



AD BLOCKING:

THE CONSUMERS PERSPECTIVE — WAVE 3

DECEMBER 2017

simplify inspire

BACKGROUND & METHODOLOGY

This is the third wave of IAB Australia Ad Blocking consumer research. This study has been run by IAB Australia and Pureprofile to understand the scale of ad blocking and more importantly help answer “why” consumers are installing blockers on different devices. The IAB is committed to providing objective data for the market on a range of industry issues including ad blocking.

A representative sample of 1,938 Australians aged 16+ were surveyed on their knowledge and experience regarding ad blocking technologies across digital devices. Fieldwork was carried out in December 2017. Data is compared to wave 1 which was run in Oct 2016 with a sample of 1,864 and Wave 2 in April 2017 with a sample of 1,659.

EXECUTIVE SUMMARY

- **Awareness, trial and usage of ad blockers has mostly stabilised** with most findings in this report very close to results to the Wave 2 research fielded in April 2017.
- While overall usage of ad blockers has only increased by 1% in the last 6 months, use of mobile ad blockers has increased by 2%. Although **overall use of ad blockers on mobile devices is much lower than desktop (7% vs 24%) it is an area to monitor** as growth of mobile ad blocking rates has been higher in other markets.
- **Males are significantly more likely to have an ad blocker installed on one of their devices** (33% vs 22% for females).
- **16% of online Australians are ex-ad blocking users** with restrictions to content and impact on browsing speed being the two main reasons for no longer using an ad blocker.
- Although interruption and disruption by ads is one of the reasons for most of the people who use ad blockers **the primary reason for installation is security related**, fear of viruses. This has been consistently the number one reason over the three waves of this research.
- Nearly three quarters of people have noticed messaging from sites to turn their ad blocker off, **6 in 10 of ad blocking users whitelisted certain sites or deleted their ad blocker totally after site messaging.**
- The **types of ad formats that annoy people** who have installed ad blockers the most are **creatives that get in the way of consuming content** – either on top of text or inappropriately long pre-rolls.
- **Although ad blocking rates have stabilised they are still too high and point to a less than optimal ad experience for many consumers.** IAB locally and globally is working on a number of initiatives to help create a better ad experience for consumers and thus a healthier and more sustainable digital advertising industry. The IAB Australia tech lead, Jonas Jaanmagi, outlines the initiatives on the next page.

IT'S FINALLY TIME TO WEED OUT THE DIGITAL ADVERTISING INDUSTRY'S BAD ACTORS



JONAS JAANIMAGI
EXECUTIVE CONSULTANT
IAB AUSTRALIA

Trust has always been a core requirement to be truly successful in the long term in our industry.

More recently the word 'trust' has become synonymous with negative topics between entities within the advertising ecosystem. However, any significant erosion of trust with the consumer, as a result of poor ad experiences, is potentially far more damaging for us all in the long term.

The most crucial elements of establishing trust are demonstrating both competency and the belief that someone is always acting with good intent. When it comes to consumer ad experiences, it's time to ensure that the entire online advertising ecosystem works together

to weed out those acting with poor intent and competently allows for the provisioning of better, leaner ads.

WEEDING OUT THE OFFENDERS

Having been involved in ad operations since the late '90s, I've seen (and pushed back on) plenty of aggressively interruptive and dubious ad formats forced onto screens of all shapes and sizes.

The prevalence of highly interruptive pop-ups and then pop-unders was a low point around 12-15 years ago. Improvements in rich media executions then resulted in a wave of experimental prestitials, superstitials and interstitials that were, shall we say, a little *too* engaging. Some pointed to the supposed performance of these ads, but most of us knew that it was simply people thrashing about desperately trying to close the ads down.

As any medium advances, there will always be some experimentation – but all too often bad ad experiences are driven by poor intent and incompetence. This must stop and in 2018 you will see a lot of action – both globally and locally, when it comes to improving online ad experiences.

This year the IAB will dramatically be improving ad standards and examining collaborative means of enforcement that go beyond simple recommendations and best practices. This means collaborating effectively with our members to do the hard yards technically and provide the education required – whilst also liaising closely with other local industry bodies such as the MFA and AANA and global cross – industry groups such as the CBA (Coalition for Better Ads).

IT'S FINALLY TIME TO WEED OUT THE DIGITAL ADVERTISING INDUSTRY'S BAD ACTORS BY JONAS JAANIMAGI

COLLABORATING TO IMPROVE THE AD EXPERIENCE

The first move globally has already been made, with the news that from February 15th Google Chrome will begin to block ads in North America and Europe that aren't compliant with the CBA guidelines.

