

How Much Is Left Of A Marketer's Dollar, After Digital 'Leakage?'

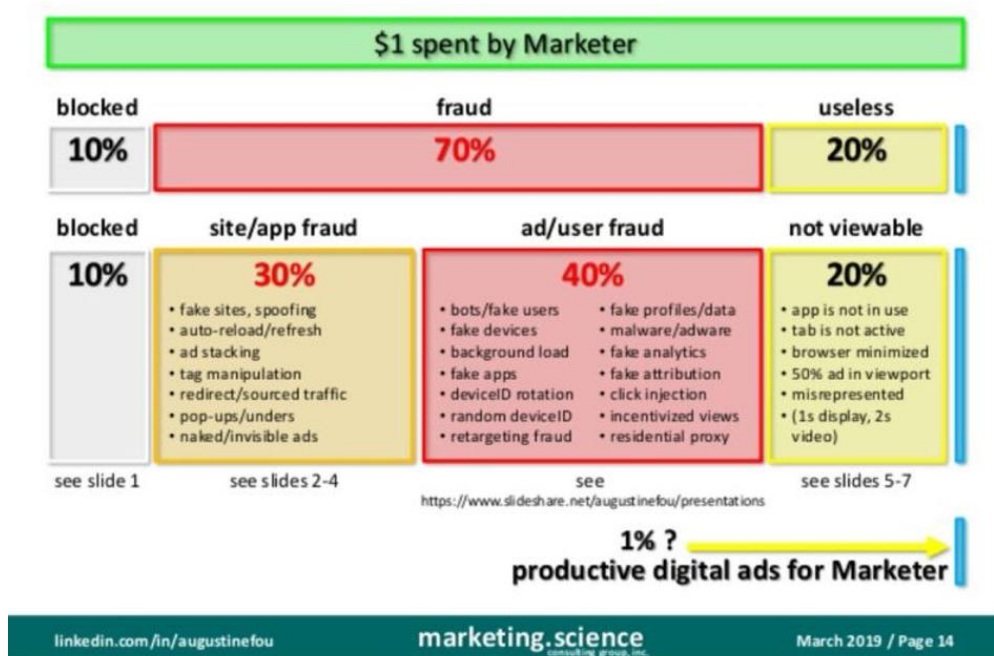


Dr. Augustine Fou Contributor

CMO Network

I research ad fraud and digital marketing.

Fraud, waste eats most budgets



AUGUSTINE FOU

Marketers, let's consider a few things that impact the effectiveness of your digital ad spending.

Humans Block Ads; Bots Don't

Humans are so annoyed at the volume of ads they are bombarded with every day, they have been taking matters into their own hands, deploying ad blockers or using ad blocking browsers. Bots, however, don't block ads because it's their job to cause ads to load, to make money for their botmasters. So if you are buying and showing ads in programmatic channels, you are disproportionately showing your ads to bots that don't block ads, rather than to humans. See: [Q4 2020 Digital Benchmarks, Ad Blocking](#)

Bots Give Consent; Humans Don't

As privacy regulations like GDPR and CCPA are enforced in the EU and now in the U.S. publishers are putting up “cookie-consent” pop-ups to obtain consent from users to track them and show them ads. I don’t know about you, but I don’t recall giving consent to any publisher or ad tech company; when I see an onerous consent pop-up, I abandon and do something else. So few to no humans have given privacy consent; but data shows that bots give consent. Not only do they give consent, sometimes they even pass fake consent strings, in order to get the ads to load. Again, it’s their job to get programmatic ads to load, to make money for their masters. So if you are buying and showing ads in programmatic channels to users that have given privacy consent, you are disproportionately showing your ads to bots, rather than to humans. See: [Faked GDPR Consent Strings, Unintended Consequences Of Privacy Regulations](#)

Fraudulent Sites Always Have 100% Viewability

When misguided media agencies told their clients to insist on buying 100% viewable ad inventory, they actually caused advertisers to be exposed to more fraud, not less. This is because real sites never have 100% viewability, while fraudulent sites always have 100% viewability. Real publishers’ sites have fixed page layouts, which means that some ads occur above-the-fold, while other ads naturally occur below-the-fold. For example, if 2 out of 3 ads are above-the-fold, and 1 of 3 ads is below-the-fold, the overall average viewability of that publisher’s website is 66%. Buying only viewable means 1/3 of that site’s inventory is unsellable, instantly. But this does not affect fraudulent publishers that simply use javascript code to trick the viewability measurement so that 100% of their ads appear to be 100% viewable 100% of the time. This is [exactly what Newsweek was caught doing](#). So if you are buying and showing ads in programmatic channels that are 100% viewable 100% of the time, you are disproportionately showing ads to fraudsters actively tricking viewability measurements.

