Digital "Ad-tastrophe": Consumer & Industry Perspectives

November 2024

eye/o

The Harris Poll

eyeo Introduction

Frank Einecke, CEO, eyeo

After more than two decades working in technology, including nearly 15 years at Google, I joined eyeo in May 2022. In this role, I've focused on a core mission: to turn the web into a more trusted and accessible place.

Conversations with friends or family outside of our industry often offer a sobering perspective.

Typically, I'll find myself at a dinner party, explaining what I do for a living. While I might expect some confusion about how ad tech actually works, more often, people start unloading, telling me how awful their digital experiences have become—in great part because of advertising.

Obviously, something has gone amiss in the digital ad realm, and with the implicit bargain that advertisers, publishers and ad tech companies have with consumers.

Let's be clear here: consumers aren't happy.

They feel bombarded by flashy or intrusive ads—so much so that navigating the web can become nearly impossible. You know things have gone wrong when publications like *The Atlantic* are writing lengthy essays about an ongoing "adpocalypse," or when (bi-partisan) legislation is being proposed to radically transform advertising technology.

eyeo set out to go beyond the headlines and anecdotes to uncover where consumers truly stand—and how concerned we, as an industry, should be. To get a clearer picture, we partnered with The Harris Poll and surveyed over 2,000 U.S. internet users this past August. The results were eye-opening, revealing much more than we expected.

For instance, among desktop users, online ads were cited by 73% of respondents as an 'extremely, very or somewhat frustrating' problem–outranking security (65%) or privacy (64%). For mobile users—the frustration numbers were even more stark—79%

> "The fact that more people are **far more concerned about intrusive ads** than about their personal data being compromised should tell us something."
>
> *- Frank Einecke, eyeo*

for mobile ads, versus 69% for security and 68% for privacy. The research shows this pattern repeated across mobile apps, mobile games, even connected TV. It seems the more places we deliver digital ads, the more we are irritating customers.

That said, we're not here to raise alarms or point fingers. Instead, with Harris' help, we created this whitepaper as a way to highlight research that offers insights into consumer perceptions. We also gathered perspectives from individuals across the ad spectrum to explore the issues. I encourage you to read the paper, as I think you'll find illuminating perspectives. What becomes clear throughout is that the solutions we've tried as an industry so far simply aren't working.

About a decade ago, when ad blocking first emerged, a series of initiatives and coalitions were born. Their aim was to improve the quality of digital ads, and better the overall user experience on the web.

Despite numerous industry efforts aimed at making ads that are better, more respectful and more effective, the problem persists, and in many ways, worsened. Resistance to change and an overall lack of traction for some of the proposed changes have kept progress stalled.

We hope the industry's stakeholders take a close look at this research and consider the direction in which we're heading. Consumers are speaking loud and clear. It's our responsibility to listen.

The good news is that the average person seems to understand the tradeoff between content, services and advertising. Recent research from the IAB supports this, and several of Harris' findings indicate that consumers even want to be part of a potential solution. Most web users don't actually hate or reject advertising, they simply want control and a clearer value exchange.

It's worth pointing out that this lack of balance and control isn't just alienating users. It's putting businesses at risk. As cookies and other forms of targeting recede, many brands are thinking twice about investing in the open web. An ever-declining visual experience, coupled with an aggravated consumer base, won't help change their minds.

There is another way. A recent MAGNA Media Trials study found that ad filtering actually leads to more effective campaigns and more receptive audiences.

We think there is a strong business case to be made for addressing this issue by enforcing more standards and instituting more restraint. A respected consumer is a more receptive one.

Despite the rhetoric, we've never fully committed to becoming a truly user-centric industry. If we don't take the lead in shaping the future of digital advertising by putting consumers first, lawmakers will reshape it for us, potentially in ways that could threaten the revenue streams that sustain the open web.

The time to act is now.

And perhaps my future dinner conversations may just let me know if we've heeded the call.

The Harris Poll Introduction

John Gerzema, CEO, The Harris Poll

Earlier this year, eyeo approached us to conduct research exploring internet users' attitudes and experiences when browsing online. And despite efforts over the past decade to help improve the online experience, our new research suggests there's more to be done.

Harris works at the forefront of internet and technological trends, surfacing insights from our weekly pulsing of society and identifying findings with an expansive list of media, technology and entertainment clients. For instance, in a study of tech reputation with Axios, Americans trust firms that "make things," but less so social platforms, despite their popularity. We've also found the obstacles retailers face with search abandonment with Google Cloud. And recently we surveyed business leaders to find their heightened investment into AI-resilient solutions with the Milken Institute.

In all, whether B2B or C, technology must be focused on optimizing the user experience, especially in limiting frustration and disruption within their online ad experience. This new research highlights that, when browsing online, Americans express frustration encountering frequent ads that interrupt the browsing experience. The vast majority of internet users we surveyed (89%) wish there was a way to better control the ads they see when using the internet on their devices.

A desire for personalization and control is reinforced when compared to comparatively lesser concern about protecting personal and family data – with consumers reporting intrusive ads as a bigger pain point than online security and privacy. For instance, among desktop users, online ads was the top cited frustration of their online experience (73%), outranking both lack of security (65%) and lack of privacy (64%). More specifically, when asked to choose the single most frustrating online ad on the apps/devices they use, a quarter of consumers (25%) selected ads in gaming apps as 'most frustrating.' This frustration around ad interruption isn't new. We found with

AD-ID that (61%) of consumers were less likely to buy products overall when inundated with repetitive ads interrupting their viewing experience.

> "What is particularly interesting about this research is internet users' views of **who holds the responsibility for regulating the disruptiveness** of online ads."
>
> *- John Gerzema, The Harris Poll*

Yet, what is particularly interesting about this research is internet users' views of who holds the responsibility for regulating the disruptiveness of online ads. They feel responsibility does not fall to a single stakeholder but should be shared across the ad tech/media industry, government agencies, and brands/advertisers. Internet users themselves even acknowledge that they share this responsibility. Change cannot happen alone, and each group will need to take accountability to avoid backlash by falling short.

Our research suggests that users may be open to adjusting their behavior if they feel confident that their online experience will be improved. Here, the word confidence is key. As online experiences become ever-more bold, enriched, and immersive, from AR and VR to hyper-personalization and interactivity, the technology industry must create products and tools that give users the trust and assurance to go with them and take that next great leap.

