



TAG ASIA-PACIFIC FRAUD SNAPSHOT REPORT

With a Special Section on Measured IVT Rates in China

MARCH 2023

Research conducted by The 614 Group
Commissioned by the Trustworthy Accountability Group





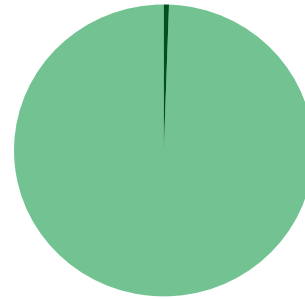
EXECUTIVE SUMMARY

For the digital advertising industry to prosper, brand advertisers must be able to trust that their ads appear in brand-safe environments and that their ad spend isn't wasted on fraudulent transactions. The Trustworthy Accountability Group (TAG) was founded in 2014 to foster such confidence and trust in the industry on a global scale by helping companies in all areas of digital advertising work together to ensure quality and brand safety.

TAG's Certified Against Fraud Program ('TAG Certification') focuses on combating Invalid Traffic (IVT) across the digital advertising supply chain by setting industry best practices and allows companies to publicly communicate their commitment to helping brands avoid IVT throughout the ad ecosystem. The 2023 TAG Asia-Pacific Fraud Snapshot shows that TAG certification does just that.

For the first time, the annual TAG Asia-Pacific Fraud Snapshot report also includes a special section on measured IVT rates in China. This is a major accomplishment for TAG, The 614 Group, and our key partner, the China Advertising Association (CAA), as well as the digital advertising industry as a whole. For clarity, this document uses "Asia Pacific" in reference to the eight Asia-Pacific markets studied in the annual snapshot and "China" in reference to the China-focused special section. The full methodology and findings pertaining to the Chinese market are set out in the special section.

KEY FINDINGS FROM OUR ASIA-PACIFIC SNAPSHOT



■ = 0.56% IVT

IVT RATE IN TCCS REMAINED BELOW 1%

The IVT rate across the eight Asia-Pacific markets included in our Asia-Pacific Snapshot was just 0.56% in TAG Certified Channels (TCCs), remaining below 1.0% for the fourth year in a row. The rate of IVT in Non-Certified Channels (NCC) across the markets included in our Asia-Pacific Snapshot was 0.93% -- 66% higher than the rate found in TCCs. This demonstrates that the greater rigor of buying through TCCs does mitigate fraud.



■ = 158 billion 2021

■ = 183 billion in 2022

AD IMPRESSIONS UP 16% OVER 2021

More than 183 billion impressions from the markets included in our Asia-Pacific Snapshot were analyzed for this year's study -- a 16% increase over last year. For the first time, a significant number of Connected TV (CTV) impressions were reported for inclusion in this year's Asia-Pacific Snapshot.

Of the over 2.8 billion CTV impressions analyzed, 2.2 billion were TCC.



COSTS FOR FRAUD DETECTION MAY BE SEEN AS TOO HIGH

In some of the markets included in our Asia-Pacific Snapshot, CPMs are so low that asking clients to pay an additional sum for verification represents a substantial increase in the cost of inventory in these markets. The costs for fraud detection and mitigation may therefore be seen as unacceptably high to advertisers who are skeptical that the investment will be recouped by improved business outcomes.



ADVERTISERS AND CONSULTANTS ARE ASKING FOR METRICS, ESTIMATES, AND RATES OF IVT

During the process of choosing an advertising agency, brand advertisers and their pitch consultants in Asia-Pacific markets are increasingly asking for metrics, estimates, and even guarantees regarding the rates of IVT they can expect in campaigns.



GREATER EDUCATION IS STILL NEEDED ACROSS MARKETS

Qualitative interviews with industry experts across the markets included in our Asia-Pacific Snapshot revealed a recurring theme that brand advertisers have an expectation that their agencies are already buying low-fraud inventory, when in truth many agencies are still purchasing lower cost and lower quality inventory. Thus, greater in-market education about the importance of purchasing high-quality inventory is still needed across those markets.

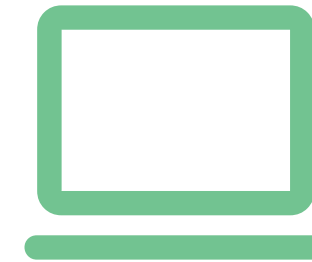
KEY FINDINGS FROM THE SPECIAL SECTION ON MEASURED IVT RATES IN CHINA



■ = China IVT rate
■ = Global IVT rate

IVT RATE IS BELOW GLOBAL AVERAGE

In 2022, China had an overall IVT rate of 5.93%, which is approximately 50% lower than the estimated global average of 11.88%.



