

AN ANALYSIS OF PHENOMENON OF AD-BLOCKING IN THE LIGHT OF EMPIRICAL RESEARCH ON HEAVY INTERNET USERS IN POLAND

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Abstract: *The article presents the results of research on the phenomenon of ad-blocking conducted on a cohort of more than 500 respondents – students of the Opole University of Technology and the University of Economics in Katowice – belonging to the heavy Internet users group. The aim of the research, which was carried out by means of surveys conducted using the Google Forms service, was to understand the scale of the phenomenon in question among the surveyed population, the motivations of respondents in the context of their use of ad-blocking solutions, as well as the conditions which would lead them to be ready to stop their use of such solutions. The latter two issues were analysed in depth in the context of the directions of actions to be taken by the advertising industry to mitigate the phenomenon of ad-blocking.*

Keywords: *blocking digital ads, on-line advertising, digital ad ecosystem*

JEL classification: *M1, M10, M15*

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Introduction

Starting in 2010, the phenomenon of blocking various kinds of advertisements by users became more and more visible in the digital advertising ecosystem, and from 2013 onwards a sharp increase in its intensity could be observed. Initially, this was mainly the case for personal computers and other similar devices, and from 2015 onwards, it became clear that this trend is also taking hold on mobile devices. Regarding the latter, its growth is even more rapid and its scale quickly exceeded that observed in the case of desktop computers (PageFair, 2016; PageFair, 2017).

At the same time, it should be noted that ad-blocking is becoming another factor disrupting the stable functioning of digital advertising ecosystem and decreasing its effectiveness (Fou, 2017; Fou, 2017a). This is a very unfavourable phenomenon due to the fact that the digital advertising market is developing very dynamically and a growing percentage of companies' advertising expenditure is spent on advertising campaigns in digital media. In 2017, expenditure on advertising in digital media amounted to USD 228.44 billion and accounted for 39.1% of total expenditure on advertising; moreover, it is expected to increase to 49.6% by 2021. At the same time, expenditure on mobile advertising is also growing in a very dynamic way. In 2017 it amounted to USD 142.78 billion and its increase in comparison to 2016 amounted to 33.6% (eMarketer, 2017).

One of the consequences of these phenomena is a rapid increase in the number of digital advertisements received by users. It is estimated that an average Internet user receives 11,250 ads

per month. In these conditions, their defence against the number of advertisements they receive is more and more widespread use of ad-blocking solutions on their personal computers and mobile devices (Elliott, 2017).

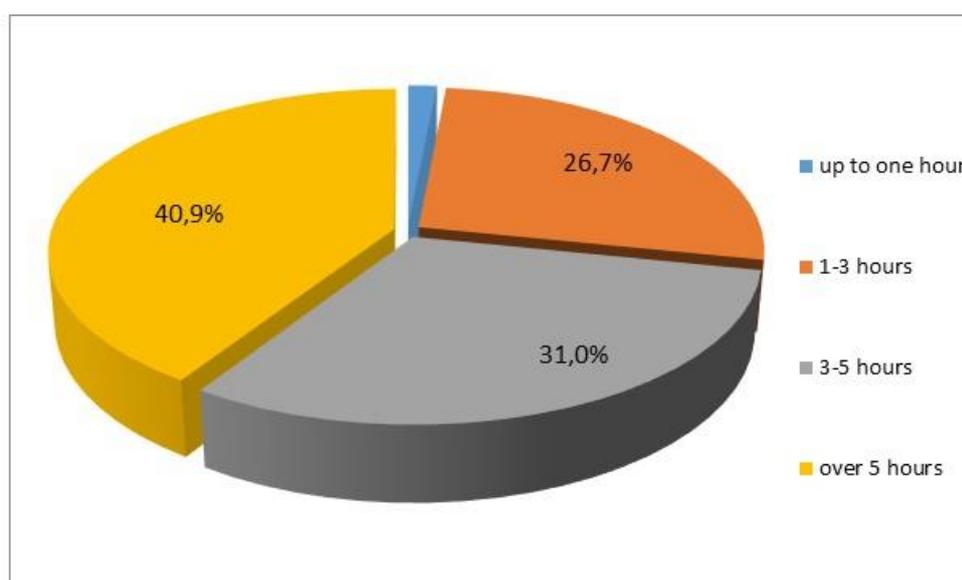
In this context, the aim of this article is to understand the scale of the phenomenon of ad-blocking in the population of heavy Internet users, their motivation in the use of ad-blocking solutions and actions that could lead to the mitigation of the scale of this phenomenon.

