



IS CHAOS THE NEW ORDER?

THREE SCENARIOS FOR THE
FUTURE OF MEDIA CURRENCIES

THE FUTURE OF MEDIA CURRENCIES ROUNDTABLE

What is the future of media currencies? GfK, in association with IAB Europe, held a closed roundtable discussion to debate this challenging topic in May 2017.

To gain a true industry-wide perspective, GfK sought the opinions of Europe's leading players across the entire media ecosystem. Participants included digital platforms Google, Facebook and Oath; global ad agencies Publicis and Dentsu; media owners from broadcast TV and digital; a programmatic audience platform; representatives from a national advertising association and a large national market JIC (Joint Industry Committee). The discussion was chaired by an independent moderator, Ana Milicevic, alongside representatives from GfK and IAB Europe.

Introduction

Anyone working in media will know that traditional measurement systems powered by JICs, the media planning process and even the concept of a demographic target group itself are all under pressure.

Technology and the proliferation of data together have heralded a new era which is faster, more targeted and innovative. On the down side, this has introduced issues of trust and fraud. Global digital platforms have risen to the challenge to address these issues, but also create so-called "Walled Gardens" (which offer their own measurement) that advertisers are increasingly reliant on. If all this is put together, it seems that chaos has entered the previously orderly world of JICs and currencies. In recent

months, there have been calls for increased transparency and better orchestration in the data world, most notably from Marc Pritchard, the CMO of Procter & Gamble.

To discuss these game-changing developments and what the future will hold for media currencies, GfK invited a range of industry representatives from different types of companies to a Round Table discussion in association with IAB Europe. That the future of media currencies is a complex topic, was clear from the outset of our discussion. As they represent the total media ecosystem, obviously the roundtable participants have competing business models and very different stakes in the future. We were, however, surprised by the fact that a few, very clear scenarios emerged from the discussion, that transgressed the conventional groupings expected of the participating companies. That this new era of data would replace conventional media planning in the next years was accepted by all. However, the implications diverged. By the conclusion of our roundtable, we had three possible scenarios as options for the future of media currencies:

1. The rise of "Super JICs" as reinvigorated, neutral data arbiters
2. Chaos replaces order, with data being controlled by different competing entities large and small
3. Technological self-regulation of data, likely in the form of an adaptation of Blockchain technology

In five years' time, we need to look at why we are using Reach currencies. In essence, they are a compromise. Reach planning won't exist either, because Effect planning is already rising sharply, or it will be used less and less. Planning can certainly be done on Effect currencies.

Walter Flaar, Dentsu

Before we look at these three scenarios in more detail, it makes sense to frame the outcomes by introducing a practical perspective of the actual metrics we use for media buying and selling and how they will evolve.

What metrics will the media ecosystem want in five years' time?

One point that kept coming up in the discussion was the nature of media metrics we need in the future. One participant said: "I see a strong wish from the industry to evolve from assessing the value of media not just by campaign exposure, but by impact. There is pressure to unify the views [of what impact entails] of the different types of media."

A **publisher** said: "Planning data across the different [media] channels is going to be really important. I see the metrics thinning out to Opportunity to See (OTS) across all the different channels, rather than adding in more 'quality' metrics that can't be compared across screens. The final part is how this connects to business metrics. Campaigns are either about shifting [brand] perceptions, or shifting products – so reach is not [any more] a goal in itself."

The view from a **media agency** expressed one of the toughest challenges we face as an industry: "The big challenge we have in all the European markets and in the US, is [that] we are slightly losing trust in what measures are being produced for digital. We have the discussion about Brand Safety, Viewability, and we're still discussing Ad Impressions, which is not relevant for inventory – I mean for what we buy. I pay money, I want media back. I need to trust in the figures to prove ROI and results. It must be relevant for TV, print, out-of-home, everything – as well as digital."

Another media agency view echoed this, in that the measurement we have now isn't adequate for how our needs have evolved: "In five years' time, we need to look at why we are using reach currencies. In essence, they are a compromise. Reach planning won't exist either, because Effect (outcome) planning is already rising sharply, or it will be used less and less. Planning can certainly be done on Effect currencies."

And finally, another viewpoint in terms of digital media in particular: "I hope we will have stopped talking about Viewability and will be talking about Listenability in five years' time."

So, let's move on to the first scenario how media measurements might be managed and orchestrated by looking at the rise of the "Super JIC."



