



Meta **Retail** Peak Season 2023 Report

Lunio data forecasts \$54bn in lost revenue opportunity for retailers due to invalid traffic on Meta during Black Friday & Holiday Season.



Introduction

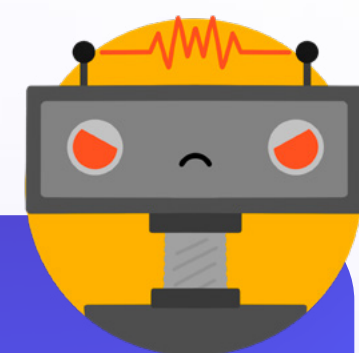
2023 Black Friday and Holiday Season prep is already well underway for eCommerce brands. And many will be investing a significant proportion of their paid media budget on Meta.

In fact, data from [Juni](#), an eCommerce financial platform revealed Meta is the most popular ad platform among UK retailers, commanding over half (52%) of total ad spend in Q2 2023.

Across Europe and the US, the same report shows Google Ads tops the ad spend market among retailers. But Meta still makes up a significant proportion of the overall total.

This is reflective of the wider digital advertising market. When it comes to ad revenue, Meta is second only to Google. And together, the pair represent a firmly-established duopoly.

But all advertisers should be aware of a crucial difference between the two platforms, especially when preparing to ramp up spend during Q4:



Lunio data has revealed Meta has a much higher average invalid traffic (IVT) rate than Google Ads. And that rate becomes even higher for retailers during Black Friday and Holiday Season, leading to significant amounts of wasted ad spend and lost revenue opportunity.

After analysing more than 2.6 billion paid ad clicks for our 2024 Wasted Ad Spend Report, we identified a notable spike in Meta's invalid traffic rate during the months of October, November and December 2022, which has significant implications for marketers and retailers alike.

We've outlined our key findings in this brief report along with what marketers can do to maximise their ad spend efficiency on Meta during Q4 2023.

For more information and analysis on IVT rates across all major ad platforms including Google, TikTok, Bing, Pinterest, LinkedIn and more, check out Lunio's Wasted Ad Spend Report.

[Download Lunio's 2024 Wasted Ad Spend Report](#)





What is Invalid Traffic?

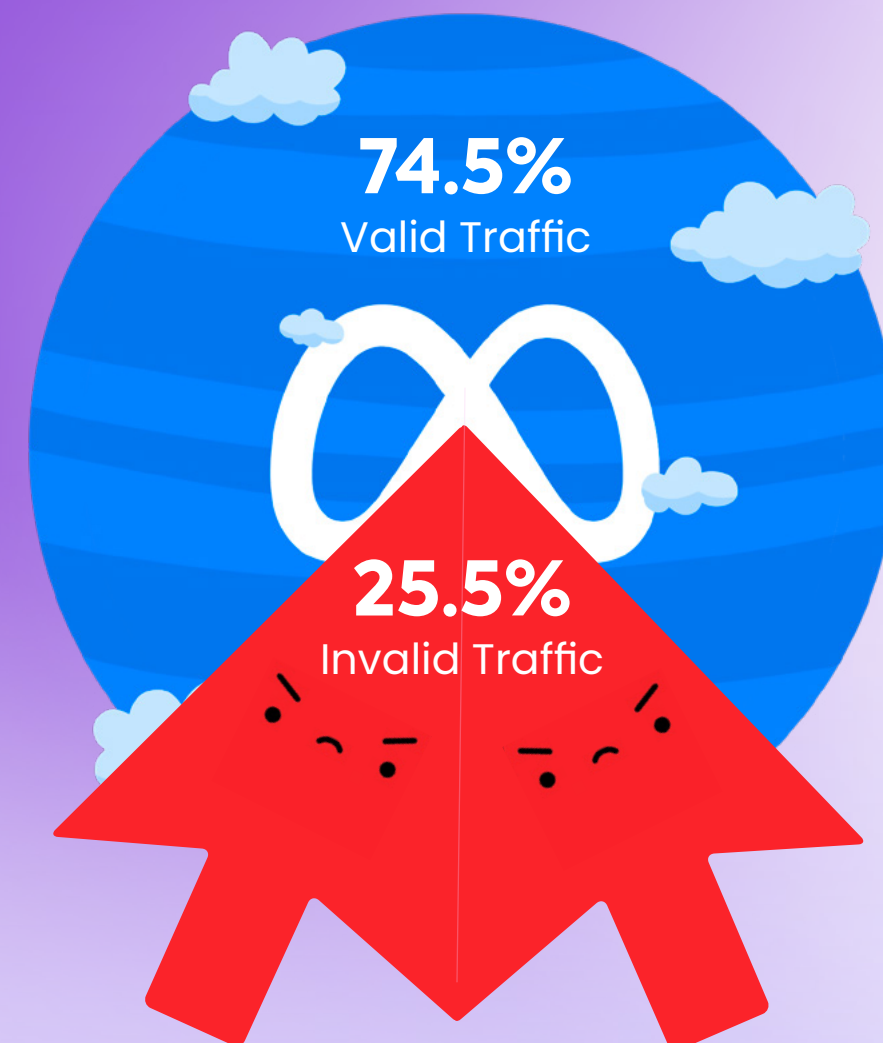
Invalid traffic refers to any website visits that don't come from a real person with genuine interest. It can include bots (both good and bad), fake users, misattributed accidental clicks, malicious clicks from competing advertisers, and otherwise invalid visitors that have zero chance of converting to customers.

