

COLUMNS

## How ad blocking affects the media ecosystem

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The Internet, at its most basic level, is a service that provides an unlimited amount of information and content. This content comes in the form of news articles, sporting events, television shows and anything else you can imagine, even the occasional grumpy cat meme. And for the most part, all of this is available for free. How?

How in the age where a cable subscription costs \$100-plus, can you access those same shows for free online? The answer to that question is advertising.

You probably do not stop to think about how all of that information gets to your fingertips. The teams of people who create a television show or put together an entire newspaper are the same people involved in putting your favorite content online.

With traditional media outlets, for example, we are required to pay a subscription fee that is used to compensate writers, editors and producers.

In the online world, those subscription fees largely do not exist.

Content providers have given us the option to simply trade a few seconds of our time, in the form of an advertisement, to access the same articles and videos that would otherwise cost us.

That option may soon be a thing of the past though, thanks to the rising use of ad blockers.

While ad blockers may seem useful for allowing us to browse the Web ad-free, they can have serious negative effects on those who are responsible for producing that free content.

Going down the tube

In the past year, the number of monthly Internet users who use ad-blocking software has grown by 48 percent to 45 million users. That increase will result in a projected \$10.7 billion lost in the United States this year, according to PageFair.

As key demographics begin to move to digital, these content producers will need to rely on an increase in digital ad

dollars to maintain their businesses.

However, the increase in ad blocking, combined with the loss of print and now digital ad revenue, has left news outlets with no choice but to cut jobs.

The number of newsroom jobs decreased by roughly 10 percent in 2014. And traditional media outlets are not the only ones affected by ad blocking.

YouTube and its content creators are taking a huge hit.

One channel owner, Felix Kjellberg, found roughly 40 percent of the 37 million people who subscribe to his YouTube page are using ad-blocking software, equating to a crippling loss of potential ad revenue.

Think about how this development will affect the quality of your content.

As the number of journalists, bloggers and YouTubers dwindles due to a drop in ad revenue, there will be a stark decline in the quality and quantity of the content you consume.

Local news sites are some of those publishers that have been hit the hardest, to the point where several have already shuttered or merged with other regional outlets.

The same can be said for YouTube channels, where you may notice that there are not as many new videos as before.

Block and tackle

For content creators to continue to put out high-quality content in large enough quantities to meet consumer demand, they will need to come up with new ways to increase revenue.

We have already seen publishers "ask nicely" for users to remove their ad-blocking software. There have been a handful of sites from The Washington Post to The Atlantic that have added messaging to their sites hoping to convince users that advertisements are necessary.

In a more heavy-handed approach, some publishers employ software to detect when a user has enabled ad blockers to bar them from accessing content.

Forbes has been on the forefront of this with its "ad-light experience," but it is something to expect from more high-quality publishers in the coming months.

As the ad blocking situation continues to strain publisher wallets, publishers will start to fight fire with fire.

Similar to how ad-blocking software is able to detect specific types of advertisements and stop them from showing, it is inevitable that someone will create a piece of software which reverses that.

While this approach seems useful it will simply result in a back-and-forth of who can develop new software faster.

This will likely push us back into pay wall territory.

While pay walls have been around for years, they previously were not popular with publishers since they alienate users.

However, with a lack of strong ad revenue, they may become the best viable option.

While most publishers will not use a blanket price, something along the lines of a pay-per-X approach could start to gain traction.

We have already seen early examples of this through the app Blende, which leverages partnerships with high profile outlets such as The Wall Street Journal and The New York Times to offer quality content on a pay-per-article basis.

IN A WORLD where nothing is free, we are quickly killing the one thing we assume to be free with the use of ad blockers.

We all have grown accustomed to access to a tool that lets us learn, laugh, communicate and explore.

For some people, the idea of spending a few extra dollars each month is not a problem. But for many that is money that could be better spent.

So if you use ad blockers or have considered it, think to yourself: Is 15 seconds of my time worth the inevitable consequences?

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