1. THE RISE OF THE "SUPER JICS"

Five years from now: We will exist in a fairly or highly regulated environment, with some institutions, probably JICs, ensuring the existence of a universally recognized and trusted media measurement that's privacy/GDPR compliant. These JICs will be different from those of today, they will be "Super JICs." What's more, they'll be supported in their efforts by global digital platform players.

A Managing Director from a national market JIC in Europe explained how he saw the measurement landscape evolving over the next five years. There will be so much data that companies won't be competing for it at all, but rather for smart, insightful data. "It's about quality, not quantity of data. There will be a clear need for currencies and standards, because there is too much data out there. You need to have associations that ensure robust and reliable data is available. This is the role for JICs, which will be more important than ever before." The standards will be based around Viewability and Brand Safety. Although there will be one-to-one advertising, it won't always be the right solution. Consequently, there will still be mass campaigns and advertising to the many.

The future perspective from one of the **publishers** was of a complex landscape with multiple media to measure: "In five years' time, I think we will be getting to a place where standards for digital measurement are becoming settled. However, [comparing] digital and TV, and other media, will still be a battlefield. Plus, we [will have] other new media types to integrate, i.e. digital out-of-home, news feeds and stories formats in the context of digital video and TV, and TV companies creating content that is mobile first." JICs will have a big role to play to direct the way.

Another **publisher** was less radical, and also less optimistic in terms of what JICs can achieve in the timeframe: "When it comes to trust, we think of JICs. It could [instead] be one entity [per market] sitting between the players and collecting the data, creating a dataset to be used by agencies, advertisers and all sorts of groups. But it's going to be a very slow process, and five years from now is very close."

Niko Waesche of GfK believes that all media will have moved completely to digital, or at least the overwhelming amount of ad inventory will be sold with other forms of data. Some of that data will be shared. It will fall to JICs to ensure and control access to this data, meaning their role will transform from the guardians of media planning to the guardians of data and data quality. This shared layer of data will be basic, for instance verified demographics, and it will be verified so we can all trust it. Another layer will be private and owned by the media group, and this will be the layer of data that provides the competitive edge. If JICs are to carve out this clear role, "They must act really fast today to take-over data leadership."

GfK also made the point that consumers would like to play a more active role in how their data is being used. Assuming this is the case, in five years' time, JICs will be responsible for managing quality checks on individual-level data. Consequently, they will perhaps need to have a relationship with consumers too, bringing a whole new dimension to their role.

There will be a clear need for currencies and standards, because there is too much data out there.

Willibald Mueller, AGF

The industry needs a trusted party with expertise in collecting and analyzing data about what consumers want and buy.

