



**WHY WE NEED MORE
COURAGE
FOR GOOD
ADVERTISING**

A Publisher Case Study
by the example of



Huge advertising formats cover the entire content of the website. Annoyed users searching desperately for what they really want to read. The big marketers play hardball to profitably operate digital platforms.

This is how it looked like in 2015 in the digital advertising world.



Why we need to rethink?

As the digital advertising arms race led the industry to dedicate more and more space to digital ads, users were getting fed up with the experience and responded by installing ad blockers.

This presented a difficult situation for publishers focused on reach, user growth and quarterly revenue goals. Would it be possible to change the user's experience without losing users or advertisers? Could a company manage to change advertising into a positive experience for all involved without sacrificing essential sales?

Advertising as a positive experience for users AND advertisers

In this context, the Coalition for Better Ads, a global joint industry initiative, was established in 2016 to develop user feedback-based standards for better advertising.

The Coalition for Better Ads uses the results of user surveys and the expertise of its members from across the digital advertising supply chain to develop and implement the global the Better Ad Standards to promote a user-centered approach to digital advertising and, in doing so, combat ad blocking.

At the same time, in December 2015, the publishing house BurdaForward became the first German publisher to free its websites from the often-annoying advertising flood. They named their approach, still an active program today at the Burda subsidiary: Goodvertising

The Good into the Pot, the Bad into the Pot

”

Only those who really meet the user and appreciate him, get attention and sympathy. And that is exactly the goal of better advertising. We have noticed and proved: our "Goodvertising" approach can do that.

“

Martin Lütgenau
(CMO BurdaForward)



Burda quickly realized that the Goodvertising mission could not be realized with minor measures on websites and marketing concepts. This realization led the publishing house, mainly known for the two flagship brands CHIP and FOCUS Online, to large-scale website rebuilds that required a long-term interdisciplinary effort. The results were the launch of a new advertising model that attracted attention.

It is not done with a few activities

The Goodvertising formula

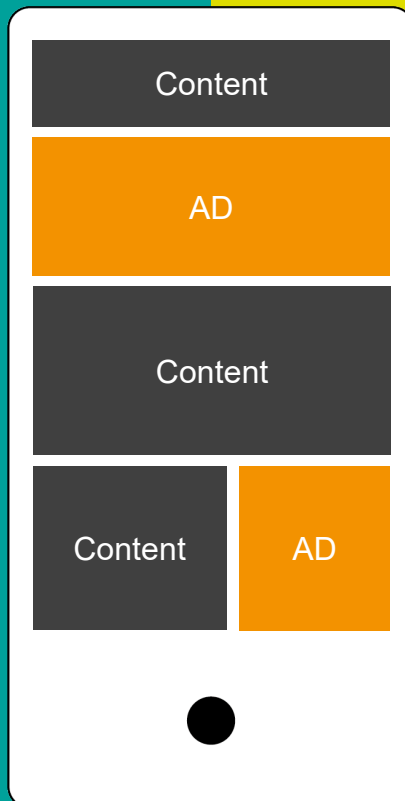
The first step that BurdaForward took was the elimination of all advertising formats that obscured editorial content in any way. At the same time, the marketer, together with its in-house publishers, decided to rebuild the websites in a way that the surfing experience for the user was significantly improved by better placement of the advertising experiences. In addition to the reduction in advertising space, BurdaForward invested heavily in the quality of the formats being deployed. Another important aspect of the transformation saw Burda build a ten-person Native Advertising team to develop creative and relevant content for customers.

Massive investment in the quality of advertising formats



THE USER IS IN THE CENTER

- LESS ADVERTISING SLOTS ✓
- FASTER LOAD TIMES THROUGH RE-LOADING ADS ✓
- NO ANNOYING FORMATS ✓




ADVERTISING PARTNERS BENEFIT

- HIGHER VISIBILITY ✓
- MORE ATTENTION THROUGH REDUCTION OF THE AD CLUTTER ✓
- RESPONSIVE LAYOUT ✓

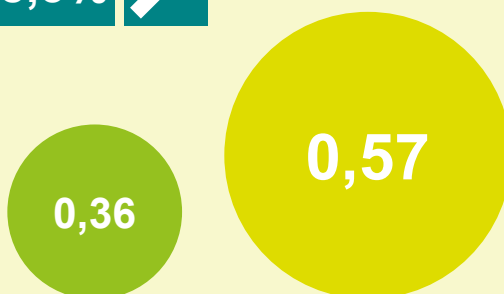
Increasing usage and interaction

It quickly became clear that following the introduction of the new ad model at dmexco 2016 (concurrent with the announcement of the Coalition for Better Ads) and the elimination of "bad ads", the advertising available on the BurdaForward brands has become more and more popular with users.

