MRC AND CMAC UPDATE ON MIAOZHEN SYSTEMS

Audit of Miaozhen’s Measurement Remains Ongoing, New Progress Reported In Its Efforts to Achieve MRC Accreditation

New York, Beijing – April 28, 2021: The Media Rating Council (MRC) and the China Media Assessment Council (CMAC, an independent working unit within the China Advertising Association), today announced an update on Miaozhen Systems’ application for MRC accreditation. Miaozhen entered the MRC process in 2017, seeking accreditation of its Digital Audience and other related metrics in Desktop, Mobile Web and Mobile In-application environments, inclusive of Sophisticated Invalid Traffic (SIVT) filtration.

As was previously noted in an update issued in May 2020, the MRC and CMAC held several Audit Committee meetings in 2018 and 2019 to review the status of the Miaozhen audit as well as Miaozhen’s efforts to address audit issues, after which the Audit Committees decided to approach their considerations in two separate and distinct phases, defined as: Phase 1, to consist of Miaozhen’s measurement of Served and Viewable Impressions filtered by General Invalid Traffic; and Phase 2, to include Miaozhen’s Digital Audience measurement.

MRC and CMAC are pleased to report Miaozhen has made additional progress since May of last year. The following summary presents an update on Miaozhen’s progress for each of these phases:

Phase 1: Impressions Measurement

At Committee meetings in October and December 2020, it was demonstrated that Miaozhen has remediated nearly all prior open items related to Mobile In-App Served Impression measurement, and that its use of the Universal Measurement SDK (UM SDK, previously known as MMA China SDK v2.1.0+) integration was effective, adoption of the UM SDK has occurred, and this adoption is expected to grow in the future. Miaozhen’s integration with the UM SDK has enabled compliant measurement of Display and Video Impressions specific to the In-App environment, meaning that these metrics, as reported by Miaozhen through their User Interface (UI), were determined to be materially compliant with MRC Standards and Guidelines. While not yet accredited by MRC, the Committees acknowledge this as a significant step for Miaozhen, and represents an important milestone in Miaozhen’s progress towards accreditation.

1 The UM SDK was launched jointly by CAA’s Digital Association Tech Lab (CDA Tech Lab) and MMA China to enable digital ad tracking functions in the Mobile In-App environment. The UM SDK supports tracking of Impressions and Viewable Impressions in this environment, as well as provides signals to support the identification of Invalid Traffic (IVT). Publishers that integrate with the UM SDK facilitate the above tracking functions to third-party measurement vendors.
Related to Miaozhen’s Viewability measurement, the audit noted significant progress towards MRC Standards compliance as well, but because Viewability has yet to be widely adopted by Miaozhen’s clients, further testing will be necessary at a still to be determined future point in time to fully validate its viewable impression measurement capabilities in a live production environment.

Finally, as it relates to this audit phase, the Committees found Miaozhen’s display ad impression measurement in desktop and mobile web environments to be materially aligned with MRC Standards requirements, but only in those instances when JavaScript (JS) tagging is employed. However, because of the China publisher market’s current vast reliance on pixel-based approaches to display ad tracking (in contrast to JavaScript-based approaches), which does not allow for compliance with the MRC’s “Begin to Render” requirements for counting served ad impressions, the Committees concluded that the current prevalence of pixel tagging in the China market will make it impossible to accredit Miaozhen at present for display ad impression measurement in desktop and mobile web. MRC and CMAC continue to encourage Miaozhen to promote the adoption of JS, and believe the more widespread use of JS in China could lead to Miaozhen’s compliance with MRC’s Standards in this area at a future date.

Phase 2: Digital Audience Measurement

Auditing of Miaozhen’s Digital Audience metrics will move forward now that most of the Phase I auditing has reached a conclusion. Miaozhen, MRC and CMAC held discussions in early 2021 to define the precise timeline for this next phase, which is expected to begin in July 2021.

Miaozhen’s integration with the UM SDK can also be expected to bring significant measurement enhancements in the Mobile In-application environment for Miaozhen’s audience measurement as well, and MRC and CMAC believe this integration will represent the most feasible path for achieving significant compliance in these areas, and for enabling a path for Miaozhen to achieve accreditation in the future.

Conclusion

MRC and CMAC recognize the progress Miaozhen has made in the In-App Served Impression measurement area, and have been able to validate that these metrics are currently materially compliant with MRC Standards and Guidelines. Miaozhen’s focus on environments where the UM SDK can be used can lead to additional progress, and ultimately can potentially lead to accreditation for In-App measurement once Miaozhen is able to resolve certain remaining open audit issues in the Digital Audience.