The formats to be blocked are those proven by extensive research, to frustrate and generally offer poor experiences. The related project and processes is called the Better Ads Experience Program.

Whilst the Better Ads Experience Program has yet to formally extend to Australia, we strongly encourage local companies to follow the CBA guidelines. We continue to input into the product and consumer experiences work of the CBA to localise for Australia and as active members will closely monitor the findings from the European and North American rollouts.

It's important to note that we've all worked hard to ensure that the excluded ads don't include commonly commercially critical units for Australian publishers.

Equally importantly, the move to block them should also drastically reduce the need for people to install more aggressive versions of ad-blocking software that ultimately damage premium publishers looking to create ad-funded quality online content.

INTRODUCING A NEW AD PORTFOLIO FOR AUSTRALIA

As a part of these changes, a critical focus and priority for IAB Australia this year will be to incorporate all related insights and findings on better ad experiences into a large pan-industry initiative called the New Ad Portfolio. The new portfolio worked on by the IAB Tech Labs based in New York comprises a complete upgrade and evolution of *all* digital advertising specifications.

The overwhelming objective of the project is the need to ensure a significantly improved online ad experience – and an experience that aligns completely with the work being done by the CBA and applies the related and aligned philosophy of the IAB's LEAN Ads Program (Light, Encrypted, AdChoices supported, Non-invasive advertising).



LIGHT

Limited file size with strict data-call guidelines



ENCRYPTED

Assure user security with https/SSL compliant ads



AD CHOICE SUPPORTED

All ads should support consumer privacy programs



NON-INVASIVE ADS

Ads that supplement the user experience and don't disrupt it

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The updated specifications will be based on aspect ratio and size range rather than fixed pixel sizes – flexible sized ad units that allow for ad delivery across multiple screen sizes and integration with responsive website design. We've recognised that the industry requires a more flexible approach in this area in order to provide simple and sensible guidance for any new ad types on any device type, including 360-degree videos and AR/VR.

We anticipate that the rollout and education in Australia for the new Ad Portfolio will take at least six months and we've established four working groups made up of more than 20 locally based competent technical and product experts from 16 different companies. The companies involved are genuinely representative of our industry as they include publishers, media agencies, major brands, creative agencies, the major platforms, programmatic vendors and rich-media vendors.

