

THE STATE OF PUSH NOTIFICATION ADVERTISING



 **izooto**

Welcome to iZooto's comprehensive report on the current state of push notification advertising. This is the first time a report covering push notification ads has been published. Adoption of push notifications to engage users is on a rise. And what happens when marketers find a channel that works better than the previous one? Well, they decide to put an ad on it.

This sounds trivial, but well, that's how really advertising on the internet has been.

This edition is the first of its kind and it talks about where we are heading with push notifications and, more specifically, with push notification advertising.



To understand:

- How user experience continues to reshape the impact of web push notifications
- How publishers landed on best practices that the ad format saw in 2018
- The challenges ahead in 2019

We analysed:

- 15,000+ marketers and how they use push notifications
- 500+ publishers and editorial teams
- Over 45B+ notifications

1995

You got to remember how much everybody is making it up as they go along. From 1994 through 1995 is a fun period where there is no playbook, and everybody is just trying new things online.

 Netscape

 msn



Brian McCullough
Internet historian

2019

As far as push notification ads are concerned, we are now in 1995.



Vivek Khandelwal
Founder @iZooto

What Are Push Notifications?



Web push notifications are clickable website alerts sent by a publisher to its audience. Notifications aim at retaining the website visitors with personalized and timely content updates that help publishers own, engage, and build a loyal audience.

Rolled approx. 3 years ago, push notifications yield higher CTR and more visibility than most marketing channels (ie. email and banner ads) giving marketers more reasons to have a new favorite.



Advertising On The Internet

Advertising on the internet, as we know it, is optimized for one thing i.e Attention. This is further extended to action after attention (Click Through Rate). Advertising dollars on good ol' web are spent across 5 different mediums, each of which represents a unique format.

- Search - Classic Text based Ads
- Social - Visual or Video Ads that are part of your social network feed
- Display - Banner Ads that you see as you browse the internet
- Native Ads - Ad format that resonates with the look and feel of the platform where they are served
- Video Ads - Pre-Roll Ads

Understanding Push Notification Ads

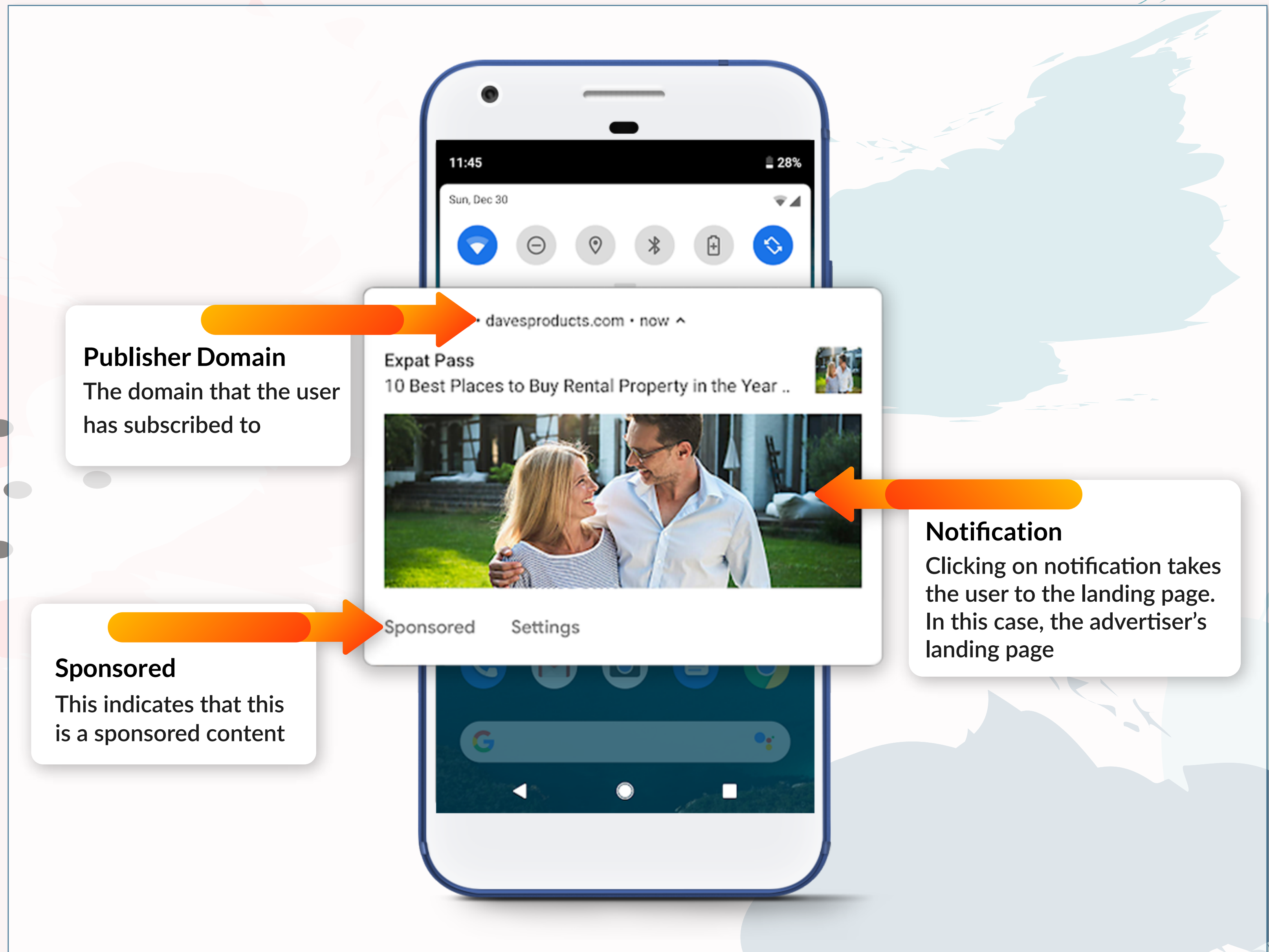
Push Notification Ad →



Web push notifications were first introduced in Apr 2015 by Chrome. Simply put, push notification advertising is nothing but delivering a specific format of ad using a web push notification. These ads are delivered directly to the device of the user and hence don't necessarily compete to occupy space on publisher's website.

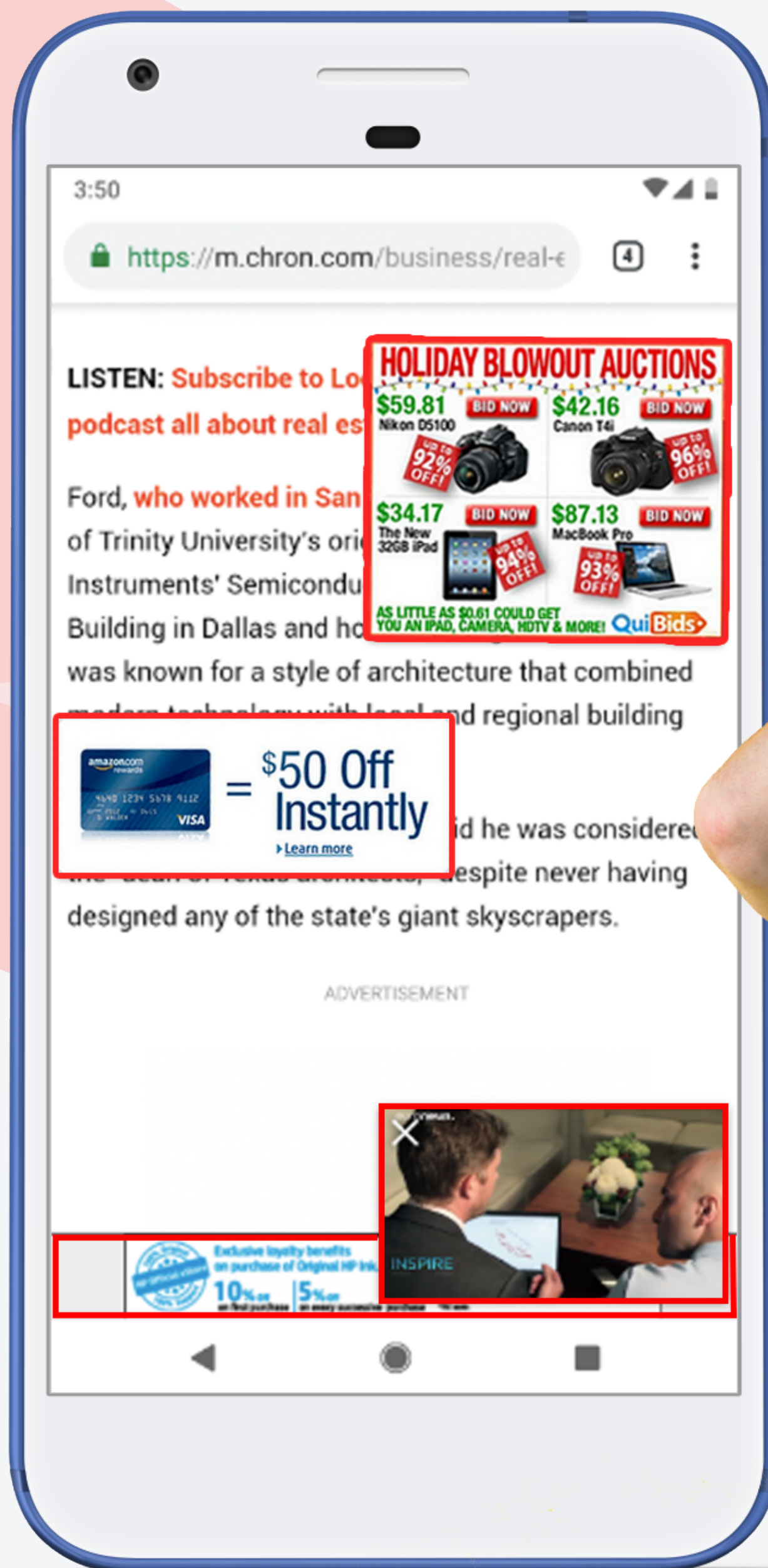
Push Notification ads, given their snappy nature, also enjoy extremely high viewability and CTR's. CTR's for push notification ads varies from 0.5% to 3%.

Push Notification Ad Anatomy



Push Notification ads, unlike all other ad formats, command a lion's share of user's attention - which directly makes this media inventory as extremely visible.

At the same time, ads delivered on push notification are not competing with banner ads or blog posts for attention.





Web Push Notifications Has A Two Fold Impact On Your Revenue

Drives User Engagement, increases traffic, and helps you serve more impressions

Engaging your audience consistently with push notifications can help you increase your traffic by up to 20%. This directly translates into more ad revenue.

Leverages Native Content Ads on Notifications

Plugging in native content ads with your push notifications generates incremental revenue as these ads don't compete with your existing ads.

Monetizing Push Notifications - How Does That Work?

Let's see how much would a website with a 100K Unique Monthly Visitors earn with push notification ads.