The need for current insights on internet user experience

Nearly a decade ago, amidst growing fears over the rising popularity of ad blockers, digital advertising and media leaders sought to take action.

Multiple industry initiatives were launched, such as the Google-backed Coalition for Better Ads, IAB Tech Lab's LEAN and the Acceptable Ads Committee, all aimed at cleaning up the surge of intrusive or oppressive ad formats polluting the web. Clearly, consumers were speaking loudly about their subpar experiences with digital advertising, and something had to be done.

Yet today, despite these efforts, poor ad experiences are commonplace, making digital content barely navigable. More recently, made-for-advertising sites have flooded the programmatic market.

The quality of digital advertising and the open web itself has continued to decline, both for consumers and marketers. As a result, the digital ad world finds itself at a perilous inflection point. Today, despite the proliferation of digital devices and access points leading users beyond the browser, consumers are spending more and more time on social apps and walled gardens are still capturing the lion's share of ad dollars.

Poor ad experiences are commonplace, making **digital content barely navigable.**

Simultaneously, digital privacy concerns have risen to the forefront, causing consumers to become resistant to allowing more targeted advertising. Ironically, this sometimes creates even more frustrating ad experiences, as consumers now complain about poorly targeted (and sometimes harmful) ads, or a lack of customized experiences.

However, consumers do appreciate the role that advertising plays today. The Interactive Advertising Bureau (IAB) recently released research showing that most people understand the value exchange between brands and access to free web content and services. In fact, nearly eight in 10 respondents told IAB researchers that they would prefer to receive more ads in exchange for free services rather than paying for subscriptions and the like.

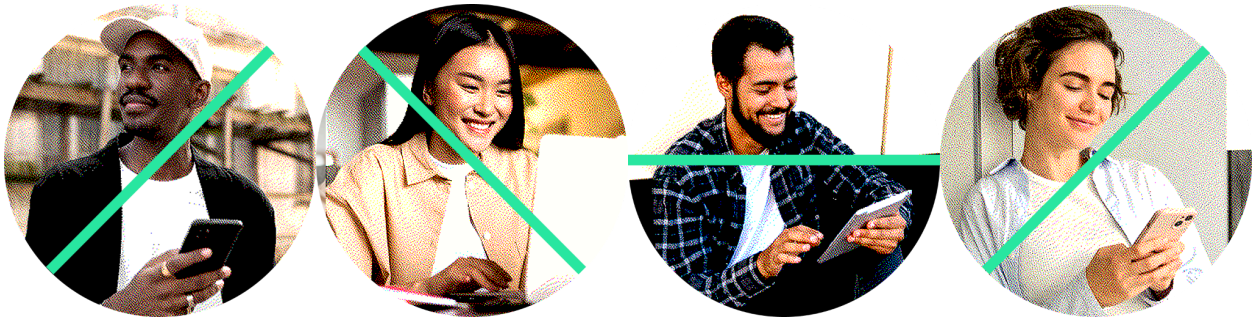
Looming over all this is the meteoric rise of artificial intelligence (AI) technology, which despite its promise, threatens to flood the web with more low-quality content and advertising, potentially further upending the dynamics of consumer engagement on digital platforms.

The collective effect of all these disparate forces is that many marketers are reconsidering whether the open web is worthy of their investment. According to Statista, walled gardens (Google, Amazon, Apple, Facebook, etc.) gobbled up 78% of global digital ad revenue in 2022, leaving just 22% for the open internet. This dominance is forecasted to rise to 83% by 2027.

If brands abandon the open web in large numbers, that has the potential to hurt both businesses and consumers. Without advertising dollars, diverse and local media outlets will suffer financial hardship, limiting their ability to produce content. Consumers may lose access to free online content and face increased subscription fees. This will cut off millions of consumers from vital information and entertainment. The question is, what role does the persistence of bad digital advertising experiences play in this potential crisis?

To delve into that query and truly gauge consumers' real attitudes about the web and digital advertising, eyeo partnered with The Harris Poll organization to conduct an in-depth survey. What we found was surprising and insightful, and warrants further industry action.

The eyeo-Harris Poll research was conducted in August of 2024, surveying 2,005 U.S. consumers, who own both a smartphone and a laptop/desktop.



