

# P&G's Pritchard takes on fakes, fraudsters and fearmongers

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This event report outlines how Procter & Gamble, the FMCG giant, is challenging players in the digital space which are blocking progress in areas such as viewability, third-party verification and tackling ad fraud.

- Procter & Gamble has been leading the charge when it comes to increasing transparency in media buying and selling.
- Some agencies, publishers, ad-tech providers and other vendors have pushed back against this agenda, often to protect their own businesses from the necessary scrutiny.
- Standardisation, verified measurement and greater transparency ultimately stand to benefit the entire marketing ecosystem, from advertiser to consumer.

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Marc Pritchard is almost single-handedly rewriting the playbook for modern marketing. And, as he leads the march to integrity, Procter & Gamble's Chief Brand Officer is bulldozing the naysayers who resist immediate change.

"The time for talking is over. It's time for action," Pritchard urged a standing room only audience of his client-side peers at the Association of National Advertisers' (ANA) 2017 Media Conference. "Media transparency requires CMO leadership with your business partners."



In recent weeks, the likes of Google and Facebook have responded to a Pritchard rallying cry for transparency offered at the Interactive Advertising Bureau's (IAB) Annual Leadership Meeting in January 2017. Though the actions of the digital behemoths may suggest the beginning of an industry sea change, Pritchard vehemently encouraged the ANA assembly to embrace new standards throughout the entire digital ecosystem.

And he called on his audience to stand up to the challenge of record: "It's not a spectator sport. You need to get into the details ... Media transparency cannot be delegated. The CMO needs to lead and get into the weeds, set the expectations, follow through and be willing to break some furniture."

Backed by the financial and intellectual muscle of the world's largest advertiser – where an annual budget of more than \$7 billion supports 65 brands and messaging that reaches five billion people – Pritchard has, in the last few months, offered up a slate of best practices for marketers seeking to:

- [Escape the content "crap trap."](#)
- [Utilize advertising as a "force for good."](#)
- [Demystify the "complicated, non-transparent, inefficient and fraudulent media supply chain."](#)

The last of these subjects was the focus of his attention at the Orlando, Florida assembly. More specifically, Pritchard used his early-morning keynote to demonstrate how Procter & Gamble is debunking the "head fakes" of industry refuseniks intent on blocking its progress in four key areas:

- **Viewability Standards**
- **Third-Party Verification**
- **Transparent Agency Contracts**
- **Preventing Ad Fraud**

### Viewability Standards

"At P&G, we've decided to accept the one Media Rating Council – or MRC – validated minimum viewability standard worldwide," he said while discussing the opening point on the Cincinnati-based enterprise's agenda.

"We know it's probably not perfect, but we're adopting this standard in order to move forward to conduct business on a level playing field across platforms and publishers."

The charlatans on the supplier-side, Pritchard warned, will mount a staunch defense of the existing ecosystem by trying to persuade marketers that "opportunity to see" is an unsatisfactory metric. But the savvy brand custodian can now follow P&G's script by way of reply:

**Head fake:** "The MRC standard is the lowest common denominator."

**Response:** "Yep, it is, and that's exactly what we need and want. Remember, viewability means the opportunity to see an ad – did it make it onto the screen where human eyes can see it?"

**Head fake:** "My platform is different."

**Response:** "Perhaps. It is a choice for a publisher to design a different platform. But the differences are not a reason to tolerate the complexity of having a different minimum standard to measure."

**Head fake:** "It's not designed for mobile."

**Response:** "Not true. Read the MRC Mobile Viewability Guidelines. That included several mobile technology companies who contributed to the study."

**Head fake:** "You'll have to pay more for meeting the viewability standards."

**Response:** "That is a choice. From P&G's perspective, step one is to get validated measurements of viewability versus the standards. Step two is to analyze the results of the media investments at the viewability standard. Step three is to decide whether, or how much, to buy."

In reflecting on this all-too-frequent dialogue, Pritchard summarized how P&G is practicing what it preaches. "We expect all of our agencies, media suppliers and platforms to adopt the [MRC] standard during 2017," he said.

### Third-Party Verification

In a similar fashion, each of P&G's media suppliers will undergo audits from third-party measurement firms which are accredited by the MRC. "This one is fraught with head fakes," Pritchard asserted.

And they include:

**Head fake:** "We have privacy concerns regarding our first-party data."

**Response:** "Understandable, but we don't want any private data – we just want to know whether we got what we paid for."