Kristina Prokop, Eyeota

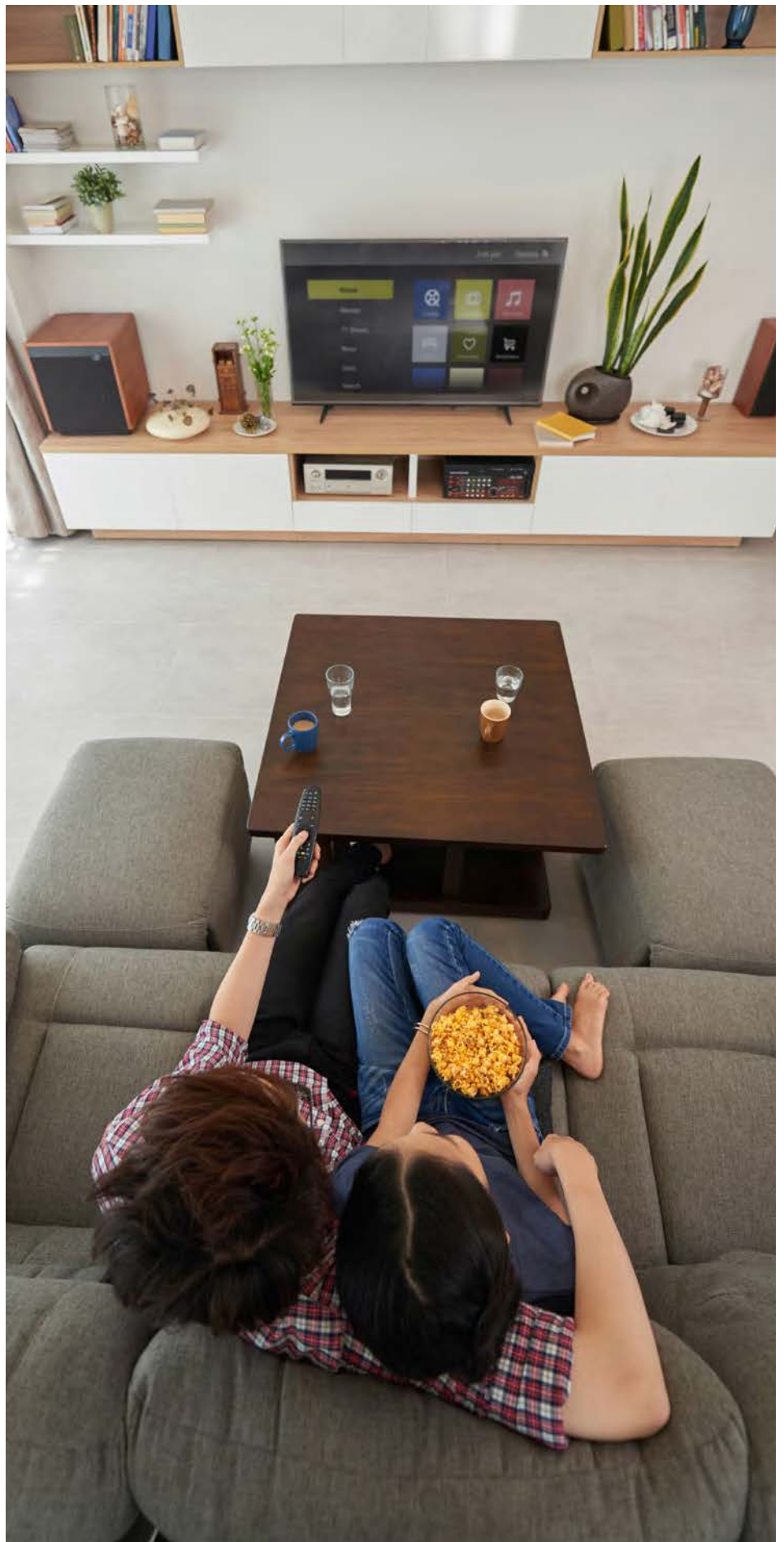
Most of the brands have wanted and have been working on a single cross-media currency. It's never happened, but this is what the advertisers and the agencies want.

René Lamsfuss, Publicis Media

But the discussion was not all positive for JICs. Several people in the room thought that JICs are too slow, too political and too poorly funded to take on the responsibility of managing media currencies in the future. There was also a view expressed that JICs are incapable of managing anything “commercial”. Alison Fennah of IAB Europe made the mitigating point that the numerous JICs across Europe are very different in size and remit. Some smaller organizations can benefit from collaborating with the larger ones to tackle the challenge of media measurement in the future.

For example [The European Viewability Initiative](#), a cross-industry initiative of IAB Europe, EACA and WFA brings stakeholders and markets together to deliver a harmonized framework which markets could struggle to achieve individually. Adaptability will be key, as will sharing best practice and responsibilities. Many in the room agreed, and felt the bigger and stronger JICs would lead the way.

The comment from one of our attendees from a national **advertiser’s association** summarizes this section well. “In five years’ [time], we will still have media currencies because, although the media landscape is changing, the requirements remain the same – transparent, comparable and privacy-safeguarded data. A common ground is needed to get to the best standards.”



2. CHAOS REPLACES ORDER WITH DATA BEING CONTROLLED BY DIFFERENT COMPETING ENTITIES LARGE AND SMALL

Five years from now: A proliferation of “Walled Gardens” will co-exist and compete, accelerated by new tech and start-ups, entering the market and creating their own measurements. At a market level, there will be no agreement about which KPIs to use as industry standards. KPIs will instead be specific to each proprietary “Walled Garden.” Confusion will reign. Advertisers will struggle to find consistency. It will be every media player fending for themselves. Agencies will try to navigate the muddle.

The discussion about “Walled Gardens” did prove a little divisive, as some participants didn’t feel they would be an issue at all in the future, while others saw their role becoming even more prominent. Several people questioned whether the industry would find a way to openly access the data collected and stored in “Walled Gardens” in the next five years.