What we know:

Avg Opt-in Rate: **4%**

Subscriber Churn: **20%**

What we are assuming



Traffic is coming in largely from US

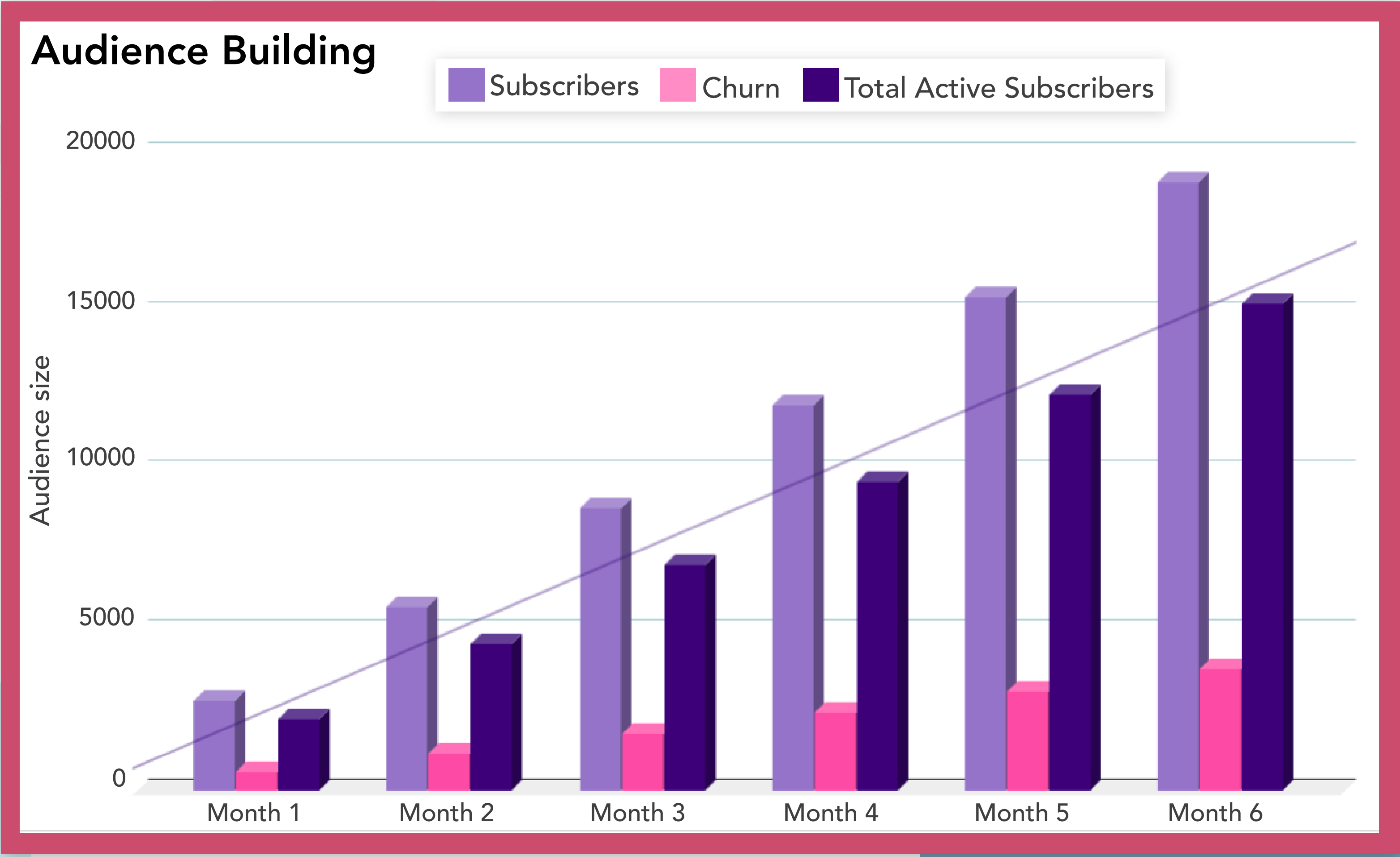
iOS Traffic: **30%**

Desktop Traffic: **40%**

Android Traffic: **30%**

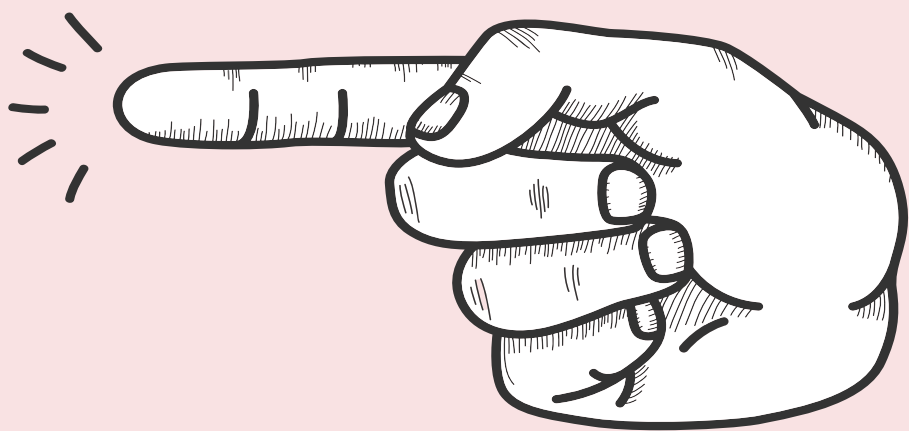


Your push notification audience in 6 months would grow to 15,236 subscribers



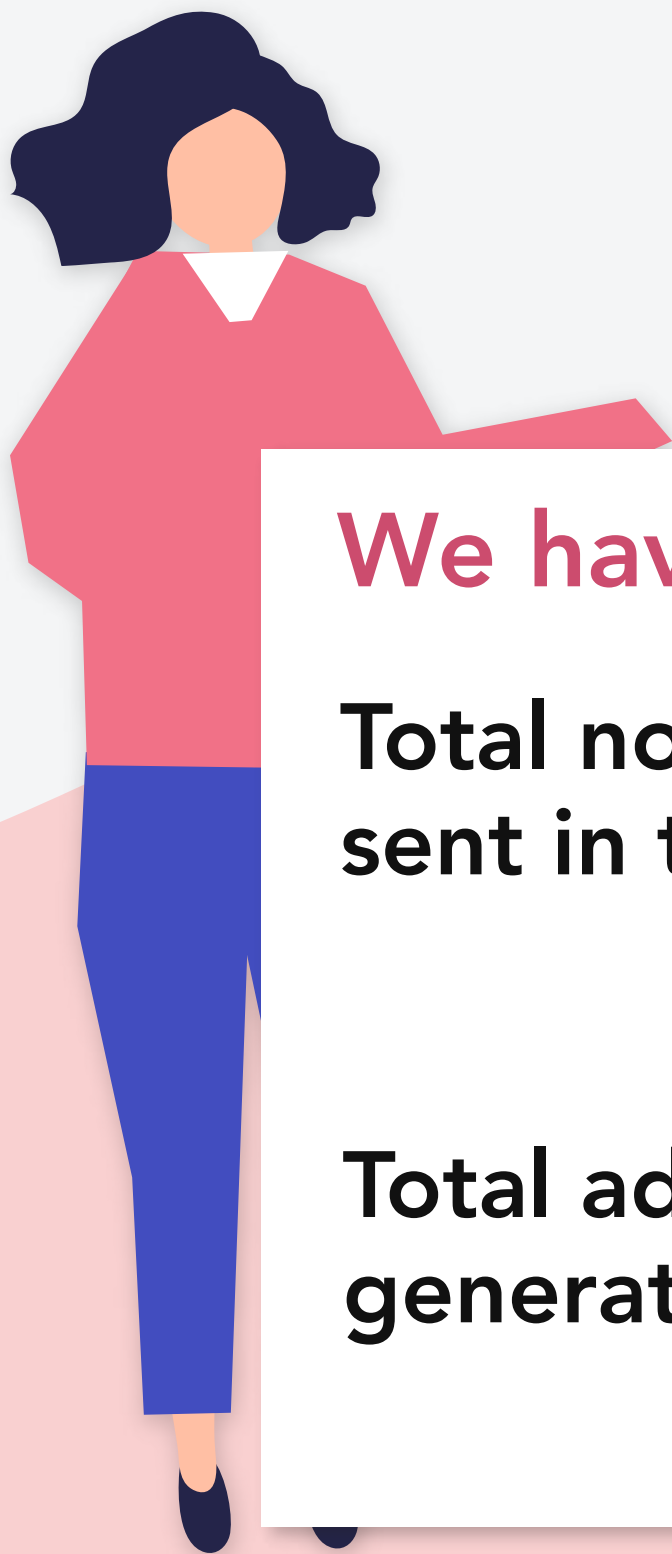
** (most websites receive 35% churn in their first month and 20% (average) in the subsequent month)*

Now, if the publisher pushes 2 notifications everyday



What we know

Average CTR : 2%*



We have:

Total no. of notifications sent in the first month

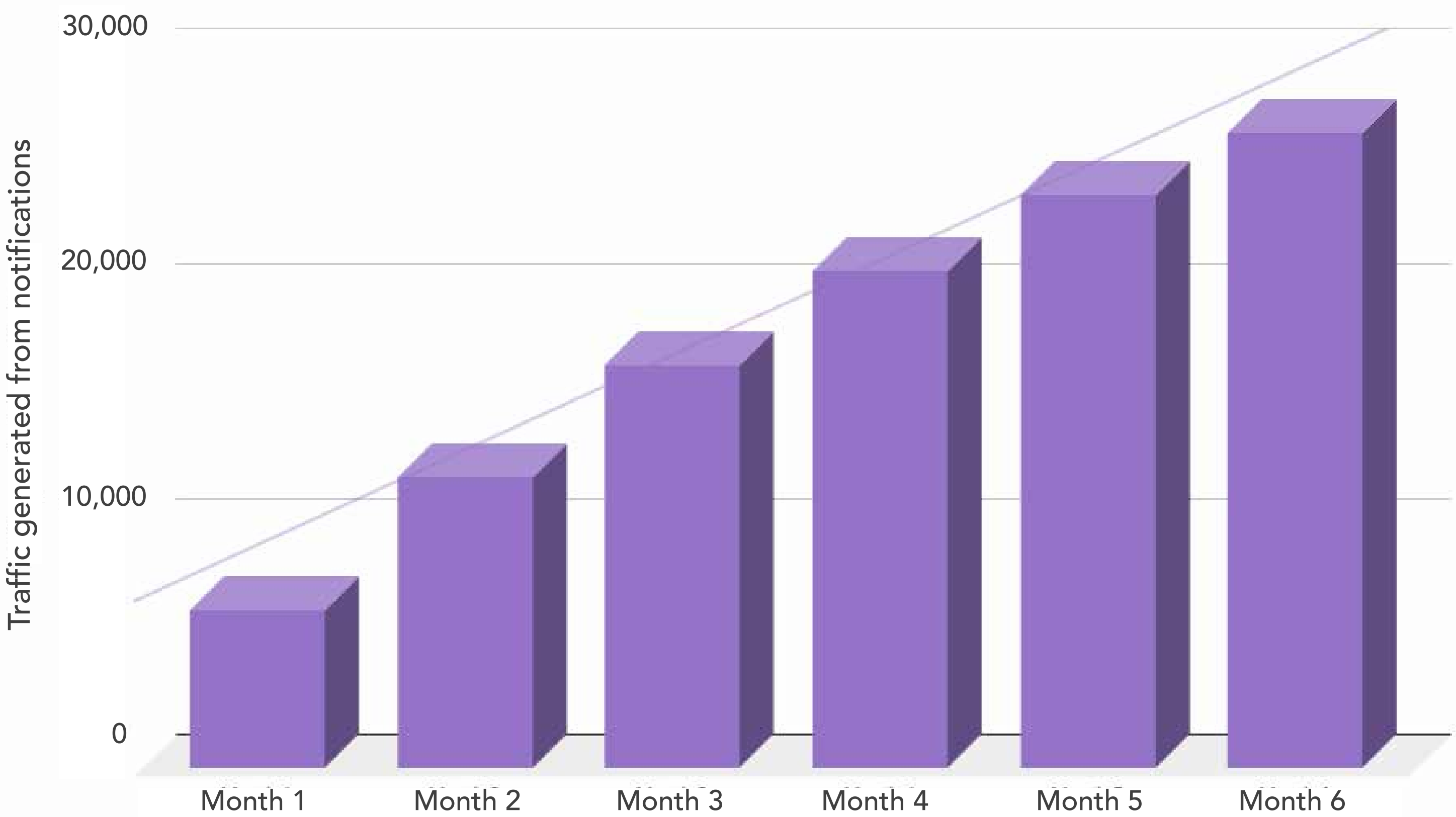
$$= (2 \text{ notif.}) * (30 \text{ days}) * 15,236$$
$$= 914,160$$

Total additional sessions generated in 1st month

$$= (914,160 / 100) * 2$$
$$= 18,283 \text{ clicks}$$

Total traffic = 118,283 (↑ by 18%)

Traffic Impacting



*(is 5% but decreases by 10% for initial few months and settles at 2%(average) for the subsequent months)

