Implementing Retail Media Measurement Guidelines -Key Elements for Compliance



As the need for standardization and transparency across retail media networks increases, the **IAB/MRC Retail Media Measurement Guidelines** provide a comprehensive industry framework. These guidelines are becoming the basis for industry certification programs — including a <u>solution from the Alliance for Audited Media</u> — to increase transparency and accountability in retail media.

AAM actively collaborates with several industry organizations to establish guidelines and best practices that promote transparency and compliance across the media and advertising ecosystem. As a member of the IAB/MRC Retail Media Measurement Working Group, we leverage our expertise to help retailers better understand how to achieve compliance while identifying opportunities for improvement.

This explainer breaks down the key elements of the guidelines, how AAM verifies compliance and why properly implementing them is crucial for standardizing measurement, building credibility with advertising partners and driving investments in retail media. The guidelines' six sections represent critical areas for advertisers and focus on compliance in media metrics, attribution and sales insights.

Section 1: Data Collection, Processing and Quality Control

Consistent and accurate data collection is the foundation for providing advertisers with reliable, trusted data. Guidelines and best practices for data collection, processing and quality control help retailers validate data, eliminate invalid traffic and securely store information while complying with privacy regulations like GDPR and CCPA.

- Why it's important: Following guidelines for data collection, processing and quality control ensures the overall reliability of a network's data. High-quality, accurate data provides advertisers with solid insights into campaign performance, fostering confidence and driving furthe investments in retail media networks.
- **How AAM verifies:** AAM reviews the network's methodologies for collecting and processing data in areas such as data validation and verification, secure data storage and invalid traffic (IVT) filtration.

Section 2: Audience Measurement and Metrics

Audience is another critical area of retail media measurement as advertisers seek to reach consumers that best align with their products. Accurately capturing audience size, engagement and segmentation based on factors like demographics, behavior and geography leads to reliable and actionable audience insights that brands can use to measure campaigns.

- Why it's important: Implementing proper audience measurement methodologies allow for advertisers to accurately determine the reach, engagement and composition of a campaign's audience. These metrics are essential for evaluating campaign effectiveness, optimizing ad performance and building trust with advertisers.
 - **How AAM verifies:** AAM reviews the network's methodology and disclosures for identifying audience demographic, geographic, behavioral and psychographic features, as well as assesses the networks' process for measuring audience reach and ad engagement.



Section 3: Digital Ad Delivery and Viewability Ad Impressions

A standardized system for providing digital ad delivery and viewable ad impression data helps advertisers evaluate ad effectiveness both in the retailer's ad environment and across networks. Here's an overview of the definitions and standards that address this area, and how AAM verifies compliance:

Ad Impression

- **Definition:** When an ad is successfully delivered to a user's device and starts to render on the web page or app.
- Why it's important: Media buyers need confirmation that the ad was delivered so that they know their message has an opportunity to be viewed.
- How AAM verifies: AAM reviews documentation of the impression tracking process to confirm that an impression is only counted when an event is triggered by the user's browser after the ad starts to render. AAM also reviews and tests the recording of impressions to the logs.

Viewable Impressions

- **Definition:** A display ad is considered viewable when at least 50% of its pixels are visible on the user's screen for a minimum of one continuous second. A video ad is considered viewable if at least 50% of the ad's pixels are visible on the screen for a minimum of two continuous seconds.
- Why it's important: Ads that meet viewability criteria are more likely to be seen and lead to meaningful interactions. Viewability metrics, including ad completion rates and duration weighting, provide data that buyers can use to optimize campaigns in real time, improving overall campaign efficiency.
- How AAM verifies: AAM reviews documentation for viewable impression tracking, sample reports, website/app code and tests to ensure the criteria for viewable impressions are met.

O Invalid Traffic

- **Definition:** Invalid activity that requires advanced analytics, multi-point corroboration or human intervention to detect and address. Examples include bots, crawlers, adware and malware. The MRC defines two types of invalid traffic:
 - General Invalid Traffic (GIVT): Traffic that is easily identifiable through routine analysis including IP blacklisting or activity pattern analysis. Datacenter bots and crawlers are examples of GIVT.
 - **Sophisticated Invalid Traffic (SIVT):** Requires advanced analytics, multi-point corroboration or human intervention to detect. Malware is an example of SIVT.
- Why it's important: Without filtering for IVT, campaigns could be inundated with invalid impressions or clicks, which makes it challenging to accurately understand campaign performance.
- How AAM verifies: Networks must meet MRC requirements for GIVT filtration as a baseline, while SIVT filtration is strongly recommended to accurately measure campaign outcomes. Campaigns measured without SIVT filtration must include clear disclaimers and be reported separately. AAM evaluates a network's processes to identify and filter both GIVT and SIVT. If a third-party vendor is involved, AAM assesses whether that vendor has been accredited by the MRC for SIVT detection and removal.



