



VAASAN AMMATTIKORKEAKOULU
UNIVERSITY OF APPLIED SCIENCES

Hoang-Mai Nguyen

A FAREWELL TO ADS?

On the conflict between online advertisements and adblockers

Business Economics
2016

ACKNOWLEDGEMENT

My friend Mathieu once told me, “Beautiful places are everywhere, but it is the people that make a place special. Therefore, whenever I travel somewhere, it is not the place that I want to visit; it is the people that I want to meet.”

And so I would like to dedicate this thesis to the great friends, teachers, and strangers that I have met during the last four years. Thank you for showing me what it is like to live, care and matter.

I am grateful to my supervisor, Satu Lautamäki, for her endless support and encouragement. Thank you for never giving up on me.

Và dĩ nhiên, con cảm ơn bố. Con cảm ơn mẹ. Cảm ơn bố mẹ vì đã đồng ý cho con ra đi và trưởng thành.

Summer 2016, Vaasa.

Mai.

TIIVISTELMÄ

Tekijä:	Hoang-Mai Nguyen
Opinnäytetyön nimi	Hyvästit mainoksille? Ristiriita verkkomainonnan ja mainoksenestoliitännäisten välillä
Vuosi	2016
Kieli	Englanti
Sivumäärä	68 + 8 Liitettä
Ohjaaja	Satu Lautamäki

Opinnäytetyön tarkoitus on analysoida mainoksenestoliitännäisten vaikutusta verkkomainontateollisuuteen. Päämääränä on (1) selvittää mainoksenestoliitännäisiä käyttävien henkilöiden käyttäjäprofiili, (2) luotettujen sivustojen listaukseen erikoistuneiden tahojen motivaatiot ja (3) tutkia ihmisten halukkuutta luotettujen sivustojen listausliitännäisten käyttöön ja maksettua sisältöön internetissä.

Kattava ymmärrys verkkomainonnan nykytilanteesta kartoitettiin tutkimalla useita markkinointianalyysseja liittyen mainoksia karttavien käyttäjien käyttäytymismalleihin. Lisäksi ärsykeitä – merkittävää syytä vältellä mainoksia – tutkittiin tarkasti. Myös mainoksenestoliitännäisten vaikutusta verkkomainonta teollisuuteen tarkasteltiin.

Opinnäytetyön tavoitteisiin päästäkseen sekä määrällistä, että laadullista tutkimusmenetelmää käytettiin. Ensimmäisenä laadittiin ja lähetettiin Internet kyselyn ja lähetti sen verkkomainoksenestoliitännäisten käyttäjille ja käyttäjille, jotka eivät käyttäneet liitännäisiä estääkseen verkkomainontaa. Kyselyjen perusteella tekijä laadittiin haastattelut kahdelle markkinointiyrityksen johtajalle: AdSomeNoise ja C2 Advertising. Viittä verkkomainoksenestoliitännäisiä käyttävää henkilöä haastateltiin lisäksi loppupäätelmän vahvistamiseksi sekä tuodakseen esiin muita aiheeseen liittyviä muuttujia.

Opinnäytetyön johtopäätöksenä voidaan todeta, että suurin syy verkkomainoksenestoliitännäisten suosioon löytyy heikoista markkinointitaidoista. Kuitenkin, käyttäjät katsovat mielellään mainoksia, jos vastineeksi lähes koko Internetin sisältö on ilmaista. Vaikka sallittujen sivustojen listaustyökalut ovat hyvä keino saavuttaa asiakkaat takaisin sivustolleen, tehokkain tapa on kehittää mainosten laatua.

Avainsanat: verkkomainonta, mainoksenestoliitännäiset, mainosten välttäminen

VAASAN AMMATTIKORKEAKOULU
UNIVERSITY OF APPLIED SCIENCES
International Business

ABSTRACT

Author	Hoang-Mai Nguyen
Title	A farewell to ads? On the conflict between online advertisements and adblockers
Year	2016
Language	English
Pages	68 + 8 Appendices
Name of Supervisor	Satu Lautamäki

The purpose of this thesis is to analyse the impact ad-blockers have on the online advertising industry. The thesis aims at (1) finding out the characteristics of adblock users, (2) discovering the motivations behind whitelisting a website, and (3) examining people's willingness to whitelist and pay for content on the Internet.

To gain a deeper understanding of the current situation of online advertising, several studies on ad avoidance behaviours were analysed. In addition, irritation - a major cause of ad avoidance - was closely examined. We also discussed the impact adblockers have on the online publishing industry.

In order to reach the thesis' objectives, both quantitative and qualitative methods were used. First, the author created an Internet survey, and sent it to both adblock users and non-users. Based on the responses of the survey, the author then conducted interviews with managers of two online advertising agencies: AdSomeNoise and C2 Advertising. Also, in-depth interviews with five adblock users were carried out, in order to confirm the result, as well as to discover other factors related to adblockers.

In conclusion, the thesis identified poor advertising practices as the main contributor to the popularity of adblockers. Nevertheless, people are still willing to view ads, as thanks to them, almost all content on the Internet is accessible free of charge. While whitelisting reminders can be a good tool to gain back consumers, the most effective method is to improve the quality of ads.

Keywords: Online advertising, Adblockers, Ad avoidance

CONTENTS

TIIVISTELMÄ

ABSTRACT

1	INTRODUCTION	5
2	LITERATURE REVIEW OF AD AVOIDANCE AND ADBLOCKERS	9
	2.1 Advertisements: a Synonym of Interruption Marketing	9
	2.1.2 Growing Consumer Resistance to Interrupting Advertisements. 10	
	2.1.3 Ad Avoidance: Consumers' Shield against Interrupting Advertisement	11
	2.1.4 The Characteristics of an Ad-Avoider	13
	2.2 Ad Avoidance on the Internet	14
	2.2.1 Factors Influencing Online Ad Avoidance	15
	2.2.1.2 The Impact of Over-Personalization in Online Ad Avoidance... 18	
	2.3 The Adblock Movement	20
	2.3.1 How Ad-blocking Tools Block Ads.....	21
	2.3.2 The Impact of Adblockers on the Online Publishing Industry ...	22
	2.4 Solutions to the adblocking movement.....	23
	2.4.1 Whitelisting	24
	2.4.2 Guideline for Better Ads	25
	2.4.3 Subscription Mode	26
	2.5 Summary of The Literature Review	27
3	RESEARCH METHODOLOGY	29
	3.1 Research Method	29
	3.2 Data Collection	30
	3.3 Reliability and Validity.....	31
4	EMPIRICAL FINDINGS	33
	4.1 Result and Analysis of the Questionnaire	33
	4.1.1 Demographics	33
	4.1.2 General Attitudes towards Online Advertisements.....	37
	4.1.3 Features of Adblock Users	39

4.1.4	The motivation to whitelist	41
4.1.5	The Willingness To Pay For Content.....	43
4.2	Result and analysis on the interviews	46
4.2.1	Interview Analysis: AdSomeNoise.....	46
4.2.2	Interview analysis: C2 Advertising.....	48
4.2.3	Interviews With Adblock Users	50
4.2.4	Discussion	54
REFERENCES	61
APPENDICES		

LIST OF FIGURES

Figure 1. Push-Pull Model of Marketing Communication (Adapted from Schultz 2008).	12
Figure 2. Predictors of Advertising Avoidance (Speck & Elliott 1997).	13
Figure 3. Factors influence online ad avoidance (Cho & Cheon 2004).	15
Figure 4. Antecedents and consequences of ad intrusiveness (Edwards, Li & Lee 2002).	17
Figure 5. Global Ad Blocking Growth (PageFair 2014).	21
Figure 6. How Adblock Plus blocks ads (Ricardo 2015).	22
Figure 7. Adblock usage among respondents.	34
Figure 8. Age among adblock users and non users.	34
Figure 9. Time spent online among adblock users and non users.	35
Figure 10. Income among adblock users and non users.	36
Figure 11. General attitude towards online ads.	38
Figure 12. Feeling towards the irritation of online ads.	38
Figure 13. Years of using adblockers.	39
Figure 14. Adblocker names.	39
Figure 15. Types of devices with adblockers installed.	40
Figure 16. The spread of adblocking.	40
Figure 17. Reasons for using adblockers.	41
Figure 18. Motivations for whitelisting.	42
Figure 19. Reasons for not whitelisting.	42
Figure 20. Ads as a commodity for free content	43
Figure 21. Using adblockers is similar to stealing.	45
Figure 23. The willingness of paying for content instead of viewing ads.	46

LIST OF APPENDICES

APPENDIX 1. Survey on ads and adblockers

1 INTRODUCTION

Before the advent of mass media, the only way to get information about products and services was through direct conversations. However, the inventions of the printing press, radio and television changed the way firms communicate with consumers. Advertisements are spread through these media to hundreds of customers at the same time. Advertising is a powerful method to raise brand and product awareness. It is a monologue in which companies actively talk about themselves, and consumers passively receive the information. (Godin 1999)

The advent of the Internet in the 1980s once again, changed the marketing and advertising landscape. Advertisements are spread on the Internet at a much faster and bigger scale than on any other types of media. Companies can reach out to millions, not just hundreds, of people at once. Nevertheless, many marketers have failed to notice that the Internet also gives more power to consumers. Internet users can agree to receive information from brands, but they can also stop the conversations whenever they want to. (Godin 1999)

1.1 Background Story

Commercial advertisements were first introduced on the Internet at HotWired.com in October 1994. Two of the very first clients were Volvo Group, the Swedish vehicle manufacturers and ATandT Inc., American Telecommunications Company. Ads at that time were relatively primitive. The ads of Volvo was a plain image of the company's logo and cars. ATandT was more advanced by placing a call-to-action statement on the ads: "Have you ever click you mouse right HERE? You will." (Glass 2014).

Since then, a great variety of advertisements have been introduced, ranging from pop-up ads to affiliate links to video ads to email ads. What makes online advertisements special is the Internet itself. The platform is believed to be a combination of all traditional media, namely TV, radio, newspaper and magazines, making it an

ideal place for consumers to get information, and for marketers to publish advertisements. (Miller 1996; Cho and Cheon 2004)

Nowadays, more and more companies are spending their marketing budget on online ads. WPP, the biggest advertising agency of the world, is reportedly spending billions of US dollars on behalf of its clients in 2015. Google, its major customer, invested \$4 billion on digital advertisements, an increase of 38% compared to the 2014 figure. Facebook, the second biggest client, had a total ad spending of \$1 billion. WPP estimated online advertisements would make up to about 50% of its total revenue by 2019. (O'Reilly 2016).

Nevertheless, a great variety of formats and an increasing budget do not guarantee the success of digital advertisements. Even though the plain banner ads of Volvo and ATandT twenty years ago reached a great 78% of click-through rate (CTR), this achievement did not last long (Glass 2014). Very quickly the CTR dropped dramatically to 3% in the mid-1990s. In 2003, it was merely 0.28%. And nowadays, CTR is on average at only about 0.1% (Li and Leckenby 2007; Glass 2014). Worse still, the increase in ad amounts has motivated people to develop ad-avoidance behaviours. Unlike in traditional media, users of the Internet have an almost full control over the flow of advertisement. And so with the advance of technology, people can choose whether or not they want to see ads when surfing.

In 2002, IT student Henrik Aasted Sørensen wrote a code that allow Firefox users to avoid banner advertisement by setting up certain filters. The code is freely distributed on the Internet, and has become the foundation of many adblock applications. One of the most popular one is called Adblock Plus. With slogan *Surf the web without annoying ads*, Adblock Plus has helped Internet users to enjoy a much less interrupted life for the past ten years. The plug-in browser is available on not just Firefox, but also Google Chrome, Internet Explorer, and Safari. Its function extends from deleting just static images to all kinds of online advertisements: ranging from blinking banners, pop-ups websites, to video ads. Adblock Plus can also disable tracking and malware domains, thus protecting its users against privacy

threats and cyber-attacks. These features have made AdBlock Plus the most popular free extension of the world. (Adblock Plus 2015)

AdBlock Plus is, of course, not alone in the fight against interrupting online advertisements. More than 10,500,000 results are generated by typing “ad blocking software” on Google (Google 2015). AdBlock, a spin-off product of the original extension, is also one of the most downloaded plug-ins among Google Chrome’s users. Michael Gundlach, the creator, said that his piece of software has blocked over 144 billion ads per day. (Flattr 2015) Evernote Clearly is also a web browser application that allow people to enjoy a no-distraction reading experience. It transfers blog posts and articles into a simple, clean and clear-to-read (in other words, no ads) Web page. (The Next Web 2011)

On mobile Internet, a relatively new wireless platform, the conflict with ads has also started. September 2015, Apple, Inc. released a new version of its mobile operating system: iOS 9. One of the most significant changes in iOS 9 is the ad-disabling feature on Safari, Apple’s default browser. The company also released tools that assist mobile app developers in creating better ad blockers. The result was a flux of ad-blocking applications right after iOS 9 was introduced. Within one week, 600 000 people has installed a blocker to their devices. In both the United Kingdom and the United States, these applications are at the top most popular at App stores. Dean Murphy, a programmer, said that he has earned \$75 000 after one week of releasing Crystal, an ad-blocker app. (Marshall 2016)

What is clear from the ad-block movement is consumer’s raising intolerance towards advertisements. Nevertheless, what many failed to notice is that advertisements are the back bone of the Internet. In order to provide free content and services, many websites, including social media, rely on ads as their main source of income. An ad-less life, which more and more people are opting for, also means a decrease in ad revenue. Content creator, thus, are encountering significant difficulties in getting revenues. (Piltch 2015)

1.2 Aim of the Study and Research Questions

The first purpose of this thesis is to examine why and how consumers use adblockers on the Internet. Only by understanding the motivations behind using adblock can marketers realize the drawbacks of their advertising tactics. The second aim is to analyse the impact of adblockers on the online publishing industry. If advertisements are continuously being hidden away from viewers, publishers will have to either find other sources of income, or Figure out solutions to make ads visible again.

In particular, the thesis will try to answer the following questions

- 1) What are the characteristics of adblock users?
- 2) What motivates adblock users to whitelist?
- 3) Given the choice between whitelisting to view free content and paid subscription to avoid ads, which one would people choose?

1.3 Structure of Thesis

There are five parts in this thesis. The first part is introduction, in which study background, research aim and problems are presented. Introduction is followed by the literature review. In this second part, a theoretical framework related to online ad avoidance will be introduced. Research methodology is described in details in part three. Data collection, validity and reliability will also be discussed in this part. The thesis continues to part four with the empirical findings of the research. Data collected from the questionnaire, as well as interviews will be presented and analysed. The thesis ends with recommendations for marketers and suggestions for further studies.

2 LITERATURE REVIEW OF AD AVOIDANCE AND ADBLOCKERS

The second part of the thesis aims at establishing a theoretical framework for the research by reviewing published studies on ads, ad avoidance behaviours and ad-blockers.

2.1 Advertisements: a Synonym of Interruption Marketing

Godin (1999) used the term Interruption Marketing to describe traditional, long-existed marketing techniques such as TV advertisement, telemarketing, or print advertisements. Nowadays, Interruption Marketing also includes spamming emails, banners and pop-ups from websites. The reasons for describing these techniques as interrupting is because they disrupt people's activities, and force them to read, listen to, or watch an unwanted information. Nevertheless, Interruption Marketing has been the most common and popular method of spreading marketing messages. Freedman (2005) pointed out that every day, American encounter 3000 marketing messages. If 8 hours of sleeps is excluded, this equals *three messages being shown every minute*.

There are many reasons for the popularity of Interruption Marketing. In the past, especially prior to the advent of the Internet, mass media was the only platform companies can communicate with potential customers. In fact, marketing solely and simply meant interruptive advertising in mass media. In order to get people's attention, companies could either buy advertising time on television, or get the message printed out in newspapers. Advertisement used to work well because competition was not as high as today. There were not as many advertisements, and commercial break was shorter. As the result, the level of interruption was more moderate, and it was easier to catch consumer's attention. As long as the product is decent, and the company can afford the marketing costs, people will buy. (Godin 1999)

Another explanation for the prevalence of Interruption Marketing is that marketing used to be a one-way communication: company-to-consumers. Companies could

use mass media to speak to thousands of people, but consumers could only communicate with a small group of people they know. As the result, advertisement was one the few ways, if not only, to know get the product information. Word of mouth may exist, but its influence was not as strong as today. (Godin 1999)

2.1.2 Growing Consumer Resistance to Interrupting Advertisements

Interruption Marketing is now not as effective as before, due to the saturation of advertisements (Thomas 2007). Already in 1964, consumers' biggest complaint on advertising was its overload and invasiveness. Ironically, after 50 years, the amount of ads is now ten times higher. As mentioned before, a typical American encounters approximately 3000 advertisements every day – an increase from 300 ads in the 1970s. Not surprisingly, this rampant has resulted in a strained relationship between advertisers and consumers. Sheth and Sisodia (2016, 16) found out that the percentage of a hostile attitude toward advertising rocketed from 14% to 36%.

