



ADVERTISING CASE STUDY



**brainfood**

Converging business strategy, creative thinking, and new technology

## AD FRAUD

**“REPORT: FOR EVERY \$3 SPENT ON  
DIGITAL ADS, FRAUD TAKES \$1.” IS  
YOUR AGENCY PROTECTING YOU?**



**fabcom**  
integrated strategic marketing

# HOW TO MITIGATE GROWING AD FRAUD RISK UTILIZING MARKETING BUSINESS INTELLIGENCE ADVERTISING AND ANALYTICS

The prevalence of digital advertising opened the floodgates to a new shadow industry of fraudulent ads. In this case study, FabCom demonstrates how our business and marketing intelligence teams saved one client from being victimized by fraudsters.

The strategic marketing firm's client allocates 25% of their annual marketing budget on leveraging digital advertising as part of an integrated marketing plan.



*Banner ad for placement in header of publisher website*

One type of display ad appears as a banner shown in a publisher's header, sidebar, or in-line with organic content. Offering prospects direct access to the brand after just one click or tap, banner ads are a lucrative vehicle to spread targeted brand messaging aligned to each stage of our **neuromarketing customer life cycle**. Capable of being placed nearly anywhere online, banner ads can be set to follow site visitors who don't convert across their favorite social networks, email, news sites, and even search engine results. With such promising ability to prompt or trigger explicit and implicit brand recollection in consumers, *Ad Age* projects U.S. digital advertising spend will surpass \$32 billion in 2016.



## Ad Fraud Risk to Client

The reward doesn't come without serious risk. In addition to demographic, psychographic, and behavioral activity, FabCom monitors marketing ROI. We provide these business insights as marketing ROIAAS (return on investment as a service) for integrated advertising clients by measuring several key performance indicators:

- Impressions
- User signals such as engagement or Click-through Rate (CTR)
- Conversions
- Conversion rate
- Micro-conversions that lead to Macro-conversions
- ROAS or return on ad spend

But when it comes to ad fraud, it's bot vs. bot. Our machine-learning bot is just part of a whole suite of tools that detect data patterns in impression quantity, sequence, location, and other factors that trigger notifications calling for deeper analysis by our **enterprise business intelligence** and fraud risk mitigation team.

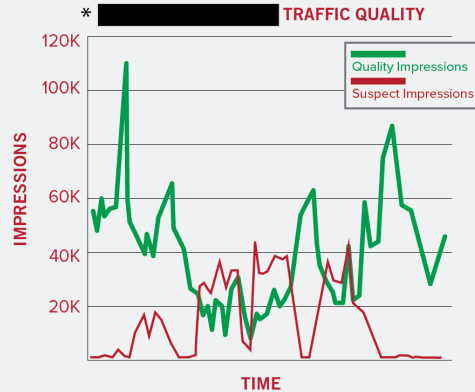
Ad fraud is a constant thorn in the side of our industry—\$18.5 billion in losses from ad fraud were projected in 2015, according to *Ad Age*. As a steward and agent for our clients' marketing and advertising investments, FabCom ensures the sum total across all publishers falls below the "acceptable" industry standard of 5%.

## Client Situation/Need

In mid-2015, FabCom's 24/7 risk mitigation team flagged and analyzed suspicious activity on a major publisher's site and found the culprit in this client's advertising budget. Botnet traffic had infected thousands of user browsers without the publisher's knowledge and the resulting impression fraud caused lost performance and wasted investment for nearly two months.

## Findings

- Between January-April, client banner ads on (website) performed as expected, with the exception of certain weeks spanning between May and June where suspected ad fraud ranged from 1% to 88% of traffic, while averaging 26%. FabCom
- Between August-September, client banner ads on (website) performed as expected until early November when suspected ad fraud ranged from 3% to 66% of traffic, while averaging 32%. FabCom



\* Name redacted for protection

## Goals/Objectives

- Increase performance of banner ad placements.
- Quantify ad fraud traffic.
- Negotiate restitution for the client with the publisher to inform them of ad fraud activity.
- Recapture lost revenue/exposure for the client to assure their advertising return within that same advertising period.

## Results

Leveraging FabCom's passion for client stewardship and using ad fraud detection, tracking, and mitigation technology, the marketing and advertising agency was able to confirm the correlated drop in performance goals was caused by the sharp rise in non-human botnet traffic. In this case, faux impressions increased rapidly over the course of a week's time, turning a historically excellent advertising channel into a loser.

After close analysis, FabCom quickly quantified the monetary loss and notified the client and the publisher, whose internal team investigated and confirmed our findings of the ad fraud activity. FabCom then negotiated restitution, which saved the advertiser thousands of dollars and skewed ROI business intelligence analytics.

## Conclusion

While many agencies claim to advocate for their clients, FabCom's marketing business intelligence/analytics and risk mitigation team provides experienced, 24/7 expertise, support, and monitoring.

Some agencies are just now starting to use ad trafficking technologies. But they haven't invested in developing business analytics teams with the experience to properly recapture advertising dollars absorbed in ad fraud. FabCom's enterprise business intelligence team not only knows how to implement these systems but also wields detection and mitigation to identify, prioritize, and rectify ad fraud incidents on behalf of clients.

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*Having a marketing and advertising agency with a passion for stewarding our company investments has been a major asset to our university. FabCom's business intelligence capability has provided immeasurable value for our brand.*

*Jason P. CEO of client*

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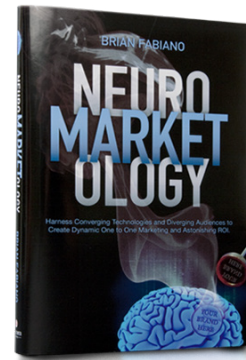
FabCom's ad fraud detectives generate broad organizational impact through designing, developing, and deploying multivariate business intelligence solutions on an ongoing basis. The result is a powerful and effective resolution of business process management, technology integration, and preventive maintenance. Our harmonized blend of solution architects, executive strategists, in-house business intelligence environment developers, and end-to-end implementation teams are dedicated to achieving client business goals.

### About FabCom

Nearly three decades of strategic focus on 360-degree, deep-dive market research and insights drives FabCom's Neuromarketology™ method.

This experience is why FabCom was chosen as the first integrated marketing agency in the Southwest to become an IBM Cognos and IBM Watson marketing intelligence platform solutions certified partner.

A growing capability of a top artificial intelligence brain in the space is now embedded as part of the integrated marketing agency's solutions.



Identifying and responding to ad fraud as-it-happens is one of the many attributes that makes FabCom an industry leader in the digital age of advertising. With trends drastically shifting from traditional advertising to emerging and guerrilla methods that shift by the moment, having a partner that not only can react to these shifts but also safeguard your investments in that direction is invaluable.

FabCom, founded in 1992, is an integrated, strategic marketing and advertising agency with clients across the United States. In addition to marketing business intelligence, FabCom is known for its specialties in dynamic one-to-one marketing, integrated, cross-platform, multi-channel, database, and trigger marketing. Its strategic, research-oriented, personalized approach to marketing communications has helped conceive and implement numerous highly successful national and regional campaigns.

For more information on FabCom and how it prepares its clients to seize marketing and advertising opportunities online and offline, visit [fabcomlive.com](http://fabcomlive.com) or [fabcomblog.com](http://fabcomblog.com).

### FabCom is a full-service strategic marketing, PR, and advertising firm

**Principal:** Brian Fabiano

**Employees:** 38

**Local Area Billings:** \$42.1 Million\*

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\*Amortized for media billings as calculated in the Phoenix Business Journal Book of Lists.

