

The Daily: Attention metrics adoption, Google limits unproven advertisers, and a controversial privacy bill

Audio

On today's podcast episode, we discuss when attention metrics might dethrone viewability, why advertisers are tentative about them, and why using attention as a currency is TBD. "In Other News," we talk about Google limiting impressions from "unproven" advertisers and the battle between advertising groups and the "Delete Bill," a California bill that would allow consumers to request advertisers delete their personal information. Tune in to the discussion with our analyst Evelyn Mitchell-Wolf.

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Episode Transcript:

Marcus Johnson:

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Evelyn Mitchell-Wolf:

Advertisers are investing in ads because they want to change consumer behavior and to be influenced by an ad a consumer has to see it, yes, but there also needs to be a certain level of engagement. An ad is way more likely to work if it enters the consumer's consciousness in some way. So measuring attention is like a logical extension of measuring viewability.

Marcus Johnson:

Hey gang, it's Monday, September 11th, Evelyn and listeners, welcome to the Behind the Numbers Daily and the e-Marketer podcast made possible by Awin. I'm Marcus. Today I'm joined by one of our senior analysts covering everything digital advertising and media based out of Virginia. It's Evelyn Mitchell-Wolf.

Evelyn Mitchell-Wolf:

Hi Marcus. How are you?

Marcus Johnson:

Hello there. Not too bad. How are you?

Evelyn Mitchell-Wolf:

Pretty good.

Marcus Johnson:

Good, good. Well, I've got a Virginia fact for you, of course. Because you're based there. Virginia has produced the most US presidents. Yeah.

Evelyn Mitchell-Wolf:

I don't know why that doesn't surprise me.

Marcus Johnson:

Yeah, I know. It just makes sense, doesn't it? So, yeah. So Virginia has eight, Ohio has produced seven, New York five.

Evelyn Mitchell-Wolf:

That does surprise me.

Marcus Johnson:

Yeah. What? Shots fired.

Evelyn Mitchell-Wolf:

I feel like, I mean, I don't know why-

Marcus Johnson:

Unbelievable.

Evelyn Mitchell-Wolf:

... I think that makes sense for Virginia, so I don't know why I don't think that makes sense for Ohio, but whatever.

Marcus Johnson:

Yeah. Yeah. She's not wrong, Ohio, I'm sorry, okay, but this is pretty surprising. And I love me some Cleveland, but my goodness. Yeah. Second most, seven; New York, five; Massachusetts, four. So those four states, Virginia, Ohio, New York, and Mass, those four states are responsible for half of all US presidents, North Carolina, Texas, Vermont have two each and then 15 other states have produced one. So 22 states have produced the 45 presidents of the United States. Put another way, 28 states are yet to produce a US president. About 60%.

Evelyn Mitchell-Wolf:

I'm rooting for them.

Marcus Johnson:

Yeah, no, come on guys, you got this. But anyway, today's real topic where we are with attention metrics. So in today's episode, first in the lead we'll cover attention metrics then fit in other news, we'll discuss advertising groups opposing a bill that would let folks delete their

personal data and Google limiting impressions from unproven advertisers. But we're starting, of course, with the lead, we're talking attention metrics. Evelyn, you've just put out some research on this and we'll start with what are attention metrics? What are we talking about?

Evelyn Mitchell-Wolf:

Attention metrics are essentially data points used to model consumer attention paid to ads. They aim to measure whether a consumer noticed and absorbed the message and they're typically calculated using a combination of at least two data sources. The first being virtual signals like dwell time, scroll speed, cursor location, completion rates, et cetera. And those virtual signals approximate attention. They're also known as indirect measures of attention. And then the second data source is biometric data, like eye tracking or neurological studies that indicate a physiological attention response and these are known as direct measures of attention. Some attention providers also incorporate cognitive data that's a little bit more qualitative, assessing the emotional or otherwise psychological impact of the ad. And of course machine learning plays a role too, but that's the crash course, super high level overview of attention metrics

Marcus Johnson:

Okay. After hearing what they are, the definition of these, some of the different examples of these, it sounds like consumers aren't going to love them. Where are we at with [inaudible 00:04:18] that-

Evelyn Mitchell-Wolf:

I don't think consumers really know about them, to be honest.

