Mobile Fraud in India

A collaboration between

MOBILE MARKETING ASSOCIATION and DECISION LAB
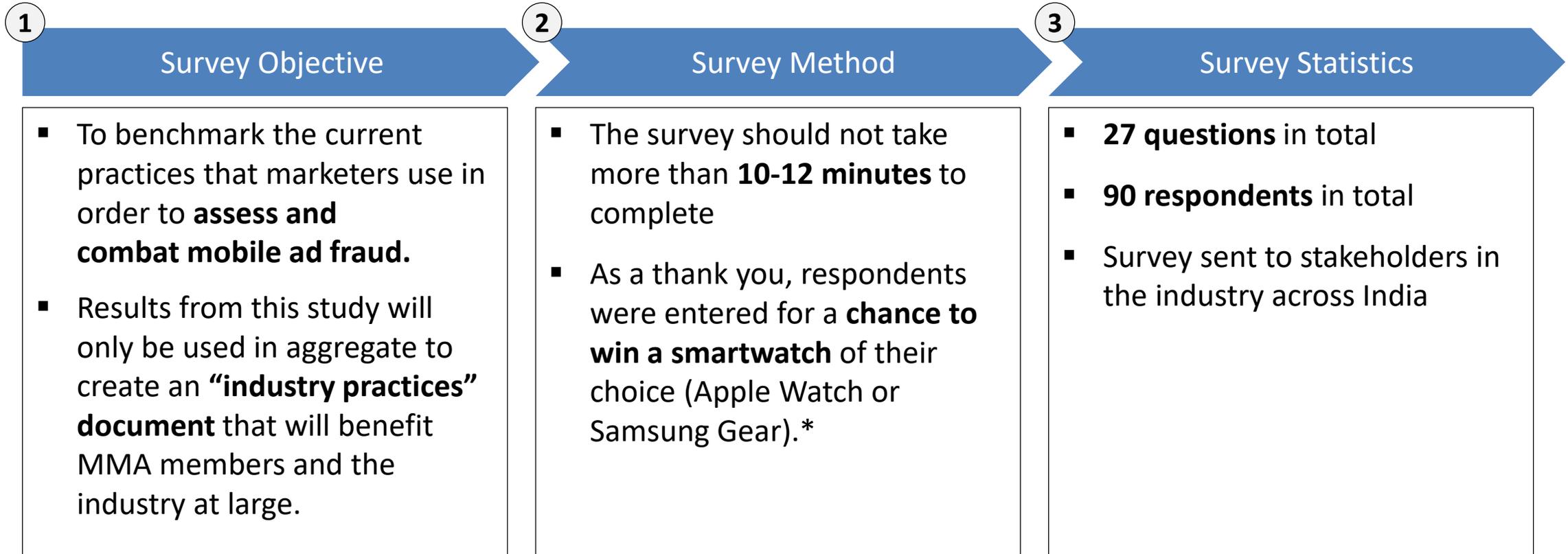
NOVEMBER 2019
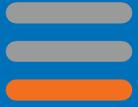
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Research Overview: India benchmark of marketers' attitudes and practices in relation to mobile fraud

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| ① Survey Objective	② Survey Method	③ Survey Statistics
▪ To benchmark the current practices that marketers use in order to **assess and combat mobile ad fraud.** ▪ Results from this study will only be used in aggregate to create an **"industry practices" document** that will benefit MMA members and the industry at large.	▪ The survey should not take more than **10-12 minutes** to complete ▪ As a thank you, respondents were entered for a **chance to win a smartwatch** of their choice (Apple Watch or Samsung Gear).*	▪ **27 questions** in total ▪ **90 respondents** in total ▪ Survey sent to stakeholders in the industry across India

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Executive Summary

- Mobile Ad Fraud is the top marketing challenge that companies are currently combatting, it is expected to increase in the future.

- The perpetrator is believed to be benefiting from the fraud and it is furthered by the lack of penalties and transparency between partners.

- The most common approach when it comes to preventing and tackling fraud is to involve external solution. Popular providers are Intergal Ad Science and Moat.

- Marketers' needs for real time analysis and proactive tracking have been addressed by the vendors.

- Marketers are satisfied with the service received but not many claim to have completely eliminated ad fraud.

