



# Extent of Ad Avoidance – How Big a Problem Is It?



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# Getting a Handle on Ad Avoidance

# Ad Avoidance and Today's Consumer

- How do consumers avoid ads?
  - By skipping and flipping
  - Through shifting attention to a second screen
  - With money-- via ad-free platforms and pay tiers
  - With blocking software
- Why do consumers avoid ads?
  - Because they can

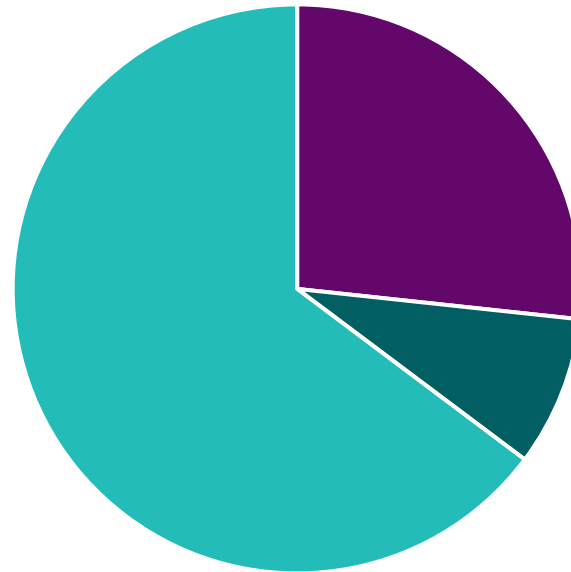




**The media ecosystem  
is growing increasingly  
inhospitable to  
traditional ad  
constructs.**

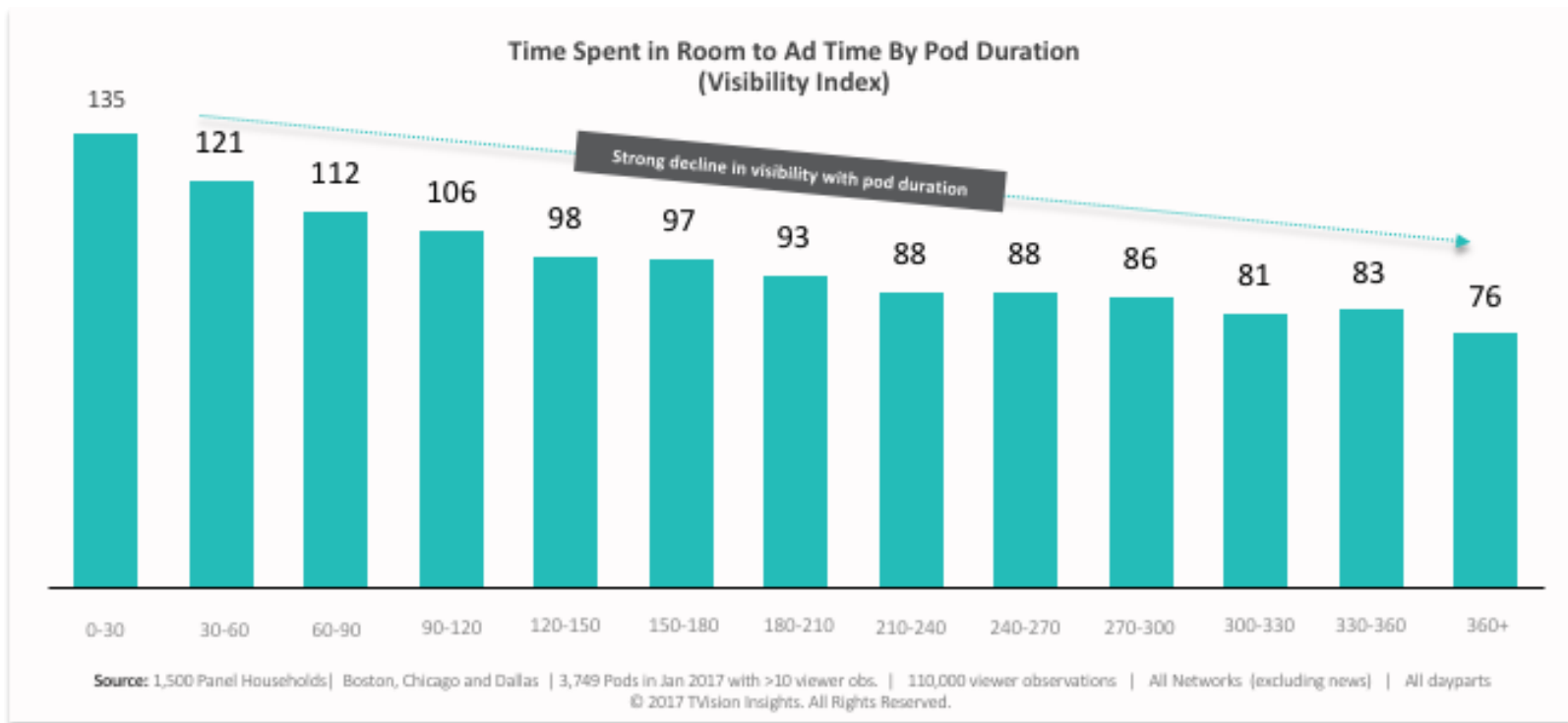
# Almost Two Thirds of Time Spent With Digital Media is Spent With Mobile Apps

