

Santa Clara University

Click Fraud

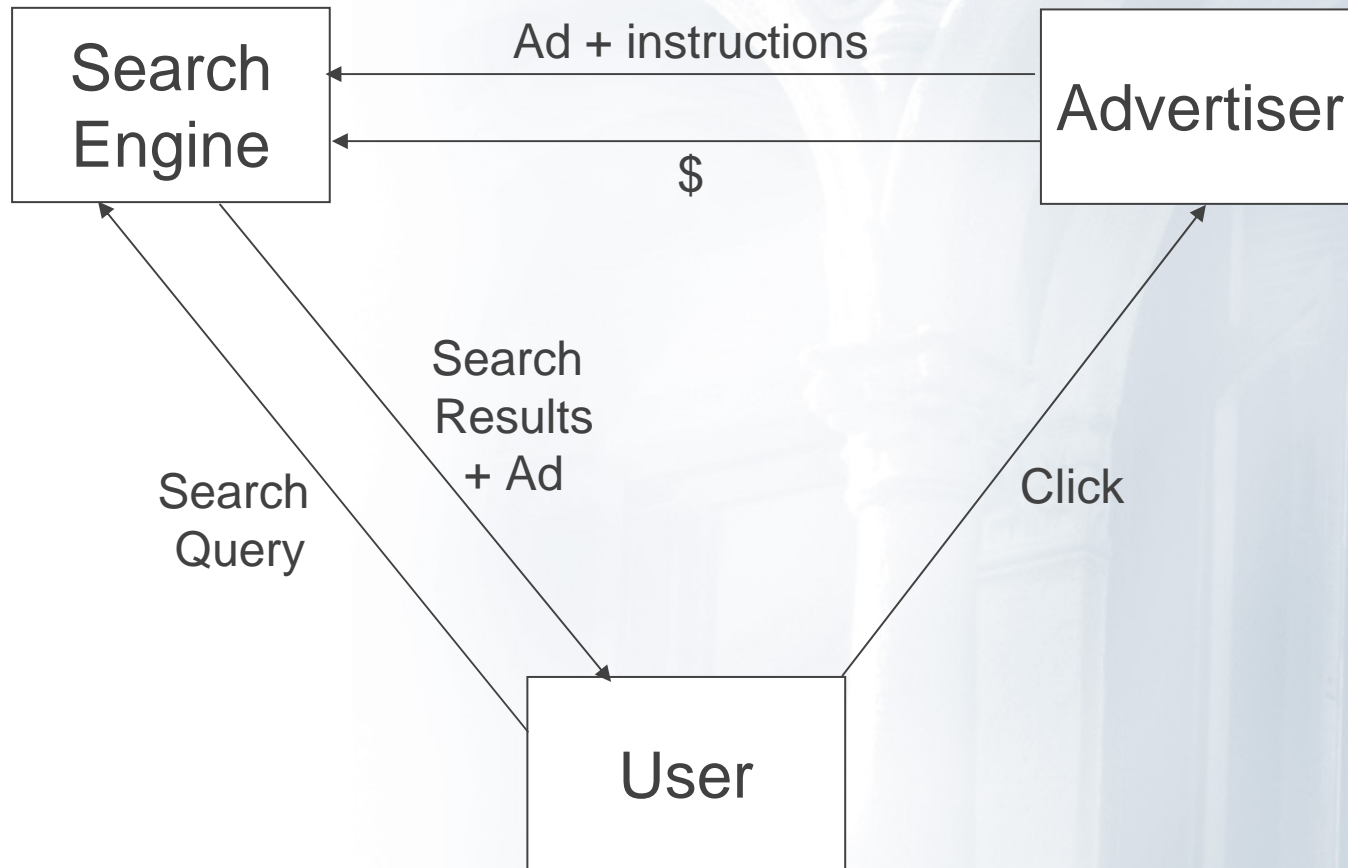
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CPC Advertising



Click Fraud Defined

“When a person, automated script, or computer program imitates a legitimate user of a web browser clicking on an ad, for the purpose of generating an improper charge per click”

(Wikipedia Nov. 2006)

Click Fraud Defined

- **Types of click fraud**
 - Competitor click fraud
 - Deplete competitor's ad budget
 - Improve relative ad positioning
 - Publisher click fraud
 - Vandalism/pranks
- **Related problems**
 - "Impression fraud"
 - "Syndication fraud"
 - Failing to honor advertiser-specified limits

Advertiser Perceptions

- **Advertisers are losing money**
 - Ex: 12% click fraud rate at top search engines; 23% at second-tier search engines ([Click Forensics Q3 2006](#))
- **Search engines aren't trying hard enough to block click fraud**
 - Search engines' & fraudsters' interests aligned against advertisers
- **Advertisers don't have enough information to detect/combat click fraud**
- **Search engines are a black box when dealing with complaints**

Possible Future Resolutions

- Advertisers bid less
- Advertisers audit more
- Parties change payment metrics
 - CPM or CPA
 - Different definition of “click”
- Status quo