This hostility can be explained by three communication problems consumers' encounter due to ads intrusiveness. First, it prevents people to get access to their desired content. Second, it distract people and interrupt their focus on the program. Third, it can even block consumers' interaction with the content totally. These problems have caused an adverse effect on advertisement, which no marketer desire to happen: Instead of creating a favourable image on the promoted products or services, ads hinder consumers from making a purchasing decision. (Li, Edwards and Lee 2002) In fact, a study by Yankelovich (2004) pointed out that 54% of respondents refused buying products whose ads have repeatedly and rudely disturbed their lives.

Not only do consumers hate ads, they also do not need ads anymore. Due to high technology development, advertisement is no longer the only source to retrieve product and services information. Thanks to the Internet, consumers can easily search for and compare similar products and services, based on claims from both producers and other users. Online retailers 'review systems, like Amazon or Ebay,

have given consumers a platform to raise their opinion. Social media has also helped to spread negative and positive word-of-mouth fast and easy. They simply do not need advertisement to assist in making purchasing decisions. (Sheth and Sisodia 2006)

If marketing productivity is measured as “the customer response generated per marketing dollar spent”, then surely, it is steeply declining as marketers are spending more money on creating ads, but consumers are becoming highly intolerant of it. (Sheth and Sisodia 2006)

2.1.3 Ad Avoidance: Consumers’ Shield against Interrupting Advertisement

The domination and saturation of advertising has resulted in “ad avoidance”, coined by Speck and Elliott (1997). It is defined as “all actions by media users that differentially reduce their exposure to ad content.” Cho and Cheon (2004) categorized ad avoidance into three types: Affect (A), Behavior (B) and Cognition (C).

The first type of ad avoidance is called affective avoidance, which is defined as negative feelings towards advertisement (“I hate any ads on the Web”, “It would be better if there were no ads on the Web”) (Cho and Cheon, 2004).

The second type is behavioural avoidance. People with behavioural avoidance carry out actions to prevent exposure to ads (“I scroll down Web pages to avoid banner ads”, “I close windows to avoid pop-up ads.”) (Cho and Cheon, 2004).

The final type of ad avoidance is cognitive avoidance: intended disregarding advertisements (“I intentionally do not put my eyes on any ads on the Web”, “I intentionally do not click on any ads on the Web, even if the ads draw my attention.”) (Cho and Cheon, 2004).

Research suggests that cognitive ad avoidance is more popular than behavioural ad avoidance, because it is subconscious and does not interrupt consumers from their

activities. Behavioural avoidance occurs only when cognitive avoidance is impossible or when consumers are actively engaged in escaping advertisements. As using ad-blockers required the physical act of installing the application, it belongs to behavioural ad avoidance. (Chatterjee 2008)

In the Push-Pull Model of Marketing Communication shown in Figure 1 below, Schultz (2008) considered all kind of promotional messages from marketers as a *push*. If one is interested, (s)he will *pull* the message and even interact with marketers. Nevertheless, in the era of ad saturation, consumers has built up ad avoidance as a shield to protect themselves from being disturbed. Marketers, as a result, can no longer push the messages towards the targeted groups.

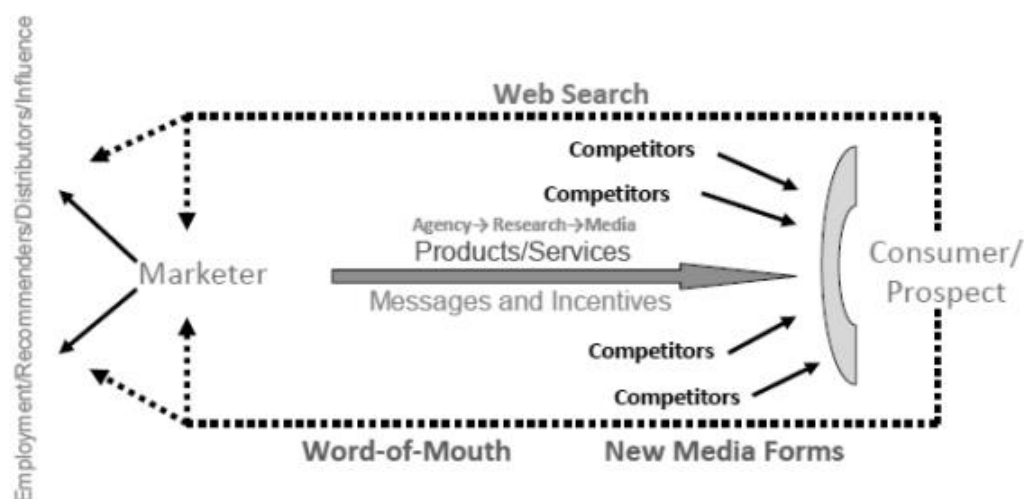


Figure 1. Push-Pull Model of Marketing Communication (Adapted from Schultz 2008).

Although this thesis focuses on online advertisement blocking, it is worth noting that ad avoidance is not a new topic. In any media platform, consumers have developed specific behaviours in order to ignore ads. (Vratonjic, Manshaei, Grossklags and Hubaux 2013) Radio commercial can be avoided by channel switching. Magazine ads are ignored by a simple act of turning pages. Personal video recorder (PVR) allows users to record, watch TV programs, and conveniently skip advertisement. TiVo, an American retailer of PVR, reported that 60% of advertisements

are skipped when people watch recorded shows (The Economist, 2004). In telemarketing, number identification such as CallerID helps consumers to avoid unwanted telephone marketing calls. And with print, junk mails can be easily thrown to garbage bins without even being opened.

2.1.4 The Characteristics of an Ad-Avoider

In 1997, Speck and Elliott explored predictors of ad avoidance behaviours among consumers of four different media: television, newspaper, magazine and radio. Their research results showed that there is no single profile of an avoider, due to people's great differences in purpose and expectation when using these media. . Nevertheless, they were able to categorize four variable groups of ad avoidance, namely demographic, media-related, advertising perceptions, and communication problems (see Figure 2).

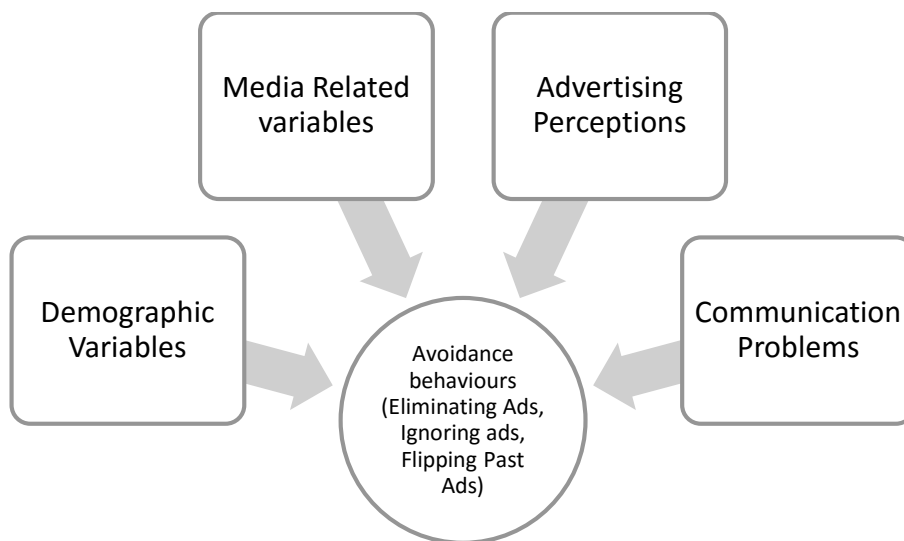


Figure 2. Predictors of Advertising Avoidance (Speck and Elliott 1997).

In terms of demographics, the majority of ad avoider are men at a young age group. They are also likely to have high income, even though the level of income can varies greatly. Other demographic elements such as level of education, marital status and race are not consistent among users of different media. (Speck and Elliott 1997)

Media-related variables include the level of exposure to a medium and its advertisement, as well as one's attitude towards that medium. Overall, people are most likely to avoid ads if they consider the number of ads are excessive and too distracting. Their view towards a medium might be positive, which in turn makes ad more negative, since it disrupt their activities. (Speck and Elliott 1997)

Advertising perception differ greatly among media. Commercials on television and radio are considered less informative and believable, compared with print advertisement. The more negative view one holds on advertisement, the more likely she/he will avoid it. (Speck and Elliott 1997)

Communication problems occurs when ads slow down the content searching process, distract or disrupt users from enjoying the desired content, prevent a person from reaching the content of a media. These problems lead negative feeling such as irritation, and help forming a habit of avoiding ads. (Speck and Elliott 1997)

2.2 Ad Avoidance on the Internet

The Internet is a combination of all types of content publishers, for that it shares the same functions with television, radio, newspaper, and so forth (Miller 1996). Nevertheless, it does not mean that the Internet is 100% similar to these traditional media platform.

In terms of ad avoidance, Cho and Cheon (2004) pointed out three main differences between the Internet and traditional media. First, the main purpose of using the Internet, for many people, is to perform tasks and search for information, rather than to relax. Therefore, these people might be highly active in blocking online ads, especially when time is limited. Second, connection speed, which is defined as the time data is transferred between computers and Web, tends to received much more concerns from users when they use the Internet than other media. Thus, if online ad clutter is believed to slow down the Internet speed, it can be a source of annoyance to users. Finally, online advertisement requires direct consumer response, such as

clicking hyperlinks or submitting certain personal information. As the result, online advertising productivity might be lower, as users can easily refuse to take action.

2.2.1 Factors Influencing Online Ad Avoidance

“Consumers aren't blocking ads to block ads. They are standing up to say the current model for online advertising is abusive, and it will not stand.”

(Carthy 2015)

Cho and Cheon (2004) explored three determining factors which influence online ad avoidance among consumers. They are Perceived Goal Impediment, Perceived Ad Clutter, and Prior Negative Experiences. (See Figure 3)

Perceived Ad Clutter is characterized as “a consumer's conviction that the amount of advertising in a medium is excessive” (Speck and Elliot, 1998). It occurs when consumers believe that online advertising is too much (in terms of placement, tim-

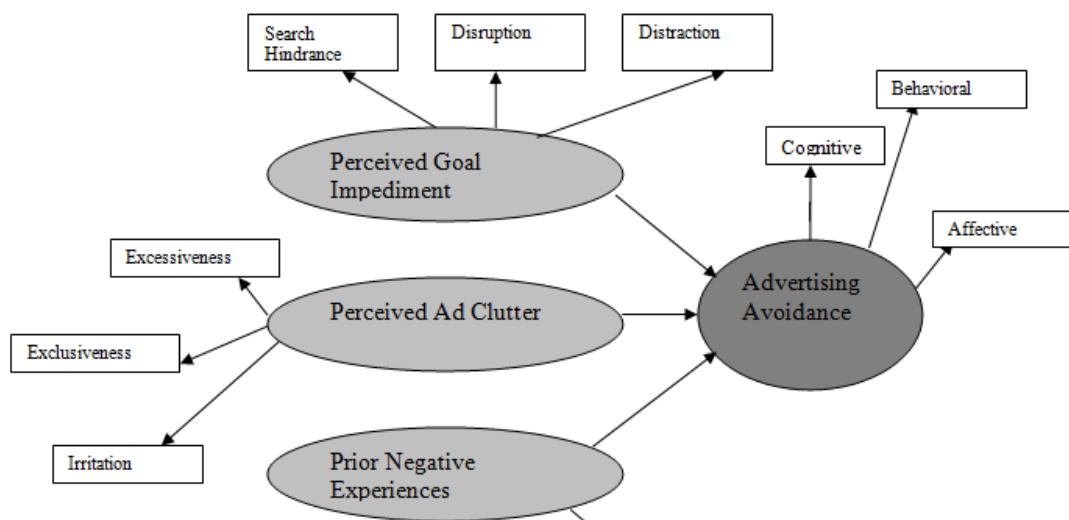
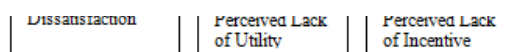


Figure 3. Factors influence online ad avoidance (Cho and Cheon 2004).



ing and size), too annoying, and thus, making them feel like the Internet is a medium solely for advertisement (Cho and Cheon 2004)

Perceived Ad Impediment happens when ads slows down the information searching process (search hindrance), interrupt readers from view desired content (disruption) and prevent them from editing information (distraction). As mentioned before, people tend to be more goal-oriented when using the Internet. Therefore, if an ad interferes with people from completing their tasks, the desire of ad avoidance can be fuelled easily.

Prior Negative Experience occurs when a promoted product/service does not live up to users' expectation. This disappointment leads to a conclusion that online ads aren't beneficial, which results in refusal to Internet advertising exposure.

In their research, Cho and Cheon (2004) concluded that the greater these determinants, the higher level of online ad avoidance.

2.2.2 Understanding Irritation - a Major Contributor to Online Ad Avoidance

As mentioned in the Cho and Cheon's model (2004) annoyance or irritation is considered as one reason for ad avoidance. Therefore, it is important to identify factors that trigger these negative feelings. Nevertheless, it is worth noticing that consumer's attitude towards ads can vary greatly from one to another. In other words, while an advertisement may be considered as annoying to some people, others might have a neutral, or even positive views of the same ads.

According to Edwards et al. (2002), irritation occurs when ads are considered as intrusive. In their research, intrusiveness is defined as "the degree to which a person deems the presentation of information as contrary to his or her goals". More specifically, people's attitudes towards ads are closely related to two factors: (1) The value of ads, and (2) The cognitive intensity, or how focused the viewers are when ads interrupt their activities. (See Figure 4)

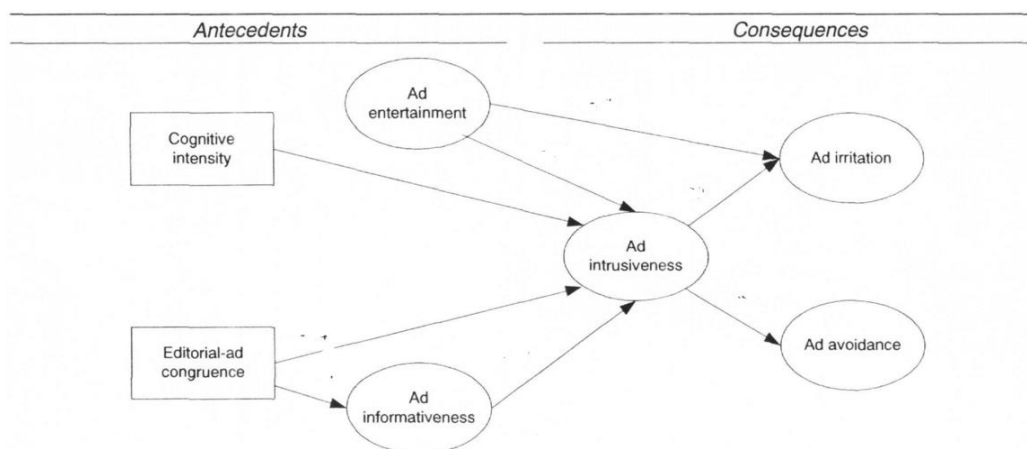


Figure 4. Antecedents and consequences of ad intrusiveness (Edwards et al. 2002).

The perceived value of an advertisement can determine how intrusive it is. In other words, the higher the value of the ad, the lower the level of intrusiveness. There are two types of value that ads can bring to viewers: information and entertainment. Information includes facts related to products, prices, promotion, and so forth. Entertaining content is lively, dynamic, humorous, creative, or crafty, and so on. (Teixeira 2014)

If people find the promoted message in advertisement informative and/or entertaining, they are more likely to enjoy being exposed to it. For example, if a person is searching for information to buy a new car, he probably does not mind being exposed to an advertisement of a Chevrolet car. In the same situation, a Microsoft ad can be deemed of low value, as it is not relevant to the information that person is looking for. (Edwards, et al. 2002)

This is why content relevancy plays an important role in the success of digital advertising. An advertisement that is irrelevant to consumers' life is a meaningless ads. Not only do unrelated ads have low click-through rates, they are also more likely to trigger feelings of annoyance and irritation. (Edwards, et al. 2002, Baek and Morimoto 2012)

The second factor that affects ad intrusiveness is the intensity of the mind when a person is exposed to ads. To explain it in another way, it is the level of mental concentration on an activity. The more engaged viewers are in their current activities, the more likely they are to feel annoyed when being interrupted by advertisements. For example, a commercial is considered as intrusive when shown in the middle of the show climax, which often capture a great amount of attention from viewers. However, if the same ads are displayed at the end of the show, there shall be less resistance from the viewers. (Edwards, et al. 2002)

Kim and Sundar (2010) argued that the formats and frequency of ads can also affect consumers' perceived intrusiveness. Ads that are too big, too loud, or too long tend to make viewers uncomfortable. And if the same ads are shown too frequently, together with a lot of information, people might find them overwhelming.

