

CASE STUDY

SmartHub + Phonder

Growing revenue by 87.47%

Launched
a self-branded,
fully adjusted
and customized
marketplace
in 7 days

Upscaled
to 200K QPS
and increased
the volumes
of sold traffic
in 1 year

Reduced
maintenance
cost
and focused on
the business
objectives

About Phonder

Phonder Technologies LTD is an Israeli tech company that focuses on developing technologies-based solutions, mainly designed for advertisers and publishers. Among their products are performance CPI network, automation software for social media, demand-side platform, XML-based publisher solution, smart tracking-link tester, and many more.

The company was founded at the end of 2011 and ever since it progressed at an impressive rate while keeping its young, innovative and Israeli nature. People at Phonder believe in creating products with real value. Products that give the user a better experience, enhance the user's enjoyment and entertainment, and create added value for the businesses. Phonder strives to create a meaningful experience, with original content and distinct benefits for their users. Benefits that make an impact on consumer behavior over time.

Previous Approach

Phonder was searching for the technology that would help them to create an efficient marketplace for effective partners' traffic maximization. This platform had to be technologically strong and feature sufficient capacities for maintaining a heavy marketplace workload without causing glitches or latency like the previous technology they used. This platform also had to be flexible and manageable so that as owners they could optimize the media-trading process to the fullest. With all this such platform had to be user-friendly and intuitively understandable to streamline the workflow and platform navigation.

While searching for such a solution Phonder discovered that the SmartHub team has essential expertise in building programmatic ad exchanges. The preference was given to SmartHub as their approach aligned with what Phonder wanted to see in their solution - effectiveness, cost-efficiency, and extra responsive support. Thus, Phonder decided to build their proprietary ad exchange platform based on SmartHub technology.

Quote from Phonder

SmartHub is one of the rare solutions that has a unique business setup practice. It is based on an individual approach, cost-efficient technology, and an outstanding supportive staff that nourishes each client by providing assistance in every aspect ad tech business might need. We are satisfied by collaboration with SmartHub because it enabled us to create a strong advertising ad exchange that is continuously upgraded, improved, and scaled as our business develops.

Moshe Zagrizak

Phonder

Client's Goals

At the time of SmartHub implementation Phonder planned to create an open RTB-based marketplace that would automate decision-making with real-time auctions based on first-price, second-price, and hybrid models. The opportunity to select the auctions and audit them guaranteed fair price formation, which, in turn, could alleviate the problem associated with a lack of marketplace transparency.

The abundance of targeting options and the connection types also promised to extend media trading opportunities. Aside from that, the preference was given to SmartHub because its progressive technology had the ability to smoothly scale to bigger capacities without performance termination or any potential “side effects”.

By that time, Phonder already had an assembled team of verified partners for integration and was ready to embrace the new level of media-trading automation by installing the SmartHub platform. Phonder was planning to achieve the following goals:

- Quickly build a self-branded ad exchange.
- Scale the platform when ad exchange grows.
- Increase the volumes of sold traffic.
- Achieve incremental revenue growth.
- Reach the following qualitative improvements: make media-trading transparent (get the ability to monitor statistics and see the logs), increase the media-trading effectiveness with automatic optimization.

SmartHub's Strategy

Based on the business needs communicated by Phonder, the SmartHub team developed a people-oriented software deployment strategy to facilitate an ad exchange setup and goal achievement. The essence of this strategy was to make it easier for the client to adopt new technology and enter the market with a new solution. For this, the team planned out the following steps: setup organization, partner integration, fine-tuning, onboarding, and ongoing support & consultations.

Technology

SmartHub is an RTB-driven programmatic marketplace that runs second-price and first-price auctions based on RTB v2.4 protocol, it has custom integration for SSP 2.5 RTB partners, and connection based on VAST and Prebid. Based on its pre-built core companies create their own advertising marketplaces, which is very cost-efficient since the process is quick and requires less labor involved.

Worth pointing out the unique capacity of SmartHub - universal media-trading enabled for all types of connections: VAST to RTB', 'VAST to VAST', and 'VAST To All'. It removes the barriers between partners who trade according to different standards, this, in turn, makes the SmartHub universal and unique on the market. The other unique competitive advantage of SmartHub is in constant improvement. In the latest SmartHub 2.0 version, the system was strengthened and equipped with extended analytics, traffic throttling mechanisms & profit optimization tool based on impressions prices RCPM, advanced filter lists to optimize traffic according to individual needs, and more.

The specifics of the traffic throttling mechanism is that it automatically analyzes DSPs' bid responses to monitor what kind of traffic DSP bids on. The more DSP bids on certain kinds of traffic (defined by various targeting parameters), the more of this traffic will be sent to this DSP. With analytics tools, the owners can investigate which sources have the lowest bid rates or which ad formats generate the greatest profit to optimize the network in the future. With effective list management, the owners can allow or block requests with certain sources to refine the traffic and increase the effectiveness of media trading as a result.