- Help from the industry is highly appreciated, including self assessment tools and guidelines on how to prevent fraud.
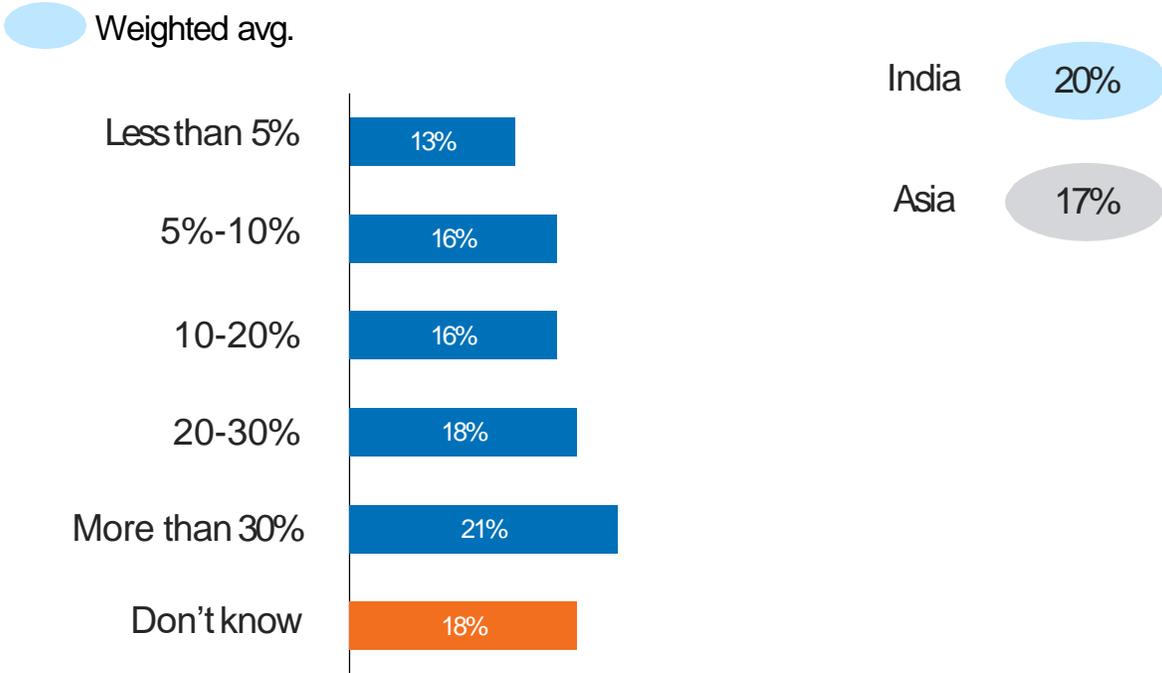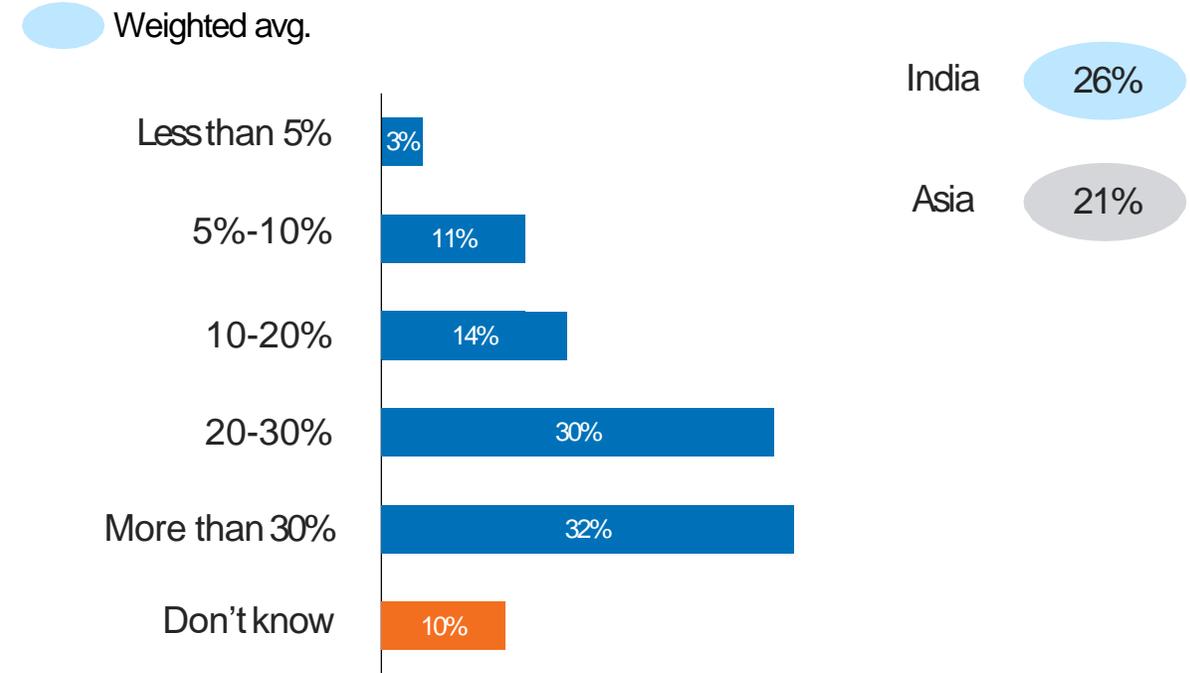
Mobile Ad Fraud is highly concerned by most Indian firms as the issue will stay the same or magnify in the future

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Overall, do you expect mobile ad fraud to increase, stay the same or decrease in 2019?

India

Increase significantly	13%
Increase somewhat	37%
Stay the same	10%
Decrease somewhat	38%
Decrease significantly	3%

Asia

Increase significantly	17%
Increase somewhat	36%
Stay the same	10%
Decrease somewhat	27%
Decrease significantly	10%
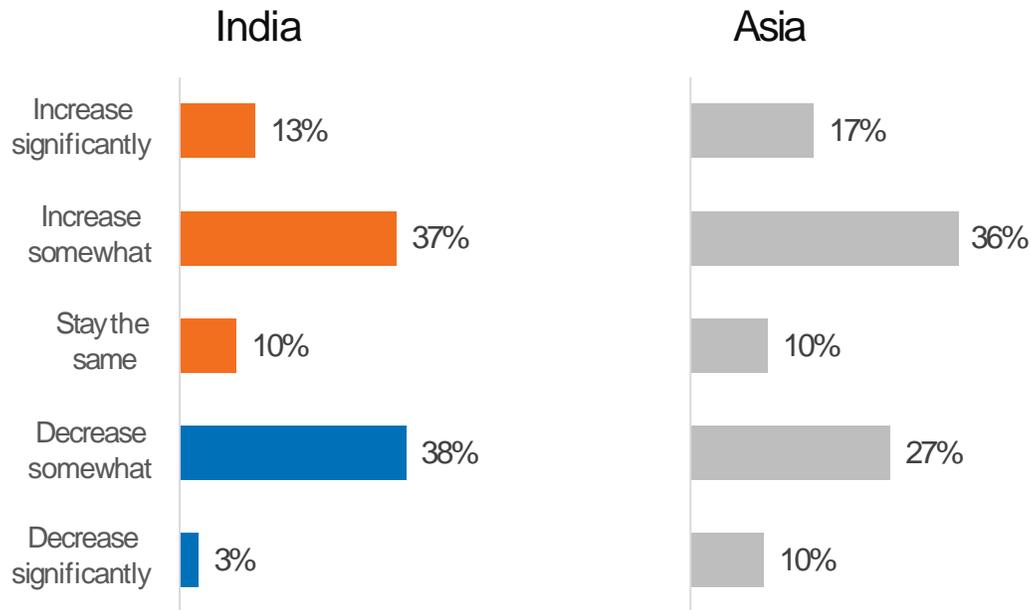
6/10 believes that mobile fraud will stay the same or increase

Please check the three mobile advertising challenges that are the highest priorities for your company right now?

■ India   ■ Asia

Challenge	India
Mobile Adfraud	62%
Lack of trustworthy 3rd party measurement	40%
Brand safety / challenges with brand safe ad placement	38%
Low ad viewability in mobile	36%
Poor quality of data that is used for targeting in mobile	34%
Poor quality of data that is used for attribution in mobile…	26%
Challenges with reliable attribution	23%
Walled gardens	16%
GDPR and privacy issues	14%
Difficulty to optimize mobile ad spend in real time	10%
Other (please specify)	0%

This belief is explained by the high priority that many companies are giving this issue

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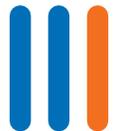
Policies to penalise perpetrators is required to combat the issue

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How much do you agree with each of the following statements when it comes to the causes of mobile ad fraud?

■ Strongly agree (1)   ■ Agree somewhat (2)   ■ Disagree somewhat (3)   ■ Strongly disagree (4)   ⬭ Weighted avg.

