

Scribd Maximizes Ad Revenue with Dynamic Allocation



About Scribd

- www.scribd.com
- San Francisco, California
- Transformative online reading and publishing platform

Goals

- Increase online advertising revenue by ensuring ads returned are always the highest bidder
- Decrease manual time spent allocating inventory

Approach

- Enabled Dynamic Allocation in DFP Small Business to help maximize the revenue of their non-guaranteed inventory

Results

- 22% increase in daily ad revenue

Scribd is the largest social reading and publishing website in the world. The company's mission is to "liberate the written word" -- to transform old-fashioned publishing by giving authors an easy way to publish their original writing, and match them with passionate readers.

On Scribd, aspiring novelists post fresh chapters of their latest drama. Proud cooks present recipes for cakes and pork chops. Composers even publish modern music.

Professional publishers, media companies, corporations, among many others publish on Scribd to connect with its readership of over 60 million a month.

Why? Scribd makes reading a social experience, with users sharing what they are reading with their followers on Scribd and other social networks. Making the site social increases the ways in which content is discovered and distributed, which is the #1 reason people publish on Scribd. While YouTube makes short-form video go viral and Twitter makes breaking news go viral, Scribd has made court filings, books and even scientific papers go viral.

Scribd monetizes its vast library of written content mostly with on-site advertising. Recently, when they wanted to make sure they were making the very most from their ads, Scribd turned to Dynamic Allocation from Google.

THE AD NETWORK MYSTERY

Advertising has been Scribd's main source of revenue since its creation in 2007, so getting maximum value from its ads has always been a priority. Scribd uses multiple ad networks and, like most companies, still found it difficult to find the perfect mix through the typical network percentages and daisy chains.

"It was challenging for us to schedule all the ad networks interested in bidding on our inventory in any rational way," says Jared Friedman, co-founder and CTO of Scribd. "The solution we were using was mostly manual, and that led to sub-optimal allocation of inventory across ad networks." Which is to say, Scribd never knew if they were leaving money on the table.

Scribd was already using DoubleClick for Publishers (DFP) Small Business to manage a portion of their inventory. When a Google rep told Scribd about Dynamic Allocation, "we were interested right away," says Friedman. Dynamic Allocation is a feature of the DFP Small Business ad serving platform that helps publishers display the best-paying ad available for any given non-guaranteed ad impression.

With Dynamic Allocation turned on, DFP Small Business does a clever thing for every ad impression: it runs an AdWords auction in real time and estimates the AdSense CPM for the ad space, and then it compares that CPM with the highest-paying non-guaranteed ads available from all other competing ad networks, yield managers, and house ads. Publishers control which networks are included in the competition, so there's no conflict with direct sales efforts.

"We decided to try Dynamic Allocation because it seemed like a better solution than allocating randomly across multiple ad networks," notes Friedman. "What pushed us over the edge is AdSense was already so much more effective in monetizing

About DFP for Small Business

DoubleClick for Publishers (DFP) Small Business is an easy-to-use yet powerful ad serving solution that helps website publishers manage and grow their online advertising business. Featuring streamlined ad trafficking, inventory management, revenue optimization, and granular reporting, DFP Small Business equips publishers with a complete toolkit for ad delivery and revenue optimization across their directly-sold ads, AdSense, and ad networks.

For more information, visit:
www.google.com/dfp/sb

About Google AdSense

Google AdSense™ is a program enabling online businesses to earn revenue from serving ads precisely targeted to their site. Through AdSense, website publishers can also provide their visitors with site search and Google web search, earning revenue through Google ads on the search results pages. AdSense publishers are a part of the Google Network, which includes many of the Top 100 Media Metrix sites such as AOL, About.com, Amazon, Ask.com, and Lycos.

For more information, visit:
www.google.com/adsense

inventory than other ad networks. So for us to allow AdSense to make the comparison, when we had nothing to lose, made perfect sense."

REMARKABLY EASY

But setting up that kind of real-time competition can't be easy... can it?

"It was very easy," replies Friedman. "The whole process of switching to Dynamic Allocation, including all the QA testing and launching it in production, took just a few hours. There was not a lot of custom engineering. The only change we had to make was to enable Dynamic Allocation on the relevant ad units." As with all AdSense ads, publishers have the flexibility to customize their ads with their own text, colors, and images.

There's no risk to the publisher. If a competing ad will earn more, it runs -- just as it would have if chosen manually. If the AdSense ad has a better price, then it runs and the publisher earns that much more automatically.

Scribd was eager to try Dynamic Allocation, so they enabled the feature and flipped the switch.

REMARKABLY POWERFUL

How did Dynamic Allocation perform?

"Not just well. Extremely well," says Friedman. "In fact, when we activated Dynamic Allocation we saw a revenue increase of 22% from what we were doing before. We saw that jump immediately, the next day."

That 22% improvement continued day after day until it became clear that it was no fluke.

That's enough to make a co-founder smile.

"The second-best thing about Dynamic Allocation is that we always know we're getting a good price on every impression, rather than blindly allocating inventory to one ad network or another," says Friedman. "The very best thing is, the additional revenue means we have more resources to work with as we pursue our vision of transforming the publishing industry."

THE END OF GUESSWORK

Scribd makes publishing easier for authors, and Dynamic Allocation makes advertising easier for Scribd.

The feature removes much of the guesswork that used to go into managing ad networks. That leads to less time wasted managing ads and more ad revenue. For Scribd and its CTO, it means 22% more ad revenue -- and 100% more ad happiness.

"Dynamic Allocation allows us to force our other networks to compete directly with AdSense for every impression," says Jared Friedman. "That creates an optimal split between AdSense and our other competing ad networks."

"Any publisher looking to maximize the value of their ad inventory should absolutely give Dynamic Allocation a try. Your ad yield could go up substantially -- and there's nothing to lose!"

