

Protecting Your Marketing Investment Against Fraud

April 2021

IN MARKET



Background: Fraud, a Multi-billion Dollar Problem

Marketing and advertising has grown to be a multi-billion dollar industry—in 2021, the total US ad marketplace value is estimated to reach [\\$230 billion](#). The significant size and continued growth of this market has unfortunately caught the eye of scammers looking to profit. Advertising fraud isn't a brand new phenomenon—a [research paper](#) raised questions of Web advertising security back in 1999—but as the industry grows, fraud grows in severity and sophistication.

For years, fraudulent actors have manipulated marketers by using bots, hijacked clicks, faked impressions, and more to generate profits. These schemes are costly: A November 2020 [report by CHEQ](#) revealed that marketing expenses due to advertising fraud would rise to \$35 billion in 2020 (upwards of 15%+ of total digital ad spend), overtaking credit card fraud (at \$27 billion) in size of damages. Furthermore, the same report found that up to 30% of digital ads run (21 trillion online ads) are affected by fraud.

Given that the average corporation allocates about [12% of budget](#) to marketing, it's reasonable for marketers, and especially stakeholders, to expect that dollars aren't going to waste. With no signs of fraud dissipating, marketers are eager for solutions to protect against and combat advertising fraud. Some are focusing on narrower audiences, being more selective about channels, or looking to third-party validation services to assure quality. Many others are also investing in ad fraud detection and prevention solutions in order to bolster security—the market for these solutions is growing at a Compound Annual Growth Rate (CAGR) of [12.8%](#). Within the industry, the IAB introduced the [ads.txt project](#) so publishers and distributors can authorize companies to sell their digital inventory. With fear and threat levels high, it can be difficult for marketers to know how best to maximize ad security and prevent fraud. Fortunately, a powerful solution to preventing ad fraud and ensuring ad dollars are used effectively is right in front of you: **accurate, verified data.**



The Ultimate Solution Against Fraud: Accurate Data

Data plays a key role in advertising—it's at the core of all strategic decisions made by marketers in order to effectively acquire, retain, and build loyal customers. But taken one step further, marketers can utilize data to protect against fraud at all stages of a campaign lifecycle. From audience creation and media buying to campaign analysis, it is imperative that marketers utilize the highest quality campaign inputs, and analyze campaign data with the greatest level of scrutiny, to ensure that all campaigns are run to the highest standard. In this section, we cover the two ways by which marketers must use data to prevent and identify fraud:

- Marketing Campaigns Must Have High-Quality Data Foundations To Ensure Campaign Credibility
- Intra- and Post-Campaign Data Analysis Is Necessary To Identify and Investigate Any Potential Cases of Fraud



Marketing Campaigns Must Have High-Quality Data Foundations To Ensure Campaign Credibility

One of the most integral parts of every marketing campaign is identifying a target audience in order to efficiently invest ad dollars into the most receptive groups of consumers likely to make a purchase. Because audience identification is so vital, investments for it are high: in 2019 alone, the advertising and media ecosystem spent **\$11.9B** on third-party audience data to target advertising messages effectively.

But not all audience segments available on the marketplace are high quality. A study by [Location Sciences](#) found that 82% of location-based audiences were found to be inaccurate. Equally troubling, 65% of budget is wasted on poor-quality and mistargeted location data. Despite significant work done by a marketing team to identify target markets, if an audience segment isn't composed of accurate data, then the campaign is immediately led astray as budget is wasted on non-receptive audiences with little intention of purchasing, or worse, non-human bots. To eliminate fraud at this stage, marketers must ensure that all audience data related to a campaign is as accurate and precise as possible.

BUY AUDIENCES WITH CONFIDENCE



65%

of budget is wasted on poor-quality and mistargeted location data



82%

of location audiences have been found as inaccurate



49%

uplift in savings & performance when transparency is applied to remove waste and inaccuracy

Source: Location Sciences

Intra- and Post-Campaign Data Analysis Is Necessary To Identify and Investigate Any Potential Cases of Fraud

At the conclusion of a campaign, it's standard practice to evaluate performance based on a core set of data KPIs and consequently optimize strategies for the future. However, campaign data should also be used both intra-campaign or post-campaign to recognize fraud. When marketers possess the ability to recognize and validate the identity of ad clicks and viewers, they're able to scrutinize campaign data both during and after flight. As a result, data outliers can be identified and investigated as potential cases of fraud. Marketers must be sure to utilize post-campaign data to not only measure campaign success, but determine if any suspicious activity occurred while the campaign was in-flight.



