

# Russian Invasion Causes Sharp Decline in Online Ad Fraud

## Impact of Ukraine Invasion on Digital Advertising Scams

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The Russian invasion of Ukraine has had a profound impact on multiple aspects of both countries' societies, reverberating across the global community. One of the significant consequences of this invasion is its impact on both online advertising placement and online advertising fraud.

While political and economic instability, especially in times of war, typically contribute to a rise in criminal activities—including fraud of all kinds—there appears to have been a significant decline in ad fraud following Russia's invasion of Ukraine.

This paper delves into this intriguing and potentially counterintuitive phenomenon, examining the possible explanations for such a decline. By analyzing the complex interplay between the invasion, the online advertising industry, and the wider socio-economic context, we seek to shed light on the factors that may have contributed to this unexpected trend. By doing so, our objective is to provide valuable insights into the underlying mechanisms at play and foster a better understanding of this trend.





## RUSSIA'S WAR ON UKRAINE

### Background

The year 2022 marked a tumultuous period in international relations as Russia launched a controversial invasion of Ukraine on February 24, 2022. The conflict's roots can be traced back to the political turmoil in Ukraine in 2014, which led to Russia's annexation of Crimea. Tensions between the two countries continued to escalate, and in 2022, Russia made the bold decision to invade Ukraine, seizing control of several key regions and sparking a full-blown military confrontation.

### Motivations

The invasion of Ukraine by Russia was motivated by many factors, such as seeking retribution for perceived Ukrainian aggression, consolidating control over Donbas, promoting the concept of Novorossiia, and potentially annexing the entire Ukrainian territory. While some of these objectives may have been of lesser importance, they collectively influenced Russia's actions significantly. Nonetheless, the international community widely regarded these reasons as insufficient and a violation of Ukraine's sovereignty.

### International Response

Russia's invasion of Ukraine drew widespread condemnation from the international community. The United States, European Union, and NATO allies swiftly employed diplomatic measures and imposed economic sanctions against Russia to deter further aggression. The invasion strained diplomatic relations, further polarizing global politics and exacerbating existing tensions between Russia and Western nations.

## IMPACTS ON RUSSIA

The war has had extensive ramifications for Russia, exerting significant impacts on various aspects of its political, economic, societal, and diplomatic landscape.

### Political Impacts

The conflict in Ukraine has placed considerable strain on Russia's political relationships with the international community, particularly heightening tensions with Western countries. Russia's annexation of Crimea and the subsequent conflict in eastern Ukraine have faced widespread condemnation as violations of international law and territorial integrity. These actions have led to the imposition of economic sanctions and political isolation, causing Russia's diminished standing on the global stage. Additionally, the war has



served as a test of Russia's regional influence, with neighboring countries expressing concerns about potential aggression and exhibiting resistance.

### **Economic Consequences**

The war in Ukraine has brought about substantial economic consequences for Russia. The imposition of sanctions by Western nations has impeded Russia's access to global markets, restricted foreign investments, and disrupted trade. Moreover, the devaluation of the ruble, inflationary pressures, and capital outflow have further affected the domestic economy, resulting in reduced consumer confidence and investment. These economic challenges posed by the war have hindered Russia's overall stability, impeding its growth and development prospects.

### **Social Dynamics**

The conflict in Ukraine has had a considerable influence on Russian society. State-controlled media narratives have played a pivotal role in shaping public opinion, emphasizing patriotic sentiments, and nurturing a collective sense of national unity. The war has fueled a surge in nationalism and bolstered support for the government, while dissenting voices have been marginalized or silenced. Additionally, the conflict has impacted cultural exchanges, altered migration patterns, and instilled a prevailing sense of uncertainty and anxiety among the population.

