

Three Truths About Digital Ad Fraud

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ALLIANCE FOR AUDITED MEDIA

MPA 2017 RESEARCH SYMPOSIUM



About the Alliance for Audited Media

Founded by ANA in 1914 as the Audit Bureau of Circulations

Tripartite, industry-owned, not-for-profit

Print audits for 103 years, digital audits for 25 years

Global network through IFABC

World's largest: 155 employees, 2,700 publishers

Focus is minimizing fraud

Setting the Stage: Ad Fraud is a Critical Global Industry Issue

\$6B - \$16B

lost to fraud annually,
U.S. estimate



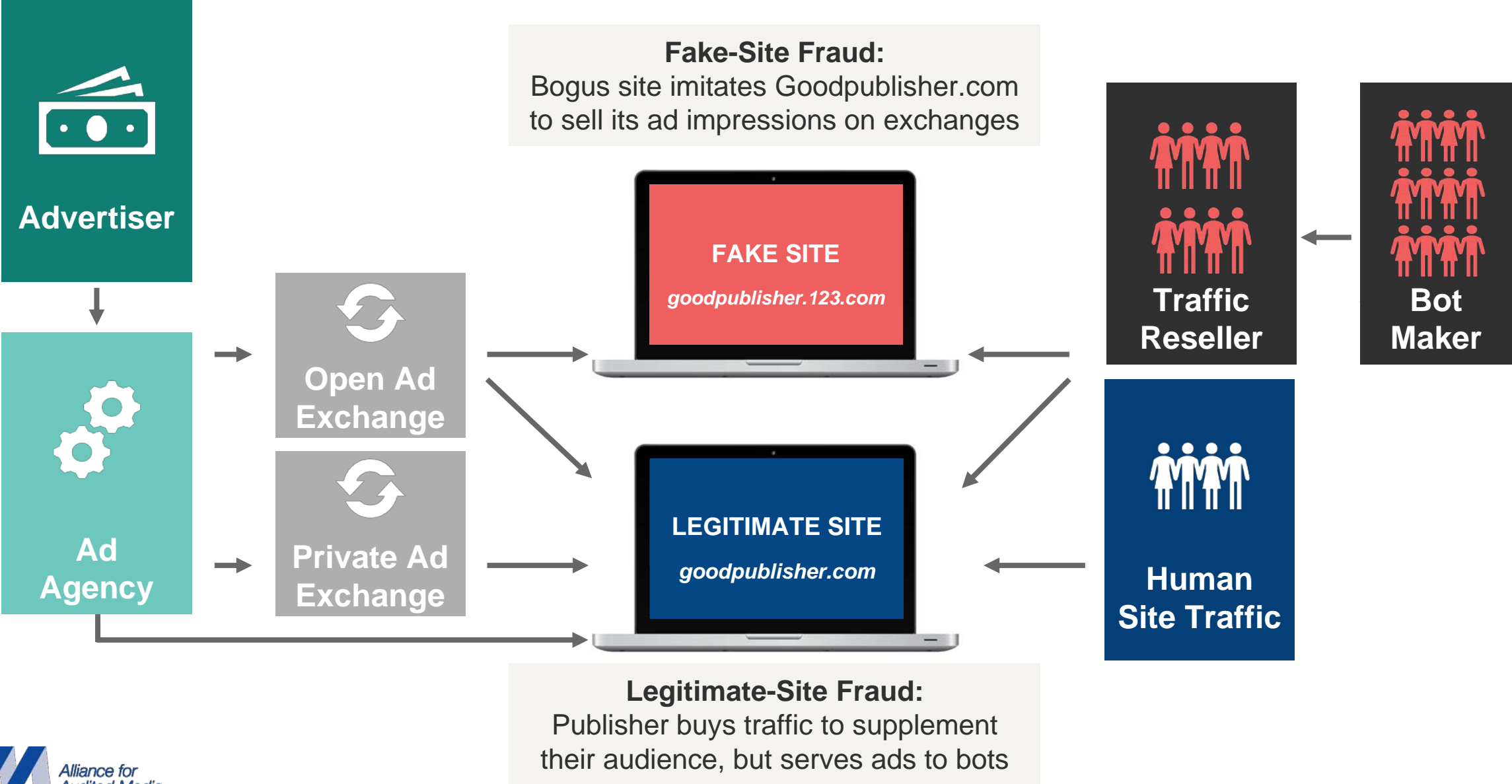
\$15B - \$45B

lost to fraud annually,
global estimate

TRUTH #1:

**Ad Fraud Occurs on
Fake Sites and Legitimate Sites**

TRUTH #1: AD FRAUD OCCURS ON FAKE SITES AND LEGITIMATE SITES



Q: How Does Fraud Occur On **Fake Sites**?

