



eyeo GmbH's commentary on UK Competition & Markets Authority's

"Online platforms and digital advertising market study"

Executive summary

- Digital advertising is perceived as very invasive by certain users, particularly ads that collect their data without their knowledge or consent. Consumer awareness and concern has increased significantly in recent years, and many users are now taking proactive steps to reclaim their privacy, such as utilising ad-blocking technologies.
- There are over 600 million devices with some type of ad-blocking software installed. In the UK, 22% of Internet users (equivalent to 12.2 million people) block intrusive advertising.
- Motivations to block intrusive ads are: too many advertisements and advertisements that too intrusive. UK (online) citizens block ads because they do not want to see invasive advertisements (71%) and because of concerns around data security and privacy (49%).
- For UK Internet users, ad-blocking is part of the users' autonomy. 78 percent of UK ad-blocking users are unlikely to return to a website which disabled their ad blocker without permission.
- Blocking ads is the right of each consumer in the digital world. In particular, this helps consumers to defend their interest in being served less-intrusive online advertising. Ad blocking is also an important tool to protect users against security risks. Additionally, ad blocking enables users to carry out their right to protect their personal data. Therefore, any legal ad-blocking restrictions are not only unreasonable but would also restrict consumers' rights. Of course, publishers' rights must be balanced, but there are several other monetization options beyond advertisement such as but not limited to, the Acceptable Ads initiative.
- The number of users of ad blocking proves one important aspect: that sustainable advertisements have to be user friendly. Acceptable Ads is the only advertisement standard that creates a compromise between the advertisement industry, publishers, and users. This standard is governed by 42 committee members and 25% of the 1,000 biggest websites worldwide are already using Acceptable Ads.



Introduction

About eyeo GmbH

eyeo GmbH is the developer of a suite of products that put users in control of a fair and profitable internet. eyeo's browser extension, Adblock Plus (ABP), is one of the world's most popular ad-blocking software, with over 100 million active devices worldwide. With around 2.4 million estimated active devices in the UK in 2018. It allows consumers to protect themselves by filtering ads they perceive as invasive to their internet experience.

Our main goal is to provide additional information on the topic of digital advertising, especially on the theme of consumer control. The Statement of Scope highlights: "(...) that the impact of digital advertising on consumers is poorly understood(...)"¹. As eyeo GmbH, we are in a unique position to facilitate a compromise between the digital advertising industry and users. eyeo can offer insights into how digital advertisement is perceived by users and how to foster multi-stakeholder self-regulation within the market.

This commentary on the "Online platforms and digital advertising market study" includes an overview of ad-blocking data, including worldwide, European, and individual user numbers from the UK. Furthermore, we elaborate on the question of why users install an ad blocker and give an overview of the segmentation of ad-block users.

This overview follows an argument for why ad blocking is a digital consumer right. Approaching ad blocking as a digital consumer right is a guiding principle in eyeo's solution of combining ad blocking and support for Acceptable Ads. This commentary provides you with an outlook into future challenges of the digital advertising market and mobile advertisement.

Ad blocking in UK and world wide

There are over 600 million devices with some type of ad-blocking software installed, and the number is growing, other estimates are putting the number of global users at well over 1 billion.

¹ UK CMA, [Online platforms and digital advertising market study - Statement of Scope](#), July 2019, page 16.



According to the UK ad-blocking usage report 2019, 22 percent of UK internet users, an equivalent to 12.2 million people², are blocking ads. The percentage is a bit below countries like France (28.7%), Germany (32%) or the US (25.2%).

A Deloitte consumer study³ identified that ad-blocking users tend to be younger, educated, tech-savvy, and employed with a higher than average salary.

Ad-blocking users are up to 80 percent more likely to make purchases online. They're also more likely to buy products after seeing an online ad and spend more money online on a monthly basis than non-ad-blocking users.

The Global Web Index (Q3 2017) researched the reasons for blocking ads. Users stated, that too many ads are annoying, irrelevant, or intrusive and that there are generally too many ads on the internet.

A 2019 eyeo study with research undertaken by YouGov, that looked at UK ad-blocking usage, shows similar findings for UK internet users. 71 percent of UK ad-blocking users primarily download an ad blocker to block invasive or excessive forms of advertising.

An international study commissioned by eyeo and carried out by HubSpot found that 83 percent of global online users only wanted to block ads they considered particularly invasive; another 77 percent said they'd prefer to filter, not block ads.

