

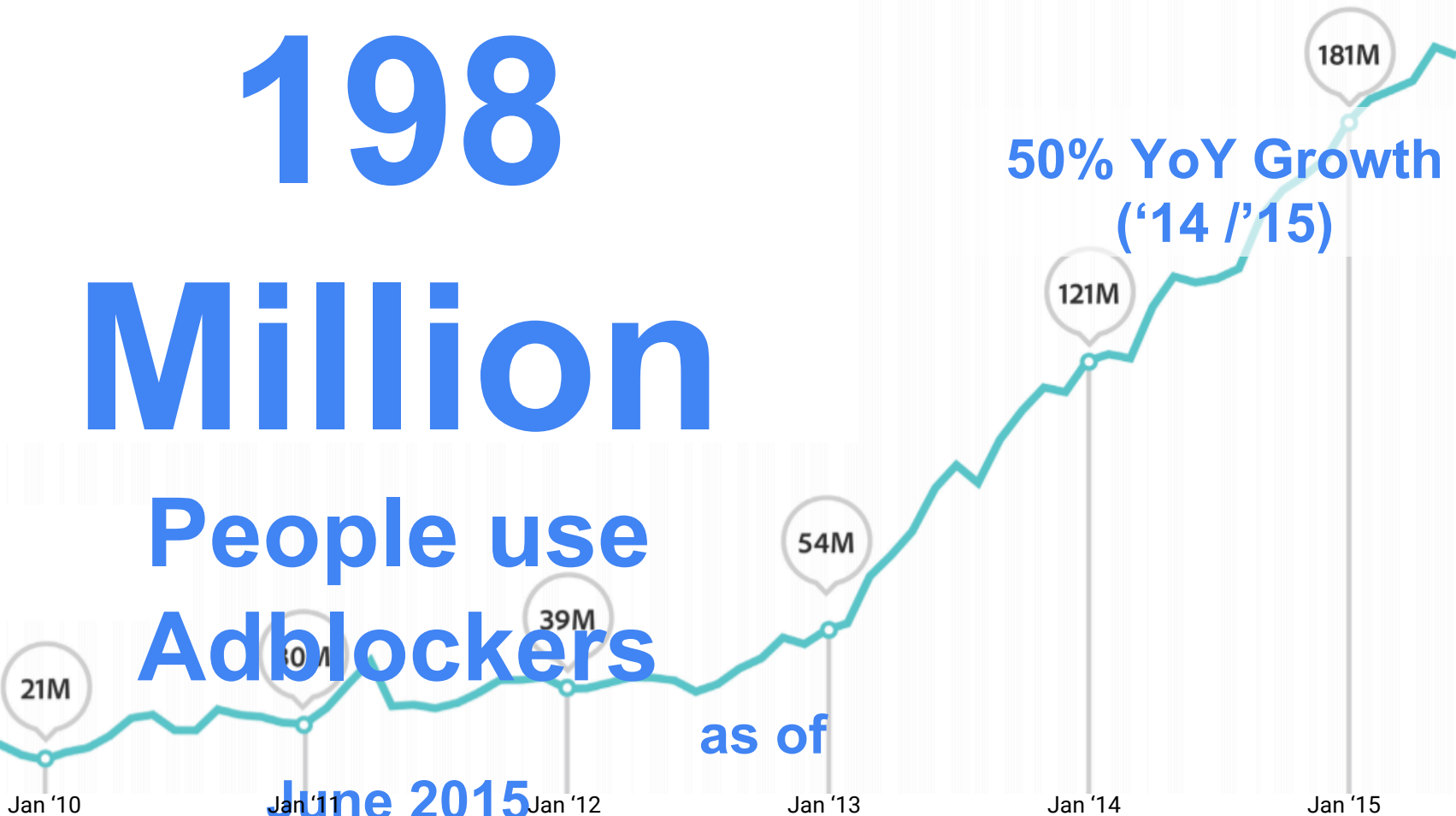
# Ad Blocking

# 198 Million People use Adblockers

as of

June 2015

50% YoY Growth  
(‘14 / ‘15)



## But there are huge variations by region/market

Europe has been the “hot zone” for ad blockers, driven by a variety of consumer concerns. Analysts put ad blocker penetration higher than 30% in many markets. Poland is estimated to be a 35%

US ad blocking growth is also high, but more varied than Europe

Meanwhile, APAC has been somewhat immune from ad blocking -- Japan is under 3% and no market other than Australia is higher than that!

# Poor ad experience is driving ad blocking adoption

Ads get between me and my goal



Ads distract me from content

Ads slow down my mobile experience



No more concerns?

Some ads are irrelevant

I am afraid of malware

I don't want to be tracked

Ads are creepy, inappropriate or deceptive!

