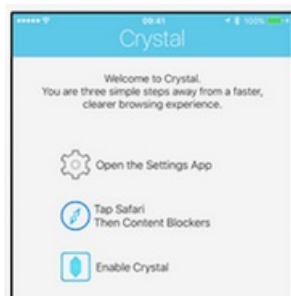


MOBILE

Relevancy, context can transcend ad-blocking on mobile

October 6, 2015



Crystal is a popular iOS ad-blocker

By CHANTAL TODE

The advent of ad-blocking on mobile could spur a period of experimentation as marketers unearth different ways to get in front of consumers, with branded content and in-application ads two likely areas of focus.

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So far, mobile ad budgets are not being cut back as a result of ad-blocking, according to several industry executives. However, there could be a drop in mobile Web ad inventory as publishers and marketers look to move beyond ad types that are likely to be blocked and considered by many to not be well-suited for mobile anyway.

"Budgets will continue to shift to mobile as they catch up with the shift in eyeballs," said Greg Portell, a partner in the communications, media and technology practice at [A.T. Kearney](#). "There should be a period of time with spend in mobile rising regardless of ad tech.

"There is concern over ad blocking, which will encourage experimentation a bit more than normal," he said.

"Sponsored content branded, native, etc. will see the most activity. The ability to communicate meaningful content in the right context transcends ad blocking. The mobile aspect enhances the content by delivering it at the right time."

In-app advertising

Mobile ad budgets have been on the upswing for some time and are expected to continue along the same buoyant trajectory in 2016.

However, ad-blocking has been a concern since it came to iOS for the first time recently following its earlier appearance on Android. For the first time, mobile Web ads can be blocked across all the major mobile advertising platforms.

Several reports suggest that using ad-blocking software results in faster load times on publishers' sites. Since slow load times are particularly onerous on mobile, use of ad-blockers could grow, meaning that publishers will face a hard time monetizing their mobile efforts and advertisers will be challenged to get in front of mobile users via traditional ad formats.



As a result, there could be a bigger focus on in-app advertising.

"If there is a measurable drop in the availability of mobile Web inventory due to ad blocking in 2016, those verticals that lend themselves to in-app advertising will benefit," said Dave Zinman, chief operating officer at [RadiumOne](#).

"For example, game developers and high-value media properties are both more likely to interact with consumers through apps, which will not be impacted by mobile web ad blocking," he said. "These companies stand to benefit from a potential shift in spend."

Limited impact

While marketers are nervous about the impact of ad-blocking, the impact may not be as big as some expect.

RadiumOne ran a report last week showing the daily volume of bid requests on iOS from before and after the launch of iOS 9 and saw no statistically significant deviation in volumes.

"It means that so far, there has been no appreciable impact in the number of ads being delivered on iOS devices since ad blocking has been available in iOS 9," Mr. Zinman said. "To some degree, this makes sense since users have to adopt ad blocking one at a time in order to impact ad volumes.

"But it also shows that there will need to be a long term, sustained interest on the part of consumers to install ad blocking in order to have an appreciable impact."

Marketers should also keep in mind that in-app ads already account for 75 percent of the dollars spent on mobile, so even if the volume of mobile Web ad inventory declines, the overall impact will be modest, per Mr. Zinman.

Creative solutions

Longer term, ad-blocking could be a positive development, if marketers truly knuckle down and find effective new methods for reach consumers on mobile, where the user experience is so unique.

While native ads, branded content and location-based targeting are important first steps in this direction, there is still significant room for improvement.

"Advertisers with deeper pockets and a more strategic view will seek opportunities which are less likely to be affected by ad blocking," said Damon Ragusa, CEO of [ThinkVine](#).

"The most strategic marketers will revisit their content, targeting, and media strategies, and challenge themselves to offer more relevant and rewarding audience experiences; in other words, they will focus on earning their audience," he said.

Final Take

Chantal Tode is senior editor on Mobile Marketer, New York