GUIDE: How publisher can optimize programmatic revenue in 3 steps

For many online publishers, programmatic advertising is an important source of revenue. As the share of programmatic revenues is increasing together with the market adoption, there is no surprise that optimization is one of the top priorities for publishers. The optimal number of demand sources like ad servers, SSPs and bidders are important to maximize the revenue on advertising inventory, but at the same time monitoring, reporting and optimisation becomes more difficult and complex.
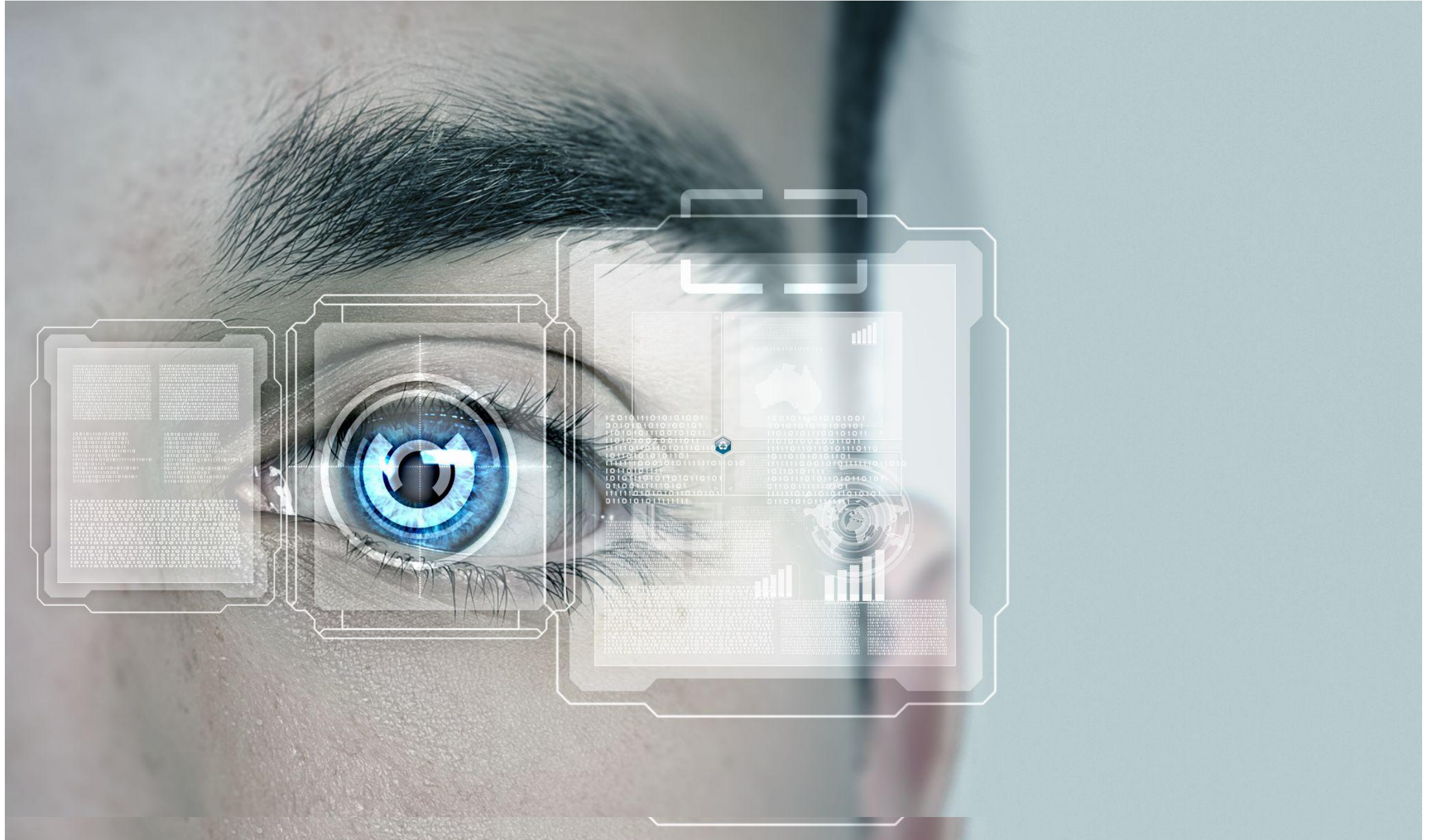
To optimise towards the best possible returns one needs to ensure that all the needed data is easily available, know what metrics are important to follow and know how to analyze them to take steps that are relevant to improve programmatic revenues.