		India	Asia
There are no clear penalties or disincentives against ad fraud (n=42)	71% · 24% · 5%	1.33	1.55
Perpetrators have an incentive to continue evolving their methods (n=42)	64% · 29% · 7%	1.43	1.63
There are too many middlemen and there is lack of data sharing and transparency (n=41)	61% · 34% · 5%	1.44	1.69
Marketers use campaign metrics that are easily gamed (CPM, CTR etc) by perpetrators (n=41)	56% · 34% · 7%	1.56	1.77
Publishers, networks and other media companies don't do enough to monitor the sources of their traffic (n=42)	45% · 43% · 12%	1.67	1.82
Marketers are not doing their due diligence and don't require transparency from their partners (n=41)	32% · 37% · 24% · 7%	2.07	2.12
Agencies are not doing their due diligence and don't require transparency from their partners (n=42)	29% · 45% · 14% · 12%	2.10	2.21

**The lack of transparency and a clear system to penalise perpetrators have caused the rise of mobile ad fraud.
It's also agreed that perpetrators are benefiting from the fraud hence the evolving method**

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Not have been solved completely, all three classes of fraud are regarded as highly unsafe

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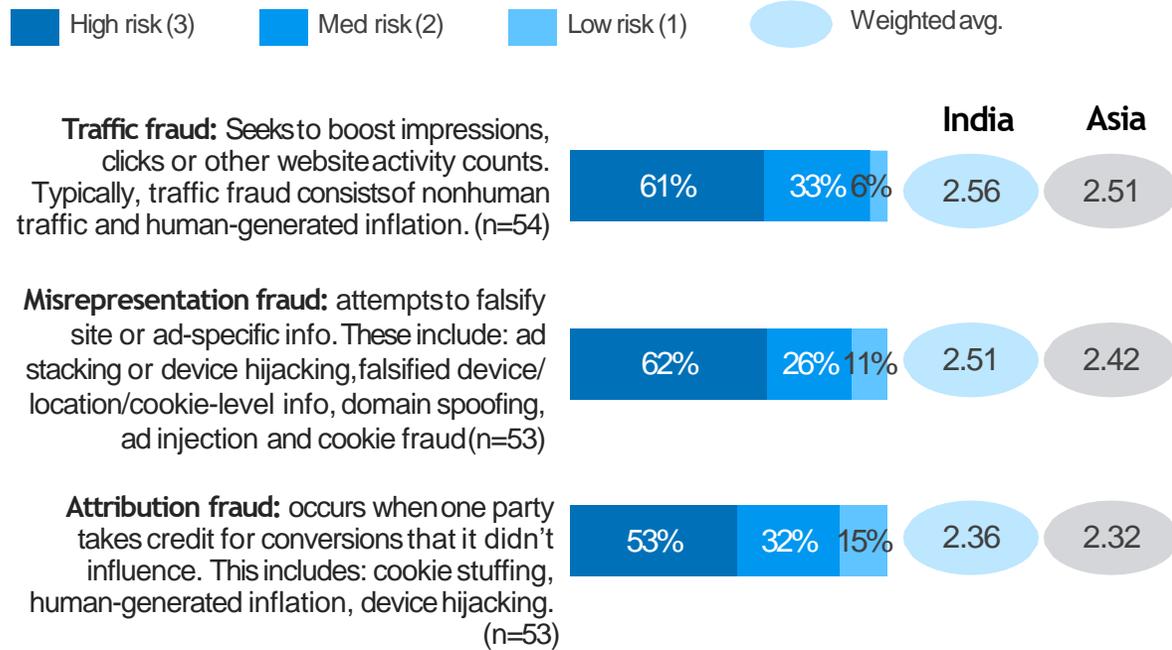**Please review the following categories of mobile ad fraud. How high is the risk of each of them to your company?**

- ■ High risk (3)
- ■ Med risk (2)
- ■ Low risk (1)
- ⬭ Weighted avg.

	High risk (3)	Med risk (2)	Low risk (1)	India	Asia
Traffic fraud: Seeks to boost impressions, clicks or other website activity counts. Typically, traffic fraud consists of nonhuman traffic and human-generated inflation. (n=54)	61%	33%	6%	2.56	2.51
Misrepresentation fraud: attempts to falsify site or ad-specific info. These include: ad stacking or device hijacking, falsified device/location/cookie-level info, domain spoofing, ad injection and cookie fraud (n=53)	62%	26%	11%	2.51	2.42
Attribution fraud: occurs when one party takes credit for conversions that it didn't influence. This includes: cookie stuffing, human-generated inflation, device hijacking. (n=53)	53%	32%	15%	2.36	2.32

Traffic fraud poses the highest risk, followed by misrepresentation fraud, and then attribution fraud

To what extent would you say that you have managed to protect your business from these types of mobile ad fraud through your efforts?

- ■ Completely
- ■ Partly
- ■ Not at all

	India			Asia		
	Completely	Partly	Not at all	Completely	Partly	Not at all
Traffic Fraud n=54	20%	69%	11%	27%	67%	7%
Misrepresentation Fraud n=54	19%	70%	11%	20%	72%	8%
Attribution Fraud n=53	15%	70%	15%	21%	69%	10%

Very small portions of the ad fraud is believed to be removed completely

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When it comes to specific fraud methods, cookie stuffing, adware traffic and data fraud are seen as the most dangerous

Question 17 Survey results, India: n =54

Here is a list of types of mobile ad fraud that we have heard from other marketers. Which of them do you consider more dangerous to your business? Please check all that apply