## It provides great end users' value

It seems to improve the speed of my internet connection, and it keeps unwanted ads from popping up when I'm reading or typing.

Carlos A.

I love ad blockers. I really notice a big difference. Makes my experience an easier and more fun time. I've told so many friends to do it.

Melissa J.

They save so much time: five seconds every time I view a YouTube video, two seconds I would have wasted closing every pop-up, 10 seconds I would have wasted getting distracted by flashy ads on the side ...

Shashank K.



# But ad blockers are a blunt instrument



**Award winning  
creatives**



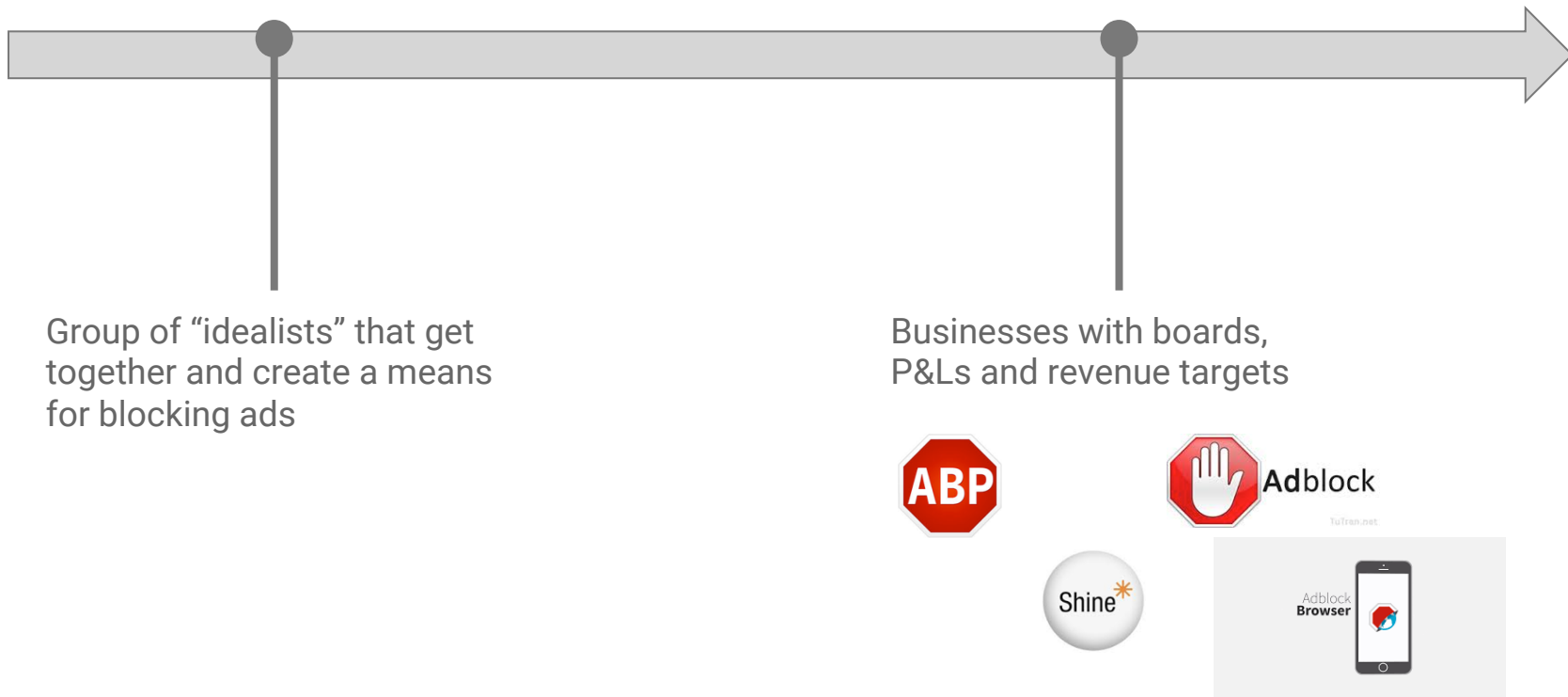
**Retailer  
Recommendations**



**Good publisher's  
content funding**

# And ad blockers have changed...

## From idealists to capitalists



# Really, no more complaints?

I see no ads, but why...

... is all the “free” content gone?

... do I have to un-block for reading my news?



... is there fewer  
channels, fewer  
websites, less stuff  
overall?

... do I need to subscribe for  
my favorite newspaper?


... did I miss out the latest season of Game of Thrones?



