

A photograph of a satellite dish array at sunset. The sky is a gradient of blue and orange. Several large satellite dishes are visible, silhouetted against the bright horizon. The dishes are mounted on tall, dark structures. The overall scene is a high-contrast, low-key image.

Media

Assurance

Solutions



pwc

普华永道

PwC Media Assurance Solutions

Background

The digital ecosystem in Mainland China is highly complex, characterised by low transparency in media advertising operational chains. In recent years, there have been numerous fraud cases reported in various industry sectors within the field of media advertising. These cases have resulted in significant financial losses and reputational risks for media advertisers.

Media advertising fraud cases in recent years

4A media agency – RMB 700+ million in total	A FMCG client – RMB 10 million in total	A financial institution client – RMB 7 million in total
Senior executives of a well-known advertising agency group were involved in commercial bribery with certain media suppliers.	The media manager was reported for engaging in commercial bribery with an outdoor media supplier.	A financial institutional client engaged in commercial bribery with nine advertising agencies, exploiting their authority during the sourcing and renewal of advertising services.
A FMCG client – Undisclosed amount of money	An auto client – Undisclosed amount of money	An Auto Client - Undisclosed amount of money
A senior manager of the Media Procurement Department was identified as having taken advantage of his authority to obtain inappropriate benefits and kickbacks from vendors.	The marketing director was reported for engaging in commercial bribery with a DSP supplier and being involved in money laundering activities through fictitious DSP suppliers.	The Head of the Marketing Department was reported for engaging in commercial bribery with a media supplier.

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Data source: Public information

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What we've seen behind these cases

Due to a lack of compliance requirements for managing media agencies and a dedicated function overseeing the entire advertising process in operational details, media advertisers are facing significant risks.



Overstated cost

The redundant media advertisement ordering channels often result in **overstated purchase costs (unreasonable service fees or purchase price markups)**, which directly infringes the financial interests of media advertisers.



Compliance risk

The entire media advertising chain involves multiple parties, but there is a lack of transparency in the process, which leads to increased **compliance and fraud risks**.



Reputation risk

The exposure of fraud cases usually attracts public attention and can damage the reputations of agencies, downstream suppliers, and **media advertisers**.

PwC Media Assurance Solutions

PwC's **end-to-end solutions** assist media advertisers managing various risks and optimising efficiency

PwC Media Assurance Services

Pitching Management of Media Agencies

- Evaluate media agencies invited to bid.
- Establish and standardise the pitch process.
- Audit the pitching results.

Media Process Optimisation

- Establish a risk mitigation system.
- Automate the placement process.
- Streamline media placement processes and risks.

Real-Time Review of Advertising Placement

- Evaluate the reasonableness of media KPIs settings.
- Conduct transparency audits on agency channels.
- Assess the effectiveness of the media investment.

Media Advertisement Production Review

- Real-time audit of advertising production costs.
- Streamline the advertising production process.

Advertising Strategy Evaluation

- Evaluate advertising strategies.
- Analyse the execution.
- Assess the overall performance of the agency.

Review and Verification of Media Advertisement Monitoring

- Real-time monitoring of advertising placements.
- Review third-party monitoring reports.

Advertisement Performance /Effectiveness Evaluation

- Analyse advertisement placement results.
- Track advertisement placements for cost savings.
- Benchmark advertisement prices in the industry.
- Confirm and review prices and discount rates.
- Establish a media placement dashboard.

Financial Audit for Advertisement

- Compliance of agency contracts.
- Compliance with agency payment cycles.
- Accuracy and compliance of advertisement placements.
- Accuracy and completeness of placement rebates.

KOL Review Assessment

- Evaluate KOL quality and brand fit.
- Compliance and reasonableness assessment of KOL prices.
- Review and assess of KOL performance.

PwC Media Assurance Solutions

Our value to media advertisers

It's recommended for media advertisers to promptly review their internal media advertising management process to identify potential risks and vulnerabilities.

PwC provides end-to-end media assurance solutions, empowered by **PwC's deep-dive media management know-how** and **our proprietary digital toolkits**. We can help media advertisers in developing and strengthening their end-to-end media advertising management processes, thereby optimising the effectiveness and efficiency of their media spending.

