



TAG EUROPEAN FRAUD BENCHMARK STUDY

MARCH 2020

A report conducted by The 614 Group,
commissioned by Trustworthy Accountability Group





Executive Summary

Trust is essential for the digital advertising ecosystem to function. Advertisers must be able to trust that their ads are seen by real humans in brand-safe environments, and publishers must trust that they will be fully compensated when ads appear on their properties. This level of trust can only be achieved with all players across the supply chain working together to ensure traffic quality and brand safety.

Digital ad fraud has been a persistent brand safety challenge for the industry. It's a global problem, one that costs advertisers and publishers \$22 billion each year globally. Recognizing that individual companies or agencies cannot combat fraud alone, the problem is one that the entire supply chain has tackled with concerted effort. Toward that goal, the industry came together in the US in 2014 to form the Trustworthy Accountability Group (TAG), a cross-industry self-regulatory program to fight ad fraud and other criminal activities in the digital advertising supply chain. TAG's Certified Against Fraud Program (i.e. TAG Certification) focuses on combating Invalid Traffic (IVT) across the digital advertising industry and provides companies with a means to communicate publicly their commitment to fighting this type of criminal activity.

The digital ad industry's coordinated action through TAG and other initiatives has had a significant impact over the past five years. For instance, the global Bot Baseline Report released by ANA and White Ops¹ in May 2019 found that "fraud attempts amount to 20 to 35 percent of all ad impressions throughout the year, but the fraud that gets through and gets paid for now is now much smaller." These findings point to the importance of TAG Certification. While fraudsters still attempt to defraud advertisers, TAG Certified Channels provide a path to safe inventory.

We found the following:

- TAG Certified Channels have an overall IVT rate of just 0.53% in select European markets, the same rate as 2018. Notably, the volume of impressions measured increased by more than 10 times over the prior study.
- This rate represents a 94% reduction in fraud in TAG Certified distribution channels when compared to the broader industry average.
- The number of companies holding the TAG Certified Against Fraud Seal in Europe has more than tripled in the past two years alone. Thanks in part to that increase in participation, this year's study measured more than 43 billion impressions – a 975% increase over 2018.
- TAG Certification in Europe sets rigorous requirements for both anti-fraud technologies and processes. Beginning in 2020, those standards must be validated by an independent third-party auditor. As a result of those high standards, agencies say they use the TAG Benchmark as validation that their partners are addressing fraud in a meaningful way.
- In multinational regions such as Europe, the TAG Fraud Benchmark helps marketers set a bar for success that can be measured across all markets in the region.

¹ <https://www.whiteops.com/botbaseline2019>

STUDY BACKGROUND AND OBJECTIVES

The digital advertising industry has long acknowledged that the fight against fraud requires a collaborative effort, with all market participants working together to ensure the highest level of traffic quality and brand safety, and TAG was created in 2014 as a vehicle to fight criminal activity through that cross-industry cooperation.

In 2018, TAG approached The 614 Group for help in measuring the effectiveness of TAG Certification in reducing IVT in actual digital advertising campaigns throughout five major European markets and establishing a benchmark that could be used to assess program efficacy over time, including improvements or declines in the IVT rate.

From January to August 2019, The 614 Group conducted its second annual research study to measure the quantitative impact TAG Certification has had in reducing fraud in actual campaigns across key European markets. The study also used interviews to assess the response taken by agencies when they discover IVT in a campaign in the region.

TAG and The 614 Group plan to continue to partner in conducting and releasing an annual benchmark of the rate of IVT found in campaigns that flow through TAG Certified Channels as compared to IVT found in non-certified channels.

RESEARCH METHODOLOGY

This is the second annual European TAG Fraud Benchmark Study conducted by The 614 Group, and it uses the same methodology established with the first study in 2018. The 614 Group analyzed 100% of the TAG Certified Against Fraud impressions of the campaigns shared by participating agencies to do this analysis. The 614 Group also interviewed experts at agencies and others on background for a qualitative perspective from industry leaders.