Additionally, if 2 push notification ads are sent

We know

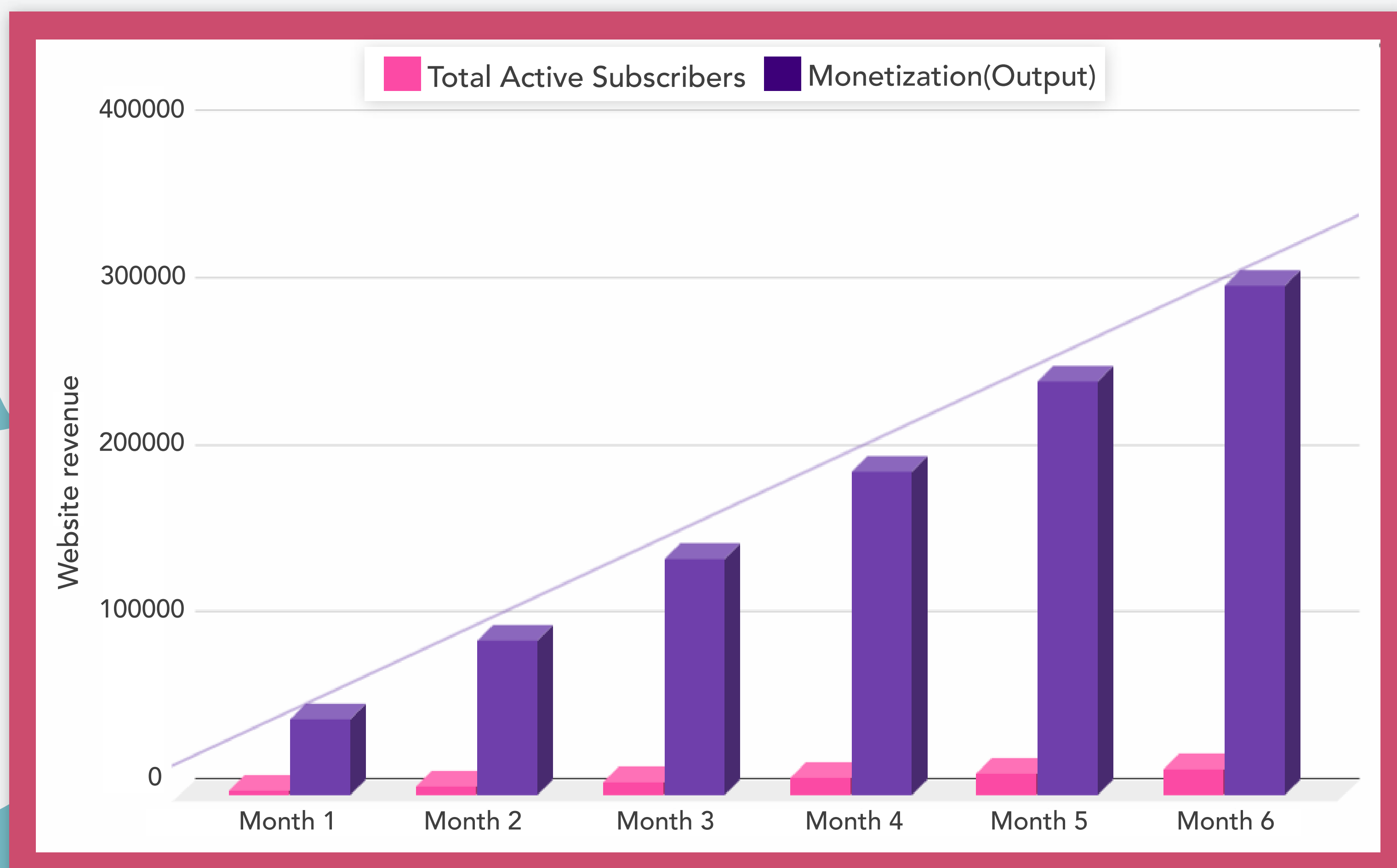
Clicks received : 18,283 clicks

We assumed

CPC rate : 10 cents

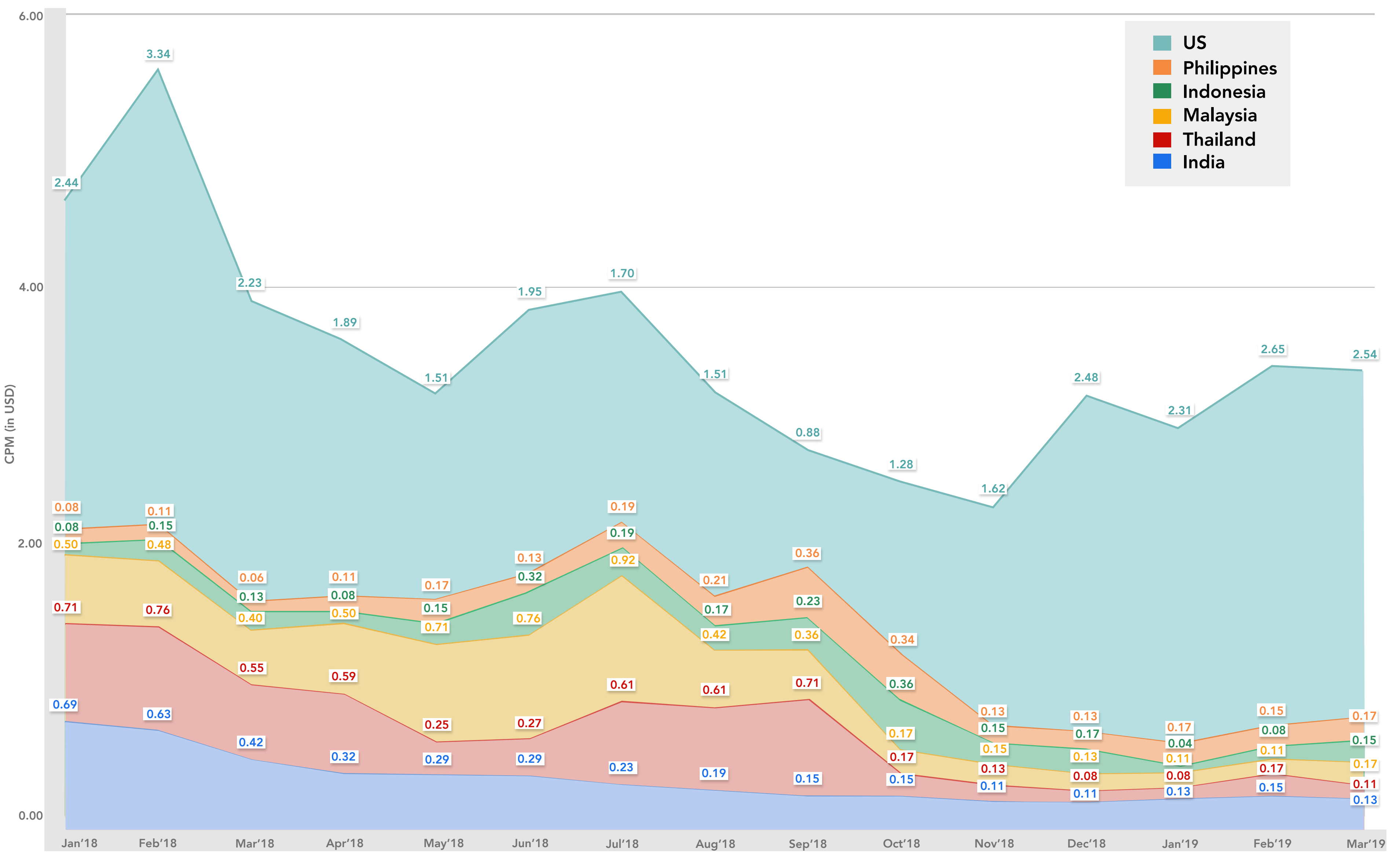
Revenue generated from notifications (10 cents/click)

$18,283 * 10 \text{ cents} = \$1,828$ ↑ in the first month



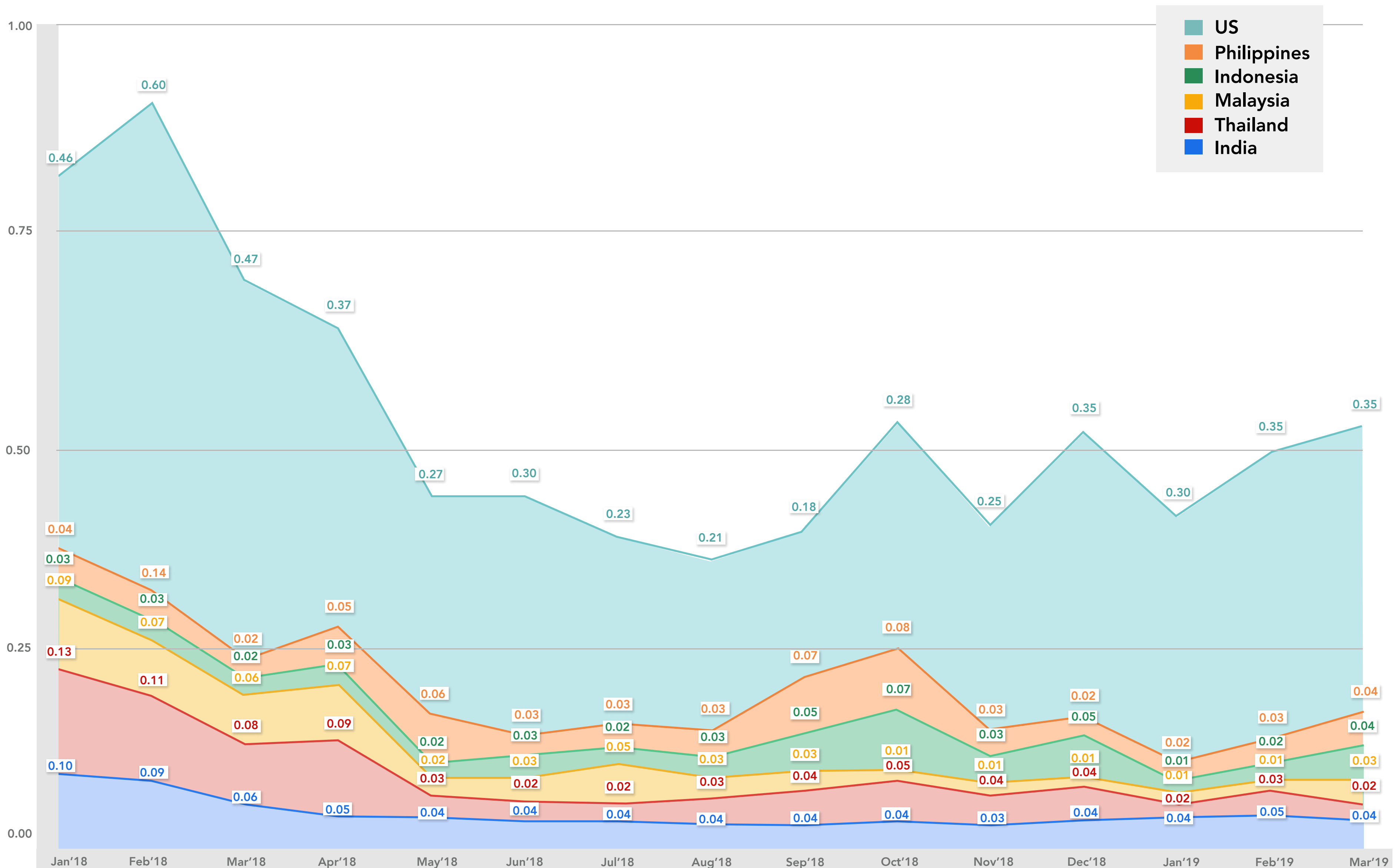
CPM Trends For Push Notification Ads For US and SEA

CPM Trends For Push Notification Ads for US and SEA



CPC Trends For Push Notification Ads For US and SEA

CPC Trends For Push Notification Ads for US and SEA



What Makes Push Notification Ads Exciting?


