

The Power of Choice

Dennis Publishing Engages Audiences about Compensation Preference

How Dennis Publishing convinced 71% of ad block users to compensate them for reading content

Prevailing solutions to address ad blocking have traditionally been limited to the provision of a single choice. Users of a website could be either asked to deactivate the ad blocker, or to pay for reading the content, or register to a website or even view ads delivered without consent.

At Sourcepoint, we always believed that such a black and white approach -- with a singular choice -- did not allow for the limitless variety of user interests, needs, or preferences. This prompted us to ask the question, *What would happen if multiple options existed for users to compensate content providers?*

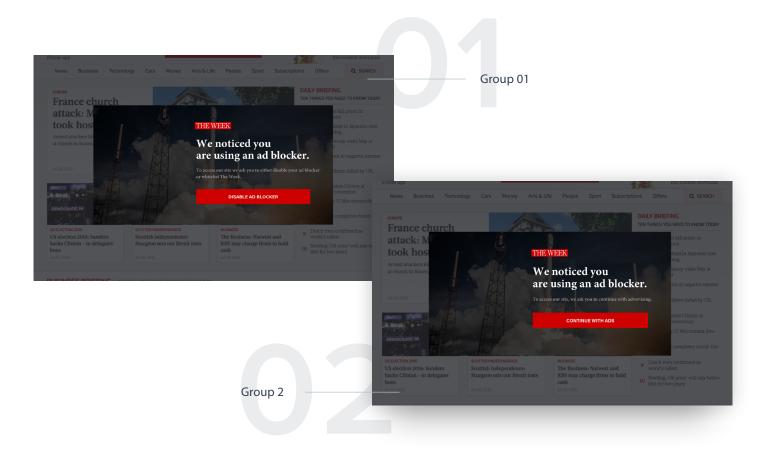
To answer this question, we launched a 6-month project with one of the UK's leading premium publishers, Dennis. The project covered four of Dennis' digital properties, one of which was The Week (theweek.co.uk), a current affairs brand with around 5m users each month.

The Week's online audience included in the test was split into four user groups, each representing a 10% slice of desktop and mobile traffic. Ad block users in each group were shown a specific message and call to action before letting them access the website's content. *The goal was to evaluate engagement with a variety of messages and preferred compensation choices among ad block users.*

Dennis leveraged the Sourcepoint Dialogue[™] platform to facilitate such segmentation and ensure that the groups did not include users that were previously exposed to ad block messages and were not part of any other test The Week ran at that time.

Group 01

was targeted with a message that prompted the user to disable their ad blocker before continuing to the website's content. After clicking the choice button on the message, users were provided with a selection of instructions on how to disable or whitelist their ad blocker for theweek.co.uk.

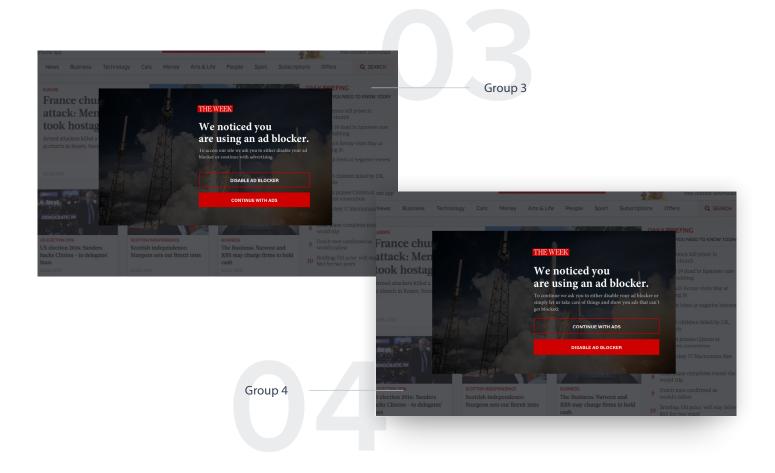


Group 02

was shown a message that appealed to the need for advertising to support The Week's journalism and asked users to accept advertising rather than disable their ad blocker. Clicking the choice button would release the website's content, enabling Sourcepoint's ad recovery solution which put ads back on the page despite the presence of an ad blocker. This choice represented a one-click advertising opt-in solution.

Group 03

was presented with a combination of whitelisting and one-click advertising opt-in choice buttons so that ad block users were able to choose their preferred method.



Group 04

was targeted with a combination of whitelisting and one-click advertising opt-in choice buttons in reverse order. The objective was to understand if the order of choice options had a significant influence on the results.

The findings

In evaluating the results, two separate measures were used: (1) the percentage of users that selected to whitelist the site and (2) the percentage of users that selected to opt into advertising. The sum of these two can be described as engagement rate, or rather the percentage of users that interacted with one of the choices.



Group 1 delivered the highest whitelist rate, but the lowest engagement rate at 31%. As a result of the message, two out of every three users left the website and did not try to proceed, potentially due to the added effort required to disable an ad blocker. For **Group 2**, the engagement rate rose to almost 50%, a reflection on the ease of a one-click ad solution.

