

The True Cost of Deceptive Advertising



DIGIDAY



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Why now is the time to fight deceptive ads

Consumers crave credible online information, particularly in times when misinformation is rife — during election years and global crises, for example.

For digital publishers, now is the time to crack down on deceptive and damaging advertising to protect the integrity of their own sites, and of their advertising brands.

It's an important moment for publishers; many are using quality journalism to fuel their subscription and paywall models. But deceptive advertising — such as fake celebrity endorsements, ads that contain misleading information and malware — is putting publishers at risk.

Readers look for reputable sources and brands want to advertise against reliable content. In the same breath, both readers and brands will be on alert for the spread of misinformation and fake news, especially during a year in which President Donald Trump kicked off his re-election ad campaign and the world is looking for ways to recover from a global health crisis. The time to act is now.

In this report, we explore the real risks associated with deceptive advertising, the severity of the issue, the outcomes for publishers and how the industry is looking to technology and private marketplaces to tackle the problem. Here's what we found.

Deceptive advertising poses real risks for publishers

Deceptive ads are slipping through the programmatic net, and it's a worry. Our research, surveying 88 industry professionals made up of publishers and advertisers, echoes this concern.

Publishers and advertisers are encountering deceptive ads. These ads spread fake news, they can include information that is false or misleading. In other cases, ads trick users into thinking they're going to read more about a certain product or celebrity, but they link out to scam sites.

The content of ads that appear on publishers' sites should be a holistic part of revenue strategies, as deceptive ads can reflect badly on publishers

and damage the brand. It's a serious and time-consuming problem, in many cases it also results in compromised publisher-advertiser relationships.

"This is certainly something publishers should be concerned about," says Duncan Southgate, Kantar's global brand director, media insights division.

He cites a Kantar Publisher Impact study: "We have solid quantitative evidence that publisher brand equity impacts ad effectiveness; the higher the publisher's brand score, the higher consumers rate ads' favourability, trust and usefulness.

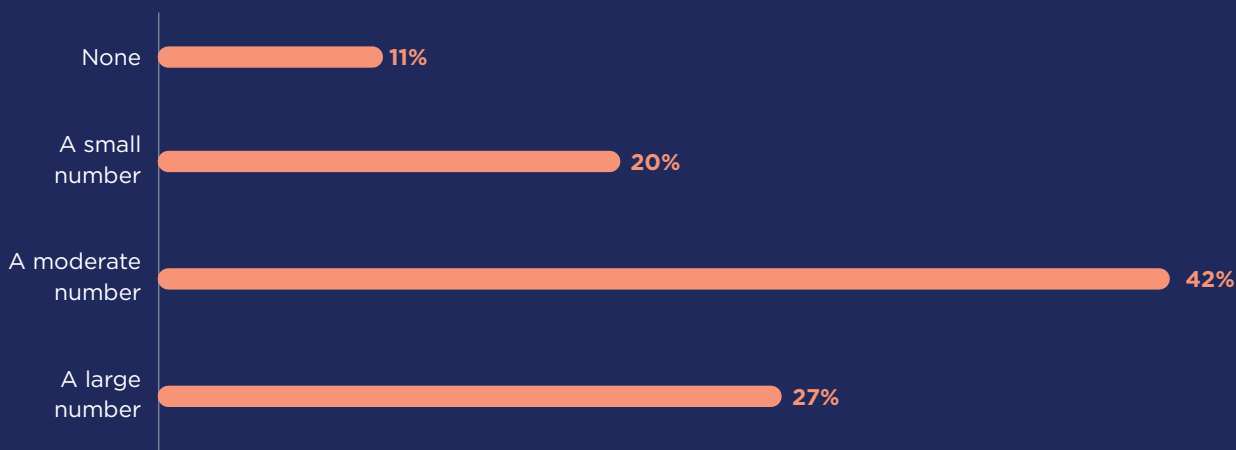
69%

of publishers say that they encounter a moderate or large number of deceptive ads per week.

47%

of advertisers say they've sometimes avoided certain publishers entirely — or ended publisher relationships — due to deceptive ads that have run on their sites.

Publishers are encountering a moderate to large number of deceptive ads every week



Q: On a weekly basis, how many deceptive ads do you tend to encounter?

“This means that if rogue ads start to undermine consumer trust in a platform, it doesn’t only have a negative impact on the publisher,” Southgate says, “it also has serious implications for its other, good advertisers.”

