

YouTube's recent global experiment puts the squeeze on ad blockers

Article

The news: YouTube has kicked off a worldwide trial that curtails the usage of ad blockers, per TechCrunch. The platform has begun showing warning messages to users who have ad blocking extensions enabled, notifying them that their video player will be restricted after watching three videos unless they disable the ad blocker or whitelist YouTube.

- This initiative is also intended to encourage users to opt for YouTube Premium, which provides an ad-free experience.

Why it matters: This trial is part of YouTube's efforts to maintain its ad-based revenue model, which the extensive use of ad blockers has impacted.

- These revenues are indispensable for compensating content creators and keeping the platform free for the vast majority of users.
- By nudging viewers to disable ad blockers or switch to the subscription-based Premium service, YouTube aims to preserve its earnings and support content creators.
- This experiment coincides with YouTube's recent [increase in its ad load](#), which has tested user patience, according to The Verge.

Our take: YouTube's experiment with restricting video playback for ad blocker users is an aggressive move meant to preserve revenue streams.

- While ad blockers do rob revenue from content creators, it would be unreasonable to think that's YouTube's primary motivation here.
- The experiment also looks like a calculated move to steer more users toward its Premium subscription which should [bring in \\$2.71 billion](#) in revenues this year. If 38% of all US internet users [use ad blockers](#), that's a lot of potential Premium revenue YouTube could be leaving on the table.
- The pilot's success isn't assured, as it may elicit mixed reactions from users accustomed to using ad blockers.
- YouTube must strike a balance between sustaining ad revenues and ensuring an unobtrusive and enjoyable user experience, as ad blocker users could complain and turn into brand detractors.

What Digital Activities Have US Internet Users Done in the Past 30 Days To Protect Their Privacy?

% of respondents, May 2022



Note: ages 18+

Source: Integral Ad Science (IAS), "2022 Future of Privacy-First Advertising Report" in partnership with YouGov, Aug 22, 2022

278622

eMarketer | insiderintelligence.com