Marcus Johnson:

... And how much does that matter? Yeah. Will they end up knowing that these things are going on in the background and will there be some pushback at some point or not?

Evelyn Mitchell-Wolf:

I'm not sure. I mean, I think we'll talk a little bit about the privacy implications that are inherent in attention metrics later. But in terms of their use in advertising and an app targeting in particular, attention providers at least are positioning them like contextual targeting, which is not so much based on the individual, the person who is being targeted by the ad, but more

along the lines of making sure that the ad is served in the optimal place. In a place where a consumer would already be primed to receive that message. And that's what attention metrics do, at least as they are deployed in real time decisioning, is they assign a predictive attention score, if you will, that gives advertisers an idea of how much attention or how much attention is likely to be paid by a consumer for that particular ad placement.

Marcus Johnson:

So you write that attention metrics are the next frontier of digital ad measurement and are dethroning viewability. Talk to me a bit more about this. How so?

Evelyn Mitchell-Wolf:

So it comes down to advertising fundamentals. Why do brands invest in ads to shape or change consumer behavior, to drive sales? Viewability rose to prominence a decade or so ago in response to a very valid question from digital advertisers. Which was, how can a consumer possibly be influenced by an ad if they never see it? And before measuring for viewability, advertisers were paying for ads that never actually made it in front of a consumer that they... For example, if an ad loaded at the bottom of a webpage and the consumer never actually scrolled all the way down, that ad would still be paid for. And attention is quote dethroning viewability because it's the next stepping stone along the path to outcomes-based measurement.

Advertisers are investing in ads because they want to change consumer behavior and to be influenced by an ad, a consumer has to see it, yes, but there also needs to be a certain level of engagement. An ad is way more likely to work if it enters the consumer's consciousness in some way. So measuring attention is like a logical extension of measuring viewability. And I want to stress that just because attention may be, quote, unquote "dethroning" viewability as the new it metric, doesn't mean that advertisers should abandon viewability. Attention and viewability are complimentary metrics

Marcus Johnson:

And always will be.

Evelyn Mitchell-Wolf:

I think that's a fair assumption, yes.

Marcus Johnson:

Okay. Okay. So you note that as average global viewability trends upward, consumers are spending less time viewing each ad. So let me say that again. Average global viewability is trending upwards, but consumers are spending less time viewing each ad. This is according to some Hedge 2022 data from Integral Ad Science. How and why?

Evelyn Mitchell-Wolf:

This is another reason attention is viewed as a step forward from viewability. Viewability can be gamed as an optimization lever and a digital currency. Viewability has incentivized a web full of intrusive ad clutter. I'm sure we've all noticed this. Take made for advertising sites, for example, these sites often resort to high ad density, popups, autoplays and frequent ad refreshing to maximize revenues. And although those practices undoubtedly result in a poor user experience, they look good to the advertiser that's optimizing for high viewability and low CPMs. So those terrible ad experiences have become more common and consumers have gotten even better at ignoring the ads they see as a result. They're spending less and less time with the ads in view and I see this reflected in my own behavior. If I'm reading an article and there's a giant banner at the top of the page, I always, always scroll so that the banner is completely out of view before I start reading-

Marcus Johnson:

Keep reading, yeah.

Evelyn Mitchell-Wolf:

So that's almost immediate. Yeah. Do you do the same thing?

Marcus Johnson:

I do, yeah. Because it can just be so distracting from the experience that you are trying to play this game of, "How can I hide as much of the ads as possible so that I can consume the content and then get the hell out of here?" And so yeah, at some point it does become detrimental to the user. So okay, that makes sense how both things can be true. Viewability trends going upwards, consumers spending less time viewing each ad. So attention metrics sound much closer to the truth, the whole truth than nothing but... But you point out that advertisers are tentatively wading into attention. You point out that one in three US buy-side

ad decision makers plan to focus at least somewhat more on attention metrics this year from a November IAB survey. Why now?