Digital Time Spent, Persons 18+, March 2018



■ Computers ■ Mobile Web ■ Mobile App

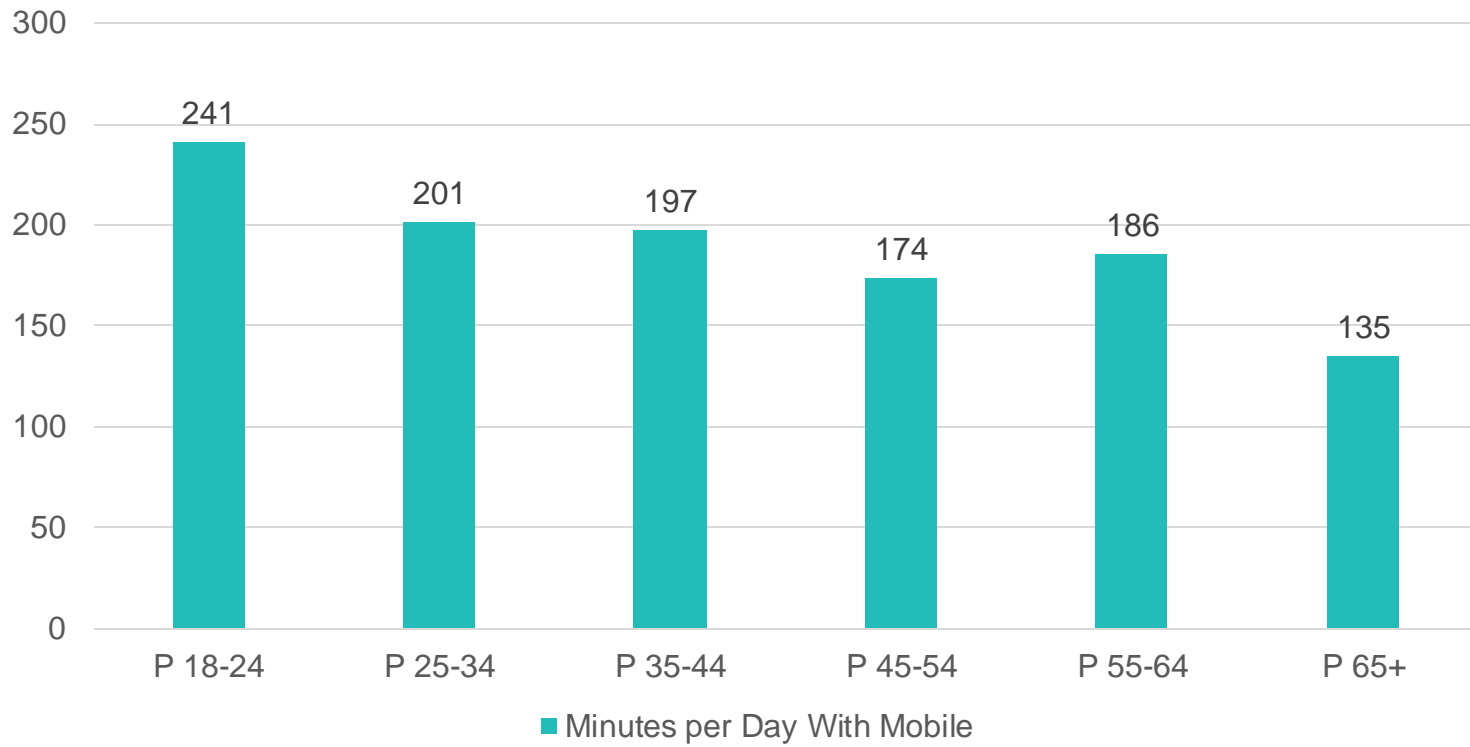
# Longer Commercial Pods Have a Dramatic Impact on People in Room (Source: TVision)





