Adblocking goes mobile

by Shepherd Laughlin - Tuesday, December 08, 2015

https://www.jwtintelligence.com/2015/12/adblocking-goes-mobile/

With the latest version of Apple's iOS mobile operating system including support for adblocking software, the future of conventional mobile display advertising seems to be in doubt. A report from the consultancy PageFair recently estimated that adblocking is likely to cost publishers \$22 billion in 2015, and this number could expand rapidly if the practice migrates from desktops to smartphones.

Digital publishers are getting nervous: an August 2015 survey by the Association of Online Publishers found that 65% of UK publishers listed adblocking as their most significant business threat. In a separate October 2015 survey by Editor & Publisher, 38% of US publishers said their company could not track how many users were blocking ads on their sites, and 53% said they had no strategy for dealing with adblockers. There's even been <u>speculation</u> that adblocking technology could limit the effectiveness of advertising during the 2016 US presidential campaign.

The adblocking trend is prompting publishers to take a closer look at native advertising. Native ads mimic the appearance of editorial content, which gives them a better chance of getting through adblocking filters. This, in turn, is making them increasingly attractive to advertisers: BI Intelligence <u>estimates</u> spending on native ads will reach \$7.9 billion in 2015, and grow to \$21 billion by 2018.

More publishers are getting on board. The New York Times is expanding its native content shop, T Brand Studio, "into an agency in its own right," according to an October 2015 <u>company memo</u>. The studio recently produced a virtual reality app that included journalistic content alongside virtual reality ads for GE and Mini.

Since it must be adapted to its immediate context, native advertising has been difficult to scale. But in November 2015, Google's DoubleClick Ad Exchange, which helps digital advertisers distribute their campaigns across the web, <u>announced</u> new native capabilities. An early test of these new tools by eBay found a 3.6x increase in average ad engagement, with click through-rates approaching 5%.

Even native ads, however, are not immune to adblocking. The more they use these scaling tools, the more likely they are to be picked up by adblockers, according to the <u>Wall Street Journal</u>.

While many of the details remain unclear, Apple's move recognizes that many consumers already use adblocking software, and that preventing this behavior will be impossible in the long term. Going forward, agencies will have to pay more than lip service to "content is king," creating native ads that viewers really, truly want to see.

For more on adblocking and branded content futures, download <u>The Future 100</u>, featuring 100 trends to watch in 2016.

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