

MAGAZINE

# Counteracting the Rise of Ad Blocking

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# Is content the answer to the rise in ad blocking software?

According to <u>GroupM's 2016 Interaction Report</u>, approximately 22% of online users around the world have installed ad blockers. Gamers on desktops may have been the first to jump on this bandwagon, but sources indicate that one in five smartphone users now block advertising when browsing the web.

What should advertisers and publishers do to counteract this trend? As with any good intervention, the first thing we must do is acknowledge why consumers are using ad blockers in the first place: they don't see value in the ads being served. It may be because she's doing a silent calculation to decide whether ads are worth the free content she likes, or he's just aggravated because the ads he sees are repetitive and irrelevant. Whatever the

specific reason, the overarching fact is this: the digital advertising experience stinks.

And it may not help, but it's worth remembering that "ad blocking" is not a new phenomenon. How many ads do you remember from the last magazine you read or the last TV show you watched? Did you actually leave the room when the TVCs came on? Before the internet came along, the most powerful ad blocker of all time was the human brain; the only difference with digital is that consumers now have the tools to cancel out the ads without interrupting their consumption of content.

#### Who's hurt the most?

If 25% of digital consumers aren't willing to "pay" by viewing ads, the primary way in which publishers produce revenue is materially threatened. According to Adobe and the counter ad-blocking software company <a href="PageFair">PageFair</a>, the loss in global advertising revenue from ad blockers exceeded \$22 billion in 2015.

Denial and an overall desire to cling to the current state of things have been the two primary responses. Some publishers have banned users who have installed active ad blockers. Others have unsuccessfully filed court cases against developers. Anyone would be empathetic with a publisher's dilemma, but trying to stop digital progress has never and isn't likely to ever be a successful tactic.

As for advertisers, the problem is less about money, because they do not (or should not) pay for blocked ads. For them, the issue is reach. GlobalWebIndex <u>found</u> that 34% of 16-24-year-olds and 31% of 25-35-year-olds block ads on their smartphones.

Something needs to change.

# The only real answer

Ad block defenders detect ad blocking software and ask users to reconsider. That'd be a little like taking a boyfriend back after you've broken up with him. He says he's changed, but you have no indication that's true, and you'd rather not risk having to relive the whole cycle again.

There's only one answer, and it lies squarely with us. Advertising has to change. We have to admit that consumers aren't happy and step up our game. We have to get smarter, and use programmatic advertising and other tools to not only target better, but also to customize content at scale. If the ad experience becomes a neutral to positive one, the urge to install an ad blocker will decline. That's common sense. It's also going to be a lot of work.

## Future outlook

Smart brands are changing how they communicate; you can see it in the rising demand for advertising-supported "stories" that are both immune to most ad blockers and more editorially relevant to users. Media companies as diverse as Conde Nast, Gruner + Jahr, The Guardian, The New York Times, Vice and Refinery29 have already invested heavily in content studios to satisfy this need.

Our own content marketing division, MediaCom Beyond Advertising, develops targeted content, negotiates rights and contracts (when needed), sources media partners and ensures a fully connected communications system in which that content is seen by the right audiences.

In the years ahead, this dynamic is likely to hold: as long as consumers still use the loo during TV shows, they are likely to consider using ad blockers to avoid advertising they don't find valuable. Working together, it's up to advertisers and publishers to create content so valuable and interesting that the reason for the rise of ad blockers will disappear. When that happens, everyone wins. Except ad blocker developers.

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