

Guide of best practices to the advertising market: for a free, powerful, transparent, ethical, and responsible advertising!





1. Introduction

The world is changing at an increasingly pace. As time goes by, the way we communicate, interact, produce, buy, sell and even the place we live change. The speed of these changes has become the “new normal” in an increasingly volatile, complex, uncertain and, often, ambiguous world.

Advertising, as an immediate cultural and economic reflex of our society, is inevitably impacted by these changes. Consumers have become more demanding, challenging brands’ communication contents and structure, and obliging brands, more than ever, to build their reputation based on purpose, values and commitments. They are now looking for a loyal, coherent relationship with the public, which is achieved through traditional mass media (e.g.: radio, TV, printed press) along with digital media (e.g.: search engines, social media, marketplaces, etc.).

Brazil has always been a reference point in the global advertising industry. However, despite being a well-deserved fame, it is not a guarantee of success in a challenging and diverse environment. When it comes to maintaining relations between different actors and links in the advertising ecosystem, the consensus is that evolving is not only possible, but necessary.

Throughout the past two decades, media vehicles, agencies and advertisers have organized themselves through self-regulation which, despite righteous in its origin, must be urgently reviewed. Sometimes, less is more. With balance and transparency, self-regulation should be recalibrated to reflect harmoniously the industry and present world’s demands, characterized by the existence of mature economic agents who are more than capable of exposing and debating their respective points of view and interests, with freedom and professionalism.

In this scenario, **ABA**, who has been supporting the advertising industry for 62 years, took the initiative to openly and sincerely invite the market to discuss, at an institutional, governance and compliance level, suggestions for best practices that can inspire a better and more efficient dynamics between the sector’s players. To this end, we present five norths for discussion:

1) Commitment towards transparency and contractual autonomy: It is legitimate to pursuit more sustainable business models, with efficiency and remuneration fitting for each service. We believe negotiations should be based on contracts signed in good faith and transparency by both public and private agents when it comes to the full media supply chain.

2) Certifications and/or fixed discount tables should not be mandatory: in advertising, the pursuit for total quality is non-negotiable. We cannot make investments without competence and professionalism, which, according to the best practices, should be rewarded by its own merits. This commitment should be constant and independent of prior formal certifications and/or fixed rates or discounts tables, which, if considered mandatory in commercial relations, may end up hindering the industry's dynamics.

3) Encouraging brand security and protecting against frauds: brand investments on media require security and commitment towards preventing frauds when delivering contracted volumes. We recommend that any media investment associated with seemingly invalid traffic, undesirable content, or non-human impressions, should be properly identified so that the parties may discuss improvements to efficiency and compensation.

4) Visible, trustful, and friendly media assurance for consumers: credibility became even more the *conditio sine qua non* for advertising. To achieve credibility, it is required (i) transparency and responsibility for the content and data collected from consumers; (ii) alignment between the contracted visibility and the delivered results; and (iii) the constant search for advertising that is not treated as an obstacle for consumer communications and experiences. We must adopt tools that ensure media viewability for the brands and enhanced experience for the audiences.

5) Encouraging industry audits and measurements: All advertising investment plans and strategies assume that the relevant parties will have access to real, factual data about the target audience, the delivery and the potential effectiveness of media strategies and tactics. We must support unbiased, technical sources founded upon measurement standards accepted by all industry players.

After almost a hundred of invitations, over six months of hard volunteer work and long hours spent exchanging ideas between over 80 industry professionals, divided into four workgroups (Group 1: Good Industry Practices for Contractual Autonomy and Business Models; Group 2: Good Practices for Media Purchases and Deliveries; Group 3: Good Media Metrics Practices; and Group 4: Good Practices for Maintaining Relations between Agencies and Advertisers), **ABA** chose to edit its “**Best Practices Guide**” for the industry.

Far from attempting to personify any self-regulating code or proposing new standards, this is a compilation of principles and modern techniques, sorted by theme. It attempts to mirror the consensus on conducts and standards for hiring and for governance that, both in Brazil and internationally, support the sustainable growth of the advertising ecosystem,

while also promoting contractual autonomy, transparency in relations and the pursuit for efficiency and quality in services.

This is still a work in progress - a sketchbook filled with blank pages that must be continuously revisited, adjusted, and amended, considering the rapid changes and dynamicity from the industry, its economic agents and consumer's demands. On the other hand, we hope you accept our "**Best Practices Guide for the Advertising Industry**" as the first step towards sustainability in the advertising ecosystem, driving real and balanced value for all means of communication, agencies and advertisers and developing a **Free, Powerful, Transparent, Ethical and Responsible Advertising Industry**.

