




Ad Blocking: The Consumers Perspective – Wave 2

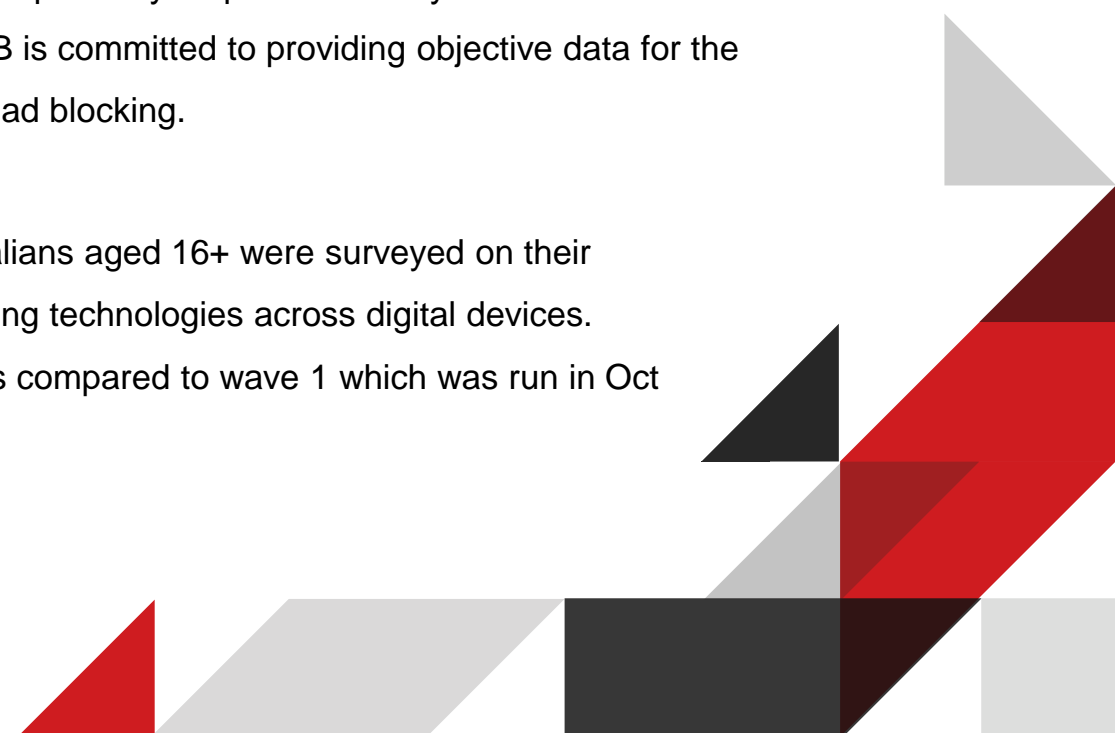
April 2017



Background & Methodology

This is the second wave of IAB Australia Ad Blocking consumer research. This study been run by IAB Australia, Pureprofile and supported by the IAB Ad Blocking Taskforce to help 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 1,659 online Australians aged 16+ were surveyed on their knowledge and experience regarding ad blocking technologies across digital devices. Fieldwork was carried out in April 2017. Data is compared to wave 1 which was run in Oct 2016 with a sample of 1,864.

