

Why Some Video Ad Units Are Prone to Fraud

Buyer beware of display inventory disguised as video

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Because video advertising and programmatic **are rapidly growing**, they're attractive channels for hucksters. It's virtually impossible to totally eliminate all fraud, but ad buyers can reduce their risk of being duped by understanding which specific ad units are particularly likely to expose them to fraud.

In March, **Pixalate** and **OpenX** cooperated on a study that found 11% of the traffic coming from video banner ads that are 300x250 pixels is bot-driven. The rate of ad fraud for that particular unit type was 31% higher than the average for all other video ad units sold through OpenX's platform.

What makes things acutely problematic is that 300x250 units accounted for about a third of all video inventory. After running the study, OpenX banned 300x250 video ads from being sold through its platform. Other formats that are typically used for display ads, like 320x480 mobile ad units, were also prone to video ad fraud, with invalid traffic rates above 10%.

The reason these ad types are susceptible to fraud is because they're used in a **common arbitrage play**. As more ad dollars get put into digital video, unscrupulous middlemen have found they can make a few quick bucks by buying display inventory on one exchange,

repackaging it to look like video and then reselling it to a second exchange for much higher CPMs.

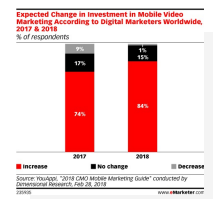
For advertisers, the result is that they pay for video impressions, but their video ads get squeezed into small units originally designed for display ads. And oftentimes, as Picalate and OpenX found, those scrunched video ads are shown to bots.

Advertisers can use the knowledge that certain ad units are more susceptible to fraud as a clue when trying to purge bots from their media buys. For instance, if a buyer reviews ad server log files and notices a lot of 300x250 video units being purchased, that should raise a red flag. Programmatic ad buyers should also be on the lookout for fraud, since **Integral Ad Science** found that among buyers using fraud prevention tools, video ad fraud is more common in programmatic than direct sales.

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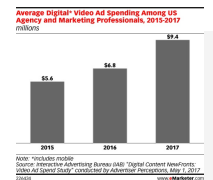
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Online Video Ad Benchmarks Worldwide: Fraud* Rate, by Purchase Method and Fraud Prevention Usage, H1 2017

among impressions analyzed by Integral Ad Science

	Use ad fraud prevention tools	Don't use ad fraud prevention tools
Programmatic	1.7%	11.7%
Publisher direct	1.0%	15.4%
Total	1.3%	12.7%

*Note: represents activity on the Integral Ad Science platform, broader industry metrics may vary; desktop only; in-view as per MRC standard; read as 1.7% of programmatic online display ads from campaigns that used ad fraud prevention tools were fraudulent; *inventory with no possibility of being viewed by a human, including general and sophisticated invalid traffic defined by the MRC*

Source: Integral Ad Science, "Media Quality Report H1 2017," Sep 12, 2017

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"With the prevalence of video fraud, buyers should demand more diligence pre- and post-campaign," said Marc Goldberg, CEO of anti-fraud firm Trust Metrics. "When video buyers review reports, go to the sites that show meaningful video impressions."