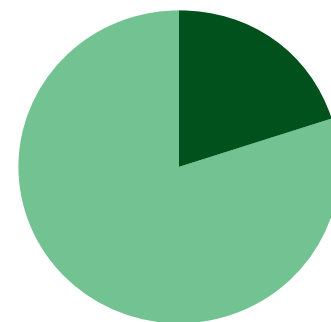
DESKTOP DISPLAY IMPRESSIONS HAVE THE HIGHEST RATES OF IVT

The pattern in the IVT data in China is similar to that of other countries in that desktop display impressions generally exhibit the highest rates of IVT.



MOBILE IN-APP VIDEO COMPRISES 21.39% OF MOBILE IMPRESSIONS

As in other Asia-Pacific countries, there is a high volume of mobile impressions in China, with mobile in-app video comprising a high percent of the video total (21.39%).



■ = 25.38%

CHINA HAS A HIGHER PROPORTION OF CTV IMPRESSIONS

As a share of all ad impressions in the study, a significantly higher proportion of CTV impressions were reported in China (25.38%) than in the eight Asia-Pacific markets included in our Asia-Pacific Snapshot (1.53%), as well as in the US (6.4%) and Europe (0.78%). As measurement coverage in China evolves, the proportions of reported impressions may change.



CHINESE DIGITAL ADVERTISING SECTOR IS SERIOUS ABOUT STOPPING IVT

With an overall IVT rate of 5.93% in filtered campaign traffic – already nearly 50% lower than the global IVT rate – it is clear that the Chinese digital advertising sector is serious in its approach to stopping IVT. It is important for the Chinese market to continue its vigilance in order to continue to reduce IVT rates in both traditional and new and emerging channels.



STUDY BACKGROUND & OBJECTIVES

The digital advertising industry has long acknowledged that the fight against fraud requires a concerted effort, with all market participants working together to ensure traffic quality and brand safety.

Since 2019, TAG has collaborated with The 614 Group to monitor the industry's progress in reducing invalid traffic (IVT) by measuring the effectiveness of buying through TAG Certified Channels (TCCs) in markets across the Asia-Pacific region.

As part of that effort, The 614 Group conducted the fourth annual TAG Asia-Pacific Fraud Snapshot using quantitative and qualitative data from last year to measure the impact TAG Certification has in reducing fraud in actual campaigns across select markets in the Asia-Pacific region.




RESEARCH METHODOLOGY

This report uses the methodology established by The 614 Group in 2017 for the first TAG Benchmark Study (conducted in the United States) and has since been used in all TAG Fraud Benchmark and Snapshot Studies undertaken around the globe. The Asia-Pacific markets studied included the following: Australia, India, Indonesia, Japan, New Zealand, Singapore, Thailand and Vietnam.

Between January 2022 and December 2022, The 614 Group analyzed data from leading agency holding companies -- along with their measurement vendors accredited by the Media Rating Council (MRC) -- to collect and aggregate impressions for campaigns that were executed in the select Asia-Pacific markets listed above. These impressions included display media and video ads in desktop, mobile web and in-app environments. The analysis did not use sampling of any kind – 100% of the impressions received from the agencies who shared data were analyzed.

Upon receipt, all data was aggregated within a secure database in order to create the proper reporting. In addition, The 614 Group conducted a series of industry expert interviews with executives at agencies and others on background for qualitative perspectives.

STUDY ELEMENTS

<p>INVENTORY TYPE</p> <p>Desktop Display & Video</p> <p>Mobile Web Display & Video</p> <p>Mobile Ap Display & Video</p> <p>CTV</p>	<p>TYPES OF FRAUD EXAMINED</p> <p>General Invalid Traffic (GIVT)</p> <p>Sophisticated Invalid Traffic (SIVT)</p>	<p>VOLUME OF IMPRESSIONS MEASURED</p> <p>183.6 billion</p>
<p>MEASUREMENT PERIOD</p> <p>1 Jan. 2022</p> <p>-</p> <p>31 Dec. 2022</p>	<p>MARKETS EXAMINED</p> <p>Australia, India, Indonesia, Japan, New Zealand, Singapore, Thailand, Vietnam</p>	<p>DATA CONTRIBUTORS</p> <p></p> <p></p> <p></p>

Fraud is a generic term, encompassing a range of nefarious activities. For the purposes of this report, the results focus on the broader metric of Invalid Traffic (IVT), which the MRC defines as “traffic that does not meet certain ad serving quality or completeness criteria, or otherwise does not represent legitimate ad traffic that should be included in measurement counts.”

