
Hughes Hubbard & Reed

Movement Towards Standardization of Mobile Ad Currency

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The Mobile Marketing Association (“MMA”), a non-profit industry trade group, recently announced the publication of a set of revised Global Mobile Measurement Ad Currency Definitions for the measurement of mobile media advertising currency, including: Ad Impression, Streaming Video Advertising, Rich Media Ad Impression and Click Measurement. The MMA does not intend for these “definitions”, which read more as contextual recommendations for how to assess mobile ad currency, to serve as a set of guidelines for mobile ad counting, but expects them to serve as the foundation and basis for discussion for subsequent mobile ad guideline development. The definitions were developed in close collaboration with the Media Rating Counsel (a non-profit association made up of leading television, radio, print and Internet companies), as well as ADOObjects Inc., Amobee Media Systems, AOL LLC, DoubleClick, iO global limited, Isobar, Microsoft, The Coca-Cola Company and Yahoo!

According to the MMA, an Ad Impression is the measure of the delivery of an advertisement from an ad delivery system in response to a user request, whether it is an active or passive act on behalf of the user. The definition specifically includes commentary on key concepts to be considered in defining a valid ad impression, including: (1) an acknowledgement that an ad request is NOT the result of robotic activity, (2) a recommendation that cache-busting techniques should be utilized to prevent undercounting of impressions due to delivery of cached responses to user ad request, (3) a recommendation that measurement of ad impressions should occur as late in the ad delivery process as possible to ensure users have the greatest possible opportunity to view the ad and (4) that advertisements delivered to mobile users without an accompanying request for the ad (such as in the case of pushed content) should not be counted unless there is evidence that a user accesses such ad (which, the MMA points out, should apply to idle screen ads, offline ads and cached ads). The MMA also calls for more “responsible” reporting on behalf of the measurement organizations to identify any deficiencies/limitations in accurately capturing ad counts.

In defining Streaming Video Advertising, the MMA encourages ad counters to pay attention to the buffering that occurs upon the initial delivery of a video commercial, in order to maintain the concept of counting only when the

user has the greatest “opportunity” to view the ad (i.e., a valid streaming video ad impression should only be counted once the video ad begins to appear to the user). The MMA also encourages the development of functionality for media players to be able to identify the buffering prior to the display of the video ad, and points out the importance of adhering to certain caching principles (as outlined in the definition of Ad Impression), as significant caching functions are often used to facilitate the delivery of streaming videos. As with display Ad Impressions, the MMA says that the measurement of a Rich Media Ad Impression should occur as late in the process as possible, and encourages movement towards client-side implementation for counting mobile Rich Media ads.

Lastly, MMA defines Click Measurement in the context of ad impressions that include clickable content, i.e., content that a user may click on to obtain additional content or initiate a transaction, and states that in the event a click transaction may be initiated by user activity that is in proximity to the clickable ad, the specific parameters used for measurement of the associated clicks should be disclosed. Moreover, the MMA says that regardless of the differing methods used for click counting, these methods should be fully disclosed to users and that development and use of unique click identifiers, as well as establishing processes to filter and exclude invalid clicks from measurement counts, should be encouraged.

The MMA’s efforts call for a more consistent, globally applicable measurement process, which they say is essential for the continued growth of mobile advertising campaigns and future industry standardization. In effect, the MMA is clearly looking to inspire building a strong currency that can be independently measured and audited. The recommendations reflected within the new definitions will also bring a level of culpability and transparency to establishing standards for mobile ad currency that the industry has not yet seen, which will inevitably impact how companies structure their agreements with third parties with respect to calculating ad impressions for purposes of minimum advertising commitments, revenue shares based on CPM and CPC, promotional placements, etc. It will be interesting, and important, to take note of how the movement towards standardization plays out in practice, and if it means our clients can look forward to a sense of predictability and uniformity when striking deals that have mobile ad sales components.

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