



## Transparency in the Australian digital supply chain

AANA/MMI  
March 2021

# Are we there yet?



## AANA

## MMI

The Australian Association of National Advertisers (AANA) is the peak national body championing the interests of Australia's advertisers. We exist to inspire and promote responsible, innovative and respected marketing, through a commitment to sustainable industry collaboration.

At Method Media Intelligence (MMI), we are passionate about our mission to bring trust and transparency into the fragmented online advertising ecosystem. Our patented and MRC accredited technology enables the unpacking of the digital supply path at scale.

10 months on from the PWC/ISBA programmatic study, the AANA and MMI conducted a limited test of the ad-tech supply chain with 3 major AANA members. This report covers the (anonymized) findings of that test, undertaken in Australia between November '20 and January '21. It serves as a compliment to the public webinar on the topic of Transparency In The Digital Supply Path, run by the AANA on 2nd March 2021.

In this report we share the anonymized findings & further explore the challenges and opportunities that remain, whilst demonstrating how advertisers can get visibility of their own supply chain. Finally we discuss the implications of our findings for advertisers relative to the 6 proposals outlined in the ACCC Ad Tech Inquiry interim report. What role will they play? Will they help?

**For more information on the contents of the report itself, and additional details on the methodology, please reach out to [info@methodmi.com](mailto:info@methodmi.com)**

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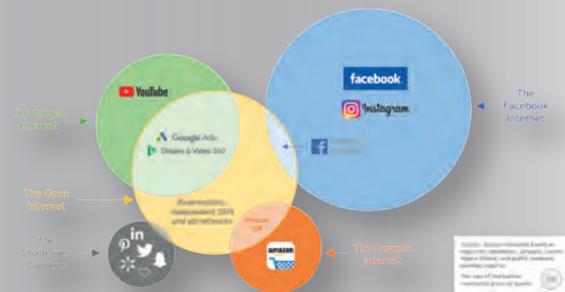
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# INDUSTRY CONTEXT

The total addressable market in advertising continues to be heavily influenced by the major platforms. By some estimates, In 2021, walled gardens will capture 69% of global non-search digital investment.



2021 also promises to be a year of significant regulatory efforts to foster competition and antitrust legislation. The US has traditionally taken a very free market approach to regulation and anti-trust in the digital economy but there are significant signs that this is changing. The chief executive of the UK's Competition and Markets Authority said, just this month, that “tech giants Google and Facebook have too great a share of the online advertising market and that regulation is needed”, adding “we are definitely following what is happening via the ACCC”. In many ways, all eyes in ad-tech industry are currently focused on what happens here, in Australia.

The ACCC's interim report into the industry is itself part of a trail of discrete but still connected events. Connected by a thread of privacy, data security, and critically, the degree of commercial and operational transparency that is achievable given the complexity of the digital advertising landscape.

Milestones on this path from the industry's perspective include the advent of the “era of privacy protection” in 2018 with GDPR, Google responding by limiting agency access to log level data sets, olive branches being offered to agencies in 2019 via Google's Ads Data Hub, further platform ID restrictions being made in 2019, and transparency issues again being raised by an ISBA/PWC supply path study in 2020.

## 2018

- GDPR starts a wave of soul searching and Privacy Policy updates
- Google stopped sharing DoubleClick IDs with agencies limiting verification and attribution

## 2019

- Google olive branch to agencies: event-level data made available through “ADH” (aggregated)
- FB & Amazon begin to develop and offer comparable “clean data rooms”

## 2020

- Google Chrome browser joins Safari and Firefox in blocking 3rd-party cookies
- Apple announced restrictions to the IDFA (identifier for advertisers)
- ISBA/PWC transparency report

## 2021

- Australian Competition & Consumer Commission publish interim report on ‘Digital platform services inquiry’ (started in 2018)
- Planned code of conduct in news, disinformation and revenue sharing
- Tech firms have pushed back, with Facebook restricting news content

An era of privacy concerns, data restrictions, walled gardens, and regulatory enquiries

AUSTRALIAN COMPETITION & CONSUMER COMMISSION

## TASK-DRIVEN INDUSTRY BEHAVIOURS

Programmatic practice is awash with “proxy” choices; otherwise known as *getting other people to do stuff on your behalf*.

Some of those choices are by necessity because someone else owns the technology required. On the other hand, some attempts to *outsource tasks*, are driven by skillset issues, levels of knowledge, perceived leverage, resource constraints, and a multitude of other reasons. All of course dependent on the task at hand, and often driven by expediency and commercial convenience, with recent brand efforts to “in-house” elements of programmatic buying well documented; ranging from *simply owning the contracts*, all the way through to *having hands on trading keyboards*.