A: Direct Manipulation of Measurement and Reporting

100%

Human Traffic

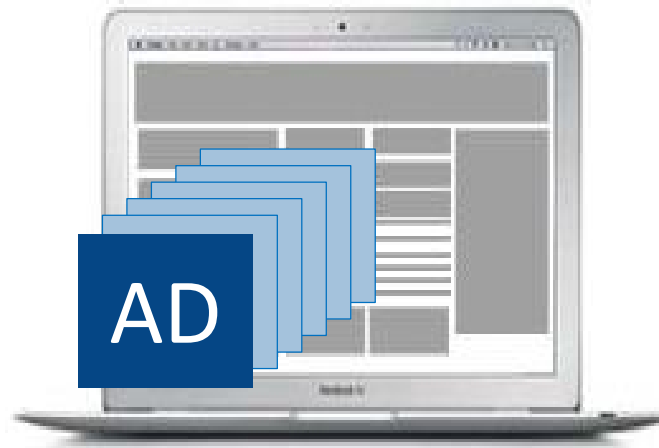
Buy bot traffic guaranteed
to pass fraud filters



100%

Viewability

Stack ads above the fold
to trick detection



Clean

Placement

Pass fake source to trick
reports of placement details

http://www.oly.com/skin-care-products/OlayPro-X?utm_source=elle&utm_medium=display

Q: How Does Ad Fraud Occur on **Legitimate Sites**?

A: Illegitimate Traffic Sourcing

LEGITIMATE MARKETING ACTIVITIES



Social Media



Advertising



Newsletters



Contests

ILLEGITIMATE TRAFFIC SOURCING

IAS – \$0.007-0.012
Forensiq – \$0.006-0.012
Pixalate - \$0.004-0.012
Double Verify - \$0.007-0.01
MOAT - \$0.007-\$0.012

Paying a traffic supplier for a fixed number of visits to a website, often to fulfill a campaign