It’s not only the discovery of these ads that’s a concern, it’s the time it takes from building ad revenue and diverse strategies. Fifty-six percent of our respondents say they spend a moderate or large amount of time blocking deceptive ads — only 14 percent of publishers say they spend no weekly time on the task.

“In the case of most misleading ads, we tend to see them crop up every so often, and it will often be quite

sophisticated,” says Ben Walmsley, commercial director, publishing, at News UK. An example is a bad actor automatically changing the URL on the deceptive ad, making it very hard for a publisher to track.

Walmsley also says deceptive ads often source to specific exchanges: “We’ll try to track them down; where appropriate we’ll speak to that marketplace, [whether] it’s an SSP or a DSP, and alert them to it, and expect that the programmatic intermediaries are eliminating bad ads as well. In certain cases we’ve had to — where they’ve not been able to do that or react quickly — suspend either SSPs or DSPs on a short term basis, whilst they get their house in order.”



Malware is the most malicious type of deceptive ad but misleading information follows closely

Publishers say that of all deceptive ad types, ads containing malware are the ones that have historically been most damaging to their businesses and ads that redirect to content other than what's advertised are the types of deceptive ads most commonly encountered. However, ads that contain misleading information also represent a growing concern. To be certain, fake news is damaging. Take COVID-19 as an example. There have now been numerous instances of ads featuring phony treatments and remedies for the disease.

In response, some publishers take an editorial approach to the issue of deceptive ads. During the current health crisis, for example, the BBC and The Guardian in London have published editorials on “the fake health advice you should ignore” and “how to read about the coronavirus” to help readers recognize and react to any misinformation they may come across. While this is of value, publishers also need to address the advertising that appears on their sites, which can be a daunting task in the age of automation.

During this U.S. election year, when there is likely to be an increase in deceptive ads, misinformation and fake news, publishers will need to take broader steps to protect their businesses and reputations from this threat. In one example, in May 2020, CNN reported that it is taking legal action against President Trump's re-election campaign advertising for allegedly including misleading content. But this may not be an option for all publishers — lawyers are expensive, especially when a publisher is up against a political force.

67%

of publishers say that **they've encountered deceptive ads related to COVID-19 to a significant or great extent. Only 11 percent of publishers say they've never encountered such ads.**

Publishers cite a wide variety of potential negative outcomes as their top concern when it comes to running deceptive ads related to COVID-19. Foremost among those outcomes are reduced readership (35 percent), misinformed readers (34 percent) and reputational damage (20 percent). For brands, the top concerns are negative consumer sentiment (44 percent) and consumers who are less likely to share the brand (25 percent).

51%

of publishers say they **expect to encounter more deceptive political news ads in this coming election year.**

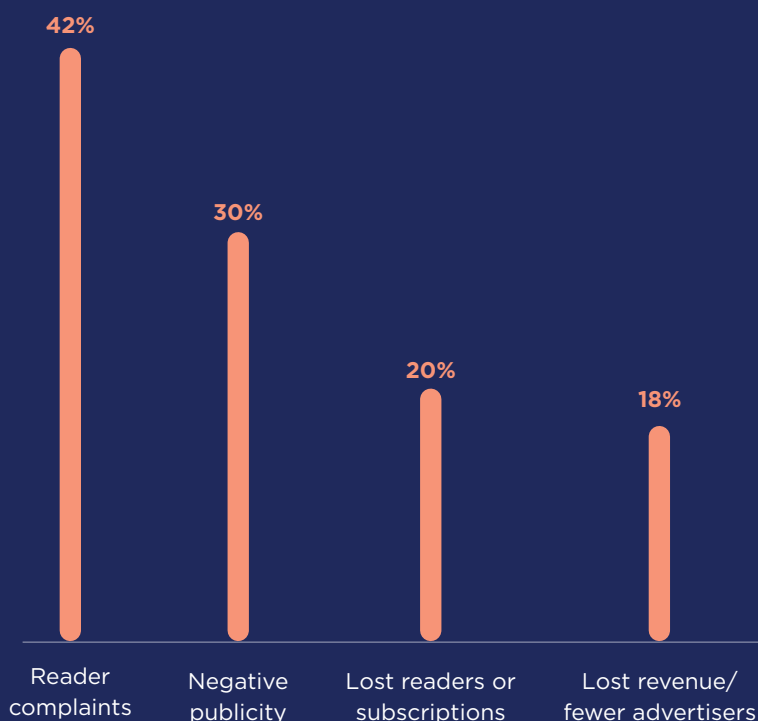


The consequences of deceptive ads are severe

Our respondents say they've experienced a wide array of negative outcomes after encountering deceptive ads. In the research, we asked about four potential negative effects: Lost revenue, negative publicity, reader complaints and lost readers or subscriptions.