One publisher wondered how the media industry will be able to create currencies using the best data sources, which will include maximizing the use of the data stored in walled gardens. Another **publisher** felt Walled Gardens were a bit of a red herring altogether: “I don’t like the [negative] narrative around Walled Gardens. I think those companies are open to a degree now and will become more open over time. I think we will be in a place where companies potentially live in one silo, and as a marketer or brand that may be entirely effective for your needs. You may not need to worry about cross-channel planning or cross-supply source planning.”

Another of our **publishers** was more circumspect about how the future might evolve, and what this means for those who have their own, protected data sources. His view was that media currencies won’t have changed at all in five years’ time: “Not because we don’t want to change, but because on a political and technical level, [measurement and currencies] are falling behind”. This is particularly the case when looking at the speed of the change in media consumption driven by technology. How are we going to keep up with measuring activity in-app, or in search – especially with the increase of voice search?

“When you look at third parties, the gap [in] what they can measure and what is actually being done outside in the world by consumers is getting bigger and bigger. Therefore, I think the role for the publishers or media owners is getting bigger and bigger when it comes to sharing first-party data. And that’s where we come back to the Walled Garden again and to trust.”

If there are no JICs in the future, we will have a wild west scenario.

René Lamsfuss, Publicis Media

I don’t like the [negative] narrative around Walled Gardens. I think those companies are open to a degree now and will become more open over time. I think we will be in a place where companies potentially live in one silo, and as a marketer or brand that may be entirely effective for your needs.

How are we going to keep up with measuring activity in-app, or in search – especially with the increase of voice search?

3. TECHNOLOGICAL SELF-REGULATION OF DATA PERHAPS IN THE FORM OF AN ADAPTATION OF BLOCKCHAIN TECHNOLOGY

Blockchain explained

Blockchain, the technology that underpins cryptocurrencies such as Bitcoin, is the emerging distributed ledger for the digital world. It is a secure technological mechanism which records every impression or interaction. In theory, not only monetary value, but also ad exposures and other KPIs could be documented for each consumer. Consumers can possibly be allowed control over these ledgers and the type of campaigns they want to be exposed to. At this early stage of adoption however, it is too soon to assess how blockchain technologies might be applied in the media sector, but there are many interesting opportunities.

It is early days for blockchain in the media sector. Despite this, the technology behind cryptocurrencies grabbed the imagination of several participants and was intensely discussed at our roundtable, leading to a hypothetical third scenario.

With the millions of dollars spent on targeting advertising campaigns as accurately as possible each year, it's no wonder the ideal of a blockchain is appealing to players right across the media ecosystem. Advertisers want to move and act on data quickly, across platforms and devices and using rules and metrics they already have in place. Smart ledgers governed by a blockchain can help track and reconcile every interaction through the supply chain effectively and transparently. Since information is encrypted, they can lock and unlock data making it transparent but only to certain people and/ or companies.

Our moderator, Ana Milicevic, posed the question: "If we go down the blockchain path, what might the future look like?"

Blockchain is a distributed technology, leading to the following comment by one publisher: "Everyone can create and enforce their own currency – in the widest sense. So, an advertiser could work with all their partners on one campaign execution and agree on the specific KPIs or measurement that are only relevant to them for that specific campaign. Trust is built in to the technology protocol."

The decentralized nature of blockchain sits in stark contrast to the centralized media currencies that everyone has access to today.

One of our publishers raised a genuine concern about trust in relation to blockchain mechanisms working in this context. If a JIC were managing this process, could they deliver the quality needed for media planning? "It will be really hard to maintain trust if we try to push for a tool, system or a protocol managed by a JIC on that basis. However, it is really important to get to a system of checks and balances [in place]. In recent years, we've seen that not everyone on the media owners' side is always honest and that not everyone on the agency side is always honest, and that on the advertising side there are other interests. So, we do need a system of checks and balances in the end to get a measurement."

