

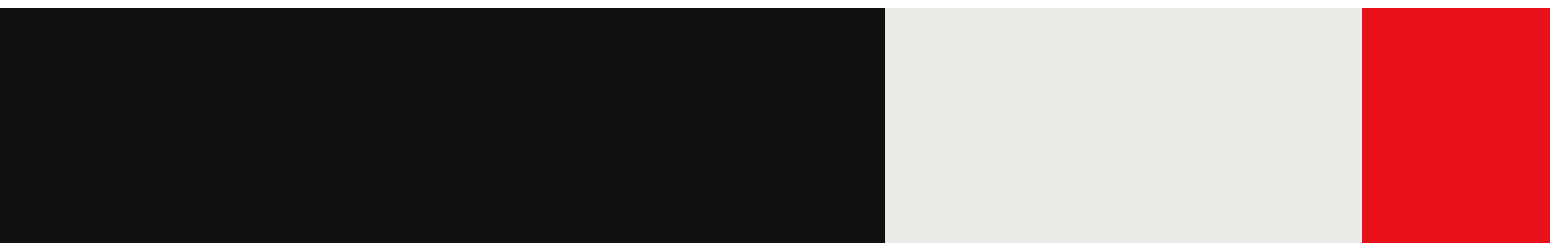
5 key stats on ad waste: Fraud, MFAs, brand risks, and beyond

Article



Last year, Adalytics reported that [Google misplaced 80% of video ads](#). [Google](#) contested the report, but concerns about ads showing up in places advertisers don't want them to persist.

Running the wrong kind of campaign in the wrong place wastes ad spend. Fraud, made-for-advertising (MFA) websites, adtech inefficiencies, and brand safety issues all exacerbate this



waste. Here are five key stats evidencing the ad waste problem, and what marketers can do to keep their ad spend effective.

1. Ad fraud means wasted dollars

Key stat: Around \$84 billion in digital ad spend was [lost to fraud last year](#), per Juniper Research.

What it means: Ad fraud is a potential parasite to ad spend.

- Juniper Research defines ad fraud as ads interacting with click bots or click farms, where clicks are artificially inflated without providing returns for advertisers.
- Worldwide digital ad spend will reach \$676.94 billion this year, per our March 2024 forecast. If the Jupiter Research figure holds out, that means 12% of digital ad spend could be going to ad fraud.
- 60% of US digital media professionals believe [social media is most vulnerable to ad fraud](#), according to a September 2023 survey from Integral Ad Science.

What marketers can do: Focus on longer-term KPIs like brand lift or [attention metrics](#), rather than getting seduced by high click-through rates, which may not translate into conversions. Focus on premium ad formats that are [less likely to be vulnerable to fraud](#), like [connected TV](#).

2. Ad techs contribute to lost spend

Key stat: [Marketing and advertising technologies](#) not working well together leads to 12% of ad budgets worldwide being wasted according to martech professionals worldwide, per April 2023 data from Forrester Consulting and Investis Digital.

What it means: Ad waste isn't only coming from bad actors. It's also coming from structural issues within businesses. Even when tech stacks are set up effectively, 28% of US small- and mid-size business advertisers still aren't using them to their full capacity, according to September 2023 data from Ascend2 and Insightly.

What marketers can do: Audit your tech stacks. Make sure the adtechs you are using work together, and make sure you understand all their capabilities so you are not missing out on potential features.

3. MFAs mean useless ad inventory

Key stat: 4% of US media ad dollars went to MFA websites between January 2024 and May 2024, down from 15% between September 2022 and January 2023, according to the Association of National Advertisers.

What it means: Research suggests MFAs pose less of a threat than they did a year ago, but they're far from irrelevant. With US media ad spend totalling \$389.49 billion this year, per our March 2024 forecast, 4% of spend still represents billions of dollars.

What marketers can do: Focus on inclusion lists, rather than exclusion lists, to make sure ads are appearing where you want them to. Avoid sites with high ad-to-content ratios. Work with vendors who have standards in place to avoid MFA inventory.

4. MFAs also present a reputational risk

Key stat: MFA sites generate 44% more emissions than the average website, according to a study from DoubleVerify and Scope3.

What it means: Buying MFA inventory isn't just hurting your ad spend returns, it's hurting the environment, which harms brand reputation in the long run.

- “More ad clutter leads to more ads, which results in higher emissions compared to other media,” said Jack Smith, Chief Innovation Officer at DoubleVerify.
- Climate change is the No. 1 subject US adults believe businesses should take a public stance on, according to May 2023 data from Bentley University and Gallup. Brands could be hurting their reputations by contributing carbon emissions from [advertising](#).

What marketers can do: Take steps to avoid MFAs and argue the importance of avoiding MFAs with your team, from ad waste and sustainability perspectives.

5. Brand safety risks complicate spend

Key stat: Ads delivering alongside risky content or misinformation is the No. 1 challenge for buy-side and adtech professionals, according to a September 2023 survey from Integral Ad Sciences.

What it means: Even if ads show up on valid, relevant websites, spend could still go to waste due to brand safety issues. This is especially true in a presidential election year, when publisher content risks being polarizing or inaccurate.

What marketers can do: Focusing on inclusion lists rather than exclusion lists can help make sure ads show up next to appropriate content. Marketers should also make sure their brands have a strong identity, so when ads inevitably do show up next to unsavory content, consumers have preexisting positive associations with the brand.

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