Publisher Payment Satisfaction Survey

A Tipalti Adtech Network Report 2017

Loyalty from publishers, site owners, affiliates, and the range of advertising network partners is at risk. These partners are a discerning group. To maximize every pixel of digital real estate and ensure revenue for their content, publishers often hedge their bets, joining several networks to identify those that perform best. Network satisfaction is critical to sustaining loyalty. Not only do publishers expect compelling revenue for their audience building efforts, they also need to trust that they will be paid.

Thalamus, a research site for ad-buyers to evaluate networks, tracks over 50,000 different media buying destinations for advertisers. That means there is extensive potential competition for ad spend (and transferably partner participation). Having a reliable inventory to offer means establishing a loyal, satisfied partner base and limiting churn.
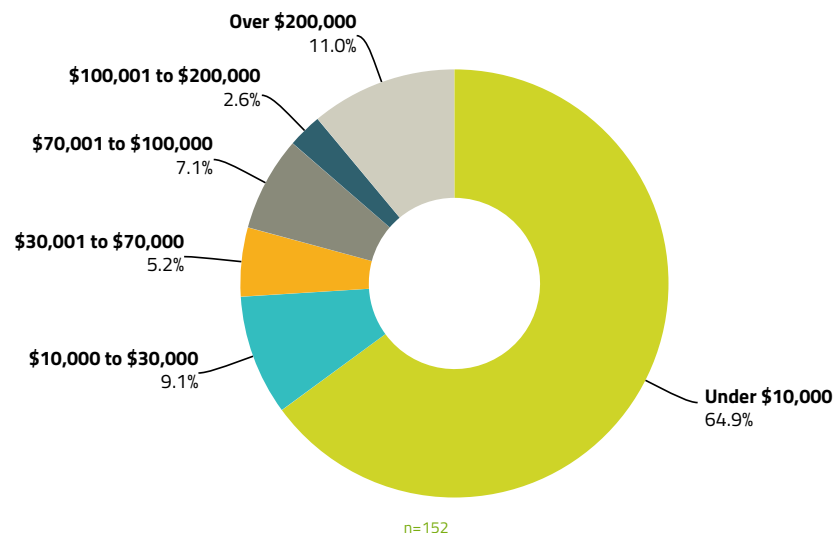
To understand the state of publisher payments and the publisher partner's satisfaction with their payment experience, Tipalti surveyed over 150 publishers worldwide. This report shares the key findings and insights generated from this study.

Survey Methodology

Tipalti enlisted publishers, site owners, affiliates, and other partners through a survey run across a variety of social networks during February and March of 2017. In total, over 150 people responded to the entire online questionnaire. No monetary compensation was involved.

» The mix of respondents included 85% non-US based publishers and 15% US based publishers.

» 34% of participants members of more than 10 ad networks.

» Publishers varied in size ranging from smaller (those who made under $10,000 a year) to larger publishers (those who received compensation of over $200,000). 36% of respondents stated they made more than $10,000 a year. 11% stated they made more than $200,000 a year.

How Much Annual Revenue Do You Generate from Network Participation? (USD)

Over $200,000
11.0%

$100,001 to $200,000
2.6%

$70,001 to $100,000
7.1%

$30,001 to $70,000
5.2%

$10,000 to $30,000
9.1%

Under $10,000
64.9%

n=152

Key Insights

This study exposed several findings that should interest networks doing business with publishers and affiliates: particularly that publisher loyalty is heavily rooted in their satisfaction with their payment experience with the network. The survey results also indicate the need for greater communication and self-service tools offered by the network.

Some of the high level findings include:

» 51% of publishers say that current payment processes need improvement and an additional 10% say they're unsatisfactory.

» 69% of publishers have dropped or would drop a network because of a payment issue.

» 95% of publishers expect to be paid on time to ensure loyalty.

» 93% say communications such as email notifications on payment status updates are important. Likewise, 96% state that being notified of payment issues is important, as is the ability to view payment status online.

» 86% are interested in programs that offer an early payment option. In fact, publishers are willing to accept significant reductions in their payments to get paid sooner.

» There are various inconsistencies and manual processes related to collecting tax ID information (W-9/W-8/VAT) with manual processes involved.

