

Industry Consultation on Origin Funding Model

**Fractional Advertiser Contribution:
Quantum, Timing and Collection Mechanic**

16th January 2023

1. Introduction

Between March 28th and May 20th 2022, ISBA conducted an industry-wide consultation regarding a proposal to part-fund the nascent Origin cross-media measurement service via a voluntary fractional advertiser contribution model. This model seeks to apply a small percentage to advertiser gross media expenditure in the media channels measured by Origin.

The consultation sought specifically to gauge opinion regarding the principle of this fractional contribution more broadly across the advertiser community and beyond – there being already widespread support from the Origin stakeholder base and wider ecosystem for an opt-out, paid-on-invoice contribution to part-fund the service (specifically, the fractional contribution is intended to fund the Core Reporting service i.e., de-duplicated reach and frequency cross media measurement metrics)¹.

The results of the first consultation indicated considerable support by advertisers and many organisations across the industry for the fractional advertiser contribution model. ISBA answered all questions and concerns raised during the consultation and the weight of positive feedback was sufficient to convince ISBA that further work to finesse the proposals around the fractional contribution model was merited².

This consultation seeks to do that.

Specifically, it seeks to gain clarity on a number of questions regarding the quantum of the contribution level, potential capping of the contribution level dependent on spend, the proposed start date for the collection of the contribution and the collection mechanic to be employed.

¹ The initial ISBA consultation paper can be found [here](#)

² The report published on the first ISBA consultation paper can be found [here](#)

2. Origin explained

a. 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 system³.

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 World Federation of Advertisers (WFA). The programme will see a live service delivering a Minimum Viable Product (MVP) cross-media measurement for the industry in mid-2024.

b. Funding stakeholders

Brand Owners: The programme is funded and will be supported in 2023 by more than 170 leading UK advertisers – including 25 founding members who have been Origin stakeholders since the programme's inception in 2019⁴.

Agencies: GroupM, Omnicom, Publicis, Dentsu, IPG and The Kite Factory (together representing >80% of UK media billings through all media agencies)

Media Owners/Platforms: Google, Meta, TikTok, Amazon, The Ozone Project, The Trade Desk, Professional Publishers Association (PPA), Bauer Media 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 and there are ongoing discussions with other interested parties currently. Origin is, therefore, hopeful that the above stakeholder list will be augmented in 2023.

c. Origin programme progress

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, Origin commenced panel recruitment and installation with c. 550 homes installed out of the 2,500 panel homes planned and has

³ More detail regarding Origin is included at the end of this document

⁴ Founding stakeholder advertisers include: Argos, Barclays, British Gas, BT, Camelot, Confused.com, Diageo, Direct Line, Dreams, Haleon, J+J, Just Eat, Kellogg's, Lloyds, L'Oréal, Mars, Moneysupermarket, NatWest, P&G, PepsiCo, Sainsbury's, Specsavers, Tesco, Unilever, VMO2, Vodafone. From 2023, the whole of the ISBA membership base (c. 170 advertisers) will join as stakeholders through a one-off contribution ratified by the ISBA Council in December 2022.

made considerable progress in building out its technical infrastructure culminating in a live prototype demonstration to stakeholders in December 2022.

In 2023 real data will be surfaced from the Origin platform as the programme enters its trial launch phase. This will begin in January 2023 with Early Integration Tests (EIT) to ensure that the platform 'pipework' is operating as expected. Closely followed by Alpha and Beta trial launches – 5 major advertisers (BT, L'Oréal, Pepsico, P&G, Unilever) and linear TV, digital video and digital display will be used in the Alpha trial. This will be expanded to incorporate more advertisers and media owners for the Beta launch in Q2 2023 and the final Pilot trial in H1 2024 before the MVP launch at the beginning of Q3 2024.

d. 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, 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.

3. Origin Funding

a. Current funding model

To date, the development of Origin has been funded by its stakeholders. The support 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 has seen an increasing number of stakeholders come on board to commit funds and guidance to the programme.

b. Proposed funding model

Across 2022, the commercial model for Origin has been finessed and a 5-year commercial plan has been produced and presented to stakeholders. As part of this 5-year plan, Origin has developed a commercial model for the in-life service post MVP launch. The guiding ambition is to make Origin as low-cost and accessible to end users as possible.

The in-life model encompasses five broad revenue streams:

- (i) Membership fees (split 40% advertisers, 40% media owners and 20% agencies).
- (ii) Data fees paid by third party organisations wishing to access data from the Origin platform.
- (iii) Advanced reporting and planning fees to gain access to the more granular reporting as referenced earlier and to access the planning functionality of the Origin platform.
- (iv) Advertiser fractional contribution for core reporting
- (v) Measurement of platforms and publishers who are paying for campaign reporting by Origin.

The ambition is to transition the funding model from majority sell-side funding to majority buy-side funding. In-life we expect buy-side funding to be c. 60% of the total revenue.

A key element of this will be point (iv) above – the advertiser fractional contribution.