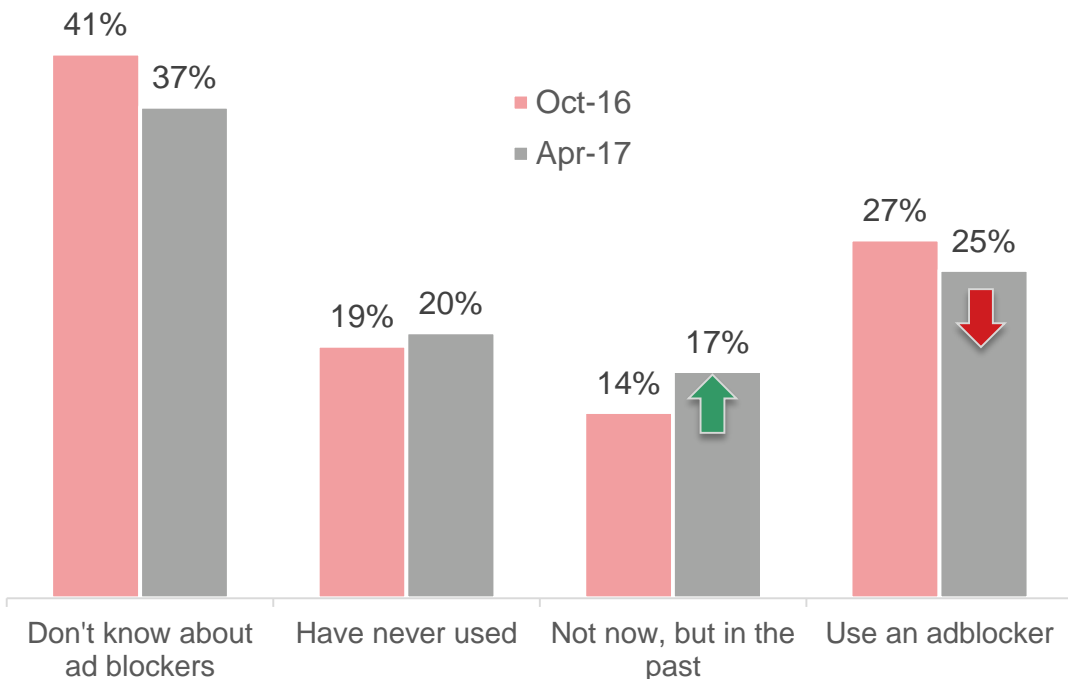




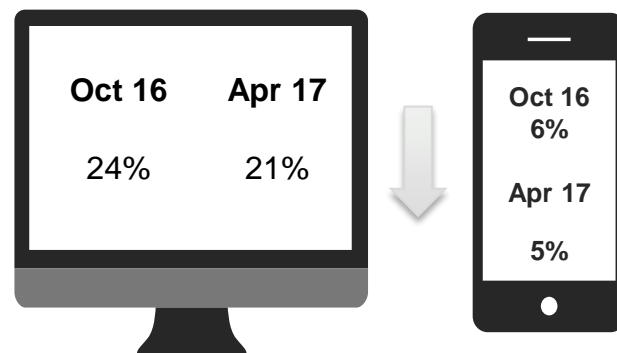
EXECUTIVE SUMMARY

- While **awareness of ad blockers has increased from 59% to 63%** since Oct 2016, current **usage has declined marginally by 2% points** and seems to be heading to around the level where the UK has stabilised over the last 12 months (22%). Growth in awareness was strongest for people 55+, though overall awareness is stronger for younger people.
- Notwithstanding the slight decline, ad blocking remains a significant industry challenge with **1 in 4 online Australians having an ad blocker installed** on at least one of their digital devices, with 16-24 year olds being the group mostly likely to use one (34%).
- Higher awareness is driving more trial of the technology however many are then removing them or not re-installing when they acquire a new device. **17% of the online population have previously used an ad blocker** but no longer have one installed.
- Ad blocking remains much **more prevalent on desktop than mobile** (21% vs 5%)
- The **decline in ad blocking usage was highest with males** and although their usage remains higher than females (28% vs 23%) it has dropped from 34% in Oct 2016.
- An increase in messaging to consumers from sites encouraging them to turn their ad blocker off (or white-list their site) is being noticed – the **number one reason for no longer using an ad blocker remains “prevented me from seeing content”** however there has been an increase in people turning off ad blockers as a direct results of messages on websites. Over **6 in 10 people who have seen messaging re turning off ad blockers have taken some action** as a result on at least one site.
- People tend to have a number of reasons for using ad blockers – with **most people having issues with the quantity and disruptive nature of ads (61% & 59% respectively)** , however the **primary driver still remains fear of viruses**.

