Submission from the Interactive Advertising Bureau (IAB) Australia

Response to ACCC: Ad Services Digital Advertising Services Inquiry Interim Report

March 2021

Contents

About INTERACTIVE ADVERTISING BUREAU (IAB) AUSTRALIA

The Interactive Advertising Bureau (IAB) Australia Limited www.iabaustralia.com.au is the peak trade association for digital advertising in Australia.

IAB Australia is affiliated with like IAB organisations in other countries. IAB Australia and like IAB organisations are supported by a global IAB Tech Lab, which develops technology and data governance frameworks and solutions and 'best practice' recommendations. IAB Tech Lab's Project Rearc ís evaluating technology solutions to address some of the concerns raised in the Interim Report. IAB Tech Lab is currently working on solutions for brand safety and ad fraud; identity, data, and consumer privacy; ad experiences and measurement; and programmatic effectiveness. Its recent work includes the OpenRTB real-time bidding protocol, ads.txt anti-fraud specification, Open Measurement SDK for viewability and verification and VAST video specification.

IAB Australia has about 140 financial member organisations. These members include media owners, platforms, media agencies, advertising technology companies and digital marketers. The IAB Australia board includes senior executives from Google, Guardian News & Media, Facebook, News Corp Australia, Nine, REA Group, Seven West Media, Simpson Solicitors, Verizon Media.

Our charter is to grow sustainable and diverse investment in digital advertising in Australia. We support the digital advertising sector through provision of advocacy, research & resources, education & community initiatives, and development of standards & guidelines.

Our current key focus areas for IAB Australia include:

- Digital driving long term brand and business growth
- Increasing confidence in digital supply chain
- Data governance and consumer privacy education and guidance
- Evolution of targeting, measurement & attribution
- Helping support sustainability and diversification of our industry:
  - People
  - Products

Overview

IAB Australia welcomes the opportunity to provide a submission to the Interim Report of the ACCC's Digital Advertising Services Inquiry. The IAB, locally and globally through country chapters and our global IAB Tech Lab, has developed a wide range of standards, technical guidelines and best practice advice for publishers, agencies, ad tech companies and marketers to help aid both the understanding of the role of ad tech and ways that the digital value chain can operate more efficiently and in a more transparent manner.

Key IAB's priorities, which contribute to these aims, are to educate the market, provide technical standard applicable for the ecosystem and to help simplify digital advertising for advertisers.

The IAB recognises the challenges that a sophisticated and evolving digital advertising market can present and is committed to improving transparency in the industry through education and adoption of standards that are currently available as well as developing and rolling out new standards and guidelines for the across the ecosystem.

The IAB seeks to enable and ensure diversity in opportunities for a range entities to participate in the digital advertising services sector, where they can demonstrably and transparently add value to interactions between advertisers and consumers, and they can do so without compromising consumer welfare, including legitimate expectations of consumers to be addressed fairly, respectfully and in accordance with data privacy and consumer law.

The IAB recognises that movement of ad data between multiple entities in complex and diverse transaction chains requires appropriate information governance across the various paths through the ad data ecosystem, in order to assure consumer welfare and to ensure reliable and verifiable (transparent) compliance with data privacy and consumer law.

We suggest that the ACCC and IAB Australia share one objective: to facilitate, and ideally promote, diversity and competition in the digital advertising services sector (which of itself promotes consumer welfare), while not compromising legitimate expectations of consumers to be addressed fairly, respectfully and in accordance with data privacy and consumer law.

The challenging task is to map and evaluate the alternative paths towards to achieving that objective that are achievable within Australia. These alternative paths should, to the extent that this is reasonably practicable, accommodate legitimate business interests of diverse participants in the digital advertising services sector, including both local and global entities.

IAB Australia is already focused on providing guidance on best practice in data governance across the digital advertising services sector and associated education of digital advertising professionals. One recent initiatives is the Australian Digital Advertising Practices[1] (ADAPs) developed by IAB Australia, Australian Association of National Advertisers (AANA) and the MFA (Media Federation of Australia). The AANA recently ran a pilot marketer workshop based on the ADAPs. The IAB, as well as the MFA, are rolling out a free e-learning program to ensure adoption of ADAP best practice recommendations across the sector.

