"What you see is what I see"

TAG DLT Pilot Report

Executive Summary

September 2020

INTRODUCTION

Evaluating the benefits of an Industry Consortium Network using Distributed Ledger Technology as an always-on industry solution driving trust, transparency & business efficiency

Digital advertising has been a fast growth market since its inception over 25 years ago and transparency in digital advertising's supply chain is critical to its sustainable future. Much has already been done to achieve that, not least through the work of TAG and JICWEBS around their brand safety and fraud standards. The merger of TAG and JICWEBS in September 2020, makes it easier for every company in the supply chain to adopt the high standards necessary to protect themselves and their customers across the globe. However, there is still work to be done - The recent PwC study commissioned by ISBA and AOP highlighted the complexity of the programmatic supply chain and the need for industry consistency around data sharing and formatting, and we are all aware of the growing pressure from regulators to prove the compliance and accountability of digital advertising.

TAG's remit is to address the trust and transparency challenges the industry is facing. This includes assessing how new technologies can help the industry continue to self-regulate through standards, certifications and best practices and to ensure they are enforced at all times, consistently and by all industry participants across the supply chain.

To address cross-industry challenges, TAG helps create a collaborative environment for companies to share new ideas, exchange information, and set common standards. While DLT is still in its early stages, TAG believes this pilot not only highlights the potential for this type of technology but also the importance of working with stakeholders across industry to evaluate and find consensus on common standards. To this end, TAG has agreed to take on the work that JICWEBS has been doing for the past year on evaluating the benefits of an Industry Consortium Network using Distributed Ledger Technology (DLT) as an "always on" solution.

JICWEBS ran a 12-month pilot from July 2019 to July 2020, jointly with its related trade associations ISBA, IPA, IAB UK and AOP, and a number of major industry players to validate the use of DLT for digital advertising and the pilot results are promising.

With a DLT platform able to address the specific digital advertising industry needs in terms of throughput - the required speed and scale – security, privacy and costs, the pilot has demonstrated the ability to come up with a Shared Truth, the data in a unified reconciled format that everyone recognises as the truth across the supply chain and guarantees that "what you see, is what I see".

Share Truth requires:
- **Data Availability & Consistency** - For all participants to share impression log level data in unified formats.
- **Data Validation & Reconciliation** - For DLT to act as a unified point of data access, ensuring data authenticity, accountability and cross-verification over a consensus mechanism and the recording of reconciled data in a secured immutable ledger.
- **Data Privacy & Security** – For data recorded in the ledger to only get accessed on a need-to know basis over encryption keys under the control of the data provider.

The Pilot has demonstrated that Shared Truth can be used in several ways to drive significant benefits at a reasonable cost:
- **Benefits for the industry as a whole**, by eliminating poor practices and ensuring live compliance with measurable industry standards, certifications and regulations.
- **Benefits for individual network participants**, by reducing business risk, growing revenue, reducing operating costs and working capital.

The next step is for TAG to launch an industry wide Industry Consultation to share detailed information about the initiative and give the industry the opportunity to give their input in order to better define how we move forward with this initiative. I hope to see you involved in the consultation and look forward to your thoughts and feedback.

Jules Kendrick
MD UK & Europe, TAG
September 2020

TAG DLT Industry Consortium Network

From the Pilot, to a Minimum Viable Ecosystem (MVE), to market launch

The Pilot conducted by TAG, formerly JICWEBS, jointly with ISBA, IPA, IAB UK and AOP, that started in July 2019 with major brands, agencies, technology vendors and publishers provided a validation that blockchain, or more widely Distributed Ledger Technology (DLT), applied to digital advertising in the context of a Permissioned Industry Consortium Network, is able to enforce live accountability and compliance, reducing fraud and poor practices, while driving significant business value and efficiencies across the supply chain at a reasonable cost.