Legend: India / Asia

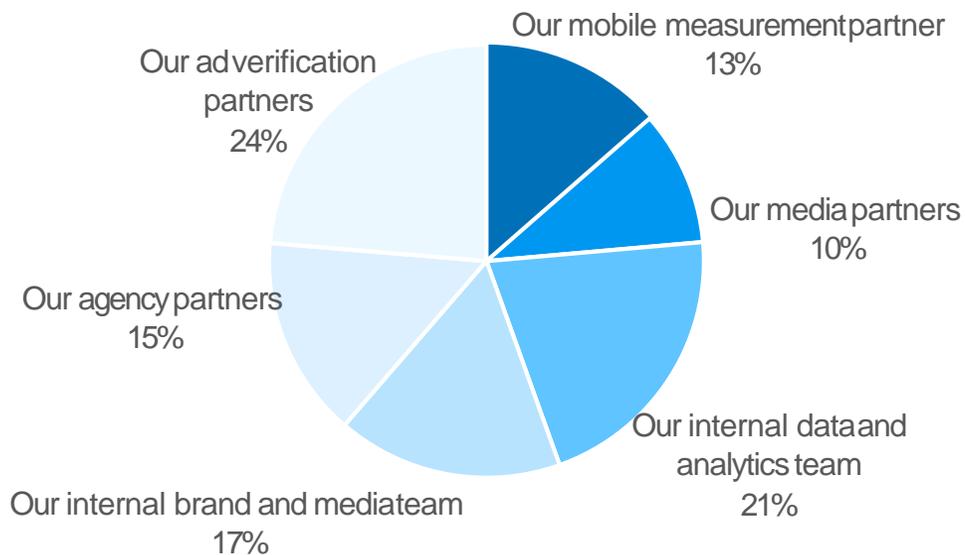| Fraud Type	India	Asia
Cookie stuffing	74%	59%
Adware traffic/ad injection	65%	54%
Data fraud (including location data)	61%	59%
Ad injection	54%	48%
Ad stacking	52%	48%
Domain spoofing	43%	40%
Pixel stuffing	39%	33%
Browser pre-rendering	37%	26%
Sophisticated Invalid Traffic (SIVT)	37%	30%
Incentivized browsing	33%	24%
General Invalid Traffic (GIVT)	30%	24%
Datacenter traffic	26%	29%
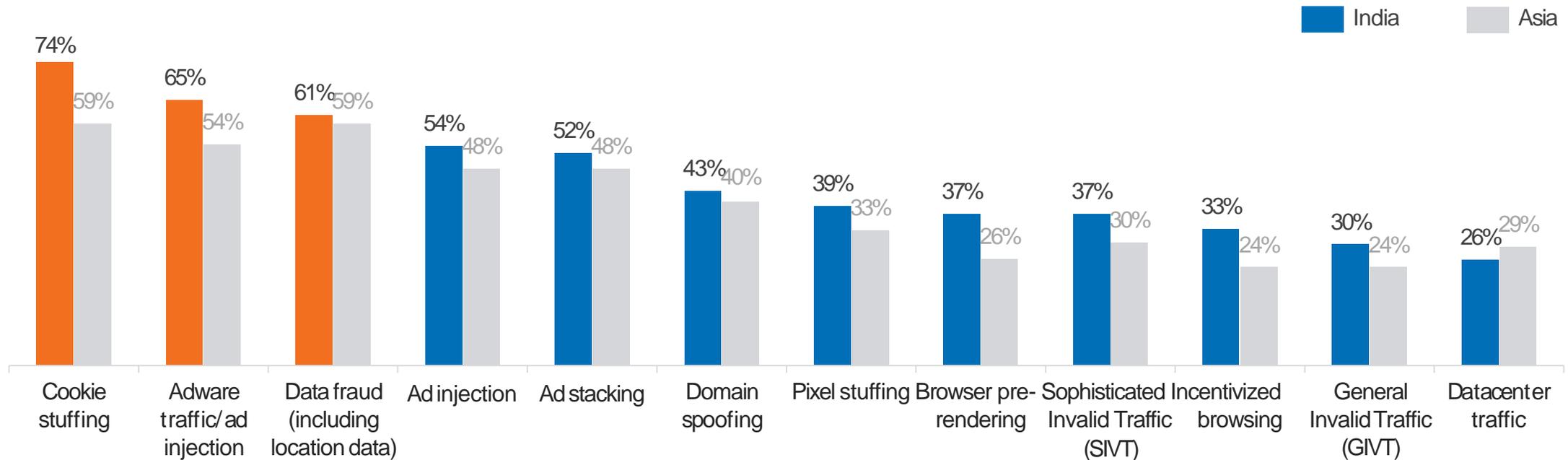
Over half of the respondents consider cookie stuffing, data fraud and adware traffic as highly harmful to their business.
Closely followed by ad injection, ad stacking and domain spoofing while browser pre-rendering,
incentivised browsing and GIVT are less popular in the list of concerns in India

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More effort is required to combat mobile ad fraud - the most challenging and a growing issue for companies

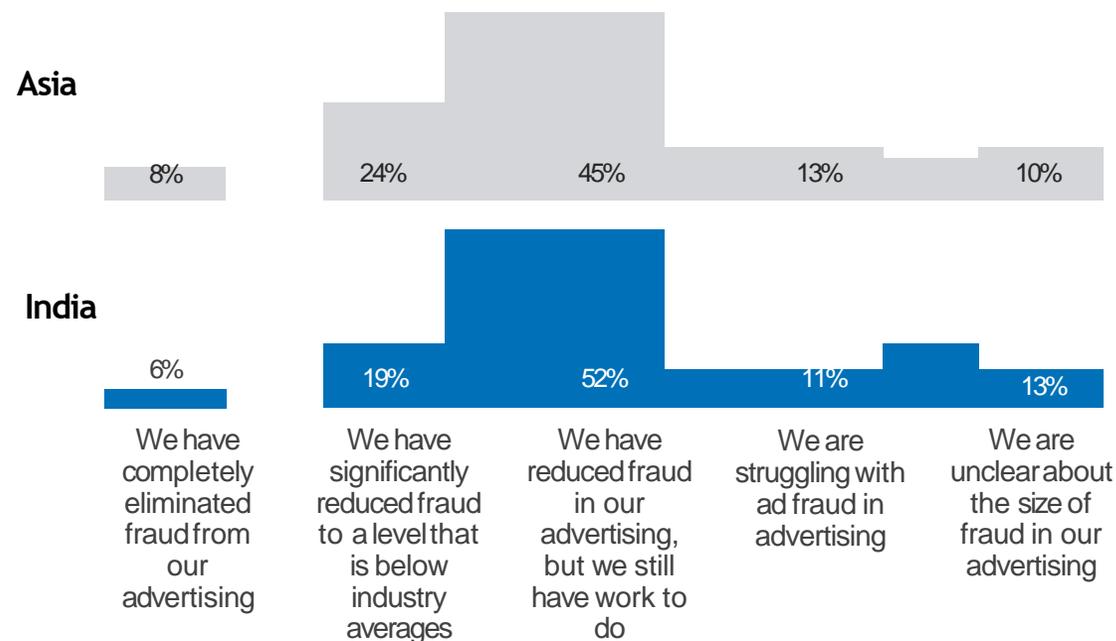Question 19 Survey results, India: n = 42

What is the contribution of each of the following parties, when it comes to helping you reduce ad fraud from your mobile media spend?

Our mobile measurement partner
13%

Our ad verification partners
24%

Our media partners
10%

Our agency partners
15%

Our internal data and analytics team
21%

Our internal brand and media team
17%

An equal split between factors that help companies fight against ad fraud

Question 18 Survey results, India: n = 54

Overall, how would you evaluate the effectiveness of all your efforts when it comes to preventing mobile ad fraud?