**...how to solve  
the dilemma for  
our consumers?**



# What happens when ad blocking is greater than 80%?

 > 80%

- Fewer options to get content available
- “Free” access to content disappears
- Paywalls and walled gardens become more common
- Content is more exclusive
- AdWalls prevent access with an ad blocker
- User experience doesn’t improve as consumers need to be interrupted to access sites

# Selected approaches of publishers fighting ad blocking



It has nothing to do with the way you wear a suit. Promise

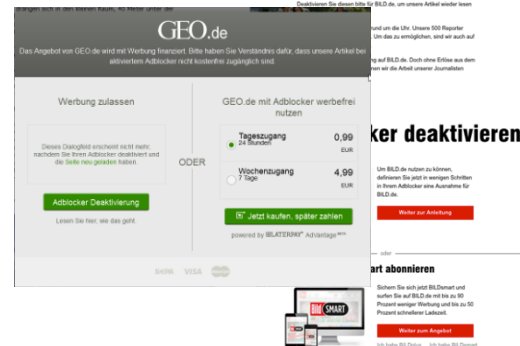
**Forbes**  
**QUOTE OF THE DAY**  
"The rewards in business go to the man who does something with an idea."  
- William Benton

CONTINUE TO SITE >

Hi again. Looks like you're still using an **ad blocker**. Please turn it off in order to continue into Forbes' **ad-light** experience.



**Warum sehe ich BILD.de nicht?**



**SOURCEPOINT**



**ADDEFEND**

**PageFair**

# Google's proposal: a “Better Ads Standard”

The ad experience is broken – and consumers are taking action. We need to fix it across the entire ad supported internet. Consumers deserve better and Google wants to be a transformation agent.

## A new standard for advertising.

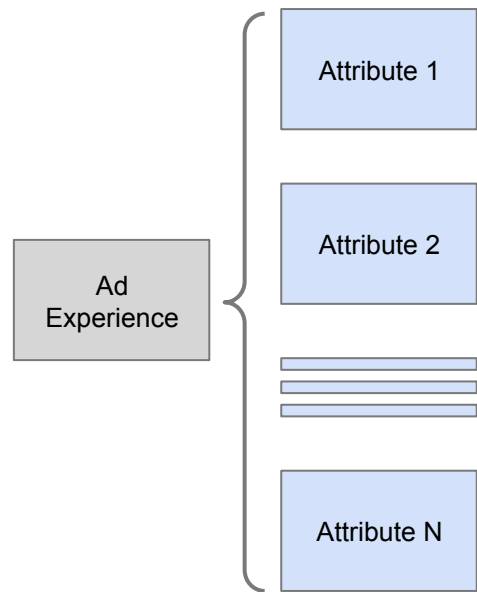
- Based on consumer experience testing
- Eliminate the bad ad experiences that drive ad blocking
- Open and shared with the entire ad community

## Choice for consumers.

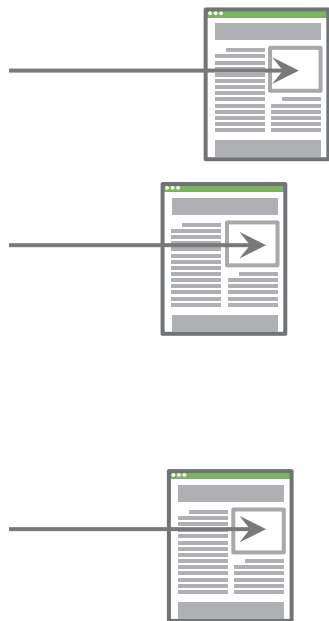
- Allow consumers to choose an ad-supported or ad-free experience
- Payment for access as easy as ad supported access
- Show the monetary value of advertising and allow a choice

# Creating a Better Ad Standard via consumer studies

Each Ad Experience is broken into its constituent attributes



Each attribute is converted into a test case



1. Subjects read passages.
2. Some get no ads, some get a specific ad experience.
3. Survey captures key attributes to assess annoyance (without asking directly)

# Offering An Ads-Free Experience

Our research shows that many users prefer an ads-free experience and would be willing to pay for it

Poor experiences with pay walls from 10+ years ago have steered many pubs away from this model

We are working on easy, customer-friendly ways to offer customers a choice: rather than using ad blockers and potentially degrading the content experience, offering a low-cost paid option will keep many consumers happy

# Publishers are Speaking Out

We met many publishers globally to discuss our methodologies for developing a better ads standard and our plans to make it available to the industry:

**Your feedback was overwhelmingly positive and really valuable**

**We also heard few concerns**

- On short-term revenue loss,
- And on the the early-stage of the approach

# Summary

---

Ad Blocker use is growing, especially in Europe

Ad Blocker growth is due to many factors, but the poor ad experience is one of the key drivers

Google believes a better ads experience, coupled with an ads-free option will help bridge the gap between consumers and publishers

We'd love your feedback!!