Given that many publishers' business models rely on strong audience numbers, reduced reader trust and irrevocable reputational damage are serious outcomes for those that host deceptive ads. When asked about the most commonly experienced consequence from hosting deceptive ads, our respondents highlighted reader complaints (42 percent) and negative publicity (30 percent).

Reader complaints are a negative outcome of deceptive ads for nearly half of the publishers



Q: When your organization has discovered deceptive ads within its content, which negative outcomes has it experienced?

In each case, publishers who have hosted deceptive ads say the consequences in these areas were severe. The most acute damage from deceptive ads comes in the form of reader complaints. The impact on revenue, lost readers and negative publicity are not far behind.

The research also shows that 62 percent say hosting deceptive ads caused severe or very severe consequences when it comes to reader complaints, almost half (49 percent) say hosting deceptive ads caused severe or very severe consequences when it comes to lost readers or subscriptions — for revenue and negative publicity the number was 48 percent.

Damon Reeve, CEO of The Ozone Project — an advertising and audience platform owned and operated by News

publishers — says: “Low quality ads will simply reduce the value of your core product and make your users think, ‘If you don’t value your own product why should I?’ On top of that, if you then put your users at risk with fraudulent or deceptive ads, then they will think you don’t value them either.”

For advertisers, who are concerned about the risks of appearing adjacent to such ads, there are also a number of top concerns, particularly in the forms of consumers who are less likely to share or recommend the brand (41 percent). This is followed by consumers engaging or associating with a competing brand or brands (35 percent), negative publicity related to content of deceptive ads (18 percent) and negative consumer sentiment due to the proximity of the brand’s ad to a deceptive ad (six percent).

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It’s hard to quantify reputational damage, but the erosion of user trust is very hard to get back once it’s gone.

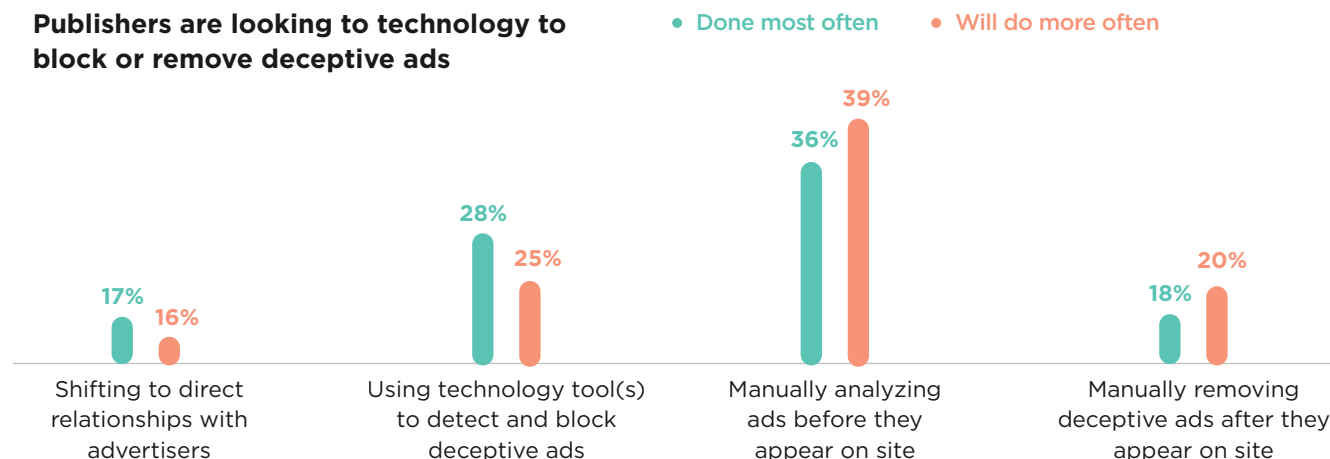
— **Damon Reeve, CEO, The Ozone Project**

Ad blocking isn't a black-or-white solution

Publishers and brands see major consequences emerge from deceptive ads, and they're looking for ways to mitigate them. To block deceptive ads, publishers envision a future state where direct partnerships and automated technology play a bigger role.