**Younger consumers  
are growing up in a  
totally different  
relationship with  
advertising.**

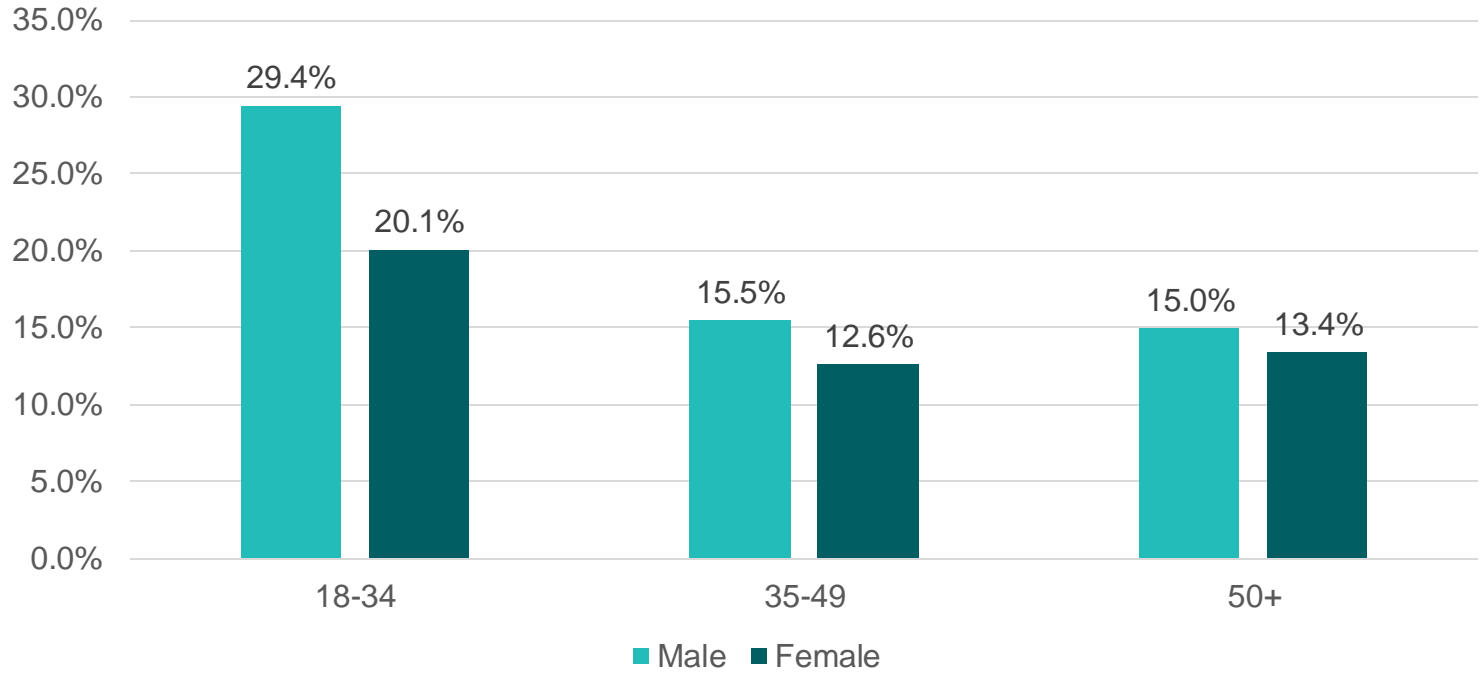
# 18-24 Year-Olds Who Engage With Mobile Spend 4 Hours a Day Doing So





