



AD BLOCKING

TOOLKIT
AND FAQ 2016

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What is ad blocking?

An ad blocker is a piece of software that usually comes as a browser extension or an app which can be downloaded by consumers in order to remove ads. Consumers choose to use them for a variety of reasons, but mainly because they feel their online experience is interrupted by ads that blink, flash, potentially slow page load times, compromise security or add to the cost of a mobile data plan. Ad blockers use what are effectively pre-determined blacklists to identify which types of ads are blocked and which publishers are affected. The layout of a web page looks largely unaltered once the advertising is removed, it does not leave gaps where the advertising should have been displayed. The Internet Advertising Bureau (IAB) Australia believes in an ad-funded internet. Ad blockers are a threat to this. Research has found that more than half of web users do not understand that being exposed to advertising online allows them to enjoy content and services at little or no cost. Without advertising, digital content and services may disappear or consumers may have to pay for content – such as news and entertainment – that they currently receive for free. So, as ad blocking moves mainstream, we are working to ensure that we support our members in identifying consumer attitudes towards digital advertising and using these insights to work together with the industry to respond to the challenge of ad blocking.

Why do people block ads?

Put simply, people are blocking ads because they find them invasive. The IAB believes the digital advertising industry should take this feedback seriously and find more sustainable ways of facilitating the value exchange of free/low-cost content and services in return for being exposed to advertising. More than half (56%) of those surveyed were not aware that blocking ads meant that websites would lose revenue. There is an expectation of free content and no ads, and our research also revealed that - even with the knowledge that ads fund content - consumers would still not change their behaviour. The same IAB study showed that the primary motivation for blocking ads was that they interrupt what people are doing. Other reasons for ad blocking in this survey showed that people think ads slow down the web experience, and that digital ads are not perceived to be relevant to the individual. Other sources have also reported that consumers are concerned about the cost of mobile data plans, as well as the speed of page loads and the need to maintain battery life on their devices. Often - in a mobile environment, in particular - speed is dictated by the amount of content on a page. Ads involving moving images or video can significantly increase download times.

Who is blocking ads?

According to a study conducted by Adobe and PageFair, use of ad-blocking software globally grew 41 percent in 2014-15, with an estimated 198 million active users, costing publishers around \$22 billion.

The latest IAB research (conducted by IAB U.K. in February 2015) shows that 22% of the U.K. adult online population are using ad blockers. This is up from 18% in October 2015. Men (23%) and those aged between 18 and 24 (35%) are more likely to block ads. Of those blocking ads, 71% claimed to block ads on laptops, 47% on desktops, 23% on smartphones and 19% on tablets. Over half (57%) of respondents said that their main motivation for using an ad blocker was to block all ads, and 48% said they would be less likely to block ads if online advertising 'didn't interfere with what they were doing'. The IAB will continue to track the number of people using ad blocking software.

IAB Australia already has a survey underway for the local market that will gauge exactly the effect of ad blocking and provide insight into the demographics using the software and the reasons they use it, which will provide a more accurate snapshot of ad blocking in Australia. However, based on the current market research, we believe that the use of ad-blocking software in Australia is at between 10-15% of the adult population.

Which are the most prominent ad blocking companies?

Operating out of Germany, Eyeo's Adblock Plus is currently the most well-known ad blocking software. Created in 2006, it started as a free browser extension and is based on an open source initiative which uses a default filter known as its 'Acceptable Ads' list – a set of criteria developed by AdBlock Plus for identifying non-intrusive ads. Consumers can create their own filters and add to this. Adblock Plus is not to be confused with AdBlock, which was the first widely used ad blocking extension, created in 2002. Newer to the scene is Shine, a mobile ad blocker and Israeli start-up.

What business model do ad blocking companies use to make money?

