

ClickTracks' Approach to Click Fraud Analysis

Click fraud occurs when a person or a programmed script incurs a "pay-per-click" charge event for an advertiser by causing the appearance of a legitimate visitor to a web site. Unchecked, click fraud can account for up to 20% of the average pay-per-click advertising budget. With the predicted increase in online advertising, the market requires a simple-to-use click fraud reporting system that is accessible to the average business owner or marketing department manager.

ClickTracks Approach

From the graphic overlay of visitor data on your web site, to the intuitive flow of our funnel report, ClickTracks is recognized for continually pioneering new directions in web analytics. While implementing a new feature, the programming and design teams always look at the information in the context of, "What decisions will this enable?"

The problem of click fraud is no exception to the 'enabling decisions' rule. We've found that most click fraud activity can result in one of two decisions:

1. Modify the ad: Make changes to a poorly-performing ad; changes can include tweaks to cost, scope, content or even deleting the ad completely.
2. Report the activity: Alert the PPC provider to the suspected fraudulent activity.

The industry has attempted to automate these two decisions, but have failed. Why? Because they've based their process on a machine analyzing potential click fraud data but have left out the human judgment factor. Look around and you'll find a plethora of solutions, each offering a dizzying array of detection and response mechanisms that require constant tweaking and professional support from the vendor.

Unlike the fully automatic yet high-maintenance solutions, ClickTracks doesn't attempt to automate decisions related to click fraud; instead, it shows the user statistical anomalies in campaign behavior that are worthy of note and should cause them to take action—the decision to modify an ad or report suspected fraudulent activity being left up to the user.

Not Just Click Fraud. Display 'Problem' Campaigns Too

The majority of decisions related to suspected click fraud typically result in ad modification—which is what happens when an ad just isn't performing like you'd hoped it would. That's why ClickTracks highlights both ads that may present possible click fraud, along with ads that are poorly performing. And why not? You, the advertiser are wasting money either way, so providing a method to detect both seems completely intuitive.

An example from our initial experiments illustrates this:

Acme Distributors sells widgets mainly to the US market, so all their PPC ads are written in English. Jackie, Acme's marketing director, creates a new AdWords campaign and is pleased as everything goes smoothly for several months. One day, Jackie becomes alarmed; the PPC budget starts to skyrocket. Why? Because of hundreds of clicks into one particular ad, with all of the IP addresses originating from India! Many of the automatic systems we described above would sound the click fraud alarms, prompting Jackie to begin composing a scathing letter to Google. But is this really click fraud? Consider this alternative:

1. When Jackie set up the campaign she forgot to limit the countries where the questionable ad is served. Normally Jackie would select English speaking countries only, but on this ad she forgot.
2. The ad is running in Google's content match (syndication) area as well as search.
3. Several months after the ad was published, a web site using AdSense published an article whose content matched Jackie's ad. Suddenly her ad was getting a lot more impressions
4. The article happened to be of interest to people in India, where English language articles are popular.
5. Jackie's widget product is of no interest to people in India, or is too expensive, but they only learn this after clicking through the ad and into the Acme Distributors web site.

Clearly, the scenario described above is one of many that may appear to be click fraud...when it really isn't. If the ad in question was only served in the US, then one might argue it truly is click fraud. Only Jackie can know enough about her customers and the way they behave to truly distinguish click fraud from ads that aren't delivering what the visitor thinks they'll deliver; and not even the most powerful click fraud software can do this reliably today.

What makes ClickTracks so Special?

At ClickTracks, we're no strangers to taking web log files and page-tagged data and calculating statistically significant events. When it comes to click fraud analysis, we enhance our existing technology that currently highlights significant changes in visitor behavior on a web site. Instead of trying to identify the fraudster (what good is that?), ClickTracks indicates which campaigns are receiving worthless or suspicious visits and provides supporting data to request a refund or credit for those clicks. It's really very simple, and does not require hours or professional services and consulting.

Not Just ROI:

Click Fraud systems that are based solely on ROI will fail for companies that have a sales cycle greater than a few days. It could be two months before revenue is associated with a campaign, during which time, thousands of dollars could be wasted. In addition, a company could have thousands of campaigns, but if only a few produce measurable conversions, the majority of campaigns would be *incorrectly* identified as problematic.

How Detection Works:

Contrary to ROI systems, ClickTracks bases its detection on a number of **measurements taken for each campaign**, and then **a comparison of that data across all other campaigns**. Measurements and comparisons for each campaign include, but are not limited to:

1. Number of sessions
2. Revenue conversion rate
3. Total cost of campaign
4. Number of single page sessions
5. Number of different IP addresses
6. Number clicks from a particular country
7. Number of sessions with no referrer
8. Number of sessions that reach any goal page

This statistical technique brings *problem campaigns and ads* to your attention. Whether it's click fraud or just unqualified visitors, you're empowered to make smart choices.