In short, irritation is closely related to the value of ads and the intensity of the mind. Ads that offer little value and interrupt when the level of focus is high will be perceived as more annoying. Perceived intrusiveness is believed to have a negative impact on people' feelings towards ads. When feeling irritated, viewers tend to skip, ignore ads, and even stop working on the medium. Worse still, this negative feelings will motive people to find ways to block ads. (Edwards, et al. 2002; Kim and Sundar 2010)

2.2.1.2 The Impact of Over-Personalization in Online Ad Avoidance

Palant (2015) cited privacy concerns as one major contributor to the willingness to block ads. Privacy concerns arise with the increase of tailored advertising, which is defined as "marketers offering customers specific products for their consideration based on the consumer information" (Gillenson 2000). More specifically, personalized marketing relies heavily on the analysis of people's personal information, including demographics, geographic, habits, buying behaviours and various activi-

ties on the Internet. These information is the foundation to tailor marketing messages differently for each individual, making a product that is mass produced become more personal (Baek and Morimoto 2012)

As discussed in sub chapter 2.2.2.1, in order for an ads to be valuable, it needs to be relevant (Edwards, et al. 2002). This explain why personalized advertising is on the rise, as it is less intrusive due to its relevance to consumers' interests. It is also less time-consuming for people, as the products offered are often what they want and are looking for. From the marketers' point of view, tailored marketing is more cost-efficient than mass advertising, as the promoted message is produced and distributed to certain target group, not everyone. It also develops and strengthens the relationships between customers and companies. (Baek & Morimoto 2012)

On the other hand, when advertising becomes too personal, consumers are more likely to feel threatened, rather than enjoy it. Highly personalized ads have raised concerns over the security of private information. (Baek & Morimoto 2012) Receiving tailored ads from unknown advertisers can be seen as abusing personal data (Okazaki, Li, & Hirose 2009). When perceiving that their privacy is being tracked down and threatened, consumers tend to be irritated and doubtful over marketing tactics. Therefore, they may find ways to avoid being in contact with ads. (Baek & Morimoto 2012) In fact, PageFair (2015) has pointed out that about 50% of participants said that concerns over the misuse of personal information is the main reasons why they install AdBlock Plus.

Nevertheless, Baek & Morimoto (2012) stated that the privacy concerns over online information is lower among younger generations, compared to previous generation. Younger people are more accustomed to the online word, and more used to personalized ads.

Therefore, when using personalization, it is important to make sure viewers do not feel threatened by the application of their private information. Otherwise, the fear of abusing data might lead to an increase in ad-avoidance and adblockers.

Besides privacy, Internet users also find their security threatened by online advertisement. Malvertising, or malicious advertising, referred to the injection of malware into ad viewers' digital devices. Malware can be triggered even without being activated by consumers. It can also lead users to various online frauds & scams. (Vratonjic et al. 2013) Recently, advertisements has been used widely by hackers as a platform to spread malware, posing a serious threat to users' privacy and safety. Every year, the number of malvertisement increases by 60%. Yahoo, AOL, and Google ads are among victims that have been attacked by malvertising. As the result, ad-removal tools have been recommended by security intelligence experts as a way to prevent malvertising. (SC Magazine 2015)

2.3 The Adblock Movement

As discussed before, consumers are becoming more and more intolerant towards advertisements. In a survey carried out by Yankelovich Partners, 69% of participants said that they are "interested in products and services that would help them skip or block marketing messages." (Smith 2004). On the Internet, the situation is even worse. While 81% acknowledge advertisement as a mean of getting free content, 77% admitted they rarely click on ad hyperlinks.

This is why it's easy to understand why the number of people using Adblocking tools are increasing rapidly, and much faster than many marketers would imagine. In 2014, about 144 million people are actively using adblock every month, which accounted for 4.9% of Internet user. This is an increase of 69% compared to 2013. Users of these tools are from all part of the world. In countries such as Sweden, Poland, Demand, and Greece, one fourth of the online population were using ad-blocking plugin. Other countries, such as Japan, Spain, China, and Italy are catching up, with an increase of 134% ad blockers compared to the previous years. (PageFair 2014) (see Figure 5)

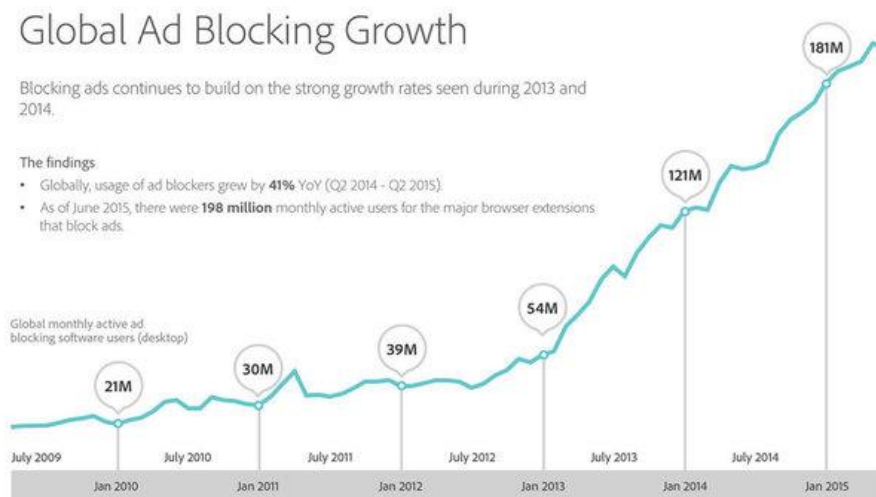


Figure 5. Global Ad Blocking Growth (PageFair 2014).

PageFair study (2014) found that the majority of adblocking users knew about the tools through word of mouth. Half of the participants said that it was someone they knew (friend, colleague, or family member) who introduced adblockers to them. 28% found out by searching on the Internet. Social media, surprisingly, is not the main source of the adblocking recommendation. Another interesting point of the study was that men are two times more likely to *actively* discover adblocking themselves than women.

2.3.1 How Ad-blocking Tools Block Ads

AdBlock Plus and other similar plugin work based on two methods: (see Figure 6)

Using filters to identify elements that are ads, and preventing them from loading. For example, elements that has "google.adsense" in their URL will be automatically deleted from websites by AdBlock Plus.

Hiding elements of which Cascading Style Sheets-CSS contains the word "ad" and other similar terms.

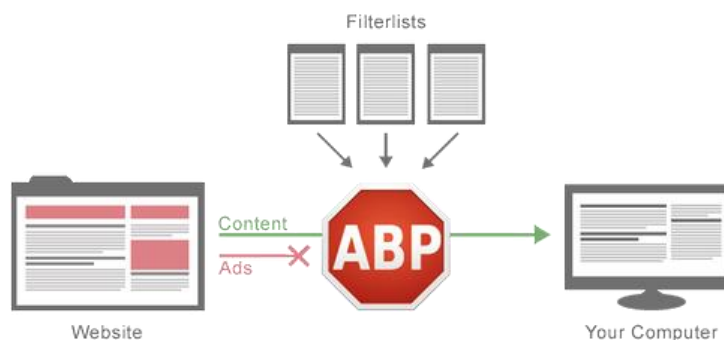


Figure 6. How AdBlock Plus blocks ads (Ricardo 2015).

Either with CSS or URL, ad-blocking tools use a filter list to recognize advertisements. This list can be created by ad blocking creator, or by users themselves. In most cases, users can turn-off adblock, also called whitelisting, on certain websites. Nevertheless, this function is not quite popular among ad blocking users. (Vratonjic et al. 2013)

2.3.2 The Impact of Adblockers on the Online Publishing Industry

“Ads do not exist just to track and annoy consumers. For publishers and entertainment sites, ads pay the bills.”

(Greenberg 2015)

“Every time you block an ad, what you're really blocking is food from entering a child's mouth”

(Piltch 2015)

While a growing number of Internet users have been enjoying an ad-free life, numerous publishers have openly and heavily criticized the use of adblocking. Harry Kargman, the founder and CEO of mobile ad company Kargo, described adblocking as stealing, and considered it similar to ripping music and pirating movies (Ha 2015). The Web, according to many online publishers, is functioned under an unwritten contract, using advertisements as a commodity. In other words, people have

free access to almost all content on the Internet, & pay indirectly for those information by viewing advertising. From online newspaper to search engines to social media, advertising have been the main source of income (Manjoo 2015). As Nobel Laureate economists Kenneth Arrow and George Stigler once said, “Advertising helps the economy function smoothly. It keeps prices low and facilitates the entry of new products and new firms into the market.” (Solomon, Duke, Cornell & Nizan 2009). Installing an ad removal is, therefore, a major violation to this contract.

Fisher (2010) made an analogy between adblocking users and diners who do not pay for their food. An obvious consequence is a decrease in total revenue of various online publishers. Despite accounting for only 6% of Internet population, ad blockers has caused a loss of more than 21 billion USD in 2015, which made up 14% of the total global ad revenue (PageFair 2015). Some websites have been losing up to 40% of their total revenue due to the popularity of adblocking (Rothenberg 2015). Adblocking, therefore, could potentially lead to job loss and the disappearance of independent online journalism. When realizing the impact that his adblocker, Peace, may have on the publishing industry, Marco Arment voluntarily withdrew it from App store after 36 hours of release. On his blog post, Arment explained that even though Peace was the number one paid app in the market, he does not think that his product is ethically appropriate: “Ad blockers come with an important asterisk: while they do benefit a ton of people in major ways, they also hurt some, including many who do not deserve the hit.” (Ingram 2015).

2.4 Solutions to the adblocking movement

Given the destructive influence adblockers have on the online advertising and publishing industry, several solutions have been proposed and implemented. While some websites have decided to stop providing their content to adblock users for free, others are working hard in persuading people to give up blocking, with the promise of better ads.

2.4.1 Whitelisting

Witnessing the power of adblockers, advertisers & publishers has started taking action in order to prevent further losses. Companies, such as Hulu – the American streaming video website, has sent out message reminding users of the detrimental loss caused by ad block. They then ask viewers to turn it off in order to view the webs' content. (eBay Enterprise 2015)

Others have been stricter to stop the spread of adblocking among its users. Since October 2015, the readers and adblockers of Bild, Germany's biggest tabloid, are no longer have the access to the disired content. Whenever they log into Bild, an a new landing page appears, with a saying (in German), "You cannot visit Bild.de with an activated Adblocker". (Paul 2015) Viewers are then asked to choose between closing their adblocker, or signing up for a paid subcribtion. The result was a decrease in adblocking usage "from around a quarter to less than one in ten". (The Economist 2015)

The Washington Post, one of the major online newspaper in the USA, has also carried out the same method. However, besides turning off ad removal plugins, another way for adblocking readers to view The Washington Post's content is to provide their email addresses and subrcibe to the paper's newsletter (Zeitlin 2015)

Ironically, ad-removal tools have created a new service, allowing online publishers to fight back. By inserting a small code from websites such as Block AdBlock, content can be hiden from adblocking users. And there is no other ways to view these information but to disable adblockers. (Block AdBlock 2015) Software such as Sourcepoint is even more flexible, with several options such as: (1) bypassing adblockers and showing the ads, (2) displaying a reminder on the financial loss caused by adblockers, (3) offering subscription plans, and (4) asking customers to choose ads matching their interests. (Kulp 2015)

2.4.2 Guideline for Better Ads

There has been criticism over the pointlessness of the fight between Internet users and online publishers. Instead of developing technology to force consumers to view ads when they clearly do not want to, it's time to renovate and create better ads. (Manjoo 2015)

September 2015, Eyeo GmbH, the company behind Adblock Plus informs users and online publishers on the decision of displaying nonintrusive ads, which they referred to as "Acceptable Ads". According to the company, by doing so, online publishers can still get funded from advertisers, and users will only view non-annoying ads. Eyeo GmbH defines "Acceptable ads" as:

1. "Acceptable Ads are not annoying
2. Acceptable Ads do not disrupt or distort the page content we're trying to read
3. Acceptable Ads are transparent with us about being an ad
4. Acceptable Ads are effective without shouting at us
5. Acceptable Ads are appropriate to the site that we are on "

(Acceptable Ads Manifesto 2015)

O'Brien (2011) believed that Acceptable Ads create a win-win-win situation for all parties involved: readers get free access to content without being disturbed by intrusive ads, publishers receive income from high-quality ads, and advertisers get their messages spread without offending consumers.

Even though the concept of Acceptable Ads sounds promising, it has been receiving various criticisms. One is that by meeting the Acceptable Ads' standards, an ad will lose its visual attractiveness and simply be a small text on a website, which can easily be ignored. (Block Adblock 2015) People also raise concern over an un-leveled playing field, since Eyeo has been receiving payment from 700 companies, including Google and Microsoft, in exchange for showing ads to its users. In response to these criticisms, the company has recently announced the establishment

of an independent board to review and select ads that are acceptable. In order to guarantee fairness, this board will include representatives from all parties involved, namely advertisers, publishers and consumers. (Mohan 2015)

2.4.3 **Subscription Mode**

Realizing that advertisements might not be a sustain source of income, online publishers have been tested out several alternatives, one of which is the subscription model.

March 2011, The New York Times, one of the world's most visited online newspapers, introduced its digital subscriptions, also known as "the paywall". Previously providing content without charging, the American newspaper now asks its readers to choose between reading maximum 10 articles per month, and paying for unlimited access. (Cook & Attari 2012) At the moment, it has about 1 million paying subscribers, generating about \$185 million of income. (Ingram 2015) Meanwhile, revenue the newspaper gained from ads is \$52.8 million less (Bloomberg 2015). Following the New York Times, other online publishers, such as the Financial Times (Andrews 2012), Canada's The Globe & Mail (The Globe & Mail 2012), The UK's The Independent (Sweney 2011) and The Irish Times (RTE 2015) have also introduced their own digital subscriptions.

Social media and online services have also started to adopt the subscription method in replacement for the ad-based model. Spotify, the Swedish streaming music service, has clearly divided its memberships into two: free ad-supported accounts, and paid ad-free premium accounts (Spotify 2015). It now have acquired 10 million premium subscribers, generating \$1.2 billion in revenue (Forbes 2015). Last year, Internet giant Google introduced Google Contributor, which promise not to show ads on sites using its advertising service, in exchange for a \$1-\$3 monthly payment (Gibbs 2014). October 2015, the company launched YouTube Red, a \$9.99 subscription that allows viewers to watch YouTube videos without any advertisements, plus other exclusive functions (Constine 2015).

It is, however, important to point out that subscription is not a one-size-fit-all model for online publishers. Two years after launching its paywall, the Dallas Morning News admitted that the model didn't work out, as it "didn't create a massive groundswell of [digital] subscribers." For San Francisco Chronicle, its paywall lasted for four months. (Chittum, 2015) Ingram (2015) argued that digital subscription only works for (1) powerful and international publishing brands, like The New York Times and The Guardian, or (2) small publishers with a focused market. Kammer, Boeck, Hansen & Hauschildt (2015) claimed that readers' willingness to pay is closely related to the worthiness of the news, which depends on one's personal preference.

Changing from the ad-based to the subscription-based model also poses a threat to the access to information on the Internet. Dan Jaffe, from the Association of National Advertisers, stated that online information and entertainment has been free thanks to advertising. Paywall could, therefore, divide the world into two: those who are willing and able to pay for information, and those who are not. (Radelat 2015). One month after YouTube Red was released, nearly 20000 people have signed on a petition, asking Google to take down the new service, due to the fear of discriminating people who cannot afford to pay (Change 2015).

2.5 Summary of The Literature Review

In this chapter several studies of ad avoidance and adblockers have been analysed.