There are various types of ad blocking software on the market, and they make money in different ways. Some, such as AdBlock offer their product for free and ask for donations from those who download and use it. Another method growing in popularity are paid-for apps available in the Apple & Android app stores, particularly the former with the release of iOS 9. These include AD Shield, Crystal and Purify and they all charge different amounts to download their software. Adblock Plus, the largest ad blocker in the world, specifically makes commercial revenue as a for-profit organisation by charging larger publishers to get their ads white-listed. All media owners wishing to have their ads white-listed to Adblock Plus's users must meet the criteria under their 'Acceptable Ads' initiative. Adblock Plus indicates that approximately 10% of the 700 media owners they work with classify as 'large publishers' and therefore make the payment for Acceptable Ads. The remaining 90% of 'small' and 'medium' sized media owners are not charged, although it is unclear at this time what criteria is used to define small, medium and large. It should be noted that Adblock Plus users still retain the ability to block these white-listed ads if desired. Adblock Plus indicates that currently approximately 5-10% of their users select this option.

Can they block all types of ads?

Not at this point in time. Display ads such as banners, MPUs and skyscrapers across desktop and mobile browsers are currently the most affected digital advertising formats. Most in-app, in-feed native ads tend not to be picked up by ad blockers, as most ad blocking software intercepts calls from third-party ad servers. However, with the advent of mobile ad blocking companies such as Shine, which operate at the mobile network level, in-app advertising could also be affected.

What about mobile?

The ad blocking market is still very new, but recent developments demonstrate that it is not restricted to desktop. Apple's decision to enable ad blocking in its Safari mobile browser for users who have upgraded to iOS 9, its latest operating system, has sparked a plethora of developers to bring ad blocking software to the company's App Store. Early popularity of apps such as Purify, Crystal and Peace, all paid-for apps, shows that consumer demand for ad blocking software now also extends to mobile advertising.

The argument for mobile users to block ads can be compelling, given mobile ad blocking can enable web pages to load much faster on such devices, potentially save users money on their data plans and preserve battery life.

Initiatives to improve the consumer experience

The IAB believes that, ultimately, by offering better quality ‘leaner’ ads everyone can be happy. The digital advertising industry must improve user experience to more closely align consumer expectations with the digital advertising formats that fuel content and services.

Clearly, the number of ads on a page has a direct impact on load speeds. Media owners should consider displaying fewer but better quality ads on their pages. Ads which blink, takeover the screen or play video automatically (particularly with the sound on) or disproportionately re-target consumers as they search the web, all risk having a negative effect on the consumer experience. Advertisers, publishers and third parties can also improve their chances of delivering a quality experience by avoiding excessive use of cookies, third-party tracking and giving consumers greater choice when it comes to their online experiences. The race for data or insights can impede the delivery of content.





Advertisers and their advertising partners need to become more adept at using data efficiently – else we risk prioritising advertising over the speed at which content is delivered. What’s more it is possible to load the ad only when the ad unit comes into view. This in turn helps the viewability percentage. Ultimately, publishers must take control and responsibility of their site experiences. By following user experience research and cross-industry consultation, the IAB will work towards a long-term goal of best practice standards.

L.E.A.N. ads program

The IAB Tech Lab in the U.S. launched the L.E.A.N. Ads program in 2015. Supported by IABs around the world, and hundreds of member companies, L.E.A.N. stands for Light, Encrypted, Ad choice supported, Non-invasive ads. These are principles that will help guide the next phases of advertising technical standards for the global digital advertising supply chain.

As with any other industry, standards should be created by non-profit standards-setting bodies, with many diverse voices providing input. We will invite all parties for public comment, and make sure consumer interest groups have the opportunity to provide input.

LEAN Ads do not replace the current advertising standards many consumers still enjoy and engage with while consuming content on our sites across all IP enabled devices. Rather, these principles will guide an alternative set of standards that provide choice for marketers, content providers, and consumers.

	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

What are the options for publishers?

The first rule, and a hygiene factor for all publishers, is to respect the user and offer a quality, uncluttered experience. Beyond this, some publishers have opted to employ software which detects ad blockers as a way to communicate with consumers about the effects of using ad blocking software, which prompts consumers to unblock in order to access content.





Another option some publishers are trialling is to redirect users to a subscription or donation page. Companies offering such services to publishers include SourcePoint, PageFair, Yavli and Secret Media. They enable a publisher to decide how to present a message to a web visitor who has an ad blocker installed. For example, the publisher could say to the visitor; “Our ads pay for your content, please disable your ad blocker to allow them,” or it could allow the user to choose an advertising experience (say three ads for three stories) or suggest the user pays to subscribe.

