



# Taking a Proactive Approach to Ad Fraud: Steps to Keep Your Program Safe

An e-book by PartnerCentric

# A Note From The Author

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As VP of Client Success at PartnerCentric, my role is to lead and manage our world-class account management team and ensure that we are always taking a strategic and consultative approach to achieve our clients' goals. Prior to joining PartnerCentric, I headed up the client services team at another performance marketing agency and I started my affiliate marketing career at CJ Affiliate by Conversant, having the opportunity to work on the advertiser service side of the business supporting clients including Apple, FedEx Office, and Carlson Hotels. Before performance marketing, I also worked for several years as a prosecutor in the Minneapolis suburbs. My performance marketing and legal background has given me a unique perspective on ad fraud in the space and I want to make sure you know the steps to take to mitigate it and keep your brand safe.

PartnerCentric exists to build meaningful relationships beyond borders so our clients can work with the right strategic partners for their brands across the full scope of the partnership universe. There is immense value in the performance channel - it's an excellent way for brands to reach new audiences, bring in incremental revenue and get faster ROI and it's an industry that's responsible for 15% of digital revenue with 80% of brands investing in affiliate marketing.

With 2020 underway, it is important not to lose sight of the importance of compliance and the need to mitigate ad fraud. The topic of ad fraud is timely, as over the past year the team at PartnerCentric has seen fraudsters find new and creative ways to take advantage of the affiliate channel. We take a proactive approach to preventing ad fraud because when it comes to the health of your program, you can't afford to be reactive.



**ADAM DAHLEN**

VP of Client Success, PartnerCentric

# The Evolution Of Ad Fraud And The Current State Of The Industry

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Ad fraud can take many forms, but it is generally defined as the practice of misleading advertisers into paying for false traffic, leads, or ad placements. Ad fraud impacts all digital channels. According to Juniper Research, advertisers were expected to lose \$19 billion to ad fraud in 2018, with that figure rising to \$44 billion by 2022.

## Types of Ad Fraud

The following list is a non-exhaustive look at the types of ad fraud. As a general rule, fraudsters will always follow the money and will continue to evolve their tactics. **Cookie Stuffing:** One of the oldest types of ad fraud in the affiliate channel, cookie stuffing involves bad actors overwriting or forcing cookies into a customer's browser to get credit for a sale they had no part in driving.

**Click Fraud:** Click fraud is the practice of generating fraudulent clicks, either using bot traffic or click farms, to create the impression that a form of traffic is more successful than it really is.

**Lead Fraud:** Using humans or bots to fill out lead capture forms with false information.

**Misrepresenting Traffic:** The publisher intentionally misrepresents or obfuscates the true source of their traffic to promote an advertiser in an unapproved fashion. This behavior can range from unapproved PPC brand bidding to the creation of fake content websites with embedded tracking links to obscure the true source of traffic.

# Signs Of Ad Fraud

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**Unrealistic Metrics:** One telltale sign of ad fraud are metrics that don't align with industry norms for a particular type of traffic. For example, if click counts or conversion rates for a particular publisher are significantly outside the norm, it can be a sign of ad fraud.

**High reversal rates:** Another sign of ad fraud is high return rates for a particular publisher. Bad traffic tends to result in bad conversions, so unexpectedly high reversal rates from particular publishers can be a sign there is something wrong with their traffic.

**Unverifiable Traffic:** If a publisher can't show you a live example of their traffic, it's a good sign that what they are actually doing does not align with what they say they are doing.

# How To Deal With Ad Fraud

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If you suspect ad fraud from a publisher in your program there are several important steps to take in dealing with it:

## **Insist on Transparency**

If something seems off (e.g. high reversal rates, metrics that don't align with industry norms, unknown traffic sources) with one of your publisher's results, politely insist that they show you how they generate their traffic, and where it comes from. If the publisher can't or won't show you where their traffic is coming from, it's a major red flag and it might be time to sever the relationship.

## **Embrace Healthy Skepticism**

Even after a questionable affiliate shares the source of their traffic, it's important to take their representations with a healthy skepticism. For example, if an affiliate generating thousands of clicks and hundreds of sales tells you their traffic is coming from a low-traffic blog with minimal content, there is a good chance that their traffic is actually coming from another source and what they have shown you is a ruse.

## **Ask The Experts**

Most affiliate networks and tracking platforms offer some level of support to advertisers in dealing with ad fraud. If you encounter a publisher whose traffic seems suspect, leverage the resources at your network and ask them for help investigating. Chances are that you aren't the only advertiser on the platform who has encountered this publisher.

If your platform doesn't have resources, or can't help, consult the experts. At PartnerCentric, we have a dedicated compliance team and offer flexible services for advertisers needing assistance with fraud investigation and remediation.

## Case study:

# Deceptive publisher ring Infiltrates a well known affiliate program

The team at PartnerCentric recently encountered a particularly brazen case of misrepresented traffic in the form of a publisher ring that infiltrated the affiliate program of a well known brand.

### Background

Beginning in the summer of 2019, the account team managing this program received several applications from prospective affiliates purporting to be major content publishing sites. The applications would come in about once a week, over the course of two months. In each case, the publisher would follow up on the application by emailing the account team from a domain very similar to the actual domain (ex. johndoe@contentsiteinc.com versus johndoe@contentsite.com) asking to promote the brand via email newsletter. The account team followed normal due diligence procedures but the publisher took the following steps to hide their identity:

- The publisher purchased the imposter domain (ex. contentsiteinc.com) and implemented a redirect to the actual domain (ex. contentsite.com)
- Publicly available LinkedIn information of real employees was used to populate their publisher profile and email information
- In one instance, the affiliate got on the phone with the PartnerCentric account team and pretended to be a real employee from the well known site they were impersonating
- When asked for copies the email newsletters, the affiliate provided quality screenshots of email newsletters that showed our client's brand featured, and perfectly matched the look and feel of the real publisher newsletter

Despite the best efforts of the publisher to cover their tracks, the PC team noticed the click and conversion rate numbers did not align with the expected results of similar publishers and continued to investigate. Through proactive monitoring from the PC account team and compliance teams, the publisher ring was flagged as suspicious and an additional investigation was launched. The PC teams uncovered the deceptive practices and worked with the client's platform to ensure the client would incur no financial liability. The platform and PC then continued to collaborate to enhance the platform's vetting procedures, and the PC team implemented additional vetting and due diligence criteria to ensure this type of issue is never repeated.

# A Protection Plan For Success

It is my goal that this piece has given you some actionable tips and steps to take if you suspect ad fraud. It's important to have the best resources in your corner when fraud happens. Because it does happen...in a lot of different industries. But it's all about having a plan in place and getting ahead of the problem by taking a proactive approach.

Want to discuss any compliance concerns with our team or have questions about this piece?

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