Remember our example with Jackie and clicks from India? In Jackie’s case, ClickTracks would correctly flag that particular campaign as a *problem campaign* because it got a large number of (legitimate, but low quality) clicks from India. ClickTracks surveyed all the data available, then extracted this single data point, informing Jackie that India-originating clicks are 40% higher for one ad is higher than the established baseline for Jackie’s other ads. Using this data, she can solve the problem immediately. How? Not by falsely accusing Google, but by simply modify the campaign to prevent it from showing up in India. And if Jackie uses ClickTracks’ PPC ad management system BidHero, she can actually adjust her bidding rules from within this data display.

But What if it *is* Click Fraud?

So what happens if the only reasonable explanation for the activity is click fraud? In this case, ClickTracks goes the extra step, providing you with an Excel spreadsheet that’s ready-to-submit to the appropriate PPC provider. With one click, you can export a precise list of each request from every session, with supporting data such as:

1. Specific Campaign ID
2. Landing page with all parameters
3. Date & time of visit
4. Visitor Client IP address
5. Country
6. Referring domain
7. Full referrer information
8. Number of pages visited
9. Total Time on site
10. Revenue
11. List of all pages visited with time

A	B	C	D	E	F	G	H	I	J	
Campaign	Landing page/param	Date & time	Client IP	Country	Referring domain	Full referrer	Number of pages	Time on site	Revenue	
1	Creative 2	http://www.clicktracks.com?cid=google& 1/9/2006 1:20:04 AM	222.83.134.76	China	apps5.oingo.com	http://apps5.oingo.com/apps5domainpai	4	0s	N/A	1:20:04
2	Creative 2	http://www.clicktracks.com?cid=google& 1/9/2006 2:08:46 AM	81229.239.89	Sweden	apps5.oingo.com	http://apps5.oingo.com/apps5domainpai	1	0s	N/A	2:08:46
3	Creative 2	http://www.clicktracks.com?cid=google& 1/9/2006 5:10:34 AM	88.108.130.246	Unknown	google	http://google/search?q=shopping+cart&	3	0s	N/A	5:10:34
4	Creative 2	http://www.clicktracks.com?cid=google& 1/10/2006 12:06:21 AM	202.214.32.3	Japan	apps5.oingo.com	http://apps5.oingo.com/apps5domainpai	0	0s	N/A	12:06:21
5	Creative 2	http://www.clicktracks.com?cid=google& 1/10/2006 12:08:50 AM	58.235.178.150	Unknown	apps5.oingo.com	http://apps5.oingo.com/apps5domainpai	1	0s	N/A	12:08:50

The format is designed so it provides the PPC provider enough data to make a refund decision.

