



H2 2018

Media Quality Report

UNITED KINGDOM EDITION

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01

Introduction

The UK's digital media market currently favours optimism. Despite Brexit-induced market concerns, alongside brand safety issues and a lack of trust and transparency in digital advertising, ad spend for digital now totals over £14 billion in the UK, while global ad spend is predicted to rise 4.3%, pushing total investment over £471 billion.

As a consequence of increasing budget flowing into digital, advertisers are demanding higher quality and greater impact. With the emergence of new digital formats and channels, advertisers now want to understand the quality of their media across their entire media plan.

Consequently, we have seen all sides of the industry invest in verification to meet calls for higher standards from the buy side. The data shows this approach is working, with programmatic inventory quality quickly closing the gap with inventory bought

direct. For the first time in H2 2018, programmatic viewability rates surpassed direct buys, when looking at desktop and mobile web impressions in the UK.

This latest Media Quality Report looks into the current state of digital media in the UK to allow advertisers and publishers to better understand media quality, while providing essential benchmarks that highlight key areas of quality and help prevent loss of value.

Top UK media quality trends

Programmatic outperforms direct buys

Publishers and their tech providers are catching up with the demand for higher standards for programmatic inventory from the buy side. Although impressions sourced via publisher direct channels traditionally offer higher viewability — and still do in video — programmatic narrowed the viewability gap and even overtook in some environments.

Video drives increased time-in-view

Video campaign impressions surpassed both desktop and mobile web for the length of time-in-view. When looking at impressions sourced via programmatic channels, video impressions drove the highest time-in-view rate, at 14.7 seconds, providing the greatest opportunity to fully capture UK consumer attention.

Ad fraud impacts 1% of UK desktop display buys

Ad fraud affects up to 1% of UK desktop display impressions. According to IAB UK's latest ad spend results, display spend has reached £2.3 billion — ad fraud then has the potential to impact up to £23 million of UK advertising spend. Fraud can increase during the second half of the year as fraudsters are attracted to the lucrative holiday shopping period.

Brand risk continues to fall, but risk in video increases

Brand risk in the UK reduced by 28.9% over the second half of 2018 for desktop display. This mirrors results from the first half of the year, where risk decreased 22.4%. However, video impressions did experience a slight rise, up by 12.5%, which means 1 in every 10 UK video impressions was flagged for appearing next to content that could pose a risk to a brand's image or reputation.

Definitions

Viewability

Per the Media Ratings Council (MRC), a display ad impression is viewable if at least 50% of pixels are on screen for at least one second, and a video ad impression is viewable if the ad is playing while at least 50% of pixels are on screen for at least two continuous seconds.

Time-in-view

Time-in-view is the average duration that a viewable impression remained in-view. This calculated average does not include impressions that were not viewable according to the MRC standard.

Ad fraud

Any impressions resulting from a deliberate activity that prevents the proper delivery of ads to real human users, resulting in financial or opportunity loss by the advertiser and/or publisher in a digital advertising transaction.

Optimised fraud

Optimised fraud benchmarks represent campaigns that were executed with a fraud mitigation strategy and employed use of ad fraud technology.

Global non-optimised fraud

Non-optimised fraud benchmarks represent campaigns that did not incorporate any form of fraud mitigation strategy or technology. These benchmarks reflect a global average.

Brand risk

Impressions on pages that are flagged as posing harm to brand image and/or reputation through association, based on seven core content categories: adult, alcohol, hate speech, illegal downloads, illegal drugs, offensive language and controversial content, and violence.

02

Viewability

UK desktop display viewability rates reached an all-time high of 68.8% during H2 2018, improving by 29.1% from the previous six months. As programmatic becomes the de facto way of trading ad impressions, we can see that in the second half of 2018, viewability rates in programmatic surpassed those in direct buys. Despite this progress, there has been a slow down in the rate of improvement and viewability could stabilise in the near future.

UK desktop viewability improved across the board, with nearly one-third (31%) of desktop display impressions remaining in view for 15 seconds.

Desktop video viewability rates also improved slightly, with two-thirds (66.1%) of video ads found to be in-view. While viewability for mobile web video declined slightly compared to H1 2018, mobile web display showed improvement.

Mobile web impressions sourced via programmatic channels performed well in H2 2018, increasing 16.6% year-on-year. Mobile's share of programmatic video advertising is expected to remain on an upward trajectory, while mobile video viewing continues to grow — indicating that audiences are hungry for short, on-the-go clips. Shifting video consumption patterns will likely push traffic and engagement up and this could impact the viewability rates for ads that support video. Finally, with programmatic accounting for 76% of digital media trading in the UK, more premium video publishers may now shift direct ad sales to programmatic.

Ad size

Whilst ad size impacts the likelihood an ad will be viewable or not, viewability for all ad sizes increased during H2 2018. Similar to previous Media Quality Reports, ad units which are vertically oriented outperform ads that are horizontally oriented. Skyscraper ads achieved the highest viewability rate at 74.2%.





