

# Ad-Blocking Mitigation Strategy: Protecting Revenue & Advertiser Trust

*Data-Driven Approach to Increase Viewability, Engagement, and Retention*

Virinphimon Rujikullakarn

August 12, 2025

# Executive Summary

**Global Penetration:** 32% of internet users (~912M people) use ad blockers in 2024 — 42% (~416M) on desktop & over 25% on mobile (~496M)

## GYF Revenue Context

- Monetizes free Search, Mail/Chat, and Digital Media via advertising.
- Mobile ads = ~70% of total ad revenue → Any delivery drop hits core financials.

## Business Problem

- Mobile ad-block usage growing fastest among all formats
- Significant loss in billable impressions → Threatens revenue & advertiser spend.

## Root Causes

- User Experience Issue – Fatigue from high frequency, poor targeting & slow ads
- Platform Variance – Different block rates across Search, mobile web, and in-app → Requires tailored tactics.
- Advertiser Trust Gap – Lack of “ads actually seen” visibility → Undermines ROI measurement.

## Recommended Strategy

- Mobile-first ad formats (lightweight, native)
- Transparent reporting
- Frequency caps (to reduce fatigue)
- Budget optimization

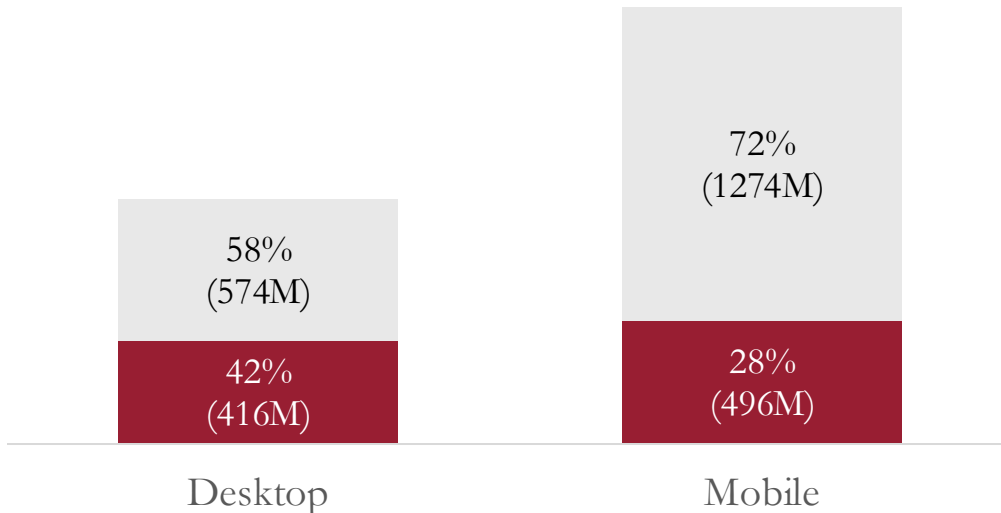
## Impact

- ↑ Ads actually seen per 1,000 sessions
- ↓ Ad complaint rates
- Expand in-app premium placements.
- ↑ CTR & conversion rates
- Retain & grow high-value advertiser accounts

# Mobile Ad Blocking Threatens GYF's Core Revenue Stream

## Ad Impressions: Blocked vs Unblocked by Platform

■ Blocked ■ Unblocked



### Key Insight:

- Mobile ads generate **~70% of GYF's ad revenue**.
- **496M blocked impressions on mobile** despite a lower block rate (28%) — higher in volume than desktop's **416M** at **42%**.
- Desktop's higher block rate still matters, but mobile's larger base makes it the greater total risk.

### Business Risk:

- Every % blocked = lost billable impressions → **direct revenue loss**.
- Mobile's larger base means even a small % change in block rate moves huge impression volumes, making it the **critical focus for mitigation**.

# Strategy

## Initiative 1 — Prioritize Mobile-First Ad Delivery

- **Core Objective:** Protect the largest revenue stream by reducing block rate and improving delivery.
- **Key Actions:**
  - Deploy **lightweight, native, skippable ads** optimized for mobile.
  - Use formats less detectable by ad blockers (e.g., native sponsored posts).
  - Optimize load speed to <1 second.
- **Execution:**
  - Pilot via 4-week A/B tests on mobile News/Sports feeds.
  - Expand to Search/Mail if CTR & non-blocked rates exceed baseline.
- **Impact:** Recover millions in billable impressions & improve user experience.
- **Measurement:**
  - **Primary KPI:** “Ads actually seen” per 1,000 mobile sessions.
  - **Secondary KPI:** Mobile CTR & mobile ad complaint rate.

# Strategy

## Initiative 2 — Apply Frequency Caps & Relevance-Driven Targeting

- **Core Objective:** Reduce ad fatigue and improve engagement by controlling exposure and delivering more relevant ads.
- **Key Actions:**
  - Implement frequency caps per user/session across all platforms.
  - Use behavioral and contextual data to improve targeting accuracy.
  - Exclude low-probability converters to optimize ad delivery.
- **Execution:**
  - A/B test 3 vs. 5 impression caps on high-traffic sections for 4 weeks.
  - Compare CTR, complaint rate, and conversion lift vs. control.
- **Impact:** Lower complaint rates, increase CTR, retain high-value users, and reduce blocker adoption
- **Measurement:**
  - **Primary KPI:** Mobile CTR uplift vs. baseline
  - **Secondary KPI:** Ad complaint rate and frequency-to-conversion ratio

# Strategy

## Initiative 3 — Expand In-App Premium Inventory

- **Core Objective:** Shift ad delivery to in-app environments where block rates are lower, increasing billable impressions.
- **Key Actions:**
  - Develop additional premium ad placements in high-engagement in-app sections.
  - Partner with top content verticals to integrate native ads into app flows.
  - Ensure ad formats comply with platform UX guidelines to avoid rejection.
- **Execution:**
  - Launch premium in-app ad units in top 3 revenue-driving apps.
  - Track fill rates, CPM uplift, and block rate reductions.
- **Impact:** Capture incremental revenue by reallocating impressions to low-block-rate inventory.
- **Measurement:**
  - **Primary KPI:** Increase in in-app billable impressions (% and volume).
  - **Secondary KPI:** CPM uplift vs. standard inventory.