1 Characteristics and results of own research conducted

The research was carried out on three cohorts. The first cohort encompassed 178 students of the Faculty of Economics and Management of the Technical University of Opole and the research was conducted in the period of 01.02.2017 – 19.05.2017. Research on the second cohort, which encompassed 242 students of the Faculty of Economics of the University of Economics in Katowice was conducted between 04.11.2017 – 18.02.2018. The last, smallest cohort of the survey included another group of 113 students of the Faculty of Economics and Management of the Opole University of Technology and the research was conducted in the period of 09.01.2018 – 19.04.2018. In total, 517 respondents took part in the research carried out in the form of a survey conducted using Google Forms service.

Such a choice of respondents resulted from two issues. Firstly, according to the OnAudience.com report published in 2017, Polish Internet users are the leading nation when it comes to blocking digital advertising (OnAudience.com, 2017). Secondly, it has been assumed that students belong to the heavy Internet users group, who use the Internet more often than an average user, using various devices, and that such most active Internet users use various types of ad-blocking solutions on a regular basis (OnAudience.com, 2017a). Therefore, such a cohort seemed to be the most interesting from the point of view of achieving the research objectives.

FIG. 1: Intensity of using the Internet (source: own research)

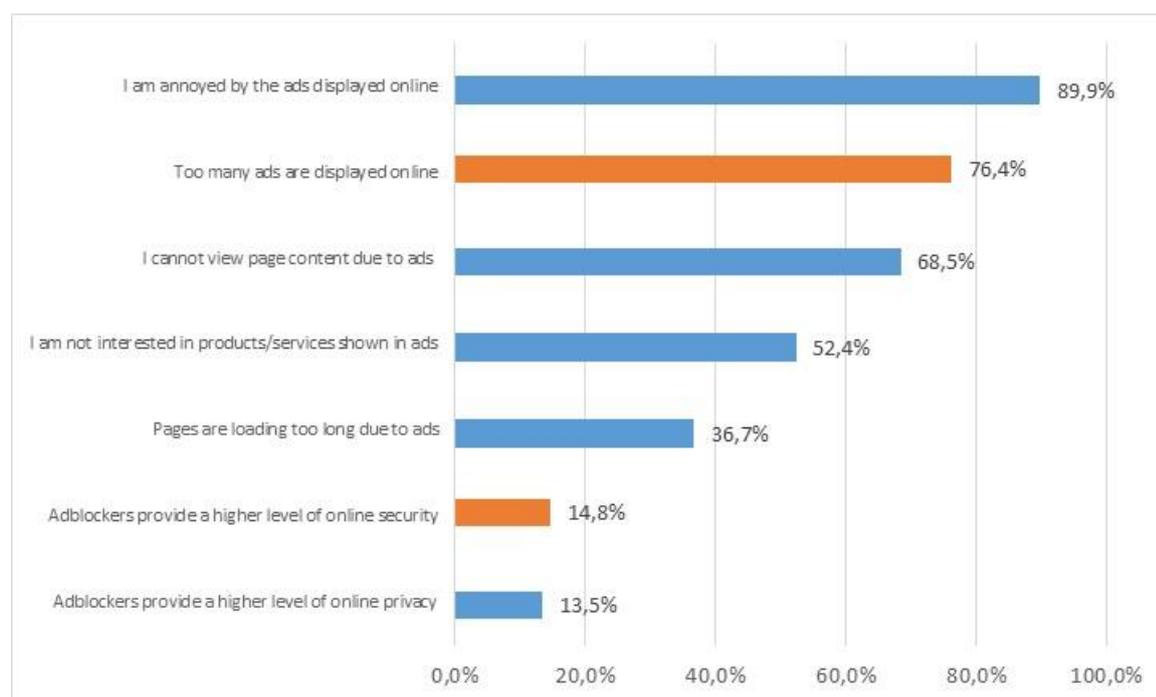


As far as Internet access is concerned, two types of devices dominate among the respondents. These are laptops (90.5%) and smartphones (87%). Desktop computers (33.5%) and tablets (22.6%) are far behind. The assumption that the study group uses the Internet very intensively was confirmed. Almost 40.9% of them stay on-line for more than five hours a day, and 31% of them stay on-line for 3 to 5 hours a day. Only 1.5% of respondents declared using the Internet up to one hour a day (FIG. 1). At the same time, as many as 66.8% of the respondents admitted that they are always-on.