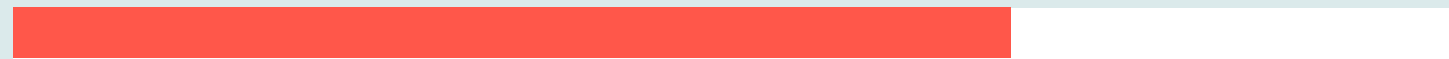
Viewability

DESKTOP OVERVIEW

Desktop display

In view per the MRC standard

ALL BUY TYPES



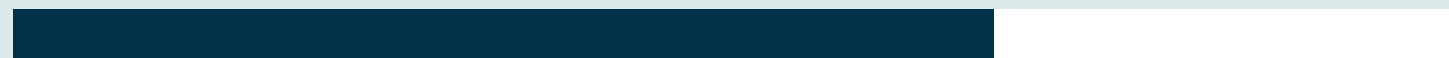
68.8%

PROGRAMMATIC



69.1%

PUBLISHER DIRECT

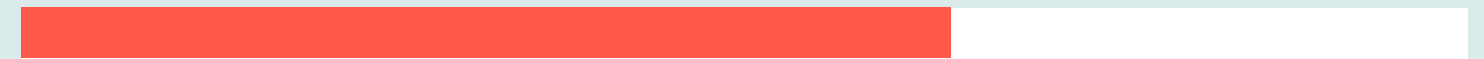


67.7%

Desktop video

In view per the MRC standard

ALL BUY TYPES



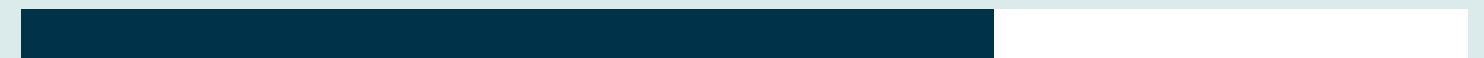
66.1%

PROGRAMMATIC



65.7%

PUBLISHER DIRECT



66.7%

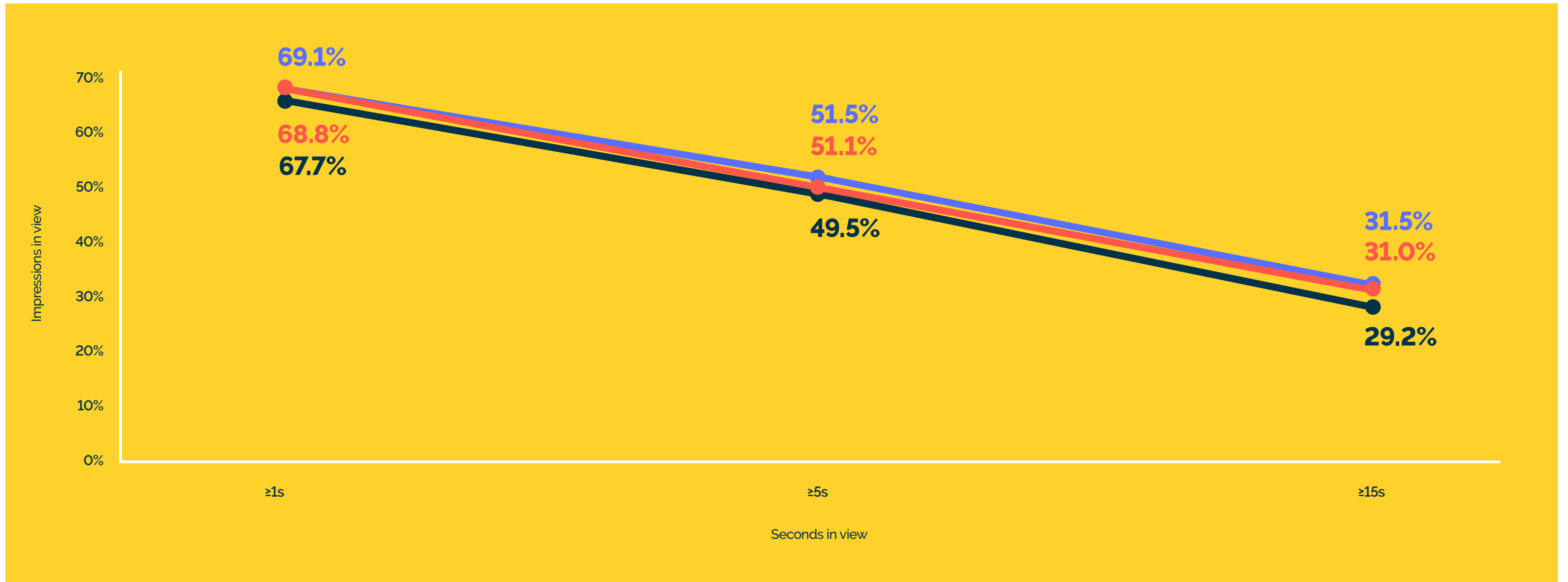


Viewability

BY SECONDS IN VIEW

Desktop display

- All buy types
- Programmatic
- Publisher direct



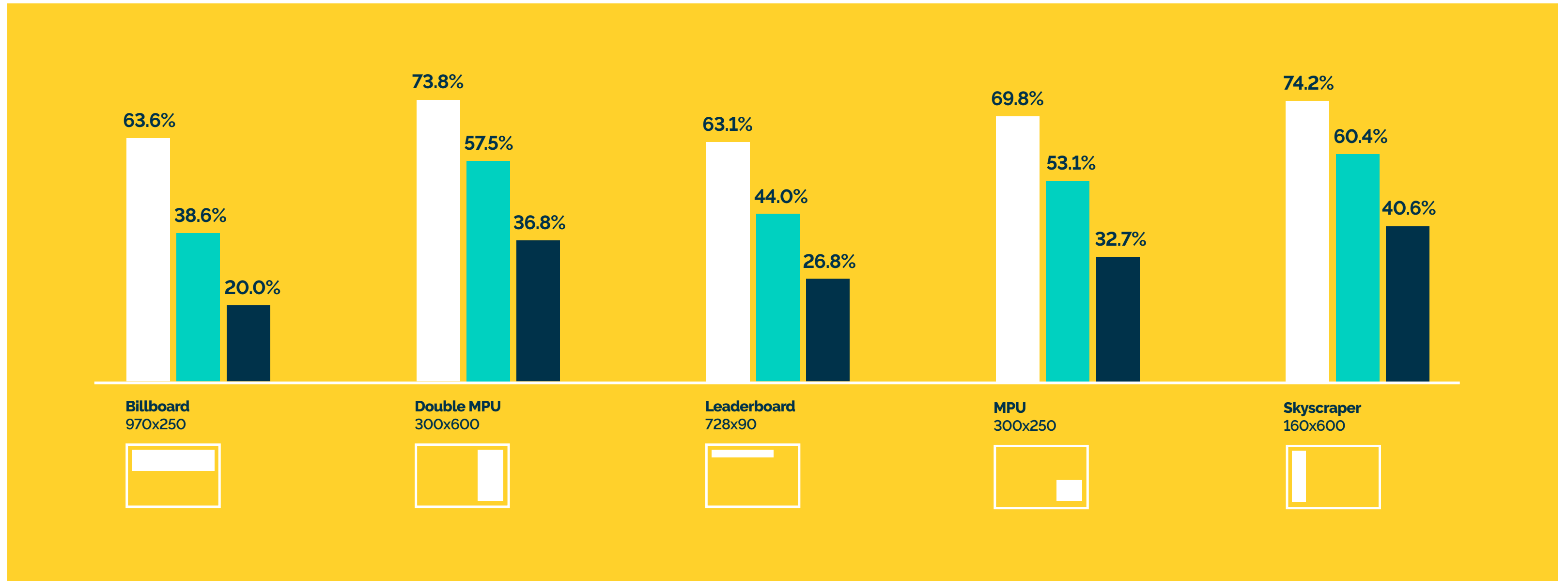


Viewability

BY AD SIZE

Desktop display

○ ≥1s ● ≥5s ● ≥15s





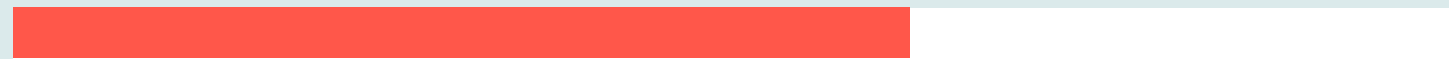
Viewability

MOBILE WEB OVERVIEW

Mobile web display

In view per the MRC standard

ALL BUY TYPES



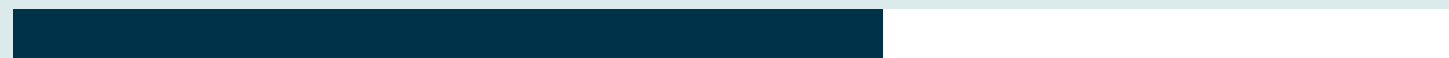
62.0%

PROGRAMMATIC



62.4%

PUBLISHER DIRECT

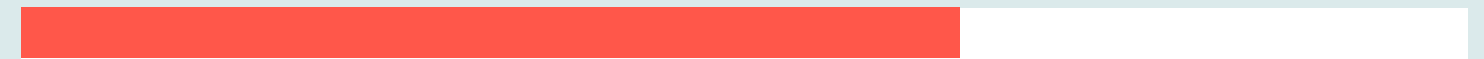


60.4%

Mobile web video

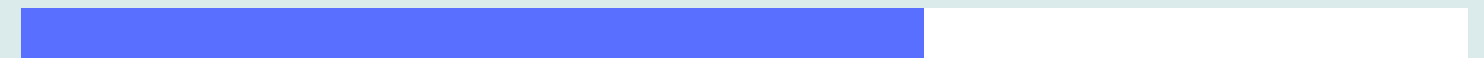
In view per the MRC standard

ALL BUY TYPES



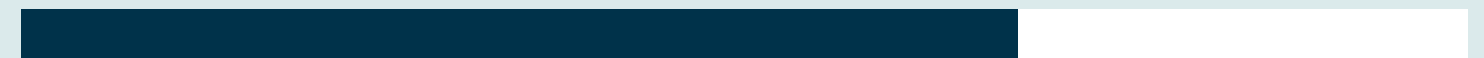
65.2%

PROGRAMMATIC



63.2%

PUBLISHER DIRECT



68.2%

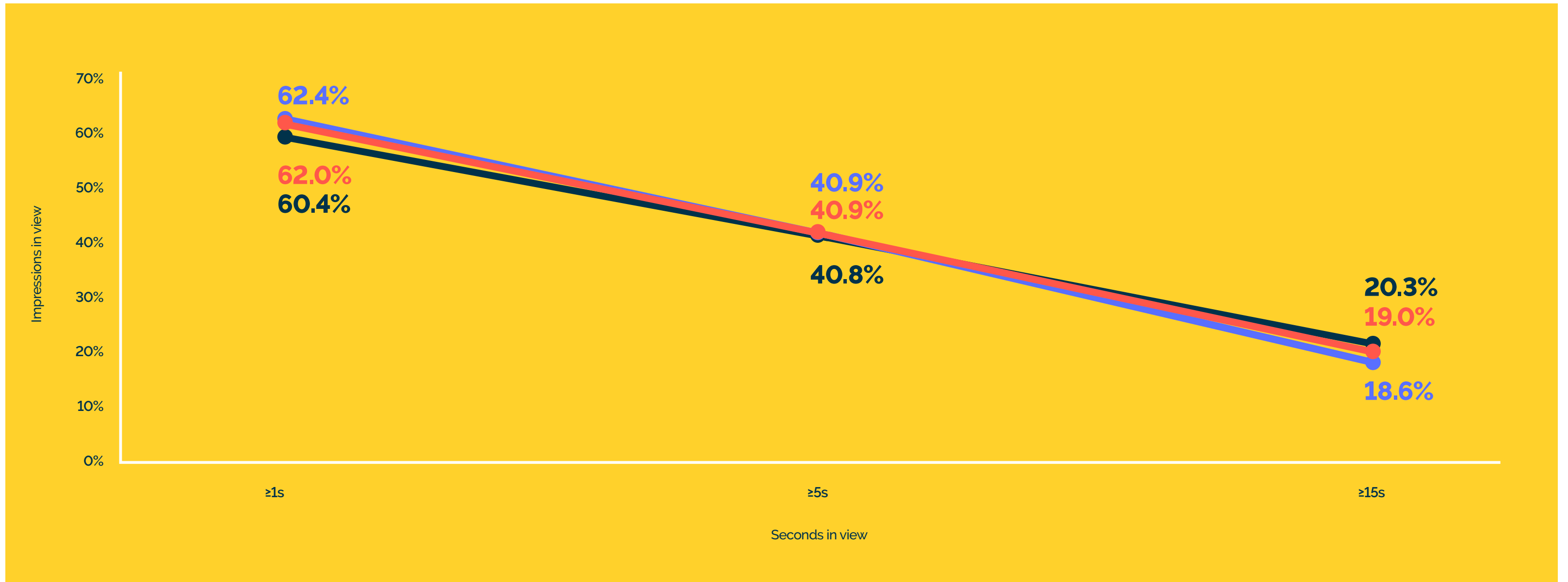


Viewability

BY SECONDS IN VIEW

Mobile web display

- All buy types
- Programmatic
- Publisher direct





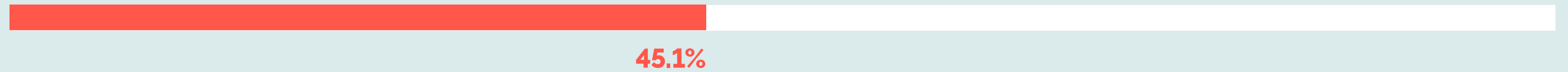
