



TRUST CONSORTIUM

**ISSUES THAT CONTRIBUTE TO THE BREAKDOWN
OF TRUST IN THE ADVERTISING ECOSYSTEM**

SEPTEMBER 2019

BACKGROUND

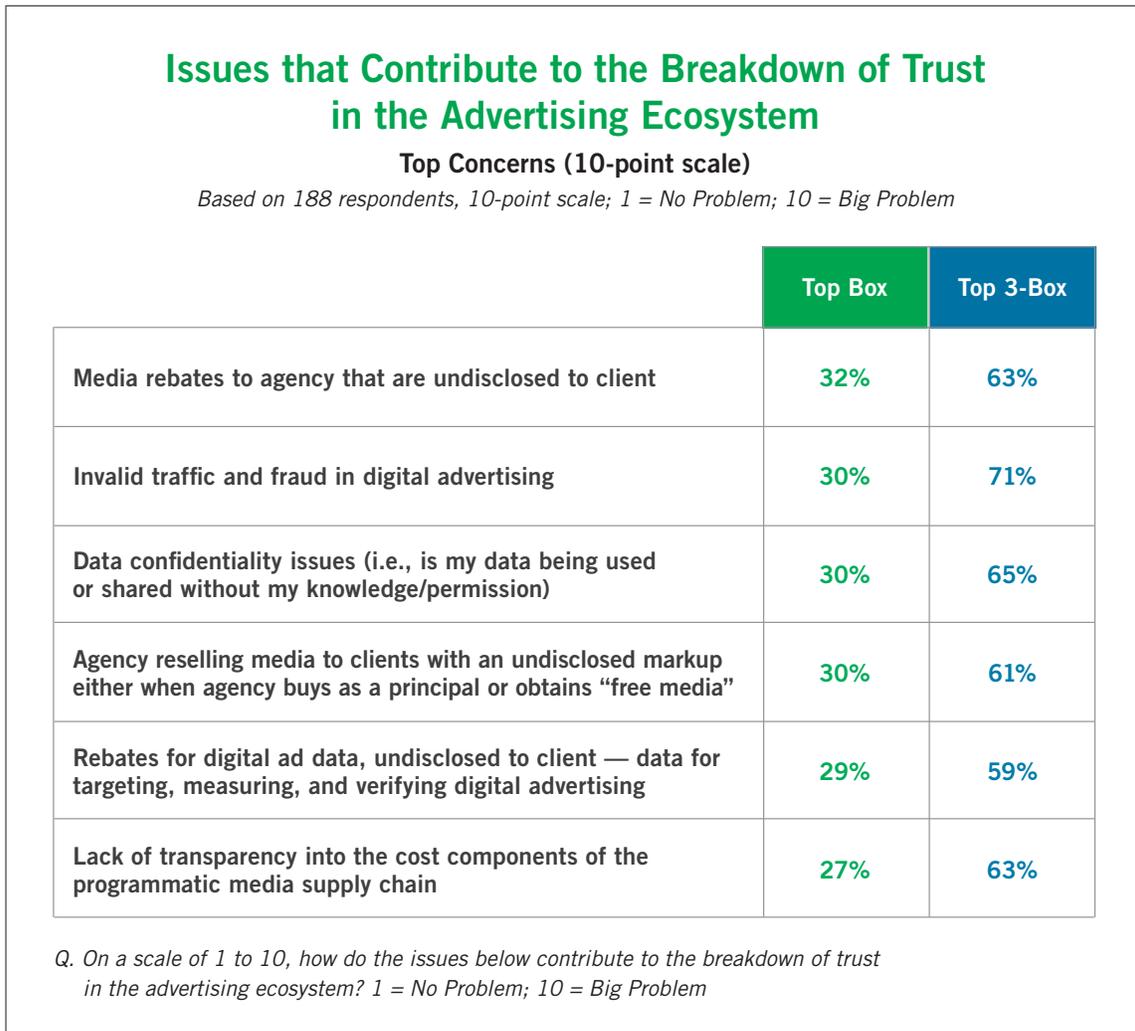
Earlier this year the ANA launched the Trust Consortium in partnership with our outside counsel, Reed Smith, to help address the issue of trust between marketers and the advertising ecosystem. The Trust Consortium consists of subject matter experts committed to working together to keep trust on the front burner and to emphasize transparency, integrity, and growth for the overall health and well-being of the industry.

To identify and better understand the future focus areas for the Trust Consortium, a brief survey was conducted in August, asking:

- On a scale of 1 to 10, how do the issues below contribute to the breakdown of trust in the advertising ecosystem? 1 = No Problem; 10 = Big Problem

There were 188 respondents, and the six issues below (of 18 total) were the top concerns.

KEY FINDINGS



See the appendix for the ranking of all 18 issues.

It is of interest to note that the top issues include topics that have been well-publicized in recent years:

- The ANA's [media transparency work](#) has focused on media rebates, including agencies reselling media to clients with an undisclosed markup.
- The ANA and White Ops have now partnered on [four studies](#) to measure fraud in the digital advertising ecosystem. Furthermore, the ANA helped to create the Trustworthy Accountability Group (TAG), whose focus includes eliminating fraudulent digital advertising traffic.
- The ANA partnered with AD/FIN, Ebiquity, and the Association of Canadian Advertisers on a [study](#) to examine the cost components of the programmatic media supply chain.