Case Study: Operation “StreamScam”

Oracle, the world's leading converged, multi-modal database management system, is one example where accurate data was used effectively to uncover an elaborate advertising fraud scheme. In December 2020, [Oracle revealed](#) that it had discovered advertising fraud in streaming television—impacting millions of dollars in ad spend. The operation, named “StreamScam,” tricked marketers into purchasing ad spots that were never displayed to actual viewers. The scammers fooled advertisers into believing their ads were running on CTV devices, but instead falsified ad requests and masqueraded data with fake IP addresses. The scheme was extensive: [Oracle reported](#) that it “involved 28.8 million fabricated household IP addresses, and spoofed about 3,600 apps and 3,400 internet-connected TV device models.” Over four months, scammers likely stole \$14.5 million.

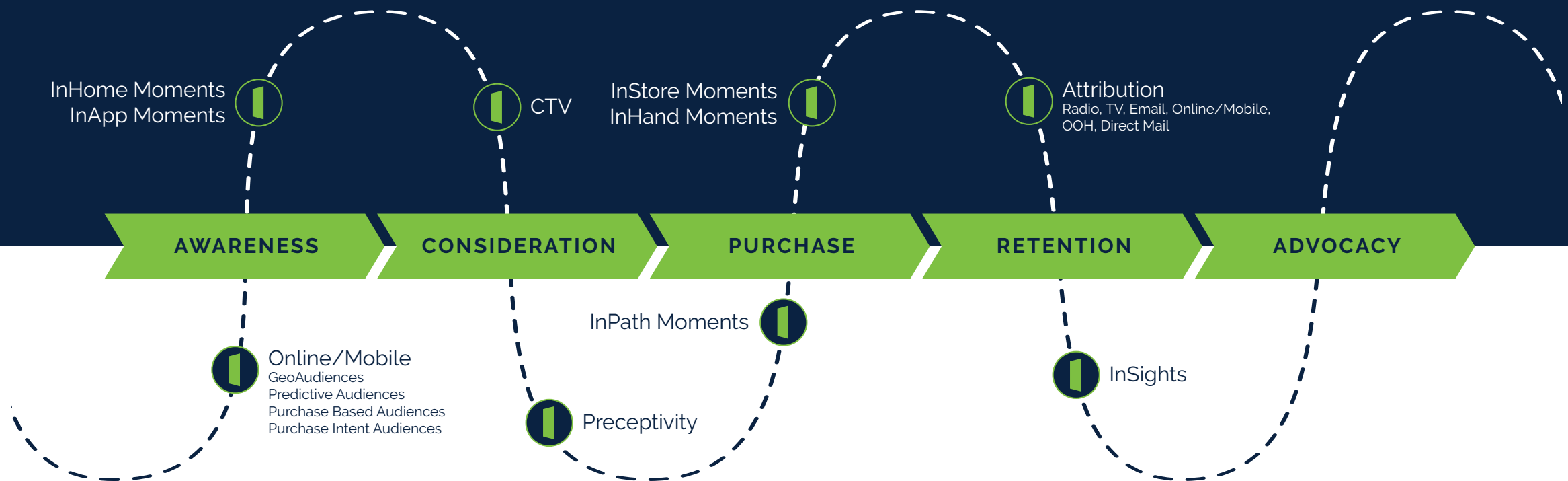
Whereas less equipped companies may have missed the issue, Oracle uncovered the widespread scam by leveraging one of the most crucial components of any marketing strategy: data. Oracle noticed irregularities in measurement data, including ad requests “coming from older Apple TV devices running new iOS 14 software they couldn't support.” Tal Chalozin, CTO of Innovid Inc, told the [Wall Street Journal](#) “[Scammers] take advantage of there being no direct connection between the merchant and the buyer by inserting themselves into the middle.” Scammers are able to capitalize and profit from this lack of ability for advertisers to track and monitor CTV ad performance when working with ad sellers.

With fraudsters finding clever ways to hide their crimes and scam millions of dollars from advertisers, Oracle has proven that data is key for uncovering these schemes with sound checks and balances. With data, marketers can not only ensure campaigns have concrete foundations but also uncover any suspicious activity and quickly respond accordingly.