2. Key principles for sustainability in the relationship among the advertising ecosystem's participants

For weeks and months, the four workgroups (Group 1: good industry practices for contractual autonomy and business models; Group 2: good practices for media purchases and deliveries; Group 3: good media metrics practices; and Group 4: good practices for maintaining relations between agencies and advertisers) dedicated themselves voluntarily to discuss different perspectives on the various kinds of relations between the many advertising ecosystem players.

We can demonstrate, however, that the GTs and their individual discussions are complementary, since 8 central principals can be extracted from all the debates. They make up the core of **ABA's** guide; and are a key-principal system towards sustainability in the relations between the players and links in the advertising ecosystem. Failing to comply with these principles can directly or indirectly decrease advertising quality and efficiency. The key principles are:

1) Contractual autonomy and good faith between the parties.

Contractual autonomy should be the key element between the contracting parties when defining obligations. The parties must work in good faith and look for consensus. They must be committed towards duties related to informing and cooperating with the development of legal businesses that support efficient advertising for brands.

2) Transparency and clarity between the parties on processes, operational costs and revenue sources.

The parties must be transparent about all the central elements related to their obligations. This applies for both defining responsibilities and purchasing/delivering media, as well as discussing operational costs and revenue sources for example. It may also include any incentive plans from the means of communication to the agency, while respecting confidentiality agreements and fulfilling legal duties (e.g.: Brazilian Law 12,232/2010 regarding public advertisers).

3) Fair pay and contractual balance, without any burdens, restrictions and/or unjustified discrimination by any of the parties involved.

Efficient and sustainable transactions should value fair remuneration, in benefit of economic balance and long-term relationship between the parties. According to the best practices, the parties must avoid any burdens, restrictions in services and/or unjustified discrimination.

4) Driving quality and responsiveness from partners, ensuring commitment towards visible, trustworthy (data) and friendly media.

Contracting processes must value partnerships that lead to creative, high-quality and trustworthy advertising. We must value partnerships committed towards (i) transparency and responsibility for the content and data collected from consumers; (ii) alignment between the contracted visibility and the delivered results; and (iii) the constant search for advertising that is not treated as an obstacle for consumer communications and experiences, nurturing tools that ensure media credibility, viewability and adequate consumer experience.

5) Consistent investments on auditing and metrics systems independent from the industry and, more importantly, the public.

We must continuously invest on technical and unbiased audit and metrics sources for the industry and, especially, the delivered advertising. This can be done through independent third parties with tools based on industry-accepted metrics and strictly founded upon contracts, preventing investments without returns.

6) Searching for brand safety and suitability.

The best industry practices around the world imply that the parties should be committed towards ensuring that certain advertisements are not published in undesired/inadequate environments, as that would devalue brands and scheduled investments.

7) Ethics and responsibility in developing and publishing advertisements.

All of those involved in developing advertisements should be committed towards creating and publishing content that do not engage in abusive and/or false marketing, nor unfair practices and/or practices that may harm the advertisers.

8) Commitment towards the ecosystem's sustainability.

In general, all the ecosystem's participants should be committed towards its sustainability, prioritizing investments and relations that represent a long-term, anchored vision of initiatives connected to a dynamic ecosystem and to public or private players of all sizes (small, medium and big ones) and niches.

3. Workgroups – Best Practices

Based on the abovementioned principles, each workgroup developed specific suggestions for best practices, summarized below:

Paper Group 1 - Good practices for contractual autonomy and business models

A. Premises for the existence and application of contractual autonomy as the basis for the relation between the agents in the brazilian marketing ecosystem

- I. Transparency towards operational costs throughout the chain.
- II. Clarity regarding existing revenue sources in the ecosystem for service contracts.
- III. Freedom to choose the best advertiser investment management model for media purchases (directly or through agencies).
- IV. Review of the agency's obligations (data surveys, checking, etc.).

B. Main prerogatives on the current business models and their evolution in the brazilian market

I. The advertisers, investors and primary parties interested in the result of advertisement campaigns should be free to discuss and search for the best model to manage advertising investments, regardless of nature, according to the company's needs, market dynamics, invested amounts, business goals and so on.

II. To do this, the contracting party should be aware of the existing resources for performing tasks inherent to investment managing, considering the quality of the professionals involved, who should be adequately paid, and also the use of planning and managing tools such as target audience study campaigns, public segmentation, full coverage of means of communication, viewability, brand safety, purchase intent behavior analysis, engagement, and frequency control, among others. These tools ensure the ecosystem's sustainability, which will be developed according to the needs of individual clients/projects, and not just media investments.

III. Concerning natural changes in consumer behavior and its various impacts in economic sectors, we recommend, for contractual relations, that the parties pay attention to unpredictable events (e.g.: the COVID-19 pandemic), looking towards the relevance of efficient solutions and improving productivity in the business chain.

