



SCBA Digital Information Series

April 26, 2018

An Open Letter to Our Clients

The ongoing success of your business is very important to our Radio stations and our digital platforms. It is in that spirit that we bring important information to you and your team that should lead us to a thoughtful conversation about your advertising plans for the rest of 2018.

We understand that investments in non-radio digital platforms are growing and that digital advertising seems to be where the “smart money” is going, or at least that is the hype.

While our company and the Radio industry is constantly growing our listenership, creating stronger programming, real customer service, and the client partnerships we forge, we are also keenly aware of our competition for your ad budget.

It is prudent to compare and evaluate all media being considered as you and your team try to build market share and revenue. To that end, please allow us to showcase the substantial differences between Radio and non-radio digital platforms.

Non-Radio digital platforms have value for many clients who need somewhat exact targeting, gross impressions, and click throughs to their web site. However, how much you are paying and who is seeing/hearing your message is in question. Serious issues of ad fraud, viewability, ad blocking, transparency, privacy, and ad tech fragmentation make the digital advertising marketplace highly suspect.

Please know the purpose of our note is to help our clients invest their hard-fought advertising dollars wisely. To that end, it is our hope that you will find this information useful when considering non-Radio digital platforms.

Six Ways to help you and your company fight digital ad fraud

1. Employ Ad Verification Tools

If you are advertising through a private programmatic network, then you must have a third-party audit provider. Third-party providers supply ad agencies with their own analytics research that shows real, not faked, results. They can also filter out fraudulent ads in real time before they increase your ad spend for bots, not humans. Reputable third-party audit providers include: Integral Ad Sciences, WhiteOps, and Picalate.

2. Measure Conversions, Not Clicks

Switch your bidding proposition to more actionable metrics, such as conversions or leads. This actionable method can be used in an open-marketplace and can also be used with Facebook and Instagram. The reason for this change is simply that click-based goals are easily manipulated with bot traffic and other malware.

3. Use Trusted Platforms

Use programmatic networks at your own risk! The cheap CPM does not make up for blatant ad fraud. Until Google and Facebook can fix their own security and fraud issues, its vital to take pro-active steps to track and block ad fraud before it happens. Please avoid programmatic networks.

4. Don't Rely on a Machine

Take control over your digital campaigns and have your own internal polices for a manual review. When working with other partner networks, you should demand transparency on their policies and processes to ensure they share the same values as it relates to ad fraud. This step will only take you so far, so consider a manual review of your campaign performance. We suggest third-party ad trackers to compare actual data with reported platform data. Most of their own metrics to track fraud and their numbers will shock you as to the amount of dollars being wasted. Again, it's your budget. Please invest it wisely.

5. Leverage Big Data Analytics

Compare invalid traffic data with other campaign analytics to better understand just how much fraud is being created. Using large data sets, you can see what networks are getting the greatest volume of traffic fraud, which ad campaigns, and which polices are reducing the greatest number of invalid/clicks. Knowing this data, your team can implement stronger ad fraud practices that can strengthen your core campaign and produce more tangible results.

6. Use Ads.txt

The IAB has created the ads.txt protocol to help publishers avoid domain spoofing and resulting ad fraud from showing up on third-party sites. Google strongly recommends using this tool but so far, most publishers are not aware of this domain spoofing initiative. Spoofed domain sites are rapid so please make sure your network publishers employ ads.txt.

It's important to note:

- It is now projected that \$12-\$13 billion spent through programmatic buying in the U.S. is seen or heard by bots, not humans.
- Bots can spread nasty malware that infects computers, steals personal data, and ruins your PC.
- Proctor and Gamble pulled \$200 million from digital in 2017 because of its unintended exposure in hate monger, sex sites, and other lewd sites that do not reflect P&G's image. All thanks to programmatic buying and mysterious third-party networks.
- Unilever, makers of Dove soap, Lipton's ice tea, Hellman's Mayo, Ben and Jerry's ice cream, and so many other products, reduced its digital advertising exposure from 1,500 web sites down to 400 and saw **no erosion** of market share or sales in 2017.
- The fear of exposing their brands to lewd and dangerous web sites has made these consumer giants pause or reduce their digital spend. Our clients should follow that lead.

- 250 out of 300 major marketers in a CMO Council survey had major concerns about digital ad placements with 45% saying they had problems with how their ads were viewed and where.

AM/FM Radio can offer you, your team, and your business a different experience

- Safe, reliable, targeted, and real listeners. There are no bots in Radio.
- Radio's audience is real with no fraudulent data or loss of audience.
- Third party audits are not needed as your campaigns are fully verified with our performance affidavits.
- Radio ads have never stolen personal data.
- Radio ads have never infected a PC.
- Radio ads will never run adjacent to porn sites, hate group sites, or any extreme political or socially offensive sites.
- Our clients know their brand is protected on Radio.
- Radio is held responsible for its content by the FCC and our own communities.
- There are no content guidelines or FCC rules for digital and the internet.
- And Radio offers its own digital platforms, ready to reach the same targeted audience as broadcast, with real digital viewers and listeners.

It is our hope this factual information about the danger of non- Radio digital advertising and the advantages of AM/FM Radio can start a dialog to evaluate and reconsider your 2018 marketing and advertising plans.

Let's build your business together, honestly.

Sincerely,