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Online Publishers Survey Report 2011

In association with the Rubicon Project

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Online Publishers Survey Report 2011



Supported by:



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1. Executive Summary and Highlights

This is Econsultancy's second **Online Publishers Survey Report**, carried out in association with the **Rubicon Project**.

The research, which has been supported by the **AOP, IAB Europe, IAB UK and IAB France**, is based on a survey of nearly 500 online publishers, sales houses and rep firms. The findings are presented globally, with key charts broken down for North America and Europe.

The research, which follows a similar study published two years ago, shows a **positive commercial environment for publishers globally**, with three-quarters of respondents saying their online display advertising revenues have gone up in the last year, compared to 53% when we asked the same question in 2009.

- The vast majority of publishers surveyed say their rate card prices have either gone up since last year (40%) or stayed the same (46%). Only 14% of respondents say they have decreased.
- Publishers in North America are more likely than their European counterparts to say that rate card prices have increased in the last year – 46% of North American respondents compared to 36% in Europe.

The study, examines the impact of **real-time bidding (RTB)** and the increasingly prominent role played by **supply-side platforms (SSPs), online advertising exchanges and trading desks**.

- Some 44% of publishers sell display inventory on an RTB basis, increasing to...

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2. Foreword by the Rubicon Project

As 2011 steamrolls toward its end and 2012 looms large on the horizon, digital publishers face a unique conundrum amidst an uncertain economic landscape, and as such we've partnered once again with Econsultancy to give a clear view into the state of their business. This report represents a first for the industry: a comprehensive, global study of how publishers capture ad revenue online, with a focus on the tremendous opportunity that's been unlocked by RTB and automated selling.

Online ad revenue is up – way, way up; advertisers, including large brands, are flocking to display advertising with unprecedented spend; and overall interest in and awareness of the value of digital content and the advertising that supports it has never been higher. The study documents this; three-quarters of publishers say their online display advertising revenues have gone up in 2011, compared to 53% in 2009.

At the same time, aggressive moves by the world's largest web companies threaten the rest of the ad ecosystem. Google's recent acquisition of Zagat highlights this: the move makes evident once again that Google's first and foremost objective in the publishing space is to monetize its own inventory – only after the cream has been skimmed does the attention go to other publishers using their technology. The potential alliance being explored between AOL, Yahoo and Microsoft represents another effort by the comScore top 5 to further lockdown their hold on the vast majority of digital ad spend (according to the IAB, 79% of digital spend in the US goes to the comScore top 10 today).

In addition, publishers are operating amidst a wildly uncertain economy, in which the digital ad business appears to be a rare case of “up and to the right” growth. But for how long?

Ever bullish on digital advertising (though far from irrationally exuberant) given the exponential growth of user time spent online, we predict that 2012 will mark the confluence of two key trends: a massive influx of new dollars coming online, accompanied and in part powered by RTB and the broader burst of innovation around the automation of digital ad buying and selling.

This research represents the largest, global industry-wide study conducted to date on the state of online publishing, and specifically the impact of automated, or programmatic, selling. Publishers around the globe see RTB not only as a part of their optimized yield mix, but as a critical means of extracting greater value from their inventory. This impact is not limited to publishers: not only do 44% of publishers globally say they are now selling display ad inventory via RTB, but nearly 40% of ad networks say they are now engaged in RTB buying and selling. RTB represents the watershed moment for digital advertising: the first, proven evidence that automating the selling of inventory can ensure publishers (alongside their customers, the advertisers and consumers) realize the true value of digital experiences.

At the Rubicon Project, we're more focused than ever on assuring that publishers of premium digital content and experiences can capitalize on these trends to maximize yield, while delivering ROI to advertisers and usefulness to consumers. We look forward to your feedback on this research, and thank our customers, partners and publishers around the globe for your invaluable contributions to it.

Kara Weber
SVP Marketing
the Rubicon Project

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3. About Econsultancy

Econsultancy is a [global independent community-based publisher](#), focused on best practice digital marketing and e-commerce, and used by over 240,000 internet professionals every month.

Our hub has 105,000+ members worldwide from clients, agencies and suppliers alike with over 90% member retention rate. We help our members build their internal capabilities via a combination of research reports and how-to guides, training and development, consultancy, face-to-face conferences, forums and professional networking.

For the last ten years, our resources have helped members learn, make better decisions, build business cases, find the best suppliers, accelerate their careers and lead the way in best practice and innovation.

Econsultancy has offices in London, New York and Dubai and we are a leading provider of digital marketing training and consultancy. We are providing consultancy and custom training in the Middle East, and extensively across Europe and Asia. We trained over 3,000 marketers and ran over 200 public training courses in 2010.