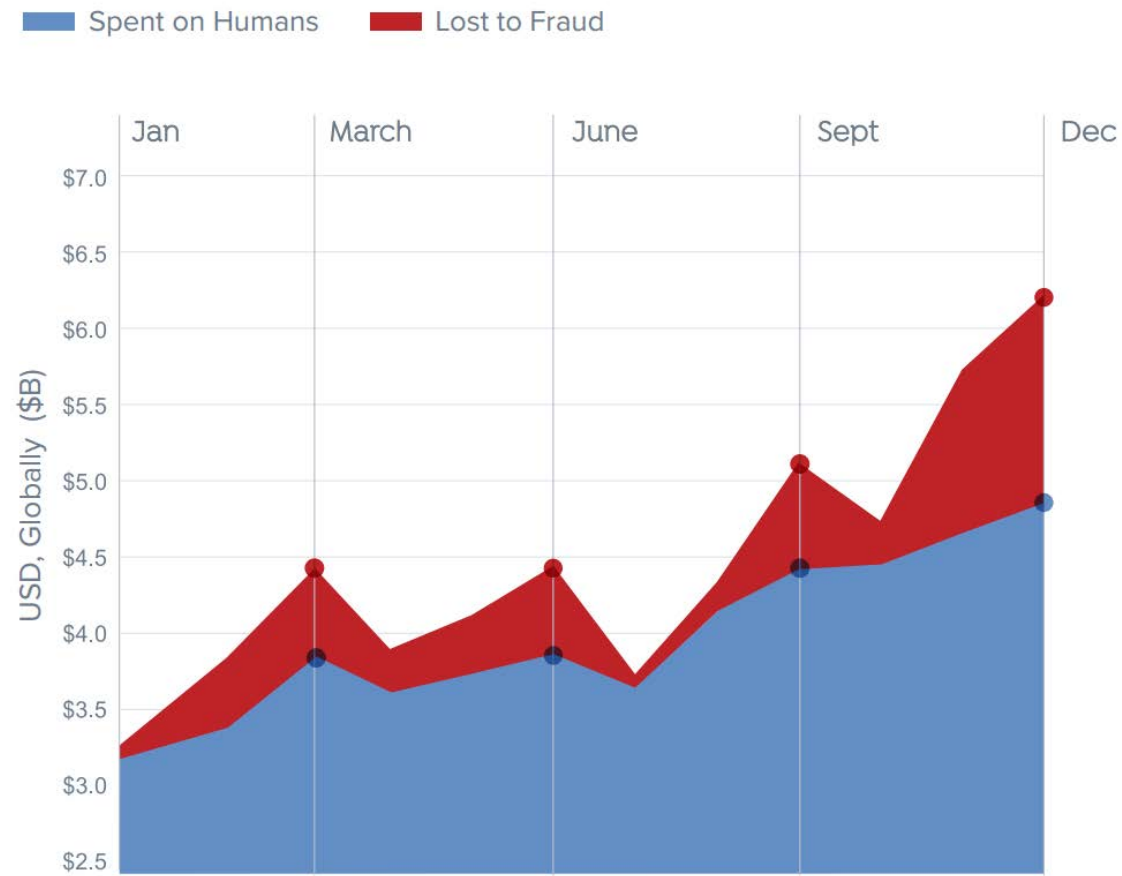
TRUTH #2:

**Illegitimate Traffic Sourcing
is the Main Cause of Fraud**

TRUTH #2: ILLEGITIMATE TRAFFIC SOURCING IS THE MAIN CAUSE OF FRAUD

2017 ANA / WhiteOps Study: “Traffic sourcing is *still* the top way bots make money.”

Monthly Total Ad Spend (\$B)



“Fraud infiltrates the market whenever demand outstrips supply.”

“This is especially prominent at the ends of quarters when publishers rush to fill their orders.”

TRUTH #3:

**Ad Fraud Measurement
Does Not Minimize Ad Fraud**

TRUTH #3: AD FRAUD MEASUREMENT DOES NOT MINIMIZE AD FRAUD

While ad fraud measurement causes additional and necessary friction, there are technical limitations that cause discrepancies

On-page Measurement

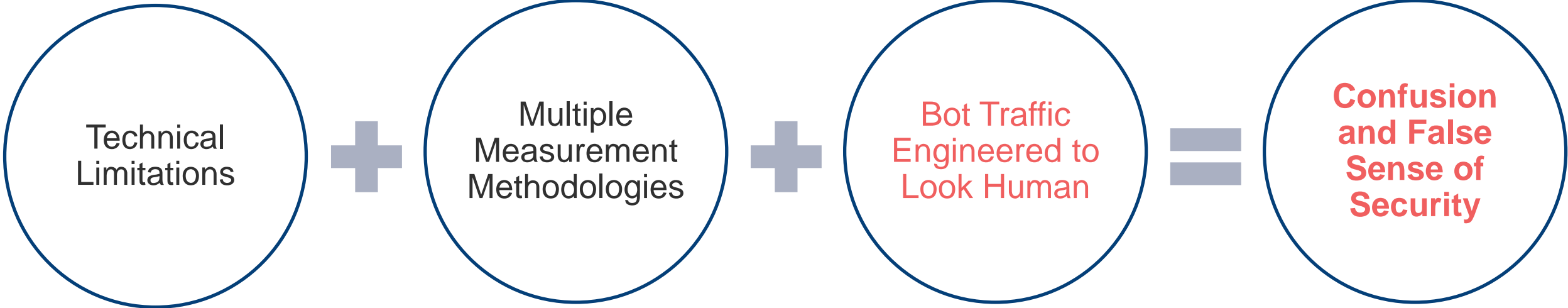
- For publishers
- Assesses sites
- Tag on the page
- Reviews entire page activity