Quantitative Analysis

Fraud is a generic term, encompassing a range of nefarious activities. For the purposes of this report, the results focus on the broader metric of Invalid Traffic (IVT), which is defined by the Media Ratings Council (MRC) as *“traffic that does not meet*



certain ad serving quality or completeness criteria, or otherwise does not represent legitimate ad traffic that should be included in measurement counts.”²

Among the reasons why ad traffic may be deemed invalid is that it is a result of non-human activity (ie. criminal spiders, bots, etc.) or other activity designed to produce fraudulent traffic. There are two types of invalid traffic: Sophisticated Invalid Traffic (SIVT) and General Invalid Traffic (GIVT). These are described by the MRC in the following ways:

- Sophisticated Invalid Traffic (SIVT) includes “traffic identified through advanced analytics, multipoint corroboration, human intervention—such as hijacked devices, ad tags, or creative; adware; malware; misappropriated content.”
- General Invalid Traffic (GIVT) includes “traffic identified through routine and list-based means of filtration—such as bots, spiders, other crawlers; non-browser user agent headers; and pre-fetch or browser prerendered traffic.”

In calculating fraud rates, the study combined both SIVT and GIVT in order to achieve a comprehensive result.

²http://www.mediaratingcouncil.org/063014%20Viewable%20Ad%20Impression%20Guideline_Final.pdf



Data Collection Parameters

The 614 Group partnered with three leading agency holding companies, along with their MRC-accredited measurement vendors, to collect and aggregate all impressions for campaigns that were executed from January 2019 to December 2019 in five European countries (Germany, France, Italy, the Netherlands, and the UK). These impressions included display media and video ads in desktop, mobile web and in-app environments. The analysis did not use sampling of any kind, as 100% of all TAG Certified Against Fraud impressions given to The 614 Group were included in the analysis. Upon receipt, all data was aggregated within a secure database in order to create the proper reporting.

STUDY ELEMENTS

Inventory Type	Types of Fraud Examined	Volume of Certified Benchmark Impressions Studied	Study Duration	Data Examined
<ul style="list-style-type: none"> Display Desktop Display Mobile In-App Display Mobile Web Video Desktop Video Mobile In-App Video Mobile Web 	<ul style="list-style-type: none"> SIVT GIVT 	43 Billion	January 2019 – December 2019	100% of Data Provided by Three Agencies: Publicis Groupe Omnicom Media Group GroupM

In conducting the study, The 614 Group used the categorization of the ad impressions by the agencies' measurement vendors, including DoubleVerify, Integral Ad Science (IAS) and Moat by Oracle Data Cloud (Moat). These three anti-fraud measurement vendors are all TAG Certified Against Fraud and hold accreditations from the MRC that include IVT measurement for both SIVT and GIVT.

In order to determine an industry fraud average, the analysis blended IVT rates from several MRC-accredited measurement vendors. These rates were delivered directly to TAG, including Moat's IVT Report for H1 2019 and DoubleVerify IVT Reporting from September through December 2019. Additionally, fraud rates were combined with the publicly available ANA/White Op's 2019 Bot Baseline Report and the IAS Media Quality Report for H1 2019.

Qualitative Interviews with Industry Leaders

The qualitative portion of the research involved extensive interviews with senior executives at four of the largest agency holding companies as well as others on background to gain insights around the state of IVT identification, mitigation, and reduction. The study's goal was to get a sense of the requirements, accountability, and best practices in current use. Specifically, the executives were asked:

- What is the operational process followed when your team discovered IVT in a campaign?
- What has changed in your processes in 2019?
- Has the assignment of responsibility or the perception of brand safety changed in the past year? How does your team use the TAG Fraud Benchmark internally and externally?