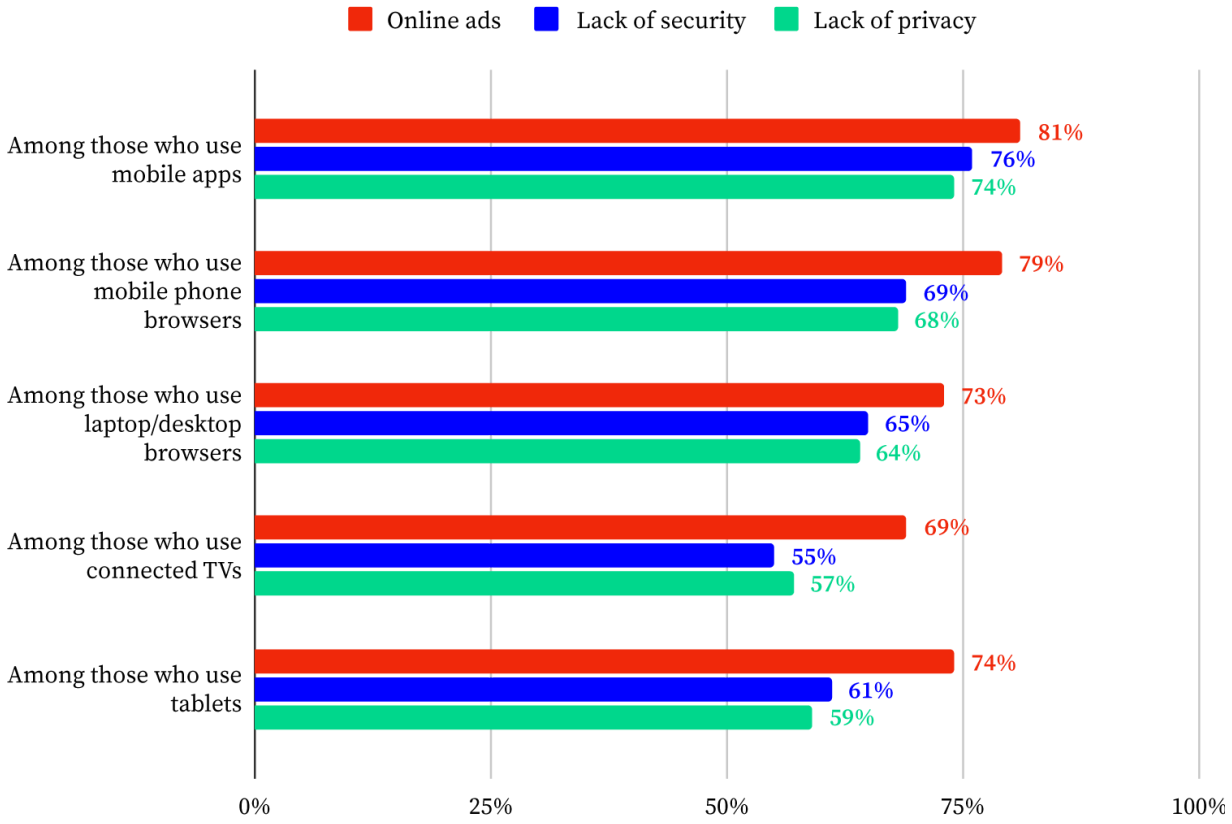
What we learned

In short, consumers are not happy with the digital advertising experience. Despite concerns about online security and privacy, the eyeo-Harris Poll research found that intrusive ads were a bigger pain point to consumers.

Consumers are not happy with the digital advertising experience.

Among connected TV (CTV) users, 69% found online ads 'extremely, very or somewhat frustrating', contrasting significantly with lack of security (55%) and lack of privacy (57%). The same pattern becomes even more striking when talking to those using laptop/desktop browsers, tablets, mobile phone browsers and mobile apps. In fact, mobile app online ads were found to be the most frustrating according to mobile app users at 81%, in sharp contrast to 76% for lack of security and 74% for lack of privacy.

Online ads lead as the most frustrating problem to experience across all devices or apps tested (% Very/somewhat/extremely frustrating)



The fact that many people expressed being more annoyed by ads than they are concerned over their own digital safety, or the prospect of sharing personal information on the web, seems to reveal a great deal about how people perceive being treated by brands.

Despite efforts by leading media companies and brands to protect consumer experience and improve the web, consumers appear extremely dissatisfied with digital advertising.

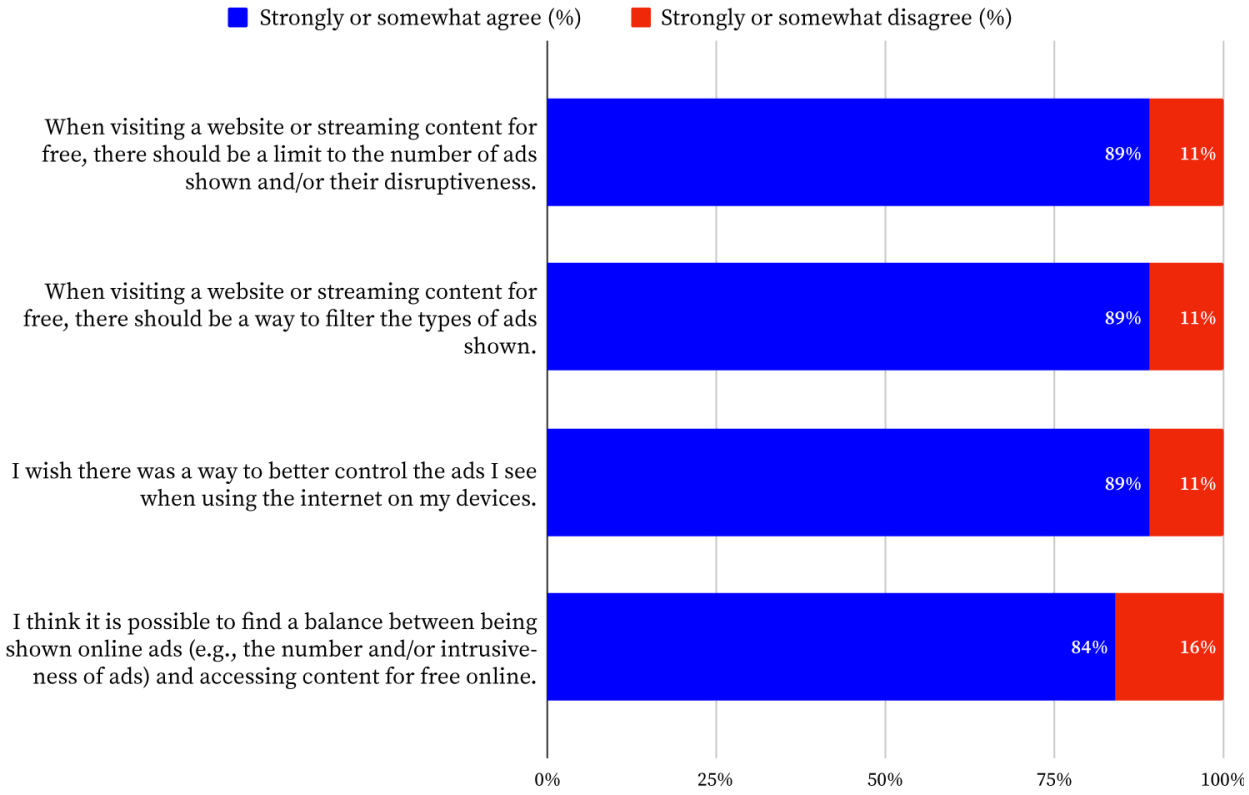
People expressed being **more annoyed by ads than they are concerned over their own digital safety**, or the prospect of sharing personal information on the web.

Consider that:

- 89% of those surveyed wish there were limits to the number of ads shown and/or their disruptiveness when visiting a website or streaming content for free
- Another 89% desire ways to filter the types of ads shown when visiting a website or streaming content for free
- Yet another 89% want better ways to control their ad experiences when using the internet on their devices
- And 84% believe that it is possible to find a balance in the value exchange between being shown online ads (e.g., the number and/or intrusiveness of ads) and accessing content for free online.

