

COLUMNS

3 monetization strategies to boost ad revenue

November 14, 2016



Ofer Graitzer is director of business development at Brightcom

By **Ofer Graitzer**

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

The rise of ad formats is chief among the challenges faced by publishers and their revenue streams nowadays.

In an ever-developing market space, publications are finding alternative ways to boost their ad revenues. If you are a publisher, the time has clearly come to rethink the way you are approaching your supply among the various opportunities.

It is no longer sufficient to just count more ad placements. A wider, holistic monetization approach is required here, with some greater focus on cross-channel expansion, mobile strategy, native ads and offline marketing channels.

Here are a few monetization strategies that you must implement to stay ahead or afloat.

1. Simply mobile

As the market evolves into the programmatic era, a successful mobile strategy does not only optimize Web ad units for mobile devices but actually puts mobile first.

Consumer behavior, both on mobile Web and applications, is all about mobile convergence. This holds true for ad engagement as well as for content at its various forms.

Users spend time, and will spend more of it, consuming content and media via tablets and mobile devices. Therefore, you need to put your focus on developing a coherent mobile experience with which to deliver engaging mobile ads one that will not only compensate for desktop revenue drop, but will also generate new revenue streams.

That being said, you should not underestimate desktop browsing when it comes to ad spend.

A recent eMarketer survey shows that desktop users still tend to engage (click) more on ads (35 percent), compared with mobile users (26 percent). Effective and agile monetization of mobile inventory might narrow that gap.

Whether for mobile or desktop browsing, allocating prime inventory to mobile video ad technologies will definitely reap monetary value for you in the long run.

With the latest technologies, such as second-screen advertising or advanced location-based tools, you may want to develop or acquire third-party tools to create an engaging mobile experience that will deliver brand value and or generate sales from the right audience.

2. Go native

Publishers and advertisers both know the consequences of irrelevant ads on user experience. This is where native ads come in.

Native ads are telling the advertiser's story way better than ordinary ads, thus they serve as a high-yield monetization channel for publishers.

On the user side, native ads are perceived as less intrusive, which, in most cases, may lead to higher eCPM placement deals.

Research shows that native ads draw higher click rates, especially in the mobile space.

In addition, data from BI Intelligence shows that spending on native ads is forecast to grow from \$4.7 billion in 2013 to \$21 billion in 2018.

Keep in mind that, for suppliers, native ad campaigns are not only harder to find and often more complicated to implement.

However, they will certainly pay back in the long term for those who jump on the bandwagon in time.

Whether developed in house or acquired, native video ads can monetize pubs' inventories to higher yields without compensating on user engagement.

3. Go offline

While the impact of the Internet on marketing is indisputable, it is still not the only way to reach and engage with audiences.

Creating integrated and innovative cross-media offline marketing strategies could be as effective as the online stream across the board.

Plenty of offline channels are available through which publishers and content providers can reach consumers, re-shape brand awareness and boost ad revenues.

Red Bull, for example, gave new meaning to "the sky's the limit" when it sent skydiver Felix Baumgartner to skydive from 24 miles above the Earth.

The company had first announced this promotional event in 2010. Mr. Baumgartner's leap two years later became a branding phenomenon. It was included in Google's 2012 annual zeitgeist year in review video in both the introduction and finale.

For such offline or integrated monetization strategies to successfully draw in revenue, market research about target audience and consumer behavior is a must.

WHETHER INVENTORY monetization calls for newly designed native experience, blending in offline presence, or focusing on mobile, the key is to have one coherent strategy in place.

With all the new technological developments, consumers' tastes are getting more sophisticated and elusive. As a publisher, you will need to keep up with them if you want to stay afloat, and certainly if you want to get ahead.

Ofer Graitzer is director of business development at Brightcom, Tel Aviv, Israel. Reach him at oferg@brightcom.com.