THE INS & OUTS OF AD SENTIMENT

Improving The Way People Feel About Online Advertising
Public favorability towards advertising has been in long-term decline since the early 1990s*

Public Favorability Towards Overall Advertising - % Favorable

*Source: The Advertising Association (Credos), "Arresting the Decline in Public Trust in UK Advertising."
In this report, we explore the drivers of online ad sentiment and what we can do about it.
TWO-PRONGED METHODOLOGY

DRIVERS OF AD SENTIMENT

Online Interviews
Nationally Representative Online Sample (n=1,354)

Focus
Drivers of negative/positive ad sentiment

IMPACT OF CREATIVE CONTENT

Ad Testing
Tested 44 different ads within YouTube testing environment on PC and mobile (n=4,278)

Focus
Impact of various ad content on web experience metrics and brand KPIs
THE STATE
OF FEELINGS
ABOUT ONLINE
ADVERTISING
IN ADDITION TO NEGATIVE FEELINGS, MANY SIMPLY FEEL “MEH”

RANGE OF FEELINGS TOWARDS ONLINE ADVERTISING

NEGATIVE AD SENTIMENT
✓ Does not trust online ads.
✓ Believes that online ads don’t serve an important purpose.
✓ Unaccepting of online ads.
✓ Hates online ads.
✓ Believes that online ads are bad for society.

POSITIVE AD SENTIMENT
✓ Trusts online ads.
✓ Believes that online ads serve an important purpose.
✓ Accepting of online ads.
✓ Loves online ads.
✓ Believes that online ads are very good for society.

OVERALL AD SENTIMENT

Total n=1,354
PEOPLE AREN’T INHERENTLY OPPOSED TO ONLINE ADVERTISING

In fact, the vast majority are open to the role online ads play.

**AVERAGE RATING - 1-10 SCALE**

- Neutral Opinion (4-7)
- Positive Opinion (8-10)

Online ads are good for society

- 12% Neutral Opinion
- 71% Positive Opinion

Online ads serve an important purpose

- 17% Neutral Opinion
- 64% Positive Opinion

I am very accepting of online ads

- 13% Neutral Opinion
- 62% Positive Opinion

I completely trust online ads

- 10% Neutral Opinion
- 62% Positive Opinion

I love online ads

- 10% Neutral Opinion
- 55% Positive Opinion

Total n=1,354
BUT THEY JUST DON’T LOVE OR TRUST THE ADS THEMSELVES

About one-third of people report “hating” them and/or not trusting them

AVERAGE RATING - 1-10 SCALE

- Negative Opinion (1-3)

<table>
<thead>
<tr>
<th>Opinion</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online ads are bad for society</td>
<td>17%</td>
</tr>
<tr>
<td>Online ads don’t serve an important purpose at all</td>
<td>19%</td>
</tr>
<tr>
<td>I don’t accept online ads at all</td>
<td>25%</td>
</tr>
<tr>
<td>I don’t trust online ads at all</td>
<td>28%</td>
</tr>
<tr>
<td>I hate online ads</td>
<td>35%</td>
</tr>
</tbody>
</table>

Total n=1,354

About one-third of people report “hating” them and/or not trusting them.
AD DISCONTENT:
GETTING TO THE HEART OF IT
HOW WE MEASURED DRIVERS OF AD SENTIMENT

5 CATEGORIES

AD LOAD
The amount of online ads

AD CONTENT
The content of online ads

AD FORMAT
The format of online ads

AD TARGETING
The delivery of online ads

EXTERNAL FACTORS
Topics not limited to advertising (e.g. data privacy)

WITHIN THE CATEGORIES, WE LOOKED AT...

OCCURENCE
How often they see it

SENTIMENT
How they feel about it

PERCEIVED IMPORTANCE
How important it is

52 SUB-CATEGORIES
CONTRIBUTION ANALYSIS WAS USED TO DETERMINE THE EXACT DRIVERS OF AD SENTIMENT

SENTIMENT TOWARDS ONLINE ADVERTISING

Overall sentiment was determined by consumer ratings on love, trust, acceptance, public interest, and perceived purpose of online advertising.

Note: Univariate Generalized Linear Modeling was used with forward stepwise variable selection at 95% confidence.
OUR INDUSTRY DIRECTLY CONTROLS THE VAST MAJORITY OF FACTORS THAT DRIVE FEELINGS ABOUT ONLINE ADS

In Australia, contribution was even across all categories:
- Ad Targeting: 26%
- Ad Load: 40%
- Ad Content: 18%
- Ad Format: 6%
- External Factors: 10%

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WE DID A DEEP DIVE INTO THE DRIVERS OF AD SENTIMENT...

