

WFA paper on advertiser access to data in the Digital Advertising Market

Executive Summary

The digital advertising market today is notoriously complex and opaque, which means advertisers and businesses can often struggle to access accurate and reliable data about their advertising from the companies that process and deliver it.

In particular, advertisers can encounter difficulties accessing data from online platforms to:

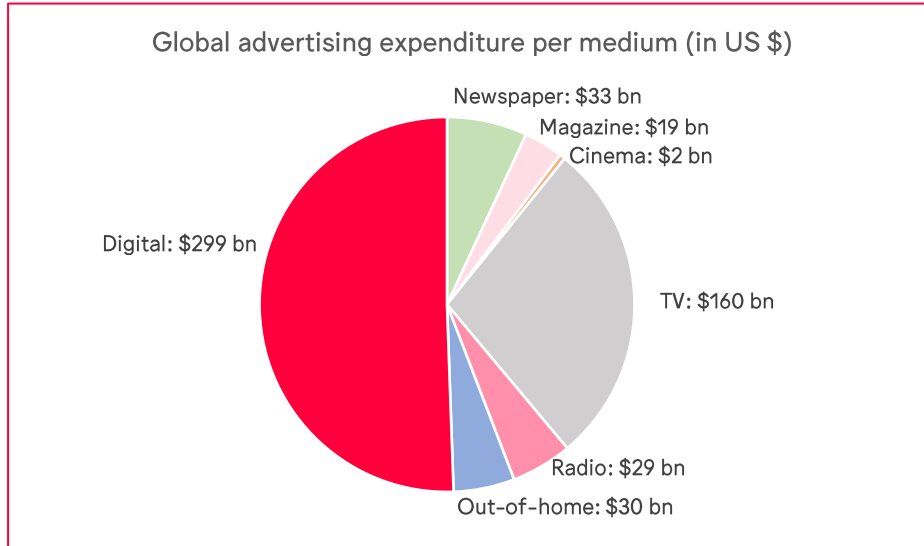
- **Measure the relative performance of advertising campaigns across different platforms.** Access to unfiltered, raw and independently verified measurement data is crucial for advertisers to make fully informed decisions about where to allocate spending and influence which players in the market benefit from advertising spend. Lack of access to this data can therefore have significant repercussions for advertisers and the broader competitiveness of the digital economy.
- **Audit advertising spend in order to better optimise advertising budgets.** Data about how intermediaries in the supply chain are remunerated or information about how auctions are carried out and prices determined enables advertisers to understand how their ad spend is being distributed. A lack of access to such data can therefore reduce transparency, diversity and accountability across the digital advertising market and impact advertisers' ability to switch between different providers.
- **Understand where their ads are being placed and what types of content they are funding.** Advertisers are committed to ensuring that their ads do not inadvertently fund illegal and harmful content online. Without access to adjacency data or the ability to work with third party verification partners to control advertising adjacency on online platforms, there is a continued risk that advertising revenues could contribute to the spread of harmful and illegal content online with potential serious consequences on society and consumer safety.
- **Understand consumer trends and preferences.** This data is crucial for businesses to develop new products, fuel innovation, build new services and provide users with a better online experience. A lack of access to such data can impact advertiser's ability to compete fairly with platforms that observe and analyse consumer behaviour using data.

WFA therefore encourages policymakers to explore options to incentivise platforms to share data with advertisers that use their services in a way that enables advertisers to properly assess the performance of their ads, audit ad spend, prevent their ads from inadvertently funding illegal and harmful content online and understand consumer trends and preferences.

We believe this will promote a more transparent, accountable and competitive digital advertising market and ensure a level playing field for all.

The size of the digital advertising market

Approximately \$299 billion of advertising spend is channelled through the digital advertising market globally every year, representing just over 50% of global advertising spend in 2020¹. Ten years ago, this figure was only 15%². This rapid shift has opened up a huge range of opportunities for advertisers, but also a number of challenges which we will explore further in this paper.