> **"For partners that make over $70,000, 65% say that they have stopped working with a network due to a payment issue."**

How satisfied are you with the payments processes for networks you are working with?


Not Satisfied
10.4%

Completely Satisfied
38.3%

Needs Improvement
51.3%

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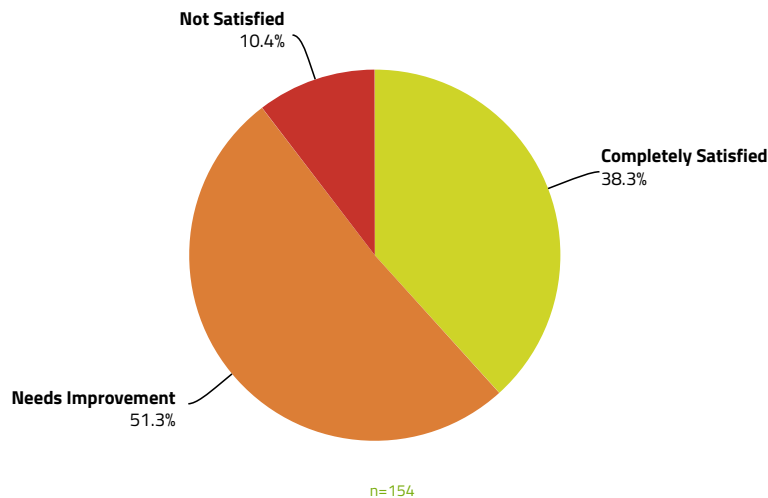
The survey also identified distinct differences between US-based publishers and those in other countries. For example:

» While US-based publishers prefer ACH and PayPal, global publishers were more varied, preferring PayPal, local bank transfers (also known as "International / Global ACH"), cash, and wire transfers.

» 63% of global publishers want to be paid in local currency.

Making Payments a Priority

According to the publisher survey, adtech networks need to be attuned to the fact that payments are very important to publishers. The quality and efficiency of their payment experience can either drive their loyalty to or their attrition from that network.

Have You Ever Dropped an Ad Network Because of a Payment Issue?


No
50.3%

Yes
49.4%

n=154
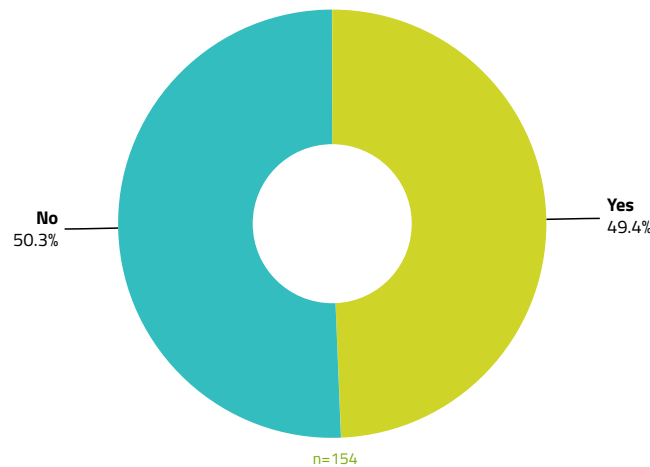
69% of publishers are ready to drop or have dropped a network because of payment issues.

Considering that 49% of publishers have dropped a network because of a payment issue, this is clearly an issue that networks must proactively address if they want to retain and attract high quality publishers. Of the remainder of publishers who did not leave a network due to payments issues, 39% say they would end the relationship if payment problems were to arise. **That's a total of 69% of all partners who are swayed by poor payment processes.**

The effect is even more pronounced for top-tier publishers. For partners that make over $70,000, 65% say that they have stopped working with a network due to a payment issue. And for those who make over $200,000 in revenue, 50% say they would drop a network because of payment problems. Losing major partners due to a process issue does not reflect well on the network and can have lasting effects.

Have You Ever Dropped an Ad Network Because of a Payment Issue?

