

How small changes can make a big difference

 By [Lianne Godfrey](#), issued by [Incubeta](#)

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Implementing ad exchange quick wins to increase your overall revenue

Ad exchanges are the go-to platform for selling remnant inventory in an effortless, effective and highly profitable manner. DoubleClick Ad Exchange is by far "the largest ad exchange out there [and] has access to the world's biggest pool of advertisers that pay the highest CPMs".ⁱ It is an easy-to-use platform that is directly integrated with DoubleClick for Publishers (or, Google DFP).

But, how does it work? Say, your website generates one million impressions, of which you manage to sell 800,000 directly to advertisers. The remaining 200,000 impressions will be 'lost' if you do not make use of an ad exchange. This means that while 200,000 more ads could have been shown to the website's visitors, these visitors instead saw blanks, or ad-less pages. And you received no advertising revenue but simply missed the opportunity to earn more.

While for the user no ads may seem a 'dream come true', considering the growing increase in the use of ad blockersⁱⁱ, in actual fact this is not a good thing for either the publisher or the user. There's no such thing as a free lunch. Advertising revenue means the publisher can afford to continue to create great content for the user to enjoy.

The Ad Exchange ensures that your remnant inventory is offered in the 'marketplace' and your unsold impressions can be sold through an online-based auction. This way, fewer impressions are 'lost'. You can compare this online-based auction to a real-life auction, where a number of people bid on an art piece by lifting their sign to display their interest. The buyers judge the art on size, origin, artist, rarity or simply its aesthetics. With every lift of a sign, the price increases until the bids have reached their ceiling and the highest bid 'wins'. The art piece has been sold for the highest price anyone was willing to pay.

Similarly, your ad slot space is judged by interested advertisers on size, location, your brand, number of (unique) visitors, site content, and so on. Just like in the real-life auction, the different bidders push up the price and following the highest bid the ad space is sold. The buyer that was willing to pay the highest price gets to place their ad on your site.

It is almost exactly the same as the real-life auction. Only in the ad exchange, this process takes place in milliseconds.

That's amazing, right? And yet there is more. Publishers can increase their Ad Exchange revenue through several 'tips and tricks' which I'll generously be revealing to you in the next few paragraphs. By using the different features available in Ad Exchanges to your best advantage, you will successfully display your remnant inventory to interested advertisers, and as a result generate as much revenue as possible from these advertisers.

Is there no catch? No. Hesitant publishers are simply un- or misinformed publishers. Some publishers are wary to just hand their inventory over to the marketplace, as it provides all ad agencies and advertisers with access to their site. They fear the risk of annoying ads that drive visitors away, ads that are direct competitors to the site's brand, ads that display spam and install malware... is that really worth the extra revenue? Well, these risks can be eliminated. Please read on.

Blocking rules

Through blocking rules, any unwelcome buyers can be shunned. You can decide who gets to access your inventory. Not only does Ad Exchange allow publishers to [block unwanted creatives](#) directly, you can also set up specific blocking rules to restrict ads within certain [categories](#) and/or ads that are linked to specific [advertiser URLs](#). In doing so, you can ensure that - for example - an ad promoting consumer loans will never make it onto your banking site.

Importantly, as tempting as it may be to use the blocking rules in excess, keep in mind that blocking too much can significantly affect your revenue. How? Just as more bidders in the auction bring up the price, less bidders means that the eventual 'highest bid' is lower than the highest bid could have been and your revenue may not reach its fullest potential.

Pricing rules

Another helpful tool to guard your inventory is by setting up pricing rules. Through pricing rules you can ensure that you do not sell your inventory for a price low enough to attract unwelcome (i.e. low-quality) advertisers. By selecting the relevant ad units and ad sizes, and setting a minimum branded and anonymous CPM, you set a floor price below which no bids are accepted. This way the premium leaderboard on your homepage will never be bought for less than the floor price set by you.

That said, it is recommended to start with a low floor price since - as mentioned - a large number of bidders drives up the price and can therefore increase your overall revenue. It is advised to check your Ad Exchange revenue a few weeks after creating your first pricing rule. By pulling a detailed report you can check which ad slots or ad sizes performed best, and create another pricing rule for these with a higher floor price. This optimisation process should ideally continue indefinitely in order to generate the highest possible revenue through Ad Exchange.

Publisher Profile

How do buyers know that your inventory is up for sale? First and foremost, they view the profiles of the different publishers in the Marketplace. These profiles provide crucial information with regards to the publisher's website, its inventory, performance, audience and more. Without a publisher profile, it is more difficult for buyers to know about you and your site, and therefore less likely that they come across and buy your inventory. In other words, setting up a publisher profile increases your discoverability. To learn how to create a Publisher Profile, check out the Google Help Centre article [<https://support.google.com/adxseller/answer/6035806?hl=en> here]]. Not big on reading? There's a [Publisher Profile Overview](#) video as well as a video on [how to create a Publisher Profile](#) which explain all you need to know in just a few minutes.

Private Auction

As pointed out previously, many publishers fear the kinds of ads that may show on their site through the use of an ad exchange. Yet Ad Exchange allows you to set up a Private Auction, through which you remain in control and can decide how and to whom you're willing to sell your inventory. At the same time the Private Auction provides these selected buyers with an advantage in auction buys, so it is a win-win proposition.

How it works? Say, you are interested in a specific buyer. Perhaps you've sold your inventory to them in the past, or you feel that their brand suits your brand. By setting up a Private Auction, you encourage them to buy into your inventory, not only by reminding them of your existence but also by suggesting a favourable CPM rate (perhaps an offer that's simply too good to refuse) and by providing this buyer or these buyers a first choice to access your inventory. Only after the Private Auction has taken place will the remaining inventory go to the market place.

Open Preferred Deal

While a Private Auction takes place before the Open Auction, Preferred Deals bypass auctions altogether. You can suggest a CPM rate for a specific section of your inventory, which the selected buyer can either accept or reject. If rejected, the inventory goes either to the private auction or to the open auction. This way, Ad Exchange ensures that no inventory is wasted.

By creating an open preferred deal, you can attract many different buyers, thereby making yourself discoverable in the market place.

Ad Technologies

Many publishers do not allow for expandable ads on their page, as these are deemed to be too intrusive and thereby harm the user experience, despite the fact that the CPM is generally high due to its obvious high viewability rate and as a result high click-through rate. Yet as much as publishers are concerned with blocking different kinds of creatives, it is just as important to opt-in to those that you do deem acceptable. That is, again, the larger the number of (potential) buyers interested and bidding on your inventory, the more the CPM is pushed upwards.

In Ad Exchange, in the 'Rules'-tab, under 'Opt-in', publishers can select the ad technologies they do welcome on to their site. As Google regularly adds more technologies to this list, it is vital to check on a regular basis whether there are any new technologies that you'd like to allow on your site.

These small changes can make a big difference. Once all is set up correctly, Ad Exchange does the work for you, you just sit back, relax, and enjoy the ride (and revenue)!

i Source: <http://www.marketingpilgrim.com/2014/09/the-top-five-ad-exchanges-every-marketer-should-be-using.html>

ii For more information on ad blockers, see: <http://techcrunch.com/2016/01/16/ad-blocking-a-primer>

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