Zenith (December 2020) Advertising Expenditure at current prices

The structure of the digital advertising market

10 years ago, an advertiser needed to show a single ad on eight TV channels in order to reach over 1 billion people³. Today, the digital media landscape is significantly more fragmented. There are more than 1.7 billion websites online⁴ and the average consumer visits dozens of them every day. This shift has driven advertisers to focus on audiences, rather than channels, using insights gathered through data which could signal a potential interest in a particular product. Data is core to understanding the digital advertising market.

Although the digital advertising market is made up of a large and diverse ecosystem of advertising technology providers, the two biggest companies in the digital advertising market are Google and Facebook. Market studies have indicated that between them they receive over 70% of digital advertising spend in the UK⁵, US⁶ and Australia⁷. Together, these two companies made \$231 billion from selling advertising last year⁸.

¹ Zenith (December 2020) Advertising Expenditure Forecasts.

² Zenith (September 2019) Advertising Expenditure Forecasts.

³ The 2008 Olympics opening ceremony is estimated to have reached almost 1 billion people via television broadcasts in eight countries. More detail [here](#).

⁴ World Economic Forum, [data provided by Statista](#).

⁵ Competition and Markets Authority (2020) [Online platforms and digital advertising final report](#) found that around 80% of digital advertising spend in the UK was spent on Google and Facebook in 2019.

⁶ MarketWatch (2020) [Plummeting digital ad market may complicate life for Google, Facebook](#).

⁷ ACCC (2020) [Digital Platforms Inquiry final report](#) which found that Google and Facebook account for 75% of the digital advertising market.

⁸ Google reported advertising revenue of \$147 billion in their 2020 annual report. Total reported revenue was \$182.5 billion. Alphabet Inc. Form 10-K, 2020. https://abc.xyz/investor/static/pdf/20210203_alphabet_10K.pdf?cache=b44182d Facebook reported advertising revenue of \$84 billion in their 2020 annual report. Total reported revenue was \$85.9 billion. Facebook Inc., Form 10-K, 2020. <http://d18rn0p25nwr6d.cloudfront.net/CIK-0001326801/4dd7fa7f-1a51-4ed9-b9df-7f42cc3321eb.pdf>.

Access to data & independent verification

The digital advertising market today is notoriously complex and opaque. This lack of transparency means that advertisers and businesses can often struggle to access accurate and reliable data about their advertising from the companies that process and deliver it. As highlighted by EU policymakers, the conditions under which large online platforms provide advertising services is often “non-transparent and opaque”⁹. In fact, according to a recent WFA survey, 79% of large global advertisers ([WFA corporate members](#)) said they encounter a lack of data sharing when working with large online platforms¹⁰, which impacts their ability to:

- Measure how many people saw an ad and whether a campaign on a particular platform was successful (*ad measurement data*).
- Audit advertising spend to ensure their marketing budgets are being spent effectively (*ad pricing data*).
- Ensure that ad spend isn’t indirectly funding the spread of illegal and harmful content (*brand safety data*)¹¹.
- Understand trends and consumer preferences in order to compete fairly with platforms that hold large amounts of consumer data (*consumer and insights data*).

This can have direct repercussions on businesses (advertisers), consumers, and the competitiveness and wellbeing of the wider digital economy.

1) AD MEASUREMENT DATA

One of the most important decisions advertisers and brands need to make is where to invest their advertising budget. In a global market of \$235 billion per year¹², these decisions can have a major impact on the funding of the European digital economy: including publishers, independent advertising technology companies, large online platforms, journalism and entertainment.

We believe these investment decisions should be based on objective, verifiable and accurate metrics about the relative performance of advertising campaigns across different platforms. This includes information such as:

- The number of times an ad was served (*‘impressions’*¹³).
- Whether an ad was actually seen by users (*‘viewability’*¹⁴).
- The number of unique users which saw an ad (*‘reach’*).
- How many times users were exposed to the same ad (*‘frequency’*).
- How many people engaged in some way with an ad they were shown, such as clicking on it, swiping the content, expanding an image (*‘engagement’*¹⁵).
- To what extent an ad led to people taking a particular action e.g. buying a product, filling out a contact form (*‘conversion’*¹⁶).