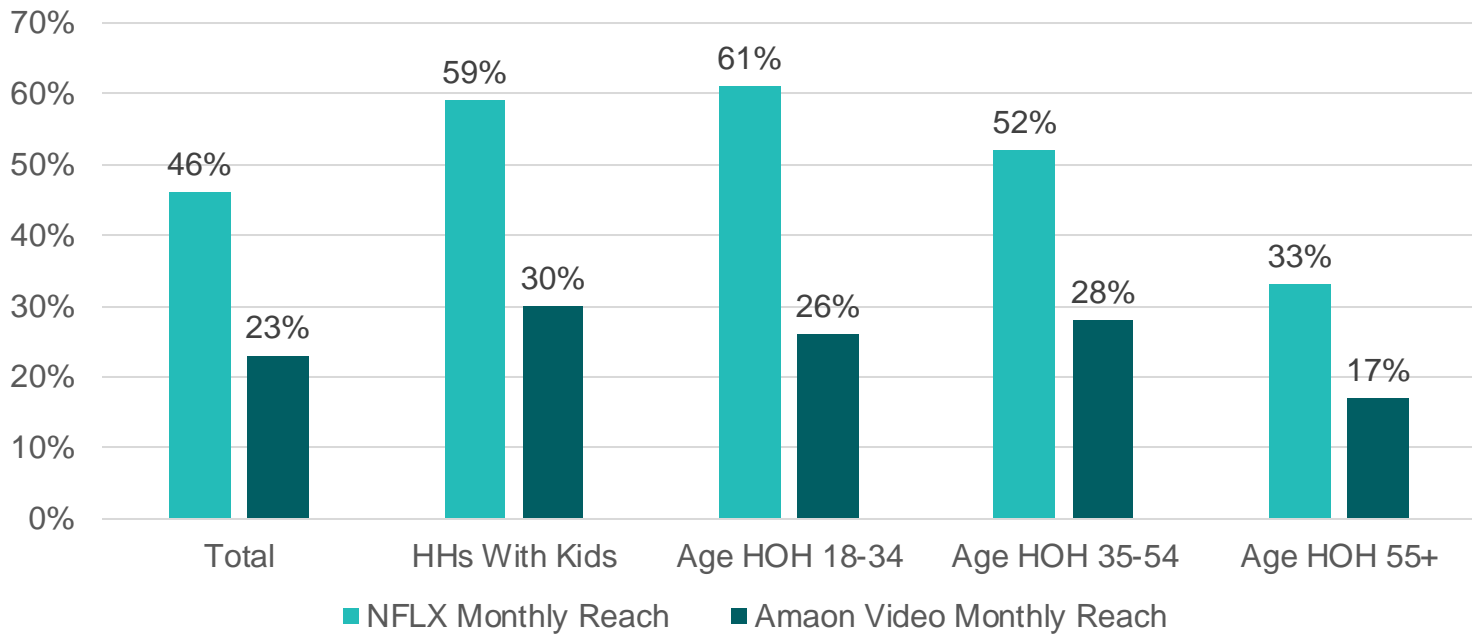
# Younger Computer Users are More Likely to Block Ads

US Computer Users With an Ad Blocker Installed; February 2016



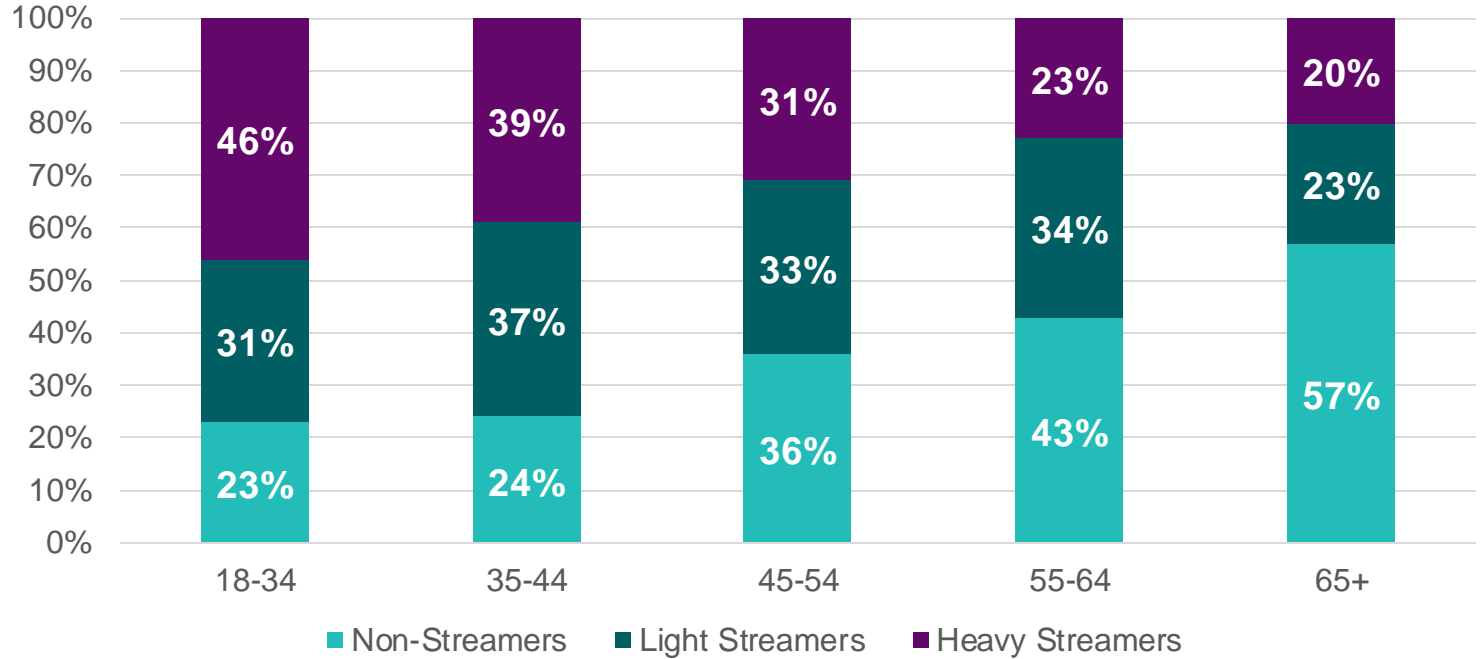
# Over 60% of Households Headed by 18-34 Year-Olds Watch Netflix Via OTT in a Month