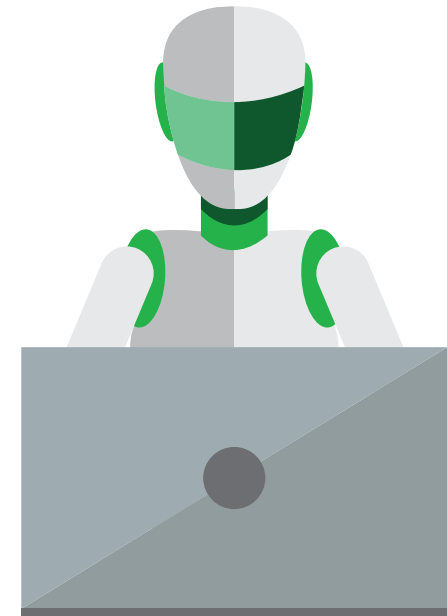
The MRC separates IVT into two categories:

General Invalid Traffic (GIVT): Includes traffic identified through routine and list-based means of filtration -- such as bots, spiders, other crawlers; non-browser user agent headers; and pre-fetch or browser pre-rendered traffic.

Sophisticated Invalid Traffic (SIVT): Includes traffic identified through advanced analytics, multipoint corroboration, human intervention -- such as hijacked devices, ad tags, or creative; adware; malware; misappropriated content.

In conducting the study, The 614 Group used the categorization of the ad impressions by the agencies' measurement vendors, including DoubleVerify, Integral Ad Science (IAS) and Moat by Oracle Data Cloud (Moat). These three ad verification vendors are both TAG Certified Against Fraud and hold MRC accreditations that include IVT measurement for both SIVT and GIVT.

In calculating fraud rates, the study combined both SIVT and GIVT in order to achieve a comprehensive result.



¹ [http://mediaratingcouncil.org/101515_IVT%20Addendum%20FINAL%20\(Versio%201.0\).pdf](http://mediaratingcouncil.org/101515_IVT%20Addendum%20FINAL%20(Versio%201.0).pdf)

The quantitative analyses examined both transactions that occurred in TAG Certified Channels (TCCs) and transactions where each impression did not pass exclusively through TCCs. To understand the two types of transactions analyzed herein, it is important to understand the definitions of a TCC and a Non-Certified Channel (NCC):



TAG Certified Channel (TCC)

Transactions that flow through channels in which multiple entities involved in the transaction – such as the media agency, buy-side platform, sell-side platform, and/or publisher – have achieved the TAG Certified Against Fraud Seal.

Non-Certified Channel (NCC)

Transactions that flow through channels in which only one entity involved in the transaction has achieved the TAG Certified Against Fraud Seal, but not enough entities for the channel to qualify as a TCC. For example, in a NCC, the media agency might have achieved the TAG Certified Against Fraud Seal, but other key entities - the buy- side platform, sell-side platform, and/or publisher - would have not achieved the certification.

QUANTITATIVE RESULTS

The overall IVT in TAG Certified Channels (TCCs) across the eight Asia-Pacific markets included in our Asia-Pacific Snapshot was just 0.56% for 2022. This compares to the 0.93% IVT rate in Non-Certified Channels, which is 66% higher than in TCCs. The delta demonstrates the effectiveness of TAG standards in eliminating fraud.

Special thanks to Scott Cunningham of Cunningham.tech for supporting the data and analytics efforts in creating this report.