This type of information enables advertisers to assess how advertising campaigns perform across different platforms. This can then inform future media investment decisions based on what types of

⁹ [2020/0374\(COD\)](#) Contestable and fair markets in the digital sector (Digital Markets Act)

¹⁰ WFA survey on Digital Advertising and working with partners, August 2020; Base: 50 responses.

¹¹ For more information, see [WFA’s position on the Digital Services Act](#).

¹² Zenith (December 2020) Advertising Expenditure Forecasts.

¹³ According to [IAB’s Glossary for digital media buying and planning](#), an impression is “the measurement of responses from a web server to a page request from the user browser, which is filtered from robotic activity and error codes and is recorded at a point as close as possible to opportunity to see the page by the user”.

¹⁴ IAB and the [Media Ratings Council](#) define viewability as an ad that meets the following minimum criteria: “greater than or equal to 50% of the pixels in the advertisement were on an in-focus browser tab on the viewable space of the browser page and the time the pixel requirement is met was greater than or equal to one continuous second, post ad render”. The MRC is a US-based non-profit which audits activities around media-related measurement across different types of media.

¹⁵ [IAB defines engagement](#) as “a spectrum of consumer advertising activities and experiences that will have a positive impact on a brand”, such as changes in brand recognition and perception, and number of interactions with an ad such as liking, following or sharing.

¹⁶ [IAB defines conversion](#) as “a measure of success, or metric, of an online ad when compared to the click-through rate. What defines ‘conversion’ depends on the marketing objective. It can be defined as a sale or request to receive more information”.

platforms deliver the best results for different types of campaigns, depending on the advertiser's objectives. For example, a campaign which aims to lead people to buy a product may focus on which platforms tend to deliver high 'conversion' rates, whilst a different campaign which aims to drive awareness of a new product line may focus more on platforms with high levels of 'reach'.

According to a recent WFA survey, 86% of large global advertisers ([WFA corporate members](#)) said they encounter difficulties accessing measurement data from large online advertising platforms¹⁷. In particular, advertisers often raise concerns about having no direct unfiltered access to the raw data they need to measure ads. Instead, advertisers tend to rely entirely on data sets provided by large online advertising platforms to carry out their assessments.

This means that advertisers need to be able to verify that any data being provided to them is accurate, and independent auditing is a key part of this. However, many of the biggest online advertising platforms only enable advertisers to work with a limited number of third-party verification providers and these providers are not able to independently collect raw data from the source, having to rely instead on the data provided by the platforms themselves. At the same time, there are no systems in place to hold platforms accountable for wrongly reported measurement metrics.

The way that large online advertising platforms filter the measurement data they make available can mean that any deficiencies in the services they provide may go undetected. This lack of transparency could have significant repercussions for advertisers and the competitiveness of the digital economy. This could also limit advertisers' ability to make fully informed decisions about where to allocate spending, and therefore influences which players in the market benefit from advertising spend.

Advertisers also need to assess and analyse performance of their ads across different platforms to inform future investment decisions. However, there are currently no industry standardisation metrics which would allow advertisers to effectively evaluate the performance of advertising commensurate to their investments across different platforms. Measurement metrics applied by large online advertising platforms vary widely and there is no portability or interoperability of metrics between online platforms and the open digital advertising ecosystem, meaning that insights about ads generated in one platform are not comparable with the next.

This can mean that advertisers do not have access to sufficient information to understand which platform contributed the most to the success of a digital marketing campaign. It also means that advertisers have to develop multi-platform campaign strategies rather than focusing on the ones which are most likely to drive the best results based on previous analysis. This could inflate advertising budgets and barriers to entry for new market entrants, which could see advertisers spending more on large online platforms.

Recommendations:

- WFA encourages policymakers to explore options to incentivise increased data sharing between large online advertising platforms and the advertisers that use their services. In particular, large online advertising platforms should provide advertisers with access to measurement data in a raw/detailed fashion and should enable advertisers to use their own third-party verification and measurement tools to measure the performance of their ads.
- In accordance with existing regulation such as the EU General Data Protection Regulation, WFA calls for privacy regulation to ensure sufficient flexibility to enable the collection of independently audited measurement data without user consent, to the extent that they relate to the measurement of advertising effectiveness and are only used for aggregate reporting. This also extends to the use of tracking technologies placed on a user's device with the purpose of collecting data for the specific purposes outlined above. For further information, see WFA's position paper on the EU ePrivacy Regulation¹⁸.

