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ПРИЧИНИ, МЕТОДИ ТА ЕФЕКТИ БЛОКУВАННЯ ONLINE-РЕКЛАМИ

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Проаналізовано та оцінено причини, методи та наслідки зростання практики блокування реклами в мережі Інтернет. Для досягнення цієї мети автор аналізує статистичні дані практики блокування реклами в Польщі зокрема та Європі загалом, ідентифіковано інструменти, які для цього використовують, представлено наслідки використання відповідного програмного забезпечення з погляду видавців та інтернет-користувачів. Автор використовує такі методи дослідження, як критичний аналіз документації та метод описової статистики

Ключові слова: онлайн-реклама, блокування, маркетинг, інтернет-користувачі.

REASON, METHODS AND EFFECTS OF ONLINE AD BLOCKING

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The analyze and assess of the causes, methods and consequences caused by increasing use ad blocking was made in this article. To achieve such a objective, the author analyzes the statistics for blocks ads in Poland and in Europe, indicate what tools to use, as well as discuss the consequences of the use of ad blockers from the perspective of publishers and Internet users. The author used the following research methods: a critical analysis of documentation and methods of descriptive statistics.

Key words: online-advertising, blocking, marketing, Internet users.

Statement of the problem. Online marketing is subject to a process of continuous growth. There are an increasing number of ads, increasing time of ads exposure, increasing value of the expenditure on online advertisement. For online publishers these trends are clearly positive. Ad revenues play an important role in financing the operation of such businesses as portals, online publishers, vortals. With the stream of advertising revenue it is possible to finance the creation of valuable content, which then are offered free of charge to Internet users. In this context, one talks about so-called indirect financing model. It consists in paying activity of online services not directly through using these services (consuming digital contents); and by advertisers, who pay for the possibility of placing a particular advertising creation. In other words, users do not pay in cash for the use of e-services, but too for them advertisements are being served as well as their personal details are being collected.

Changes in marketing communications also include the emergence of new advertising formats. These formats are supposed by design to counteract decreasing conversion rates (decreasing CTR indicator). This means, however, on the other hand, that the new advertising formats are more invasive compared to the past. The desire to increase the effectiveness of the advertising caused the widespread use of forms of advertising, which are moving, are filling the central part of the screen, are starting along with loading a web page.

From a point of view of the average Internet user combination of above factors (of growing number of advertisements and their invasiveness) caused feeling the exaggerated saturation with the marketing message. Therefore the part of Internet users decided to use solutions that block the display of online advertising.

Ad blocking (ad filtering) is a solution enabling on the programmatic way, more rarely be hardware, blocking the advertising content displayed in the website or mobile application. As a result, the user receives a website without content marketing, only to the content of substance. Figure 1 gives the idea of blocking online advertising.

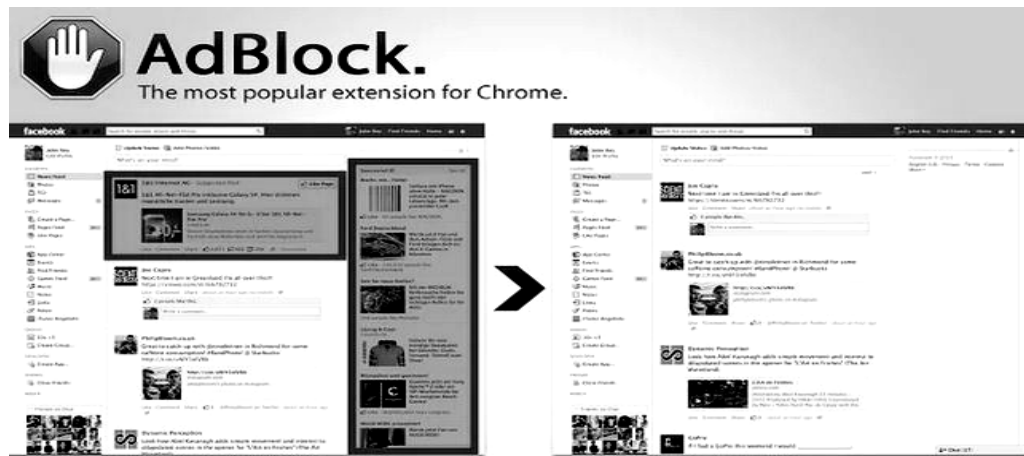


Fig. 1. The effect of blocking ads

Source: [11]

Ad-blocking software is present on all types of access devices (desktop, laptop, tablet, Smartphone) and all popular browsers, operating systems, etc. Thus, the possibility of initiating ad blocking is easily accessible to every user. Web surfer decides whether to enable or not enable the blocking of e-advertising. In practice, the percentage of Internet users using ad blockers reaches tens of percent. This is not without impact on the activities of the e-marketing agency and online publishers.