IVT RATES IN TAG CERTIFIED CHANNELS VS. NON-CERTIFIED CHANNELS: 2022

TAG CERTIFIED CHANNELS	0.56%
NON-CERTIFIED CHANNELS	0.93%

**TAG CERTIFIED
CHANNELS IVT
RATES BY MEDIA
TYPE: 2022**

		NUMBER OF IMPRESSIONS	IVT RATE
DESKTOP	Display	7,310,173,464	1.43%
	Video	3,455,731,512	1.47%
MOBILE WEB	Display	18,028,311,646	0.56%
	Video	5,128,434,042	0.51%
MOBILE IN-APP	Display	46,914,542,455	0.49%
	Video	59,264,972,312	0.45%
CTV		2,271,651,681	0.93%

YEAR-OVER-YEAR COMPARISONS

	2019	2020	2021	2022
COUNTRIES INCLUDED	Australia India Indonesia Japan New Zealand Singapore	Australia Cambodia India, Indonesia Japan, Myanmar New Zealand Singapore Thailand Vietnam	Australia India Indonesia Japan New Zealand Singapore Thailand Vietnam	Australia India Indonesia Japan New Zealand Singapore Thailand Vietnam
TYPES OF FRAUD MEASURED	GIVT/SIVT	GIVT/SIVT	GIVT/SIVT	GIVT/SIVT
TYPES OF INVENTORY EXAMINED	Desktop Display Desktop Video Mobile Web Display Mobile Web Video In-App Display In-App Video	Desktop Display Desktop Video Mobile Web Display Mobile Web Video In-App Display In-App Video CTV	Desktop Display Desktop Video Mobile Web Display Mobile Web Video In-App Display In-App Video	Desktop Display Desktop Video Mobile Web Display Mobile Web Video In-App Display In-App Video CTV
NUMBER OF PARTICIPATING AGENCIES	3	3	3	3
OVERALL IVT RATES FOUND IN TAG CERTIFIED CHANNELS	0.82%	0.41%	0.37%	0.56%

**COMPREHENSIVE
DATA ON FRAUD
RATES WITHIN
TAG CERTIFIED
CHANNELS BY
INVENTORY TYPE**

	MEDIA TYPE	TOTAL IMPRESSIONS	IVT IMPRESSIONS	%GIVT	%SIVT	%IVT
OVERALL	All	142,373,817,112	799,624,027	0.06%	0.50%	0.56%
DESKTOP	Display	7,310,173,464	104,834,880	0.55%	0.89%	1.43%
	Video	3,455,731,512	50,935,739	0.24%	1.23%	1.47%
MOBILE WEB	Display	18,028,311,646	100,266,003	0.14%	0.42%	0.56%
	Video	5,128,434,042	26,061,804	0.03%	0.48%	0.51%
MOBILE IN-APP	Display	46,914,542,455	231,341,902	0.03%	0.47%	0.49%
	Video	59,264,972,312	265,162,641	0.00%	0.45%	0.45%
CTV		2,271,651,681	21,021,058	0.04%	0.89%	0.93%

**IVT RATES IN TAG
CERTIFIED CHANNELS
BY MEDIA TYPE:
2022 QUARTER BY
QUARTER**

	MEDIA TYPE	2022 Q1	2022 Q2	2022 Q3	2022 Q4
DESKTOP	Display	1.23%	1.25%	1.48%	1.77%
	Video	2.20%	1.43%	1.37%	1.19%
MOBILE WEB	Display	0.60%	0.48%	0.51%	0.62%
	Video	0.87%	0.38%	0.46%	0.66%
MOBILE IN-APP	Display	0.62%	0.30%	0.51%	0.57%
	Video	0.45%	0.25%	0.55%	0.56%
CTV		0.98%	1.04%	0.67%	0.50%

QUALITATIVE RESULTS

The qualitative portion of the research consisted of extensive interviews with senior executives at agency holding companies as well as other experts in measurement, advertising and technology to gain insights around the state of IVT identification and mitigation. The purpose of the qualitative portion of the research is to supplement the impression-level data with a deeper understanding of requirements, accountability, and best practices in current use. The discussion guides were based on analyses of the last four quarters of impressions data provided by the holding companies, as well broader market trends.

The 614 Group interviewed the following named senior-level executives, as well as others, on background:

 <p>Ramachandran Venkatraman Head of Performance, Precision Asia Pacific</p> <p>Sachin Dsouza Partnerships & Solutions Lead, Precision APAC</p>	 <p>Chris Lee Associate Director Planning, Outcomes & Supply</p>	 <p>Oliver Lau Supply & Marketplace Director, APAC</p> <p>John Miskelly APAC Investment Director</p>	 <p>Heather McKim SVP Marketing</p> <p>Collette Spagnolo VP Marketing Analytics</p>
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Special thanks to Scott Cunningham of **Cunningham.tech** for supporting the data and analytics efforts in creating this report.

