
A Vision for Trustworthy Advertising



THE VALUE OF AD SUPPORTED SERVICES

Online advertising is an economic engine that fuels a wide range of services and sites society depends on. In our connected world, advertising supports a vast array of digital content products and services for over a billion users worldwide, from email and social networking to document sharing and content services, empowering unprecedented levels of communication, knowledge access and creativity.

Audiences enjoy content from publishers who are funded by companies hoping to reach those audiences. When balanced correctly, this model provides companies the ability to engage consumers, allows publishers to gather and create content and, in exchange, provides consumers access to free/affordable content and resources.



Today's advertising ecosystem faces unprecedented challenges. With the rapid pace of innovation and monetization models, the market has lost sight of the collective impact to users. Together, security, privacy, user experience and diminished device performance are negatively affecting both consumers and businesses, increasing the risk of the "tragedy of the ad commons".

The vitality and trust in advertising relies on balancing interests of all stakeholders: publishers, advertisers, marketers and consumers. Unfortunately, as advertisers innovate, today's digital marketplace has become unbalanced; the industry faces accelerating tension to drive ad revenue in the face of rising content costs. Many now suggest there is an increasing disregard for the consumer. Short-term emphasis on efficiency and profitability have coincided with declining user experiences, along with increasing levels of online fraud and malicious activities targeting end-users. Equally as troubling is that users take for granted "free" content and services, failing to fully appreciate the ad supported value-exchange and benefits they receive.

The result has been declining user engagement with increasing consumer disdain and distrust. An indicator of this frustration is that upwards of 25% of users are now blocking ads.¹ Excessive quantities of intrusive and often repetitive ads demand increasing processing power, consuming data resources while degrading device performance. As automated and programmatic ad buying and delivery technologies have outpaced ad security and privacy capabilities of the ad supply chain, risks to consumers have been amplified.

In order to realize the benefits of a vibrant ad supported internet we must address the trust imbalance holistically. This will require innovation, leadership, and collaboration beyond the separate, and at times siloed, efforts of differing interest groups. If all stakeholders can come together to achieve consensus, working for the common good of the user, the benefits will be threefold. We can prevent further erosion of advertising-funded business models, keep regulation at bay and enhance brand value through consumer trust.

DISTRUST, DISCONNECT & FATIGUE

User frustration is driving ad fatigue reducing advertising's effectiveness. Ads which auto-run video and obscure the ability to cancel detract from the user experience and are often cited as justification for the use of ad blockers. Compounding the issue is the rise of native advertising which often lacks transparency. Increasingly such native ads serve as "click bait" (using misleading images and headlines) and risk running afoul of regulators. Recently, leading publishers have revised their strategy, curtailing such ads after reviewing the impact to their brand.²



In addition, data collection, tracking and sharing continues to raise privacy issues worldwide. To date, industry has failed to adequately address these concerns in a persistent, meaningful and earnest way. In much of today's ad ecosystem, tracking is profligate, hidden and extensive with widespread and liberal data sharing practices. Consumer and regulatory backlash is growing. The recently approved European General Data Protection Regulation (GDPR) outlines privacy protections with restricted data collection and increased data security requirements. In the U.S. the Federal Communications Commission issued new rules impacting ISPs, requiring opt-in for data collection and sharing.³ Clearly the tide is turning. It is time to recognize self-regulatory efforts are not adequately addressing the core issues impacting users. This state of inaction has reignited the call for regulation while driving others to use ad blockers for themselves and their business.

Beyond frustration and privacy issues, users face a significant threat from cyber criminals who use malicious "ads" (known as malvertising) to deliver malware. These exploits are drivers of identity theft, data breaches and ransomware, increasingly being used to initiate bot related attacks. Since the 2014 Senate Hearing on the Online Advertising and Hidden Hazards to Consumer Security and Data Privacy, malvertising has increased over 250%.^{4,5} The combined impact, including the lack of meaningful privacy controls, is reaching an inflection point. Left unchecked, the impact and potential liability costs could be significant for the industry.

INCLUSIVE COLLABORATION - A CRITICAL STEP FORWARD

Recently, various efforts have come to the forefront to help address these issues. These initiatives often overlap, sometimes have conflicting objectives and to-date have not been inclusive. The Interactive Ad Bureau (IAB) ad specification portfolio helps provide guidance to reduce ad intrusiveness and improve user control over their experience. The recently formed Coalition for Better Ads has stated similar goals. The Trustworthy Accountability Group (TAG) has developed a process aimed at improving supply chain integrity and a set of guidelines for malware scanning. Representing the publishers, Digital Content Next (DCN) continues to seek balance, including respect for consumer tracking preference settings (such as Do Not Track) and calls for greater transparency in native advertising.⁶

The Online Trust Alliance (OTA) applauds the industry's recognition of the many challenges and the recent initiatives to address them. Unfortunately, to-date none are focusing on the holistic user perspective and there is little recognition of the urgency for making systemic changes for the overall good of the ecosystem.

The issues must be addressed holistically and be inclusive of the user, security and privacy communities. Maximum success will be achieved by including all stakeholders with an emphasis on putting the consumer first. This pivot – from one of profit preservation/ maximization to a consumer-centric focus – is crucial to increasing trust and realizing the potential of the consumer-publisher-advertiser value exchange.