[Join Econsultancy](#) today to learn what's happening in digital marketing – and what works.

Call us to find out more on +44 (0)20 7269 1450 (London) or +1 212 699 3626 (New York). You can also [contact us online](#).

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Online Media Report

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Demand-Side Platforms Buyer's Guide

<http://econsultancy.com/reports/dsps-buyers-guide>

Real-Time Bidding (RTB) Ecosystem Map

<http://econsultancy.com/reports/real-time-bidding-ecosystem-map>

Ad Serving Buyer's Guide

<http://econsultancy.com/reports/ad-serving-buyers-guide>

Internet Advertising Statistics

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4. About the Rubicon Project

The Rubicon Project launched in 2007 with a mission to automate buying and selling across the \$65 billion global online advertising industry. Powered by data-driven algorithms and pricing intelligence data, REVV, the company's yield optimization platform, has optimized nearly two trillion ad transactions for more than 450 of the largest properties on the Internet.

REVV helps premium web publishers like Time Inc., News International and CareerBuilder make more money by optimizing their ad space, eliminating unnecessary ad operations costs and protecting their brands. The platform powers the REVV Marketplace, the world's largest premium display advertising marketplace. More than 650 ad networks, exchanges and DSPs access premium inventory and audiences through the REVV Marketplace and its unparalleled reach of more than 575 million unique users.

Headquartered in Los Angeles, with offices in New York, Seattle, London, Paris, Hamburg and Sydney, the company is backed by \$60 million in funding from Clearstone Venture Partners, Mayfield Fund, IDG Ventures Asia, Comcast Ventures and News Corporation.

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5. Methodology and Sample

This is Econsultancy's second **Online Publishers Survey Report**, produced in association with the Rubicon Project and based on our 2011 Online Advertising Survey.

This research, supported by the IAB and AOP, follows a similar piece of research carried out in 2009. The study is based on a survey of almost 1,000 online advertising professionals carried out in August and September 2011.

The breakdown of survey respondents is shown in *Figure 1* below.

This report is specifically focused on results from nearly 500 online publishers, sales houses and rep firms. It also contains the findings of a shorter survey of online advertising networks.

The survey was promoted by Econsultancy, the AOP, the IAB and the Rubicon Project (including to its own publishers).

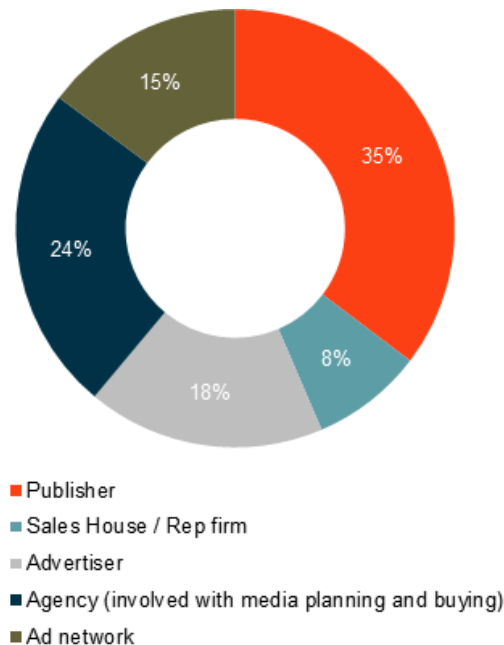
A separate Online Advertisers Survey Report (based on the data from more than 400 advertiser and agency respondents) was published in September 2011.

Information about our 2011 Online Advertising Survey, including the link, was emailed to Econsultancy's user base and promoted online via Twitter, Facebook and LinkedIn.

The **AOP**, **IAB Europe**, **IAB UK** and **IAB France** also publicized the survey to their members. We are grateful to these organizations for supporting this research.

The incentive for taking part was access to a free full copy of both reports just before their publication by Econsultancy.

Figure 1: Which of the following most accurately describes the company you work for?



Respondents: 971

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The charts in this report are shown for a combined global audience of publishers and sales houses and rep firms, described collectively within this report as publishers.

The results for most charts are also split out by region, for the United States and Canada (combined) and Europe. The geographical split for respondents is shown in *Figure 62* in the appendix to this report. It can be seen that North America (34% of advertiser respondents) is the best represented region in the survey, followed by the UK (28%).

If you have any questions about the research, please email Econsultancy's Research Director, Linus Gregoriadis (Linus@econsultancy.com).