Maximizing Lifetime Revenue

Building an audience using push notifications gives publishers an opportunity to maximize the lifetime value of their site visitors. With native content ads served on notifications, publishers can directly encash that opportunity and boost their ad revenue by up to 15% month on month.

Audience is the golden goose that editorials teams work hard to grow and nurture which makes a direct hard hitting impact on publisher's bottomline.



Neel Kothari

Founder @  iZooto

New Real Estate For Ads

How to make more money without serving more ads on your website?

The answer to this question is push notification advertising simply because these ads are delivered to the device and not on a webpage. Push notifications don't compete with display ads. They compete.

New Real Estate also implies new rules. Advertising on push notifications can't follow the same rules as adsense. The interruption until unsubscription approach is detrimental for your audience. Context is the key with advertising.



Ankit Oberoi


Co-Founder @ **adpushup**

Better Ad Visibility

Push notifications are agnostic to ad blockers and because they are snappy, they enjoy a disproportionately higher viewability as compared to display ads. Marketers must serve content and ads so as to maximize this leverage.

Every new marketing channel enjoys a “leverage window” that gives you an opportunity to compounded returns. The attention that push notifications are getting from both users and marketers places it right at the center of the “Leverage Window”. Focus needs to shift from local maxima.



Vivek Khandelwal
Founder @  **iZooto**

Potential To Clock 5X Conversion Rate

SmartInsights,

Avg CTR on Display Ads ~ 0.05%

Avg CTR on Push Notification Ads ~ 0.5 - 2%

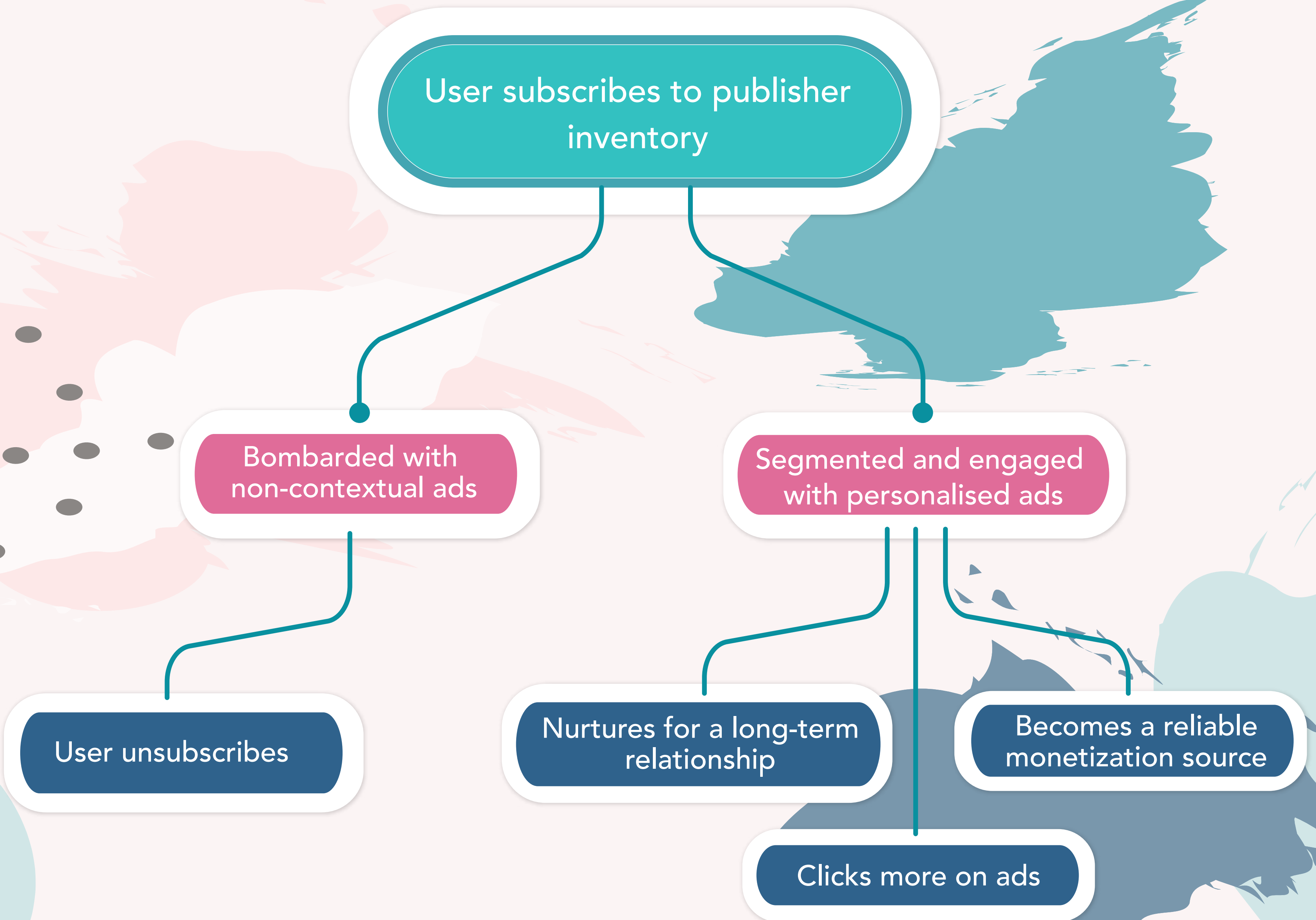
Conversion rate depends on ad visibility and the number of clicks received. Since, the channel offers better ad visibility AND a better CTR, elevated ad revenue becomes guaranteed.

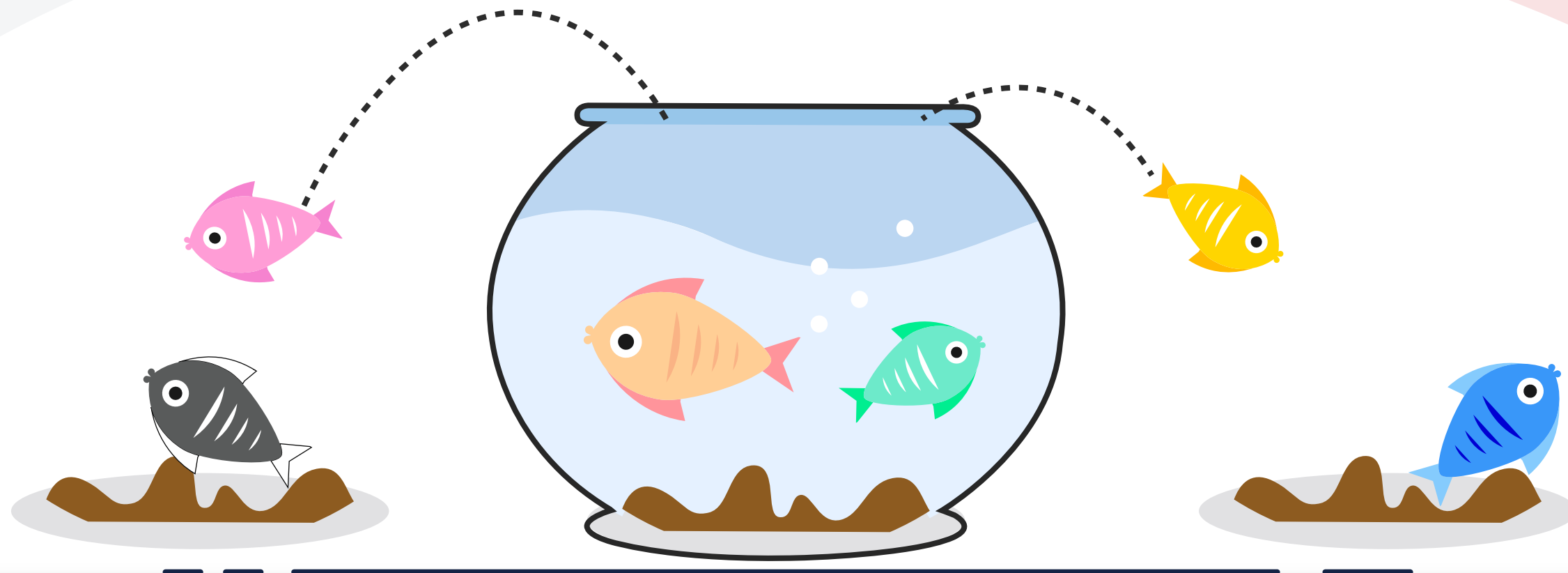


Aditi Khanna

Partner @  iZooto

Understanding Subscriber Lifetime





Why Understanding Subscriber Churn Is Important?

One swipe and one click

That's what it takes for your subscribers to give you a cold shoulder and walk away. Browsers have ensured that opting out of notifications is really easy. Your audience has complete control on their experience. Subscriber churn essentially means that you can't push notifications to those users again.

It is important to understand what triggers this churn. Or, simply said, what is it that ticks off your audience enough that they decide to opt-out completely.

Subscriber's Life, In A Nutshell, Is Defined By Its



User Experience

Being a push-based medium, there's no dependence on the user. Hence, ads are shown at will. Great power in the hands of unethical AdNetworks puts the user experience at crunch.

