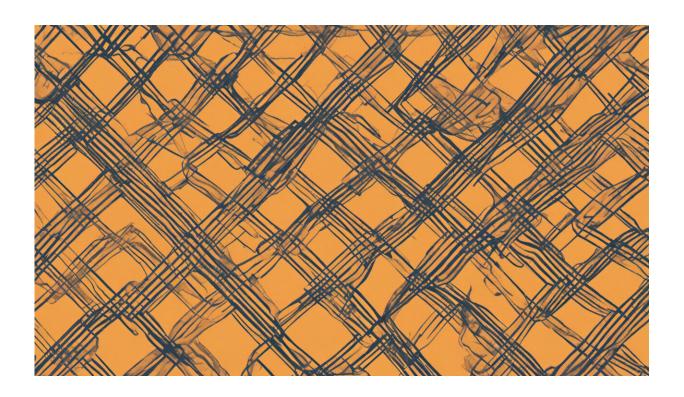


Web users are caught in a tug-of-war between advertisers and ad-blockers

October 9 2015, by Hamed Haddadi



Credit: AI-generated image (disclaimer)

The battle between the advertising industry, mobile phone operators, publishers and privacy advocates has reached new heights, with Apple's decision to allow <u>ad-blocking extensions</u> in its Safari browser sparking fears that the multi-billion dollar mobile ad industry could be about to take an expensive haircut. While third-party ad-blocking apps have been



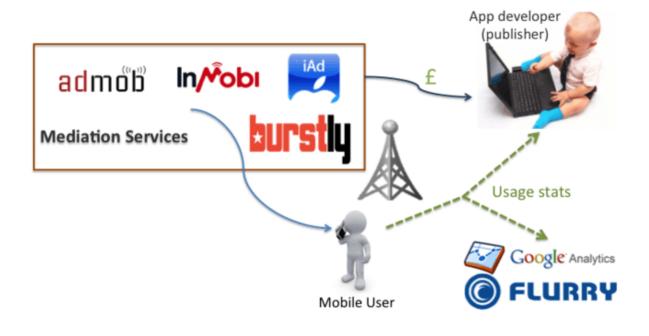
around for a while, few are used on mobile platforms – they are more commonly found on desktop and laptop computers.

A recent New York Times article looking at 50 top mobile news websites indicated that of all the data downloaded as part of each web page, more than half was made up of ads. Recent studies of large volumes of mobile traffic from a European telecoms firm has also revealed that a large proportion of the bandwidth used while browsing the internet is in fact consumed by the adverts, trackers and widgets embedded in web pages. In addition to being an annoyance, cluttering up the screen, draining battery life and slowing down the whole mobile browsing experience, many poorly targeted ads are really just another form of spam.

But why are <u>mobile ads</u> so inefficient? This is mostly due to the complex ecosystem in the mobile advertising industry. The majority of apps in the popular markets such as Apple App Store and Google Play are <u>free</u>. Many developers provide a small space for advertising to earn some cash from their work. These spaces are populated by ads and ad-broker services, which pass onto the developer a percentage of the profits, as measured in terms of views (known as impressions) and clicks. Earnings are usually paid on impressions by the thousand, so ad brokers aim to maximise the number of ads and their frequency with which they're displayed on the user's screen.



Mobile Ad Ecosystem



How the mobile ad ecosystem works. Credit: ACM, Author provided

There are two major issues in this ecosystem: firstly, the cost to the consumer in terms of bandwidth and energy – and their <u>privacy</u>. Personal data is the main fuel for the advertising industry, and thousands of companies work within the ad ecosystem collecting, <u>tracking and selling data</u> on users and their browsing habits. Second, the fact that the basis of the ecosystem, generating payments through impressions and clicks, can be gamed by bots – <u>click fraud</u> – generating huge, unwarranted costs for advertisers.



Doing ads better is better for everyone

The internet-connected smartphone for a mass market is barely ten years old, so the mobile advertising industry is still in its infancy. One could compare the tension between the market players with the early days of MP3 music sharing sites (Napster, Limewire, Shareaza) and the eventual success of the legal, paid model that evolved from them. Consumers' reliance on free apps in exchange for their personal data has boosted the aggressive data collection behaviour of the advertising industry. This in turn has encouraged privacy and consumer rights advocates to create and support ad-blocking software. Inevitably, this three-way tension will lead to more oversight and legislation to tame the industry's excesses, particularly in the highly regulated European market.

As an extreme example, a small mobile operator this week decided to block mobile ads altogether. This is certainly one solution, but if such a step were to be widely taken this would severely limit the degree to which app developers could continue to innovate and create while maintaining a free product and free content for users.

Handing control of the web ecosystem to telecoms companies or small yet powerful ad-blocking businesses that allow advertisers to whitelist their ads so that they're still seen by users, is an undesirable outcome for most. On the other hand, research into privacy-preserving mobile advertising methods is underway, and there have been numerous calls for users to have more control over their personal data. Done properly, in a way that doesn't hit users in the pocket or degrade their web browsing experience, there's no reason why ads, perhaps less targeted ads, wouldn't be accepted again. Alternatively it will be a case for model can certainly return to the scene.

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