REACHING & INFLUENCING

AD FILTERING USERS

eye/o

MAGNA MEDIA TRIALS

Executive Summary

1 Less ad clutter delivers on both brand and consumer needs

Fewer ads on webpages solves a whole host of issues, including more effective ads and less annoyance for consumers

2 Ad-Filtering users are a valuable and growing audience

Marketers should be paying more attention to the emerging audience of ad-filtering users. They are open and responsive to nonintrusive ads and are comprised of young decision makers

3 Ad-Filtering can help to decarbonize media and to reach your sustainable media goals
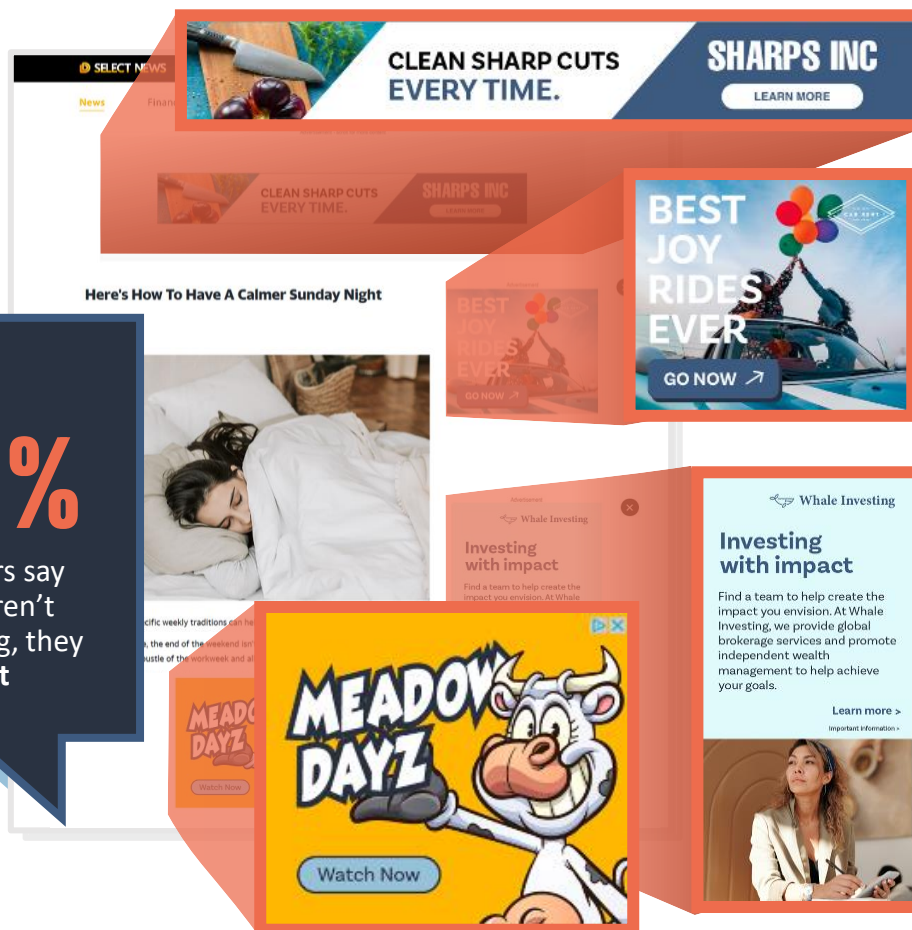
Reaching ad-filtering users requires the use of low bandwidth ads that have less carbon emissions, allowing advertisers to optimize toward a more sustainable footprint

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Two critical, intersecting industry problems

