

## TellApart yields tremendous returns with DoubleClick Ad Exchange's real-time bidding API



### About TellApart

- [www.TellApart.com](http://www.TellApart.com)
- Headquartered in Burlingame, CA
- TellApart unifies online retailers' customer data in the cloud to quickly "tell apart" the best customers and prospects from the rest and uses that information to power personalized display ads.

### Goals

- Get results with pay-for-conversion business model
- Increase revenues for clients, risk-free
- Scale up to successfully serve thousands of clients

### Approach

- Integrate DoubleClick Ad Exchange's RTB API with the TellApart Data Platform
- Combine customer insights with optimal bidding
- Use real-time bidding for all campaigns

### Results

- More clicks and higher click-through rates
- 3% to 8% total revenue lift for e-commerce clients
- Regularly one of top five real-time bidders on Ad Exchange

Silicon Valley advertising startup TellApart puts its money where its mouth is. It doesn't get paid until its online ads deliver new sales. TellApart covers the cost of all ad inventory, creates and optimizes the personalized display ads and only makes money if a consumer clicks through the ad and then completes a purchase on a client site.

It's a big gamble, but the company's pay-per-conversion business model is adding as much as 8% in total revenue growth for top e-retail sites like Diapers.com, eBags, Drugstore.com, CafePress, Hayneedle and more. Winning at this game requires deep knowledge of customer behavior and agile bidding for the best online inventory.

TellApart achieves the first by creating a unified, cloud-based, customer database. Its unique predictive algorithms make smart calculations about which customers and prospects are high quality and which will most likely buy after clicking on a remarketing ad.

For the second part, TellApart has integrated its data platform with DoubleClick Ad Exchange's real-time bidding API (RTB API). As TellApart scales to deliver more revenue to more clients, it has emerged as one of the top buyers of inventory on the Ad Exchange.

*"In our move to real-time bidding, we saw both our click-through rates and the volume of clicks increase, which means we're getting more clicks at the right price. We're increasing our spend with the DoubleClick Ad Exchange, because we know every new dollar spent returns new revenue for our clients."*

—Josh McFarland, CEO and Co-Founder, TellApart

### Finding the perfect point

While some agencies set static bids for thousands of impressions or charge a fee on top of every ad purchased, TellApart is a new breed of hyper-efficient buyer.

"We're an extremely talented engineering team," says Josh. "And that DNA makes our platform the right solution for ROI-focused e-commerce companies. We believe that display ads can be made to work as well as search ads based on transparent click-to-conversion metrics."

Getting that performance takes serious technology. To start, TellApart builds a customer database in the cloud for each client, merging every piece of data the client has on its users and buyers.

Then it applies its proprietary algorithms to derive a "Customer Quality Score" for each visitor. It segments the window shoppers from the active shoppers, focusing on those who can be attracted back to complete a purchase through a display ad.

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## About TellApart

Founded in 2009 by ex-Google product and engineering executives Josh McFarland and Mark Ayzenshtat, TellApart centers its vision around helping e-commerce companies drive incremental revenue through the use of their own customer data. It is backed by Greylock Partners and many of Silicon Valley's most prominent angel investors, including: Dick Costolo (CEO, Twitter), Jeff Jordan (CEO, OpenTable), Reid Hoffman (Founder, LinkedIn) and Ron Conway.

TellApart's Customer Data Platform and Transactional Retargeting application have been rapidly adopted by dozens of top online retailers including: eBags, CafePress, Diapers.com, Drugstore.com and Hayneedle. The company is headquartered in Burlingame, CA.

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## About DoubleClick Ad Exchange

DoubleClick Ad Exchange helps media buyers and sellers connect through multiple deal types across a global, open, transparent and brand safe marketplace. For buyers, DoubleClick Ad Exchange provides real-time and impression-by-impression access to a vast pool of high-quality inventory. Buyers can bring their own data, optimization and bid strategies to the exchange in order to easily meet their advertising goals. For sellers, DoubleClick Ad Exchange provides more ways to transact with buyers, helps remove barriers to potential transactions and grows revenue. Sellers can offer inventory on their own terms with unique pricing and business controls to ensure they protect their assets and get the most value for them.

For more information about DoubleClick Ad Exchange, visit:

[google.com/ads/adxforbuyers](http://google.com/ads/adxforbuyers)

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Manually matching scores with impressions using user segments would be an impossible task and yield suboptimal results. Instead, TellApart uses real-time bidding (RTB) to buy individual impressions targeted to each high-quality customer. Dynamic product ads optimized for each user encourage them to buy and drive impressive user click through rates, which average 7.5%.

"Our knowledge of the customer combined with the ability to show the right ad at the right time, place and frequency is what invites users to click through at unprecedented rates," says Josh. "Further, every impression has a different value along a bid curve, and RTB helps us be incredibly accurate and aggressive in our bidding."

The success of this powerful approach supports the company's risk-free business model... and lets its founders sleep at night.

"We think the best way to achieve long-lasting success is to align our interests with those of our clients, so that we only make money when they make money," says Josh. "Being able to buy in real-time on a per-impression basis enables us to take on that risk."

## A well thought out plan

TellApart has a deep appreciation for and understanding of how to execute real-time bidding at scale.

"Google has this persistent theme of quality, with search, publishers and ads. So DoubleClick Ad Exchange's approach to the RTB API is very well thought out. We found the API was straightforward and it worked the way it was supposed to work," says Josh. "It's a well-designed system that scales."

With a team of superb engineers, the integration process was not difficult for TellApart, and the results have paid off immensely.

For example, an A:B test with Hayneedle—one of the largest e-commerce retailers in the country, running 300+ specialty sites—showed that TellApart's remarketing campaign generated a 25% lift to conversion rate.

Diapers.com also realizes great results from TellApart's work with Ad Exchange, where clicks driven from remarketing have a conversion rate of over 5%.

"Using RTB with Ad Exchange was a key part of TellApart's original vision, and it is a game changer for this industry," notes Josh. "There's no going back. We are 100% real-time bidding."

With real-time bidding from Ad Exchange as a core component of its model, TellApart can afford to go all-in, knowing that every dollar spent has been optimized to yield tremendous returns.

