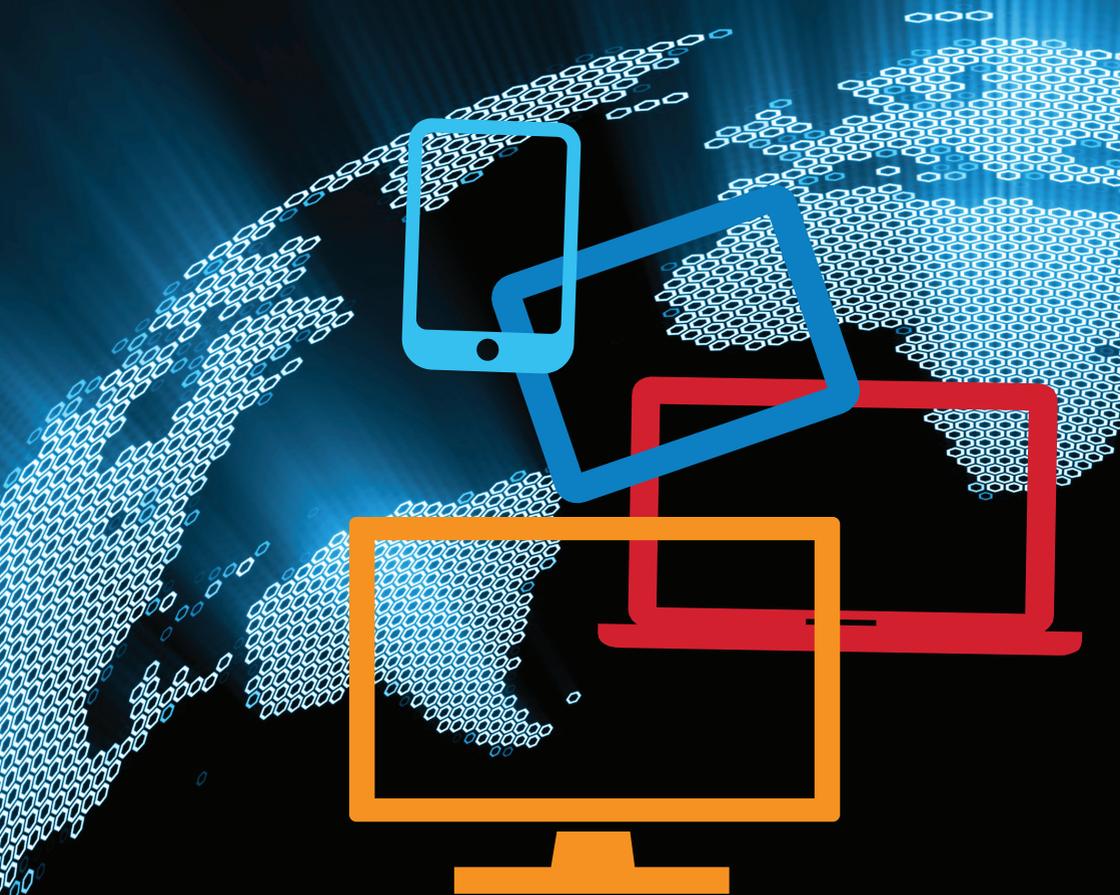


Brave New Digital World

A Manifesto for the Future of Digital Media Measurement & Analytics





BRAVE NEW DIGITAL WORLD

Entering the Brave New Digital World

We are entering the dawn of a brave new digital world.

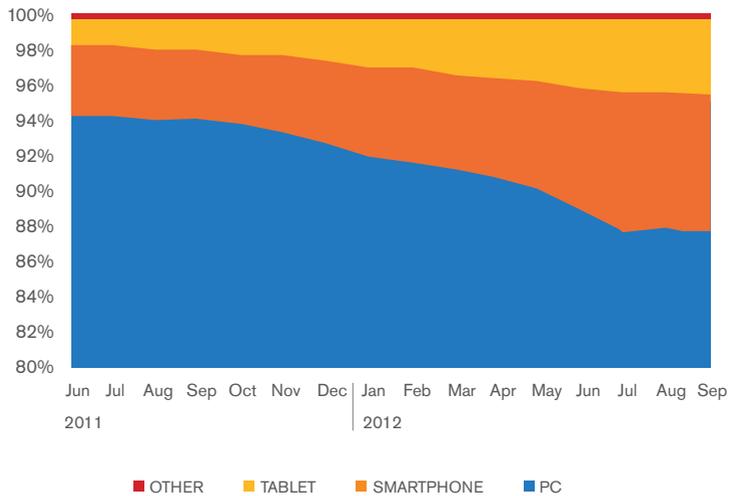
Media fragmentation is occurring at light-speed in today's multi-platform environment, which features not only TVs and computers, but smartphones, tablets, gaming platforms and a seemingly ever-increasing number of emerging devices. This new paradigm offers consumers a seamless digital experience that can easily traverse platforms, locations and temporal constraints so that content can be experienced anytime and anyplace. And as the average consumer's screen time expands to fill in many of these available gaps throughout the day, there are more opportunities than ever before for marketers to reach and engage.