1   **Too much ad clutter**

50%

Of consumers say online ads aren't just annoying, they are **incessant**

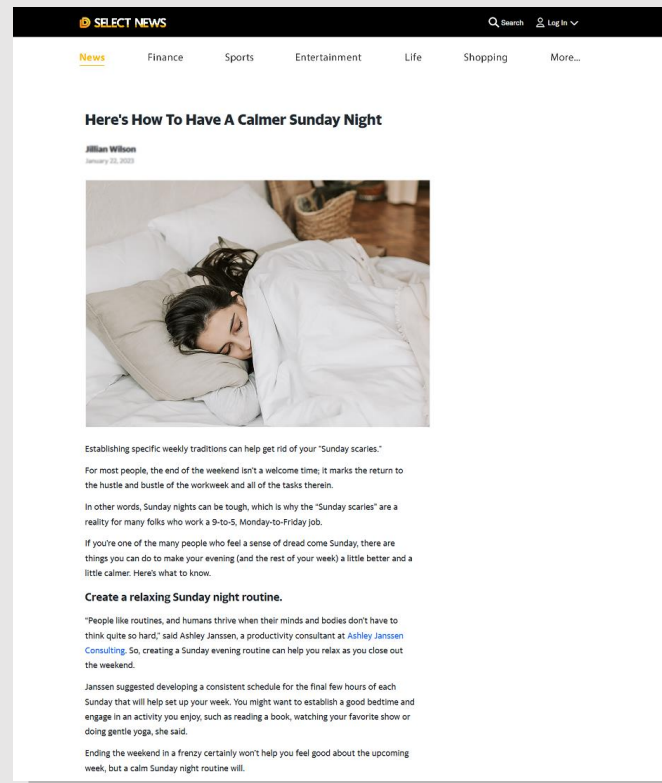**2**   **Ad blocking is on the rise**

Over 290M

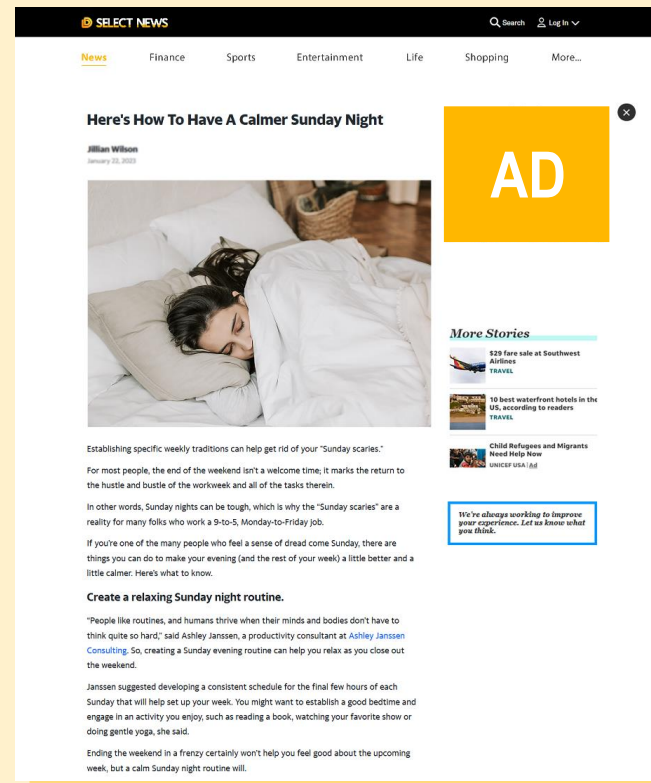Global monthly active users use desktop ad blocking

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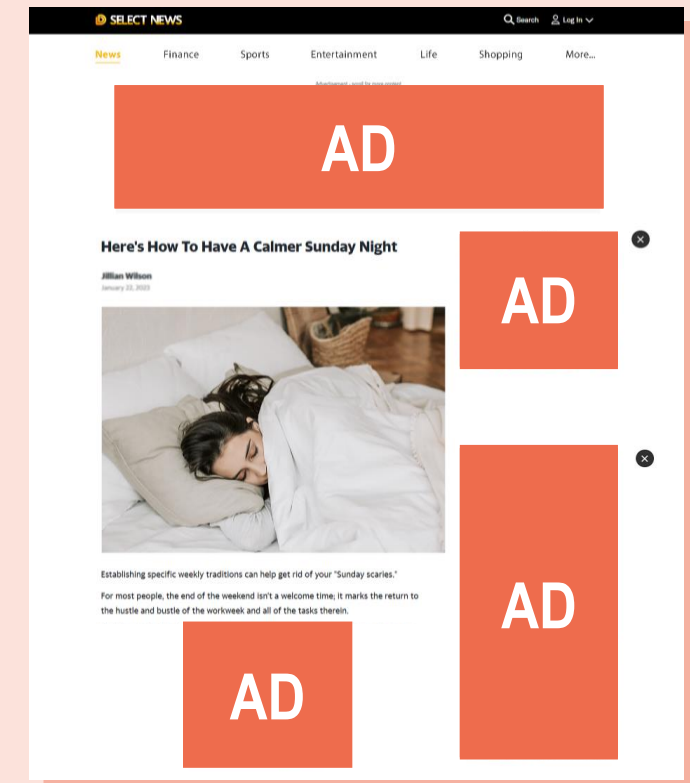# Many are opting for the in-between – ad filtering

Ad-Blocking Users
Block all online ads

Ad-Filtering Users
Filter out annoying, intrusive ad formats

Non-Ad Filtering/Blocking Users
Don't block or filter any ads

Research Questions

What role does clutter play in ad effectiveness?

1

What do advertisers need to know about Ad-Filtering users?

