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As Consumers Revolt, a Rush to Block Pop-Up Online Ads

By SAUL HANSELL

The boom in Internet pop-up advertisement may be about to, well, pop.

The big ads that flash in separate windows above or below Web pages are among the most intrusive, and to many people, the most obnoxious features on the Internet. Not coincidentally, the pop-up format is also among the most effective for advertisers and the most profitable for Web site publishers.

But the potential reach of these ads is starting to be sharply curtailed as major companies, like [Time Warner's](#) AOL unit, [Yahoo](#) and Google, distribute software that blocks pop-up ads from opening. This summer, [Microsoft](#) will put a pop-up blocking feature in the next release of Internet Explorer, the dominant Web browser.

"There is a consumer revolt as forms of advertising get more intrusive," said Rob Kaiser, vice president for narrowband marketing at [EarthLink](#), the first big Internet service provider to distribute pop-up blocking software. The reaction to pop-ups, he said, is similar to the rush to join the government's do-not-call list to block telemarketing calls and the increase in the use of video recorders to block TV commercials.

Advertising executives, in television and the Internet market, note that consumers who block the ads are undercutting the economic model that provides them with free entertainment and information.

"I haven't spoken to any people who say I love pop-ups, send me more of them," said David J. Moore, the chief executive of 24/7 Real Media, an online advertising firm. "But they are part of a quid pro quo. If you want to enjoy the content of a Web site that is free, the pop-ups come with it."

But even companies like Yahoo and Microsoft, which receive significant revenue from advertising, have decided to bow to complaints from Web users.

"We are adding a pop-up blocker based on feedback from customers," said Matthew Pilla, a senior product manager for Windows at Microsoft.

Long a feature of AOL, pop-ups became widespread on the Internet about three years ago, as Web sites sought ways to replace the torrent of ad money that dried up after the dot-com boom. And a few advertisers, like X10, selling wireless cameras, and Orbitz, the online travel company, jumped onto the format early.

In December 2001, 1.4 percent of the Web ads measured by Nielsen/NetRatings were pop-ups or "pop-under" ads, which appear behind the main browser window. That rose to 8.7 percent in July 2003. But it has declined since, to 6.2 percent in December.

AdvertisementBanners.com, which places pop-under ads on Web sites, has found that 20 percent to 25 percent of Web users have pop-up blocking enabled on their computers, double the rate of a year ago, said Chris Vanderhook, the company's chief operating officer. Some advertising companies say that a smaller percentage of people are using blockers, but there is agreement that use of pop-up blocking is increasing.

In the year and half since EarthLink offered blocking software, one million of its five million customers have installed it. AOL added pop-up blocking to its software in 2002. Google added a blocker to its toolbar, a small program that adds some features to Internet Explorer. Yahoo, more recently, added a similar feature to its toolbar. And Microsoft's MSN just added a pop-up blocker to its most recent software.

The biggest potential impact will come this summer when Microsoft releases its Service Pack 2 for Windows XP, which will add a pop-up blocker and many other features to Internet Explorer. For now, Microsoft says Internet Explorer will not block pop-ups unless users enable the feature.

Still the prospect of nearly ubiquitous pop-up blocking unsettles some big advertisers.

"I don't want to see pop-ups blocked," said Matthew R. Coffin, the chief executive of LowerMyBills.com, a site that sells long distance and other services. Pop-up and pop-under ads, he said, attract more people than any other ad format. "People wouldn't click if they weren't interested."

The decline of pop-ups, he said, is all the more troublesome because it comes after the company had to slash use of e-mail advertising in response to the public backlash against spam. As a result, the company is moving to older forms of marketing.

"I'm very gung-ho on TV ads," he said.

Smaller Web publishers have fewer alternatives. Many independent Web sites are part of networks that pay them \$3 to \$5 for every thousand pop-ups they display.

"These pop-up blockers, as they become too widely used, will definitely cut into my income," said

William Smith, who runs 40 Web sites from Winnipeg, Manitoba.

He says that 10 percent to 20 percent of his income comes from pop-up ads. Some of his sites, like thewinnipegpages.com focus on travel and others are pornographic.

Both types of sites take pop-up ads for products like Internet Eraser, software that eliminates records of what Web sites people visit. He said he tries not to have too many pop-ups interfere with users viewing his Web sites, but he does display pop-ups as they decide to leave.

"A guy has to make money," he said.

The larger Web publishers, by contrast, have reduced use of pop-up and pop-under ads. At Sportsline, pop-ups represented 5 to 10 percent of its ad revenue a few years ago, but now account for less than 1 percent. "We are totally ready for the day when you can't have any pop-ups," said Mark J. Mariani, Sportsline's president for advertising.

"Clients have started to shy away from pop-ups and pop-unders," he said. Sportsline now sets a quota of no more than one pop-up ad for each user in any 12-hour period. Instead, Sportsline, like many other publishers, is emphasizing larger advertisements woven into their main sites.

The Interactive Advertising Bureau, the major trade group representing both advertisers and Web publishers, has decided not to fight the pop-up blockers.

"If consumers tell us that pop-ups are a bad idea and they don't really like them, then it's time to stop doing them," said Greg Stuart, the group's chief executive.

Yet that is not a universal view even among major companies. [DoubleClick](#), the big advertising software company, is developing technology that will enable pop-up ads to evade the blocking software.

"There are advertisers who want pop-up ads and publishers that want to serve them," said Douglas Knopper, general manager for online advertising at DoubleClick. "Our role is to help them do that."