# Strategy

## Initiative 4 — Provide Transparent, Outcome-Linked Reporting

- **Core Objective:** Strengthen advertiser trust and retention by demonstrating actual ad viewability and business outcomes.
- **Key Actions:**
  - Integrate "ads actually seen" and post-click conversion metrics into reports.
  - Share platform-level block rate data with advertisers.
  - Offer predictive models for campaign ROI under different blocking scenarios.
- **Execution:**
  - Roll out enhanced reporting dashboard to top 50 advertiser accounts.
  - Conduct quarterly ROI review sessions with account managers.
- **Impact:** Improve advertiser satisfaction, reduce churn risk, and secure renewals.
- **Measurement:**
  - **Primary KPI:** Advertiser retention rate (YoY).
  - **Secondary KPI:** Share of spend renewed vs. expiring contracts.

# Strategy

## Initiative 5 — Optimize Budget Allocation via Solver Model

- **Core Objective:** Maximize ROI by allocating budget to formats and platforms with the highest combined revenue protection and user engagement.
- **Key Actions:**
  - Build optimization model using cost, block rate, CTR, and CPM as inputs.
  - Set constraints for minimum UX standards and platform coverage.
  - Reallocate spend quarterly based on model outputs.
- **Execution:**
  - Pilot model for mobile inventory allocation in Q1.
  - Scale to all formats once KPI lift is validated.
- **Impact:** Higher revenue per dollar spent and reduced waste on underperforming channels.
- **Measurement:**
  - **Primary KPI:** Revenue uplift vs. pre-optimization baseline.
  - **Secondary KPI:** Cost per retained advertiser.



# Impact Assessment



## Customer Impact

Fewer intrusive ads → reduced blocker adoption  
Higher Engagement  
Lower complaints rate



## Revenue Impact

More billable impressions  
Higher CTR & conversion  
Advertiser budget retention  
Stronger ROI reporting



## Operations Impact

Faster ad load speeds  
Optimized formats by platform  
Efficient budget allocation  
Faster experiment cycles



## Organizational Impact

Cross-functional execution  
Data-driven decision culture  
Enhanced analytics capability  
Improved client relationships

# Measurement

## ○ Core Metrics

- Ads Actually Seen (Viewability) per 1,000 sessions =  $((\text{Delivered} - \text{Blocked}) * \text{Viewable}\%) \div \text{Sessions} \times 1,000$
- Click-Through Rate (CTR): Engagement effectiveness
- Ad Complaint Rate: % of users reporting ad fatigue

## ○ Optimization Tool (Example) — to maximize total productivity return within a \$65,000 budget & policy constraints

### • Decision Variables:

- $x_1$ : Mobile-first formats
- $x_2$ : Pacing & targeting improvements
- $x_3$ : Advertiser reporting & pilot programs
- $x_4$ : In-app growth initiatives

## Objective Function:

Maximize  $Z = v_1 \cdot \Delta \text{NonBlocked}(x_1) + v_2 \cdot \Delta \text{NonBlocked}(x_2) + v_3 \cdot \Delta \text{Retained\$}(x_3) + v_4 \cdot \Delta \text{NonBlocked}(x_4)$

## Constraints:

- Budget:  $x_1 + x_2 + x_3 + x_4 \leq \$65,000$  (binding)
- Hard program return  $\geq \$20,000$  (met)
- Soft program return  $\geq \$12,000$  (met)
- Internal  $\geq 60\%$  of External spend (binding)

# Measurement

$x_1$  – Mobile-first formats: \$0

$x_2$  – Pacing & targeting: \$38,235

$x_3$  – Advertiser reporting & pilots: \$26,765

$x_4$  – In-app growth: \$0

Total Spend: \$65,000

Max Return (Z): \$42,823


## Interpretation:

- Spending focuses on pacing/targeting and advertiser transparency for highest modeled impact.
- Internal  $\geq$  60% of External drives distribution (adjusting it changes ROI)
- If Internal  $\geq$  50% —  $x_2$ : \$41,053 |  $x_3$ : \$23,947 | Total Return: \$43,105  $\uparrow$
- If Internal  $\geq$  60% (base) —  $x_2$ : \$38,235 |  $x_3$ : \$26,765 | Total Return: \$42,824
- If Internal  $\geq$  70% —  $x_2$ : \$35,780 |  $x_3$ : \$29,220 | Total Return: \$42,578  $\downarrow$


This optimization model enables the DATA team to allocate limited resources in the most efficient and effective way.

# Conclusion

 Threat: Ad-blocking erodes GYF's core revenue stream.

 Response: Data-driven strategy (mobile-first delivery, pacing optimization, transparent reporting, Solver-based allocation) directs investment to highest-impact areas.

 Impact: Protects impressions, restores advertiser trust, and enhances user experience.

 Future: Positions GYF to mitigate revenue loss, strengthen competitive standing, and sustain growth in a shifting ad market.