

**HEARING BEFORE
THE UNITED STATES HOUSE OF REPRESENTATIVES
JUDICIARY COMMITTEE**

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**Testimony of Christian Juhl
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I. Introduction

Chairman Jordan, Ranking Member Nadler, and members of the Committee, thank you for the opportunity to appear before you today. My name is Christian Juhl, and I am the Global Chief Executive Officer of GroupM.

GroupM is a media-investment company. The advertising industry is divided into two groups: one that creates the ads, and one that buys the space where the ad lives. GroupM is in the second category. We buy ad space across all channels, including television, digital, social, print, and outdoor, among others. Each ad placement is intended to return value to our clients through improving brand awareness and reputation among consumers. That is why we describe it as media investment.

We work with advertisers to connect their brands with their intended audiences. Brands tell us the message they want to share and the audience they want to target. Our core expertise is understanding those audiences and the brands that want to connect with them. For example, if a company wanted to introduce a new pickup truck to the U.S. market, we would work to understand the potential audiences and the aspects of the product the company wants to convey. We would then advise on which media environments would be best suited for the product and buy ad space in those channels on the company's behalf. Our work helps brands connect their message with their target consumers at the right time to drive sales and maximize marketing effectiveness.

II. Advertising & Brand Suitability

Collectively, brands invest billions of dollars each year in advertising to shape how they are perceived. These advertisements in turn result in better awareness among consumers, stimulating purchasing and generating economic activity that might not have otherwise occurred. Effective advertising is a powerful catalyst for the U.S. economy. According to a 2021 study by The Advertising Coalition and IHS Markit, advertising generated \$7.1 trillion in sales activity and supported 28.5 million U.S. jobs.¹

Thanks to technology and the investments publishers and platforms have made in their advertising products, advertising today is much more of a science than it used to be. But this new reality comes with certain risks. Those risks can be financial or opportunity risks—like too much or too little advertising bought in the wrong place for a campaign to be effective—and they

¹ IHS Markit, *The Economic Impact of Advertising on the US Economy 2018 – 2026* (Nov. 2021).

can be reputational—like advertising the wrong message to the wrong person or appearing out-of-step or insensitive to an important audience.

One of marketers' biggest fears is that years, sometimes even generations, of reputation could evaporate overnight as a consequence of bad ad placement. Such scenarios can erase both brand and business value in hours. Companies spending many millions of dollars on their advertising do not want to risk their brand on a strategy that could backfire on their reputation and business value.

In 2017, news outlets reported that some of the world's biggest companies' advertisements were unwittingly being placed next to content as extreme as propaganda for ISIS. Unsurprisingly, concern from consumers and clients was significant. Brands also had to contend with reports of Russian troll farms working to disrupt presidential elections. And, most recently, brands had to develop advertising strategies in the context of a pandemic that divided Americans. In response to these issues and broader consumer sentiment, advertisers have placed a growing emphasis on brand suitability and accountability. Brands consistently inform us that they do not want to advertise next to hot button or divisive content. They want reliable environments.

“Brand suitability” is the desire by marketers to protect their brands' value by ensuring their ads are not placed adjacent to content that could negatively affect their reputations. Brand suitability is particular to each individual brand. For example, environments deemed unsuitable by a confectionary brand may be deemed suitable by an alcohol, tobacco, or gambling brand. But all brands generally agree they do not want to appear next to illegal or dangerous content, such as intellectual property infringement, child exploitation, or promotion of narcotics. Beyond that, many brands also seek to avoid placement of their content and advertisements near subject matter that, while not illegal, does not align with their positioning or target markets. For example, a children's clothing company may not want its back-to-school ad appearing on a website that features adult content. Similarly, a classic American cereal company may not want its ad placed on a website that advocates skipping breakfast. Preventing these circumstances is what brand suitability is all about.

As part of brands' increasing focus on brand suitability, many wanted to better understand how platforms and publishers were going about identifying, prohibiting, and removing harmful content. What they found was that every platform took a different and idiosyncratic approach, to the extent it invested much in the effort at all. Definitions of “harmful content” also varied by platform, further hampering advertisers' ability to make informed decisions about where advertisements could be placed safely. Without consistent standards and methodologies, companies were concerned that their ads would continue appearing adjacent to content that they viewed as unsuitable.

We believed that consistent standards and methodologies were needed to help our clients connect with consumers. Only when brands and platforms operate with a common and understandable vocabulary can they make informed decisions in line with the company's own direction, risk tolerance, and preferences. That is why we, along with a number of other organizations, came together to establish the Global Alliance for Responsible Media, or GARM. GARM developed standard definitions of content that brands might consider unsuitable so that advertisers and publishers could speak a common language about how to delineate different risk levels

associated with sensitive content. Adoption of GARM's definitions is and always has been voluntary. Some companies may choose to adopt one or more of GARM's brand safety definitions, as we have; others may choose not to adopt any. That is their right.