### **Security Concerns**

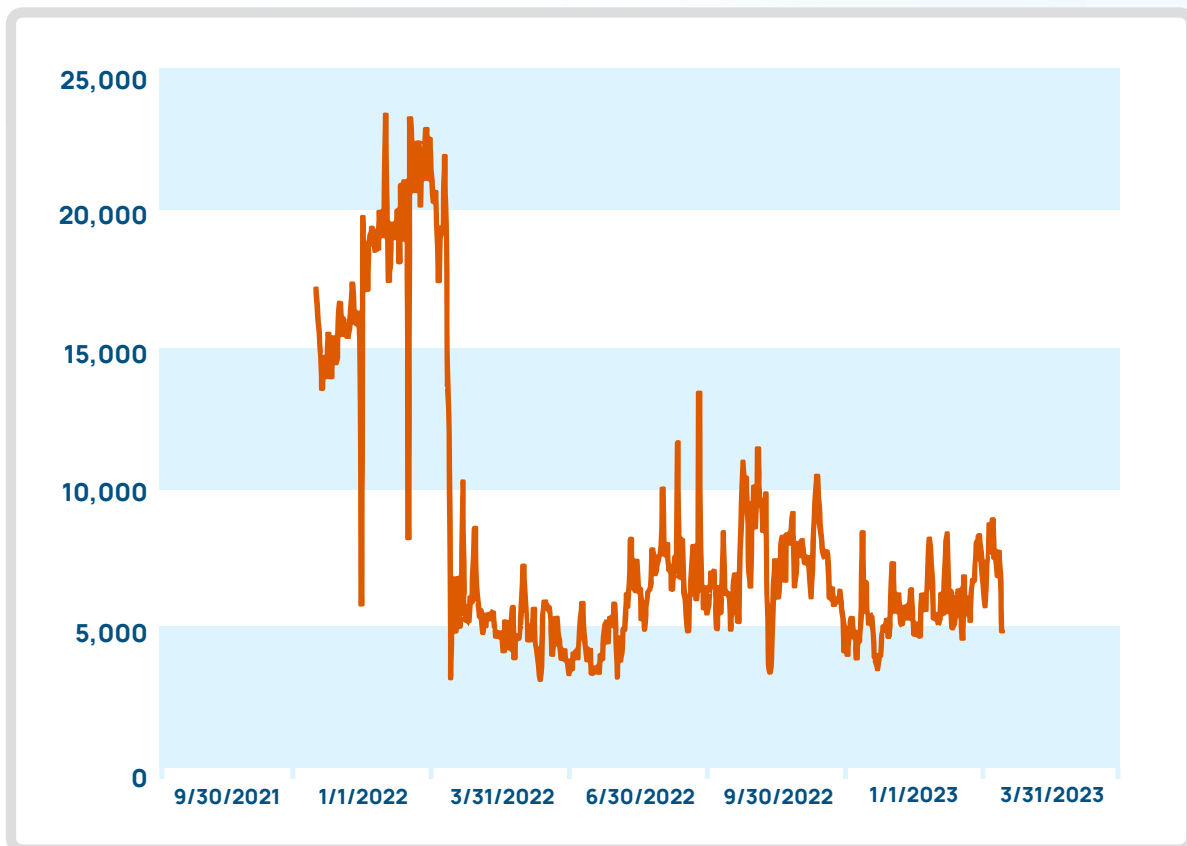
The war in Ukraine has sparked significant apprehensions regarding regional security in Europe. Russia's actions have fueled a sense of distrust among neighboring countries, leading them to reassess their defense strategies and bolster military spending. This has resulted in intensified security measures aimed at safeguarding against potential threats from Russia. The conflict has fueled uncertainty and created a more volatile security environment, prompting NATO to enhance its presence in the region as a deterrent against potential aggression. The ongoing tensions pose risks to regional stability and contribute to a heightened sense of insecurity.

## **IMPACTS ON ONLINE ADVERTISING**

Anura, a prominent provider of ad fraud solutions, gathered extensive data on visitors to their clients' web assets. Leveraging a combination of machine learning algorithms and experienced engineers, they meticulously analyzed the data to detect any telltale signs of fraudulent activity. Through real-time analysis, Anura determined whether a visitor was genuine or fraudulent, marking all traffic from suspected fake visitors as 'invalid traffic.'



To investigate the impact of the Russian invasion on online advertising fraud, Anura utilized invalid traffic as a proxy for ad fraud incidents. Anura plotted the amount of invalid traffic from December 1, 2021, to February 28, 2023 (see Figure 1). Notably, the plot revealed a significant decline in invalid traffic on February 28, 2022, just four days after Russia's controversial invasion of Ukraine.



**Figure 1.** Total Online Ad Invalid Responses from Russia from December 1, 2021, to February 28, 2023

Anura also collected data on the number of visitors' responses to their clients' web assets, which were used as a proxy for online advertising activities. The number of responses were plotted from December 1, 2021, to February 28, 2023 (see Figure 2). The plot displayed a significant decline in the number of 'invalid responses' on February 28, 2022, merely four days after Russia's controversial invasion of Ukraine.

Based on this data, it can be inferred that the war has exerted a substantial influence on the decline of online advertising fraud in Russia. The repercussions of the war, spanning across Russia's political, economic, social, and security realms, have extended their reach to the online advertising sector.

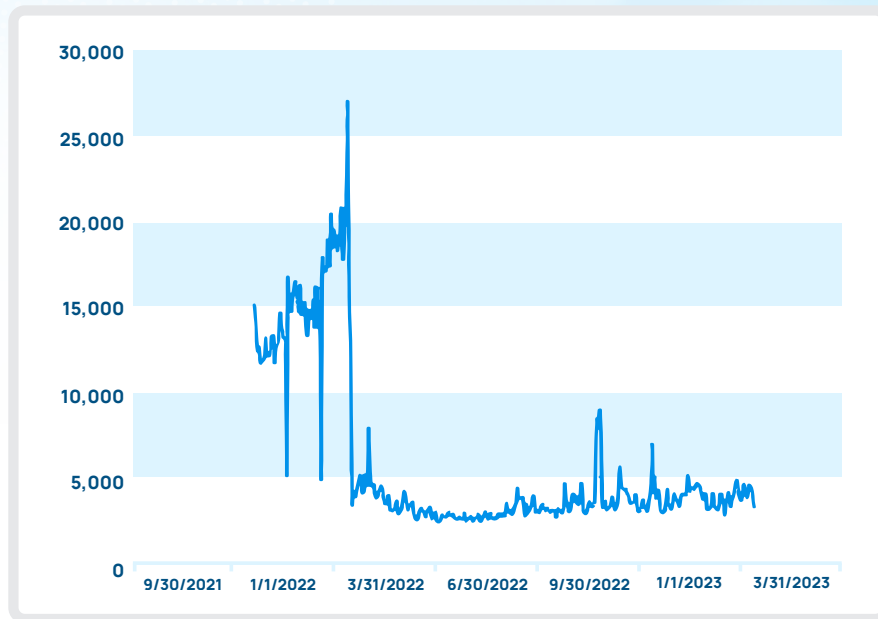


Figure 2. Total Online Ad Responses from Russia from December 1, 2021, to February 28, 2023

## EXPLORING THE DROP IN ONLINE ADVERTISING AND ADVERTISING FRAUD IN RUSSIA

Since the invasion began, we have also seen a decline in online advertising in Russia, which has also lead to a corresponding decrease in online advertising fraud. The correlation is evident in the chart below (Figure 3).

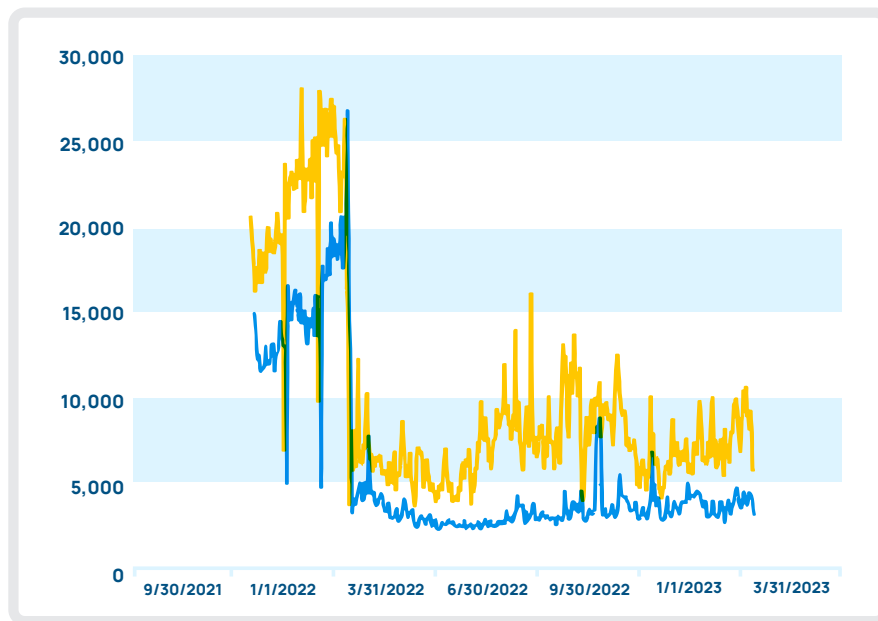


Figure 3. Total Online Ad Responses (Blue Line Chart) and the Total Online Ad Invalid Responses (Yellow Line Chart) from Russia from December 1, 2021, to February 28, 2023