The Balancing Act - How To Rule Out The Challenges

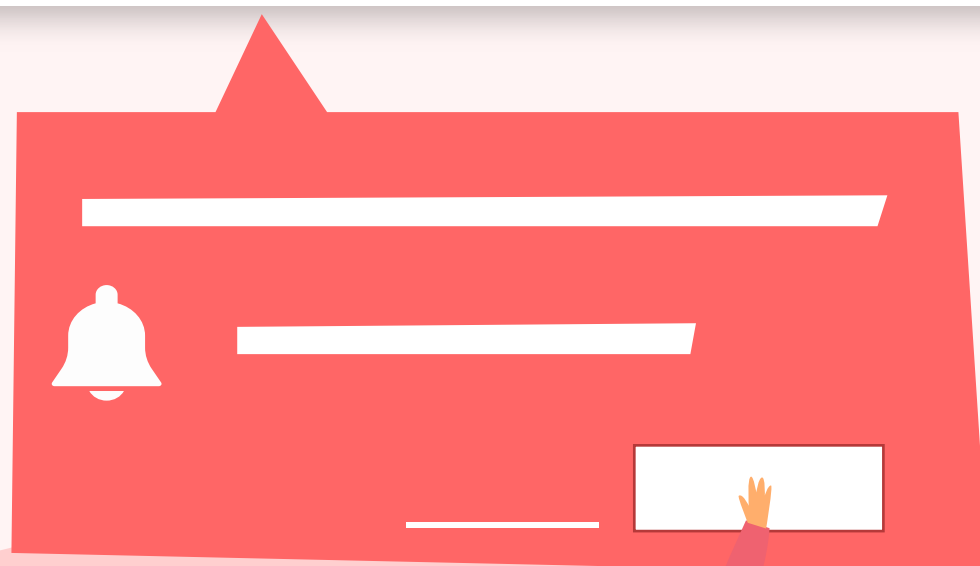


Limiting frequency of Ads

Creating better subscription experience

Identify User's Propensity to Respond

1. Identify User's Propensity to Respond



Best time to prompt users to subscribe

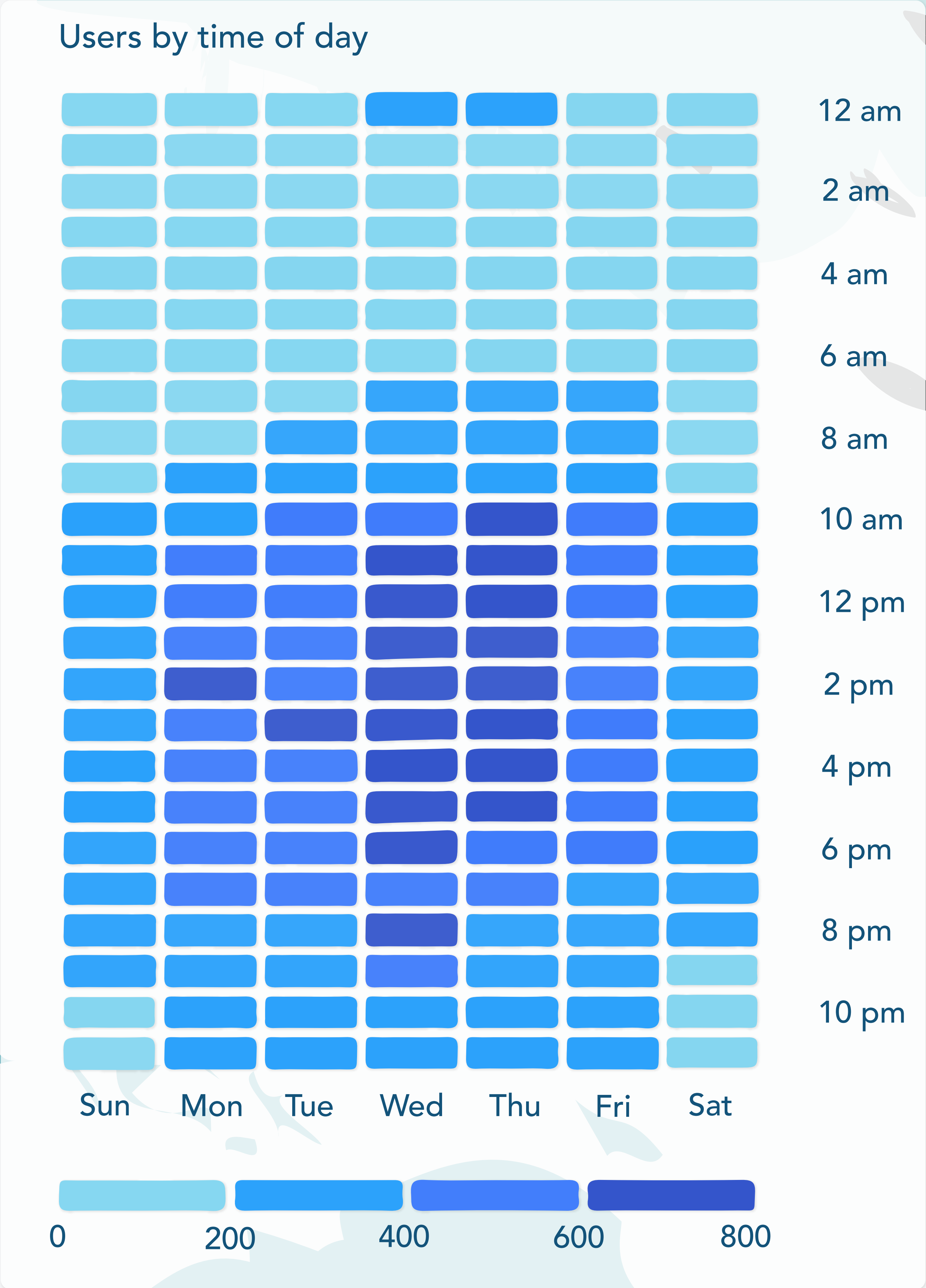
How many times have you subscribed to a newsletter on your first website visit? Not very often? Well, there's a legit explanation to such response.

You don't trust brands that you're coming across for the first time. You prefer consuming some content to check their credibility before placing your confidence in their subscription box.

Something very similar happens when you prompt visitors to subscribe to your notifications. Visitors hit "allow" if they've read enough and liked the content of your website. But, since nobody likes ugly surprises that they themselves signed up for, majority prefers to hit "block" if the brand doesn't ring a bell and/or the prompt appears before the content that they're actually interested in.

Best time to send notifications

Ever seen a graph like this?



Burn it. If it can't tell you what your audience's most engaging hours are. If it can't give you a fair idea about when your prompt will get maximum clicks, kill it.

Good thing - it does.

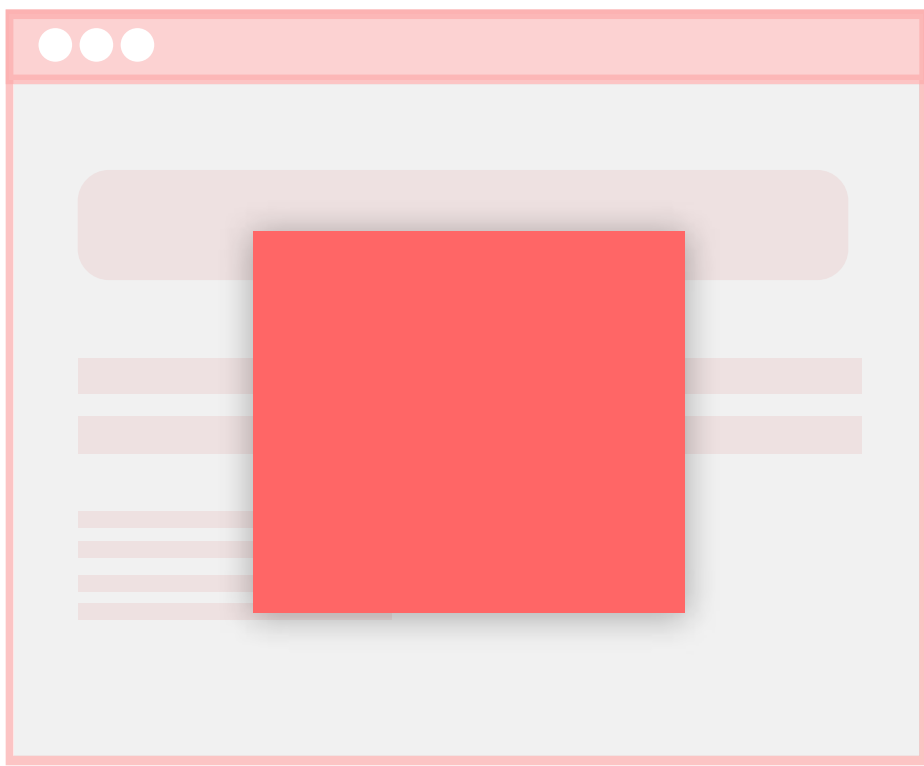
2. Creating Better Subscription Experience

Leveraging subscription templates:

Just like your elegant weekend outfit, the wardrobe of web push notification offers certain prompts that perform better than the peers.

To paint a clearer picture, we analyzed the reports with the conversion and the block rates of all the prompts for three months. The combined averages of these rates for various prompts looked something like this:

Central Modal



Average Opt-in Rate

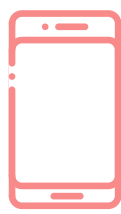
Average Block Rate



Desktop

0.14%

3.90%



Mobile

0.00%

0.00%

Average Opt-in Rate

Average Block Rate

0.69%

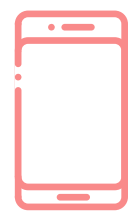
7.33%



Desktop

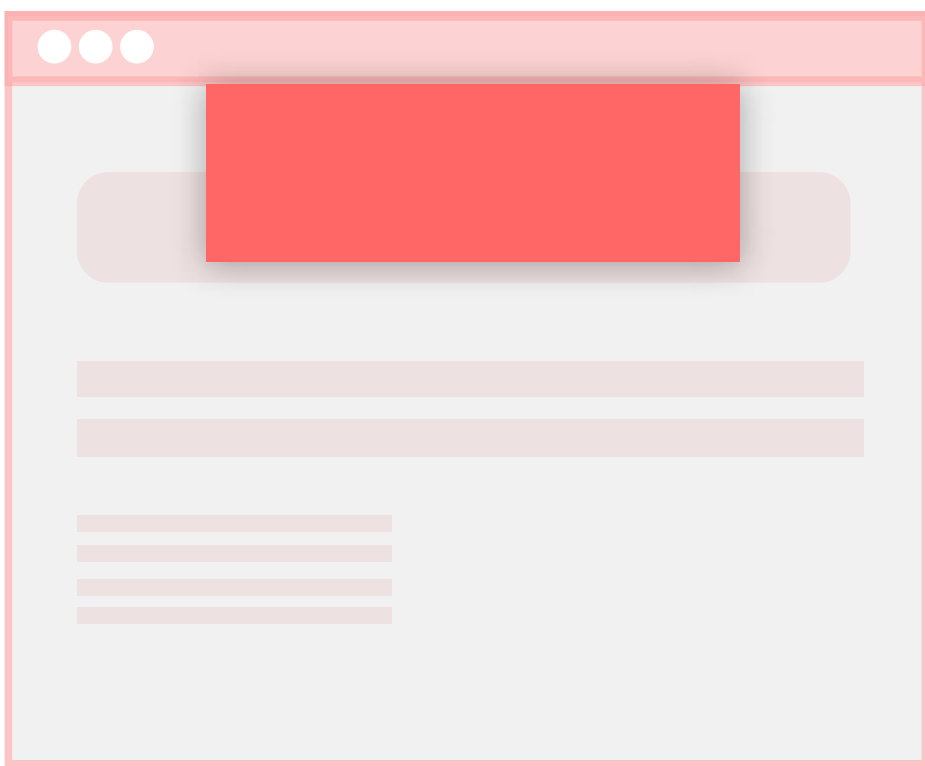
3.86%

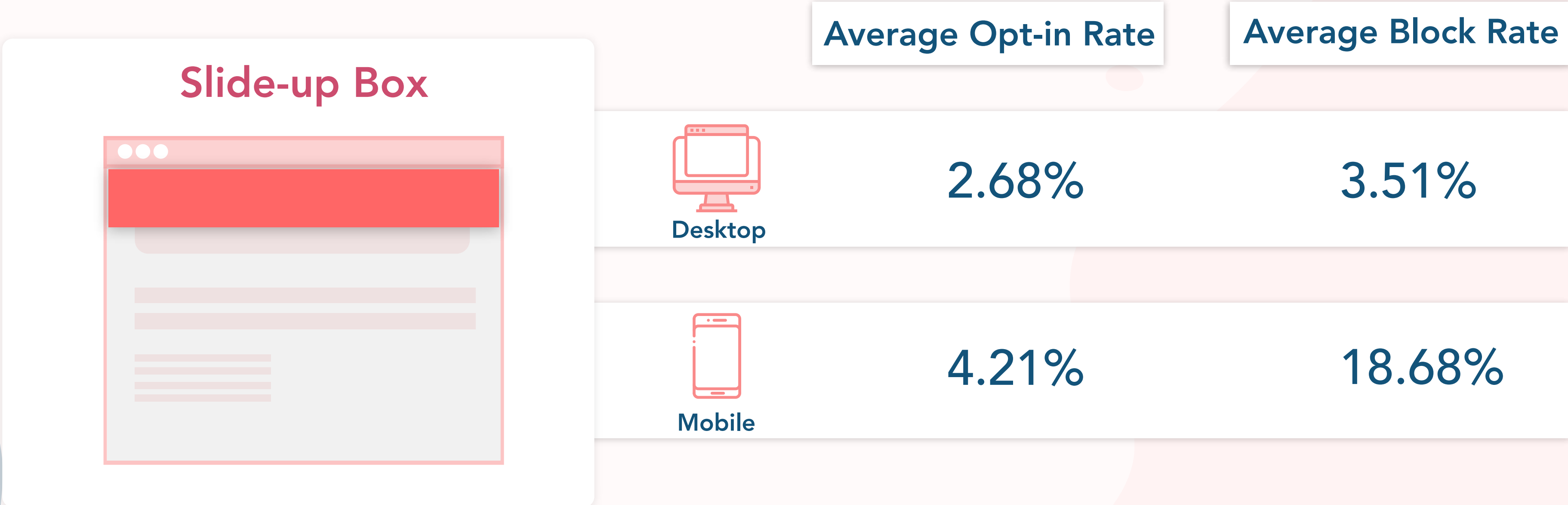
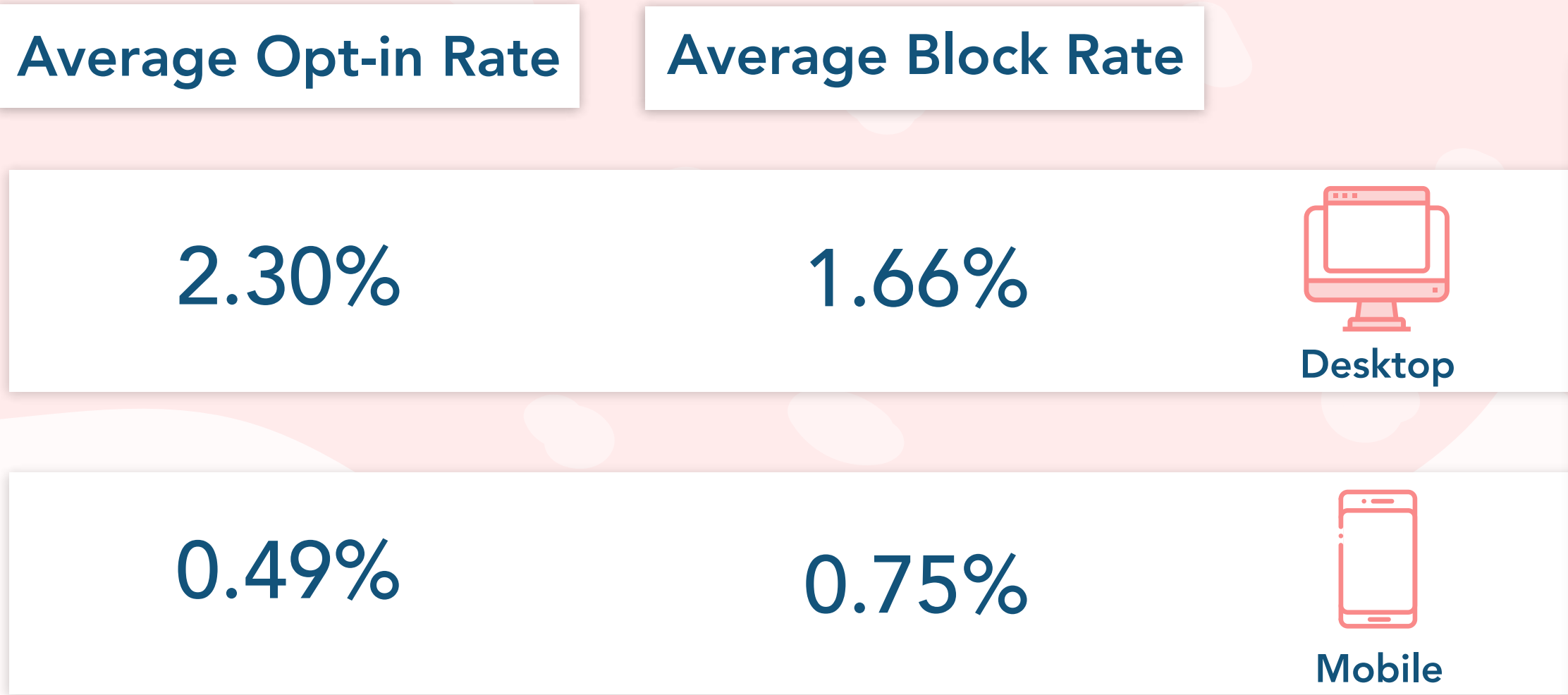
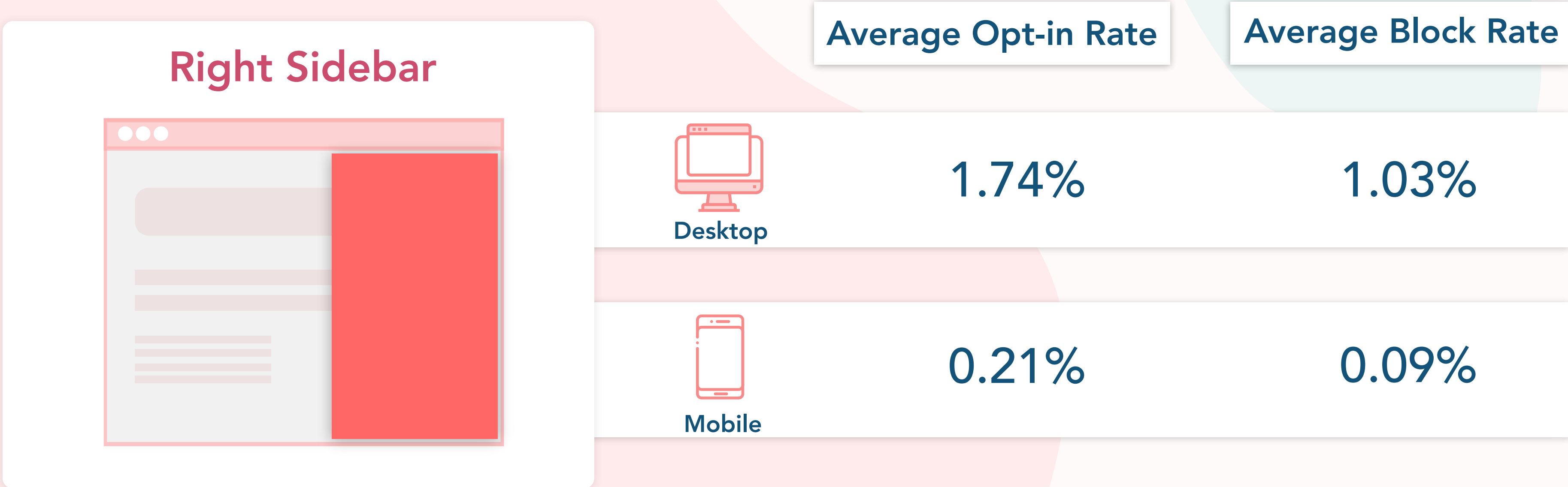
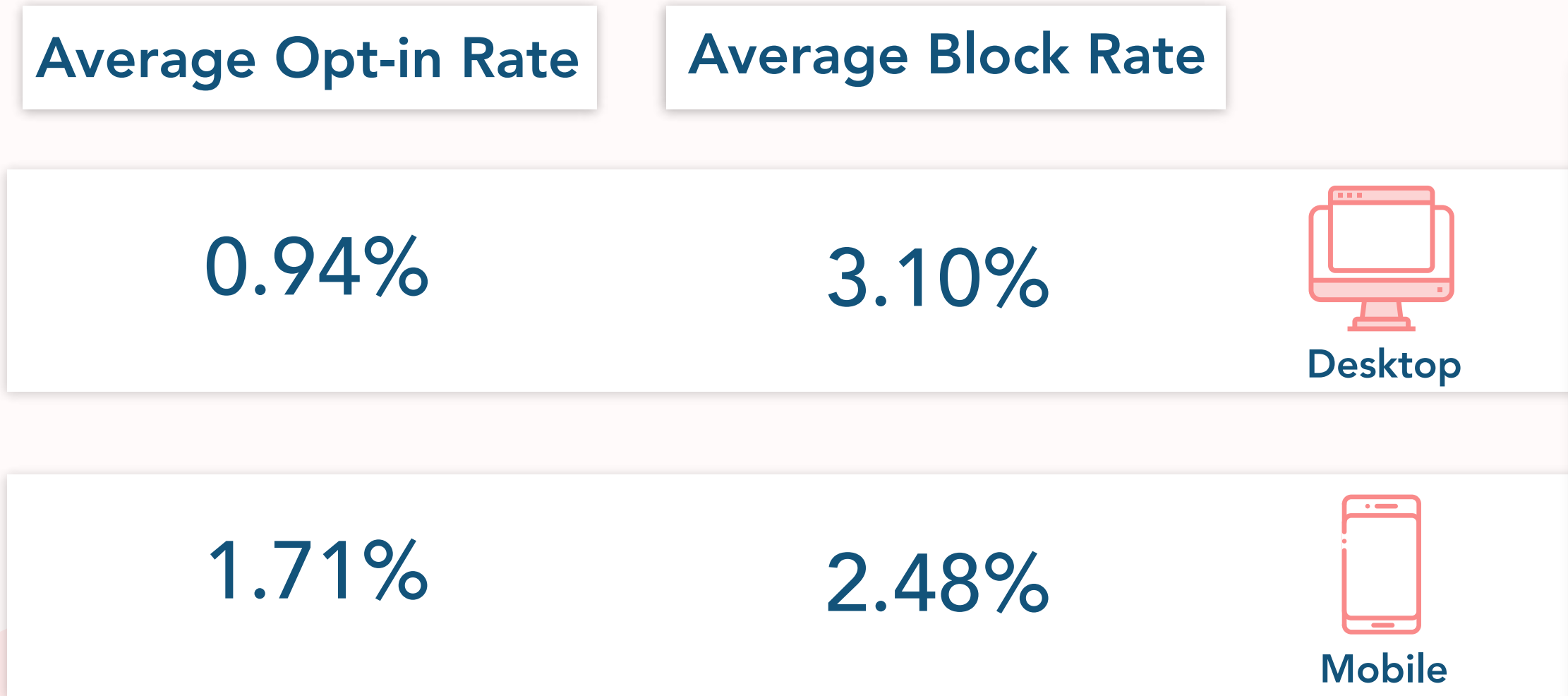
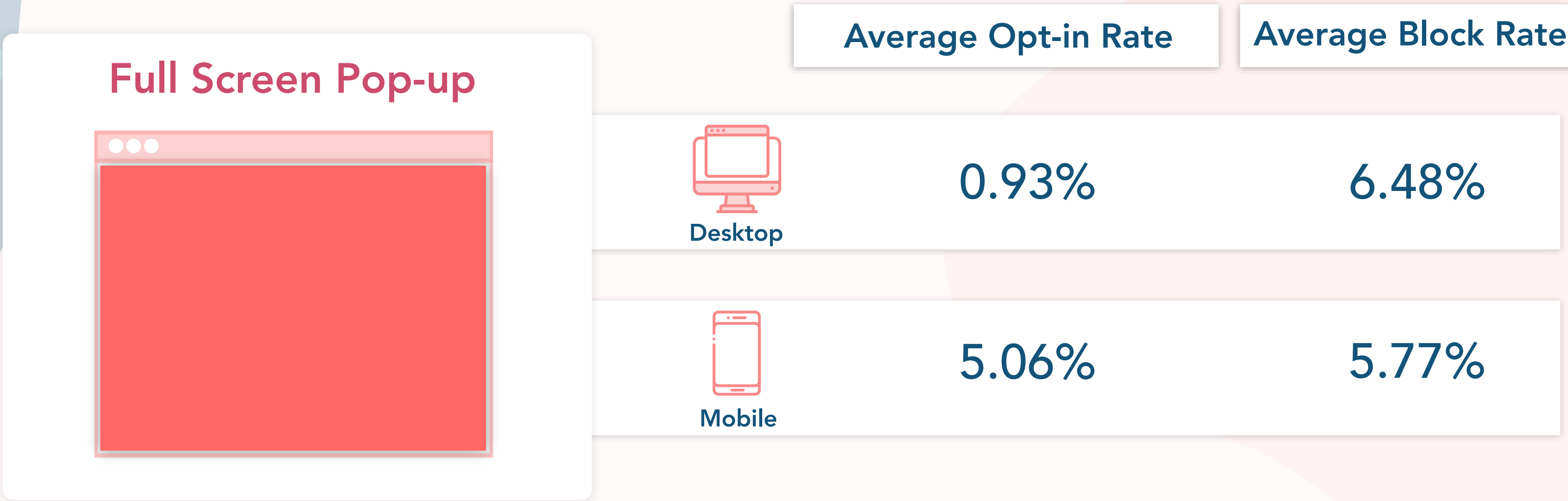
6.60%



