

COLUMNS

## Can the surge in ad blocking be good for advertisers?

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By A LUXURY DAILY COLUMNIST

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My grandmother always said, “There is a right time and a right place for everything.” I recalled that advice when I was recently trying to understand the cause of recent ad blocking surging.

Ad blocking technology adoption rates indicate that advertisers are missing the mark on delivering ad content that is actually beneficial to consumers.

The sentiment is that consumers are not getting value from the ads and feel compelled to just shut them off.

Being forced to watch video ads before accessing the content that consumers want and having Webpages full of distracting ads has escalated their frustration.

Delivering the wrong content, at the wrong time, to the wrong consumer has driven more adoption of ad blocking and is having a big effect on the ad revenues, which ultimately pay for content. This problem is continuing to get worse for advertisers day by day.

Turning the page

A recent report by PageFair and Adobe has some startling statistics in the growth of ad blocking.

- Ad blocking has grown by 41 percent globally in the last 12 months
- Sixteen percent of the United States online population blocked ads in the second quarter of 2015, equaling 45 million monthly active users
- \$21.8 billion in projected loss of global ad revenue occurred in 2015
- \$10.7 billion in projected loss of U.S. ad revenue occurred in 2015

One of the most concerning findings in the report was who was doing the ad blocking.

The areas in which most ad blocking occurred were in gaming, social networking and technology.

These sites cater to the young and tech savvy demographic – the ones that many advertisers are spending large sums on reaching and are desperately trying to engage.

The mobile environment has yet to be effected, but that could soon change with Apple's iOS 9 being released in the fall.

Something else that my grandmother always said also sprung to mind when looking at these findings: "Every challenge is an opportunity."

The rundown

If you look at the message that consumers are sending – "I don't want ads that don't add value to me" – you see an opportunity for advertisers to adapt and give the consumer what they value: relevant, interesting, timely and personalized content.

Brands have long engaged in loyalty programs to make their customers feel special and gain access to relevant promotions and products into which their customers opt.

Engaging with premium media brands that focus on leveraging personalized content, loyalty insights and engagement will deliver a better experience to the consumers.

Mobile applications that consumers select because they want the content and appreciate the utility that the app delivers to enhance their lives are a great source for improved engagement.

Since consumers have to download the apps, opt in and agree to share their information, brands have the opportunity to curate the right content to delight and surprise their consumers.

Relevance and personalization are achieved by the brand leveraging the context of the app, location and information shared by the opt-in of the consumer.

A fitness app user, for example, who receives an advertisement about a one-day sale on running shoes will be delighted when she is close to the local sporting goods retailer and has a history of running 5Ks.

A person looking up directions on a map app to get to a business meeting and getting an advertisement for patio furniture, however, will be less than thrilled.

It is up to the advertisers to put forth the effort to leverage data insights offered by the consumer's selection of the app and permissions given to deliver them disruptive value.

A consumer who is presented with offers, promotions and content that aligns to her location, interests and passions before she ever asks will become a loyal customer and generate ongoing revenue.

I BELIEVE THAT consumers will opt in and are happy to share their data if the advertisers use it to deliver great value around things that are relevant and interesting to that consumer.

Ad blocking will force the industry to be better about the content it serves and make consumers take an active role in what they receive.

If consumers block all ads, then the free content will go away.

If advertisers continue to push irrelevant ads, then engagement will be gone.

The new technologies around location, behavior and context can transform the consumer experience and deliver higher value for the advertisers.

Consumers and advertisers will both need to engage to achieve mutual value-based success serving up the right content, at the right time, and the right place. Grandmother always said, "It takes two to make a relationship work."

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