2

Our Methodology

WHAT
Controlled testing of display ads on high and low-clutter pages on desktop/laptop
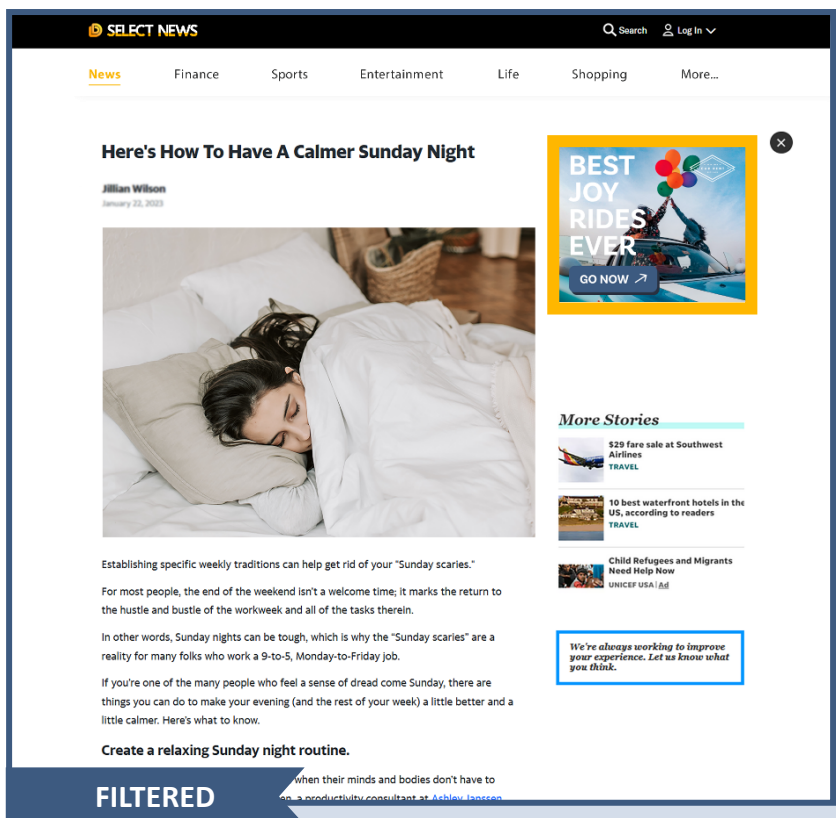
HOW
Recruited participants from a representative online panel. Participants viewed webpages based on personal interests, with brand or control* ads served based on randomization. Post survey to measure effectiveness
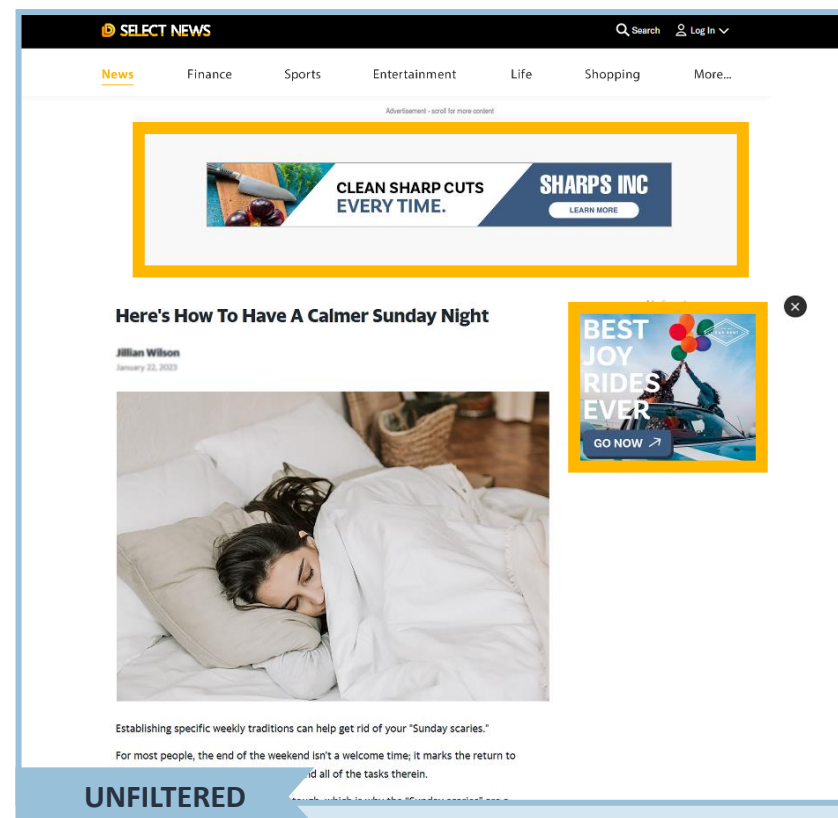
SAMPLE SIZE

1,289

Low-Clutter Web Experience

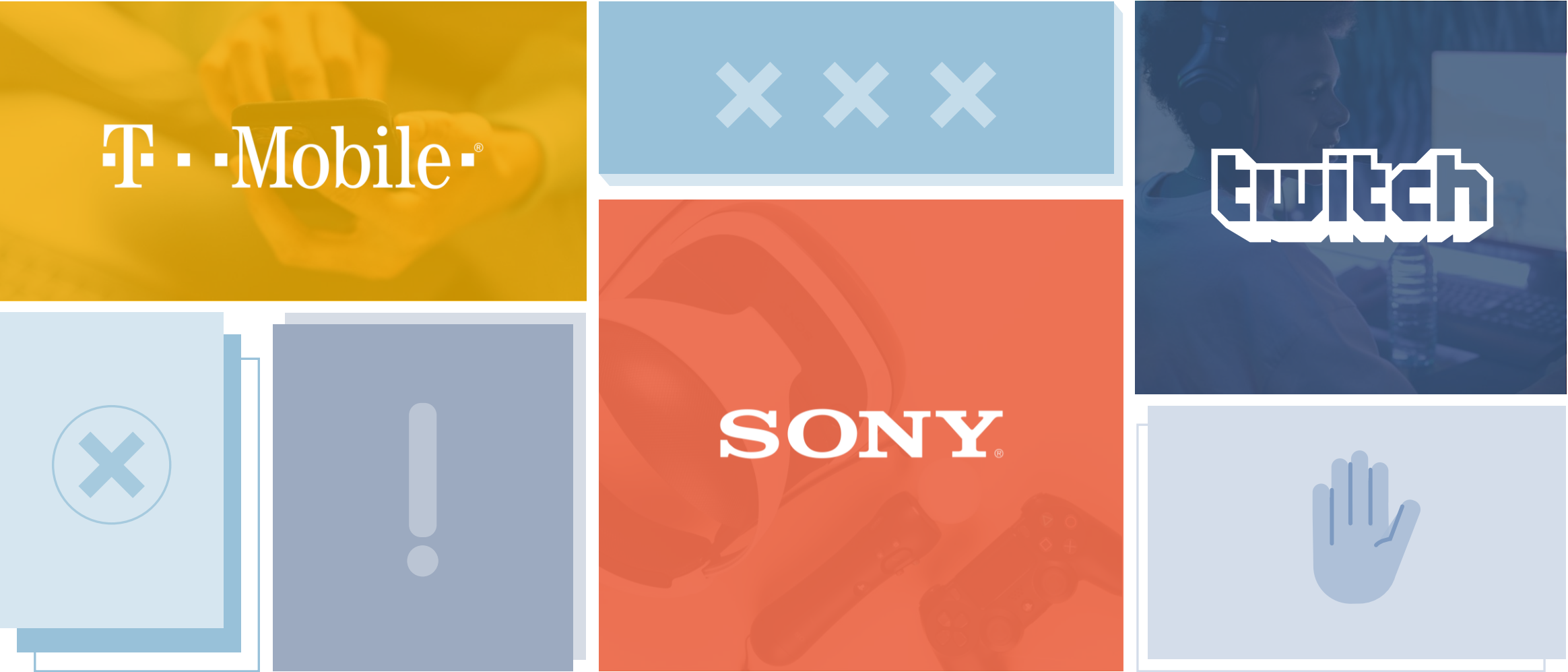Ad-Filtering users viewed premium content with very few ads cluttering the page