OTT Viewership: Monthly Household Reach In the Wi-Fi Universe;  
Netflix and Amazon



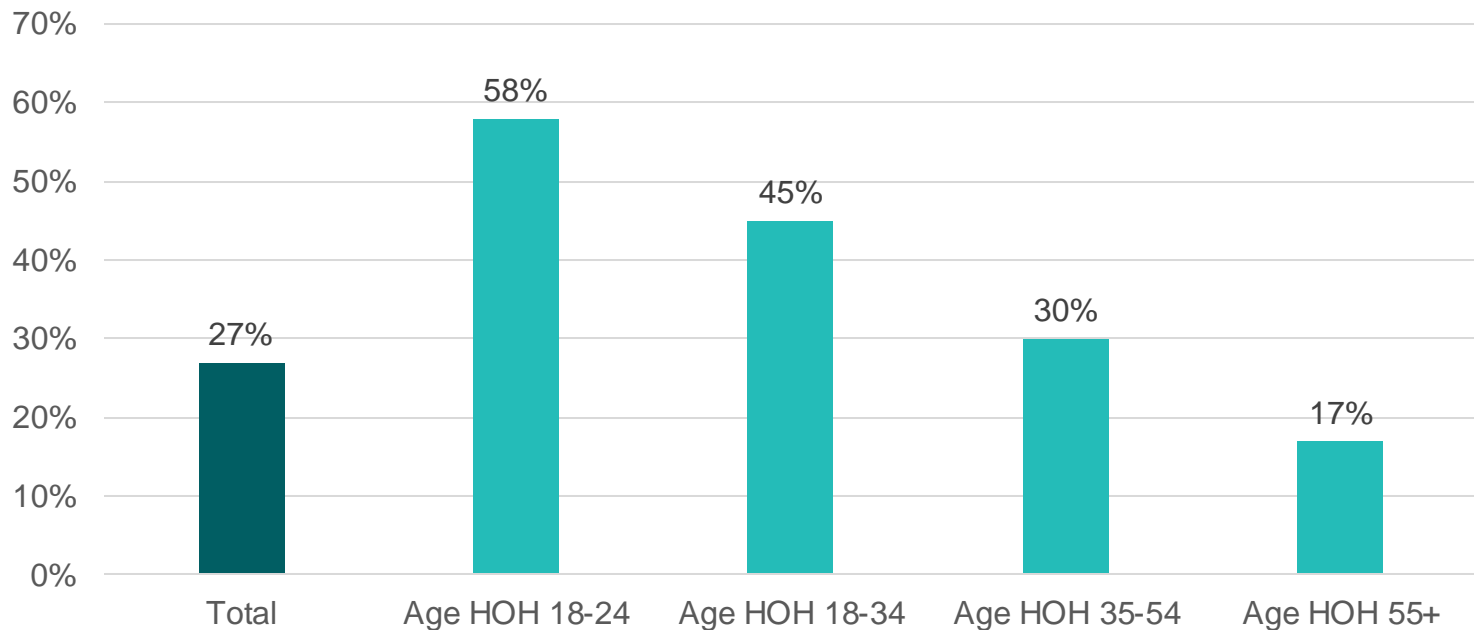
# Almost Half of Younger Households are Heavy Streamers