What if the task at hand is “getting greater transparency in the chain”, what then? How is a brand supposed to behave, what are the things to look out for, what are the questions to ask of a buying partner and their partners in turn?

*Common responses across markets when asked about supply path quality-management efforts*

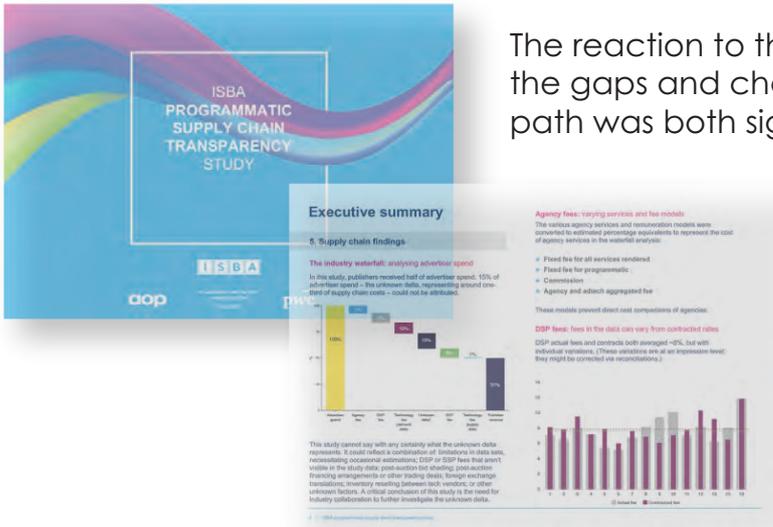
- Brands:** “Our agency are on it”
- Agencies:** “We use the best DSPs / managed service partners, practices, and verify”
- DSPs:** “We have the best algorithms, use the best exchanges, and verify”
- Walled gardens:** “We measure our own homework, it’s a privacy thing”
- SSPs/Exchanges:** “Our sources are proven quality, and we verify”
- Publishers & sources:** “Our traffic is the best and organic/non-sourced, and we verify”
- ALL:** “We support the latest cross-industry initiative to drive change”

“Supply Path Optimisation” (SPO) can be defined simply as making sure you, and your partners of choice, are efficiently maximising the opportunities to source quality traffic. However you define “quality”, be that:

- the **table-stakes measures** of quality in terms of that traffic being a *human*, with a clear *opportunity to see*, and in an appropriate *context*, or
- **specific quality metrics** associated with strategic KPIs such as *targeted audience criteria*, or *cost goals*.

SPO efforts often happen in a current environment awash with industry-wide initiatives already being in place (such as IAB Ads.txt, Sellers.json), ‘bundled’ buying habits still pervasive, and 3rd party verification measures deployed. Which often leads to a “we don’t need to change our immediate behaviours” and we “have it covered”. The industry’s collective ability to do so was put under question by the ISBA/PWC/AOP study into transparency in the digital supply path in mid-2020.

# INDUSTRY CHALLENGES



The reaction to the ISBA/PWC/AOP study in 2020 exposing the gaps and challenges in tracking spend across the supply path was both significant and international.

It generated a huge amount of press coverage, numerous webinars and podcasts, some lively debates, interest from government and regulators, and even an internet meme.

It shouldn't be considered 'normal' that 51% of an advertiser's budget is used up before an ad appears, nor that only 12% of impressions can be traced.

Some of the findings matched previous work going back several years but that didn't make them any less eye-watering. It just shows that very little progress had been made, and there were persistent issues around corrective behaviours in the industry, and some overarching promises associated with the advent of programmatic around measurement efficiencies and control that were demonstrably yet to be realised.

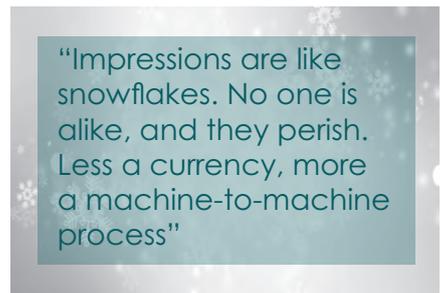
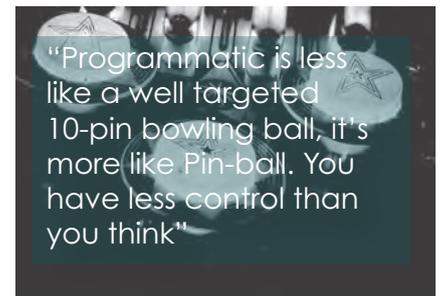
Commentary around the report was vast and varied. Some of it reflected some fundamental truths that had to be re-told. A lot of it, to the frustration of the authors, focused on the tabloid-esque headline afforded by the "15% missing delta".