¹⁷ WFA survey on Digital Advertising and working with partners, August 2020; Base: 50 responses.

¹⁸ [WFA's position on the ePrivacy Regulation](#) has called for an exception to the requirement to get consent for collecting data via trackers for the purposes of measuring the effectiveness of ads.

- WFA is developing, along with UK advertiser association ISBA and US advertiser association ANA, a blueprint for a new framework to enable advertisers to assess ‘reach’ and ‘frequency’ of campaigns in a comparable, verifiable way across different platforms¹⁹. WFA invites all advertising stakeholders to participate in the development of this new measurement architecture.

2) AD PRICING DATA

In order to calculate whether advertisers’ investment (i.e. cost of the marketing campaign) led to positive outcomes for the company (i.e. increase in purchases, or increase in brand recognition), advertisers need to have access not only to detailed measurement data (as outlined above), but also to information about how their ad spend is being attributed to vendors across the digital advertising supply chain, and transparency about how the price of ad inventory is determined. Such data enables advertisers to audit their spend in order to better optimise advertising budgets.

The way that advertising is bought and placed online is complex and involves many different intermediaries. As noted by EU policymakers, this means that advertisers can lack information and knowledge about the “conditions of the advertising services they purchased” including the price paid for different advertising services²⁰.

According to a recent WFA survey, 81% of large global advertisers who responded said they lack data about how intermediaries in the advertising supply chain are remunerated²¹. A recent study conducted by UK advertiser association ISBA found that just 51% of advertising spend on digital advertising inventory went to working media, and that 15% of advertiser spend is completely unattributable²². This means that it has become practically impossible for an advertiser to determine with certainty the amount of ad spend being retained by each intermediary in their ad tech supply chain.

Moreover, while in the open advertising ecosystem publishers and other content providers compete to sell advertising inventory using a wide range of third-party intermediaries and ad exchanges, online advertising platforms such as Google and Facebook are vertically integrated. Recent competition investigations in the UK and Australia have found that such vertical integration can raise significant conflicts of interests, as “platforms have considerable discretion over a wide variety of parameters that affect the prices advertisers pay” and “over which auctions advertisers participate in and the level of their bid”²³.

As a result, according to a recent WFA survey, 65% of large global advertisers who responded ([WFA corporate members](#)) said they also encounter difficulties accessing data related to the way auctions are carried out and prices determined on large online advertising platforms²⁴. This not only undermines advertisers’ ability to audit ad spend, but it also reduces transparency and accountability in the market which could have an impact on price inflation.

This lack of transparency about how auctions are carried out and prices determined along with lack of detailed measurement data means advertisers are often unable to effectively evaluate the services they are receiving. It also limits their ability to effectively evaluate the relative merits of different providers in the market. In the long term, this could undermine advertisers’ ability to switch between different

¹⁹ Coordinated by global brands and leading national advertiser associations and with involvement from partners from across the ecosystem, WFA has been facilitating a programme to expedite the implementation of a new wave of cross-media measurement solution. For more information, see [here](#).

²⁰ [2020/0374\(COD\)](#) Contestable and fair markets in the digital sector (Digital Markets Act).

²¹ WFA survey on Digital Advertising and working with partners, August 2020; Base: 50 responses

²² ISBA Programmatic Supply Chain Transparency Study (available here:

<https://www.isba.org.uk/system/files/media/documents/2020-12/executive-summary-programmatic-supply-chain-transparency-study.pdf>).

²³ UK Competition and Markets Authority (2019) [Online platforms and the digital advertising market study](#). Page 17 explores the conflicts of interests raised by the lack of transparency in the way online platforms sell advertising services.

²⁴ WFA survey on Digital Advertising and working with partners, August 2020; Base: 50 responses

providers based on independent and verifiable analysis, to the detriment of competition in the digital advertising market²⁵.