## Age of HH Head X Streaming HH Type



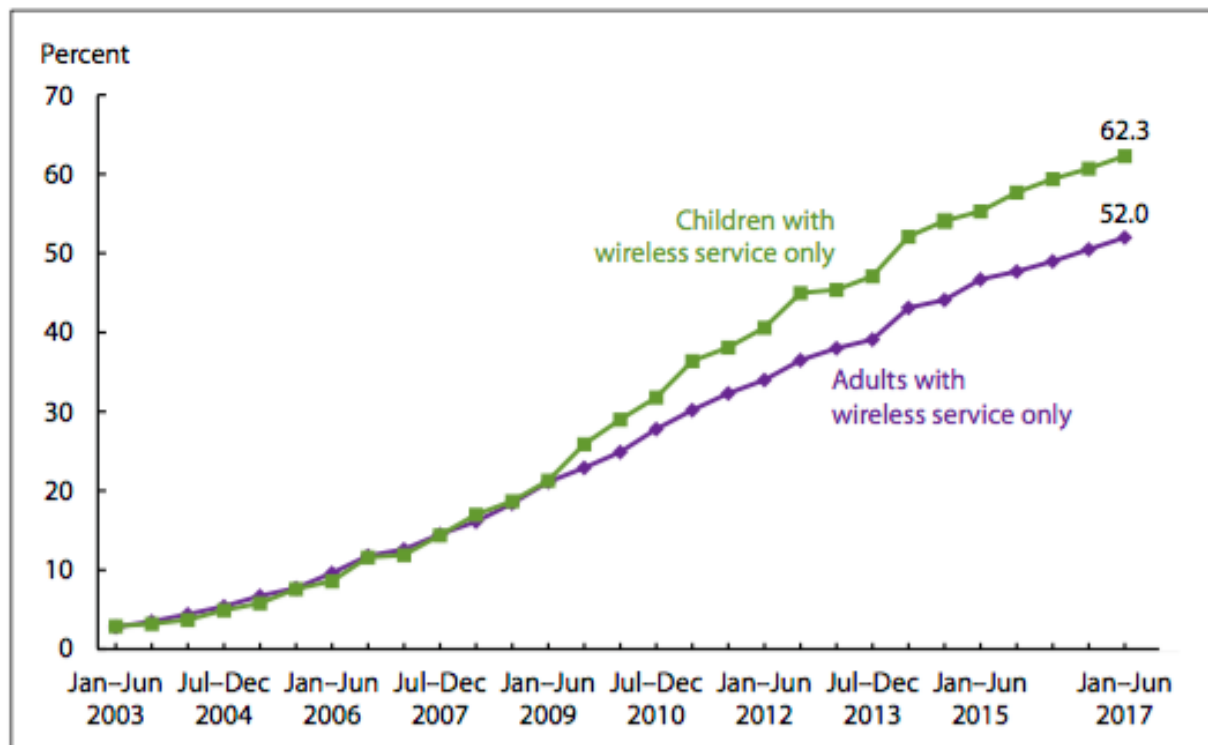
# Younger Households May Never Pay for Traditional TV

