

The Halo Effect

Ad environment
& receptivity

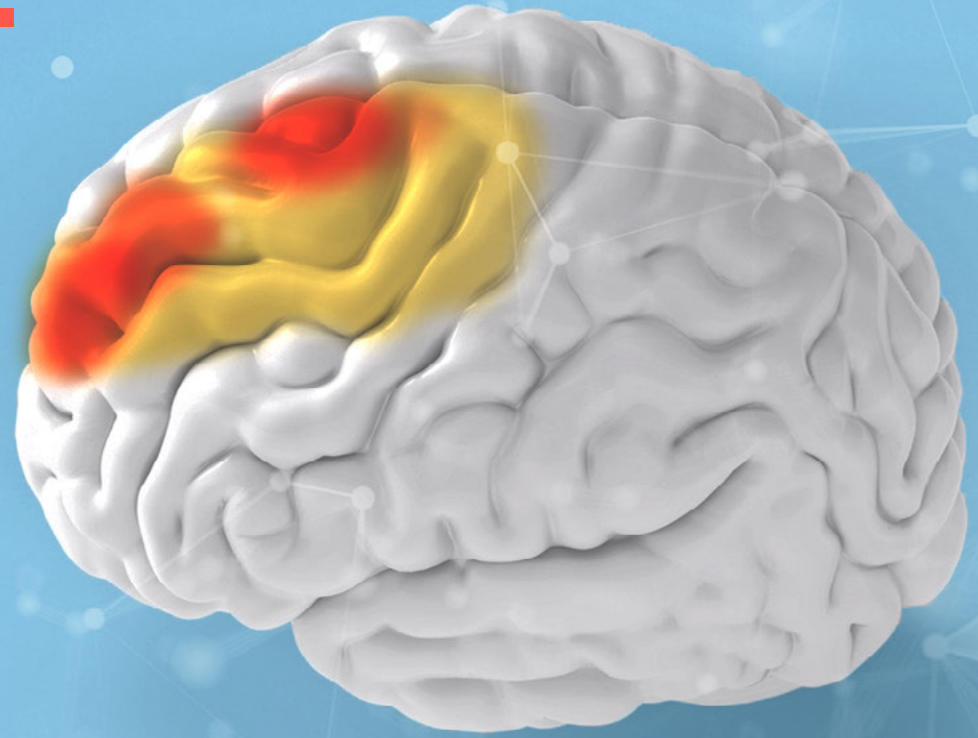


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Introduction

Brand safety evolves into brand suitability

Technological solutions and full-blown brand safety strategies have quickly evolved since 2017, when major adjacency scandals first hit the digital advertising industry. Avoiding blatantly inappropriate content is only the beginning, as impressions shown next to safe but unfit content might actively harm brand reputation. Advertisers are now demanding more granular controls to manage their unique risk tolerance levels and run campaigns in brand suitable environments.

Impact of environment over brand perception

Neuroscience research commissioned for this study provides insight about the effect of a mobile environment over brand perception. Measuring consumers' neurological reactions when seeing the same display (i.e., banner) creatives next to high- and low-quality mobile web content, we were able to draw distinctions between brand suitable and unsuitable environments. Here are the results.



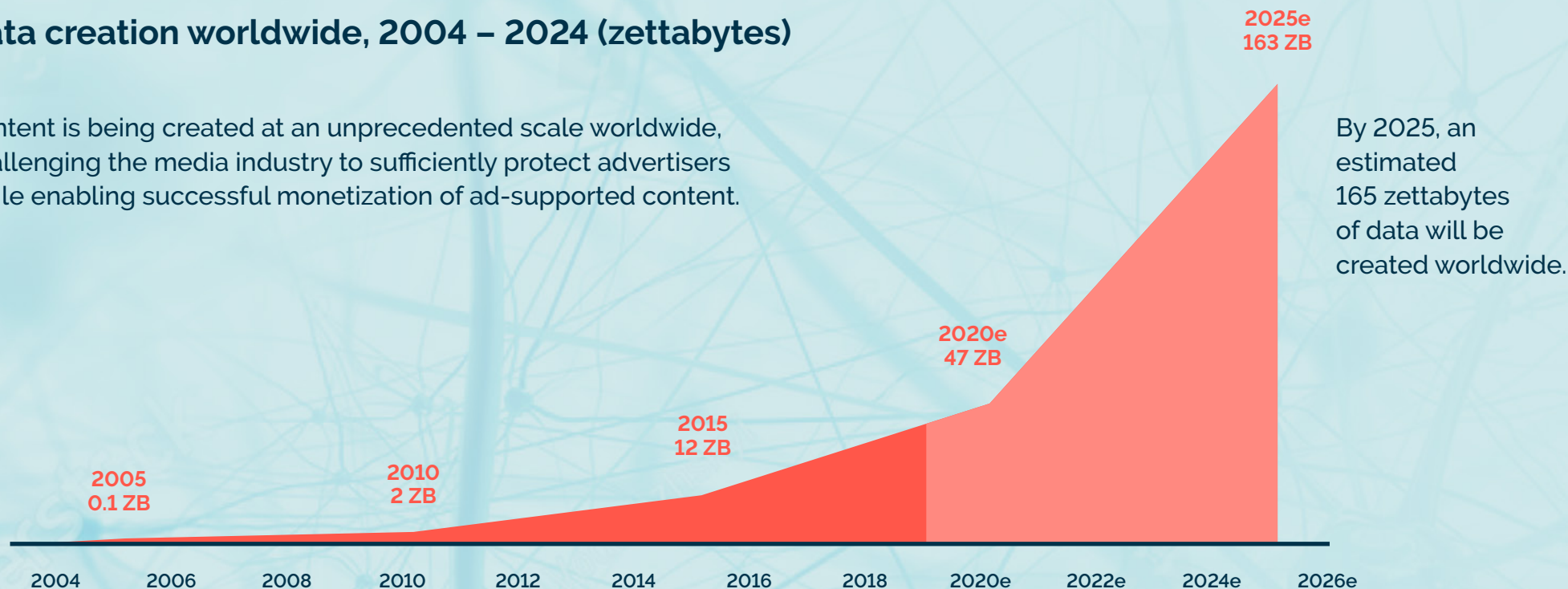
Industry trends



Information creation is exploding

Data creation worldwide, 2004 – 2024 (zettabytes)

Content is being created at an unprecedented scale worldwide, challenging the media industry to sufficiently protect advertisers while enabling successful monetization of ad-supported content.



