



# The proof is in the pudding

by Chantal Chamberland

## Advertising management tool helps ensure advertisers get what they pay for

**W**HEN PEOPLE THINK of advertising, what usually comes to mind is the glamorous, creative side of things: brainstorming sessions, client presentations, photo shoots. But, no matter how fun and exciting it may seem, advertising is serious business involving complex strategies developed at great expense to reach carefully targeted audiences. This is especially true of television advertising, which is not only expensive to produce but costly to put on the air. And, advertisers usually have to dish out extra money if they want their ads to run in specific time slots, for example at the beginning or the end of advertising segments.

In spite of expense and importance of advertising, until recently, there was no way for advertisers or media buyers to confirm whether or not a TV spot had actually aired as scheduled. Media buyers couldn't be sure if they had received the service they paid for. All they could do was check broadcaster affidavits (or invoices) against their media plan and assume that the affidavits provided were accurate.

The media placement and management process relies on human intervention and, as with any process involving human input, errors can occur. "Television advertising has always been an imperfect system," says Tom Creary, executive vice president for Eloda ([www.eloda.com](http://www.eloda.com)), a Canadian advertising in-

telligence firm specializing in ad monitoring and verification services.

Eloda was founded in 2000. Its founders, Jean-François Pouliot, a 20-year advertising veteran, and Jean Charles Dupuis, a technology expert with a solid background in finance, were well aware of the advertising industry's shortcomings in terms of technology and identified the increasing demand for transparency – not only in advertising but in government and industry in general – making the advent of a new form of verification within the industry somewhat inevitable. They concluded that, in this digital age, there had to be a way to provide advertisers with proper monitoring and verification tools. It was already possible to scan TV signals using existing technology; all they needed was to find a way to break down these signals in order to detect and identify individual television spots.

According to Creary, there is now an independent, reliably accurate mechanism for advertisers to validate broadcaster invoices. Eloda, using its ad occurrence verification technology, ran a pilot project last year with client national advertisers – in the food, telecommunications, media, pharmaceutical, finance and home furnishing industries, as well as in public services. The Government of Québec was actually among the first group of advertisers to test this new technology with

three of their campaigns over a one-month period. "They were very satisfied with the results of the audit project we conducted for them," says Creary.

The company discovered a range of discrepancies between real occurrences as captured by Eloda technology and the paperwork provided with invoices to advertisers: either an ad showed at a different time than the time the invoice affidavit said it ran at, or, in some cases did not show at all within an identified tolerance period around the time indicated on the affidavit. "We are not saying that broadcasters are not showing ads they are contracted to show", Creary says. "We are pointing out that many broadcaster invoice affidavits are not supported 100 percent by real occurrences. I might add that some stations' affidavits we validated in our pilot were 100 percent correct; some others were not. In this age of increased corporate governance and accountability, it is extremely important to the person who signs the check that he or she is assured that they have received precisely what they are paying for."

This assurance is just as important for government advertising and media buyers as it is for private sector advertisers. In 2003, Consulting and Audit Canada, an agency of Public Works and Government Services Canada, issued a report<sup>1</sup> of an audit of the operations of the government of Canada's agency of record, which at that time observed that "an affidavit as proof of performance is not considered a strong control. Affidavits are inconclusive as to what is guaranteed."

Up to now there has never been an accurate, technology-based system for providing independent third-party assurance of performance to advertisers. Eloda developed its AdDNA™ revolutionary monitoring technology to identify and track any TV spot on conventional and specialty TV channels. A mathematician was hired to translate into mathematical language the parameters that make up television ads, like luminance, for example. Then a team of computer specialists coded these parameters to come up with the ground-breaking concept of AdDNA – that is, the unique digital signal that each TV spot sends out over the airwaves.

This exclusive, patented technology was the basis for developing Eloda's Advertising Intelligence suite, which includes:

- Daily Occurrence Monitoring – the detailed reporting of the advertiser's actual ad occurrences in target markets;

- Verification Against Media Plan – the match-up verification of actual occurrences against the media buy plan of the advertiser;
- Verification Against Affidavit – the match-up verification of actual occurrences against broadcaster affidavits;
- Competitor Monitoring – the reporting of the advertiser’s competitors’ ad occurrences in all target markets.

“The beauty of our system is that it requires no pre-encoding of the TV spots and is therefore totally independent of human input,” says Creary. “We are able to scan TV channels 24/7 and recognize the DNA, or digital signature, of each ad and capture each of its occurrences.”

Eloda’s verification service provides advertisers with user-friendly occurrence reports along with a time-stamped visual proof of the actual performance or non-performance of an ad. That way, if there are any discrepancies between Eloda’s occurrence report and the broadcaster’s invoice, the client is able, with proof in hand, to claim a refund or a “make-good.” For an advertiser spending large sums on TV placement, potential savings can be significant.

As for advertising and media buying agencies, part of their job is to make sure that their clients’ campaigns are performed according to the media plan. In the past, their ability to certify ad occurrences was limited by the fact that the broadcaster’s affidavits may not be 100 percent accurate against actual occurrences. Integrating new technologies such as Eloda’s will help improve their service offerings to the benefit of their clients.

As well, the service can help organizations (including government) comply with increasingly stringent governance and reporting requirements. “Our reports are accurate, and we have no relationships with advertising industry players, making us a reliable, impartial third-party,” explains Tom Creary.

Generally speaking, the response of the industry has been very positive. Currently, Eloda’s system monitors 60 TV channels in Canada, with coverage to include 112 stations by this fall. Plans are underway to introduce their monitoring and verification services to the US market before the end of the year. ~~~

<sup>1</sup>Consulting and Audit Canada, “Média/I.D.A. Vision Inc., Agency of Record (AOR), Audit Findings,” November 2003.

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