This fractional contribution approach is 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 and with the intention that no individual entity pays more than the data is worth to them. The proposed contribution 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 similar mechanisms (e.g. ASBOF) over the long term to meet the costs of industry-wide initiatives.

- **Efficiency:** Collection at point of invoice to the advertiser is proven and established as an efficient method. 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. Advertising Standards Board Of Finance ASBOF), to ensure smooth and seamless payment of levies
- **Ease:** Charging via an opt-out, paid-on-invoice with a universal, convenient process would create a simple, friction-free mechanic for advertisers and an expedient, low-cost means of collection for Origin.

4. Consultation

The first consultation confirmed that the advertiser fractional contribution model would become part of the funding model as outlined above and that it would be utilised both during the latter development stages of the Origin platform and in-life.

a. Consultation process

In early 2023, ISBA is conducting a 4-week industry-wide consultation of UK advertisers to seek their feedback/ratification on the specifics of the fractional advertiser contribution model as a means for charging for the Core Reporting service of the Origin platform. 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 formal launch of the consultation will be on **Monday 16th January 2023** and the closing date is **Friday 10th February 2023**.

b. The questions/proposals we are seeking to gain clarity on:

(i) How much should the advertiser fractional contribution be?

Initial planning assumptions were based on a figure of 0.1% of gross media spend for those channels⁵ measured by the Origin platform. This figure was surfaced in the first consultation and has been built into the 5-year commercial plan. So an advertiser with a gross media spend in the appropriate channels of £50m, for example, would make a contribution of £50,000.

The inbound assumption is that the 0.1% figure is agreed – there was no pushback on the level surfaced from the first consultation.

The 0.1% figure is consistent with the amount levied by ASBOF and, perhaps, most importantly, represents a small amount of investment for the single-source measurement and reporting of deduplicated cross-media reach and frequency data.

Such data is not available in the market and is an increasingly important requirement from the brand owner community as they seek to make their advertising investment more effective and efficient.

⁵ For clarity, the assumption being made here is that the fractional contribution will be applied to all channels in the category being utilised by the advertiser and not just those being measured by the Origin platform at that point in time – so all forms of digital display and video. For example, if YouTube video advertising (measured by Origin at that point) was being used along with other video display advertising channels (not being measured by Origin at that point), the advertiser fractional contribution would be applied to all spend.

(ii) What is the most appropriate collection mechanic?

The proposed mechanic for collection is an opt-out charge on advertiser invoices for in-scope media channels. For those advertisers using media agencies, this would be collected by the addition of the contribution to the invoice in the same way as the ASBOF levy is added currently. Initial conversations with agencies indicate that this would be accommodated by agency finance departments.

(iii) Should the contribution be capped for advertisers?

As indicated above, the fractional contribution model is progressive in that larger advertisers have greater financial resources, greater measurement needs and proportionally, therefore, enjoy greater absolute benefits in terms of effectiveness and efficiency delivered by the Origin platform.

Capping of total contribution could be considered but after discussion with a number of organisations in the industry, it is clear that such a system would be extremely difficult (if not impossible) to administer. Agency finance departments would need to alter invoices once a spend-trigger point is achieved. This would add more time, cost and further administrative burden and would be prone to error.

The situation would be exacerbated for those advertisers that use more than one agency. The responsibility would then fall on advertisers to take control of spend monitoring across their portfolio and issue invoice instructions to agencies accordingly. It is envisaged that there would be little desire to assume this role, it would be extremely difficult to co-ordinate accurately and would add undue cost to advertisers that would likely outweigh any financial benefits of a cap.

The proposal is simple – no capping mechanism should be applied to the fractional advertiser contribution.

(iv) What is the start date for the contribution to be collected?

The first consultation and further discussions across ISBA membership has confirmed that collection of the fractional contribution during the Origin development stage is appropriate, that it will make a significant financial contribution during this phase and that it will signal the importance of the Origin initiative to the wider industry both in the UK and globally.

The recommendation is to begin collection of the fractional advertiser contribution through the agency invoice mechanic from **1st July 2023**.

This consultation seeks comments from advertisers and the wider industry on all the points above.

Please address your response to Phil Smith, Director General ISBA at PhilS@isba.org.uk

5. Further information

To learn more about Origin, please refer to www.originmediameasurement.com

6. 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 deduplicated 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 process by RSMB, an independent media measurement specialist. The Origin Proof of Concept (POC) was ratified by them at the end of 2021.

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 partners (including Accenture and Kantar), a centralised global engineering resource (Halo) 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 advertiser fractional-contributed calculated at 0.1% of gross media spend 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 Q3 2024.

Where can I learn more about Origin?

More details about Origin can be found here:

<https://www.isba.org.uk/media/1300>

and/or email:

Origin CEO, Tom George TomG@isba.org.uk

Origin Product Lead, Martin Lawson MartinL@isba.org.uk

Origin Research Lead, Joe Lewis JoeL@isba.org.uk