Source: "IDC Data Age 2025 Study," International Data Corporation (IDC), April 2017

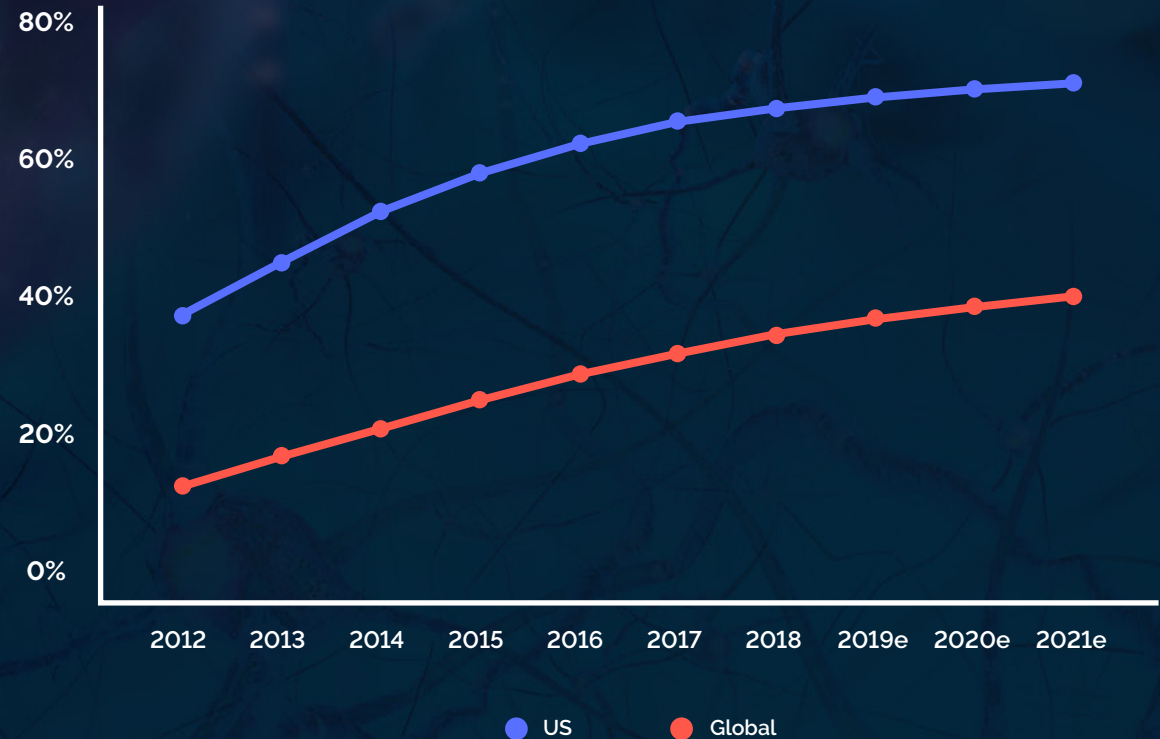
Note: 1 petabyte = 1MM gigabytes; 1 zettabyte = 1MM petabytes

Smartphone adoption is driving data creation

US smartphone users, 2012 – 2021 (% of population)

Increasingly, data creation is driven by widespread smartphone adoption and on-the-go media consumption.

US smartphone penetration will surpass 70% in 2019. Over one-third of the worldwide population will use a handheld device this year.



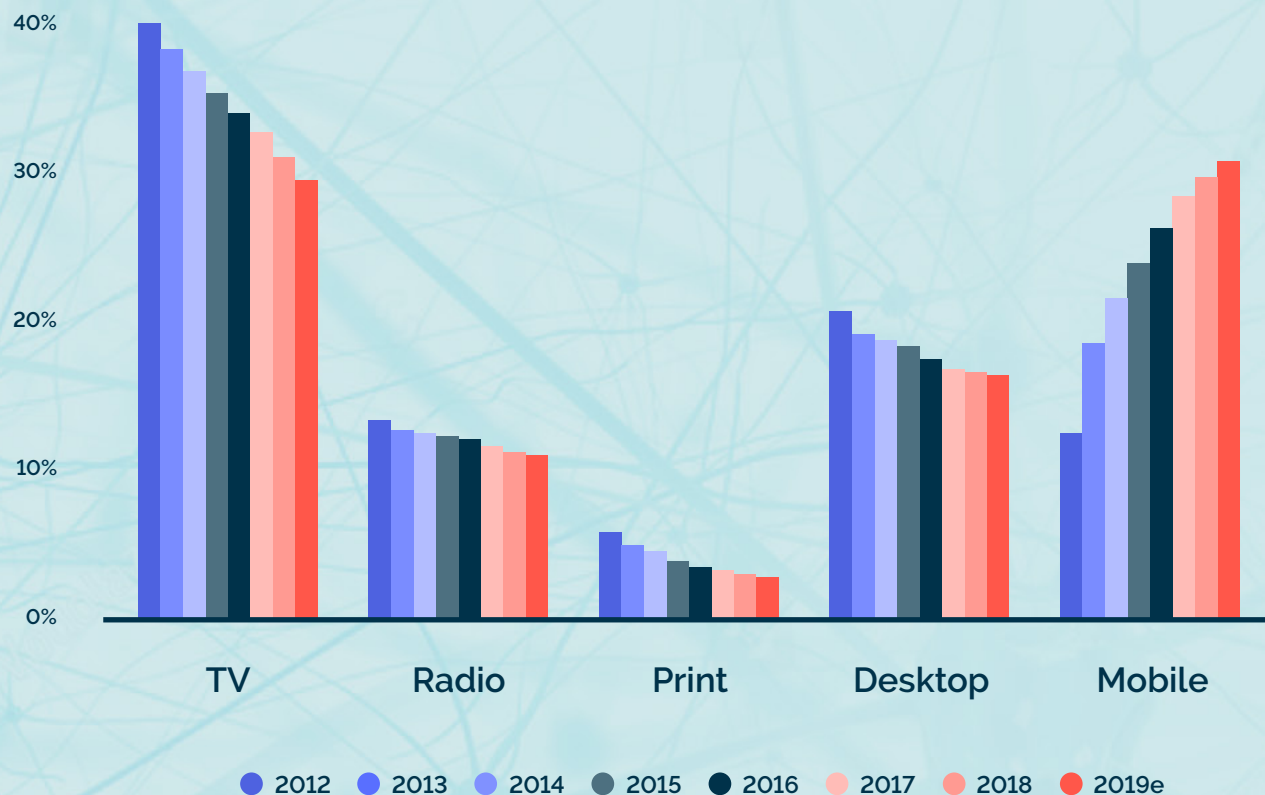
Source: eMarketer, March 2019

Media time with mobile continues to grow

US time spent by media, 2012 – 2021 (% of total media)

Smartphones have crossed over and become the primary media type. Mobile is the only medium with a growing share of time spent.

US daily time spent with media via mobile will reach 30.6%, overtaking TV (29.5%) as the primary channel for media consumption in 2019.