Analysis of recent publications and studies. Previous studies focused on the causes and manifestations ad blocking.

The primary reason for using ad-blocking software is to increase the intensity of advertising on the Internet. This increase reflected both in terms of the number of display ads and time of exposure, as well as the diversity of advertising formats. In the latter case it is mainly about the invasiveness of the particular advertising formats.

Available studies indicate that increasing numbers of advertising creations on the Internet, manifested in the increase in spending on online marketing [Johnson 2013, p. 128]. According to the report AdEx Benchmark 2015, total spending on marketing in Europe in 2015 reached 36.4 billion Euros, which, compared with 2014, is 13 % higher [Knapp & Marouli 2016, p. 7]. What's more – in 2015 spending on advertising message on the Internet for the first time took the first position. Advertising expenditure in different media in 2015 amounted to [Knapp & Marouli 2016, p. 17]:

Online	36.4 bn euro,
TV	33.3 bn euro,
Printed media	25.5 bn euro,
Radio	5.1 bn euro,
Cinema	0.7 bn euro,

Internet advertising expenditures are characterized by long-term growth. Fig. 2 shows spending on online advertising in the years 2006–2015.

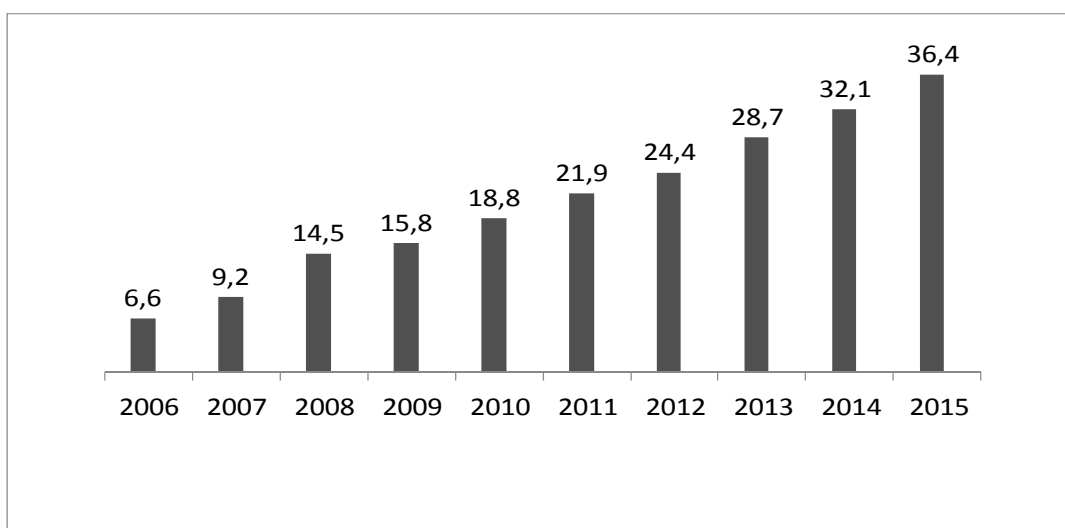


Fig. 2. Online advertising expenditures in the European Union.

Source: Knapp&Marouli 2016, p. 9.

The chart above indicates a constant, dynamic growth in spending on marketing message on the Internet, resulting in more number of marketing message. This conclusion is confirmed by comparing the time of exposure on one day. In 1985, the average American watched or heard 296 ads a day, while in 2014 – 362 [Johnson 2014].

According to the research the subjective perception of invasive online advertising is growing. Internet users are served dynamic and interactive advertising formats that result in a greater sense of nervousness. Table 1 shows the most annoying ad formats.

Table 1

The ads formats that Internet users in Spain consider the most annoying.

Types of Ads	Percentage of Internet users
Videos/audios with autoplay	21
Pop-up	20
Nonskippable pre-roll	18
Interstitials	13
In-feed format	12
Skippable pre-roll	7
Skin	5
Banner	2
Text, image at the bottom of an article	1
Sponsored content	1

Source: [1]

Indicated at the top of the table 1 formats are starting to play at the time of entry to the Web page, occupy the central part of the screen, aren't letting be turn off, etc. This type of display advertising formats stems from a progressive phenomenon of so-called “banner blindness”. Online publisher to pick up falling conversion rates decided on a more intrusive advertising formats [Burke *et al.*, 2005, p. 443]. However, Internet users treated such dealing as a termination of the current intermediate model of financing and began to use blocking software to display ads online.