**Head fake:** "We'll need time, because we have a lot of measurements and ad products to work through."

**Response:** "You've had time, so let us help you with priorities so you can move faster. At P&G, we want three priority measurements immediately – viewability (opportunity to see), audience reach (how many people saw the ad) and ad frequency (how many times did they see it).

"And, on ad products, let's focus on the most frequently used first. At P&G, we've defined the products we use the most – in priority order – that we want verified first. You can do the same."

**Head fake:** "We have third-party measurement, so we don't need MRC audits."

**Response:** "Third-party verification is a good step, but it's not enough, because even auditors need to get audited. We need an objective, impartial validation that the measurement processes and approaches are done with the highest levels of integrity and quality."

The underlying coda for marketers: "Don't let the fox guard the henhouse," Pritchard advised.

## Transparent Agency Contracts

With the ANA and 4A's (American Association of Advertising Agencies) [currently locked in a dispute about rebates](#), opaque behaviors and principal-based buying, Pritchard revealed P&G is "poring over every agency contract for full transparency by the end of 2017 – to include terms requiring funds to be used for media payment only, all rebates to be disclosed and returned, and all transactions subject to audit."

Its in-house task force incorporates members of the internal auditing, legal, finance, media and purchasing teams – and has learned precisely which misdirections to look out for:

**Head fake:** "We're complying with the contract on rebates."

**Response:** "Oops. Correct, but we're now changing the contract to include specific provisions specifying that all rebates – including any that occur at the holding company level – are paid to us."

**Head fake:** "The contract has no provision on using money as float."

**Response:** "Oops. Correct, but we're now changing the contract to stipulate that the money we pay must be directly and only used for the media we want purchased – not as float. We want an agent, not a principal."

**Head fake:** "Procurement is making egregious financial demands."

**Response:** "Give me a break. Procurement ... is a valued resource and expert partner on supply chains that we rely upon to help us – the marketers – make decisions on fees, work scope, payment terms and contract terms."

"In the end, procurement is not the problem or an excuse ...the buck stops with the marketers who make the decisions."

In a media universe of "murkiness and waste", Pritchard stated, the goal is to reframe relationships, not simply catch out errand agencies. "What we're doing at P&G is looking at every touch and transaction in the supply chain, from the time we make a media decision to when the ad actually reaches the consumer, to eliminate waste and losses. That way, we will have more than a contractual relationship," he said.

"We'll get back to the true partnership we had with our agencies of the past – a partnership where we are both working together to create joint value for them, for us, and, most importantly, for consumers."

## Preventing Ad Fraud

P&G is "just starting to scratch the surface" in addressing ad fraud across the digital ecosystem, its marketing chief conceded.

As a beginning step, every entity which "touches" digital media will have to be certified by the Trustworthy Accountability Group (TAG) – a cross-industry body created by the ANA, 4A's and IAB – in order to work with the company.

Winning the wider battle, however, will rest on navigating numerous difficult conversations:

**Head fake:** "Our audience numbers are just what you need."

**Response:** "How much of your audience is 'sourced traffic'? Any publisher using 'sourced traffic' means they're not recruiting humans; they're generating bots. This is why P&G requires every publisher to get MRC-accredited third-party verification that the audience was a human."

**Head fake:** "We get cheaper rates from low-cost publishers."

**Response:** "Beware – you're probably getting what you pay for, and it is likely poor quality. At P&G, we now only buy from sites that have been fully vetted, and we've eliminated much of the long tail, especially on video inventory."

**Head fake:** "We don't have sourced traffic because of privacy controls."

**Response:** "Prove it. While you may be correct, we need it third-party verified and MRC-accredited."

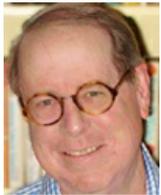
Failings in this space, for Pritchard, often result from marketers having their "head in the sand" as much as from "head fakes". And the solution – as with viewability, verification and transparency – is for individuals to claim ownership and responsibility within their organizations, alongside concerted industry-wide efforts to beat the fakers, fraudsters and fearmongers.

"The biggest head fake is the one we put on ourselves," Pritchard said. "We're all spending significant amounts of money on digital media. The response is entirely up to each one of you in your companies. At P&G, we are choosing to vote with our dollars.

"Don't take the head fakes. Take decisive action. There is tremendous power in the collective force of our industry. Let's make the commitment now to come together and use that force for growth."

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