III. GroupM's Approach to Brand Suitability

GroupM works to place our clients' ads on media pursuant to their goals, preferences, and target audiences, and we continually engage with our clients to understand their particular risk tolerance levels. These risk tolerances shift due to our clients' own business conditions and how they view the current political and social environments. Clients shift priorities very quickly and it is our job to execute their strategy with speed and precision. We always follow our client brand's ad placement wishes.

GroupM has built brand suitability controls into its advertising process to make it easier for the brands with which we work to manage their brand suitability profile. We use information provided by our client brands to recommend the media buying methods, baseline controls, and verification technology designed to accommodate different brand sensitivities. Once agreed by the brand, GroupM buying units or media agency teams can implement measures that reflect each brand's agreed specific brand safety terms.

To achieve brands' directives on ad placement, we leverage the GARM definitions to provide our clients with a consistent, reliable framework through which they can apply their own risk tolerances. In agreeing to an annual brand strategy or an individual campaign strategy, brands indicate the audiences they wish to reach. For example, clients can specify that GroupM should purchase placements on sites geared towards men over a certain age, in certain geographic areas of the country. Brands can also contractually require GroupM to not place content on websites or applications containing certain content categories.

GroupM does not police content or have any control over publishers. It is up to each publisher to decide what policies to implement, what content to moderate, and what information to publish. For our part, we leverage independent third parties to identify domains containing content that falls into the GARM definitions and any additional categories that our clients routinely deem unsuitable. Most of these limitations are related to illegal content—in fact, over 94 percent of websites in our most restrictive ad-placement category are there because they engage in IP infringement.

We partner with multiple third-party providers, each of which has a specialty in identifying specific types of content. Generally, the third parties we work with hire individuals with backgrounds in engineering, information technology, media, and the law, among other areas. Because new technologies, like generative AI, make it easy for bad actors to quickly create fake websites designed to siphon advertising spend away from legitimate publishers, the third parties we work with leverage cutting-edge technology to continuously evaluate websites for indications of illegality, fraud, or other issues. They also evaluate other factors, such as the resources a site invests in fact-checking, how a site enforces policies and procedures, and the degree to which each site has editorial independence. No site is judged on the basis of a single piece of content. Rather, our third-party partners are looking for trends and patterns over time. Further, these partners continually monitor sites to look for any changes in patterns and recategorize sites when

appropriate. At the end of the day, we rely on their due diligence. GroupM is not the arbiter of how to categorize particular websites; nor do we want to become the arbiter.

This Committee has expressed an interest in advertising on certain news platforms. We appreciate the importance of funding news organizations through advertising and have taken steps to make advertising in news environments, including local news environments, more appealing to advertisers. Historically, press was the main advertising driver. Today, however, trust in news sites is at a low point, and brands now generally disfavor advertising on news and politics websites. Less than 5 percent of our overall client advertising investments are allocated to news—which is consistent across the industry. And only 1.28 percent of our clients' ad spending is on *online* news sites. This is not only because brands prefer to avoid advertising alongside content related to war, scandal, and political division; it is also because they do not need to risk advertising in those environments to reach their total audience and because alternatives to news—such as sports and entertainment—generally provide better measurement, formats, and capabilities. That is not a left or right or GroupM preference, it's an apolitical, industry-wide preference.

IV. Conclusion

GroupM has no interest in impinging on anyone's right to speak or publish their points of view. One of the most exciting developments in technology in recent years has been the ease with which it is now possible for individuals and small companies to build content-based businesses and audiences using the web and social media.

However, free and robust speech also means that the internet contains controversial content. We believe companies also have the right to choose where they do and don't place their advertisements. It is a legitimate choice for companies to avoid placing advertisements in environments that may produce suboptimal or even negative returns on their investment.

Modern advertising is an incredibly complex business and will always entail an element of risk for advertisers. Just as in other complex industries, it is critical that we have independent measurement and industry-defined standards and frameworks. Widely unacceptable content, including IP-infringing or fraudulent or criminal or terrorist content, must be identified and avoided. Brands do not want to be associated with that content and they certainly do not want to fund it. We all know now how large of an impact one bad ad placement can take on a company's reputation and bottom line, which is why brands—and companies like GroupM that serve them—need tools and transparency to mitigate those risks.

Thank you, and I look forward to answering your questions.