There is, as the ACCC puts it, a "tension", which needs to be acknowledged and addressed. This requires close coordination between the review of the Privacy Act and this review, as well as

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[1] Australian Digital Advertising Practices - https://iabaustralia.com.au/adaps-2020/

leveraging from work in similar data privacy and competition reviews underway in other comparable jurisdictions. This will assist to avoid conflicting regulation, double handling, uniquely Australian solutions that impose unnecessary local compliance burdens upon cross border businesses, and unnecessary burden upon, or confusion for, consumers and the diverse participants in the digital advertising services sector.

Additionally, it's important to note that this industry technologically has always been an organic and innovative environment, it's critical to be as consistent globally technically as possible with how other markets operate to ensure that Australia is not negatively impacted by requiring specific ad-hoc development and/or too many obstructive legal irregularities.

The balance of this submission primarily addresses three key areas:

1. Common User ID proposal and related questions

2. Common Transaction ID proposal and related questions

3. Standards for DSPs

These key areas map to three interim proposals made by the ACCC:

Interim Proposal 4: Implementation of a voluntary industry standard to enable full, independent verification of DSP services

Interim Proposal 5: Implementation of a common transaction ID

Interim Proposal 6: Implementation of a common user ID to allow tracking of attribution activity in a way which protects consumers' privacy

We also address two further issues raised within the Interim Report:

4. scam ads

5. digital advertising attribution capability

Topic1: Common User ID

IAB Australia believes that having a best practice privacy by design common user ID, or limited number of federated IDs, is important for enabling diversity of participation in the digital advertising sector and providing advertisers with the data they need to assess the impact of their advertising investment and to competently help manage the ad experience for consumers so that consumers enjoy a reasonably consistent and understood user experience.

Identity signals used to both deliver and measure digital advertising have been weakened over recent years by increased privacy settings from different browsers as well as Apple's iOS operating system with cross publisher information is increasingly limited. This will be further compromised by Google's commitment to end supporting third party cookies in Chrome by the end of 2022.

IAB's globally through IAB Tech are supporting the industry develop privacy compliant identity solutions that can help the open internet operate in a way that supports publishers, advertisers and consumers in a dynamic, fast-changing advertising market. This concept currently exists as a core proposal within the work being undertaken by the IAB Tech Lab Project Rearc[2].

Project Rearc is looking at a range of different approaches and proposals for handling identity, targeting and assessing the impact of digital ad investment. Largely these are falling into 3 areas:

- Authenticated Consumers: Highlighting the importance of first-party data strategies, a variety of proposals have been received for Universal ID frameworks, most commonly built from consumer-provided, hashed and encrypted email addresses. Approved and trusted 3rd-parties can execute on behalf of trusted first parties, without enabling unauthorised third-party tracking and/or data collection. For long-term feasibility, any standardised ID solutions will have to be coupled with relevant global tech standards (taxonomies, processes and data transparency), policy discussions, related privacy frameworks and cross-stakeholder industry alignment efforts. Any and all consumer messaging, policies, disclosures and controls must have agreed consistent minimum standards from a global technical perspective – with some localised cultural flexibilities in terms of language, implementation and oversights.

- Anonymous Consumers (Contextual): Highlighting the increasing importance of contextual, these fully anonymised proposals function by only enabling the passing of content-based and contextual attributes, underpinned by standardised taxonomies, and without any user IDs. This area is fast becoming a driver for innovation in ad technology and is very safe as a general approach for any consumer privacy related concerns.

- Anonymous to all except Publisher/Marketer (audience cohorts or segment): A series of proposals have been received which allow for publishers and marketers to manage and ultimately match consensual users into predetermined interest groups (or cohorts), without the use of any trackable user IDs. Thereafter there have been a number of different proposed iterations related to where these data sets will physically reside, whether the data can continue to successfully and safely feed into any machine-learning decisioning and modelling, and where the advertising auctions could

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physically take place. Google confirmed on March 4th 2021 that once Chrome blocks the use of third-party cookies, Google will not build alternate ways to track individuals as they browse across the web, nor will they use them in their ads products. Google has indicated that it will use a combination of consented first party data, contextual data and anonymous audience cohorts for targeting and measurement of digital ads.

Interim Proposal 1: Measures aimed at increasing data portability and interoperability, such as a common user ID, which should be implemented with effective mechanisms for individuals to control the processing of their personal data.

Project Rearc is working towards providing a framework for consumers to be able to set persistent privacy preferences and will have some early designs in public comment in Q2 2021.

