How Bots & Fake Users Impact Black Friday

An inside look into how IVT will affect eCommerce brands this holiday season.
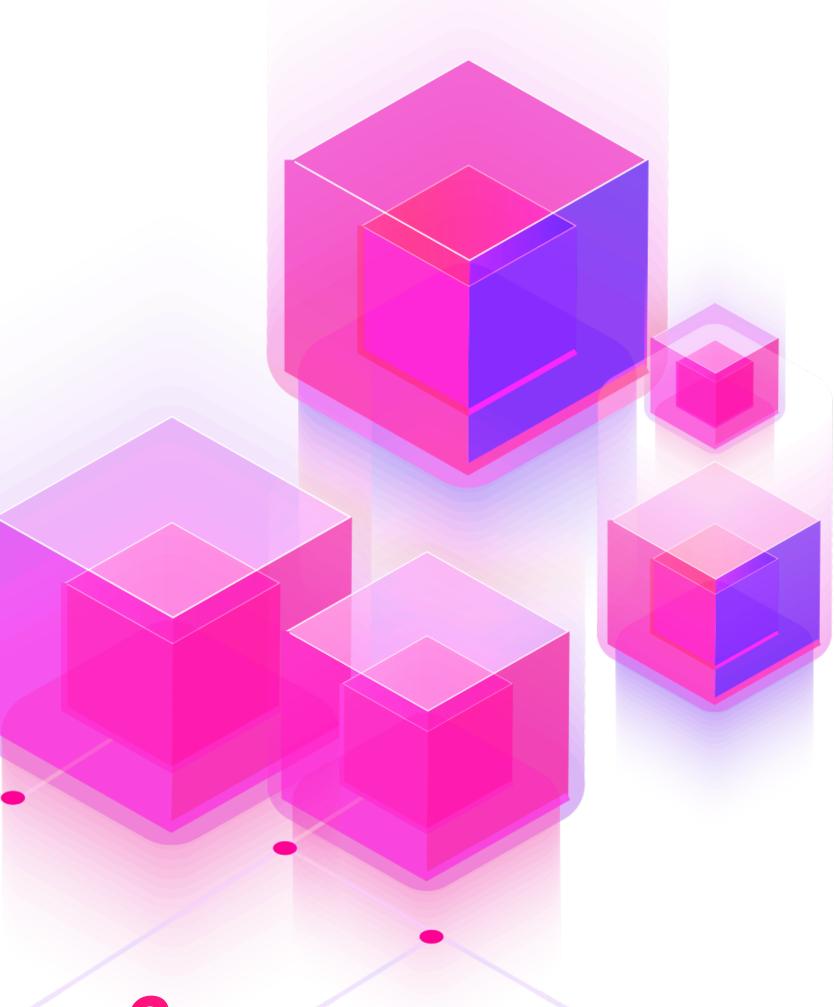
CHEQ

Israeli Cyber Companies Forum

Bot Friday: Introduction

CHEQ is the leading Go-to-Market Security suite with more than 14,000 customers worldwide, and is powered by cybersecurity technology that can determine whether a given user who arrives on a website is legitimate or illegitimate based on thousands of security tests. As such, the CHEQ research team frequently looks at a vast amount of data to reach conclusions about the scale and impact of the Fake Web.

As we approach the holiday season, the team at CHEQ chose to analyze how bots and fake users affected eCommerce sites on previous Black Fridays, and used that information alongside current fake traffic rates to determine the financial and operational impacts retailers can expect this coming Black Friday.

This study analyzed data from 233 million eCommerce site visits originating from all source types (direct, organic, paid), across a 6-month span (January - June 2022) and studied the validity of each user in addition to data that reflects the typical site traffic numbers, consumer spending patterns, and media spend seen throughout the eCommerce space leading up to and on Black Friday globally.
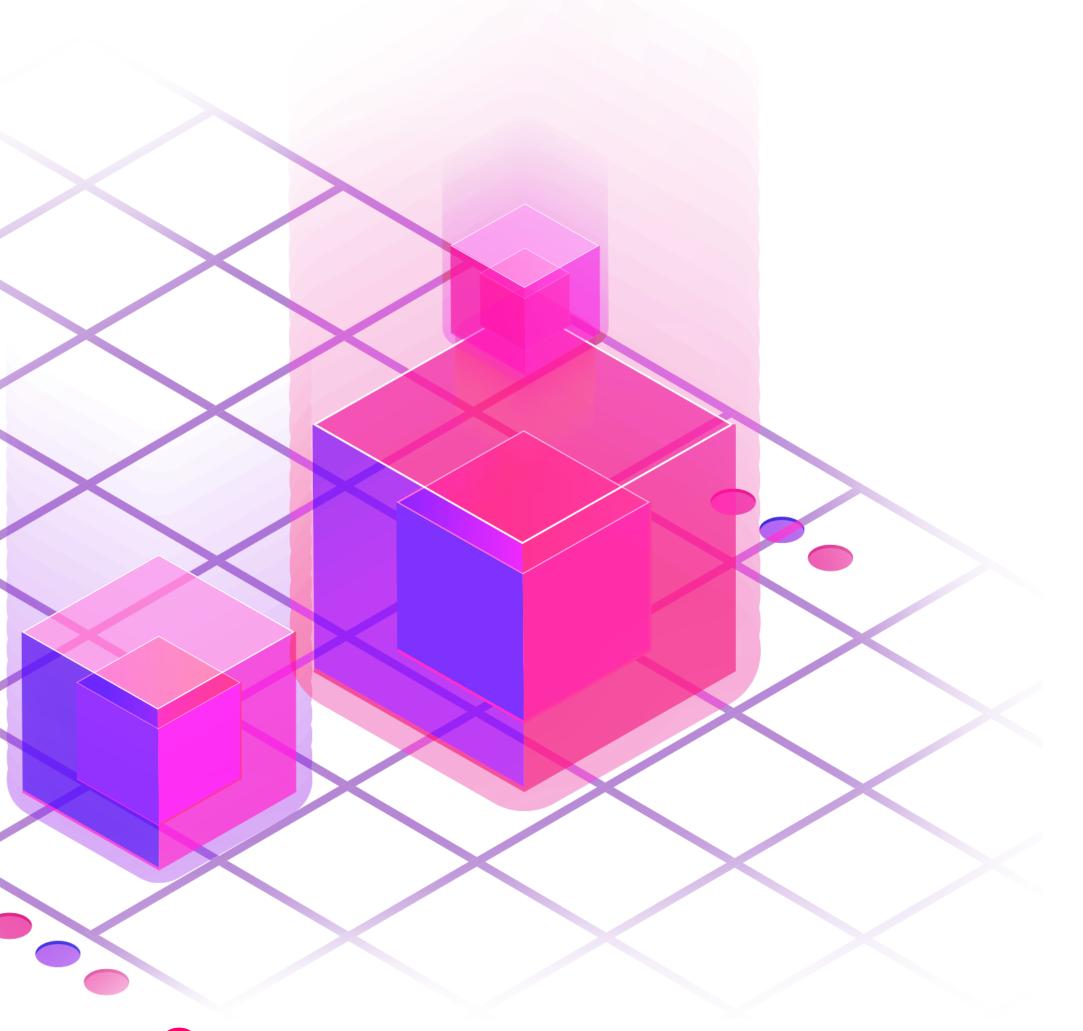
$368M

will be lost to fake clicks on retail ads

In order to drain budgets, skew metrics, and commit malicious acts, bots and fake users very frequently tend to click on advertisements they encounter online. This can be done on paid search platforms, advertisements on social media networks, and other forms of display and text ads.

The eCommerce industry is certainly not immune to these actions. Based on the standard rates of fraud that are encountered across retailer websites from paid sources, analyzed alongside the volume and frequency of advertising clicks during the holiday season, CHEQ predicts that retailers will lose about $368 million to fraudulent clicks this Black Friday alone.
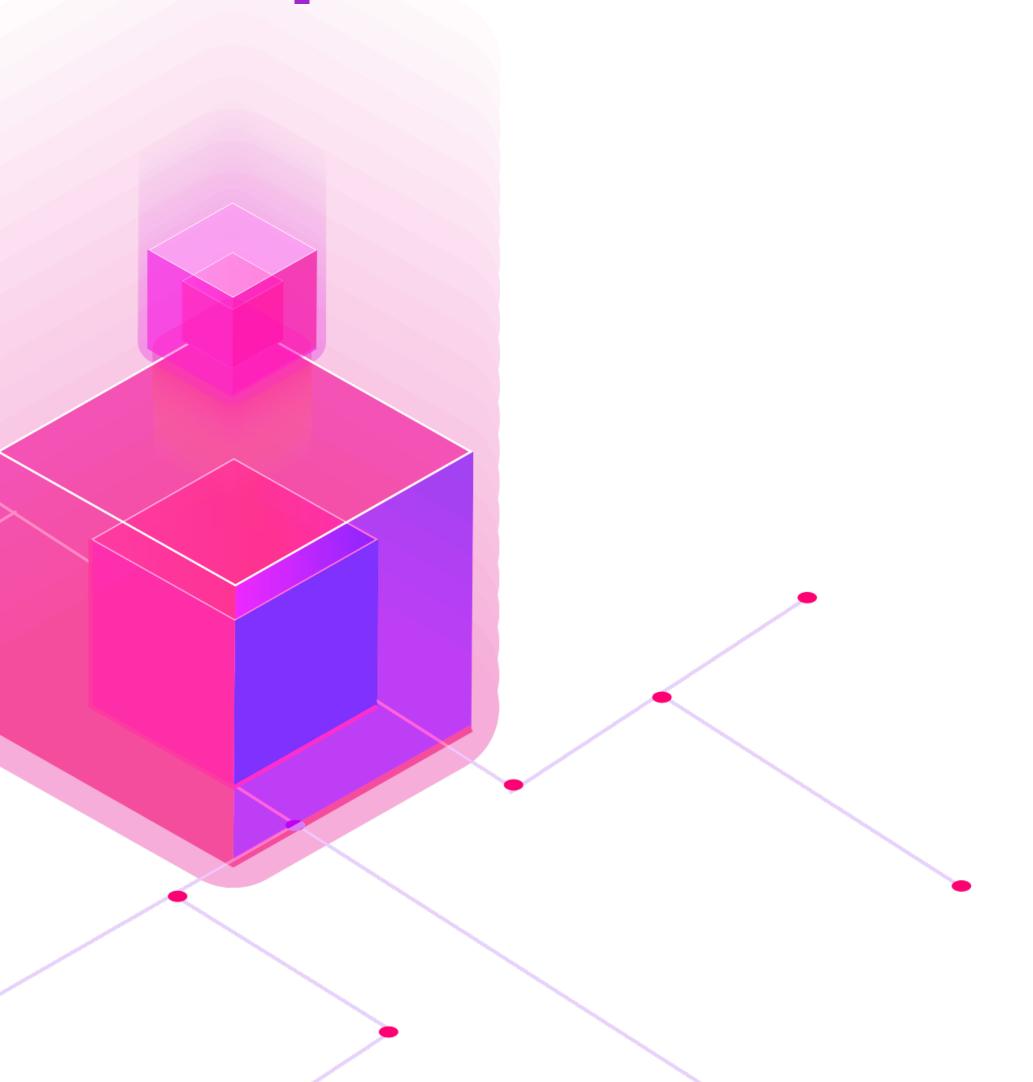
46M

organic "shoppers"

will be fake users

Studies have shown that most online retail purchases begin with an <u>organic search</u>. For this reason it is mission-critical for eCommerce businesses to be aware of how bots and fake users can infiltrate their sites organically as well as on the paid front.

Since organic site visits and purchases tend to <u>increase significantly</u> on Black Friday, in comparison to the average day, so does the volume of non-paid bot traffic to eCommerce sites. Based on CHEQ data and the standard influxes of organic traffic on Black Friday, the organization predicts at least 46 million "shoppers" this coming Black Friday will actually be fake users.

$3.3B

will be lost to bots abandoning carts

As retailers already know, cart abandonment rates continue to rise. While many Black Friday shoppers may choose to abandon their carts because they found the item elsewhere, decided the purchase was not necessary, or ran into budgetary concerns.

However, carts can also be abandoned by bots and fake users - holding up inventory, skewing metrics, overwhelming servers, and making purchases harder for real customers to complete. Based on standard cart abandonment rates throughout the holiday season alongside analysis from invalid traffic rates across eCommerce sites, as well as the increase of site traffic and purchases during Black Friday, CHEQ predicts that $3.3 billion will be lost due to bots abandoning carts.