

Are Marketers Wasting Money On Mobile Ad Clicks?

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Forty percent of all mobile ad clicks worldwide deemed invalid

As of March 2012, about 10% of all US internet visits came from smartphones and tablets, according to comScore, but mobile advertising budgets lag.

Email and cross-channel marketing solutions provider Strongmail found in April that more than half (54%) of business executives worldwide who invested in mobile spent less than 5% of their total digital dollars on mobile marketing, including advertising.

And June findings from Trademob offer mobile marketers and advertisers little justification for additional budget, especially for display ads. The app marketing platform found 40% of approximately 6 million mobile display advertising clicks worldwide resulted in wasted dollars for brands.

Mobile devices'™ smaller screens and the imprecision of using one's™ finger for site navigation were likely contributors to the high rate of accidental clicks (22%). Poorly placed or rendered mobile display ad units may have also played a role.

Click fraud is hardly a new concept to pay-per-click (PPC) marketers, and the same basic types that occur on desktop have migrated to mobile. The study found one in 10 display clicks were from a botnet or client-side fraud. A botnet is a virus that creates a false click count then logged in the advertiser's™ or site's™ server.

Unlike a botnet, client-side fraud involves real clicks generated by the publisher with the direct intention of falsely charging a PPC advertiser for clicks that never occurred. This is accomplished either through the use of a click farm or a sneakier method such as hiding one ad behind another and charging both advertisers for the click. An additional 8% of clicks were the result of plain fraud, or the act of sites falsely reporting or logging clicks coming into their servers.

These effects are costly: eMarketer estimates US mobile display ad spending will reach \$1.1 billion this year. By 2016, this will jump to \$5.9 billion.

As mobile display advertising matures, the number of accidental clicks should decrease. Fraudulent clicks should also subside as the industry gets a better handle on how to address mobile-specific challenges.

In the interim, brands should carefully vet mobile inventory providers for reputable publishers and specifics regarding click-quality controls and policies. Brands may also take advantage of ad verification tools and services, many of which offer blacklists of high-risk sites and click-fraud offenders. Ad verification can also allow brands to actively police their own advertising activity to ensure maximum performance and efficiency.

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