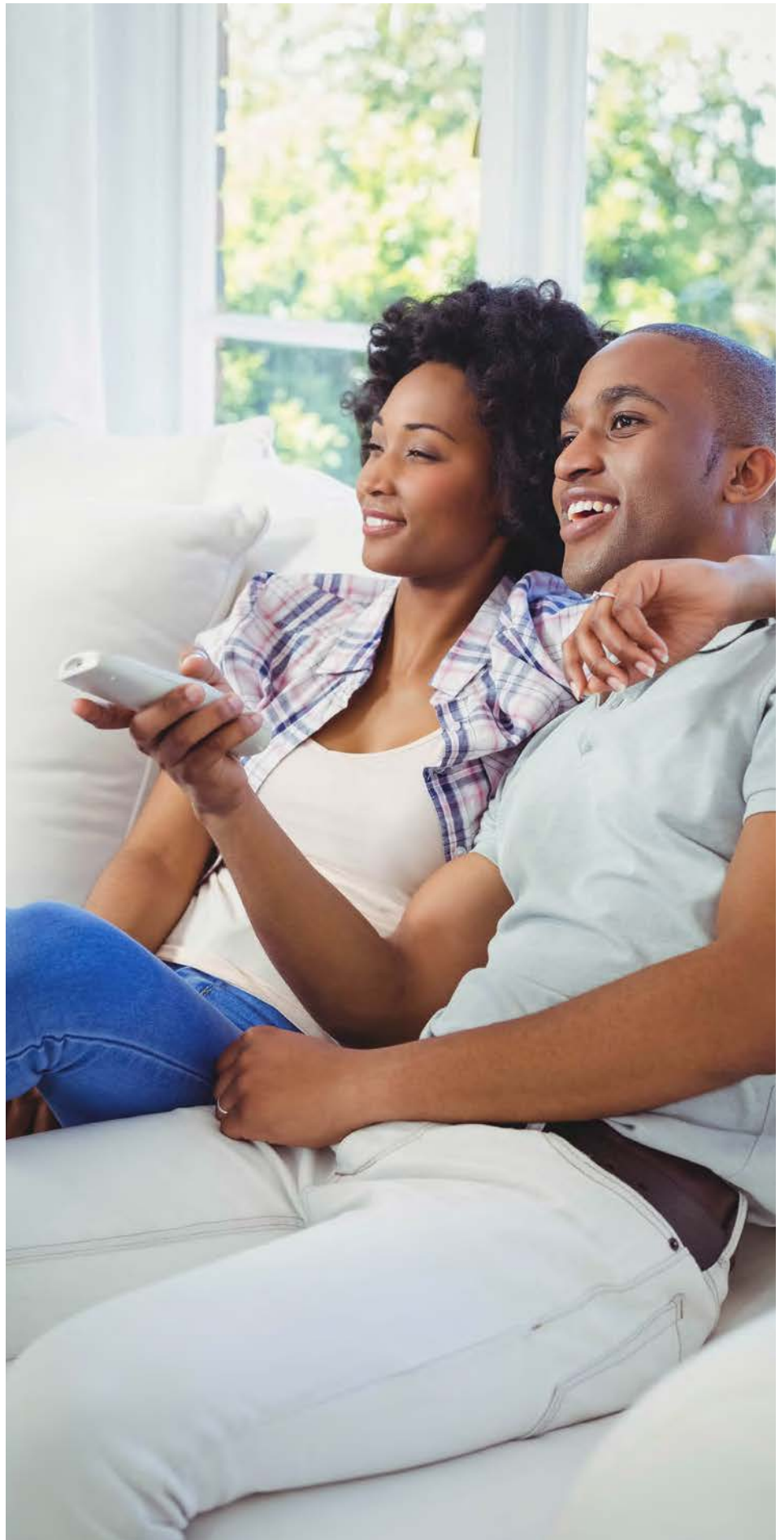
The way people are paying for consumption will change radically, be that by blockchain, or usage of a brand and delivery of content.

