

# Maximizing Online Advertising and Sponsorships

By Daniel M. Ambrose November 2, 2010





#### **Today's Host**



Kim Mateus
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#### Today's Speaker



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#### My background

- Consulting & Training
  - 130+ clients in 16 years including About.com;
     BZ Media; Gulf Publishing; Hearst; iVillage;
     Kaboose.com; MGM; New York Magazine;
     Palm Springs Life; Parade, PC World, Primedia
     Consumer Mags.; Sporting News
- Publisher
  - New York Times Co. -- Child
- Sales Management
  - Hearst Magazines, Cahners, Ziff Davis,
- Advertising Sales;
  - American Film & House Beautiful









#### My background

some personal experiences with Internet

media:

Beliefnet

iVillage

Kaboose

Mediabistro

Introduction







## Agenda

- Six keys to success
- Ad sales economics
- What to sell
- How to package for success
- Infrastructure needs
  - Systems
  - People







## Six Keys to Success

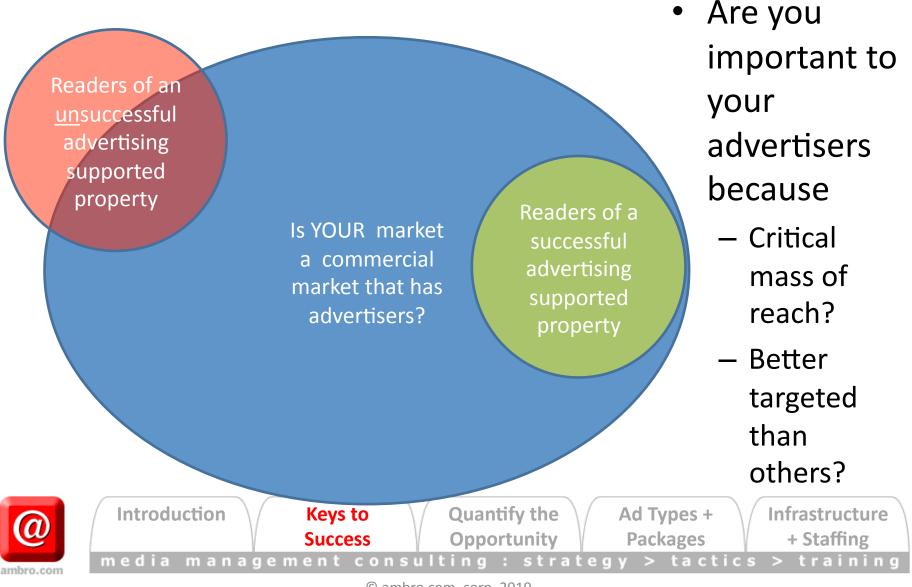
- Market focus and penetration
- Market value
- Place in the purchase funnel
- Designing your site for success
- Volume appropriate for critical mass
- Sales strategy and tactics







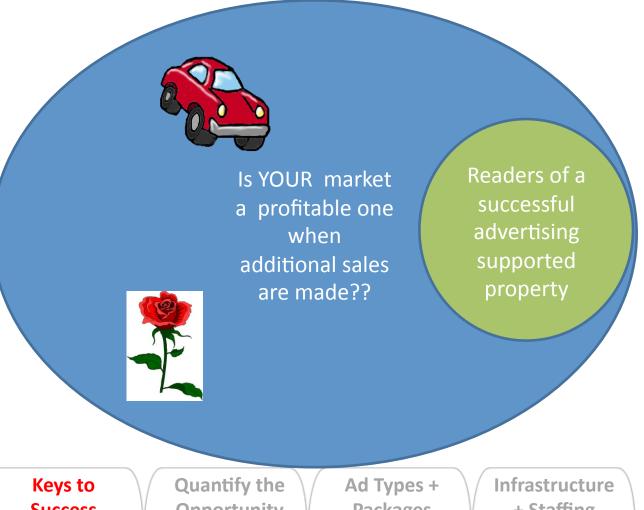
#### 6 Keys: Market focus and penetration





## 6 Keys: Market purchase value

- When an advertiser makes a sale in your market, is it highly profitable?
- High lifetime value of customers acquired by advertisers?