Recommendations:

- WFA encourages policymakers to explore options to drive more transparency regarding the advertising services online advertising platforms provide. In particular, large online advertising platforms should be required to provide advertisers with information about the prices of their advertising services and data about how advertising intermediaries are remunerated. Moreover, large online advertising platforms should also be required to share detailed information about the way prices are determined and auctions carried out so that advertisers can effectively audit ad spend.
- WFA calls on the advertising industry to continue to advance and support efforts to drive transparency, standardisation and data sharing in the online advertising supply chain, such as those being carried out by UK advertiser association ISBA²⁶.

3) BRAND SAFETY DATA

The proliferation of illegal and harmful content online has become a challenge for the entire media industry, which is why responsible advertisers are taking significant steps to ensure that their advertising spend does not inadvertently fund content which is harmful to society or consumers. For example, in the open online advertising ecosystem, advertisers work with third party targeting and verification partners to prevent advertisements being purchased alongside illegal, harmful or objectionable content.

However, due to the complexity of the digital advertising ecosystem (particularly programmatic advertising²⁷) and the absence of harmonised content moderation policies, advertisers often lack transparency around the data needed to understand where their ads are placed ('adjacency data'), and what types of content they are funding. Moreover, many of the biggest online advertising platforms do not enable advertisers to work with third party verification partners to control advertising adjacency.

To try and reduce the monetisation of illegal and harmful content online, advertisers are calling for large online advertising platforms to share more data related to specific critical questions:

- How safe is the platform for consumers?
 - Estimations of how much content on a platform is harmful and/or illegal ('prevalence')
- How effective is the platform in enforcing its content moderation policies?
 - The number of pieces of content reported by users as potentially harmful and/or illegal during a given time period.
 - The number of pieces of content identified as harmful and/or illegal that had ads placed next to them ('monetisation'), and how many ads appeared next to this content while it was live on the platform.
 - The number of potentially harmful and/or illegal pieces of content that were removed during a given time period and why.
 - The number of times potentially harmful and/or illegal content was viewed ('reach') before it was removed.
- How responsive is the platform in addressing errors in content moderation policy enforcement?
 - The number of appeals received by the platform related to removed content.
 - The number of pieces of content that were reinstated after they were categorised as harmful/illegal.

²⁵ [2020/0374\(COD\)](#) Contestable and fair markets in the digital sector (Digital Markets Act).

²⁶ UK Advertiser ISBA has initiated a cross-industry taskforce to study the causes of unattributable supply chain costs and shape an independently led effort to work on standardisation and data share in order to facilitate robust supply chain verification. For more information, see [here](#).

²⁷ [IAB defines programmatic advertising](#) as "media or ad buying that uses technology to automate and optimize, in real time, the ad buying process. This ultimately serves targeted and relevant experiences to consumers across channels. On the back end, algorithms filter ad impressions derived from consumer behavioural data, which allows advertisers to define budget, goal, and attribution and optimize for reduced risk while increasing return on investment."

This type of data would allow advertisers to better understand the effectiveness of the content moderation systems online platforms use for the detection, removal and demonetisation of harmful and/or illegal content and the risk associated with advertising on certain online platforms.

However, according to a recent WFA survey, 60% of large global advertisers (WFA corporate members) said they lack transparency from large online advertising platforms regarding where their ads are placed²⁸. According to assessments carried out by [the Global Alliance for Responsible Media](#) (see below), the two companies which make up more than 70% of digital advertising spend in key markets (see above) do not share all the data listed above with advertisers.

For example, large online advertising platforms often publish reports with the number of pieces of content deemed harmful or illegal along with the amount of content removed from their sites. However, not all platforms provide more detailed insights such as how many people saw such content or whether any ads were placed next to it.

Moreover, there is currently no third-party auditing of platforms' content moderation systems. This type of objective verification is crucial in order to ensure that systems can be improved and advertisers can have more control over what types of content profit from their advertising spend.