Interim Proposal 6: The implementation of a common user ID to allow tracking of attribution activity in a way which protects consumers' privacy

A single common ID for all Australian consumers has various practical implications. This approach would require it to be ubiquitous globally (in order to guarantee conformity) and the optimal approach would be for a benevolent, non-commercial and independent body to host, technically manage and oversee the UID and its workings.

Currently Project Rearc is working towards developing a set of frameworks that can provide a standard methodology to help processors of encrypted email addresses and/or mobile phone numbers to interoperate in a secure and privacy-safe manner, when and where consumers chose to allow it. It would be important to be consistent globally in how we approach this and ensure that Australia is not negatively impacted by what is technically possible elsewhere in the world.

Q28. Would a common user ID be an effective way to improve transparency in the ad tech supply chain?

It's highly dependent on how it's implemented and the levels of security and privacy controls, traceability and revocability built-in.

IAB Tech Lab is working closely with a cross industry initiative, Partnership for Responsible Addressable Media (PRAM) [3], which is being led by the Association of National Advertisers (ANA) with involvement from over 400 organisations and trade bodies. PRAM along with IAB Tech Lab will be reviewing proposals from the advertising and media industry to contribute addressability code for collaborative development and to ensure that not only are they technically robust and privacy compliant but also suitable specific to business use cases for both publishers and advertisers.

In partnership with PRAM, IAB Tech Lab has released initial specifications and best practices to support re-architecting digital media for addressability, accountability and privacy along with taxonomy and data

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[3] Partnership for Responsible Addressable Media - https://www.responsibleaddressablemedia.com/

transparency standards. These Standards or Responsible Addressability and Predictable Privacy are currently open for public comment.[4]

Q30. Could this proposal be implemented in a way which protects consumers' privacy? If so, how?

The Project Rearc framework directs that technical mechanisms that facilitate industry accountability to privacy-centric addressability standards and adherence to consumers' privacy preferences. It allows a consumer to set preferences that would universally persist. In relation to data protection it would also reduce the surface area that needs to be patrolled for accountability reasons.

Topic2: common transaction ID

Interim Proposal 5: *The implementation of a common transaction ID. Industry should implement a common system whereby each transaction in the ad tech supply chain is identified with a single identifier which allows a single transaction to be traced through the entire supply chain. This should be done in a way that protects the privacy of consumers.*

IAB Australia is supportive of a common transaction ID to enhance transparency and this concept is currently in-play with the IAB Tech Lab's Programmatic Supply Chain Working Group[5] and the first set of early designs will be published for public commentary and feedback in Q2 2021. However it must be noted that the introduction of a transaction ID is a significant undertaking for the industry with a major amount of work needed from a range of players across the ecosystem.

The Programmatic Supply Chain working group is a highly technical collaborative industry working group, based in the US. This group oversees, maintains and updates the protocols (OpenRTB) that enable programmatic advertising globally and is a representative mix of Developers, Heads of Engineering, Product Owners, and other Technical Leads.

Q24. Would a common transaction ID assist in making pricing and auctions more transparent?

Yes. However it depends on what is captured with it and how any reporting guidelines may adequately inhibit manipulation and or collusion. Currently the foundation of the IAB Tech Lab's approach is the recording and storing of ad-related transaction data in a standard structure, so that it can be analysed for conformity with data use expectations. A minimum set of properties for each ad-related transaction for each participant must be recorded and stored for later uniform submission.

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[4] IAB Tech Lab Standards for Responsible Addressability and Predictable Privacy - Standards for Responsible Addressability and Predictable Privacy - IAB Tech Lab
[5] 5] IAB Tech Lab Programmatic Supply Chain Working Group - https://iabtechlab.com/working-groups/programmatic-supply-chain-working-group/

Q26. How could a common transaction ID be implemented in a way which mitigates any risks to consumers' privacy?

IAB Tech Lab is currently working on a proposal for a Transaction ID unique to "sender" and "receiver" pairs. The IAB believes that the limitation of sending the same ID through a single transaction supply chain is safer. There is a strong need to ensure adequate security measures to facilitate safe linking of data in this manner.

The nature of the Transaction IDs being proposed are not designed for maintaining state on a user's device and would not be useful for doing so as they are arbitrary per transaction and Sender/Receiver pair.

Q27. How should such a recommendation be implemented?