Clickrate

+ 58,3% 

*Internal clickrate-
numbers in percent,
classical Billboard on
FOCUS Online, period:
full year 2015 vs. 2016*

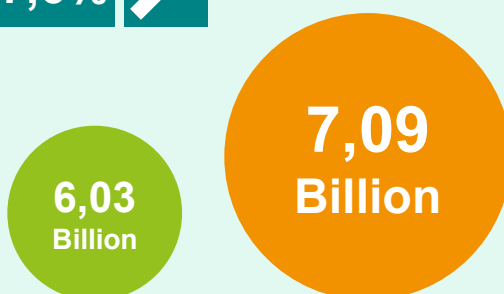


Within a year, the click rate of a legacy advertising experiences on FOCUS Online has increased by 58 percent. After a single year the portal has benefited from the redesign of the advertising model: users have been more intensively involved with the content of the page and generated more than 17 percent more page views. This trend has continued in the subsequent years.

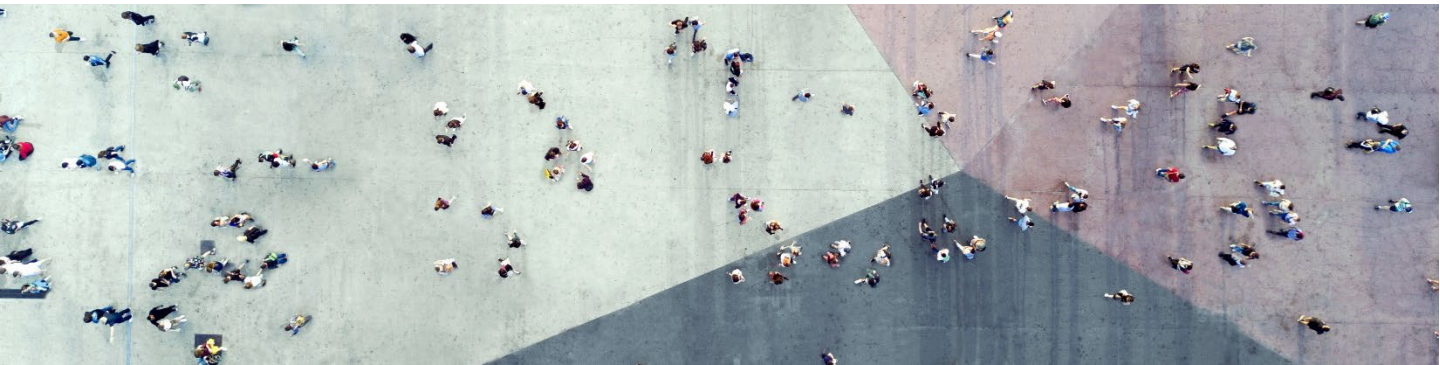
Page Impressions

+ 17,6% 

*Source: IVW, absolute
PI-numbers in billions,
FOCUS Online;
period: full-year 2015
vs. 2016*

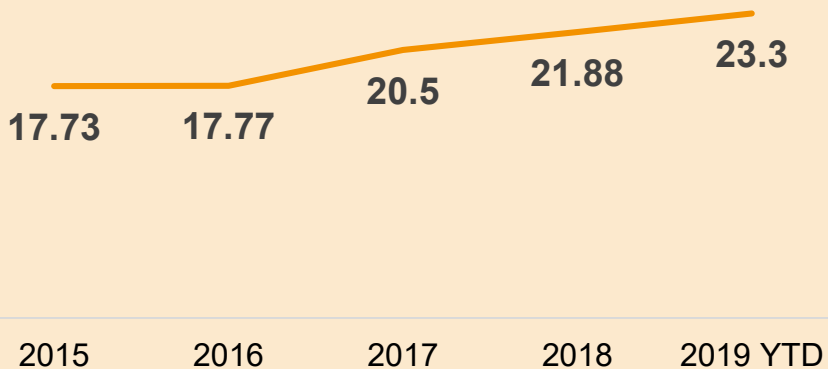


In the months immediately following the introduction of the Goodvertising model, evidence of a positive impact on reach on the FOCUS Online website was clear.



The changes brought about by the Goodvertising approach yielded not only immediate benefits but continue to deliver sustainable, long-term increases in the number of users visiting the sites. The net reach of FOCUS Online between 2015 and 2019 grew from about 17 million unique users to more than 23 million unique users.