Based on these studies, it is rather evident that consumers nowadays show little tolerance toward advertisements on the Internet. This is the result of unethical and abusive tactics of advertising, which only focuses on quantity rather than quality. (Thomas 2007) Previous studies have divided ad avoidance into three categories: Affective (I dislike ads), cognitive (I ignore ads) and behavioural (I delete ads). (Cho & Cheon 2004)

Studies presented in section 2 presented a more detailed understanding on ad avoidance on the Internet. First, we discussed factors that lead to ad avoidance behaviours, based on Cho & Cheon's model (2004). They are Perceived Goal Impediment, Perceived Ad Clutter, and Prior Negative Experiences (see Figure 3, page 20). Second, it turns out that irritation, which is often cited as a major contributor to avoidance behaviours, is closely related to people's perception of ad value and their cognitive intensity. This finding presented two important criteria of good ads: relevancy and appropriate timing (Edwards et al. 2002). Third, studies have found that while relevancy is crucial in ads, marketers need to be careful in making use of personal information, so that consumers are not afraid of concerned over the security of their privacy. (Baek & Morimoto 2012)

At the third and also the last section of this chapter, we discussed the increasing popularity of adblockers, as well as its impact on the publishing industry. As ads are the main source of income for many online publishers, some websites have been losing up to 40% of their revenue because of adblockers. (Rothenberg 2015). Whitelisting, acceptable ads guideline, and subscription mode have been introduced as a solution to minimize online ad avoidance behaviours.

While all of these theoretical framework will be used as a foundation for the empirical research, the focus will be on Cho & Choen's study on online ad avoidance (2004). This model will be used to identify people's opinions on online ads, as well as their reasons to use adblockers. People's willingness to whitelist and pay for content on the Internet will also be examined, in order to find out ads can still remain as a commodity for content in the virtual world.

3 RESEARCH METHODOLOGY

The research method, data collection, reliability and validity and the limitation of this research will be discussed in this section.

3.1 Research Method

Qualitative and quantitative are the two major method of research. In order to meet the expected results, it is important for researchers to have a deep understanding of both research type, and thus choose the most suitable one for their studies. (Glenn 2010)

Quantitative research aims at discovering various aspects of human behaviours. In other words, the result of quantitative research helps to understand *what, when and where* people display certain behaviours. The research does not aim at constructing hypotheses. Instead, the goal is to test the accuracy of assumptions. Quantitative research requires a great sample size, and research respondents shall be selected randomly. After data is collected, it is then analysed and visualized with various types of bars, charts and mathematical methods. (Glenn 2010, 95-97)

On the other hands, the goal of qualitative research is to gain a deep understanding of reasons behind human behaviours. It tries to answer *why and how* certain people act in certain ways. In comparison with quantitative research, qualitative research does not require a great sample size. Nevertheless, the sample needs selecting carefully, not randomly, so that human behaviours can be analysed accurately. Researchers choose respondents based on certain characteristics that people have, or do not have in common. With qualitative research, scholars want to discover and build hypothesis. Data is collected by, for example, making observations or conducting interviews. The interview can be either structured or unstructured. (Glenn 2010, 95-97)

In this thesis, both quantitative and qualitative research methods were used. In terms of quantitative research, an electronic questionnaire was created and distributed

among students of two international universities in Europe. The purpose of the survey was to understand the reasons behind using adblockers as a way to avoid advertisement on the Internet. It also aimed at analysing consumers' willingness to pay for content, as replacements for viewing ads. After conducting the quantitative research, the author continued by carrying out qualitative research. In-depth interviews with professionals of advertising and marketing fields, as well as with adblock users were held. The goal is to understand the impact adblockers have on the industry, as well as to figure out the solutions towards this phenomenon.

3.2 Data Collection

Data collection plays an important role in research, and can have a great impact on the results. Therefore, it is important to select the appropriate method to collect data. The two types of data are primary data and secondary data. (O'Gorman and MacIntosh 2014, 79)

Primary data is collected by the researcher him/herself. It is specifically created to discover answers and solutions to research problems. Primary data can be collected through by making observation, conducting interviews, carrying out experiments or making surveys. The data collection methods depends on the research method the researchers have chosen. . (Ghauri & Grønhaug 2005, 102-104; Creswell 2003, 185)

Secondary data is information used in the research, but is not created by the researcher himself. It can be collected from books, articles, and other research. As secondary data comes from various sources, its purpose might differ from the research's purpose. Thus it is important to check the reliability of information before using it. Secondary data helps to understand the research problem, and thus contribute to solving it. In some cases, if the usage of secondary data is enough to solve the problem, no primary data is required. (Ghauri & Grønhaug 2005, 91-102)

In this thesis, both primary and secondary data was used. First, data from various academic sources were collected. By collecting secondary data, a deeper understanding of adblockers was gained, and different points of views about the usage of the software was recognized. The collecting of primary data continued with creating an electronic questionnaire and conducting interviews with two professional advertisers and marketers from AdSomeNoise and C2 Advertising.

The link to the questionnaire was sent to 250 students of VAMK, University of Applied Sciences, and about 100 marketing students of VIVES University College. 130 people clicked on the links, 89 finished the whole questionnaire.

An interview invitation was sent to email to Steven Verbruggen, Managing Director at AdSomeNoise in Leuven, Belgium and Tuukka Turunen, Community Manager and Junior Copywriter at C2 Advertising in Vaasa, Finland. Interview with Verbruggen was conducted through Google Hangout. A face-to-face interview was carried out with Turunen at C2 Advertising office in Vaasa.

Based on the results of the interviews with the two marketers, several interviews with adblock users were conducted, with the purpose of gaining a better understanding of ad avoidance behaviours.

3.3 Reliability and Validity

Validity refers to the level of accuracy of the research. In other words, it evaluates whether or not the research findings matches the research goals. High validity occurs when the empirical results is fully in line with the theoretical studies. (Mäntyneva, Heinonen & Wrange 2008, 34; Kumar, Aaker, & Day 2002, 265)

In order to maintain a high level of validity of this research, before conducting the empirical study, literature review was done in order to gain a better understanding of adblockers, as well as its impacts on the advertising world. Based on the theoretical framework found in the literature review, survey questions were created. This is to ensure that the research findings are consistent with and support the theory.

Before distributing the questionnaire to the targeted respondents, it was tested with a small sample size of 5 people, including the research supervisor. The feedback gained from the test helped to improve the quality of the questionnaire.

Reliability is another important aspect of research. It refers to the accuracy level of research findings. The fewer errors a study has, a more reliable it is. Reliability is greatly important when conducting quantitative research. Research results are more reliable if the sample size is large. Reliability can also be higher by making a parallel research. If the research is reliable, the author should be able to yield the same result for the second research. Factors such as research problem, target group, survey questions, and data analysis determine the reliability level. If any of these steps are done poorly, the research finding cannot be reliable. . (Mäntyneva et al. 2008, 34; Kumar et al. 2002, 265)

The questionnaire was conducted with business students from two universities in Belgium and Finland. The reason for this was that, according to the theoretical framework, young people at the age of 20-30 are the main users of ad blockers. That 70% of participants are using adblocker confirmed this theory. All responses were collected anonymously and independently, thus minimize the influence of the researcher, and create a high level of objectivity. With a high number of respondents, (89 responses) the data collected can be considered as reliable.

4 EMPIRICAL FINDINGS

This chapter of the thesis will discuss the results of the empirical research. The research is divided into two parts: questionnaire and interviews. First, the questionnaire was sent to students from universities in Finland and Belgium. After that, interviews were made with managers of two advertising companies and several ad-block users, with the focus on ads, ad-blockers and the questionnaire result.

4.1 Result and Analysis of the Questionnaire

The survey on ads and adblockers is divided into two parts. The first part asked for general information, and respondents were requested to provide their demographic information. Questions on people's general attitudes towards online advertising were also included in this part. Next, participants were asked whether or not they are using any ad-blockers. The answer for this question is crucial, since there are two different sets of questions for the second part: one for ad-blocker users, and one for non-users.

In this section, the result of the survey will be presented and analysed.

4.1.1 Demographics

At the first part of the survey, all participants were asked to provide their age, income, and gender and time spent online. The objective was to find out whether or not there are great differences between adblock users and non users in terms of demographics.

Figure 7 gives information about adblock usage among respondents, and also compares Figures between the two genders.

It is apparent from the chart that adblock users outnumber considerably non-users. At the time when the survey was taken, 61 out of 89 people were using adblock, accounting for almost 70% of the total respondents.

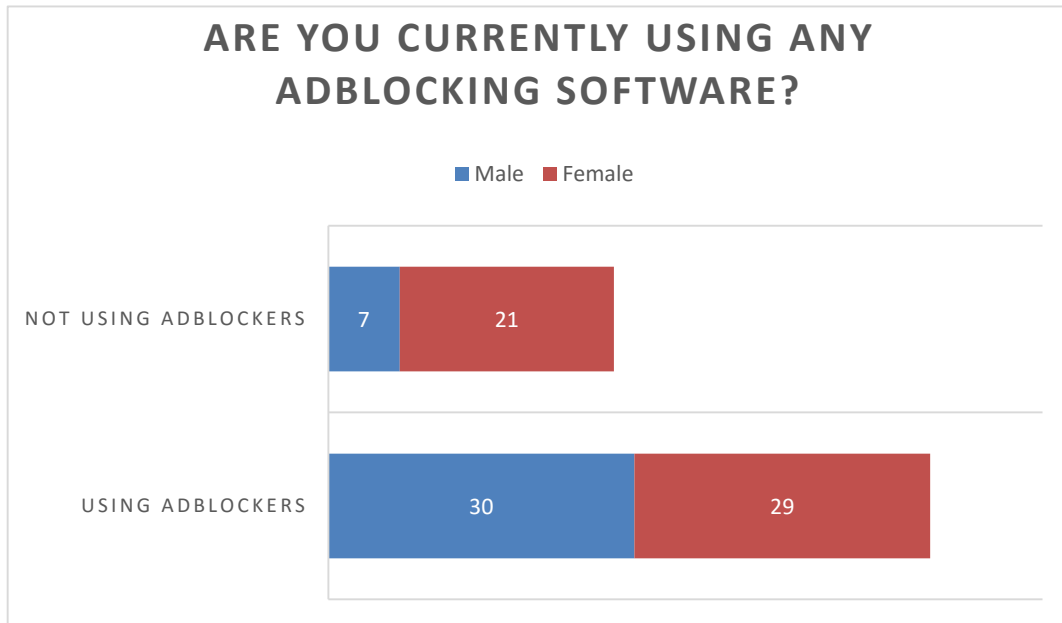
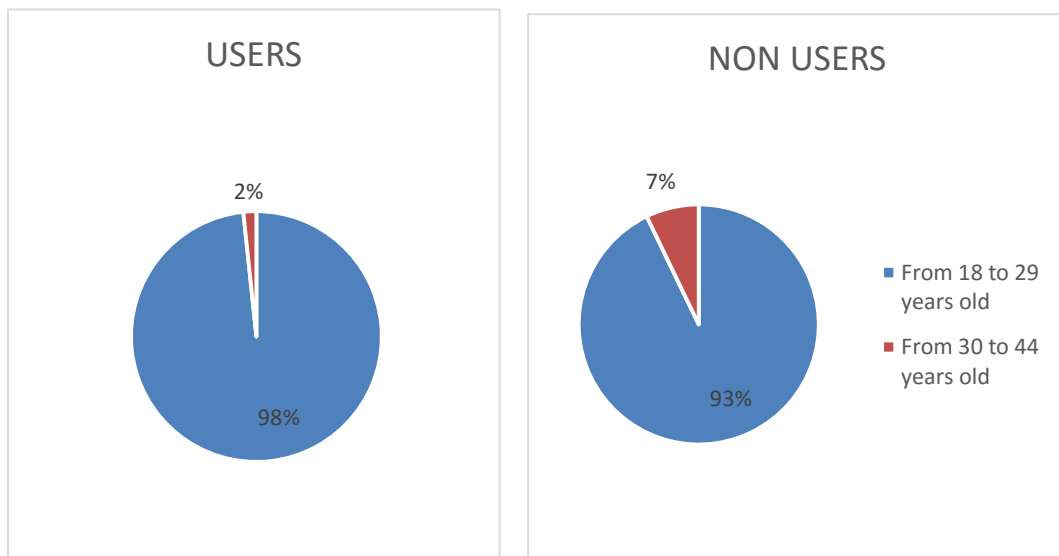


Figure 7. Adblock usage among respondents.

50 females took part in the survey, while the number of male participants was 37. Nevertheless, it can be seen from that chart that adblocks are more popular among men than women. While the ratio of female users and non-users is 50:50, 80% of male respondents stated that they were using adblocking software in their browser.

Figure 8 gives information about the age of respondents.

Figure 8. Age among adblock users and non users.



People from 18-29 years old made up the largest proportion of participants in both adblock users and non users, 98% and 93% respectively. The rest belonged to the 30-44 age group, which means there were no one under 18 or above 44 years old. Given that all respondents are students at the Bachelor level, this young age group of participants is easy to understand.

Figure 9 shows the proportions of time spent online of adblock users and non-users on a daily basis.

It is noticeable that the majority of people from both groups devoting 3 to 4 hours browsing the Internet. 25% of adblock users spending over 5 hours online, while the Figure for non-user is slightly lower, at 17%. At the same time, the percentage of non-users using 1 to 2 hours on the Internet is almost two times higher than that of adblock supporters. Overall, people who block online ads are more likely to spend more time online that those who do not.

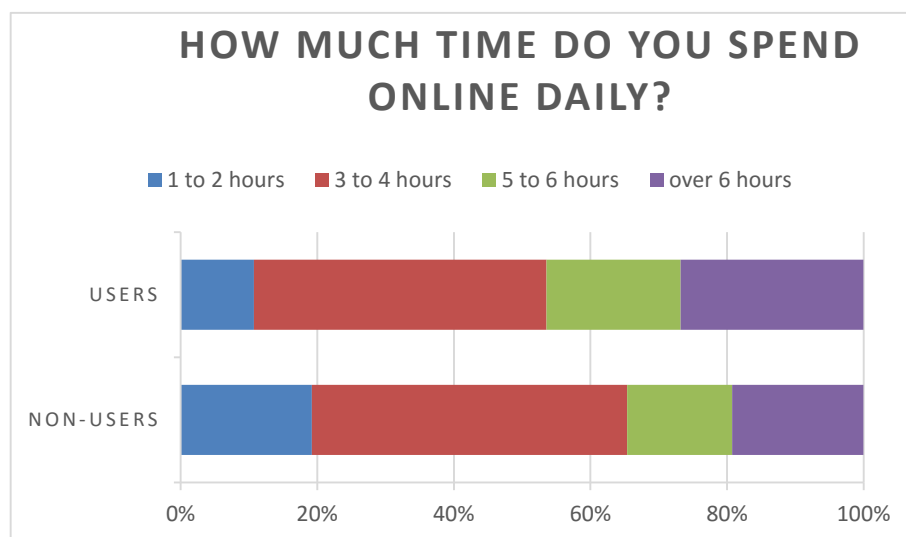


Figure 9. Time spent online among adblock users and non users.

Figure 10 illustrates the monthly salary of the participants. In both groups, the majority gain below €1500 per month. However, 13% of adblock user earn between

€1500 and €3000 montly, compared to only 7% of non-users. Generally, people who avoid online ads seems to enjoy a higher salary than those who do not.

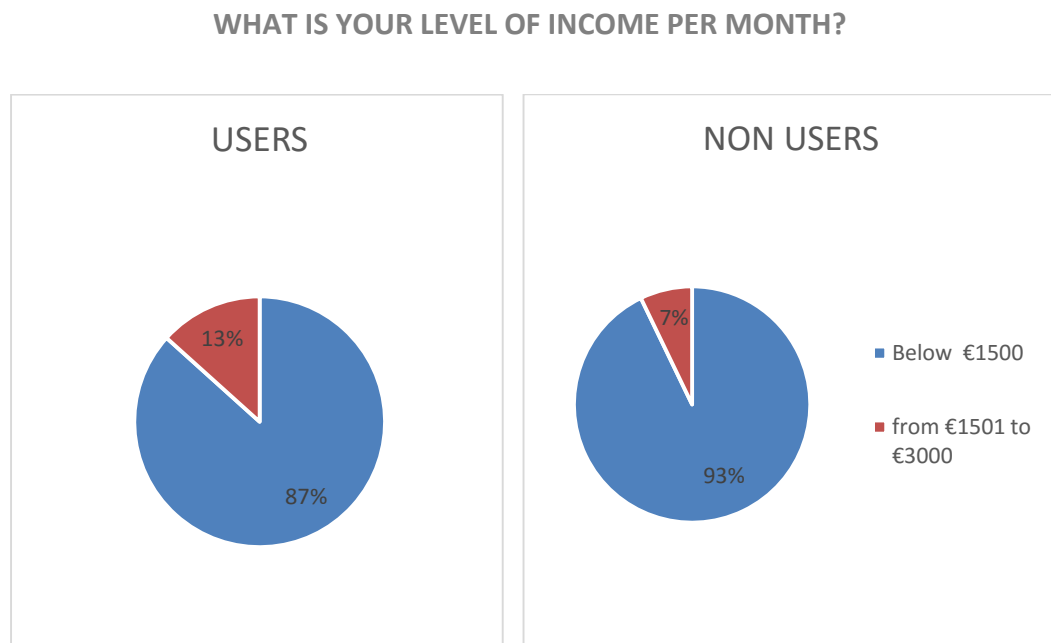


Figure 10. Income among adblock users and non users.