Effective cost management

- Enhance the effectiveness of advertising placements.
- Manage the costs of media advertising placements.
- Continuous effective process management and optimisation.
- Optimise purchase strategies.



Effective performance optimisation

- More effective combinations of media advertisement placement.
- Enhance the actual publication rate of advertising.
- Optimise conversion rate.
- Optimise return on investment.



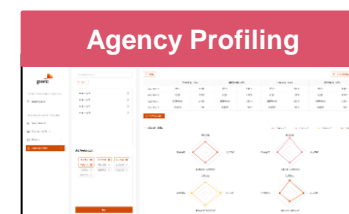
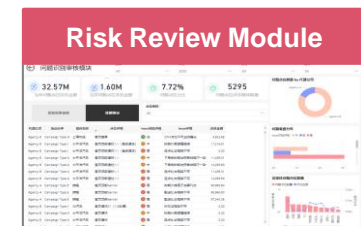
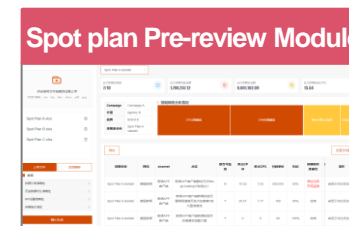
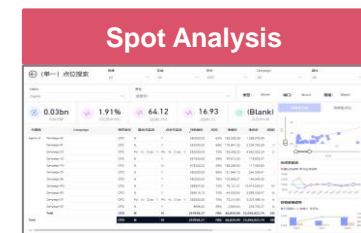
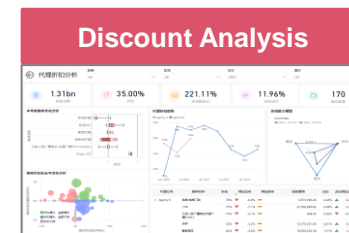
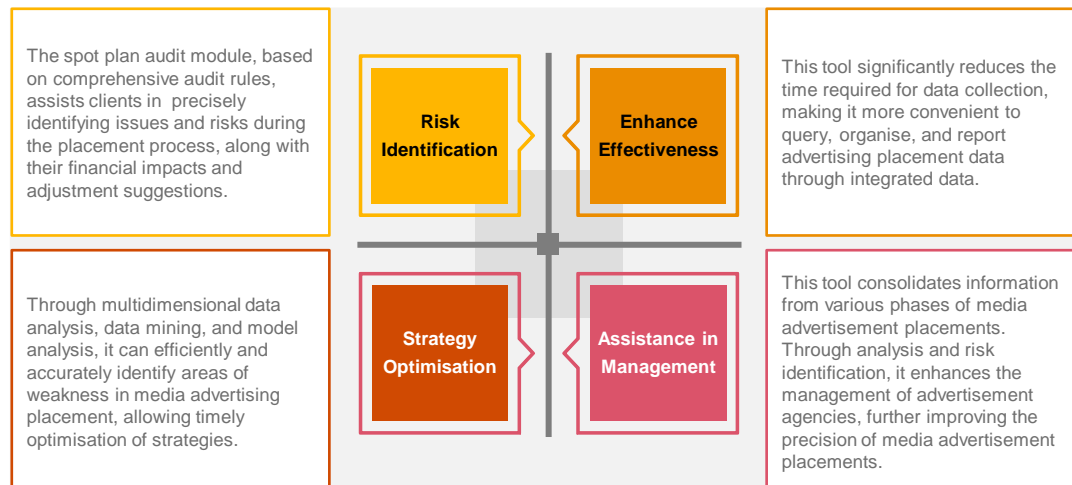
PwC Media Assurance Solutions

PwC's strength: SwaS “Product with a Service”

PwC Media Performance Analytics Platform (MPAP) is PwC's proprietary tool designed for clients in the China market. The tool aims to assist clients in effectively managing media advertising activities.

Highlights of the MPAP:

- Integrated media advertising databank
- Big data analysis to evaluate media advertising performance and ROI
- Rich media advertising risk identification and audit rules
- Visualisation of multi-dimensional analysis scenario
- Automated tools for enhanced management efficiency
- Customisable according to client needs



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<https://www.pwccn.com/en/services/audit-and-assurance/risk-assurance/digital-trust-analytics.html>



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