



► **MARKETERS DEMANDING BETTER COUNT OF THE CLICKS**

ARTICLE WAS WRITTEN BY LOUISE FOR THE TIMES.



MEDIA
Your Success is Our Vision

news

Internet companies have had great success selling advertising space, in part because the effectiveness of those ads is supposedly so easily measured.

Marketers Demanding Better Counts of the Clicks

Internet companies have had great success selling advertising space, in part because the effectiveness of those ads is supposedly so easily measured. But marketers, even as they continue to push more of their ad budgets online, are starting to ask for better proof.

A group of large companies, including [Kimberly-Clark](#), [Colgate-Palmolive](#) and [Ford Motor](#) have said that by the middle of 2007, they will demand that online publishers hire auditors to check their ad and viewer counts. And analysts say they believe that online ad growth over the long haul will depend on the eagerness of large advertisers like these to shift more dollars online.

Meanwhile, reacting to advertiser questions, online companies like [Google](#), [Yahoo](#) and [LookSmart](#) have begun to meet with industry groups to answer basic questions on how click-based advertising works.

Other companies are concerned that so-called click fraud may be driving up their ad bills, so they are sharing their proprietary ad data with click-trackers, which try to figure out how prevalent such devious clicks are.

There are a variety of motivations behind click fraud. Sometimes, rings of click-fraud participants click on ads on affiliate ad networks — like Google AdSense — so that those sites' hosts will make more money (which is sometimes shared with the ring members). Another motivation is to knock a competitor's ad off a site early; many ads are posted with an agreement that they will stay up only until they have attracted a certain number of clicks.

Even online measurement companies with solid reputations like Nielsen/NetRatings, a unit of [VNU](#), are undergoing new certifications to prove their counts are up to snuff.

“When you grow up, you have to do certain things,” said Mainak Mazumdar, [NetRatings](#)’ vice president of measurement science and product marketing. “The Internet has matured to a place where traditional marketers — companies that have been spending much more money on television and print — are asking the questions that they would ask for the print side. I see that to be very positive because it does legitimize the Internet.”

Internet advertising revenue has grown upward of 30 percent for the last three years, causing many in the print and television businesses to shudder. Traditional media companies have watched advertisers and consumers increasingly move online, and the change has crimped their revenue and bruised their stock prices.

Concerns about click fraud and viewer statistics do not appear to be affecting online advertising revenue right now, but ad agency executives said the issues must be resolved before large advertisers would want to pour much more money online.

Indeed, the Internet draws only a sliver of the total spent on advertisements. Last year, Internet ads accounted for just 4.7 percent, or \$12.5 billion, of the \$267 billion spent on advertising, according to the Interactive Advertising Bureau, a trade association of online publishers. And the top 50 advertisers spent just 3.8 percent of their budgets in the first half of this year on online ads, excluding search, TNS Media Intelligence data shows. For all other advertisers, the average spent online was 6.8 percent of the budget.

[Procter & Gamble](#), the nation’s biggest advertiser last year, spent \$33.5 million — less than 1 percent of its \$4.6 billion ad budget — on online ads in 2005. [General Motors](#), the second-biggest advertiser, spent \$110.5 million online, or 2.5 percent of its \$4.35 billion total, according to TNS, which does not include search ads in its figures.

“The nature of these organizations is not to be at the leading edge of a major revolution, but rather to take a more measured approach to it,” said Jon Swallen, senior vice president of research at TNS. There is a “need and desire of those large advertisers for more accountability in their advertising spending decisions.”

Large established companies, which are mostly interested in furthering their brand recognition online, buy far more display advertisements across the Internet than search ads. Search ads are priced based on how often Internet users click on ads, whereas companies generally pay for display ads based on how many times the ads are viewed by Web users.

Recently, video ads have become a hit with large companies, which view the Internet as a new venue for commercials, said Michael Zeman, director of insights and analytics at [Starcom](#) IP, the digital media group of Starcom USA. Mr. Zeman said Starcom disregarded most of the metrics reported by Web sites in favor of its own internal estimates of what types of people are visiting what types of sites. Metrics on the sites, he said, are not always reliable. Some media sites, for example, count a person as two unique visitors if that person uses both a home and a work computer to visit that site, he said.

The Interactive Advertising Bureau was approached earlier this year by several large marketers concerned about Internet measurements. The bureau joined these marketers in a public letter stating that Web publishers need to have their ad tracking systems monitored and certified by the Media Rating Council, a nonprofit group based in New York. The council has certified media tracking since the 1960s and is the main arbiter of Web site tracking.

“We wanted to go on the record to say this is an important issue for us,” said Brad Santeler, director of media and relationship management at Kimberly-Clark, one of the companies that wants online sites to have their advertisement counts audited. “It’s a mandate that anybody we work with will comply.”

The other companies demanding audits and certification are BMW, [Hewlett-Packard](#), the [ING Group](#), Visa and [PepsiCo](#).

Executives at the bureau said they thought the demand for audited numbers would grow stronger as more companies and advertising agencies focused on Internet advertising. George Ivie, executive director of the Media Rating Council, said online publishers had been slow to audit their numbers because advertisers were not demanding they do so.

“No one was really forcing the issue,” Mr. Ivie said. “They weren’t forcing the issue by saying they wouldn’t buy it if it wasn’t accredited.”

Mr. Ivie’s group and the bureau are also leading an effort to develop standards for click advertisements and have formed a group to discuss the matter with about 40 important players in click advertising, including Google and Yahoo. Among other tasks, the group will most likely establish definitions for valid, invalid and fraudulent clicks.

Click fraud has been a growing concern this year for advertisers. Jason Clement, associate director search engine marketing at Carat Fusion, an Interactive agency owned by Aegis, said that by early this year, two-thirds of his clients were asking Carat about click fraud. “Advertisers are trying to wisen up,” Mr. Clement said.

Carat Fusion is a member of yet another group focused on click fraud. The Click Quality Council was formed by ClickForensics, a private company that analyzes online clicks. Visa and LendingTree are also members of the council, which will send a representative to the Interactive Advertising Bureau’s group on click standards.

Though both advertisers and online publishers say more standardized measurements will help, industry experts say discussions on ad numbers tend to go on forever.

“Believe me, we’ve been talking about measurement in print for years, we’ve been talking about measurement in television for years,” said Barbara Bacci Mirque, the executive vice president for the [Association of National Advertisers](#). “Probably we’ll be talking about measurement online for years.”