It was not representative of all programmatic, and it was never intended to be so. The core recommendations to come out of it were two-fold and largely a call-to-action for the industry in two areas:

1. The real story was the challenges with **data access and data quality**: *"there were myriad issues with data access and data quality. From when the advertisers, agencies and publishers signed up in June 2019, it took nine months to gather the data from the tech vendors"*.

2. Compounding these challenges was **different data definitions and taxonomies; missing data fields**; *"some data only available at aggregate level; multiple date formats alone; and of course no transaction ID to match an impression from buy-side to sell-side"*.

There was a post-facto regret that no measure of basic traffic quality (around e.g. non-human traffic) was included, but the available data didn't allow it. And without industry-wide protocols around data access and data quality, as well as **efforts to manage data quality issues by brands and their proxies**, the issues will remain.



## REGULATORY CHALLENGES

If the global digital industry at any point “de-funds it’s own policing”, it will be left to the regulators to step in, and Australia is not immune to this. All eyes are now on Australia and the ACCC, and the local ad-tech industry is in the throes of dealing with the ACCC’s 6 current proposals.



## CHALLENGES FOR THE INDUSTRY, BRANDS, & BUYING PARTNERS

Most of these ACCC proposal demand varying flavour of cross-industry cooperation. Brands can not achieve these things alone, and are indeed caught between four sometimes competing elements.



For example, it is increasingly difficult to handle personal data and build personalised campaigns. Other things will soon be required with the forced retirement of Cookies as a result of browser and tech players responses to government regulations in the era of Privacy. But it is equally appropriate that brands, and their buying partners begin to act in ways that facilitate required changes.

The less prosaic, and more pressing challenges, posed to brands, are:

1. how can brands effect change in how they and their partners handle data, and
2. how can brands and agencies respond to those specific parts of the ACCC where they effect change the most.

This was the partial focus of our AANA-MMI research.

# AANA/MMI RESEARCH SCOPE

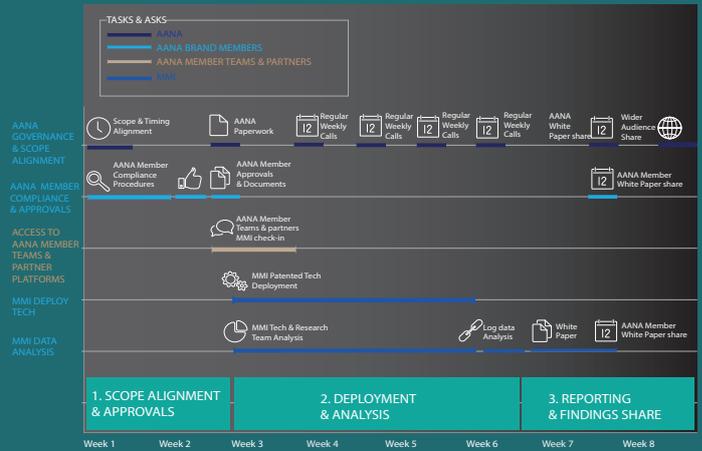


## Timelines & Tasks

There were 3 phases to the project:

1. Scope alignment & approvals
2. Tech deployment & analysis
3. Reporting and findings share

The tasks and asks of different stakeholders are illustrated here. They involved the AANA, AANA brand members, agency partners, and the deployment of tech, spread over 8 weeks.



## Deliverables

The deliverables involved were as follows:



A 4 week deployment of patented ad monitoring technology, providing full ad-monitoring verification and measurement across all digital ad buying (via the deployment of a Javascript tag on any Desktop Display, vPaid Video, In-App Display, In-App vPaid Video; and via the deployment of an image pixel on any VAST video, or Youtube Display and Video). This ad-server deployment as an event-tag, automatically deploys the appropriate code depending on the environment in which the ad is attempting to be served into.



A full analysis of where digital investment "leaks" in terms of non working media impressions bought. This is inclusive of a quantification of Invalid Traffic, the proportion of payments on auctions won vs. ads delivered, Impressions Billed vs. Impressions Measured vs. Impressions "Verified". This was augmented by some structured Q&A sessions with brands and agency partners on individual trading practices and processes, and a review of Ad-server and ad-buying technologies used.