Notably, when it comes to the possibility of finding a balance in the value exchange, members of Gen Z (75%) are least likely to agree across generational groups (vs. 87% Millennials, 86% Gen X, 85% Boomers).

How consumers view the balance within the digital advertising value exchange across several dimensions



How did we get here?

In the years immediately following the emergence of ad blocking, the digital publishing business came under fire. Facebook and Google, already dominating the market as a duopoly, were soon joined by Amazon, collectively capturing an even larger share of digital ad spending.

In addition, both Google and Facebook for multiple reasons, elected to deprioritize sending traffic to many publishers. This resulted in a slew of digital native publishers suffering, and some even went under.

More recently, many have had to deal with ongoing uncertainty over the fate of cookies, which promises to have a huge impact on the viability and effectiveness of digital ad targeting outside of the 'walled gardens.' This has led to a rocky economic climate for publishers, creating real desperation.

> "I need [publishers] to make hard choices and understand that **'more is not more' to preserve a great customer experience.**"
>
> - *Michael Shaughnessy, COO, Kargo*

"There are great publishers out there succumbing to quick dollars, which weakens the premium open web in the long run," said Kargo COO Michael Shaughnessy. In practice, that often means that publishers deprioritize the user experience for a slight increase in income, which usually includes a high number of intrusive ads.

"One of the biggest challenges we see," said James Groh, Digital Marketing Manager EMEA at Dometic, "is [getting publishers to run relevant ads] instead of just running ads to create more revenue."

Shaughnessy noted that Kargo, which works with numerous premium digital publishers across the ecosystem, has looked to push its partners to prioritize the user experience, and wants to do its part to clean up the intrusive nature of web ads. Thus, the company has experimented with applying more pressure on partners to incentivize 'better' behavior.

"I want to get more dollars to publishers on the open web," he said, "but brands will quickly shut off money if the ads are stacked and create a pile of banners on the publisher pages. I need [publishers] to make hard choices and understand that 'more is not more' to preserve a great consumer experience."

On the other hand, not everyone in web publishing views the situation as dire.

For example, Paul Bannister, Chief Strategy Officer at Raptive, said he was somewhat surprised by the way people responded to the study's questions and theorized that perhaps many consumers will always be inclined to grumble about advertising.

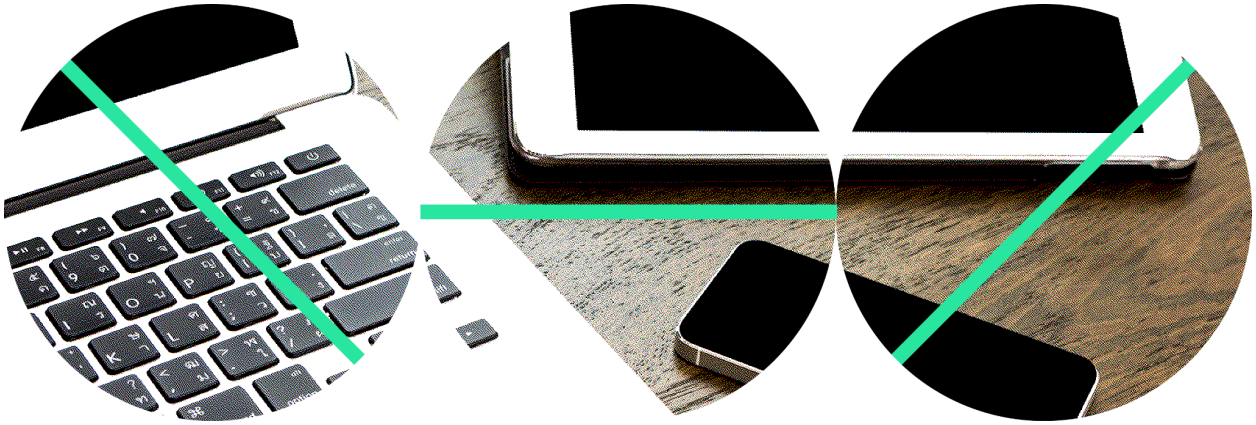
“Am I worried about consumer backlash?” Bannister said. “Not right now. I see a lot of stasis. Yes, something different needs to happen, but there is a difference between what people say and what they do.”

In Bannister's view, most publishers want to do the right thing in terms of respecting consumers. But, because of the way that ads are delivered via multiple platforms and third parties, they often don’t know or have full control of their ad experiences.

“Programmatic rewards viewable tonnage,” he said. “Which to some level, means jam as many ads into the viewport. That doesn’t reward the right behavior.”

Stephanie Hill, former Climate Marketing Strategy Lead at the global non-profit WildAid, tended to agree with that assessment.

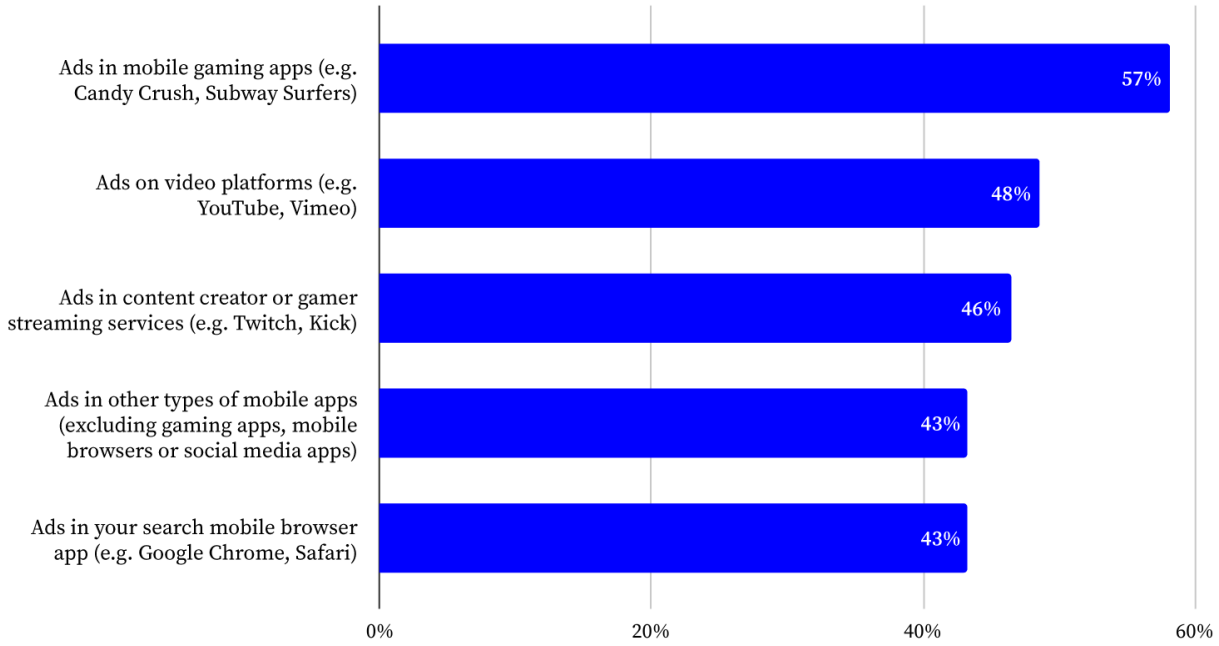
“One of the biggest challenges the ad industry faces in reducing consumer annoyance stems from a lack of innovation and an over-reliance on outdated, intrusive tactics,” she said. “And often, it is based on laziness and lack of imagination… there’s also a reluctance to move beyond traditional display ads and interruption-based models.”



