

## Industry Consultation – Origin Funding Consultation: Report

2 August 2022

### Introduction

Between March 28<sup>th</sup> and May 20<sup>th</sup> 2022, ISBA conducted an industry-wide consultation regarding a proposal to part-fund the nascent Origin cross media measurement service via an Advertiser levy. The consultation sought specifically to gauge opinion regarding the principle of the levy (other aspects such the quantum or collection mechanic will be considered in due course, should levy plans evolve).

This report summarises the scope and outcome of this consultation, and outlines proposed next steps and timelines.

### What is Origin?

Origin is an advertiser-led initiative to create an industry-owned entity that will provide the media industry with a new, independent, cross-media measurement system<sup>1</sup>.

Origin utilises an innovative technical approach that enables digital first-party data to be combined with traditional media measurement (panel) data in a privacy-safe way, thereby enabling the independent measurement of cross-media campaign activity at scale for the first time. Independence and transparency are key to the success of Origin, as such it will leverage (and preserve) measurement data from existing JICs.

Origin is being run under the auspices of ISBA on behalf of all UK advertisers (irrespective of scale or ISBA membership status), with the UK being a pilot market for a global initiative orchestrated by the WFA. The programme is just over half-way through a multi-year development phase which will see a live service delivering cross-media measurement for the industry in mid 2024.

The programme is funded and supported by more than 25 leading UK advertisers<sup>2</sup>, GroupM, Omnicom, Publicis, Dentsu, IPG and The Kite factory (together representing >80% of UK media billings), Google, Meta, TikTok, Amazon, The Ozone Project, PPA and The Royal Mail. As such, Origin is the product of genuine cross-industry collaboration and funding. Other stakeholders are expected to join Origin as it develops.

### Current Funding Model

To date, the development of Origin has been funded by its stakeholders. The support to date has been in-line with the ambition to create an entity that is industry-owned, creating data that is used by all facets of the media ecosystem. Each phase of the development work

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<sup>1</sup> More detail regarding Origin is included at the end of this document

<sup>2</sup> Supporting advertisers include: Barclays, BT, Camelot, Diageo, Direct Line, Dreams, GSK, J+J, Kellogg's, Lloyds, L'Oréal, Mars, Moneysupermarket, NatWest, P&G, PepsiCo, Sainsbury's, Specsavers, Tesco, Unilever, Vodafone.

has seen an increasing number of stakeholders come on board to commit funds and guidance to the programme. Over the past year, Origin has developed a commercial model for the in-life service. The guiding ambition is to make Origin as low-cost and accessible to end users as possible.

### **Proposed Funding Model**

Across 2022, the commercial model for Origin will be finalised. To date, there has been widespread support from across the Origin stakeholder base and wider ecosystem for an opt-out, paid-on-invoice levy to part-fund the service (specifically, the levy is intended to fund the Core Reporting service i.e., de-duplicated reach and frequency cross media measurement metrics). The industry-wide consultation process sought to establish if support for the levy is shared more broadly across the advertiser community and beyond.

### **The Consultation Process**

The consultation process sought to confirm that advertisers support the principle of part-funding Origin via a levy on media spend. Specifically, it is proposed that the levy apply to all media activity that is measured by Origin<sup>3</sup>. The process was intended to give all UK advertisers (alongside others in media industry such as trade bodies, media agencies, consultants, etc.) – regardless of their scale or trade affiliations - the opportunity to learn more about Origin, have their questions answered and to have their voice heard.

The inbound assumption was that, unless there is a significant movement against the levy, that work would continue planning for the levy to be part of the funding model for the latter stages of Origin's development and in-life.

### **Process**

At the outset of the process, ISBA released an outline proposal and consultation overview to the following:

- All ISBA members
- UK Trade bodies including:
  - The Institute of Practitioners in Advertising (IPA)
  - The Internet Advertising Bureau (IAB UK)
- All Origin stakeholders including media agencies, with a request that they also contact their clients
- Trade journals were sent a copy of the release included the following (many of whom covered the consultation):
  - Ad Age, Ad Week, Business Fast, Campaign, Digiday, Insider, Marketing Beat, Marketing Week, Media Leader, Media Tel, PA, Techregister UK, The Drum, Video Week, WARC, What's New in Advertising, What's New in Publishing
- Major UK broadcasters including ITV, Channel 4, Sky and Channel 5 were also contacted

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<sup>3</sup> At launch, Video and Display inventory will be in scope. Over time, Origin will diversify to include a larger range of media channels.