A comparison of data collected from the project tech deployment at adserver level with the log level data available from DSP partners.



4-6 weeks of monitoring and analysis, followed by 2 weeks of analysis and preparation of whitepaper with all individual brand data being anonymized. Log file exports available to individual brands to build into own reporting systems.



Stakeholder debrief sessions (both at a collective anonymised AANA participant level, and individual to brand participants where requested).



# AANA/MMI TECH DEPLOYMENT SCOPE

3

Global brands

3

Agencies

5

DSPs

+

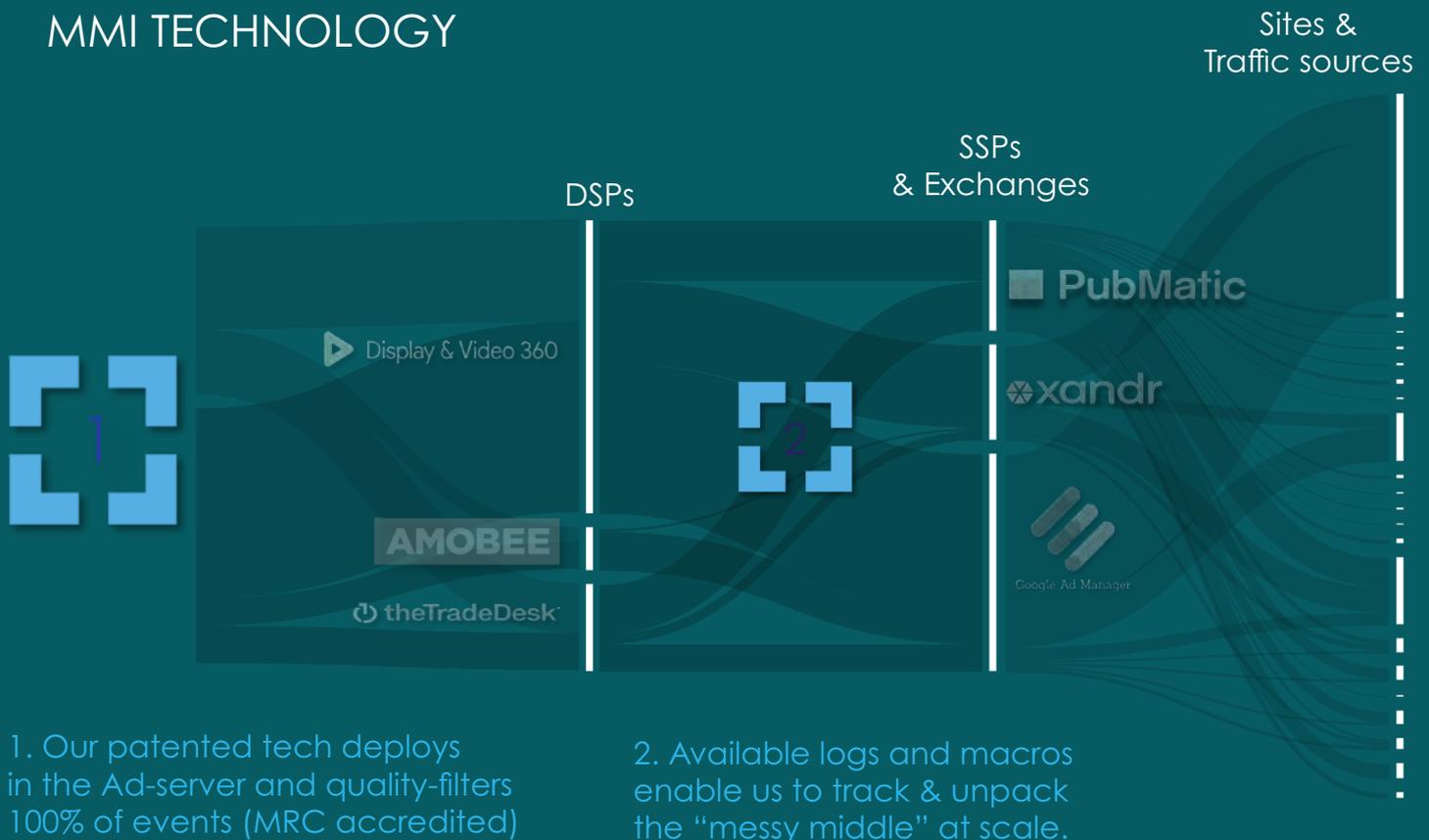
Multiple Direct Publisher & Audience Buys



