Manifesto for Sustainable Advertising

The rising, widespread use of ad blocking technology must serve as a wake-up call to advertisers, publishers, and agencies alike. Although there is a growing concern among users over online privacy, ads perceived to be intrusive and annoying are the principal driver of ad blocker adoption. This trend, coupled with the reduction in website performance due to ad saturation, is creating a wave of ad blocker usage within the marketplace. 25% of internet users in Germany, and 21% in the U.K. currently use ad blocking technology. This represents an 82% increase in the U.K. of ad blocker usage in the last year[1].

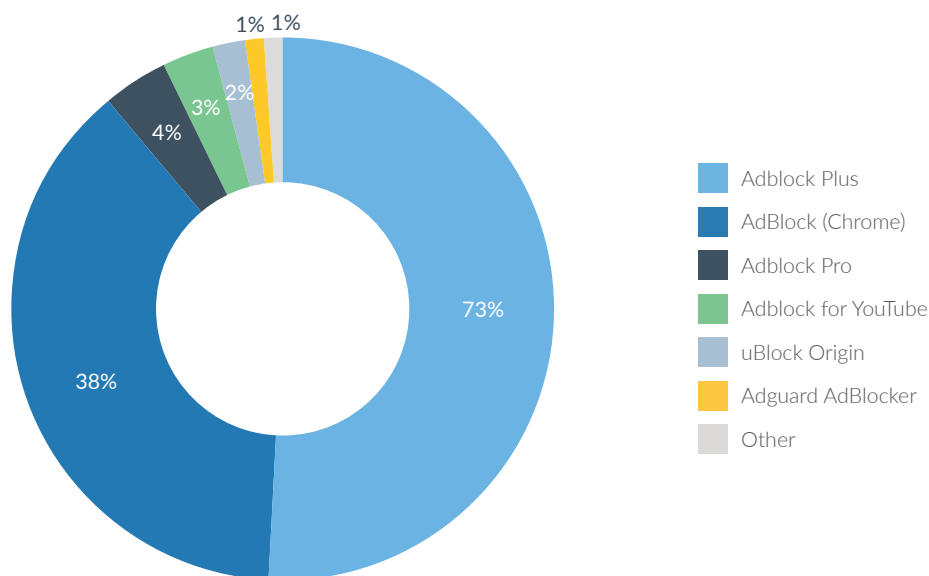## Global monthly ad blocking software users

Source: PageFair & Adobe. Q2 2015

Ad blocking timeline

2002:   Adblock Plus organizes an open source project created by a community of developers inside the Mozilla project

2006:   Adblock Plus becomes available for Firefox

Dec 2010:   Adblock Plus becomes available for Google Chrome

2011:   Eyeo is founded by Till Faida and Wladimir Palant in Cologne, Germany

Nov 2012:   AdTrap turns to Kickstarter to raise funds to bring its device to market

July 2013:   Google is rumored to pay to appear on AdBlock Plus' "white list"[i]

Oct 2013:   Adblock Plus sends an open letter to Twittter[ii]

Feb 2015:   Financial Times reports that Google, Microsoft, Amazon, and Taboola become white listed[iii] on Adblock Plus

May 2015:   German broadcasters RTL and ProSiebenSat1 lose Adblock Plus legal suit

June 2015:   Apple reveals that iOS 9 will enable ad blocking on iPhone's Safari browser

Ad blocker market share

1% 1%
3%
4%
2%
73%
38%

- Adblock Plus
- AdBlock (Chrome)
- Adblock Pro
- Adblock for YouTube
- uBlock Origin
- Adguard AdBlocker
- Other

Source: comScore, July 2015

[i] http://www.businessinsider.com/google-saved-an-estimated-887-million-by-paying-adblock-plus-to-show-its-ads-2013-8#ixzz3l9YLqtAH
[ii] https://adblockplus.org/blog/an-open-letter-to-twitter
[iii] http://www.ft.com/intl/cms/s/0/80a8ce54-a61d-11e4-9bd3-00144feab7de.html#axzz3l9Zj3GMF

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The threat from ad blocking is not just reserved to display. Video advertising is also facing huge potential revenue losses. In the U.S., 25 % of time spent watching video on desktop was blocked from monetization, according to recent research conducted by Secret Media. This number increases to 62% in Germany, the home country of Adblock Plus, the most popular ad blocker with 51% market share[2].