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6. Publisher Findings

6.1. Online revenue and charging

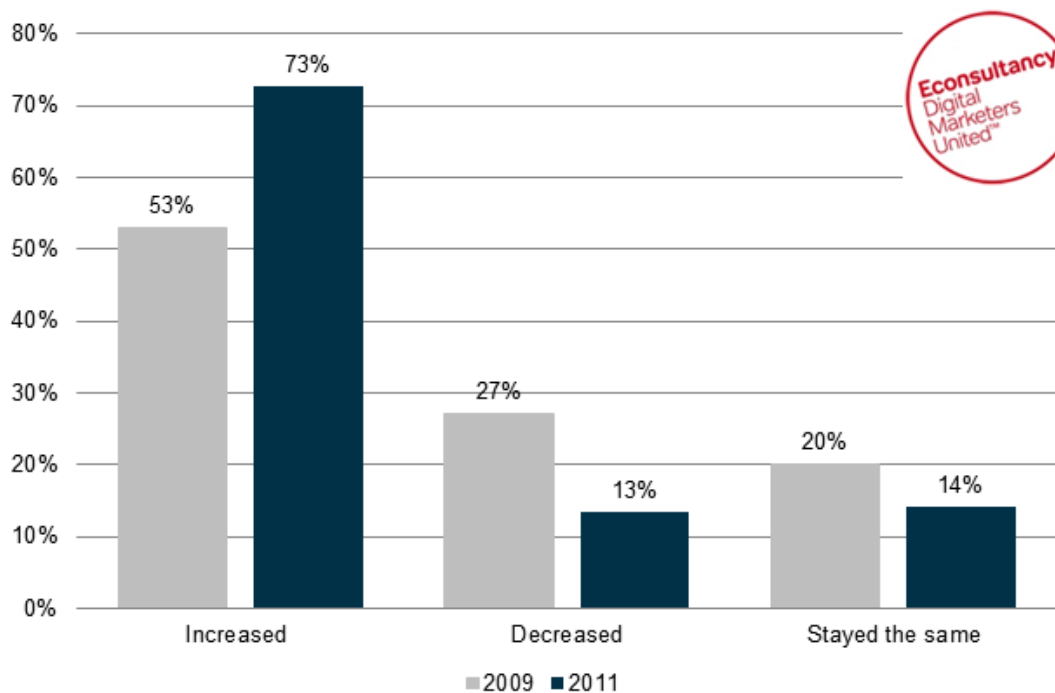
6.1.1. Has revenue from online display advertising increased or decreased?

Figure 2 shows whether publisher revenues from online display advertising have gone up or down over the past year and how this compares with the 2009 survey findings.

Around three-quarters (73%) of publishers say their revenues have increased, compared to just over half (53%) in 2009. Correspondingly, publishers are less likely this year to say that their revenues from online display advertising have decreased (only 13% of publishers compared to 27% two years ago).

This can be attributed to the particularly poor economic climate which had preceded the survey two years ago.

Figure 2: Has your revenue from online display advertising gone up or down in the last year?



Respondents 2011: 450
Respondents 2009: 143

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6.1.2. Rate card prices – have they gone up or down?

Four in ten publishers surveyed (40%) say that their rate card prices have gone up in the past year, while the equivalent figure in 2009 was 22%. Just under half (46%) say their rate card prices are the same as they were one year ago.

Publishers in North America are...

6.1.3. How display advertising is sold

Figure 6 shows the proportion of publishers using *online advertising networks, online ad exchanges* and *supply-side platforms (SSPs)*.

Two-thirds...

Table 1: What proportion of your online display advertising revenue comes from the following?

	Global	US / Canada	Europe
Premium	<Sample>	<Sample>	<Sample>
RTB	<Sample>	<Sample>	<Sample>
Ad networks	<Sample>	<Sample>	<Sample>
Online advertising exchanges	<Sample>	<Sample>	<Sample>

Respondents: 231

Note: Figures do not add up to 100% because options are not mutually exclusive.

6.1.4. Use of ad serving platforms

Around half of the publishers surveyed use DoubleClick as an ad serving platform, with a further...

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6.2. Real-time bidding and targeting

6.2.1. Display inventory sold on a real-time bidding basis

As *Figure 10* shows, under half of publishers surveyed (44%) sell their display inventory on a real-time bidding basis, with a higher proportion of...

6.2.2. Proportion of remnant display inventory sold on an RTB basis

On average, a quarter of publishers' remnant display inventory is sold on an RTB basis [*Table 2*]. North American respondents are selling a higher proportion of their remnant inventory on an RTB basis than their European counterparts – around...

Table 2: Approximately what percentage of your remnant display inventory is sold on an RTB basis?

	Average
Global	<Sample>
US / Canada	<Sample>
Europe	<Sample>

Respondents: 164

The chart below shows how respondents are distributed across different percentage bands. The vast majority of publishers surveyed...

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6.2.3. Proportion of remnant display revenue coming from RTB

As the table below shows, the average proportion of remnant display advertising revenue coming from real-time bidding is...