The TAG DLT Pilot interim results come a few weeks after the release of the ISBA Programmatic Transparency Study, highlighting the ongoing issues the programmatic supply chain is facing. Despite all the efforts deployed by trade associations and their members in defining standards and certifications, digital advertising remains a large high growth market with a supply chain that remains opaque, inefficient and exposed to poor practices, coming under growing pressure from regulators.

The answer to the trust and transparency problems the industry is facing, and TAG is tackling, is to **gain control on how best practices, standards, certifications and regulations get enforced consistently at all times across the supply chain.**

This can be achieved over a Permissioned Industry Consortium Network, governed and operated by trade associations, defining the requirements to participate as a **Trusted Business Partner,** combined to an always on Distributed Ledger Technology (DLT) platform connecting data feeds of these Trusted Business Partners across the supply chain to come up with a single source of **Shared Truth**.

Share Truth is the unified and reconciled impression level log data provided by Trusted Business Partners that everyone recognises as the truth across the supply chain and guarantees that "**What you see is what I see**". Data can only be accessed on a need-to-know basis over encryption keys under the control of the data provider.
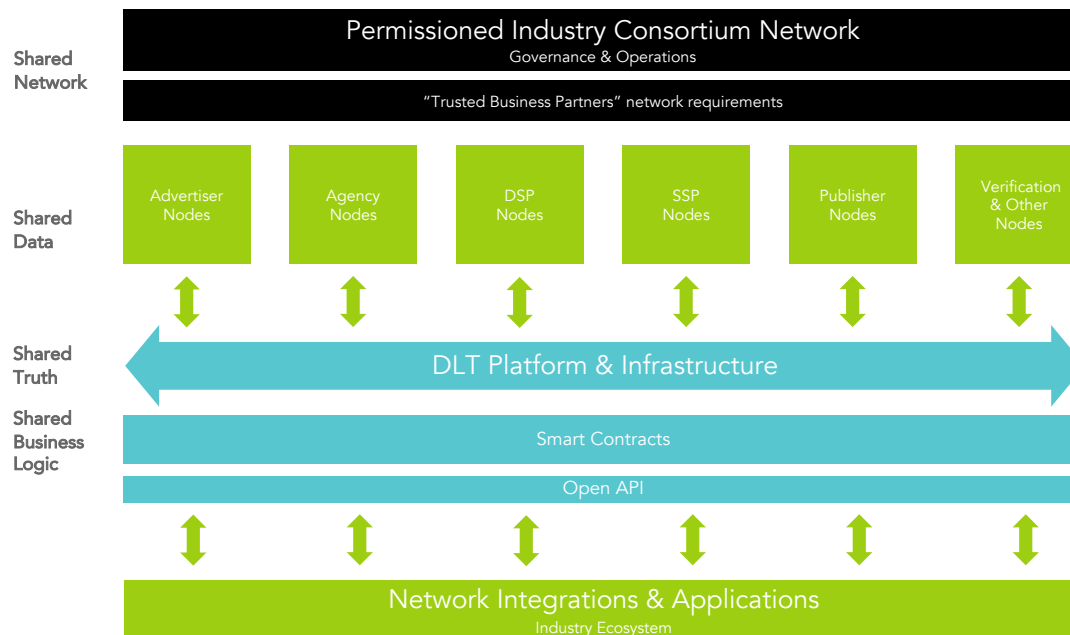
"What you see is what I see"

Creating a collaborative self-regulated industry network providing Shared Truth today at a minimal cost

Agencies	Zenith The ROI agency	havas	Manning Gottlieb OMD	OMD	groupm	IPG	
Brands	Nestlé	O2 A Telefónica company	Virgin media	McDonald's	Unilever	J&J	National Theatre

Adservers	Verification	DSPs - Direct	DSP - Via Agency	SSPs - Direct	SSP - Via Publishers	Publishers
Google Marketing Platform	IAS Integral Ad Science	xandr	Google Marketing Platform	xandr		netmums.com
smart	ORACLE	CRIMTAN		gumgum	INDEX EXCHANGE	sky
flashtalking		adform		rubicon PROJECT		rightmove