The top 28 countries for ad blocked video time

Germany 62%
Austria 53%
Canada 43%
United Kingdom 42%
Greece 42%
Spain 41%
Poland 40%
Portugal 39%
New Zealand 38%
Australia 38%
Finland 38%
Sweden 37%
Ireland 37%
Romania 36%
Croatia 35%
Norway 34%
France 33%
Belgium 30%
Denmark 29%
Colombia 28%
Israel 26%
Italy 26%
Chile 26%
Mexico 26%
United States 25%
Ukraine 25%
Argentina 23%
Ecuador 23%
Russia 22%
MA Morocco 20%
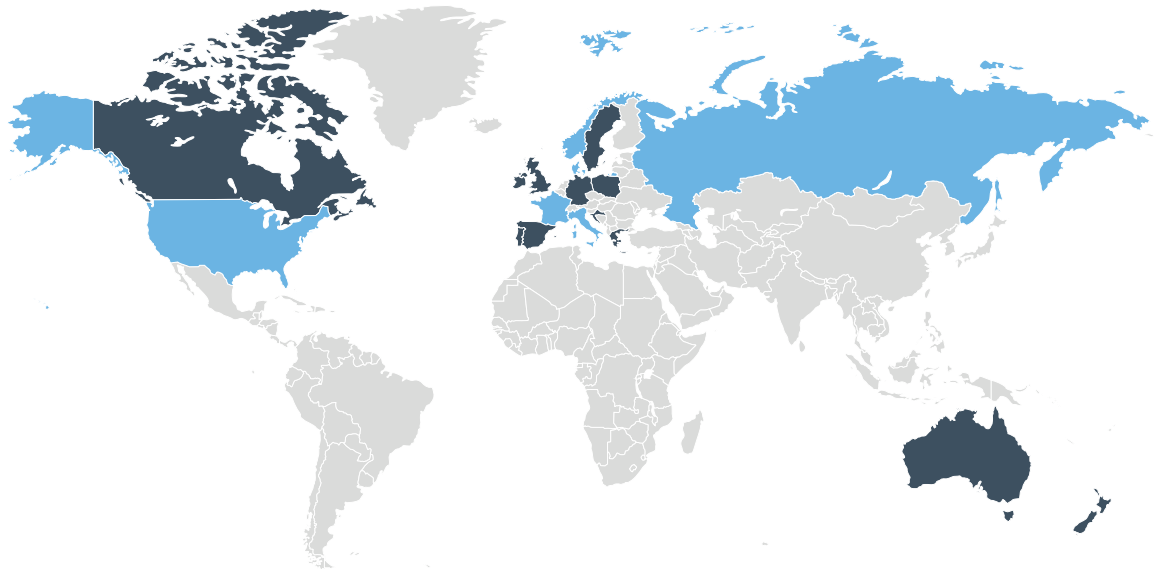
Source: Secret Media. September 2015

Once resigned mostly to desktop devices, ad blocking technology has arrived on mobile. Apple iOS9 now allows users to easily install ad blocking technology directly into their Safari browser. In-app ads that integrate webview framework, which allows the display of a web page in a native app, are also affected.

As soon as they were released, ad blocker apps immediately topped the Apple App Store chart. This success is damaging news for publishers. Users are not ready to pay for premium content, but they are willing to pay to install an ad blocker on their mobile devices, which damages publishers' ability to generate revenue.

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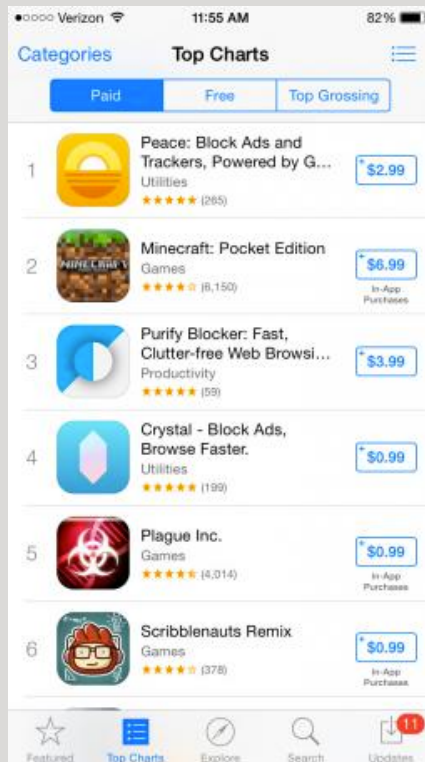
Print publishers have become increasingly reliant on digital advertising to offset losses from their print businesses. With margins already narrow, publishers can't afford to lose 25% of their potential digital revenue.

