

Geoff Cohen - The alarming digital trend of AI-driven fake advertising websites

By  Geoff Cohen

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Despite the significant opportunities presented by AI in various sectors, its use in online advertising has resulted in a surge of fraudulent activity, presenting a growing trap for marketers.



Image supplied. Geoff Cohen, DYDX addresses the alarming trend in digital advertising: AI-driven fake advertising websites

According to *The Drum* and the World Federation of Advertisers, advertising fraud has become the second biggest revenue source for organised crime.

The rise of AI-driven fake advertising websites

AI is being used to generate spam sites, content farms, and even whole junk websites filled with AI-generated text. These sites lure advertisers with their traffic, only to distribute low-quality or misleading content.

Major brands often unwittingly support such sites through their programmatic ad spending. This trend not only leads to wastage of advertising budgets but also poses significant reputational risks for brands.

These AI-driven fake advertising websites operate by leveraging programmatic bots to simulate high traffic and engagement

levels. They employ sensational headlines and share them through social media and low-cost advertising, attracting people to click on the pages.

Despite the invisible nature of many ads on these pages, the fraudsters manipulate the systems to ensure payment from advertisers. This fraudulent activity occurs on a massive scale, involving billions of interactions, and the use of AI technology amplifies its impact.



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Ad fraud continues to grow

The cost of ad fraud is staggering. In 2023, ad fraud was projected to reach up to \$100bn, according to *Business Insider*. *eMarketer* estimates a cost of \$16bn, doubling the 2019 amount.

Such figures have severe implications for advertisers, highlighting the need for robust measures to combat this issue.

The US Association of National Advertisers (ANA) found that [“brands could save at least \\$20bn a year](#) by avoiding low-quality inventory, such as clickbait, filler content and slideshows jammed with more display and video ad slots than there are sometimes words on the page”.



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The role of tech platforms and regulatory interventions

Ad tech platforms often operate on a business model that takes a percentage of every transaction, making it difficult to thoroughly vet every participant. Scaling operations while maintaining thorough oversight is a major challenge.

Consequently, trust becomes a crucial component of their systems, allowing publishers to join while providing mechanisms for their removal in case of complaints.

“ Severe penalties for perpetrators of ad fraud will serve as deterrents and signal a commitment to preserving the industry's integrity ”

Google, for instance, claims to have acted against ad policy violations in 2022.

The company reports having blocked or removed over 5.2 billion ads, restricted more than 4.3 billion ads, and suspended over 6.7 million advertiser accounts due to egregious policy violations. It has also removed ads from 1.5 billion pages and updated 29 policies for advertisers and publishers.

Although these numbers are impressive, they might not be sufficient to address the extent of fraud within the system.

Governments and regulatory bodies should establish and enforce stricter guidelines to combat deceptive practices. Severe penalties for perpetrators of ad fraud will serve as deterrents and signal a commitment to preserving the industry's integrity.



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Marketers to implement proactive measures

Industry-wide initiatives that prioritise transparency and accountability are essential. Advertisers should demand visibility into the ad supply chain and support technologies that combat ad fraud.

Trustlist, developed by Code for Africa and digital transformation agency DYDX, aims to detect fake advertisers based on historic ad spend, reducing the risks associated with supporting fake news and reputational damage from ad fraud.

Sharing best practices and collaborating on solutions like Trustlist will fortify the digital advertising ecosystem.

“ Blindly trusting that platforms are always in control of their ad inventory is no longer a viable option ”

While initiatives like Trustlist are vital, advertisers need to adopt a more critical mindset. They should scrutinise the numbers presented in their reports from agencies and programmatic providers.

Implementing anti-ad fraud measures and developing strategies to mitigate reputational risks must become an integral part of their advertising strategy.

Investing in verification measures, demanding transparency, and fostering collaboration will safeguard investments, restore trust, and steer the industry toward a future where authenticity and value prevail.



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A pressing issue that requires urgent attention

The rise of AI-driven fake advertising websites is a pressing issue that requires urgent attention.

As we navigate the complex digital advertising landscape, embracing initiatives like Trustlist and adopting proactive measures can help us combat this growing trap.

It's time for marketers to take a stand against ad fraud and ensure that their advertising budgets are used effectively and ethically.

Blindly trusting that platforms are always in control of their ad inventory is no longer a viable option. It falls upon the advertisers themselves to be vigilant and safeguard their interests.

By taking proactive measures and leveraging appropriate technologies, advertisers can minimise their exposure to fake news and advertising fraud, protecting their advertising spend and preserving their brand reputation in an increasingly challenging landscape.

ABOUT GEOFF COHEN

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