Table 3: Approximately what percentage of your remnant display advertising revenue comes from RTB?

	Average
Global	<Sample>
US / Canada	<Sample>
Europe	<Sample>

Respondents: 163

The chart below shows how respondents are distributed across the different percentage bands. The vast majority of publishers...

6.2.4. Increase in remnant revenue as a result of RTB

Table 4 shows that globally, the average increase in the value of remnant inventory due to RTB is...

Table 4: By how much has your overall remnant revenue increased as a result of RTB?

	Average
Global	<Sample>
US / Canada	<Sample>
Europe	<Sample>

Respondents: 163

The chart below shows that around half of publishers surveyed reported increases between...

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6.3. Online advertising networks

6.3.1. Number of networks that publishers work with

As seen in *Section 6.1.3*, around two-thirds (66%) of publishers surveyed say they sell their inventory through online advertising networks.

Generally speaking, publishers work with...

6.4. Supply-side platforms

6.4.1. Benefits of working with supply-side platforms

The chart below shows the relative importance of different benefits of working with supply-side platforms.

Just over half of publishers (58%) believe that...

6.5. Online ad exchanges

6.5.1. Use of private ad exchanges

As *Figure 40* shows, only a minority of publishers (10%) have implemented a private ad exchange, while a further...

6.6. Data privacy

6.6.1. Impact of data privacy laws on revenue

Figure 44 shows that the numbers are fairly evenly split between publishers that expect changes to data privacy laws to have a negative impact on their revenue and those who say they don't expect them to have any impact.

Some...

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7. Ad Networks Survey Findings

7.1. Inventory purchasing

Figure 52 shows the proportion of ad networks purchasing inventory from various channels and platforms. The vast majority...

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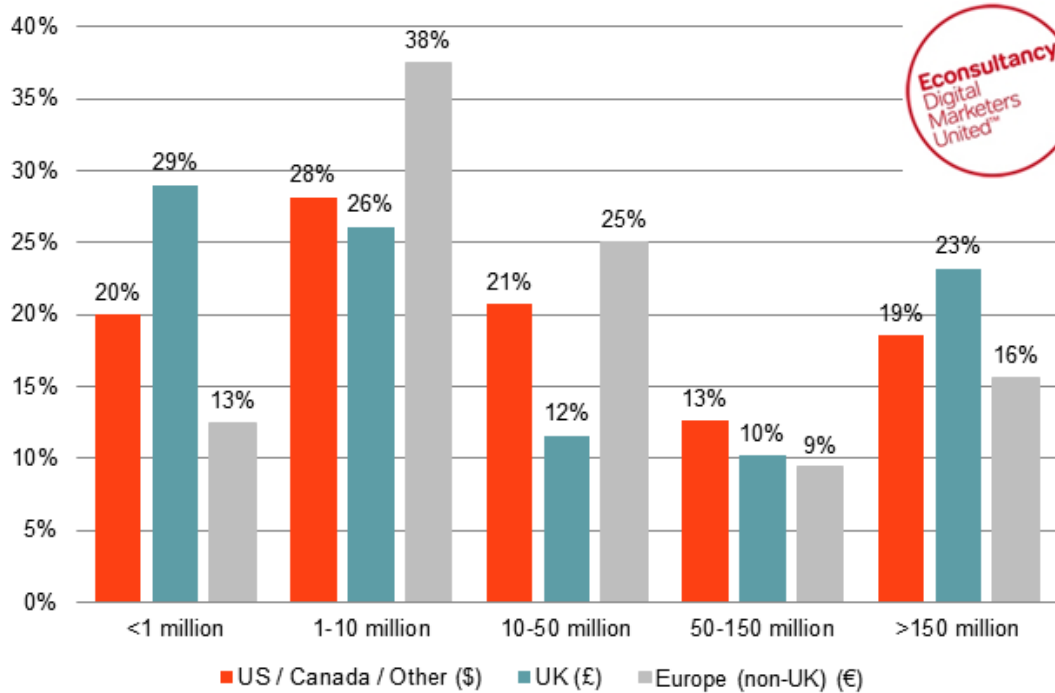


8. Appendix 1: Publisher Respondent Profiles

8.1. Annual company turnover

Figure 59 shows the split of publishers and sales houses/rep firms by size of annual turnover.

Figure 3: What is your annual company turnover (revenue)?