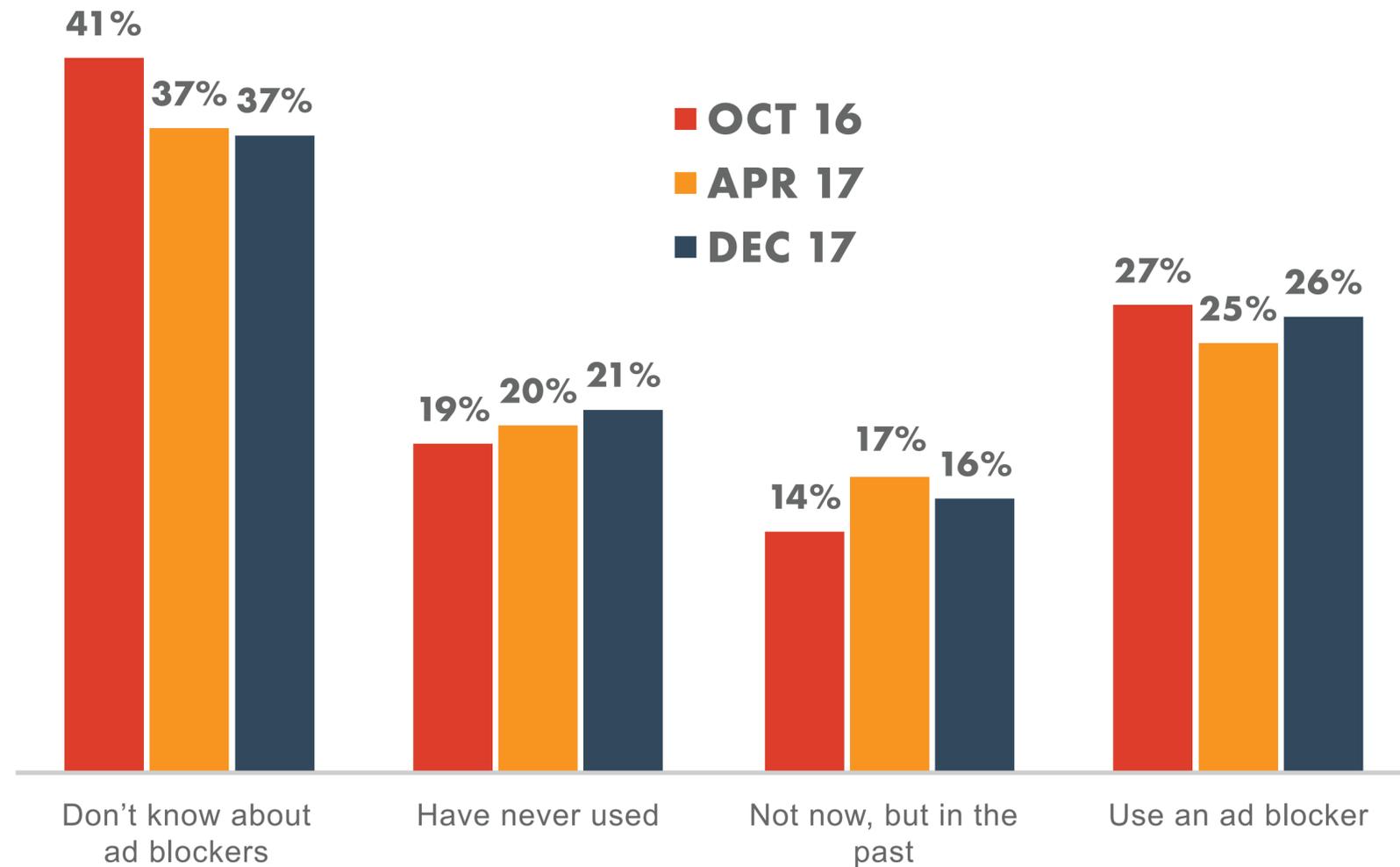
CONSTANT EVOLUTION

We're looking forward to working across the industry groups to educate wherever we can and ultimately help effect the changes that we believe we all want to see when using devices of all types day-in and day-out.

Trust in better, leaner online ads in 2018.

If you have any questions about IAB Australia's New Ad Portfolio project, please drop Jonas Jaanimagi an email at jonas@iabaustralia.com.au.