SO WHAT ARE WE DOING RIGHT AND WHAT CAN WE IMPROVE ON?

LOVE!!!

NAILING IT
Things about online ads consumers LOVE and are seeing very often

MISSED OPPORTUNITY
Things about online ads consumers LOVE but aren’t seeing enough of

KEEP AVOIDING
Things about online ads consumers HATE but aren’t seeing often

ACTION REQUIRED
Things about online ads consumers HATE and are seeing too much of

NOT SEEN OFTEN

SEEN OFTEN

HATE!!!
‘AD TARGETING’ REQUIRES THE MOST ACTION

Many are getting too many ads that are aggressively pushing them to buy and often continue after they’ve already purchased

AD TARGETING DEEP DIVE

- **Significant Drivers of Ad Sentiment**
- **No Significant Drivers of Ad Sentiment**

**LOVE!!!**

**NOT SEEN OFTEN**

**HATE!!!**

- Products I want to buy now
- Products I’m thinking of buying
- Uses my personal info
- Meets my expectations
- Tries to get you to buy things
- Based on my schedule
- Products I already bought
- In my personal spaces (e.g. private chats)

**PEOPLE ARE LESS OPEN TO TARGETED ADS WHEN DONE POORLY**

“What I do notice is the amount of online ads for products that I have already bought, after the fact. This is not serving me at all. I have seen ads for products that I have researched and considered purchasing, and these are good ads.

“Lots of specific types of ads for products I do not need, like car insurance.”
ADVERTISERS NEED TO GET THE MUSIC RIGHT

Global advertisers who rely on music to avoid multiple creative iterations should be particularly thoughtful.

**AD CONTENT DEEP DIVE**

- **Significant Drivers of Ad Sentiment**
- **No Significant Drivers of Ad Sentiment**

**WE NEED TO BE THOUGHTFUL WHEN ADDING MUSIC**

“Music in ads can be pleasant, but also often horrible when it is very loud and overbearing with pounding beats or screeching guitars.”

**ACTION REQUIRED**
SIMPPLICITY WORKS, THERE IS VALUE IN FOCUSING ON MAKING FRESH AND ENTERTAINING ADS

AD CONTENT DEEP DIVE

- Significant Drivers of Ad Sentiment
- No Significant Drivers of Ad Sentiment

LOVE!!!

NAILING IT

Entertaining  ✔️
Relatable  ✔️

Easy to understand
Fresh

HATE!!!

NOT SEEN OFTEN

SEEN OFTEN

MISSED OPPORTUNITY

Total n=1,354
WHEN PERSONALIZATION IS DONE WRONG, IT STANDS OUT

AD CONTENT DEEP DIVE

- **Significant Drivers of Ad Sentiment**
- **No Significant Drivers of Ad Sentiment**

**ACTION REQUIRED**

**CONSUMERS ARE WARY WHEN PERSONALIZED ADS ARE DONE POORLY**

“Sometimes I find them personally offensive lately, like dresses for older women & make up for older women. Like this is going to want me to check it out? No. They are targeting me for my age & not in a good way!”

**AVOID BOMBARDING PEOPLE WITH ADS RELATED TO CURRENT EVENTS – AUTHENTICITY IS CRUCIAL**

- Relevant to current events
- Spotlights sensitive issues
- Contains music
- Personalized

**NOT SEEN OFTEN**

**SEEN OFTEN**

**LOVE!!!**

**HATE!!!**

Total n=1,354
PEOPLE WANT SHORTER, SEAMLESS ADS

AD FORMAT DEEP DIVE

- Significant Drivers of Ad Sentiment
- No Significant Drivers of Ad Sentiment

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MISSED OPPORTUNITY

Feels like the right length ✗

Doesn’t distract them from what they are doing ✗

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NAILING IT

Well integrated with the content ✓

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LOVE!!!

HATE!!!

SEEN OFTEN

NOT SEEN OFTEN
...BUT ADS THAT LOOK AND FEEL LIKE CONTENT SHOULD BE LABELED APPROPRIATELY

AD FORMAT DEEP DIVE

- Significant Drivers of Ad Sentiment
- No Significant Drivers of Ad Sentiment

Some feel tricked with ads that look and feel like regular content

“[Ads that blend in with the content on the page] can be frustrating because it seems sneaky, but it’s no different than having broadcasters name-drop products or product-placement in TV shows and movies.”

Look and feel like the content

**ACTION REQUIRED**
AS EXPECTED, AD LOAD IS A PROBLEM

Low ad load curbs ad avoidance and improves ad effectiveness and consumer perceptions.