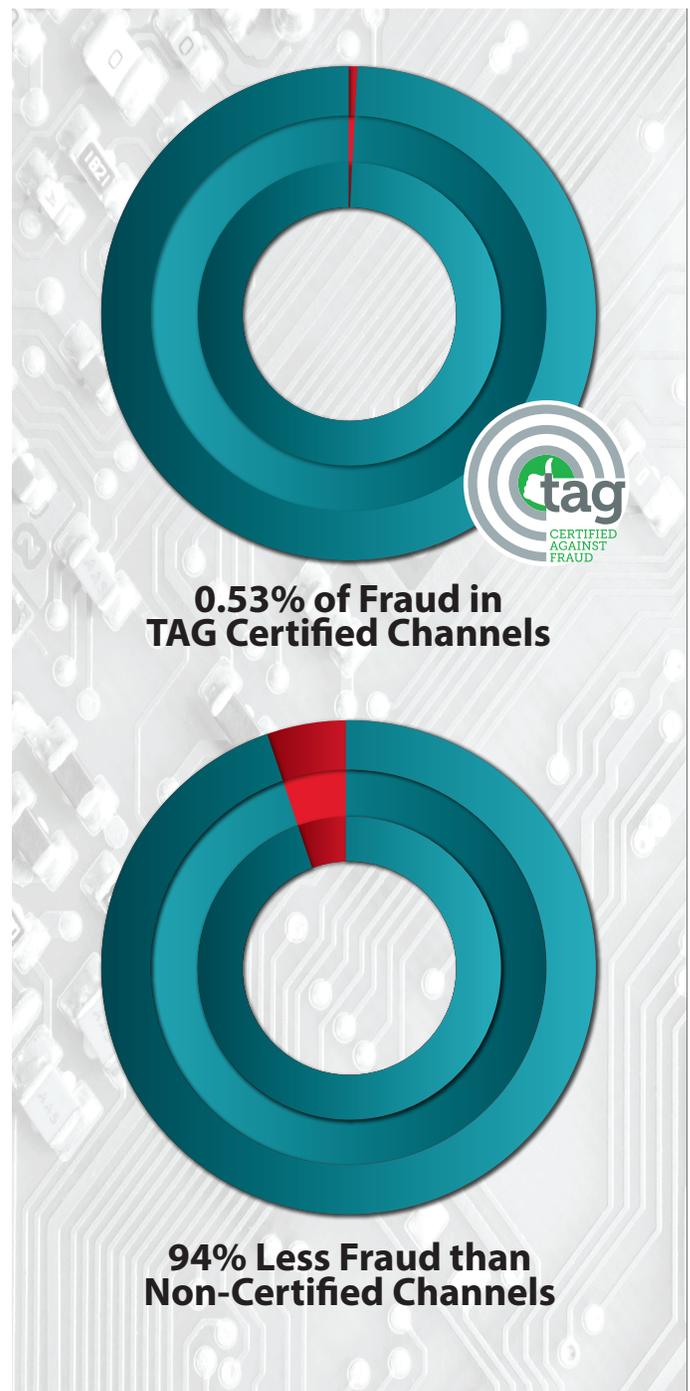
The 614 Group interviewed the following executives, as well as others on background:

Name	Title	Org.
Saiful Ahmed	Director, Ad Technology	Omnicom Media Group
Tom Burns	Director, Digital Standards and Partnerships, RoW	Publicis Groupe
Bethan Crockett	Senior Director for Digital Risk and Brand Safety for EMEA	GroupM
Sebastian Höft	Director of Market Quality	Smaato
Burak Kelginlioglu	Market Quality Specialist	Smaato

RESULTS

With a measured fraud rate of just 0.53%, TAG Certified Channels have 94% less fraud than non-certified channels in key European markets.

The rate of fraud (both SIVT and GIVT) found in TAG Certified Channels across multiple inventory types in key European markets is 0.53%. The overall blended rate the study used for comparison is 9.2%. This means that campaigns that run through TAG Certified Channels have 94% cleaner traffic than those run through non-certified channels.



Results: Benchmark Data on Fraud Rates within Impressions Transacted on TAG Certified Channels by Media Type

Media Type	Impression	IVT Impressions	SIVT%	GIVT%	Total IVT%
Display Desktop	8.6 billion	105 million	1.00%	0.23%	1.23%
Display Mobile In-App	8.4 billion	33 million	0.31%	0.08%	0.39%
Display Mobile Web	4.6 billion	33 million	0.61%	0.09%	0.70%
Display Total	21.6 billion	171 million	0.65%	0.14%	0.79%
Video Desktop	1.9 billion	15 million	0.51%	0.24%	0.75%
Video Mobile In-App	18.5 billion	36 million	0.14%	0.06%	0.20%
Video Mobile Web	1 billion	7 million	0.44%	0.28%	0.72%
Video Total	21.4 billion	58 million	0.19%	0.09%	0.27%
Total All	43 billion	229 million	0.42%	0.11%	0.53%

Year-Over-Year Comparison

TAG Certified Channels have consistently delivered dramatic reductions in IVT rates, averaging a 94% improvement as compared to non-certified channels. Over the past two years, the volume of impressions that flow through TAG Certified Channels has grown exponentially, driven by the strong growth in the number of partners who have earned the TAG Certified Against Fraud Seal. The number of companies holding the TAG Certified Against Fraud seal in the European region has more than tripled in the past two years alone. Thanks to that cross-industry jump in TAG participation, the analysis included more than 43 billion impressions that flowed through TAG Certified Channels this year – a 975% increase over the impressions measured in 2018. That increase in TAG Certified partners has also had an impact on the perceived rate of acceptable fraud in a campaign. Agencies and brand marketers can now meet their goals of finding safe inventory with nominal fraud by staying within TAG Certified Channels.