- SPO Measurement (MMI) tech made available Nov-Dec 2020
- Ad Server-level measures combined with available DSP data
- Across Display, Video, CTV, with options on In-app/Mobile, Search. Inclusive of quality metrics (IVT/Viewability).
- Simultaneously assessed buying team abilities to deploy and get the supplementary DSP data sorted, and willingness of ad-tech partners to make that data available
- Structured supplementary questions on processes posed to each participant



## MMI TECHNOLOGY



1. Our patented tech deploys in the Ad-server and quality-filters 100% of events (MRC accredited)

2. Available logs and macros enable us to track & unpack the "messy middle" at scale.

This info is used for trading reconciliations and tech partner assessments.

# SUPPLY PATH INSIGHTS

There are indeed multiple, and often duplicate, ways to buy quality digital traffic. A trend that is largely a function of two things:

1. The exponential growth of different types of digital platforms and traffic sources, and
2. Some significant changes in the way in which digital inventory is traded.

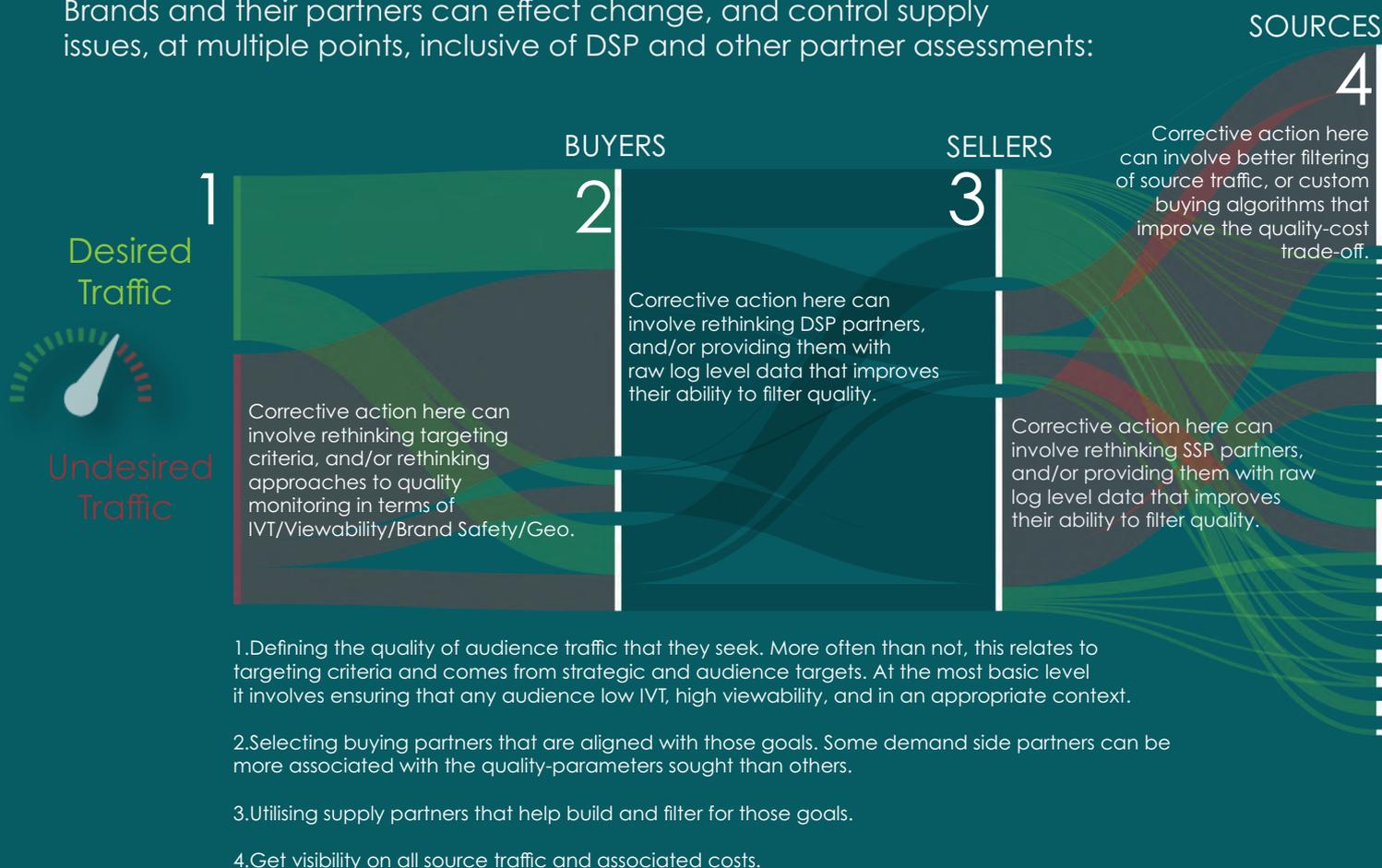
Understanding these multiple ways to do the same thing, and the role of trading mechanics in the equation, is the core driver of what we can refer to as "Supply Path Optimisation". Basically, making sure you are making the right choices when you are buying media, and recognising where there is a choice to be made, and taking ownership of it where appropriate and feasible.

