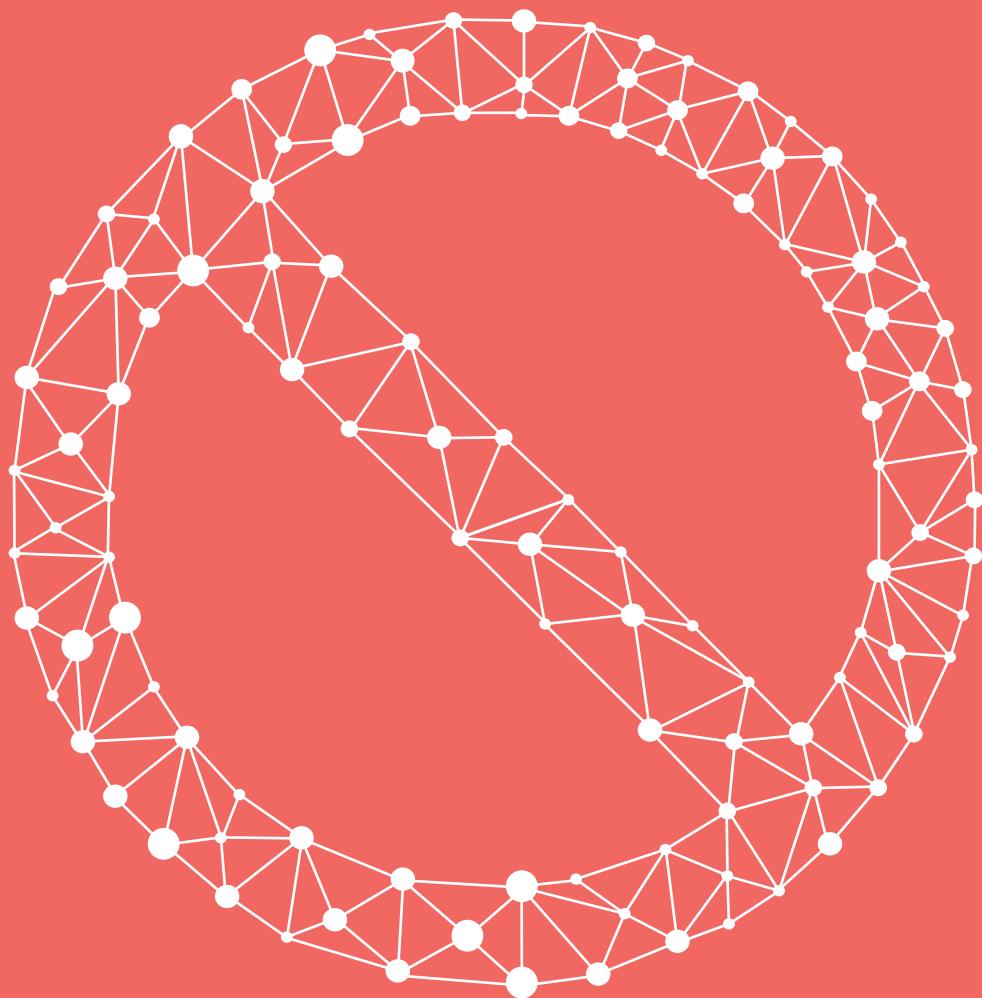


THE RISE OF AD BLOCKING

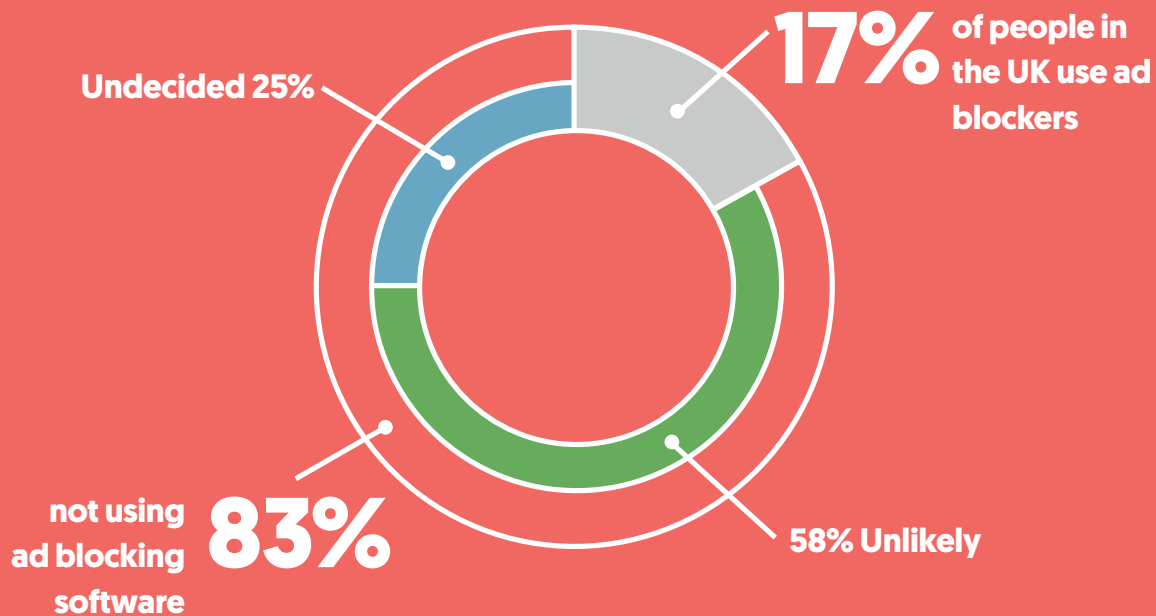
Thought Piece
2016



AD BLOCKING HAS BEEN AROUND FOR A NUMBER OF YEARS, BUT UP UNTIL RECENTLY IT WAS A FAIRLY NICHE ACTIVITY THAT RELATIVELY FEW CONSUMERS ENGAGED WITH. IN 2015 THIS CHANGED.

Apple announced they would allow ad blocking apps on phones and tablets; something that wasn't possible previously. In early 2016 Samsung followed suit, releasing a new version of its Internet browser which supported ad blocking plug-ins. Being able to block ads across different devices has now become a major concern for publishers. Not viewing the advertising that comes with the content means effectively devaluing the content, which in turn decreases publisher revenue. In 2015 it was estimated that ad blocking caused a global loss of \$21.8bn (PageFair 2015).

Despite awareness of ad blocking rising through increased media coverage, not everyone is using it, or even planning to do so anytime soon. Ipsos Connect sponsored GADM's [The Global Academy of Digital Marketing] conference on ad blocking this year, providing insights into ad blocking usage. We ran a mixture of qualitative and quantitative research with the aim to investigate exactly how many people are using ad blockers currently, whether they are planning to start using them in the future and most importantly why?



The good news for the industry is that only 17% of the UK population use ad blockers for almost all of their time spent online. Of the 83% not currently using ad blocking software, 58% (although aware of it) are unlikely to do so in the next 12 months. The remaining 25% are still undecided at this point. There is plenty of scope for advertisers and publishers to change people's minds and give them a good reason to avoid ad blockers.

And it is not just important to understand how many are ad blocking, but also why people are using them. Why do people feel compelled to block ads? Are particular adverts so bad that they must be removed at all costs?

WHY DO PEOPLE WANT TO BLOCK ADS?

Our research showed that online advertising has gained a negative reputation for being annoying, irrelevant to the individual, intrusive and sometimes downright creepy.