- ISBA & Origin also posted updates on their respective social feeds, including Twitter and LinkedIn
- Materials were also shared on the ISBA and Origin websites, and the consultation was referenced at numerous online panels, forums and events by members of the Origin and ISBA teams

On 20<sup>th</sup> April, representatives from ISBA and Origin hosted an online debrief and Q&A regarding the Levy. This was attended by a range of advertisers, media owners, media agencies, trade bodies and consultancies.

The consultation closed on May 20<sup>th</sup>.

### Industry response

The response to the consultation can be characterised in three ways:

1. A reasonable level of interest in the proposal, with a significant level of support for the motion
2. A number of organisations seeking further information around the proposals
3. A small number of organisations outlining reservations and/or opposition to the proposal

1. Interest & support - detail

- On April 13<sup>th</sup>, the Levy proposal was shared with the ISBA council, and on 20<sup>th</sup> the ISBA Executive Committee. Both groups approved the levy proposal unanimously.

2. Clarification – detail

- A small number of advertisers approached ISBA and/or Origin seeking further information or clarification
  - One organisation – a provider of direct mail services - offered their support for Origin, but requested a 12 month development period to allow them to meet statutory notice requirements around a change in service pricing, and to allow time for customers to acclimatise

3. Reservations & Objections – detail

- A direct mail provider offered no judgement on Origin itself, but registered their objection to any levy on direct mail services unless advertisers had the facility to opt-out from the start of any billing cycle
- A broadcaster expressed that they are not comfortable paying the proposed levy, on the basis that agreement with the levy would assume it was comfortable with the wider Origin proposals. Their view, as a media owner and advertiser, was that they are not comfortable with Origin since they believe it to be:
  - i. Conflicting – i.e., would be detrimental to existing TV measurement
  - ii. Not comprehensive enough – i.e., the scope at launch wouldn't cover much of the media activity run by this advertiser

- iii. Methodologically flawed – this organisation believes there are flaws to Origin’s proposed method
- iv. Contextually limited – as a service that measures advertising, the absence of context within the Origin service would erode the value of the proposition
- v. A tax on TV – as a channel that is in scope at launch, TV advertising would be penalised by an additional cost that is not applied to other channels

### Consultation – a Response from ISBA

Overall, ISBA was heartened by the groundswell of support demonstrated by the majority of responses received during the consultation process. It welcomed the opportunity to answer many questions directly and shall ensure that all parties who sent in their questions and reservations will receive a comprehensive response.

With reference to the specific feedback detailed above, it is worth noting the following:

- *12 month delay.* Origin would consider offering a notice period to participating channels ahead of commencing levy collection an act of common courtesy. The specifics of this – including gathering statutory notice requirements – would be part of the next phase of levy planning
- *Opt out.* Origin has always been intended to be an opt-out system. As part of the process to assess potential collection mechanics, the best means of enabling opt out will considered in full
- *Conflict with existing TV measurement.* Origin is designed specifically to be a complementary measurement system that will preserve the integrity of existing JIC data sets, including those for TV. The new cross-media measurement metrics that Origin will surface are specifically designed and intended to be complementary to existing JIC data sets, not conflicting
- *Not comprehensive enough.* Whilst it is true that, at launch, Origin will focus on Video and Display activity (and not report on other channels), this isn’t an indication of future scope. By focussing on these channels at launch, Origin will provide a service aimed at resolving the highest priority measurement challenges of its end users. In time, the service will expand to cover other channels to the same extent
- *Methodologically flawed.* The methodology behind the Origin service has been developed by an independent body of experts whose thinking has been subject to extensive peer review as part of standard academic scrutiny. Furthermore, Origin has invited end users and media owners to feed into the design of the UK service. Once the methodology was finalised, it was subject to intense scrutiny by an independent body – RSMB, an established media measurement methodology consultancy who have also designed BARB and CFlight. Their reports, based on assessments of both the methodology and a proof-of-concept test on real campaign data, are publicly available and the organisation in question were present at their debriefing sessions

In RSMB's view, the Origin methodology and measurement approach 'works well and retains acceptable accuracy whilst providing a practical and usable system.' As such, Origin has every confidence that the planned approach is suited to the measurement purposes intended.