Respondents: 301

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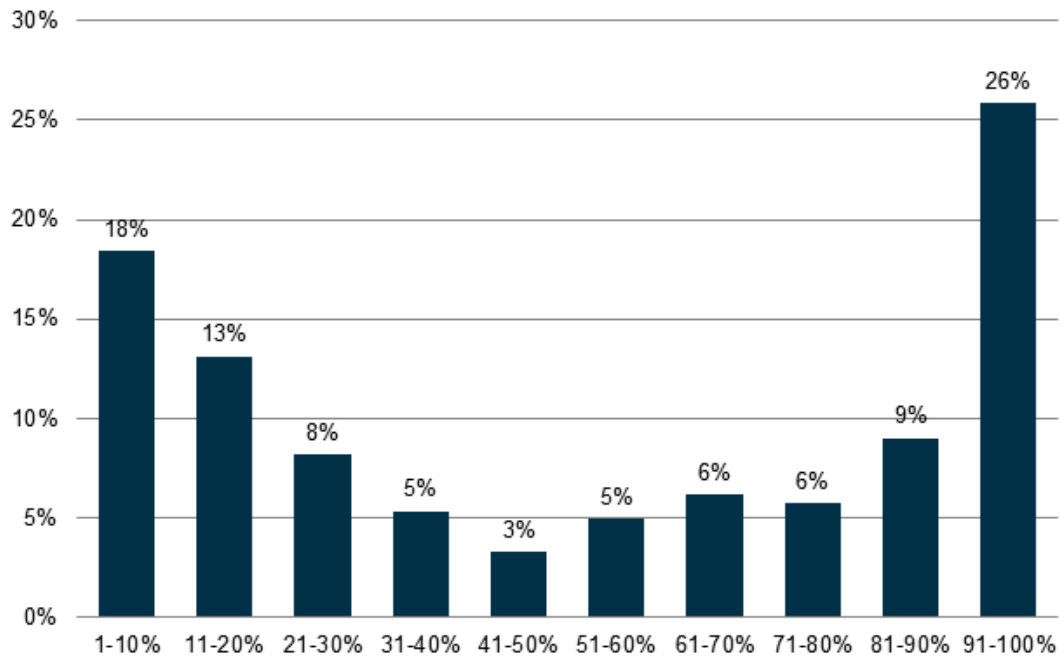


8.2. Proportion of revenue coming from online advertising

On average, 52% of the publishers' revenue comes from online advertising.

The chart below shows how respondents are distributed across the different percentage bands. Some 52% of publishers surveyed say that over half of their revenue comes from online advertising, with around a quarter saying this percentage stands at 91% or more.

Figure 4: What percentage of this revenue comes from online advertising?



Respondents: 296

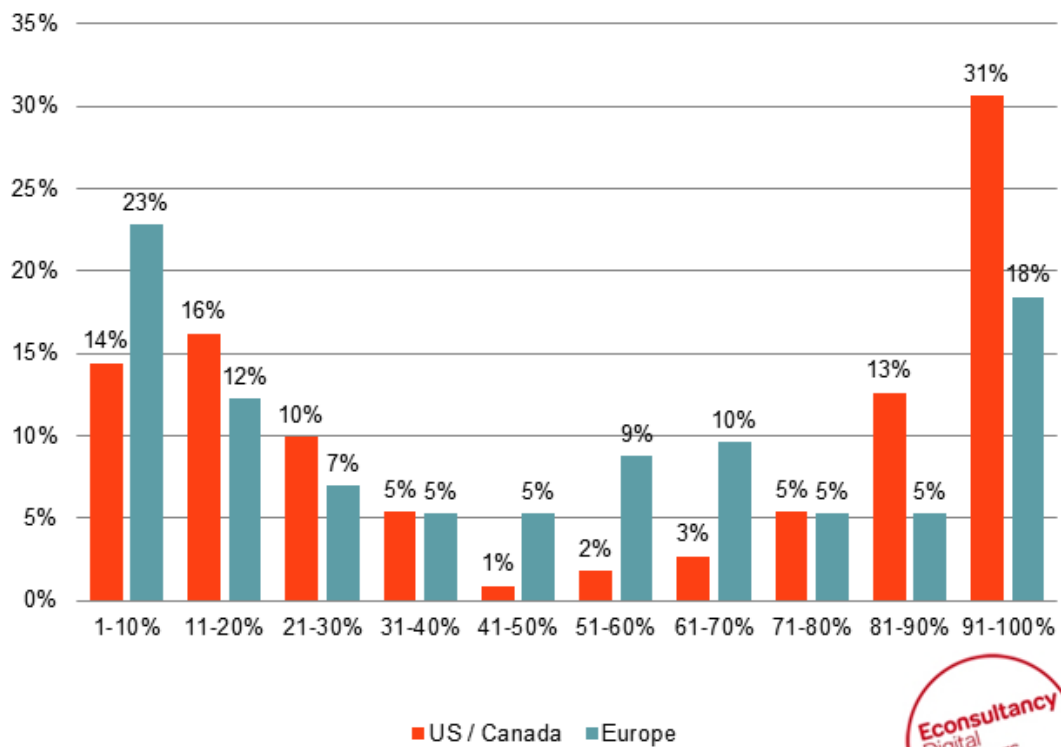
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Figure 5: Regional breakdown – What percentage of this revenue comes from online advertising?