Mobile

Dialog Box

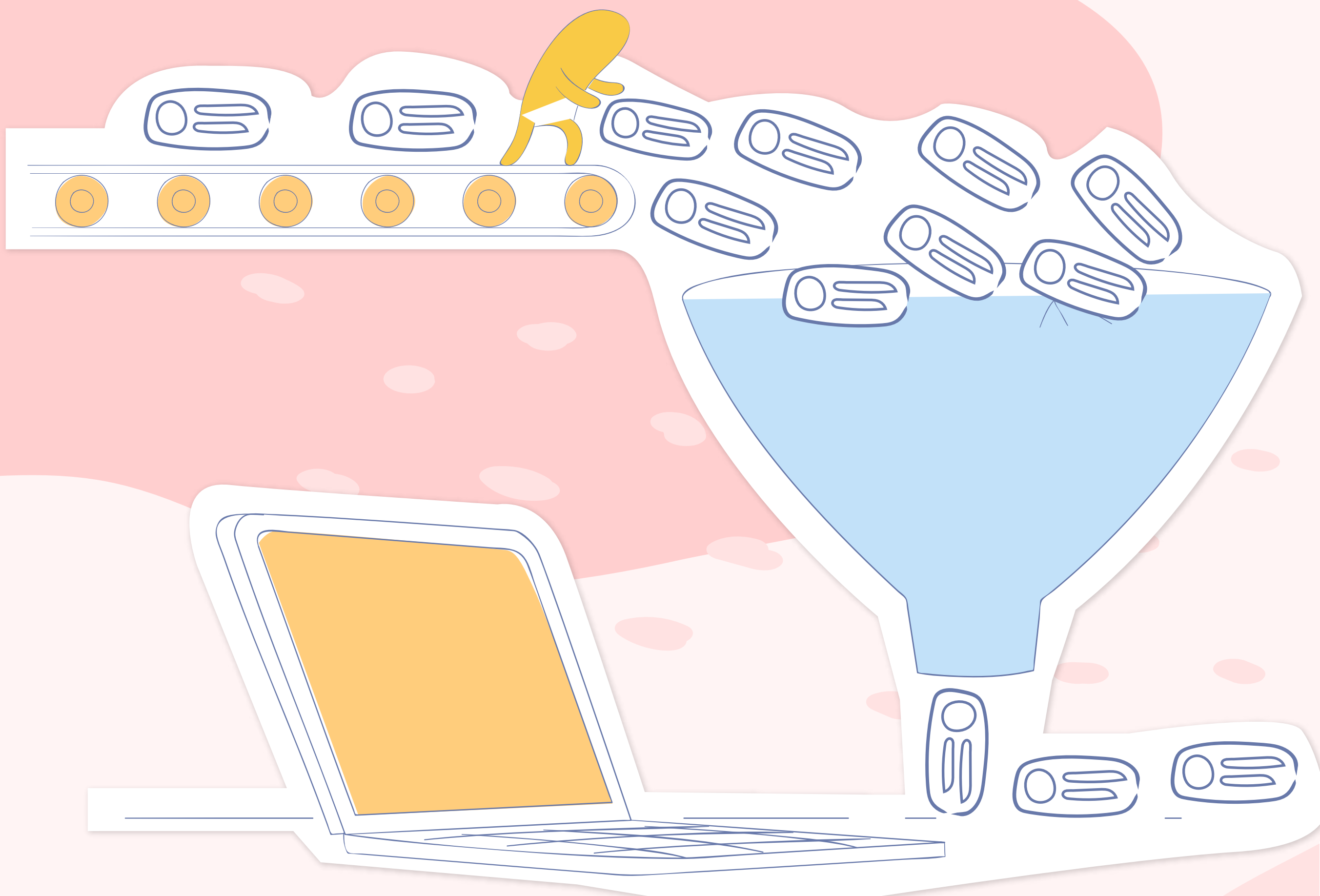




3. Limiting Frequency Of Ads

You get only one attempt at converting a visitor into a subscriber. Out of which, on average, a total of 1.01% subscribe to the website. You just cannot afford to lose this hard to build audience that too from the only chance you ever had. Limiting the number of ads pushed is the first step towards reducing your churn rates.

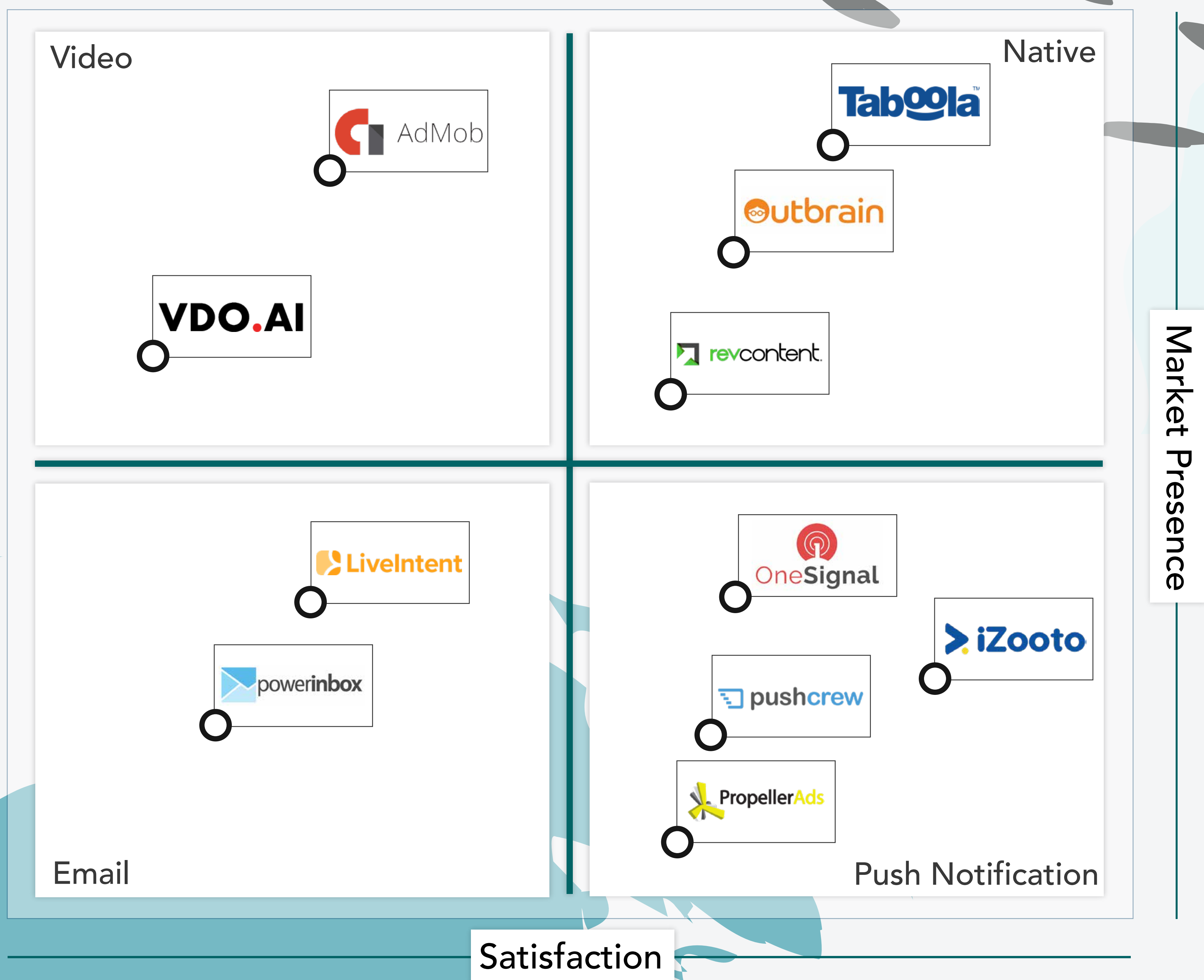
Take it.



Landscape For Publishers

Publisher's analysis while choosing a web push service provider needs to target its monetization and engagement capabilities.

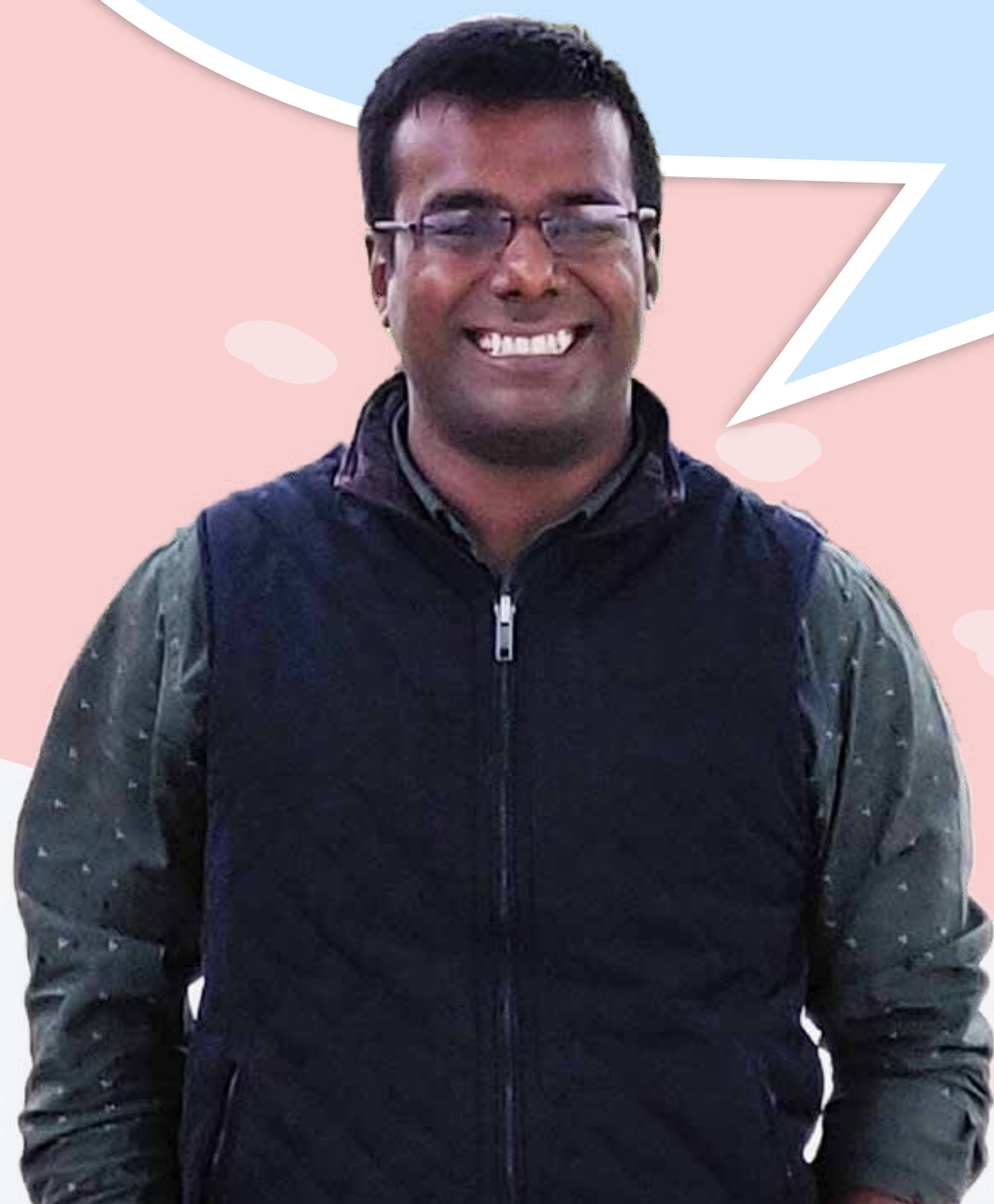
Here's what the landscape of solution builders, currently leading the industry, looks like:





How Scalable Are Push Notification Ads?

A channel's scalability entirely depends on how marketers in the ecosystem use it or abuse it.



Vivek khandelwal

Founder @  **iZooto**

As long as marketers are mindful of the user experience by maintaining context in their ads, nothing can keep the channel from scaling.

3 Must-Ask Questions

Industry leaders need to ask themselves these 3 questions in order to solve the challenges and realize the true potential of the push notification channel:

- How can devices become more smart about interrupting a user with a push notification?
- How can marketers create a better subscription experience for their audience?
- How easy would it be to unsubscribe and flag irrelevant notifications?