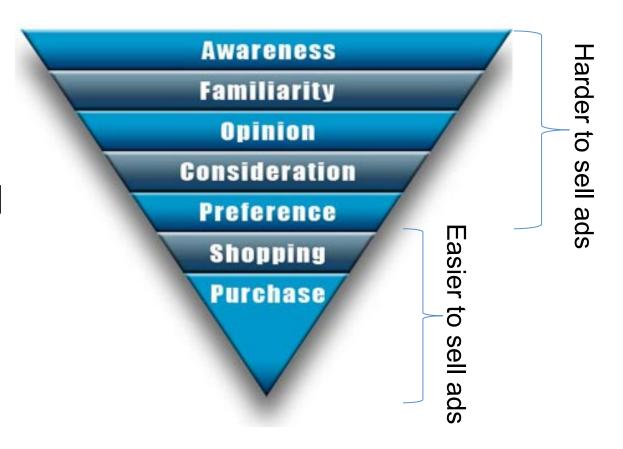




#### 6 Keys:

#### Your place in the purchase funnel

 Do you occupy an important part(s) of the purchase funnel for your advertisers?









#### 6 Keys: Design

**Most Popular HR Tips** 



note it's for an "E-pinions" article, and give us a phone number and best time to

call. All submissions become the property of BLR, Inc.

GET PROMOTED.

Have you
designed your
site and
newsletters to
accommodate
advertising and
deliver value?

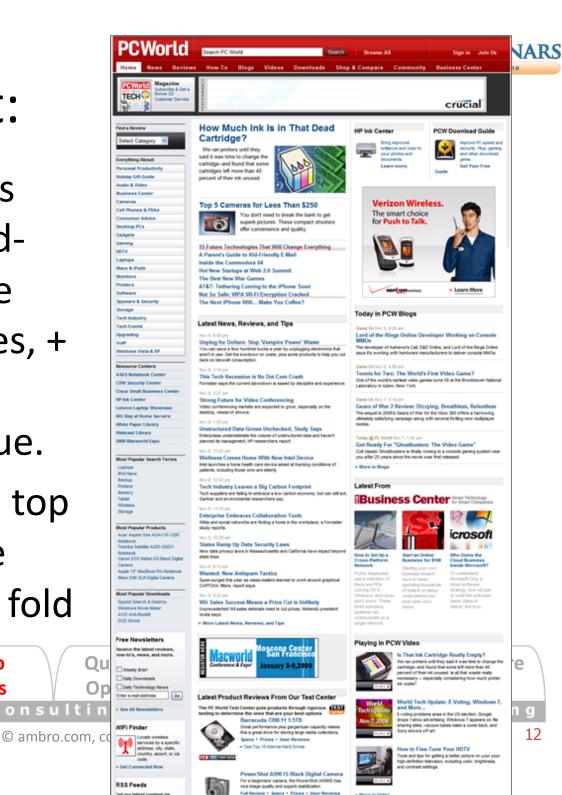
- Visibility above the fold?
- Alternative sponsorship opportunities?



#### State of the art:

- PC World harnesses CPM, CPC, and leadgeneration revenue streams on all pages, + in some cases sponsorship revenue.
- Note how tight the top area is to maximize visibility above the fold



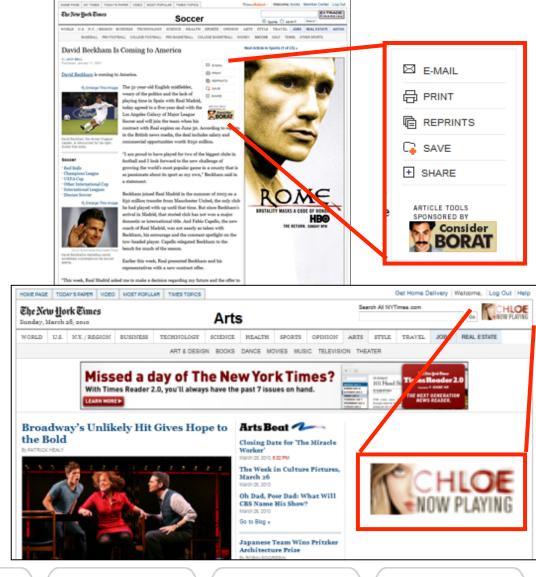


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#### MEQUODA WEBINARS

# 6 Keys: Flexible design

- To appear only when sold
- Minimize un-used white space at the top
- Section or tool sponsorships
  - Small logos that
     appear on a long term
     basis or on every page
     of a section







## 6 Keys: Volume Do you have enough volume to be successful?

|                                     | My Example                   | Your Worksheet |
|-------------------------------------|------------------------------|----------------|
| Leaderboard Banner Rev/impression   | \$ .015<br>(equal to \$15/M) |                |
| Video-Rectangle                     | \$ .025                      |                |
| Skyscraper/impression               | \$ .017                      |                |
| Revenue per Page                    | \$ .057                      |                |
|                                     |                              |                |
| Page views Per Month                | 1,000,000                    |                |
| X Revenue/Page                      | \$ .057                      |                |
| Total Web Ad Rev Potential/Mo.      | \$ 57,000/month              |                |
|                                     |                              |                |
| Email list size                     | 50,000                       |                |
| Email frequency (per month a/ ads)  | 12                           |                |
| Revenue earned per list menber/iss. | \$ .032                      |                |
| Total Email Ad Rev Potential/Mo.    | \$ 19,200/month              |                |



