## YouTube users cry foul after ad blockers ban and Premium price hike

Article





**The news: YouTube** is increasing prices for **YouTube Premium** in several major markets, per 9to5Google. **Germany**, **Australia**, **Austria**, **Poland**, **Turkey**, **Chile**, and **Argentina** will all see the cost of ad-free YouTube viewership rise. US Premium prices increased by \$2 in July.





 The pricing news comes as YouTube is deepening its <u>crusade against ad blockers</u>, triggering an outcry from consumers who feel YouTube's focus is no longer on serving consumers but advertisers.

**The ad block campaign:** Ad blockers are a popular tool for consumers to protect their privacy online and personalize their internet experience. YouTube's decision to ban them will benefit its ad revenues but is guaranteed to upset some users.

- <u>20% of respondents</u> in an October Malwarebytes survey said they use ad blockers as a form of cybersecurity. In a May <u>Tinuiti survey</u>, the figure was even higher at 31%. Even the <u>FBI has</u> <u>recommended</u> that consumers use ad blockers to protect their online privacy.
- But just as password-sharing crackdowns and ad-supported tiers have boosted streamers' advertising revenues, so too has ad blocking increased YouTube's revenues. Google's advertising business posted strong Q3 results last month, with YouTube ad revenues of \$7.95 billion exceeding expectations.
- Expressing their displeasure, users have <u>flooded the YouTube subreddit</u>, one of the most populated pages on Reddit, with posts complaining about the ad blocking changes.

<b>Cybersecurity Tools Used by Consumers in North</b> <b>America, Aug 2023</b> % of respondents
Use antivirus software
35%
Use a VPN
27%
Use multifactor authentication or two-factor authentication (MFA/2FA)
24%
Use a credit monitoring service
21%
Use an ad blocker while browsing the internet
20%
Use a password manager
15%
Use a privacy-preserving web browser
13%
Use an identity theft protection service
13%
Use a search engine that does not track your online activity to deliver targeted ads
12%
Use a privacy-preserving alternative to common online tools (email, cloud storage, etc.) 6%
Note: ages 13-77 n=1,004 Source: Malwarebytes, "Everyone's Afraid of the Internet," Oct 4, 2023
283545 Insider Intelligence   eMarketer





**General mood:** Developments in 2023 have reemphasized the conflict between platforms' need to increase revenues, advertisers' need to get exposure, and users' desire for a smooth viewing experience.

- Ad loads and premium pricing are both going up on YouTube—but they are on nearly every other major video provider, too. Netflix, Amazon Prime Video, Disney+ and others have all raised prices and increased ad loads in 2023.
- But for YouTube, raising premium pricing and changing ad loads are different. YouTube is the de-facto video platform of the internet, and users who have spent the last decade or more customizing their experience and using YouTube for free won't be eager to pony up.
- Another major complaint is that YouTube ads are highly disruptive. Unlike TV and streaming, which can structure content around ad breaks, mid-roll ads will often interrupt YouTube videos. Making matters worse, YouTube ads have no maximum length, and mid-roll ads can run longer than the intended video if a user doesn't press the "skip ad" button.

**Our take:** Consumers complaining about internet platform changes is nothing new, and YouTube's prevalence means it's unlikely to see a concerning drop-off in viewership. But the outcry over its changes brings the conflict between consumers and advertisers back to the forefront.

Ad quality could be a bigger concern for YouTube than angry users. Advertisers have grown especially wary of low-quality ad placements in 2023, and the enormous range of quality and length of YouTube ads could trigger a similar outcry.



