

Half of Advertisers Say Ad Spend Won't Drop Even if Fraud Issues Persist

It's generally best to be cautious of industry hype

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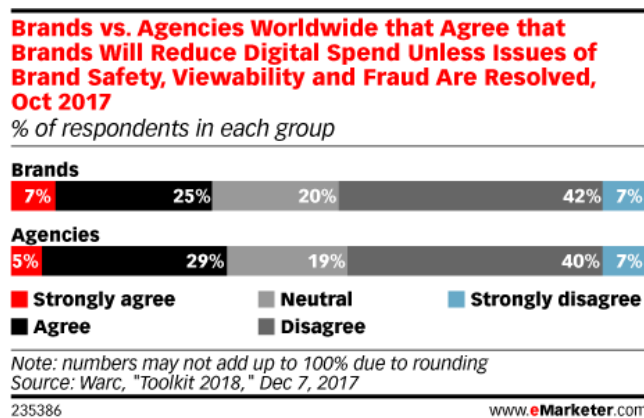
When it comes to ad industry talking points, it's usually wise to not overgeneralize soundbites.

Over the past year, a plethora of ad industry events have been headlined by brand CMOs who threaten to quit spending money on platforms and websites that fail to fix their fraud, viewability and brand safety problems. Just this week at the Interactive Advertising Bureau's (IAB's) Annual Leadership Meeting, Unilever CMO Keith Weed [sent a veiled warning to Google and Facebook](#) when he said that the CPG giant wouldn't place ads on platforms that "create division" in society. The amplified demands for transparency can be traced back to the same IAB event from a year ago, when Procter & Gamble chief brand officer Marc Pritchard [called out the ad supply chain](#) for being "murky at best, and fraudulent at worst."

But recent history has shown that despite Facebook's numerous [measurement errors](#) and [YouTube's brand safety scandals](#), few brands have kept their ads off these platforms. The [duopoly captured more than 60% of US digital ad spend](#) in 2017, eMarketer estimates.

“We’ve seen a ton of talk around advertisers backing away from areas they’ve deemed unsafe for brands, but not many have backed out,” said Jacob Davis, head of audience planning at ad agency iCrossing. “Most advertisers aren’t the massive P&Gs or Unilevers of the world. They rely on some of the [duopoly’s ad products] and would have a hard time making up revenue and leads elsewhere.”

Advertisers are skeptical that ad spend will be tamped down by the industry’s most popular perils. According to an October 2017 [Warc](#) survey of more than 600 marketing and advertising professionals worldwide, nearly half of respondents disagreed with the notion that brands would reduce their digital ad spend if brand safety, viewability and fraud aren’t resolved. Only about a third agreed that digital ad spend will decline if these snafus continue.



Although fraud schemes and brand safety issues still proliferate throughout digital media, advertisers are in a tough spot if they want to pause their digital spend. The amount of time that people spend on their digital devices continues to increase. eMarketer estimates digital usage among US adults **reached nearly 6 hours per day** in 2017. To reach customers, most advertisers simply have to pour money into digital.

“Advertisers would likely need to feel pain to their bottom line to make massive changes,” Davis said. “They’d need to have so much fraud or lack of viewability or backlash with association from unfavorable

brand-unsafe environments to make a large change in their investment portfolio.”