High-Clutter Web Experience

Non-Ad Blocking/Filtering users viewed premium content with standard ad load - many ads cluttering the page

* Control ads were public service announcements

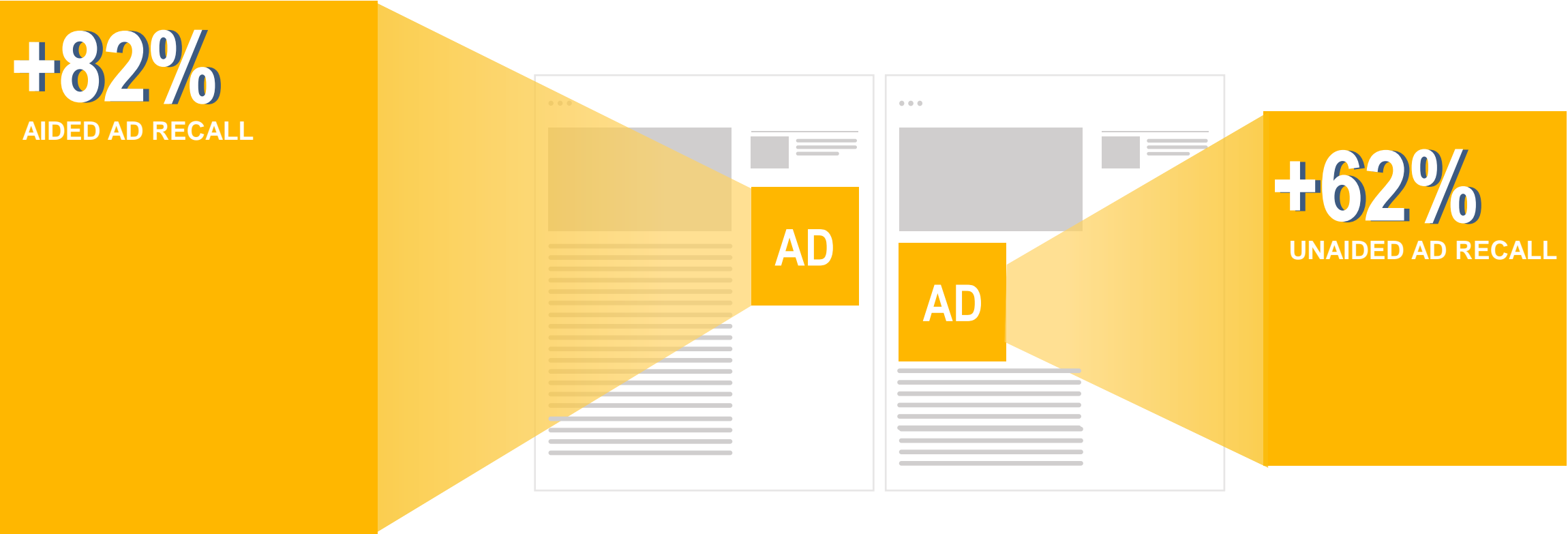# Brands we tested

LESS CLUTTER

MoRE

IMPACT

LEARN MORE

Ads on low-cluttered pages are more memorable among critical audiences

Those Who've Never Purchased/Used the Brand
% Difference Between Low-Clutter and High-Clutter Pages

+82%
AIDED AD RECALL

AD

AD

+62%
UNAIDED AD RECALL

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Ads on low-cluttered pages are more cost efficient and lead to higher return on ad spend

COST EFFICIENCY

Aided Ad Recall - Total Audience
Cost to Impact Per 1,000 People

$27.00

High-Clutter Page

$4.00

Low-Clutter Page

84%
Savings

Q: Which of the following brands, if any, do you recall seeing an ad for?
Low-Clutter Page: Exposed n=322, Control n=319
High-Clutter Page: Exposed n=324, Control n=324