Evelyn Mitchell-Wolf:

Yeah, so I mean to your point about attention metrics being the whole truth, I think it's important to remember that attention is not the goal in and of itself. It is useful to measure attention because if you optimize for attention, you're more likely to optimize towards ads that are more likely to drive your ultimate outcome, which is a sale, a conversion, whatever it is. But as far as why now, for advertisers tentatively weaning into attention, attention has deep roots in consumer research. It's been used to help advertisers identify the highest performing creative for a particular audience and inform channel platform and format selection during the planning process. But that kind of research tends to be accessible only to advertisers with deeper pockets. What's changing now is that attention metrics are being incorporated into programmatic bidding strategies for real-time decisioning, like I mentioned earlier. And attention providers, ad tech players and agencies are establishing partnerships, launching products, generally working to reduce barriers to use, which makes attention metrics more accessible to more advertisers.

Marcus Johnson:

Okay, so hesitant now, what do you see as the next year or so of this playing out? How quickly are folks going to end up charging into this at some point? Or next year, is it still going to be pretty slow-going in terms of folks experimenting with and investing more in the attention side of things?

Evelyn Mitchell-Wolf:

I think we'll see some additional uptake in the market. There are a couple of major, more systemic obstacles that might give some advertisers pause when it comes to going full steam ahead on attention metrics. There is a lack of standardization in the market. The Interactive Advertising Bureau has established an attention task force that is currently struggling to arrive at even a definition, a consensus definition of what attention is. And to their credit, it's not straightforward. Methodology differs across providers and techniques for observing and analyzing. The physiological indicators of attention are hotly debated and things get even more complicated when the conversation moves beyond digital display. These days advertisers want a cross media picture of their investments and eye tracking isn't super useful

when you're measuring attention paid to audio ads, for example. So it can snowball out of control really fast on that standardization piece.

So it's a tough one to tackle and advertisers that are maybe more cautious before they move beyond the testing phase and into the adoption and revamping their strategies around something like attention metrics might be waiting for more progress on that front. And there are other questions that remain about scalability and privacy. So biometric data is a privacy risk in states with comprehensive consumer data protection legislation. Biometric data is classified or usually classified as sensitive, meaning it is subject to additional protections. Most attention providers get around this issue by sourcing biometric data from opt-in panels, but panels have a scalability issue. So there are still plenty of questions surrounding attention as not just a viable optimization lever, but there are also some advertisers that want to treat it as a currency, so they want to guarantee on and transact on attention. But these questions have to be sorted out before we can get to that point.

And standard setting bodies like the IAB, the media rating council, they really have their work cut out for them and it's going to take some time to really sort through everything. And even when it does get sorted out, some other advertising stakeholders don't believe that attention should ever be used as a currency. Because the argument there is if we start guaranteeing and transacting on attention, publishers are taking on a lot of risk because they wouldn't get paid if a placement didn't achieve a certain attention threshold. And the reality is the publisher doesn't have control over all the variables that drive attention. Creative is a big part of the equation too, and that's the responsibility of the advertiser. So whether attention becomes a currency is very much TBD.

Marcus Johnson:

Okay. All right. Well that's it for the lead time of course, for the halftime report. So Evelyn, in this mini segment, my final question I'm going to ask you, what is one way that advertisers should explore attention's potential? Which is a section at the end of your report that you have. You have a couple listed, let's give the listeners one.

Evelyn Mitchell-Wolf:

Advertisers can test, start testing if they haven't already test attention metrics as a real-time decisioning factor. They aren't quite ready for a currency debut and that day may never come,

like I mentioned, but they can help route ad dollars toward high quality engagement and in the age of AI generated content that will become more important than ever.

Marcus Johnson:

Well, you have, as I mentioned, more ways in your full report called Attention Metrics 2023 Big Questions Loom over Attentions Bid for Currency status. Link in the show notes of course, or you can head to insiderintelligence.com to get the full report there as well. That's it for the first half of the show, time for the second. Today in other news, Google will limit impressions from unproven advertisers and advertising groups try to block a delete bill. Story one, Google will limit impressions from unproven advertisers in an attempt to reduce low quality ads and scams, writes Insider intelligence's briefings analyst, Daniel Konstantinovic. The new policy is called Limited Ad Serving and puts advertisers who Google are unfamiliar with in a get to know you period when their ads target certain ad categories. Advertisers who are in this bucket are notified and given suggestions on how to reach a higher status, basically by sustained good behavior and positive user feedback, as Daniel notes. But Evelyn, the most interesting sentence in this article from Daniel on Google limiting impressions from unproven advertisers is what and why?

Evelyn Mitchell-Wolf:

I picked two sentences, but it's one point, so I hope you'll forgive me.