PRICING MATTERS IN DECISIONS REGARDING VERIFICATION

The overall IVT in TAG Certified Channels (TCCs) across the eight Asia-Pacific markets included in our Asia-Pacific Snapshot is well below the 1% threshold many of the interviewees said they strive for in campaigns. That said, several of the agency executives interviewed said that there is a clear divide between brands within the Asia-Pacific region when it comes to verification.

In some regions, CPMs are low, falling somewhere between \$0.15 and \$0.20 for display, and \$1.50 CPM for premium OTT. Given the higher cost for premium inventory, some brands are not convinced that the cost of low-IVT inventory will drive a comparable improvement in business outcomes. An additional sum for verification translates to a substantial increase in the cost of advertising, and are not convinced that they will see a similar increase in business outcomes. As a result, many are unwilling to pay for verification. “Local buyers are still not seeing the value in all cases and are not making the connection between saving money by not wasting it on fake ads, nor do they necessarily equate brand safety with reputational risks,” one interviewee noted.

This contrasts with global brands, which tend to have global contracts with verification providers and want to include verification in every campaign, as they see clear business benefits from low-IVT campaigns.

Additionally, the knowledge that the IVT rate is so low in TAG Certified Channels has led many brands to assume that all traffic – filtered or not – has less than 1% IVT. Put another way, marketers assume they are benefiting from IVT mitigation efforts, even when they are not buying through TAG Certified Channels.

BRANDS DON'T WANT TO RISK HIGHER FRAUD IN NEW AND EMERGING CHANNELS

While local and global brands may have different strategies when it comes to applying verification in general, they are aligned in concerns about high IVT rates in new and emerging channels. Agency executives confirmed that clients are keen to ensure that verification occurs when they venture into new types of inventory. As one agency executive noted, “new initiatives and environments are always part of a need for verification as you don’t want to fly blind on new media opportunities.”

“With the proliferation of new, localized entertainment options during the pandemic,” another executive said, “there is more interest in verification for campaigns in those new channels – which leads to additional needs for new verification requirements.”

“

**New initiatives
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blind on new media
opportunities.”**

IVT metrics are viewed by the larger brands as critical to business operations and reinforce the fact that fraud mitigation and “cleaner” inventory are necessary.

IVT METRICS ARE INCREASINGLY IMPORTANT IN BUSINESS CONVERSATIONS

Several of the executives interviewed said that brands and their pitch consultants are approaching bringing “robust” spreadsheets with criteria, all of which ask for detailed IVT metrics, estimates and guarantees. The responses are an important part of the decision-making process. In other words, IVT metrics are viewed by the larger brands as critical to business operations and reinforce the fact that fraud mitigation and “cleaner” inventory are necessary.



CONCLUSION

The IVT rate across the eight Asia-Pacific markets included in our Asia-Pacific Snapshot was just 0.56% in TAG Certified Channels (TCCs). While remaining below 1.0% for the fourth year in a row, this is slightly higher than in the previous year – a good reminder that it is vital for the digital advertising industry to continue its stringent efforts to combat IVT across the supply chain.

At the same time, the fact that IVT rates in Non-Certified Channels (NCC) across the markets included in our Asia-Pacific Snapshot was 66% higher than the rate found in TCCs demonstrates that the greater rigor of buying through TCCs does mitigate fraud. In other words, brand advertisers do have a clear path to avoiding fraud in their campaigns when they choose to buy solely through TAG Certified Channels.

Reports from our qualitative interviews of confusion among clients about how fraud can be avoided in campaigns highlight the need for more in-market education about the importance of purchasing high-quality inventory – and how to do so through TAG Certified Channels.

Throughout Asia-Pacific – and indeed the entire world – education plays a key role in fighting ad fraud. Education teaches brands, agencies, platforms and publishers that – with industry-wide cooperation, adoption of standards, and concerted efforts – we can continue to substantially lower IVT rates even further in the future.

These efforts are particularly important in new and emerging channels, where brands remain concerned about the possibility of higher IVT rates and are most likely to require verification to avoid that possibility.



SPECIAL SECTION:
IVT RATES IN CHINA



STUDY BACKGROUND & OBJECTIVES

For the first time, the annual report also includes a snapshot of measured IVT rates in China. This is a major accomplishment for TAG, The 614 Group, and our key partner the China Advertising Association (CAA) – as well as the digital advertising industry as a whole.