Another significant trend is that consumers are quickly becoming platform agnostic in their digital media consumption, which comScore refers to as “the rise of the Digital Omnivore.” Consumers today can begin watching a movie at home on their TV, continue watching it on their smartphone on the way to work, and finish watching it in bed at night on their tablet. It’s the pinnacle of convenience for consumers, but an utter headache from an audience measurement and advertising analytics standpoint.

And if these behavioral trends weren’t already causing enough problems in terms of measuring audiences, recent innovations in the digital ad ecosystem have made it more complex than ever. A crowded value chain of ad servers, networks, and exchanges now resides between advertisers and media companies, and while campaign delivery may be getting more efficient and effective from an audience targeting standpoint it is also becoming less transparent as advertisers lose control over where their ads are appearing. In addition, more than 3 out of every 10 digital ads being delivered never have an opportunity to be seen, which depresses campaign performance and gives advertisers pause in investing more heavily in the medium.

And so, today, many business sit perched atop a precarious divide, some looking back and longing for the good old days of the classic web and others ready to embrace both the challenges and opportunities of a brave new digital world.

Forcing oneself to look forward and confront the future may cause some initial angst, but it can no longer be ignored. This new reality is upon us: already nearly 15% of all web traffic now occurs beyond PCs, and this number is accelerating with each passing month.



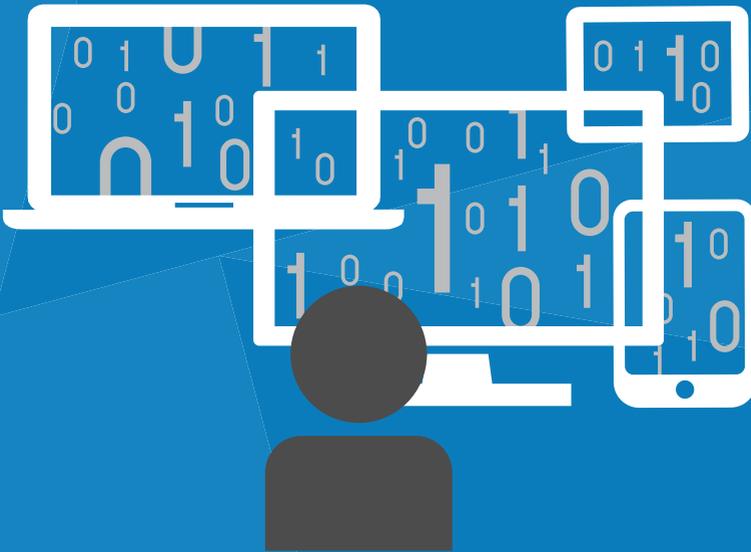
This curve's trajectory serves as a stark reminder that if businesses don't adapt, they may not live to see tomorrow. Not to strike an unnecessarily ominous tone, but this storyline has played out before with many substantial businesses of the past few decades having recently declared bankruptcy due to the disruptive impact of the internet and e-commerce.

For businesses that don't want to be relegated to a similar fate, now is the time to embrace the future of digital measurement and analytics to prepare for the brave new digital world. Here is comScore's vision for how to get there.