People

SmartHub has been building a proprietary tech infrastructure since 2018 and features an in-house team of product managers, full dev support, server infrastructure support, ad operations, and a highly-skilled support team. Such a people-based approach is necessary since it helps SmartHub provide its clients with full dev support, technical support during integrations, UI personalization, and third-party data-provider integrations to streamline platform adoption process. A people-based installation strategy enabled both teams to effectively communicate requirements, workflow progress, and outcomes on a daily basis so that Phonder could achieve desired goals faster.

Implementation/Solution

The platform was adjusted according to the following steps:

- Installation of a ready-made white-labeled platform with standard features and necessary tech modules and server integrations.
- Special requests for Protected media Postbid, Pixalate Postbid, and Botman Prebid traffic scanner were satisfied.
- The team provided on-request assistance with non-standard DSP and SSP integration.

The onboarding stages:

- System setup. After the system was plugged, under SmartHub team supervision, Phonder Media adjusted their own domains to our data center IPs.
- System testing. In order to exclude chances of traffic discrepancies or errors, the system was tested and demonstrated to the client.
- Adaptation. The team developed a special client-adaptation program (intro and optimization calls) that facilitated onboarding and grasping of the skills necessary for entering ad tech business niche and successful platform navigation.

Client's contribution to the overall performance boost

Phonder developed strong operational and promotional strategies. On top of that Phonder, correctly selected demand and supply partners, distributed the traffic, selected the payment model that suited all partners, and helped them to benefit from advantageous conditions. Thanks to the joint efforts of SmartHub and Phonder, the solution quickly reached its peak performance and obtained the right market positioning.

Post-installation optimizations:

- Phonder received regular ongoing functionality clarification, platform usage guidelines, and performance optimization advice.
- Phonder performed a continuous partner optimization to achieve a perfect balance between traffic demand and supply.
- When the marketplace grew and required scaling SmartHub team provided a special QPS plan increase to 200K and 300K QPS (enterprise level custom QPS package).

Results

Based on Phonder's calculations*

Revenue

Phonder's revenue grew by 73.65% in July compared to June's results. The revenue has grown by another 27.29% in August compared to the previous month in July.

Period	Revenue Growth
June-July 2021	73.65%
July-August 2021	27.29%

Overall Revenue Growth

87.47%

June-October 2021

With SmartHub Phonder created a robust self-branded ad exchange that was deployed, fully adjusted, and customized in a week. The newly-created ad exchange delivered all that Phonder required from such a platform: leverages to manage and analyze media trading dynamics; tools and algorithms to automatically increase the media-trading effectiveness.

The partner chose a unique business strategy and decided to upscale to 200K QPS in September 2021 and increase the volumes of sold traffic. The tech team has successfully set up the additional nodes and balancers for the upgrade. It was the first time the SmartHub team provided a non-standard QPS package for the partner. Also, another great factor that influenced the profit increase was the Prebid server integration that SmartHub delivered in June. Partner took advantage of both privileges which resulted in spectacular results; the revenue increased by 87.47% in October compared to June's numbers.

* Given results do not display taxes and all client's expenditures invested in the overall process that contributed to the following results.

Key benefits:

- **Reduced maintenance cost.** The new platform successfully replaced the previous system and reduced the costs for its support and maintenance.
- **Rapid market entry.** Pre-built technology made it possible to enter the market with a new solution in just a week.
- **Increased profit.** The accurate performance measurement, traffic insights, and controls allowed Phonder to aptly rearrange the right traffic to the right DSPs. Better matched supply with demand triggered substantially more deals, so the profit on the business grew exponentially.
- **Smooth functioning.** If previously Phonder frequently experienced problems with platform operation, now the team helps them to investigate origins of the issues, resolve them and prevent in the future (issues on the platform's side or client's side including).
- **Scaled business.** After a year in a business relationship with SmartHub, Phonder connected more partners via newly delivered Prebid server integration and scaled its platform by switching to Enterprise QPS plan.

Indirect advantages:

- **Streamlined ad operations workflow.** Thanks to the new, easy-to-operate system, ad ops saved at least 5 hours of work per month for system configuration and analysis. Now, they spend this time monitoring internal processes and creating optimization strategies.
- **More trusted partner relationships.** Increased traffic insights and analytics make it easy to investigate where impressions take place, their cost, and whether the supply is authorized to sell inventory. These functions helped the client to create a transparent, fair, and highly-trusted media-trading space.
- **Ability to focus on core competencies.** Instead of dealing with platform support, maintenance, scaling, or updating (tech side), Phonder can count on ongoing platform support of SmartHub and focus on their business objectives instead.
- **In-deep support.** Phonder receives ongoing customer care that spans beyond standard on-request platform support. The team regularly reaches out with advice to make sure that Phonder's business scales and grows.