

TAG Fraud Snapshot: Asia Pacific

March 2022

Research conducted by The 614 Group, commissioned
by the Trustworthy Accountability Group

614
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.

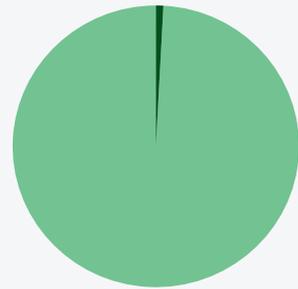
TAG's [Certified Against Fraud Program](#) (TAG Certification) focuses on combating Invalid Traffic (IVT) across the digital advertising supply chain by setting industry best practices and provides companies with the means to publicly communicate their commitment to helping brands avoid IVT throughout the ad ecosystem.

The 2022 TAG Asia Pacific Fraud Snapshot shows that TAG Certification does just that.



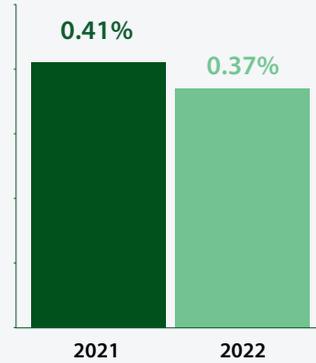
IVT rates of less than 1% again!

■ = IVT
■ = Clean Traffic



For the third year in a row, inventory that runs through TAG Certified Channels (TCC) in selected Asia Pacific markets see IVT rates of less than 1%.

10% fall in IVT rate between 2021 and 2022.



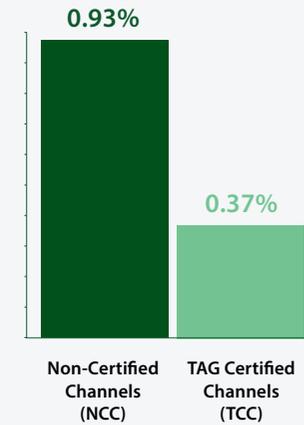
IVT rate fell from 0.41% in 2021 to 0.37% in 2022.

Increased number of impressions analysed.



The number of impressions submitted and analyzed by The 614 Group for this study grew to 158 billion impressions, a 58.5% increase on the previous year.

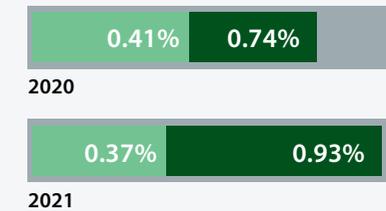
TAG Certified Channels is still the cleanest.



The 0.37% IVT rate seen in TCC is 60% less than IVT rates found in ad campaigns that ran in Non-Certified Channels (NCC).

IVT gap widens between TCC and NCC.

■ = Non-Certified Channels (NCC)
■ = TAG-Certified Channels (TCC)



The gap in levels of IVT observed in TCCs versus NCCs continues to widen year over year. For example, in 2020, IVT in TCCs was 0.41% compared to 0.74% in NCC, and in 2021 it was 0.37% in TCC compared with 0.93% in NCC.

Strength in numbers.



As demand for combatting ad fraud increases from brands across Asia Pacific markets, agencies have further strengthened their commitment to leveraging TAG standards, tools and measurement to reduce and prevent IVT.

Study Background and 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. TAG was founded in 2014 to foster such confidence and trust in digital advertising by facilitating players across the supply chain in working together to ensure quality and brand safety.

TAG's [Certified Against Fraud Program](#) (i.e. TAG Certification) focuses on combating IVT across the digital advertising supply chain and provides companies with the means to publicly communicate their commitment to helping brands avoid IVT throughout the ad ecosystem.

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

Throughout 2021, The 614 Group conducted the third annual Asia-Pacific snapshot using quantitative and qualitative data to measure the impact TAG Certification has had 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-ever 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.