Unique User



Increase of monthly net reach FOCUS Online (average monthly UU in millions per year). Source: agof digital facts, single month, basic totality: 18 years and older

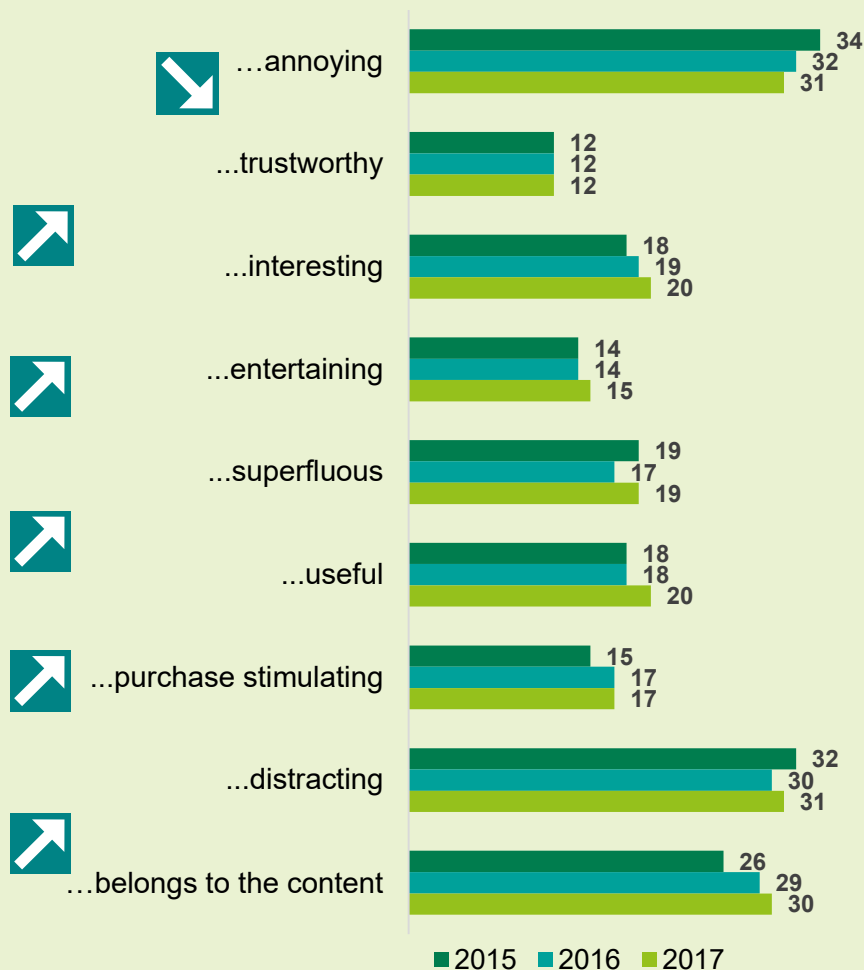
What do the users say?

In order to measure the true success of the measures, however, those who really deal with the product need to be interviewed, users who regularly visit, search and consume information on FOCUS Online.

To measure this, BurdaForward leans on the well-known "best for planning" German market study. The study shows that users look favorably on the new Goodvertising approach across a variety of dimensions. These results are contrary to the general market trend.

The attitude of FOCUS Online users towards advertising is developing positively - contrary to the prevailing market trend

Internet advertising is...



Approved statements of FOCUS Online users to the options „internet advertising is ...“, user percentage, b4p 2015 vs. 2017, basic totality: 14+

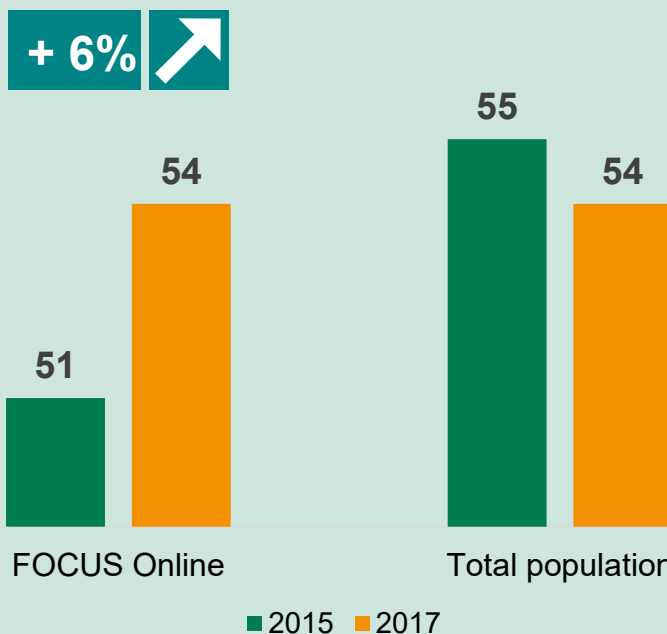
The study shows that users are more and more pleased with the new Burda advertising approach. Good advertising ads pique greater interest, are more entertaining, more useful and relevant to the users, and influence their buying decisions positively. The number of users who find advertising annoying begins to decline in 2016 for the first time. These positive initial results all continue to improve.