IAB Tech Lab will have some early designs in public comment by Q2 2021.

IAB Australia supports the collaborative nature of this approach and the proposed open-source structure of the resulting frameworks and standards that is being considered. We are keen to ensure that the Australian ecosystem remains consistent to ensure that we can participate globally without restrictions, blockers or unnecessary friction.

Topic3: Standards for DSP Services

Interim Proposal 4: *The implementation of a voluntary standard to enable full, independent verification of DSP services.*

In July 2020, IAB Australia issued a call for adoption of industry transparency standards[6] with five key ways that the industry can improve transparency:

- Mandatory and immediate adoption of sellers.json & SupplyChain Object standards by all SSPs, DSPs and Ad Exchange vendors.

- Widespread industry adoption of IAB Tech Lab Taxonomies and the IAB Tech Lab Data Label to provide standardised and consistent language for vendors, agencies, and publishers to utilise in all campaign reporting.

- DSPs should prioritise Supply Path Optimisation and related best practices whilst also insisting upon always using separate trading seats for each of their clients to improve reporting, minimise bid duplications and improve the overall efficiency of RTB.

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[6] [1] IAB Australia Calls for Digital Industry to Adopt Transparency Standards - https://iabaustralia.com.au/news/iab-australia-calls-for-digital-industry-to-adopt-transparency-standards/

- The industry should review the inclusion and adoption, and logging, of some form of transaction ID (similar to the source.tid) within the OpenRTB protocols to enable cleaner retrospective audits.

- Industry-wide standardisation of essential T&C's with ad tech vendors and the mutually agreed permissions access to data between publishers, SSPs, DSPs and agencies – to build upon the recommendations included within IAB Australia's AdTech Buyers Guide.

Buy-side transparency standards are now being developed by the IAB Tech Lab, to be released for public commentary and feedback in Q2 2021.

In order to enable the easy verification of DSP services an automated global standard is required which will seamlessly enable access to key information that has to be made accessible for easy auditing on an ongoing basis. A key standard in development via IAB Tech Lab will be *buyers.json,* which will help bring transparency to the buy-side in the same way that prior initiatives such as *sellers.json* and *ads.txt* have enabled transparency on the sell-side (see image and summary below). IAB Australia is highly supportive and engaged in this technical standard as it would help resolve the issue of buyer identification and provide some key necessary steps to protecting the overall publishing ecosystem by enabling full transparency through the buying paths.

Sell-Side Transparency Standards
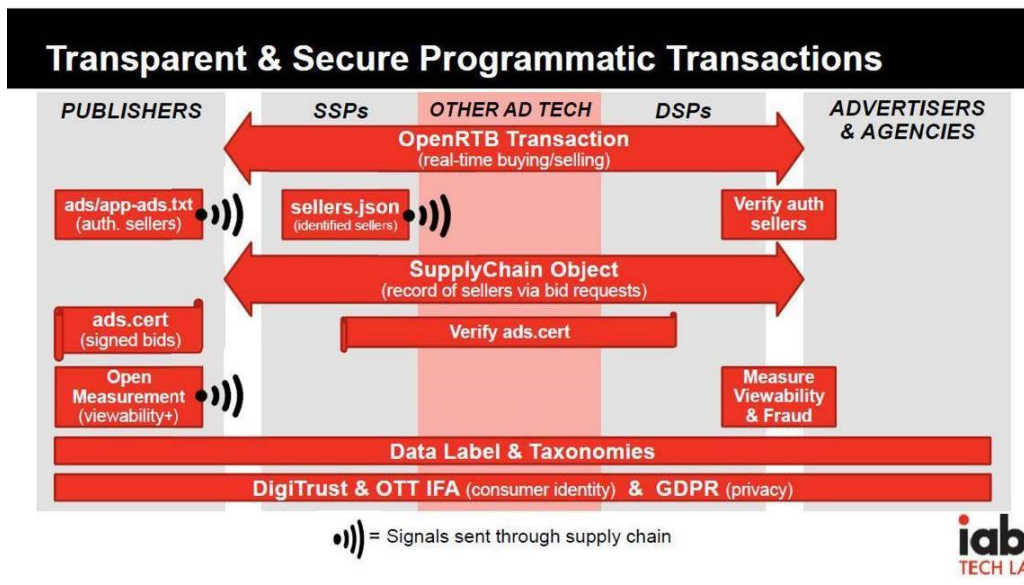
IAB Tech LAB Standard	Purpose
ads.txt	Enables publishers to declare the authorised sellers of their inventory in web-based environments.
app-ads.txt	Enables publishers to declare the authorised sellers of their inventory in app-based environments.
Sellers.json	Identifies sellers listed on the ads.txt or app-ads.txt file and supplies additional info such as the account numbers and associated publisher identities that operate via that seller.
SupplyChain Object	Enables buyers to see all the parties involved and that were paid as part of any impression opportunity from beginning to end.
AdCOM	Provides a reusable object model to describe the ad, creative and media channels in any OpenRTB transactions.
OpenData	Consistent standards for nomenclature to increase clarity of reporting and support agency and publisher needs.
Ads.cert	Cryptographically signed bid requests indicating the authenticity of premium inventory made available via authorized sellers listed on a publisher's ads.txt or app-ads.txt files.
Open Measurement	Provides advertisers with common code and libraries for facilitating third-party access to measurement data.