Which is why, in Bannister’s view, we see so many ‘unwanted’ video players and autoplay outstream video ads on sites - which are often labeled and sold as ‘video’ by intermediaries because video commands higher prices than banners.

Internet users identify digital media channels where they find ads extremely or very frustrating (Top 5)

Responses are among those who use each app / device type so bases vary



The IAB Tech Lab recently undertook efforts to clarify and standardize the definition and labeling of 'outstream' ads. Yet, according to Bannister, most DSPs still don't support these parameters.

Kevin VanValkenburgh, advertising/marketing consultant and adjunct professor at both the University of Tennessee and University of Florida, said that the overall ad tech sector overstates its ability to control what kinds of ads people are shown, and how and where they encounter them.

"As an industry, there are a lot of things we're very good at," said VanValkenburgh, who has held senior roles at Sam's Club and Tombras. "But, we oversell our capabilities in targeting and measurement. We forget there are people on the other side. And right now, people are getting hammered."

Still, Raptive's Bannister contends that the various trade groups' efforts toward improving ad experiences in recent years have made things "5% better."

"The question is, can we make it 100% better?"

And what about the hard-to-reach gamer audience?

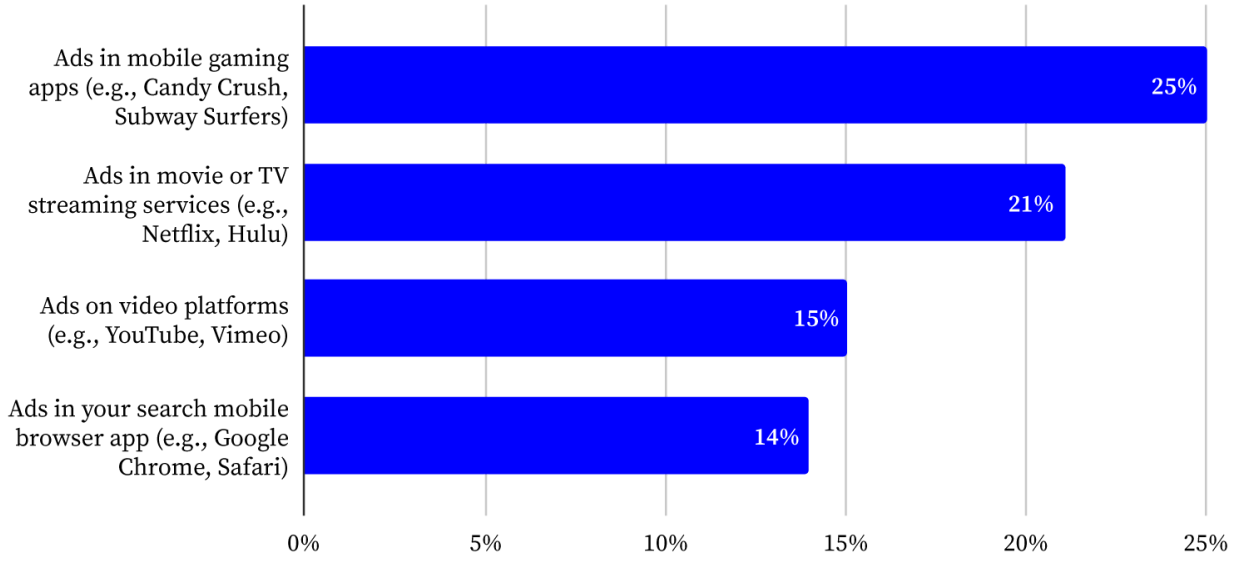
Rob Brett, Programmatic Director, Publishing Collective, which focuses on content for gamers, has long advocated for a better digital ad experience–one that is more respectful of consumers. This is particularly important for the gaming audience, which is notoriously hard to reach and very tech-savvy. He has been actively working with Google and the Coalition for Better Ads.

Generally speaking, gaming on the web and mobile devices is where we see a more overt, theoretically equitable, value exchange between gamers and brands. Many mobile games are free to play, and players are often incentivized to watch or engage with ads to receive more playing time, credits, lives, etc.

However, the eyeo-Harris Poll research found that when asked which ad types made them most frustrated, ads in mobile gaming apps were cited by 25% of respondents, the most commonly cited ad type.