1

All media – including TV – are going digital; measurement must follow the same path



ISSUE

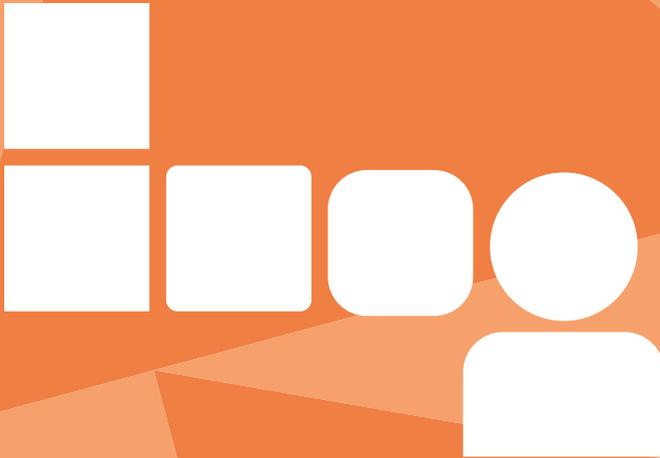
Traditional media measurement methods, such as the purely panel-based approach used in TV measurement, are no longer sufficient to measure audiences in today's multi-platform world. While a panel can be used to develop a credible view of a particular individual medium, using this approach alone has substantial limitations that result in a silo'ed view of the digital universe when multiple media are involved. Development of a single-source panel large enough to de-duplicate audiences across the multiple platforms that exist today is simply not feasible.

SOLUTION

A truly holistic view of digital media consumption – inclusive of TV, desktop computers, smartphones and tablets – requires census-level digital data as a critical input to binding together different media platforms into a unified view of the digital consumer. While panels will remain critical for informing person-based estimates, it is the digital census data that holds the key to understanding the cross-platform audience overlap needed to accurately and effectively synthesize channels into a multi-platform view. comScore's innovative approach to this problem has created the industry's first-ever unduplicated multi-platform measurement system that successfully traverses four different screens.

2

Measurement must translate from
pixels to people



ISSUE

Census-level digital data represents a robust and ever-growing information source, but in order to be meaningful to marketers it must be translated into the behaviors of actual people. A marketer's objective is to reach people – not screens – in order to build awareness of their products, generate demand, and ultimately drive sales. Progress against these objectives can only be understood through the lens of consumer behavior, which server-centric metrics like ad impressions or cookie counts alone do not sufficiently address.

SOLUTION

comScore has demonstrated leadership over the years as pioneers of new methodological approaches to translate big data into meaningful measurement of consumers. comScore's Unified Digital Measurement (UDM) methodology, which combines the best of panel and digital census measurement techniques, leverages the detail and granularity of census-based data along with comScore's global person panel to produce best-in-class audience estimates. With more than 90% of the Top 100 U.S. media publishers having adopted comScore's measurement approach, UDM has clearly established a new basis by which digital audiences are measured today. These proprietary comScore methods are now being expanded to solve new challenges, such as multi-platform audience measurement and advertising analytics.

3

Multi-Platform measurement must
integrate census-level digital data sources
to deliver reporting at big data scale



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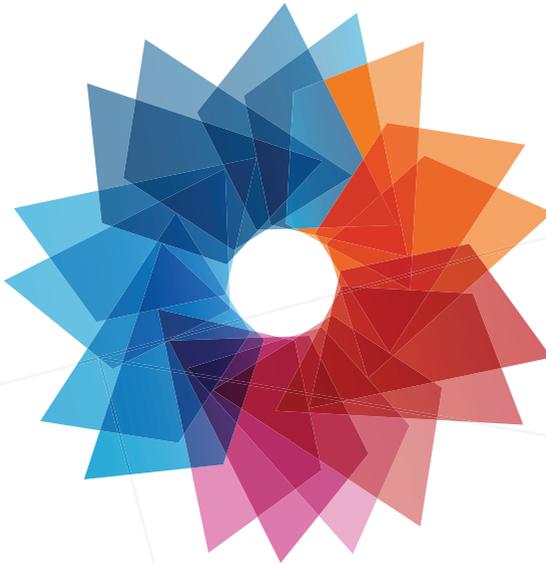
Sample-based measurement methods that employ tens of thousands of panelists are typically effective at reporting large scale media behaviors, such as viewership of broadcast network television. But today's media environment is no longer dominated by a few large media players; rather it features many media companies in a highly fragmented media environment that covers multiple platforms. These media entities often fall below the reporting threshold of traditional sample-based methods, or the data cannot be reported at a meaningful level of granularity to deliver actionable insights. With all the big data assets currently at our collective disposal, the analog measurement approach that uses small samples is no longer sufficient.