IV. It may be important and recommended that advertisers be free to choose how to distribute investments, allowing them to hire media vehicles either directly or through partners. When external options seem more attractive, advertisers may choose agencies with media expertise purchases and/or other offered models that provide better efficiency to the chain. This naturally creates a freer environment for innovating and developing new business models that may be established in local markets, generating more investment opportunities and driving value in the industry.

V. Leveraging this motion not only requires new business structures, but also the freedom to establish new payment models between these agents.

VI. We must respect the current legal standards while also allowing for better remuneration related to short-, medium- and long-term results, specific deliveries, and clear and previously defined KPIs, established among business partners. We must also develop forums to periodically follow up on these goals, as well as rules for different scenarios of goal achievement, with proper transparency.

VII. Potential KPIs may include: revenue, market share, profits, ROI, conversion rates, brand equity, brand value, coverage, and target frequency indicators, cost per impact, fulfillment of agreed-upon SLAs, and chain efficiency.

VIII. We also recommend that the goals are analyzed and defined according to the nature and dynamics of each market and companies involved, while fulfilling business objectives. The partners will eventually be even more connected and looking for the same ideal and delivery and be adequately paid for their contributions to achieve the results, which needs to be suitable as proof by the contracting company.

IX. However, to this end, we recommend that legal contracts between companies follow the new relation standards, offering complete transparency and respect towards the involved parties, forecasting audits, preventing unilateral terms and unsuitable requirements for the new partnership model agreed between the chain agents. This also includes visibility into all generated remuneration between companies that make up a system and its distribution (advertiser, agency and media vehicles).

X. To ensure the chain remains in harmony, the relationship between the parties should be transparent. We recommend that authorization for possible audits between partners become a common contractual practice between the parties. These checks may take place, for instance, in person or remotely, covering data and physical documents. They should be performed by internal teams or subcontracted third parties if they are properly certified for this service.

XI. A better commitment with the industry is recommended, maintaining balance in the communications ecosystem considering all existing players, bringing them competitive opportunities at both medium and long terms.

Paper Group 2 - Good practices for media purchases and delivery

A. Premises for the development of specific media purchase and delivery activities

I. The communication ecosystem (platforms, producers, etc.) is primarily financed by the advertising investments through different means of monetization. These investments ultimately determine the players' survivability and development, as well as content quality.

II. It is recommended, then, using comparable metrics between platforms, even if they are not entirely identical, to ensure fairness in the purchasing process. Cross-media metrics are a global challenge and not only local. The key takeaway for comparability seems to be transparency. This involves the choice of metrics methodology and deployment taxonomy. The challenge, in this case, is to find a transversal line that allows us to achieve comparability between the different means of communication.

III. In addition to viewability, audibility and player size also seem to be important to achieve reasonable comparability between the means of communication. Effectively, the executor (seller) is responsible for evidence of delivery. In the case of offline media, the agencies, which purchase media on behalf of clients, are responsible for that confirmation. We recommend that the delivery evidence is discussed in-depth between the parties and contractually defined, subject to third-party auditing regardless of platform or means of communication. Purchasers normally have the right to choose an auditor, and they should reach out to third-parties with proper market certification and acknowledgment, while following the principle of contractual autonomy when negotiating their contractual obligations.

a. We recommend that the methodology, criteria, formats, and metrics are discussed in advance and defined in good faith between the parties, as well as the applicable technical restrictions, according to the media vehicle.

b. This is also applicable to audit costs, which should be equally discussed and preferably acknowledged by advertisers within the terms of commercial contracts with agencies and those in charge of delivery.

IV. The parties have the right of, both to establish the business model and to ensure fair remuneration of the involved parties, naturally respecting any specific restrictions and conditions legally defined.

a. According to the principle of contractual autonomy and respecting the contracts signed between the parties, the purchaser (advertiser) usually decides on the use of third parties and intermediates to plan, execute, audit and assess the quality of delivery. Purchasers must be free to perform these activities directly with their own resources.

b. The media purchase and delivery process involves in-depth discussions on the validation processes, including discussions with communications vehicles, agencies, and advertisers to ensure the criteria are made clear for all participants, as well as contributions from representative entities covering large, medium and small industry players.

c. Any explicit obligations regarding remuneration and billing legally defined must always be respected. Notwithstanding, it is clear that the parties are free to establish specific incentive mechanisms among each other, as long as they do not harm other involved parties or the principle of transparency.

V. The concept of brand safety includes all stakeholders, passively and actively, and its safety must guide all marketing, communication, and media initiatives.

B. Considerations about the purchasing process

I. It is recommended that purchasers (advertisers) discuss and choose criteria and metrics to assess their purchase, due to the marketing and communication goals, and considering any technical restrictions.