According to the available statistics, in mid-2015 years 6 % of Internet users globally blocking online advertising [10, p. 17]. With regard to European countries that have been used for about 21 % of Internet users. Table 2 lists the countries with the lowest and the highest percentage of users using ad blocks.

Share of internet users using ad blocking software across selected countries of Europe

Country	Percentage of Internet users	Country	Percentage of Internet users
Slovakia	8.9	Hungary	23.2
France	10.3	Denmark	23.3
Czech Rep.	10.9	Sweden	25.1
Belgium	12.0	Germany	25.3
Italy	12.9	Estonia	25.3
Luxemburg	13.7	Malta	27.7
Netherlands	13.9	Poland	34.9
Cyprus	14.3	Greece	37.5

Source: [10]

The average level of use of ad blocking in Europe is about 21 percent of users. What's more, the number of user using ad-blocking software grows dynamically. It is estimated that within a year this number increases by about 40 %.

What reasons for the blocking of advertisements are? According to HubSpot Adblock Plus Research Study, we can mention the following reasons of the blocking of advertisements (as the percentage of respondents sharing the given view) [An 2016]:

1. Ads are annoying/intrusive – 64 %
2. Ads disrupt what user doing – 54 %
3. Ads impose security concerns – 39 %
4. Ads increase page load time/reduce bandwidth usage – 36 %
5. Ad content is offensive/inappropriate – 33 %
6. Ads generate privacy concerns – 32 %
7. Ads reduce data usage for mobile plans – 22 %
8. User don't like contributing to a advert business – 18 %
9. Ideological reasons – 8 %

Presented reasons are referring above all to the issue of convenience of using the web browser, as well as anxieties about the privacy or the safety. Such reasons for using ad blockers reveals more than half of the surveyed Internet users. At the other end were those that block online advertising for ideological reasons. Therefore a minority are people who, regardless of the action taken by the advertisers or online publishers will continue to block ads.

85 % that use ad blocker positive view of their use [An 2016]. Such a result can attest to the fact that the experience of the use of ad blockers outweigh the expectations of Internet users. In the more distant perspective it can strengthen the habit of using such a type of the software. And it is very dangerous to interactive agencies or publishers online. According to various estimates on applying re blockers about 15 – the 30 % income from the advertisement is not-achieved, exactly as a result of the blocking of e-advertisements [Lemanska 2016, pt. B4].

Another consequence of large-scale use of ad blockers is to change the business model. Content on the Internet will more and more often be paid directly by users. An indirect model will start disappearing [Bechmann et al. 2016, p. 76]. This will increase the emphasis on quality content. Web users will pay for unique content, but will avoid sites with a typical range of information or average quality. This will cause the collapse of services without high-quality or unique content.

Currently, the most popular is to block e-ads through plug-ins to Web browsers (eg. Adblock Plus). The idea of ad blocking software relies on putting a wall between the website and server and then stopping ads in their tracks. Some of the currently offered Web browsers are immediately installed this functionality (eg. Maxthon). Also some mobile operating systems are immediately prepared to block ads (e. g. iOS version 9). In addition, there are also other programming solutions that filtering commercial message. It refers to Content Control Software (eg. NetNany, The Privoxy).

Blocking ads can also take place outside the user device. For this purpose, can be used to filter DNS servers or filters called anti-advertisement imposed by Internet service providers. The principle of operation is based on the detection of nodes on the network advertising content by analyzing the source or nature of the message.

The most popular method for block e-advertising is software installed to the browser [Rosenwald 2015]. According to estimates, the most widely used solution is AdBlock Plus launched by German company Eyeo. Adblock Plus is a free software program blocking advertising message. However, there is an allowed placement of ads from publishers, who are on the so-called white list [Walls et al., 2015, p. 117]. A fee for inclusion in the list raises opposition of advertising industry. The publishers argue that the white list is a tool to enforce additional charges from them by the private company.

Goals of the article. The aim of this paper is to analyze and assess the causes, methods and consequences caused by increasing use ad blocking. To achieve such a objective, the author analyzes the statistics for blocks ads in Poland and in Europe, indicate what tools to use, as well as discuss the consequences of the use of ad blockers from the perspective of publishers and Internet users.