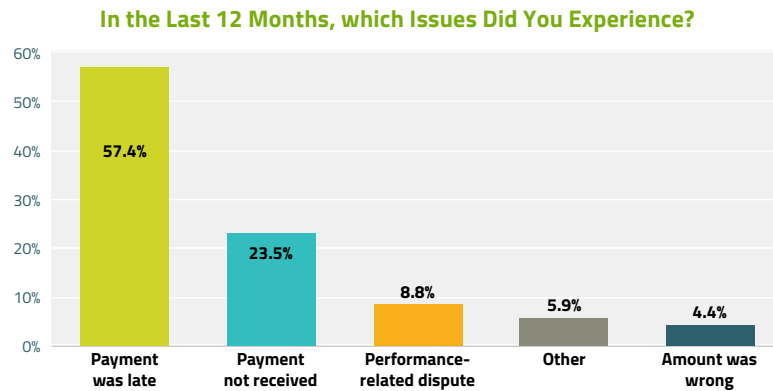|	Yes	No
$70,001 to $100,000	63.6%	36.4%
$100,001 to $200,000	75.0%	25.0%
Over $200,000	64.7%	35.8%
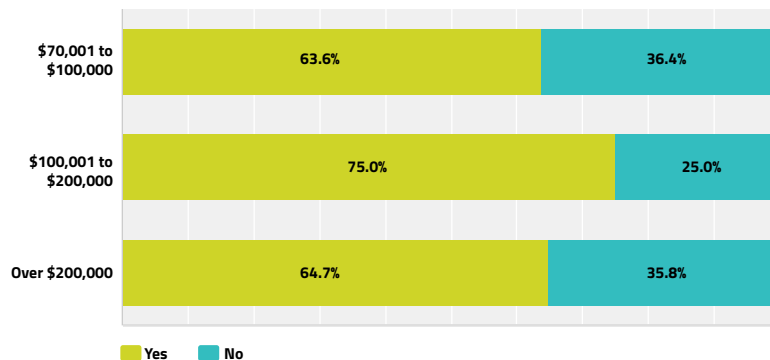
Consider the point of view of the publishers. Their media properties have limited real estate for both content and advertising. In addition it takes effort to fully promote a campaign and optimize results — more so with affiliate networks since they are the closer to the conversion process than branding vehicles.

If a network does not reliably pay, it's effortless for partners to switch to another network. Competition increases every year as new networks provide greater advertiser diversification, more publisher features, and more modern methods to engage audiences. If publishers aren't satisfied, there are always other network options available.

Payments are foundational to the relationship between network and publisher. When evaluating new networks, publishers say that the payment experience makes a difference. 95.4% say that

being paid on time is important. According to the survey, the top payment issues experienced by publishers over the last 12 months were:

In the Last 12 Months, which Issues Did You Experience?

Payment was late	Payment not received	Performance-related dispute	Other	Amount was wrong
57.4%	23.5%	8.8%	5.9%	4.4%

If a publisher experiences several issues, this could cause even more damage to the network-publisher relationship. While many networks pride themselves on securing big brands or offering attractive payouts, the survey results indicate that if the basic payment thoroughfare is obstructed, there could be enough frustration to motivate publishers to look elsewhere.

ABC - Always Be Communicating

Considerable value is placed on payment status communication by publishers, which also extends to enabling self-service management. 93% publishers stated that when a payment status is changed, it was important to be notified. For the many networks that rely on manual processes to make payments, updating publishers at every stage of the payment process (payment sent, issues with payments, payment failed, etc.) can be a major burden on their staff.

Publishers also stated that communication was even more critical when payment issues occur. 96% stated that it was important to receive notification to help them resolve a payment issue. Often, networks respond to an error reactively and manually, requiring verification of the error, translating various bank or payment processing messages, investigating why the issue occurred, and then communicating with the publisher on how they can resolve the problem. Then they must cancel one payment and re-send it.

The most common scenario unfortunately is that the network is unaware that there was a payment error and is only alerted to it when the publisher complains. While communication of these issues in a timely fashion is clearly time-consuming and challenging, it is something that must be taken seriously by ad networks if they want to maintain their publisher relationships.

Given that business transactions and activities happen around the clock, especially with publishers in varying time zones, the need for self-service is becoming nearly universal. 96.7% say the ability to view payment status and payment history online was important.