## 6 Keys: Sales

- Do you have enough prospective advertisers to yield enough sales to be successful?
  - Assume a low closing rate
- Your own sales
  - Only if you can achieve high CPM advertising sales
  - Volume to pay for sales costs + profit
  - Ad categories where you can be important to your customers
- You must sell advertising, rather than take orders







# If you have high volume with low costs an alternative to direct sold, CPM, advertising

- Ad networks
- Google AdSense
  - Or Yahoo or Bing perclick text ad networks
- In-text

- Must exceed revenue you could generate from house-ads
- May cause channel conflict with our sales effort







# Inventory is limited by your page views or email volume

- Be ware of the trade-off between advertising and your own internal promotion
  - Know what the ads are worth to you selling internally produced material;
- Use limited advertising availability as an asset, not a liability







# Evaluate Your Advertising Revenue Alternatives and Costs

| Advertising Strategy Analysis                            |                  |                         |                                   |  |  |
|--|------------------|-------------------------|-----------------------------------|--|--|
|  | Successful Sales | Common Sales<br>Outcome | Per-Click and<br>Network Ads Only |  |  |
| Page views/mo.   | 1,000,000        | 1,000,000               | 1,000,000                         |  |  |
| Email volume/mo.   | 500,000          | 500,000                 | 500,000                           |  |  |
| Estimated CPM/page                                       | \$30             | \$30                    | \$5                               |  |  |
| Percentage sold out                                      | 100%             | 50%                     | 100%                              |  |  |
| Total Revenue  | \$45,000         | \$22,500                | \$ 7,500                          |  |  |
| Staff + Marketing +<br>Infrastructure and<br>Sales Costs | \$24,500         | \$22,250                | \$ 5,000                          |  |  |
| Net Contribution   | \$20,500         | \$ 250                  | \$ 2,500                          |  |  |





## Impressions Are the Coin-of-the-Realm

|                     | Online  | Print   | Television/Cable  |  |  |
|---------------------|---|---|---|--|--|
| Common units        | Leaderboard banner  | One page  | :30 second spot   |  |  |
| Language of metrics | Unique users lead to visits which lead to page views which deliver impressions.         | Circulation delivers multiple readers-percopy; each ad in the magazine is assumed to be seen by every reader. | Ratings are a percentage of the total TV households in the US or a given local market. A 3 rating is 3% of the 100,000,000 US TV HH or about 3 million viewers. |  |  |
| Market assumptions  | Assumes readers are sitting at the screen when a page view and impression is delivered. | Assumes each reader looks at every page of the magazine or newspaper.   | Assumes that every person with their TV on is in the room at the time of the commercials and seeing them.   |  |  |
| Media math          | \$3,000 for 100,000<br>impressions = \$30/M   | \$3,000 per page for<br>circulation of 50,000;<br>2 RPC = 100,000<br>readers; therefore<br>\$30/M             | \$30,000 per rating point, if<br>100,000,000 TV HH, rating<br>point = 1,000,000<br>therefore = \$30/M   |  |  |

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#### Grow Your Advertising Based Internet Business

- GrowInventoryto sell withMequodastrategies:
  - SEO
  - SocialMedia
  - Email
  - Navigation
  - Blogs + discussion

