'Bot Fraud' Costing Advertisers Billions Of Dollars A Year

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Nearly a quarter of all video ad impressions come from bots and this includes third party sourced traffic where nearly half is fraudulent. These are the conclusions from a recently published report by the Association of National Advertisers (ANA). For the study, the researchers looked into 181 different campaigns from 36 ANA members. Of the 5.5 billion ad impressions displayed across 3 million domains over a two month period, the study found that 23% of video ad impressions were triggered by bots.
Here are the key takeaways from the ANA study:

â€¢Â Â Â Extrapolating the results on the $40 billion annual ad spend, advertisers are likely to lose $6.3 billion in 2015
â€¢Â Â Â 67% of bot traffic was observed to have come from residential IP addresses
â€¢Â Â Â 11% of all display ad impressions were triggered by bots
â€¢Â Â Â 23% of all video ads were accounted for by bot traffic
â€¢Â Â Â 19% of retargeted ads were shown to bots
â€¢Â Â Â The popular categories for bot traffic were finance, family and food (each accounting between 16-22%)
â€¢Â Â Â 52% of sourced traffic were from bots
â€¢Â Â Â 19% of ads served on premium publisher websites were to bots
â€¢Â Â Â 30% of bot-traffic sites had unique content while 22% had duplicate content
â€¢Â Â Â Bot traffic websites used as many as four times more third party trackers compared to regular websites
â€¢Â Â Â 58% of IE6 traffic and 46% of IE7 browser traffic were from bots

Regarding the source of the bot traffic, the ANA researchers point out these frauds originate from malicious websites that are built to generate revenues from advertisers. The source of their traffic includes the use of botnets as well as adware â€“ which are basically ads shown to real users whose computers have been compromised with illegitimate software.

Tackling The Botnet Menace

The ANA study calls for a cooperation between the advertiser, agencies and supplier for the elimination of botnet traffic. The agencies and publishers are as much a victim of botnets as the advertisers. Where applicable, advertisers must insist on the use of bot prevention software like CAPTCHA. According to Kelly Gregory, the Director of Business Development at RevTap, an anti-fraud advertising platform, the pressure on the top line could be forcing publishers from taking action. She points out a recent Google directive that cautioned websites moving from HTTP to the more secure HTTPS that doing so would bring them lower income as the auction pressure on secure sites are lower.

The ANA study notes that the onus is on both the buyers and the publishers to take steps to monitoring, identifying and blocking shady sources so that the ecosystem would continue to remain sustainable for the long term.