GrowthHawk

Realizing Ad Revenue Potential for Publishers

MonetizeMore

Google ADSENSE CERTIFIED PARTNER

Third Party Analysis by:
GrowthHawk Research Agency

Authored by:
Austin Robinson

Publication Date:
May 2015

GrowthHawk

The Current State of Online Advertising

In the United States, digital advertising is expected to claim a third of all ad-spend in 2015[1]. According to a recent industry survey, 25% of publishers are not satisfied with their advertising revenue[2]. It is not solely smaller publishers who struggle with ad revenue: 30% of the publishers interviewed had 1 million or more monthly visitors.

In Search of Solutions

GrowthHawk's research has suggested that many publishers attempt to increase their RPM via automation such as AdSense and automatic yield optimizers. This appears to import certain benefits, namely:

- Help publishers achieve 100% fill

- Save time and money on human resources

However, letting such systems run without manual optimization can create disadvantages as well, such as:

- Lower quality advertisers

- Low CPM

- Poor advertiser / audience fit

- Lack of flexibility to capitalize on additional revenue opportunities outside of display advertising

GrowthHawk's conclusion is that scalable technologies are a vital part of a publisher's revenue optimization efforts. However, by relying solely on technologies such as AdSense or automatic yield optimizers, publishers are missing revenue opportunities.

This study explores the viability of another option for optimizing ad revenue: combining automated programming systems with manual yield management.

Can a Hybrid Approach Really Work?

A handful of companies specialize in optimizing ad revenue for their publisher clients by offering a mix of technology and expert service.

One such company is MonetizeMore (MM). MM is a Google AdSense certified partner[3] that reportedly optimizes ad revenues for their publisher partners without the need for increasing traffic or advertising. They do this by:

- Using DFP as well as other premium ad networks to increase bid competition and therefore raise the CPM

- Manually optimizing ad inventory in real time

- Taking a commission on additional generated revenues, rather than being compensated on a retainer basis

After an initial inquiry, MM was able to confirm that they increased the revenues of their Premium Publisher partners by an average of 105% by the end of 2014.

To examine the validity of the results that MM has achieved, GrowthHawk reached out to one of their publisher partners – RateMyTeachers.com (RMT). RMT granted us a full interview detailing their experience working with MM and the effects on ad revenue.

Case Analysis: RMT

The Only Metric that Matters

In September of 2014, RateMyTeachers.com experienced a 40% increase in traffic after a site redesign, yet there was a big problem. Alex Le, the CTO, recalled his frustration: "traffic started to increase along with every single metric that we had – except revenue."

The "AdSense Only" Approach and a 80% Loss in Revenue

According to RateMyTeachers COO Daniel Velez, AdSense didn't react properly to their platform changes. He said: "We were having very impressive revenue figures and after the switch they got reduced by 80% in just 15 days."

Trying to Get Answers

"Google's support team tries to be responsive but because of their size, you almost never get the answer you want for personal questions," said Le.

Immediately after the drop in revenue, Velez, Le, and their team attempted to troubleshoot the problem by sending Google almost 150 emails, but were unable to get confirmation on the root cause of their drastic CPM floor reduction.

A Costly Waiting Game

"The revenue kept bleeding," says Velez. "We thought it might take 60 days to get back up to our previous level, but 60 turned into 90, and 90 became 180."

They attempted to run DFP in house, but the networks didn't have acceptable CPM floors. At this point, they began to look for Google certified experts.

Enter MonetizeMore

RMT spoke with multiple certified Google Partners, including Ezoic, before deciding on MonetizeMore.

Velez points out MonetizeMore's pragmatism as well as their willingness to work on results. In addition, MM received its compensation based on a revenue share triggered after a certain benchmark, instead of a monthly retainer.

"The full commission model really made sense," said Velez, "because they were willing to take the risk on us and were incentivized to increase revenue."

The Implementation

When asked if there were any issues with implementing MM's system, RMT cited a "few minor issues at first." Apparently, there were blank impressions showing that were supposed to contain advertisements.

"To be fair," said Velez, "there is *always* a problem with implementation. I've been working in the internet business world for a long time, and something always comes

up. But when we told them about the issue, they were very quick and responsive. They found the bug and fixed it within 2-3 days."