Brands and agencies are faced with a plethora of such choices, with some available options more inherently transparent than others. Whilst the increasing prevalence of a trading mechanic called header bidding, which is relatively new trading basis that attempts to democratise the availability of audience inventory, has had a significant impact in the duplication of the availability of that same inventory.

Put simply, you can find the same audience on multiple sources, those sources are making that inventory available to multiple buyers, and sometimes those buyers find themselves bidding for the same inventory whilst competing with themselves. It has become more important for brand marketers to unpack where and when this happens, where are the best sources of quality inventory, and critically do so in a manner that helps them plan ahead.

## WHAT DIGITAL SUPPLY PATH INSIGHTS LOOK LIKE

Brands and their partners can effect change, and control supply issues, at multiple points, inclusive of DSP and other partner assessments:



# CORE FINDINGS

Across the 3 brands, 3 agencies, and 5 DSPs involved, 120M impressions were monitored.

Some, but not all, of the prerequisites for Supply Path Insights were demonstrably in place. Those prerequisites can be classified as being of two types: 1. having the processes and skillsets in place that facilitate supply path insights, and 2. having measurement and data in place that is interoperable (i.e. can be used with other available datasets).

- 

Determining the ease with which an independent digital activity audit could be completed with a view to operationally bridging measurement 'Deltas'

## OPERATIONAL PRE-REQUISITES FOR SUPPLY PATH INSIGHTS

- BRAND INTENT *Desire & resources to unpack the supply path*
- AGENCY INTENT *Having a buying partner with a similar intent*
- DATA & TECH ENABLERS *Having the method and technology available to measure*
- CONTRACTUAL ENABLERS *Contractual arrangement with buying partner that facilitates SPO*
- 3rd PARTY OPERATIONAL INTENT *3rd party trading partners that enable transparency*
- LEGAL COMPLIANCE ON DATA SHARES *Cookie-less and/or PII-less data enablers*

Box ticked?



## DATA PIPELINE PRE-REQUISITES TO SUPPLY PATH INSIGHTS

- PERSISTENT MEANS OF MEASURING IMPRESSIONS *Having a measurement pipeline in place*
- PERSISTENT MEANS OF MEASURING QUALITY *Ad verification partners in place*
- PERSISTENT 3rd PARTY DATA ACCESS *3rd party trading partners that enable persistent data shares*



## LIVE OPERATIONAL BARRIERS TO SUPPLY PATH INSIGHTS

- ABILITY TO DEPLOY TECH THAT MEASURES 100% OF ADS DELIVERED *Ease & scope of verification*
- ABILITY TO EXTRACT DSP LOGS THAT MEASURE BIDS WON *Data handling & extraction capabilities*
- MEANS OF INTEGRATING VERIFICATION DATA *Ability to combine DSP logs + verification*
- ABILITY TO MAP VERIFICATION DATA WITH EXCHANGE PROPENSITIES *Insight capabilities*
- ABILITY TO MAP VERIFICATION DATA WITH TRAFFIC SOURCES PROPENSITIES *Insight capabilities*
- ASSESSMENT OF DSP/SITE PARTNER PROPENSITIES *Insight & analytics capabilities*
- ASSESSMENT OF EXCHANGE PROPENSITIES *Insight & analytics capabilities*
- ASSESSMENT OF SOURCE TRAFFIC PROPENSITIES *Insight & analytics capabilities*