Shared Truth providing accountability and compliance across the supply chain, while driving significant business value and efficiency gains

6 brands	6 agencies	20 integrations	127 placements	112m impressions	£1.4M analysed

The Pilot ran from July 2019 to July 2020 with major industry brands, including **Nestlé, McDonalds, Virgin, Telefonica, Unilever, J&J**, their related agencies, **GroupM, Publicis, Omnicom, Havas, IPG** and a number of technology vendors and publishers part of their supply chains. It is planned to run until the end of the Industry Consultation and the launch of a Minimum Viable Ecosystem.

The Pilot integrated 20 data feeds across DSPs, CV providers, SSPs, Publishers and Ad servers including the use of data dictionaries to map data fields and identities. It analysed 112 million impressions amounting to £1.4M of programmatic ad spend across 127 placements. The pilot deterministically matched 31% of impressions between two or more data sources.

The key Pilot learnings is that a DLT platform, providing the required throughput and security at a reasonable cost, can act as an enabler to drive significant benefits:

- **For the industry as a whole**, by ensuring the "Live Compliance" with measurable industry standards, certifications and regulations.

- **For individual companies**, by significantly reducing business risk, growing value and revenues, reducing operating costs and working capital.

The DLT platform also allowed to run smart contracts to automate business processes between ad buyers and sellers, providing significant operational efficiencies and actionable insights for ad optimisation.

		Trusted Advertisers	Trusted Agencies	Trusted Tech Vendors	Trusted Publishers
REDUCE BUSINESS RISK	• Live Compliance • Trusted Business Partners • Reduce Fraud & Poor Practices	●	●	●	●
INCREASE VALUE	• Supply Path Optimisation • Performance Optimisation	●	●		●
INCREASE REVENUE	• Demand Path Optimisation • Additional Ad Spend • Increased CPMs			●	●
REDUCE COSTS	• Reduce Operating Costs • Reduce Admin & Legal Costs	●	●	●	●
REDUCE WORKING CAPITAL	• Reduce Payment Times • Reduce Financial Costs			●	●

The Pilot successfully validated the use of a DLT platform to streamline the access to supply chain reconciled impression log data via a **single API**
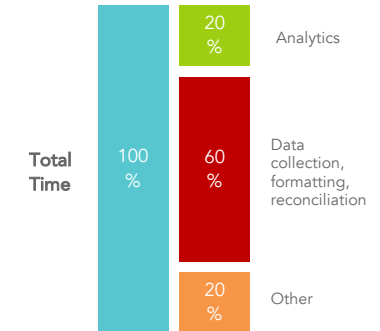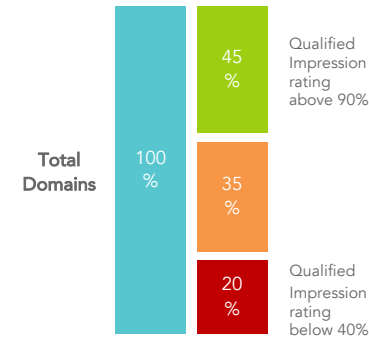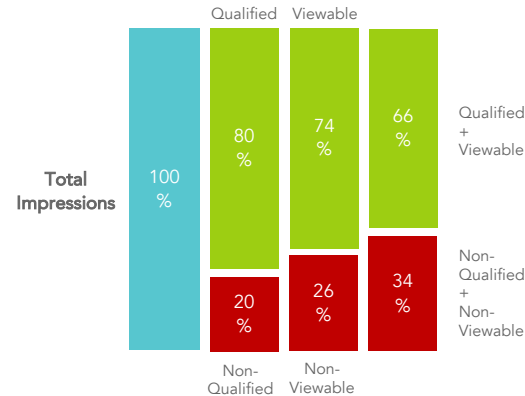
The Pilot showed opportunities representing up to **£680M that could get spent more efficiently** with Trusted Business Partners using the DLT Network