Without an accessible web portal of some kind, publishers are left to communicate directly with accounts payable or partner management staff at their networks. This adds considerable friction and introduces greater propensity for error, particularly if there are language differences or a lag between work hours due to varying time zones.

97% say notifying them of payment issues and viewing payment status online are important

The Rise of Early Payments

Early payments is becoming a more viable option for networks to attract and retain valued partners. Yet the management of such programs can be complex involving third-party funding sources, aggressive data management, and religious publisher communications. Still, there is significant interest by publishers as well as a willingness to pay for it. 85.7% of respondents stated that they would be interested in an early payments option. They would also be willing to pay for it.

What's the highest fee would you willingly accept to get paid tomorrow?

Fee Range	Percentage
1% to 3%	38.5%
3% to 5%	29.2%
5% to 7%	19.2%
7% to 9%	13.1%
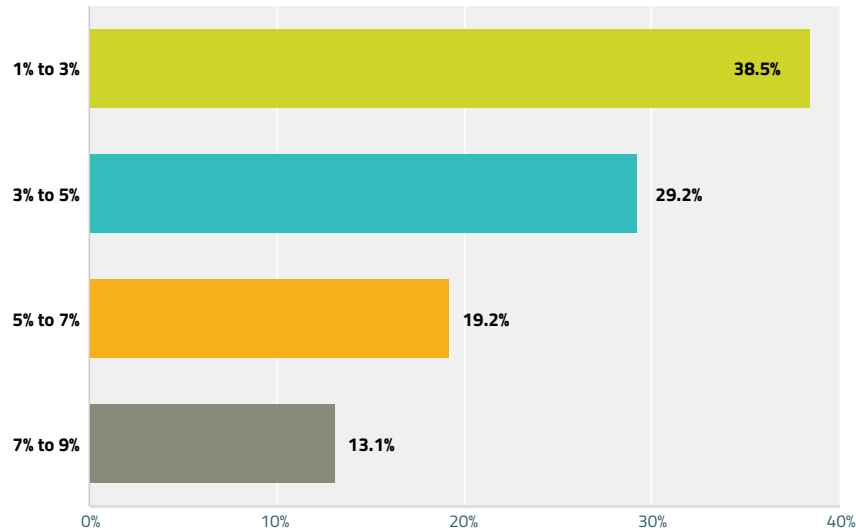
Publishers are likely to favor early payments rather than more customary "Net 30" terms, as more networks are moving to be able to pay in greater frequencies. Networks that have digitized more of their payment processes — from performance to payment to reconciliation — have a greater ability to offer early payments, while maintaining governance.

Aligning the Right Payment Method for Each Publisher

Payment method choice was important to 76% of publishers since different methods work better for various situations. ACH and PayPal might be desirable for their low fees when paying smaller amounts. For payments to other countries, wire transfers ensure greater deliverability. Local Bank Transfers are also popular as they have the benefit of being less expensive than wires. However Local Bank Transfers can be difficult for small departments to execute without a payments automation solution. And where banking infrastructures are less than ideal, prepaid debit cards and cash may be preferable.

Most Requested Payment Methods

US Publishers	Global Publishers
77.3% ACH	51.8% PayPal
44.5% PayPal	38.7% Local Bank Transfer (Global ACH)
18.8% Wire Transfer	27.1% Wire Transfer
4.6% Paper Check	27.1% Cash
4.6% Cash	13.1% Pre-Paid Debit

Of course, adding payment methods becomes a hardship for many networks. Each method requires a different process. In some cases, individual portals (such as PayPal) are required to interface with the publisher.

To add another wrinkle, 63.4% of non-US publishers say that being paid in their local currency is important. This may be because banks in different regions charge exorbitant fees for conversion. Furthermore, currency conversion can add another layer of operational complexity and is essentially like supporting another payment method.

For information on the benefits and drawbacks of every payment method, we've provided a reference guide available for download here.