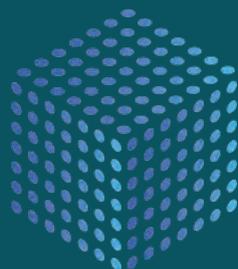
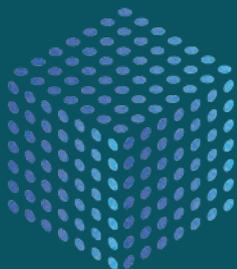
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Evidence of analyzing the data from available tech with a view to to improving measurement & Supply Path Optimization

Ad-Server measures

Persistent matching & analytics

Accessible DSP logs



Impression ID, Placement ID  
Quality metrics

Discrepancies, Supply sources,  
X Quality metrics

Bid ID, Source URL,  
Exchange ID

## CORE FINDINGS - 10 Barriers to unpacking supply path insights

Whilst brand and agency intent to unpack the quality of traffic supply was evident, and the means to do so, in terms of data access (with a few exceptions) is present, there remain significant operational barriers to that end. This indicates that: *the persistent unpacking of the digital supply path is not a habitual undertaking by those participating in the study.*

1

Persistent supply transparency measurement not apparent on the buy side other than by proxy 'via DSP partners'

2

DSP logs were difficult to get in a timely manner, sometimes as a result of false assumptions around data retention times. There were also instances of them being pulled incorrectly, or from the wrong place, which is indicative of non-habitual use

3

Some tech stack partners were unwilling to support measurement. Data access, when available, often two-steps removed. Most (58%) DV360 purchased impressions did not register Exchange IDs

4

Comparisons between DSP logs and Ad-Server logs remain a viable if data-challenged approach to transparency. There are available approaches to automating this process (using available partner tools at hand).

5

Some agency teams were unfamiliar with emergent data share measurement hubs like Google's 'ADH' (a now-necessary prerequisite to many transparency efforts)

6

Match rates across different logs were in line with comparable projects done last year (ISBA/PWC 2020 Supply Chain Report), but this time with IVT scores included

7

Numerous traffic verification approaches are demonstrably not filtering all bad traffic or payments, and sometimes are only done at the pre-bid level. "Wrapper" implementations inherently make transparency for buyers difficult.

8

We did find clear evidence of incremental IVT in the 4-5% range (8% in one instance) which can suggest that a proportion of ISBA/PwC's Unknown Delta could also be inclusive.

9

Use of programmatic buying bundles is inherently non transparent, and a barrier to any unpacking of supply path insights throughout the path.

10

A systematic disconnect between verification data and supply path workstreams. 'Supply Path Optimization' remains a nominal remote side gig

## RECOMMENDATIONS - for brands and agencies

There are a number of practical steps that agencies and brands themselves can take to overcome existing operational challenges to Supply Path Insight generation. These largely revolve around data management, and having the ability to utilise that data to assess DSP partners, and their partners in turn.

### For supply chain opacity issues – for brands



- Brands can try to structurally avoid extra layers of “proxy” buying.
- Manage and monitor any managed service level agreement with 3rd party buying partners.
- Assess buying partners on their ability to interrogate datasets for transparency purposes
- Hold tech partners accountable for supply path quality pre-requisites

### For supply chain opacity issues – for agencies



- Bridge the disconnect between verification numbers, and the application of those numbers to improving traffic supply quality. Block where possible. Verification should be more than a box ticking task.
- Agencies can regularly collect/receive DSP data transfer files, even if not used fully, to ensure access is open and regularly exercised. Avoid having data transfer access limited to CM360, and not inclusive of DV360.
- Agencies can avoid targeting packages/bundles from multiple exchanges.
- Agencies can make supply path insight workstreams main-stream. Regular supply path analysis will ensure that programmatic buys are transparent where expected