Addition of Premium Networks

"They have relationships with and information from all the ad networks that we don't have access to," says Le, "and even if we get them ourselves, we would have to manage all of those networks on DFP. MonetizeMore brought our CPM floor up to improve revenue."

Personalized Optimization

"And we have an assigned MonetizeMore professional to work with us and optimize ads on a daily basis," Le continued, "so instead of us diddling around with ad networks all day, she consults us on data points and lets us know the best course of action to take."

The Numbers

They began seeing positive results within two weeks, Velez pointed out. And within 6 weeks, MonetizeMore had helped RMT double their revenue, increasing it by 102%.

6-Week Revenue Chart for RMT
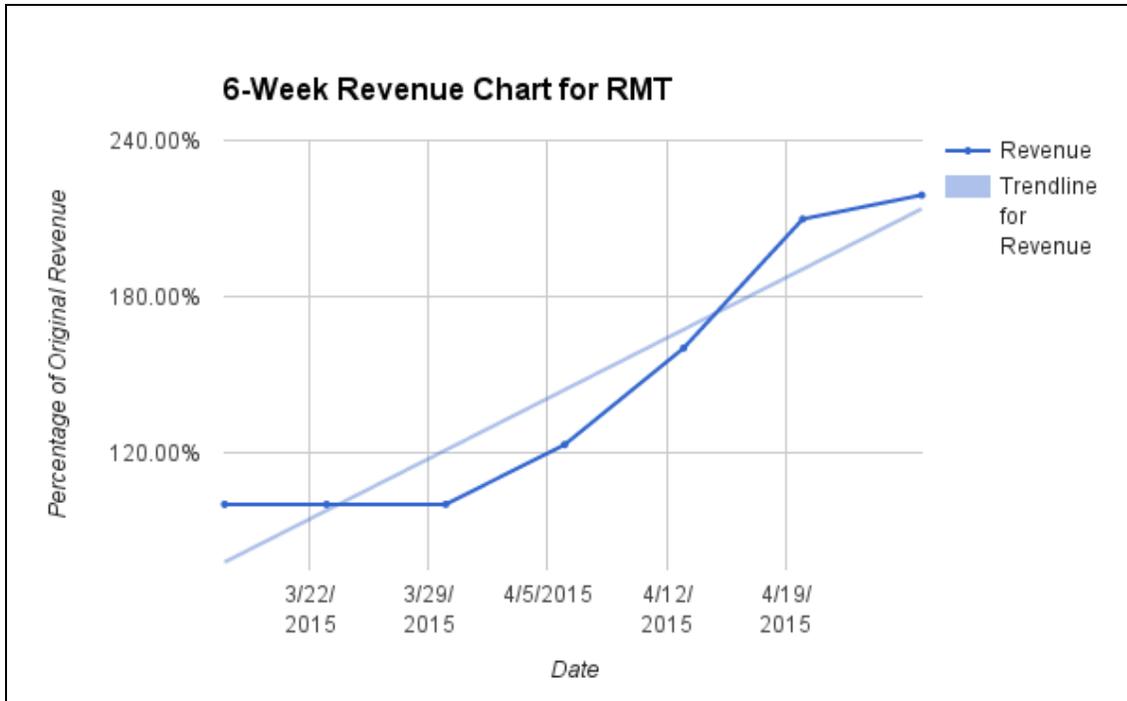
Recap and Final Conclusion

Now, more than ever, publishers are looking for more efficient ways to maximize their advertising revenue.

While there exist a variety of automated technologies to assist with filling remnant ad inventory, it appears that a robust approach includes the addition of manual optimization.

Based on GrowthHawk's research, it seems that using an external ad optimization team such as MonetizeMore can produce relatively significant results in a few months or even weeks by optimizing ad inventory on a case-by-case basis in real time.

SOURCES

1. http://techcrunch.com/2015/01/20/2015-ad-spend-rises-to-187b-digital-inches-closer-to-one-third-of-it/

2. https://www.adaptivem.com/2015-digital-publisher-survey/

3. http://www.google.com.mx/adsense/start/partners/partners.html