gutefrage

By going programmatic-first and bringing monetisation in-house, gutefrage grows revenue, transparency, and flexibility.

Launched over 12 years ago, gutefrage is a Q&A platform that helps people share and discover knowledge, opinions, and experiences through user-generated questions that are answered online by other users. With around 17 million unique monthly users[1], gutefrage is among the 10 largest websites in Germany in terms of traffic.

Originally, monetisation of the site was managed through two revenue pillars: display ads via an external sales house, and in-feed and in-article ad slots populated by Google AdSense text ads.

Over time this structure revealed serious disadvantages. Contractual separation prevented optimisation across the pillars and created high dependency on a limited number of revenue sources. Meanwhile, rigid inflexible contracts with external marketers made it difficult to react in a rapidly changing ecosystem. There was no way to pull daily reports, so getting a meaningful overview of distinct revenue streams was virtually impossible. And the user experience suffered too, due to excessive page load times through external ad server tags and an uncontrollable number of third-party technologies.

The team wanted to increase revenue, but at the same time serve user needs and boost advertiser satisfaction. By becoming Germany's first major publisher to both go programmatic-first and bring monetisation in-house, they managed to do just that.

About gutefrage

Q&A platform with answers contributed by users
Founded in 2006
Headquarters in Munich, Germany

Goals

Increase revenue and revenue per page request
Maintain excellent user experience
Boost advertiser satisfaction

Approach

Adopted a programmatic-first approach
Brought all monetisation in-house

Results

21% increase in revenue per page request in Q4 2018 (YoY).

3X higher mobile CPM in Q4 2018 compared to Q1 2016.

34% drop in average time to fully load pages[2].

26% reduction in requests to external servers[2].

29% decrease in average time to first ad becoming visible[2].

Three pillars of gutefrage's success

1. Programmatic-first:
All inventory is programmatically accessible, allowing holistic optimisation through Google's single-stack ad serving technology and no preferential treatment of direct sold campaigns.

2. Smart monetisation:
Always keeping an eye on user experience, gutefrage has continuously diversified and optimised its demand sources without adding latency.

3. Independence:
By fully in-housing monetisation, gutefrage gains independence from traditional sales house strategies, allowing direct access on all ad placements on their site.

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In-housing sales and a programmatic approach

After marketing first mobile display formats on their own in 2016, gutefrage moved their whole mobile inventory inhouse for the first time in 2017. More than two-thirds of gutefrage's traffic is from mobile devices[1]. Instead of using an external sales house, they offered their mobile inventory programmatically through their own Google Ad Manager. Insertion order campaigns were no longer treated preferentially and had to compete with the CPM of programmatic bids thanks to dynamic allocation.

The next step was to increase competition on ad slots by allowing display, text, and native ads to bid on the same placements. Instead of monetising text ads exclusively through AdSense, the team enabled native text ads in the Google Ad Manager Ad Exchange.

As the team already had experience of mobile header bidding through different SSPs, they decided to integrate new demand sources to further maximise the revenue on the existing space. A dedicated in-article area was defined for outstream formats. Lazy loading and continuous quality assurance ensured a good user experience. At this time, gutefrage also started to develop a client-side header bidding solution, while constantly monitoring the effects on load times.

After a year of building experience in mobile, the final stage of gutefrage's smart monetisation strategy saw the publisher gain full independence and holistic optimisation across the entire inventory. To be able to market and control all inventory and format types, they brought desktop display sales in-house, and expanded their header bidding solution to desktop and outstream placements, with continuous selection and expansion of client- and server-side SSPs.

Finally, gutefrage adopted Exchange Bidding, a server-to-server yield optimisation solution that allows multiple exchanges, including Google Ad Manager Ad Exchange, to compete in a unified real-time auction. From the first steps of in-housing their mobile marketing to finalising their smart monetisation strategy across all inventory, the transition took 14 months, with in-housing desktop taking just six weeks.
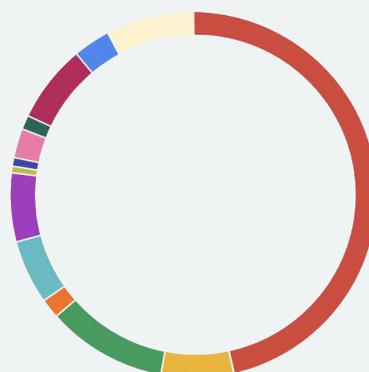
The road to independence

Coming from a rigid, non-competing setup with 2 revenue pillars in 2016, gutefrage gained real independence through a highly optimized, multi-partner strategy in 2018