As far as the use of blocking solutions is concerned, 61.1% of the respondents admitted to using them, which is significantly higher than the average for Polish Internet users (40% according to the 2017 OnAudience.com report). Laptops are the main type of devices where the respondents have installed ad-blocking software (87.5%). Desktops are the second most popular choice for installing such software, with 32.7% of users declaring that they set up such solutions. Despite the widespread use of smartphones as a tool for accessing the Internet, respondents rarely installed ad-blocking software on them (16.2%). This trend is even more visible in the case of tablets (6.1%).

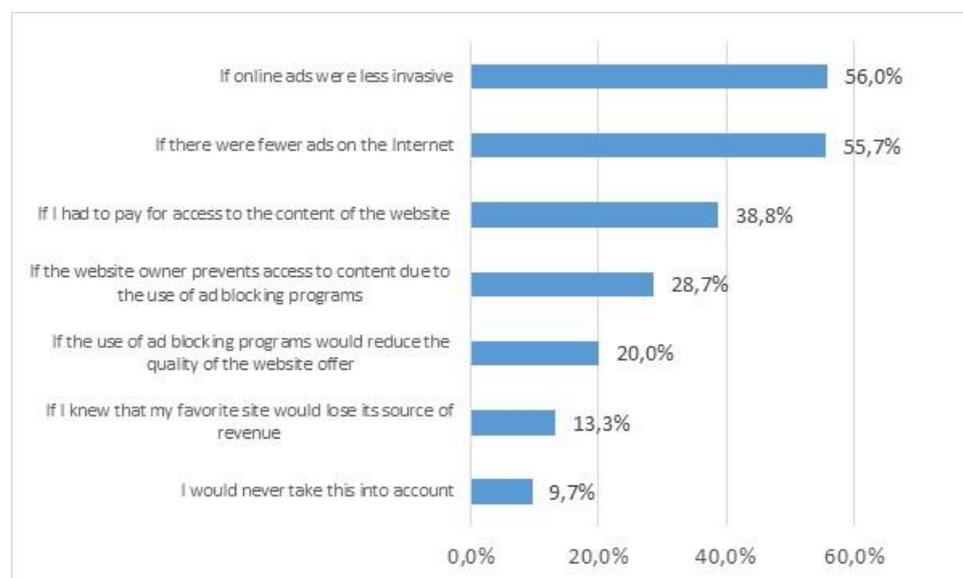
A very important issue from the point of view of the research conducted was to learn the motivation behind the installation of ad-blocking solutions by the respondents. Almost 90% of the respondents said they were annoyed by the advertisements they encountered on the Internet. Another very important reason stated by the users was their inability to view website content due to advertisements (68.5%). On the other hand, for over 50% of respondents blocking advertisements on their devices, the reason for using ad-blocking solutions was the lack of interest in the products or services advertised. The second and third cohorts taking part in the research could choose from two additional reasons, which were added to the list of reasons for blocking ads in the survey. 76.4% of respondents chose the option “too many advertisements are displayed” (FIG. 2). For respondents, advertisements are the most annoying during browsing the content on websites (67.5%), using social media (60%) and e-mail (48.1%), as well as shopping in on-line stores (45.4%).

FIG. 2: User motivations in the context of using of ad-block type solutions (source: own research)



Regarding the question of whether the respondents would be ready to uninstall their ad-blocking solutions and what could potentially lead them to do so, two of the reasons were determined to be crucial in the light of the research results. These are: lower number of advertisements on the Internet (55.7%) and lower level of their invasiveness (56%) (FIG. 3).

FIG. 3: Situations where it would be possible to uninstall ad-block type solutions (source: own research)



The last issue raised in the survey was the respondents' behaviour in a situation where disabling ad-blocking solutions is the condition for accessing the content. In such a situation, the majority of respondents (67.1%) admitted to disabling their ad-blocking software in such situations, while a third of them (32.9%) decided to look for other websites offering similar services or content.