PERCEIVED IMPORTANCE
- AD LOAD VARIABLES

- 45% Seeing ads back-to-back
- 31% Amount of ads in a single sitting
- 29% Feeling of seeing ads everywhere
- 27% Amount of ads seen in a single day

Total n=1,354
OF THE EXTERNAL FACTORS, TRUST IN COMPANIES IS AN ISSUE

HOW PEOPLE FEEL ABOUT EXTERNAL FACTORS?

- Overall trust in companies is low
- Companies have full control over my personal information
- Companies use my personal information to serve themselves
- Companies only have their own corporate interests in mind

IMPORTANCE - Perceived Importance

CONTRIBUTION TO AD SENTIMENT
TO SUM IT ALL UP...

AD TARGETING
People are suspicious of targeting. However, it needs to be done, and done well. Lack of targeting leads to irrelevant ads. Improper use leads to creepiness.

AD CONTENT
Don’t miss the mark when it comes to personalized ads and ads with music – if advertisers get it wrong, it can result in negative ad sentiment.

AD LOAD
Uncluttered ad environments are worth a premium.

AD FORMAT
While people like ads that are short and seamless, ensure clarity when it comes to sponsored content.

EXTERNAL FACTORS
While it’s difficult for advertising to control overall trust in corporations, we can play a part by ensuring transparency.
THE FIX:
SMALL STEPS
IN ACTION
WE TESTED IT OUT OURSELVES

WE TESTED 44 PRE-ROLL ADS ON YOUTUBE TESTING ENVIRONMENT ON PC AND MOBILE

<table>
<thead>
<tr>
<th>ENTERTAINMENT FACTOR</th>
<th>FRESHNESS</th>
<th>RELEVANCE TO CURRENT EVENTS</th>
<th>MUSIC</th>
<th>PERSONALIZATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entertaining ads</td>
<td>Fresh ads</td>
<td>Relevant to current events</td>
<td>Music and voiceover</td>
<td>Personalized message</td>
</tr>
<tr>
<td>Unentertaining ads</td>
<td>Outdated ads</td>
<td>Not relevant to current events</td>
<td>With music, and no voiceover</td>
<td>Standard message</td>
</tr>
</tbody>
</table>

DATA TYPES FOR PERSONALIZATION:
Past Purchase
Search Term
Life Event

WE TESTED IT OUT OURSELVES
MOST OF THESE CREATIVES IMPROVE AD EXPERIENCES, BUT ADVERTISERS SHOULD BE CAREFUL WITH MUSIC

IMPACT ON AD EXPERIENCES

> Positive  / Status Quo  < Negative

**ADS THAT...**

- Are entertaining
- Feel personal
- Are fresh
- Feel relevant to current events
- Include music
- Include voiceover

Does this improve AD EXPERIENCES?

More Entertaining & Relevant
More Entertaining & Relevant
More Entertaining & Relevant
More Entertaining & Relevant
Less entertaining

**Music is in the ear of the beholder**
There was mixed feedback about music. Those who didn’t like it found it annoying and loud

Note: Modeling was used to ensure creative type aligned with consumer ratings of the ad

Total n=4,278
IN FACT, FUN, FRESH CREATIVES HAVE THE POWER TO IMPROVE OVERALL WEB EXPERIENCE

**IMPACT ON WEB EXPERIENCES**

<table>
<thead>
<tr>
<th>ADS THAT...</th>
<th>Are entertaining</th>
<th>Feel personal</th>
<th>Are fresh</th>
<th>Feel relevant to current events</th>
<th>Include music</th>
<th>Include voiceover</th>
</tr>
</thead>
<tbody>
<tr>
<td>+</td>
<td>+</td>
<td>/</td>
<td>+</td>
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</tr>
</tbody>
</table>

Does this improve **WEB EXPERIENCES?**

Does entertaining & engaging ads improve web experiences?

**Note:** Modeling was used to ensure creative type aligned with consumer ratings of the ad.
THE SAME ADS ALSO MAKE FOR A BETTER VALUE EXCHANGE BETWEEN AD + FREE CONTENT

IMPACT ON AD/CONTENT VALUE EXCHANGE

+ Positive  / Status Quo  - Negative

- ADS THAT...
  - Are entertaining
  - Feel personal
  - Are fresh
  - Feel relevant to current events
  - Include music
  - Include voiceover

Does this have a better VALUE EXCHANGE**?

