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Bloomberg CPMs surged 20% after ditching third-party programmatic ads

Article

The news: It's been over six months since **Bloomberg** removed third-party, programmatic advertisements from its website in favor of starting its own first-party ad platform called **Audience Accelerator**, and early results are strong.

- On the logistics side, advertising load time and visibility improved 15% and 20%, respectively, Bloomberg chief digital officer **Julia Beizer** told Adweek.
- New advertisements have clickthrough rates up to four times higher than their predecessors, and **CPMs** (cost per 1,000 impressions) **are up 20%**.

Why it matters: The news publishing industry has shrunk dramatically over the last decade thanks to dwindling ad revenues ceded over to the **Google** and **Meta** duopoly. That decline has thrown it into conflict with tech companies, but the fact that no new widely applicable revenue model has emerged remains.

- Bloomberg's change offers some insights for how struggling publishers may be able to turn their businesses around. One lesson, Beizer told Adweek, is not to treat websites "like a math equation." Beizer said that readers come to Bloomberg expecting quality content, which makes ads and subscriptions a "second priority."
- That's not to say that Bloomberg doesn't care about advertisers: It means that Bloomberg recognizes a need to create strong content to advertise against, rather than content that is designed to generate as many ad impressions as possible.
- To take the plunge into cutting programmatic ads, Bloomberg severed a years-long relationship with **Taboola**, a programmatic ad firm that companies looking to capture a greater share of the ad market had joined forces with just months earlier.

Our take: Bloomberg's new advertising model provides some hope for revenue-starved publishers looking for a change, but it's also a move that only a company like Bloomberg could make. Before pivoting, advertising only made up 5% of Bloomberg's revenues—a drop in the hat compared with its much larger subscription business.

- For those who can't afford to make such dramatic changes, there are still lessons to be learned from Bloomberg's strategy of prioritizing content to increase advertising value.
- Partnerships with AI firms and a series of legislative moves around the world to force the ad duopoly to share revenues with digital publishers could also provide a cushion for struggling media outlets to experiment with advertising strategies.

Total Media Ad Spending Worldwide, by Media/ Format, 2021-2025

billions

	2021	2022	2023	2024	2025
Digital	**$343.8**	**$393.7**	**$424.3**	**$450.6**	**$477.1**
—Display*	$182.6	$209.5	$224.8	$240.2	$255.1
—Paid search*	$119.9	$137.8	$150.0	$158.7	$167.7
—Classified*	$18.4	$20.2	$20.4	$20.7	$21.4
TV	**$176.6**	**$175.6**	**$170.2**	**$177.0**	**$179.1**
Print	**$53.5**	**$50.9**	**$48.4**	**$47.3**	**$46.1**
—Newspapers	$31.6	$30.0	$28.5	$28.2	$27.5
—Magazines	$22.0	$20.9	$19.9	$19.2	$18.6
Out-of-home	**$34.5**	**$38.2**	**$39.6**	**$41.0**	**$42.3**
Audio	**$34.0**	**$35.3**	**$35.6**	**$36.9**	**$37.7**
Cinema	**$1.9**	**$2.6**	**$2.6**	**$2.8**	**$2.8**
Total**	**$653.6**	**$704.9**	**$727.9**	**$762.5**	**$791.8**

*Note: figures are net of negotiated discounts and agency commissions; *based on the markets where the breakdown of digital spend is available; **includes other, which is outside itemized media types*
Source: Dentsu, "Global Ad Spend Forecasts: May 2023," May 31, 2023

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