

Netflix strikes measurement deal with DoubleVerify, Integral Ad Science

Article



The news: Netflix has announced that it's bringing on DoubleVerify and Integral Ad Science as third-party measurement partners for its upcoming ad-supported tier, which is expected to

launch sometime in November.

Why this matters: Though advertisers have pressured Netflix to launch an ad platform for years, there have been many concerns about the company's rushed development plan—and about streaming measurement accuracy in general.

- Netflix announced ads as something of a consolation after it posted its <u>first-ever subscriber</u> <u>loss</u> in an earnings report earlier this year. For the next several months, a back-and-forth of official statements and rumors cast doubt over the platform's rollout and effectiveness.
- To ease nerves, Netflix partnered with Microsoft to build out its ad platform for an end-of-year release. The partnership with DoubleVerify and Integral Ad Science is also designed to ease nerves and assure advertisers that Netflix's ad metrics are verifiable by independent third parties.
- Having a third-party verifier is standard practice, but is now more important than ever given the recent string of fraud issues across digital advertising. A report from iSpot found that connected TV ads were running while devices were off, costing advertisers \$1 billion. Similarly, podcasting's effectiveness was thrown into question when some major networks were revealed to have millions of fraudulent listeners.

The big takeaway: Third-party verifiers are especially important for Netflix, a newcomer to advertising that's charging as much as \$65 for CPMs (the cost per one thousand consumers reached).

• In other markets like podcasting and CTVs, the CPM arms race has allowed fraud to creep in. Netflix's new partnerships are an olive branch of transparency to advertisers, who may be worried by streaming's higher-than-ever CPMs.

If Netflix Offered a Lower-Priced/Free Ad-Supported Tier, Which Course of Action Would **US Adults Take?**

% of respondents, Jan 2022 Would keep ad-free subscription (current subscribers) Would switch to lower-priced/free version (current subscribers) Currently uses Netflix, but does not own an account Would sign up for lower-priced/free version (doesn't currently subscribe) 15% Would not sign up for lower-priced/free version (doesn't currently subscribe) Note: n=1,643 ages 18+ Source: CivicScience as cited in company blog, Jan 26, 2022 272712

eMarketer | InsiderIntelligence.com