Evolution of the % of advertising revenues in newspapers turnover, U.S. 1956-2013

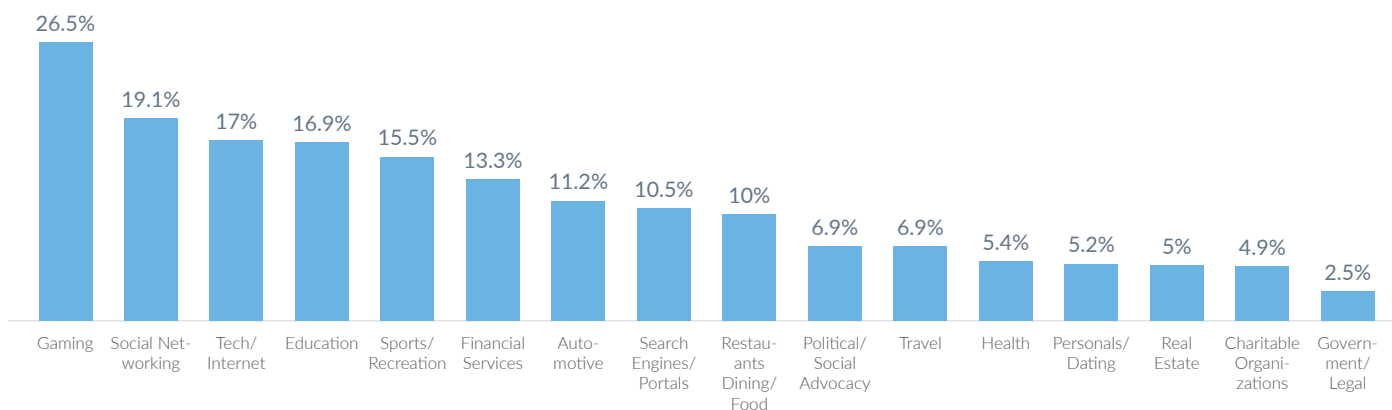Share of total ad revenue print+digital (% of turnover) — Share of total ad revenue (% of turnover)
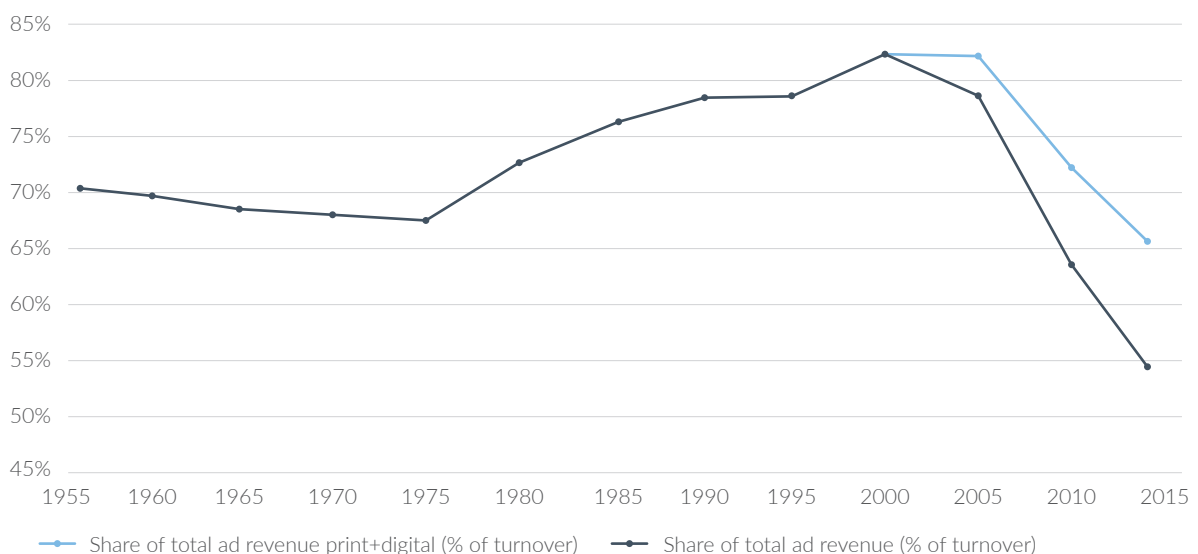
Publishers are fighting back

Publishers have tried three approaches to counter ad blocker adoption:

1) Taking legal action
2) Educating the user
3) Countering ad blockers through technology

The first two approaches have been met with limited success, and in some cases have been more harmful than helpful to publishers. For example, legal action was taken in Germany to disallow users from using ad blockers; however, the court ruled in favor of ad blocking.[3]