Viewability

MOBILE APP OVERVIEW

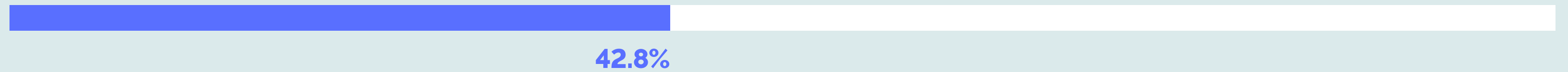
Mobile app display

In view per the MRC standard

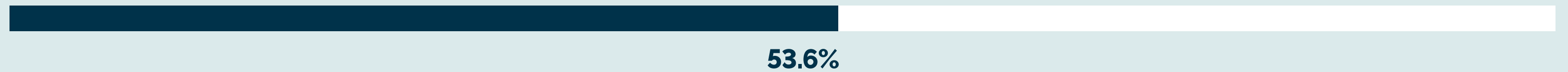
ALL BUY TYPES



PROGRAMMATIC



PUBLISHER DIRECT



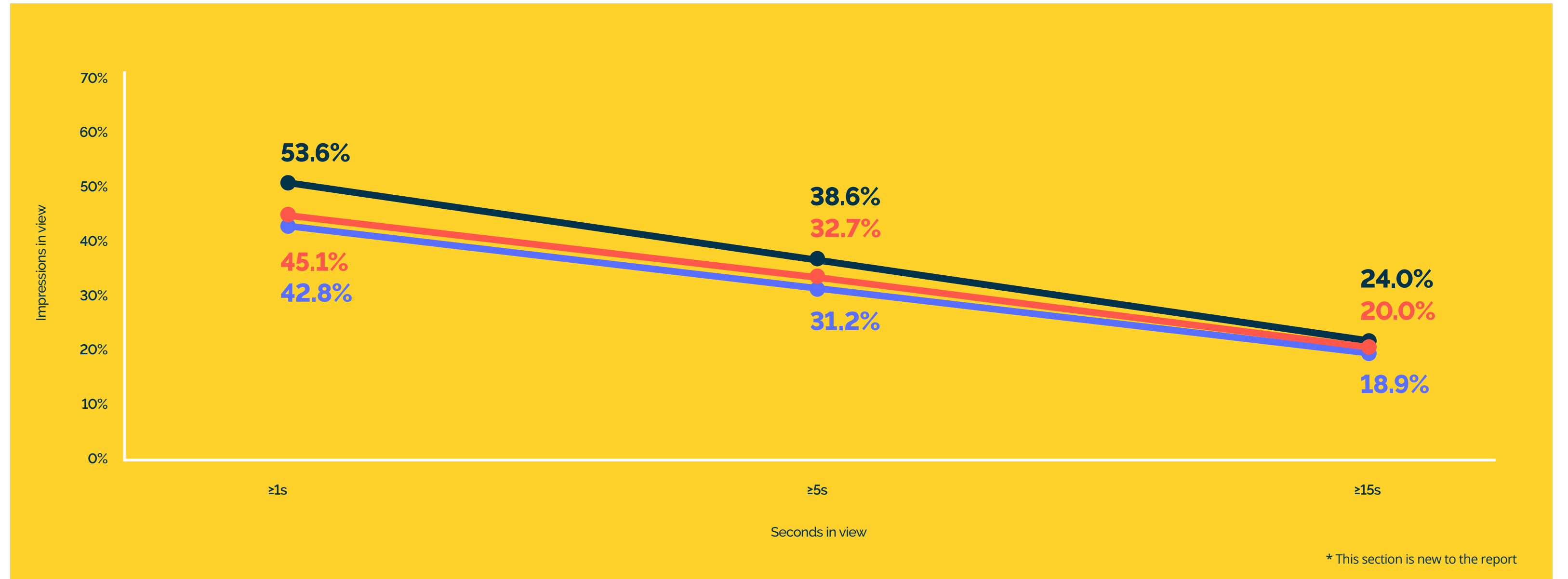


Viewability

BY SECONDS IN VIEW

Mobile app display

- All buy types
- Programmatic
- Publisher direct



03

Time-in-view

Time-in-view metrics go beyond binary viewability measurement and provide insight into whether ads were viewable long enough to make an impact. Based on all viewable impressions seen in the UK during H2, the average time an advertiser had to make an impact and engage UK consumers was between 7.7 seconds and 14.7 seconds.

There was minimal change in time-in-view rates compared to H1, however, overall averages saw a slight decline across formats. Desktop video ads remained the most engaging at 13.3 seconds in-view overall, with impressions sourced direct averaging 11.2 seconds and programmatic reaching an impressive 14.7 seconds.

Overall, desktop display accumulated an average time-in-view of 10.7 seconds in H2, down from 10.9 seconds in H1. Desktop display ads remained more engaging than the average 7.9 seconds clocked by mobile web display ads.





Time-in-view

DESKTOP OVERVIEW

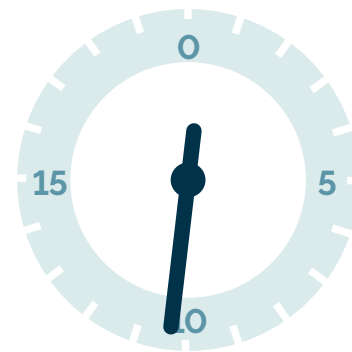
Desktop display