USAGE OF AD BLOCKERS REMAINS STEADY ON DESKTOP – SLIGHT INCREASE ON MOBILE



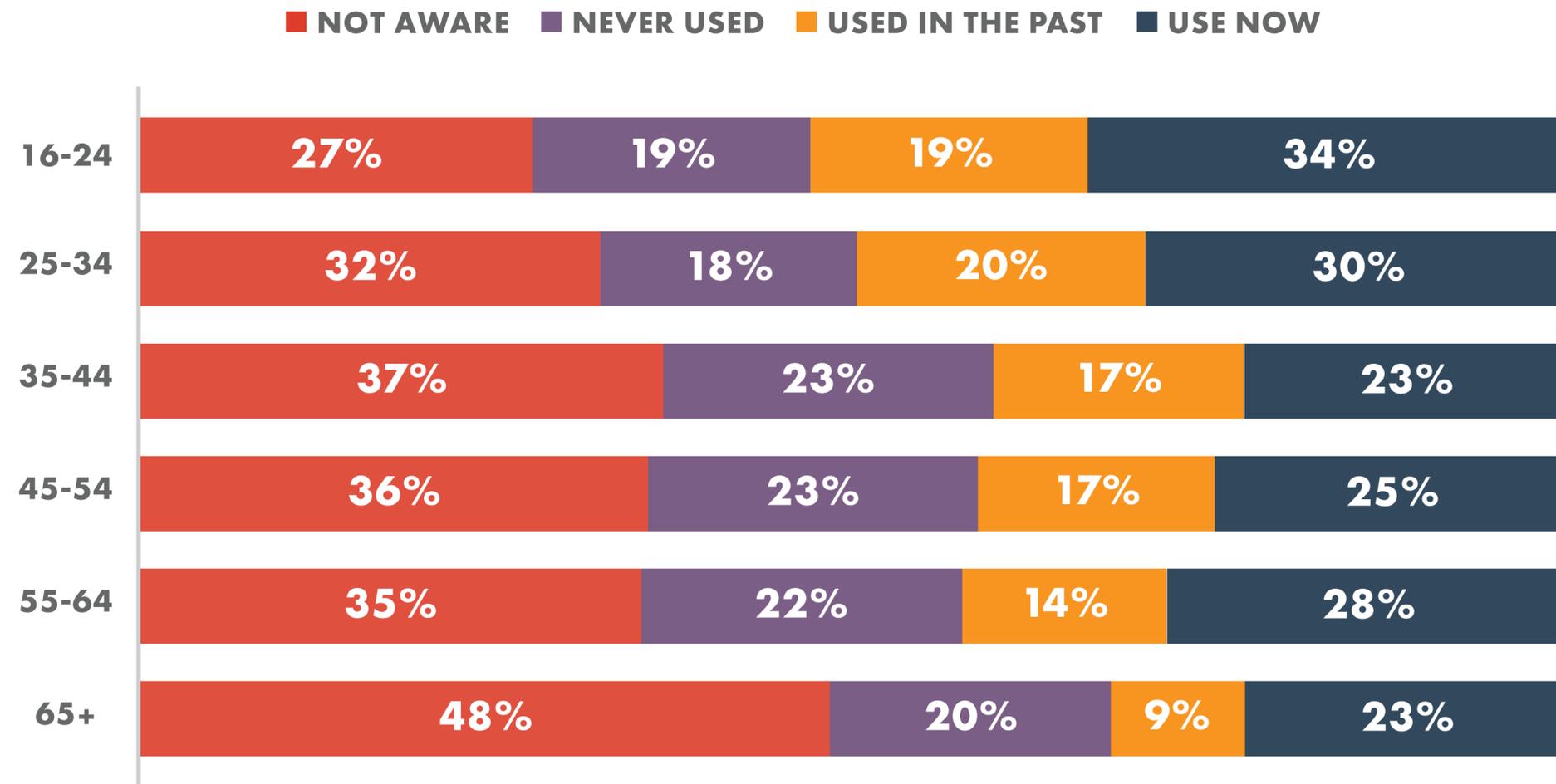
AD BLOCKER USAGE BY DEVICE



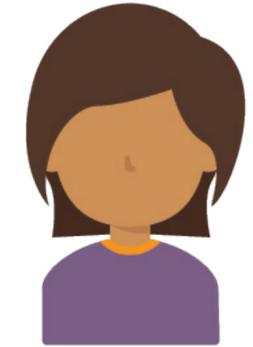
16% of online Australians have trialed and moved away from using ad blockers. Ad blocker usage in desktop devices up from 21% in April 2017, mobile up from 5% in April 2017.

Indications from data prepared by Telescope using Oriel's technology which is integrated on some of the largest publishers in Australia representing over 20m devices in Australia, people using ad blocking tech seem to have high surfing volumes than non ad blockers. The ratio of unique browsers to page views with ad blocking present was 1:1.23 in December 2017.

MALES MORE LIKELY TO HAVE INSTALLED AD BLOCKERS



33%



22%

- Ad blocking rates across devices has remained at similar levels across age groups since April 17. However there has been a slight increase in usage by males
- 53% of young Australians have trialed an ad blocker or have one installed on one of their digital devices compared to 29% of people aged 65+

WHAT CAN WE LEARN FROM EX-AD BLOCKERS?

- Messages from publishers regarding ad blockers continue to have an impact on usage with nearly a quarter of people who no longer use an ad block noting that as a reason for no longer using one.
- Testing of the technology and “just wanting to try” and subsequent rejection is increasing particularly by males.

	OCT 16	APR 17	DEC 17
Ad blocker prevented me from seeing content	28%	28%	28%
Ad blocker slowed down browsing	25%	25%	24%
Kept seeing messages to turn off ad blocker to see content	19%	23%	23%
Realised ads on sites don't bother me	16%	17%	15%
Just wanted to try ad blocker	15%	20%	18%
Accidentally removed ad blocker	14%	15%	12%
I wanted to see some ads	13%	14%	15%
Realised sites make money from ads	9%	8%	9%
Ads are now more relevant / targeted for me	9%	9%	10%
Realised ads are safe from virus	4%	7%	5%

WHY DO PEOPLE USE AD BLOCKERS?