Counter ad-blocking software also exists, in the form of companies such as AdDefend. Effectively this reverses the internet user’s choice to opt out of ads, circumventing the ad blocker and replacing the ad – but we believe that this approach undermines the relationship between the publisher and the reader and will lead to an endless technology arms race between ad block companies and publishers. The question also has to be asked as to whether an ad served by such a company has any value. Publishers and media owners need to consider options carefully as the answer is not one-size-fits-all. Choosing the best response to ad blocking also presents both a technical as well as a communication challenge. Read the [Publisher Ad Blocking Primer](#), produced by the IAB Tech Lab in the U.S. for a detailed description of tactics available to publishers in response to ad blocking.

D.E.A.L. ad blocking recommendation for publishers

IABs around the world are introducing the D.E.A.L. Ad Blocking Primer, outlining the tactics publishers are successfully employing to persuade users to stop deploying ad blockers. The primer identifies DEAL as a recommended approach for publishers to connect with ad blocking consumers through a step-by-step process that starts with identifying ad-blocking software, explaining the value of advertising in providing free content, asking for consumers to disable their ad-blocking software, and then lifting restricted access to the site or limiting their access based on the decision they make regarding the software.

The IAB Tech Lab Publisher Ad Blocking Primer outlines the range of communications and response tactics available to publishers to connect with visitors who have downloaded ad blocking software. Several of the tactics highlighted in the primer fit into the DEAL sequence – and all strongly encourage adhering to the LEAN principles, which were released in October 2015 to help publishers create an uncluttered, smooth user experience on ad-supported sites. The DEAL method of engaging with consumers will be more effective if a publisher’s site offers a user-friendly web environment.

	DETECT Detect Ad Blocking in order to Initiate a Conversation
	EXPLAIN Explain the Value Exchange that Advertising Offers
	ASK Ask for Changed Behavior in order to maintain an Equitable Exchange
	LIFT / LIMIT Lift Restrictions or Limit Access in response to Consumer Choice

Ad-Block Detection Code

The IAB U.S. Tech Lab is also making its exclusive ad-blocking detection script available to all IAB and IAB Tech Lab members around the world, providing them with the opportunity to see – and ultimately engage with – visitors to their sites who have ad blockers turned on. The script is available from the IAB Tech Lab (<http://www.iab.com/ad-block-detection-code-access-request/>).

What's the longer-term industry plan for ad blocking?

With an estimated 198 million people worldwide use ad blockers, it is an international issue and requires a cross-industry global approach. Fortunately, the IAB is represented in 44 countries and has offices around the world. This provides us with a global platform. Together with our partners across the globe, we will set out to define best practice parameters for the user experience.

To that end, we will continue to have constructive dialogue with ad blocking companies and gain their input as we develop new industry standards. We will provide consumer-facing educational resources and agree recommended consumer-friendly language for publisher access notices, and we will endeavour to raise the profile of the (often unrecognised) value exchange between advertising and ad-funded content. It is important to bring this 'trade off' into the open.

In addition, we will continue to monitor the ad blocker market, the blocked audience and consumer experience statistics, working with research companies to deliver quantitative data on a large scale. We are working towards an online ecosystem of greater choice – one which empowers consumers and revitalises and strengthens the digital advertising industry. Fortunately, leading advertisers are adept at finding new, creative ways of engaging their customers online.

The IAB position

The IAB believes in an ad funded internet. Our goal is to help make all forms of digital advertising more effective, efficient and relevant to people's interests. We want to help brands reach their audience and to provide revenue to publishers so they can continue to make their content, services and applications widely available at the appropriate cost. We believe ad blocking undermines this approach.

The L.E.A.N. Ads program and the D.E.A.L. initiative are the principles that will help guide the next phases of advertising technical standards for the global digital advertising supply chain. These best practice principles and recommendations will guide an additional set of standards that provide choice for marketers, content providers, and consumers.

For more information visit the IAB Australia website: <https://www.iabaustralia.com.au/>.