In this GUIDE we have divided the process into three steps:

Data collection, analysis and the concrete steps you can take to improve your programmatic returns.

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1.   Data - What needs to be collected?

When looking at programmatic ad sales from the optimization perspective, the first and very important step is how to get all the needed data? To make the process effective, the best way is to collect data from all sales channels into one place or even into the same view. Following metrics from many different ad servers and SSPs is difficult and time consuming if you need to log in to each system separately, and even trickier if you try to compare the metrics from different systems. Many publishers have solved the challenge by building their own solutions or alternatively they use platforms built by others for this purpose.

In addition to collecting the data, it needs to be easily accessible and trackable. It is important to make sure that the data is correct and up to date and that you have access to all the needed metrics. Of course you want to easily see the total revenue and where the revenue comes from.The site and ad placement specific revenue breakdown is also very useful to see what performs well as it is and what might need more attention. Additionally, there are many other metrics which are important. Make sure you have access to at least RPM, eCPM, fill-rate, viewability, sold impressions and revenue. Also more qualitative metrics like advertisers, buyers and SSP/DSP are important from a sales and demand channel perspective. If you are using prebid, it's also good to be able to track its performance and metrics. Rich historical data opens up a better opportunity for data analysis and revenue forecasting.

When you have your data easily available it makes follow-up, reporting and revenue optimization much easier and saves time for more productive work. These days monitoring and optimizing revenue and different metrics should not require anyone to do it manually. One option for data collection is Relevant Yield. With Relevant Yield, you can easily get all the information you need in one place and analyze data easily.

## 2.   Analytics - What the publisher can learn from the data?

There is not much joy in the information you gather if you don't know how to interpret it or don't know how to act based on it. We've collected here the most important metrics and opened up how to analyze them.

Total revenue:

Often, a publisher's goal is to get the best possible return on advertising inventory. That's surely the core of it all, but if you look at your total return you can probably, based on history, say it's at a normal level, lower than normal or higher than normal. However, the number alone does not tell us what kind of changes we could make to improve returns. It is good to monitor total returns in case there are significant changes, to look for the reason behind the changes. Tracking can be made easier if you receive a notification in your email when your earnings drop or increase by a certain amount. While total revenue tells you the level of returns and potential problems, other metrics are needed to explain them.

Revenue by SSP / ad server:

It is also important to be aware of which channels are bringing the sales in. The most sensible implementation is not to have as many SSPs as possible, but you should consider what kind of setup will bring you the best return. The choice of selecting demand partners is important. Adding too many bidders to your wrapper will send your average latency soaring and make you hit timeouts. On the other hand, having too few may lead to low bid competition for your inventory. Make sure to balance yield with user experience. By following revenue per auction, you can see which ones perform well, notice possible issues and needs for optimisation.
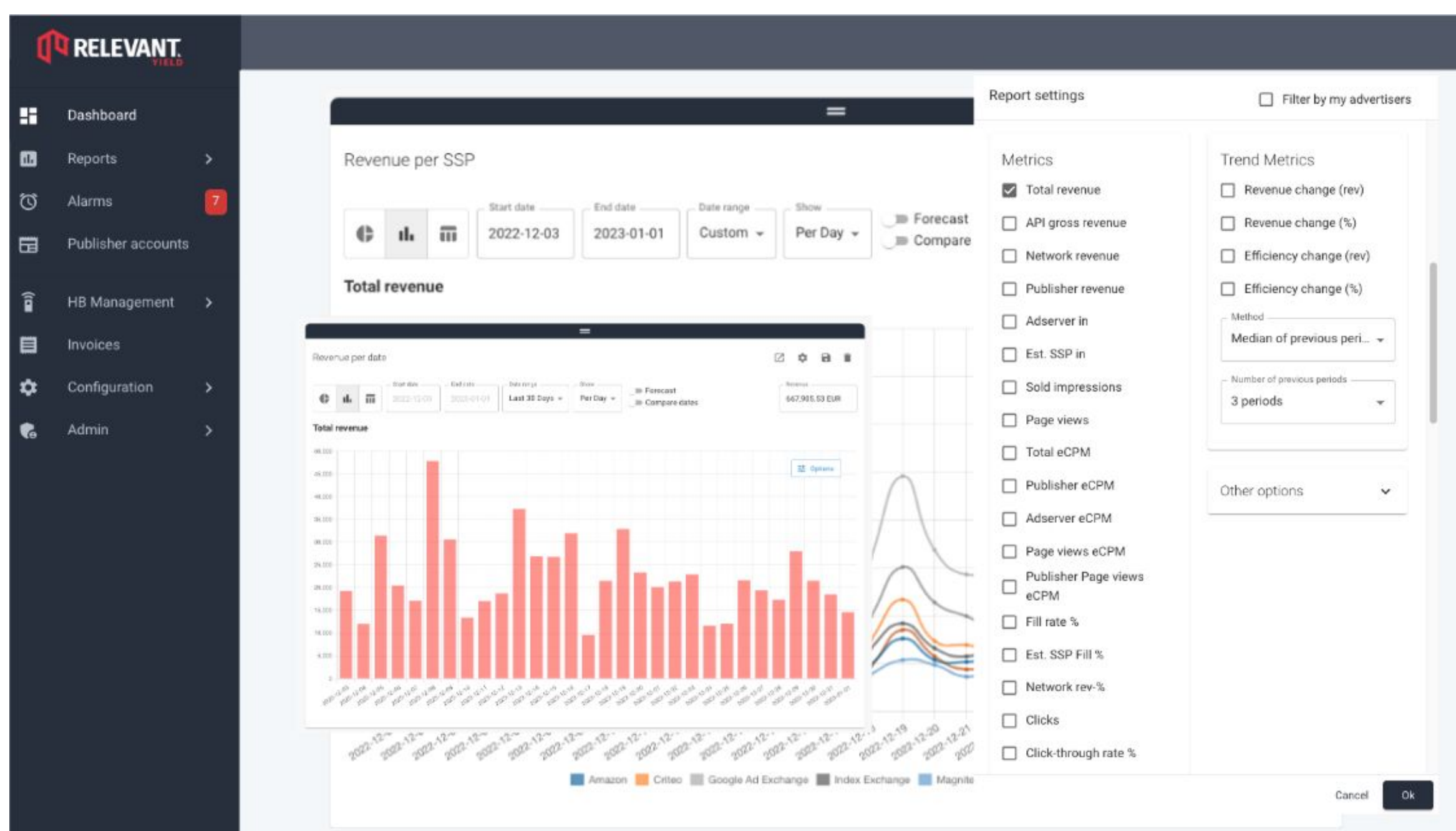
Revenue per site / placement:

When you look at the revenue for your sites and placements, you can see which sites or placements are performing the best. Of course, revenue is affected by the number of page views, how much the page is in demand, but if revenue is low, there may also be technical challenges, such as the ad placement loading slowly and not appearing fast enough for visitors. Sometimes it can be that the site uses ad formats that are not in demand. More on that next.

Ad formats performance:

The advertising formats that are selected for programmatic selling create a framework for the kind of demand the media is targeted to. Do you decide to sell programmatically only basic formats or, for example, parade and rich media solutions? Demand for video and mobile inventory is on the rise. It is worth paying attention to those ad formats that are in demand or standardised. Depending on the demand sources used, it is also worth considering internationally used ad formats in addition to domestic sizes.

It is important to stay abreast of market developments in order to be able to meet demand. By tracking revenue by placement, you can see which placements are in demand. But you also have to remember to note that if direct campaigns have been sold on the site, then the share of programmatic is usually smaller. If the placement is performing poorly, you may want to look at other figures as well, such as the floor price and the placement's viewability.

eCPM, floor price, RPM:

eCPM means effective cost-per-mille and for the publishers, signifies the revenue generated for every 1000 ad impressions sold. It's the amount of money an advertiser will pay for those 1,000 impressions. eCPM is a standard advertising metric that is used widely in reporting and also applies to header bidding auctions. Simply, the higher the eCPM price, the more valuable your inventory is.The value of the inventory is significantly affected by the floor price you have set for your inventory.