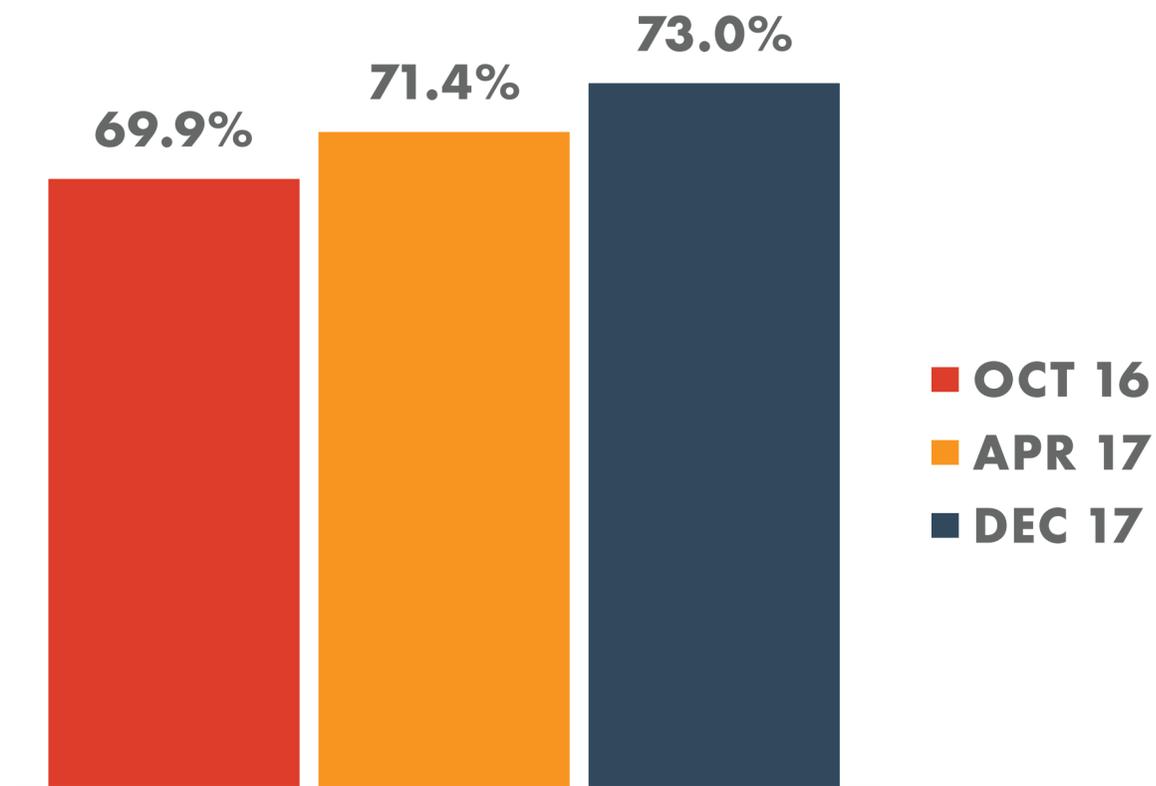
- **Reasons for usage have remained relatively stable** over the last 6 months.
- **Fear of getting a virus** remains the primary reason for ad blocking usage.
- Females are more concerned about viruses with 51% of female ad blockers citing viruses as one of the reasons for ad blocker use.

PRIMARY REASON	
Afraid of getting a virus	21%
Just too many ads on sites	15%
Ads are disruptive	14%
Don't like ads that target or follow me	11%
Ads slow down page load times	8%
Ads distract from browsing experience	6%
More privacy on internet	6%
Ads slow down browsing experience	5%
Sites are easier to navigate without ads	3%
Don't trust technology to serve ads	3%
Sites are visually pleasing without ads	2%
To conserve data	2%
Everyone I know uses ad blockers	2%

