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# **TRAFFIC QUALITY STUDY REPORT**

**QUARTER 1, 2015**

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# WHY MGID?

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This study contains data analysis from MGID, a global leader in native advertising, a member of the Interactive Advertising Bureau and a native advertising marketplace that connects thousands of websites with millions of people annually to targeted entertainment and lifestyle content.

MGID takes traffic quality very seriously and, therefore, tracks website traffic from the ad network in real time so that clients are not charged for invalid clicks, no matter the origin.

The strict quality assurance system blocks more than 10 million clicks a month, saving up to a third of their client's ad budgets.

The system is in place to mitigate the threat that invalid clicks pose to the MGID network and the profitability of the company and all of its clients. To uphold quality assurance, it is critical that malicious traffic is eliminated before it even enters the network.

# SOURCE OF OUR DATA

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To get the insights we are sharing here, MGID collected data on traffic quality from more than 3,000 websites in our native advertising network and analyzed a sample of more than 113.5 million clicks that occurred in Q1 of 2015 to provide the 'big picture' of the nature and the proportions of valid and invalid clicks in the native advertising industry.

MGID's quality assurance department compiled all of the data into a report and then analyzed the findings.

# THE NATURE OF INVALID TRAFFIC

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Not all invalid clicks are a result of malicious activity.

## Invalid Clicks Types:

- **Fraud:** Traffic from malicious activity designed to trick the network for more revenue
- **“Good” Bots:** Traffic from automated web crawlers for activities like analytics — not actual human traffic
- **Other Invalid:** Traffic from accidental or repetitive clicks, etc.

# INVALID TRAFFIC BY TYPES

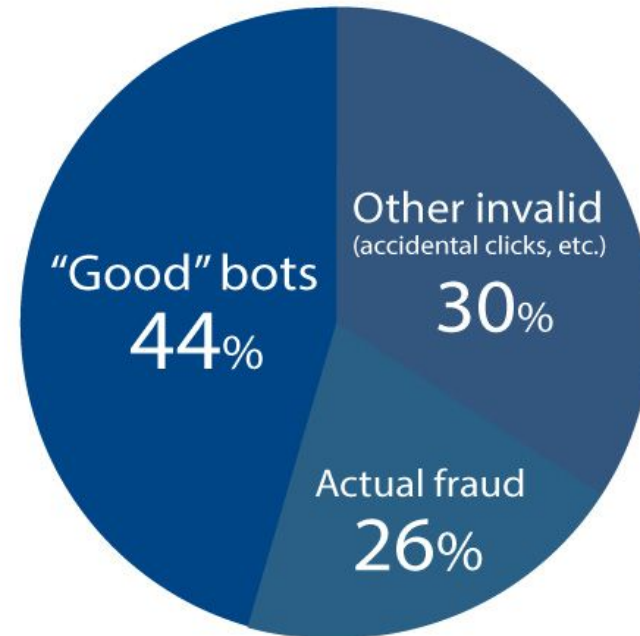
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Of all the invalid and blocked website traffic to the MGID network, the majority of the traffic came from web-crawlers and “good” bots. While important, this is not considered valid traffic, since it is not human-generated.

Fraudulent traffic was the lowest portion of invalid traffic at 26% and ranked below accidental clicks.

Invalid traffic by types

MGID research, Q1, 2015



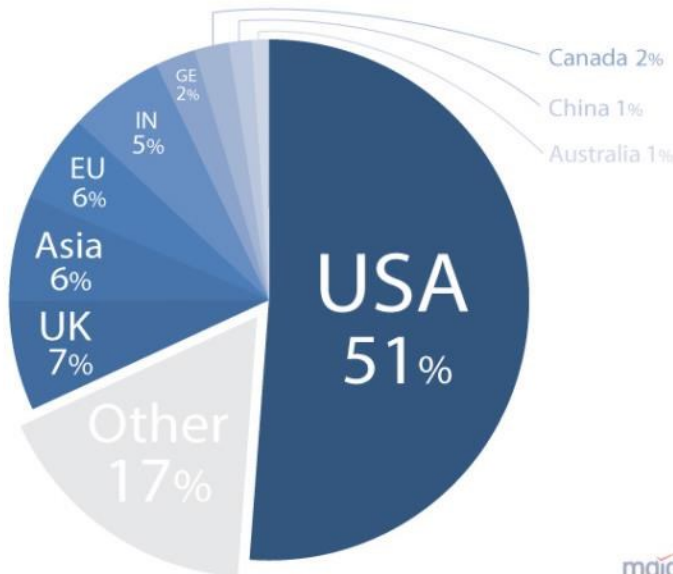
# INVALID VS. VALID CLICKS BY GEO

When looking at all types of invalid clicks, including good bots, accidental and fraudulent, the U.S. leads the world at 51% with no other country or region coming close to its margin share—the U.K. holding the largest share at only 7%.