Asia

| 8% | 24% | 45% | 13% | 10% |

India

| 6% | 19% | 52% | 11% | 13% |

We have completely eliminated fraud from our advertising

We have significantly reduced fraud to a level that is below industry averages

We have reduced fraud in our advertising, but we still have work to do

We are struggling with ad fraud in advertising

We are unclear about the size of fraud in our advertising

1 in 10 claimed to have completely dealt with the issue while most marketers saw more work to be done

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A combination of measures are in place to address the issue with the most popular choice being an external validation solution

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Which of the following measures has your company taken to address mobile ad fraud? Please check all that apply.

Legend: India (blue), Asia (grey)

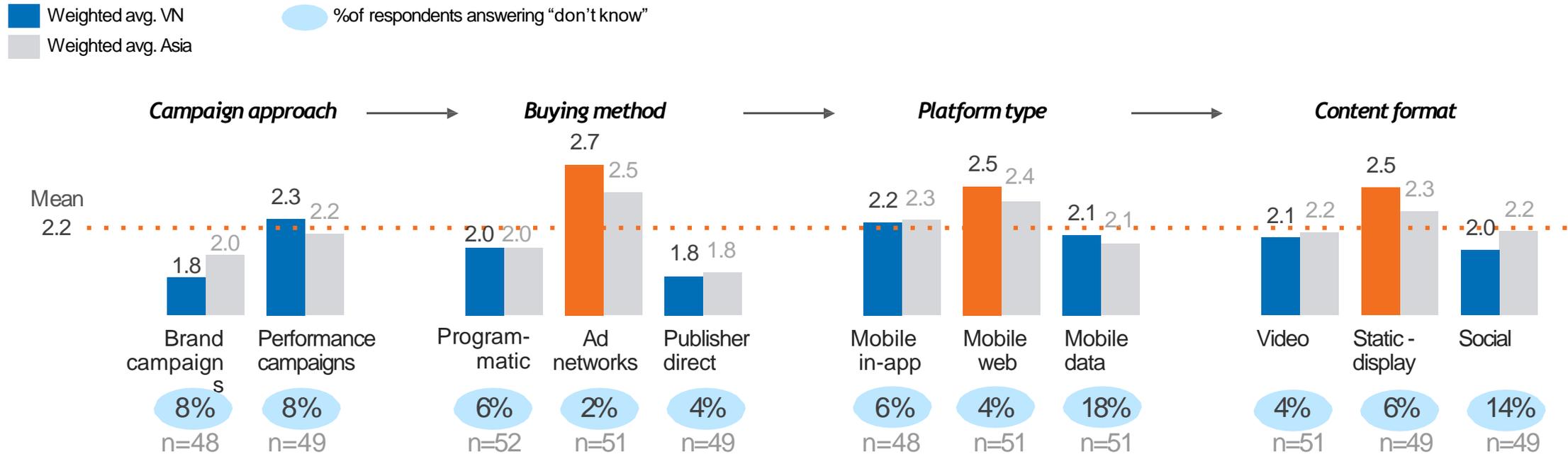| Measure	India	Asia
We use a third-party validation solution	68%	55%
We systematically update our blacklists for media buying	56%	44%
We require a lot more transparency from our media partners in terms of their traffic and their own initiatives to address fraud	52%	48%
We participate in industry studies and initiatives to identify best practices	46%	37%
We use our own data and analytics to assess, benchmark and monitor suspicious patterns for mobile fraud	44%	46%
We have assigned specific fraud related KPIs to our media agency and media partners	40%	36%
We use SSPs that guarantee clean inventory	37%	30%
We vote with our dollars (reduce spending in areas that are less transparent, eliminate buys that show high shares of ad fraud etc)	30%	28%
We invest time and resources to better leverage blockchain and other new approaches	14%	16%

To address ad fraud, companies turned to external forces such as hiring solution vendors and requiring more transparency from their media partners. Not many are exploring new technologies and approaches (eg blockchain)

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Marketers regard buying directly from publishers and programmaticas the safest approach, in contrast to ad networks

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Question 14 Survey results

In which of the following areas is mobile ad fraud higher, compared to average, based on your experience?[1]

- ■ Weighted avg. VN
- ▢ Weighted avg. Asia
- ⬭ %of respondents answering "don't know"

Campaign approach → *Buying method* → *Platform type* → *Content format*

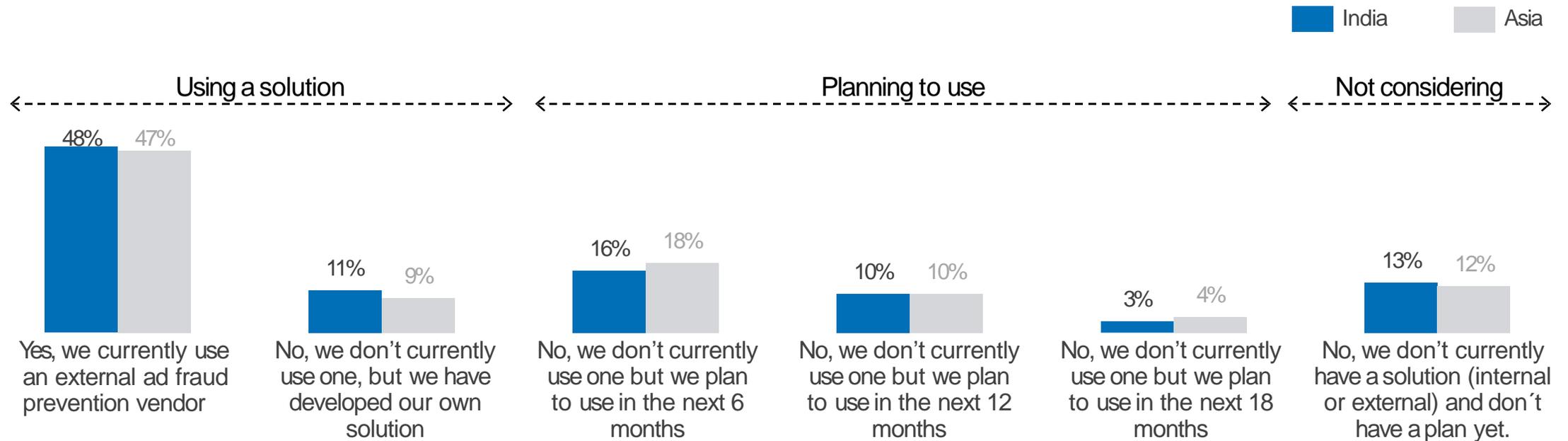|	Campaign approach		Buying method			Platform type			Content format		
	Brand campaigns	Performance campaigns	Program-matic	Ad networks	Publisher direct	Mobile in-app	Mobile web	Mobile data	Video	Static - display	Social
Mean 2.2 VN	1.8	2.3	2.0	2.7	1.8	2.2	2.5	2.1	2.1	2.5	2.0
Asia	2.0	2.2	2.0	2.5	1.8	2.3	2.4	2.1	2.2	2.3	2.2
don't know	8%	8%	6%	2%	4%	6%	4%	18%	4%	6%	14%
	n=48	n=49	n=52	n=51	n=49	n=48	n=51	n=51	n=51	n=49	n=49

**Many are unfamiliar with the risk of fraud in mobile data (including location) and social format.
Ad networks, mobile web and static display are considered to be the most risky area**

1 Respondents assessed each category using the following options: Higher than avg. (3), Average (2), Lower than avg. (1), and Don't know

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To help with the fight against ad fraud, 90% of the companies are using a solution or are planning to do so in the near future

Specifically, does your company use now or do you plan to use in the future a dedicated external vendor to help detect, monitor and prevent mobile ad fraud?

