

MFA sites are a persistent problem thanks to genAl

Article



The news: Artificial Intelligence could be worsening the made-for-advertising (MFA) problem. An ecommerce brand interviewed by Adweek said that as much as 40% of its recent purchases through Google's Performance Max ended up on MFA sites.

• The ads were delivered via Google Video Partners (GVP), which distributes video inventory to third-party sites that Google says meet quality requirements. Performance Max automatically opts advertisers into GVP. Another brand told Adweek that 5% of its ads handled by GVP went to MFA sites.



 GVP is the same program that ad industry watchdog Adalytics highlighted in a report last summer, claiming 80% of video ads were misplaced.

Notably, **the brands in Adweek's story did not discover their ad waste through Google's tools**. Instead, they relied on third-party services provided by **Jounce** and **DeepSee.io**. Their pursuit of third-party tools <u>suggests a growing market for solutions</u> to the MFA problem and a lack of transparency within Google's own tools.

Persistent problem: Despite <u>efforts from Google</u> and others to reduce the amount of MFA inventory plaguing digital advertising, Adweek's report shows the problem hasn't been dealt with—and AI is making it harder to quash.

- All has made it much easier to spin up low-quality websites at scale that meet minimum requirements and muddy the waters on demand-side platforms.
- Several companies including Jounce, **Yahoo**, and **Integral Ad Science** have touted solutions to MFA sites, be they exchanges free from MFA inventory or <u>tools to identify</u> when spending goes to those low-quality sites.
- \$84 billion in ad spending was wasted on MFA sites in 2023, per Juniper Research, making it one of the most significant inefficiencies in the ad industry.

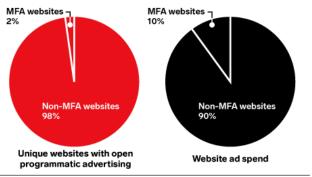
Our take: US ad spend wasted on MFA sites fell from 15% between September 2022 and January 2023 to 4% between January 2024 and May 2024, according to the Association of National Advertisers, suggesting the problem is diminishing.

Still, the issue is far from being taken care of thanks to Al's ability to rapidly generate junk websites that can go undetected. There are steps marketers can take to mitigate harm, like focusing less on high clickthrough rates and weighing long-term KPIs more heavily.



Made-for-Advertising (MFA) Websites Worldwide, by Unique Websites vs. Open Programmatic Website Ad Spending, Q1 2024

% of impressions



Note: read chart as 2% of websites with programmatic ad traffic are flagged as MFA and 10% of all global open programmatic website ad spending go to sites flagged as MFA; represents activity on the Pixalate platform; broader industry metrics may apply Source: Pixalate, "MFA Websites Benchmark Report: Q1 2024," June 5, 2024

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