- *Contextually limited.* At launch, Origin will offer a cross-media measurement service that focusses on the delivery of advertising. However, as it develops the service to meet the full scope of the WFA framework, then it will expand to include the context of advertising also. A timeline for the delivery of this service will be released in due course
- *A tax on TV.* Measurement of TV is a top priority for end users of Origin, so is an initial focus for the service. The cost of the service will reflect the ability to understand more about the performance of this channel. It is anticipated that the costs of the service will be commensurate with the value and insight offered by the data, so it is considered unlikely that any additional costs for measuring TV will be considered punitive by end users. If they do so, they may choose to opt out of the levy.

We welcome any further questions about any of the points raised above, or the responses made.

### **Conclusions**

ISBA welcomes the responses and feedback gathered during the consultation process and is heartened by the considerable support expressed by many organisations from across the industry. It takes the questions and concerns raised by others seriously and undertakes to respond to all the feedback received.

### **Next steps**

Overall, the weight of positive feedback was sufficient to convince ISBA that further work to finesse the proposals around the levy are merited. As such, it will shortly commence work to advance plans for both the quantum and collection mechanic. Once work on these areas is complete, ISBA will take a series of proposals around cost, collection mechanic and timings back to the UK media industry for a second phase of consultation. This is anticipated to take place in the latter part of 2022.

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## Levy – background

A levy system is proposed to cover the cost for advertisers to receive the basic level ‘core’ report (more advanced reporting products could be met by direct fees, whilst planning data costs could be met by pro-rata costs for larger users and a flat fee for smaller users). A levy approach is considered attractive for a number of reasons:

- **Fairness** – it distributes the costs amongst all those using the service, thereby reducing the burden on any one entity. Costs would be capped for the largest users, with the intention that no individual entity paid more than the data is worth to them. The proposed levy would be open and accessible for all.
- **Progressive** – larger advertisers would pay more than smaller advertisers, since they have greater means and measurement needs.
- **Precedence** – the industry has used a number of levies over the long term to meet the costs of industry-wide initiatives.
- **Efficiency** – Levy capture at point of invoice to the advertiser is proven and established as an efficient method of collection. Synergies with existing mechanisms may exist or more efficient, automated systems could be developed.
- **Familiarity** – Advertisers and their agencies are used to working with collection entities (e.g., ASBOF), to ensure smooth and seamless payment of levies
- **Ease** - Charging via an opt-out, paid-on-invoice levy with a universal, convenient collection mechanic would create a simple, friction-free experience for advertisers and an expedient, low-cost means of collection for Origin.

## How much?

Initial planning has been based on an assumed levy of 0.1% of gross media spends (those channels that are measured by Origin only). A charge of this magnitude is felt to reflect both the value of the data and the costs of data provision. As stated, a cap is envisaged for the largest spenders, at a level to be determined to reflect the value received.

## Proposed Collection Mechanic

The proposed mechanic for collection is an opt-out charge on invoices for in-scope media. Digital display and all forms of video would be in scope initially. The specifics of collection logistics are TBD.

## Consultation process

In early 2022, ISBA conducted an 8-week industry-wide consultation of UK advertisers to gauge their appetite for a levy as means for charging for the Core Reporting service of the Origin service. The consultation process will comprise the following elements:

- Communication to ISBA members
- Communication via Origin stakeholders
- Communication to all industry actors via trade bodies
- Trade media announcement

## The questions we sought to gain clarity on

- Are advertisers comfortable with the proposed Levy?

- Over what timeframe is the industry (including advertisers, media owners, agencies, etc.) able to adapt their processes to accommodate this approach?

**Further information**

To learn more about Origin, please refer to [www.originmediameasurement.com](http://www.originmediameasurement.com)

## FAQs

### **What is Origin?**

Origin is a new cross-media measurement service being developed in conjunction with advertisers, media agencies, media owners and platforms from across the UK media industry.