InMarket Makes Fraud Protection Easy

The rise of extensive, costly fraud schemes can be worrisome for marketers investing significant amounts of money in advertising. As scammers become more sophisticated, it only strengthens the need for marketers to have access to robust, accurate data in order to minimize wasted spend and identify potential fraud immediately. At the core of fighting ad fraud is this central concept that all advertising data must be credible in order to provide marketing teams with the ability to prevent and/or identify fraud from entering campaigns. Fortunately for marketers, fraud protection doesn't have to be complicated. InMarket, with ten years of recognition as the location experts, provides marketers with the trusted data and insights to not only engage consumers with powerful advertising at every stage of the customer lifecycle, but prevent fraud with confidence.

ENSURING ACCURACY AND PRECISION AT ALL STAGES OF THE CUSTOMER JOURNEY



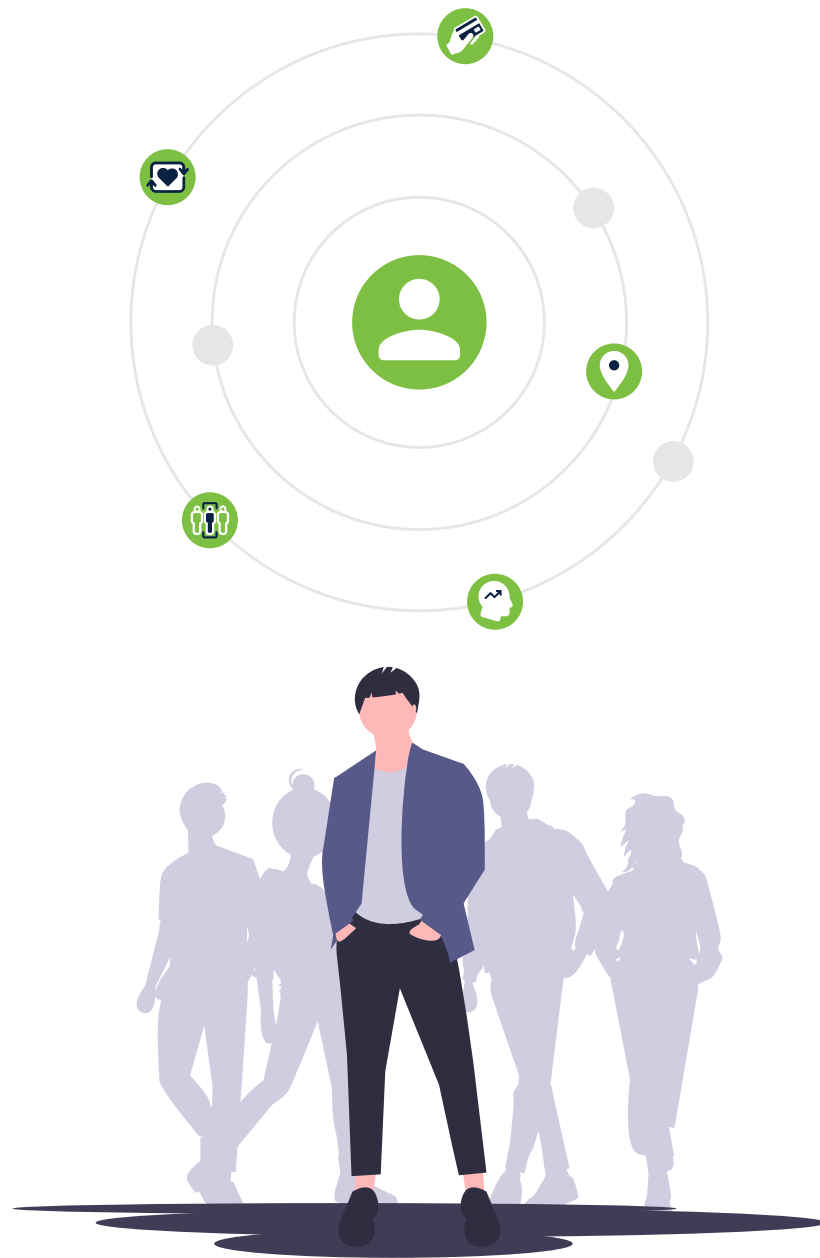
InMarket's First-Party Data Validation And Checks Combat Ad Fraud

As demonstrated by Operation StreamScam, millions of dollars in ad spend can be spent on ads that aren't ever shown to real humans. InMarket's proprietary Location Score Technology leverages advanced algorithms and real-world data to validate the location data quality of every ad request in real-time, before a bid is made. Relative density tests utilize advanced algorithms to remove fraudulent apps and/or ad requests to ensure that ad fraud is immediately prevented. Furthermore, InMarket audits partner applications to remove mobile apps that have low-quality location data. Finally, InMarket's Comscore-verified Mobile Audience Panel is leveraged as the final 'truth set' to verify user location accuracy. Tools like our Location Score Technology ensure marketers are only bidding on and paying for advertisements that are seen by real people.