Marcus Johnson:

I'll allow it.

Evelyn Mitchell-Wolf:

For a platform as large as Google, limited ad serving is perhaps a necessary step to increase quality control, but while it will help decrease low quality ads, it's also structured to get advertisers to continue spending on Google to get a higher standing. This is a really complex issue. There are obviously huge benefit to this policy, particularly for consumers. According to TAG, the Trustworthy Accountability Group, malvertising is on the rise. That's serving ads that are infected with malware and the limited ad serving policy will hopefully help alleviate that issue among others. But it's a double-edged sword, for new but legit advertisers just getting off the ground, this could be a huge momentum killer. Google's a really integral part of that

market's toolset and Google's asking those advertisers to build a history of adhering to policies.

And if an advertiser's campaigns are restricted, it could take longer to build that history. Which means profits might be even slower to come in while overhead costs remain the same. And it's worth noting that this comes just as Google is preparing to defend itself in court against the Department of Justice. The trial starting this week centers on Google's dominance in search. And I feel like that's necessary context since it's not the only DOJ lawsuit against Google at the moment. So like I said, it's complex and Google likely has a hand in serving most of the malvertising out there because it has a hand in serving most of the advertising out there. So it does arguably have a responsibility to correct for some of these harms, but it's a can of worms, especially as Google faces heightened scrutiny in the antitrust realm.

Marcus Johnson:

Yes, and we'll definitely be covering Google and their monopoly case on a separate episode. I haven't asked Evelyn she'll be on, but she just promised that she would be. Yes.

Evelyn Mitchell-Wolf:

I'll- [inaudible 00:17:27]

Marcus Johnson:

Thank you so much for promising. We have to move on. We have to move on. Thank you so much for saying yes. Story two, the Association of National Advertisers oppose a California bill called SB 362, that would let consumers seek to delete personal data according to Politico, our very own, Daniel Konstantinovic again explaining that California residents are already able to request that individual companies delete their data, but the so-called Delete bill this SB 362, the Delete Bill would let them fill out one request that would be sent to multiple brokers, a first in the US. Evelyn, the most interesting sentence in this article on the ANA opposing the Delete Bill is what and why?

Evelyn Mitchell-Wolf:

The no to SB 362 website, which conspicuously only mentions marketing or advertising once, says the new data protections would hamper the work of nonprofits, cybersecurity firms, law enforcement, academics, and others. This reminds me of the time we discussed the ANA's argument against the FTC's Click to Cancel policy. Which in case anyone needs a chuckle, was

that consumers are accustomed to complicated cancellations and that any efforts to simplify the process might only cause more confusion.

Marcus Johnson:

We're doing you a favor, consumers. Okay?

Evelyn Mitchell-Wolf:

In both cases, the arguments were flimsy and in both cases they intentionally avoid mentioning the biggest losers if the proposal were to come to fruition, which is advertisers. The advertising cause is just not as compelling to the average consumer and legislators might consider the business implications more heavily. But California has shown that privacy is preeminent to legislators and the Delete Bill would give consumers more autonomy over their data. If the consumer doesn't want to have their data processed by a nonprofit, by law enforcement, by academics, they should be able to opt out. And without a blanket request like this, it's virtually impossible to track down every entity that has collected every or some personal information about you.

Marcus Johnson:

The argument against Click to Cancel was brazen, wasn't it? We don't want you to accidentally be canceling stuff and end up with no stuff. Okay? So just trust us.

Evelyn Mitchell-Wolf:

Yeah. It doesn't sound like the Delete Bill could ever end up with people accidentally delete their information either.

Marcus Johnson:

Where are all my things?

Evelyn Mitchell-Wolf:

Yeah.

Marcus Johnson:

Too good. Yeah, that's all we've got time for for this episode. Thank you so much to my guest. Thank you to Evelyn.

Evelyn Mitchell-Wolf:

Thank you, Marcus.

Marcus Johnson:

You will see her tomorrow for another episode. Thank you to Victoria who edits the show. You won't, but she'll be on soon hopefully to talk about Google and their monopoly case. Thank you to Victoria, of course, who edits the show. James, who copy edits it and Stewart who runs the team. Thanks to everyone for listening in. We'll see you tomorrow hopefully for the Behind the Numbers Daily and e-Marketer podcast made possible by Awin.