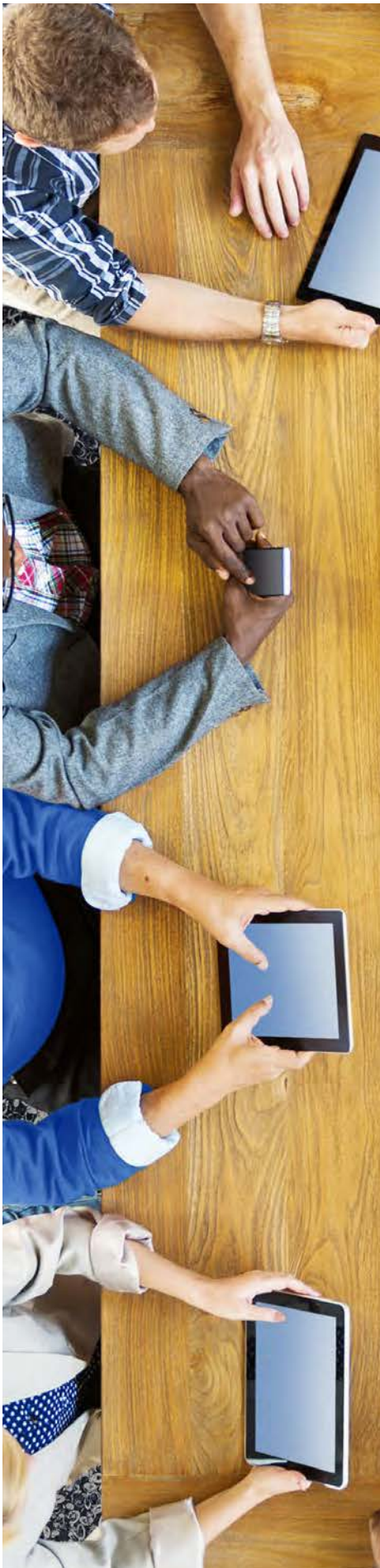
Simon Halstead, Oath

A participant from a **commercial TV broadcaster** had a different view of the future, rooted in his statement that if we could start again, we would not have chosen the media currencies we have now to be our standard measures. This view was widely accepted by the roundtable group. "In five years' [time], JICs will be completely different. They will represent a central set of beliefs in terms of Brand Safety and Viewability. They will need to own the protocols for measurement – in the same way the internet is a protocol. Protocols can empower technology."

One interesting discussion thread, which will either drive or a break the whole process of tech and innovation, is that everyone is currently focused on the same theme: data activation. Of all the parties in the media ecosystem, advertisers are the only ones who have the opportunity and technologies that empower consumers. It is the advertisers who will own consumer engagement and the so-called data contract that sits behind it.

One of the speakers from a media agency raised the point that we make a "conceptual mistake" by thinking that we can only have a well-functioning market through centralization. "If you look at the competitive field, with all the media owners and channels, and the huge fragmentation in these channels, trying to centralize that is a challenge. It shouldn't depend on a single unit or measurement, or team or body – it will fail. It has to work in an ever-fragmenting market." A protocol with flexibility is his preference.