ALL BUY TYPES
10.68s



PROGRAMMATIC
10.78s



PUBLISHER DIRECT
10.33s

Desktop video



ALL BUY TYPES
13.36s



PROGRAMMATIC
14.73s



PUBLISHER DIRECT
11.24s

MOBILE WEB OVERVIEW

Mobile web display



ALL BUY TYPES
7.90s



PROGRAMMATIC
7.70s



PUBLISHER DIRECT
8.53s

Mobile web video



ALL BUY TYPES
11.44s



PROGRAMMATIC
11.57s



PUBLISHER DIRECT
11.30s

04

Ad fraud

In H2 2018 across the UK market, the volume of fraudulent impressions increased across desktop and mobile web display. This is commonly linked to advertisers' increased digital advertising spend ahead of the holiday shopping season. The UK optimised fraud rate for desktop display increased by 40.3% from 0.7% in H1 2018 to 1% in H2 2018, mostly driven by programmatic.

On average, both mobile web display and mobile web video fraud levels are at the same level, at 0.5%. Currently 67.1% of the UK population are digital video viewers and due to these high engagement levels, video inventory has a growing ad spend pot — expected to exceed £13.5 billion by 2020 — which may consequently attract more fraudsters.

The parity between optimised fraud display and video benchmarks is notable given that fraudsters have historically focused on the higher CPMs provided by video, typically keeping video ad fraud rates significantly higher than those for display impressions.