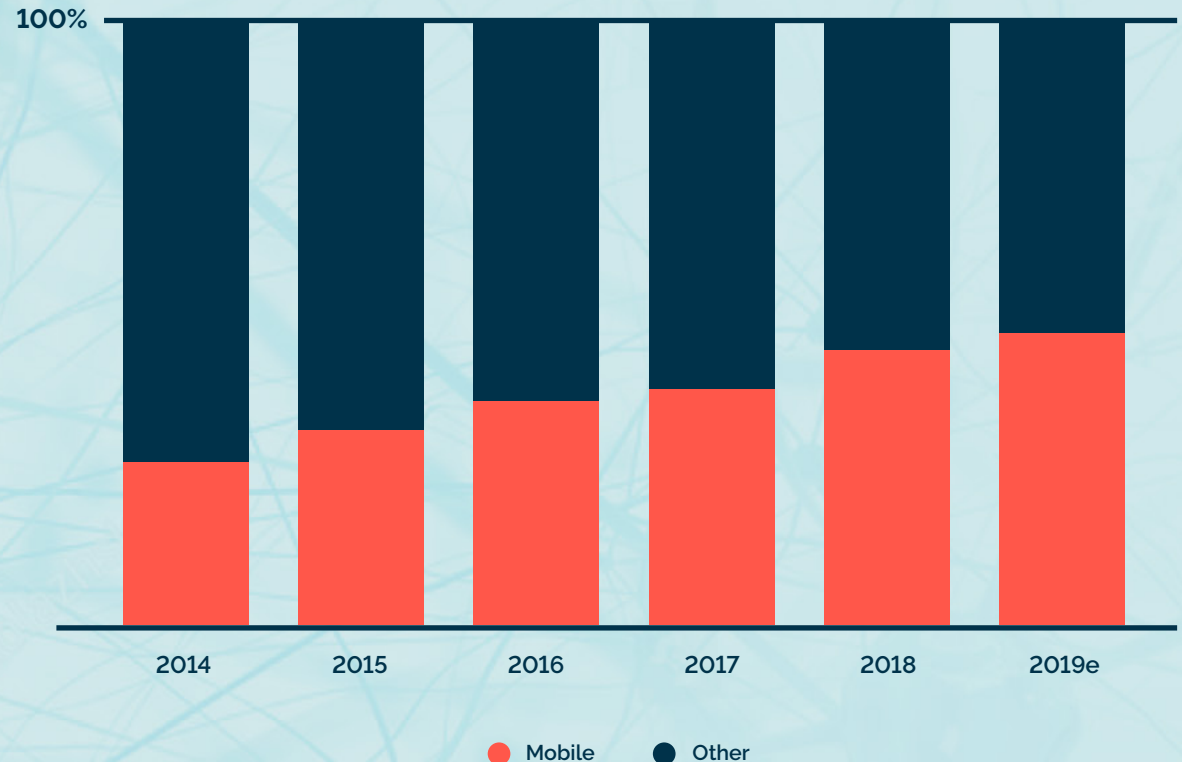


Source: eMarketer, April 2019

Mobile is taking over globally

Global average daily time spent using internet, by device, 2014-2019 (% of total)

On-the-go digital media consumption is a global phenomenon. Nearly half of daily time spent online worldwide will happen on a mobile device in 2019.

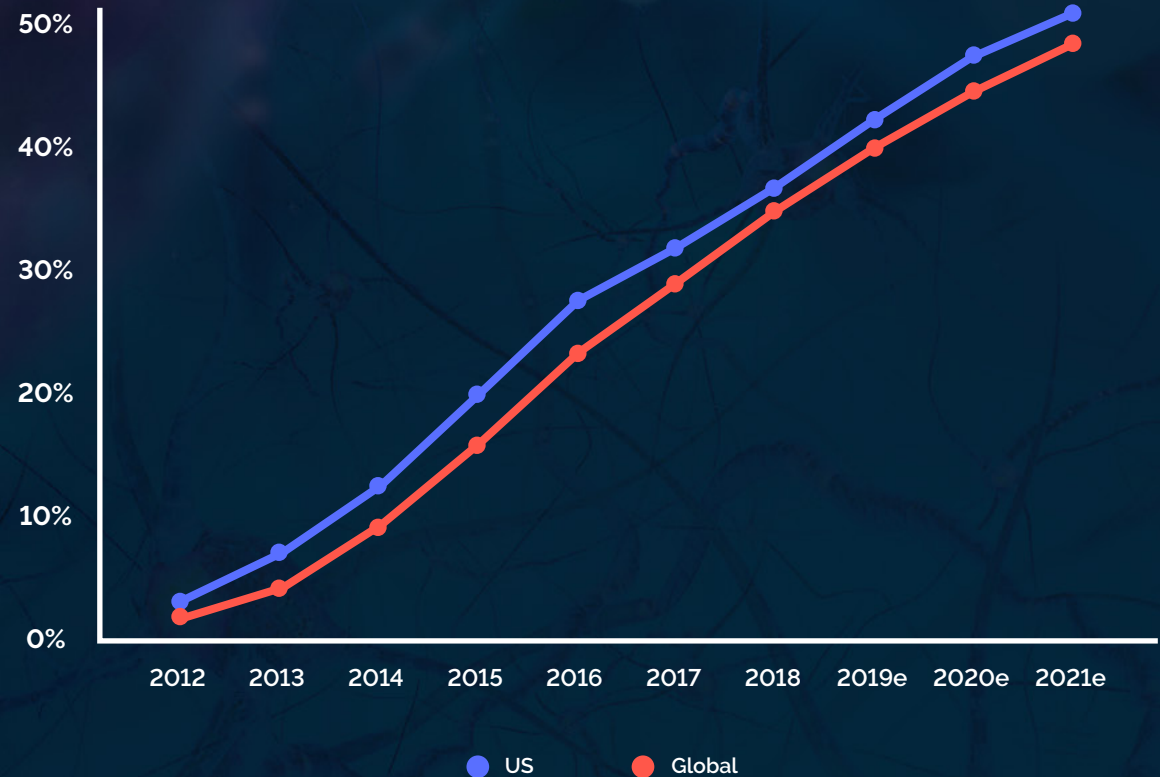


Source: GlobalWebIndex as cited by Hootsuite and We Are Social, January 2019

Mobile drives media ad spend growth

Mobile share of total media ad spend, 2012 – 2021 (% of total)

The mobile share of total media ad spending will continue to rise through 2021. Over one-third of total advertising budgets will be spent on mobile this year, driven by brands seeking to tap into highly engaged mobile audiences on the most personal of devices.