The most favorable engagement rates were delivered when more than one choice was shown, as seen with **Groups 3 and 4** where engagement rates rose significantly to 57% and 55% respectively. More choices clearly led to increased user engagement.

In a separate variation of the test, Dennis Publishing exposed users to a message offering an alternative ad experience, where a user could choose to watch a short video ad before continuing to the content. Of the 35.65% of users that selected to view a video in exchange for content, Dennis Publishing measured a 75% view-through rate.

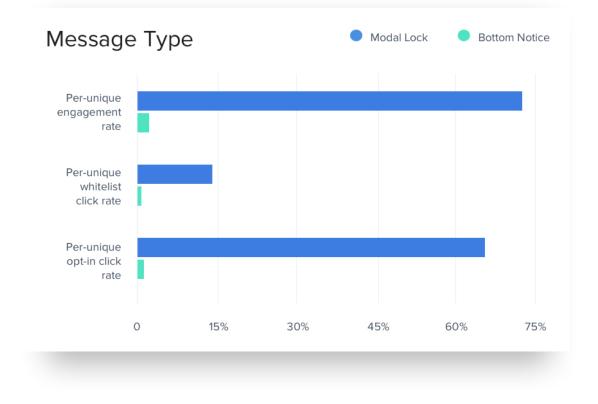
What works better: Content locks vs Dismissible messages?

In addition to evaluating which choice options were preferred among ad block users, one important objective of the test was to measure the impact and effectiveness of ad block messages with varying degrees of intrusiveness.

In early stages of the test, Dennis exposed ad block users on *theweek.co.uk* to a range of dismissible messages. These messages -- placed on the top, bottom and center of the website -- featured educational text about ad-supported journalism and asked the user to disable their ad blocker. However, users were not required to do so before continuing to the site's content and were able to ignore the message entirely.

In each case where the user was able to simply dismiss or ignore the message to proceed to the content, the whitelisting rates were nearly 13 times lower than for messages that locked the content and required an action to proceed.

After reviewing the results of the dismissable messages, Dennis concluded that non-dismissable messages were more effective and excluded any dismissible notifications from further testing.



Driving engagement across multiple audiences

Dennis also sought to understand the effectiveness of messages across a variety of digital audiences. In order to do so, similar messages were shown to users of Alphr.com, ITpro.co.uk and Carbuyer.co.uk, in addition to TheWeek.co.uk.

Results among the four audiences show stark differences. ITPro and Alphr, the two properties in the test most affected by ad blocking, had the highest engagement rates, with 70% of Alphr users interacting with the message. ITPro also had a nearly 70% engagement rate, despite initial test hypotheses that tech-centric audiences would not yield high engagement. As seen in TheWeek.co.uk experiment, one click opt-in advertising was the preferred action to whitelisting across all sites.

Site	Ad Block Rate	Whitelist Click Ratio	Opt-in Click Ratio	Engagement Ratio
Alphr	29.60%	12.64%	58.08%	70.72%
ITpro	27.70%	12.86%	56.78%	69.64%
Carbuyer	13.80%	10.02%	46.82%	56.84%
TheWeek	19.00%	14.08%	32.97%	47.06%

Dennis' Desktop Ad Block Rates

Conclusion

The 6-month experiment with Dennis is encouraging for publishers that have struggled to engage with users about compensation preferences. These results demonstrate that users are open to conversations with publishers about the relationship between online content and advertising. Furthermore, these users are willing to opt into advertising experiences in exchange for premium content. A key next stage is to explore how this relationship changes over time.

Dennis' commitment to create a better, more transparent experience for their users will not go unrewarded. Initial findings are positive and further optimization -- including additional compensation choices -- will be an important next step in not only re-engaging ad block users but audiences at scale.

Looking ahead, it's important to understand that results will vary as individual publishers explore dialogue and choices that address their specific audience needs, ranging from alternative compensation choices such as newsletter signups and paid subscriptions or by creating specific messaging and compensation options for search vs social audiences.

Finding the right balance that works for both users and publishers is critical. However, regardless of the path publishers choose to explore, we see now through data that any sustainable industry solution will need to be driven by choice.

Dennis Publishing

A leading independent media company and the UK's sixth largest consumer publisher. Now home to over 30 brands, including Auto Express, The Week, and CarBuyer, the company has grown from a traditional print publisher to a global, multi-platform group with a reach that extends across the UK, and US.

Sourcepoint

Headquartered in New York with offices in London, Berlin, and Seattle, Sourcepoint provides premium publishers with content compensation alternatives that foster more open, balanced and transparent value exchanges with consumers. Founded by technology veterans and backed by Northzone, Spark Capital, Foundry Group, Accel, and Greycroft, Sourcepoint was founded to meet the expanding compensation challenges faced by premium publishers. Learn more at <u>www.sourcepoint.com</u>



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