The floor price is the minimum price you are willing to accept for your inventory. The floor price is set on the sales platforms. If the fill-rate is high, it may signal that the floor pricing could be raised. If you have a lot of unfilled inventory, it may be that your prices are too high. However, not everything is so unambiguous, as price and inventory desirability are affected by many factors such as quality, safety and, of course, demand. It might be challenging to find the right balance, no one intentionally wants to dump on the value of their own ad inventory. Through the sales platform, the media receives information on buyer quotes. This information can be utilised in determining the floor price. You should follow up and optimise often enough to get the best results. It is also good to take into account seasonal exceptions for prices and demand when evaluating and comparing results.

RPM is a metric that is used to calculate the total amount of ad revenue a publisher is pacing to earn per 1,000 ad requests. This number comes from the earnings that are estimated for every 1,000 impressions your ad receives. Unlike with a CPM measurement, RPM is actually aggregating all of the ads on a page and then calculating the rate. If you have four ads on a web page, for example, you will have a higher RPM than if you only had two. The formula to calculate RPM is (The estimated earnings / The number of page views) * 1,000. As a publisher, you don't want to only focus on RPM, however. If more ads are added to a page, your RPM will increase but your users may not react well to the user experience. But RPM is a great way to keep track of your advertising income or earnings, it will also supply you with a goal to aim for.

Fill rate :

Fill rate is the number of ad requests answered divided by the number of ad requests sent. It gives you the percentage of ad impressions that have been sold. If your inventory is sold out, then the fill rate is 100% but it's really rare and not necessarily even a good thing. A good fill rate conveys inventory is monetized well and has the right demand partners. In addition to pricing, you can try to develop fill rate e.g. with Header bidding, flexible ad placements and viewability. If the fill rate remains low, it means that there is no demand for your ad inventory. This can be due to many reasons, such as too high floor price, technical issues like missing ads.txt entries or non-visible ad slots, or your inventory does not meet the buyer's requirements, for example, for brand safety or quality. Ideally, you should aim to have both a higher fill rate and a higher CPM.

Viewability:

Is it possible for visitors to see ads on the site? Visibility, or viewability, is measured by in-screen values, which usually means the proportion of displays that have been displayed on the screen by at least 50% for the visitor. Advertisers are constantly paying more attention to the visibility of their ads. If the in-screen values are low, at least the competent advertisers may not be so interested in buying inventory.

Follow the in-screen values of your placements and try to take action to improve them. Make sure that the number and execution of ads are in balance with the content. Sometimes less can be more. Also consider the user experience. Poor viewability values can also indicate that the ads are loading too slowly on the page, which prevents the visitor from seeing them when they are already scrolling through the page. The slowness may be due to setup, and the speed may be improved, for example, by modifying the header bidding implementation.

Demand:

Publishers should be aware of which advertisers and sources drive demand to the media. Thereby we can identify to whom more ad inventory could be sold or who could be activated to buy. In addition to advertiser / buyer information, it is important to monitor the system (SSP) the demand comes from. Advertisers and agencies may have multiple systems in place, where they may also appear under different names. By mapping advertisers, it is possible to view the overall picture of the entire technical setup. Reviewing advertiser information should also be part of the SSPs / ad server evaluation and also helps evaluate whether a site's possible header bidding setup is worth running as a client -side or server-side implementation.

Prebid implementation:

Your Prebid implementation should be seen as a dynamic and experimental playground, rather than a static technical setup, as the prebid framework offers more and more possibilities to optimize your setup. There is certainly a technical barrier if you run your own Prebid setup, but different Prebid providers make working with Prebid easier and easier. There are many things to consider, so we will list a few good things to think about; mainly in relation to the latency:

- What is the latency on your Prebid setup? It is important to analyze this bidder by bidder, as the technical setup of each provider differs.

- What is the overall break-point before you send the request to the Adserver? Does it fit well with the latency of the bidders?
- Not all latency is about the bidders themselves, is the website structure handling this in the right way? When are we initiating the Prebid auctions? Are we doing it early enough, and is it fast enough to not interfere with the content being loaded?
- How many bidders should I run at the same time, and how many should I run Client-side vs Server-side? In general it is recommended to run the top four performers Client-side, and the rest Server-side, but with the Relevant Yield tool you can also run parallel bidding, so the same bidder can call both client and server-side. This is really good for evaluating and testing how your bidders should be set up, and switching between the call modes is done simply by selecting it from a drop-down. This is important as all websites and bidders perform differently; and what is ok for one, might not be good for another.