Source: eMarketer, February 2019

Brand safety



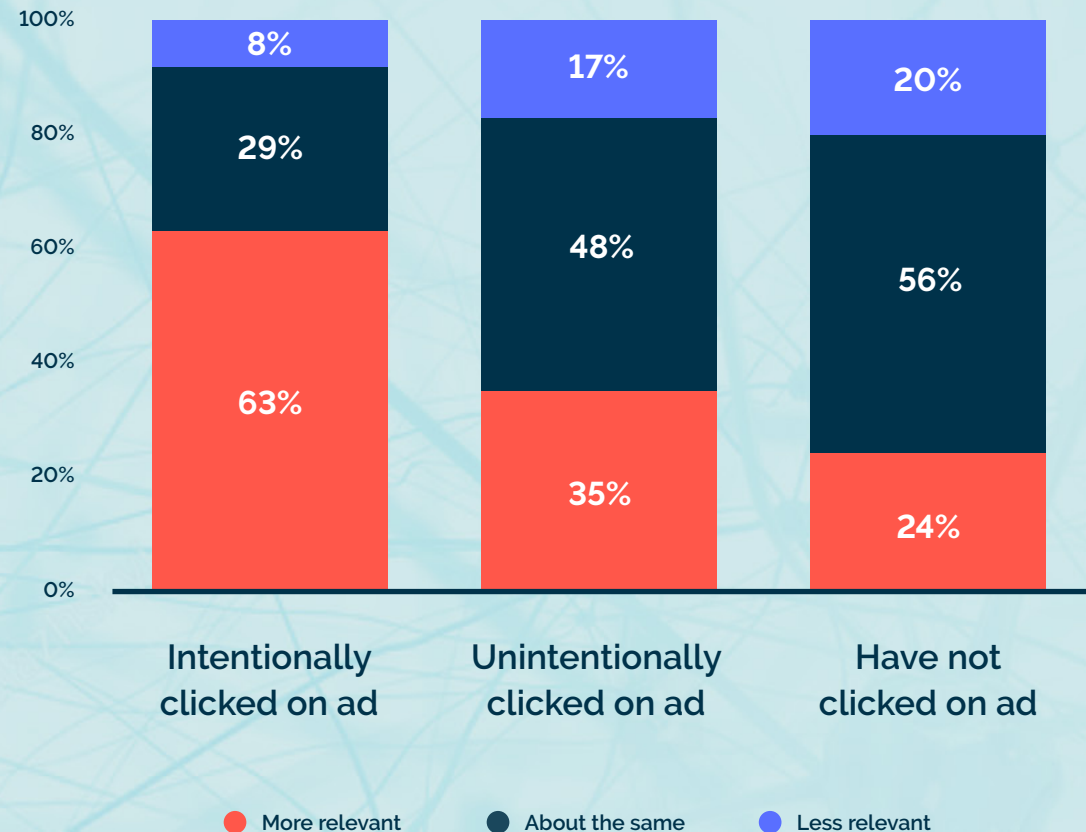
Advertising relevance matters

Intentional ad clicking vs improving ad relevance among US consumers, 2018

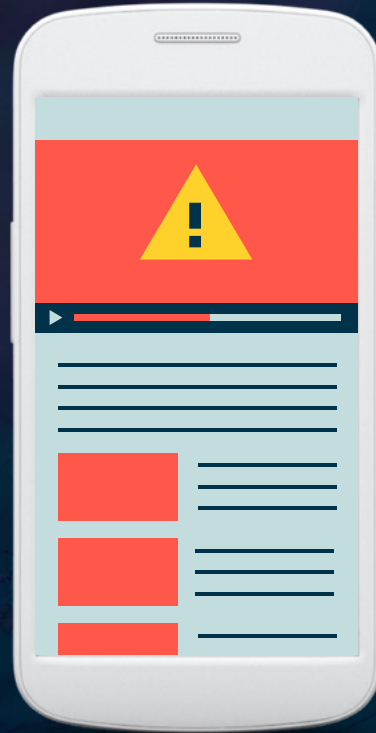
With mobile reaching mass media status and mobile ad saturation already considered excessive by eight in ten US consumers, ad relevance matters more than ever.

Among consumers who have intentionally clicked on ads, 63% say the ads are more relevant than two years ago. By contrast, three in four consumers who do not click on ads think ad relevance has not improved.

Sources: "The Consumer Engagement Crossroads," OpenX in coordination with Mobile Marketing Association (MMA) and MediaMath, July 2018; "Adobe Digital Advertising Survey," March 2018
Q: Are the ads you see now more or less relevant than the ads you saw two years ago?



Consumers react negatively to inappropriate ad placements



US consumers are roughly

3 times less

willing to associate with brands that advertise alongside unsavory, inappropriate or offensive video content.

They also tend to assume that ad placements alongside unsuitable content are intentional.

Source: "Consumers Think Unsafe Ad Placements Are Intentional," AdWeek, October 2018

The industry is responding to brand risk

Marketers shift to safe environments

Considering the damaging impact unsuitable content may have on their brand, a majority of US marketers plan to focus their budget on high quality content, while actively avoiding partners who include brand unsafe inventory.



80.0%

US marketers who will reduce ad spending with partners including brand unsafe environments



54.0%

US marketers who will increase ad spending with partners including brand safe environments

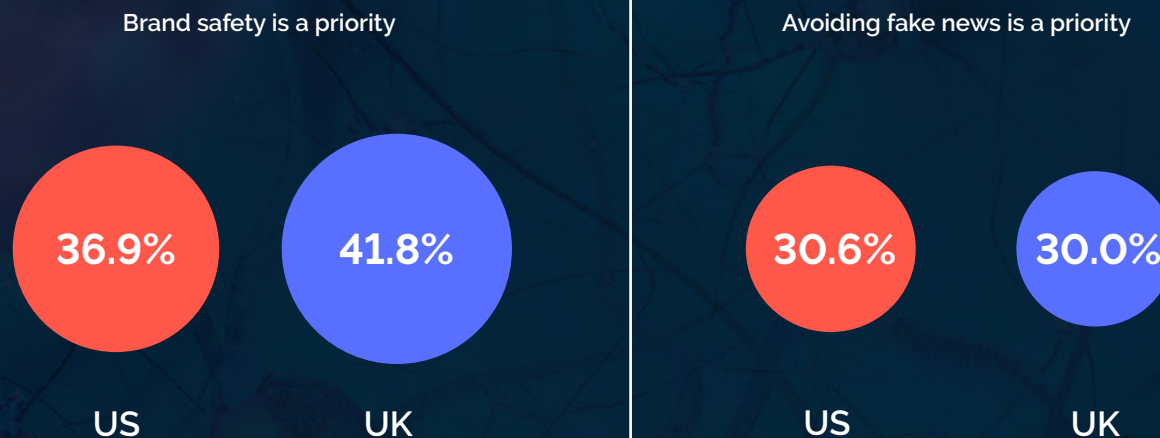
Source: Society for New Communications Research of The Conference Board (SNCR) as cited in company blog, December 2017

Brand safety and fake news are top of mind

Industry priorities in 2019

As awareness of reputational hazards grows throughout the advertising industry, suitability and content quality remain top of mind among marketers.

Over one-third of digital advertising professionals in the US and UK say brand safety is a top priority. Three in ten are prioritizing fake news protection in 2019.



Source: "Industry Pulse: Advertising trends, technologies and priorities that will shape the industry in 2019," Integral Ad Science, March 2019

Advertiser reactions in the headlines

Procter & Gamble Cut Up to \$140 Million in Digital Ad Spending Because of Brand Safety Concerns

ADWEEK, JULY 2017

Unilever Threatens to Reduce Ad Spending on Tech Platforms That Don't Combat Divisive Content

THE WALL STREET JOURNAL, FEBRUARY 2018

Brands Are Rethinking Their Programmatic Buying Strategies to Reduce Risk

ADWEEK, MARCH 2019

Halo Effect: study design



Study design

Participant profile

We collected data from 50 participants ages 18 and older who read news via mobile phone at least five times per week.