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COMPLIANCE CONCERNS
38% of publishers stated that not all networks collect tax identification information. 22% say it doesn't happen or they're not sure. 21% say most are manual.
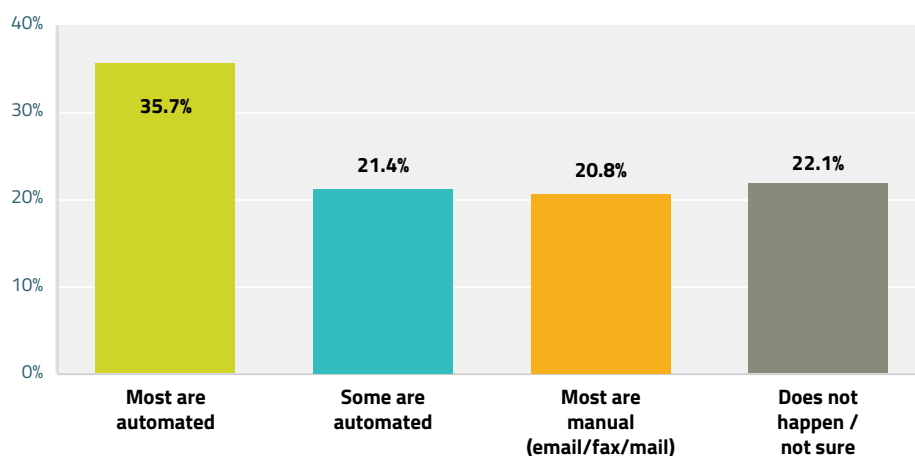
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A Taxing Compliance Situation

Tax audit and penalty risks are also increasing for businesses. In the US, the payer network is responsible for reporting (and in some cases withholding) payments to publishers, otherwise they risk violating the FATCA requirements. That requires collecting and validating tax documentation (for example IRS W-9, W-8 series, VAT ID) from the partner.

While many networks attempt to collect the information at the end of the year for filing, this can cause some issues. For example, if the partner drops from the network, they may not be willing or able to provide the information. As such, it's highly recommended that the network collect and verify tax information during the onboarding process. Furthermore, collecting tax information prior to payment is an extra fraud prevention step that networks should be taking.

It's shocking that 38.3% of respondents report that not all the networks they participate in collecting such information. Part of the reason may be how complex it is. W-9 collection is fairly straightforward, but working with global publishers is more challenging. The amount of manual process involved may affect how networks approach tax ID collection. Some may decide to risk audit simply because of the work required.

Among your current networks, how is the process of submitting your tax ID documentation?

Most are automated	Some are automated	Most are manual (email/fax/mail)	Does not happen / not sure
35.7%	21.4%	20.8%	22.1%

Recommendations

High performing, loyal publishers with qualified traffic are golden for ad and performance marketing networks. But attracting and retaining these high quality partners takes ongoing focus and commitment by the network. For networks to truly be of service to partners and gain their loyalty, they must go beyond achieving a high comScore. What matters most to the publisher or affiliate – possibly more than any other aspect of the network – is getting paid reliably.

New advertising networks seemingly merge on a daily basis putting pressure on existing networks to build a motivated and loyal publisher base. To position themselves for future growth, networks also need to be operating with best practices to eliminate payment errors and ensure payments are delivered, while scaling their business and driving towards success.

Here are some recommendations:

» Offer a secure portal where publishers can check payment status, view payment history, and update account information. That same portal can be used to facilitate onboarding by collecting bank and tax ID information up front, including validating account routing based on their preferred payment method and country.

» Tie performance data directly to payments, ideally through software integration to minimize friction between performance-to-pay-to-reconciliation.

» Provide a range of payment methods and currency options to address your global publishers' preferences for speed, cost, convenience, and reliability.

» Proactively notify publishers of payment progress or payment issues, including communication on how to correct the issues with them.

» Reward top-tier publishers with early payment programs so they can get paid sooner.

Publisher Payments Automation for Adtech Networks

Tipalti is the leading publisher payments automation solution, making payment operations painless and frictionless. Tipalti manages over 1,500,000 payees, processing over $2.7 billion in payments annually while offering an unmatched variety of payment methods.

Tipalti is uniquely tuned to the needs of leading ad networks like Amazon Twitch, Twitter, Chartboost, TapJoy, Vungle, Sovrn, GlobalWide Media, and IronSource. These businesses have scaled and gone global faster thanks to the productivity Tipalti provides. Sign up for a live demo here.