AWARENESS OF AD BLOCKERS INCREASED IN THE LAST 6 MONTHS BUT USAGE DECREASED SLIGHTLY



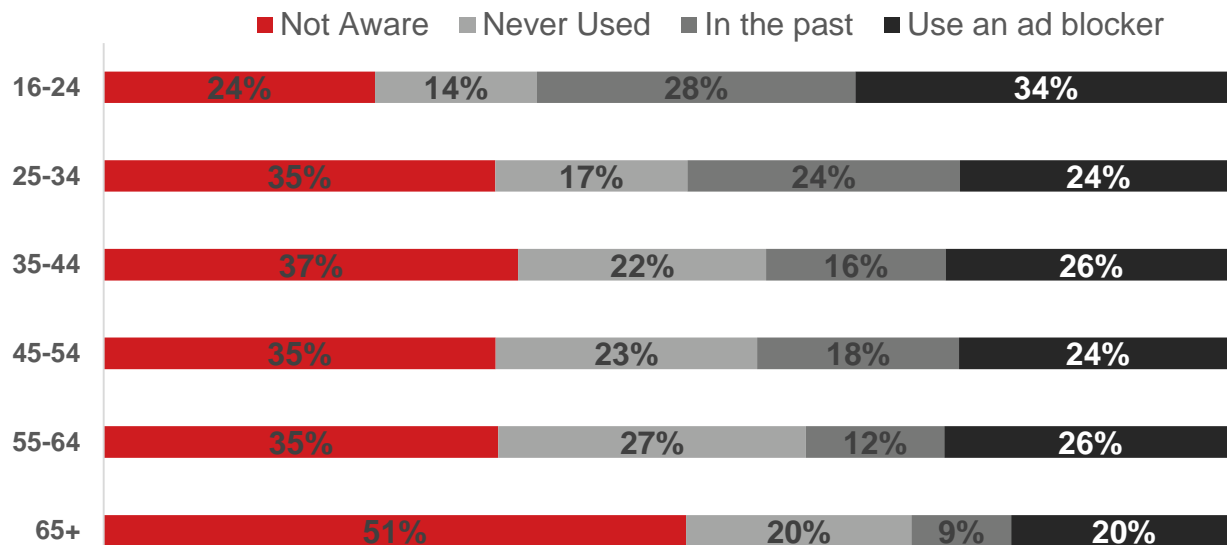
Ad Blocker Usage By Device



17% of online Australians have trialled and moved away from using ad blockers.

AD BLOCKING DECLINE DRIVEN BY MALES

- Although males are more likely than females to use ad blockers, their usage has declined in the last 6 months
- Awareness of ad blocking tech has increased particularly for older age groups in the last 6 months
- Ad blocking usage is most prevalent for young adults (16-24) but remains fairly similar for all other age groups apart from 65+
- Although young people are the highest users, they are also the group that have had the biggest growth in moving away from ad blockers.



Base: all participants, Oct 16 n=1,864, Apr 17 n=1,659



WHAT CAN WE LEARN FROM EX-AD BLOCKERS?



- Messages from publishers regarding ad blockers is having an impact on usage.
- Testing of the technology and “just wanting to try” and subsequent rejection is increasing.
- There has been important increase in the amount of people realising ads are safe from viruses however as this is the primary reason for usage there is still room for growth here.

Why do you no longer use an ad blocker?		
	Oct-16	Apr-17
Ad blocker prevented me from seeing content	28%	28%
Ad blocker slowed down browsing	25%	25%
Kept seeing messages to turn off ad blocker to see content	19%	23%
Realized ads on sites don't bother me	16%	17%
Just wanted to try ad blocker	15%	20%
Accidentally removed ad blocker	14%	15%
I wanted to see some ads	13%	14%
Realized sites make money from ads	9%	8%
Ads are now more relevant /targeted for me	9%	9%
Realised ads are safe from virus	4%	7%

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.