|   |           |   | Internet   | : Revenue Potenti   | al Worksheet  |   |  |
|---|-----------|---|--|---|---|---|--|
|   |           | Cumulative effect of improving 5 factors by only 10% each increases the revenue opportunity by 89%. |  |   |   |   | the revenue  |
|   | Base Case | Effective SE O<br>increases Unique<br>Users by 10%  | External Social<br>Media Strategy<br>increases Uniques<br>users by 10% | More frequent and<br>effective<br>eNewsletters<br>increases Visit<br>Frequency by 10% | Improved<br>navigation<br>increases page<br>views per visit by<br>10% | Media; Blogs and Discussion boards increases visit frequency and pageview per visit each by 10% | Cumulative<br>effect of<br>incremental<br>improvement<br>s |
| Unique Users/Month                            | 1 00,000  | 110,000   | 110,000  | 100,000   | 110,000   | 110,000   | 121,000  |
| Average ∀isits per Unique User per<br>Month   | 1.3       | 1.3   | 1.3  | 1.4   | 1.3   | 1.4   | 1.6  |
| Average Pageviewsper ∀isit                    | 4.5       | 4.5   | 4.5  | 4.5   | 5.0   | 5.0   | 5.4  |
| Total Pageviewsper Month                      | 585,000   | 643,500   | 643,500  | 643,500   | 707,850   | 778,635   | 1,036,363  |
| eNewsletter list                              | 10,000    | 11,000  | 11,000   | 11,000  | 11,000  | 11,000  | 12,100   |
| eNewsletter frequency                         | 4         | 4   | 4  | 12  | 4   | 4   | 12   |
| Average CPM sold; Leaderboard                 | \$20.00   | \$20.00   | \$20.00  | \$20.00   | \$20.00   | \$20.00   | \$20.00  |
| Average CPM sold; Medium<br>Rectangle         | \$23.00   | \$23.00   | \$23.00  | \$23.00   | \$23.00   | \$23.00   | \$23.00  |
| Average CPM sold Skyscraper                   | \$22.00   | \$22.00   | \$22.00  | \$22.00   | \$22.00   | \$22.00   | \$22.00  |
| Average revenue per pageview Per<br>click Ads | \$3.00    | \$3.00  | \$3.00   | \$3.00  | \$3.00  | \$3.00  | \$3.00   |
| Sum of revenue per thousand pageviews         | \$68.00   | \$68.00   | \$68.00  | \$68.00   | \$68.00   | \$68.00   | \$68.00  |
| TOTAL REVENUE<br>OPPORTUNITYMO.               | \$42,500  | \$46,750  | \$46,750   | \$52,734  | <b>\$</b> 51,126  | \$55,939  | \$80,346   |



Introduction Keys to Success

**Quantify the Opportunity** 

Ad Types + Packages

Infrastructure + Staffing

\_\_\_\_



## •Questions?





#### Revenue Models

- Web and email banners
- Email sponsorships/blasts
- Sponsorships
- Sponsored Downloads
- Sponsored Webinars
- Network and per-click advertising







## Email is the revenue key strategy



- A clear RROE (Revenue Return On Email) for growing your email list
- Advertisers like it because of immediate impact
- Publish and sell on our own schedule; rather than waiting for readers to remember to return





# Editorial email publishing is a viable strategy



- Has editorial value + carries ads
- Viral

m, corp. 2010

- Targeted
- Immediate impact
- Can carry standard units
- Text ads also possible
- Timing is in your control
  - Increase frequency as demand and sales grow





## Also, you can sell solo emails



- All advertising emails sometimes called eblasts.
- High CPM
- High impact
- Can be on the advertisers' schedule
- Should limit frequency as it may hurt your list of it appears to be spam





#### Basic Ad units

IAB "Universal Advertising Packa



Leaderboard: 728 x 90 pixels

- Recommend
   Leaderboard on
   most every page.
- Some Skyscrapers and more medium rectangles
- (small) Rectangle not critical.





Bureau



Medium Skyscraper 160 x 600 pixels



Interactive Advertising Bureau

Medium Rectangle 300 x 250 pixels



Rectangle 180 x 150 pixels







Innovative ad-units recommended by the Online Publishers Association

 Consider allowing for new units like this on an "as sold" basis.

See live expandable here: http://www.nytimes.com/ads/ demo/43/homepage.html

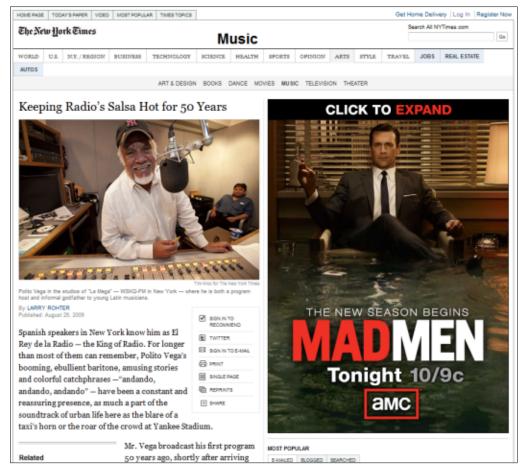
Introduction







#### The XXL Box, New From the OPA



http://www.nytimes.com/2009/08/27/arts/music/27vega.html?\_r=1&ac=MadMen





Sponsorships of site,

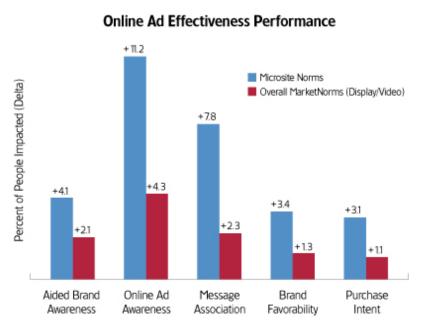


The New York Times



#### **Alternatives**

#### Microsite sponsorship



Source: Dynamic Logic MarketNorms, last 3 years; N=2,461 campaigns, n=3,713,053 respondents; Microsite Norms, N=182 campaigns, n=199,508 respondents; Delta (Δ) = Exposed-Control