17.5% of all paid traffic coming from Meta was invalid

Based on a sample of more than 156 million Meta paid ad clicks from Lunio customers over 12 months (May 2022 - May 2023)

25.5% of Retail Peak Traffic from Meta was invalid

An 8% increase in IVT rate when evaluating traffic between October - December 2022.

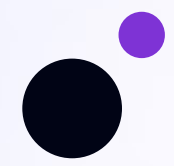


Why Are Retail IVT Rates Higher on Meta During Peak Season?

Based on invalid activity we've detected at Lunio, there are four main reasons why Meta's invalid traffic rate is higher for eCommerce brands during peak season:

- **Scalper Bots & "Grinch" Bots** - These [automated scripts](#) track trending retail items on Meta and purchase online inventory in bulk at discounted prices to sell for a profit.
- **Price Scrapers** - Many retailers deploy price scraping bots to extract real-time pricing and inventory data from competitors. This results in higher invalid ad activity.
- **Advantage + Audience Expansion** - Meta's "Audience Expansion" feature aggressively expands audience targeting to maximise reach, which can create a negative feedback loop when attracting fake traffic.
- **Affiliate Fraud** - Affiliate marketers host advertisements for retail brands and earn money when the ad is clicked. Fraud occurs when they cheat the system by using bots to repeatedly click on these ads. The financial incentives for committing affiliate fraud are much higher during Retail Peak Season, causing this form of invalid activity to spike.





Meta's Invalid Traffic Rates

What is Meta Doing About the Problem?

Invalid traffic affects all ad platforms, not just Meta. But the fact Meta has such high IVT rates paired with substantial investment from retailers makes it a much bigger cause for concern.

According to [Meta's documentation](#):



“Meta takes several steps to reduce the risk of abuse from invalid clicks and help improve your ad performance... If we detect or are alerted to suspicious or potentially invalid click activity, a manual review is performed to determine the nature of the activity.”

Despite these efforts, our data shows Meta's manual review system is failing to protect and reimburse advertisers from large volumes of sophisticated invalid activity. To top it off, Meta also state in their [Advertising T&Cs](#) that “Facebook shall have no liability for click fraud or other improper actions, or for invalid clicks.”



\$8 billion wasted on Meta during Retail Peak Season 2022

Based on Meta's Q4 ad revenue amounting to \$31.3 billion.

\$9 billion forecasted to be wasted on Meta during Retail Peak Season 2023

Based on a 12% growth rate to Meta's Q4 2022 ad revenue.

\$54 billion in lost revenue opportunity on Meta during Retail Peak Season 2023

Based on 6:1 ROAS in eCommerce on Meta from leading performance management platform Databox.



Maximising Retail ROAS on Meta



Brands planning to invest heavily in Meta during 2023 Retail Peak Season without any IVT prevention system in place are exposed to considerable levels of ad spend inefficiency - to the tune of \$9 billion in wasted spend throughout Q4.

The road to greater efficiency starts by eliminating what doesn't work. And the first step in that journey should be getting rid of as much invalid traffic as possible.

Lunio's real-time decision engine analyses the validity of millions of paid ad clicks per day across all major marketing channels including Google, Meta, Bing, LinkedIn, TikTok, and more.

Traffic determined to be invalid is instantly excluded on the channel it's detected on. And data identifying the source of the invalid click is then used to populate cross-channel exclusion audiences, to prevent it from negatively impacting advertisers elsewhere.

Lunio concentrates 100% of your ad spend on real buyers with genuine conversion potential.

Ramp up your Holiday Season prep with a free 14-day traffic audit to see how much you're currently spending on IVT.

[Try Lunio Now](#)



£87,500

Monthly savings in wasted ad spend



£1.21M

Annual savings in ad spend



£18,266

Ad spend saved in the first month



56%

Reduction in cost per acquisition



£117,000

Ad spend saved in the first 6 months