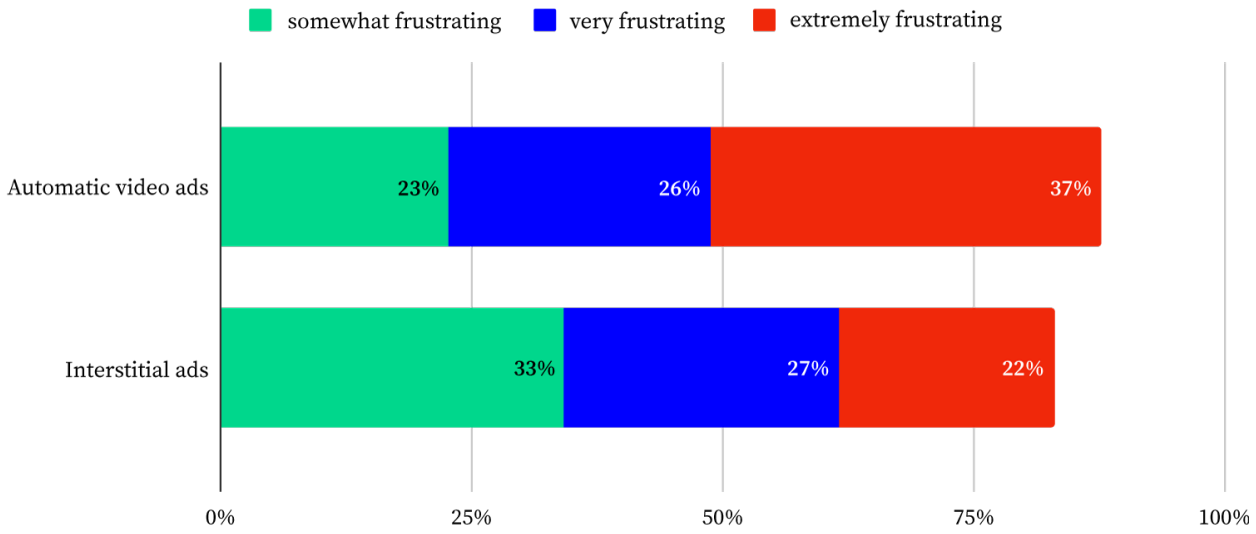
Consumers cite digital media channels where the ad experience is most frustrating (Top 4)

Among those who use each app / device and find any ad at least somewhat frustrating (bases vary)



When users were asked to choose only one mobile in-game ad type that frustrates them the most, the largest majority (55%) pointed to automatic video ads.

Frustrating ads among those that use mobile gaming apps



So, despite its seemingly ad-friendly attributes, digital gaming has a similar set of problems stemming from unhappy consumers.

Brett believes this data is evidence that some gaming companies deliberately dismiss consumer complaints, while electing to ignore the work of various better ad coalitions.

Can you run an industry by committee?

That's a common grumble among publishers. Who exactly is going to stop publishers, brands or ad tech companies that continue to foist second-rate ad experiences onto consumers, making the entire web look bad?

"Our biggest frustration is, the bodies we signed up for this, have not provided adequate oversight or acted against those who break the rules, the frequency of refresh being a prime example," Brett said. "That is detrimental to the whole industry."

In other words, the 'good guys'– top publishers, platforms and brands, can all work together to establish standards, principles, better formats, rules aimed at limited frequency, bandwidth constraints, etc…but if no one stops the bad actors, those efforts are all for naught.

Why does all this matter?

To some experts, the ongoing ad overload online isn't just creating more irritation among web users, it risks the effectiveness and reputation of an entire medium at a crucial time. As noted earlier, an increasing number of brands are expressing concerns regarding the viability of the 'long tail internet' and the growth in AI has the potential to negatively change the dynamics of the digital experience.

> "We are impacting people's willingness to respond to or view ads. **We're numbing consumers.**"
>
> *- Kevin VanValkenburgh, Adjunct Professor and Advertising/Marketing Consultant*

"We are impacting people's willingness to respond to or view ads," said VanValkenburgh. "We're numbing consumers."

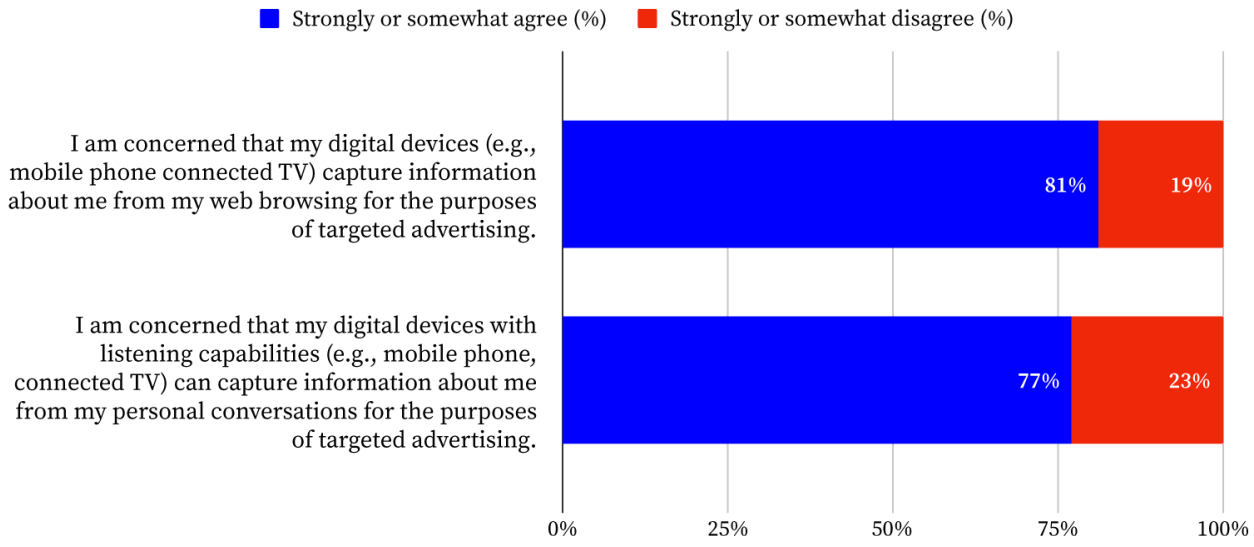
However, Fabio Giraldo, Advanced Analytics, Data Science, Applied AI lead at Mindshare, said he had mixed feelings about this research. On the one hand, "there is the need for companies to advertise," he said, to create consumer demand, which

helps bolster businesses and generate jobs. Given his role in the industry, he said that although there have been advancements in the areas of targeting and relevance, there is room for improvement. Then he adds, “in my personal experience as a consumer, the number of ads can be a little bit overwhelming at times. What I’m not surprised at is this feeling of losing control.”

“Every company is using every channel available to run ads to reach more people at the moment,” said Dometic’s Groh.