A quarter of publishers say they need to work more with automated tools that can detect and block deceptive ads. In an era when advertising revenue is under pressure, the margin for error must be zero, and these tools will become that much more important.

Publishers are looking to technology to block or remove deceptive ads



Q: What actions has your organization previously taken to block or remove deceptive ads, and which actions will it take more often in the future?

Experts tell us that automated detection technologies were always a crucial tool in fighting deceptive ads effectively and efficiently. There's also a lesson to be learned from the coronavirus crisis, as 32 percent of publishers say they would turn to an automated solution to deal with COVID-19 related ads and 28 percent say they'll rely on close partnerships with advertisers.

However, it will be important that publishers craft a process or technology approach that isn't so blunt that it blocks out legitimate, diverse voices and opportunities for brands. Publishers that appeal to families or young children will need to set a higher bar than more liberal or celebrity-driven websites, for example.

The research shows that nearly half (49 percent) of publishers often, even

very often, inadvertently block non-deceptive ads as they're racing to keep out bad actors. There is a need for publishers to be able to fine tune tactics for blocking deceptive ads, with approaches including keywords, phrases and even blocking certain verticals (or using all three).

35%

of GeoEdge customers have requested monitoring or blocking of all health related ads.

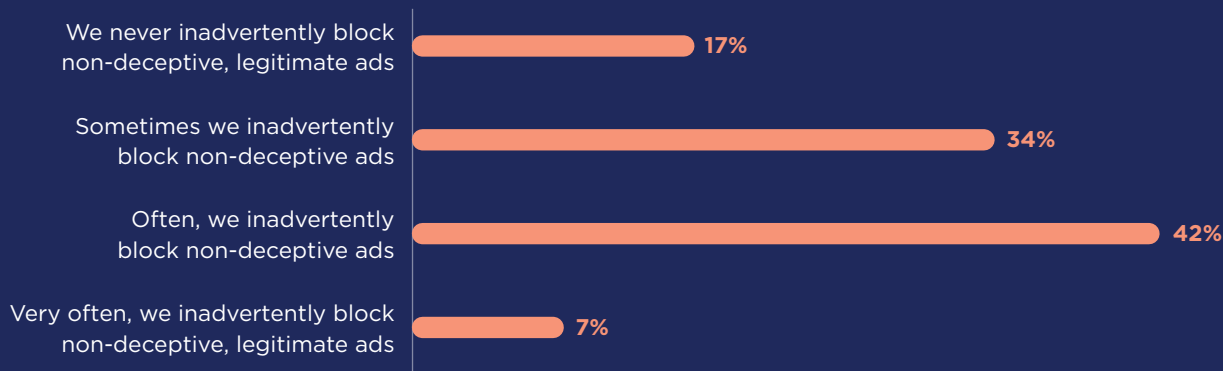
Further stats from GeoEdge show that since the start of the COVID-19 crisis, 35 percent of their customers have requested monitoring or

blocking of all health related ads. And this means that some legitimate health ads — for example, ads for allergy medicine from legitimate pharmaceutical companies, popular during the spring — might also be blocked.

Alexis Faulkner, head of Fast UK, Mindshare says: "The challenge is to keep brand-safety standards at the forefront but also consider how measures such as whitelists can actually hinder bringing more independent voices to the media."

She adds: "To do this, we've actively addressed the exclusion of minority content by including quality metrics such as dwell time in our inventory evaluation, and the development of specific private marketplaces."

Publishers often block non-deceptive ads



Q: Which of the following statements best describes your organization's approach to eliminating or blocking deceptive ads?

Direct relationships ease concerns

Deceptive ads are most prevalent when transacting on open exchanges, and therefore direct deals are safer. Seventeen percent of publishers are already moving to direct relationships and a further 16 percent of publishers say they need to enact more of them in the future.

In one example of how this can work, Mindshare's LGBTQ PMP aggregates publishers into one negotiated inclusion list so that brands can support them, as well as LGBTQ content at broader publications. Its deployment has increased revenue for its publishers but it's also forced a rethink of how the industry views and uses blacklists.