2016: dependent on 2 revenue sources for monetization
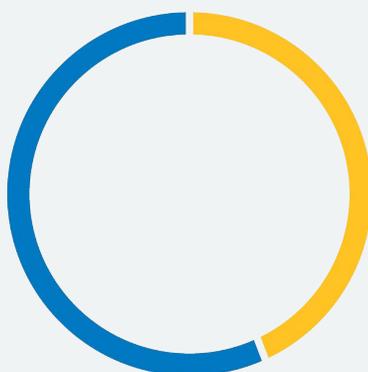
2018: more than 12 revenue sources across all their entire inventory

"Google Ad Manager is the ideal basis for our complex setup. It's helping us to efficiently manage our in-house monetisation in a holistic way. Without Google Ad Manager, we wouldn't reach the same scale in automation and optimisation to maximise our revenues."
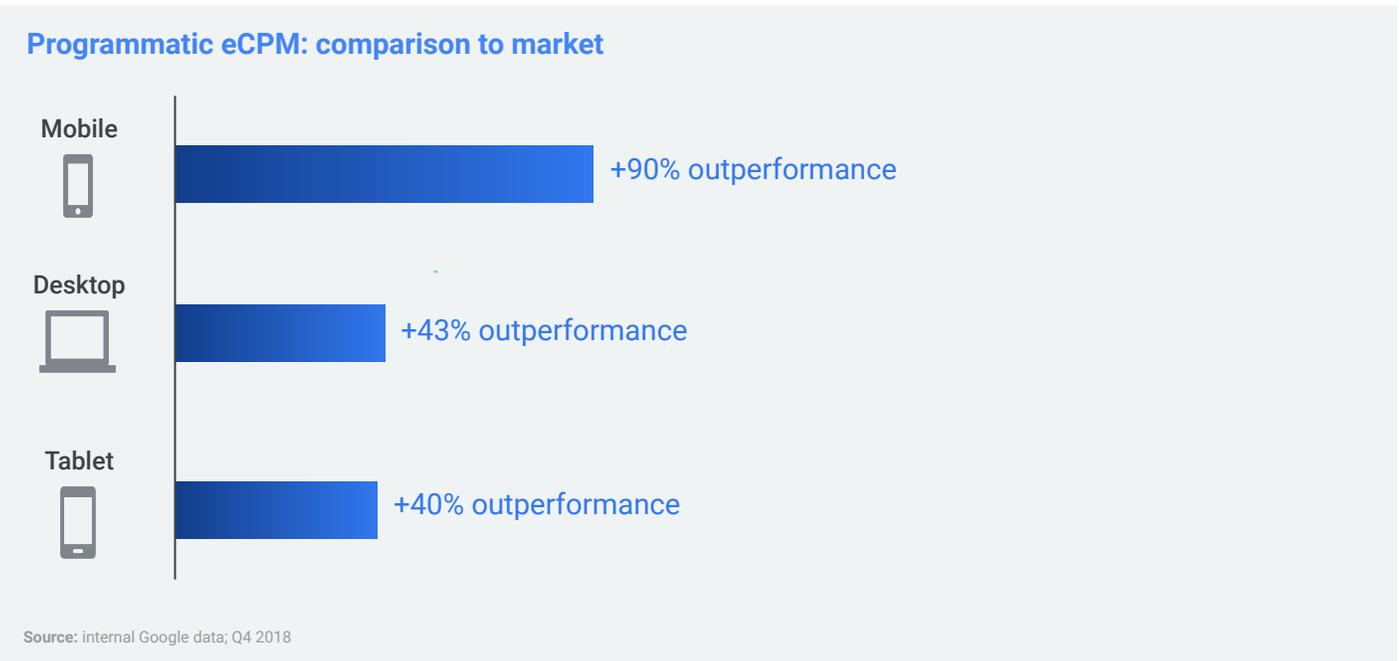
Jennifer Stebner,
Senior Programmatic Manager,
gutefrage

Source: internal gutefrage data; 2016 - 2018

Higher performance than the market

Did it pay off to switch to 100% in-house marketing? Within the first year, gutefrage outperformed its earnings year over year. When comparing Q4 2017 & Q4 2018 figures, gutefrage raised its RPM by 21%. Whilst RPMs generally tend to rise in Q4, gutefrage actually gained a much higher performance than the market.

Programmatic eCPM: comparison to market

Mobile

+90% outperformance

Desktop

+43% outperformance

Tablet

+40% outperformance

Source: internal Google data; Q4 2018

Almost 70% of gutefrage visitors are on mobile devices[1]. Thanks to the early launch of mobile in-house marketing, the growth of the mobile CPM was essential to gutefrage's positive results.

From the launch of their first mobile inhousing initiatives in Q1 2016 until the end of Q4 2018, gutefrage's mobile CPM tripled.[1]

What does smart monetisation mean?