■ India   ▢ Asia

Using a solution ◄------------------►   Planning to use ◄------------------►   Not considering ◄------►

| 48% | 47% | | | | | | | | |

11% 9%   16% 18%   10% 10%   3% 4%   13% 12%

Yes, we currently use an external ad fraud prevention vendor

No, we don't currently use one, but we have developed our own solution

No, we don't currently use one but we plan to use in the next 6 months

No, we don't currently use one but we plan to use in the next 12 months

No, we don't currently use one but we plan to use in the next 18 months

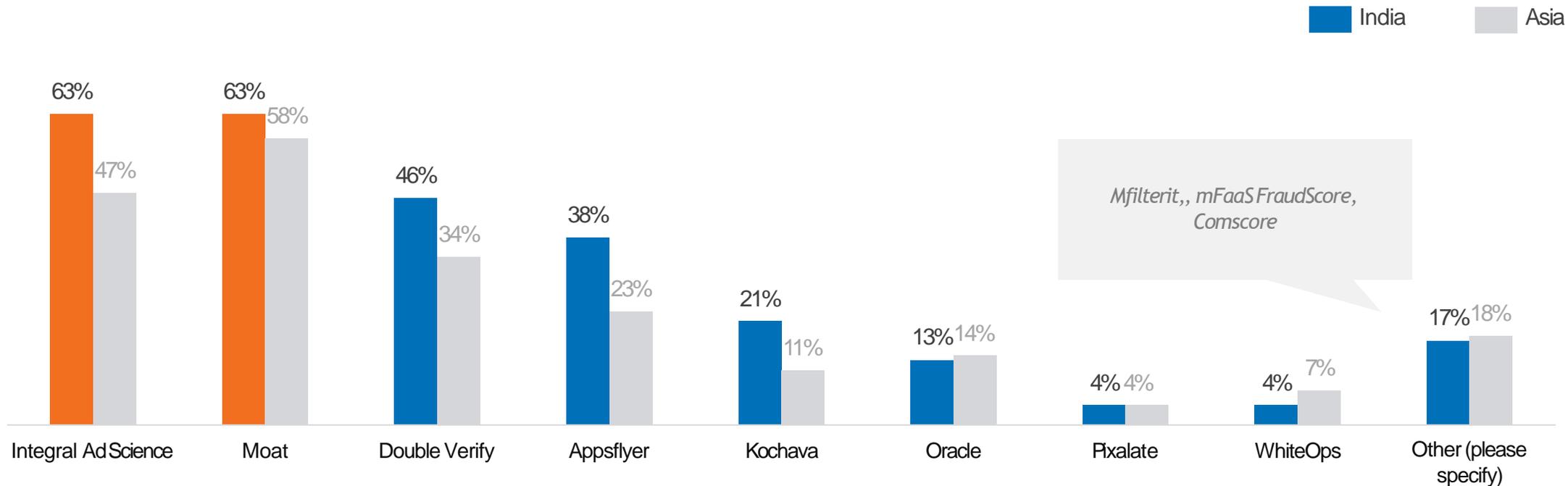No, we don't currently have a solution (internal or external) and don´t have a plan yet.

Over half of the respondents are currently using solutions (mainly external) to help combat ad fraud while about a third are planning to do so in the next 6-18months. Only 1 in 10 of the companies are not considering a solution

MOAT and Integral Ad Science stand out as the most popular providers to detect and prevent fraud in India

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Question 11 Survey results, India: n = 24

Which of the following companies do you work with in terms of detecting and preventing mobile ad fraud? Please check all that apply.
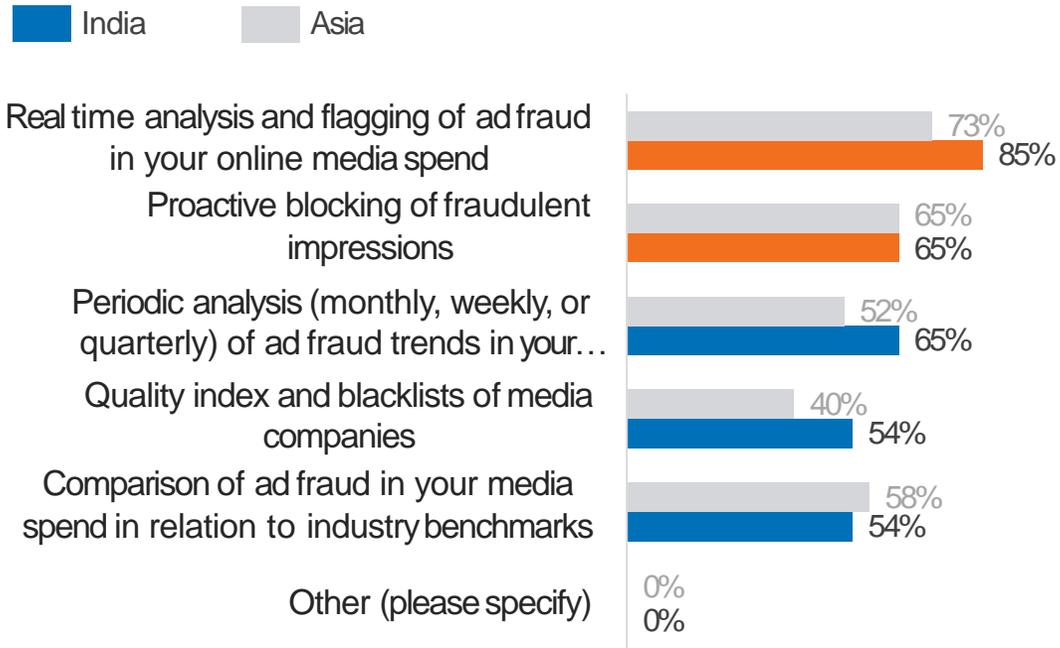
Legend: ■ India ■ Asia