Founded in 1983, CAA is a national non-profit industry organization voluntarily formed by advertising business units including advertisers, advertising operators, advertising publishers, advertising endorsers (celebrity management agencies), advertising (marketing) research agencies, advertising equipment supply agencies, as well as local advertising industry organizations and advertising educational research institutions, and etc.

In January 2022 – building on the TAG-CAA partnership to introduce standards in digital advertising in China – TAG and the CAA agreed to a new standard to detect and remove Invalid Traffic (IVT) in the Chinese market. The agreed IVT standard – known as the China Digital Advertising Delivery Monitoring and Verification Requirements T/CAAAD 002-2020 – provides companies in China and beyond with the General Invalid Traffic (GIVT) and Sophisticated Invalid Traffic (SIVT) tools to comply with TAG’s Certified Against Fraud program.

RESEARCH METHODOLOGY

This first snapshot of measured IVT rates in China appears in a separate section because ad fraud filtration methods, requirements and measurement certifications are different in China than in other Asia-Pacific markets. The methods used in China are rigorous and the China Advertising Association's China Digital Advertising Delivery Monitoring and Verification Requirements T/CAAAD 002-2020 is listed among the TAG-Recognized Standards for IVT Detection and Removal in the TAG Certified Against Fraud Guidelines. Thus, while the research methods used in China are recognized as valid by TAG, they cannot be directly compared to the research findings from the eight markets included in our Asia-Pacific Snapshot.

Between January 2022 and December 2022, The 614 Group analyzed data contributed by leading ad fraud measurement vendors in China to aggregate impressions for campaigns that were executed in the market. These impressions included display media and video ads in desktop, mobile web and in-app and CTV environments. The analysis did not use sampling of any kind, as 100% of the impressions received from the measurement vendors who shared data were analyzed.








The 614 Group analyzed 1.66 trillion ad impressions provided by measurement vendors in China. The impression data submitted reflects only the Chinese customers participating in these four companies' monitoring businesses and therefore not the entire Chinese market. The data provided also does not include other parties, for example, some that filtered their IVT by themselves at the pre-processing stage. Therefore, this research is only a snapshot of the Chinese market.

In conducting the study, The 614 Group requested that each data contributor provide the measured ad impressions using ad categories that are comparable to those in the TAG reports for the US, Europe and Asia-Pacific regions.

Upon receipt, all data was aggregated within a secure database in order to create the proper reporting. In addition, The 614 Group conducted a series of industry expert interviews with executives on background for qualitative perspectives.

RESEARCH METHODOLOGY

STUDY ELEMENTS

<p>INVENTORY TYPE</p> <p>Desktop Display & Video</p> <p>Mobile Web Display & Video</p> <p>Mobile App Display & Video</p> <p>CTV</p>	<p>TYPES OF FRAUD EXAMINED</p> <p>General Invalid Traffic (GIVT)</p> <p>Sophisticated Invalid Traffic (SIVT)</p>	<p>VOLUME OF IMPRESSIONS MEASURED</p> <p>1.66 trillion</p>
<p>MEASUREMENT PERIOD</p> <p>1 Jan. 2022</p> <p>-</p> <p>31 Dec. 2022</p>	<p>DATA CONTRIBUTORS</p> <p> GRIDSUM 国双 <small>Empower your e-Performance</small></p> <p> Miaozhen Systems</p> <p> TalkingData</p> <p> RTBAsia</p>	<p>QUALITATIVE INTERVIEWS</p> <p> CAA 中国广告协会 CHINA ADVERTISING ASSOCIATION</p> <p> TalkingData</p> <p> RTBAsia</p>

Fraud is a generic term, encompassing a range of nefarious activities. For the purposes of this report, the results focus on the broader metric of Invalid Traffic (IVT).

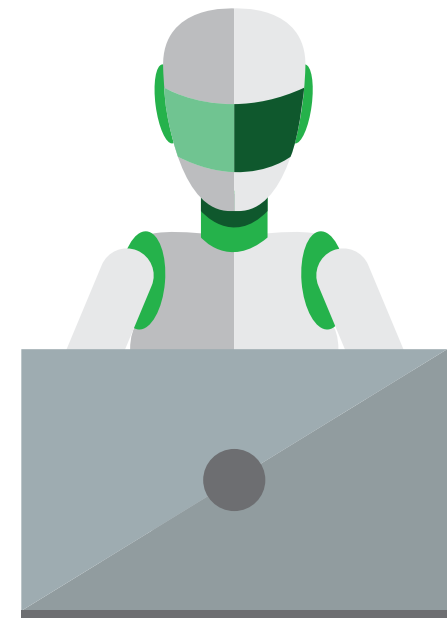
The CAA separates IVT into two categories:

General Invalid Traffic (GIVT): Can be detected by using applications of lists or other standardized parameter checks.