While progress has certainly been made, the fact that these are issues of great concern indicates that there is still work that needs to be done in these respective areas.

Data-related issues are also among the top concerns.

Our survey also asked respondents to provide brief commentary via an open-ended question. Representative verbatim comments:

- “Be up-front on your revenue model from the start.”
- “Transparency = Trust”
- “Too often marketers and support functions like marketing procurement can be complicit in perpetuating these issues either by not pushing back, not asking tough questions, or by turning a blind eye when issues arise.”
- “Trust is extremely relevant to client and agency relationships. We need the agency to think of our business as their business.”
- “The biggest concern is when the agency is not fully representing the client’s needs.”
- “It’s incumbent on advertisers to place the proper value on transparency as the biggest driver of trust.”
- “Programmatic media buying is still a tangled mess of opaque costs and hidden fees.”
- “Many of these things can be problems, but are not if your agency relationship management model is well thought through.”
- “An unwillingness to share information or allow for an audit implies there is something to hide, which erodes trust. That is a big problem.”
- “Trust and transparency are primordial for agencies to be considered business partners of clients. Even though agencies complain that clients are financially squeezing them, that does not grant agencies permission to engage in business practices that create a conflict of interest with their clients. Both entities need to cover expenses and make a profit; both need to work together and be rewarded appropriately for business growth.”

NEXT STEPS

Results from this survey help provide direction on issues that the Trust Consortium should focus on going forward and those will include (but not necessarily be limited to) media transparency, invalid traffic/fraud in digital advertising, programmatic buying, and data.

The Trust Consortium will next meet on [October 15](#) in New York City.

APPENDIX

Issues that Contribute to the Breakdown of Trust in the Advertising Ecosystem

(10-point scale)

Based on 188 respondents, 10-point scale; 1 = No Problem; 10 = Big Problem

	Top Box	Top 3-Box
Media rebates to agency that are undisclosed to client	32%	63%
Invalid traffic and fraud in digital advertising	30%	71%
Data confidentiality issues (i.e., is my data being used or shared without my knowledge/permission)	30%	65%
Agency reselling media to clients with an undisclosed markup either when agency buys as a principal or obtains “free media”	30%	61%
Rebates for digital ad data, undisclosed to client — data for targeting, measuring, and verifying digital advertising	29%	59%
Lack of transparency into the cost components of the programmatic media supply chain	27%	63%
Data integrity issues (i.e., accuracy and relevance)	24%	62%
Walled garden limitations on measurement	22%	62%
Brand safety issues	22%	48%
Discrepancies between served and viewable impressions	21%	57%
Influencer fraud (i.e., fake followers, fake engagement stats)	20%	57%
Production transparency issues — agency ownership of in-house facilities for production/editorial and conflicts of interest through undisclosed relationships within the supply chain	17%	45%
Agency limitations on audit rights	16%	44%
Lack of contract governance and operationalization	14%	40%
Lack of transparency in the cost components of experiential and event marketing	13%	42%
Agency receipt of value pots (also known as advanced media value) from publishers in certain markets	12%	39%
Conflict of interest when media planning and buying are performed by the same agency	7%	33%

Q. On a scale of 1 to 10, how do the issues below contribute to the breakdown of trust in the advertising ecosystem? 1 = No Problem; 10 = Big Problem

ABOUT THE ANA

The ANA (Association of National Advertisers) makes a difference for individuals, brands, and the industry by driving growth, advancing the interests of marketers, and promoting and protecting the well-being of the marketing community. Founded in 1910, the ANA provides leadership that advances marketing excellence and shapes the future of the industry. The ANA's membership includes more than 1,800 companies with 20,000 brands that engage almost 50,000 industry professionals and collectively spend or support more than \$400 billion in marketing and advertising annually. The membership is comprised of more than 1,100 client-side marketers and more than 700 marketing solutions providers, which include leading marketing data science and technology suppliers, ad agencies, law firms, consultants, and vendors. Further enriching the ecosystem is the work of the nonprofit ANA Educational Foundation (AEF), which has the mission of enhancing the understanding of advertising and marketing within the academic and marketing communities.

ABOUT REED SMITH

Reed Smith is a global relationship law firm with more than 1,700 lawyers in 29 offices throughout Europe, the Middle East, Asia, and the United States. Founded in 1877, Reed Smith is a dynamic international law firm dedicated to helping blue-chip clients move their business forward. Its long-standing relationships, international outlook, and collaborative structures make it a go-to partner for speedy resolution of complex disputes, transactions, and regulatory matters. Reed Smith's lawyers provide litigation and other dispute-resolution services in multi-jurisdictional and high-stake matters, deliver regulatory counsel, and execute the full range of strategic domestic and cross-border transactions. Reed Smith is a preeminent advisor to industries including advertising, entertainment and media, financial services, life sciences, health care, shipping and transport, energy and natural resources, real estate, manufacturing and technology, and education.



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