I.a. Additionally, brand safety should be treated as a foundation for any and all actions regardless of dimensions.

I.b. The costs (CPM, CPP, etc.), as the sole or primary criteria (or metrics) for purchase decisions, usually favor large media vehicles and platforms, despite its quality and context, which are crucial points.

I.c. Quality criteria may be subjective and difficult to measure, but we recommend to not cast them aside.

I.d. The essential point may be to aggregate metrics, beyond those related to costs, ensuring purchaser safety and assessing the real contributions towards brand goals (brand equity, reputation, etc.).

I.e. We recommend that the technical aspects or restrictions, criteria, and metrics for delivery evaluation are discussed and established when the services are hired.

II. Considering any legal restrictions and the principle of transparency, we suggest the purchases are done directly, providing flexibility to take in different models present in the market, as well as any models that may eventually emerge.

II.a. All involved parties should discuss the prevalence of the content creator/producer for media purchases. This will allow the purchaser to hire different providers effectively and freely for each communication-related activity (media, creation, production, marketing, etc.).

II.b. Usage and ownership rights for content, technologies, and methodologies, when applicable, should be established in advance, negotiated, and properly documented.

III. The ROI assessment models (econometrics, attribution, MMM), when used, should sensibly assess the niche media (vehicles, producers or segmented platforms) and use metrics to assess context and rate content.

III.a. If and when used to assess delivery, the parties must inform and combine the ROI models criteria *ex ante*.

IV. We recommend that the media purchase principle is founded upon: periodic surveys currently available in the market; information that may be provided by research institutes through new methods and technologies; or even services provided by other (third-party) agents in the ecosystem, ensuring the maturity to encourage syndicated or *ad hoc* surveys that already subsidize the media purchase efficiency.

IV.a. The advertisers, vehicles and agencies might have previously negotiated the media purchase based on content and production which are not based solely on research metrics.

IV.b. The diversity of metrics made available by and for each platform should be adapted to ensure comparisons and adoption of clear purchase criteria.

V. It is highly recommended to ensure transparency in commissions received by agents, representatives, and any other intermediates to assess the relation between the costs and the benefits of the provided services, as well as to identify the net value received by each party, including the end executor/publisher (platform, producer, channel, etc.).

V.a. Costs embedded into media purchases based on content and technology not explicitly defined in advance may be accepted by purchasers and agencies, but we recommend that these costs are justified by the selling platform and vehicle, benefiting the media purchase and as long as the nominal amounts are made clear for the parties. The parties should discuss and negotiate the subject in advance.

VI. It is important to acknowledge and value (financially) the support provided by the seller and/or intermediates in developing solutions (surveys, creative contributions, production, post-sales, etc.), to ensure offer comparability and fair remuneration. However, the presence of audits and independent surveys in the relation must be ensured, whenever possible.

C. Considerations about the delivery process

I. The parties should negotiate, between themselves, the delivery statement/evidence so that it is objective and transparent, based on criteria and metrics defined in advance and subject to auditing.

II. Analyses that may lead to insights with contributions by advertising agencies managing media purchase and delivery, or by a contracted third party previously agreed between the advertisers, agencies, and vehicles, should all be valued.

III. Campaign audits must always respect legal standards on database ownership related to the campaigns. These audits should be analyzed and not transferred to external third parties without prior authorization by the legitimate owners. They are also subject to the Brazilian Data Protection Law (LGPD) when personal data is included.

a.i.a. Database ownership and assessment data usage rights must comply with legal requirements and, when applicable, should be negotiated in advance, both for present and eventual use, according to the parties' needs.

a.i.b. In accordance with legal requirements, we recommend to qualify the nature of the data bases to determine the ownership of the data in relation to advertisers, media vehicles, platforms, technology companies, and research institutes.

a.i.c. The right to media delivery audits by third parties should be always ensured, at the purchaser's criteria and according to the principles of contractual autonomy, among certified and competent options.

IV. Regarding data on natural persons reached out through communications, we recommend following the LGPD and discussing new possibilities for generating data and prior agreements between the parties involved in contracting and using generated data. This ensures that the rights of personal data's holder are always preserved.

V. There should be a strict assessment on the context of the delivery (content, reproduction quality, positioning, clutter, competitors shock, etc.). There should also be a distinction between econometric and qualitative assessment to fulfill the needs of the current media purchase methods, as well as of new methods that may eventually emerge.

VI. For every media action involving copyright, there should be a prior agreement that defines the alignment of the clauses pertaining to rights, clarifying the usage during the activities and what to do once they are concluded. This also involves determining terms for the usage rights of the contract parties.