Figures 11 shows data about Internet browsers among adblock users. It is clear the majority are using Google Chrome (71%) and Mozilla Firefox (25%) as their default browser. Interestingly, both of them are end-user installation software. In other words, people need to download and install these browsers themselves. On the contrary, Internet Explorer and Microsoft Edge, which are already pre-installed in the operating system, are selected by none.

This result is similar to PageFair (2014) report, which found out that end-user-installed browsers are remarkably higher among adblock customers compared to the pre-installed ones.

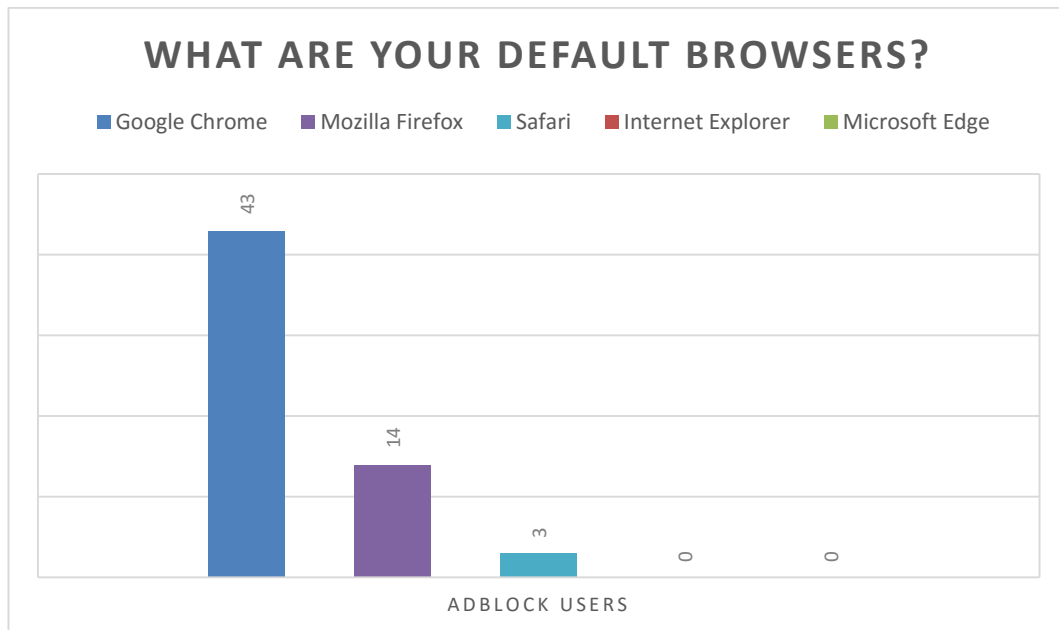


Figure 11. Website browsers among adblocker users

4.1.2 General Attitudes towards Online Advertisements

The second part of the survey aims at finding out people’s general attitudes towards online advertisements, and whether there is a relationship between them and ads avoidance behaviors on the Internet.

The bar chart in Figure 11 illustrates the level of credibility, relevance, informativeness, entertainment and irritation on advertisements on the Internet. That the majority of respondents are using adblockers would suggest a negative view of ads, yet the results only partially support this.

As shown in the chart, “moderately”, which indicate neutrality, makes up the majority of the first four factors (credibility, relevance, entertainment, and informativeness). This shows that the general attitudes towards advertisement on the Internet are more favorable than expected. While this may not be enough to signal a positive view of advertising, neither can it be read as a proof of strong disfavour among respondents.

The irritation level, however, does not share the same pattern. Here respondents clearly show a dissatisfied view on online ads: Over 39% of respondents report feeling very irritating about online ads. Most noticeably, no one out of 89 respondents think that online ads are “not at all irritating”.

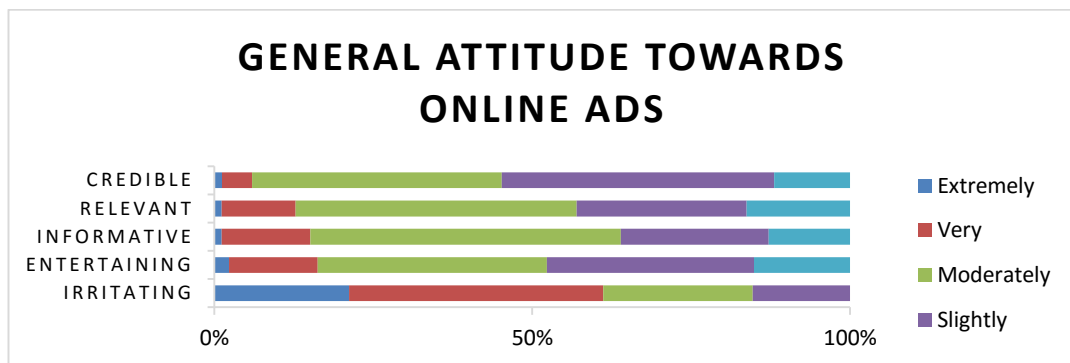


Figure 11. General attitude towards online ads.

As shown in Figure 12, there is a great differences of view on online ads' irritation between adblock users and non users.

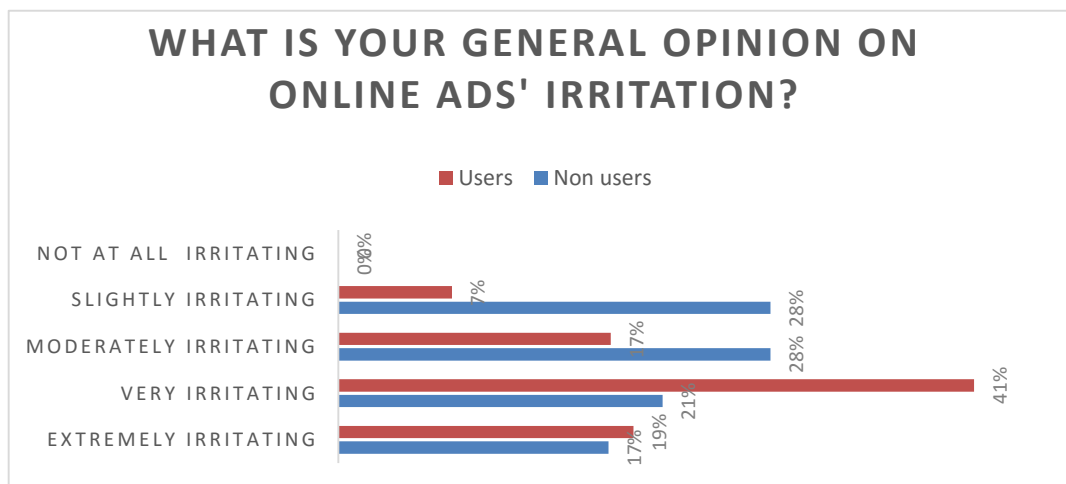


Figure 12. Feeling towards the irritation of online ads.

While the majority of non-users find online ads either moderately or slightly irritating, 41% of adblock users think of ads as very irritating. This support the theory by Speck & Elliott (2004) that the more negative view one holds on advertisement, the more likely she/he will avoid it.

4.1.3 Features of Adblock Users

It can be seen from Figure 13 that most respondents are long time users of adblockers. The majority of users (43%) have been using the software for more than two years. In the second place are users of one to two years, accounting for 42%. Only 15% has used adblockers for less than one year.

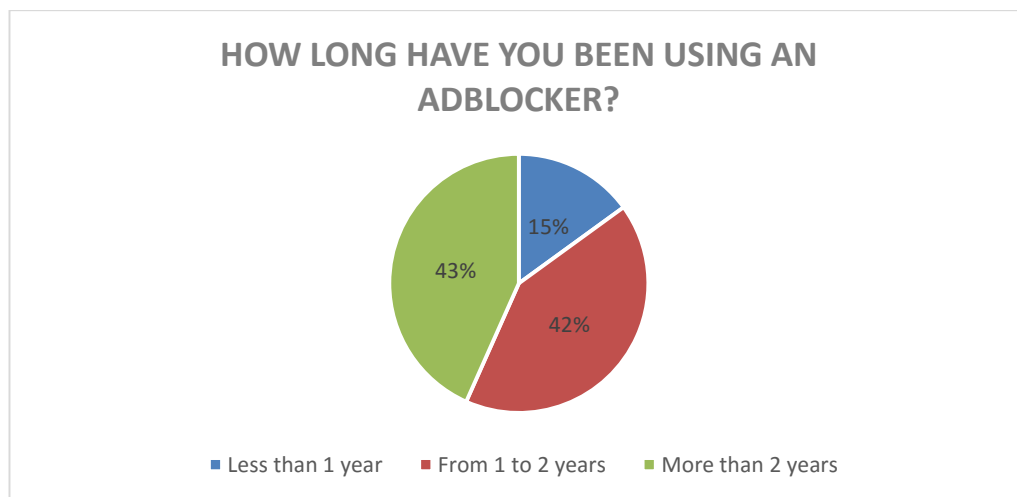


Figure 13. Years of using adblockers.

Figure 14 shows that the majority of adblock users are using AdBlock or AdBlock Plus, making up for about 59% and 29% respectively. This is not surprising, since AdBlock and Ad Block Plus are among the first adblockers on the Internet.

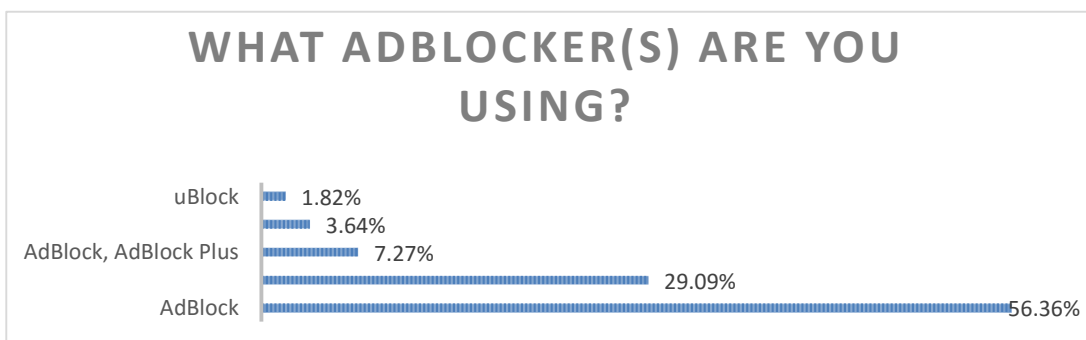


Figure 14. Adblocker names.

It can be seen from Figure 15 that 86% users are using adblockers on their laptop. Given adblock apps are still quite new, it is easy to understand why not so many people have an adblockers on their phone or tablet.

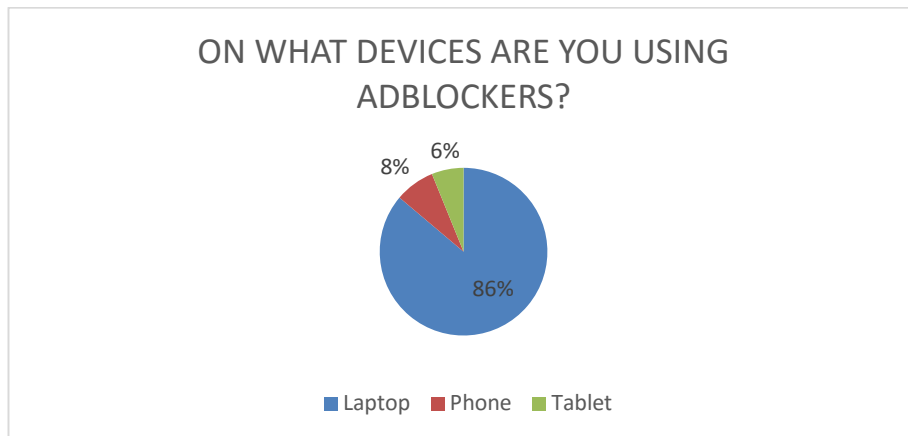


Figure 15. Types of devices with adblockers installed.

Figure 16 shows ways adblockers was introduced to its users.

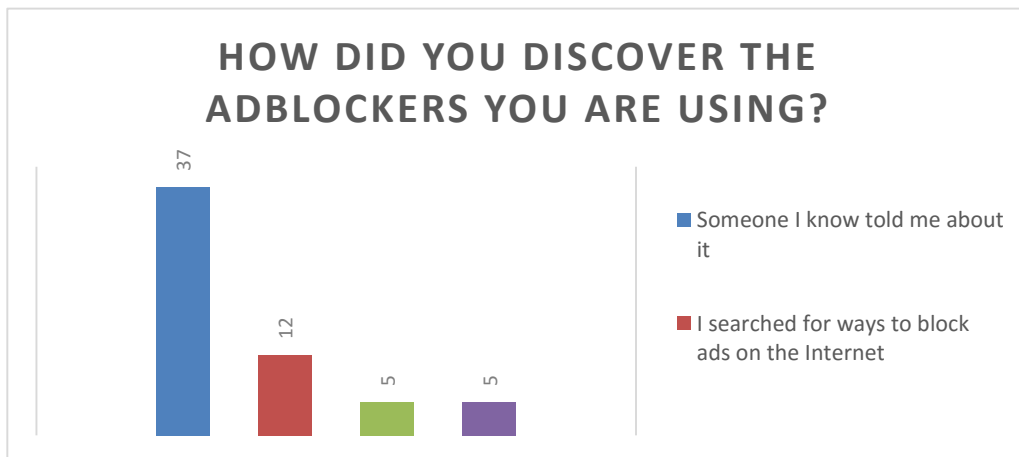


Figure 16. The spread of adblocking.

It is shown clearly in Figure 16 that adblockers are spread through word-of-mouth. 37 adblock users (62%) were introduced to adblockers by someone they know. Self-discovery is the second most selected option. 20% of users discovered adblockers while searching for ways to block ads on the Internet. This is similar to the findings

by PageFair (2014), which also showed that adblockers are spread mainly through word-of-mouth (49%) and web searching (28%)

Figure 17 illustrates the reasons for using adblockers. It is clear that the three primary reasons for blocking ads are disruption, excessiveness, and search hindrance.

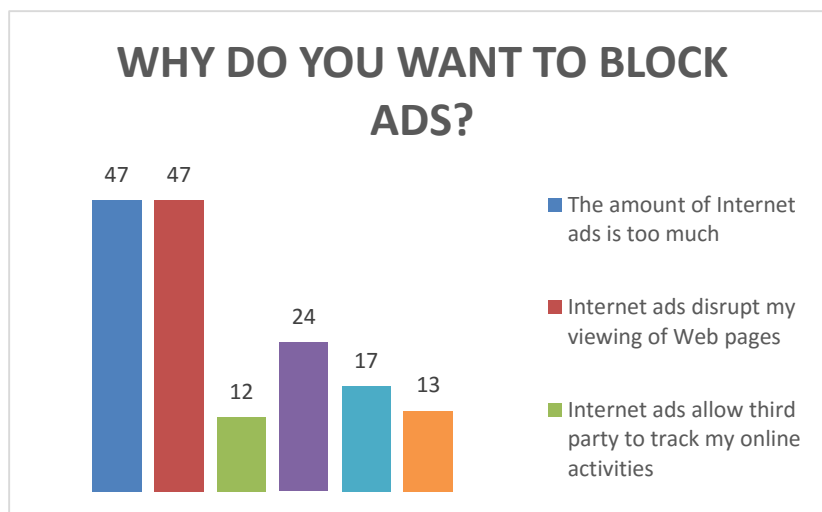


Figure 17. Reasons for using adblockers.

People block ads because mainly because the amount of ads displayed is too much, and that they disrupt readers' view of the webpages. Respondents also report that ads slow down the loading time when browsing the Internet. The least popular reason refers to concerns over privacy.

4.1.4 The motivation to whitelist

When asked about previous whitelisting behavior, 42.5% of respondents said they have whitelisted a website before.

Figure 18 shows the motivations behind such actions. The main reason for whitelisting (58.33%) was to view the desired content, which are hidden if readers do not deactivate their adblock. This is followed by the willingness to support websites

whose main source of income is from ads. The least mentioned reason was the desire to see ads out of curiosity and relevancy.

