredited vendors over time. We will develop a timeline for additional vendor integrations, as we better understand the level of effort.

Why did ABC select Moat to go first?

Moat was selected after extensive testing with many different viewability vendors. Moat was able to measure the largest volume of ABC inventory. We also chose Moat as our first viewability vendor because it was one of the few vendors certified by the MRC to measure both display and video.

Can an advertiser use a different viewability vendor?

ABC is open to an advertiser tagging its creative with the viewability vendor of its choice. However, we can only guarantee deals with vendors integrated with our ad sever, which initially will be limited to Moat.

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Can an advertiser make a single demo guaranteed AND viewable guaranteed deal with ABC?

Not yet. As previously noted, measuring viewability accurately for a particular demo is not possible today. Until MRC-certified solutions are available, a campaign can be either demo guaranteed or viewable guaranteed, but not both.

Does the viewability standard protect against fraud and non-human traffic?

While a proper viewability standard will certainly help ensure that advertisers get what they pay for, it is not sufficient by itself to fully protect against fraud and non-human traffic.

What is ABC doing to protect against fraud and non-human traffic?

ABC will implement an "always on" third party fraud detection and prevention service also provided by Moat. We will publish their initial analysis of our properties on our web site ABCAllaccess.com by the Fall of 2015, and will regularly update this information.

How much protection will this provide?

 At a high-level, there is no perfect technological solution that will always and permanently defeat bad actors. Undoubtedly bad actors will soon find ways to look viewable when they are not. The surest and most reliable way for a buyer of media to have confidence that they will receive what they paid for is to only transact with reliable publishers, that offer "clean, well lit" brand safe environments for their ads.

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To help advertisers evaluate ABC inventory we have established the following principles:

ABC QUALITY ADVERTISING PRINCIPLES

Overall, ABC supports the MRC viewability standard. We believe viewability will help to refocus the marketplace on quality advertising environments. The following are our principles:

1. We will implement viewability vendors to measure as much inventory on ABC digital media as is technically possible, at our expense, and make the viewability measures of a campaign available to an advertiser.

2. We will make public the overall viewability rates of display and video placements on our properties.

3. We are open to negotiating viewability as a billable metric for any non-demo guaranteed campaign, with viewability determined by an ABC-integrated vendor and in accordance with the MRC guidelines. In app video will be treated as viewable.

4. We will implement a fraud/non-human traffic measurement and protection vendor. We will not charge advertisers for traffic deemed as NHT by our selected vendor(s).

5. We will make public the overall fraud/non-human traffic scores of our properties.

6. We will only make distribution deals with reputable partners, and will, to the best of our abilities, actively monitor the traffic provided by these partners to ensure quality.

7. We will publicly disclose our distribution partners in our plans and proposals to advertisers.

8. Unless specifically agreed to by the buyer, all impressions will be delivered in or adjacent to ABC content.