The author used the following research methods: a critical analysis of documentation and methods of descriptive statistics. The first method was used for the analysis and evaluation of available market reports relating to the state-of-the-art of online blocking ads, as well as to the screening the scientific literature. The methods of descriptive statistics have allowed the more precisely to describe and evaluate the data.

The choice of research methods was dictated by the adjustment to the objective pursued, as well as the availability of existing secondary research in the field of study.

The main material of research. The use of software that blocks advertising message, carries serious consequences for the entire virtual ecosystem. First, the effects of ad blocking experience right now, and they will feel even more strongly in the future, any company continued the publication of ads (online publishers). Portals, vortals, websites in part of that income from the ads – all of these businesses must take into account the changing nature of the environment.

Secondly, the indirect effects of ad blocking software will be felt by advertiser and online publishers. It would be impossible in the conditions of ad blocking to lead the campaign as usual. Ad blockers software is making it impossible to reach the chosen target group with the advertising transmission the first time round. Also the scope of a campaign will reduce – it will be necessary to repeat action in order to reach the planned auditorium. All this will translate into performance indicators of the campaign.

Thirdly, the widespread use of blocking software will affect Internet users. Creating valuable content is costly. In the current model the indirect cost of generating content was covered in whole or in part from advertising revenue. In the absence of this revenue stream will translate into level of the quality of the materials presented on the Internet. There will also be more charges for access to content.

The author would like to systematize the effects of widespread blocking e-advertising, both from the perspective of publishers and Internet users, based on the analysis of literature, as well as their own experience.

Figure 3 proposed classification of the effects of using of ad blockers for online publishers.

The primary consequence for the advertising industry resulting from the application on a large scale ad blocking software is undermining the existing business model. So far, the main stream of income derived by the possibility of the placement of ads on user devices, and on the other hand with personal data derived by analyzing the behavior of internet users (Web-metrics). The use of ad blockers causes both of the above-mentioned sources of revenue decreased. And what's more are most probably reducing irretrievably.

According to those earlier studies 85 % users blocking of advertising is satisfied with the application of such a solution. Such a high level of satisfaction means that in the future people will not want to return en bloc to watch ads, even if it will be not very invasive. And this in turn moves the emphasis from indirect monetization model by publishers on the direct model. Then Internet users themselves will pay for

information they need or service. Undoubtedly it is a threat to publishers that generate content of an average value. For such businesses direct model means the likelihood of a fall. On the other hand, a reduction in advertising revenues will translate into opportunities to create intriguing content. In such a situation, it is expected decline in the quality of prepared digital content.

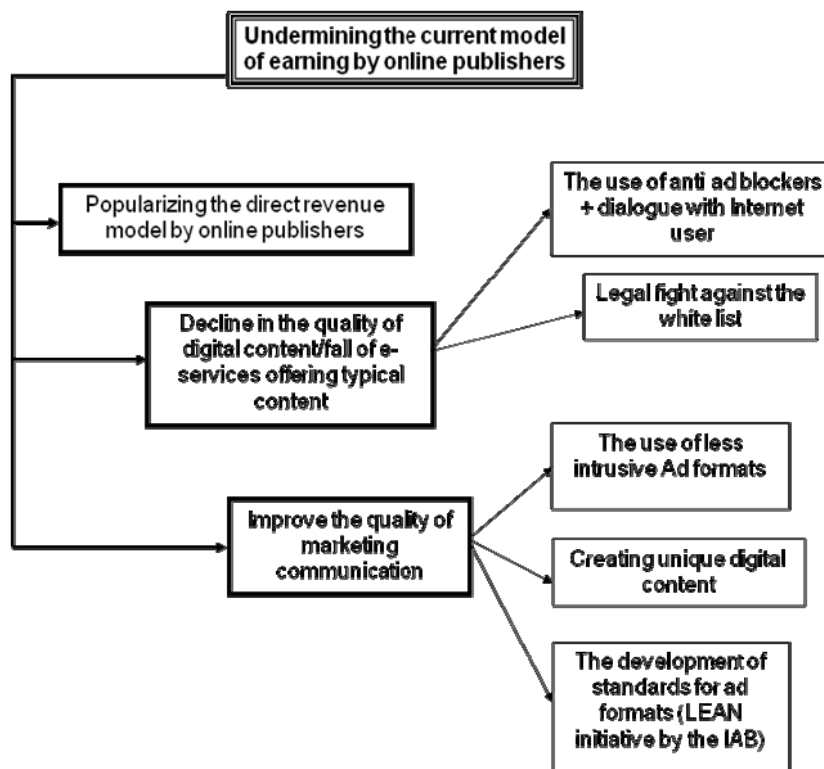


Fig. 3. The effects of widespread Ad blocking – the perspective of online publishers.