In-ad Measurement

- For media buyers
- Assesses campaigns
- Tag in the ad container
- Reviews served impression

The Fraud Measurement Triple Whammy



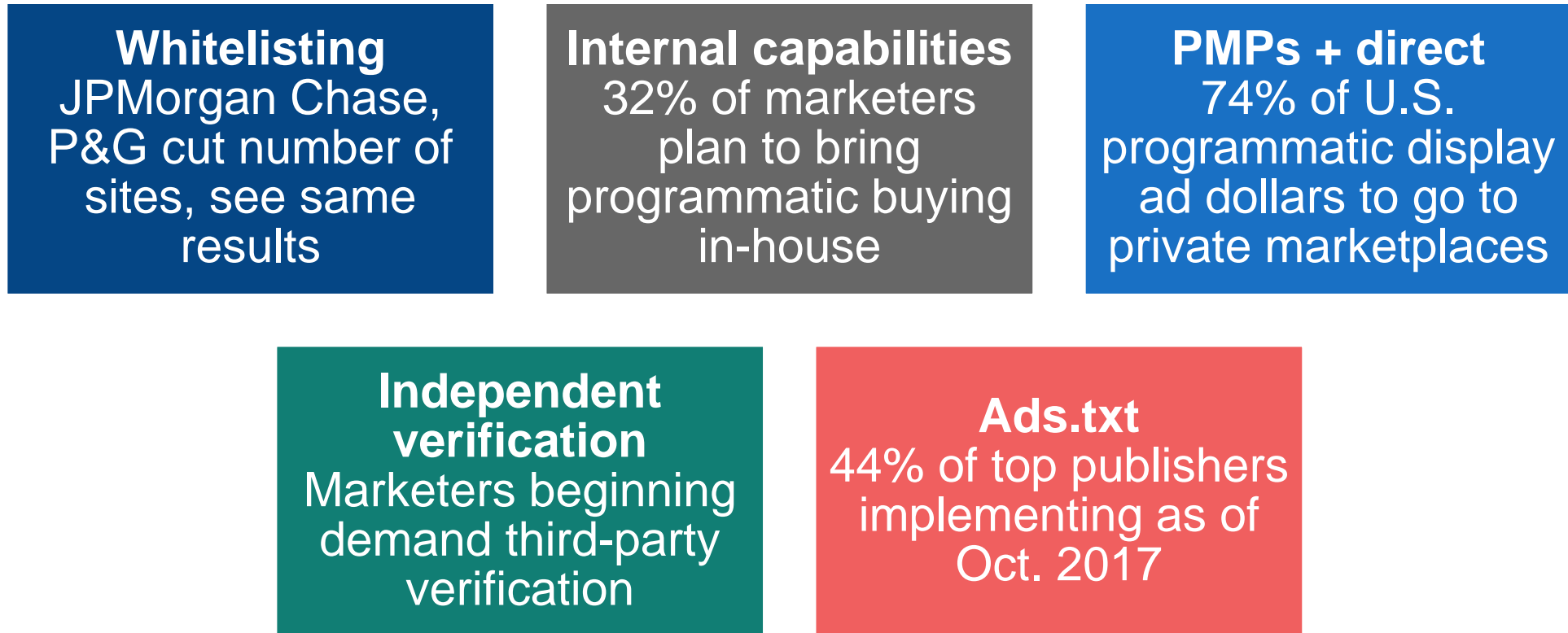
Publishers want full credit for their quality audiences.

