Mobile Advertising: Billion-Dollar Fraud!

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There are over 5,000 apps that display unseen ads on both Apple and Android devices, engaging in mass fraud regarding advertising and slowing down devices. They also deprive consumers from advertisements that could have brought them useful or entertaining information. This conclusion was drawn in a study performed by Forensiq, a company that tracks fraud in online advertising. Over ten days, Forensiq observed more than 12 million unique devices running at least one of the 5,000 apps flagged for ad fraud. These hijacked devices represent about 1% of the mobile devices observed in the US and 2–3% of those observed in Europe & Asia.

According to the study, the threat to advertisers continues to increase with the use of known fraud tactics including device emulation, mobile user agent and location spoofing, and user acquisition fraud. In addition, the emergence of new fraud tactics not only serves to impair advertiser ROI but also impacts the consumer segment. Forensiq has discovered this new type of ad fraud called mobile device hijacking, a tactic used by mobile applications to steal revenue by rapidly loading hidden ads and emulating human behavior. While in traffic statistics the ads appear as shown, they were actually never seen by consumers. The company projected that in the US alone in 2015, $20B will be spent on mobile in-app advertising and the annual impact of in-app fraud will surpass the $1 billion mark globally in 2015.

These conclusions underline once again the importance of every basic stage in a well-planned advertising campaign, including monitoring and evaluation. Work does not stop once the campaign is formulated and the ad is running. The marketer should constantly monitor the evolution of the campaign and its preliminary results in order to be able to make adjustments and deal with potential issues, including this type of problems. Nevertheless, dealing with trustworthy partners, from a reputable advertising agency to the right platform of communication, is also very important. Otherwise, the company will end up paying money for advertisements that nobody will ever see and keep wondering why they did not work.

*Image source: http://www.youvisit.com/virtual-tours/blog/how-to-generate-leads-using-mobile-marketing/

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