SUMMARY: THE ROLE OF THE CONSUMER AND THE FUTURE OF MEDIA CURRENCIES

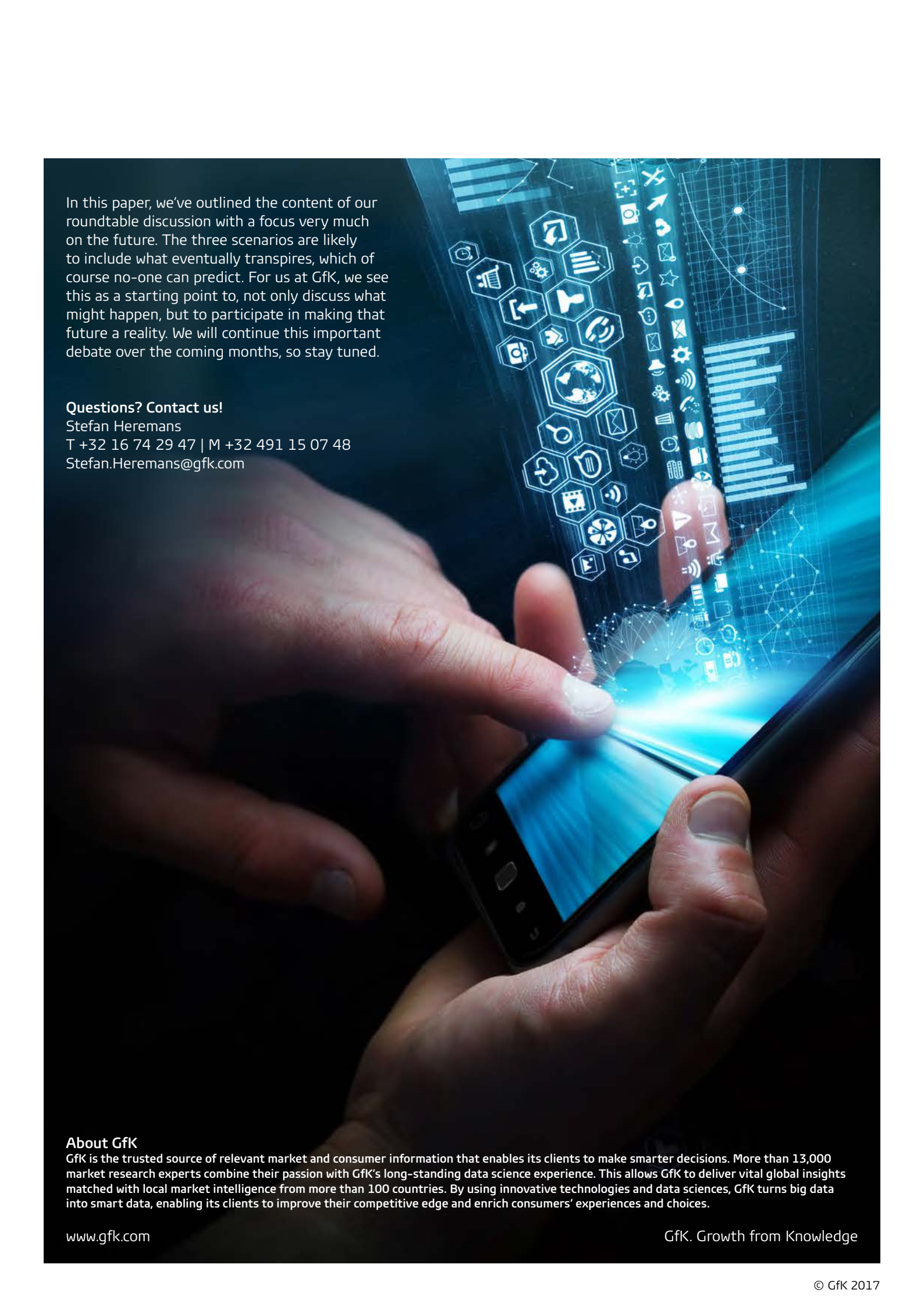
While the media industry debates and discusses the future of measurement, we must not ignore the consumer. As one of our panel participants sagely said: “The future is about brands and consumers. As an industry, we around this table can add value offering new and intelligent services that brands can recruit against. Consumers will have more control. Consumers will expect to be paid for their data.”

It’s a valid point, and one we would do well to remember. In the next five years, consumers will have much more of a say in this discussion. Of all the parties in the media ecosystem, advertisers empower consumers in this way. This possible inter-play between advertisers and consumers could well influence the future more than we can imagine today. We’ll keep coming back to this topic as it evolves.

The future of media currencies is still very much open, but one thing that is clear: the proliferation of many types of data means that media planning as we know it today will be enhanced and replaced. The question as to what will fill that void is answered by our group’s three possible future scenarios. In one, the JICs will “wake up” to the era of new data to develop and execute a strategy as reinvented “Super JICs”. Alternatively, we may have a chaotic future of “Walled Gardens”, where data is controlled by different competing entities. In option three, blockchain, a technology-based self-regulation, will act as a disruptor. We see it in “real” currencies, so it could happen to media currencies. In this scenario, it’s impossible to foresee how the future will unfold.

If you look at the competitive field, with all the media owners and channels, and the huge fragmentation in these channels, trying to centralize that is a challenge. It shouldn’t depend on a single unit or measurement, or team or body – it will fail. It has to work in an ever-fragmenting market.

Walter Flaar, Dentsu



In this paper, we've outlined the content of our roundtable discussion with a focus very much on the future. The three scenarios are likely to include what eventually transpires, which of course no-one can predict. For us at GfK, we see this as a starting point to, not only discuss what might happen, but to participate in making that future a reality. We will continue this important debate over the coming months, so stay tuned.

Questions? Contact us!

Stefan Heremans
T +32 16 74 29 47 | M +32 491 15 07 48
Stefan.Heremans@gfk.com

About GfK

GfK is the trusted source of relevant market and consumer information that enables its clients to make smarter decisions. More than 13,000 market research experts combine their passion with GfK's long-standing data science experience. This allows GfK to deliver vital global insights matched with local market intelligence from more than 100 countries. By using innovative technologies and data sciences, GfK turns big data into smart data, enabling its clients to improve their competitive edge and enrich consumers' experiences and choices.

www.gfk.com

GfK. Growth from Knowledge