Facebook, Google, Twitter, TikTok, Snapchat and Pinterest are working with advertisers and other stakeholders in the advertising industry to work towards regular, standard reporting of this data through the [Global Alliance for Responsible Media](#). This work began in June 2019 and is ongoing. Google, Facebook and Twitter have committed to providing this data to advertisers in a standard reporting format as of April 2021 and enabling independent auditing is currently under way.

Until this brand safety data is made available in an open and transparent way, there is a continued risk that advertising revenues could inadvertently fund and contribute to the spread of harmful and illegal content online, with potential serious consequences on society and consumer safety.

Recommendations:

- WFA remains fully committed to ongoing work in the Global Alliance for Responsible Media, which has led to the online platforms with the biggest global advertising spend making voluntary commitments to provide more data to help reduce the monetisation of harmful and/or illegal content. We eagerly anticipate this data being shared more widely in a common reporting format with independent auditing by April 2021.
- WFA encourages policymakers to explore options to encourage online platforms to share more brand safety data in order to support efforts to reduce the monetisation of illegal and harmful content online. We believe transparency reports published by large online platforms about their content moderation policies need to be independently verified and audited.

4) CONSUMER DATA

The success of the digital economy is built on data-driven ecosystems which enable relevant, useful and personalised content to be offered to people through a wide range of online services. Platforms which are able to observe and analyse consumer behaviour using data are able to leverage these insights to develop new tools, services and products which meet new and evolving consumer needs. This type of data is wide-ranging, but can provide important insights for companies such as:

- What kind of content is popular (*'trending'*) during a certain period and what products or services people are searching for.
- Trends in shopping behaviour when looking for certain types of products as well as shopper engagement with different products and services.
- Potential barriers to purchasing a particular product.
- Likely demand for certain products or categories.
- Potential new consumer needs and gaps in the current product market.

²⁸ WFA survey on Digital Advertising and working with partners, August 2020; Base: 50 responses.
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- Consumer preferences and needs.

All of these insights can be used to develop new products, fuel innovation, build new services and provide users with a better online experience.

Online platforms are able to generate and access large amounts of data about people that use their services and they maintain a competitive advantage by turning this data into insights that can be used to improve their own businesses and services. Other companies that partner with platforms but sit outside of the data-driven ecosystems that power them are unable to develop a similar level of insight and consumer understanding to enhance and improve their own products and services.

In many cases, advertisers are incentivised by platforms to share insights and data about their products and customers. But 70% of WFA members say that this type of data is not shared by platforms with them in a detailed manner, limiting their ability to develop consumer insights that they can build into their future marketing campaigns and product innovation²⁹. This type of data is valuable as it can be used to reduce ‘annoying’ advertising by limiting the number of times people see the same ad (*‘frequency capping’*) and terminating ad formats which people don’t want to engage with.

This asymmetry also raises potential privacy concerns. Recent guidelines from the [European Data Protection Board](#) have indicated that advertisers should be considered a (joint) controller for some types of online targeting. This means that advertisers and social media platforms both have the responsibility to protect the rights of individuals whose personal data is used in targeting. However, when using the advertising tools on the platforms, advertisers have little or no opportunity to discuss or change data processing activities or negotiate bespoke data processing terms. This could therefore raise significant challenges for advertisers.

Recommendations:

- WFA encourages policymakers to explore options to incentivise platforms to share data with advertisers that use their services in a way that enables the development of insights that can contribute to innovation, product development and future marketing campaigns. In particular, large online advertising platforms should be required to provide business users, including advertisers, with access and use of data that is provided for or generated in the context of the use of the platforms’ advertising services, as well as interaction and engagement by end-users with business users’ products or services.
- WFA calls on the European Data Protection Board and Data Protection Authorities to take into account the level of transparency between advertisers and platforms related to the processing of personal data when reviewing the application of GDPR to online advertising activities³⁰.

²⁹ WFA survey on Digital Advertising and working with partners, August 2020; Base: 50 responses.

³⁰ [WFA response](#) to the European Data Protection Board (EDPB)’s consultation on Recommendation 01/2020 on measures that supplement transfer tools to ensure compliance with EU level of protection of personal data.