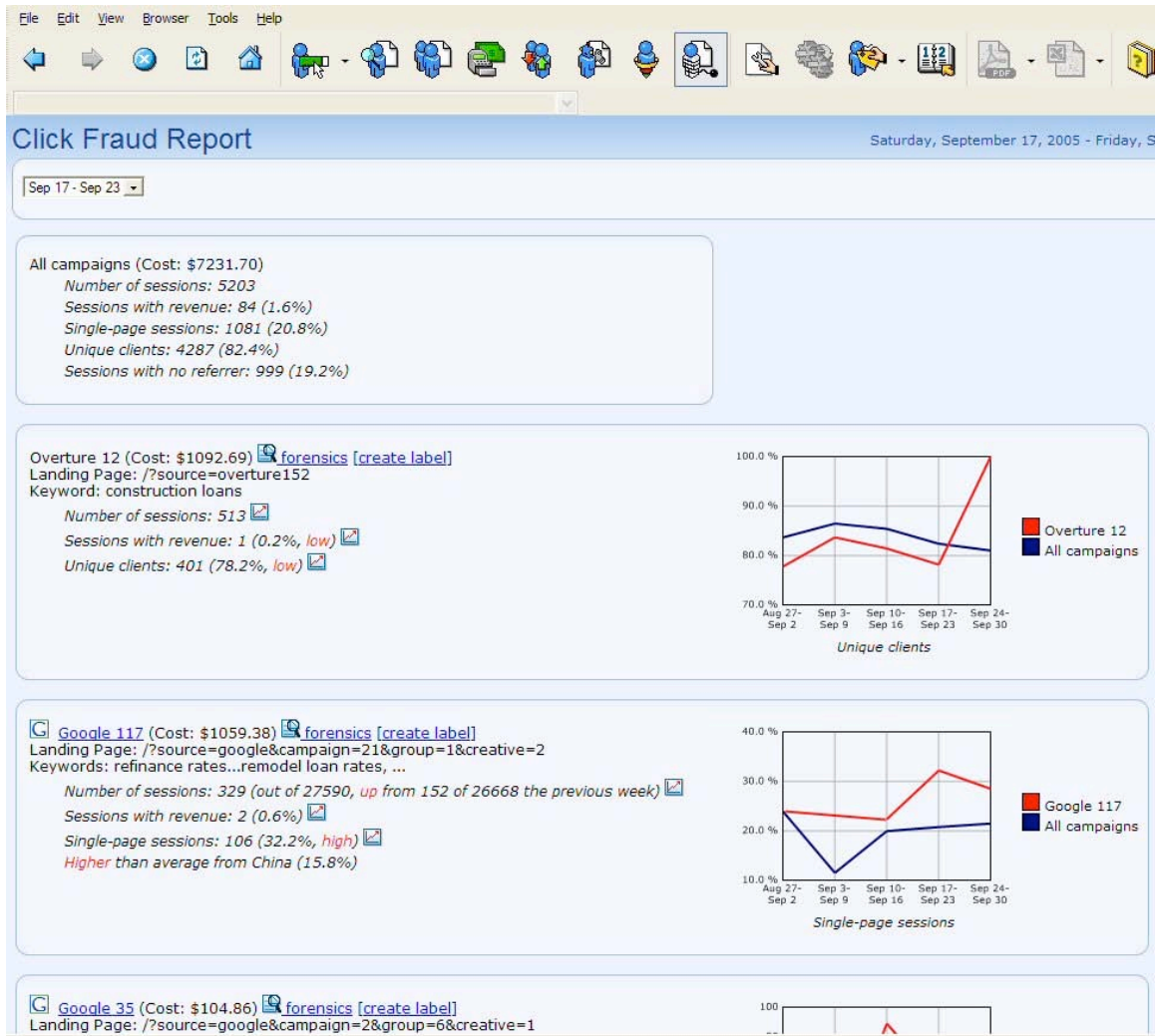
Conclusion

Problem campaigns are sometimes click fraud, and sometimes they’re simply poorly performing ads. Either way, marketers need to be able to quickly and easily discern (among potentially thousands of campaigns) which are problems. At that point that problematic campaigns have been brought to your attention, you can then decide if click fraud is really occurring. ClickTracks provides this ability in an easy to use form in version 6.1

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Images



ClickTracks makes click fraud reporting available to the masses.

Case Study

Ripple Effects Receives Click Fraud Refund, Remains Focused on Good Marketing Practices

Interactive marketing agency Ripple Effects Interactive was able to obtain a refund approximately four weeks after reporting click fraud through ClickTracks' Click Fraud report.

Search Marketing Manager Michael Lieberman and team allocated \$1,500 per month for a targeted campaign to run on Yahoo! Search Marketing. The group intended to increase spend to \$4,000 per month, but held back due to suspicious behavior related to the campaign.

So in early April 2006, Ripple Effects Interactive participated in ClickTracks' early access program for Click Fraud detection. The report immediately flagged the campaign, citing a higher than average number of visitors from Turkey and a higher than average number of visitors with no referrer. "This was a geo-targeted campaign for a well-known business school. We were targeting prospective MBA students searching for business programs within our client's geographic area, and international traffic to our client's site is not unusual," explained Lieberman, "but as soon as we learned of the unusually high number of visits from one foreign country, we wanted to act immediately to ensure our client's campaign was performing as intended."

"Before using the Click Fraud report, ClickTracks web analytics showed us that this particular campaign was receiving average-time-on-site of 25 seconds and very few pages per visitor," said Lieberman. "We tweaked the campaign a bit and chose to let it run a few more days to see if performance improved."

ClickTracks' Click Fraud Forensics report was even more revealing. Typically, when a visitor clicks on an ad in search results or affiliate content, the referring site is clearly listed. Some small percentage of real visitors block the referring site, but an absent referrer is often associated with a robot or click farm software. In this case, 100% of the clicks from Turkey had no referrer at all.

At this point, Lieberman was convinced that the clicks from Turkey were click fraud. Armed with the ClickTracks fraud forensics report, Lieberman contacted Yahoo! Search Marketing and received a prompt reply and promise to review the report. Four weeks after reporting, Ripple Effects Interactive received confirmation of a full refund from Yahoo for the offending clicks. Yahoo did not acknowledge any click fraud, but instead granted a refund that matched the amount paid for the clicks from Turkey. Yahoo called the refund a "goodwill credit" unrelated to "unqualified clicks."

While recovering 40% of the campaign cost is commendable, Lieberman is quick to point out that adjusting campaigns for success is far more important than seeking out click fraud perpetrators.

"It's about marketing. That's what it comes down to—no excuses," said Lieberman, "Sharing data pools and click value consortiums just aren't the way to go—we don't want everyone looking at our data to try to catch an elusive perpetrator. Marketers have to accept responsibility for their own campaigns. ClickTracks helps us stay focused on what we do best, strategic interactive marketing. That means having the flexibility to adjust campaigns to improve performance—whether it's click fraud or not."

Ripple Effects Interactive is a premier digital marketing agency ranked among the nation's Top 25 independent interactive firms by Advertising Age. With offices in Philadelphia and Pittsburgh, Ripple Effects offers a full range of services from strategic communications planning and website design to online & search marketing and web application development. For more information, visit www.RippleEffectsInteractive.com.