Study design

Mobile experience

Participants navigated through a simulated mobile experience lasting 30 minutes.



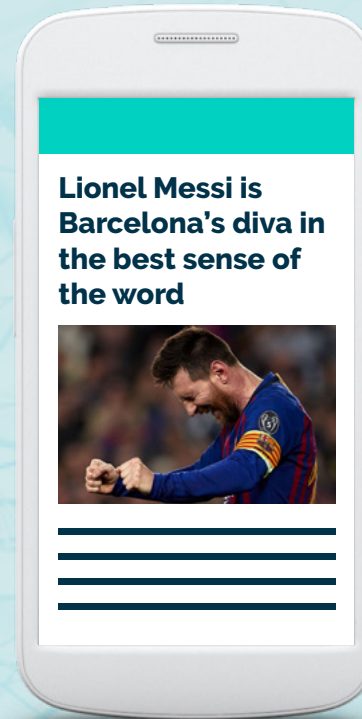
Study design

High quality vs low quality environments

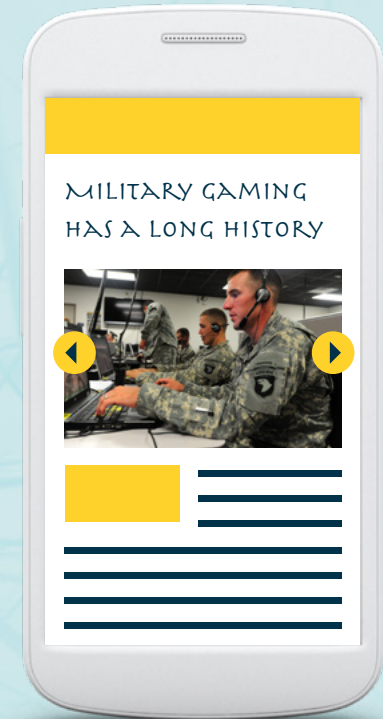
Each experience included eight mobile sites—4 high quality and 4 low quality, selected based on Integral Ad Science's proprietary Brand Risk scoring.

Note: mobile site selection and classification is based on Integral Ad Science's Brand Risk assessment; high quality = low brand risk; low quality = moderate brand risk; excludes explicit adult and violent content.

High Quality Site



Low Quality Site



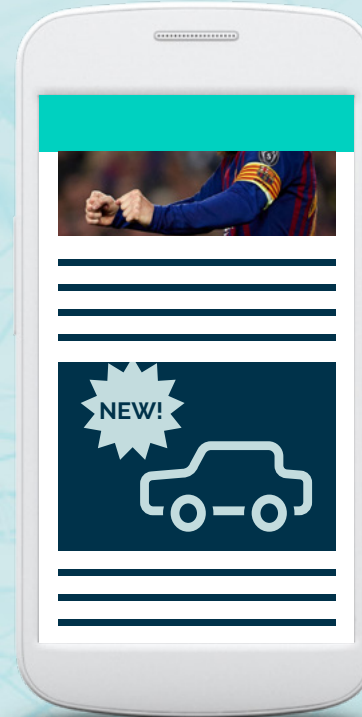
The above site renditions are illustrative only.

Study design

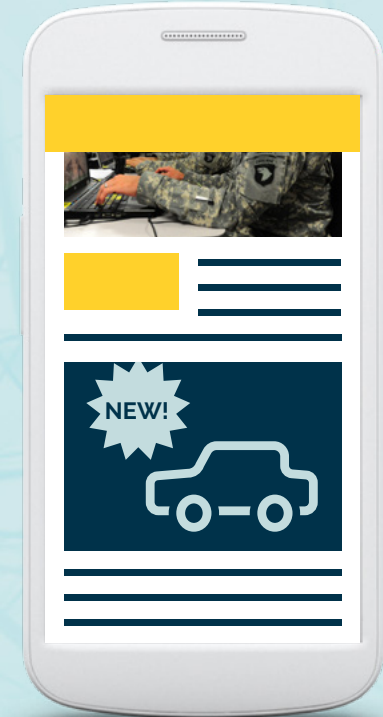
Brand, vertical and creative selection

Eight display ads from major brands across multiple industries were shown across both high and low quality sites.

High Quality Site



Low Quality Site



Note: mobile site selection and classification is based on Integral Ad Science's Brand Risk assessment; high quality = low brand risk; low quality = moderate brand risk; excludes explicit adult and violent content.

The above site renditions are illustrative only.

Study design

Data collection

Data was collected by Neuro-Insight using Steady State Topography (SST), a proprietary technology that tracks and records brain activity in real-time.



Halo Effect: results



Mapping the brain

Favorability

Favorability expresses the “direction” of the emotion being experienced – whether the reaction is positive (like) or negative (dislike).



Note: mobile site selection and classification is based on Integral Ad Science's Brand Risk assessment; high quality = low brand risk; low quality = moderate brand risk; excludes explicit adult and violent content.

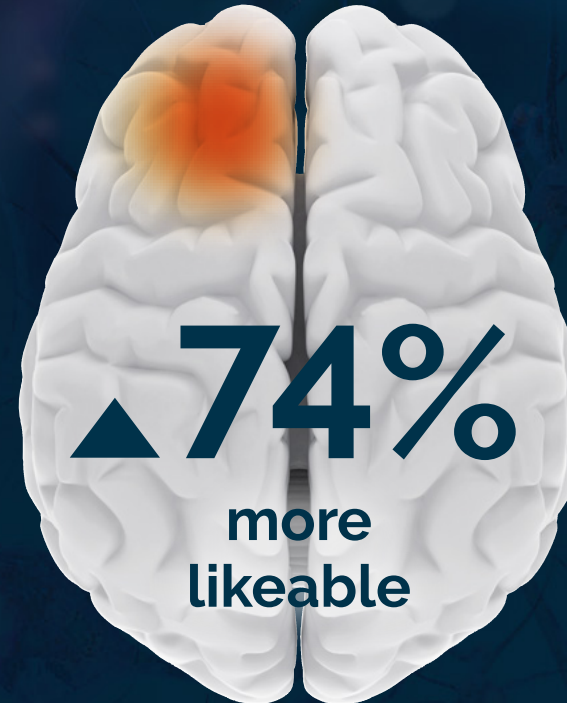
Same ad, different reaction

Key finding

Ads seen on high quality sites generated a very positive reaction. Moreover, when the same ad was seen on low quality sites they were actively disliked.

Note: mobile site selection and classification is based on Integral Ad Science's Brand Risk assessment; high quality = low brand risk; low quality = moderate brand risk; excludes explicit adult and violent content.