Between the months of January 2021 and December 2021, The 614 Group analyzed data from leading agency holding companies -- along with their MRC-accredited measurement vendors -- to collect and aggregate impressions for campaigns that were executed in select markets across the Asia-Pacific region. 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, as 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>In-App Display & Video</p>	<p>Types of Fraud Examined</p> <p>GIVT General Invalid Traffic</p> <p>SIVT Sophisticated Invalid Traffic</p>	<p>Volume of Impressions Examined</p> <p>158 billion</p>
<p>Measurement Period</p> <p>1 Jan. 2021</p> <p>-</p> <p>31 Dec. 2021</p>	<p>Markets Analyzed</p> <p>Australia India Indonesia Japan New Zealand Singapore Thailand Vietnam</p>	<p>Data Contributors</p> <p> (GroupM)</p> <p></p> <p> PUBLICIS GROUPE</p>

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 all TAG Certified Against Fraud and hold accreditations from The Media Rating Council (MRC) that include IVT measurement for both SIVT and GIVT.

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 categories¹:

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

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



TAG Certified Channel (TCC)

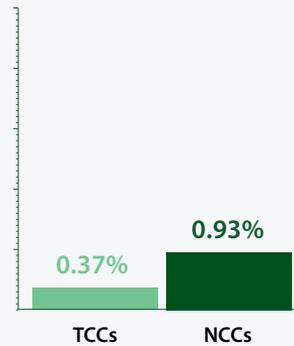
Transactions that flow through channels in which multiple entities involved in the transaction – such as the media agency, buy-side platform, sell-side platform, and/or publisher – have achieved the TAG Certified Against Fraud Seal.

Non-Certified Channels (NCC)

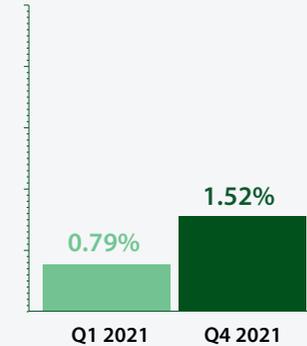
Transactions that flow through channels in which only one entity involved in the transaction has achieved the TAG Certified Against Fraud Seal, but not enough entities for the channel to qualify as TCC. For example, in an NCC, the media agency might have achieved the TAG Certified Against Fraud Seal,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

Quantitative Results

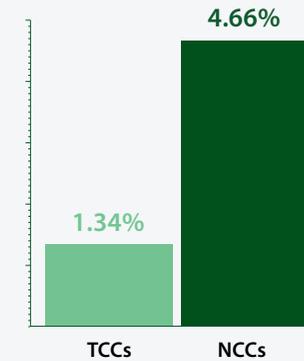
TAG Certified Channels studied in the eight Asia-Pacific markets have an overall IVT rate of just 0.37%.



The 2022 Asia-Pacific Fraud Snapshot shows an IVT rate of just 0.37% for traffic that flows through TCCs. This is less than half the rate of 0.93% total IVT found in NCCs.



Desktop Video IVT rates in TCCs nearly doubled in Q1 2021 to Q4 2021, from 0.79% to 1.52%.



Desktop Display has the highest IVT rates: 1.34% in TCCs and 4.66% in NCCs.*

* For a discussion of possible reasons for this, please see Qualitative Analysis section.

The table below compares IVT rates in TCCs with IVT rates for transactions in NCCs*. The IVT rate seen in TCCs is 60% less than the IVT rates found in ad campaigns that ran in NCCs.

IVT Rates: All Media

% IVT Found in TAG Certified Channels



% IVT Found in Non-Certified Channels



* See definitions in the Research Methodology section.