2 Discussion of the research results obtained and the resulting conclusions

The research results indicate three fundamental issues pertaining to digital advertising and the functioning of the whole digital advertising ecosystem in the context of the rise of the phenomenon of ad-blocking. Firstly, the respondents' responses clearly indicate that they believe that the amount of advertising they see on-line is far too high and that reducing it would be a key motivating factor for them to uninstall their ad-blocking software. Unfortunately, it is difficult to expect such a trend in the context of the aforementioned continuous increase in the level of spending on digital advertising. This is all the less likely as the advertising model is the dominant solution when it comes to Internet users' access to digital content, on-line services or social platforms, particularly given the fact that digital advertising is a much more important source of revenue than access fees (Ministerstwo Administracji i Cyfryzacji, 2012; Ryan et al., 2017). In the context of the results of the research conducted, it should be noted at the same time that despite the almost identical level of use of laptops and smartphones for accessing the Internet, respondents relatively rarely use ad-block solutions in the case of the latter. This may indicate that the number of ads they encounter on mobile devices is not very tiresome for them at the moment. However, this situation may change quickly with the aforementioned dynamic growth in spending on mobile advertising.

The second important aspect, which was identified in the course of the research, pertaining to the rise of the phenomenon of ad-blocking, is the issue of invasiveness of ads, as well as advertisements making it more difficult for the users to access their content of interest. This issue was recognised by some of the major players in digital advertising industry in the past and they have already taken some initiatives in this context – the Coalition for Better Ads initiative, which aims to develop advertising standards for personal computers, as well as mobile devices, that are acceptable to users can be cited as an example of such activities. As a preliminary result of the Coalition's research into such standards, known as Better Ads Standards, conducted on a group of 25,000 Internet users in the U.S. and Europe, the Coalition has issued an appeal to the advertising industry to stop using intrusive advertising formats, which are the direct cause of installing ad-block-type software (Coalition for Better Ads, 2018; IAB Polska 2018). A key issue in this context is whether and to what extent will advertising companies abide by such appeals and use only non-aggressive advertising formats recommended by the Coalition. In the context of the results of the research presented, this issue seems to be of key importance when it comes to the success of the initiative and the mitigation of scale of the phenomenon of ad-blocking.

The third very important aspect resulting from the research conducted in the context of the rise of the phenomenon of ad-blocking, is the lack of respondents' interest in the products or services advertised. It shows that the respondents would be less likely to block advertisements encountered on-line, if they were more relevant to their interests. Contrary to what one might expect, this issue is not as easy to solve as it might initially seem to be, and the problem does not lie in technical issues regarding its implementation. On the one hand, as the relevant research shows, appropriate digital targeting significantly improves the users' reaction to advertising. However, in order for this process to be effective, it is necessary to obtain relevant data enabling this type of personalisation. Since Internet users like to share their personal data or leave a lot of information about their on-line behaviours, for example in so-called web cookies, marketers have access to extensive sources of information about them and can easily personalise the message. However, in the context of this type of activity, an important challenge arises in relation to the growing awareness of on-line surveillance among consumers. Therefore, the effects of personalisation may vary depending on the methodology of collecting consumer data. As in the real world, consumers are much more likely to accept the use of data they have provided themselves (this is referred to as *first-person sharing*), while they are much more likely to react negatively to sharing information and data concerning them without their knowledge (*third-party sharing*). Therefore, when consumers realise that personal data and information about them are shared and disseminated in a way deemed unacceptable by them, their interest in purchasing products or services is significantly reduced. Experiments have shown that such unacceptable activities include obtaining information outside the website displaying an ad or deducing information about someone through the use of analytics (Barasz et al., 2018).

Conclusion

For several years now, the phenomenon of ad-blocking has been a pressing issue that is constantly on the rise, as it enters and spreads into the field of mobile devices, which is closely linked to the growing amount of digital advertising faced by Internet users, as well as the invasive nature of the ads displayed. The spread of this phenomenon strongly disrupts the functioning of one of the most important on-line revenue models in the context of the consumer market, namely the advertising model, which may also bear consequences for the stable development of e-commerce.

The research conducted confirmed the extensive scale of the phenomenon of ad-blocking and its above-average intensity in the heavy Internet users group. At the same time, the results clearly indicate the directions of actions and initiatives that the advertising industry must take in order to curb the scale of this phenomenon that its representatives believe to be negative for the industry, including two particular actions, which seem to be crucial in this context. Firstly, the advertising companies need to reduce the use of aggressive and annoying forms of advertising as much as possible. As it was mentioned, some initiatives regarding this issue have already been launched, but their success will depend on whether or not the marketers will generally adhere to the guidelines published. Secondly, it is extremely important that advertising messages are tailored as precisely as possible to the interests of the persons to whom they are addressed. However, a major challenge in this context is the question of the data used for this purpose. This applies in particular to the way of obtaining said data, as the growing awareness of Internet users makes them more and more vigilant and particularly sensitive to that issue.

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