



commentary

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Publishers: Look to Your House Ads for Untapped Revenue

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The BPA Media Exchange offers publishers a suite of tools to help them improve business results in the digital marketplace. In fact, even the often-overlooked house ad can be optimized to improve their success while opening avenues to more ad revenue potential.

Here's a good example of how one publisher used the tools in the Exchange to optimize ad inventory and improve business results. *Note: percentages and eCPMs are actual but impression volume is illustrative only.*

1. Let's assume a publisher has 1MM in unsold ad impressions in a given month
2. 72% or 720K of the 1MM unsold ad impressions were reserved for the publisher's house ads
3. 28% of those unsold impressions (280K) were monetized by BPA Media Exchange demand channels at a \$3.78 eCPM for a total of \$1,058 in revenue for the month
4. Reallocating just half of the remaining 720K (360K) impressions could have doubled revenue for the month

So what does that all mean? The fact is that many publishers perceive the ad inventory on their owned-and-operated site as being free. However, when you consider the opportunity costs, it's actually the most expensive real estate they could buy.

Here's why: Using the BPA Media Exchange solutions, the fill rate is 90%+ if a publisher applies the recommended implementation. For the sake of this example, let's assume that half of the publisher's inventory that had been allocated to house ads can be filled. Effective CPM rates (eCPM) will inherently decline as fill rate increases, so let's assume our \$3.78 eCPM on the 280K impressions that were filled by the Media Exchange demand channels drops to \$3.25 eCPM on the next 360K impressions – half of the 720K impressions that were used for house ads. The publisher would earn a total of over \$1,600, net of tech tax and BPA fees, which could be used to pay for an expanded campaign using audience extension that casts a much wider net for publishers' house promotions.

Under the above approach, the house ads would have a simple adjustment to the price priority in Google Ad Manager. While increasing inventory allocation to in-direct advertising won't translate to significant revenue growth, this strategy is an important tactic as part of overall advertising strategy. Consider these important points:

1. Freeing up inventory enables publishers to absorb more revenue from direct-sold clients.
2. Increased inventory exposure to the programmatic ecosystem attracts more relevant advertisers to harvest quality leads.
3. More inventory exposed to programmatic accelerates the process for whitelisting the media brands with buyer interfaces.
4. The more buyer interfaces that successfully access publisher inventory will increase demand.
5. Increased demand naturally increases competition and increased competition drives higher prices, which weed out lower-value advertisers.
6. Success with house promotions improve by casting a wider net across the market a publisher serves.
7. House promotions retain a presence on the publisher's website; however, reduced frequency eliminates the user fatigue, which advertisers have long understood impairs performance.
8. The third-party revenue offsets some or all the cost to deploy a more successful promotion of a publisher's events, products and services.

When you look at the numbers, opening up inventory usually allotted to house ads to new marketers – while still promoting your events, services and products – its seems like a no-brainer.

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About BPA Worldwide. [BPA Worldwide](#) is in the business of providing assurance. For 80+ years as a not-for-profit assurance service provider, BPA was originally created by advertisers, advertising agencies and the media industry to audit audience claims used in the buying and selling of advertising. Performing nearly 2,100 annual audits of media channels in more than 20 countries, BPA is a trusted resource for compliance and assurance services.

BPA's services have expanded with the launch of the BPA iCompli brand to assist in the creation of standards and external assurance thereof. We do so for government and industry bodies. BPA [iCompli Technology Assurance](#) provides verification that companies are compliant with industry standards in the digital advertising ecosystem.

BPA [iCompli Sustainability](#) provides gap analysis, competitor benchmarking and external assurance for companies interested in following GRI, SASB, ASTM and ISO sustainability and corporate social responsibility guidelines and standards.

The latest innovation to move the industry forward is the [BPA Media Exchange](#), an online private marketplace which offers automated media solutions for buyers and sellers of digital advertising.