Publishers with low-value inventory that is primarily bought using open market programmatic tools are more likely to have trouble avoiding deceptive ads, according to Reeve, at

The Ozone Project. He says: "Premium publishers, such as news publishers and magazines, suffer less because their yields are higher, and with that comes a higher level of scrutiny on the types of ads they will accept in their brand-safe environments (e.g., no anonymous advertisers).

"The risk level in closed and open marketplaces is completely different," he continues. "A closed market, by definition, means the advertiser and publishers are known to each other. While this eliminates much of the risk, any issues that might occur are generally human error. In open marketplaces, anonymity offers rogue operators little or no recourse."

Walmsley, at News UK, says: "In the same way that advertising against the premium publisher has a halo effect on the brand, it works both ways. I'll give

the example of The Times. Our readers who are paying a significant sum each month to access that content expect to see premium advertising in a premium environment, and if we open it up to open-market advertising and we're getting things [that feel] inconsistent with the brand, then it would naturally harm the perception, or the reader's perception of The Times brand."

"If you're buying on the open market, then you're trying to find high-value consumers at a low price. It's not to say it's a bad strategy, or you shouldn't do it, but the risk profile increases as the price diminishes," says Walmsley.

For many publishers operating in an open marketplace, an automated solution is an important asset for protecting readers and brands alike.

Advertising must be viewed as part of the user experience

At a time when publishers are racing to build, advertise and monetize competitive, quality content, deceptive ads have a negative impact on the publisher-advertiser relationship.

There's also the reader to take into account. Maintaining the trust of readers and also maintaining revenue is to walk a tightrope. But, if a publisher adopts a reader-first approach, then they can develop their own framework for assessing where that line is, according to Reeve, at The Ozone Project. He says: "Generally low-quality ads are exactly that, and equate to low value in every sense."

Instead, he says, "publishers should focus on increasing the overall user experience to create more engaged and attentive readers — something which will in turn increase the perceived value of the audience and environment to advertisers."

As such, protecting readers amounts to protecting revenue, and keeping readers away from misinformation, fake

news and ads that contain malware is an acute concern and a priority in the programmatic era. Publishers need to feel empowered to control the content of ads that appear on site, so as to avoid damaging the effort that goes into crafting editorial content.

Tackling deceptive ads relies on a mix of technology and human involvement. By blocking occurrences, but also identifying instances when blocking them becomes too severe, and by creating direct and safe environments for brands to advertise, these steps will result in a safer environment for the reader.

Amnon Siev, CEO at GeoEdge says: "The ad content is a holistic part of the website. If a user clicks on an ad on a publisher's website that misleads them, that will go on to influence how that user sees that website and may eventually dilute the brand."

However it's about choice and about empowering publishers to use the right tools to control the ads that appear on

their websites. Siev says: "Publishers have different levels of tolerance when it comes to deceptive ads and many motivations to block these ads — brand or user experience issues, the image of the website, legal exposure or compliance regulations — but publishers need granular filtering and to be able to define exactly which ads they want, and don't want, to appear."

Publishers need the ability to define the ad content they deem appropriate to appear on their sites. Each publisher has their own business strategy and tolerance levels will differ between more family-oriented publishers and more liberal websites. A granular approach to identifying and blocking deceptive ads will serve to protect the vital revenue that readers' perception of value drives, one page view at a time.



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Digital advertising remains one of the **most effective channels available**. It is our responsibility as agencies, publishers and advertisers to keep it this way, **blocking deceptive ads and promoting quality journalism** by being both proactive and progressive in our attitudes.

— Alexis Faulkner, head
of Fast UK, Mindshare

About us

GeoEdge's mission is to protect the integrity of the digital advertising ecosystem and to preserve a quality experience for users. GeoEdge's advanced security solutions ensure high ad quality and verify that sites offer a clean, safe and engaging user experience, so publishers can focus on their business success.

Publishers around the world rely on GeoEdge to stop malicious and low-quality ads from reaching their audience. GeoEdge allows publishers to maximize their ad revenue without quality concerns, protect their brand reputation and increase their user loyalty.

GeoEdge guards digital businesses against unwanted, malicious, offensive and inappropriate ads — without sacrificing revenue.

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To learn more, visit:
www.geoedge.com