### **What channels are included?**

At launch, Origin will measure across video (in all formats) and display. In time, the service will expand to include other channels to create a full cross-media measurement service.

### **What services will Origin offer?**

At launch, Origin will offer a Core Reporting service focussed on cross-media reach and frequency. In time, this will be joined by an Advanced Reporting capability that offers a more comprehensive set of metrics. These reporting services will also be joined by two planning products; one focussed on high level Campaign Planning, the other on more granular Tactical Planning.

We also intend to expand the service further to offer data on campaign outcomes, e.g., attention, brand metrics, commercial outcomes, etc.

### **How does it work?**

Origin's cross media measurement approach is made possible by an innovative technical framework that enables digital first party data to be combined with traditional media measurement (panel) data in a privacy safe way. Digital platforms will provide Origin with independently audited audience data, and this will be compared with observed viewing (via a panel build specifically for Origin by Kantar) across online and other media. These data will train a VID (Virtual ID) model (a privacy-focussed approach that allows accurate cross-media measurement). The VID model has been subject to intense testing and evaluation over the past 18 months by RSMB, an independent media measurement specialist.

### **Who will use Origin?**

Advertisers have been the driving force behind Origin since its inception. It is built firmly with advertiser needs in mind. Media teams and insight functions within advertiser organisations (of all scales) are a key stakeholder group. Media agencies are another key stakeholder group. A wide range of stakeholders from these organisations have fed into the development of Origin.

A core premise in the development of Origin was to build a service that was as relevant and accessible to as wide a group of users as possible.

### **Will access be limited to ISBA members?**

No. Origin is being built to meet the needs of as wide a stakeholder base as possible. Advertisers who are not members of ISBA will still be able to access the system, as will agencies and other organisations irrespective of their scale or trade body affiliations.

### **Who is building Origin?**

The Origin programme is being run by ISBA. The programme is part of a global framework orchestrated by the WFA, of which the UK is a pilot market. The central Origin team works closely with ISBA colleagues, representatives from all stakeholder organisations, third party providers (including Accenture and Kantar), a centralised global engineering resource co-opted from a wide range of stakeholder organisations and media-measurement specialists.

**What will the cost of Origin be?**

The intention is that the Core Reporting product will be paid for via an industry-wide levy on the media channels that are measured by Origin. Other Origin services will be charged for via different mechanics, including scale-based fee structures and flat fees.

The approach to pricing is to make all Origin services as accessible as possible.

**Who is funding the development of Origin?**

The development costs of Origin are being met by all Origin stakeholders, to varying levels based on scale and/or position in the media ecosystem.

**When will Origin launch?**

Origin will go to market in early 2024.

### **More details regarding Origin**

In 2021, Origin passed a series of comprehensive technical and methodological trials run by RSMB, an independent media measurement practice. At the same time, detailed plans for the membership, governance and funding of Origin were developed, alongside details of the service offering and commercial model. Across 2022-23, Origin will build out its technical infrastructure ahead of further testing, trials and a pilot ahead of launch (early 2024).

### **Service Offering**

At launch, Origin will offer a core campaign reporting service that will measure cross-media reach & frequency across video and display activity. The planned scope for core reporting can be summarised as:

- Providing advertisers & their agencies visibility of the total/incremental/unique cross media reach & frequency of their own campaigns (and vs campaign norms), along with associated duration/viewability data reported against pre-set and self-set standards (e.g., MRC 2 seconds, 100% completed views, etc.)
- Data to be provided at media channel (e.g., social) and publisher (e.g. Facebook) level, and cut by the most important audiences (e.g. age, gender, social grade, presence of kids in household, etc.)
- Incorporates the ability to incorporate time and spend dimensions
- Publishers and platforms will also be able to subscribe to the service to gain verified, independent and audited measurement of their cross-channel reach and frequency

The launch product will be followed by an additional advanced reporting capability and two planning products (one at the campaign level, another at a more granular, executional level). In time, the service will extend to include a broader range of media and will explore the measurement of other metrics such as outcomes, attention, etc.

### **Where can I learn more about Origin?**

For more details about Origin please see:

<https://originmediameasurement.com/2021/11/05/what-is-origin-nov-2021-overview/> or email [MartinL@isba.org.uk](mailto:MartinL@isba.org.uk)