Global share of ad blocking rates per site category

Category	Rate
Gaming	26.5%
Social Networking	19.1%
Tech/Internet	17%
Education	16.9%
Sports/Recreation	15.5%
Financial Services	13.3%
Automotive	11.2%
Search Engines/Portals	10.5%
Restaurants Dining/Food	10%
Political/Social Advocacy	6.9%
Travel	6.9%
Health	5.4%
Personals/Dating	5.2%
Real Estate	5%
Charitable Organizations	4.9%
Government/Legal	2.5%

Source: PageFair & Adobe. Q2 2015

PageFair took an educational approach by appealing to the users' conscience by recommending that they allow ads or make a small donation to publishers. The result was a meager 0.33% of ad blocker users re-enabling ads and only 3 users out of a million opted to make a donation[4].

Furthermore, there are technology companies developing and distributing methods to bypass ad blocking technology, thus allowing ads to be delivered. These advances have yet to be widely adopted, and require a revenue sharing agreement between publishers and the creators of this technology.

Publishers are acutely aware that something needs to be done to prevent the further loss of revenue on a massive scale; however, their approach must acknowledge the root cause of ad blocker adoption.
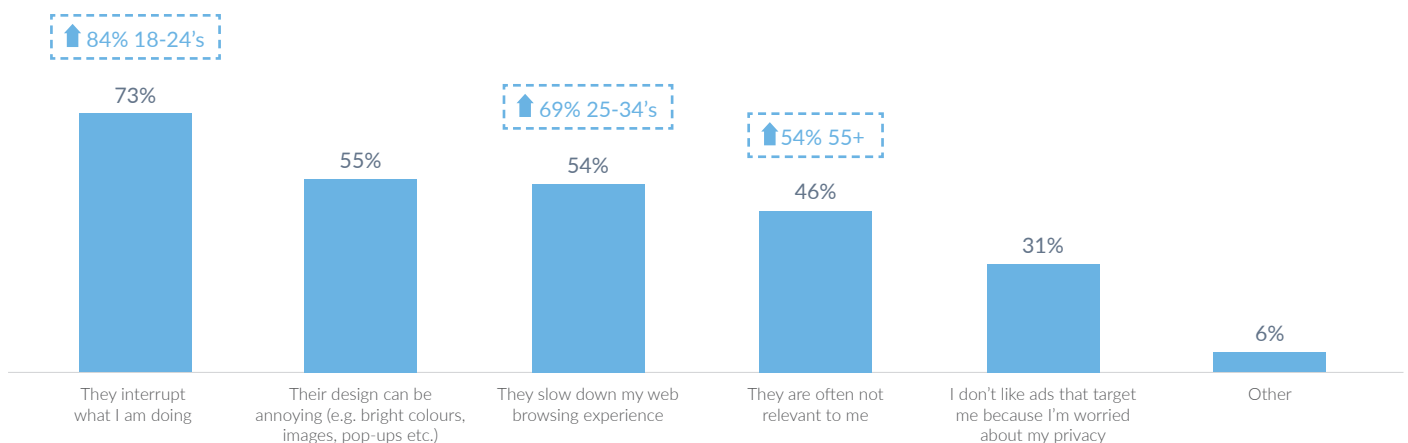
[3] http://www.bbc.com/news/technology-32409952
[4] https://pagefair.com/press_release/pagefair-ads-transition/

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Why are users blocking ads?

Users are adopting ad blocking technology for several important reasons. Historically, privacy concerns around the collection of personal information has been a major concern for consumers. Germany, home of Eyeo, the company behind Adblock Plus, has traditionally been a market that is very cognizant of privacy concerns.

With ad blocking proliferating on a global scale, ad avoidance has become the prominent motivation behind ad-blocker adoption. According to research conducted by the IAB U.K., 73% of ad blockers were downloaded because users claim to dislike ads that interrupt their experience and 55% noted annoying ad design as a factor. Over half of respondents (54%) mentioned slow browser performance, and nearly half (46%) claimed that irrelevant ads were a motivator[5].

Reasons to use ad blockers

Bar chart data:
- They interrupt what I am doing: 73% (↑ 84% 18-24's)
- Their design can be annoying (e.g. bright colours, images, pop-ups etc.): 55%
- They slow down my web browsing experience: 54% (↑ 69% 25-34's)
- They are often not relevant to me: 46% (↑ 54% 55+)
- I don't like ads that target me because I'm worried about my privacy: 31%
- Other: 6%

Source: IAB UK. June 2015

Engage, don't enrage, the user

74% of users say that being forced to view ads before content ruins their online experience[6]. With users' attention being divided in an ever more diversified ecosphere of content, platforms, and devices, it's becoming increasingly important to create a rewarding advertising experience.

