

Mobile's Little Secret is a Big Drag on ROI for Advertisers.



If you're involved in mobile advertising, you probably know a thing or two about viewability, brand safety, and fraud. Those are serious issues, no question, but they're likely not the biggest problems affecting the ROI of your location-based campaigns. They may, however, be calling your attention away from the worst offender of all: the data.

Behind all of the growth and allure of location-based advertising, a secret has been looming. It's the type of secret that impairs success and can drag the "R" from ROI. It's also, apparently, the type of secret that lots of people know, but nobody wants to talk about.

EVERY INDUSTRY-WIDE INITIATIVE TO SOLVE SERIOUS DIGITAL ADVERTISING ISSUES HAS FOCUSED ON THE AD IMPRESSION. NONE FOCUS ON THE DATA.

When there is talk, it's usually in the form of anonymous surveys. A number of recent studies reveal both growth in location marketing and widespread concern about the quality of the data. In one survey of agency and brand marketers (Ad Age and Factual, Oct. 2017) more than 80% of the participating mobile marketers said that data quality was their most important consideration, yet nearly 60% said the current quality of location data is a very big problem.

According to new survey data from Forrester Consulting, marketers who have yet to embrace location-based advertising cite data inaccuracy as their number one reason. Yet, in the digital realm, every industry-wide initiative to solve serious advertising issues, like brand safety and viewability, has focused on the ad impression. None focus on the data.

NEARLY HALF OF LOCATION DATA IS INACCURATE.

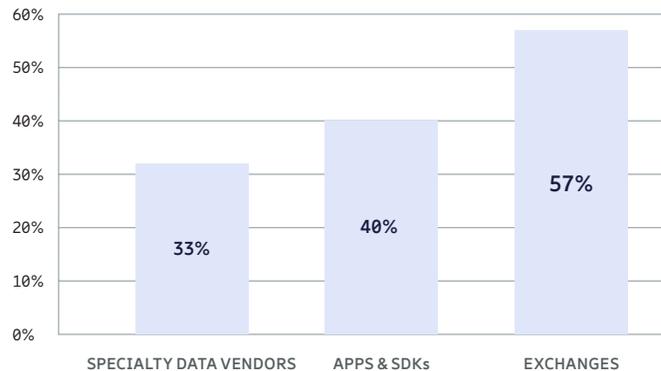
In 2017, a number of different studies attempted to reveal the scope of the problem. By all accounts, the inaccuracy of data is rampant, significant, and concerning. Our own in-depth study discovered that ~45% of the audience data used in location campaigns were inaccurate; sometimes wildly so. While some providers scored much better and some much worse, the numbers represent a huge miss overall.

Whether knowingly or unknowingly, vendors often misrepresent the accuracy of the audience location data they're selling. The data that fuel location campaigns are

collected in a variety of ways that allow for a wide margin of error and variability. For example, user location data is captured by apps only 20 to 60 times within in a 24-hour period, on average. Think about how that example alone might skew the accurate application of that data.

There are lots of ways to use location data for advertising. Two of the most common, geo-fencing and location pattern targeting, hinge on a high expectation of location data accuracy. If a user's location is sparsely logged throughout the day, location campaigns that use that data stand little chance

WHEN IT COMES TO LOCATION DATA, INACCURACY IS A SERIOUS ISSUE:



Above: Average data inaccuracy rates by data source type: Location data varies wildly. Our most recent study reveals that behind the averages, data inaccuracy rates range from 13% to more than 88%.

of realizing their potential success.

Often, geo-targeting is less geo and less targeted than many vendors would have you believe. The data may say they're in the neighborhood, but it's highly likely that person has moved on. They could be ten, twenty, fifty miles away.

AS MOBILE ADVERTISING HAS SURPASSED DESKTOP, BAD LOCATION DATA HAS BECOME ONE OF THE GREATEST THREATS TO DIGITAL ROI.

Pattern-based targeting requires highly accurate data in order to deliver relevant messages to consumers based on specific locations they've visited in the past. Frequently, however, the data that's supposed to pinpoint those past location patterns are simply, flat-out wrong.

IF DATA IS AS BIG A PROBLEM AS VIEWABILITY, WHY AREN'T MARKETERS UP IN ARMS?

One reason very few location marketers are shouting about data inaccuracy is that equally flawed measurement methodologies often mask the true results. If the vendor's business, product, methodology and pitch are all centered on a less-than-optimal data collection model, their metrics are bound to be as well. If the data is flawed from the get-go, even the most creative math isn't going to provide trustable answers. In the location marketing game, data is everything. High quality data is just as critical for measurement as it is for targeting.

There's another reason that data quality remains an inside "secret." A lot of organizations benefit from the use and proliferation of bad data. When you filter out the bad data, the targetable universe inevitably gets smaller. Even though a huge portion of the ads are improperly targeted, the inaccuracy enables significantly greater campaign reach. Additional reach means additional revenues for media, DSPs, SSPs, exchanges, DMPs and ad tech providers. Broad reach is also a core advertising objective of media planners and buyers.