Company	India	Asia
Integral Ad Science	63%	47%
Moat	63%	58%
Double Verify	46%	34%
Appsflyer	38%	23%
Kochava	21%	11%
Oracle	13%	14%
Pixalate	4%	4%
WhiteOps	4%	7%
Other (please specify)	17%	18%

Mfilterit,, mFaaS FraudScore, Comscore

1 in 2 companies use at least one of these four major providers:
Integral Ad Science, MOAT, Double Verify and Appsflyer

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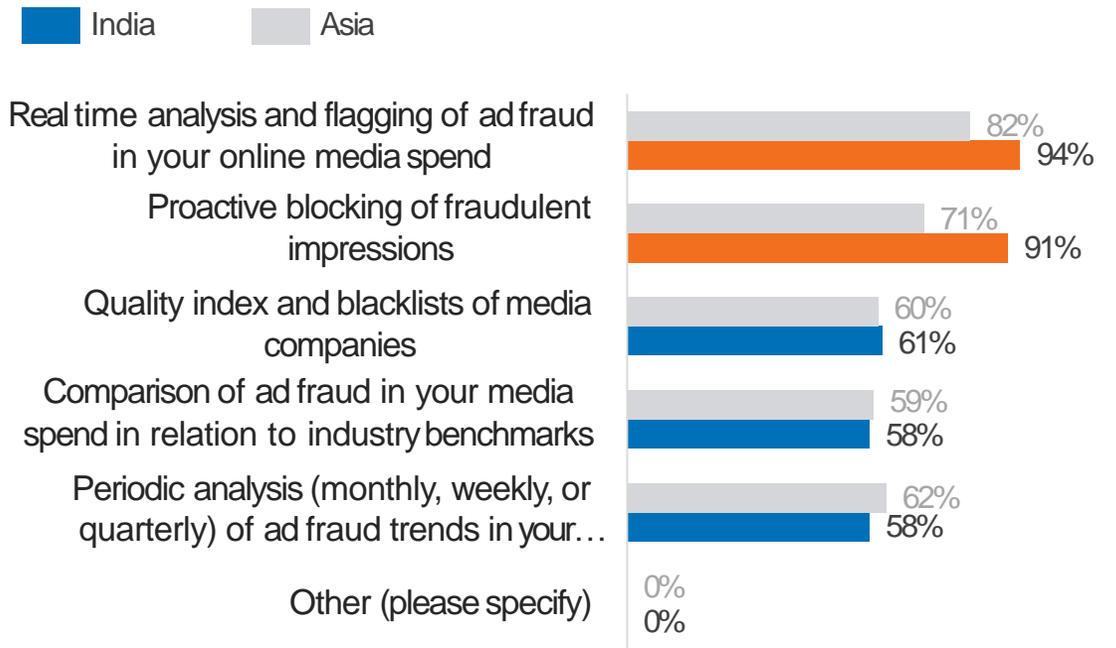# Marketers' needs have been addressed accordingly; top priorities include real time analysis and proactive blocking

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Which of the following services does your anti-ad fraud solution offer to your company? Please check all that apply.

■ India   ■ Asia

Real time analysis and flagging of ad fraud in your online media spend
- Asia 73%
- India 85%

Proactive blocking of fraudulent impressions
- Asia 65%
- India 65%

Periodic analysis (monthly, weekly, or quarterly) of ad fraud trends in your…
- Asia 52%
- India 65%

Quality index and blacklists of media companies
- Asia 40%
- India 54%

Comparison of ad fraud in your media spend in relation to industry benchmarks
- Asia 58%
- India 54%

Other (please specify)
- Asia 0%
- India 0%

Over 80% are offered instant detection and proactive blocking of potential threads

Which of the following services would you expect from an anti-ad fraud solution? Please check all that apply.

■ India   ■ Asia

Real time analysis and flagging of ad fraud in your online media spend
- Asia 82%
- India 94%

Proactive blocking of fraudulent impressions
- Asia 71%
- India 91%

Quality index and blacklists of media companies
- Asia 60%
- India 61%

Comparison of ad fraud in your media spend in relation to industry benchmarks
- Asia 59%
- India 58%

Periodic analysis (monthly, weekly, or quarterly) of ad fraud trends in your…
- Asia 62%
- India 58%

Other (please specify)
- Asia 0%
- India 0%

Real time analysis and proactive blocking stood out to be the functions that many companies wish to get
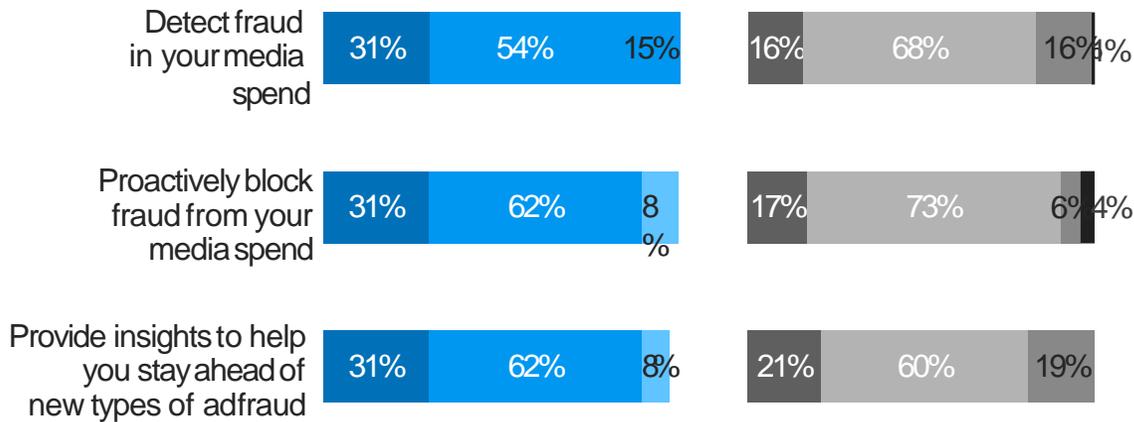
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Despite not having their fraud completely eliminated, Indian companies are mostly satisfied with their current solution, backed by their NPS 27

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Overall, how satisfied are you of your anti-ad fraud solution in terms of each of the following?