Respondents US / Canada: 132
Respondents Europe: 140

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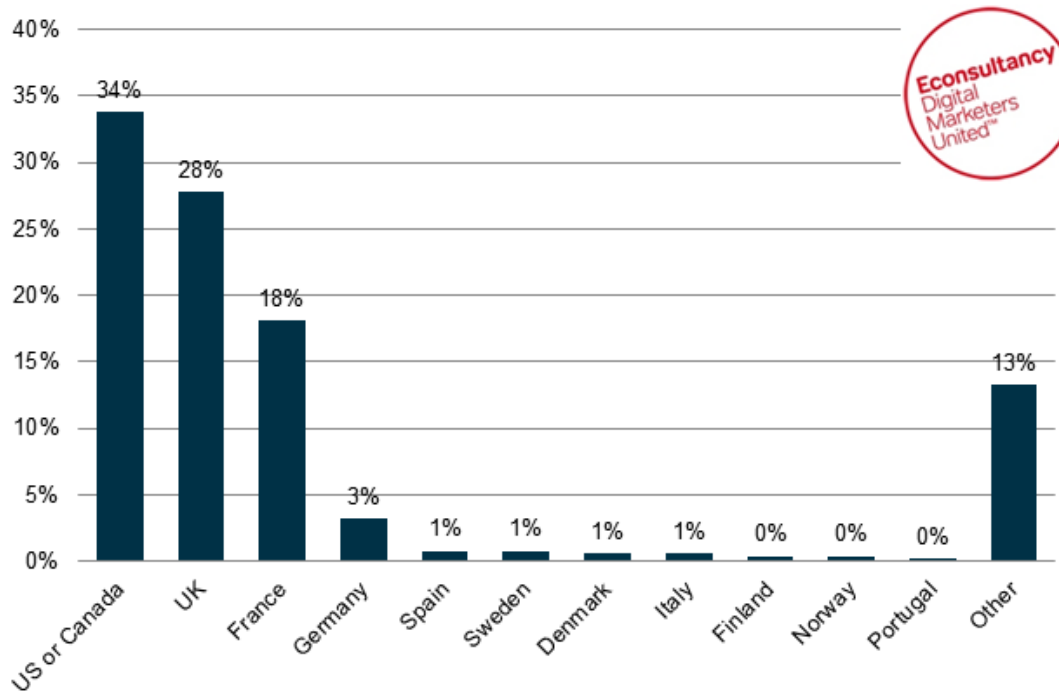
<http://econsultancy.com/reports/online-advertising-survey>



8.3. Geography

The chart below shows the geographical split of publisher respondents. Around a third (34%) of publishers are based in the US or Canada and a further 28% are UK-based. The next best represented countries are France (18%) and Germany (3%).

Figure 6: In which country / region are you based?



Respondents: 497

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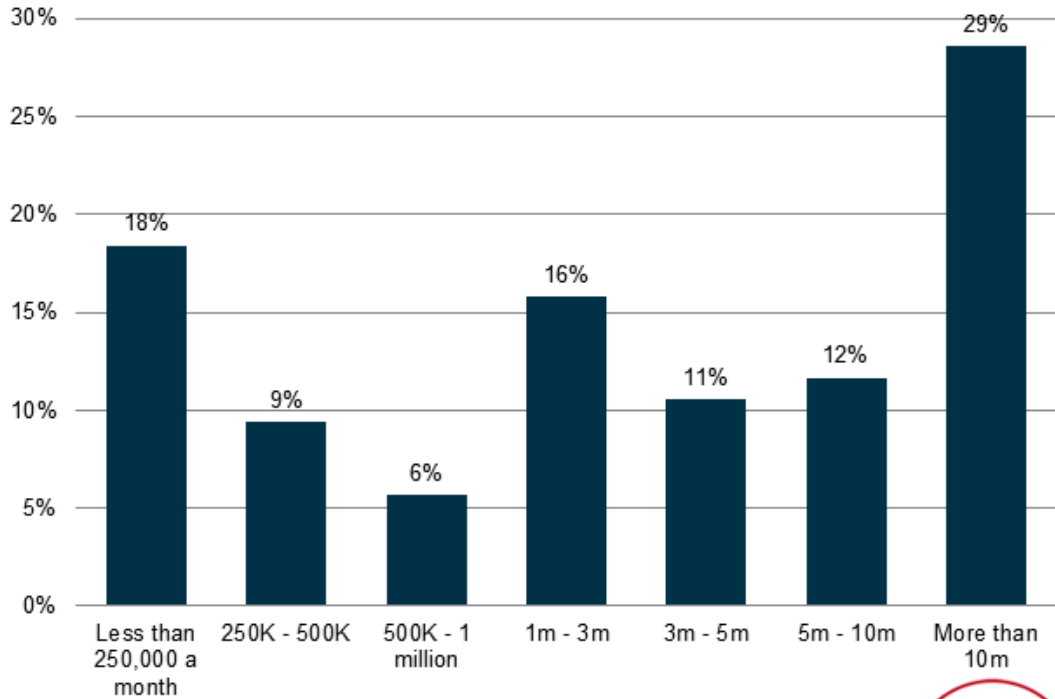
<http://econsultancy.com/reports/online-advertising-survey>