**TAG Certified Channels
IVT Rates: By Media
Type Full Year**

		Number of Impressions	IVT Rate in TAG Certified Channels
Desktop	Display	6,828,727,991	1.34%
	Video	3,151,433,925	1.14%
Mobile Web	Display	18,348,523,367	0.43%
	Video	5,143,843,565	0.34%
Mobile In-App	Display	35,003,082,481	0.32%
	Video	61,053,788,069	0.21%

Year-Over-Year Comparisons

	2019	2020	2021
Region	Australia India Indonesia Japan New Zealand Singapore	India Japan New Zealand Singapore Indonesia Cambodia Myanmar Thailand Vietnam	Australia India Indonesia Japan New Zealand Singapore Thailand Vietnam
Types of Fraud Measured	GIVT\SIVT	GIVT\SIVT	GIVT\SIVT
Inventory Types Examined	Desktop Display Desktop Video Mobile Display Mobile Video In-App Display In-App Video CTV	Desktop Display Desktop Video Mobile Display Mobile Video In-App Display In-App Video CTV	Desktop Display Desktop Video Mobile Display Mobile Video In-App Display In-App Video
Number of Participating Agencies	3	3	3
Overall IVT Rates in TAG Certified Channels	0.82%	0.41%	0.37%

**Comprehensive
Data on Fraud
Rates Within
TAG Certified
Channels By
Inventory Type:**

	Media Type	Total Impressions	IVT Impressions	% GIVT	% SIVT	% IVT
Overall	All	129,529,399,398	481,793,735	0.05%	0.33%	0.37%
Desktop	Display	6,828,727,991	94,601,212	0.36%	1.02%	1.34%
	Video	3,151,433,925	3,5164,095	0.27%	0.84%	1.14%
Mobile Web	Display	18,348,523,367	81,485,990	0.07%	0.38%	0.43%
	Video	5,143,843,565	16,307,750	0.04%	0.28%	0.34%
In-App	Display	35,003,082,481	122,652,791	0.03%	0.32%	0.32%
	Video	61,053,788,069	131,581,897	0.003%	0.212%	0.22%

**TAG Certified Channels IVT
Rates By Media Type by
Quarter**

		2021 Q1	2021 Q2	2021 Q3	2021 Q4
Desktop	Display	1.40%	1.38%	1.23%	1.34%
	Video	0.79%	1.11%	1.21%	1.52%
Mobile Web	Display	0.48%	0.45%	0.38%	0.38%
	Video	0.24%	0.38%	0.38%	0.43%
Mobile In-App	Display	0.26%	0.38%	0.27%	0.37%
	Video	0.21%	0.23%	0.21%	0.21%

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:



Ramachandran Venkatraman

Head of Performance,
Precision Asia Pacific

Sachin Dsouza

Director of Supply,
Precision Asia Pacific



Rakhi Priyadarshini

Associate Director



Prathab Kunasakaran

Head of Supply Strategy,
APAC

John Miskelly

APAC Investment Director



Nayef Hijazi

Vice President of
Product Marketing



Osbaldo Franco

Director,
Research & Analytics

Qualitative Analysis

And a special thank you to Scott Cunningham of Cunningham Tech who assisted with the data analysis.

**Advertisers who wish to optimize their digital media spend view fraud mitigation as a strategic advantage.
Fraud mitigation isn't just the right thing to do, it's the most profitable as well.**



When considering media investment, planning and allocation, getting the maximum benefit for money spent is every client's goal. More than ever, advertisers understand that a clean supply chain is yet another tool for efficient media investment. This notion surfaced in more than one interview with agency executives. In one instance an agency executive talked about large multinational advertisers and stated, "Global clients are confident that we are buying more fraud-free impressions on their behalf, and they see it as my agency driving their advantage. I'm being competitive, and I'm delivering better than my competitor."

While discussing the recognition of the value of fraud reduction, an executive at another agency highlighted that smaller advertisers and direct response advertisers are also realizing the contribution of cleaner inventory to their bottom line, albeit more slowly: "Whereas the others, yeah, it will probably still take some time, but it has evolved to a greater extent compared to the last two, three years."

Adoption of IVT mitigation practices is growing in the Asia Pacific markets studied.

Qualitative interviews indicate that agencies are deploying multiple strategies for monitoring and mitigating fraud in their clients' campaigns – and that they are using these practices and knowledge as competitive leverage.

For example we heard, "if something acts suspicious -- if overnight if I see the CTR rising -- we get suspicious and look for IVT scenarios and troubleshoot what is happening. We want to see if there are any suspicious websites or apps that are triggering this." Other agencies referenced tactical examples including regular monitoring, inclusion and exclusion lists, and alerts any time campaigns approach a certain threshold.