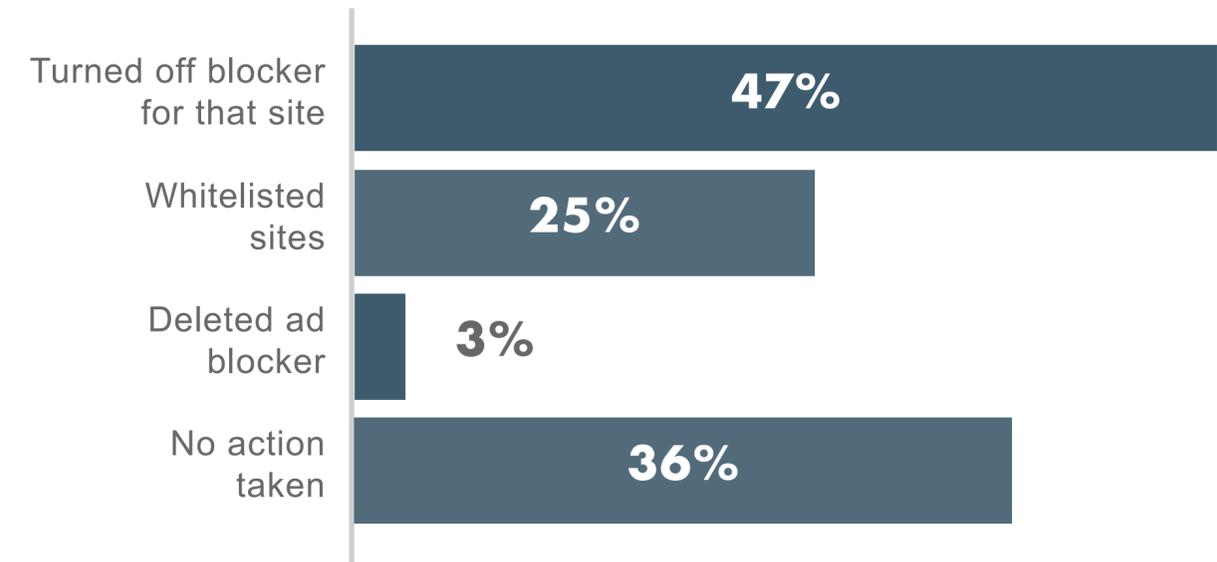
ALL REASONS	
Ads are disruptive	61%
Just too many ads on sites	60%
Don't like ads that target or follow me	53%
Ads slow down browsing experience	49%
Ads slow down page load times	47%
Ads distract from browsing experience	46%
Afraid of getting a virus	44%
Sites are easier to navigate without ads	43%
Sites are visually pleasing without ads	35%
More privacy on internet	34%
To conserve data	22%
Don't trust technology to serve ads	18%
Everyone I know uses ad blockers	9%

IMPACT OF COMMUNICATION

HAVE YOU BEEN ASKED BY A SITE TO TURN YOUR AD BLOCKER OFF?