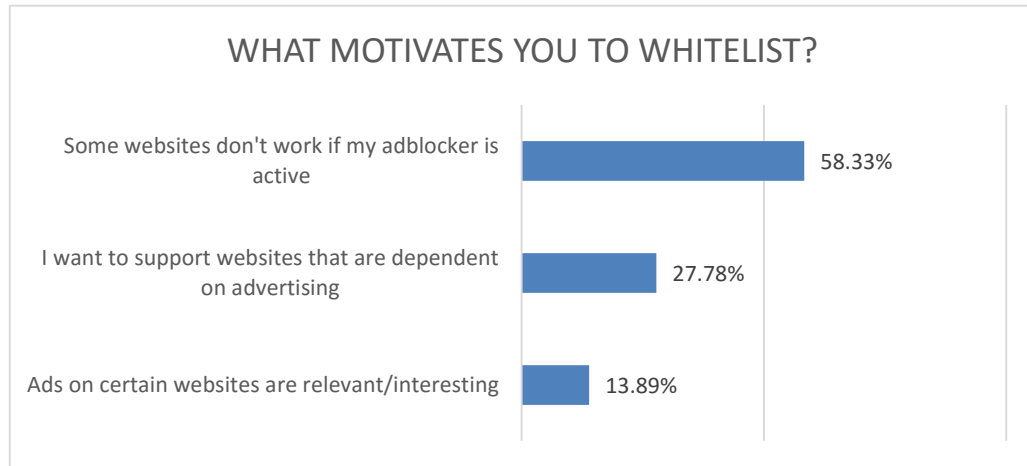


Figure 18. Motivations for whitelisting.

Figure 19 is for respondents who do not want to disable adblockers. They were then asked for explanation.

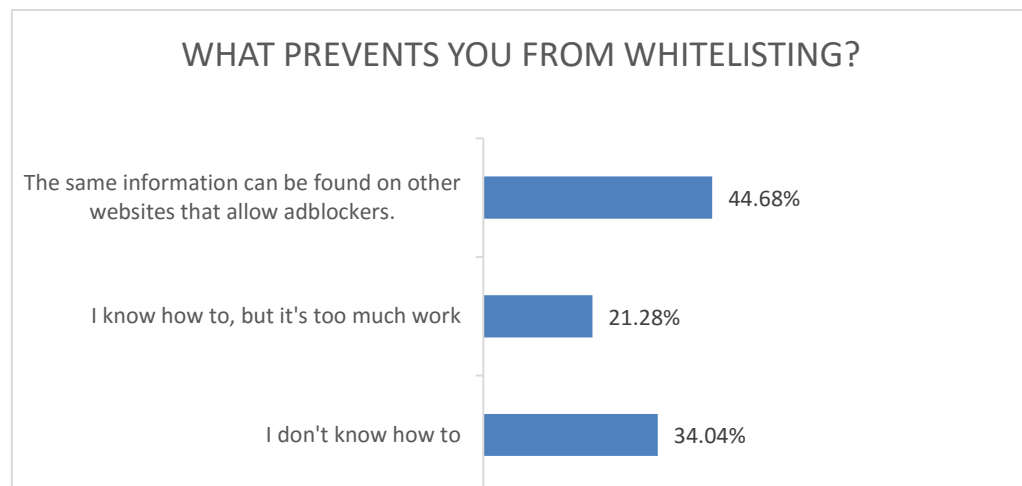


Figure 19 Reasons for not whitelisting.

The majority, accounting for 44,7%, stated that they can find the same information elsewhere. This is followed by 34,4% of respondents who cannot whitelist, as they do not know how to. And last by not least, many people find it too much work to whitelist, and thus declined to do so.

4.1.5 The Willingness To Pay For Content

This part of the survey focuses on users' point of view on the ethics of adblocking. The respondents were presented with two statements, and were asked to rate their level of agreement, based on five alternatives: 1=Strongly disagree, 2=Disagree, 3=neither agree nor disagree, 4=Agree and 5=Strongly agree.

The first statement that participants needed to evaluate was:

"The internet is based on an implied contract: the publisher offers the page content to the reader for free, in exchange for the reader seeing the publisher's ads"

As can be seen in Figure 15, the level of agreement to this statement is noticeably high: about 50% of adblock users either agreed or strongly agreed with the above sentence.

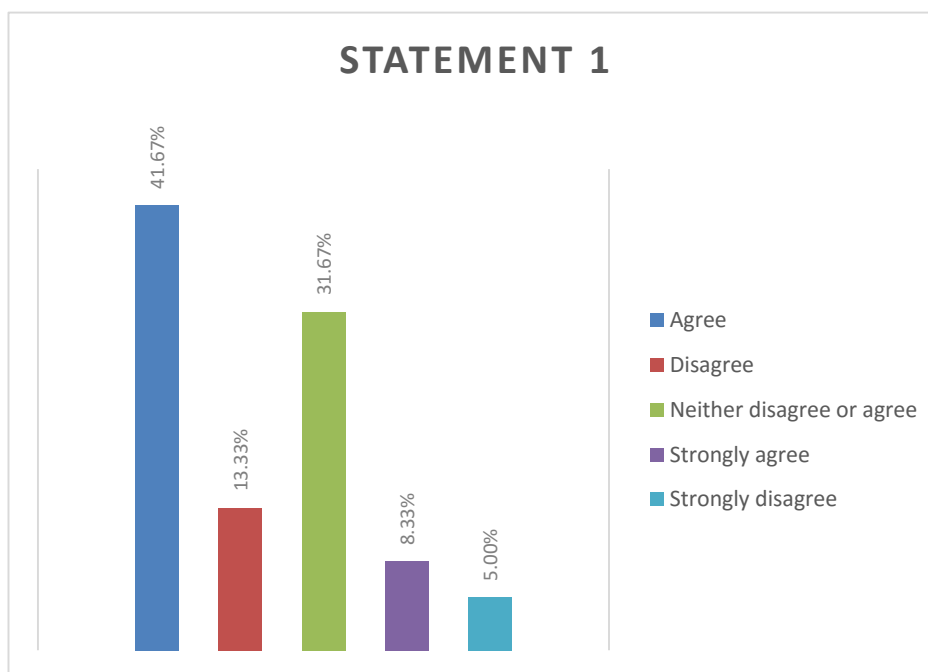


Figure 20 Ads as a commodity for free content

Meanwhile, a significant 31.6% of respondents neither disagreed nor agreed with statement 1. Opponents of the statement also accounted for 20%. Some respondents from these groups continued by providing explanation, which is shown in Table 1.

Table 1. Explanation for statement 1.

“Neither Agreed Nor Disagreed” Group
In the current economic system, everything needs to be paid. If this means we need ads, it's fine with me as long as it's not too much 'in the face'. If you do not like seeing ads you should use adblockers or stop visiting the site.
It`s quite good way of marketing if it is short enough. When it is too long viewer will be frustrated and have a negative attitude about the company.
Depends on the website, some websites are non-profit.
“Strongly Disagreed And Disagreed” Group
It is not an implied contract as the reader may have never asked or never have been interested in the advertisements.
There are 3 parties, the owner of web content, the advertiser, and the reader. The advertiser and the web owner enter a contract, the reader was forced to accept the term if he/she wanted to access the content. Thus it is fair that the reader used third-party app to protest.

The second statement that participants needed to evaluate was:

"Using adblockers on websites that provide free content/services is similar to stealing people's work without paying."

It is clear that there is a great shift from agreement to disagreement between the two statements. As can be seen in Figure 41% disagreed with this statement, and 17.61% strongly disagreed. People with neutral opinion made up about 23%.

One opponent to the statement believed that it would be stealing when the service/content providers deliberately present that they depends financially on the ads. Another said that even without adblockers, she/he does not pay attention to the ads. So this should not be considered as stealing.

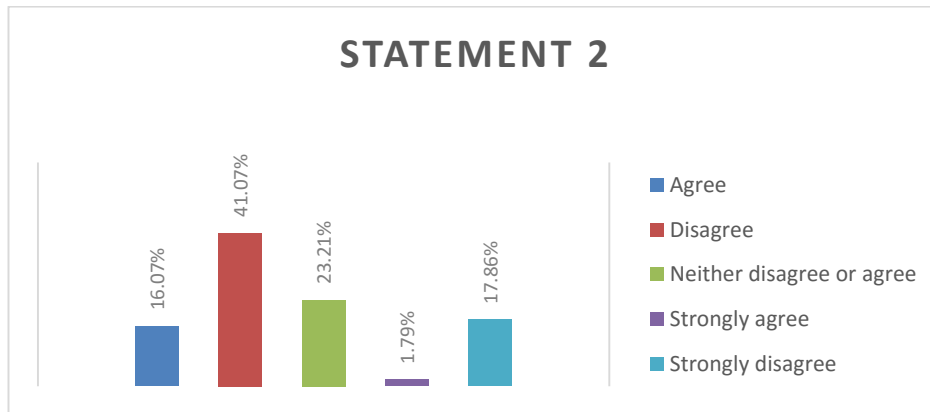


Figure 21. Using adblockers is similar to stealing.

Next, the respondents were asked if they wanted to receive a whitelisting invitation, asking if the users can disable adblockers so that the website can gain money from ad revenue. (see Figure 22)

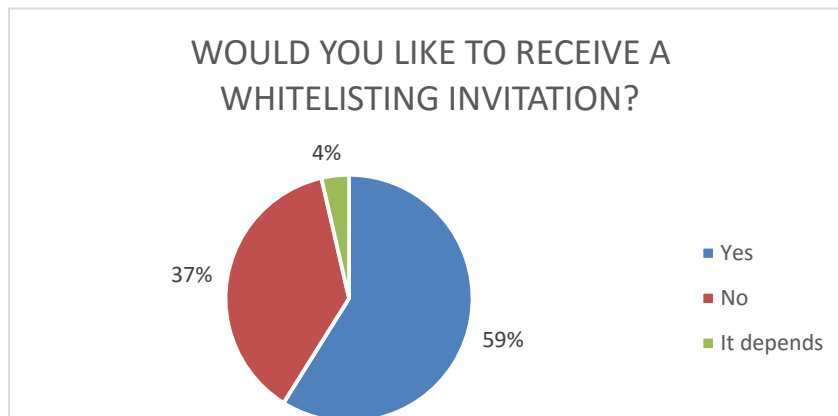


Figure 22. Willingness to receive whitelisting invitation.

Interestingly, as shown in Figure 17, the majority of users (59%) agreed. The two respondents who stated that it depends on the web, and the frequency of receiving the message. They would not agree if the reminding message is shown too often.

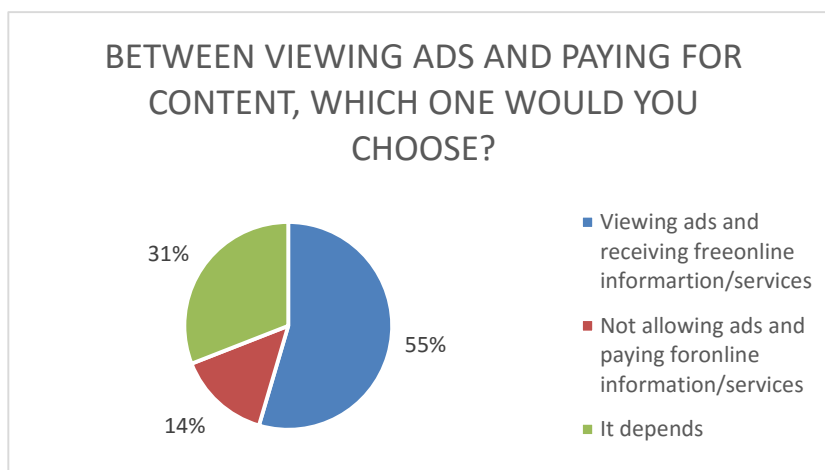


Figure 23. The willingness of paying for content instead of viewing ads.

When asked between (1) viewing ads and receiving free online services and (2) not viewing ads and paying for online services, the majority of adblock users chose the former. Most people admitted that even though online ads might be irritating to them, being able to receive content for free is still more important.

4.2 Result and analysis on the interviews

This section of the thesis will focus on the quantitative research, which consists of two interviews with two marketers and advertisers from AdSomeNoise and A2 Advertising. After that, several interviews were made with four other adblock users.

4.2.1 Interview Analysis: AdSomeNoise

Being fully aware of the poor reputations, as well as great potentials of banner ads, Steven Verbruggen, together with 2 other colleagues, founded AdSomeNoise in 2012 in Leuven, Belgium. The company's ambition is to change people's negative mind-set about online banner advertising, by making technical and creative banner ads. Its main customers are not the end users, but advertising agencies. Verbruggen also

has a marketing blog called More Minor Issues, in which he shared his opinions on various marketing topics. At the time when the interview was taken, his latest post was about adblockers. (More Minor Issues 2015)

According to Verbruggen, it is not surprising that there is a high amount of adblock users at the moment. However, he believes that not all online ads are equally bad, and should not be blamed for the increasing popularity of adblockers. When he founded AdSomeNoise in 2012, adblockers had already existed. Nevertheless, the amount of users was relatively small. Adblockers only gained its popularity when YouTube introduced the pre-roll advertising video, forcing users to view ads before showing the actual videos. Verbruggen once did a small test in Thomas Moore College, asking students about adblockers. 80% student confirmed they are using adblockers, and the most popular reason was to avoid video ads on YouTube. (More Minor Issues, 2015) Continue discussing ads quality, Verbruggen said that pop-up, one of the most annoying advertising forms, has become unpopular among advertisers for 10 years, since it is blocked by most Internet browsers. Indeed pop-up still exists, but not as much as it used to be. Meanwhile, thanks to the advance of technology, banner ads are not as intrusive and annoying as they used to be. This could be an explanation on why on one hand, people think of ads as informative, relevant, credible and entertaining, and yet found it irritating at the same time.

As the result, Verbruggen said that the researcher should have been more exact in the questionnaire. Instead of evaluating people's attitude towards online ads in general, the author could have asked for opinions about each specific type of online ads. Since people's feelings towards different ad forms vary greatly, this could make a difference on the research results.

Discussing the impact of adblockers, Verbruggen agreed that it is a threat towards the publishing world. Many online publishers have become dependent on ads as one of the main source of income, thus are losing revenue on ads due to the popularity of adblockers. Also, as found in the survey, not many people are willing to pay for the web content as a replacement for viewing ads. Therefore, it is not easy

to implement subscription mode and paywall. Another challenge of using paywall is that publishers may fail to attract potential readers, whose access is blocked. Because of this, Verbruggen said that a whitelisting message can be a good idea to remind adblock users of the role of ads as a way to finance online publishers.

When asked about the future of online advertising and adblocks, Verbruggen hopes that there will be a guideline from the authority on acceptable ads, and if advertisers create ads based on the guideline, their ads will not be blocked by adblockers. If not, there is a possibility that online media or advertisers will pay adblock companies, so that their site can be put in the default whitelist. If it happens, the democracy of online ads will be shifted, and only those who can afford can have their ads displayed. What advertisers and marketers need to do, is to pay a close attention to adblockers, and at the same time constantly evolve and improve the quality of online ads.

4.2.2 Interview analysis: C2 Advertising

C2 Advertising is an advertising agency located in Vaasa, Finland. The company services range from branding to marketing communications. They specialize in content marketing and social medial marketing. C2 Advertising's customers are mainly located in Vaasa region, such as VAMK, University of Applied Sciences, University of Vaasa, Wärsillä and Vaasa city. Tuukka Turunen is the Chairman of Board of the company. The interview was taken place at C2 Advertising headquarter, and lasted for approximately 40 minutes.

When asked about his opinion on the increasing usage of adblock, Turunen does not think of it as a threat to his marketing company. First of all, he believes that adblocker will not be as popular as it is now. The reason lies in human nature, which is the desire to be connected with others and to learn something new, and advertisements is one way to get connected to the outside world. By blocking ads, consumers will no longer receive information on products and services that may suit their per-

sonal needs and interests. Therefore, Turunen believes that once adblock users realize their adless but limited life, they will disable adblockers. Turunen's opinion is similar to one comment made by a non-users respondents. The respondent used to have AdBlock Plus installed in her browser, but soon removed it, as she wanted to continue receiving product and services provided by ads. Secondly, Turunen stated that advertisements is not the only marketing communication tools. Therefore, even if the majority of consumers use adblockers, there are still several other alternatives. The first is content marketing, which involves providing valuable and attractive information to the targeted group as a method to get noticed. If the target find the information helpful, they may reward the company with business and loyalty. (Content Marketing Institute 2016). Turunen said that unlike advertisements, content marketing does not push consumers. Instead, it's the customers who pull. It's the customers who decide whether to continue the contact or not. Therefore, it will not create such negative feelings like the irritating advertisement. Turunen named social media as an example of effective content marketing. New communication platforms will be introduced, and these companies are always eager to provide services for advertisers, as a way to provide free services to customers. And so, even if advertisements will not exist in the future due to adblockers, there will still be other sources of communication platform between marketers and consumers.