Sophisticated Invalid Traffic (SIVT): Includes invalid traffic that not only needs to be detected, identified and analyzed through advanced analysis, multi-point cooperation, corroboration and even significant human intervention, as well as a wider range of data signals beyond advertising campaigns. Sophisticated invalid traffic cannot be directly identified through the list of standard traffic patterns. It can only be identified through more advanced and multi-dimensional analysis.

In conducting the study, The 614 Group used the categorization of the ad impressions by the agencies' measurement vendors, GridSum, Miaozen Systems, RTBAsia and Talking Data. These four ad verification vendors are both TAG Certified Against Fraud and hold CDA Tech Lab certifications for IVT measurement.

In calculating fraud rates, the study combined both SIVT and GIVT in order to achieve a comprehensive result.



QUANTITATIVE RESULTS

The overall IVT rate for traffic that is filtered in China is 5.93%.

In order to understand the China data in the context of ad fraud rates around the globe, this report developed an estimate of the average global overall IVT rate. The primary data inputs are the published IVT rates from MRC-accredited vendors, including DoubleVerify, Human, Integral Ad Science and Picalate. While recognizing the inherent imprecision in this type of estimate, it provides a useful proxy by which to evaluate the success of Chinese efforts to address IVT.

In short, the 5.93% overall IVT rate measured in China in 2022 was approximately 50% lower than the estimated global average of 11.88%.

COMPARISON OF IVT RATE IN CHINA TO ESTIMATE GLOBAL AVERAGE IVT RATE: 2022

MEASURED IVT RATE IN CHINA	5.93%
ESTIMATED GLOBAL AVERAGE IVT RATE	11.88%

THE QUANTITATIVE ANALYSES SUMMARIZED IN THE TABLE BELOW SHOW THAT:



■ = China IVT rate
■ = Global IVT rate

IVT RATE IS BELOW GLOBAL AVERAGE

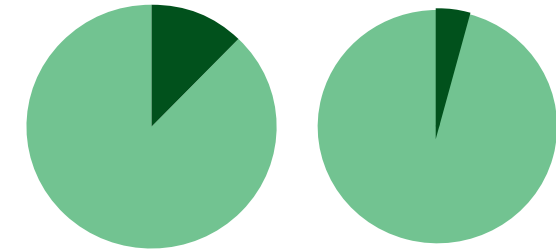
In 2022, China had an overall IVT rate of 5.93%, which is approximately 50% lower than the estimated global average of 11.88%. The global IVT rate is derived from data published by MRC accredited fraud measurement companies: DoubleVerify, Human, Integral Ad Science, Picalate.



■ = China digital display ad impressions IVT Rate
■ = Global digital display ad impressions IVT Rate

DIGITAL DISPLAY AD IMPRESSIONS IVT IS LOWER THAN THE ESTIMATED GLOBAL RATE

In China, the IVT rate for digital display ad impressions of 7.66% is lower than the estimated 10.67% overall global IVT rate for such impressions derived from publicly available data published by MRC accredited companies.



Global IVT rate China IVT rate

CHINA'S DIGITAL VIDEO AD IMPRESSIONS IVT RATE COMPARES FAVOURABLY

For digital video ad impressions, the overall IVT rate in China of 4.65% compares favorably to the estimated global rate of 14.22% for such impressions.



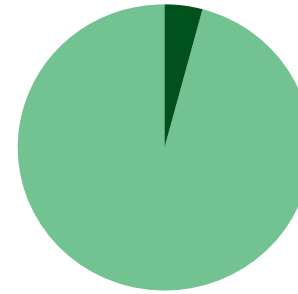
DESKTOP DISPLAY IMPRESSIONS HAVE THE HIGHEST RATES OF IVT

The pattern in the IVT data in China is similar to that of other countries in that desktop display impressions generally exhibit the highest rates of IVT.