Marketers want more assurance.

What can be done?

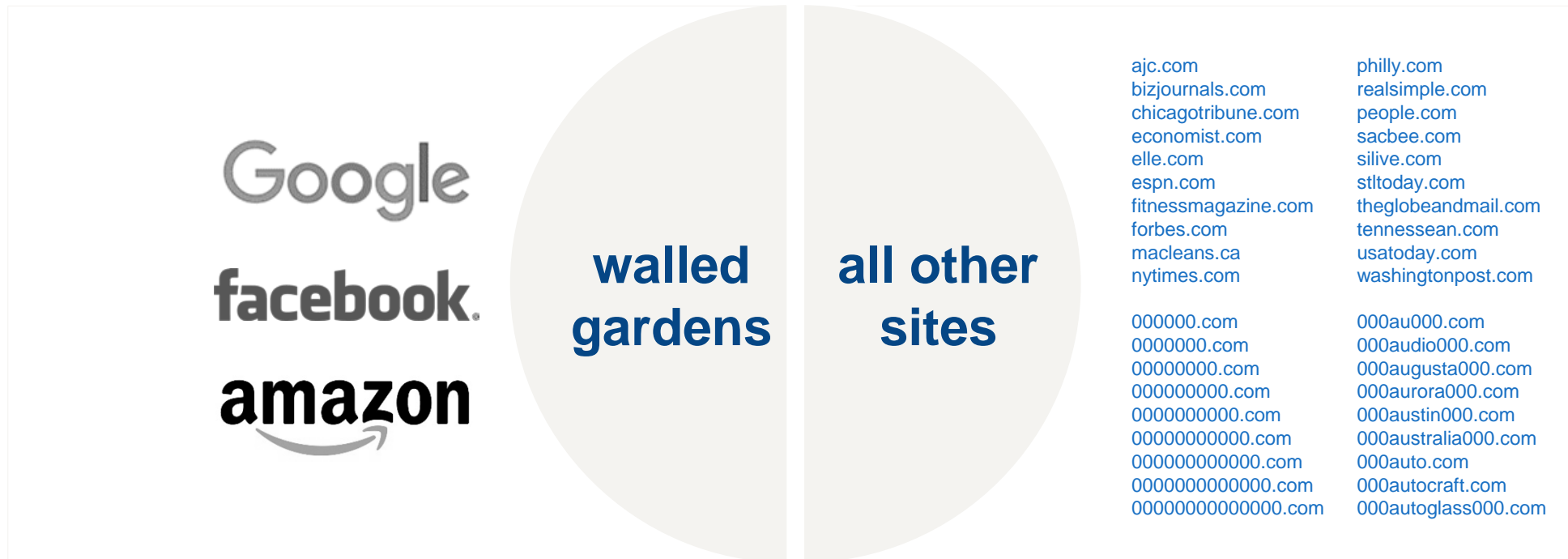
Marketers Take Control of Their Digital Media Spend