For comparison, only 34% valid clicks come from the USA.

Breakdown of invalid clicks by GEO

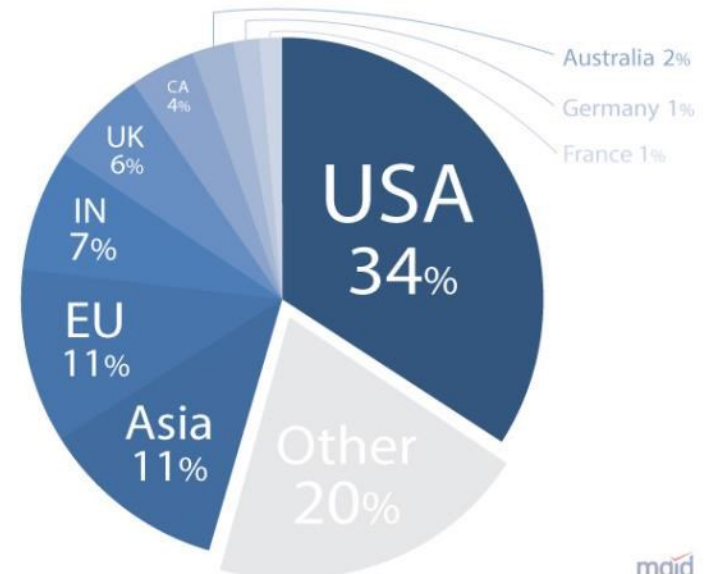
MGID research, Q1, 2015



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Valid clicks by GEO

MGID research, Q1, 2015



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# FRAUDULENT TRAFFIC BY GEO

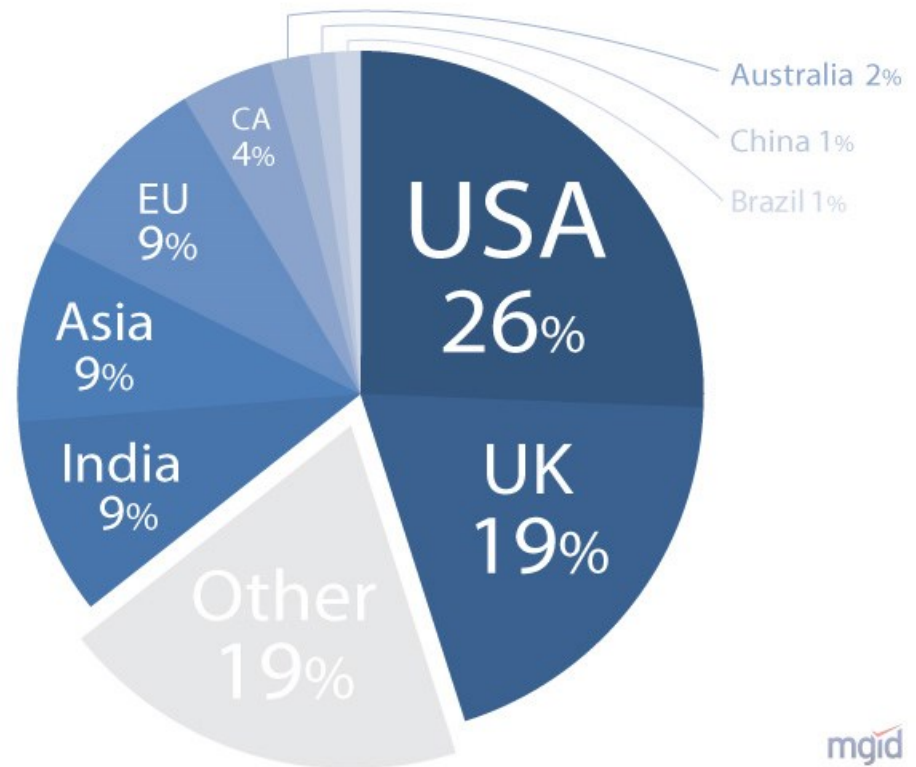
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The U.S. and the U.K. lead the world by a large margin on fraudulent traffic.

To a lesser extent Asia and India make up a sizable portion as well.

