

# Business Standard

## COMMENT

### Fraud in online advertising

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At first glance, online advertising seems to be as measurable a medium as any ever invented. Advertisers can count how many times an ad was sent, then measure sales – yielding an analysis that seems to report the value of an online ad campaign.

The reality is considerably more complicated. Fraudsters seek to game the system – inflating measures of how much work they purportedly performed, and even overstating the sales that purportedly resulted. Advertisers unfamiliar with these tricks risk overpaying for online ad campaigns.

In testing over the past five years, I have uncovered literally hundreds of these frauds. Some scammers load banner ads in invisible windows – charging for “displaying” ads that users could never actually see. More recently, a spate of syndication fraud inflates pay-per-click advertising expenses by intercepting users already on their way into an advertiser’s site. So, when advertisers pay Google for clicks, they end up paying to reach users they would have received anyway, for free. But it’s hard to uncover these frauds: Ad buyers would need a testing lab, a critical eye, and an appetite for gumshoe-style investigations. So the unfortunate reality is that most online advertisers never figure out they’re being cheated.

It doesn’t have to be this way. In a time of tightening ad budgets, ad networks should be clamoring for advertisers’ budgets – offering improved accountability to justify their shares of limited spending. Though ad networks currently disclaim liability for fraud, advertisers should demand that networks stand behind their service – just as generations of businesses have done in other sectors. While ad networks may prefer to keep their methods confidential – viewing them as a trade secret – advertisers should demand greater insight into where their money is being spent.

In the US, our experience has been mixed – huge growth in online advertising, but also widespread scams of ever-increasing sophistication. As Indian advertisers increase online campaigns, there is a natural opportunity to surpass the US approach – to develop norms, standards and industry practices that assure that advertisers get what they bargained for, and ultimately to support these norms through regulation and law. The resulting savings flow straight to advertisers’ bottom line. Furthermore, discouraging online fraud will help accelerate the growth of electronic commerce – with benefits to all.

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