Ad fraud

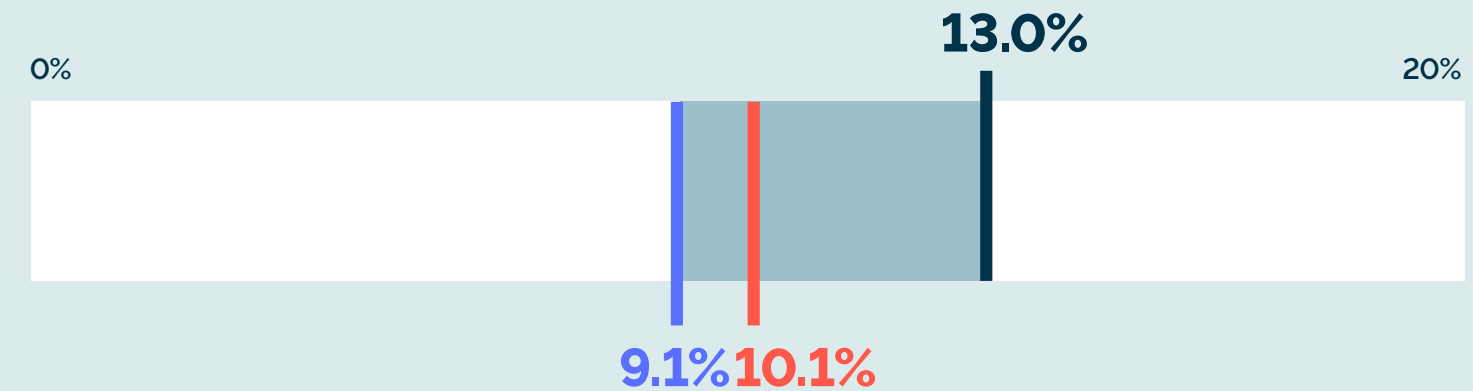
DESKTOP OVERVIEW

Desktop display

OPTIMISED AGAINST AD FRAUD



GLOBAL NON-OPTIMISED

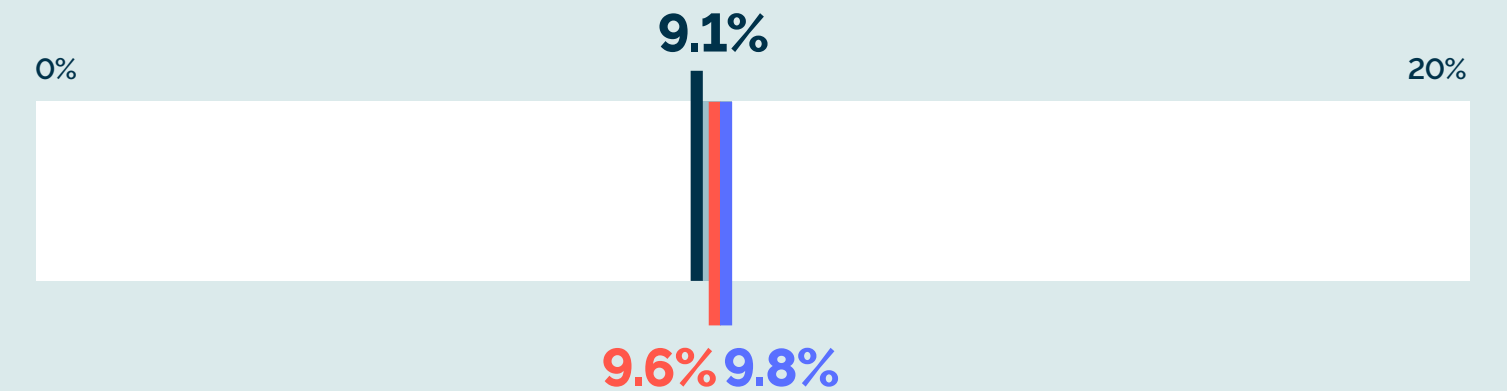


Desktop video

OPTIMISED AGAINST AD FRAUD



GLOBAL NON-OPTIMISED



- All buy types
- Programmatic
- Publisher direct



Ad fraud

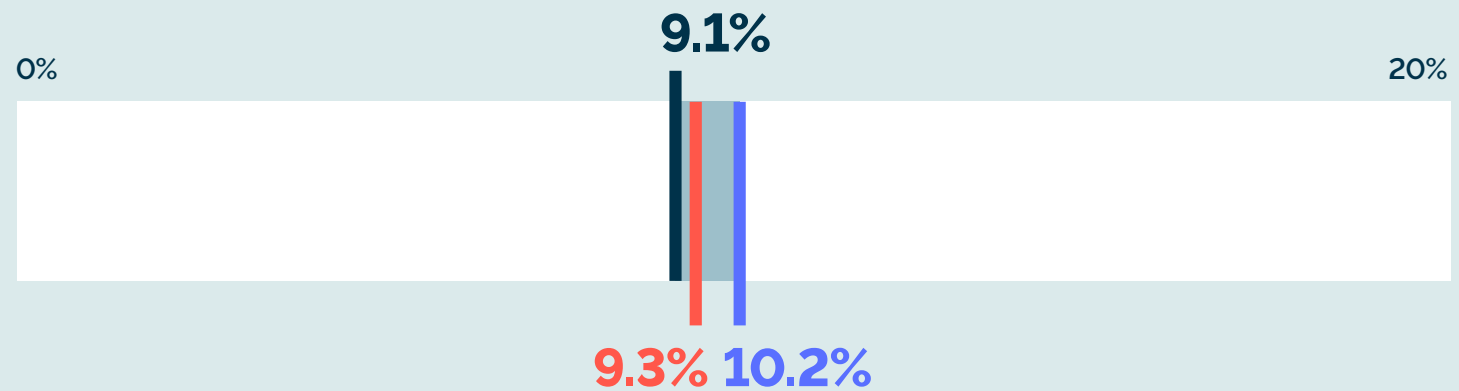
MOBILE WEB OVERVIEW

Mobile web display

OPTIMISED AGAINST AD FRAUD



GLOBAL NON-OPTIMISED

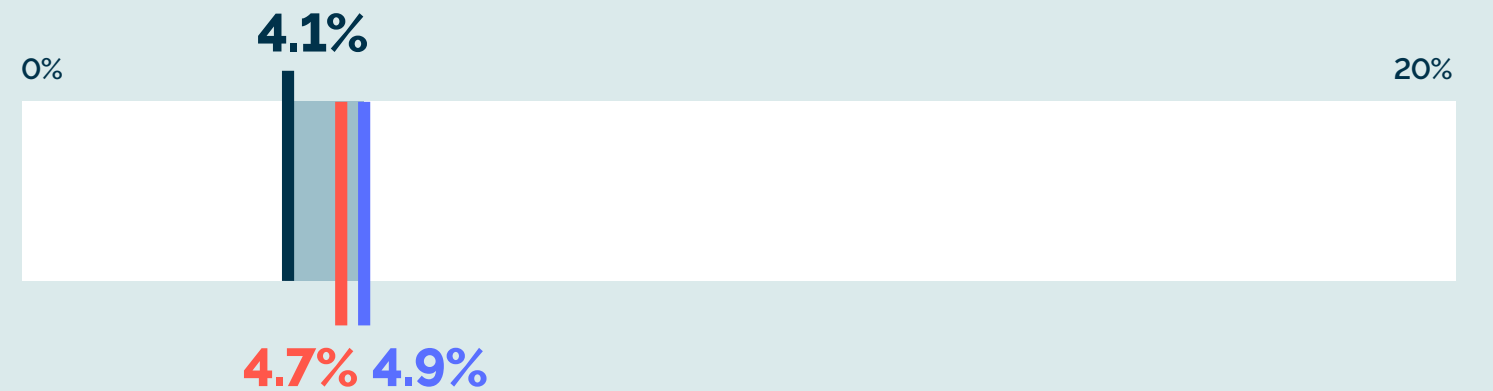


Mobile web video

OPTIMISED AGAINST AD FRAUD



GLOBAL NON-OPTIMISED



- All buy types
- Programmatic
- Publisher direct

05

Brand risk

Total desktop display brand risk fell to a two-year low of 3.2% in H2 2018, down from 4.5% in H1, improving by 28.9%. Brand risk for display inventory maintained a positive, downward trajectory with the only increase on video. Overall, brand risk levels across desktop display and video are fairly similar, whilst the majority of risky impressions were flagged at 'moderate risk.'

Brand risk across mobile web display inventory dropped from 4.2% to 3.4% between H1 and H2 2018, improving 20.1%, with programmatic inventory making the most progress.

Video ads experienced growth in brand risk on both desktop and mobile web environments, likely due to the ad-packed holiday season. Desktop video brand risk inched up 12.5% in successive periods to reach 11.9% in H2 2018. Brand risk for mobile video inventory rose 27.7% to average 11.6% overall, driven primarily by increased risk around the alcohol category on programmatic inventory. Advertisers must take extra care during the holiday season and protect themselves as best as possible against risky content.





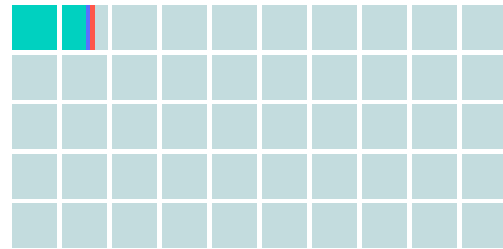
Brand risk

BY LEVEL

Desktop display

3.2%

ALL BUY TYPES

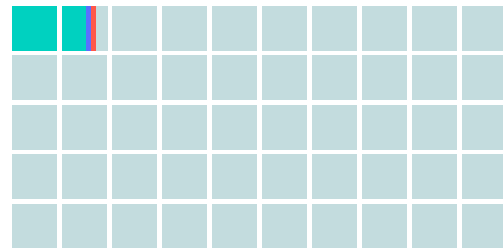


BREAKDOWN:

Moderate	3.1%
High	0.1%
Very high	<0.1%

3.2%

PROGRAMMATIC

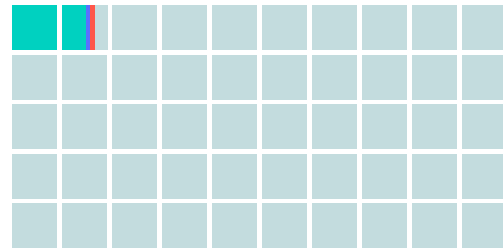


BREAKDOWN:

Moderate	3.1%
High	0.2%
Very high	<0.1%

3.2%

PUBLISHER DIRECT



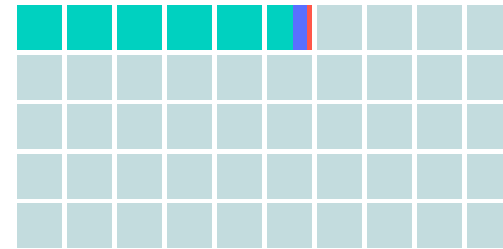
BREAKDOWN:

Moderate	3.0%
High	0.1%
Very high	<0.1%

Desktop video

11.9%

ALL BUY TYPES

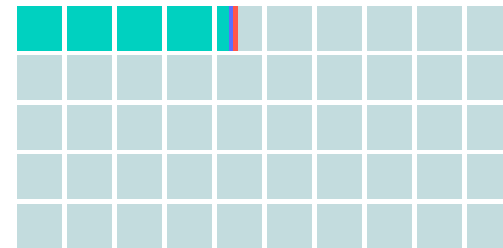


BREAKDOWN:

Moderate	11.7%
High	0.3%
Very high	<0.1%

8.5%

PROGRAMMATIC

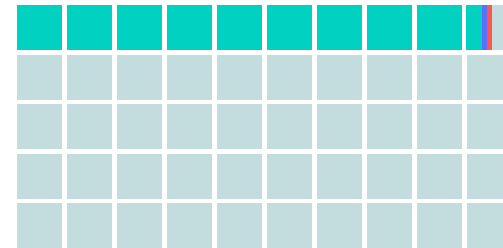


BREAKDOWN:

Moderate	8.3%
High	0.3%
Very high	<0.1%

18.7%

PUBLISHER DIRECT



BREAKDOWN:

Moderate	18.4%
High	0.3%
Very high	<0.1%

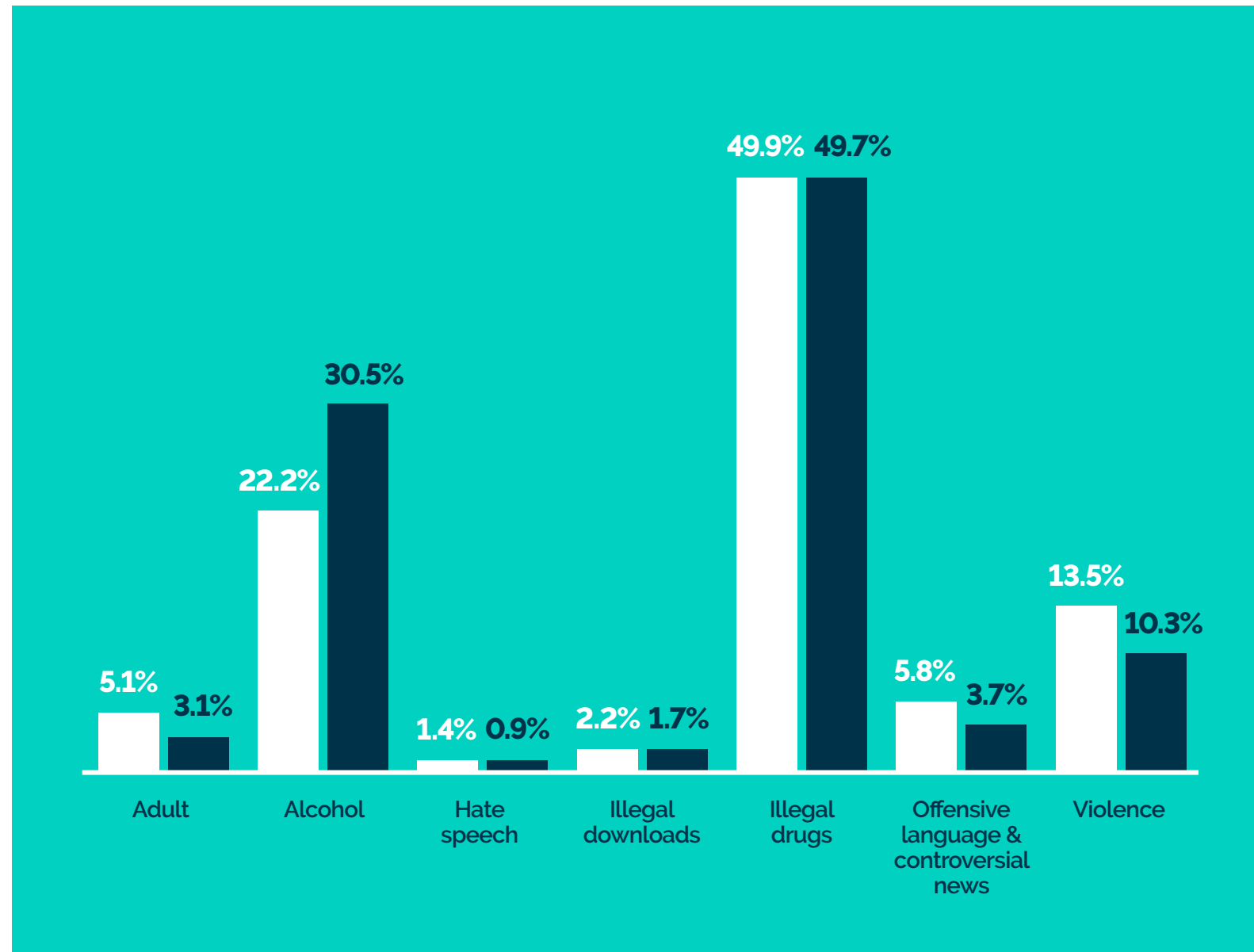
Numbers may not add up exactly due to rounding