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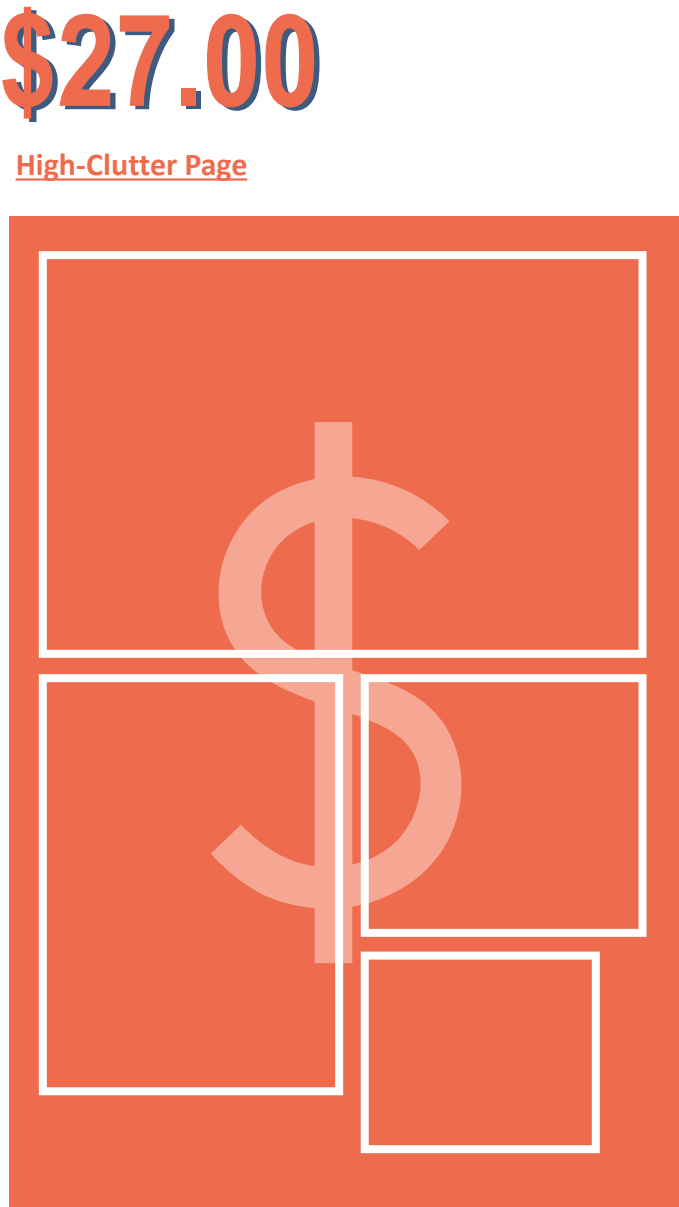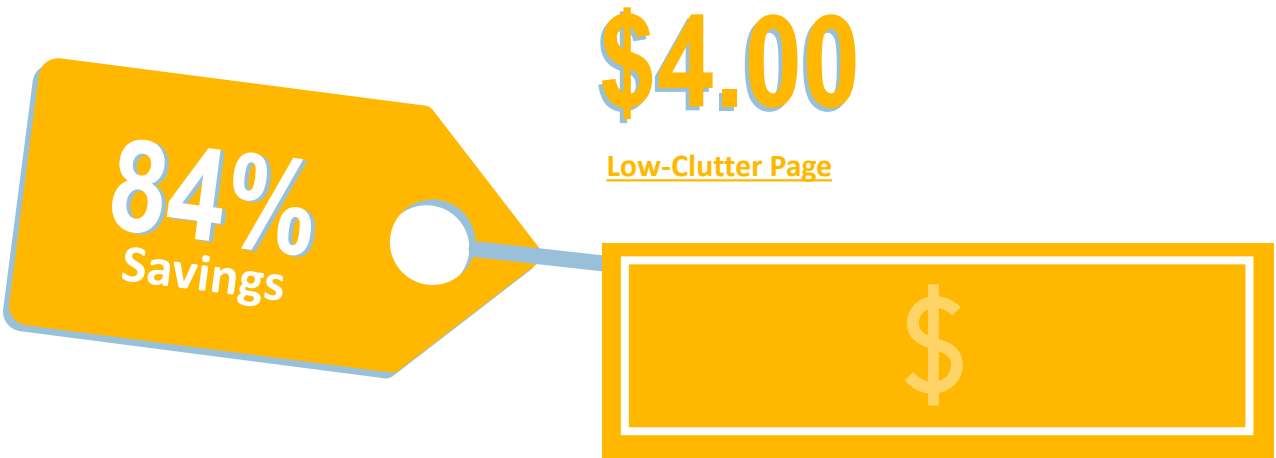
Low-clutter pages allow display to move beyond top-funnel metrics

The same ad on a low-cluttered page is more effective at driving brand trust

BRAND IS "TRUSTWORTHY"
In-Market For Product - Delta (Exposed – Control)

Low-Clutter Webpages

! **+9%**↑

High-Clutter Webpages

! **0%**

Q: How much do you agree or disagree with the following statements about _____? "is a brand I trust"
Brand Metrics: In-Market for product; Low-Clutter Webpages- Exposed n=178, Control n=188;
High-Clutter Webpages: Exposed n=170, Control n=173
Control ad = Public Service Announcement
↑= significant difference between exposed and control at >=90% confidence
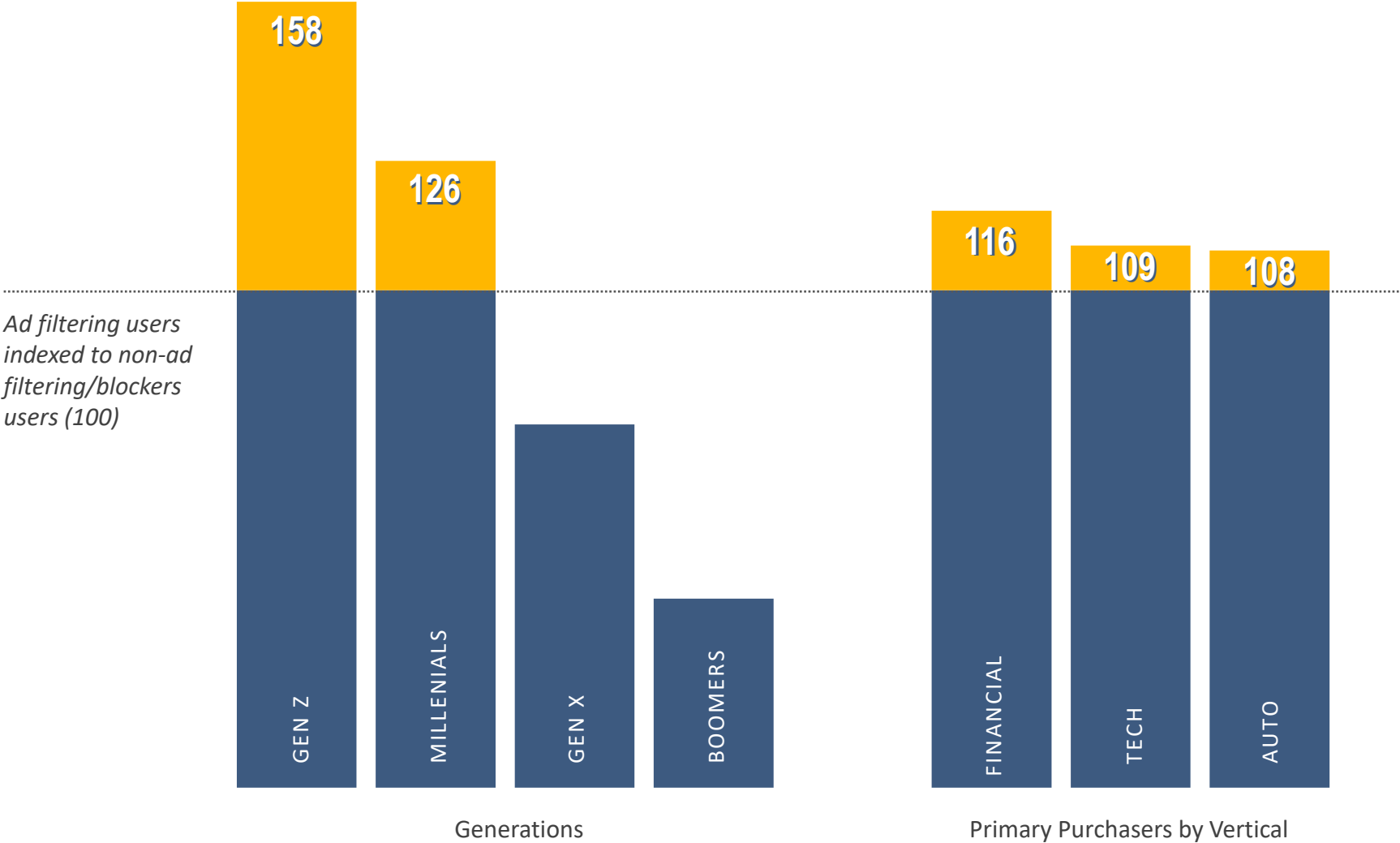
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AD-FILTERING USERS