The forthcoming *buyers.json* standards are the first key step in enabling effective buy-side transparency, (balanced against the need to prevent any gaming of buy-side systems) and will be the foundation upon which future initiatives can be built. By solving the problem of cross-platform buyer identity, *buyers.json* will allow the industry to turn its attention to fresh efforts such as:

• *DemandChain*, a new object within OpenRTB that would allow sellers to see all parties that were involved in buying the creative. Just as *buyers.json* serves as the counterpart to *sellers.json*, *DemandChain* is envisioned as the buy-side complement to the *SupplyChain*.

• Standardising methods for disclosing buyer information on the client-side and through header-bidding frameworks like *Prebid*. In an ideal world, every creative would have a 'calling card' that clearly identifies who bought inventory and who delivered the ad to the page as long as carried out in a privacy-safe manner. With this information in hand, *buyers.json* would be the directory to which a publisher turns to look up the buyer and connect it to specific accounts across DSPs.

• Creating a centralised registry of buyers and exchange mechanism for reputation signals.

• Simple, standardised ways to manage and communicate ad quality preferences across SSPs.

• An industry certification program for ad servers.

Topic 4: Scam ads

Q35. What are the risks to publishers when scam ads are displayed on their properties?

There are three core risks related to the negative impact of scam ads in our opinion. Firstly, in relation to consumer trust, secondly in relation to a publisher's reputation and credibility with advertisers and brands; and thirdly the legal risk of the ads that appear misappropriating a celebrity's or business's name and/or image without consent.

Additionally, there is the negative commercial impact of all the time, cost and effort expended by publishers managing, blocking and dealing with malvertising & scam ads. This also includes the small percentage of ads that are incorrectly pulled which are actually clean.

Q36. What measures do ad tech providers take to prevent the delivery of scam ads?

Many DSP's and buying platforms have anti-malvertising solutions built in. Although there have been significant improvements in ways of blocking or filtering out scam ads, there are still differing levels of buyer identification and vetting processes employed and these can often vary in their approach, diligence and effectiveness.

Q37. What measures are available to publishers to stop the delivery of scam ads once they are identified?

Commercial ad quality and anti-malvertising solutions are available via ad-servers, verification services and dedicated malware detection tools that can provide proprietary scanning technologies for publishers. Again these can vary in their approach, diligence and effectiveness.

Q38. Are there difficulties experienced by publishers in stopping scam ads being delivered to their properties? If so, what are they?

Via the methods that digital ads are delivered today it is fairly simple to conceal poor behaviours within conditional code execution. A major issue is buyer identification and too often malvertisers can take advantage of the highly fragmented nature of the ecosystem by exploiting the weakest links and jumping frequently from buying platform to buying platform. As soon as they are discovered on one platform or through one user account, they will seamlessly shift their campaigns to a new one. The methodologies of vetting buyers prior to them being able to set-up and pay for advertising can often vary in terms of their effectiveness.

Publishers and SSPs seldom have insight into the identities of buyers and therefore cannot relay the information to the platform and/or DSP that would allow them to block a known bad entity across all the access points at once. The resulting end effect often results in a persistent and ongoing whack-a-mole exercise, with the same entity relentlessly appearing across different buying platforms as it's nearly impossible today for publishers and SSPs to identify an entity across all the buying platforms.