An overwhelming majority of UK online users (80 percent) acknowledge the importance of advertising to a free internet. It's likely that UK internet users might also prefer filtering ads and not just blocking them⁴.

The majority of online users, and even those who block ads, understand the fundamental importance of advertising to a fair internet, and are willing to accept it. The key is to build on better and 'less annoying' forms of advertising in order to create a more sustainable future for the internet and its stakeholders⁵.

Ad blocking: a digital consumer right

Malware and tracking in online advertisement is increasing. Ads are not only annoying but also a significant privacy and security risk for consumers.

² eMarketer, [Ad Blocking in the UK Begins to Stabilize](#), September 2018.

³ Deloitte, [Global mobile consumer survey: US edition](#), 2018.

⁴ eyeo GmbH, [The ad-blocking usage report 2019 British Edition](#), January 2019.

⁵ eyeo GmbH, [The Official 2018 Ad Blocking Report](#), 2018



Security threat

In the first quarter of 2019, the known incidents of malvertising in connection with ads have risen by 200%.⁶ Anti-Virus software cannot protect consumers from malvertising, only blocking the ads that serve malware can.

Privacy threat

With the rise of programmatic advertising, publishers can no longer control which ads are displayed on their websites, and a user's device automatically communicates with hundreds of servers without the user's knowledge. Currently, consumers have no realistic chance to monitor, or even manage, which data gets shared with third parties. The ability to disable tracking embedded in advertising is one of the main reasons for consumers to activate an ad blocker.

User friendly digital advertisement

As mentioned above, ad blocking prevents users from intrusive and low-quality advertisement. Part of this problem is the lack of scarcity within the market: because digital advertising inventory is unlimited, the prices for advertising are decreasing, which leads to greater volumes of intrusive advertisements.

eyeo initiated several surveys among all stakeholders to find a compromise that guarantees sustainable monetisation of digital content without disturbing the user experience. Three criteria were identified as critical:

Placement: Ads should not disrupt the user's natural reading flow and must be placed above, to the side, or below the primary content.

Distinction: Ads should always be recognizable as ads and clearly labelled with the word "advertisement" or its equivalent.

Size: Ads should always leave sufficient space for the primary content on common screen sizes (desktop, mobile, and tablet).

Today these criteria are known as Acceptable Ads criteria⁷. In 2017, eyeo handed over control of the Acceptable Ads initiative to an independent committee made up of eleven stakeholders who represent three distinct coalitions:

User Advocates Coalition: digital rights organizations, ad-block users

⁶ Malwarebytes, [Q1 2019 Cybercrime, Tactics and Techniques](#), 2019.

⁷ Acceptable Ads, [Acceptable Ads criteria](#), July 2019.



For Profit Coalition: advertisers, advertising agencies, ad-tech companies, publishers/content creators

Expert Coalition: user agents, creative agents, researchers/academics

This independent committee, currently comprised of 42 committee members⁸, called the Acceptable Ads Committee, has full control over the Acceptable Ads initiative, including what is deemed acceptable by defining the Acceptable Ads criteria.

The committee's goal is simple: to create new and exceptional advertising standards that improve the user experience for ad-blocking users while, just as importantly, delivering real value to content publishers and online advertisers.

There are other standards, but what makes Acceptable Ads unique is its mission always to find a compromise between all stakeholders. For example, Chrome users, who rely on Chrome's ad filter, which follows the Better Ads standards, see more than 80% of all advertisement formats. In comparison to users with an ad blocker that follows the Acceptable Ads criteria, who only see 7% of ads which are deemed as "acceptable" and non-invasive to the user experience⁹.

Furthermore, the Acceptable Ads committee commissions research around the future of digital advertisement. In 2018, the committee commissioned research on mobile advertisement. The research has shown that mobile advertisement has to be approached separately from desktop advertisement. Users indicated that both native advertising experiences, as well as a few industry standard ad formats, such as the static 1x1 tile (rectangle) and the 6x1 horizontal banner, were generally not disruptive.¹⁰

In addition to the above commentary and the data we are making available, our experts in data protection, ad-blocking, and the field of ad tech are available for further discussions.

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⁸ Acceptable Ads, [Meet the Acceptable Ads Committee](#), July 2019.

⁹ Adblock Plus Blog, [Is Chrome's Ad Filter enough?](#), July 2019

¹⁰ Acceptable Ads Committee, [Mobile Advertising Study: Measuring ad-blocking users' perceptions of advertising types on mobile browsers](#), March 2018