Ads seen on high quality
sites are perceived

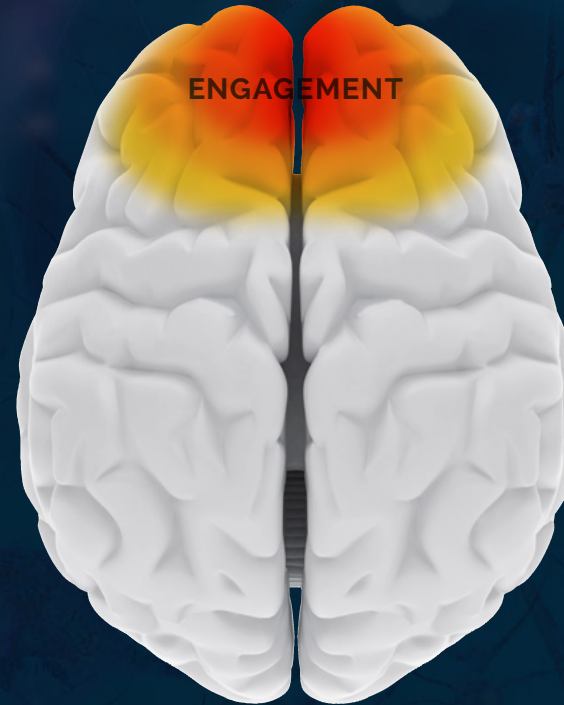


than the same ads seen
on low quality sites

Mapping the brain

Engagement

Engagement is an indicator of how involved people feel, and is generally triggered by material of personal relevance to the viewer.



Note: mobile site selection and classification is based on Integral Ad Science's Brand Risk assessment; high quality = low brand risk; low quality = moderate brand risk; excludes explicit adult and violent content.

Higher quality, higher engagement

Key finding

Advertising running next to content on high quality sites may benefit from more engaged audiences.

Note: mobile site selection and classification is based on Integral Ad Science's Brand Risk assessment; high quality = low brand risk; low quality = moderate brand risk; excludes explicit adult and violent content.

Audiences on high quality
sites showed

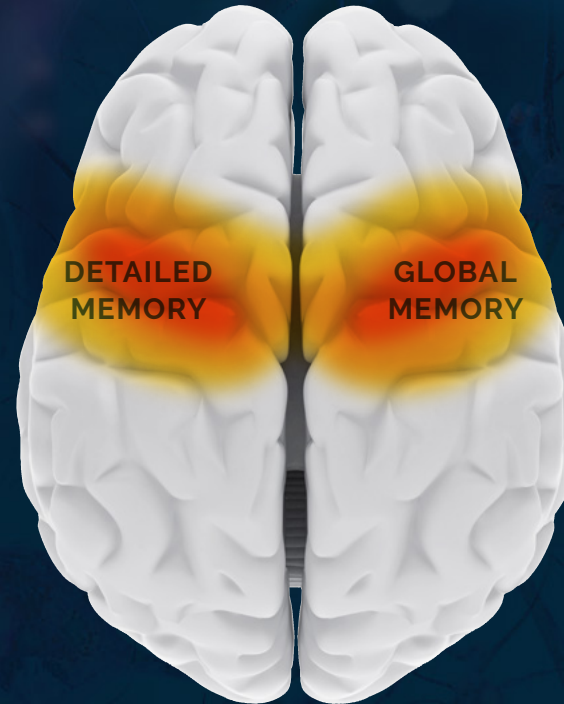


than on
low quality sites

Mapping the brain

Memory encoding

Transference from short term to long term memory indicates brand breakthrough. Long term memory encoding correlates with decision-making and purchase intent.



Note: mobile site selection and classification is based on Integral Ad Science's Brand Risk assessment; high quality = low brand risk; low quality = moderate brand risk; excludes explicit adult and violent content.

Quality content is memorable

Key finding

Achieving nearly one-third greater memorability, high quality sites offer a more conducive environment for brand recall.

Note: mobile site selection and classification is based on Integral Ad Science's Brand Risk assessment; high quality = low brand risk; low quality = moderate brand risk; excludes explicit adult and violent content.

Campaigns on high quality sites stand to benefit from



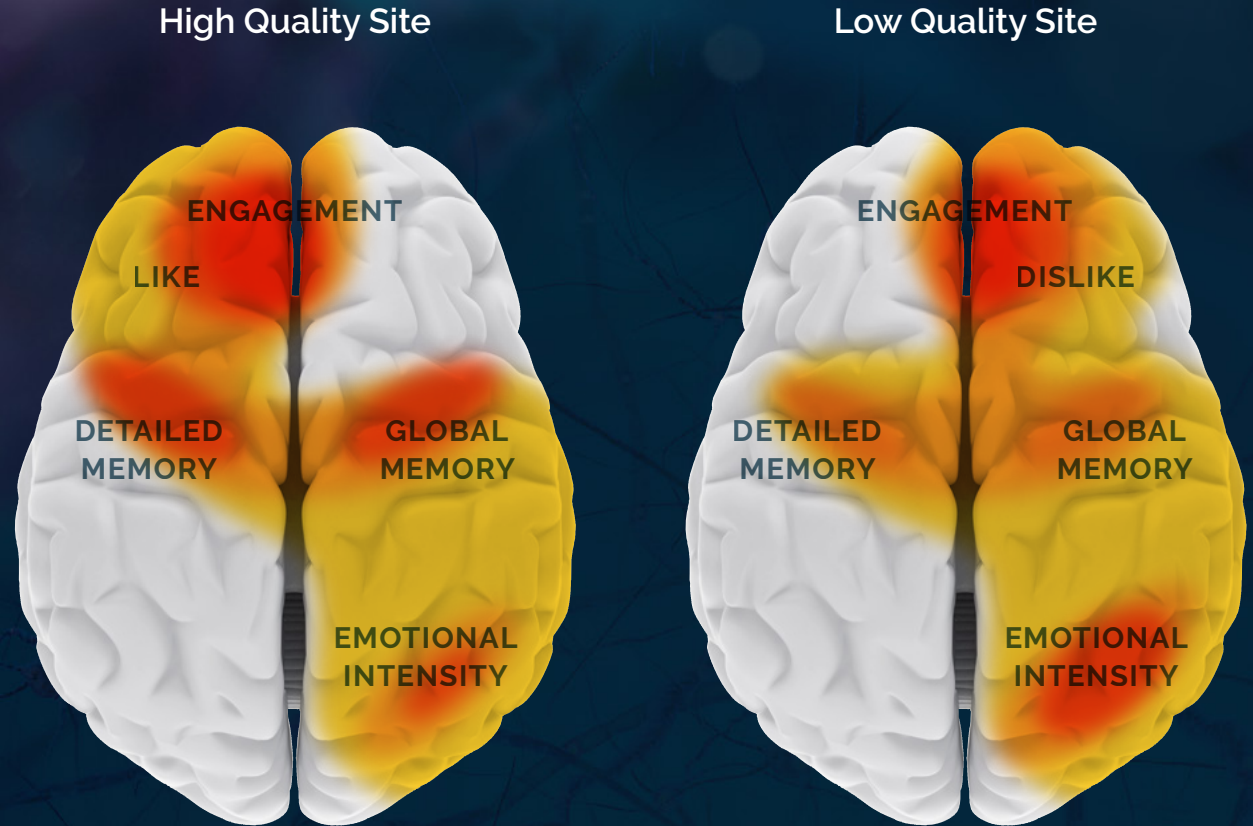
driven by brand
suitable content

Mapping the brain

Reaction to ads in high- and low-quality environments

Consumer reaction to low quality site content was neutral, however ads appearing on those environments were actively disliked.

