



Audit Bureau of Circulations



*A Point of View By
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A Primer on the Growing Demand for Online Auditing

According to the Interactive Advertising Bureau (IAB), Internet advertising revenues reached \$7.9 billion in the first half of 2006, a 37 percent increase from the first half of 2005. *eMarketer* estimated that online advertising spending topped \$16.5 billion in 2006, almost 31 percent more than in 2005.

Internet advertising currently accounts for about five percent of total advertising spending, but it is expected to reach at least 20 percent in the next few years, according to Piper Jaffray, an investment bank.

Advertisers Demand Accountability

The rapid growth of Internet advertising spending has caused a lot of discussion in the publishing and buying communities about the growing demand for online accountability.

Advertiser advocacy groups like the Association of National Advertisers (ANA) are calling for more verification. "Across all media, ANA marketers are seeking transparency and accountability in measurement," said **Bob Liodice**, CEO, ANA.

"Every major Web site publisher and rating agency is under the gun to be audited and certified by an independent firm as it increasingly becomes more important for advertisers and others to know just how many people are visiting a site, viewing a page and clicking on an ad," wrote **Brian Deagon** in an Oct. 13, 2006, *Investor's Business Daily* article.

Clearly, the importance of accountability in online advertising is increasing. It is not surprising that as online advertising grows buyers are requesting the same independent third-party verification from interactive publishers as they are from print publishers.

So what should interactive publishers do next to meet these new requirements for online accountability? That's where ABC can help.

More than 10 years ago, ABC developed ABC Interactive (ABCi) in response to the needs of buyers for independent, third-party verification of online data.

There are two areas of online advertising where audited metrics are essential: Web site traffic and advertising delivery. While ABCi offers audit services that measures both areas, this primer outlines various options for the methodology of an ABCi Web site traffic audit. The Web site traffic audit is key for publishers that want to provide media planners and prospective advertisers with independently verified Web site audience data and is instrumental in the media planning process. Since many of the online terminology may be unfamiliar, I've also included a glossary at the end.

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Web Site Traffic Audit Overview

Today, three methods are available for measuring online Web site activity.

Log File Reports – This is a record of online activity pulled directly from the Web site server log. Because this file is actually generated by the Web site itself, it has not been verified by a third party.

Ratings – This method projects Web site activity based on a sample audience. Because the size and composition of the research panel or survey can vary, the results may be inconsistent with data from a Web site's log file reports.

Audit – This method evaluates and verifies the counts generated by the Web site log file reports.

ABC uses the audit method to evaluate online audience activity; specifically, we employ the census-based audit method that requires direct access to a Web site's log files.

Some of the other types of online audience measurement methods, including panel methods and surveys, have recently come under scrutiny for inconsistent data.

Greg Stuart, former president of the IAB, told *MediaWeek* on Sept. 25, 2006, "The data from the panels seems to be increasingly flaky. I'm concerned that they are not keeping pace with the speed that the industry is becoming mainstream."

Web Site Traffic Audit Process

The ABCi traffic audit process is simple and flexible. You choose the frequency of the audits, what you report and where you report it. Typically, an ABCi auditor doesn't even need to visit your office.

Publishers electronically submit their log files to ABC via a secure method. After the first audit, this process can be set up to run automatically. All of the other necessary records can also be sent to ABC via the same secure method.

After ABC receives the necessary files, an auditor reviews them and removes any misleading activity such as spider and robot activity, internal page impressions and duplication.

Once the audit is complete, the publisher may review the results and the reports before they are released. More than 95 percent of all ABCi traffic audits are completed and released within 30 days of receipt of the log files.

Integrated Reporting

Audit results can be displayed on a variety of ABC reports. All of these reports are available to advertisers in our unrivaled online database.

ABC Interactive Audit Reports – These reports contain Web site traffic data only and can be customized to include a variety of audited Web site information.