InMarket's Third-Party Verified Location Data Assures Accuracy and Precision

Third-party certification services are playing an increasingly important role in building a level of trust and buyer confidence in a world where scams and fraudulent practices are increasingly commonplace. InMarket has embraced these services and its visit metrics and location data has been validated by Comscore. In 2020, InMarket was also audited and recognized by Location Sciences for achieving the highest certification rating for accuracy and precision (Optimal) for InMarket's audience segments—bringing a new level of trust and accountability to audiences and programmatic buying. InMarket Certified Audiences help marketers engage consumers with confidence, knowing that they are reaching their intended audience based on their verified offline and online behavior.





InMarket's Real-Time & First-Party Data Provides Direct, Verified, High-Quality Data and Performance

As privacy protections strengthen in the industry—including Apple's iOS 14.5 release and Internet browsers' ban of third-party cookies—it will be increasingly important for marketers to utilize marketing solutions to engage with consumers in real-time. With growing threats of advertising fraud, it's imperative to understand the lengths vendors go to minimize fraudulent activity. One way to go about this is to work with trusted publishers and app partners that use first-party data. Providers who receive real-time signals based on movements add an additional layer of validation and fraud protection. InMarket's permission-based SDK persistently tracks users' location based on user-set permissions, enabling the collection of first-party location data directly from consumers and eliminating any possibility of fraud entering data collection. In addition, InMarket's ability to wake up mobile devices based on a user's location and action—when they break a geofence to enter a store—enables brands to reach consumers at their precise moment of need. InMarket also collects product scans in-store, scanned receipt data, as well as linked credit card transactions from participating users that are tied to the first-party SDK, providing additional layers of validation. This assures marketers that real people are actually taking real action in stores—valuable data that not only shows consumer action, but acts as a validation of campaign performance and conversion. Solutions like InMarket's real-time Moments platform do not rely on users opt-in to ad tracking and are triggered by real people's actions. As both privacy protections and fraud continue to grow, marketers can utilize InMarket's real-time solutions to engage with consumers with confidence.

InMarket's Attribution Solution Validates Media Results

As was highlighted in the Operation StreamScam example, Oracle's suspicion of fraud was uncovered by observing irregularities in the measurement data. Just like with audiences, measurement providers are turning to third-party services to audit and verify measurement accuracy. Providers whose methodology has been battle-tested can additionally help identify any data anomalies that may signal fraud within the campaign. Coupled with robust analytics to identify data outliers that highlight potential issues, these tools have become essential components in the marketer's tool box, enabling them to identify the most strategic opportunities for media investment in order to drive results. InMarket's Attribution and Analytics solution suites were designed to be that invaluable resource for marketers. Together, these solutions have not only received multiple patents for sound methodology, but InMarket's visit data have been verified by both Comscore and Location Sciences for data quality and visit accuracy, allowing marketers to buy with confidence.

INMARKET RECOGNIZED FOR ACCURACY AND PRECISION



Location Sciences
Certified Audiences



Comscore-verified
SDK data



Best Location Platform Winner
2020 Digiday Technology
Awards

InMarket is committed to helping clients maximize success and, in tandem, prevent fraud at all stages of the marketing cycle. InMarket's Location Score Technology, Certified Audiences, first-party data, real-time capabilities, and Attribution and Analytics solutions contain the highest level of accurate and precise data, helping marketers confidently allocate and spend advertising budget with minimal fear of fraud. To learn how InMarket can help protect your advertising from fraud, [contact your InMarket representative today](#).

InMarket is the leading provider of 360-degree consumer intelligence and real-time activation. By analyzing the visitation, purchase, and survey patterns of millions of opted-in U.S. consumers, InMarket provides brands with the actionable intelligence needed to create real-time experiences at scale InHome, InPath, InStore, and InHand.

To view additional reports, please visit [InMarket InSights](#). To learn about how InMarket's advanced segmenting and one-to-one in-store and out-of-store advertising programs can help you drive business, please [contact us](#) today.

INMARKET