With the introduction of GDPR and certain browser limitations of 3rd party cookies, it is also important to be able to have a good understanding of the prebid performance in relation to consented and non-consented data per bidder; and certainly also how they perform browser by browser, with different ID providers added. This can all be done through the Relevant Yield Analytics tool; and the difference on the Safari browser performance with and without ID providers can be significant, but is also depending country by country - as different ID providers are stronger in some GEOs than others.

As all of this happens in real-time, and changes can be made on the website, in the bidders or in a consent system - without a yield optimizer knowing about it; it is very important to have real-time alarms on all of these metrics and dimensions. The data should work for you, and push notifications to you; without you having to monitor every single change manually.

In addition to all the standardized Prebid metrics and dimensions, we have added the ability to build and monitor your Prebid performance in regard to site specific dimensions, like sections, brands, article types, user GEO or anything that is an important part of your optimization needs. As you can attach alarms to the custom dimensions and even attach floor prices to them; you end up in an extremely flexible optimization and reporting situation - which we think should be at the core of your prebid understanding. Prebid is not just a framework - it is a playground for experimentation and optimization; which brings us to the next part.

3.   Where is the most potential for improvement?

Programmatic revenue optimization is such a broad topic that it can be approached from many perspectives, but perhaps it makes the most sense to look at the big picture first and then move on to the details. What comes to the most potential depends of course much on the publisher's way of doing things and how much has been done to improve programmatic revenues. First, you can start with the basics, that is, make sure that everything is in order, which can affect the programmatic revenue such as ads.txt and consent. And then move on from larger entities towards smaller details.

Here we have listed the things that could make the most impact on programmatic revenue and should be followed up on.

- Make sure your site has Ads.txt and keep the file error-free, up-to-date, and only with the necessary trusted source -entries..
- Ask visitors consent, if it is possible to purchase data-targeted advertising on your site, and make sure you have a version that communicates the authorization further down the supply chain (supports TCF 2.0) and monitor that the consent is executed correctly.
- Make sure you have a reasonable amount of SSPs in your setup from a revenue perspective. Is your inventory available to buyers who are interested in buying it? Could it make sense to add more SSPs or leave something out?

- Track revenue by site and ad placement. Use the data to find out what the possible differences in performance are caused by. By analyzing, try to find steps you could take to improve those that perform the worst. Also look at ad formats and try to add those that are in demand and remove those that are not.
- Analyze fill rate: if it is at a low level, take steps to improve it. Is there enough SSP implementations on your site to make inventory widely available to advertisers? Could you experiment with changes in the floor price to achieve the most optimal level between occupancy and pricing? Have you set the floor prices competitively and comparably between the different SSPs?
- Analyze viewability: Follow the in-screen values of your ad placements and try to take action to improve them, for example, by finding a reasonable number of placements, optimising their position on the site, and the page load time.
- Implement prebid and enable the use of the client-side and server-side and rapid changes and testing between them.

Programmatic revenue optimization is an ongoing process. Even small changes can create significant improvement. The worst way to do it is that after finishing the setup, you no longer pay attention to it and let the revenue roll with its own weight. There may be many tasks waiting to be done and it's easy to leave out those things that aren't necessary to take care of right away. However, we recommend investing in programmatic optimization and testing as the results can be seen in real-time.

In order to maximize your programmatic revenue, in an efficient and easy way for you, we have created Relevant Yield. It offers a highly customizable Prebid wrapper (HB Manager) and Prebid Analytics (HB Analytics); but it also contains a really extensive API reporting tool; bringing in data not available from Prebid. API Insights offers the full picture of sales including direct and programmatic. When the changing ratio of direct and programmatic is shown in a coherent view, it's easier to optimise between them. All the data can be used for alarms and be built into Dashboards. We map and sync advertisers from your CRM system, and have dedicated Sales user access; so it can be used by everyone in your organization.

We want to listen to your challenges related programmatic management and optimization to and help you solve them. Let us know when you are available for a 30 minute discovery call, either on the calendar or by contacting:

Thuy Ho

Sales Manager

thuy.ho@relevant-digital.com

More information about Relevant yield:

https://www.relevant-digital.com/relevantyield