

How Advertising Works 2018

Request for Proposals

New Data and Truth

Background

The ARF is continuing its How Advertising Works Today (HAW) series of projects in 2018 with the goal of gaining additional insights that help marketers make advertising more effective under today's conditions. During the last two years, HAW has addressed cross-platform strategies, optimizing mobile ad formats, context effects, and mobile survey quality.

Today, the validity of the models and the data that researchers use is one of the most critical questions in advertising and marketing research. Different methods for modeling machine data such as cookie attributes, return path data and location will yield different results for digital ad placement, currencies and perceived advertising effectiveness. This research project is focused on understanding the differences in effectiveness for the modeling techniques and the training/validation data sets used to enhance machine data.

This research series is part of a comprehensive ARF program to advance the science of marketing. Findings from this research are: published as part of the ARF publication series and presented along with our selected partner(s) at ARF conferences, events and special advertiser workshops.

Problem Statement

Ad tech uses advanced modeling techniques, first and third-party data and machine level data to create highly individualized targets. However, several have raised concerns about the validity of modeled personal data attributed to digital targets, return path tuning and mobile based location.

The goal of this project is to develop and empirically support a method for validating these models and then to pilot a validation program for each. We anticipate once the validation techniques have been developed, the pilot will be a proof of concept (POC) for an ongoing program of industry validation. We further anticipate that the pilot will be conducted among DMPs, audience measurement companies and location providers who volunteer to participate in this POC. Assuming the POC is a success, the industry now has a researched and proven validation method available for all providers of targeting data in these domains.

The ARF's New Data Project

The Project has two elements for each of the broad classes of targeting domains: Digital Targets, Return Path People Assignment and Location based targets. These elements are (1) development of a validation design and (2) then piloting that design. There are some common activities across the three targeting domains but developing the validation techniques will have features unique to each domain. That said, partner companies may propose participation in developing the validation techniques in one or all of the targeting domains.

Methods, Measures, and Design

Common Activities

First, the ARF through its Analytics and Cross-Platform Councils will synthesize existing evidence on the techniques used to model the three data domains. The goal of this literature review is to identify what empirical research has already been done to support the validation work done to date.

During the analysis phase, the ARF data science team will also need access to the data collected in order to verify the methods and conclusions are correct.

Domain Specific Activities

Digital Targets

Someone is served banner or video ads on a desktop or mobile device because a DMP has said the person behind this device is an "auto intender". How often is that device owned by a real auto intender? To answer that question in a defensible way we have to:

- Find the person targeted as an auto intender
 - Two methods of drawing a sample have been suggested
 - River Sampling as a tagged ad is served
 - Buying some number of targets and delivering a short question to that device, independent of an ad being delivered
 - Other methods are certainly open for consideration
- Get a question(s) to that person
 - What do we ask a person identified as an "auto intender" or as any consumer target?
- Related questions include how many targets to test and what is a reliable sample per target.
- Finally, is there a more direct way if matching a target such as auto intender to a recorded behavior, list or database?

Return Path Models

Return Path data is used for currencies, in single source databases and in qualitative panels. Different methods are used to assign persons in each of these environments with no clear comparison of the model validities. There are also two levels of validations depending on the use of the data: aggregate or ecological accuracy may suffice when producing ratings, but individual level accuracy may be required when

the persons model is used to deliver an ad to an individual, such as through MTA databases or addressable television.

In some cases, the target will be simple age category and gender but in many qualitative and MTA cases, the target will be a consumer target such as auto intender. To validate that array of targets in a defensible way we will have to:

- Identify age, gender and behavioral targets for a participant in the pilot. These would need to be provided by the participating research company.
 - A sampling program will need be developed to insure there is no prescreening for more valid targets.
 - An alternative is to acquire return path data directly from an MVPD with known characteristics and ask participating vendors to apply their models to our known data sets.
 - These known characteristics may be collected a priori by an MVPD or Digital MVPD.
 - Another alternative is to conduct a list match between a return path household and a known target list. In this case the validity of the target list must be verified.
- These are intended as methodological thought starters that are not overly reliant on any one company participating but all innovative ways are welcome for consideration.

Location or Cost per Visit

Location base advertising is one of the fastest growing ad categories. We have been approached by different advertisers concerned by different levels of perceived accuracy. The question is simple: is someone described as near a quick service restaurant or dealership or any other site-specific advertiser, really there? Dwell, speed and direction are all ancillary variables that describe the value of that target.

We can think of at least two ways a location vendor could be validated but again these are offered as thought starters:

- Since we know the location is being collected by mobile phone, a popup survey is of course one way to ascertain location. How to ask that question becomes this research question.
 - An example may be "Are you at 432 Park Avenue South Y or N", but if I am at 434 my answer may be N. There may be a response bias towards N to prevent further questions.
 - Another way may be to ask "How far are you from 432 Park Avenue South?" But that may have a lower response rate because of the additional effort. If this is to be used to validate a company's targeting products, the validation methods must be based on empirical support.
- A second way, is to recruit a panel to carry an addition device with a known and demonstrated accuracy. WAAS GPS for example is known to have far greater accuracy than non-WAAS.

Proposal Requirements

We ask for proposals containing details of the following:

- Methodology / rationale

- Deliverables (incl. any interim)
- Relevant corporate experience
- Team members and project leads
- Timing for each stage of the research (e.g., design / execution / analysis)
- Cost (including price points for different configurations (e.g., more / less product categories, additional brands)
- Areas where you feel your efforts might be supplemented / complemented by another methodology
 - Partners can join with other companies for more wholistic execution of this landmark project or may bid on only one portion such as: Lab only, in home only, radio only, ...
- Single page in Word format summarizing the above details

Expectations are for bids to reflect pricing consideration that accounts for the ARF's not-for-profit industry role and the associated recognition of being selected.

Please submit responses by March 30, 2018 to pdonato@thearf.org. The anticipated award date is April 13, 2018.

Fieldwork and/or analysis should commence within one week of award date, with topline results available by May 30, 2018.

Supplier Selection Process

The ARF's mission is to bring solutions to our members and the advertising and research industries that are based on high quality, objective research that provides new insights. As such, potential partners will be evaluated on these criteria:

- The proposal is judged to achieve the above stated goals of the research, reflects methodological and intellectual rigor, and is supported by validation that ensures the reliability and validity of results
- The research reflects leading-edge thought leadership in advertising research and innovative thinking in analytics, research solutions, and/or insight generation

The ARF reserves the right to select one or multiple solutions providers to execute this work and will have the final determination in which solutions providers are selected.

Additional Terms

- Following the date on which the ARF receives the Supplier's proposal and pricing, that proposal and price shall be binding on the Supplier in all respects for 90 days.
- In submitting a proposal, the Supplier understands that the ARF will determine at its sole discretion which proposal, if any, is selected. The Supplier waives any right to claim damages of any nature whatever.

- This RFP defines specific requirements only. It is not intended to be, nor should it be construed as, an offer to contract. The ARF will consider each proposal but is under no obligation to act on any proposal. All submitted proposals shall become the property of the ARF.
- Each supplier agrees that it shall absorb all costs incurred in the preparation, revision, and presentation of any proposal.
- When applicable and approved, any travel and lodging will be billed at cost.
- The ARF intends to share a public report of findings.
- The ARF will make available the original data to ARF Members for validation and further analysis, with approval from Sponsors and subject to any results being shared with the full ARF community.