

Google is refunding clients burned by improper video ad placements

Article

The news: Google has reportedly paid refunds to several clients after [a report from industry activist Adalytics](#) alleged that it **misplaced 80% of video advertisements**, sending

shockwaves through the industry.

- Anonymous clients confirmed to Ad Age that they and others had received refunds. Google also acknowledged refunds and credits but said they were unrelated to the Adalytics report, which it called “wildly inaccurate.”

Wounded trust: The conflict revolves around “**Google Video Partners**” (GVP), a program that takes a portion of client spending on **YouTube** and diverts it to a number of third-party sites. Advertisers cannot opt out of the program, but Google says it vets partners according to strict standards.

- Those standards included requirements like ads being audible, nonintrusive, and skippable. According to the Adalytics report, those standards were not met an overwhelming majority of the time, and ads would sometimes run on low-quality sites that hosted clickbait or even pirated content.
- The news sent clients clamoring for refunds and demanding greater transparency from Google. Some expected regulator intervention—Adalytics found that campaign ads from a US senator who had introduced a bill demanding that Google divest parts of its ad business were also subject to invalid placements.

Mixed outcome: More than a month out, that intervention hasn’t materialized, leaving Google to handle the blowback in its own way. Even if it’s denying the accuracy of the Adalytics report, the refunds show Google acknowledging that it has to rebuild trust with advertisers.

- It’s unlikely that Google or its clients will disclose the total paid out in refunds, but news that *some* clients got their money back means others could soon come banging on the door.
- The downside, though, is that Google can handle payouts on an individual basis and at its own discretion, rather than being held to some structured refund system and changes to GVP enforced by a regulator or industry group.
- Google clearly thinks it's worth it to reach out and repair advertiser trust, but for those whose faith has been shattered, there’s nowhere else to turn since Google is the dominant force in digital video advertising.

US Facebook, Twitter and YouTube Ad Spending, by Industry, H1 2023

% of total

	Facebook	Twitter	YouTube
Retail	25.8%	19.8%	11.9%
Consumer packaged goods	20.0%	13.3%	26.9%
Health & wellness	17.6%	7.3%	10.9%
Media	10.7%	32.4%	5.6%
Financial services	8.1%	11.8%	17.4%
Travel & tourism	6.7%	4.3%	9.3%
Auto	3.9%	0.5%	8.8%
Telecom	3.7%	3.1%	6.2%
Computers & consumer electronics	3.5%	7.6%	3.0%

Source: Sensor Tower; Insider Intelligence calculations, June 21, 2023

282548

Insider Intelligence | eMarketer