Ads seen on high quality sites were perceived more favorably. The negative reaction to the same ads seen on low quality sites was experienced with 9% greater emotional intensity.



Note: mobile site selection and classification is based on Integral Ad Science's Brand Risk assessment; high quality = low brand risk; low quality = moderate brand risk; excludes explicit adult and violent content.

Key takeaways

2.3.17

1

**Content is being created at
unprecedented scale and pace.**
This makes managing content
suitability more critical than ever.



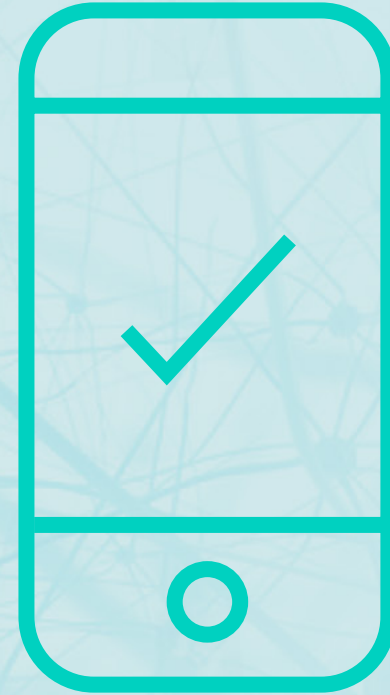
2

We already knew that ad relevance impacts engagement and that blatantly unsafe environments drive disengagement. **We now know the backdrop behind an ad is key for driving brand perception even in non-extreme settings.**



3

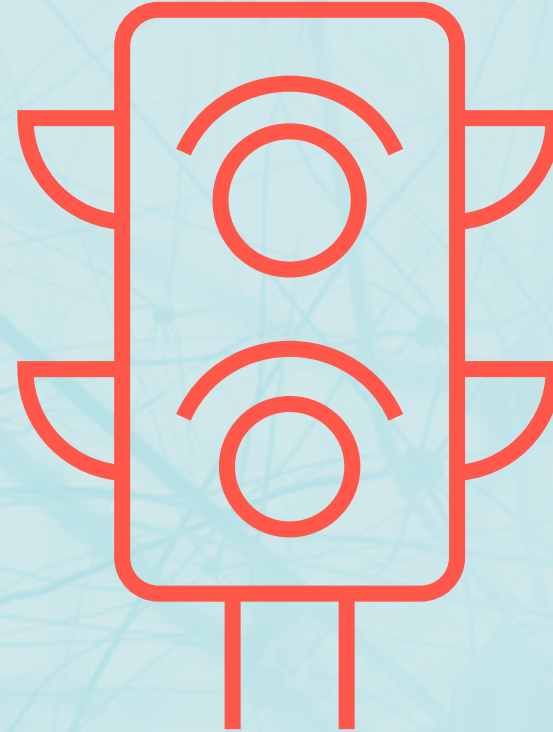
Our biometric research shows ads seen in high quality sites are more likeable, more engaging and more likely to be remembered.



4

Brand risk matters to publishers too.

US marketers say they will likely reduce spending with partners including unsafe sites and increase their investment with publishers addressing brand risk.



Appendix

Methodology

Test design

Respondent profile

Sample size: 50
Gender: 53.5% female, 46.5% male
Age: 18+
Read news articles on mobile phones
at least 5x per week

Fieldwork

New York City, May 14-24, 2019

Research conducted by:

Neuro-Insight

Study design

30 minute mobile experience
8 digital display (i.e., banner) creatives spanning auto, CPG, financial services,
technology and retail
8 mobile websites selected based on IAS Brand Risk assessment; excludes
explicit adult and violent content
4 High quality: Low risk
4 Low quality: Medium to low risk
3 ad creatives were embedded into each article
Articles and creatives were rotated to control for sequential bias

Session layout:

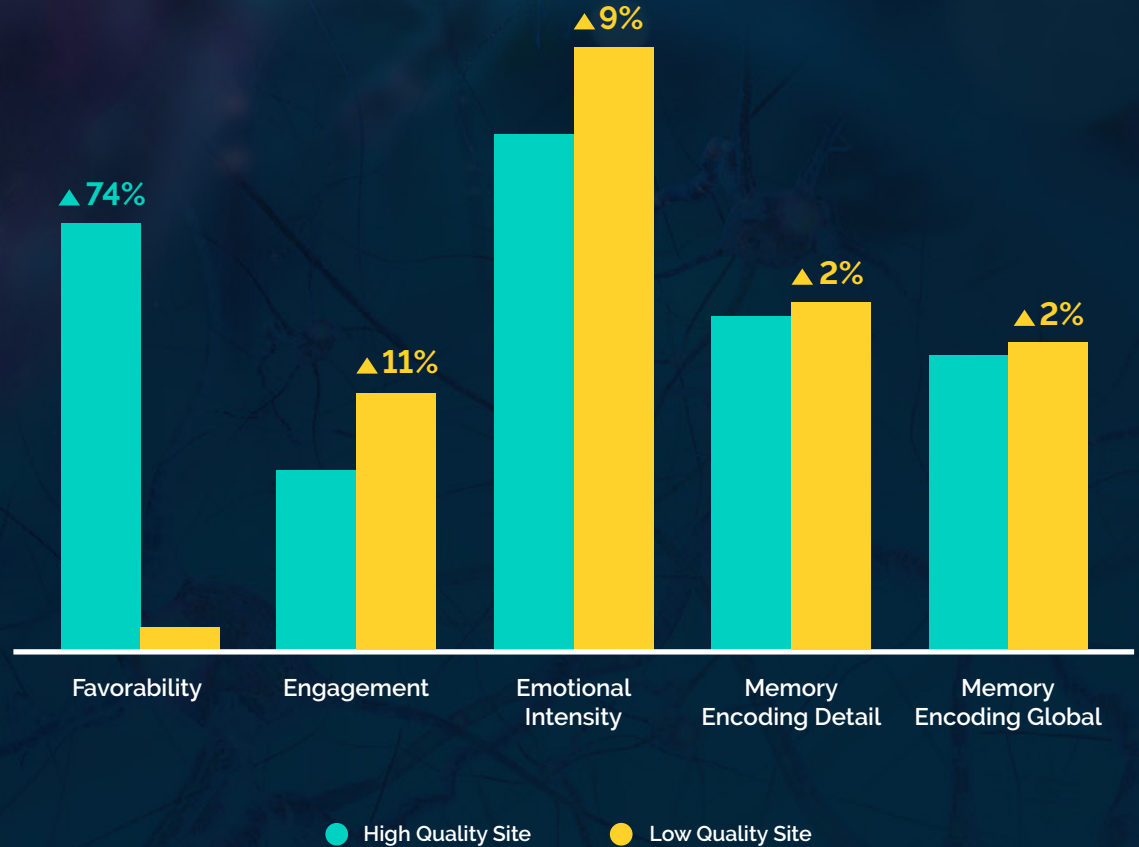


APPENDIX

Same ad, different reaction

Same ad results when seen in
high- or low-quality sites, May
2018 (index)

An ad seen on a high quality mobile site
is 74% more likeable than the same ad
seen on a low quality site.