	2018	2019
Region	UK Germany France Italy The Netherlands	UK Germany France Italy The Netherlands
Types of Fraud Measured	SIVT GIVT	SIVT GIVT
Volume of Certified Benchmark Impressions Studied	4 billion	43 billion
Inventory Types Examined	Display Desktop Video Desktop Mobile Web	Display Desktop Display Mobile In-App Display Mobile Web Video Desktop Video Mobile In-App Video Mobile Web
Number of Participating Agencies	3	3
Overall Fraud Rates	0.53%	0.53%
Measurable Improvement	94.1%	94.1%

Key Insights Derived from Expert Interviews

TAG Certification requires a comprehensive process and state-of-the-art technology, both of which must be independently validated as of 2020. Both components are critical for effective brand safety.

Brand safety can't be achieved by technology alone; process and independent validation (now a requirement in Europe) are also critical components. Throughout Europe, clients look to their agencies for guidance on all aspects of brand safety, including fraud prevention. As one agency executive explained, "Clients don't have the domain expertise in brand safety and fraud detection and prevention, and that makes it easy for vendors to convince them to buy technology they don't know how to use, or if it is effective for their needs." In response to this trend, agency personnel said they tout their TAG Certified Against Fraud Seal as proof that they understand both the required processes and that "they have partnered with the right technology solution to ensure low IVT rates in client campaigns," a certification which now must be validated by an independent third-party auditor.

European advertisers want fraud-free campaigns, and the 0.53% fraud rate in TAG-Certified Channels helps meet those demands.

All of the agency executives who participated said their clients want fraud-free campaigns, which is unrealistic in uncertified channels. Happily, the inventory available through TAG Certified Channels has expanded rapidly, with the number of companies holding TAG Certification in the European market having more than tripled in the past two years alone. Using the growing number of TAG Certified companies, agencies can meet their goals of finding well-policed channels for advertising. Similarly, marketers can create media plans that buy only high-quality inventory by staying within TAG Certified Channels.

The TAG Fraud Benchmark is used to demonstrate that an agency takes fraud seriously and to encourage partners to do the same.

The TAG Benchmark is a useful tool to show skeptical advertisers that meaningful steps have been taken to combat fraud by illustrating the effectiveness of

TAG Certified agencies in combating it. As one of the interviewees explained, "The TAG Benchmark shows best practices actually work, and it demonstrates results. It also proves we are a good player." Another added, "The benchmark helps us set realistic goals in each region."

Agencies have updated agreements to include IVT thresholds, and one of the respondents has used the IVT rate found during the 2018 TAG Benchmark Study as their internal IVT threshold for their partners to meet, while also encouraging its partners to become TAG Certified. Said one of the interviewees, "Showing a large difference between certified and uncertified channels shows advertisers that much can be done and forces them to have realistic conversations."

In a multi-market region like Europe, benchmarks take on a higher level of importance.

European-based agencies are more likely to manage multinational campaigns, which adds to the challenge of establishing fraud expectations for each region. TAG's single, multinational benchmark provides clarity, and sets a reasonable expectation for all players to meet. "Benchmarks are one of the key things we're asked for," said an agency executive.





CONCLUSION

Across the key European markets examined in the study, the IVT rate is just 0.53% in TAG Certified Channels -- a 94% improvement over non-certified channels, offering solid evidence that TAG Certification is an effective tool for fighting fraud. The TAG Benchmark itself is helping agencies bring order to multinational campaigns by setting multi-national standards for acceptable IVT rates, as well as educating the industry as to what is achievable. With less than 1% fraud, European marketers and agencies have increasing confidence in their media buying activities by choosing to work with TAG Certified Against Fraud partners across the supply chain.