From Publisher's Perspective

“ For a Publisher, the real challenge remains to have maximum CTR despite having a lower subscriber base. Currently, the lack of context-based advertising is giving publishers more unsubscriptions. Ad targeting must be done as per user's interest. Further, if I have 10 million subscribers and there are 3 notifications ads bringing standard CTR of 1%. It's good for me. More notification ads will generate more revenue. But intrusiveness of ads would degrade the user experience which is the last thing a Publisher wants. ”

Mayank Pandey

Product Manager @  जागरण



From SSP's Perspective



Push Notifications is a good channel to hand pick your best performing (in terms of engagement or CPM) content and distribute it to your loyal readerbase. While push notification click through rates have taken a hit in 2017 and 2018, it is still way better than email and can contribute significantly in increasing return visitors, generating more traffic and creating high CTR ad units. Push notification and instant messaging have great synergies, especially for web based content publishers. As more publishers start using both these channels to deliver notifications, push notification ads will also evolve to support multiple distribution channels.



Ankit Oberoi

Co-Founder @ **adpushup**



Subscriber Churn Analysis

		Active Subscriber Cohort			
Notification Frequency	Days	0-30	30-60	60-90	90-120
Up to 3 per day	Month-1	77%	68%	61%	57%
	Month-2	76%	66%	61%	60%
	Month-3	77%	66%	65%	
	Month-4	96%	98%		

Notification Frequency	Days	0-30	30-60	60-90	90-120
3 to 5 per day	Month-1	77%	69%	63%	59%
	Month-2	68%	58%	53%	51%
	Month-3	65%	57%	54%	
	Month-4	65%	61%		

Notification Frequency	Days	0-30	30-60	60-90	90-120
More than 5 per day	Month-1	62%	54%	48%	43%
	Month-2	61%	54%	48%	46%
	Month-3	63%	54%	52%	
	Month-4	62%	59%		

Look at 90 Day Retention as Notification Volume Increases

Subscribe churn is inevitable. Though what remains important is understanding that as notification per user per day goes from 2 to 7, churn rates shoot up to 25%.

Metrics That Publishers Need to Focus on

Building Audience

- Subscription Opt-in Rate
 - Subscription % Blocked
 - Subscription % Ignored
- Subscription Experience
- Audience Size
 - Device wise Acquisition Trend
 - Audience Growth Rate

It is also important to track and understand the potential impact of your push notification setup on your website bounce rate

Understanding Audience

- Audience Growth Rate
 - Subscriber Churn
- Subscriber Cohorts
 - Measuring Subscriber Lifetime
- Tracking Cohorts per Device Type

Engaging Audience

- Tracking Campaign Performance
 - CTR's
 - Delivery and Impressions
 - Impact on Churn
- Analysing Campaign Performance across Device Type
- Analysing impact of Campaigns targeting specific audience segments

Measuring Impact

- Sessions Generated
 - Bounce Rate
 - Pages per Sessions
 - Session Duration

Analysing impact of Campaigns targeting specific audience segments



Push Notification Ads Going Programmatic

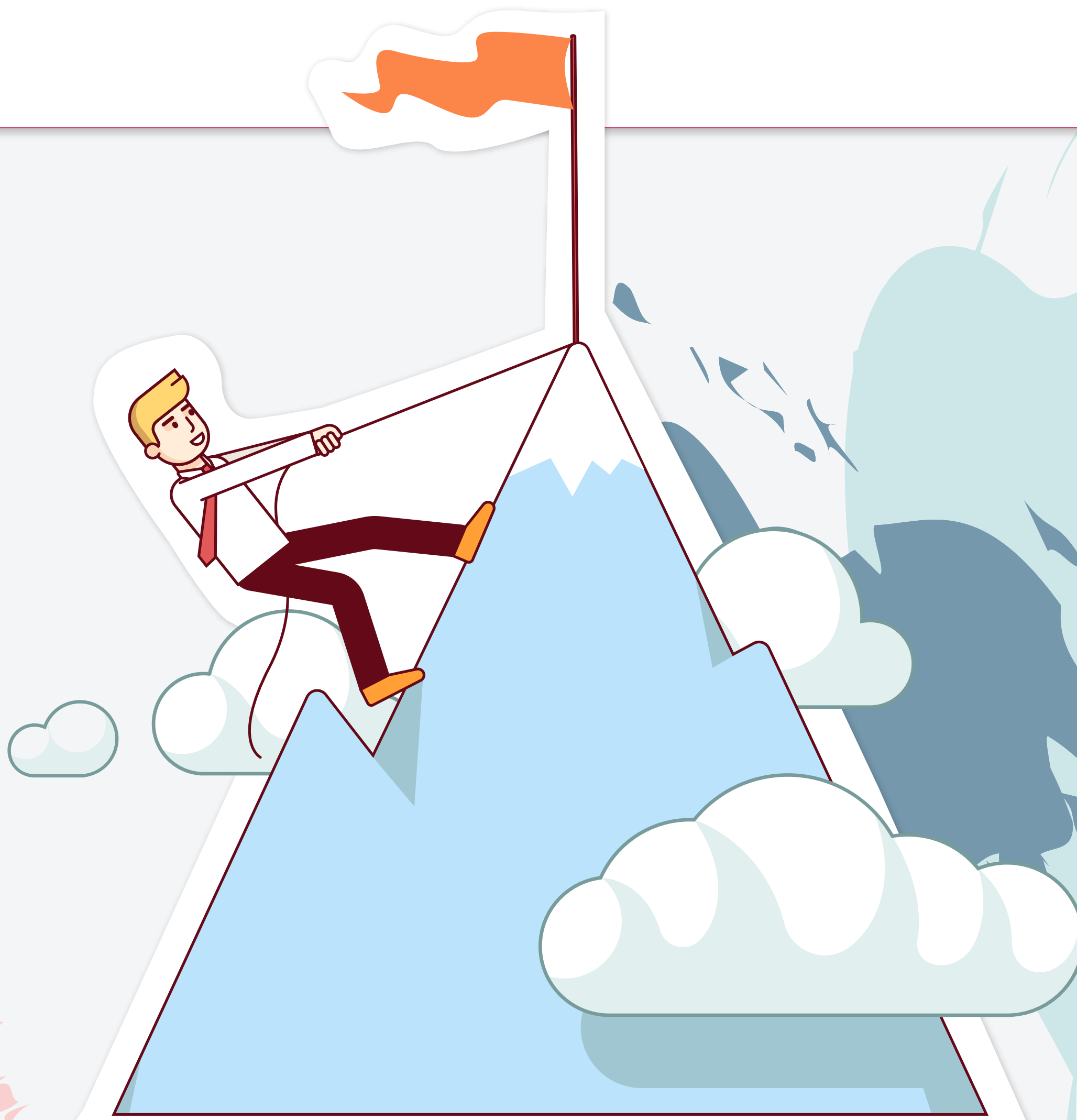
In a usual programmatic set up, when a user visits a website, a corresponding bid request gets sent to the ad exchanges. This bid request contains different types of information such as IP, cookie, tags, etc. The Ad exchange then passes the bid requests along with its list of advertisers/buyers who bid in real time for the ad impressions. The advertiser that bids the highest amount wins the impression and gets its ad served in front of the site user.

Push notification ads being a push-based medium, information travels from server to client, where ads are shown without the user even visiting the website. Hence, no real-time bid request can be generated, making it difficult for the push notification inventory to go programmatic.

Other Challenges Involved

There are more arguments that question this channel's ability to enter a programmatic ecosystem:

- IAB does not have any defined standards of advertising on notifications.
- The current RTB ecosystem does not recognize push notifications as a potential inventory.
- The biggest challenge still remains impression tracking. Given that the notifications sit outside a browser, 3rd party tracking pixels are difficult to integrate and fire on delivery of notifications. There are solutions which are being worked out, for example, tracking impressions as the image loads on a notification.



Workarounds To Fill The Gap

We at iZooto are exploring various options including, but not limited to:

- Simulating a bid request
- Realtime fetch from service worker
- Server side bidding

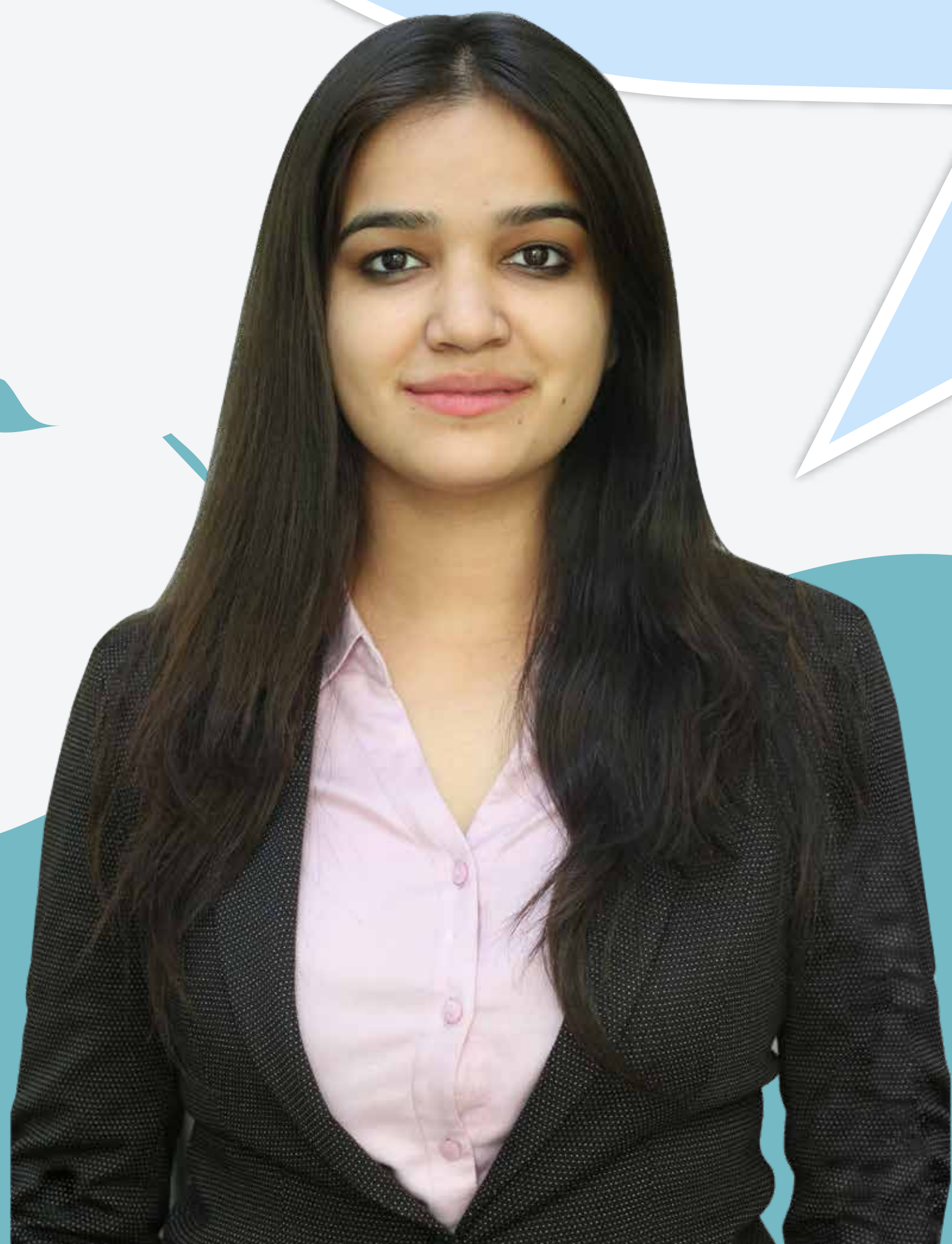
Such a process has to comply with openRTB protocols to receive bids from multiple SSP's and then serve the winning bid as a programmatic ad.

The challenge still lies in DSP/Advertisers being open to integrating with such SSP's which can only be solved once IAB recognizes and standardizes push notification as an ad format.

Many publishers are under the impression that push notifications are far from becoming a viable channel for advertising. The arguments and figures mentioned above state both side of the story. Publishers and platforms, both need to work together on driving impactful usage of push notifications in advertising.

Authoring a report is us taking the first step. Let's keep the conversation going.

Write to us at publishers@izooto.com



Neha Tanwer

Product Marketer @  iZooto