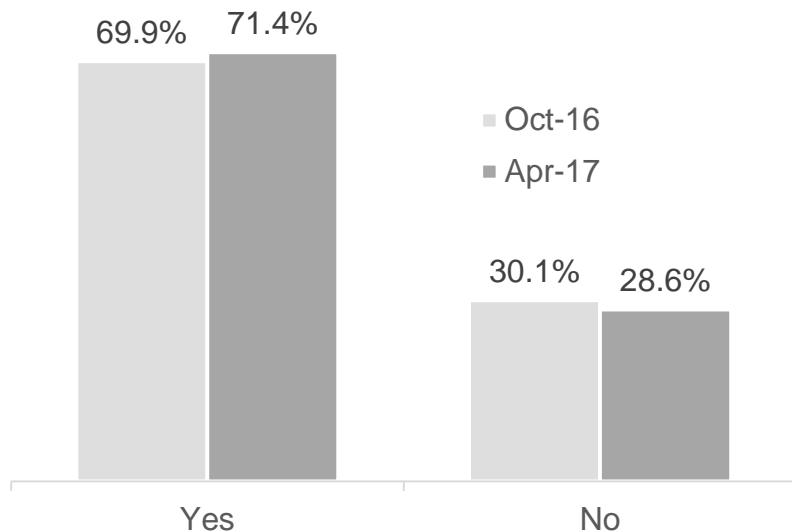
ALL REASONS		
	Oct-16	Apr-17
Just too many ads on sites	61%	61%
Ads are disruptive	59%	59%
Don't like ads that target or follow me	52%	52%
Ads slow down browsing experience	51%	46% 
Ads slow down page load times	49%	46%
Afraid of getting a virus	45%	47%
Ads distract from browsing experience	44%	43%
Sites are easier to navigate w/o ads	41%	46% 
Sites are visually pleasing without ads	35%	35%
More privacy on internet	32%	35%
To conserve data	20%	22%
Don't trust technology to serve ads	17%	19%
Everyone I know uses ad blockers	11%	10%

PRIMARY REASON		
	Oct-16	Apr-17
Afraid of getting a virus	20%	22%
Just too many ads on sites	16%	15%
Ads are disruptive	12%	13%
Ads slow down page load times	9%	5% 
Don't like ads that target or follow me	7%	11% 
Ads distract from browsing experience	7%	8%
More privacy on internet	7%	7%
Ads slow down browsing experience	6%	4%
Sites are easier to navigate w/o ads	4%	3%
Sites are visually pleasing w/o ads	4%	2%
Don't trust technology to serve ads	3%	4%
To conserve data	3%	2%
Everyone I know uses ad blockers	2%	2%

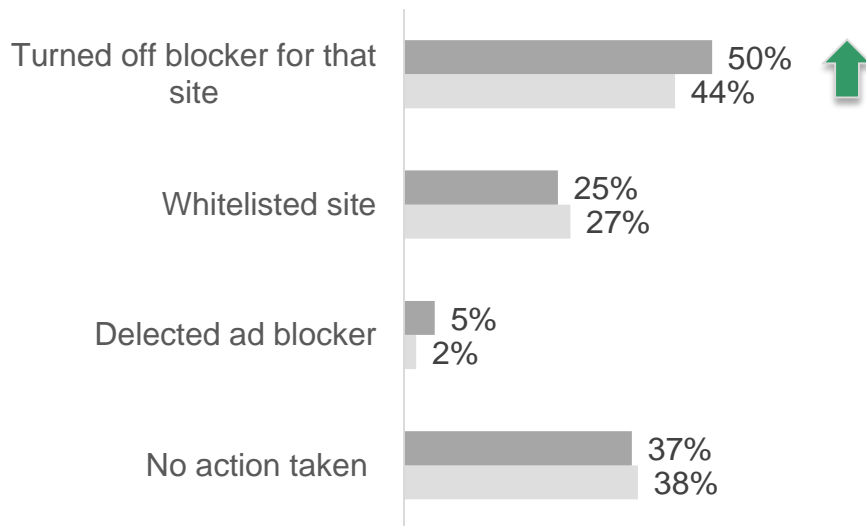
Base: People who use an ad blocker, Oct 16 n=501, Apr 17 n=409

IMPACT OF COMMUNICATION

Have you been asked by a site to turn your ad blocker off?

