

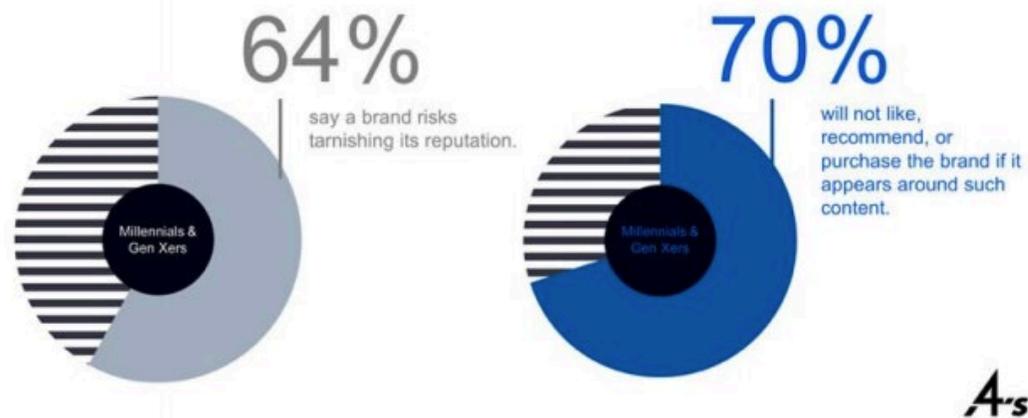


Brand Safety—What is the Real Risk to Brands?

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Advertising has always been part of the [cultural zeitgeist](#). But today, brands must *always* be aware of social issues. This is due to the breakneck speed at which social media and online platforms move. The cost of ignorance can be swift and severe. Negative brand adjacency doesn't just damage a brand's reputation. It can have a direct impact on its bottom line as well.

When ads appear next to offensive, hateful, or derogatory content:

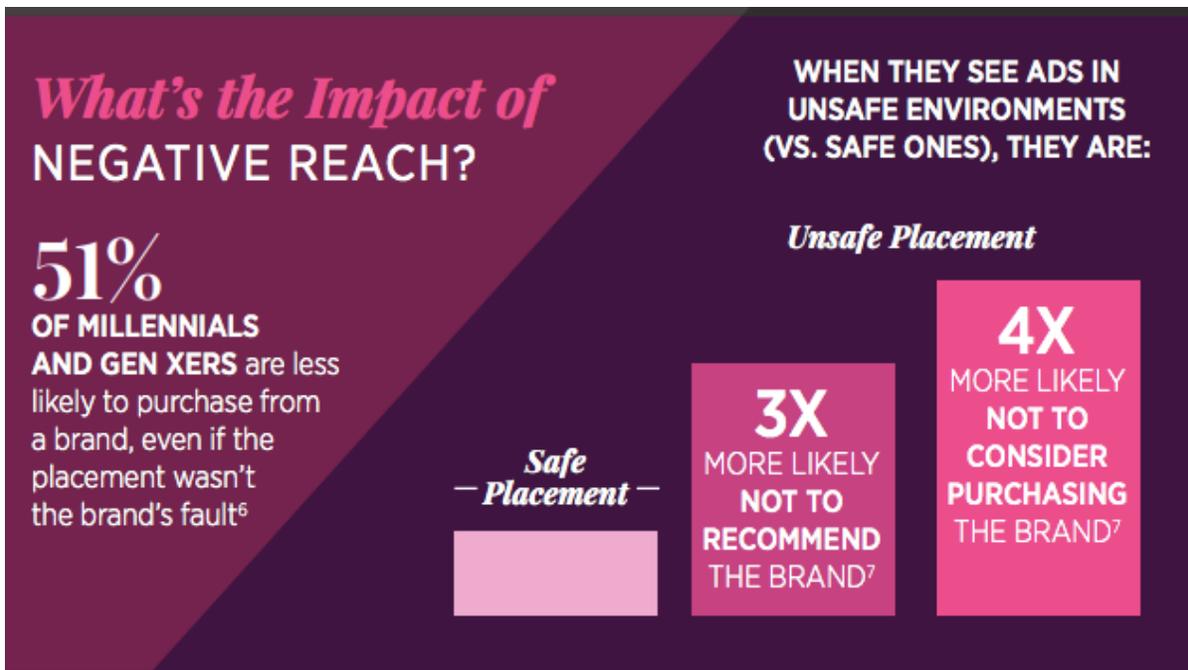


Millennials and Gen Xers

A 2017 study sheds light on this. It was commissioned by the 4As and conducted by the Wharton School's Future of Advertising Program and Omnicom's Hearts & Science. It examined the effect uncertain brand safety had on Millennials and Gen Xers. 1,500 consumers ages 22-45 from the US and Canada participated.