VII. Support provided during post-sales should be acknowledged and valued (including surveys, income statements, troubleshooting, compensation, etc.), aiming to quantify and qualify the value involved in deliveries and to define who should pay for the analyses. Continuous attention should be given to independent third parties during audits and surveys.

VIII. When seen as part of the delivery, the components of each action (advertising space, data, technology, methodology, content, etc.) should be defined in advance and given proper transparency in the relations between advertisers, agencies, and vehicles, ensuring good delivery assessment practices and driving value for each party.

IX. The ROI assessment models (econometrics, attribution, MMM) should be able to sensibly assess the contracted dimensions for delivery.

X. Contractual autonomy is the founding principle of good media delivery practices, which leads to the need of defining "working" and "non-working" media when any questions are raised to clarify media purchases and deliveries.

Paper Group 3 - Good media metrics practices

This is probably the most technical subject to be discussed in **ABA's** Best Practices Guide. The group structured its work by analyzing the main setbacks experienced during the advertising process. It involved multidisciplinary contributions by advertisers, vehicles, and research institutes.

To develop its work, the group divided the means of communication according to characteristics and similarities. The analysis also considered the need for adapting recommendations that consider regional needs and different budgets.

The work was eventually divided into two large groups: A - offline media (TV, radio, film, printed press) and B - digital channels and OOH. Each of them suggested parameters and metric application initiatives, paying particular attention to the rise of recent technologies and data usage to qualify advertising strategies.

More importantly, these recommendations are applicable for concrete situations and must be continuously revisited given the continuous technological advances and innovations when developing and improving media. New possibilities and measurement methods should also be considered along with assessment of results and cross mediation between the means of communication.

Summary of the Main Contributions on Media Metrics

The detailed analysis of the recommendations below makes it clear that there is a need to better qualify and broaden the scope of the currently available metrics for all analyzed means of communication. This also includes a need for transparency in processes, especially so that the metrics are always aligned with advertisers' demands and subject to auditing. There should also be standardized assessment parameters between different vehicles in the same means of communications and recurrent data updates such as: information coverage (territory) and data integration in Cross Media.

Deficiencies may weaken the planning and assessment processes of advertising efforts, and they also tend to decrease the maturity level of the processes, with no restrictions to the metrics assessed here.

Implementing improvements in online and offline means of communication appears to be critical to successfully establish consistent and reliable foundations to regulate these efforts.

Taking this into account, it is recommended implementing independent audits; establishing accessible costs to survey and assessment tools so that they may be used by advertisers with lower budgets; continuously qualifying industry professionals through training and certifications in new methods, tools, and metrics that drive value for the advertising process; developing attribution tools/models that clarify contribution in the current Cross-Media context; among others.

Group A – Offline Media

TV / Video

Despite relevance and acknowledgment of these means for the Brazilian market, analyses show that there may be deficiencies in the information available for planning and assessing the results in advertising strategies. Certain public survey data are closed and/or grouped, unlikely to be detailed. For instance, approximately 25% of public data is grouped and classified under categories such as “miscellaneous”.

Another sensible point seems to be the difficulty in attributing and measuring Cross-Media advertising efforts. This may subsequently impact the effectiveness assessment of strategies and results that could reiterate the relevance of the programming in this particular means of communication and help accurately define investments from a Cross-Media perspective.

Possible Metrics:

- Advertising investment from brands and multimedia product categories;
- Monitoring, researching, and analyzing competitors;
- Audience ratings;
- Affinity;
- Daily coverage;
- Market share;
- Reach during 1, 2, 7, 15, and 30 days, and peak reach;
- Distribution and frequency share;
- Total share;
- Average audience time;
- Average individual time;
- GRP;
- Impacts;
- Reach overlaps for 2 days and peak superposition;
- Reach exclusive share for 2 days and peak share;
- Cost per point and prices.

Radio

Despite its broad coverage and efficient penetration and affinity, coverage data availability still is insufficient in radio. This data could generate a set of undesirable consequences, such as:

- Adopting different (non-automated) methods to define coverage;
- Lack of periodic audience information and other variables in important cities;
- Lack of possibility of purchases due to lack of radios, despite data on their presence being found in other tools such as ComScore;
- Significant volume of data generated by the vehicle itself, which could compromise attributes, transparency and credibility;
- Difficulties in issuing invoices, which could compromise liquidation, payment and advertisers' compliance;
- The need to revitalize the integration of vehicles through associations that could play an important role in instrumenting, digitalizing, improving, and simplifying processes;
- Lack of information that could define the public for Cross-Media studies.