IAB Australia is highly supportive of, and engaged in, an ongoing global technical standard being developed by the IAB Tech Lab for release in Q2 2021. Known as *buyers.json* this is a technical standard which will help resolve the problem of buyer identification and is something that we see as a

necessary step towards protecting consumers from malvertising, eventually reducing the prevalence of ad blockers and restoring user trust. The ultimate aim of this standard is to fully protect the overall publishing ecosystem across the buy-side in the same manner that is now possible (dependent upon the level of adoption) via *sellers.json* on the sell-side.

The *buyers.json* standard is being designed to resolve these problems by providing a simple mechanism to identify a bad actor across multiple buying platforms, allowing the industry to respond far more quickly and completely to attacks. Beyond reducing time to resolution, *buyers.json* will dramatically increase the costs/efforts for malvertisers and dissuade additional attacks. Lastly, *buyers.json* will also facilitate threat-sharing by providing a common identity to which all and any malvertisers can be tied.

Topic 5: Attribution techniques for marketers

Q15. Are advertisers currently able to conduct effective and independent attribution of their ad campaigns?

Currently, signals from cookies and Apple's IDFA provide the open internet within both web-based and in-app environments with a way of tracking activity and consumer interactions as well as some actions. However, there are some closed environments which restrict comparing signals from outside of their own environment.

The changes coming in relation to how the major browsers will restrict third-party-cookies sometime in 2022 and Apple's forthcoming *AppTrackingTransparency* framework in iOS 14.5 (due in March 2021) will further restrict the process of assigning credit to digital media touchpoints that have contributed to a conversion . For complete multi-touch attribution advertisers will need to rely on an identity solution that can access data across digital campaign activity, subject to user consent obligations.

Detailed and accurate assessment advertising activity (traditional and digital) has always been a challenging undertaking with techniques needing to vary advertiser by advertiser depending on the type and range of advertising as well as the marketing objective of the activity. IAB Australia outlined a range of attribution and ad effectiveness assessment techniques for the digital advertising industry in the *Digital Ad Effectiveness Playbook* published in 2017[7]. The extra challenges posed by the loss of signals from cookies, as well as changes to Apple's IDFA, were outlined in the 2020 IAB Australia *Beyond the Cookie: Mapping the Future of Marketing Measurement[8]* with recommendations to marketers to review non-cookie reliant techniques and strategies such as experimental design, market mix modelling, data partnerships as well as monitoring the progress of the development of new universal IDs.

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[7] IAB Australia Digital Ad Effectiveness Handbook - https://iabaustralia.com.au/resource/iab-digital-ad-effectiveness-playbook-dec-17/

[8] IAB Australia Beyond the Cookie: Mapping the Future of Marketing Measurement - https://iabaustralia.com.au/resource/beyond-the-cookie-mapping-the-future-of-marketing-measurement/

Q19. Do stakeholders consider there are any other issues with the ability to conduct attribution of ad tech services?

We believe that alongside technical development particular in relation to new identity solutions, education and a collective commitment to industry best practices is needed across the industry. IAB Australia will continue to provide guidance in this area as well as introducing a training and education program in the second half of 2021.

Conclusion

As recognised in the Digital Advertising Services Inquiry interim report ad tech services are critical to the digital economy. IAB Australia believes that the industry can provide transparent and robust standards, guidelines and ways of operating while still allowing for industry growth and innovation.

In summary:

- We support the introduction of a common transaction ID but recommend a thorough assessment of resources need to implement particularly if not in lock step with the roll-out of other industry standards globally
- New privacy compliant consumer IDs and tracking mechanisms are in development by the industry but any local review must run concurrently with the Australian Privacy Act Review
- Standards and transparency for DSPs are in development by IAB Tech Lab and the adoption by the market will be vital in order to function efficiently.
- Scam ads have a negative impact across the industry as well as with consumers, and although there have been significant improvements in ways of blocking and filtering, their appearance can be further reduced with diligent implementation of anti-malvertising technology and improved vetting processes.
- Assessment of digital advertising investment through different techniques including attribution is undergoing significant changes. We recommend ongoing industry education and best practice to ensure marketers can feel confident in the data that they are using to assess their investments.

The IAB would welcome any opportunity to take part in consultation with the ACCC on the Digital Advertising Services Inquiry. Please contact Gai Le Roy, CEO of IAB Australia, on any aspect of this submission.

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