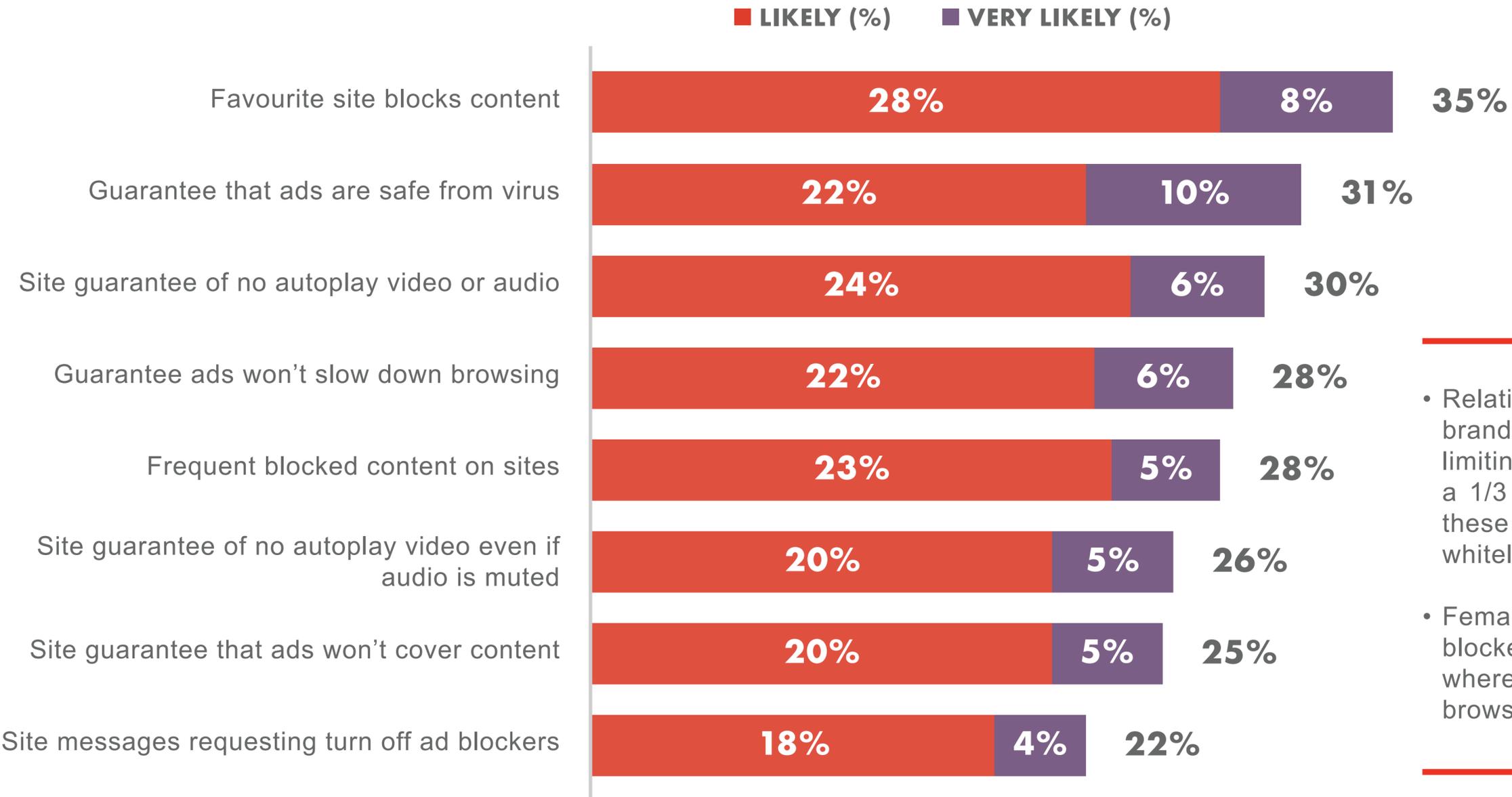


HAVE YOU EVER DONE ANY OF THE FOLLOWING WHEN ASKED BY A WEBSITE?



Increased messaging from content sites re ad blocking usage is being noticed by consumers. In particular younger Australians with 88% of 16-24 yr olds remembering being asked to turn off their ad blocker compared to 60% of people aged 65+.

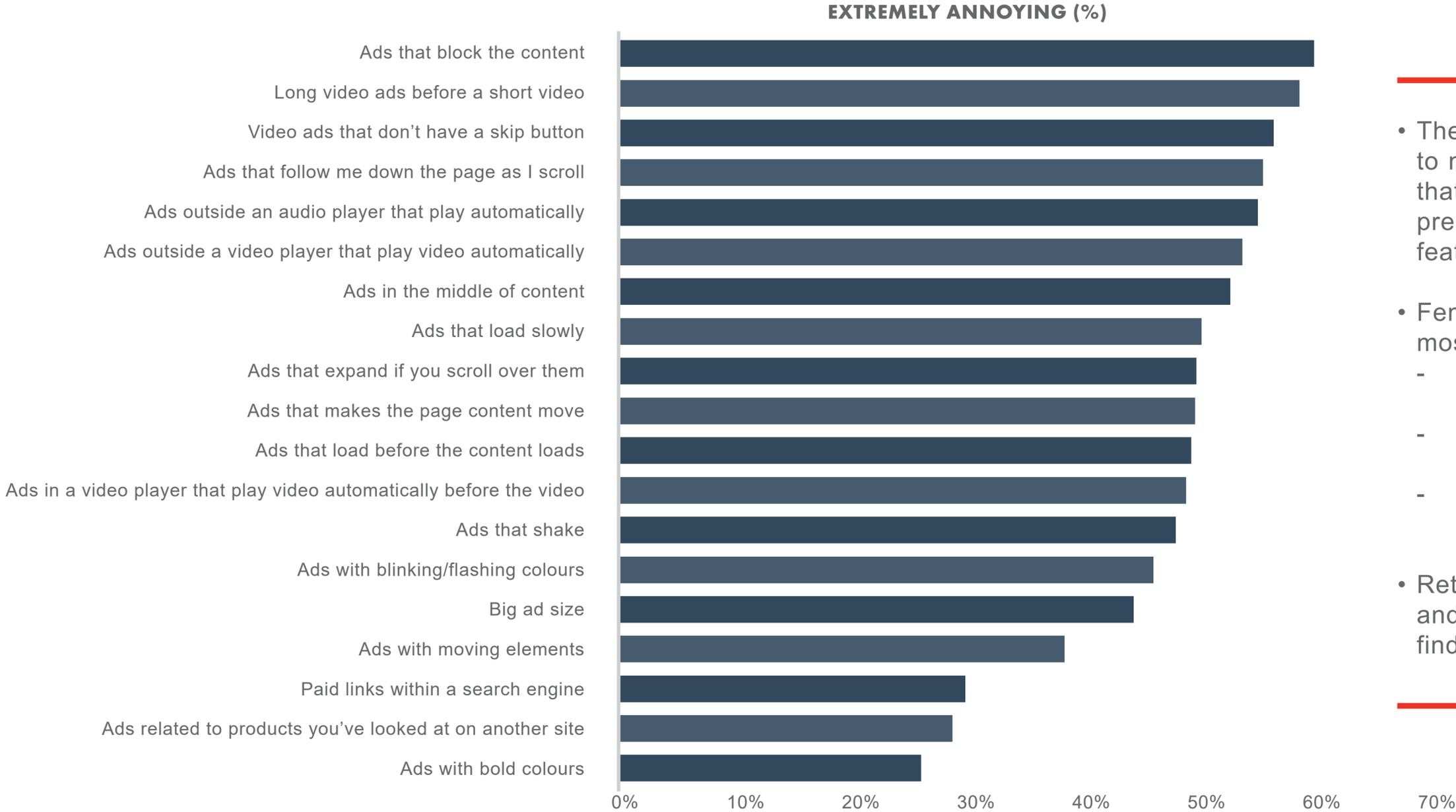
WHAT WOULD INFLUENCE YOU TO STOP USING AN AD BLOCKER?