PILLARS OF TRUSTWORTHY ADVERTISING

User Experience & Performance – The acceleration of ad blocking globally is testimony to users’ frustration with their online experiences. Ad intrusiveness – such as pop-ups, auto play audio or video, etc. – are among leading reasons consumers use ad blockers. Processing and data demands on mobile devices drive slow load times, increase data consumption charges and increase frustration.

Security – Malware delivered via ads poses a growing threat. Technology advances allow targeted malware while simultaneously making it harder to detect. Attacks on popular publishers, combined with repeated attacks over time, rack up billions of malicious ad impressions impacting millions of unsuspecting consumers each year. Recent efforts to counter malvertising are encouraging, but must go further to effectively address the security risks from drive-by malware and socially engineered exploits designed to compromise users’ devices and data.⁷

Transparency – Providing clear disclosure is paramount to trust. An area of rising concern is the blurring of advertising content vs editorial content. Regulatory agencies have increased monitoring of these business practices. Not only is the lack of transparency potentially misleading, today’s haphazard native arena also provides one more haven for malicious actors to present ‘clickbait’ leading to malware. Adopting native content principles which maximize disclosures, discoverability and delineation versus editorial is good for all parties, including the advertiser, publisher and consumer.⁸

Privacy – Secure first party data tracking based on consumer preference and transparency can build and deepen engagement, allowing for customized communication and increased relevance to consumers. Further, such data can be important for research and analytic reasons, improving communication efficiency and preventing waste. However, aggressive, undisclosed data collection, monetized via sharing with third parties with lack of user control and support of industry standards such as Do Not Track, puts consumer privacy at risk and undermines trust.⁹ Data collection provides customization benefits but requires a commitment to data stewardship, consumer choice and control.



EMBRACING ALL STAKEHOLDERS - KEY TO TRUST

The ad-tech industry has expanded quickly, evolving to provide tailored content and more relevant ads, but at the same time, users have become increasingly concerned about privacy, security and the overall online experience. Even as publishers and marketers innovate, consumers today lack control over tracking and collection of their data. Together, these issues threaten to erode consumer trust and the combined impact has led to a fierce backlash in the form of ad blocking and increased scrutiny from regulatory bodies. Failure to address the issues will undermine online innovation and long-term revenue streams which keep online content/services affordable and accessible to everyone. OTA embraces an ad-supported internet along with a positive consumer experience and calls for an industry commitment to advertising practices which respect the user and place their online experience first.

While the industry continues its efforts to evolve and address ad integrity concerns, it must integrate and prioritize core trust principles, keeping the consumer perspective front and center. Optimizing consumer trust to maximize the value exchange and preserve the ad supported content model is paramount. In addition, the industry must include all stakeholders, not only publishers, marketers and ad technology providers. The debate and solutions must also include the consumer voice, along with subject matter experts in security and privacy.



Success requires a comprehensive effort, including all stakeholders, with a consumer-centric approach in addressing and enhancing digital advertising trust. OTA offers a forum for collaboration, allowing stake-holders across industries and interests to confidently discuss ideas, policies, issues, technologies and practices so that, together, we can create consensus by which digital advertising can — and should — thrive.

As a convener, OTA is a 501(c)(3) nonprofit, non-partisan think tank. OTA brings together advocates, industry and policymakers to proactively address issues and threats, develop best practices and facilitate knowledge sharing. OTA works on a wide variety of issues from email security, brand protection and the advertising supply chain, to breach readiness planning, data privacy and the challenges of the growing IoT landscape.

OTA’s members are recognized as champions of security, privacy and innovation. OTA provides strategic insights helping members prosper and innovate as thought leaders while avoiding potholes and roadblocks. Be part of the conversation and help shape the future of trustworthy advertising. To learn more about membership and the OTA Advertising & Content Integrity Working Group visit <https://otalliance.org>.

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¹ Audience Project 11/2/2016 <https://www.audienceproject.com/blog/key-insights/new-study-uk-us-ad-blockers-want-relevant-ads/>

² NYT <http://www.nytimes.com/2016/10/31/business/media/publishers-rethink-outbrain-taboola-ads.html?smprod=nytcore-iphone&smid=nytcore-iphone-share>

³ Washington Post <https://www.washingtonpost.com/news/the-switch/wp/2016/10/27/the-fcc-just-passed-sweeping-new-rules-to-protect-your-online-privacy/>

⁴ US Senate May 2014 hearing <http://www.hsgac.senate.gov/hearings/online-advertising-and-hidden-hazards-to-consumer-security-and-data-privacy>

⁵ RiskIQ <https://www.riskiq.com/resources/press-releases/260-percent-spike-in-malicious-advertisements-2015>

⁶ IAB www.iab.net, Trustworthy Accountability Group <https://tagtoday.net>, Coalition for Better Ads www.betterads.org, Digital Content Next <https://digitalcontentnext.org/>

⁷ Data Breach Today <http://www.databreachtoday.com/online-ad-industry-threatened-by-security-issues-a-9488>

⁸ OTA Native Advertising Transparency Audit <https://otalliance.org/initiatives/native-advertising>

⁹ DCN in Privacy Perspectives on DNT <https://iapp.org/news/a/its-time-for-the-industry-to-answer-dnt-calls/>