8.4. Unique visitors

As *Figure 63* shows, around half (51%) of publishers surveyed get more than three million unique visitors per month to their website, with some 29% saying they get more than 10 million.

Figure 7: How many unique visitors per month do you get to your website?



Respondents: 296

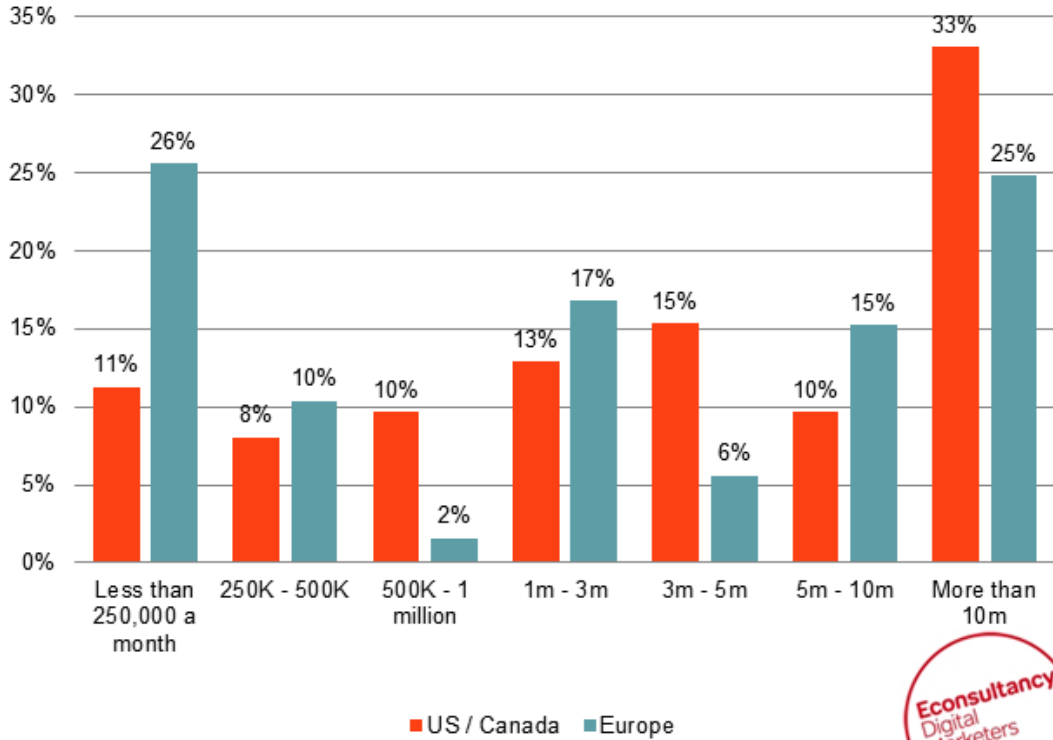
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Figure 8: How many unique visitors per month do you get to your website?