CAN't Be Ignored

Ad-Filtering users are the future customer base

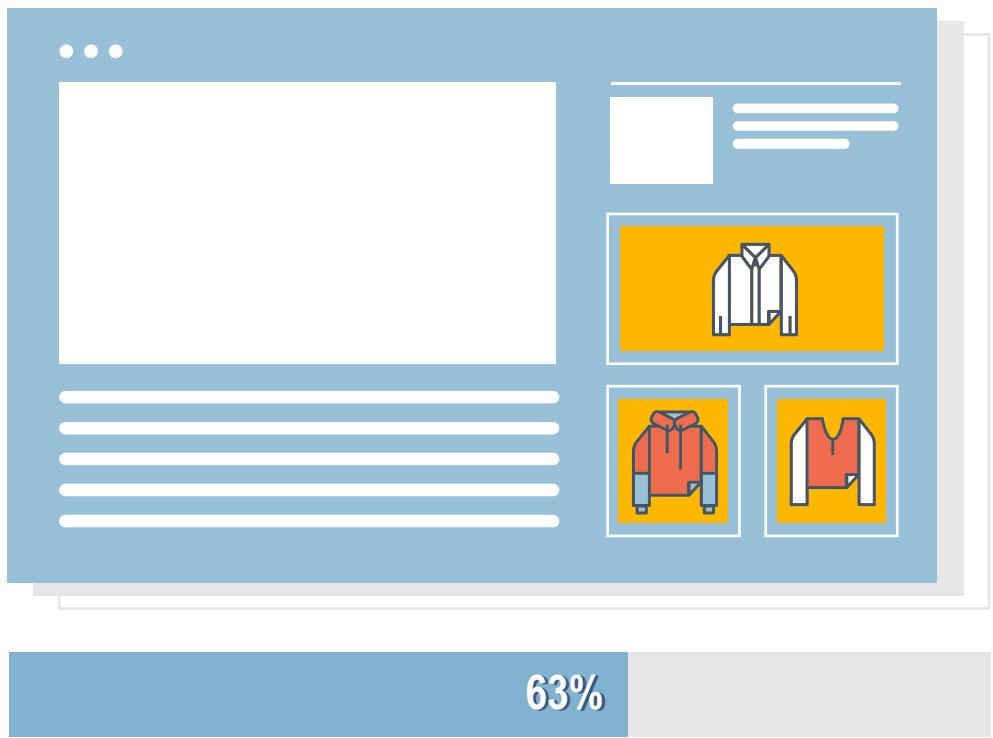Ad-Filtering users are typically younger and making critical purchase decisions

How Do Ad-Filtering Users Differ From Non-Ad Blocking/Filtering Users?
Audience Profile, Indexed

Ad filtering users indexed to non-ad filtering/blockers users (100)