SOLUTION

Census-level digital data is an increasingly rich and abundant resource that can be used in conjunction with sample-based methods to provide a more meaningful view of multi-platform digital media consumption. Through the comScore Census Network™, more than 1.4 trillion digital interaction events are now collected every month across millions of digital media entities. This digital census data provides granularity that is orders of magnitude larger than sample-based collection methods alone, and can be leveraged to not only more accurately quantify behavior but also unearth the detailed insights needed by marketers today. Importantly, census-level data is the critical resource needed for understanding cross-platform media consumers and enabling multi-platform audience unification.

4

Holistic reporting should provide a unified, platform-agnostic view of consumer behavior



ISSUE

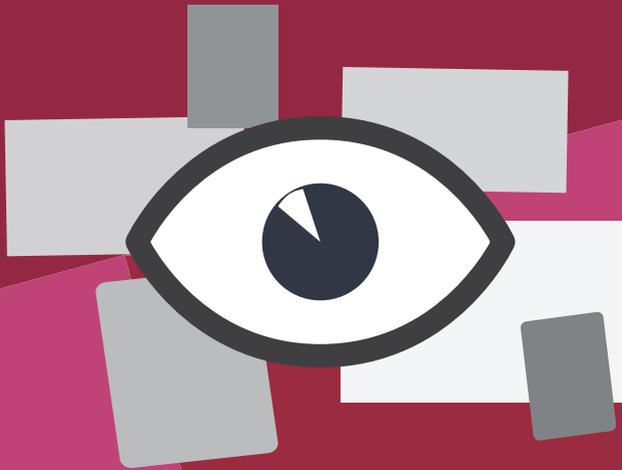
Today's multi-platform media consumers don't distinguish between the devices they use so much as being concerned about which content they are consuming. Media companies and advertisers understandably desire a similar view of the world – one in which a comprehensive view of the total number of consumers interacting with specific content can be quantified independent of the platform being used. However, in order for existing media measurement solutions to accurately reflect this new paradigm with essential metrics such as unduplicated audience size, a fundamentally new measurement approach is required.

SOLUTION

Holistic audience reporting requires advanced methods for de-duplicating audiences interacting across multiple platforms. comScore recognized this unique challenge and developed several new techniques to overcome this difficult, but critical, challenge to delivering a true multi-platform measurement solution. The richness of the comScore Census Network that can identify the device being used was leveraged to quantify cross-platform overlap at a very granular level, providing the key to unlocking the essential de-duplication factors. The resulting product, Media Metrix® Multi-Platform, delivers a multi-platform view of audiences that not only better reflects the state of digital media today, but also enables optimal media allocations and improved decision-making for digital businesses.

5

Viewable impressions are the standard needed for true cross-media comparability



ISSUE

TV advertising remains the standard with respect to branding advertising, and it is clear that growth in digital advertising has been held back in part because it does not meet the standards of TV's audience guarantees. While every TV viewer has the 'opportunity to see' an ad delivered to an active TV screen, many web ads that are served often fall below the viewable pane of the screen and are, by definition, wasted. Several 2012 comScore studies across global geographies revealed that between 3 and 4 in every 10 served ad impressions are never delivered with an opportunity to be seen. As a result, when measured by market mix models, digital advertising has often not compared favorably to other media in terms of its sales impact, thereby discouraging incremental investment from advertisers.

SOLUTION

Adopting a viewable impression standard for digital advertising, which has been advocated and codified by the Making Measurement Make Sense (3MS) initiative, facilitates cross-media comparability by enabling apples-to-apples comparison of ads based on the viewer having an opportunity to see. Using this standard ensures digital ads receive credit for the impact they actually deliver by removing the dilutive effects of the non-viewable impressions. Moving toward such a standard will help make digital ads more relevant in the context of a multi-platform campaign strategy while guaranteeing cross-media comparability. If programmatic buying exerts downward pressure on CPMs, viewability serves as an important variable to enable the proper valuation of inventory.