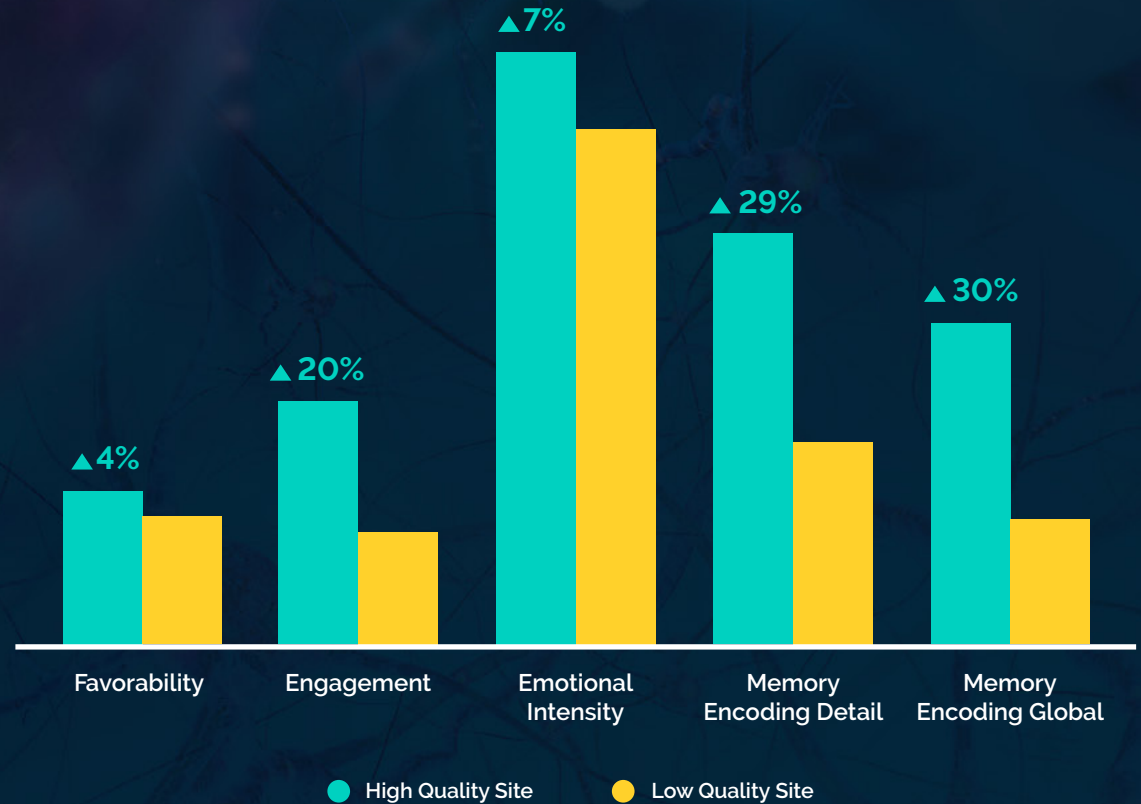
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APPENDIX

Brand safety matters to publishers

High-quality site vs low-quality site results, May 2018 (index)

High quality sites outperform low quality sites in engagement and memorability.

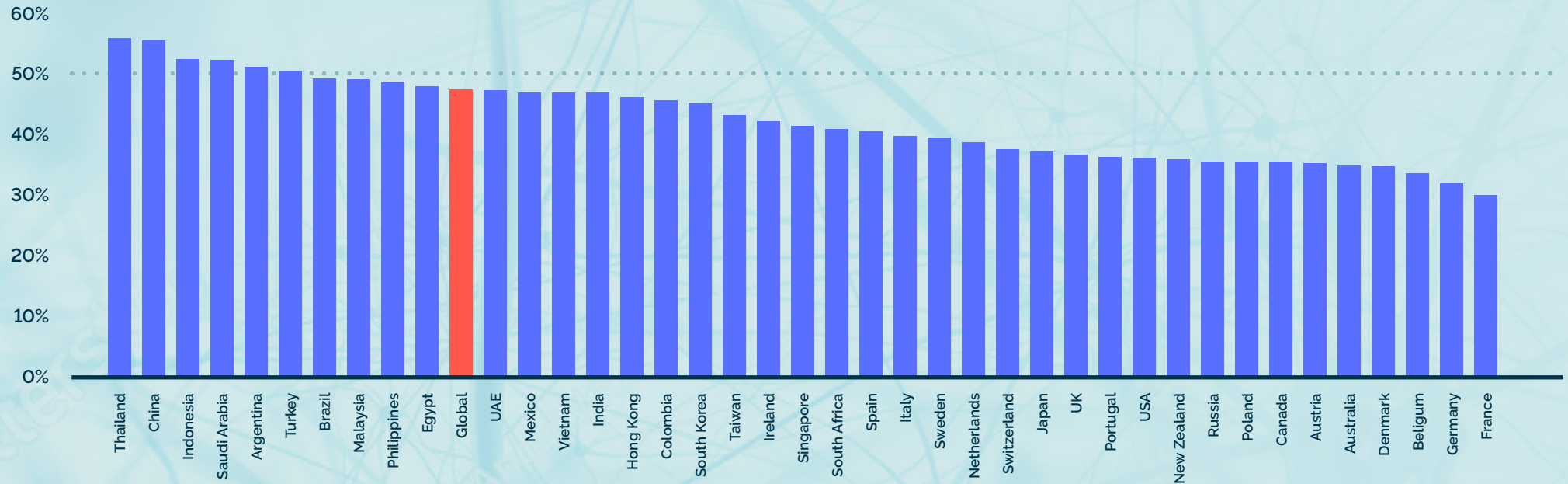


Note: mobile site selection and classification is based on Integral Ad Science's Brand Risk assessment; high quality = low brand risk; low quality = moderate brand risk; excludes explicit adult and violent content.

Media time

Mobile share of average daily time spent using internet in select countries, Q3 2018 (% of total)

Consumers in 40 countries spend at least one-third of their digital media time on a mobile device each day. The top 6 countries spend more than 50% of media time on mobile.



Source: GlobalWebIndex as cited by Hootsuite and We Are Social, January 2019

Media time

Average daily time spent using internet in select countries, by device, Q3 2018 (minutes)

Daily mobile internet usage in leading markets reached as much as five hours in 2018.



Source: GlobalWebIndex as cited by Hootsuite and We Are Social, January 2019