What marketers can learn from the adblock case is the important of appropriate marketing messages. The key is to have a deep understanding of customers, especially their needs and wants. This would help to create a relevant marketing communication between customers and companies. This is also reason why Turunen expressed doubt toward the Acceptable Ads campaign by AdBlock Plus. The level of success is low, since Adblock Plus does not have customer database of all products. Their acceptable ads can attract a certain group of consumers, but not everyone. Therefore, there is no guarantee that it could work.

When discussing customer knowledge, the researcher mentioned one reason for using adblocker is the fear of privacy violation. In other words, people do not want

their online activities to be tracked. In reply to this, Turunen said the purpose of tracking is to gain a deeper understanding of customers, thus to provide suitable products and services to their needs and wants. Therefore, customers shall not think of tracking as a threat, but an opportunity to be served better. The more people realize this, the less they should worry about being tracked.

In conclusion, Turunen believes that advertisements might disappear in the future, but marketing communication is here to stay. As long as marketers know their customers well, they can reach people through proper and relevant content.

4.2.3 Interviews With Adblock Users

Based on the email addresses received from the questionnaire, invitations for interviews was sent to respondents. Five adblock users from different backgrounds accepted the invitation. The interviews was conducted both in person and on the Internet, depending on where the interviewees are residing. (see Table 2)

Table 2 General information of interviewees

Interviewees	Nationality	Country of residence	Age	Years of using adblockers
A	Lithuanian	Belgium	22	3
B	Vietnamese	Finland	22	At least 5
C	Latvian	Latvia	22	2
D	Vietnamese	Finland	22	3
E	Vietnamese	Vietnam	23	5

The first noticeable information found during these interviews was about reasons for using adblockers. When being asked about their motivation, three out of five interviewees mentioned YouTube pre-rolled advertisement.

Person D: *“In Vietnam, you do not have a lot of ads on YouTube. But here in Finland you have a lot. One day we were watching some videos, and an ad popped up. My friend then mentioned adblockers, and I installed them right away.”*

Person A: *“I want to watch Youtube and read newspaper without seeing advertisements.”*

Person C: *“I do not want to watch Youtube ads, because they interrupt the videos”*

These answers are in line with the comment made by Verbruggen in the previous section. Given the small size of the interviews, it is of course impossible to generalize that YouTube pre-roll advertisements are the main contributor to the popularity of adblockers. Nevertheless, this hypothesis was partially confirmed by a recent study, released in January 2016 by Teads and Research Now. Out of 9000 respondents from all over the world, 41% cited pre-roll ads as the main reasons for them to install adblocking software. At Argentina, Mexico, and Spain, the figures were higher, at 57%, 55% and 54% respectively. (Teads 2016) Teads is, however, an advertising company that claim to make non-intrusive advertising. Therefore, it is unclear whether or not this finding is 100% reliable.

One interesting comment was from person D, who said that changing from pre-roll to post-roll ads would not help, as when a playlist is being played on YouTube, the video ads would still disturb her anyway.

For person C, she also feels annoyed at advertisements that force her to wait for some second until they disappear before she can continue reading. She also does

not like it when advertisement pop up when she is scrolling down, as it blocks the content and she has to close them manually.

For the other two respondents, the motivation lies in the amount of ads they receive every day.

Person B: I got angry at too many ads when I was watching videos or reading news. So I decided to search if there is any way to stop those ads. I remember putting, "How can I not see ads?" on the search bar. And then they showed me adblockers.

Person E: I usually download movies and ebooks from various websites. In order to request the files, I had to click on a lot of links. And right after I click on those links, pop-up ads would show up. Or there were times when the banner ads had only the word "download", so I mistook them as the downloading link. It was not. It was malware. So I decided to find a way to get rid of those ads, and found adblockers on google.

Secondly, person A, C, and E said that they were not aware, or never thought of the financial roles of advertisements on websites. Person A particularly disagreed with the opinions that using adblockers is similar to stealing content, claiming he was never asked to consider viewing ads as a payment. Therefore, he did not think of his action as unethical.

One interviewee admitted she felt indebted for receiving free information, and had been whitelisting to support her favorite webpages. The same person suggested that web owner needs to make sure that their audiences are well-aware of the financial roles of advertisement. Whenever she receives such messages from her frequently-visited website, she immediately whitelists the page.

Thirdly, all five interviewees emphasized on relevancy when asked about their own definition of good ads. They all said that they would still like to see ads, as long as

those ads match their personality, hobbies and lifestyle. Many examples of irrelevant advertisement were mentioned during all interviews. One illustrate her point by mentioning YouTube advertisement videos, in which the spoken language is based on IP addresses, not on her own language. As the result, there has been situations when she is interested in the ads, but could not understand anything.

Interestingly, no one feels concerned if their activities on the Internet are tracked by advertising agencies. “As long as the ads are relevant to my life, I do know mind being tracked. In fact, I shall thanks the companies if they can offer me products that I like and want. I would save me a lot of time from searching for information”, said person D.

These answers are in line with the opinions of Edwards, Et al.(2002) and Baek and Morimoto (2012) (see page 67), which emphasize on the importance of relevance. It is also similar to Turunen’s statements from the previous interview: “Customers should not think of tracking, but as as an opportunity to be served better”

The final noteworthy point was when asked if they sometimes miss ads, four out of five said no. “I am so used to not seeing ads that I do not think I will ever uninstall adblockers. After a long time, it is very inconvenient to see ads again”, said person D. All five people said that they whitelisted because they are forced to, or told to, not because they want to. Two interviewees also mentioned the financial advantages of adblockers. Not being able to see ads helps them save up money, as they can easily avoid impulsive buying. Person A said that: “I do not have much money, so I like that I do not see any ads. Usually if I need to buy something, I order directly from a website I know. If I need some recommendation, I would rather ask my friends or search for information myself. I do know need ads in my life.”

It is clear that for these people, advertisements have become unbearable and useless, after just a few years. Persuading them to give up adblocker and accept ads again will be a challenging task.

4.2.4 Discussion

The role of these interviews was to provide a clearer understanding of the questionnaire results, as well as to explore other aspects that were not covered in the survey.

Confirming previous research by Cho and Cheon (2004) on online ad avoidance and the survey results, all interviewed users cited Perceived Ad Clutter and Perceived Goal Impediment as their reasons for blocking ads. Interestingly, the interviews with Verbruggen and adblock users suggested a more specific contributor to adblocker popularity: YouTube pre-roll videos, which is a short advertisement shown to YouTube viewer before the actual content of the video. While this is similar to the findings of Teads (2014), there are still not enough evidence to support this assumption.

Opinions on privacy concerns gathered from the interviews are different to studies mentioned in the theory. Palant (2015), and Baek and Morimoto (2012) believed that when advertising becomes too personal, consumers are more likely to feel threatened. However, both Turunen and adblock users disagreed with notion, stating that there is nothing worrying about tracking customers' activities on the Internet. Rather, this provides opportunities to create ads that are more relevant and interesting to consumers.

It is shown in the questionnaire results that people still prefer viewings ads and receiving free content. After the interviews, we also found that many adblock users are not aware of the financial impact that advertisements have on a website. Therefore, it is important for publishers to raise the awareness of their customers over this matter. Clear statement over the importance of ads, together with a whitelisting proposal are recommended as a solution to increase ad revenue.

The interview results also discovered a new benefits for using adblockers. Not seeing ads prevents many users from impulsive buying behaviours, which save them a good amount of money. This finding is also in line with Sheth and Sisodia's study

in 2006 (see page 15). It is clear that nowadays advertisement is not the only method that assist people in making purchasing decisions. Technology development has allowed customers to get information from various sources, which makes them independent of ads. Therefore, for those who have been using adblockers for a long time, it is rather hard to persuade them to whitelist, or uninstall the application.

Finally, it is interesting to receive two different views on adblockers from Verbruggen and Turunen. While Verbruggen expressed deep concerns over the rising popularity of adblockers, Turunen seemed indifferent. This might be because even though both are working in the advertising and marketing field, their products are rather different. As a banner agency, Verbruggen's company is directly affected by adblockers. Meanwhile, as C2Advertising focuses mainly on content marketing, adblockers have little influence over the company's performance.

5 CONCLUSIONS

The conclusion starts with the summary and evaluation of central findings of the research. It then ends with recommendation and suggestion for future studies.

5.1 Summary and Evaluation

This chapter focuses on summarizing and evaluating results from both the quantitative and qualitative research. The aim is to provide answers for the thesis's research questions.

5.1.1 What Are the Characteristics of Adblock Users?

Based on the questionnaire results, it can be concluded that the majority of ad avoiders are men at a young age group, from 18 to 29 years old. They tend to spend more time surfing the Internet than those who do not, and also enjoy a higher amount of monthly salary. The majority of adblockers users have been royal customers, who have been using the software for more than a year. They discover adblockers mostly through word of mouth, from somebody they know.

According to Edwards, Et al.(2002), people's attitudes towards ads are closely related to two factors: (1) The value of ads, and (2) The cognitive intensity, or how focused the viewers are when ads interrupt their activities. The higher the value, the more positive people think of ads. The higher the cognitive intensity, the more upset people feel when being disturbed by ads.

Interestingly, the empirical studies discovered that adblock users do not have a completely negative view of online advertising as predicted. In fact, their attitudes towards online ads appear somewhat mixed. People acknowledge the value of ads in terms of entertainment, informativeness, relevance and credibility. Nevertheless, it is clear that they consider ads as very irritating, excessive and disturbing. A possible explanation for this conflicts were discovered after the interviews with two market-

ers and five ad block users. As suggested by Verbruggen, people have mixed feelings toward ads because not all online ads are equally bad. While there are many good high-quality ads on the Internet that users enjoy, advertisements like YouTube pre-roll videos create annoyance and irritation. Unfortunately, even though the majority of other interviewees agreed with him, there are not yet enough studies determine the role of YouTube advertisement on adblock popularity.

Cho and Cheon (2004) also explored three determining factors which trigger ad avoidance behaviours. They are Perceived Goal Impediment (distraction and disruption from current activities), Perceived Ad Clutter (excessive amounts of ads), and Prior Negative Experiences.

The questionnaire results are in line with Cho and Cheon's theory. To be more specific, three main reasons behind adblocking behaviours are disruption, excessiveness, and search hindrance. People block ads because mainly because the amount of ads displayed is too much, and that they disrupt readers' view of the webpages. It is also because ads slow down the loading time when browsing the Internet. A more specific reason for using adblockers, as suggested by Verbruggen (2016) in the qualitative research, is the interrupting pre-roll advertising videos, which often seen in YouTube. Like mentioned before, more studies need to be done in order to verify this assumption.

Financial benefits are found in the interviews as another motivator for people to continue using adblockers. As advertisements are hidden away, consumers can easily avoid impulsive and excessive buying behaviours, and thus, save up money.

Baek and Morimoto (2012) believed that people also block ads over the fear of being tracked meticulously on the Internet. However, this is not supported by the empirical study, as not many people chose this option on the survey. In the interviews, many people discarded this belief. These adblock users do not mind if companies have information on their activities on the Internet. They in fact think of this as beneficial, as ads can be more and more relevant to their life.

5.1.2 What Motivates Adblock Users to Whitelist a Website?

The main reason for adblock users to whitelist a website was because they are forced to, not because they want to. More and more content are hidden by the publisher, and the only way to get access is by disabling adblockers. Nevertheless, blocking ad blockers do not seem like a good idea, as instead of turning off their adblockers, many readers decide to go to other websites to search for the same information.

It is shown in the survey that a high number of adblock users understand the role of ads as a source of income for publisher. Most also agreed that ads are what keep content on the Web free. However, they believe that just because the information is free of charge, it does not mean that it is compulsory to be exposed to ads. Still, many agreed to whitelist to support the online publishers, as long as the amount of ads are not too excessive and annoying. It is important to keep in mind that many adblock users are still not aware of whitelisting, and do not know how to do it by themselves.

5.1.3 What Is the Willingness to Pay for Content, as a Replacement for Viewing Ads?

It is shown that subscription mode is not a plausible method to replace ads. Only a small amount of adblock users are willing to pay for content, as a replacement for viewing ads. The majority of people enjoy receiving data and services for free, and thus do not want to spend their money on content. As the result, they still prefer being offered the page content to the reader for free, in exchange for the seeing the publisher's ads.

The results also show that it might be more beneficial for publishers to send a whitelisting invitation to adblock users, rather than hiding content from them or asking for money. Before inviting people to whitelist, it is important that the customers are

well aware that this action will help them get free content. Therefore, a clear statement over the importance of ads are needed. A guarantee of relevant and valuable ads can also be offered as an incentive to whitelist the website.

In short, both the theoretical framework as well as empirical study show that ad-blockers are gaining more and more popularity among Internet users. According to the theory, people want to block ads because of its bad advertising practices, and thus it is more beneficial to ask for content fee, rather than showing ads and providing information for free. Nevertheless, the empirical study only support partially the theory. People are still willing to view ads, as thanks to them, almost all content on the Internet are accessible free of charge. While whitelisting reminders can be a good tool to gain back consumers, the most effective method is to improve the quality of ads.

5.2 Recommendations

The most important for advertisers is to improve the quality of online advertisements. It is time to create ads that are not intrusive, excessive and annoying. In order to do this, the key is to have a deep understanding of customers, especially their needs and wants. This would help to create a more relevant advertising messages.

Given the current situation, it is not wise to just solely rely on ads to reach to customers. Marketers shall pay more attention to other types of marketing communication, especially the ones that do not come across as aggressive. One suggestion is content marketing, such as social media marketing. Unlike advertisements, content marketing does not push consumers. Instead, it is the customers who pull. It is the customers who decide whether to continue the contact or not. Therefore, it will not create such negative feelings like the irritating advertisement.

For publishers who depend mainly on ads, a whitelisting invitation can be a solution to increase ad revenue. It is important that whitelisting shall be optional, so that

even if the readers do not disable the ads, they can still view the content. This creates a more customer friendly approach, and potential customers will not walk away. It is also crucial to include instruction on how to turn off adblock on the whitelisting message, so that those who are not familiar with it can do follow the guideline and know how to.

5.3 Suggestion for further studies

One suggestion for further studies is to test the impact of pre-roll advertising video on the popularity of adblockers. The results of the qualitative research imply that this might be the main motivator for people to install adblockers on their web browser.

Another topic for further research is to test the efficiency of whitelisting message on persuading readers to disable their adblocks. Given that there are various types of whitelisting messages, it is interesting to see which one is the most effective.

To conclude, it is clear that adblockers will remain popular, at least in the next few years. While many people believe that this will put an end to the online advertising industry, others express a more hopeful view: “Ad blocking is here to stay. But that does not have to be the end of the Web—just the end of terrible ads.” (Carthy 2015)

REFERENCES

Acceptableads. 2015. Acceptable Ads Manifesto. Accessed 1.12.2015. <https://acceptableads.org/>

Anderson, S. & Gans, J. 2011. Platform siphoning: ad-avoidance and media content. *American Economic Journal: Microeconomics*, 3,4, 1-34.

Andrews, R. 2011. The onion testing a metered paid model. Accessed 4.12.2015. <https://gigaom.com/2011/08/05/419-the-onion-asks-overseas-readers-to-pay/>

Andrews, R. 2012. Digital subs will soon beat print circulation. Accessed 4.12.2015. <https://gigaom.com/2012/06/01/pc20120videof/>

Baek, T. & Morimoto, M. 2012. Stay away from me. *Journal of Advertising*, 41,1, 59-76.

Barnard, G. 1995. *Cross-Cultural Communication*. New York. Wellington House.

BBC News. 2015. The Sun newspaper to introduce online paywall. Accessed 4.12.2015. <http://www.bbc.com/news/entertainment-arts-21951753>

Block Adblock. 2015. The acceptable ads scheme is completely absurd. Accessed 1.12.2015. <http://blockadblock.com/adblocking/the-acceptable-ads-scheme-is-completely-absurd/>

BlockAdblock . 2015. About BlockAdblock. Accessed 4.12.2015. <http://blockadblock.com/adblocking/about-blockadblock/>

Bloomberg. 2015. The New York Times paywall is working better than anyone had guessed. Accessed 4.12.2015. <http://go.bloomberg.com/tech-blog/2012-12-20-the-new-york-times-paywall-is-working-better-than-anyone-had-guessed/>

Bohme, R. 2013. *The Economics of Information Security and Privacy*. Berlin, Heidelberg. Springer Berlin Heidelberg.

Carthy, R. 2015. Anti-Ad Blocking Is Anti-Consumer. Accessed 4.12.2015. <http://adage.com/article/digitalnext/anti-ad-blocking-anti-consumer/299272/>

Chatterjee, P. 2008. Are unclicked ads wasted? Enduring effects of banner and pop-up ad exposures on brand memory and attitudes. *Journal of Electronic Commerce Research, Suppl. Online Advertising And Sponsored Search*, 9.1, 51-61.