For gutefrage, smart monetisation solves the conflict between user experience, website performance, and monetisation. Their smart monetisation strategy is a holistic approach that focuses on factors like ad load, page speed, and search engine optimisation to improve the overall user experience. This helps gutefrage to reduce the ad load on one hand and to increase eCPM and earnings on the other.

+21% higher RPM in Q4 2018 (YoY)

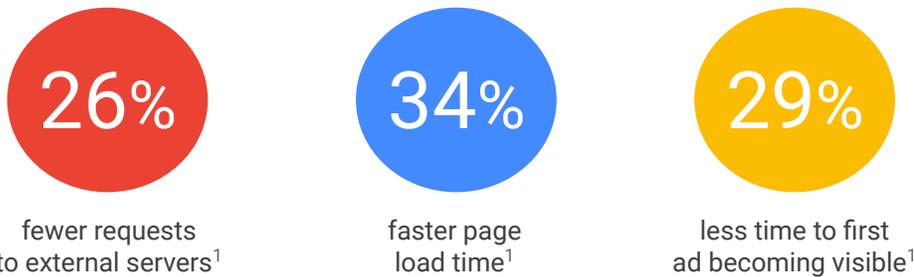**3x** higher mobile CPM Q1 2016 till Q4 2018

Source: 'internal gutefrage data'

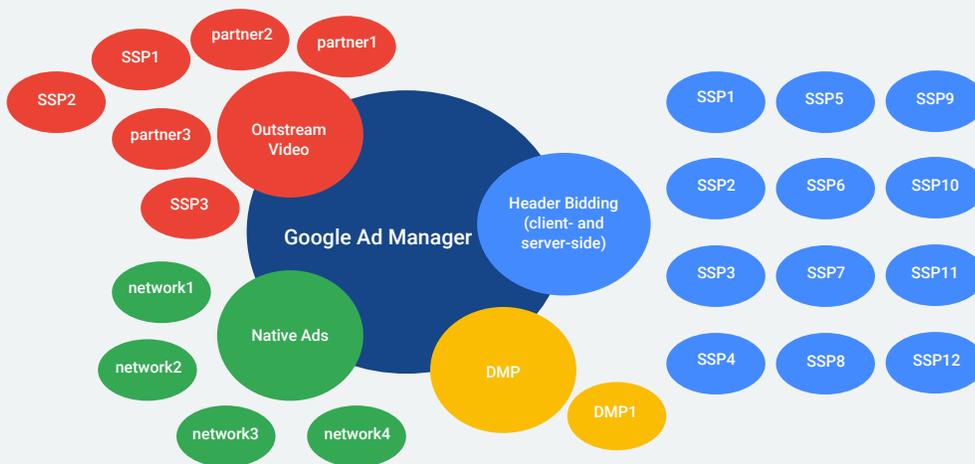[1] **Source:** internal gutefrage data

Moving to programmatic pays off

Today, all gutefrage ad slots and demand partners are managed via a single, full stack ad server and are optimised holistically and automatically. Thanks to the integrated platform, it's now possible to pull up-to-date reporting across all sources of revenue, so immediate optimisations can be driven by valid data. The new approach enables gutefrage to continually diversify and optimise demand sources, as the publisher is now fully independent and able to directly control ad inventory, sales, and trafficking.

But it's not only gutefrage that has enjoyed benefits: the integration of Exchange Bidding has provided incremental monetisation for SSPs with no cannibalisation of header bidding. Not only are carefully selected ad placements optimally monetised, but the user experience for gutefrage visitors has improved significantly when looking at numbers before and after the launch of the new setup in March 2018:

26%
fewer requests
to external servers[1]

34%
faster page
load time[1]

29%
less time to first
ad becoming visible[1]

Ad Tech setup gutefrage

SSP1 · partner2 · partner1 · SSP2 · partner3 · Outstream Video · SSP3 · network1 · Native Ads · network2 · network3 · network4 · Google Ad Manager · Header Bidding (client- and server-side) · DMP · DMP1 · SSP1 · SSP5 · SSP9 · SSP2 · SSP6 · SSP10 · SSP3 · SSP7 · SSP11 · SSP4 · SSP8 · SSP12

Source: gutefrage internal

"Our strategy is based on the ability to efficiently and programmatically monetise the complete traffic of a publisher. Direct campaigns are not treated with priority. Through our smart principles we're offering solutions that serve monetisation, user experience, and ad quality, which are usually conflicting areas."

Markus Forster,
CSO,
Holtzbrinck Digital Content Group

What's next?

Thanks to the success of their programmatic approach alongside great market feedback, gutefrage decided to spin off their sales unit to help other publishers market their ad inventory independently. The new venture – **highfivve.com** – offers programmatic marketing as managed service and acts as a consultant for third-party publishers.

[1] Source: gutefrage internal stats, before and after March 2018