Trends show move from opaque automation to transparency and control



Publishers Take Control of Their Market Position

Today Marketers Have Two Choices to Place Digital Ad Dollars

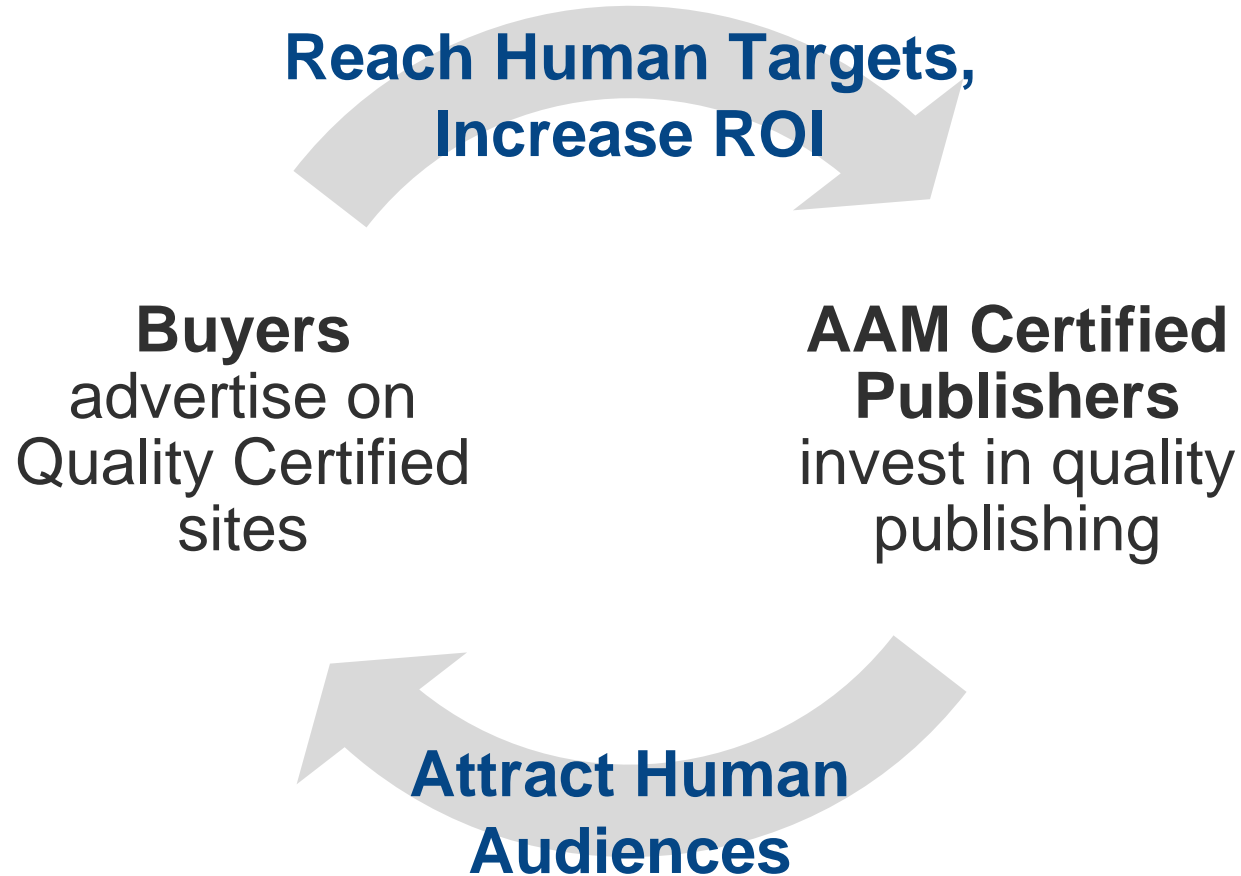


Publishers Take Control of Their Market Position

Tomorrow Marketers Can Optimize Spend with Quality Certified Sites



Identifying and Focusing Investments on Quality Sites Benefits Publishers and Marketers



Audits Enable Advertising in Fraud-Free Environments

1. Commit to audit

- **Indication** of good intentions to serve marketers
- Separates good publishers from the rest

2. Review business processes

- **Demonstration** of good intentions and operations

3. Consistently monitor quality + quantity

- **Verification** of business practices, website traffic, audience quality



“ANA is so pleased to have AAMs disciplined and reliable audit expertise to be part of the industry's fraud fighting arsenal.

“AAM raises the bar and the quality of our industry's arsenal to win the war on fraud. We look forward to this continued partnership.”

BOB LIODICE

ANA CEO

Thank You

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