6

Common metrics should be used to facilitate multi-platform planning and optimization



ISSUE

While traditional media buying and planning communities have long relied upon metrics such as reach/frequency, GRPs and TRPs, these metrics need to be available on a multi-platform level. The lack of a consistent measurement framework has been partially responsible for the organizational divide that often exists between the digital and traditional media arms of agencies and media companies. These silos are also sometimes the manifestations of organizational inefficiency that inhibit the planning and execution of a cohesive multi-platform media strategy. Without a coordinated media plan, cross-platform synergies cannot be realized and allocations cannot be optimized.

SOLUTION

The opportunity to bring traditional and digital media into greater organizational alignment can be achieved through the adoption of a similar metrics framework, which begins with the recognition that reach/frequency, GRPs and TRPs should function as a backbone for multi-platform planning and analysis. At the same time, supplemental metrics that are meaningful for campaign analysis should be factored into the equation where applicable, particularly when these metrics can be applied across measured media. Validated digital impressions, for example, can enhance multi-platform consistency, while behavioral segmentations can supplement demographics to improve audience targeting across platforms. When insightful metrics cannot be applied across platforms, they should still be leveraged to optimize and inform strategy within that medium so long as they are not used in isolation from the relevant multi-platform metrics.

7

Measurement of ad effectiveness should use metrics that matter, not just those that are easy to measure



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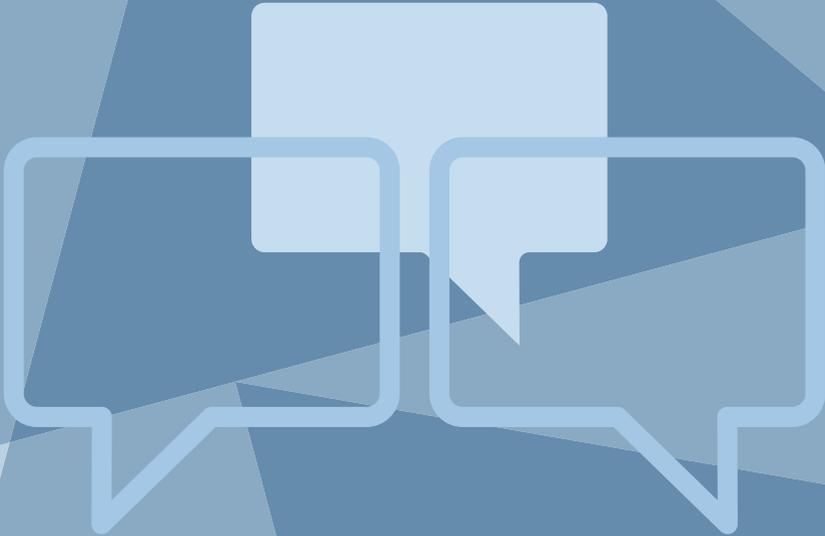
Click-through rates, which are exceedingly easy to measure, have historically functioned as the primary metric in display ad campaign evaluation. However, this metric does not accurately reflect true campaign effectiveness and in most cases should not be used. But in the absence of more meaningful metrics that are also easy to measure, CTRs will likely continue to be used by some media planners and researchers to evaluate campaigns. The unfortunate result of this approach is making decisions based on data that are at best, incomplete, and at worst, misleading.

SOLUTION

Several comScore innovations in the world of digital ad measurement are paving the way for a future world of evaluation based on meaningful metrics. To begin, comScore research has shown that the click on a display ad bears no relationship to the effectiveness of that ad. Next is the current shift towards a viewable/validated impression standard, which begins by removing from consideration the significant percentage of digital ads that are not in view and which have no ability to deliver the desired impact. Finally, more relevant measures of the effectiveness of digital ad campaigns are now available on a timely basis, including ad recall, awareness, purchase intent and actual sales lift.

8

End-to-end advertising analytics
should speak the same language



ISSUE

The end-to-end digital campaign measurement and analytics process of pre-campaign planning, in-flight optimization and post-campaign evaluation often leaves a lot to be desired in terms of implementation and ease of use. A process that should be simple and streamlined tends to begin with the implementation of several tags for multiple third-party measurement providers, a process that frequently results in implementation errors that can jeopardize measurement for the entire campaign. Even when tags are implemented without a hitch, the optimization and evaluation process is often unnecessarily complex because of the varying reporting metrics that are based on different measurement methodologies. Effective campaign management requires simplicity and seamlessness, but the reality is often far from this ideal.