158 GEN Z
126 MILLENIALS
GEN X
BOOMERS

Generations

116 FINANCIAL
109 TECH
108 AUTO

Primary Purchasers by Vertical

Q; What is the role in purchasing the following for your household?
Ad-Filtering users n=641, Non-Ad Filtering/Blocking users n= 648
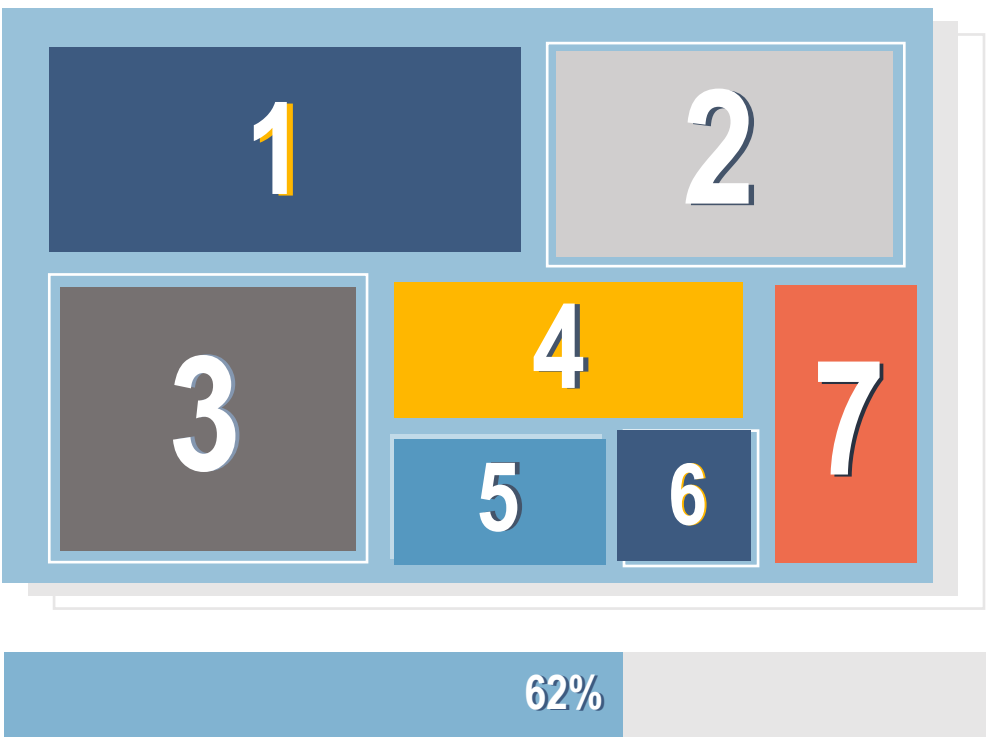
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Most who aren't using blocking/filtering technology want what it offers

Value Of Online Ad Control | Non-Ad Filtering/Blocking Users
- Scale 1-10 (Top 3 Box)

The ability to have control over the **types** of ads I see online

63%

The ability to have control over the **number** of ads I see online

62%

Q: How much do you value the following?
Non-Ad Filtering/Blocking users: n=648

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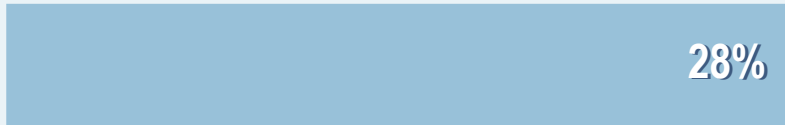# Those who don't use ad blocking or filtering software would use ad filtering if they could

40%
of people don't use ad blockers due to lack of knowledge

Reasons for not using ad blockers - % Agree

Don't know how to use them

28%

Don't know what ad blockers are

12%

Q: Why don't you use an ad blocker?
Non-Ad Filtering/Blocking users n=648

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IMPROVING THE MEDIA MIX TOWARDS
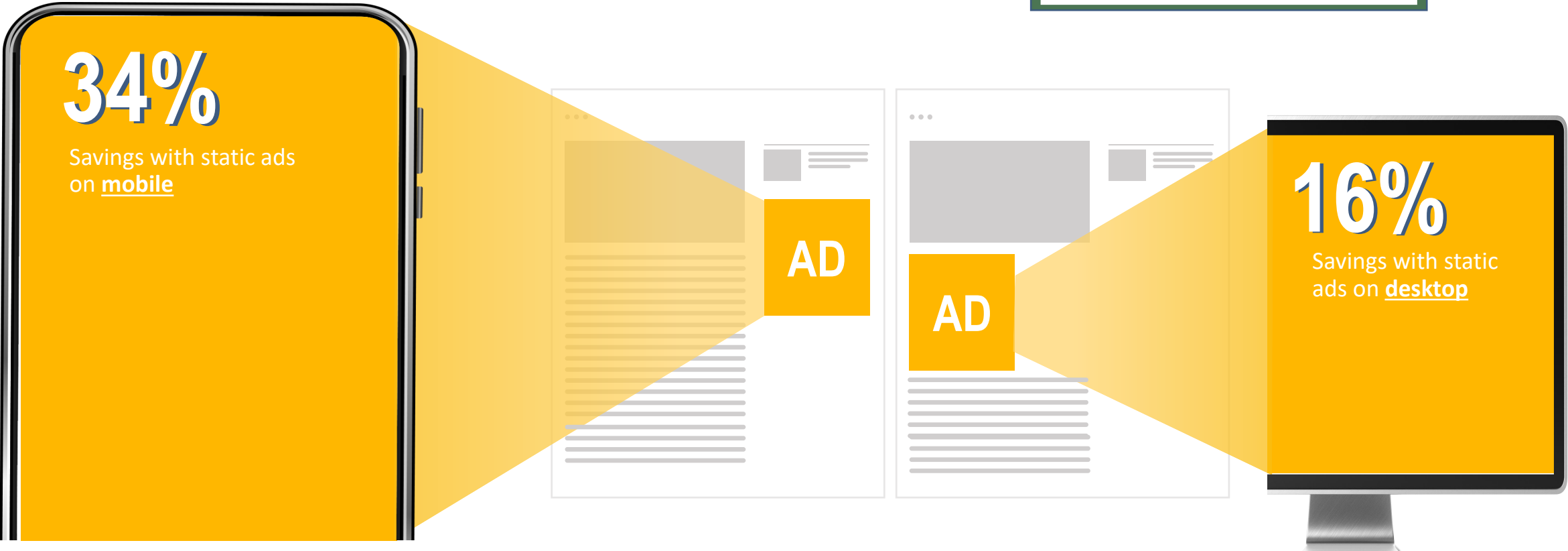
Lower Carbon emissions