SO, WHAT CAN BE DONE ABOUT IT?

There are two simple steps you can take right away to improve the accuracy of your location data: **Ask and verify.**

ASK: The current headlines about Facebook and GDPR data privacy present an opportunity to evaluate data challenges more deeply and holistically. To ensure that the data you use and procure are as robust and accurate as possible, seize the moment. Take a more probing, nuanced approach when asking vendors about the data you're considering.

RFI responses are carefully crafted to win business, so of course they exclude the negative details about potential inaccuracies in the data and methodological short-comings.

Several years ago, the IAB issued a [helpful document](#) for data buyers (the IAB still references the document and its twelve vendor questions in [current materials](#)). It includes six key

BETTER DATA MEANS A BETTER ROI.

A more intense focus on accuracy would result in a greater ROI from the targeted segments. The ad may reach fewer people within a specific dataset, but those people would be more qualified, have a greater degree of interest and be more receptive to the message. It's important to note that accurate data doesn't have to mean limited reach. By using solutions that validate location data, advertisers make better use of their go-to data sets and gain value and scale from data they wouldn't otherwise consider.

Inaccurate data makes for inaccurate targeting. When the campaign is correctly reaching only half of the intended audience, that's a very serious ROI problem. There's no question that programmatic advertising is complex. The number of issues and considerations can be overwhelming. Media planners and buyers already have a pile of concerns and technologies to navigate, many of which have little to do with planning or buying (like addressing brand safety and fraud schemes). That said, uncovering and addressing location data issues may be the single most impactful step toward driving better results from location-based campaigns.

WHEN THE CAMPAIGN CORRECTLY REACHES ONLY HALF OF THE INTENDED AUDIENCE, THAT'S A VERY SERIOUS ROI PROBLEM. UNFORTUNATELY, IT'S ALSO PRETTY TYPICAL.

questions to ask vendors about Place Data and six questions about Device Data. Today, most or all of the IAB questions are included in the RFIs that go out to vendors. They're still among the right questions to ask. One of the questions in particular carries real weight in terms of data quality: **"How do you verify that the device location data you're using is accurate?"**

The IAB question is important and fair, however, it demands a deeper dive and should serve as an ice breaker for a specific conversation that addresses data inaccuracy and directs the conversation towards accountability and expectations.

"HOW DO YOU VERIFY THAT THE DEVICE LOCATION DATA YOU'RE USING IS ACCURATE?"

Following are four follow-up questions to ask your data solution providers. Be sure to enquire about the specific audience segments of interest:

4 QUESTIONS TO HELP STEER YOUR DATA DECISIONS

01 How, and how frequently, is the user data collected?

Note: This is not a question about how many decimal places are in the vendor's precision statement. It's about correctness. A specific location is often ID'd with incredible precision, but the user/device may not have actually been there.

02 How accurate is the data?

03 If the data were verified by an independent third-party, what accuracy rate would you expect them to find?

04 If the accuracy doesn't measure up, what restitution can we expect?

The MRC has also published an in-depth [paper](#) that further defines location marketing guidelines and may help shape your deeper questions.



VERIFY: Once you're satisfied with the answers, follow through with a 3rd-party verification of the selected data. For location marketers, data quality is as significant a problem as fraud and viewability were in their heyday. In the pursuit of better campaign results and trusted vendor relationships, it's become essential for results-seeking planners and buyers to solve location data inaccuracies the same way: By using an independent 3rd-party verification solution to verify the accuracy of the data and the veracity of vendor claims.

THE BIGGER PICTURE

Back in 2011, there were a few bold industry insiders making noise about the cost of ads that were never seen by the audience. A lot of ad dollars continued to be wasted on non-viewable impressions in the years that followed. Viewability didn't become a true industry-wide initiative until early last year, when large brands began putting the digital ad industry on notice and slashed digital budgets until the problem was addressed. That turned heads. The entire industry (media, vendors, and agencies across the board) finally took action and adopted viewability measurement as standard practice, and independent viewability tools in their ad tech stacks.

It takes a real desire for better results to seek a better solution. That pursuit can be particularly challenging when vendor relationships are strong and their solutions appear to deliver fair outcomes. A frank discussion, however, often improves vendor relationships and can even strengthen their resolve to continually improve.

Let's not wait for powerful brands to blast the industry for pervasive, poor data practice. The data accuracy problem is widespread and costly. In fact, as mobile marketing has surpassed desktop in digital spend, bad location data has now become one of the greatest threats to digital ROI. That shouldn't ever be stated in hushed tones. It's time to address data inaccuracy head on, starting with vendor conversations that are upfront, and nuanced, then continuing with 3rd-party data verification.

The old Russian adage "Trust and verify" may sound like an oxymoron on the surface, but with billions of ad dollars at stake, it makes sense to verify in order to trust.

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