- **Online ads are perceived as annoying**

The main reason why people use ad blockers is because adverts are annoying (69%) and they get in the way of what people are trying to do (57%). There is a particular emphasis on the importance of the positioning of ads. Advertisers might think that positioning the ads to the centre of the page, mid-content, is the best way to ensure it

MAIN REASONS WHY PEOPLE USE AD BLOCKERS: 69% 'ADVERTS TOO ANNOYING' 57% 'GET IN THE WAY'

gets viewed, but it also appears to be the best way to alienate the audience.

“My screen is just taken up by something that I don't care about and I can't turn it off”
[male]

But placement isn't the only thing that makes advertising annoying to consumers. In a time where most smartphones come with an attached data plan, people aren't happy to have part of their data allowance used for ads that they consider irrelevant and repetitive (this is most prevalent amongst younger adults). On top of that are some types of ads that people simply don't want to be exposed to. Three in four people were negative towards gambling ads on websites/apps. People also have very negative views of ads promoting dating and religion.

- **Online ads are often irrelevant to me**
Whilst people can sometimes see the potential

value of their data being used to offer them more targeted advertising, the problem is that it's not always relevant. 56% of people use ad blockers because 'the adverts are often irrelevant to me'. People have frequently bought the item in question (or decided not to buy it).

“They get it wrong in that they still keep advertising for universities although I am already in my first year so I just ignore them” [Female]

56% use ad blockers because 'the ads are irrelevant'

- **Online ads can be intrusive**
Another problem with targeting is when the ad does not actually reach the intended recipient. Situations like this are common in households where people are sharing devices. Ads accidentally revealing a potential birthday gift provides an example of how such an error can be intrusive and frustrating.