Adding to all of this are heightened concerns about ad targeting practices that appear invasive. Consumers expressed concern over digital devices collecting personal data for targeted advertising, either by tracking web browsing (81%) or by monitoring their conversations through device listening capabilities (77%).

Consumer concerns about the privacy of their personal information



So, what do we do?

Several executives urged more collaboration, and more urgency, among digital ad leaders.

"Industry stakeholders must prioritize collaborating to create a better ad experience," said Stephanie Hill. "By working together, we can achieve better results, proving that respecting privacy doesn't compromise effectiveness—it enhances it."

As evidenced by the work done to date on these issues, consensus and industry-wide activation is challenging.

In a perfect world, per Publisher Collective executive Brett, a collection of big brands would declare publicly that they will only work with publishers that adhere to Better Ads Coalition or Acceptable Ads Committee's standards, for example, or other similar practices. And in that scenario, those large advertisers would employ a transparent and auditable third party to vet the process and ecosystem, he added.

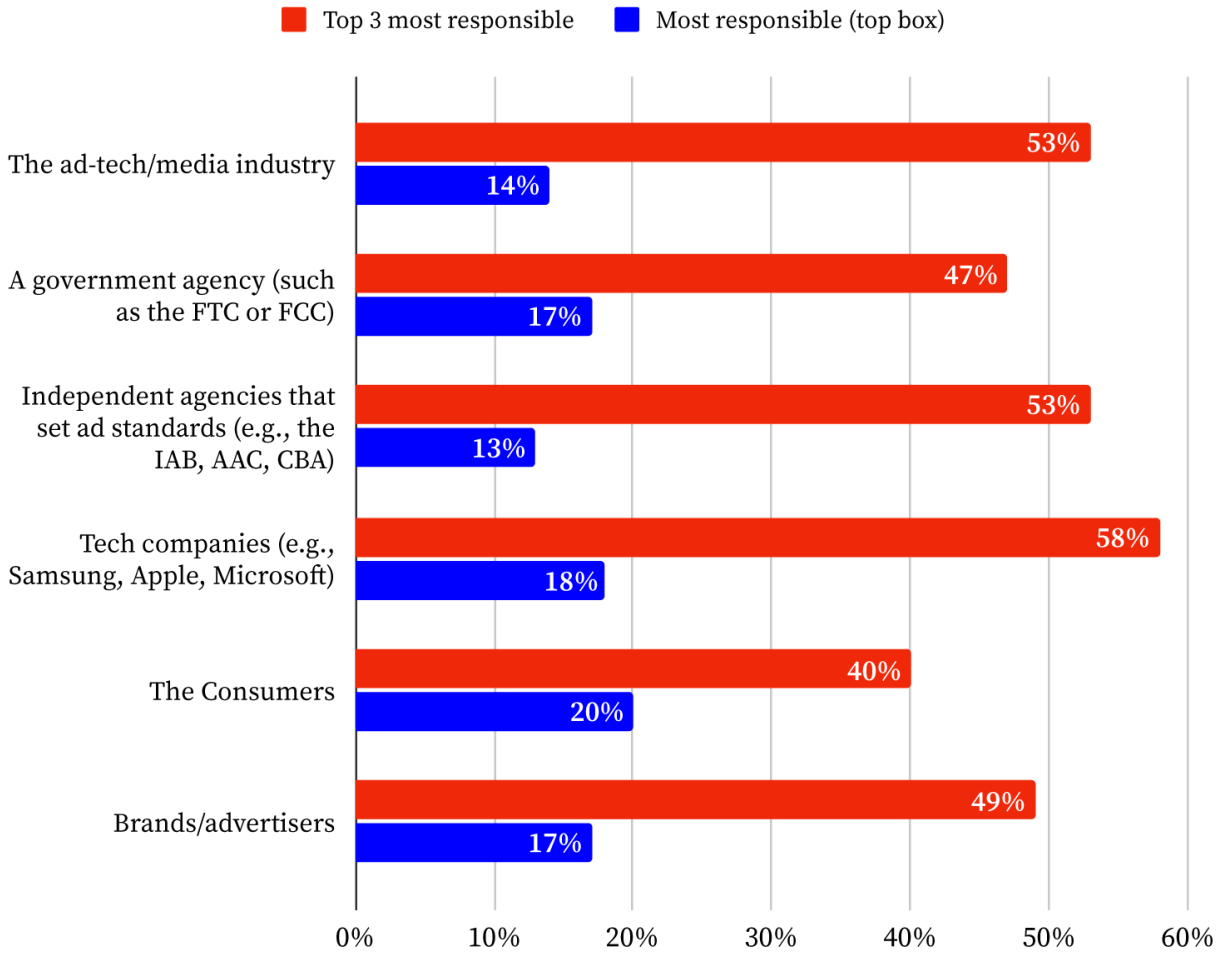
Giraldo said that for something along those lines to be effective, brands need to look for, analyze and activate media based on more concrete evidence, i.e., data showing that annoying customers is actually detrimental to their ad efforts, or that 'better ads' pay off more.

> "By working together, we can achieve better results, proving that **respecting privacy doesn't compromise effectiveness**—it enhances it"
>
> *- Stephanie Hill, formerly with WildAid*

While there has been previous research to support that a better ad experience is demonstrably better for advertisers, it has yet to move the needle with marketers.

In the meantime, when asked who should be responsible for controlling the number of ads that could be shown and/or their disruptiveness when they visit a website or stream content, eyeo-Harris Poll survey respondents identified multiple stakeholders as having a role.

Who should be responsible for controlling the number of ads that could be shown and/or their disruptiveness when they visit a website? (Users were asked to rank 1- 6, 1 being 'Most responsible' and 6 being 'Least responsible')



While 58% of consumers pointed to tech companies as being one of the most likely candidates to have ”a high level of responsibility for addressing this issue, about a fifth of consumers said they should also be personally responsible.