Entertaining ads improved perceived value exchange
Personalized ads improved perceived value exchange
Fresh ads improved perceived value exchange
Ads referencing current events improved perceived value exchange

OPT IN
(Watch ad for free content)

Total n=4,278
Note: Modeling was used to ensure creative type aligned with consumer ratings of the ad
Q: In order to provide you free content, apps and websites often get paid by showing you video ads before and sometimes during content. Based on the video you watched on YouTube today, we want to know how much value, if any, you got out of watching the ad in exchange for free content. On a scale of 1-10, was the video you watched worth the ad you were shown?
## WHAT BENEFITS CONSUMERS BENEFITS ADVERTISERS

### IMPACT ON BRAND METRICS

<table>
<thead>
<tr>
<th>Positive</th>
<th>Status Quo</th>
<th>Negative</th>
</tr>
</thead>
</table>

### ADS THAT...

<table>
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<th>Are entertaining</th>
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<tr>
<td><strong>AD RECALL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SEARCH INTENT (TB)</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td><strong>PURCHASE INTENT (TB)</strong></td>
<td></td>
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Note: Modeling was used to ensure creative type aligned with consumer ratings of the ad

Total n=4,278
THERE IS CLEAR INCENTIVE TO MAKING IMPROVEMENTS TO ONLINE ADS
**DISGRUNTLED PEOPLE GO OUT OF THEIR WAY TO INSTALL AD BLOCKERS AND STOP USING APPS**

**ACTIONS AND CONSIDERATIONS DUE TO NEGATIVE AD SENTIMENT**

- **Completed**
- **Considered**
- **Total Action**

---

**Chart Data:***

- **Install ad blockers**: 67%
- **Stop using apps/websites that have too many ads**: 53%
- **Stop supporting brands with too many ads**: 45%
- **Use incognito browser**: 44%
- **Use VPN**: 41%
- **Delete social media or other accounts**: 40%
- **Spend less time online**: 38%
- **Paid for content to not to see ads**: 26%

**Total n=1,354**

Q: You indicated that you have negative opinions of online advertising. What changes have you considered or done because of this?
SATISFIED PEOPLE SPEND MORE TIME ONLINE AND EVEN DISABLE THEIR AD BLOCKERS

ACTIONS AND CONSIDERATIONS DUE TO **POSITIVE** AD SENTIMENT

- **Completed**
- **Considered**
- **Total Action**

<table>
<thead>
<tr>
<th>Action</th>
<th>Completed</th>
<th>Considered</th>
<th>Total Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spend more time online</td>
<td>72%</td>
<td>71%</td>
<td>71%</td>
</tr>
<tr>
<td>Disable ad blockers or not use them</td>
<td>71%</td>
<td>69%</td>
<td>69%</td>
</tr>
<tr>
<td>Used apps/websites with ads</td>
<td>69%</td>
<td>64%</td>
<td>64%</td>
</tr>
<tr>
<td>Support brands that I see ads from</td>
<td>64%</td>
<td>64%</td>
<td>64%</td>
</tr>
<tr>
<td>Not delete social media or other accounts</td>
<td>64%</td>
<td>63%</td>
<td>63%</td>
</tr>
<tr>
<td>Use ad supported sites without paying for content</td>
<td>63%</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>Not use incognito browser</td>
<td>60%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not use VPN</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total n=1,354

Q: You indicated that you have positive opinions of online advertising. What changes have you considered or done because of this?
IF ADVERTISERS MADE THESE CHANGES, IT COULD IMPROVE OVERALL AD SENTIMENT

Better targeted ads – not just simply getting you to buy anything and everything

16%

Better targeting alone would improve online ad sentiment by 16%

18%

Fewer ads in a day

% IMPROVEMENT IN AD SENTIMENT | TOP DRIVERS OF AD SENTIMENT BY CATEGORY

13%

Better or fewer ads with music

10%

Better or fewer ads that look and feel like content

5%

More trust in companies

External Factors

Ad Format

Ad Content

Ad Targeting

Ad Load
**RECOMMENDATIONS**

**WHAT TO DO MORE OF**
There’s plenty that advertisers are doing right and should do more often. These preferred ad types also tend to go hand-in-hand with bigger impact on brand KPIs.
- More ads that are entertaining, fresh, personally relevant, and pertinent to current events
- More short ads
- Better integration with website

**WHAT TO DO LESS OF**
There’s also plenty we should be doing better, even though, in some cases, a few bad apples may be the driving force.
- Getting the music in ads “right”
- Ensuring seamless personalization
- Transparency when it comes to sponsored posts

**TRANSPARENCY**
While there are some factors responsible for negative ad sentiment the marketing sector isn’t solely responsible for, marketers should ensure authenticity in ads to help with the biggest external factor – lack of trust.