Fake Sites Always Have 0% IVT (Invalid Traffic)

Similarly, fake sites with no human visitors always appear to have no fraud — or 0% invalid traffic (IVT). Is it because they have no invalid traffic, or is it because the bot detection tech could not detect anything to be invalid? If you’ve read anything that I’ve written before, you’ll know it’s the latter. See: [Incorrect Measurements of IVT Tech Vendors](#). On top of incorrect measurements — e.g. false negatives and false positives — fraud verification vendors often are not even looking for certain types of fraud. The traffic coming to a website can be humans or bots (invalid traffic). But what about the ways the site itself can be cheating — e.g. ad stacking, pixel stuffing, ad slot refreshing, popunders, etc.? If invalid traffic detection is not accounting for these other forms of “cheating” the amount of fraud may be under-reported, sometimes by a lot. And the fake sites that buy bot traffic usually buy the kind that successfully tricks the IVT detection so they appear to have 0% IVT all the time. So if you are buying and showing ads in programmatic channels to 0% IVT 100% of the time, you are disproportionately showing ads to bots that have defeated detection tech.

Bids Won, Few Ads Served

Most marketers who buy programmatic ads through media agencies won't even know what I am talking about here. Unless you are specifically contracting to pay only for ads served, instead of bids won, you may be paying for a lot of ad impressions that never even got served. Prove me wrong; show me that you pay only when the ads are served (as opposed to when bids are won) and that you have independent verification that the ads actually served (e.g. detailed, hourly report from your ad server).

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Paid for Bids Won, vs Ads served

Hidden cost: marketers pay for bids won; ads served is less, sometimes by a lot, than what they paid for

Campaign 1

Domain	Impressions WON	Impressions SERVED	% difference
st	415,453	408,610	-2%
li	243,689	229,100	-6%
sj	1,099,757	1,020,075	-7%
w	731,240	626,110	-14%
si	363,879	301,745	-17%
lc	236,664	175,450	-26%
st	210,014	154,135	-27%
h	1,258,768	915,530	-27%
e	271,624	191,690	-29%
ci	392,403	260,420	-34%
d	503,717	331,325	-34%
tv	257,966	166,605	-35%
w	361,293	229,535	-36%
d	248,817	144,855	-42%
ci	279,521	153,410	-45%
e	287,810	156,020	-46%
z	265,570	125,425	-53%
fc	1,227,773	552,595	-55%
p	212,677	90,625	-57%
w	407,251	51,620	-87%
	9,275,886	6,284,880	-32%

Low CPM Campaign 2

Domain	Impressions WON	Impressions SERVED	% difference
ci	45,745	23,738	-48%
ti	24,347	9,126	-63%
ti	27,634	6,838	-75%
s	66,130	15,613	-76%
ti	32,472	7,098	-78%
ti	26,354	1,001	-96%
b	24,931	156	-99%
	247,613	63,570	-74%

- For every bid won, there should be an ad served – a 1:1 relationship
- Comparing DSP data vs ad server data shows that for certain domains the discrepancy is large
- Marketers pay on bids won; the discrepancy is the hidden cost of ads not being served

[linkedin.com/in/augustinefou](https://www.linkedin.com/in/augustinefou)

marketing.science
consulting group, inc.

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AUGUSTINE FOU

Ads Served, Never Arrived and Rendered

Take that one step further, even when the ads are served from the ad server, did the ad arrive in the device and browser and get rendered/displayed on screen? In some cases by comparing our measured quantities with the quantities reported by the ad server we can see discrepancies — i.e. less than 100% of the ads arrived in the device and were rendered on screen. This happens more often in mobile devices where wireless bandwidth is more limited, and the user scrolls by the ad slot too quickly and is no longer viewing the ad slot by the time the ad is rendered.

And don't even get me started on the amount of time it takes for all the bid requests and bids to complete and finally the ad call is made. See the [PageXray below](#) which shows the number of javascript calls that are made on a single webpage. That's a lot of work to serve a few ads.



About All That Leakage in Programmatic Ads

If you've been wondering about that chart at the top of this article, wonder no more. It's simply a block chart summarizing what we just talked about. For every dollar spent in programmatic channels by a marketer, you subtract out the percentage due to ad

blocking, the percentage due to lack of privacy consent, the percentage due to viewability and fraud issues. And then you take into account suboptimal things like the ad was displayed when the browser was minimized or the tab not active, the mobile app or device was not actually in use, or the user scrolled by too quickly on mobile. These are not fraud, per se, but the human user didn't really see your ad, so it could not have the intended advertising effect.

All of these "leaky" things put together mean that only a small portion of your dollar is effective in programmatic digital channels. This doesn't mean that I am bearish on digital advertising. In fact it can be used in very successful ways. But, marketers need to look more closely at how and where they are spending their digital ad budgets, so they can start to minimize the leakage, which drains their effectiveness. Don't believe me?

I have a few historical data points on my side: 1) [When Big Brands Turned Off Their Digital Budgets, Nothing Happened](#), 2) [In Digital, 'Wanamaker's 50%' Is Known. It's Also Worse Than That](#), and 3) [The Cost-Performance Paradox of Modern Digital Marketing](#). I know many marketers and agencies will gladly TELL me that I'm wrong. But can you actually SHOW me that I'm wrong on the above? DMs and hate mail welcomed.

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Dr. Augustine Fou

I am a marketer of 25 years, steeped in how digital has transformed the world and indeed marketing. Now I help marketers audit their digital campaigns for ad fraud and... **Read More**

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