Source: own elaboration

The remedy is to run the mechanisms that would encourage users to uninstall the ad blocking software. The existing experience in this regard are promising. Internet users who use ad-blocking solutions are persuaded to stop their application when the publisher asks for it or if they are deprived of access to the desired content. Nearly 40 % of Internet users turn off ad block, to again be able to use the service [Jedliński 2016].

Another way is to find among the publishers who are on the white list. However, the white lists are seen by publishers as a form of unfair competition – because to unlock the action online publishers must pay. Therefore, the association of online publishers IAB has taken legal battle to ban the activities of ad blocking software owners.

However, the most effective remedies against ad blocking one should see in the change of advertising standards. Under the auspices of the IAB created the initiative, which is to customize the standard advertising to today's circumstances. Prepared standards have to be much more user friendly. Advertising has to be non-invasive, quickly loading, if it is only possible selected in the contextual way. In addition, an essential instrument advertisement industry will be creating unique content for which Internet users wish so pay. This is not a simple matter. In the era of free content, it is difficult to induce the user to purchase. However, when as a result of the collapse of services offering the average quality of the content, it is possible to expect the greater financial participation by Internet users. All this in accordance with the principle: If you don't pay – you will not be able to access.

Table 4 proposes a systematization of the consequences for the Internet user.

The effects of widespread Ad blocking – the perspective of Internet users

		Type of consequences	
		Short-term	Long-term
Internet user	Using Ad blocking	++	-
	Not using Ad blocking	+/-	-

Source: own elaboration

The proposed model differentiates the consequences of using ad blockers on account of two factors - the time horizon and the inclusion of ad blocking software. Taking into account such a prospect in the short term, a person using an ad blocker experiencing the same benefits. It does not have to watch any ads, the page loads faster, a blocking of the transmission of personal data is taking place, she or he does not feel irritation or does not have to interrupt their activities in the following display advertising. The situation is different for user who does not use an ad blocker. It would seem that the lack of use of ad blocking software does not carry any consequences. In reality, however, it is not. Because each marketing campaign has specific targets for coverage, the exclusion of part of the Internet users from exposure to advertising causes people with non-blocking software must often watch the advertising. Fortunately, the scale of the phenomenon is not very large, which finally allows you to specify short-term consequences for the user not benefiting from ad blockers as neutral.

Completely on the contrary a situation looks if longer horizons of the time are considered. Then irrespective of, whether the Internet user is using whether not ad blockers, negative consequences are predominating above positive. The blocking of e-advertisements is reducing sources of the income of the advertising industry. It is being transferred next to the lower potential of creating intriguing digital contents or more widely of development of the e-marketing. Of course, the industry will be forced to develop a new solution in the situation of widespread use ad blockers and change the habits of Internet users. Do not, however, will take place without problems for Internet users.

Conclusions and further research prospects. Online publishers take a number of actions which have the objective to allow further use of stream of advertising revenue and minimize the negative impact of software blocking advertising. Educating the user that someone has to pay for content, displaying the content conditional on the deactivation of ad blocking software, legal battle with the white list, taking into account changes in the standards of advertising – these are just some of the activities of organizational, technical, legal nature to keep the advertising industry in the possibly good condition.

On the other hand, the use of block e-ad irreversibly changed the market for online advertising. There is no return to make the all-too-intrusive advertising formats. Too invasive and intrusive advertising formats can't continue to be the basis for the development of e-marketing. The generalization of the using software blocking ads, as well as the satisfaction of the majority users taking the effects produced by this software shows that just a subjective feeling of discomfort watching e-advertising is enough in order to start in a smooth manner ad-blocking.

For online publishers, this means changing the business model. Without a doubt, it reduces the role of the indirect model of creating revenues. Dissemination of ad blocking highlighted the importance of the direct model. In this situation players should very carefully analyzed previous experience of those who have started to collect fees directly from users. It is expected that more and more publishers will implement pay-type solutions like paywall. However, such implementation does not take place smoothly and probably

will cause organizational, financial and legal perturbations on a scale not only individual company, but the entire sector.

In the long term it will be established a new equilibrium point on a continuum: uninterrupted use of the Internet (low invasiveness ads) versus earn on advertising by publishers.

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