February 5, 2010

Mr. DeLue,

I received your letter of February 4.

My web site provides appropriate documentation to substantiate my claims and my characterization of my observations. In particular, I include a packet log [1], that specifically shows traffic flowing from WhenU to an unknown company (which you characterize as Nami Media – I believe potentially incorrectly, as I detail in [2]) to LocalPages and onwards to InfoSpace, Google, and Google advertisers. A technical professional familiar with packet logs can read this packet log and confirm my conclusions.

Your first paragraph argues that “Local Pages does not engage in this practice.” I take the antecedent of “this practice” to be presence “on the path between InfoSpace” and the tainted adware traffic. I firmly disagree with your suggestion that LocalPages does not appear in that location. The packet log shows, in appropriate clarity, that WhenU adware sent traffic that passed through Local Pages en route to InfoSpace. Reviewing the packet log, I do not see how any technical professional could conclude that LocalPages does not appear in the chain of traffic I observed; it’s right there, specifically and unmistakably. Indeed, LocalPages is a but-for cause of the traffic flowing to Google: Without LocalPages brokering this relationship, the traffic would not have reached Google and Google’s advertisers.

Your second paragraph argues that “LocalPages was strictly doing media buys from different networks.” I agree that LocalPages was buying traffic from others. But among the sources of LocalPages’ traffic was the adware-originating traffic specifically detailed in my log. Responsible advertising brokers rightly hold their partners accountable for the traffic that partners provide: If some company A buys from B who buys from C, then B must be certain that C’s traffic is high-quality, lest B fall short of its obligations to A. As an intermediary in this chain, LocalPages faces a clear risk: Whenever LocalPages’ partners fall short, LocalPages is likely to be blamed – and rightly so, since it was LocalPages who selected and supervised (or failed to supervise) such partners. Turning back to the facts on my site, it is striking to see my multiple carefully-prepared packet logs, showing that LocalPages’ ties to WhenU had continued for 10+ months. With this duration of problems, based on traffic from a well-known and widely-criticized “adware” application, it’s easy to see why InfoSpace lost confidence in LocalPages’ traffic quality.

Your second paragraph states that “LocalPages sought “to drive traffic to LocalPages’ site.” Here too, my article documents behavior that is quite different. In particular, I show traffic not flowing “to [the] LocalPages site” but rather flowing through LocalPages’ server, with LocalPages serving as a broker moving traffic from one source to another. In the placement I analyzed, users never view any genuine page on the LocalPages site. That’s traffic brokering – not the traffic-buying your letter suggests.

I stand by my article as written. My article correctly presents my personal, first-hand observations. The materials linked from my article provide the raw data confirming the accuracy of my analyses. LocalPages’ termination by InfoSpace results from LocalPages’ own business practices – the result of the low-quality partners LocalPages chose to associate with. Certainly you’re right that I presented these issues for public scrutiny, and I gather that the result of such scrutiny was that InfoSpace was no longer willing in continuing to buy traffic from LocalPages. But that’s a problem of LocalPages’ own creation.

/s/
Benjamin Edelman