Total Impressions
- 100%
- Qualified 80%
- Non-Qualified 20%
- Viewable 74%
- Non-Viewable 26%
- Qualified + Viewable 66%
- Non-Qualified + Non-Viewable 34%

Total Domains
- 100%
- Qualified Impression rating above 90%: 45%
- 35%
- Qualified Impression rating below 40%: 20%

Total Time
- 100%
- Analytics 20%
- Data collection, formatting, reconciliation 60%
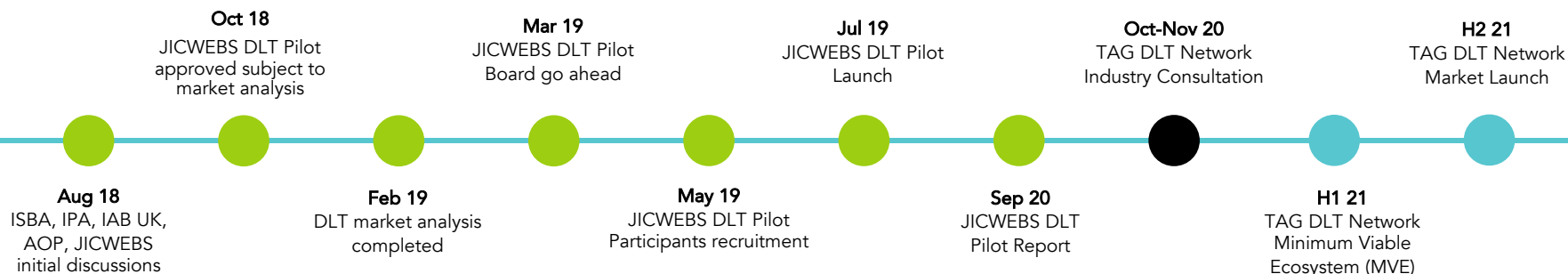- Other 20%

The Pilot provided the following validations:

Supply Chain Transparency - The use of DLT to harmonise impression log level data to a common format, automate data access management, ensure data security and streamline the access to supply chain reconciled log level data via a single API.

Supply Chain Optimisation - The use of DLT for the execution of campaigns against a set of metrics reconciled among multiple vendors including discrepancies, measurability, viewability, brand safety or fraud prevention. This process allowed to identify areas representing 34% of advertising budgets that could be spent more efficiently. For the £2B UK open programmatic marketplace this could represent up to £680M.

Operational Efficiencies - The DLT platform successfully tested how Smart Contracts can automate business processes between ad buyers and sellers providing significant operational efficiencies. Research conducted with agencies indicated that programmatic teams spend 60% of their time downloading, formatting and reconciling data, compared with just 20% analysing it.

Live Compliance - The industry interest for an always on solution using the broad accountability and compliance potential of DLT technology, and its ability to differentiate Trusted Business Partners based on their ongoing compliance with industry or self-defined requirements.

The next step is for TAG to conduct an **industry consultation** followed by the launch of a Minimum Viable Ecosystem (MVE) in H1 2020, with a possible DLT Industry Consortium Network market launch in H2 2021.

Timeline:

Aug 18 — ISBA, IPA, IAB UK, AOP, JICWEBS initial discussions

Oct 18 — JICWEBS DLT Pilot approved subject to market analysis

Feb 19 — DLT market analysis completed

Mar 19 — JICWEBS DLT Pilot Board go ahead

May 19 — JICWEBS DLT Pilot Participants recruitment

Jul 19 — JICWEBS DLT Pilot Launch

Sep 20 — JICWEBS DLT Pilot Report

Oct-Nov 20 — TAG DLT Network Industry Consultation

H1 21 — TAG DLT Network Minimum Viable Ecosystem (MVE)

H2 21 — TAG DLT Network Market Launch

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