Percent of Wi-Fi Households Without Traditional Pay TV Service, by HOH Age



# Telephonic Cord Cutting (CDC NHIS Bi-Annual Survey)

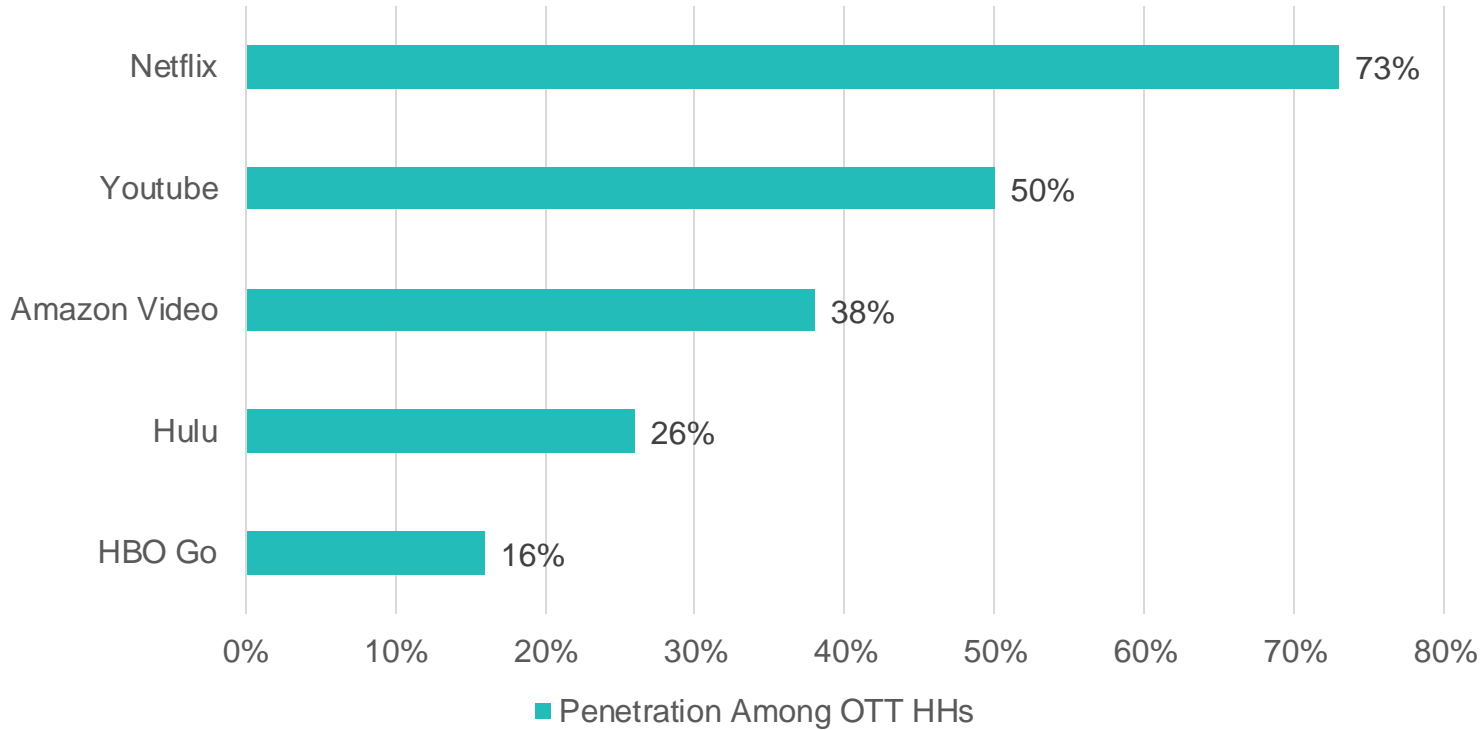
Figure. Percentages of adults and children living in households with only wireless telephone service: United States, 2003–2017





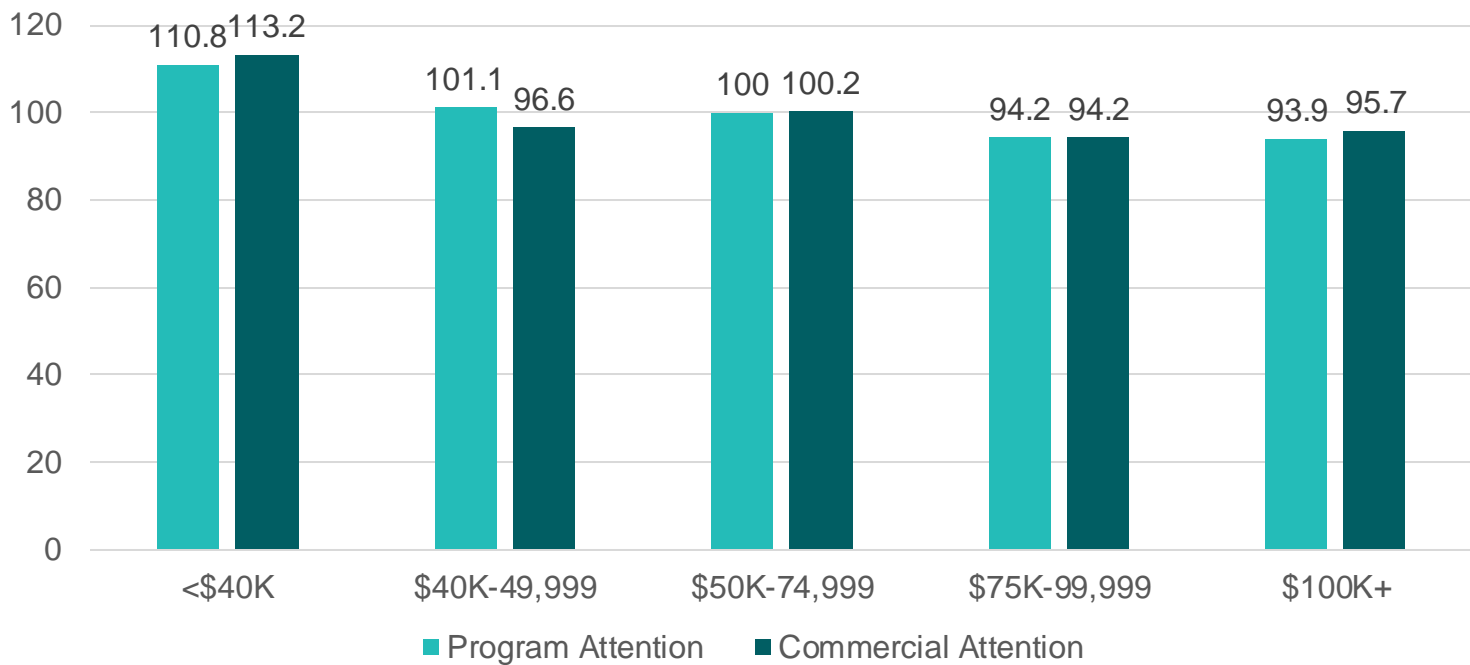
**Higher-income consumers are increasingly able to buy their way out of advertising.**