Another interviewed agency executive took this point even further, noting that, "as a regular practice, [verification] is applied across 90% of campaigns. Additionally, for some clients, demand for fraud mitigation is so pervasive that buying fraud free is now a competitive advantage."

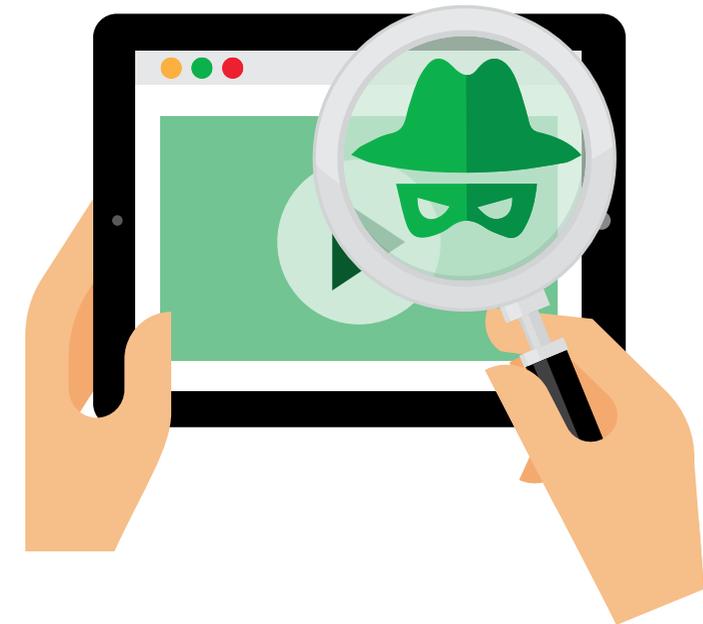


IVT rates in Desktop Video showed a steady increase throughout 2021.

Fraudsters prefer “following the money” in order to get bigger payoffs. And, unfortunately, we saw this playout in the Asia-Pacific region throughout 2021 in Desktop Video.

A few factors have made desktop video inventory increasingly enticing to fraudsters. As the pandemic wore on, consumers opted to watch videos on larger screens, thereby creating more desktop video inventory. Outstream units in particular, were targets.

What’s more, the end-of-year holiday season, which includes the run-up to the Lunar New Year break and other festivities, tends to attract the biggest campaign budgets, which are obviously more attractive to fraudsters. (Some advertisers dedicate up to 60% of their budgets for H2 to this period.) Complicating matters further, campaigns tend to be shorter in duration, which means teams have less time to investigate suspicious traffic and identify and mitigate IVT. An agency executive discussed year-end advertising with The 614 Group, “Due to shorter festive campaigns with larger budgets, the opportunity window for us to optimize over the period is diminished. Investigations can happen in as short as 48 hours to three weeks, but with short campaign flights, at times there may not be time for proper optimizations.” Additional insight comes from a measurement company executive, “Fraudsters are hitting video, especially out-stream, and that makes sense to me because they’re constructed units. Also the timing of media investments can also lead fraudsters to follow that pattern.”



Conclusion

Throughout the world, buying through TAG Certified Channels (TCCs) has proven to be a successful strategy for keeping ad spend clean of IVT. This is increasingly true for the eight markets studied in the Asia-Pacific region. Campaigns that run through TCCs have an IVT rate of just 0.37% - proving that fraud can be tackled in meaningful ways.

The volume of impressions running through TAG Certified Channels and Non-Certified Channels submitted to The 614 Group for analysis in the 2022 TAG Asia-Pacific Fraud Snapshot illustrates growing adoption of TAG certifications in the region. There is now a strategic understanding that fraud mitigation efforts contribute to the bottom line. This plays out among agencies who can leverage greater success in fraud reduction as a competitive advantage. For global marketers, better, cleaner inventory means less waste and more exposure to the messages within media spend.



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