Traditional Circulation Publisher's Statements and Audit Reports – ABCi traffic audit results can be featured on the front page of your traditional ABC statements.

Consolidated Media Reports – These new reports are available for business publication and consumer magazine members. A CMR is a capsule summary of results from a variety of ABC audit services, including ABCi traffic audits. The results are compiled in a "Total Contacts" figure.



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For More Information

To learn more about Web site traffic audits or any additional ABCi audit services, contact ABC's **Mark Wachowicz**, senior vice president, sales and marketing, at (847) 879-8294 or mark.wachowicz@accessabc.com or fill out our online request form at www.accessabc.com/services/abcirequest.htm.

About ABC

With more than 4,000 members in North America, ABC is a forum of the world's leading magazine and newspaper publishers, advertisers and advertising agencies. The organization provides credible, verified information essential to the media buying and selling process. ABC maintains the world's foremost electronic database of audited-circulation information and a growing array of verified readership, subscriber demographics and online activity data. To learn more, visit www.accessabc.com.

Glossary of Interactive Auditing Terms

Here are the definitions of several terms that may be used when discussing Web site traffic auditing:

Browser – A software program running on a computer that can request, load and display documents available on the Internet. ABCi audits are designed to only count human-initiated browser activity. ABCi audits screen out activity initiated by automated methods.

Census-Based Audit Method – requires direct access to the Web site's entire log file. Auditors then work to determine if there is any misleading online activity. Results are typically more consistent than a panel-based or survey method.

Communication Error – the failure of a browser or server to successfully request or transfer a document. ABCi audits only count successful requests or transfers.

Cookie – a uniquely identifying file placed in the user's computer. There are two types of cookies: persistent cookies and session cookies. Session cookies are temporary and are erased when the browser exits. Persistent cookies remain on the user's hard drive until the user erases them or until they expire. Cookies track a user's Web site activity.

Internal Page Impressions – Web site activity that is generated by individuals with IP addresses known to be associated with the Web site such as employees or vendors working on the Web site. Internal page impression activity is not counted in an ABCi audit.

IP Address – a numerical address assigned to each computer on a network. IP addresses allow computers to be identified by location and activity.

Log File – records all activity on a given Web site. Log files may collect a variety of data including: date and time stamp, URLs served, IP address of requestor, user and more.

Page Impression – the number of times a Web page is viewed.

Panel-Based Audience Measurement – conducted by polling a pre-selected group for information on their usage of the Internet and specific Web sites. The results are then projected over a larger audience.

Spiders and Robots – programs that run without human intervention. These programs automatically scan and "fetch" data from Web sites and send that to search engines or other data users. Large search engines use multiple

spiders and robots to browse the Internet. Spiders and robots are displayed as unique users or visitors in the Web site's log files. Activity generated from identified spiders and robots are not human-generated and are not counted in an ABCi audit. Our auditors have found that spiders and robots can account for 20 to 25 percent of a Web site's traffic.

Unique User/Unique Browser/Unique Machine – a unique individual or browser who accesses an individual Web site during a specific period of time.

URL (Uniform Resource Locator) – the identifying "address" of any page on the Web (i.e., www.xyz.com). URLs are always unique and contain all the information needed to locate a page.

User Registration – personal information contributed by an individual to a Web site, such as the visitor's age, gender, ZIP code, etc. User registration can be used by a Web site to determine the number of unique visitors and tracks visitor behavior within the Web site. Registrations also provide a method of collecting demographic data.

Visit – a series of interactions by an individual with a specific Web site.

Scott Hanson oversees the development, planning and execution of audit routines and audit programs for all publisher division engagements with principal work performed in centralized locations.

Hanson joined ABC as a field auditor in 1985 and became director, field auditing in 1993. In 1998, Hanson became vice president, Internet and new media auditing, and in 2004 was promoted to his current position. Hanson has a degree in finance and economics from Moorhead State University and an MBA from DePaul University.