"The online ads really bother me. I was online looking for my daughter's birthday present, and then went to show her a video on social media, and there was her present!" (Female)

Online ads can be 'creepy'

"I actually find it really creepy that it's tracked the websites you've been on and the different devices you've used" (Female)

Ads are almost always targeted to websites contextually [based on the content of the website] or by understanding the user's browsing history [interest-based ads]. Consumers say that they want relevant ads, but they don't want to feel like advertisers are constantly watching them Big Brother style. One participant from our qual research group relayed how he was targeted based on something he mentioned in a work email (and not something he searched for) – this caused a very negative reaction from the rest of the group. Further evidence that advertisers need to find the right balance between too much and too little targeting.

IS THERE HOPE FOR THE FUTURE?

Yes! It is not all doom and gloom! Our research at Ipsos Connect showed that many users are willing to consider not using ad blocking software - but there

needs to be compelling reasons for them to do so and significant change from publishers and advertisers in what they're being exposed to.

Positively, users are prepared to be flexible and enticed into turning off their ad blocking software if the content is something they truly want or value. If the publisher content is good then the ads are less of an issue.

"Generally for the website I use the most I'd be happy to not use [an ad blocker]" (Male)

However, the ads need to be engaging, relevant and a good fit with the content.

"If you want to see a good ad then go on Facebook and people will have talked about it and shared it if it is high quality" (Female)

High quality, engaging Branded Content can be an excellent way to deal with ad blocking. At Ipsos Connect, we help brands on the creative development journey - to deliver great communications that are distinctive and attractive to consumers in the moments that matter. We know that well produced branded content can really engage users and can also profoundly influence consumers, including intent to buy. In particular, when it appears in social media feeds as something

people have shared, Branded Content is enjoyed by consumers and effectively cuts through. So more engaging and relevant ads would make a big difference.

But some people still want to avoid ads. The good news for publishers is that there is some recognition from users that there does need to be a value exchange for content. Of course, this doesn't mean users are willing to pay cold hard cash for content in exchange for no ads. Only 17% of ad blockers claimed to be prepared to pay to access content on websites / apps if it meant they didn't see any adverts. However, an ad light approach implemented by publishers such as Forbes does have appeal. 1 in 3 users were positive towards an ad light experience with fewer advertisements shown, in exchange for them turning off their ad blockers. A significant number of users are willing to be flexible in exchange for seeing less ads.

IN SUMMARY:

There needs to be a trade-off. There needs to be a value exchange on both sides. Users need to be aware that content does not come for free, not even on the internet, and that ads enable the production of the content they want to see. In exchange, advertisers and publishers need to work on improving online ads. Ads should not be annoying people through

their repetitive nature or by using their data to show them something that isn't relevant to them. If people feel that the ads they are exposed to offer them something valuable in exchange for their attention they are still prepared to engage with it.

FOR MORE INFORMATION, PLEASE CONTACT:

SENIOR DIRECTOR



Tara is a Senior Director at Ipsos Connect. She has worked with a wide range of clients across many industries from media to tech to FMCG to automotive and more. She specialises in communications and advertising as well as media strategy.

TARA BEARD-KNOWLAND
tara.beard-knowland@ipsos.com
+44 (0)7977 011 426

RESEARCH EXECUTIVE



Reece has worked across a number of projects which looks into different people's attitudes and behaviours towards online advertising and ad-blocking. He always has his eyes peeled for initiatives that help clients cope with, and adapt to the changing landscape of online advertising.

REECE CARPENTER
reece.carpenter@ipsos.com
+44 (0)20 8080 6132



Ipsos Connect

ABOUT IPSOS CONNECT

Ipsos Connect are experts in brand, media, content and communications research. We help brands and media owners to reach and engage audiences in today's hyper-competitive media environment.

Our services include:

- **Brand & Campaign Performance:** Evaluation and optimisation of in-market activities to drive communications effectiveness and brand growth.
- **Content and Communications Development:** Communications, content and creative development from early stage idea development through to quantitative pre-testing alongside media & touchpoint planning.
- **Media Measurement:** Audience measurement and understanding.

Ipsos Connect are specialists in people-based insight, employing qualitative and quantitative techniques including surveys, neuro, observation, social media and other data sources. Our philosophy and framework centre on building successful businesses through understanding brands, media, content and communications at the point of impact with people.