MOBILE IN-APP VIDEO COMPRISES 21.39% OF MOBILE IMPRESSIONS

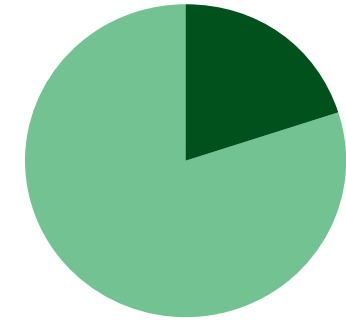
As in other Asia-Pacific countries, there is a high volume of mobile impressions in China, with mobile in-app video comprising a high percent of the video total (21.39%).



■ = IVT rate for CTV ad impressions

CHINA'S IVT RATE FOR CTV AD IMPRESSIONS WAS 4.46%

The IVT rate for CTV ad impressions was 4.46%.



■ = 25.38%

CHINA HAS A HIGHER PROPORTION OF CTV IMPRESSIONS

As a share of all ad impressions in the study, a significantly higher proportion of CTV impressions were reported in China (25.38%) than in the eight Asia-Pacific markets included in our Asia-Pacific Snapshot (1.53%), as well as in the US (6.4%) and Europe (0.78%). As measurement coverage in China evolves, the proportions of reported impressions may change.

	MEDIA TYPE	TOTAL IMPRESSIONS	IVT IMPRESSIONS	%GIVT	%SIVT	%IVT
DESKTOP	Display	67,428,147,272	5,873,530,497	1.69%	7.02%	8.71%
	Video	20,949,796,319	866,735,798	0.65%	3.49%	4.14%
MOBILE WEB	Display	158,956,694,737	8,942,641,138	1.50%	4.12%	5.63%
	Video	156,174,527,221	8,203,162,971	1.03%	4.22%	5.25%
MOBILE IN-APP	Display	482,309,798,967	39,435,550,495	1.83%	6.35%	8.18%
	Video	356,022,606,317	16,534,048,529	1.01%	3.64%	4.64%
CTV		422,399,417,549	18,849,994,657	1.41%	3.05%	4.46%
DISPLAY TOTAL		708,694,640,976	54,251,722,130	1.74%	5.91%	7.66%
VIDEO TOTAL		955,546,347,406	44,453,941,955	1.18%	3.47%	4.65%
GRAND TOTAL		1,664,240,988,382	98,705,664,085	1.42%	4.51%	5.93%

QUALITATIVE RESULTS

The qualitative portion of the research consisted of extensive interviews with senior executives at RTBAsia, Talking Data and Chinese Advertising Association (CAA) on background. The purpose of the qualitative portion of the research is to supplement the impression-level data with a deeper understanding of requirements, accountability, and best practices in current use. The 614 Group interviewed the following named senior-level executives, as well as others, on background:

In addition to the quantitative portion of this special section, the 614 Group interviewed representatives from RTBAsia, Talking Data and the CAA on background.



Huo Yan
Secretary General, Digital Advertising Committee



Xin Jiansong
Product Manager



Andy Fan
CEO
James Zhu
Compliance Officer



“IVT RATES IN CAMPAIGNS WERE NOT A WIDELY DISCUSSED TOPIC IN CHINA UNTIL RECENTLY.”

In those interviews, executives noted that, discussion of “IVT rates in campaigns might have come later than in some other markets, however, the sector is coming on board with IVT detection and mitigation, and the need for industry standards. Current best practices in China are robust, with filtration at every step in the supply chain - from pre-bid filtering to post-bid analysis.

Some larger publishers in China have already implemented their own proprietary filtration systems. To date, third-party verification seems concentrated in segments of the industry focused on advertising high-ticket items – such as cars – to consumers as well as those engaging in business-to-business (B2B) marketing. Such advertisers pay more attention to IVT because the cost of a lead is much higher.



CONCLUSION

With an overall IVT rate of 5.93% in filtered campaign traffic – already nearly 50% lower than the global IVT rate – the Chinese digital advertising sector is serious in its approach to stopping IVT. Market participants are aware of these rates and are working to help improve them even further. CAA is working on several initiatives, such as a blockchain GIVT initiative for IP and device ID exclusion lists, to help further reduce the amount of IVT in the Chinese market.

At the same time, education plays a key role in fighting ad fraud in any market across the globe, teaching brands, agencies,, platforms and publishers that – with industry-wide cooperation, adoption of standards, and concerted efforts – we can continue to substantially lower IVT rates even further in the future. Thus, at this juncture, it is important for the Chinese market to continue its vigilance to continue reducing IVT rates in both traditional and new and emerging channels.



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