There is a thin line between driving effective noticeability and creating ad experiences that are overly intrusive. The solution is found in formats that are designed to optimize the user experience, be effective for advertisers, and lucrative for publishers. Rather than disrupting the online experience, the delivery systems themselves must be disrupted to allow seamless formats to promote a sustainable industry.

[5] http://www.iabuk.net/about/press/archive/15-of-britons-online-are-blocking-ads#8TX06izvqHdM7xSh.99
[6] Censuswide Research. Jan 2015.

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Fighting for the user:
Guidelines to engage, not enrage

1. Avoid interstitials and pop-up units

Pop-up ads and interstitials shouldn't be implemented either on desktop or mobile devices. These formats prevent the user from accessing content on publishers' sites. Users have become adept at exiting or escaping ads before branding and messaging can be internalized and create impact.

2. Leverage skippable video advertising formats

More than 82% of users agree that skippable ads are preferable[7]. Recent data from Integral Ad Sciences proves that less than 40% of video ad impressions are viewed beyond the 2-second viewability threshold set by the MRC. This is due to forced, unskippable video advertising (also called pre-roll), causing the user to exit the ad when confronted with these formats. Many times, this comes at the expense of the publisher, as the user would prefer to leave the content, rather than be forced to consume the ad.

3. Use strategic ad placement and limit the number of ads per user

Excessive ads have a detrimental impact on a site's performance, which is amplified as users continue to consume content on mobile devices. Excessive ads also harm publishers by taking user attention away from content.

Native formats, such as outstream (stand-alone video advertising that lives within a feed or an article), can create a better experience for users.

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4. Engage in contextual targeting to improve ad relevancy

More than 52% of users say they are more likely to enjoy video advertising if it is relevant to the content they are consuming[8]. Contextual advertising is advertising where the form and function of the ad closely matches the content within which it lives.

Contextually relevant ads optimize brand and messaging impact. They also appeal to publishers as relevant ads do not detract from content when users remain engaged.

5. Adapt your video length by device

Brand impact can be the strongest within the first 10 seconds of a video on mobile devices, suggesting shorter mobile ads are more effective and less disruptive to the user[9]. For 30-second ads, the completion rate is over ⅓ less on mobile than on desktop[10].

Users have differing expectations across platform; therefore, advertisers that are truly sensitive to user experience must consider consumption behavior across mobile vs. desktop platforms.

6. Optimize for mobile first

60% of digital media time spent happens across mobile vs. desktop[11],and mobile users are more sensitive to ad intrusion. Only 17% of users have a favorable opinion of ads on mobile[12].

Advertisers and publishers should adopt a cross-platform strategy, focusing on mobile first. This strategy not only will optimize the effectiveness, reach, and frequency of an ad campaign, it will ensure that ads across platforms are also optimized for the user experience.

7. Let the user control audio within video advertising

Audio, when misused, can negatively impact the user experience. Opt-in audio is a feature within ad formats that allows users to control the audio by scrolling past, clicking within, or tapping on the ad.

Allowing users to engage with the ad's sound when desired prevents them from becoming annoyed by intrusive audio formats.

[8] http://teads.tv/en/advertising-matters/
[9] Nielsen and Facebook.
[10] Teads platform data 2015.
[11] comScore Media Metrix Multi-Platform & Mobile Metrics. December 2014.
[12] Millward Brown. "Ad Reaction." 2014.

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8. Collect user data responsibly

92% of U.S. and U.K. users worry about their online privacy[13]. Growing user concern over privacy necessitates that publishers and advertisers should collect data responsibility and allow users to easily opt-out of being tracked.

9. Use caution when delivering mobile ads in markets where data plans are limited

Within certain markets, like Germany or Spain, many consumers have limited data plans. Ads that consume large amounts of data can cause users to run out of data quickly. This will upset users, incentivizing them to install ad blockers.

WiFi targeting can alleviate this issue, as mobile consumption on WiFi does not affect their data plans.

10. Optimize your video advertising on engagement and viewability metrics

The focus on maximizing reach while minimizing costs has caused brands and agencies to disregard the quality of the advertising. Time spent viewing ads, visibility metrics, and engagement measures should be more central in assessing the value of a campaign. This approach will optimize value for advertisers and ensure that ads are created to engage users.

[13] Truste.com. Consumer Confidence Privacy Index. 2015.

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