• Relationships between trusted media brands and consumers remain key in limiting the use of ad blockers with over a 1/3 of ad blocking consumers claiming these sites could convince them to at least whitelist the site.

• Females are more likely to stop using ad blockers due to content related issues whereas males skew more towards browsing speeds & autoplay ads.

ANNOYANCE LEVEL OF AD CHARACTERISTICS FOR AD BLOCKING CONSUMERS



- The clear message from ad blockers is to not get in the way of the content – ads that block content or inappropriately long pre-rolls are the two most annoying ad features.
- Females are generally more annoyed by most formats than males, particularly:
 - content blocking ads (64% for females, 55% for males)
 - Ads that follow them down the page (61% vs 49%)
 - Ads in the middle of content (58% vs 47%)
- Retargeted ads are low down on the list and one of the few examples that females find less annoying than males.

BEHIND THE AD BLOCKING CONSUMER RESEARCH

IAB Australia Ad Blocking Taskforce

This taskforce comprises IAB Australia members from the following organisations:

- Carsales
 - Celtra
 - Fairfax Media
 - Google
 - Ikon
 - News Corp
 - Nine Entertainment Co.
 - Sizmek
 - Telstra
 - Yahoo7
 - Zenith Optimedia
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About the Interactive Advertising Bureau

The Interactive Advertising Bureau (IAB) Limited is the peak trade association for online advertising in Australia & was incorporated in July 2010. As one of over 43 IAB offices globally, and with a rapidly growing membership, IAB Australia's principal objective is to support and enable the media and marketing industry to ensure that they thrive in the digital economy. The role of the IAB is to work with its members and the broader advertising and marketing industry to assist marketers to identify how best to employ online as part of their marketing strategy, to better target and engage their customers and build their brands.

About Pureprofile (ASX: PPL)

Pureprofile Limited (ASX: PPL) connects brands with empowered consumers across the world by finding, understanding and engaging them through direct-to-consumer technology platforms. The Pureprofile group is now a global leader in data insights, programmatic media, big data, and quantitative research, as well as consumer lead generation through the recently acquired Cohort group. In 2015 Pureprofile acquired insights-fuelled advertising company, Sparcmedia. Pureprofile delivers next generation marketing solutions for more than 700 brands, publishers and research groups worldwide.

MORE RESOURCES FROM IAB AUSTRALIA

LATEST RESEARCH & RESOURCES

[IAB Digital Ad Effectiveness Playbook](#)
- Dec. 17



Following the release and successful uptake of the Ad Effectiveness Glossary earlier in the year, this Playbook addresses topics from Getting the Basics Right through to Attribution.

LATEST PODCAST

[Ad Effectiveness: Making your digital dollars work](#)



Gai Le Roy and Jonas Jaanimagi discuss different methods to measure digital ad effectiveness and why the industry has often found itself measuring the wrong metrics.

LATEST VIDEO

[What is ads.txt and how does it combat ad fraud?](#)



IAB CEO Vijay Solanki sits down with John Moffat from Fairfax Media to discuss the push towards Authorised Digital Sellers (ads.txt), what it is and what it does to reduce ad fraud.

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