- Creating a microsite can be the solution advertisers want
- Value however is delivered by impressions
- Price based on a combination of fixed production fee + impressions to deliver traffic

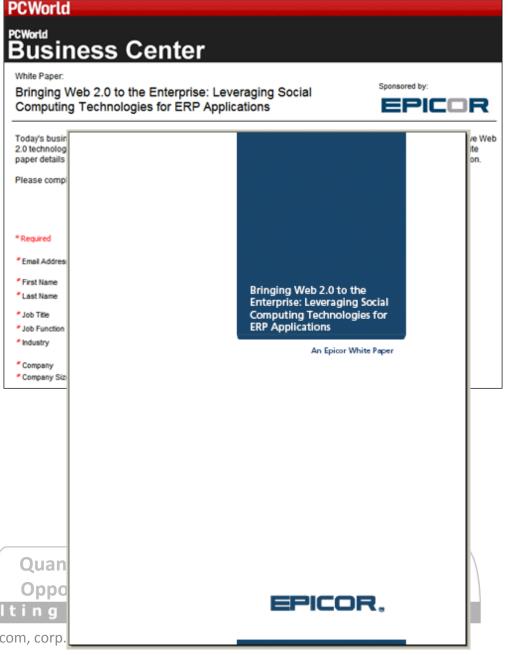






## Alternatives Sponsored/ads in downloads

- Offer sponsors visibility through sponsorship of the downloads you offer in your Mequoda process
- Make the online to offline connection when printed









**GoTo**Meeting<sup>e</sup>

#### **Alternatives**

#### Webinars

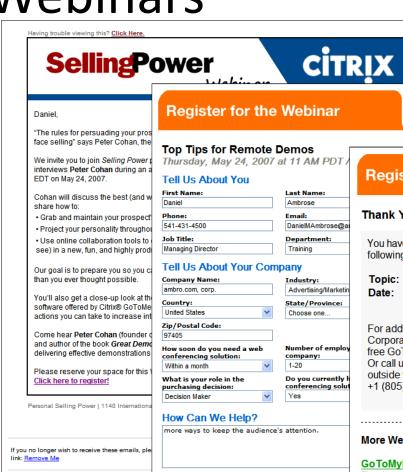
Click here to forward this email to a frie

media

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#### Thank You

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Topic: Top Tips for Remote Demos

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## Webinar pricing

- DO NOT price on registration or attendance
- Price on
  - Cost of creating + profit margin +
  - Value of ads promoting the webinar
    - Banner ads
    - Fmail delivered ads
    - Fblast emails
- Include follow-up report summarizing
  - All the impressions delivered
  - Leads generated





#### **Alternatives**

#### Digital editions

- Not a substitute for our print property
- A great single-sponsor opportunity
  - Remove normal ads and insert ads from a single sponsor
  - Create a "best of" issue with reprinted content all relevant to your sponsor
  - Email to their customer or prospect list; or your list
- Pricing should be a nominal cost-plus fee + marketing exposure





## How to package for successful sales

- Organize opportunities by content section
- A limited number of bigger advertisers is better than many small ones
- Category exclusivity
- Bonus impressions
- Integrated content
- Have an advertiser sponsor your new ideas







## Questions?





## Infrastructure: Ad Serving

- OpenX
- Google Ad Server
- Doubleclick DART for Publishers (Google)
- Atlas (Microsoft)
- 24-7 Open Ad Stream (WPP)
- Ad Juggler







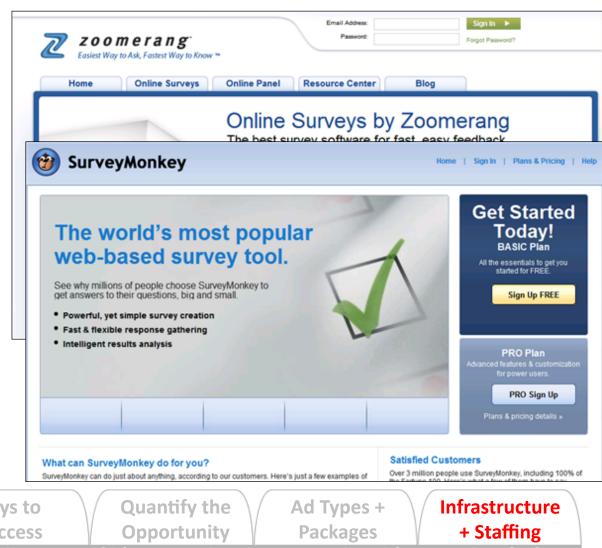
- You need three kinds of research:
  - Market size and characteristics
    - Helps you tell the story for advertisers about what their advertising/marketing needs are
  - Audience size
    - May be compared vs. competitors
  - Audience demographics/psychology/product purchase







- Zoomerang or Survey Monkey
  - Easy to draft, launch and report



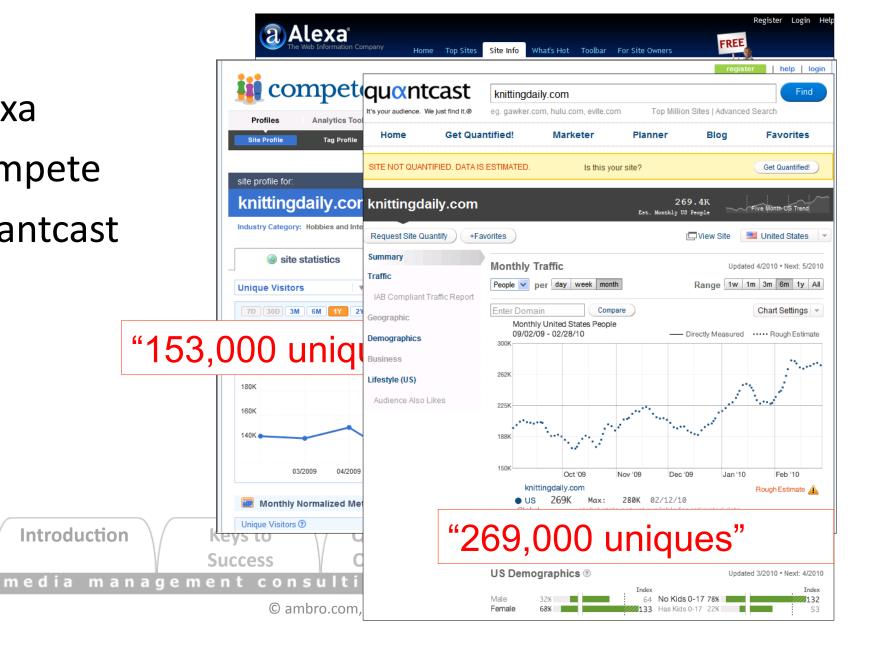






- Alexa
- Compete
- Quantcast

Introduction







- Neilsen NetRatings
- ComScore MediaMetrix

- Very large samples
- Very expensive
- Very detailed data
- Not stable for niche audiences







Keys to

Success



## Infrastructure: Ad-serving

- Dynamically delivered ads
- Recommend 3rd-party serving
  - Google Ad Server
  - Doubleclick Dart for Publishers is the leader
    - Now owned by Google
  - 24-7 RealMedia; Open Ad Stream
    - Now owned by WPP
  - Atlas
    - Now owned by Microsoft
  - Open X, Ad Juggler, Ad Butler,
     BannerMan, Discount Click, ...many
     more

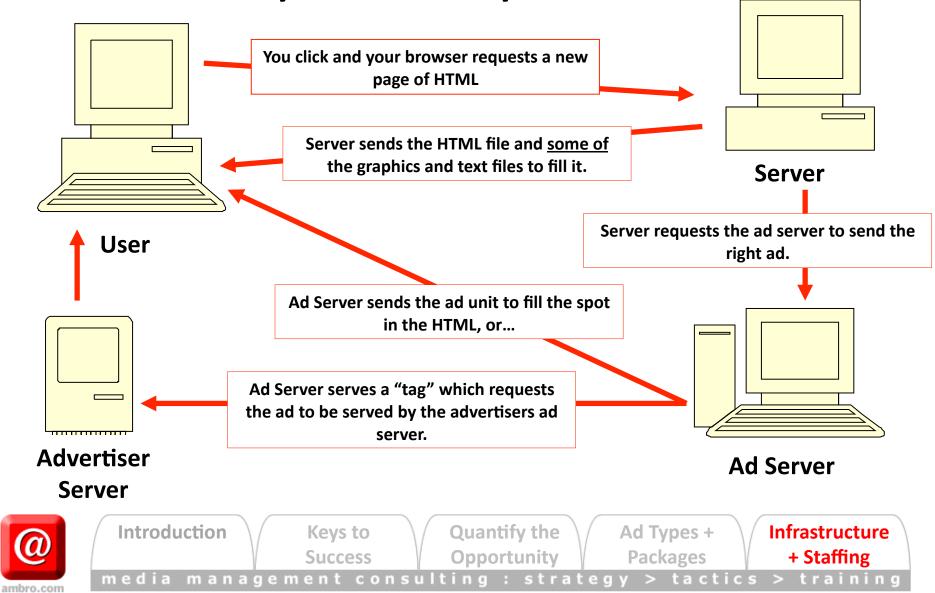
- Provides
  - Confidence via industry standard counting
    - Updated functionality
  - Third party credibility
  - Window for advertisers for monitoring their campaign



Introduction Keys to Success Quantify the Opportunity Packages + Staffing media management consulting: strategy > tactics > training



What is 'dynamically delivered?'





## Staffing: Selling

- Sales
  - Prospects, manages, approximately 100 accounts
- Support
  - Advertising producer
    - Answers 'what can we do?' questions
    - Tracks and manages inventory
    - Operates the ad server
    - Optimizes the campaign
    - Manages and executes other advertising services







# Infrastructure: Proposals

| Internet Advertising Sales Proposal Sheet |  |           |        |         |              |              |          |          |           |            |       |
|---|--|-----------|--------|---------|--------------|--------------|----------|----------|-----------|------------|-------|
|   |  |           |        |         |              |              |          |          |           |            |       |
| Advertiser: Big Spending Casino           |  |           |        |         |              |              |          |          |           |            |       |
| Agency: Medium Local Shop                 |  |           |        |         |              |              |          |          |           |            |       |
| Campaign Dates:                           | Campaign Dates: January 1, to March 31, 2007 |           |        |         | This propo   |              |          |          |           |            |       |
|   |  |           | Flight | Dates   |              |              |          |          |           |            |       |
|   |  | Impressio |        |         | Added        | Added        | ROS      | CPM      | Total     |            |       |
| Positioning                               | Ad Unit                                      | ns        | Start  | End     | Services     | Service      | CPM      | Increase | CPM       | Total Cost | Notes |
| Home Page Week One                        | Leaderboard                                  | 10,000    | 1/1/07 | 1/7/07  | HomePage     |              | \$25.00  | \$ 2.00  | \$ 27.00  | \$270      |       |
| Home Page Fridays                         | M Rectangle                                  | 120,000   | 1/1/07 | 3/31/07 | DayTargeting |              | \$ 25.00 | \$ 3.00  | \$ 28.00  | \$3,360    |       |
| Entertainment Section                     | SkyScraper                                   | 50,000    | 1/1/07 | 3/31/07 | Roadblock    | DayTargeting | \$25.00  | \$ 4.00  | \$ 29.00  | \$1,450    |       |
| Entertainment Section                     | Leaderboard                                  | 50,000    | 1/1/07 | 3/31/07 |              |              | \$ 25.00 |          | \$ 25.00  | \$1,250    |       |
| Entertainment Section                     | M Rectangle                                  | 50,000    | 1/1/07 | 3/31/07 |              |              | \$ 25.00 |          | \$ 25.00  | \$1,250    |       |
| Run of Site                               | Leaderboard                                  | 100,000   | 1/1/07 | 3/31/07 |              |              | \$ 25.00 |          | \$ 25.00  | \$2,500    |       |
|   |  |           |        |         |              |              | \$ 25.00 |          | \$ 25.00  | \$0        |       |
|   |  |           |        |         |              |              | \$ 25.00 |          | \$ 25.00  | \$0        |       |
|   |  |           |        |         |              |              | \$ 25.00 |          | \$ 25.00  | \$0        |       |
| Total Impressions                         |  | 380,000   |        |         |              |              | To       |          | otal Cost | \$10,080   |       |
|   |  |           |        |         |              |              |          | Aver     | age CPM   | \$26.53    |       |





|            | Advertiser:                           |  | Agency:  |               |   |        |  |   |   |  |   |              |   |                                 |
|------------|---------------------------------------|--|--|---------------|---|--------|--|---|---|--|---|--------------|---|---------------------------------|
|            | Fiscal Year =                         | Nemuer,                                    | Februery   | Merch         | You!                                    | Wey    | ouns                                     | May                                     | August                                  | No.  | Jogo<br>Owo<br>Owo<br>Owo               | November     | December                                | Total<br>Primary<br>Impressions |
|            | In Print; issue specials:             | Starch<br>Issue ?                          |  | ************* | *************************************** |        |  | Starch<br>Issue?                        |   |  |   | ************ |   |                                 |
| Propos     | als Title 1                           | Specta<br>cular<br>Hologr<br>aphic<br>Unit | 3 PP<br>Gate-<br>fold<br>opens<br>XXX<br>section | Spread        | Spread                                  | Spread | Spread                                   | Spread                                  | Spread                                  | 3 PP<br>Gate-<br>fold<br>opens<br>xxx<br>section | Spread                                  | Spread       | Spread                                  | 1,884,000                       |
|            | Title 2 - annual special              |  |  |               |   | Specta |  |   |   |  |   |              |   | 75,000                          |
|            | Title 3 - annual special              |  |  |               | Specta                                  |        |  |   |   |  |   |              |   |                                 |
|            | insert additional rows as needed      |  |  |               |   |        |  |   |   |  |   |              |   |                                 |
|            | Subtotal Print Impressions            |  |  |               |   |        |  |   |   |  |   |              |   | 1,959,000                       |
|            | Direct Mail                           |  |  |               |   |        |  |   |   |  |   |              |   |                                 |
|            | Event Invitation Mailing              |  | Event<br>Invitati<br>on<br>promot<br>ion         |               |   |        | Event<br>Invitati<br>on<br>promot<br>ion |   |   |  |   |              |   |                                 |
|            | Subtotal Invitation Impressions       |  |  |               |   |        |  |   |   |  |   |              |   |                                 |
|            | In Person                             |  |  |               |   |        |  |   |   |  |   |              |   |                                 |
|            | Test Drive Promotion                  | Location                                   | Location   |               |   |        | Location                                 |   |   |  |   |              |   |                                 |
|            | Subtotal Live Event Impressions       |  |  |               |   |        |  |   |   |  |   |              |   |                                 |
|            | Online                                |  |  |               |   |        |  |   |   |  |   |              |   |                                 |
|            | Banner                                |  |  |               |   |        |  |   |   |  |   |              |   |                                 |
|            | Skyscraper                            |  |  |               |   |        |  |   |   |  |   |              |   |                                 |
|            | Rectangle                             |  |  |               |   |        |  |   |   |  |   |              |   |                                 |
|            | insert additional rows as needed      |  |  |               |   |        |  |   |   |  |   |              |   |                                 |
|            | Subtotal Online Impressions           |  |  |               |   |        |  |   |   |  |   |              |   | 0                               |
|            | Email Newsletter Sponsorship          |  |  |               | 9339333333                              |        |  | 000000000000000000000000000000000000000 |   |  |   |              |   |                                 |
|            | Title I eNewsletter name here         |  |  |               |   |        | ***********                              |   | *************************************** |  |   |              | *************************************** |                                 |
|            | Title 2 eNewsletter name here         |  |  |               |   |        |  |   |   |  |   |              |   |                                 |
| Introd     | insert additional rows as needed      |  |  |               |   |        |  | 500000000000000000000000000000000000000 | 0000000000000                           |  | 200000000000000000000000000000000000000 |              |   |                                 |
| $(\omega)$ |                                       |  |  |               |   |        |  |   | т.                                      | tal Impe   | occiono                                 |              |   | 0                               |
| media      | * Pricing offered with right of first |  |  |               |   |        |  |   | Total Impressions  Total Cost           |  |   |              |   | 0                               |
| ambro.com  | Competitive exclusive "               | "  | contingent upon complete package.                |               |   |        | ge.                                      |   |   |  | Tot                                     | al CPM       |   |                                 |





# Staffing: Servicing

- Because client can see results mid-campaign, they require constant service on what is called 'optimization'
- Most of my clients tell me the need at least one internal support staff, managing inventory, trafficking ads, optimizing, producing custom solutions for every sales person







# Staffing: Innovating

- When you want to launch a new initiative, how can you estimate audience for sponsors?
  - i.e.; iPad app, digital magazine, webinar, etc.
- Every new app needs marketing
  - sell an over-all sponsorship that includes all the impressions for co-branded promotion for the new initiative
  - Primary value in the package is the co-branded marketing...the advertiser can count on that







# Questions

## Thank you

Daniel M. Ambrose Managing Partner Ambro.com, corp.

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541-431-4500



Introduction Keys to Success Opportunity Packages + Staffing media management consulting: strategy > tactics > training



### **Upcoming Events**

#### **Upcoming Seminars:**

Content Marketing 2010 with Don Nicholas & Kim Mateus

November 9<sup>th</sup> – Miami, FL

**November 30**<sup>th</sup> – San Francisco, CA

December 2<sup>nd</sup> – Denver, CO

**December 16th** – Boston, MA

#### CONTENT MARKETING

Discover & Master the Seven Step System
Thousands of Content Marketers, Producers
& Publishers are Using to Make Millions Online



#### **Upcoming Webinars:**

November 23<sup>rd</sup> – Writing Killer Text Ads Speakers: Don Nicholas, Editor-in-Chief, Mequoda & Peter A. Schaible, Chief Copywriter, Mequoda.

**December 14**<sup>th</sup> – Actionable Analytics Guest Speaker: Greg Kriehbel,





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