Ezoic Brings the ‘Feng Shui’ of Website Formatting to Small Sites

By BRAD GRAVES

Ezoic is wrestling with how to build more attractive websites that can fetch more advertising dollars. They think the solution may be in more computers and software.

Ezoic serves small website publishers by figuring out which layout of a website attracts the most viewers. It does so by testing variations of a site: One group of Web surfers sees variation A; a different set of users sees variation B; yet another group sees variation C, and so on. The software keeps score on which variation does best, tracking how long people linger on each and whether they “bounce” off the site to unrelated parts of the Internet.

The company, which recently received $5.6 million of venture funding, plans to bring its innovative service out of the stealth mode. It will likely happen during the first quarter 2014, said John Cole, Ezoic’s chief customer officer.

Ezoic’s software repositions a site’s content, which stays the same. For example, one group might see a menu at the top of the screen while another might see it down the left side. The testing process might determine that a display ad will attract more eyeballs if it shifts from the left to the right of the main text. Sites that are more successful can collect more from their advertising.

Targeting Small Publishers, Big Market
Ezoic takes a cut of a website’s ad revenue, asking for 20 percent after a 14-day introductory period. Because the company claims its service can double or triple a site’s traffic by scientifically finding the best layout, Cole reasons that it’s “essentially free.”

Ezoic’s target market is small, independent publishers of informational websites. “There are websites about everything,” Cole said, from beekeping to obscure corners of history. And Ezoic executives see such independent websites as an untapped market.

The online advertising market is big: Google Inc. (Nasdaq: GOOG) recently said its quarterly ad network revenue from partner sites was $3.15 billion. Yearly ad revenue for independent publishers could well exceed $1 billion.

Internet Advertising is Increasing
And that market is growing. Mark Evans of Balderton Capital, which led Ezoic’s series A round, cited figures from the Interactive Advertising Bureau saying worldwide spending on Internet advertising is increasing 18 percent yearly.

For now at least, Ezoic is not targeting large businesses. Nor does it work with e-commerce sites. Cole said the largest of websites are able to hire staff to optimize their sites’ layouts.

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