Why the industry cannot wait to take action

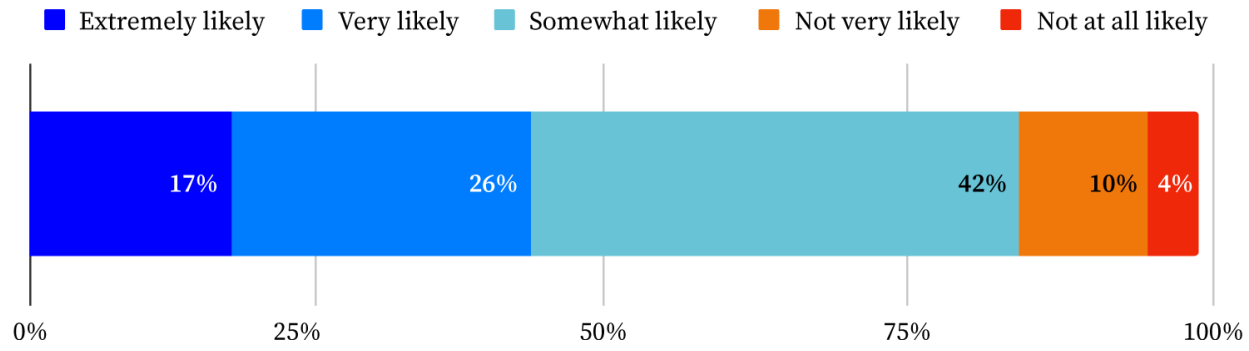
It is worth noting that the threat of ad blocking, which initially pushed the industry to act, has not receded. Meanwhile, Apple, one of the most powerful tech giants in the world, has recently introduced a new Distraction Control tool, which may have the unintended effect of ad blocking becoming more extensive and mainstream.

Thus, the situation facing digital advertising and publishing appears critical. "Unless user experience improves, ad blocking will only become more prevalent," said Jan Wittek, Chief Commercial Officer at eyeo. Certainly, there are reasons for concern. For example, some wonder if Apple's product could prove to be too blunt of a solution, hurting brands and publishers who are trying to do the right thing. In fact, publishers are already calling for Apple to abandon its plans.

"Apple has a history of sticking to its own strategy, even when the industry takes issue," said Wittek.

In fact, 43% of consumers said they were "very likely" or "extremely likely" to switch browsers for more ad blocking capabilities. When consumers who said they were "somewhat likely" to switch are factored in, that figure climbs to 85%–all of which could bode well for Apple's plan, or for some other alternative.

When asked whether they would be likely to switch browsers if a leading tech company, well-known for innovation and privacy, offered a free tool to completely block online ads within their browser, the majority of internet users (85%) say they are extremely/very/somewhat likely to switch



Regardless of how it happens, ad blocking continues to be a hurdle, as earlier research shows that active ad-blocking users worldwide surged 11% to 912 million across the globe in 2023.

> "This research is a wake-up call. We need to create a more **user-focused online ecosystem** that supports the open web."
>
> *- Jan Wittek, eyeo*

"There is a perception [among some in the industry] that consumers are powerless," said Giraldo. "That is only partially true. They can decide things like, 'I can choose to only visit these websites' or 'I can pay for an ad-free tier' or 'I can use an ad blocker.' If consumers are using their free will, companies are going to adjust their marketing strategy and tactics accordingly. There always has to be a push and pull."

This is why it appears vital that the industry have this dialogue now, and ideally, that conversation includes constituents from across the ad spectrum.

As the eyeo-Harris Poll research makes clear, consumers will continue to be open to adopting a host of solutions that offer more control and clarity. If these solutions don't have the appropriate balance, they could potentially put billions in revenue, hundreds of thousands of brands, and even the open web itself at risk.

"We may need to rethink how we work," said VanValkenburgh. "This has to be a focus, as consumers want limitations."

"This research is a wake-up call," said eyeo's Wittek. "We need to create a more user-focused online ecosystem that supports the open web. And, by prioritizing consumers' needs and values, we can not only boost engagement but also strengthen the digital ad experience for everyone."

Participants

Paul Bannister
Chief Strategy Officer
Raptive

Rob Brett
Programmatic Director
Publishing Collective

Frank Einecke
CEO
eyeo

John Gerzerma
CEO
The Harris Poll

Fabio Giraldo
Advanced Analytics, Data Science, Applied AI Lead
Mindshare

James Groh
Digital Marketing Manager, EMEA
Dometic

Stephanie Hill
Former Climate Marketing Strategy Lead
WildAid

Michael Shaughnessy
COO
Kargo

Kevin VanValkenburgh
Advertising/ Marketing Consultant, Adjunct Professor
Univ of Tennessee and Univ of Florida

Jan Wittek
Chief Commercial Officer
eyeo

Methodology

The research was conducted online in the United States by The Harris Poll on behalf of eyeo among 2,005 regular internet users who own both a smartphone and a laptop/desktop. The survey was conducted 08/12/-08/26/2024.

Data are weighted where necessary by education, age by sex, race/ethnicity, income, size of household, marital status, employment status, and smoking status to be online to bring them in line with their actual proportions in the population.

Respondents for this survey were selected from among those who have agreed to participate in our surveys. The sampling precision of Harris online polls is measured by using a Bayesian credible interval. For this study, the sample data is accurate to within + 2.7 percentage points using a 95% confidence level. This credible interval will be wider among subsets of the surveyed population of interest.

All sample surveys and polls, whether or not they use probability sampling, are subject to other multiple sources of error which are most often not possible to quantify or estimate, including, but not limited to coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments.

About eyeo

eyeo is dedicated to empowering a balanced and sustainable online value exchange for users, browsers, advertisers, and publishers. By building, monetizing, and distributing ad-filtering technologies, eyeo creates solutions that allow all members of the online ecosystem to prosper. Its ad-filtering technology powers some of the largest ad blockers on the market, like Adblock Plus and AdBlock, and is distributed through partnerships to millions of devices. eyeo currently serves 350 million global ad-filtering users who consent to Acceptable Ads, an independently derived ad standard that determines whether an ad is acceptable and nonintrusive.

For more information, visit www.eyeo.com

About The Harris Poll

The Harris Poll is a global consulting and market research firm that strives to reveal the authentic values of modern society to inspire leaders to create a better tomorrow. It works with clients in three primary areas: building twenty-first-century corporate reputation, crafting brand strategy and performance tracking, and earning organic media through public relations research. One of the longest-running surveys in the U.S., The Harris Poll has tracked public opinion, motivations and social sentiment since 1963, and is now part of Stagwell, the challenger holding company built to transform marketing.