Low bandwidth ads generate lower emissions regardless of device

% Savings in Carbon Emissions Using <u>Static</u> Instead of Animated Banners
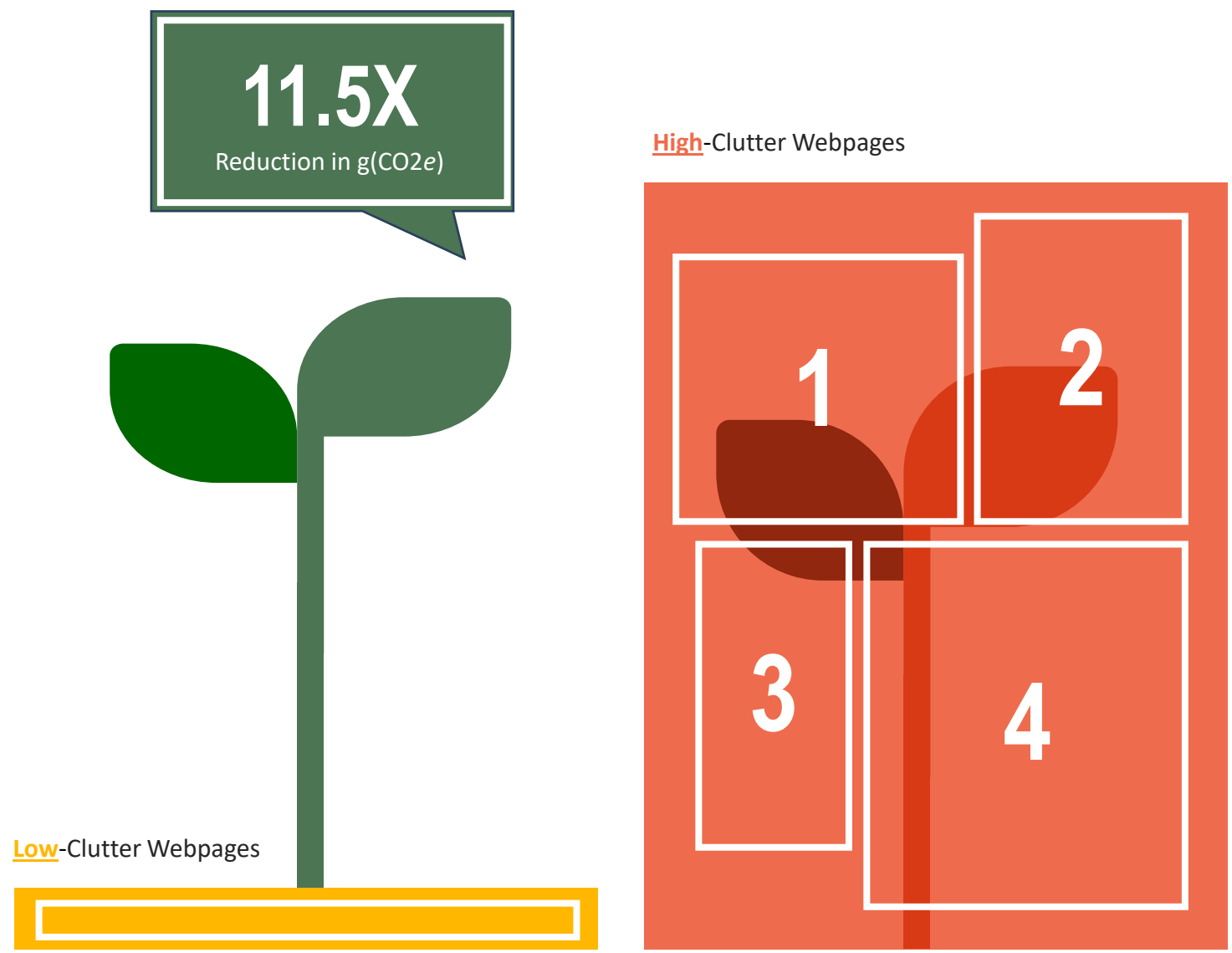
○○○○ SCOPE3

Did you know?
A :15 second video ad causes at least 10x the carbon emissions of a banner ad

34%
Savings with static ads on <u>mobile</u>

AD

AD

16%
Savings with static ads on <u>desktop</u>

Based on impression estimates on top news site(s) using Scope3's January emissions model (gCO₂e) per 1MM impressions

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Ad filtering reduces the total number of ads, further reducing waste

11.5X
Reduction in g(CO2*e*)

High-Clutter Webpages

Average Carbon Emissions For Tested Pages (gCO$_2$*e*)

⬤◯◯ SCOPE3

1

2

3

4

Low-Clutter Webpages

Scope3 works to decarbonize media and advertising
Based on impression estimates on top news site(s) using Scope3's January emissions model
Low-Clutter Webpages = 0.8, High-clutter pages = 10.0
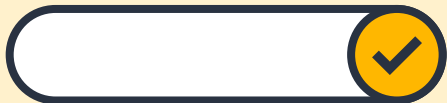Note: The reduction may be up to 11.5x based on the number of ad slots filtered

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Implications

1

**Uncluttered pages
are worth a premium**

Brands are more effective at capturing the attention of critical audiences by running in low-cluttered pages, allowing for greater impact on metrics that matter

2

Don't miss out on Ad-Filtering users

Ad-Filtering users aren't who you think they are; they make purchase decisions for critical categories and it's likely to be a growing audience with a young demographic
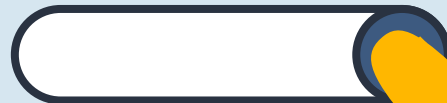
3

**Less clutter is greener
for brands and the environment**

Ad clutter is a waste of both media budget and energy. Reducing ad clutter is one opportunity for our industry to become more sustainable and decarbonize media