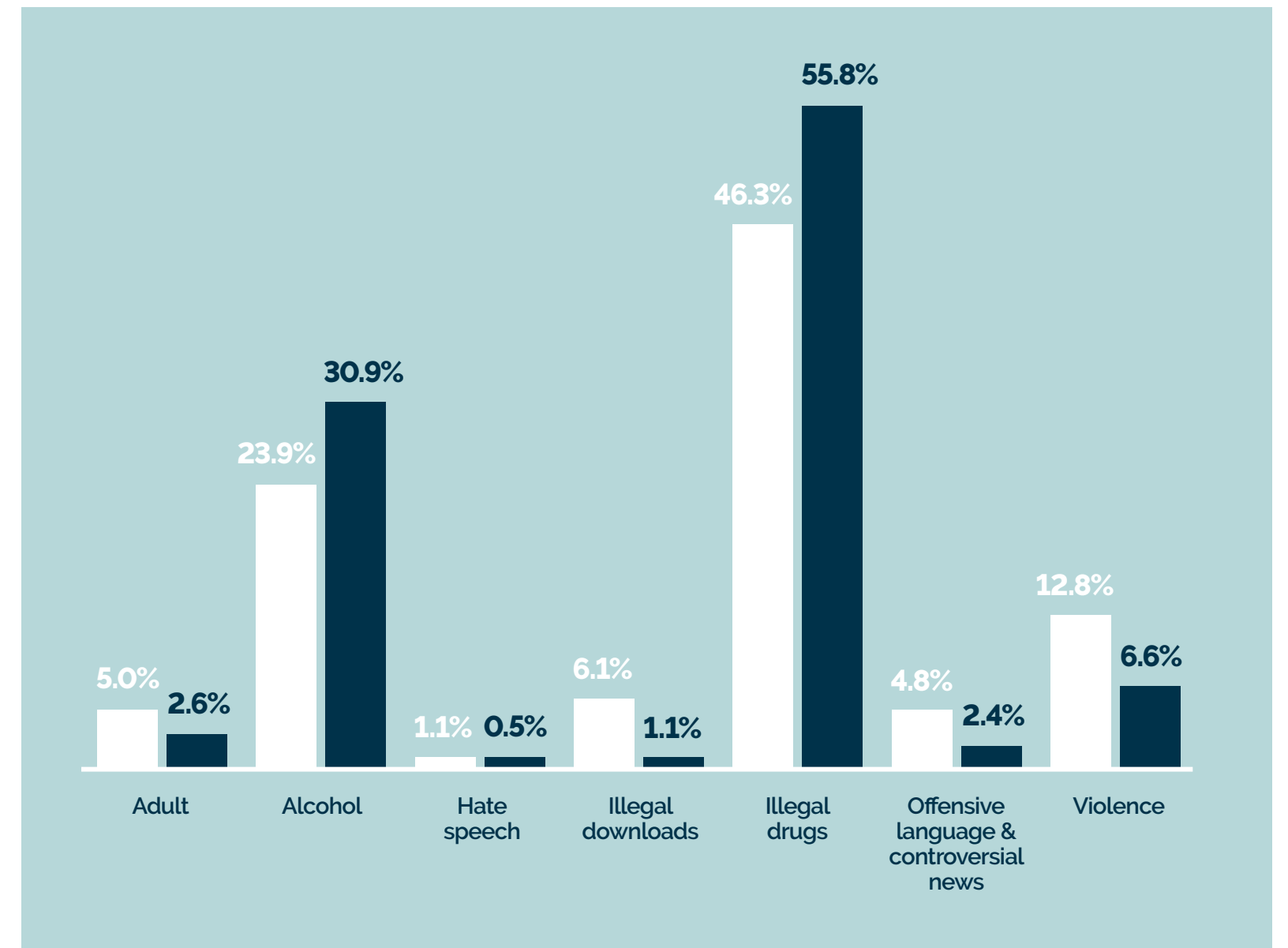
Brand risk

BY CATEGORY

Desktop display



Desktop video



- Programmatic
- Publisher direct



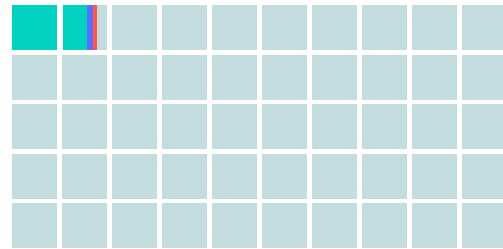
Brand risk

BY LEVEL

Mobile web display

3.4%

ALL BUY TYPES

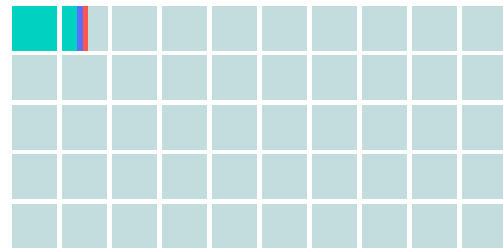


BREAKDOWN:

Moderate	3.2%
High	0.2%
Very high	<0.1%

3.1%

PROGRAMMATIC

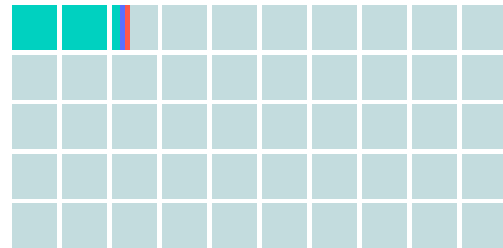


BREAKDOWN:

Moderate	2.9%
High	0.2%
Very high	<0.1%

4.3%

PUBLISHER DIRECT



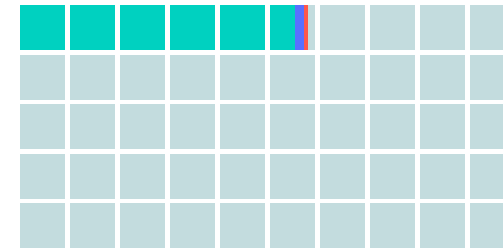
BREAKDOWN:

Moderate	4.1%
High	0.2%
Very high	<0.1%

Mobile web video

11.6%

ALL BUY TYPES

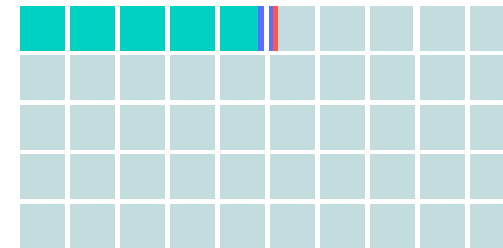


BREAKDOWN:

Moderate	11.2%
High	0.5%
Very high	<0.1%

10.2%

PROGRAMMATIC

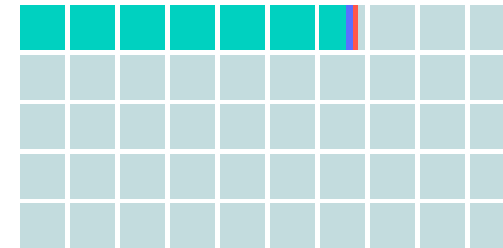


BREAKDOWN:

Moderate	9.7%
High	0.5%
Very high	<0.1%

13.8%

PUBLISHER DIRECT



BREAKDOWN:

Moderate	13.4%
High	0.4%
Very high	<0.1%

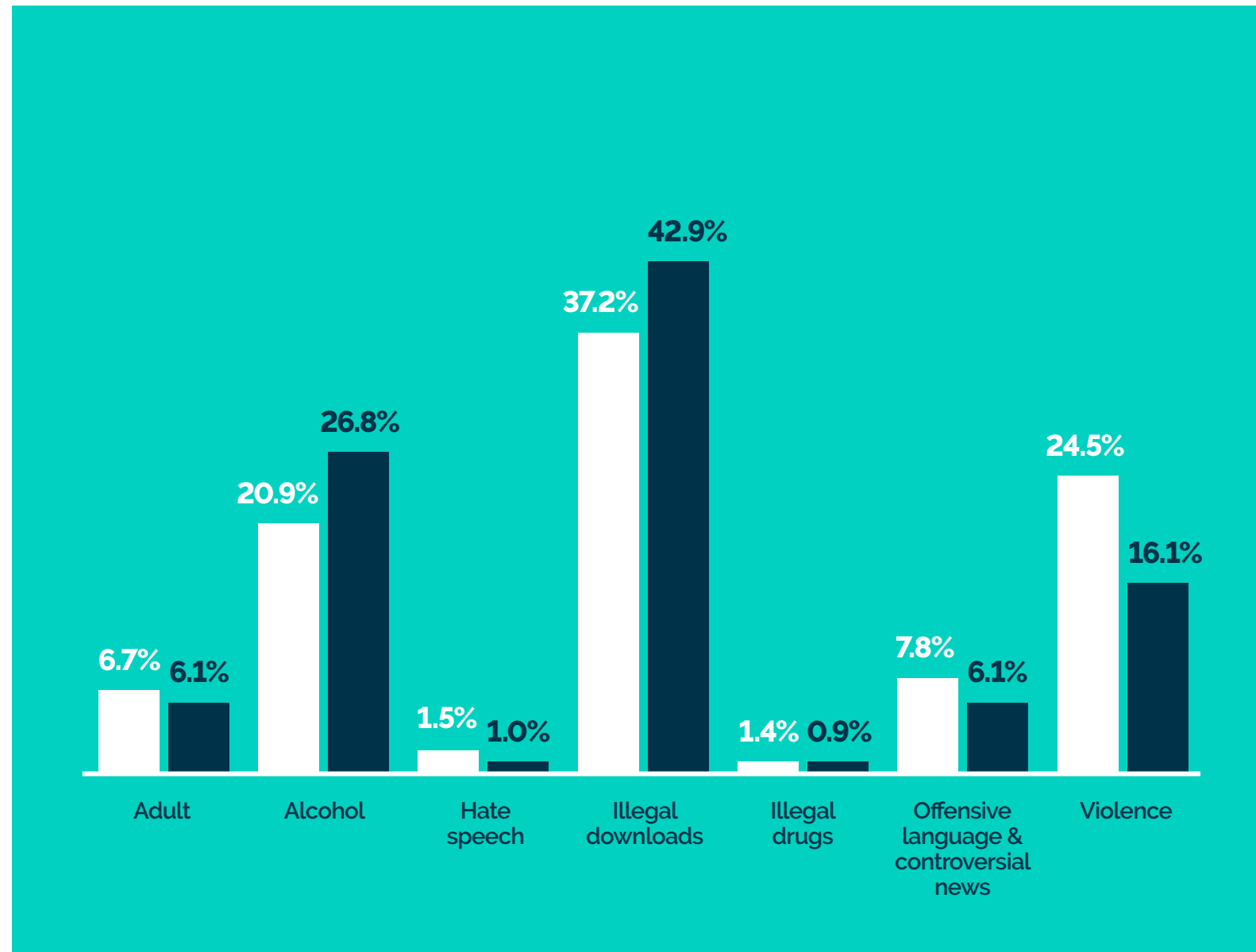
Numbers may not add up exactly due to rounding



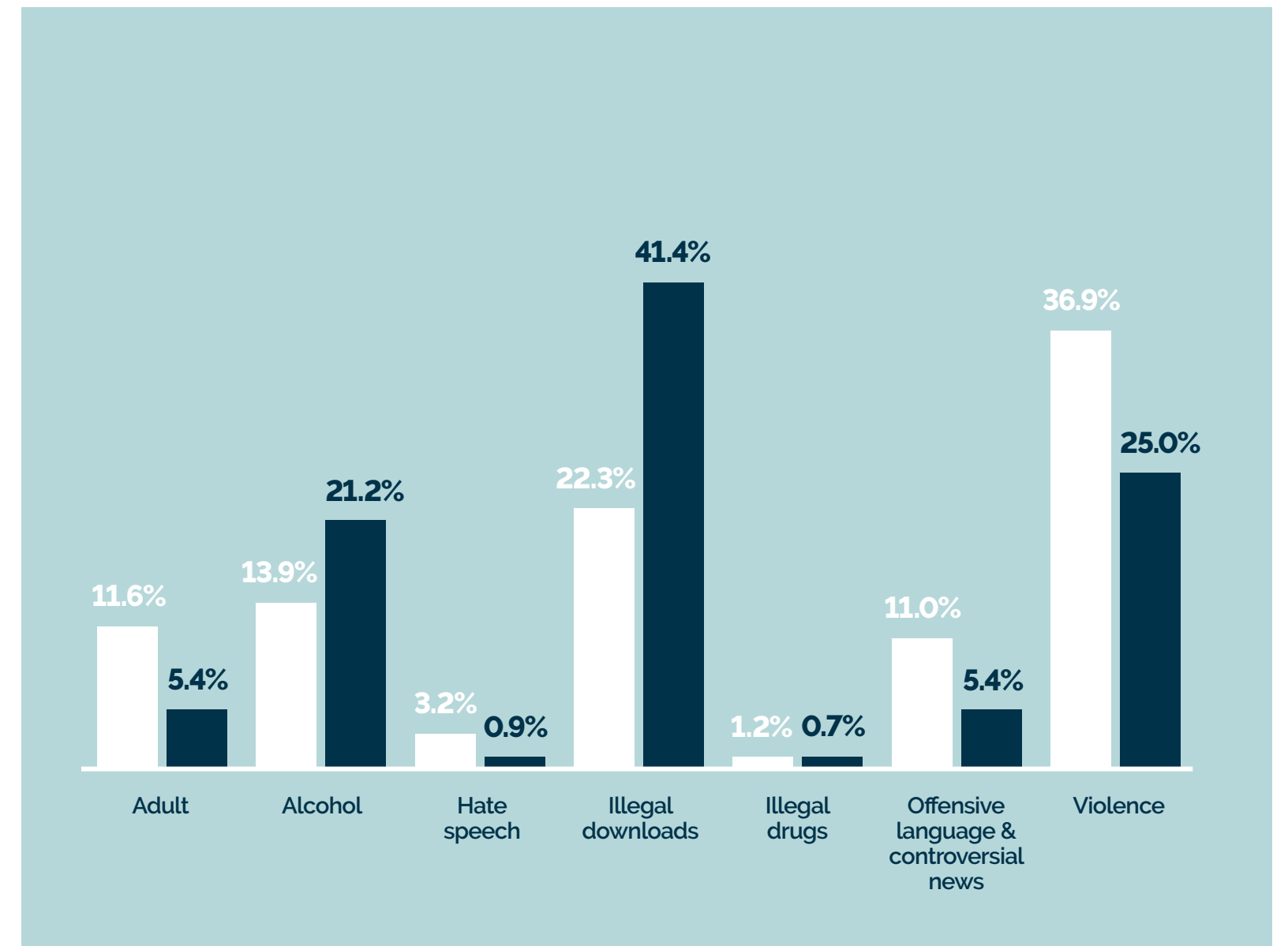
Brand risk

BY CATEGORY

Mobile web display



Mobile web video



○ Programmatic
● Publisher direct

06

Spotlight

Programmatic making progress

Programmatic stands out as the strongest growing area for viewability in the H2 2018 report. Data shows that not only have mobile web display programmatic ads increased 16.6% year-on-year, brand risk across this inventory type dropped 20.1%. Additionally, for the first time, programmatic viewability rates for desktop and mobile web display surpassed viewability rates within direct buys. During 2018, slowly but surely programmatic has begun to make powerful advances.

The UK is currently the third largest programmatic market, after the US and China. Programmatic spend has been forecast to reach £3.7 billion in 2018, accounting for 76% of digital media trading. By 2020, 80% of the UK's digital media is expected to be traded programmatically, amounting to £4.6 billion.⁵

Programmatic advertising presents media companies with a sizeable business opportunity for 2019, and beyond. However, programmatic technology has hit significant bumps along the way, often resulting from activities of bad actors. Fraudsters are relentlessly attempting to extricate value while diminishing the overall quality of digital ads transacted through programmatic channels.

Programmatic inventory is increasingly driving viewability across multiple formats while reducing brand risk. At the same time, the gap between direct sales continues to narrow, increasing the likelihood of parity between the two on at least a few major metrics in the foreseeable future. The increasing adoption of verification solutions by ad-tech providers and the more premium publishers embrace programmatic advertising, the more the tide will turn.



07

About IAS

**Protect your brand.
Maximise your impact.**

Integral Ad Science helps deliver digital results across the advertising ecosystem. Our ad intelligence allows advertisers and publishers to protect their investments, maximise their impressions, capture consumer attention, and drive business impact. Founded in 2009, IAS is headquartered in New York with global operations in 13 countries. Our growth and innovation have been recognised in the Inc. 5000, Crain's Fast 50, Forbes America's Most Promising Companies, and I-COM's Smart Data Marketing Technology Company.

Contact us:

infoUK@integralads.com
www.integralads.com/uk

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