- ■ Completely satisfied
- ■ Somewhat satisfied
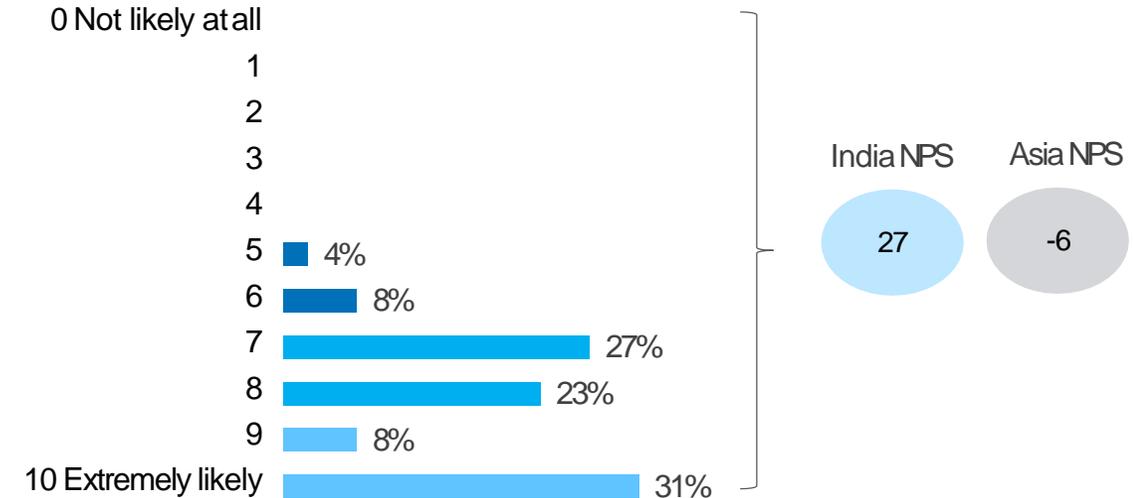- ■ Somewhat dissatisfied
- ■ Completely dissatisfied

	Completely satisfied	Somewhat satisfied	Somewhat dissatisfied
Detect fraud in your media spend	31%	54%	15%
	16%	68%	16% 1%
Proactively block fraud from your media spend	31%	62%	8%
	17%	73%	6% 4%
Provide insights to help you stay ahead of new types of adfraud	31%	62%	8%
	21%	60%	19%

Detecting fraud is the least sastisfied aspect of the solution being provided. However, this is not significant

How likely would you recommend your anti-ad fraud vendor to another company? (NPS: Net Promoter Score)

- ■ Detractors (0-6)
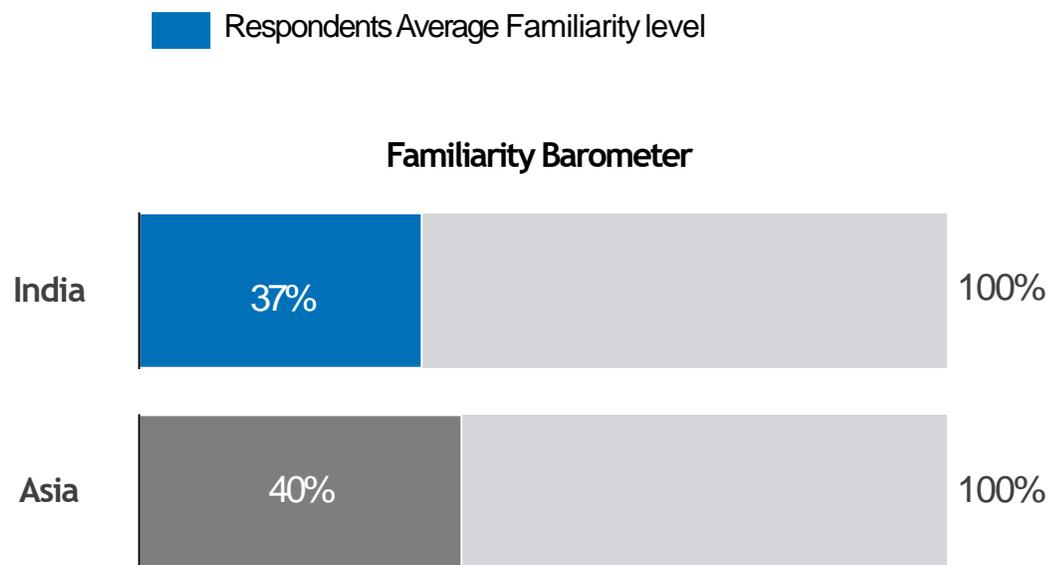- ■ Passives (7-8)
- ■ Promoters (9-10)

0 Not likely at all	
1	
2	
3	
4	
5	4%
6	8%
7	27%
8	23%
9	8%
10 Extremely likely	31%

India NPS: **27**
Asia NPS: **-6**

Most users are willing to refer their current solutions

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How familiar are you with blockchain on a scale of 1 to 100?

■ Respondents Average Familiarity level

Familiarity Barometer

India — 37% — 100%

Asia — 40% — 100%

Around 1 in 4 are familiar with blockchain

Do you think that blockchain technology will help solve the fraud and transparency problem in mobile advertising?

■ India   ■ Asia

Yes, the market will soon be ready to implement blockchain solutions against fraud
- 13%
- 10%

Yes, the potential is there, but Industry wide application will take years
- 45%
- 40%

Maybe, although I am not clear about how exactly
- 33%
- 43%

No, I think blockchain will never reach industry-wide application
- 4%
- 2%

No, I think blockchain is overhyped and does not solve the problem
- 5%
- 5%

Half of the marketers believe in the blockchain technology in fraud prevention

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Self assessment tools and reports about the mobile ad fraud are considered to be useful for companies to stay ahead of the issue

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Question 21 Survey results, India: n =42

Here are some ideas for education and tools that other marketers believe that would help their efforts to stay ahead of mobile ad fraud. Which of the following would be valuable to you and your company?

Legend: India | Asia

Category	India	Asia
A self-assessment tool to help you benchmark your exposure to fraud.	76%	59%
State of Mobile ad Fraud report: Key types of fraud now and how to prevent them	74%	60%
CMO's guide to Mobile Ad Fraud	64%	54%
Independent review of anti-fraud solutions and vendors	57%	49%
The future of Mobile Ad Fraud: Annual predictions from industry experts	57%	49%
A guidance report about blockchain and its applications in ad fraud prevention	45%	39%
Benchmarks about the average size of mobile ad fraud.	45%	49%
Validation and assessment of economic value of anti-fraud solutions	40%	39%
Templates for RFI/scoring tool to help select an mobile anti-fraud solution	33%	36%
Contract language to manage media buying in terms of expected reporting and data transparency	26%	35%
Other (please specify)	0%	0%

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Thank you for being a part of our Mobile Ad Fraud journey.

To continue to be a part of the conversation and participate on the future of Brand Safety, join the global council SAVE

https://www.mmaglobal.com/save

In order to know more about Mobile Marketing Association India, click on the link below

https://www.mmaglobal.com/local-councils/india