## RECOMMENDATIONS - for brands and agencies



### For data interoperability issues – for agencies

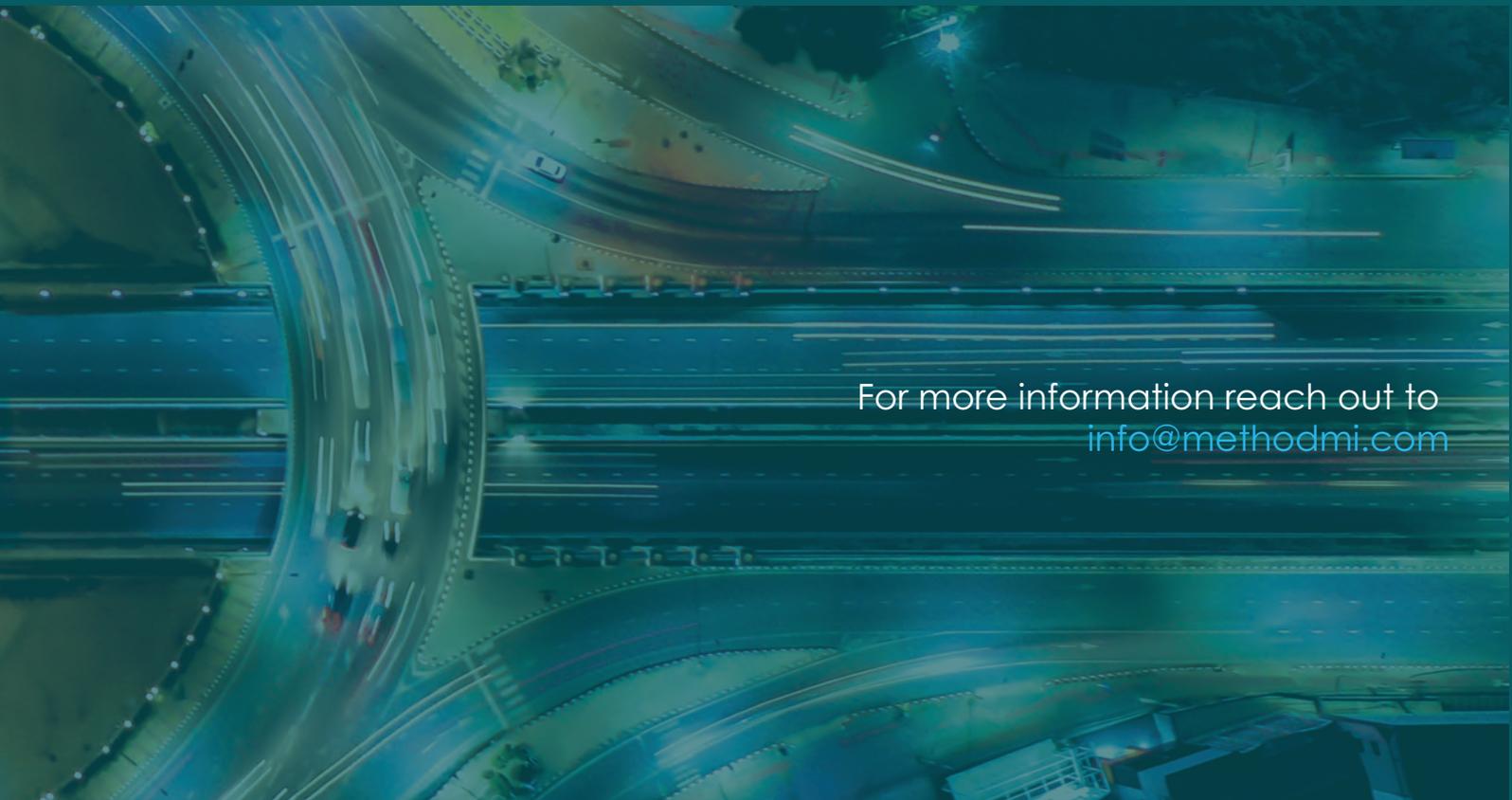
- Consistent data labelling and taxonomies is an industry wide problem to be addressed. Continue to lean into industry ongoing initiatives from the IAB, MFA, AANA.
- Split out each DSP as a different Site-ID in the ad-server, to ensure that proper supply path analysis can be enacted.
- Regular pulling of DSP data, even for count comparison and reconciliation, can help avoid misunderstandings of different platform naming conventions.
- There are some simple checks on existing Google tools that can augment SPO enablement
- Be aware of perceived data retention for platform logs is often 90 days
- DV360 data transfer access can be enabled with a simple check box. Implement DSP specific macros as site level key-values to be pulled in measurement data.

### For other types of issues – for both agencies and brands



- For Google YouTube buys, it is now inherently non-transparent without Google ADH access. ADH use and integration is structurally mandatory. Activate and begin using ADH stored data to enrich limited ad-server data.
- Wrapper based implementation results in ad-swapping by verification vendor that integrates with the ad-server, and still registers a count for the impression. Recognise the counting and billing dangers built into the given ways of working.
- Recognise the importance of whether you are billed on “auctions won” or “ads served”. If Google is deployed for both DSP and AdServer purposes, & if billing is still done on auction-won, the true situation is better by default Google policy to bill on CM360 numbers. In these instances all should compare CM360, DV360, and invoiced impression counts in every billing cycle.

# AANA



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