Possible Metrics:

- Advertising investment from brands and multimedia product categories;
- Listener ratings and variables:
 - Absolute audience ratings;
 - Affinity;
 - Daily coverage;
 - Market share;
 - Reach during 1, 2, 7, 15, and 30 days, and peak reach;
 - Frequency share;
 - Total share;
 - Average audience time;
 - Average individual time;
 - Reach superposition for 2 days and peak superposition;
 - Impact total (simulation is available in the software);
 - Cost per point and prices.

Printed Press

The magazines and newspapers market experienced significant loss in relevant information when IPSOS stopped surveying it, as they managed to assess the performance of several titles through sample representation, including those with little to no penetration. Taking this into account, auditing data provided by the editors themselves on their audience becomes prevalent, which may make transparency and independence fragile. On the other hand, efforts to ensure printed titles remain in circulation alongside digital versions require greater audience data details in a structured and verifiable manner, considering the work of Cross Media, which is still not perceived as much by the printed press.

Possible Metrics:

- Circulation of contracted titles;
- Penetration, reach, profile, behavioral data (in surveyed locations with select titles);
- Multimedia advertising investments.

Film

The consensus is that film still has few data available. IPSOS' departure increased this lack of information. The few existing data lack the structure to accurately show the possibilities of this media vehicle, based on audience ratings, penetration, and affinity, among others. This makes it necessary to introduce the specific research to assess the efficiency of film.

Possible Metrics:

- Ticket sales;
- Audience (penetration, reach, profile, behavioral data);
- Blockbusters;
- Media consumption habits;
- Advertising investments.

Group B – Digital Channels

Following the direction of investments on digital media, notorious for its different forms of purchasing, creativity, and attribution of performance and public segmentation, today's advertisers seem to undergo immense challenges related to protecting their brands, considering the management hurdles and the way advertisement campaigns are defined to minimize inappropriate context, fraud, and other weak points that have yet to be solved. In that matter, just as important as the quantitative attributes associated with delivery is the quality of the environment where the advertisement will be shown and the players' ability to use the provided tools.

Important Considerations

a) Brand Safety / Brand Suitability

- Lack of methodologies and uniform and/or harmonious classification criteria for Brand Safety and Brand Suitability;
- Lack of transparency in campaigns implemented, delivered reports, control tools, inventory granularity by formats, and examination criteria;
- Lack of criteria to standardize and pay for services from research partners who verify delivery;
- Low technical knowledge of campaign implementation and optimization targeted towards Brand Safety and Brand Suitability;
- Difficulties in managing implementations and campaigns that involve negative entry of highly politicized, dynamic inventories, such as news media.

b) Possible Metrics and Planning

- There is a lack of syndicated metrics standard to compare media reach and a lack of agnostic partners in the Brazilian market who measure online and offline reach within the same panel and methodology;
- Operational challenges in digital media measurement by third parties, such as in scenarios in which measurement must be implemented on a campaign-by-campaign basis;

- Media planning doesn't consider, as a rule, the effectively available inventory in digital media;
- Diffusion and better knowledge of viewability and audibility when planning digital media;
- The attribution models and performance metrics don't seem to show all the results delivered by campaigns, which may imply distorted resource allocation;
- We recommend revisiting the digital measurement solutions, considering changes that could benefit users' privacy.

Good Practice Recommendations

To ensure the best market practices that provide democratic access to different types of advertisers, agencies, and investment needs, all the advertising ecosystem's participants should provide conditions to deliver purchase planning transparency as well as its safe measurement and implementation, improving the quality of advertisement impact.

With that in mind, below are the recommended practices:

a) Brand Safety / Brand Suitability

- Applying industry standards to ensure transparency when delivering inventories, such as Ads.Txt¹;
- Reports that provide inventory transparency at a URL level in all publishing stages (implementation, controls, and post-campaign);
- Implementation of good practices in campaigns, with the joint development (by the advertiser and the agency) of an implementation guide per brand. This guide should describe the coverage and reach of intended formats, the setup latency of each platform used, and campaign configuration and optimization according to the platform;
- Format implementation, coverage, and reach Guide listing the coverage of delivery environments, setup latency and campaign optimization and configuration;
- Transparency in composing technology costs in proposals, making relations with verification technology agents more agnostic through direct access to results for contracting agencies and advertisers;

- Digital platforms should provide proper materials and resources to agents that operate them in their Brand Safety and Brand Suitability tools. Agencies must pursue these and other resources for continuous and adequate training and refreshers for employees.