With a larger content team, the BurdaForward marketing unit focuses on providing integrations and native content solutions as well as providing users with help and information focused on their current concerns.

The solution-oriented approach is recognized by users: By 2017, 54 percent of the polled FOCUS Online users agree with the statement "Advertising is very helpful for me,,," a six percent improvement over the course of two years. Over the same time period, the proportion of the total German population that classifies advertising as helpful has decreased.

Above all solution-oriented ad formats find positive recognition of the users

Advertising is helpful to me...



Approved answers to the statement "Advertising is actually quite helpful for me", percentage of users, b4p 2015 vs. 2017, population: 14+

User statements on „new advertising“

Statements of FOCUS Online users in direct comparison of the old and the new design of the homepage



male, aged 30

"The advertising is very chic and does not bother too much now."



female, aged 24

„Looks cool. So it's definitely cooler than pushing it away and it's still noticeable. Because nothing is more annoying than having to click away the ad all the time until you can continue reading. That's why I find that (...) attentive, definitely."

male, aged 36

"I think it's relatively pleasant, I have to say."



male, aged 30

"So it looks better, definitely."



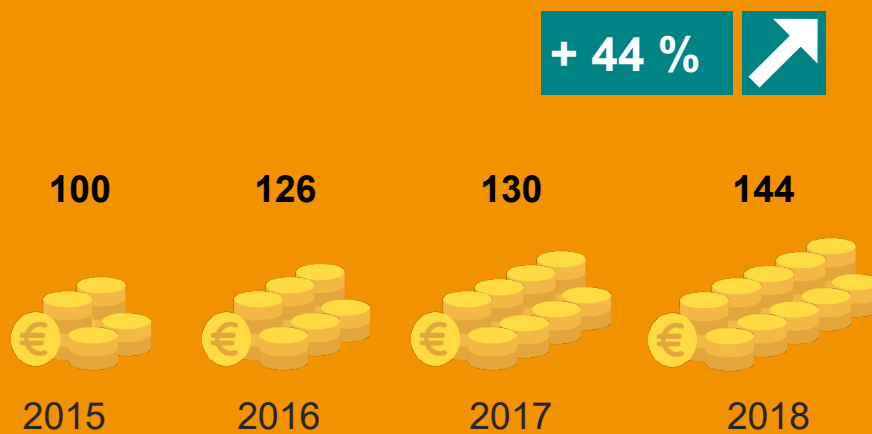
The User is happy - but what about the revenue?

Despite positive user reactions, the launch of Goodvertising raises the same question for publishers and marketers worldwide:

How can you earn money by reducing the number of ad experiences in the visible range from four to one? Can it be done without experiencing revenue erosion?

Is Goodvertising paying off?

Sales development



FOCUS Online revenue reporting, Index values based on 2015, reporting period: full years 2015 - 2018, display advertising.

The assumption made by BurdaForward was that a site can be both user-focused and ROI-focused has been confirmed. By increasing the quality of the existing advertising experiences as well as the Brand Safety provided to the advertiser, the Burda sales team quickly realized an increasing willingness among advertisers and agencies to pay a premium for Burda inventory. The increase in inventory quality rapidly increased demand for the reduced ad inventory available and even drove sales growth. The challenge for publishers taking on a similar approach is that they have to invest ahead of financial results but the higher net CPM and the larger volume of sales year-over-year shows that Goodvertising is a sales driver.

"From the very beginning, we had the firm belief that a good product that the users like will also bring in money. That has come true."

Martin Lütgenau

Message to the market

Systematically integrating Better Ads into corporate strategy promotes greater user adoption and long-term revenue growth.

This requires a close interaction between publishing teams and the teams involved in the development of user-friendly advertising formats. It also requires acceptance from partners throughout the digital advertising supply chain that annoying advertising has a long-term negative impact on the ecosystem.

The consistent implementation of the Goodvertising strategy, with early consideration of the CBA market standards, has sustainably increased user acceptance of the BurdaForward websites as well as the effectiveness of their online advertising.

These effects can be seen in all relevant KPIs: reach, traffic, advertising performance, and also in the ad blocking rate, which has not increased since 2016.

Goodvertising has positive effects on all relevant KPIs



Imprint

BurdaForward Advertising GmbH

St.-Martin-Straße 66

81541 München

kommunikation@burda-forward.de

Managing Director: Martin Lütgenau

Amtsgericht München HRB 213376

Imprint

Coalition for better Ads

Washington D.C.

Neal Thurman, Director

neal@betterads.org