Breakdown of fraudulent traffic by GEO

MGID research, Q1, 2015





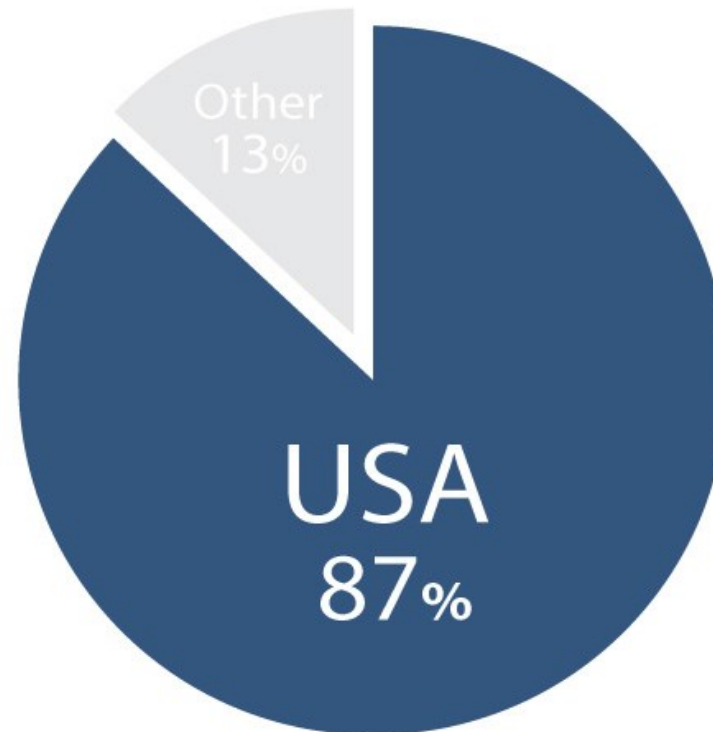
# “GOOD BOTS” BY GEO

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When parsing the data by only “good” bots traffic, the U.S. accounts for the vast majority of traffic to the platform.

## Breakdown of “good bots” traffic by GEO

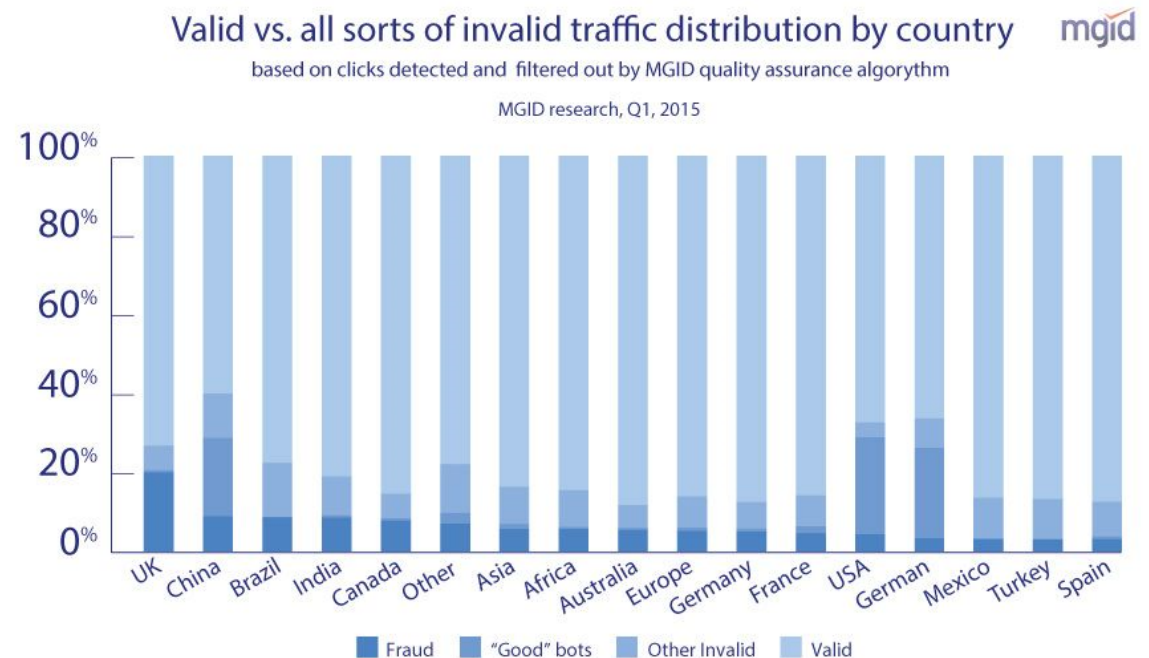
MGID research, Q1, 2015



# TRAFFIC BREAKDOWN

As we see, though the U.S. accounts for the world's biggest share of fraudulent traffic, this type of traffic constitutes relatively low percentage in it's total traffic (around 4.26%).

The numbers prove that overall the traffic from the U.S. is of high quality and its majority share of invalid clicks in worldwide traffic are due to the U.S.'s overall leading position on the marketplace, as well as high demand for traffic from this country.



# CONCLUSIONS

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There is an assumption in the advertising and marketing industry that malicious and fraudulent traffic comes from “overseas” in places like Asia, however the data shows that the U.S. leads the world in fraudulent traffic.

Fraudulent traffic aside, it is of interest also that the U.S. leads the world in overall invalid clicks as well by a huge margin.