Metrics

- It seems essential to search for better clarity and transparency in purchases, measurement, and optimization methods, looking towards the democratization of access to the different types of needs and investments;
- Organizing comparison metrics for TV and Online Video and tools for analyzing performance comparisons between them. The solutions should be scaled, allowing “always-on” measurements at reasonable costs;
- Adopting good practices and viewability and audibility metrics according to the best industry recommendations, including the ABA Guide for AdVideo Audience Metrics;
- Clarity on the way each platform will collect and provide campaign data and “cookieless” tags that provide comparable analysis in different platforms;
- Ensuring organization and transparency of attribution models focused on the users and data. Advertisers should assess campaigns from a holistic viewpoint, considering the different “last-click” models and other metrics such as store traffic and brand impact;
- Transparency in billing processes, failures, and campaign discounts that allow clients to mitigate additional payments and letters of credit.

We believe digital media grows in such magnitudes as to be relevant to different investment needs and business sizes due to its transformation aspects. However, we must continuously evolve and debate on good practices so that they make transparency and democratization for access control and decision-making during campaigns, planning, and strategies non-negotiable. We must come together to pluralize the industry with fairness and technical know-how.

1 - <https://iabbrasil.com.br/artigo-o-que-e-ads-txt-e-porque-implementa-lo-e-de-seu-interesse/>

OOH / DOOH

Analyses show that the available information are reduced and from own sources. They are usually flow-related data, which normally refers to location (airports, parks, malls, etc.) and not the panel point, making it difficult to plan ahead for concrete impacts.

It's not currently possible to obtain a comprehensive analysis of public per point. Data sources are restrictive and non-recurrent, covering only the São Paulo and Rio de Janeiro markets.

Possible Metrics:

- Flow of people and impact;
- GRP (penetration, reach, profile, behavioral data);
- Reach;
- Frequency;
- Profile;
- Advertising investments.

Good Practice Recommendations

We believe that using the most up-to-date data focused on point information, instead of solely on locations, should be part of the efforts to improve market practices, providing higher-quality media deliveries. This is how we can offer qualitative support for all advertisers and agencies.

Paper Group 4 – Good practices for the relation between agencies and advertisers

ABA understands the importance of establishing good market practices that are sustainable for businesses and promote transparency for data, statistics, and information between both parties. These practices should be applicable for both the private and public sector.

With this in mind, the group established four areas of discussion about the relation between agencies and advertisers: 1. Remuneration models and competitive processes; 2. Value and impact based on objectively measurable results; 3. Returning value to market agents, including agencies and advertisers' marketing leaders; and 4. Market education.

Good Practices for the Ecosystem

1. Remuneration models and competitive processes:

Competitive agencies should consider different process stages:

- RFI: the advertiser normally requests already available information from agencies (cases, client lists, methodologies, etc.), without confidential data or data that requires specific constructions.

- RFP: the advertiser normally selects a limited number of agencies (up to five agencies, for instance) and presents the work scope and media, production and remuneration budget, as well as criteria for choosing partners. The advertiser then requests that the listed agencies design a technical and commercial proposal (scope, methodology) with transparent costs for direct and indirect remuneration that may be contractually opened and, depending on the case, with creative effort.

- Chemistry meetings: based on the received RFPs, the advertiser normally funnels the list to about three finalists. The participating agencies are relayed to everyone involved and a chemistry meeting is held to understand the FIT and the analogue team responsible for daily activities.

- The advertiser opens a scope/commercial negotiation round and chooses a winning agency based on assessment criteria presented at the beginning of the process. All other agencies receive structured feedback regarding the choice.

Note: the process above is an example of good practice with the complete flow of large advertisers, which may naturally be adapted and/or have reduced steps to meet the demands of smaller advertisers on a case-by-case basis.

- One good practice model involves executing a contract between the agency and the advertiser through a letter of acknowledgment and commitment towards good market practices. This practice is inspired by the *Agency Review Participation Agreement* prepared by 4A's (*American Association of Advertising Agencies*) and ANA (*Association of National Advertisers*).

- Once again, contractual autonomy is essential in the relation between the parties. The market must be free to use different payment models in addition to the traditional methods, such as “standard discount, production commission”, according to the briefing challenges. We must also consider other means of direct remuneration that may be more appropriate for the new realities of the market:

- Rate cards: based on the direct costs of each professional (hour-person);
- Price per project and “shelf product”;
- Variable remuneration based on performance, using clear, measurable KPIs (success fee);
- Work tool remuneration, especially for digital tools (i.e.: ad hoc tools, BI, martech surveys).

Note (1): it may normally seem possible to use a combination of these.

Note (2): overhead costs do not seem to provide transparency and true visibility towards the operation and must be incorporated into the direct costs in the rate cards.

- As for volume bonus, it is highly recommended to prepare a joint effort between advertisers, agencies, and types of media to ensure volume bonus payment is transparent among the parties, as this makes up the remuneration for agencies. As such, transparency should be non-negotiable for all agents in the network.

