

How Publishers Can Fight Ad Blocking with Crypto Mining

Blockchain and coin mining are finding new uses

INTERVIEW | **MARCH 2018**

Ross Benes



An interview with:
Jordan Hoffner

CEO
Salon Media Group

Since many companies in digital media are struggling, publishers are constantly seeking out new revenue streams. **Salon Media Group** CEO Jordan Hoffner spoke with eMarketer's Ross Benes about how Salon is using blockchain and cryptocurrency mining to fight fraud and ad blockers.

eMarketer:

You recently began letting users view Salon content without ads if they agree to let their **device be used for mining the cryptocurrency Monero**. Why did you take this approach?

Jordan Hoffner:

You can't give away your content for free. We just want to make sure we can somehow create value in any path inside to Salon. So if you want to read us on Facebook, we are on Facebook Instant Articles and we can monetize that. If you want to read us with ads, that's fine too. If you want to use your ad blocker, that's fine—we'll create value by mining Monero. If you want to pay directly, we have an app for that.

eMarketer:

What results have you seen from the coin mining?

Jordan Hoffner:

People are [typically] spending 3 to 4 minutes per visit on our site because our articles tend to be longer. For people opting in to the mining tool, the duration per visit is three to four times longer than that. And they are consuming more pages. The second thing we've seen that's interesting is that people are using the miner, and they come back to use the miner. There is a returning engagement, which is good.

eMarketer:

What software are you using to do this?

Jordan Hoffner:

We are using Coinhive, which is an open-source platform. We added on some proprietary technology to stabilize it a little bit and create more security around it.

eMarketer:

What do you hope to accomplish with the mining?

Jordan Hoffner:

We just want to see more user adoption around it. I firmly believe that if we get this right, this could really be a viable alternative for a lot of publishers. We're figuring it out and are willing to be the canary in the coal mine.

eMarketer:

What's the biggest obstacle to getting more users to adopt it?

Jordan Hoffner:

I think part of the issue overall is we are trying to get more user adoption to the crypto space and take away some of the fear people have. I get emails from people who are concerned about their data being used in this whole thing. And I'm like: "Listen, your data is not being used with this. You are anonymous in this scenario. The data is being used on the advertising side." So there is a bit of education that has to happen with the consumer.

eMarketer:

Aren't consumers spooked by Monero because it has been **associated with cybercriminals**?

Jordan Hoffner:

Certainly that is an issue that has happened. It is open-source, so it has been used in that way. But I think people should also be spooked by data being collected, data breaches and ad fraud. My point is that if Equifax and these other data breaches don't spook people, I don't know what will.

eMarketer:

How much processing power do users give up when they opt in to using the mining software?

Jordan Hoffner:

There is a range of computing power used. It depends on the user. Some folks are using it and seeing 90% of their computing capacity used. Others use it and only see 3% or 4%. So part of what we're working on is how best to stabilize that.

eMarketer:

Why is there so much fluctuation?

Jordan Hoffner:

There are a lot of factors. What is your connection speed? How old is your computer? What is inside your computer? There are a lot of variables that are there. You have to work on the software to try to figure out the best ways to control that kind of thing.

eMarketer:

This initiative is aimed at users on computers. Is it not on mobile because phones have less processing power than computers?

Jordan Hoffner:

It's more practical than that. It's for desktop because **not a lot of people use ad blockers on their mobile devices.**

eMarketer:

Just a few weeks ago, Salon announced a partnership with Rebel AI to use its blockchain technology to fight ad fraud. Can you explain how that works?

Jordan Hoffner:

We have our own secure and distinct identity in the blockchain using Rebel AI's technology.

eMarketer:

How does this benefit you?

Jordan Hoffner:

Part of the reason waste happens is because advertisers aren't sure, when they buy Salon inventory, that they actually got Salon. There are spoofed sites, and there is a lot of stuff that goes in the ad ecosystem that is fraudulent or not secured.

So Rebel AI is trying to create a direct path from the advertiser to the publisher. And they're saying if you have this distinct identity on the blockchain that no one else has, we know that when we buy this ad, it got to you. So [advertisers] are getting the value, and we're getting the value, and middlemen get cut out. That is generally the concept we signed up for.

eMarketer:

You sound bullish about blockchain.

Jordan Hoffner:

I'm hopeful. But it is going to take an effort to get there. It's not going to happen by itself.

eMarketer:

Do you have anything else in the works?

Jordan Hoffner:

We are launching another thing soon, which is a pay-per-article situation. It is just part of a diversification play that we're making.

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