Respondents US / Canada: 133
 Respondents Europe: 144

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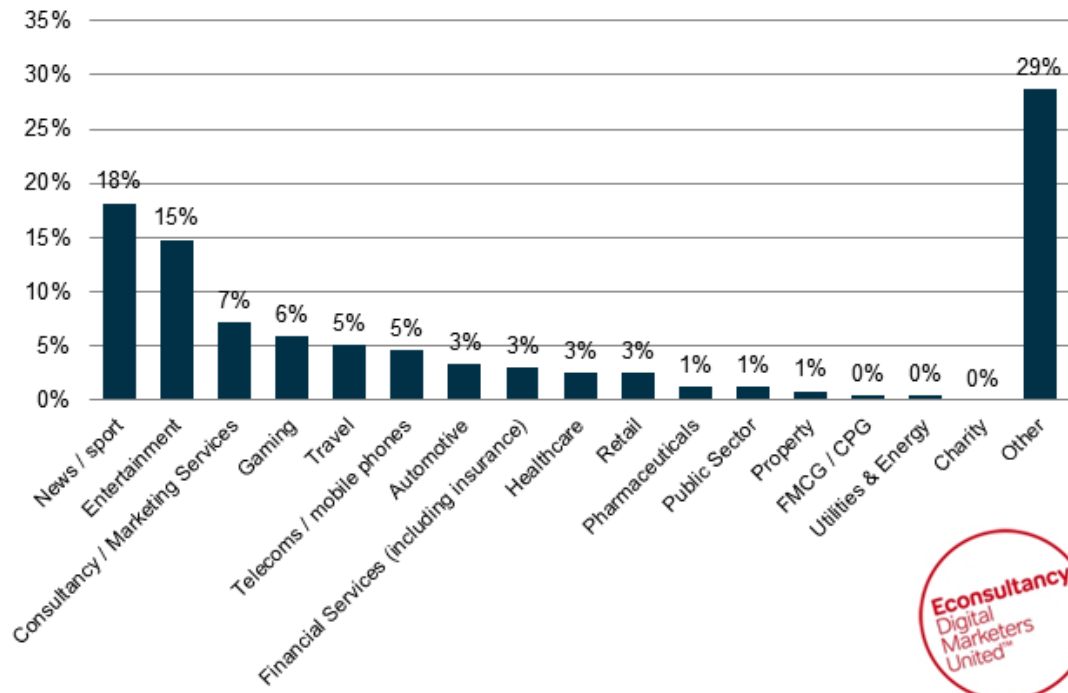


8.5. Business sector

Figure 65 shows how publishers are split across different sectors. The most strongly represented sector is *news/sport* (18%), followed by *entertainment* (15%), *consultancy/marketing services* (7%) and *gaming* (6%).

Around a third of respondents (29%) specified 'other' as their sector. Other sectors included *IT*, *real estate* and *recruitment*.

Figure 9: On what sector is your publishing business focused?



Respondents: 237

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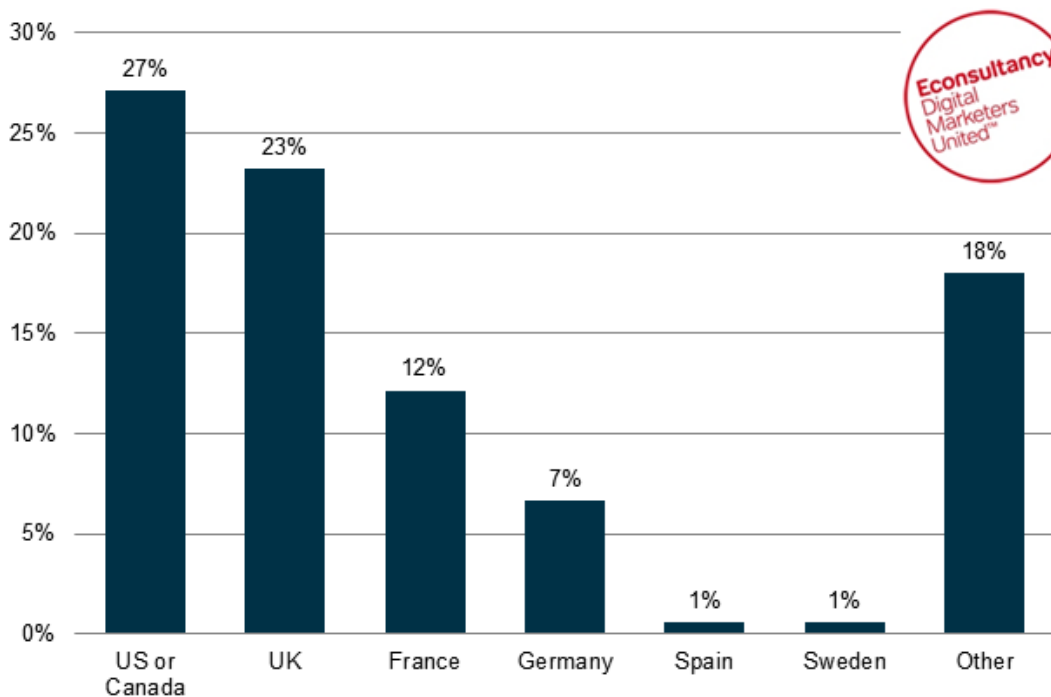


9. Appendix 2: Ad Networks Respondent Profiles

9.1. Geography

Figure 66 shows the geographical split of ad networks surveyed. Around a quarter (27%) of ad network respondents are based in the US or Canada and a further 23% are UK-based. The next best represented countries are France (12%) and Germany (7%).

Figure 10: In which country / region are you based?



Respondents: 160

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