SOLUTION

When all metrics used in this end-to-end process speak the same language, it is easier to align and optimize campaigns during every step of the process for all stakeholders in the value chain – from data exchanges to ad networks to agencies and researchers. Such consistency enables seamless translation of performance metrics, facilitates optimization, speeds up the feedback loop, and ultimately delivers more efficient, higher performing campaigns. comScore has also radically simplified this process through the use of a single campaign tag, which can be deployed once and be used across platforms and content types to inform every phase of the campaign, reducing both website latency and the reporting error associated with the use of multiple tags. Easy implementation and easy to interpret results means campaign managers can actually focus their energy on the strategic insights that will maximize effectiveness.

9

Measurement must evolve towards
real-time – and eventually predictive –
analytics

1 2 3 4 5 6 7 8 9 0 1 2 3

ISSUE

Digital media planning has historically focused on backward looking data of past months' trends, and while this data provides valuable context for allocating media, it does not help optimize value while a campaign is in-flight. Similarly, traditional campaign evaluation methods have been conducted on a post-buy basis following the campaign's execution. While these methods certainly provide significant value beyond a simple spray-and-pray approach, it's obvious they leave value on the table absent a real-time course correction mechanism.

SOLUTION

The introduction of real-time advertising analytics enables planners to adjust campaigns on the fly to ensure they are efficiently and effectively hitting their targets. This immediate feedback loop can help eliminate advertising waste that occurs in-flight and significantly improve campaign performance. Eventually, advertising analytics have the potential to get even smarter and deliver predictive value so that campaigns can be better optimized on the front-end, which can eliminate the inevitable waste that occurs at the beginning of the campaign before the media plan has been fully optimized through the initial feedback loop.

10

Data should have a common global framework, but provide local insight



ISSUE

Marketers, agencies and publishers are increasingly multinational, but geographic borders often mean varying standards and ways of conducting business. In Europe, for example, numerous markets operate a Joint Industry Committee that determines the market standard for web measurement in a local jurisdiction. While operating within the local framework can certainly be in the best interests of the growth and development of the individual market, it can also create inefficiencies for global marketing executives attempting to optimize their marketing expenditure and make efficient allocations across markets. Without a common lexicon across markets, the ability to apply a universal framework for making these decisions may be limited.

SOLUTION

In order to successfully traverse these geographic divides, a consistent measurement framework across markets can help facilitate cross-market planning and evaluation and encourage the continued growth and development of the global digital economy. In addition to our digital leadership position in the U.S., comScore has already been selected as the digital measurement partner in the United Kingdom, the Netherlands and Spain, in large part due to the strength of the UDM methodology. Our aim is that as we continue to forge these partnerships leveraging consistent measurement principles, greater uniformity across markets will provide a meaningful infrastructure for the global digital advertising economy while also encouraging the growth of individual markets.

Winning in the Brave New Digital World

As our industry navigates this brave new digital world, it must embrace the change that comes with this paradigm shift if companies are not just to survive but to thrive. The growing ubiquity of digital media platforms represents perhaps the greatest moment of value expansion this industry has ever seen; but the realization of this value may not be easy and there will be winners and losers along the way.

We are already beginning to see leaders emerge because they are confronting the new reality and not holding onto the comforts of the past. Amazon expanded its comfort zone by getting into the hardware business with the Kindle, which has helped the company extend its platform presence and evolve towards a future where most content is digital. Google shrewdly developed the Android operating system, which is not only the strong leader among smartphone platforms but has also made huge strides in the tablet market. Facebook has embraced its strength as a mobile content leader by building a \$1 billion mobile advertising business from scratch in less than a year. NBC recognized that while live TV may still be the king of all media channels it must be supplemented with an effective multi-platform approach, a strategy that it successfully implemented for the 2012 London Olympics. These, and other leading companies, have recognized that the media world is changing rapidly and that they must point their business strategies towards the future.

comScore also understands this new reality and wants to ensure that our clients are on the right side of this ledger. By setting forth this vision for the future of digital measurement and analytics, we hope to build consensus around the methods that will help our industry evolve. A prosperous future for media requires a metrics infrastructure built on fast, accurate, granular and actionable data. comScore will continue to fulfill these needs in the marketplace as we innovate towards a better tomorrow.

To learn more about how multi-platform can transform your Audience, Advertising and Digital Business Analytics, visit www.comScore.com or follow us at [@comscore](https://twitter.com/comscore).