# Three of the Top-5 Highest-Reach OTT Video Services Are Fully Pay Offerings; the Other Two Offer a Pay Tier



# Persons in Higher-Income Households Pay Less Attention to the Screen, for Both Programs and Commercials

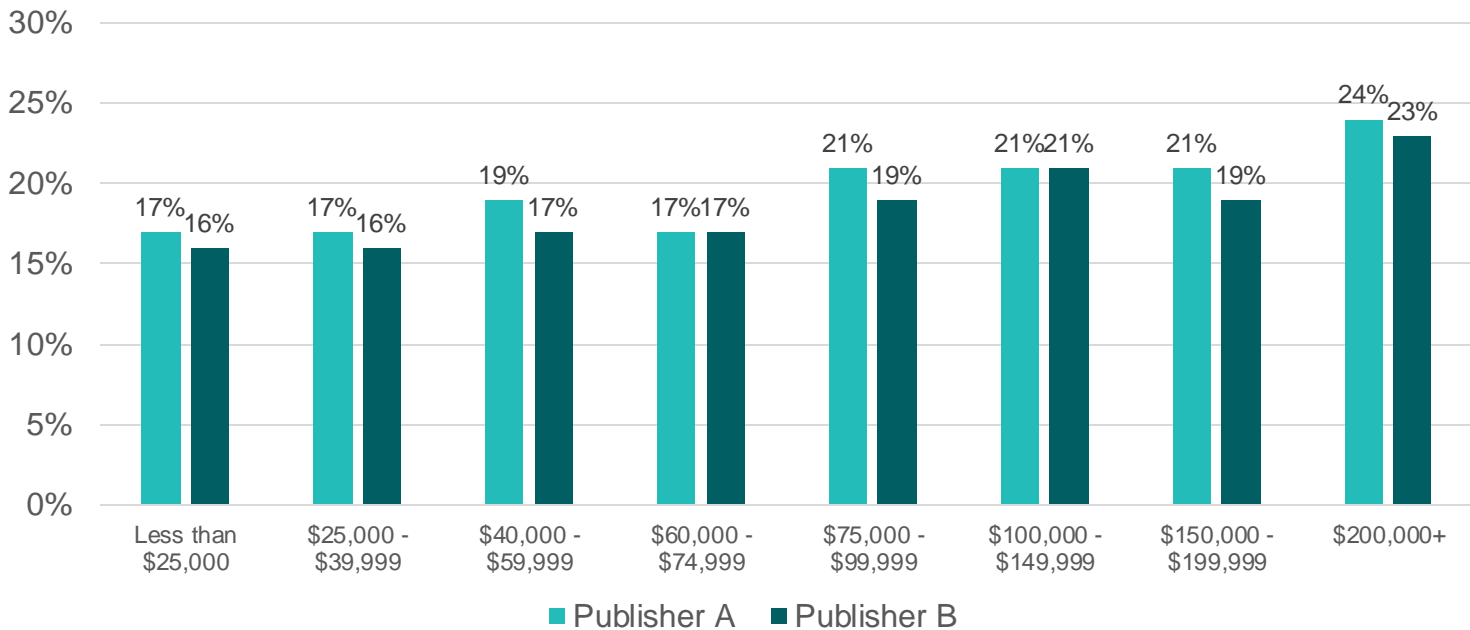
Index: Eyes On Screen by HH Income





# Ad Blocking Appears to Have a Positive Correlation With Household Income

Percent of Computer Visitors Using Ad Blockers for 2 Top-10 Publishers, February 2016, by Household Income





**As Millennials and Gen-Zers age and earn, their ad-avoiding ways will become empowered by income.**



## In Summary

- Technology and means enable and empower ad avoidance
- Younger consumers are growing up with a profound facility for ad avoidance
  - Which increased spending power over time will exacerbate
- Advertisers need to meet consumers where they are, which means traditional ad models have to change