Change. 2015. YouTube: stop YouTube red. 2015. Change.org. Accessed 4.12.2015. <https://www.change.org/p/youtube-stop-youtube-red>

Chittum, R. 2015. Lessons from The Dallas Morning News's failed paywall. Accessed 4.12.2015,. http://www.cjr.org/the_audit/the_dallas_morning_news_drops.php

Cho, C. & Cheon, H. 2004. Why do people avoid advertising on the internet?. *Journal of Advertising*, 33,4, 89-97.

Constine, J. 2015. YouTube Red, A \$9.99 Site-Wide Ad-Free Subscription With Play Music. Accessed 4.12.2015. <http://techcrunch.com/2015/10/21/youtube-red/#.sc8egps:i1YH>

Content Marketing Institute 2016. What is Content Marketing? Accessed 21.02.2016. <http://contentmarketinginstitute.com/what-is-content-marketing/>

Cook, J. & Attari, S. 2012. Paying for what was free: Lessons from the New York Times paywall. *Cyberpsychology, Behavior, And Social Networking*, 15,12, 682-687.

Creswell, J. 2003. *Research design*. Thousand Oaks, California. Sage Publications.

Ebay Enterprise 2015. Ad Blocker Software: Challenges and Opportunities for Advertisers. Accessed 22.12. 2016. <http://www.ebayenterprise.com/blog/retail-strategy-and-best-practices/ad-blocker-software-challenges-and-opportunities-advertisers>

Edwards, S., Li, H., & Lee, J. 2002. Forced exposure and psychological reactance: antecedents and consequences of the perceived intrusiveness of pop-up ads. *Journal of Advertising*, 31,3, 83-95.

Fisher, K. 2010. Why Ad Blocking is devastating to the sites you love. Accessed 4.12.2015. <http://arstechnica.com/business/2010/03/why-ad-blocking-is-devastating-to-the-sites-you-love/>

Forbes 2015. Spotify Sees Jump In Paying Customers With 10 Million Premium Subscribers. 2015. Accessed 4.12.2015. <http://www.forbes.com/sites/stevenber-toni/2014/05/21/spotify-sees-jump-in-paying-customers-with-10-million-premium-subscribers/>

Fu, L. 2014. Advertising and race. New York. Peter Lang Publishing.

Gibbs, S. 2014. Google Contributor: can I really pay to remove ads? Accessed 4.12.2015. <http://www.theguardian.com/technology/2014/nov/21/google-contributor-pay-remove-ads>

Glass, R. 2016. Data and the rise of online advertising. Accessed 28.3.2016. <https://www.linkedin.com/pulse/data-rise-online-advertising-russell-glass>

Glenn, J. 2010. Handbook of research methods. Jaipur, India. Oxford Book Co.

Globe Unlimited press release. 2012. The Globe and Mail. Accessed 4.12.2015. <http://www.theglobeandmail.com/help/globe-unlimited/globe-unlimited-press-release/article4627011/>

Greenberg, J. 2015. Apple's support of ad blocking may upend how the web works. Accessed 4.12.2015. <http://www.wired.com/2015/06/apples-support-ad-blocking-will-upend-web-works/>

Ha, A. 2015. What we talk about when we talk about adblocking. Accessed 4.12.2015. <http://techcrunch.com/2015/09/12/raymond-carver-loved-ads/#.sc8egps:RZYD>

Ingram, M. 2015. Here's what the new york times' 1 million subscriber number means. Accessed 4.12.2015. <http://fortune.com/2015/08/06/new-york-times-pay-wall/>

Ingram, M. 2015. Is using an ad blocker morally wrong?. Accessed 4.12.2015. <http://fortune.com/2015/09/18/ad-block-ethics/>

Kammer, A., Boeck, M., Hansen, J., & Hauschildt, L. 2015. The free-to-fee transition: audiences' attitudes toward paying for online news. *Journal of Media Business Studies*, 12,2, 107-120.

Kim, N. & Sundar, S. 2010. Relevance to the rescue: can "smart ads" reduce negative response to online ad clutter?. *Journalism & Mass Communication Quarterly*, 87,2, 346-362.

Kulp, P. 2015. Ad-blockers are terrifying companies and publishers, but there's no holding them back. Accessed 4.12.2015. <http://mashable.com/2015/08/31/ad-block/#TWkZLhwrokqx>

Kumar, V., Aaker, D.A., Day, G.S. 2002. *Essentials of Marketing Research*. 2nd Edition. USA. John Wiley & Sons, Inc.

Manjoo, F. 2015. Ad blockers and the nuisance at the heart of the modern web. Accessed 4.12.2015. <http://www.nytimes.com/2015/08/20/technology/personal-tech/ad-blockers-and-the-nuisance-at-the-heart-of-the-modern-web.html>

Manjoo, F. 2015. An ethical proposal for Firefox's popular ad-removal tool. Accessed 4.12.2015. http://www.slate.com/articles/technology/technology/2009/05/blocked_ads_clean_conscience.single.html

Marshall, J. 2016. Apple Propels an Ad-Blocking Cottage Industry. Accessed 22.2.2016. <http://www.wsj.com/articles/propelled-by-apple-ad-blocking-cottage-industry-emerges-1443115929>

McLean, B. & Elkind, P. 2003. The smartest guys in the room. New York. Portfolio.

Mohan, P. 2015. Adblock plus defers to external review board to choose "acceptable ads". Accessed 4.12.2015. <http://www.fastcompany.com/3051749/fast-feed/ad-block-plus-defers-to-external-review-board-to-choose-acceptable-ads>

Morrison, T. & Conaway, W. 2006. Kiss, bow, or shake hands. Avon, Massachuset. Adams Media.

Mäntyneva, M., Heinonen, J. & Wrangé, K. 2008. Markkinointitutkimus. Helsinki. WSOY Oppimateriaalit Oy

O'Brien, C. 2011. Acceptable ads are good for everyone - the future of ads. The future of ads. Accessed 4.12.2015. <http://thefutureofads.com/acceptable-ads-are-good-for-everyone>

Okazaki, S., Li, H., & Hirose, M. 2009. Consumer privacy concerns and preference for degree of regulatory control. *Journal of Advertising*, 38, 4, 63-77.

O'Reilly, L. 2016. The world's biggest advertising company spent a whopping \$4 billion with Google last year and \$1 billion with Facebook. Accessed 28 .3. 2016. <http://uk.businessinsider.com/wpp-google-and-facebook-spend-2015-2016-1?r=US&IR=T>

PageFair & Adobe. 2014. Adblocking goes mainstream. Accessed 28.3.2016. http://downloads.pagefair.com/reports/adblocking_goes_mainstream_2014_report.pdf

PageFair & Adobe. 2015. The cost of adblocking. Accessed 28.3.2016. http://downloads.pagefair.com/reports/2015_report-the_cost_of_ad_blocking.pdf

Paul, I. 2015. Sorry, ad blockers: german news site Bild says nein. Accessed 1.12.2015. <http://www.pcworld.com/article/2992434/browsers/sorry-ad-blockers-german-news-site-bild-says-nein.html>

Piltch, A. 2015. Why using an ad blocker is stealing (op-ed). Accessed 4.12.2015, <http://www.tomsguide.com/us/ad-blocking-is-stealing,news-20962.html>

Premium. 2015. Spotify.com. Accessed 4.12.2015 <https://www.spotify.com/ie/premium/>

Radelat, A. 2015. Marketers seeking solutions to ad-blocking -- carefully. Accessed 4.12.2015, <http://adage.com/article/digital/marketers-start-seeking-solutions-ad-blocking-carefully/300261/>

Ricardo, R. 2015. WTF is ad blocking. Accessed 28.3.2016. <http://digiday.com/publishers/wtf-ad-blocking/>

Rothenberg, R. 2015. Ad Blocking: The Unnecessary Internet Apocalypse. Adage.com. Accessed 4.12.2015. <http://adage.com/article/digitalnext/ad-blocking-unnecessary-internet-apocalypse/300470/>

RTE 2015. Irish Times to introduce metered paywall online. Accessed 4.12.2015. <http://www.rte.ie/news/business/2015/0217/680758-irish-times-paywall/>

SC Magazine 2015. Hackers spread malware via Yahoo ads. Accessed 4.12.2015. <http://www.scmagazine.com/hackers-spread-malware-via-yahoo-ads/article/437075/>

Solomon, M., Duke Cornell, L., & Nizan, A. 2009. Launch! advertising and promotion in real time (pp. 48-49). New York. Flatworld Knowledge.

Speck, P. & Elliott, M. 1997. Predictors of advertising avoidance in print and broadcast media. *Journal of Advertising*, 26,3, 61-76.

Sriramesh, K. & VerçEicE, D. 2003. The global public relations handbook. New York. Routledge.

Stevens, R. 2004. Trade show and event marketing. Mason, Ohio. Thomson.

Stevenson, A. 2010. Oxford Dictionary of English (3rd ed.). Oxford. Oxford University Press.

Sweney, M. 2011. Independent website to launch paywall for non-UK readers. Accessed 4.12.2015. <http://www.theguardian.com/media/2011/oct/10/independent-website-paywall-non-uk-readers>

Teads. 2016. Why people block ads a global report. Accessed 28.03.2016. <http://info.teads.tv/ad-blockers-en>

Teixeira, T. 2014. The rising cost of consumer attention: why you should care, and what you can do about it.

The Economist. 2015. Up against the paywall. 2015. Accessed 4.12.2015. <http://www.economist.com/news/business/21678799-many-publishers-still-see-little-alternative-continual-cutbacks-up-against-paywall>

The Economist. 2004. A farewell to ads? Accessed 5.11.2015. <http://www.economist.com/node/2598890>

Turow, J., King, J., Hoofnagle, C., Bleakley, A., & Hennessy, M. Americans Reject Tailored Advertising and Three Activities that Enable It. SSRN Electronic Journal.

Vratonjic, N., Manshaei, M., Grossklags, J., & Hubaux, J. 2013. Ad-blocking games: monetizing online content under the threat of ad avoidance. The Economics of Information Security And Privacy, 49-73.

Williams, J. 2015. Why it's ok to block ads. Accessed 4.12.2015. <http://blog.practicaethics.ox.ac.uk/2015/10/why-its-ok-to-block-ads/>

Zeitlin, M. 2015. Washington post declares war on ad blockers. Accessed 4.12.2015. <http://www.buzzfeed.com/matthewzeitlin/the-washington-post-begins-blocking-ad-blockers#.nyP5DD0Mz>

APPENDIX

Survey on ads and ad-blockers

This survey is part of my final research before graduating from VAMK, University of Applied Sciences.

It aims at finding out people's attitude towards online advertising, as well as why and how some use ad-blockers to avoid ads. Your answer is totally confidential, and very much appreciated.

At the end of the survey, you'll have a chance to receive a Belgian chocolate bar.

Thank you for your help!

Mai.

* Required

PART 1 OF 2: GENERAL INFORMATION

1. 1. What is your nationality?

.....

2. 2. Which country are you living in?

.....

3. 3. Please indicate your age

Mark only one oval.

- Under 17 years old
- From 18 to 29 years old
- From 30 to 44 years old
- From 45 to 60 years old
- More than 60 years old

4. 4. Please indicate your monthly income

Parent support, government grant, scholarship, etc, also count
Mark only one oval.

- Below €1500
- from €1501 to €3000
- from €3001 to €4500
- more than €4500

5. Please indicate your gender

Mark only one oval.

- Male
 Female

6. What is the highest degree or level of school you have completed? If currently studying, highest degree you'll receive

Mark only one oval.

- No formal education
 High school
 College
 Vocational training
 University
 Masters
 PhD
 Other:

7. What is your default Internet browser?

Mark only one oval.

- Google Chrome
 Mozilla Firefox
 Safari
 Internet Explorer
 Other:

8. How much time a day do you spend online on average?

Mark only one oval.

- Less than 1 hour
 1 to 2 hours
 3 to 4 hours
 5 to 6 hours
 over 6 hours

What are your general opinions on online advertisement in terms of...

9. informativeness?*Mark only one oval per row.*

Extremely informative	Very informative	Moderately informative	Slightly informative	Not at all informative
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

10. relevance?*Mark only one oval per row.*

Extremely relevant	Very relevant	Moderately relevant	Slightly relevant	Not at all relevant
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

11. entertainment?*Mark only one oval per row.*

Extremely entertaining	Very entertaining	Moderately entertaining	Slightly entertaining	Not at all entertaining
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. irritation?*Mark only one oval per row.*

Extremely irritating	Very irritating	Moderately irritating	Slightly irritating	Not at all irritating
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

13. credibility?*Mark only one oval per row.*

Extremely credible	Very credible	Moderately credible	Slightly credible	Not at all credible
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

14. 9. Are you using any ad-blocker at the moment? *

Ad-blockers: programs that will remove different kinds of advertising from a website, ranging from banner ads to pop-up to video ads.

Mark only one oval.

- Yes *Skip to question 15.*
- No *Skip to question 32.*

Part 2 of 2: Questions on ad-blockers

15. 8. What ad-blocker(s) you are using?

Please choose all that apply
Check all that apply.

- AdBlock
- AdBlock Plus
- Ad Fender
- No Ads
- Adguard
- Other:

16. 9. How long have you been using ad-blockers?

Mark only one oval.

- Less than 1 year
- From 1 to 2 years
- More than 2 years

17. 10. On which devices are you using ad-blockers when surfing the Internet?

Please click all that apply
Check all that apply.

- Laptop
- Phone
- Tablet
- Other:

18. 11. How did you discover the ad-blocker you are using?

Please click all that apply
Check all that apply.

- From the list of available applications/extensions for my device
- Someone I know told me about it
- From the media (TV program, newspaper, online newspaper)
- I searched for ways to block ads on the Internet
- Other:

19. 12. Why do you want to block Internet ads?

Please click all that apply

Check all that apply.

- The amount of Internet ads is too much
- Internet ads disrupt my viewing of Web pages
- Internet ads allow third party to track my online activities
- Internet ads slow down Web page downloading
- Internet ads are injected with malware
- My previous experience with clicking Internet ads is negative
- Other:

"White-listing" means pausing ad-blockers for a certain website, enabling it to show advertising.

20. 13. Does your ad-blocker have a default white-listing list?

Mark only one oval.

- Yes
- No
- Some yes, some no
- I don't know

21. 14. Have you ever white-listed a website yourself?

Mark only one oval.

- No (If you choose this option, please skip question 15, and continue from question 16)
- Yes

22. 15. What are your reasons for white-listing?

Please click all that apply

Check all that apply.

- Some websites don't work if my adblocker is active
- Ads on certain websites are relevant/interesting
- I want to support websites that are dependent on advertising
- Other:

23. 16. What are your reasons for NOT white-listing?

Please click all that apply
Check all that apply.

- I don't know how to
- I know how to, but it's too much work
- The same information can be found on other websites that allow adblockers.
- Other:

The ethics of adblocking:

24. 17. Please rate your level of agreement with the following statements *

Mark only one oval per row.

	Strongly disagree	Disagree	Neither disagree or agree	Agree	Strongly agree
Statement 1: "The Internet is based on an implied contract: The publisher offers the page content to the reader for free, in exchange for the reader seeing the publisher's ads"	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

25. Please explain your choice:

.....

26. *

Mark only one oval per row.

	Strongly disagree	Disagree	Neither disagree or agree	Agree	Strongly agree
Statement 2: "Using adblockers on websites that provide free content/services is similar to stealing people's work without paying."	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

27. Please explain your choice:

.....

Would you like to receive the following white-listing message from your ad-blocker?



28. Mark only one oval.

- Yes
 No
 It depends, please specify:

29.

30. **18. Between "viewing ads and receiving free online services" and "not viewing ads and paying for online services", which one would you choose?**

Mark only one oval.

- Viewing ads and receiving free online information/services
 Not allowing ads and paying for online information/services
 It depends.

31. **Please explain your decision:**

Stop filling out this form.

Part 2 of 2: Questions on ad-blockers

32. **8. Have you used an ad-blockers before?**

Mark only one oval.

- I have never heard of it
 I have, but not anymore

33. **9. If you used to use ad-blockers, why did you stop?**

34. 10. Please rate your level of agreement with the following statement:

Mark only one oval per row.

	Strongly disagree	Disagree	Neither disagree or agree	Agree	Strongly agree
"The Internet is based on an implied contract: The publisher offers the page content to the reader for free, in exchange for the reader seeing the publisher's ads"	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

35. 11. Please explain your choice

.....

36. 11. Do you plan to use/reuse adblockers in the future?

Mark only one oval.

- Yes
- No
- It depends. Please specify: