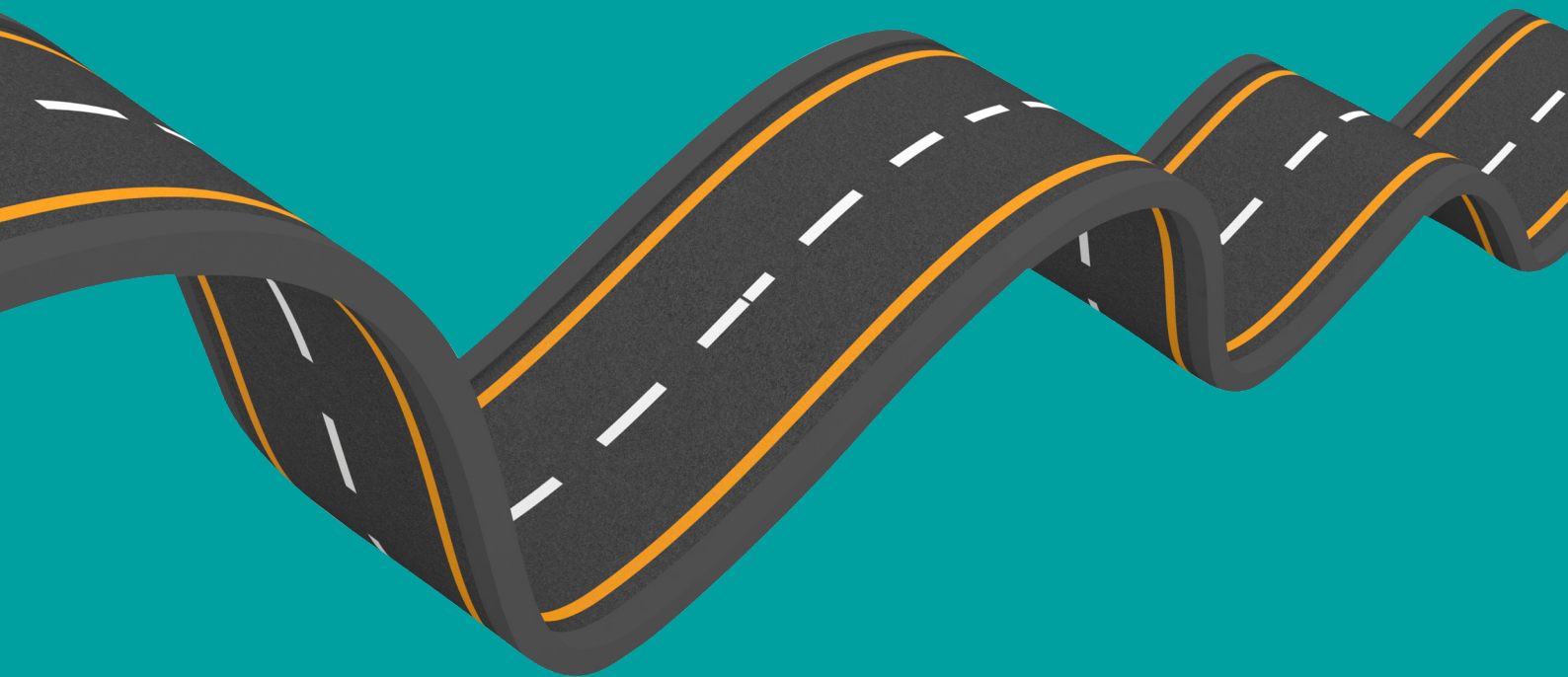


May 2016

The Path from Ad Blocking Purgatory to Programmatic Nirvana

Adam Sheridan | Agnes Gilbert



GAME CHANGERS



The Path from Ad Blocking Purgatory to Programmatic Nirvana

Programmatic buying has led to a revolution in advertising. These cloud-based platforms allowing the automated buying and selling of digital advertising have come with the promise of near nirvana; the ability to target a range of specific audience segments, at broadcast reach, all in real time.

This revolution has been democratic, allowing smaller publishers to join and buyers to access the ecosystem, using the same platforms. But, like any revolution, the winners are joined by some losers. In this case, the losers happen to be the people we all depend on; online users.

The inclusion of more publishers in the ecosystem has led to more supply. This has in some cases led to lower costs. Great for advertisers, but publishers still need to cover their costs; the programmers that code and the journalists that write need to be paid.

This has led to some publishers delivering more ads in their real estate and, because costs are lower, buyers place the same ads at higher frequencies, all leading to users being presented with more ad-cluttered sites and apps.

With this poorer online experience emerging, ad blockers – software that filter ads from content delivered by websites – have seen an exponential rise in adoption. Adobe estimates 181 million global mobile users have now installed such software and eMarketer predicts this to increase proportionately by 35% by 2017.



The Path from Ad Blocking Purgatory to Programmatic Nirvana



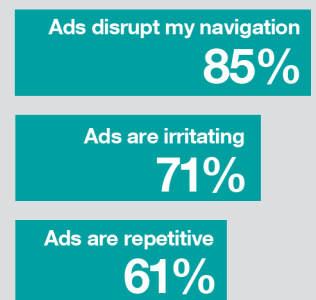
Adam Sheridan | Agnes Gilbert

Although ad blockers meet the user need for a less cluttered online experience, they have the potential to dismantle the implicit contract that publishers have with their audience, namely providing free content underwritten by advertising. Without some form of revenue, either from advertising or pay walls, in the end users will lose the quality content they go online for in the first place.

So how can publishers and advertisers avoid the possible purgatory ad blockers risk to the nirvana originally promised by programmatic buying? Ipsos Connect ran a research study of 1,045 representative online users in the UK and, in partnership with the IAB, a study of 13,000 in France. Both studies were representative of the online population and included specific questions among ad blocker users to better understand the motivations for using, as well as what circumstances they would consider to stop using the software.

When ad blocker users in France were asked why they installed the software on their device, some of the top drivers were ads being 'disruptive' (85%), 'irritating' (71%) and 'repetitive' (61%). Just over half (56%) of ad blockers in the UK were also motivated to install the software because they felt the ads they see are 'irrelevant to me', suggesting flaws in the promised power of programmatic targeting.

“Just over half of ad blockers in the UK (56%) were also motivated to install the software because they felt the ads they see are ‘irrelevant to me’, suggesting flaws in the promised power of programmatic targeting.”



The Path from Ad Blocking Purgatory to Programmatic Nirvana



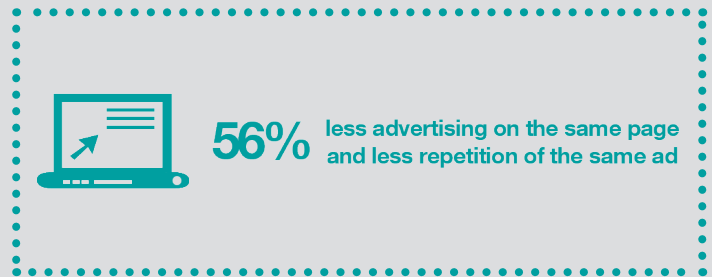
Adam Sheridan | Agnes Gilbert

“How can publishers convince users to uninstall or disable ad blocking software? The answer lies in the reasons they install in the first place.”

A majority feel ads disrupt, rather than are part of, an acceptable online experience. For at least half to consider ads to be repetitive or irrelevant, perhaps speaks to the effect of publishers making more inventory available to looser targeting criteria as programmatic buying has increased supply.

So how can publishers convince users to uninstall or disable ad blocking software? The answer lies in the reasons they install in the first place, the user experience and perceptions of fair value exchange.

When asked what the industry should do to convince them to uninstall, just over half (56%) who used ad blockers in France said they needed to see less advertising and the same ads less frequently.



In addition to the volume, when asked what type of advertising they would find acceptable to see, nearly two thirds of this group (62%) advocated user opt-in ad formats, such as skippables or autoplay.



This again suggests a priority being placed on a positive experience and, at the same time, openness to advertising, provided it plays by the same rules of content consumption. If the user finds the advertising interesting then they view, and if they don't then they skip or move on.

The Path from Ad Blocking Purgatory to Programmatic Nirvana



Adam Sheridan | Agnes Gilbert



With this aversion to the volume of advertising delivered and the suggestion that less frequent and more user controlled advertising is more acceptable, these users are sending signals to publishers and advertisers about how to reduce the need for ad blockers.

Considerations on how they act on these signals in a coordinated way with industry bodies, such as the IAB, include:

1. Redefining variables of programmatic currencies

At present, buying and selling behaviour is defined by what the market place values, which is delivering an impression to the right audience. Can consideration be given for advertisers to know how many other ads are shown on the same page? Or having a quality score of the online experience available to set as a bidding threshold?

2. Greater availability of user opt-in ad formats

Skippable and autoplay ad formats such as YouTube, TrueView and Facebook Video offer the best of both worlds. Users only watch the ads they like and advertisers only pay for ads viewed for an agreed minimum time. Are other publishers fully embracing these types of formats? And are advertisers insisting on them enough, rather than just focusing on reaching enough people?

3. Optimising advertising to the online experience

It's clear that advertisers need to be part of the solution and ask themselves if placing the same video creative they use for TV is going to fit the online and skippable advertising experience that users desire? Can they consider ways to creatively add to the experience, rather than intrude on it?

Whether these types of actions are considered by the industry or not, the growing number of ad blocker users and signals via this research suggests the volume of online ads needs to reduce and that users should be in control of the ads they view. Only then will ad blocker users reassess the value exchange of advertising for free content and show willingness to uninstall or disable the software.

If publishers and advertisers accept these signals and address them, this could set us on the pathway to escaping from the purgatory of ad blocking back to the reach and the targeted programmatic nirvana originally promised.

THE PATH FROM AD BLOCKING PURGATORY TO PROGRAMMATIC NIRVANA

May 2016

Adam Sheridan is Global Director of Clients and Partnerships - Digital at Ipsos Connect

Agnes Gilbert is Director of Digital at Ipsos Connect France

Ipsos Connect is a global specialised business to co-ordinate Ipsos services in the domains of Brand Communications, Advertising and Media. As the world of brand communications, advertising and media become increasingly complex, fragmented and digitalised, Ipsos is helping clients better embrace this modern complexity with investment in new approaches and products that will fit with the digital age. Ipsos Connect aims to be the preferred global partner for companies to measure and amplify how media, brands and consumers connect through compelling content, great communication and relevant media planning.

This *Ipsos Views* paper is produced by the **Ipsos Knowledge Centre.**

www.ipsos.com
@_Ipsos
IKC@ipsos.com

GAME CHANGERS

<< Game Changers >> is the **Ipsos** signature. At **Ipsos** we are passionately curious about people, markets, brands and society. We make our changing world easier and faster to navigate and inspire clients to make smarter decisions. We deliver with security, simplicity, speed and substance. We are Game Changers.

GAME CHANGERS 