Let's look at how the same factors that have had an overall impact on Russia's political, economic, societal, and diplomatic landscape have contributed to the online advertising and fraud trends in Russia.

### Political Impacts

Political tensions between Russia and Ukraine—and particularly between Russia and Western nations—have led to trade restrictions, strained business relationships, and economic sanctions against Russia. It is reasonable to assume that these tensions have likely led to a decrease in brands' needs or interests in placing online advertising within the country as the reach and effectiveness of any advertising would likely be significantly curtailed.

As countries have joined forces to limit business dealings in Russia, they have also collaborated in combating cybercrime, including online advertising fraud. This enhanced international cooperation played a crucial role in contributing to the decline of online advertising fraud in Russia.

### Economic Consequences

The war in Ukraine has triggered economic instability in that region as well as in Russia, impacting consumer confidence, business investments, and trade. The devaluation of the ruble has led to inflationary pressures and diminished purchasing power, particularly for foreign products. The uncertainty surrounding the conflict has also eroded business confidence in Russia's growth and development prospects, making companies cautious about their advertising expenditures. As a result, budgets for online advertising campaigns in Russia have been reduced as advertisers prioritize cost-cutting measures or redirect their marketing efforts to more stable markets.

### Social Dynamics

The ongoing war in Ukraine, increased concerns about national security, and a general sense of instability have influenced consumer behavior, attitudes, and preferences in Russia. These shifting sentiments have understandably led to fewer online advertising campaigns, particularly from foreign brands which may no longer be trading their products in Russia. Those still advertising likely see reduced engagement.

Advertisers often rely on user data and audience segmentation to target their campaigns effectively, and a decline in cultural exchanges and substantial shifts in migration patterns may result in unreliable data, making it more difficult to target audiences. This could impact the reach and effectiveness of Russian advertisers' campaigns, particularly in regions where tensions are high.

Digital platforms operating in Russia have also been impacted. As a result, digital channels—including social media—may have lower user activity and engagement, which leads to a decline in available ad impressions.





These uncertainties caused a shift towards adopting more advanced ad fraud detection technologies and implementing stricter ad verification processes, reducing the instances of online advertising fraud.

### Security Concerns

Concerns over regional security have spilled over to cybersecurity, particularly regarding state-sponsored cyberattacks in Russia. As a result, online advertising platforms may strengthen their security measures to mitigate the risk of cyberthreats originating from Russia or other affected regions. This could involve stricter verification processes for advertisers or increased monitoring of ad content.

Governments and regulatory bodies may introduce new policies or regulations in response to security concerns. These changes could include stricter guidelines for online advertising, increased oversight of ad content, and additional scrutiny or restrictions when it comes to running campaigns related to the conflict or other politically charged topics.

A significant emphasis has been placed on dismantling organized crime networks involved in online criminal activities. The disruption of these criminal networks, coupled with the heightened pressure from law enforcement, played a pivotal role in deterring fraudulent activities that lead to a noteworthy decrease in online advertising fraud in Russia.

## CONCLUSION AND FUTURE IMPLICATIONS

The ongoing Ukrainian conflict has had a profound and far-reaching impact on the online advertising landscape in Russia, leading to a significant decline in this sector. This decline can be attributed to a range of interconnected factors, encompassing geopolitical tensions, economic instability, sociodynamic shifts, and heightened security concerns. As a direct consequence, there has been a notable decrease in online advertising within Russia as well as a notable increase in international cooperation in fighting cybercrime activities, including online advertising fraud.

As the conflict continues, there is uncertainty as to how it will continue to impact online advertising and online advertising fraud in Russia. Anura will continue to track the data in this country and around the world for further insights and trends.