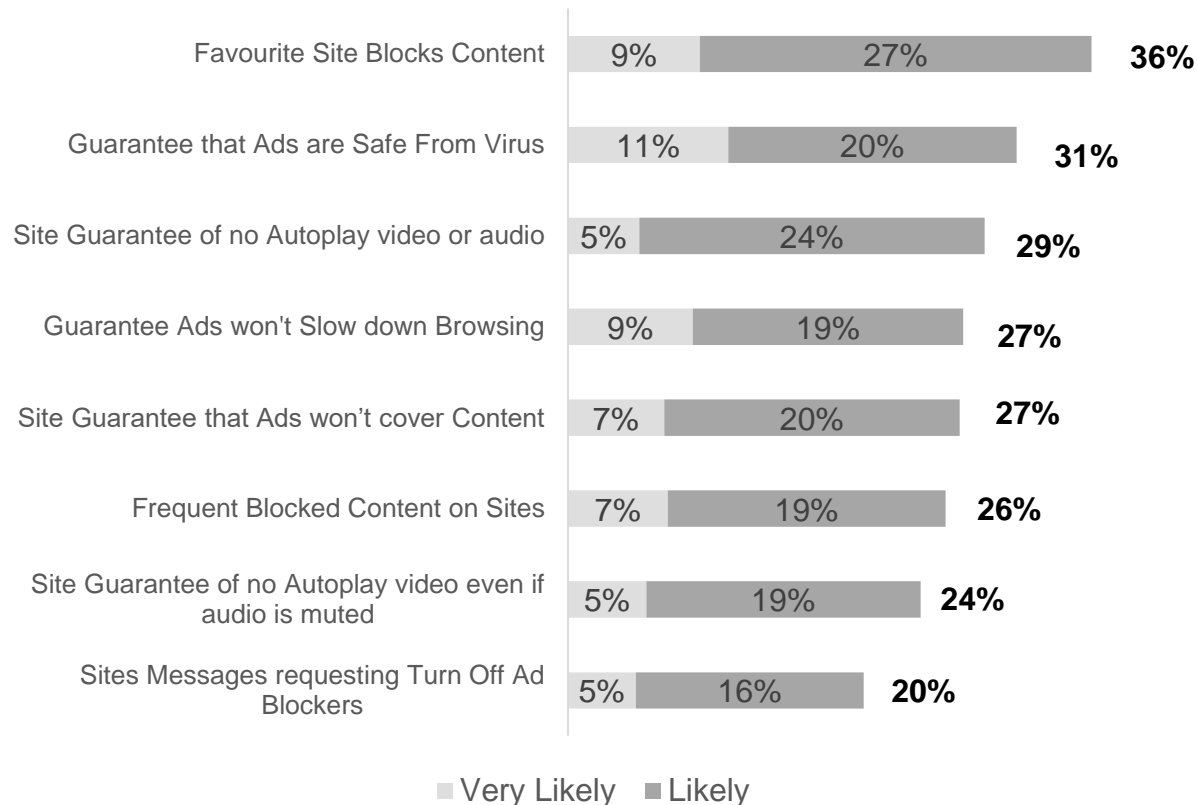


Have you ever done any of the following when asked by a website?



There has been an increase in people responding positively to messages from sites to allow ads for their sites.

WHAT WOULD INFLUENCE YOU TO STOP USING AN AD BLOCKER?



- Messaging around not being vulnerable to viruses was the number 1 thing that would be “very likely” to stop people using ad blockers.
- Messages from favourite sites/brands also could influence up to a 1/3 of consumers.

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 and Zenith Optimedia

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.