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Outcome Metrics

- **Definition:** Outcome metrics (e.g. clicks) are a user-initiated action on an ad that directs the user to a brand, product or cart page.
- Why it's important: Media buyers need to know that clicks are accurately tracked and reported to properly measure campaign effectiveness and make cross-network measurement evaluations.
- How AAM verifies: AAM confirms that the network has a process to tie click-throughs back to their
 original impressions and that the click-through is not counted until the re-direct takes place. AAM
 reviews documentation, assesses tags and code for the triggering event, and tests click recordings.

O Attribution

- **Definition:** Attribution is the process of assigning credit for consumer actions such as sales or website visits.
- Why it's important: These metrics are used to help media buyers assess the impact of advertising on product sales. Additionally, transparent extrapolation allows buyers to see how their ads might be influencing a broader audience, even those not directly identified, giving a more complete picture of campaign performance.
- How AAM verifies: AAM reviews sample attribution reports, data and documentation to confirm that product attribution is correctly grouped and applied, while also verifying that extrapolation rules are clearly disclosed in the reporting.

Section 4: Guidelines and Best Practices for Measuring Incrementality

Incrementality assesses the impact of marketing efforts on outcomes like sales, independent of other influencing factors. Measuring incrementality helps determine the effectiveness of advertising strategies and allows advertisers to optimize campaigns accordingly. The guidelines offer several methodology options to measure incrementality including randomized control trials (RCTs), synthetic controls, matched-market tests and advanced machine learning models.

Definition: Incrementality measures the causal effect of an advertising campaign by determining the additional outcomes, such as sales or conversions, that would not have occurred without the campaign. It isolates the impact of the campaign from other factors, providing a clear understanding of its effectiveness and return on investment.

Why it's important: Measuring incrementality enables retailers to quantify the true value of campaigns and justify ad spend to brand partners. It helps optimize future campaigns by identifying the strategies that were most effective and understanding which touchpoints drive outcomes.

How AAM verifies: AAM reviews a network's methodology for measuring the impact of marketing efforts on outcomes, the network's data sources and how these methodologies are disclosed.



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Section 5: Reporting and Transparency

While it's important to implement a system for accurately collecting and processing retail media data, it's also essential to create a method for reporting detailed, accurate and privacy-compliant metrics. The guidelines suggest granular data reporting including viewability metrics, clicks, conversions and the breakdown of online versus offline outcomes.

- Why it's important: Clear, accurate campaign measurement and reporting fosters trust between retailers, advertisers and agencies. Transparent reporting gives advertisers greater confidence in the accuracy of campaign data, helps compare performance across campaigns and networks, and make more informed decisions about future ad spend.
- How AAM verifies: AAM reviews the network to determine whether the retailer adheres to privacy regulations, provides granular reporting and discloses measurement methods, partners, limitations and more.

Section 6: In-Store Digital Place-Based Environments Measurement

The guidelines for in-store digital place-based measurement focuses on standardizing zones within physical stores to track traffic, audience presence and ad viewability.

- Definition: The process of quantifying the effectiveness of advertisements delivered through digital screens or audio systems within physical retail spaces.
- Why it's important: Retailers must use consistent definitions for in-store zones, ensuring audience exposure is measured based on proximity, visibility and audibility thresholds. Data collection may require in-store audits, third-party validations and real-time monitoring systems to ensure reliability. Transparency in methodologies, such as traffic counts and audience estimates, is essential for reporting on ad effectiveness and building trust with advertisers.
- How AAM verifies: AAM reviews the network's methodologies for calculating traffic in areas within a store, in-store data collection and privacy policies, and the disclosures of methodologies, limitations and assumptions.

For more information about implementing retail media measurement guidelines and becoming a certified network, contact <u>Kristina Meinig</u> at 224.366.6412.

About AAM

The Alliance for Audited Media was founded to build trust between buyers and sellers through third-party assurance and increased media transparency. Today we partner with leading media and advertising organizations to develop industry assurance solutions to increase transparency in media, ad tech, brand safety, privacy, sustainability and more. Learn more at <u>auditedmedia.com</u>.