2. Value and impact based on objectively measurable results:

It is highly recommended that agencies and advertisers adopt KPIs and consider them in the diverse types of marketing and communication briefings. Effectively, it is important that agency deliveries are measured objectively, and not simply based on the opinion of marketing directors. These KPIs should be part of the project briefing negotiated between the parties. Auditing, on the other hand, should consider third-party metrics (i.e.: surveys from independent institutes).

3. Returning value to market agents, including agencies and advertisers’ marketing leaders:

Entities representing the market should reflect on the creation of technical certificates for advertisers, agencies, and their professionals, according to good market practices, encouraging these individuals and economic agents objectively and without preferences or discrimination.

4. Market education:

Entities that represent the different market players, such as **ABA** and ABRADi, must always be committed towards organizing roadshow meetings to promote quick courses and lectures on the structures from both sides, as well as concepts and work tools.

Some testimonials from members and supporters

The Brazilian Market Movement for Advertising Best Practices counted with the participation of more than 80 market leaders and below we highlight the statements of some of the members.



“The Brazilian Market Movement for Advertising Best Practices is important and urgent to update the industry players in relation to the new reality of the sector in the world and ensure the long-term sustainability of the entire ecosystem. I was very happy and honored to be able to participate in these initial discussions, which should always be kept alive”.

OLIVER

André Zimmerman

Partner and Co-founder of Oliver Latam



“Reviewing and looking at the practices of the advertising market is important for the preservation of a healthy business environment, both for advertisers and vehicles. The movement led by the ABA is in line with this and responds to the desires of the private and public sectors. Governments, state-owned companies, foundations, and a host of other institutions that operate with public resources need clear rules that optimize the advertising budgets in a segment that renews itself all the time”.

Eduardo Pugnali

**Executive Secretary of the Secretariat of Communication
of the São Paulo State Government**



“For me it was an honor, a pleasure, and an incredible experience to be able to participate in Work Group #3. It was important to understand that together devoid of any judgment’s value or Corporate Tax Code, based only on the construction of a movement of union and protection of the chain involved, we shared desires, needs and suggestions for good practice in order to hope of a strong, united, and more professional market, It was incredible! Thank you ABA!!!”

Cristina Diogo

Head of Sales at JCDecaux



“Very enriching the debate and the joint construction. This open space led by ABA, could enables the participation of all in the construction of best practices, applied to the Brazilian market, developing and strengthening relationships in a transparent way.”

Ivan Rysovas

General Manager of Media at GPA



“The work was made very seriously and the result is a good starting point for the modernization of relations in the communication sector”.

Marcelo Sousa

**Vice-president of Abradi - Brazilian
Brazilian Association of Digital Agents**





“The communication and marketing market has undergone a profound disruption in the last 10 years due to changes in people’s behavior as a result of several factors, digitalization being one of the main ones. ABA’s initiative to democratically bring to the same table the entire communication ecosystem to build together a new playbook for the industry is something historic and with great and positive impact”.

Marcelo Tripoli
Founder and CEO of Zmes



“I see as vital the importance of the ABA’s activity in creating multifunctional groups, with all those interested in advertising, to develop a new paper as a model of Good Practices in the Advertising Market. It was in this space opened by the ABA that all the diagnoses of the current and future market, which has already been going through major changes with new formats and platforms, could be built transparently, freely, and with respect. The discussions have been expanded throughout the entire media ecosystem and I am sure it will be of great use for advertisers, vehicles, and agencies. The collaborative model has already brought reflections and also results, even during development. I hope everyone can apply the model to always have a stronger, more transparent, and more ethical media.”

Paulo Carneiro
Executive Manager of Communication and Media at Coty



“I believe that successful teamwork happens when there is leadership, respect, challenge, commitment, and above all willingness to seek results. In this spirit I understand that in this work we share knowledge and experiences, we learn and listen, and we build together, as a team, something that represents all of us and that should accompany the dynamic development of the market. I am proud to have participated in this movement.”

Sonia Leme

Head Council of Research and Media Metrics at ABEP



“For us at Lew’Lara\TBWA it was a great pleasure to participate in this important working group. We know that good measurement and control practices of the different types of media need to be reviewed with great agility, but we believe that this work brings an important vision to the market by a plural vision, which applies to the different agents of our ecosystem in a relevant way and that allows the transparency in measurement above all else. Employing these points presented here will guide us to a market even more creative and vibrant”.

Vicente Varela

CDMO Chief Data Media officer Lew’Lara\TBWA





Associação Brasileira de Anunciantes
aba.com.br
comunicacao@aba.com.br
+55 11 3283-4588

 bit.ly/facebook-aba
 twitter.com/abatransformar/
 instagram.com/abatransformar/
 bit.ly/linkedin-aba

Member of WFA
World Federation of Advertisers



wfanet.org
info@wfanet.org
+32 2 502 57 40

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