64 percent of Millennials and Gen Xers said a brand was at risk of hurting its reputation, if their ad appeared next to hateful, derogatory, or offensive content. 70 percent said they would not recommend or purchase a brand if it appeared near such content (Pagliuca, 2017; Hearts & Science, 2017; Precourt, 2018; Schiff, 2017).

Compounding the issue is the fact that consumers in these demographics aren't sure how ad placement works. 1 in 3 Millennials and Gen Xers were unsure if a brand was responsible for the unsafe content, or even if the brand knew where its ad was placed. Even so, 51 percent of Millennials and Gen Xers were less likely to purchase from such a brand, whether it was the brands fault or no. This isn't the only survey to uncover such findings.



(Hearts & Science, 2017)

Consumers Return to Trusted Media Providers

A 2017 CMO Council Survey found similar results. Here, 2,000 adult consumers from the US, Canada, and the UK participated. They found that 48 percent of consumers would abandon a brand even if they loved it, if the brand's ad ran alongside online content they found objectionable. 88 percent reported a negative association would cause them to reconsider a brand and whether they'd purchase something from them.

While the second largest volume of ad messages consumers encounter are from social media (the first is from television), they distrust social media platform content. Consumers ranked social media last, behind their five most trusted channels. Friends, TV, search engines, and newspapers were considered more trustworthy sources.

Surprisingly, most participants responded differently to the same ad, shown in a different context. 63 percent admitted they'd respond more positively to an ad run on a trusted media channel than elsewhere. 60 percent said they are purposely consuming content from well-known, established, and trusted news sources and media channels, in order to escape objectionable content. (CMO Council, 2017; Kirkpatrick, 2017).

In 2018, Israeli cybersecurity firm CHEQ, in association with Magna & IPG Media Lab and BMW, conducted a study quantifying unsafe ad exposure on consumer brand perceptions. Consumers tended to assume that ad placement was intentional. When they viewed an ad next to unsafe content, they believed at best, the brand wasn't smart. At worst, they considered the brand manipulative.

Mostly, consumers believed ad placement meant an endorsement or that the brand was taking up a position. As a result, consumers' perception of the brand declined significantly across key metrics—if placed next to an unsafe ad. This included purchase intent. Consequently, consumers were 2.8X less willing to associate with the brand. Purchase intent decreased 2X. They were also 3X more likely to feel the brand was not "in the know," and 4.5X more likely to feel the brand did not care about them.

Additional findings: Content that clashes with the brand or vertical causes damage, even when that content is thought safe:

- 19% decline in brand quality perception
- 19% decline in brand reputation
- 21% decline in "brand is in the know"
- 22% decline in brand trustworthiness
- 18% decline in "cares about its customers"
- 21% decline in willingness to associate

When unsafe content directly clashed with the brand or vertical, consumers' brand quality perception decreased 7X. They were also 0.5X less likely to recommend the brand. The limitations of the study were that it only tested two verticals - Hulu and BMW (Cheq, Magna, & IPG Media Lab, 2018).

More Research is Required

A 2018 lab experiment muddies the waters on this issue. It tested the effects of program quality and content on pre-roll ads. Particularly, it focused on violent, sexual or extremist content. The study found that program content had no effect on pre-roll ad effectiveness. (Bellman, Abdelmoety, Murphy, Arismendez, and Varan 2018).

Further, there was no brand safety effect on the brand's reputation, measured by brand attitude. The results suggest that content viewed after a pre-roll ad does not interfere with processing that ad, even if the content is controversial. This contrasts with mid-roll advertising research. (Bushman and Bonacci, 2002; Bushman, 2005). As a result, it can be surmised that program content can have forward spillover effects on ads that follow content, but not those viewed before content. Still, more research is required to confirm these results.

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